

Unizyx Holding Corporation(3704)

2022 Fourth Quarter Earnings Conference

March 15, 2023

Safe Harbor Notice

- **The statements contains historical information and forward-looking statements.**
- **Such forward-looking statements involve unknown risks and uncertainties , which may cause the actual performance, financial condition or results of forecast of Unizyx Holding Corporation to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements**

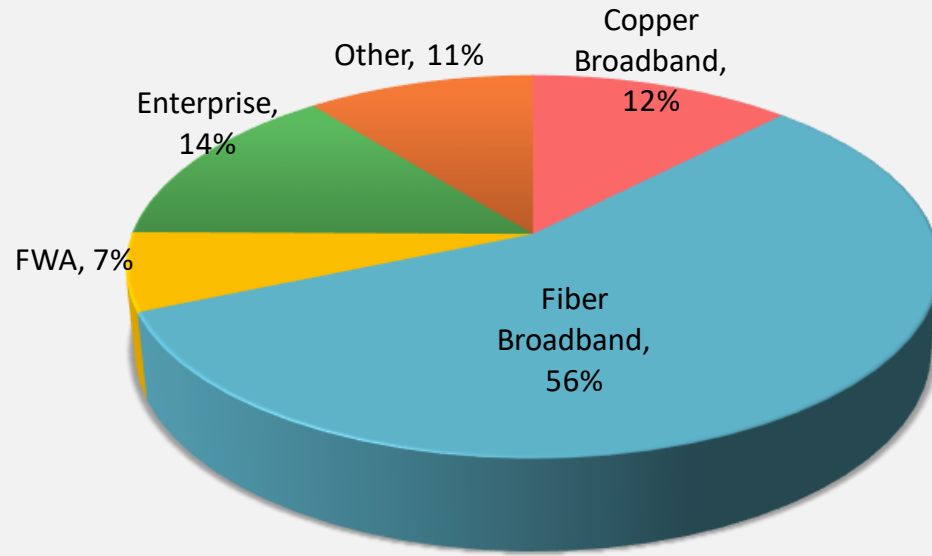
22Q4 Statements of Comprehensive Income

| Unit: NT\$ Million | <u>22Q4</u> | <u>%</u> | <u>22Q3</u> | <u>%</u> | <u>21Q4</u> | <u>%</u> | <u>QoQ%</u> | <u>YoY%</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
| Net Sales | 8,597 | 100.0% | 8,661 | 100.0% | 6,396 | 100.0% | -0.7% | 34.4% |
| Cost of Goods Sold | 6,427 | 74.8% | 6,669 | 77.0% | 4,895 | 76.5% | -3.6% | 31.3% |
| Gross Profit | 2,170 | 25.2% | 1,992 | 23.0% | 1,501 | 23.5% | 8.9% | 44.5% |
| Operating Expenses | 1,487 | 17.3% | 1,275 | 14.7% | 1,296 | 20.3% | 16.6% | 14.7% |
| Operating Income | 682 | 7.9% | 719 | 8.3% | 206 | 3.2% | | |
| Non-Operating Income | (185) | -2.1% | 217 | 2.5% | 17 | 0.2% | | |
| Income before Tax | 497 | 5.8% | 936 | 10.8% | 223 | 3.5% | | |
| Income Tax (Gain) | 41 | 0.5% | 170 | 2.0% | 47 | 0.6% | | |
| Net Income | 456 | 5.3% | 766 | 8.8% | 176 | 2.8% | | |
| Net Income to Shareholders of the Parent Company | 456 | 5.3% | 763 | 8.8% | 175 | 2.7% | | |
| EPS (NT Dollar) | 1.15 | | 1.81 | | 0.39 | | | |

