



# Q3 2020 Results

## Phihong Technology Institutional Investor Conference



V1.0

To respond responsibility with our specialty. To improve the society with our heart.  
Phihong Technology will be staying with you.

World Class, International Standard

This presentation contains forward-looking statements which are subject to risks, uncertainties, and assumptions, some of which are beyond our control. Actual results may differ materially from those expressed or implied by these forward-looking statements. Please refer to the information on the MOPS website as the main basis for any adjustments that have been made. (<http://mops.twse.com.tw/mops/web/index>)

The financial numbers hereby are based on International Financial Reporting Standards (IFRS) and reviewed.

- Company Profile
- Financial Performance
- Future Development
- Q & A

# Company Profile

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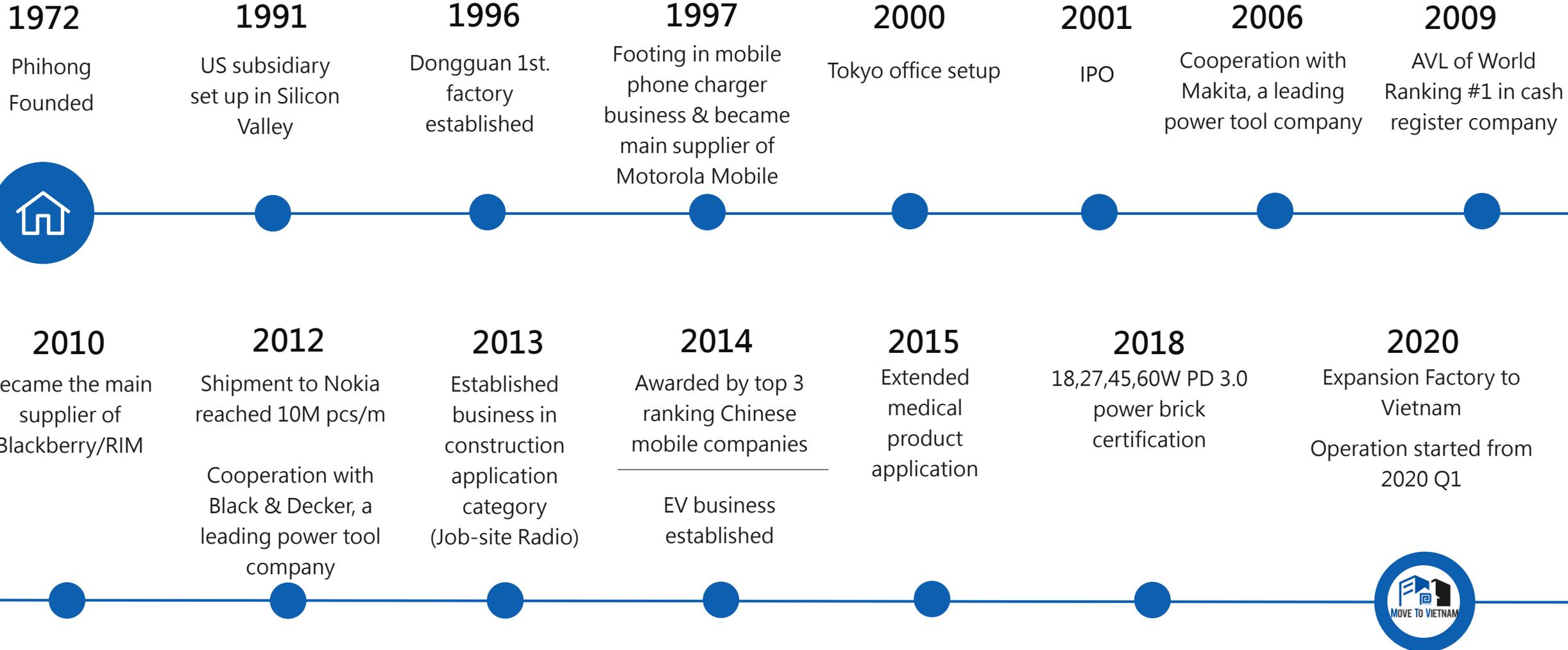
# Company Profile

Phihong Technology was founded in 1972. At the beginning, introducing technological-related equipment was our major business operation. We have been produced autotransformers and linear power supplies since 1973, our product lines covered various power supplies and adapters. By devoting time and effort in the power supply field, Phihong Technology has become one of the top 10 power suppliers in the world.

Our major business operation is to develop and manufacture power-related products. In recent years, we have been gradually expanded our product line into other field, including power adapter, mobile product, battery charger, PoE, EV charging pile and job-site radio. To expand the size of our business, we have been provided our services even for various field such as consumer electronics, networking, intelligent home use, POS machine, household medical equipment, e-bike charger, construction and industrial application.



