



AUO Corporation 4Q22 Results

February 08, 2023



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’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.
- 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

	4Q22		3Q22		QoQ %	4Q21	
Net Sales	52,648	100.0%	49,732	100.0%	5.9%	93,034	100.0%
Cost of Goods Sold	(57,235)	(108.7%)	(56,996)	(114.6%)	0.4%	(75,432)	(81.1%)
Gross Profit (Loss)	(4,587)	(8.7%)	(7,264)	(14.6%)	36.8%	17,602	18.9%
Operating Expenses	(6,322)	(12.0%)	(6,450)	(13.0%)	(2.0%)	(7,257)	(7.8%)
Operating Profit (Loss)	(10,909)	(20.7%)	(13,715)	(27.6%)	20.5%	10,346	11.1%
Net Non-operating Income	433	0.8%	2,313	4.7%	(81.3%)	1,711	1.8%
Profit (Loss) before Tax	(10,476)	(19.9%)	(11,401)	(22.9%)	8.1%	12,057	13.0%
Net Profit (Loss)	(9,961)	(18.9%)	(10,490)	(21.1%)	5.0%	11,791	12.7%
Net Profit Attributable to Owners of Company	(10,208)	(19.4%)	(10,426)	(21.0%)	2.1%	10,655	11.5%
Basic EPS (NT\$)^(a)	(1.33)		(1.23)		(8.1%)	1.12	
Operating Profit + D&A	(3,179)	(6.0%)	(5,884)	(11.8%)	46.0%	18,560	19.9%
Area Shipments (K m²)	4,322		3,876		11.5%	6,509	

- a) Basic EPS was calculated based on the weighted average outstanding shares of the reporting quarter. The weighted average outstanding shares were 7,661m shares, 8,493m shares and 9,542m shares for 4Q22, 3Q22 and 4Q21, respectively.

Statement of Comprehensive Income

Selected Items from Statement of Comprehensive Income

Amount : NT\$ Million

	FY 2022		FY 2021		YoY %
Net Sales	246,793	100.0%	370,685	100.0%	(33.4%)
Cost of Goods Sold	(245,225)	(99.4%)	(279,917)	(75.5%)	(12.4%)
Gross Profit	1,568	0.6%	90,768	24.5%	(98.3%)
Operating Expenses	(25,538)	(10.3%)	(27,692)	(7.5%)	(7.8%)
Operating Profit (Loss)	(23,970)	(9.7%)	63,076	17.0%	-
Net Non-operating Income	4,464	1.8%	3,331	0.9%	34.0%
Profit (Loss) before Tax	(19,506)	(7.9%)	66,407	17.9%	-
Net Profit (Loss)	(20,973)	(8.5%)	63,459	17.1%	-
Net Profit Attributable to Owners of Company	(21,101)	(8.6%)	61,331	16.5%	-
Basic EPS (NT\$)^(a)	(2.39)		6.44		-
Operating Profit + D&A	7,496	3.0%	96,740	26.1%	(92.3%)
ROE^(b)	(10.1%)		29.6%		-
Area Shipments (K m²)	19,170		25,712		(25.4%)

a) Basic EPS was calculated based on the weighted average outstanding shares of the reporting year. The weighted average outstanding shares were 8,819m shares and 9,522m shares for 2022 and 2021, respectively.

b) ROE was calculated based on average equity attributable to shareholders of the parent company.

Consolidated Balance Sheet Highlights

Amount : NT\$ Million

	4Q22	3Q22	QoQ %	4Q21
Cash and Cash Equivalents	80,613	80,613	(0.0%)	79,945
Inventory	30,264	29,814	1.5%	34,489
Short Term Debt^(a)	14,013	9,442	48.4%	16,879
Long Term Debt	72,931	58,332	25.0%	37,821
Equity	191,411	202,667	(5.6%)	237,966
Total Assets	386,841	387,266	(0.1%)	424,811

Inventory Turnover (Days)^(b)	48	54	42
Net Debt to Equity^(c)	3.3%	(6.3%)	(10.6%)

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.

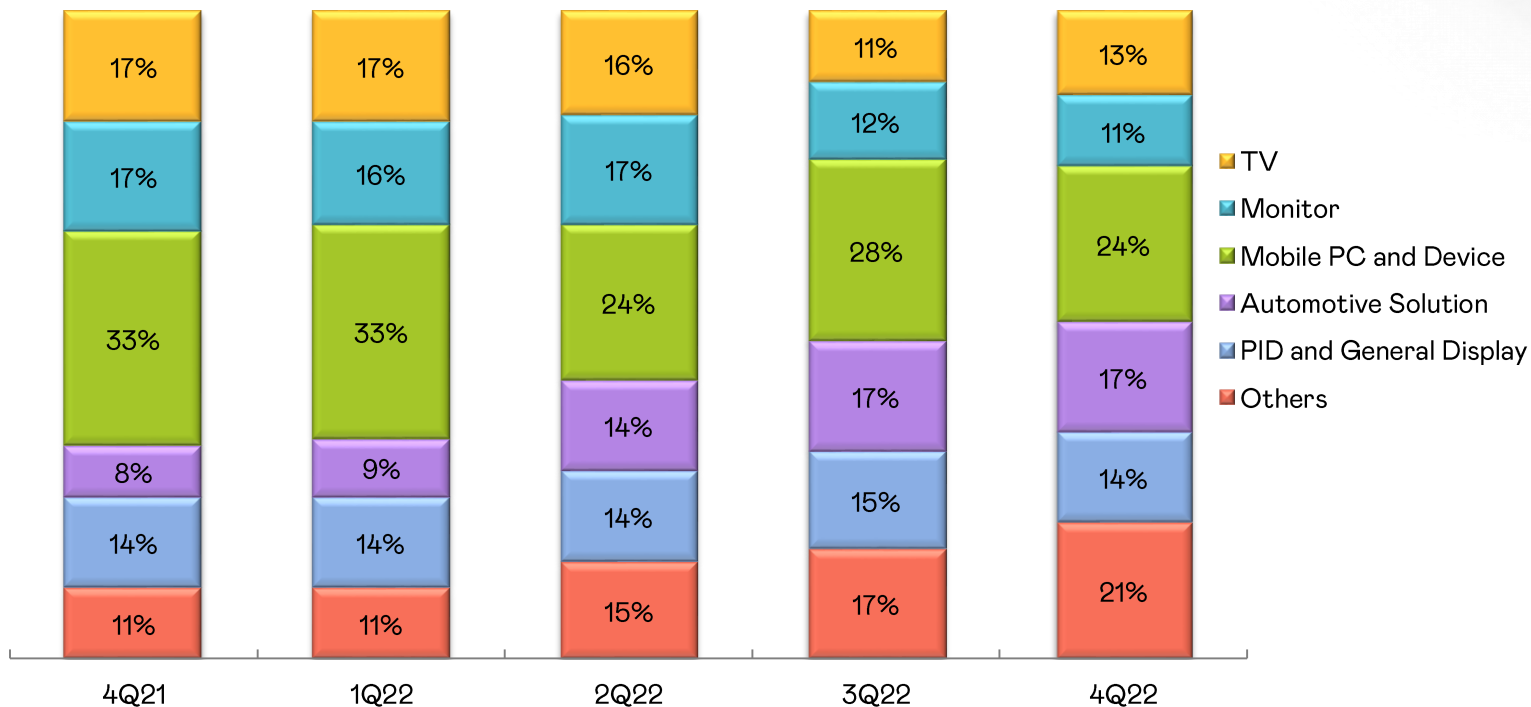
Consolidated Cash Flow Highlights

Amount : NT\$ Million

	4Q22	3Q22	QoQ
From Operating Activities	8,946	(4,993)	13,939
Profit(Loss) before Tax	(10,476)	(11,401)	925
Depreciation & Amortization	7,730	7,830	(100)
Net Change in Working Capital	11,994	(2,345)	14,340
From Investing Activities	(7,569)	(6,593)	(976)
Capital Expenditure	(7,984)	(11,527)	3,543
From Financing Activities	192	4,823	(4,631)
Net Change in Debt	19,491	14,589	4,902
Net Change in Cash^(a)	(0.3)	(4,329)	4,328

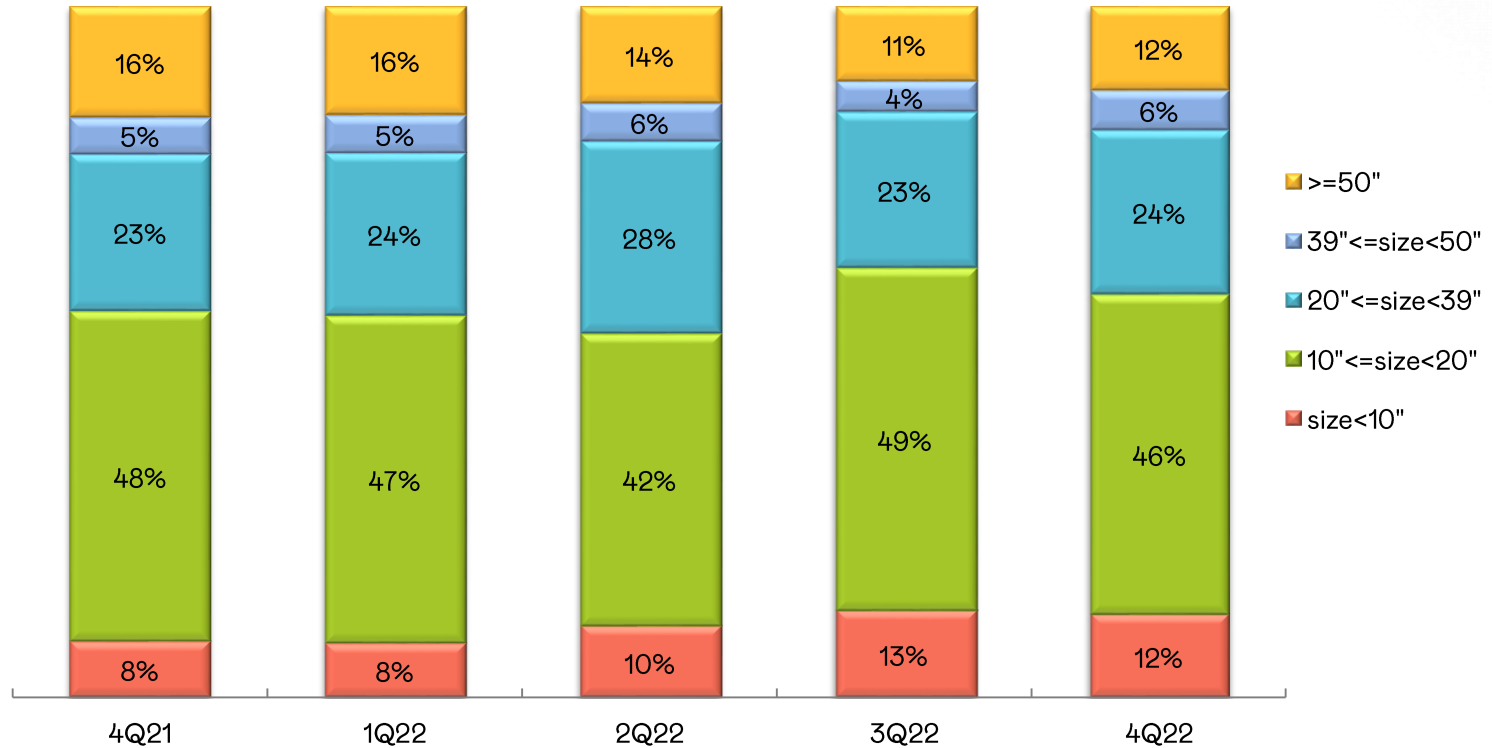
a) In addition to cash generated from operating, investing and financing activities, net change in cash also include effect on currency exchange of foreign subsidiaries.

Revenue Breakdown

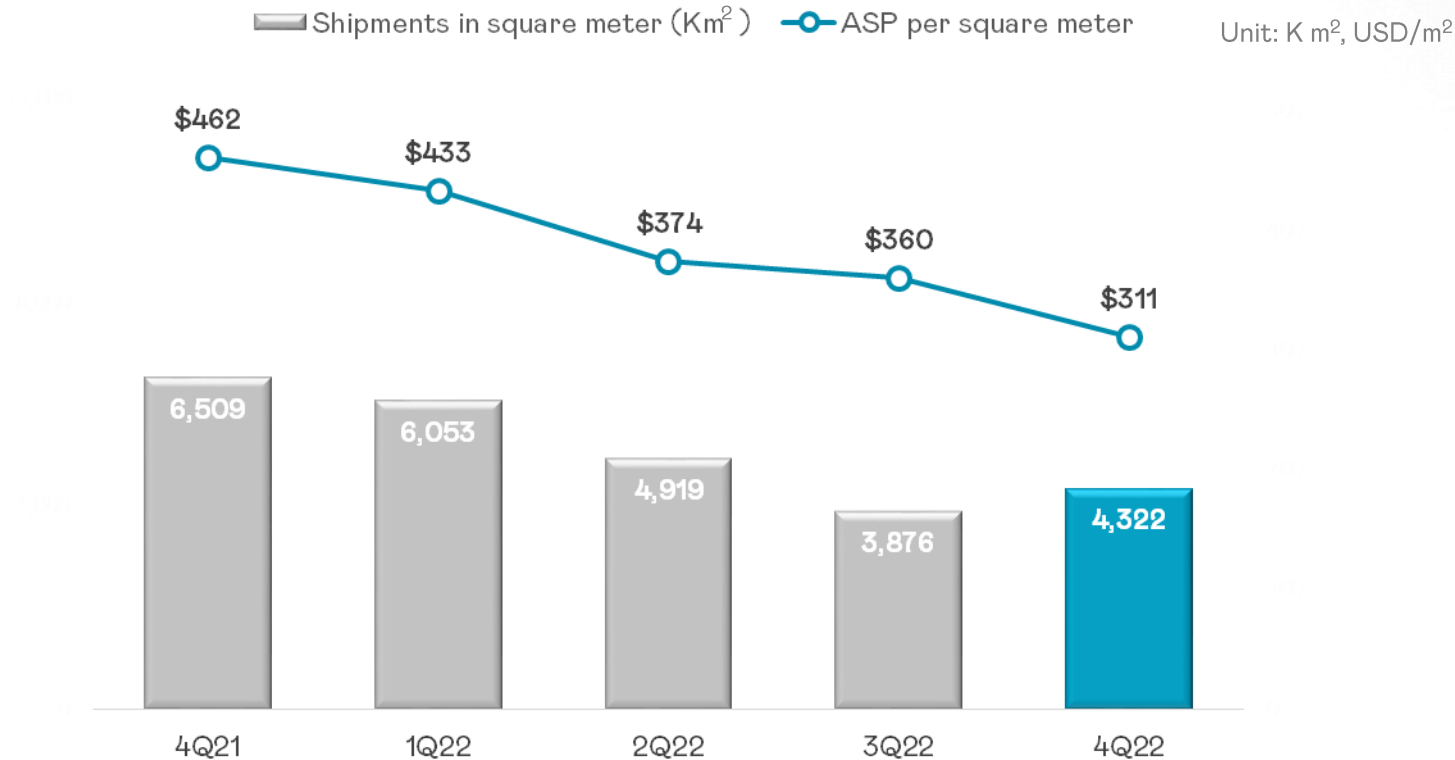


- Mobile PC and Device: including displays for notebook, tablet and mobile phones.
- PID and General Display: including displays for public information(PID), industrial PC, ATM, POS, pachinko and medical equipment.
- Others: including System Design Manufacturing Service, New Business, Energy and etc.

Display Revenue Breakdown by Size



Consolidated Shipments & ASP by Area



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

1Q2023 Business Outlook

Based on our current business outlook, the Company expects:

- Area shipment to be down by mid single digit % QoQ
- Blended ASP (USD/square meter) to be up by low to mid single digit % QoQ
- 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 December 31, 2022 and 2021 and September 30, 2022
(Expressed in Millions of New Taiwan Dollars (NTD) except for per share amounts and shares outstanding)

	Year over Year Comparison				Sequential Comparison			
	4Q22		4Q21		4Q22		3Q22	
	NTD	%	NTD	YoY%	NTD	%	NTD	QoQ%
Net Sales	52,648	100.0	93,034	(43.4)	52,648	100.0	49,732	5.9
Cost of Goods Sold	57,235	108.7	75,432	(24.1)	57,235	108.7	56,996	0.4
Gross Profit(Loss)	(4,587)	(8.7)	17,602	-	(4,587)	(8.7)	(7,264)	36.8
Operating Expenses	6,322	12.0	7,257	(12.9)	6,322	12.0	6,450	(2.0)
Operating Profit(Loss)	(10,909)	(20.7)	10,346	-	(10,909)	(20.7)	(13,715)	20.5
Net Non-operating Income(Expenses)	433	0.8	1,711	(74.7)	433	0.8	2,313	(81.3)
Profit(Loss) before Income Tax	(10,476)	(19.9)	12,057	-	(10,476)	(19.9)	(11,401)	8.1
Income Tax Benefit(Expense)	515	1.0	(266)	-	515	1.0	912	(43.5)
Net Profit(Loss)	(9,961)	(18.9)	11,791	-	(9,961)	(18.9)	(10,490)	5.0
Other Comprehensive Income(Loss)	(1,440)	(2.7)	1,013	-	(1,440)	(2.7)	1,777	-
Total Comprehensive Income(Loss)	(11,401)	(21.7)	12,805	-	(11,401)	(21.7)	(8,713)	(30.9)
Net Profit(Loss) Attributable to:								
Owners of Company	(10,208)	(19.4)	10,655	-	(10,208)	(19.4)	(10,426)	2.1
Non-Controlling Interests	247	0.5	1,136	(78.3)	247	0.5	(64)	-
Net Profit(Loss)	(9,961)	(18.9)	11,791	-	(9,961)	(18.9)	(10,490)	5.0
Total Comprehensive Income(Loss) Attributable to:								
Owners of Company	(11,579)	(22.0)	11,606	-	(11,579)	(22.0)	(8,699)	(33.1)
Non-Controlling Interests	178	0.3	1,199	(85.2)	178	0.3	(14)	-
Total Comprehensive Income(Loss)	(11,401)	(21.7)	12,805	-	(11,401)	(21.7)	(8,713)	(30.9)
Basic Earnings Per Share	(1.33)		1.12		(1.33)		(1.23)	
Weighted-Average Shares Outstanding ('M)	7,661		9,542		7,661		8,493	

AUO CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Comprehensive Income
For the Period Ended December 31, 2022 and 2021

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

	Year over Year Comparison			
	FY 2022		FY 2021	
	NTD	%	NTD	YoY%
Net Sales	246,793	100.0	370,685	(33.4)
Cost of Goods Sold	245,225	99.4	279,917	(12.4)
Gross Profit	1,568	0.6	90,768	(98.3)
Operating Expenses	25,538	10.3	27,692	(7.8)
Operating Profit(Loss)	(23,970)	(9.7)	63,076	-
Net Non-operating Income(Expenses)	4,464	1.8	3,331	34.0
Profit(Loss) before Income Tax	(19,506)	(7.9)	66,407	-
Income Tax Benefit(Expense)	(1,467)	(0.6)	(2,948)	(50.2)
Net Profit(Loss)	(20,973)	(8.5)	63,459	-
Other Comprehensive Income(Loss)	1,202	0.5	(763)	-
Total Comprehensive Income(Loss)	(19,771)	(8.0)	62,696	-
Net Profit(Loss) Attributable to:				
Owners of Company	(21,101)	(8.6)	61,331	-
Non-Controlling Interests	128	0.1	2,128	(94.0)
Net Profit(Loss)	(20,973)	(8.5)	63,459	-
Total Comprehensive Income(Loss) Attributable to:				
Owners of Company	(19,893)	(8.1)	60,645	-
Non-Controlling Interests	122	0.0	2,051	(94.1)
Total Comprehensive Income(Loss)	(19,771)	(8.0)	62,696	-
Basic Earnings Per Share	(2.39)		6.44	
Weighted-Average Shares Outstanding ('M)	8,819		9,522	

AUO CORPORATION AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

December 31, 2022 and 2021

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

	December 31, 2022		December 31, 2021		YoY	
	NTD	%	NTD	%	NTD	%
ASSETS						
Cash and Cash Equivalents	80,613	20.8	79,945	18.8	668	0.8
Notes & Accounts Receivables	19,876	5.1	61,573	14.5	(41,697)	(67.7)
Other Current Financial Assets	4,964	1.3	12,367	2.9	(7,402)	(59.9)
Inventories	30,264	7.8	34,489	8.1	(4,225)	(12.3)
Other Current Assets	4,460	1.2	3,653	0.9	807	22.1
Total Current Assets	140,177	36.2	192,026	45.2	(51,850)	(27.0)
Long-term Investments	33,644	8.7	26,755	6.3	6,889	25.7
Net Fixed Assets	178,834	46.2	171,222	40.3	7,612	4.4
Right-of-use Assets	9,800	2.5	10,638	2.5	(838)	(7.9)
Other Non-Current Assets	24,385	6.3	24,169	5.7	216	0.9
Total Non-Current Assets	246,664	63.8	232,785	54.8	13,879	6.0
Total Assets	386,841	100.0	424,811	100.0	(37,970)	(8.9)
LIABILITIES						
Short-term Borrowings	128	0.0	45	0.0	83	183.5
Notes & Accounts Payable	47,370	12.2	63,400	14.9	(16,030)	(25.3)
Current Installments of Long-term Borrowings	13,885	3.6	16,834	4.0	(2,949)	(17.5)
Current Financial Liabilities	352	0.1	133	0.0	219	164.9
Accrued Expense & Other Current Liabilities	27,551	7.1	39,026	9.2	(11,475)	(29.4)
Machinery and Equipment Payable	7,883	2.0	4,317	1.0	3,565	82.6
Total Current Liabilities	97,168	25.1	123,755	29.1	(26,586)	(21.5)
Long-term Borrowings	72,931	18.9	37,821	8.9	35,110	92.8
Other Non-Current Liabilities	25,331	6.5	25,269	5.9	62	0.2
Total Non-Current Liabilities	98,262	25.4	63,090	14.9	35,172	55.7
Total Liabilities	195,430	50.5	186,845	44.0	8,585	4.6
EQUITY						
Common Stock	76,994	19.9	96,242	22.7	(19,248)	(20.0)
Capital Surplus	61,942	16.0	60,057	14.1	1,885	3.1
Retained Earnings	50,079	12.9	80,670	19.0	(30,591)	(37.9)
Other Equity	(3,620)	(0.9)	(4,743)	(1.1)	1,123	23.7
Treasury Shares	(296)	(0.1)	(439)	(0.1)	144	32.7
Non-Controlling Interests	6,312	1.6	6,179	1.5	132	2.1
Total Equity	191,411	49.5	237,966	56.0	(46,556)	(19.6)
Total Liabilities & Equity	386,841	100.0	424,811	100.0	(37,970)	(8.9)

AUO CORPORATION AND SUBSIDIARIES
Consolidated Condensed Cash Flow Statements
For the Period Ended December 31, 2022 and 2021

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

	FY 2022	FY 2021
	NTD	NTD
Cash Flow from Operating Activities:		
Profit(Loss) before Income Taxes	(19,506)	66,407
Depreciation & Amortization	31,466	33,665
Share of Profit of Equity-Accounted Investees	(2,003)	(2,626)
Changes in Working Capital	17,427	7,546
Changes in Others	(413)	(270)
Net Cash Provided by (Used in) Operating Activities	26,971	104,721
Cash Flow from Investing Activities:		
Acquisitions of Financial Assets Measured at Fair Value	(544)	(963)
Disposals of Financial Assets Measured at Fair Value	15	552
Acquisitions of Financial Assets Measured at Amortized Cost	(660)	(20,696)
Disposals of Financial Assets Measured at Amortized Cost	10,000	10,000
Acquisitions of Equity-Accounted Investees	(5,184)	(3,890)
Acquisitions of Property, Plant and Equipment	(35,950)	(17,038)
Increase in Receipts in Advance due to Disposal of Assets	848	0
Changes in Others	(438)	1,684
Net Cash Provided by (Used in) Investing Activities	(31,913)	(30,350)
Cash Flow from Financing Activities:		
Increase(Decrease) in Short-term Borrowings	82	(155)
Increase(Decrease) in Long-term Borrowings	31,550	(62,930)
Payment of Lease Liabilities	(575)	(551)
Increase(Decrease) in Guarantee Deposits	(21)	(20)
Cash Dividends	(9,576)	(2,851)
Capital Reduction	(19,152)	0
Treasury Shares Sold to Employees	47	572
Changes in Non-Controlling Interests and Others	(2)	(17,536)
Net Cash Provided by (Used in) Financing Activities	2,354	(83,470)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,256	(1,230)
Net Increase(Decrease) in Cash and Cash Equivalents	668	(10,330)
Cash and Cash Equivalents at Beginning of Period	79,945	90,275
Cash and Cash Equivalents at End of Period	80,613	79,945



Tap Into The Possibilities

AUO