2022 Statements of Comprehensive Income

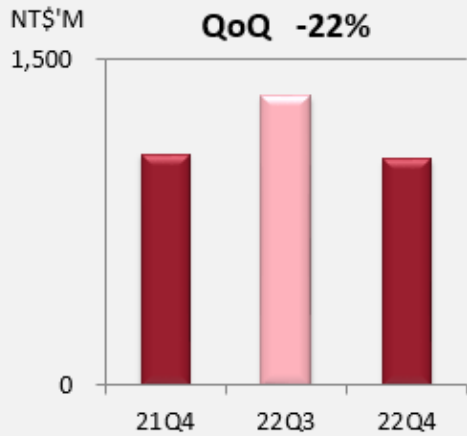
| Unit: NT\$ Million | <u>2022</u> | <u>%</u> | <u>2021</u> | <u>%</u> | <u>YoY%</u> |
|---|--------------|--------------|--------------|--------------|--------------|
| Net Sales | 30,516 | 100.0% | 25,682 | 100.0% | 18.8% |
| Cost of Goods Sold | 23,528 | 77.1% | 19,621 | 76.4% | 19.9% |
| Gross Profit | 6,988 | 22.9% | 6,061 | 23.6% | 15.3% |
| Operating Expenses | 5,141 | 16.8% | 4,635 | 18.0% | 10.9% |
| Operating Income | 1,847 | 6.1% | 1,425 | 5.6% | 29.6% |
| Non-Operating Income (Loss) | 145 | 0.4% | 13 | 0.0% | 1015.4% |
| Income before Tax | 1,992 | 6.5% | 1,438 | 5.6% | 38.5% |
| Income Tax (Gain) | 364 | 1.2% | 343 | 1.3% | 6.1% |
| Net Income | 1,627 | 5.3% | 1,095 | 4.3% | 48.6% |
| Net Income to Shareholders of the Parent Company | 1,618 | 5.3% | 1,097 | 4.3% | 47.5% |
| EPS (NT Dollar) | 3.87 | | 2.49 | | |

22Q4 Revenue by Product



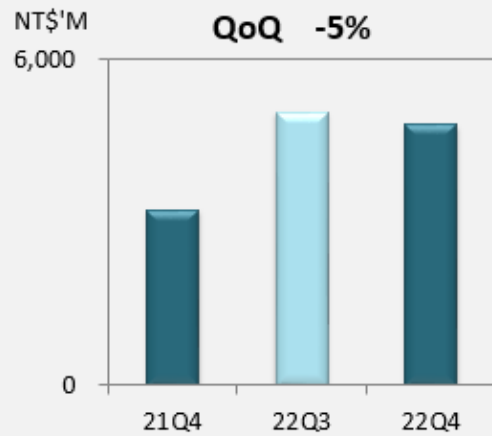
Copper Broadband

YoY -2%
QoQ -22%



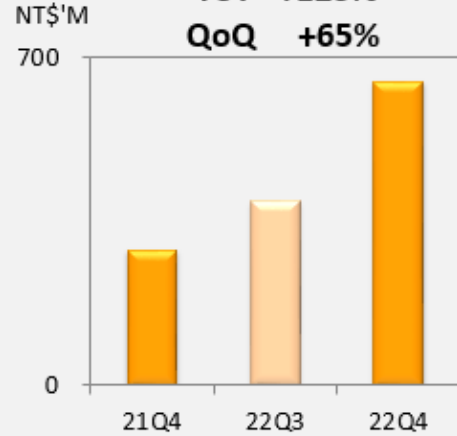
Fiber Broadband

YoY +49%
QoQ -5%



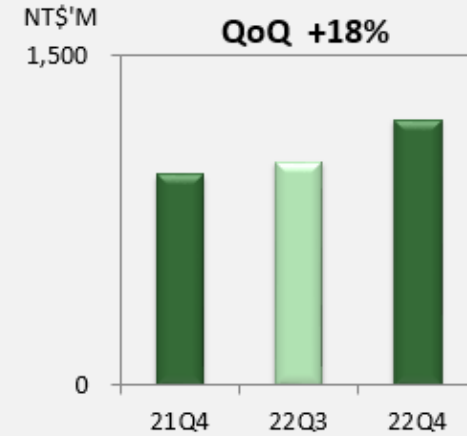
FWA

YoY +125%
QoQ +65%



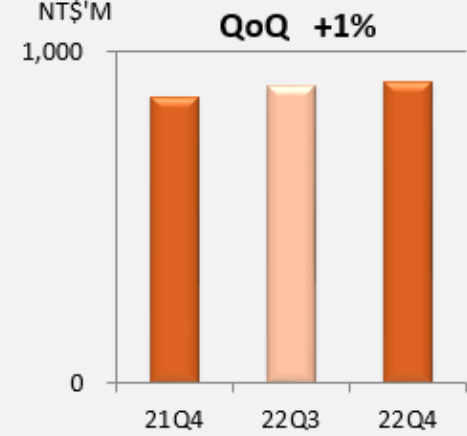
Enterprise

YoY +26%
QoQ +18%

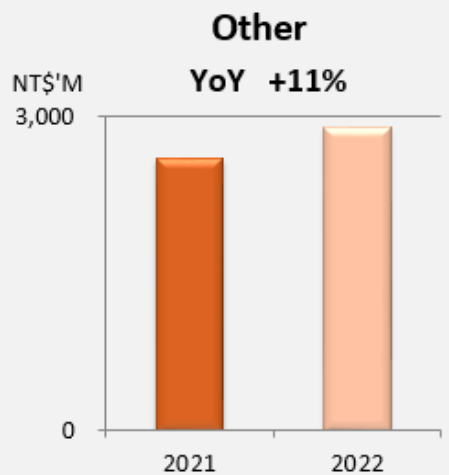
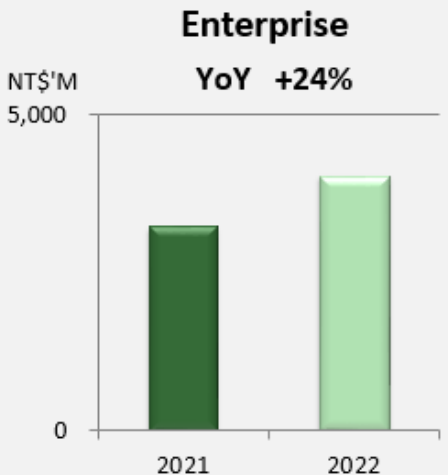
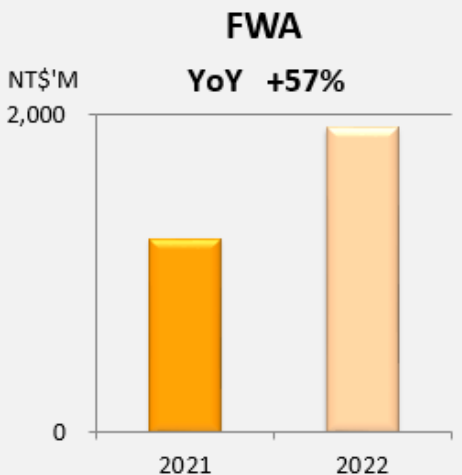
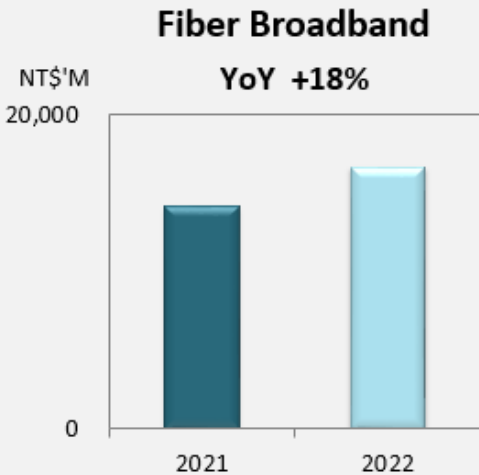
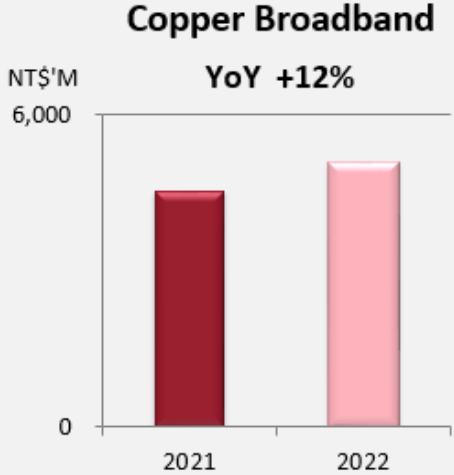
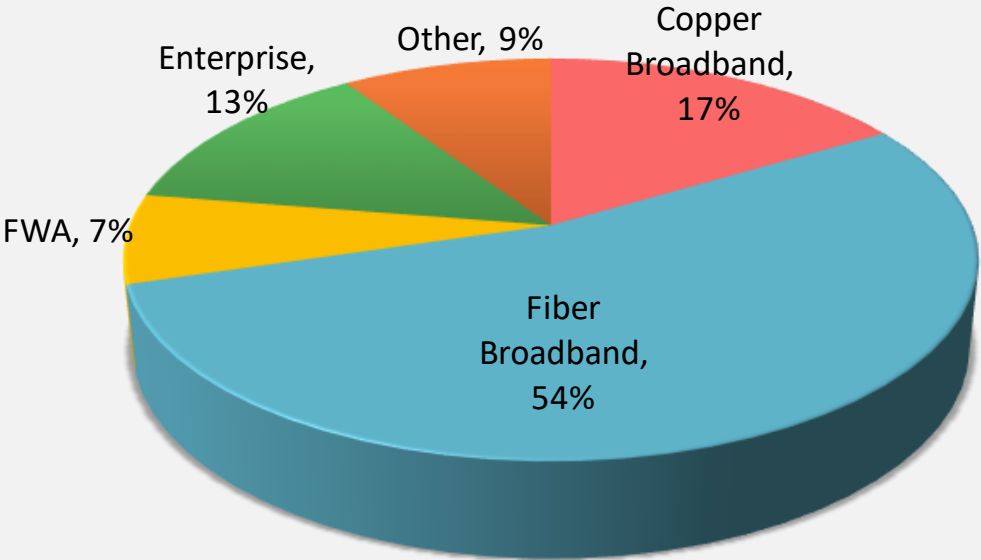


