

The logo consists of several overlapping, semi-transparent geometric shapes: a large light blue parallelogram, a smaller yellow diamond, a red diamond, a blue diamond, and a green diamond. These are set against a background of a network of blue dots and lines forming a globe-like structure.

Ennoconn Corporation

Q3 Investor Conference

2022/11/10

Q3 2022 Consolidated Results Summary

Unit : NTD

Result

- Record High: quarterly and Q1~Q3 in Revenue, Net Income, EPS
- Q1~Q3 EPS 13.29, reaching 95% of 2021

Revenue

- Q3: 32.16B Annual Growth: 8.75B YoY: +37.4%
- Q1~Q3: 83.27B Annual Growth: 16.86B YoY: +25.4%

Net Income

- Q3: 652M Annual Growth: 296M YoY: +83.2%
- Q1~Q3: 1.40B Annual Growth: 577M YoY: +69.5%

EPS

- Q3: 6.15 Annual Growth: 2.45 YoY: +66.2%
- Q1~Q3: 13.29 Annual Growth: 4.63 YoY: +53.5%

Note 1: Net income is attributable to the parent company after tax

Note 2: 2021 share capital 9.6b, 2022 share capital 10.6b

Q3 2022 Operational Results Summary

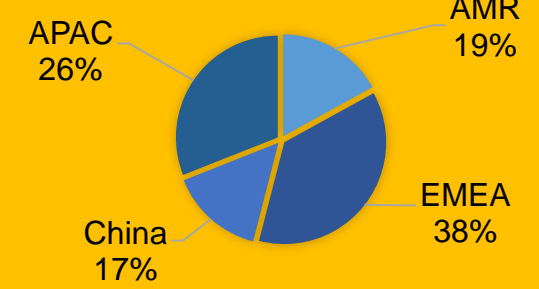
NT\$M	3Q21	2Q22	3Q22	QoQ	YoY	Remark
Revenues	23,414	26,839	32,161	19.8%	37.4%	<ul style="list-style-type: none"> ● Revenue: Due to global inflation, energy risks and geopolitical disruptions, Ennoconn's diversified business model includes Technology, Products, Markets, and Services. In addition, we provide global localization, including supply chain, manufacturing and sales services. Overall revenue grew 37.4% (8.75b annual growth). ● Gross Profit: Increased 870m, or 17.3% annually, due to the significant increase in the proportion of revenue from the System Integration, which affected the annual GP margin by 3.1 ppt. ● Operating Profit: Increased by 310m, or 34.9%, due to a one-time investment in the Hungarian plant, resulting in a flat OP margin for the quarter.
Gross Profit	5,043	5,473	5,913	8.0%	17.3%	
Gross Margin %	21.5%	20.4%	18.4%	-2.0ppt	-3.1ppt	
Selling expenses	-840	-763	-865			
G&A expenses	-1,139	-1,299	-1,601			
R&D expenses	-2,167	-2,242	-2,171			
Expected credit loss	2	-33	-63			
Operating Income	899	1,136	1,213	6.8%	34.9%	
Operating Marg%	3.8%	4.2%	3.8%	-0.4ppt	0.0ppt	
Interest income (expense)	-124	-124	-119			
FX gain (loss)	7	257	386			
Other non-operating income (expenses)	263	291	403			
Income Tax	179	467	468	0.2%	161.5%	<ul style="list-style-type: none"> ● Foreign Exchange: Benefited from the appreciation of the US dollar, recognized a gain of 386m in 3Q, contributing 141m to the parent company's after-tax income and 1.33 to EPS for the quarter. ● Non-Operating Income: Increased mainly due to the increase in government subsidies for R&D personnel by 24m per quarter and the decrease in valuation loss of financial assets by ~60m compared to 2Q. ● Note: The effective tax rate for the period was 24.9%.
Net Income	865	1,093	1,415	29.5%	63.6%	
Net Income (to parent company)	356	441	652	47.8%	83.1%	
EPS (NT\$)	3.70	4.16	6.15	47.8%	66.2%	<ul style="list-style-type: none"> ● EPS: After tax was 6.15, an increase of 2.45 annually and a record high profit for Ennoconn in a single quarter.

