



AUO Corporation 2Q23 Results

July 26, 2023



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- The statements included in this presentation that are not historical in nature are “forward-looking statements”. These forward-looking statements, which may include statements regarding AUO Corporation’s future results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on AUO Corporation’s current expectations.
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Statement of Comprehensive Income

Selected Items from Statement of Comprehensive Income

Amount : NT\$ Million

	2Q23		1Q23		QoQ %	2Q22	
Net Sales	63,321	100.0%	51,188	100.0%	23.7%	62,884	100.0%
Cost of Goods Sold	(61,329)	(96.9%)	(56,045)	(109.5%)	9.4%	(61,160)	(97.3%)
Gross Profit (Loss)	1,992	3.1%	(4,857)	(9.5%)	-	1,725	2.7%
Operating Expenses	(6,416)	(10.1%)	(6,281)	(12.3%)	2.2%	(6,370)	(10.1%)
Operating Profit (Loss)	(4,424)	(7.0%)	(11,138)	(21.8%)	60.3%	(4,645)	(7.4%)
Net Non-operating Income (Expenses)	160	0.3%	(156)	(0.3%)	-	1,002	1.6%
Profit (Loss) before Tax	(4,264)	(6.7%)	(11,293)	(22.1%)	62.2%	(3,643)	(5.8%)
Net Profit (Loss)	(4,734)	(7.5%)	(11,087)	(21.7%)	57.3%	(5,697)	(9.1%)
Net Profit Attributable to Owners of Company	(4,807)	(7.6%)	(10,911)	(21.3%)	55.9%	(5,632)	(9.0%)
Basic EPS (NT\$)^(a)	(0.63)		(1.42)		55.6%	(0.59)	
Operating Profit + D&A	3,552	5.6%	(3,469)	(6.8%)	-	3,256	5.2%
Area Shipments (K m²)	5,706		4,300		32.7%	4,919	

- a) Basic EPS was calculated based on the weighted average outstanding shares of the reporting quarter. The weighted average outstanding shares were 7,668m shares, 7,662m shares and 9,576m shares for 2Q23, 1Q23 and 2Q22, respectively.

Consolidated Balance Sheet Highlights

Amount : NT\$ Million

	2Q23	1Q23	QoQ %	2Q22
Cash and Cash Equivalents	90,531	77,100	17.4%	84,942
Inventory	28,409	28,533	(0.4%)	37,241
Short Term Debt^(a)	14,529	12,945	12.2%	7,398
Long Term Debt	99,815	90,282	10.6%	45,382
Equity	168,669	174,979	(3.6%)	229,257
Total Assets	397,293	384,075	3.4%	408,405

Inventory Turnover (Days)^(b)	42	48	56
Net Debt to Equity^(c)	14.1%	14.9%	(14.0%)

- a) Short term debt refers to all interest bearing debt maturing within one year.
 b) Calculated by dividing the average inventory into the annualized cost of goods sold during such period, then multiplying by 365 days.
 c) Net Debt to Equity = (Short Term Debt + Long Term Debt - Cash and Cash Equivalents) / Equity.

