



AUO Corporation 3Q23 Results

October 31, 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.
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Statement of Comprehensive Income

Selected Items from Statement of Comprehensive Income

Amount : NT\$ Million

	3Q23		2Q23		QoQ %	3Q22	
Net Sales	70,110	100.0%	63,321	100.0%	10.7%	49,732	100.0%
Cost of Goods Sold	(64,768)	(92.4%)	(61,329)	(96.9%)	5.6%	(56,996)	(114.6%)
Gross Profit (Loss)	5,342	7.6%	1,992	3.1%	168.2%	(7,264)	(14.6%)
Operating Expenses	(6,673)	(9.5%)	(6,416)	(10.1%)	4.0%	(6,450)	(13.0%)
Operating Profit (Loss)	(1,332)	(1.9%)	(4,424)	(7.0%)	69.9%	(13,715)	(27.6%)
Net Non-operating Income	567	0.8%	160	0.3%	253.9%	2,313	4.7%
Profit (Loss) before Tax	(765)	(1.1%)	(4,264)	(6.7%)	82.1%	(11,401)	(22.9%)
Net Profit (Loss)	(923)	(1.3%)	(4,734)	(7.5%)	80.5%	(10,490)	(21.1%)
Net Profit Attributable to Owners of Company	(975)	(1.4%)	(4,807)	(7.6%)	79.7%	(10,426)	(21.0%)
Basic EPS (NT\$)^(a)	(0.13)		(0.63)		79.4%	(1.23)	
Operating Profit + D&A	7,035	10.0%	3,552	5.6%	98.0%	(5,884)	(11.8%)
Area Shipments (K m²)	5,893		5,706		3.3%	3,876	

- 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, 7,668m shares and 8,493m shares for 3Q23, 2Q23 and 3Q22, respectively.

Consolidated Balance Sheet Highlights

Amount : NT\$ Million

	3Q23	2Q23	QoQ %	3Q22
Cash and Cash Equivalents	78,516	90,531	(13.3%)	80,613
Inventory	29,714	28,409	4.6%	29,814
Short Term Debt^(a)	10,458	14,529	(28.0%)	9,442
Long Term Debt	96,312	99,815	(3.5%)	58,332
Equity	169,029	168,669	0.2%	202,667
Total Assets	388,981	397,293	(2.1%)	387,266

Inventory Turnover (Days)^(b)	41	42	54
Net Debt to Equity^(c)	16.7%	14.1%	(6.3%)

- 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.

