



Investor Conference

Code: 6152

WWW.PESI.COM.TW

WWW.PBI-CHINA.COM

2020/12/01



PBI Pro Broadband Inc.

Disclaimer

This document is provided by Prime Electronics & Satellitics Inc.(the "Company"). The Company does not release any financial forecast. However, the statement of the company's business and finance condition in this presentation may differ from future actual results. This causes from market demand, prices fluctuations, competitions behavior, global economic situations, exchange rate fluctuations, supply chain and other factors or risks beyond the company's control. This presentation is based on the information obtained from various sources which the Company believes to be reliable, please refer to the information on MOPS website as the main basis if any adjustment has been made.

Company Introduction

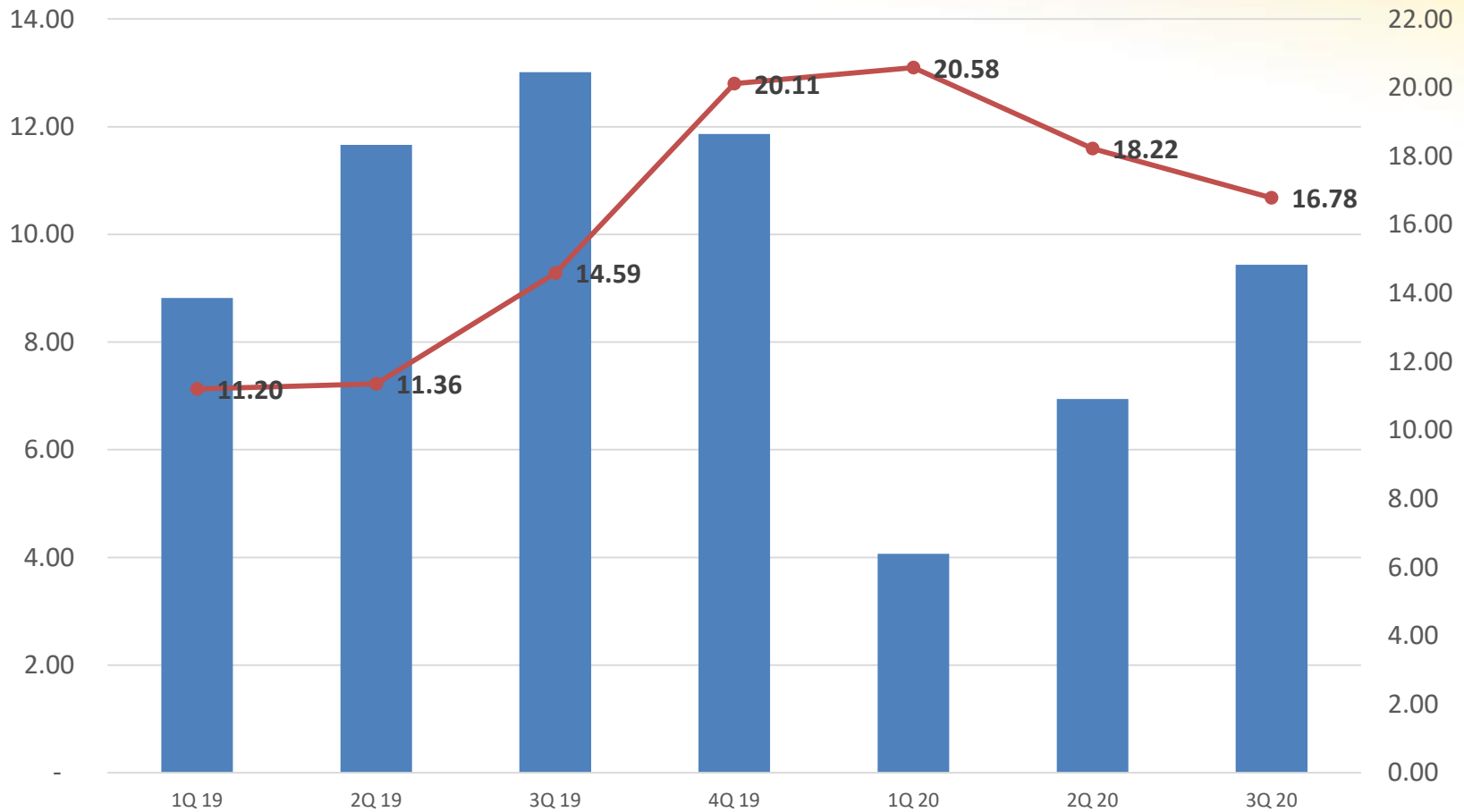
- Founded : 1995
- Date of IPO : April 2002
- Employees : 1,100
- Paid in Capital : NTD 1.68 billion
- Operating Location : Chung-Li 、 Dongguan 、 Beijing

