

A man with a beard, wearing a dark suit, white shirt, and patterned tie, is looking down at a tablet device. The image is overlaid with a semi-transparent blue filter. In the foreground, there are several overlapping, semi-transparent white and light blue geometric shapes, including rectangles and trapezoids, which partially obscure the man and the tablet. The background is a blurred indoor setting with bokeh light effects.

1Q24 Investor Conference

2024/5/21

D-Link

▀ Safe Harbor Statement

- D-Link's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements, including the cyclical nature of our industry, our ability to compete effectively general economic and political conditions, demand in end market, impact of competitive products and pricing, exchange rate fluctuations, and other risks beyond the control of the Company.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Agenda

- **Financial Results**
- **Business Outlook**
- **Awards & Global Recognition**
- **Q&A**



Financial Results

1Q24 Income Statement – QoQ/YoY Comparison

Quarterly Results

NT\$M	1Q23	4Q23	1Q24	QoQ %	YoY %
Net Sales	4,256	3,710	3,563	(4.0)	(16.3)
Gross Profit	1,075	750	885	18.0	(17.7)
Operating Expenses	919	836	963	15.2	4.8
Operating Income	156	(86)	(78)	9.3	(150.0)
Total Non-Op. Inc. (Loss)	29	198	74	(62.6)	155.2
Income Before Tax	185	112	(4)	(103.6)	(102.2)
Net Income	175	56	(45)	(180.4)	(125.7)
Non-controlling Interests	36	28	8	(71.4)	(77.8)
Net Income Attributable to Parent	139	28	(53)	(289.3)	(138.1)
EPS (NT\$)	0.23	0.05	(0.09)		
Outstanding shares (m)	600	598	598		

Gross Profit % (GP %)	25.3%	20.2%	24.8%
Operating Expenses % (OPEX %)	21.6%	22.5%	27.0%
Operating Margin % (OPM %)	3.7%	-2.3%	-2.2%
Net Income % (NI %)	3.3%	0.8%	-1.5%

Note : The Company commenced controlling Cameo Communications, Inc. as a subsidiary on April 1, 2023.

1Q24 Balance Sheet – QoQ/YoY Comparison

Quarterly Results

NT\$M	1Q23	4Q23	1Q24	QoQ %	YoY %
Cash & cash equivalents	2,396	4,098	4,095	(0.1)	70.9
Account Receivable	3,539	3,097	3,173	2.5	(10.3)
Inventory	4,176	3,303	2,997	(9.3)	(28.2)
Other Current Assets	1,013	1,272	1,659	30.4	63.8
Non-current Assets	4,334	4,851	4,756	(2.0)	9.7
Total Assets	15,458	16,621	16,680	0.4	7.9
Accounts Payable	3,064	1,586	1,743	9.9	(43.1)
Other Current Liabilities	1,950	2,246	2,390	6.4	22.6
Non-current Liabilities	819	1,193	1,142	(4.3)	39.4
Total Liabilities	5,833	5,025	5,275	5.0	(9.6)
Total Shareholders' Equity	9,625	11,596	11,405	(1.6)	18.5
Book Value Per Share	14.9	15.1	14.7		
Current Ratio	221.9%	307.1%	288.5%		
Debt/Asset Ratio	37.7%	30.2%	31.6%		
Cash Conversion Cycle	129	146	167		

