

Empowering a
SMART FUTURE

Avalue Technology (3479.tw)

April 30, 2024



Disclaimer



The forward-looking statements in this document reflect the current belief of Avalue Technology Inc. that are subject to significant risks and uncertainties, and we make no guarantees as to our future results or the events set forth herein. 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.

The forward-looking statements are only our expectations about future events, these may involve known and unknown risks, uncertainties and other factors which may cause actual results to materially differ from those expressed or implied in these forward-looking statements.

Avalue Technology Inc., its representative, directors, agents and its affiliates shall not take any claims and liabilities arising out of this document.

This document shall not be considered as giving any investment advice by Avalue Technology Inc. to any party.

This document contained herein are the property of Avalue Technology Inc. and shall not be directly or indirectly reproduced or submitted to any third party.



Company



Company Intro & Review

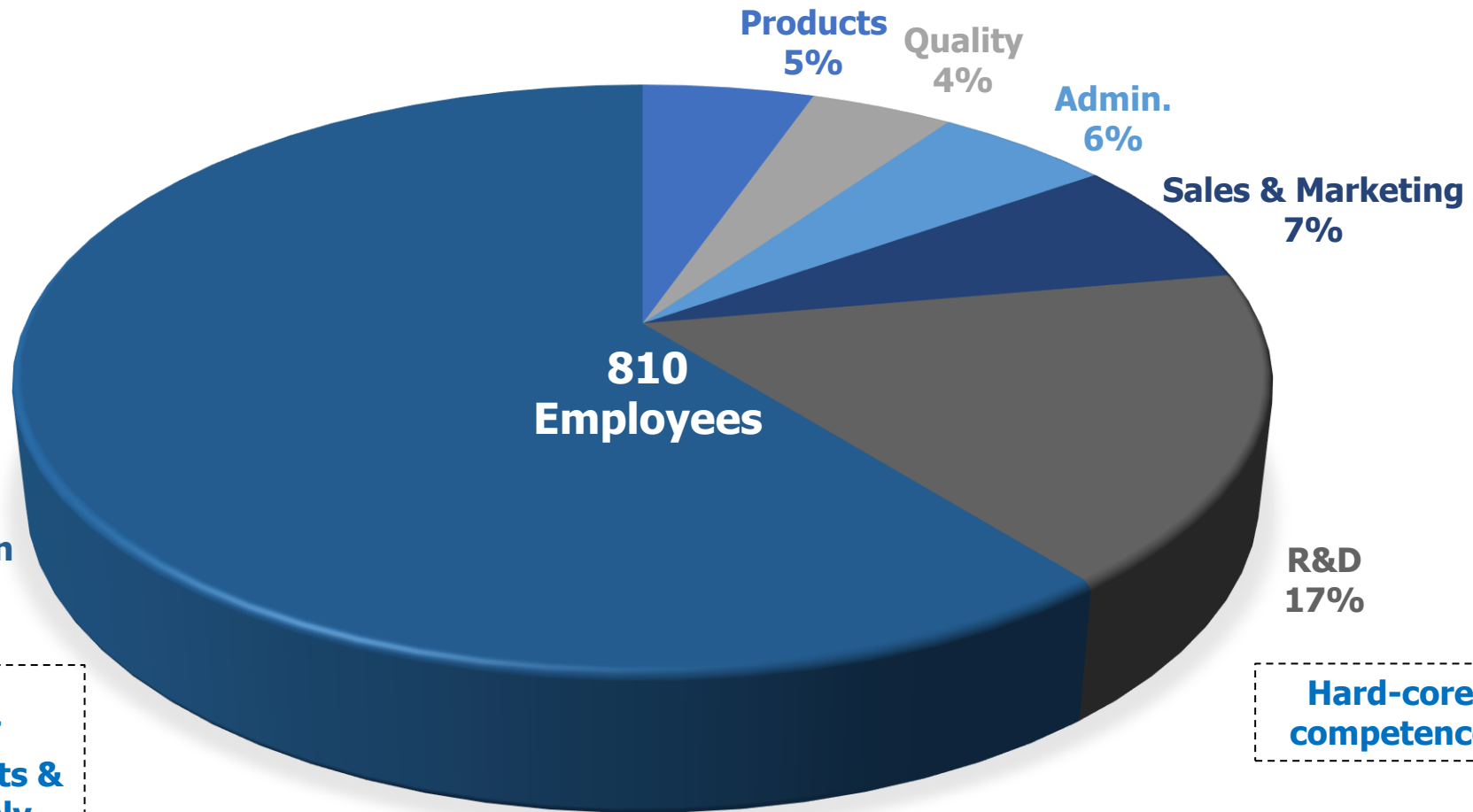
Henry Hsu, CFO
2024 Apr. 30

Offices & Employees



810 employees

Human Capital



810
Employees

Production
61%

In-house
manufacturing of
all embedded products &
2/3 of final assembly

R&D
17%

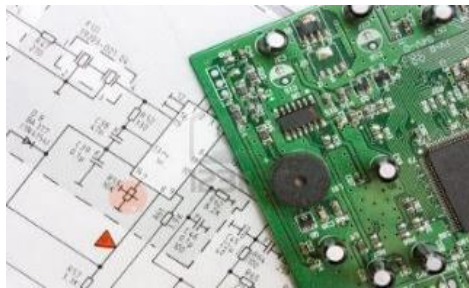
Hard-core
competence

Sales Breakdown by Type

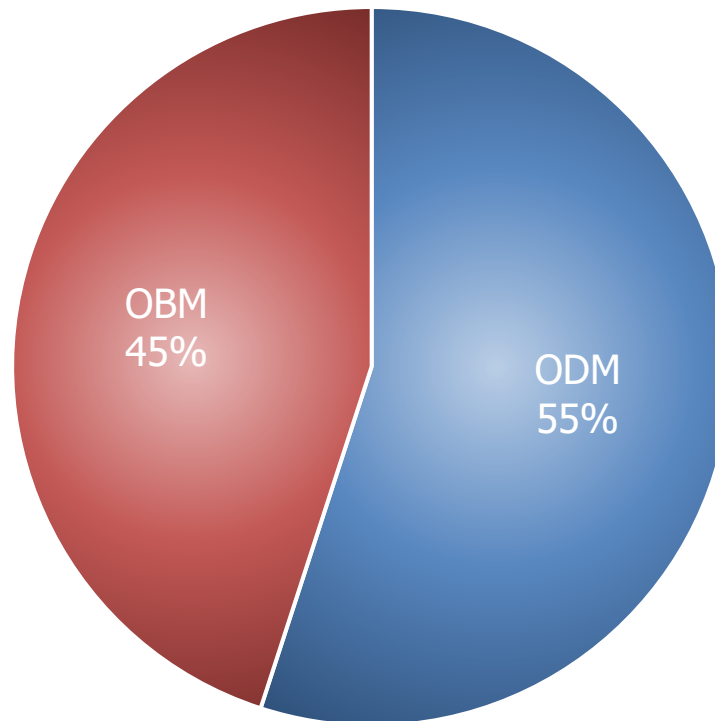


OBM

- Most **embedded** products (boards & servers)
- More **standard**
- Larger volume
- Long life cycle



