# TXC Corporation Investor Conference

March, 2025

Disclaimer

- Except for statements in respect of historical matters, the statements in this release are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual performance, financial condition or results of operations of TXC to be materially different form what may be implied by such forward-looking statements.

- The financial forecasts and forward-looking statements in the release reflect the current belief of TXC as of the date of this release and TXC undertakes no obligation to update these forecasts and forward-looking statements for events or circumstances that occur subsequent to such date.

- The statements in respect of historical matters may contain unaudited information, which may have certain deficiency or weakness so as not to fairly present financial condition or the results of operations of TXC.

Fundamental of Artificial Intelligence
Data-Collecting, Inferencing, Training, Processing, and Communication

Diverged Purpose & Functions of AI, such as **Generative AI**, **Machine Learning**, and **Neural Language** play a very key role in future technology

Deep Learning → Machine Learning → Artificial Intelligence

AI will drive transformation across industries
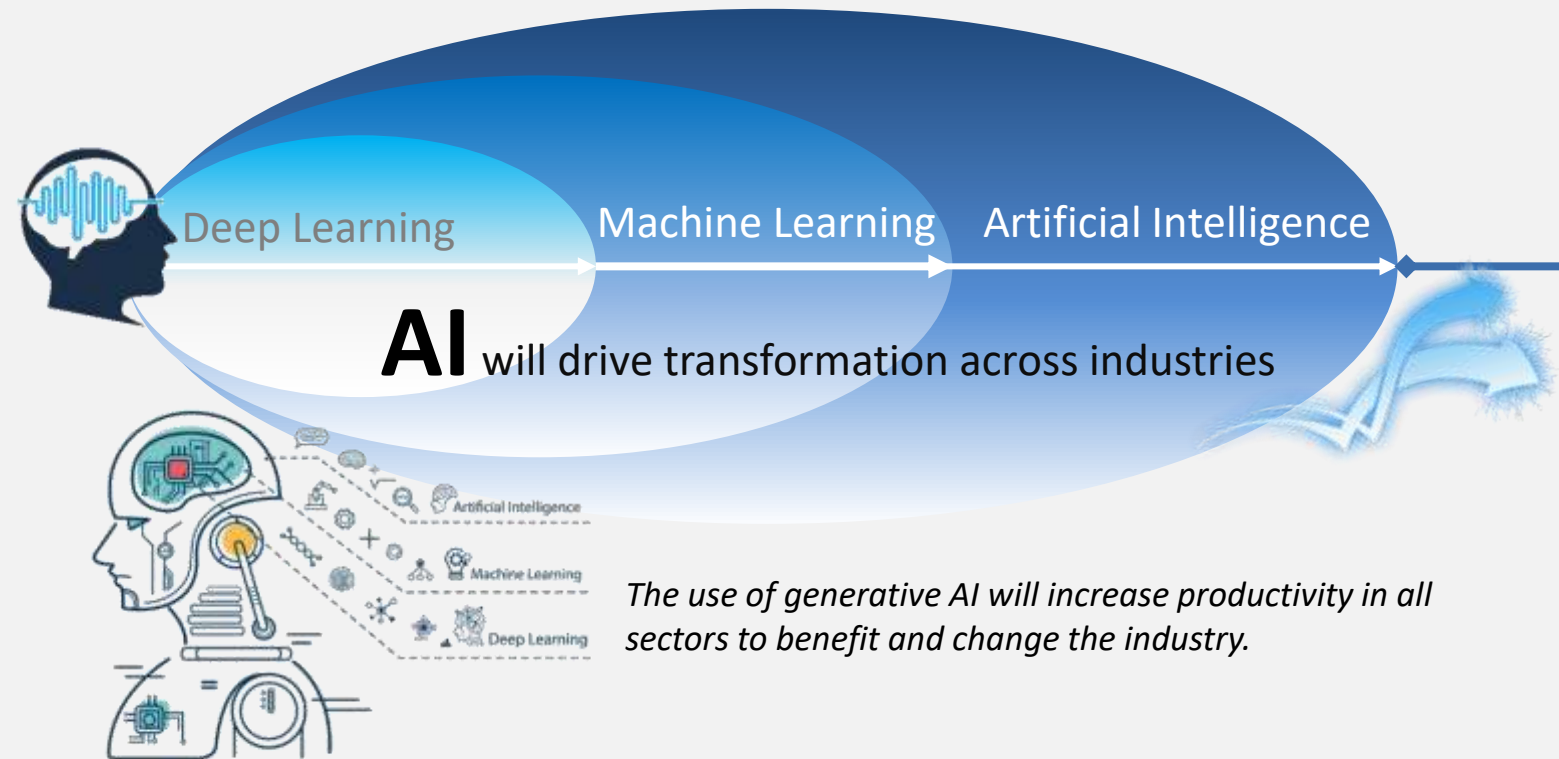
The use of generative AI will increase productivity in all sectors to benefit and change the industry.

