



2022 2nd Quarter Results

July 26, 2022

2012 ~2021 Top 50 of Excellence in CSR Award from Taiwan's CommonWealth Magazine
2015 ~2022 Top 5% in the Corporate Governance Evaluation from TWSE
2017 ~2021 Earned TCSA "Corporate Sustainability Report Awards-Gold Award"
2018 ~2021 Earned TCSA "Transparency and Integrity Award"
2019 ~2021 Earned TCSA "Corporate Sustainability Award"
2013 ~2015 Earned A++ rating in Information Disclosure Evaluation from TWSE



Responsibility Innovation Superiority Entrepreneurship

Disclaimer

Except for historical information contained herein, the matters set forth in this presentation are forward-looking statements that are subject to significant risks and uncertainties and actual results may differ materially from those contained in any forward-looking statements.

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

Agenda

2022 2nd Quarter Financial Results (Franck Ho)

Display Business Report (Sarah Lin)

Q & A (Franck Ho)

Statement of Comprehensive Income (Consolidated) - QoQ

Amount: NT\$ Million Except Per Share Data

	2Q'22		1Q'22		QoQ	2Q'21		YoY
Net Sales	12,571	100%	13,138	100%	(4.3%)	11,650	100%	7.9%
Cost of Goods Sold	(10,024)	(79.7%)	(11,123)	(84.7%)	9.9%	(9,502)	(81.6%)	(5.5%)
Gross Profit	2,547	20.3%	2,015	15.3%	26.4%	2,148	18.4%	18.6%
Operating Expenses	(1,862)	(14.8%)	(1,691)	(12.9%)	(10.1%)	(1,762)	(15.1%)	(5.7%)
Operating Income	685	5.4%	324	2.5%	111.4%	386	3.3%	77.5%
Non-operating Income, Net	374	3.0%	318	2.4%	17.4%	320	2.7%	16.9%
Income Before Tax	1,058	8.4%	642	4.9%	64.8%	706	6.1%	50%
Net Income	841	6.7%	491	3.7%	71.3%	552	4.7%	52.4%
Shareholders of the Parent Company	811	6.4%	479	3.6%	69.3%	548	4.7%	47.8%
Minority Interests	30	0.3%	12	0.1%	144.1%	4	0.0%	562.6%
Basic EPS (NT\$)^(a)	2.08		1.22			1.40		
Basic EPS (NT\$)^(b)	2.08		1.22			1.40		
EBITDA	1,428	11.4%	987	7.5%	44.6%	1,006	8.6%	41.9%

Prepared by Coretronic on a consolidated basis

(a) Basic EPS was calculated based on the total weighted average outstanding shares of each quarter (391m shares in 2Q'22, 1Q'22 and 2Q'21)

(b) Basic EPS was calculated based on the outstanding shares of the balance sheet date (391m shares in 2022 and 2021)

Statement of Comprehensive Income (Consolidated) - YoY

Amount: NT\$ Million Except Per Share Data

	1H'22		1H'21		YoY
Net Sales	25,709	100%	21,673	100%	18.6%
Cost of Goods Sold	(21,147)	(82.3%)	(17,868)	(82.4%)	(18.4%)
Gross Profit	4,562	17.7%	3,805	17.6%	19.9%
Operating Expenses	(3,553)	(13.8%)	(3,341)	(15.4%)	(6.4%)
Operating Income	1,009	3.9%	464	2.1%	117.3%
Non-operating Income, Net	692	2.7%	724	3.3%	(4.4%)
Income Before Tax	1,701	6.6%	1,188	5.5%	43.2%
Net Income	1,332	5.2%	915	4.2%	45.6%
Shareholders of the Parent Company	1,290	5.0%	935	4.3%	37.9%
Minority Interests	42	0.2%	(20)	(0.1%)	317.3%
Basic EPS (NT\$)^(a)	3.30		2.32		
Basic EPS (NT\$)^(b)	3.30		2.39		
EBITDA	2,415	9.4%	1,772	8.2%	36.3%

