



敦吉集團
AUDIX GROUP

Taiwan Stock Exchange(TWSE : 2459)

AUDIX CORPORATION



2021 Third Quarter Investor Conference

November 12 , 2021



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Agenda



1.

Overview.....01/34~05/34



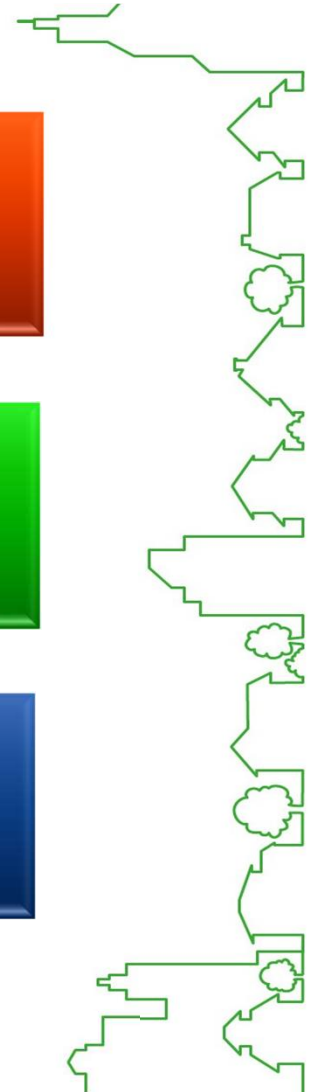
2.

Operating Report....06/34~33/34



3.

Q & A.....34/34





Overview

- **Company Profile & Core Business Profile**
- **Operation Base**
- **Consolidated Net Revenue & Net Income (2016 ~ 2020)**
- **Profitability (2016 ~ 2020)**
- **Dividend Distribution (2016 ~ 2020)**

Company Profile & Core Business Profile



Establishment Day

August 7 , 1980

Listed on TWSE

September 17 , 2001

Capital

NTD 1.06Billion

Chairman

James Chung

General Manager

Jimmy Chung

Consolidated Revenue (2020)

NTD 6.36Billion

BU HEAD
Y. J. Jeng

**CHANNEL
BUSINESS**

Sales of electronic & mechanical components for computer , telecom ,optical storage, power management, monitor applications ,Design & manufacturing of IOT smart Hydro System.

BU HEAD
Jimmy Chung

**MANUFACTURE
BUSINESS**

Manufacturing of electronic components, precision mold design and injection parts. Manufacturing of automotive and the medical components.

BU HEAD
Jeff Chen

**CERTIFICATION
BUSINESS**

Safety & EMC test and validation for electronic & electric equipments. Software development, application services. Test laboratory, design and construction.



Operation Base



● **HQ** : Taipei

● **CHANNEL BUSINESS** : Taipei 、 H.K 、 Shenzhen 、 Xiamen 、 Shanghai 、 Wujiang 、
Beijing 、 Xi'an 、 Chengdu 、 Tokyo

● **MANUFACTURE BUSINESS** : Xiamen 、 Wujiang

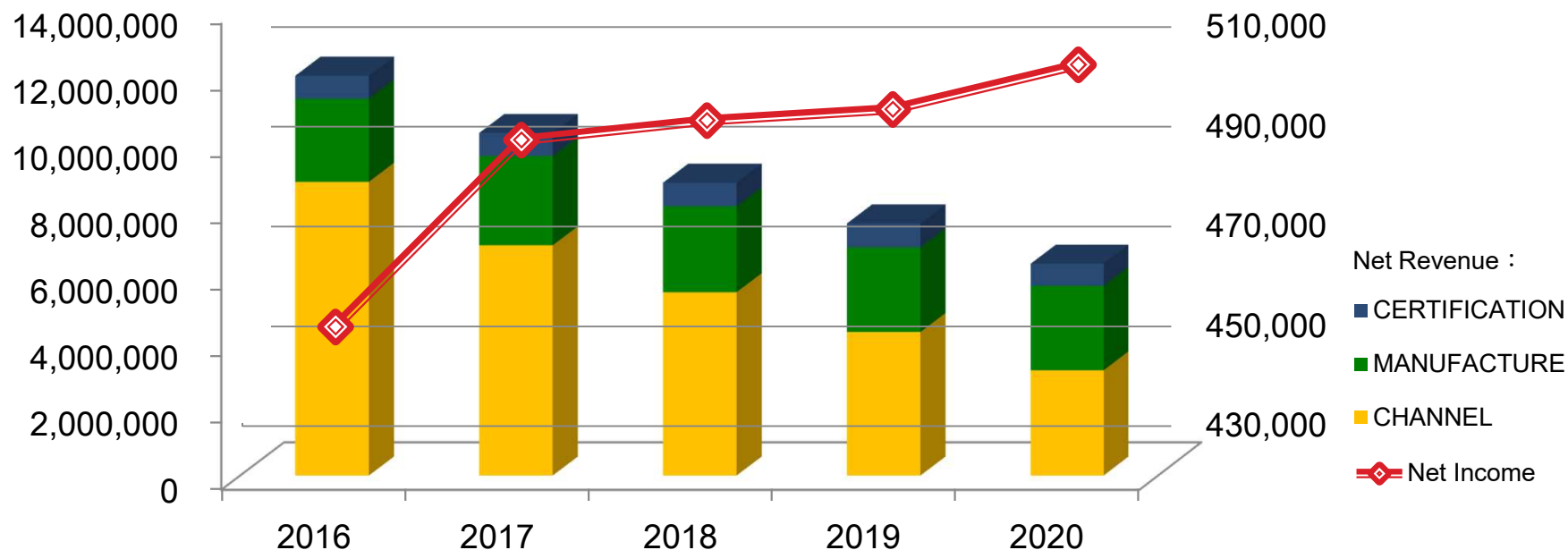
● **CERTIFICATION BUSINESS** : Taipei 、 Shenzhen 、 Shanghai 、 Wujiang 、 Beijing