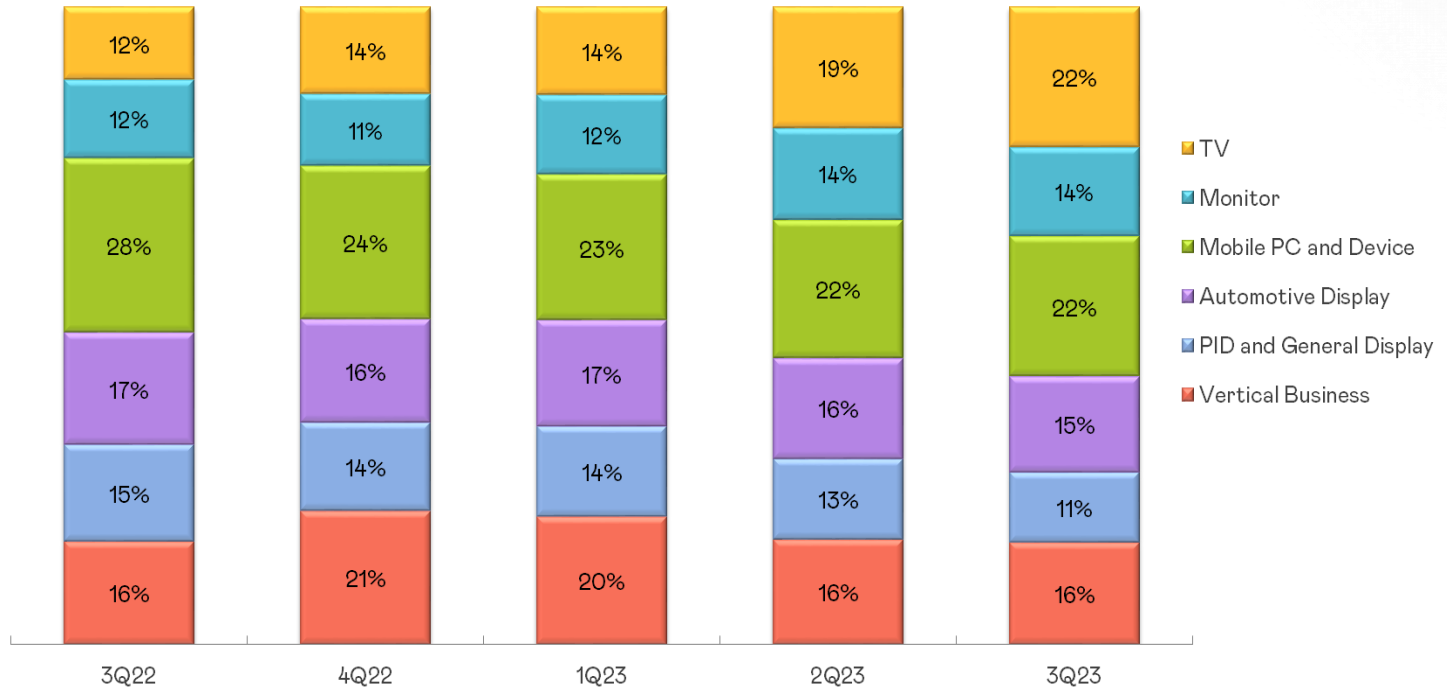
Consolidated Cash Flow Highlights

Amount : NT\$ Million

	3Q23	2Q23	QoQ
From Operating Activities	5,668	7,937	(2,269)
Profit(Loss) before Tax	(765)	(4,264)	3,500
Depreciation & Amortization	8,366	7,977	390
Net Change in Working Capital	(3,084)	4,298	(7,382)
From Investing Activities	(5,092)	(5,432)	339
Capital Expenditure	(4,945)	(5,862)	917
From Financing Activities	(14,119)	11,176	(25,295)
Net Change in Debt	(7,719)	11,307	(19,026)
Net Change in Cash^(a)	(12,015)	13,431	(25,447)

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



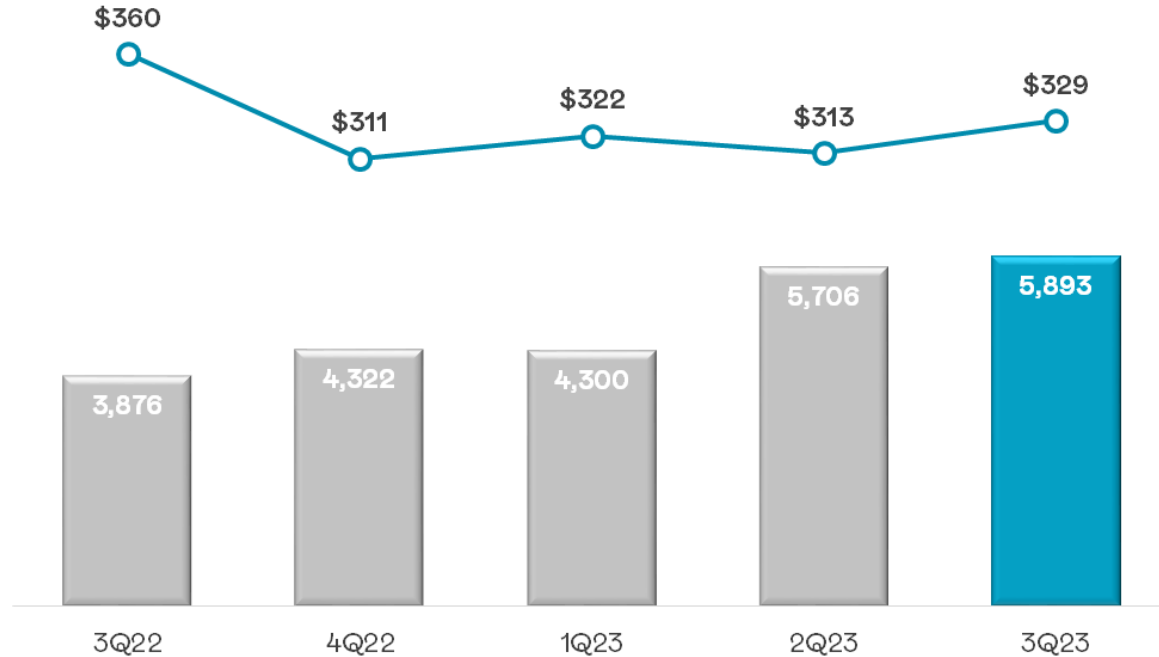
- Mobile PC and Device: including displays for notebook, tablet and mobile phones.
- PID and General Display: including displays for public information(PID), industrial PC, ATM, POS, pachinko and medical equipment.
- Vertical Business: including Energy, System Design Manufacturing Service, Display HMI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

Consolidated Shipments & ASP by Area

■ Shipments 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.

4Q2023 Business Outlook

Based on our current business outlook, the Company expects display business:

- Area shipment to be down by mid-teens % QoQ
- Blended ASP (USD/square meter) to be up by low single % QoQ
- Loading rates will be dynamically adjusted based on market conditions

Nevertheless, the Company expects vertical business to grow by double-digit % QoQ, which will have a positive impact on the Company's operating results.

– 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

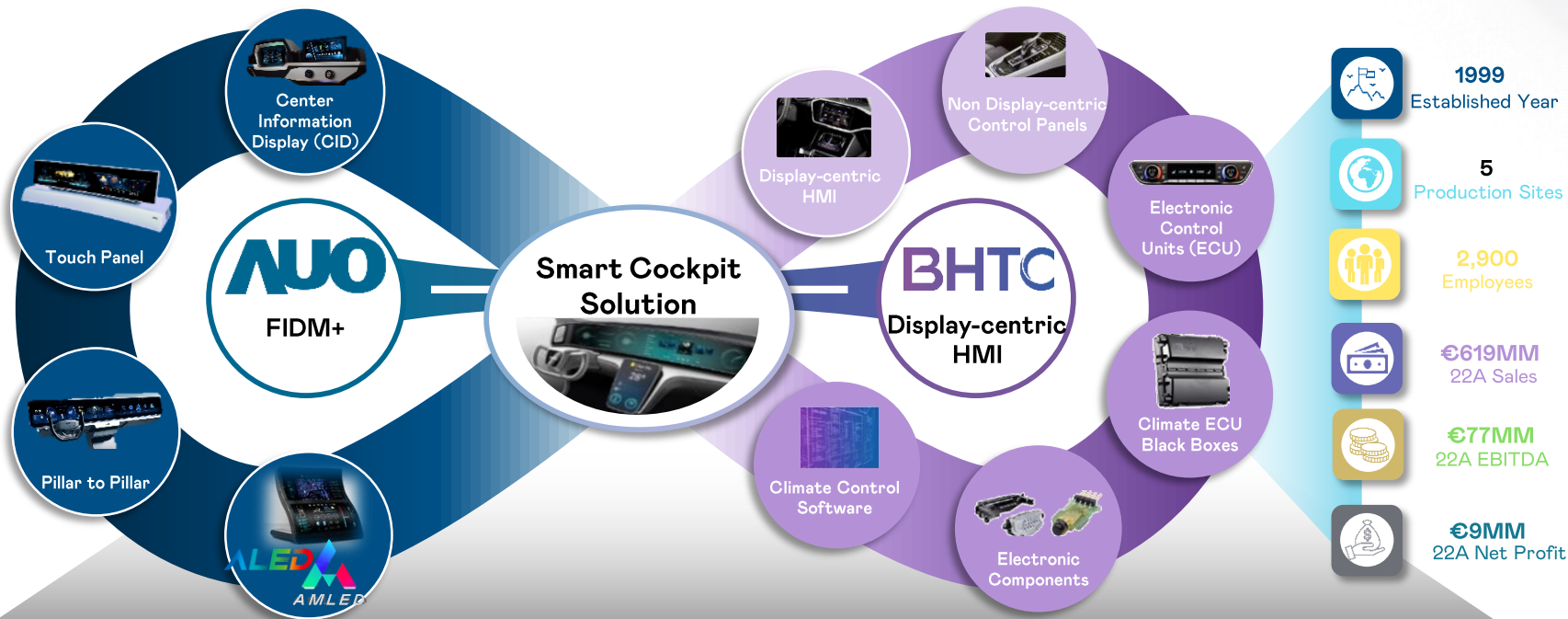
www.auo.com
ir@auo.com



Why BHTC?

- 1 Tier 1 supplier with 24 years experience
- 2 Deep engagement with global automotive OEMs
- 3 Proven record of providing customized solutions of Climate Control (CC), and fast growing Human Machine Interface (HMI)
- 4 Building on CC Tier 1 expertise, BHTC has successfully ventured into fast growing HMI market, aligning with AUO strategy
- 5 To expand AUO's global manufacturing footprint in "short chain" trend
- 6 To broaden AUO's customer base, especially in Europe

AUO + BHTC as a Total Solution Provider



To become a leading supplier of smart cockpit and mobility service solutions based on the core capabilities of automotive displays

AUO CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Comprehensive Income
For the Three Months Ended September 30, 2023 and 2022 and June 30, 2023
(Expressed in Millions of New Taiwan Dollars (NTD) except for per share amounts and shares outstanding)

