YAGEO Corporation

November 2023

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Group Statement

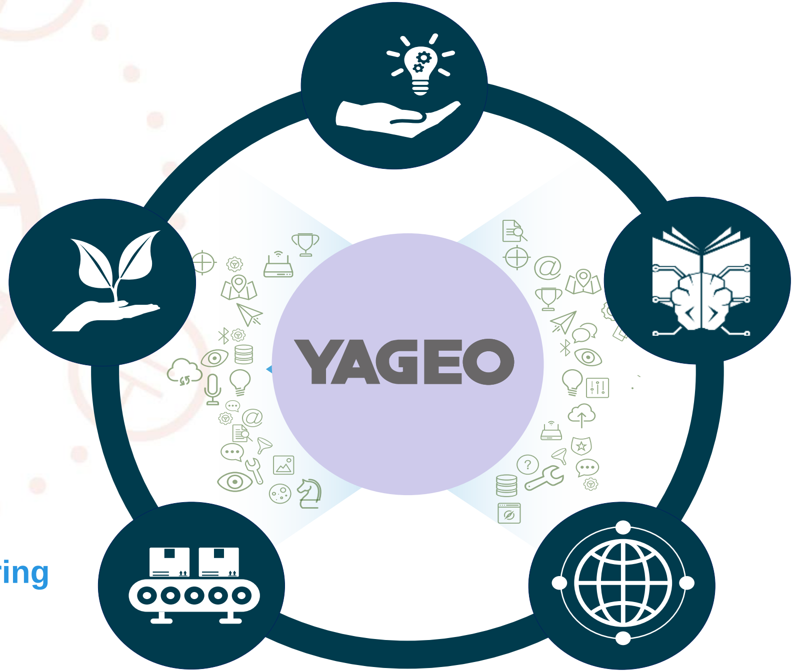
<u>Our Vision</u>:
Innovative Service Around the Globe

<u>Our Mission</u>:
Empowering the Future with Innovative Component Solutions

Company Strategies

A Provide total solutions with broad product selections (resistors, capacitors, inductors, and wireless/power components) across all market segments with focus on new technologies (5G, automotive(EV), industrial, and IoT)

E Continue to grow organically and through M&A and become a passive component power house



B Provide innovative and customized services such as design-in, EDI, JIT, VMI, and online B2B services to our clients

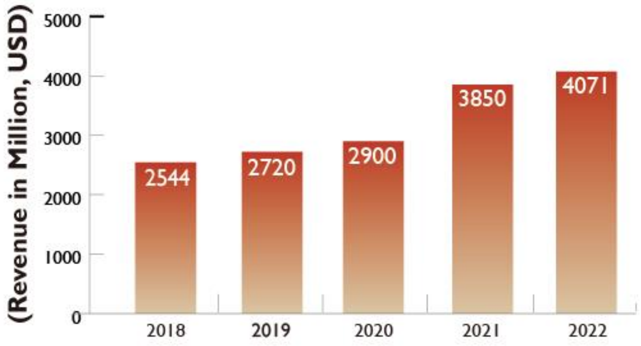
D Continue to enhance our expertise in both manufacturing craft and technologies advancement

C Expand our global presence and scale through our global sales and network, distributors, and blue-chip focused customers

YAGEO at a Glance

YAGEO was founded in 1977, public listed on TWSE since 1993.

- Our expanded global community and footprint makes us an industry leader with greater opportunities for our employees and customers, and increased ability for high-growth segments and applications.
  - ➢ **No. 1 in Chip resistors**
  - ➢ **No. 1 in Tantalum capacitors**
  - ➢ **No. 3 in MLCCs**
  - ➢ **No. 3 in Inductors**
- Market caps reached around **NTD$ 241 billion as of Nov. 27th, 2023**.
- Included in the **MSCI Taiwan Index**, **FTSE/TWSE Taiwan 50 Index**, **and TWSE Taiwan Employment Creation 99 Index**.



US$4.1 billion
Revenue

40,000
Employee Worldwide

53
Manufacturing Sites

20
R&D Centers

35
Sales Offices

A Global Passive Component Leader

- YAGEO is the world's only electronic component and service provider who has all three of the main pillars of the passive component industry—resistors, capacitors, and inductors, with each of the products having the leading position among its peers.
- YAGEO has extended its product portfolio to circuit protection components, wireless components and sensors. After years of international acquisitions and internal product portfolio optimization, YAGEO has transformed to a premium solution provider with high design-in capability and extensive reach into those hard to penetrate segments and markets.
- YAGEO has strong global presence with 35 sales offices, 53 manufacturing sites, and 20 R&D centers in 32 nations worldwide.