Collecting (Data Input & Processing)

End Devices Increase by Sensing

- Data Collection
- Preprocessing
- Prediction & Prevention

Training & Learning

AI – based Data Infrastructure

- Model Selection
- Training
- Validation and Testing

Inferencing & Communication

Adaptive AI Everywhere

- Continuous Learning
- Feedback Loops

Leading Timing Industry Moving Forward

Evolved Sensing, Computing, & Communication Technology with AI-Powered Ecosystem

Innovative Leadership
in High Growth Rate Market
Segments. (8~10+% R&D Investment)

Precise Timing Solution
For Telecommunication & Data
Computing

Higher Frequency & Miniature
For Communications
Optimization

Focus ON, Key Growth Segments

AI-Powered Ecosystem outcomes enormous opportunities

Revolutionized Technology To Accelerate and Enhance the AI-Powered Ecosystem

5G-A

AI-Powered

Automotive

✓ From 5G to 5G-Advanced

✓ Upgrade on Communication Network

✓ Upgrade on Fundamental Infra

✓ Boost Network Efficiency

✓ Electrification on the way

✓ Autonomous Driving Vehicle

Key Growth Factors Behind AI-Powered Ecosystem

Define Our Targets By Focus Segments and Identify The Challenge We shall Overcome by all means as *ONE TEAM*

Compute

High Density Computation

By Gathering Massive Data via process in various training model to give prompt response by intelligence inferencing.

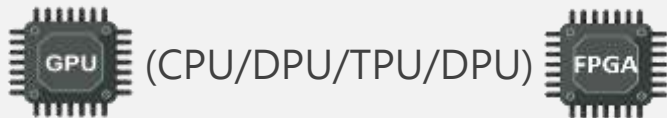## Synchronize

Ultra Low Network Latency

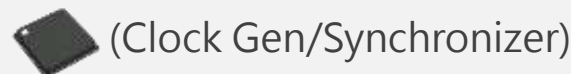Consistency and Accuracy for Real-Time Processing with more efficient resources Utilization.

Communicate

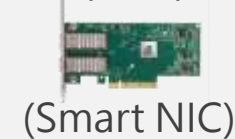### Seamless Data Transmission

By Ensuring that data bandwidth, transfer speeds, and memory do not limit the potential of AI is leading hyper-scalers to pour billions into data centers.
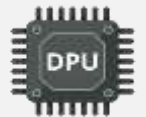
(CPU/DPU/TPU/DPU)

IEEE 1588 PTP
SyncE
TSN   (Protocol)

(Clock Gen/Synchronizer)

PCI EXPRESS (PCIe)

NVLink™

(Smart NIC)

SerDes

(Optical DSP)

DPU

5G ADVANCED   Wi-Fi™

Key Ecosystem Segments Powered & Stack By AI

A system allow proliferative apps to provide assistance on multiple cases with AI-Powered applications. Industries will be revolutionized by multiple scenarios cases embedded with GAI-Powered contents.

AI-Powered Infrastructure

CAGR : 20.12% (from 2024 to 2029)

AI-Boosted Communications

Innovative Technologies Acceleration

- Wide Area : 5G, 5G-RedCap, NTN
- Local Area : Wi-Fi / BT / UWB / LoPWAN
- Ethernet / SerDes / Optical Network
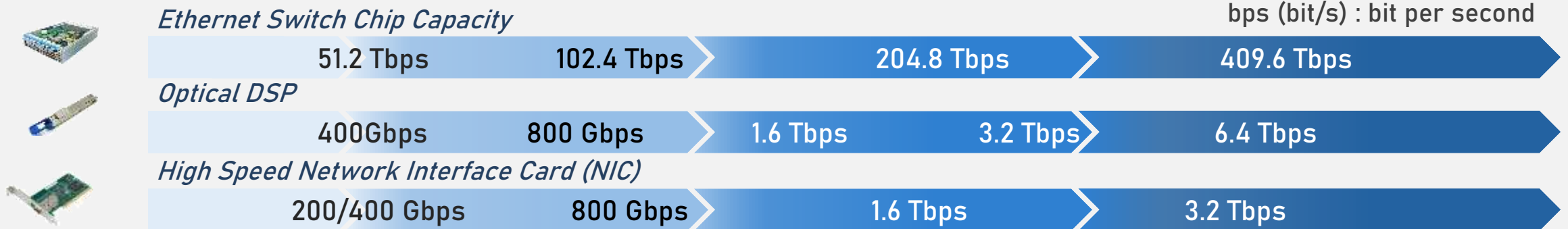
Edge Compute Devices

Device set : 29.7 billion (2028)
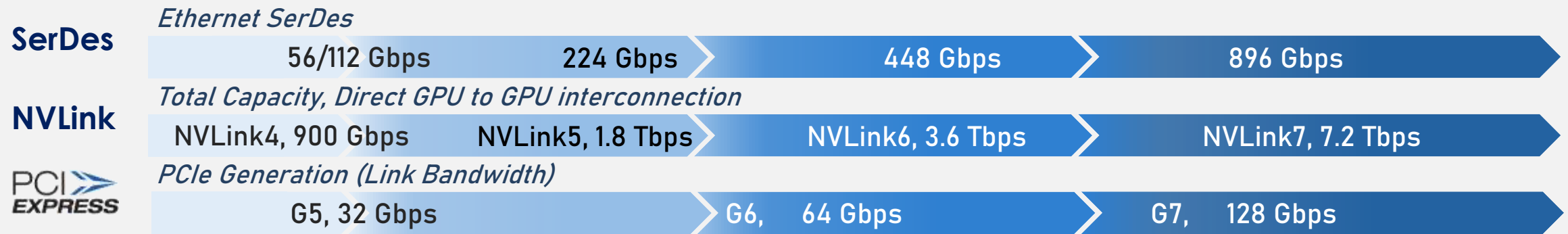
AI Drives Higher Performance in Data Infrastructure

