



# 2023 4<sup>th</sup> Quarter Results

Feb. 27<sup>th</sup>, 2024

- 2015 ~2023** Top 5% in the *Corporate Governance Evaluation* from TWSE
- 2023** AREA "Corporate Governance Award"
- 2012 ~2023** Top 50 of Excellence in CSR Award from Taiwan's CommonWealth Magazine
- 2017 ~2023** Earned TCSA "Corporate Sustainability Report Awards-Gold Award"
- 2018 ~2023** Earned TCSA "Transparency and Integrity Award"
- 2019 ~2023** 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

**2023 4<sup>th</sup> 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

|                                       | 4Q'23        |              | 3Q'23         |              | QoQ            | 4Q'22         |              | YoY            |
|---------------------------------------|--------------|--------------|---------------|--------------|----------------|---------------|--------------|----------------|
| <b>Net Sales</b>                      | <b>9,888</b> | <b>100%</b>  | <b>10,400</b> | <b>100%</b>  | <b>(4.9%)</b>  | <b>11,171</b> | <b>100%</b>  | <b>(11.5%)</b> |
| Cost of Goods Sold                    | (7,890)      | (79.8%)      | (8,144)       | (78.3%)      | 3.1%           | (8,968)       | (80.3%)      | 12.0%          |
| <b>Gross Profit</b>                   | <b>1,998</b> | <b>20.2%</b> | <b>2,256</b>  | <b>21.7%</b> | <b>(11.4%)</b> | <b>2,203</b>  | <b>19.7%</b> | <b>(9.3%)</b>  |
| Operating Expenses                    | (1,798)      | (18.2%)      | (1,783)       | (17.1%)      | (0.9%)         | (1,835)       | (16.4%)      | 2.0%           |
| <b>Operating Income</b>               | <b>200</b>   | <b>2.0%</b>  | <b>473</b>    | <b>4.5%</b>  | <b>(57.7%)</b> | <b>368</b>    | <b>3.3%</b>  | <b>(45.7%)</b> |
| Non-operating Income, Net             | 109          | 1.1%         | 51            | 0.5%         | 113.5%         | 109           | 1.0%         | 0.7%           |
| <b>Income Before Tax</b>              | <b>309</b>   | <b>3.1%</b>  | <b>524</b>    | <b>5.0%</b>  | <b>(41.0%)</b> | <b>477</b>    | <b>4.3%</b>  | <b>(35.1%)</b> |
| <b>Net Income</b>                     | <b>222</b>   | <b>2.2%</b>  | <b>421</b>    | <b>4.1%</b>  | <b>(47.3%)</b> | <b>334</b>    | <b>3.0%</b>  | <b>(33.6%)</b> |
| Shareholders of the Parent Company    | 260          | 2.6%         | 467           | 4.5%         | (44.3%)        | 372           | 3.3%         | (30.1%)        |
| Minority Interests                    | (38)         | (0.4%)       | (46)          | (0.4%)       | 16.6%          | (38)          | (0.3%)       | (1.1%)         |
| <b>Basic EPS (NT\$)<sup>(a)</sup></b> | <b>0.66</b>  |              | <b>1.20</b>   |              |                | <b>0.95</b>   |              |                |
| <b>EBITDA</b>                         | <b>638</b>   | <b>6.5%</b>  | <b>865</b>    | <b>8.3%</b>  | <b>(26.3%)</b> | <b>929</b>    | <b>8.3%</b>  | <b>(31.3%)</b> |

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 4Q'23, 3Q'23 and 4Q'22)

