



2021 3rd Quarter Results

Oct. 26, 2021

2012 ~2021 Top 50 of Excellence in CSR Award FROM Taiwan's CommonWealth Magazine
2015 ~2021 Top 5% in the Corporate Governance Evaluation from TWSE
2017 ~2020 Earned TCSA "Corporate Sustainability Report Awards-Gold Award"
2018 ~2020 Earned TCSA "Transparency and Integrity Award-First Prize"
2019 ~2020 Earned TCSA "Corporate Sustainability Award"
2013 ~2015 Earned A++ rating in Information Disclosure Evaluation from TWSE



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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

2021 3rd Quarter Financial Results

(Franck Ho)

Visual Solutions Business Report

(Sarah Lin)

Energy Saving Business Report

(Sarah Lin)

Q & A

(Franck Ho)

Statement of Comprehensive Income (Consolidated) - QoQ

Amount: NT\$ Million Except Per Share Data

	3Q'21		2Q'21		QoQ	3Q'20		YoY
Net Sales	13,046	100%	11,650	100%	12.0%	11,941	100%	9.3%
Cost of Goods Sold	(10,702)	(82.0%)	(9,502)	(81.6%)	(12.6%)	(9,836)	(82.4%)	(8.8%)
Gross Profit	2,344	18.0%	2,148	18.4%	9.1%	2,105	17.6%	11.4%
Operating Expenses	(1,728)	(13.2%)	(1,762)	(15.1%)	1.9%	(1,751)	(14.7%)	1.3%
Operating Income	616	4.7%	386	3.3%	59.7%	354	3.0%	73.9%
Non-operating Income, Net	233	1.8%	320	2.7%	(27.1%)	359	3.0%	(35.1%)
Income Before Tax	849	6.5%	706	6.1%	20.4%	713	6.0%	19%
Net Income	589	4.5%	552	4.7%	6.7%	553	4.6%	6.5%
Shareholders of the Parent Company	569	4.4%	548	4.7%	3.9%	585	4.9%	(2.7%)
Minority Interests	20	0.1%	4	0.0%	449.1%	(32)	(0.3%)	160.2%
Basic EPS (NT\$)^(a)	1.46		1.40			1.35		
Basic EPS (NT\$)^(b)	1.46		1.40			1.35		
EBITDA	1,145	8.8%	1,006	8.6%	13.8%	987	8.3%	16.1%

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 3Q'21 and 2Q'21, 434m shares in 3Q'20)

(b) 3Q'21 & 2Q'21 basic EPS was calculated based on Sep. 30, 2021 outstanding shares (391m shares) and 3Q'20 basic EPS was calculated based on Sep. 30, 2020 outstanding shares (434m shares)

Statement of Comprehensive Income (Consolidated) - YoY

Amount: NT\$ Million Except Per Share Data

Nine Months Ended September 30

	2021		2020		YoY
Net Sales	34,719	100%	30,945	100%	12.2%
Cost of Goods Sold	(28,570)	(82.3%)	(25,549)	(82.6%)	(11.8%)
Gross Profit	6,149	17.7%	5,396	17.4%	14.0%
Operating Expenses	(5,069)	(14.6%)	(4,911)	(15.9%)	(3.2%)
Operating Income	1,080	3.1%	484	1.6%	123.0%
Non-operating Income, Net	957	2.8%	862	2.8%	11.0%
Income Before Tax	2,037	5.9%	1,347	4.4%	51.3%
Net Income	1,504	4.3%	1,020	3.3%	47.5%
Shareholders of the Parent Company	1,504	4.3%	1,142	3.7%	31.7%
Minority Interests	0	0.0%	(122)	(0.4%)	100.0%
Basic EPS (NT\$)^(a)	3.77		2.63		
Basic EPS (NT\$)^(b)	3.85		2.63		
EBITDA	2,917	8.4%	2,206	7.1%	32.2%

Prepared by Coretronic on a consolidated basis

(a) Basic EPS was calculated based on the total weighted average outstanding shares (399m shares in 2021 and 434m shares in 2020)

