

AU Optronics Corp. Third Quarter 2021 Results Investor Conference

Oct. 28, 2021

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 AU Optronics’ future results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on AU Optronics’ 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.
- Our forward-looking statements at any particular time does not create any duty of disclosure beyond that which is imposed by law, and we expressly disclaim any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Statement of Comprehensive Income



Selected Items from Statement of Comprehensive Income

Amount : NT\$ Million

	3Q21		2Q21		QoQ %	3Q20	
Net Sales	99,055	100.0%	95,655	100.0%	3.6%	73,230	100.0%
Cost of Goods Sold	(71,642)	(72.3%)	(68,166)	(71.3%)	5.1%	(65,473)	(89.4%)
Gross Profit	27,413	27.7%	27,489	28.7%	(0.3%)	7,757	10.6%
Operating Expenses	(6,987)	(7.1%)	(7,204)	(7.5%)	(3.0%)	(5,105)	(7.0%)
Operating Profit	20,427	20.6%	20,285	21.2%	0.7%	2,652	3.6%
Net Non-operating Income	464	0.5%	543	0.6%	(14.6%)	427	0.6%
Profit before Tax	20,891	21.1%	20,828	21.8%	0.3%	3,079	4.2%
Net Profit	19,964	20.2%	19,862	20.8%	0.5%	3,010	4.1%
Net Profit Attributable to Owners of Company	19,310	19.5%	19,531	20.4%	(1.1%)	2,894	4.0%
Basic EPS (NT\$)^(a)	2.03		2.06		(1.5%)	0.30	
Operating Profit + D&A	28,818	29.1%	28,758	30.1%	0.2%	11,398	15.6%
Area Shipments (K m²)	6,445		6,403		0.7%	6,865	

- a) Basic EPS was calculated based on the weighted average outstanding shares of the reporting quarter. The weighted average outstanding shares were 9,515m shares, 9,503m shares and 9,499m shares for 3Q21, 2Q21 and 3Q20, respectively.

Consolidated Balance Sheet Highlights



Amount : NT\$ Million

	3Q21	2Q21	QoQ %	3Q20
Cash and Cash Equivalents	87,922	99,551	(11.7%)	78,300
Inventory	34,736	31,413	10.6%	26,746
Short Term Debt^(a)	25,248	19,887	27.0%	13,238
Long Term Debt	44,334	84,215	(47.4%)	106,154
Equity	242,283	221,843	9.2%	180,235
Total Assets	435,088	443,668	(1.9%)	394,044
Inventory Turnover (Days)^(b)	42	40		37
Net Debt to Equity^(c)	(7.6%)	2.1%		22.8%

