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1Q24 Earnings Conference LITEON Technology

2024/04/30

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— 光寶科技

法說會議程

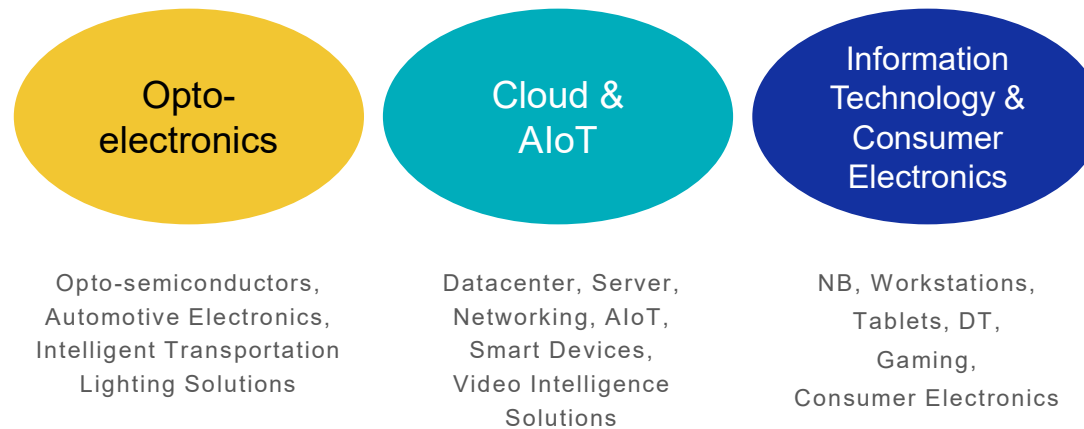
LITEON

- **Host, 1Q24 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.



1Q24 營運成果 Quarterly Results

比較項目

QoQ

YoY

營業收入(Sales)



營業毛利(Gross Profit)



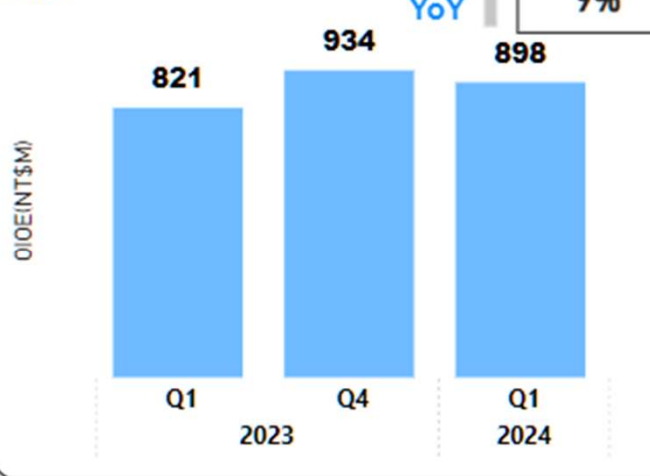
營業利益(Operating Profit)



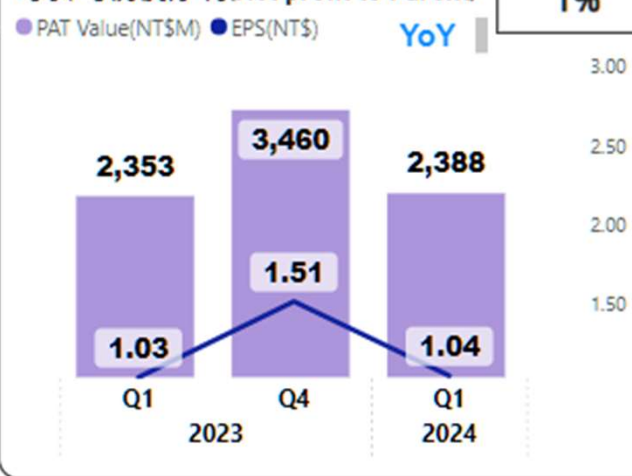
營業費用(OPEX)



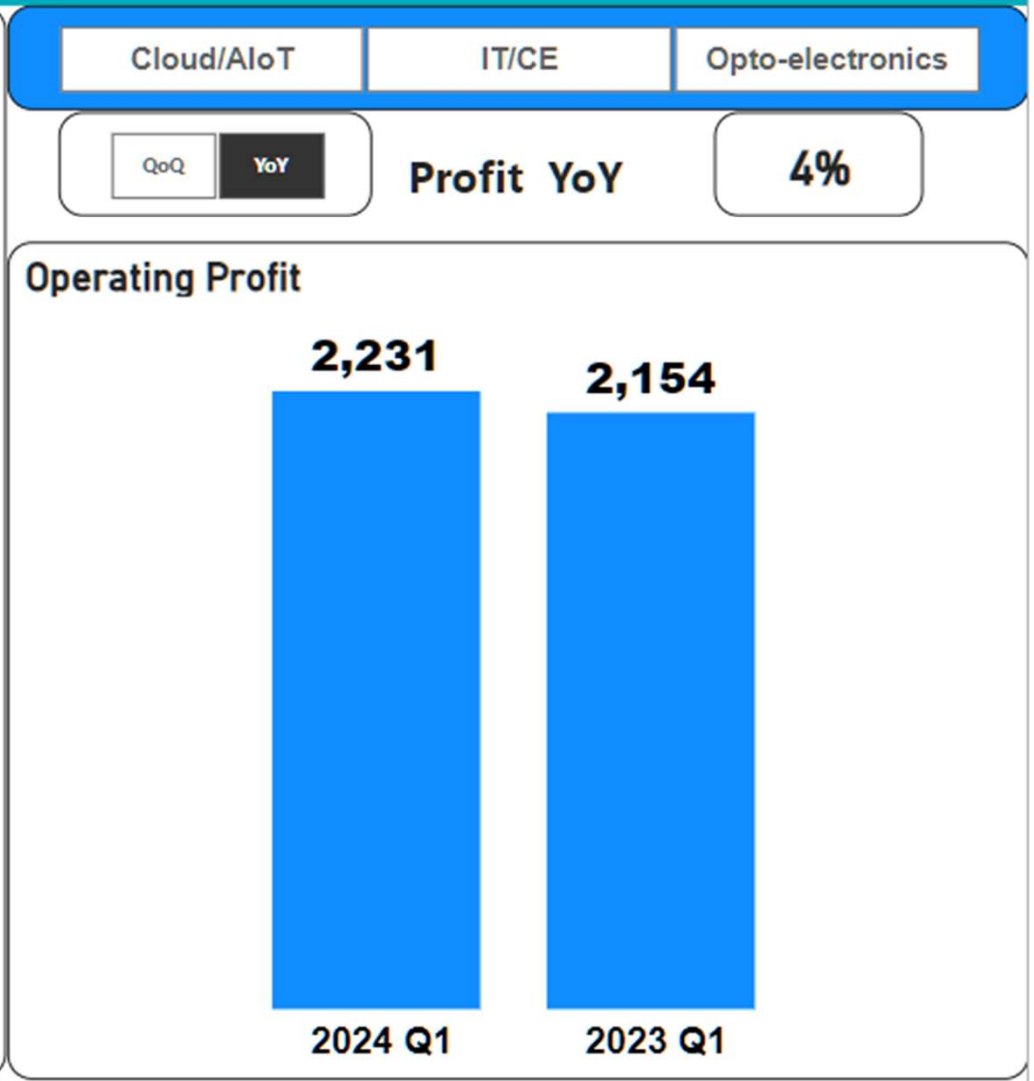
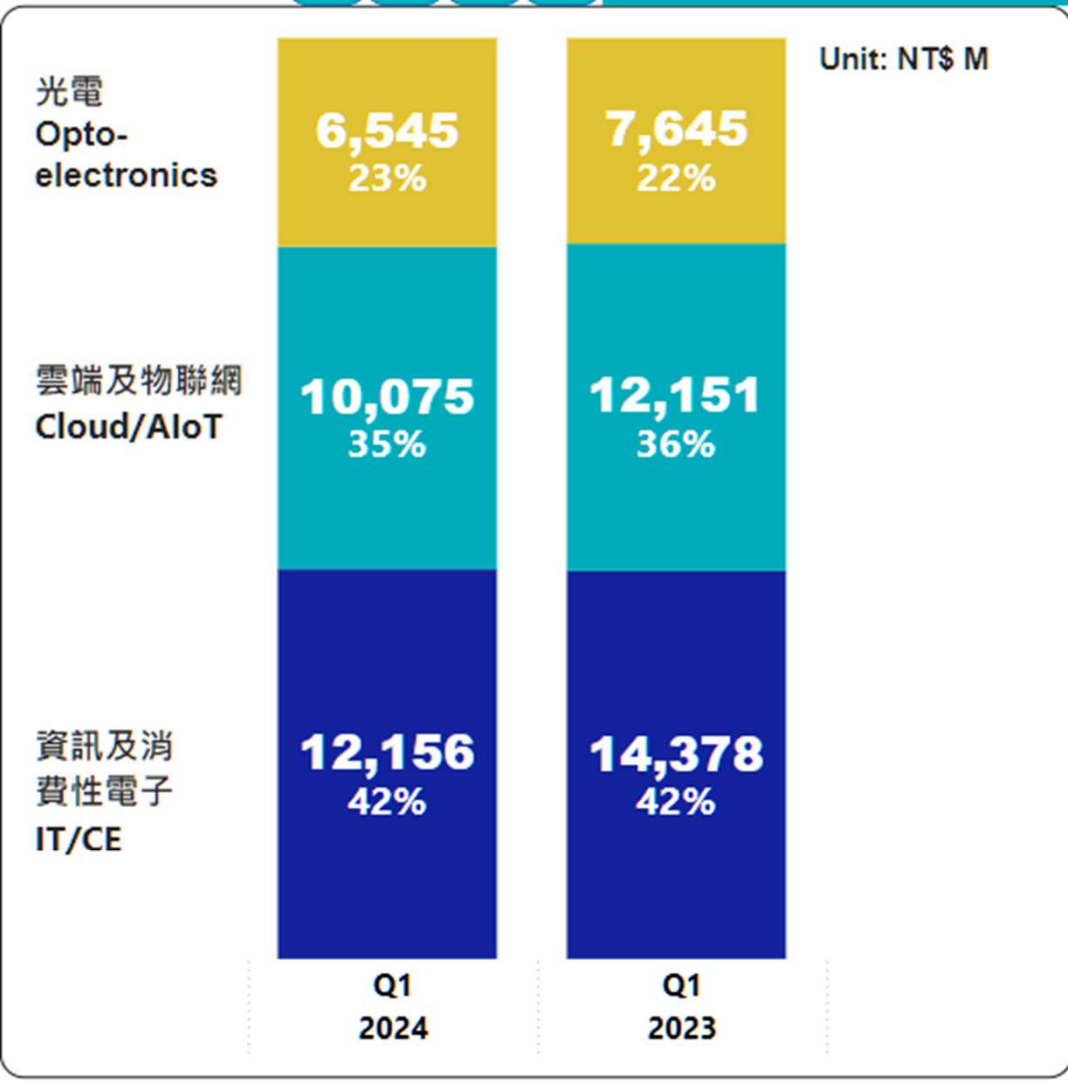
OIOE



