



# **ENNOSTAR Inc.(3714.TW)**

## **Fourth Quarter 2023 Results**

### **Investor Conference**

**Feb. 23, 2024**

# Safe Harbor Notice

This presentation may contain forward-looking statements. These forward-looking are subject to risks, uncertainties and other factors. Consequently, actual results could differ materially from those reflected in these forward-looking statements.

The factors include the impact of competitive products and pricing, timely acceptance of products design by our customers, timely introduction of new technologies, ability to ramp new products into volume, industry wide shifts in supply and demand, market oversupply, availability of manufacturing capacity, financial stability in end markets, potential difficulties in talents retention, unexpected costs and expenses, any merger and acquisition associated uncertainties such as obtaining of regulatory approval or integration delay, loss of significant customers, involvement in legal or administrative proceedings, new regulations that may impact our business operation, fluctuations in foreign exchange rates, global economic conditions or non-economic conditions and any other risks factors.

Except as imposed by law, we undertake no obligation to publicly revise or update these forward-looking statements, whether as a result of new information, future events or otherwise.

# Consolidated Statements of Comprehensive Income

| in NT\$ millions                  | 4Q23           | 3Q23           | 4Q22           | QoQ            | YoY            |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Net Revenue</b>                | <b>5,574</b>   | <b>6,159</b>   | <b>5,867</b>   | <b>-9.5%</b>   | <b>-5.0%</b>   |
| EPISTAR                           | 3,647          | 3,787          | 4,128          | -3.7%          | -11.6%         |
| LEXTAR                            | 1,785          | 2,171          | 1,619          | -17.8%         | +10.2%         |
| <b>Gross Margin</b>               | <b>8.1%</b>    | <b>8.7%</b>    | <b>8.0%</b>    | <b>-0.6%</b>   | <b>+0.1%</b>   |
| Operating Expenses                | 1,278          | 1,307          | 1,335          | -2.2%          | -4.3%          |
| <b>Operating Margin</b>           | <b>(14.8%)</b> | <b>(12.4%)</b> | <b>(14.5%)</b> | <b>-2.4%</b>   | <b>-0.3%</b>   |
| Net Non-Operating Items           | (3,394)        | 11             | (143)          | -29800.5%      | -2270.8%       |
| <b>Net Income Attributable to</b> |                |                |                |                |                |
| <b>Parent Company</b>             | <b>(3,962)</b> | <b>(665)</b>   | <b>(752)</b>   | <b>-495.6%</b> | <b>-427.1%</b> |
| <b>Net Profit Margin</b>          | <b>(71.1%)</b> | <b>(10.8%)</b> | <b>(12.8%)</b> | <b>-60.3%</b>  | <b>-58.3%</b>  |
| <b>Basic EPS (NT Dollar)</b>      | <b>(5.27)</b>  | <b>(0.89)</b>  | <b>(1.07)</b>  | <b>(4.38)</b>  | <b>(4.20)</b>  |
| <b>EBITDA%*</b>                   | <b>6.5%</b>    | <b>7.3%</b>    | <b>7.7%</b>    | <b>-0.8%</b>   | <b>-1.2%</b>   |

\* EBITDA% is calculated as the operating income plus depreciation and amortization divided by revenue.

# Consolidated Statements of Comprehensive Income

| in NT\$ millions                  | 2023           | 2022          | YoY              |
|-----------------------------------|----------------|---------------|------------------|
| <b>Net Revenue</b>                | <b>22,306</b>  | <b>28,878</b> | <b>-22.8%</b>    |
| EPISTAR                           | 14,044         | 20,656        | -32.0%           |
| LEXTAR                            | 7,713          | 7,918         | -2.6%            |
| <b>Gross Margin</b>               | <b>5.2%</b>    | <b>17.3%</b>  | <b>-12.1%</b>    |
| Operating Expenses                | 5,199          | 5,534         | -6.0%            |
| <b>Operating Margin</b>           | <b>(17.9%)</b> | <b>(1.6%)</b> | <b>-16.3%</b>    |
| Net Non-Operating Items           | (3,384)        | (18)          | -18835.2%        |
| <b>Net Income Attributable to</b> |                |               |                  |
| <b>Parent Company</b>             | <b>(6,783)</b> | <b>38</b>     | <b>-17937.9%</b> |
| <b>Net Profit Margin</b>          | <b>(30.4%)</b> | <b>0.1%</b>   | <b>-30.5%</b>    |
| <b>Basic EPS (NT Dollar)</b>      | <b>(9.02)</b>  | <b>0.05</b>   | <b>(9.07)</b>    |
| <b>EBITDA% *</b>                  | <b>3.8%</b>    | <b>16.4%</b>  | <b>-12.6%</b>    |