Prepared by Coretronic on a consolidated basis

(a) Basic EPS was calculated based on the total weighted average outstanding shares (391m shares in 1H'22 and 403m shares in 1H'21)

(b) Basic EPS was calculated based on the outstanding shares of the balance sheet date (391m shares in 2022 and 2021)

Balance Sheet Highlight (Consolidated)

Amount: NT\$ Million

	2Q'22	1Q'22	QoQ	2Q'21
Cash and Cash Equivalents	8,439	10,775	(21.7%)	12,750
Notes & Accounts Receivable, Net (including related)	11,321	15,278	(25.9%)	14,083
Inventory	13,813	11,970	15.4%	6,223
Short Term Debt ^(a)	13,459	11,724	14.8%	11,218
Long Term Debt	1,618	2,721	(40.5%)	294
Equity	23,762	23,965	(0.9%)	21,902
Total Assets	58,787	61,001	(3.6%)	52,809
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Inventory Turnover (Days) ^(b)	117	87		58
Debt to Assets	60%	61%		59%
Return on Equity ^(c)	15%	9%		11%
Net Worth Per Share (NT\$) ^(d)	55.0	55.8		50.9

Prepared by Coretronic on a consolidated basis

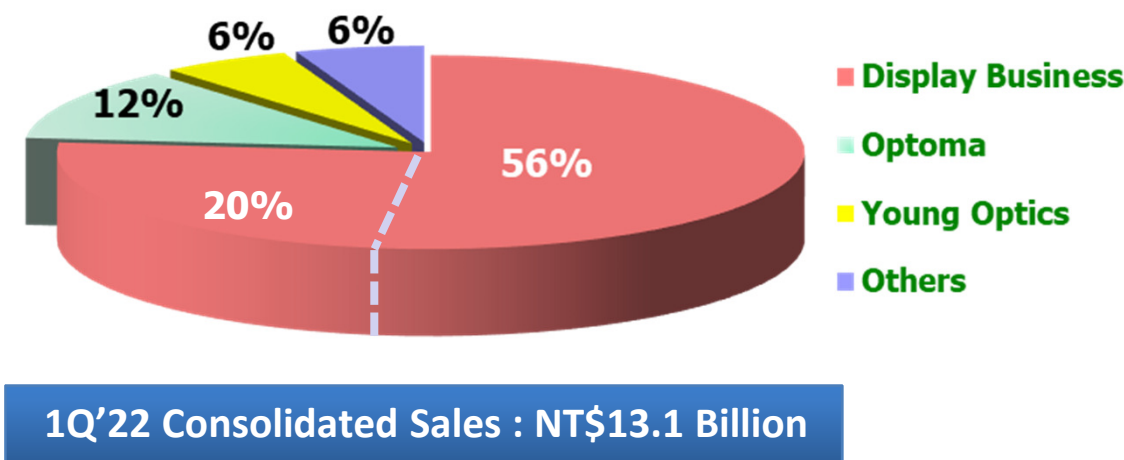
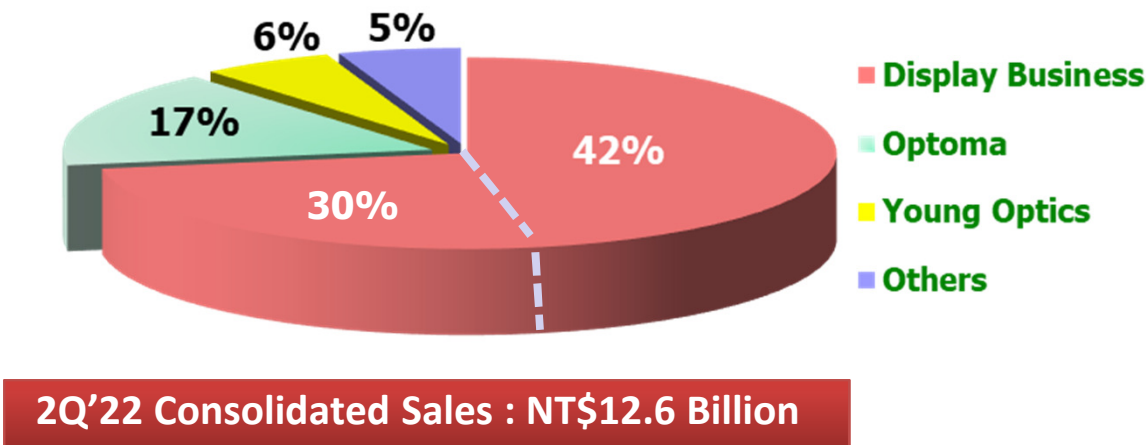
(a) Short term debt = short term bank loan + current portion of long term loan

