



# 2023 2<sup>nd</sup> Quarter Results

Aug. 1<sup>st</sup>, 2023

- 2015 ~2023** Top 5% in the *Corporate Governance Evaluation* from TWSE
- 2023** AREA "Corporate Governance Award"
- 2012 ~2022** Top 50 of Excellence in CSR Award from Taiwan's CommonWealth Magazine
- 2017 ~2022** Earned TCSA "Corporate Sustainability Report Awards-Gold Award"
- 2018 ~2022** Earned TCSA "Transparency and Integrity Award"
- 2019 ~2022** 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 2<sup>nd</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

	2Q'23		1Q'23		QoQ	2Q'22		YoY
<b>Net Sales</b>	<b>9,633</b>	<b>100%</b>	<b>9,571</b>	<b>100%</b>	<b>0.7%</b>	<b>12,571</b>	<b>100%</b>	<b>(23.4%)</b>
Cost of Goods Sold	(7,618)	(79.1%)	(7,968)	(83.3%)	4.4%	(10,024)	(79.7%)	24.0%
<b>Gross Profit</b>	<b>2,015</b>	<b>20.9%</b>	<b>1,603</b>	<b>16.7%</b>	<b>25.7%</b>	<b>2,547</b>	<b>20.3%</b>	<b>(20.9%)</b>
Operating Expenses	(1,821)	(18.9%)	(1,539)	(16.1%)	(18.4%)	(1,862)	(14.8%)	2.2%
<b>Operating Income</b>	<b>194</b>	<b>2.0%</b>	<b>64</b>	<b>0.7%</b>	<b>202.4%</b>	<b>685</b>	<b>5.4%</b>	<b>(71.7%)</b>
Non-operating Income, Net	281	2.9%	216	2.3%	30.4%	374	3.0%	(24.7%)
<b>Income Before Tax</b>	<b>475</b>	<b>4.9%</b>	<b>280</b>	<b>2.9%</b>	<b>69.8%</b>	<b>1,058</b>	<b>8.4%</b>	<b>(55.1%)</b>
<b>Net Income</b>	<b>366</b>	<b>3.8%</b>	<b>193</b>	<b>2.0%</b>	<b>89.1%</b>	<b>841</b>	<b>6.7%</b>	<b>(56.5%)</b>
Shareholders of the Parent Company	412	4.3%	253	2.6%	63.2%	811	6.4%	(49.1%)
Minority Interests	(46)	(0.5%)	(60)	(0.6%)	22.1%	30	0.3%	(252.5%)
<b>Basic EPS (NT\$)<sup>(a)</sup></b>	<b>1.05</b>		<b>0.65</b>			<b>2.08</b>		
<b>EBITDA</b>	<b>890</b>	<b>9.2%</b>	<b>725</b>	<b>7.6%</b>	<b>22.7%</b>	<b>1,428</b>	<b>11.4%</b>	<b>(37.7%)</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 2Q'23, 1Q'23 and 2Q'22)

# Statement of Comprehensive Income (Consolidated) - YoY

Amount: NT\$ Million Except Per Share Data

	1H'23		1H'22		YoY
<b>Net Sales</b>	<b>19,204</b>	<b>100%</b>	<b>25,709</b>	<b>100%</b>	<b>(25.3%)</b>
Cost of Goods Sold	(15,586)	(81.2%)	(21,147)	(82.3%)	26.3%
<b>Gross Profit</b>	<b>3,618</b>	<b>18.8%</b>	<b>4,562</b>	<b>17.7%</b>	<b>(20.7%)</b>
Operating Expenses	(3,360)	(17.5%)	(3,553)	(13.8%)	5.4%
<b>Operating Income</b>	<b>258</b>	<b>1.3%</b>	<b>1,009</b>	<b>3.9%</b>	<b>(74.4%)</b>
Non-operating Income, Net	497	2.6%	692	2.7%	(28.1%)
<b>Income Before Tax</b>	<b>755</b>	<b>3.9%</b>	<b>1,701</b>	<b>6.6%</b>	<b>(55.6%)</b>
<b>Net Income</b>	<b>559</b>	<b>2.9%</b>	<b>1,332</b>	<b>5.2%</b>	<b>(58.0%)</b>
Shareholders of the Parent Company	665	3.5%	1,290	5.0%	(48.4%)
Minority Interests	(106)	(0.6%)	42	0.2%	(349.8%)
<b>Basic EPS (NT\$)<sup>(a)</sup></b>	<b>1.70</b>		<b>3.30</b>		
<b>EBITDA</b>	<b>1,615</b>	<b>8.4%</b>	<b>2,415</b>	<b>9.4%</b>	<b>(33.1%)</b>

