



# 2022 4<sup>th</sup> Quarter Results

Feb. 14, 2023

**2012 ~2022** Top 50 of Excellence in CSR Award from Taiwan's CommonWealth Magazine

**2015 ~2022** Top 5% in the Corporate Governance Evaluation from TWSE

**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

**2022 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'22		3Q'22		QoQ	4Q'21		YoY
<b>Net Sales</b>	<b>11,171</b>	<b>100%</b>	<b>12,903</b>	<b>100%</b>	<b>(13.4%)</b>	<b>15,115</b>	<b>100%</b>	<b>(26.1%)</b>
Cost of Goods Sold	(8,968)	(80.3%)	(10,214)	(79.2%)	12.2%	(12,532)	(82.9%)	28.4%
<b>Gross Profit</b>	<b>2,203</b>	<b>19.7%</b>	<b>2,689</b>	<b>20.8%</b>	<b>(18.1%)</b>	<b>2,582</b>	<b>17.1%</b>	<b>(14.7%)</b>
Operating Expenses	(1,835)	(16.4%)	(1,916)	(14.8%)	4.2%	(2,016)	(13.3%)	9.0%
<b>Operating Income</b>	<b>368</b>	<b>3.3%</b>	<b>774</b>	<b>6.0%</b>	<b>(52.4%)</b>	<b>566</b>	<b>3.7%</b>	<b>(34.9%)</b>
Non-operating Income, Net	109	1.0%	222	1.7%	(51.1%)	182	1.2%	(40.3%)
<b>Income Before Tax</b>	<b>477</b>	<b>4.3%</b>	<b>995</b>	<b>7.7%</b>	<b>(52.1%)</b>	<b>748</b>	<b>5.0%</b>	<b>(36%)</b>
<b>Net Income</b>	<b>334</b>	<b>3.0%</b>	<b>747</b>	<b>5.8%</b>	<b>(55.3%)</b>	<b>535</b>	<b>3.5%</b>	<b>(37.6%)</b>
Shareholders of the Parent Company	372	3.3%	697	5.4%	(46.7%)	527	3.5%	(29.5%)
Minority Interests	(38)	(0.3%)	50	0.4%	(176.1%)	8	0.0%	(568.7%)
<b>Basic EPS (NT\$)<sup>(a)</sup></b>	<b>0.95</b>		<b>1.78</b>			<b>1.35</b>		
<b>EBITDA</b>	<b>929</b>	<b>8.3%</b>	<b>1,429</b>	<b>11.1%</b>	<b>(35.0%)</b>	<b>1,073</b>	<b>7.1%</b>	<b>(13.4%)</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'22, 3Q'22 and 4Q'21)

# Statement of Comprehensive Income (Consolidated) - YoY

Amount: NT\$ Million Except Per Share Data

	2022		2021		YoY
<b>Net Sales</b>	<b>49,783</b>	<b>100%</b>	<b>49,833</b>	<b>100%</b>	<b>(0.1%)</b>
Cost of Goods Sold	(40,329)	(81.0%)	(41,102)	(82.5%)	1.9%
<b>Gross Profit</b>	<b>9,454</b>	<b>19.0%</b>	<b>8,731</b>	<b>17.5%</b>	<b>8.3%</b>
Operating Expenses	(7,304)	(14.7%)	(7,085)	(14.2%)	(3.1%)
<b>Operating Income</b>	<b>2,151</b>	<b>4.3%</b>	<b>1,646</b>	<b>3.3%</b>	<b>30.6%</b>
Non-operating Income, Net	1,022	2.1%	1,139	2.3%	(10.2%)
<b>Income Before Tax</b>	<b>3,173</b>	<b>6.4%</b>	<b>2,785</b>	<b>5.6%</b>	<b>13.9%</b>
<b>Net Income</b>	<b>2,413</b>	<b>4.8%</b>	<b>2,039</b>	<b>4.1%</b>	<b>18.3%</b>
Shareholders of the Parent Company	2,359	4.7%	2,032	4.1%	16.1%
Minority Interests	54	0.1%	7	0.0%	631.0%
<b>Basic EPS (NT\$)<sup>(a)</sup></b>	<b>6.03</b>		<b>5.12</b>		
<b>Basic EPS (NT\$)<sup>(b)</sup></b>	<b>6.03</b>		<b>5.20</b>		
<b>EBITDA</b>	<b>4,772</b>	<b>9.6%</b>	<b>3,990</b>	<b>8.0%</b>	<b>19.6%</b>

