



宏致電子股份有限公司

股票代號 3605

ACES Electronics Co., Ltd.

Investor Conference

DEC 30, 2020

- **ACES Group Established in Nov. 1996.**
 - **Over 5,000 employees worldwide**
 - **Headquarters: Taiwan Taoyuan**
 - **Factories: Taiwan 、 China (Dongguan 、 Kunshan 、 Suzhou) 、 Philippines 、 Vietnam**
 - **Overseas Sales Offices: Japan 、 Singapore 、 Philippines 、 Germany 、 USA**
- **We are focusing on designing/producing/selling high technique connectors, cables assemblies, dongles, and solution of electronic devices.**
- **End Product including: Industry 4.0, IPC, Medical, Cloud Computing, Server, Automotive, Transportation, Laptop Computing, Consumer Electronics**

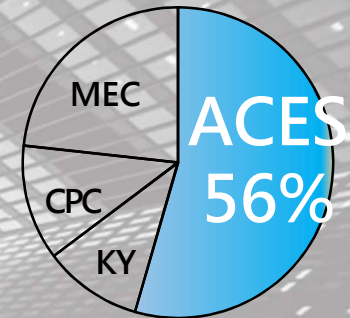


ACES GROUP



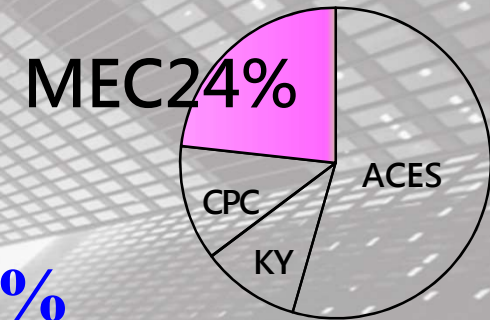
Plant Overview-宏致 ACES

Proportion : Taiwan 16% / China 84%



總部	精工中心	東莞宏致	昆山宏致	加利斯金屬工藝
Headquarters	Precision Engineering Center	Dongguan Plant	Kunshan Plant	Galis Plating
Marketing Sales 	R&D Tooling Molding Stamping Connector and Cable Assembly 	Sales R&D Tooling Molding Stamping Assembly 	Sales R&D Tooling Molding Stamping Connector Assembly Automotive parts 	Plating 

Plant Overview-龍翰 MEC



Proportion : PHIL 48% / KS 41% / DG 11%

龍翰科技

MEC IMEX Inc.

**Marketing
Sales
Product Design
High Speed
Cable**



龍翰菲律賓

**MEC Electronics
(Philippines) Corp.**

**AC/DC Power Cord,
Appliance Cable,
Industrial Cable**



蘇州瀚騰

**SUZHOU Hanteng
Electronics Tech. Co., Ltd.**

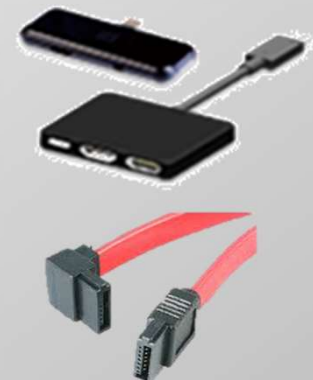
**LVDS Cable
Automotive
Cable , Wire
Harness,**



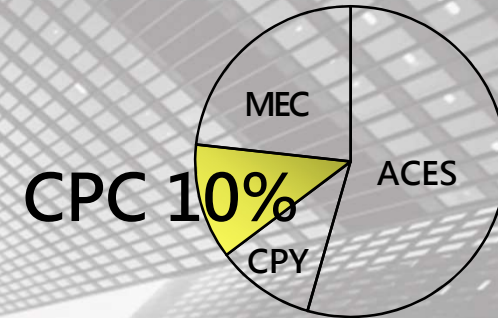
東莞奇翰

**MEC Homepride
Tech. Inc.**

**Dongle Cable,
Data Cable
Appliance Cable**



Plant Overview- 志展 CPC



志展實業

CPC Headquarters

德國宏高

CPC Germany

志展越南

Vietnam Plant

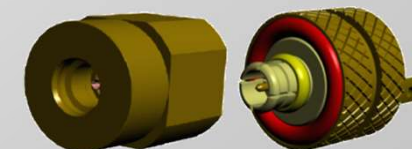
Sales R&D
RF Connector
RF Cable
Supply Chain



Sales
Logistic

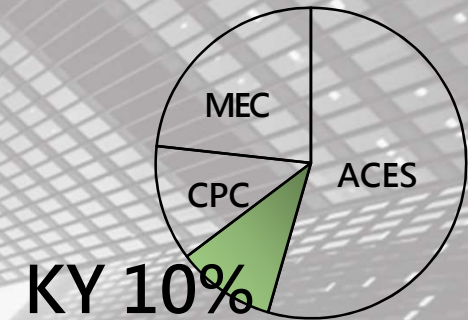


RF Connector
RF Cable
Zinc Die Casting
Aluminum Die Casting
Barrel Plating
Hanging Plating
Lathe / CNC



Plant Overview-廣迎新KY

Proportion : Taiwan 6% / China 94%



廣迎新工業

KY Taiwan

Stamping Metal
CNC
RFI Connector



C-Type conn.



(OTG) Adapter



Combo USB
Receptacles



東莞廣迎

KY Dongguan

Stamping Metal



昆山廣迎

KY Kunshan

Stamping Metal



Strategic Planning for main market category



Industry

UPS, Industrial
& IPC, Medical
Equipment

Cloud

Computing
Communication
Server
STB(Set-Top Box)
Modem

Automobile

Transportation

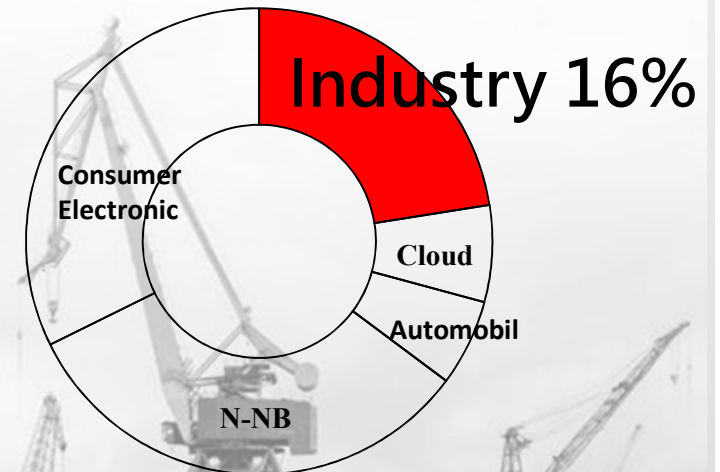
Laptop Computer

Consumer
Electronics

ICAN



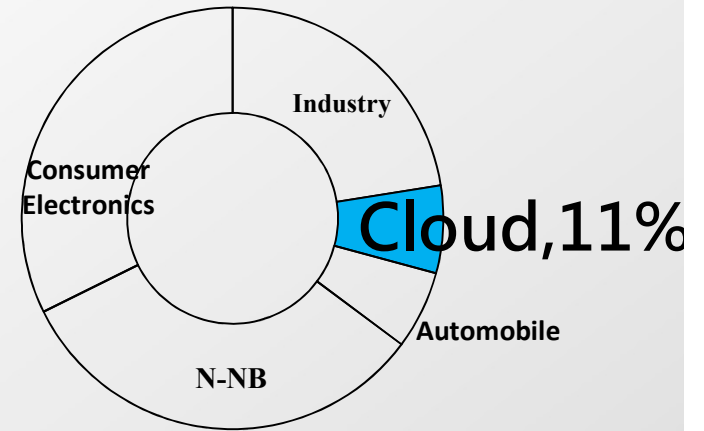
Industrial & Industry 4.0 / IPC / Medical



- Cable and Connector for Industrial Equipment
- Cable and Connector for IPC
- Cable and Connector for Medical Equipment



Cloud Computing & Communication and Server

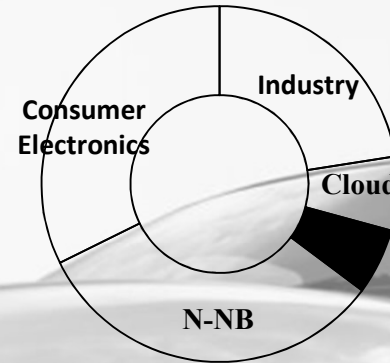


- High Speed Connector and Cable
- High Power Connector
- RF connector (Radio Frequency Connector) and Cable
- Other Connector and Cable