(b) Basic EPS was calculated based on the outstanding shares of the balance sheet date (391m shares in 2021 and 434m shares in 2020)



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Balance Sheet Highlight (Consolidated)

Amount: NT\$ Million

	3Q'21	2Q'21	QoQ	3Q'20
Cash and Cash Equivalents	15,236	12,750	19.5%	17,022
Notes & Accounts Receivable, Net (including related)	16,409	14,083	16.5%	12,545
Inventory	8,717	6,223	40.1%	5,901
Short Term Debt ^(a)	14,093	11,218	25.6%	6,213
Long Term Debt	264	294	(10.0%)	548
Equity	22,935	21,902	4.7%	23,822
Total Assets	58,447	52,809	10.7%	47,547
<hr/>				
Inventory Turnover (Days) ^(b)	64	58		52
Debt to Assets	61%	59%		50%
Return on Equity ^(c)	11%	11%		11%
Net Worth Per Share (NT\$) ^(d)	53.5	50.9		50.1

Prepared by Coretronic on a consolidated basis

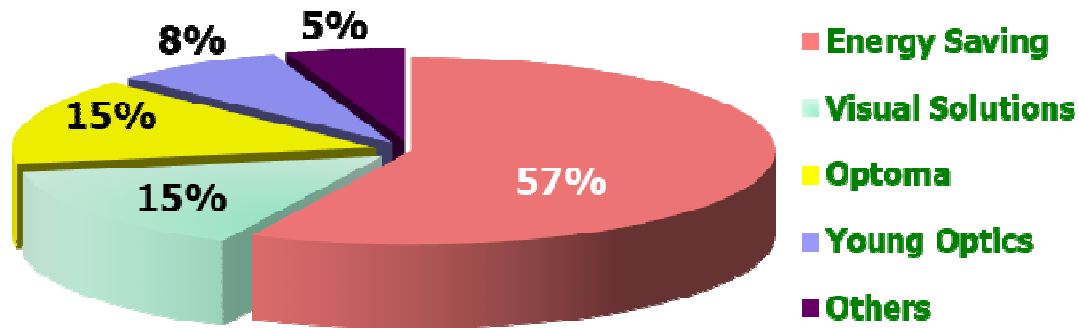
(a) Short term debt = short term bank loan + current portion of long term loan

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

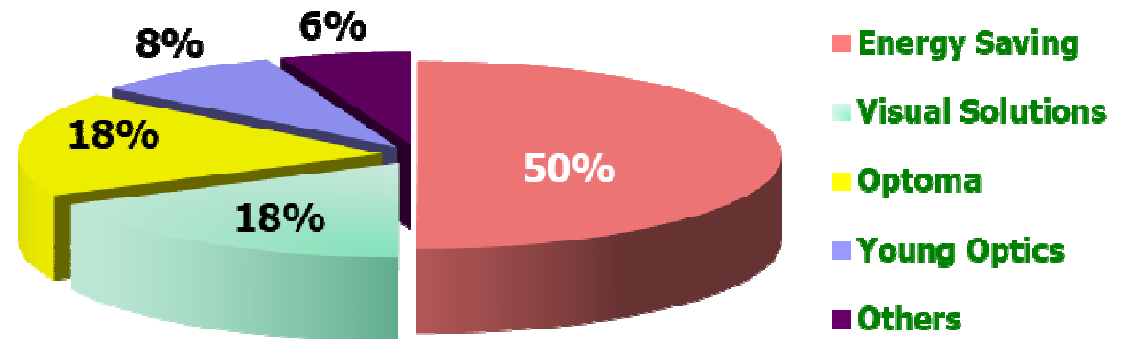
(c) Calculated by dividing the average shareholders' equity of parent company into the annualized net income during such period

(d) Based on the outstanding shares of the balance sheet date: 3Q'21(391m shares), 2Q'21(391m shares), 3Q'20(434m shares)

Consolidated Sales Breakdown (By Revenue)