Consolidated Net Revenue & Net Income



Unit : NTD Thousand



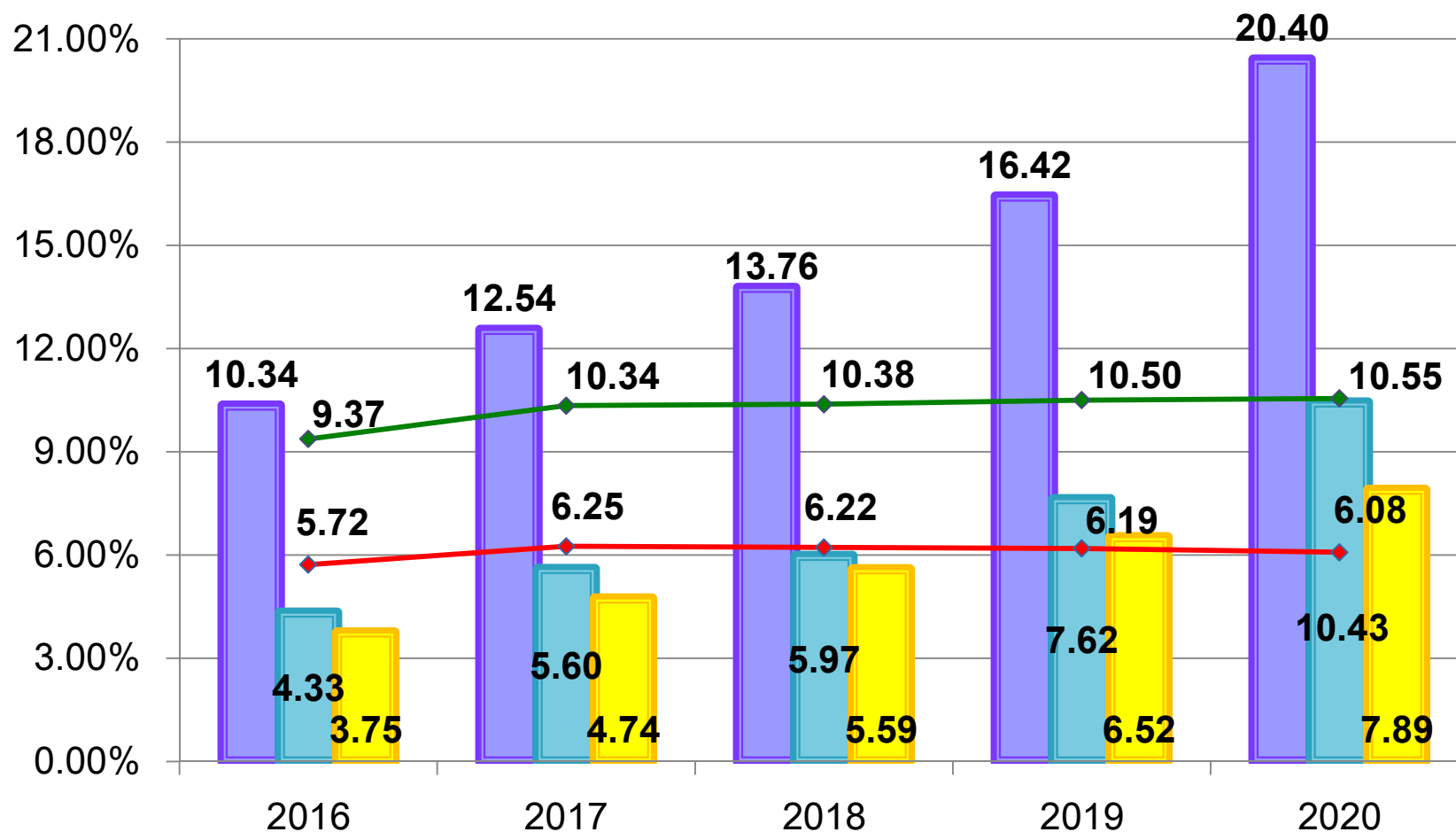
Year		2016	2017	2018	2019	2020
Net Revenue	CHANNEL	8,820,133	6,914,125	5,508,862	4,311,713	3,162,612
	MANUFACTURE	2,496,779	2,677,892	2,573,108	2,543,938	2,534,837
	CERTIFICATION	688,318	693,644	710,523	713,527	667,169
Net Revenue		12,005,230	10,285,661	8,792,493	7,569,178	6,364,618
Net Income		449,926	487,359	491,269	493,517	502,440



Profitability



Unit : %



Gross Margin(%) Operating Margin(%) Net Margin(%) ROA(%) ROE(%)



Dividend Distribution



Year	EPS (NTD)	Cash Dividend (NTD/Share)	Dividend Payout Ratio (%)	Ex-Dividend Trading Date	Market Price Per Share		Cash Dividend Yield(%)
2016	3.72	2.6	70%	2017/7/4	2017/7/3	40.50	6.42%
2017	4.13	3.0	73%	2018/7/2	2018/6/29	41.80	7.18%
2018	4.03	※ 3.0	※ 50%	2019/7/11	2019/7/10	39.70	7.56%
2019	4.20	※ 3.0	※ 36%	2020/7/7	2020/7/6	42.15	7.12%
2020	4.25	※ 3.3	※ 54%	2021/7/7	2021/7/6	57.50	5.74%

※ 2018 : Cash Dividend NTD2.0 + Cash Distributed from Capital Surplus NTD1 (Per Share)
Dividend Payout Ratio : Cash Dividend 2.0 / EPS 4.03 = 50%

2019 : Cash Dividend NTD1.5 + Cash Distributed from Capital Surplus NTD1.5 (Per Share)
Dividend Payout Ratio : Cash Dividend 1.5 / EPS 4.20 = 36%

2020 : Cash Dividend NTD2.3 + Cash Distributed from Capital Surplus NTD1.0 (Per Share)
Dividend Payout Ratio : Cash Dividend 2.3 / EPS 4.25 = 54%





Operating Report

- **Result Highlights**
- **Consolidated Statements of Comprehensive Income**
- **Consolidated Balance Sheets**
- **Consolidated Net Revenue**
- **Consolidated Net Income**
- **Operating Cash Cycle**
- **Revenue by Product Category**
- **Core Business Operational Results & Operation Prospect**

Result Highlights



Unit : NTD Thousand

ITEM	3Q21	2Q21	QoQ	3Q20	YoY	1~3Q21	1~3Q20	YoY
Net Revenue	1,842,466	1,797,452	2.50%	1,860,941	(0.99)%	5,156,165	4,612,335	11.79%
Gross Margin	24.12%	19.25%	+487bp	21.32%	+280bp	21.65%	19.41%	+224bp
Operating Expenses	(190,527)	(168,864)	12.83%	(163,214)	16.73%	(526,986)	(440,878)	19.53%
Operating Income	253,796	177,169	43.25%	233,582	8.65%	589,197	454,413	29.66%
Operating Margin	13.77%	9.86%	+391bp	12.55%	+122bp	11.43%	9.85%	+158bp
Net Income (Loss) Attributable To : Shareholders of the Parent	177,151	138,902	27.54%	160,739	10.21%	440,510	343,866	28.11%
EPS(NT\$)(1)	1.68	1.32		1.52		4.17	3.25	
Net Book Value(NT\$)(1)	42.62							

Total Assets	9,110,880	9,000,236		8,380,175		9,110,880	8,380,175
Total Liabilities	4,240,437	4,297,886		3,732,385		4,240,437	3,732,385
Total Equity	4,870,443	4,702,350		4,647,790		4,870,443	4,647,790
Net Working Capital	3,307,421	3,207,891		3,679,231		3,307,421	3,679,231

KEY Indices

ROA	2.36%	1.77%	+59bp	2.25%	+11bp	5.77%	4.64%	+113bp
ROE	4.35%	3.27%	+108bp	3.95%	+40bp	10.30%	8.03%	+227bp
Net Margin	11.29%	8.48%	+281bp	9.60%	+169bp	9.72%	8.11%	+161bp

(1).Weighted average shares outstanding

105,596

105,596

105,723

105,596

105,723

Consolidated Statements of Comprehensive Income



Unit : NTD Thousand

ITEM	3Q21	2Q21	QoQ	3Q20	YoY	1~3Q21	1~3Q20	YoY
Net Revenue	1,842,466	1,797,452	2.50%	1,860,941	(0.99)%	5,156,165	4,612,335	11.79%
COGS	(1,398,143)	(1,451,419)	(3.67)%	(1,464,145)	(4.51)%	(4,039,982)	(3,717,044)	8.69%
Gross Profit	444,323	346,033	28.40%	396,796	11.98%	1,116,183	895,291	24.67%
Gross Margin	24.12%	19.25%		21.32%		21.65%	19.41%	
Operating Expenses	(190,527)	(168,864)	12.83%	(163,214)	16.73%	(526,986)	(440,878)	19.53%
Operating Income	253,796	177,169	43.25%	233,582	8.65%	589,197	454,413	29.66%
Operating Margin	13.77%	9.86%		12.55%		11.43%	9.85%	
Net Non-operating items	40,460	25,492	58.72%	(9,090)	(545.10)%	89,987	19,172	369.37%
Profit Before Tax	294,256	202,661	45.20%	224,492	31.08%	679,184	473,585	43.41%
Tax	(86,207)	(50,306)	71.37%	(45,815)	88.16%	(178,100)	(99,710)	78.62%
Profit After Tax	208,049	152,355	36.56%	178,677	16.44%	501,084	373,875	34.02%
Net Margin	11.29%	8.48%		9.60%		9.72%	8.11%	
Net Income (Loss) Attributable To : Shareholders of the Parent	177,151	138,902	27.54%	160,739	10.21%	440,510	343,866	28.11%
EPS(NT\$)(1)	1.68	1.32		1.52		4.17	3.25	
Tax%	29.30%	24.82%		20.41%		26.22%	21.05%	
(1).Weighted average shares outstanding	105,596	105,596		105,723		105,596	105,723	

