SILITECH

Silitech Technology (3311.TW) investors conference: Toward stable profitability direction, limited visibility of industries in the short-term

Silitech Technology (3311.TW) today held its 2022 investors conference briefing its financial results. In the third quarter of the year, the company's consolidated revenue was NT$531 million, down 3% Q-o-Q and up 17.2% Y-o-Y. The third quarter gross margin was 17.6%, up 0.7pp Q-o-Q and 1.6pp Y-o-Y respectively. Net profit was NT$33.5 million with EPS of NT$0.49. Cumulated sales from January through September 2022 reached NT$1.55 billion, and the gross profit margin was 16.7%. Net income totaled NT$85.2 million and EPS was NT$1.25.

Silitech continued transformation and adjustment in recent years. Confronting uncertainty such as Covid-19 epidemic, supply chain shortages, Russia-Ukraine war and rising inflation, all employees were committed to working closely with customers and suppliers. On the one hand, Silitech actively cooperated with customer order demands, continued to strengthen production and operation adaptability, deepened customer relationships and successfully expanded the products and services provided to customers. On the other hand, Silitech strengthened coordination and cooperation with suppliers to further reduce the impact of material shortages and control inventory risks. Automotive Components accounted for 51.4% share of the first three quarters revenue in 2022 and Mechanical Integration contributed 48.6%. Cumulated sales of first three quarters of 2022 was up 16.4% Y-o-Y, operating profit and EPS were up 117.4% and 98.4% Y-o-Y respectively. Facing severe changes and challenges in the market, the above results have demonstrated Silitech’s operation capability, production flexibility and the development toward stable profitability direction.

Looking forward to the future, in the face of negative factors such as inflation and inventory adjustment, the visibility of related industries is limited in the short-term and the global demand is expected to become clearer in the second half of 2023. Nevertheless, Silitech will continue to adjust its global layout thinking, make use of the advantages of each factory, and fully utilize various types of resources without limitation to achieve synergy. In terms of sales and R&D, Silitech will continue its dedication to cross-industry application and provide customers with flexible services in preliminary product design, R&D and various solutions in pursuit of business momentum and application development in the field of Automotive Components and Mechanical Integration. In terms of production operation, in response to long-term planning, Silitech will increase its production capacity in Taiwan and Malaysia factory, diversify the production capacity in different regions to meet the customer's business needs; optimize the management of supply chain, strength resource sharing among different factories, and continue to pursue automation production process and production flexibility to achieve operation synergy.

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