| Prime | Prime-DG | Prime-BJ |
|--|---|--|
|  |  |  |
| Chung_Li Industrial Park | Dongguan | Beijing |
| HQ, Sales, RD, Logistic | Manufacture, Sales, RD | HeadEnd RD, Sales |

Revenue & Gross margin

NTD hundred M

%



2020,1-3Q Comprehensive I/S



Unit : NTD K

| | 1Q, 2020 | 2Q, 2020 | 3Q, 2020 | 1-3Q,2020 |
|--|----------|----------|----------|-----------|
| Net Sales | 406,851 | 694,188 | 943,381 | 2,044,420 |
| Gross Profit | 83,743 | 126,491 | 158,334 | 368,568 |
| Operating Income(Loss) | (60,147) | (27,948) | 13,511 | (74,584) |
| Non-operating Income & Exp. | 25,297 | 21,282 | 29,993 | 76,572 |
| Net Income(Loss) | (34,850) | (6,659) | 43,504 | 1,995 |
| EPS(NT\$) | (0.21) | (0.04) | 0.26 | 0.01 |

1-3Q 2020 Comprehensive I/S-YoY

Unit : NTD thousand

| | 1-3Q 2020 | | 1-3Q 2019 | | YoY | |
|-------------------------------|-----------|--------|-----------|--------|-------------|---------|
| | Amount | % | Amount | % | Amount | % |
| Net Sales | 2,044,420 | 100.00 | 3,349,068 | 100.00 | (1,304,648) | (38.96) |
| Gross Profit | 368,568 | 18.03 | 420,976 | 12.57 | (52,408) | (12.45) |
| Operating Expense | 443,152 | 21.68 | 496,186 | 14.82 | (53,034) | (10.69) |
| Operating Income(Loss) | (74,584) | (3.65) | (75,210) | (2.25) | 626 | 0.83 |
| Non-operating Income | 76,572 | 3.75 | 57,556 | 1.72 | 19,016 | 33.04 |
| Income(Loss) before Tax | 1,988 | 0.10 | (17,654) | (0.53) | 19,642 | 111.26 |
| Income Tax Expense | 7 | | 0 | | 7 | |
| Net Income(Loss) | 1,995 | 0.10 | (17,654) | (0.53) | 19,649 | 111.30 |

EPS

0.01

(0.10)

3Q20 Comprehensive I/S-YoY



Unit : NTD thousand

| | 3Q 20 | | 3Q 19 | | YoY | |
|--|----------------|--------------|------------------|--------------|------------------|---------------|
| | Amt | % | Amt | % | Amt | % |
| Net Sales | 943,381 | 100 | 1,301,254 | 100 | (357,873) | (27.5) |
| Gross Profit | 158,334 | 16.78 | 189,819 | 14.59 | (31,485) | (16.6) |
| Operating Expense | 144,823 | 15.35 | 173,423 | 13.33 | (28,600) | (16.5) |
| Operating Income(Loss) | 13,511 | 1.43 | 16,396 | 1.26 | (2,885) | (17.6) |
| Non-operating Income and Exp. | 29,993 | 3.18 | 3,654 | 0.28 | 26,339 | 720.8 |
| Profit(Loss) before Tax | 43,504 | 4.61 | 20,050 | 1.54 | 23,454 | 117.0 |
| Net Income(Loss) | 43,504 | 4.61 | 20,050 | 1.54 | 23,454 | 117.0 |
| Profit for the owners of parent | 43,296 | 4.59 | 20,183 | 1.55 | 23,113 | 114.5 |
| EPS(NT\$) | 0.26 | | 0.12 | | | |

