

A photograph of a warehouse interior with high industrial shelving units filled with cardboard boxes on pallets. A large, semi-transparent blue rectangular overlay is positioned in the center of the image, containing the title text. A solid red rectangular shape is partially visible on the left edge of the image.

TSC Auto ID Technology 3Q20 Conference Call

Code: 3611 TT

Agenda

- 01 3Q20 Financial Results
- 02 Operation Overview
- 03 Market Trend & Products
- 04 Q&A

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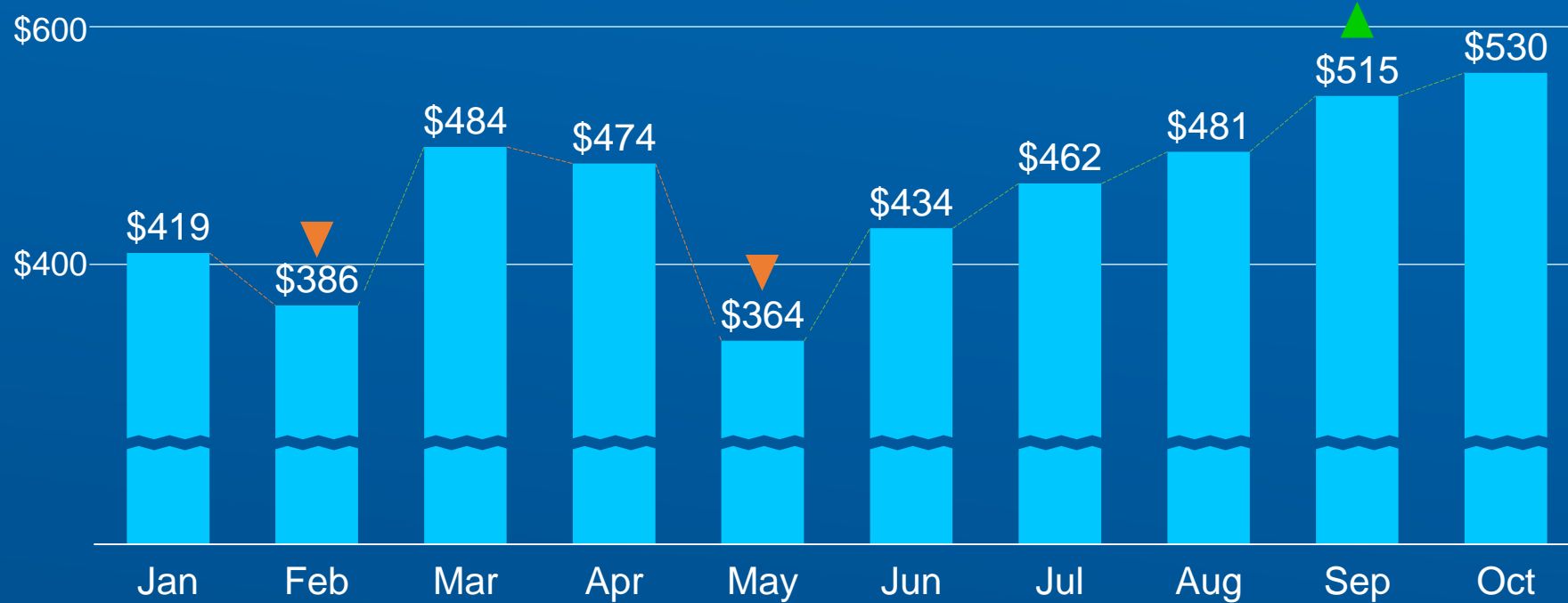
01 3Q20 Financial Results

3Q20 Performance

- ✓ **Net Revenue** New high and marking the 4th consecutive growth month
- ✓ **Operating Expense** Executing cost reduction and saved NT\$ 38M yoy
- ✓ **Operating Income** Exceeding +4.8% yoy, reached NT\$ 270M
- ✓ **Earnings per Share** Delivered EPS NT\$ 4.51, +NT\$ 0.25 yoy

