

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 over the image.

3Q21 Investor Conference

2021/11/24

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

Financial Results

3Q21 Income Statement – QoQ/YoY Comparison

NT\$M	Quarterly Results					YTD Results		
	3Q20	2Q21	3Q21	QoQ %	YoY %	YT 3Q20	YT 3Q21	YoY %
Net Sales	4,161	3,369	3,958	17.5	-4.9	11,025	11,224	1.8
Gross Profit	1,361	945	1,015	7.4	-25.4	3,473	3,193	-8.1
Operating Expenses	1,160	1,045	922	-11.8	-20.5	3,424	3,068	-10.4
Operating Income	201	-100	93	193.0	-53.7	49	125	155.1
Total Non-Op. Inc. (Loss)	144	-72	-84	-16.7	-158.3	338	-175	-151.8
Income Before Tax	345	-172	9	105.2	-97.4	387	-50	-112.9
Net Income	321	-206	-2	99.0	-100.6	305	-124	-140.7
Non-controlling Interests	18	13	25	92.3	38.9	55	61	10.9
Net Income Attributable to Parent	303	-219	-27	87.7	-108.9	250	-185	-174.0
EPS (NT\$)	0.46	-0.34	-0.04			0.38	-0.29	
Outstanding shares (mn)	652	652	635			652	646	
Gross Profit % (GP %)	32.7%	28.1%	25.6%			31.5%	28.4%	
Operating Expenses % (OPEX %)	27.9%	31.0%	23.3%			31.1%	27.3%	
Operating Margin % (OPM %)	4.8%	-3.0%	2.3%			0.4%	1.1%	
Net Income % (NI %)	7.3%	-6.5%	-0.7%			2.3%	-1.7%	
Return on Equity (ROE)						2.8%	-2.0%	

