



4Q21 Earnings Conference

LITEON Technology

February 14th, 2022



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.

4Q21 Results

<i>In NT Millions</i>	4Q21		3Q21		QoQ	4Q20		YoY
	Amount	%	Amount	%	%	Amount	%	%
Net Sales	44,569	100.0	41,864	100.0	6	41,436	100.0	8
COGS	36,867	82.7	33,780	80.7	9	34,726	83.8	6
Gross Profit	7,702	17.3	8,084	19.3	-5	6,709	16.2	15
Operating Expenses	4,089	9.2	4,562	10.9	-10	4,889	11.8	-16
Operating Profit	3,613	8.1	3,522	8.4	3	1,820	4.4	99
Other Income/ Expense *	-455	-1.0	351	0.8	-	676	1.6	-
Profit Before Tax	3,158	7.1	3,872	9.2	-18	2,496	6.0	27
Income Tax Expense	642	1.4	782	1.9	-18	449	1.1	43
Non-Controlling Interests	7	0.0	10	0.0	-37	40	0.1	-83
Profit Attributable to Parent	2,509	5.6	3,080	7.4	-19	2,008	4.8	25
After Tax EPS	1.11		1.33			0.86		

* Non-operating income includes the goodwill impairment of NT\$960mn at ODD business after evaluating its current conditions and prospects of the global ODD market. If excluding this impairment, non-operating income is NT\$505 mn.

Stable Growth in Sales and Profit from Each Segment in 4Q21

NT\$MIn	Sales	YoY	Sales %	Gross Profit Margin Range	Operating Profit	YoY
Opto-electronics	8,336	7%	19%	22%~32%	928 [*]	20%
Cloud & AIoT	12,456	13%	28%	15%~25%	828	16%
Information Technology & Consumer Electronics	23,776	5%	53%	12%~18%	2,312	221%

* Excluding the expected credit loss from the streetlight bid.

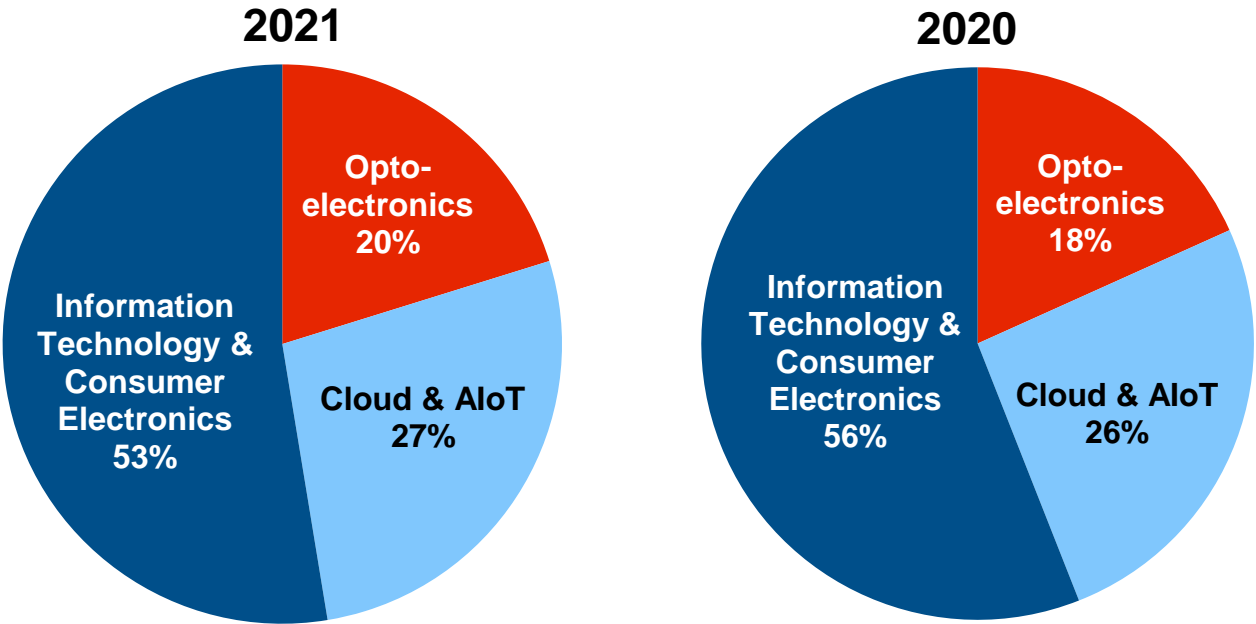
2021 Results

<i>In NT Millions</i>	2021		2020		YoY
	Amount	%	Amount	%	%
Net Sales	164,828	100.0	157,134	100.0	5 ^{**}
COGS	134,330	81.5	129,750	82.6	4
Gross Profit	30,498	18.5	27,384	17.4	11
Operating Expenses [*]	17,455	10.6	17,178	10.9	2
Operating Profit	13,042	7.9	10,206	6.5	28
Other Income/ Expense	4,590	2.8	2,396	1.5	92
Profit Before Tax	17,632	10.7	12,602	8.0	40
Income Tax Expense	3,703	2.2	2,773	1.8	34
Non-Controlling Interests	43	0.0	-187	-0.1	-
Profit Attributable to Parent	13,887	8.4	10,016	6.4	39
After Tax EPS	6.01		4.31		
Shares:(mm shares)	2,311		2,324		

* The Group has recognized the expected credit loss from the streetlight bid with the best solution in 2021 financial report. Excluding the expected credit loss and other adjustment, the Opex% was 10% and Operating Profit margin was 8.5%.

** Excluding the transferred businesses in 2020, the revenue was up by 10% YoY.

2021 Revenue Contribution by Segment



Opto-electronics	Optoelectronics Product Solutions, Outdoor Lighting Solution and Automotive Electronics
Cloud & AIoT	Datacenter, Server, Networking, AIoT, Smart Devices and Video Intelligence Solutions
Information Technology & Consumer Electronics	NB, Tablets, DT, Gaming, Consumer Electronics and Multifunction Peripherals applications

SSD has been transferred since 3Q20. Silitech has become an unconsolidated entity from 1Q21. Before then, they were inclusive of ITCE revenue.

Profitable Growth from Each Segment in 2021

NT\$MIn	Sales	YoY	Sales %	Gross Profit Margin Range	Operating Profit	YoY
Opto-electronics	33,297	16%	20%	22%~32%	4,238 [*]	24%
Cloud & AIoT	44,845	11%	27%	15%~25%	2,935	18%
Information Technology & Consumer Electronics	86,685	7% ^{**}	53%	12%~18%	8,737	49%

* Excluding the expected credit loss from the streetlight bid/ MM.

** Excluding transferred SSD and Silitech in 2020.

Robust Balance Sheet

<i>In NT millions</i>	4Q21		3Q21		4Q20	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	68,276	37%	69,459	38%	71,508	41%
Accounts Receivable	41,246	22%	38,737	21%	35,990	20%
Inventories	32,299	18%	30,791	17%	24,669	14%
Current Assets	147,111	80%	144,513	80%	140,584	80%
Total Assets	183,543	100%	181,365	100%	176,067	100%
Short Term Debt	28,385	15%	31,349	17%	24,892	14%
Accounts Payable	46,659	25%	44,976	25%	42,622	24%
Current Liabilities	107,915	59%	108,779	60%	99,599	57%
Equities	72,874	40%	70,098	39%	74,142	42%
Key Indices						
Current Ratio (x)	1.36		1.33		1.41	
Quick Ratio (x)	1.06		1.06		1.16	
Net Cash (NT Millions)	39,891		38,110		46,616	

2021 Summary

- 4Q21 Revenue +9% YoY, GPM:17.3% +1.1ppt YoY, OPM: 8.1% +3.7ppt YoY, EPS: NT\$1.11 +25% YoY, hitting 4Q record high in 5 consecutive years
- 2021 Revenue up by 5% YoY, GPM 18.5%, +1.1ppt YoY and OPM 7.9%, +1.4ppt YoY, EPS NT\$6.01 +39% YoY, all posting annual record high.
- 2021 GP and OP up by 11% and 28% YoY respectively, higher than revenue YoY growth, showing a result of profitable growth.
- Thanks to continuous optimizing product-mix, improving flexibility and responding time of global smart manufacturing and supply chain management, as well as strengthening operational efficiency, 2021 posted record profit margin and EPS.

Q1'22 Outlook

- Stable YoY growth in revenue and core profitability. Opto-electronics and Cloud & AIoT segments contributing over 50% of 1Q22 revenue is expected.
- Key growth drivers: Opto, Cloud computing, and Automotive electronics:
 - * Opto semiconductor: dynamic application in green energy, industrial automation, wearables and AR/VR, coupled with smooth delivery of high-end Mini LED
 - * Cloud computing: ongoing market share gain and revenue growth from power management solutions with high wattage, high efficiency and high density applied in data center and enterprise customers
 - * Automotive Electronics: market demand of EV Charger and ADAS is expected to grow rapidly

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Empowering Sustainability

- The Silver Class In S&P Global Sustainability Yearbook 2022
- The Highest Rating "Leaderboard" In 2021 CDP Supplier Engagement Rating (SER)
- 2021 listed in the DJSI world index and emerging market index.
- 2021 received TCSA TOP 10 sustainability model of Taiwan corporates, and multiple awards in many sectors.
- 2021 selected for the Morgan Stanley (MSCI) ESG leaders index for eight consecutive years since 2014.
- 2021 rated as Prime status by the ISS ESG rating
- 2021 included in the FTSE4good emerging market index and the FTSE4good tip Taiwan ESG index for eight consecutive years.
- 2021 listed top ten in the 2021 Greater China Business Sustainability Index (GCBSI)
- 2021 won the first prize of 2021 Corporate Social Responsibility award from *Global Views* magazine.
- 2021 won the "Corporate Citizen Award" from *Commonwealth* magazine for the 15 years in a row.

Sustainability Award
Bronze Class 2021

S&P Global

Member of
Dow Jones
Sustainability Indices

Powered by the S&P Global CSA

FTSE
Russell



FTSE4Good
TIP Taiwan ESG Index



2021 MSCI ESG Leaders
Indexes Constituent



SUPPLIER
ENGAGEMENT
LEADER

2021



Empowering Sustainability

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