3Q'21 Consolidated Sales : NT\$13 Billion



2Q'21 Consolidated Sales : NT\$11.6 Billion



Visual Solutions Business Review

Sarah Lin

Oct. 26, 2021



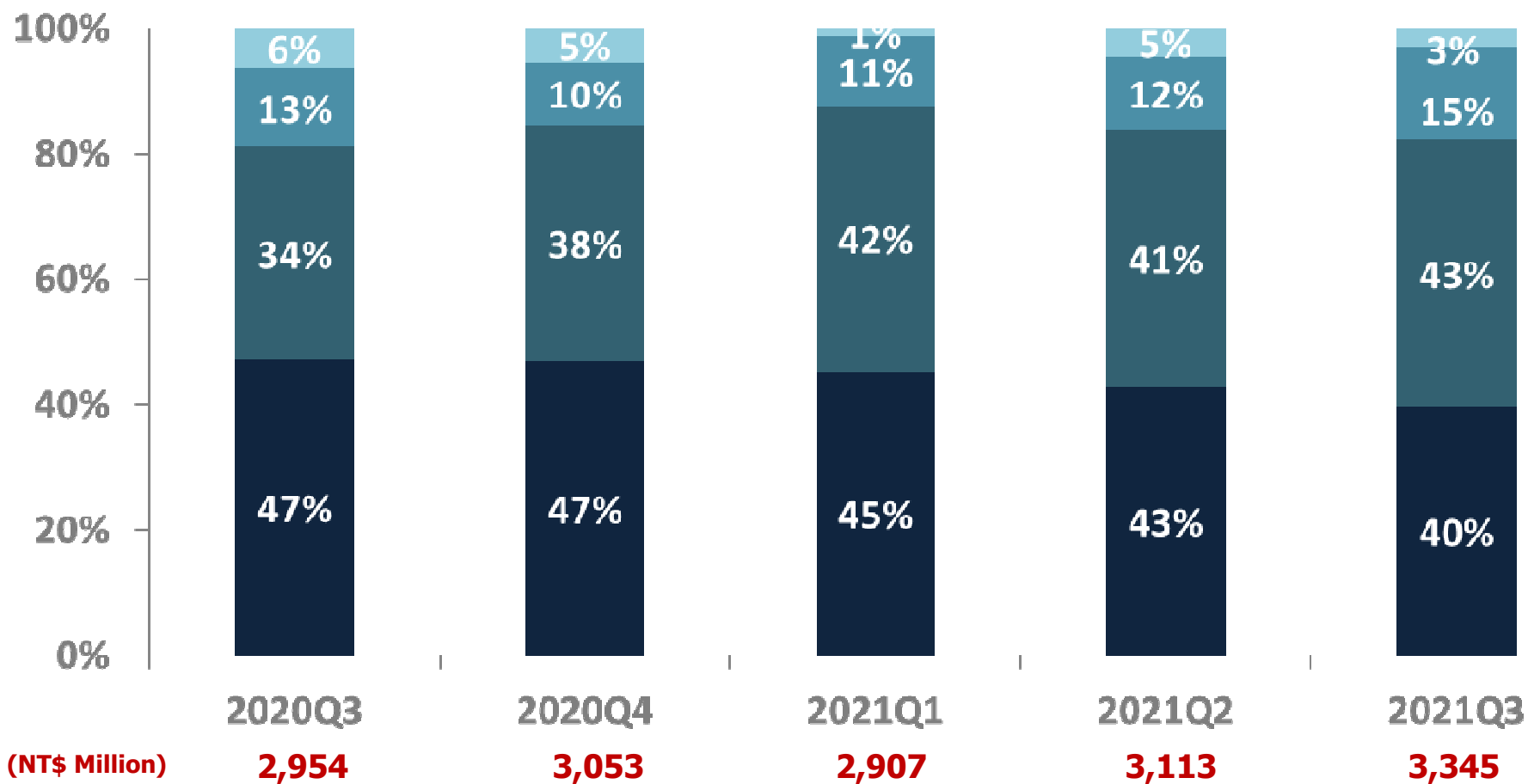
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3Q'21 Visual Solutions Business Review