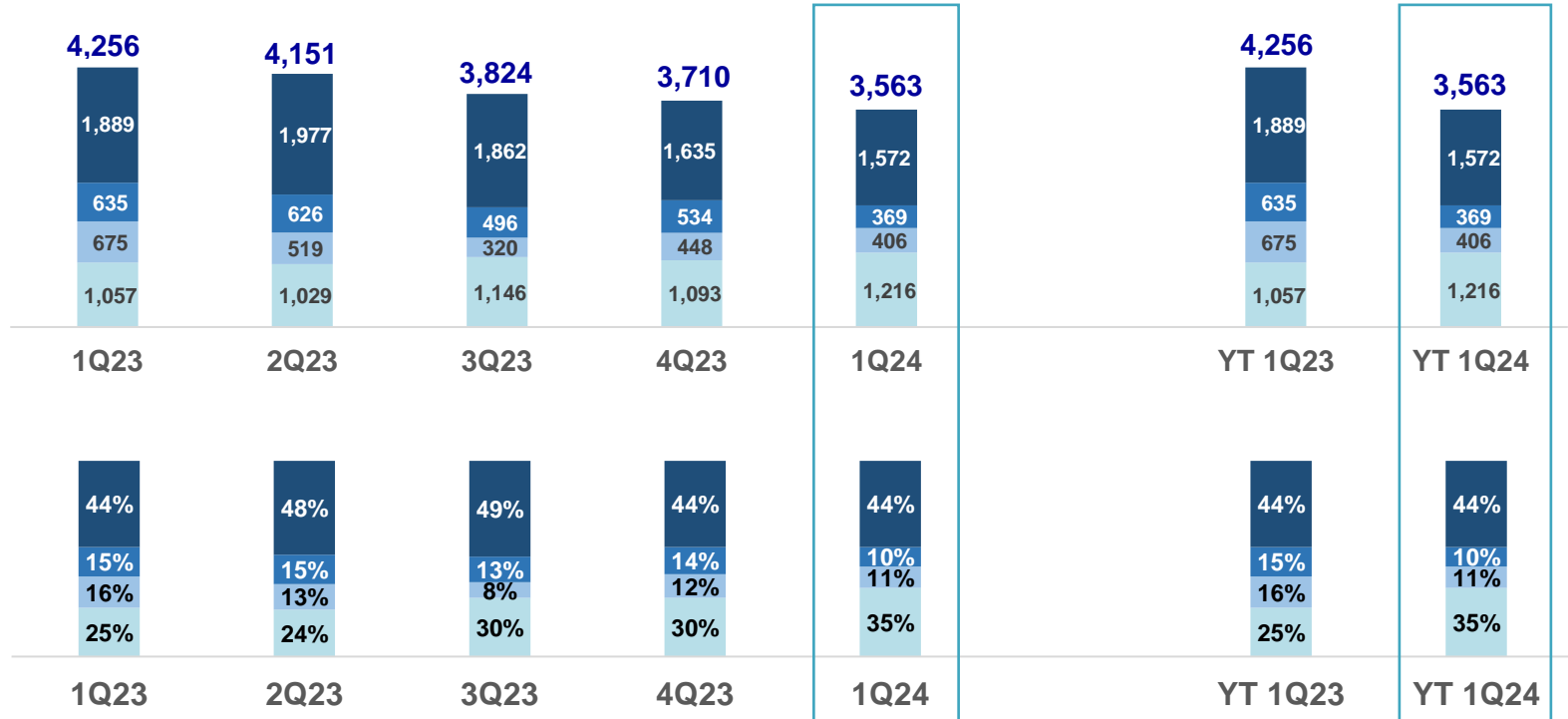
Note : The Company commenced controlling Cameo Communications, Inc. as a subsidiary on April 1, 2023.

A blue-tinted photograph of a group of business professionals in a meeting, overlaid with white geometric shapes. The shapes include a large trapezoid on the right, a parallelogram in the center, and two more parallelograms at the bottom.