\* EBITDA% is calculated as the operating income plus depreciation and amortization divided by revenue.

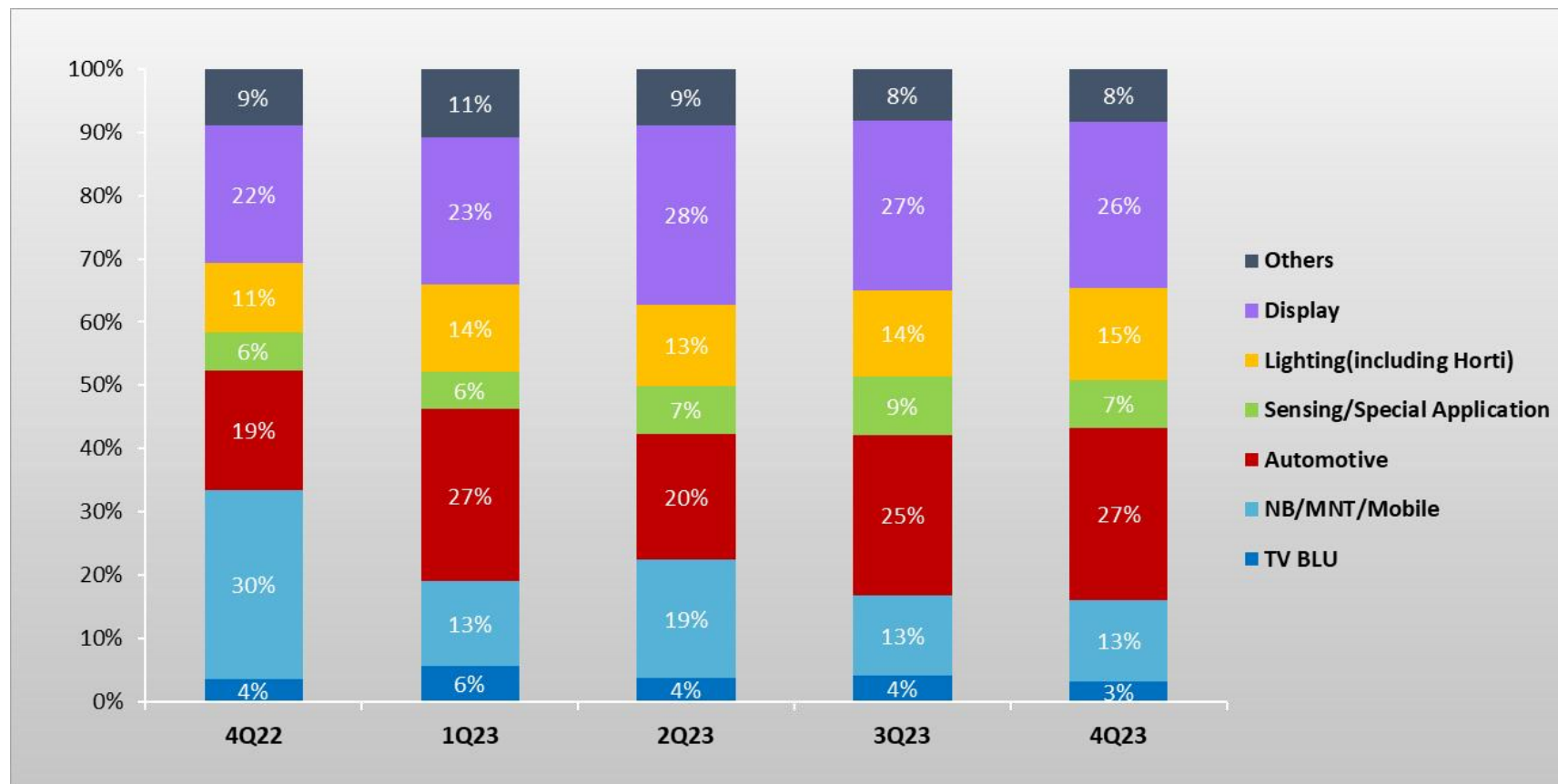
# Statements of Comprehensive Income – Epistar

