

環宇  
芯系天下

**Q3 2024  
Quarterly  
Online Investor  
Conference**  
(線上法說會)

**November 5, 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

Participant:

Simon Yu, Senior VP and Spokesperson

Q&A: All



# FINANCIAL SECTION

# Statements of Comprehensive Income - QoQ



(in NT\$ thousands except EPS)

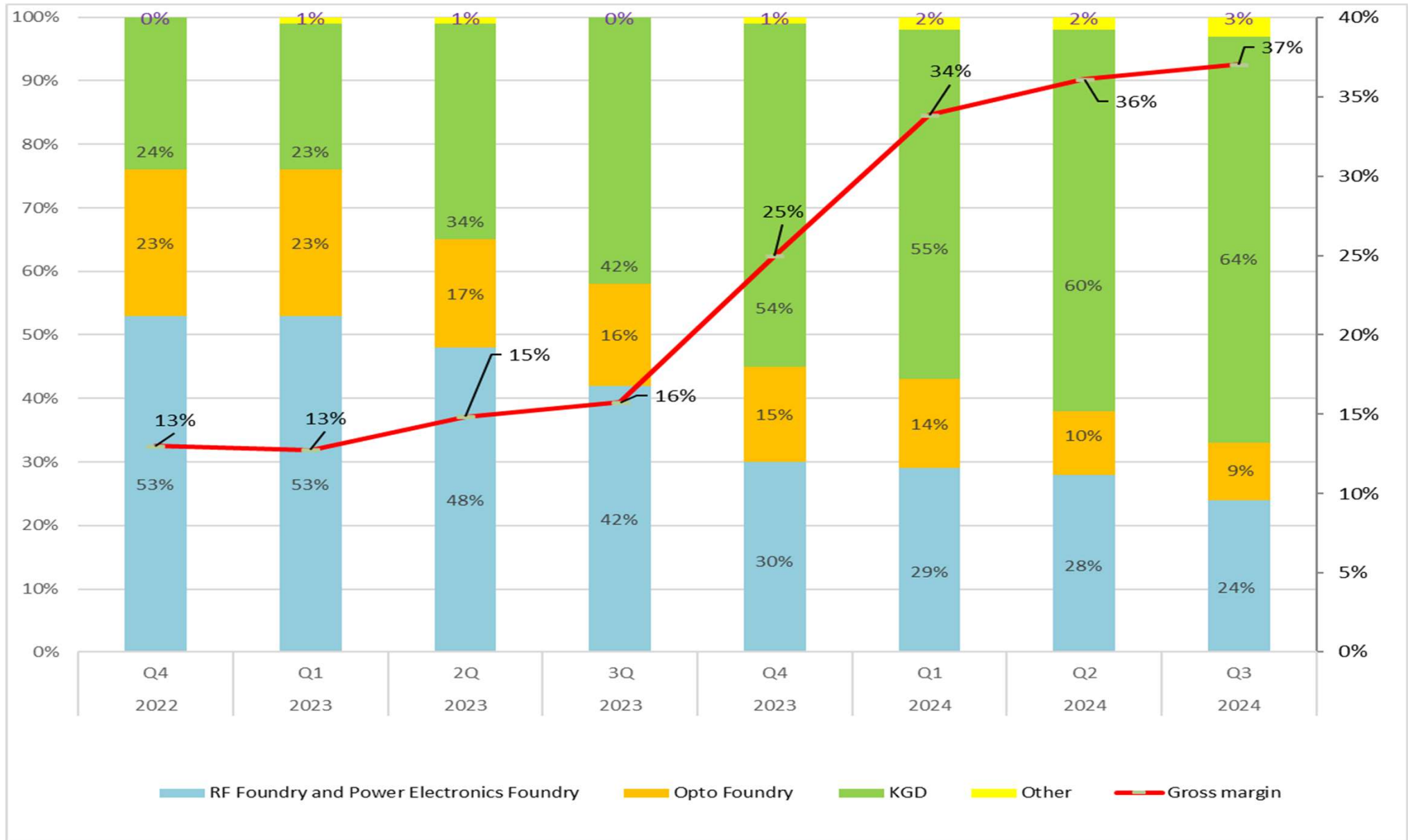
	3Q24	2Q24	3Q23	3Q24 Over 2Q24	3Q24 Over 3Q23
Net Operating Revenue	458,496	468,240	357,878	-2.1%	28.1%
Gross Profit	169,819	169,005	56,336	0.5%	201.4%
Gross Margin	37.0%	36.1%	15.7%		
Operating Expenses	(115,474)	(122,970)	(115,563)	-6.1%	-0.1%
Operating Expenses to Revenue %	25.2%	26.3%	32.3%		
Operating Income (Loss)	54,345	46,035	(59,227)	18.1%	-191.8%
Operating Margin	11.9%	9.8%	-16.5%		
Non-operating Items	99,142	(177,048)	(170,057)	-156.0%	-158.3%
Income (Loss) before Income Tax	153,487	(131,013)	(229,284)	-217.2%	-166.9%
Income Tax (Expense) Benefit	(9)	(216)	41	-95.8%	-122.0%
Net Income (Loss)	153,478	(131,229)	(229,243)	-217.0%	-166.9%
Net Income (Loss) Attributable to owners of the Parent	153,478	(131,229)	(229,243)	-217.0%	-166.9%
Net Income (Loss) %	33.5%	-28.0%	-64.1%		
Basic EPS (NTD)	1.38	(1.18)	(2.07)		
Diluted EPS (NTD)	1.37	(1.18)	(2.07)		
R&D Expense % to Revenue	12.0%	13.7%	15.5%		

