

Alpha Networks Inc. Investor Conference : 2020 Q4 Results

2021/3/22

Safe Harbor Statement

Except for the statements in respect of historical matters, the statements contained in this release are “forward-looking statements” subject to risks and uncertainties which may make actual performances and results differ materially from those contained in the forward-looking statements, including the 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.

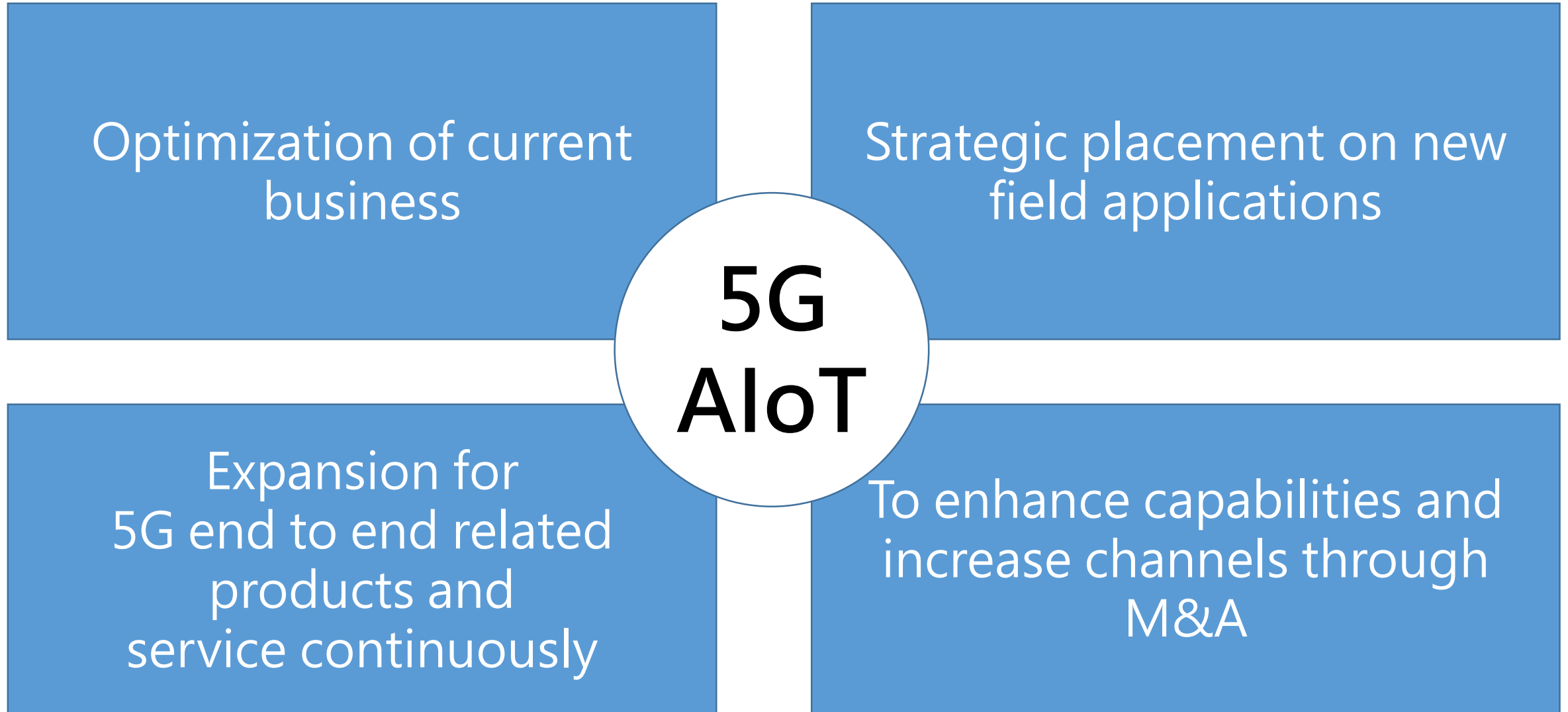
Agenda

1. Business Outlook
2. 2020 Q4 Financial Results
3. Operations and Developments
4. Q&A

Business Outlook



Alpha's Winning Strategies



Accomplished with Winning Strategies

- **Optimization of current business**
 - Providing high level switches to enterprises, industry, datacenter and telecom.
 - Combining broadband channels to provide differentiated services of wireless broadband products.
 - To enhance the capabilities of digital multimedia products continuously.
- **Expansion for 5G end to end related products and service continuously**
 - To enhance capabilities of 5G products.
 - Providing end to end related products.
- **Strategic placement on new field applications**
 - Vertical Market.
 - Datacenter, telecommunications network and automotive electronics.
- **To enhance capabilities and increase channels through M&A**

2020 Q4 Financial Results



Consolidated Statements of Comprehensive Income (Quarterly)

NT\$ Millions	4Q 2020		3Q 2020		QoQ	
	Amount	%	Amount	%	Amount	%
Net Revenue	9,790	100.0	9,671	100.0	119	1.2
Cost of Goods Sold	8,353	85.3	8,213	84.9	140	1.7
Gross Profit	1,437	14.7	1,458	15.1	(21)	(1.4)
Operating Expenses	1,082	11.0	1,081	11.2	1	0.1
Operating Income	355	3.6	377	3.9	(22)	(5.8)
Non-Operating Income	37	0.4	(51)	(0.5)	88	171.9
Income Before Tax	392	4.0	326	3.4	66	20.1
Net Income (Loss)	315	3.2	264	2.7	51	19.5
Net income attributable to shareholders of the Company	235	2.4	240	2.5	(5)	(2.2)
EPS (NT\$)	0.43		0.44			

Consolidated Statements of Comprehensive Income (YTD)

NT\$ Millions	2020 ^(note)		2019		YoY	
	Amount	%	Amount	%	Amount	%
Net Revenue	32,171	100.0	15,826	100.0	16,345	103.3
Cost of Goods Sold	27,164	84.4	13,212	83.5	13,952	105.6
Gross Profit	5,007	15.6	2,614	16.5	2,393	91.5
Operating Expenses	4,109	12.8	2,382	15.0	1,727	72.5
Operating Income	898	2.8	232	1.5	666	286.7
Non-Operating Income	22	0.1	108	0.6	(86)	(79.7)
Income Before Tax	920	2.9	340	2.1	580	170.6
Net Income (Loss)	725	2.3	239	1.5	486	203.5
Net income attributable to shareholders of the Company	557	1.7	239	1.5	318	133.1
EPS (NT\$)	1.03		0.44			

(Note) The Company consolidated the Hitron Technologies and its subsidiaries into the consolidated statements of comprehensive income since 2020/01/01.

