SILITECH

Silitech Technology (3311.TW) investors conference: To expand business momentum continuously

Silitech Technology (3311.TW) today held its 2024 investors conference briefing its financial results. In the third quarter of the year, the company's consolidated revenue was NT$650 million, up 9.6% Q-o-Q and 14.3% Y-o-Y respectively. The third quarter gross margin was 9.0%, down 4.6pp Q-o-Q and 6.8pp Y-o-Y respectively. Net loss was NT$37.5 million with EPS of NT$ -0.55. Cumulated sales from January through September 2024 reached NT$1.78 billion, and the gross profit margin was 11.9%. Net income totaled NT$12.4 million and EPS was NT$0.18.

In face of the impact of negative factors such as slow global economic growth, geopolitics, inflationary pressures and China-US trade relations remain tense: Silitech Taiwan factory continues to deepen customer relationships, provides value-added products, and cooperates with customers, the operations of Taiwan factory has grown; Malaysia Penang factory’s long-term orders are quite stable, and still actively seeking orders while facing the slowdown in the growth of the automotive market. Production and manufacturing have also adjusted and cooperated timely, so the operational performance is stable; Malaysia Kuala Lumpur factory increases production capacity and diversification of manufacturing processes; Shenzhen Xurong factory downsizes to save operating costs in the third quarter of the year; Automotive Components accounted for 48.9% share of the first three quarters revenue in 2024 and Mechanical Integration contributed 51.1%. Cumulated revenue of first three quarters of 2024 was up 15.2% Y-o-Y; however, the cost and expenses related to Shenzhen Xurong factory downsizing have been estimated NT$ 52.2 million in the third quarter of the year, and the consolidated net income was down 86.5% Y-o-Y. In the face of rapid market changes and challenges, Silitech has continuously adjusted and reallocated resources to ensure resources are used effectively, and enhanced operating capabilities and adaptability.

Looking forward to the future, in the response of sustainable development trends and various environmental challenges, Silitech will continue assessment of significant ESG issues, establish relevant risk management policies or strategies, implement corporate social responsibility and corporate governance norms, and steadily promote development goals. First, Silitech will continuously adjust its global layout thinking and expand business momentum, participate in and provide early-stage R&D and design of automotive products and wearable devices, 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. Second, Silitech will plan “focused” capital expenditures, the factory expansion will be implemented in phases, focus capital expenditures on innovative products, new manufacturing processes and automation equipment, efficiently use capital expenditures and fully utilize its benefits. At the same time, in order to diversify risks and respond to market demand fluctuations, dispersing capacity in different regions to meet customer needs quickly. Finally, Silitech will use the group's global resources, optimize the management of supply chain, take advantages of the group's procurement advantages, and provide regional customers with flexible logistics services to further enhance cost advantages of Silitech; Further, from the overall perspective of the group, leveraging group resources to seize opportunities for product and company transformation will contribute to achieving sustainable development and long-term competitive advantage.

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