



Ennoconn Corporation

Industry Conference

2023 / 12 / 19

Agenda

1 Ennoconn Business Strategy

2 Q1~Q3 23 Operating Result & 23 Outlook

3 ESaaS Strategy Development

4 2024 Operating Outlook

5 Q & A



Ennoconn Business Strategy

Ennoconn's three major shareholders



Shareholding Ratio

3.87 %

Shareholding Ratio

29.18 %

Shareholding Ratio

4.04 %

Cooperation Strategy & Long-term Benefits

Cloud, Network & Devices
AIoT Integration & Platform

Global Supply Chain & Manufacturing
Services

ARM-Based
Architecture Edge IoT Devices

Organization of the Ennoconn Group

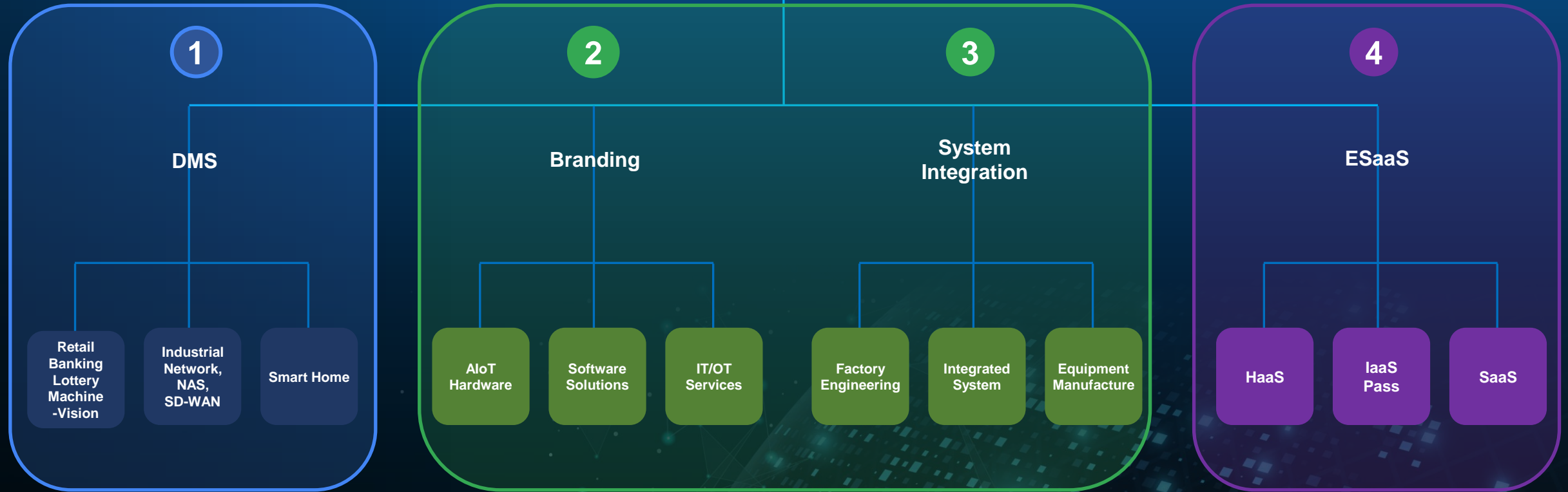
Group Members: 9,519
2022 Revenue: NTD 108.2 B
Current share capital: 1.316 billion

Ennoconn Corp.

IPC 3.0 (AIoT Cloud Platform Solutions)

IPC 1.0 (IPC SW/HW Solutions)

IPC 2.0 (IoT Platform Solutions)



> 60 Countries

> 5k SI

> 250K Resellers

Ennoconn Top 10 Application and Market Leader



Operating Performance Over the Years

- From 2013 (3.1 billion) to 2022 (108.2 billion), the growth is approximately 35 times.
- Annual revenue CAGR: 48% (2013 ~ 2022)
- Annual net profit CAGR: 28% (2013 ~ 2022)
- Average annual cash dividend per share from 2013 to 2022: 7.99 NTD, Average cash dividend payout ratio: 53.5%
- Parent company only debt ratio: Currently (as of the end of November) 30%.

Unit : 100 million NTD





Q1~Q3 23 Operating Result & 23 Outlook

Ennoconn and Parent Q1~Q3 Operating Summary



Deducted 2022 Kontron IT Service one-time disposal

REVENUE	Record High	NT 87.42 B
NET PROFIT	Record High	NT 1.84 B
EPS	Record High	15.91
DEBT RATIO	Parent Company	31.1 %
PROFITABILITY	Increase on OP, GP, NP	Q3 and Q1~Q3
CAPITAL STABILITY	Low Debt Ratio	No significant capital expenditures and major acquisition

Ennoconn Q1~Q3 Operating Summary

REVENUE	NT 87.42B	YoY 12.41B	YoY 16.5%
GROSS PROFIT	NT 17.31B	YoY 3.22B	YoY 22.9%
OPERATING PROFIT	NT 4.14B	YoY 1.51B	YoY 57.6%
NET PROFIT	NT 1.84B	YoY 430M	YoY 30.2%
EPS	NT 15.91	YoY 2.6	YoY 19.5%

Note: weighted average equity 1.06B in Q1/2023; 1.09B in 1H/2023; 1.15B in Q1~Q3/2023; estimating 1.20B in 2023

Ennoconn Q1~Q3 Profitability Summary

GROSS MARGIN	18.8% → 19.8%	YoY 1.0 ppt.	YoY 5.3%
OPERATING MARGIN	3.5% → 4.7%	YoY 1.2 ppt.	YoY 34.3%
NET MARGIN	1.9% → 2.1%	YoY 0.2 ppt.	YoY 10.5%

Parent Company

Ennoconn 2023 Operational Outlook

Deducted 2022 Kontron IT Service one-time disposal

Ennoconn
Group

2023 : Net Income and EPS YoY Target : **High digit Growth**

23 vs. 22

Revenue



- 23 vs. 22 Stable Growth, BB Ratio : 1.12~1.17, orders on hand at all-time high

Gross Margin



- 23 vs. 22 Stable Growth, software and solution share increased

Operating
Margin



- 23 vs. 22 High Growth, increase in high margin product mix

Net Margin
(To Parent)



- 23 vs. 22 High Growth, high growth in Parent and Channel

EPS



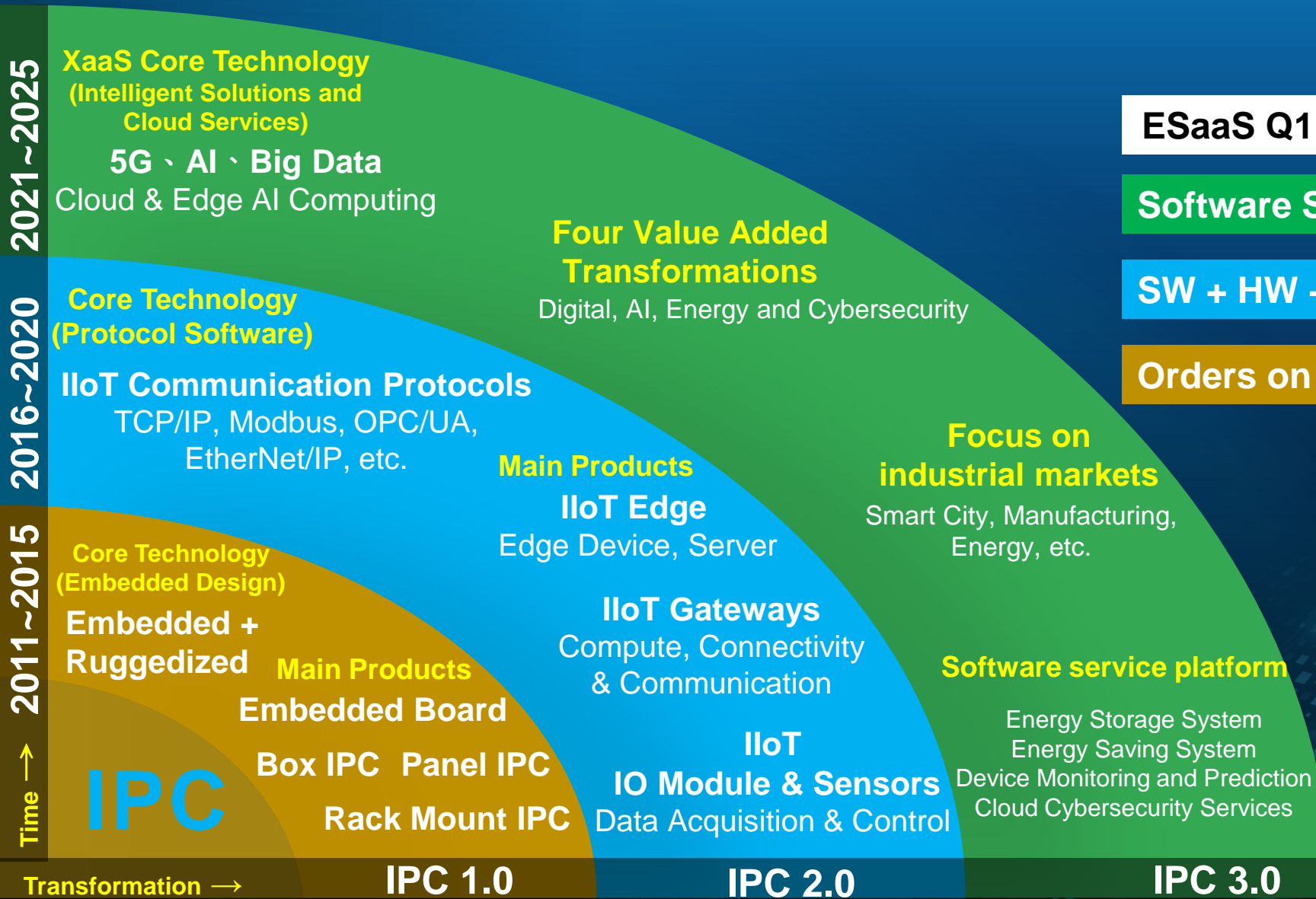
- 23 vs. 22 High Growth, share capital 22 : \$1.06B 23 : \$1.20B +13.2%



