

4Q22 Earnings Conference LITEON Technology

2023/2/21

LITEON[®]
— 光寶科技

Agenda

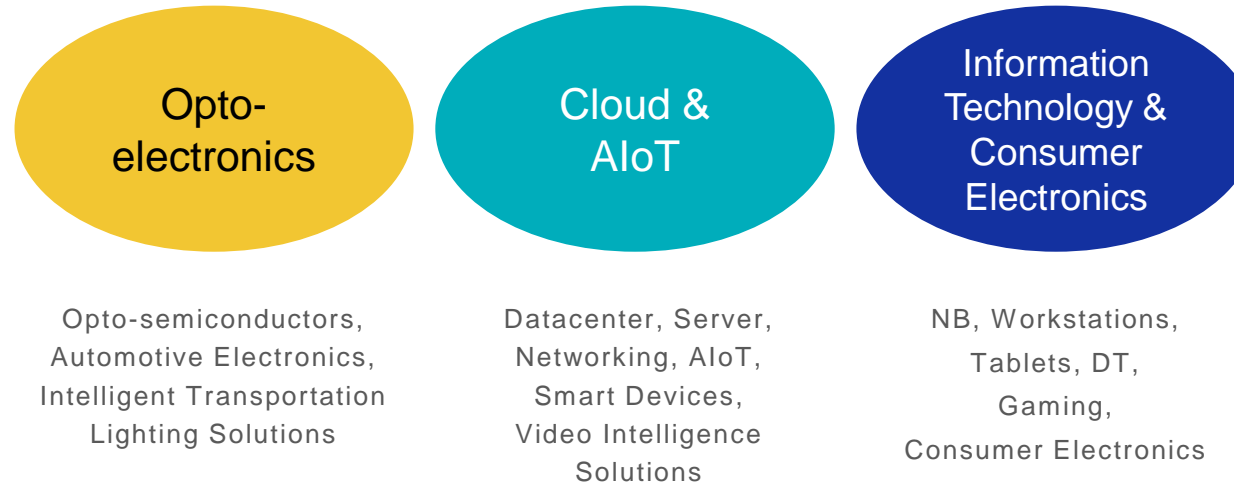
LITEON

- **Host, 4Q22 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.



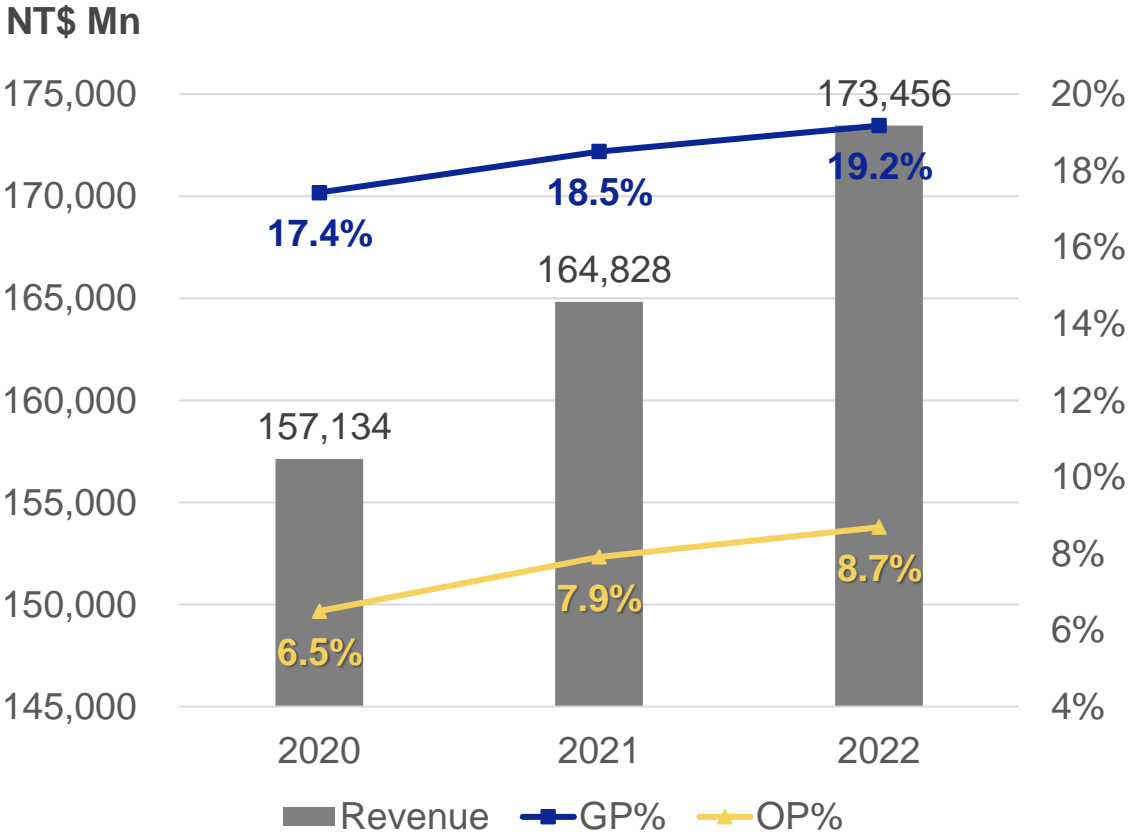
4Q22 Income Statement

<i>In NT Millions</i>	4Q22		3Q22		QoQ	4Q21		YoY
	Amount	%	Amount	%	%	Amount	%	%
Net Sales	43,095	100.0	46,174	100.0	-7	44,569	100.0	-3
COGS	34,679	80.5	37,172	80.5	-7	36,867	82.7	-6
Gross Profit	8,416	19.5	9,003	19.5	-7	7,702	17.3	9
Operating Expenses	5,088	11.8	4,608	10.0	10	4,089	9.2	24
Operating Profit	3,327	7.7	4,394	9.5	-24	3,613	8.1	-8
Other Income/ Expense	1,520	3.5	954	2.1	59	-455	-1.0	-
Profit Before Tax	4,848	11.2	5,348	11.6	-9	3,158	7.1	54
Income Tax Expense	994	2.3	1,096	2.4	-9	642	1.4	55
Non-Controlling Interests	6	0.0	12	0.0	-47	7	0.0	-4
Profit Attributable to Parent	3,847	8.9	4,240	9.2	-9	2,509	5.6	53
After Tax EPS	1.68		1.86			1.11		

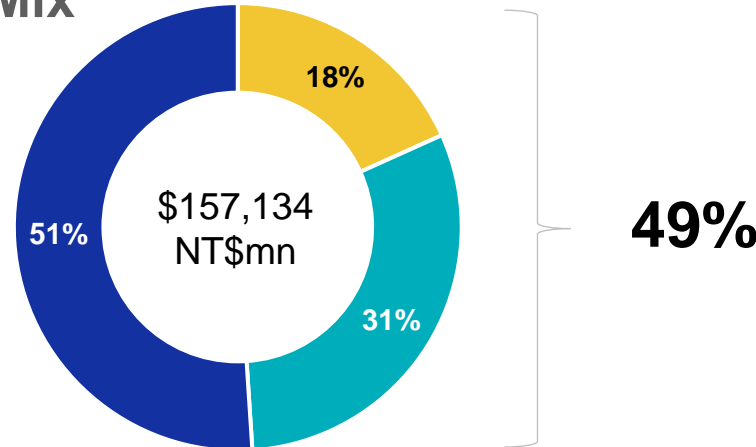
2022 Full year performance

<i>In NT Millions</i>	2022		2021		YoY
	Amount	%	Amount	%	%
Net Sales	173,456	100.0	164,828	100.0	5
COGS	140,194	80.8	134,330	81.5	4
Gross Profit	33,262	19.2	30,498	18.5	9
Operating Expense	18,190	10.5	17,455	10.6	4
Operating Profit	15,073	8.7	13,042	7.9	16
Other Income/ Expense	2,773	1.6	4,590	2.8	-40
Profit Before Tax	17,846	10.3	17,632	10.7	1
Income Tax Expense	3,658	2.1	3,703	2.2	-1
Non-Controlling Interests	36	0.0	43	0.0	-15
Profit Attributable to Parent	14,151	8.2	13,887	8.4	2
After Tax EPS	6.19		6.01		

Revenue & Profit expansion by core business growth 2020~2022

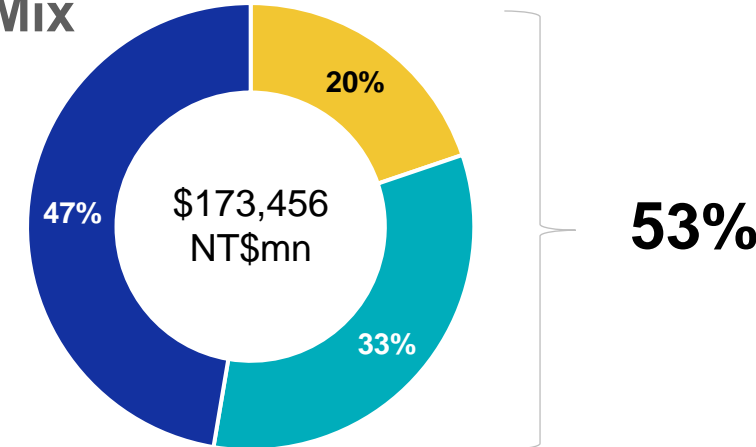


2020 Product Mix



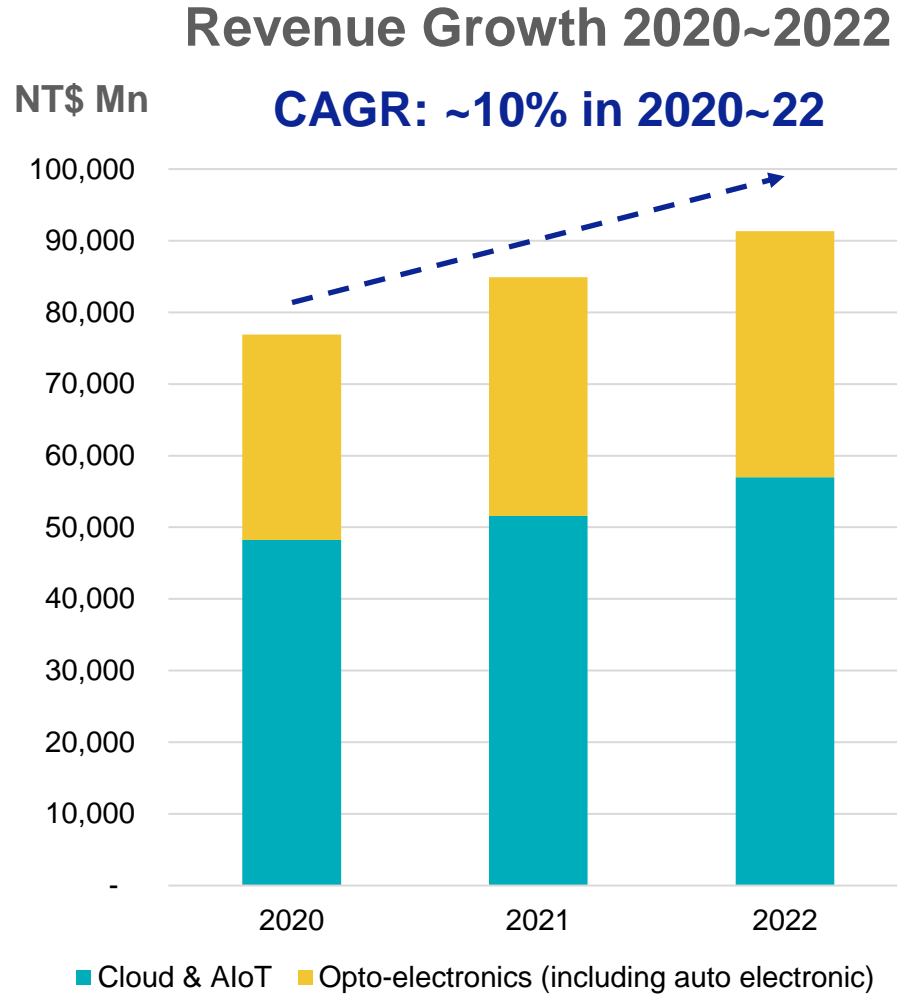
- Opto-electronics (including auto electronic)
- Cloud & AIoT
- Information Technology & Consumer Electronics

2022 Product Mix

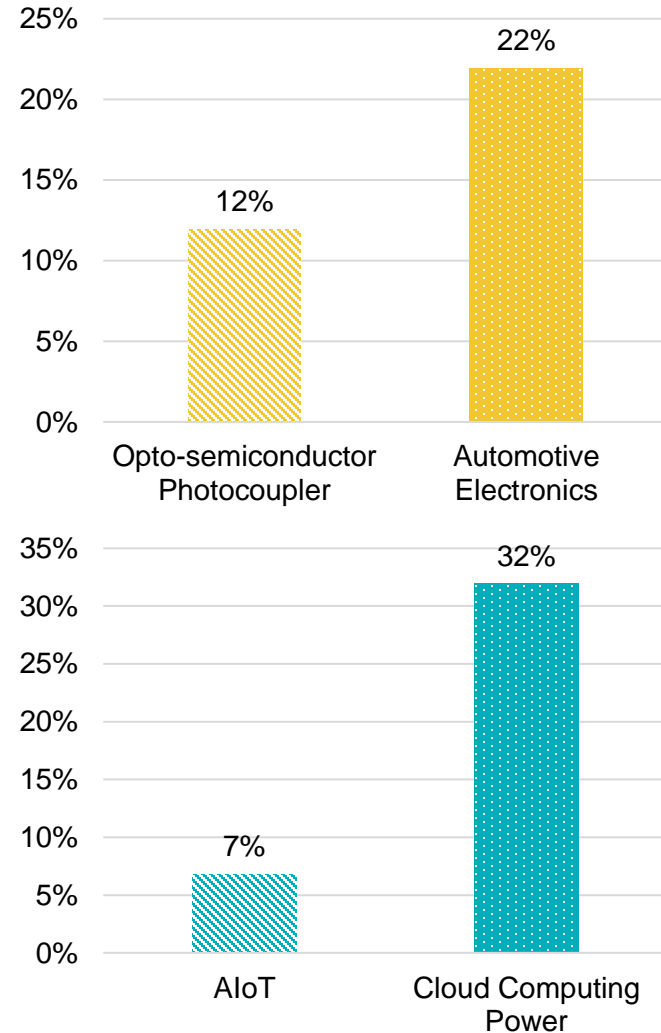


Unit: \$NTD	2020	2021	2022	CAGR
EPS	4.31	6.01	6.19	20%

Strong Growth in Core Business 2020~2022



Revenue CAGR 2020~2022



53% of Revenue from Opto and Cloud & AIoT in 2022, supporting profitable growth

NT\$Mln	Revenue			GPM from High-End Products	Operating Profit		
	Amount	YoY	%		2022	2021	YoY
Opto-electronics (including auto electronic)	34,349	3%	20%	30%+	4,135	2,914	42%
Cloud & AIoT	56,994	10%	33%	25%+	4,746	3,089	54%
Information Technology & Consumer Electronics	82,113	3%	47%	18%+	9,668	7,999	21%

Robust Balance Sheet

<i>In NT millions</i>	4Q22		3Q22		4Q21	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	91,066	46%	70,507	35%	68,276	37%
Accounts Receivable	38,128	19%	44,519	22%	41,246	22%
Inventories	27,747	14%	31,449	15%	32,299	18%
Current Assets	164,953	83%	167,656	83%	147,111	80%
Short Term Debt	32,629	16%	33,900	17%	28,385	15%
Accounts Payable	44,883	22%	48,096	24%	46,659	25%
Current Liabilities	111,781	56%	116,985	58%	107,915	59%
Equities	81,987	41%	79,513	39%	72,874	40%
Key Indices						
Quick Ratio (x)	1.2		1.2		1.1	
Net Cash (NT Millions)	58,437		36,607		39,891	
BVPS	35		34		32	

Q4 & 2022 Executive Summary

4Q

- 4Q22 consolidated sales mainly benefit from the strong growth of cloud computing and auto electronics with +31% and +48% YoY, respectively. Gross profit up 9% YoY and gross margin reaches 19.5%, up 2.2ppts YoY, attributable to the optimization of supply chain management and operational efficiency.
- RD expense accounts for 5% of sales in 4Q22, up >30% YoY, mainly reflecting LITEON's investment on cloud, 5G, auto electronics and high-end opto-semiconductors.
- To stay focused on LITEON's core businesses and strategy, the transfer of Image business has completed at the end of 2022.

2022

- Consolidated sales of NT\$174 billion in 2022, up 5% YoY, thanks to the growth of high value business, including cloud computing power, auto electronics and high-end photocouplers. GP and OP are up 9% and 16% YoY, respectively, continuing to deliver the profitable growth.
- GPM and OPM reach 19.2% and 8.7%, up 0.7ppts and 0.8ppts YoY, respectively, mainly benefit from the expansion of revenue and the enhancement of operational efficiency. Net Profit is up 2% YoY and EPS reaches NT\$6.19 in 2022.

Dividend Policy

- BOD approved the fourth quarter of 2022 cash dividend of NT\$3 per share.
- Including the NT\$1.5 cash dividend per share in the first half of 2022, the cash dividend of 2022 FY reaches NT\$4.5 per share.
- LITEON's dividend policy will be flexible, considering financial, business and operational plans, aiming to maximize total shareholders' return.

<i>Period</i>	2018	2019	2020	2021	2022
DPS (NT\$)	2.92	3.2	3.4	4.5	4.5
Stock Price (NT\$)*	45.7	50.8	59.4	62.9	70.4
Yield%	6.4%	6.3%	5.7%	7.2%	6.4%

* 2018~2021 stock prices are based on the closed prices of the previous day of the coming year AGM, 2022 stock price is based on the closed price of 2023/2/20.

Empowering A Green Future

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<https://www.liteon.com/en-us>
liteontech.ir@liteon.com



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