3Q21 Balance Sheet – QoQ/YoY Comparison

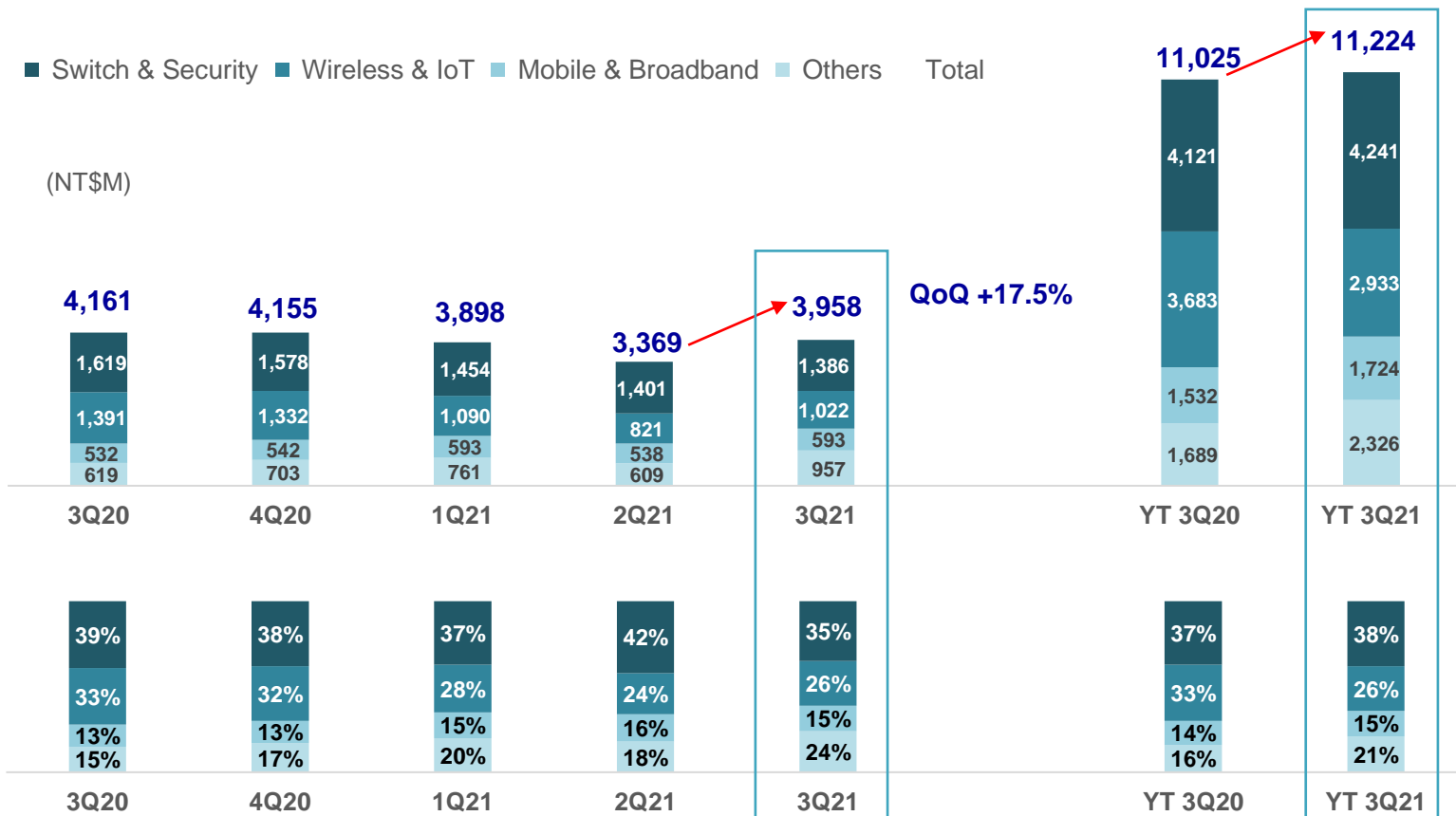
Quarterly Results

NT\$M	3Q20	2Q21	3Q21	QoQ %	YoY %
Cash & cash equivalents	3,603	4,325	3,214	(25.7)	(10.8)
Account Receivable	3,241	2,946	3,267	10.9	0.8
Inventory	2,238	3,180	3,485	9.6	55.7
Other Current Assets	818	882	1,073	21.7	31.2
Non-current Assets	4,947	4,153	3,980	(4.2)	(19.5)
Total Assets	14,847	15,486	15,019	(3.0)	1.2
Accounts Payable	2,684	2,795	2,720	(2.7)	1.3
Other Current Liabilities	2,551	2,361	2,793	18.3	9.5
Non-current Liabilities	870	895	870	(2.8)	0.0
Total Liabilities	6,105	6,051	6,383	5.5	4.6
Total Shareholders' Equity	8,742	9,435	8,636	(8.5)	(1.2)
Book Value Per Share	12.7	13.7	13.5		
Current Ratio	189.1%	219.8%	200.2%		
Debt/Asset Ratio	41.1%	39.1%	42.5%		
Cash Conversion Cycle	105	97	106		

Product Mix

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

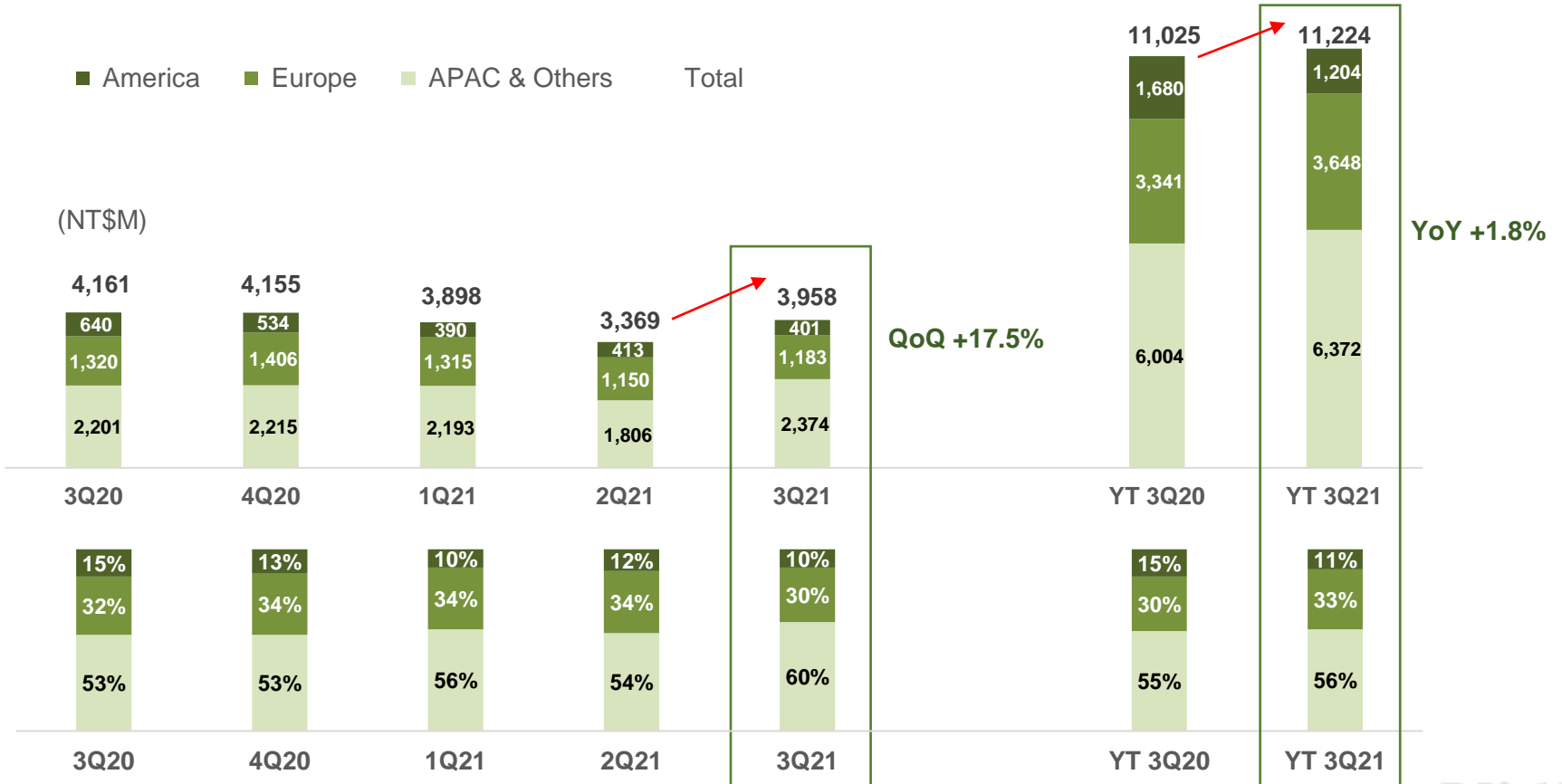
(NT\$M)



Sales by Region

■ America ■ Europe ■ APAC & Others Total

(NT\$M)



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**



**GOOD DESIGN
AWARD 2021**

**GOOD DESIGN AWARD
2021**



**TAIWAN
EXCELLENCE
2020**





Business Outlook

Business Strategy



D-Link[®]
Building Networks for People



**Optimize
Organization
Structure**



A

Re-branding



B

Features &
Performance



C

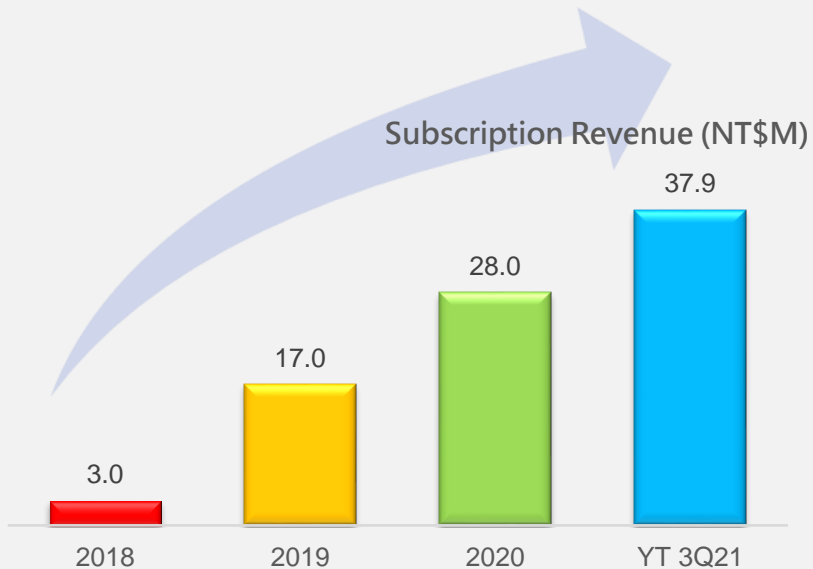
Price &
Specification



MIT



Consumer Solution

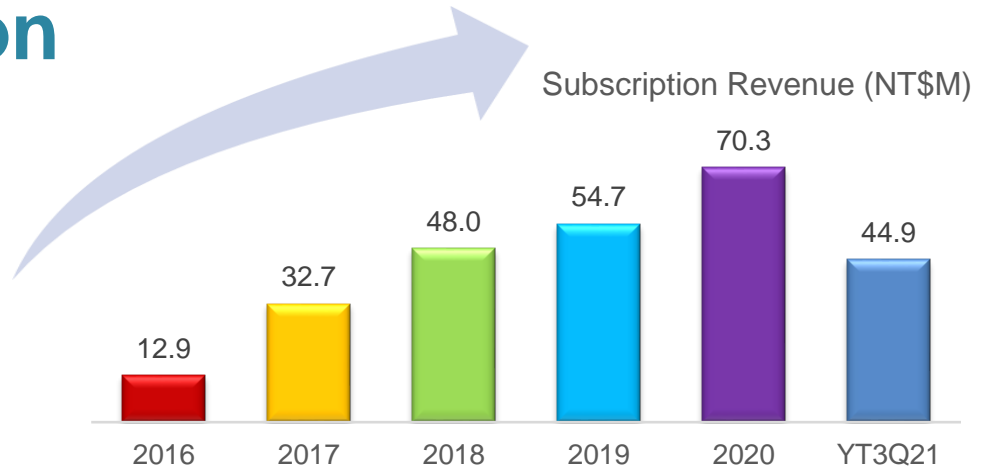


EAGLEPRO AI

Feature Highlights

- Internet Quality Monitor and its weekly report
- Interactive Wi-Fi Channel Optimizer
- Statistic Interactive Internet Schedule Control
- Security Check

Business Solution



Edge Switch

AP

Router/Gateway



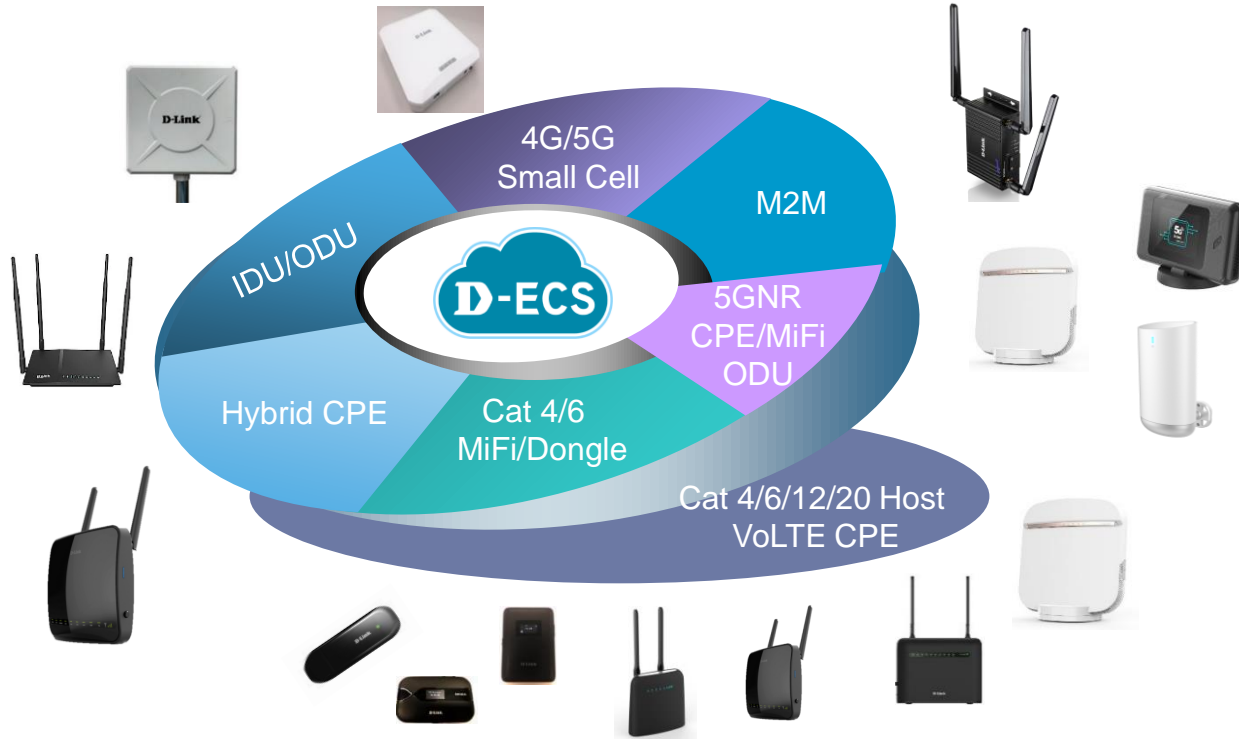
Transformed

Eagle Pro AI – Professional

Eagle Pro AI - Premium

Eagle Pro AI - Lite

AIoT Industrial Service Solution



Q & A

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

Email: IR@dlinkcorp.com

Appendix



Consolidated Income Statement

NT\$M	Yearly Results			Quarterly Results						YTD Results			
	2019	2020	YoY %	3Q20	4Q20	1Q21	2Q21	3Q21	QoQ %	YoY %	YT 3Q20	YT 3Q21	YoY %
Net Sales	16,996	15,179	(11)	4,161	4,155	3,898	3,369	3,958	17	(5)	11,025	11,224	2
Gross Profit	4,740	4,775	1	1,361	1,302	1,232	945	1,015	7	(25)	3,473	3,193	(8)
Operating Expenses	5,125	4,695	(8)	1,160	1,271	1,100	1,045	922	(12)	(21)	3,424	3,068	(10)
Operating Income	(385)	80	121	201	31	132	(100)	93	193	(54)	49	125	155
Total Non-Op. Inc. (Loss)	95	1,417	1,392	144	1,079	(19)	(72)	(84)	(17)	(158)	338	(175)	(152)
Income Before Tax	(290)	1,497	616	345	1,110	113	(172)	9	105	(97)	387	(50)	(113)
Net Income	(442)	1,311	397	321	1,006	84	(206)	(2)	99	(101)	305	(124)	(141)
Non-controlling Interests	66	71	8	18	16	23	13	25	92	39	55	61	11
Net Income Attributable to Parent	(508)	1,240	344	303	990	61	(219)	(27)	88	(109)	250	(185)	(174)
EPS (NT\$)	(1)	2	0	0	2	0	(0)	(0)			0	(0)	
Outstanding shares (mn)	652	652		652	652	652	652	635			652	646	
Gross Profit % (GP %)	27.9%	31.5%		32.7%	31.3%	31.6%	28.1%	25.6%			31.5%	28.4%	
Operating Expenses % (OPEX %)	30.1%	30.9%		27.9%	30.6%	28.2%	31.0%	23.3%			31.1%	27.3%	
Operating Margin % (OPM %)	-2.3%	0.5%		4.8%	0.7%	3.4%	-3.0%	2.3%			0.4%	1.1%	
Net Income % (NI %)	-3.0%	8.2%		7.3%	23.8%	1.6%	-6.5%	-0.7%			2.3%	-1.7%	
Return on Equity (ROE)	-5.5%	13.3%									2.8%	-2.0%	

