

An aerial view of a city skyline, likely New York City, with a blue network overlay consisting of glowing nodes and connecting lines. The text "4Q22 Investor Conference" is centered in white.

4Q22 Investor Conference

2023/2/23

D-Link

Safe Harbor Statement

- D-Link's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements, including the cyclical nature of our industry, our ability to compete effectively general economic and political conditions, demand in end market, impact of competitive products and pricing, exchange rate fluctuations, and other risks beyond the control of the Company.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Agenda

- **Financial Results**
- **Business Outlook**
- **Awards & Global Recognition**
- **Q&A**

Financial Results

4Q22 Income Statement – QoQ/YoY Comparison

NT\$M	Quarterly Results					YTD Results		
	4Q21	3Q22	4Q22	QoQ %	YoY %	2021	2022	YoY %
Net Sales	4,301	4,485	4,421	(1.4)	2.8	15,525	17,078	10.0
Gross Profit	996	923	1,357	47.0	36.2	4,189	4,315	3.0
Operating Expenses	951	896	976	8.9	2.6	4,019	3,762	(6.4)
Operating Income	45	27	381	1,311.1	746.7	170	553	225.3
Total Non-Op. Inc. (Loss)	400	44	29	(34.1)	(92.8)	225	(95)	(142.2)
Income Before Tax	445	71	410	477.5	(7.9)	395	458	15.9
Net Income	442	48	333	593.8	(24.7)	318	260	(18.2)
Non-controlling Interests	17	46	49	6.5	188.2	79	151	91.1
Net Income Attributable to Parent	425	2	284	14,100.0	(33.2)	239	109	(54.4)
EPS (NT\$)	0.71	0.00	0.47			0.38	0.18	
Outstanding shares (mn)	600	600	600			635	600	
Gross Profit % (GP %)	23.2%	20.6%	30.7%			27.0%	25.3%	
Operating Expenses % (OPEX %)	22.1%	20.0%	22.1%			25.9%	22.0%	
Operating Margin % (OPM %)	1.0%	0.6%	8.6%			1.1%	3.2%	
Net Income % (NI %)	9.9%	0.0%	6.4%			1.5%	0.6%	
Return on Equity (ROE)						2.6%	1.2%	

4Q22 Balance Sheet – QoQ/YoY Comparison

Quarterly Results

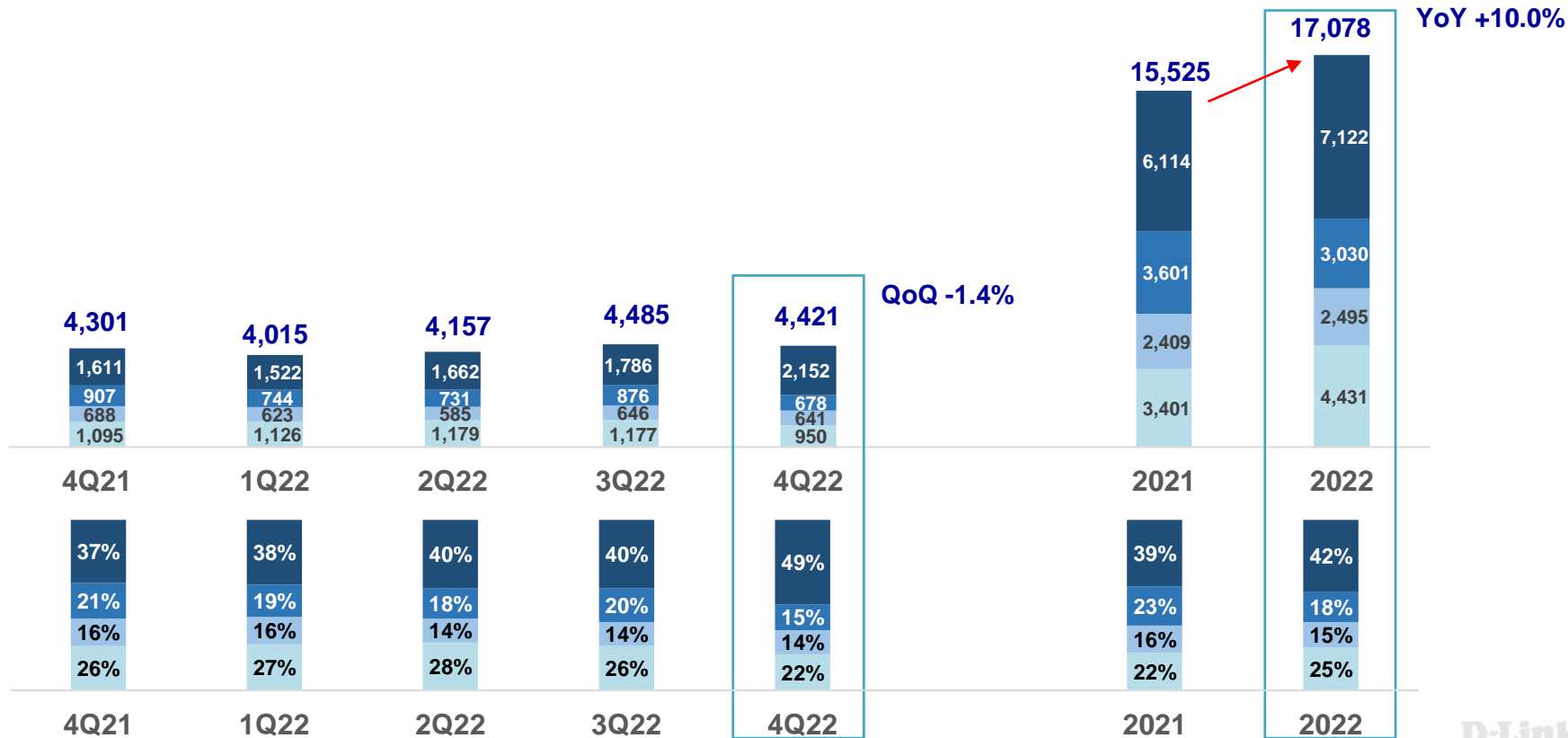
NT\$M	4Q21	3Q22	4Q22	QoQ %	YoY %
Cash & cash equivalents	2,195	3,031	2,713	(10.5)	23.6
Account Receivable	3,430	3,671	3,432	(6.5)	0.1
Inventory	3,348	4,035	4,069	0.8	21.5
Other Current Assets	1,137	925	890	(3.8)	(21.7)
Non-current Assets	4,394	4,245	4,318	1.7	(1.7)
Total Assets	14,504	15,907	15,422	(3.0)	6.3
Short-term loans	0	180	0	NA	NA
Accounts Payable	2,625	3,257	2,937	(9.8)	11.9
Other Current Liabilities	1,965	2,133	2,016	(5.5)	2.6
Non-current Liabilities	912	876	907	3.5	(0.5)
Total Liabilities	5,502	6,446	5,860	(9.1)	6.5
Total Shareholders' Equity	9,002	9,461	9,562	1.1	6.2
Book Value Per Share	14.1	14.7	14.9		
Current Ratio	220.3%	209.4%	224.2%		
Debt/Asset Ratio	37.9%	40.5%	38.0%		
Cash Conversion Cycle	104	123	121		



Business Outlook

Product Mix

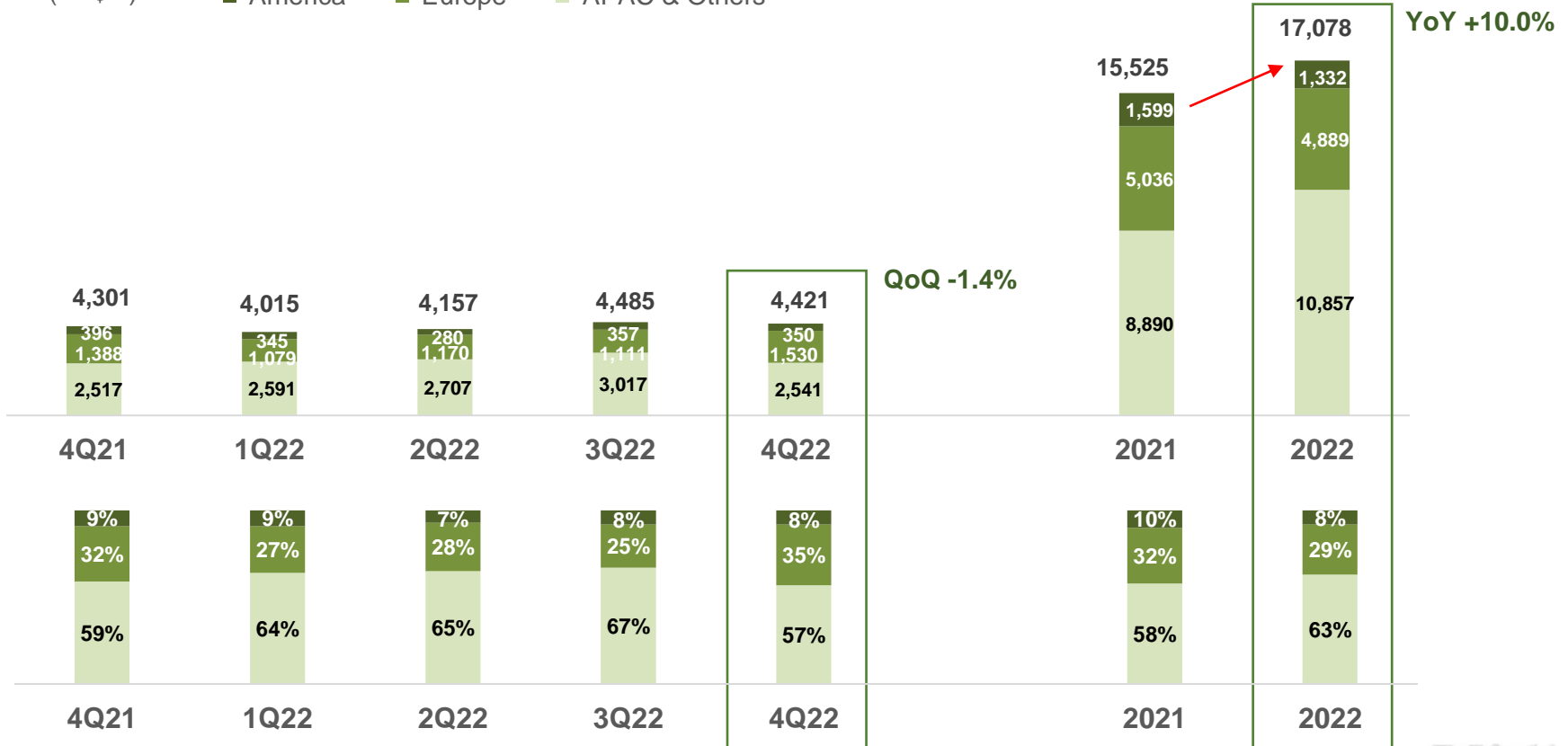
(NT\$M) ■ Switch & Security ■ Wireless & IoT ■ Mobile & Broadband ■ Others



