



Technological Brilliance, Enlightened Living

Acer Gadget Inc.

2024 Q2 Investor Conferences of Foreign Companies Listed on TWSE and Taiwan Innovation Board
Stock Symbol 2432

Allen Jong

President, Acer Gadget Inc.

2024.05.15 (Wed.)

Acer Gadget Inc. (2432) Crafting Cool Tech to Foster Smart Lifestyles

Acer Gadget, a dynamic arm of Acer Inc., innovates across industries with products and services that drive digital transformation and enhance lifestyles. Spanning hardware, software, IoT, and cloud solutions, we leverage our rich history and expertise to make the future possible.



Total Revenue for 2023

NT\$ 20.8 Bn

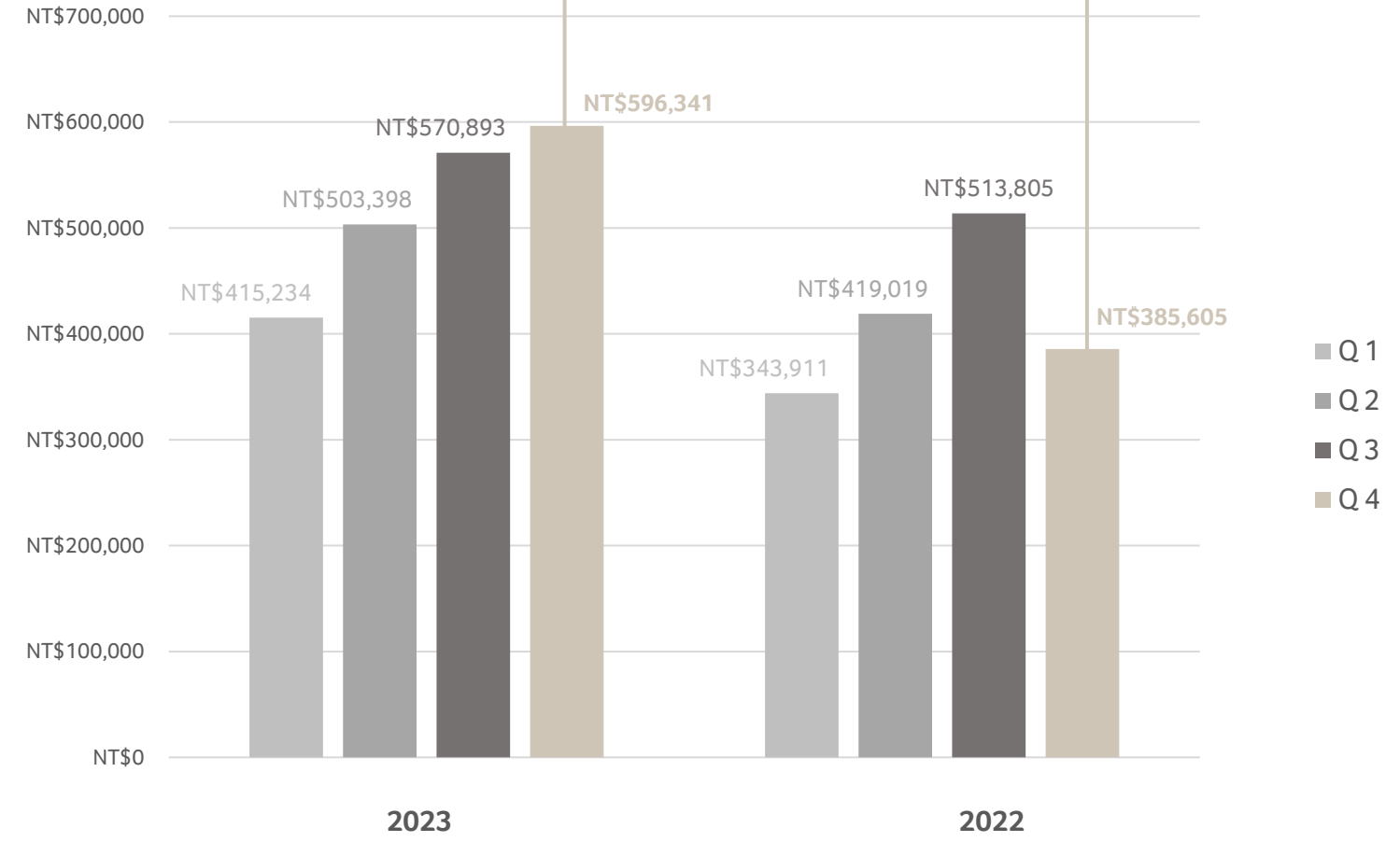
▲ 25.5%

v.s. 2022

Quarterly Growth Q4 2023 v.s. Q4 2022

▲ 55.6%

Unit: NT\$ Thousands



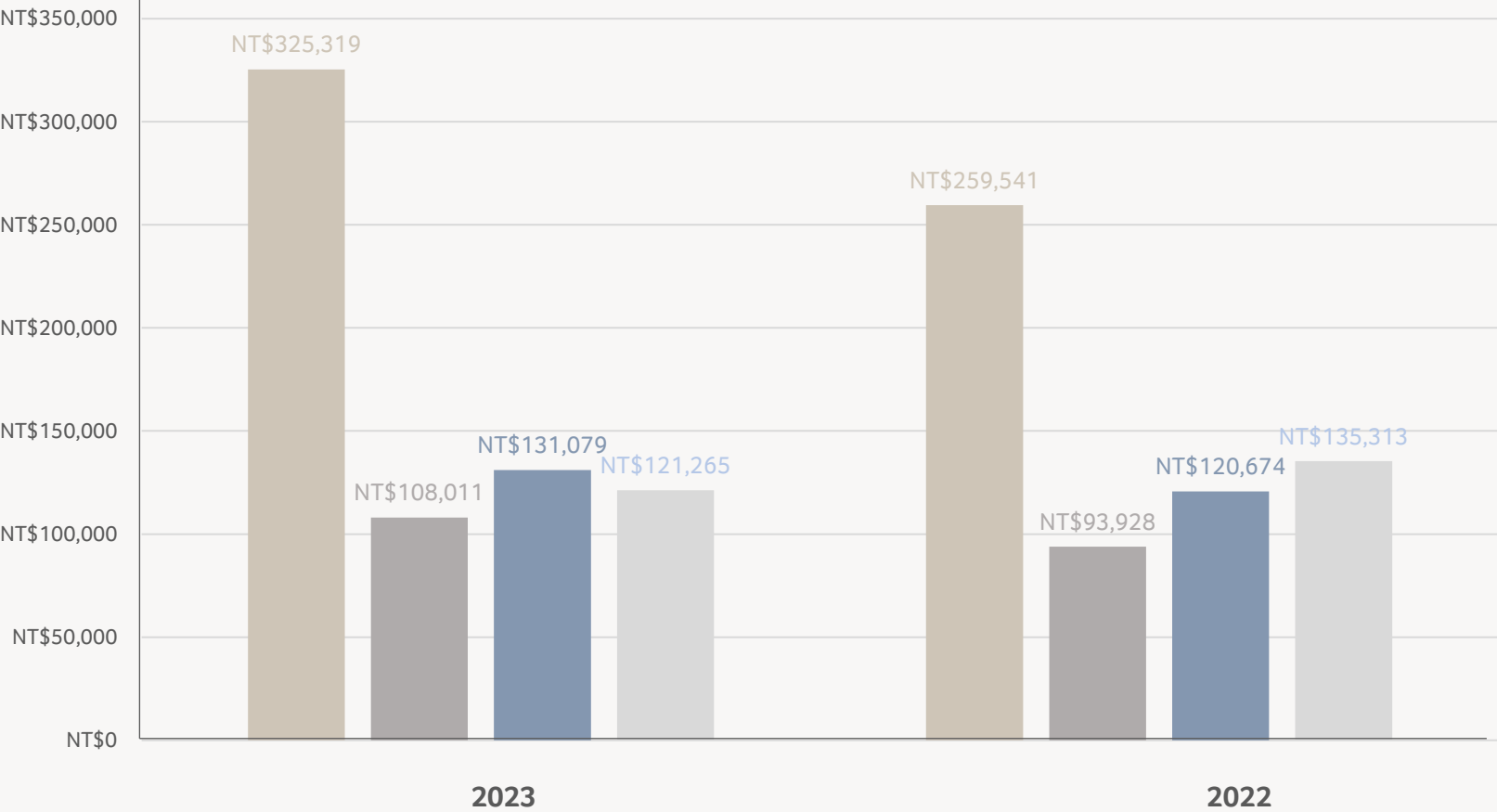
Consolidated Statement of Comprehensive Income

Unit: NT\$ Thousands

EPS: 1.98

EPS: 3.04

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Gross Profit

▲ 25%

Operating Income

▲ 15%

Profit Before Tax

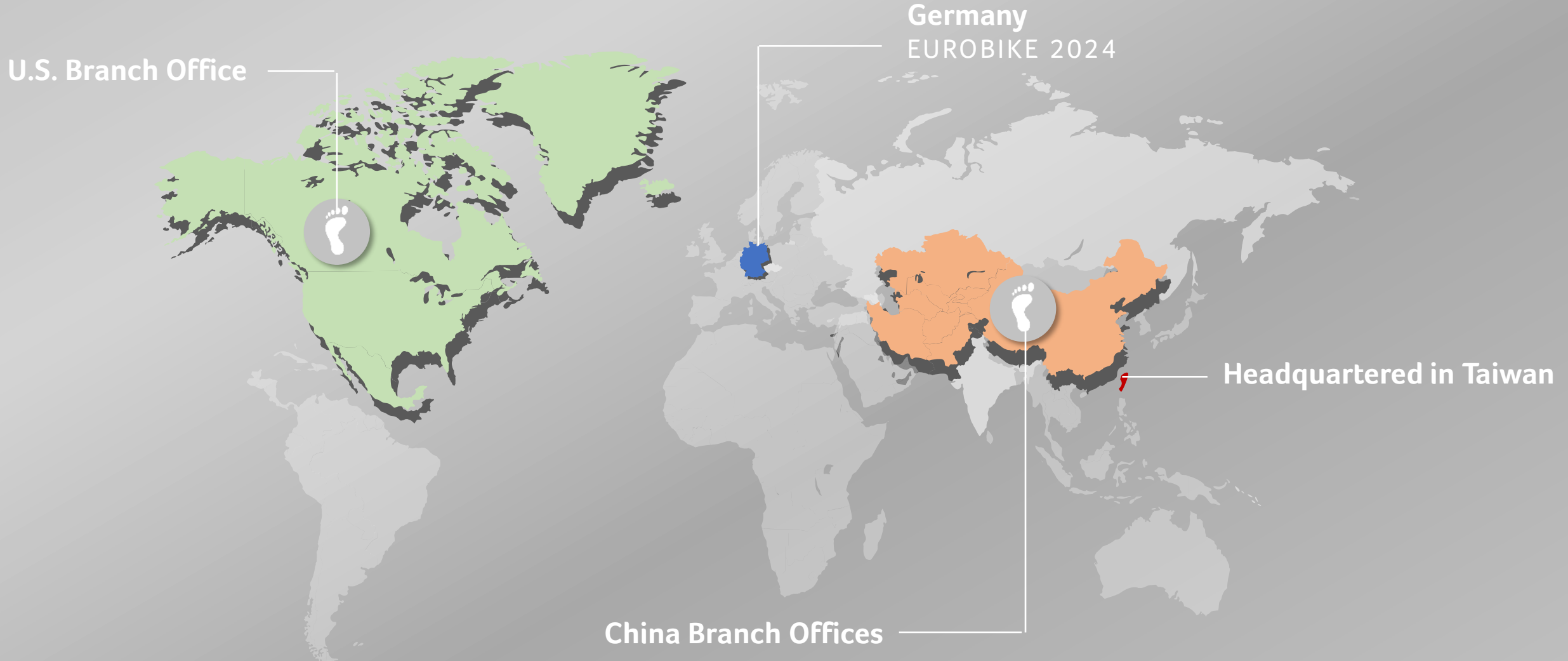
▲ 9%

Net Income for the Period

▼ -10%

In 2022, the income tax benefits was recognized due to the cumulative deficit from E-TEN Information Systems Co., Ltd. In 2023, income tax expense was recognized.

Acer Gadget's Global Footprint



AI PC Gadgets



Smart Speaker
Connect to Google Assistant



AI NB Stand
Adaptive Cooling Technology



Copilot HID Device
Wake Up Copilot



Awareness Sensing
Video Conference Copilot



AI Ready Dock
Support Graphic or External NPU for AI Usage



Gathering Tech-chic & the Beauty of Life, Wearever You Go



eMobility

Acer eKinect BD 3

Power Your Workstation with Kinetic Energy



ebii Smart eBike
Transform the Way You Move

PREDATOR



Predator eNomad-R
Thrills Await Here

Xplova Smart Cycling Computer



Xplova NOZA P1 Power Pedal

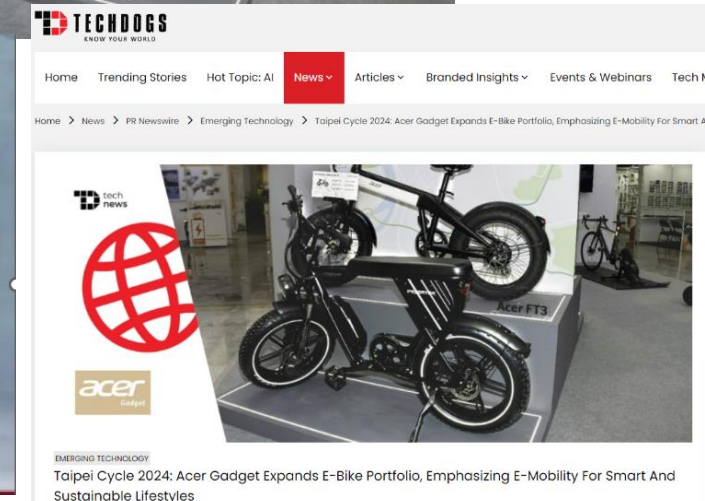
Impressive Performance of eMobility Product Line at the TAIPEI CYCLE 2024

DIGITIMES

倚天酷碁總經理鍾逸鈞指出，eMobility (智慧移動) 業務，在台灣、歐美市場均有斬獲。

eMobility產品線主要市場在歐洲，隨著自行車新品於第2季開始出貨，滑板車也持續擴大歐洲市場滲透率，並潮美國等市場邁進。

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Taipei Cycle 2024: Acer Gadget Expands E-bike Portfolio, Emphasizing E-mobility for Smart and Sustainable Lifestyles

Today's Innovations, Tomorrow's Ventures



ESG & SDG



AI & Big Data

ESG & Social Responsibility



Efforts

Profit-oriented, Driving Corporate, Creating Innovative Services



Core Beliefs

Value Re-creation, Balance of Interests, Sustainable Operations



Goals

Exert Social Influence, Progress Toward a Future-oriented Enterprise

Corporate Governance

Regulations

Protect the Rights and Interests of Shareholders

Strengthen the Powers of the Board of Directors

Enhance Information Transparency and Protection of Privacy

Fulfill the Function of Audit Committee

Respect the Rights and Interests of Stakeholders



Industry Risks

1. Slowing Bicycle Market and Inventory Pressure Impacting Future Revenue and Profitability

Due to the pandemic, bicycles became a popular outdoor activity choice. Factors like the COVID-19 pandemic, the US-China trade war, and the Russia-Ukraine conflict led to a "stockpiling competition," resulting in shipment volumes exceeding actual demand. Currently, inflation has further weakened demand, and increased supply capacities have led to order reductions in the post-pandemic era, affecting even electric-assisted bicycles.