Data bandwidth in speedy network with ultra low latency with limitless potential for hyper-scaling data network

MP Schedule	2022	2024	2026	2028	2030	2032	2034

Equipment & Devices Transmission Capacity

bps (bit/s) : bit per second

Ethernet Switch Chip Capacity

51.2 Tbps	102.4 Tbps	204.8 Tbps	409.6 Tbps

Optical DSP

400Gbps	800 Gbps	1.6 Tbps	3.2 Tbps	6.4 Tbps

High Speed Network Interface Card (NIC)

200/400 Gbps	800 Gbps	1.6 Tbps	3.2 Tbps

Transmission Protocols

SerDes

Ethernet SerDes

56/112 Gbps	224 Gbps	448 Gbps	896 Gbps

NVLink

Total Capacity, Direct GPU to GPU interconnection

NVLink4, 900 Gbps	NVLink5, 1.8 Tbps	NVLink6, 3.6 Tbps	NVLink7, 7.2 Tbps

PCI EXPRESS

PCIe Generation (Link Bandwidth)

G5, 32 Gbps	G6, 64 Gbps	G7, 128 Gbps

Fundamental Outlook of AI Infrastructure

What we care is Not Only About AI-Server, it's about the whole overview of " How data been training and inferencing!?"

AI Data Centre

Compute Tray x18
Computing Baseboard + Interposer

AI/ML x16~32
Accelerator Card

Switch Tray x9

(Support 8x NC maximum per tray)
(14.4TB/s support 16 Port w/400G)

SmartNC x72

<For Network Data Security / Distribute>

Timing Product Key Trends

✓ Usage
✓ Product Matrix Diversified
✓ Product ASP +

Advanced Oscillator Family

✓ Higher Frequency (~312.5MHz)
✓ Miniature (~2.0x1.6mm)
✓ Ultra-Low Jitter (~50fs)

Precise Oscillator Family

✓ Higher Frequency (~156.25MHz)
✓ Ultra-Stability (~+/-10~150ppb)
✓ Anti-Air Flow Scenario

Fundamental Outlook of AI Infrastructure

The concept of Network Architecture can be referred to data center, enterprise, and carrier network deployment business.

Intelligent Network

Optical Module

(Maximum 64 port for 51.2T Switch)

ToR/Leaf Switch

(PCIe Gen5 / 112G SerDes Support)

General-Purposed
(Required Sets determined by Network deployment)

Security Firewall

(PCIe Gen5 / 112G SerDes Support)

★ (Low Latency / PTP optional) ★

Spine Switches

★ (PTP/IEEE 1588) ★

Timing Product Key Trends

- ✓ Product Matrix Diversified
- ✓ Product ASP +

Advanced Oscillator Family

- ✓ Higher Frequency *(~625MHz)*
- ✓ Miniature (~2.0x1.6mm)
- ✓ Ultra-Low Jitter *(~30fs)*
- ✓ Tighter Stability *(+/-20ppm)*

Precise Oscillator Family

- ✓ Ultra-Stability (~+/-10~150ppb)
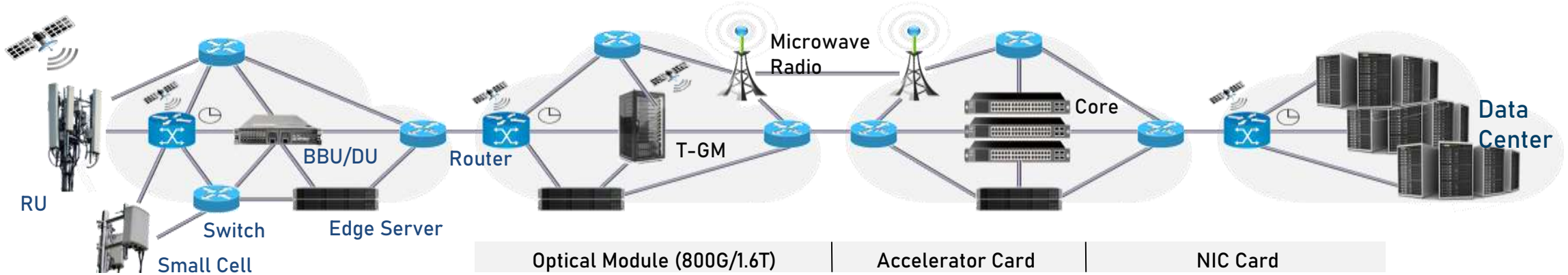- ✓ Extended Holdover *(~24 hrs)*

Revolutionize 5G-A RAN with Innovation

Expand Business by AI-Enhanced Driven **Advanced Oscillators Product Family**

| AI-RAN | Core / Optical Network | Datacenter |

Labels in diagram: RU, Small Cell, Switch, BBU/DU, Edge Server, Router, T-GM, Microwave Radio, Core, Data Center

Optical Module (800G/1.6T) | Accelerator Card | NIC Card

- Power Saving & Bandwidth Efficiency
- Transport Network (Extended 8-24 Hrs Holdover)
- Computation Enhancement
- Extreme Weather at Radio
- Network Enhancement
- Synchronize in datacenter

Making Every Synchronization Better

Precise Oscillator for Seamless Data transmission with Real-time compensation

ThermSym Platform™

OE	OG	OH	OK
14x9 mm	9x7 mm	7x5 mm	5x3mm

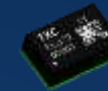ThermSymEros

Industry smallest OCXO 5x3mm

ThermSymHecules

Industry Highest Ta up-to 105C

ThermSymChronos

Holdover 4~6 hours in 9x7mm

★New Precise Product Solution★

Xterniti Platform™

AI-Powered OCXO

Xterniti

- Resonator temperature output
- Hysteresis Compensation
- Stratum 3 performs like stratum 2
- 24 hours < 1µs in constant Ta
- 8~24 hours < 1µs in dynamic Ta

AI-On Device By Connectivity & Computation

Optimized Solution Matrix

Hybrid Connectivity + AI On Devices will drive multiple mobile use cases at Edge side for end users
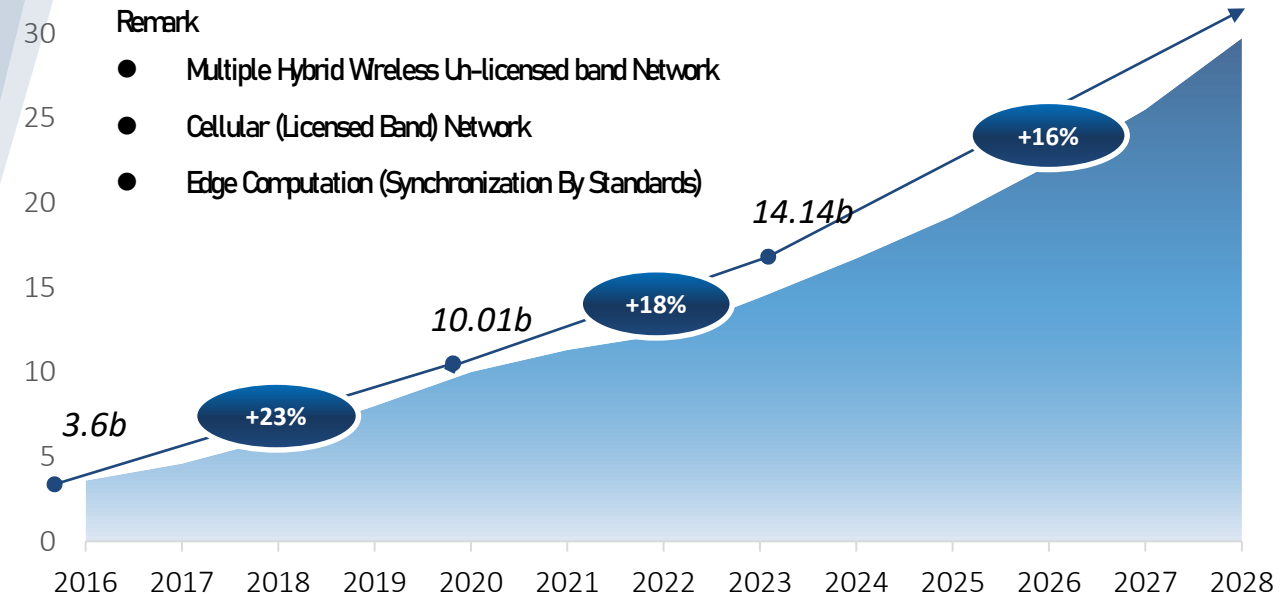
- ✓ New Generation Technology Adoption
- ✓ Usage+
- ✓ Product Matrix Diversified (Miniature + Higher Frequency)

AI-ON Devices

Global IoT Connected Devices Market Trends By Technologies

Connectivity Type	CAGR (23 ~ 28)	Major Technologies
⭐ WPAN *(P: Personal)*	16%	Bluetooth, Zigbee, Thread
⭐ WLAN *(L: Local)*	16%	WiFi, Bluetooth
Cellular IoT (exclude 5G, LPWA)	8%	LTE
⭐ LPWAN *(LP: Low Power)*	27%	LoRa, NB-IoT, LTE-M, sigfox, Sub-1GHz
⭐ Cellular 5G IoT	87%	5G Redcap
Wired IoT	10%	Ethernet, Fibers, PLC...
WNAN *(N: Neighbor)*	8%	Wi-SUN

Number of Global active IoT installed connections in Billions Unit

Unit : Billions

Remark
- Multiple Hybrid Wireless Un-licensed band Network
- Cellular (Licensed Band) Network
- Edge Computation (Synchronization By Standards)

