

環宇
芯系天下

**Q3 2025
Quarterly
Online Investor
Conference**
(線上法說會)

November 5, 2025



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)

	3Q25	2Q25	3Q24	3Q25 Over 2Q25	3Q25 Over 3Q24
Net Operating Revenue	543,485	489,983	458,496	10.9%	18.5%
Gross Profit	257,510	239,133	169,819	7.7%	51.6%
Gross Margin	47.4%	48.8%	37.0%		
Operating Expenses	(153,308)	(122,060)	(115,474)	25.6%	32.8%
Operating Expenses to Revenue %	28.2%	24.9%	25.2%		
Operating Income	104,202	117,073	54,345	-11.0%	91.7%
Operating Margin	19.2%	23.9%	11.9%		
Non-operating Items	(88,682)	(111,212)	99,142	-20.3%	-189.4%
Profit before Income Tax	15,520	5,861	153,487	164.8%	-89.9%
Income Tax Benefit (Expense)	(1,059)	8,409	(9)	-112.6%	11666.7%
Net Profit	14,461	14,270	153,478	1.3%	-90.6%
Net Profit Attributable to owners of the Parent	14,461	14,270	153,478	1.3%	-90.6%
Net Profit %	2.7%	2.9%	33.5%		
Basic EPS (NTD)	0.13	0.13	1.38		
Diluted EPS (NTD)	0.13	0.13	1.37		
R&D Expense % to Revenue	14.5%	10.5%	12.0%		

Note 1: 113,002 and 114,429 thousand shares were used for Y2025 3Q basic EPS and diluted EPS calculation respectively.

Note 2: Revenue supplemental information

	3Q25	2Q25	3Q24	3Q25 Over 2Q25	3Q25 Over 3Q24
Revenue in US\$ thousand	18,028	15,844	14,210	13.78%	26.9%
Exchange Rate	31.22	31.86	32.03		

Non-operating Income and Expenses- QoQ



(in NT\$ thousands)

	3Q25	2Q25	3Q24	3Q25 Over 2Q25	3Q25 Over 3Q24
Other Income - other	6,050	3,038	1,959	99.1%	208.8%
Net currency exchange gain (loss)	530	(1,004)	886	-152.8%	-40.2%
Gain (loss) on disposal of property, plant and equipment	44	(2,144)	189	-102.1%	-76.7%
Liquidation losses on disposal of a subsidiary	-	(5,204)	-	-100.0%	-
Gain (loss) on disposal of investments	-	(4,326)	219,607	-100.0%	-100.0%
Others	-	-	(1,889)	-	-100.0%
Gain on disposal of non-current assets held for sale	27	-	-	-	-
Impairment loss on non-current assets held for sale	(2,309)	(12,039)	-	-80.8%	-
Interest expense	(2,655)	(2,828)	(2,709)	-6.1%	-2.0%
Share of loss of equity-accounted investees	(90,369)	(86,705)	(118,901)	4.2%	-24.0%
Total Non-operating Income and Expenses	(88,682)	(111,212)	99,142	-20.3%	-189.4%

Revenue Mix % vs Gross Margin - QoQ



Statements of Comprehensive Income - YoY



(in NT\$ thousands except EPS)

	2025 Jan to Sep.	%	2024 Jan to Sep.	%	Change (%)
Net Operating Revenue	1,506,638	100.0%	1,273,722	100.0%	18.3%
Operating Cost	(838,308)	-55.6%	(817,454)	-64.2%	2.6%
Gross Profit	668,330	44.4%	456,268	35.8%	46.5%
Operating Expenses	(410,048)	-27.2%	(353,017)	-27.7%	16.2%
Operating Profit	258,282	17.1%	103,251	8.1%	150.1%
Non-operating items	(315,866)	-21.0%	(291,186)	-22.9%	8.5%
Loss before Income Tax	(57,584)	-3.8%	(187,935)	-14.8%	-69.4%
Income Tax Benefit (Expense)	7,327	0.5%	(225)	0.0%	-3356.4%
Net Loss	(50,257)	-3.3%	(188,160)	-14.8%	-73.3%
Net Loss Attributable to owners of the Parent	(50,257)	-3.3%	(188,160)	-14.8%	-73.3%
Basic EPS (NTD)	(0.45)		(1.70)		
Average Exchange Rate-USD/NTD	31.22		32.03		
R&D expense % to Revenue	12.5%		13.7%		
ROA (%)	-1.59%		-6.89%		
ROE (%)	-2.23%		-8.48%		

Note 1: 112,708 thousand shares were used in basic EPS calculation for Q3 2025.

