

3Q22 Earnings Conference LITEON Technology

2022/10/20

LITEON[®]
— 光寶科技

Agenda

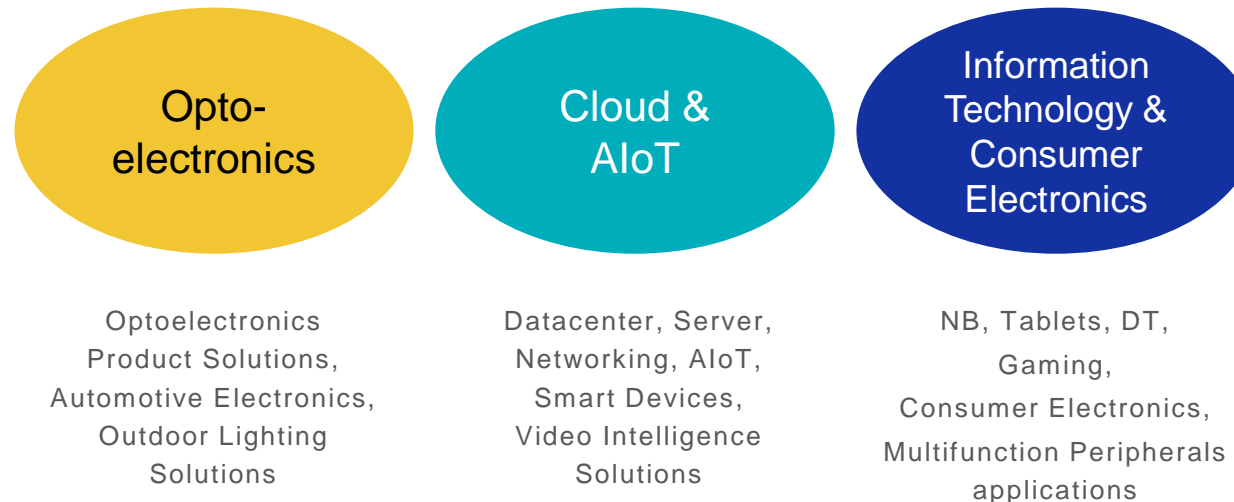
LITEON

- **Host**
Julia Wang, IR Senior Director
- **3Q22 Results and 4Q22 Outlook**
Patricia Chou, CFO
- **Operation Plan and Growth Strategy**
Anson Chiu, President
- **Q&A**

Safe Harbor Notice

LITEON Technology's statement of its current expectations are forward-looking statements which are subject to significant risks and uncertainties. Actual results may differ materially from those contained in any forward-looking statements.

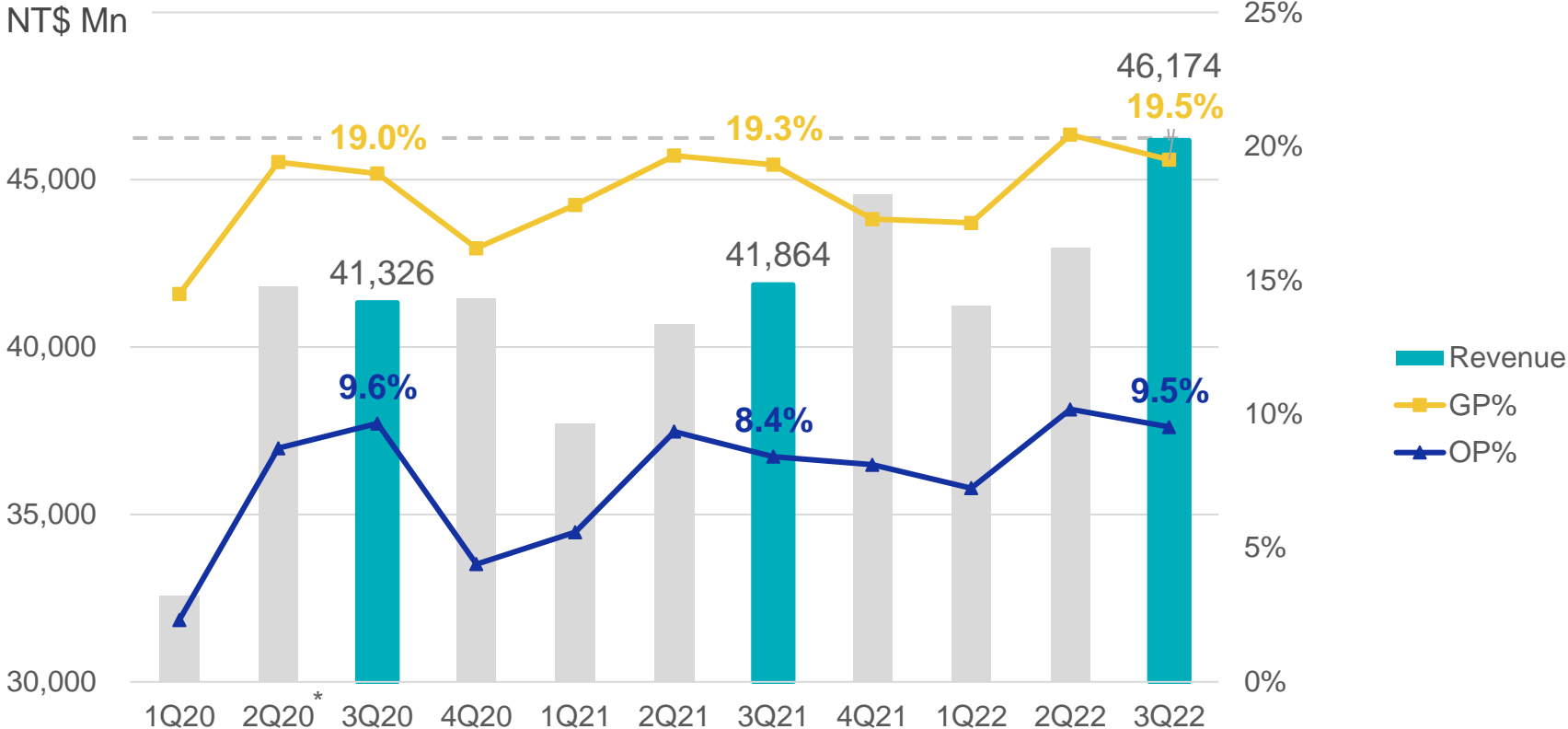
The numbers of the presentation are prepared under IFRS.



3Q22 Income Statement

<i>In NT Millions</i>	3Q22		2Q22		QoQ	3Q21		YoY
	Amount	%	Amount	%	%	Amount	%	%
Net Sales	46,174	100.0	42,957	100.0	7	41,864	100.0	10
COGS	37,172	80.5	34,180	79.6	9	33,780	80.7	10
Gross Profit	9,003	19.5	8,777	20.4	3	8,084	19.3	11
Operating Expenses	4,608	10.0	4,407	10.3	5	4,562	10.9	1
Operating Profit	4,394	9.5	4,370	10.2	1	3,522	8.4	25
Other Income/ Expense	954	2.1	623	1.5	53	351	0.8	172
Profit Before Tax	5,348	11.6	4,993	11.6	7	3,872	9.2	38
Income Tax Expense	1,096	2.4	1,024	2.4	7	782	1.9	40
Non-Controlling Interests	12	0.0	10	0.0	26	10	0.0	15
Profit Attributable to Parent	4,240	9.2	3,960	9.2	7	3,080	7.4	38
After Tax EPS	1.86		1.74			1.33		

Record GP and OP in 3Q22



In NT Millions	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Gross Profit	4,717	8,114	7,844	6,709	6,718	7,994	8,084	7,702	7,067	8,777	9,003
Operating Profit	752	3,646	3,987	1,820	2,107	3,801	3,522	3,613	2,981	4,370	4,394

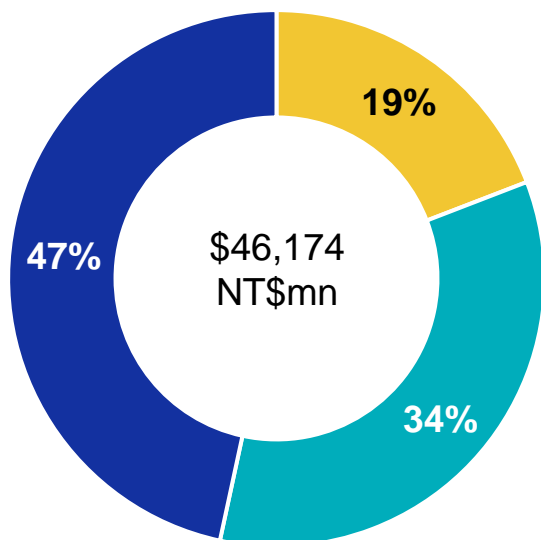
*SSD has been transferred at the end of 2Q20

Profitable Growth by 9M22

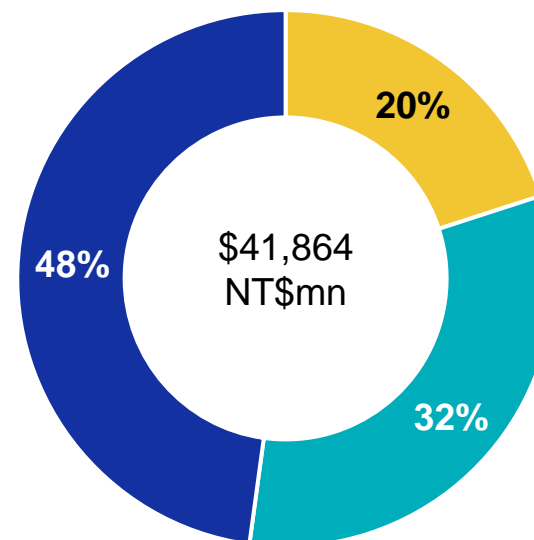
<i>In NT Millions</i>	9M22		9M21		YoY
	Amount	%	Amount	%	%
Net Sales	130,362	100.0	120,259	100.0	8
COGS	105,515	80.9	97,464	81.0	8
Gross Profit	24,847	19.1	22,795	19.0	9
Operating Expense	13,101	10.0	13,366	11.1	-2
Operating Profit	11,745	9.0	9,429	7.8	25
Other Income/ Expense	1,253	1.0	5,046	4.2	-75
Profit Before Tax	12,998	10.0	14,475	12.0	-10
Income Tax Expense	2,665	2.0	3,061	2.5	-13
Non-Controlling Interests	30	0.0	36	0.0	-17
Profit Attributable to Parent	10,304	7.9	11,377	9.5	-9
After Tax EPS	4.51		4.90		

