

The background of the slide is a vibrant blue with a complex geometric pattern of interconnected lines and dots, resembling a network or a molecular structure. The lines are in various shades of blue and purple, and the dots are small, glowing blue spheres. The overall effect is a sense of technology and connectivity.

AUO

2Q22 Results

July 28, 2022

Safe Harbor Notice



- 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’ future results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on AUO Corporation’ current expectations.
- Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical nature of our industry; our dependence on introducing new products on a timely basis; our dependence on growth in the demand for our products; our ability to compete effectively; our ability to successfully expand our capacity; our dependence on key personnel; general economic and political conditions, including those related to the TFT-LCD industry; possible disruptions in commercial activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates.
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Statement of Comprehensive Income



Selected Items from Statement of Comprehensive Income

Amount : NT\$ Million

	2Q22		1Q22		QoQ %	2Q21	
Net Sales	62,884	100.0%	81,528	100.0%	(22.9%)	95,655	100.0%
Cost of Goods Sold	(61,160)	(97.3%)	(69,834)	(85.7%)	(12.4%)	(68,166)	(71.3%)
Gross Profit	1,725	2.7%	11,694	14.3%	(85.3%)	27,489	28.7%
Operating Expenses	(6,370)	(10.1%)	(6,396)	(7.8%)	(0.4%)	(7,204)	(7.5%)
Operating Profit(Loss)	(4,645)	(7.4%)	5,298	6.5%	-	20,285	21.2%
Net Non-operating Income	1,002	1.6%	716	0.9%	39.8%	543	0.6%
Profit(Loss) before Tax	(3,643)	(5.8%)	6,015	7.4%	-	20,828	21.8%
Net Profit(Loss)	(5,697)	(9.1%)	5,175	6.3%	-	19,862	20.8%
Net Profit Attributable to Owners of Company	(5,632)	(9.0%)	5,164	6.3%	-	19,531	20.4%
Basic EPS (NT\$)^(a)	(0.59)		0.54		-	2.06	
Operating Profit + D&A	3,256	5.2%	13,304	16.3%	(75.5%)	28,758	30.1%
Area Shipments (K m²)	4,919		6,053		(18.7%)	6,403	

- a) Basic EPS was calculated based on the weighted average outstanding shares of the reporting quarter. The weighted average outstanding shares were 9,576m shares, 9,571m shares and 9,503m shares for 2Q22, 1Q22 and 2Q21, respectively.

Consolidated Balance Sheet Highlights



Amount : NT\$ Million

	2Q22	1Q22	QoQ %	2Q21
Cash and Cash Equivalents	84,942	90,132	(5.8%)	99,551
Inventory	37,241	37,803	(1.5%)	31,413
Short Term Debt^(a)	7,398	13,705	(46.0%)	19,887
Long Term Debt	45,382	44,940	1.0%	84,215
Equity	229,257	236,106	(2.9%)	221,843
Total Assets	408,405	432,267	(5.5%)	443,668
Inventory Turnover (Days)^(b)	56	47		40
Net Debt to Equity^(c)	(14.0%)	(13.3%)		2.1%