3.6b +23% 10.01b +18% 14.14b +16% 29.7b

2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028

Automotive Blueprint Strategy

~25% of Total Sales

Key Growth Drivers By Applications & Scenarios

- Advancements in Autonomous Driving Technologies
- Connectivity and Infotainment System Upgrade
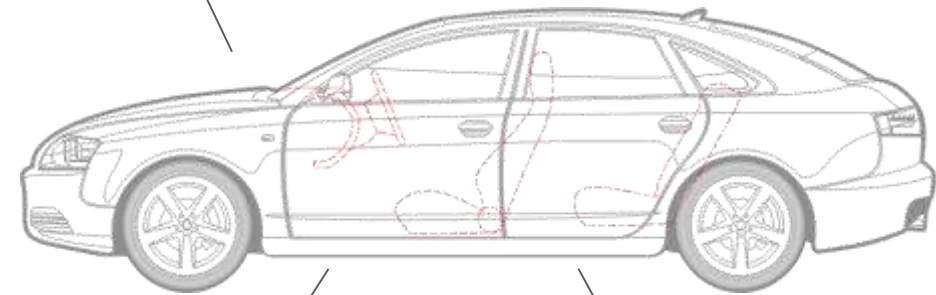- Innovation in Vehicle-to-Everything

Automotive

Expanding

Automotive Ecosystem Growth Applications

★ Autonomous Driving   Smart Cockpit ★

Safety & Motion   Body Control

Key Target Applications & Products

↑ Key ADAS components for Autonomous Driving (Radar / Camera / HPC)

     Standard Oscillators & High Frequency Advanced Oscillator

↑ Key Users Experience Enhancement (Fusion of Cockpit, Cluster, & Infotainment)

     High Frequency Crystal & TSX <Telematics + Connectivity>

↑ Vehicle Electrification of Applications Giants (Global Tier 1)

Building Blueprints for Sustainable Growth

Comprehensive Automotive Ecosystem to Define Key Tier 1 to Boost up Our Revenue

| 2020 - NOW | NEAR TERM (2025 - 2027) | MID TERM (2027 – 2030~) |

Review , Plan, & Execution of Blueprint

- Key Growth from Electric Vehicle Players
- Key Accounts Penetration
- Increase Market Allocation

Expanding of Blueprint

- Deployment of regional automotive customers
- Exploration of Tier 1 Suppliers for Automotive Brands
- Expand end customers by application
- IDH's reference design and promotion of end customers

15%

2023 Market Share

Source: QYR Research Jul. 2024

Timing Industry Leader

Market Share **20%+**

Comprehensive AI-Powered Ecosystem **Blueprint** Strategy

5G-A

AI

Automotive
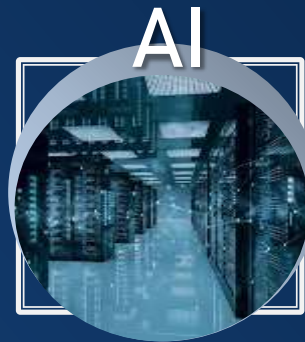
Expanding Key Business Segments

Double % Growth of Total Sales

- Advanced/Precise Oscillator Family

- Telecom/Datacom for IDH & Tier1

25%+ Growth of Total Sales

- High Freq/Advanced Oscillator Family/Crystal/TSX

- ADAS/Smart Cockpit/EV for Tier1

Key Industry Segment Breakdown

Focus on Potential Market with sustainable growth

2023

- AI 7%
- Automotive 16%
- Mobile Communication 41%
- Networking 9%
- Computing 10%
- Connectivity &Others 17%

