



Dynapack International Technology Corp.

4Q 2023 Investor Conference

Dec. 22, 2023

DynaPack

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Corporate Introduction

- Date of Stock Listing: Nov. 2004
- Paid-Up Capital: NT \$1.506 billion
- NO. of Employees: 2,300 (Nov. 2023)
- Headquarters: 13F., No. 188, Wenhe Rd., Guishan Dist., Taoyuan City, Taiwan (Near Taoyuan Airport MRT A7 station)
- Factories :
 - China: Wujiang Economic and Technological Development Zone, Suzhou City, JiangSu Province, PRC,
 - Taiwan: No. 188, Wenhe Rd., Guishan Dist., Taoyuan City, Taiwan
 - Thailand: Rojana Industrial Park Ayutthaya
- Main Business: Design, manufacture, testing, selling and marketing of chargeable battery packs.
- Main Products: Battery pack for IT/3C applications (NB, Tablet, etc.); Battery pack for Non-IT application (E-Bike, E-Motor, UPS, BBU, ESS, etc.)



TW HQ(2019)



TH Plant(2023)



WJ Plant 3(2016)



WJ Plant2(2012)



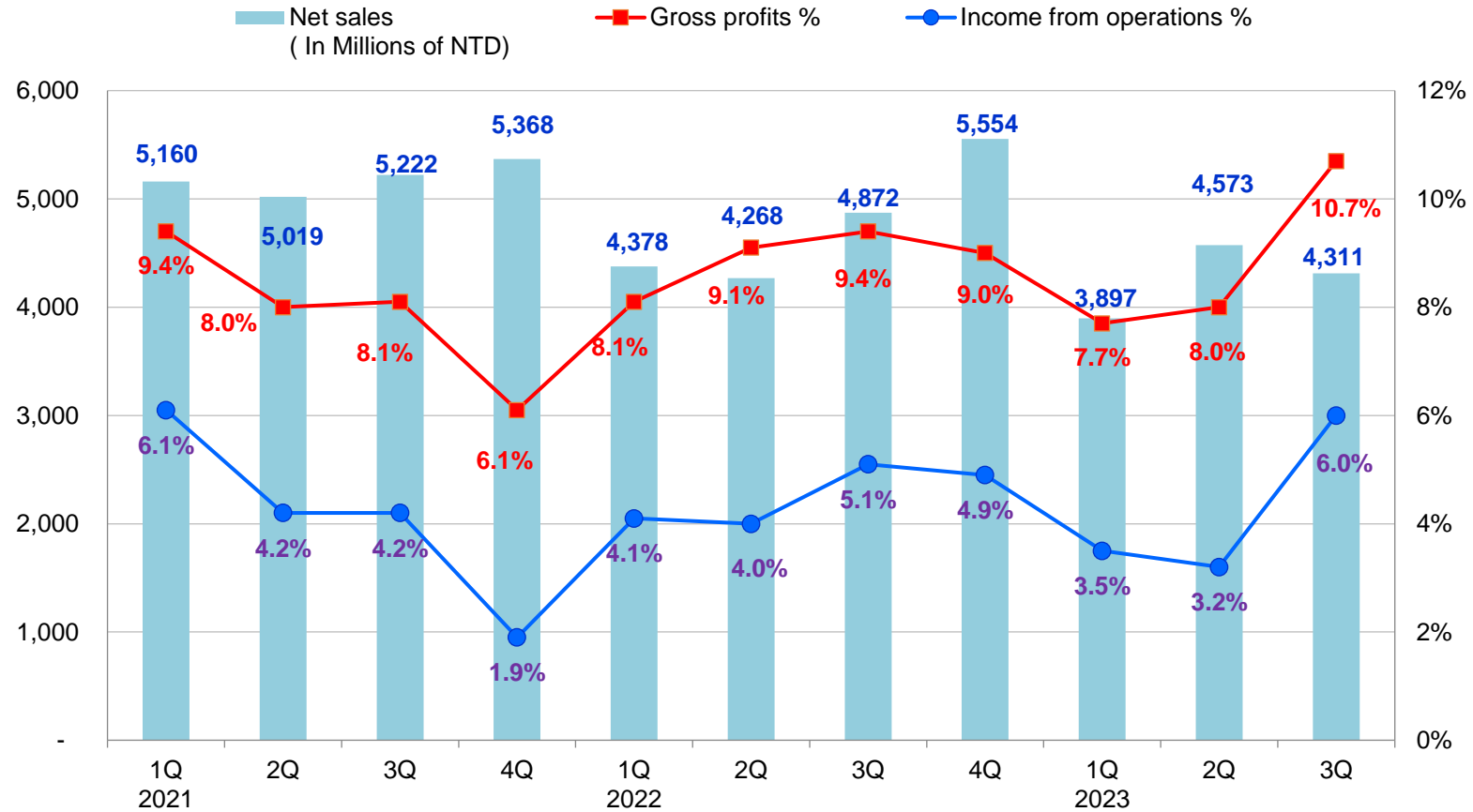
WJ Plant1(2006)

Consolidated Statement of Comprehensive Income

Unit: In Millions of New Taiwan Dollars

Items	For the Nine Months Ended September 30, 2023		For the Nine Months Ended September 30, 2022		YoY%
	Amount	%	Amount	%	
Net sales	\$ 12,781	100.0	\$ 13,518	100.0	-5%
Cost of sales	11,654	91.2	12,320	91.1	-5%
Gross profits from operations	1,127	8.8	1,198	8.9	-6%
Operating expenses	590	4.6	597	4.4	-1%
Income from operations	538	4.2	601	4.5	-11%
Non-operating income	204	1.6	255	1.8	-20%
Income before income tax	742	5.8	856	6.3	-13%
Income tax expense	221	1.8	255	1.9	-13%
Net income	520	4.0	601	4.4	-13%
Basic earnings per share	\$ 3.46		\$ 4.02		-14%

Financial Performance



Consolidated Balance Sheet & Key Indices

Items	Unit: In Millions of New Taiwan Dollars				
	2023.09.30		2022.12.31		Diff
	Amount	%	Amount	%	Amount
Cash and cash equivalents	1,701	10	3,058	18	(1,356)
Current financial assets at amortised cost	2,814	17	942	5	1,872
Notes & Accounts receivable, net	4,424	27	5,020	29	(596)
Inventories-net	1,615	10	2,410	14	(796)
Property, plant and equipment	1,396	9	1,478	9	(83)
Investment property, net	3,309	20	3,063	18	246
Other assets	1,081	7	1,383	8	(302)
Total assets	16,339	100	17,354	100	(1,015)
Short-term loans	400	2	750	4	(350)
Accounts payable	2,683	16	2,986	17	(303)
Current portion of long-term borrowings	607	4	589	3	19
Long-term loans	995	6	1,076	6	(80)
Deferred tax liabilities	1,093	7	1,174	7	(81)
Guarantee deposits received	789	5	789	5	0
Other liabilities	1,352	8	1,427	8	(75)
Total liabilities	7,920	48	8,790	51	(870)
Capital stock	1,507	9	1,502	9	5
Capital surplus	2,182	13	2,156	12	27
Retained earnings	4,811	29	5,200	30	(389)
Others	(80)	(0)	(294)	(2)	214
Total shareholders' equity	8,420	51	8,564	49	(144)
Net book value per share (NT\$)	\$ 55.89		\$ 57.03		
AR Turnover (Day)	101		97		
Inventory Turnover (Day)	47		56		
AP Turnover (Day)	67		68		
Current Ratio (%)	226		217		

4Q 2023 Outlook

- **IT applications:** momentum for the 4th quarter remains consistent with that of the 3rd quarter.
- **Non-IT applications:**
 - Battery backup unit (BBU) for Server - commenced mass production for new customer and expects to scale up gradually.
 - Energy Storage System (ESS) – business momentum remains stable.
 - E-Mobility – market visibility is still low. Started shipment to new customer in 4Q.

2024 Outlook

- **IT applications:** Global tablet shipments are expected to remain flat in 2024 and notebook PC shipments are expected to grow slightly. Based on the current order status, we expect revenue of 2024 will be lower than that of 2023.
- **Non-IT applications:**
 - BBU and ESS remain steady growth. Actively pursuing new customers to boost growth.
 - E-Mobility – closely monitor customers inventory level to be prepared for market growth.
- Operating and manufacturing costs will increase because of inflation, high interest rate, US-China trade/tech conflicts, and supply chain relocation and diversification due to geopolitical risks. In addition, competitors are initiating price competition for market share, which will negatively impact our operation and growth.