Note 1: 111,071 and 111,664 thousand shares were used in basic EPS and diluted EPS calculation for 3Q24 respectively.

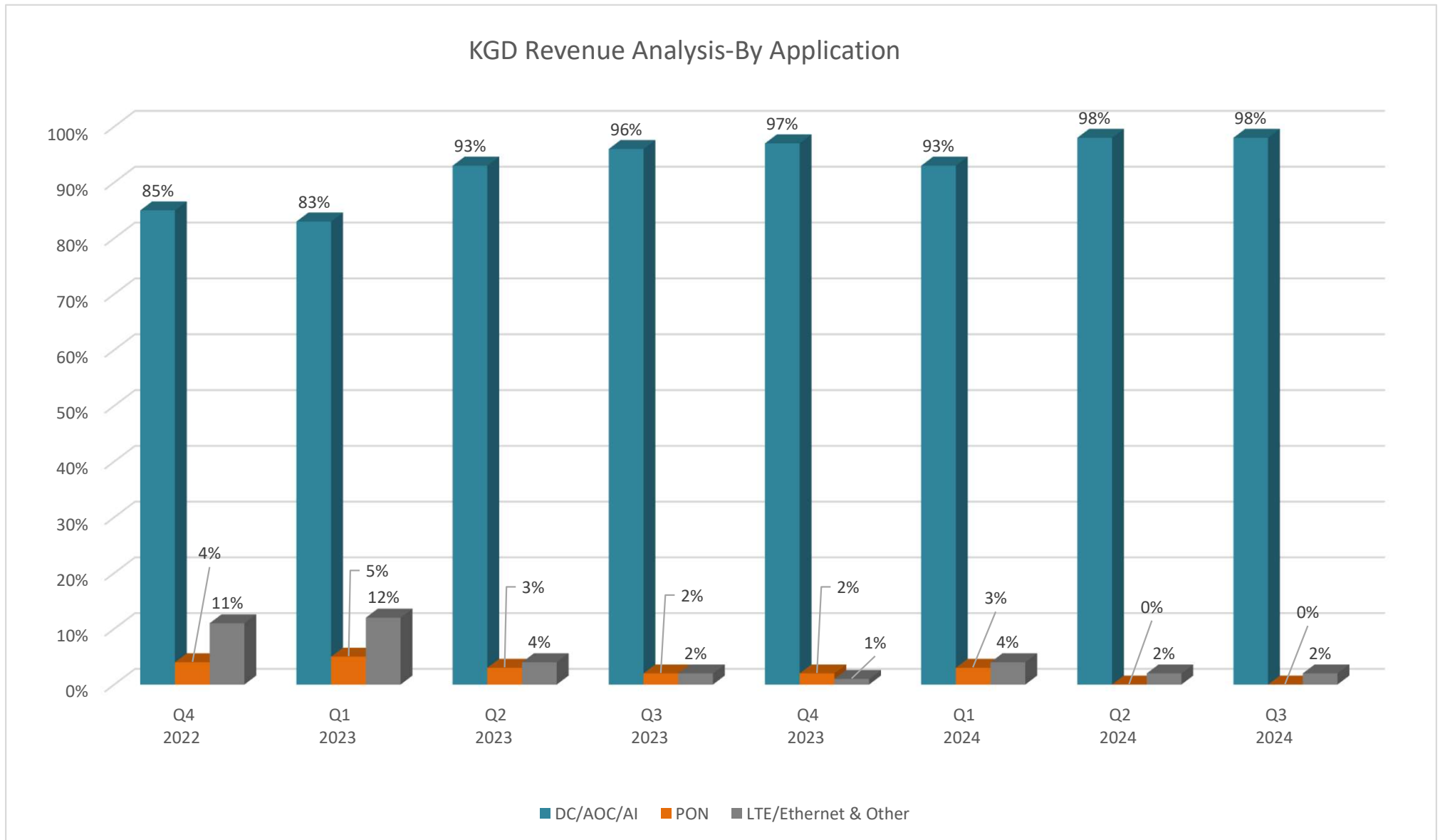
Note 3. Revenue supplemental information