Business Outlook

Product Mix

(NT\$M) ■ Switch & Security ■ Wireless & IoT ■ Mobile & Broadband ■ Others

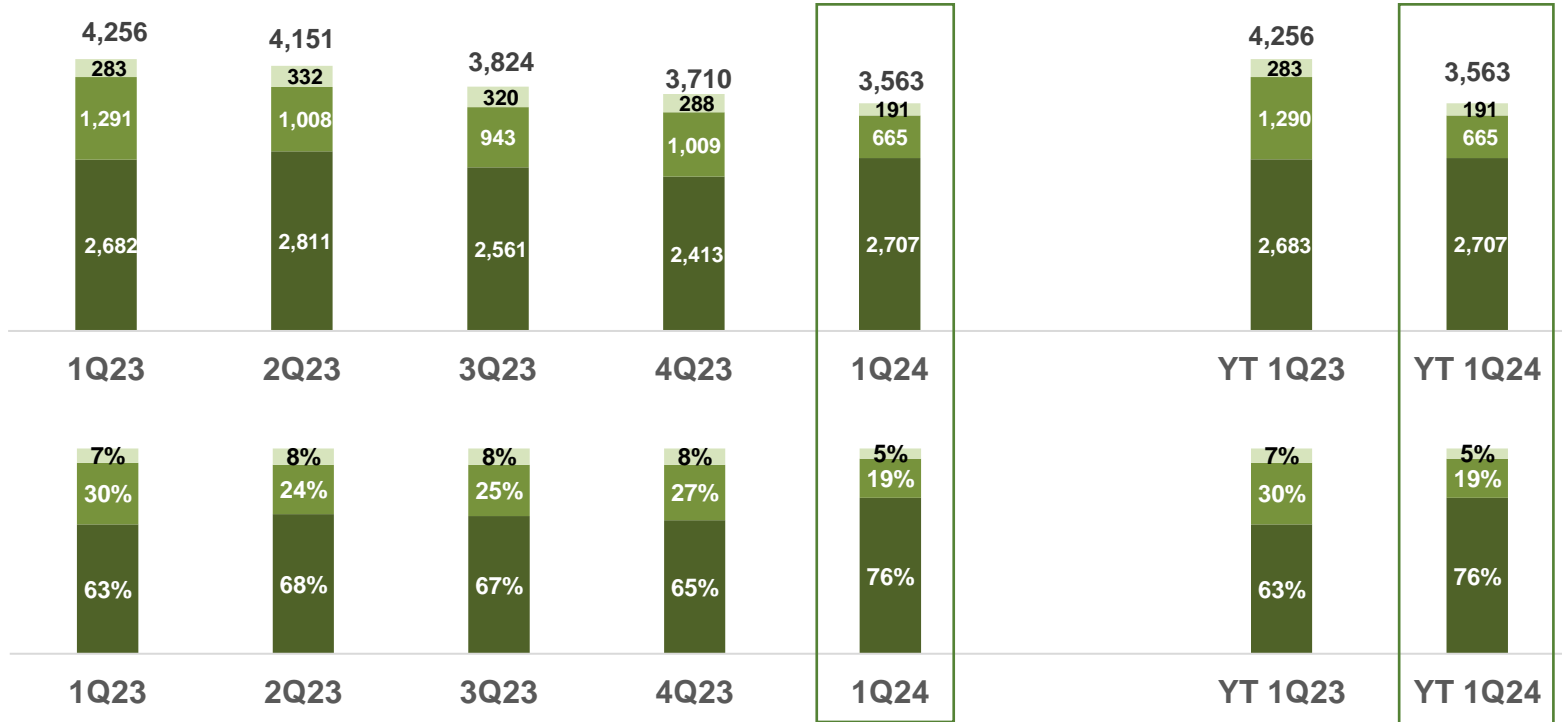


Note : 1. The Company commenced controlling Cameo Communications, Inc. as a subsidiary on April 1, 2023.

2. The Others products had to be reclassified into respective product lines in 2Q23, and simultaneously adjust the revenue for each product category by quarter.

Sales by Region

(NT\$M) ■ America ■ Europe ■ APAC & Others




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2024 Business Objectives




Keep abreast of the trends in the networking market through OBUs, formulate innovative product development plans, enhance the partnership with key technology strategic partners, launch high-quality leading products, and continue to develop value-added AI-powered smart functions.



Global teamwork: Closely communicate the Company's strategies and policies, build consensus across different cultures and regions, and share local successful experiences.

