宏致電子股份有限公司

股票代號 3605

ACES Electronics Co., Ltd.

Investor Conference

DEC 26, 2022

Profile

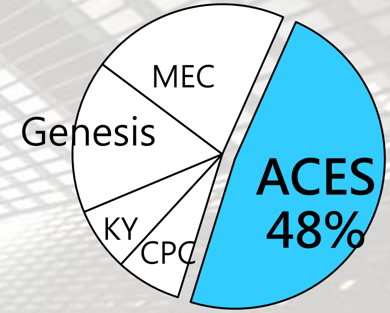
- ACES Group Established in Nov. 1996.
  - Over 7,000 employees worldwide.
  - Headquarters: Zhongli, Taoyuan, Taiwan.
  - Factories: Taiwan, China (Dongguan, Kunshan, Ningbo), Philippines, and Vietnam.
  - Overseas Sales Offices: Japan, Singapore, Germany, USA, India, and UK.
- We are focusing on designing/producing/selling high technique connectors, cables assemblies, dongles, and solution of electronic devices.
- End Product including:

  Industrial equipment, Medical Industry, Cloud Data Center, Server, Automotive Electronics, Notebook computer, and Consumer Electronics

ACES Group

MEC 龍翰 Cable Group	ACES 宏致 Connector Group		CPC 志展 Sales Channel & RF Group	廣迎新 Stamping Metal Connectors	genesis connected solution Genesis Group
MEC TW MEC Taiwan	ACES TW 2022Expansion	ACES KS 2022Expansion	CPC TPE CPC Taiwan	KY TW KY Taiwan	GUSA Genesis USA
MEC KL MEC Kunshan	ACES PEC TW ACES PEC Taiwan	ACES DG ACES Dongguan	ACES VN ACES Vietnam	KY DG KY Dongguan	GTW Genesis Taiwan
MEC HPT MEC Dongguan	ACES JP ACES Japan (office)	ACES Galis GALIS Kunshan Plating	CPC GM CPC Germany (office)		GTN Genesis Ningbo
MEC PHIL MEC Philippnes	ACES USA (office)	ACES CG CHONGQING HONG GAO			PLX Genesis Dongguan
MEC USA (office)	ACES SG ACES Singapore (office)	ACES KC 昆山成剛			

Plant Overview-宏致 ACES

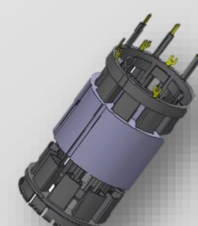


Proportion : Taiwan 15% / China 85%

總部 Headquarters	精工中心 Precision Engineering Center	東莞宏致 Dongguan Plant	昆山宏致 Kunshan Plant	加利斯金屬 Galis Plating
•Marketing •Sales	•R&D •Molding, Stamping •Connector •Cable Assembly •Electronic System Solutions	•Sales, R&D •Tooling •Molding, Stamping •Cable Assembly	•Sales, R&D •Tooling •Molding, Stamping • Connector • Car connector	• Plating

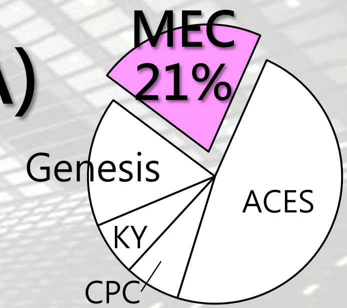

circular connector


Automotive products


Oil pump mechanism components


DC charging cable

Plant Overview-龍翰MEC(2015/10 M&A)



Proportion :

PHIL 50% / KS 30% / DG 15%/ TW5%

台灣龍翰 (台灣Cable廠) MEC IMEX Inc.	菲律賓龍翰 MEC Electronics (Philippines) Corp.	昆山龍翰 MEC SUZHOU ELECTRONICS CO., LTD.	東莞奇翰 MEC Homepride Tech. Inc.
• Sales, R&D • High Speed Line • Automotive, **Factory Automation Control**, Navigation	• AC/DC Power Cord • Equipment Power Cord • Industrial Power Cord	• NB Internal Wiring Connector Set • Automotive Electronics Wire Set • Industrial Power Cord	• Multimedia Transmission Line • External Electronic Wire Set • High Speed Line