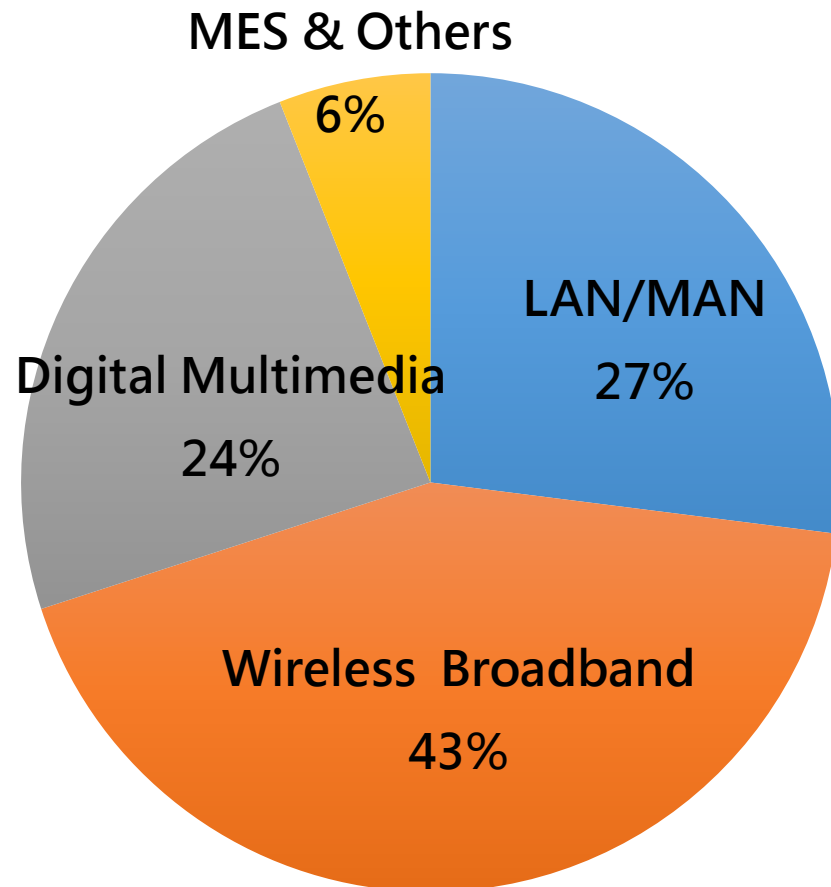
Consolidated Balance Sheets

NT\$ Millions	31-Dec-20		31-Dec-19		YoY	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalents	5,710	21.1	5,918	23.7	(208)	(3.5)
Accounts Receivable	6,801	25.2	4,293	17.2	2,508	58.4
Inventories	7,029	26.0	5,089	20.4	1,940	38.1
Other Current Assets	1,167	4.4	3,849	15.4	(2,682)	(69.7)
Non-current Assets	6,299	23.3	5,851	23.3	448	7.7
Total Assets	27,006	100.0	25,000	100.0	2,005	8.0
Current Liabilities	13,716	50.8	9,585	38.4	4,130	43.1
Non-current Liabilities	552	2.1	1,368	5.5	(816)	(59.6)
Total Liabilities	14,268	52.8	10,953	43.9	3,314	30.3
Common Stock	5,417	20.1	5,426	21.7	(9)	(0.2)
Equity attributable to shareholders of the parent	9,704	35.9	9,981	39.9	(277)	(2.8)
Non-controlling interests	3,034	11.2	4,066	16.2	(1,032)	(25.4)

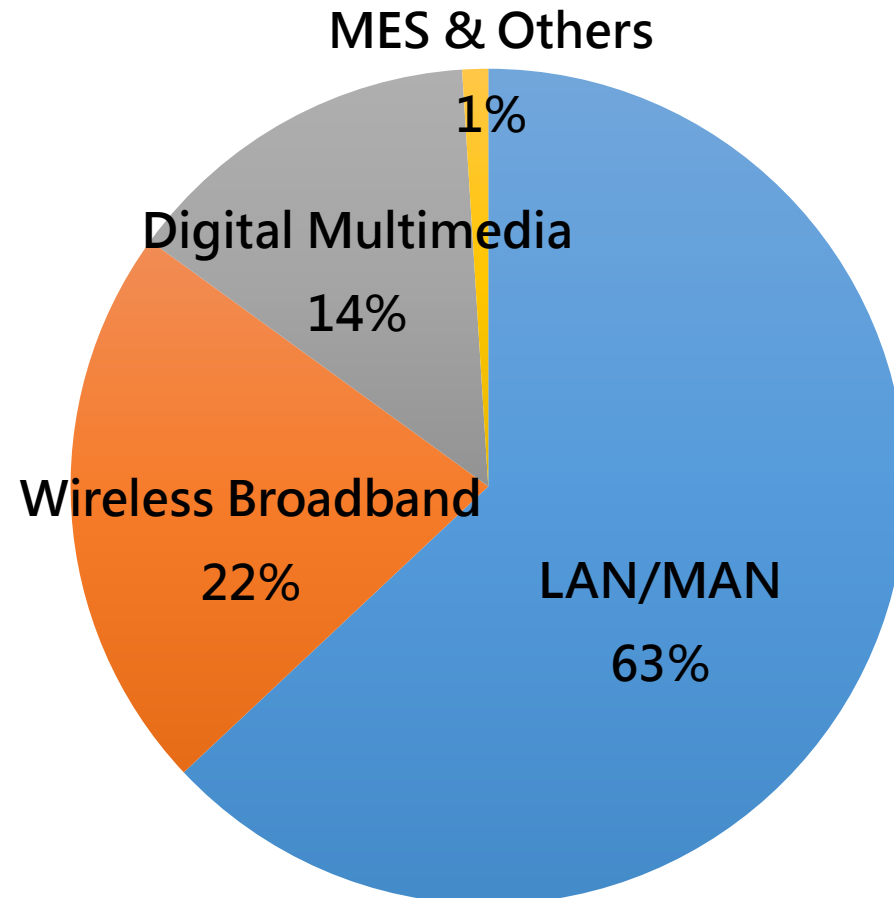
(Note) Other current assets includes deposits with original maturities of more than three months: NT\$139M and : NT\$1,054M as of Dec. 31, 2020 and 2019.

