

Alpha Networks Inc. Investor Conference

2025/3/3

Safe Harbor Notice

The statements contained in this release are “forward-looking statements” except for historical data and are subject to risks and uncertainties which may make actual performances and results differ materially from those contained in the forward-looking statements. Risk and uncertainties include financial stability of international market, demand in end market, supply chain, impact of competitive products and pricing, exchange rate fluctuations, and other risks beyond the control of the Company.

Agenda

- 1. Business Outlook**
- 2. 2024 Financial Results**
- 3. Product Strategy and Market Development**
- 4. Q&A**

Business Outlook



2024 Strategy - Specialization, Synergy, and Continuing Growth

- **Reorganization to strengthen Hitron's channels in telecom business.**
- **Alpha focuses on professional ODM/OEM, and keep developing emerging markets and new customers**
- **Continue to grow in system integration business.**
- **M&A**

2025 Outlook – Growth, Efficiency, Transformation

- **Data Center / AI Data Center**
- **Integration of Hitron's factories to improve operational efficiency**
- **New business in India to achieve economies of scale**

NCG Winning Strategies

- Optimize switches, broadband products

- AI switch, 5G private network deployment, aim to LEO satellite

Optimization of Current Business

- ✓ Increase the proportion of high-end product and gross profit
- ✓ Utilize original channels and provide more products and services

Innovative Products and Services

- ✓ Strengthen software capabilities
- ✓ Continuing innovation on hardware and services

AIoT

Expansion

- ✓ New channels: vertical networking markets for Telecom
- ✓ New markets: India, Data Center

Creation of Synergy

- ✓ Economy of scale
- ✓ Reduce redundant investment

2024 Financial Results



Consolidated Statements of Comprehensive Income (YTD)

NT\$ Millions

Operating Revenue

Operating Costs

Gross Profit

Operating Expenses

Net Operating Income

Non-Operating Income

Income Before Tax

Net Income (Loss)

Profit attributable to owners of parent

EPS (NT\$)

	2024		2023		YTD YoY	
					amt	g %
Operating Revenue	21,444	100.0%	28,272	100.0%	(6,828)	-24%
Operating Costs	(17,514)	81.7%	(23,061)	81.6%	5,547	-24%
Gross Profit	3,930	18.3%	5,211	18.4%	(1,281)	-25%
Operating Expenses	(3,822)	-17.8%	(4,382)	-15.5%	560	-13%
Net Operating Income	108	0.5%	829	2.9%	(721)	-87%
Non-Operating Income	407	1.9%	(22)	-0.1%	429	1,950%
Income Before Tax	515	2.4%	807	2.8%	(292)	-36%
Net Income (Loss)	342	1.6%	640	2.3%	(298)	-47%
Profit attributable to owners of parent	219	1.0%	548	1.9%	(329)	-60%
EPS (NT\$)	\$0.40		\$1.01		(\$0.61)	

