

# 3Q23 Earnings Conference LITEON Technology

2023/10/30

**LITEON**<sup>®</sup>  
——光寶科技

# Agenda

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LITEON

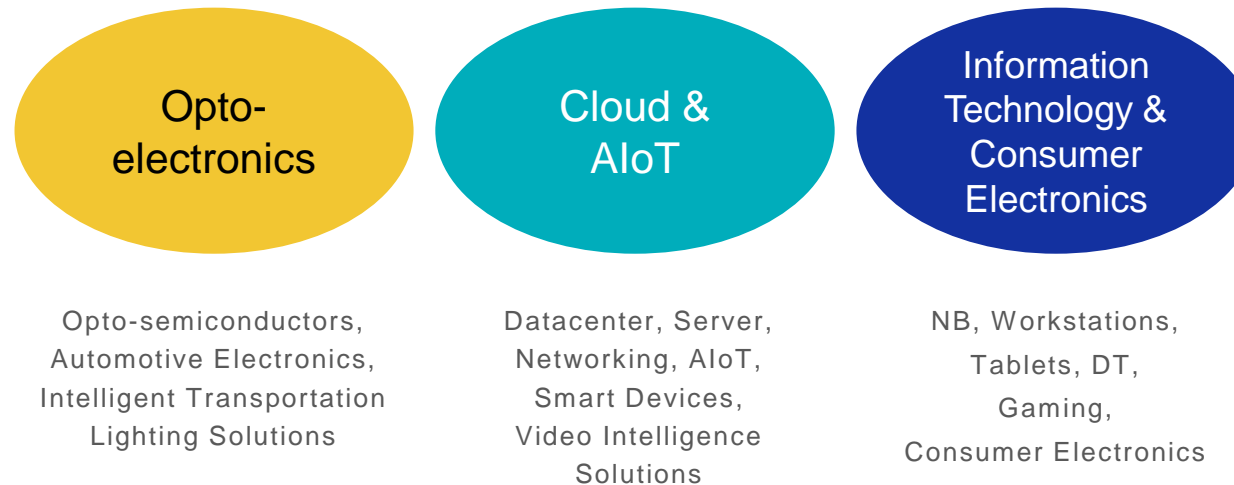
- **Host, 3Q23 Results**  
Julia Wang, IR Senior Director
- **Operation Plan and Growth Strategy**  
Anson Chiu, President
- **Q&A**

# Safe Harbor Notice

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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.



# 3Q23 Income Statement

<i>In NT Millions</i>	3Q23		2Q23		QoQ	3Q22		YoY
	Amount	%	Amount	%	%	Amount	%	%
Net Sales	39,957	100.0	37,293	100.0	7	46,174	100.0	-13*
COGS	30,526	76.4	28,615	76.7	7	37,172	80.5	-18
Gross Profit	9,432	23.6	8,678	23.3	9	9,003	19.5	5
Operating Expenses	4,812	12.0	4,353	11.7	11	4,608	10.0	4
Operating Profit	4,620	11.6	4,325	11.6	7	4,394	9.5	5
Other Income/ Expense	1,124	2.8	970	2.6	16	954	2.1	18
Profit Before Tax	5,744	14.4	5,295	14.2	8	5,348	11.6	7
Income Tax Expense	1,178	2.9	1,085	2.9	8	1,096	2.4	7
Non-Controlling Interests	9	0.0	9	0.0	-4	12	0.0	-25
Profit Attributable to Parent	4,558	11.4	4,200	11.3	9	4,240	9.2	7
After Tax EPS	1.99		1.84			1.86		

\* 3Q23 revenue -9% YoY, excluding IMG disposal

# 9M23 Income Statement

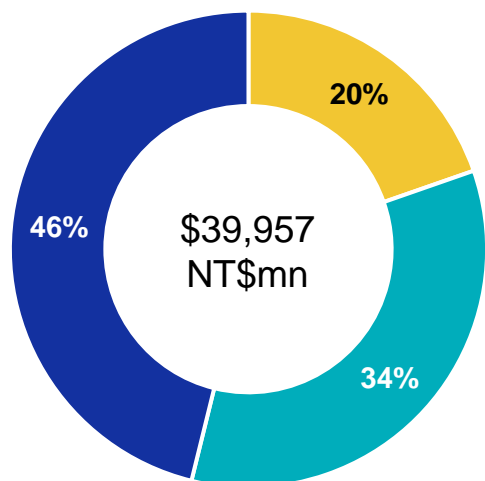
<i>In NT Millions</i>	9M23		9M22		YoY
	Amount	%	Amount	%	%
Net Sales	111,424	100.0	130,362	100.0	-15*
COGS	86,893	78.0	105,515	80.9	-18
Gross Profit	24,532	22.0	24,847	19.1	-1
Operating Expense	13,433	12.1	13,101	10.0	3
Operating Profit	11,099	10.0	11,745	9.0	-6
Other Income/ Expense	2,915	2.6	1,253	1.0	133
Profit Before Tax	14,014	12.6	12,998	10.0	8
Income Tax Expense	2,873	2.6	2,665	2.0	8
Non-Controlling Interests	30	0.0	30	0.0	0
Profit Attributable to Parent	11,111	10.0	10,304	7.9	8
After Tax EPS	4.86		4.51		