3Q20 Comprehensive I/S-QoQ

Unit : NTD thousand

| | 3Q 20 | | 2Q 20 | | QoQ | |
|--|----------------|---------------|-----------------|---------------|----------------|--------------|
| | Amt | % | Amt | % | % | |
| Net Sales | 943,381 | 100.00 | 694,188 | 100.00 | 249,193 | 35.9 |
| Gross Profit | 158,334 | 16.78 | 126,491 | 18.22 | 31,843 | 25.2 |
| Operating Expense | 144,823 | 15.35 | 154,439 | 22.25 | (9,616) | (6.2) |
| Operating Income(Loss) | 13,511 | 1.43 | (27,948) | (4.03) | 41,459 | 148.3 |
| Non-operating Income and Exp. | 29,993 | 3.18 | 21,282 | 3.07 | 8,711 | 40.9 |
| Profit(Loss) before Tax | 43,504 | 4.61 | (6,666) | (0.96) | 50,170 | 752.6 |
| Income Tax Expense | 0 | | 7 | | (7) | |
| Net Income(Loss) | 43,504 | 4.61 | (6,659) | (0.96) | 50,163 | 753.3 |
| Profit for the owners of parent | 43,296 | 4.59 | (6,510) | (0.94) | 49,806 | 765.1 |
| EPS(NT\$) | 0.26 | | (0.04) | | | |

Consolidated Balance Sheet

Selected Items Unit : NTD thousand

| | 9/30, 2020 | | 9/30, 2019 | | YoY | % |
|--|------------------|---------------|------------------|---------------|------------------|-------------|
| | Amount | % | Amount | % | Amount | % |
| Cash and Cash equivalents | 679,476 | 21.74 | 677,097 | 16.86 | 2,379 | 0 |
| Financial assets carried at amortized cost | 89,517 | 2.86 | 172,452 | 4.29 | (82,935) | (48) |
| Contract assets | 0 | 0.00 | 39,656 | 0.99 | (39,656) | (100) |
| Accounts/Notes Receivable | 830,759 | 26.58 | 1,473,818 | 36.69 | (643,059) | (44) |
| Inventories | 603,999 | 19.32 | 640,762 | 15.95 | (36,763) | (6) |
| OtherCurrentAssets | 110,432 | 3.53 | 76,093 | 1.89 | 34,339 | 45 |
| Total Current Assets | 2,314,183 | 74.03 | 3,079,878 | 76.67 | (765,695) | (25) |
| Property, plant and equipment | 541,782 | 17.33 | 641,994 | 15.98 | (100,212) | (16) |
| Right-of-use Assets | 83,254 | 2.66 | 90,298 | 2.25 | (7,044) | (8) |
| Investment property | 163,028 | 5.22 | 167,883 | 4.18 | (4,855) | (3) |
| OtherNoncurrentAssets | 23,730 | 0.76 | 36,852 | 0.92 | (13,122) | (36) |
| Total Assets | 3,125,977 | 100.00 | 4,016,905 | 100.00 | (890,928) | (22) |
| Short-term borrowings | 585,451 | 18.73 | 732,096 | 18.23 | (146,645) | (20) |
| Accounts/Notes Payable | 723,776 | 23.15 | 1,398,362 | 34.81 | (674,586) | (48) |
| Other payables | 204,860 | 6.55 | 276,242 | 6.88 | (71,382) | (26) |
| Other current liabilities | 83,094 | 2.66 | 69,344 | 1.73 | 13,750 | 20 |
| Within one-year long term loans | 54,541 | 1.74 | 81,954 | 2.04 | (27,413) | (33) |
| Total Current Liabilities | 1,651,722 | 52.84 | 2,557,998 | 63.68 | (906,276) | (35) |
| Long-term Loans | 96,475 | 3.09 | 50,746 | 1.26 | 45,729 | 90 |
| OtherNoncurrentLiabilities | 48,798 | 1.56 | 56,756 | 1.41 | (7,958) | (14) |
| Total Liabilities | 1,796,995 | 57.49 | 2,665,500 | 66.36 | (868,505) | (33) |
| Total Shareholders' Equity | 1,328,982 | 42.51 | 1,351,405 | 33.64 | (22,423) | (2) |

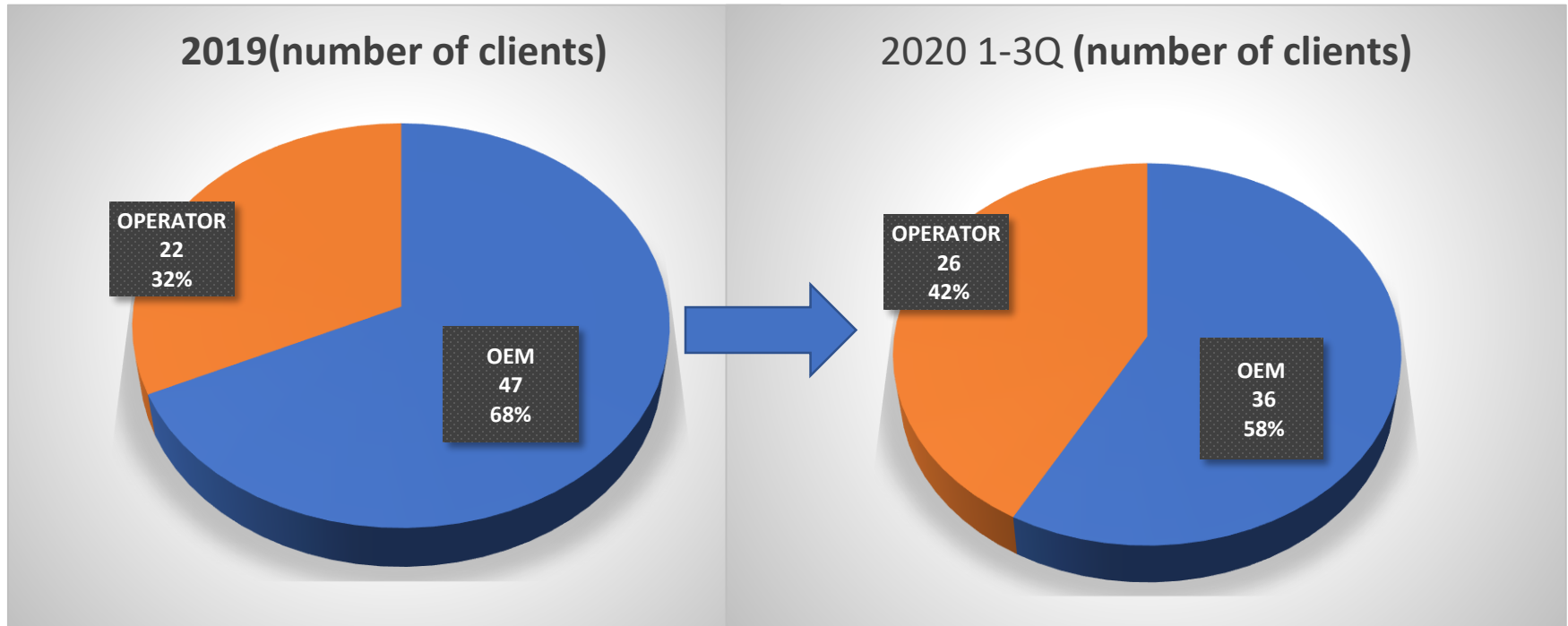
Consolidated Cash Flow

Selected Item Unit : NTD thousand

| | 9/30, 2020 | 9/30, 2019 |
|--|------------------|------------------|
| Net Income (loss) before tax | 1,988 | (17,654) |
| Provision for doubtful accounts | (4,810) | (12,017) |
| Depreciation & Amortization | 80,347 | 98,296 |
| Net A/R (Increase)/Decrease | 314,729 | 50,090 |
| Inventories (Increase)/Decrease | (213,101) | 207,826 |
| A/P Increase/(Decrease) | (377,408) | (60,355) |
| O/P Increase/(Decrease) | (19,875) | (143,488) |
| Other Op Sources/(Uses) | (57,220) | 30,815 |
| From Operation | (275,350) | 153,513 |
| Buy property, plant and equipment | (15,479) | (10,670) |
| Sold property, plant and equipment | 738 | 4,270 |
| Financial assets carried at amortized cost | 66,470 | 11,522 |
| Other Investment Sources/(Uses) | 986 | 2,761 |
| From Investment | 52,715 | 7,951 |
| Short & Long Term Loans | (48,274) | (499,998) |
| Other Financing Sources/(Uses) | (6,160) | 3,773 |
| From Financing | (54,434) | (496,225) |
| exchange influence | (28,453) | (14,771) |
| Net Cash Position Change | (305,522) | (349,532) |
| Beginning Cash & Cash Equivalents | 984,998 | 1,026,629 |
| Ending Cash Balance | 679,476 | 677,097 |

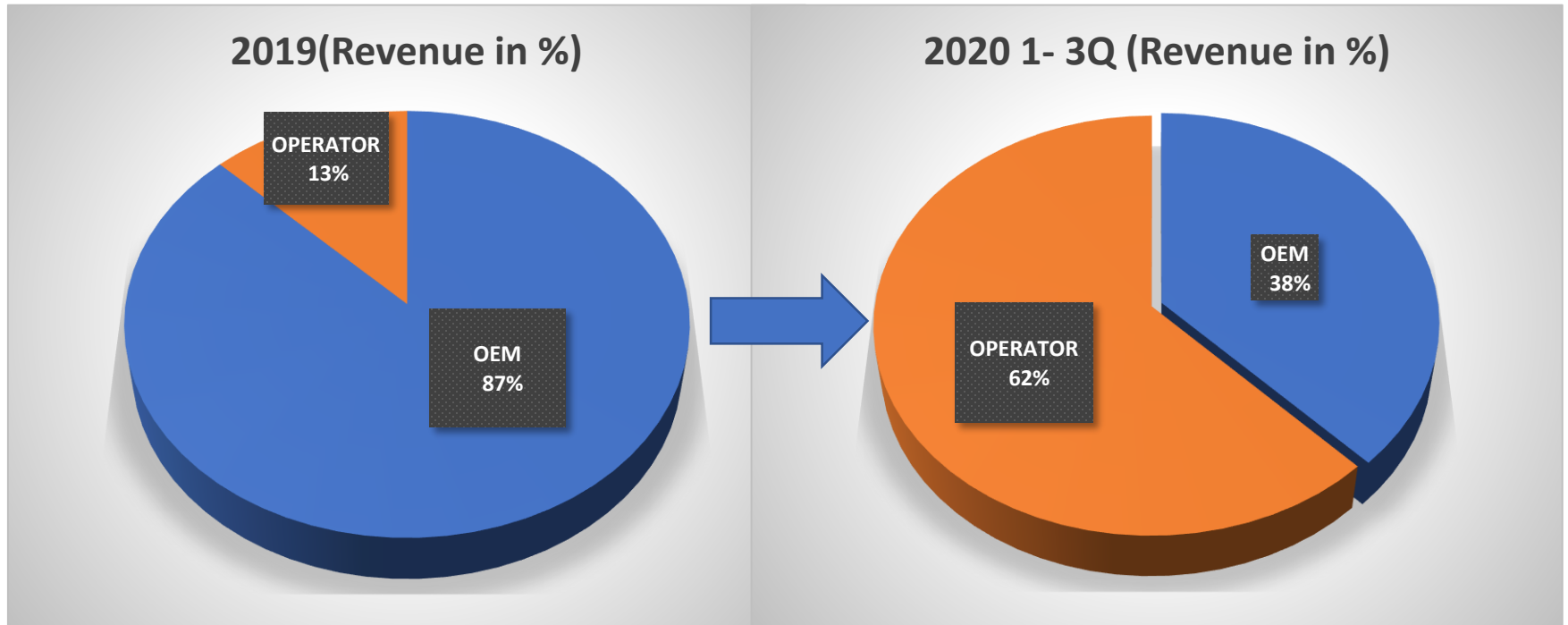
Overview

- Reduce the % of OEM business and cooperating with operators directly.



Overview

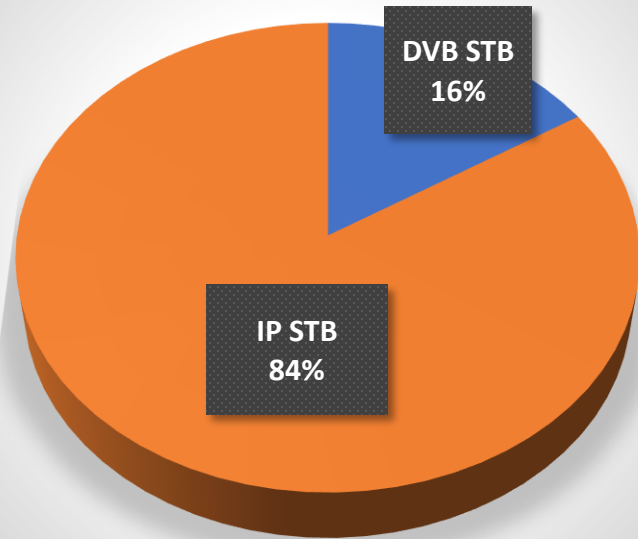
- Reduce the % of OEM business and cooperating with operators directly.



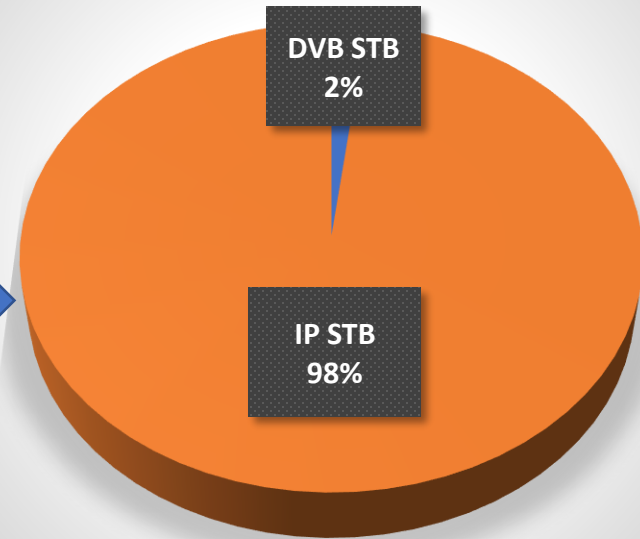
Overview

- Increase Android TV, Hybrid STB model and deliver Qty

2019 (Revenue in %)

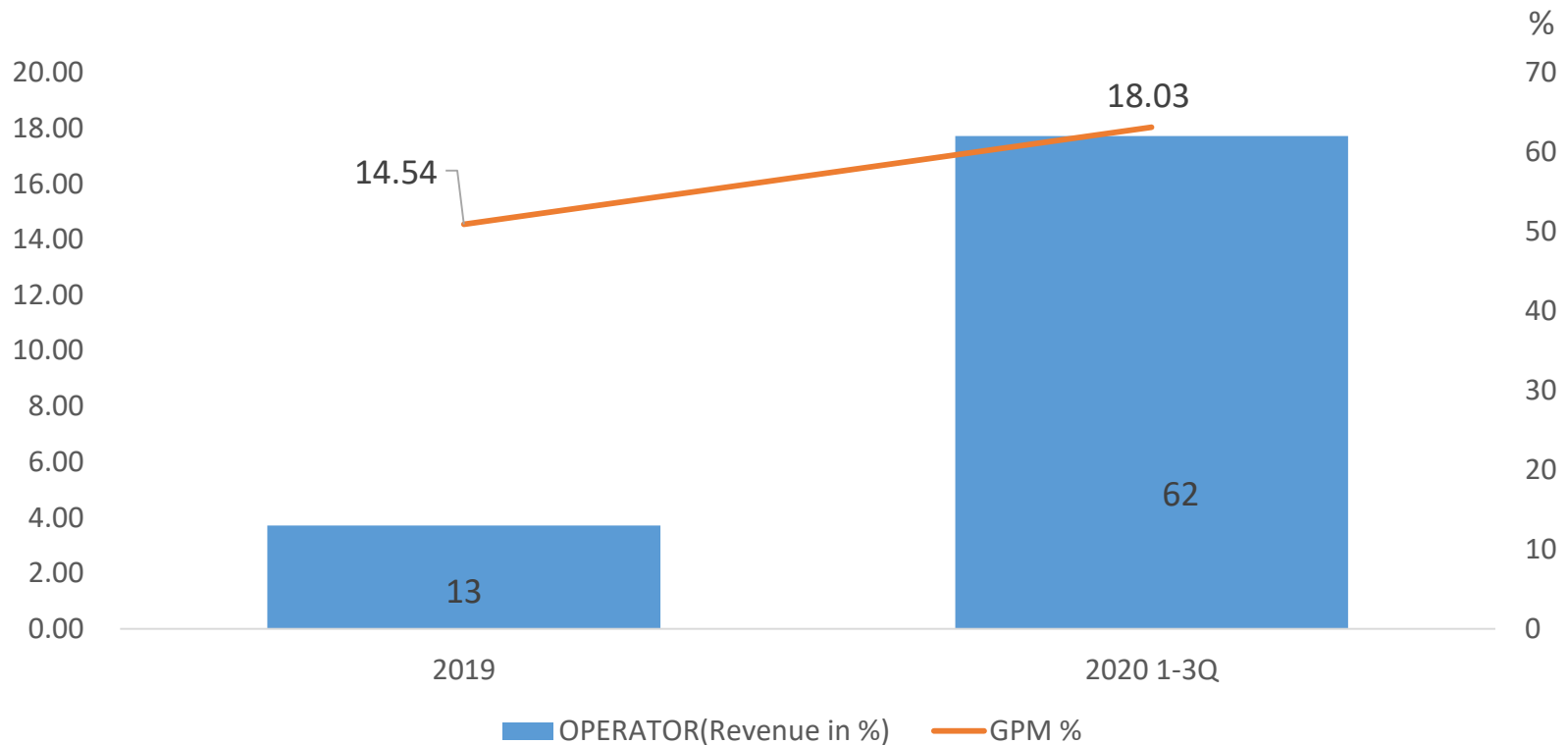


2020 1- 3Q (Revenue in %)



Overview

- Gross profit increased by cooperating with operators directly.



Set-Top-Box

- **HEVC/AV1 UltraHD(4K) Zapper & Hybrid**
- **AndroidTV OTT IP & Hybrid**
- **Linux based RDK OTT IP & Hybrid**
- **UltraHD(4K) Media Hub (Media Server / IoT)**
- **MoCA/WiFi Connected Devices**