Revenue Breakdown by Product

2020

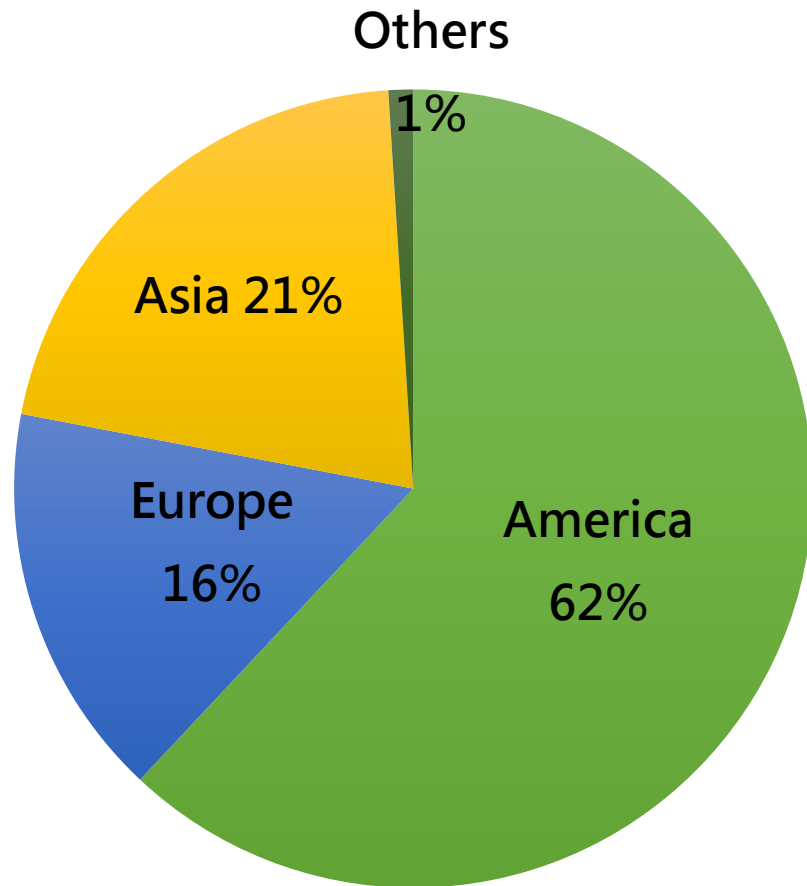


2019

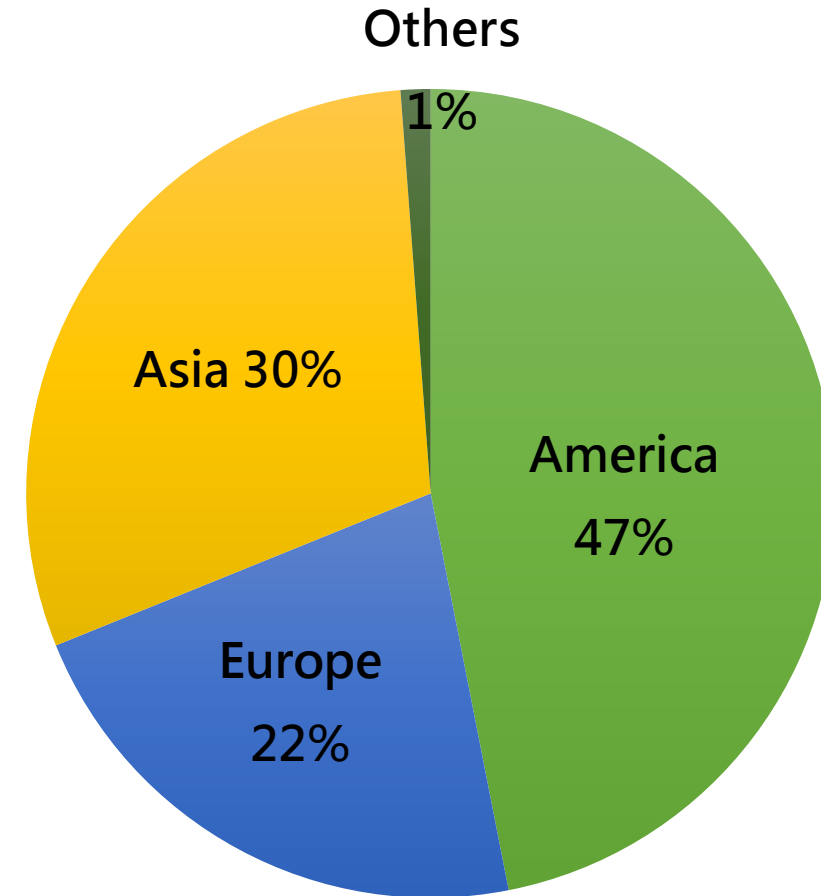


Revenue Breakdown by Region

2020



2019



Operations and Developments



Growth Drivers of ALPHA

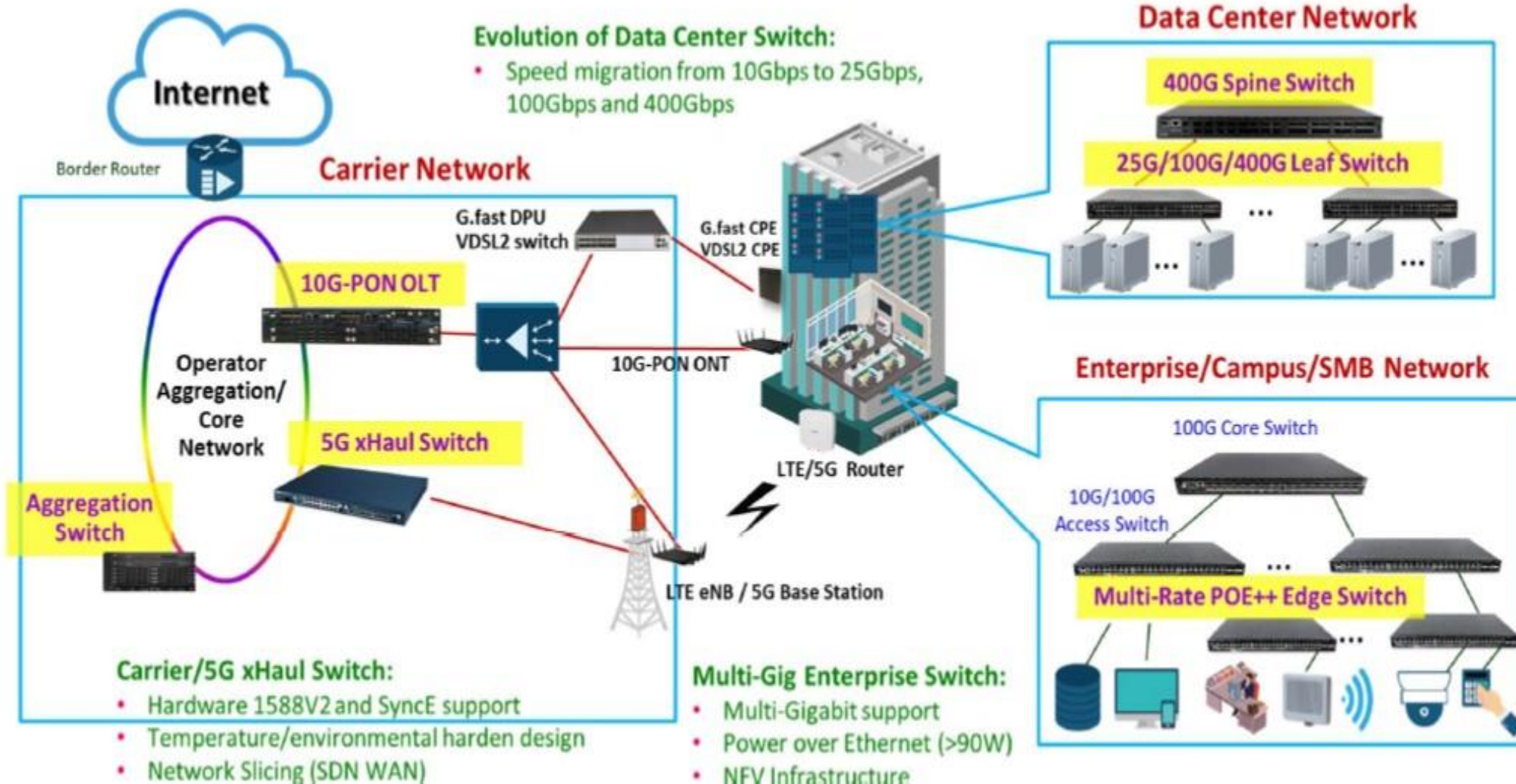
- **Business Unit:**
Providing high-quality products and growing steadily.
- **Vertical Market:**
Integrating with 4G/5G/6G, Fiber, Edge Computing+AI.

Growth Drivers of ALPHA

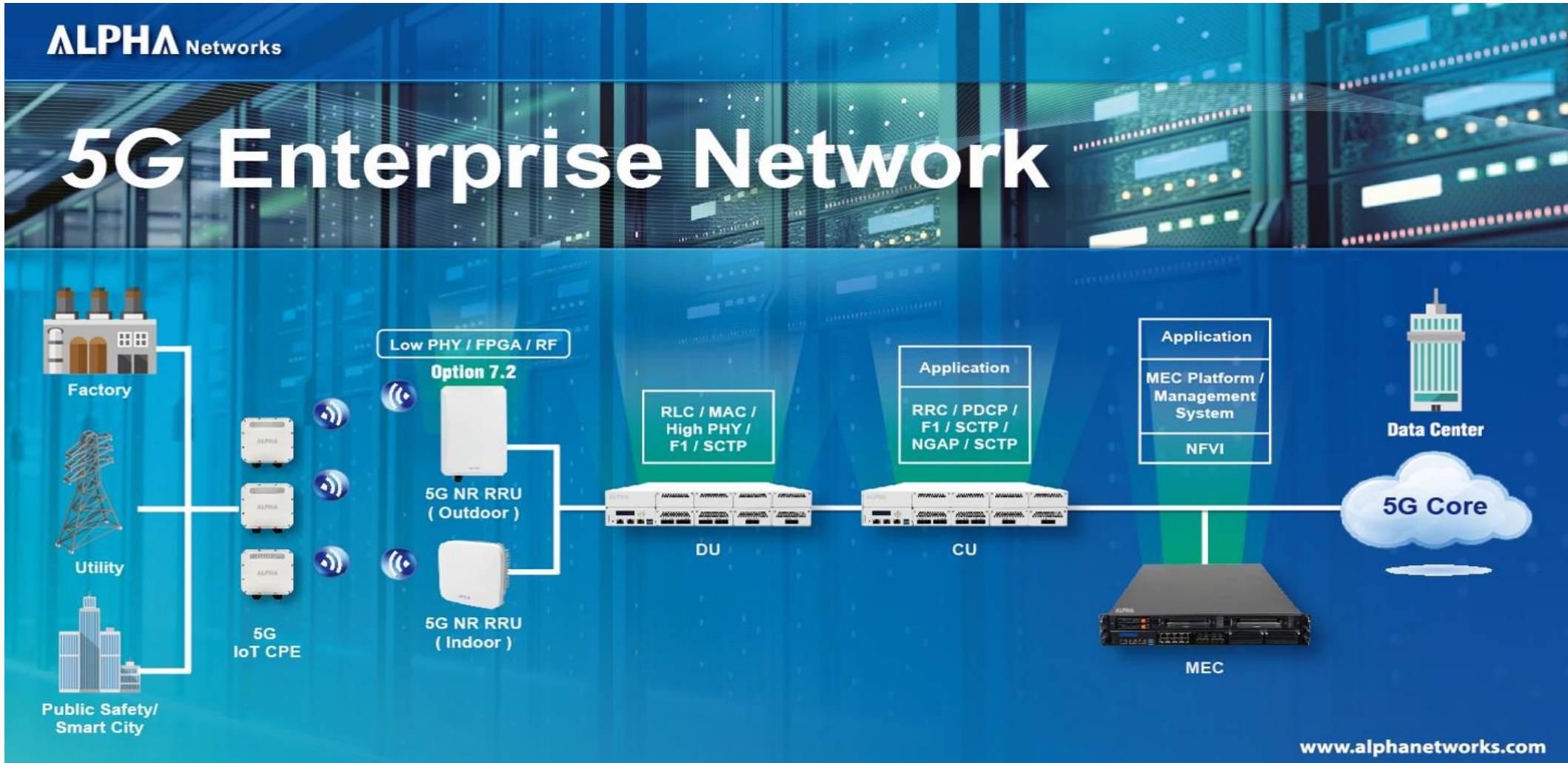
Business Unit

Providing high-quality products and growing steadily.

