

# LITEON Technology

## IR Presentation

Mar 2024

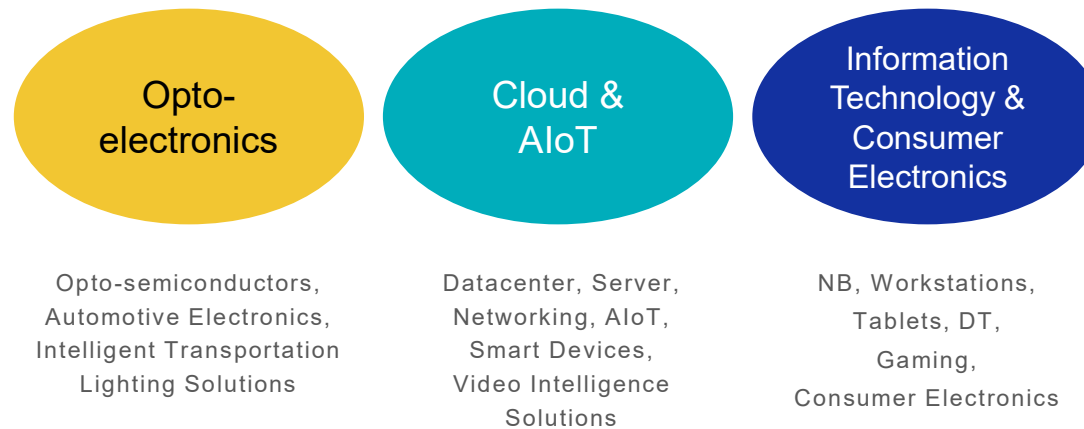
**LITEON**<sup>®</sup>  
— 光寶科技

# 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.

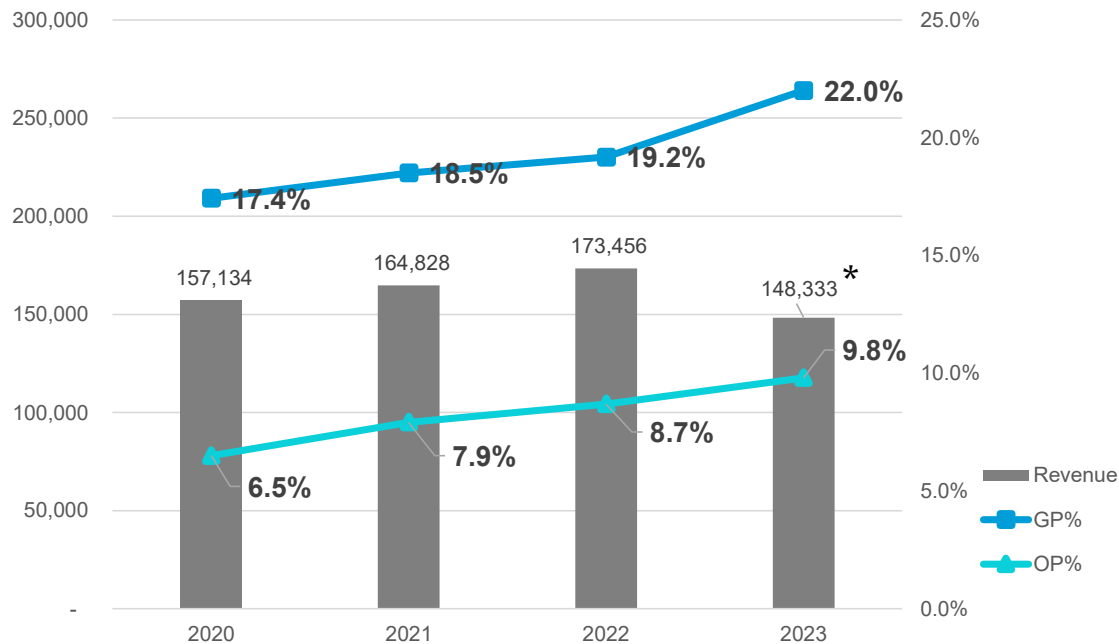


# Strategic Transformation since 2018

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- 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**
  - 2018** ▶ **Disposing of the handset Camera Module and Mobile Mechanical Business to LuxVisions Innovation Limited and Zhejiang Firststar Panel Technology respectively**
  - 2019** ▶ **Selected as top 5% listed companies of the 5<sup>th</sup> Corporate Governance Evaluation by Taiwan Stock Exchange**
  - 2020** ▶ **Certified as a constituent company in the FTSE4Good Taiwan Index Plus (TIP) Taiwan ESG Index for 2 years in a row**  
▶ **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 growth engines since 2020

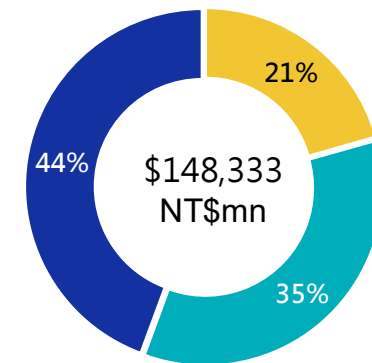
NT\$ Mn



NT\$	2020	2021	2022	2023	CAGR
EPS	4.31	6.01	6.19	6.36	14%

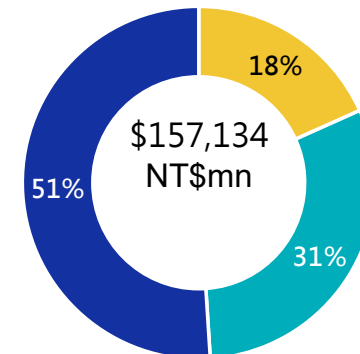
\* Excluded IMG divestment

## 2023 Product Mix



56% ↑

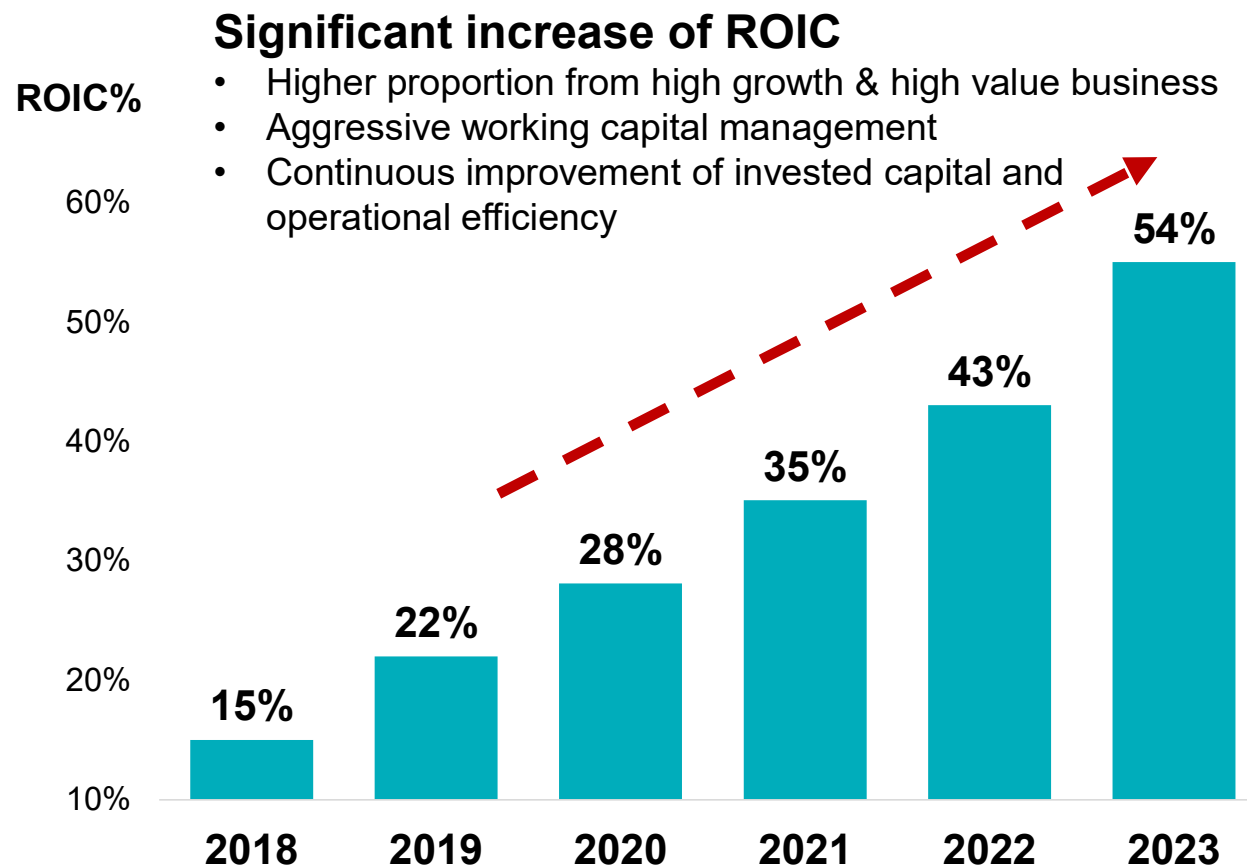
## 2020 Product Mix



49%

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

## 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]

# Leader in Cloud Infrastructure Power and Cooling Solution

## Enterprise

Server/Storage/Switch/Networking



### 1 PSU & Power Shelf

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

### 2 BBU

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

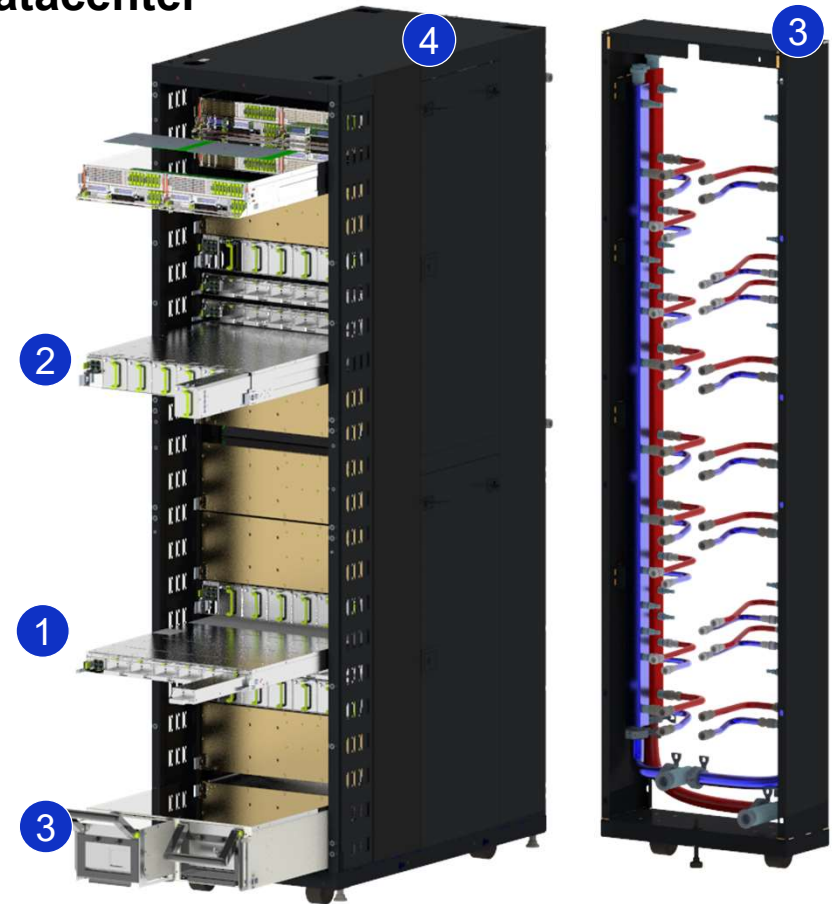
### 3 Cooling

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

### 4 Enclosure & Rack

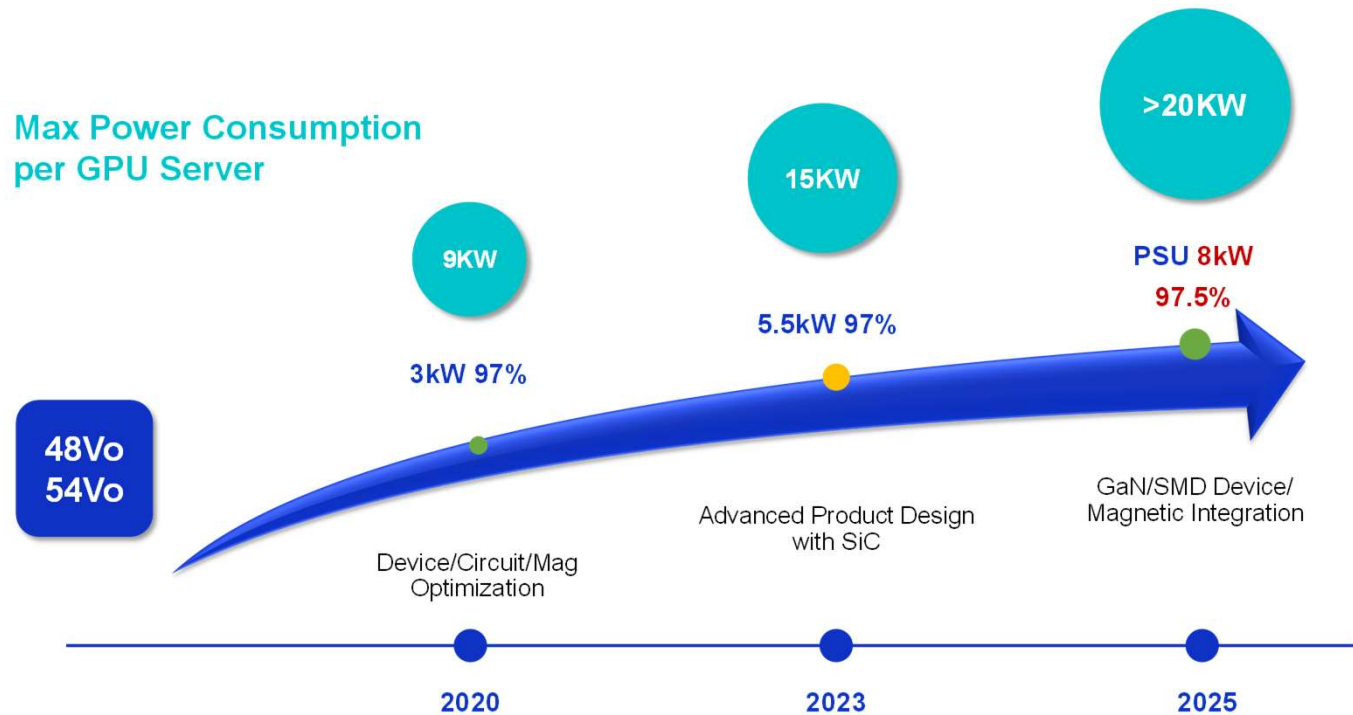
- **Global Top Vendors** with **completed product line:** products covers from rack and mechanical modules.

## Datacenter

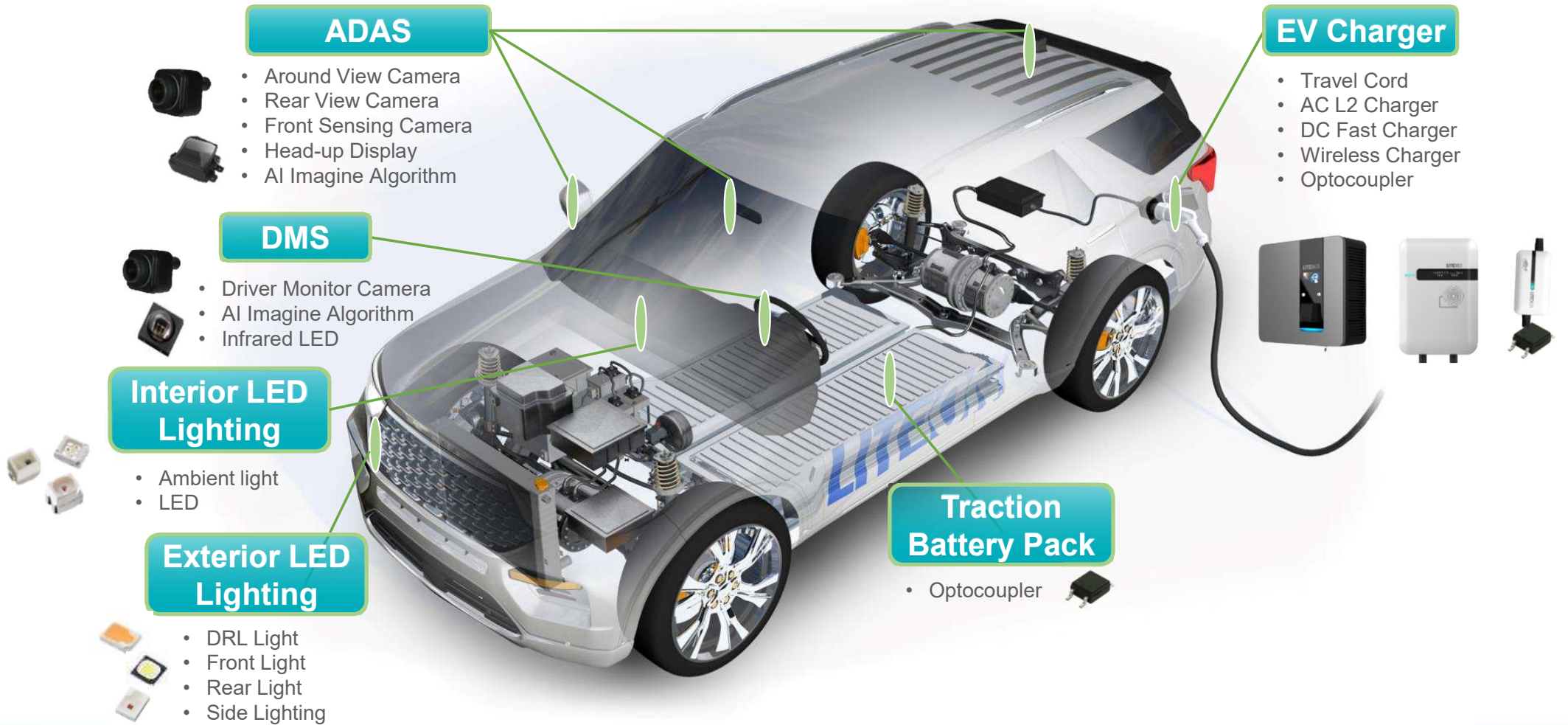


# High-end power supply is ready for AI Server demand

- Given the rapid growth of AI/GPU, LITEON has been developing high efficiency PSUs with power wattage ranging from 6KW~8KW and efficiency surpassing titanium level(97.5%) to meet high power/efficiency and energy saving requirements from datacenters.
- The power system combines customized magnetic design and optimized circuit architecture to break through the technical level of higher power/efficiency.



# 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

# 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

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

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# 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 size<sup>1</sup>, NTD

22-30 market CAGR, %

Key building blocks

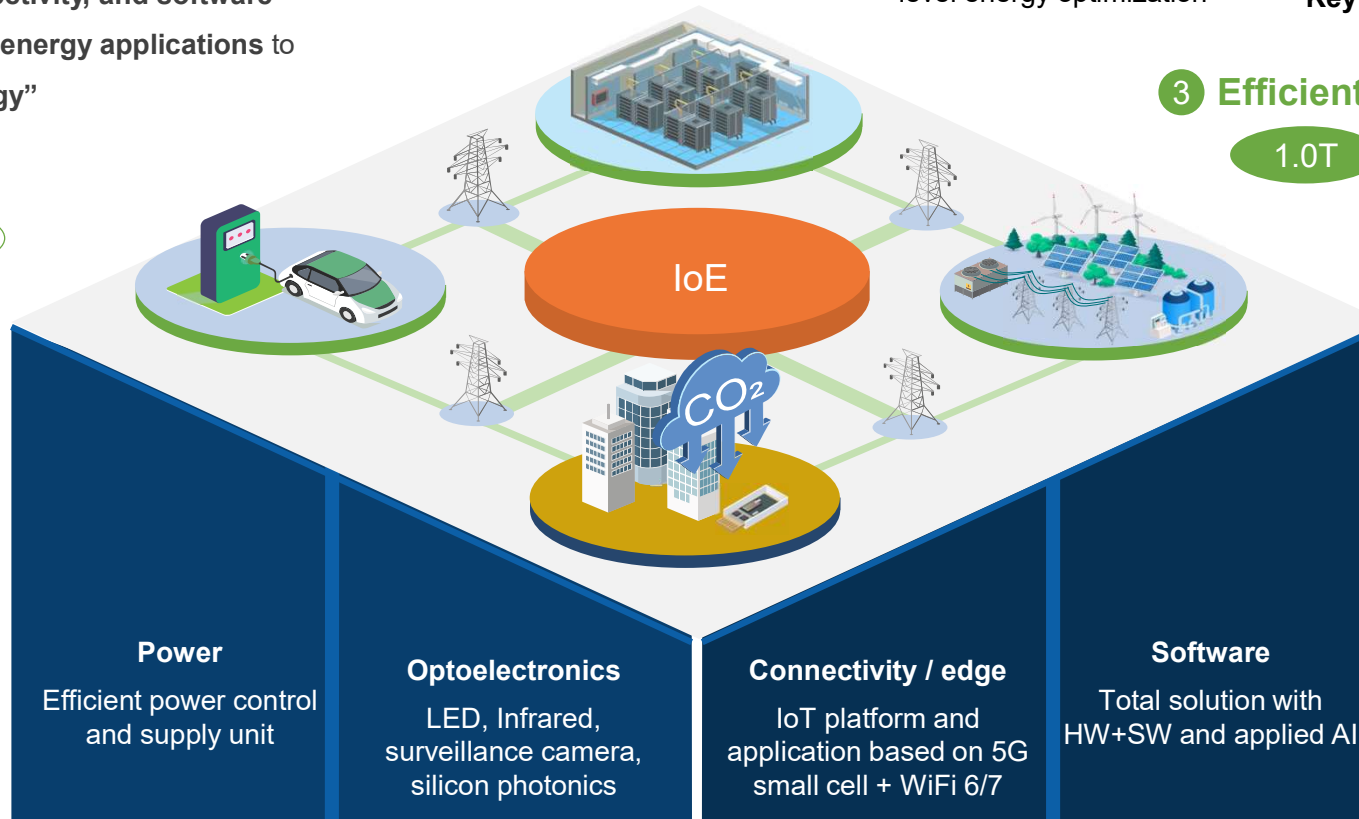
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## 3 Efficient infrastructure

