

環宇
芯系天下

**Q1 2023
Quarterly
Online Investor
Conference**
(線上法說會)

May 2, 2023



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:

Kelly Lin, 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)

	1Q23	4Q22	1Q22	1Q23 Over 4Q22	1Q23 Over 1Q22
Net Operating Revenue	270,481	354,467	297,485	-23.7%	-9.1%
Gross Profit	34,484	47,654	94,603	-27.6%	-63.5%
Gross Margin	12.7%	13.4%	31.8%		
Operating Expenses	(122,898)	(124,187)	(109,847)	-1.0%	11.9%
Operating Expenses to Revenue %	45.4%	35.0%	36.9%		
Operating Income Loss	(88,414)	(76,533)	(15,244)	15.5%	480.0%
Operating Margin	-32.7%	-21.6%	-5.1%		
Non-operating Items	(205,067)	(319,106)	(157,962)	-35.7%	29.8%
Loss before Income Tax	(293,481)	(395,639)	(173,206)	-25.8%	69.4%
Income Tax Benefit (Expense)	-	3,123	2,544	-100.0%	-100.0%
Net Loss	(293,481)	(392,516)	(170,662)	-25.2%	72.0%
Net Loss Attributable to owners of the Parent	(293,481)	(392,516)	(170,662)		
Net Loss %	-108.5%	-110.7%	-57.4%		
Basic EPS (NTD)	(2.66)	(3.56)	(1.55)		
Diluted EPS (NTD)	(2.66)	(3.56)	(1.55)		
R&D Expense % to Revenue	20.4%	14.4%	15.8%		
ROA (%)	-26.4%	-19.7%	-14.0%		
ROE (%)	-33.0%	-22.9%	-15.6%		

Note 1: 110,276 thousand shares were used in basic EPS calculation for 1Q23.

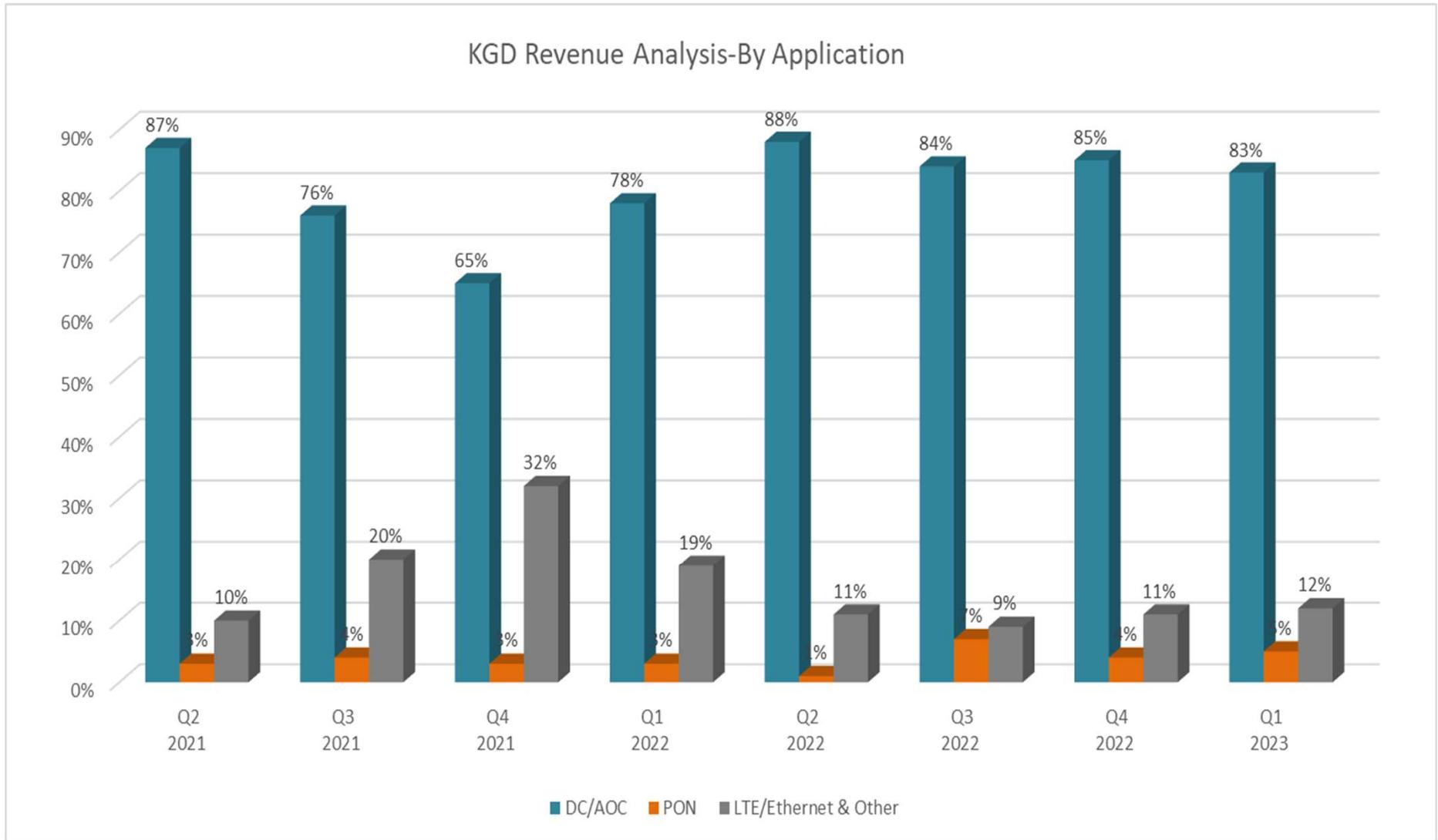
Note 2. Revenue supplemental information

	1Q23	4Q22	1Q22	1Q23 Over 4Q22	1Q23 Over 1Q22
Revenue in US\$ thousand	8,900	11,310	10,628	-21.31%	-16.3%
Exchange Rate	30.39	29.80	27.99		

Revenue Mix % vs Gross Margin - QoQ



KGD Revenue Mix - QoQ



Non-operating Income and Expenses- QoQ



(in NT\$ thousands)

	1Q23	4Q22	1Q22	1Q23 Over 4Q22	1Q23 Over 1Q22
Other Income - other	1,000	1,355	780	-26.2%	28.2%
Other Gains and Losses					
Net currency exchange gain or (loss)	454	4,032	(14,902)	-88.7%	-103.0%
Gain on disposal of property, plant and equipment	-	1,672	-	-100.0%	-
Loss on disposal of investments	-	(3,863)	-	-100.0%	-
Impairment loss on intangible assets	-	(41,816)	-	-100.0%	-
Others	(4,494)	(287)	(3,954)	1465.9%	13.7%
Finance Cost					
Interest expense	(3,840)	(3,948)	(1,834)	-2.7%	109.4%
Share of loss of equity-accounted investees	(198,187)	(276,251)	(138,052)	-28.3%	43.6%
Total Non-operating Income and Expenses	(205,067)	(319,106)	(157,962)	-35.7%	29.8%

Balance Sheet Highlight & Key Indices



Selected Items from Balance Sheet

(in NT\$ thousands)

	1Q23		4Q22		1Q22	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalent	337,650	8%	442,196	10%	778,385	16%
Accounts Receivable and Notes Receivable	207,857	5%	199,516	4%	197,007	4%
Accounts Receivable and Notes Receivable - Related Party	7,773	0%	2,958	0%	6,747	0%
Inventory	365,779	8%	338,168	7%	304,085	6%
Other current assets	32,947	1%	33,314	1%	31,071	1%
Investments accounted for under the Equity Method	2,257,581	53%	2,446,614	54%	2,439,943	52%
Net Property, Plant and Equipment	725,700	17%	695,667	15%	633,606	14%
Intangible Assets	55,818	1%	56,678	1%	97,648	2%
Deferred Tax Assets	126,770	3%	127,852	3%	109,922	2%
Total Assets	4,269,206	100%	4,516,914	100%	4,714,923	100%
Short Term Loan	20,000	1%	20,000	1%	20,000	1%
Accounts Payable and Other Payables	363,003	9%	308,831	7%	154,292	4%
Long Term Bank Borrowings - Current Portion	42,915	1%	43,277	1%	10,693	0%
Long Term Bank Loans	315,576	7%	329,110	7%	193,783	4%
Deferred Tax Liabilities	64,982	2%	65,537	2%	61,200	1%
Total Liabilities	860,483	20%	816,192	18%	463,375	10%
Total Stockholders' Equity	3,408,723	80%	3,700,722	82%	4,251,548	90%

Key Indices

Current Ratio	220%	270%	663%
Debt Ratio	20%	18%	10%
AR Turnover Days	81	54	56
Inventory Turnover Days	172	144	170

Cash Flows



(in NT\$ thousands)

	1Q23	4Q22	1Q22
Beginning Balance	442,196	824,740	1,839,765
Cash from Operating Activities	(61,687)	(11,954)	(8,474)
Acquisition of investments accounted for under the equity method	-	(351,191)	(1,043,899)
Acquisition of property, plant and equipment	(25,274)	(6,179)	(60,038)
Decrease (Increase) in other non-current assets	300	(6)	(3,650)
Acquisition of intangible assets	(1,459)	(37)	(1,606)
Proceeds from the sale of PP&E	-	88	15,689
Proceeds from short-term loan	20,000	-	-
Repayments of short-term loans	(20,000)	-	-
Repayments of long-term loans	(10,722)	(10,502)	(1,289)
Principal elements of lease payments	(2,179)	(2,213)	(1,569)
Employee Option Exercise	29	-	1,567
The effect of exchange rate changes	(3,641)	(548)	41,974
Others	87	(2)	(85)
Ending Balance	337,650	442,196	778,385
Increase (Decrease) in Cash	(104,546)	(382,544)	(1,061,380)
Free Cash Flow (Note)	(86,961)	(18,133)	(68,512)

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



Q & A



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For further inquiry
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