2024

- AI 7%
- Automotive 22%
- Mobile Communication 37%
- Networking 5%
- Computing 9%
- Connectivity & Others 20%
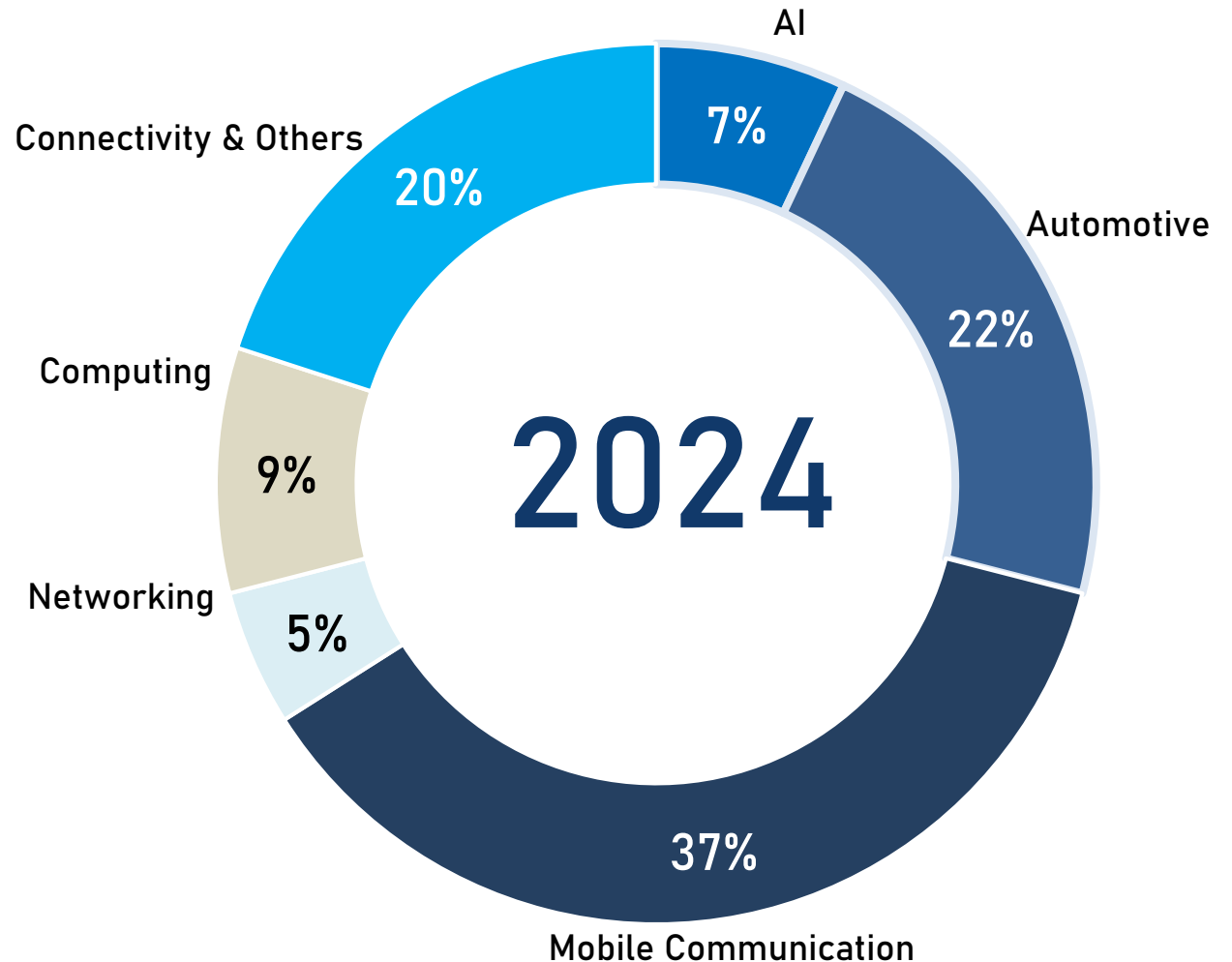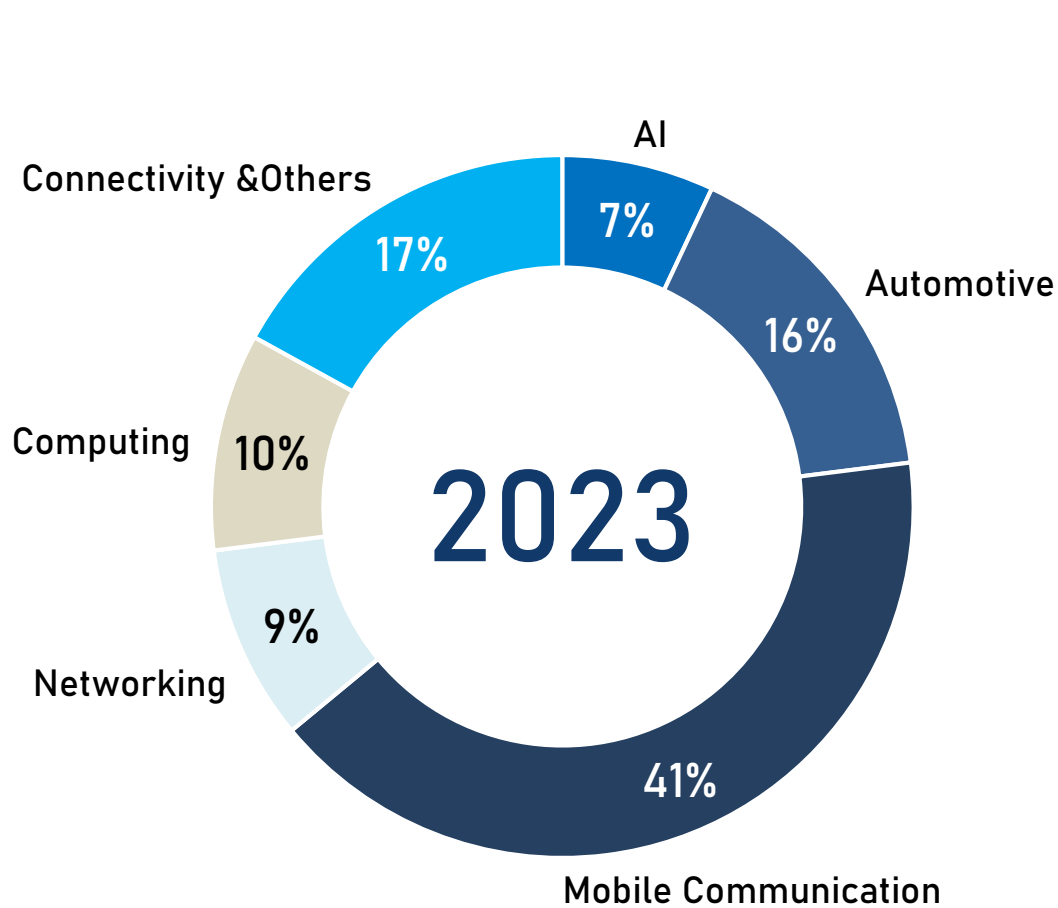
Statements of Comprehensive Income

Growth with Stable & Health Financial Status

Unit: NT$ Million	Q4'24	Q3'24	QoQ	YOY	2024	2023	YOY
Net Revenue	3,328	3,668	-9.28%	9.45%	12,672	10,850	16.79%
Gross Profit	1,132	1,282	-11.73%	-1.41%	4,487	3,860	16.25%
Operating Expenses	660	595	11.08%	24.73%	2,351	1,991	18.07%
Operating Profit	471	687	-31.46%	-23.80%	2,136	1,869	14.31%
Non-Operating Items	223	-79	-381.81%	-280.75%	438	194	125.69%
Income before Tax	694	608	14.20%	40.38%	2,575	2,063	24.80%
Net Income (attributed to the parent)	569	514	10.73%	39.47%	2,137	1,714	24.73%
Basic EPS (NT$)	1.66	1.5	10.67%	26.72%	6.55	5.53	18.44%
Gross Margin(%)	34.00%	34.95%			35.41%	35.57%	
OPEX(%)	19.85%	16.21%			18.55%	18.35%	
Operating Margin(%)	14.16%	18.74%			16.86%	17.23%	
Income before Tax Margin(%)	20.87%	16.58%			20.32%	19.02%	
NI(%) (attributed to the parent)	17.10%	14.01%			16.87%	15.79%	

Balance Sheet

Growth with Stable & Health Financial Status

Unit: NT$ Million	Dec '24		Dec. '23	
Item	Amount	%	Amount	%
Cash & Cash equivalents	3,906	17.6%	4,204	22.3%
NR+AR	3,760	17.0%	3,255	17.3%
Inventories	2,825	12.7%	2,470	13.1%
Current Assets	12,559	56.6%	10,812	57.4%
Total Assets	22,171	100.0%	18,822	100.0%
Current Liabilities	4,199	18.9%	4,768	25.3%
Non-current Liabilities	1,527	6.9%	2,180	11.6%
Total Liabilities	5,726	25.8%	6,949	36.9%
Total Shareholders' Equity	16,444	74.2%	11,874	63.1%
A/R Turnover Days	101		115	
Inventory Turnover Days	118		135	
Current Ratio(%)	299%		227%	
Debt Ratio(%)	25.8%		36.9%	
ROA(%)	10.7%		9.1%	
ROE(%)	15.1%		14.1%	

2025 CAPEX

Core technology enhancement, Smart Factory, Overseas Factory

A+ Enhancements
- ✓ Core Technology
- ✓ Advanced Process
- ✓ Innovation Capability

4.0 Smart Factory
AI meets IOT
- ✓ Smart Manufacturing
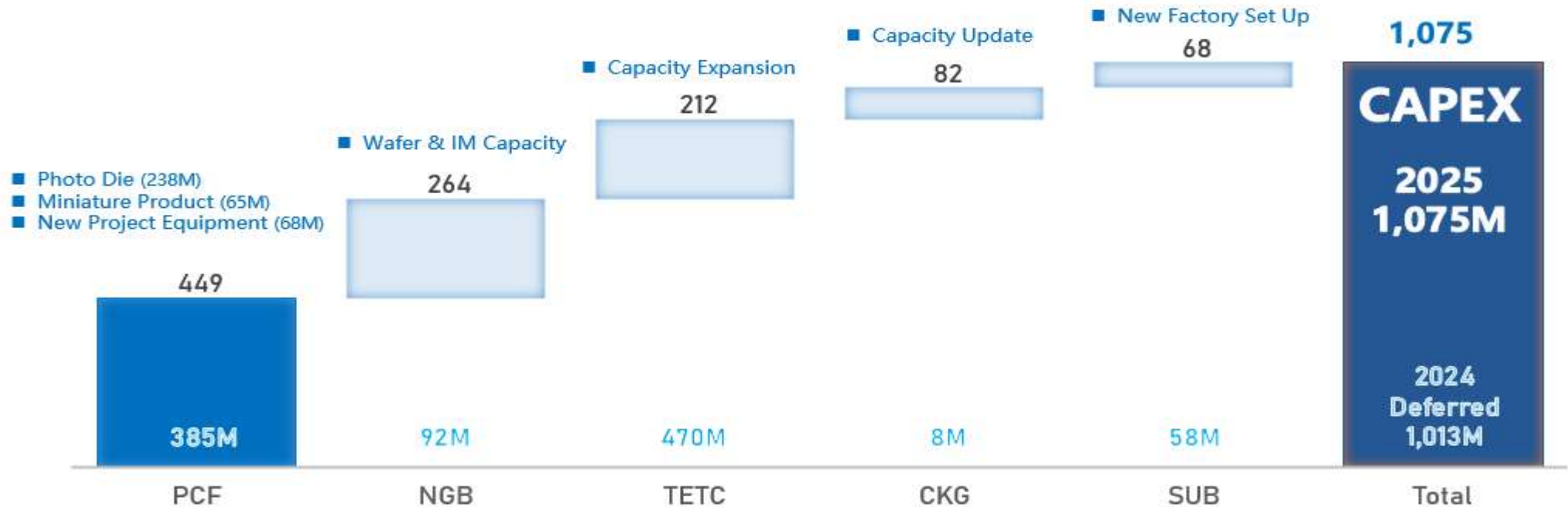- ✓ Automation and Robotics
- ✓ Data Analytics and AI

N+1 New Factory
- ✓ Indonesia
- ✓ Japan
- ✓ Asia

ESG Sustainability
ZERO EMISSION
- ✓ Environment
- ✓ Social Responsibility
- ✓ Governance

Unit: NT$ Million

- ■ Photo Die (238M)
- ■ Miniature Product (65M)
- ■ New Project Equipment (68M)

- ■ Wafer & IM Capacity 264
- ■ Capacity Expansion 212
- ■ Capacity Update 82
- ■ New Factory Set Up 68

449

CAPEX 2025 1,075M

1,075

2024 Deferred 1,013M

	PCF	NGB	TETC	CKG	SUB	Total
	385M	92M	470M	8M	58M	

EPS & DPS

High Dividends Payout, with Sustainable Business Growth

Average 80% Payout Ratio
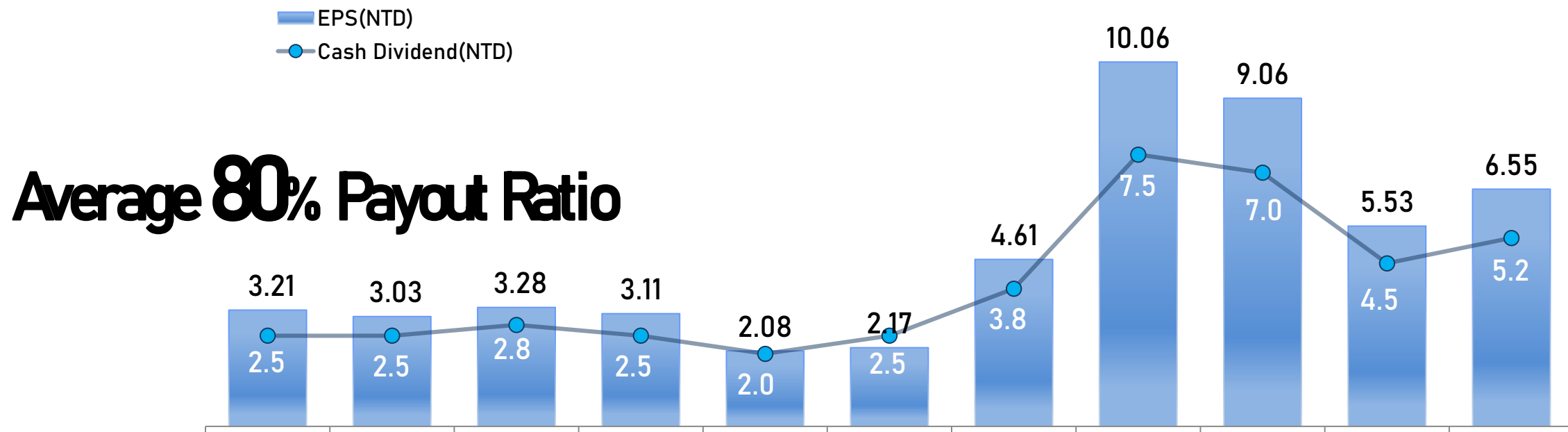
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Share Price	39.9	41.1	44.5	39.0	36.0	44.0	99.8	98.0	89.4	105.5	100.5
Payout Ratio(%)	77.9%	82.5%	85.4%	80.4%	96.2%	115.2%	82.4%	74.6%	77.3%	81.4%	79.4%
EPS (NTD)	3.21	3.03	3.28	3.11	2.08	2.17	4.61	10.06	9.06	5.53	6.55
Cash Dividend(NTD)	2.5	2.5	2.8	2.5	2.0	2.5	3.8	7.5	7.0	4.5	5.2

Environments, Sustainability, Governance

We Care, We Committee, We Dedicate

Healthy Growth with Value based Sustainability

2024 RE%

6 % (On Schedule)

Roadmap to Net Zero Carbon

RE 30 By 2030

RE100 By 2050

MORNINGSTAR SUSTAINALYTICS

ESG Risk Rating

17.7 pts (Low Risk)

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

Top 6%~20% Listed Corporates of the 10th Corporate Governance Evaluation

"Taiwan Best-in-Class 100"

"Conform to 1.5°C temperature control target" label from Common Wealth Magazine

ISO 14064 / ISO 14067 / ISO 50001

Q&A Section
Thank You