



# 2023 1<sup>st</sup> Quarter Results

Apr. 25, 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

2023 1<sup>st</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

	1Q'23		4Q'22		QoQ	1Q'22		YoY
<b>Net Sales</b>	<b>9,571</b>	<b>100%</b>	<b>11,171</b>	<b>100%</b>	<b>(14.3%)</b>	<b>13,138</b>	<b>100%</b>	<b>(27.2%)</b>
Cost of Goods Sold	(7,968)	(83.3%)	(8,968)	(80.3%)	11.2%	(11,123)	(84.7%)	28.4%
<b>Gross Profit</b>	<b>1,603</b>	<b>16.7%</b>	<b>2,203</b>	<b>19.7%</b>	<b>(27.2%)</b>	<b>2,015</b>	<b>15.3%</b>	<b>(20.5%)</b>
Operating Expenses	(1,539)	(16.1%)	(1,835)	(16.4%)	16.1%	(1,691)	(12.9%)	9.0%
<b>Operating Income</b>	<b>64</b>	<b>0.7%</b>	<b>368</b>	<b>3.3%</b>	<b>(82.6%)</b>	<b>324</b>	<b>2.5%</b>	<b>(80.2%)</b>
Non-operating Income, Net	216	2.3%	109	1.0%	98.8%	318	2.4%	(32.2%)
<b>Income Before Tax</b>	<b>280</b>	<b>2.9%</b>	<b>477</b>	<b>4.3%</b>	<b>(41.3%)</b>	<b>642</b>	<b>4.9%</b>	<b>(56%)</b>
<b>Net Income</b>	<b>193</b>	<b>2.0%</b>	<b>334</b>	<b>3.0%</b>	<b>(42.2%)</b>	<b>491</b>	<b>3.7%</b>	<b>(60.6%)</b>
Shareholders of the Parent Company	253	2.6%	372	3.3%	(32.1%)	479	3.6%	(47.2%)
Minority Interests	(60)	(0.6%)	(38)	(0.3%)	(58.0%)	12	0.1%	(592.4%)
<b>Basic EPS (NT\$)<sup>(a)</sup></b>	<b>0.65</b>		<b>0.95</b>			<b>1.22</b>		
<b>EBITDA</b>	<b>725</b>	<b>7.6%</b>	<b>929</b>	<b>8.3%</b>	<b>(22.0%)</b>	<b>987</b>	<b>7.5%</b>	<b>(26.5%)</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 1Q'23, 4Q'22 and 1Q'22)

# Balance Sheet Highlight (Consolidated)

Amount: NT\$ Million

	1Q'23	4Q'22	QoQ	1Q'22
Cash and Cash Equivalents	11,813	12,365	(4.5%)	10,775
Notes & Accounts Receivable, Net (including related)	9,358	10,266	(8.8%)	15,278
Inventory	8,789	10,445	(15.9%)	11,970
Short Term Debt <sup>(a)</sup>	8,193	10,239	(20.0%)	11,724
Long Term Debt	3,309	3,412	(3.0%)	2,721
Equity	24,312	25,080	(3.1%)	23,965
Total Assets	51,382	55,858	(8.0%)	61,001
Inventory Turnover (Days) <sup>(b)</sup>	110	109		87
Debt to Assets	53%	55%		61%
Return on Equity <sup>(c)</sup>	5%	7%		9%
Net Worth Per Share (NT\$) <sup>(d)</sup>	56.2	58.1		55.8

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

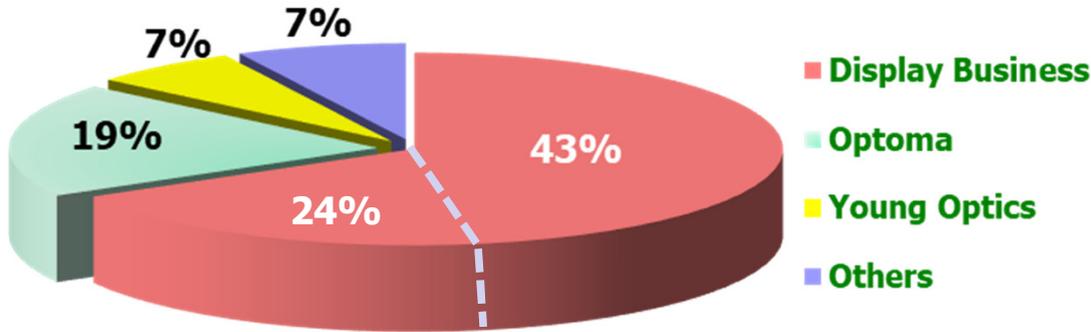
(d) Based on the outstanding shares of the balance sheet date: 1Q'23(391m shares), 4Q'22(391m shares), 1Q'22(391m shares)

