



# 2Q20 Operating Results

**August 11, 2020**

**D-Link**



# **Financial Review**

# 2Q20 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	2Q20		1Q20		QoQ % Change	2Q19		YoY % Change
	AMT	%	AMT	%		AMT	%	
<b>Net Sales</b>	<b>3,192</b>	100.0	<b>3,672</b>	100.0	(13.1)	<b>4,049</b>	100.0	(21.2)
<b>Cost of Goods Sold - Product</b>	<b>2,099</b>	68.9	<b>2,631</b>	71.6	(20.2)	<b>2,933</b>	72.4	(28.4)
<b>Gross Profit 1</b>	<b>993</b>	31.1	<b>1,041</b>	28.4	(4.6)	<b>1,117</b>	27.6	(11.1)
<b>Inventory Related Gain/(Loss)</b>	<b>38</b>	1.2	<b>40</b>	1.0		<b>(50)</b>	(1.2)	
<b>Gross Profit 2</b>	<b>1,031</b>	32.3	<b>1,081</b>	29.4	(4.7)	<b>1,067</b>	26.3	(3.4)
<b>Operating Expenses</b>	<b>1,128</b>	35.4	<b>1,135</b>	30.9	(0.6)	<b>1,285</b>	31.7	(12.2)
<b>Operating Income</b>	<b>(98)</b>	(3.1)	<b>(54)</b>	(1.5)		<b>(218)</b>	(5.4)	
<b>Total Non-Op. Inc. (Loss)</b>	<b>150</b>	4.7	<b>42</b>	1.2		<b>36</b>	0.9	
<b>Income Before Tax</b>	<b>53</b>	1.7	<b>(12)</b>	(0.3)		<b>(182)</b>	(4.5)	
<b>Tax (Exp.) / Income</b>	<b>(30)</b>	(0.9)	<b>(27)</b>	(0.7)		<b>(38)</b>	(0.9)	
<b>Net Income</b>	<b>23</b>	0.8	<b>(39)</b>	(1.0)		<b>(220)</b>	(5.4)	
<b>Non-controlling Interests</b>	<b>(28)</b>	(0.9)	<b>(9)</b>	(0.2)		<b>(12)</b>	(0.3)	
<b>Consolidated Income</b>	<b>(5)</b>	(0.2)	<b>(48)</b>	(1.3)		<b>(232)</b>	(5.7)	
<b>EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,520M</b>	<b>(0.01)</b>		<b>(0.07)</b>			<b>(0.36)</b>		

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

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

## 2Q20 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	2Q20	1Q20
<b>Investment Income</b>	<b>176</b>	<b>(19)</b>
<b>Sub./Aff.</b>	<b>37</b>	<b>(20)</b>
<b>Capital Gain</b>	<b>139</b>	<b>1</b>
<b>FX Gain/(Loss)</b>	<b>15</b>	<b>(10)</b>
<b>Fin. Income/(Exp.) &amp; Other</b>	<b>(40)</b>	<b>71</b>
<b>Total Non-op Income/Loss</b>	<b>150</b>	<b>42</b>

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# 1H20 Income Statement & YoY Comparison

Unit: NT\$ million	1H20		1H19		YoY % Change
	AMT	%	AMT	%	
<b>Net Sales</b>	<b>6,863</b>	100.0	<b>8,250</b>	100.0	(16.8)
<b>Cost of Goods Sold - Product</b>	<b>4,829</b>	70.4	<b>5,969</b>	72.3	(19.1)
<b>Gross Profit 1</b>	<b>2,034</b>	29.6	<b>2,281</b>	27.7	(10.8)
<b>Inventory Related Gain/(Loss)</b>	<b>78</b>	1.1	<b>(20)</b>	(0.2)	
<b>Gross Profit 2</b>	<b>2,112</b>	30.8	<b>2,261</b>	27.4	(6.6)
<b>Operating Expenses</b>	<b>2,263</b>	33.0	<b>2,578</b>	31.2	(12.2)
<b>Operating Income</b>	<b>(152)</b>	(2.2)	<b>(317)</b>	(3.8)	
<b>Total Non-Op. Inc. (Loss)</b>	<b>193</b>	2.8	<b>35</b>	0.4	
<b>Income Before Tax</b>	<b>41</b>	0.6	<b>(282)</b>	(3.4)	
<b>Tax (Exp.) / Income</b>	<b>(57)</b>	(0.8)	<b>(88)</b>	(1.1)	
<b>Net Income</b>	<b>(16)</b>	(0.2)	<b>(370)</b>	(4.5)	
<b>Minority Interest</b>	<b>(36)</b>	(0.5)	<b>(31)</b>	(0.4)	
<b>Consolidated Income</b>	<b>(53)</b>	(0.8)	<b>(400)</b>	(4.9)	
<b>EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,520M</b>	<b>(0.08)</b>		<b>(0.61)</b>		

