

An aerial view of a city, likely New York City, with a blue network overlay consisting of glowing nodes and connecting lines. The text is centered over the image.

# 4Q21 Investor Conference

2022/3/30

**D-Link**

# Safe Harbor Statement

- D-Link's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements, including the cyclical nature of our industry, our ability to compete effectively general economic and political conditions, demand in end market, impact of competitive products and pricing, exchange rate fluctuations, and other risks beyond the control of the Company.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

# Agenda

- Financial Results
- Business Outlook
- Awards & Global Recognition
- Q&A

# Financial Results

# 4Q21 Income Statement – QoQ/YoY Comparison

NT\$M	Quarterly Results					YTD Results		
	4Q20	3Q21	4Q21	QoQ %	YoY %	YT 4Q20	YT 4Q21	YoY %
<b>Net Sales</b>	<b>4,155</b>	<b>3,958</b>	<b>4,301</b>	8.7	3.5	<b>15,179</b>	<b>15,525</b>	2.3
Gross Profit	1,302	1,015	996	(1.9)	(23.5)	4,775	4,189	(12.3)
Operating Expenses	1,271	922	951	3.1	(25.2)	4,695	4,019	(14.4)
<b>Operating Income</b>	<b>31</b>	<b>93</b>	<b>45</b>	<b>(51.6)</b>	<b>45.2</b>	<b>80</b>	<b>170</b>	<b>112.5</b>
Total Non-Op. Inc. (Loss)	1,079	(84)	400	576.2	(62.9)	1,417	225	(84.1)
Income Before Tax	1,110	9	445	4,844.4	(59.9)	1,497	395	(73.6)
<b>Net Income</b>	<b>1,006</b>	<b>(2)</b>	<b>442</b>	<b>22,200.0</b>	<b>(56.1)</b>	<b>1,311</b>	<b>318</b>	<b>(75.7)</b>
Non-controlling Interests	16	25	17	(32.0)	6.3	71	79	11.3
Net Income Attributable to Parent	990	(27)	425	1,674.1	(57.1)	1,240	239	(80.7)
EPS (NT\$)	1.52	(0.04)	0.71			1.90	0.38	
Outstanding shares (mn)	652	635	600			652	635	
Gross Profit % (GP %)	31.3%	25.6%	23.2%			31.5%	27.0%	
Operating Expenses % (OPEX %)	30.6%	23.3%	22.1%			30.9%	25.9%	
Operating Margin % (OPM %)	0.7%	2.3%	1.0%			0.5%	1.1%	
Net Income % (NI %)	23.8%	-0.7%	9.9%			8.2%	1.5%	
Return on Equity (ROE)						13.3%	2.6%	

# 4Q21 Balance Sheet – QoQ/YoY Comparison

NT\$M	Quarterly Results			QoQ %	YoY %
	4Q20	3Q21	4Q21		
Cash & cash equivalents	6,216	3,214	2,195	(31.7)	(64.7)
Account Receivable	3,064	3,267	3,430	5.0	11.9
Inventory	2,443	3,485	3,348	(3.9)	37.0
Other Current Assets	829	1,073	1,137	6.0	37.2
Non-current Assets	3,398	3,980	4,394	10.4	29.3
<b>Total Assets</b>	<b>15,950</b>	<b>15,019</b>	<b>14,504</b>	<b>(3.4)</b>	<b>(9.1)</b>
Accounts Payable	2,744	2,720	2,625	(3.5)	(4.3)
Other Current Liabilities	2,602	2,794	1,964	(29.7)	(24.5)
Non-current Liabilities	864	870	912	4.8	5.6
<b>Total Liabilities</b>	<b>6,210</b>	<b>6,384</b>	<b>5,501</b>	<b>(13.8)</b>	<b>(11.4)</b>
<b>Total Shareholders' Equity</b>	<b>9,740</b>	<b>8,636</b>	<b>9,002</b>	<b>4.2</b>	<b>(7.6)</b>
Book Value Per Share	14.2	13.5	14.1		
Current Ratio	234.8%	200.2%	220.3%		
Debt/Asset Ratio	38.9%	42.5%	37.9%		
Cash Conversion Cycle	101	106	104		

