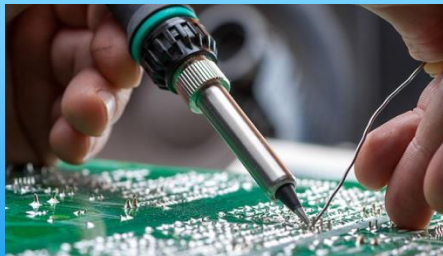


FORWARD

FORWARD ELECTRONICS



FORWARD Review 2023 Q3

Safe Harbor Statement

- This presentation contains forward-looking statements subject to significant risks and uncertainties. Actual results may differ significantly from those contained in the forward-looking statements. The forward-looking statements should not be interpreted as legally binding commitments, but rather as flexible information subject to change occasionally.

Outline

- Company Overview
- Financial Overview
 - Consolidated P/L for Q3 2023
 - Consolidated B/S for Q3 2023
 - Financial Index
- Main Products & Application
- SWOT Analysis
- Q&A

Company Overview

- Headquarter : No. 393, Section 1, Zhongzheng Road, Sanxia District, New Taipei City, Taiwan
- Founded : August 31, 1970
- OTC Listing (Code 8085) : March 1, 2004
- Paid-in Capital : NT\$ 1.39983 billion
- Number of Employees : Approx. 260 employees

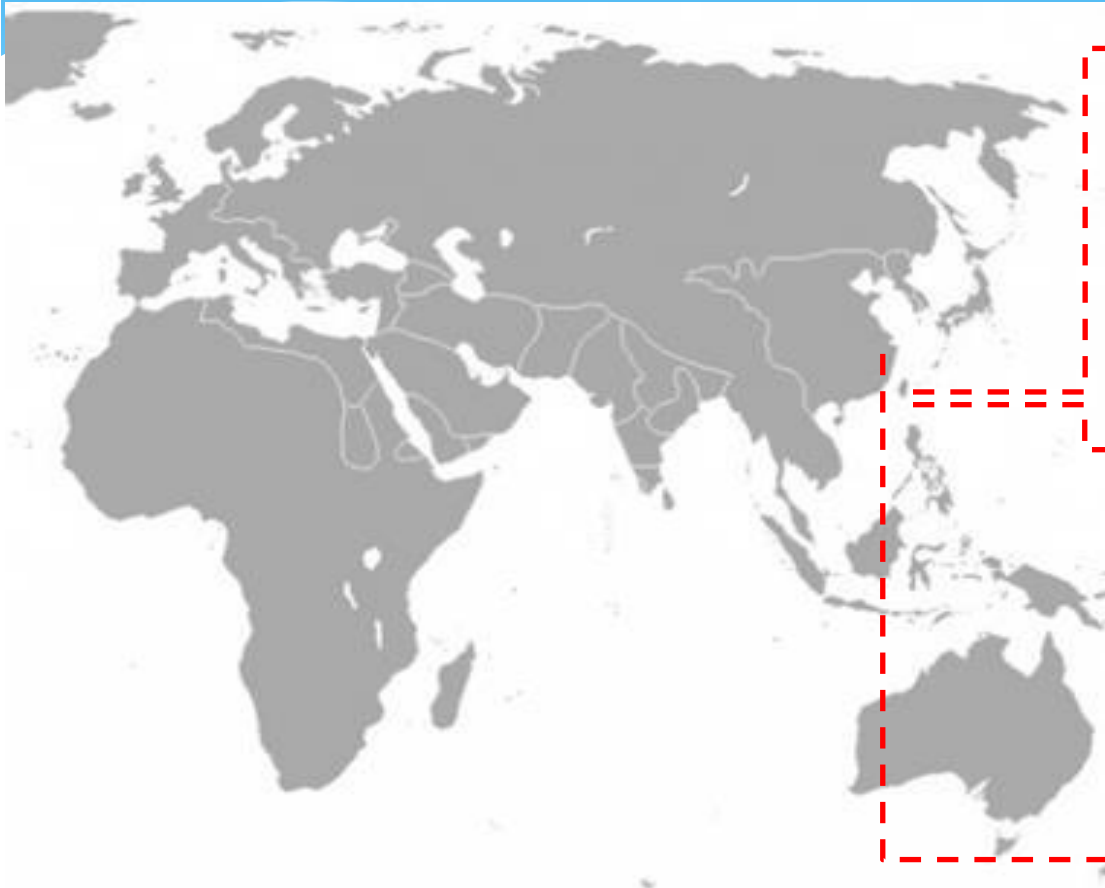
Company Overview

Forward Electronics was founded in 1970 and is headquartered in Taiwan. It is a company with integrated and professional R&D and manufacturing capabilities. From the company's inception period with TV tuners and precision electronic components as its main products, Forward has gradually developed into a company that provides diversified products and services.

