

環宇  
芯系天下

**Q4 2023  
Quarterly  
Online Investor  
Conference**  
(線上法說會)

**February 20, 2024**



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

Market Section:

Simon Yu, Senior VP and Spokesperson

Q&A: All



# FINANCIAL SECTION

# Statements of Comprehensive Income - QoQ



(in NT\$ thousands except EPS)

	4Q23	3Q23	4Q22	4Q23 Over 3Q23	4Q23 Over 4Q22
Net Operating Revenue	400,014	357,878	354,467	11.8%	12.8%
Gross Profit	98,590	56,336	47,654	75.0%	106.9%
Gross Margin	24.6%	15.7%	13.4%		
Operating Expenses	(83,872)	(115,563)	(124,187)	-27.4%	-32.5%
Operating Expenses to Revenue %	21.0%	32.3%	35.0%		
Operating Income(Loss)	14,718	(59,227)	(76,533)	-124.9%	-119.2%
Operating Margin	3.7%	-16.5%	-21.6%		
Non-operating Items	(32,331)	(170,057)	(319,106)	-81.0%	-89.9%
Loss before Income Tax	(17,613)	(229,284)	(395,639)	-92.3%	-95.5%
Income Tax Benefit	14,089	41	3,123	34263.4%	351.1%
Net Loss	(3,524)	(229,243)	(392,516)	-98.5%	-99.1%
Net Loss Attributable to owners of the Parent	(3,524)	(229,243)	(392,516)	-98.5%	-99.1%
Net Loss %	-0.9%	-64.1%	-110.7%		
Basic EPS (NTD)	(0.03)	(2.07)	(3.56)		
R&D Expense % to Revenue	13.4%	15.5%	14.4%		

Note 1: 110,604 thousand shares were used for 4Q 2023 basic EPS calculation.

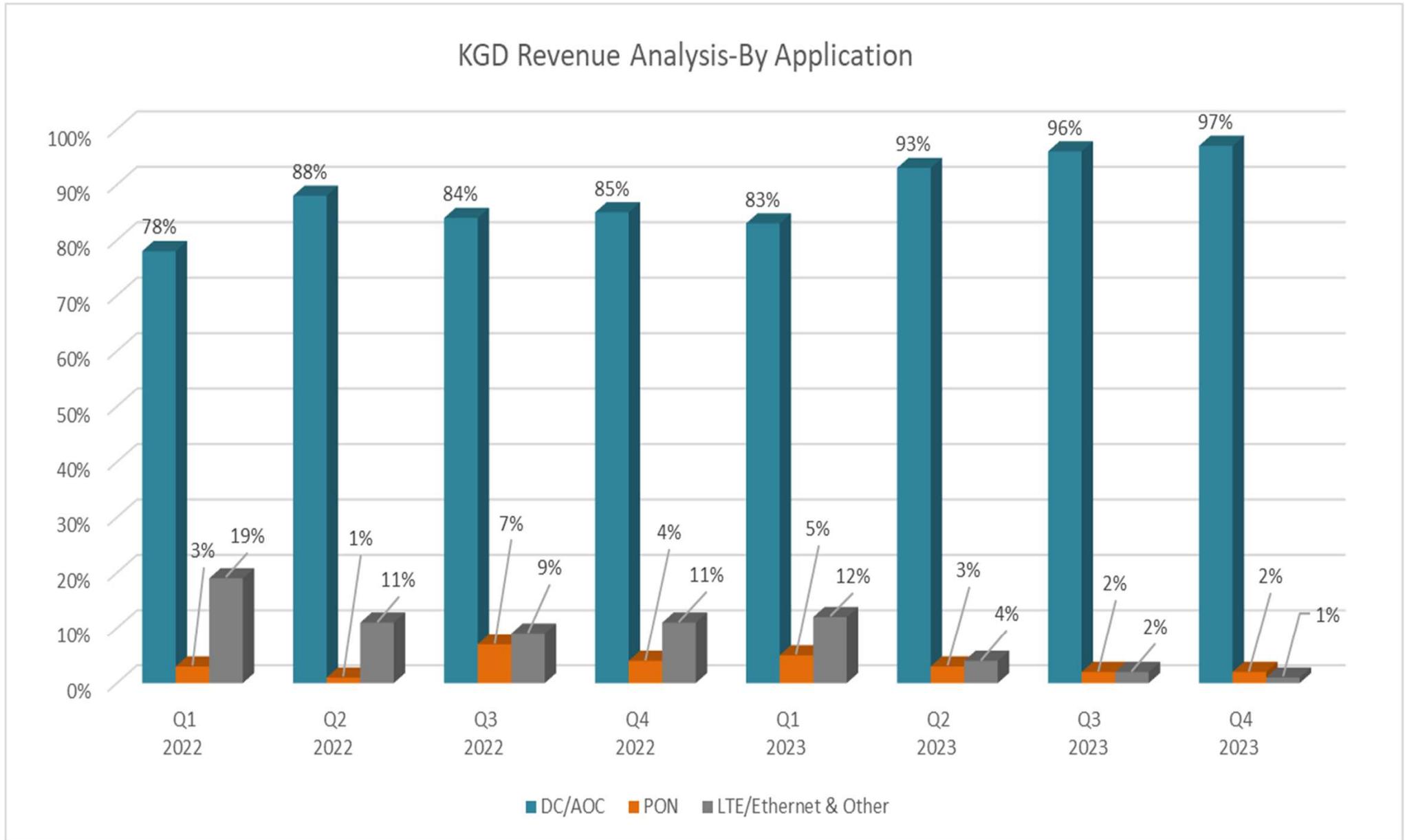
Note 2. Revenue supplemental information

	4Q23	3Q23	4Q22	4Q23 Over 3Q23	4Q23 Over 4Q22
Revenue in US\$ thousand	12,624	11,332	11,310	11.40%	11.62%
Exchange Rate	31.15	30.93	29.80		

# Revenue Mix % vs Gross Margin - QoQ



# KGD Revenue Mix - QoQ



# Non-operating Income and Expenses- QoQ



(in NT\$ thousands)

	4Q23	3Q23	4Q22	4Q23 Over 3Q23	4Q23 Over 4Q22
Other Income - other	861	313	1,355	175.1%	-36.5%
Other Gains and Losses					
Net currency exchange gain or (loss)	(2,023)	(999)	4,032	102.5%	-150.2%
Gain on disposal of property, plant and equipment	-	-	1,672	-	-100.0%
Gain (loss) on disposal of investments	254,480	-	(3,863)	-	-6687.6%
Impairment loss on intangible assets	(48,218)	-	(41,816)	-	15.3%
Others	(2,478)	(2,834)	(287)	-12.6%	763.4%
Finance Cost					
Interest expense	(4,429)	(4,710)	(3,948)	-6.0%	12.2%
Share of loss of equity-accounted investees	(230,524)	(161,827)	(276,251)	42.5%	-16.6%
<b>Total Non-operating Income and Expenses</b>	<b>(32,331)</b>	<b>(170,057)</b>	<b>(319,106)</b>	<b>-81.0%</b>	<b>-89.9%</b>

# Statements of Comprehensive Income - YoY



(in NT\$ thousands except EPS)

	2023	%	2022	%	Change (%)
Net Operating Revenue	1,350,604	100.0%	1,333,810	100.0%	1.3%
Operating Cost	(1,113,345)	-82.4%	(1,018,881)	-76.4%	9.3%
Gross Profit	237,259	17.6%	314,929	23.6%	-24.7%
Operating Expenses	(464,286)	-34.4%	(452,262)	-33.9%	2.7%
Operating Loss	(227,027)	-16.8%	(137,333)	-10.3%	65.3%
Non-operating items	(579,298)	-42.9%	(814,368)	-61.1%	-28.9%
Loss before Income Tax	(806,325)	-59.7%	(951,701)	-71.4%	-15.3%
Income Tax Benefit	14,089	1.0%	11,984	0.9%	17.6%
Net Loss	(792,236)	-58.7%	(939,717)	-70.5%	-15.7%
Net Loss Attributable to Owners of the Parent	(792,236)	-58.7%	(939,717)	-70.5%	-15.7%
Basic EPS (NTD)	(7.18)		(8.53)		
Average Exchange Rate-USD/NTD	31.15		29.80		
R&D expense % to Revenue	18.2%		13.1%		
ROA (%)	-19.11%		-19.70%		
ROE (%)	-23.70%		-22.92%		

Note 1: 110,371 thousand shares were used for Y2023 basic EPS calculation.

Note 2. Revenue supplemental information

	2023	2022	Change (%)
Revenue in US\$ thousand	43,358	44,755	-3.1%
Exchange Rate	31.15	29.80	

# Non-operating Income and Expenses- YoY

(in NT\$ thousands)

	2023	2022	Change (%)
Other Income	3,202	4,026	-20.5%
Other Income - Income from forgiveness of PPP loan	-	5,408	-100.0%
Other Gains and Losses			
Net currency exchange loss	(3,483)	(29,124)	-88.0%
Gain on disposal of property, plant and equipment	-	6,660	-100.0%
Gain (loss) on disposal of investments	256,893	(4,171)	-6259.0%
Loss on liquidation of a subsidiary	(105)	-	-
Impairment loss on intangible assets	(48,218)	(41,816)	15.3%
Other loss	(12,663)	(9,562)	32.4%
Finance Cost			
Interest expense	(17,568)	(12,090)	45.3%
Share of loss of equity-accounted investees	(757,356)	(733,699)	3.2%
Total Non-operating Income and Expenses	(579,298)	(814,368)	-28.9%

# Balance Sheet Highlight & Key Indices



## *Selected Items from Balance Sheet*

(in NT\$ thousands)

	4Q23		3Q23		4Q22	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalent	345,234	10%	231,216	6%	442,196	10%
Accounts Receivable	237,456	7%	216,692	5%	199,516	4%
Accounts Receivable - Related Party	4,830	-	2,439	-	2,958	-
Inventory	257,709	7%	312,583	8%	338,168	7%
Other current assets	102,039	3%	70,418	2%	33,314	1%
Investments accounted for under the Equity Method	1,625,600	45%	2,079,371	52%	2,446,614	54%
Net Property, Plant and Equipment	730,219	20%	798,839	20%	695,667	15%
Intangible Assets	4,056	-	55,871	1%	56,678	1%
Deferred Tax Assets	159,670	5%	134,347	3%	127,852	3%
<b>Total Assets</b>	<b>3,590,338</b>	<b>100%</b>	<b>4,016,037</b>	<b>100%</b>	<b>4,516,914</b>	<b>100%</b>
Short Term Loan	20,000	1%	20,000	1%	20,000	1%
Accounts Payable and Other Payables	137,407	4%	400,759	10%	308,831	7%
Long Term Bank Borrowings - Current Portion	329,374	9%	46,690	1%	43,277	1%
Long Term Bank Loans	-	-	310,877	8%	329,110	7%
Deferred Tax Liabilities	83,464	3%	68,865	2%	65,537	2%
<b>Total Liabilities</b>	<b>605,728</b>	<b>17%</b>	<b>882,057</b>	<b>22%</b>	<b>816,192</b>	<b>18%</b>
<b>Total Stockholders' Equity</b>	<b>2,984,610</b>	<b>83%</b>	<b>3,133,980</b>	<b>78%</b>	<b>3,700,722</b>	<b>82%</b>

## *Key Indices*

Current Ratio	201%	185%	270%
Debt Ratio	17%	22%	18%
AR Turnover Days	67	69	54
Inventory Turnover Days	140	147	144

# Cash Flows



(in NT\$ thousands)

	4Q23	3Q23	4Q22
<b>Beginning Balance</b>	231,216	273,365	824,740
Cash from Operating Activities	29,799	4,114	(11,954)
Acquisition of investments accounted for under the equity method	(191,137)	-	(351,191)
Acquisition of property, plant and equipment	(46,014)	(6,581)	(6,179)
Increase in other current assets	(33,991)	(32,309)	(2)
Proceeds from the sale of investments accounted for using equity method	376,378	-	-
Repayments of long-term loans	(11,293)	(10,977)	(10,502)
Principal elements of lease payments	(2,397)	(2,388)	(2,213)
The effect of exchange rate changes	(7,127)	6,351	(548)
Others	(200)	(359)	45
<b>Ending Balance</b>	345,234	231,216	442,196
<b>Increase (Decrease) in Cash</b>	114,018	(42,149)	(382,544)
<b>Free Cash Flow (Note)</b>	(16,215)	(2,467)	(18,133)

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

# Q & A



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**For further inquiry  
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