

Darfon Electronics Corp. Investor Conference

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Safe Harbor Notice

We have made forward-looking statements in the presentation. Our forward-looking statements contain information regarding, among other things, our financial conditions, future expansion plans and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties, and assumptions about us.

We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events in the conference might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.

Company Profile



DARFON Group

Established : May, 1997.

Total Capital : NTD 2.8 billion (USD 94 million)

TWSE listed since 2007 : 8163. TT

Chairman : Andy Su

President : Josh Tsai

Total Employees : 10,747 (February, 2023)

Employees with Graduate Degrees : +18%

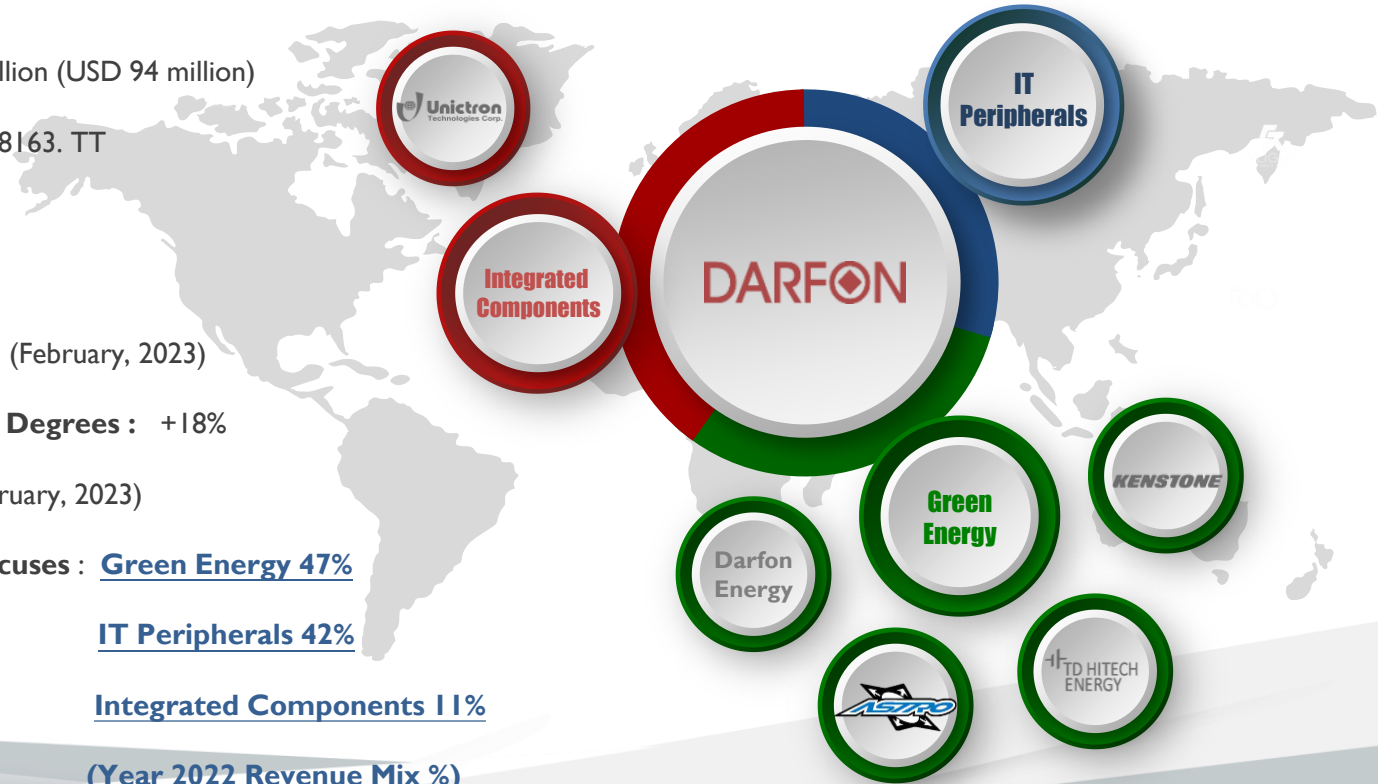
Global Patents: 980 (February, 2023)

Business Development Focuses : Green Energy 47%

IT Peripherals 42%

Integrated Components 11%

(Year 2022 Revenue Mix %)



Global Locations



Darfon Locations

- Headquarters
- Factory
- Office + Factory
- Office

Darfon : From Global IT Leader to Green Energy Innovator

DARFON

Worldwide Leading IT Peripherals Provider

Create Unique E-Bike Ecosystem to Offer Total Solutions



2006

Darfon Electronics Czech s.r.o. founded in Brno, Czech Republic

2012

Darfon Chongqing Electronics Co., Ltd. founded in China

2018

Darfon Electronics acquired Unictron Technology Corp.

2020

Darfon Electronics acquired TD Hitech Energy Inc.

2022

Darfon Energy Tech. founded in Taiwan

Darfon awarded Best Companies to Work For in Asia Award by HR Asia. (21 & 22)

Darfon won the Human Investment Award of the 11th Asian Corporate Social Responsibility Awards

Darfon won the Bronze Award of the 15th Taiwan Corporate Sustainability Award (TCSA) - Corporate Sustainability Report Award

1997

Darfon Electronics Corporation founded in Taoyuan, Taiwan

2007

Darfon Electronics Corp announced its initiation of IPO with Taiwanese Stock Exchange (8163)

2013

Cut into E-Bike/Smart bike industry

2019

Darfon Electronics acquired Kenstone Metal Co., Ltd.

2021

Darfon Electronics acquired Astro Tech Co., Ltd.

2023

Darfon Vietnam Co., Ltd founded in Hanoi

1999

Darfon Suzhou Electronics Co., Ltd. founded in China

Darfon Huai'an Electronics Co.Ltd founded in China

Darfon awarded the Taiwan Corporate Sustainability Awards by Taiwan Institute for Sustainable Energy

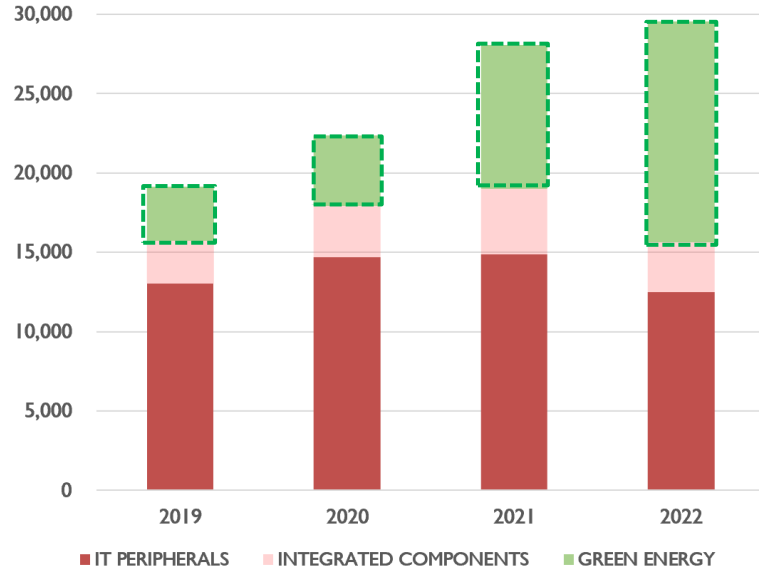
Darfon Electronics awarded the Corporate Social Responsibility Award by Global Views Magazine.

Darfon Electronics awarded Most Caring Companies Award by HR Asia.

Green Energy Business Drives the Topline and Bottom-line Growth

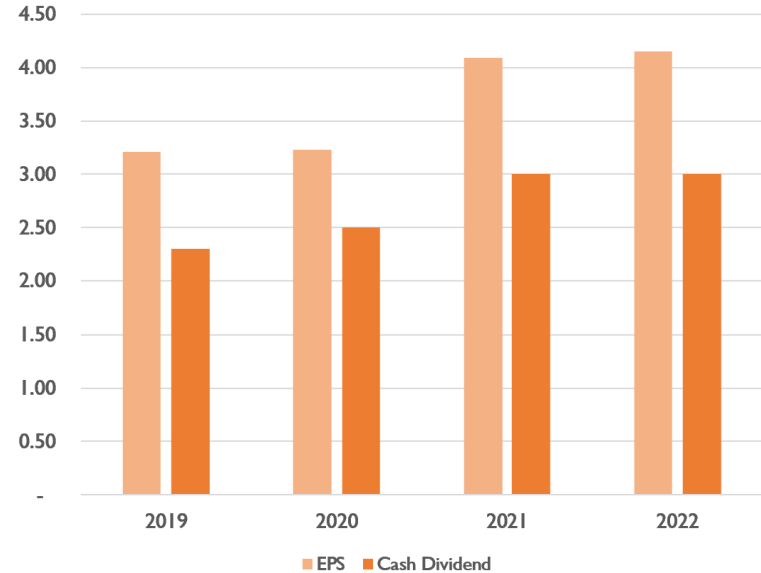
Revenue : GREEN ENERGY has been a key driver

Unit : NTD mn



EPS : Delivered solid growth

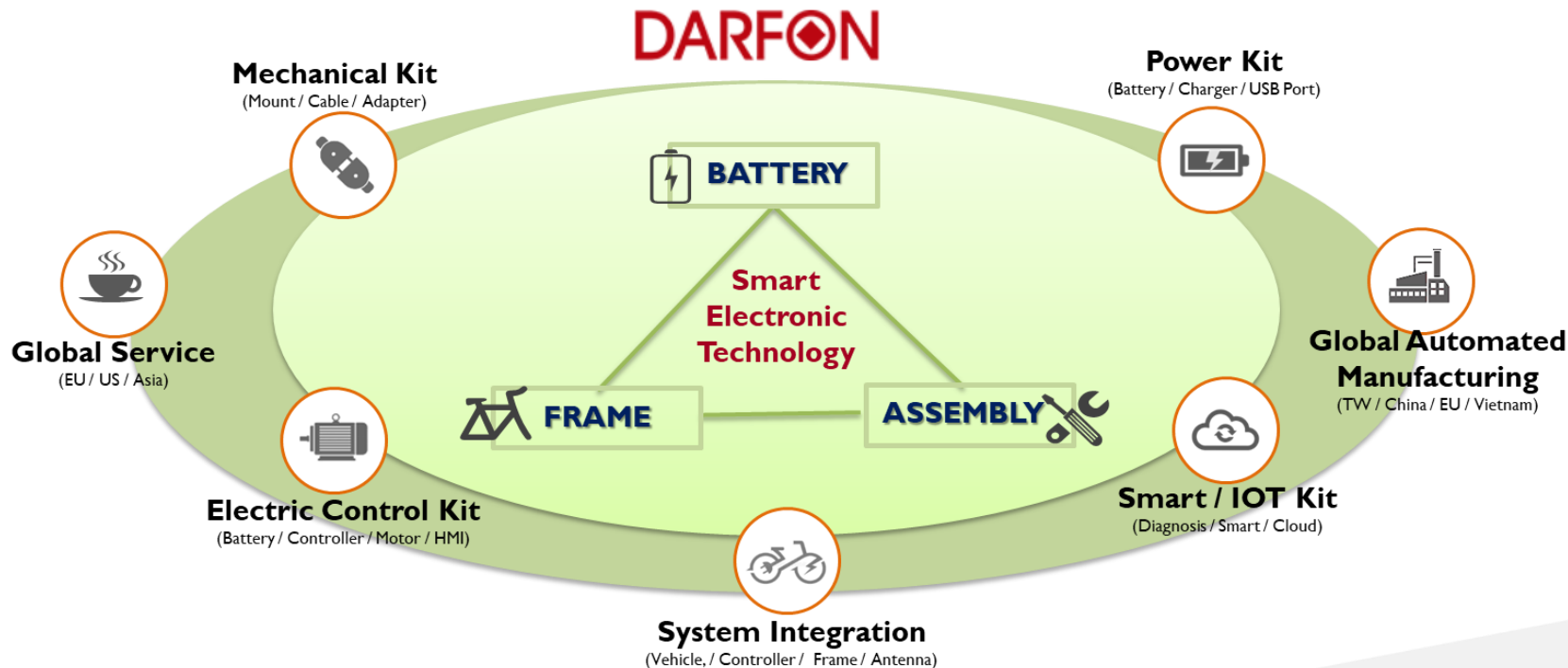
Unit : NTD



- Strong revenue momentum from Green Energy (Year 2022 : 47% of revenue contribution & >50% YoY)
- Consistent high cash dividend policy (Payout ratio >70%)

Green Energy :

A Trusted Smart E-Bike Solution Partner



Individual Options, Flexible Service, Total Solution

Revenue contribution reached 47% of total revenue in 2022

IT Peripherals :

Worldwide Top 3 NB Keyboard Supplier



Notebook PC Keyboard



Desktop PC Keyboard



Tablet PC Accessories



All-in-One PC Keyboard/Mouse Combo



Gaming Gears



Touchpad OEM

Integrated Components : Alliance for New Applications with New Products



Communication



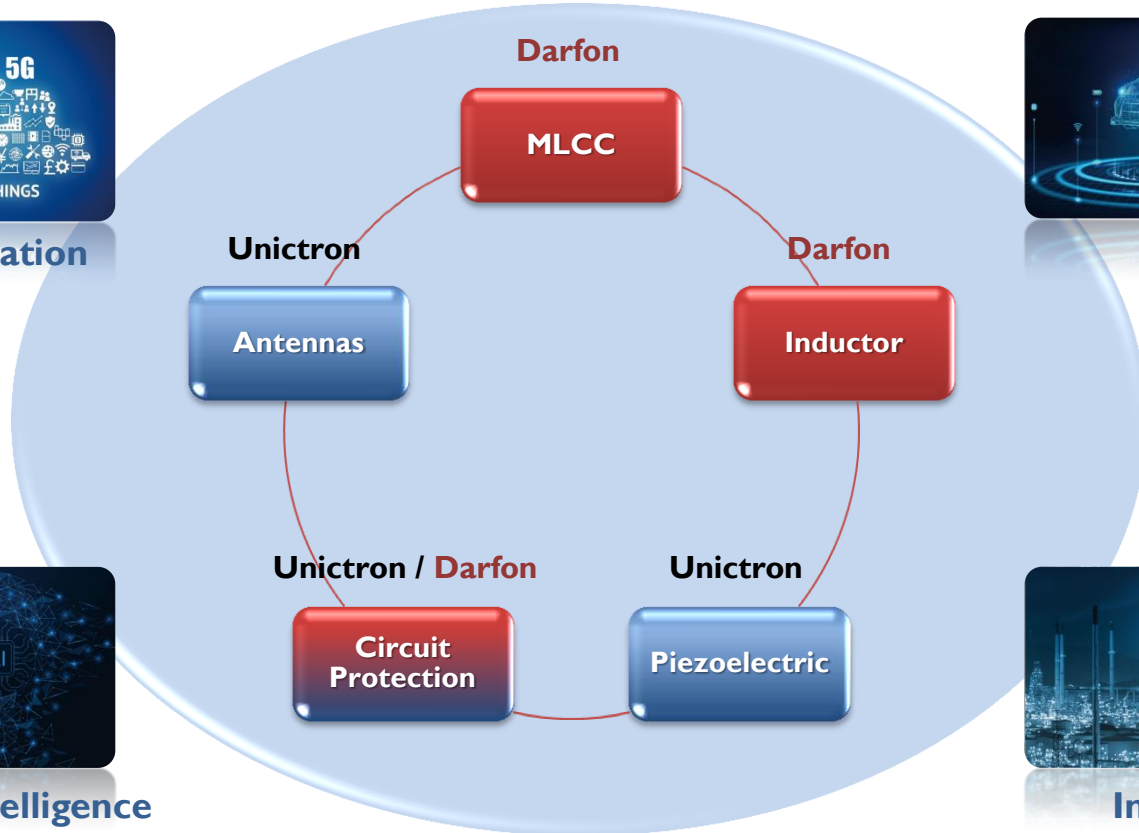
Auto



Artificial Intelligence



Industrial



ESG Awards and Recognition



Sustainalytics ESG
rating

17.57



FTSE Russell
ESG rating

3.5



Taiwan Corporate
Governance Evaluation

6%~20%

➤ TIP Taiwan Environmental Sustainability Index : top 25% company in 2021

➤ 2022 Asia Responsible Enterprise Award By Enterprise Asia

➤ 2021 Most Caring Companies Award by HR Asia

➤ Constituent of TWSE Corporate Governance 100 Index in 2021~2022

➤ Constituent of TWSE RAFI® Taiwan High Compensation 100 Index in 2018~2022

➤ 2022 TCSA Awards-Corporate Sustainability Report - Bronze prize



ASIA
RESPONSIBLE
ENTERPRISE AWARDS®



Financial Highlights



4Q22 Consolidated Income Statement Highlights

Unit: NT\$ million except per share data

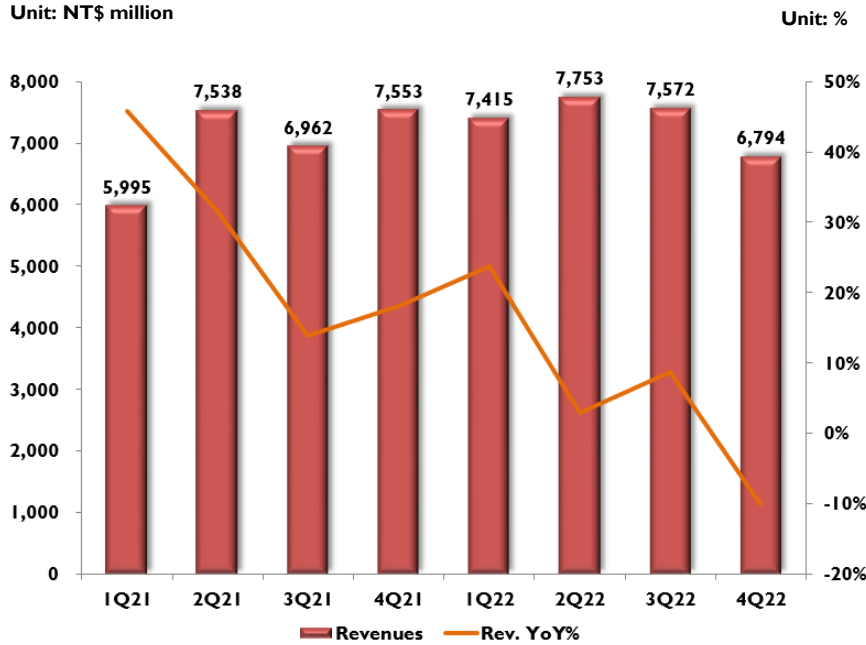
	4Q22		3Q22		QoQ%	4Q21		YoY%	2022		2021		YoY%
Net sales	6,794	100.0%	7,572	100.0%	-10.3%	7,553	100.0%	-10.1%	29,535	100.0%	28,049	100.0%	5.3%
Gross profit	1,177	17.3%	1,282	16.9%	-8.2%	1,240	16.4%	-5.1%	5,011	17.0%	4,665	16.6%	7.4%
Operating expenses	(814)	-12.0%	(864)	-11.4%		(817)	-10.8%		(3,401)	-11.5%	(3,176)	-11.3%	
Operating income	363	5.3%	418	5.5%	-13.1%	423	5.6%	-14.1%	1,610	5.5%	1,489	5.3%	8.1%
Net non-operating items	71	1.0%	132	1.7%	-46.4%	19	0.2%	281.6%	232	0.8%	164	0.6%	41.3%
Earning before income tax	434	6.4%	551	7.3%	-21.1%	442	5.8%	-1.7%	1,842	6.2%	1,654	5.9%	11.4%
Net income	359	5.3%	432	5.7%	-16.9%	358	4.7%	0.3%	1,454	4.9%	1,302	4.6%	11.7%
Net income attributable to:													
The parent company	289	4.3%	339	4.5%	-14.5%	331	4.4%	-12.6%	1,163	3.9%	1,147	4.1%	1.4%
Basic EPS (NT\$(a))	1.03		1.21			1.18			4.15		4.09		

(a) Basic EPS was calculated based on the weighted average outstanding shares (280m shares) of each period

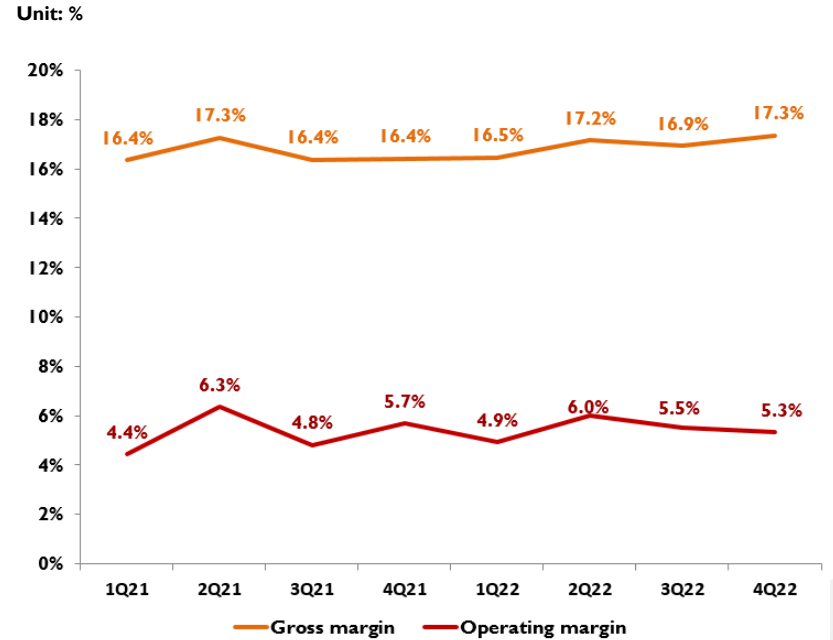
- Revenue decrease since PC and bike inventory adjustment
- Gross margin enhanced with better product portfolio

Rev YoY and Profit Margins

Quarterly Rev. & YoY%



Profit Margin Rate %



Q&A

Thank You!

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DARFON

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Introduction to Darfon Electronics Corp.