# Statement of Comprehensive Income (Consolidated) - YoY

Amount: NT\$ Million Except Per Share Data

|                                       | 2023          |              | 2022          |              | YoY            |
|---------------------------------------|---------------|--------------|---------------|--------------|----------------|
| <b>Net Sales</b>                      | <b>39,492</b> | <b>100%</b>  | <b>49,783</b> | <b>100%</b>  | <b>(20.7%)</b> |
| Cost of Goods Sold                    | (31,620)      | (80.1%)      | (40,329)      | (81.0%)      | 21.6%          |
| <b>Gross Profit</b>                   | <b>7,872</b>  | <b>19.9%</b> | <b>9,454</b>  | <b>19.0%</b> | <b>(16.7%)</b> |
| Operating Expenses                    | (6,941)       | (17.6%)      | (7,304)       | (14.7%)      | 5.0%           |
| <b>Operating Income</b>               | <b>931</b>    | <b>2.4%</b>  | <b>2,151</b>  | <b>4.3%</b>  | <b>(56.7%)</b> |
| Non-operating Income, Net             | 658           | 1.7%         | 1,022         | 2.1%         | (35.7%)        |
| <b>Income Before Tax</b>              | <b>1,588</b>  | <b>4.0%</b>  | <b>3,173</b>  | <b>6.4%</b>  | <b>(49.9%)</b> |
| <b>Net Income</b>                     | <b>1,202</b>  | <b>3.0%</b>  | <b>2,413</b>  | <b>4.8%</b>  | <b>(50.2%)</b> |
| Shareholders of the Parent Company    | 1,392         | 3.5%         | 2,359         | 4.7%         | (41.0%)        |
| Minority Interests                    | (190)         | (0.5%)       | 54            | 0.1%         | (448.4%)       |
| <b>Basic EPS (NT\$)<sup>(a)</sup></b> | <b>3.56</b>   |              | <b>6.03</b>   |              |                |
| <b>EBITDA</b>                         | <b>3,117</b>  | <b>7.9%</b>  | <b>4,772</b>  | <b>9.6%</b>  | <b>(34.7%)</b> |

Prepared by Coretronic on a consolidated basis

(a) Basic EPS was calculated based on the total weighted average outstanding shares (391m shares in 2023 and 2022)

# Balance Sheet Highlight (Consolidated)

Amount: NT\$ Million

|   | 4Q'23  | 3Q'23  | QoQ     | 4Q'22  |
|---|--------|--------|---------|--------|
| Cash and Cash Equivalents                               | 16,556 | 15,446 | 7.2%    | 12,365 |
| Notes & Accounts Receivable, Net<br>(including related) | 9,914  | 12,655 | (21.7%) | 10,266 |
| Inventory   | 8,589  | 7,938  | 8.2%    | 10,445 |
| Short Term Debt <sup>(a)</sup>                          | 13,814 | 14,684 | (5.9%)  | 10,239 |
| Long Term Debt  | 115    | 106    | 8.7%    | 3,412  |
| Equity  | 25,647 | 26,202 | (2.1%)  | 25,080 |
| Total Assets  | 55,604 | 57,149 | (2.7%)  | 55,858 |
| <hr/>   |        |        |         |        |
| Inventory Turnover (Days) <sup>(b)</sup>                | 96     | 90     |         | 109    |
| Debt to Assets  | 54%    | 54%    |         | 55%    |
| Return on Equity <sup>(c)</sup>                         | 4%     | 8%     |         | 7%     |
| Net Worth Per Share (NT\$) <sup>(d)</sup>               | 60.1   | 61.3   |         | 58.1   |

Prepared by Coretronic on a consolidated basis

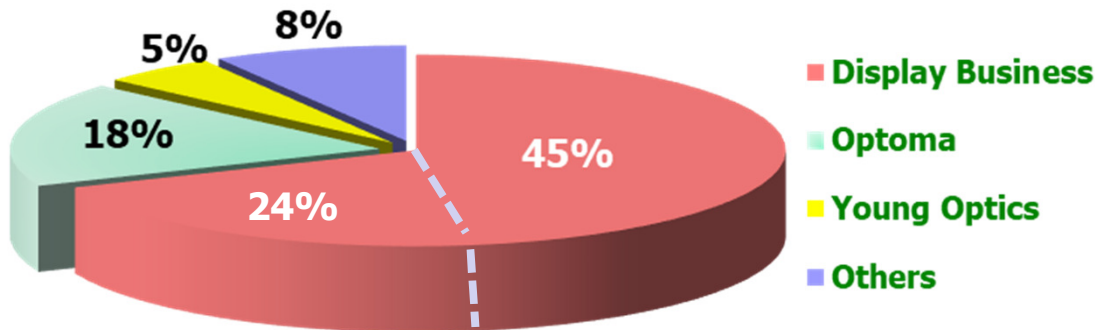
(a) Short term debt = short term bank loan + current portion of long term loan

