

An aerial view of a city, likely New York City, with a blue network overlay consisting of glowing nodes and connecting lines. The text is centered in the upper half of the image.

# 2Q21 Investor Conference

2021/8/11

**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

- *Company Brief*
- *Financial Results*
- *Awards & Global Recognition*
- *Market Update*
- *Q&A*

# Company Brief

# D-Link At a Glance



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## Who We Are

Established in **1986**, one of the world's leading networking companies



## Performance

2020 Revenue NTD **15.18** billion



## Staff

Over **2,100** employees around the world.  
Approximately **500** employees in R&D



## Business Segments

Consumer / Enterprise / Carrier

# Global Presence



Over **127** local sales offices in **56+** countries.

**20** Regional warehouses in **15** countries.

Over **50** RMA repair centers around the globe.

- Consumer
- Enterprise
- Carrier



# Product Innovations

## Switch

# Enterprise Solutions



Fixed Dome  
Cameras



Fixed Network  
Cameras



Unified Wireless  
Controllers



Managed  
Switches



Wireless  
APs



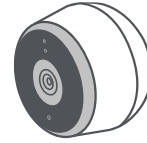
VPN  
Routers



# Product Innovations

Wireless & IoT

## Smart Home



Surveillance  
Camera



IoT Cameras



Routers





# Product Innovations

## Mobile & Broadband

# 5G Solutions



## Technologies

5G

AI

Edge Computing

Big Data

## Applications

Public & Personal Safety

Smart & Safe Campus

Pollution Control

## Infrastructure Management



DECS

nuclias  
cloud

nuclias  
connect



## Network Architecture



CONNECTIVITY



# Financial Results

# 2Q21 Income Statement – QoQ/YoY Comparison

NT\$M	Quarterly Results					YTD Results		
	2Q20	1Q21	2Q21	QoQ %	YoY %	YT 2Q20	YT 2Q21	YoY %
<b>Net Sales</b>	<b>3,192</b>	<b>3,898</b>	<b>3,369</b>	-13.6	5.5	<b>6,863</b>	<b>7,267</b>	5.9
Gross Profit	1,031	1,232	945	-23.3	-8.3	2,112	2,178	3.1
Operating Expenses	1,129	1,100	1,045	-5.0	-7.4	2,264	2,146	-5.2
<b>Operating Income</b>	<b>-98</b>	<b>132</b>	<b>-100</b>	<b>-175.8</b>	<b>-2.0</b>	<b>-152</b>	<b>32</b>	<b>121.1</b>
Total Non-Op. Inc. (Loss)	151	-19	-72	-278.9	-147.7	193	-91	-147.2
Income Before Tax	53	113	-172	-252.2	-424.5	41	-59	-243.9
<b>Net Income</b>	<b>23</b>	<b>84</b>	<b>-206</b>	<b>-345.2</b>	<b>-995.7</b>	<b>-16</b>	<b>-122</b>	<b>-662.5</b>
Non-controlling Interests	28	23	13	-43.5	-53.6	37	36	-2.7
Net Income Attributable to Parent	-5	61	-219	-459.0	-4280.0	-53	-158	-198.1
EPS (NT\$)	-0.01	0.09	-0.34			-0.08	-0.24	
Outstanding shares (mn)	652	652	652			652	652	
Gross Profit % (GP %)	32.3%	31.6%	28.1%			30.8%	30.0%	
Operating Expenses % (OPEX %)	35.4%	28.2%	31.0%			33.0%	29.5%	
Operating Margin % (OPM %)	-3.1%	3.4%	-3.0%			-2.2%	0.4%	
Net Income % (NI %)	-0.2%	1.6%	-6.5%			-0.8%	-2.2%	
Return on Equity (ROE)						-0.6%	-1.7%	

# 2Q21 Balance Sheet – QoQ/YoY Comparison

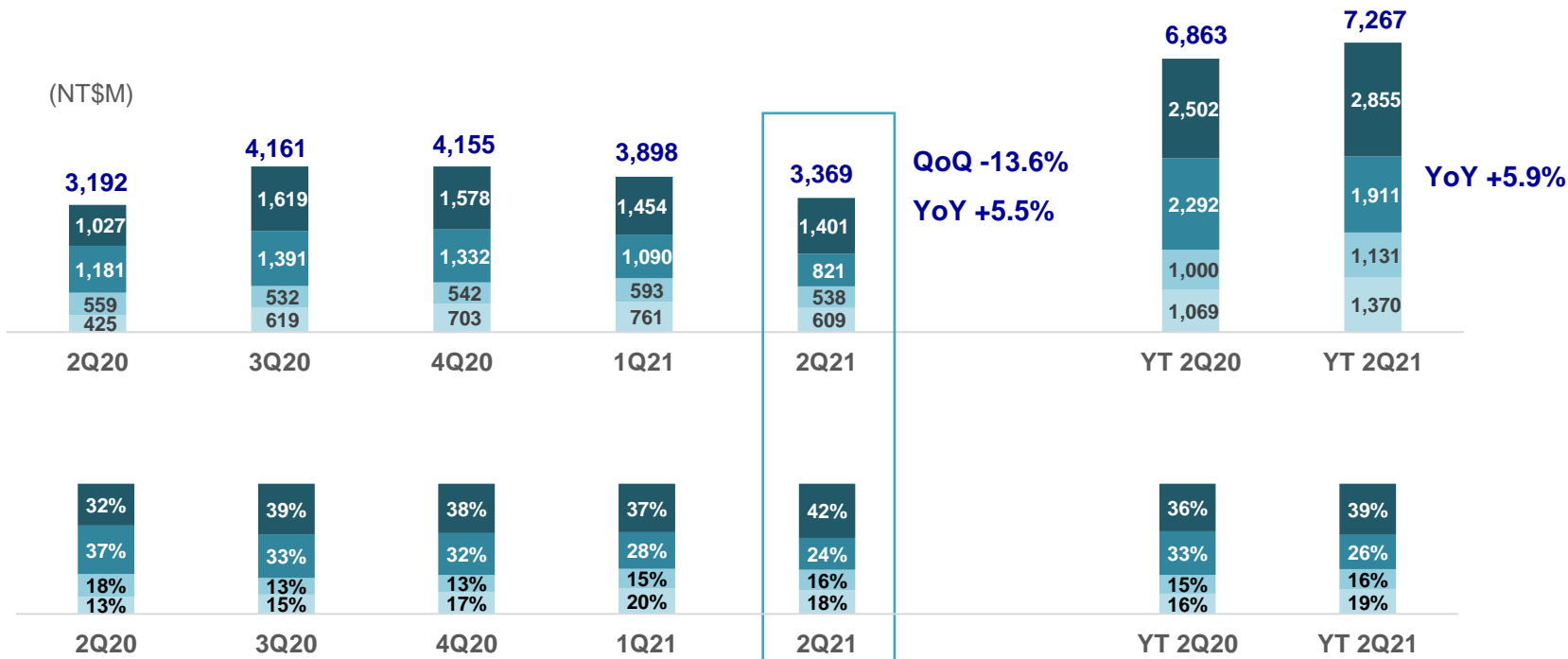
## Quarterly Results

NT\$M	2Q20	1Q21	2Q21	QoQ %	YoY %
Cash & S-T Investment	3,457	5,088	4,503	(11.5)	30.3
Account Receivable	2,993	3,117	2,946	(5.5)	(1.6)
Inventory	2,358	2,526	3,180	25.9	34.9
Other Current Assets	511	643	704	9.5	37.8
Non-current Assets	5,131	4,197	4,153	(1.0)	(19.1)
<b>Total Assets</b>	<b>14,450</b>	<b>15,571</b>	<b>15,486</b>	<b>(0.5)</b>	<b>7.2</b>
Accounts Payable	2,557	2,586	2,795	8.1	9.3
Other Current Liabilities	2,394	2,350	2,361	0.5	(1.4)
Non-current Liabilities	857	841	895	6.4	4.4
<b>Total Liabilities</b>	<b>5,808</b>	<b>5,777</b>	<b>6,051</b>	<b>4.7</b>	<b>4.2</b>
<b>Total Shareholders' Equity</b>	<b>8,642</b>	<b>9,794</b>	<b>9,435</b>	<b>(3.7)</b>	<b>9.2</b>
Book Value Per Share	12.6	14.2	13.7		
Current Ratio	188.2%	230.4%	219.8%		
Debt/Asset Ratio	40.2%	37.1%	39.1%		
Cash Conversion Cycle	116	85	97		

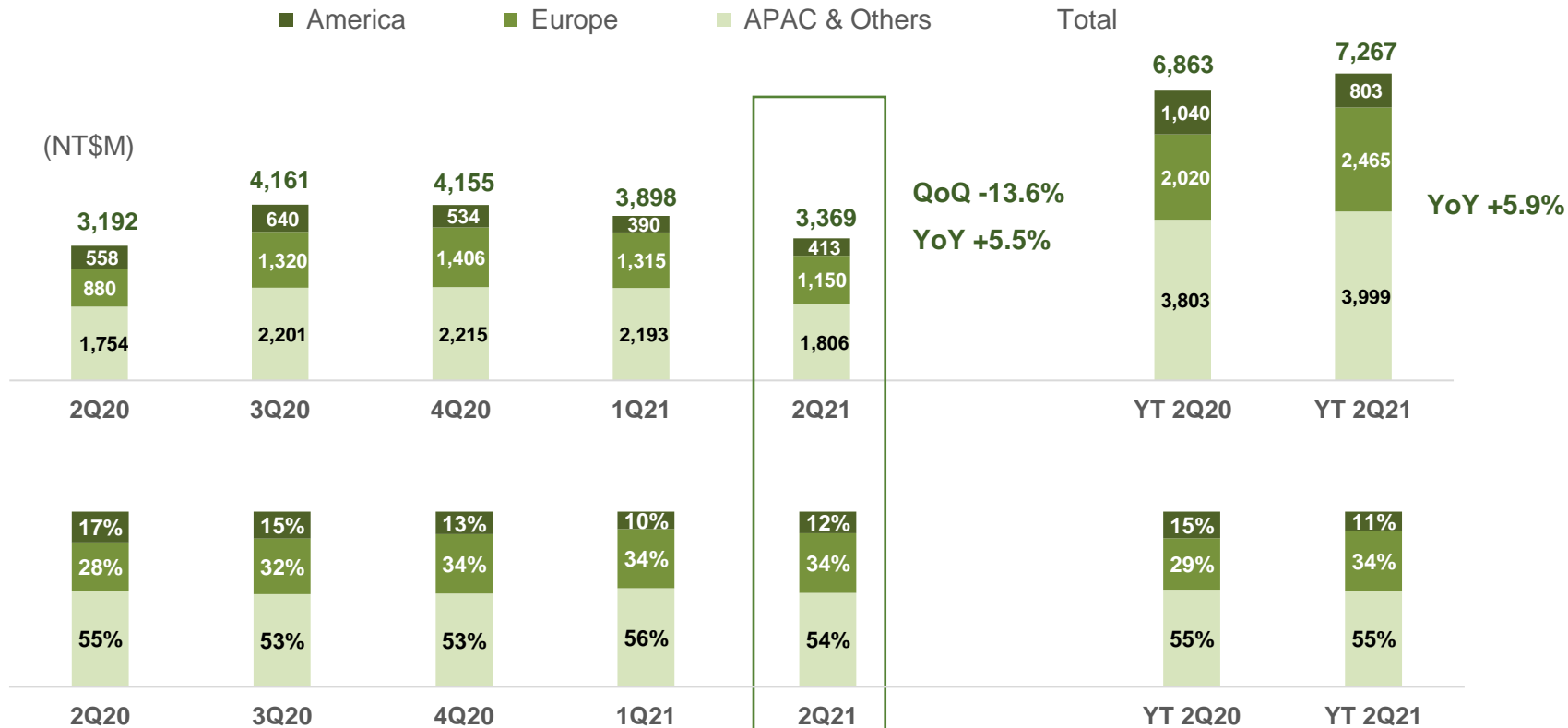
# Product Mix

■ Switch & Security   
 ■ Wireless & IoT   
 ■ Mobile & Broadband   
 ■ Others   
 Total

(NT\$M)



# Sales by Region



# Awards & Global Recognition





# Global Recognition

Product Design & Innovation



**CES  
INNOVATION  
AWARDS  
2021**



**reddot** winner 2021

**Red Dot  
DESIGN  
AWARD  
2021**



**iF  
DESIGN  
AWARD  
2021**



# Global Recognition

Product Design & Innovation



**TAIWAN  
EXCELLENCE  
2021**



**IoT BREAKTHROUGH  
AWARDS  
2020**



**TAIWAN  
EXCELLENCE  
2020**



# Market Update



# EAGLE PRO AI

One Connection – Infinite Possibilities

- **Optimization**

The EAGLE PRO AI engine automatically keeps you on the optimal channel

- **Improvement**

Mesh nodes collaborate with each other to optimize network traffic

- **Connectivity**

The EAGLE PRO AI app provides notifications and usage reports to help you manage your network more efficiently

- **Expandable**

The EAGLE PRO AI series can scale to any size home for dead zone free Wi-Fi coverage



# Product Strategy



AI

In this new era, more and more devices and clients being connected to internet via Wi-Fi router or extender at home. To well offer solution to it, D-Link devotes itself to apply AI skills into the products in the future to automatically optimize Wi-Fi network for users to enjoy all the internet applications easily without pain.



Green

Innovation is key to our success in utilizing D-Link Green Technology across several platforms. D-Link Green Technology can save up to 66% of the power used for each Internet system. D-Link Green also adopts a green approach for our packaging objectives: Use of eco-friendly packaging material - without sacrificing looks and quality.



MIT

D-Link has been marketing the world under the "D-Link" brand and been committed to bringing the spirit of MIT to its fullest. Our products are made in Taiwan which emphasize the advantages of MIT such as high quality, high reliability, high cost-performance and no worry to be detected.

# Q & A

Website : <http://ir.dlink.com.tw>

Email: [IR@dlinkcorp.com](mailto:IR@dlinkcorp.com)

# Appendix





# Consolidated Income Statement

NT\$M	Yearly Results			Quarterly Results						YTD Results			
	2019	2020	YoY %	2Q20	3Q20	4Q20	1Q21	2Q21	QoQ %	YoY %	YT 2Q20	YT 2Q21	YoY %
<b>Net Sales</b>	<b>16,996</b>	<b>15,179</b>	<b>-10.7</b>	<b>3,192</b>	<b>4,161</b>	<b>4,155</b>	<b>3,898</b>	<b>3,369</b>	<b>-13.6</b>	<b>5.5</b>	<b>6,863</b>	<b>7,267</b>	<b>5.9</b>
Gross Profit	4,740	4,775	0.7	1,031	1,361	1,302	1,232	945	-23.3	-8.3	2,112	2,178	3.1
Operating Expenses	5,125	4,695	-8.4	1,129	1,160	1,271	1,100	1,045	-5.0	-7.4	2,264	2,146	-5.2
<b>Operating Income</b>	<b>-385</b>	<b>80</b>	<b>120.8</b>	<b>-98</b>	<b>201</b>	<b>31</b>	<b>132</b>	<b>-100</b>	<b>-175.8</b>	<b>-2.0</b>	<b>-152</b>	<b>32</b>	<b>121.1</b>
Total Non-Op. Inc. (Loss)	95	1,417	1391.6	151	144	1,079	-19	-72	-278.9	-147.7	193	-91	-147.2
Income Before Tax	-290	1,497	616.2	53	345	1,110	113	-172	-252.2	-424.5	41	-59	-243.9
<b>Net Income</b>	<b>-442</b>	<b>1,311</b>	<b>396.6</b>	<b>23</b>	<b>321</b>	<b>1,006</b>	<b>84</b>	<b>-206</b>	<b>-345.2</b>	<b>-995.7</b>	<b>-16</b>	<b>-122</b>	<b>-662.5</b>
Non-controlling Interests	66	71	7.6	28	18	16	23	13	-43.5	-53.6	37	36	-2.7
Net Income Attributable to Parent	-508	1,240	344.1	-5	303	990	61	-219	-459.0	-4280.0	-53	-158	-198.1
EPS (NT\$)	-0.78	1.90	0.0	-0.01	0.46	1.52	0.09	-0.34			-0.08	-0.24	
Outstanding shares (mn)				652	652	652	652	652			652	652	
Gross Profit % (GP %)	27.9%	31.5%		32.3%	32.7%	31.3%	31.6%	28.1%			30.8%	30.0%	
Operating Expenses % (OPEX %)	30.1%	30.9%		35.4%	27.9%	30.6%	28.2%	31.0%			33.0%	29.5%	
Operating Margin % (OPM %)	-2.3%	0.5%		-3.1%	4.8%	0.7%	3.4%	-3.0%			-2.2%	0.4%	
Net Income % (NI %)	-3.0%	8.2%		-0.2%	7.3%	23.8%	1.6%	-6.5%			-0.8%	-2.2%	
Return on Equity (ROE)	-5.5%	13.3%									-0.6%	-1.7%	