Prepared by Coretronic on a consolidated basis

(a) Basic EPS was calculated based on the total weighted average outstanding shares (391m shares in 1H'23 and 1H'22)

# Balance Sheet Highlight (Consolidated)

Amount: NT\$ Million

	2Q'23	1Q'23	QoQ	2Q'22
Cash and Cash Equivalents	13,272	11,813	12.3%	8,439
Notes & Accounts Receivable, Net (including related)	9,488	9,358	1.4%	11,321
Inventory	8,137	8,789	(7.4%)	13,813
Short Term Debt <sup>(a)</sup>	7,602	8,193	(7.2%)	13,459
Long Term Debt	3,205	3,309	(3.1%)	1,618
Equity	24,408	24,312	0.4%	23,762
Total Assets	51,379	51,382	(0.0%)	58,787
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Inventory Turnover (Days) <sup>(b)</sup>	101	110		117
Debt to Assets	52%	53%		60%
Return on Equity <sup>(c)</sup>	7%	5%		15%
Net Worth Per Share (NT\$) <sup>(d)</sup>	56.6	56.2		55.0

Prepared by Coretronic on a consolidated basis

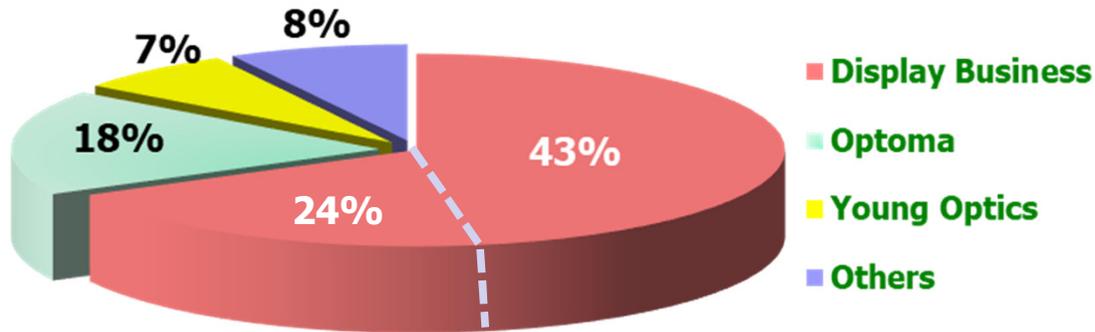
(a) Short term debt = short term bank loan + current portion of long term loan

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

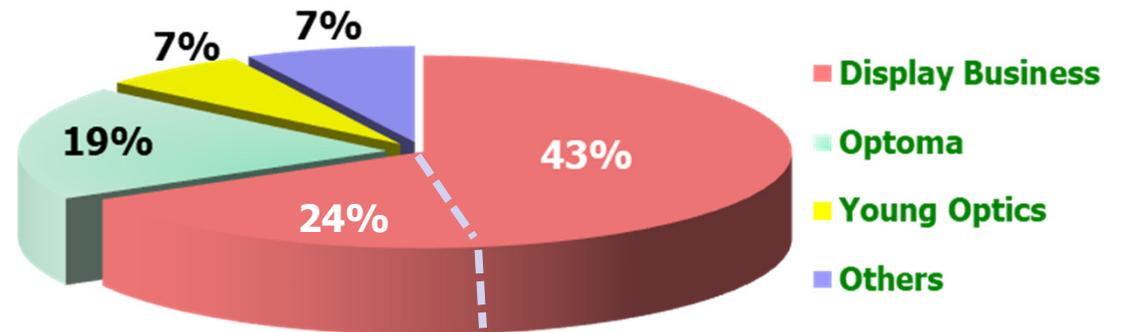
(c) Calculated by dividing the average shareholders' equity of parent company into the annualized net income during such period

(d) Based on the outstanding shares of the balance sheet date: 2Q'23(391m shares), 1Q'23(391m shares), 2Q'22(391m shares)

# Consolidated Sales Breakdown (By Revenue)



2Q'23 Consolidated Sales : NT\$9.6 Billion



1Q'23 Consolidated Sales : NT\$9.6 Billion



# Display Business Report

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

**Sarah Lin**  
**Aug. 1<sup>st</sup>, 2023**



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## Visual Solutions Business