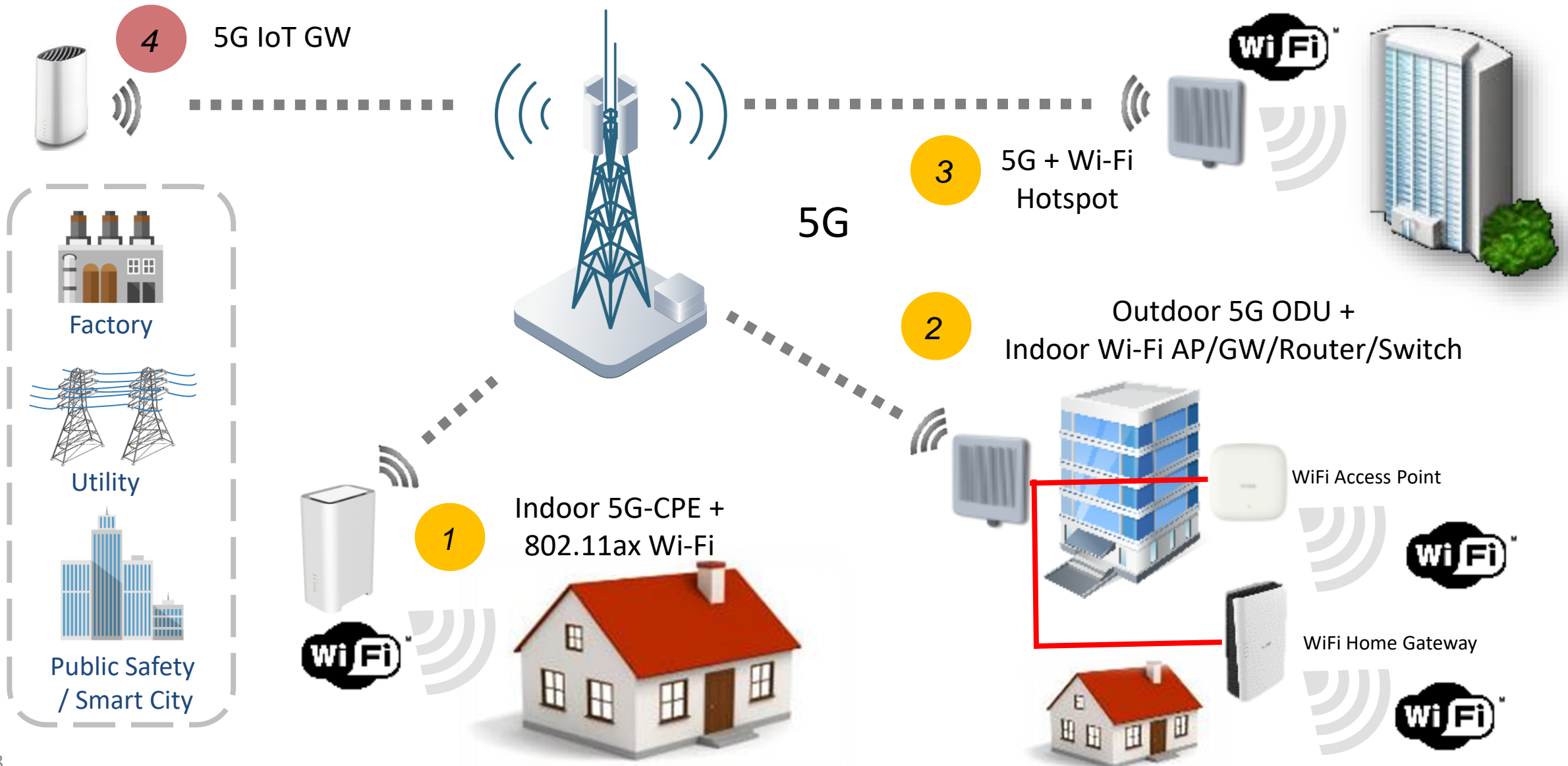
LAN/MAN-Product Portfolio



WB BU-5G End-to-End Total Solution



WB BU-FWA & 5G IoT GW Products



WB BU-XGSPON Product Portfolio



SFP+

- 1x SC/APC 10G Uplink
- IEEE1588v2



SFU

- 1x SC/APC 10G Uplink
- 1x 10G LAN
- 1x XFS port



ONU

- 1x SC/APC 10G Uplink
- 1x 10G LAN
- 4x 1G LAN



HGU

- 11ax 4x4 Dual band Wi-Fi
- 1x SC/APC 10G Uplink
- 1x 2.5G LAN
- 4x 1G LAN
- 2x FXS ports

WB BU-Wi-Fi Mesh

Traditional Standalone Router

- Wi-Fi Signal Coverage is Limited



Whole Home Coverage

- Qualcomm Proprietary MESH
- EasyMESH R.1



DM BU-Product Portfolio

Video Surveillance

- Fixed Dome Camera
- Panoramic Camera
- Bullet Camera
- Industrial Camera
- Network Video recorder
- Doorbell Camera
- Outdoor Battery Camera
- Indoor Camera
- Fisheye Camera
- PT Camera

IoT (Smart Home)

- Z-WAVE Gateway & Sensors



ALPHA Networks

MES BU-Radar Products

RF Sensors and Accessories

- 24 / 77 / 79 GHz Intelligent Radar
- AVM System
- Radar + Image Fusion
- TBOX

Automotive Applications

- Collision Warning
- Blind Spot Detection
- Parking Assistance
- Sensor Fusion

Industrial Application

- Smart City
- Smart Auto Assembly Line
- Unmanned Aircraft System
- Smart Building Automation



MES BU-Applications

AVM Image and Radar
(Shipped)



Bus Blind-View Warning
(Field Trial)



Transportation ADAS
(Field Trial)



