



# 2022 1<sup>st</sup> Quarter Results

April 26, 2022

**2012 ~2021** Top 50 of Excellence in CSR Award from Taiwan's CommonWealth Magazine

**2015 ~2021** Top 5% in the Corporate Governance Evaluation from TWSE

**2017 ~2021** Earned TCSA "Corporate Sustainability Report Awards-Gold Award"

**2018 ~2021** 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 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'22		4Q'21		QoQ	1Q'21		YoY
<b>Net Sales</b>	<b>13,138</b>	<b>100%</b>	<b>15,115</b>	<b>100%</b>	<b>(13.1%)</b>	<b>10,023</b>	<b>100%</b>	<b>31.1%</b>
Cost of Goods Sold	(11,123)	(84.7%)	(12,532)	(82.9%)	11.2%	(8,366)	(83.5%)	(33.0%)
<b>Gross Profit</b>	<b>2,015</b>	<b>15.3%</b>	<b>2,582</b>	<b>17.1%</b>	<b>(22.0%)</b>	<b>1,657</b>	<b>16.5%</b>	<b>21.6%</b>
Operating Expenses	(1,691)	(12.9%)	(2,016)	(13.3%)	16.1%	(1,579)	(15.8%)	(7.1%)
<b>Operating Income</b>	<b>324</b>	<b>2.5%</b>	<b>566</b>	<b>3.7%</b>	<b>(42.8%)</b>	<b>78</b>	<b>0.8%</b>	<b>312.9%</b>
Non-operating Income, Net	318	2.4%	182	1.2%	74.9%	404	4.0%	(21.2%)
<b>Income Before Tax</b>	<b>642</b>	<b>4.9%</b>	<b>748</b>	<b>5.0%</b>	<b>(14.2%)</b>	<b>482</b>	<b>4.8%</b>	<b>33%</b>
<b>Net Income</b>	<b>491</b>	<b>3.7%</b>	<b>535</b>	<b>3.5%</b>	<b>(8.3%)</b>	<b>363</b>	<b>3.6%</b>	<b>35.1%</b>
Shareholders of the Parent Company	479	3.6%	527	3.5%	(9.2%)	386	3.9%	23.9%
Minority Interests	12	0.1%	8	0.0%	43.3%	(23)	(0.1%)	152.7%
<b>Basic EPS (NT\$)<sup>(a)</sup></b>	<b>1.22</b>		<b>1.35</b>			<b>0.93</b>		
<b>Basic EPS (NT\$)<sup>(b)</sup></b>	<b>1.22</b>		<b>1.35</b>			<b>0.99</b>		
<b>EBITDA</b>	<b>987</b>	<b>7.5%</b>	<b>1,073</b>	<b>7.1%</b>	<b>(8.0%)</b>	<b>766</b>	<b>7.6%</b>	<b>29.0%</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'22 and 4Q'21, 416m shares in 1Q'21)

(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

	1Q'22	4Q'21	QoQ	1Q'21
Cash and Cash Equivalents	10,775	11,230	(4.0%)	11,134
Notes & Accounts Receivable, Net (including related)	15,278	18,971	(19.5%)	12,199
Inventory	11,970	9,301	28.7%	5,763
Short Term Debt <sup>(a)</sup>	11,724	12,129	(3.3%)	8,487
Long Term Debt	2,721	1,827	49.0%	523
Equity	23,965	24,217	(1.0%)	21,509
Total Assets	61,001	61,470	(0.8%)	49,131
<hr/>				
Inventory Turnover (Days) <sup>(b)</sup>	87	66		52
Debt to Assets	61%	61%		56%
Return on Equity <sup>(c)</sup>	9%	10%		7%
Net Worth Per Share (NT\$) <sup>(d)</sup>	55.8	56.7		49.9

Prepared by Coretronic on a consolidated basis

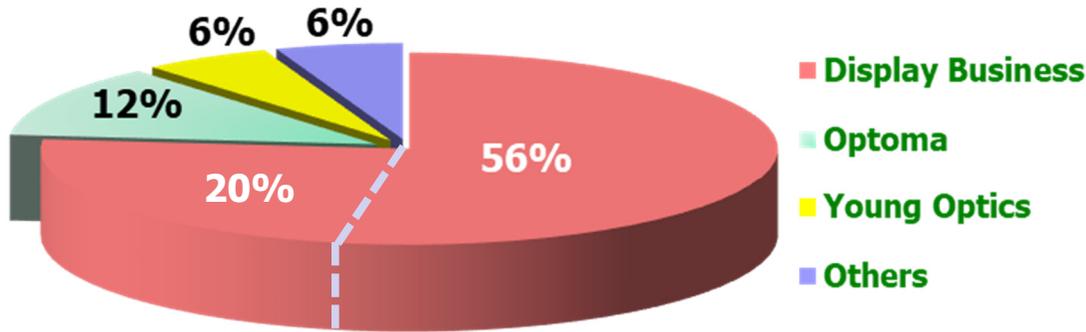
(a) Short term debt = short term bank loan + current portion of long term loan

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

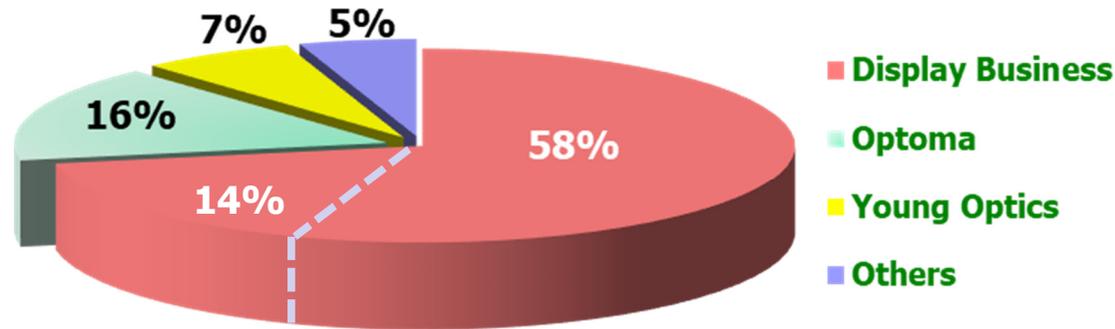
(c) Calculated by dividing the average shareholders' equity of parent company into the annualized net income during such period

(d) Based on the outstanding shares of the balance sheet date: 1Q'22(391m shares), 4Q'21(391m shares), 1Q'21(391m shares)

# Consolidated Sales Breakdown (By Revenue)



1Q'22 Consolidated Sales : NT\$13.1 Billion



4Q'21 Consolidated Sales : NT\$15.1 Billion



# Display Business Report

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

**Sarah Lin**  
**April 26, 2022**



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## Visual Solutions Business

