PLANET Technology Corporation Investor Conference

Stock code: 6263

May 20, 2022

IR Contact: Natalie Lin

Email: natalie@planet.com.tw

Disclosures

The presentation herein includes forward-looking statements based on the results of operation, financial conditions and current expectations that are derived from internal corporate data and external economic developments as a whole.

The forward-looking statements are subject to known and unknown uncertainties and risks that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include but are not limited to market demand changes in policies and regulations, overall economic conditions, and other factors or risks beyond the Company's control.

The forward-looking statements in this presentation reflect the current belief of the Company as of the date of this release. The Company is not responsible for updating or amending changes or adjustments made to the contents of this presentation, if such changes or adjustments should occur subsequently in the future.

Agenda

- **Company Overview**

- **Product Innovations & Applications**

- **Business Performance**

- **Sustainable Corporate Governance**

- **Future Business Strategies**

- **Awards and Recognition**

Company Overview

PLANET Technology

Networking & Communication

A Global Leading Brand in Network Infrastructure Solutions

Established in 1993

Publicly listed in TPEx in 2003
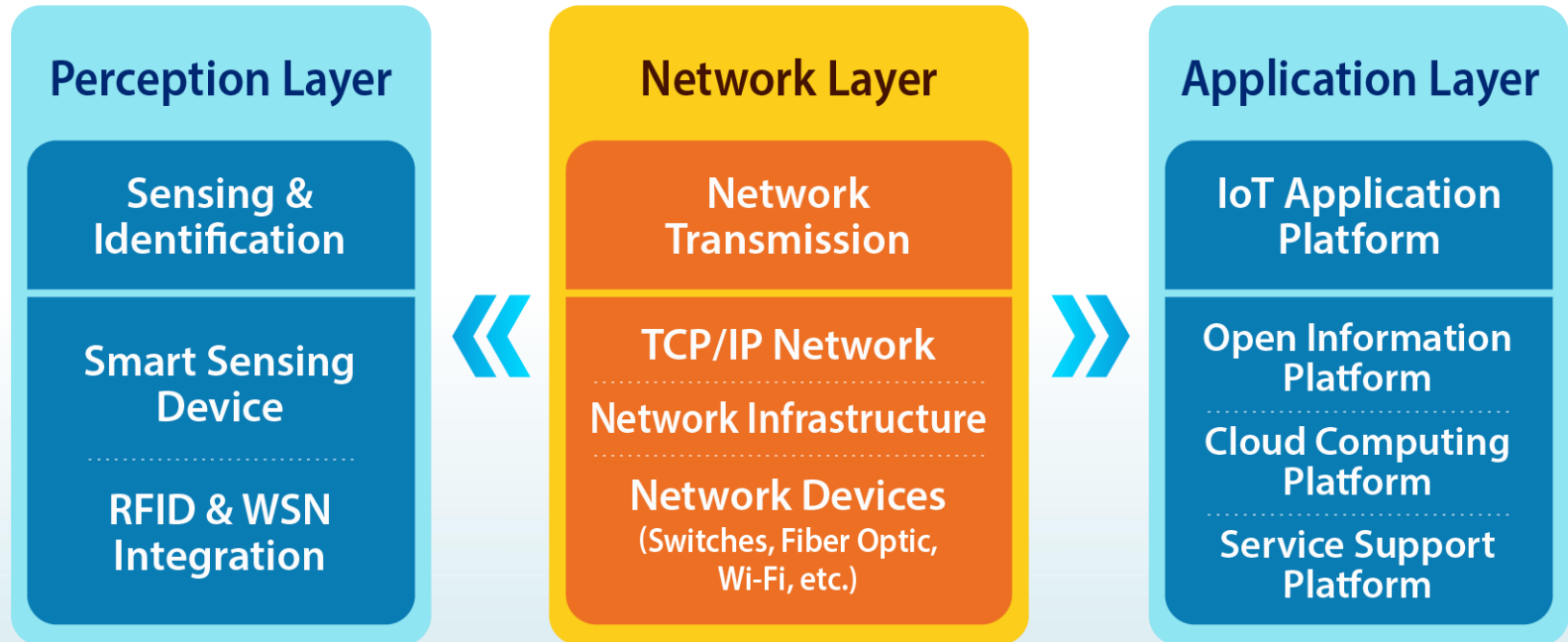(Stock code: 6263)

Capital NT$625 Million

Concrete R&D Capability; Made in Taiwan

Distribution Channels in More Than 140 Countries

Committed to ESG Practices and Sustainability

Comprehensive IP-based Networking Infrastructure Solution

PLANET
Networking & Communication

Universal Network Management System

Industrial Ethernet

Power over Ethernet (PoE)

