



2022 3rd Quarter Results

Nov. 1st, 2022

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 ~2021 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 3rd 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

	3Q'22		2Q'22		QoQ	3Q'21		YoY
Net Sales	12,903	100%	12,571	100%	2.6%	13,046	100%	(1.1%)
Cost of Goods Sold	(10,214)	(79.2%)	(10,024)	(79.7%)	(1.9%)	(10,702)	(82.0%)	4.6%
Gross Profit	2,689	20.8%	2,547	20.3%	5.6%	2,344	18.0%	14.7%
Operating Expenses	(1,916)	(14.8%)	(1,862)	(14.8%)	(2.9%)	(1,728)	(13.2%)	(10.9%)
Operating Income	774	6.0%	685	5.4%	13.0%	616	4.7%	25.6%
Non-operating Income, Net	222	1.7%	374	3.0%	(40.6%)	233	1.8%	(4.9%)
Income Before Tax	995	7.7%	1,058	8.4%	(6.0%)	849	6.5%	17%
Net Income	747	5.8%	841	6.7%	(11.2%)	589	4.5%	26.9%
Shareholders of the Parent Company	697	5.4%	811	6.4%	(14.0%)	569	4.4%	22.5%
Minority Interests	50	0.4%	30	0.3%	67.8%	20	0.1%	153.8%
Basic EPS (NT\$)^(a)	1.78		2.08			1.46		
Basic EPS (NT\$)^(b)	1.78		2.08			1.46		
EBITDA	1,429	11.1%	1,428	11.4%	0.1%	1,145	8.8%	24.7%

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'22, 2Q'22 and 3Q'21)

(b) Basic EPS was calculated based on the outstanding shares of the balance sheet date (391m shares in 2022 and 2021)

Statement of Comprehensive Income (Consolidated) - YoY

Amount: NT\$ Million Except Per Share Data

Nine Months Ended September 30

	2022		2021		YoY
Net Sales	38,612	100%	34,719	100%	11.2%
Cost of Goods Sold	(31,361)	(81.2%)	(28,570)	(82.3%)	(9.8%)
Gross Profit	7,251	18.8%	6,149	17.7%	17.9%
Operating Expenses	(5,469)	(14.2%)	(5,069)	(14.6%)	(7.9%)
Operating Income	1,782	4.6%	1,080	3.1%	65.0%
Non-operating Income, Net	914	2.4%	957	2.8%	(4.5%)
Income Before Tax	2,696	7.0%	2,037	5.9%	32.3%
Net Income	2,079	5.4%	1,504	4.3%	38.3%
Shareholders of the Parent Company	1,987	5.1%	1,504	4.3%	32.1%
Minority Interests	92	0.3%	0	0.0%	1,317,371%
Basic EPS (NT\$)^(a)	5.08		3.77		
Basic EPS (NT\$)^(b)	5.08		3.85		
EBITDA	3,843	10.0%	2,917	8.4%	31.8%

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 399m shares in 2021)

(b) Basic EPS was calculated based on the outstanding shares of the balance sheet date (391m shares in 2022 and 2021)

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Balance Sheet Highlight (Consolidated)

Amount: NT\$ Million

	3Q'22	2Q'22	QoQ	3Q'21
Cash and Cash Equivalents	8,787	8,439	4.1%	15,236
Notes & Accounts Receivable, Net (including related)	11,810	11,321	4.3%	16,409
Inventory	11,003	13,813	(20.3%)	8,717
Short Term Debt ^(a)	11,415	13,459	(15.2%)	14,093
Long Term Debt	3,509	1,618	116.9%	264
Equity	24,906	23,762	4.8%	22,935
Total Assets	57,065	58,787	(2.9%)	58,447
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Inventory Turnover (Days) ^(b)	111	117		64
Debt to Assets	56%	60%		61%
Return on Equity ^(c)	13%	15%		11%
Net Worth Per Share (NT\$) ^(d)	57.6	55.0		53.5

Prepared by Coretronic on a consolidated basis

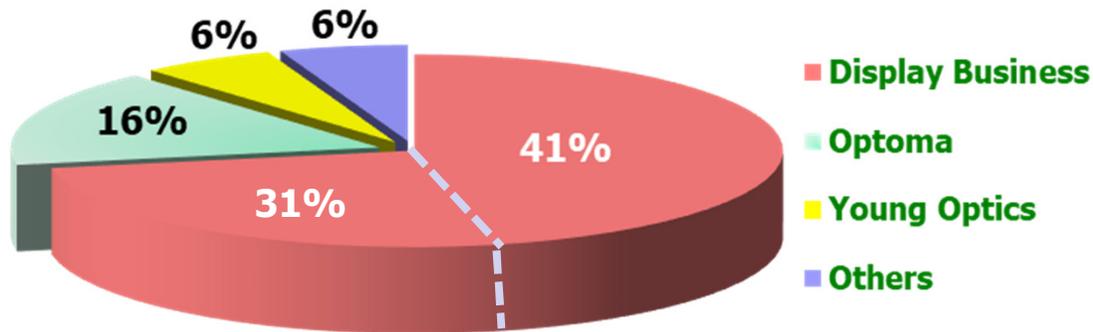
(a) Short term debt = short term bank loan + current portion of long term loan

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

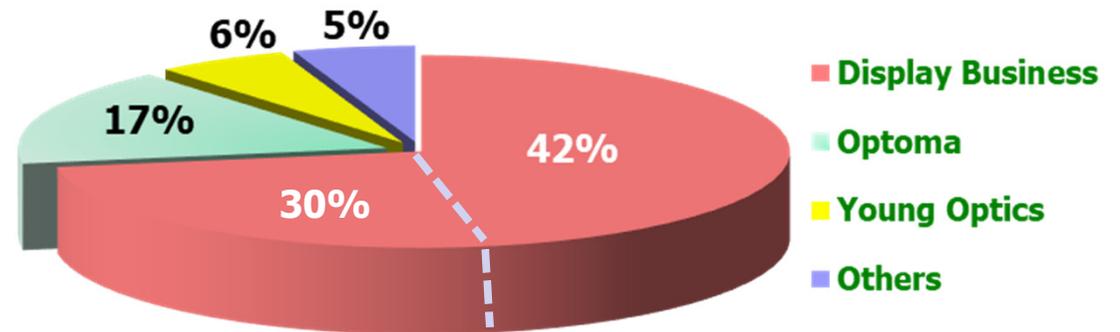
(c) Calculated by dividing the average shareholders' equity of parent company into the annualized net income during such period

(d) Based on the outstanding shares of the balance sheet date: 3Q'22(391m shares), 2Q'22(391m shares), 3Q'21(391m shares)

Consolidated Sales Breakdown (By Revenue)



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



2Q'22 Consolidated Sales : NT\$12.6 Billion



Display Business Report

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

Sarah Lin
Nov. 1st, 2022



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Visual Solutions Business

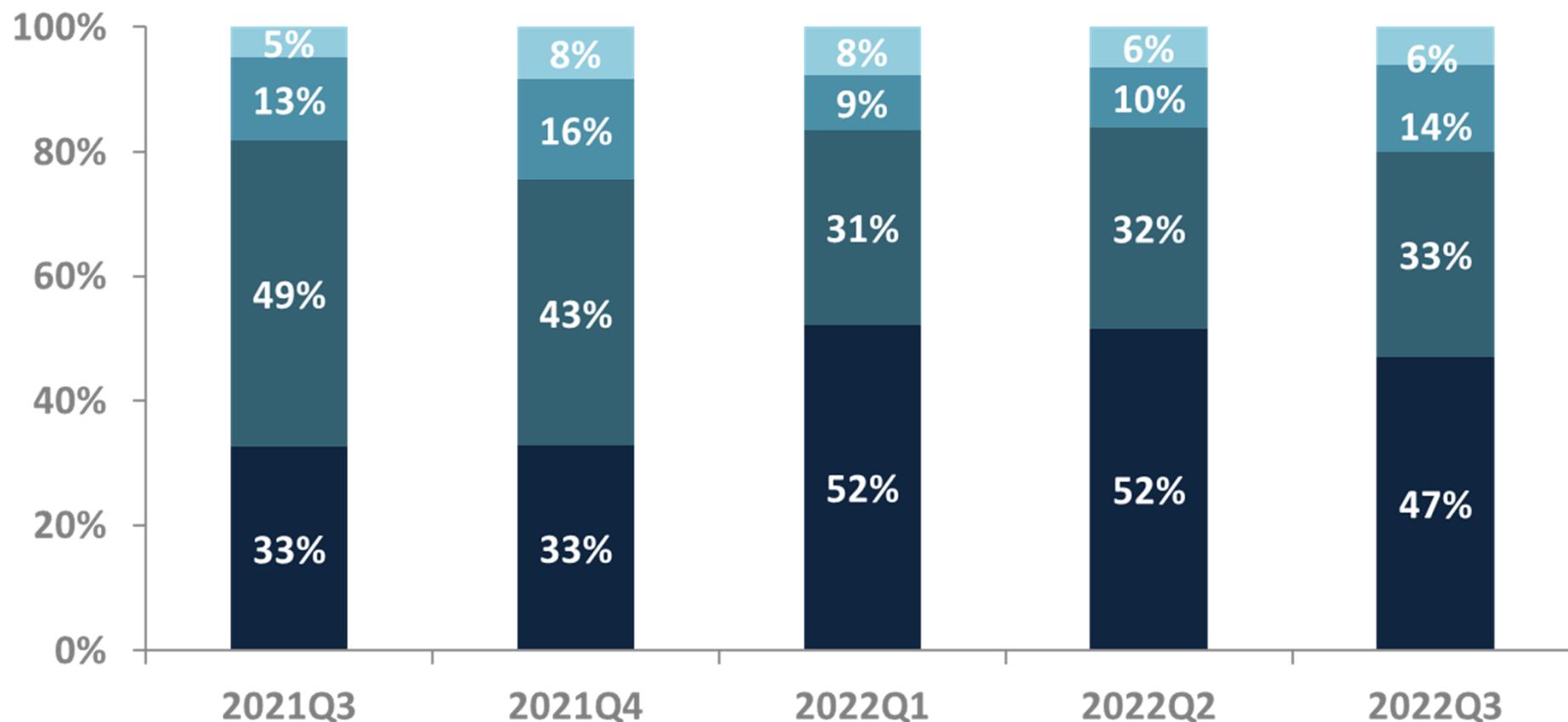


3Q22 Visual Solutions Business Review

- ◆ **3Q22 total sales of NT\$5,990M with 6% QoQ increase and 80% YoY growth.**
- ◆ **QoQ revenue increased due to the growth of demand for large venue.**
- ◆ **YoY revenue growth was primarily from lifting restrictions of COVID. Large exhibition demand drove growth of large venue. Sports events brought increased demand for entertainment.**

Visual Solutions Sales Breakdown

■ Home/Entertainment ■ Business ■ Large Venue ■ Others



Sales (NT\$ Million)

3,334

3,476

4,158

5,654

5,990

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4Q22 Visual Solutions Business Outlook

- ◆ **Inflation and slowing economic activity weaken demand from consumer application.**
- ◆ **Keep positive with B to B segments because of new product launch and stable demand from US market.**
- ◆ **Materials shortage with further improvement, some long lead-time IC with risk.**
- ◆ **New next-gen pico laser kicking off, still maintain as growing engine for 2023.**
- ◆ **2022 shipment still keep >50% YoY growth if no big surprise.**

Market Update

- ◆ **SSI projection continues to be the primary profit and volume driver.**
- ◆ **More entry B2B SSI mass production in Q4 to expedite the transition from lamp to laser.**
- ◆ **Emerging market such as India and Indonesia, where opportunities for growth remain strong, will be the next primary focus.**
- ◆ **Pro-AV market keeps recovering from COVID, significant volume growth in <10K lm segment and value growth in 10K to 20K lm segment.**
- ◆ **4K high brightness product keeps growing, expect 30% ~ 40% YoY in 2022.**



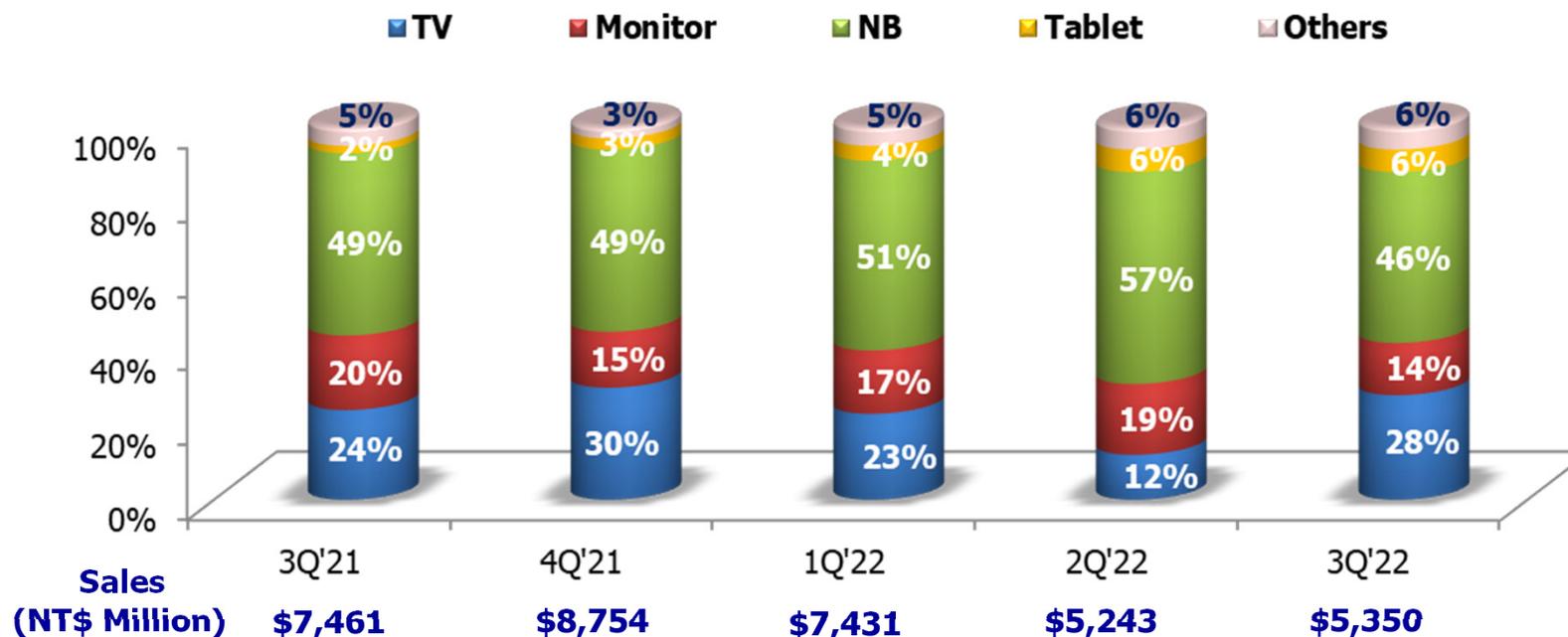
Energy Saving Business



3Q22 Energy Saving Business Review

- ◆ **Sales revenue was NT\$5,350 million in 3Q22, up 2% QoQ but drop 28% YoY respectively, mainly due to weaker demand resulting from war, rising inflationary pressure and supply chain inventory control in the first three quarters.**
- ◆ **The overall shipment in 3Q22 was 8.5 million units, decreased 10% QoQ and 49% YoY respectively.**
- ◆ **3Q22 Shipment Summary:**
 - **TV/PID increased 155% QoQ due to demand with significant improvement**
 - **Monitor with 20% QoQ decrease, in line with expectation**
 - **NB decreased 24% QoQ, worse than single digit decrease guidance**

Energy Saving Sales Breakdown (By Revenue)



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

- ◆ **3Q22 Revenue Summary:**
 - TV/PID increased 134% QoQ.
 - Monitor with 26% QoQ drop.
 - NB decreased 19% QoQ.

4Q22 Energy Saving Business Outlook

- ◆ **PC market is still in a weak situation, not seeing the upside sign.**
- ◆ **From the current market situation, expect all applications with YoY decrease impact.**
- ◆ **OLED NB keeps momentum, 4th production line under discussion to include tablet.**
- ◆ **Move some products to Vietnam factory to reduce the China lock-down risk.**
- ◆ **2022 forecast shipment with 20%-30% YoY decrease based on current forecast.**

Market Update

- ◆ **Weak demand and the high inventory will continue till Q1/2023 or even Q2.**
- ◆ **PC mainstream products is not a must-have, might shift to high end/niche application and low cost two segments.**
- ◆ **In order to digest inventory and increase production operations, price keen competition from supply chain and this will lead to supply chain restructuring.**
- ◆ **With currency depreciation and inflation continues, all of customers become conservative for 2023.**

Q&A

Franck Ho
CFO

Sarah Lin
President



Thank you

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



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