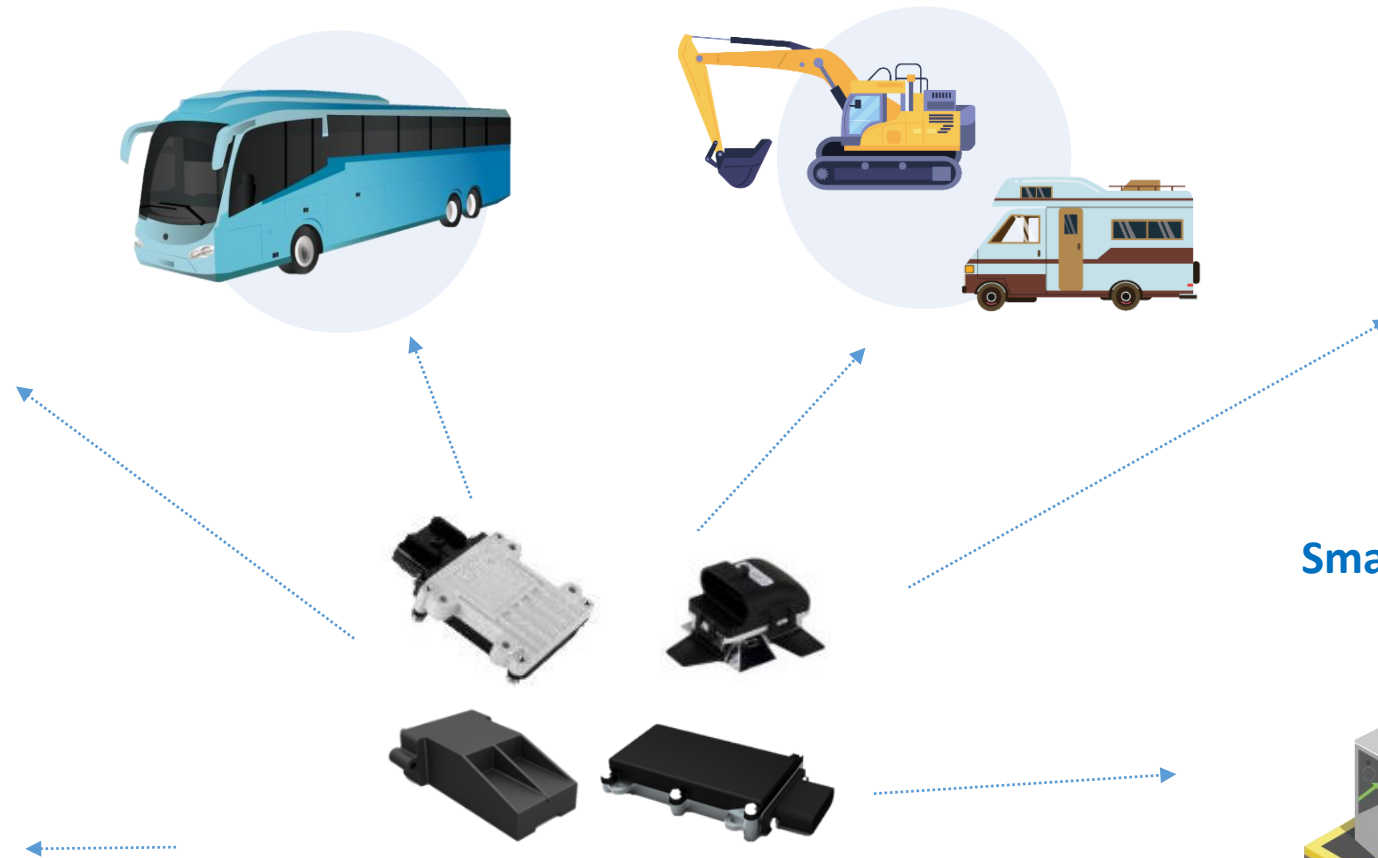
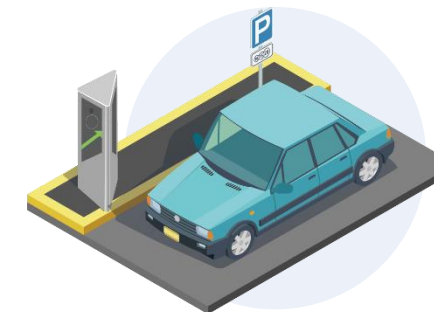
Motorcycle Rear Warning
(Field Trial)



Passenger Car BSD/LCA/RCTA
(Shipped)



Smart Parking Sensor
(Shipped)

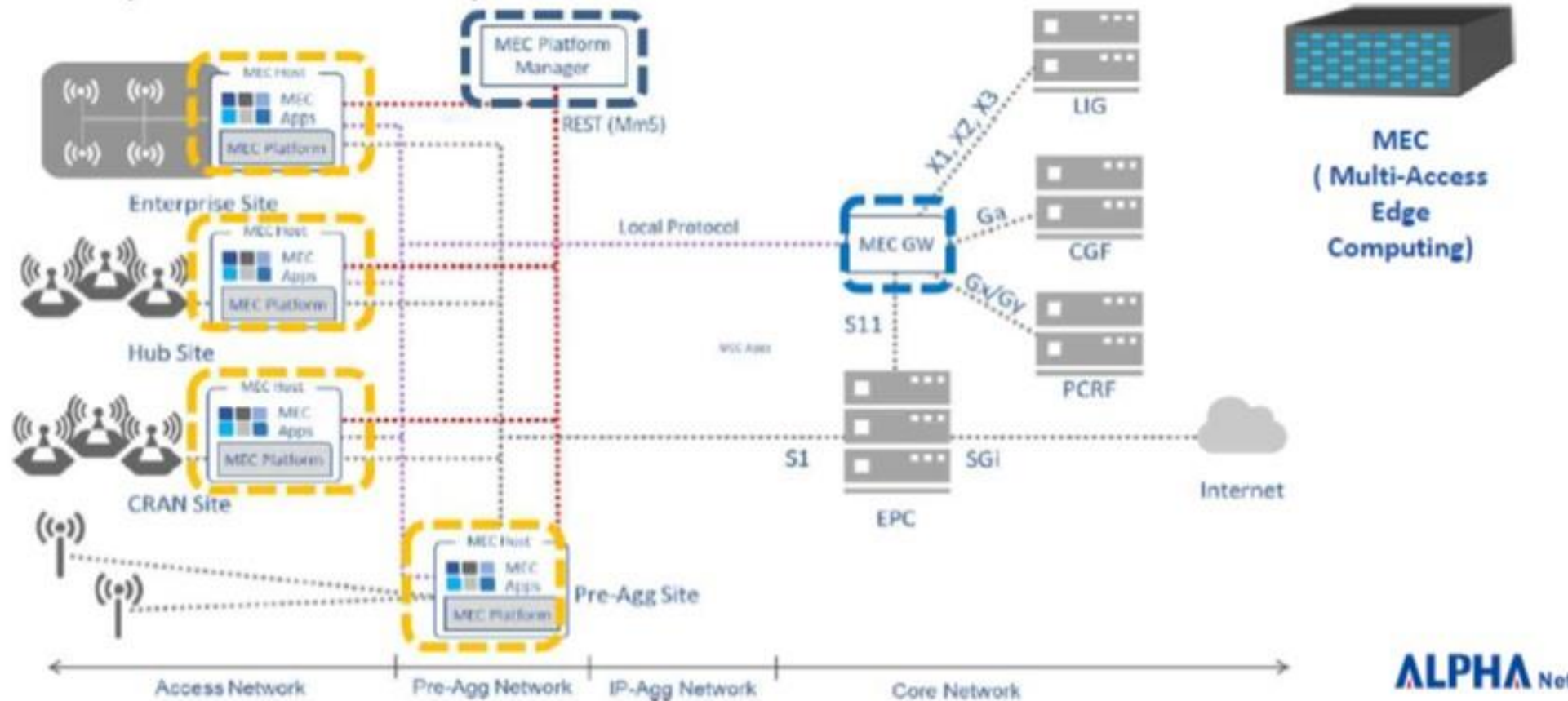


24GHz/77GHz/79GHz Radar

TP BU-MEC Solution

ALPHA's 5G / 4G Edge Computing Solution

- ALPHA's MEC Edge platform is designed to operate as a solution:
 - Service-based Architecture Private Cloud: Compute, Storage, and Networking
 - Micro-service: IPC Server + MEC NFV Software + Edge-to-Core Networking
 - To ensure security and transmit data latency in less than a few milliseconds