LAN Switches

Fiber-optic Connectivity

5G Networks, Network Security
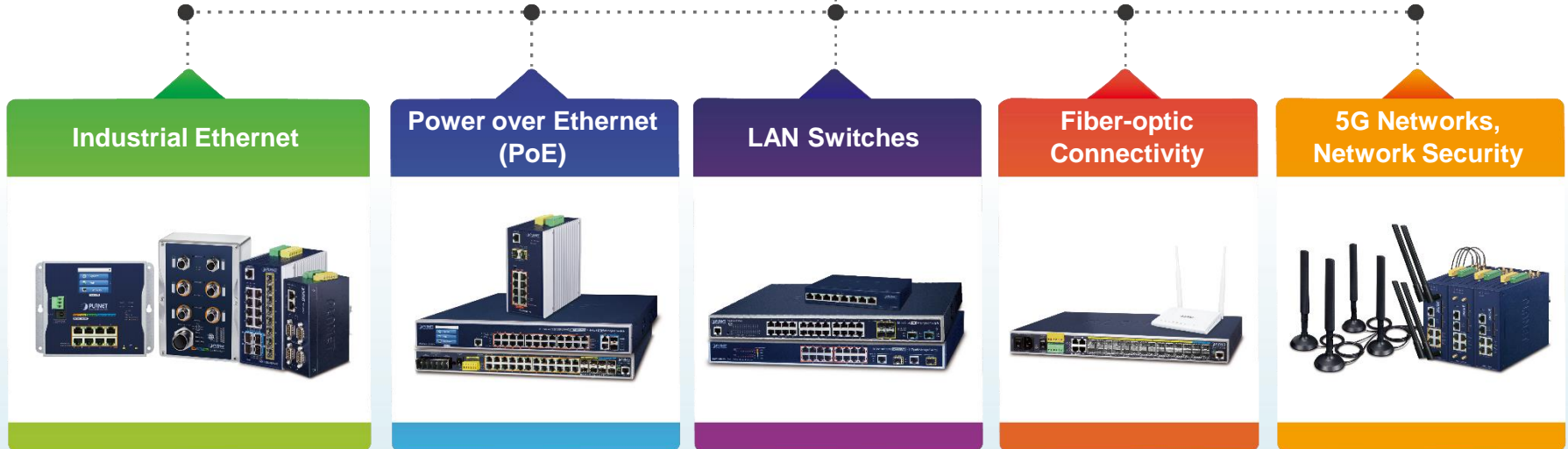
# Product Innovations & Applications

5G and Wi-Fi 6 Network Applications

- ➢ **Fulfills 5G network deployment**
- ➢ **Guarantees the networking security of 5G network**
- ➢ **Integrated with 5G, Wi-Fi 6 and Modbus for factory automation, IIoT, and smart transportation applications**
- ➢ **Wi-Fi 6 access points**
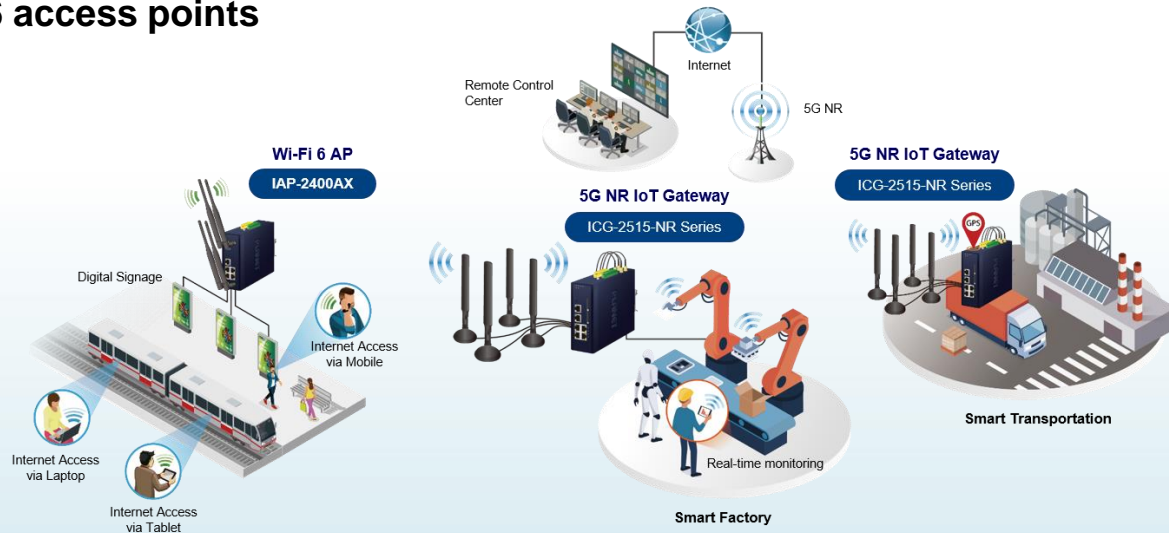
AIoT Applications