2023 Revenue
NT\$8,235m

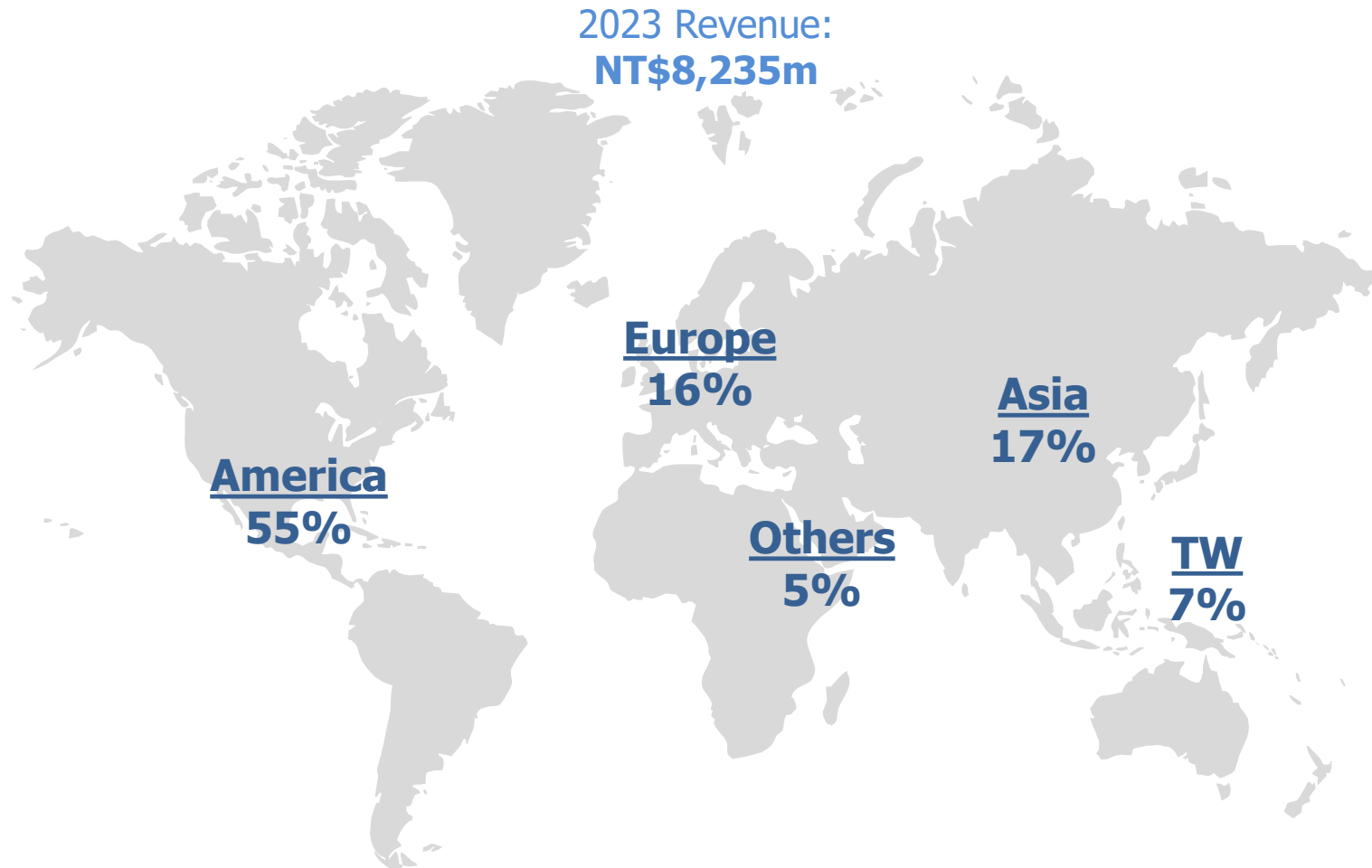


ODM

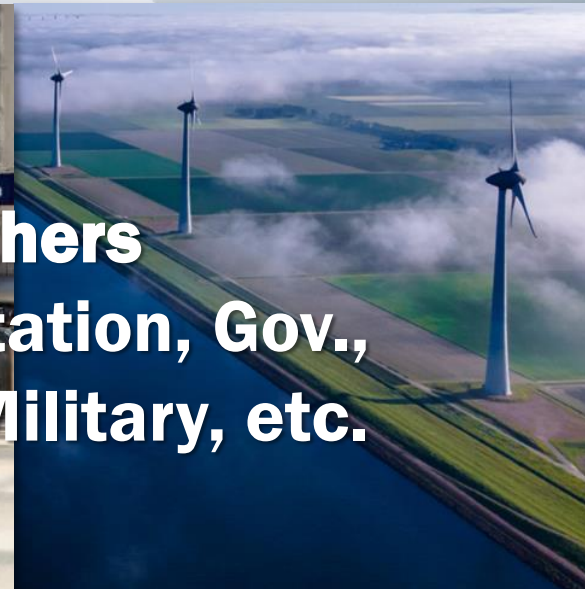
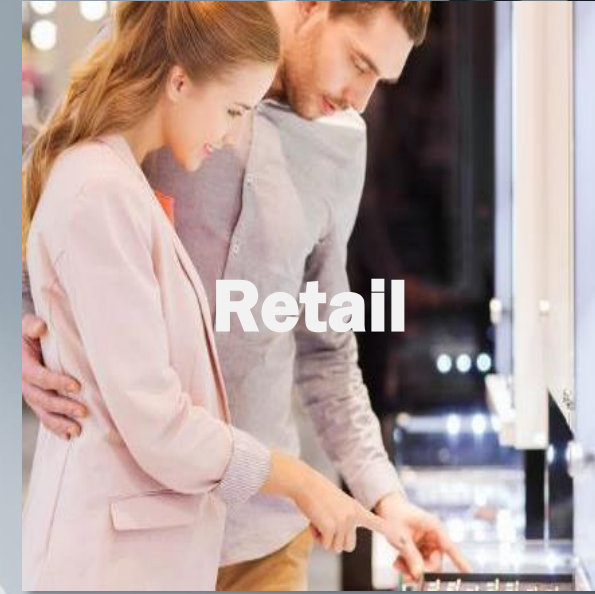
- Most **system level** products or solutions
- More **customized**
- Mostly project-based: some **long-term** projects, some **1-shot** projects



