



# Twinhead International Corp. Investor Conference

Date : November 20, 2020

# Disclaimer

The information presented and referred herein are based upon the information obtained internally and externally from our company. In light of the forward-looking operational results, financial condition and business results, they might be different from those information expressly or impliedly presented herein due to various factors, including but not limited to market risks, supply chains, market demand and our upcoming high-quality products.

We undertake no obligation to publicly update or revise any statements regarding those information presented and referred herein in the event of any further changes or updates to the information presented herein.

# Agenda

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Company Overview

2

Business Profile

3

Financial Report

4

Q&A

# 1 Company Overview



# Basic Information(1)



**Established**

1984



**IPO**

1997



**Paid-in Capital**

NTD1,959 million



**Chairman**

Yu-Jen Kao



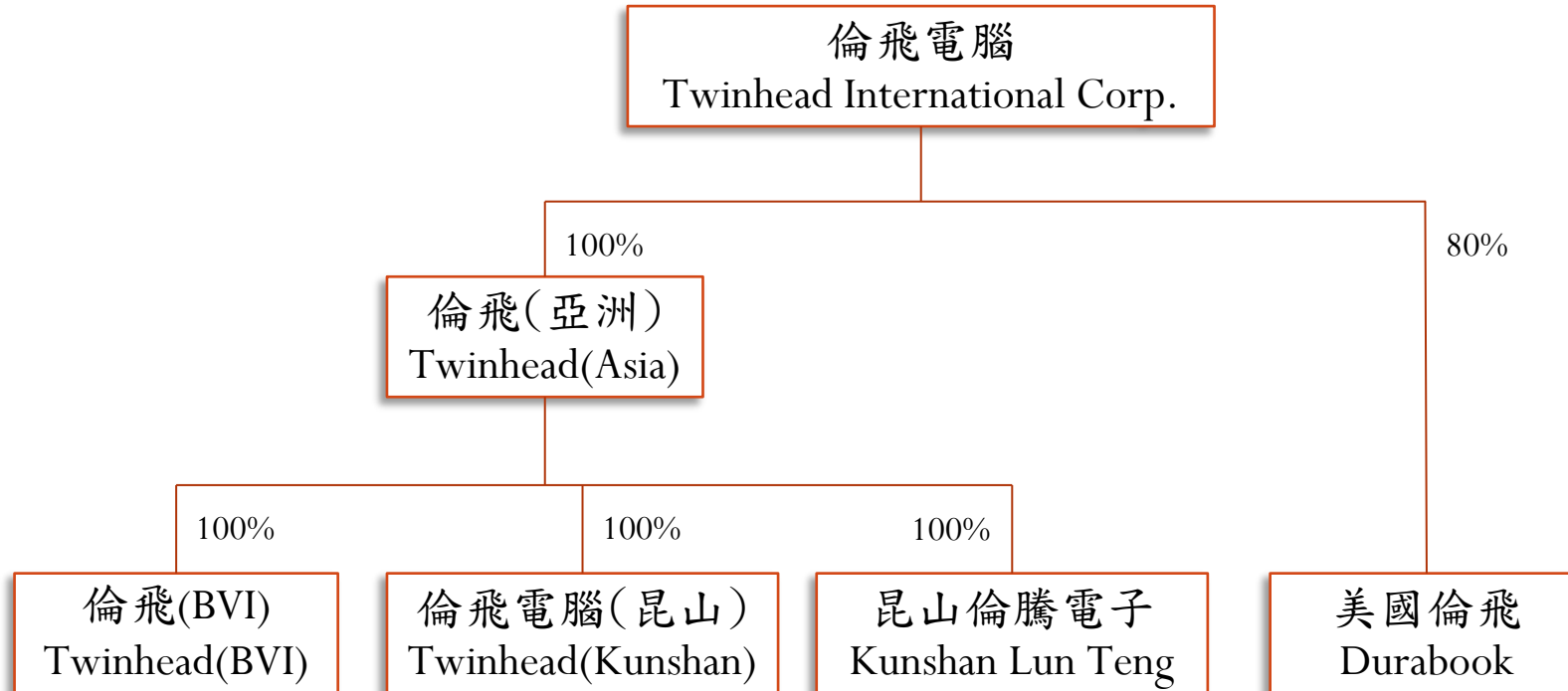
**GM**

Su-Fu Kao

## Basic Information(2)

★	<b>HQ</b>	Taiwan(Neihu,Taipei)
★	<b>Manufacturing Location</b>	Taiwan(Kaoshiang)
★	<b>Employee</b>	174
★	<b>Main Product</b>	Rugged NB & Tablet

# Group Organization Chart



# 2 Business Profile





# Core Business Introduction

## ★ Core Business

- Design/Manufacturing/Sales of Rugged Mobile Devices

## ★ Business Model

- Brand Durabook 60%
- ODM/Others 40%

## ★ Major Application Market

- Defense Public Safety(Police Fire Fighter Ambulance)
- Industries in Hazardous/Explosive Environment (Utility Oil/Gas Food Processing)

## ★ Sales Model

- Projects, Run-rate

## ★ Channel Structure

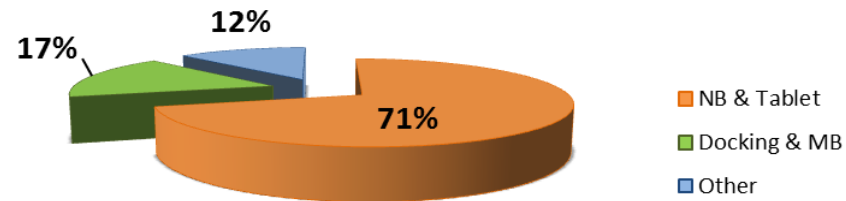
- System Integrator
- Distributor/Re-seller

# Durabook Key Initiatives

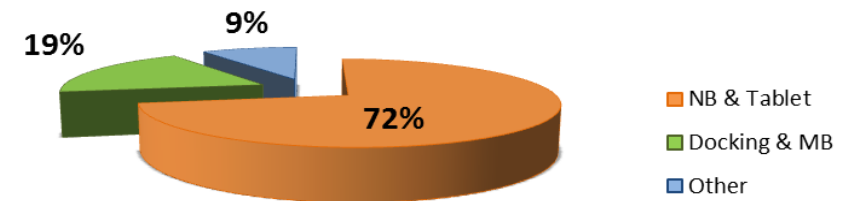
- ★ Expedite localization in major markets(Sales, Marketing, Services)
- ★ Expand channel coverage in secondary markets
- ★ Increase Brand Awareness
- ★ Increase value added of products