| in NT\$ millions        | 4Q23           | 3Q23           | 4Q22          | QoQ          | YoY           |
|-------------------------|----------------|----------------|---------------|--------------|---------------|
| <b>Net Revenue</b>      | <b>3,647</b>   | <b>3,787</b>   | <b>4,128</b>  | <b>-3.7%</b> | <b>-11.6%</b> |
| <b>Gross Margin</b>     | <b>5.4%</b>    | <b>3.4%</b>    | <b>8.0%</b>   | <b>+2.0%</b> | <b>-2.6%</b>  |
| Operating Expenses      | 671            | 710            | 715           | -5.5%        | -6.2%         |
| <b>Operating Margin</b> | <b>(12.9%)</b> | <b>(15.0%)</b> | <b>(8.8%)</b> | <b>+2.1%</b> | <b>-4.1%</b>  |
| <b>EBITDA% *</b>        | <b>13.0%</b>   | <b>10.7%</b>   | <b>17.9%</b>  | <b>+2.3%</b> | <b>-4.9%</b>  |

| in NT\$ millions        | 2023           | 2022          | YoY           |
|-------------------------|----------------|---------------|---------------|
| <b>Net Revenue</b>      | <b>14,044</b>  | <b>20,656</b> | <b>-32.0%</b> |
| <b>Gross Margin</b>     | <b>(0.1%)</b>  | <b>18.9%</b>  | <b>-19.0%</b> |
| Operating Expenses      | 2,811          | 3,228         | -12.9%        |
| <b>Operating Margin</b> | <b>(19.8%)</b> | <b>3.7%</b>   | <b>-23.5%</b> |
| <b>EBITDA% *</b>        | <b>8.2%</b>    | <b>25.3%</b>  | <b>-17.1%</b> |

\* EBITDA% is calculated as the operating income plus depreciation and amortization divided by revenue.

# Revenue by Application – Epistar



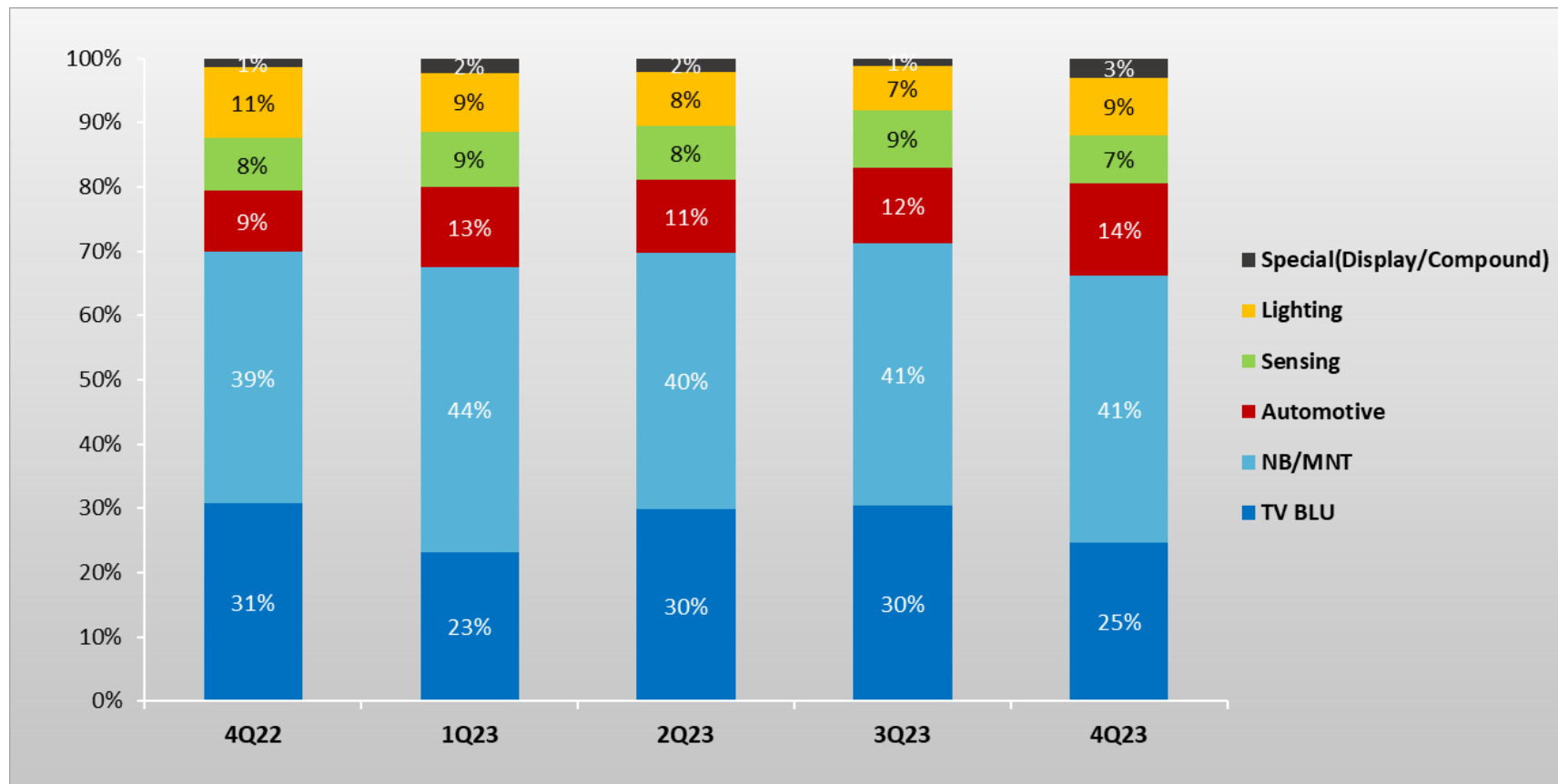
# Statements of Comprehensive Income – Lextar

| in NT\$ millions        | 4Q23   | 3Q23   | 4Q22    | QoQ    | YoY    |
|-------------------------|--------|--------|---------|--------|--------|
| <b>Net Revenue</b>      | 1,785  | 2,171  | 1,619   | -17.8% | +10.2% |
| <b>Gross Margin</b>     | 21.2%  | 22.0%  | 16.5%   | -0.8%  | +4.7%  |
| Operating Expenses      | 497    | 525    | 500     | -5.2%  | -0.6%  |
| <b>Operating Margin</b> | (6.7%) | (2.2%) | (14.4%) | -4.5%  | +7.7%  |
| <b>EBITDA% *</b>        | 1.0%   | 3.9%   | (6.0%)  | -2.9%  | +7.0%  |

| in NT\$ millions        | 2023   | 2022   | YoY   |
|-------------------------|--------|--------|-------|
| <b>Net Revenue</b>      | 7,713  | 7,918  | -2.6% |
| <b>Gross Margin</b>     | 20.9%  | 17.9%  | +3.0% |
| Operating Expenses      | 1,959  | 1,886  | +3.9% |
| <b>Operating Margin</b> | (4.4%) | (6.0%) | +1.6% |
| <b>EBITDA% *</b>        | 2.5%   | 1.5%   | +1.0% |

\* EBITDA% is calculated as the operating income plus depreciation and amortization divided by revenue.