High Speed Line


Navigative Small Coil Product


Motor Cable

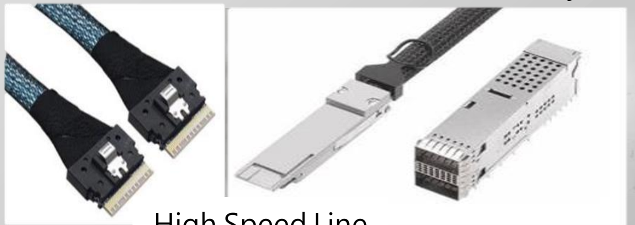

Controller Cable


RF Cable Assembly

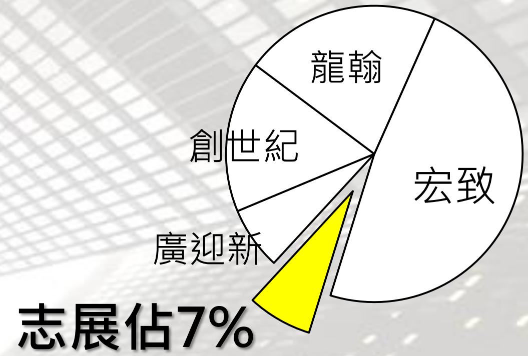

Signal Adapter Cable


Electric Vehicle Low Voltage Wiring harness

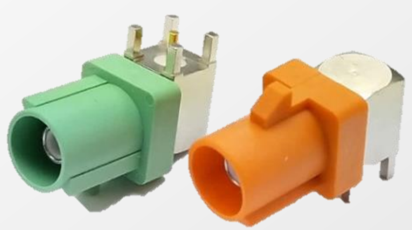

fish finder Wire

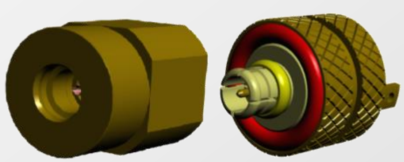

High Speed Line

Plant Overview- 志展 CPC (2017/7 M&A)

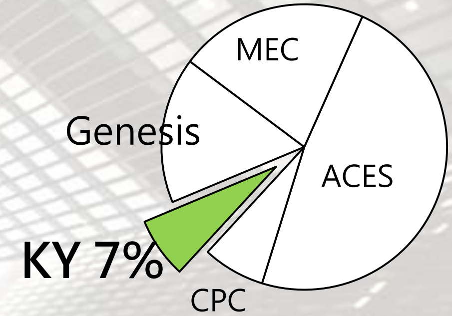


台北志展 CPC Headquarters	德國志展 CPC Germany	越南宏致 Vietnam Plant
•Sales, R&D •RF Connector, RF Cable •Supply Chain	•Sales •Logistic	•RF Connector, RF Cable •Zinc Die Casting, Aluminum Die Casting •Barrel Plating, Hanging Plating •Lathe / CNC





Plant Overview-廣迎新KY (2019/7 M&A)

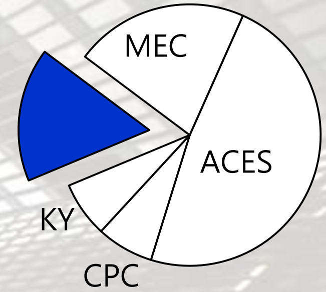


Proportion : Taiwan 10% / China 90%

廣迎新工業	東莞廣迎新	昆山廣迎新
KY Taiwan	**KY Dongguan**	**KY Kunshan**
• Stamping Metal • RFI Connector	• Stamping Metal	• Stamping Metal

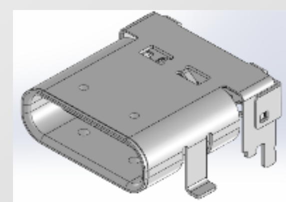
Plant Overview-創世紀Genesis (2021/4 M&A)

