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## **TPK REPORTS UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE FOURTH QUARTER OF 2023**

Taipei, Taiwan, Mar 5 2024 – TPK Holding Co., Ltd. (TWSE: 3673) (“TPK” or the “Company”) today announced 2023 4<sup>th</sup> quarter unaudited consolidated operating results. Company reported revenues of NT\$18,255 million and net profit of NT\$3 million for the quarter. For the full year of 2023, revenues reached NT\$69,861 million and EPS amounted to NT\$0.51.

### **4Q23 Operating Results**

Demand for global PC remained moderate in 4Q23, leading to a muted top-line growth for the Company. TPK reported 4Q23 revenues of NT\$18,255 million, up 1.1% quarter-on-quarter and down 16.3% year-on-year. Gross profit amounted to NT\$864 million, up 15.7% from the previous year and down 17.2% sequentially. Gross margin lowered from 5.8% to 4.7%, mainly due to changes in product and customer mix. Demand for tablet products (7”~11”) remained robust and recorded a revenues growth of 11.9% quarter-on-quarter. On the contrary, revenues from notebook PC (11”~16”) registered a sequential decline of 4.5%. In addition, smartphone segment (<7”) continued to undergo product transition, posting 34.7% sequential decline and accounted for only 12% of 4Q23 revenues.

For COGS breakdown, raw materials were NT\$15,048 million, representing 82.4% of revenues, slightly higher from 81.9% from 3Q23 on the back of unfavorable product mix. Labor expense increased slightly to NT\$1,195 million, equivalent to 6.5% of revenues, up from 6.1% earlier. Depreciation cost continued to trend lower to N\$762 million, down from 4.7% to 4.2% of revenues.

For the fourth quarter, Company recorded net interest income of NT\$124 million and foreign exchange loss of NT\$12 million. Strategic investments totaled a loss of NT\$174 million mainly due to market volatility and write-off. Other non-operating income was NT\$36 million, including government subsidies and rental income. For 4Q23, net profit amounted to NT\$3 million.

### **2023 Full Year Operating Results**

In the backdrop of persistent weak global PC demand for 2023 and smartphone product transition, TPK reported unaudited consolidated revenues of NT\$69,861 million for the year, down 28.1% year-on-year.

In terms of product mix, revenues from tablet (7" to 11") and notebook PC (11" to 16") segments declined 29.9% and 40.4%, respectively from the year earlier as PC sales sagged. Smartphone product (<7") posted 28.6% year-on-year decline as a major product toward end of its product lifecycle. Large form factor (>16"), including automotive, registered a sequential growth of 16.6%. Total shipments were 60 million, down 32.6% compared to 2022.

Gross profits recorded at NT\$3,230 million, down 21.5% from the previous year, as a result of reduced business scale. Gross margin, on the other hand, improved slightly from 4.2% for the previous year to 4.6%. Operating profits amounted to NT\$5 million above breakeven. Amid global inflation, monetary policy tightening and challenging transition for new businesses, Company posted non-operating profits of NT\$588 million for 2023. Net profits totaled to NT\$208 million for the year, equivalent to EPS of NT\$0.51.

### **Balance Sheet & Cash Flow**

As of December 31 2023, cash and cash equivalent<sup>1</sup> were NT\$46,321 million, down from NT\$50,608 million at the end of third quarter. Total bank borrowings reduced in conjunction with decline in cash equivalent from NT\$34,453 million to NT\$29,778 million. Capital expenditure for the fourth quarter was NT\$298 million on accrual basis. EBITDA remained healthy at NT\$1,271 million for the quarter. For the full year of 2023, EBITDA reached NT\$5,964 million. TPK remained at net cash of NT\$16,543 million as of December 31 2023.

Note: All financial numbers are prepared in accordance with IFRs, which is approved by regulators in Taiwan.

Note 1: Cash and cash equivalent includes "Cash Equivalents" and "Risk-Free Banking Financial Product."

### **IR Contact**

Freddie Liu, Chief Strategy Officer

Tracy Tsai, Chief Financial Officer

Kevin Wang, Senior Director

Tel: +886.2.6619.1196

[ir@tpk.com](mailto:ir@tpk.com)

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### **ABOUT TPK**

TPK was founded for touch solutions in 2003. We are the inventor of transparent glass-based projected capacitive (P-Cap) touch solutions and the first company for mass production. TPK excels at defining new technology mass production processes with in-house automation and flexible production capabilities. Our production sites are located in Xiamen City of Fujian Province, China.

