

環宇  
芯系天下

**Q2 2023  
Quarterly  
Online Investor  
Conference  
(線上法說會)**

**August 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



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# FINANCIAL SECTION

# Statements of Comprehensive Income - QoQ



(in NT\$ thousands except EPS)

	2Q23	1Q23	2Q22	2Q23 Over 1Q23	2Q23 Over 2Q22
Net Operating Revenue	322,231	270,481	339,759	19.1%	-5.2%
Gross Profit	47,849	34,484	94,121	38.8%	-49.2%
Gross Margin	14.8%	12.7%	27.7%		
Operating Expenses	(141,953)	(122,898)	(102,555)	15.5%	38.4%
Operating Expenses to Revenue %	44.1%	45.4%	30.2%		
Operating Loss	(94,104)	(88,414)	(8,434)	6.4%	1015.8%
Operating Margin	-29.2%	-32.7%	-2.5%		
Non-operating Items	(171,843)	(205,067)	(147,014)	-16.2%	16.9%
Loss before Income Tax	(265,947)	(293,481)	(155,448)	-9.4%	71.1%
Income Tax (Expense) Benefit	(41)	-	2,984	-	-101.4%
Net Loss	(265,988)	(293,481)	(152,464)	-9.4%	74.5%
Net Loss Attributable to owners of the Parent	(265,988)	(293,481)	(152,464)		
Net Loss %	-82.5%	-108.5%	-44.9%		
Basic EPS (NTD)	(2.41)	(2.66)	(1.39)		
R&D Expense % to Revenue	25.4%	20.4%	10.6%		

Note 1: 110,604 thousand shares were used in basic EPS calculation for 2Q23.

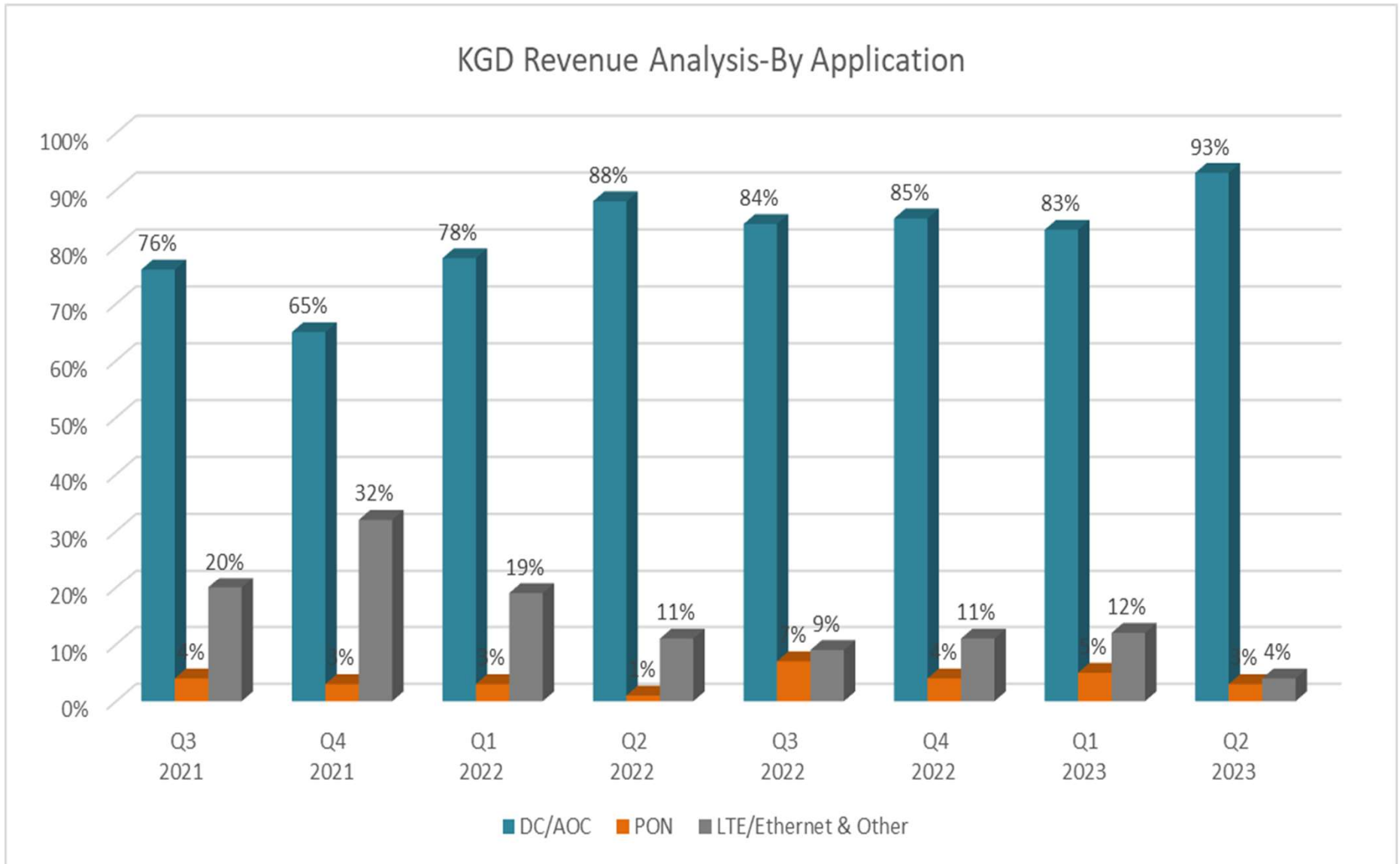
Note 2. Revenue supplemental information