A Global Passive Component Leader

- As total passive component solution provider, YAGEO offers innovative global logistics, electronic data interchange, design-in services, web-based self-helped platforms, and online B2B interfaces with advanced IT solutions and other ease-of-doing-business tools.
- YAGEO products are widely used in all kinds of electronic applications, including automotive, industrial, 5G, IoT, cloud/data center, telecommunications, power supplies, medical, aerospace, alternative energy, computers and peripherals, and consumer electronics.
- YAGEO has a strong and diversified customer profile, including global brand customers, leading EMS, ODM/OEM, and distributors.

A Global Passive Component Leader

- In October 2022, YAGEO announced to acquire Heraeus Nexensos, the global leader in premium platinum thin-film temperature sensors, in an all-cash transaction of EUR 79.4 million, and to acquire Telemecanique Sensors, a leading global specialist in mission-critical electromechanical and electronic sensors in an all-cash transaction with an estimated equity value of approximately EUR 686 million, respectively.
- YAGEO closed the deal of Nexensos and Telemecanique Sensors in April and November 2023, respectively, and completed the merger of inductor maker Chilisin in January 2022, through a share-swap transaction. Earlier, YAGEO also completed the mergers of KEMET in June 2020 and Pulse Electronics in December 2018, with total equity valued US$ 1.64 billion and US$ 740 million in cash, respectively.
- YAGEO reached its highest revenue of NTD$ 121.1 billion in 2022 and delivered 20.1% of ROE, 38% of Gross Margin, and 23.9% of Operating Margin, with EPS of NT$ 44.22 in 2022.

Broad Product Offering Targeting Key Verticals

Automotive

Alternative Energy

Industrial

Monitoring/Power

IoT/
Communications

Medical/
High Reliability

Consumer

Computer Related

Telecom

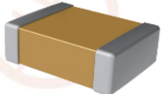
Aerospace/ Defense

High Voltage

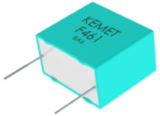
Portable Devices

Chip Resistors


Leaded Resistors


MLCC

Tantalum Capacitor



Film Capacitor


Aluminum ECap


METCOM Inductors


Wireless Antenna

RF filters


Inductor


Circuit Protection

Various Customer Base

Brand :

TESLA, BOSCH Invented for life, Continental, BorgWarner, DENSO, HELLA, HIRSCHMANN, MAGNETI MARELLI, Valeo

G, NVIDIA, intel, hp, DELL, IBM, WD Western Digital, Microsoft, CISCO, NOKIA, SIEMENS

PHILIPS, BOSE, SONY, Panasonic, TOSHIBA, Alcatel·Lucent, ERICSSON, ZF

SAMSUNG ELECTRONICS, LG, HITACHI Inspire the Next, MITSUBISHI ELECTRIC, DAIKIN, HORIBA Explore the future, OSRAM, Danfoss, Zollner

Vehicle power and data solutions YAZAKI All Systems Go™, HYUNDAI MOBIS, Hanon SYSTEMS, KOSTAL, MAGNA, TERUMO PHARMACEUTICAL SOLUTIONS, solaredge, ARRIS

HUAWEI, ZTE, Lenovo, mi, Skyworth, Haier, Medtronic, motorola

EMS / OEM :