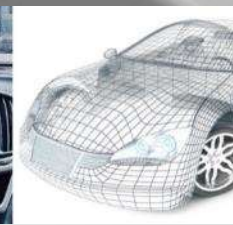




Automobile / Transportation



Automobile ,4%



- Connector & Cable for Advanced Driver Assistance Systems
- Electronic Control Module
- Connector & Cable for Electric Vehicle

High Power Connector



Reverse Parking Sensor Connector & Cable Assembly

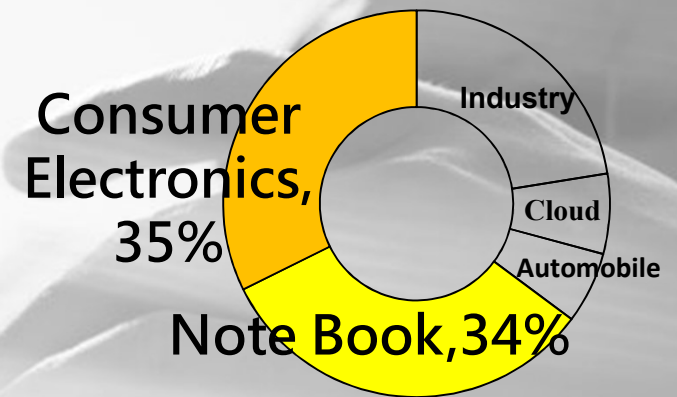


Body Control Module Connector

ICAN



Laptop Computer / Consumer Electronics



- High technique Connectors & Harness for Note Book and Peripheral products
- High technique Connectors & Harness for Smart Phone
- Connector & Cable for Smart Home
- Dongles
- USB/HDMI/IO Cable



