

INVESTOR'S CONFERENCE

Sea Sonic Electronics Co., Ltd (6203)

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- Such forward-looking statement is not actual results but only reflects the Company's estimates and expectations and is subject to inherent risks and uncertainties that could cause actual results to differ materially from such statement.
- Any business outlook or forward-looking statement hereof reflects the Company's estimates and expectations and is subject to change after this date. Unless required by applicable law, the Company undertakes no obligation to update any such information.

Company Profile

Sea Sonic Group

Milestones

1Q24 Financial Report

New Products Introduction

Marketing Trend

ESG

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COMPANY PROFILE



Founded in 1975 by Mr. J. C. Chang, manufacturing test equipment



Core Identity: Research / Development and Manufacturing of Power Supplies



Premium performance and quality PSUs

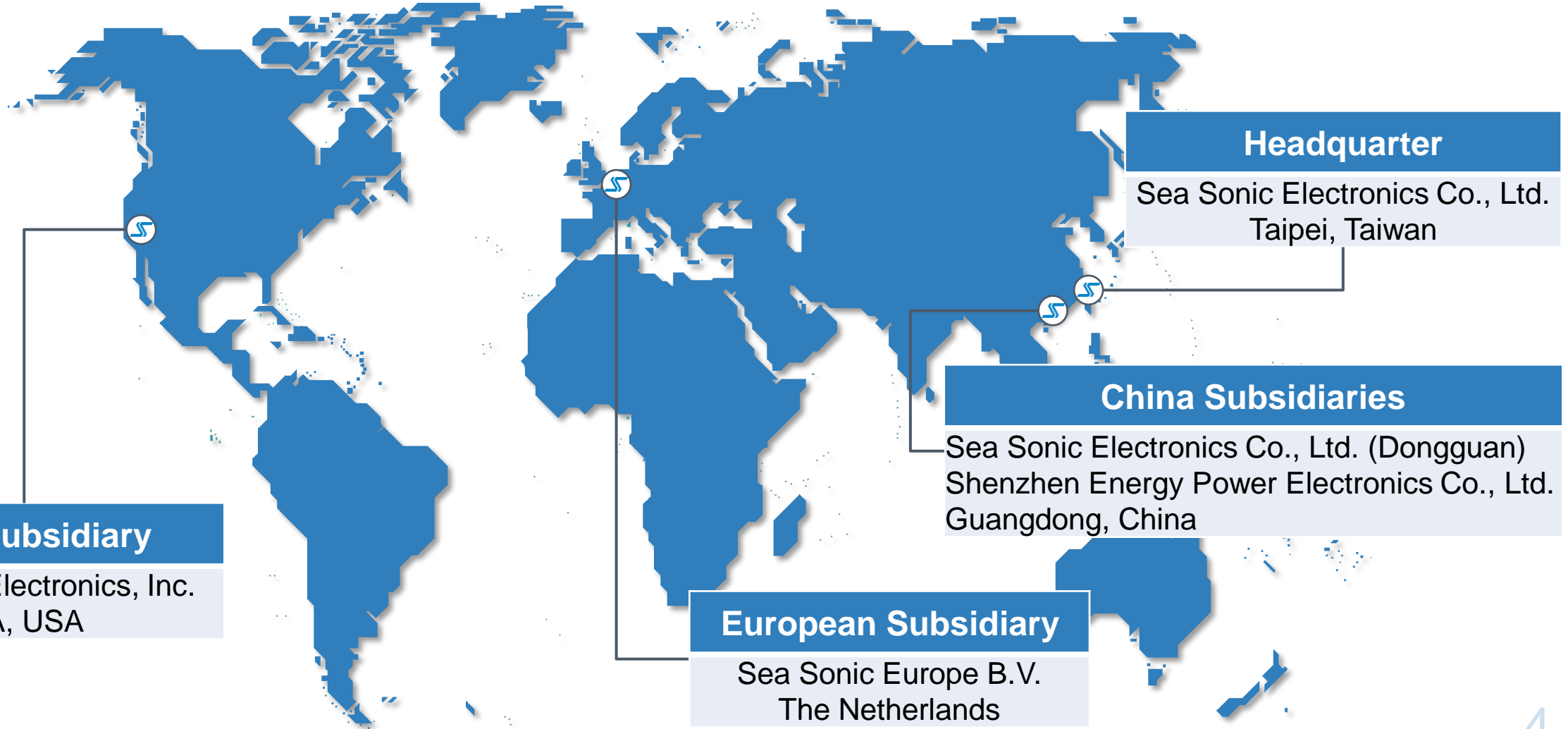


Global reach and service

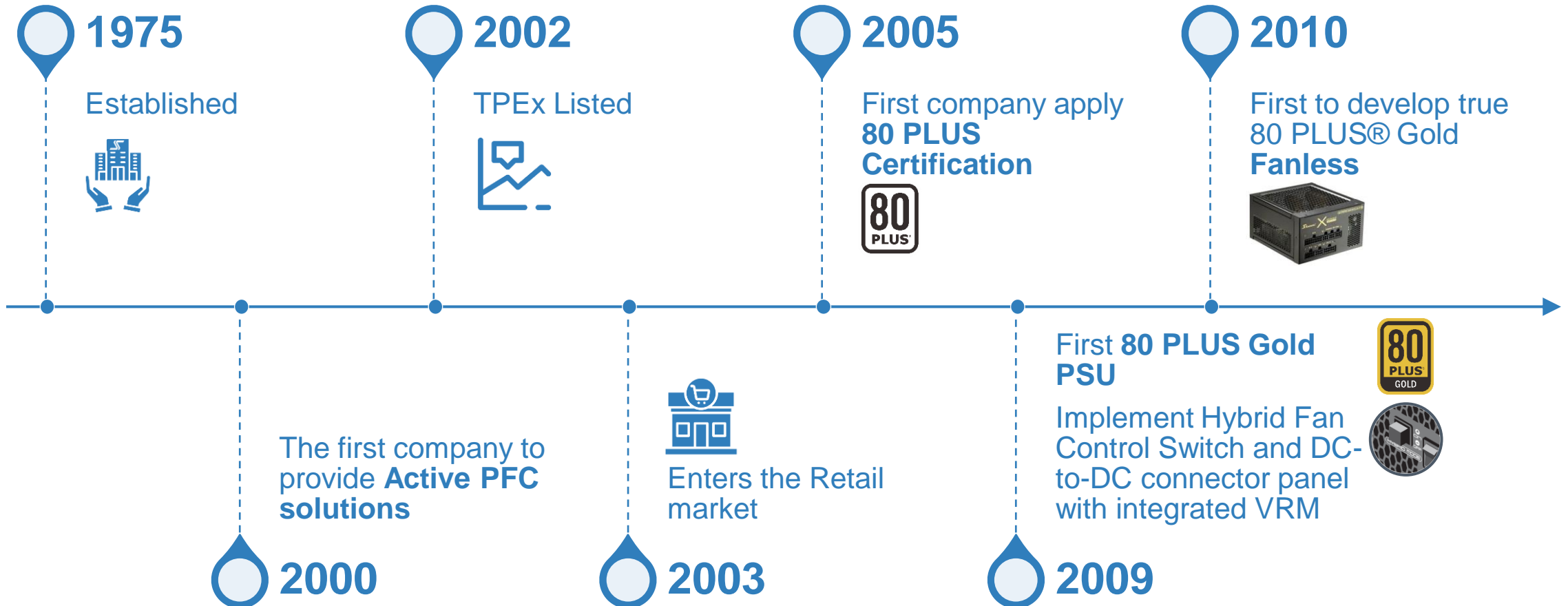


49 years of history Power Supply Focused

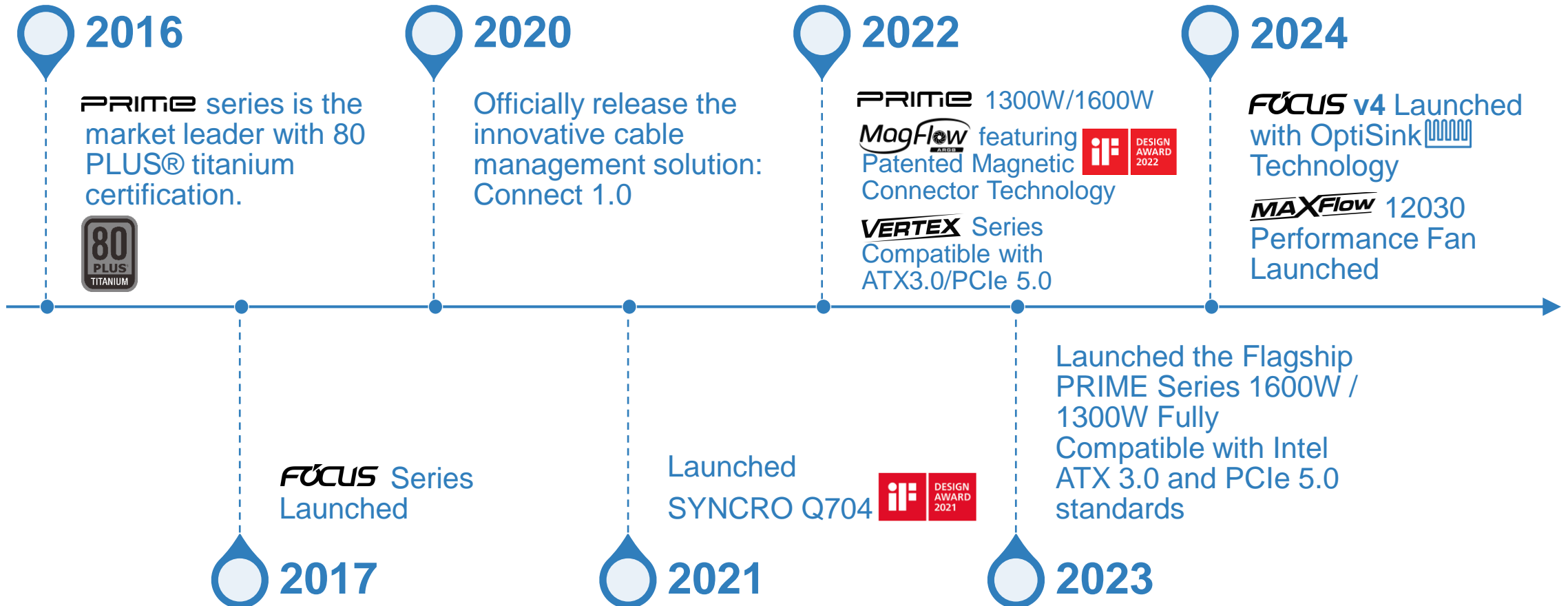
Sea Sonic Group



Milestones



Milestones



Consolidated Statements of Comprehensive Income

Unit : NT\$ thousand

Item	2024/1/1 ~ 3/31	2023/1/1 ~ 3/31
Operating revenue	553,414	728,379
Gross profit from operations	153,755	256,513
Gross margin	28%	35%
Net operating income	58,975	171,531
Non-operating income and expenses	133,907	2,865
Net income	155,209	132,355
Per-tax income margin	28%	18%
Basic earnings per share	1.88	1.66

1Q24 FINANCIAL REPROT

- The decrease in operating revenue and gross profit due to large-scale promotions and destocking.
- The decrease of net operating income was the operating units are actively promoting the products and the increase in sample expenses for new products by the R&D unit is due to the same period last year .
- The increase in nonoperating income and expenses is mainly due to exchange rate fluctuations.

Consolidated Balance Sheets

Unit : NT\$ thousand

Item	2024/3/31	2023/3/31
Cash and cash equivalents	1,673,483	1,668,487
Accounts receivable, net	352,179	481,427
Inventories	967,238	810,521
Total Assets	4,279,908	4,117,639
Accounts payable	219,432	329,021
corporate bonds payable – current portion	389,709	-
Total current liabilities	972,860	687,340
Corporate bonds payable	-	589,182
Total liabilities	1,059,745	1,342,322
Total retained earnings	2,135,773	1,897,979
Total equity	3,220,163	2,775,317
Book value per share	39.08	34.71

1Q24 FINANCIAL REPROT

- The increase in inventories in the current period was mainly due to the decline in market demand.
- The decrease in accounts payable was mainly due to the reduction of purchase amount from January to March 2024 compared with October to December 2023.
- The payable corporate bonds are due on September 9, 2024, therefore adjusted to the current portion. As of the end of May, the remaining outstanding face value of the bonds is 391,800 thousand.