➢ **LoRaWAN IoT solution** **facilitates cloud-based intelligent network deployment**

➢ **Transmit data over a long distance of 10km with low power consumption**

➢ **Integrates** **5G NR** **and** **fiber-optic connectivity** **to realize deployment of AIoT, smart buildings, smart logistics, etc**

➢ **Centralized management with AES, SSL/TLS Cybersecurity protection**
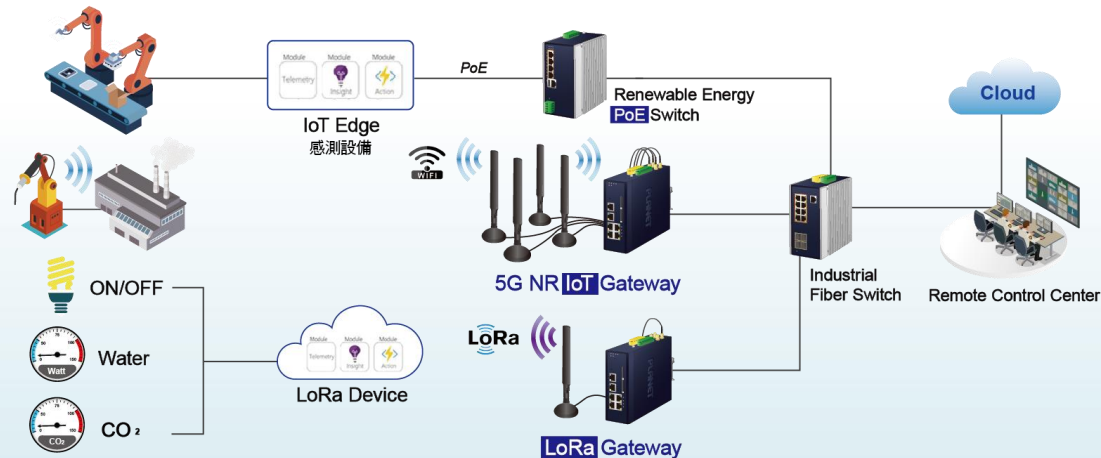
Renewable Energy Network Management

- ➤ Integrates **green technology and intelligent PoE management**

- ➤ **Environmentally-friendly networking design**

- ➤ **Obtained 3 Patens**

- ➤ **Remote monitoring in real time**
  - • **Centrally control 512 Renewable Energy PoE Switches**
  - • **Renewable energy usage**
  - • **PoE power usage of the connected PDs**
  - • **System and traffic statuses**

Renewable Energy and PoE Management

Control up to 512 BSP-360 Switches

Device List

Power and Data Information of the Device

Dashboard

Renewable Energy Network Management
- Net Zero CO₂ Emissions

Reduce 3,515.70 tons of CO₂ emissions
via one NMS-360V controlling over 512 PLANET BSP-360 units in a decade

= **292,976 Trees**
CO₂ reduction
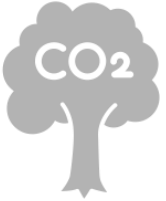
One BSP-360

Reduce CO₂ emissions yearly

0.687 tons/CO₂

= **57 Trees** CO₂ reduction

Wireless CPE/AP

Control up to 512 BSP-360 Switches

Solar PV (200W)

Wireless CPE/AP

Outdoor IP Camera

NMS-360V / NMS-360

Remote Web Management   VPN Router

Control Center

BSP-360

Battery

IoT, IIoT, IoV & AIoT Applications

PLANET comprehensive IP-based networking products and solutions facilitate smart networks in every sector.