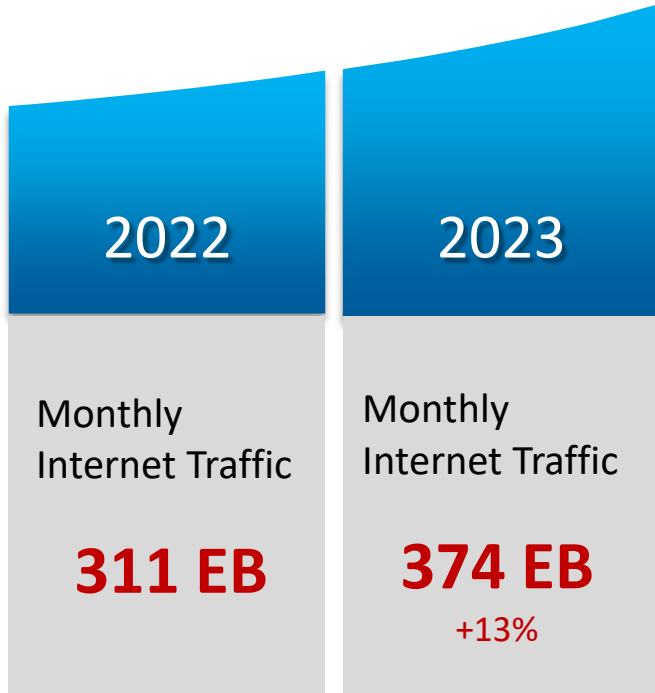


Adhere to disciplined execution of R&D and production, continue to improve processes, **optimize the global supply chains, and capitalize on the Group's synergy.**



Sustainable operation: Committed to environmental protection, fulfill social responsibilities, and continuously improve corporate governance.

Product Trends in 2024- Overview



Internet traffic is expected to continue growing:

- 4K/8K video streaming
- Internet browsing
- Online gaming
- Gaming platforms
- Generative AI
- Social media

Increased demand for network infrastructure equipment:

- Switches
- Wireless routers
- Broadband & mobile routers
- Others

- Sources: IBISWorld, Sep. 2023
- 1 EB = 103 PB = 106 TB = 109 GB

Product Trends in 2024- Commercial Product Line

- Corporate capital expenditure expected to rebound
- Generative AI trends expected to continue



- Requires significant computing power
- Substantial increase in network traffic demand anticipated

Switches

- Continued promotion of enterprise cloud solutions
- Multiple new series of 10G/25G/100G switches to be introduced, contributing to revenue growth

Wireless Access Points & VPN Gateways

- New models of enterprise-grade Wi-Fi 6 wireless access points launched
- Planned release of next-generation Wi-Fi 7 enterprise-grade wireless access points, expected in the second half of this year
- Paired with Wi-Fi 6 VPN Gateway and intelligent management platform

2024 Product Trends - Home Product Line

- With the prevalence of mobile devices and various internet services, home wireless routers have become the central hub for household internet access.
- Among all AIoT devices, IP cameras serve as the eyes of the smart home network, being the only device capable of receiving images.
- Various IoT sensors receive information like sensory nerves, which is then transmitted through the network to the router for analysis and appropriate actions.
- The annual compound growth rate (ACGR) for IP camera demand was approximately 20.68% from 2022 to 2027, with the overall market size reaching USD\$ 147.7 billion.

Home Wireless Routers

- Continuously launching routers with the latest specifications of Wi-Fi 6E and Wi-Fi 7
- Integrating AI-based Matter technology, coupled with a series of IoT devices, to build a smart home solution to provide services

IP Cameras and IoT

- Continuing close collaboration with ODM partners to adopt high-level network security standards and strengthen AI integration
- Providing affordable cloud value-added service applications, along with a series of Matter-based smart networking devices

2024 Product Trends - Telecom Product Line

- Broadband Network Products: Despite the shift from copper wire to optical fiber, there's still demand for copper in developing countries.
- Major Telecom companies are aggressively pursuing the 10G PON market, with XGS-PON expected to rapidly gain market share due to the rise of social media influencers and the high demand for uploading videos.
- 5G FWA offers quicker deployment and lower costs, reducing the expense of fiber optic deployment while expanding broadband coverage.
- Combining 5G with AI and cloud computing enables the development of various applications such as connected cars and smart monitoring.