Consolidated Statements of Cash Flows

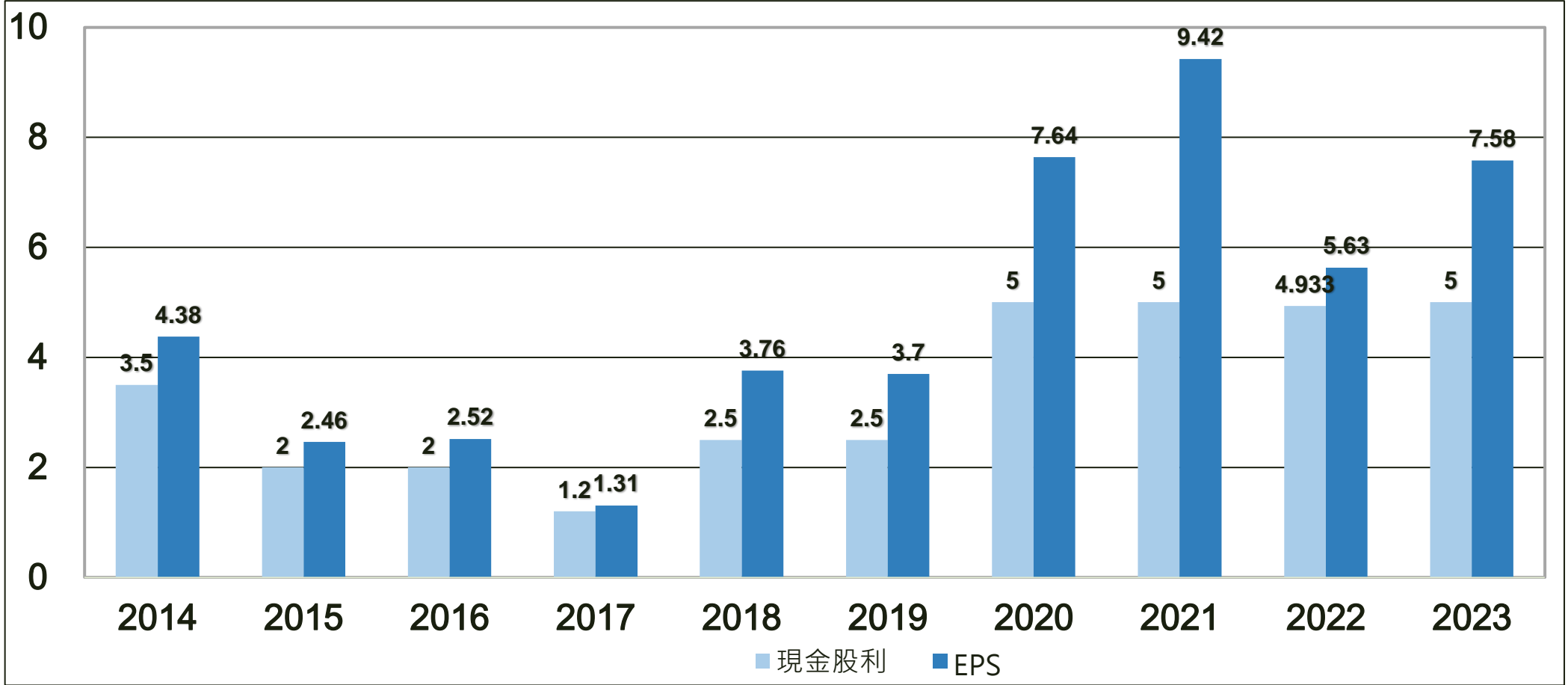
Unit : NT\$ thousand

Item	2024/1/1~3/31	2023/1/1~3/31
Cash flows from operating activities		
Income before income tax, net	192,882	174,396
Decrease (increase) in accounts receivable	18,025	(47,528)
Decrease (increase) in inventories	142,946	169,228
Increase (decrease) in accounts payable	(141,333)	107,335
Income tax refunds (paid)	(1,020)	(1,466)
Net cash flows from (used in) operating activities	193,239	402,543
Cash flows from investing activities		
Acquisition of financial assets at amortized cost through profit or loss	(8,621)	(62,591)
Acquisition of financial assets at fair value through profit or loss	(16,453)	(41,931)
Acquisition of property, plant and equipment	(1,131)	(2,089)
Decrease (increase) in prepayments for equipment	(8,898)	(1,877)
Net cash flows from (used in) investing activities	(35,414)	(116,366)
Net cash flows from (used in) financing activities	(4,083)	(2,404)

1Q24 FINANCIAL REPROT

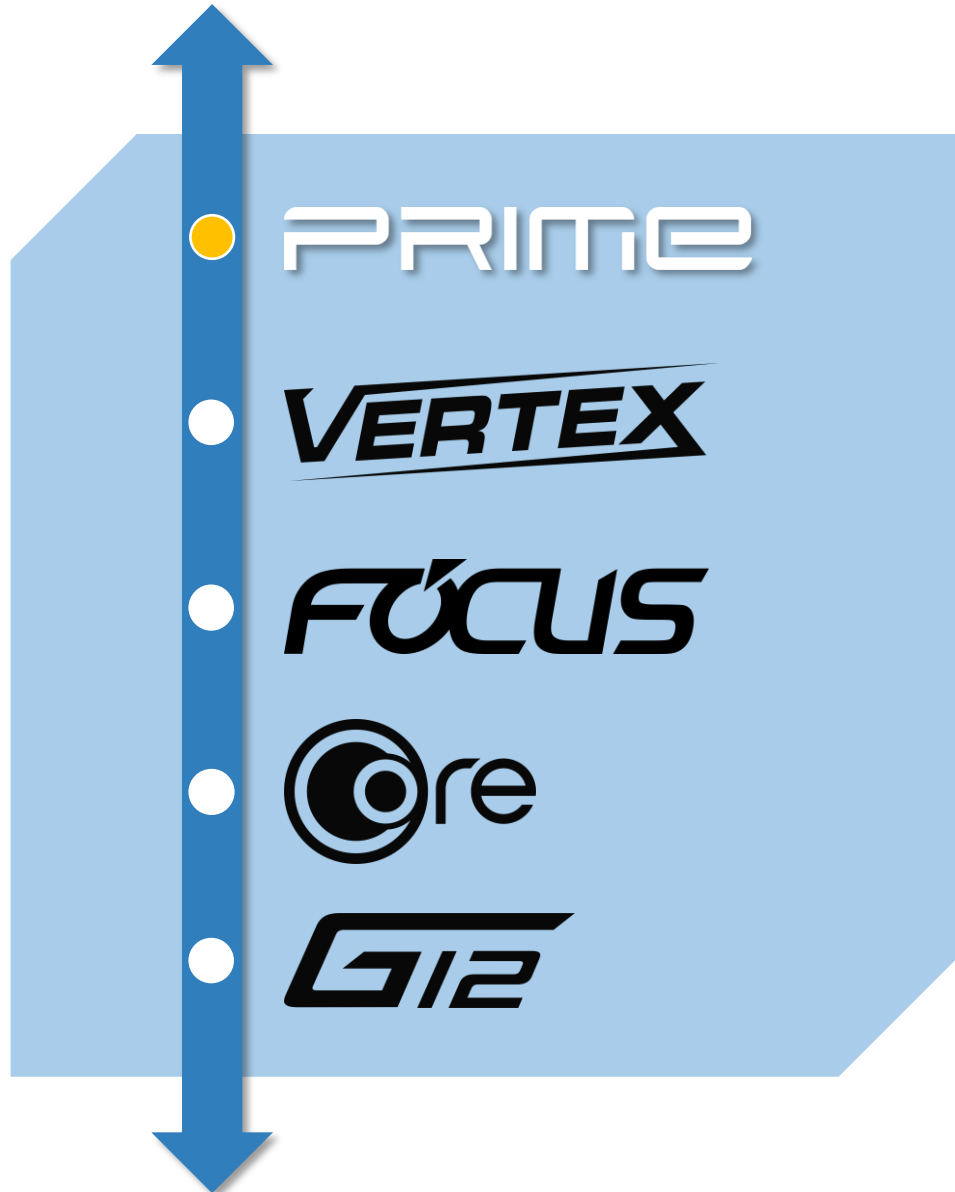
- The decrease in accounts payable in the current period was mainly due to the reduction of purchase amount from January to March 2024 compared with October to December 2023.

- The cash outflow from investment activities in the same period last year was mainly due to the acquisition of financial assets.



1Q24 FINANCIAL REPROT

- EPS and dividend distribution over the years.

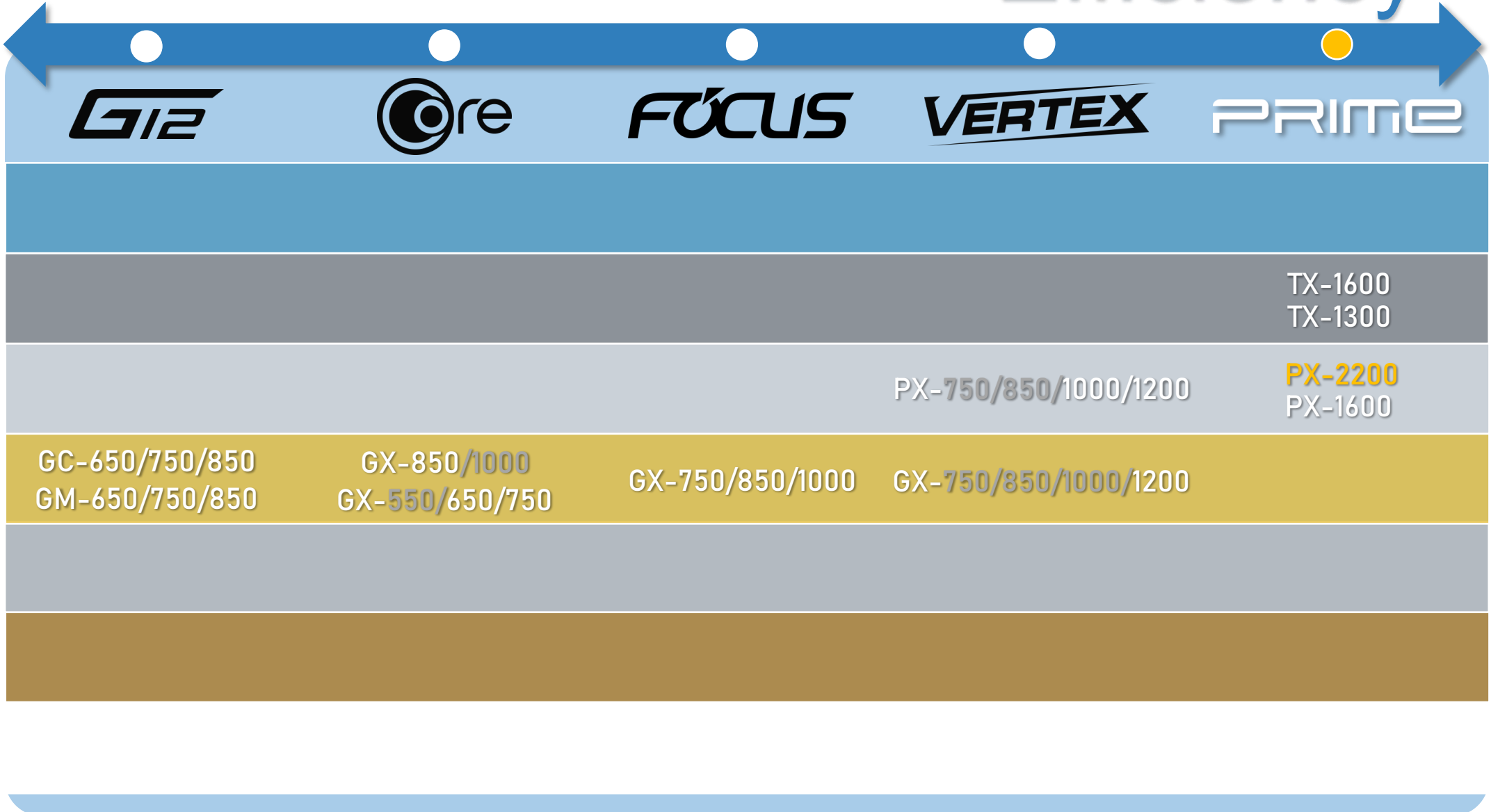


PRIME

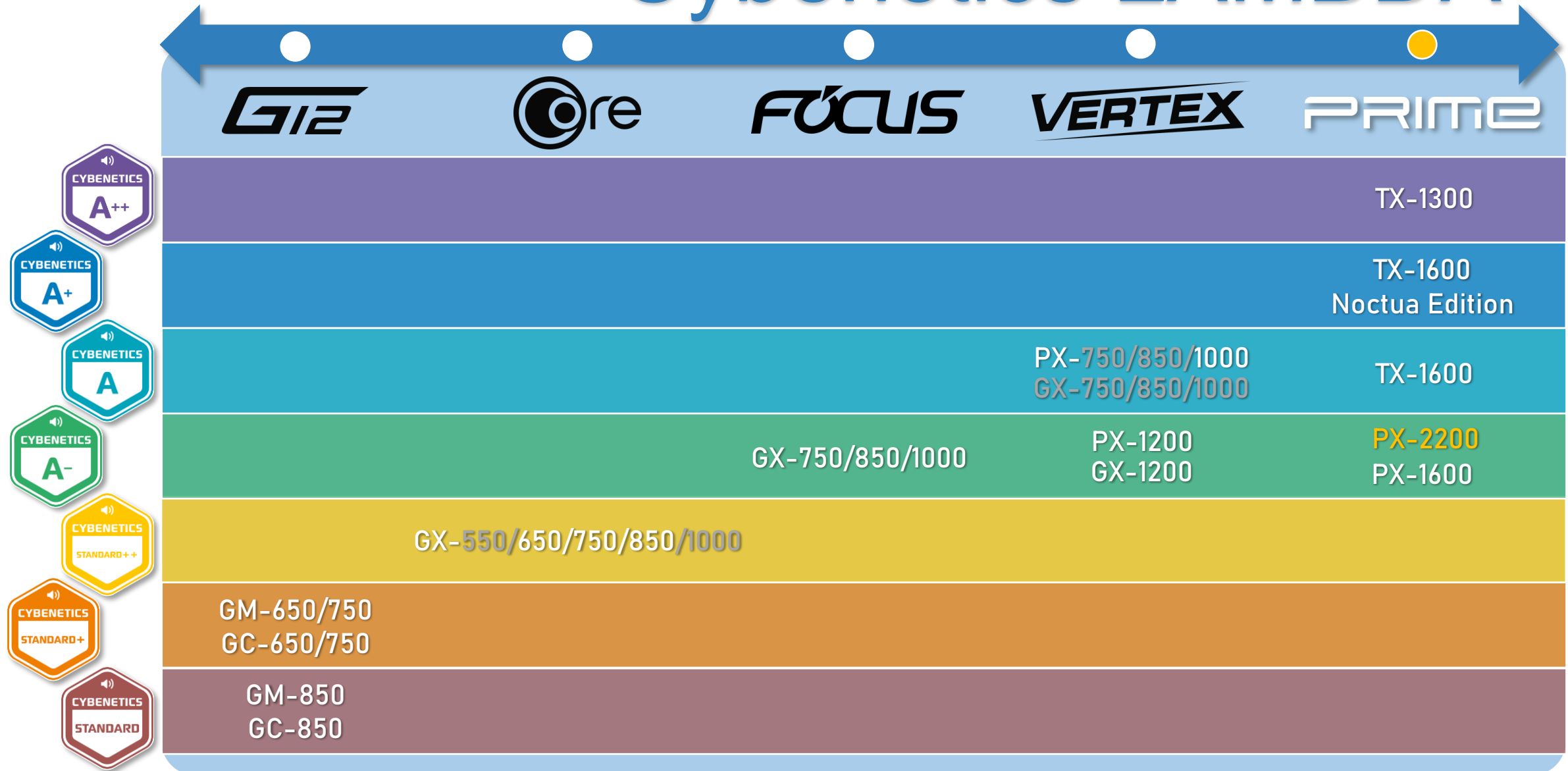


The Seasonic PRIME Series is Sea Sonic's flagship product line. It results from the R&D team's most advanced design, incorporating cutting-edge production processes and top-quality materials. The latest models feature highly favored digital fan control, modern interleaved PFC, and a patented design with dual transformers in parallel.