➢ **Smart Networking**

➢ **Industrial Automation**
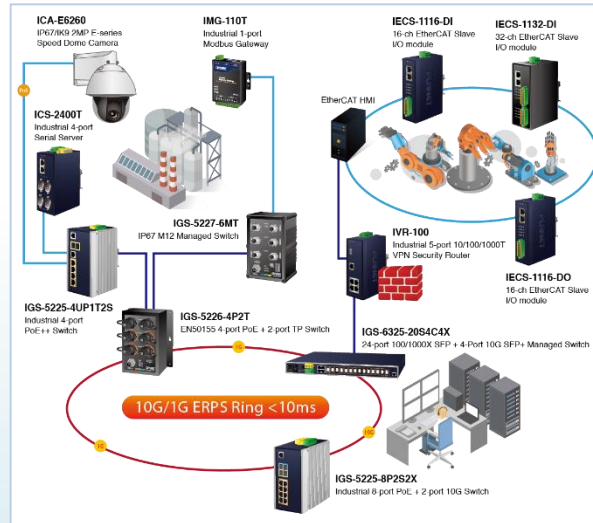
➢ **Intelligent Transportation System**
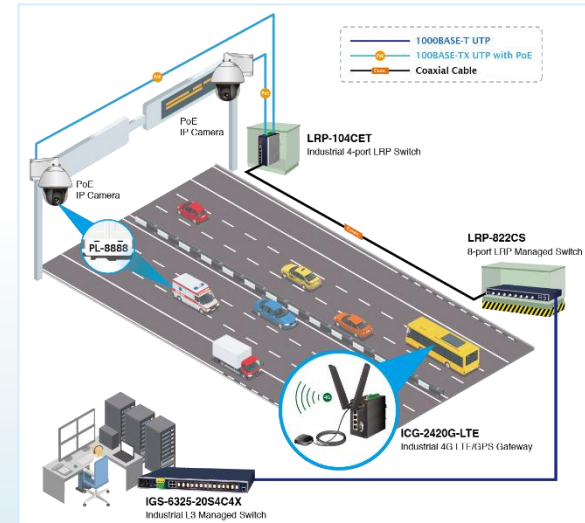
Green R&D, Smart Manufacturing

Green Supply Chain

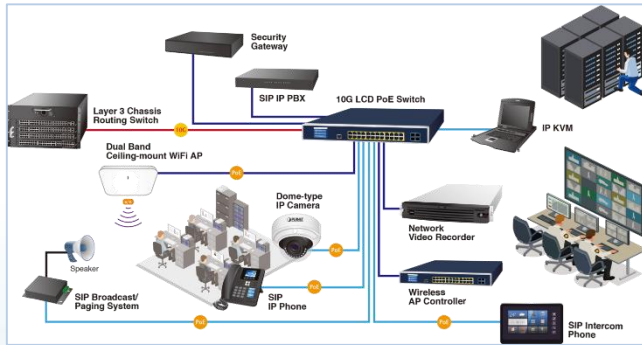### Green R&D
- Energy-saving chips
- Eco-friendly components

Eco-friendly Design
- Energy-saving smart PoE functions
- Renewable Energy Products

Green Procurement
- Bans the use of components containing hazardous substances and conflict minerals
- Green Supply Chain Management

Smart Manufacturing
- Remote monitoring
- Digital shop floor
- Smart shelving
- Lead-free processes

Recycling and Reuse
- WEEE
- Waste recycling

Low-carbon Transport
- Recyclable packaging
- Minimize packaging size
- Consolidation of shipment

Business Performance
2021, 2022 Q1

Consolidated Financial Results 2019 - 2021

(NT$, K)

2019
- 1,348,032
- 550,090
- 40.81%
- 312,852
- 23.21%

2020
- 1,227,105
- 493,477
- 40.21%
- 270,319
- 22.03%

2021
- 1,427,097
- 569,290
- 39.89%
- 321,150
- 22.50%

- 2021 Revenues hit record high. YoY : 16.30%
- 2021 Revenues in USD : USD 51,063 thousands YoY : 22.58%

Net Sales   Gross Profit   Net Income   ● Gross Margins   ▲ After-tax Profit Margins

Cash Dividend 2021

(NT$)

	2019	2020	2021
EPS (After-tax)	5.01	4.33	5.14
Cash Dividend Per Share	4.50	4.00	4.70
Dividend Payout Ratio	89.82%	92.38%	91.44%

■ EPS (After-tax)　■ Cash Dividend Per Share　━●━ Dividend Payout Ratio

* The distribution of cash dividend of 2021 profits has been approved by the Board of Directors on 2022/04/15, and will be reported at the annual shareholders' meeting on 2022/05/27.

2021 Revenues Classified by Area

2021 Revenues Classified by Product
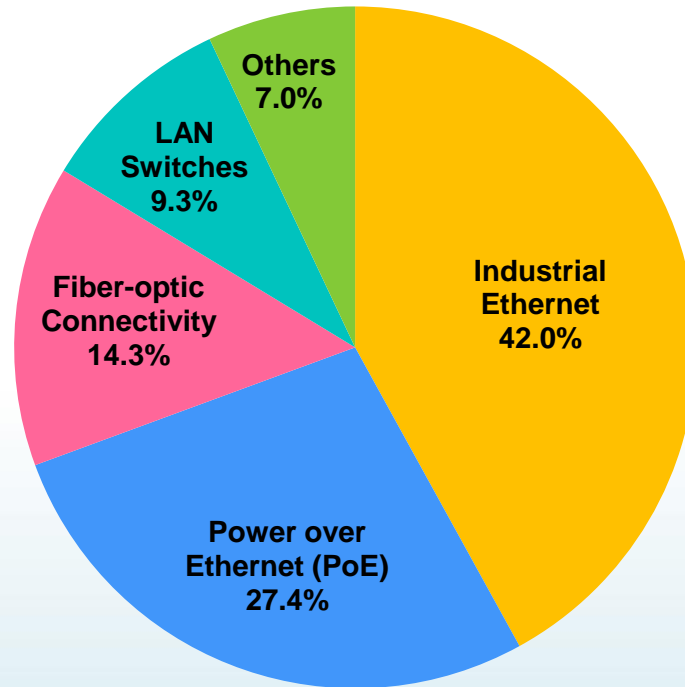
- ● **Industrial Ethernet revenues continue to grow**

  ➢ **YoY : 28.2%** by 2021

  ➢ **Share of annual revenue**
    - 33.4% for 2019
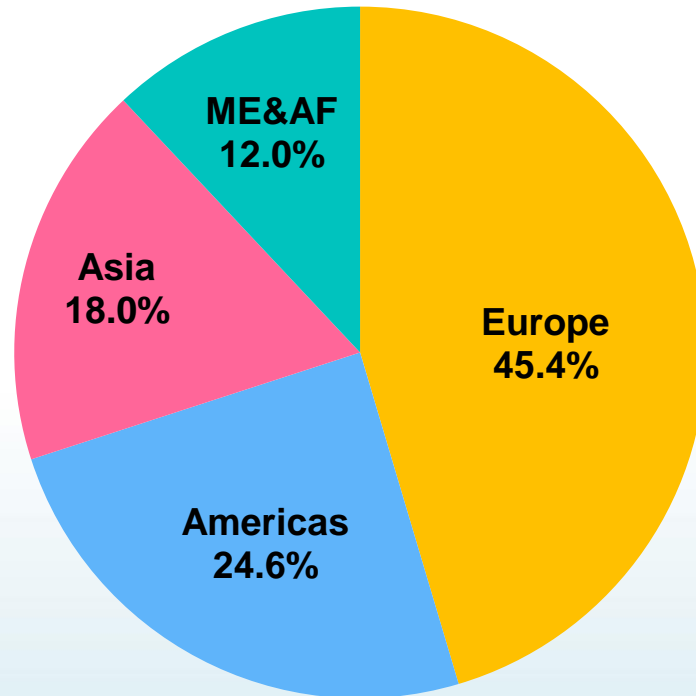   - 38.1% for 2020
    - 42.0% for 2021

Pie chart segments:
- Industrial Ethernet 42.0%
- Power over Ethernet (PoE) 27.4%
- Fiber-optic Connectivity 14.3%
- LAN Switches 9.3%
- Others 7.0%

Remarks: "Others" include Network Management System, Wireless LANs, Network Security, Broadband Communication, VoIP, IP Surveillance, Network Peripherals.

Consolidated Financial Results Q1, 2022

(NT$, K)

Indicator \ Quarter	Q1, 2021	%	Q1, 2022	%	YoY
Net Sales	311,430	100.00%	361,609	100.00%	16.11%
Cost of Goods sold	187,081	60.07%	222,699	61.59%	19.04%
Gross Profit	124,349	39.93%	138,910	38.41%	11.71%
Operating Expense	46,203	14.84%	49,565	13.70%	7.28%
Operating Income	78,146	25.09%	89,345	24.71%	14.33%
Net of Non-operating Income (Loss)	183	0.06%	4,748	1.31%	2494.54%
Income Before Taxes	78,329	25.15%	94,093	26.02%	20.13%
Net Income	63,817	20.49%	78,349	21.67%	22.77%
EPS (After taxes)	1.02		1.25		

Consolidated Financial Results
Q1, 2020 - 2022

PLANET
Networking & Communication

(NT$, K)

	Q1, 2020	Q1, 2021	Q1, 2022
Net Sales	296,231	311,430	361,609
Gross Profit	121,667	124,349	138,910
Net Income	64,342	63,817	78,349
Gross Margins	41.07%	39.93%	38.41%
After-tax Profit Margins	21.72%	20.49%	21.67%

- YoY 16.11%
- Q1 Revenues in USD : USD 12,967 thousands YoY : 17.78%

■ Net Sales ■ Gross Profit ■ Net Income ● Gross Margins ▲ After-tax Profit Margins
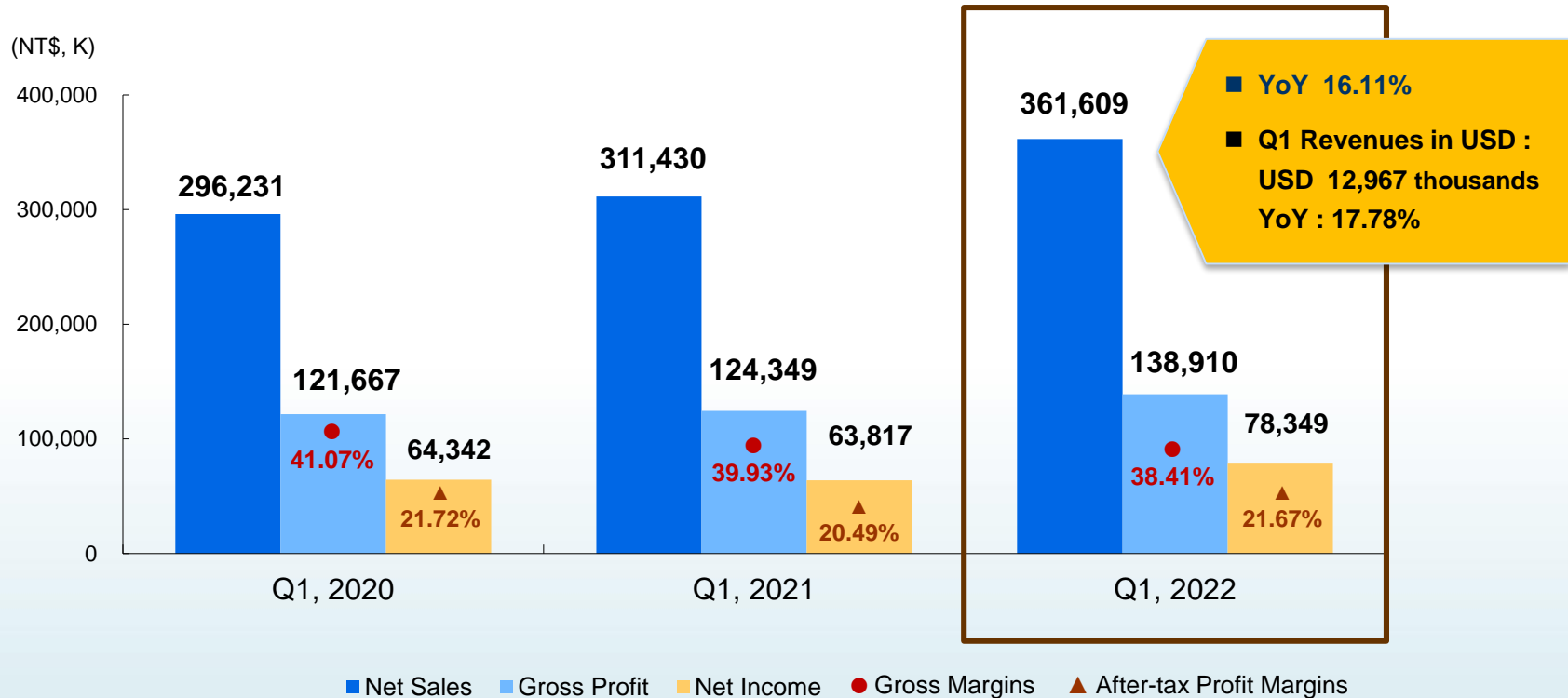
Key Financial Ratios
Q1, 2020 - 2022

Quarter Indicator	Q1, 2020	Q1, 2021	Q1, 2022
Gross Margins	**41.07 %**	**39.93 %**	**38.41 %**
Operating Income Margins	**25.35 %**	**25.09 %**	**24.71 %**
After-tax Profit Margins	**21.72 %**	**20.49 %**	**21.67 %**
Debt Ratio	**17.79 %**	**19.49 %**	**21.32 %**
Current Ratio	**588.54 %**	**545.47 %**	**473.18 %**
EPS	**1.03**	**1.02**	**1.25**