Broadband Network Products

- D-Link will “transition from copper to fiber” in 2024
- Continuous expansion of XGS-PON products, including a series of Mesh routers to provide telcos with one-box or two-box options



Mobile Broadband Products

- Successively launching high-speed 5G outdoor and indoor router products for FWA applications
- Launching 5G mobile internet sharing devices with an already-established market share



M2M Industry Applications

- Emphasizing on 4G/5G vertical integration by combining products, management platforms, and services to provide application service solutions
- Continuously strengthen the development of long-established enterprise private 5G network solutions

Expanding Diverse Value-Added Services

D-Link continues to actively develop AIoT application services by expanding the development of smart home ecosystems to broaden the diverse range of value-added services, such as home care, environmental monitoring, and much more, to diversify and extend product solutions.

D-Link

AQUILA PRO AI
AI Assistant

9:41 AI Assistant

Weekly Internet Traffic Report
2023/2/23

This week you used 27.21 GB of Internet data.

During the 16 hour that the network was congested, network traffic was reprioritized to preserve Internet quality.

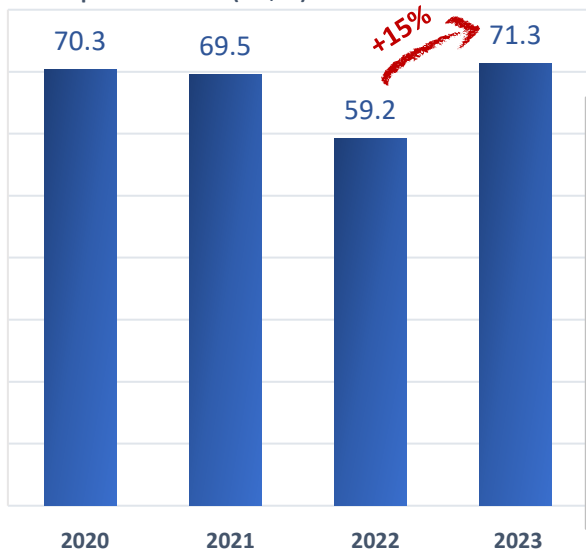
There were 4 devices transmitting large quantities of data during the network congested period.

- Amy's iPhone >
- Jason's iPhone >
- Jason's MacBook >
- Dad's NAS >

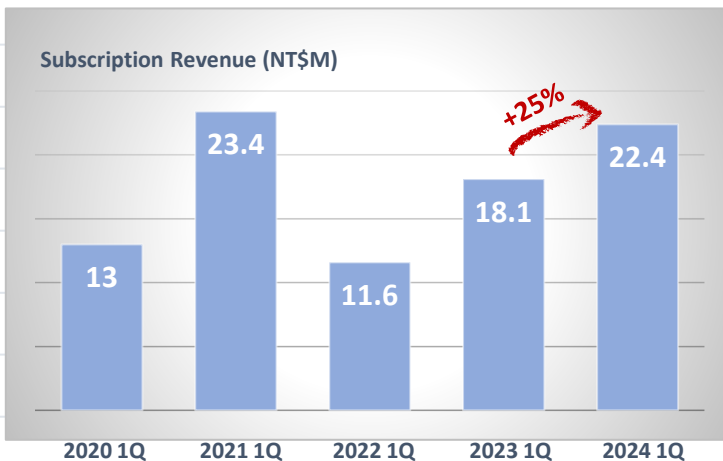
We recommend lowering its priority to preserve Internet quality. [Tap here](#) to adjust priority.