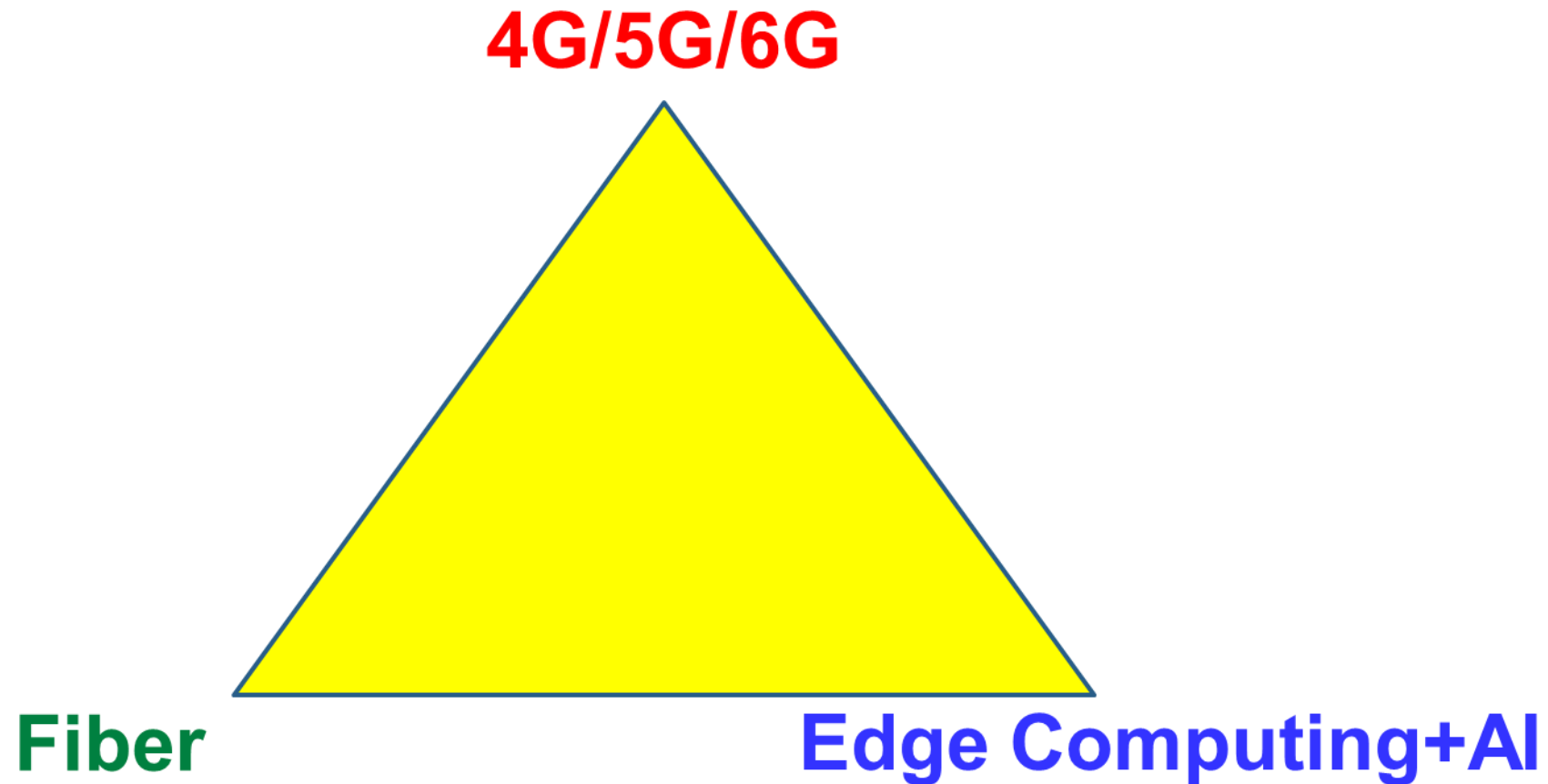
Growth Drivers of ALPHA

Vertical Market

Integrating with 4G/5G/6G, Fiber, Edge Computing+AI.

The Key Technologies are Converging Rapidly in the World

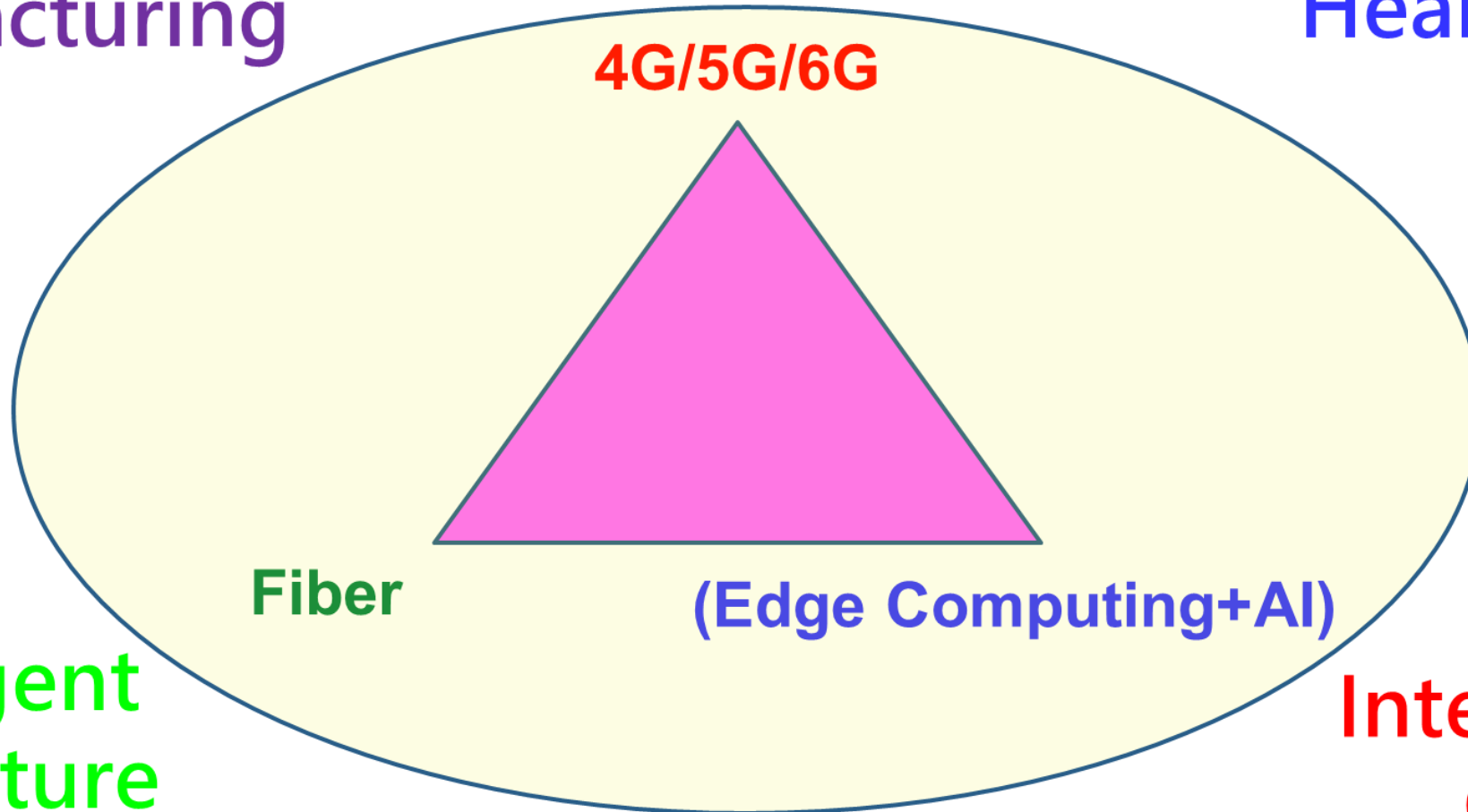
Key issues: to satisfy high bandwidth, low latency, and wide coverage.



