

A blue-tinted photograph of a business meeting in a modern office. Several people are gathered around a table, with one man standing and gesturing while speaking to a group seated at a table with laptops. Large windows in the background offer a view of a city skyline. The image is overlaid with a blue gradient and white geometric lines on the left side.

3Q20 Operating Results

November 11, 2020

D-Link



Financial Review

3Q20 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	3Q20		2Q20		QoQ % Change	3Q19		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net operating revenues	4,161	100.0	3,192	100.0	30.4	4,290	100.0	(3.0)
Cost of goods sold - Product	2,848	68.4	2,099	68.9	35.7	3,054	71.2	(6.7)
Gross profit 1	1,313	31.6	993	31.1	32.2	1,236	28.8	6.3
Inventory related gain/(loss)	48	1.2	38	1.2	26.3	0	0.0	N.A.
Gross profit 2	1,361	32.7	1,031	32.3	32.0	1,236	28.8	10.1
Operating expenses	1,161	27.9	1,128	35.4	2.8	1,272	29.6	(8.8)
Net operating inc.(loss)	201	4.8	(98)	(3.1)		(36)	(0.8)	
Non-Operating inc. and exp.	145	3.5	150	4.7		13	0.3	
Profit (loss) before tax	345	8.3	53	1.7		(23)	(0.5)	
Less: Income tax exp.	(25)	(0.6)	(30)	(0.9)		(35)	(0.8)	
Net Income(loss)	320	7.7	23	0.8		(58)	(1.3)	
Non-controlling interests	(18)	(0.4)	(28)	(0.9)		(18)	(0.4)	
Net Income(loss), attribute to Owners of parent	303	7.3	(5)	(0.2)		(75)	(1.8)	
EPS (NT\$)	0.46		(0.01)			(0.12)		
Per Weighted-Avg. Capital of NT\$6,520M								

*The numbers are consolidated and the net income is audited/reviewed.

**Weighted-Avg. Capital adjusted for treasury shares.

3Q20 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	3Q20	2Q20
Investment Income	124	176
Sub./Aff.	41	37
Capital Gain	84	139
FX Gain/(Loss)	12	15
Fin. Income/(Exp.) & Other	9	(40)
Total Non-op Income/Loss	145	150

* The numbers are consolidated and the net income is audited/reviewed.

YT3Q20 Income Statement & YoY Comparison

Unit: NT\$ million	YT3Q20		YT3Q19		YoY % Change
	AMT	%	AMT	%	
Net operating revenues	11,025	100.0	12,541	100.0	(12.1)
Cost of goods sold - Product	7,678	69.6	9,024	72.0	(14.9)
Gross profit 1	3,347	30.4	3,517	28.0	(4.8)
Inventory related gain/(loss)	126	1.1	(20)	(0.1)	N.A.
Gross profit 2	3,473	31.5	3,497	27.9	(0.7)
Operating expenses	3,424	31.1	3,850	30.7	(11.1)
Net operating inc.(loss)	49	0.4	(353)	(2.8)	
Non-Operating inc. and exp.	337	3.1	48	0.4	
Profit (loss) before tax	387	3.5	(305)	(2.4)	
Less: Income tax exp.	(82)	(0.7)	(123)	(1.0)	
Net income(loss)	305	2.8	(428)	(3.4)	
Non-controlling interests	(54)	(0.5)	(49)	(0.4)	
Net Income(loss), attribute to Owners of parent	250	2.3	(476)	(3.8)	
EPS (NT\$)					
Per Weighted-Avg. Capital of NT\$6,520M	0.38		(0.73)		

9/30/2020 Balance Sheet & QoQ Comparison

Unit: NT\$ million	9/30/20 AMT	%	6/30/20 AMT	%	QoQ % Change
Cash & S-T Investment	3,815	25.7	3,457	23.9	10.4
Account Receivable	3,241	21.8	2,992	20.7	8.3
Inventory	2,238	15.1	2,358	16.3	(5.1)
Long-term Investments	1,953	13.2	2,135	14.8	(8.6)
Total Assets	14,847	100.0	14,450	100.0	2.7
Accounts Payable	2,684	18.1	2,557	17.7	5.0
Current Liabilities	5,235	35.3	4,951	34.3	5.7
Common Stock	6,520	43.9	6,520	46.8	0.0
Stockholders' Equity	8,265	56.0	8,186	57.0	1.0

*The numbers are consolidated and the net income is audited/reviewed.