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

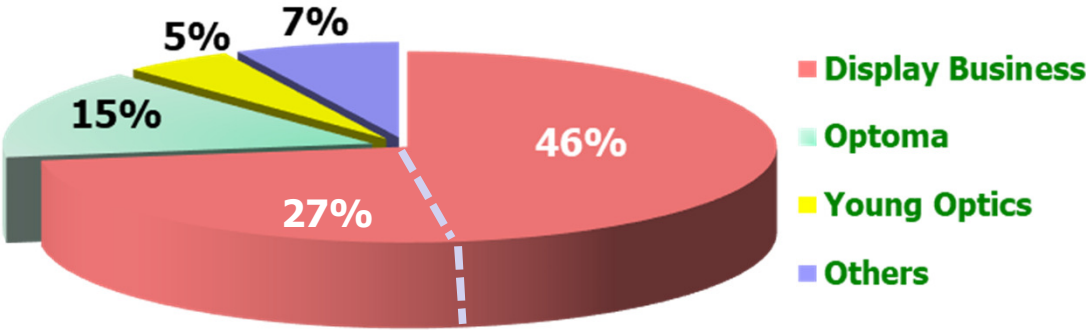
(c) Calculated by dividing the average shareholders' equity of parent company into the annualized net income during such period

(d) Based on the outstanding shares of the balance sheet date: 4Q'23(391m shares), 3Q'23(391m shares), 4Q'22(391m shares)