Consolidated Balance Sheets



Unit : NTD Thousand

ITEM	3Q21		2Q21		3Q20	
	Amount	%	Amount	%	Amount	%
Cash & Cash Equivalents	1,296,291	14%	1,556,392	17%	1,640,545	19%
Accounts Receivable	1,804,935	20%	1,776,106	20%	1,697,768	21%
Inventory	548,238	6%	510,451	6%	400,265	5%
Others-Current Assets	3,220,162	35%	2,693,175	30%	2,425,774	29%
Property , Plant & Equipment	1,730,962	19%	1,762,395	20%	1,785,642	21%
Others-Noncurrent Assets	510,292	6%	701,717	7%	430,181	5%
Total Assets	9,110,880	100%	9,000,236	100%	8,380,175	100%
Short-term loans	2,147,709	24%	1,514,731	17%	1,071,458	13%
Accounts Payable	799,831	9%	913,087	10%	964,899	12%
Others-Current Liabilities	614,665	6%	900,415	10%	448,764	5%
Others-Noncurrent Liabilities	678,232	7%	969,653	11%	1,247,264	15%
Total Liabilities	4,240,437	46%	4,297,886	48%	3,732,385	45%
Total Equity	4,870,443	54%	4,702,350	52%	4,647,790	55%

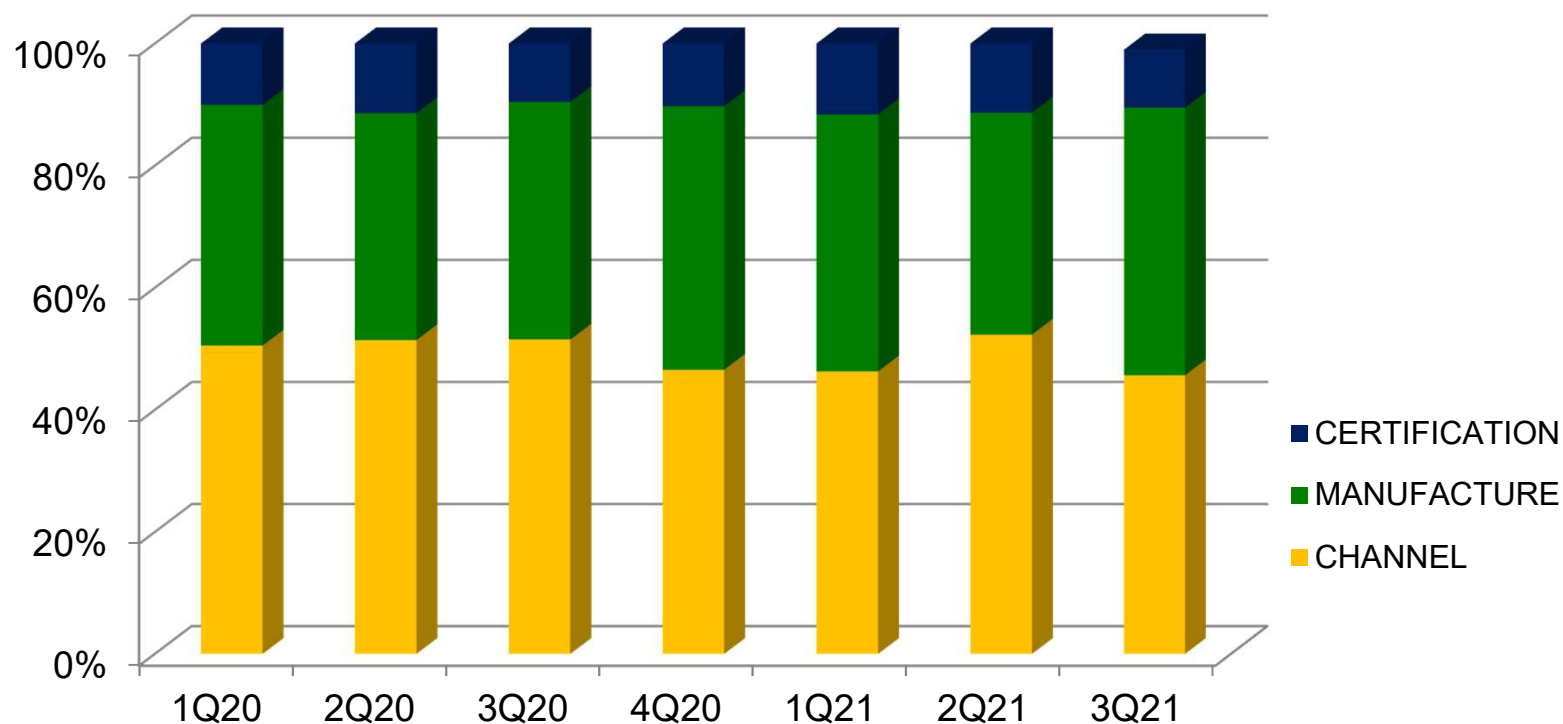
KEY Indices

Net Working Capital	3,307,421	3,207,891	3,679,231
Current Ratio	193%	196%	248%
AR Turnover(Days)	94	96	108
Inventory Turnover(Days)	37	32	34
AP Turnover(Days)	69	67	67
Operating Cash Cycle(Days)	62	61	75

