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LITEON Technology

IR Presentation

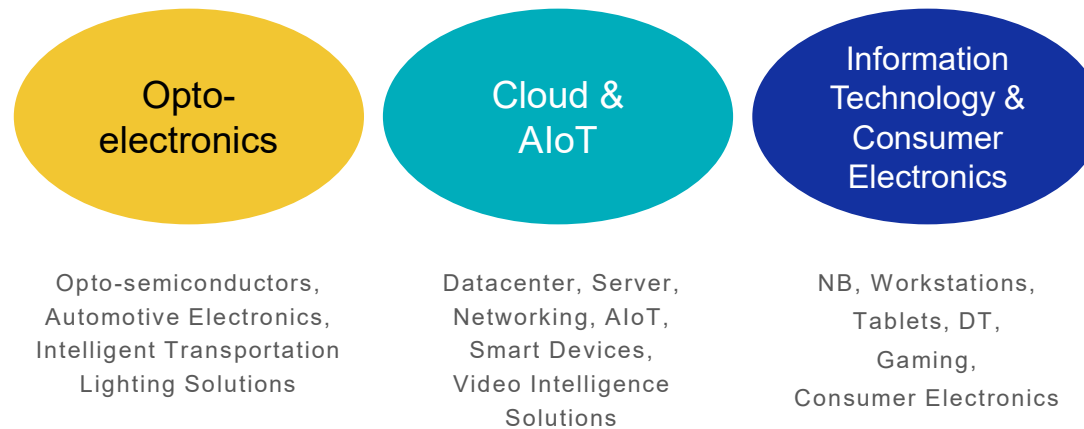
May 2024

LITEON[®]
— 光寶科技

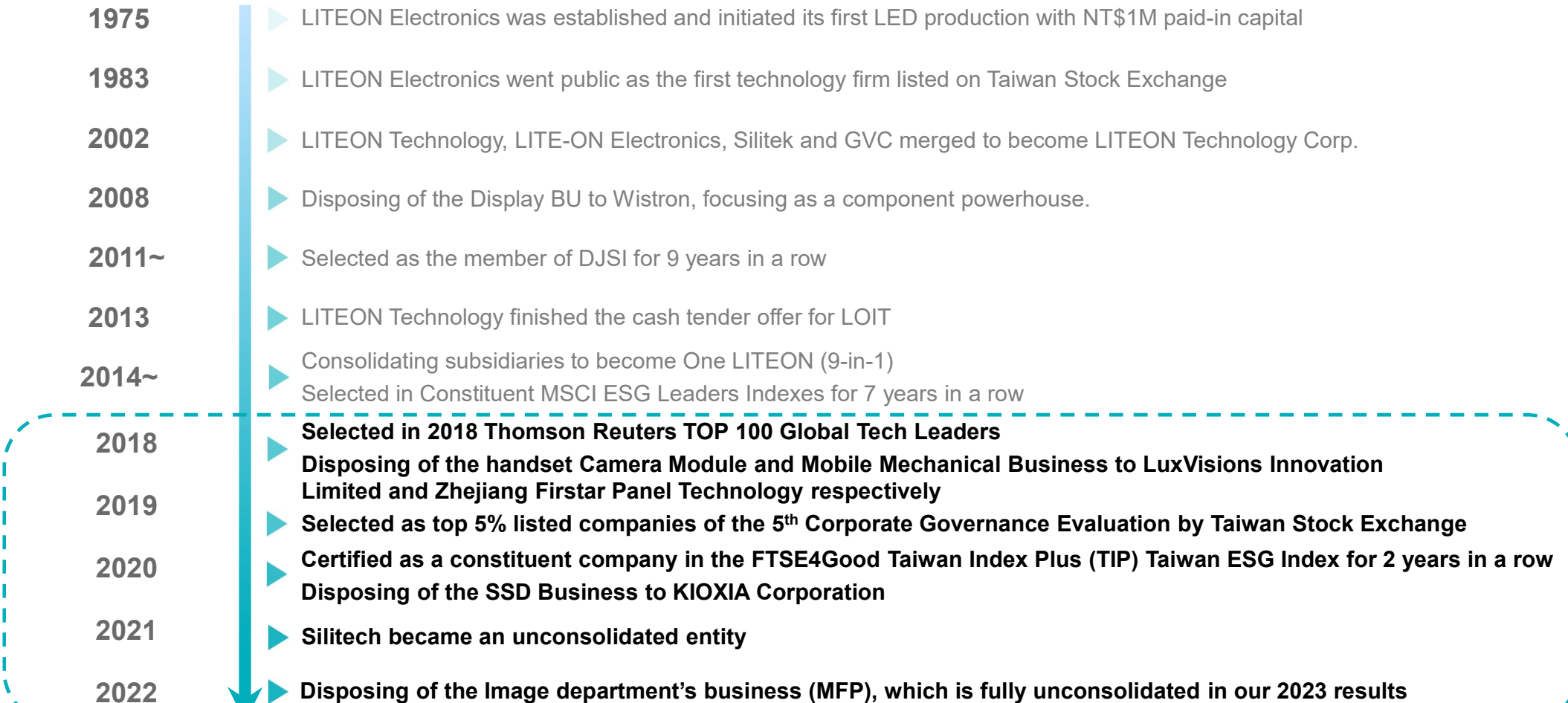
Safe Harbor Notice

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.

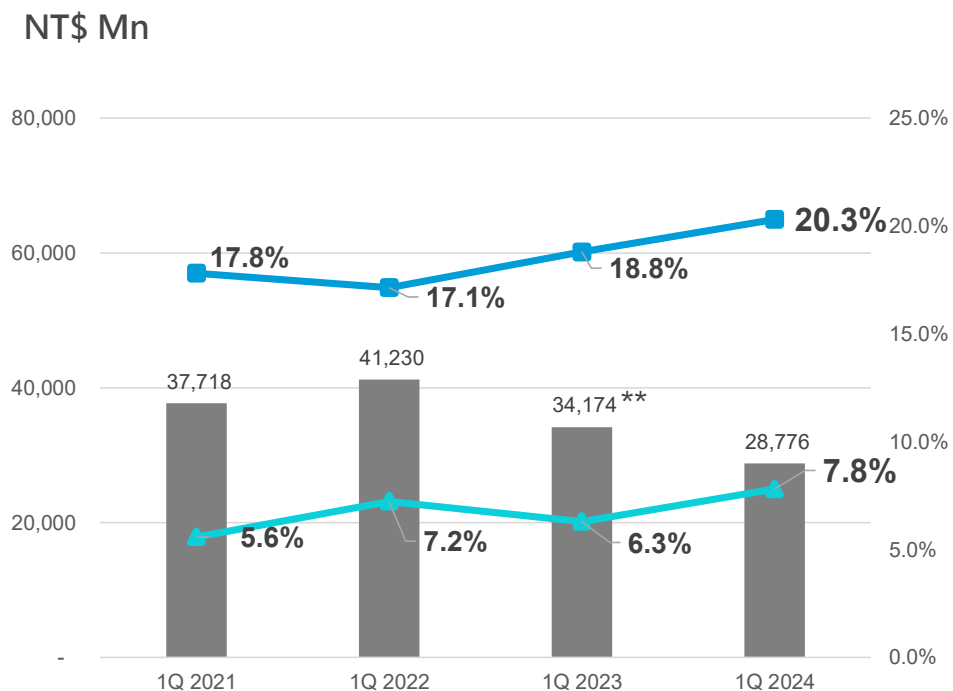
The numbers of the presentation are prepared under IFRS.



Strategic Transformation since 2018

- 
- 1975** ▶ LITEON Electronics was established and initiated its first LED production with NT\$1M paid-in capital
 - 1983** ▶ LITEON Electronics went public as the first technology firm listed on Taiwan Stock Exchange
 - 2002** ▶ LITEON Technology, LITE-ON Electronics, Silitek and GVC merged to become LITEON Technology Corp.
 - 2008** ▶ Disposing of the Display BU to Wistron, focusing as a component powerhouse.
 - 2011~** ▶ Selected as the member of DJSI for 9 years in a row
 - 2013** ▶ LITEON Technology finished the cash tender offer for LOIT
 - 2014~** ▶ Consolidating subsidiaries to become One LITEON (9-in-1)
▶ Selected in Constituent MSCI ESG Leaders Indexes for 7 years in a row
 - 2018** ▶ **Selected in 2018 Thomson Reuters TOP 100 Global Tech Leaders**
 - 2019** ▶ **Disposing of the handset Camera Module and Mobile Mechanical Business to LuxVisions Innovation Limited and Zhejiang Firststar Panel Technology respectively**
 - 2020** ▶ **Selected as top 5% listed companies of the 5th Corporate Governance Evaluation by Taiwan Stock Exchange**
▶ **Certified as a constituent company in the FTSE4Good Taiwan Index Plus (TIP) Taiwan ESG Index for 2 years in a row**
 - 2021** ▶ **Disposing of the SSD Business to KIOXIA Corporation**
 - 2021** ▶ **Silitech became an unconsolidated entity**
 - 2022** ▶ **Disposing of the Image department's business (MFP), which is fully unconsolidated in our 2023 results**

Core Business & Profit expansion by high value business since 2021

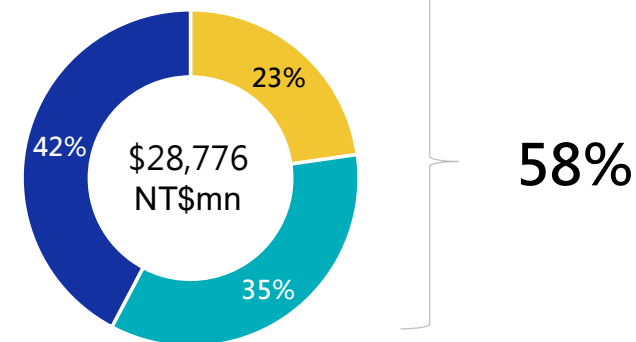


NT\$	1Q21	1Q22	1Q23	1Q24	CAGR
EPS	1.83	0.92	1.03	1.04	11%

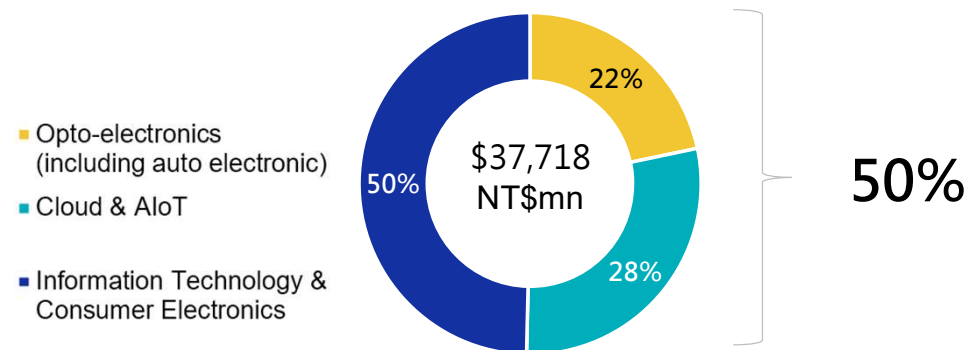
*1Q21 Recognized non-operating income of NT\$3.4 billion

**1Q23 Excluded divested IMG department

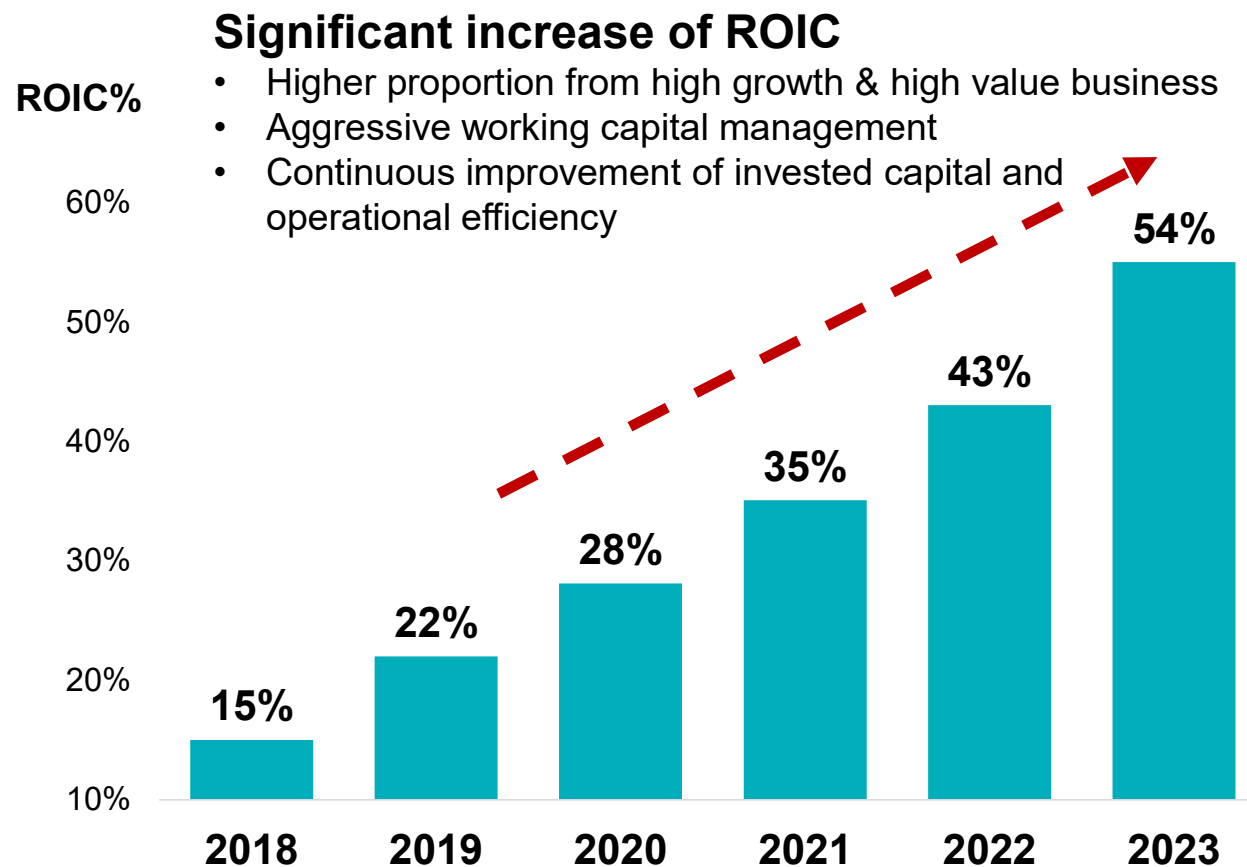
1Q24 Product Mix



1Q21 Product Mix



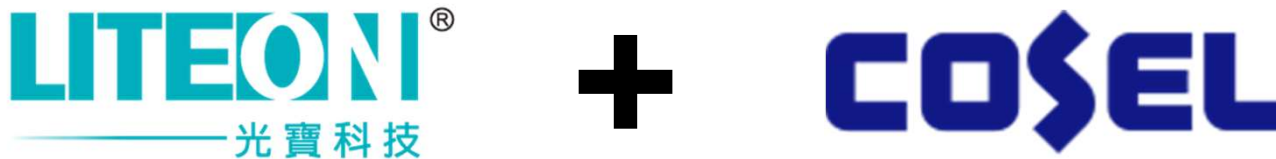
Enhanced ROIC over 4 years creating resources for new business



* ROIC: Operating Profit after tax / Average [Net Working Capital + Net PP&E + Right-of-use Assets + Intangible Assets]

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%

LITEON AI Server Power Management & Liquid Cooling Solution

Leader in Cloud Infrastructure Power and Cooling Solution

Enterprise

Server/Storage/Switch/Networking



1 PSU & Power Shelf

- **Power Density** > 100W/in³
- **Efficiency** > 97.5%
- **Proven & Established Market Position:** >3kW products and tier-1 customers

2 BBU

- **Full-power backup >3 minutes** during AC power loss

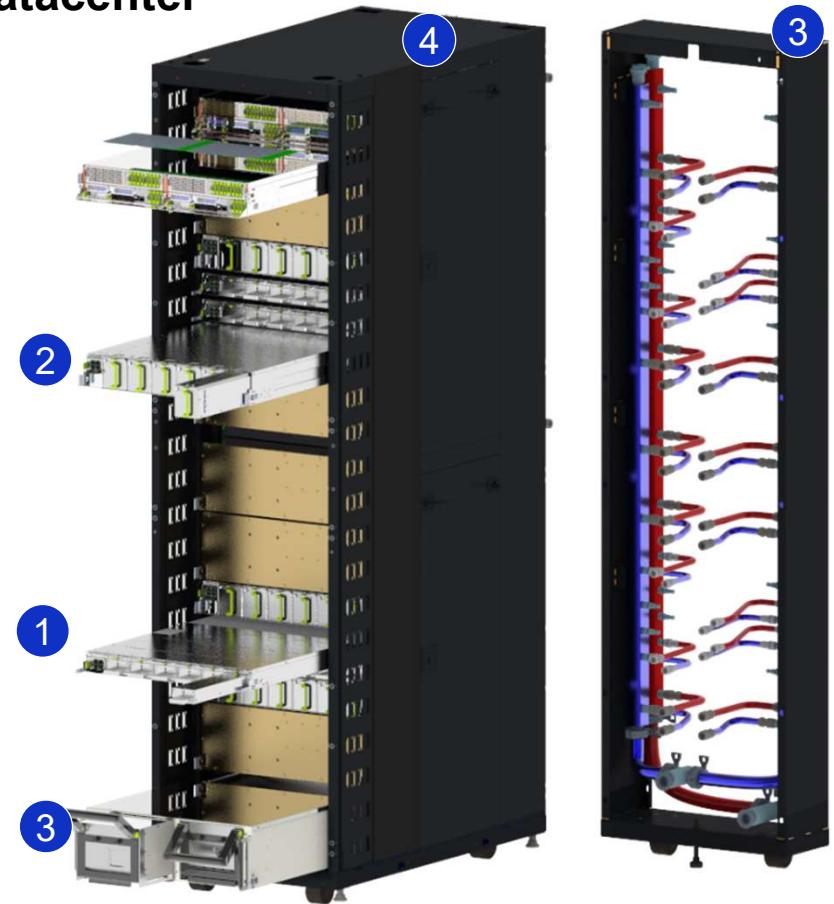
3 Cooling

- **Entire liquid cooling solution**, rack level
- **ORv3 compatible**
- **BBU backup**
- **Multiplex controller module**, MCU-based controller
- **Pump redundant**

4 Enclosure & Rack

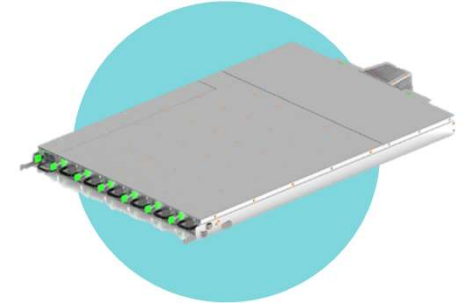
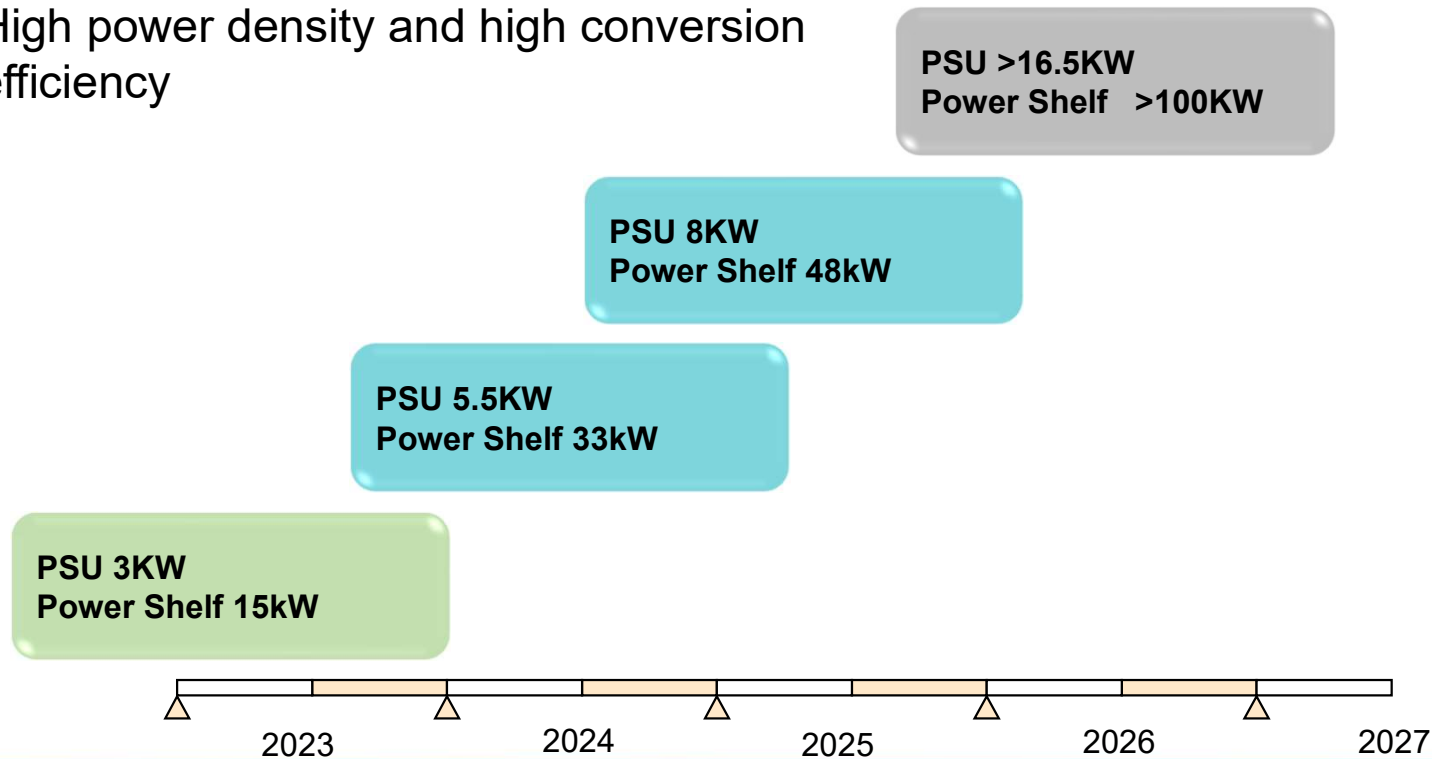
- **Global Top Vendors** with **completed product line:** products covers from rack and mechanical modules.

Datacenter

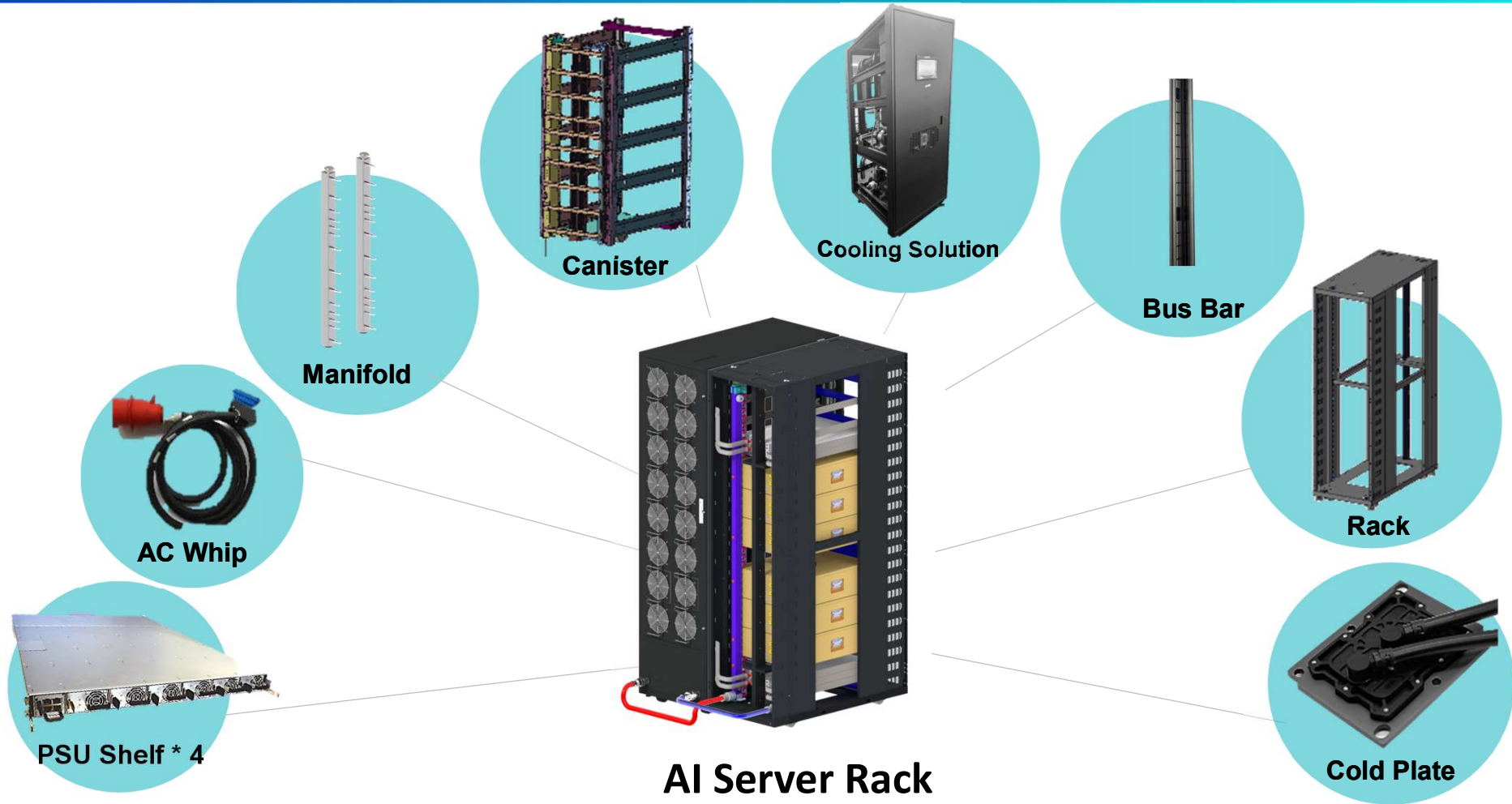


LITEON empowers next-gen AI servers with advanced power solution

- ✓ Integrated magnetic design
- ✓ Thermal management
- ✓ Digital intelligent control
- ✓ High power density and high conversion efficiency



LITEON Rack-level solutions encompass five core capabilities - power supply, liquid cooling, mechanism, software and system integration



LITEON's core thermal technology in the full-range solutions



Immersion

150KW-300KW



Liquid to Air

100KW-150KW

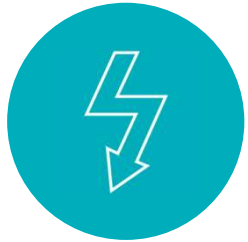


Liquid to Liquid

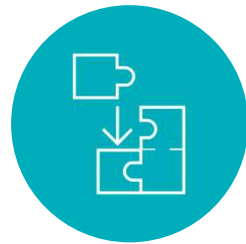
600KW-1.3MW

**Cooling
Capacity**

LITEON's four key advantages of the comprehensive liquid cooling solutions for datacenters



Accurate and reliable fully active digital control with MCU



Exclusive patented technology - active cooling management based on load



Integration of power supply, liquid cooling, mechanism, software, and system integration solutions



Fast global manufacturing and deployment capabilities

Opto-semiconductors: ~50yr Experience/ Global Customer Base/ Product Leading Position

Consumer Electronics



Advanced multi color LED, LED display, and graphic display

#1

LED Display
SMD LED



Visible LED

Mobile & Wearable Device



Smartphone and wearable device optical sensors and IR LED

#3

Multiple LED, Optical Sensors
Proximity & Ambient Light
Sensors



IR LED

Power Products



Global #1 photocoupler shipments

#1

General Purpose
Photocouplers



IR LED (Photocoupler)

Industrial Automation



Industrial and IoT IR sensing components

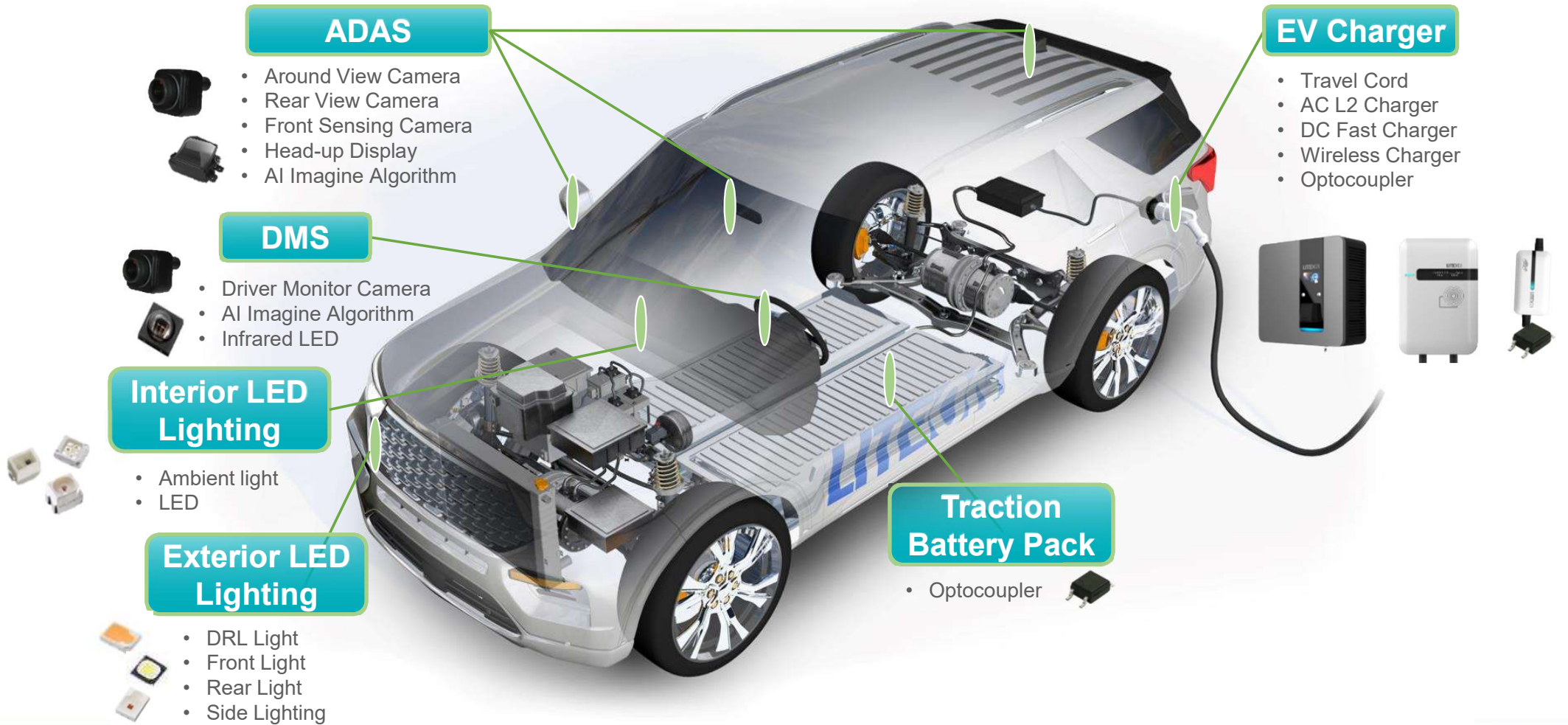
#2

High Power IR LED



IR LED

Automotive Electricity and ADAS Solutions



Full range products of EV Fast Chargers – 30kW & 60kW

Key features & benefits

Leveraging LITEON's core power module technology (dual inputs, **97% efficiency**, **1M+ hrs. MTBF**)

Highly **flexible voltage input w/o bulky step-up transformer** and no de-rating

Field-replaceable power modules and continuous operations even if loss of modules

Faster installation, greater application flexibility, and **lower TCO**

BABA Compliant Version Available



30kW Wall-Mount



30kW Pedestal



60kW Pedestal

Strong Global Footprint of Manufacturing and Strategic Operation Expansion in Taiwan, ASEAN & NA



LITEON will develop integrated portfolios on “energy efficiency”

Focus on “energy efficiency”

Build on core competence in **power**,
optoelectronics, **connectivity**, and **software**
Provide services in **E2E energy applications** to
build “Internet of Energy”

2 Clean mobility

2.2T 18%

Integrated and efficient
EV on/off-board power
and charging solutions

1 Green Data Centers

2.7T 17%

Total data center
solutions with modular
solutions and system-
level energy optimization

2030 market size¹, NTD

22-30 market CAGR, %

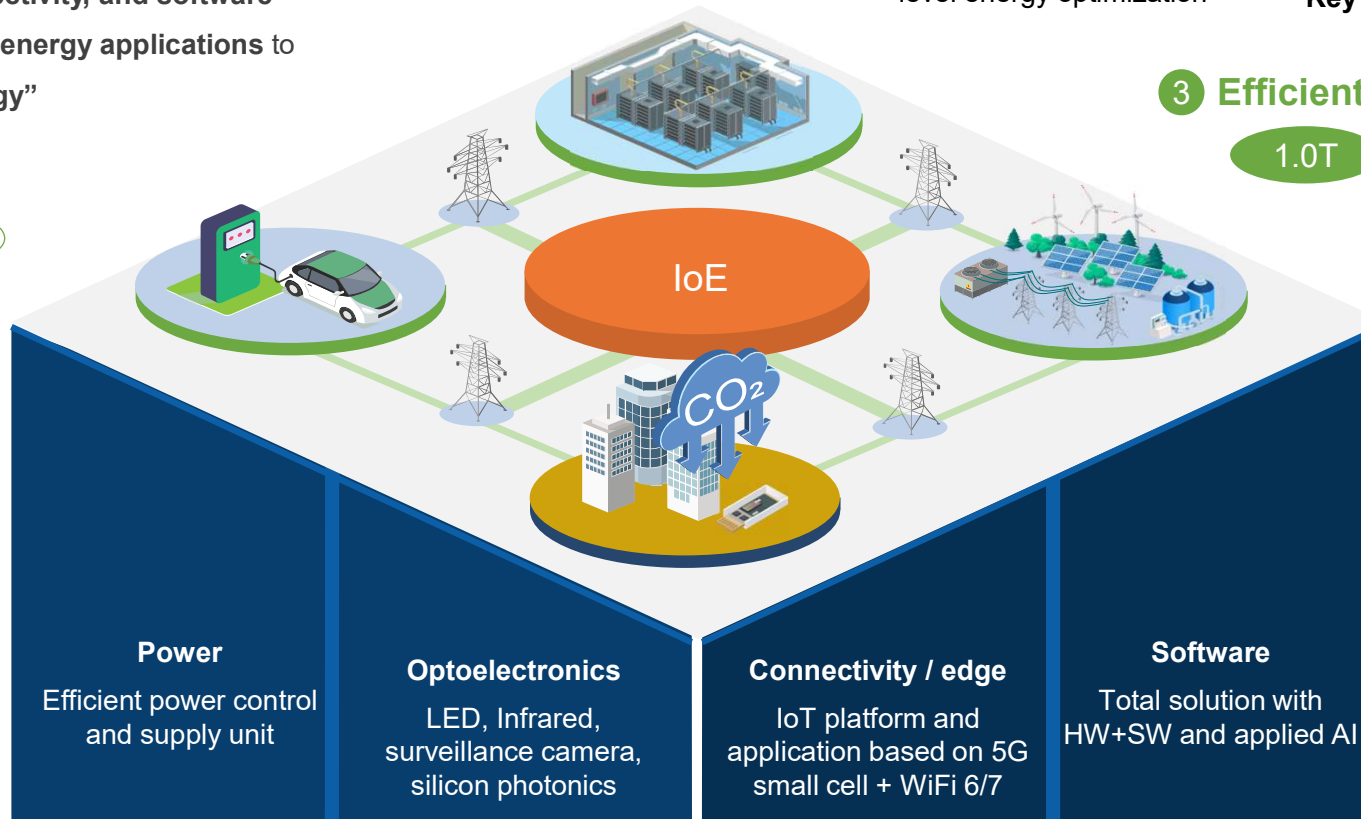
Key building blocks



3 Efficient infrastructure

1.0T 22%

Software-infused, integrated
energy storage solution for
home and C&I use



1Q24 營運成果 Quarterly Results

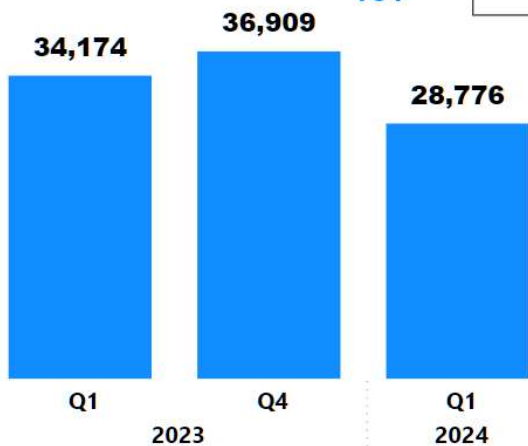
比較項目

QoQ

YoY

營業收入(Sales)

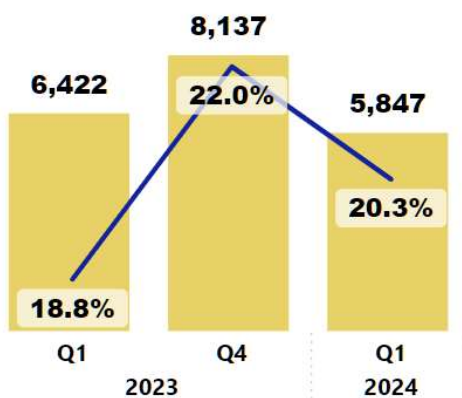
NSB Value(NT\$M)



-16%

營業毛利(Gross Profit)

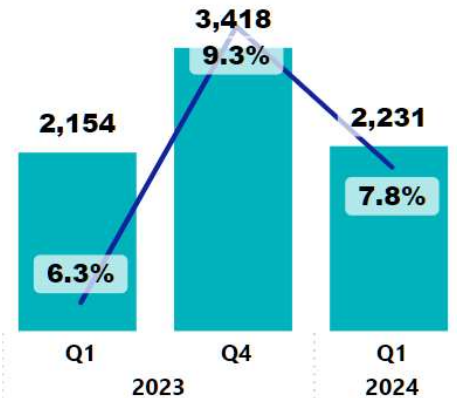
● GP Value(NT\$M) ● GP%



-9%

營業利益(Operating Profit)

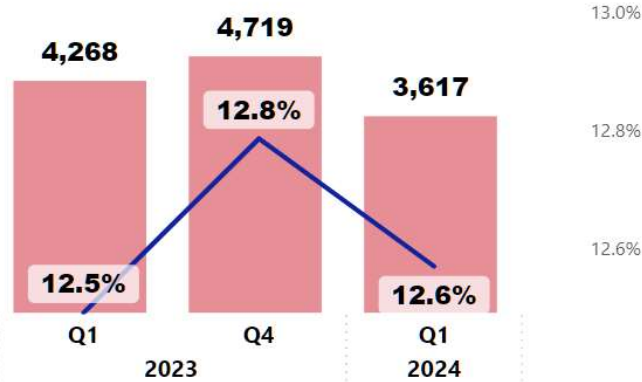
● OP Value(NT\$M) ● OP%



4%

營業費用(OPEX)

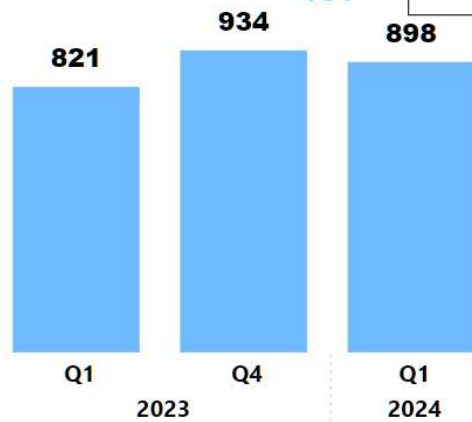
● OPEX VALUE(NT\$M) ● OPEX%



-15%

OIOE

OIOE(NT\$M)



9%

母公司稅後淨利(Net profit to Parent)

● PAT Value(NT\$M) ● EPS(NT\$)



1%

1Q24 簡明資產負債表 Robust Balance Sheet

QoQ

YoY

Unit: NT\$ M

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%)

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

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.

2024 ESG Dashboard

555 Carbon Reduction Action

Emission intensity YOY -5%

Product footprint -5%
per generation

2050 Net Zero



SBTi Net Zero

To submit the 2050 Net zero target to SBTi for validation



Greenhouse gas reduction by 2024 vs base year 2014

38.5%

Est. carbon reduction of 64,000 tons

RE100 by 2040

31%

Est. Renewable energy use in 2024

Carbon footprint reduction optimization for each product.

Emission cut **>6%**

Develop alternative materials for three major high carbon emission raw materials, aiming for a 70% carbon reduction compared to virgin materials.

To strengthen low-carbon competitiveness by self-built carbon management digital platform and an internal carbon cost mechanism

Governance

- Ranked top 5% in the Corporate Governance Evaluation for its rigorous sustainability governance
- Increase ESG threshold for supplier evaluation and focus on suppliers with higher emissions of PCB, plastics, and metal parts for carbon reduction optimization.
- Taiwan Intellectual Property Management Standards (TIPS) verification in 2023 to enhance innovation.

Social

New Employee Benefits: Lunch Subsidy, Employee Stock Ownership Trust (ESOT), Childcare Allowance, and 7 days of paid "Fun Leave."
WoW (Women of Wonders) Community: Initiated by female executives in 2023 and offering training, support, and mentorship for female empowerment
-1111 Ecorevolve Shopping Fair: Promoted circular economy and donated sales proceeds of 6,000+ high-quality items to NGOs.

Empowering A Green Future

光電節能 環境永續

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



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