Enterprise Solutions

Subscription Revenue (NT\$M)

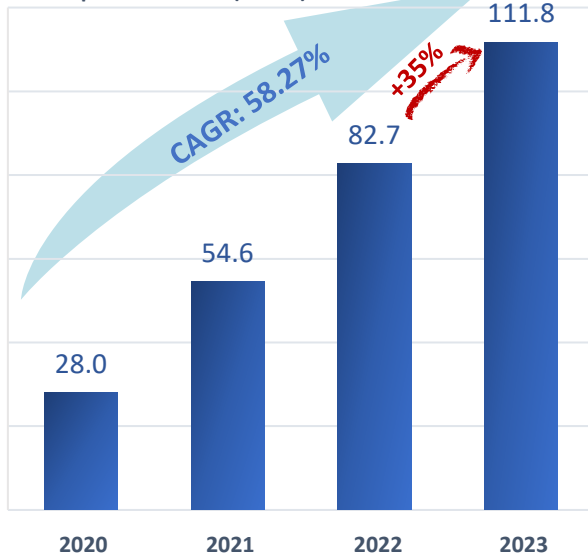


Subscription Revenue (NT\$M)

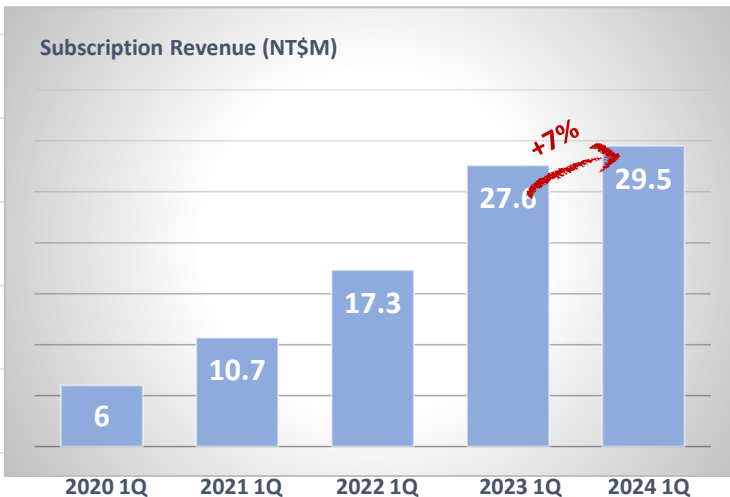


Consumer Solutions

Subscription Revenue (NT\$M)



Subscription Revenue (NT\$M)



D-Link

One Tap Control,
Easy Setup



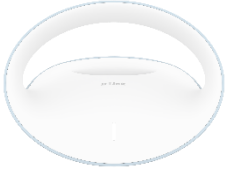





■ D-Link's Smart Healthcare Solution

- All-in-one, Matter-certified caregiving solution
- Integrating routers, IP cameras, smart plugs, CMS, and mobile app to provide non-stop monitoring to assist families and medical institutions by alleviating personnel shortages in the caregiving industry.



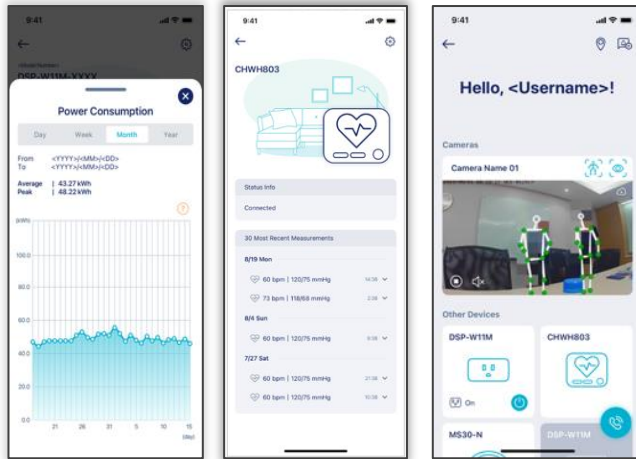
- A turnkey solution integrated with hardware and management software
- Matter-certified products available
- Gateway as the core for wireless connectivity (Wi-Fi, Thread, and BLE support)
- Wi-Fi cameras with privacy protection for monitoring the elderly
- Smart plugs for power usage and safety monitoring
- Web-based CMS to assign roles/privileges and monitor attributes of roles and devices
- Healthcare app to configure smart home devices

D-Link Smart Healthcare Solution - Hardware Devices

MS30/MS60 IoT Gateway	CP-01M IP Camera	PM-01M Smart Plug	SA-01T Temp. & Humidity Sensor	SM-01T Motion Sensor	Blood Pressure Meter
					
<ul style="list-style-type: none"> ■ Matter-certified ■ Integrates Wi-Fi, Thread, and Bluetooth LE protocols ■ AX3000/AX6000 wireless speed ■ Controlled via the Healthcare app ■ Equipped with D-Link AI technology 	<ul style="list-style-type: none"> ■ Wi-Fi protocol ■ 2K resolution, wide-angle field of view, and night vision ■ Two-way audio ■ Hybrid privacy mode ■ Fall detection ■ Remote video monitoring through the Healthcare app and CMS 	<ul style="list-style-type: none"> ■ Matter-certified ■ Wi-Fi protocol ■ UL94-V0 PC flame-retardant material ■ Remote socket switching and scheduling, timed control of current power and total power usage through the Healthcare app and CMS 	<ul style="list-style-type: none"> ■ Wi-Fi protocol ■ Monitor environmental temperature and humidity ■ USB power supply ■ Remote monitoring through the Healthcare app and CMS 	<ul style="list-style-type: none"> ■ Wi-Fi protocol ■ Sensing the motion to prevent from abnormal presence ■ USB power supply ■ Remote monitoring through the Healthcare app and CMS 	<ul style="list-style-type: none"> ■ Third-party device ■ Bind via BLE ■ Connects to Healthcare app for monitoring

■ D-Link's Smart Healthcare Solution- Healthcare App

The Smart Healthcare app provides different access interfaces based on the roles and permissions assigned via the CMS, which are intended for use by various types of personnel.

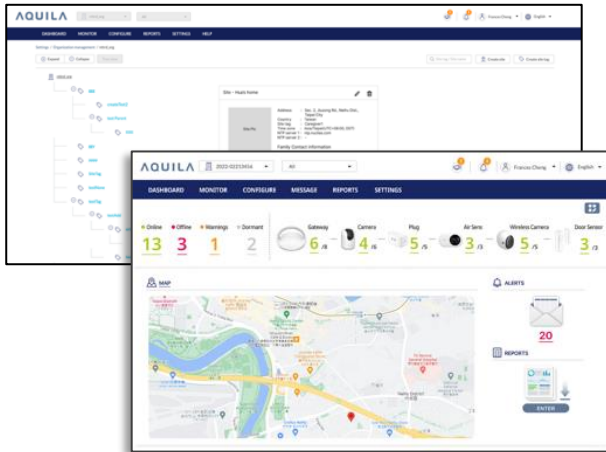


FEATURES

- Used for binding and controlling routers and various types of smart home devices
- Different roles and permissions are available, providing dedicated user interfaces
- Watch real-time video, detect power usage abnormalities, and monitor blood pressure and heart beat
- One-click emergency assistance with location services
- Receive emergency notifications with built-in resolution functionality

➤ D-Link's Smart Healthcare Solution- CMS

The Smart Healthcare Central Management Software (CMS) is a web-based central management software for remote monitoring and management of users, roles, privileges, and IoT devices.



FEATURES

- Accessible anytime, anywhere via web interface
- Create and manage organizations/roles; assign different privileges to different roles
- Remote location tracking of roles and devices
- Hardware/device monitoring, operations, inventory, management, and diagnostics capabilities
- Reporting functionalities: generate user information, device information, usage statistics, and more

➤ D-Link's Smart Healthcare Solution- Benefits



Various Target Customers



Flexibility of Charging



The Customization



Differentiation and Competitive



Expand Customer Base



Enhance Customer Loyalty



Adapt to Market Trends



Awards & Global Recognition

Ranked Top 5% in the Corporate Governance Evaluation



- **Top 5%** of all listed companies (Tier 1)
- The **only newcomer** of Tier 1 in the CMT industry
- Surpassed Tier 1 averages.

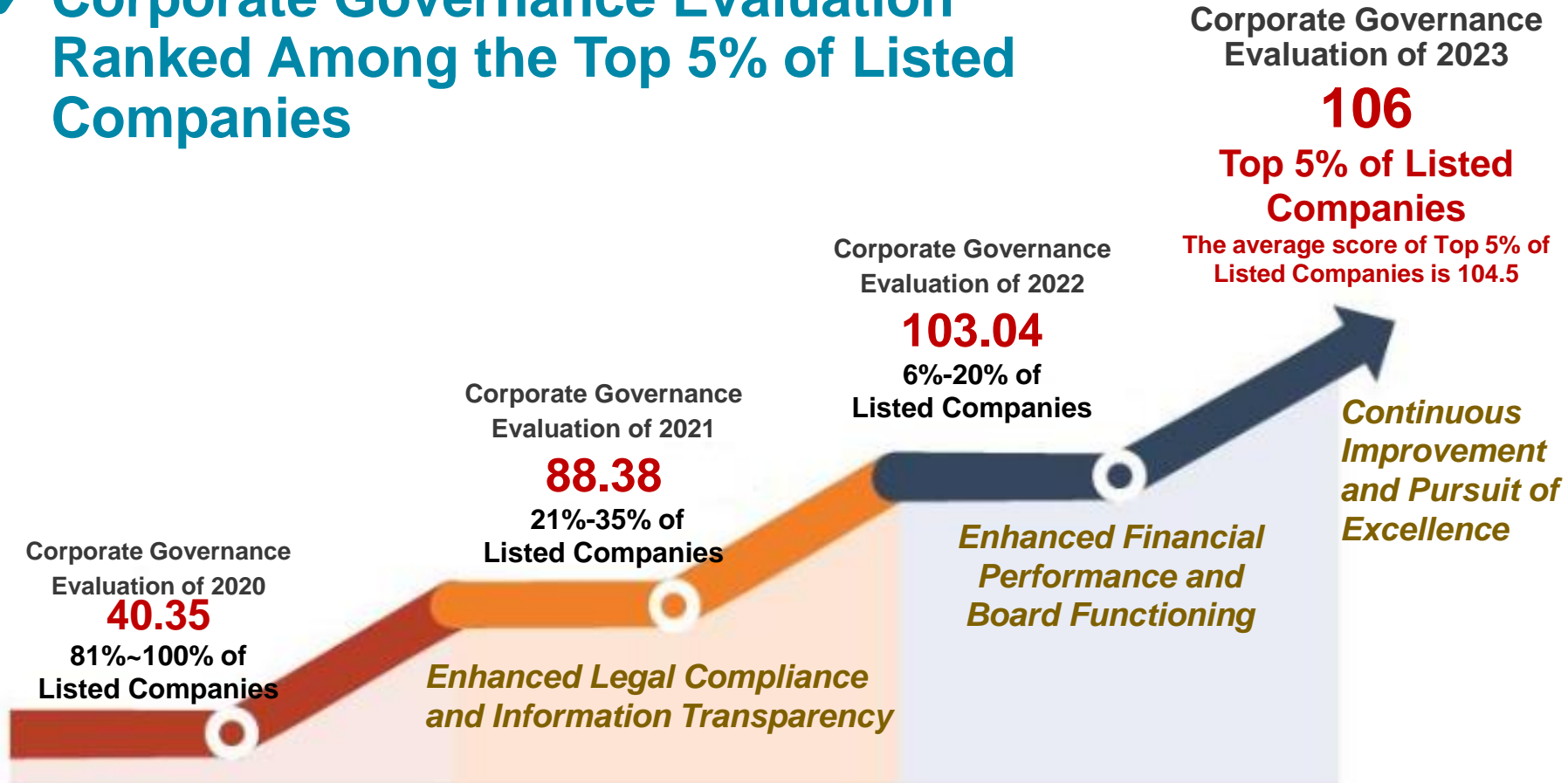


- **Top 3%** in the global Communication Equipment industry
- ESG risks have decreased for three years in a row



- **Top 4%** in the global Communication Equipment industry

Corporate Governance Evaluation Ranked Among the Top 5% of Listed Companies



Q & A

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