



2023 3rd Quarter Results

Oct. 31st, 2023

- 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 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'23 | | 2Q'23 | | QoQ | 3Q'22 | | YoY |
|---------------------------------------|---------------|--------------|--------------|--------------|---------------|---------------|--------------|----------------|
| Net Sales | 10,400 | 100% | 9,633 | 100% | 8.0% | 12,903 | 100% | (19.4%) |
| Cost of Goods Sold | (8,144) | (78.3%) | (7,618) | (79.1%) | (6.9%) | (10,214) | (79.2%) | 20.3% |
| Gross Profit | 2,256 | 21.7% | 2,015 | 20.9% | 12.0% | 2,689 | 20.8% | (16.1%) |
| Operating Expenses | (1,783) | (17.1%) | (1,821) | (18.9%) | 2.1% | (1,916) | (14.8%) | 6.9% |
| Operating Income | 473 | 4.5% | 194 | 2.0% | 144.0% | 774 | 6.0% | (38.9%) |
| Non-operating Income, Net | 51 | 0.5% | 281 | 2.9% | (81.8%) | 222 | 1.7% | (76.9%) |
| Income Before Tax | 524 | 5.0% | 475 | 4.9% | 10.3% | 995 | 7.7% | (47.4%) |
| Net Income | 421 | 4.1% | 366 | 3.8% | 15.2% | 747 | 5.8% | (43.6%) |
| Shareholders of the Parent Company | 467 | 4.5% | 412 | 4.3% | 13.3% | 697 | 5.4% | (33.0%) |
| Minority Interests | (46) | (0.4%) | (46) | (0.5%) | 2.1% | 50 | 0.4% | (192.2%) |
| Basic EPS (NT\$)^(a) | 1.20 | | 1.05 | | | 1.78 | | |
| EBITDA | 865 | 8.3% | 890 | 9.2% | (2.8%) | 1,429 | 11.1% | (39.5%) |

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'23, 2Q'23 and 3Q'22)

Statement of Comprehensive Income (Consolidated) - YoY

Amount: NT\$ Million Except Per Share Data

| | Nine Months Ended September 30 | | | | YoY |
|---------------------------------------|--------------------------------|--------------|---------------|--------------|----------------|
| | 2023 | | 2022 | | |
| Net Sales | 29,604 | 100% | 38,612 | 100% | (23.3%) |
| Cost of Goods Sold | (23,730) | (80.2%) | (31,361) | (81.2%) | 24.3% |
| Gross Profit | 5,873 | 19.8% | 7,251 | 18.8% | (19.0%) |
| Operating Expenses | (5,143) | (17.4%) | (5,469) | (14.2%) | 6.0% |
| Operating Income | 731 | 2.5% | 1,782 | 4.6% | (59.0%) |
| Non-operating Income, Net | 548 | 1.9% | 914 | 2.4% | (40.0%) |
| Income Before Tax | 1,279 | 4.3% | 2,696 | 7.0% | (52.6%) |
| Net Income | 980 | 3.3% | 2,079 | 5.4% | (52.9%) |
| Shareholders of the Parent Company | 1,132 | 3.8% | 1,987 | 5.1% | (43.0%) |
| Minority Interests | (152) | (0.5%) | 92 | 0.3% | (264.6%) |
| Basic EPS (NT\$)^(a) | 2.90 | | 5.08 | | |
| EBITDA | 2,480 | 8.4% | 3,843 | 10.0% | (35.5%) |

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

| | 3Q'23 | 2Q'23 | QoQ | 3Q'22 |
|---|--------|--------|---------|--------|
| Cash and Cash Equivalents | 15,446 | 13,272 | 16.4% | 8,787 |
| Notes & Accounts Receivable, Net (including related) | 12,655 | 9,488 | 33.4% | 11,810 |
| Inventory | 7,938 | 8,137 | (2.4%) | 11,003 |
| Short Term Debt ^(a) | 14,684 | 7,602 | 93.2% | 11,415 |
| Long Term Debt | 106 | 3,205 | (96.7%) | 3,509 |
| Equity | 26,202 | 24,408 | 7.3% | 24,906 |
| Total Assets | 57,149 | 51,379 | 11.2% | 57,065 |
| <hr/> | | | | |
| Inventory Turnover (Days) ^(b) | 90 | 101 | | 111 |
| Debt to Assets | 54% | 52% | | 56% |
| Return on Equity ^(c) | 8% | 7% | | 13% |
| Net Worth Per Share (NT\$) ^(d) | 61.3 | 56.6 | | 57.6 |

Prepared by Coretronic on a consolidated basis

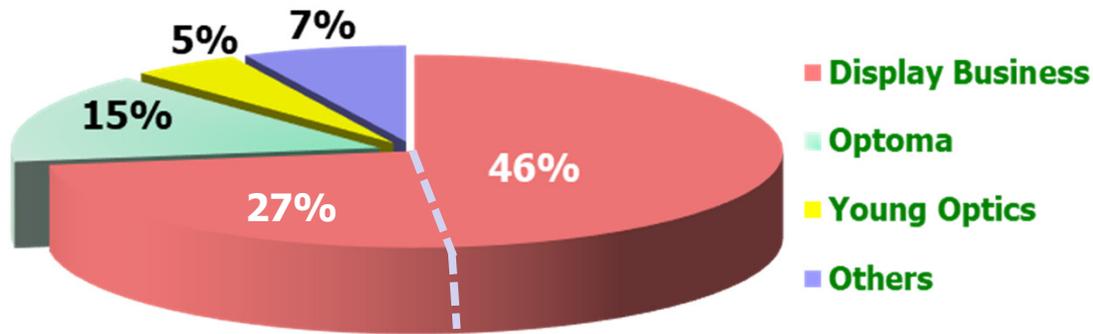
(a) Short term debt = short term bank loan + current portion of long term loan

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

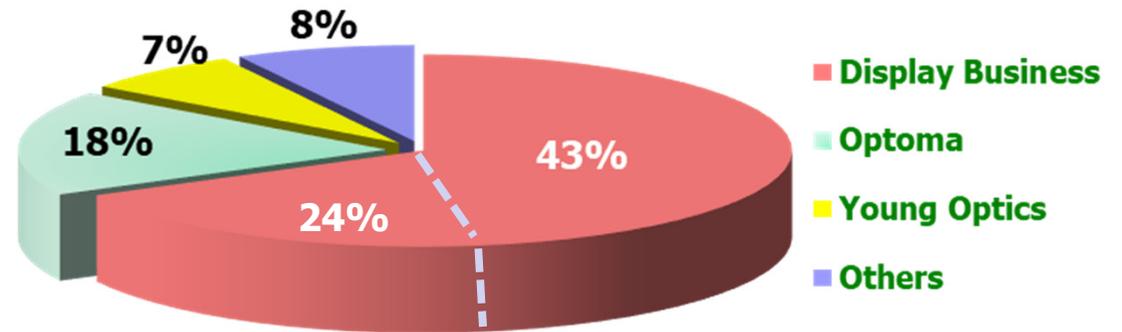
(c) Calculated by dividing the average shareholders' equity of parent company into the annualized net income during such period

(d) Based on the outstanding shares of the balance sheet date: 3Q'23(391m shares), 2Q'23(391m shares), 3Q'22(391m shares)

Consolidated Sales Breakdown (By Revenue)



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



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



Display Business Report

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

Sarah Lin

Oct. 31st, 2023



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Visual Solutions Business

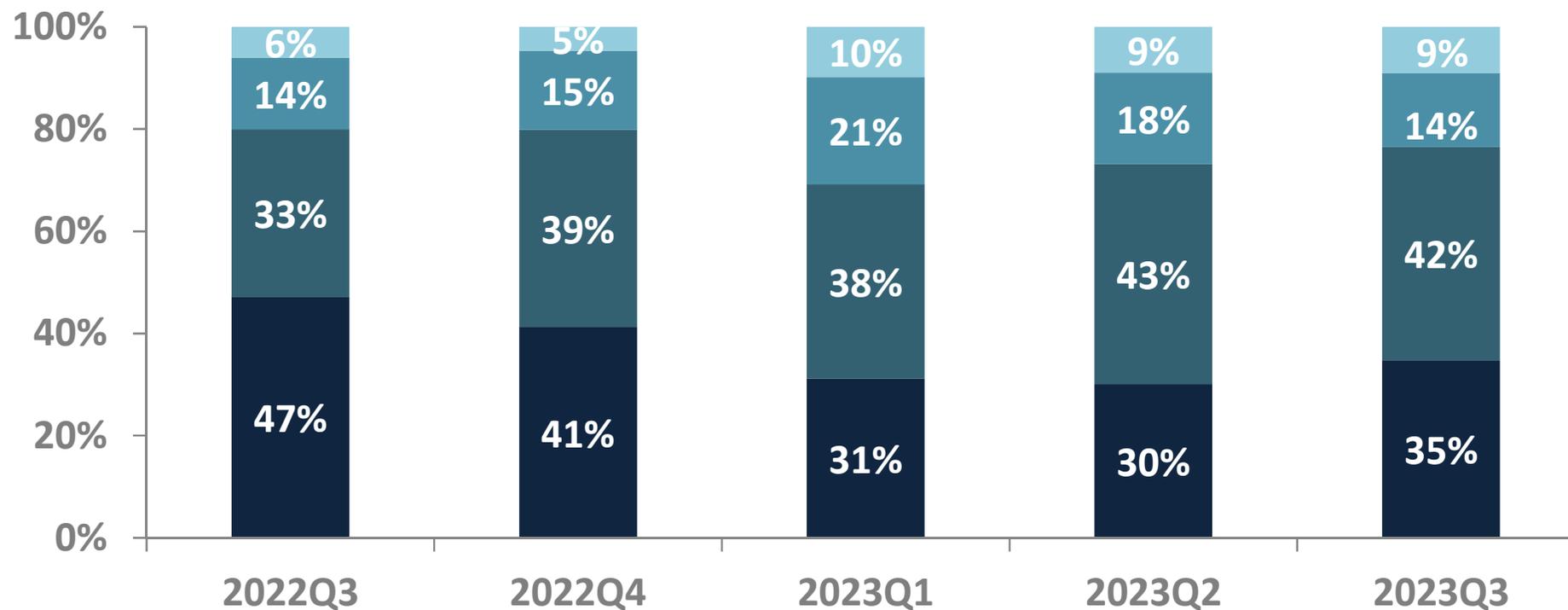


3Q23 Visual Solutions Business Review

- ◆ **3Q23 total sales amounted to NT\$3,774M, with 13% increase QoQ and 37% decrease YoY.**
- ◆ **3Q23 shipments reached 268K, with 8% QoQ increase and 35% YoY decrease.**
- ◆ **QoQ revenue increased due to the growth of demand for home entertainment segment, but also suffer the Pro-AV market slow momentum from China and Europe.**
- ◆ **YoY revenue decreased primarily due to the inflation impact to reduce demand from consumer market.**

Visual Solutions Sales Breakdown

■ Home/Entertainment ■ Business ■ Large Venue ■ Others



Sales (NT\$ Million)

5,990

3,517

3,131

3,335

3,774

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4Q23 Visual Solutions Business Outlook

- ◆ Home entertainment demand remains weak, customers with conservative forecast from inflation impact.
- ◆ Commercial/enterprise B2B market is in low demand, push out to 1Q24.
- ◆ The economy recession in China & Europe leads higher inventory and with conservative forecast of 4Q23, especially at Pro-AV market.
- ◆ With the weak demand from B2C market, expect Q4 shipment with 10% decrease QoQ.
- ◆ 2023 shipment will be 20-30% decrease YoY, mainly from consumer market, even Pro-AV market with rapid demand reduction in Q4.

Market Update

- ◆ Pico projector in China market seeing stuck without growth like before.
- ◆ The global economy remains conservative, B2B inventory levels is healthy, but B2C inventory levels remain relatively high.
- ◆ Market is more optimistic in 1H 2024 with 2024 July Summer Olympics.
- ◆ AR-HUD and DGP inquiries for automotive getting popular but could take 2 years for finish all developments.
- ◆ The oversupply of low-priced IFPDs penetrate more on education market.
- ◆ Brands are implementing year-end sales promotions but can't see much progress due to uncertain economy.



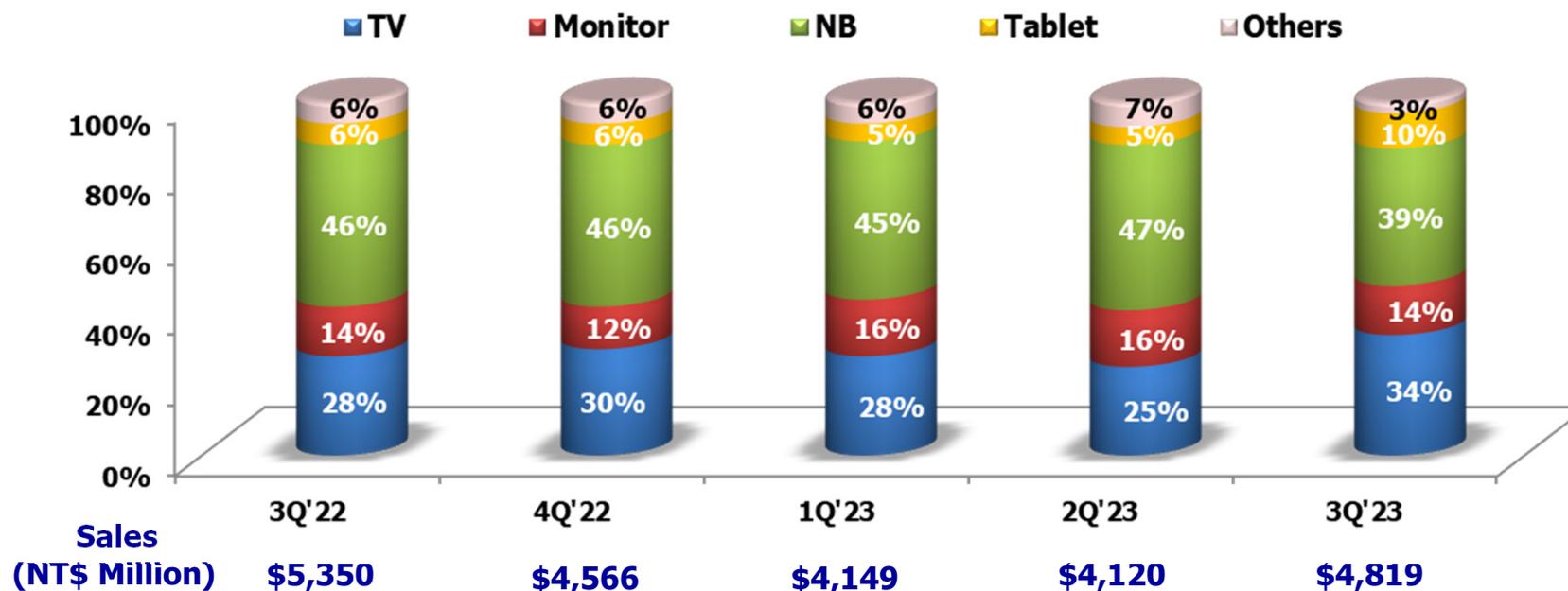
Energy Saving Business



3Q23 Energy Saving Business Review

- ◆ **Sales revenue was NT\$4,819 million in 3Q23, reflecting a 17% increase QoQ. The growth was mainly driven by the remarkable 62% QoQ increase in TV/PID revenue. However, the YoY comparison revealed a 10% decline in revenue, mainly attributed to slow inventory depletion and subdued consumer product demand.**
- ◆ **The overall shipment was 8.24 million units, increased 7% QoQ and slightly decreased 3% YoY respectively. NB in low demand, TV open cell not completely fulfilled demand.**
- ◆ **3Q23 Shipment Summary:**
 - **TV/PID increased 71% QoQ**
 - **Monitor with 1% QoQ increase**
 - **NB decreased 6% QoQ**

Energy Saving Sales Breakdown (By Revenue)



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

- ◆ **3Q23 Revenue Summary:**
 - TV/PID increased 62% QoQ.
 - Monitor with 0.4% QoQ increase.
 - NB decreased 5% QoQ.

4Q23 Energy Saving Business Outlook

- ◆ NB/Monitor shipments with single digit QoQ decrease.
- ◆ TV shipments are expected with <5% decrease but O/C (open-cell) is still in critical supply due to price gap.
- ◆ Vietnam factory with customer audit for TV LCM in Nov. and will start pilot run.
- ◆ New monitor LCM business kick off and investment starts for equipment ready by May'24, and MP from Oct'24.
- ◆ Q4 shipment will be with single digit decrease QoQ.
- ◆ From 3Q22 to 4Q23 with similar shipment, not seeing the positive signal for the demand till end of the year.

Market Update

- ◆ **TV open cell price up/availability with impact to the market.**
- ◆ **All customers do not have positive feedback about 1H 2024 demand.**
- ◆ **India policy of PC ban regulation speed up supply chain for local manufacturing.**
- ◆ **“China+1” with extra establishment cost but might create different result to have benefit from the competition of Chinese suppliers.**
- ◆ **NB with OLED really takes time to get consumers approval, similar as mini LED implementation, especially when consumers put demand in a very low priority.**

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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