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

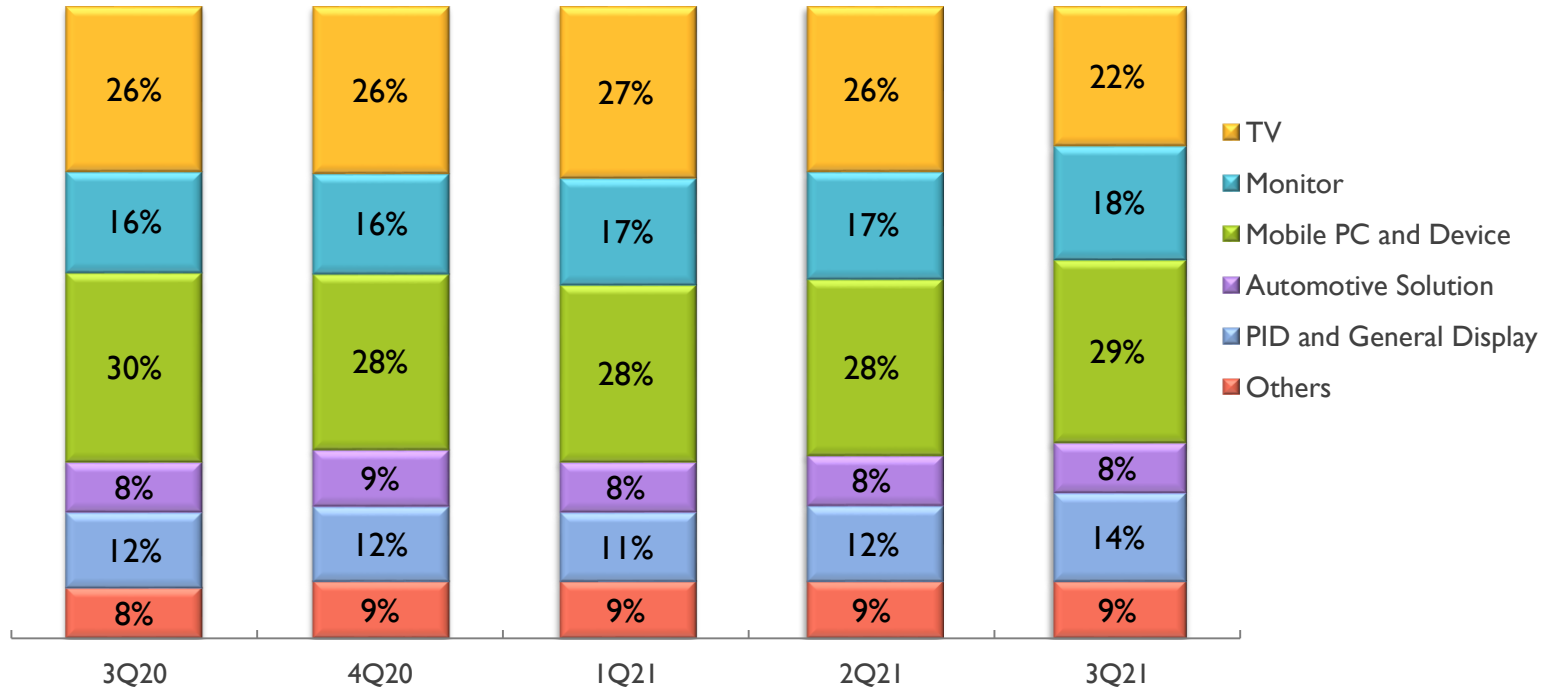


Amount : NT\$ Million

	3Q21	2Q21	QoQ
From Operating Activities	31,058	21,271	9,786
Profit before Tax	20,891	20,828	63
Depreciation & Amortization	8,391	8,473	(81)
Net Change in Working Capital	852	(7,732)	8,584
From Investing Activities	(5,514)	(13,139)	7,626
Capital Expenditure	(5,100)	(3,231)	(1,870)
From Financing Activities	(37,295)	(11,419)	(25,876)
Net Change in Debt	(34,608)	(11,265)	(23,343)
Net Change in Cash^(a)	(11,629)	(4,232)	(7,397)

