

Disclaimer

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- This presentation is based on the information obtained from various sources which the company believes to count on. Please refer to the information on MOPS website as the main basis if any adjustment has been made.



Davicom Semiconductor, Inc.

(Ticker Symbol: 3094)

Investor Conference

15:00 Dec. 16, 2022

Operation Strategy

- Operating Policy
 - ✓ Focusing on the niche markets
 - ✓ Mastering the high gross profit margins
 - ✓ Developing the new businesses actively
 - ✓ Pursuing the company operation growth
- Providing highly reliable product quality, professional and thoughtful technical services
- Concentrated to the niche market required by a high security and stability
- Holding fast to more than 65% of gross margin to maintain the company's long-term profit
- Seeking a capital partners in related fields to expand the market and increase the revenue
- Pursuing the sustainable growth of EPS and realizing the sustainability operation of ESG

Core Technology

**Ethernet
MAC & PHY**

Mixed Signal

RFID Omni-Solution

**Networking Protocol
Stacks**

**AIoT
& Algorithms**

Video Decoder

USB & Interfaces

**Audio Signal
Processing**

DSP & Algorithms

IC Product Portfolio



Ethernet

- Ethernet Transceiver with 10/100/1000Mbps
- Ethernet Switch, Controller with USB & SPI



E-Paper Display Driver (EPD)

- 36, 126 Sigments



Video Decoder (VD)

- 1 and 4 channels; 720H and 960H resolution; mixer



AI SoC

- DM8111 (RISC-V, CIS (CMOS Image Sensor))

Performance Retrospective, 1/2

2022 Q1~Q3 Revenue and Profit

	<u>Q3 / 2022</u>	<u>Q1~Q3/2022</u>
Revenue	NTD 80,589K	NTD237,700K
EBT	NTD 23,781K	NTD 73,412K
EPS	NTD 0.23	NTD 0.70

Performance Retrospective, 2/2

Revenue and Profit, Q1~Q3/2022 vs. 2021

	<u>Q1~Q3/2022</u>	<u>Q1~Q3/2021</u>
Revenue	NTD237,700K	NTD218,030K
EBT	NTD 73,412K	NTD 60,542K
EPS	NTD 0.70	NTD 0.63

The company founded 26 years and 69 successive quarters of 65% and more margin by a high add-on value of services; Since the company's public listing, the annually average EPS around 1 NTD

2022 Market & Operation Review

- In the first three quarters, the mature process wafer production capacity is still tight, and the related IC production supply is still stumbling. In fact, the company keeps the thriving shipments from 2021 to 2022. Revenue and Before-Tax Profit in the first three quarters is increased by 9% and 21.26% respectively, compared to the same period in 2021.
- Beginning with the fourth quarter, the wafer production capacity is relaxing, and the tension of stocking-earlier is also gradually relieving. Although a few customers are still shown in the state of inventory digestion, the fourth quarter of revenue is expected to remain on par with the same period in 2021. The 2022 annual revenue and profit are determined to be better than 2021.

Market Up-To-Date

- The mature process capacity has returned to normal, and more production capacity supports can be foreseen.
- The supply chain tends to be relatively stable, and the market competition will gradually return to the situation before the beginning of 2021.
- The global inflation will continue in the first half of 2023 and is expected to gradually cool down in the second half of the year. That will facilitate the market cycle.
- The inventory digestion might exist at least one more quarter.

Davicom Operation Prospective I

➤ Davicom is dedicated to the operation of embedded system niche market, mainly on industry control, commerce system, electrical power, and telecomm, unlike the consumer market significantly affected by the economic fluctuations.

➤ In recent years, the company has invested in UHF RFID R&D as the core technology which is mainly applied to the warehouse automation management system and the marketing promotion shows a positive sign. The company's revenue will get rewarded by the UHF RFID application market from 2023.

Warehouse Automation Management System, Market Projection

By applying RFID technology, a real-time and accurate inventory data can be realized, such as material process flow, stock storage location, stock quantity and stock in/out time, in which the domestic medium-to-large warehouse company is seeking a way to the digital transformation. Thus, the Davicom-developed warehouse automation management system is emerging and a positive market prospective can be expected.

Davicom Operation Prospective II

➤ Davicom can be foreseen a steady growth in 2023 according to the market overview above, the business segment and the newly developed business.

Connectivity Beyond Limits