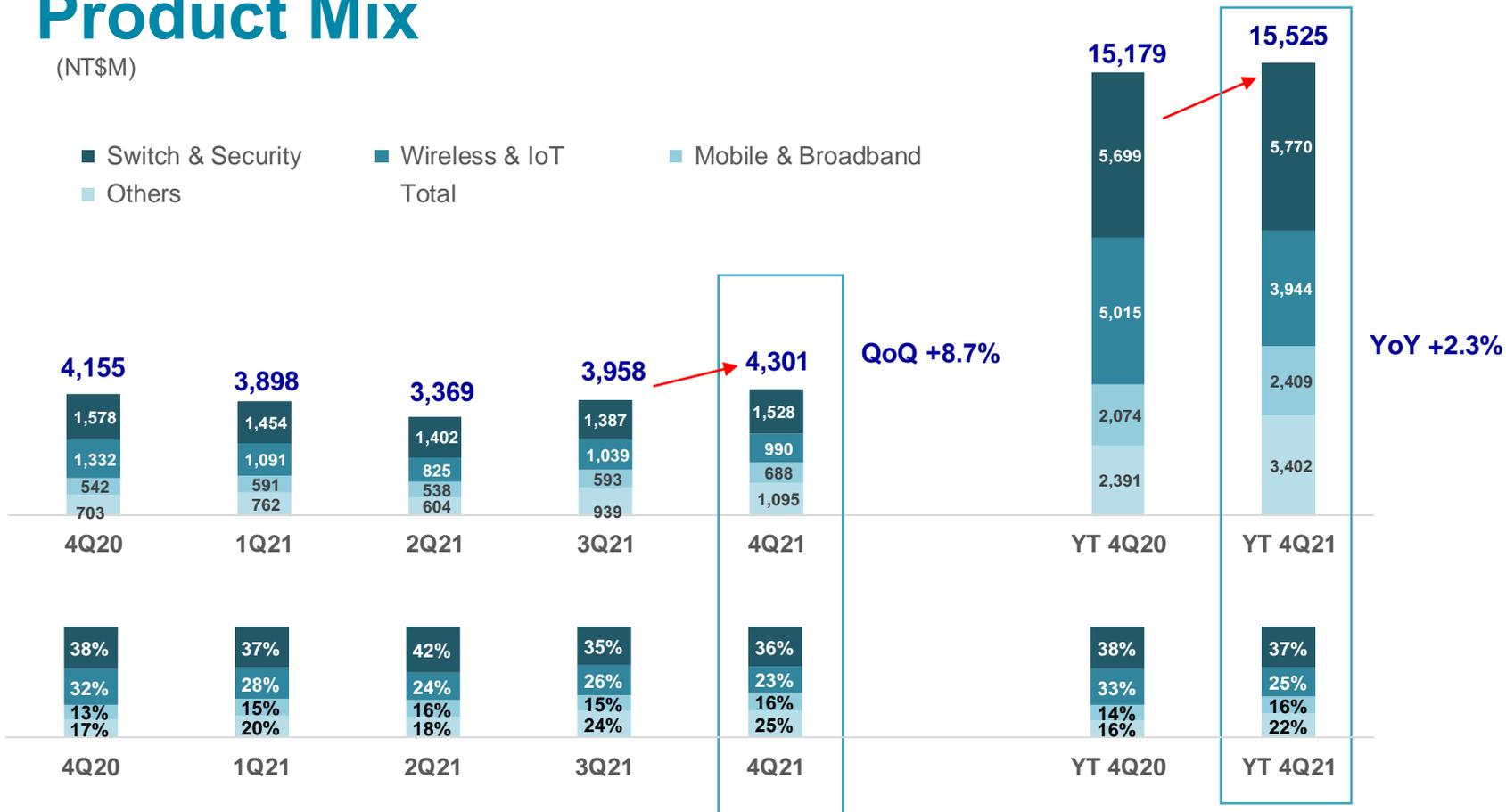


# Business Outlook

# Product Mix

(NT\$M)

- Switch & Security
- Wireless & IoT
- Mobile & Broadband
- Others
- Total



# Sales by Region

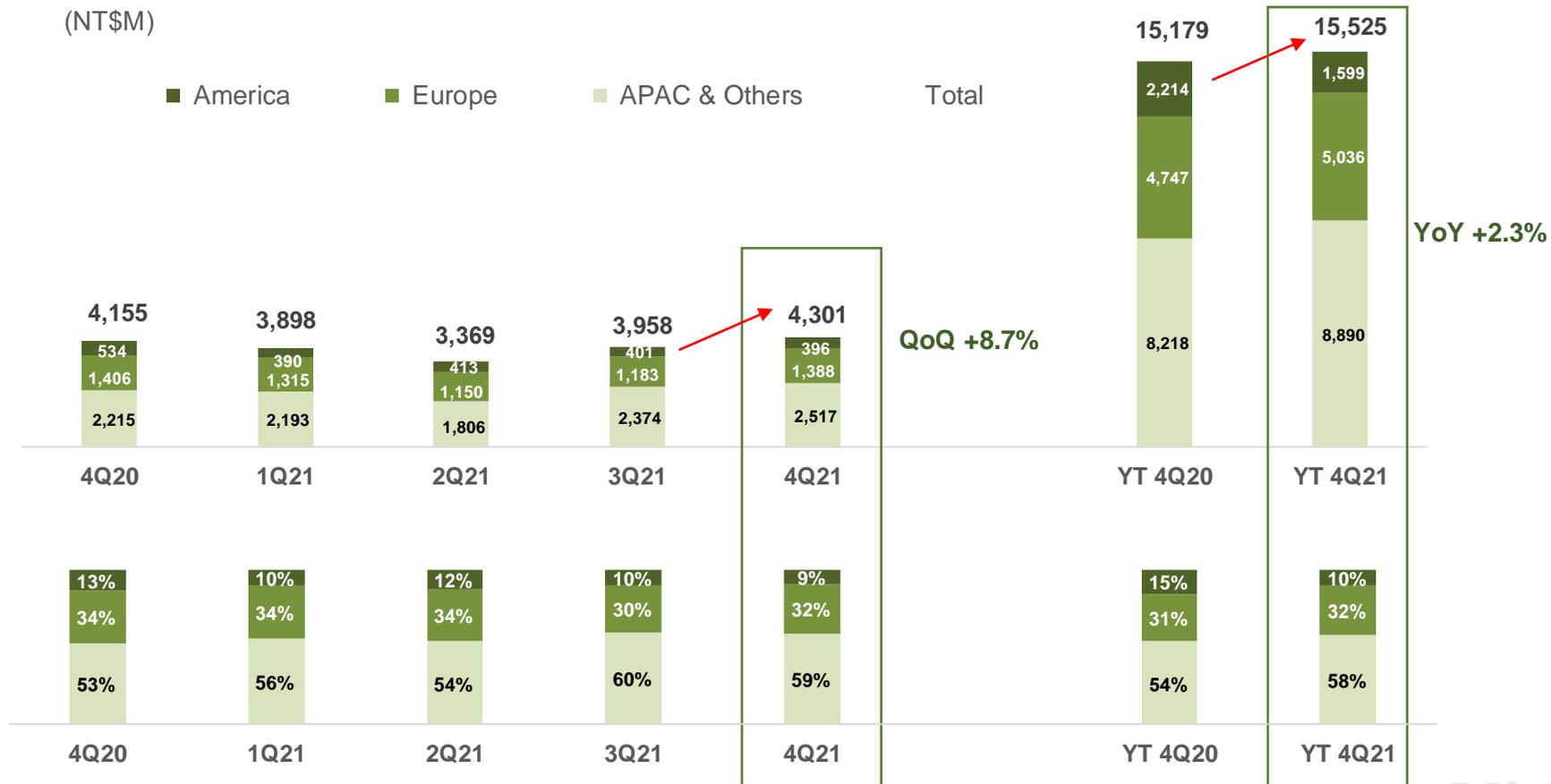
(NT\$M)

■ America

■ Europe

■ APAC & Others

Total



# Long-term Strategies

**D-Link®**

The global leader in intelligent network equipment and comprehensive network solutions!

**EAGLE PRO AI**

Smart Home

Smart Business

Smart Industry

Router, Mesh, Extender, Camera, Home IoT

Switch, EAP, Gateway, VPN router

M2M, 5G IoT, Industrial Switch/ERP

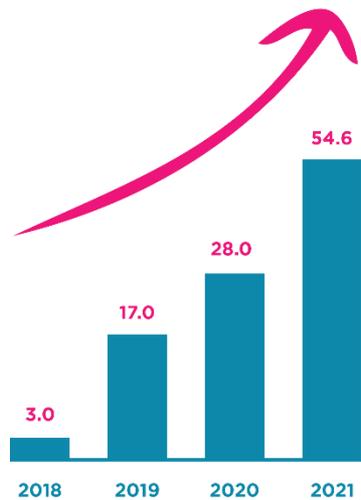
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**D-ECS**

# Consumer solution

Subscription Revenue (NT\$M)

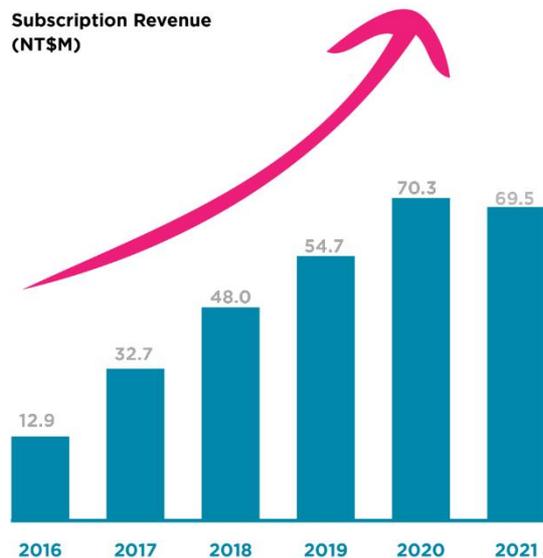


All-new interface for interacting with users



# Business solution

Subscription Revenue (NT\$M)



Telco



Retailers



Educators



SMBs

# AIoT Industrial Service Solution



Smart Factory



Smart Traffic



Smart Medical



Smart Building



Smart Energy



Smart Transportation



Application Platform

Industrial Total Solution



Network Mgmt. Platform



Gateway



Switch



Camera



Router



WiFi AP



IoT Sensor

Industrial Application Solution

Network Solution & Maintenance

Network Device Provider

# Awards & Global Recognition



# Taiwan Excellence has recognized D-Link for 18 years



- For 18 years, Taiwan Excellence has recognized D-Link, which has showcased the innovative strengths, design, and quality of products since 2005.
- DCS-8350LH 2K QHD Indoor Wi-Fi Camera and DCH-S1621KT Whole Home Smart Wi-Fi Water Leak Sensor Kit have won the Taiwan Excellence Award 2022.

# EAGLE PRO AI Smart Router has recognized by multiple international medias



“This surprisingly small and lightweight router combines Wi-Fi 6 technology and artificial intelligence in a router that offers strong wireless coverage and higher speeds, all over the home.”

- **Forbes**

A Router with Brains ☆ ☆ ☆ ☆

“Bringing with it the power and speed of Wi-Fi 6, as well as some very useful smart features, this router stands out from the crowd.”

- **T3.com**

☆ ☆ ☆ ☆

You get everything you could possibly need in a home network, from an easy-to-use guest network to basic parental control”

- **PC FÖR ALLA**

# Nuclias Cloud Networking Solution named one of the 20 Most Promising Cloud Solution Providers 2021 by CIO Review



- During the post-pandemic, D-Link's Nuclias Cloud Networking Solution has helped many SMBs continue the business by its unique zero-touch provisioning, centralized cloud management, scalability, and track and trace features.
- **Nuclias Cloud Networking Solution named one of the 20 Most Promising Cloud Solution Providers 2021 by CIO Review**

# Q & A

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# Appendix



# Consolidated Income Statement

NT\$M	Yearly Results			Quarterly Results					YTD Results				
	2019	2020	YoY %	4Q20	1Q21	2Q21	3Q21	4Q21	QoQ %	YoY %	YT 4Q20	YT 4Q21	YoY %
<b>Net Sales</b>	<b>16,996</b>	<b>15,179</b>	<b>(11)</b>	<b>4,155</b>	<b>3,898</b>	<b>3,369</b>	<b>3,958</b>	<b>4,301</b>	<b>8.7</b>	<b>3.5</b>	<b>15,179</b>	<b>15,525</b>	<b>2.3</b>
Gross Profit	4,740	4,775	1	1,302	1,232	945	1,015	996	(1.9)	(23.5)	4,775	4,189	(12.3)
Operating Expenses	5,125	4,695	(8)	1,271	1,100	1,045	922	951	3.1	(25.2)	4,695	4,019	(14.4)
<b>Operating Income</b>	<b>(385)</b>	<b>80</b>	<b>121</b>	<b>31</b>	<b>132</b>	<b>(100)</b>	<b>93</b>	<b>45</b>	<b>(51.6)</b>	<b>45.2</b>	<b>80</b>	<b>170</b>	<b>112.5</b>
Total Non-Op. Inc. (Loss)	95	1,417	1,392	1,079	(19)	(72)	(84)	400	576.2	(62.9)	1,417	225	(84.1)
Income Before Tax	(290)	1,497	616	1,110	113	(172)	9	445	4,844.4	(59.9)	1,497	395	(73.6)
<b>Net Income</b>	<b>(442)</b>	<b>1,311</b>	<b>397</b>	<b>1,006</b>	<b>84</b>	<b>(206)</b>	<b>(2)</b>	<b>442</b>	<b>22,200.0</b>	<b>(56.1)</b>	<b>1,311</b>	<b>318</b>	<b>(75.7)</b>
Non-controlling Interests	66	71	8	16	23	13	25	17	(32.0)	6.3	71	79	11.3
Net Income Attributable to Parent	(508)	1,240	344	990	61	(219)	(27)	425	1,674.1	(57.1)	1,240	239	(80.7)
EPS (NT\$)	(1)	2	0	1.52	0.09	(0.34)	(0.04)	0.71			1.90	0.38	
Outstanding shares (mn)	652	652		652	652	652	635	600			652	635	
Gross Profit % (GP %)	27.9%	31.5%		31.3%	31.6%	28.1%	25.6%	23.2%			31.5%	27.0%	
Operating Expenses % (OPEX %)	30.1%	30.9%		30.6%	28.2%	31.0%	23.3%	22.1%			30.9%	25.9%	
Operating Margin % (OPM %)	-2.3%	0.5%		0.7%	3.4%	-3.0%	2.3%	1.0%			0.5%	1.1%	
Net Income % (NI %)	-3.0%	8.2%		23.8%	1.6%	-6.5%	-0.7%	9.9%			8.2%	1.5%	
Return on Equity (ROE)	-5.5%	13.3%									13.3%	2.6%	

