PARPRO

Partners in Production and Design

Stock Code - 4916:TW

事欣科技投資關係

111年11月29日

免責聲明

PARPRO 的簡報包含具有重大風險和不確定性的前瞻性聲明。前瞻性陳述通常與未來的事件或未來的財務或經營業績有關。在這種情況下, 您可以識別前瞻性語句, 因為它們包含諸如 “可能” 之類的單詞, “將會”、“應該”、“預期”、“計畫”、“預測”、“可能”、“打算”、“目標”、“專案”、“盤算”、“相信”、“估計”、“預估”、“潛在 ”或“ 繼續 ”, 或這些詞或其他類似的術語或這些意思相反或負面的詞,涵蓋我們的期望, 策略, 計畫或意圖。

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本簡報中的所有前瞻性聲明都是根據截至目前可獲取資訊為基礎的, 我們不承擔任何義務更新這些前瞻性聲明,及更新未來的事件, 同樣的 ,我們也不承擔任何義務更新實際結果可能與前瞻性聲明中預期的內容有重大差異的原因, 即使將來我們取得新的資訊.

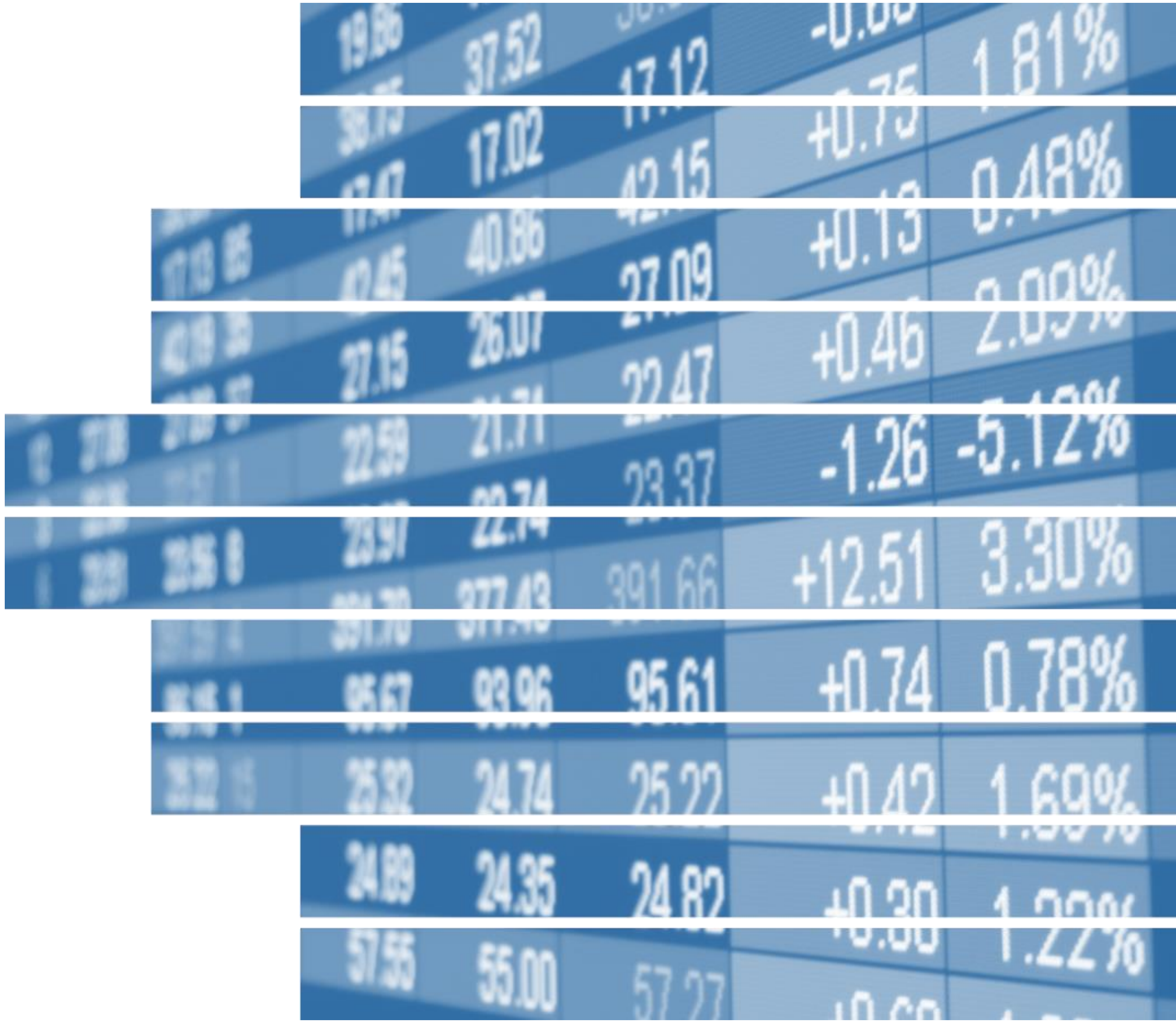
AGENDA

1 FINANCIALS

2 COMPANY UPDATES

3 SUMMARY OF 2022/NEXT 3 YEARS

4 Q & A



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FINANCIALS

PARPRO Income Statement (3Q,2022)

NT$k	1Q~3Q22	1Q~3Q21	YoY
Revenue	1,827,304	1,644,526	11.11%
Gross Profit	251,404	240,651	4.47%
Operating Profit	1,103	(34,645)	103.18%
Non-operating profit	45,884	132,737	-65.43%
Pre tax Profit	46,987	98,092	-52.10%
Net Profit	41,967	96,408	-56.47%
Profitability			
Gross Margin	13.76%	14.63%	
Operating Margin	0.06%	-2.11%	
Pretax Margin	2.57%	5.96%	
Net Margin	2.30%	5.86%	

PARPRO Balance Sheet Overview

NT$k	2020	2021	2022Q3
TOTAL CURRENT ASSETS	1,602,851	1,526,637	2,150,156
TOTAL ASSETS	3,038,600	3,001,970	3,726,458
TOTAL LIABILITIES	1,829,672	1,788,928	2,264,263
SHAREHOLDERS'EQUITY	1,208,928	1,213,042	1,462,195
TOTAL LIABILITIES AND EQUITY	3,038,600	3,001,970	3,726,458

PARPRO Dividend Payout History

Year/Item	Per shar		Ex-divided date	Base Date	Pay Date	Shreholder meeting	EPS
	Stock dividend	Cash dividend					
2021	0	0.5	2022/8/17	2022/8/23	2022/8/31	2022/5/31	1.29
2020	0	0.5	2021/8/12	2021/8/20	2021/8/27	2021/7/20	-1.78
2019	0	2	2020/7/2	2020/7/10	2020/7/3	2020/5/28	4.02
2018	0	2.47	2019/7/4	2019/7/10	2019/8/7	2019/5/31	3.03
2017	0	0.99	2018/8/16	2018/8/22	2018/9/7	2018/5/30	1.06
2016	1	1	2017/7/3	2017/7/9	2017/8/4	2017/5/26	2.01
2015	0	0.5	2016/6/27	2016/7/3	2016/7/21	2016/5/27	-0.39
2014	0	1.5	2015/7/3	2015/7/11	2015/7/29	2015/6/3	0.16
2013	0	2	2014/6/19	2014/6/25	2014/7/9	2014/5/30	2.51
2012	14	3	2013/5/29	2013/6/4	2013/7/10	2013/4/18	7.54
2011	0.5	5	2012/8/2	2012/8/10	2021/8/24	2012/5/30	12.44

COMPANY UPDATES

AT A GLANCE

700+ Employees Worldwide	4916:TW	NTD2.10 bn Group Revenue-2021 NTD1.83 bn Group Revenue-22Q3
2001 Founded 2013 IPO	Taiwan (HQ) California (2) Nevada Mexico US Headquarters Santa Ana, CA	Aerospace Defense Gaming Medical Industrial

A full-service embedded design & manufacturing company with emphasis on EMS & ODM Solutions.

In business since 2001, PARPRO was IPO in 2013 with a New Global Strategy, specializing in contract manufacturing, and the design and manufacturing of processor based embedded solutions to serve OEMs in a variety of vertical markets.

ISO 9001:2015 — *Quality*

AS9100D Certified ISO 9001 — *Aerospace*

ISO 13485 — *Medical*

ITAR — *Military*

Accredited Nadcap — Chemical Processing, Electronics, Welding — *Aerospace*

Federal Aviation Administration — *Aerospace*

NIST 800-171 — *Military*

ISO 13485 — *Medical – expected certification for PARPRO Mexico Location – Q1 2023*

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LOCATIONS

PARPRO TECHNOLOGIES

SANTA ANA, CA

PCB Assembly
Integration / Box Build

PARPRO NEVADA

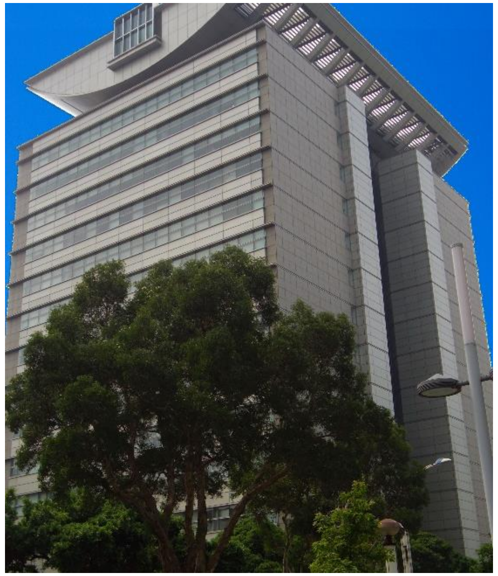
HENDERSON, NV

Sheet Metal Fabrication
Metal Prototyping
Integration & Test
Integration & Assembly

PARPRO MEXICO

TIJUANA, MEXICO

Cable & Wire Harness
Assembly
PCB Assembly
Machining & Sheet Metal
Fabrication
Integration / Assembly



PARPRO TAIWAN

TAIPEI, TAIWAN

Global Headquarters
Asian Sourcing Office

Organizational Cross-functions - Global Supply Chain • Finance • IT • HR • Sales & Marketing

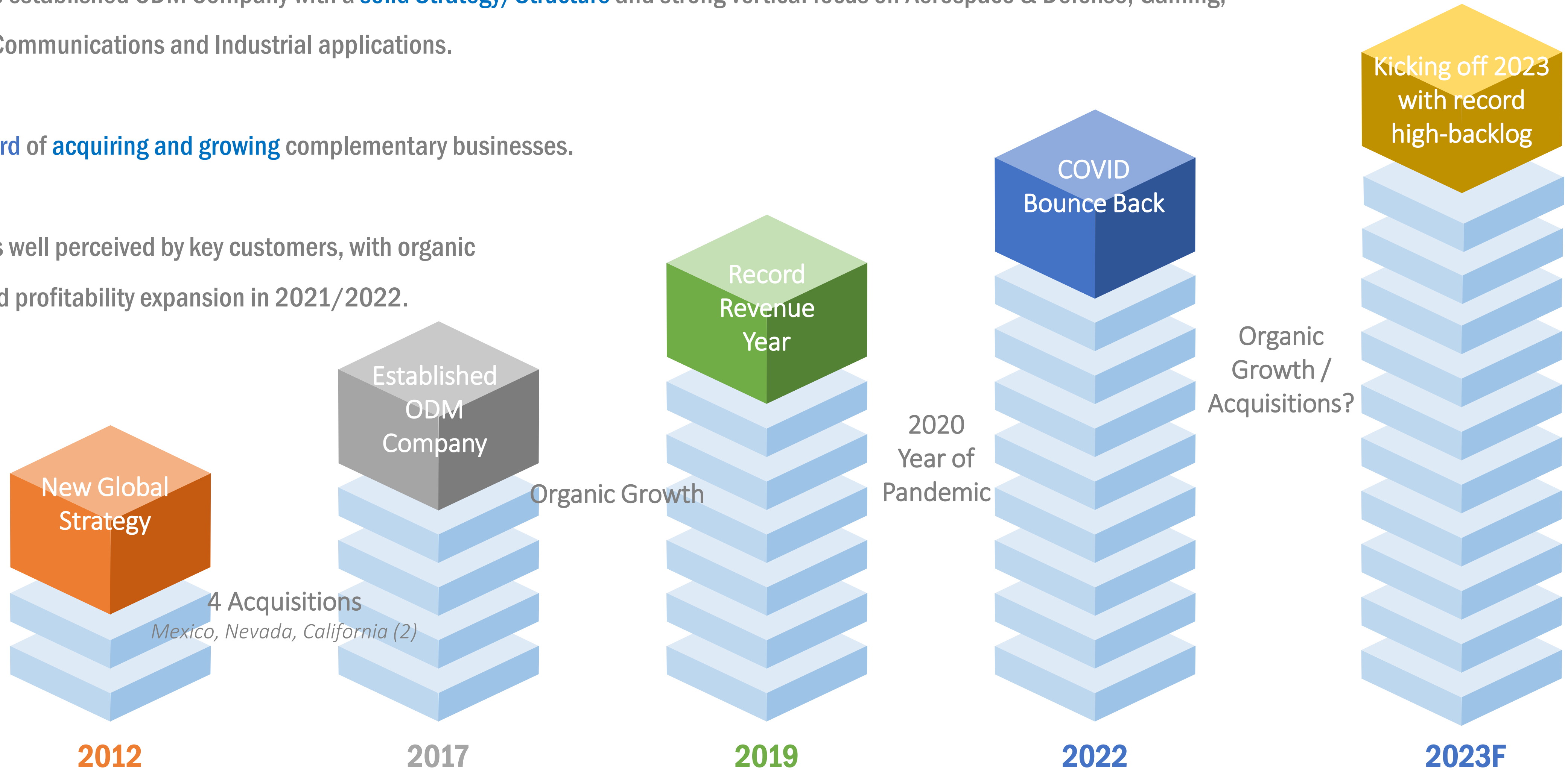
PARPRO

MAJOR MILESTONES

- **PARPRO** is established ODM Company with a **solid Strategy/Structure** and strong vertical focus on Aerospace & Defense, Gaming, Medical, Communications and Industrial applications.

- **Track record** of **acquiring and growing** complementary businesses.

- **Strategy** is well perceived by key customers, with organic growth and profitability expansion in 2021/2022.



COMPETITIVE DIFFERENTIATORS

The PARPRO Difference

Flexible Business Model

Expertise of all or one – services tailored to suit customer requirements

EMS – North American & Maquiladora

Making our manufacturing offering competitive at virtually any volume and any sourcing strategy

Global Supply Chain

Low-cost country or regional supply chain with North America based engineering and global integration, production, distribution and fulfillment

Certifications

ISO 13485

ISO 9001:2015

AS9100D CERTIFIED ISO 9001

ITAR

Accredited Nadcap™ Chemical Processing, Electronics, Welding

Federal Aviation Administration

PARPRO is very strong in these areas at the same time as pandemic and supply chain issues has weakened competition

PARPRO

MARKET REQUIREMENTS/OUR FOCUS MARKETS

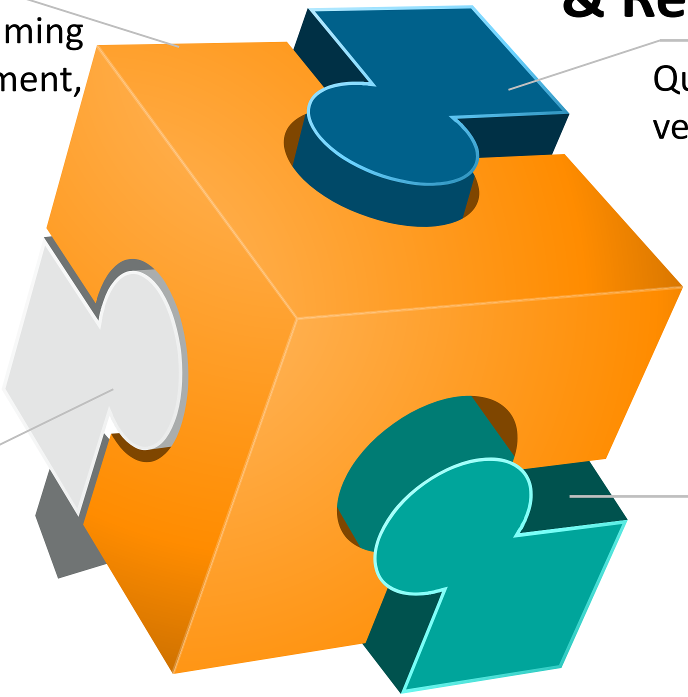
Common Across Target Markets

Highly Regulated

Highly regulated (FAA, FDA, Gaming Commissions, Federal Government, ITAR) - Expensive to enter, certifications required.

Quality, Reliability & Reputation

Quality and reliability very important



North American Manufacturing

North American Manufacturing location required in many cases.

Process Control

Process/revision control paramount

OUR SPECIALITIES

Markets We Serve

AEROSPACE/DEFENSE

- Cable/Wire Harnesses
- Electromechanical Assemblies
- Chassis/Enclosures
- Integration
- Control Systems

GAMING/INFOTAINMENT

- Gaming Boards
- Gaming Kiosks/Slot Machines/Cabinets
- Player Tracking
- Vending Machines
- Interactive/Self-serve Kiosks

MEDICAL

- PCB Assembly
- Embedded Medical Platforms & Systems

Expected Strong Growth 2025

COMMUNCIATIONS/ DATA STORAGE

- Data Center Switch, Appliances
- Storage Array Controllers
- Deep Packet Inspection, Load Balancing

INDUSTRIAL/OTHER

- Industrial Automation
- Smart Devices
- Transportation Systems
- EV Systems

LOW VOLUME, HIGHER MIX

MID VOLUME, MID MIX

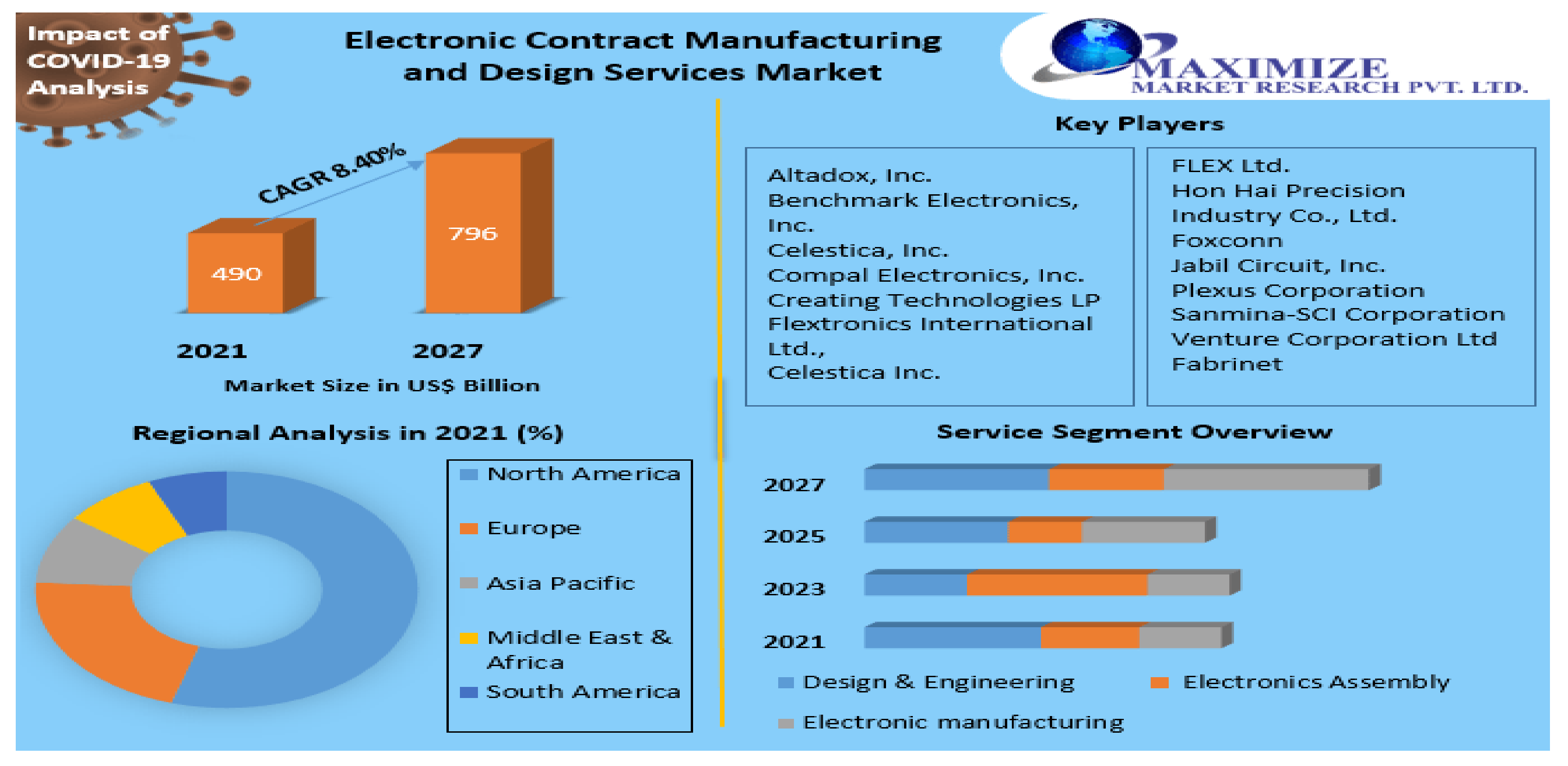
HIGHER COMPLEXITY

PARPRO

APPLICATIONS / CORE COMPETENCIES

STRATEGY & OPPORTUNITY

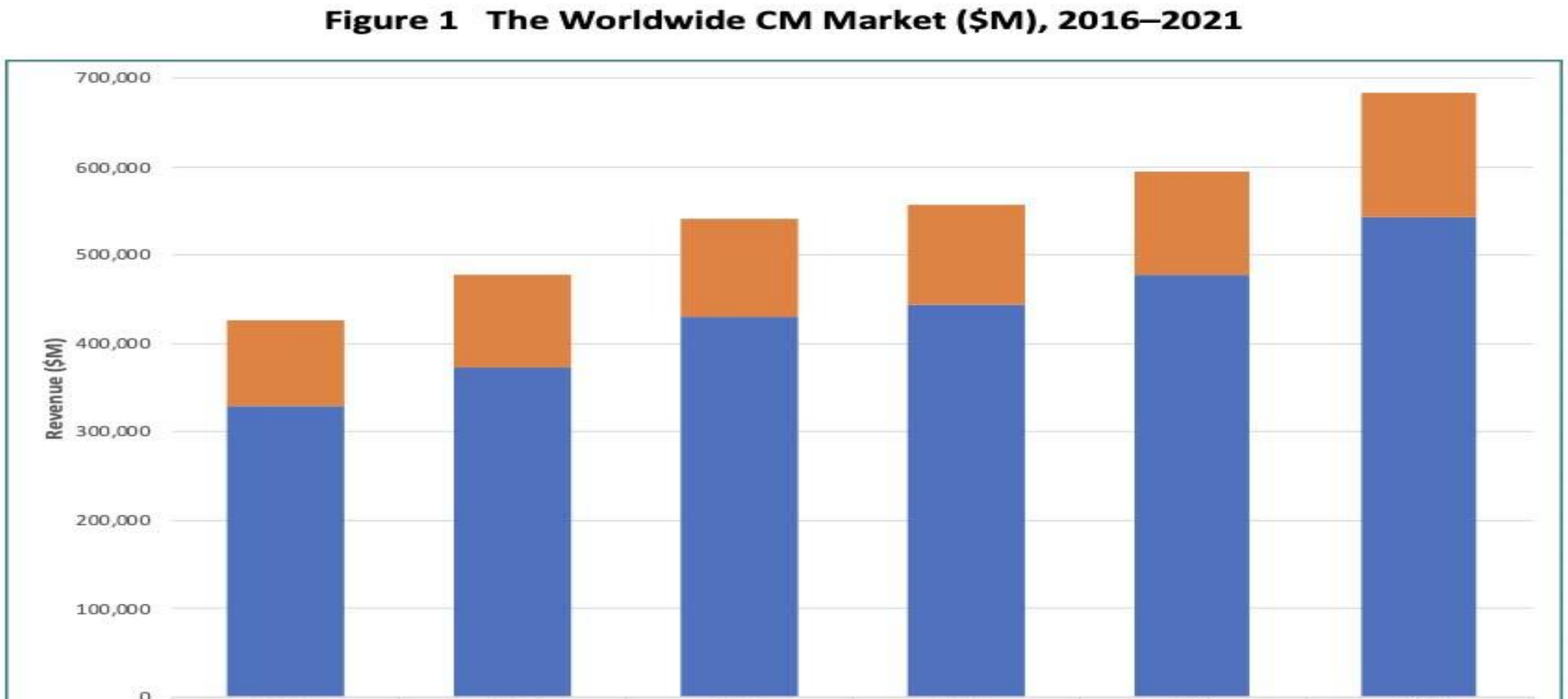
WORLDWIDE EMS/CONTRACT MANUFACTURING



PARPRO
TARGETING
>10-20% GROWTH
2023 and beyond
Via Niche/
Value Markets
(Regulated Markets)

SOURCE: Maximized Market Research

WORLDWIDE EMS/CONTRACT MANUFACTURING



	2016	2017	2018	2019	2020	2021
ODM	95,935	106,423	111,629	112,074	116,935	139,047
EMS	329,217	371,779	429,989	443,604	477,721	543,638

ODM/EMS revenue growth 2016-2021; Source: New Venture Research

TRENDS BY MARKET SECTOR

Outlook

GAMING/ KIOSK

Gaming industry continues to thrive. The Nevada Gaming fiscal year ended in June with a yearly gambling revenue total of $14.6 billion. This is a state record for a fiscal year and 37% higher than 2019 – pre pandemic. The previous record was 2007 when a total of $12.7 billion was reported.

- Player Tracking
- Mobile Gaming
- Surveillance
- Intelligent Vending Machines
- Self-Serve Kiosks
- Cloud Infrastruture

MEDICAL

Even with the threat of a recession, the Medtech industry is healthy and continues to invest in itself. R&D spending is well above the past-decade average, new FDA approvals offer promise of more innovation, and there's an opportunity for supply chains to be reinvented.

- Increasing investment in diagnostic technology & software
- Digital Healthcare / Home Health
- Patient Diagnosis Imaging / Clinical Care
- Digital patient records, remote healthcare, patient flow
- Rural Healthcare – Emerging markets
- Minimally invasive robotic surgery (MIRS)

AEROSPACE/ DEFENSE

Despite setbacks and operational challenges brought on by the pandemic and ongoing turbulence in global economics, the industry remains very optimistic with expected annual earning growth of 12% over the next 5 years.

- Connectivity
- Trust & Security
- Unmanned Vehicles & Robotics
- Product Longevity – long term availability

INDUSTRIAL/ COMMUNICATION

COVID-19 drove a shift to remote work and an increase in mobile data, voice traffic, and residential broadband. The industry is investing in technologies and several new trends are shaping up to stay connected.

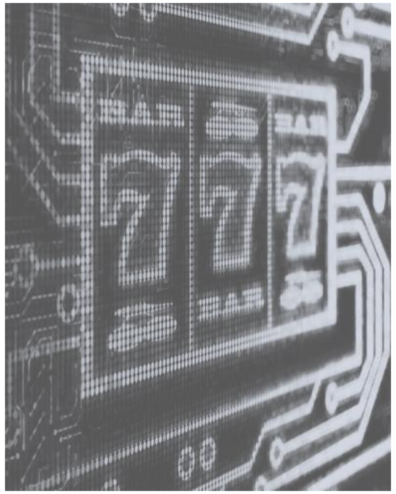
- Content Delivery Networks
- Internet of Things/Big Data
- HA Cloud Data Centers
- SDN/NFV – Cable & Telecom providvers, ISVs, Cloud, and CDN Service Providers
- New support and remote equipment access services

POST PANDEMIC DEVELOPMENTS

Positive Outlook for 2023

DEFENSE

Very strong growth – PARPRO acquired new long-term, multi-million dollar customer in 2021.



GAMING

Many competitors gone, and PARPRO gaining market share. Gaming industry is thriving reporting record high revenue in 2022.

AEROSPACE

Industry is still in post pandemic recovery, however PARPRO has strong foothold and continues to support key customers.

MEDICAL

New strong designs in Medical. PARPRO Mexico expected to be ISO13485 certified in Q1 2023.

Expected Strong Growth 2025

OVERALL

PARPRO kicking off 2023 with record-high backlog.

Significant interest uptick in PARPRO's Mexico facility.

GROWTH INITIATIVES

Expansion of current customer relationships

- Tier 1 gaming customer continues to drive constant new product launches

New-End Markets (Gaming and Self-Service Kiosks)

- Further expansion into growing end-markets with new and existing customers
- New customer relationships for kiosk-specific PCBA and complete assembly work

Vertical Integration: Expansion of capabilities

- PARPRO has expanded its sheet metal bending and fabrication – Nevada / Mexico
- PCBA / SMT Expansion – California & Mexico
- Testing capabilities – California

Nearshore facility expansion – PARPRO Mexico

- PCBA / SMT Expansion
- Mexico is now seen as a preferred low-cost alternative to China (flexibility and logistic costs)

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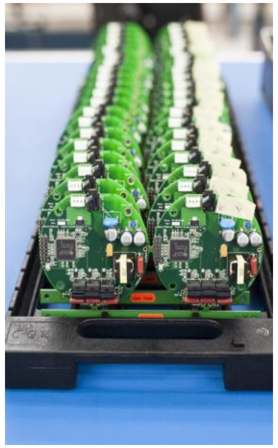
GROWTH INITIATIVES

Our Gaming, Infotainment and Kiosk Specialties



GAMING BOARDS/
EMBEDDED SYSTEMS

SLOT
MACHINES/CABINETS

GAMING KIOSKS

PLAYER TRACKING/
GAMING CONROLLER

INTERACTIVE/
SELF-SERVE KIOSKS

VENDING
MACHINES

PARPRO

PARPRO MEXICO – A STRATEGIC MOVE

MANUFACTURING IN MEXICO

PARPRO

PARPRO MEXICO

Specializing in

- PCB ASSEMBLY
- CABLE & WIRE HARNESSES
- SHEET METAL AND MACHINING
- ELECTRO-MECHANICAL ASSEMBLIES

135,000

SQUARE FEET

BUILDING

600

EMPLOYEES

PARPRO

BENEFITS OF MANUFACTURING IN MEXICO

Mexico is now ranked first for lowest business costs according to the annual KPMG Competitive Alternatives

Strong IP Protections Based On US and International Standards

Mexico's proximity to the USA / Freight Costs

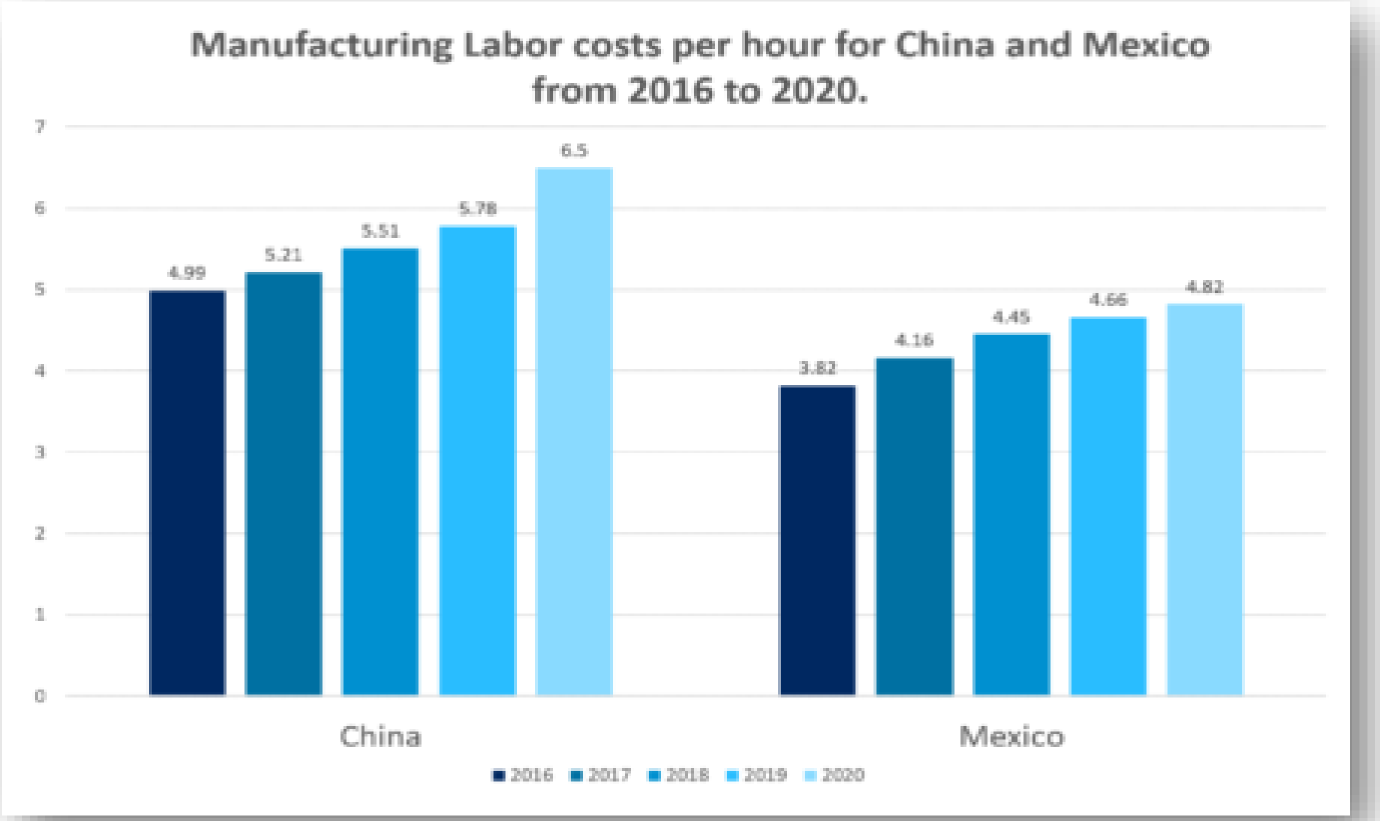
Favorable Industrial Real Estate Rates

Mexico is less expensive overall

Mexico is a Pro-Business Environment

BENEFITS OF MANUFACTURING IN MEXICO

Wage Comparison – Mexico vs. China



PARPRO – A COMPELLING OPPORTUNITY

MARCO-FACTORS

- Outsourced manufacturing will continue to be a widely used business strategy for U.S. based company
- Strong North American economy
- Forecast for GDP and job growth
- Technological advancement in electronics
- Proliferation of electronics products in daily interactions

INDUSTRY TRENDS

- Innovation
- Increased demand for contract manufacturing services
- Value-added service partners
- Higher quality products
- Enhanced capabilities
- Flexible manufacturing

COMPANY FACTORS

- Reputation and leadership
- Deep integration with clients' planning
- Growing design and support services
- Loyal clients poised for growth
- Advanced capabilities
- End-market diversification
- Seasoned management team
- Growth in revenue and earnings
- Onshore or nearshore manufacturing options

Compelling Investment Opportunity

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THANK YOU | Q & A