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

# 6/30/2020 Balance Sheet & QoQ Comparison

<b>Unit: NT\$ million</b>	<b>6/30/20 AMT</b>	<b>%</b>	<b>3/31/20 AMT</b>	<b>%</b>	<b>QoQ % Change</b>
Cash & S-T Investment	<b>3,457</b>	23.9	<b>2,978</b>	21.4	16.1
Account Receivable	<b>2,992</b>	20.7	<b>3,281</b>	23.5	(8.8)
Inventory	<b>2,358</b>	16.3	<b>1,944</b>	13.9	21.3
Long-term Investments	<b>2,135</b>	14.8	<b>2,096</b>	15.0	1.8
Total Assets	<b>14,450</b>	100.0	<b>13,939</b>	100.0	3.7
Accounts Payable	<b>2,557</b>	17.7	<b>2,043</b>	14.7	25.1
Current Liabilities	<b>4,951</b>	34.3	<b>4,683</b>	33.6	5.7
Common Stock	<b>6,520</b>	46.8	<b>6,520</b>	46.8	0.0
Stockholders' Equity	<b>8,186</b>	57.0	<b>7,941</b>	57.0	3.1

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

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

# Key Financial Ratios

Unit: % , days	2Q20	1Q20	4Q19	3Q19	2Q19
** Days A/R	78	78	84	93	91
** Days Inventory	92	76	89	93	87
** Days A/P	96	78	96	104	107
Cash Cycle	74	76	77	82	72
Current Ratio	1.88	1.88	1.71	1.67	1.62
Debt/Equity Ratio	0.71	0.70	0.80	0.85	0.90
*** Net Debt/Equity Ratio	0.30	0.34	0.43	0.46	0.46
ROE	-0.24	-2.4	-1.5	-3.5	-10.6

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

\*\* Annualized

\*\*\* Net of Cash & S-T investment

# Quarterly Revenue by Region

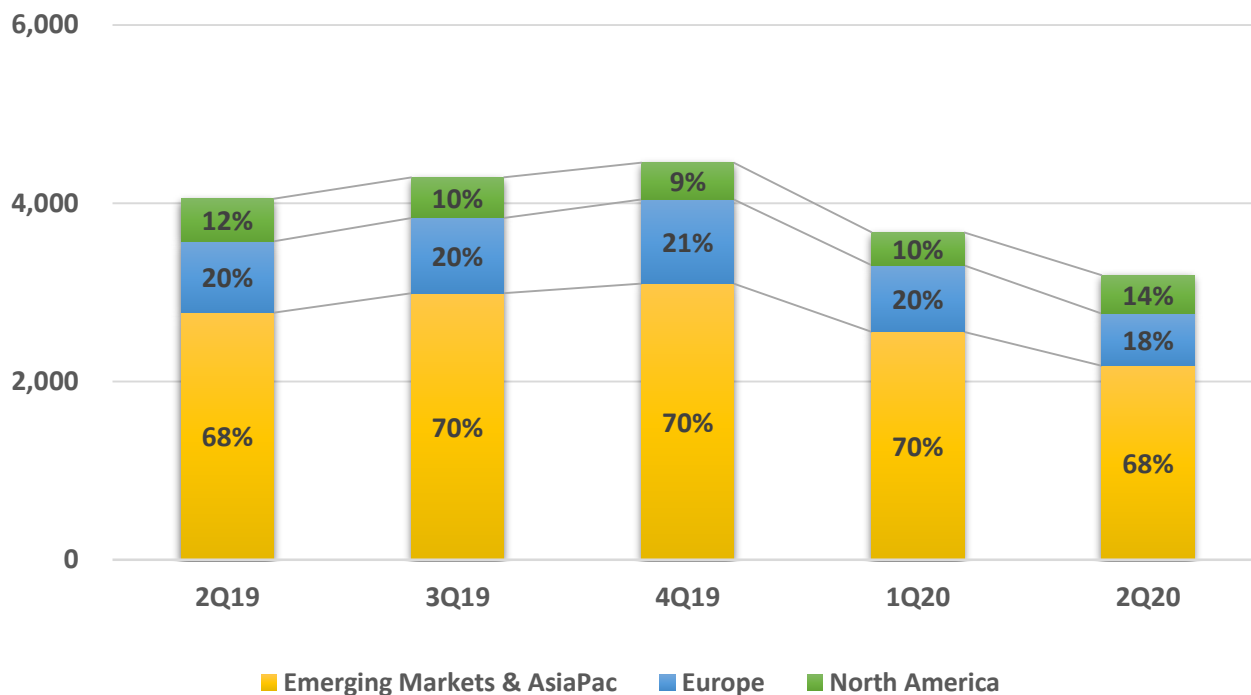
**In NT\$, down 13.1% QoQ, down 21.2% YoY**

