



3Q19 Operating Results

November 13, 2019

D-Link



Financial Review

3Q19 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	3Q19		2Q19		QoQ % Change	3Q18		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	4,290	100.0	4,049	100.0	6.0	4,593	100.0	(6.6)
Cost of Goods Sold - Product	3,054	71.2	2,933	72.4	4.1	3,275	71.3	(6.7)
Gross Profit 1	1,236	28.8	1,117	27.6	10.6	1,318	28.7	(6.2)
Inventory Related Gain/(Loss)	0	0.0	(50)	(1.2)		22	0.5	
Gross Profit 2	1,236	28.8	1,067	26.3	15.8	1,340	29.2	(7.8)
Operating Expenses	1,272	29.6	1,285	31.7	(1.0)	1,266	27.6	0.5
Operating Income	(36)	(0.8)	(218)	(5.4)		74	1.6	
Total Non-Op. Inc. (Loss)	13	0.3	36	0.9		(1)	(0.0)	
Income Before Tax	(23)	(0.5)	(182)	(4.5)		73	1.6	
Tax (Exp.) / Income	(35)	(0.8)	(38)	(0.9)		(45)	(1.0)	
Net Income	(58)	(1.3)	(220)	(5.4)		29	0.6	
Non-controlling Interests	(18)	(0.4)	(12)	(0.3)		(23)	(0.5)	
Consolidated Income	(75)	(1.8)	(232)	(5.7)		6	0.1	
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,520M	(0.12)		(0.36)			0.01		

*The numbers are consolidated and the net income is audited/reviewed.

**Weighted-Avg. Capital adjusted for treasury shares.

3Q19 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	3Q19	2Q19
Investment Income	51	15
Sub./Aff.	21	15
Capital Gain	30	0
FX Gain/(Loss)	(49)	2
Fin. Income/(Exp.) & Other	11	19
Total Non-op Income/Loss	13	36

* The numbers are consolidated and the net income is audited/reviewed.

YT3Q19 Income Statement & YoY Comparison

Unit: NT\$ million	YT3Q19		YT3Q18		YoY % Change
	AMT	%	AMT	%	
Net Sales	12,541	100.0	14,779	100.0	(15.1)
Cost of Goods Sold - Product	9,024	72.0	10,499	71.0	(14.0)
Gross Profit 1	3,517	28.0	4,280	29.0	(17.8)
Inventory Related Gain/(Loss)	(20)	(0.1)	(24)	(0.2)	
Gross Profit 2	3,497	27.9	4,256	28.8	(17.8)
Operating Expenses	3,850	30.7	4,066	27.5	(5.3)
Operating Income	(353)	(2.8)	191	1.3	
Total Non-Op. Inc. (Loss)	48	0.4	(97)	(0.7)	
Income Before Tax	(305)	(2.4)	93	0.6	
Tax (Exp.) / Income	(123)	(1.0)	(107)	(0.7)	
Net Income	(428)	(3.4)	(14)	(0.1)	
Non-controlling Interests	(49)	(0.4)	(22)	(0.1)	
Consolidated Income	(476)	(3.8)	(35)	(0.2)	
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,520M	(0.73)		(0.05)		

The numbers are based on consolidated numbers and the net income is audited/reviewed.

9/30/2019 Balance Sheet & QoQ Comparison

Unit: NT\$ million	9/30/19 AMT	%	6/30/19 AMT	%	QoQ % Change
Cash & S-T Investment	3,429	20.9	3,905	22.7	(12.2)
Account Receivable	3,622	22.1	3,712	21.6	(2.4)
Inventory	3,286	20.0	3,205	18.6	2.5
Long-term Investments	2,489	15.2	2,581	15.0	(3.6)
Total Assets	16,400	100.0	17,205	100.0	(4.7)
Accounts Payable	3,329	20.3	3,267	19.0	1.9
Current Liabilities	6,519	39.8	7,097	41.3	(8.1)
Common Stock	6,520	39.8	6,520	37.9	0.0
Stockholders' Equity	8,633	52.6	8,803	51.2	(1.9)

*The numbers are consolidated and the net income is audited/reviewed.