Q3 2022 Business Segment Results Summary

Business Segment	Key Member	Revenue (NT\$M)	Revenue QoQ	Revenue YoY	GM	OpM	EPS (NT\$)	Remark
Ennoconn Consolidation	3Q22	32,161	19.8%	37.4%	18.4%	3.8%	6.15	<ul style="list-style-type: none"> ● Ennoconn Consolidation: Revenue grew 8.75b QoQ, or 37.4%, mainly from System Integration 5.87b, DMS 2.14b, and Branding 730m. ● Branding: Revenue grew 6.2% QoQ and 730m annual growth, 7.1% YoY, mainly from Rail Transportation, Infrastructure and Green Energy; GP decreased 20m and GM decreased 2.2% YoY, mainly due to the depreciation of the Euro against the US dollar and the one-time consulting fees; net OP increased 50m, 49.9% YoY. ● System Integration: Revenue grew 20.5% QoQ, and 5.87b annual growth, 70.2% YoY, significant growth in demand for Semiconductors, Smart City and Infrastructure. GP increased 560m, or 58.4%, and net OP increased 340m, or 70.6%. ● DMS: Revenue grew 48.9% QoQ, and 2.14b annual growth, or 45.0% YoY, mainly from parent company, including European factory, Retail Finance, Lottery, and Internet Security; GP increased 330m, or 32.0% YoY; OP decreased 70m, or 23.2% YoY, mainly due to the one-time investment cost of the Hungarian factory, which is expected to be partially refunded by customers in Q4.
	2Q22	26,839			20.4%	4.2%	4.16	
	3Q21	23,414			21.5%	3.8%	3.70	
Branding	3Q22	11,023 (34%)	6.2%	7.1%	27.5%*	1.3%	0.41(7%)	
	2Q22	10,384 (39%)			30.5%*	1.6%	0.71(17%)	
	3Q21	10,290 (44%)			29.7%*	1.0%	0.62 (17%)	
System Integration	3Q22	14,244 (44%)	20.5%	70.2%	10.7%	5.8%	3.29(53%)	
	2Q22	11,824 (44%)			10.7%	5.7%	1.93(46%)	
	3Q21	8,370 (36%)			11.5%	5.8%	2.01(54%)	
DMS	3Q22	6,894 (22%)	48.9%	45.0%	19.7%	3.5%	2.45(40%)	
	2Q22	4,631 (17%)			22.6%	6.5%	1.52(37%)	
	3Q21	4,754 (20%)			21.6%	6.6%	1.07 (29%)	

* S&T GM of 34.9%, 38.0% and 36.6% for 2Q-3Q2022, and 3Q2021, and income statement format is different from the IFRS standard in Taiwan. To be reclassified as above.

Q3 2022 Regional Results Summary

		Revenue (NT\$M)	Revenue QoQ	Revenue YoY	3Q22 Revenue (NT\$M)	Remark
Ennoconn Consolidation	3Q22	32,161	19.8%	37.4%	83,273	<p>3Q22 Revenue Contribution</p>  <ul style="list-style-type: none"> ● AMR: 43% of revenue from DMS, 42% from System Integration, 15% from Branding. ● EMEA: 72% of revenue from Branding, 20% from DMS, 8% from System Integration. ● China: 80% of revenue from System Integration, 14% from DMS, 6% from Branding. ● APAC: 76% of revenue from System Integration, 17% from DMS, 7% from Branding.
	2Q22	26,839				
	3Q21	23,414				
AMR	3Q22	5,959 (19%)	32.9%	98.9%	13,705 (16%)	
	2Q22	4,485 (17%)				
	3Q21	2,995 (13%)				
EMEA	3Q22	12,377 (38%)	26.2%	22.0%	32,579 (39%)	
	2Q22	9,808 (37%)				
	3Q21	10,145 (43%)				
China	3Q22	5,479 (17%)	31.4%	75.6%	13,449 (17%)	
	2Q22	4,169 (15%)				
	3Q21	3,120 (13%)				
APAC	3Q22	8,346 (26%)	-0.4%	16.7%	23,540 (28%)	
	2Q22	8,377 (31%)				
	3Q21	7,154 (31%)				

Ennoconn Substantial Business Development

Diversification Growth Strategies	1	Product Technology	「 HW/SW Integration 」 , 「 Cloud-Edge Integration 」
	2	Resource Integration	「 Technology + AIoT 」 , 「 Global Manufacturing + Sales & Marketing 」
	3	Spindle development	「 EPS + ESG + ESaaS 」
Innovated Business Model	1	Transformation	「 Digital + Green + Cybersecurity Transformation 」
	2	Cloud/SW Integration	「 Industrial Metaverse 」 , 「 Net Zero Metaverse 」
	3	Value Chain Restructuring	「 Green Supply Chain 」 , 「 Global Manufacturing and Operations 」

Thank you !