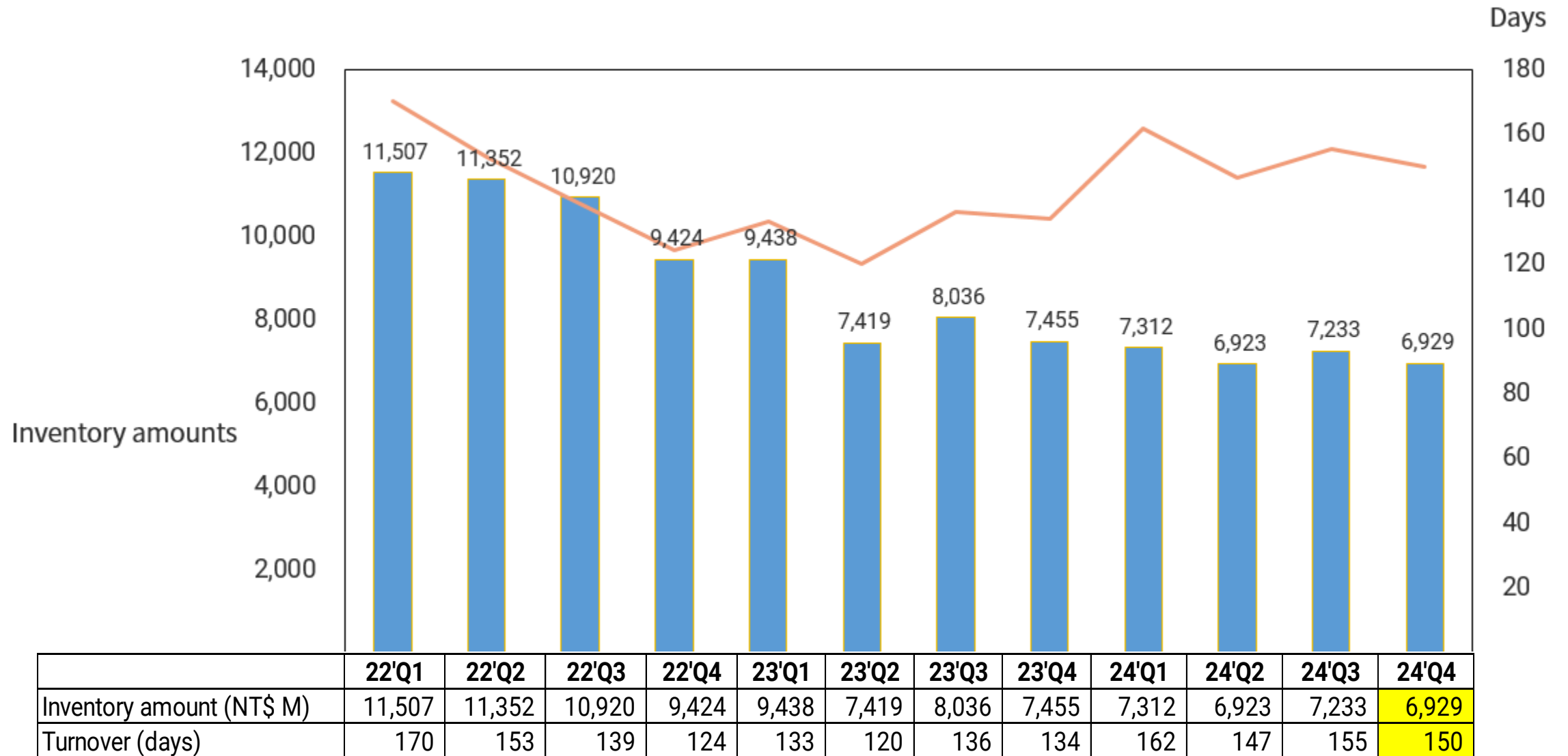
Consolidated Balance Sheets

NT\$ Millions

	31-Dec-24		31-Dec-23		YoY	
					amt	g%
Cash and Cash Equivalents	3,957	17%	3,201	13%	756	24%
Accounts Receivable	3,971	17%	4,899	21%	(928)	-19%
Inventories	6,929	30%	7,455	31%	(526)	-7%
Other Current Assets ^(note)	847	4%	913	4%	(66)	-7%
Non-current Assets	7,541	32%	7,331	31%	210	3%
Total Assets	23,245	100%	23,799	100%	(554)	-2%
Current Liabilities	8,340	36%	8,762	37%	(422)	-5%
Non-current Liabilities	922	4%	1,707	7%	(785)	-46%
Total Liabilities	9,262	40%	10,469	44%	(1,207)	-12%
Ordinary Share Capital	5,417	23%	5,417	23%	-	-
Equity attributable to Owners of Parent	9,915	43%	10,013	42%	(98)	-1%
Non-controlling Interests	4,068	17%	3,317	14%	751	23%