**Weighted-Avg. Capital adjusted for treasury shares.

Key Financial Ratios

Unit: % , days	3Q19	2Q19	1Q19	4Q18	3Q18
**Days A/R	93	91	80	80	88
**Days Inventory	93	87	80	83	84
**Days A/P	104	107	87	91	96
Cash Cycle	82	72	74	72	76
Current Ratio	1.67	1.62	1.67	1.61	1.61
Debt/Equity Ratio	0.85	0.90	0.81	0.87	0.84
***Net Debt/Equity Ratio	0.46	0.46	0.40	0.39	0.48
ROE	-3.5	-10.6	-7.4	6.16	0.24

The numbers are based on consolidated numbers and the net income is audited.

** Annualized

*** Net of Cash & S-T investment

Quarterly Revenue by Region

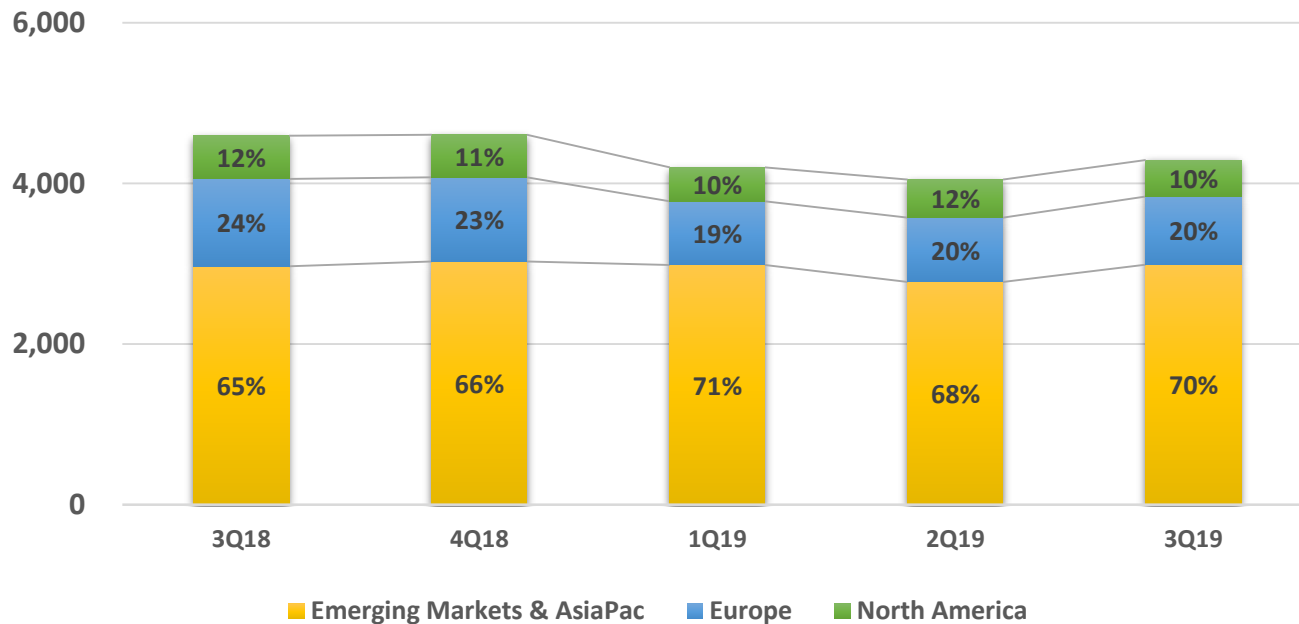
In NT\$, up 6% QoQ, down 6.6% YoY

- N.A. down 4.8% QoQ, down 15.7% YoY
- Europe up 5.9% QoQ, down 21.9% YoY
- Emerging Mkts & APac up 7.8% QoQ, up 0.7% YoY