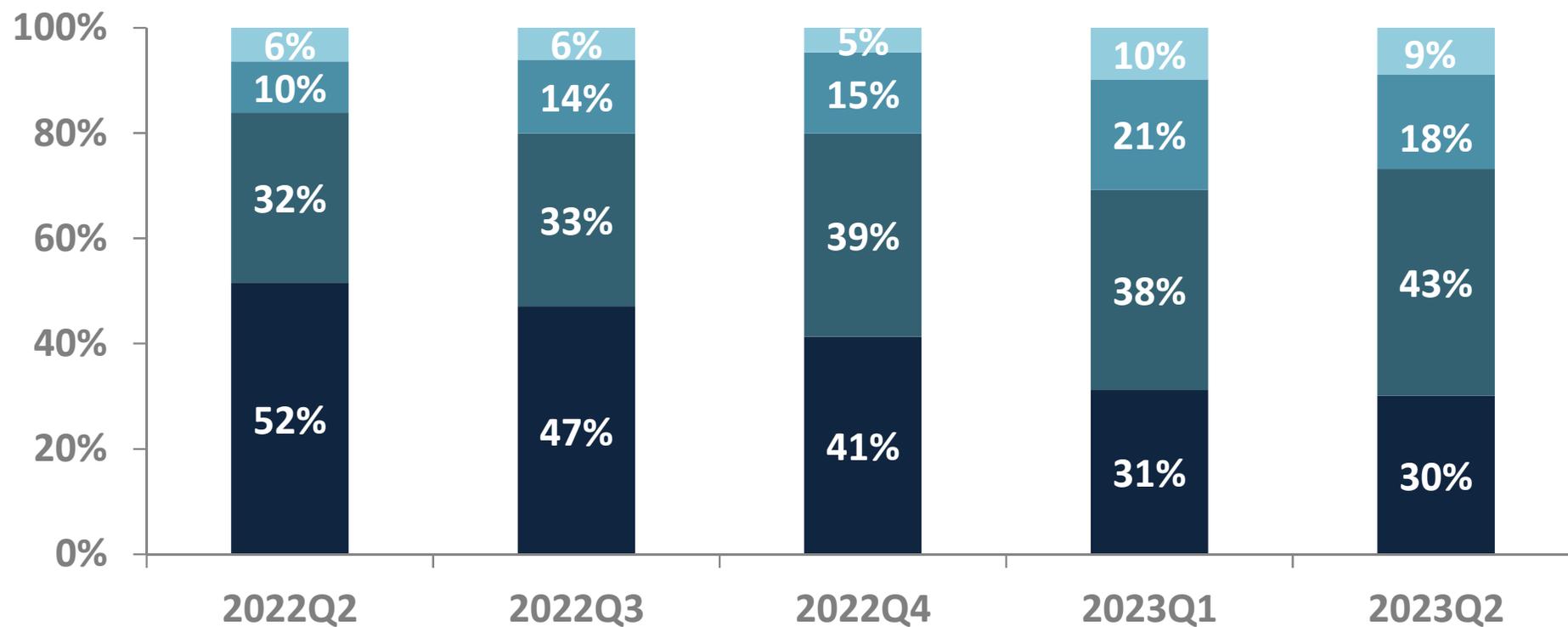


# 2Q23 Visual Solutions Business Review

- ◆ **2Q23 total sales amounted to NT\$3,335M, with a 7% increase QoQ and a 41% decrease YoY.**
- ◆ **2Q23 shipments reached 247K, with a 4% QoQ increase and a 40% YoY decrease .**
- ◆ **QoQ revenue increased due to the growth of demand for Business application segment.**
- ◆ **YoY revenue decreased primarily due to the reduced demand from the entertainment segment.**

# Visual Solutions Sales Breakdown

■ Home/Entertainment ■ Business ■ Large Venue ■ Others



Sales (NT\$ Million)

**5,654**

**5,990**

**3,517**

**3,131**

**3,335**

**Coretronic**

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# 3Q23 Visual Solutions Business Outlook

- ◆ High-end Pro-AV shipments remained stable from Q2 to Q3.
- ◆ The Consumer product segment is still with low demand due to inflation. However, it is expected to gradually recover in Q3.
- ◆ Shipments of immersive application products are steadily increasing, indicating a gradual growth trend.
- ◆ The Commercial product line with weak demand such as enterprise market.
- ◆ Overall, Q3 with 10%-20% QoQ shipment growth.
- ◆ Expect 2023 shipment with a 10% decrease due to the impact from the enterprise market (control expense) and consumer market (inflation).

# Market Update

- ◆ **The Pico projector market in China has experienced a rapid growth, but it is with keen competition on pricing and encounter low demand recently with China economy.**
- ◆ **The Pro-AV market keeps steady growth from both volume and revenue, especially in 4K resolution segment.**
- ◆ **The 1LCD projector market keeps growing and TFT LCD suppliers are approaching this market but with low price.**
- ◆ **Lamp tender opportunities remain positive, especially in North America and emerging market.**
- ◆ **8K resolution projector should be available in 2024.**