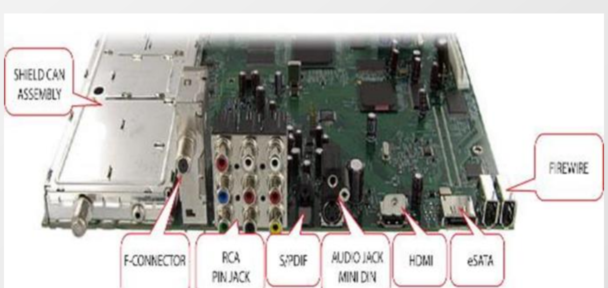
Genesis 17%

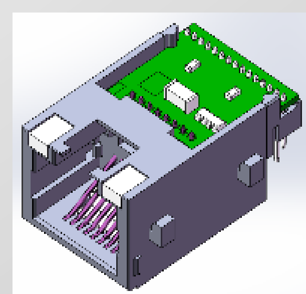


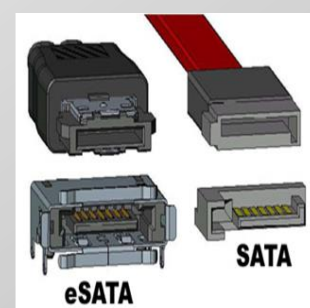
Proportion : China 70% / Taiwan 30%

總部/美國	台北	寧波吉諾	東莞普利星
GUSA	GTW	GTN	PLX
•Operating items : Sales, R&D	•Operating items : Quality Control, Procurement, Logistics	•Operating items : RF Connector, Shielding, Heat sink	•Operating items : Connector Cable









ACES Group

Strategic Planning for main market category

Industry

UPS
Industrial & Intelligent Manufacturing
IPC
Medical precision equipment

Cloud

Server
Network Equipment
RF
STB(Set-Top Box)
Modem

Automobile

Battery comunication & module cable

Laptop Computer

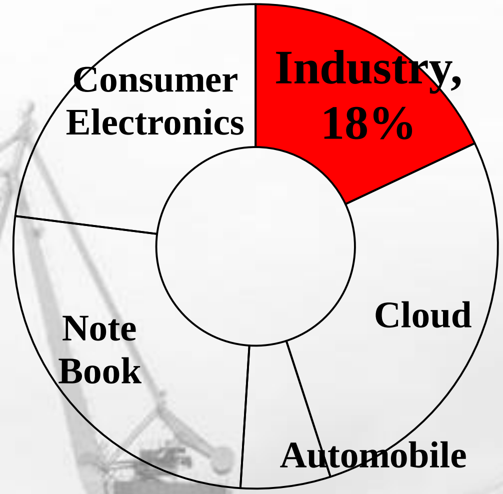
Consumer Electronics

Dongle

ICAN

Industrial Industry

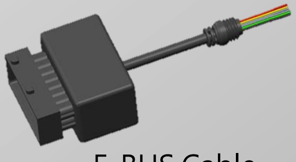
UPS/Industrial
& Intelligent Manufacturing/
IPC / Medical precision equipment



fish finder Wire

POS
Point of Sale

UPS Cable

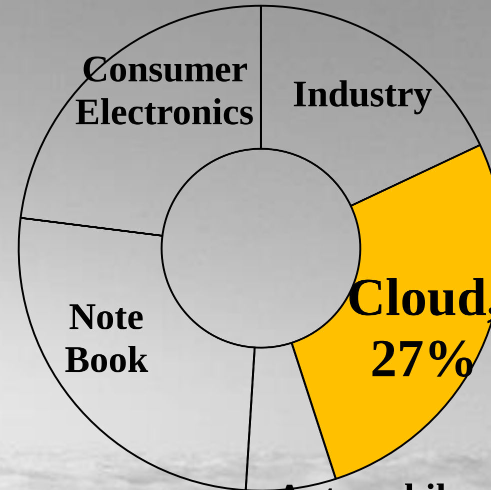


E-BUS Cable

2022 vs. 2021
The growth rate is about 10%

ICAN

Cloud Communication Industry



Server, Network Equipment, RF,STB(Set-Top Box),Modem

Cloud Computing & Communication and Server

WiFi Router

Ultrasonic Cable

PCIe 5 Conn.