Revenue Breakdown by Geo



Applications



Manufacturing Sites

@Kaohsiung
Eversun
Factory



- EMS Service
- PCB/System Assembly
- PCBA Test

@Taipei
Li-De
Factory



- Supply Chain Management
- Warehouse
- RMA center
- Value Added MFG Service

@Taoyuan
Compal
Factory

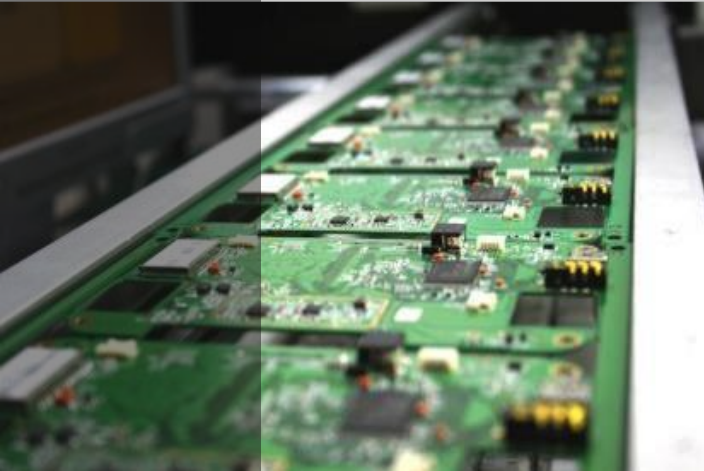


- PCBA
- System Assembly

In-house Manufacturing

- 30 years exp.
- 10,000m²

4 lines of SMT
2 lines of DIP
3 lines of System



- ▶ ISO-9001
- ISO-14001
- ISO-13485
- IATF 16949
- IPC-A-610 (class 2)



Made in Taiwan

In-house capacity of:

- ~100% of embedded products
- ~2/3 of final assembly

Ensure flexibility & quality



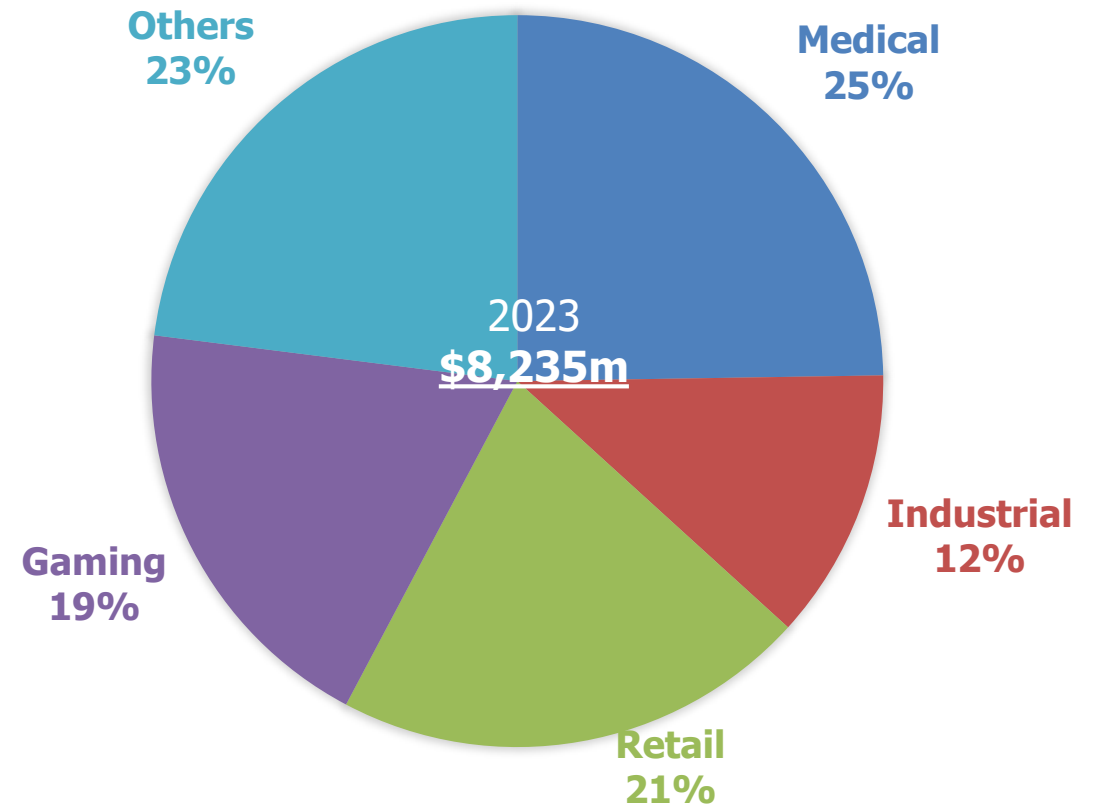
Green Product Management System



Review

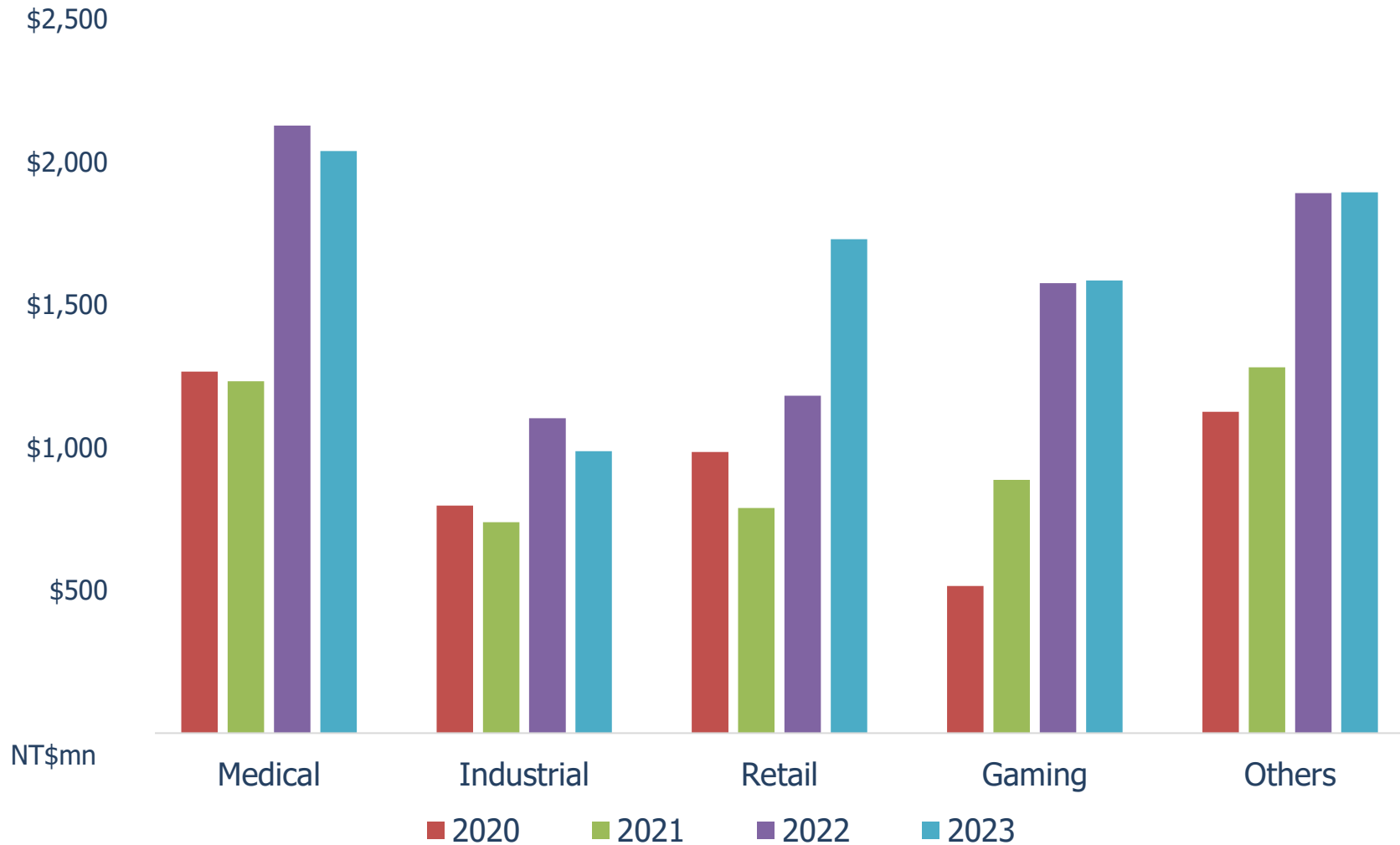
Sales Breakdown by Application

Application	2019	2020	2021	2022	2023
Medical	19%	27%	25%	27%	25%
Industrial	10%	17%	15%	14%	12%
Retail	20%	21%	16%	15%	21%
Gaming	12%	11%	18%	20%	19%
Others	39%	24%	26%	24%	23%



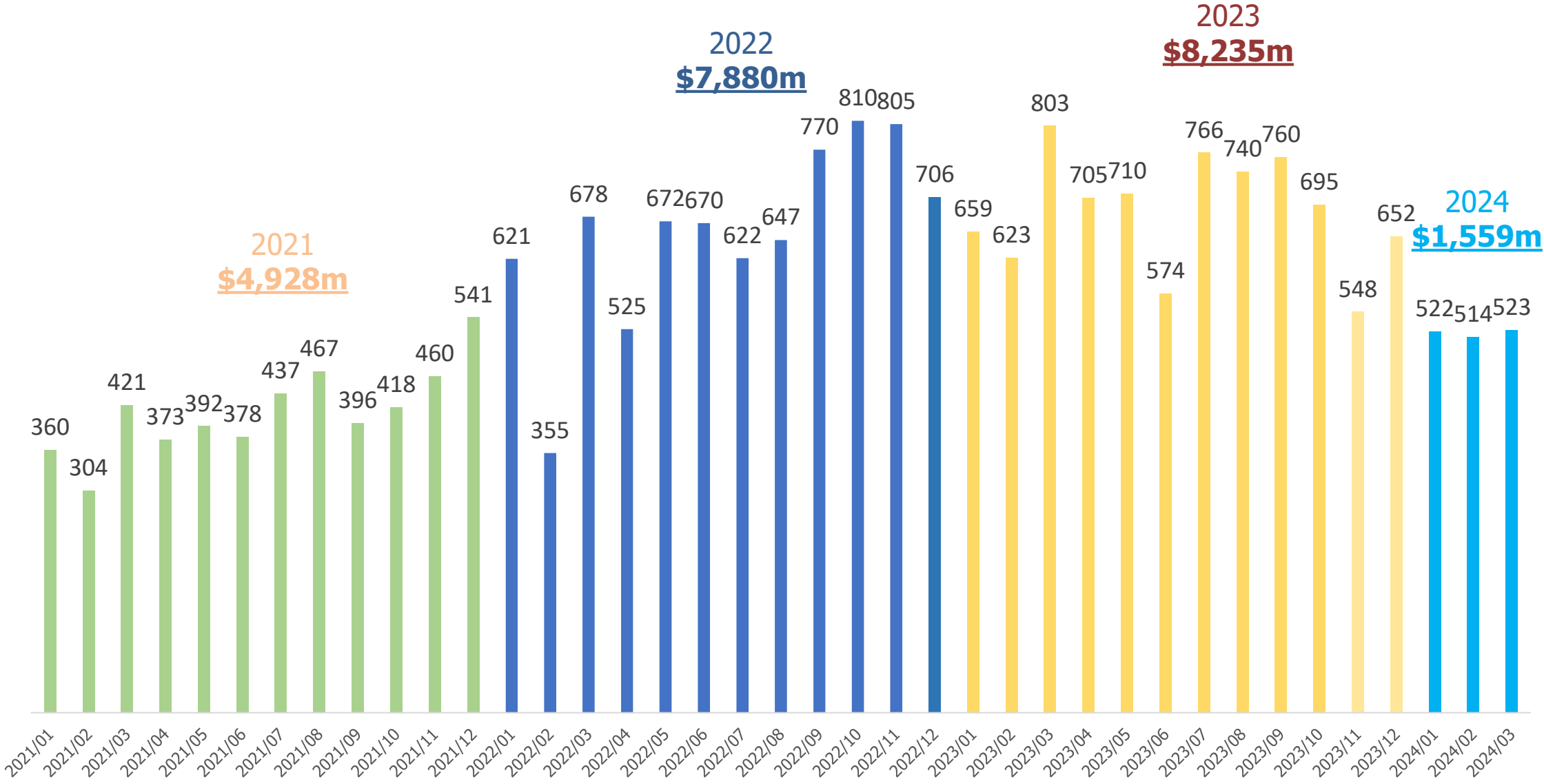
Others: **Transportation, voting machines, government, energy, military, etc.**

Sales Trend by Application



Others: **Transportation, voting machines, government, energy, military, etc.**

Monthly Revenue

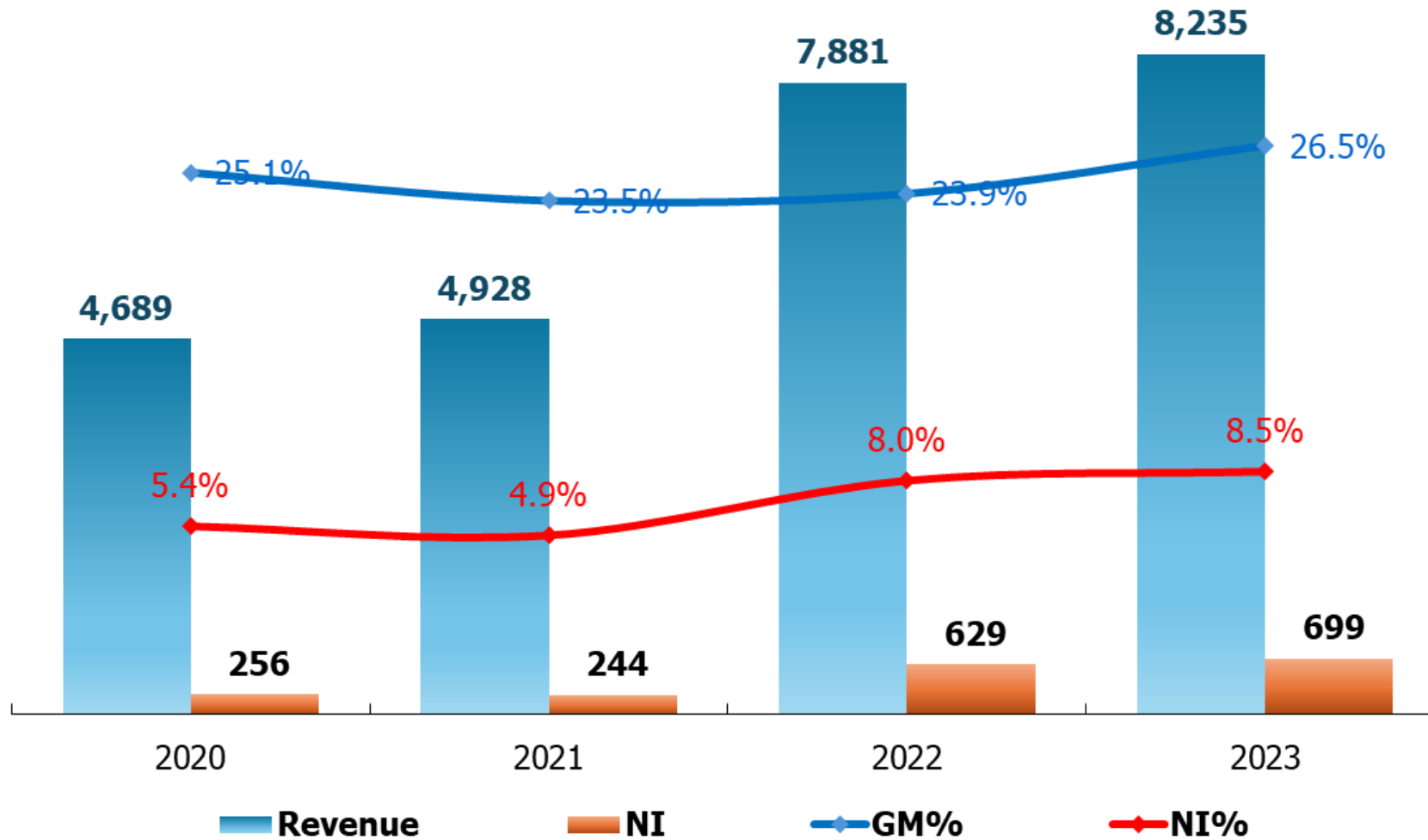


Annual I/S



Item	2023		2022		2021		2020	
	NT\$m	%	NT\$m	%	NT\$m	%	NT\$m	%
Revenue	8,235	<i>100.0</i>	7,881	<i>100.0</i>	4,928	<i>100.0</i>	4,689	<i>100.0</i>
COGS	6,049	<i>73.5</i>	5,997	<i>76.1</i>	3,769	<i>76.5</i>	3,514	<i>74.9</i>
Gross Profit	2,186	<i>26.5</i>	1,884	<i>23.9</i>	1,158	<i>23.5</i>	1,175	<i>25.1</i>
SG&A	1,241	<i>15.1</i>	1,111	<i>14.1</i>	901	<i>18.3</i>	907	<i>19.3</i>
EBIT	945	<i>11.5</i>	772	<i>9.8</i>	258	<i>5.2</i>	268	<i>5.7</i>
Non-Op	41	<i>0.5</i>	67	<i>0.9</i>	36	<i>0.7</i>	57	<i>1.2</i>
EBT	986	<i>12.0</i>	840	<i>10.7</i>	294	<i>6.0</i>	325	<i>6.9</i>
Tax	288	<i>3.5</i>	211	<i>2.7</i>	50	<i>1.0</i>	69	<i>1.5</i>
NI	699	<i>8.5</i>	629	<i>8.0</i>	244	<i>5.0</i>	256	<i>5.5</i>
Comp NI	694	<i>8.4</i>	735	<i>9.3</i>	216	<i>4.4</i>	215	<i>4.6</i>
EPS	8.38		7.9		2.94		3.23	