Prepared by Coretronic on a consolidated basis

(a) Basic EPS was calculated based on the total weighted average outstanding shares (391m shares in 2022 and 397m shares in 2021)

(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

	4Q'22	3Q'22	QoQ	4Q'21
Cash and Cash Equivalents	12,365	8,787	40.7%	11,230
Notes & Accounts Receivable, Net (including related)	10,266	11,810	(13.1%)	18,971
Inventory	10,445	11,003	(5.1%)	9,301
Short Term Debt <sup>(a)</sup>	10,239	11,415	(10.3%)	12,129
Long Term Debt	3,412	3,509	(2.8%)	1,827
Equity	25,080	24,906	0.7%	24,217
Total Assets	55,858	57,065	(2.1%)	61,470
Inventory Turnover (Days) <sup>(b)</sup>	109	111		66
Debt to Assets	55%	56%		61%
Return on Equity <sup>(c)</sup>	7%	13%		10%
Net Worth Per Share (NT\$) <sup>(d)</sup>	58.1	57.6		56.7

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

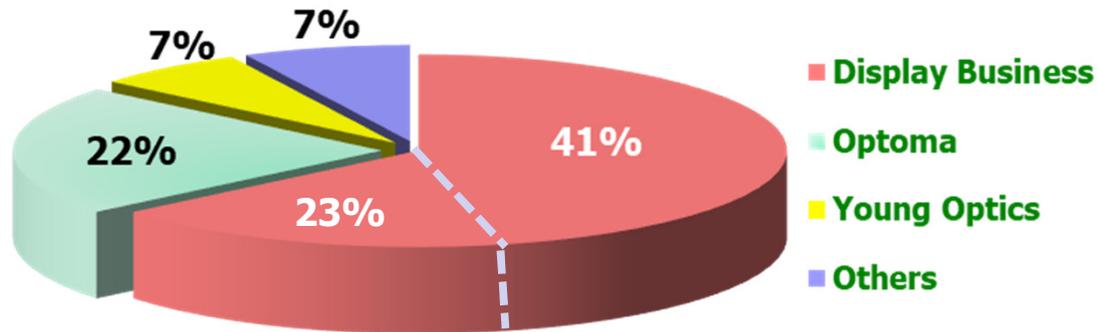
(d) Based on the outstanding shares of the balance sheet date: 4Q'22(391m shares), 3Q'22(391m shares), 4Q'21(391m shares)

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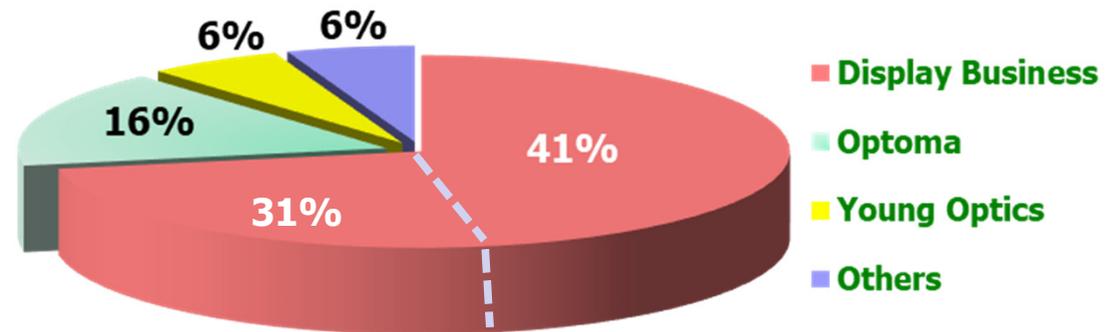
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# Consolidated Sales Breakdown (By Revenue)

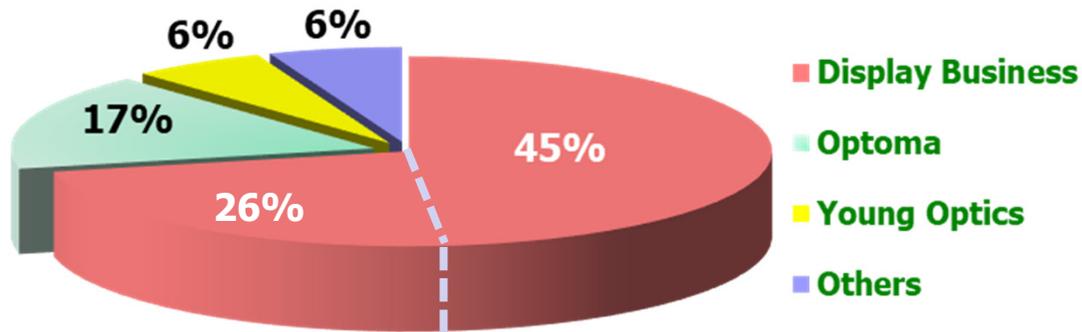


4Q'22 Consolidated Sales : NT\$11.2 Billion

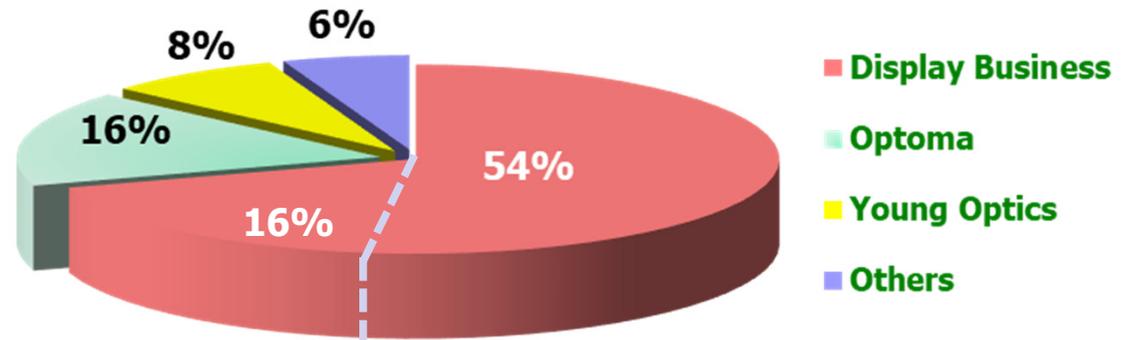


3Q'22 Consolidated Sales : NT\$12.9 Billion

# Consolidated Sales Breakdown (By Revenue)



2022 Consolidated Sales : NT\$49.8 Billion



2021 Consolidated Sales : NT\$49.8 Billion



# Display Business Report

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

**Sarah Lin**  
**Feb. 14, 2023**



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## Visual Solutions Business