Sales by Region

(NT\$M)

■ America ■ Europe ■ APAC & Others

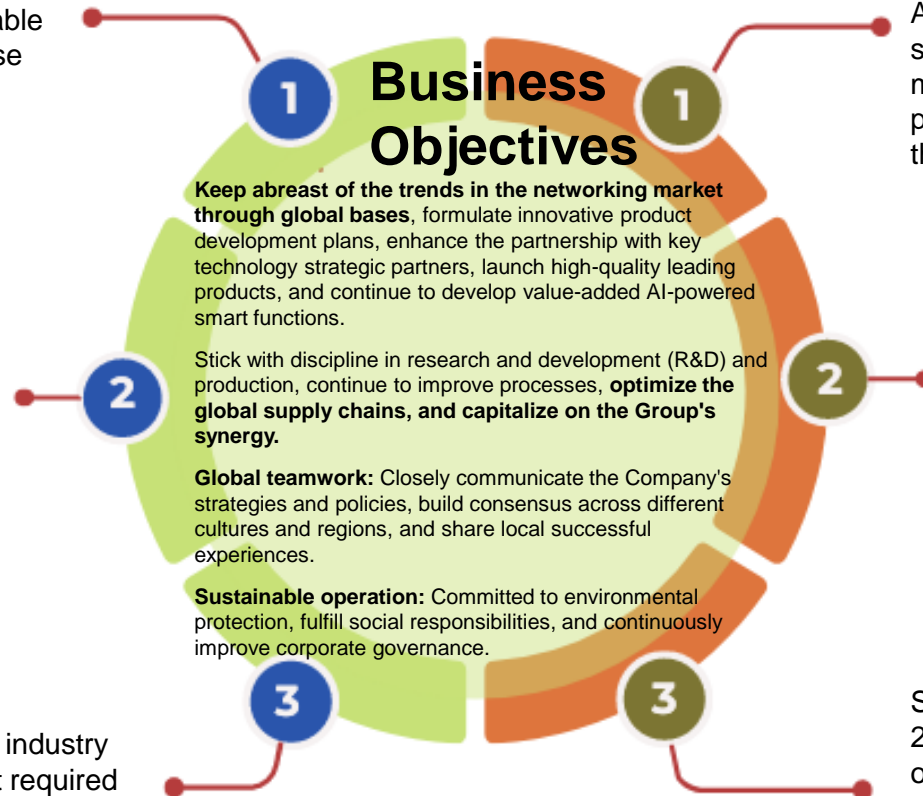


Business Objectives and Strategies for 2023

Cooperate with high-quality ODMs to establish a controllable supply chain system with close relationships.

Reshape D-Link's brand image and enhance brand value from three aspects: functional performance, cost, and corporate identity.

Integrate individual industry demands and meet required specifications and functions.



Achieve the extreme simplification of the supply and management of networking products with cloud computing as the main pillar.

Create stable and advanced networking products with excellent radio frequency and high-speed signal technology.

Strengthen collaboration with Tier 2 and Tier 3 telecommunications operators to win long-term contracts through localized services.

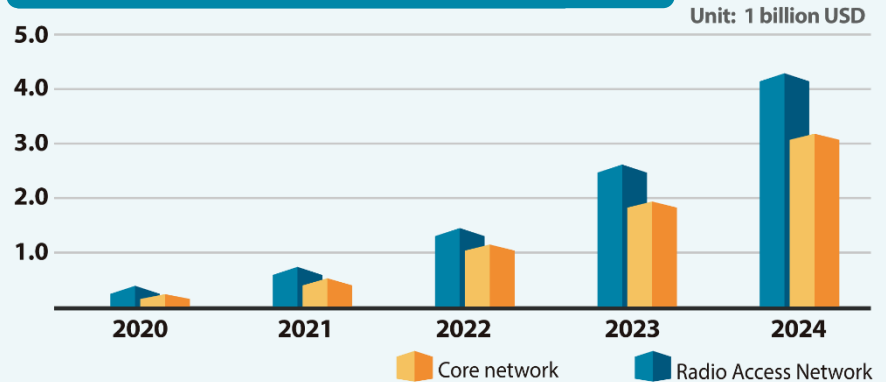
5G O-RAN

- D-Link will be strategically expanding the lineup of 5G Open RAN in 2023.
- According to the global research company Omdia, the number of worldwide mobile users is anticipated to reach 12 billion by 2026.
- Top 3 market developments of 5G:
 1. The U.S. plans a broadband infrastructure program in eight-year period with \$65 billion in total to boost access to the internet, the Taiwanese companies have great potential to be the crucial supply chain, due to the disruptive trade policy under the recent tense relations between the U.S. and China.
 2. Open RAN has been fast developed and deployed across the globe.
 3. Almost all the telecom operators have increased revenue in mobile sector, especially registering 8% growth rate for the U.S. and China, 3% for Europe.

Global Leading Telecom Operators Building in O-RAN



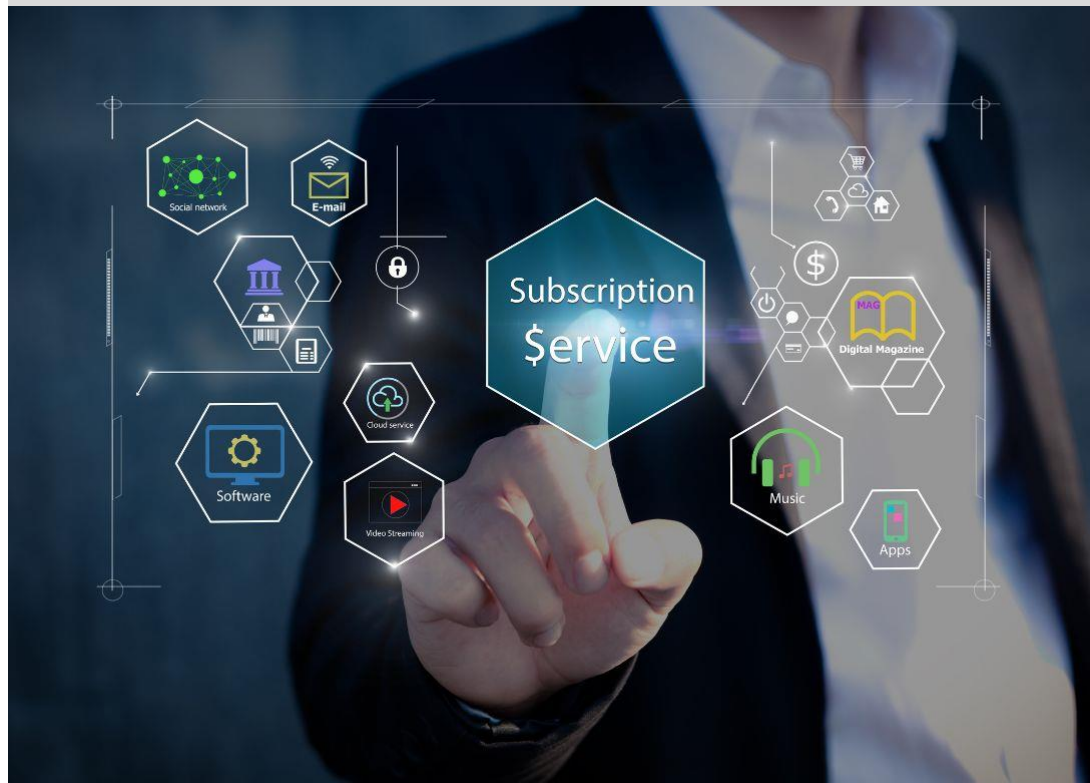
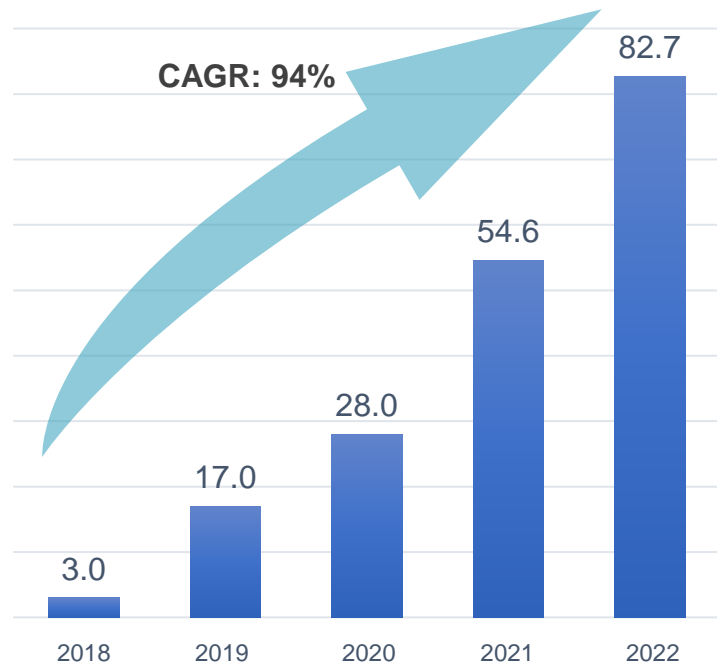
Worldwide Market by RAN & Core Network



Consumer Solution

SaaS

Subscription Revenue (NT\$M)

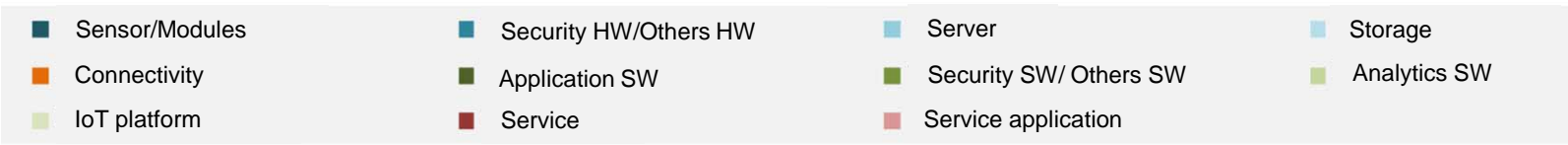
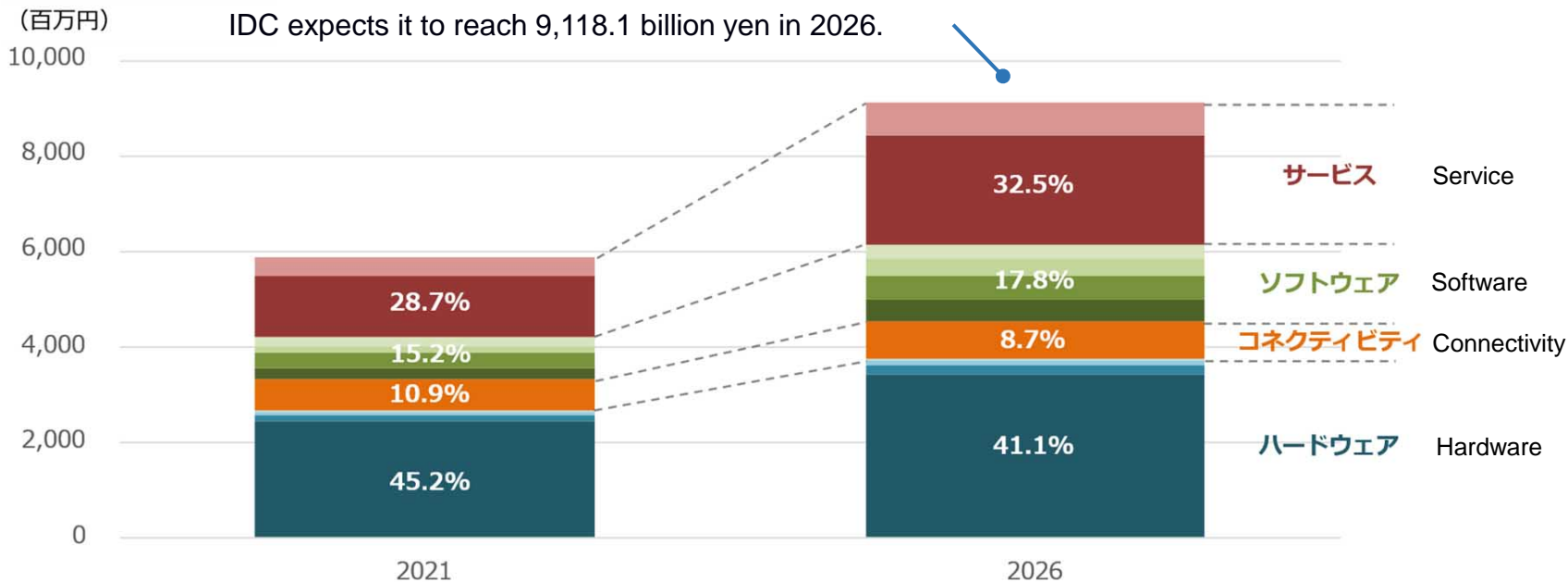


Smart Home

- D-Link will be unveiling a series of strategic new products, the Wi-Fi 6/6E Smart Home Mesh System, at the upcoming big event of MWC during Feb. 27 to Mar. 2.
- According to the industry analysis, the global smart home market was estimated at USD 79.2 billion in 2022 and is expected to achieve 537 billion in 2030 at a compound annual growth rate (CAGR) of 25%.



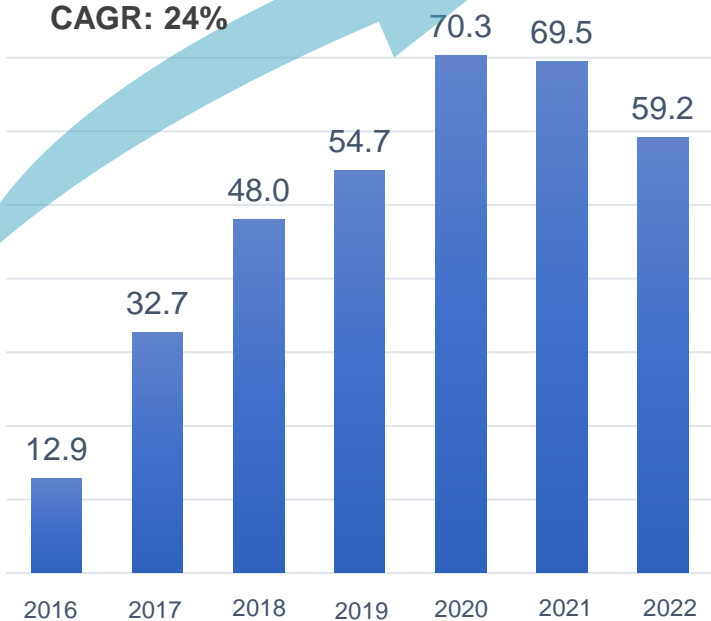
Domestic IoT Market Forecast of Expenditure Size and Expenditure Ratio by Technology