**Weighted-Avg. Capital adjusted for treasury shares.

Key Financial Ratios

Unit: % , days	3Q20	2Q20	1Q20	4Q19	3Q19
** Days A/R	81	78	78	84	93
** Days Inventory	94	92	76	89	93
** Days A/P	102	96	78	96	104
Cash Cycle	73	74	76	77	82
Current Ratio	1.89	1.88	1.88	1.71	1.67
Debt/Equity Ratio	0.74	0.71	0.70	0.80	0.85
*** Net Debt/Equity Ratio	0.30	0.30	0.34	0.43	0.46
ROE Ratio	14.7	-0.24	-2.4	-1.5	-3.5

The numbers are based on consolidated numbers and the net income is audited.

** Annualized

*** Net of Cash & S-T investment

Quarterly Revenue by Region

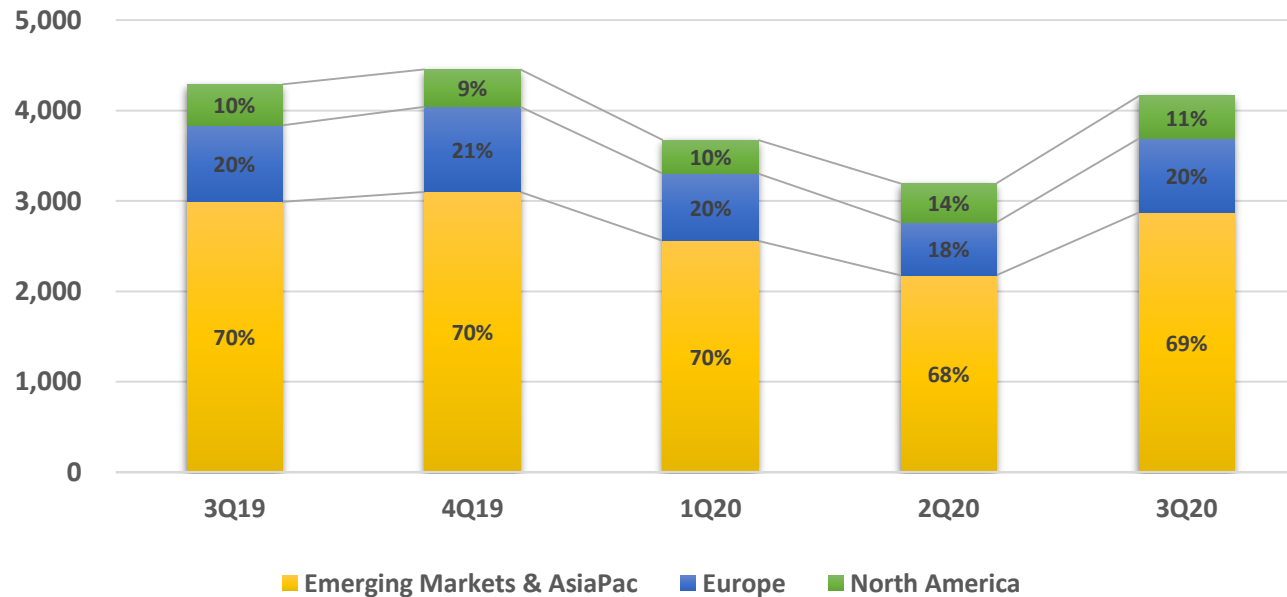
In NT\$, up 30.4% QoQ, down 3% YoY

- N.A. up 9.3% QoQ, up 3.9% YoY
- Europe up 40.3% QoQ, down 3.5% YoY
- Emerging Mkts & APac up 32% QoQ, down 3.9% YoY

In US\$, up 32% QoQ, down 2.4% YoY

- N.A. up 11.1% QoQ, up 10.3% YoY
- Europe up 42.1% QoQ, up 2.2% YoY
- Emerging Mkts & APac up 33.4% QoQ, up 1.3% YoY

