Silitech Technology (3311.TW) investors conference: To expand business momentum continuously during capacity expansion and transformation period

Silitech Technology (3311.TW) today held its 2023 investors conference briefing its financial results. In the third quarter of the year, the company's consolidated revenue was NT$569 million, up 12.3% Q-o-Q and 7.1% Y-o-Y respectively. The third quarter gross margin was 15.8%, down 0.5pp Q-o-Q and 1.8pp Y-o-Y respectively. Net profit was NT$35.5 million with EPS of NT$0.52. Cumulated sales from January through September 2023 reached NT$1.54 billion, and the gross profit margin was 16.2%. Net income totaled NT$92.1 million and EPS was NT$1.35.

In face of the impact of negative factors such as geopolitics, high inflation and low growth this year: Silitech Taiwan factory takes advantage of MIT, continues to deepen customer relationships and provides value-added products. In the face of high fluctuations in customer demand, operation adaptability of Taiwan factory has further improved; Due to lower economic growth in China and sluggish demand for consumer products, Shenzhen Xurong factory has been transforming to application products of automotive and new energy vehicle; Malaysia factory's long-term orders are quite stable, and some customers request additional shipments. Production and manufacturing have also adjusted and cooperated timely, so the operation has grown; In September, Iwatsu Malaysia Sembilan factory was acquired to increase production capacity and diversification of manufacturing processes. Automotive Components accounted for 57.1% share of the first three quarters revenue in 2023 and Mechanical Integration contributed 42.9%. Cumulated revenue of first three quarters of 2023 was down 0.5% Y-o-Y and net income was up 8.1% Y-o-Y. The above results have demonstrated the development of Silitech's operation toward stable profitability direction. In the face of rapid market changes and challenges, Silitech has expanded production capacity and continued transformation, and enhanced operating capabilities and adaptability.

Looking forward to the future, in the response of negative environmental factors, Silitech will adjust its global layout thinking and expand business momentum. Silitech will continue its dedication to cross-industry application transformation, deepen customer relationships, participate in and provide early-stage R&D and design of automotive HMI products, and use new materials and new processes combined with core technologies, to enhance product competitiveness and facilitate the application development of Automotive Components and Mechanical Integration products; Silitech will make full use of the advantages of each factory. Silitech has been deeply involved in and optimistic about the Southeast Asian market for a long time and acquired Malaysia Sembilan factory recently. Taiwan factory has the advantages of MIT and Shenzhen Xurong factory has local service advantages for needs in China. Therefore, increasing production capacity, diversifying product manufacturing processes and dispersing capacity in different regions to meet customer needs; Silitech will plan "focused" capital expenditures to respond to long-term strategic needs, focus capital expenditures on innovative products, new manufacturing processes and automation equipment, efficiently use capital expenditures and fully utilize its benefits; Silitech will optimize the management of supply chain, use the group's global resources, take advantages of the group's procurement advantages, and provide regional customers with flexible logistics services to further enhance cost advantages of Silitech.

Spokesperson: Wei-Lin Chen, CFO TEL: 886-2-2623-2666