
# 3Q2025
# Earning Conference

YAGEO Corporation

2025/10/30

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# Agenda

- ***3Q2025 & Q1 to Q3 2025 Financial Overview***
- ***3Q2025 Revenue Breakdown***
- ***Update on Shibaura Electronics TOB***
- ***Closing Remarks***
- ***Q&A***

# 3Q2025 Financial Overview

YAGEO GROUP

*Amount in NT$ Million*

| Net Sales | Gross Margin |
|---|---|
| **33,087** [QoQ: +1.0% \| YoY: +4.2%] | **36.2%** [QoQ: +0.6ppts \| YoY: +1.0ppts] |

| Operating Margin | EBITDA Margin |
|---|---|
| **22.9%** [QoQ: +1.4ppts \| YoY: +2.0ppts] | **29.7%** [QoQ: +1.5ppts \| YoY: +1.4ppts] |

| Net Income | EPS |
|---|---|
| **6,356** [QoQ: +27.2% \| YoY: +12.9%] | **3.1** [QoQ: +27.2% \| YoY: +12.8%] |

- Net Sales QoQ growth of +1.0% (in USD +3.9%) and YoY growth of +4.2% (in USD +11.9%) was in line with expectation
- Net Sales QoQ growth driven by continued good momentum on A.I. related applications
- Gross Profit amount increased by +2.8% QoQ and +7.1% YoY (in USD +5.7% QoQ and +14.9% YoY) mainly due to favorable product mix and higher sales.
- Operating Income amount increased by +7.4% QoQ and +14.3% YoY (in USD +10.3% QoQ and +22.3% YoY).
- Net Income amount increased by +27.2% QoQ and +12.9% YoY (in USD +29.6% QoQ and +20.5% YoY) from Operating Income as well as Non-Op Income
- EPS increased by +27.2% QoQ and +12.8% YoY

# Q1 to Q3 2025 Financial Overview

YAGEO GROUP

*Amount in NT$ Million*

| Net Sales | Gross Margin |
|---|---|
| **96,962** [YoY: +5.8%] | **35.8%** [YoY: +1.1ppts] |

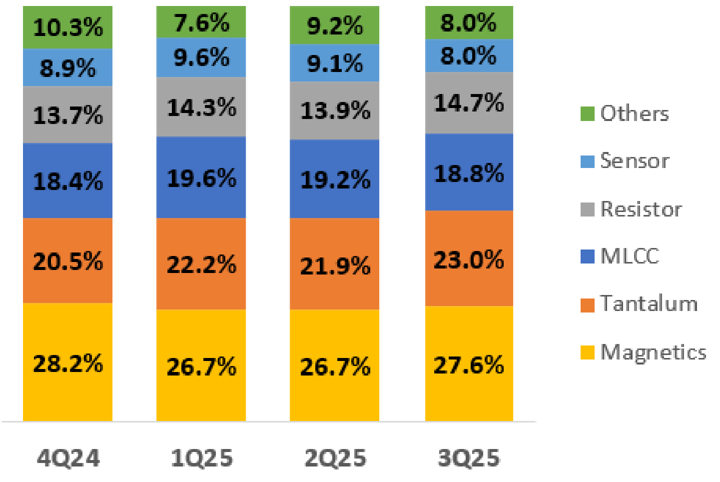
| Operating Margin | EBITDA Margin |
|---|---|
| **21.7%** [YoY: +2.1ppts] | **28.7%** [YoY: +1.3ppts] |

| Net Income | EPS |
|---|---|
| **16,883** [YoY: +7.9%] | **8.22** [YoY: +6.3%] |

- YTD Net Sales grew 5.8% YoY (+8.5% in USD)
- Growth continues to be driven by specialty products, outpacing commodity and in particular A.I. related applications
- Gross Margin continues to expand (+1.1ppts YoY) from favorable product mix and cost improvement. Combined with robust sales growth, Gross Profit amount grows by +9.0% YoY (in USD +11.8% YoY)
- Operating Margin also benefits from OPEX efficiency with Operating Income amount growing by +16.9% YoY (in USD 19.9% YoY)
- YTD Net Income increases +7.9% YoY (in USD +10.7% YoY) despite being adversely impacted by TWD appreciation vs USD as well as Retained Earnings tax provision in Q3
- YTD EPS increases +6.3% YoY