# Consolidated Sales Breakdown (By Revenue)

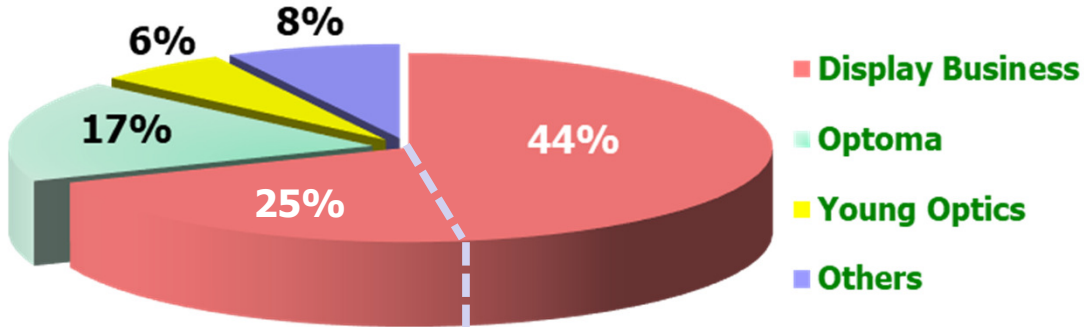


4Q'23 Consolidated Sales : NT\$9.9 Billion

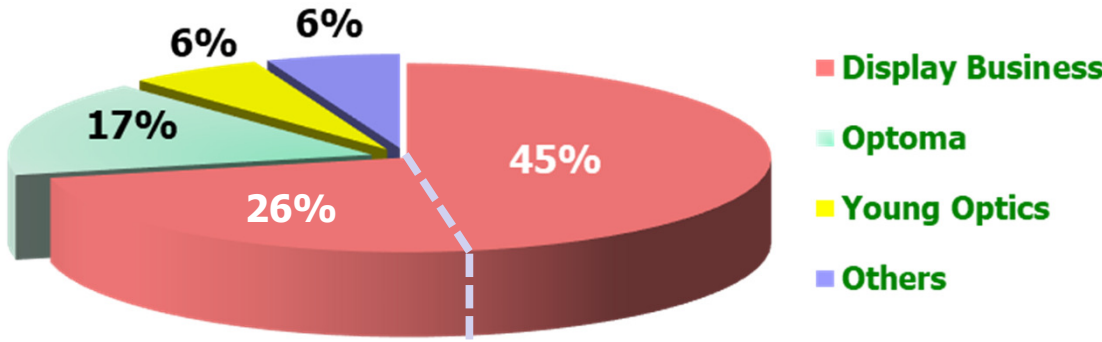


3Q'23 Consolidated Sales : NT\$10.4 Billion

# Consolidated Sales Breakdown (By Revenue)



2023 Consolidated Sales : NT\$39.5 Billion



2022 Consolidated Sales : NT\$49.8 Billion





# Display Business Report

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

**Sarah Lin**  
**Feb. 27<sup>th</sup>, 2024**



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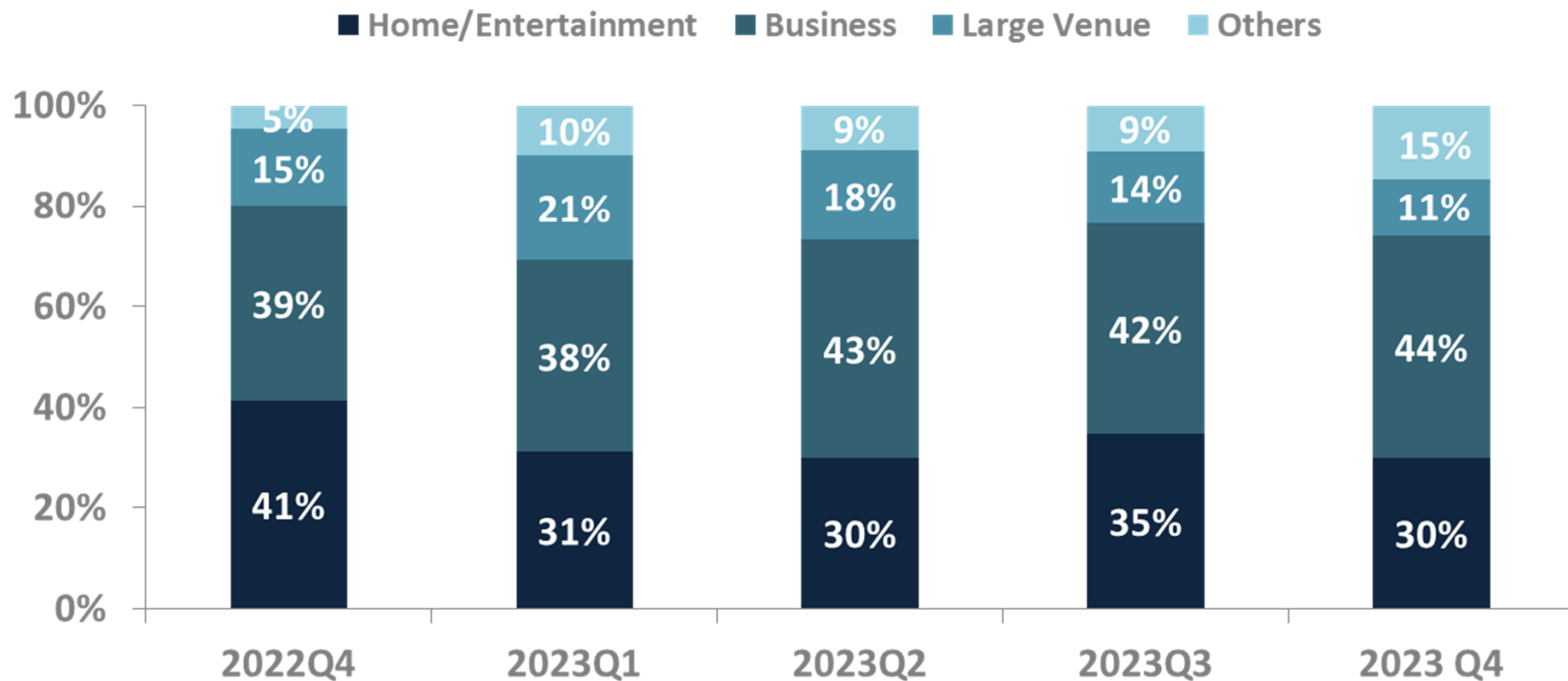
## Visual Solutions Business