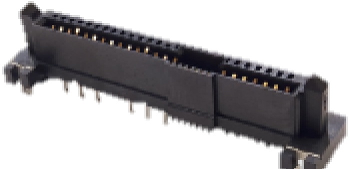
MCIO Conn.

High Speed connector

Power Connector

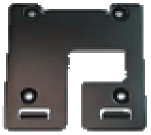
High Speed Cable
SFP, QSFP, SlimSAS, MCIO....

RF Connector



SAS/U.3 Conn.

RJ Conn.



Shielding

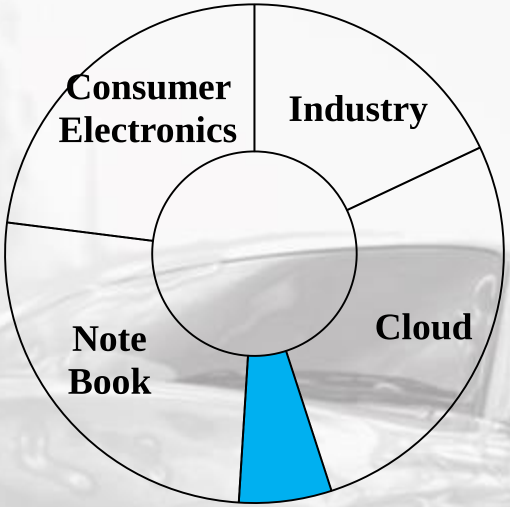
2022 vs. 2021

The growth rate is about 30%

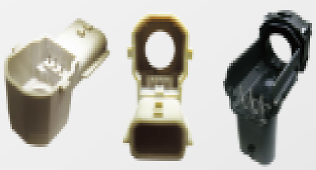
ICAN

Automobile Industry

Automobile / Transportation

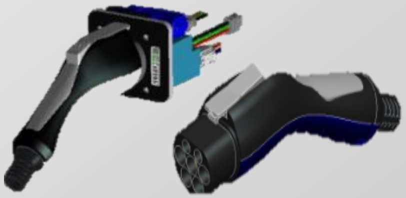


Electronic Control Unit



Smart Sensor Conn.

Fakra/mini Fakra
Connector & Cables

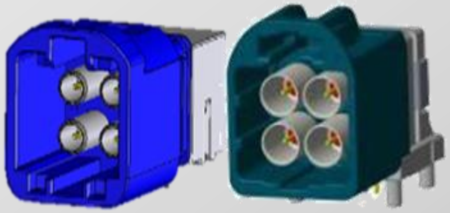


EV Product

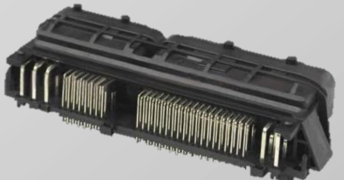
Body Control Module Conn.

