1Q20 Operating Results

May 5, 2020

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Financial Review

1Q20 Income Statement & QoQ/YoY Comparison

Unit: NT$ million	1Q20 AMT	%	4Q19 AMT	%	QoQ % Change	1Q19 AMT	%	YoY % Change
Net Sales	3,672	100.0	4,456	100.0	(17.6)	4,201	100.0	(12.6)
Cost of Goods Sold - Product	2,631	71.6	3,175	71.3	(17.1)	3,036	72.3	(13.3)
Gross Profit 1	1,041	28.4	1,281	28.7	(18.7)	1,165	27.7	(10.6)
Inventory Related Gain/(Loss)	40	1.0	(39)	(0.9)		30	0.7	
Gross Profit 2	1,081	29.4	1,242	27.9	(13.0)	1,195	28.4	(9.5)
Operating Expenses	1,135	30.9	1,274	28.6	(10.9)	1,293	30.8	(12.2)
Operating Income	(54)	(1.5)	(32)	(0.7)		(98)	(2.3)	
Total Non-Op. Inc. (Loss)	42	1.2	47	1.1		(1)	0.0	
Income Before Tax	(12)	(0.3)	15	0.3		(99)	(2.4)	
Tax (Exp.) / Income	(27)	(0.7)	(30)	(0.7)		(50)	(1.2)	
Net Income	(39)	(1.0)	(15)	(0.3)		(149)	(3.6)	
Non-controlling Interests	(9)	(0.2)	(18)	(0.4)		(19)	(0.4)	
Consolidated Income	(48)	(1.3)	(33)	(0.7)		(168)	(4.0)	
EPS (NT$)- Per Weighted-Avg. Capital of NT$6,520M	(0.07)		(0.05)			(0.26)		

*The numbers are consolidated and the net income is audited/reviewed.
**Weighted-Avg. Capital adjusted for treasury shares.

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1Q20 Non-op Income/Loss & QoQ Comparison

Unit : NT$ million	1Q20	4Q19
Investment Income	(19)	25
Sub./Aff.	(20)	22
Capital Gain	1	4
FX Gain/(Loss)	(10)	16
Fin. Income/(Exp.) & Other	71	5
Total Non-op Income/Loss	42	47

* The numbers are consolidated and the net income is audited/reviewed.

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3/31/2020 Balance Sheet & QoQ Comparison

Unit: NT$ million	3/31/20 AMT	%	12/31/19 AMT	%	QoQ % Change
Cash & S-T Investment	2,978	21.4	3,212	20.4	(7.3)
Account Receivable	3,281	23.5	3,584	22.8	(8.5)
Inventory	1,944	13.9	2,837	18.1	(31.5)
Long-term Investments	2,096	15.0	2,470	15.7	(15.1)
Total Assets	13,939	100.0	15,711	100.0	(11.3)
Accounts Payable	2,043	14.7	2,913	18.5	(29.9)
Current Liabilities	4,683	33.6	5,937	37.8	(21.1)
Common Stock	6,520	46.8	6,520	41.5	0.0
Stockholders' Equity	7,941	57.0	8,473	53.9	(6.3)

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**Weighted-Avg. Capital adjusted for treasury shares.

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Key Financial Ratios

Unit: % , days	1Q20	4Q19	3Q19	2Q19	1Q19
** Days A/R	78	84	93	91	80
** Days Inventory	76	89	93	87	80
** Days A/P	78	96	104	107	87
Cash Cycle	76	77	82	72	74
Current Ratio	1.88	1.71	1.67	1.62	1.67
Debt/Equity Ratio	0.70	0.80	0.85	0.90	0.81
*** Net Debt/Equity Ratio	0.34	0.43	0.46	0.46	0.40
ROE	-2.4	-1.5	-3.5	-10.6	-7.4

The numbers are based on consolidated numbers and the net income is audited.