Consolidated Net Revenue



Unit : %



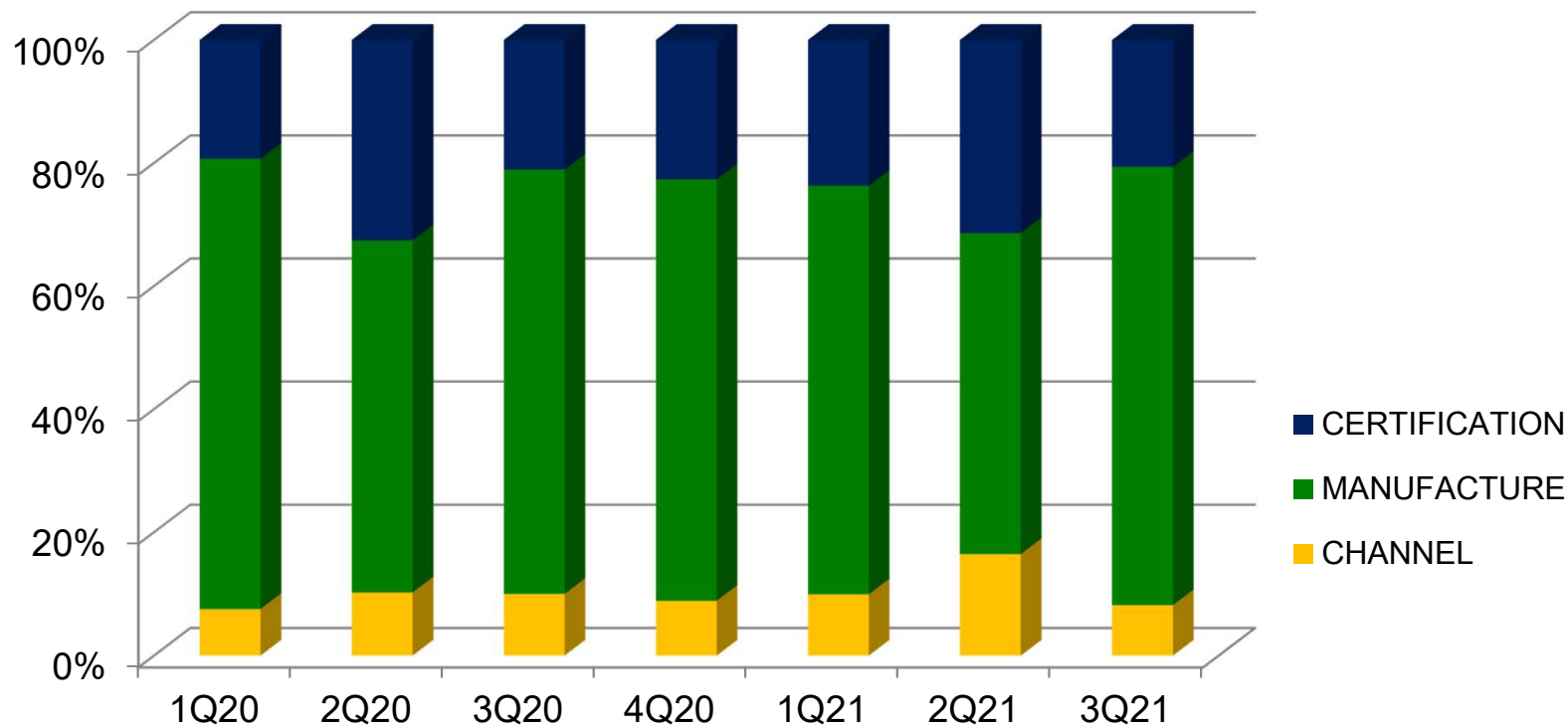
Core Business \ Period	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
CHANNEL	51%	51%	51%	47%	46%	52%	46%
MANUFACTURE	39%	37%	39%	43%	42%	36%	44%
CERTIFICATION	10%	12%	10%	10%	12%	12%	10%



Consolidated Net Income



Unit : %



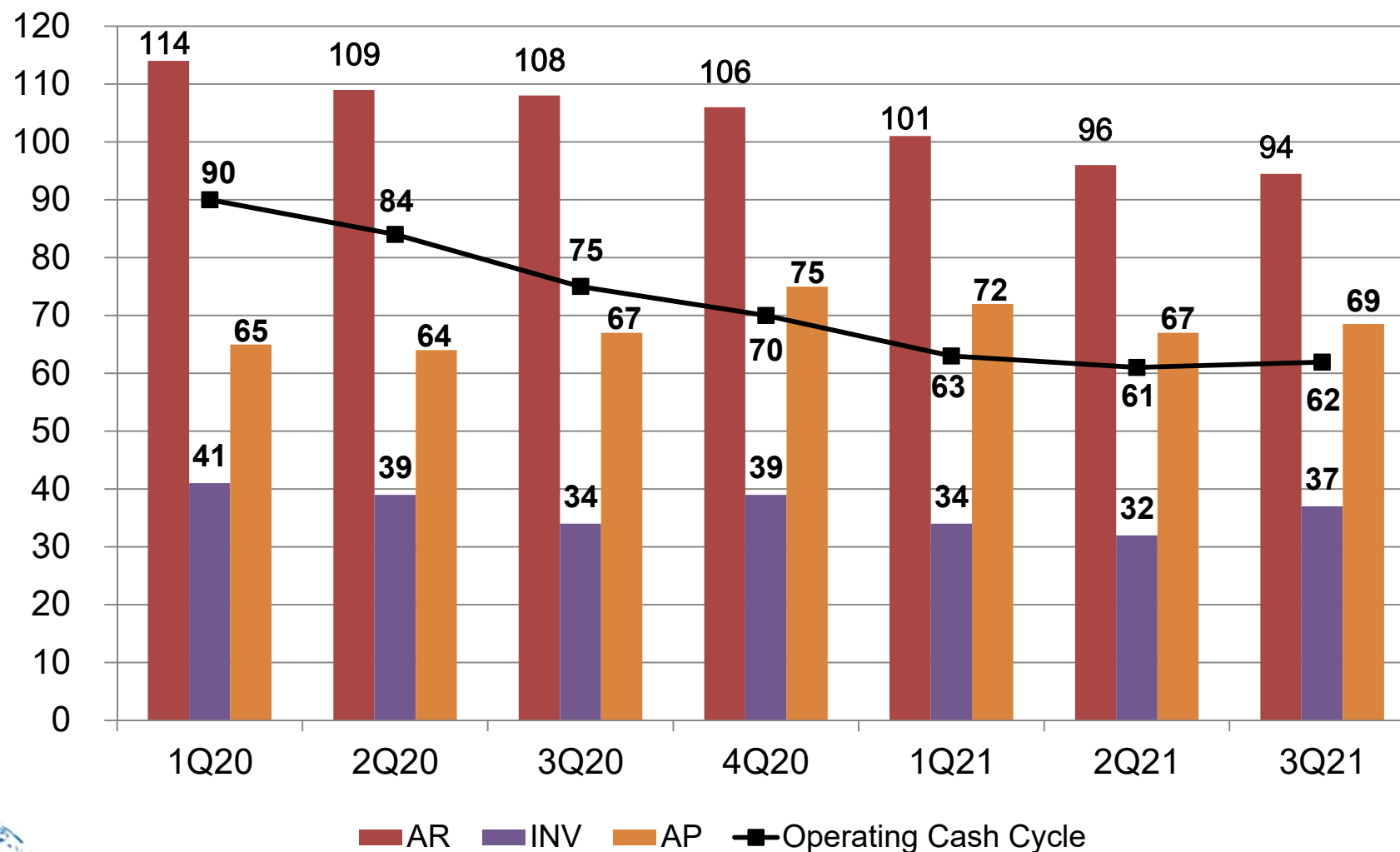
Period \ Core Business	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
CHANNEL	8%	10%	10%	9%	10%	16%	8%
MANUFACTURE	73%	57%	69%	68%	66%	52%	71%
CERTIFICATION	19%	33%	21%	23%	24%	32%	21%