[Response] We have addressed material shortages that caused capital strain and extended production times by reviewing product designs to ensure alternative material mechanisms. For example, our styluses now support the same communication protocol. Additionally, we have implemented a moderate inventory mechanism and explored land transportation to remain flexible in managing inventory pressure and meeting business demands, even when air and sea transportation face challenges.

2. High Brand Awareness and Intense Competition in the E-Bike Sector

Taiwan's traditional bicycle manufacturers and electronics companies like Darfon and E-Lead have an advantage in the E-Bike market. International brands also have well-established products. Standing out in this competitive market is crucial for our future.

[Response] Acer Gadget have successfully managed the Xplova and NOZA brands, partnering with renowned distributors like Giant Cycling World. Our electric scooters have performed well in Europe, boosting our confidence in the E-Mobility industry. Leveraging our innovation in product design and development, and our diverse partnerships, we differentiate ourselves through advanced battery technology and comprehensive after-sales service.

Operational Risks (Part 1)

1. Dependence on Acer-branded Products in the Computer Peripherals Industry Facing Consumer Demand Changes

Over the past three years, our product sales have been concentrated in computer peripherals such as keyboards, mice, styluses, headphones, multi-functional docking stations, and gaming chairs. We have entered the Acer supply chain and plan to expand to multiple brand channels. The pandemic-induced demand for remote work significantly boosted our revenue, but as the pandemic wanes, this demand is decreasing.

[Response]

- 1. Enhancing Existing Products:** We are improving the technical level of existing products to gain consumer recognition. While products like keyboards, mice, and computer bags have been in mature industries for years, consumers seek better performance and sustainability. We have developed products using post-consumer recycled plastic (PCR) and ocean-bound plastic (OBP) and plan to introduce materials like recycled inner tubes, pineapple fiber, and recycled fishing nets.
- 2. Innovative Products and Cross-Industry Integration:** We support Acer's transformation with high-value applications that combine ESG concepts and smart living. Notable products include the smart prayer beads and Predator Thronos gaming chair, driving growth in related product sales. Recent developments like the ebii smart ebike and eKinect bike desk highlight our commitment to ESG.
- 3. Expanding Sales Channels:** We have penetrated the sports equipment market with bicycle trainers and computers, increasing brand visibility through sponsorships and exhibitions. Our innovative products, such as electric scooters and eKinect bike desks, are opening new sales channels. We are actively expanding into the U.S. market and have secured orders from Mexico and ongoing negotiations in Europe and America.

Operational Risks (Part 2)

2. Difficulty in Recruiting Talent and Insufficient Cross-Disciplinary R&D Capabilities

Acer Gadget Inc., while expanding, still has a simplified structure and limited R&D capacity. Future growth hinges on attracting and developing professional talent with deep and broad knowledge for integrated product development. This process requires long-term strategy and experience, making it challenging to cultivate the necessary professionals. Our innovative products require agile development to respond quickly to changes.

[Response] We have implemented a personnel evaluation and rotation system to foster multi-skilled experts, supported by comprehensive development programs and a competitive compensation system. Additionally, by applying for stock market listing, we aim to enhance our reputation and attract top talent to strengthen our R&D capabilities.

2024 Objectives



Increase Revenue and Net Income



Reduce Related Party Transactions Ratio

Crafting cool tech to foster smart lifestyles



acer
倚天酷基

The Best is Yet to Come