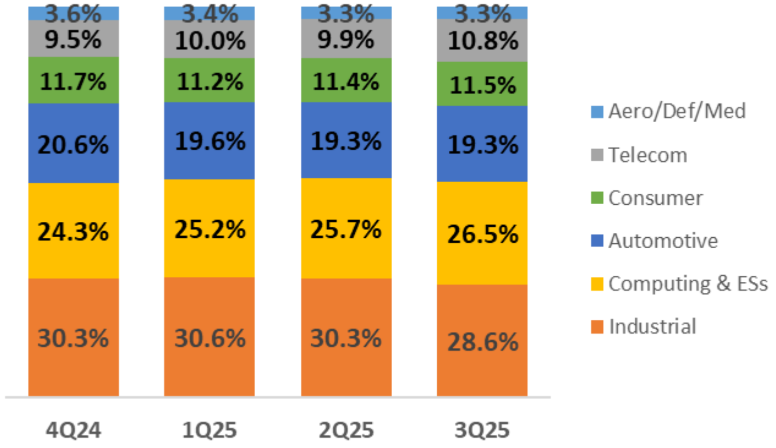
# 3Q2025 Sales Breakdown

## By Product




- Higher A.I. content demand continues to be the largest growth driver across multiple product categories

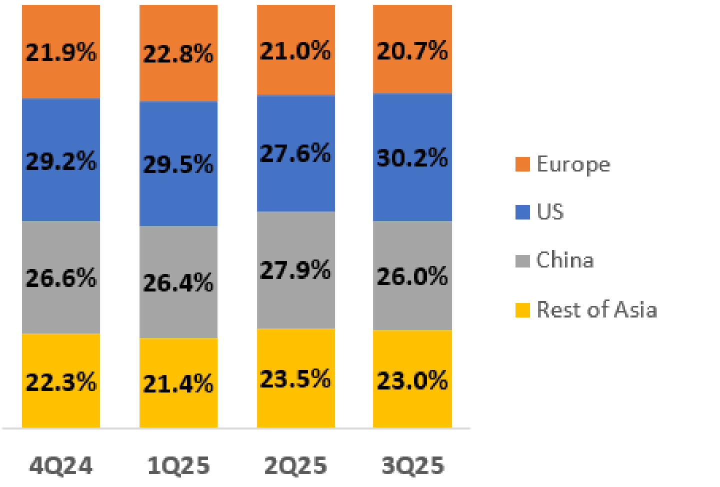
## By Segment




- All end segments are growing in absolute terms except Industrial
- A.I. contributes to growth in both Computing & Enterprise as well as Telecom segments
- In aggregate, A.I. related revenue is estimated to be between 10% to 12%

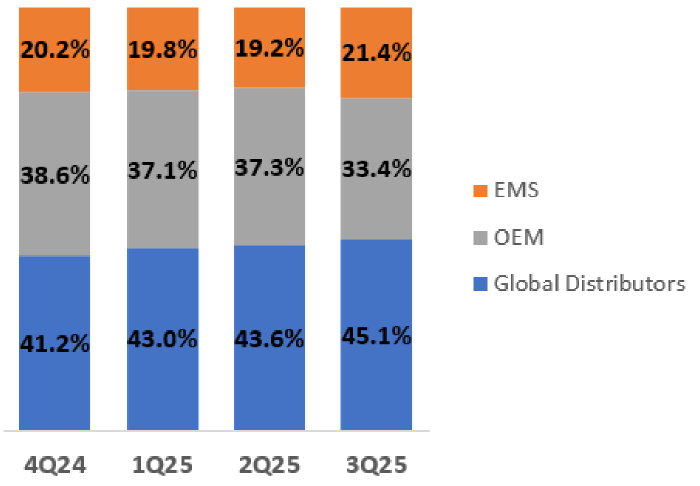
# 3Q2025 Sales Breakdown

## By Region




- A.I. demand fueling growth in US.