Annual Performance

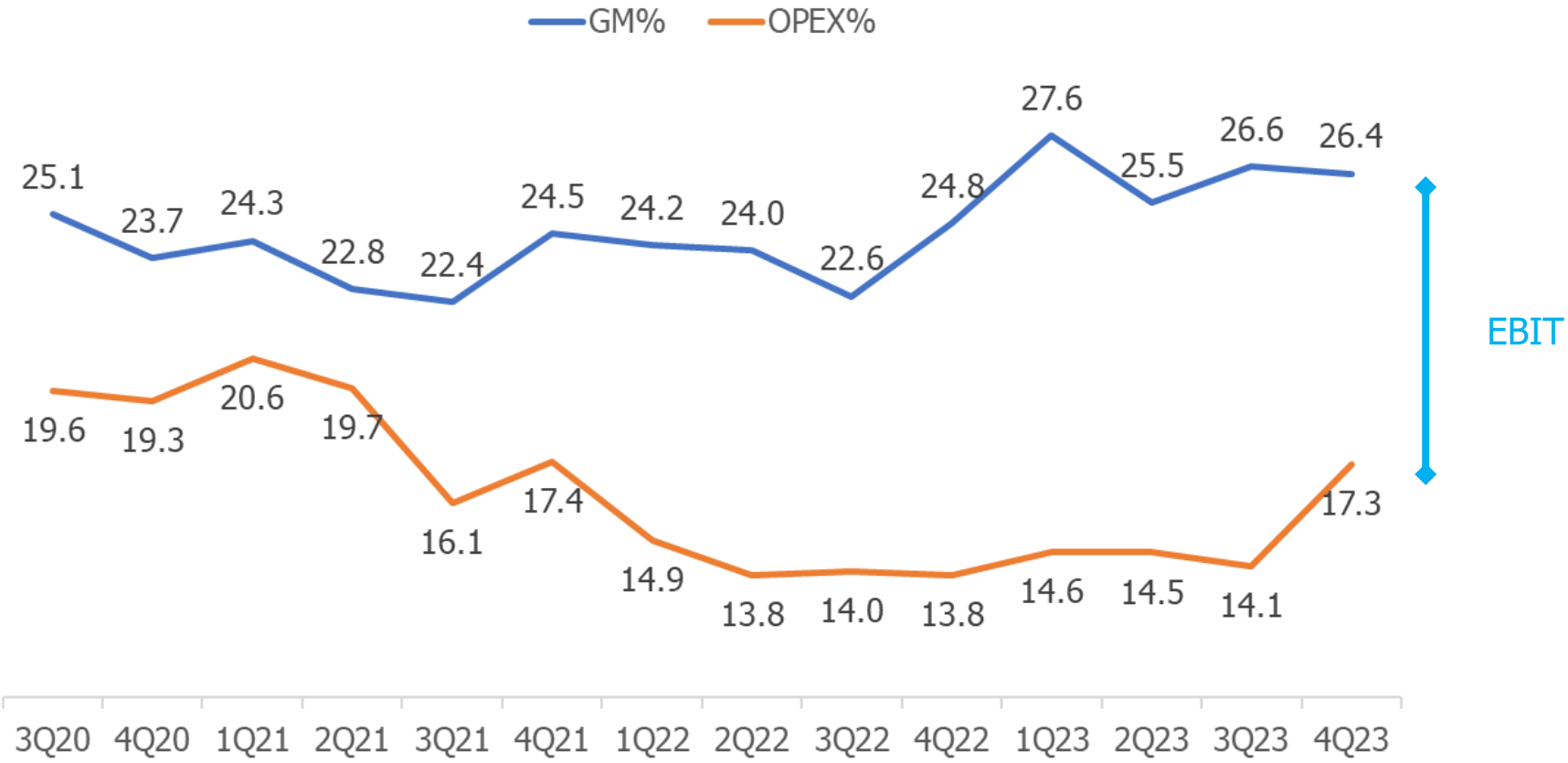


2020-2023 CAGR: Revenue **+21%**, Net Profit **+40%**

GM % vs. OPEX %



- Optimization of product mix
- Focus on more sizeable, longer-term projects
- Procurement & Inventory management



Balance Sheet



NT\$m	2023		2022		NT\$m	2023		2022	
ST Assets	4,293	<i>76%</i>	4,247	<i>78%</i>	ST Liabilities	1,984	<i>35%</i>	2,165	<i>40%</i>
Cash	1,450	<i>26%</i>	1,006	<i>18%</i>	ST Loan	723	<i>13%</i>	791	<i>15%</i>
AR	1,563	<i>28%</i>	1,319	<i>24%</i>	AP	988	<i>18%</i>	1,018	<i>19%</i>
Inventory	1,215	<i>22%</i>	1,809	<i>33%</i>	Others	273	<i>5%</i>	355	<i>7%</i>
Others	64	<i>1%</i>	113	<i>2%</i>					
LT Assets	1,326	<i>24%</i>	1,209	<i>22%</i>	LT Liabilities	120	<i>2%</i>	117	<i>2%</i>
PP&E	834	<i>15%</i>	796	<i>15%</i>	LT Loan	1	<i>0%</i>	1	<i>0%</i>
Others	492	<i>9%</i>	413	<i>8%</i>	Others	119	<i>2%</i>	116	<i>2%</i>
					Total Liabilities	2,104	<i>37%</i>	2,282	<i>42%</i>
					OE	3,515	<i>63%</i>	3,173	<i>58%</i>
					Equity	724	<i>13%</i>	713	<i>13%</i>
					APIC	1,058	<i>19%</i>	1,027	<i>19%</i>
					RE	1,368	<i>24%</i>	1,117	<i>20%</i>
					Others	365	<i>7%</i>	317	<i>6%</i>
Total Assets	5,619	<i>100%</i>	5,456	<i>100%</i>	Total L+OE	5,619	<i>100%</i>	5,456	<i>100%</i>

Cashflow Statement



	2023	2022
OCF	1,088	351
D&A	86	87
Inventory	594	-316
AR	-249	-356
AP	-30	50
Others	686	886
ICF	-143	-69
CAPEX	-95	-64
Others	-48	-5
Free CF	945	282
FCF	-490	-40
Loan	-97	144
Dividend	-356	-183
Others	-37	-1
Change in Cash	444	338
Beginning Cash	1,006	668
Ending Cash	1,450	1,006

NT\$mn

Ratios



Turnover	2023	2022	2021
Asset Turnover	1.5x	1.6x	1.2x
Equity Turnover	11.5x	11.1x	7.0x

Cycle	2023	2022	2021
Days of Inventory	91	101	114

Profitability	2023	2022	2021
ROE	20.9%	21.8%	9.4%

Dividend



Year	EPS	Payout	Cash Dividend	Avg. Stock	Cash Yield
	\$	%	\$	\$	%
2024	8.38	72	6.00	117	5.12
2023	7.90	63	4.94	101	4.87
2022	2.94	88	2.58	60	4.28
2021	3.23	80	2.58	53	4.87
2020	6.65	60	4.00	62	6.45
2019	3.54	73	2.60	61	4.28
2018	3.33	78	2.60	43	6.06
2017	4.74	76	3.60	53	6.82
2016	4.35	82	3.55	70	5.08
2015	3.5	80	2.80	48	5.88
2014	3.65	82	3.00	46	6.46
2013	4.88	71	3.44	43	7.93
2012	2.69	86	2.31	33	6.94
2011	3.5	80	2.80	39	7.20
Mean		76	2.90		5.97



2024

Outlook

Alice Liu, Chairwomen

Philip Chang, GM

2024 Focus



產業發展地圖 Sector Driven

Focus and deepen the cultivation of key industries: Smart Healthcare, Smart Manufacturing, Intelligent Transportation, Smart Retail, Energy.



