1Q2025

Earning Conference

YAGEO Corporation

2025/04/17

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Agenda

- *1Q2025 Results Overview*
- *1Q2025 Sales Breakdown*
- *1Q2025 Financial Flexibility Highlight*
- *Shibaura Electronics TOB Update*
- *Q&A*

1Q2025 Results Overview

Amount in NT$ Million

Net Sales	Gross Margin
31,104 [QoQ: +3.7% | YoY: +9.1%]	**35.6%** [QoQ: +2.5ppts | YoY: +1.8ppts]

Operating Margin	EBITDA Margin
20.8% [QoQ: +2.9ppts | YoY: +3.4ppts]	**28.2%** [QoQ: +3.2ppts | YoY: +2.5ppts]

Net Income	EPS
5,530 [QoQ: +49.1% | YoY: +20.5%]	**10.77** [QoQ: +49.1% | YoY: +17.9%]

- Net Sales +3.7% QoQ is better than historical pattern and with growth from all regions
- Robust Gross Margin expansion mainly due to mix and especially from good momentum on advanced application components
- Delivered +49.1% more on Net Income QoQ and +20.5% more YoY from both higher Net Sales and Margin

1Q2025 Sales Breakdown

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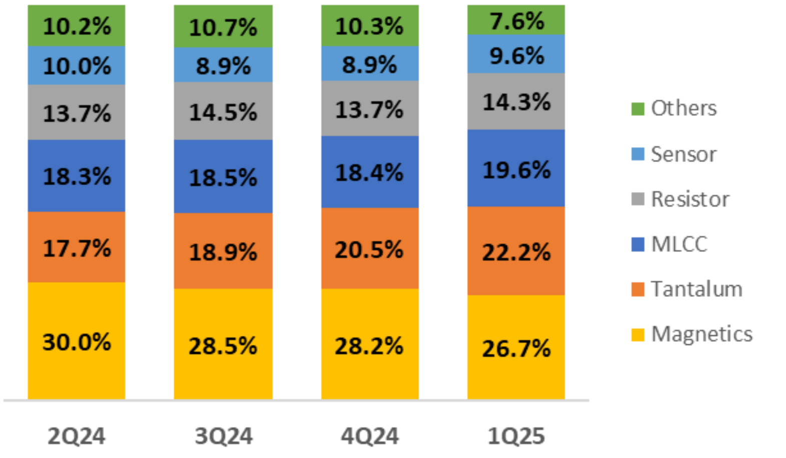
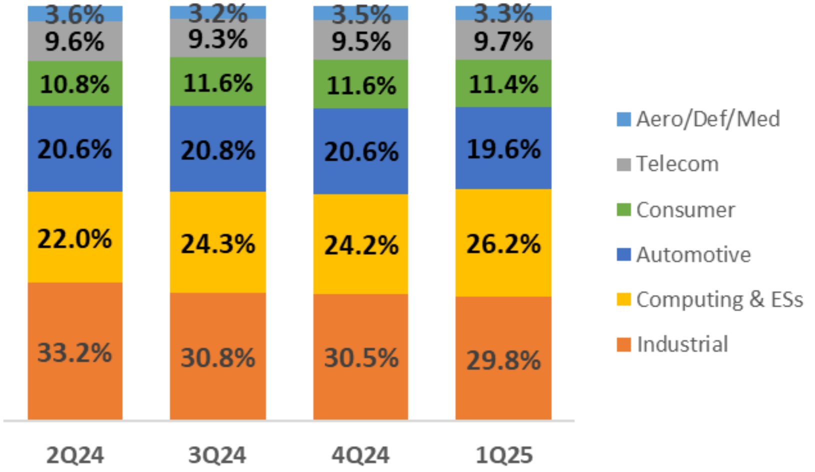
By Product



- Higher AI content demand driving growth on Tantalum, MLCC and Resistor
- Magnetics lower due to Automotive