Today, our products are mainly developed for the market of optoelectronics, information communication and automotive electronics industries, in order to comply with the market trend and expand the business territory. In addition, Forward 's quality management system has also been recognized internationally with the certification of ISO 9001, ISO 14001, ISO / TS 16949, ISO45001, and ISO27001.

Through the close cooperation of the Sanxia Plant in Taiwan, the Kaohsiung Plant and the Wujiang Plant in Mainland China, we can provide flexible production and capacity adjustment corresponding capabilities to meet the needs of different customers.

Global base



Sanxia Headquarter



Kaohsiung Plant



Suzhou Wujiang Plant



Main Products & Application



電子零組件

Precision Components Products



光電類

Optoelectronic Products



專業代工

Professional OEM/ODM

Precision Components Products



Switch



Encoder



Sensor



Potentiometer

Optoelectronic Products

Backlight Module



5.8" Back light module



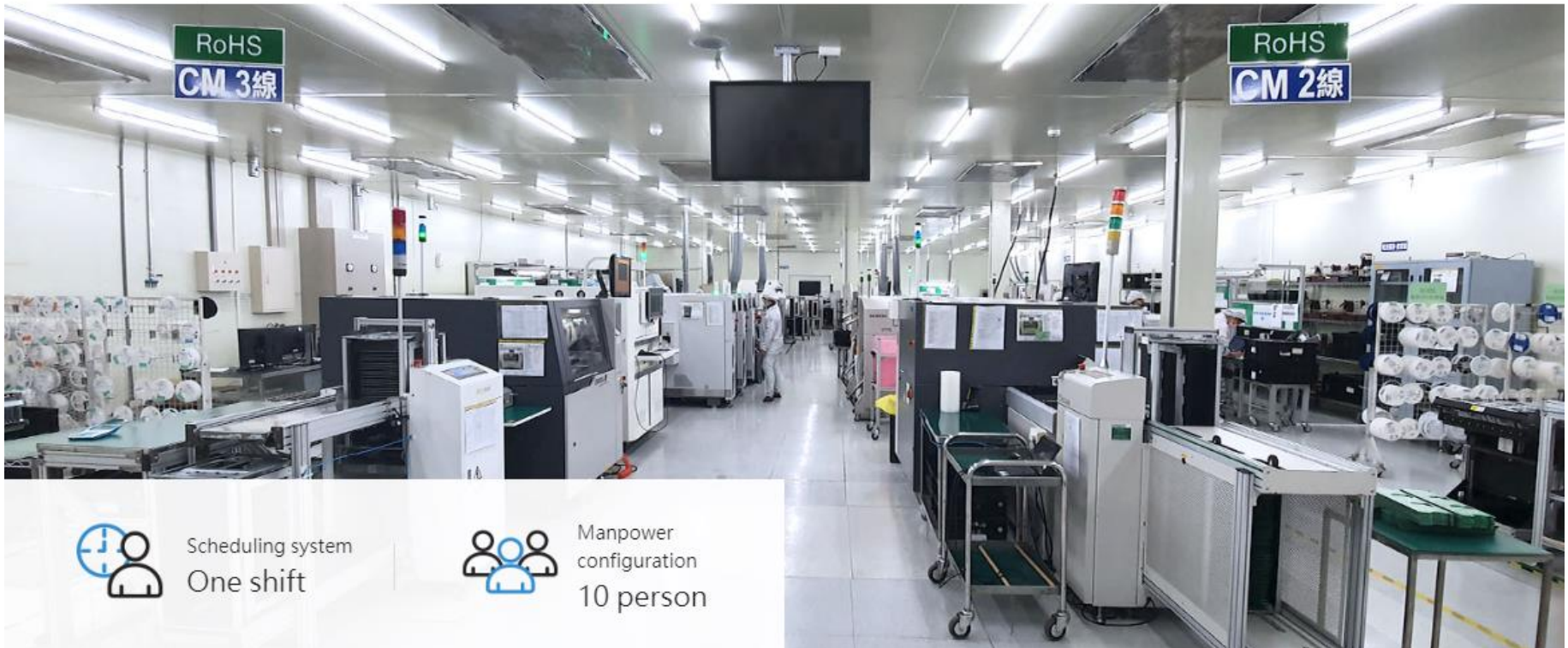
10.1" Back light module



14" Back light module

Professional OEM/ODM

SMT Production Line



Scheduling system
One shift



Manpower
configuration
10 person

Professional OEM/ODM

DIP production line



Scheduling system
One shift



Manpower
configuration
17 person

Professional OEM/ODM

Assembly line



Scheduling system
One shift



Manpower
configuration
16 person

Consolidated income statement for Q3 2023

In thousand NT\$

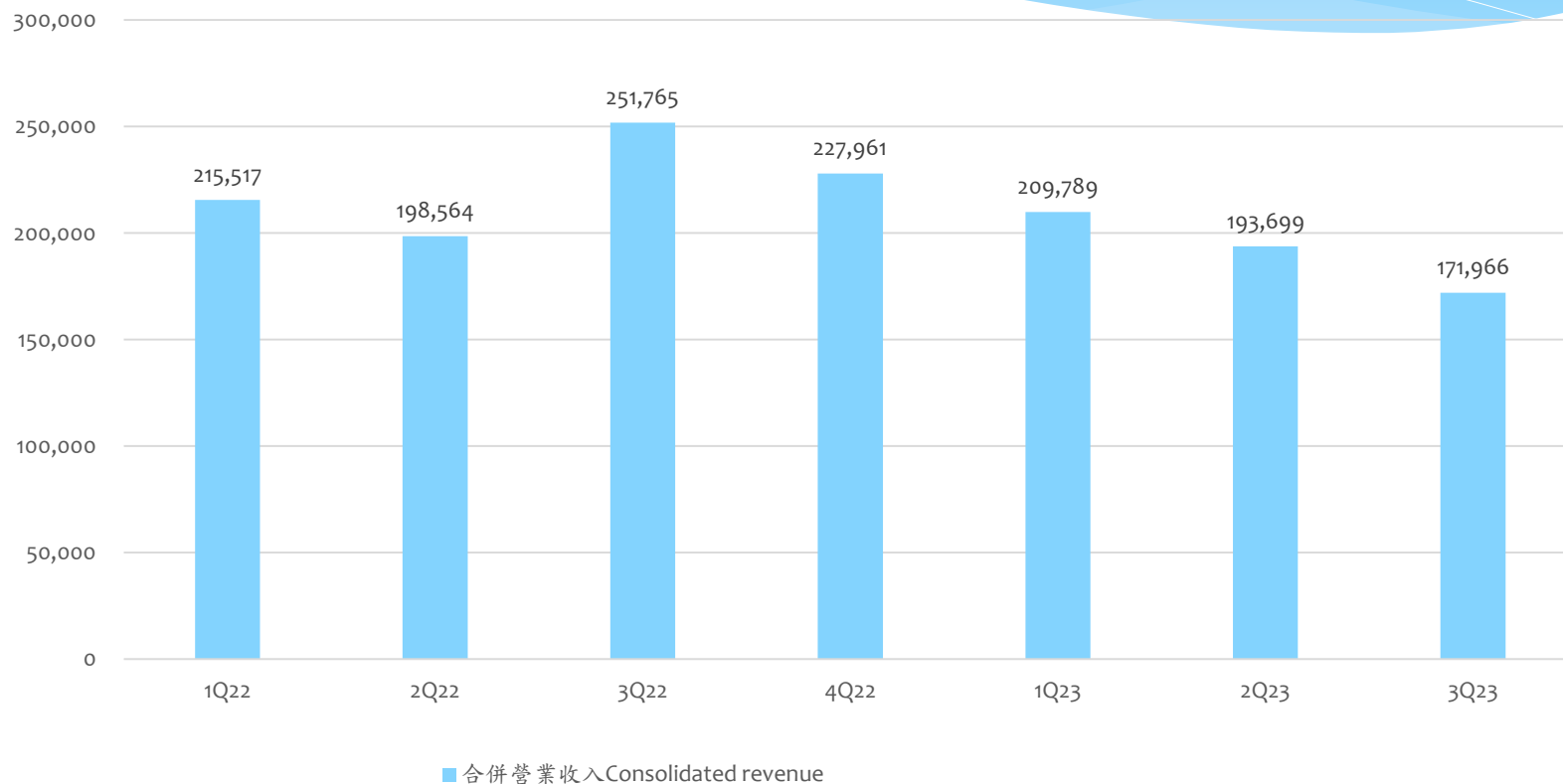
	2023 Q3		2023 Q2		QOQ	2023 Q1~Q3		2022 Q1~Q3		YOY
	\$	%	\$	%	%	\$	%	\$	%	%
Net Sales	171,966	100.0%	193,699	100.0%	-11.2%	575,454	100.0%	665,846	100.0%	-13.6%
COGS	171,238	99.6%	193,111	99.7%	-11.3%	576,325	100.2%	604,742	90.8%	-4.7%
Gross Profit	728	0.4%	588	0.3%	23.8%	(871)	-0.2%	61,104	9.2%	-101.4%
Operating Expense	30,930	18.0%	23,748	12.3%	30.2%	77,269	13.4%	84,472	12.7%	-8.5%
Operating Income	(30,202)	-17.6%	(23,160)	-12.0%	-	(78,140)	-13.6%	(23,368)	-3.5%	-
Non-Operating	20,579	12.0%	19,938	10.3%	3.2%	49,661	8.6%	116,551	17.5%	-57.4%
Income before Tax	(9,623)	-5.6%	(3,222)	-1.7%	-	(28,479)	-4.9%	93,183	14.0%	-130.6%
Net Income	(10,491)	-6.1%	(3,999)	-2.1%	-	(31,284)	-5.4%	122,100	18.3%	-125.6%
EPS (After-tax)*	(0.07)		(0.03)			(0.22)		0.87		