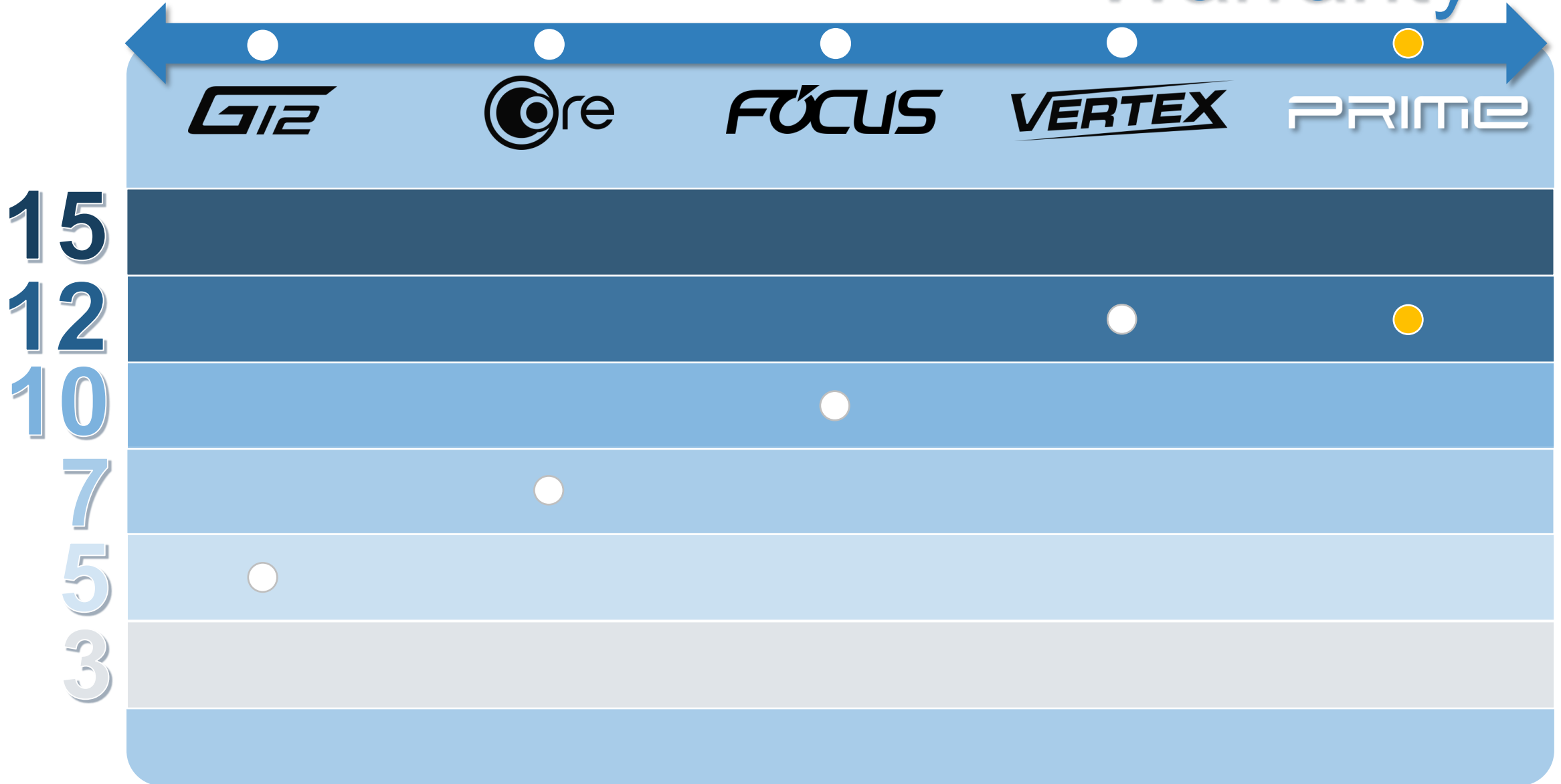
Efficiency



Cybenetics LAMBDA



Warranty





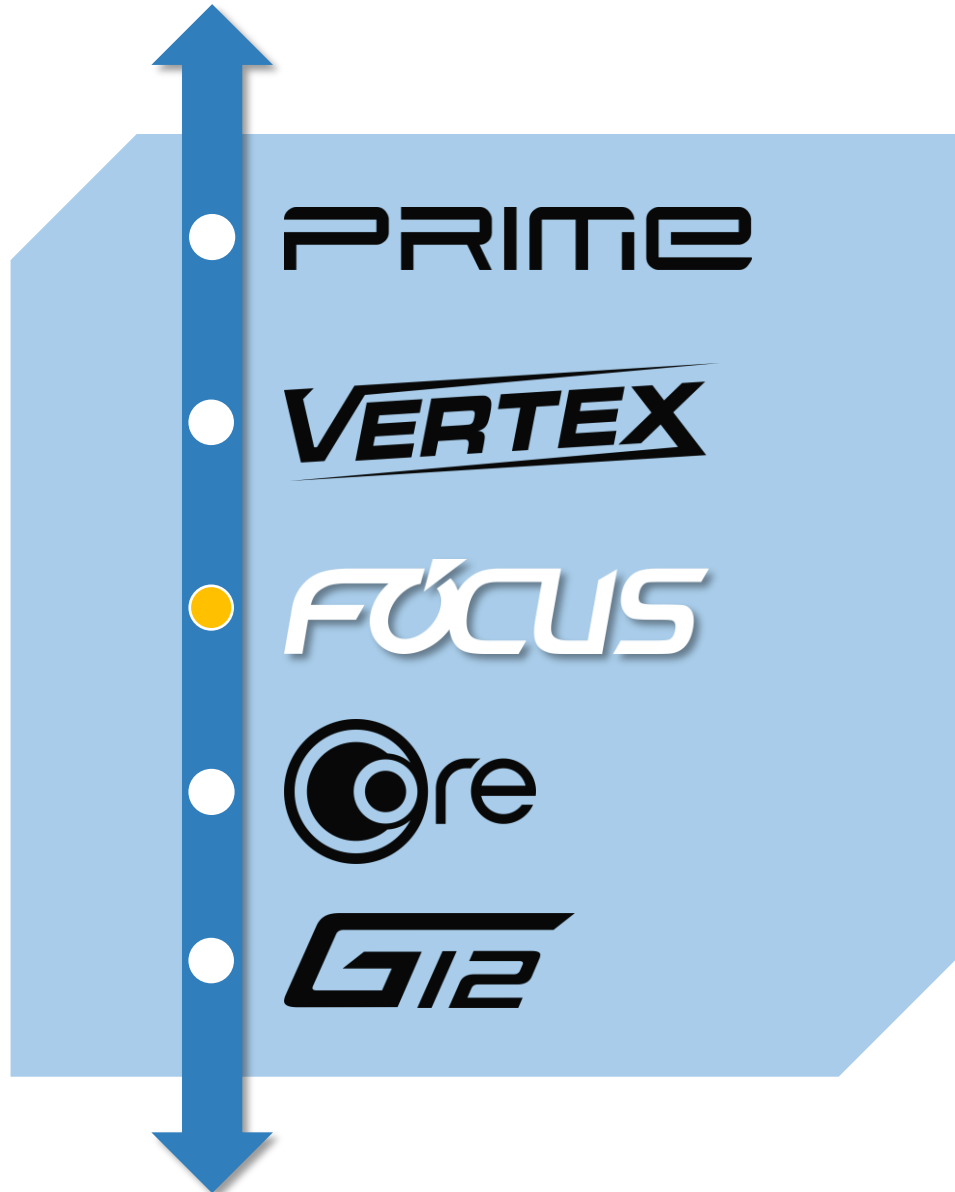
CPU: AMD RYZEN THREADRIPPER PRO 7995WX
M/B: ASRock WRX90 WS EVO
RAM: SAMSUNG DDR5-4800 ECC/REG 256GB (64GBx4)
SSD: SAMSUNG 980 PRO M.2 NVMe 1TB
VGA: GIGABYTE GeForce RTX 4090 D6X 24GB (4EA)
CASE: Thermaltake Core X71
POWER: **Seasonic PRIME PX-2200W PLATINUM(2EA)**
Fans: ARCTIC P14 PWM (9EA), ARTIC P12 PWM (7EA)

AMD sTR5 Nickel Block, RTX 4090 Nickel Block(4EA), MORA-420, Thermaltake D5 PUMP, EK-Quantum Indicator, Quick Disconnect, PCI Slot Pass, EPDM, Manifold.

Application

With the advancements in Artificial Intelligence (AI), there is an increasing demand for high-end components that require more power. To future-proof any PC or workstation for AI computing, AI drawing, and edge computing tasks, the Seasonic PRIME PX-2200 would be the top choice.

H100 AI Server

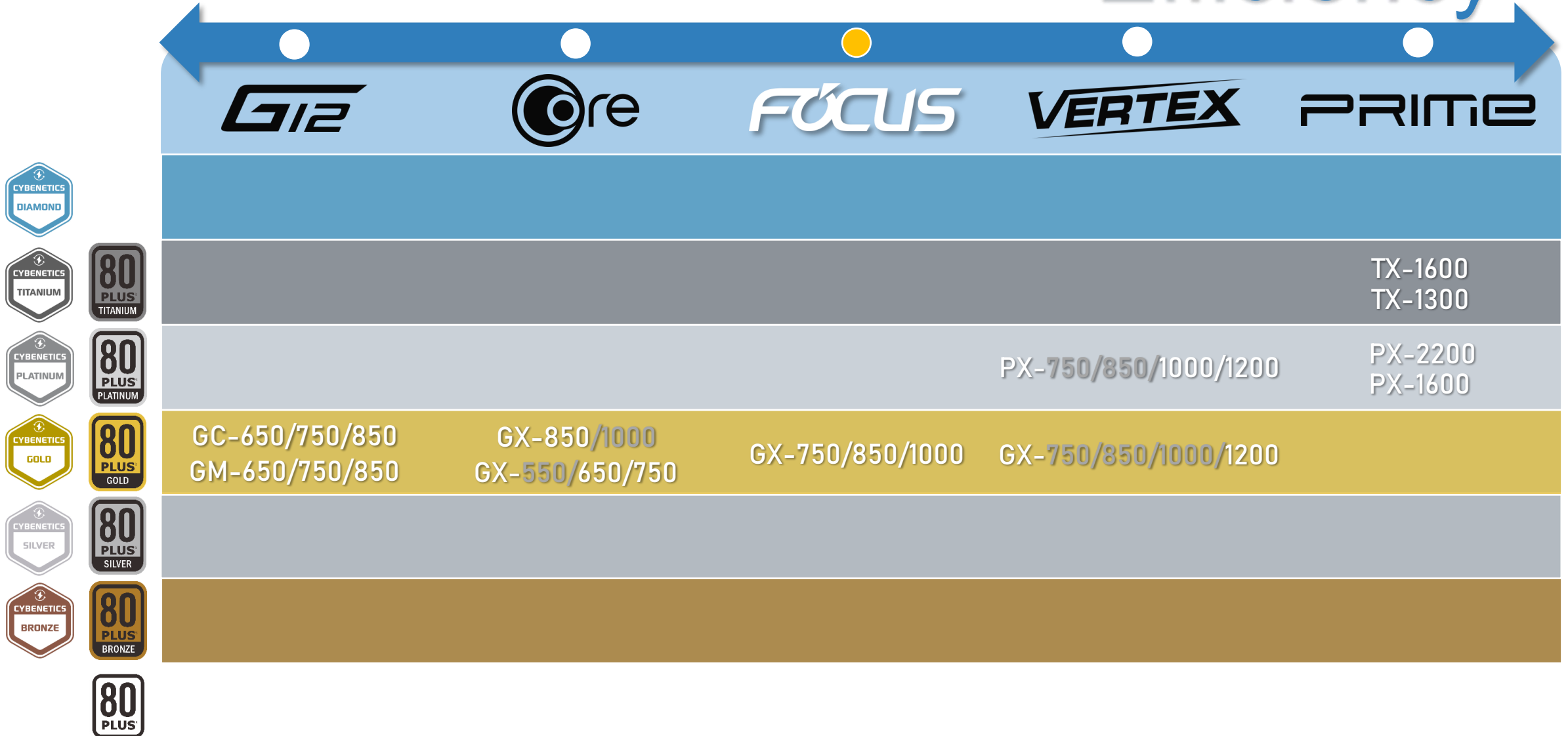


FOCUS

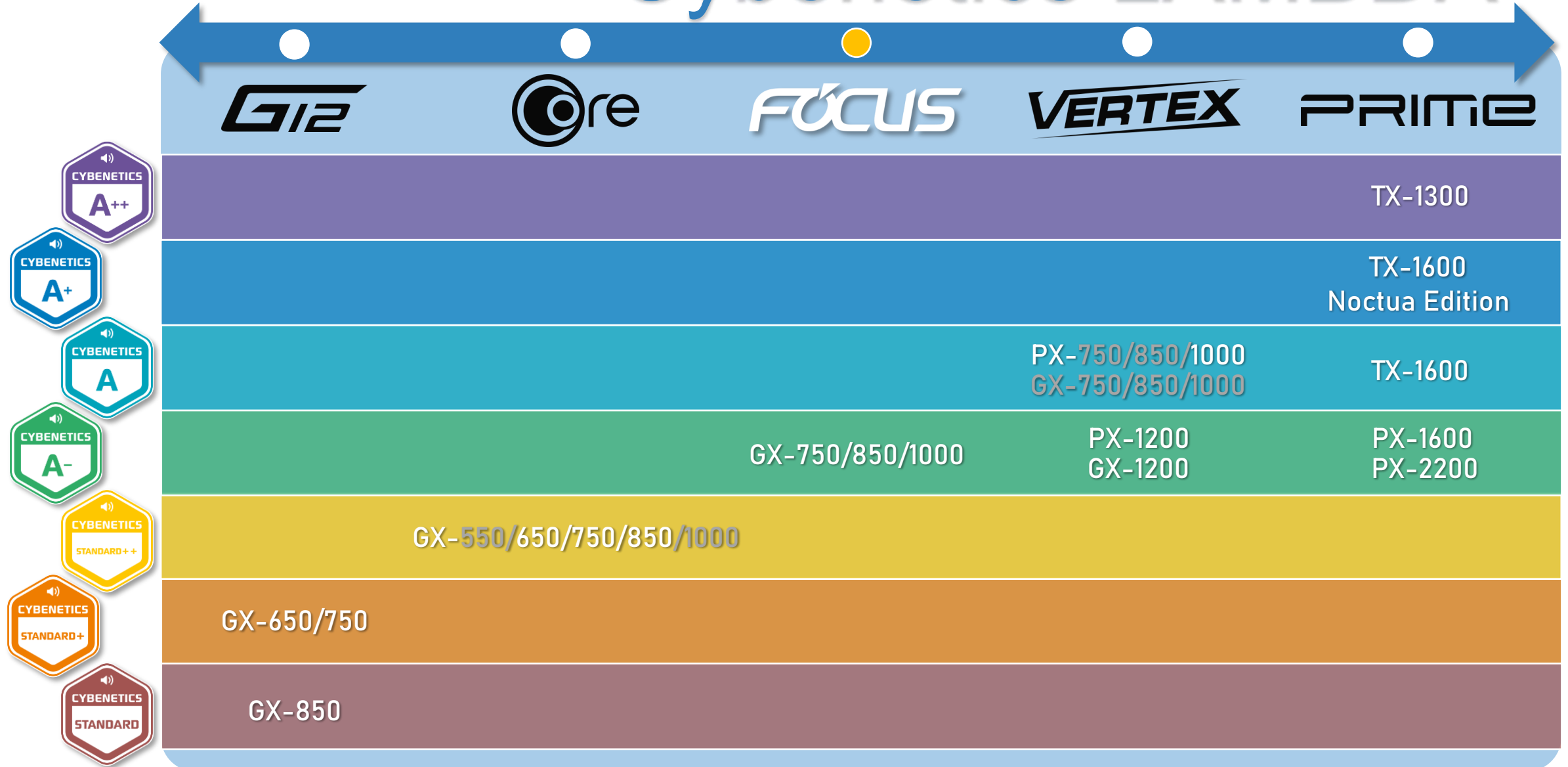


The Seasonic FOCUS series is Sea Sonic's most cost-effective product. It offers excellent quality and performance, providing gamers with the best power supply and gaming experience.

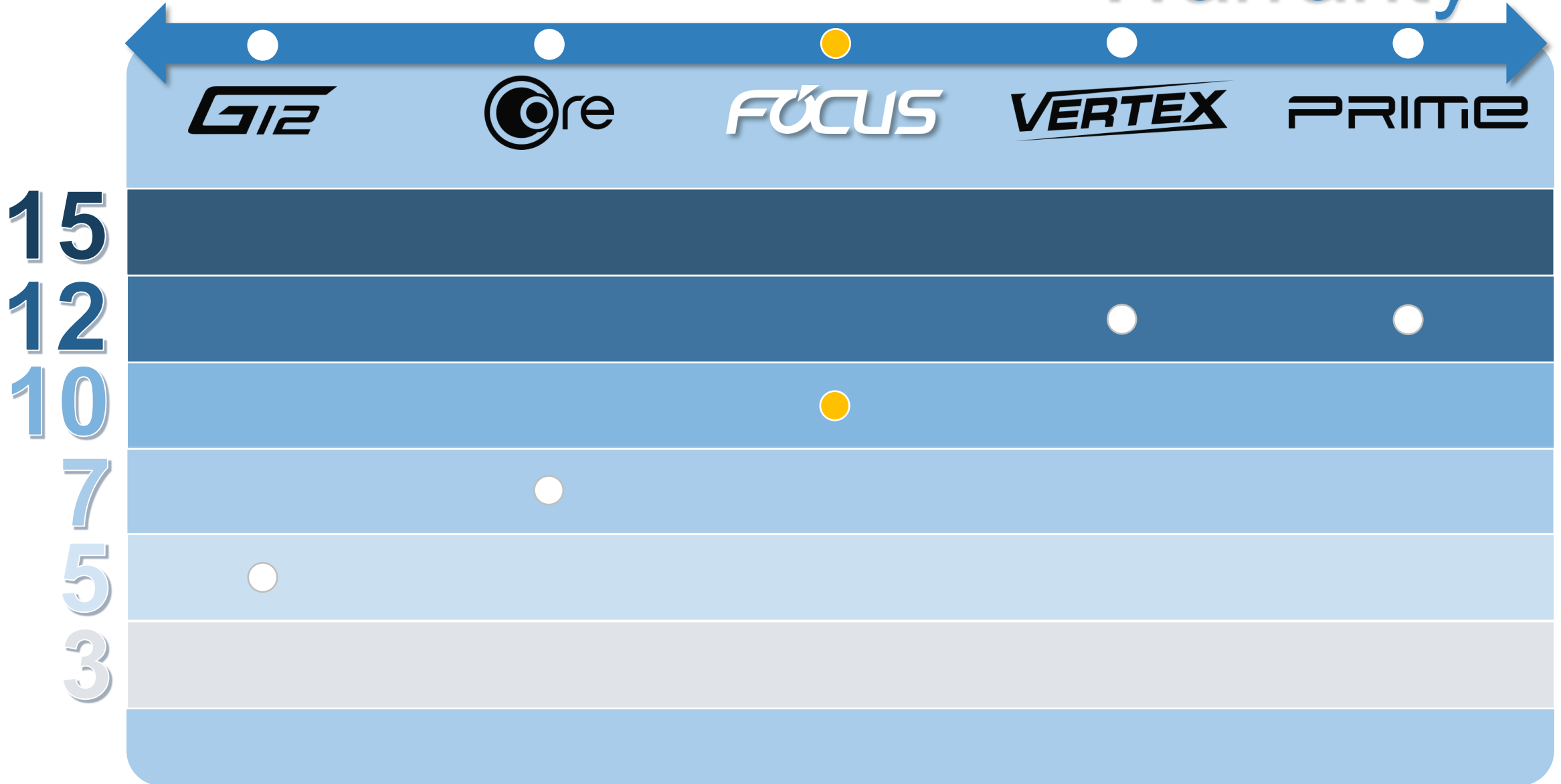
Efficiency

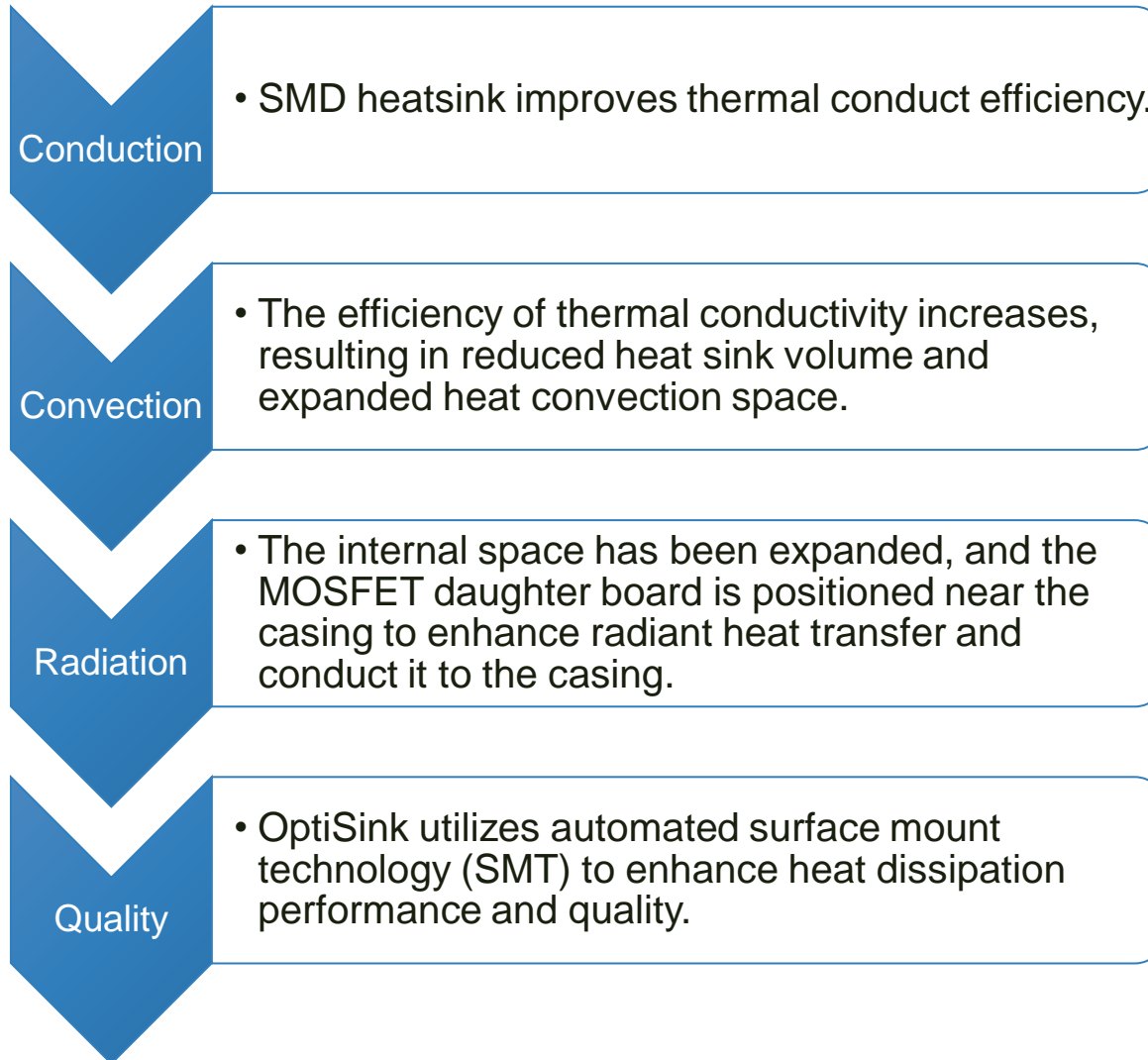


Cybenetics LAMBDA



Warranty

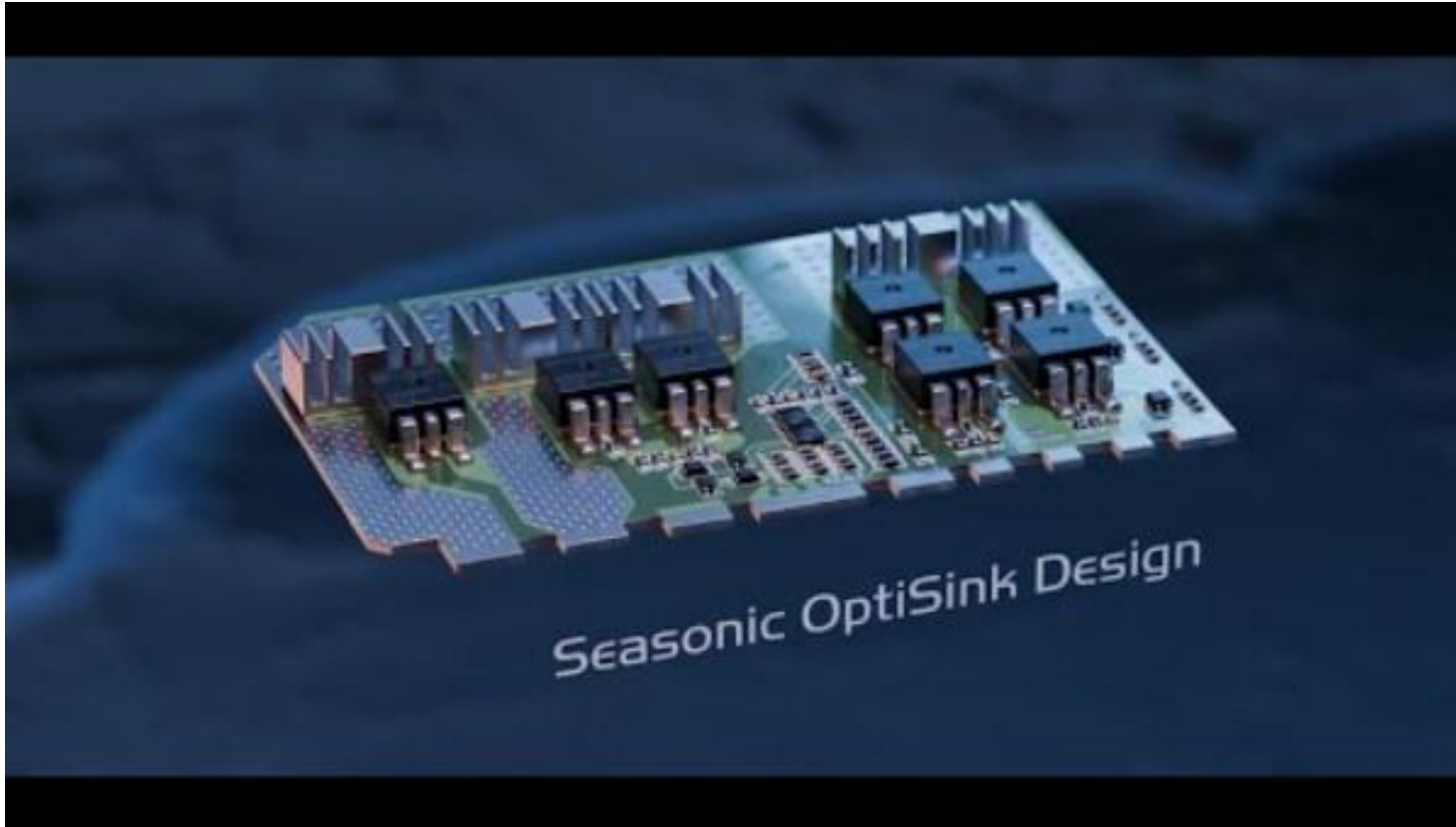




OptiSink



The implementation of automated surface mount technology on a new PCB layout, along with the use of smaller MOSFET and heat sink components, increases the internal space within the PSU. This enhancement improves airflow and makes the FOCUS V4 / CORE V2 Series more efficient, enhancing its quality and reliability.

