

Fitipower 2020 4Q Investor Conference

2021.3.10

*Drive your heart
Power your life*

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AGENDA

- **2020 Financial Results**
- **4Q20 Financial Results**
- **Fitipower Overview**
- **Key Growth Driver**
- **Q&A**

James Chen IR



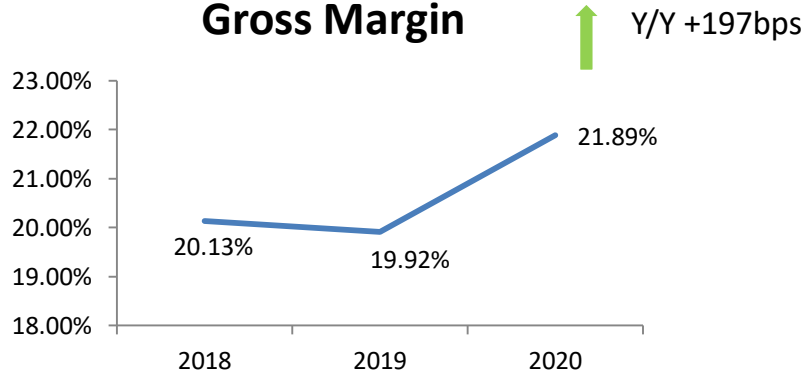
2020 Financial Results

Consolidated Income Statement

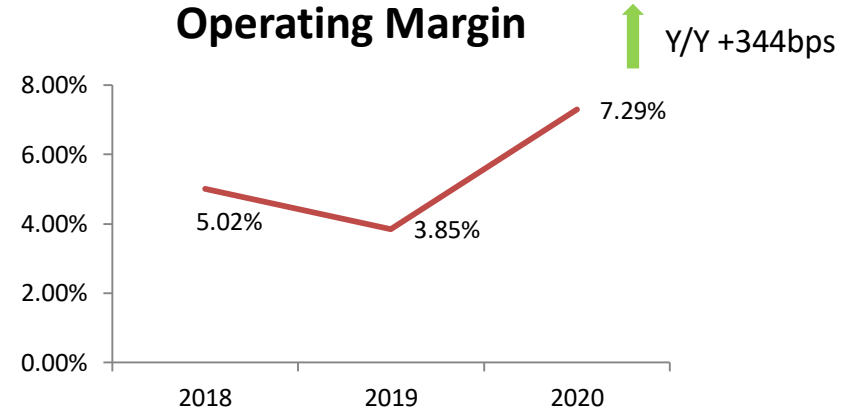
ITEM	2020	2019	Y/Y	2018	2020/2018
(In NT Thousands)					
Revenue	10,879,700	9,166,293	18.69%	8,852,376	22.90%
Gross Profit	2,381,176	1,825,732	30.42%	1,782,213	33.61%
Gross Margin	21.89%	19.92%	197bps	20.13%	175bps
Selling expenses	(260,681)	(220,869)	18.03%	(210,195)	24.02%
Administration expenses	(197,152)	(163,639)	20.48%	(161,971)	21.72%
R&D expenses	(1,146,018)	(1,073,083)	6.80%	(959,525)	19.44%
Operating expenses	(1,587,928)	(1,472,391)	7.85%	(1,338,159)	18.67%
Operating Expense Ratio	14.60%	16.06%	-1.47%	15.12%	-0.52%
Operating income	793,248	353,341	124.50%	444,054	78.64%
Operating Margin	7.29%	3.85%	344bps	5.02%	227bps
Net non-operating income	43,092	8,832	387.91%	(14,888)	389.44%
Net income before income tax	836,340	362,173	130.92%	429,166	94.88%
Income tax expense	(104,512)	(53,717)	94.56%	(81,561)	28.14%
Net income	731,828	308,456	137.26%	347,605	110.53%
Owners of the parent	665,581	308,456	115.78%	346,074	92.32%
Net income Margin	6.73%	3.37%	336bps	3.93%	280bps
EPS (NT Dollar)	4.07	1.92	111.98%	2.43	67.49%
ROE	14.50%	8.21%	629bps	9.53%	497bps