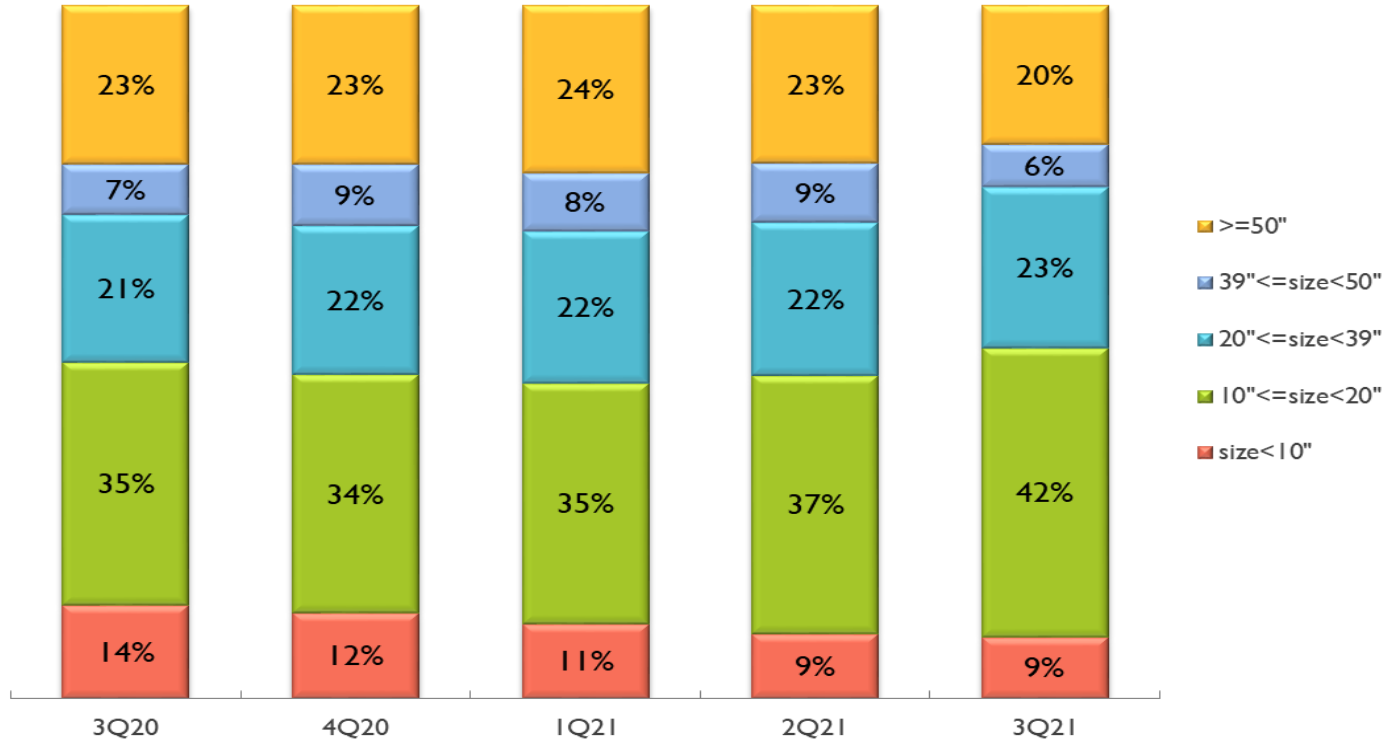
- a) In addition to cash generated from operating, investing and financing activities, net change in cash also include effect on currency exchange of foreign subsidiaries.