Note 2. Revenue supplemental information

	Jan to Sep/2025	Jan to Sep/2024	Change (%)
Revenue in US\$ thousand	48,259	39,766	21.4%
Exchange Rate	31.22	32.03	

Non-operating Income and Expenses- YoY

(in NT\$ thousands)

	2025 Jan to Sep.	2024 Jan to Sep.	Change (%)
Other Income	14,860	4,267	248.3%
Other Income - Income from Employee retention tax credit (ERTC)	-	124,341	-100.0%
Other Gains and Losses			
Net currency exchange loss	(482)	(2,685)	-82.0%
Gain (Loss) on disposal of property, plant and equipment	(2,100)	65	-3330.8%
Gain on disposal of non-current assets held for sale	27	-	-
Liquidation losses on disposal of a subsidiary	(5,204)	-	-
Gain (Loss) on disposal of investments	(6,258)	219,607	-102.8%
Impairment loss on non-current assets held for sale	(14,348)	-	-
Other loss	-	(1,889)	-100.0%
Finance Cost			
Interest expense	(8,363)	(8,461)	-1.2%
Share of loss of equity-accounted investees	(293,998)	(626,431)	-53.1%
Total Non-operating Income and Expenses	(315,866)	(291,186)	8.5%

Balance Sheet Highlight & Key Indices



Selected Items from Balance Sheet

(in NT\$ thousands)

	3Q25		2Q25		3Q24	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalent	1,027,106	29%	676,928	21%	328,603	10%
Accounts Receivable	163,133	5%	335,407	10%	291,858	9%
Inventory	393,223	11%	334,907	10%	280,283	8%
Prepayments	119,732	3%	114,470	4%	42,665	1%
Non-current assets held for sale	169,943	5%	223,231	7%	-	-
Other current assets	35,512	1%	34,172	1%	197,281	6%
Investments accounted for under the Equity Method	539,492	15%	604,097	19%	862,843	26%
Net Property, Plant and Equipment	676,626	19%	620,883	19%	1,093,390	33%
Total Assets	3,502,670	100%	3,244,253	100%	3,363,716	100%
Short Term Loan	20,000	1%	20,000	1%	20,000	1%
Accounts Payable and Other Payables	178,092	5%	120,897	4%	135,709	5%
Long Term Bank Borrowings - Current Portion	6,361	-	6,017	-	6,210	-
Long Term Bank Loans	147,324	4%	143,297	4%	159,694	5%
Deferred Tax Liabilities	106,431	3%	100,528	3%	86,018	3%
Total Liabilities	521,278	15%	412,970	13%	434,542	13%
Total Stockholders' Equity	2,981,392	85%	2,831,283	87%	2,929,174	87%

Key Indices

Current Ratio	754%	1048%	647%
Debt Ratio	15%	13%	13%
AR Turnover Days	50	69	63
Inventory Turnover Days	154	143	144

Cash Flows



(in NT\$ thousands)

	3Q25	2Q25	3Q24
Beginning Balance	676,928	645,772	236,813
Cash from Operating Activities	297,002	63,621	70,814
Acquisition of property, plant and equipment	(21,120)	(28,340)	(439,099)
Decrease (Increase) in other current assets	(2,599)	(4,180)	30,601
Acquisition of intangible assets	-	-	(5,205)
Proceeds from the sale of PP&E	-	86,056	1,431
Proceeds from the sale of investments accounted for using equity method	-	-	448,650
Proceeds from the sale of Non-current assets held for sale	36,868	-	-
Disposal of a subsidiary-Increase (decrease) in cash and cash equivalents	4,654	(983)	-
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	(1,466)	(1,422)	(2,508)
Repayments of lease liabilities	-	(793)	(2,578)
Employee Option Exercise	11,630	52	4,339
The effect of exchange rate changes	25,209	(82,822)	(14,655)
Others	-	(33)	-
Ending Balance	1,027,106	676,928	328,603
Increase in Cash	350,178	31,156	91,790
Free Cash Flow (Note)	275,882	35,281	(368,285)