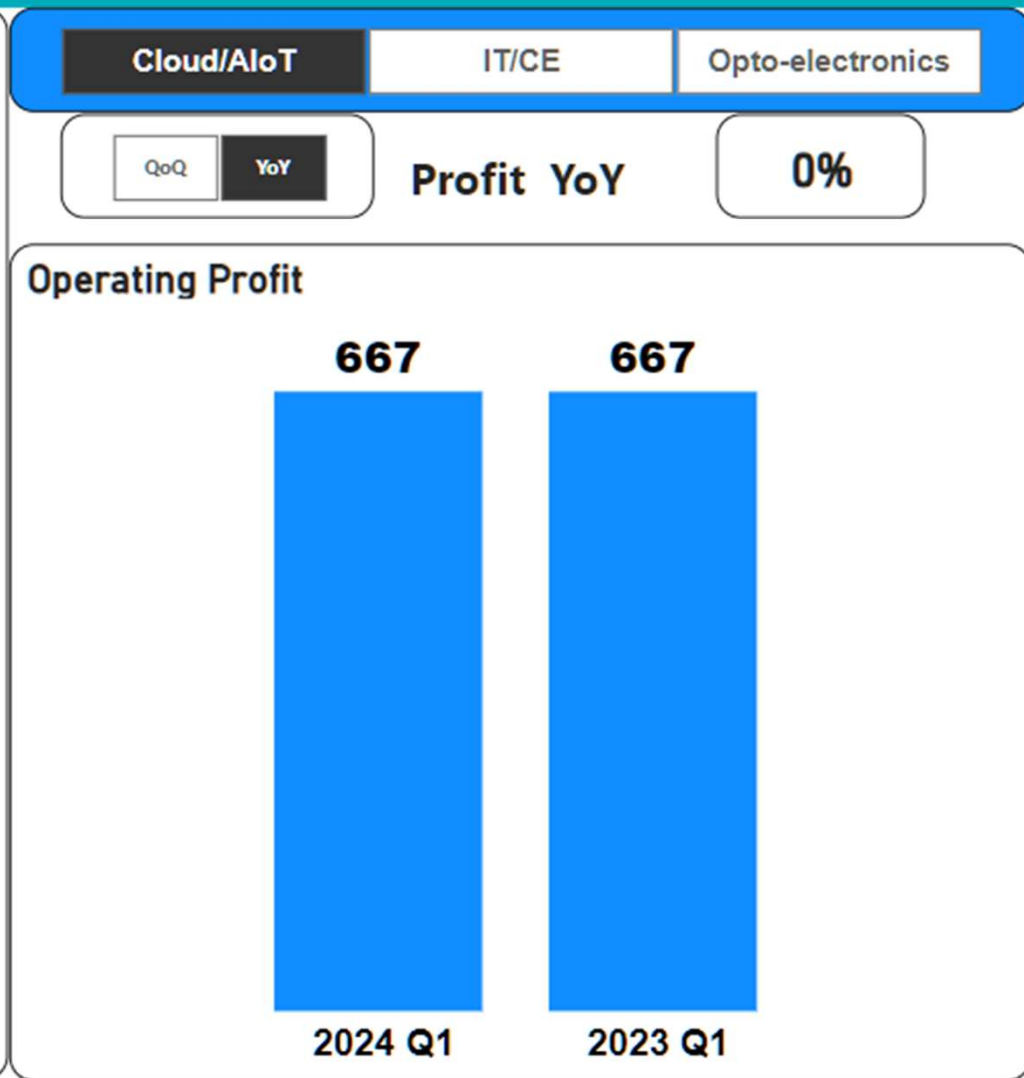
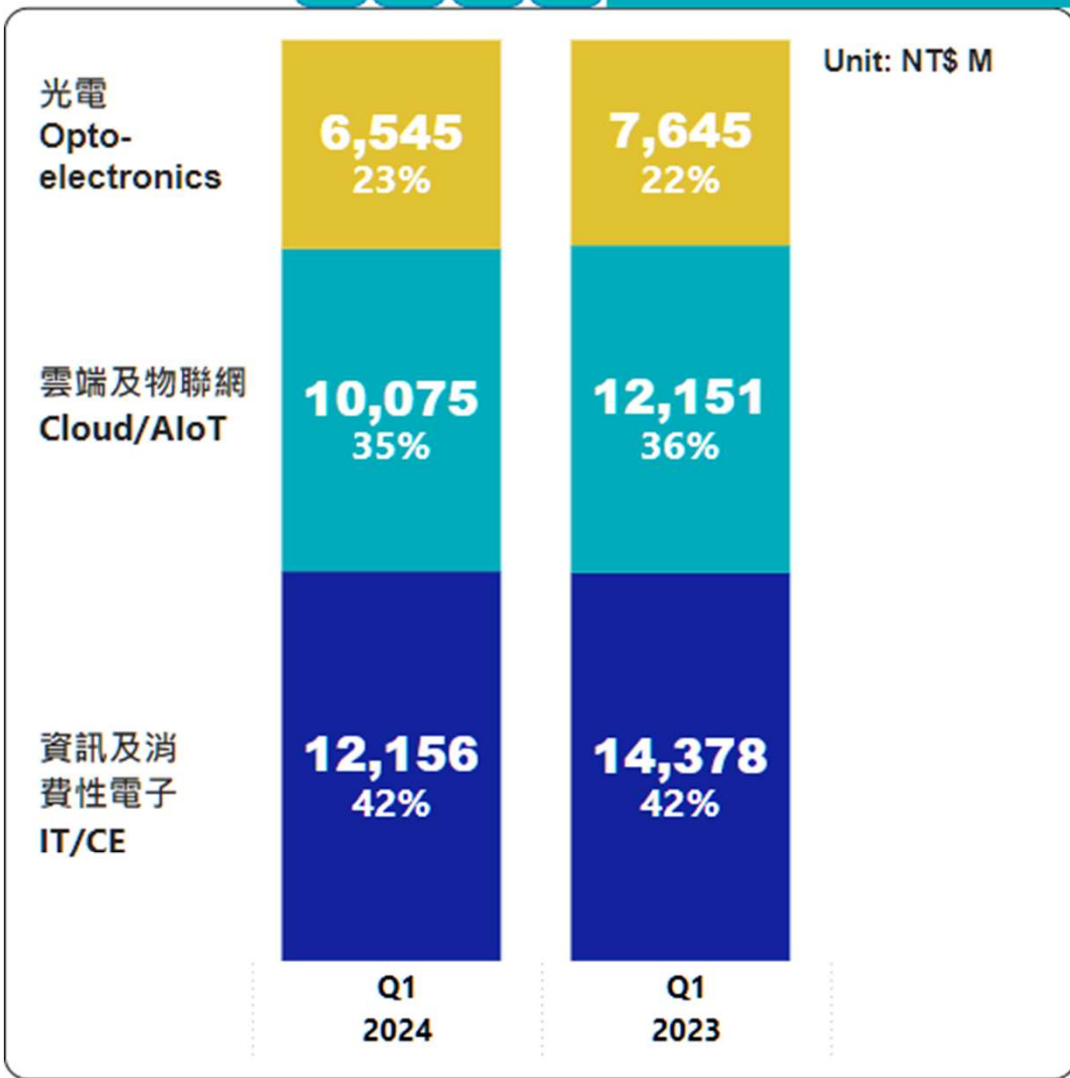
母公司稅後淨利(Net profit to Parent)