Revenue Breakdown

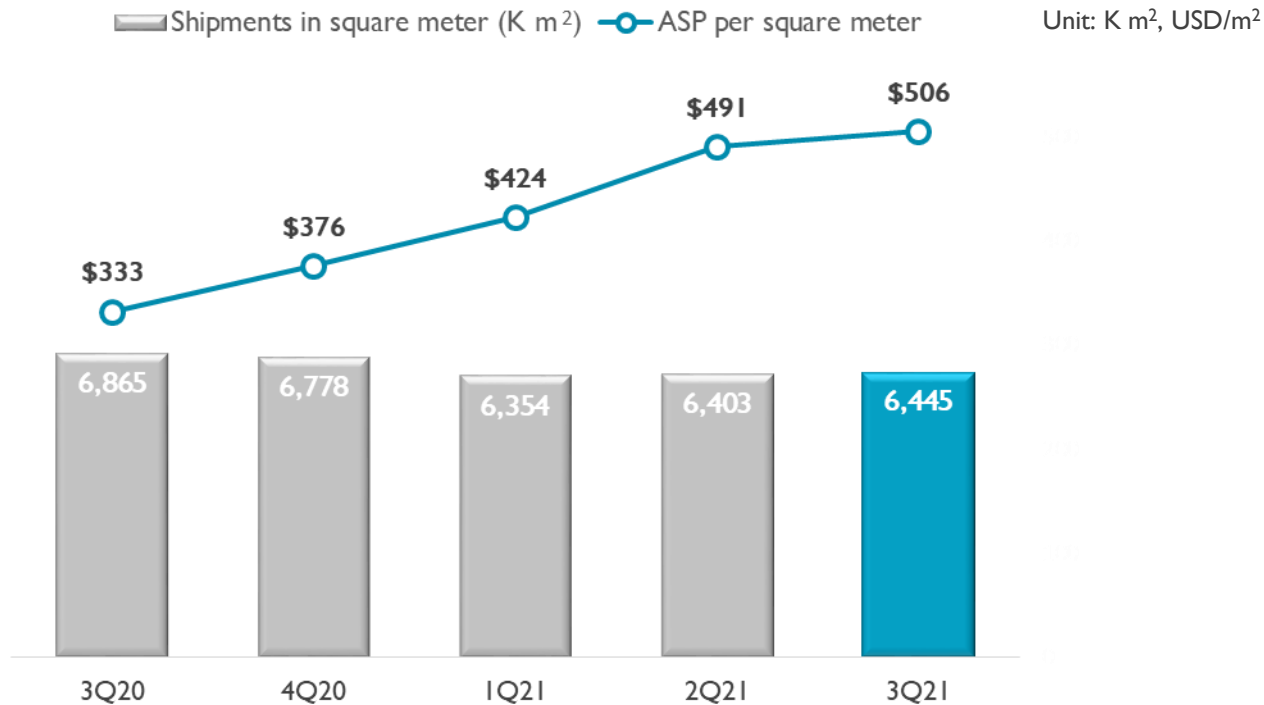


- Mobile PC and Device: including displays for notebook, tablet and mobile phones.
- PID and General Display: including displays for public information(PID), industrial PC, ATM, POS, pachinko and medical equipment.
- Others: including System & Solution, New Business, Energy and etc.

Display Revenue Breakdown by Size



Consolidated Shipments & ASP by Area



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

4Q2021 Business Outlook



Based on our current business outlook, the Company expects:

- Area shipment to be down by low single digit % QoQ, as weaker consumer market demand due to slower seasonality
- Blended ASP (USD/square meter) to be down by mid single digit % QoQ, while prices of panels for IT applications and other commercial applications are more resilient than TV panels
- 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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AU OPTRONICS CORP. AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income

For the Three Months Ended September 30, 2021 and 2020 and June 30, 2021

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



	Year over Year Comparison				Sequential Comparison			
	3Q21		3Q20		3Q21		2Q21	
	NTD	%	NTD	YoY%	NTD	%	NTD	QoQ%
Net Sales	99,055	100.0	73,230	35.3	99,055	100.0	95,655	3.6
Cost of Goods Sold	71,642	72.3	65,473	9.4	71,642	72.3	68,166	5.1
Gross Profit	27,413	27.7	7,757	253.4	27,413	27.7	27,489	(0.3)
Operating Expenses	6,987	7.1	5,105	36.9	6,987	7.1	7,204	(3.0)
Operating Profit(Loss)	20,427	20.6	2,652	670.1	20,427	20.6	20,285	0.7
Net Non-operating Income(Expenses)	464	0.5	427	8.8	464	0.5	543	(14.6)
Profit(Loss) before Income Tax	20,891	21.1	3,079	578.5	20,891	21.1	20,828	0.3
Income Tax Benefit(Expense)	(927)	(0.9)	(69)	1,251.6	(927)	(0.9)	(966)	(4.0)
Net Profit(Loss)	19,964	20.2	3,010	563.2	19,964	20.2	19,862	0.5
Other Comprehensive Income(Loss)	(624)	(0.6)	912	-	(624)	(0.6)	(1,054)	40.8
Total Comprehensive Income(Loss)	19,340	19.5	3,922	393.1	19,340	19.5	18,808	2.8
Net Profit(Loss) Attributable to:								
Owners of Company	19,310	19.5	2,894	567.3	19,310	19.5	19,531	(1.1)
Non-Controlling Interests	654	0.7	117	460.6	654	0.7	332	97.2
Net Profit(Loss)	19,964	20.2	3,010	563.2	19,964	20.2	19,862	0.5
Total Comprehensive Income(Loss) Attributable to:								
Owners of Company	18,658	18.8	3,639	412.7	18,658	18.8	18,566	0.5
Non-Controlling Interests	682	0.7	283	140.9	682	0.7	243	181.0
Total Comprehensive Income(Loss)	19,340	19.5	3,922	393.1	19,340	19.5	18,808	2.8
Basic Earnings Per Share	2.03		0.30		2.03		2.06	
Weighted-Average Shares Outstanding ('M)	9,515		9,499		9,515		9,503	

AU OPTRONICS CORP. AND SUBSIDIARIES
Consolidated Condensed Statements of Comprehensive Income
For the Period Ended September 30, 2021 and 2020

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



	Year over Year Comparison			
	Nine Months 2021		Nine Months 2020	
	NTD	%	NTD	YoY%
Net Sales	277,651	100.0	190,420	45.8
Cost of Goods Sold	204,486	73.6	181,303	12.8
Gross Profit	73,165	26.4	9,118	702.5
Operating Expenses	20,435	7.4	15,316	33.4
Operating Profit(Loss)	52,730	19.0	(6,198)	-
Net Non-operating Income(Expenses)	1,620	0.6	627	158.4
Profit(Loss) before Income Tax	54,350	19.6	(5,571)	-
Income Tax Benefit(Expense)	(2,682)	(1.0)	(399)	572.3
Net Profit(Loss)	51,668	18.6	(5,970)	-
Other Comprehensive Income(Loss)	(1,776)	(0.6)	(1,804)	1.5
Total Comprehensive Income(Loss)	49,891	18.0	(7,774)	-
Net Profit(Loss) Attributable to:				
Owners of Company	50,675	18.3	(5,059)	-
Non-Controlling Interests	993	0.4	(911)	-
Net Profit(Loss)	51,668	18.6	(5,970)	-
Total Comprehensive Income(Loss) Attributable to:				
Owners of Company	49,039	17.7	(6,772)	-
Non-Controlling Interests	852	0.3	(1,002)	-
Total Comprehensive Income(Loss)	49,891	18.0	(7,774)	-
Basic Earnings Per Share	5.33		(0.53)	
Weighted-Average Shares Outstanding ('M)	9,506		9,499	

AU OPTRONICS CORP. AND SUBSIDIARIES
Consolidated Condensed Balance Sheets
September 30, 2021 and 2020
(Expressed in Millions of New Taiwan Dollars (NTD))



	September 30, 2021		September 30, 2020		YoY	
	NTD	%	NTD	%	NTD	%
ASSETS						
Cash and Cash Equivalents	87,922	20.2	78,300	19.9	9,622	12.3
Notes & Accounts Receivables	65,644	15.1	44,753	11.4	20,891	46.7
Other Current Financial Assets	10,756	2.5	2,107	0.5	8,649	410.5
Inventories	34,736	8.0	26,746	6.8	7,990	29.9
Other Current Assets	4,888	1.1	3,940	1.0	948	24.1
Total Current Assets	203,946	46.9	155,846	39.6	48,101	30.9
Long-term Investments	22,832	5.2	14,899	3.8	7,934	53.2
Net Fixed Assets	173,212	39.8	190,399	48.3	(17,188)	(9.0)
Right-of-use Assets	10,728	2.5	11,479	2.9	(750)	(6.5)
Other Non-Current Assets	24,369	5.6	21,421	5.4	2,948	13.8
Total Non-Current Assets	231,141	53.1	238,198	60.4	(7,056)	(3.0)
Total Assets	435,088	100.0	394,044	100.0	41,044	10.4
LIABILITIES						
Short-term Borrowings	30	0.0	100	0.0	(70)	(70.0)
Notes & Accounts Payable	61,763	14.2	52,133	13.2	9,630	18.5
Current Installments of Long-term Borrowings	25,218	5.8	13,138	3.3	12,080	91.9
Current Financial Liabilities	247	0.1	40	0.0	207	520.7
Accrued Expense & Other Current Liabilities	32,507	7.5	22,409	5.7	10,098	45.1
Machinery and Equipment Payable	3,364	0.8	4,060	1.0	(696)	(17.1)
Total Current Liabilities	123,129	28.3	91,881	23.3	31,249	34.0
Long-term Borrowings	44,334	10.2	106,154	26.9	(61,820)	(58.2)
Other Non-Current Liabilities	25,342	5.8	15,773	4.0	9,568	60.7
Total Non-Current Liabilities	69,676	16.0	121,928	30.9	(52,252)	(42.9)
Total Liabilities	192,805	44.3	213,808	54.3	(21,003)	(9.8)
EQUITY						
Common Stock	96,242	22.1	96,242	24.4	0	0.0
Capital Surplus	61,195	14.1	60,577	15.4	619	1.0
Retained Earnings	77,693	17.9	17,845	4.5	59,848	335.4
Other Equity	(4,918)	(1.1)	(3,719)	(0.9)	(1,200)	(32.3)
Treasury Shares	(439)	(0.1)	(1,013)	(0.3)	574	56.7
Non-Controlling Interests	12,510	2.9	10,303	2.6	2,206	21.4
Total Equity	242,283	55.7	180,235	45.7	62,048	34.4
Total Liabilities & Equity	435,088	100.0	394,044	100.0	41,044	10.4