ESaaS Strategy Development

Ennoconn expand **IPC + IIoT + XaaS** Revenue Scale

1~11 Months Revenue: 108.7 B NTD YoY 13 B NTD YoY +13.6%



Unit : NTD

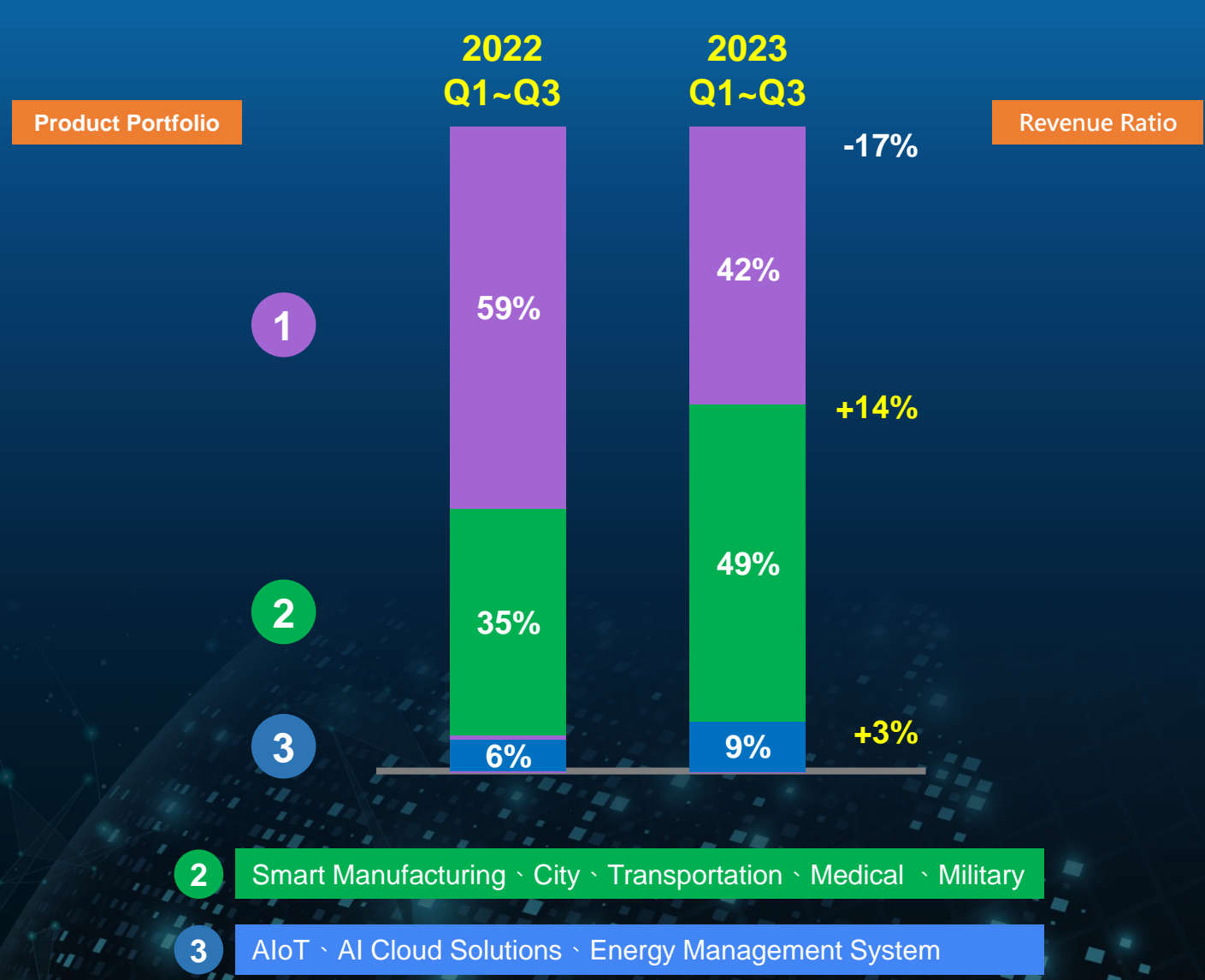