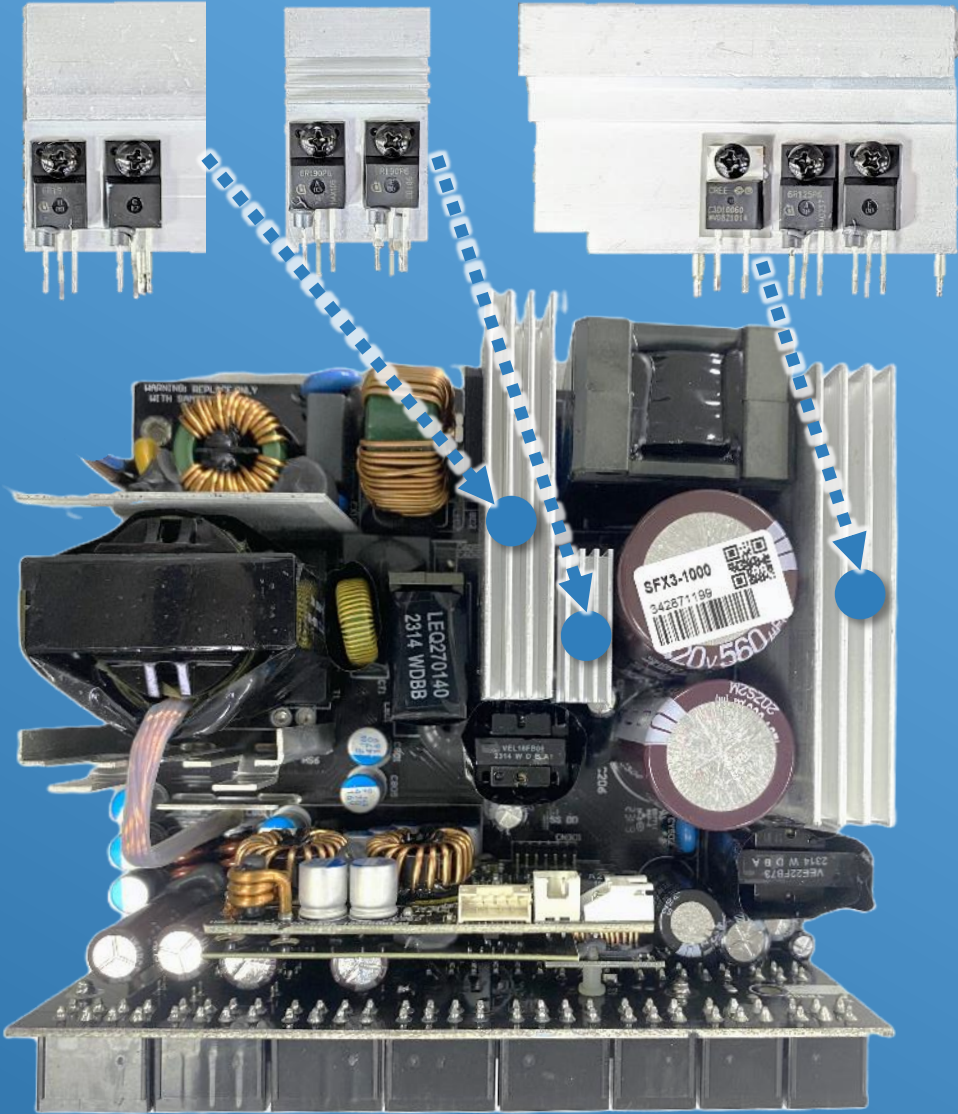


OptiSink

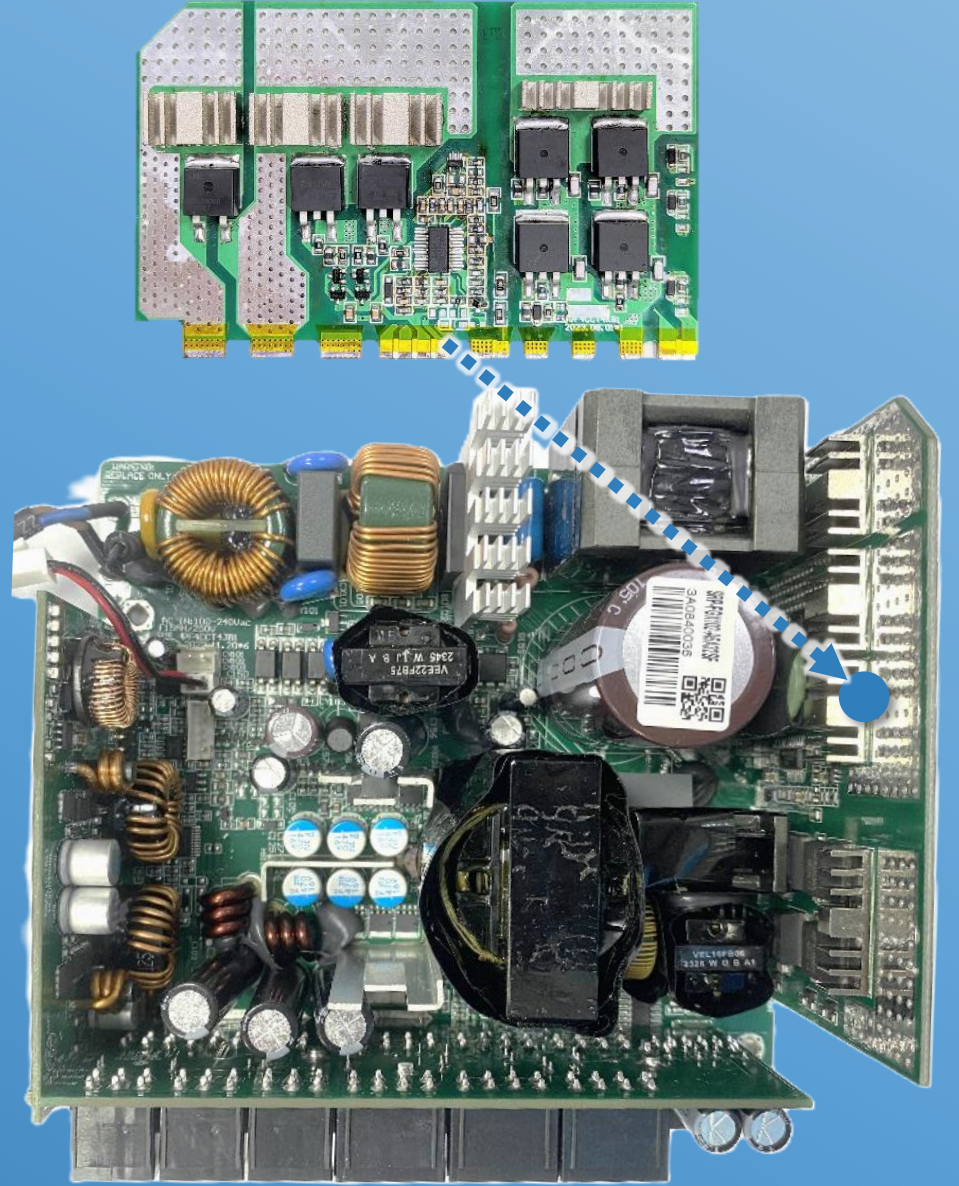
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[Link](#)

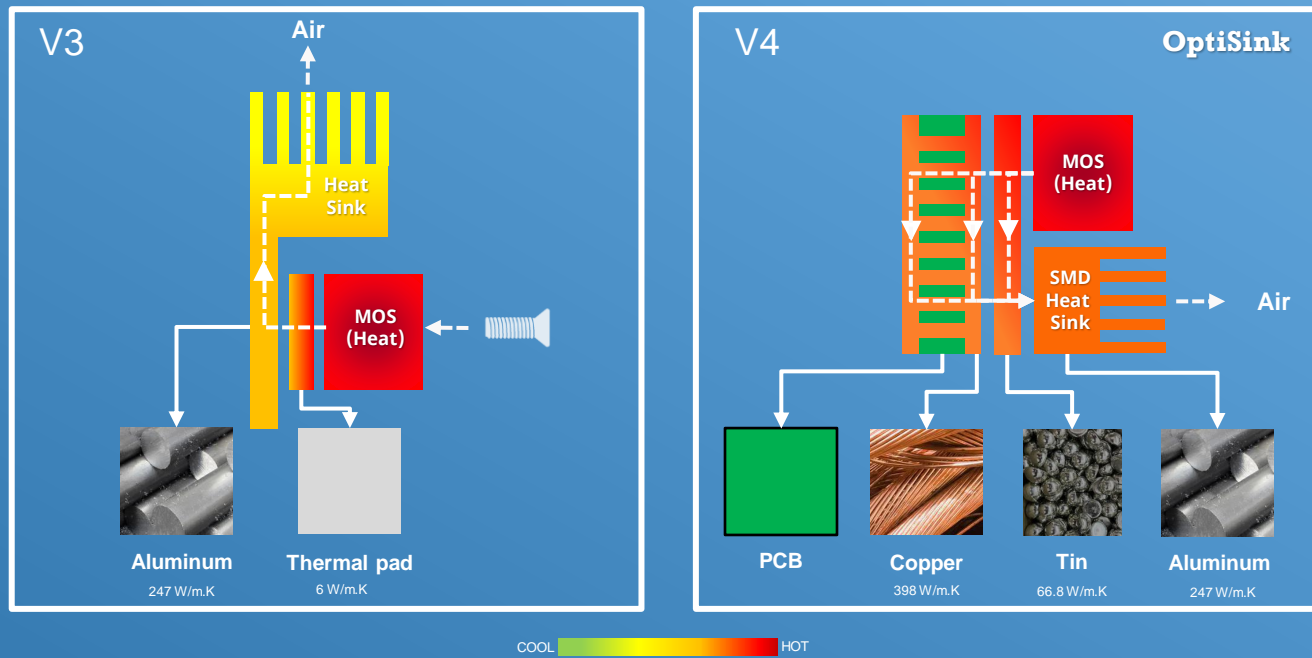
V3



V4



Heat Transfer Coefficient

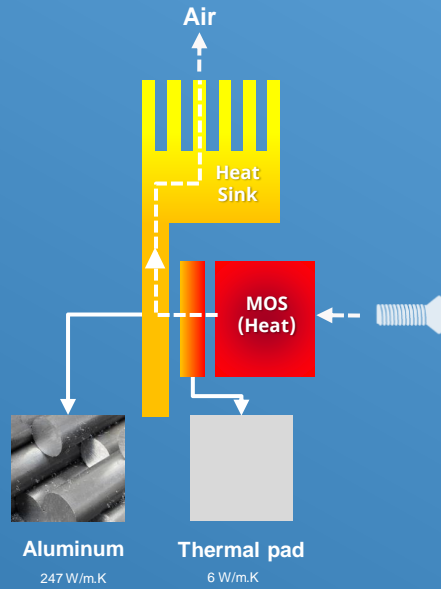


The thermal conductivity of a material is a measure of its ability to conduct heat. It is commonly denoted by k and is measured in $W/m.K$ (watts/meter-kelvin).

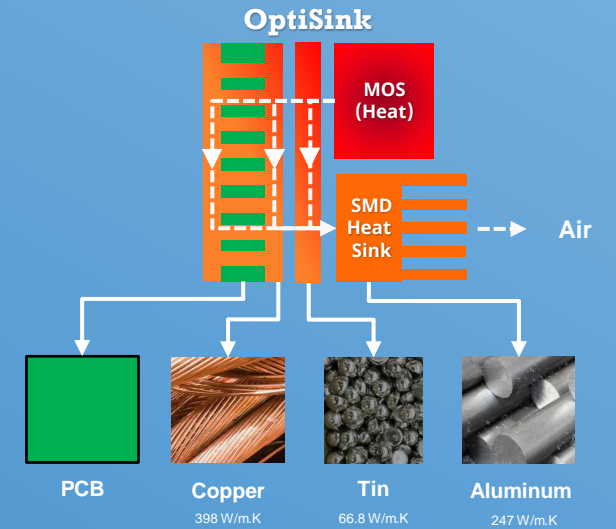
The higher the value of k , the greater the material's ability to conduct heat.

FOCUS

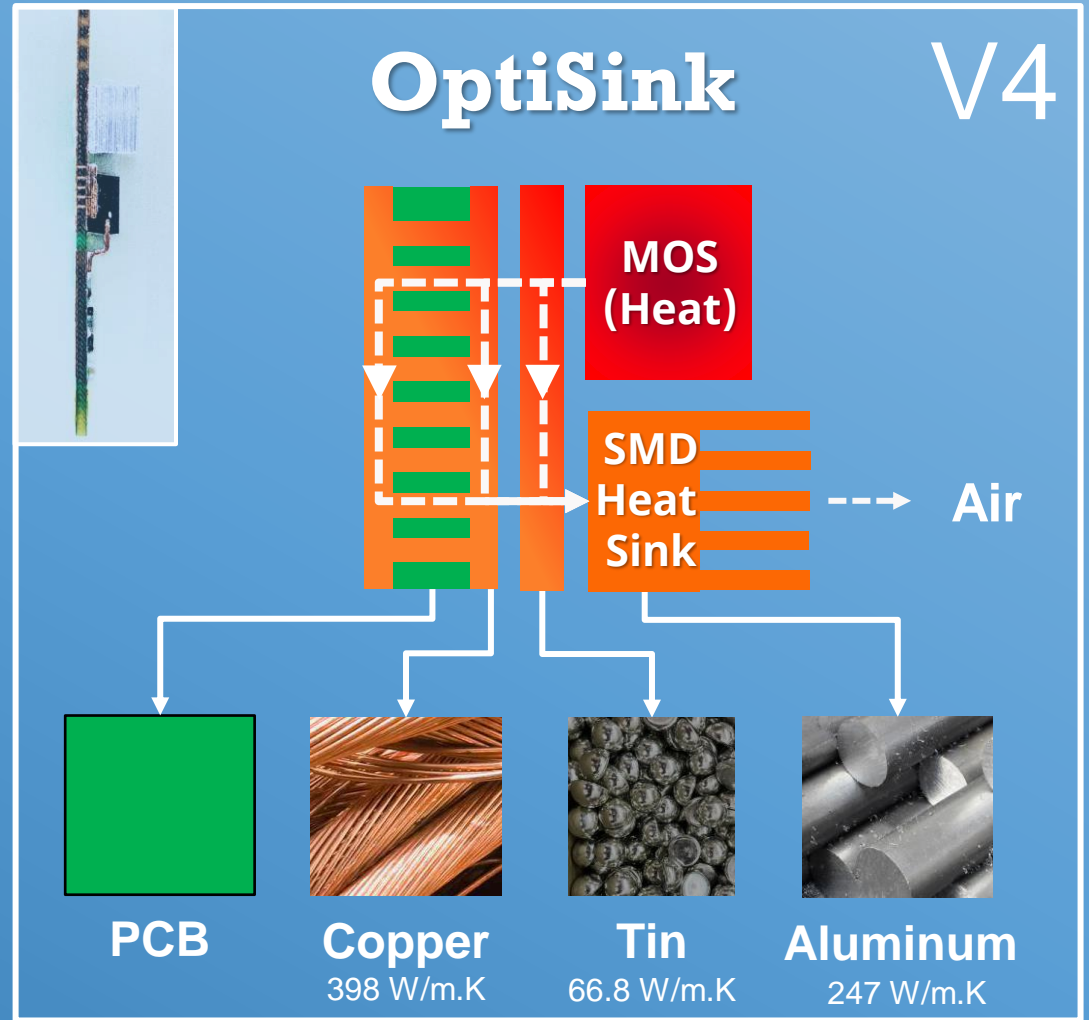
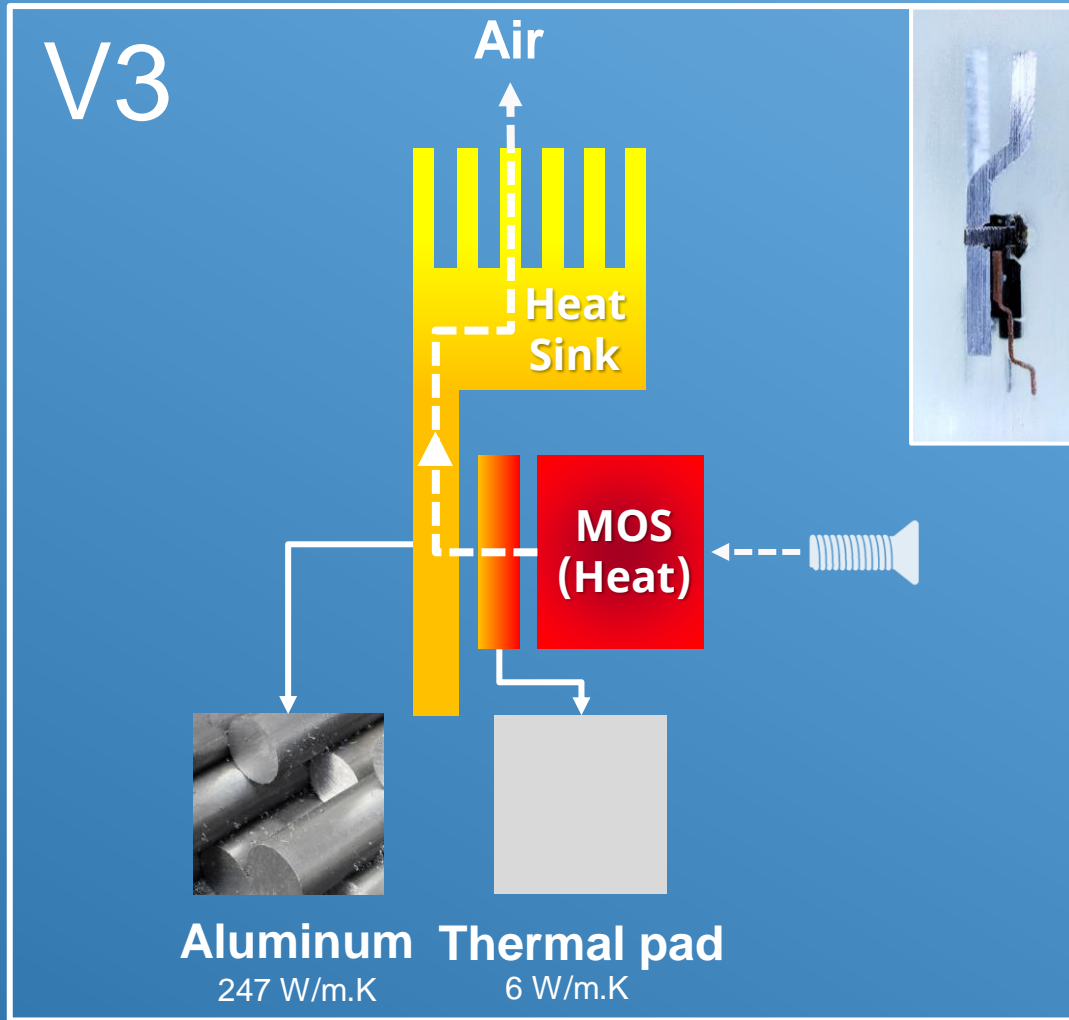
V3



V4



FOCUS



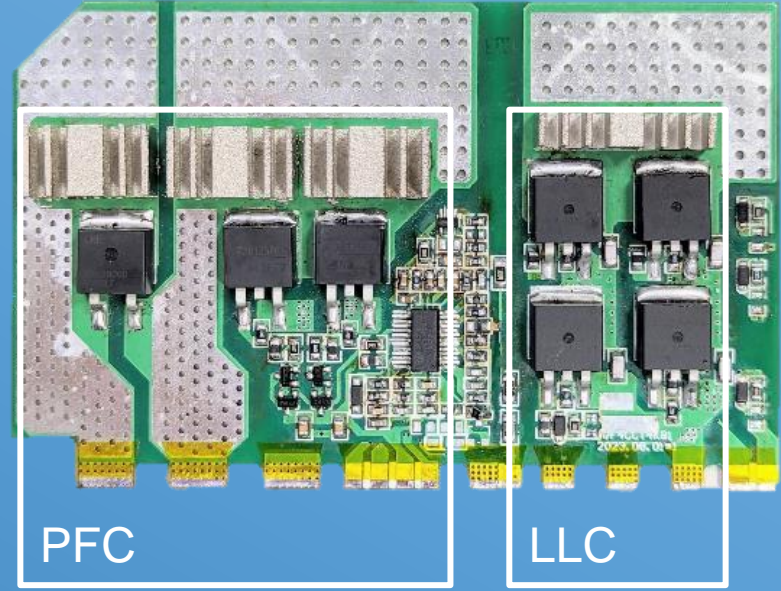
Benefits of Density

V3 Density 36030 mm³

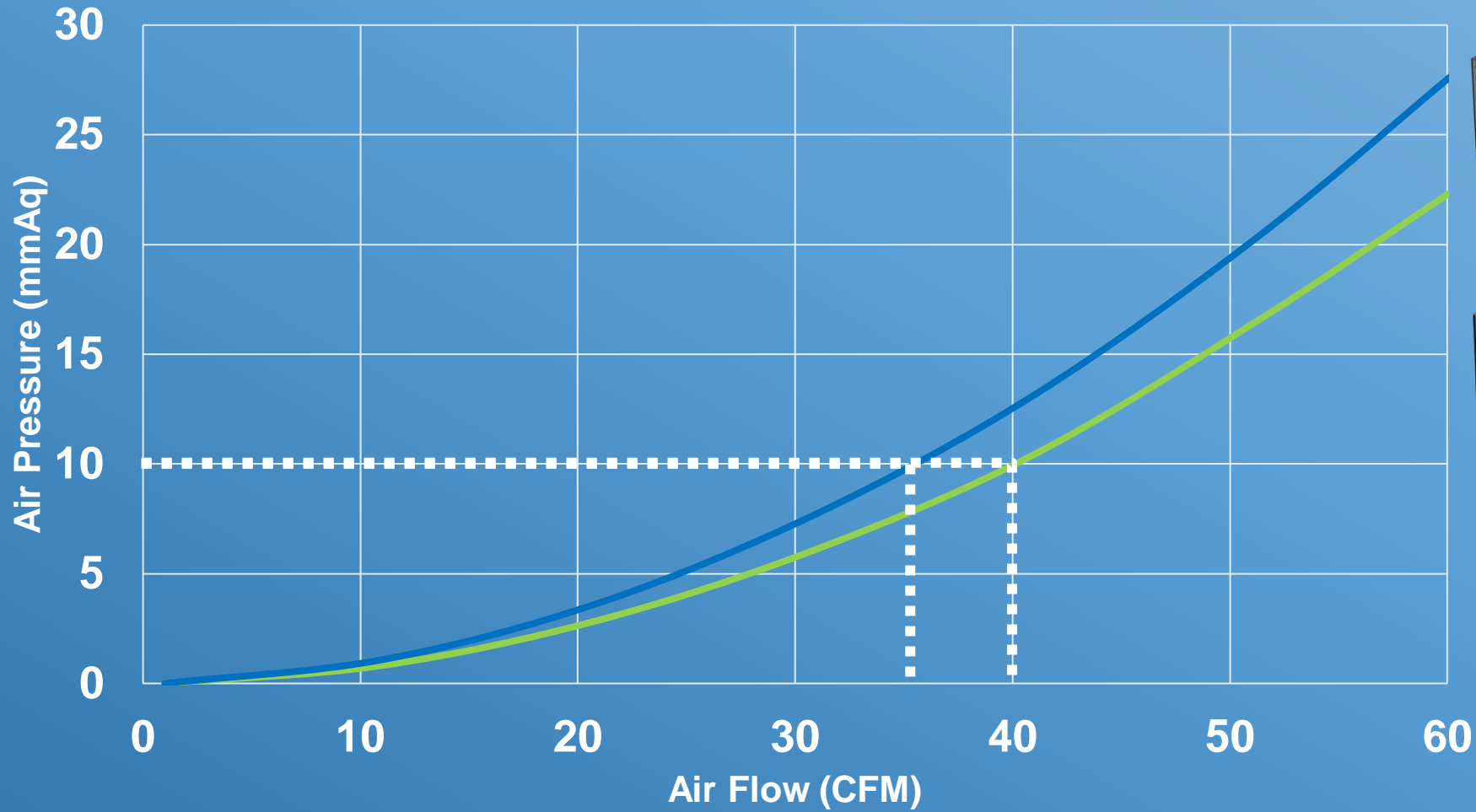


48% off

V4 Density 17383 mm³



PQ Curve



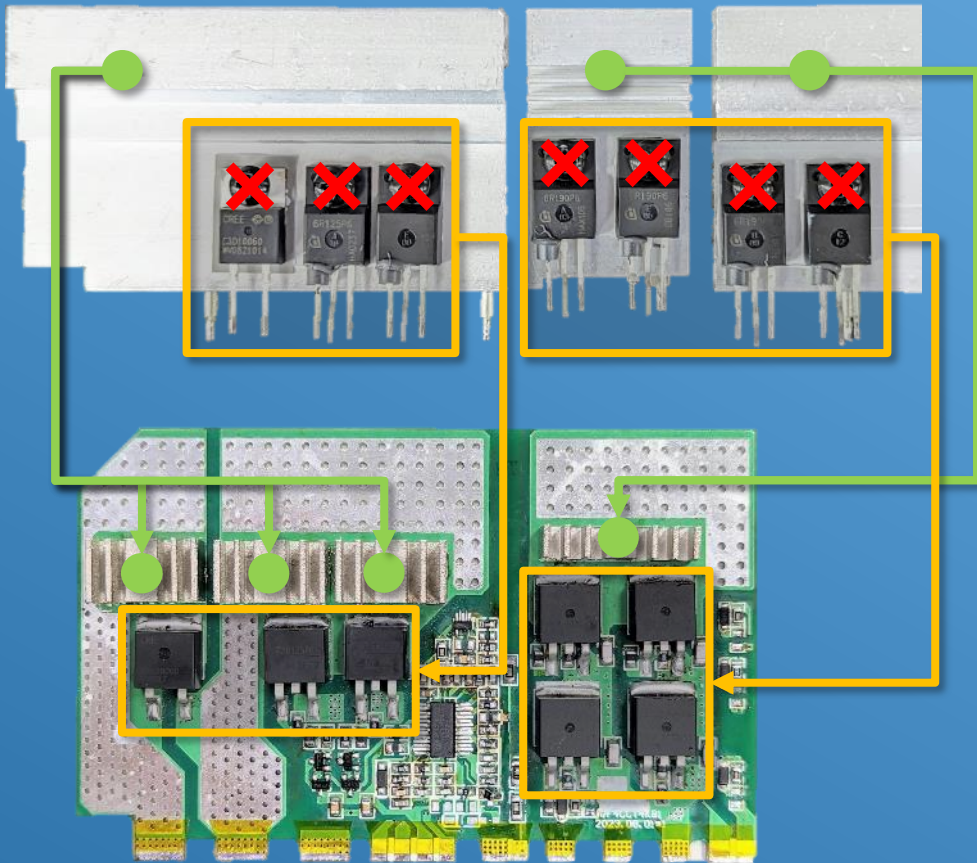
Focus V3



Focus V4

— Focus V4 — Focus V3

Benefits of Cost and Quality



SMD Head Sink

- The SMD heat sink is less expensive than the regular heat sink.

SMD MOS

- SMD MOSFET can reduce production fees and minimize the risk of quality issues due to manual errors.

Screw Less

- The SMD process can conserve screws, thermal pads, bead cores, and washers.





Full Solder Printing Paste Process

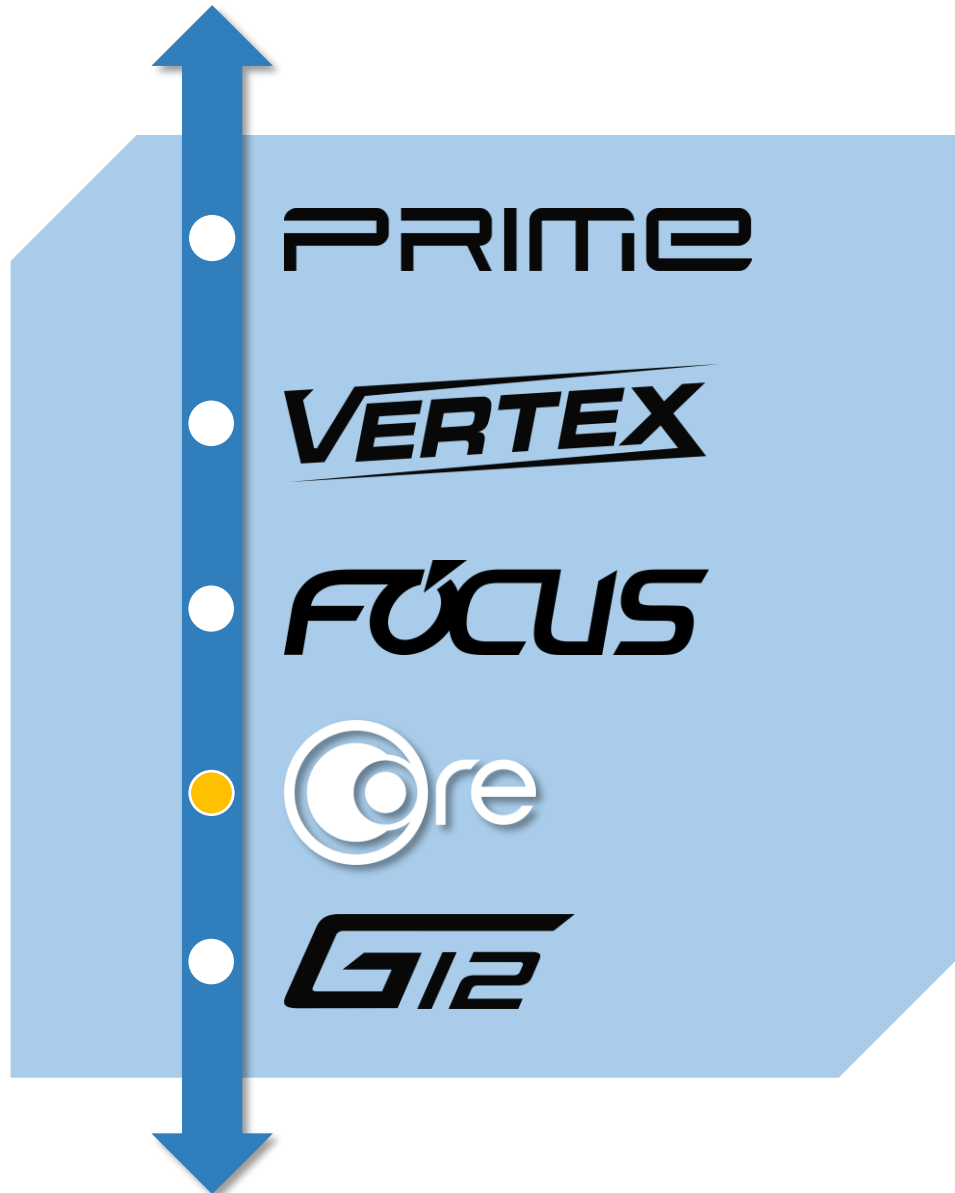
- The full solder paste printing process is cheaper compared to the dual process (FOCUSv3).