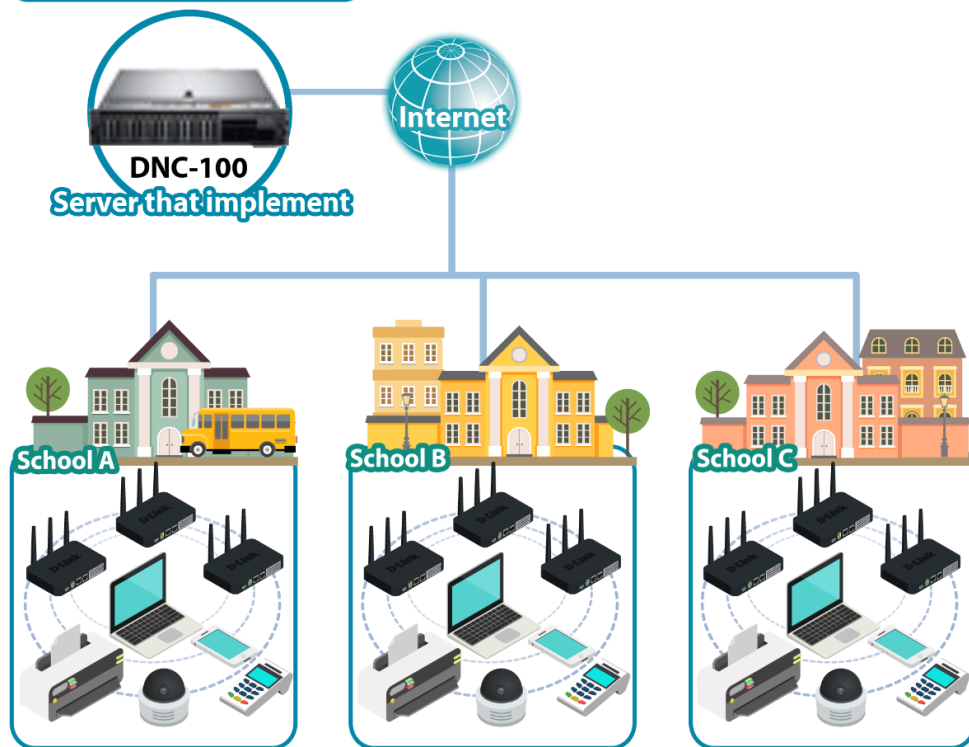
Enterprise Solution

Subscription Revenue (NT\$M)

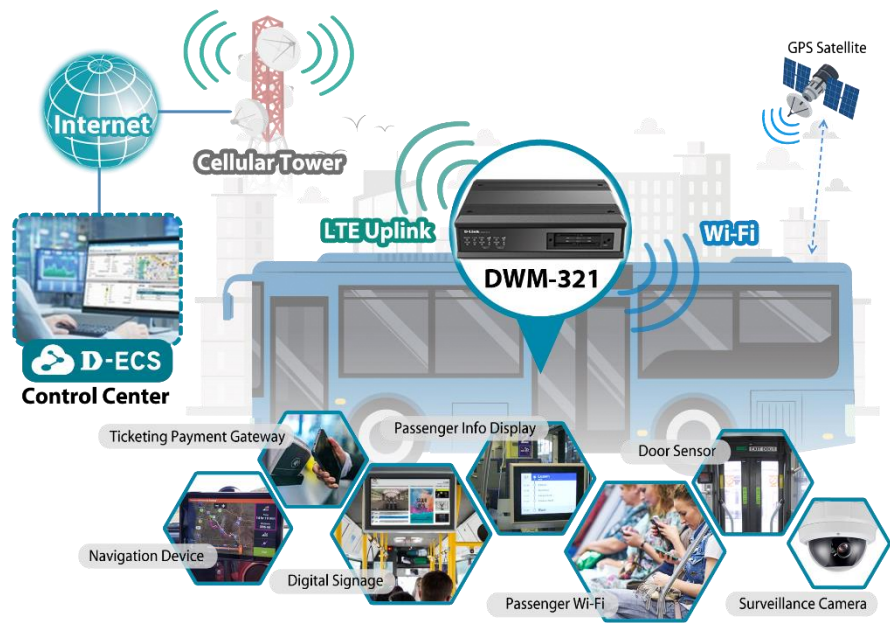
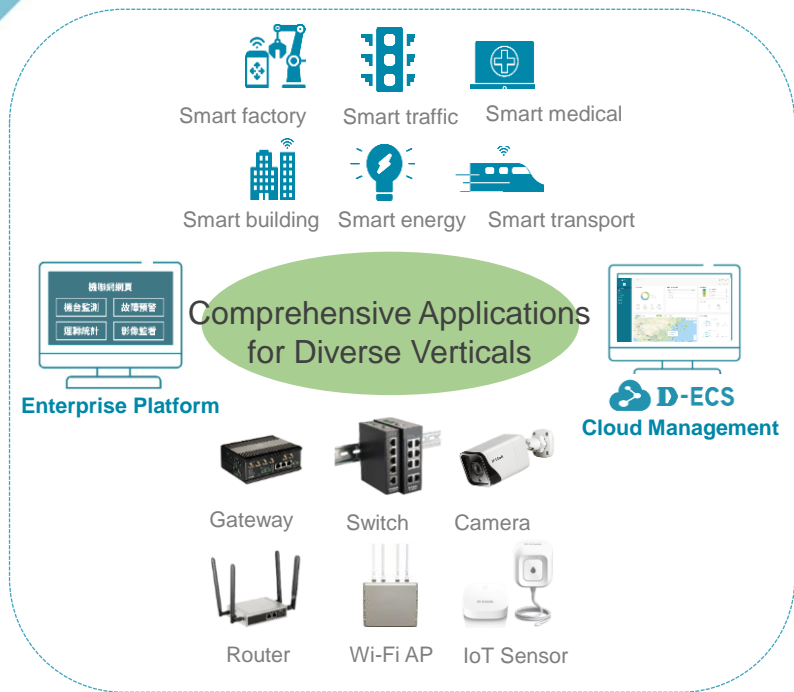
CAGR: 24%



City Education Center



AIoT Industrial Solution



Total Solutions for Verticals

Industrial Network Applications

One-stop Service for SPs

Broadband Solution

- GPON/EPON RGW
- xDSL Router/HGW
- 5G/LTE Router



Awards & Global Recognition

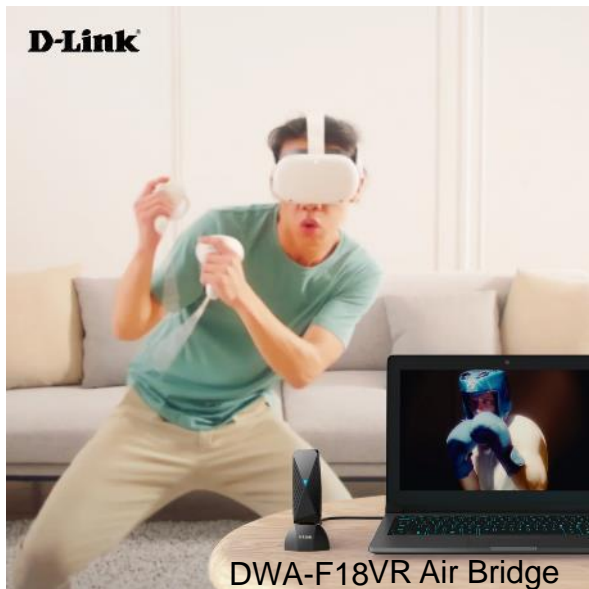


Awards- Continued Global Recognition

Product Design & Innovation



台灣精品 2023
TAIWAN EXCELLENCE



DWA-F18VR Air Bridge



TAIWAN
EXCELLENCE
2022

TAIWAN
EXCELLENCE
2022



DCS-8350LH



DCH-S1621KT

Awards- Continued Global Recognition

Product Design & Innovation



**CES
INNOVATION AWARDS
2021**



DCH-S1621KT

DUB-E250



**iF
DESIGN AWARD
2021**



DCS-8635LH

DCS-8302LH



reddot winner 2021

**Red Dot
DESIGN AWARD
2021**



DCS-8526LH

DCS-8635LH

DMS-106XT

D-Link

Q & A

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Appendix



Consolidated Income Statement

NT\$M	Yearly Results			Quarterly Results					YTD Results				
	2020	2021	YoY %	4Q21	1Q22	2Q22	3Q22	4Q22	QoQ %	YoY %	2021	2022	YoY %
Net Sales	15,179	15,525	2	4,301	4,015	4,157	4,485	4,421	(1.4)	2.8	15,525	17,078	10.0
Gross Profit	4,775	4,189	(12)	996	808	1,227	923	1,357	47.0	36.2	4,189	4,315	3.0
Operating Expenses	4,695	4,019	(14)	951	890	1,000	896	976	8.9	2.6	4,019	3,762	(6.4)
Operating Income	80	170	113	45	(82)	227	27	381	1,311.1	746.7	170	553	225.3
Total Non-Op. Inc. (Loss)	1,417	225	(84)	400	(78)	(91)	44	29	(34.1)	(92.8)	225	(95)	(142.2)
Income Before Tax	1,497	395	(74)	445	(160)	136	71	410	477.5	(7.9)	395	458	15.9
Net Income	1,311	318	(76)	442	(160)	40	48	333	593.8	(24.7)	318	260	(18.2)
Non-controlling Interests	71	79	11	17	20	37	46	49	6.5	188.2	79	151	91.1
Net Income Attributable to Parent	1,240	239	(81)	425	(180)	3	2	284	14,100.0	(33.2)	239	109	(54.4)
EPS (NT\$)	2	0	0	0.71	(0.30)	0.01	0.00	0.47			0.38	0.18	
Outstanding shares (mn)	652	635		600	600	600	600	600			635	600	
Gross Profit % (GP %)	31.5%	27.0%		23.2%	20.1%	29.5%	20.6%	30.7%			27.0%	25.3%	
Operating Expenses % (OPEX %)	30.9%	25.9%		22.1%	22.2%	24.1%	20.0%	22.1%			25.9%	22.0%	
Operating Margin % (OPM %)	0.5%	1.1%		1.0%	-2.0%	5.5%	0.6%	8.6%			1.1%	3.2%	
Net Income % (NI %)	8.2%	1.5%		9.9%	-4.5%	0.1%	0.0%	6.4%			1.5%	0.6%	
Return on Equity (ROE)	13.3%	2.6%									2.6%	1.2%	