2022 vs. 2021

The growth rate is about 20%



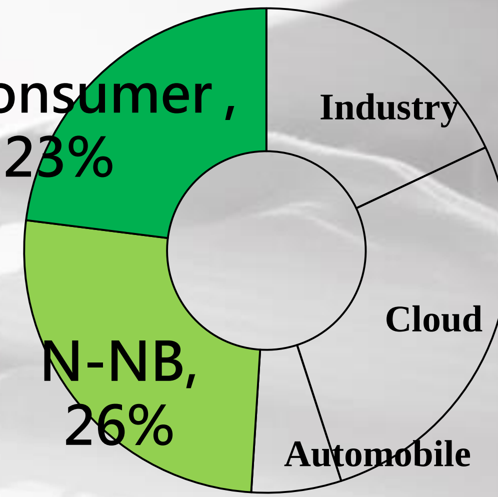
ADAS Solution



ECU
Connector Solutions

ICAN

Computer Peripherals
Consumer Electronics



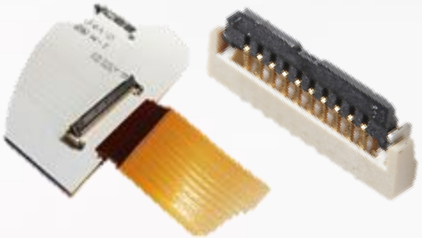
Laptop Computer / Consumer Electronics

External Connector

I/O Connector

Mag Fit Connector

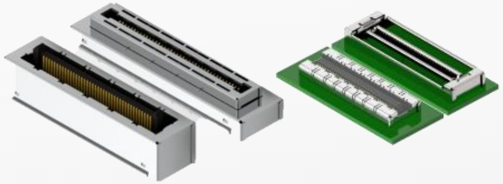
Internal Connector



FFC/FPC Conn.

WTB Conn.

- NB & Consumer Electronics: Decline in 2022



Shielding BTB Connector

Micro-Coaxial Connector

ACES Group

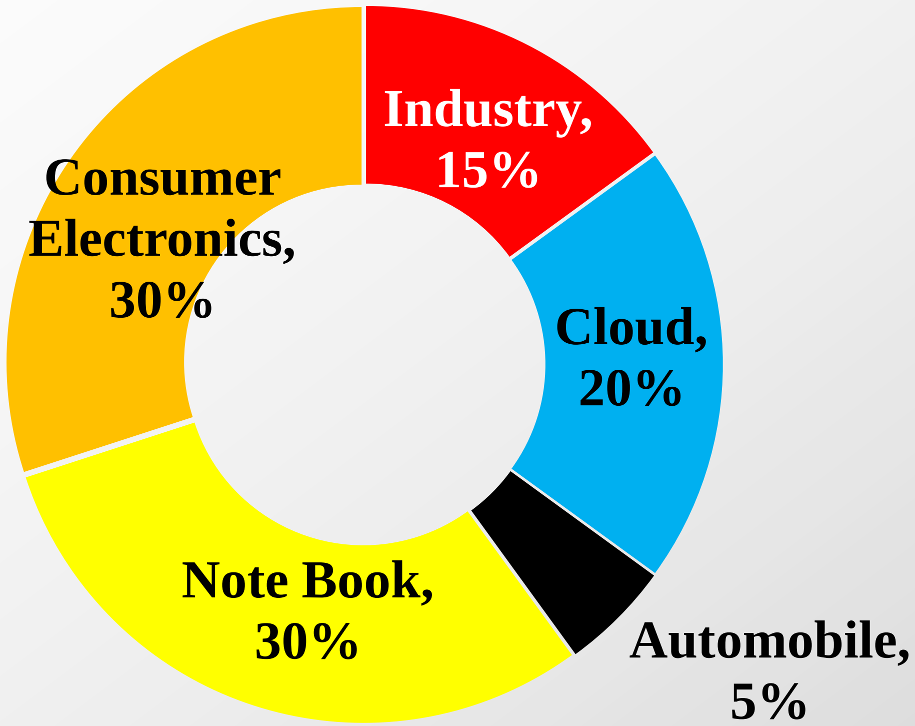
Strategic Planning for main market category

	Industry	Cloud	Automobile	NoteBook& Consumer
2020	16%	11%	4%	69%
2021	15%	20%	5%	60%
2022	18%	27%	6%	49%
2023 預估				