Land Development Status near Taoyuan Airport MRT-A7 station

- Currently we own the land area of 17,429 pings located in Taoyuan A7 Technology Park. Total costs are NT \$2.76 billion with fair market value of around \$12.45 billion. Included are:
 1. The joint development with Fu-Yu Construction Co of 4,047 pings residential land (land #56 etc.) is expected to complete in 1H 2024. Total selling price is \$2.63 billion. Profit is expected to be recognized in 1H 2024 when the title of such land transferred to the buyers after building use permit is obtained.
 2. The second building is currently under construction on land #55-2 etc. (land area 1,926 pings and building space 14,750 pings). Completion of the building and the acquisition of use permit are expected in 1Q 2025.
 3. Considering self or joint development with other developers for remaining undeveloped land of 11,415 pings (Land #65/67/72/74).

Land Development Status near Taoyuan Airport MRT-A7 station

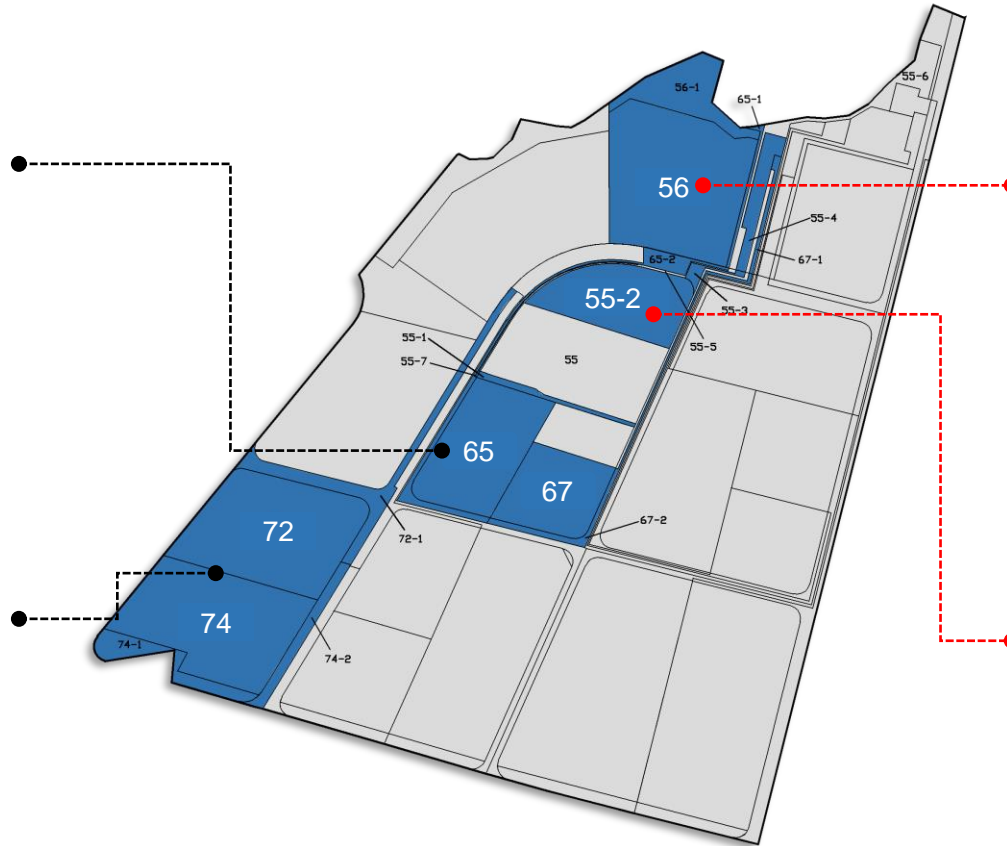
Land To Be Developed



Lot 65 is 2,635 pings. Lot 67 is 1,637 pings. Total 4,272 pings.



Lot 72 and 67 each is 3,571 pings. Total 7,142 pings.



Joint development with Fu-Yu (land 4,047 pings)



In construction - 2nd building (land 1,926 pings)

Dividend Policy

- **Dividend history**

	2022	2021	2020	2019
Earnings Per Share (NT\$)	5.33	22.42	7.02	5.61
Cash Dividends Per Share (NT\$)	6.04184	15.02545	6.5	5.0
Dividend Pay Out Ratio (%)	100%	67%	93%	89%

- **Dividend policy:** Creating long-term value for shareholders. Unless material operating losses occur in the upcoming years, we expect to maintain our commitment in early 2020: to pay annual cash dividends of at least NT \$5 per share for the following 10 years.
 - High payout ratio from operation profits.
 - Profits from A7 land developments will be paid out over a number of years, absent of future significant cash outflows for operations.

Thank You

Q&A