Conclusion

- FOCUSv4 has the potential to reduce costs and enhance quality.

Differences from FOCUS V3

	FOCUS V3	FOCUS V4
Appearance		
MSRP		US\$ 10 ↓
Intel Design Guide Ver.	Intel DG 2.1 ATX3.1	Intel DG 2.1 ATX3.1
OpitSink		✓
Efficiency		
Process	Dispensing glue+Solder paste printing process	Full Solder paste printing process

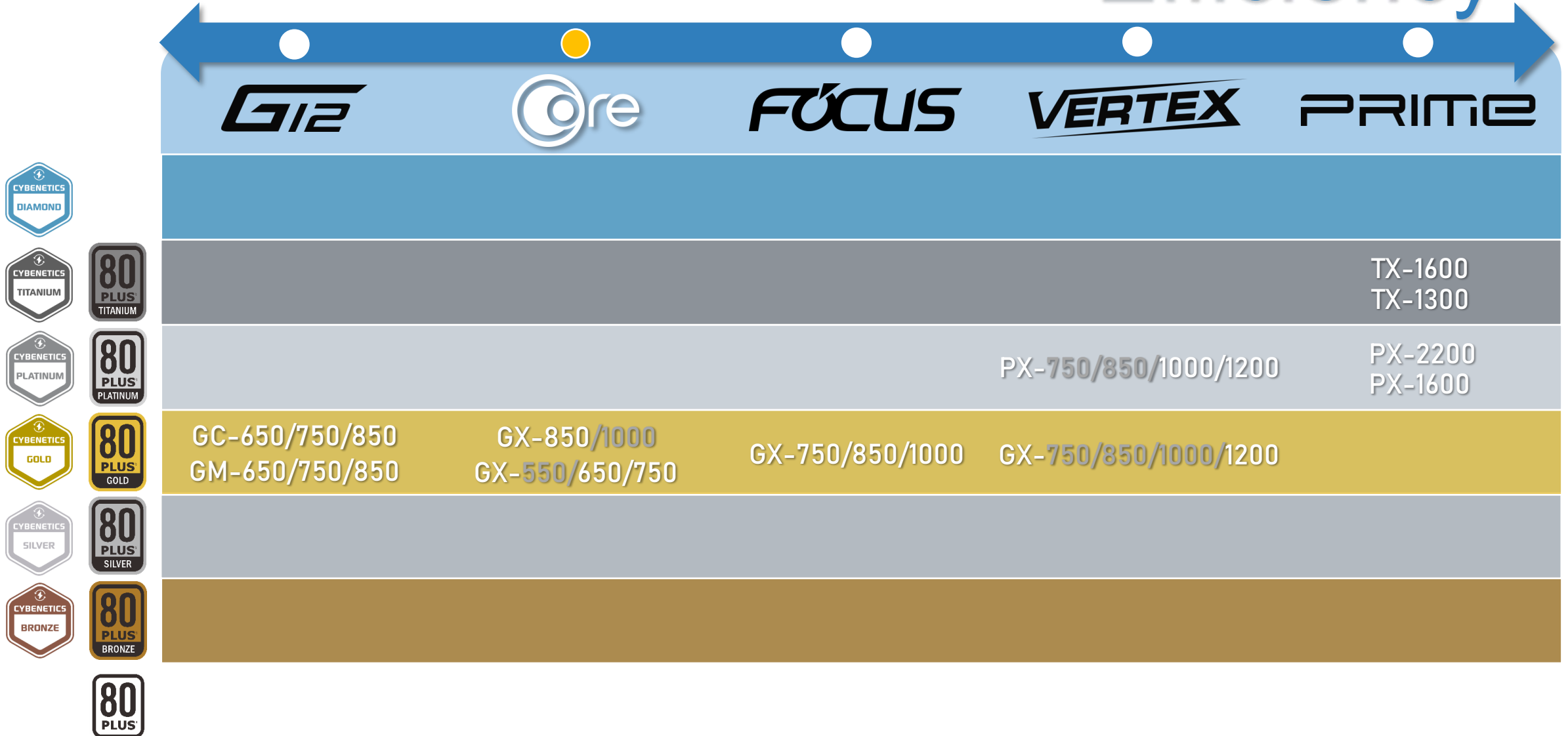


CORE

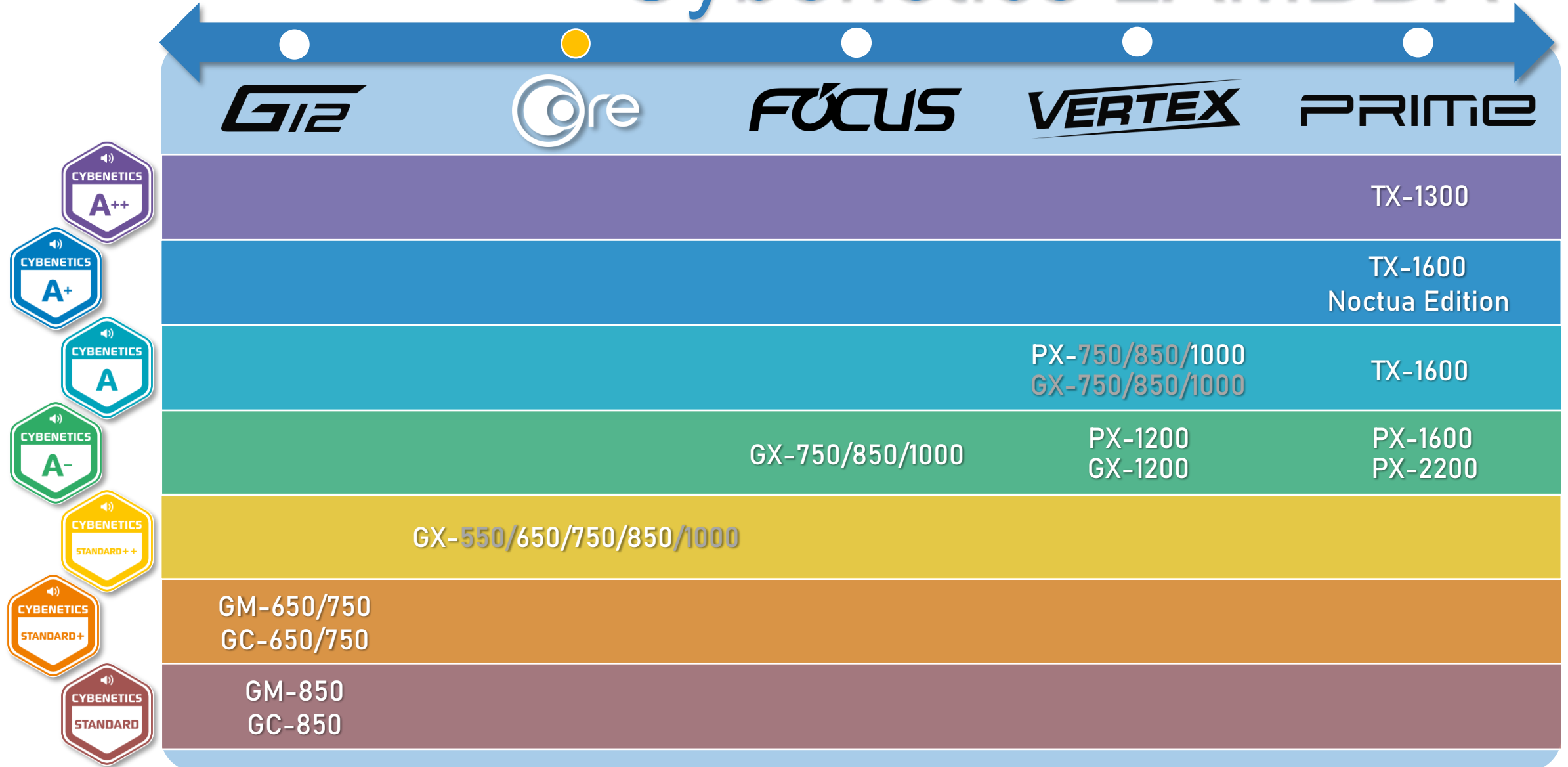


Inheriting excellent electrical properties and OptiSink from the FOCUS series, the CORE series introduces high-quality components made in Taiwan and China to make the products more cost-effective and keep good performance.

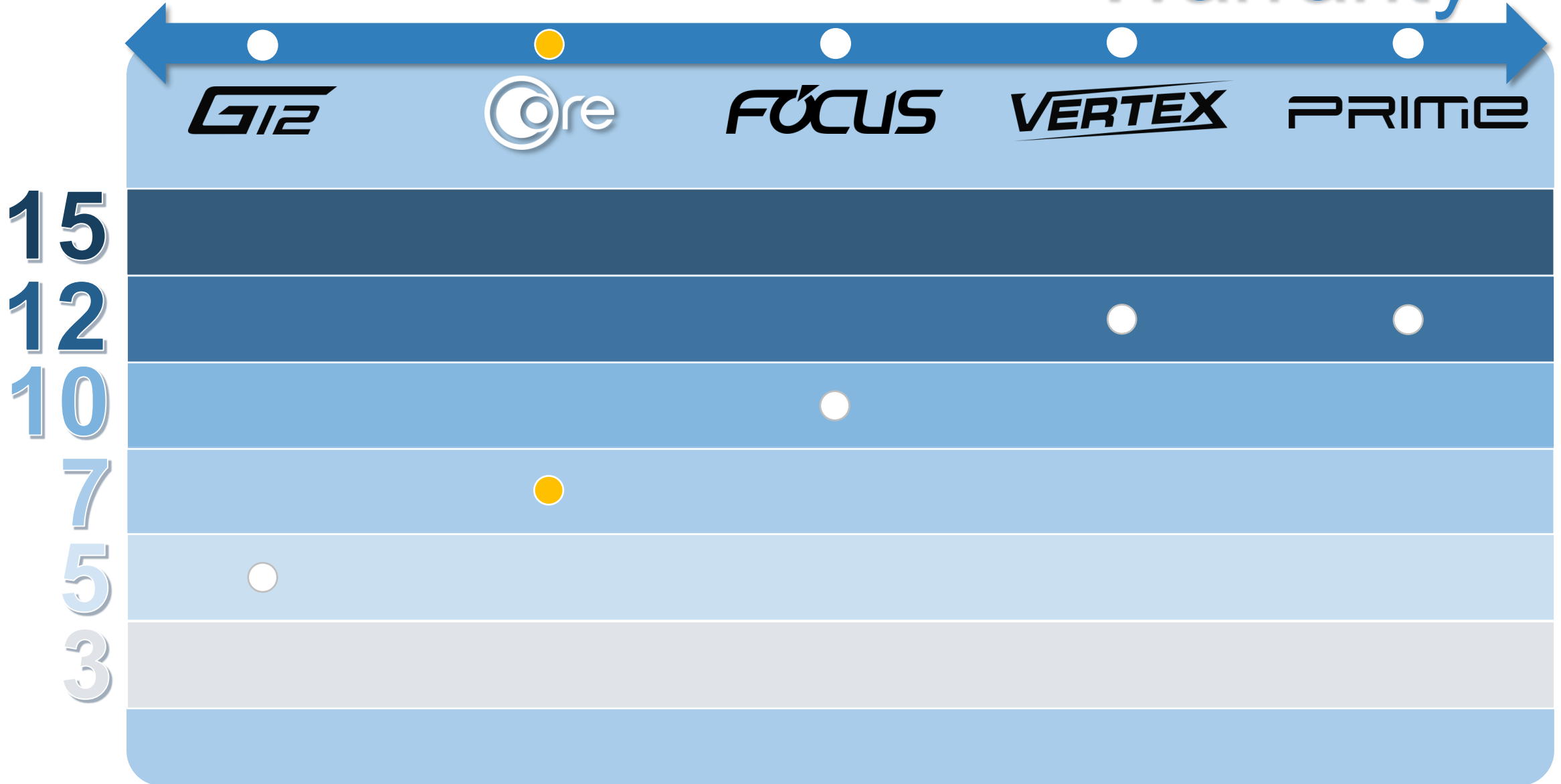
Efficiency







Cybenetics LAMBDA



Warranty



Differences from CORE V1

	CORE V1	CORE V2
Appearance	 	 
Intel Design Guide Ver.	Intel DG 1.3 ATX 2.4	Intel DG 2.1 ATX3.1
Wattage	500/550/650	550/650/750/850/1000
OpitSink		✓
Process	Dispensing glue+Solder paste printing process	Full Solder paste printing process

