

2Q19 Operating Results

August 13, 2019



Financial Review

2Q19 Income Statement & QoQ/YoY Comparison

Unit: NT\$ million	2Q19		1Q19		QoQ % Change	2Q18		YoY % Change
	AMT	%	AMT	%		AMT	%	
Net Sales	4,049	100.0	4,201	100.0	(3.6)	5,204	100.0	(22.2)
Cost of Goods Sold - Product	2,933	72.4	3,036	72.3	(3.4)	3,688	70.9	(20.5)
Gross Profit 1	1,117	27.6	1,165	27.7	(4.1)	1,516	29.1	(26.3)
Inventory Related Gain/(Loss)	(50)	(1.2)	30	0.7		(34)	(0.6)	
Gross Profit 2	1,067	26.3	1,195	28.4	(10.7)	1,483	28.5	(28.1)
Operating Expenses	1,285	31.7	1,293	30.8	(0.6)	1,427	27.4	(10.0)
Operating Income	(218)	(5.4)	(98)	(2.3)		55	1.1	
Total Non-Op. Inc. (Loss)	36	0.9	(1)	0.0		(98)	(1.9)	
Income Before Tax	(182)	(4.5)	(99)	(2.4)		(43)	(0.8)	
Tax (Exp.) / Income	(38)	(0.9)	(50)	(1.2)		(29)	(0.6)	
Net Income	(220)	(5.4)	(149)	(3.6)		(72)	(1.4)	
Non-controlling Interests	(12)	(0.3)	(19)	(0.4)		18	0.3	
Consolidated Income	(232)	(5.7)	(168)	(4.0)		(54)	(1.0)	
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,520M	(0.36)		(0.26)			(0.08)		

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

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

2Q19 Non-op Income/Loss & QoQ Comparison

Unit : NT\$ million	2Q19	1Q19
Investment Income	15	5
Sub./Aff.	15	5
Capital Gain	0	0
FX Gain/(Loss)	2	(11)
Fin. Income/(Exp.) & Other	19	5
Total Non-op Income/Loss	36	(1)

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

1H19 Income Statement & YoY Comparison

Unit: NT\$ million	1H19		1H18		YoY % Change
	AMT	%	AMT	%	
Net Sales	8,250	100.0	10,187	100.0	(19.0)
Cost of Goods Sold - Product	5,969	72.3	7,225	70.9	(17.4)
Gross Profit 1	2,281	27.7	2,962	29.1	(23.0)
Inventory Related Gain/(Loss)	(20)	(0.2)	(45)	(0.4)	
Gross Profit 2	2,261	27.4	2,917	28.6	(22.5)
Operating Expenses	2,578	31.2	2,800	27.5	(7.9)
Operating Income	(317)	(3.8)	116	1.1	
Total Non-Op. Inc. (Loss)	35	0.4	(97)	(0.9)	
Income Before Tax	(282)	(3.4)	20	0.2	
Tax (Exp.) / Income	(88)	(1.1)	(62)	(0.6)	
Net Income	(370)	(4.5)	(42)	(0.4)	
Minority Interest	(31)	(0.4)	1	0.0	
Consolidated Income	(400)	(4.9)	(41)	(0.4)	
EPS (NT\$)- Per Weighted-Avg. Capital of NT\$6,520M	(0.61)		(0.06)		

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

6/30/2019 Balance Sheet & QoQ Comparison

Unit: NT\$ million	6/30/19 AMT	%	3/31/19 AMT	%	QoQ % Change
Cash & S-T Investment	3,905	22.7	3,837	22.6	1.8
Account Receivable	3,712	21.6	3,742	22.0	(0.8)
Inventory	3,205	18.6	2,992	17.6	7.1
Long-term Investments	2,581	15.0	2,752	16.2	(6.2)
Total Assets	17,205	100.0	16,989	100.0	1.3
Accounts Payable	3,267	19.0	2,992	17.6	9.2
Current Liabilities	7,097	41.3	6,608	38.9	7.4
Common Stock	6,520	37.9	6,520	38.4	0.0
Stockholders' Equity	8,803	51.2	9,124	53.7	(3.5)