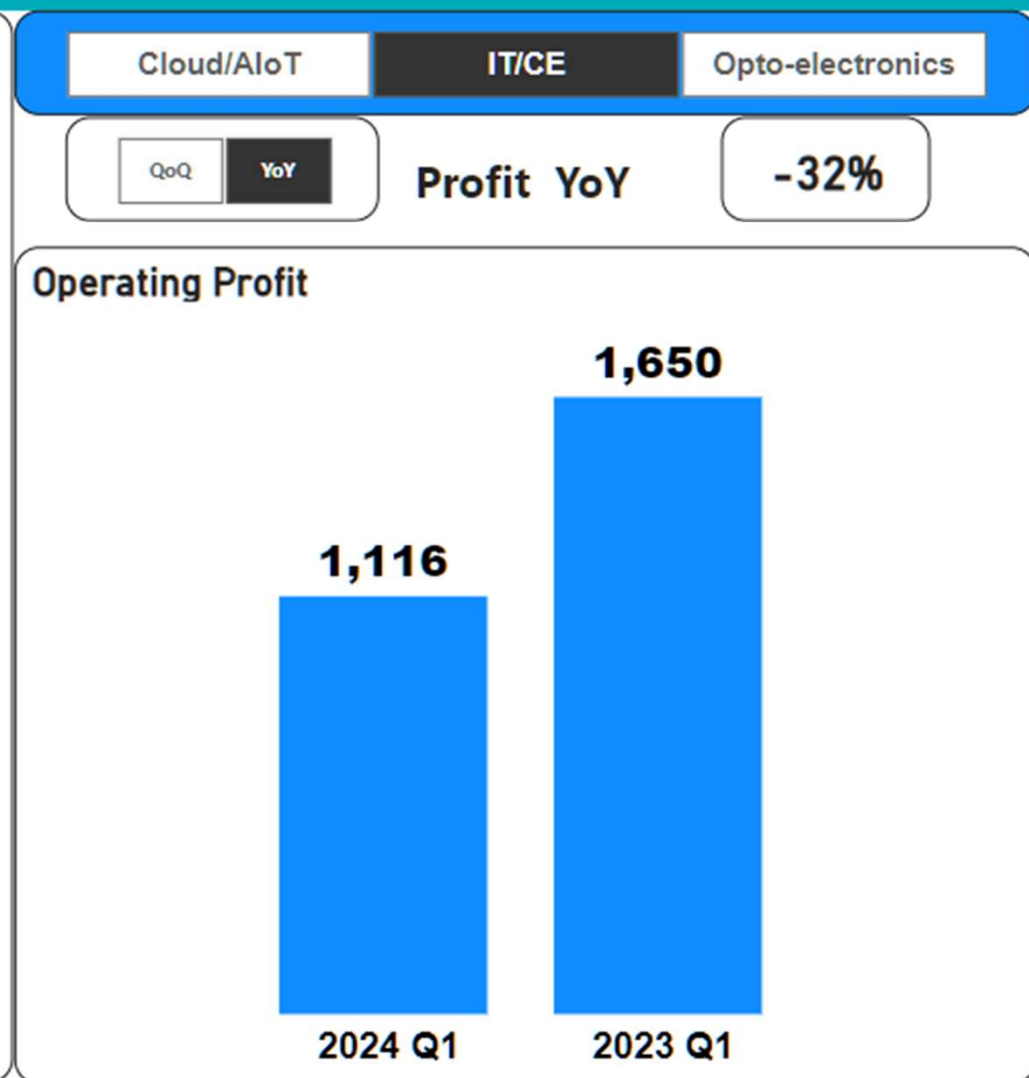
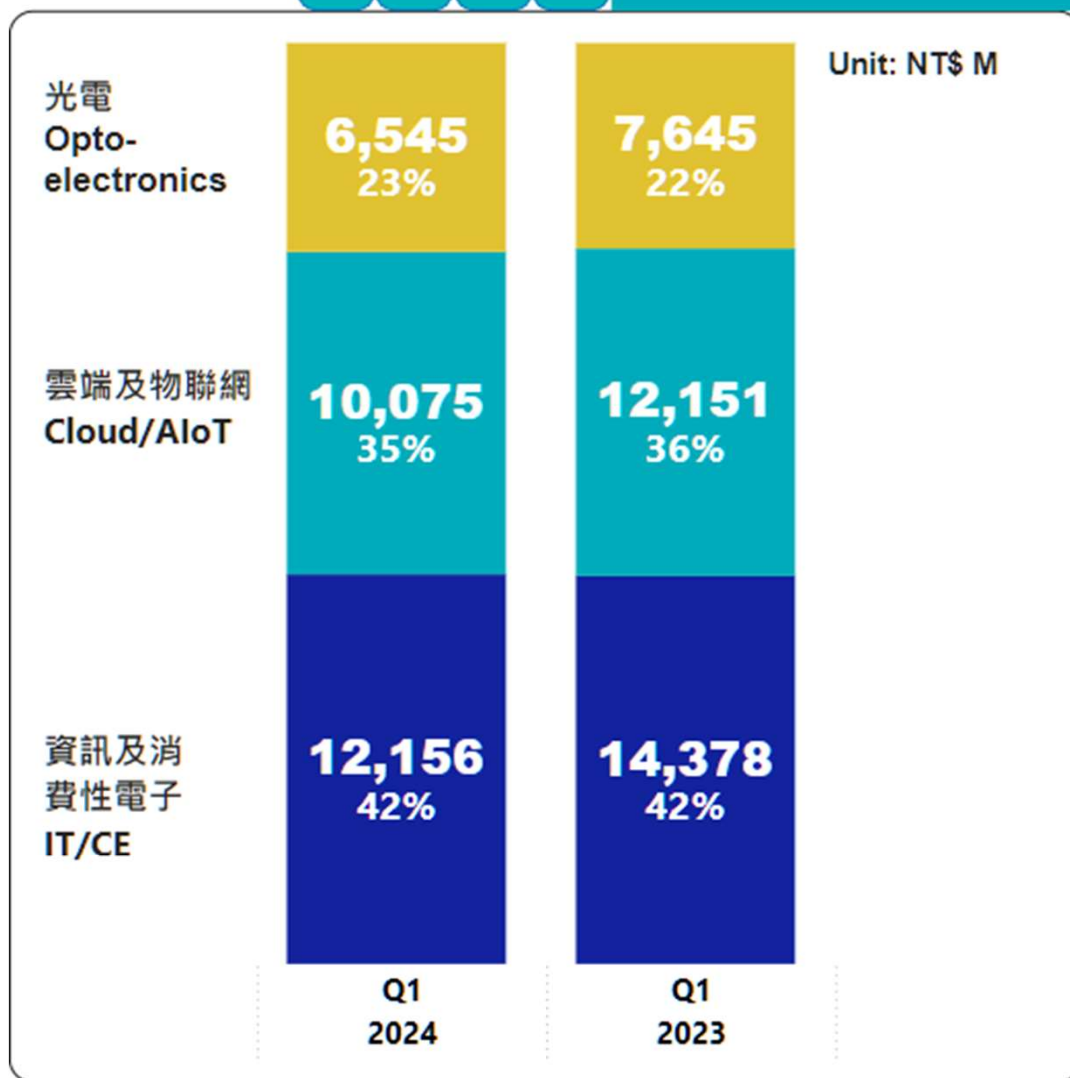
1Q24 三大事業部門營運表現 Core Business Performance



