Sensortek 6732.Two Technology Corp.

2Q 2024 Results

Investor Presentation 2024/August



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About Sensortek

Mission

"Our innovate sensing technology creates infinite possibilities, enriching the lives of our users."

Corporate Basics

Sensortek Technology Corporation

Ticker 6732.TWO

Founded / Listed 2009 / 2020

Head Office Hsinchu, Taiwan

Customers Tier-1 Android smartphone brands and expanding to automotive, computer, and appliances.

Shares Outstanding* 48.91m

Market Cap* US\$492m / NT\$15.75b

Share Holdings* Sitronix 46%, FINI 4.47%

*as of 2024/7/10

Product Lines

Optical

Proximity, 2016

Ambient Light, 2017

RGB/ White balance, 2017

Flicker Detection, 2020



MEMS

G/ Accelerometer, 2016

Pressure, 2022

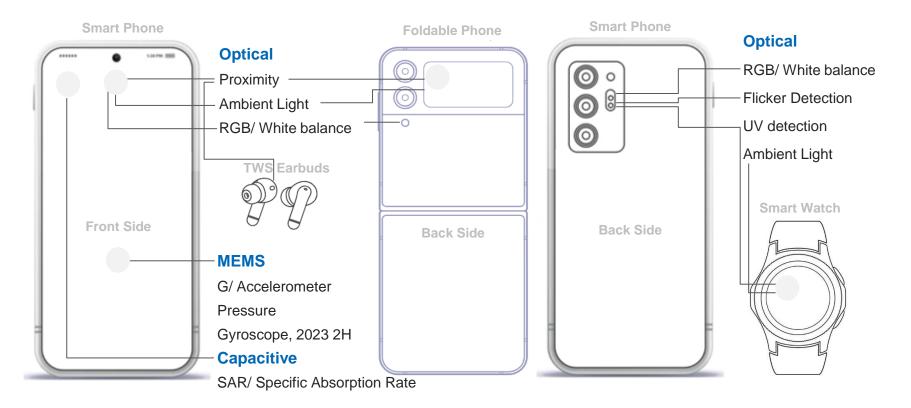
Gyroscope, 2023 2H

Capacitive

SAR/ Specific Absorption Rate, 2021

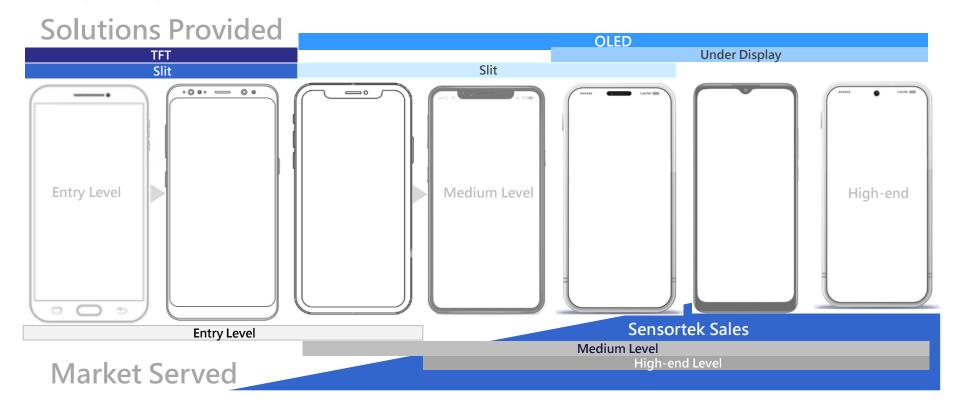


Product Portfolio



Solution & Market

Go high-end, go OLED



Milestone

Milestone

· Launched the secondgeneration accelerometer sensor chip with low power consumption, low noise, and

· Launched proximity sensor chip with small aperture

· Launched ambient light and proximity sensor chip for fullscreen slit-type and OLED

under-display applications · Launched accelerometer sensor chip with built-in memory and pedometer algorithm

· Launched ambient light (RGB) sensor chip with flicker detection

. Won "ISO 9001 Plus Award * for OMS Operation Process Management from SGS

. Listed on the Taipei Exchange for trading

· Launched ambient light RGB and proximity sensor for full-screen slit-type applications

- Launched small-package-sized ambient light and proximity sensors for small water droplet screen applications
- · Launched ambient light sensor chip for thin watches and other wearable devices
- · Launched next-generation longwavelength (1,300nm wavelength of light emitting element) ambient light and proximity sensing chips for under-display applications

Founded and a BU under Sitronix



2013

A subsidiary of Sitronix

- · Launched large aperture ambient light (RGB) sensor chip
- Launched an invisible solution to ambient light and proximity sensor chip

- · Listed on the emerging stock market

· Launched TWS in-ear detection proximity sensor chip

· Launched under-display ambient light sensor chip for wearable devices

- . Launched long-wavelength (1,300nm wavelength of light emitting element) ambient light and proximity sensing chips for under-display applications
- Launched TWS multi-channel (3CH/5CH) capacitive sensing sensors
- · Launched specific absorption rate sensors
- . Launched multi-laser (light emitting element with a wavelength of 940nm) chips for under-display ambient light and proximity sensors

· Launched the second-generation ambient light and proximity sensor chip for full-screen slit-type and under-display applications

· Launched small aperture ambient light (RGB) sensor chip

for trading

· Initial public offering (stock code: 6732)

Sales Mix

- Mid-end models from high-end brand expand in 2Q's revenue.
- Mid-end brand and OEM/ODM mainly focus on affordable models in 2Q.
- Outlook: 1) Revenue in 2H is expected to be better than 1H. 2) Diversified supply chain and continuous cost optimization. 3) Diversify the markets and customers.

Sales Mix	2020	2021	2022	2023	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
High-end Brand	10-15%	15-20%	30-35%	35-40%	25-30%	35-40%	30-35%	40-45%	35-40%	35-40%	35-40%	45-50%	45-50%
Mid-end Brands	55-60%	45-50%	25-30%	30-35%	30-35%	25-30%	30-35%	30-35%	30-35%	30-35%	35-40%	30-35%	25-30%
OEM/ODM	25-30%	30-35%	30-35%	25-30%	30-35%	30-35%	30-35%	20-25%	25-30%	25-30%	25-30%	15-20%	20-25%
Other	<5%	<5%	<5%	<5%	<5%	<5%	<5%	<5%	<5%	<5%	<5%	<5%	<5%
Total	100	100	100	100	100%	100%	100%	100%	100%	100%	100%	100%	100%

Product Mix to Sales - Overview

Product Type	2020	2021	2022	2023	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Optical – P, ALS, Flicker	94%	90%	88%	88%	89%	87%	90%	87%	89%	88%	88%	88%	92%	88%
MEMS	6%	10%	12%	12%	11%	13%	10%	13%	11%	12%	12%	12%	8%	12%
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Income Statement

New high-end wearable products in 2Q have gone through a learning curve. Gross profit from 2Q to 3Q has been affected by one-time impact. Shipments in 3Q are coming to an end and the impact is expected to be weakened.

NT\$	2020	2021	2022	2023	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Sales (000'NTD)	5,296,054	5,873,003	4,025,559	4,542,817	800,126	871,830	1,109,146	1,211,006	1,350,836	1,272,560	1,125,029
GP Margin %	40%	46%	39%	29%	31%	28%	28%	29%	29%	31%	23%
Opex to Sales %	11%	14%	17%	14%	18%	16%	14%	14%	13%	14%	14%
OP Margin %	29%	32%	22%	15%	13%	12%	14%	15%	16%	17%	9%
Non-OP (000'NTD)	12,929	70,614	99,298	122,813	7,573	20,010	24,752	60,945	17,105	32,379	32,707
Tax %	12%	16%	15%	14%	6%	14%	14%	14%	14%	14%	14%
Net Income %	26%	28%	21%	15%	13%	12%	14%	17%	15%	17%	10%
EPS (NTD)	28.81	33.97	17.23	13.81	2.17	2.16	3.21	4.29	4.15	4.41	2.37

Inventory/AR/AP turnover

- Inventory/AR turnover remains healthy.
- Post pandemic, inventory reached its peak in 3Q 2022 and began to return to normal levels in 2Q 2023.

Turnover days	2020	2021	2022	2023	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Inventory	47	60	128	104	205	180	132	87	66	63	89	88
AR	34	38	53	45	58	47	45	41	45	46	50	58
AP	82	92	88	67	129	72	57	58	63	69	85	75

ESG Actions

- 2024 ESG Report: the latest report, please click company website
- 2024 Ranked Top 6~20% on the 2023 TWSE Corporate Governance Evaluation among OTC-listed companies.
- 2023 Published the first audited GHG Report.
- 2023 Won TIRI Awards, the Best IR company & IR Officer
- 2022 Certified as SONY Green Partner
- 2023 72 patents hold.

Thank You



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