# Revenue Ratio by Product

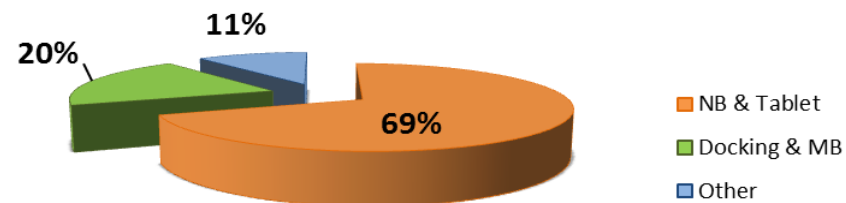
## Y2020Q1-3



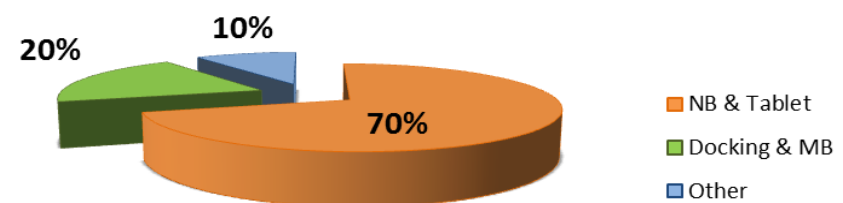
## Y2019



## Y2018

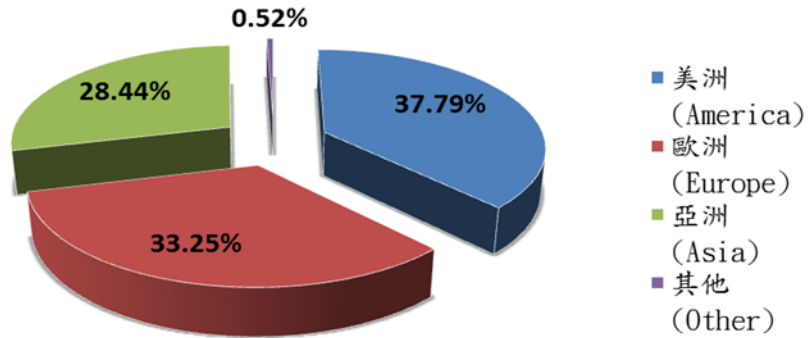


## Y2017

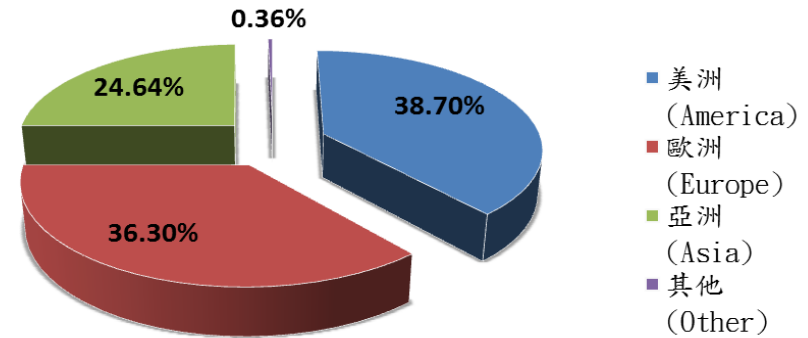


# Revenue Ratio by Region

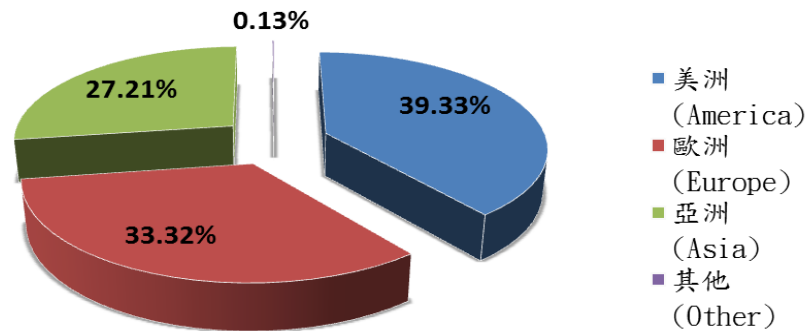
## Y2020Q1-3



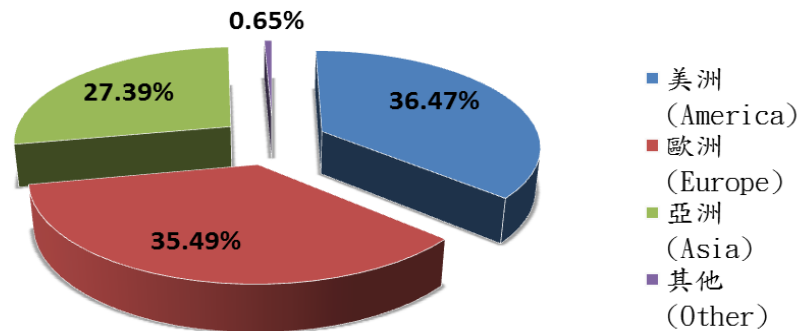
## Y2019



## Y2018



## Y2017

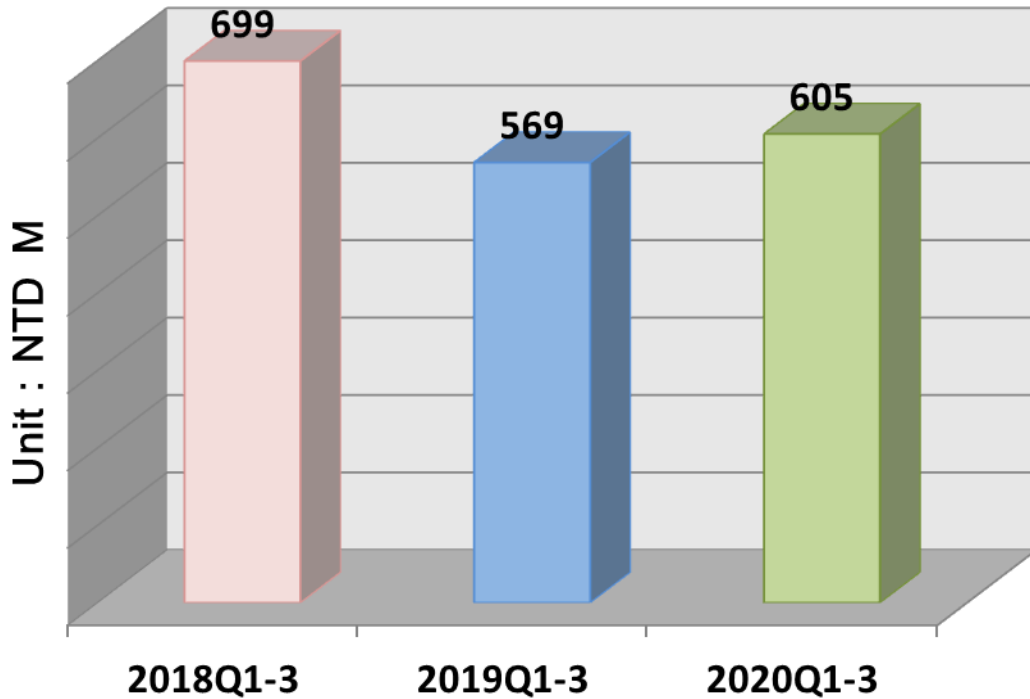


# 3 Financial Report

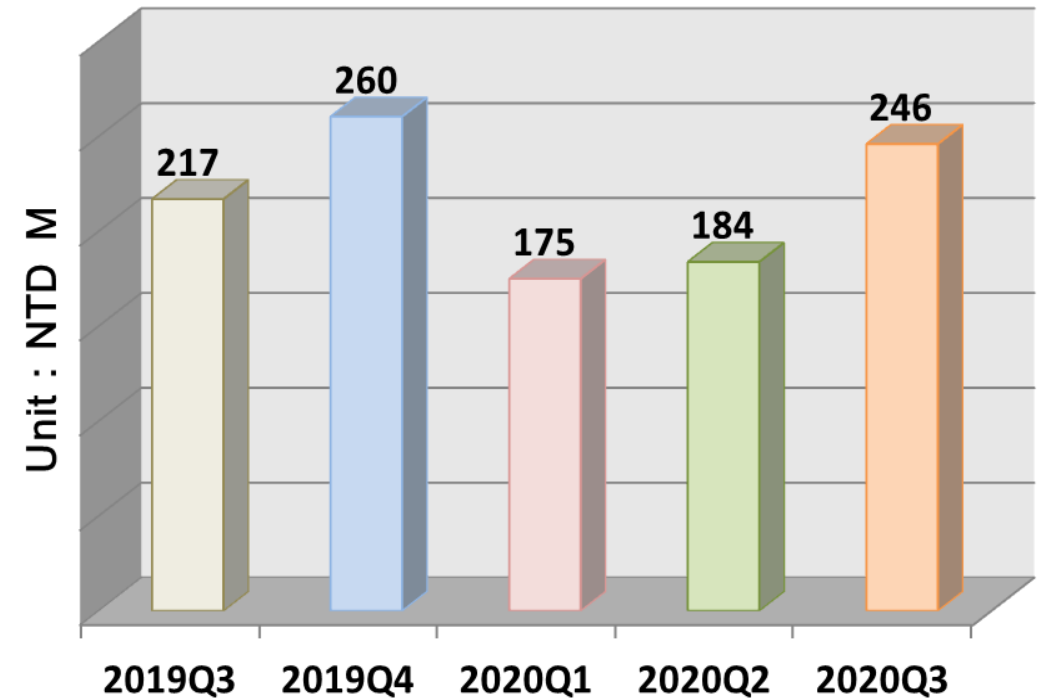


# Consolidated Revenue

## Consolidated Revenue-by Year



## Consolidated Revenue-by Quarter



# Consolidated Statements of Comprehensive Income(1)

Unit : NTD K

	2019	2020		QoQ	YoY
	Q3	Q2	Q3	%	%
Operating revenue	216,959	183,867	246,420	34.0%	13.6%
Gross profit	59,163	55,132	78,686	42.7%	33.0%
GP ratio(%)	27.27	29.98	31.93		
Operating expenses	78,765	60,138	57,948	-3.6%	-26.4%
Expenses ratio(%)	36.30	32.71	23.52		
Operating income(loss)	(19,602)	(5,006)	20,738	514.3%	205.8%
Non-operating income and expenses	(5,157)	(4,269)	4,823	213.0%	193.5%
Net income(loss) before tax	(24,759)	(9,275)	25,561	375.6%	203.2%
Net income(loss)	(24,759)	(9,313)	25,448	373.3%	202.8%
Other comprehensive income(loss), net	9,694	5,895	(2,753)	-146.7%	-128.4%
Total comprehensive income(loss)	(15,065)	(3,418)	22,695	764.0%	250.6%
Net income(loss) attributable to:					
Owners of parent	(19,084)	(7,827)	26,544	439.1%	239.1%
Non-controlling interests	(5,675)	(1,486)	(1,096)	26.2%	80.7%
Comprehensive income(loss) attributable to:					
Owners of parent	(9,429)	(2,166)	23,563	1187.9%	349.9%
Non-controlling interests	(5,636)	(1,252)	(868)	30.7%	84.6%
EPS(NTD)	(0.10)	(0.04)	0.14	450.0%	240.0%

# Consolidated Statements of Comprehensive Income(2)

	Unit : NTD K			
	2019	2020	YoY	
	Q1-3	Q1-3	Amount	%
Operating revenue	568,610	605,235	36,625	6.44%
Gross profit	151,760	183,849	32,089	21.14%
GP ratio(%)	26.69	30.38		
Operating expenses	230,920	183,358	(47,562)	-20.60%
Expenses ratio(%)	40.61	30.30		
Operating income(loss)	(79,160)	491	79,651	100.62%
Non-operating income and expenses	7,241	4,212	(3,029)	41.83%
Net income(loss) before tax	(71,919)	4,703	76,622	106.54%
Net income(loss)	(71,883)	4,552	76,435	106.33%
Other comprehensive income(loss), net	6,025	(1,433)	(7,458)	-123.78%
Total comprehensive income(loss)	(65,858)	3,119	68,977	104.74%
Net income(loss) attributable to:				
Owners of parent	(53,834)	9,463	63,297	117.58%
Non-controlling interests	(18,049)	(4,911)	13,138	72.79%
Comprehensive income(loss) attributable to:				
Owners of parent	(47,838)	9,407	57,245	119.66%
Non-controlling interests	(18,020)	(6,288)	11,732	65.11%
EPS(NTD)	(0.27)	0.05	0.32	118.52%



# Consolidated Balance Sheets

	2019			2020			Unit : NTD K
	2019		2020	2019		2020	
	9/30	12/31	9/30	9/30	12/31	9/30	
<b>Assets</b>				<b>Liabilities</b>			
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	147,949	153,465	224,076	Short-term borrowings	610,000	590,000	620,000
Accounts receivable, net	96,022	84,994	59,172	Notes payable	379	336	225
Other receivables	15	-	15	Accounts payable	128,144	129,711	126,080
Inventories	240,377	206,348	226,140	Other payables	50,278	50,860	47,436
Other current assets	16,705	16,899	14,411	Provisions-current	5,878	4,264	5,600
<b>Total current assets</b>	<b>501,068</b>	<b>461,706</b>	<b>523,814</b>	Current lease liabilities	17,561	15,978	16,380
				Other current liabilities	52,070	33,254	40,682
				<b>Total current liabilities</b>	<b>864,310</b>	<b>824,403</b>	<b>856,403</b>
				<b>Non-current liabilities</b>			
				Long-term borrowings	-	-	7,025
				Provisions-non-current	3,843	6,140	5,284
				Non-current lease liabilities	60,549	50,932	38,341
				Guarantee deposits received	6,823	6,748	6,727
<b>Non-current assets</b>				Other non-current liabilities	1,679	2,423	1,685
Non-current financial assets at fair value through other comprehensive income	24,601	18,082	6,964	<b>Total non-current liabilities</b>	<b>72,894</b>	<b>66,243</b>	<b>59,062</b>
Property, plant and equipment	297,229	294,685	288,147	<b>Total liabilities</b>	<b>937,204</b>	<b>890,646</b>	<b>915,465</b>
Right-of-use assets	88,132	76,960	64,073	<b>Equity</b>			
Investment property, net	201,559	199,727	197,395	Share capital	1,989,398	1,989,398	1,959,324
Deferred tax assets	44,279	43,890	43,567	Accumulated deficits	(1,530,794)	(1,535,036)	(1,723,244)
Refundable deposits	7,620	7,237	7,132	Other equities	24,505	22,458	24,942
Other non-current assets	37,438	41,377	32,363	Treasury shares	(202,059)	(202,059)	-
<b>Total non-current assets</b>	<b>700,858</b>	<b>681,958</b>	<b>639,641</b>	Non-controlling interests	(16,328)	(21,743)	(13,032)
<b>Total assets</b>	<b>1,201,926</b>	<b>1,143,664</b>	<b>1,163,455</b>	<b>Total equity</b>	<b>264,722</b>	<b>253,018</b>	<b>247,990</b>
				<b>Total liabilities and equity</b>	<b>1,201,926</b>	<b>1,143,664</b>	<b>1,163,455</b>

# 4 Q&A



Prepared  
for  
the Unexpected

*Thank You!*

DURANBOOK