1.0T 22%

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



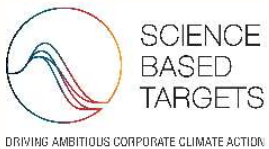
# 2024 ESG Dashboard

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

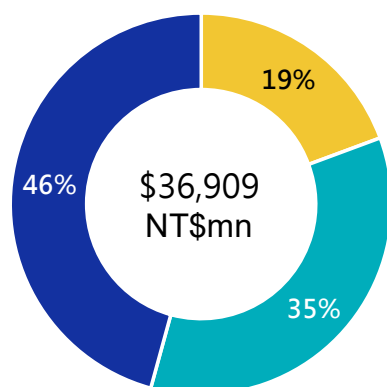
- Ranked top 5% in the Corporate Governance Evaluation for its rigorous sustainability governance
- Increase ESG threshold for supplier evaluation and focus on suppliers with higher emissions of PCB, plastics, and metal parts for carbon reduction optimization.
- Taiwan Intellectual Property Management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

Social

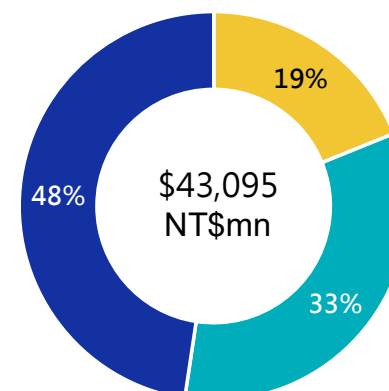
**New Employee Benefits:** Lunch Subsidy, Employee Stock Ownership Trust (ESOT), Childcare Allowance, and 7 days of paid "Fun Leave."  
**WoW (Women of Wonders) Community:** Initiated by female executives in 2023 and offering training, support, and mentorship for female empowerment  
**-1111 Ecorevolve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

# Revenue and profits contribution by segment in 4Q23

## 4Q23 Product Mix



## 4Q22 Product Mix



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

NT\$Mln	Revenue			Operating Profit		
	Amount	YoY	%	4Q23	4Q22	YoY
Cloud & AIoT	12,871	-11%	35%	1,714	1,235	39%
Information Technology & Consumer Electronics	16,891	-5% *	46%	2,341	2,435	-4%
Opto-electronics (including auto electronic)	7,147	-12%	19%	715	903	-21%

\* Excluded IMG divestment

# 4Q23 Income Statement

<i>In NT Millions</i>	4Q23		3Q23		QoQ	4Q22		YoY
	Amount	%	Amount	%	%	Amount	%	%
Net Sales	36,909	100.0	39,957	100.0	-8	43,095	100.0	-14*
COGS	28,773	78.0	30,526	76.4	-6	34,679	80.5	-17
Gross Profit	8,137	22.0	9,432	23.6	-14	8,416	19.5	-3
Operating Expenses	4,719	12.8	4,812	12.0	-2	5,088	11.8	-7
Operating Profit	3,418	9.3	4,620	11.6	-26	3,327	7.7	3
Other Income/ Expense	934	2.5	1,124	2.8	-17	1,520	3.5	-39
Profit Before Tax	4,352	11.8	5,744	14.4	-24	4,848	11.2	-10
Income Tax Expense	894	2.4	1,178	2.9	-24	994	2.3	-10
Non-Controlling Interests	-2	0.0	9	0.0	-122	6	0.0	-
Profit Attributable to Parent	3,460	9.4	4,558	11.4	-24	3,847	8.9	-10
After Tax EPS	1.51		1.99			1.68		