53% of Revenue from High GPM Opto and Cloud & AIoT

3Q22 Product Mix



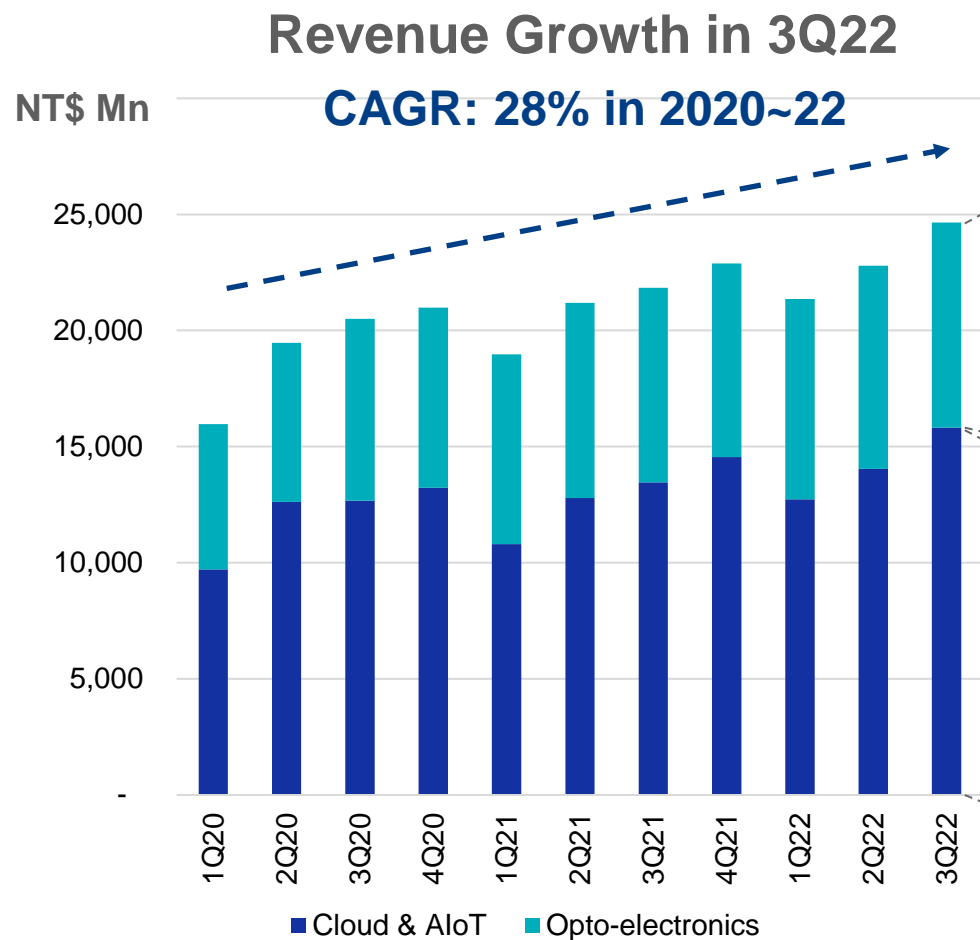
3Q21 Product Mix



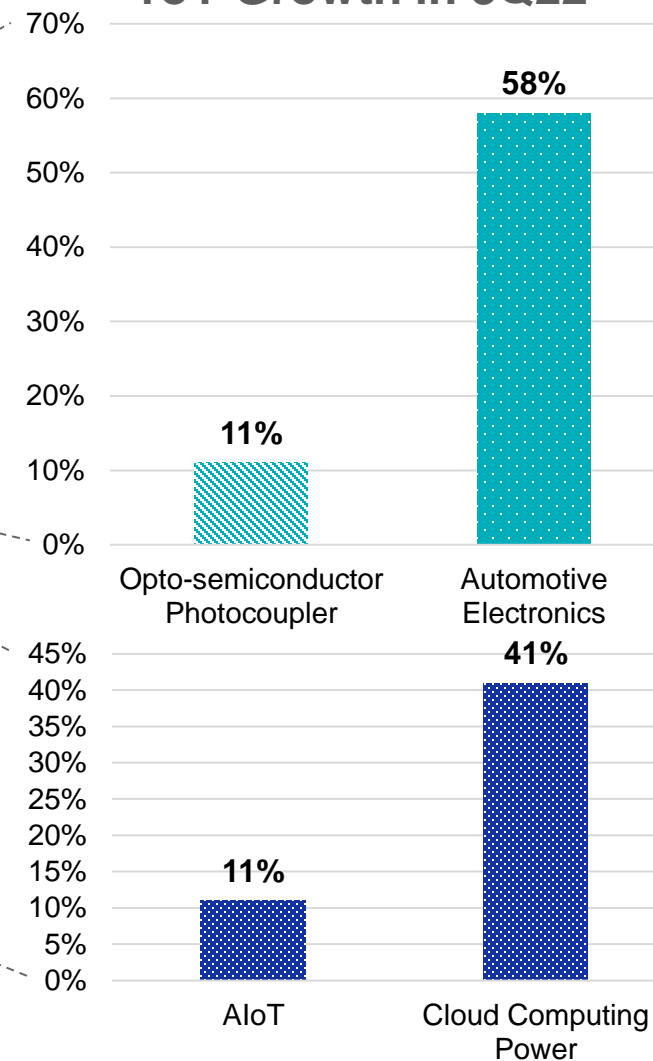
- Opto-electronics
- Cloud & AIoT
- Information Technology & Consumer Electronics

NT\$mIn	Revenue			GPM from High-End Products	Operating Profit	
	Amount	YoY	%		3Q22	3Q21
Opto-electronics	8,842	6%	19%	30%+	996	634
Cloud & AIoT	15,809	17%	34%	25%+	1,509	978
Information Technology & Consumer Electronics	21,523	7%	47%	18%+	2,674	2,343

Yearly Growth in Core Business in 3Q22



YoY Growth in 3Q22



Balance Sheet

<i>In NT millions</i>	3Q22		2Q22		3Q21	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	70,507	35%	70,468	36%	69,459	38%
Accounts Receivable	44,519	22%	41,528	21%	38,737	21%
Inventories	31,449	15%	30,738	16%	30,791	17%
Current Assets	167,656	83%	157,965	82%	144,513	80%
Short Term Debt	33,900	17%	38,386	20%	31,349	17%
Accounts Payable	48,096	24%	42,340	22%	44,976	25%
Current Liabilities	116,985	58%	114,092	59%	108,779	60%
Equities	79,513	39%	76,151	39%	70,098	39%
Key Indices						
Quick Ratio (x)	1.2		1.1		1.0	
Net Cash (NT Millions)	36,607		32,082		38,110	
BVPS	34		33		30	

3Q22 Executive Summary

- 3Q22 consolidated sales of NT\$ 46 billion, up 10% YoY, hitting third quarter record high in 3 consecutive years, mainly benefits from strong growth towards cloud computing, auto electronics and high-end photocouplers.
- GP, OP and EPS all hit record high in 3Q22, with EPS of NT\$ 1.86, up 40% YoY. Continuing profits growth thanks to product mix optimization, increase of output value and market shares as well as operational resilience and efficiency.
- Consolidated sales of NT\$ 130 billion by 9M22, up 8% YoY, also hitting record high in the same period in 3 consecutive years ; GP and OP are up 9% and 25% YoY respectively, continuing to show profitable growth.
- 9M22 GPM: 19.1% (YoY +0.1ppt), 9M22 OPM: 9% (YoY +1.2ppts); EPS reached NT\$ 4.51 by 9M22.
- R&D expense accounts for 4% of sales by 9M22, up 20% YoY, mainly due to strong investment towards software & firmware development and solution of system integration.

Outlook for 4Q22

- Sales and profit growth is expected, given solid development in our core business.
- Key growth drivers: Cloud computing power management, 5G & AIoT, Automotive electronics, and Photocouplers for green energy and industrial automation.
- Rising shipment of ITCE high-end products thanks to continuous enhancement through product mix and supply chain management.

Empowering A Green Future

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