# Revenue by Application – Lextar





# Consolidated Balance Sheets & Key Indices

| in NT\$ millions               | 4Q23          |               | 3Q23          |               | 4Q22          |               |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                | Amount        | %             | Amount        | %             | Amount        | %             |
| Cash & Cash Equivalent         | 15,563        | 24.3%         | 16,830        | 23.8%         | 16,127        | 22.1%         |
| Accounts Receivable            | 8,899         | 13.9%         | 9,235         | 13.1%         | 9,854         | 13.5%         |
| Inventories                    | 4,216         | 6.6%          | 4,465         | 6.3%          | 4,825         | 6.6%          |
| Long-term Investments          | 3,300         | 5.1%          | 3,409         | 4.8%          | 3,609         | 4.9%          |
| Net PP&E                       | 19,465        | 30.4%         | 20,873        | 29.5%         | 22,037        | 30.2%         |
| <b>Total Assets</b>            | <b>64,102</b> | <b>100.0%</b> | <b>70,680</b> | <b>100.0%</b> | <b>73,043</b> | <b>100.0%</b> |
| Short-term Debt                | 2,537         | 4.0%          | 3,443         | 4.9%          | 1,630         | 2.2%          |
| Long-term Debt                 | 1,934         | 3.0%          | 2,395         | 3.4%          | 3,691         | 5.1%          |
| <b>Total Liabilities</b>       | <b>14,958</b> | <b>23.3%</b>  | <b>16,661</b> | <b>23.6%</b>  | <b>16,382</b> | <b>22.4%</b>  |
| <b>Total Equity</b>            | <b>49,145</b> | <b>76.7%</b>  | <b>54,018</b> | <b>76.4%</b>  | <b>56,661</b> | <b>77.6%</b>  |
| <b>Inventory Turnover Days</b> | <b>77</b>     |               | <b>72</b>     |               | <b>81</b>     |               |
| <b>Current Ratio</b>           | <b>2.8</b>    |               | <b>2.7</b>    |               | <b>3.2</b>    |               |
| <b>Net Cash</b>                | <b>11,093</b> |               | <b>10,992</b> |               | <b>10,806</b> |               |

# Consolidated Cash Flows

| in NT\$ millions                 | 4Q23           | 3Q23           | 4Q22          |
|----------------------------------|----------------|----------------|---------------|
| <b>From Operating Activities</b> | <b>370</b>     | <b>395</b>     | <b>2,083</b>  |
| Profit before Tax                | (4,219)        | (753)          | (992)         |
| Depreciation & Amortization      | 1,190          | 1,216          | 1,297         |
| Net Change in Working Capital    | (50)           | (70)           | 1,836         |
| <b>From Investing Activities</b> | <b>(560)</b>   | <b>(1,066)</b> | <b>(720)</b>  |
| Capital Expenditure              | (367)          | (646)          | (1,241)       |
| <b>From Financing Activities</b> | <b>(1,159)</b> | <b>(163)</b>   | <b>270</b>    |
| Net Change in Loans              | (1,330)        | (242)          | 492           |
| <b>Net Change in Cash</b>        | <b>(1,267)</b> | <b>(546)</b>   | <b>1,021</b>  |
| <b>Ending Balance</b>            | <b>15,563</b>  | <b>16,830</b>  | <b>16,127</b> |

# Consolidated Cash Flows

| in NT\$ millions                 | 2023           | 2022           |
|----------------------------------|----------------|----------------|
| <b>From Operating Activities</b> | <b>2,380</b>   | <b>7,959</b>   |
| Profit before Tax                | (7,385)        | (483)          |
| Depreciation & Amortization      | 4,840          | 5,210          |
| Net Change in Working Capital    | 1,467          | 3,268          |
| <b>From Investing Activities</b> | <b>(2,134)</b> | <b>(4,699)</b> |
| Capital Expenditure              | (2,034)        | (4,320)        |
| <b>From Financing Activities</b> | <b>(765)</b>   | <b>296</b>     |
| Net Change in Loans              | (921)          | (2,317)        |
| Cash Capital Increase            | 0              | 3,627          |
| Cash Dividends                   | 0              | (1,366)        |
| <b>Net Change in Cash</b>        | <b>(564)</b>   | <b>3,791</b>   |
| <b>Ending Balance</b>            | <b>15,563</b>  | <b>16,127</b>  |

# Q&A



# Thank You

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