	3Q24	2Q24	3Q23	3Q24 Over 2Q24	3Q24 Over 3Q23
Revenue in US\$ thousand	14,210	14,523	11,332	-2.16%	25.4%
Exchange Rate	32.03	31.90	30.93		

# Revenue Mix % vs Gross Margin - QoQ



# KGD Revenue Mix - QoQ



# Non-operating Income and Expenses- QoQ



(in NT\$ thousands)

	3Q24	2Q24	3Q23	3Q24 Over 2Q24	3Q24 Over 3Q23
Other Income - other	1,959	627	313	212.4%	525.9%
Other Income - Employee Retention Tax Credit (ERTC)	-	124,341	-	-100.0%	-
Other Gains and Losses					
Net currency exchange gain (loss)	886	(540)	(999)	-264.1%	-188.7%
Gain (loss) on disposal of property, plant and equipment	189	(82)	-	-330.5%	100.0%
Gain on disposal of investments	219,607	-	-	100.0%	100.0%
Others	(1,889)	-	(2,834)	100.0%	-33.3%
Finance Cost					
Interest expense	(2,709)	(2,572)	(4,710)	5.3%	-42.5%
Share of loss of equity-accounted investees	(118,901)	(298,822)	(161,827)	-60.2%	-26.5%
<b>Total Non-operating Income and Expenses</b>	<b>99,142</b>	<b>(177,048)</b>	<b>(170,057)</b>	<b>-156.0%</b>	<b>-158.3%</b>



# Statements of Comprehensive Income - YoY



(in NT\$ thousands except EPS)

	2024 Jan to Sep.	%	2023 Jan to Sep.	%
Net Operating Revenue	1,273,722	100.0%	950,590	100.0%
Operating Cost	(817,454)	-64.2%	(811,921)	-85.4%
Gross Profit	456,268	35.8%	138,669	14.6%
Operating Expenses	(353,017)	-27.7%	(380,414)	-40.0%
Operating Income (Loss)	103,251	8.1%	(241,745)	-25.4%
Non-operating items	(291,186)	-22.9%	(546,967)	-57.5%
Loss before Income Tax	(187,935)	-14.8%	(788,712)	-83.0%
Income Tax Expense	(225)	0.0%	-	0.0%
Net Loss	(188,160)	-14.8%	(788,712)	-83.0%
Net Loss Attributable to Owners of the Parent	(188,160)	-14.8%	(788,712)	-83.0%
Basic EPS (NTD)	(1.70)		(7.15)	
Diluted EPS (NTD)	(1.70)		(7.15)	
Average Exchange Rate-USD/NTD	32.03		30.93	
R&D expense % to Revenue	13.7%		20.2%	
ROA (%)	-6.89%		-24.24%	
ROE (%)	-8.48%		-30.77%	

Note 1: 110,968 thousand shares were used in basic EPS and diluted EPS calculation for 3Q24.