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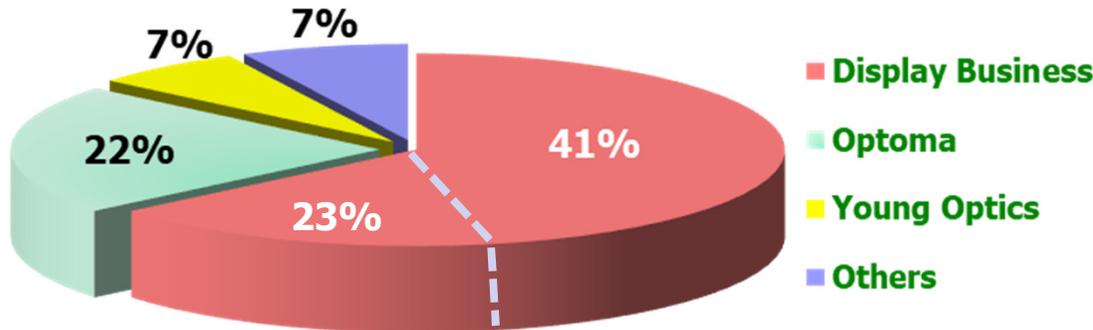
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# Consolidated Sales Breakdown (By Revenue)



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



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



# Display Business Report

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

**Sarah Lin**  
**Apr. 25, 2023**



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## Visual Solutions Business

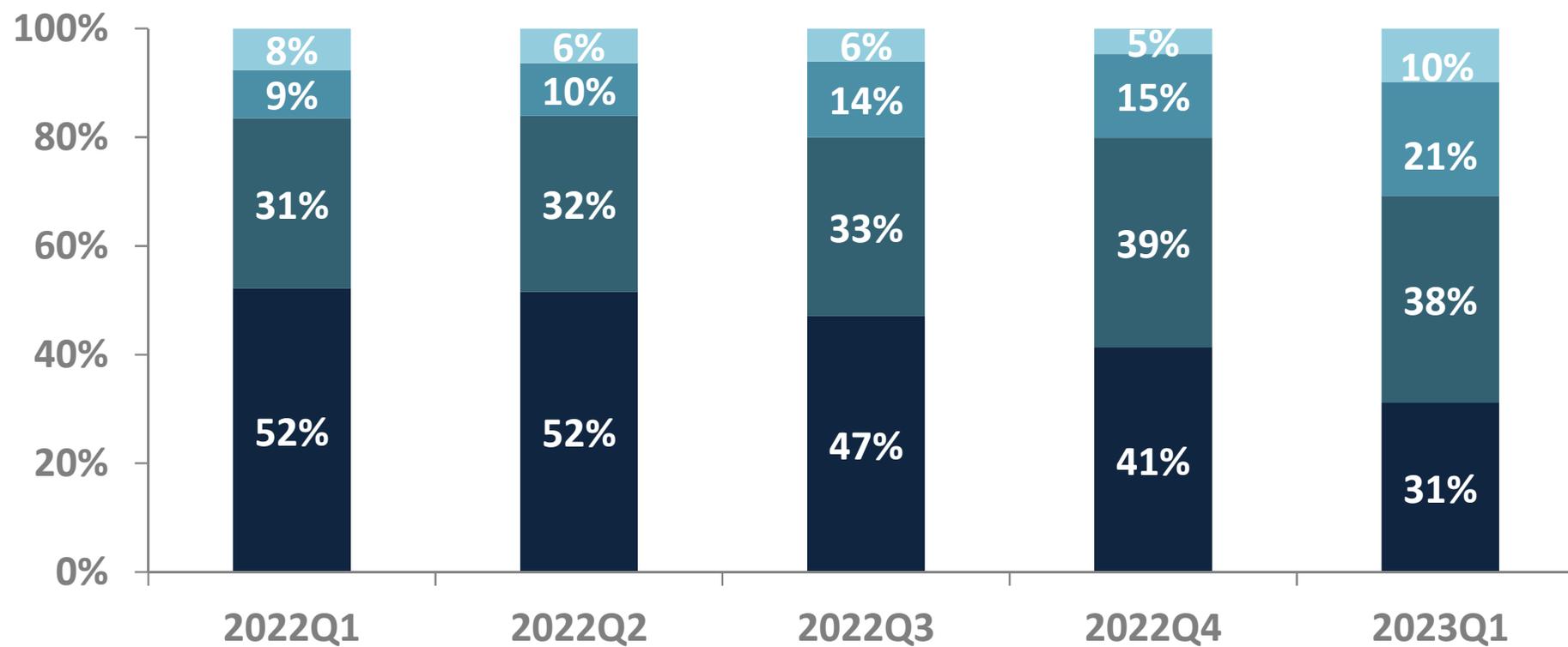


# 1Q23 Visual Solutions Business Review

- ◆ **1Q23 total sales of NT\$3,131M with 11% QoQ decrease and 25% YoY decrease.**
- ◆ **1Q23 shipment 237K with 6.4% QoQ decrease 16% YoY decrease.**
- ◆ **QoQ revenue decreased mainly due to the impact of the traditional off-season and reduced working days.**
- ◆ **YoY revenue decreased due to the demand reduction from entertainment segment.**

# Visual Solutions Sales Breakdown

■ Home/Entertainment ■ Business ■ Large Venue ■ Others



Sales (NT\$ Million)

**4,158**

**5,654**

**5,990**

**3,517**

**3,131**

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# 2Q23 Visual Solutions Business Outlook

- ◆ **High SSI penetration expected to become the strongest factor driving the growth of mainstream B2B sales in 2H.**
- ◆ **Emerging demand for pico projector extends from B2C to B2B market.**
- ◆ **Positive outlook of Pro-AV business growth following high brightness 4K + 2K product successful launching in 1Q23.**
- ◆ **Key material shortage improved but global inflation brings uncertainty.**
- ◆ **Several automotive projection under cooking (AR-HUD, interior and exterior).**

# Market Update

- ◆ **Overstock remains unchanged and maintain conservative towards B2C market as the outlook for global growth deteriorates, expect to resume in Q3.**
- ◆ **B2B Tender opportunities remain positive especially in emerging market and the economic recovery expectation from China market.**
- ◆ **Pro-AV market keeps steady growth.**
- ◆ **Immersive application accelerate market expansion (CAGR 6.09%), especially entertainment, education, and training industries.**
- ◆ **Smart projector for home application with strong promotion in China, expect to reach record high shipment in 2023 .**



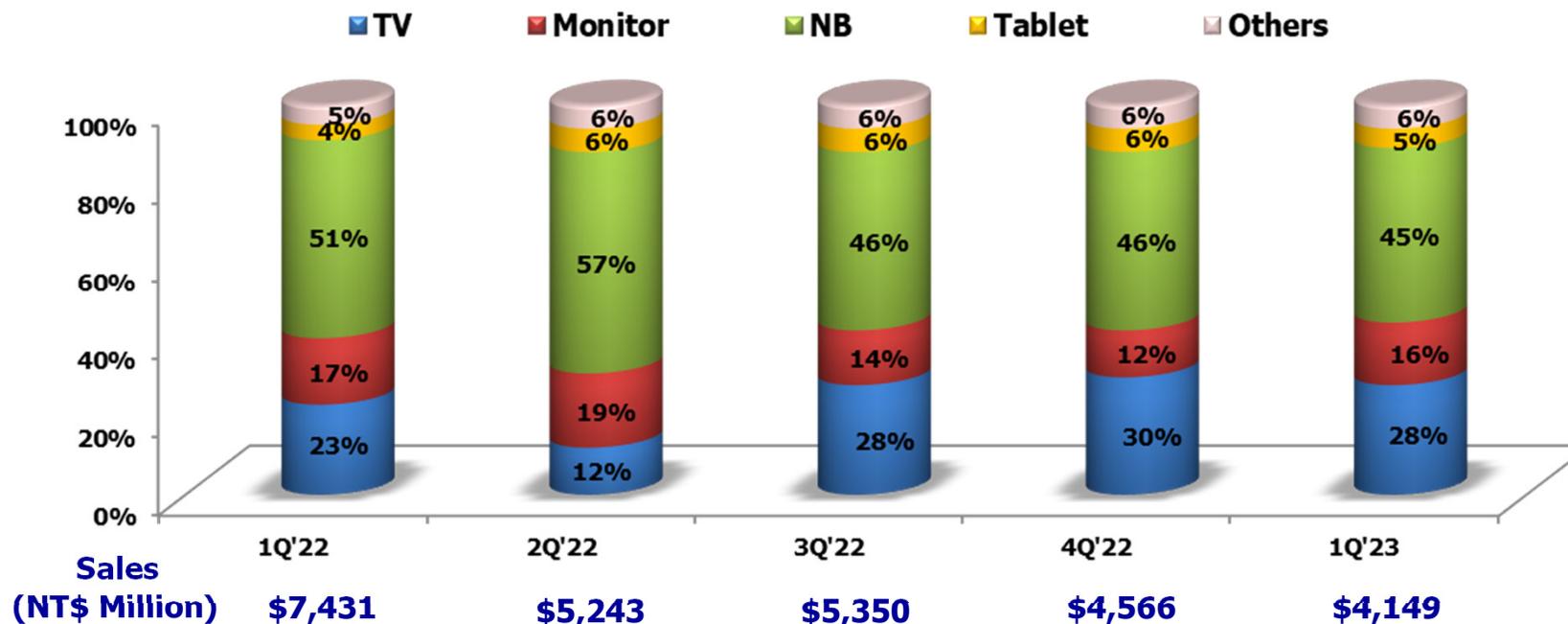
# Energy Saving Business



# 1Q23 Energy Saving Business Review

- ◆ **Sales revenue was NT\$4,149 million in 1Q23, drop 9% QoQ and 44% YoY respectively, mainly affected by factors such as traditional off-season and reduced working days.**
- ◆ **The overall shipment was 7 million units, decreased 4% QoQ and 53% YoY respectively.**
- ◆ **1Q23 Shipment Summary:**
  - **TV/PID decreased 7% QoQ resulting from slow seasonal impact**
  - **Monitor with 4% QoQ increase**
  - **NB decreased 4% QoQ**

# Energy Saving Sales Breakdown (By Revenue)



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

- ◆ **1Q23 Revenue Summary:**
  - TV/PID decreased 13% QoQ.
  - Monitor with 17% QoQ increase.
  - NB decreased 14% QoQ.

# 2Q23 Energy Saving Business Outlook

- ◆ **With slow demand but seeing some NB rush orders for specific category.**
- ◆ **TV might be stable or slightly decrease because panel price up with some impact for market demand.**
- ◆ **Monitor might keep stable as Q1, NB is with better trend.**
- ◆ **Tablet OLED sub-contract MP on schedule from May/June timeframe.**
- ◆ **Q2 will be with moderate QoQ increase mainly from NB.**
- ◆ **Expect 2023 shipment will slightly increase, TV is the main growth, NB with upside QoQ gradually.**

# Market Update

- ◆ **Market with pessimistic forecast for PC even continuing till end of 2023 but different brands on specific segment have different results.**
- ◆ **Look for production site out of China become critical but supply chain infrastructure is the key point to save logistics cost.**
- ◆ **More OLED NB launch to the market soon, need to observe inflation/higher price with impact or not.**
- ◆ **Even seeing TV panel price increase but the demand is still weak in Q2.**
- ◆ **The automotive market is expected to grow, but due to weak mobile/PC demand, it will be another keen competitive 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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