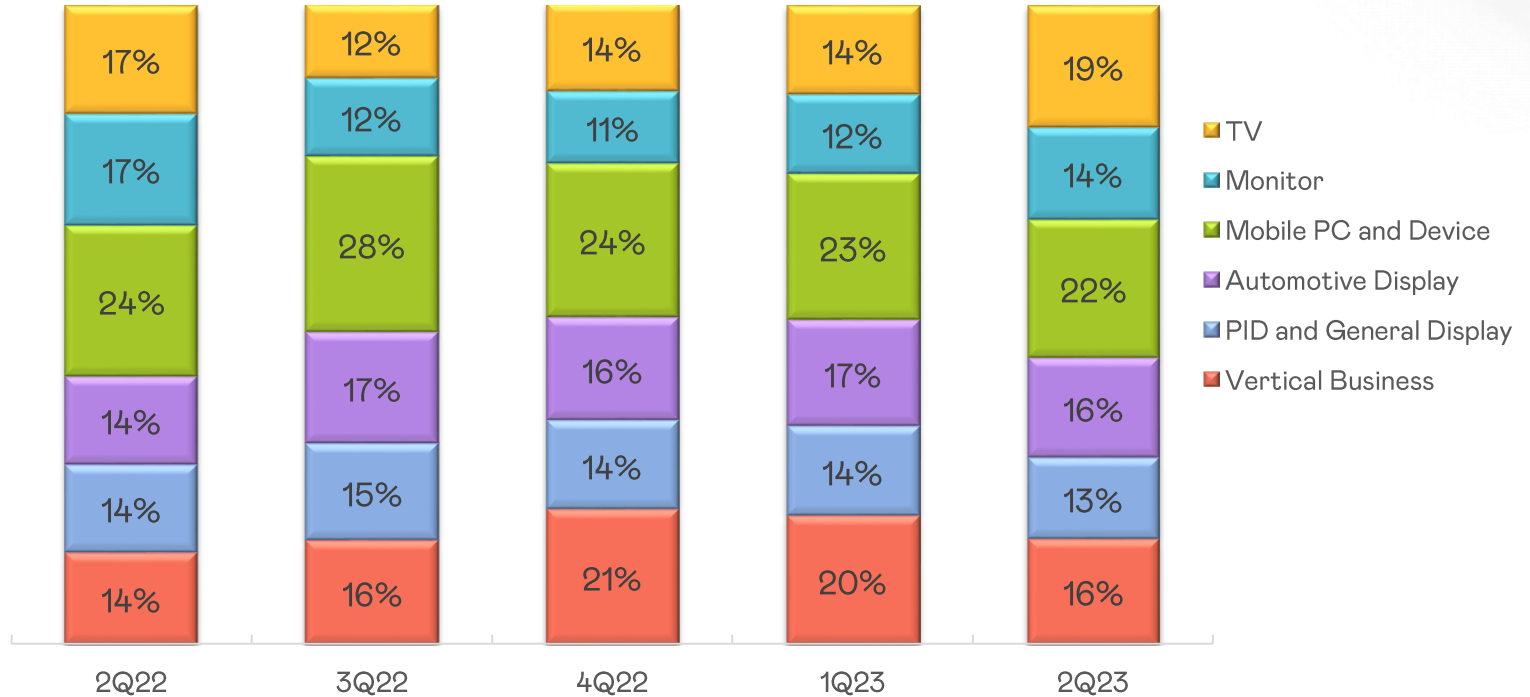
Consolidated Cash Flow Highlights

Amount : NT\$ Million

	2Q23	1Q23	QoQ
From Operating Activities	7,937	(10,095)	18,032
Profit(Loss) before Tax	(4,264)	(11,293)	7,029
Depreciation & Amortization	7,977	7,668	308
Net Change in Working Capital	4,298	(5,788)	10,086
From Investing Activities	(5,432)	(9,388)	3,957
Capital Expenditure	(5,862)	(11,655)	5,794
From Financing Activities	11,176	16,283	(5,106)
Net Change in Debt	11,307	16,356	(5,049)
Net Change in Cash^(a)	13,431	(3,514)	16,945

a) In addition to cash generated from operating, investing and financing activities, net change in cash also include effect on currency exchange of foreign subsidiaries.