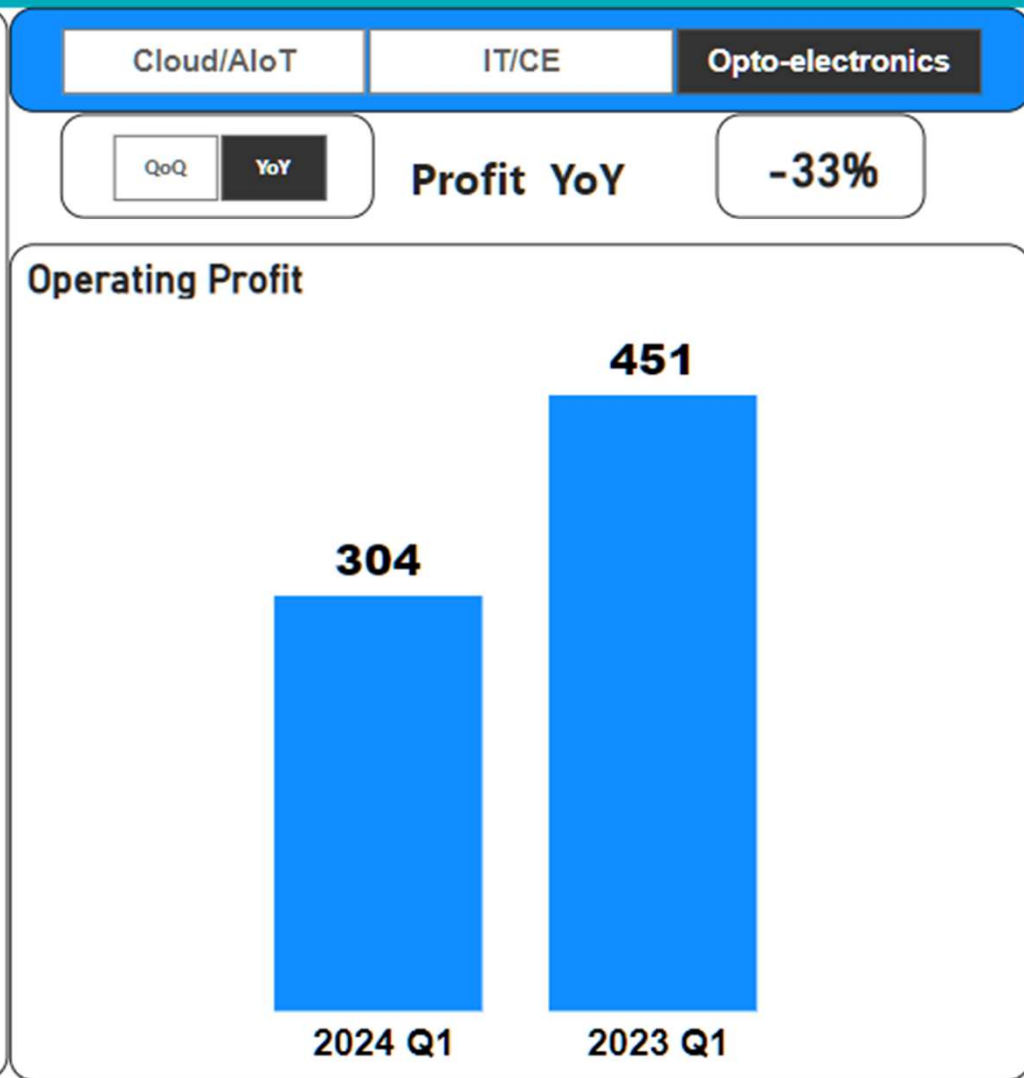
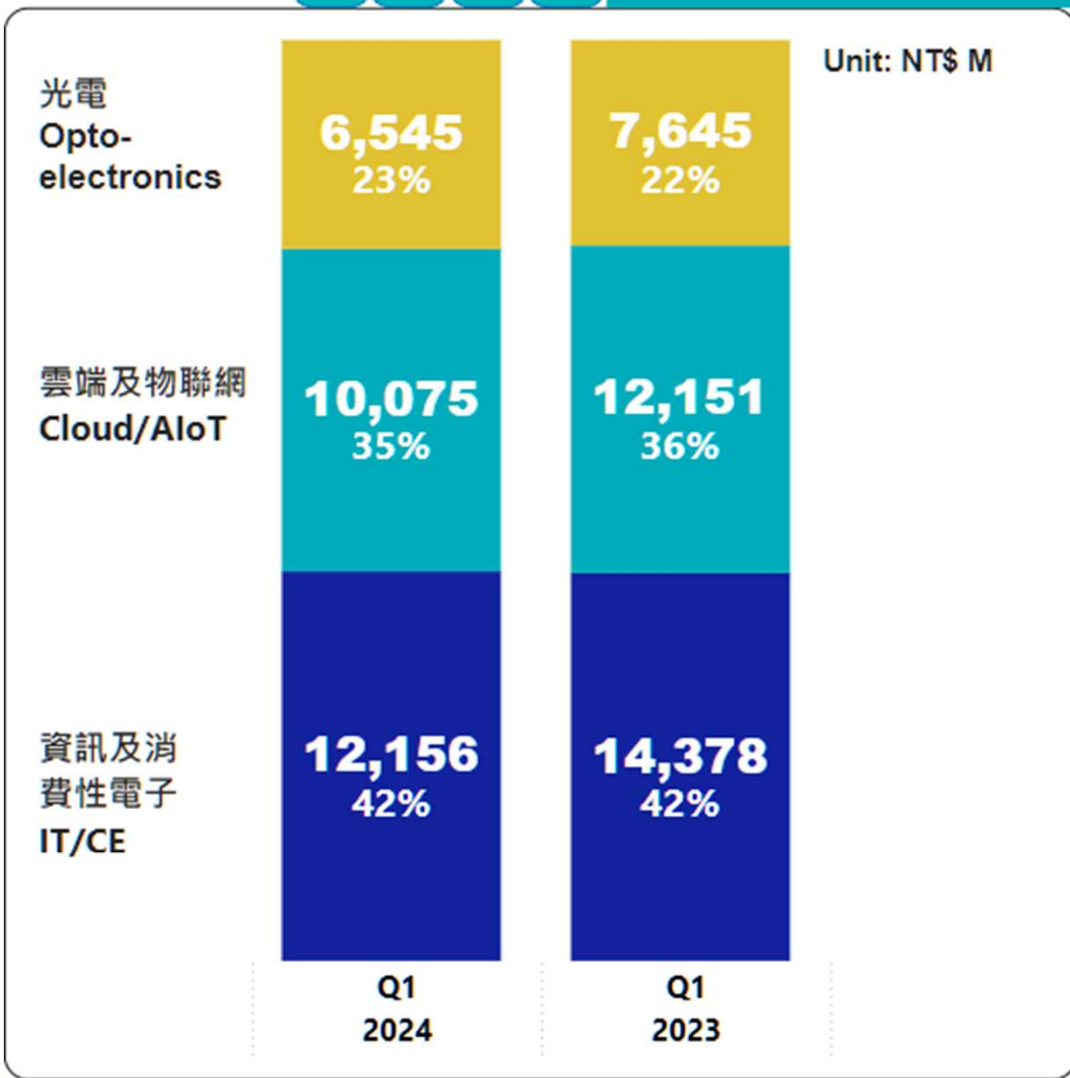
1Q24 三大事業部門營運表現 Core Business Performance



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1Q24 簡明資產負債表 Robust Balance Sheet

QoQ

YoY

資產 Assets

185,272

比較期: 184,235 (+1,038 +1%)

負債 Liabilities

101,095

比較期: 106,833 (-5,738 -5%)

權益 Equities

84,177

比較期: 77,401 (+6,776 +9%)

Unit: NT\$ M

流動資產 Current Assets

152,798

比較期: 149,469 (+3,329 +2%)

流動負債 Current Liabilities

95,300

比較期: 100,962 (-5,662 -6%)

應收帳款 Account receivable

28,604

比較期: 30,423 (-1,819 -6%)

短期借款 Short-term Loans

20,113

比較期: 20,840 (-727 -3%)

存貨 Inventory

25,422

比較期: 25,366 (+56 +0%)

應付帳款 Account Payable

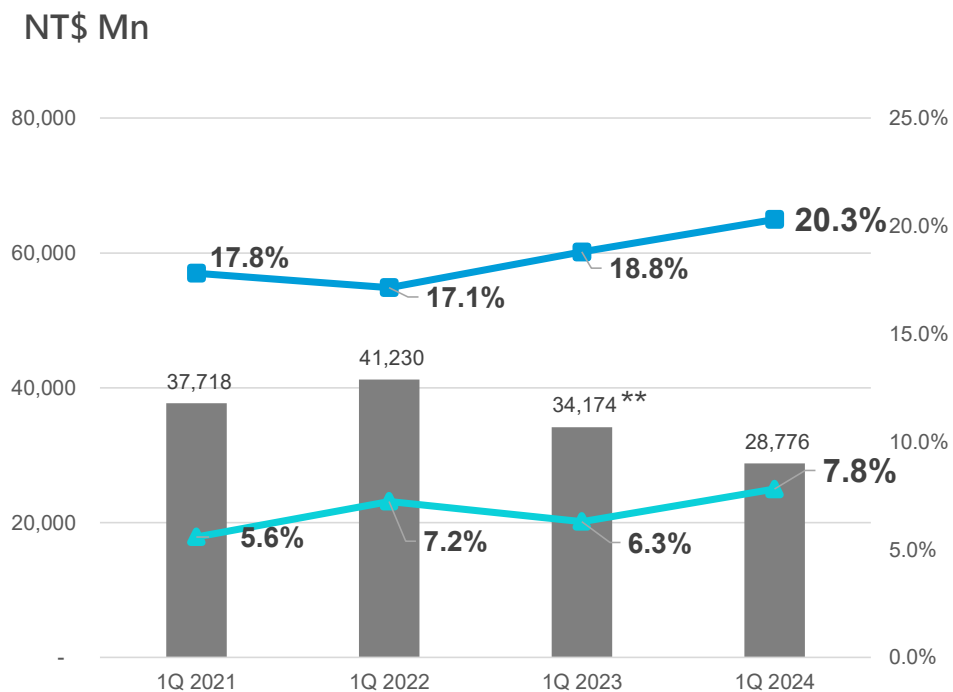
35,144

比較期: 37,828 (-2,685 -7%)

財務指標 Financial Indicator

Year	2023		2024
	Q1	Q4	Q1
速動比例 (Quick Ratio)	1.23	1.32	1.34
淨現金 (Net Cash)	53,835	67,249	61,722
每股淨值 (BVPS)	33	37	36

Core Business & Profit expansion by high value business since 2021

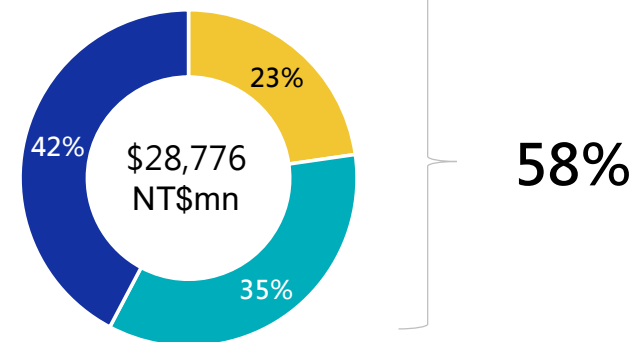


NT\$	1Q21	1Q22	1Q23	1Q24	CAGR
EPS	1.83	0.92	1.03	1.04	11%

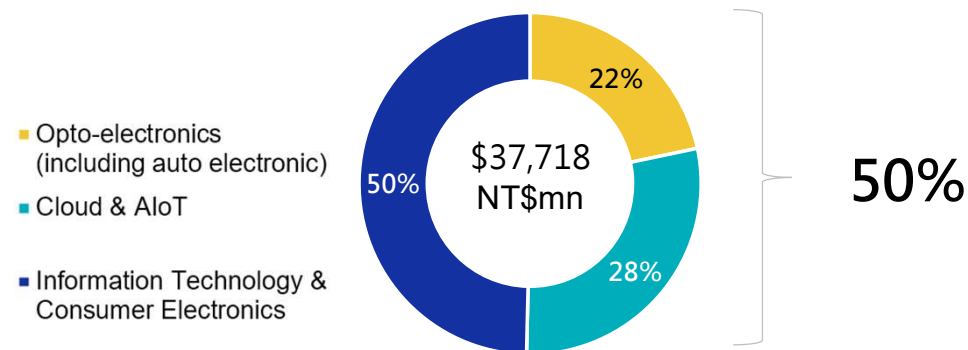
*1Q21 Recognized non-operating income of NT\$3.4 billion