- N.A. up 16.8% QoQ, down 9.4% YoY
- Europe down 21.7% QoQ, down 27.1% YoY
- Emerging Mkts & APac down 14.9% QoQ, down 21.5% YoY

**In US\$, down 12.4% QoQ, down 17.9% YoY**

- N.A. up 17.1% QoQ, down 5.9% YoY
- Europe down 21.1% QoQ, down 24.1% YoY
- Emerging Mkts & APac down 14.2% QoQ, down 18.2% YoY

NT\$ mln





# Quarterly Revenue by Product

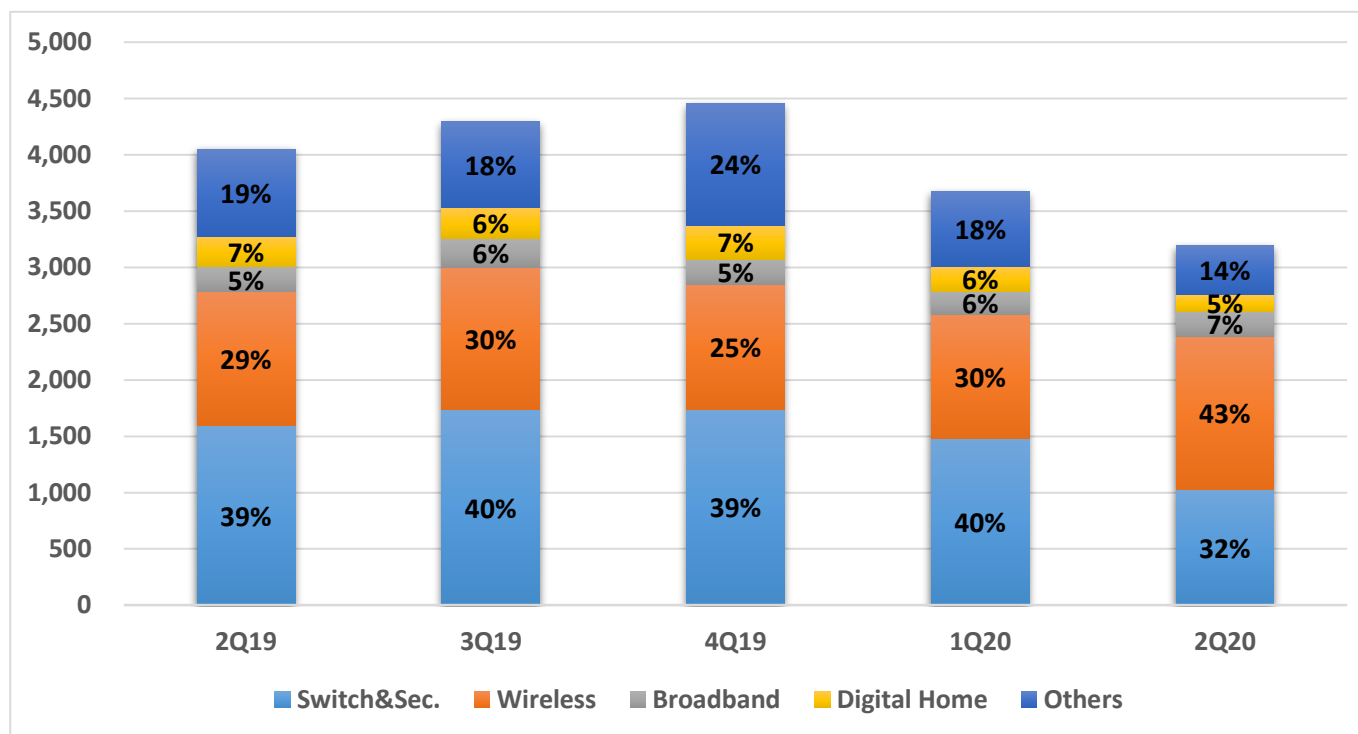
## In NT\$ terms:

- Switch down 30.5% QoQ, down 35.7% YoY
- Wireless up 23% QoQ, up 14.5% YoY
- B.B. up 9.4% QoQ, up 0.7% YoY
- D.H. down 31% QoQ, down 43.6% YoY
- Others down 35.2% QoQ, down 44.4% YoY

## In US\$ terms:

- Switch down 29.9% QoQ, down 33% YoY
- Wireless up 24% QoQ, up 19.4% YoY
- B.B. up 10.4% QoQ, up 4.2% YoY
- D.H. down 30.1% QoQ, down 41.4% YoY
- Others down 35.1% QoQ, down 42.1% YoY

NT\$ mln



## 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.