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

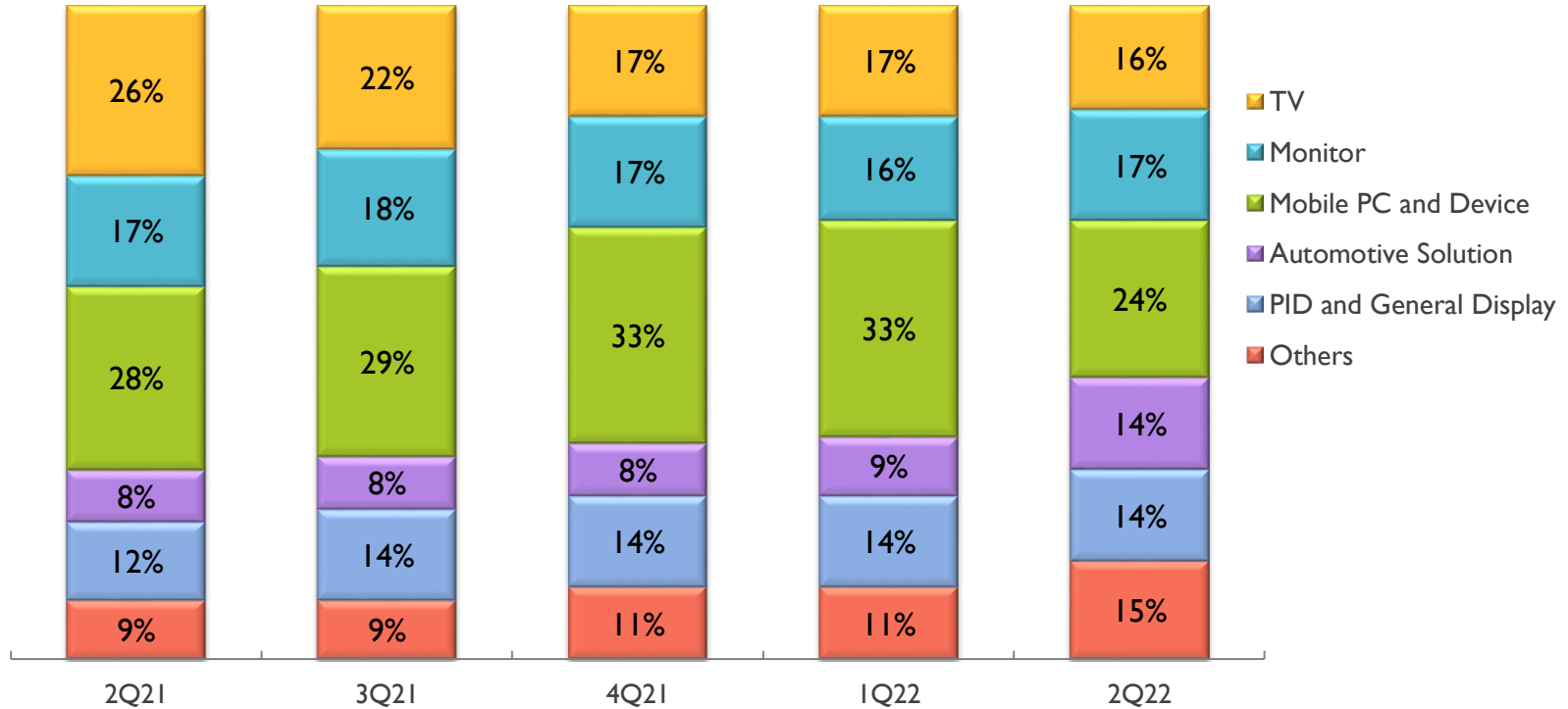


Amount : NT\$ Million

	2Q22	1Q22	QoQ
From Operating Activities	9,295	13,723	(4,428)
Profit(Loss) before Tax	(3,643)	6,015	(9,658)
Depreciation & Amortization	7,901	8,006	(105)
Net Change in Working Capital	6,404	1,373	5,031
From Investing Activities	(9,219)	(8,532)	(687)
Capital Expenditure	(8,053)	(8,387)	334
From Financing Activities	(6,149)	3,489	(9,638)
Net Change in Debt	(6,001)	3,554	(9,555)
Net Change in Cash^(a)	(5,190)	10,187	(15,377)

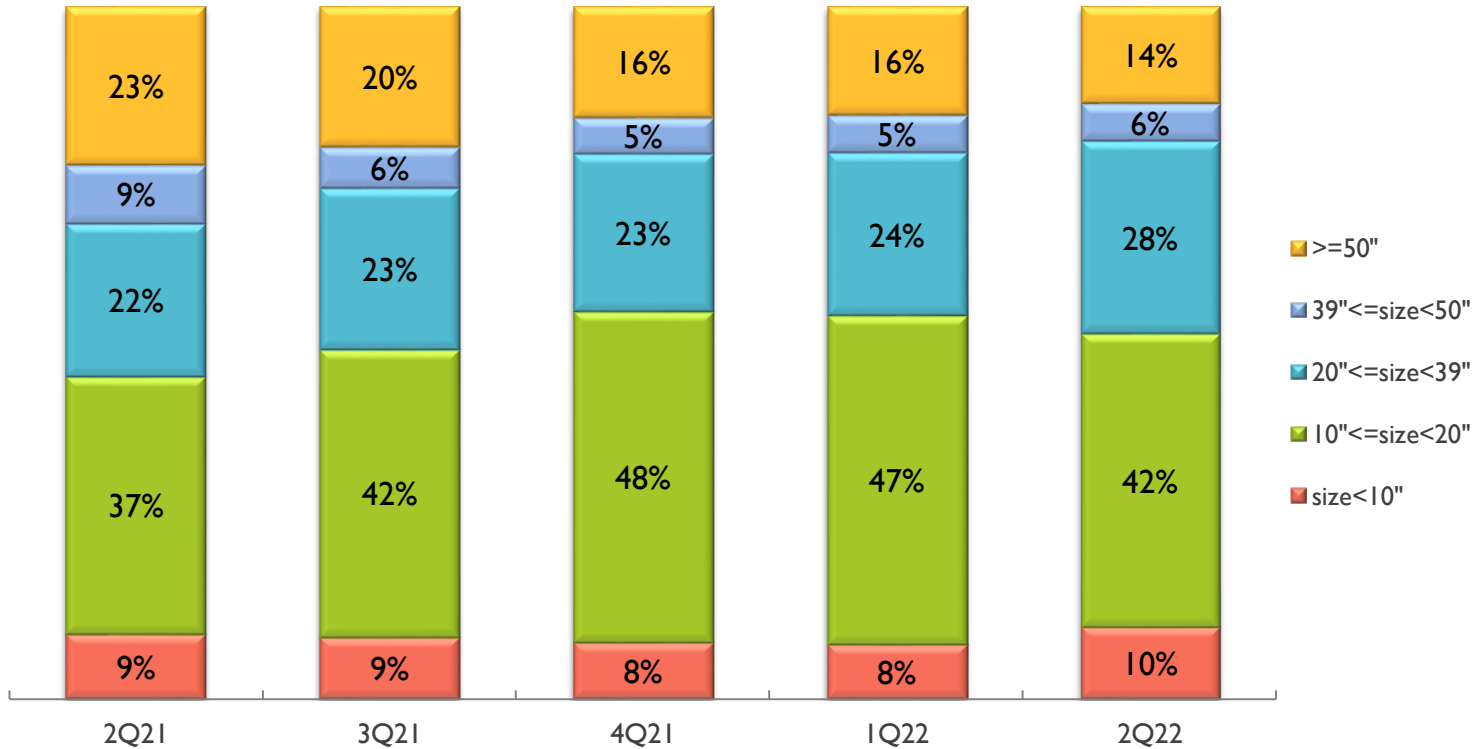
- a) In addition to cash generated from operating, investing and financing activities, net change in cash also include effect on currency exchange of foreign subsidiaries.

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.
- Others: including System Design Manufacturing Service, New Business, Energy and etc.

Display Revenue Breakdown by Size



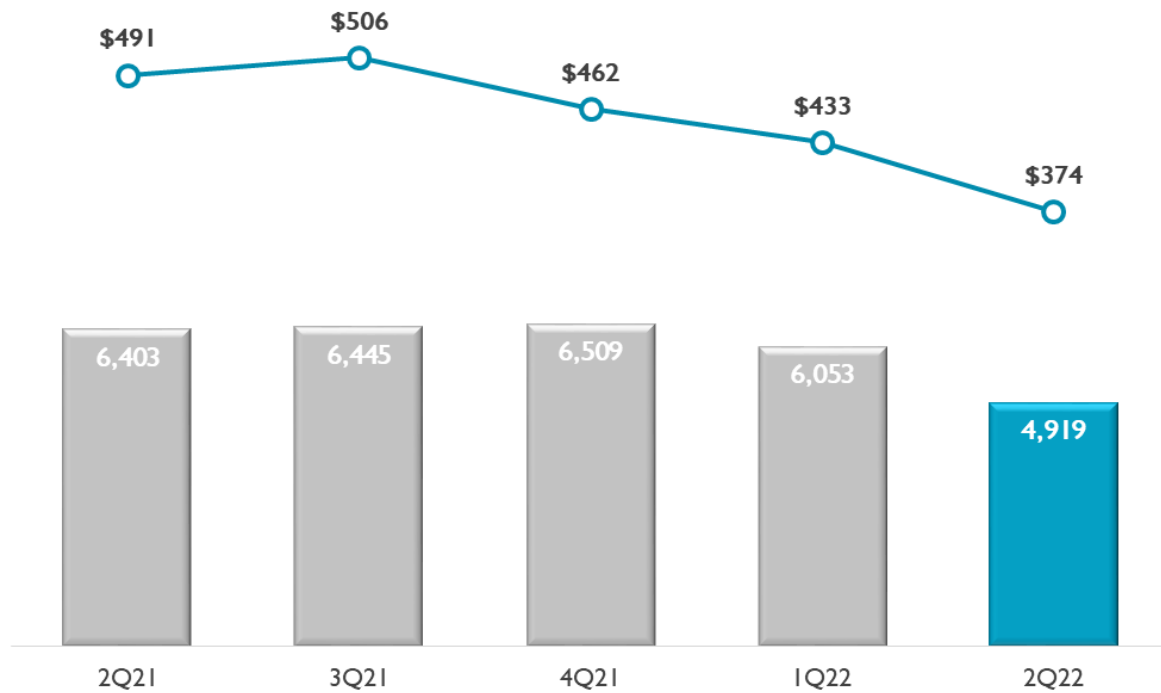
Consolidated Shipments & ASP by Area



Shipment in square meter (K m²)

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.

3Q2022 Business Outlook



Based on our current business outlook, the Company expects:

- Area shipment to be down by mid-teens % QoQ
- Blended ASP (USD/square meter) to be roughly flat QoQ, on an improved product mix
- 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.



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Consolidated Condensed Statements of Comprehensive Income

For the Three Months Ended June 30, 2022 and 2021 and March 31, 2022

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



	Year over Year Comparison				Sequential Comparison			
	2Q22		2Q21		2Q22		1Q22	
	NTD	%	NTD	YoY%	NTD	%	NTD	QoQ%
Net Sales	62,884	100.0	95,655	(34.3)	62,884	100.0	81,528	(22.9)
Cost of Goods Sold	61,160	97.3	68,166	(10.3)	61,160	97.3	69,834	(12.4)
Gross Profit	1,725	2.7	27,489	(93.7)	1,725	2.7	11,694	(85.3)
Operating Expenses	6,370	10.1	7,204	(11.6)	6,370	10.1	6,396	(0.4)
Operating Profit(Loss)	(4,645)	(7.4)	20,285	-	(4,645)	(7.4)	5,298	-
Net Non-operating Income(Expenses)	1,002	1.6	543	84.4	1,002	1.6	716	39.8
Profit(Loss) before Income Tax	(3,643)	(5.8)	20,828	-	(3,643)	(5.8)	6,015	-
Income Tax Benefit(Expense)	(2,054)	(3.3)	(966)	112.7	(2,054)	(3.3)	(840)	144.5
Net Profit(Loss)	(5,697)	(9.1)	19,862	-	(5,697)	(9.1)	5,175	-
Other Comprehensive Income(Loss)	(1,100)	(1.7)	(1,054)	(4.4)	(1,100)	(1.7)	1,966	-
Total Comprehensive Income(Loss)	(6,797)	(10.8)	18,808	-	(6,797)	(10.8)	7,140	-
Net Profit(Loss) Attributable to:								
Owners of Company	(5,632)	(9.0)	19,531	-	(5,632)	(9.0)	5,164	-
Non-Controlling Interests	(65)	(0.1)	332	-	(65)	(0.1)	10	-
Net Profit(Loss)	(5,697)	(9.1)	19,862	-	(5,697)	(9.1)	5,175	-
Total Comprehensive Income(Loss) Attributable to:								
Owners of Company	(6,677)	(10.6)	18,566	-	(6,677)	(10.6)	7,062	-
Non-Controlling Interests	(121)	(0.2)	243	-	(121)	(0.2)	79	-
Total Comprehensive Income(Loss)	(6,797)	(10.8)	18,808	-	(6,797)	(10.8)	7,140	-
Basic Earnings Per Share	(0.59)		2.06		(0.59)		0.54	
Weighted-Average Shares Outstanding ('M)	9,576		9,503		9,576		9,571	

AUO CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Comprehensive Income
For the Period Ended June 30, 2022 and 2021

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



	Year over Year Comparison			
	IH 2022		IH 2021	
	NTD	%	NTD	YoY%
Net Sales	144,412	100.0	178,596	(19.1)
Cost of Goods Sold	130,993	90.7	132,844	(1.4)
Gross Profit	13,419	9.3	45,752	(70.7)
Operating Expenses	12,766	8.8	13,449	(5.1)
Operating Profit(Loss)	653	0.5	32,303	(98.0)
Net Non-operating Income(Expenses)	1,718	1.2	1,156	48.7
Profit(Loss) before Income Tax	2,371	1.6	33,459	(92.9)
Income Tax Benefit(Expense)	(2,894)	(2.0)	(1,755)	64.9
Net Profit(Loss)	(523)	(0.4)	31,704	-
Other Comprehensive Income(Loss)	866	0.6	(1,153)	-
Total Comprehensive Income(Loss)	343	0.2	30,551	(98.9)
Net Profit(Loss) Attributable to:				
Owners of Company	(468)	(0.3)	31,365	-
Non-Controlling Interests	(55)	(0.0)	339	-
Net Profit(Loss)	(523)	(0.4)	31,704	-
Total Comprehensive Income(Loss) Attributable to:				
Owners of Company	385	0.3	30,381	(98.7)
Non-Controlling Interests	(42)	(0.0)	171	-
Total Comprehensive Income(Loss)	343	0.2	30,551	(98.9)
Basic Earnings Per Share	(0.05)		3.30	
Weighted-Average Shares Outstanding ('M)	9,573		9,502	

AUO CORPORATION AND SUBSIDIARIES
Consolidated Condensed Balance Sheets
June 30, 2022 and 2021
(Expressed in Millions of New Taiwan Dollars (NTD))



	June 30, 2022		June 30, 2021		YoY	
	NTD	%	NTD	%	NTD	%
ASSETS						
Cash and Cash Equivalents	84,942	20.8	99,551	22.4	(14,609)	(14.7)
Notes & Accounts Receivables	31,279	7.7	62,762	14.1	(31,483)	(50.2)
Other Current Financial Assets	15,209	3.7	11,661	2.6	3,548	30.4
Inventories	37,241	9.1	31,413	7.1	5,828	18.6
Other Current Assets	4,046	1.0	4,327	1.0	(281)	(6.5)
Total Current Assets	172,717	42.3	209,714	47.3	(36,996)	(17.6)
Long-term Investments	26,780	6.6	23,055	5.2	3,724	16.2
Net Fixed Assets	174,554	42.7	176,100	39.7	(1,546)	(0.9)
Right-of-use Assets	10,375	2.5	10,926	2.5	(550)	(5.0)
Other Non-Current Assets	23,979	5.9	23,874	5.4	105	0.4
Total Non-Current Assets	235,688	57.7	233,955	52.7	1,733	0.7
Total Assets	408,405	100.0	443,668	100.0	(35,263)	(7.9)
LIABILITIES						
Short-term Borrowings	52	0.0	52	0.0	0	0.2
Notes & Accounts Payable	51,552	12.6	56,716	12.8	(5,164)	(9.1)
Current Installments of Long-term Borrowings	7,346	1.8	19,835	4.5	(12,490)	(63.0)
Current Financial Liabilities	163	0.0	190	0.0	(27)	(14.1)
Accrued Expense & Other Current Liabilities	45,135	11.1	32,053	7.2	13,083	40.8
Machinery and Equipment Payable	5,696	1.4	3,282	0.7	2,414	73.6
Total Current Liabilities	109,944	26.9	112,127	25.3	(2,183)	(1.9)
Long-term Borrowings	45,382	11.1	84,215	19.0	(38,833)	(46.1)
Other Non-Current Liabilities	23,823	5.8	25,483	5.7	(1,661)	(6.5)
Total Non-Current Liabilities	69,205	16.9	109,699	24.7	(40,494)	(36.9)
Total Liabilities	179,149	43.9	221,826	50.0	(42,677)	(19.2)
EQUITY						
Common Stock	96,242	23.6	96,242	21.7	0	0.0
Capital Surplus	60,564	14.8	60,388	13.6	176	0.3
Retained Earnings	70,649	17.3	58,361	13.2	12,288	21.1
Other Equity	(3,913)	(1.0)	(4,245)	(1.0)	331	7.8
Treasury Shares	(392)	(0.1)	(981)	(0.2)	589	60.0
Non-Controlling Interests	6,107	1.5	12,077	2.7	(5,970)	(49.4)
Total Equity	229,257	56.1	221,843	50.0	7,414	3.3
Total Liabilities & Equity	408,405	100.0	443,668	100.0	(35,263)	(7.9)

AUO CORPORATION AND SUBSIDIARIES
Consolidated Condensed Cash Flow Statements
For the Period Ended June 30, 2022 and 2021
(Expressed in Millions of New Taiwan Dollars (NTD))



	<u>IH 2022</u>	<u>IH 2021</u>
	<u>NTD</u>	<u>NTD</u>
Cash Flow from Operating Activities:		
Profit(Loss) before Income Taxes	2,371	33,459
Depreciation & Amortization	15,907	17,059
Share of Profit of Equity-Accounted Investees	(821)	(1,156)
Changes in Working Capital	7,778	(6,479)
Changes in Others	(2,217)	(618)
Net Cash Provided by (Used in) Operating Activities	<u>23,018</u>	<u>42,266</u>
Cash Flow from Investing Activities:		
Acquisitions of Financial Assets Measured at Fair Value	(143)	(313)
Disposals of Financial Assets Measured at Fair Value	0	553
Acquisitions of Financial Assets Measured at Amortized Cost	(578)	(10,259)
Acquisitions of Equity-Accounted Investees	(1,342)	(2,410)
Acquisitions of Property, Plant and Equipment	(16,439)	(6,531)
Increase in Receipts in Advance due to Disposal of Assets	150	464
Changes in Others	601	423
Net Cash Provided by (Used in) Investing Activities	<u>(17,751)</u>	<u>(18,072)</u>
Cash Flow from Financing Activities:		
Increase(Decrease) in Short-term Borrowings	6	(148)
Increase(Decrease) in Long-term Borrowings	(2,453)	(13,399)
Payment of Lease Liabilities	(286)	(285)
Increase(Decrease) in Guarantee Deposits	(4)	(32)
Treasury Shares Sold to Employees	47	32
Changes in Non-Controlling Interests and Others	31	33
Net Cash Provided by (Used in) Financing Activities	<u>(2,660)</u>	<u>(13,799)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>2,391</u>	<u>(1,117)</u>
Net Increase(Decrease) in Cash and Cash Equivalents	<u>4,997</u>	<u>9,277</u>
Cash and Cash Equivalents at Beginning of Period	<u>79,945</u>	<u>90,275</u>
Cash and Cash Equivalents at End of Period	<u>84,942</u>	<u>99,551</u>

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