SILITECH

Silitech Technology (3311.TW) investors conference：Silitech makes small profit in 2020 Q3 and cautiously and optimistically expects a slight growth in 2020 Q4

Silitech Technology (3311.TW) today held its 2020 investors conference briefing its financial results. In the third quarter of the year, the company's consolidated revenue was NT$452 million, up 43% Q-o-Q and down 31% Y-o-Y. The third quarter gross margin was 20.3%, up 10.9% Q-o-Q and 3.9% Y-o-Y respectively. Net profit was NT$13 million with EPS of NT$0.22. It shows a small profit in the third quarter. Cumulated sales from January through September 2020 reached NT$1.21 billion, and the gross profit margin was 6.6%. Net loss totaled NT$396 million and EPS was NT$-6.6.

After capital reduction to improve the capital structure and capacity downsizing last year, gradual reduction of Shenzhen Xurong plant’s production in the first quarter of 2020, and refocus on Automotive Components and Mechanical Integration, Silitech already has the condition for stable and profitable small but beautiful now. In the long term, Silitech is aimed at expanding the scale of operations and increasing the volume of business development. Looking forward to the fourth quarter, from the perspective of the external economic environment, although uncertain factors such as coronavirus pandemic, the US-China trade war and technology sanctions continue to affect, it is still cautiously and optimistically expected a slight growth compared with the third quarter. Silitech has resumed operation in the first half of the year and orders have gradually returned. The overall operating performance in the second half of this year is expected to be better than the first half.

Confronting such uncertainty in the economic environment, Silitech will redeploy global sales and production businesses and increase its production capacity in Taiwan and Malaysia factory, continuing its dedication to cross-industry applications. In overall business operating, the Automotive Components, besides the steady profitable automotive interior components, have actively developed automotive interior glass and new technologies for automotive interior components. Mechanical Integration has focused on application and development such as wearable device, smart locks module, netcom optics component, and 5G related etc., and gradually shown its results. Silitech provides customers with flexible services in preliminary product design and R&D in pursuit of higher market share. In terms of production operations, Silitech will plan and execute advanced manufacturing (preliminary smart manufacturing), while continuing to pursue automation production system and improving production efficiency.

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