Monthly Revenue - 2020

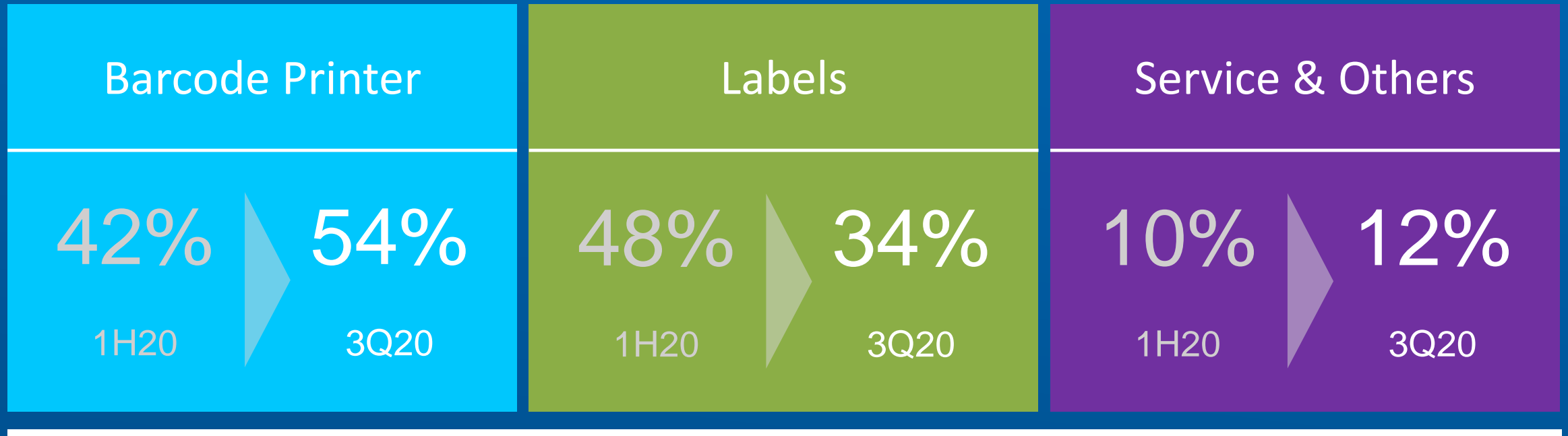
NT\$ millions



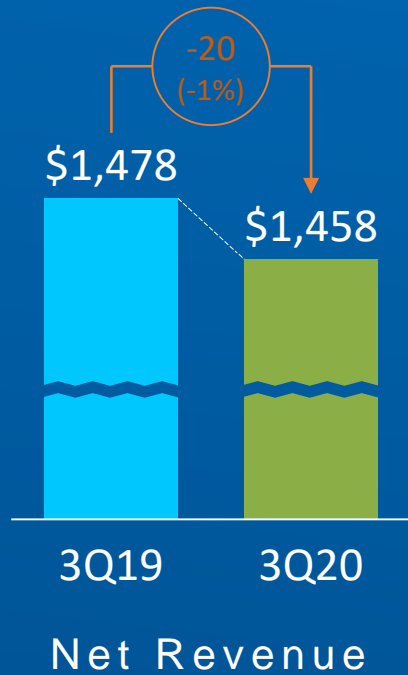
- **Feb** – China Pandemic
- **May** – US/EU/Asia Pandemic
- **Jun** – beginning of consecutive growth
- **Sep** – higher revenue than 2019

Revenue Contribution - Product

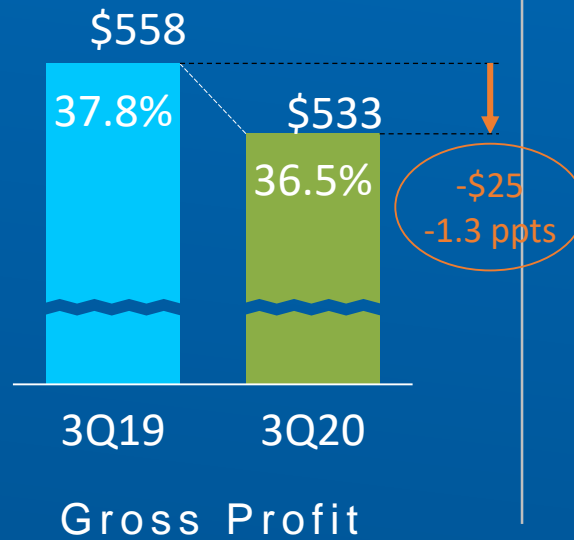
Consolidated / qoq



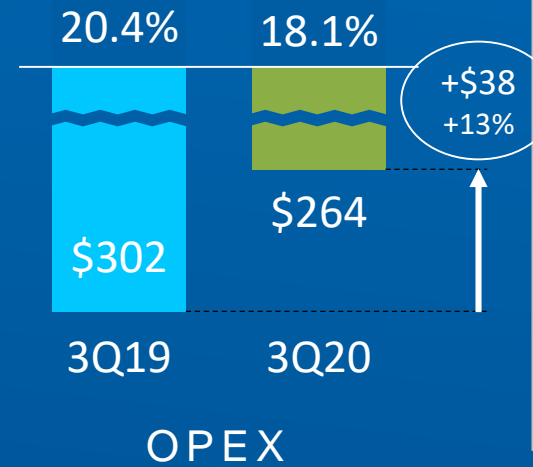
3Q20 Operation Results



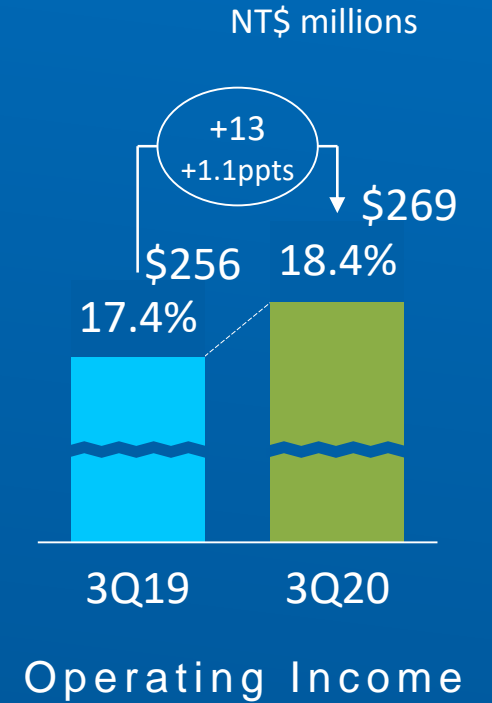
Attributed to Taiwan Dollar appreciation, up 6.2% yoy; USD/NTD 31.19→29.36



Unfavorable mix by regions



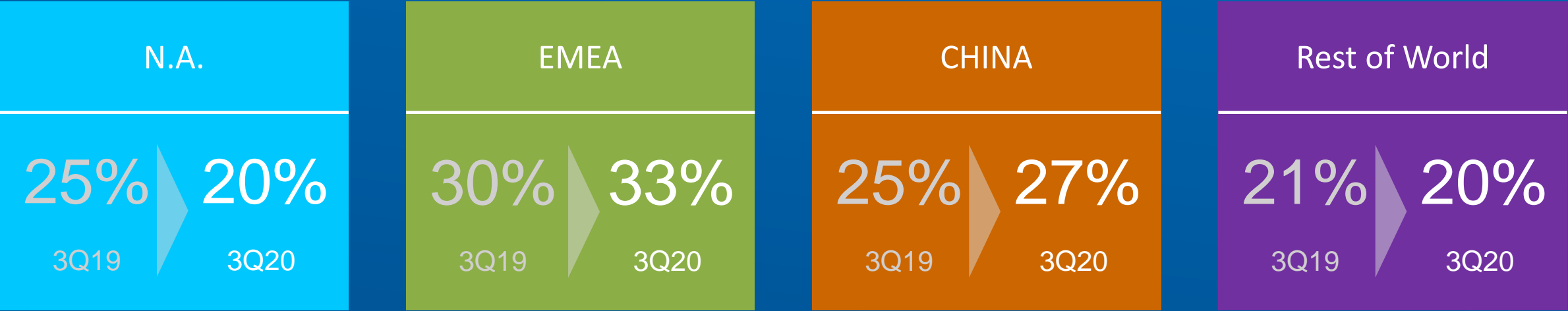
Managed expense well and controlled OPEX from NT\$100M down to \$88M/mo.



Expense savings of NT\$38M was higher than profit reduction of NT\$25M

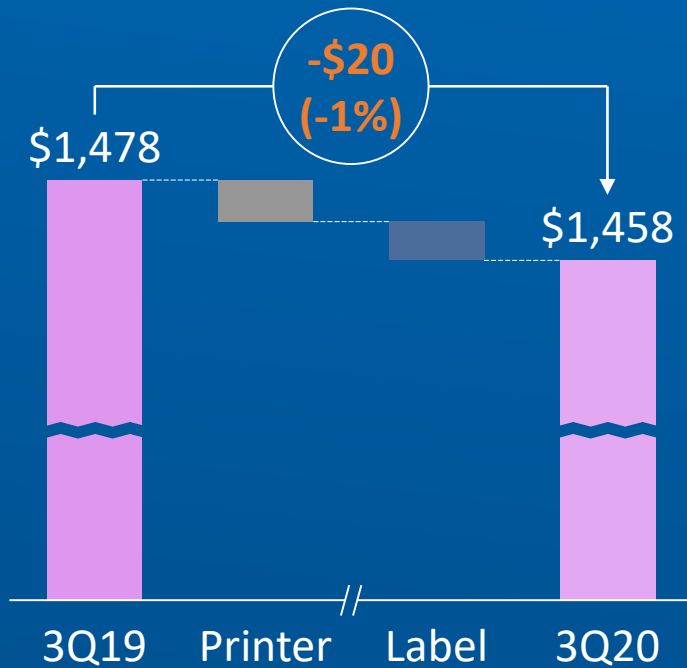
Revenue Contribution - Region

Barcode printer only / yoy

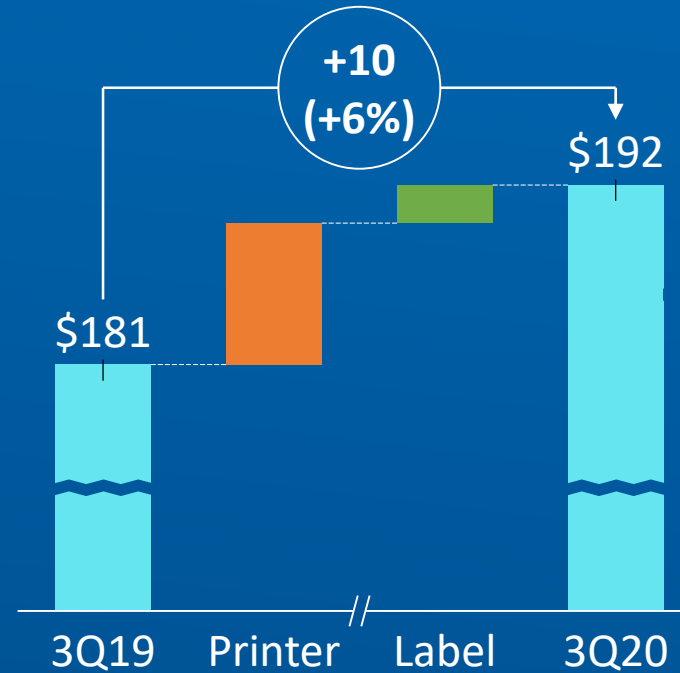


Revenue and Income

NT\$ millions



銷貨收入



稅後淨利

- Taiwan dollar appreciation +6% yoy, resulting lower sales, -1% yoy
- Net income exceeded 3Q19 by +6%
- Printers & Labels generated income, respectively, NT\$ 4.5 altogether

Financial Summary

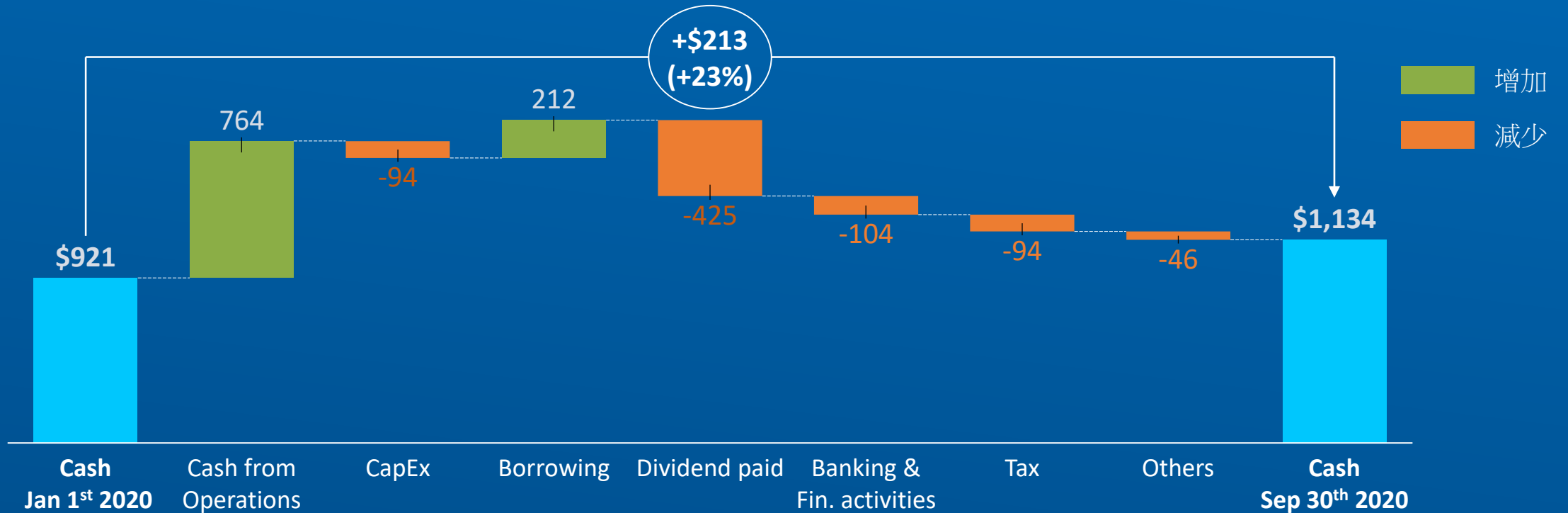
Accumulated / yoy change

NT\$ millions



Cash Flow & Resource Use

NT\$ millions



02 Operation Overview

Operation Overview

- We do not provide financial outlook
- Economic responses to Coronavirus Pandemic vary worldwide, we are cautiously optimistic to our business activity
- Continue on Taiwan Dollar appreciation will have negative impact on gross profit
- Gross margin rate is improving through a favorable business mix
- Continue on expense control
 - Inject sales & marketing expenses appropriately to support business expansion
 - Continue investment on R&D and digital marketing during Pandemic

Revenue Trend

NT\$ millions

\$6,000

\$4,000

\$2,000

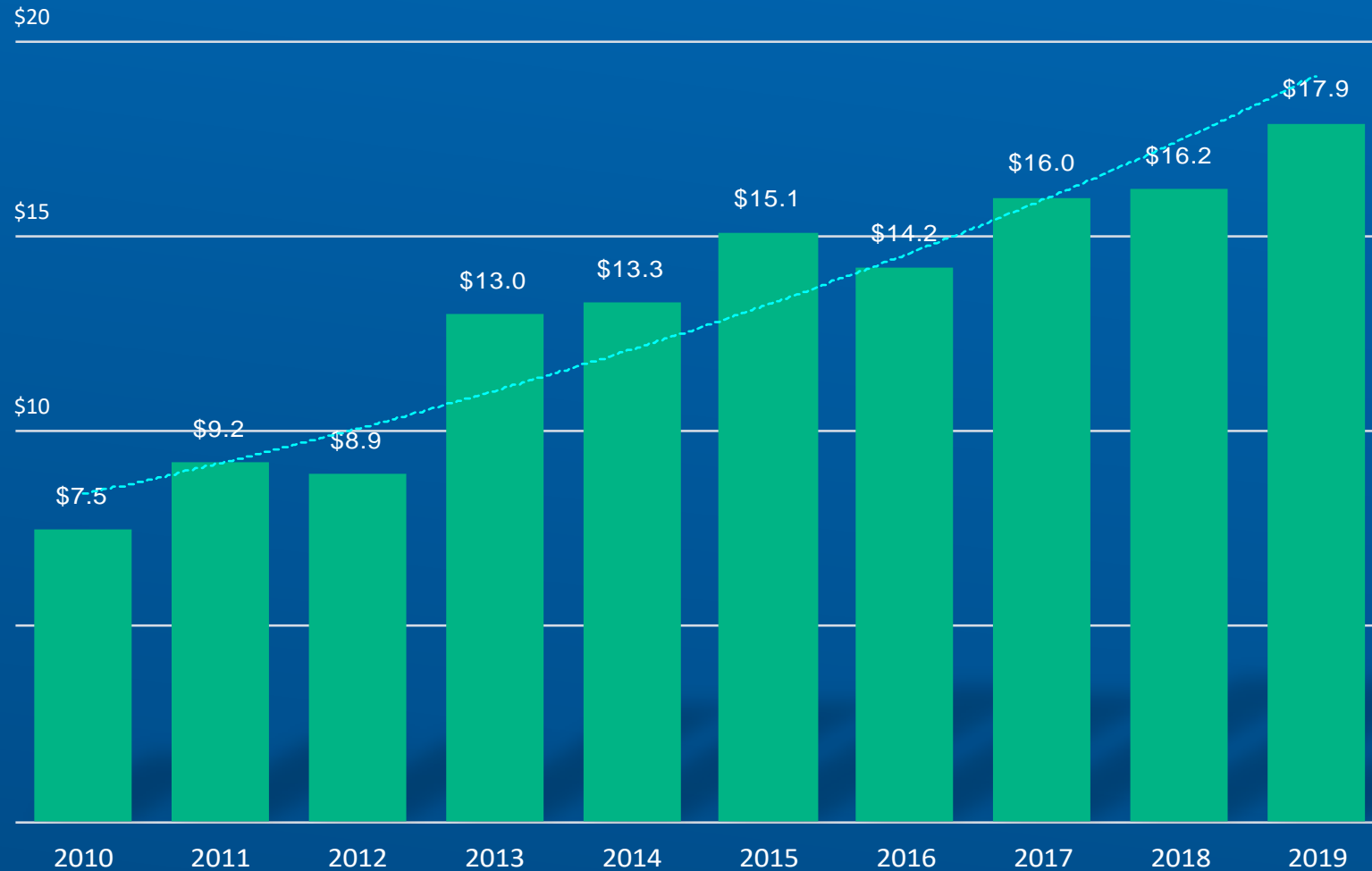


CAGR 17% 2010 ~ 2019

- 2015 acquired Printronix Thermal/AIDC Business
- 2019 acquired Diversified Labeling Solutions Inc., (DLS)

EPS Trend

NT\$ Dollar



- ✓ **EPS consecutive 7 years above NT\$10**
 - ✓ **\$16.7** Last 3-year average
 - ✓ **\$13.1** Last 10-year average
- ✓ **EPS NT\$10.84** Accumulated 3Q20

03 Market Trend & Products



Market Trend & Products

2020 Nov. 20th

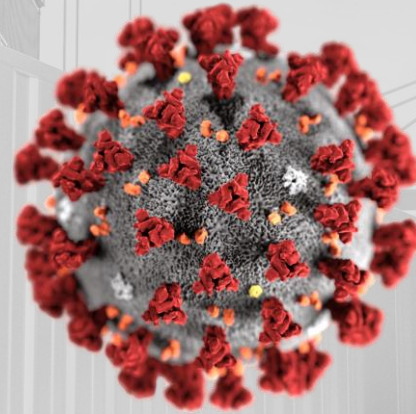
Stronger Together

Post COVID-19 Business Transformation:

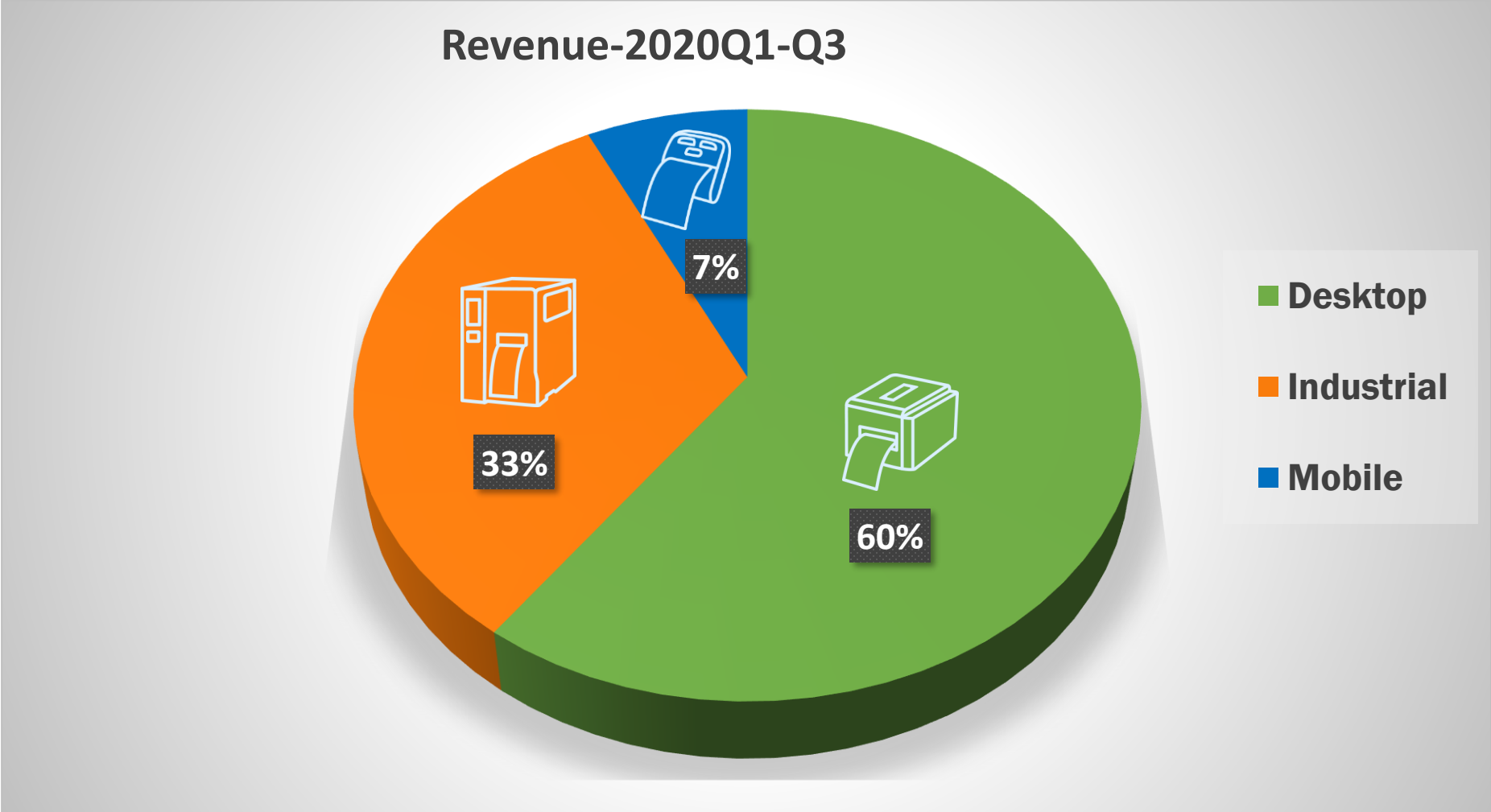
Mobile

RFID

ODV



Revenue by Product Category



Mobile Product Range



Enterprise Level

Label Printing

Existed/New Customers

Total Solution

TSC Printronix RFID Products

Total solutions for every application from high-volume industrial printers to enterprise-level desktop printers.

- RAIN/UHF RFID
- 4", 6" Tag width
- High speed encoding
- Standard on-metal tags
- RFID auto-calibration
- Barcode verification
- 600 dpi high resolution print quality



RFID Use Cases

Smart Factory



Supply Chain & Logistics



Why ODV? (Online Data Verifier)



No Contact

**Eliminate
Downtime**

**Avoid High
Chargeback**

Full Reporting

Cost Savings

TSC Printronix ODV Solution

The solution for unreadable barcodes is ODV, a fully integrated online barcode verifier

- Fully integrated with the printer for seamless operation
- Verifies and validates full suites of 1D and 2D barcodes
- Grades barcodes based on ISO standards
- Full label back-up and overstrike of labels with bad or low grade barcodes
- Barcode “GPS” dynamically locates barcode.



ODV Use Cases

Retail Chain Stores



Automotive Parts



Continuous Investment



Mobile Printers



RFID Printers



ODV

Global
Marketing

VAR/ISV
Recruitment

TSC Printronix
Academy

Thank You

TSC Auto ID tscprinters.com | **Printronix Auto ID** printronixautoid.com

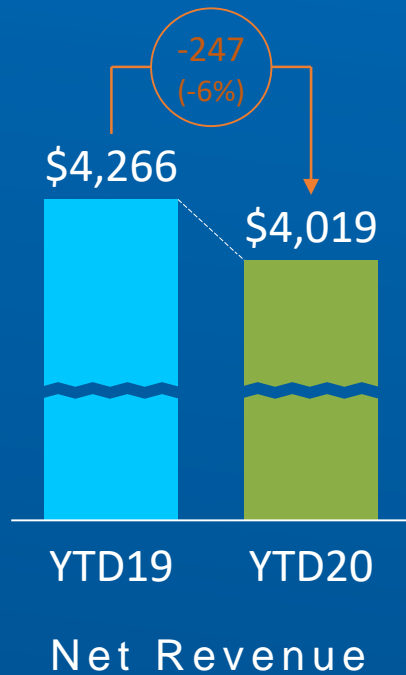


04 Q&A

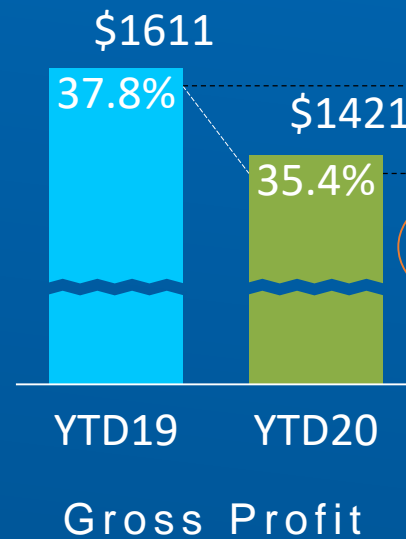
Thank You

Backup Materials

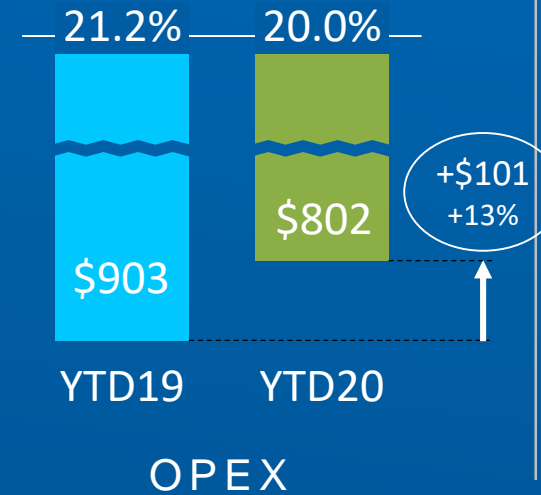
Operation Results - YTD



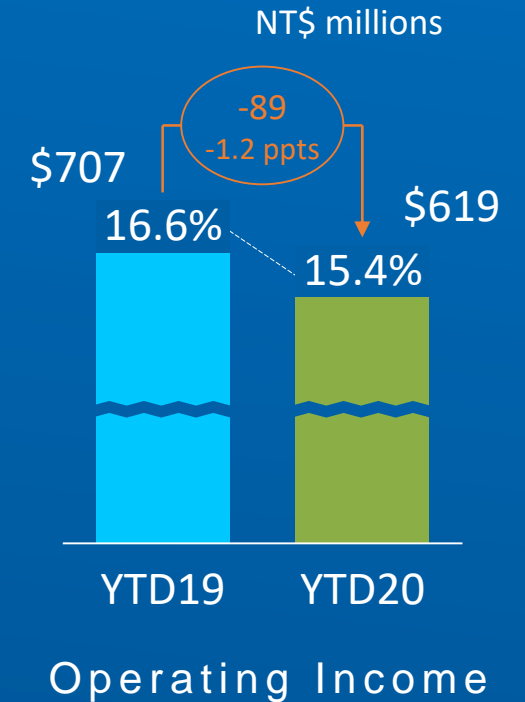
Attributed to 1H20 Pandemic worldwide and Taiwan Dollar appreciation, up 3.6% yoy; USD/NTD 30.91→29.80



Unfavorable product mix than 2019



Managed expense early (started 1Q20) and controlled OPEX from NT\$ 100M down to \$89M/mo.



Expense savings of NT\$101M was lower than profit reduction of NT\$190M