# Consolidated Balance Sheet

NT\$M	Yearly Results			Quarterly Results						YTD Results			
	2019	2020	YoY %	4Q20	1Q21	2Q21	3Q21	4Q21	QoQ %	YoY %	YT 4Q20	YT 4Q21	YoY %
Cash & cash equivalents	3,141	6,216	97.9	6,216	4,873	4,325	3,214	2,195	(31.7)	(64.7)	6,216	2,195	(64.7)
Account Receivable	3,585	3,064	(14.5)	3,064	3,117	2,946	3,267	3,430	5.0	11.9	3,064	3,430	11.9
Inventory	2,837	2,443	(13.9)	2,443	2,526	3,180	3,485	3,348	(3.9)	37.0	2,443	3,348	37.0
Other Current Assets	598	829	38.7	829	858	882	1,073	1,137	6.0	37.2	829	1,137	37.2
Non-current Assets	5,550	3,398	(38.8)	3,398	4,197	4,153	3,980	4,394	10.4	29.3	3,398	4,394	29.3
<b>Total Assets</b>	<b>15,711</b>	<b>15,950</b>	<b>1.5</b>	<b>15,950</b>	<b>15,571</b>	<b>15,486</b>	<b>15,019</b>	<b>14,504</b>	<b>(3.4)</b>	<b>(9.1)</b>	<b>15,950</b>	<b>14,504</b>	<b>(9.1)</b>
Accounts Payable	2,913	2,744	(5.8)	2,744	2,586	2,795	2,720	2,625	(3.5)	(4.3)	2,744	2,625	(4.3)
Other Current Liabilities	3,025	2,602	(14.0)	2,602	2,350	2,361	2,794	1,964	(29.7)	(24.5)	2,602	1,965	(24.5)
Non-current Liabilities	847	864	2.0	864	841	895	870	912	4.8	5.6	864	912	5.6
<b>Total Liabilities</b>	<b>6,785</b>	<b>6,210</b>	<b>(8.5)</b>	<b>6,210</b>	<b>5,777</b>	<b>6,051</b>	<b>6,384</b>	<b>5,501</b>	<b>(13.8)</b>	<b>(11.4)</b>	<b>6,210</b>	<b>5,502</b>	<b>(11.4)</b>
<b>Total Shareholders' Equity</b>	<b>8,926</b>	<b>9,740</b>	<b>9.1</b>	<b>9,740</b>	<b>9,794</b>	<b>9,435</b>	<b>8,636</b>	<b>9,002</b>	<b>4.2</b>	<b>(7.6)</b>	<b>9,740</b>	<b>9,002</b>	<b>(7.6)</b>
Book Value Per Share	13.0	14.2		14.2	14.2	13.7	13.5	14.1			14.2	14.1	
Current Ratio	171.1%	234.8%		234.8%	230.4%	219.8%	200.2%	220.3%			234.8%	220.3%	
Debt/Asset Ratio	43.2%	38.9%		38.9%	37.1%	39.1%	42.5%	37.9%			38.9%	37.9%	
Cash Conversion Cycle	110	101		101	85	97	106	104			101	104	

# Sales Breakdown

## Sales Breakdown by Products

NT\$M	Yearly Results			Quarterly Results					YTD Results				
	2019	2020	YoY %	4Q20	1Q21	2Q21	3Q21	4Q21	QoQ %	YoY %	YT 4Q20	YT 4Q21	YoY %
Switch & Security	6,627	5,699	-14.0%	1,578	1,454	1,402	1,387	1,528	10.2%	-3.2%	5,699	5,770	1.2%
Wireless & IoT	5,172	5,015	-3.0%	1,332	1,091	825	1,039	990	-4.7%	-25.7%	5,015	3,944	-21.4%
Mobile & Broadband	1,818	2,074	14.1%	542	591	538	593	688	16.0%	26.9%	2,074	2,409	16.2%
Others	3,379	2,391	-29.2%	703	762	604	939	1,095	16.6%	55.8%	2,391	3,402	42.3%
<b>Total</b>	<b>16,996</b>	<b>15,179</b>	<b>-10.7%</b>	<b>4,155</b>	<b>3,898</b>	<b>3,369</b>	<b>3,958</b>	<b>4,301</b>	<b>8.7%</b>	<b>3.5%</b>	<b>15,179</b>	<b>15,525</b>	<b>2.3%</b>

## Sales Breakdown by Regions

NT\$M	Yearly Results			Quarterly Results					YTD Results				
	2019	2020	YoY %	4Q20	1Q21	2Q21	3Q21	4Q21	QoQ %	YoY %	YT 4Q20	YT 4Q21	YoY %
America	2,222	2,214	-0.4%	534	390	413	401	396	-1.2%	-25.8%	2,214	1,599	-27.8%
Europe	5,226	4,747	-9.2%	1,406	1,315	1,150	1,183	1,388	17.3%	-1.3%	4,747	5,036	6.1%
APAC & Others	9,548	8,219	-13.9%	2,215	2,193	1,806	2,374	2,517	6.0%	13.6%	8,218	8,890	8.2%
<b>Total</b>	<b>16,996</b>	<b>15,179</b>	<b>-10.7%</b>	<b>4,155</b>	<b>3,898</b>	<b>3,369</b>	<b>3,958</b>	<b>4,301</b>	<b>8.7%</b>	<b>3.5%</b>	<b>15,179</b>	<b>15,525</b>	<b>2.3%</b>