



聯詠科技股份有限公司 NOVATEK MICROELECTRONICS CORP.

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Novatek Announces 2021 Unaudited Consolidated Financial Result & 2022 First Quarter Outlook:

**2021 Revenue & PAT Reached
NT\$135.37B & NT\$38.87B Respectively
With EPS of NT\$63.87**

Hsin-chu, Taiwan, ROC – February 11th, 2022 – Novatek (TSE:3034), a leading global Display IC total solution provider, today announced its unaudited consolidated financial result of 2021 and the first quarter outlook of 2022 at the analyst meeting.

Revenue, operating expense, and operating income of 2021 reached NT\$135.37 billion, NT\$19.62 billion, and NT\$47.77 billion, representing year-over-year increase of 69.30%, 48.85%, and 223.28%, respectively. The gross profit margin of 2021 rose to 49.78%, up from 34.97% of 2020. Net income of 2021 increased by 228.89% year-over-year to NT\$38.87 billion, with earnings per share of NT\$63.87.

The fourth quarter revenue decreased by 4.70% quarter-over-quarter to NT\$36.54 billion from NT\$38.35 billion in Q3'21, and increased by 62.75% year-over-year from NT\$22.45 billion in Q4'20. The revenue decline came from soft demand of SOC product and TV drivers, and the year-end inventory adjustment. The fourth quarter gross margin 51.45% which ahead of the guidance of 48.0%-51.0%, was mainly caused by the product mix and ASP increased for part of products.

The fourth quarter operating expenses increased quarter-over-quarter to NT\$5.35 billion from NT\$4.79 billion in Q3'21 and increased year-over-year from NT\$3.79 billion in Q4'20. Fourth quarter operating income decreased quarter-over-quarter to NT\$13.45 billion from NT\$15.12 billion in Q3'21 and increased year-over-year from NT\$4.75 billion in Q4'20

Novatek's 2021 Q4 net income was NT\$10.93 billion, which decreased quarter-over-quarter by 10.90% from NT\$12.27 billion in Q3'21 and increased year-over-year by 200.02% from NT\$3.64 billion in Q4'20. Earnings per share for Q4'21 were NT\$17.97, compared with NT\$5.99 in Q4'20.

Management expects overall performance for the first quarter 2022:
Revenue is expected to be between NT\$ 35.8billion and NT\$ 36.8billion
Gross profit margin is expected to be between 48% and 51%
Operating profit margin is expected to be between 34% and 37%



聯詠科技股份有限公司

NOVATEK MICROELECTRONICS CORP.

Sales & Profits

Million NT dollars	4Q'21	QoQ	3Q'21	4Q'20	YoY
Net Sales	36,542	-4.70%	38,346	22,453	62.75%
Net Gross Profit	18,801	-5.60%	19,917	8,539	120.18%
(Margin %)	51.45	-0.49p	51.94	38.03	13.42p
Operating Income	13,449	-11.06%	15,121	4,748	183.24%
Net Income	10,933	-10.90%	12,271	3,644	200.02%
EPS (NT\$)	17.97	-2.2	20.17	5.99	11.98

Sales Breakdown by Product

Million NT dollars	4Q'21	QoQ	3Q'21	4Q'20	YoY
SoC	10,738	-14.15%	12,508	7,050	52.31%
Driver IC	25,729	-0.22%	25,787	15,306	68.10%
Total	36,467	-4.77%	38,295	22,356	63.12%

About Novatek

Novatek was established in 1997, specializing in display and image centered total solutions ranging from full line of display ICs and SoC for all display and image applications. The Company is the world's largest supplier of display driver ICs, and is ranked as the world 8th largest and Taiwan's 2nd largest fabless company in terms of sales revenue in 2020. For more information, please visit the company's web site at www.novatek.com.tw.

Novatek Microelectronics Corp.

Financial Report 2021 Q4



Issued in Feb 2022

Monthly Sales

MNT\$

	2021	2020	+ (-) %
January	8,122	5,619	45%
February	8,715	5,460	60%
March	9,529	5,812	64%
April	11,084	6,544	69%
May	11,448	6,212	84%
June	11,580	5,854	98%
July	12,499	6,744	85%
August	12,915	7,283	77%
September	12,932	7,974	62%
October	12,591	7,568	66%
November	12,067	7,579	59%
December	11,884	7,306	63%
Total:	135,366	79,956	69%

Monthly Sales

MNT\$

	2022	2021	+ (-) %
January	12,317	8,122	52%
February		8,715	
March		9,529	
April		11,084	
May		11,448	
June		11,580	
July		12,499	
August		12,915	
September		12,932	
October		12,591	
November		12,067	
December		11,884	
Total:	12,317	135,366	-91%