\* 4Q23 revenue -8.5% YoY, excluding IMG disposal

# 2023 Income Statement

<i>In NT Millions</i>	2023		2022		YoY
	Amount	%	Amount	%	%
Net Sales	148,333	100.0	173,456	100.0	-14 *
COGS	115,665	78.0	140,194	80.8	-17
Gross Profit	32,668	22.0	33,262	19.2	-2
Operating Expense	18,152	12.2	18,190	10.5	0
Operating Profit	14,516	9.8	15,073	8.7	-4
Other Income/ Expense	3,850	2.6	2,773	1.6	39
Profit Before Tax	18,366	12.4	17,846	10.3	3
Income Tax Expense	3,767	2.5	3,658	2.1	3
Non-Controlling Interests	28	0.0	36	0.0	-23
Profit Attributable to Parent	14,571	9.8	14,151	8.2	3
After Tax EPS	6.36		6.19		

\* 2023 revenue -9% YoY, excluding IMG disposal



# Robust Balance Sheet

<i>In NT millions</i>	4Q23		3Q23		4Q22	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	92,742	49%	94,834	47%	91,066	46%
Accounts Receivable	31,586	17%	36,663	18%	38,128	19%
Inventories	25,808	14%	26,015	13%	27,747	14%
Current Assets	155,618	82%	167,111	83%	164,953	83%
Short Term Debt	22,493	12%	31,999	16%	32,629	16%
Accounts Payable	40,918	22%	43,215	22%	44,883	22%
Current Liabilities	98,001	52%	109,929	55%	111,781	56%
Long Term Borrowings	3,000	2%	3,000	1%	3,000	2%
Equities	85,067	45%	84,510	42%	81,987	41%
Key Indices						
Quick Ratio (x)	1.3		1.3		1.2	
Net Cash (NT Millions)	67,249		59,835		55,437	
BVPS	37		36		35	

# 4Q and 2023 Executive Summary

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## 4Q23

- Q4 Sales reached ~NT\$37 billion, Gross Margin and Operating Margin reached 22% and 9.3%, up 2.5 and 1.6ppts YoY respectively, attributable to synergies of enhanced high-value business, supply chain resilience, AI tools implemented and digitalized operational management.
- RD expense accounted for 6.2% of Q4 sales, up nearly 10% YoY, reflecting steady investment in cloud, opto-electronics, 5G and new business.
- Q4 Net profits reached NT\$3.7 billion and EPS of NT\$1.51.
- Cloud Computing Power Management grew 30% YoY, benefited from model migration of AI server power management and cloud computing products.
- New product launches by IT clients, resulting in the yearly sales and profit growth from high-end products in IT&CE.
- New progress in Opto-electronics, including automotive lighting and Infrared sensing applications, whereas impacted by the soft consumer demand and UAW incidents.

## 2023

- Sales of NT\$148 billion, GPM and OPM reached 22% and 9.8%, up 2.8 ppts and 1.1ppts YoY, respectively. EPS reached NT\$6.36, up 3% YoY.
- Return on invested capital (ROIC) lifted to 54%, reflecting the ongoing expansion in the intrinsic value of the company.

## Dividend Policy

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- BOD approved the fourth quarter of 2023 cash dividend of NT\$2.5 per share.
- Including the NT\$2 cash dividend per share in the first half of 2023, the cash dividend of 2023 FY reaches NT\$4.5 per share with payout ratio of 71%.
- LITEON's dividend policy will be flexible, considering financial, business and operational plans.

<i>Period</i>	2018	2019	2020	2021	2022	2023
<b>EPS(NT\$)</b>	<b>3.4</b>	<b>4.03</b>	<b>4.31</b>	<b>6.01</b>	<b>6.19</b>	<b>6.36</b>

\*

# Empowering A Green Future

## 光電節能 環境永續

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