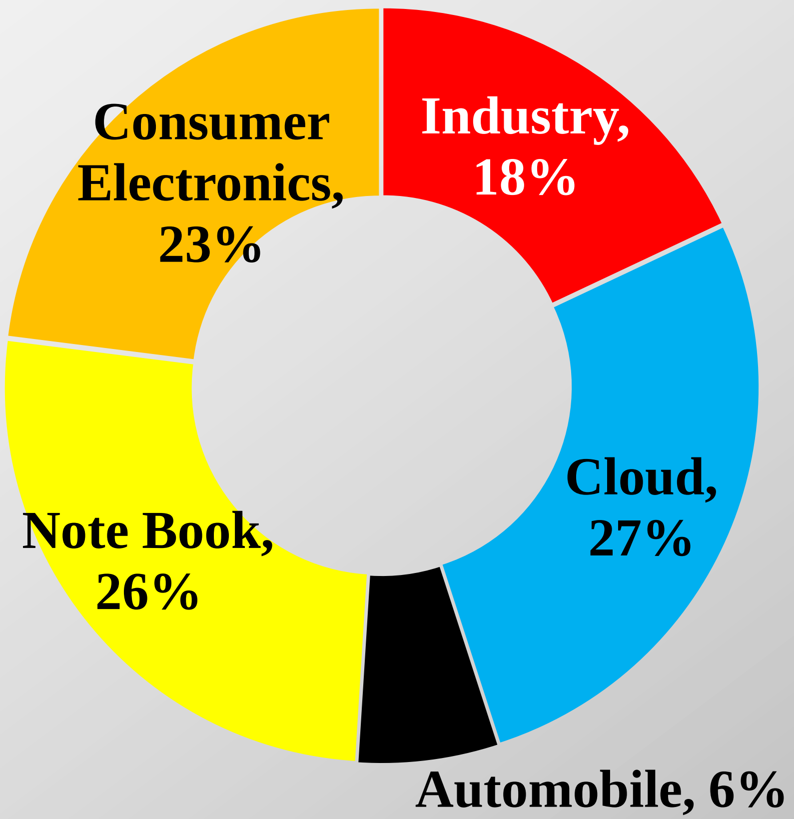
ACES Group

Market Distribution -2021 vs 2022

Year 2021

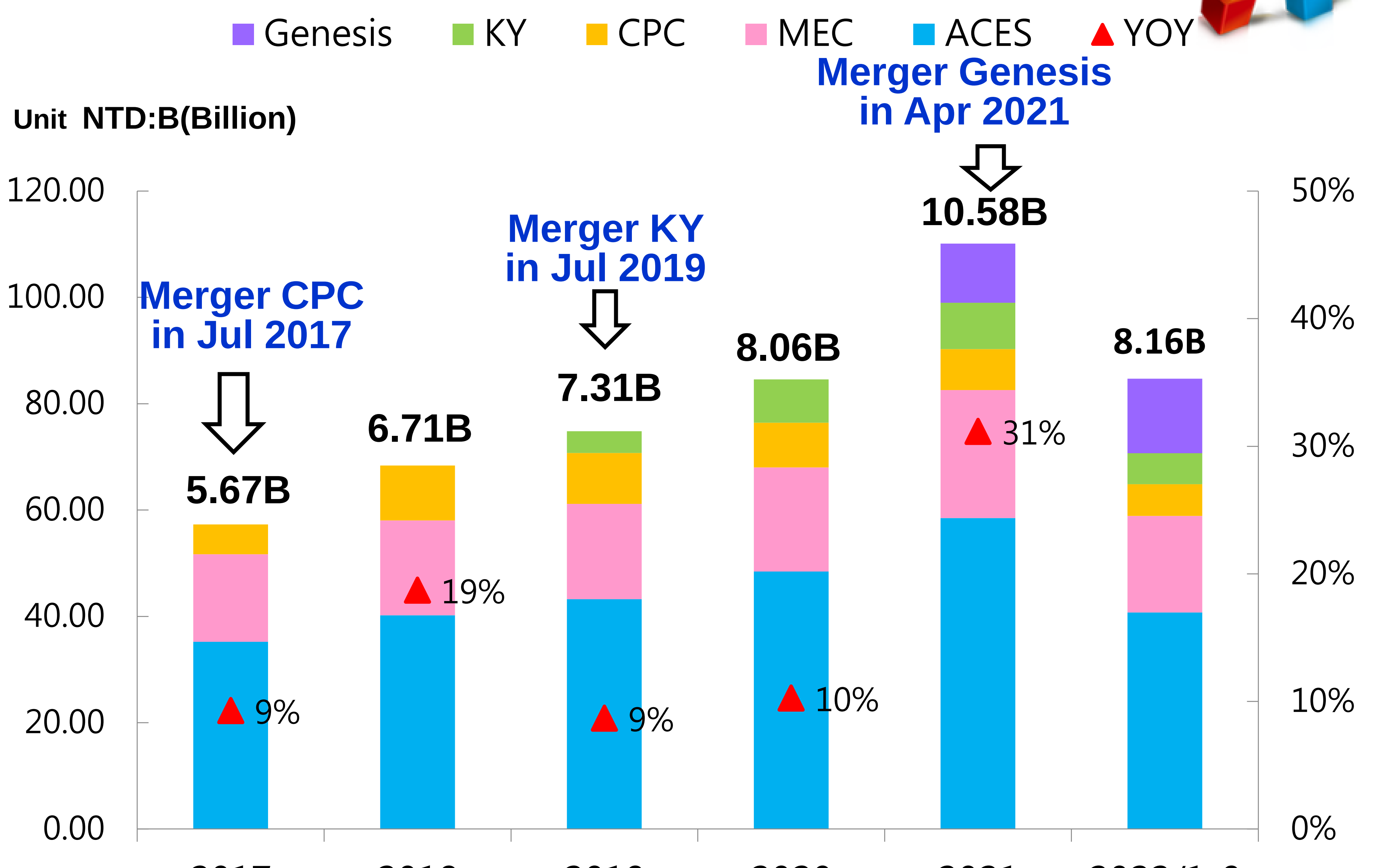


Year 2022



Financial Results

Last Years Revenue



ACES Group

Consolidated Statement of Comprehensive Income - Quarter

Unit: NT$ Thousand (Except Per Share Data)

	3Q'22 (Unaudited)		3Q'21 (Unaudited)		YoY Change %
Sales Revenue[a]	2,619,261	100.0%	2,805,181	100.0%	(6.6%)
Cost of Goods Sold	(2,086,519)	(79.7%)	(2,194,706)	(78.2%)	-4.9%
Gross Profit	532,742	20.3%	610,475	21.8%	(12.7%)
Operating Expenses	(565,990)	(21.6%)	(472,620)	(16.8%)	19.8%
Operating Income (Loss)	(33,248)	(1.3%)	137,855	4.9%	(124.1%)
Net Non-operating Income	160,868	6.1%	25,446	0.9%	532.2%
Income (Loss) before Tax	127,620	4.9%	163,301	5.8%	(21.8%)
Income Tax Benefit(Expense)	(20,463)	-0.8%	(34,313)	(1.2%)	(40.4%)
Net Income (Loss)	107,157	4.1%	128,988	4.6%	(16.9%)
EPS (NT$)[b]	NT$0.80		NT$1.06		
Depreciation & Amortization	186,504	7.1%	166,183	5.9%	