- ◆ 3Q21 total sales of NT\$3,345M with 7% QoQ increase and 13% YoY growth
- ◆ QoQ revenue increased due to the recovery of demand for various products
- ◆ YoY revenue growth is primarily from SSI and large venue
 - Full SSI product portfolio continues to boost sales
 - Launch new fixed lens product and customer
 - Keep refreshing and improving in large venue

Visual Solutions Sales Breakdown

■ Lamp ■ SSI ■ Large Venue ■ Solutions



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Market Trend and Business Outlook

Market

Lamp

- ✓ Lamp projector declines slightly but still keeps 75% market share in 2021.
- ✓ Lamp cost up continually by quarter will cause the demand dropping in the future.

SSI

- ✓ 3K ~ 6K lm segment get significant growth, especially in China market.
- ✓ Demand keeps increasing for SSI with ST / UST lens in specific application.

Large Venue

- ✓ In general, 10 ~ 12% yearly growth.
- ✓ <10K lm fixed lens became important.
- ✓ >10K lm demand is recovering, but high brightness products still impact by COVID-19.

Coretronic Visual Solutions

- ✓ Lamp cost up reduces the margin and will shift to SSI to increase revenue and margin.

- ✓ Focus on SSI will compensate the lamp projector profit loss and improve the revenue, margin, reliability.
- ✓ New product launched to fit market trend.
→ High brightness, short distance .

- ✓ New fixed lens product and customer launched.
- ✓ Keep refreshing the optional lens product to improve the competitiveness.
- ✓ High brightness and 4K is key direction.

Demand will continue to recover.

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Market Trend and Business Outlook

Market

Opportunity

- ✓ SSI TV and Smart projector grow up continually, especially new Gaming projector application.
- ✓ 10K ~ 20K lm market is recovering, next important market for volume / value growth.
- ✓ 4K demand is booming, specific application request high resolution.

Risk

- ✓ IFPD cost down from Q3 and lamp cost up causes mainstream (3k-5klm) projector facing price competition.
- ✓ The material shortage keep impact the fulfillment.

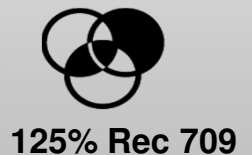
Coretronic Visual Solutions

- ✓ New SSI TV and Smart function platform are under developing; new Gaming projector will be launch in Oct.
- ✓ Enhancing the projects in 10K ~ 20K lm segment.
- ✓ Increasing the investment in 4K product line
 - Immersive application starts delivery.
 - New projects is under discussing.
- ✓ Unique IC shortage and uncertain delivery deeply impact the potential growth.
- ✓ 2nd sources implementation, spot market backup, long lead-time parts inventory review.
- ✓ Low cost SSI projector expansion.