NT\$ mln



Quarterly Revenue by Product

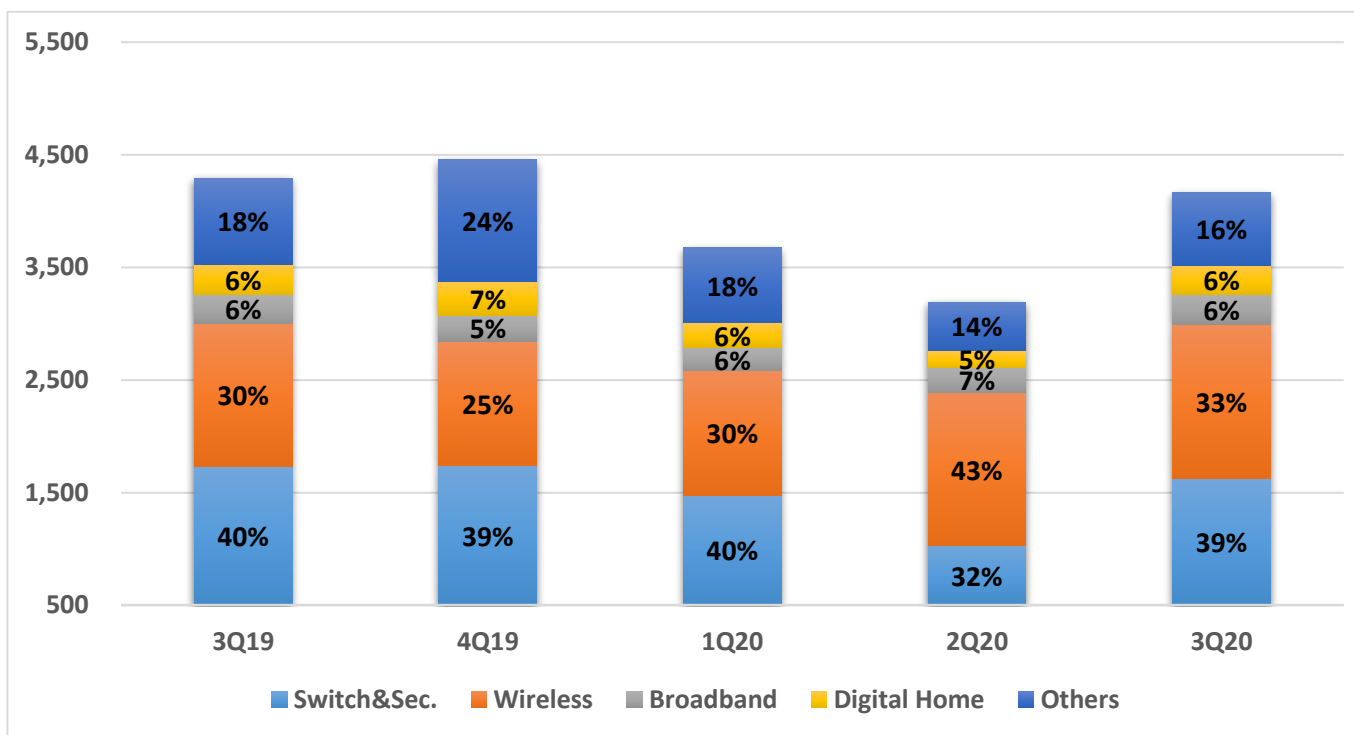
In NT\$ terms:

- Switch up 57.9% QoQ, down 6.6% YoY
- Wireless up 1% QoQ, up 8.5% YoY
- B.B. up 18% QoQ, up 2.3% YoY
- D.H. up 69.9% QoQ, down 4.1% YoY
- Others up 50.3% QoQ, down 15.3% YoY

In US\$ terms:

- Switch up 59.8% QoQ, down 1.4% YoY
- Wireless up 2% QoQ, up 14.6% YoY
- B.B. up 20.3% QoQ, up 8.5% YoY
- D.H. up 72.5% QoQ, up 1.1% YoY
- Others up 52.1% QoQ, down 10.6% YoY

NT\$ mln



Safe Harbor Statement

All numbers are consolidated. Except for statements in respect of historical matters, the statements contained in this release are "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of D-Link Corporation to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements.