

BizLink Holding Inc **3665.TT**

Investor Presentation

3Q 2023 Version

Nov 2023

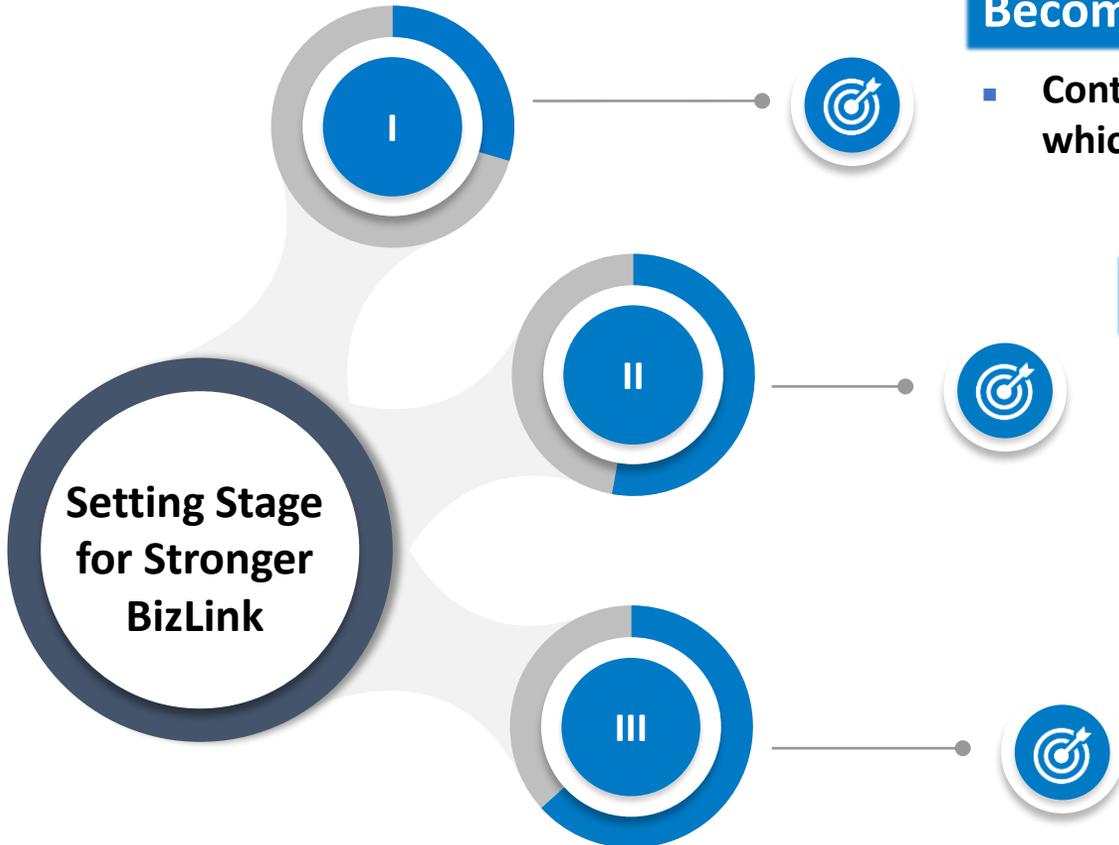


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I. Corporate Highlights: Third Quarter 2023



Becoming Leaner and Nimbler

- Continuing to implement new checks and balances to improve operations, which is starting to lead to some cost efficiencies

Becoming the Go-to Partner

- Reduce customers' supply chain risk across regions and end-markets
- Raise exposure to more customized system-level, assembly projects
- Co-develop next gen technologies and products with customers

Becoming More Resilient

- Much stronger cash flow position given consistent performance over past few quarters
- Gradually addressing and moving past legacy issues to prepare for tougher times ahead

II. Financial Highlights: Third Quarter 2023

TOTAL SALES
3Q23
NT\$ 13.15B

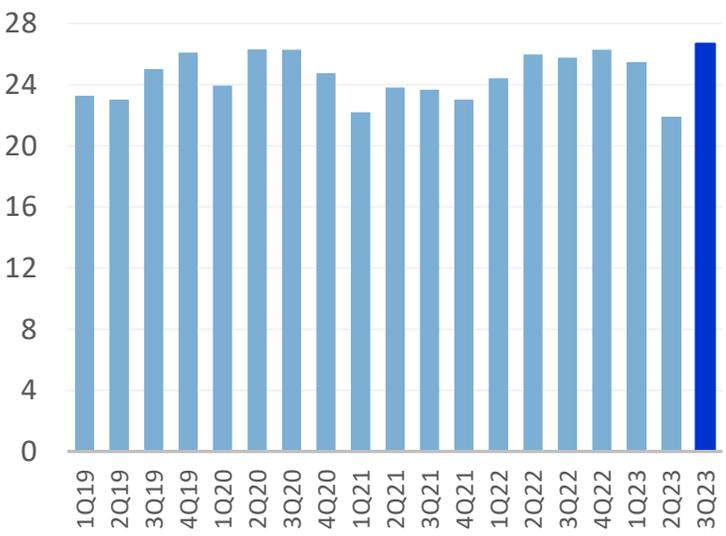
GPM
3Q23
26.69%

OPM
3Q23
10.75%

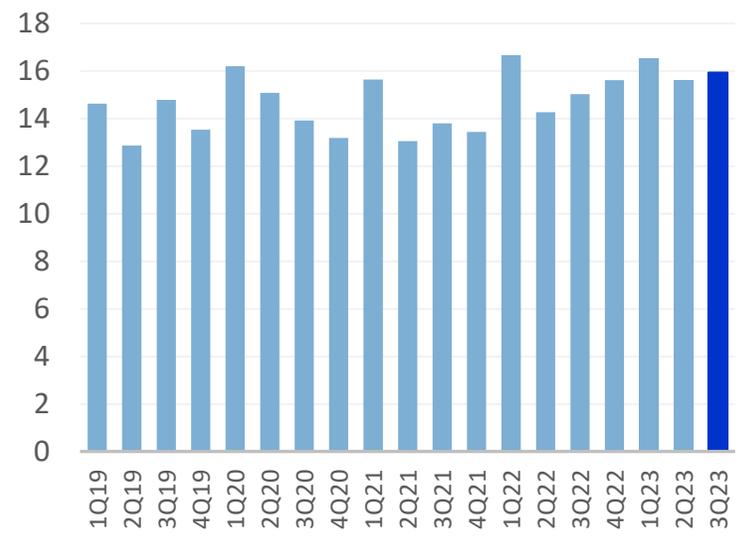
NET PROFIT
3Q23
NT\$ 740M

EPS
3Q23
NT\$4.54

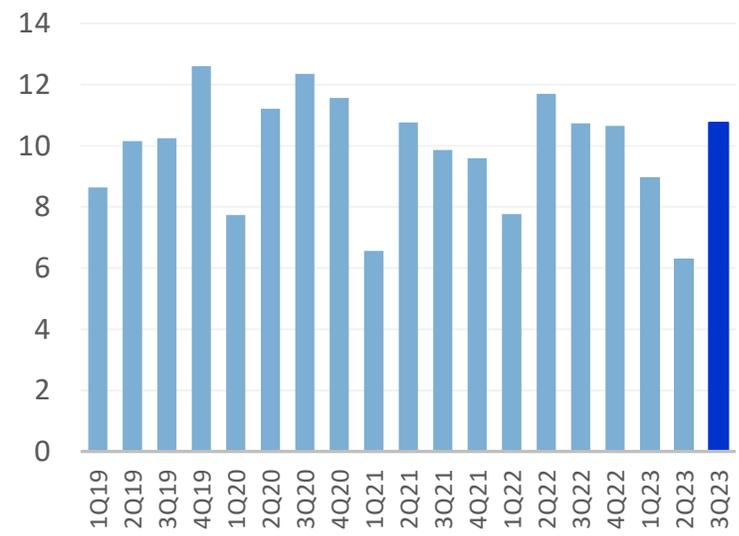
GROSS MARGIN



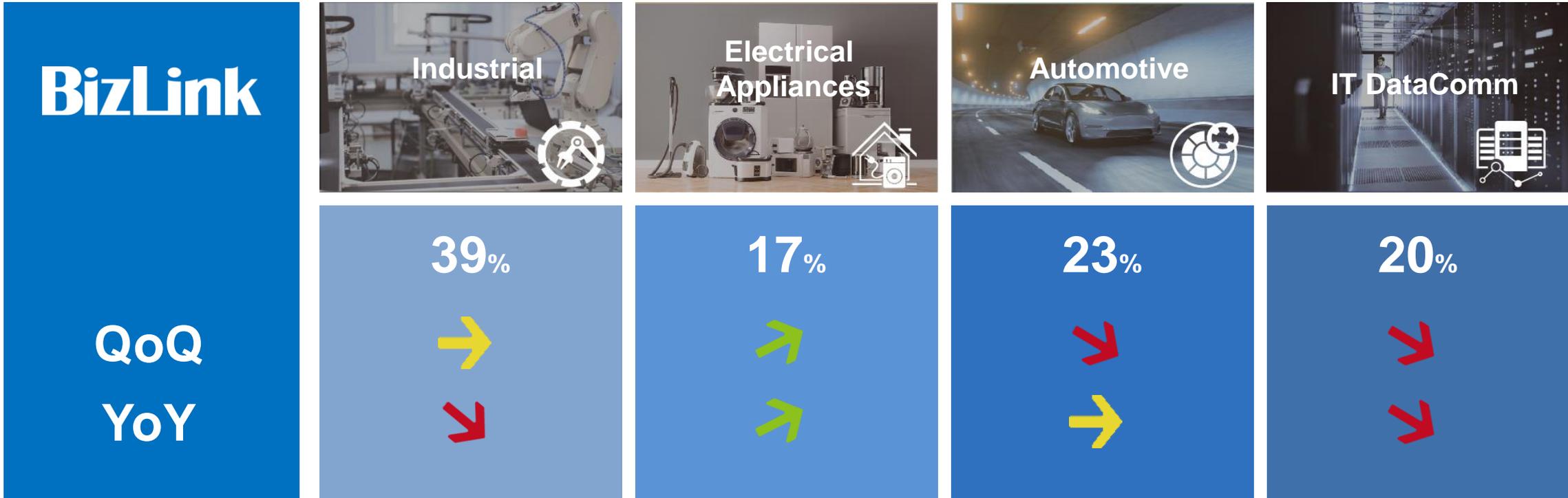
OPEX RATIO



OPERATING MARGIN



II. Financial Highlights: Third Quarter 2023



Categories	FA	Healthcare	Capital Eqpt	Energy	EV	Silicone	Non-EV	HPC	Peripherals
QoQ	↓	↓	→	↓	↓	↓	↓	↓	↓
YoY	↓	↓	↓	→	↓	→	→	↓	↓

II. Financial Highlights: Third Quarter 2023

Resilient Margins

GPM* currently stabilizing at 26% for six quarters
+
Strict opex control for five quarters
=
Stabilizes OPM

GPM*: Adjusted to exclude inventory impacts

Positive FCF

Higher operating cash flow levels for four quarters
+
Continued capex control
=
Healthy cash balance

Cash Conversion Cycle

- Keeping under control
- Will reduce further in next few quarters

Capital Allocation

Higher cash balance allows for:

- Earlier debt repayment
- Potential tuck-in M&A

Inventories

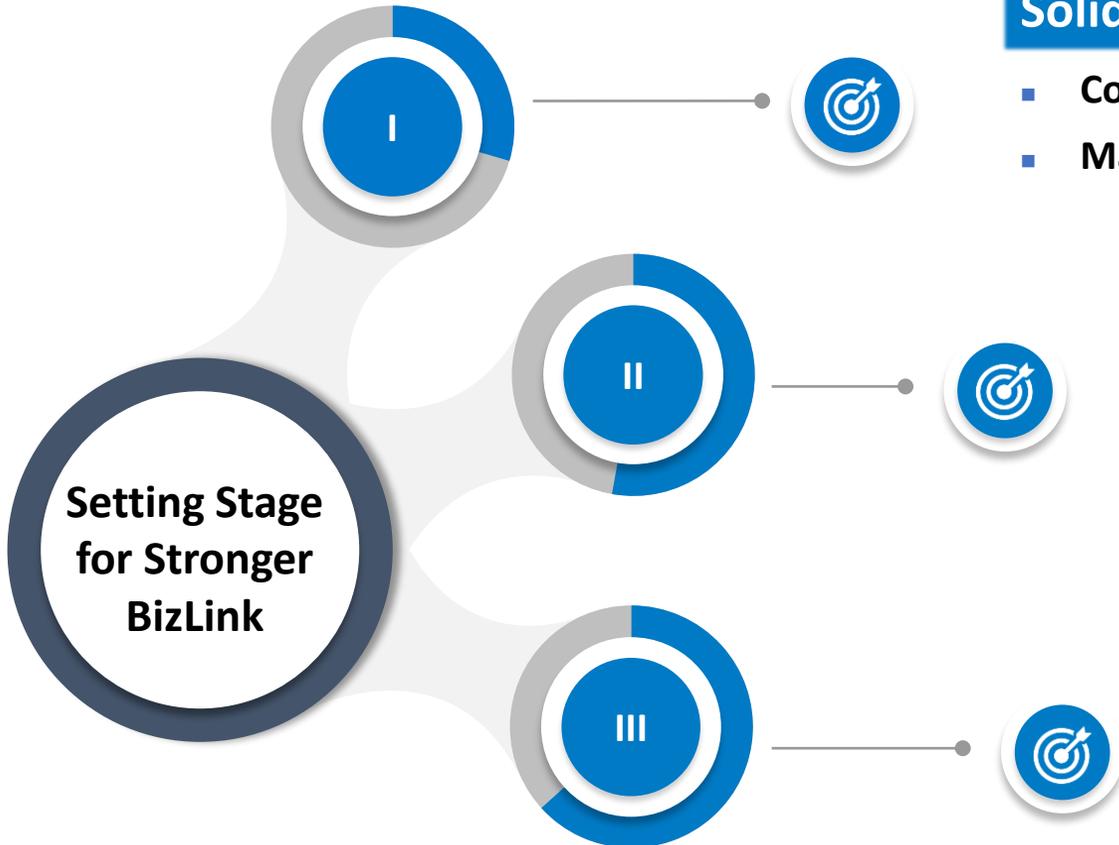
- 1H 2023: bulk of estimated adjustments
- 2H 2023: no abnormally high adjustments

Long-term Profits

Actively pursuing:

- Higher TAM growth potential
- Higher GPM niche areas

III. Operational Highlights: Third Quarter 2023



Solidifying the BizLinker Family

- Co-founders still deeply involved in leading and in managing daily activities
- Many senior and junior staff bring in-depth experience and fresh ideas

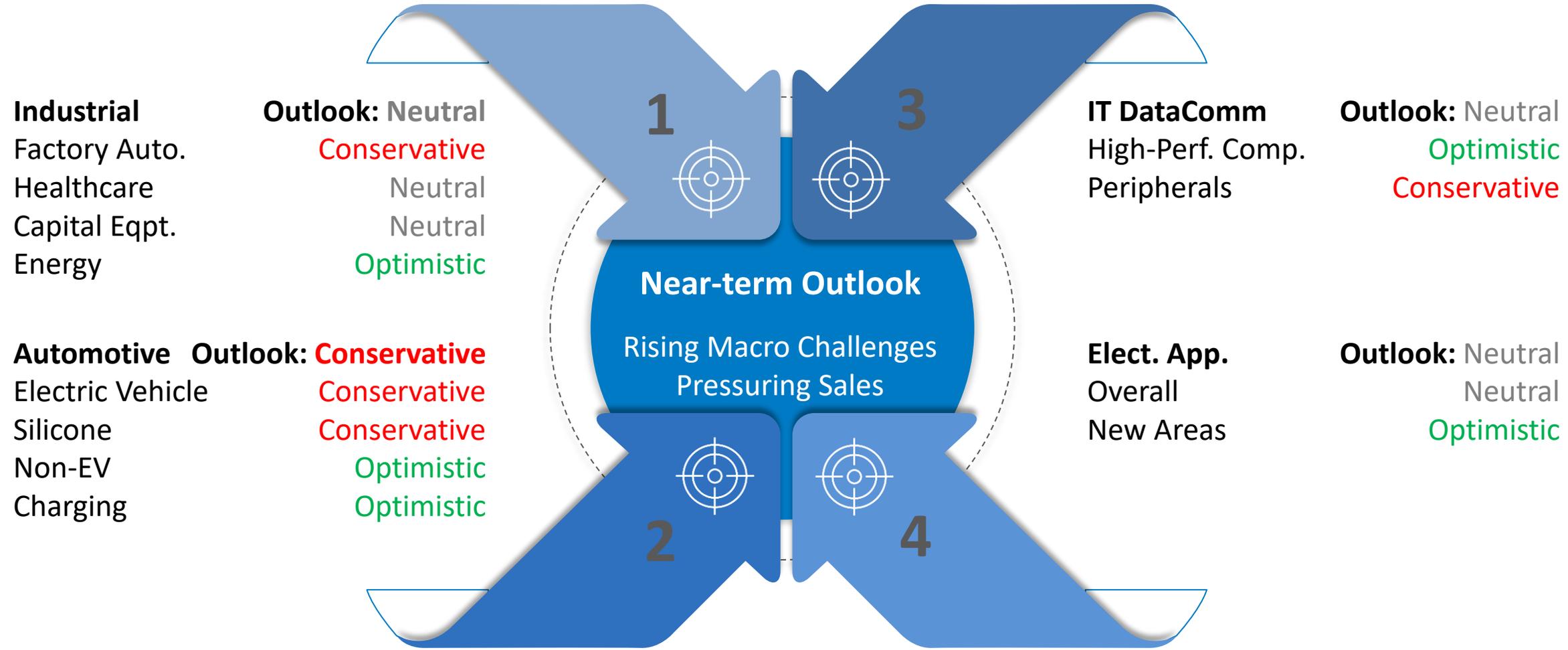
Reducing Our Volatility

- Realize new opportunities to offset temporarily weaker areas
- Boost and stabilize profitability via product mix & higher efficiency
- Strengthen balance sheet by deleveraging and raising cash levels

Overcoming Obstacles

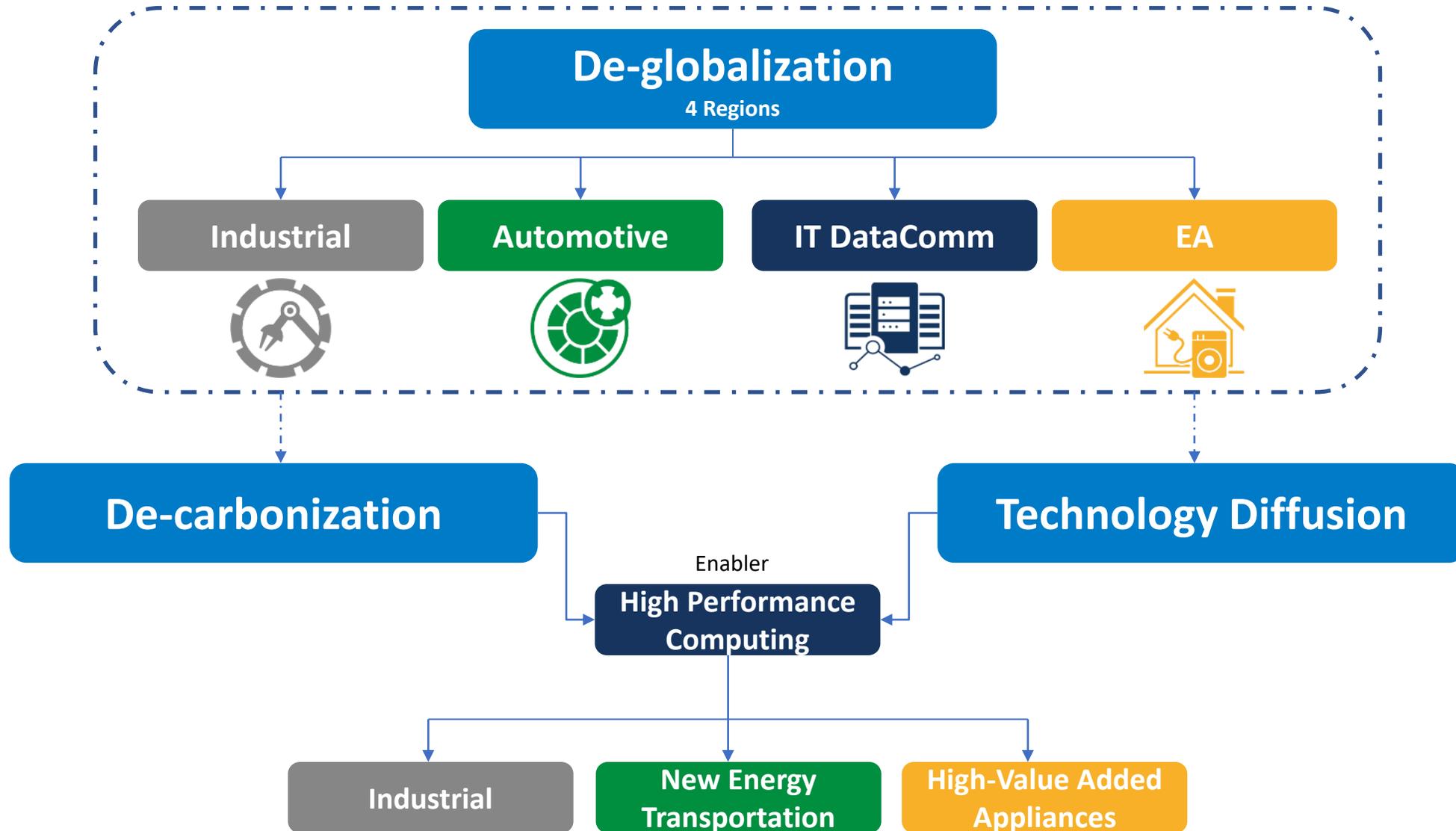
- 3Q 2023 results up QoQ: minor inventory adjustments and lower interest expense
- Macro remains challenging but we are seeing green shoots

III. Operational Highlights: Third Quarter 2023



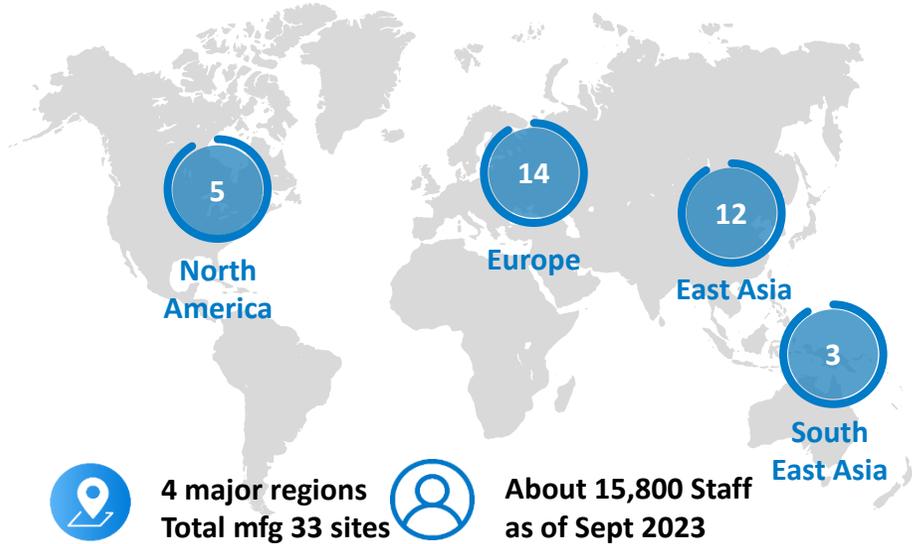
Q&A

APPENDIX: 3 Global Shifts + 4 x 4 Strategy

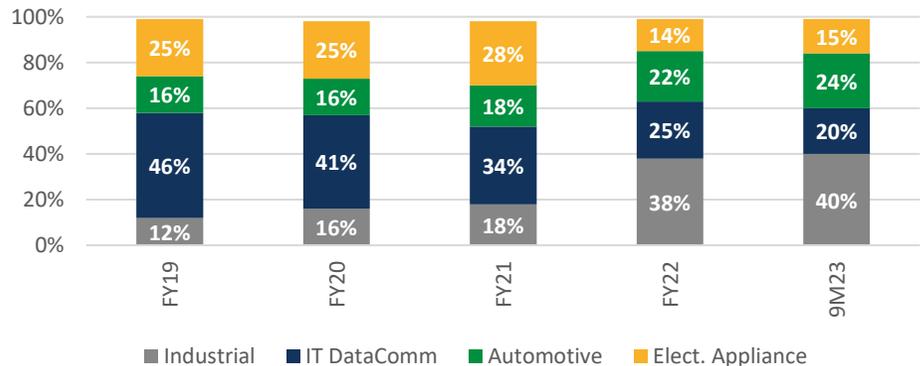


APPENDIX: Diversification

Lower dependence on East Asia



Sales mix is more diversified now



Note:
1. High mix low volume
2. High volume low mix



Industrial

- **Business nature: HMLV¹**
 - Factory Automation
 - Capital Equipment
 - Healthcare
 - Energy
- **Regions: all 4 regions**



Automotive

- **Business nature: HVLM²**
 - Electric Vehicle
 - Silicone
 - Non-EV related
 - Charging
- **Regions: all 4 regions**



IT & DataComm

- **Business nature: HVLM**
 - High Performance Computing
 - Peripherals
- **Regions: East & Southeast Asia**



Electrical Appliance

- **Business nature: HVLM**
 - Major and Small Appliances
 - Traditional, Connected
 - Smart, Wireless, Motorized
- **Regions: East Asia, Europe**

APPENDIX: Bigger Picture Perspective

Objective Building an enterprise with stable growth through all cycles



- ✓ **Segments:** Industrial, IT, DataComm, Automotive, EA
- ✓ **Regions:** North America, Europe, Southeast Asia, East Asia



- ✓ **Secular:** Factory Automation, Capital Eqpt, HPC, EV, TMP
- ✓ **Industrial:** Energy, Other Industrial, Healthcare, Silicone



- ✓ **ESG:** Environmental, Social, Corporate Governance
- ✓ **Integration:** Business and operational aspects



Result Strong free-cash-flow generation to add value to stakeholders

APPENDIX: Our Resiliency Drivers

Secular Long-term high growth but with up and down cycles

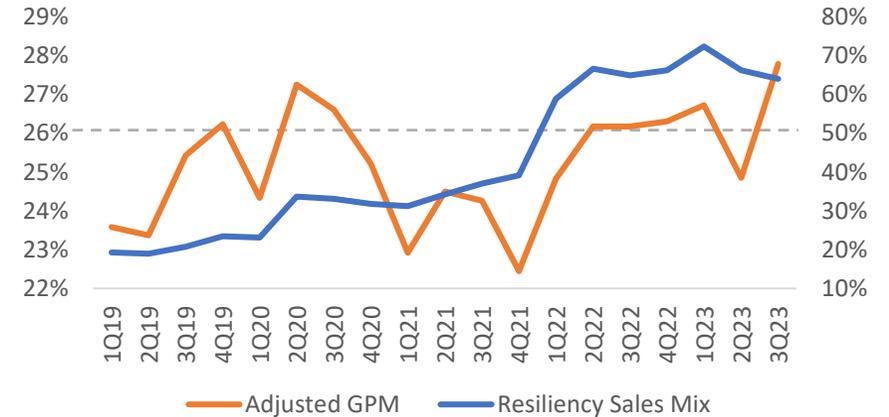
Industrial Long-term stable growth and stable gross margins

Resiliency Drivers



Leading to

Resiliency Sales Mix vs GPM



Resiliency Drivers = 67% of 9M 2023 Sales

- ✓ Secular: Have grown from 9% of 1Q 2019 sales to 43% in 3Q 2023
- ✓ Industrial: Have grown from 10% of 1Q 2019 sales to 21% in 3Q 2023

Reducing Business Volatility at Higher Margins Over Time

- ✓ Margin Recovery: Back to early-2017 levels despite cost inflation
- ✓ Margin Stability: Gradually rising from 1Q 2022 - 3Q 2023

Note: gross margins are excluding inventory impacts

APPENDIX: Corporate Sustainability

Our commitment to sustainability creates long-term value for us and our stakeholders by helping us ride the green wave, mitigate climate risks, reduce costs, and build brand value.