Jan.-Apr., 2022 Revenues

Jan.-Apr., 2022 Revenues

- **NT$** 494,446 thousands YoY **14.37%**

- **USD** 17,576 thousands YoY **15.14%**
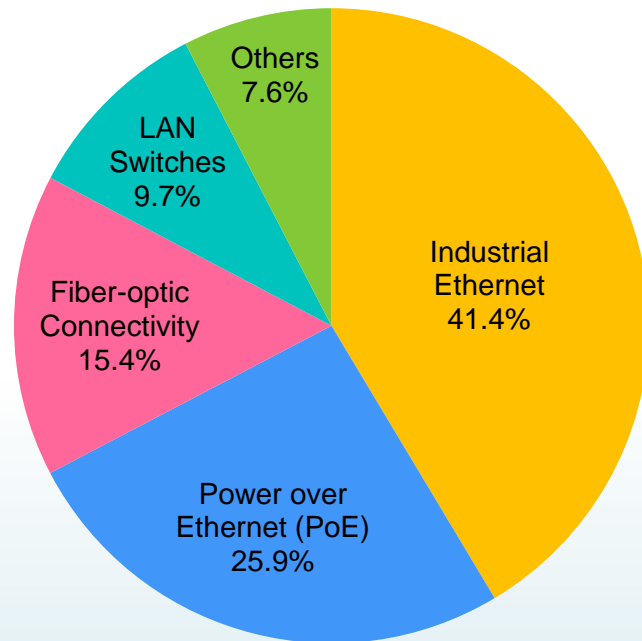
Industrial Ethernet 41.4%

Power over Ethernet (PoE) 25.9%

Fiber-optic Connectivity 15.4%

LAN Switches 9.7%

Others 7.6%

Remarks: "Others" include Network Management System, Wireless LANs, Network Security, Broadband Communication, VoIP, IP Surveillance, Network Peripherals.

Sustainable Corporate Governance

Sustainable Corporate Governance

Corporate Governance 2.0

★ **Integrity Management**

★ **Regulatory Observation**

★ **Functions of the Board**

★ **Risk Management**

★ **Equal Treatment to Stakeholders**

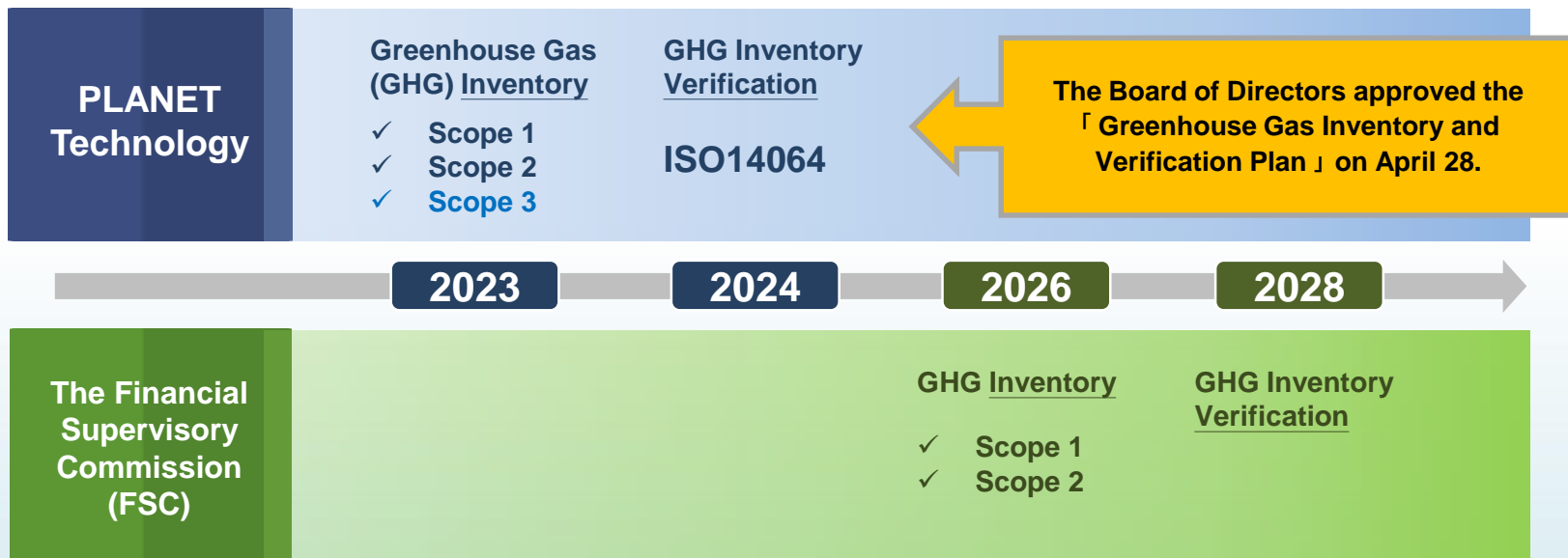**Enhanced Sustainable Corporate Governance**

Corporate Governance 3.0

★ **TCFD** (Task Force on Climate-related Financial Disclosures)

★ **SASB** (Sustainability Accounting Standards Board)

★ **CBAM** (Carbon Border Adjustment Mechanism)

★ **RBA** (Responsible Business Alliance)

★ **Succession Planning**

Among Top 5% of Outstanding Companies in 2021 Corporate Governance Evaluation (April, 2022)

Sustainable Development Guidemap for TWSE- and TPEx-Listed Companies

Disclosure of greenhouse gas (GHG) inventory and verification following the Sustainable Development Guidemap for TWSE- and TPEx-Listed Companies

The Financial Supervisory Commission (FSC), Mar. 09, 2022

PLANET Technology

Greenhouse Gas (GHG) Inventory
- ✓ Scope 1
- ✓ Scope 2
- ✓ Scope 3

GHG Inventory Verification

ISO14064

The Board of Directors approved the 「Greenhouse Gas Inventory and Verification Plan」 on April 28.

2023 **2024** **2026** **2028**

The Financial Supervisory Commission (FSC)

GHG Inventory
- ✓ Scope 1
- ✓ Scope 2

GHG Inventory Verification

Target, Strategy, and Mechanism

Net Zero 2050	2022	2030	2050
	Low Carbon ———————————————————→		Net Zero

Greenhouse Gas (GHG) Inventory

- **GHG inventory by 2023** (Scope 1, 2, 3)
- **GHG inventory verification by 2024** (ISO14064)

GHG Reduction Target

- Base year: 2020
- Target: 20% reduction in GHG emission by 2030 (Scope 1, 2)

GHG Reduction Strategy

Green Products	Adoption of Renewable Energy	Energy Savings and Carbon Reduction	Carbon Rights

Governance Mechanism for GHG Reduction

- Quality management, reporting and internal auditing following the ISO 14064 standard
- **Quarterly Reports to the Board of Directors**

Sustainability Report

PLANET Technology 2021 Sustainability Report

➢ **Adopted TCFD framework**

➢ **Assured by the third party, BSI, in line with:**

- **GRI Standards**
- **AA 1000 Accountability Principles**
- **SASB Standards**

Future Business Strategies

Opponunities & Challenges

Opportunities

- **Strong demand for smart network infrastructure as the Digital economy is booming**
  - 5G communications, AI applications, Industry 4.0, Internet of Vehicles
- **Made in Taiwan (MIT) branding for global market expansion**
- **Increased brand awareness of PLANET**

Challenges

- **Long lead times for the main chips can impact production schedules.**
- **Rise of raw material cost has an unfavorable impact on the gross margins.**
- **Geopolitical tensions can affect trade in local markets.**

Future Business Strategies

- **Integrate cross-domain communications with innovative technology to increase differentiation and competitive advantages**

- **Flexibly apply physical and digital marketing methods to enhance brand development globally**

- **Strengthen development in network security products and software capabilities**

- **Continually enhance ESG performance in line with net zero trends worldwide**

Awards and Recognition

Product Innovation Awards -1

- **Received 'Taiwan Excellence Awards' for 19 consecutive years** (2004 - 2022)

- **5G IoT Gateway Series awarded '2022 Taiwan Excellence Award'**

Product Innovation Awards -2

- **Renewable Energy Management Controller** has been recognized for its environmentally-friendly networking design.

Recognition on ESG Performance

- **Ranked No. 1 in '2021 Excellence in Corporate Social Responsibility Award'**
  - **- Received the ESG award honor for 15 consecutive years** (CommonWealth Magazine, September 2021)

- **Recognized as an ESG Benchmarking Enterprise in Taiwan's '2021 Corporate ESG Yearbook'** (TWSE, December 2021)

- **Ranked in the Top 5% of the 2021 Corporate Governance Evaluation**
  (TWSE, TPEx, April 2022)

Thank You

www.planet.com.tw