Slimmate
connector0



IDC Female

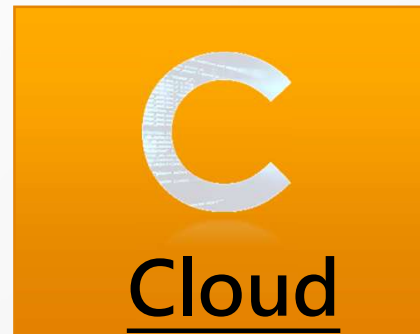


Wafer



FPC
Connector

Strategic Planning for main market category



2019

21%

8%

6%

65%

2020

16%

11%

4%

69%

2021





Financial Results

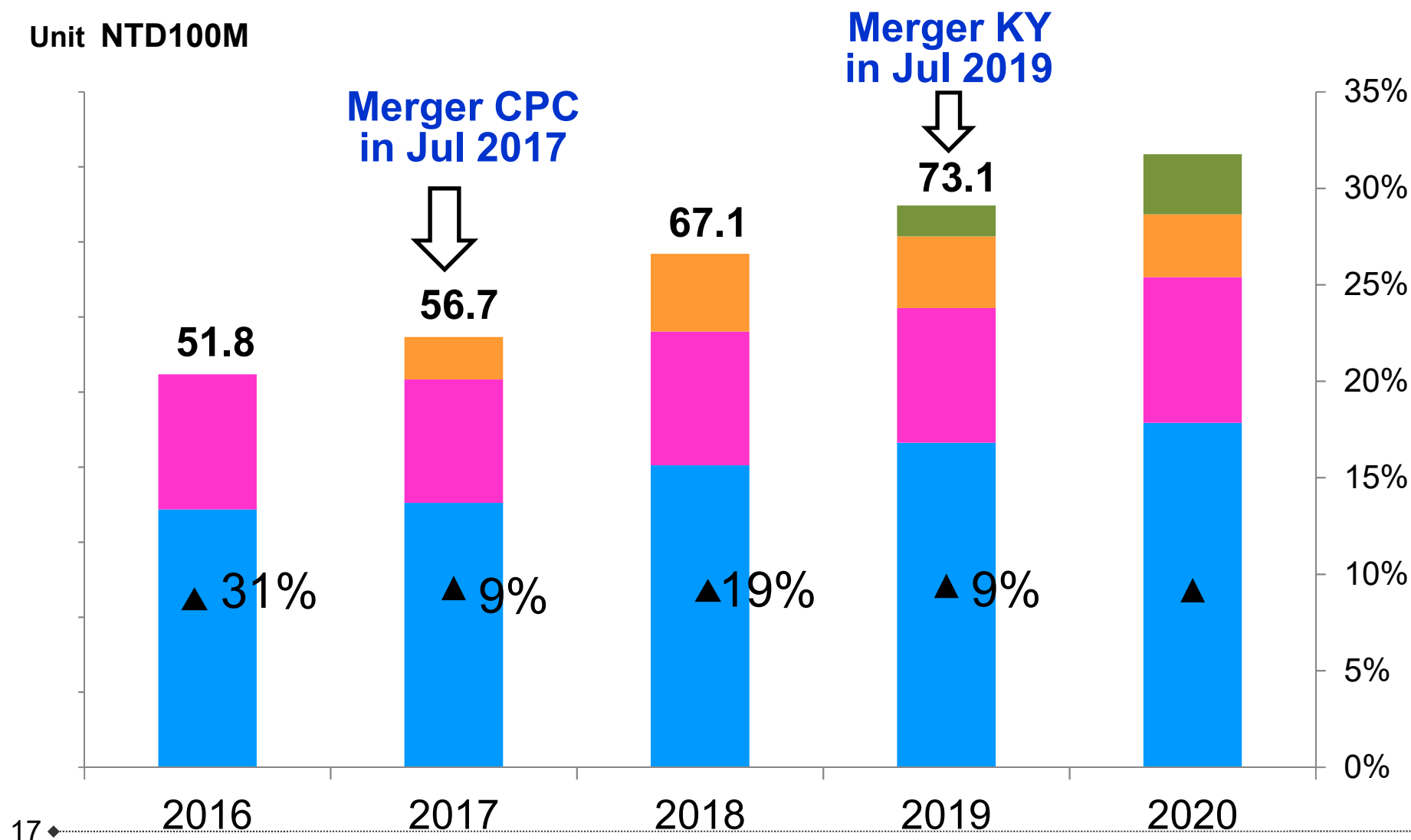


Last 5 Years Revenue



■ KY ■ CPC ■ MEC ■ ACES ▲ YOY

Unit NTD100M



ACES Consolidated Income Statement-3Q'20



NTD Million	<u>ACES</u>	<u>MEC</u>	<u>CPC</u>	<u>KY</u>	<u>Group</u>
Revenue	\$1,355	\$562	\$225	\$237	\$2,279
Margin %	34%	6%	14%	15%	24%
SG&A %	21%	10%	15%	12%	17%
Operating Income %	13%	-4%	-1%	3%	7%

ACES Consolidated Income Statement-2020 YTM



NTD Million	<u>ACES</u>	<u>MEC</u>	<u>CPC</u>	<u>KY</u>	<u>Group</u>
Revenue	\$3,500	\$1,443	\$660	\$620	\$5,933
Margin %	31%	6%	14%	11%	23%
SG&A %	22%	13%	16%	15%	18%
Operating Income %	9%	-7%	-2%	-4%	5%

ACES Consolidated Income Statement-Quarter

Unit: NT\$ Thousand (Except Per Share Data)

	3Q'20 (Unaudited)		3Q'19 (Unaudited)		QoQ Change %
Sales Revenue ^(a)	2,279,287	100.0%	2,057,629	100.0%	10.8%
Cost of Goods Sold	(1,722,046)	(75.6%)	(1,543,157)	(75.0%)	11.6%
Gross Profit	557,241	24.4%	514,472	25.0%	8.3%
Operating Expenses	(394,358)	(17.3%)	(387,695)	(18.8%)	1.7%
Operating Income (Loss)	162,883	7.1%	126,777	6.2%	28.5%
Net Non-operating Income	(22,666)	-1.0%	29,507	1.4%	(176.8%)
Income (Loss) before Tax	140,217	6.2%	156,284	7.6%	(10.3%)
Income Tax Benefit(Expense)	(26,050)	-1.1%	(4,185)	(0.2%)	522.5%
Net Income (Loss)	114,167	5.0%	152,099	7.4%	(24.9%)
EPS (NT\$) ^(b)	NT\$0.95		NT\$1.25		
Depreciation & Amortization	123,376	5.4%	121,567	5.9%	
EBITDA (Operating Income + D&A)	286,259	12.6%	248,344	12.1%	

(a) Sales Revenue includes both shipping revenue and revenue from sale of scraps.

(b) EPS were calculated based on total outstanding shares of 122,396K in Year 2019.

ACES Consolidated Income Statement



Unit: NT\$ Thousand (Except Per Share Data)

	Sep 30, 2020 (Unaudited)		Sep 30, 2019 (Unaudited)		YoY Change %
Sales Revenue ^(a)	5,933,363	100%	5,240,294	100%	13.2%
Cost of Goods Sold	(4,587,100)	(77.3%)	(4,069,542)	(77.7%)	12.7%
Gross Profit	1,346,263	22.7%	1,170,752	22.3%	15.0%
Operating Expenses	(1,096,157)	(18.5%)	(1,008,032)	(19.2%)	8.7%
Operating Income (Loss)	250,106	4.2%	162,720	3.1%	53.7%
Net Non-operating Income	26,426	0.4%	108,881	2.1%	(75.7%)
Income (Loss) before Tax	276,532	4.7%	271,601	5.2%	1.8%
Income Tax Benefit (Expense)	(60,743)	(1.0%)	(33,478)	(0.6%)	81.4%
Net Income (Loss)	215,789	3.6%	238,123	4.5%	(9.4%)
EPS (NT\$)	NT\$1.86		NT\$1.99		
Depreciation & Amortization	358,014	6.0%	337,676	6.4%	
EBITDA (Operating Income + D&A)	608,120	10.2%	500,396	9.5%	

(a) Sales Revenue includes both shipping revenue and revenue from sale of scraps.

(b) Accounting Firm: KPMG Certified Public Accountants

Last 5 Years Results



	Sep 30 2020 (Unaudited)		2019 (Audited)		2018 (Audited)		2017 (Audited)		2016 (Audited)	
Sales Revenue ^(a)	5,933,363	100%	7,311,836	100%	6,710,893	100%	5,665,958	100%	5,184,340	100%
Cost of Goods Sold	(4,587,100)	(77.3%)	(5,639,431)	(77.1%)	(5,337,999)	(79.5%)	(4,572,737)	(80.7%)	(3,964,726)	(76.5%)
Gross Profit	1,346,263	22.7%	1,672,405	22.9%	1,372,894	20.5%	1,093,221	19.3%	1,219,614	23.5%
Operating Expenses	(1,096,157)	(18.5%)	(1,403,917)	(19.2%)	(1,237,562)	(18.4%)	(1,065,828)	(18.8%)	(1,067,219)	(20.6%)
Operating Income (Loss)	250,106	4.2%	268,488	3.7%	135,332	2.0%	27,393	0.5%	152,395	2.9%
Net Non-operating Income	26,426	0.4%	87,545	1.2%	117,071	1.7%	58,718	1.0%	118,621	2.3%
Income (Loss) before Tax	276,532	4.7%	356,033	4.9%	252,403	3.8%	86,111	1.5%	271,016	5.2%
Income Tax Benefit (Expense)	(60,743)	(1.0%)	(53,316)	(0.7%)	(30,049)	(0.4%)	(23,472)	(0.4%)	(65,604)	(1.3%)
Net Income (Loss)	215,789	3.6%	302,717	4.1%	222,354	3.3%	62,639	1.1%	205,412	4.0%
EPS (NT\$)	NT\$1.86		NT\$2.55		NT\$1.92		NT\$0.61		NT\$1.57	
Depreciation & Amortization	358,014	6.0%	456,141	6.2%	414,248	6.2%	394,887	7.0%	389,795	7.5%
EBITDA (Operating Income + D&A)	608,120	10.2%	724,629	9.9%	549,580	8.2%	422,280	7.5%	542,190	10.5%

(a) Sales Revenue includes both shipping revenue and revenue from sale of scraps.

(b) Accounting Firm: KPMG Certified Public Accountants



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Thank You.