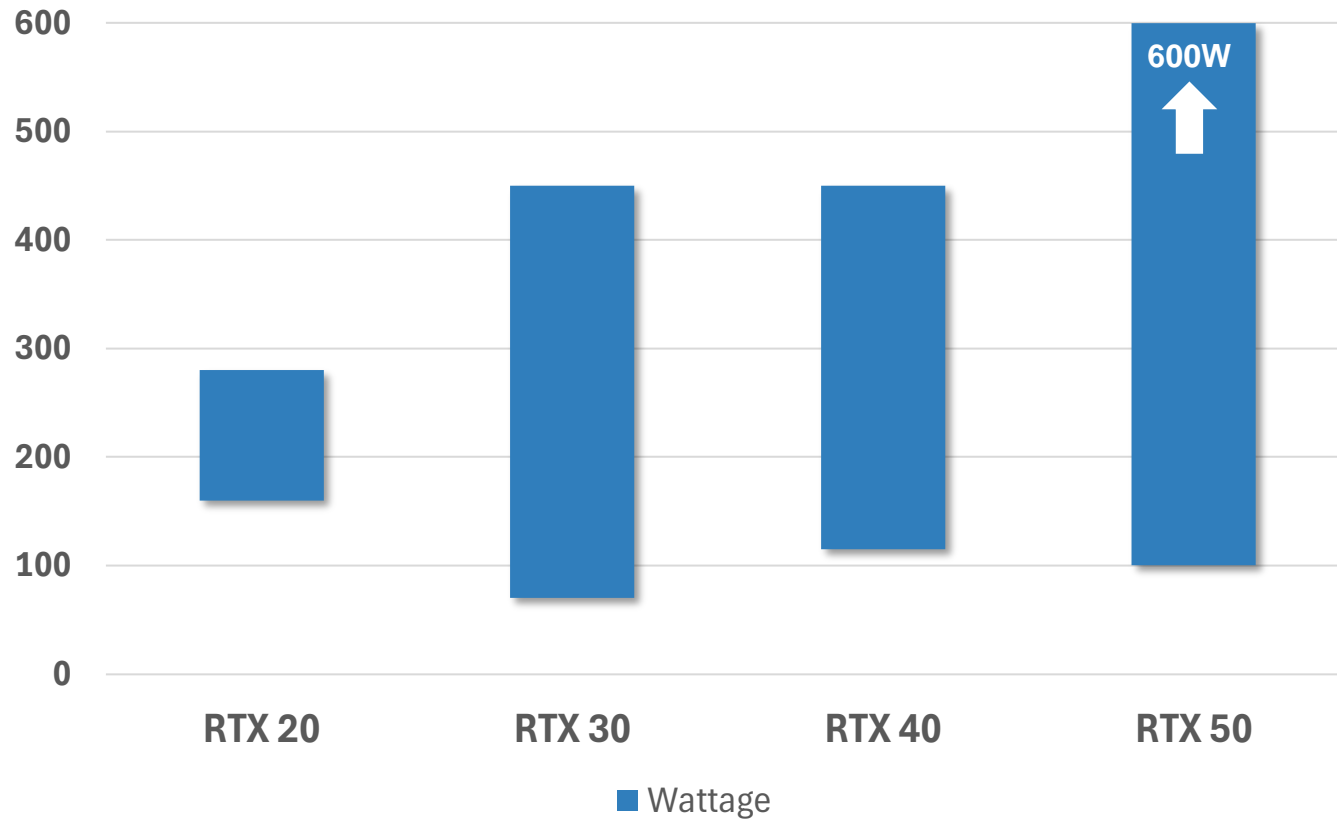


- **Product Name: MAXFlow 120**
- **Factor: 120*120*30**
- **MSRP: 3FAN 69.99 USD / 1FAN 24.99USD**
- **PC Build Budge: \$\$\$\$\$**
- **CMF: 146.81**
- **mmH2O: 9.10**
- **Db: 46.2**
- **Key tech:**
 - **30mm deep blade design.**
 - **Hybrid fan mode.**
 - **Design max. airflow.**
- **MP: 2024/06**

MAXFlow

MaxFlow offers higher performance and an approachable price compared to competing products at the same level. It is expected to be launched in Q3 this year and will be Sea Sonic's first affordable performance fan.

VGA Wattage Trend



MARKET TREND

- Whether it is a gaming GPU or a server AI computing GPU, computing demand continues to increase. The demand for its TDP (Thermal design power) will be flat or grow next year.
- It is estimated that the demand for gaming PSUs will increase from 750W-1000W to 850W-1200W.
- AI PC and workstation demand wattage may increase to 3000W-3200W



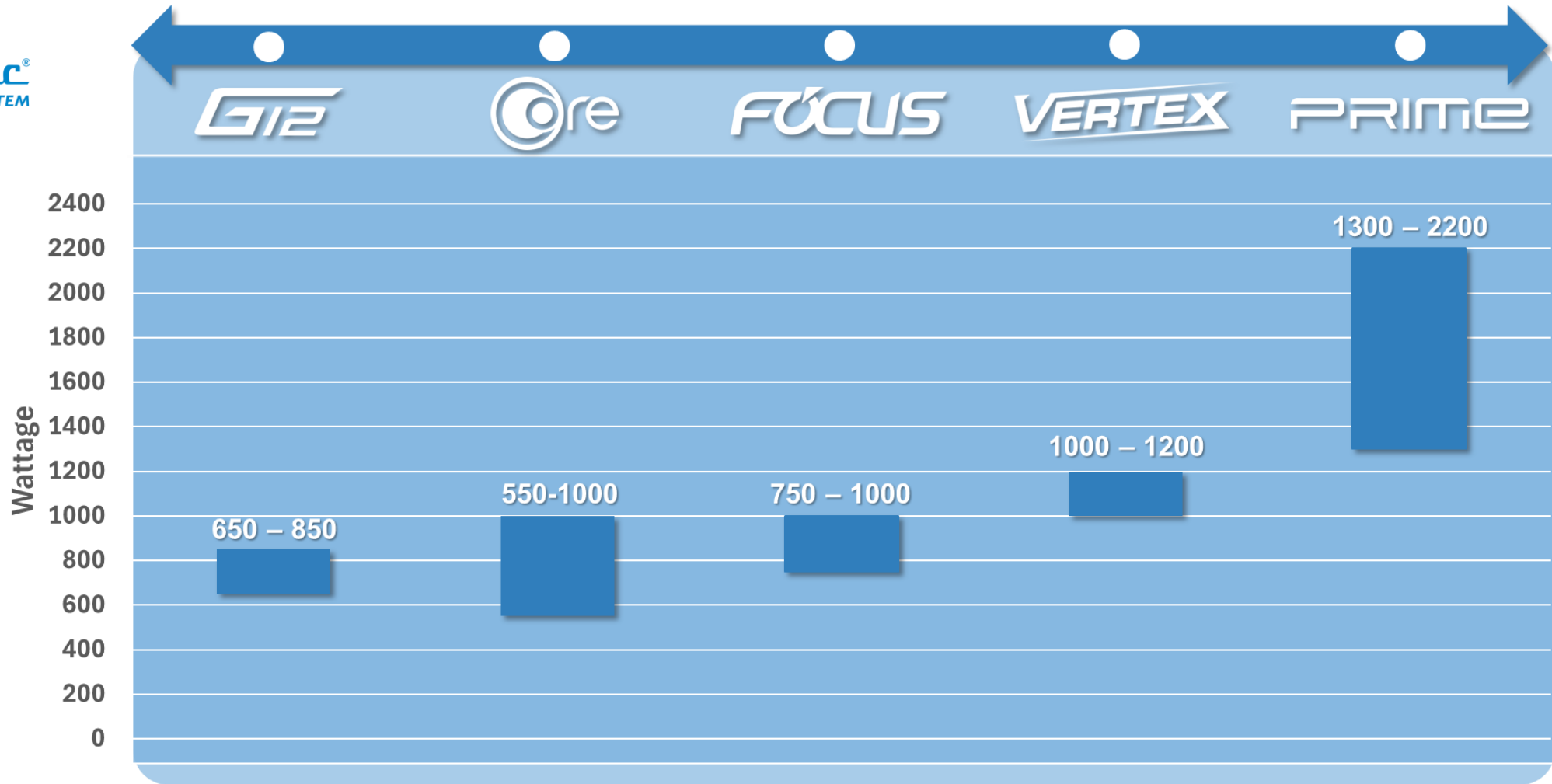
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MARKET TREND

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H100 AI Server



MARKET TREND

- Sea Sonic's product line has excellent, high-performance solutions ranging from 750W to 1600W for gaming PCs.
- In the future, Sea Sonic's PRIME PX-2200 and new generation products under development for AI edge computing can meet the needs.



ESG

Our Management's Vision

- The Sea Sonic Sustainability Report provides our stakeholders with a clear understanding of our initiatives, progress and goals.
- We at Sea Sonic are committed to the principles outlined in this report and continue advancing toward our sustainability targets.
- We obtained the SGS verification report.

2023 Sustainability Performance Highlights

Environmental

Social

Governance

ESG

Sea Sonic Electronics is committed to sustainable development, and its performance highlights in 2023 are in the three significant aspects of environmental protection, social responsibility, and corporate governance.

Environmental

- ISO 14064-1 2018
- GHG emissions intensity decreased by 10%
- Group Energy Intensity
- Waste Treatment
- Reduced Unit Manufacturing Hours 10.7%
- Reduced Per Unit Manufacturing Hours
- Power Conversion Efficiency Gains
- Digitize Product User Manuals
- Reduced Paper Usage by 33%
- Energy Savings with a Simple Light Bulb Change
- Manufacturing Material Re-Use

ESG

Environmental

Social

Governance

Social

- Data & Cyber Security
- Equal Opportunity
- A View to Human Rights
- Social Responsibility
- 2023 Customer Satisfaction Survey
- Business Partners and Corporate Responsibilities
- Prioritization of Talent Development
- ESG Training

Governance

- Top 21%~35%
- Revenue and Performance Increase
- EPS Gains
- Female Directors
- Guidelines & Standards Quality & Safety Concerns Zero!
- Environmental & Social Impact Screening

ESG

Environmental

Social

Governance

ISO 14064-1 2018

- The Sea Sonic group has adopted the ISO14064-1:2018 greenhouse gas emissions and removals quantification and reporting system into its operational strategies and strengthened the company's sustainability goals.

GHG emissions intensity decreased by 10%

- GHG emissions intensity ratio : The emissions per million revenue (Scope 1 + Scope 2) decreased by 10% compared with the previous year.

Group Energy Intensity

- In 2023, the Energy intensity ratio (total energy consumption per million revenue) decreased by nearly 10% compared to the previous year.

Environmental



Waste Treatment

- In 2023, waste treatment fully complied with the relevant laws and regulations of the place of operation and with zero environmental violations.

Reduced Unit Manufacturing Hours 10.7%

- In 2023, Sea Sonic reduced the total manufacturing hours of the Vertex and Focus series by 10.7% through product design improvements and manufacturing process gains, such as higher-efficiency equipment.

Reduced Per Unit Manufacturing Hours

- In 2023, Sea Sonic, through manufacturing efficiency gains, achieved an annual savings of 62.05 million kilowatt-hours and an annual reduction of 30,653 metric tons of CO2 equivalent.

Environmental



Power Conversion Efficiency Gains

- Certified by Cybernetics for Efficiency and Noise Level, the average efficiency rating of Sea Sonic power supplies improved from A- in 2018 to A++ in 2023.
- The average power conversion efficiency of the VERTEX 80 PLUS® Gold series has increased from 88% to 89%. By using Sea Sonic products, we can effectively reduce energy consumption and contribute to global environmental protection and sustainable development.

Digitize Product User Manuals

- In 2023, efforts were made to reduce environmental pollution by promoting digital product manuals to replace paper versions, thereby reducing paper usage.

Environmental



Reduced Paper Usage by 33%

- Most Sea Sonic products have adopted digitization of the information by removing paper versions of the User Manuals and Quick Installation Guides, resulting in approximately a 33% reduction in total paper usage.

Energy Savings with a Simple Light Bulb Change

- In Sea Sonic facilities, we performed a large-scale replacement program where 313 x 100 W T8 lamps were replaced with 48 W LED flat lamps. This resulted in an annual power saving of over 40,000 kWh per year.

Manufacturing Material Re-Use

- In 2023, Sea Sonic increased the reuse rate for blisters, cartons, and pallets. This reduced recycling volume and waste disposal fees and effectively improved resource utilization.

Environmental



Data & Cyber Security

- Established in 2023, Sea Sonic's Information Security Team aims to enhance the group's awareness of data and cybersecurity.

Equal Opportunity



- In 2023, 38% of Sea Sonic's Executive Team was female. We strive to ensure that women have fair opportunities to participate in the decision-making process and leadership roles.

A View to Human Rights

- In 2023, Sea Sonic introduced our Human Rights Policy that aims to safeguard the rights and interests of employees in reference to labor-related regulations of global operating locations and as well, human rights protection principles outlined in international human rights conventions.

Social



Social Responsibility

- In 2023, Sea Sonic supported the United Nations Children's Fund (UNICEF), The Côte d'Ivoire Project in Africa. The program...
 - Recycled 1,441 tons of plastic waste while providing employment opportunities for the locals
 - Converted the plastic waste into building blocks to build 262 classrooms for the local children.
 - Provided 13,100 West African children with school buildings & shelter.

2023 Customer Satisfaction Survey

- Overall Customer Satisfaction rate was 87.6%
- Customer Service and Technical Capabilities Satisfaction rate was 97.6%

Social



Business Partners and Corporate Responsibilities



- Sea Sonic requires new suppliers to sign the "Declaration of Conflict-Free Metals", to adhere to Sea Sonic's policy of not using minerals sourced from areas of conflict. The signing rate in 2023 was 96%.

Prioritization of Talent Development



- In 2023, Sea Sonic the increase the number of training courses available to more trainees. The total training hours increased by 131% as compared to 2022, demonstrating Sea Sonic's commitment to investment in employee training.

ESG Training

- In 2023, 1,045 hours of new ESG-related training courses were logged as compared to 2022.
- The primarily focus was for senior executives' training on carbon emissions management and obtaining sustainability reporting certifications.

Social



Top 21%~35%

- In Taiwan Stock Exchange's 10th Corporate Governance Evaluation, Sea Sonic ranked within the top 21%~35% of all stock market listed companies.

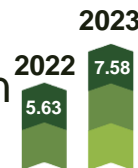
Revenue and Performance Increase

- In 2023, Sea Sonic's consolidated revenue was NT Dollars 3.3 B, an increase of 30.5% compared to 2022.



EPS Gains

- In 2023, Sea Sonic's EPS was NT Dollars 7.58, an increase of 35.5% compared to the previous year.



Governance



Female Directors



- In 2023, nearly 30% of our Board of Directors members were female. This figure is higher than the national survey of the average of all listed companies on the Taiwan Stock Exchange.

Guidelines & Standards

- Sea Sonic's first Sustainability Report was released in accordance to the Global Reporting Initiative's (GRI) 2021 guidelines, and Governance Results related to the Task Force on Climate-Related Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB).

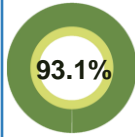
Quality & Safety Concerns Zero!

- In 2023, Sea Sonic is proud to announce there were ZERO occurrences of any major Quality or Safety Concern Events.

Governance



Environmental & Social Impact Screening



- Established in 2023, our Supplier Technology, Quality, Responsiveness, Delivery, Cost and Environment (TQRDCE) Assessment System requires all new suppliers to pass 93.1% of the screening mechanisms for Environmental and Social impact.

Governance



Thank You