Revenue Breakdown



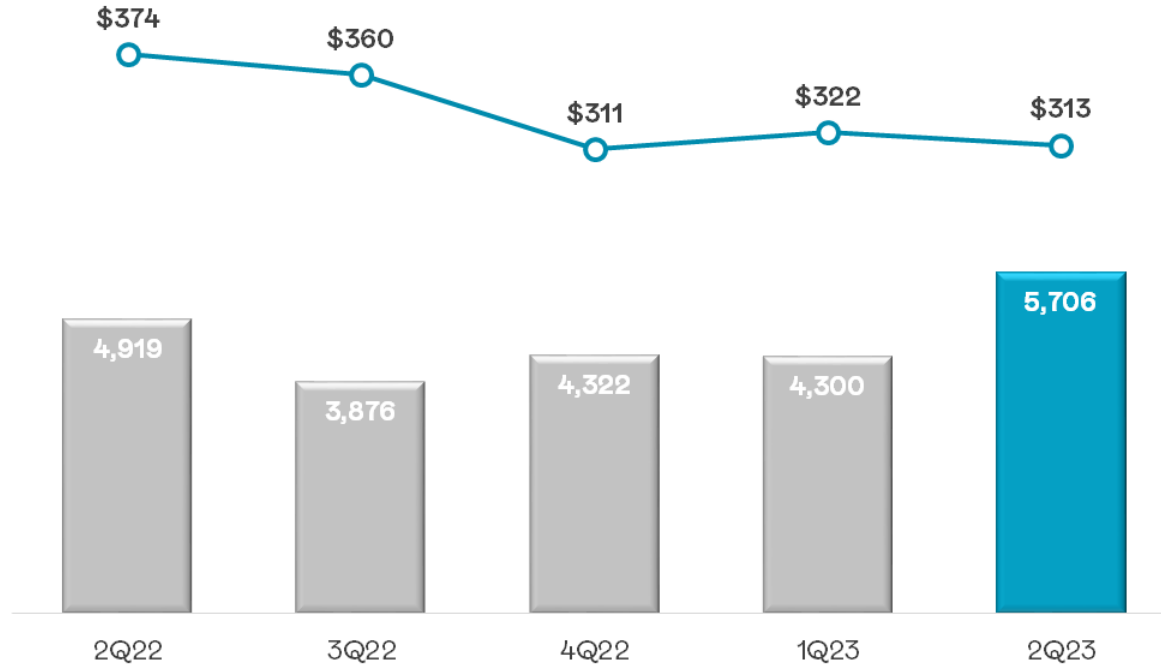
- Mobile PC and Device: including displays for notebook, tablet and mobile phones.
- PID and General Display: including displays for public information(PID), industrial PC, ATM, POS, pachinko and medical equipment.
- Vertical Business: including Energy, System Design Manufacturing Service, FIDM, LED display, Smart Vertical and others.

Consolidated Shipments & ASP by Area

■ Shipments in square meter (Km²)

○ ASP per square meter

Unit: K m², USD/m²



- ASP per square meter in US\$ was translated from NT\$ based on exchange rates announced by one of AUO's main banks.

3Q2023 Business Outlook

Based on our current business outlook, the Company expects:

- Area shipment to be up by low single digit % QoQ
- Blended ASP (USD/square meter) to be up by low single digit % QoQ, on a product mix adjusted basis
- Loading rates will be dynamically adjusted based on market conditions

– The above is our current best forecast based on current business outlook and may vary depending on the actual market supply, demand and economic conditions.

Q&A

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AUO CORPORATION AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income

For the Three Months Ended June 30, 2023 and 2022 and March 31, 2023

(Expressed in Millions of New Taiwan Dollars (NTD) except for per share amounts and shares outstanding)

	Year over Year Comparison				Sequential Comparison			
	2Q23		2Q22		2Q23		1Q23	
	NTD	%	NTD	YoY%	NTD	%	NTD	QoQ%
Net Sales	63,321	100.0	62,884	0.7	63,321	100.0	51,188	23.7
Cost of Goods Sold	61,329	96.9	61,160	0.3	61,329	96.9	56,045	9.4
Gross Profit(Loss)	1,992	3.1	1,725	15.5	1,992	3.1	(4,857)	-
Operating Expenses	6,416	10.1	6,370	0.7	6,416	10.1	6,281	2.2
Operating Profit(Loss)	(4,424)	(7.0)	(4,645)	4.7	(4,424)	(7.0)	(11,138)	60.3
Net Non-operating Income(Expenses)	160	0.3	1,002	(84.0)	160	0.3	(156)	-
Profit(Loss) before Income Tax	(4,264)	(6.7)	(3,643)	(17.0)	(4,264)	(6.7)	(11,293)	62.2
Income Tax Benefit(Expense)	(469)	(0.7)	(2,054)	(77.1)	(469)	(0.7)	206	-
Net Profit(Loss)	(4,734)	(7.5)	(5,697)	16.9	(4,734)	(7.5)	(11,087)	57.3
Other Comprehensive Income(Loss)	(1,459)	(2.3)	(1,100)	(32.6)	(1,459)	(2.3)	661	-
Total Comprehensive Income(Loss)	(6,192)	(9.8)	(6,797)	8.9	(6,192)	(9.8)	(10,427)	40.6
Net Profit(Loss) Attributable to:								
Owners of Company	(4,807)	(7.6)	(5,632)	14.6	(4,807)	(7.6)	(10,911)	55.9
Non-Controlling Interests	74	0.1	(65)	-	74	0.1	(177)	-
Net Profit(Loss)	(4,734)	(7.5)	(5,697)	16.9	(4,734)	(7.5)	(11,087)	57.3
Total Comprehensive Income(Loss) Attributable to:								
Owners of Company	(6,148)	(9.7)	(6,677)	7.9	(6,148)	(9.7)	(10,270)	40.1
Non-Controlling Interests	(44)	(0.1)	(121)	63.2	(44)	(0.1)	(157)	71.7
Total Comprehensive Income(Loss)	(6,192)	(9.8)	(6,797)	8.9	(6,192)	(9.8)	(10,427)	40.6
Basic Earnings Per Share	(0.63)		(0.59)		(0.63)		(1.42)	
Weighted-Average Shares Outstanding ('M)	7,668		9,576		7,668		7,662	

AUO CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Comprehensive Income
For the Period Ended June 30, 2023 and 2022

(Expressed in Millions of New Taiwan Dollars (NTD) except for per share amounts and shares outstanding)

	Year over Year Comparison			
	1H 2023		1H 2022	
	NTD	%	NTD	YoY%
Net Sales	114,509	100.0	144,412	(20.7)
Cost of Goods Sold	117,374	102.5	130,993	(10.4)
Gross Profit(Loss)	<u>(2,865)</u>	<u>(2.5)</u>	<u>13,419</u>	<u>-</u>
Operating Expenses	12,697	11.1	12,766	(0.5)
Operating Profit(Loss)	<u>(15,562)</u>	<u>(13.6)</u>	<u>653</u>	<u>-</u>
Net Non-operating Income(Expenses)	5	0.0	1,718	(99.7)
Profit(Loss) before Income Tax	<u>(15,557)</u>	<u>(13.6)</u>	<u>2,371</u>	<u>-</u>
Income Tax Benefit(Expense)	<u>(263)</u>	<u>(0.2)</u>	<u>(2,894)</u>	<u>(90.9)</u>
Net Profit(Loss)	<u>(15,821)</u>	<u>(13.8)</u>	<u>(523)</u>	<u>(2,927.4)</u>
Other Comprehensive Income(Loss)	<u>(798)</u>	<u>(0.7)</u>	<u>866</u>	<u>-</u>
Total Comprehensive Income(Loss)	<u>(16,619)</u>	<u>(14.5)</u>	<u>343</u>	<u>-</u>
Net Profit(Loss) Attributable to:				
Owners of Company	(15,718)	(13.7)	(468)	(3,257.9)
Non-Controlling Interests	<u>(103)</u>	<u>(0.1)</u>	<u>(55)</u>	<u>(88.8)</u>
Net Profit(Loss)	<u>(15,821)</u>	<u>(13.8)</u>	<u>(523)</u>	<u>(2,927.4)</u>
Total Comprehensive Income(Loss) Attributable to:				
Owners of Company	(16,418)	(14.3)	385	-
Non-Controlling Interests	<u>(201)</u>	<u>(0.2)</u>	<u>(42)</u>	<u>(378.5)</u>
Total Comprehensive Income(Loss)	<u>(16,619)</u>	<u>(14.5)</u>	<u>343</u>	<u>-</u>
Basic Earnings Per Share	<u>(2.05)</u>		<u>(0.05)</u>	
Weighted-Average Shares Outstanding ('M)	<u>7,665</u>		<u>9,573</u>	

AUO CORPORATION AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

June 30, 2023 and 2022

(Expressed in Millions of New Taiwan Dollars (NTD))

	June 30, 2023		June 30, 2022		YoY	
	NTD	%	NTD	%	NTD	%
ASSETS						
Cash and Cash Equivalents	90,531	22.8	84,942	20.8	5,589	6.6
Notes & Accounts Receivables	22,624	5.7	31,279	7.7	(8,655)	(27.7)
Other Current Financial Assets	5,630	1.4	15,209	3.7	(9,579)	(63.0)
Inventories	28,409	7.2	37,241	9.1	(8,832)	(23.7)
Other Current Assets	3,512	0.9	4,046	1.0	(535)	(13.2)
Total Current Assets	150,706	37.9	172,717	42.3	(22,012)	(12.7)
Long-term Investments	32,655	8.2	26,780	6.6	5,876	21.9
Net Fixed Assets	179,653	45.2	174,554	42.7	5,100	2.9
Right-of-use Assets	9,597	2.4	10,375	2.5	(779)	(7.5)
Other Non-Current Assets	24,682	6.2	23,979	5.9	703	2.9
Total Non-Current Assets	246,587	62.1	235,688	57.7	10,899	4.6
Total Assets	397,293	100.0	408,405	100.0	(11,112)	(2.7)
LIABILITIES						
Short-term Borrowings	97	0.0	52	0.0	45	85.6
Notes & Accounts Payable	50,379	12.7	51,552	12.6	(1,172)	(2.3)
Current Installments of Long-term Borrowings	14,432	3.6	7,346	1.8	7,087	96.5
Current Installments of Bonds Payable	0	0.0	0	0.0	0	-
Current Financial Liabilities	454	0.1	163	0.0	291	178.6
Accrued Expense & Other Current Liabilities	32,036	8.1	45,135	11.1	(13,099)	(29.0)
Machinery and Equipment Payable	7,708	1.9	5,696	1.4	2,012	35.3
Total Current Liabilities	105,106	26.5	109,944	26.9	(4,837)	(4.4)
Long-term Borrowings	99,815	25.1	45,382	11.1	54,433	119.9
Non-Current Financial Liabilities	0	0.0	0	0.0	0	-
Other Non-Current Liabilities	23,702	6.0	23,823	5.8	(121)	(0.5)
Total Non-Current Liabilities	123,517	31.1	69,205	16.9	54,313	78.5
Total Liabilities	228,624	57.5	179,149	43.9	49,475	27.6
EQUITY						
Common Stock	76,994	19.4	96,242	23.6	(19,248)	(20.0)
Capital Surplus	55,874	14.1	60,564	14.8	(4,690)	(7.7)
Retained Earnings	34,398	8.7	70,649	17.3	(36,251)	(51.3)
Other Equity	(4,357)	(1.1)	(3,913)	(1.0)	(444)	(11.3)
Treasury Shares	(240)	(0.1)	(392)	(0.1)	152	38.7
Non-Controlling Interests	6,001	1.5	6,107	1.5	(106)	(1.7)
Total Equity	168,669	42.5	229,257	56.1	(60,588)	(26.4)
Total Liabilities & Equity	397,293	100.0	408,405	100.0	(11,112)	(2.7)

AUO CORPORATION AND SUBSIDIARIES
Consolidated Condensed Cash Flow Statements
For the Period Ended June 30, 2023 and 2022
(Expressed in Millions of New Taiwan Dollars (NTD))

	<u>1H 2023</u>	<u>1H 2022</u>
	<u>NTD</u>	<u>NTD</u>
Cash Flow from Operating Activities:		
Profit(Loss) before Income Taxes	(15,557)	2,371
Depreciation & Amortization	15,645	15,907
Share of Profit of Equity-Accounted Investees	147	(821)
Changes in Working Capital	(1,490)	7,778
Changes in Others	(903)	(2,217)
Net Cash Provided by (Used in) Operating Activities	<u>(2,158)</u>	<u>23,018</u>
Cash Flow from Investing Activities:		
Acquisitions of Financial Assets Measured at Fair Value	(93)	(143)
Disposals of Financial Assets Measured at Fair Value	54	0
Acquisitions of Financial Assets Measured at Amortized Cost	(342)	(578)
Acquisitions of Equity-Accounted Investees	(69)	(1,342)
Acquisitions of Property, Plant and Equipment	(17,517)	(16,439)
Increase in Receipts in Advance due to Disposal of Assets	847	150
Changes in Others	2,301	601
Net Cash Provided by (Used in) Investing Activities	<u>(14,820)</u>	<u>(17,751)</u>
Cash Flow from Financing Activities:		
Increase(Decrease) in Short-term Borrowings	(29)	6
Increase(Decrease) in Long-term Borrowings	27,691	(2,453)
Payment of Lease Liabilities	(293)	(286)
Treasury Shares Sold to Employees	73	47
Changes in Non-Controlling Interests and Others	17	27
Net Cash Provided by (Used in) Financing Activities	<u>27,459</u>	<u>(2,660)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>(563)</u>	<u>2,391</u>
Net Increase(Decrease) in Cash and Cash Equivalents	<u>9,918</u>	<u>4,997</u>
Cash and Cash Equivalents at Beginning of Period	<u>80,613</u>	<u>79,945</u>
Cash and Cash Equivalents at End of Period	<u>90,531</u>	<u>84,942</u>



Tap Into The Possibilities



AUO