# Milestones



# Our Products

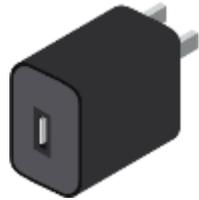
Our Products



**PoE**

**IEEE 802.3af/at/bt  
Midspan  
Active/Passive injector  
Splitter  
Extender**

IEC 60950      UL 60950  
IEC 62368      UL 62368



**SMPS**

**1W-1KW**

IEC 60950      IEC 60601  
EN 60950      IEC 61000  
IEC 60335      IEC 62368  
EN 55024      FCC Class B  
EN 55032



**3Wx2-20Wx2  
FM(RDS)/AM  
DAB/DAB+**

IEC 61000-4-2  
IEC 60065



**Job site Radio**

**15KW-360KW**

CE, UL, cUL, GB/T



**EV**

# Financial Performance

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# Consolidated Revenue Q1-Q3 2019-2020 YoY

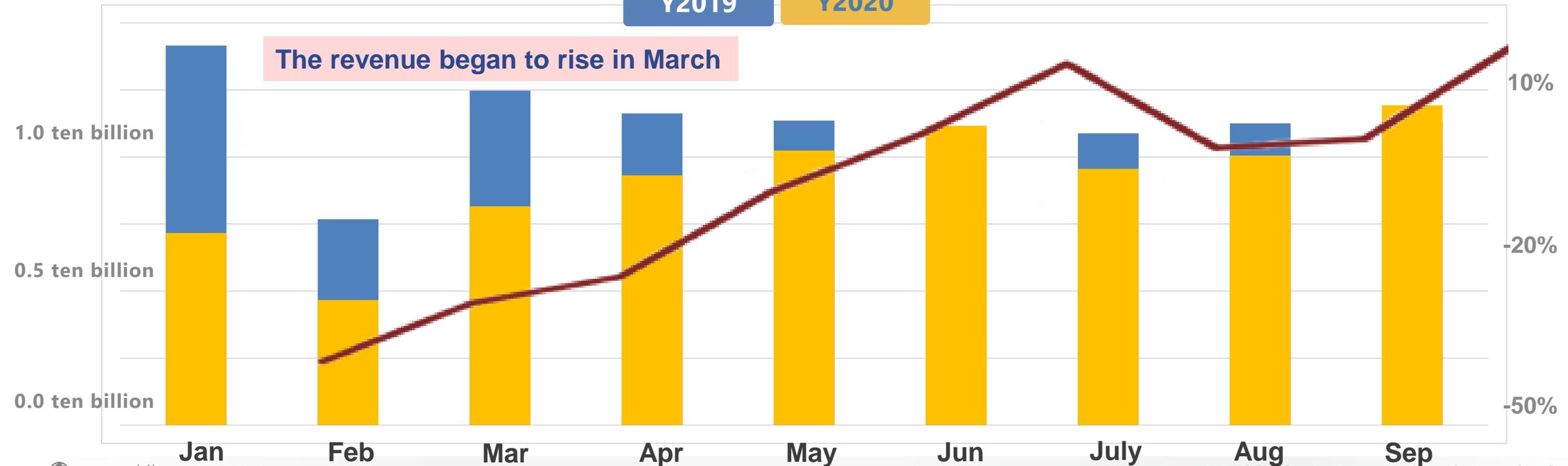
**2019**  
NTD 81.3 Billion

**2020** -19.1%  
NTD 65.8 Billion

Y2019

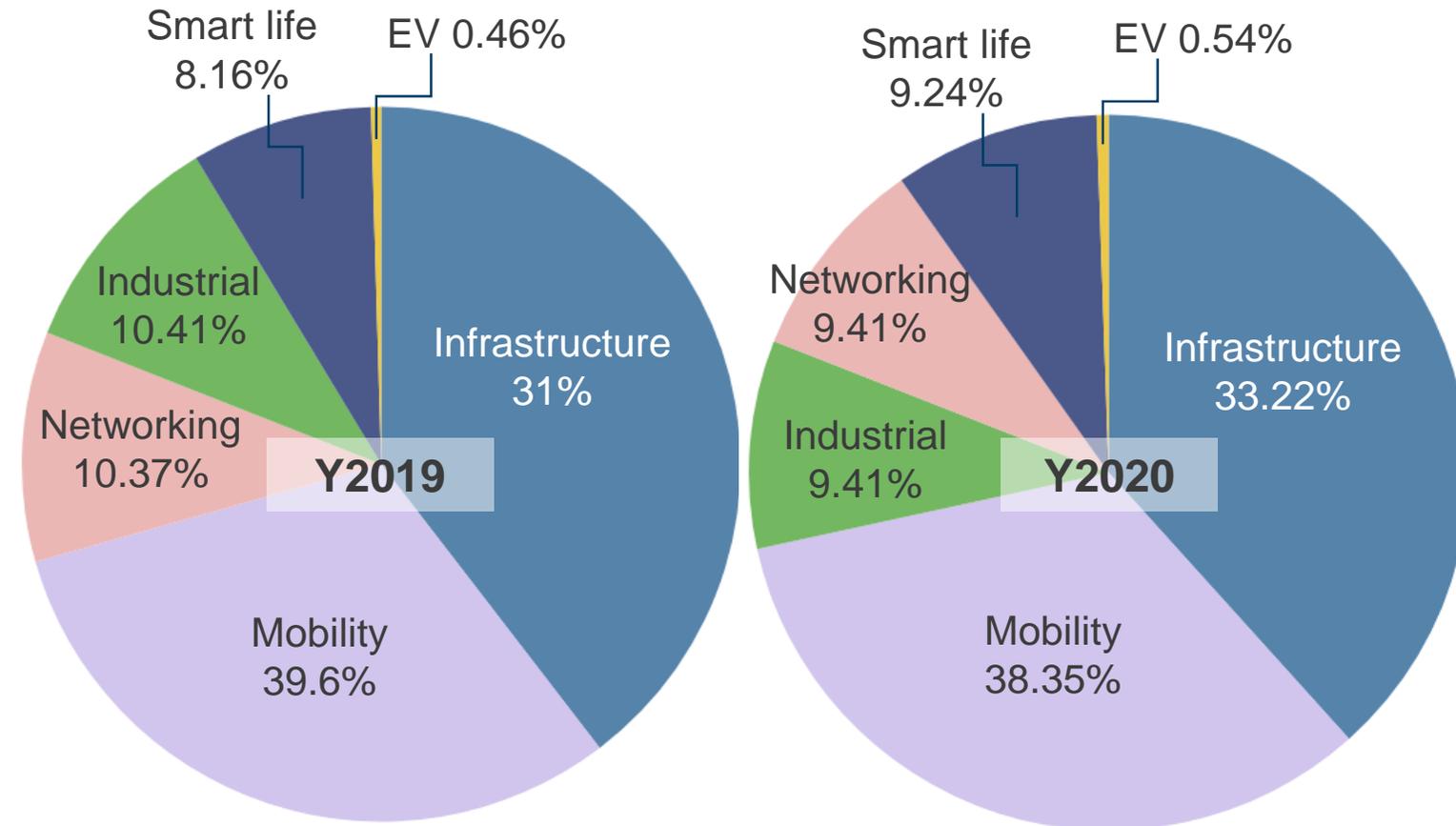
Y2020

The revenue began to rise in March



# 2020-2019 Q1-Q3 Sales Status

- Sales Revenue by Product Mix / Regions



## Infrastructure

Radio + Power tools