Three Key Technologies Support Four Applications

Intelligent
Manufacturing





















Intelligent
Healthcare



Intelligent
Agriculture

Intelligent
City

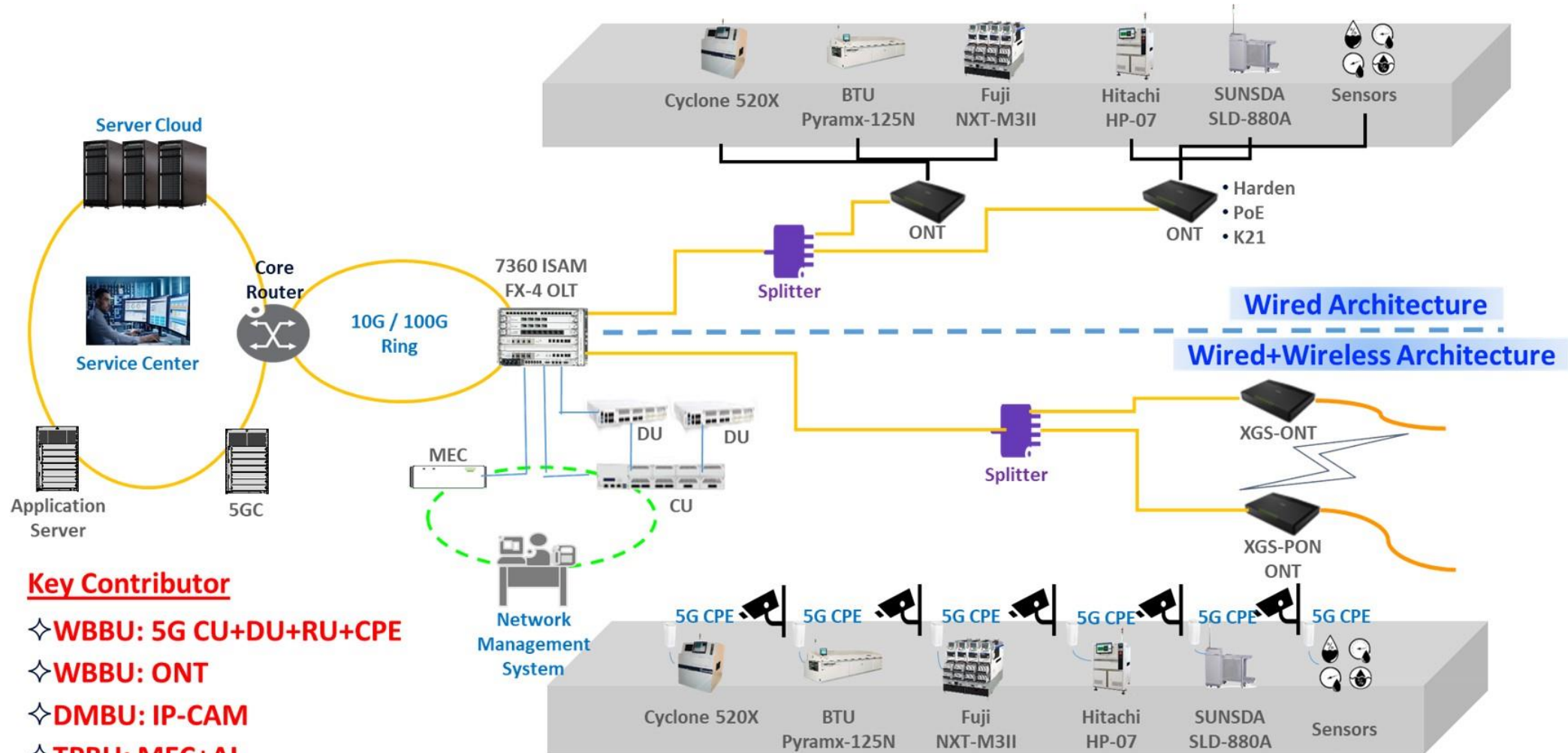
Integrate IT + CT + OT

ACE PILLAR AIOT	IT + CT 層	<p>智慧化</p> <p>資料分析系統優化</p>  <p>智慧雲端應用 (分析與決策)</p> <ul style="list-style-type: none"> 智慧BI戰情室 智慧環安管理 (SESM) 智慧節能管理 智慧維護管理 智慧虛擬工廠 
		<p>智能化</p> <p>製造管理(EMS)</p> <p>工業電腦</p> <p>CT軟體</p>  <p>明基國際 BenQ Guru Corp</p>  <p>泓格科技 ICP DAS</p> <ul style="list-style-type: none"> 智慧倉儲系統(Smart WMS)/智慧補發料系統 智慧無人搬運(Smart AGV)/智慧調度系統 智慧自動化生產線 物聯網雲端管理軟體IoT star 
		<p>資訊化</p> <p>網路通訊</p> <p>Enabling Connectivity</p>  <p>Beijer ELECTRONICS</p>  <p>NOKIA</p>  <p>泓格科技 ICP DAS CO., LTD.</p> <ul style="list-style-type: none"> 製造執行系統 (MES) 5G企業專網 智慧聯網監控設備(SCADA) 工業物聯網智能控制器(WISE) 智能製造IIOT Gateway 解決方案 
系統架構	OT 層	<p>智能感測/控制器</p>  <p>泓格科技 ICP DAS</p>  <p>Beijer ELECTRONICS</p> <ul style="list-style-type: none"> 設備預知保養數據採集裝置(iWSN) 智慧電錶電力監控模組(PMMS) 智能樓宇水電空調監控裝置 工廠環安衛監控模組 PLC,人機介面,PLC/PC Based 運動控制器 機器視覺系統/ 機器人控制器 
		<p>系統設備元件</p>  <p>ROBOT</p>  <p>Nabtesco</p>  <p>Air TAC Lenze</p>  <p>LIMING</p>  <p>BEARINGS</p>  <p>TOYO</p>  <ul style="list-style-type: none"> 機器手臂/AGV/AMR 自動化專用機及設備 變頻器 伺服驅動系統: 伺服驅動器, 馬達 減速機/滾珠軸承 滾珠螺桿/ 線性滑軌/線性模組 線性滑台/ 電動缸 氣壓缸/電磁閥/ 流體控制閥 充電樁/工業電源 



IT + CT + OT 架構整合

Intelligent Manufacturing



Key Contributor

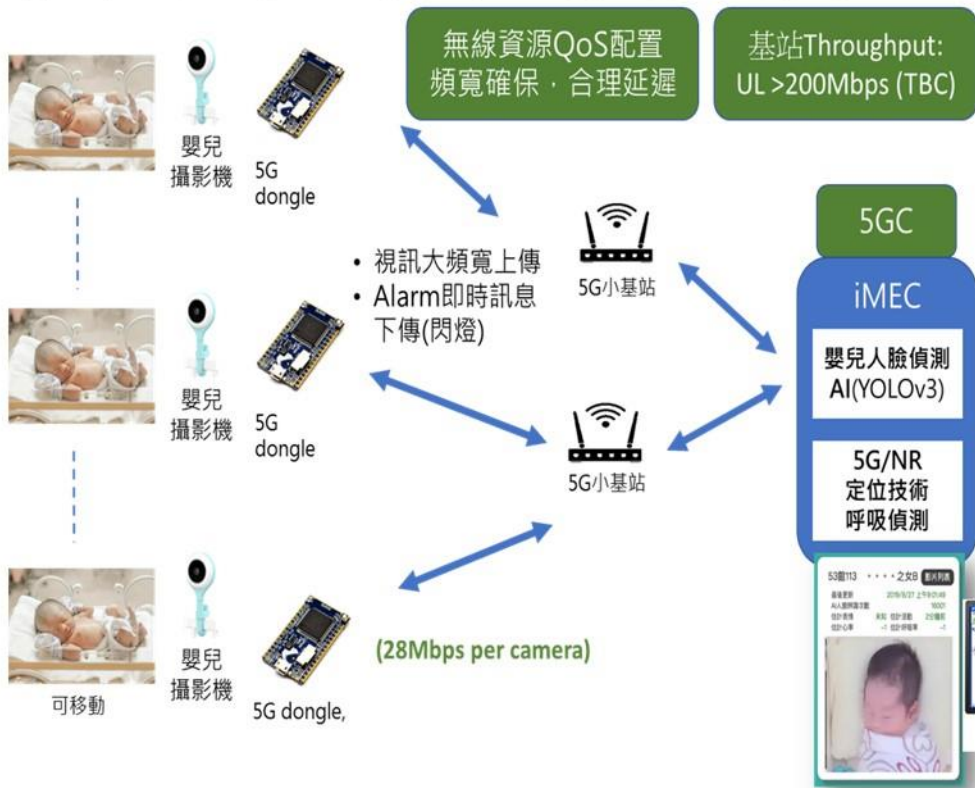
- ✦ **WBBU: 5G CU+DU+RU+CPE**
- ✦ **WBBU: ONT**
- ✦ **DMBU: IP-CAM**
- ✦ **TPBU: MEC+AI**
- ✦ **LAN/MAN BU: OLT & Switch**