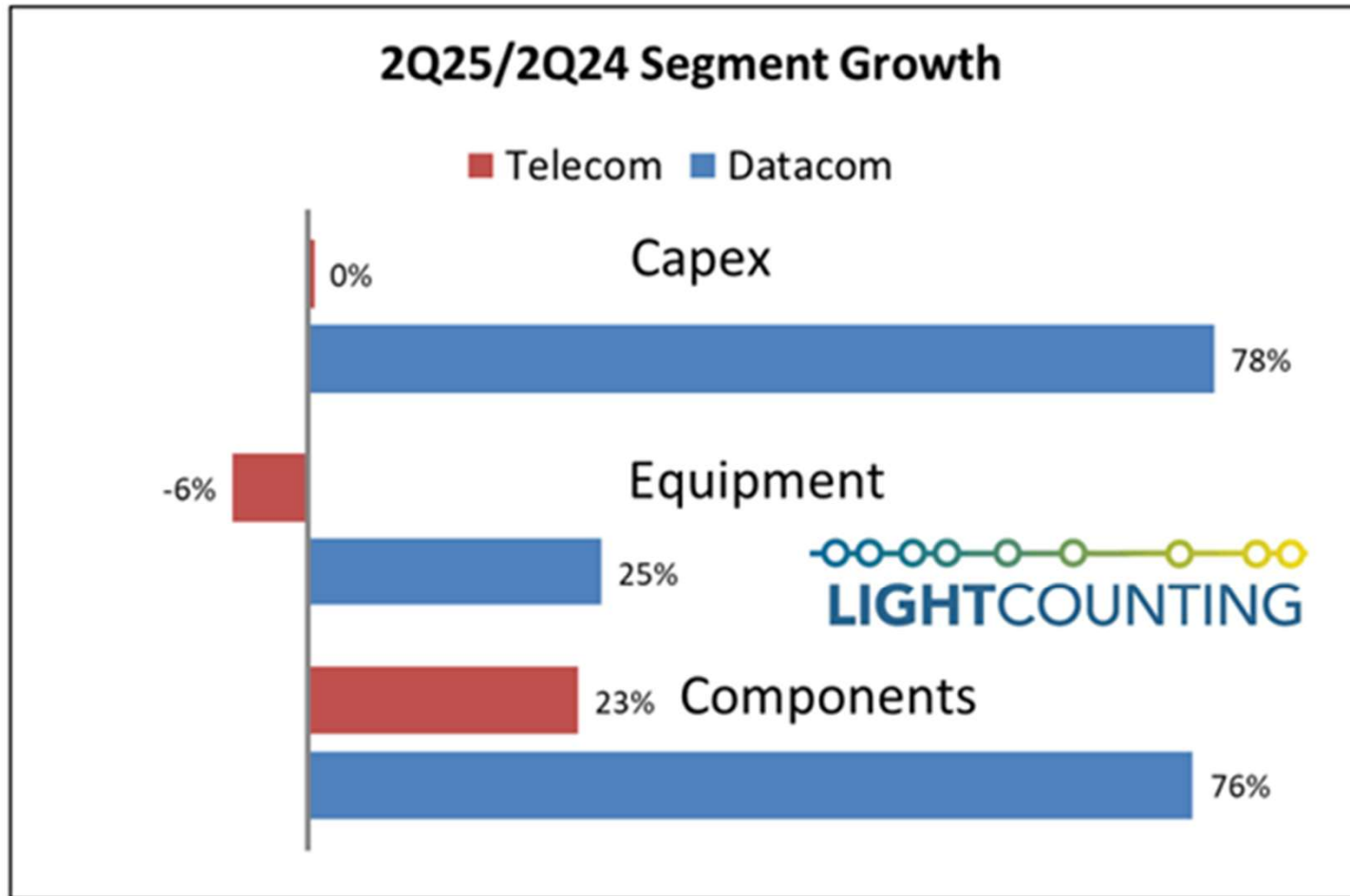
Market Update

Nov 5, 2025

Simon Yu

Capex: 2Q2025 vs 2Q2024

Figure: Growth rates 2Q25 vs 2Q24 for revenue and capex across the supply chain

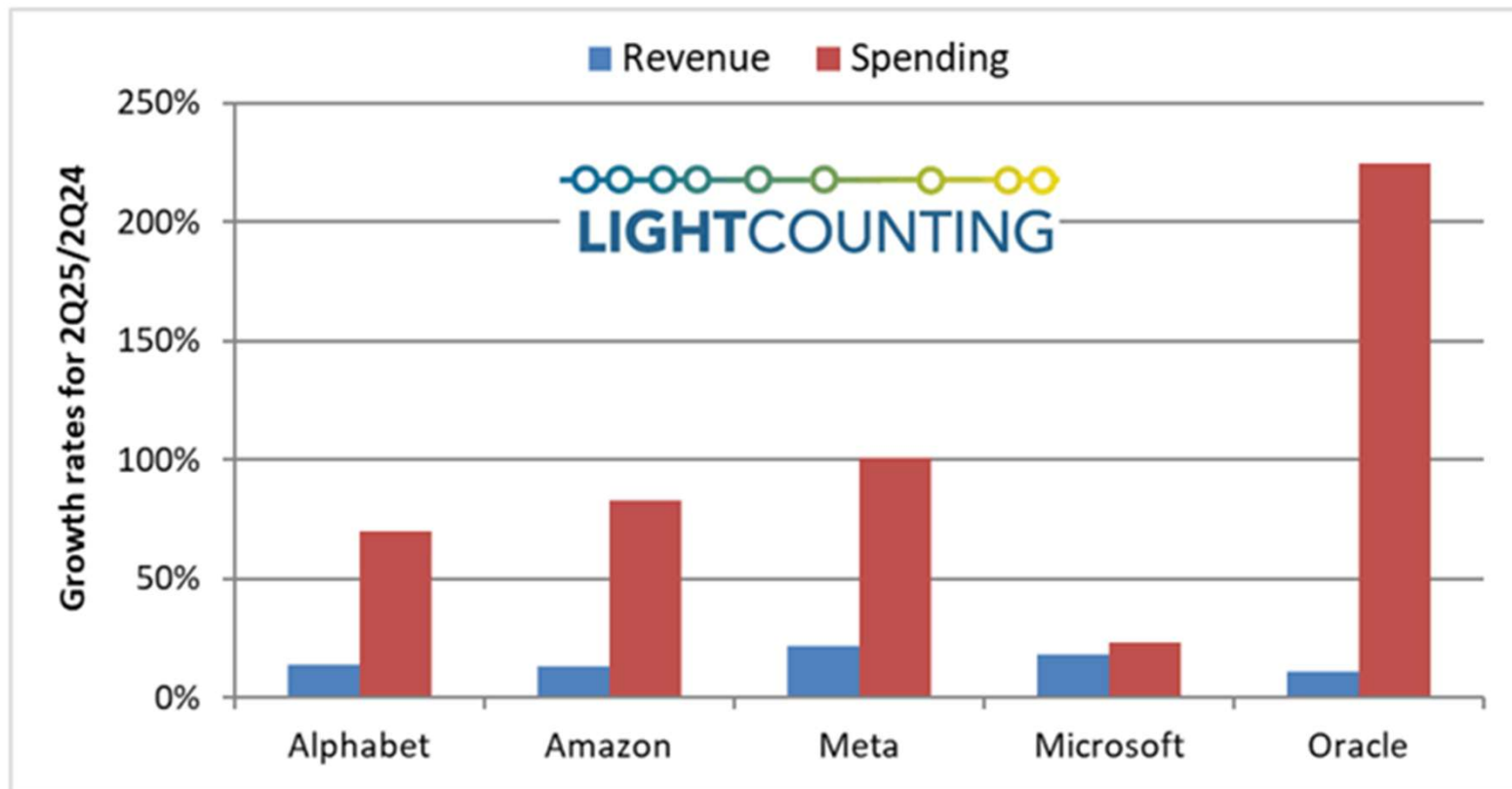


Source: Companies' publicly reported financials and LightCounting estimates

Source: Lightcounting

Capex: 2Q2025 vs 2Q2024

Figure: Growth rates 2Q25 vs 2Q24 for revenue and capex of Top 5 Cloud Service Providers



Source: Companies' publicly reported financials

Source: Lightcounting

CSP – Capital Expenditures -1



Source: TrendForce, Oct. 2025



CSP – Capital Expenditures -2

- Rapid expansion of AI server demand
- Propel major CSPs boost investments in
 - * Nvidia's rack-scale GPU solutions,
 - * Data center expansion
 - * In-house AI ASIC design
- Major 8 CSPs CAPEX - >US\$420 billion in 2025 (61% YOY)
- Nvidia's GB200/GB300 rack systems - the main deployment targets for CSPs
- By 2026, shift from GB300 racks to the new NVIDIA Rubin VR200 rack platform in the latter half of the year.