## Mobility

Mobile phone + Tablet

## Industrial

E-bike + IPC + Printer + Intelligent

## Networking

PoE + POS machines

## Smart life

Home application + AR/VR + Medical device

## EV

EV charger

# 2020 Q3 Financial Results

*Unit : Million NT\$, except for EPS*

Item	2020Q3		2020Q2		QoQ	2019Q3		YoY
	Amount	%	Amount	%	%	Amount	%	%
Operating Revenue	2,524	100.0	2,457	100.0	2.7	2,674	100.0	(5.6)
Operating Costs	2,179	86.3	2,139	87.1	1.9	2,243	83.9	(2.9)
Gross Profit (loss)	345	13.7	318	12.9	8.5	431	16.1	(20.0)
Operating Expenses	394	15.6	391	15.9	0.8	401	15.0	(1.7)
Net Operating Income (loss)	(49)	(1.9)	(73)	(3.0)	32.9	30	1.1	(263.3)
Non-operating Income and Expenses	65	2.6	51	2.1	27.5	4	0.2	1,525.0
Profit (loss) Before Tax	16	0.6	(22)	(0.9)	172.7	34	1.3	(52.9)
Income Tax Benefit (Expense)	4	0.2	(12)	(0.5)	133.3	24	0.9	(83.3)
Profit (loss)	20	0.8	(34)	(1.4)	158.8	59	2.2	(66.1)
<b>EPS NT\$</b>	<b>NT\$0.06</b>		<b>(NT\$0.10)</b>			<b>NT\$0.17</b>		

