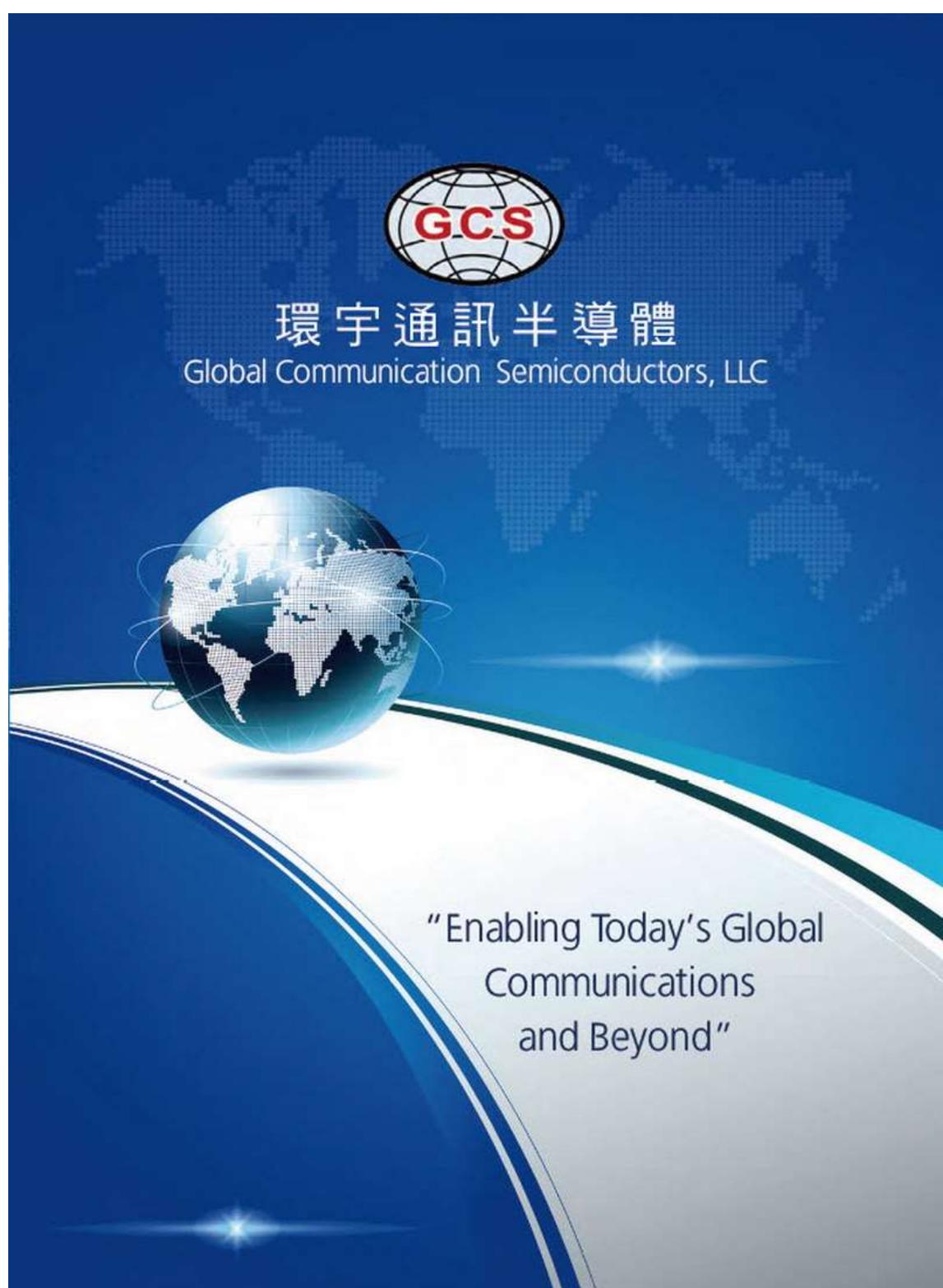




**Q1 2024  
Quarterly  
Online Investor  
Conference**  
(線上法說會)

**May 6, 2024**



# 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)

	1Q24	4Q23	1Q23	1Q24 Over 4Q23	1Q24 Over 1Q23
Net Operating Revenue	346,986	400,014	270,481	-13.3%	28.3%
Gross Profit	117,444	98,590	34,484	19.1%	240.6%
Gross Margin	33.8%	24.6%	12.7%		
Operating Expenses	(114,573)	(83,872)	(122,898)	36.6%	-6.8%
Operating Expenses to Revenue %	33.0%	21.0%	45.4%		
Operating Income (Loss)	2,871	14,718	(88,414)	-80.5%	-103.2%
Operating Margin	0.8%	3.7%	-32.7%		
Non-operating Items	(213,280)	(32,331)	(205,067)	559.7%	4.0%
Loss before Income Tax	(210,409)	(17,613)	(293,481)	1094.6%	-28.3%
Income Tax Benefit	-	14,089	-	-100.0%	-
Net Loss	(210,409)	(3,524)	(293,481)	5870.7%	-28.3%
Net Loss Attributable to owners of the Parent	(210,409)	(3,524)	(293,481)		
Net Loss %	-60.6%	-0.9%	-108.5%		
Basic EPS (NTD)	(1.90)	(0.03)	(2.66)		
Diluted EPS (NTD)	(1.90)	(0.03)	(2.66)		
R&D Expense % to Revenue	15.8%	13.4%	20.4%		
ROA (%)	-23.9%	-19.1%	-26.4%		
ROE (%)	-28.8%	-23.7%	-33.0%		

Note 1: 110,640 thousand shares were used in basic EPS calculation for 1Q24.

Note 2. Revenue supplemental information

	1Q24	4Q23	1Q23	1Q24 Over 4Q23	1Q24 Over 1Q23
Revenue in US\$ thousand	11,033	12,624	8,900	-12.60%	24.0%
Exchange Rate	31.45	31.15	30.39		

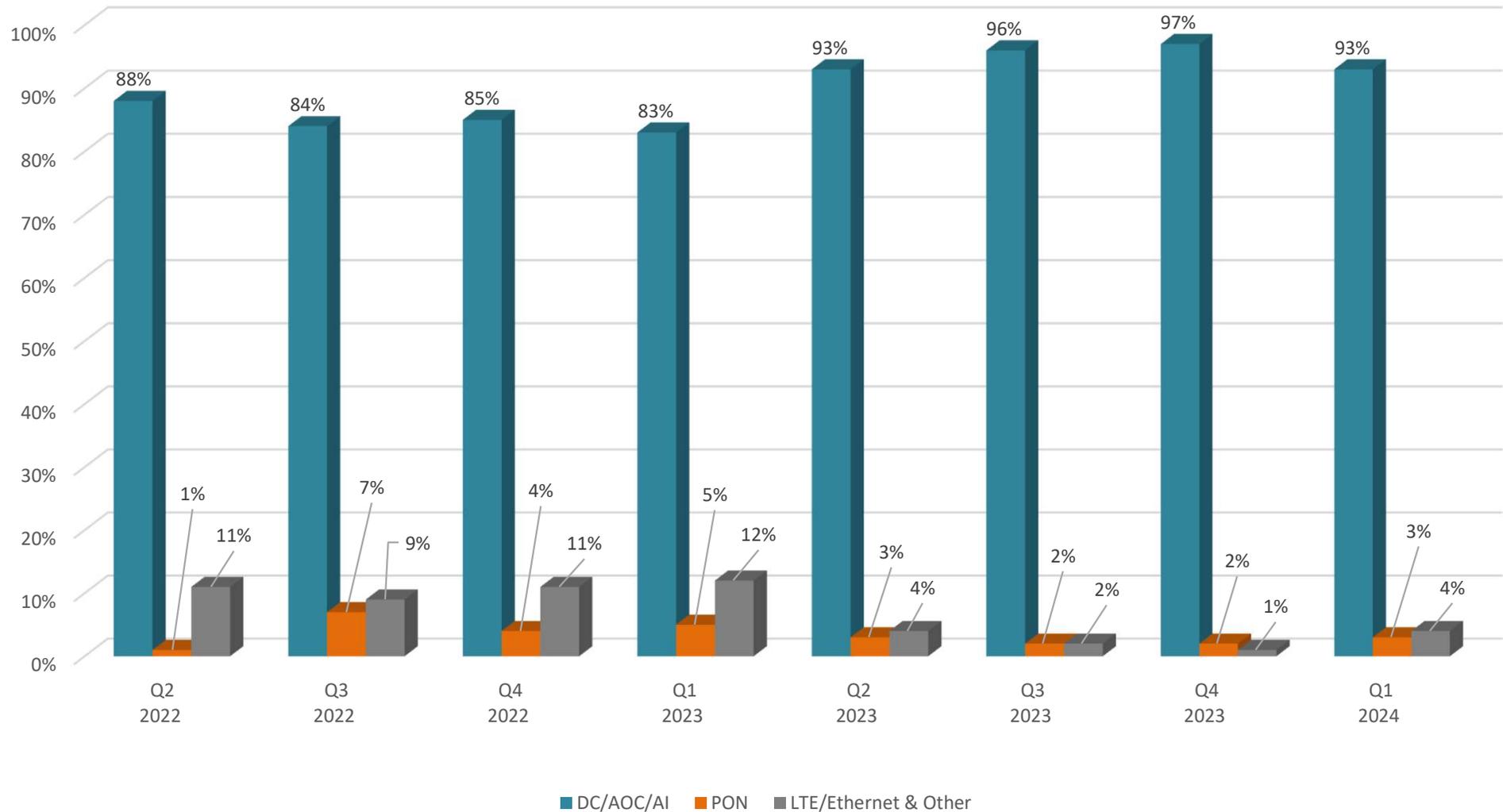
# Revenue Mix % vs Gross Margin - QoQ



# KGD Revenue Mix - QoQ



KGD Revenue Analysis-By Application



# Non-operating Income and Expenses- QoQ



(in NT\$ thousands)

	1Q24	4Q23	1Q23	1Q24 Over 4Q23	1Q24 Over 1Q23
Other Income - other	1,681	861	1,000	95.2%	68.1%
Other Gains and Losses					
Net currency exchange gain or (loss)	(3,031)	(2,023)	454	49.8%	-767.6%
Loss on disposal of property, plant and equipment	(42)	-	-	-	-
Gain on disposal of investments	-	254,480	-	-100.0%	-
Impairment loss on intangible assets	-	(48,218)	-	-100.0%	-
Others	-	(2,478)	(4,494)	-100.0%	-100.0%
Finance Cost					
Interest expense	(3,180)	(4,429)	(3,840)	-28.2%	-17.2%
Share of loss of equity-accounted investees	(208,708)	(230,524)	(198,187)	-9.5%	5.3%
<b>Total Non-operating Income and Expenses</b>	<b>(213,280)</b>	<b>(32,331)</b>	<b>(205,067)</b>	<b>559.7%</b>	<b>4.0%</b>

# Balance Sheet Highlight & Key Indices



(in NT\$ thousands)

	1Q24		4Q23		1Q23	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalent	215,869	7%	345,234	10%	337,650	8%
Accounts Receivable and Notes Receivable	249,610	7%	237,456	7%	207,857	5%
Accounts Receivable and Notes Receivable - Related Party	6,976	0%	4,830	0%	7,773	0%
Inventory	308,567	9%	257,709	7%	365,779	8%
Other current assets	102,980	3%	102,039	3%	32,947	1%
Investments accounted for under the Equity Method	1,451,165	43%	1,625,600	45%	2,257,581	53%
Net Property, Plant and Equipment	730,117	22%	730,219	20%	725,700	17%
Intangible Assets	3,904	0%	4,056	0%	55,818	1%
Deferred Tax Assets	166,377	5%	159,670	5%	126,770	3%
<b>Total Assets</b>	<b>3,358,021</b>	<b>100%</b>	<b>3,590,338</b>	<b>100%</b>	<b>4,269,206</b>	<b>100%</b>
Short Term Loan	20,000	1%	20,000	1%	20,000	1%
Accounts Payable and Other Payables	141,266	5%	137,407	4%	363,003	9%
Long Term Bank Borrowings - Current Portion	211,029	6%	329,374	9%	42,915	1%
Long Term Bank Loans	-	0%	-	0%	315,576	7%
Deferred Tax Liabilities	86,970	3%	83,464	3%	64,982	2%
<b>Total Liabilities</b>	<b>490,532</b>	<b>15%</b>	<b>605,728</b>	<b>17%</b>	<b>860,483</b>	<b>20%</b>
<b>Total Stockholders' Equity</b>	<b>2,867,489</b>	<b>85%</b>	<b>2,984,610</b>	<b>83%</b>	<b>3,408,723</b>	<b>80%</b>

## Key Indices

Current Ratio	244%	201%	220%
Debt Ratio	15%	17%	20%
AR Turnover Days	71	67	81
Inventory Turnover Days	176	140	172

# Cash Flows



(in NT\$ thousands)

	1Q24	4Q23	1Q23
<b>Beginning Balance</b>	345,234	231,216	442,196
Cash from Operating Activities	3,560	29,799	(61,687)
Acquisition of investments accounted for under the equity method	-	(191,137)	-
Acquisition of property, plant and equipment	(12,902)	(46,014)	(25,274)
Decrease (Increase) in other current assets	3,288	(33,991)	(73)
Acquisition of intangible assets	(1,164)	(200)	(1,459)
Proceeds from the sale of investments accounted for using equity method	-	376,378	-
Proceeds from short-term loan	20,000	20,000	20,000
Repayments of short-term loans	(20,000)	(20,000)	(20,000)
Repayments of long-term loans	(129,909)	(11,293)	(10,722)
Principal elements of lease payments	(2,415)	(2,397)	(2,179)
The effect of exchange rate changes	10,172	(7,127)	(3,641)
Others	5	-	489
<b>Ending Balance</b>	215,869	345,234	337,650
<b>Increase (Decrease) in Cash</b>	(129,365)	114,018	(104,546)
<b>Free Cash Flow (Note)</b>	(9,342)	(16,215)	(86,961)

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

# Q & A



# 環宇芯系天下

**For further inquiry  
[investors@gcsincorp.com](mailto:investors@gcsincorp.com)**