EBITDA (Operating Income + D&A)	153,256	5.9%	304,038	10.8%	

(a) Sales Revenue includes both shipping revenue and revenue from sale of scraps.
(b)Accounting Firm:KPMG Certified Public Accountants

ACES Group

Consolidated Statement of Comprehensive Income - Quarter

Unit: NT$ Thousand (Except Per Share Data)

	3Q'22 (Unaudited)		2Q'22 (Unaudited)		QoQ Change %
Sales Revenue[a]	2,619,261	100.0%	2,721,805	100.0%	(3.8%)
Cost of Goods Sold	(2,086,519)	(79.7%)	(2,127,957)	(78.2%)	-1.9%
Gross Profit	532,742	20.3%	593,848	21.8%	(10.3%)
Operating Expenses	(565,990)	(21.6%)	(557,859)	(20.5%)	1.5%
Operating Income (Loss)	(33,248)	(1.3%)	35,989	1.3%	(192.4%)
Net Non-operating Income	160,868	6.1%	113,754	4.2%	41.4%
Income (Loss) before Tax	127,620	4.9%	149,743	5.5%	(14.8%)
Income Tax Benefit(Expense)	(20,463)	-0.8%	(31,185)	(1.1%)	(34.4%)
Net Income (Loss)	107,157	4.1%	118,558	4.4%	(9.6%)
EPS (NT$)[b]	NT$0.80		NT$0.89		
Depreciation & Amortization	186,504	7.1%	160,847	5.9%	
EBITDA (Operating Income + D&A)	153,256	5.9%	196,836	7.2%	