FOXCONN, PEGATRON, Quanta Computer, COMPAL, Inventec

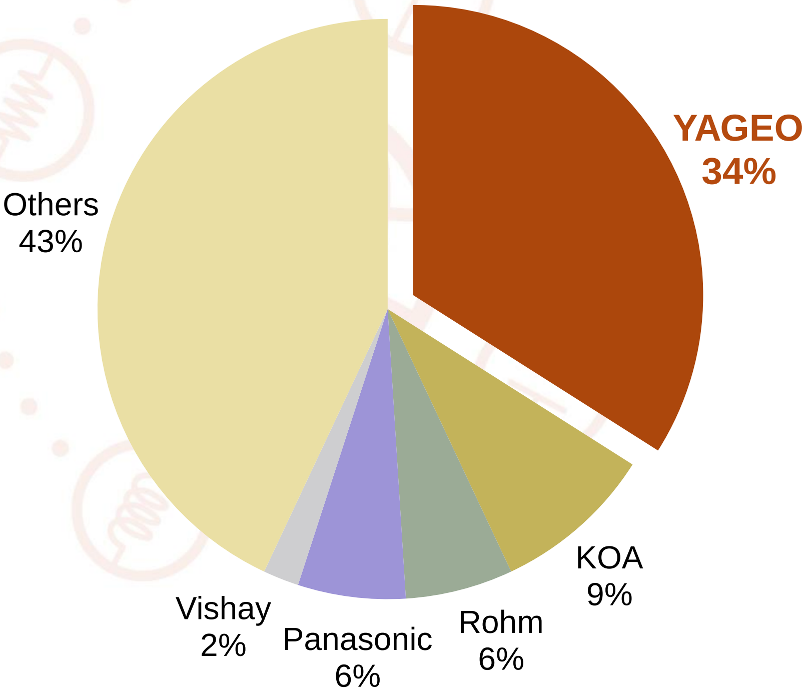
flex, JABIL, SANMINA-SCI, Celestica, wistron

Distributor :

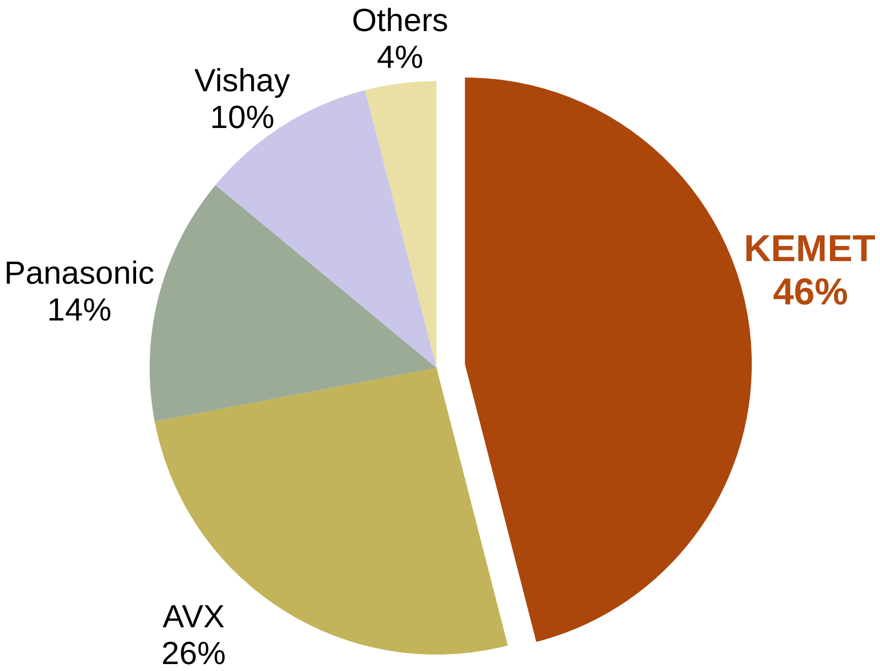
tti, ARROW, AVNET Reach Further™, FUTURE ELECTRONICS, RUTRONIK ELECTRONICS WORLDWIDE, Digi-Key ELECTRONICS, MOUSER ELECTRONICS