Consolidated Balance Sheet

NT\$M	Yearly Results			Quarterly Results					YTD Results				
	2020	2021	YoY %	4Q21	1Q22	2Q22	3Q22	4Q22	QoQ %	YoY %	2021	2022	YoY %
Cash & cash equivalents	6,216	2,195	(64.7)	2,195	2,262	2,548	3,031	2,713	(10.5)	23.6	2,195	2,713	23.6
Account Receivable	3,064	3,430	11.9	3,430	3,382	3,424	3,671	3,432	(6.5)	0.1	3,430	3,432	0.1
Inventory	2,443	3,348	37.0	3,348	2,988	3,882	4,035	4,069	0.8	21.5	3,348	4,069	21.5
Other Current Assets	829	1,137	37.1	1,137	1,291	1,179	925	890	(3.8)	(21.7)	1,137	890	(21.7)
Non-current Assets	3,398	4,394	29.3	4,394	4,354	4,271	4,245	4,318	1.7	(1.7)	4,394	4,318	(1.7)
Total Assets	15,950	14,504	(9.1)	14,504	14,277	15,304	15,907	15,422	(3.0)	6.3	14,504	15,422	6.3
Short-term loans	0	0	0.0	0	0	0	180	0	NA	NA	0	0	NA
Accounts Payable	2,744	2,625	(4.3)	2,625	2,454	2,878	3,257	2,937	(9.8)	11.9	2,625	2,937	11.9
Other Current Liabilities	2,602	1,965	(24.5)	1,965	2,023	2,296	2,133	2,016	(5.5)	2.6	1,965	2,016	2.6
Non-current Liabilities	864	912	5.6	912	898	920	876	907	3.5	(0.5)	912	907	(0.5)
Total Liabilities	6,210	5,502	(11.4)	5,502	5,375	6,094	6,446	5,860	(9.1)	6.5	5,502	5,860	6.5
Total Shareholders' Equity	9,740	9,002	(7.6)	9,002	8,902	9,210	9,461	9,561	1.1	6.2	9,002	9,561	6.2
Book Value Per Share	14.2	14.1		14.1	13.9	14.4	14.7	14.9			14.1	14.9	
Current Ratio	234.8%	220.3%		220.3%	221.6%	213.2%	209.4%	224.2%			220.3%	224.2%	
Debt/Asset Ratio	38.9%	37.9%		37.9%	37.6%	39.8%	40.5%	38.0%			37.9%	38.0%	
Cash Conversion Cycle	101	104		104	120	127	123	121			104	121	

Sales Breakdown

Sales Breakdown by Products

NT\$M	Yearly Results			Quarterly Results					YTD Results				
	2020	2021	YoY %	4Q21	1Q22	2Q22	3Q22	4Q22	QoQ %	YoY %	2021	2022	YoY %
Switch & Security	6,121	6,114	-0.1%	1,611	1,522	1,662	1,786	2,152	20.5%	33.6%	6,114	7,122	16.5%
Wireless & IoT	4,593	3,601	-21.6%	907	744	731	876	678	-22.6%	-25.2%	3,601	3,030	-15.9%
Mobile & Broadband	2,073	2,409	16.2%	688	623	585	646	641	-0.8%	-6.8%	2,409	2,495	3.6%
Others	2,392	3,401	42.2%	1,095	1,126	1,179	1,177	950	-19.3%	-13.2%	3,401	4,431	30.3%
Total	15,179	15,525	2.3%	4,301	4,015	4,157	4,485	4,421	-1.4%	2.8%	15,525	17,078	10.0%

Sales Breakdown by Regions

NT\$M	Yearly Results			Quarterly Results					YTD Results				
	2020	2021	YoY %	4Q21	1Q22	2Q22	3Q22	4Q22	QoQ %	YoY %	2021	2022	YoY %
America	2,214	1,599	-27.8%	396	345	280	357	350	-2.0%	-11.6%	1,599	1,332	-16.7%
Europe	4,747	5,036	6.1%	1,388	1,079	1,170	1,111	1,530	37.7%	10.2%	5,036	4,889	-2.9%
APAC & Others	8,218	8,890	8.2%	2,517	2,591	2,707	3,017	2,541	-15.8%	1.0%	8,890	10,857	22.1%
Total	15,179	15,525	2.3%	4,301	4,015	4,157	4,485	4,421	-1.4%	2.8%	15,525	17,078	10.0%