AU OPTRONICS CORP. AND SUBSIDIARIES
Consolidated Condensed Cash Flow Statements
For the Period Ended September 30, 2021 and 2020
(Expressed in Millions of New Taiwan Dollars (NTD))



	<u>Nine Months 2021</u>	<u>Nine Months 2020</u>
	NTD	NTD
Cash Flow from Operating Activities:		
Profit(Loss) before Income Taxes	54,350	(5,571)
Depreciation & Amortization	25,450	26,679
Share of Profit of Equity-Accounted Investees	(1,682)	(49)
Changes in Working Capital	(5,627)	(13,722)
Changes in Others	831	(357)
Net Cash Provided by (Used in) Operating Activities	<u>73,323</u>	<u>6,979</u>
Cash Flow from Investing Activities:		
Acquisitions of Financial Assets Measured at Fair Value	(406)	(1,851)
Disposals of Financial Assets Measured at Fair Value	551	1,941
Acquisitions of Financial Assets Measured at Amortized Cost	(10,259)	0
Acquisitions of Equity-Accounted Investees	(2,491)	(2,599)
Disposals of Equity-Accounted Investees	66	957
Acquisitions of Property, Plant and Equipment	(11,632)	(12,276)
Increase in Receipts in Advance due to Disposal of Assets	898	0
Decrease(Increase) in Other Assets	(605)	157
Net Cash Inflow Arising from Acquisition of Subsidiaries	228	0
Net Cash Outflow Arising from Acquisition of Business	0	(253)
Changes in Others	65	109
Net Cash Provided by (Used in) Investing Activities	<u>(23,586)</u>	<u>(13,813)</u>
Cash Flow from Financing Activities:		
Increase(Decrease) in Short-term Borrowings	(170)	(1,615)
Increase(Decrease) in Long-term Borrowings	(47,986)	7,723
Payment of Lease Liabilities	(417)	(450)
Increase(Decrease) in Guarantee Deposits	(25)	(1)
Cash Dividends	(2,851)	0
Treasury Shares Sold to Employees	572	0
Changes in Non-Controlling Interests and Others	(219)	(0)
Net Cash Provided by (Used in) Financing Activities	<u>(51,095)</u>	<u>5,657</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>(996)</u>	<u>(972)</u>
Net Increase(Decrease) in Cash and Cash Equivalents	<u>(2,353)</u>	<u>(2,150)</u>
Cash and Cash Equivalents at Beginning of Period	<u>90,275</u>	<u>80,450</u>
Cash and Cash Equivalents at End of Period	<u>87,922</u>	<u>78,300</u>

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