(a) Sales Revenue includes both shipping revenue and revenue from sale of scraps.
(b)Accounting Firm:KPMG Certified Public Accountants

ACES 集團

Consolidated Statement of Comprehensive Income - Cumulative

Unit: NT$ Thousand (Except Per Share Data)

	Sep 30, 2022 (Unaudited)		Sep 30, 2021 (Unaudited)		YoY Change %
Sales Revenue[a]	8,157,881	100%	7,882,812	100%	3.5%
Cost of Goods Sold	(6,393,771)	(78.4%)	(6,040,657)	(76.6%)	5.8%
Gross Profit	1,764,110	21.6%	1,842,155	23.4%	(4.2%)
Operating Expenses	(1,627,926)	(20.0%)	(1,366,730)	(17.3%)	19.1%
Operating Income (Loss)	136,184	1.7%	475,425	6.0%	(71.4%)
Net Non-operating Income	350,657	4.3%	65,101	0.8%	438.6%
Income (Loss) before Tax	486,841	6.0%	540,526	6.9%	(9.9%)
Income Tax Benefit (Expense)	(97,775)	(1.2%)	(81,168)	(1.0%)	20.5%
Net Income (Loss)	389,066	4.8%	459,358	5.8%	(15.3%)
EPS (NT$)	NT$2.91		NT$3.77		
Depreciation & Amortization	507,891	6.2%	428,780	5.4%	
EBITDA (Operating Income + D&A)	644,075	7.9%	904,205	11.5%	

(a) Sales Revenue includes both shipping revenue and revenue from sale of scraps.

(b)Accounting Firm:KPMG Certified Public Accountants

ACES Group

Last 5 Years Results

Unit: NT$ Thousand (Except Per Share Data)

	Sep 30 2022 (Unaudited)		2021 (Audited)		2020 (Audited)		2019 (Audited)		2018 (Audited)	
Sales Revenue[(a)]	8,157,881	100%	10,575,862	100%	8,062,865	100%	7,311,836	100%	6,710,893	100%
Cost of Goods Sold	(6,393,771)	(78.4%)	(8,146,641)	(77.0%)	(6,226,899)	(77.2%)	(5,639,431)	(77.1%)	(5,337,999)	(79.5%)
Gross Profit	1,764,110	21.6%	2,429,221	23.0%	1,835,966	22.8%	1,672,405	22.9%	1,372,894	20.5%
Operating Expenses	(1,627,926)	(20.0%)	(1,915,218)	(18.1%)	(1,487,428)	(18.4%)	(1,403,917)	(19.2%)	(1,237,562)	(18.4%)
Operating Income (Loss)	136,184	1.7%	514,003	4.9%	348,538	4.3%	268,488	3.7%	135,332	2.0%
Net Non-operating Income	350,657	4.3%	74,910	0.7%	(25,117)	-0.3%	87,545	1.2%	117,071	1.7%
Income (Loss) before Tax	486,841	6.0%	588,913	5.6%	323,421	4.0%	356,033	4.9%	252,403	3.8%
Income Tax Benefit (Expense)	(97,775)	(1.2%)	(80,742)	(0.8%)	(63,475)	(0.8%)	(53,316)	(0.7%)	(30,049)	(0.4%)
Net Income (Loss)	389,066	4.8%	508,171	4.8%	259,946	3.2%	302,717	4.1%	222,354	3.3%
EPS (NT$)	NT$2.91		NT$4.16		NT$2.26		NT$2.55		NT$1.92	
Depreciation & Amortization	507,891	6.2%	593,173	5.6%	465,955	5.8%	456,141	6.2%	414,248	6.2%
EBITDA (Operating Income + D&A)	644,075	7.9%	1,107,176	10.5%	814,493	10.1%	724,629	9.9%	549,580	8.2%

(a) Sales Revenue includes both shipping revenue and revenue from sale of scraps.

(b)Accounting Firm:KPMG Certified Public Accountants

Achieve Your Ideas.

Aces offers extensive design, engineering and manufacturing to serve variant products in industries that include computer, computer peripherals, business equipment, home entertainment and telecommunications.

Thank You.