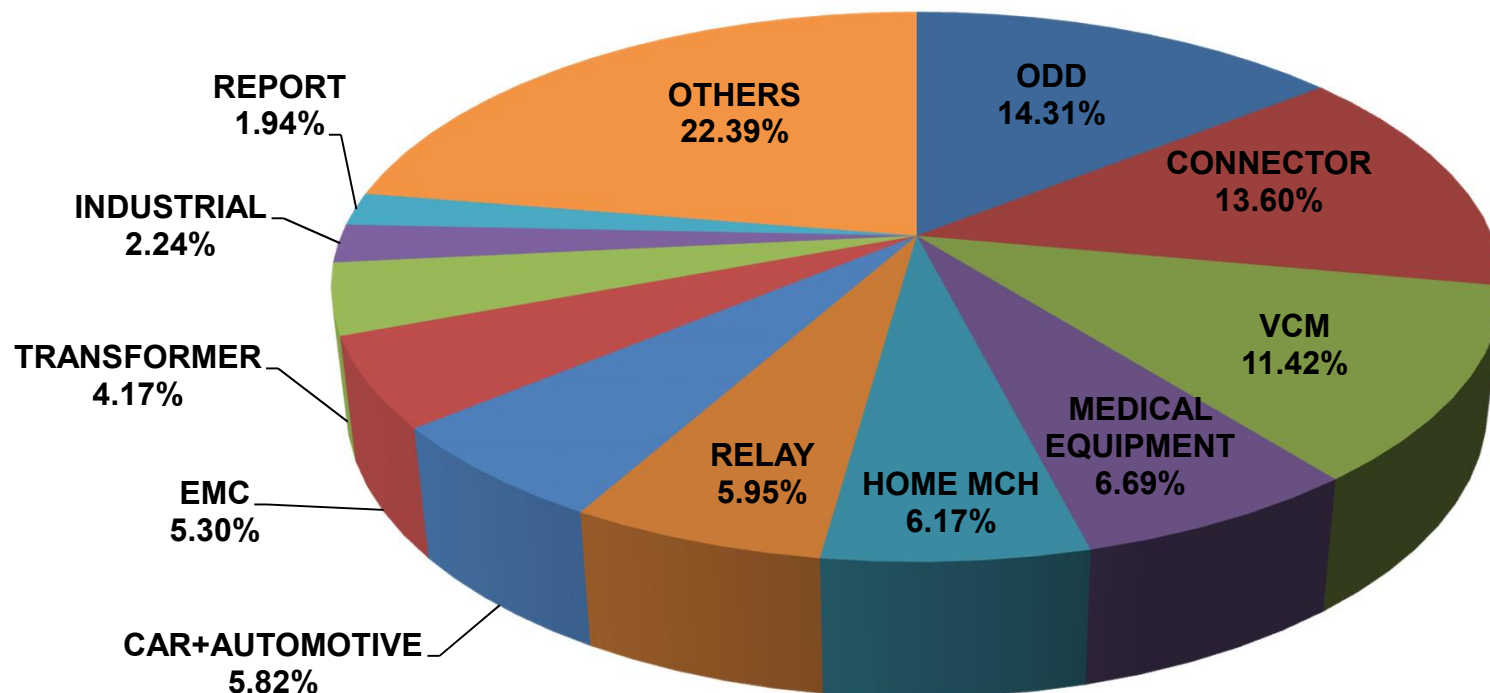
Operating Cash Cycle



Unit : Day



Revenue by Product Category : 2021Q1~Q3



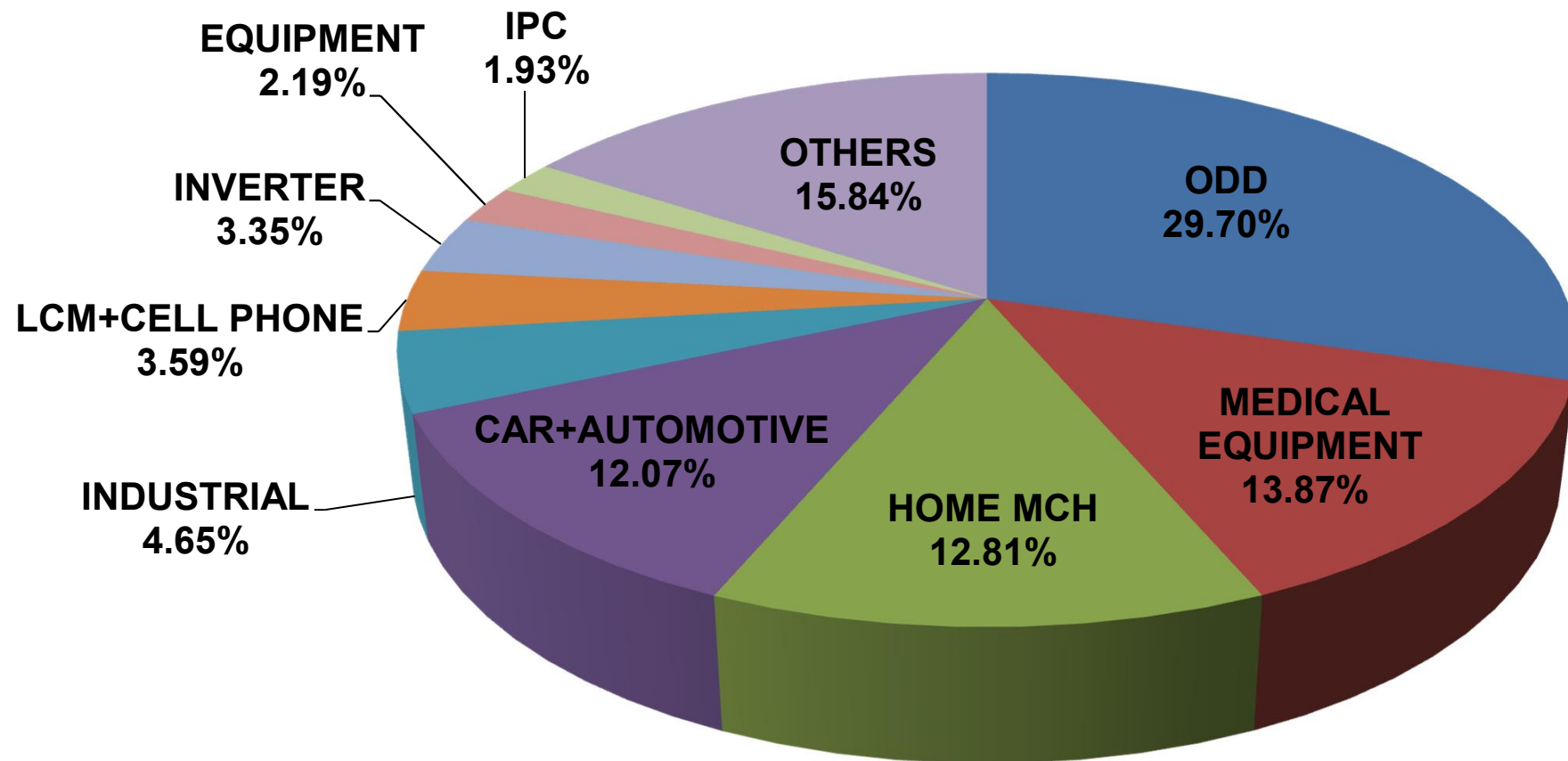
CHANNEL	ODD	MEDICAL EQUIPMENT	HOME MCH	CAR+AUTOMOTIVE	INDUSTRIAL	OTHERS	TOTAL
	14.31%	6.69%	6.17%	5.82%	2.24%	12.95%	48.18%
MANUFACTURE	CONNECTOR	VCM	RELAY	TRANSFORMER		OTHERS	
	13.60%	11.42%	5.95%	4.17%		5.22%	40.36%
CERTIFICATION	EMC	REPORT				OTHERS	
	5.30%	1.94%				4.22%	11.46%
							100.00%



Revenue of CHANNEL by Product Category

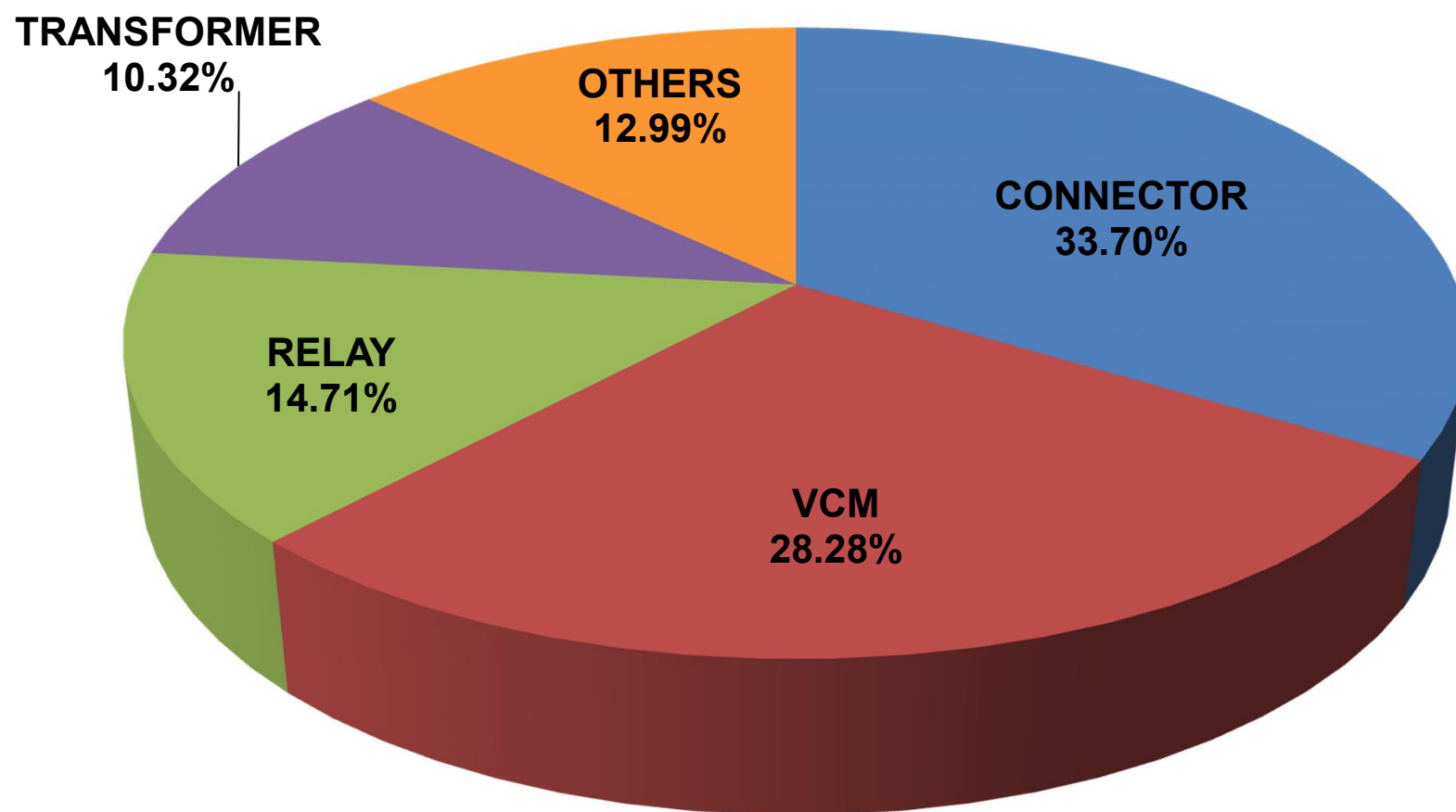


Period : 2021Q1~Q3



Revenue of MANUFACTURE by Product Category **AUDIX®**

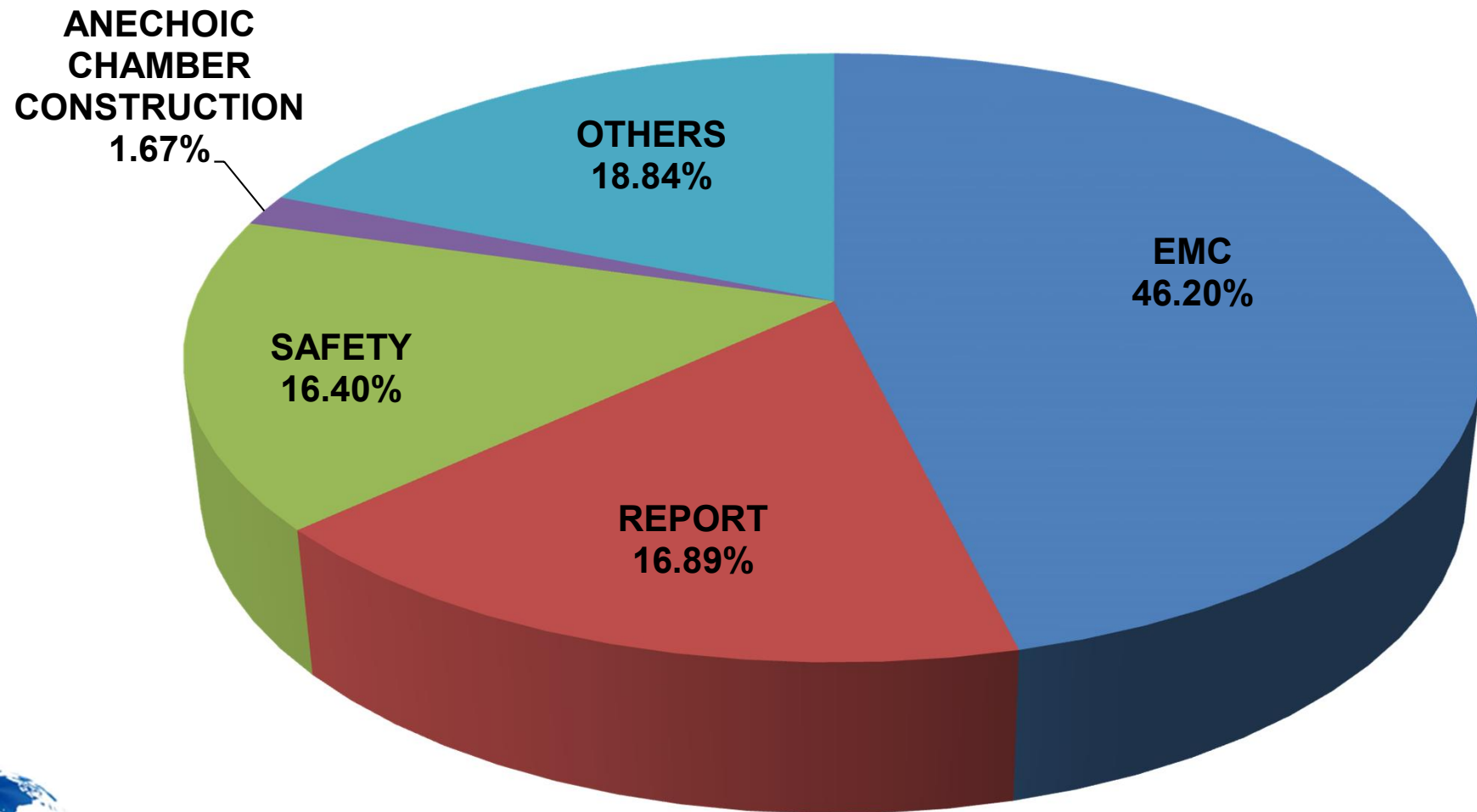
Period : 2021Q1~Q3



Revenue of CERTIFICATION by Product Category



Period : 2021Q1~Q3



High Precision Plastic Injection component

- Total first three quarter shipments of VCM (Voice Coil Motor) plastic components up to 382KKpcs, a YoY increase of 2%. Revenue increased 13% YoY.
- Vertical integration service : insert molding plastic components with SMT products were mass produced, with a cumulative shipment of 1.1KKpcs.
- Strengthen mold design ability, optimize the processing and improve the order-taking ability.

TRANSFORMER

- Ultrasonic sensing driver transformer (EP6) No. 10 production line will setup before the end of November. Total capacity will reach 4.5KKpcs per month.
- EP6 shipped 28KKpcs in the first three quarters, a YoY increase of 56%.
- Continuously improve assembly line automation to increase productivity efficiency and quality.

RELAY

- Production of New model (JS) : mass production in December 2020, with a cumulative shipment of 1.0KK.
- Production of New model (F3C) : mass production in August 2021.
- Continuously improve the production and manufacturing capacity of new models and expand the economic scale.



High Precision Plastic Injection component

The penetration rate of smartphone multi camera continues to improve. Although the smartphone shipment shows a downward trend, the demand for lens continues to rise.