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

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

Key Financial Ratios

Unit: % , days	2Q19	1Q19	4Q18	3Q18	2Q18
**Days A/R	91	80	80	88	87
**Days Inventory	87	80	83	84	81
**Days A/P	107	87	91	96	105
Cash Cycle	72	74	72	76	63
Current Ratio	1.62	1.67	1.61	1.61	1.57
Debt/Equity Ratio	0.9	0.81	0.87	0.84	0.90
***Net Debt/Equity Ratio	0.46	0.40	0.39	0.48	0.52
ROE	-10.6	-7.4	6.16	0.24	-2.4

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

** Annualized

*** Net of Cash & S-T investment

Quarterly Revenue by Region

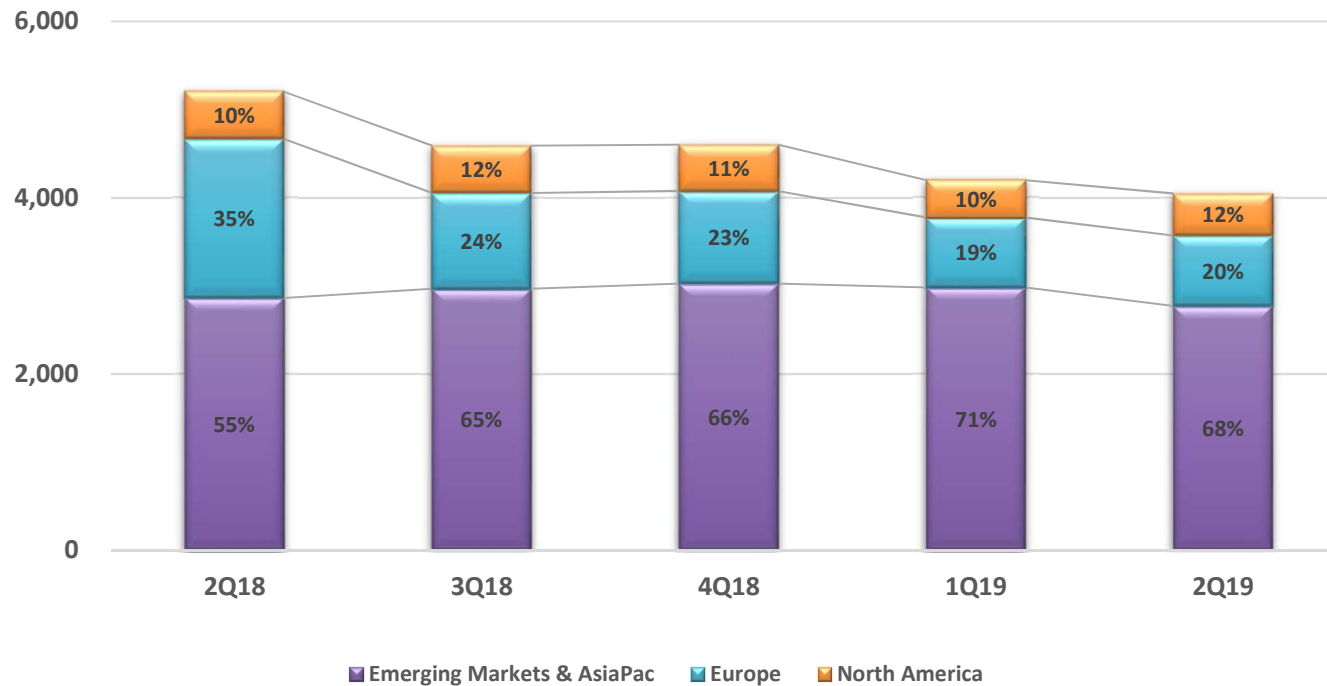
In NT\$, down 3.6% QoQ, down 22.2% YoY

- N.A. up 12.4% QoQ, down 11% YoY
- Europe up 0.9% QoQ, down 55.7% YoY
- Emerging Mkts & APac down 7.1% QoQ, down 3.2% YoY

In US\$, down 4.7% QoQ, down 25.7% YoY

- N.A. up 10.9% QoQ, down 15% YoY
- Europe flat QoQ, down 57.7% YoY
- Emerging Mkts & APac down 8.1% QoQ, down 7.6% YoY