*Note : EPS are based on the shares outstanding of 139,983K shares in Q3 2022.

Quarterly Revenues Trend

In thousand NT\$

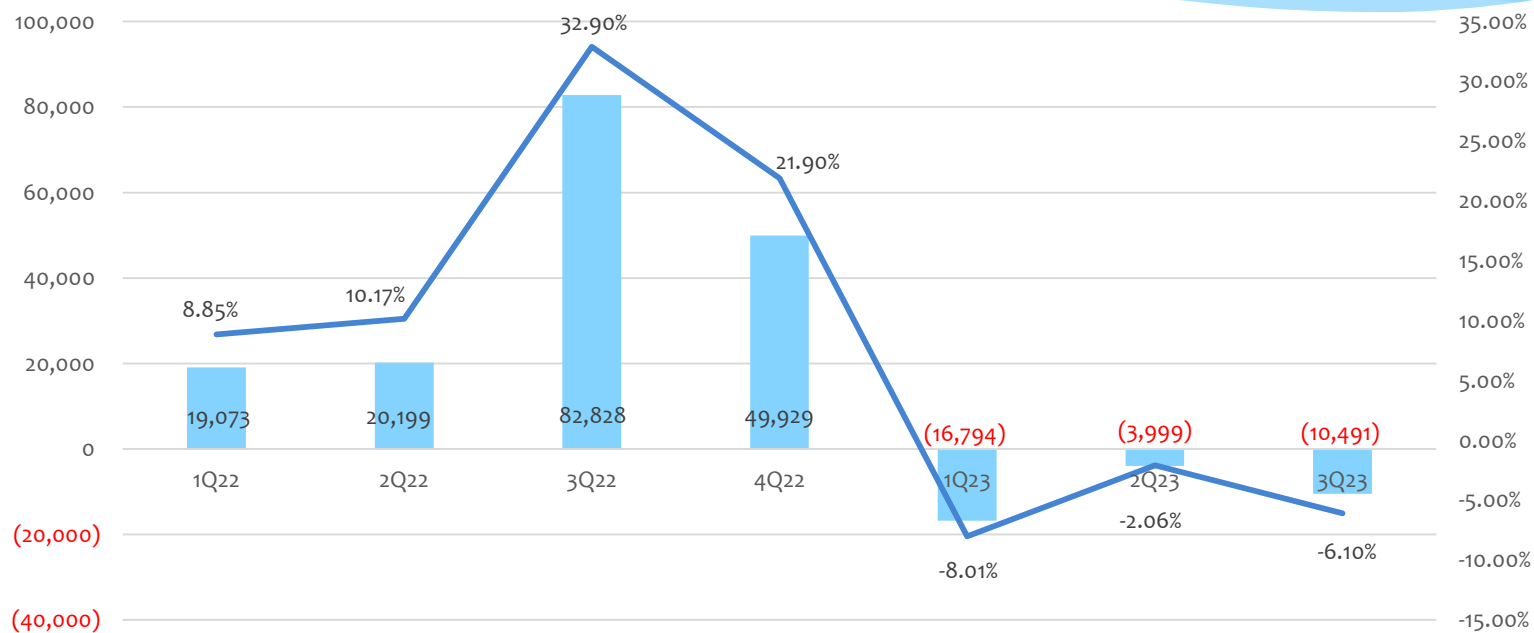
合併營業收入 Consolidated revenue



Quarterly Net Income after Tax

In thousand NT\$

合併稅後淨利 Consolidated net income after tax



合併稅後淨利 Consolidated net income after tax

合併稅後淨利率 Consolidated net income rate after tax

Consolidated B/S for Q3 2023

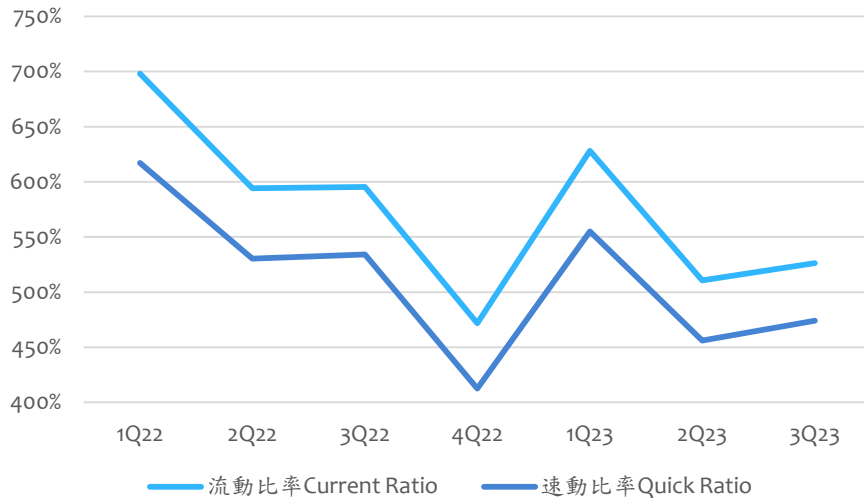
In thousand NT\$

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Cash & Equiv.	365,835	855,844	743,518	461,594	501,694	491,530	741,888
Financial Assets	909,743	385,658	514,002	411,126	224,005	231,160	7,793
Net AR	248,491	292,004	334,724	284,001	262,687	284,347	289,701
Inventories	179,585	166,207	160,639	147,141	118,506	103,014	101,049
Other Current Assets	20,847	18,415	21,893	18,919	11,702	17,148	13,512
Non Current Assets	1,121,579	1,122,945	1,117,013	1,622,302	1,675,882	2,076,583	1,874,563
Total Assets	2,846,080	2,841,073	2,891,789	2,945,083	2,794,476	3,203,782	3,028,506
Net AP	186,507	232,172	220,438	218,339	122,526	162,857	167,999
Other Current Liabilities	60,503	56,979	77,651	62,024	55,543	57,901	51,204
Long term loan	728,000	725,000	722,000	719,000	716,000	713,000	710,000
Non Current Liabilities	299,879	291,353	259,052	256,301	251,103	243,545	241,884
Total Liabilities	1,274,889	1,305,504	1,279,141	1,255,664	1,145,172	1,177,303	1,171,087
Equity	1,571,191	1,535,569	1,612,648	1,689,419	1,649,304	2,026,479	1,857,419

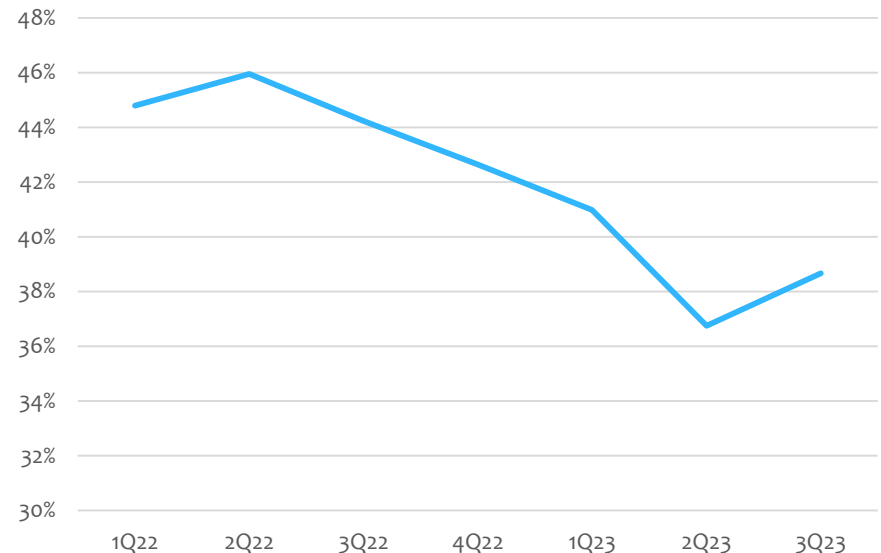
Main financial ratio Q3 2023

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Current Ratio	698%	594%	595%	472%	628%	511%	526%
Quick Ratio	617%	530%	534%	413%	555%	456%	474%
Debt Ratio	45%	46%	44%	43%	41%	37%	39%
NAV / share	11.22	10.97	11.52	12.07	11.78	14.48	13.27

流動比率Current Ratio、速動比率Quick Ratio



負債比率Debt Ratio



SWOT Analysis

Strength

- A complete product line and tie-in combination provide customers with one-stop shopping.
- A strong engineering team can meet customized needs.
- Combined with well-known brand manufacturers in emerging markets, we have established a dense sales network.
- Strong financial and fund conversion skills.

Weakness

- After inflation, raw materials remain at relatively high prices, resulting in relatively high manufacturing costs and risks of exchange rate fluctuations.
- After the epidemic, global inventory depletion was slow, and the company's overall operations and product sales did not reach economic scale.
- With diversified product lines, the company's management model is relatively complex.
- The product belongs to a mature industry and has no control over price.

SWOT Analysis

Opportunity

- In response to global high inflation, the overall economic adjustment has been going on for more than a year, and with inflation under control, the adjustment to downgrade terminal consumption is nearing completion.
- After the epidemic, people have become accustomed to distance learning and working, and their demand for information and communication products is higher than before the epidemic.
- AI PC and AI NB, the new generation of computer systems will bring a wave of demand.
- Smart devices and generative AI applications can provide users with a better experience and higher productivity.

Threats

- The trade conflict between China and the United States continues to exist, impacting international trade and affecting industrial supply chains.
- The product is a mature product, it is difficult to make new breakthroughs in technology, and its innovation and growth potential is low.
- Counterfeit goods, white labels and local brands are attacking from a triple attack, dividing the market.
- Tightening monetary policy suppresses public consumption.

Industrial Environment Analysis and Opportunity Inventory

Products and Markets:

1. Develop new technologies and high value-added products: Continue to invest in the research and development of new technologies and high value-added products, and use high-quality products that are ahead of the industry to differentiate the market.
2. Develop industrial applications: expand from the sound effects market to diverse industries such as lighting control, industrial control, medical equipment, sports equipment, and network peripheral equipment.
3. Open and expand overseas markets:
 - (1) Enhance the company's brand awareness and visibility by participating in foreign exhibitions, with the goal of directly reaching end customers.
 - (2) Strategically cooperate with distributors to indirectly expand sales to European and American markets.

Industrial Environment Analysis and Opportunity Inventory

Cost and Production :

4. Introducing automated production: Accelerate the automated production of traditional products, and make good use of Suzhou Fuhua for cross-strait production deployment, effectively reducing costs, increasing production capacity, strengthening the company's competitiveness, and preventing competitors.
5. Reduce costs and expenses: Reduce manufacturing costs by introducing alternative materials, eliminating bottleneck processes, planning new processes or automating production. Review the reasonableness of expenses and reduce them appropriately.

Thank You