Sales Breakdown By Products

MNT\$

Product	2021/Q4		2021/Q3		2021/Q2		2021/Q1		2020/Q4	
	AMT	%	AMT	%	AMT	%	AMT	%	AMT	%
SOC	10,738	29	12,508	33	11,681	34	8,727	33	7,050	31
DRIVER	25,729	70	25,787	67	22,369	66	17,483	66	15,306	68
Total:	36,467	100	38,295	100	34,050	100	26,210	99	22,356	100
OTHERS	97	0	81	0	97	0	186	1	119	1
Return & Allowance	(21)	(0)	(30)	(0)	(36)	(0)	(29)	(0)	(22)	(0)
Grand Total:	36,542	100	38,346	100	34,111	100	26,367	100	22,453	100
Growth	-5%		12%		29%		17%		2%	

Consolidated Income Statement (YoY)

(Expressed In New Taiwan Thousand Dollars)

	2021/1-12	%	2020/1-12	%	Growth %
Net sales	135,365,510	100.00	79,955,520	100.00	69.30
Cost of good sold	(67,973,986)	(50.22)	(51,997,813)	(65.03)	30.72
Gross Profit	67,391,524	49.78	27,957,707	34.97	141.05
Operating Exp.	(19,618,414)	(14.49)	(13,180,109)	(16.48)	48.85
Selling & Adm.	(3,017,599)	(2.23)	(2,105,806)	(2.63)	43.30
R & D Exp.	(16,600,815)	(12.26)	(10,994,303)	(13.75)	50.99
Expected credit losses	-	-	(80,000)	(0.10)	-
Operating Income	47,773,110	35.29	14,777,598	18.49	223.28
Net Non-Operating	341,847	0.25	(228,624)	(0.29)	(249.52)
Income Before Tax	48,114,957	35.54	14,548,974	18.20	230.71
Income Tax Exp.	(9,249,397)	(6.83)	(2,731,735)	(3.42)	238.59
Net Income	38,865,560	28.71	11,817,239	14.78	228.89
EPS	63.87		19.42		

Consolidated Income Statement (Q4 YoY)

(Expressed In New Taiwan Thousand Dollars)

	2021/Q4	%	2020/Q4	%	Growth %
Net sales	36,542,106	100.00	22,452,842	100.00	62.75
Cost of good sold	(17,741,142)	(48.55)	(13,914,071)	(61.97)	27.51
Gross Profit	18,800,964	51.45	8,538,771	38.03	120.18
Operating Exp.	(5,351,806)	(14.65)	(3,790,481)	(16.88)	41.19
Selling & Adm.	(748,857)	(2.05)	(587,187)	(2.62)	27.53
R & D Exp.	(4,602,949)	(12.60)	(3,203,294)	(14.26)	43.69
Operating Income	13,449,158	36.80	4,748,290	21.15	183.24
Net Non-Operating	141,577	0.39	(198,751)	(0.89)	(171.23)
Income Before Tax	13,590,735	37.19	4,549,539	20.26	198.73
Income Tax Exp.	(2,657,495)	(7.27)	(905,330)	(4.03)	193.54
Net Income	10,933,240	29.92	3,644,209	16.23	200.02
EPS	17.97		5.99		

Consolidated Income Statement (QoQ)

(Expressed In New Taiwan Thousand Dollars)

	2021/Q4	%	2021/Q3	%	Growth %
Net sales	36,542,106	100.00	38,345,587	100.00	(4.70)
Cost of good sold	(17,741,142)	(48.55)	(18,428,331)	(48.06)	(3.73)
Gross Profit	18,800,964	51.45	19,917,256	51.94	(5.60)
Operating Exp.	(5,351,806)	(14.65)	(4,795,859)	(12.51)	11.59
Selling & Adm.	(748,857)	(2.05)	(772,469)	(2.02)	(3.06)
R & D Exp.	(4,602,949)	(12.60)	(4,023,390)	(10.49)	14.40
Operating Income	13,449,158	36.80	15,121,397	39.43	(11.06)
Net Non-Operating	141,577	0.39	160,492	0.42	-
Income Before Tax	13,590,735	37.19	15,281,889	39.85	(11.07)
Income Tax Exp.	(2,657,495)	(7.27)	(3,010,851)	(7.85)	(11.74)
Net Income	10,933,240	29.92	12,271,038	32.00	(10.90)
EPS	17.97		20.17		

Financial Numbers

(Expressed In New Taiwan Thousand Dollars)

	2021/12/31	2021/9/30	2021/6/30	2021/3/31	2020/12/31
Cash and Cash Equivalents	60,129,207	42,790,590	36,114,120	29,075,843	22,875,307
Short Term Loans	0	(5,625,700)	(7,494,340)	(1,455,285)	0
Net Cash	60,129,207	37,164,890	28,619,780	27,620,558	22,875,307
QoQ Change	22,964,317	8,545,110	999,222	4,745,251	6,526,066
Notes & Accounts receivable	23,571,509	27,084,252	21,399,649	16,112,665	13,373,468
QoQ Change	(3,512,743)	5,684,603	5,286,984	2,739,197	(1,971,699)
Inventory	14,186,415	12,276,946	10,820,229	9,700,028	8,156,212
QoQ Change	1,909,469	1,456,717	1,120,201	1,543,816	482,368