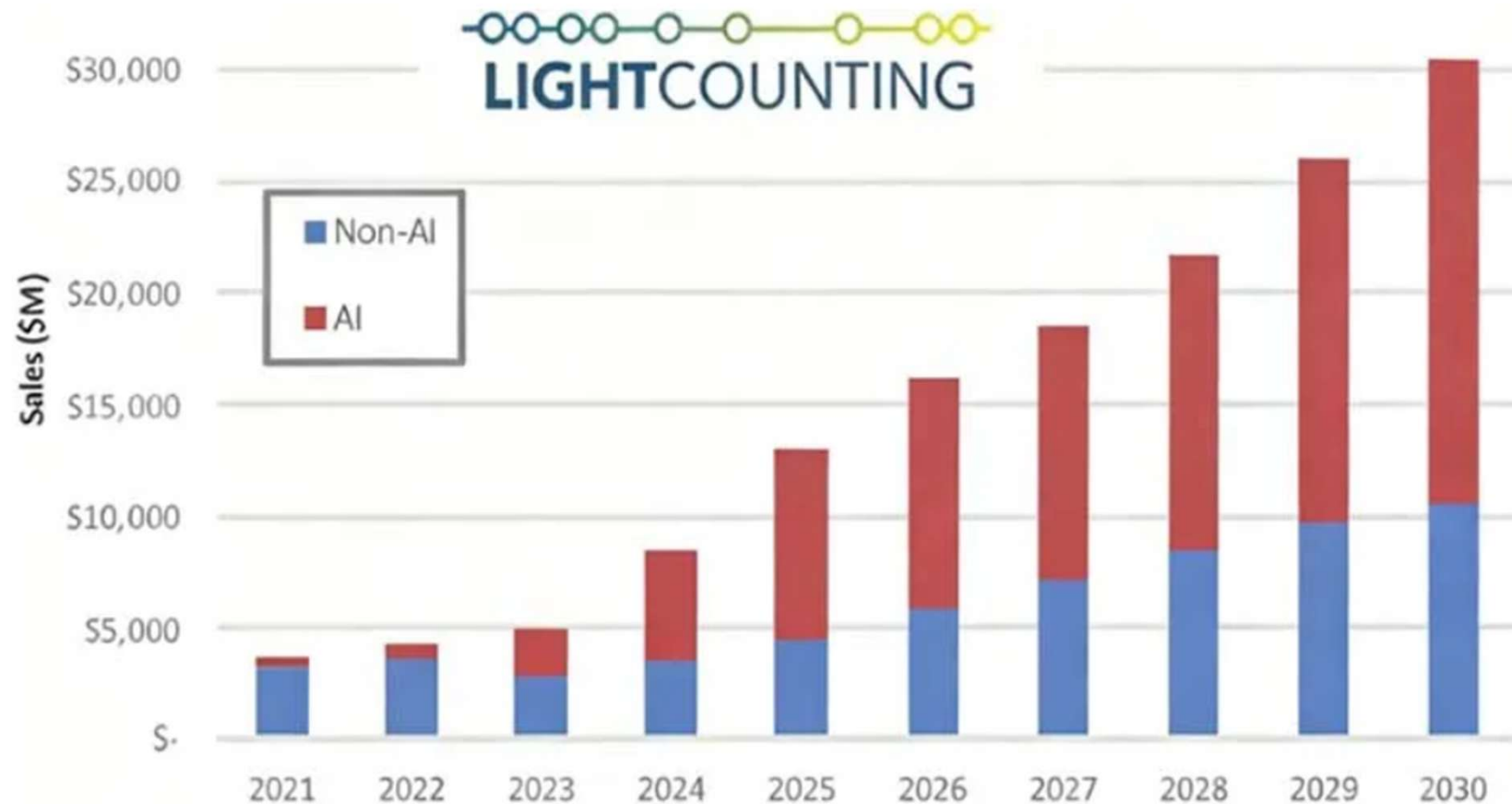
Major CSPs:

Google, AWS, Meta, Microsoft, Oracle, Tencent, Alibaba, and Baidu

CSP – Capital Expenditures -3

- Investment priorities:
from revenue-generating assets to short-lived infrastructure (servers and GPUs) indicating a strategic emphasis on boosting long-term competitiveness and market share rather than immediate profits.
- NA 4 major CSPs increase investment on AI ASICs
improve autonomy and manage costs
Google+Broadcom: TPU v7p (Ironwood) in 2026
Google TPUs shipment – highest in 4 CSPs, 40\$ growth in 2026
- AWS: Trainium v3 in 2026 (with AIChip and Marvell)
ASICs shipment – 20% growth in 2026
- META: MTIA V2 in late Q4 2025, MTIA3 in 2026 (double shipment)
- MSFT: Maia V2 in 2H2026, Maia V3 in design change