Consolidated Balance Sheet

NT\$M	Yearly Results			Quarterly Results					YTD Results				
	2019	2020	YoY %	3Q20	4Q20	1Q21	2Q21	3Q21	QoQ %	YoY %	YT 3Q20	YT 3Q21	YoY %
Cash & cash equivalents	3,141	6,216	97.9	3,603	6,216	4,873	4,325	3,214	(25.7)	(10.8)	3,603	3,214	(10.8)
Account Receivable	3,585	3,064	(14.5)	3,241	3,064	3,117	2,946	3,267	10.9	0.8	3,241	3,267	0.8
Inventory	2,837	2,443	(13.9)	2,238	2,443	2,526	3,180	3,485	9.6	55.7	2,238	3,485	55.7
Other Current Assets	598	829	38.7	818	829	858	882	1,073	21.7	31.2	818	1,073	31.2
Non-current Assets	5,550	3,398	(38.8)	4,947	3,398	4,197	4,153	3,980	(4.2)	(19.5)	4,947	3,980	(19.5)
Total Assets	15,711	15,950	1.5	14,847	15,950	15,571	15,486	15,019	(3.0)	1.2	14,847	15,019	1.2
Accounts Payable	2,913	2,744	(5.8)	2,684	2,744	2,586	2,795	2,720	(2.7)	1.3	2,684	2,720	1.3
Other Current Liabilities	3,025	2,602	(14.0)	2,551	2,602	2,350	2,361	2,793	18.3	9.5	2,551	2,794	9.5
Non-current Liabilities	847	864	2.0	870	864	841	895	870	(2.8)	0.0	870	870	0.0
Total Liabilities	6,785	6,210	(8.5)	6,105	6,210	5,777	6,051	6,383	5.5	4.6	6,105	6,384	4.6
Total Shareholders' Equity	8,926	9,740	9.1	8,742	9,740	9,794	9,435	8,636	(8.5)	(1.2)	8,742	8,636	(1.2)
Book Value Per Share	13.0	14.2		12.7	14.2	14.2	13.7	13.5			12.7	13.5	
Current Ratio	171.1%	234.8%		189.1%	234.8%	230.4%	219.8%	200.2%			189.1%	200.2%	
Debt/Asset Ratio	43.2%	38.9%		41.1%	38.9%	37.1%	39.1%	42.5%			41.1%	42.5%	
Cash Conversion Cycle	110	101		105	101	85	97	106			105	106	

Sales Breakdown

Sales Breakdown by Products

NT\$M	Yearly Results			Quarterly Results					YTD Results				
	2019	2020	YoY %	3Q20	4Q20	1Q21	2Q21	3Q21	QoQ %	YoY %	YT 3Q20	YT 3Q21	YoY %
Switch & Security	6,627	5,699	-14.0%	1,619	1,578	1,454	1,401	1,386	-1.1%	-14.4%	4,121	4,241	2.9%
Wireless & IoT	5,172	5,015	-3.0%	1,391	1,332	1,090	821	1,022	24.5%	-26.5%	3,683	2,933	-20.4%
Mobile & Broadband	1,818	2,074	14.1%	532	542	593	538	593	10.2%	11.5%	1,532	1,724	12.5%
Others	3,379	2,391	-29.2%	619	703	761	609	957	57.1%	54.6%	1,689	2,326	37.7%
Total	16,996	15,179	-10.7%	4,161	4,155	3,898	3,369	3,958	17.5%	-4.9%	11,025	11,224	1.8%

Sales Breakdown by Regions

NT\$M	Yearly Results			Quarterly Results					YTD Results				
	2019	2020	YoY %	3Q20	4Q20	1Q21	2Q21	3Q21	QoQ %	YoY %	YT 3Q20	YT 3Q21	YoY %
America	2,222	2,214	-0.4%	640	534	390	413	401	-2.9%	-37.3%	1,680	1,204	-28.3%
Europe	5,226	4,747	-9.2%	1,320	1,406	1,315	1,150	1,183	2.9%	-10.4%	3,341	3,648	9.2%
APAC & Others	9,548	8,219	-13.9%	2,201	2,215	2,193	1,806	2,374	31.5%	7.9%	6,004	6,372	6.1%
Total	16,996	15,179	-10.7%	4,161	4,155	3,898	3,369	3,958	17.5%	-4.9%	11,025	11,224	1.8%