Leading Market Position

Chip Resistors - Ranked No. 1

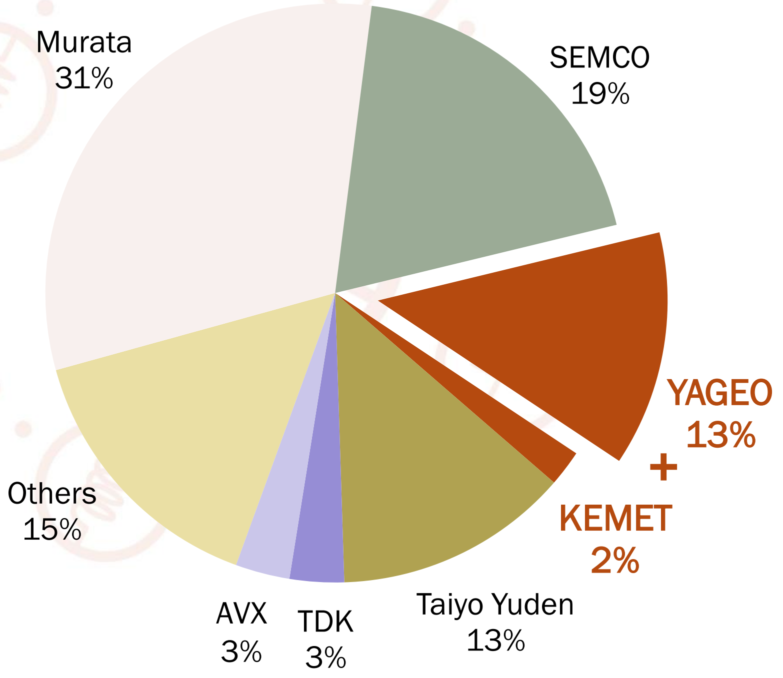


Tantalum Capacitors - Ranked No. 1

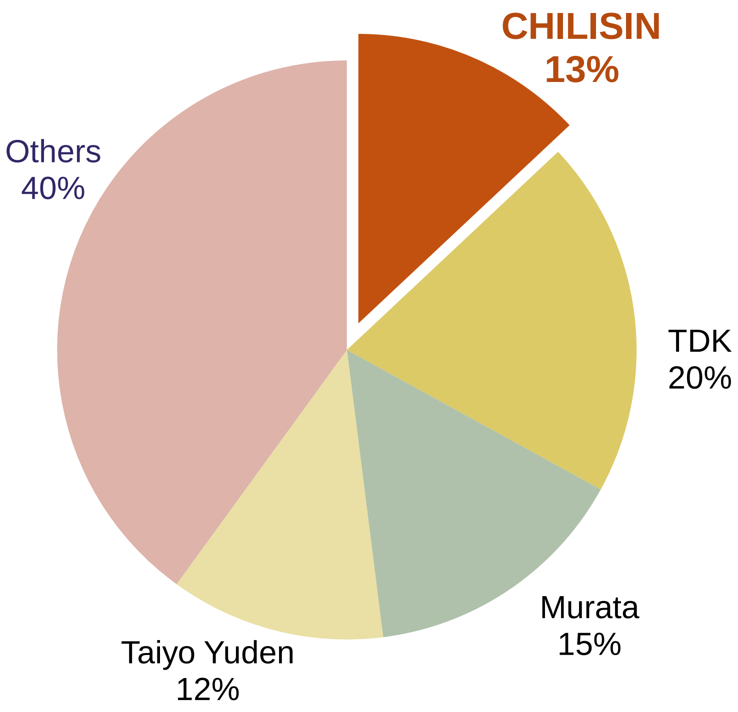


Leading Market Position

MLCCs - Ranked No. 3

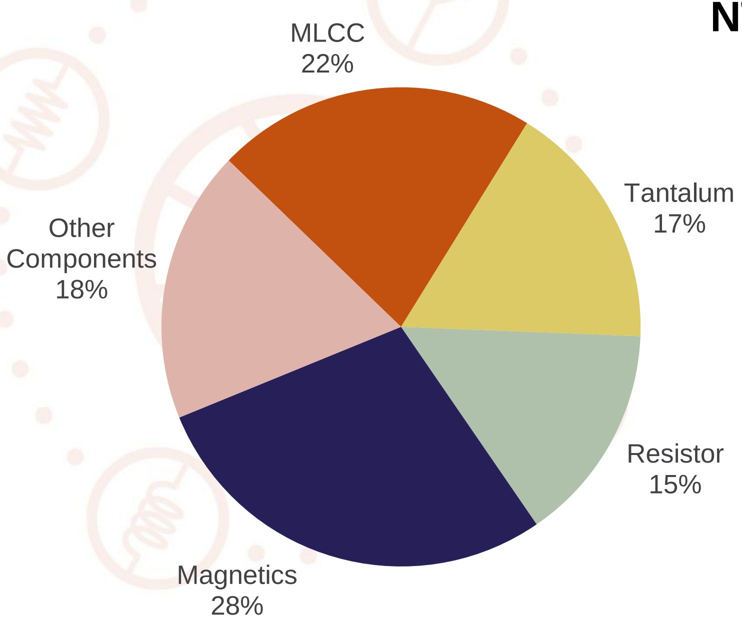


Inductors - Ranked No. 3



3Q2023 Sales Breakdown

By Product

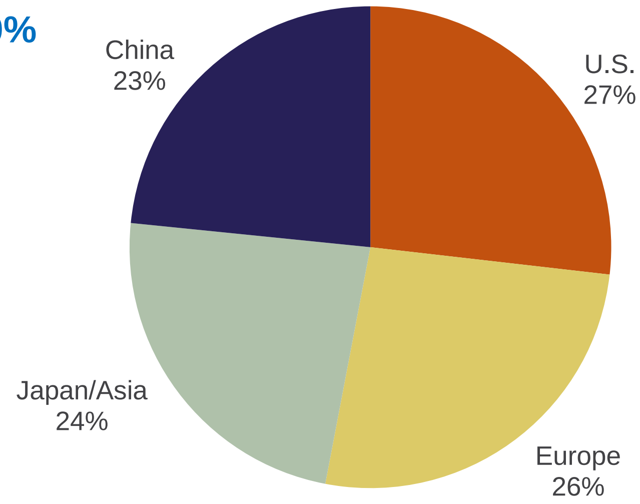


NT$ 27,396 M

QoQ +2.4%

YoY -11.0%

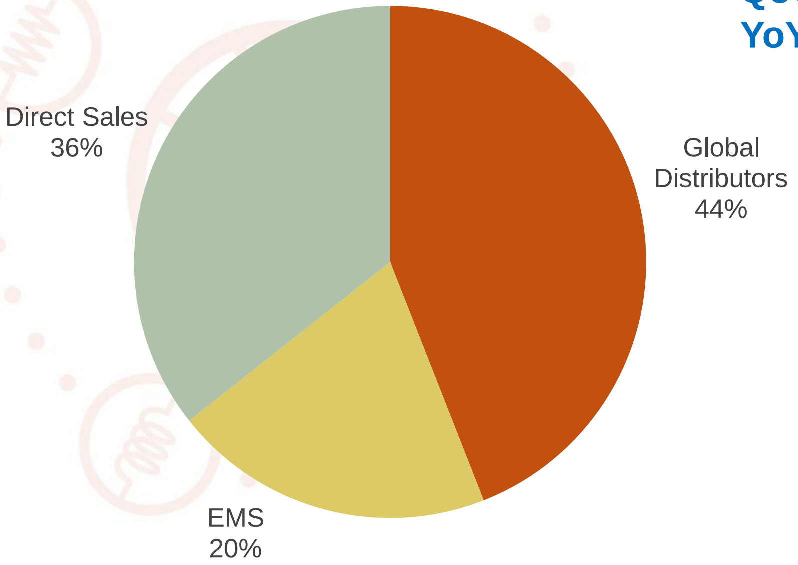
By Region*



* By Customer HQ

3Q2023 Sales Breakdown

By Channel

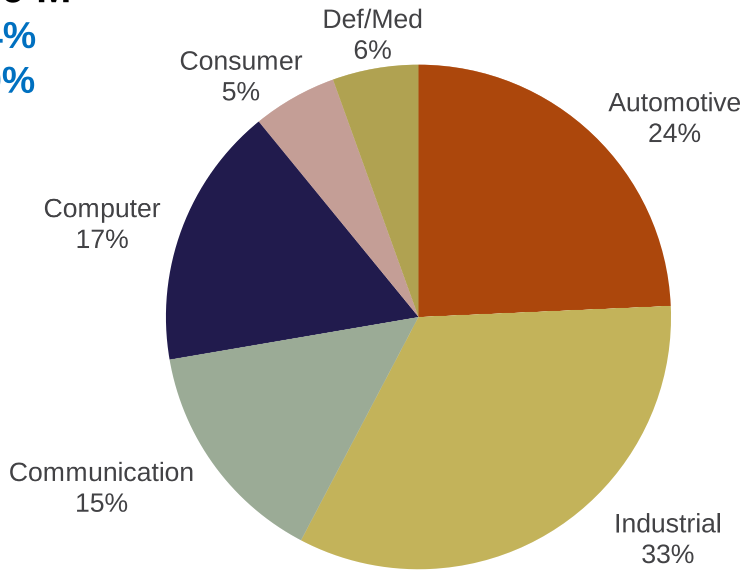


NT$ 27,396 M

QoQ +2.4%

YoY -11.0%

By Segment



Innovative Service Around the Globe YAGEO

3Q2023 Income Statement

YAGEO Consolidation (reviewed)

Amount in NT$ Million

	3Q23 Amount	3Q23 %	2Q23 Amount	2Q23 %	Q-Q Change %	3Q22 Amount	3Q22 %	Y-Y Change %
Net Sales	27,396	100.0	26,757	100.0	2.4	30,795	100.0	(11.0)
Cost of Sales	(18,290)	(66.8)	(17,880)	(66.8)	2.3	(18,940)	(61.5)	(3.4)
Gross Margin	9,106	33.2	8,877	33.2	0.0 ppts	11,855	38.5	(5.3) ppts
Operating Expenses	(3,715)	(13.6)	(3,791)	(14.2)	0.6 ppts	(4,178)	(13.6)	(0.0) ppts
Operating Profit	5,391	19.7	5,085	19.0	0.7 ppts	7,677	24.9	(5.2) ppts
Non-operating Items	893	3.3	1,359	5.1	(1.8) ppts	585	1.9	1.4 ppts
Income Before Tax	6,284	22.9	6,445	24.1	(2.5)	8,263	26.8	(23.9)
Income Tax	(1,346)	(4.9)	(2,732)	(10.2)	5.3 ppts	(1,860)	(6.0)	1.1 ppts
Net Income	4,939	18.0	3,712	13.9	33.0	6,402	20.8	(22.9)
Noncontrolling Interests	(88)	(0.3)	17	0.1	(0.4)	(5)	(0.0)	(0.3)
Net Income (attributable to the parent)	4,851	17.7	3,730	13.9	30.1	6,397	20.8	(24.2)
EPS (NT$ Dollar)	11.60		8.92		30.1	12.10		(4.1)
EBITDA	7,436	27.1	7,071	26.4	5.1	9,618	31.2	(22.7)

- Q-Q/Y-Y Change of Net Sales, Cost of Sales, Income Before Tax, Net Income, EPS, and EBITDA is in %, the rest of Changes is in percentage point.
- The financial data is based on T-IFRS

1Q-3Q2023 Income Statement

YAGEO Consolidation (reviewed)

Amount in NT$ Million

	1Q-3Q2023 Amount	1Q-3Q2023 %	1Q-3Q2022 Amount	1Q-3Q2022 %	Y-Y Change %
Net Sales	80,248	100.0	92,252	100.0	(13.0)
Cost of Sales	(53,653)	(66.9)	(56,758)	(61.5)	(5.5)
Gross Margin	26,595	33.1	35,494	38.5	(5.4) ppts
Operating Expenses	(11,198)	(14.0)	(12,443)	(13.5)	(0.5) ppts
Operating Profit	15,397	19.2	23,051	25.0	(5.8) ppts
Non-operating Items	2,767	3.4	1,635	1.8	1.6 ppts
Income Before Tax	18,164	22.6	24,685	26.8	(26.4)
Income Tax	(5,378)	(6.7)	(6,083)	(6.6)	(0.1) ppts
Net Income	12,786	15.9	18,602	20.2	(31.3)
Net Income (attributable to the parent)	12,712	15.8	18,567	20.1	(31.5)
EPS (NT$ Dollar)	30.43		34.74		(12.4)
EBITDA	21,450	26.7	28,392	30.8	(24.5)

- Q-Q/Y-Y Change of Net Sales, Cost of Sales, Income Before Tax, Net Income, EPS, and EBITDA is in %, the rest of Changes is in percentage point.
- The financial data is based on T-IFRS

3Q2023 Non-operating Items

YAGEO Consolidation (reviewed)

Amount in NT$ Million

	3Q23	2Q23	Q-Q Change %	3Q22	Y-Y Change %
Foreign Exchange Gain (Loss)	179	414	(56.8)	566	(68.4)
Net Interest Income (Expense)	503	436	15.5	77	550.7
Investment Income on Equity-Method	80	29	177.3	36	119.7
Others	131	481	(72.7)	(94)	(239.3)
Total	893	1,359	(34.3)	585	52.5

- The financial data is based on T-IFRS

Balance Sheet Summary

YAGEO Consolidation (reviewed)

Amount in NT$ Million

	As of Sep 30 2023	As of June 30 2023	Q-Q Change %	As of Sept 30 2022	Y-Y Change %
Cash and cash equivalents	82,644	**73,823**	11.9	**57,067**	44.8
Receivables	21,219	**20,222**	4.9	**24,213**	(12.4)
Inventory	25,017	**25,349**	(1.3)	**28,774**	(13.1)
Total Assets	**314,382**	**298,966**	5.2	**277,738**	13.2
Payables	14,856	**13,500**	10.0	**17,921**	(17.1)
Net financial debts	11,518	**14,392**	(20.0)	**20,437**	(43.6)
Total Liabilities	**175,638**	**170,259**	3.2	**157,751**	11.3
Total Equity	**138,744**	**128,707**	7.8	**119,987**	15.6
Total Liabilities & Equity	**314,382**	**298,966**	5.2	**277,738**	13.2
Net Financial Debt / Equity	**8.3%**	**11.3%**	**(3.0) ppts**	**17.0%**	**(8.7) ppts**
Net Financial Debt / EBITDA	**39.2%**	**45.6%**	**(6.4) ppts**	**55.7%**	**(16.5) ppts**
ROE (Quarterly)	**3.7%**	**3.0%**	**0.7 ppts**	**5.5%**	**(1.8) ppts**
ROE (Annualized)	**13.1%**	**12.5%**	**0.6 ppts**	**22.6%**	**(9.5) ppts**

- The financial data is based on T-IFRS

3Q2023 Cash Flow

YAGEO Consolidation (reviewed)

Amount in NT$ Million

	3Q23 Amount	2Q23 Amount	Q-Q Change %	3Q22 Amount	Y-Y Change %
Net Cash Provided by (Used in) Operating Activities	8,269	6,931	19.3	11,326	(27.0)
Net Cash Provided by (Used in) Investing Activities	(3,494)	(2,974)	17.5	(4,349)	(19.7)
Net Cash Provided by (Used in) Financing Activities	2,205	4,594	(52.0)	(2,378)	(192.7)
FX Difference	1,841	124	1,384.7	999	84.3
Net Increase (Decrease) in Cash and Cash Equivalents	8,821	8,675	1.7	5,598	57.6
Cash and Cash Equivalents , Beginning of Period	73,823	65,148	13.3	51,469	43.4
Cash and Cash Equivalents , End of Period	82,644	73,823	11.9	57,067	44.8

- *The financial data is based on T-IFRS*

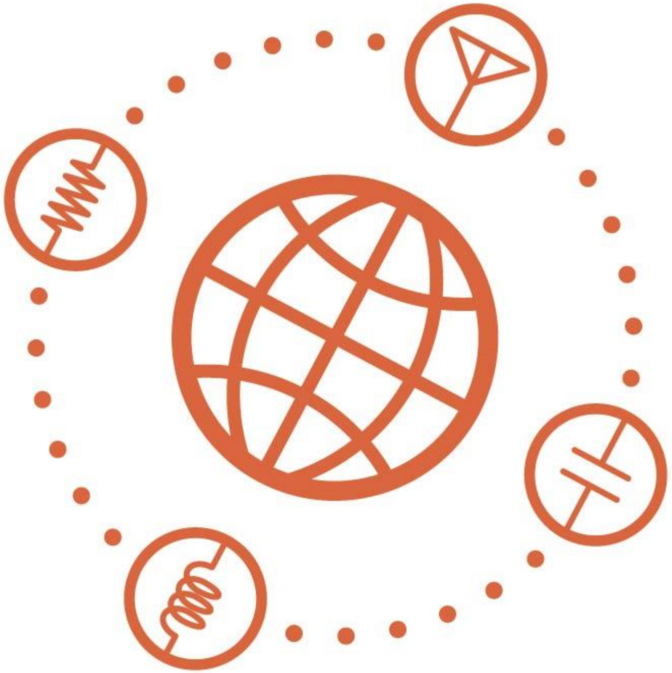
3Q2023 Working Capital Management

YAGEO Consolidation (reviewed)

Amount in NT$ Million

	3Q23	2Q23	Q-Q Change %	3Q22	Y-Y Change %
Accounts Receivable	21,219	20,222	4.9	24,213	(12.4)
DSO	69	69	(0.0)	74	(7.0)
Inventory	25,017	25,349	(1.3)	28,774	(13.1)
DOH-Total Company (Amt)	126	129	(2.8)	139	(9.4)
Accounts Payable	14,856	13,500	10.0	17,921	(17.1)
DPO	71	68	3.8	89	(20.3)
Net Working Capital	31,381	32,071	(2.2)	35,067	(10.5)

- The financial data is based on T-IFRS



Thank you!