# Consolidated Balance Sheet

NT\$M	Yearly Results			Quarterly Results					YTD Results				
	2019	2020	YoY %	2Q20	3Q20	4Q20	1Q21	2Q21	QoQ %	YoY %	YT 2Q20	YT 2Q21	YoY %
Cash & S-T Investment	3,212	6,455	101.0	3,457	3,815	6,455	5,088	4,503	(11.5)	30.3	3,457	4,503	30.3
Account Receivable	3,585	3,064	(14.5)	2,993	3,241	3,064	3,117	2,946	(5.5)	(1.6)	2,993	2,946	(1.6)
Inventory	2,837	2,443	(13.9)	2,358	2,238	2,443	2,526	3,180	25.9	34.9	2,358	3,180	34.9
Other Current Assets	527	590	12.0	511	606	590	643	704	9.5	37.8	511	704	37.8
Non-current Assets	5,550	3,398	(38.8)	5,131	4,947	3,398	4,197	4,153	(1.0)	(19.1)	5,131	4,153	(19.1)
<b>Total Assets</b>	<b>15,711</b>	<b>15,950</b>	<b>1.5</b>	<b>14,450</b>	<b>14,847</b>	<b>15,950</b>	<b>15,571</b>	<b>15,486</b>	<b>(0.5)</b>	<b>7.2</b>	<b>14,450</b>	<b>15,486</b>	<b>7.2</b>
Accounts Payable	2,913	2,744	(5.8)	2,557	2,684	2,744	2,586	2,795	8.1	9.3	2,557	2,795	9.3
Other Current Liabilities	3,025	2,602	(14.0)	2,394	2,551	2,602	2,350	2,361	0.5	(1.4)	2,394	2,361	(1.4)
Non-current Liabilities	847	864	2.0	857	870	864	841	895	6.4	4.4	857	895	4.4
<b>Total Liabilities</b>	<b>6,785</b>	<b>6,210</b>	<b>(8.5)</b>	<b>5,808</b>	<b>6,105</b>	<b>6,210</b>	<b>5,777</b>	<b>6,051</b>	<b>4.7</b>	<b>4.2</b>	<b>5,808</b>	<b>6,051</b>	<b>4.2</b>
<b>Total Shareholders' Equity</b>	<b>8,926</b>	<b>9,740</b>	<b>9.1</b>	<b>8,642</b>	<b>8,742</b>	<b>9,740</b>	<b>9,794</b>	<b>9,435</b>	<b>(3.7)</b>	<b>9.2</b>	<b>8,642</b>	<b>9,435</b>	<b>9.2</b>
Book Value Per Share	13.0	14.2		12.6	12.7	14.2	14.2	13.7			12.6	13.7	
Current Ratio	171.1%	234.8%		188.2%	189.1%	234.8%	230.4%	219.8%			188.2%	219.8%	
Debt/Asset Ratio	43.2%	38.9%		40.2%	41.1%	38.9%	37.1%	39.1%			40.2%	39.1%	
Cash Conversion Cycle	110	101		116	105	101	85	97			116	97	

# Sales Breakdown

## Sales Breakdown by Products

NT\$M	Yearly Results			Quarterly Results					YTD Results				
	2019	2020	YoY %	2Q20	3Q20	4Q20	1Q21	2Q21	QoQ %	YoY %	YT 2Q20	YT 2Q21	YoY %
Switch & Security	6,627	5,699	-14.0%	1,027	1,619	1,578	1,454	1,401	-3.6%	36.4%	2,502	2,855	14.1%
Wireless & IoT	5,172	5,015	-3.0%	1,181	1,391	1,332	1,090	821	-24.7%	-30.5%	2,292	1,911	-16.6%
Mobile & Broadband	1,818	2,074	14.1%	559	532	542	593	538	-9.3%	-3.8%	1,000	1,131	13.1%
Others	3,379	2,391	-29.2%	425	619	703	761	609	-20.0%	43.3%	1,069	1,370	28.2%
<b>Total</b>	<b>16,996</b>	<b>15,179</b>	<b>-10.7%</b>	<b>3,192</b>	<b>4,161</b>	<b>4,155</b>	<b>3,898</b>	<b>3,369</b>	<b>-13.6%</b>	<b>5.5%</b>	<b>6,863</b>	<b>7,267</b>	<b>5.9%</b>

## Sales Breakdown by Regions

NT\$M	Yearly Results			Quarterly Results					YTD Results				
	2019	2020	YoY %	2Q20	3Q20	4Q20	1Q21	2Q21	QoQ %	YoY %	YT 2Q20	YT 2Q21	YoY %
America	2,222	2,214	-0.4%	558	640	534	390	413	5.9%	-26.0%	1,040	803	-22.8%
Europe	5,226	4,747	-9.2%	880	1,320	1,406	1,315	1,150	-12.5%	30.7%	2,020	2,465	22.0%
APAC & Others	9,548	8,219	-13.9%	1,754	2,201	2,215	2,193	1,806	-17.6%	3.0%	3,803	3,999	5.2%
<b>Total</b>	<b>16,996</b>	<b>15,179</b>	<b>-10.7%</b>	<b>3,192</b>	<b>4,161</b>	<b>4,155</b>	<b>3,898</b>	<b>3,369</b>	<b>-13.6%</b>	<b>5.5%</b>	<b>6,863</b>	<b>7,267</b>	<b>5.9%</b>