部署AI/IoT解決方案 啟動產業應用升級 Deploying AI/IoT Solutions Accelerate Industry Growth

Establish various solutions assisted by artificial intelligence (AI) predictive models, using smart sensing technology or data analysis to improve production processes and enhance efficiency.



拓展優質長單 增強訂單能見度 Expand high-quality long-term orders, enhance visibility

The goal is to secure stable, high-quality long-term sales orders, such as five-year high-performance servers, to increase revenue visibility.



節能減碳 綠色環保 Green and Environmentally friendly

Committed to contributing to society and the environment, we adhere to ESG as our core value and actively respond to the United Nations Sustainable Development Goals. We look forward to collaborating with partner companies to create a sustainable future together.

Product Portfolio



HPC / AI Server



E-Paper / Digital Paper



Nvidia Jetson



ARM Based



China domestic solutions



MCU Based



Market Applications



Medical / Healthcare



Smart Retail



Smart Manufacturing



Gaming



Others

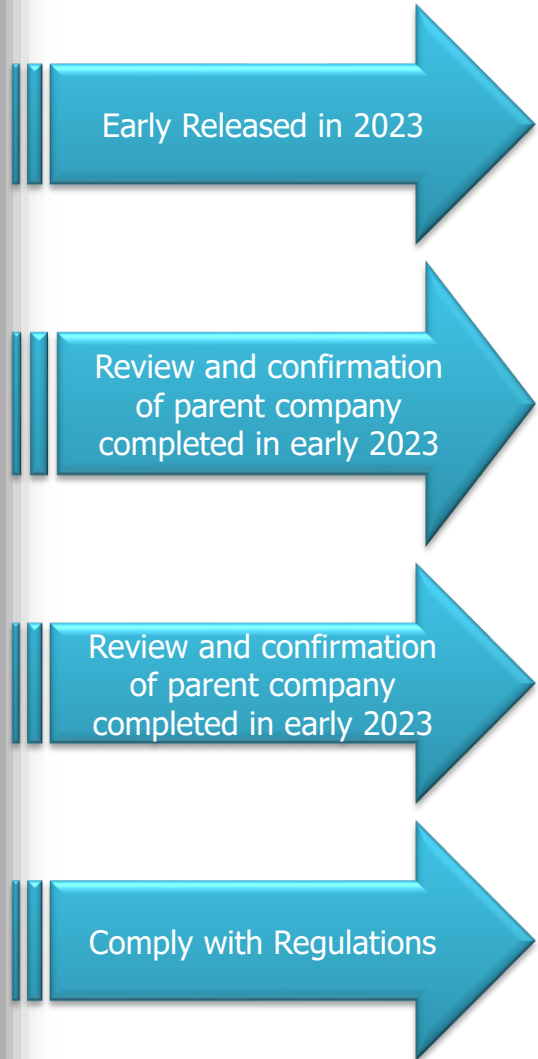


FSC R.O.C Sustainable Development Timeline



3479 安勤

查詢日期：2024.04.29
2030 永續發展目標
2050 Net-Zero



資料來源：永續發展路徑圖、永續發展行動方案、我國接軌IFRS永續揭露準則藍圖、公司申報資料

*本專屬路徑圖係依現行政策或法規設計並依公司最近會計年度終了日(2023年底)申報之實收資本額7.22億元推算，公司可自願提前完成。

Sustainability Report



Published on the Avalue website in 2023

avalue

Application Products Capability Support

ESG

Innovating for a Sustainable Future: Avalue's Commitment to Global Well-being

DUN & BRADSTREET
ESG REGISTERED™

Articles Download Sustainability Report Stakeholder

SCROLL DOWN ↓

Greenhouse Gas Inventory

Examination and confirmation of parent company completed in 2023 and so will be the sub-companies, the financial statements will be carried out in accordance with policies.

Statement TW23/00474GG



Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in year 2022 of
**AVALUE TECHNOLOGY
INCORPORATION**

7F, No. 228, Liancheng Road, Zhonghe District,
235038 New Taipei City, Taiwan

has been verified in accordance with ISO 14064-3:2006 as
meeting the requirements of

ISO 14064-1:2018

Direct emissions
57.9795 tonnes of CO₂e
Indirect emissions
3,304.4754 tonnes of CO₂e
Direct emissions and indirect emissions
3,362.455 tonnes of CO₂e

Authorized by

Stephen Pao
Knowledge Deputy General Manager
Date: 07 September 2023
Version 1

TGP56A-15-6 2207
SGS Taiwan Ltd.
No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District,
New Taipei City 24803, Taiwan
t (02) 22993279 f (02)2299453 www.sgs.com



This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

Page 1 of 8

Statement TW23/00474GG, continued



The emission of each category is described as below:

Unit: tonnes of CO₂e

Reporting Boundaries		GHG Emissions	
Inventory categories	Description		
Direct emissions	Direct emissions from stationary combustion	0.0000	
	Direct emissions from mobile combustion	0.0000	
	Direct emissions from industrial processes	0.0000	
	Direct fugitive emissions from anthropogenic systems	57.9795	
	Direct emissions from land use changes	0.0000	
Indirect emissions	Imported energy	962.5032	
	Transportation	Indirect emissions from employee commuting (cars, locomotives, electric locomotives, MRT buses)	163.8134
		Indirect emissions from employee business travel (high-speed rail, taxi, MRT, car, locomotive)	15.6668
		Indirect emissions from downstream product transport	2.9533
	Products used by an organization	Indirect emissions from purchases of products/services	136.3791
		Indirect emissions from upstream of purchased energy	184.7228
		Indirect discharge of solid or liquid waste outsourced treatment	0.2293
	Associated with the use of products from the organization	Indirect emissions from downstream investments	1,838.2075
Other sources	Undisclosed	NA	
Direct emissions and indirect emissions		3,362.455	

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

Page 2 of 8

Statement TW23/00474GG, continued



Verifier Group

Above statements coincide with auditing process with fairness and impartiality and aim at the emission of year 2022 of clients.

Lead Verifier:

Kyle Lu

Verifier:

Steve Hsieh

Rex Lee

Note: This Statement is issued, on behalf of Client, by SGS Taiwan Ltd. ("SGS") under its General Conditions for Greenhouse Gas Verification Services available at http://www.sgs.com/terms_and_conditions.htm. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement, the findings and the supporting GHG Assertion may be consulted at AVALUE TECHNOLOGY INCORPORATION, 7F, No. 228, Liancheng Road, Zhonghe District, 235038 New Taipei City, Taiwan. This Statement does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

Page 8 of 8

ESG Goals



Facing the crisis brought on by global climate change, Avalue Technology recognizes the importance of taking action and has integrated sustainable development goals into its business operations.

Through collaboration with our supply chain partners, we are committed to promoting the United Nations' sustainable development goals announced in 2015. We will integrate these goals into our established business philosophy, with the aim of achieving sustainable growth and a positive impact on society.

Steady Innovation

Diligent Passion

Enjoy Work

Embrace Life

All Avalue employees share a common goal of working diligently to make a positive impact on global sustainable development and contribute towards building a better future for generations to come. The figure on the right illustrates the correlation between Avalue's business philosophy and sustainable development goals.



ESG Efficiency



Good Health and Well-being

Develop smart city-related products to improve urban traffic safety and convenience. Develop healthcare-related products to enhance medical care quality and reduce public healthcare expenses. Encourage physical exercise to enable employees to enjoy a healthy mind, body, and spirit.



Quality Education

Develop the habit of lifelong self-directed learning and offer plentiful resources and assistance, such as digital learning, to promote ongoing professional development. Facilitate career growth to safeguard personal income and amplify job satisfaction. Engage in industry-academia partnerships with a focus on social well-being to foster the future capabilities of outstanding students and empower them to become vital contributors to society.



Gender Equality

Implement DEI comprehensively to ensure equal rights in terms of work, leadership roles, childbearing, and family care for all genders and races. Our retention rate for parental leave applicants has achieved 100%, and female managers account for 28.57%. We actively promote gender respect and have zero tolerance for sexual harassment, gender discrimination, and bullying.



Decent Work and Economic Growth

Foster a workplace culture of diversity and inclusion by implementing peer-to-peer learning and providing competitive salaries and benefits that empower employees to recognize their own worth and cultivate a sense of belonging within the company. Additionally, maintain consistent employment with excellent benefits, expand job opportunities, and contribute to the growth of the local economy. Ensure a safe and secure work environment, cultivate a friendly workplace with no complaints and no occupational accidents, and prioritize maternal health protection in the workplace. Establish a long-term partnership with the Eden Foundation to employ expert blind masseurs, provide massage and stress relief services for staff, and offer regular fitness classes and wellness events for a mutually beneficial outcome.



Industry Innovation and Infrastructure

Collaborate with various industries to create a variety of energy-saving solutions. Work together with local governments to enhance community infrastructure and implement smart city equipment. Reinforce information security measures (ISO27001:2013) to safeguard customer privacy and transaction data.



Responsible Consumption and Production

The recycling rate for production line waste and recyclable office materials has reached 100%. We will continue to develop green energy products and extend the lifespan of our products. Our goal is to provide exceptional products while encouraging raw material suppliers to use pollution-free materials and processes.



Climate Action

Inventory the greenhouse gas emissions produced by the company's operations and establish goals for conserving energy and water. Acknowledge employees for their ingenuity and enthusiastic engagement in diverse sustainability promotional campaigns organized by the company. Participate in the "Industrial Energy Efficiency Improvement and Management Project" organized by the Ministry of Economic Affairs. Take the lead in mentoring smaller companies and inviting suppliers to participate. Also, develop a plan to replace old equipment.



Peace, Justice and Strong Institutions

Uphold integrity and honesty, avoid involvement in illegal transactions, and omit any violations during the production and trading process. Adhere to tax regulations and contribute to economic growth. Continue donating to local social service organizations and fire departments while actively assisting the building management committee to promote ESG initiatives in the park. Our annual donation target is 1 million NTD, and we aim to achieve it through a focused and concerted effort.



Partnerships for the Goals

Explore carbon reduction possibilities, establish a green supply chain, assist partners in comprehending sustainable development goals, and cultivate green business opportunities to collaborate towards a better future. Maintain cooperation with diverse sectors, elevate multiple industries through smart technologies, and establish a sustainable value chain.

ESG Registered



D & B ESG Registered

D&B is one of the largest provider of commercial data and analytics services. Its ESG evaluation platform is built on six major sustainability criteria, covering ESG data for over 80 million publicly traded and privately held companies in worldwide.

dun & bradstreet

Avalue Technology Incorporation

D-U-N-S Number: 65-801-0319



Company Information

Business Address	7F, 228, Lian-cheng Road,,New Taipei City,235038,TW
Phone	+886 282262345
Website	www.avaluetechnology.com.tw
Year Started	2000
Operation Status	Active
ESG Registered	2023-12-12

Line of Business:	Mfg computer peripheral equipment
SIC Codes:	3577
SICS Category:	Technology & Communications
SICS Industry:	Hardware
No Of Employees:	745

ESG Registered



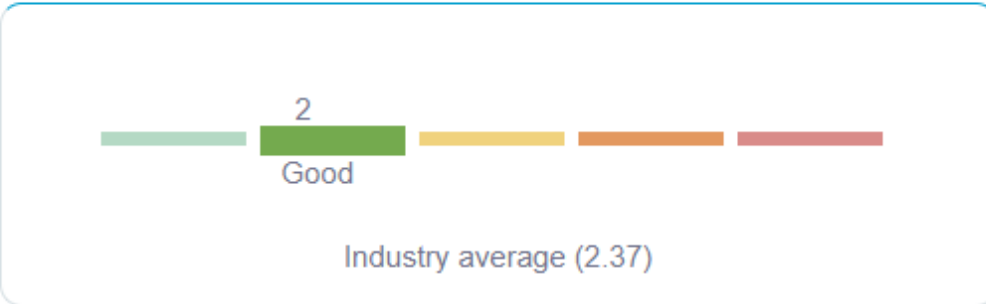
ESG Ranking Overview

The ESG Rankings are calculated in a way that results in a normal distribution of data between 1, indicating low risk or best performance, and 5, indicating high risk or worst performance. A data depth is provided for each ESG Ranking and separate E, S, and G Ranking, indicating the richness of ESG data behind the corresponding ESG Ranking. The data depth is measured by sources and data points available for the ESG calculation for each topic.

ESG Transparency Statement

Overall ESG Ranking

ESG Good



- Very Good (1)
- Good (2)
- Medium (3)
- Poor (4)
- Very Poor (5)

Future Plan



Research & Disclosure

Following the sustainable Development Timeline for Researching.

Carbon Reduction Goals

SBTi reduction pathway.
Carbon Neutrality by 2030 for Office in Taiwan.

Carbon Reduction Initiatives

Continuous improvement in energy efficiency
-Product Research and Development
-Reduce Energy Consumption

Keep Improving

Sustainable Development Committee

A close-up photograph of a person's hand holding a white stylus, pointing it at a tablet. The tablet screen displays a dashboard with various charts and graphs. The background is blurred, showing a desk with a laptop. The text "Q&A" is overlaid in the center of the image.

Q&A