** Annualized

*** Net of Cash & S-T investment
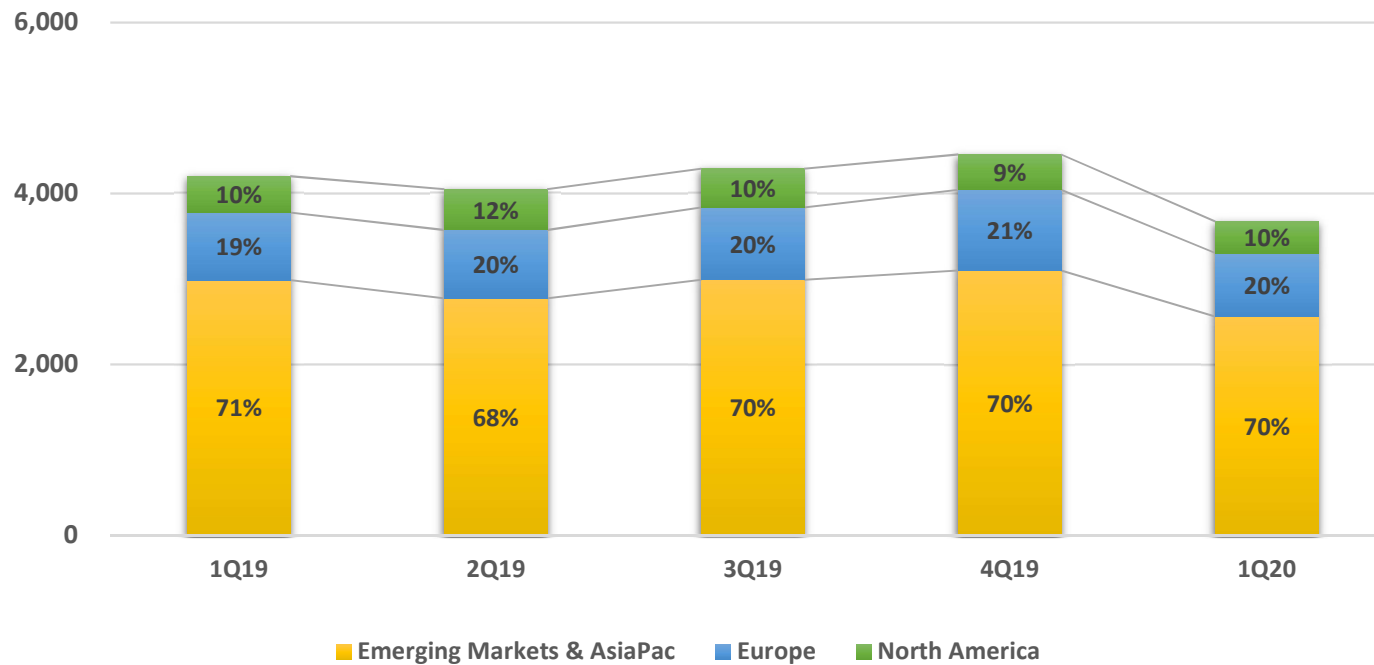
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Quarterly Revenue by Region

In NT$, down 17.6% QoQ, down 12.6% YoY
➢ N.A. down 10.6% QoQ, down 12.8% YoY
➢ Europe down 21% QoQ, down 6% YoY
➢ Emerging Mkts & APac down 17.5% QoQ, down 14.3% YoY

In US$, down 16.5% QoQ, down 10.6% YoY
➢ N.A. down 9.6% QoQ, down 10.9% YoY
➢ Europe down 19.8% QoQ, down 3.9% YoY
➢ Emerging Mkts & APac down 16.4% QoQ, down 12.4% YoY

NT$ mln

	1Q19	2Q19	3Q19	4Q19	1Q20
North America	10%	12%	10%	9%	10%
Europe	19%	20%	20%	21%	20%
Emerging Markets & AsiaPac	71%	68%	70%	70%	70%

■ Emerging Markets & AsiaPac ■ Europe ■ North America
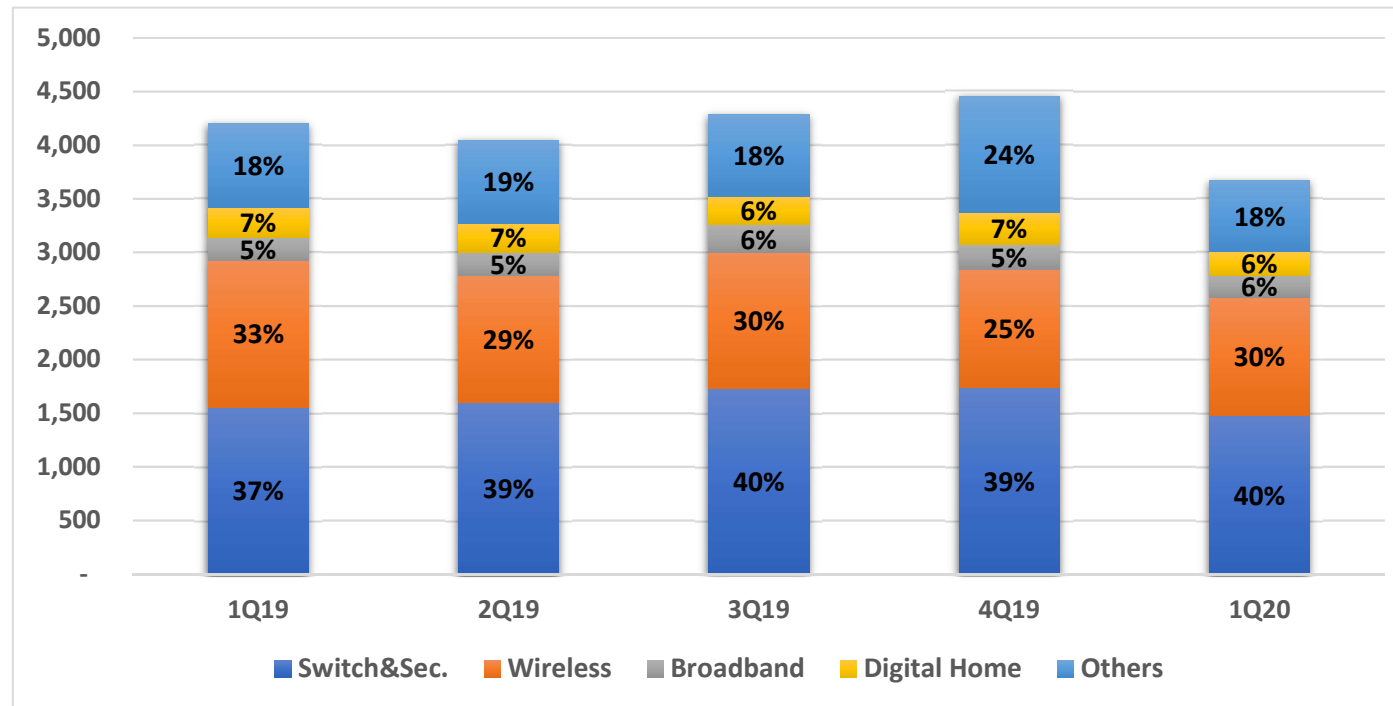
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Quarterly Revenue by Product

In NT$ terms:

➤ Switch down 15.2% QoQ, down 0.2% YoY

➤ Wireless up 0.1% QoQ, down 17.2% YoY

➤ B.B. down 11% QoQ, down 4.9% YoY

➤ D.H. down 26.6% QoQ, down 16.8% YoY

In US$ terms:

➤ Switch down 14.2% QoQ, up 1.9% YoY

➤ Wireless up 1.4% QoQ, down 15.2% YoY

➤ B.B. down 9.5% QoQ, down 2.9% YoY

➤ D.H. down 26.3% QoQ, down 15.1% YoY

NT$ mln

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Safe Harbor Statement

All numbers are consolidated. Except for statements in respect of historical matters, the statements contained in this release are "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of D-Link Corporation to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements.