

2Q23 Earnings Conference LITEON Technology

2023/7/28

LITEON[®]
——光寶科技

Agenda

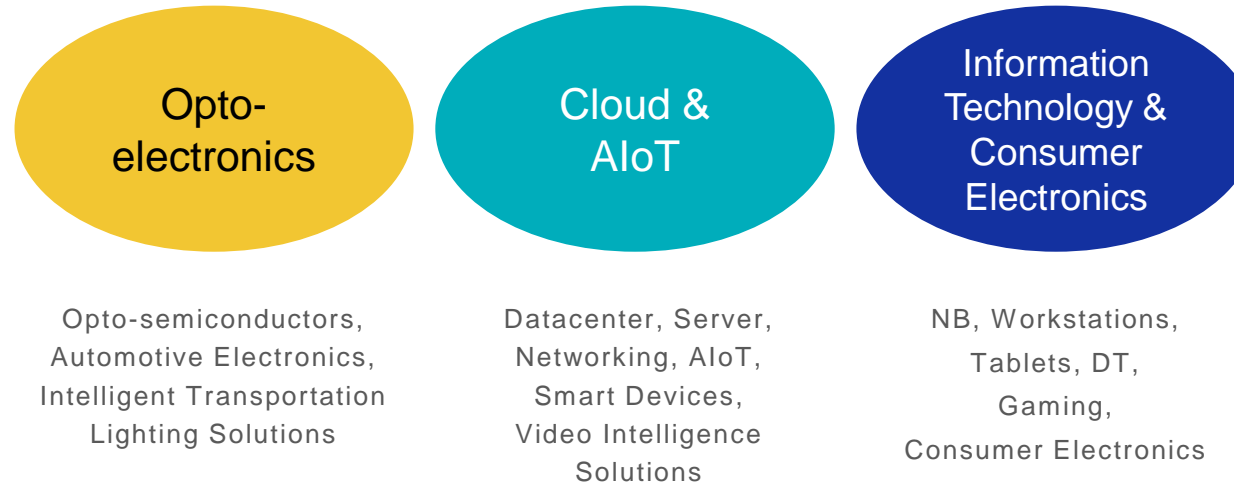
LITEON

- **Host, 2Q23 Results**
Julia Wang, IR Senior Director
- **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.



2Q23 Income Statement

<i>In NT Millions</i>	2Q23		1Q23		QoQ	2Q22		YoY
	Amount	%	Amount	%	%	Amount	%	%
Net Sales	37,293	100.0	34,174	100.0	9	42,957	100.0	-13*
COGS	28,615	76.7	27,752	81.2	3	34,180	79.6	-16
Gross Profit	8,678	23.3	6,422	18.8	35	8,777	20.4	-1
Operating Expenses	4,353	11.7	4,268	12.5	2	4,407	10.3	-1
Operating Profit	4,325	11.6	2,154	6.3	101	4,370	10.2	-1
Other Income/ Expense	970	2.6	821	2.4	18	623	1.5	56
Profit Before Tax	5,295	14.2	2,975	8.7	78	4,993	11.6	6
Income Tax Expense	1,085	2.9	610	1.8	78	1,024	2.4	6
Non-Controlling Interests	9	0.0	12	0.0	-21	10	0.0	-2
Profit Attributable to Parent	4,200	11.3	2,353	6.9	79	3,960	9.2	6
After Tax EPS	1.84		1.03			1.74		

* 2Q23 revenue -7% YoY, excluding IMG disposal

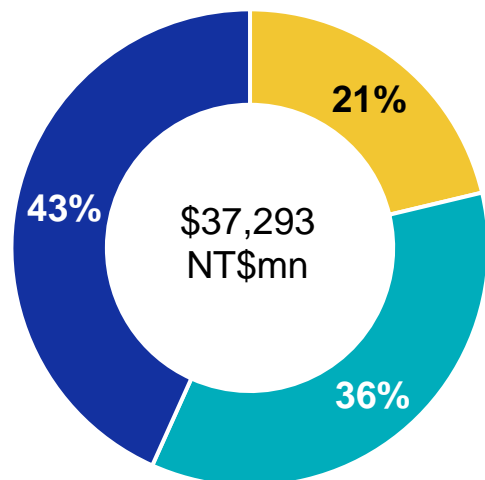
1H23 Income Statement

<i>In NT Millions</i>	1H23		1H22		YoY
	Amount	%	Amount	%	%
Net Sales	71,467	100.0	84,187	100.0	-15 [*]
COGS	56,367	78.9	68,343	81.2	-18
Gross Profit	15,100	21.1	15,844	18.8	-5
Operating Expense	8,621	12.1	8,493	10.1	2
Operating Profit	6,479	9.1	7,351	8.7	-12
Other Income/ Expense	1,791	2.5	299	0.4	499
Profit Before Tax	8,269	11.6	7,650	9.1	8
Income Tax Expense	1,695	2.4	1,568	1.9	8
Non-Controlling Interests	21	0.0	18	0.0	17
Profit Attributable to Parent	6,553	9.2	6,064	7.2	8
After Tax EPS	2.86		2.66		

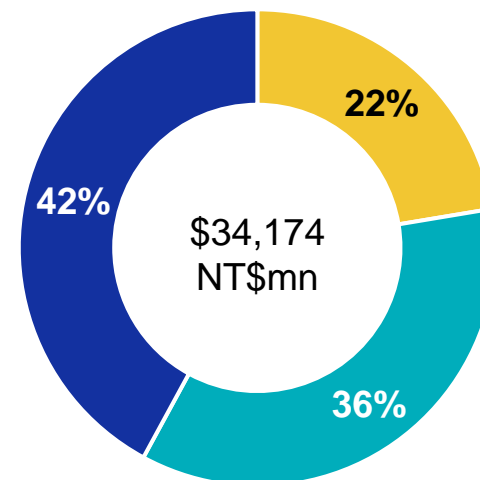
* 1H23 revenue -10% YoY, excluding IMG disposal

Revenue and profits continue to grow sequentially in 2Q23

2Q23 Product Mix



1Q23 Product Mix



- Opto-electronics (including auto electronic)
- Cloud & AIoT
- Information Technology & Consumer Electronics

NT\$mIn	Revenue			GPM from High-End Products	Operating Profit	
	Amount	QoQ	%		2Q23	1Q23
Opto-electronics (including auto electronic)	7,935	4%	21%	30%+	756	482
Cloud & AIoT	13,218	9%	36%	25%+	1,619	788
Information Technology & Consumer Electronics	16,140	12%	43%	18%+	2,746	1,894

Robust Balance Sheet

<i>In NT millions</i>	2Q23		1Q23		2Q22	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	83,711	45%	77,675	42%	70,468	36%
Accounts Receivable	32,929	18%	30,423	17%	41,528	21%
Inventories	23,303	12%	25,366	14%	30,738	16%
Current Assets	153,330	82%	149,469	81%	157,965	82%
Short Term Debt	30,179	16%	20,840	11%	38,386	20%
Long Term Borrowings	3,000	2%	3,000	2%	0	0%
Accounts Payable	36,592	20%	37,828	21%	42,340	22%
Current Liabilities	99,452	53%	100,962	55%	114,092	59%
Equities	81,685	44%	77,401	42%	76,151	39%
Key Indices						
Quick Ratio (x)	1.3		1.2		1.1	
Net Cash (NT Millions)	50,533		53,835		32,082	
BVPS	35		33		33	

2Q23 & 1H23 Executive Summary

2Q23

- 2Q23 consolidated sales reached NT\$37.3 billion, which mainly benefited from YoY growth of cloud computing power, auto electronics, 5G and networking. Gross margin reached 23.3%, up 2.9ppts YoY, attributable to increasing proportion of high growth & high value business, supply chain collaboration and improvement of operational efficiency; Operating margin reached 11.6%, up 1.4ppts YoY.
- RD expense accounts for 5.2% of sales in 2Q23, up over 10% YoY, mainly reflecting LITEON's investment on cloud, auto electronics, 5G and new business.
- 2Q23 profits reached NT\$4.2 billion and EPS reached NT\$1.84, up 6% YoY.
- BOD approved the second quarter of 2023 cash dividend of NT\$2 per share.

1H23

- 1H23 consolidated sales reached NT\$71.5 billion; Gross margin and Operating margin reached 21.1% and 9.1, up 2.3ppts and 0.4ppts YoY, respectively; EPS reached NT\$2.86, up 8% YoY.

Operation Plan and Growth Strategy

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Operation Plan and Growth Strategy

Growth Strategy

- Opted for selective sectors and concentrated resources to develop high growth & high value business such as cloud computing, auto electronics, 5G and networking.
- Market-oriented growth strategy with highly integrated resources in RD, sales, production, and strategic procurement to successfully enter new market while mastering time-to-market approach, high end power for AI server being a great example. The company will actively expand our successful business models, strengthen our efficiency and capability of each business unit to enter new markets in the future.
- Macro, industry and markets continued to correct in 1H23. Although the company was affected by the consumer industry, we actively adjusted our operational structure and developed towards high-end markets. Three main segments continuously increased their profitability, which improved our overall gross margin significantly.

3Q23 Outlook

- Expected to see revenue growth contributes to high growth & high value business including cloud computing power, auto electronics, 5G network, etc.
- Besides focusing RD resources on core business to increase added value and gross profit, the company will also combine our core competence and invest in long-term growth areas such as energy transformation, conservation, control, and storage.



2022 LITEON Sustainability Report

Please scan QR code for further info.

LITEON ESG UPDATE

E Leading Sustainable Value Chain : 555 Carbon Reduction Actions

- Carbon Intensity : Reduce 5% every year.
- Product Carbon Footprint : Reduce 5% in next generation.
- Net Zero Emissions in 2050

S The Company Store, LITEON Collection, Officially Opened

- As a platform, LITEON leveraged its influence and collaborated with social enterprise partners to present innovative and eco-friendly products that represent creative solutions to today's most critical social issues.

G Continuously Demonstrating Sustainable Governance

- Ranked in the top 5% in the (9th) Corporate Governance Evaluation Survey in 2022 by TWSE

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