# 4Q23 Visual Solutions Business Review

- ◆ **4Q23 total sales amounted to NT\$3,324M, reflecting a 12% decrease QoQ and 6% decrease YoY.**
- ◆ **4Q23 shipments reached 224K, with 16% QoQ decrease and 11% YoY decrease.**
- ◆ **Overall market with no aggressive and positive sign to digest inventory.**
- ◆ **2023 shipment 975K with YoY 28% decrease. Sales revenue amounted to NT\$13.5 billion with 30% YoY decrease, mainly from the consumer market demand drop from the inflation impact and uncertain economy.**

# Visual Solutions Sales Breakdown



Sales (NT\$ Million)

**3,517**

**3,131**

**3,335**

**3,774**

**3,324**

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# 1Q24 Visual Solutions Business Outlook

- ◆ **Q1 home entertainment demand remains weak with conservative forecast, APAC with strong potential growth, especially in India and Indonesia.**
- ◆ **The low-cost entry of SSI projectors implement into home and corporate markets will accelerate the replacement of lamp-based projectors.**
- ◆ **China market low demand & growth due to economy with uncertainty but starts to expand business outside of China.**
- ◆ **Expect Q1 shipment with single digit decrease.**
- ◆ **2024 forecast expects a >20% YoY increase in shipments mainly from both home entertainment and Pro-AV market in 2H sports events.**

# Visual Solutions Business New Upside

- ◆ **Automotive interior projection business qualified by European automotive manufacturer in Jan, will start MP from early 2026.**
- ◆ **Next new business is automotive AR-HUD.**
- ◆ **Automotive interior/exterior projection and AR-HUD take longer time to be qualified but it's another big growth engine.**
- ◆ **The Pro-AV Y24 forecast predicts a higher revenue growth, attributed to the launch of the new compact 4K products and the new customers.**



# Market Update

- ◆ **The 2H demand visibility is better than 1H with sports events, supply chain shortage no longer existed due to the 1H slow demand in the market**
- ◆ **Next-generation RGB laser technology is expanding into new applications and markets such as home cinema.**
- ◆ **SSI projectors, with their energy-efficient value and longer lifetime, continue to be the primary profit and volume driver, especially to meet ESG requirements.**
- ◆ **The worldwide market for immersive projectors is projected to expand at a compound annual growth rate (CAGR) of 6.4% from 2023 to 2029.**
- ◆ **Automotive projection keeps growing to create immersive atmosphere lighting**



# Energy Saving Business

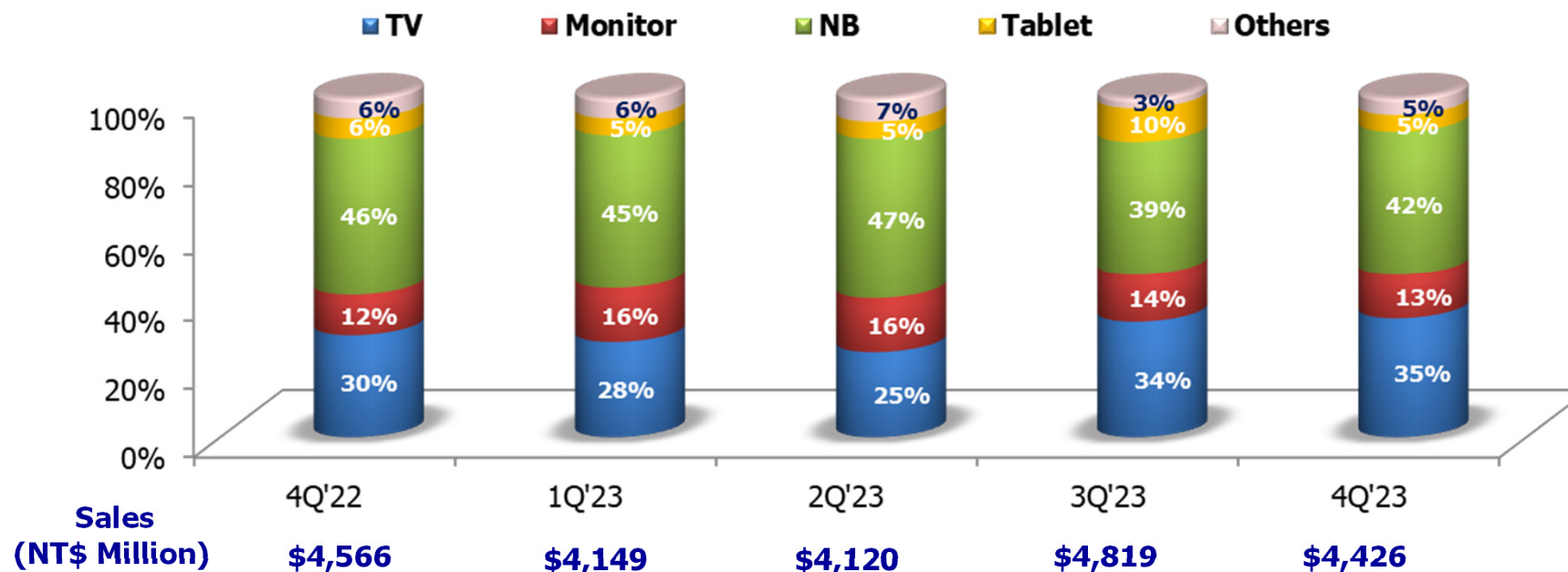




# 4Q23 Energy Saving Business Review

- ◆ Sales revenue was NT\$4,426 million in 4Q23, reflecting a 8% decrease QoQ and 3% decrease YoY, the decline was mainly due to weak demand.
- ◆ The overall shipment was 7.5 million units, drop 9% QoQ and increased 3% YoY respectively.
- ◆ 4Q23 Shipment Summary:
  - TV/PID decreased 12% QoQ
  - Monitor with 3% QoQ decrease
  - NB drop 6% QoQ
- ◆ Overall 2023 shipments around 30.5M units, reflecting a 24% YoY decrease. Sales revenue was NT\$17.5 billion with 22.5% YoY decrease from sluggish demand, and inflationary pressures throughout 2023.

# Energy Saving Sales Breakdown (By Revenue)



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

## ◆ 4Q23 Revenue Summary:

- TV/PID decrease 6% QoQ.
- Monitor with 16.8% QoQ decrease.
- NB slightly decreased by 0.1% QoQ.

# 1Q24 Energy Saving Business Outlook

- ◆ TV Q'ty is expected with 20% QoQ decrease, open cell price up cause impact to the low demand market.
- ◆ NB/Monitor with flat or single digit increase, continues in downtrend.
- ◆ Vietnam factory started MP for TV LCM in Feb.
- ◆ Shipment is similar as Q4, not seeing the demand with significant increase.
- ◆ Expect 2024 shipment with 10%~20% YoY increase. The main growth comes from TV models from Q3, while Monitor & NB models are also expected to grow.

# Energy Saving Business New Upside in 2024

- ◆ In addition to the TV LCM in Vietnam from Feb, new monitor LCM production expects to start MP from Oct.
- ◆ OLED sub-contract business expands to several NB/tablet brands.
- ◆ New business monitor set MP from Oct.
- ◆ New business Reflective LCD with front light for monitor and tablet.
- ◆ Automotive starts volume shipment with better revenue contribution, especially in 2025/2026.
- ◆ 2025 will have high growth from above new business upside.

# Market Update

- ◆ **Till the end of Q2 still has no clear and positive sign from the market.**
- ◆ **Market expects with improvement from demand but might be with same situation as 2023 that 2<sup>nd</sup> half has no growth.**
- ◆ **The inquiry and request for Vietnam manufacturing getting popular including all different applications but the main constrain is still the supply chain.**
- ◆ **With further LCD capacity acquisition, China will be in a very critical role to dominate panel market.**

# Q&A

**Franck Ho**  
**CFO**

**Sarah Lin**  
**President**



# Thank you

Any further questions, please feel free to e-mail: [ir@coretronic.com](mailto:ir@coretronic.com)



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