(b) Calculated by dividing the average inventory into the annualized cost of goods sold during such period, then multiplying by 365 days

(c) Calculated by dividing the average shareholders' equity of parent company into the annualized net income during such period

(d) Based on the outstanding shares of the balance sheet date: 2Q'22(391m shares), 1Q'22(391m shares), 2Q'21(391m shares)

Consolidated Sales Breakdown (By Revenue)



Display Business Report

- **Visual Solutions Business**
- **Energy Saving Business**

Sarah Lin
July 26, 2022



Visual Solutions Business

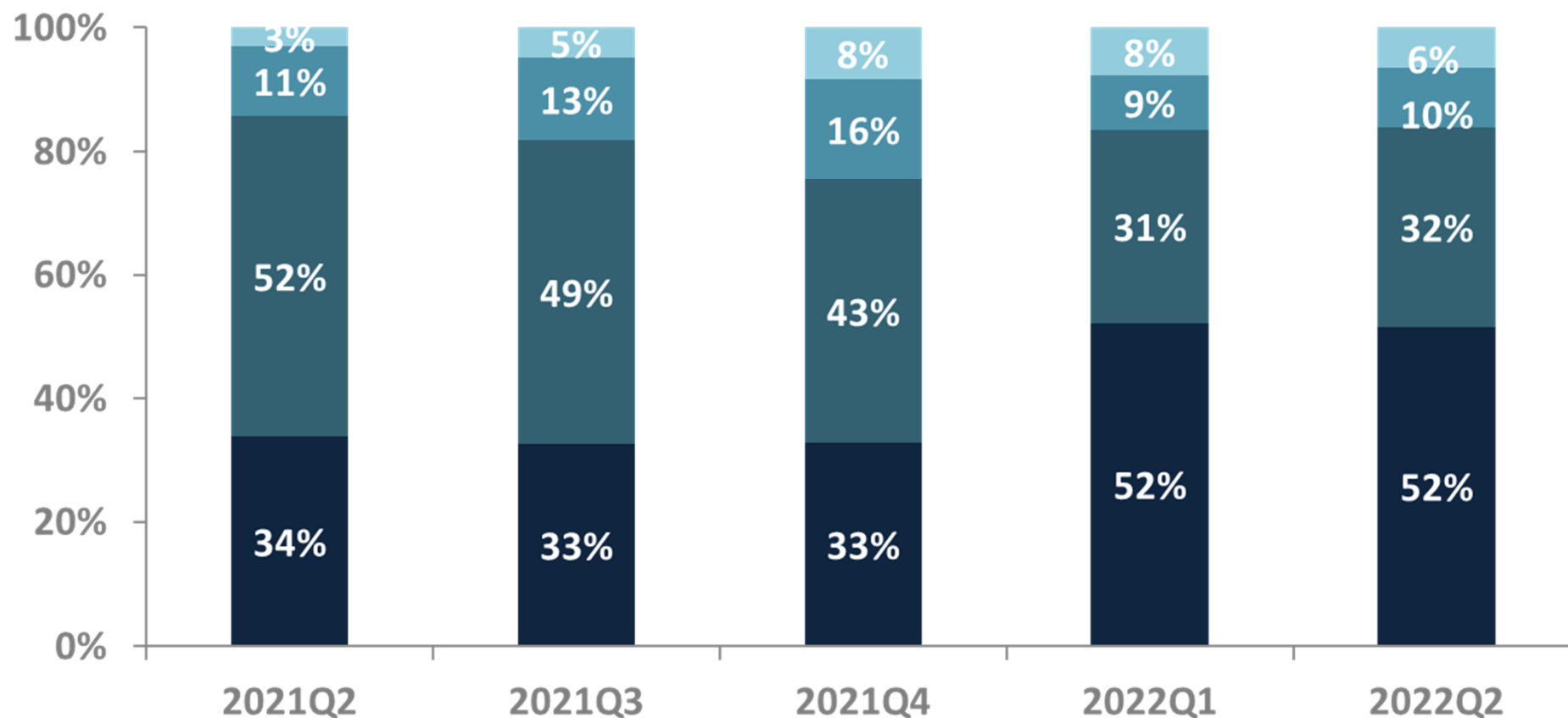


2Q22 Visual Solutions Business Review

- ◆ 2Q22 total sales of NT\$5,654M with 36% QoQ increase and 82% YoY growth.
- ◆ QoQ revenue increased due to the growth of demand for full product portfolio.
- ◆ YoY revenue growth is primarily from consumer application growth and large venue to boost sales.

Visual Solutions Sales Breakdown

■ Home/Entertainment ■ Business ■ Large Venue ■ Others



Sales (NT\$ Million)

3,109

3,334

3,476

4,158

5,654

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Responsibility

Innovation

Superiority

Entrepreneurship

3Q22 Visual Solutions Business Outlook

- ◆ **With the ProAV market positive growth, expects to get strong demand and relative upside.**
- ◆ **Key part materials shortage and long lead time still with impact from supply chain but with better improvement.**
- ◆ **Q3 demand still strong due to the coming Euro cup sport event, tender program and lockdown lifting.**
- ◆ **B to B demand still increases but B to C demand with impact in Q3 from the inflation.**
- ◆ **2022 shipment forecast revise up from 50% to 70% YoY growth.**

Market Update

- ◆ **ProAV market keeps upside with >20% YoY growth which is much better than Y2019, mainly from <10K lm application, higher brightness segment grows gradually from pandemic recovery.**
- ◆ **The ProAV fixed lens product keep growing in <10K lm segment, especially for 6K lm & 7K lm, expecting to take >50% share in end of Y2022.**
- ◆ **B to B raises but B to C drops because of war, inflation and the depreciation of euro.**
- ◆ **SSI and 4K projectors contribute the profit and tender programs of lamp contribute the volume in Q3. APAC tender demand becomes the new upside volume.**