	Year over Year Comparison				Sequential Comparison			
	3Q23		3Q22		3Q23		2Q23	
	NTD	%	NTD	YoY%	NTD	%	NTD	QoQ%
Net Sales	70,110	100.0	49,732	41.0	70,110	100.0	63,321	10.7
Cost of Goods Sold	64,768	92.4	56,996	13.6	64,768	92.4	61,329	5.6
Gross Profit(Loss)	5,342	7.6	(7,264)	-	5,342	7.6	1,992	168.2
Operating Expenses	6,673	9.5	6,450	3.5	6,673	9.5	6,416	4.0
Operating Profit(Loss)	(1,332)	(1.9)	(13,715)	90.3	(1,332)	(1.9)	(4,424)	69.9
Net Non-operating Income(Expenses)	567	0.8	2,313	(75.5)	567	0.8	160	253.9
Profit(Loss) before Income Tax	(765)	(1.1)	(11,401)	93.3	(765)	(1.1)	(4,264)	82.1
Income Tax Benefit(Expense)	(159)	(0.2)	912	-	(159)	(0.2)	(469)	(66.2)
Net Profit(Loss)	(923)	(1.3)	(10,490)	91.2	(923)	(1.3)	(4,734)	80.5
Other Comprehensive Income(Loss)	2,173	3.1	1,777	22.3	2,173	3.1	(1,459)	-
Total Comprehensive Income(Loss)	1,250	1.8	(8,713)	-	1,250	1.8	(6,192)	-
Net Profit(Loss) Attributable to:								
Owners of Company	(975)	(1.4)	(10,426)	90.6	(975)	(1.4)	(4,807)	79.7
Non-Controlling Interests	52	0.1	(64)	-	52	0.1	74	(29.1)
Net Profit(Loss)	(923)	(1.3)	(10,490)	91.2	(923)	(1.3)	(4,734)	80.5
Total Comprehensive Income(Loss) Attributable to:								
Owners of Company	1,104	1.6	(8,699)	-	1,104	1.6	(6,148)	-
Non-Controlling Interests	147	0.2	(14)	-	147	0.2	(44)	-
Total Comprehensive Income(Loss)	1,250	1.8	(8,713)	-	1,250	1.8	(6,192)	-
Basic Earnings Per Share	(0.13)		(1.23)		(0.13)		(0.63)	
Weighted-Average Shares Outstanding ('M)	7,668		8,493		7,668		7,668	

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

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

	Year over Year Comparison			
	Nine Months 2023		Nine Months 2022	
	NTD	%	NTD	YoY%
Net Sales	184,619	100.0	194,145	(4.9)
Cost of Goods Sold	182,142	98.7	187,990	(3.1)
Gross Profit(Loss)	2,477	1.3	6,155	(59.8)
Operating Expenses	19,370	10.5	19,216	0.8
Operating Profit(Loss)	(16,894)	(9.2)	(13,061)	(29.3)
Net Non-operating Income(Expenses)	572	0.3	4,031	(85.8)
Profit(Loss) before Income Tax	(16,322)	(8.8)	(9,030)	(80.7)
Income Tax Benefit(Expense)	(422)	(0.2)	(1,982)	(78.7)
Net Profit(Loss)	(16,744)	(9.1)	(11,012)	(52.0)
Other Comprehensive Income(Loss)	1,375	0.7	2,642	(48.0)
Total Comprehensive Income(Loss)	(15,369)	(8.3)	(8,370)	(83.6)
Net Profit(Loss) Attributable to:				
Owners of Company	(16,693)	(9.0)	(10,894)	(53.2)
Non-Controlling Interests	(51)	(0.0)	(119)	57.4
Net Profit(Loss)	(16,744)	(9.1)	(11,012)	(52.0)
Total Comprehensive Income(Loss) Attributable to:				
Owners of Company	(15,314)	(8.3)	(8,314)	(84.2)
Non-Controlling Interests	(55)	(0.0)	(56)	1.9
Total Comprehensive Income(Loss)	(15,369)	(8.3)	(8,370)	(83.6)
Basic Earnings Per Share	(2.18)		(1.18)	
Weighted-Average Shares Outstanding ('M)	7,666		9,209	

AUO CORPORATION AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

September 30, 2023 and 2022

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

	September 30, 2023		September 30, 2022		YoY	
	NTD	%	NTD	%	NTD	%
ASSETS						
Cash and Cash Equivalents	78,516	20.2	80,613	20.8	(2,098)	(2.6)
Notes & Accounts Receivables	29,508	7.6	19,284	5.0	10,224	53.0
Other Current Financial Assets	4,595	1.2	4,313	1.1	281	6.5
Inventories	29,714	7.6	29,814	7.7	(100)	(0.3)
Other Current Assets	3,910	1.0	4,749	1.2	(839)	(17.7)
Total Current Assets	146,243	37.6	138,774	35.8	7,469	5.4
Long-term Investments	31,988	8.2	33,415	8.6	(1,427)	(4.3)
Net Fixed Assets	176,732	45.4	179,351	46.3	(2,619)	(1.5)
Right-of-use Assets	9,678	2.5	10,259	2.6	(581)	(5.7)
Other Non-Current Assets	24,340	6.3	25,466	6.6	(1,126)	(4.4)
Total Non-Current Assets	242,739	62.4	248,492	64.2	(5,753)	(2.3)
Total Assets	388,981	100.0	387,266	100.0	1,716	0.4
LIABILITIES						
Short-term Borrowings	146	0.0	180	0.0	(35)	(19.2)
Notes & Accounts Payable	54,962	14.1	38,407	9.9	16,556	43.1
Current Installments of Long-term Borrowings	10,312	2.7	9,262	2.4	1,050	11.3
Current Financial Liabilities	234	0.1	831	0.2	(597)	(71.8)
Accrued Expense & Other Current Liabilities	27,326	7.0	47,823	12.3	(20,497)	(42.9)
Machinery and Equipment Payable	6,647	1.7	6,350	1.6	297	4.7
Total Current Liabilities	99,627	25.6	102,852	26.6	(3,225)	(3.1)
Long-term Borrowings	96,312	24.8	58,332	15.1	37,980	65.1
Other Non-Current Liabilities	24,013	6.2	23,414	6.0	600	2.6
Total Non-Current Liabilities	120,325	30.9	81,746	21.1	38,580	47.2
Total Liabilities	219,953	56.5	184,598	47.7	35,355	19.2
EQUITY						
Common Stock	76,994	19.8	76,994	19.9	0	0.0
Capital Surplus	54,980	14.1	61,900	16.0	(6,920)	(11.2)
Retained Earnings	33,414	8.6	60,227	15.6	(26,812)	(44.5)
Other Equity	(2,270)	(0.6)	(2,190)	(0.6)	(80)	(3.7)
Treasury Shares	(240)	(0.1)	(392)	(0.1)	152	38.7
Non-Controlling Interests	6,151	1.6	6,129	1.6	22	0.4
Total Equity	169,029	43.5	202,667	52.3	(33,639)	(16.6)
Total Liabilities & Equity	388,981	100.0	387,266	100.0	1,716	0.4

AUO CORPORATION AND SUBSIDIARIES
Consolidated Condensed Cash Flow Statements
For the Period Ended September 30, 2023 and 2022

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

	<u>Nine Months 2023</u>	<u>Nine Months 2022</u>
	NTD	NTD
Cash Flow from Operating Activities:		
Profit(Loss) before Income Taxes	(16,322)	(9,030)
Depreciation & Amortization	24,011	23,737
Share of Profit of Equity-Accounted Investees	(5)	(2,122)
Changes in Working Capital	(4,574)	5,432
Changes in Others	399	9
Net Cash Provided by (Used in) Operating Activities	<u>3,510</u>	<u>18,025</u>
Cash Flow from Investing Activities:		
Acquisitions of Financial Assets Measured at Fair Value	(242)	(313)
Disposals of Financial Assets Measured at Fair Value	64	15
Acquisitions of Financial Assets Measured at Amortized Cost	(379)	(675)
Disposals of Financial Assets Measured at Amortized Cost	0	10,000
Acquisitions of Equity-Accounted Investees	(81)	(5,037)
Acquisitions of Property, Plant and Equipment	(22,461)	(27,966)
Increase in Receipts in Advance due to Disposal of Assets	874	150
Changes in Others	2,313	(517)
Net Cash Provided by (Used in) Investing Activities	<u>(19,913)</u>	<u>(24,344)</u>
Cash Flow from Financing Activities:		
Increase(Decrease) in Short-term Borrowings	17	134
Increase(Decrease) in Long-term Borrowings	19,927	12,008
Payment of Lease Liabilities	(457)	(432)
Cash Dividends	(6,134)	(9,576)
Changes in Non-Controlling Interests and Others	(12)	29
Net Cash Provided by (Used in) Financing Activities	<u>13,340</u>	<u>2,162</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>966</u>	<u>4,825</u>
Net Increase(Decrease) in Cash and Cash Equivalents	<u>(2,097)</u>	<u>669</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>78,516</u>	<u>80,613</u>



Tap Into The Possibilities



AUO