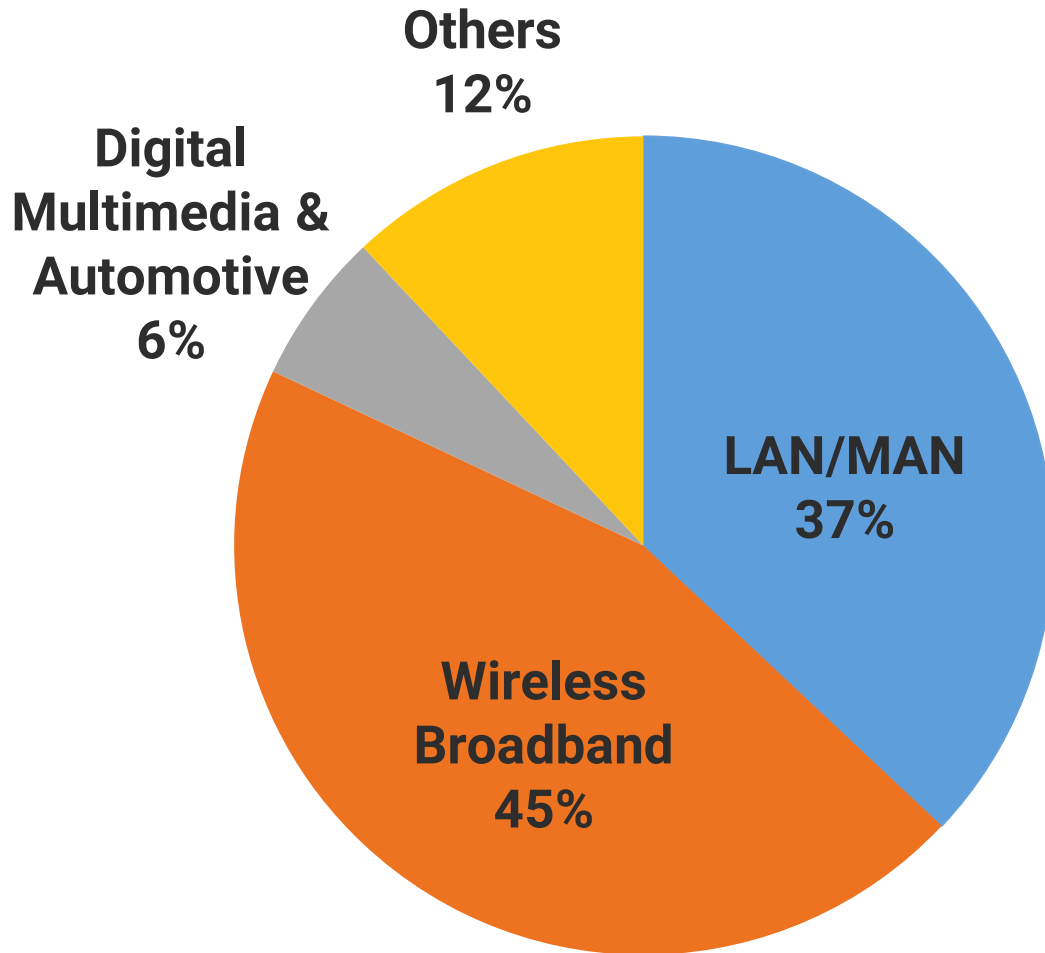
(Note) Other current assets includes deposits with original maturities of more than three months: NT\$73M and NT\$20M as of Dec. 31, 2024 and 2023.

Inventories continue to decrease

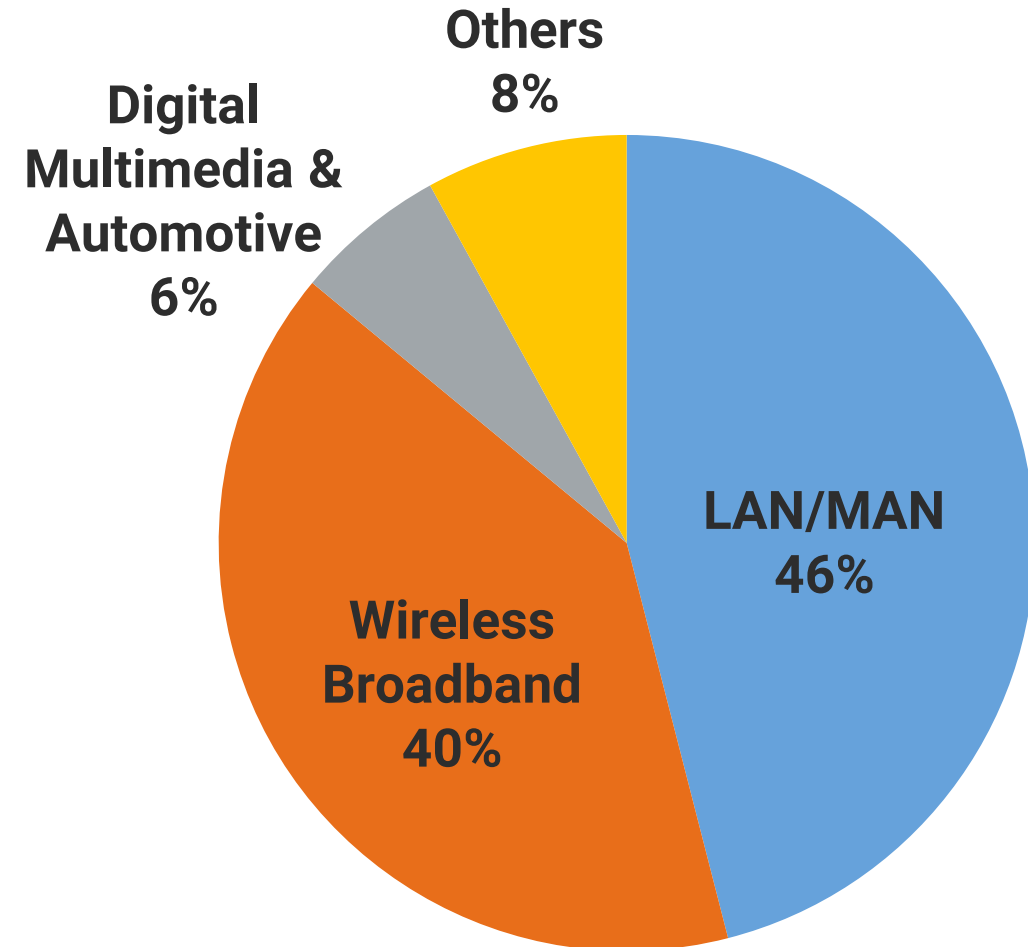


Revenue Breakdown by Product

2024

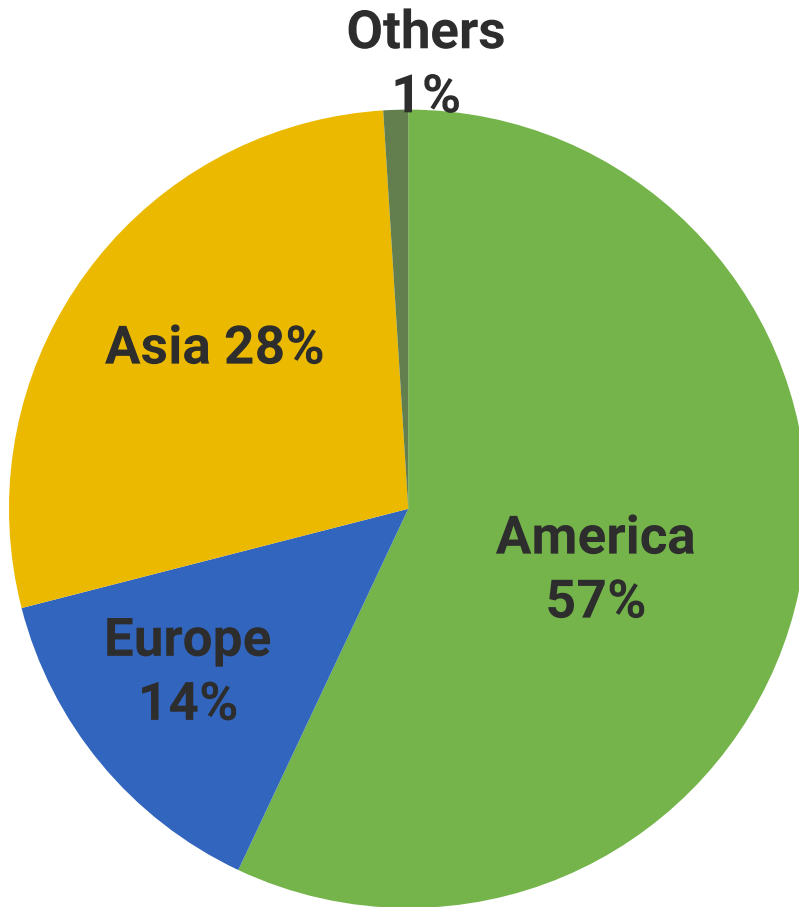


2023

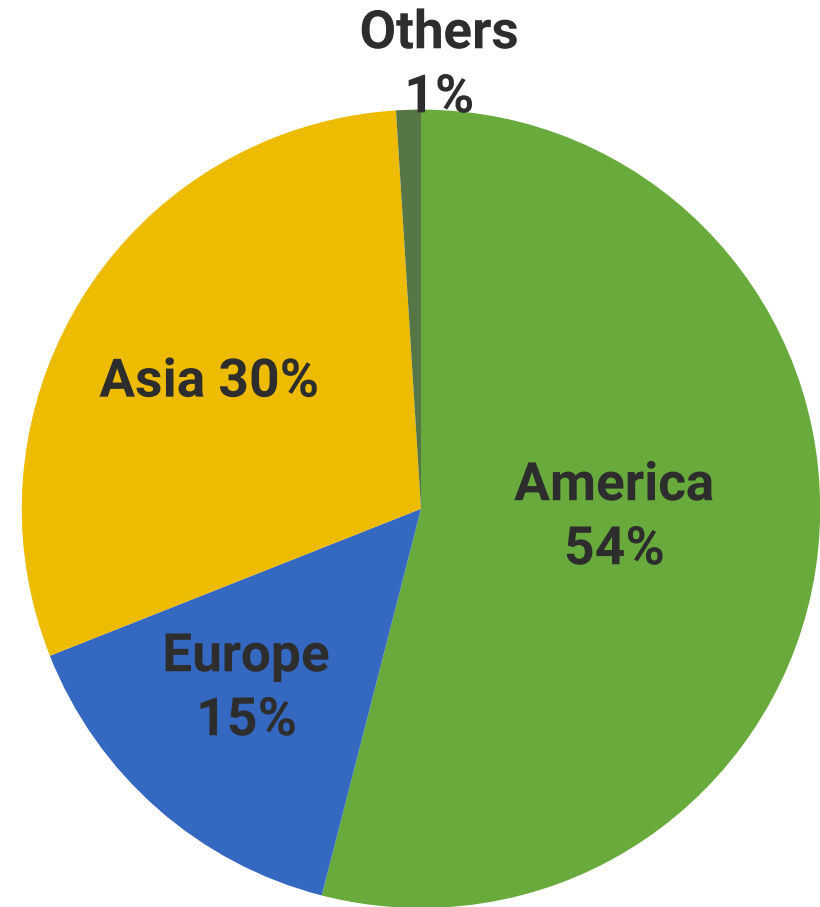


Revenue Breakdown by Region

2024



2023



ALPHA won two major awards at the 17th Taiwan Corporate Sustainability Awards (TCSA 2024), including “**Sustainability Comprehensive Performance Award - Excellent Company**” and “**Corporate Sustainability Reports - Gold Award.**” ALPHA has won an award in the Large Enterprise - Manufacturing category of the 6th “**Corporate Health Responsibility (CHR) Awards**” (2024) hosted by the CommonHealth Magazine. The award recognizes the tremendous efforts ALPHA has made in all areas in promoting employee health and talent development. ALPHA has won the 2024 “**CommonWealth Talent Sustainability Award**” in the manufacturing enterprise category. The award recognizes the efforts ALPHA made in the six core areas such as employee welfare, healthy workplace, diversity and inclusion, and talent growth, and highlights how we became the role model for sustainable talent development in Taiwan!



Corporate Sustainability Reports
Gold Award



Sustainability Comprehensive
Performance Award
Excellent Company



Corporate Health
Responsibility (CHR)
Awards



CommonWealth Talent
Sustainability Award

Product Strategy and Market Development



2025 Product Strategy / Market Development

Product Strategy

- **Data Center Switches:**
 - 400G switches shipments will increase
 - 800G switches start mass production
 - 1.6T switches sampling at end of 2025
- **Enterprise Switches** : shipments to Japanese new customers at end of year
- **DOCSIS 4.0**: target on revenue injection from North American market starting from Q1
- **Wi-Fi 7**: shipments to Japan market starting from Q2

Market Development

- **Indian Market**: mass production in Q1



Q & A



THANK YOU