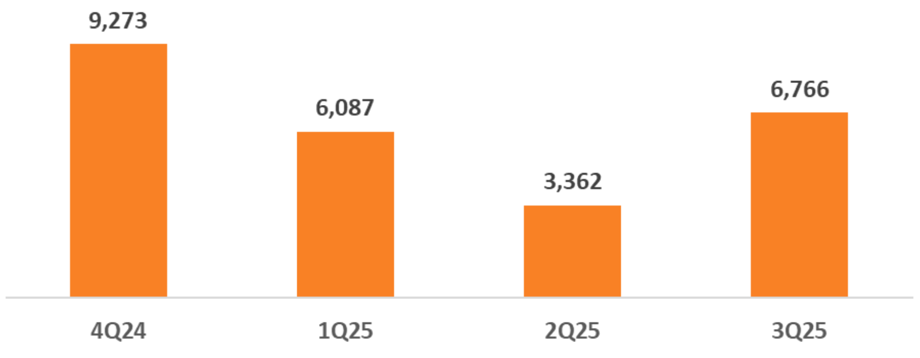
## By Channel



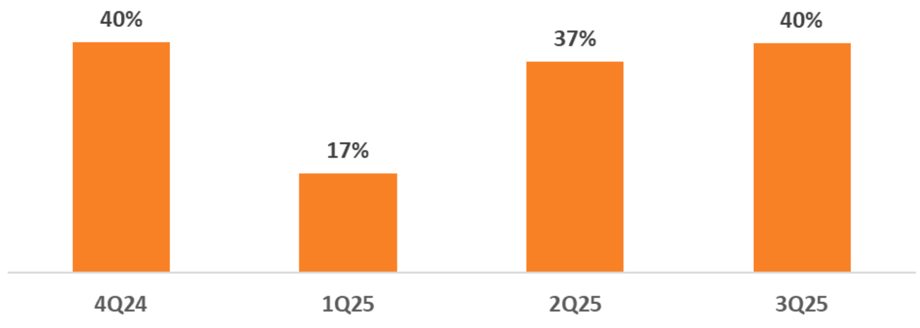

- Distributor inventory now at healthy level with orders in sync with end customer demand

# 3Q2025 Financial Flexibility Highlight

## Free Cash Flow (NTD Ms)




## Net Financial Debt / LTM EBITDA




- Stable and sustained cash generation from:
  1. Strong and profitable business growth
  2. Continued optimization of inventory levels

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

# Shibaura Electronics TOB Update

**Key Events Since 2Q25 Earnings Conference:**

| Date | Event |
|---|---|
| 09/02/2025 | Received regulatory clearance from METI |
| 09/16/2025 | Received board support and recommendation to tender from Shibaura |
| 10/03/2025 | Exceeded Tender Offer Threshold |
| 10/20/2025 | Completed Shibaura TOB with 87.3% shareholding |
| 10/21/2025 | Joint International Press Conference with Shibaura in Tokyo |

**Upcoming:**

| Date | Event |
|---|---|
| 2026 Q1 | 100% Acquisition of Shibaura Shares |

# 4Q2025 Business Outlook

| Net Sales | Gross Margin | Operating Margin |
| --- | --- | --- |
| Sales flat QoQ | Slight Gross Margin Increase QoQ | Slight Operating Margin Increase QoQ |

- Solid booking and backlog to support Q4 Net Sales Guidance
- A.I. momentum remains strong and helping to smooth out Q4 seasonality in consumer-oriented end markets.
- Continued profitability improvement from product mix

# APPENDIX

# 3Q2025 Income Statement

YAGEO GROUP

*YAGEO Consolidation (reviewed)*

*Amount in NT$ Million*

| | 3Q25 | | 2Q25 | | Q-Q | 3Q24 | | Y-Y |
|---|---|---|---|---|---|---|---|---|
| | Amount | % | Amount | % | Change % | Amount | % | Change % |
| Net Sales | 33,087 | 100.0 | 32,771 | 100.0 | 1.0 | 31,738 | 100.0 | 4.2 |
| Cost of Sales | (21,112) | (63.8) | (21,119) | (64.4) | (0.0) | (20,560) | (64.8) | 2.7 |
| Gross Margin | 11,974 | 36.2 | 11,652 | 35.6 | 0.6 ppts | 11,178 | 35.2 | 1.0 ppts |
| Operating Expenses | (4,412) | (13.3) | (4,609) | (14.1) | 0.7 ppts | (4,563) | (14.4) | 1.0 ppts |
| Operating Profit | 7,562 | 22.9 | 7,044 | 21.5 | 1.4 ppts | 6,615 | 20.8 | 2.0 ppts |
| Non-operating Items | 650 | 2.0 | (15) | (0.0) | 2.0 ppts | 556 | 1.8 | 0.2 ppts |
| Income Before Tax | 8,212 | 24.8 | 7,028 | 21.4 | 3.4 ppts | 7,171 | 22.6 | 2.2 ppts |
| Income Tax | (1,817) | (5.5) | (2,016) | (6.2) | 0.7 ppts | (1,508) | (4.8) | (0.7 ppts) |
| Net Income | 6,395 | 19.3 | 5,012 | 15.3 | 4.0 ppts | 5,663 | 17.8 | 1.5 ppts |
| Noncontrolling Interests | (39) | (0.1) | (14) | (0.0) | (0.1 ppts) | (34) | (0.1) | (0.0 ppts) |
| Net Income (attributable to the parent) | 6,356 | 19.2 | 4,998 | 15.3 | 4.0 ppts | 5,629 | 17.7 | 1.5 ppts |
| EPS (NT$ Dollar) | 3.10 | | 2.43 | | 27.2 | 2.74 | | 12.8 |
| EBITDA | 9,841 | 29.7 | 9,237 | 28.2 | 1.5 ppts | 8,995 | 28.3 | 1.4 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*

# Q1 to Q3 2025 Income Statement

YAGEO GROUP

*Amount in NT$ Million*

*YAGEO Consolidation (reviewed)*

| | 1Q-3Q2025 | | 1Q-3Q2024 | | Y-Y |
|---|---|---|---|---|---|
| | Amount | % | Amount | % | Change % |
| Net Sales | 96,962 | 100.0 | 91,661 | 100.0 | 5.8 |
| Cost of Sales | (62,249) | (64.2) | (59,811) | (65.3) | 4.1 |
| Gross Margin | 34,713 | 35.8 | 31,850 | 34.7 | 1.1 ppts |
| Operating Expenses | (13,644) | (14.1) | (13,830) | (15.1) | 1.0 ppts |
| Operating Profit | 21,069 | 21.7 | 18,020 | 19.7 | 2.1 ppts |
| Non-operating Items | 1,345 | 1.4 | 2,595 | 2.8 | (1.4 ppts) |
| Income Before Tax | 22,414 | 23.1 | 20,615 | 22.5 | 0.6 ppts |
| Income Tax | (5,443) | (5.6) | (4,878) | (5.3) | (0.3 ppts) |
| Net Income | 16,970 | 17.5 | 15,737 | 17.2 | 0.3 ppts |
| Noncontrolling Interests | (87) | (0.1) | (88) | (0.1) | 0.0 ppts |
| Net Income (attributable to the parent) | 16,883 | 17.4 | 15,649 | 17.1 | 0.3 ppts |
| EPS (NT$ Dollar) | 8.22 | | 7.73 | | 6.3 |
| EBITDA | 27,797 | 28.7 | 25,095 | 27.4 | 1.3 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*

# 3Q2025 Selected Balance Sheet Summary

*YAGEO Consolidation (reviewed)*

*Amount in NT$ Million*

| | As of Sep 30 2025 | As of Jun 30 2025 | Q-Q Change % | As of Sep 30 2024 | Y-Y Change % |
|---|---|---|---|---|---|
| Cash and cash equivalents | 100,607 | 96,111 | 4.7 | 94,244 | 6.8 |
| Receivables | 25,268 | 24,441 | 3.4 | 22,832 | 10.7 |
| Inventory | 28,257 | 26,694 | 5.9 | 26,798 | 5.4 |
| **Total Assets** | **361,368** | **353,890** | 2.1 | **358,128** | 0.9 |
| Payables | 16,377 | 15,024 | 9.0 | 15,484 | 5.8 |
| Net financial debts | 14,032 | 12,590 | 11.4 | 22,721 | (38.2) |
| **Total Liabilities** | **201,956** | **204,873** | (1.4) | **203,432** | (0.7) |
| **Total Equity** | **159,412** | **149,017** | 7.0 | **154,697** | 3.0 |
| **Total Liabilities & Equity** | **361,368** | **353,890** | 2.1 | **358,128** | 0.9 |
| | | | | | |
| **Net Financial Debt / Equity** | **8.8%** | **8.4%** | **0.4 ppts** | **14.7%** | **(5.9 ppts)** |
| **Net Financial Debt / EBITDA** | **39.7%** | **36.5%** | **3.2 ppts** | **71.0%** | **(31.3 ppts)** |
| **ROE (Quarterly)** | **4.1%** | **3.2%** | **0.9 ppts** | **3.8%** | **0.3 ppts** |
| **ROE (Annualized)** | **13.2%** | **13.6%** | | **14.5%** | |

*- The financial data is based on T-IFRS*

YAGEO GROUP

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