**1Q23 Excluded divested IMG department

1Q24 Product Mix



1Q21 Product Mix



1Q24 Executive Summary

【Operational Result】

- 1Q24 consolidated sales reached NT\$28.8 billion. Gross Margin and Operating Margin reached 20.3% and 7.8%, up 1.5 ppt YoY respectively, attributable to synergies of enhanced high-value business, AI tools implemented and digitalized operational management.
- RD expense accounted for 6% of 1Q sales, reflecting steady investment in cloud, opto-electronics, 5G and new business.
- 1Q Net profits reached NT\$2.4 billion and EPS of NT\$1.04.

【Core businesses】

- Cloud Computing Power Management grew over 10% YoY, benefited from model migration of AI server power management and cloud computing products.
- IT&CE product mix continues optimization, and increased shipments of high-end power supplies and intelligent peripheral devices.
- New progress in Opto-electronics, including automotive lighting and Infrared sensing applications, in spite of the soft consumer demand.

【2024 AGM】

- The Annual Shareholders Meeting is expected to be held on May 27th, 2024.

Operation Plan and Growth Strategy

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Operation Plan and Growth Strategy

Data center business progress

- 5.5KW power supplies and 33KW power shelves have been delivered. Continue to develop 8KW PSU and higher power density and conversion efficiency solutions to support next-gen AI servers.
- Rack-level solutions integrate five core capabilities - power supply, liquid cooling, mechanism, software and system
- Independently develops core thermal management technology at the data center level, and establishes three major cooling systems: immersion, air cooling (side car), and in-row liquid cooling.
- Four major competitive advantages: (1) Full active digital control with MCU; (2) Exclusive patented technology - active cooling management based on load; (3) Integration of power supply, liquid cooling, mechanism, software, and system integration solutions; (4) Fast global manufacturing and deployment capabilities, providing customers with a comprehensive AI server liquid cooling solution.

Outlook 2Q

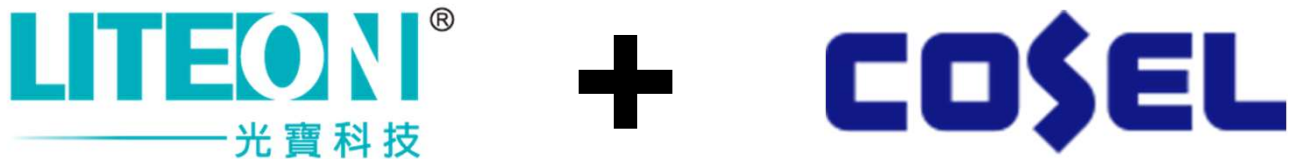
- 2Q expected to see quarterly up driven by the growth of high-value core businesses, cloud computing, opto-semiconductors, high-end IT power supplies and smart input devices.
- Investment in R&D will continue and focus on the high value and high profit business.

Outlook 2024

- Cloud computing power, Opto-semiconductors, high-end power supplies and smart input devices will be expected to sustain growth, contributing to total quarterly revenue increase quarter by quarter.
- Long-term operations and investments in high-value IOE (Internet of Energy) businesses remains positive.

Announcement on the strategic investment and alliance

Strategic Investment in COSEL



- Investment amount: NTD 2.53 billion
- Purchase shares: 8,221k
- Shareholding: 19.99%¹
- Board seats: rights of nomination and suggestion for one director and one independent director respectively.
- Valuation: P/E 9.14x²

Note 1: Calculation excludes treasury shares.

Note 2: Based on COSEL's EPS in the last 4 quarters (FY22Q4, FY23Q1-Q3). FY2022 means 2022/5 - 2023/5, FY2023 means 2023/5-2024/5

Unlock the global power supply solution by strategic partnership

Accelerates mutual growth in niche power markets

- Synergies from advanced AC/DC power supply and DC/DC converter are pivotal in power supply markets, enhancing business capabilities through overseas distributions and sales channels.
- COSEL stands out as a robust partner for LITEON in global power supply solutions, possessing a leading market position in the industrial SPS, a sound financial structure, and sustained profitability.

Enhances ability to capture TAM together

- Strategic cooperation in product development, manufacturing, geographic footprint, market expansion and leading technology
- Engaging new markets in industrial, semi-conductor equipment, medical, networking, transportation and renewable energy sectors, with a total addressable market (TAM) of NTD 400 billion.

Solid Financial opportunity

- Increase profitable growth in power supply solution profile
- Substantial operating efficiencies
- Expected to be accretive to Operating Profit and Investment Income.
- COSEL financial performance in 3 years

Unit:	FY2021	FY2022	FY2023
JPY bn	ended 2022/5/20	ended 2023/5/20	Q1-Q3 ended 2024/2/20
Sales	28.1	35.3	31.5
GPM	28.3%	30.1%	34.3%
OPM	10.0%	14.0%	19.0%

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