WW DLP No.1 VRR Gaming Projector



High refresh rate, Low latency
Best Console Companion





Energy Saving Business Report

Sarah Lin

Oct. 26, 2021

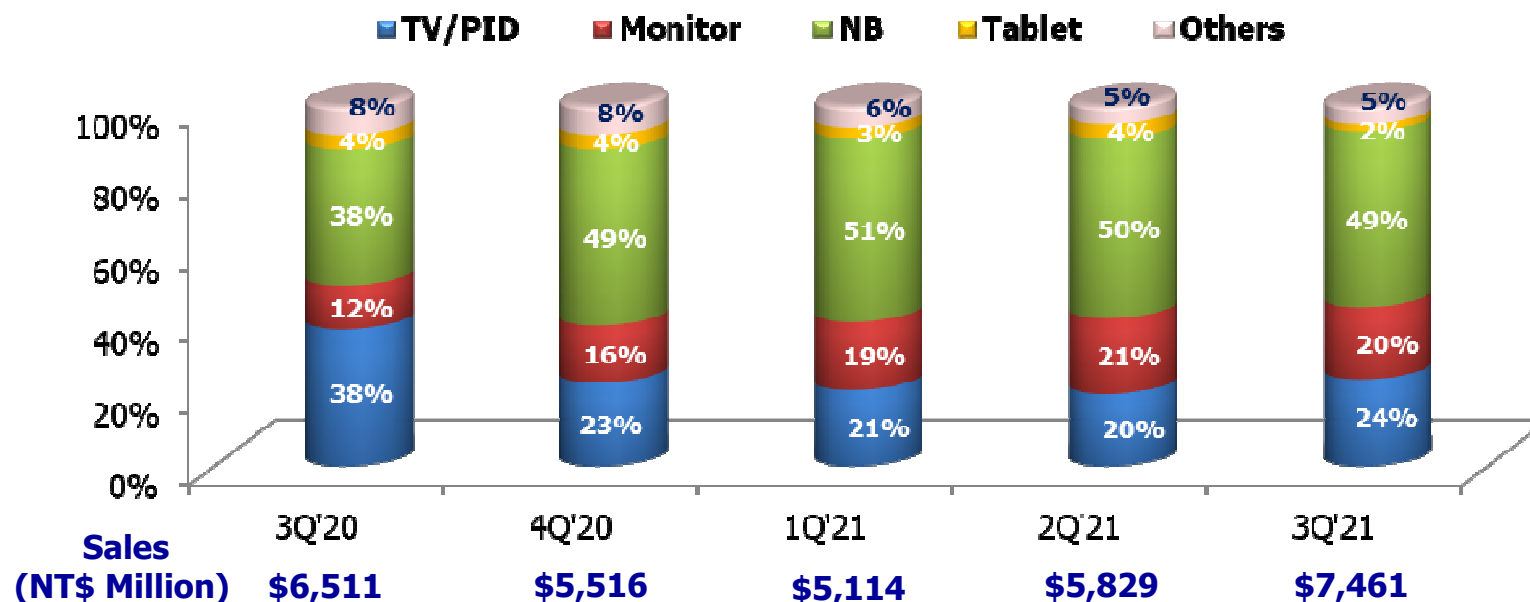


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3Q21 Energy Saving Business Review

- ◆ Sales revenue was NT\$7461 million in 3Q21, increase 28% QoQ and 15% YoY, thanks to the growth of TV/PID and NB model business driven by the continuous seasonal demand.
- ◆ The overall shipment in 3Q21 was 16.68 million units, up 19% QoQ and 34% YoY.
- ◆ 3Q21 Shipment Summary:
 - TV/PID up 27% QoQ vs. forecast 30% increase
 - Monitor with 15% QoQ increase, better than forecast single digit drop
 - NB increase 18% QoQ, better than forecast single digit growth

Energy Saving Sales Breakdown (By Revenue)



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

- ◆ **3Q21 Revenue Summary:**
 - TV/PID increase 64% QoQ.
 - Monitor with 14% QoQ up.
 - NB increase 26% QoQ.

4Q21 Business Outlook

- ◆ **TV/PID customer demand is high, expect >15% QoQ growth. NB could be flat or slightly increase, monitor with 10-15% drop.**
- ◆ **Still suffering IC shortage and the power rationing from China policy.**
- ◆ **NB OLED subcontract manufacturing is in production gradually, this will be the application with high growth next year.**
- ◆ **Vietnam TV LCM production is back to normal production but the labor could be another critical point.**
- ◆ **Expect Q4 shipment similar as Q3.**
- ◆ **Overall 2021 shipment with 25-30% growth better than last forecast 20%.**

Market Update

- ◆ The growth from NB is gradually back to normal, not with high growth.
- ◆ The China power rationing could last for some time and this will cause supply chain with more impact, components shortage will be getting worse.
- ◆ Seeing different countries with different regulations and limitation, to work on solutions based on supply chain status is a must.
- ◆ Mini LED with more projects adoption but still small volume. Another market segment NB with OLED, and high end monitor with OLED is gradually implemented, but of course the volume is also small.
- ◆ Overall 2021 is with very good shipment but Q4 with some uncertainty there.

Q&A

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Thank you

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



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