Zyxel Group Corporation(3704)

2026 Third Quarter Earnings Conference

November 03, 2026

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.**

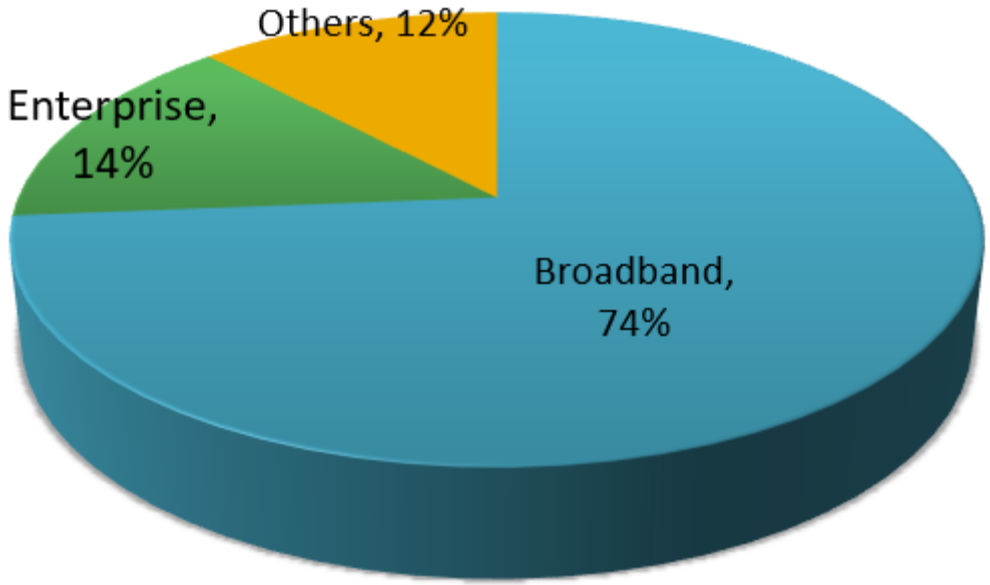
26Q3 Statements of Comprehensive Income

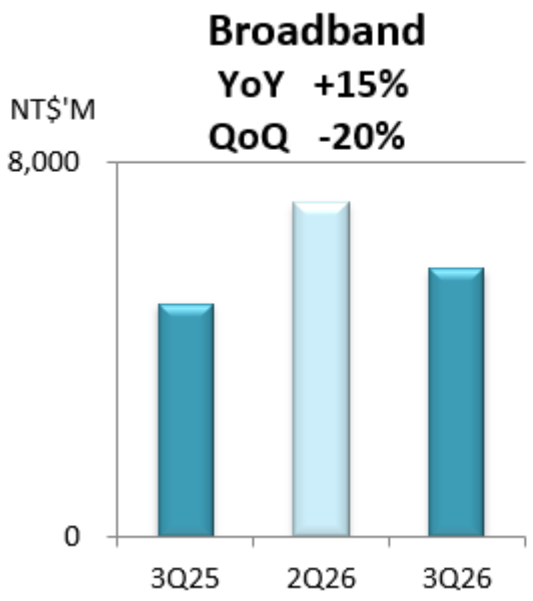
Unit: NT$ Million	3Q26	%	2Q26	%	3Q25	%	QoQ%	YoY%
Net Sales	7,753	100.0%	8,751	100.0%	6,417	100.0%	-11.4%	20.8%
Cost of Goods Sold	5,775	74.5%	6,677	76.3%	4,501	70.1%	-13.5%	28.3%
Gross Profit	**1,978**	**25.5%**	**2,074**	**23.7%**	**1,916**	**29.9%**	**-4.6%**	**3.2%**
Operating Expenses	1,406	18.1%	1,367	15.6%	1,434	22.4%	2.9%	-2.0%
Operating Income	**572**	**7.4%**	**707**	**8.1%**	**482**	**7.5%**		
Non-Operating Income (Loss)	28	0.3%	4	0.0%	213	3.3%		
Income (Loss) before Tax	600	7.7%	711	8.1%	695	10.8%		
Income Tax (Gain)	118	1.5%	182	2.1%	135	2.1%		
Net Income (Loss)	482	6.2%	529	6.0%	560	8.7%		
Net Income to Shareholders of the Parent Company	**469**	**6.0%**	**513**	**5.9%**	**555**	**8.6%**		
EPS (NT Dollar)	1.15		1.26		1.37			

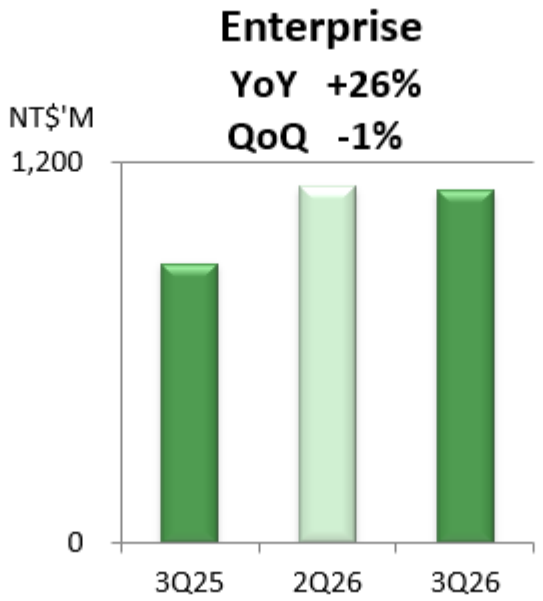
2026 3Q YTD Statements of Comprehensive Income

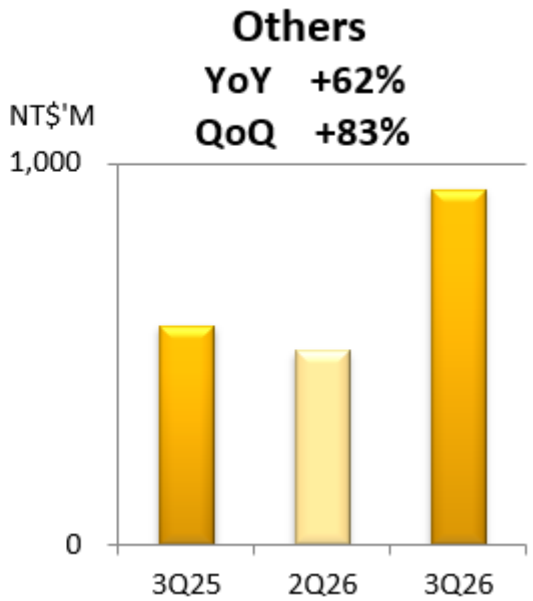
Unit: NT$ Million	1Q~3Q '26	%	1Q~3Q '25	%	YoY%
Net Sales	22,815	100.0%	19,639	100.0%	16.2%
Cost of Goods Sold	17,248	75.6%	14,625	74.5%	17.9%
Gross Profit	**5,567**	**24.4%**	**5,014**	**25.5%**	**11.0%**
Operating Expenses	4,173	18.3%	4,236	21.5%	-1.5%
Operating Income	**1,394**	**6.1%**	**778**	**4.0%**	79.2%
Non-Operating Income (Loss)	29	0.1%	(115)	-0.6%	125.2%
Income before Tax	1,423	6.2%	663	3.4%	114.6%
Income Tax (Gain)	295	1.3%	195	1.0%	51.3%
Net Income	1,128	4.9%	468	2.4%	141.0%
Net Income to Shareholders of the Parent Company	**1,099**	**4.8%**	**456**	**2.3%**	141.0%
EPS (NT Dollar)	2.71		1.13		

3Q26 Revenue by Product

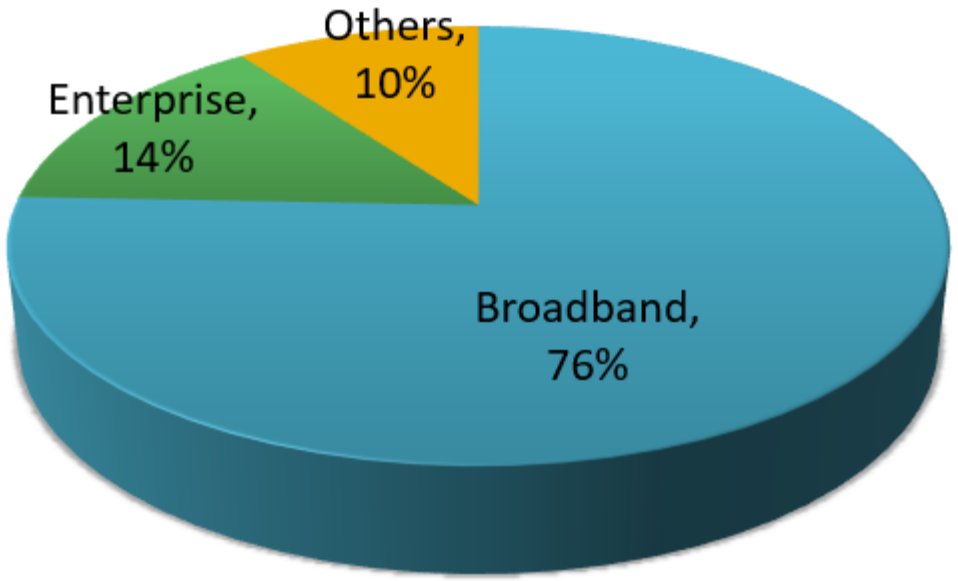


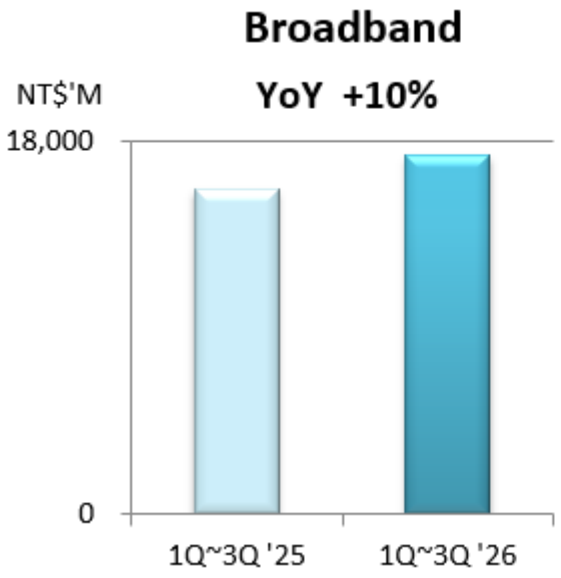


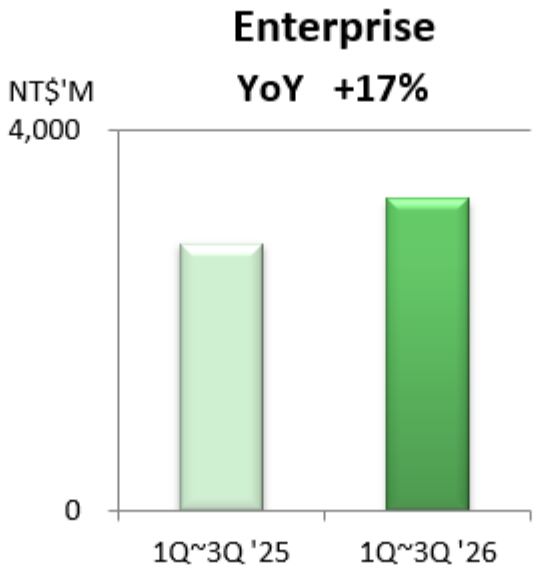


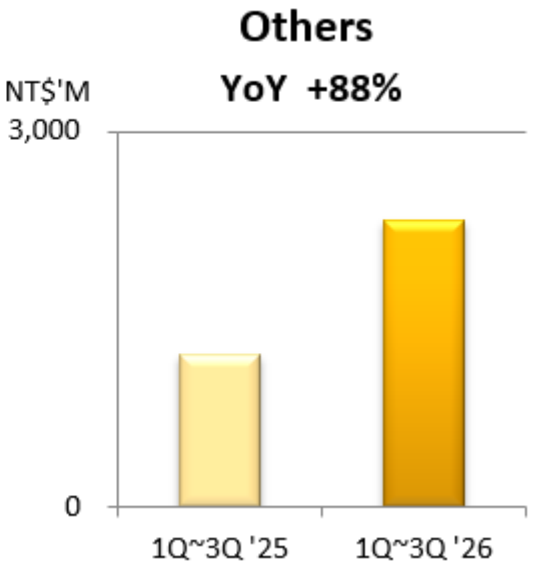


2026 3Q YTD Revenue by Product

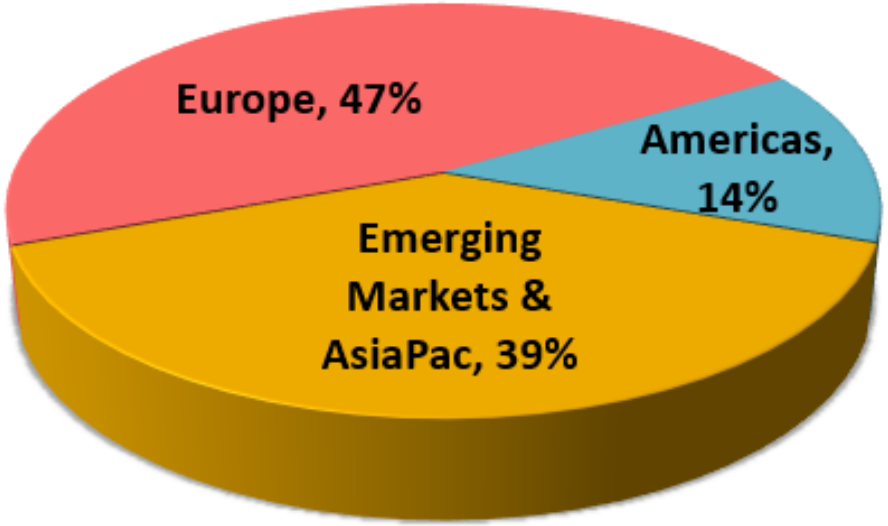


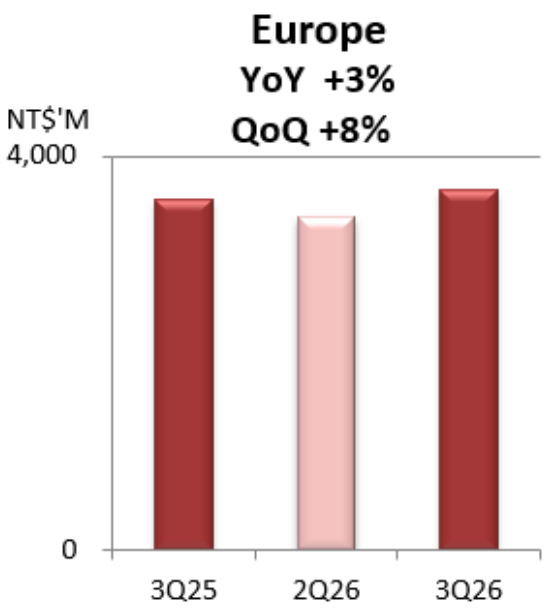


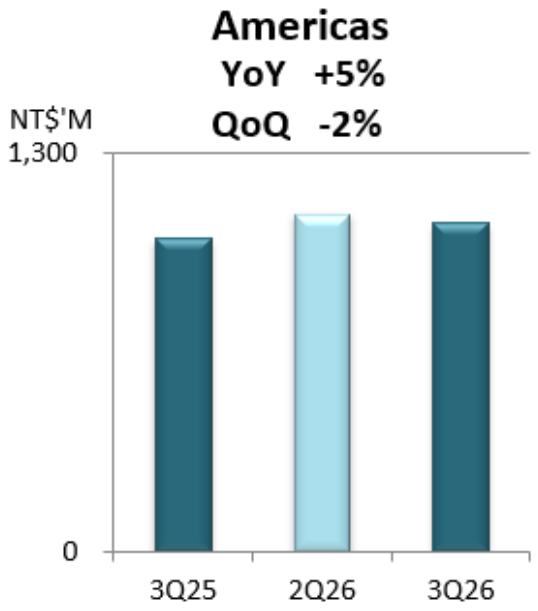


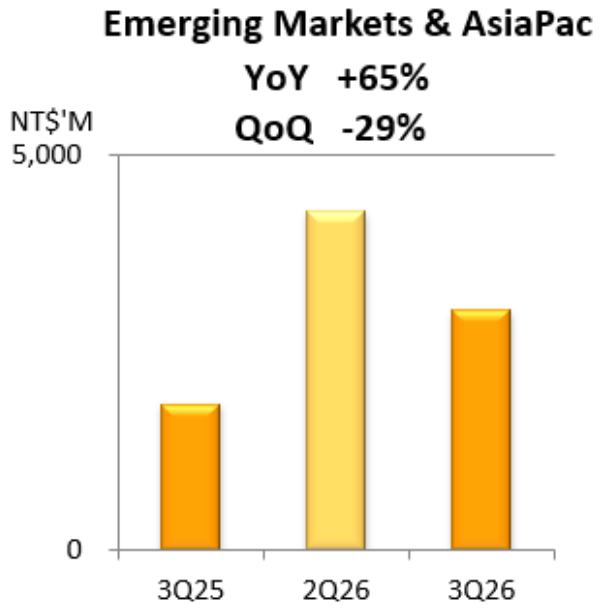


3Q26 Revenue by Region

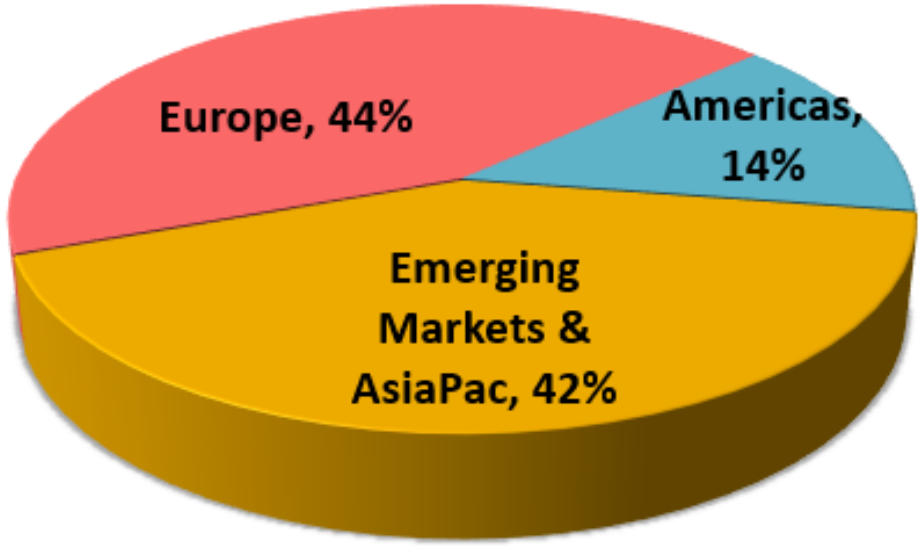


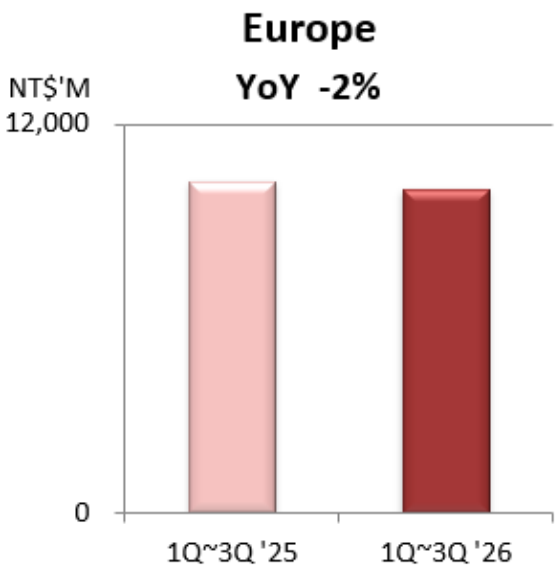


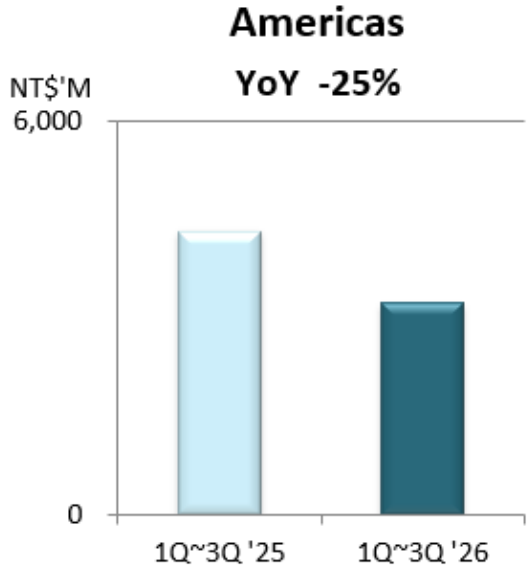


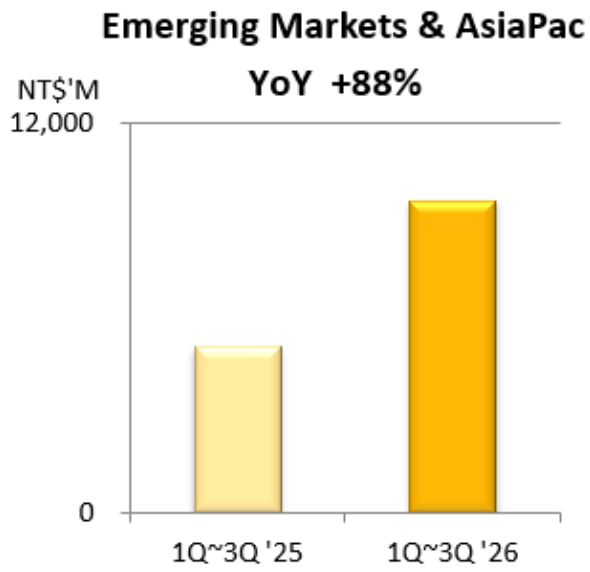


2026 3Q YTD Revenue by Region









Balance Sheets & Key Indices

Unit: NT$ Million	2026.09.30	%	2026.06.30	%	2025.09.30	%
Cash and Cash Equivalents	3,925	12%	2,780	10%	2,755	12%
Accounts Receivable	9,963	31%	10,357	36%	7,113	32%
Inventories	11,300	35%	8,876	31%	5,852	26%
Long-term Investments	315	1%	303	1%	360	2%
Property, Plant and Equipment	2,655	8%	2,532	9%	2,347	11%
Other Assets	4,011	13%	4,129	14%	3,861	17%
Total Assets	**32,169**	**100%**	**28,977**	**100%**	**22,288**	**100%**
Current Liabilities	18,551	58%	15,874	55%	10,167	46%
Non-Current Liabilities	749	2%	732	2%	672	3%
Total Liabilities	**19,300**	**60%**	**16,606**	**57%**	**10,839**	**49%**
Total Equity	**12,868**	**40%**	**12,372**	**43%**	**11,449**	**51%**
Book Value per Share	**31**		**30**		**28**	
Key Indices						
AR Turnover Days	121		89		96	
Inventory Turnover Days	161		109		119	
Current Ration (X)	1.5		1.5		1.7	

Service Provider Technology & Service Trend - Next-Generation Telecommunications

Open Source Software

- Open Software Frameworks (Prpl, RDK-B , Openwrt), won 2026 prpl Alliance's Best Contribution Award
- Tier 1 Recognition and Wi-Fi 8 RFP Shortlisting

OpenWrt WIRELESS FREEDOM · RDK · OpenSync · prpl

Cloud Management & Applications

- AI-Powered Zyxel One, Optimizing Wi-Fi Management
- Cloud Subscriptions Driving Recurring Revenue

Zyxel One



Network Infrastructure & Data Centers

- OLT–Cloud–CPE Integration & 50G Hybrid OLT Development
- European Telecom Wins 50Gbusiness and approaching OOBM Market Expansion



Cybersecurity

- EU CRA Compliance & AI-Driven Post-Quantum Security
- Built up Post-Quantum Hardware Co-Development platform





Connectivity

- Wi-Fi 8 & 50G PON development ready
- Advancing Toward Tier-1 Deployment

Wi-Fi 8 · 50G PON · matter

AI

- LLM-Powered Edge AI for OLT, CPE, IoT, and Network Management
- Zyxel AI Box enable new product line for increase revenue



ESG

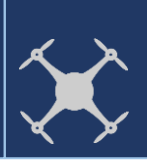
- Energy-efficient, recyclable designs enhanced by AI
- EU-aligned sustainability supporting existing customer needs





Emerging Communications and Networking Technologies

- Drone & Unmanned Connectivity Co-Development
- Start shipments Dron product







Service Provider Technology & Service Trend - End-to-End AI Telecom Services

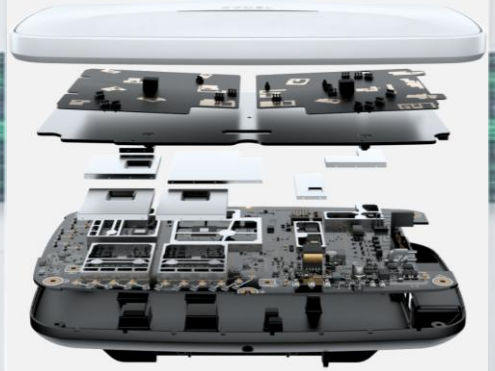
Cloud AI ⟵ Edge AI

Application Control	Cloud Service	OLT	CPE	Edge AI
				
LLM-Powered Network Support, Remote Monitoring & Intelligent Agents	AI-Driven Network Detection, Learning & Self-Healing	Optimizing Network Energy via Edge AI Traffic Prediction	Edge AI-Enabled Smart Products	Private, Cost-Efficient Edge AI for Smart Homes

- LLM & Edge AI Integration
- End-to-End AI-Driven Telecom Ecosystem
- AI-Driven Telecom Value Solutions: Lowering OpEx and Expanding Revenue

Enterprise Networking Trends - SMB Backbone Upgrades

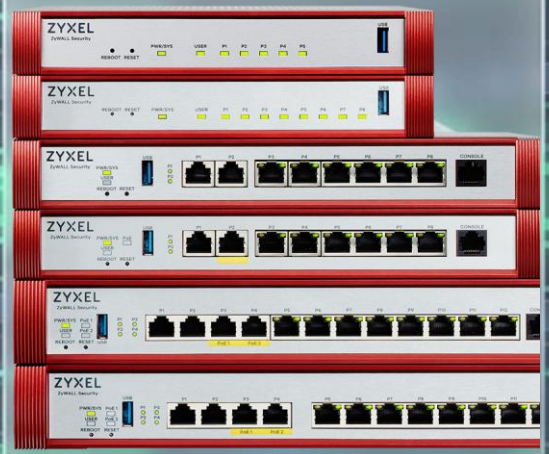
2026–2027:
WiFi 7 Adoption and WiFi 8 Launch



2.5G / 5G / 10G Access and High-Power PoE Upgrades



10G UTM and Next-Generation Firewall Refresh for the Backbone



A Complete Network Refresh: Zyxel End-to-End Solutions, from Access to 10G Security Firewalls

Enterprise Networking Trends - AI Security & Cloud Management

Challenges & Technology Trends	Zyxel Core Solutions
WiFi 7/8 & Multi-G	Next-Generation 10G Switches and UTM
Centralized Multi-Site Management	Nebula Cross-Platform Integration
Integrated Networking and Cybersecurity	Unified Access and Security Interface
Cost Efficiency and AI Risk Management	Generative AI Diagnostics and USG FLEX H
IT Staff Shortages and Managed Services	Nebula Multi-Tenant Flexible Subscriptions



Outlook



Q&A




ZYXEL
GROUP