Catch up the trend of Chinese smartphone component localization and enlarge business for Chinese VCM makers.

Expand the vertical integration service mode to cope with the development trend of lightweight and high-precision products.

Create more opportunities for automotive, medical and optical communication products.

TRANSFORMER

The continuous upgrading of vehicle safety standards has led to a significant increase in the use of ultrasonic sensing driver transformer (parking assistance radar) . It is estimated that 40KKpcs will shipped in 2021, setting a record for two continuous years.

Continuous promote the Japan and Korea markets, and actively explore European customers.

Actively develop high margin goods in automotive and electric vehicle. And promote production line automation.



Relay

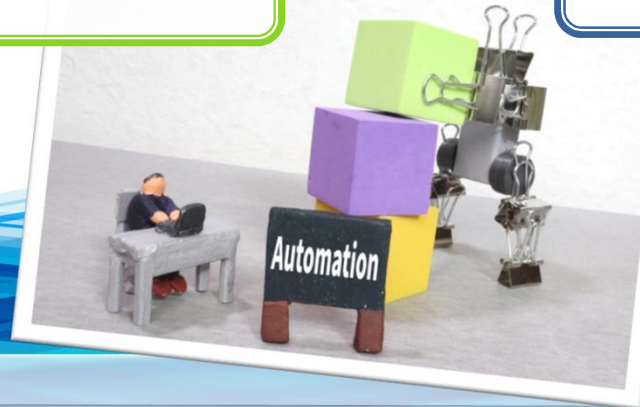
Actively strive for OEM orders for new models to expand economic scale.

Continuously improve assembly line automation.

Production Automation

Xiamen facility R&D department will self-develop our own automation equipment.

Improve production efficiency and quality.



- The Channel Business Division is responsible for the sale of various agency components and own products. In accordance with product features and function, business were split to the Dept. of Active Components and Dept. of Passive Components.
- Major field of sales :
5G Application Market 、 Display Industry 、 Automotive electronics 、 IA 、 Service Robot Industry 、 IOT 、 Smart Home Appliance 、 Medical Industry.
- Agency sales and distribution of the electronic components supplied by :



New Product
/ Market /
Application

5G

Electric
Vehicle/
Electric
Scooter

New
Power

LoRa /
NB-IOT /
Sigfox
Solution
Provider

Medical

5G 01

Supplier	Application	Promoting Components
Hitachi Metals	Mobile phone Base station	Isolator 、LTCC-Substrate Heat Sink Material 、 High frequency magnetic component
ALPS	Mobile phone Optical communication AR 、VR	Lens 、Touch switch 、Haptics 、 CV2X Sensor
Nidec	Router	Steering Motor
KMOT	Optical communication	Lens



Electric Vehicle / Scooter 02

Supplier	Application	Promoting Components
JDI	Dashboard of Car / Electric Scooter	High brightness Anti-glare TFT Panel Module
Prolight	Car Panel	Mini LED + LED Driver
Hitachi Metals	Electric Vehicle Power Module	Heat Sink Material (Si ₃ N ₄) SiC epitaxial slice
Hitachi Power Device	Electric Vehicle Inverter Module	IGBT & Diode Device & Wafers
HPI	Electric Vehicle Industry	SiC MOSFET & Diode and Module



New Power 03

Supplier	Application	Promoting Components
HPI	Servo Power 、 Vehicle Power 48V(BSG)	Silicon Carbide MOSFET Diode Module
HPSD	Electric Vehicle Module Industrial Inverter	IGBT Module Die Wafer
Kyocera	Industrial Power	Diode Module
Silanna	Adaptor Module	Active Current Flyback Module



LoRa/NB-IOT/Sigfox 04

Application**Rain water channel monitoring****Clough monitoring****Water resources protection
application****River flood monitoring****Reclaimed water monitoring**

Medical Market Application

05

Supplier	Application	Promoting Components
ABLIC	Ultrasonic	TX/RX Asic I.C. 、H/V SW.
Hitachi Metals	CT.	Scintillator 、Mini Cable
Namiki	Inspection Equipment	Mini Motor
Fujitsu	Inspection Equipment	Printer
HLDS	Inspection Equipment	OPU
Transpeed	to sterilize	UVC Module
JDI	Display	TFT & OLED



- With well experienced professional team members and accredited by international Certificated Body , technical service including industry 、 scientific 、 medical 、 household appliances 、 audio & video 、 information technology equipment 、 broadcasting 、 telecommunication 、 wireless etc. area , from components 、 modules to end products global certification and testing facilities planning and build up.
- Business Development :
 - EMC** : Professional EMC laboratory located at Taiwan 、 South China 、 East China with 3m 、 10m chamber & RF chamber 、 OTA chamber.
 - SAFETY** : The only one UL 、 TUV Rheinland 、 JQA & CQC CBTL accredited by IECEE within Great China and Japan JQA S-Mark & JQA PSE certificated laboratory with TCO low radiation laboratory & Ergonomic Testing facility and PM2.5 Energy Efficiency laboratory.
 - R&D** : EMC standard measurement system or customer made solution provider including software & hardware design.



輻射干擾測試實驗室
(10米法半電波暗室)
10m Semi-Anechoic Chamber

輻射干擾測試實驗室
(3米法半電波暗室)
3m Semi-Anechoic Chamber

RF全電波暗室
RF ETSI Fully Chamber

ISO人體工學實驗室
ISO Ergonomics Laboratory

化學測試實驗室
Chemical Testing Laboratory



1

Build up new EMC labs. at Taiwan & South China 、 East China to expand the measurement capability and Certificated/Recognized by Brand Manufacturers such as AADHL or HMOV for mobility products.

2

Upgrade 4G/5G NR 、 WiFi & BT measurement ability by own designed software to upgrade the efficiency and accuracy & complete the NCC mandatory requirements for mobile phone ; pay attention to the NB-IoT 、 IA technical trend & developing status to build up the testing facilities & technical abilities at the right time.

3

Involve in power saving 、 water saving and air cleaner ozone measurement 、 PM2.5 energy efficiency measurement to enlarge service scope.

4

Involve in Vehicle EMC measurement ability.



◆ 5G NR Public Warning System Test Solution

- Compliance with NCC Regulation requirements.
- Completed system integration measurement software.
- ROC Copyright # M547726.



Mic & Accelerometer



Communication Test Station



Device under test

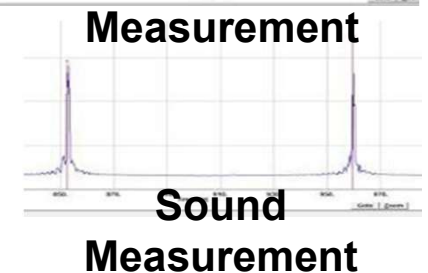
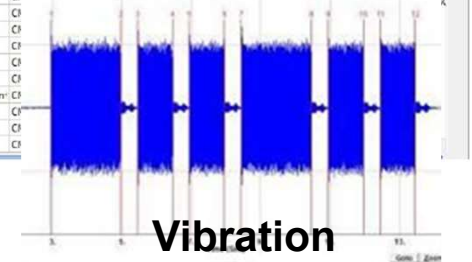


