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

Taipei, Taiwan, Nov 3 2023 – TPK Holding Co., Ltd. (TWSE: 3673) (“TPK” or the “Company”) today announced 2023 3<sup>rd</sup> quarter unaudited consolidated operating results. Company reported revenues of NT\$18,053 million and net profit of NT\$72 million, or earnings per share of NT\$0.18 for the quarter. For the first nine months of 2023, revenues reached NT\$51,606 million and EPS amounted to NT\$0.51.

### **3Q23 Operating Results**

In the backdrop of prolonged decline in global PC shipments as market continued to be weighed down by slowdown in consumer and enterprise purchases, TPK recorded 3Q23 revenues of NT\$18,053 million, down 35.4% year-on-year and up 11.2% quarter-on-quarter. Gross profit amounted to NT\$1,044 million, up from NT\$630 million for 2Q23 and gross margin elevated from 3.9% to 5.8%, thanks to operational excellence and favorable product mix. In terms of product mix, demand for notebook PC and large-sized tablets (11” to 16”) showed sign of recovery and registered 19.2% sequential revenue growth. On the contrary, revenues for smartphone, e-paper and tablet products remained muted. The total revenue of products below 7 inches and those between 7-11 inches in the third quarter remained similar to the previous quarter. Large-sized product sales were flat quarter-on-quarter.

For COGS breakdown, raw materials were NT\$14,784 million, representing 81.9% of revenues, slightly improved from 82.1% from 2Q23. Labor expense stayed flat at NT\$1,095 million to the previous quarter, equivalent to 6.1% of revenues, down from 6.7% earlier. Depreciation cost remained low at N\$846 million, down from 5.1% to 4.7% of revenues. 3Q23 operating expense rate accounts for 4.4% down from 4.8% as TPK continues to enhance operating efficiency for sustainability.

For the third quarter, Company recorded net interest income of NT\$100 million and foreign exchange loss of NT\$71 million. Other non-operating expense amounted to NT\$85 million, mainly due to market price volatility from strategic investments. For 3Q23, net profit totaled NT\$72 million and earnings per share were NT\$0.18.

**Balance Sheet & Cash Flow**

As of September 30 2023, cash and cash equivalent<sup>1</sup> were NT\$50,608 million, flat to NT\$50,541 million at the end of second quarter. Total bank borrowings reduced slightly from NT\$35,394 million to NT\$34,453 million, mainly from the decrease of short-term loan. Capital expenditure for the third quarter was NT\$92 million on accrual basis. EBITDA remained healthy at NT\$1,589 million for the quarter. TPK remained at net cash of NT\$16,155 million as of September 30 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.”

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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.

### 3Q23 PROFIT & LOSS

Profit & Loss	3Q23	2Q23	QoQ	3Q22	YoY
(NT\$ million)					
<b>Revenues</b>	<b>18,053</b>	<b>16,229</b>	<b>11.2%</b>	<b>27,951</b>	<b>(35.4%)</b>
COGS	(17,009)	(15,598)		(26,606)	
<b>Gross Profits</b>	<b>1,044</b>	<b>630</b>	<b>65.6%</b>	<b>1,345</b>	<b>(22.4%)</b>
Operating Expenses	(788)	(773)		(860)	
SG&A	(650)	(602)		(676)	
R&D	(138)	(170)		(184)	
<b>Operating Profits</b>	<b>256</b>	<b>(142)</b>	<b>279.6%</b>	<b>485</b>	<b>(47.3%)</b>
Non-Op Inc/(Exp)	(56)	263		100	
<i>Int Inc/(Exp)</i>	<i>100</i>	<i>131</i>		<i>(23)</i>	
<i>FX Gain/(Loss)</i>	<i>(71)</i>	<i>54</i>		<i>(19)</i>	
<i>Others</i>	<i>(85)</i>	<i>78</i>		<i>143</i>	
<b>Earnings Before Tax</b>	<b>199</b>	<b>121</b>		<b>585</b>	
Income Tax	(139)	(110)		(372)	
<b>Net Income (Parent)</b>	<b>72</b>	<b>32</b>		<b>223</b>	
<b>EPS (Parent)</b>	<b>0.18</b>	<b>0.08</b>		<b>0.55</b>	
<b>EBITDA</b>	<b>1,589</b>	<b>1,495</b>		<b>1,882</b>	
<b>Margin:</b>					
GM	5.8%	3.9%		4.8%	
OM	1.4%	(0.9%)		1.7%	
NM	0.4%	0.2%		0.8%	
Op Exp	(4.4%)	(4.8%)		(3.1%)	

Note: 3Q'23 Fully Diluted Weighted Average: 407 million shares

### 3Q23 BALANCE SHEET

Balance Sheet	2023/9/30	2023/6/30	2022/9/30
(NT\$ million)			
Cash Equivalents	33,698	29,894	26,408
Risk-Free Banking Financial Product	16,910	20,647	13,104
Receivables	10,459	9,397	14,168
Other Receivables	3,472	2,376	4,383
Inventories	6,455	6,170	10,599
<b>Current Assets</b>	<b>73,030</b>	<b>70,827</b>	<b>70,667</b>
<b>PP&amp;E</b>	<b>15,038</b>	<b>15,220</b>	<b>18,843</b>
<b>Total Assets</b>	<b>95,813</b>	<b>93,702</b>	<b>96,009</b>
ST Loans	16,954	19,936	14,591
Payables	9,348	7,176	12,433
<b>Current Liabilities</b>	<b>33,934</b>	<b>35,357</b>	<b>34,964</b>
<b>LT Loans</b>	<b>17,499</b>	<b>15,457</b>	<b>16,375</b>
<b>Total Liabilities</b>	<b>57,009</b>	<b>56,243</b>	<b>57,323</b>
Common Shares	4,067	4,067	4,067
Retained Earnings	4,521	4,449	4,497
<b>Total Shareholder's Equities</b>	<b>38,804</b>	<b>37,459</b>	<b>38,686</b>
<b>Ratio Analysis:</b>			
Quick Ratio	1.96	1.83	1.72
Current Ratio	2.15	2.00	2.02
ROE (YTD Annualized)	0.7%	0.7%	1.9%
Net Debt to Equity	Net Cash	Net Cash	Net Cash

Note: PP&E includes prepayments.