NT\$ mln



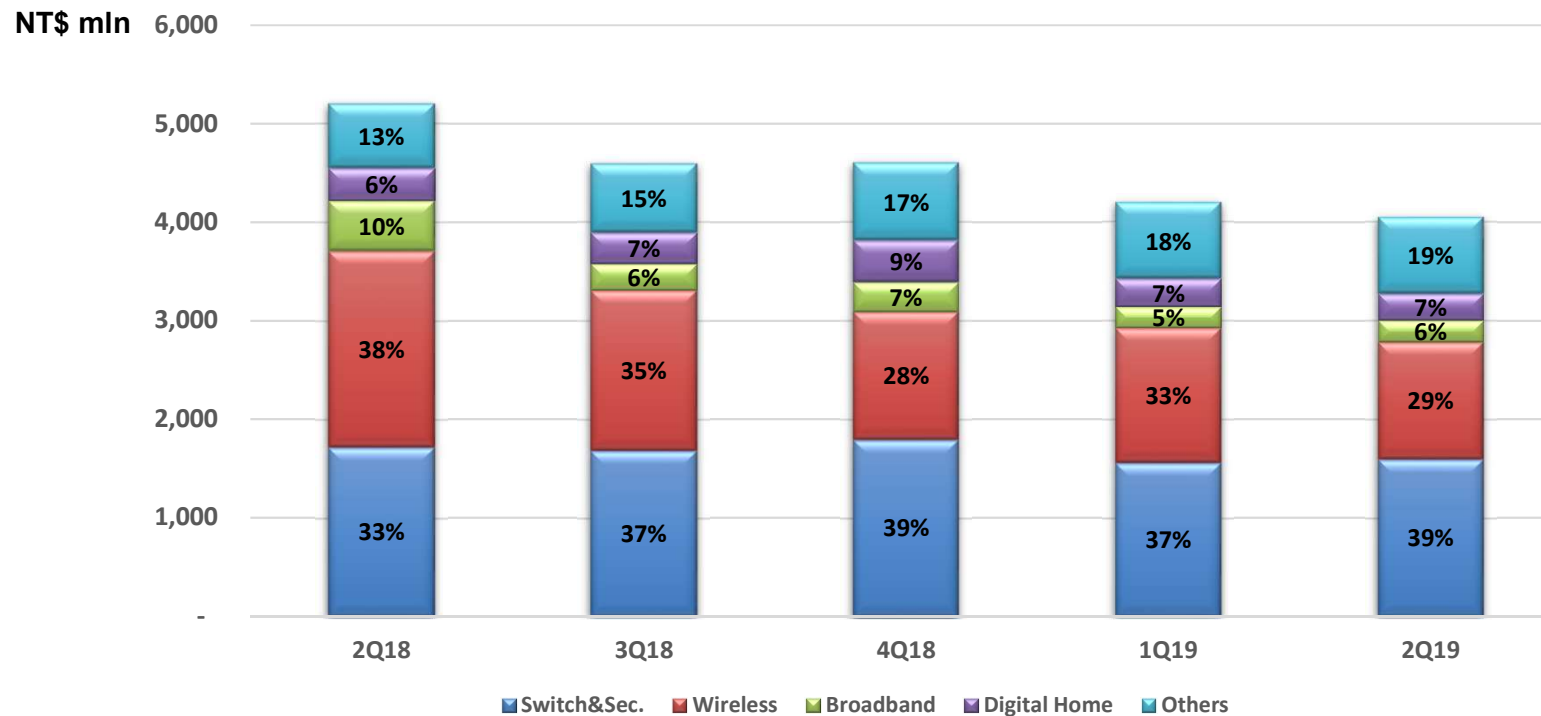
Quarterly Revenue by Product

In NT\$ terms:

- Switch up 2.4% QoQ, down 7.1% YoY
- Wireless down 13.2% QoQ, down 40.4% YoY
- B.B. up 2.6% QoQ, down 56.9% YoY
- D.H. down 4.3% QoQ, down 17.6% YoY

In US\$ terms:

- Switch up 1.2% QoQ, down 11.3% YoY
- Wireless down 14% QoQ, down 43% YoY
- B.B. up 1.4% QoQ, down 58.7% YoY
- D.H. down 5.4% QoQ, down 21.6% YoY



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.