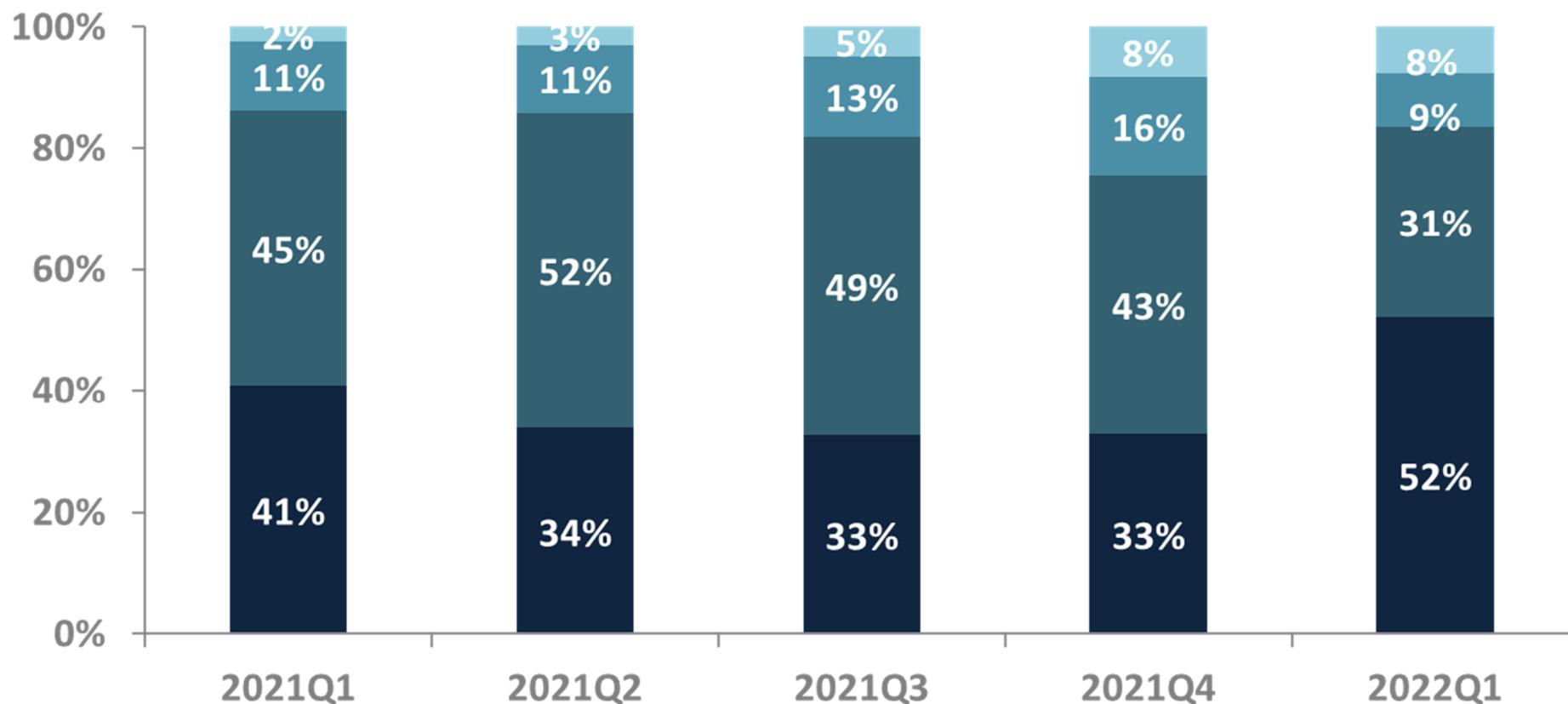


# 1Q22 Visual Solutions Business Review

- ◆ **1Q22 total sales of NT\$4,158M with 20% QoQ increase and 43% YoY growth.**
- ◆ **QoQ revenue increased due to the growth of demand for home/entertainment.**
- ◆ **YoY revenue growth is primarily from consumer application growth and SSI to boost sales.**

# Visual Solutions Sales Breakdown

■ Home/Entertainment ■ Business ■ Large Venue ■ Others



Sales (NT\$ Million)

**2,902**

**3,109**

**3,334**

**3,476**

**4,158**

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# 2Q22 Visual Solutions Business Outlook

- ◆ **Materials shortage with impact in Q2 from China cities lockdown or isolation, uncertain supply chain become unpredictable.**
- ◆ **Even with projector factory running few working days in April, still expect Q2 with 30% up QoQ from home application growing.**
- ◆ **Seeing business segment recovered due to lockdown lifting in Europe/USA but might have impact to delay the demand due to war.**
- ◆ **Remain unchanged for 2022 forecast shipment with 50% growth mainly still from new Pico projector segment.**

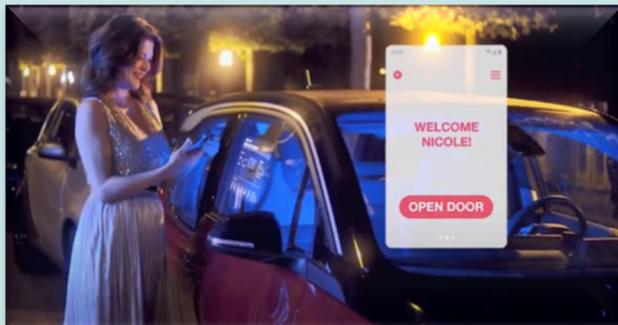
# Market Update

- ◆ **Seeing materials shortage with some improvement but key components not with big improvement.**
- ◆ **Pico and SSI TV still keep high growth rate in B to C market and also are the priority of projection business.**
- ◆ **Home entertainment application with better chance with high YoY growth.**
- ◆ **Projector format with better flexibility to have more applications opportunity, this will become another growth areas, not just for home, for automotive, for airplane.**
- ◆ **With the uncertain supply chain at China, more complex and more multiple components supply possibility will be the next big change and cost will increase with transportation.**

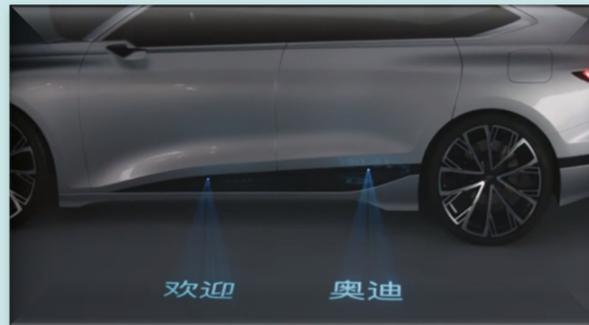
# Aerospace Applications



## Car Window Projection



## Dynamic Ground Projection



## Car Interior Projection





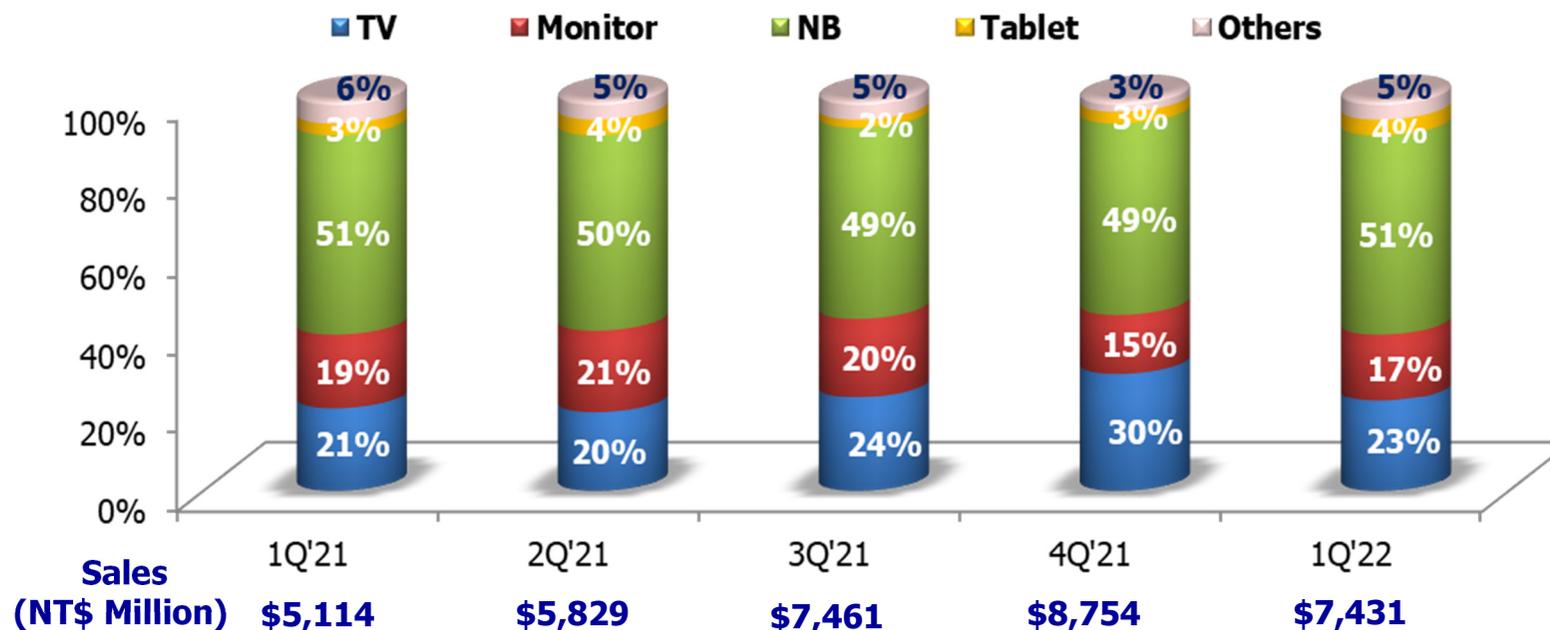
# Energy Saving Business



# 1Q22 Energy Saving Business Review

- ◆ **Sales revenue was NT\$7,431 million in 1Q22, decrease 15% QoQ and increase 45% YoY, mainly due to the substantial growth in shipments of all application compared to the same period last year.**
- ◆ **The overall shipment in 1Q22 was 14.85 million units, drop 16% QoQ and increase 19% YoY.**
- ◆ **1Q22 Shipment Summary:**
  - **TV/PID drop 35% QoQ due to war impact from Europe in the last week of March**
  - **Monitor with 2% QoQ increase**
  - **NB decrease 17% QoQ**

# Energy Saving Sales Breakdown (By Revenue)



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

- ◆ **1Q22 Revenue Summary:**
  - TV/PID decrease 34% QoQ.
  - Monitor with 1% QoQ drop.
  - NB decrease 12% QoQ.

# 2Q22 Energy Saving Business Outlook

- ◆ **With China supply chain isolation, expect Q2 shipment with 30% QoQ decrease, will minimize the gap from May/June production.**
- ◆ **All applications with impact especially on TV/NB, TV decrease from European market, NB mainly from lower demand.**
- ◆ **OLED NB module running smooth with significant growth this year.**
- ◆ **Starts building new Vietnam factory from April, target to MP in Q4, 2023.**
- ◆ **2022 forecast shipment with single digit growth, NB/Monitor with growth, TV with single digit decrease but ASP will be higher with the more larger size shipment.**

# Market Update

- ◆ Q2 seeing NB with really weak demand from market, with the impact from inflation, NB seems not a top priority for end users.
- ◆ China cities lockdown cause big impact to the supply chain and still not sure if the impact will expand from other cities.
- ◆ 2022 all applications shows YoY decrease from new market forecast with unexpected war/lockdown from Feb onwards.
- ◆ With weak demand might cause over-supply but it's based on demand/supply theory, still have uncertainty from supply chain lockdown by "long-COVID".
- ◆ Multiple production site and multiple supply chain will be the trend in the future.

# 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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