# 2020 Q1-Q3 Financial Results

Unit : Million NT\$, except for EPS

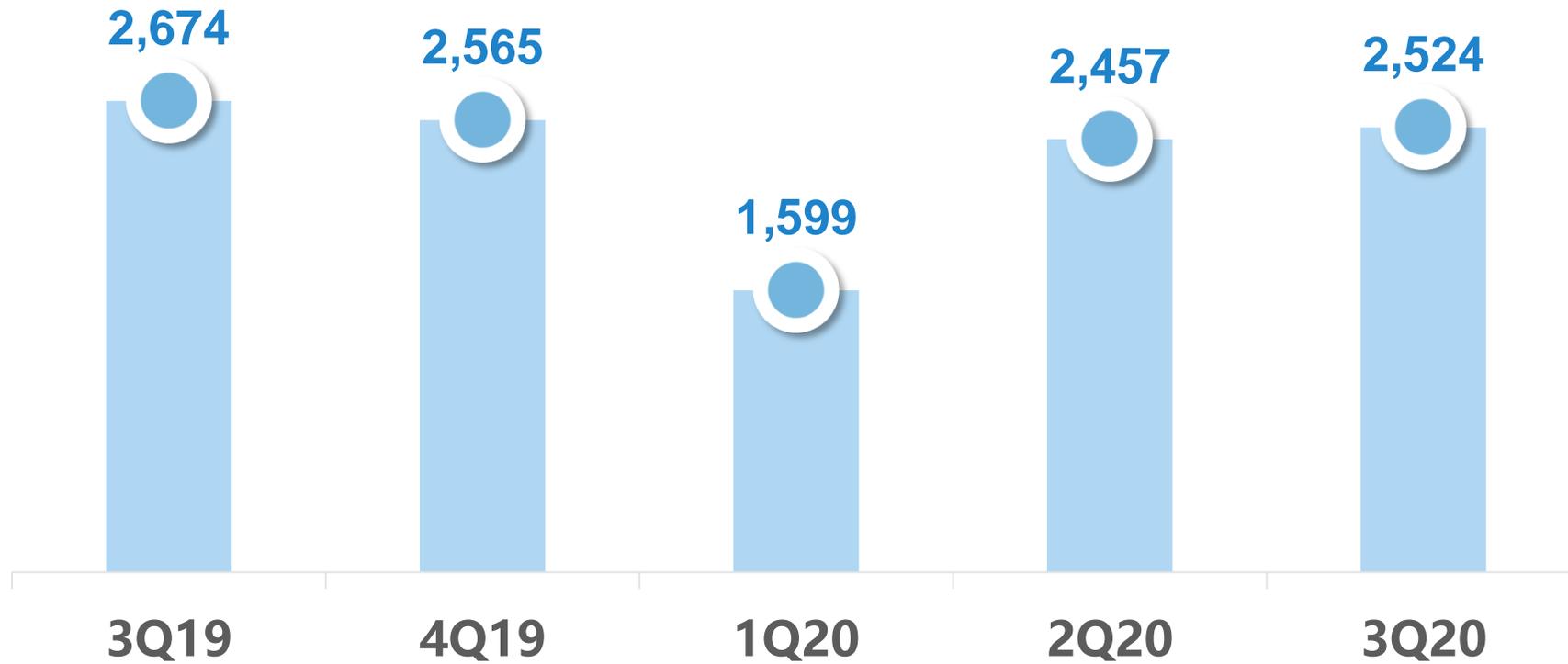
## 2020 Q1-Q3

## 2019 Q1-Q3

Item	Amount	%	Amount	%
Operating Revenue	6,580	100.0	8,130	100.0
Operating Costs	5,733	87.1	6,993	86.0
Gross Profit (loss)	847	12.9	1,137	14.0
Operating Expenses	1,148	17.4	1,230	15.1
Net Operating Income (loss)	(301)	(4.6)	(93)	(1.1)
Non-operating Income and Expenses	148	2.2	48	0.6
Profit (loss) Before Tax	(153)	(2.3)	(45)	(0.6)
Income Tax Benefit (Expense)	(23)	(0.3)	8	0.1
Profit (loss)	(176)	(2.7)	(37)	(0.5)
<b>EPS NT\$</b>	<b>(NT\$0.52)</b>		<b>(NT\$0.11)</b>	