	2Q23	1Q23	2Q22	2Q23 Over 1Q23	2Q23 Over 2Q22
Revenue in US\$ thousand	10,501	8,900	11,559	17.99%	-9.2%
Exchange Rate	30.55	30.39	28.72		

# Revenue Mix % vs Gross Margin - QoQ



# KGD Revenue Mix - QoQ



# Non-operating Income and Expenses- QoQ

(in NT\$ thousands)

	2Q23	1Q23	2Q22	2Q23 Over 1Q23	2Q23 Over 2Q22
Other Income - other	1,028	1,000	620	2.8%	65.8%
Other Income - Income from forgiveness of PPP loan	-	-	5,446	-	-100.0%
Other Gains and Losses					
Net currency exchange gain or (loss)	(915)	454	(7,212)	-301.5%	-87.3%
Gain on disposal of property, plant and equipment	-	-	4,603	-	-100.0%
Liquidation losses on disposal of a subsidiary	(105)	-	-	-	-
Gain (loss) on disposal of investments	2,413	-	(302)	-	-899.0%
Others	(2,857)	(4,494)	(1,296)	-36.4%	120.4%
Finance Cost					
Interest expense	(4,589)	(3,840)	(2,433)	19.5%	88.6%
Share of loss of equity-accounted investees	(166,818)	(198,187)	(146,440)	-15.8%	13.9%
Total Non-operating Income and Expenses	(171,843)	(205,067)	(147,014)	-16.2%	16.9%



# Statements of Comprehensive Income - YoY

	2023 Jan to Jun.	%	2022 Jan to Jun.	%	Change (%)
Net Operating Revenue	592,712	100.0%	637,244	100.0%	-7.0%
Operating Cost	(510,379)	-86.1%	(448,520)	-70.4%	13.8%
Gross Profit	82,333	13.9%	188,724	29.6%	-56.4%
Operating Expenses	(264,851)	-44.7%	(212,402)	-33.3%	24.7%
Operating Loss	(182,518)	-30.8%	(23,678)	-3.7%	670.8%
Non-operating items	(376,910)	-63.6%	(304,976)	-47.9%	23.6%
Loss before Income Tax	(559,428)	-94.4%	(328,654)	-51.6%	70.2%
Income Tax (Expense) Benefit	(41)	0.0%	5,528	0.9%	-100.7%
Net Loss	(559,469)	-94.4%	(323,126)	-50.7%	73.1%
Net Loss Attributable to owners of the Parent	(559,469)	-94.4%	(323,126)	-50.7%	73.1%
Basic EPS (NTD)	(5.07)		(2.94)		
Diluted EPS (NTD)	(5.07)		(2.94)		
Average Exchange Rate-USD/NTD	30.55		28.72		
R&D expense % to Revenue	23.1%		13.06%		
ROA (%)	-25.52%		-13.15%		
ROE (%)	-32.11%		-14.89%		

Note 1: 110,339 thousand shares were used in basic EPS calculation for 1H2023.

Note 2. Revenue supplemental information

	Jan to Jun/2023	Jan to Jun/2022	Change (%)
Revenue in US\$ thousand	19,401	22,187	-12.6%
Exchange Rate	30.55	28.72	

# Non-operating Income and Expenses- YoY

(in NT\$ thousands)

	2023 Jan to Jun.	2022 Jan to Jun.	Change (%)
Other Income	2,028	1,438	41.0%
Other Income - Income from forgiveness of PPP loan	-	5,408	-100.0%
Other Gains and Losses			
Net currency exchange gain or (loss)	(461)	(22,114)	-97.9%
Gain on disposal of property, plant and equipment	-	4,603	-100.0%
Liquidation losses on disposal of a subsidiary	(105)	-	-
Gain (loss) on disposal of investments	2,413	(302)	-899.0%
Others	(7,351)	(5,250)	40.0%
Finance Cost			
Interest expense	(8,429)	(4,267)	97.5%
Share of loss of equity-accounted investees	(365,005)	(284,492)	28.3%
<b>Total Non-operating Income and Expenses</b>	<b>(376,910)</b>	<b>(304,976)</b>	<b>23.6%</b>

# Balance Sheet Highlight & Key Indices



## *Selected Items from Balance Sheet* (in NT\$ thousands)

	2Q23		1Q23		2Q22	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalent	273,365	6%	337,650	8%	864,552	18%
Accounts Receivable and Notes Receivable	245,254	6%	207,857	5%	250,379	5%
Accounts Receivable and Notes Receivable - Related Party	2,853	0%	7,773	0%	11,037	0%
Inventory	336,554	8%	365,779	8%	323,284	7%
Other current assets	36,852	1%	32,947	1%	32,247	1%
Investments accounted for under the Equity Method	2,190,061	53%	2,257,581	53%	2,299,482	48%
Net Property, Plant and Equipment	724,572	18%	725,700	17%	658,543	14%
Intangible Assets	55,300	1%	55,818	1%	99,609	2%
Deferred Tax Assets	129,642	3%	126,770	3%	117,464	2%
<b>Total Assets</b>	<b>4,120,094</b>	<b>100%</b>	<b>4,269,206</b>	<b>100%</b>	<b>4,798,236</b>	<b>100%</b>
Short Term Loan	20,000	0%	20,000	0%	20,000	0%
Accounts Payable and Other Payables	345,100	9%	363,003	9%	125,466	3%
Long Term Bank Borrowings - Current Portion	44,398	1%	42,915	1%	41,032	1%
Long Term Bank Loans	311,431	8%	315,576	7%	339,627	7%
Deferred Tax Liabilities	66,454	2%	64,982	2%	63,526	1%
<b>Total Liabilities</b>	<b>850,655</b>	<b>21%</b>	<b>860,483</b>	<b>20%</b>	<b>619,761</b>	<b>13%</b>
<b>Total Stockholders' Equity</b>	<b>3,269,439</b>	<b>79%</b>	<b>3,408,723</b>	<b>80%</b>	<b>4,178,475</b>	<b>87%</b>

## *Key Indices*

Current Ratio	208%	220%	714%
Debt Ratio	21%	20%	13%
AR Turnover Days	78	81	61
Inventory Turnover Days	158	172	157

# Cash Flows



(in NT\$ thousands)

	2Q23	1Q23	2Q22
<b>Beginning Balance</b>	337,650	442,196	778,385
Cash from Operating Activities	(39,125)	(61,687)	(54,342)
Acquisition of property, plant and equipment	(20,361)	(25,274)	(56,719)
Decrease (Increase) in other current assets	(3,100)	-	-
Decrease (Increase) in other non-current assets	-	300	3,663
Acquisition of intangible assets	(7)	(1,459)	-
Proceeds from the sale of PP&E	5,652	-	5,314
Disposal of a subsidiary- decrease in cash and cash equivalents	(49,519)	-	-
Refund of investment from the liquidation of a subsidiary	49,519	-	-
Proceeds from short-term loan	-	20,000	-
Repayments of short-term loans	-	(20,000)	-
Proceed from long-term loan	-	-	169,454
Repayments of long-term loans	(10,637)	(10,722)	(1,348)
Principal elements of lease payments	(2,221)	(2,179)	(1,677)
Employee Option Exercise	-	29	-
The effect of exchange rate changes	5,514	(3,641)	21,867
Others	-	87	(45)
<b>Ending Balance</b>	273,365	337,650	864,552
<b>Increase (Decrease) in Cash</b>	(64,285)	(104,546)	86,167
<b>Free Cash Flow (Note)</b>	(59,486)	(86,961)	(111,061)

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



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Q & A



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