400G to 1.6T Optical Module Market



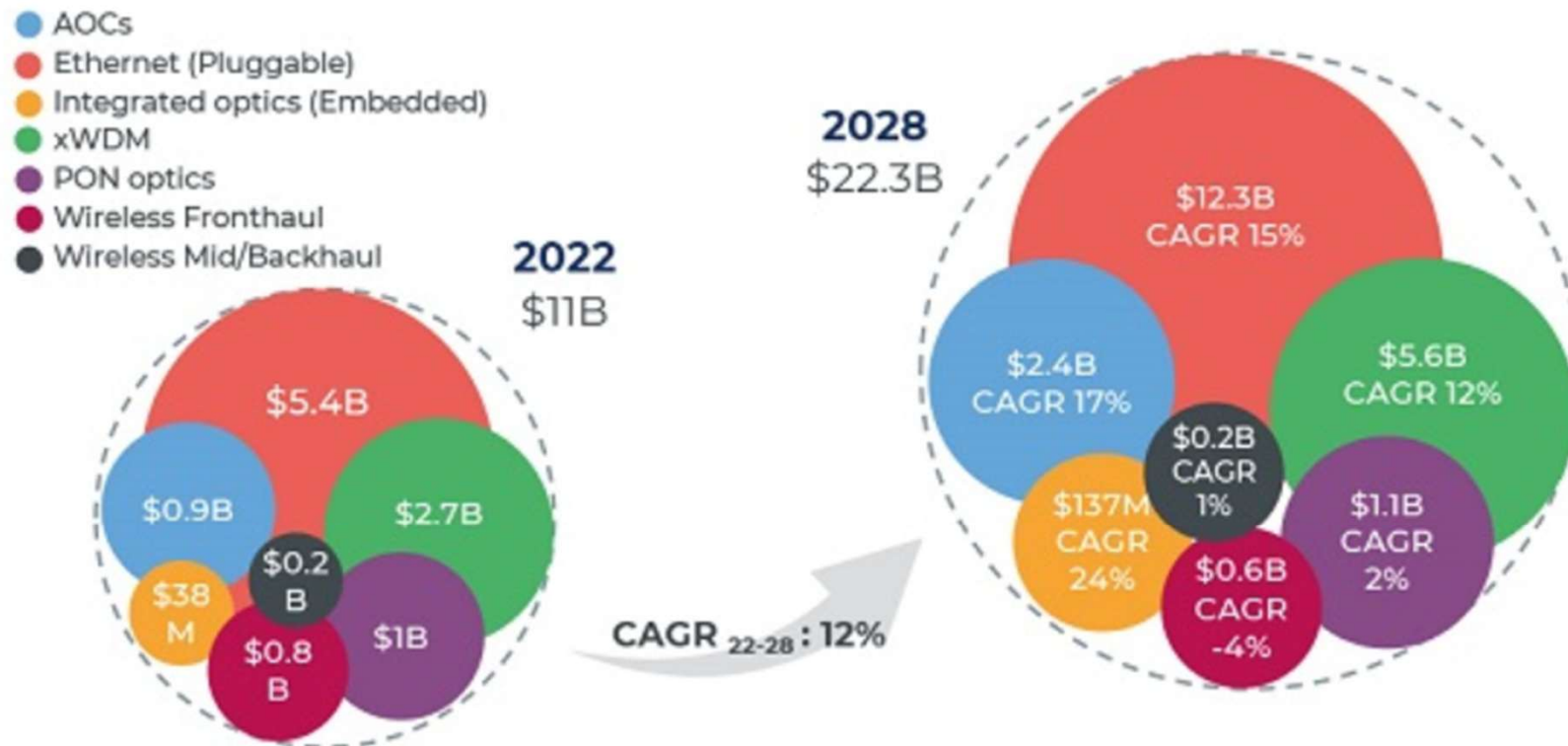
Source: Lightcounting

- Optical module technology iterations are accelerating
- LPO technology is gradually being implemented

Optical Transceiver Market

2022-2028 optical transceiver revenue growth forecast by segment

(Source: Optical Transceivers for Datacom and Telecom 2023, Yole Intelligence, August, 2023)



© Yole Intelligence 2023

800G modules – 20m (18m+ likely) 2025, 35-40-50m(?) 2026
1.6T modules – 2.7m (?) 2025, 13-16-20m (?) 2026

Q & A



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**For further inquiry
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