\* 9M23 revenue -9% YoY, excluding IMG disposal

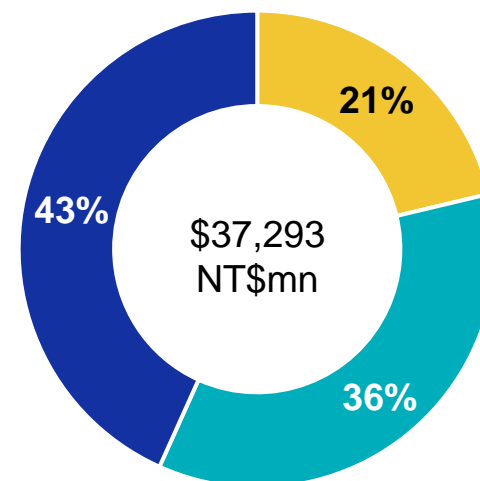


# Revenue and profits contribution in 3Q23

## 3Q23 Product Mix



## 2Q23 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	%		3Q23	2Q23	QoQ
Cloud & AIoT	13,657	3%	34%	28%+	2,028	1,619	25%
Information Technology & Consumer Electronics	18,442	14%	46%	20%+	3,257	2,746	19%
Opto-electronics (including auto electronic)	7,858	-1%	20%	30%+	639	756	-15%

# Robust Balance Sheet

<i>In NT millions</i>	3Q23		2Q23		3Q22	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	94,834	47%	83,711	45%	70,507	35%
Accounts Receivable	36,663	18%	32,929	18%	44,519	22%
Inventories	26,015	13%	23,303	12%	31,449	15%
Current Assets	167,111	83%	153,330	82%	167,656	83%
Short Term Debt	31,999	16%	30,179	16%	33,900	17%
Accounts Payable	43,215	22%	36,592	20%	48,096	24%
Current Liabilities	109,929	55%	99,452	53%	116,985	58%
Long Term Borrowings	3,000	1%	3,000	2%	3,000	1%
Equities	84,510	42%	81,685	44%	79,513	39%
Key Indices						
Quick Ratio (x)	1.3		1.3		1.2	
Net Cash (NT Millions)	59,835		50,533		33,607	
BVPS	36		35		34	

# 3Q23 & 9M23 Executive Summary

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## 3Q23

- 3Q23 consolidated sales reached around NT\$40 billion. Gross margin reached 23.6%, up 4.1ppts YoY, attributable to increasing proportion of high-end products, centralized manufacturing, improved operational efficiency and supply chain collaboration; Operating margin reached 11.6%, up 2.1ppts YoY.
- RD expense accounts for 5.1% of sales in 3Q23, up nearly 10% YoY, mainly reflecting LITEON's investment on cloud, opto-electronics, 5G and new business.
- 3Q23 profits reached NT\$4.6 billion and EPS reached NT\$1.99, up 7% YoY.
- Revenue from Cloud Computing Power grew around 20% YoY, benefited from spec migration of AI server power and cloud computing products.
- New products launched from IT customers, driving revenue and profit for IT&CE's high-end products to grow.
- New progress in opto-electronics such as automotive lighting and invisible sensing applications, while overall performance is still affected by soft consumer demand.



# 9M23 Executive Summary

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## 9M23

- 9M23 consolidated sales reached NT\$111.4 billion; Gross margin and Operating margin reached 22% and 10%, up 2.9ppts and 1ppt YoY, respectively; EPS reached NT\$4.86, up 8% YoY.

# Operation Plan and Growth Strategy

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# Operation Plan and Growth Strategy

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- 3Q23 consolidated sales reached around NT\$40 billion, with gross margin of 23.6% and operating margin of 11.6%, both surpassing the targets of 20/10% respectively. The optimization of operating costs came mainly from improved operating structure and adjusted product strategies.
- Pii (Power Innovations International), one of the company's US subsidiary, has officially launched the Level 3 DC EV fast chargers, providing a high-speed charging solution ranging from 30 kW to 180 kW. The solution is widely adopted in commercial or public fields, including public EV infrastructure, fleets, and service operators.
- For cloud computing power business, 5.5kW high-end power products has started shipping. At the 2023 OCP Global Summit, the latest OrV3 specification power management system and COOLITE liquid cooling solution have been exhibited concurrently.
- The products and solutions mentioned above all incorporate LITEON's core technology, aligning with our ten-year strategy for Internet of Energy (IOE). We gradually move towards the direction of energy conservation, energy storage, energy control, and energy conversion to achieve our Net Zero ESG goals of 555 strategy.

# Operation Plan and Growth Strategy

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- The expansion of Dallas plant is proceeding smoothly, with trial production expected to begin in 4Q23, and revenue contributions expected to start in 2024. The company is actively planning global capacity, with the Vietnam site poised to become one of the largest manufacturing centers.
- For 4Q23, the company expects cloud power business to continue growing, with stable shipment recovery in mid to high-end products in IT&CE segments, laying the foundation for stable development of overall revenue and profits in 4Q23.



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<https://www.liteon.com/en-us>  
[liteontech.ir@liteon.com](mailto:liteontech.ir@liteon.com)



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# Issuance of Domestic Unsecured Convertible Corporate Bonds

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## **BOD approved the issuance of the domestic unsecured convertible corporate bonds**

- **Purpose of Issuance:** To enrich mid to long-term working capital and to optimize company's financial structure.
- **Total amount issued:** The maximum total issued amount is NT\$10 billion.
- **Issuance period:** 5 years.
- **Coupon rate:** 0%.
- **Issuance condition and content:** The conversion measures will be handled in accordance with relevant laws and regulations and will be reported to the relevant competent authorities for approval before being announced in a separate announcement.



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<https://www.liteon.com/en-us>  
[liteontech.ir@liteon.com](mailto:liteontech.ir@liteon.com)



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