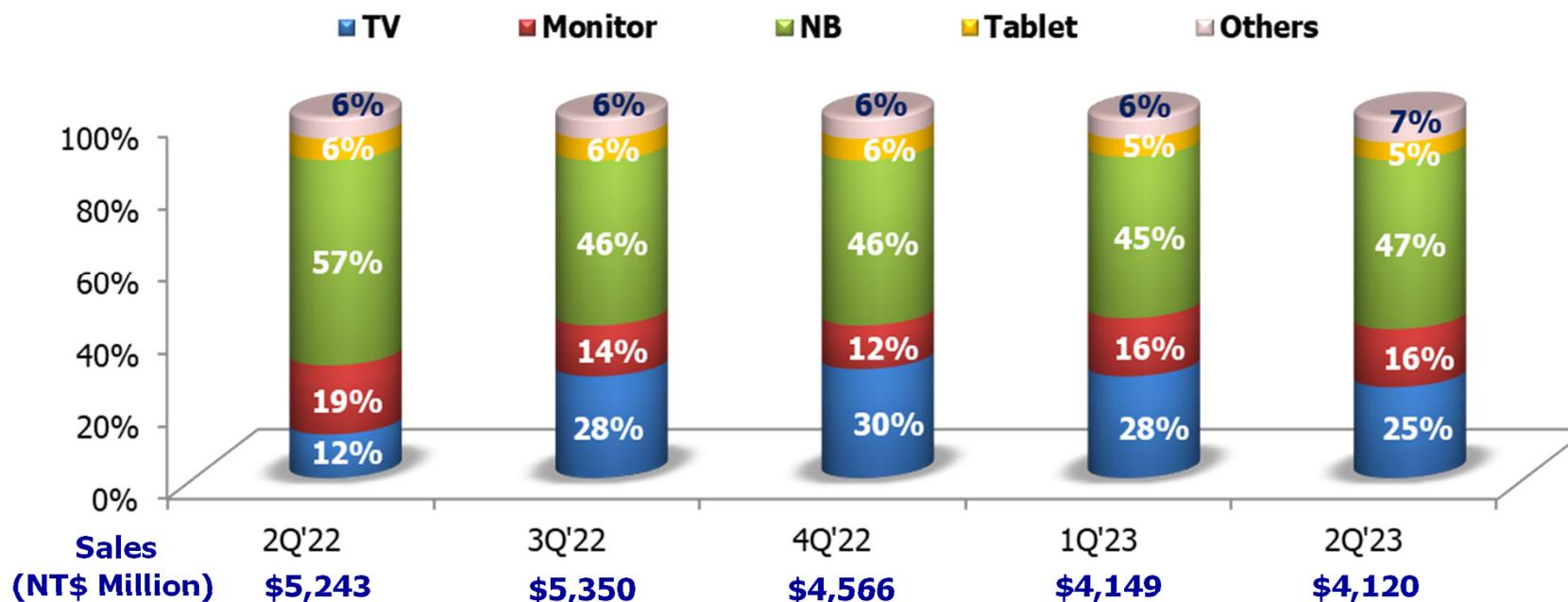
# Energy Saving Business



# 2Q23 Energy Saving Business Review

- ◆ **Sales revenue was NT\$4,120 million in 2Q23, drop 1% QoQ and 21% YoY respectively. This decline can be primarily attributed to weakened demand for TV/PID during the low season.**
- ◆ **The overall shipment was 7.7 million units, increased 10% QoQ and decreased 18% YoY respectively.**
- ◆ **2Q23 Shipment Summary:**
  - **TV/PID decreased 23% QoQ**
  - **Monitor with 1% QoQ increase**
  - **NB increased 23% QoQ**

# Energy Saving Sales Breakdown (By Revenue)



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

## ◆ 2Q23 Revenue Summary:

- TV/PID decreased 13% QoQ.
- Monitor with 5% QoQ increase.
- NB increased 6% QoQ.

# 3Q23 Energy Saving Business Outlook

- ◆ NB/Monitor shipments keep similar as Q2.
- ◆ TV shipments are expected with significant growth of 70-80% QoQ but depend on O/C (open-cell) availability.
- ◆ The OLED sub-contract business is on good track especially in the tablet segment.
- ◆ Vietnam factory is on schedule to be ready by end of Sept. for pilot run from Oct.
- ◆ Q3 shipment will be with 10-20% QoQ increase, mainly driven by TV shipments.
- ◆ With the low demand from market, expect 2023 shipment will decrease by 10%, main impact from NB, but the numbers could change by month, by rush orders.

# Market Update

- ◆ **TV panel price up with impact to the market demand.**
- ◆ **In general, customers are still quite conservative about the market outlook for 2023.**
- ◆ **Remove some LCM production from China to Vietnam.**
- ◆ **Not only consumer products move to Vietnam, automotive segment is the next.**
- ◆ **Even the market demand is low, to set up “China+1” new facilities is still in progress, and accelerate the establishment of infrastructure.**

# 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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