Intelligent Healthcare

Key Contributor

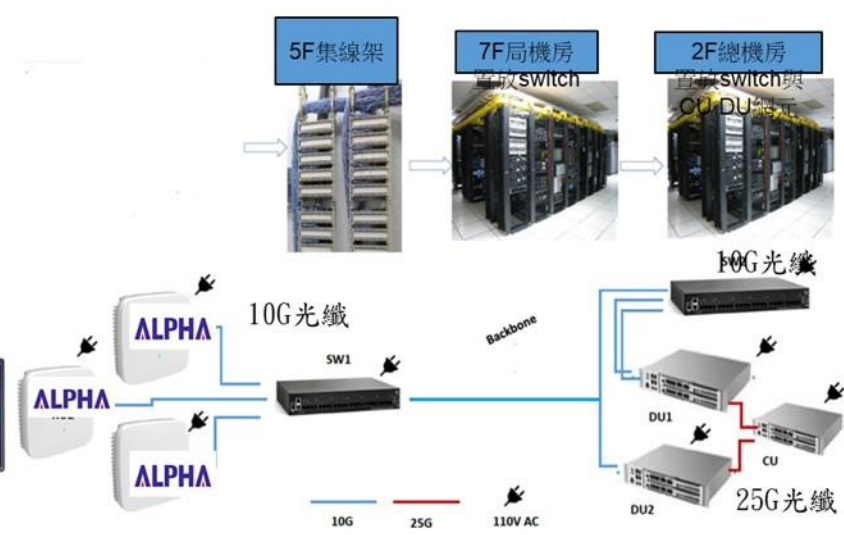
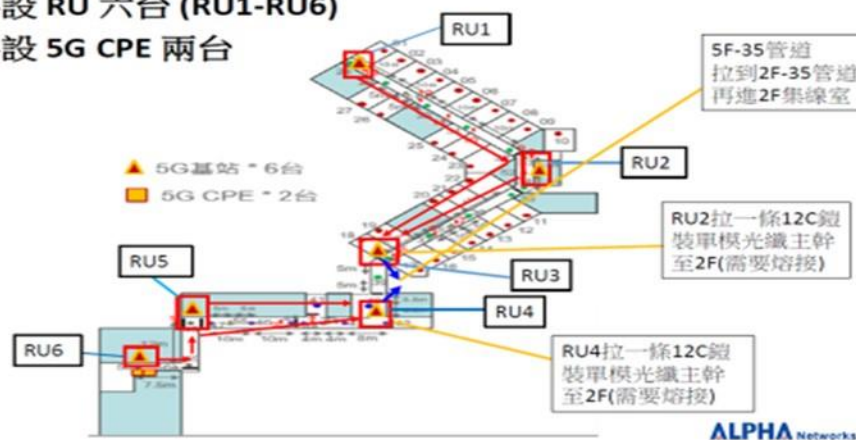
- ◇ WBBU: 5G CU+DU+RU+CPE
- ◇ DMBU: IP-CAM
- ◇ TPBU: MEC+AI
- ◇ LAN/MAN BU: Switch

醫聯網AI整合技術 嬰兒照護應用



5F 佈纜線路平面圖

架設 RU 六台 (RU1-RU6)
架設 5G CPE 兩台

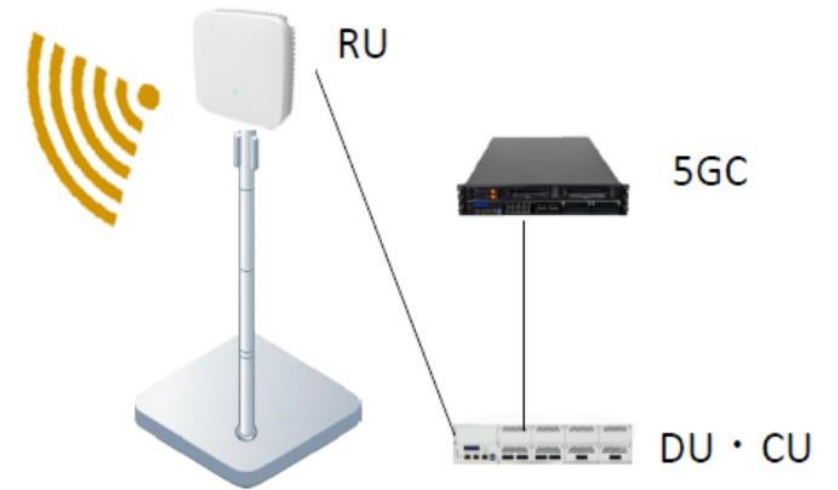


Intelligent Agriculture

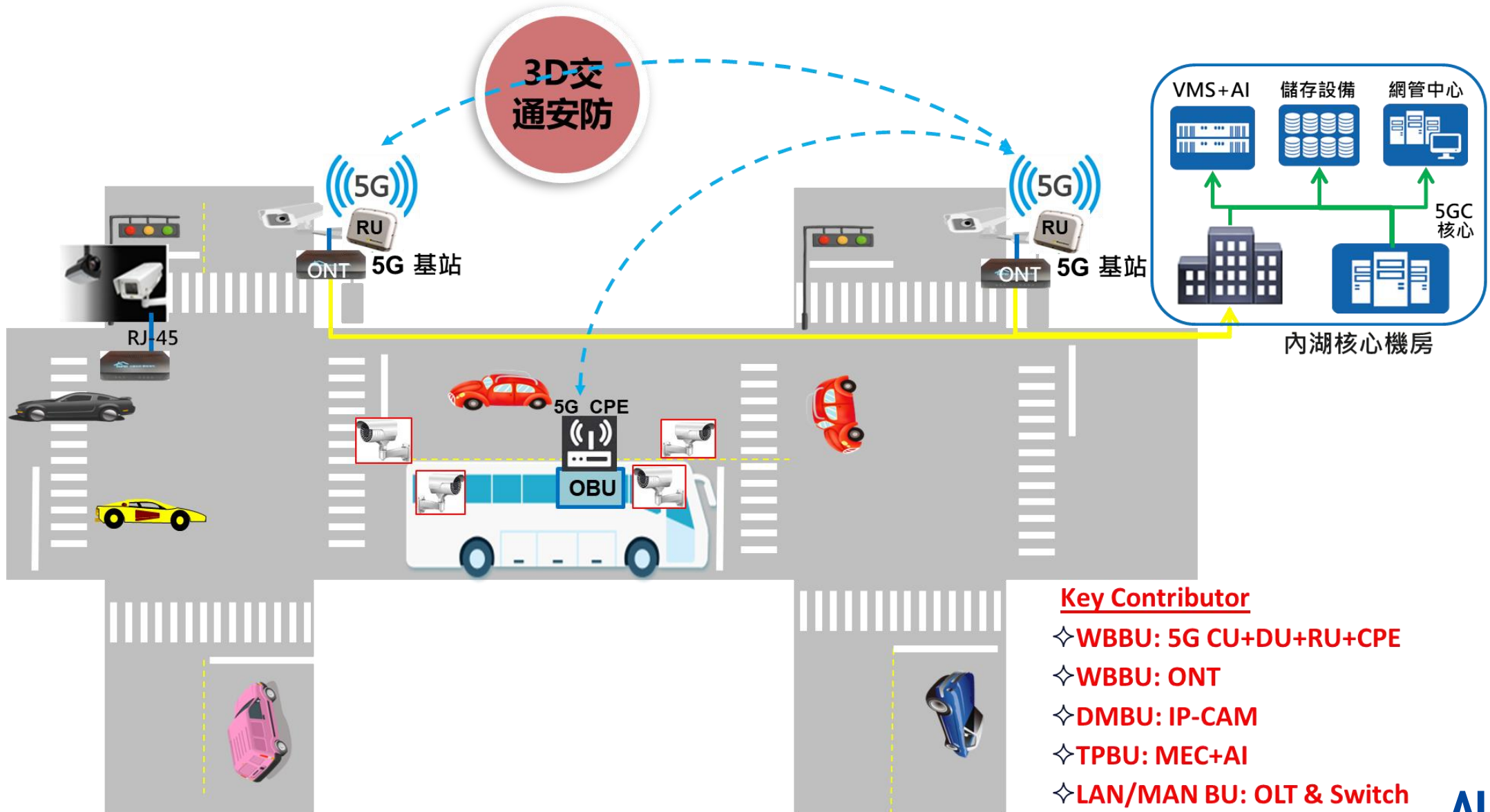


Key Contributor

- ✦ WBBU: 5G CU+DU+RU
- ✦ WBBU: 5G CPE



Intelligent City



Q & A



THANK YOU

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