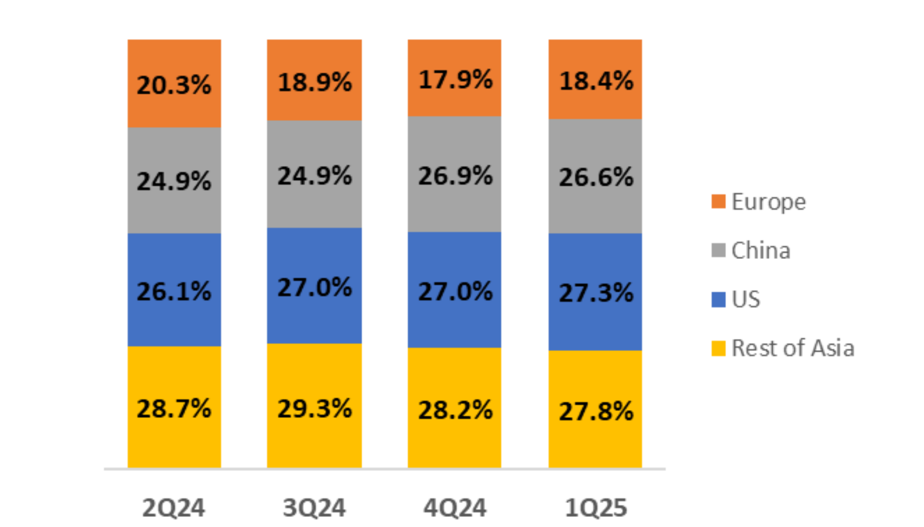
By Segment



- AI driving strong growth on Computing & ESs
- Industrial continues to face headwinds in Americas and EMEA
- Modest growth for Automotive in China offset by Americas and EMEA

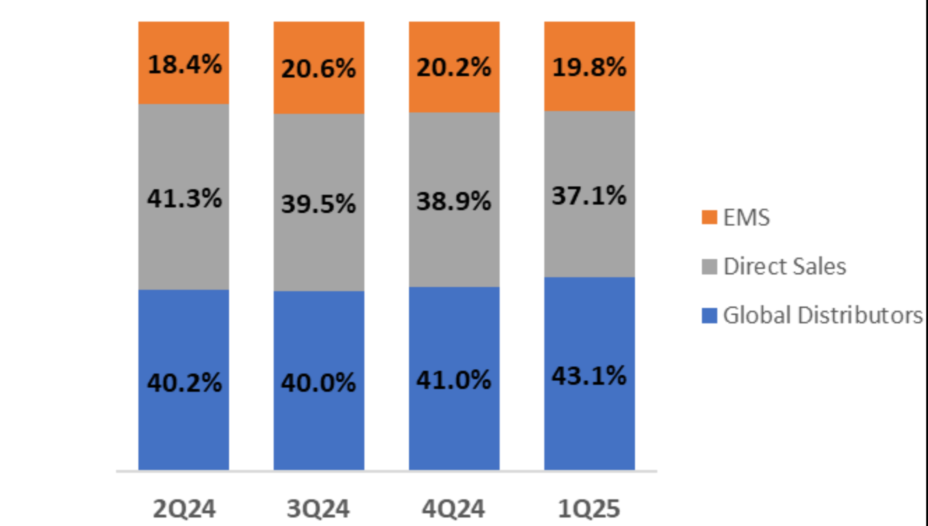
1Q2025 Sales Breakdown

By Region



- All regions grew QoQ in absolute terms, while mix was impacted by seasonal factors.
- AI demand mostly from customers in Asia and US
- EV is an additional growth engine for China

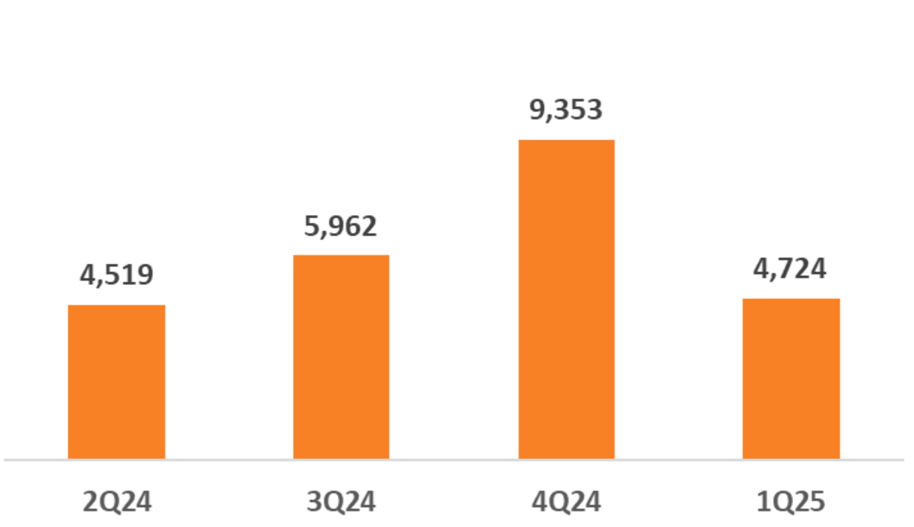
By Channel



- Inventory levels at Distributors approaching healthy levels with pull-ins on select part numbers.
- Direct sales mix lower due to automotive segment customers

1Q2025 Financial Flexibility Highlight

Free Cash Flow (NTD Ms)

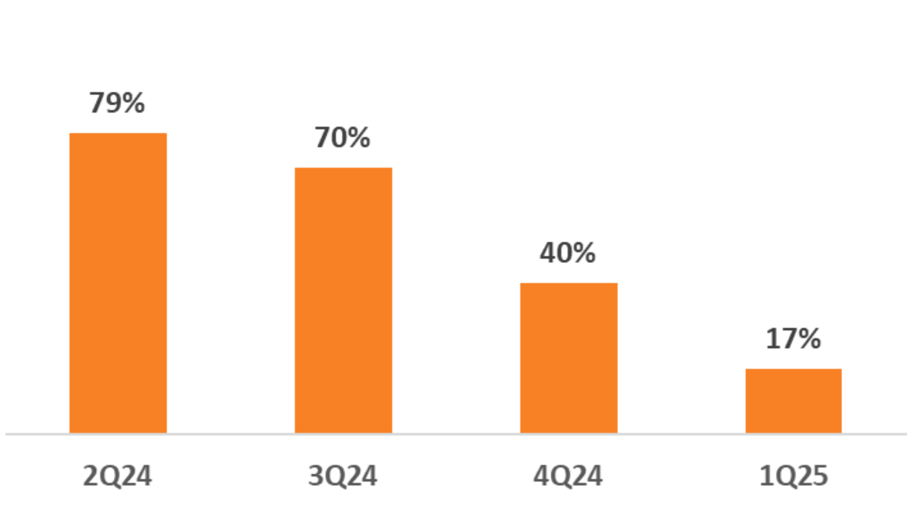


- Stable and sustained cash generation from:

  1. Strong and profitable business growth

  2. Continued reduction of inventory levels

Net Financial Debt / LTM EBITDA



- Continued focus on reducing leverage to provide financial flexibility and capture future growth opportunities

Shibaura Electronics TOB Update

Key Events Since 4Q24 Earnings Conference:

Date	Event
03/06/2025	YAGEO Submitted Responses to Shibaura's List of Questionnaires
03/26/2025	YAGEO Submitted Responses to Shibaura's List of 2nd Questionnaires
04/02/2025	YAGEO Meets with Shibaura's Management and Special Committee

Response on Shibaura's Proposal Statement:

1) Inadequate direct engagement to support Shibaura's opinion on YAGEO TOB proposal
2) Significant sales synergy potential through YAGEO's global sales channel
3) YAGEO has many business units with custom-made products that are similar in nature with Shibaura's
4) YAGEO has proven experience operating a global business

Upcoming:

2025/05/07: Expected Commencement of TOB

3Q2025: Expected closing of the TOB

APPENDIX

1Q2025 Income Statement

YAGEO Consolidation (reviewed)

Amount in NT$ Million

	1Q25		4Q24		Q-Q	1Q24		Y-Y
	Amount	%	Amount	%	Change %	Amount	%	Change %
Net Sales	31,104	100.0	30,006	100.0	3.7	28,505	100.0	9.1
Cost of Sales	(20,018)	(64.4)	(20,053)	(66.8)	(0.2)	(18,871)	(66.2)	6.1
Gross Margin	11,086	35.6	9,953	33.2	2.5 ppts	9,634	33.8	1.8 ppts
Operating Expenses	(4,623)	(14.9)	(4,588)	(15.3)	0.4 ppts	(4,691)	(16.5)	1.6 ppts
Operating Profit	6,463	20.8	5,366	17.9	2.9 ppts	4,943	17.3	3.4 ppts
Non-operating Items	710	2.3	883	2.9	(0.7 ppts)	1,115	3.9	(1.6 ppts)
Income Before Tax	7,173	23.1	6,249	20.8	2.2 ppts	6,059	21.3	1.8 ppts
Income Tax	(1,610)	(5.2)	(2,499)	(8.3)	3.2 ppts	(1,450)	(5.1)	(0.1 ppts)
Net Income	5,563	17.9	3,750	12.5	5.4 ppts	4,609	16.2	1.7 ppts
Noncontrolling Interests	(33)	(0.1)	(42)	(0.1)	0.0 ppts	(21)	(0.1)	(0.0 ppts)
Net Income (attributable to the parent)	5,530	17.8	3,708	12.4	5.4 ppts	4,588	16.1	1.7 ppts
EPS (NT$ Dollar)	10.77		7.22		49.1	9.14		17.9
EBITDA	8,783	28.2	7,515	25.0	3.2 ppts	7,331	25.7	2.5 ppts

- Q-Q/Y-Y Change of Net Sales, Cost of Sales , and EPS is in %, the rest of Changes is in percentage point.
- The financial data is based on T-IFRS

1Q2025 Selected Balance Sheet Summary

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YAGEO Consolidation (reviewed)

Amount in NT$ Million

	As of Mar 31 2025	As of Dec 31 2024	Q-Q Change %	As of Mar 31 2024	Y-Y Change %
Cash and cash equivalents	98,952	101,822	(2.8)	83,889	18.0
Receivables	23,202	21,969	5.6	21,422	8.3
Inventory	27,781	27,823	(0.2)	26,578	4.5
Total Assets	**375,087**	**366,676**	2.3	**342,628**	9.5
Payables	15,363	15,003	2.4	14,535	5.7
Net financial debts	5,868	13,019	(54.9)	25,128	(76.6)
Total Liabilities	**213,461**	**204,123**	4.6	**204,309**	4.5
Total Equity	**161,626**	**162,553**	(0.6)	**138,320**	16.8
Total Liabilities & Equity	**375,087**	**366,676**	2.3	**342,628**	9.5
Net Financial Debt / Equity	**3.6%**	**8.0%**	**(4.4 ppts)**	**18.0%**	**(14.4 ppts)**
Net Financial Debt / EBITDA	**17.2%**	**39.9%**	**(22.7 ppts)**	**86.4%**	**(69.2 ppts)**
ROE (Quarterly)	**3.4%**	**2.4%**	**1.1 ppts**	**3.3%**	**0.1 ppts**
ROE (Annualized)	**13.6%**	**13.0%**		**13.5%**	

- The financial data is based on T-IFRS

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Thank you!謝謝你!

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