In US\$, up 5.8% QoQ, down 7.8% YoY

- N.A. down 5.2% QoQ, down 17.6% YoY
- Europe up 5.4% QoQ, down 22.1% YoY
- Emerging Mkts & APac up 7.8% QoQ, down 0.8% YoY

NT\$ mln



Quarterly Revenue by Product

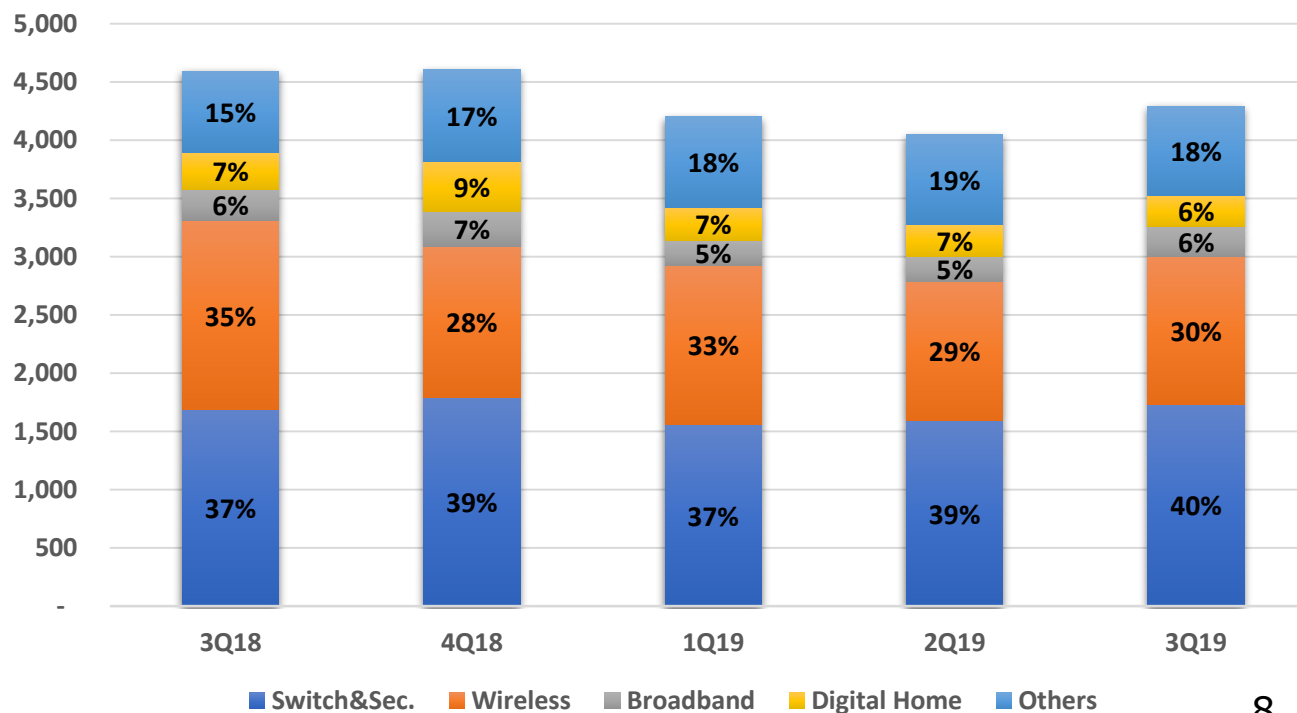
In NT\$ terms:

- Switch up 8.7% QoQ, up 3% YoY
- Wireless up 6.5% QoQ, down 22.1% YoY
- B.B. up 16.1% QoQ, down 5.4% YoY
- D.H. down 0.2% QoQ, down 14.1% YoY

In US\$ terms:

- Switch up 8.6% QoQ, up 1.6% YoY
- Wireless up 6.3% QoQ, down 23.1% YoY
- B.B. up 15.5% QoQ, down 6.8% YoY
- D.H. flat QoQ, down 14.7% YoY

NT\$ mln



Safe Harbor Statement

All numbers are consolidated. Except for statements in respect of historical matters, the statements contained in this release are "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. 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 D-Link Corporation to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements.