

環宇
芯系天下

**Q4 2020
Quarterly
Online Investor
Conference
(線上法說會)**

Mar 19, 2021



環宇通訊半導體
Global Communication Semiconductors, LLC



“Enabling Today’s Global
Communications
and Beyond”

Disclaimer Statement



This presentation includes forward-looking statements. All statements, other than statements of historical facts, that address activities, events or developments that GCS Holdings, Inc. expects or anticipates will or may occur in the future (including but not limited to projections, targets, estimates and business plans) are forward-looking statements.

GCS's actual results or developments may differ materially from those indicated by these forward-looking statements as a result of various factors and uncertainties, including but not limited to price fluctuations, actual demand, exchange rate fluctuations, market share, competition, environmental risks, change in legal, financial and regulatory frameworks, government policies, international economic and financial market conditions, political risks, cost estimates and other risks and factors beyond our control.

GCS does not undertake any obligation to publicly update any forward-looking statement to reflect events or circumstances after the date on which any such statement is made or to reflect the occurrence of unanticipated events.

Agenda



Opening:

Brian Ann, CEO & President

Financial Section:

Grace Li, Senior Director & Special Assistant to
CEO

Participant:

Simon Yu, Senior VP and Spokesperson

Q&A: All



FINANCIAL SECTION

Statements of Comprehensive Income - QoQ



(in NT\$ thousands except EPS)

	4Q20	3Q20	4Q19	4Q20 Over 3Q20	4Q20 Over 4Q19
Net Operating Revenue	344,057	358,437	476,513	-4.0%	-27.8%
Gross Profit	119,015	146,995	237,496	-19.0%	-49.9%
Gross Margin	34.6%	41.0%	49.8%		
Operating Expenses	(107,102)	(107,418)	(130,559)	-0.3%	-18.0%
Operating Expenses to Revenue %	31.1%	30.0%	27.4%		
Operating Income	11,913	39,577	106,937	-69.9%	-88.9%
Operating Margin	3.5%	11.0%	22.4%		
Non-operating Items	(128,478)	(65,119)	4,318	97.3%	-3075.4%
Income (Loss) before Income Tax	(116,565)	(25,542)	111,255	356.4%	-204.8%
Income Tax (Expense) Benefit	28,519	(8,833)	(7,459)	-422.9%	-482.3%
Net Income (Loss)	(88,046)	(34,375)	103,796	156.1%	-184.8%
Net Income (Loss) Attributable to owners of the Parent	(88,046)	(34,375)	104,107		
Net Income (Loss) %	-25.6%	-9.6%	21.8%		
Basic EPS (NTD)	(0.99)	(0.39)	1.17		
Diluted EPS (NTD)	(0.99)	(0.39)	1.16		
R&D Expense % to Revenue	12.9%	14.2%	9.2%		

Note 1: 89,240 thousand shares and 89,240 thousand shares were used in basic EPS and diluted EPS calculation for 4Q20, respectively.

Note 2. Revenue supplemental information

	4Q20	3Q20	4Q19	4Q20 Over 3Q20	4Q20 Over 4Q19
Revenue in US\$ thousand	11,992	12,179	15,607	-1.54%	-23.2%
Exchange Rate	29.55	29.82	30.91		

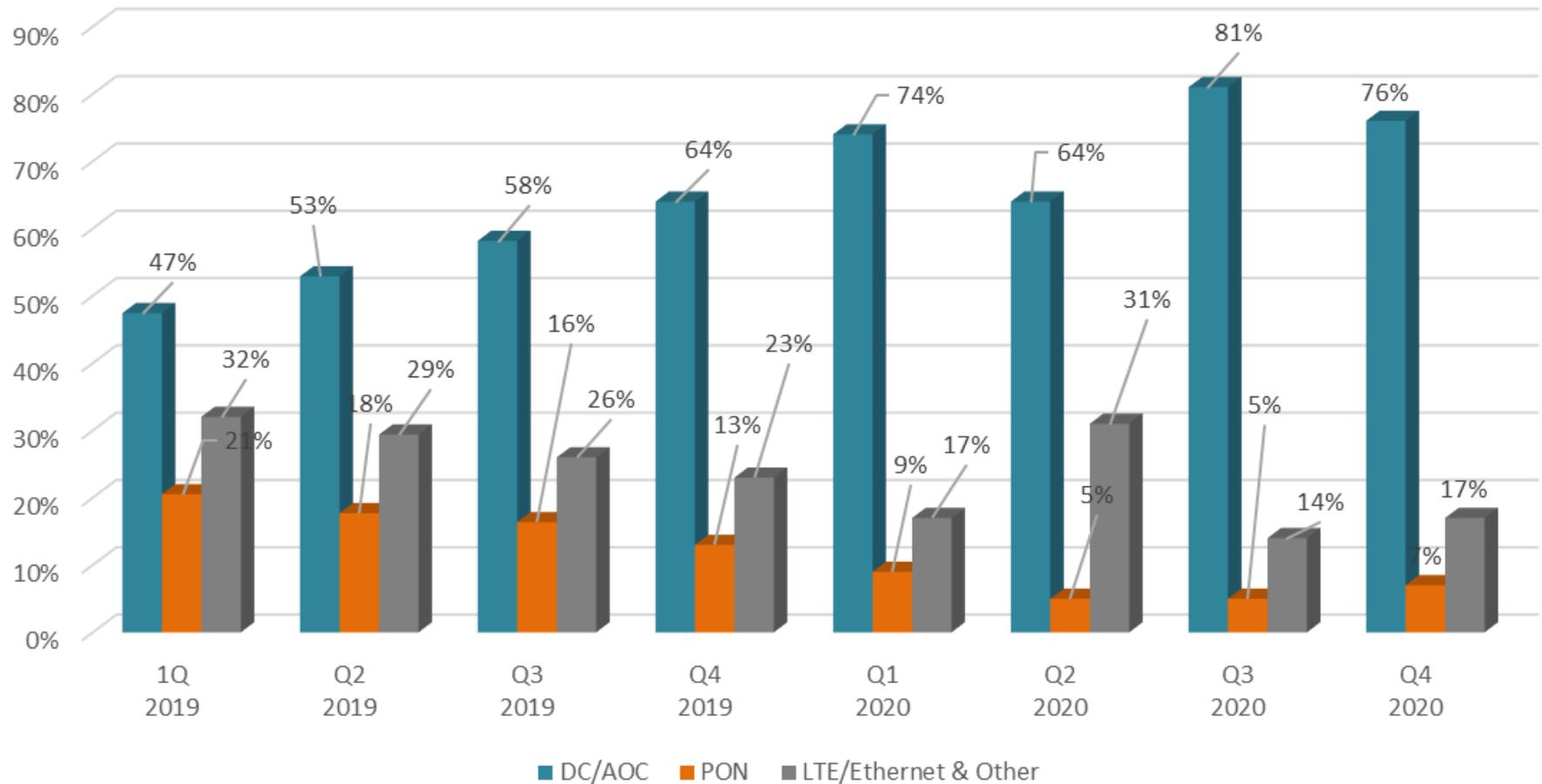
Revenue Mix % vs Gross Margin - QoQ



KGD Revenue Mix - QoQ



KGD Revenue Analysis-By Application



Non-operating Income and Expenses- QoQ



(in NT\$ thousands)

	4Q20	3Q20	4Q19	4Q20 Over 3Q20	4Q20 Over 4Q19
Other Income	2,911	2,142	7,011	35.9%	-58.5%
Other Gains and Losses					
Net currency exchange gain or (loss)	(3,652)	(2,519)	(1,576)	45.0%	131.7%
Gain (loss) on disposal of property, plant and equipment	(281)	(2)	53	13950.0%	-630.2%
Gain (loss) on disposal of investments	(18)	1,967	-	-100.9%	-
Impairment loss on intangible assets	(40,094)	-	-	-	-
Others	(798)	(778)	2	2.6%	-40000%
Finance Cost					
Interest expense	(693)	(778)	(1,172)	-10.9%	-40.9%
Share of profit (loss) of equity-accounted investees	(85,853)	(65,151)	-	31.8%	-
Total Non-operating Income and Expenses	(128,478)	(65,119)	4,318	97.3%	-3075.4%

Statements of Comprehensive Income - YoY



(in NT\$ thousands except EPS)

	2020	%	2019	%	Change (%)
Net Operating Revenue	1,481,859	100.0%	1,786,334	100.0%	-17.0%
Operating Cost	(868,125)	-58.6%	(976,403)	-54.7%	-11.1%
Gross Profit	613,734	41.4%	809,931	45.3%	-24.2%
Operating Expenses	(426,204)	-28.8%	(508,181)	-28.4%	-16.1%
Operating Income	187,530	12.7%	301,750	16.9%	-37.9%
Non-operating items	(289,532)	-19.5%	19,871	1.1%	-1557.1%
Income (Loss) before Income Tax	(102,002)	-6.9%	321,621	18.0%	-131.7%
Income Tax	(11,914)	-0.8%	(58,625)	-3.3%	-79.7%
Net Income (Loss)	(113,916)	-7.7%	262,996	14.7%	-143.3%
Net Income (Loss) Attributable to Owners of the Parent	(113,994)	-7.7%	267,578	15.0%	-142.6%
Basic EPS (NTD)	(1.28)		3.04		
Diluted EPS (NTD)	(1.28)		3.00		
Average Exchange Rate-USD/NTD	29.55		30.91		
R&D expense % to Revenue	12.3%		10.0%		
ROA (%)	-2.84%		7.44%		
ROE (%)	-3.23%		8.20%		

Note 1: 89,099 thousand shares and 89,099 thousand shares were used in basic EPS and diluted EPS calculation for 2020, respectively.

Note 2. Revenue supplemental information

	Y2020	Y2019	Change (%)
Revenue in US\$ thousand	50,148	57,791	-13.2%
Exchange Rate	29.55	30.91	

Non-operating Income and Expenses- YoY



(in NT\$ thousands)

	2020	2019	Change (%)
Other Income	14,424	26,502	-45.6%
Other Gains and Losses			
Net currency exchange gain or (loss)	(6,360)	(445)	1329.2%
Gain (loss) on disposal of property, plant and equipment	(70)	(586)	-88.1%
Liquidation losses on disposal of a subsidiary	(188)	-	-
Gain (loss) on disposal of investments	1,949	-	-
Impairment loss on intangible assets	(40,094)	-	-
Other loss	(3,536)	(527)	571.0%
Finance Cost			
Interest expense	(3,320)	(5,073)	-34.6%
Share of profit (loss) of equity-accounted investees	(252,337)	-	-
Total Non-operating Income and Expenses	(289,532)	19,871	-1557.1%

Balance Sheet Highlight & Key Indices



Selected Items from Balance Sheet

(in NT\$ thousands)

	4Q20		3Q20		4Q19	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalent	1,106,476	28%	1,146,721	28%	1,838,994	47%
Accounts Receivable and Notes Receivable	197,537	5%	190,908	5%	317,126	8%
Inventory	362,021	9%	365,119	9%	352,983	9%
Financial assets at fair value through other comprehensive income - non current	-	0%	-	0%	159,531	4%
Other current assets	172,763	5%	176,520	4%	30,951	1%
Investments accounted for under the Equity Method	1,013,963	26%	1,088,059	27%	-	0%
Net Property, Plant and Equipment	695,634	18%	730,225	18%	775,808	20%
Intangible Assets	144,655	4%	187,197	4%	197,032	5%
Deferred Tax Assets	116,767	3%	117,134	3%	129,281	3%
Total Assets	3,898,075	100%	4,084,299	100%	3,902,999	100%
Short Term Loan	20,000	0%	20,000	1%	20,000	1%
Accounts Payable and Other Payables	133,292	4%	181,921	3%	173,652	4%
Long Term Bank Borrowings - Current Portion	22,828	1%	23,066	1%	23,050	1%
Long Term Bank Loans	106,993	3%	115,114	3%	42,195	1%
Deferred Tax Liabilities	60,674	2%	69,898	2%	76,123	2%
Total Liabilities	370,979	10%	438,791	11%	375,891	10%
Total Stockholders' Equity	3,527,096	90%	3,645,508	89%	3,527,108	90%

Key Indices

Current Ratio	958%	781%	1083%
Debt Ratio	10%	11%	10%
AR Turnover Days	64	62	55
Inventory Turnover Days	175	177	150

Cash Flows



(in NT\$ thousands)

	4Q20	3Q20	4Q19
Beginning Balance	1,146,721	1,113,221	1,941,017
Cash from Operating Activities	43,538	56,678	77,636
Acquisition of property, plant and equipment	(8,840)	(2,724)	(66,893)
Decrease (Increase) in other current assets	1,357	905	61,822
Decrease(Increase) in other non-current assets	(5,367)	(165)	495
Acquisition of intangible assets	(1,734)	(79)	(3,383)
Repayments of long-term loans	(5,631)	(5,700)	(5,711)
Principal elements of lease payments	(1,446)	(1,446)	(2,775)
Proceeds from the sale of Property,plant and equipment	-	-	50
Employee Option Exercise	-	5,325	2,279
Cash Dividend Paid	(45,623)	-	(106,561)
The effect of exchange rate changes	(16,106)	(19,373)	(58,982)
Others	(393)	79	-
Ending Balance	1,106,476	1,146,721	1,838,994
Increase (Decrease) in Cash	(40,245)	33,500	(102,023)
Free Cash Flow (Note)	34,698	53,954	10,743

Note: Free Cash Flow = Cash from Operating Activities - Capital Expenditures

Q & A



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**For further inquiry
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