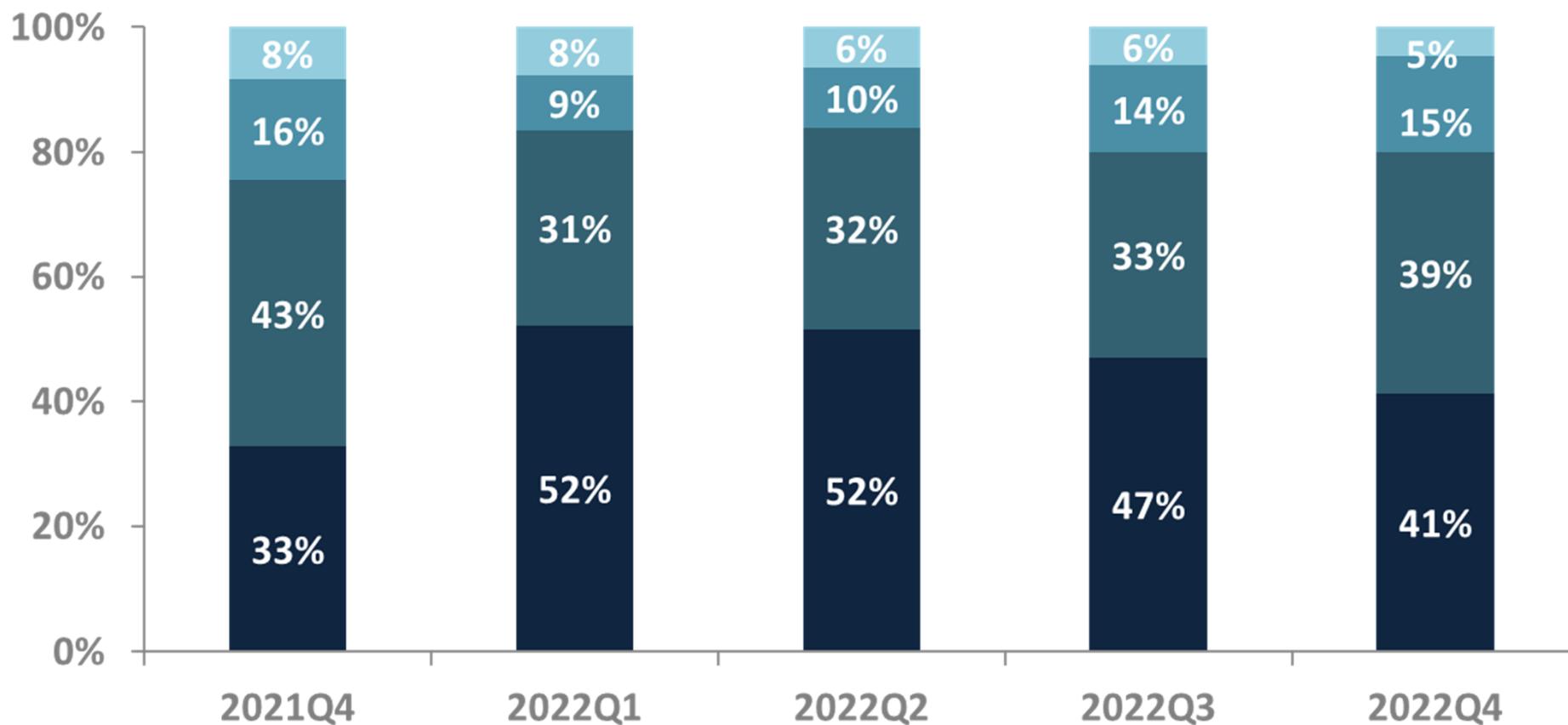


# 4Q22 Visual Solutions Business Review

- ◆ **4Q22 total sales of NT\$3,517M with 41% QoQ decrease and 1% YoY growth. QoQ decreased due to the demand reduction of all categories, YoY slightly increased from the growth of entertainment.**
- ◆ **2022 shipment 1.36 million units and sales revenue NT\$19.3 Bn, increasing 56% and 51% YoY respectively.**
- ◆ **The main growth comes from home entertainment and Pico projection, as well as the high-end large venue commercial models from the lifting of lockdowns in Europe and the United States.**

# Visual Solutions Sales Breakdown

■ Home/Entertainment ■ Business ■ Large Venue ■ Others



Sales (NT\$ Million)

**3,476**

**4,158**

**5,654**

**5,990**

**3,517**

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# 1Q23 Visual Solutions Business Outlook

- ◆ **Positive outlook from new >20K Im product launch and value / volume keep growth in >10K Im segment.**
- ◆ **Immersive solutions in collaboration with strategic partners started and expect to become a new business model in coming year.**
- ◆ **Inflation and war influence seriously both on B2B and B2C, especially in EMEA. But APAC is higher growth region, especially India and Indonesia.**
- ◆ **Expect 1Q23 with >10% QoQ decrease from low season impact.**
- ◆ **2023 forecast with 20% shipment growth.**

# Market Update

- ◆ **Pro-AV market keeps steady growth, significant volume / value growth in <8K lm, value increase in >20k lm and 60% share in 6K lm & 7K lm.**
- ◆ **4K entry brightness and high brightness product keeps growing with 50% ~ 60% YoY in 2022 and expect to drive more demand in 2023.**
- ◆ **Global economic downturn affect market but expect North America will recover quickly.**
- ◆ **Emerging market remain strong opportunities of growth by entry products, will be the next primary focus.**
- ◆ **8K projector announced in CES exhibition.**



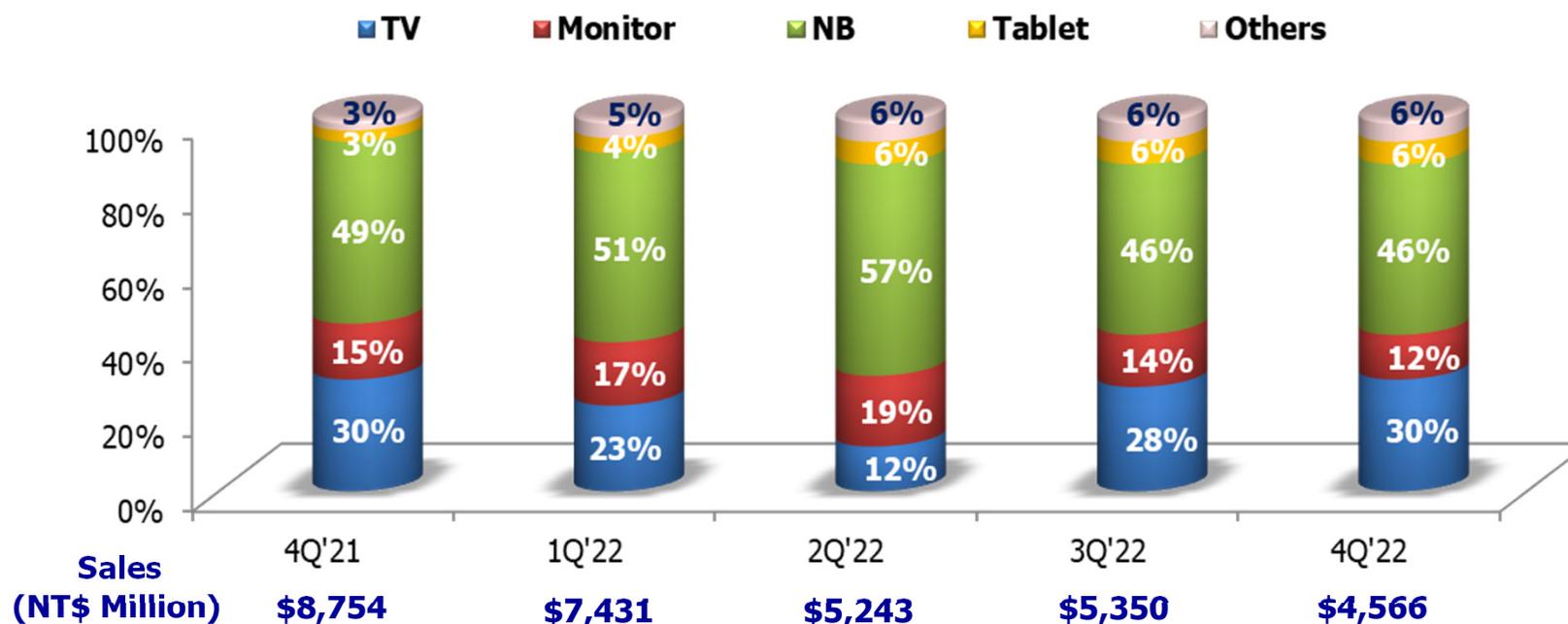
# Energy Saving Business



# 4Q22 Energy Saving Business Review

- ◆ Sales revenue NT\$4,566M, drop 14.7% QoQ and 47.8% YoY respectively.
- ◆ Shipment 7.3 million units, decreased 14% QoQ and 59% YoY respectively.
- ◆ 4Q22 Shipment Summary:
  - TV/PID decreased 16% QoQ resulting from slow seasonal impact
  - Monitor with 36% QoQ drop, in line with expectation
  - NB decreased 8% QoQ as expected
- ◆ Overall 2022 shipment around 40M units with 34% YoY drop, and sales revenue was NT\$22.6 billion with 17% YoY decrease, mainly due to weaker demand resulting from war, rising inflationary pressure led consumption sluggish and slow destocking of industrial supply chain in 2022.

# Energy Saving Sales Breakdown (By Revenue)



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

- ◆ **4Q22 Revenue Summary:**
  - TV/PID decreased 11% QoQ.
  - Monitor with 26% QoQ drop.
  - NB decreased 13% QoQ.

# 1Q23 Energy Saving Business Outlook

- ◆ **Market and all customers shows conservative forecast.**
- ◆ **NB/Monitor with 50% demand compared to 1Q22, TV with better trend.**
- ◆ **New business OLED Tablet sub-contract manufacturing MP from May/June timeframe, combine with current OLED NB to be another growth engine in 2023.**
- ◆ **Q1 will be with lowest shipment in 2023, expect 10% QoQ decrease.**
- ◆ **Expect 2023 shipment will slightly increase, TV will be the main growth, NB possible coming back from Q3.**

# Market Update

- ◆ **Remain unchanged from market forecast, first half still with very weak demand.**
- ◆ **Multiple supply chain/manufacturing become an important factor to be selected on business opportunity, not only China and South Asia location, perhaps further away to support NA market.**
- ◆ **Components over-supply from low demand market.**
- ◆ **OLED for automotive is still with low volume, in high end model only.**
- ◆ **Switchable privacy will be another new feature for automotive display.**

# 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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