Head-end System

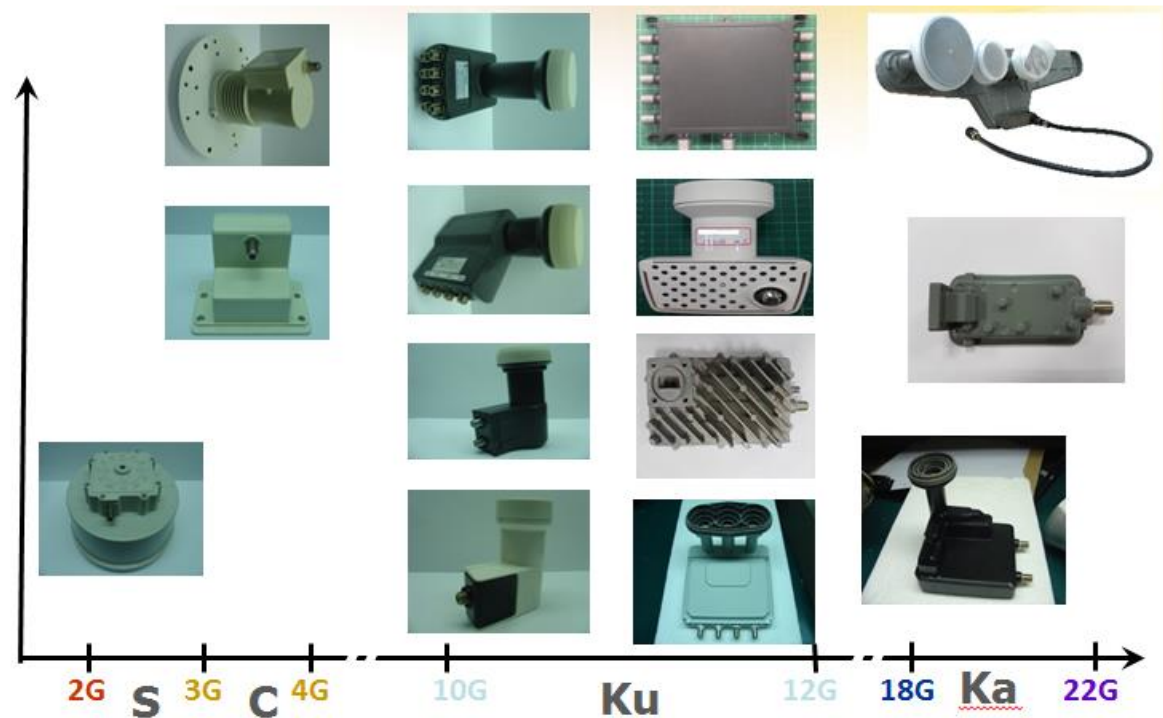
- **SMATV Main Frame & Modules**
- **Digital Head-end System**
 - **IRD and Demodulator**
 - Support DVB-S/S2,C,T/T2,DTMB,ABS-S,ISDBT
 - Support MPEG-2/4,H.264/265,AVS2/AVS+
 - Support SD/HD/4K/8K, 4:2:0/4:2:2
 - Support CI (Irdeto, Viaccess, Nagra, Conax,...)
 - **Encoder and Transcoder**
 - Support MPEG-2/4,H.264/265,
 - Support SD/HD/4K/8K, 4:2:0/4:2:2
 - **Multiplexer and Scrambler**
 - **Digital Modulator/Trans-modulator**
 - Support QAM/COFDM/DTMB/ATSC/ISDB-T
 - **Digital TV Processor & Gateway**
 - Digital TV Head-end in 1 RU Rack
 - High Density
- **IPTV/OTT Streaming and Management System**



www.pbi-china.com

LNB & Multi Switch

- N. & S. American Ku & Ka Band LNB
- KU/KA Co-Locate LNB
- S/C/Ku/Ka Band LNB
- aCSSS(One-Cable)
- dCSSS(one cable)
- VSAT LNB & BUC
2.5W, 4W, 6W



NetCom Product

Internet Terminal Series



Communication Terminal Series (LTE ODU/IDU, Telecom small base station)



DAB Product



Kitchen Radio



Car Adaptor



Photo Album



DAB Go

Handheld Radio



BT DAB Headset



Outlook

- **“Conjunction Platform” for DTH operator running services on Satellite Broadcasting and 5G Broadband Network.**
 - By adopting G.hn technology, share same one RG-6 cable with in/out door adaptors to combine 5G/Satellite/Terrestrials signals together, and get DTH operators can also serve “interactive” services.
- **Artificial Intelligence Office Automation**
 - Focus on Intelligent Voice Recognition and Machine Self-Learning
 - Office Automation – Intelligent Central Telephone Exchange System

Outlook

- **Home Care**
 - By utilizing image Recognition technologies, intellectualized identify objects' Shape, Configuration, Movement, Gesture then adopting specific machine self-learning algorithms to analyze the status of patients, to get
 - Daily care
 - Early Accidental Alarm
 - Timely Notification of Emergency Rescue activity
 - collected habits of patient, using AI algorithms combine with medical information system and personal medical treatment records, in order to improve on medical resources allocation and usage efficiency.
 - Combinations of the technologies for voice and image processing can further achieving earlier accident prevention and emergency notification functions, and realizing the vision of daily-care/accompanies.



Thank you !