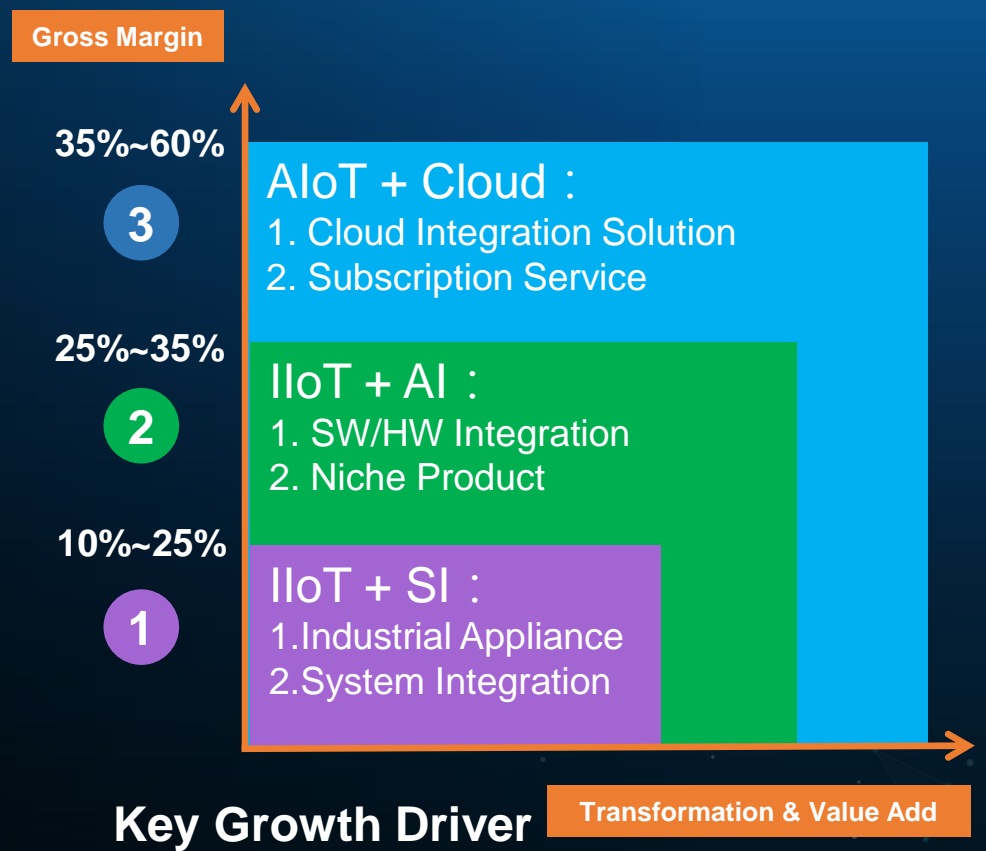
ESaaS Q1~Q3 Revenue	7.9B	YoY 3.5B	+80%
Software Solutions	3.5B	Proportion	44%
SW + HW + Cloud	4.4B	Proportion	56%
Orders on hand	12.6B	BB Ratio	1.6

Unit : USD

	Global Market size	GAGR	
IPC 3.0	XaaS	\$1,132B	23.4%
IPC 2.0	IIoT	\$543B	22.7%
IPC 1.0	IPC	\$6.3B	8.3%

Product Portfolio Optimization & Profit Improvement

23 Q1~Q3 Gross Profit YoY 3.22B NTD YoY +22.9%



Cloud AI & Edge AI Solutions Business Dev.

2022 Consolidated Revenue : 3.27B NTD

2023 Q1~Q3 Consolidated Revenue : 3.38B NTD

Unit : NTD

1 Cloud AI Computing



Database



Application SW



App Interface

	2022	2023 Q1~Q3	2024 Q4
Product & Services	Consolidated Revenue	Consolidated Revenue	Consolidated Revenue
Cloud AI + Edge AI	3.27B	3.38B	➔

1 Cloud AI Computing	2022	2023 Q1~Q3	2024 Q4
Product & Services	Revenue	Revenue	Revenue
AI HW + SW + Service	1.15B	13.3B	➔

2 Edge AI Computing



AI Server



AI Workstation



AI Device

2 Edge AI Computing	2022	2023 Q1~Q3	23Q4
AI HW + SW + Service	Revenue	Revenue	Revenue
AI Server	610M	630M	➔
AI Workstation	1.29B	1.22B	➔
AI Device	220M	200M	➔
Total	2.12B	2.05B	➔

Smart Transportation

Railway

Industrial IoT
Railway Network

- Market Size of US\$27.2 Billion
- 84,000 KM Railway Operations
- Leader in Rail Networks (RDN)



Smart Manufacturing

Industrial IoT

Industrial Computing
Industrial Automation

- Market Size of US\$277.8 Billion
- IIoT + 5G Solutions
- Susietec & ECOWatch Toolsets



Advanced Semiconductor

Advanced Equipment

Factory FMCS
Semiconductor Equipment

- 2 & 3nm New Fab Construction
- Building Factories Overseas
- Advanced Equipment Supply



Smart Bank & Retail

Banks and Shops

ITM
Self-checkout

- ATM Market Size of US\$22.8B
- SCO Market Size of US\$3.6B
- More than 800,000 ITM & SCO



Smart Lottery

Self-service lottery

Lottery machine
Gaming machine

- Market Size of US\$28 Billion
- More than 800,000 Equipment
- 77% of the U.S. Lottery Market



Smart energy

Creation Storage Saving

Smart Industrial Park
Smart Building

- Market Size of US\$94 Billion
- AIoT Smart solutions
- Government & Corporate Buildings





2024 Operating Outlook

Ennoconn 2024 Operational Outlook

Ennoconn
Group

- ① 2023 : Net Income and EPS YoY Target : **High digit Growth**
- ② 2H vs. 1H Revenue, Net Income, and EPS Target: 2H > 1H

24 vs. 23

Revenue



- 24 vs. 23 Stable Growth, orders on hand at all-time high

Gross Margin



- 24 vs. 23 Stable Growth, software and solution share increased

Operating
Margin



- 24 vs. 23 Stable Growth, increase in high margin product mix

Net Margin
(To Parent)



- 24 vs. 23 High Growth, high growth in Parent and Channel

EPS



- 24 vs. 23 High Growth

BU Q2
Revenue Outlook

DMS



Branding



SI





Thank You !