Note 2. Revenue supplemental information

	Jan to Sep/2024	Jan to Sep/2023	Change (%)
Revenue in US\$ thousand	39,766	30,734	29.4%
Exchange Rate	32.03	30.93	

# Non-operating Income and Expenses- YoY

(in NT\$ thousands)

	2024 Jan to Sep.	2023 Jan to Sep.	Change (%)
Other Income	4,267	2,341	82.3%
Other Income - Income from Employee retention tax credit (ERTC)	124,341	-	100.0%
Other Gains and Losses			
Net currency exchange loss	(2,685)	(1,460)	83.9%
Gain on disposal of property, plant and equipment	65	-	100.0%
Liquidation losses on disposal of a subsidiary	-	(105)	-100.0%
Gain on disposal of investments	219,607	2,413	9001.0%
Other loss	(1,889)	(10,185)	-81.5%
Finance Cost			
Interest expense	(8,461)	(13,139)	-35.6%
Share of loss of equity-accounted investees	(626,431)	(526,832)	18.9%
<b>Total Non-operating Income and Expenses</b>	<b>(291,186)</b>	<b>(546,967)</b>	<b>-46.8%</b>

# Balance Sheet Highlight & Key Indices



## *Selected Items from Balance Sheet*

(in NTS thousands)

	3Q24		2Q24		3Q23	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalent	328,603	10%	236,813	7%	231,216	6%
Accounts Receivable	291,858	9%	278,152	9%	216,692	5%
Accounts Receivable - Related Party	11,964	0%	17,214	1%	2,439	0%
Inventory	280,283	8%	290,747	9%	312,583	8%
Other current assets	197,281	6%	233,781	7%	70,418	2%
Investments accounted for under the Equity Method	862,843	26%	1,163,550	36%	2,079,371	52%
Net Property, Plant and Equipment	1,093,390	33%	712,957	22%	798,839	20%
Deferred Tax Assets	164,557	5%	168,717	5%	134,347	3%
<b>Total Assets</b>	<b>3,363,716</b>	<b>100%</b>	<b>3,210,144</b>	<b>100%</b>	<b>4,016,037</b>	<b>100%</b>
Short Term Loan	20,000	1%	20,000	1%	20,000	1%
Accounts Payable and Other Payables	135,709	5%	125,736	4%	400,759	10%
Long Term Bank Borrowings - Current Portion	6,210	0%	6,600	0%	46,690	1%
Long Term Bank Loans	159,694	5%	165,324	5%	310,877	8%
Deferred Tax Liabilities	86,018	2%	88,193	3%	68,865	2%
<b>Total Liabilities</b>	<b>434,542</b>	<b>13%</b>	<b>436,006</b>	<b>14%</b>	<b>882,057</b>	<b>22%</b>
<b>Total Stockholders' Equity</b>	<b>2,929,174</b>	<b>87%</b>	<b>2,774,138</b>	<b>86%</b>	<b>3,133,980</b>	<b>78%</b>

## *Key Indices*

Current Ratio	647%	632%	185%
Debt Ratio	13%	14%	22%
AR Turnover Days	63	65	69
Inventory Turnover Days	144	152	147

# Cash Flows



(in NT\$ thousands)

	3Q24	2Q24	3Q23
<b>Beginning Balance</b>	236,813	215,869	273,365
Cash from Operating Activities	70,814	182,857	4,114
Acquisition of property, plant and equipment	(439,099)	(6,700)	(6,581)
Decrease (Increase) in other current assets	30,601	(127,113)	(32,309)
Acquisition of intangible assets	(5,205)	(16)	-
Proceeds from the sale of PP&E	1,431	13,211	-
Proceeds from the sale of investments accounted for using equity method	448,650	-	-
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	(2,508)	(43,219)	(10,977)
Repayments of lease liabilities	(2,578)	(2,506)	(2,388)
Employee Option Exercise	4,339	-	-
The effect of exchange rate changes	(14,655)	4,430	6,351
Others	-	-	(359)
<b>Ending Balance</b>	328,603	236,813	231,216
<b>Increase (Decrease) in Cash</b>	91,790	20,944	(42,149)
<b>Free Cash Flow (Note)</b>	(368,285)	176,157	(2,467)

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

# Q & A



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