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*	919	UDCMas		English	
*	1112	4370	APResiden	CMAS	Chinese
*	1113	4371	AEXTreme	CMAS	Chinese
*	1114	4372	AEXTreme	CMAS	Chinese
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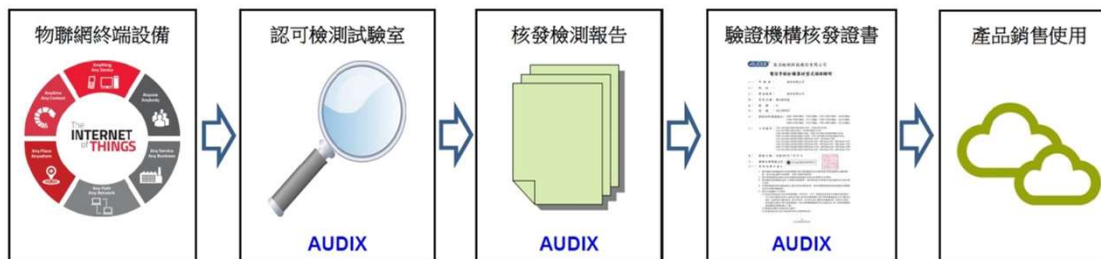
AUDIX®

Console
(PWS software)

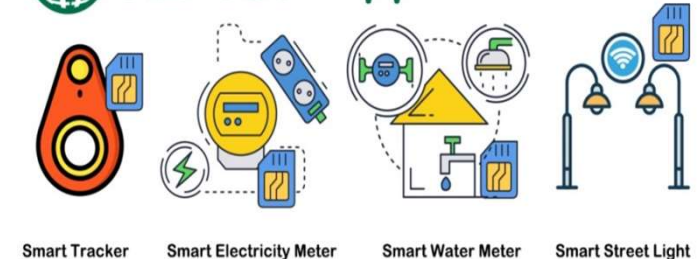


◆ Audix TWN NB-IoT Measurement Service

➤ Provide testing、report & certification.



NB-IoT Application



◆ Audix Taiwan 5G NR Measurement Service

- Compliance with NCC 、 FCC 、 CE regulations.
- Sub-6G & mmWave included.
- TAF 5G NR Accredited!



Testing Laboratory
1724

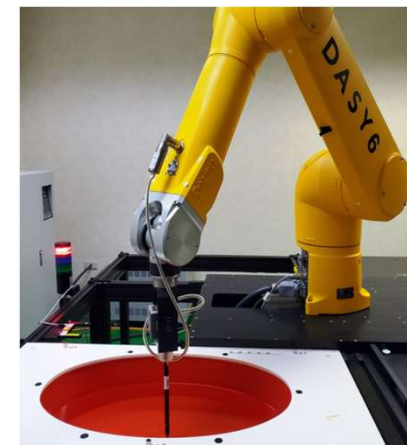
5G NR Radio Communication Test System



5G NR CATR



5G NR RF Converter



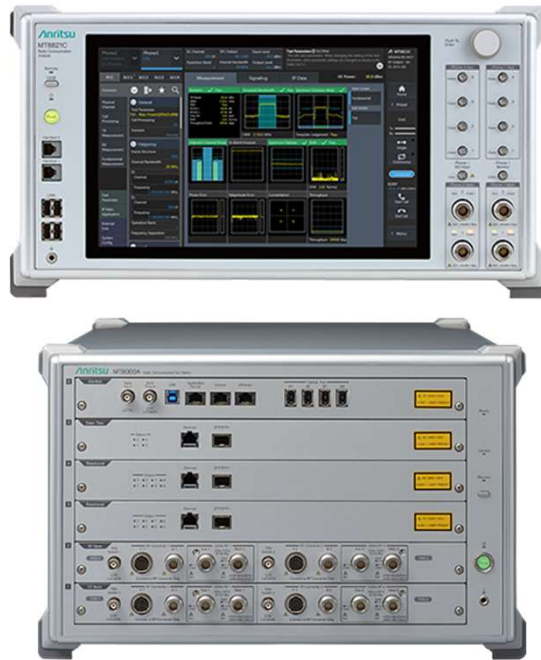
5G NR SAR Test System



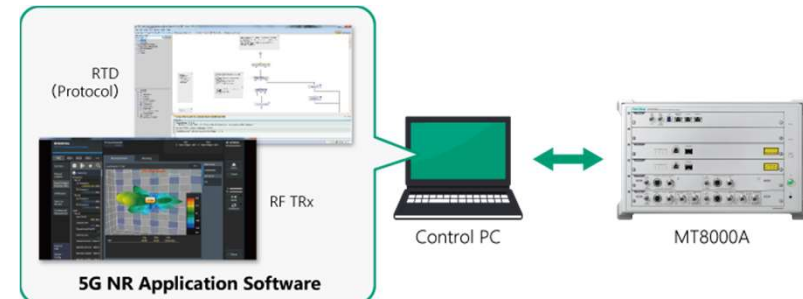
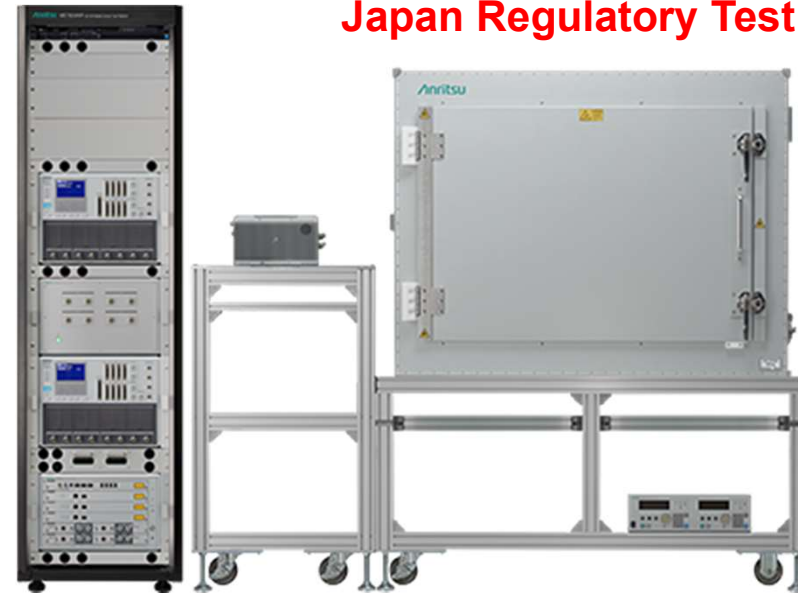
◆ Audix Shenzhen 5G NR Measurement Service

- Compliance with Japan 5G regulations.
- Sub-6G & mmWave included.

5G NR Radio Communication Test Station



5G NR Test System for Japan Regulatory Test



◆ Audix Shenzhen China CCC Measurement Service

- China CNCA accredited CCC ITE designated testing lab.
- Provide testing、report & certification.



Applicable Products -- Information Technology Equipment (ITE):

PC、NB、Pad、Monitor、Mouse、Keyboard ... ;

HDD、SSD、Disc ... ;

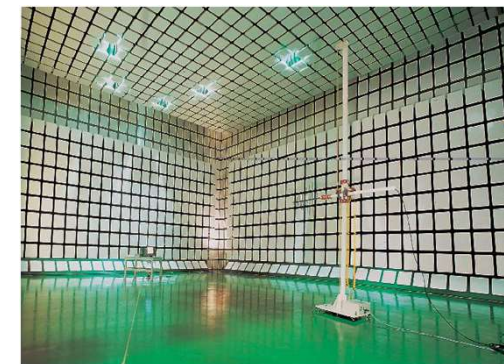
Scanner、Projector、Printer、Copier、Digital Camera ... ;

Fax machine、Access Point、Gateway、Router ...

Safety test site



EMC test site



- ◆ **Audix Shenzhen CEC(China Energy Conservation Program) & CEL(China Energy Label) Measurement Service**
 - Plan to obtain the CEC & CEL testing laboratory qualification.
 - Plan to provide testing、report & certification.

CECP Certification Mark



CEL Certification Mark





AUDIX[®] AUDIX CORPORATION



Thank you

<http://www.audix.com.tw>

IR@audix.com