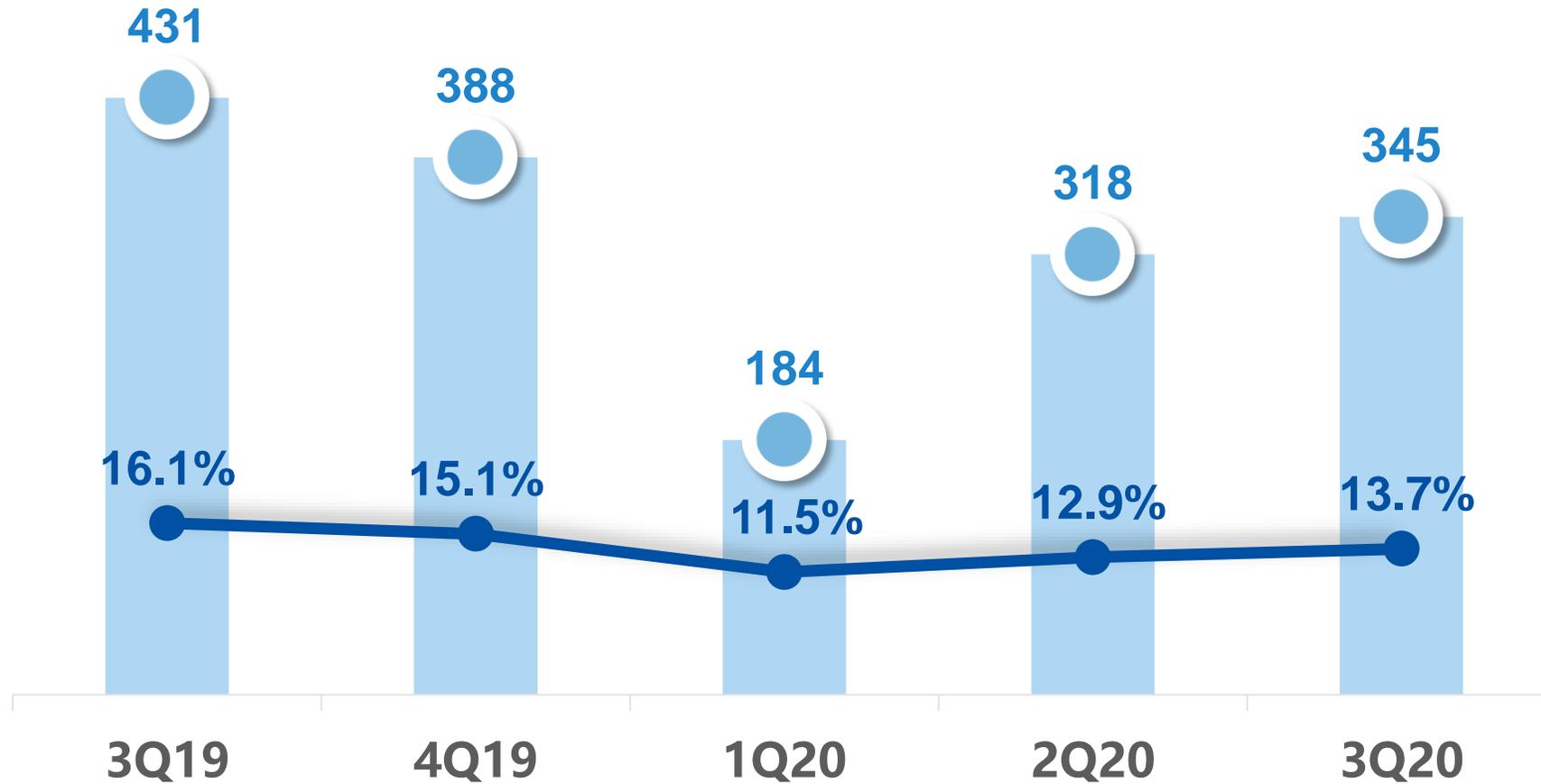
# Revenue

Unit: NT\$ Million



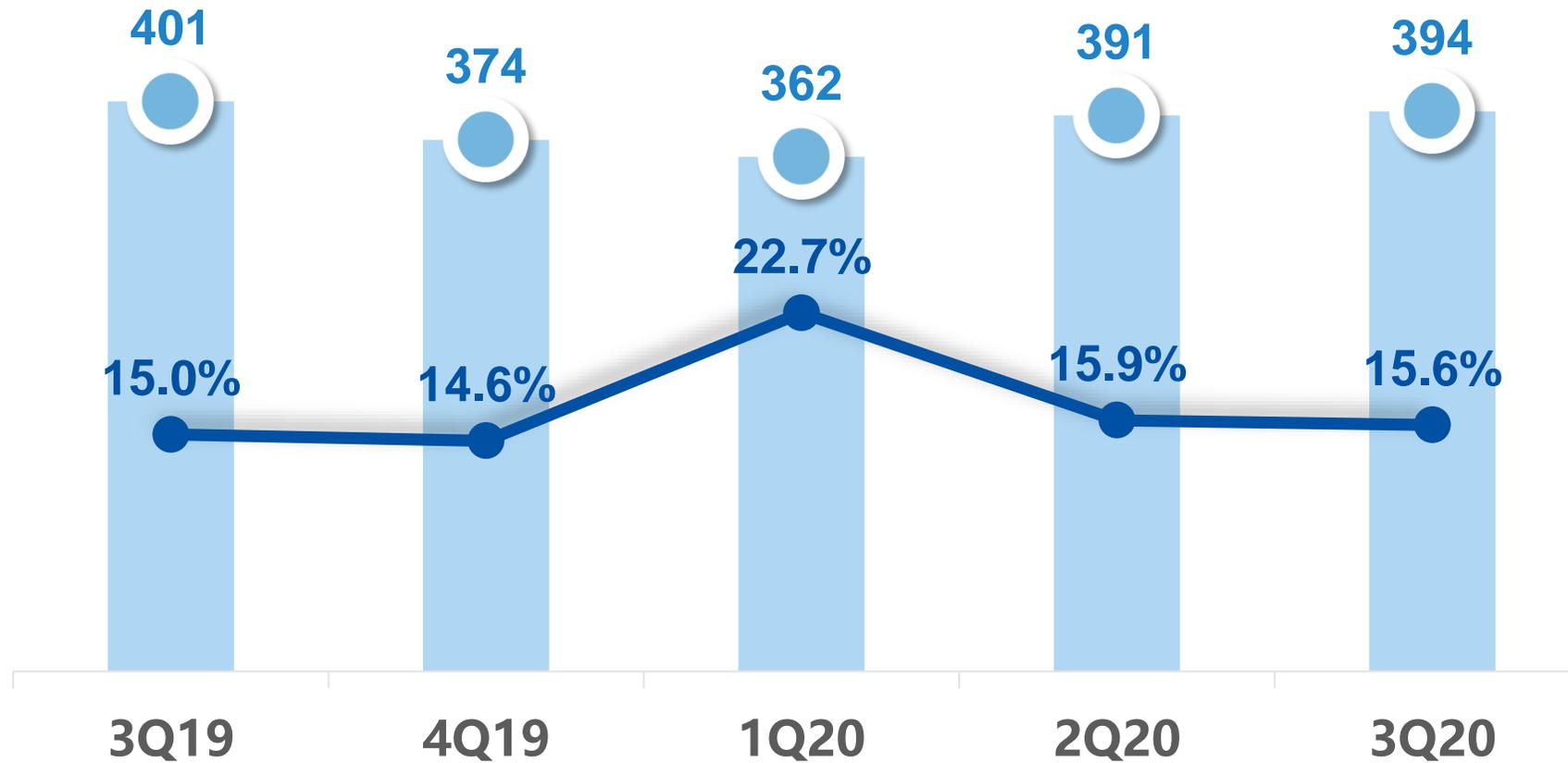
# Gross Profit

Unit: NT\$ Million & of Sales



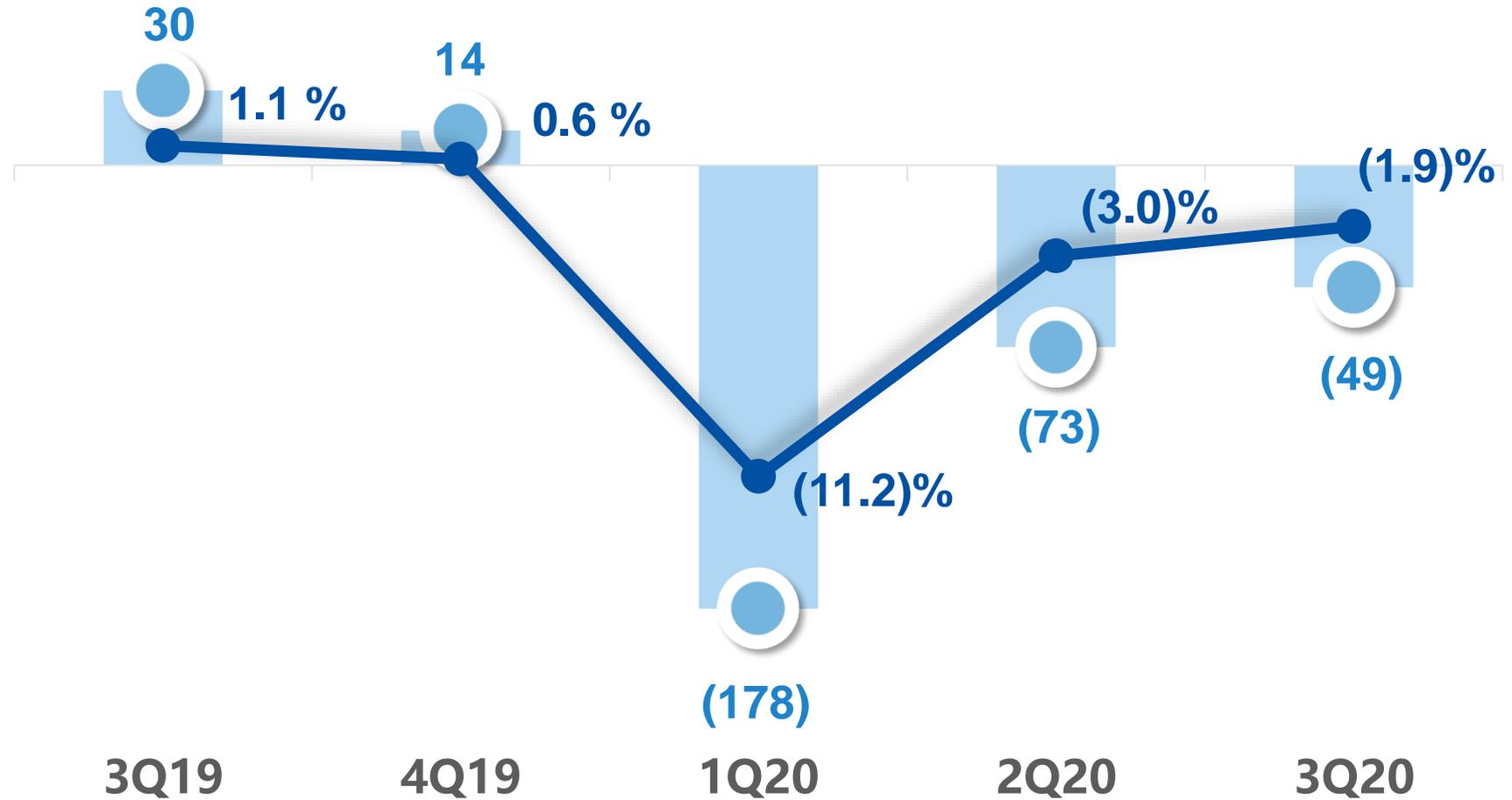
# Operating Expense

Unit: NT\$ Million & of Sales



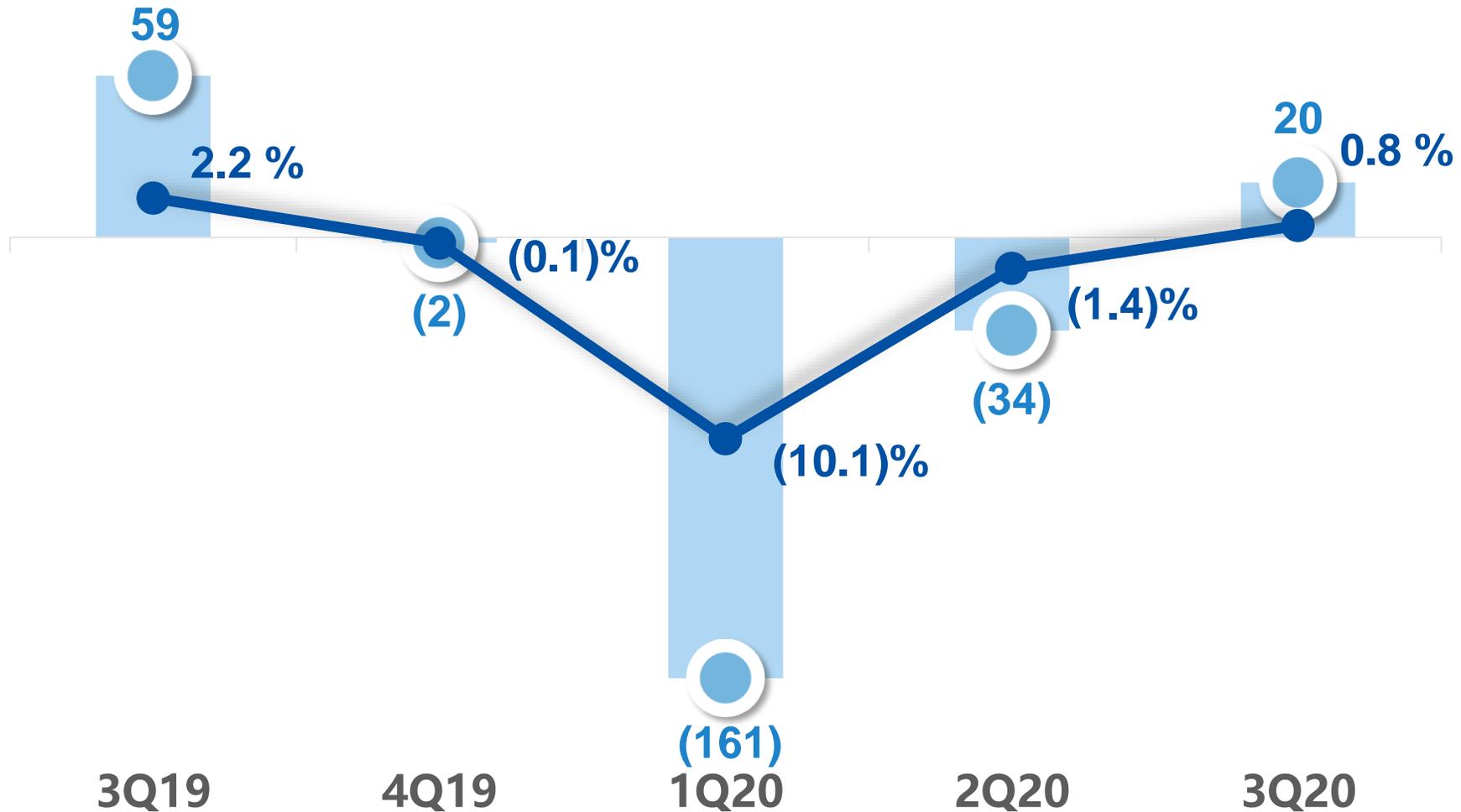
# Operating Profit(Loss)

Unit: NT\$ Million & of Sales



# Profit(Loss)

Unit: NT\$ Million & of Sales



# Consolidated Balance Sheet

*Unit: Million NT\$*

Item	2020/09/30		2019/09/30	
	Amount	%	Amount	%
Cash and Cash Equivalents	2,181	22.7	1,910	20.6
Accounts Receivable, Net	1,969	20.4	2,084	22.5
Inventories	1,419	14.7	1,257	13.6
Other Current Assets	793	8.2	502	5.4
Property, Plant and Equipment	2,570	26.7	2,849	30.7
Other Non-current Assets	697	7.3	668	7.2
<b>Total Assets</b>	<b>9,629</b>	<b>100.0</b>	<b>9,270</b>	<b>100.0</b>
Accounts Payable	2,456	25.5	2,097	22.6
Other Current Liabilities	1,967	20.4	809	8.7
Non-current Liabilities	518	5.4	1,340	14.5
<b>Total Liabilities</b>	<b>4,941</b>	<b>51.3</b>	<b>4,246</b>	<b>45.8</b>
<b>Total Equity</b>	<b>4,688</b>	<b>48.7</b>	<b>5,024</b>	<b>54.2</b>

	2020/09/30	2019/09/30
Current Ratio (%)	143.8	198.0
Current Ratio (%)	110.8	152.7
Debt Ratio (%)	51.3	45.8
Inventory Turnover Days	66	66
A/R Turnover Days	83	72
A/P Turnover Days	113	101

# Future Development

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## Expand the revenue and profit in the EV industry

With complete planning and strategic arrangements, Phihong actively devoted itself to EV-related industries, having a comprehensive deployment in the EV industry globally. (Press release picture: recent cooperation achievement )



## Deployment and cultivation in the Occident

Since 2018, Phihong has arranged its deployment in the Occident market, having several business cooperation with many vehicle company. By cooperating with local franchisers and brand owners, with their knowledge about the sales channels and local situations, Phihong will have access to the EV market with a faster pace. The first business case in the US was electronic bus.

## Exploring customers in emerging markets

Actively study market demands in India, Indonesia, Vietnam and Philippine, to deploy and enter emerging markets of Southeast Asia.

## Market-niche Strategy

Due to turbulent situation of the trade war in 2018, the worldwide economic environment faced a significant change. Hence, risk management of production plant has become a major issue. Phihong actively arranged the plan for global deployment, which made the productivity of PHV reach 90% within two years.

- Risk management :
  - Avoided the risk control of centralized production in China.
  - Avoided being excluded due to not join regional economy integration.
  - Lower the risk of tariff issue.



# Vietnam Factory Status



# Q & A

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Thanks for coming and we kindly appreciate your support.

PHIHONG Website : <http://www.phihong.com.tw>

MOPS website : <http://mops.twse.com.tw/mops/web/index>

## Contact us



[www.phihong.com.tw](http://www.phihong.com.tw)

### Phihong Taiwan

📍 No.568,Fuxing 3rd Rd.,Guishan Dist.,  
Taoyuan City (33383),Taiwan,R.O.C.  
☎ +886-3-327-7288  
✉ [phsales@phihong.com.tw](mailto:phsales@phihong.com.tw)  
🌐 [www.phihong.com.tw](http://www.phihong.com.tw)

### Phihong Tainan

📍 No. 99, Zhengnan 1st St., Yongkang  
Dist., Tainan City 710, Taiwan (R.O.C.)  
☎ +886-6-254-7588  
✉ [phsales@phihong.com.tw](mailto:phsales@phihong.com.tw)  
🌐 [www.phihong.com.tw](http://www.phihong.com.tw)

### Phihong China

📍 Science & Technology Rd., Silver Lake  
Industrial Area Qingxi Town, Dong  
Guan City, Guang Dong , China  
☎ +86-768-86817888  
✉ [phsales@phihong.com.tw](mailto:phsales@phihong.com.tw)

### Phihong US

📍 47800 Fremont Blvd.Fremont, CA, USA  
☎ +1-510-445-0100  
✉ [usasales@phihongusa.com](mailto:usasales@phihongusa.com)  
🌐 [www.phihongusa.com](http://www.phihongusa.com)  
🌐 [www.midspans.com](http://www.midspans.com)

### Phihong Japan

📍 〒135-0016 東京都江東区東陽3丁目23  
番24号VORT 東陽町ビル5階  
☎ +81-3-5677-1678  
✉ [phsales@phihong.com.tw](mailto:phsales@phihong.com.tw)  
🌐 [www.phihong.co.jp](http://www.phihong.co.jp)

### Phihong EU

📍 Wattstraat 50, 2171 TR Sassenheim,  
The Netherlands  
☎ +49-173-6308089  
✉ [sales@phihongeu.com](mailto:sales@phihongeu.com)  
🌐 [www.phihong-lighting.com](http://www.phihong-lighting.com)

### Phihong Vietnam

📍 Lot CN5 An Duong Industrial Zone,  
Hong Phong Commune, An Duong  
County, Hai Phong City, Vietnam  
☎ +84-22588-31557  
✉ [phsales@phihong.com.tw](mailto:phsales@phihong.com.tw)  
🌐 [www.phihong.com.tw](http://www.phihong.com.tw)