Other

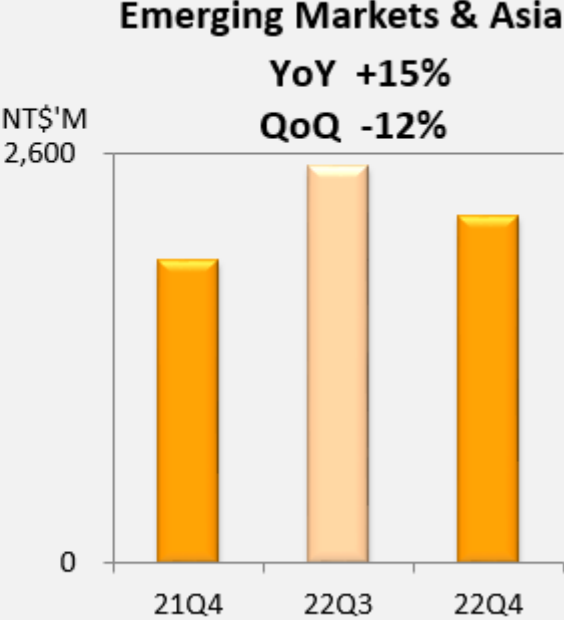
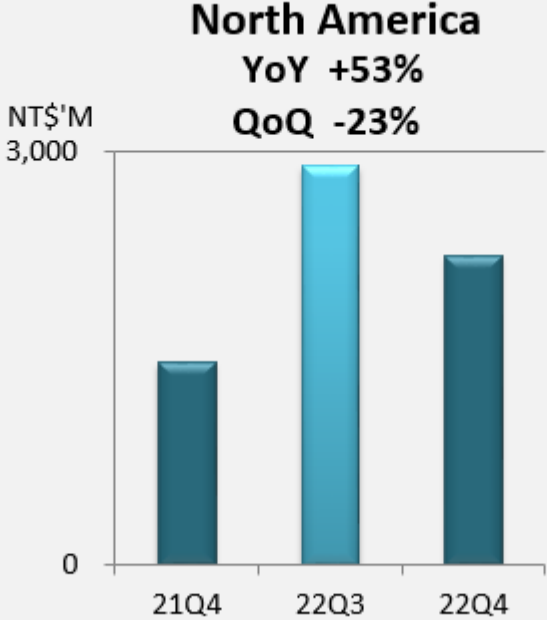
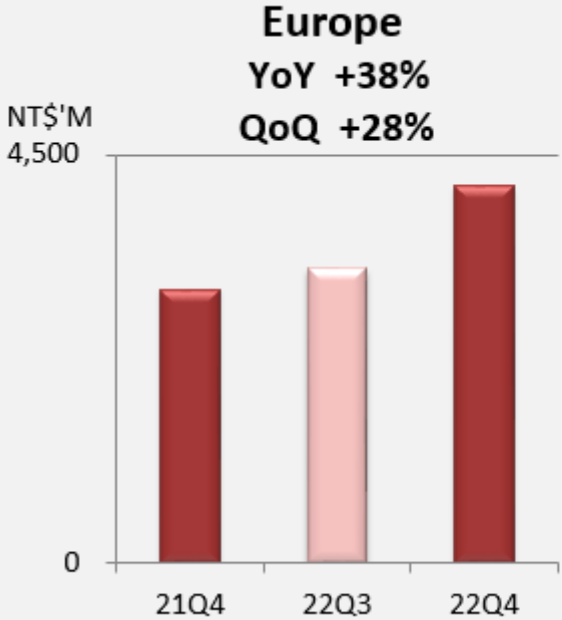
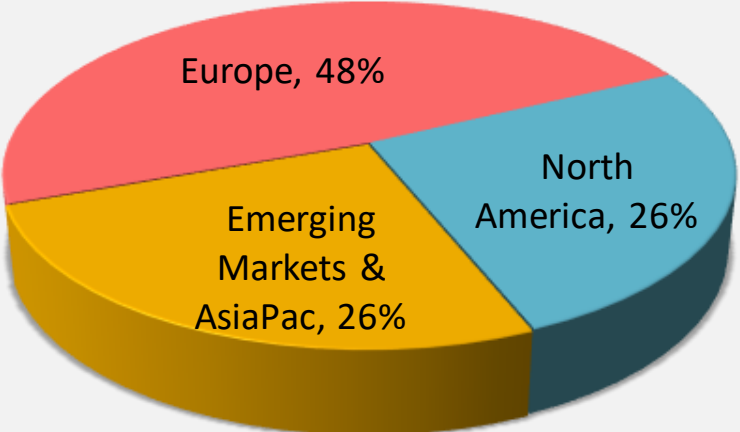
YoY +5%
QoQ +1%