E

Energy generation & conservation

S

Social empowerment & improvement

G

Governing for sustainable excellence

Our Actions

GHG Emission Reduction Target

Renewable Energy Generation

FTSE-Russell Green Revenues

Employee Engagement Activities

Zero Accidents Policy

Contributions to Society

TWSE Corporate Governance

Strong Internal Policies

Encourage Positive Behavior

Our Results

Consistent Improvement: Newsweek & CDP

Sustainalytics: Low-Risk Rating

Consistent Improvement: Newsweek

Optimal Working Environment: Retention & Hiring

BizLinker: One Team, One Target

Global Corporate Functions

APPENDIX: Capital Allocation

Fund-Raising History: Five Rounds

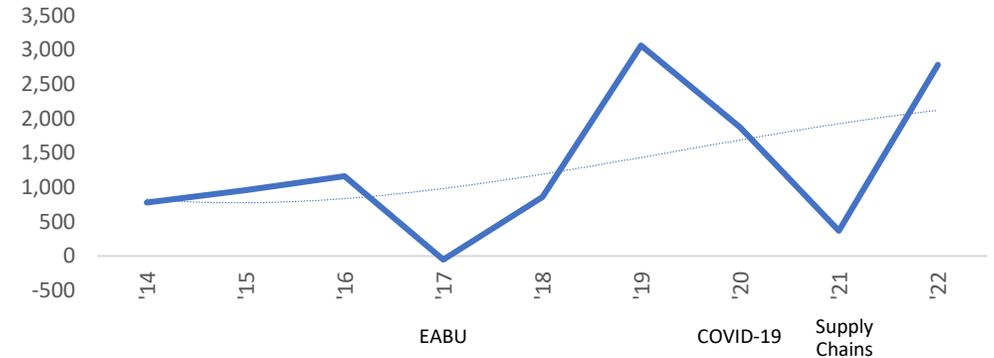
Tapping into Capital Markets to Boost Strategic Flexibility

2023 - ECB-5 (\$150m), CI (NT\$1.15B)	Status	No Conversion
2022 - ECB-4 (US\$125m) + GDR-2 (US\$104.2m)	Status	Partial Conversion
2019 - ECB-3 (US\$100m) + GDR-1 (US\$80.4m)	Status	Fully Converted
2018 - ECB-2 (US\$100m)	Status	Recalled, No Dilution
2016, 2018 - ECB-1 (US\$80m), CI (NT\$630m)	Status	Fully Converted

Complement

Operating Cash Flow (NTD, M)

Volatile Macro Operational Environment



Capital Intensity Ratio

Supporting Long-term Growth



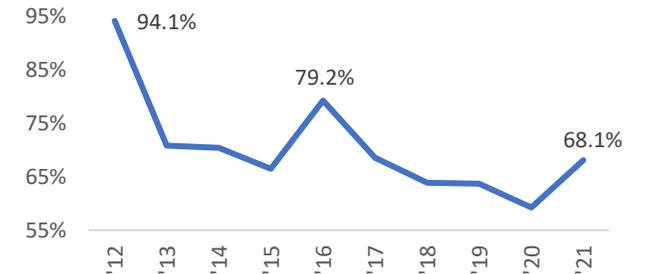
Unique Competitive Advantage: M&A

Strong Strategic Selection and Integration

2022 - INBG	Sales CAGR: +19.3%	Sales CAGR: +35.9%	Landmark
2020 - Speedy			Bolt-On Selective Diversification
2018 - Teralux			Bolt-On
2017 - EABU			Landmark Gradual and Consistent Profitability
2016 - Jo Yeh, Spinneret	Organic	Consolidated	Bolt-On

Dividend Payout Ratio

Appealing to Broader Investor Base



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Upcoming IR Activities

Nov 15: Taipei, Daiwa

Nov 16: Taipei, UBS

Nov 22-23: Taipei, Citi

Dec 06: Taipei, Yuanta