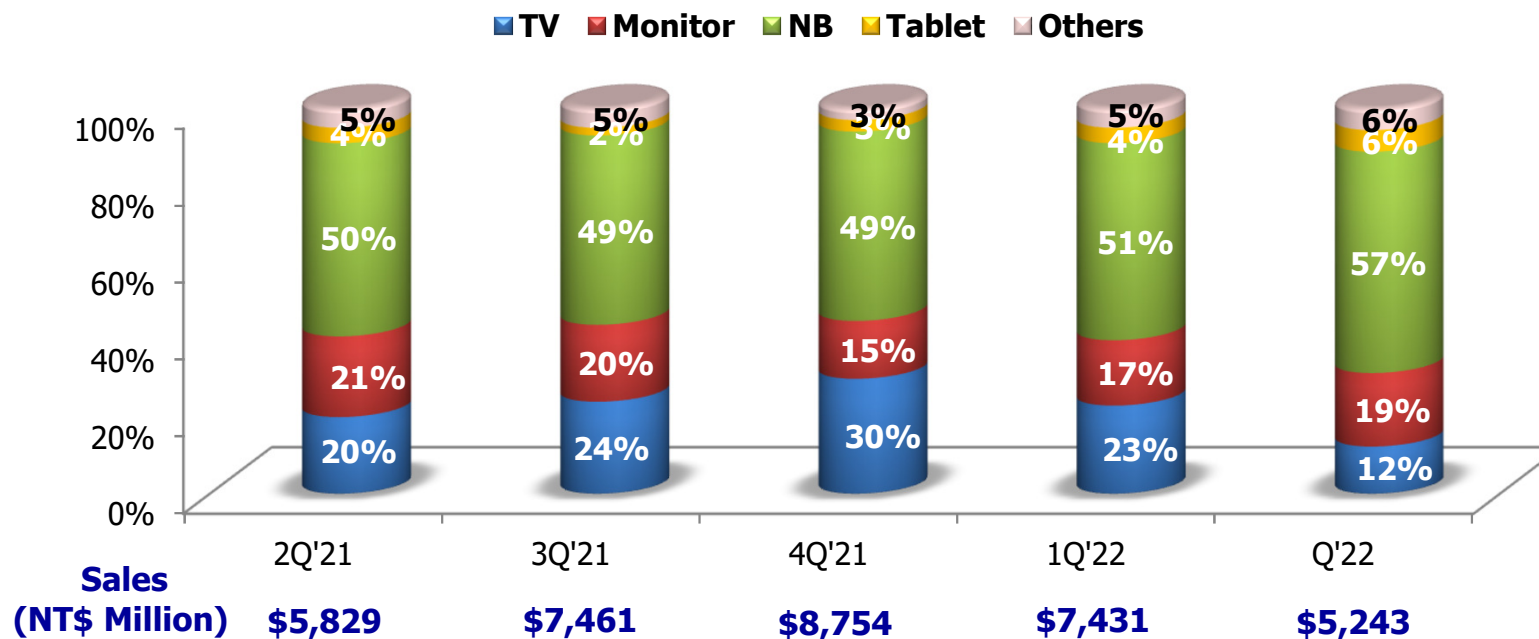
Energy Saving Business



2Q22 Energy Saving Business Review

- ◆ Sales revenue was NT\$5,243 million in 2Q22, decrease 29% QoQ and 10% YoY respectively, mainly resulting from reduced demand due to traditional low season, China supply chain disruptions and rising inflationary pressure.
- ◆ The overall shipment in 2Q22 was 9.4 million units, drop 37% QoQ and 33% YoY respectively.
- ◆ 2Q22 Shipment Summary:
 - TV/PID drop 65% QoQ due to weak demand from European market
 - Monitor with 27% QoQ decrease
 - NB decrease 34% QoQ

Energy Saving Sales Breakdown (By Revenue)



Prepared by Coretronic on a combined basis (Taiwan & China)

- ◆ **2Q22 Revenue Summary:**
 - TV/PID decrease 62% QoQ.
 - Monitor with 20% QoQ drop.
 - NB decrease 21% QoQ.

3Q22 Energy Saving Business Outlook

- ◆ IT demand (monitor/NB) still in a weak situation no matter from education or consumer demand.
- ◆ NB could be similar shipment or with single digit decrease, monitor with 20% drop but TV shipment with significant improvement compared to Q2.
- ◆ Q3 shipment will be similar as Q2, but still with uncertainty from NB which can be decreasing continuously.
- ◆ 2022 all applications shows YoY decrease from forecast at this moment
- ◆ 2022 forecast shipment with 20% YoY decrease based on current forecast.

Market Update

- ◆ NB with no clear signal when the demand will be back to normal, no matter the demand from education, consumer, commercial or either gaming application.
- ◆ From the overall market prediction, IT industry with very weak demand till end of the year.
- ◆ High inventory no matter at channel or supply chain.
- ◆ With the over-supply from supply chain, seeing the big impact from those small-scale with finance difficulty.
- ◆ 2022 shipment lower than 2021 but not with bad result vs. 2020.

Q&A

Franck Ho
CFO

Sarah Lin
President



Thank you

Any further questions, please feel free to e-mail: ir@coretronic.com



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