#### 4Q23 PROFIT & LOSS

Profit & Loss	4Q23	3Q23	QoQ	4Q22	YoY
(NT\$ million)					
<b>Revenues</b>	<b>18,255</b>	<b>18,053</b>	<b>1.1%</b>	<b>21,802</b>	<b>(16.3%)</b>
COGS	(17,391)	(17,009)		(21,055)	
<b>Gross Profits</b>	<b>864</b>	<b>1,044</b>	<b>(17.2%)</b>	<b>747</b>	<b>15.7%</b>
Operating Expenses	(871)	(788)		(954)	
SG&A	(725)	(650)		(781)	
R&D	(146)	(138)		(173)	
<b>Operating Profits</b>	<b>(6)</b>	<b>256</b>	<b>-</b>	<b>(207)</b>	<b>-</b>
Non-Op Inc/(Exp)	(25)	(56)		236	
<i>Int Inc/(Exp)</i>	124	100		16	
<i>FX Gain/(Loss)</i>	(12)	(71)		(50)	
<i>Others</i>	(138)	(85)		270	
<b>Earnings Before Tax</b>	<b>(32)</b>	<b>199</b>		<b>29</b>	
Income Tax	57	(139)		(7)	
<b>Net Income (Parent)</b>	<b>3</b>	<b>72</b>		<b>20</b>	
<b>EPS (Parent)</b>	<b>-</b>	<b>0.18</b>		<b>0.05</b>	
<b>EBITDA</b>	<b>1,271</b>	<b>1,589</b>		<b>1,337</b>	
<b>Margin:</b>					
GM	4.7%	5.8%		3.4%	
OM	(0.0%)	1.4%		(0.9%)	
NM	0.0%	0.4%		0.1%	
Op Exp	(4.8%)	(4.4%)		(4.4%)	

Note: 4Q'23 Fully Diluted Weighted Average: 407 million shares

#### 2023 PROFIT & LOSS

Profit & Loss	2023	2022	YoY
(NT\$ million)			
<b>Revenues</b>	<b>69,861</b>	<b>97,181</b>	<b>(28.1%)</b>
COGS	(66,631)	(93,066)	
<b>Gross Profits</b>	<b>3,230</b>	<b>4,114</b>	<b>(21.5%)</b>
Operating Expenses	(3,226)	(3,565)	
SG&A	(2,640)	(2,869)	
R&D	(586)	(695)	
<b>Operating Profits</b>	<b>5</b>	<b>550</b>	<b>(99.1%)</b>
Non-Op Inc/(Exp)	588	710	
<i>Int Inc/(Exp)</i>	453	(45)	
<i>FX Gain/(Loss)</i>	37	46	
<i>Others</i>	98	709	
<b>Earnings Before Tax</b>	<b>593</b>	<b>1,260</b>	<b>(52.9%)</b>
Income Tax	(367)	(678)	
<b>Net Income (Parent)</b>	<b>208</b>	<b>544</b>	<b>(61.7%)</b>
<b>EPS (Parent)</b>	<b>0.51</b>	<b>1.34</b>	
<b>EBITDA</b>	<b>5,964</b>	<b>6,231</b>	
<b>Margin:</b>			
GM	4.6%	4.2%	
OM	0.0%	0.6%	
NM	0.3%	0.6%	
Op Exp	(4.6%)	(3.7%)	

Note: 2023 Fully Diluted Weighted Average: 407 million shares

#### 4Q23 BALANCE SHEET

Balance Sheet	2023/12/31	2023/9/30	2022/12/31
(NT\$ million)			
Cash Equivalents	33,941	33,698	24,284
Risk-Free Banking Financial Product	12,380	16,910	9,972
Receivables	9,123	10,459	8,433
Other Receivables	2,930	3,472	6,130
Inventories	6,594	6,455	9,270
<b>Current Assets</b>	<b>66,988</b>	<b>73,030</b>	<b>59,833</b>
<b>PP&amp;E</b>	<b>11,665</b>	<b>15,038</b>	<b>17,574</b>
<b>Total Assets</b>	<b>87,823</b>	<b>95,813</b>	<b>83,600</b>
ST Loans	14,167	16,954	12,349
Payables	10,109	9,348	9,394
<b>Current Liabilities</b>	<b>30,538</b>	<b>33,934</b>	<b>28,623</b>
<b>LT Loans</b>	<b>15,611</b>	<b>17,499</b>	<b>11,969</b>
<b>Total Liabilities</b>	<b>50,877</b>	<b>57,009</b>	<b>46,228</b>
Common Shares	4,067	4,067	4,067
Retained Earnings	4,525	4,521	4,519
<b>Total Shareholder's Equities</b>	<b>36,947</b>	<b>38,804</b>	<b>37,372</b>
<b>Ratio Analysis:</b>			
Quick Ratio	1.98	1.96	1.77
Current Ratio	2.19	2.15	2.09
ROE (YTD Annualized)	0.6%	0.7%	1.5%
Net Debt to Equity	Net Cash	Net Cash	Net Cash

Note: PP&E includes prepayments.