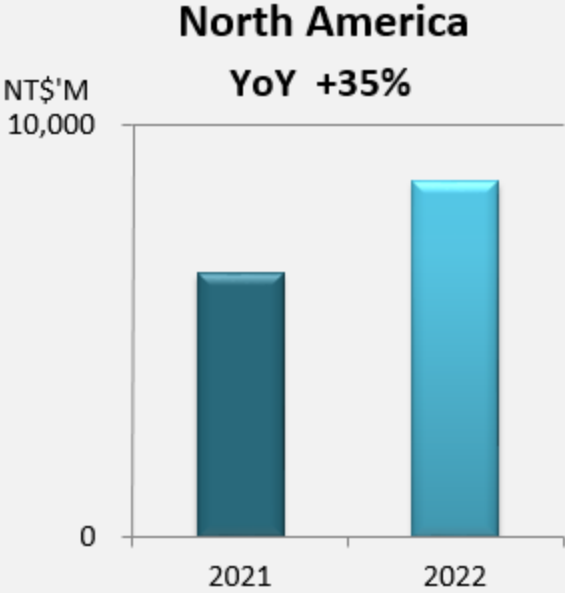
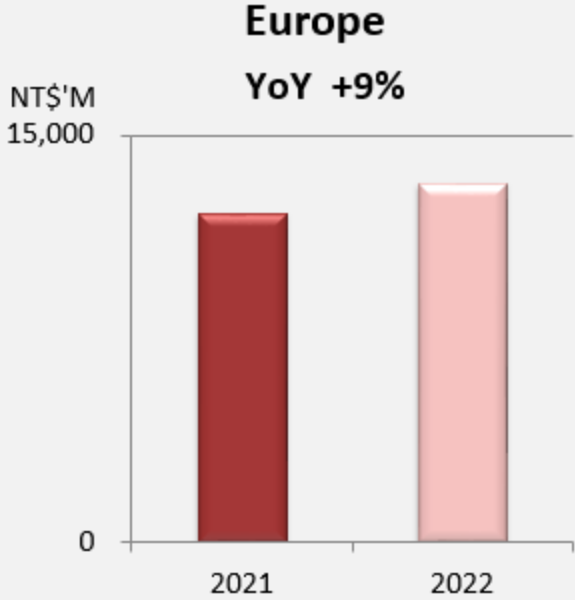
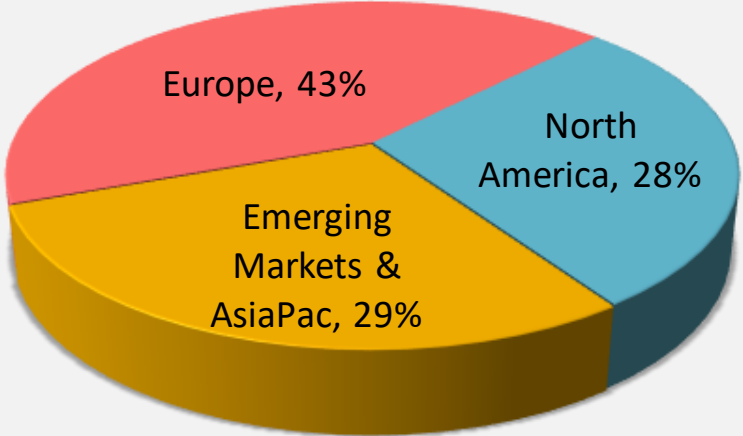
2022 Revenue by Product



22Q4 Revenue by Region



2022 Revenue by Region



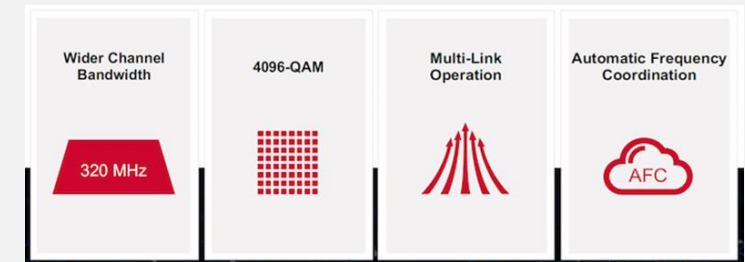
Balance Sheets & Key Indices

| Unit: NT\$ Million | <u>2022.12.31</u> | <u>%</u> | <u>2022.09.30</u> | <u>%</u> | <u>2021.12.31</u> | <u>%</u> |
|-------------------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|
| Cash and Cash Equivalents | 6,040 | 22% | 6,456 | 24% | 5,293 | 25% |
| Accounts Receivable | 8,449 | 31% | 7,525 | 29% | 5,543 | 26% |
| Inventories | 8,001 | 30% | 7,598 | 29% | 6,212 | 29% |
| Long-term Investments | 171 | 1% | 194 | 1% | 147 | 1% |
| Property, Plant and Equipment | 1,891 | 7% | 1,831 | 7% | 1,699 | 8% |
| Other Assets | 2,511 | 9% | 2,644 | 10% | 2,500 | 11% |
| Total Assets | 27,063 | 100% | 26,248 | 100% | 21,394 | 100% |
| Current Liabilities | 14,402 | 53% | 14,148 | 54% | 9,524 | 45% |
| Non-Current Liabilities | 2,647 | 10% | 2,662 | 10% | 2,650 | 12% |
| Total Liabilities | 17,049 | 63% | 16,810 | 64% | 12,174 | 57% |
| Total Equity | 10,014 | 37% | 9,438 | 36% | 9,220 | 43% |
| Book Value per Share | 25 | | 24 | | 20 | |
| Key Indices | | | | | | |
| AR Turnover Days | 85 | | 71 | | 81 | |
| Inventory Turnover Days | 112 | | 104 | | 112 | |
| Current Ration (X) | 1.6 | | 1.6 | | 1.8 | |

Technology and Service Trends : Service Provider

- ❑ 2.5G PON optical network has become the mainstream of the Broadband market, 10G PON optical network and 5G FWA network are growing.
- ❑ In broadband network market, new wireless LAN technologies WiFi 6/ 7 are indispensable.

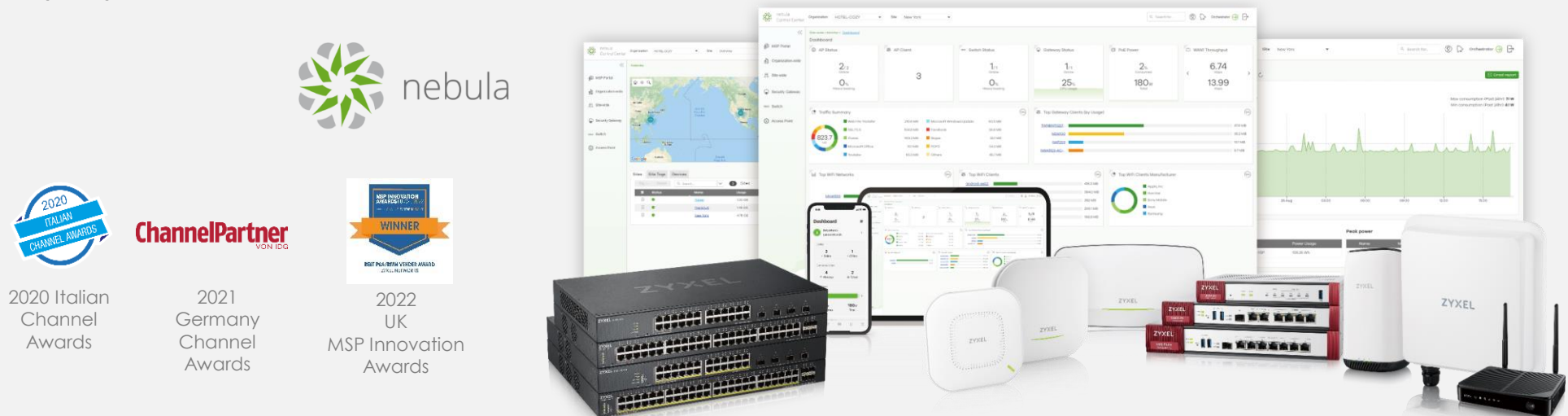
Wi-Fi 7 Key features



- ❑ Unizyx continues in Service Provider
 - (1) 2.5G PON fiber optical devices : Emerging areas bypass VDSL and adopts optical broadband and affordable WiFi AX3000.
 - (2) High-end 10G PON optical equipment and 10G WiFi gateway: Europe and US demands Multi-Giga devices and cut-in WiFi 7 & skip WiFi 6E.
 - (3) 5G FWA fixed wireless broadband devices: Europe and US expand the usage of FWA broadband, 5G FWA spreads to New Zealand and Australia.
- ❑ Operators will run service-oriented business model in the future, and BBF Broadband Forum sees changes in operators to promote open ecosystem. Unizyx works on the software technology of broadband solutions, and develops general-purpose products with open architecture to seize this market shift opportunity.

Technology and Service Trends : Enterprise

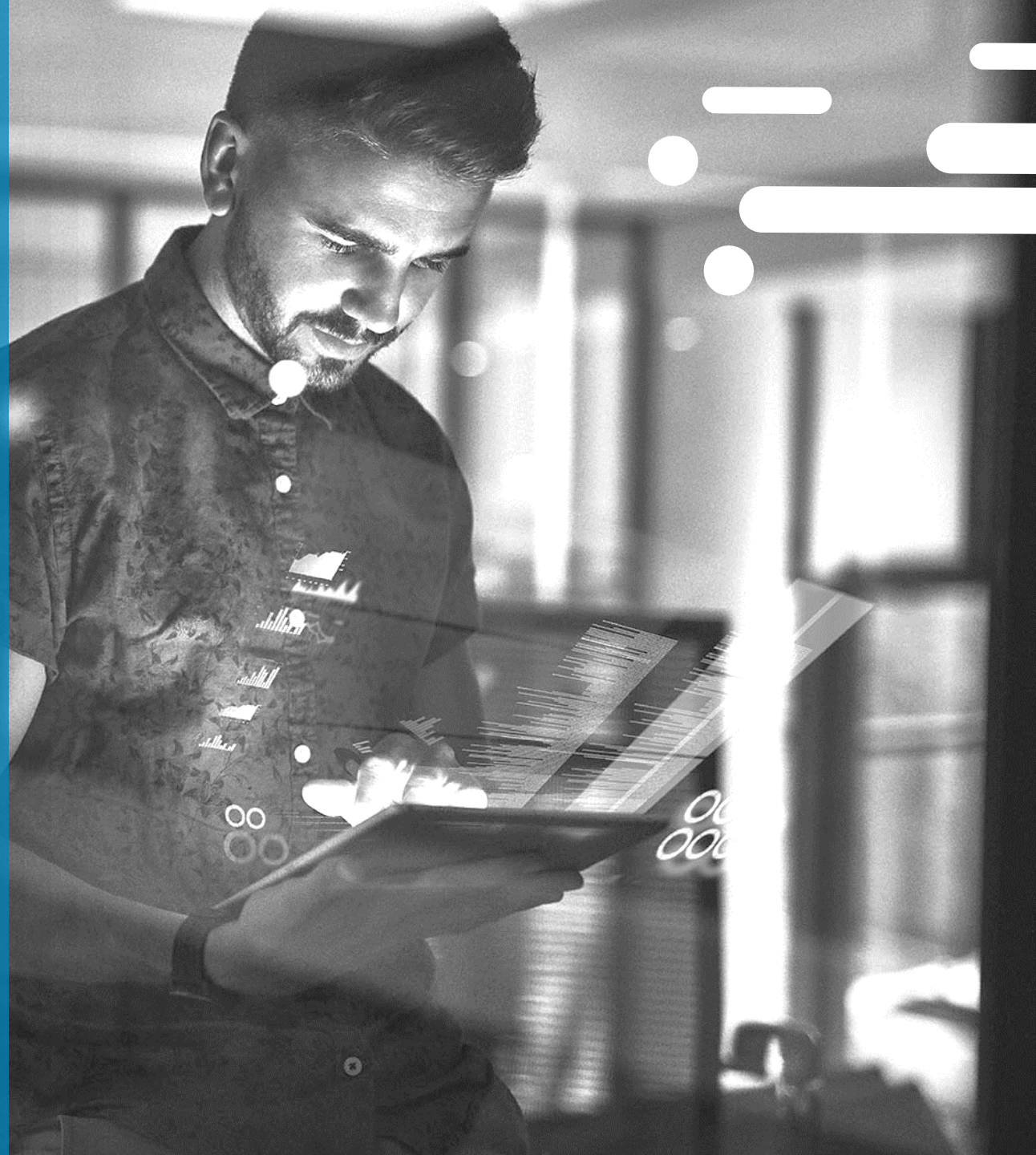
- ❑ Strong demand from WiFi 6 & SMB market. YoY growth of WLAN 32% & Switch 26% in 2022, and both record high.
- ❑ The remote manageability of Nebula cloud networking helps boost H/W sales during COVID/WFH time.
- ❑ WiFi 6E/7 triggers the upgrade of network infrastructure (Mgig, PoE++, security gateway). R&D capability advances the time to market.
- ❑ Security license subscription is having strong demand in 2023.
- ❑ Zyxel Nebula improves the ease of use of commercial grade network equipments, which helps penetrate into small biz and home market.



Unizyx

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2023 Outlook



Q&A



Thank you

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