Key Ratio Chart

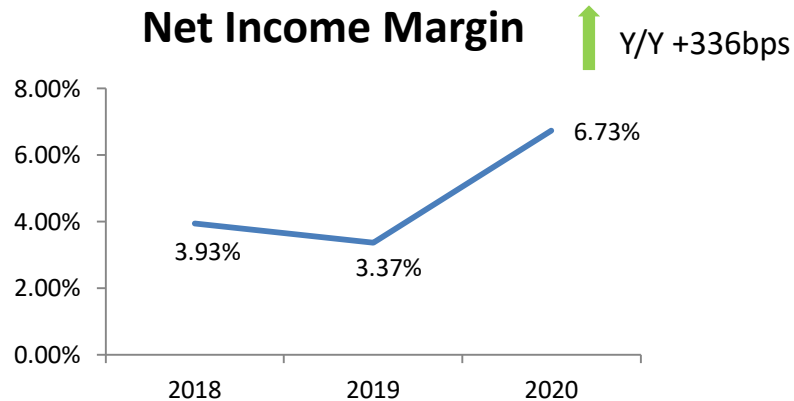
Gross Margin



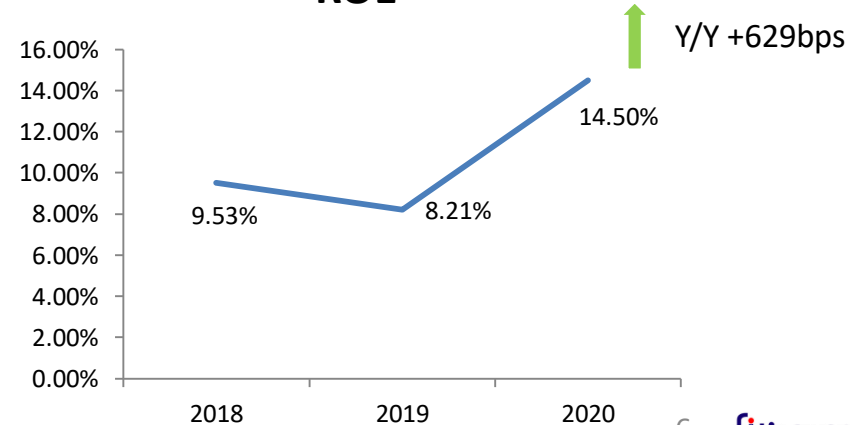
Operating Margin



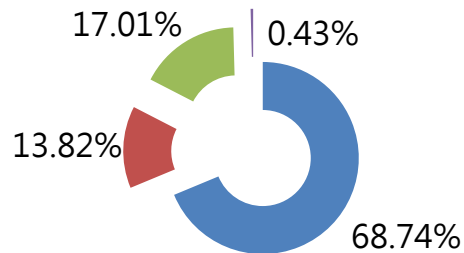
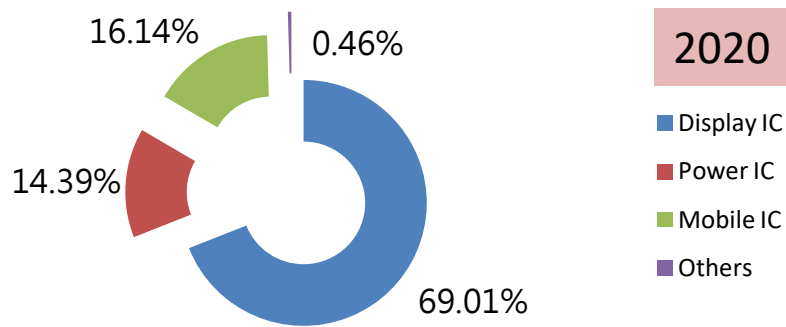
Net Income Margin



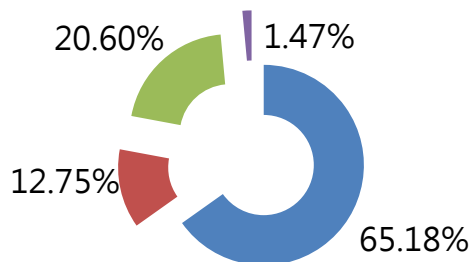
ROE



2020 Revenues By Product Segment



Segment	2018	2019	Y/Y Change%	2020
Display IC	65.18%	68.74%	+0.27%	69.01%
Power IC	12.75%	13.82%	+0.57%	14.39%
Mobile IC	20.60%	17.01%	-0.87%	16.14%
Others	1.47%	0.43%	+0.03%	0.46%



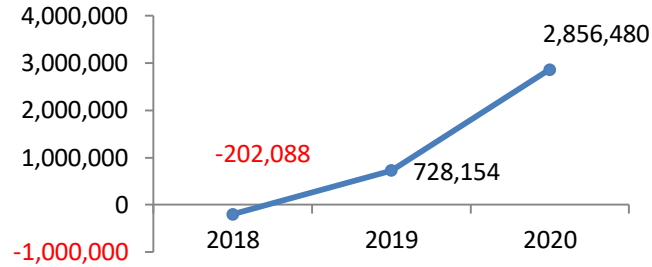
Display IC including T-CON/EPD/ESL

Consolidated Balance Sheets & Key Indices

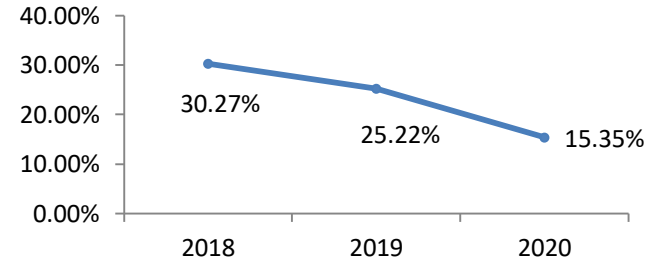
Selected Items from Balance Sheets (In NT Thousands)	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Cash&Marketable Securities	2,863,625	30.9	1,223,051	20.7	1,335,882	20.8
CFAFV	2,159,722	23.3	0	0.0	0	0.0
Accounts Receivable	1,802,679	19.4	2,295,273	38.8	2,516,887	39.1
Inventories	1,422,473	15.3	1,493,218	25.2	1,948,760	30.3
Other current assets	156,582	1.7	201,749	3.4	81,831	1.3
Net PP&E	332,385	3.6	245,025	4.1	93,578	1.5
Intangible assets	236,358	2.5	211,635	3.6	199,277	3.1
Other non current assets	98,586	1.1	143,752	2.4	223,142	3.5
Total Assets	9,269,684	100.0	5,921,421	100.0	6,437,575	100.0
Short-term debt	0	0.0	387,420	6.5	808,569	12.6
Accounts Payable	2,218,626	23.9	1,077,579	18.2	1,520,514	23.6
Other current liabilities	460,918	5.0	339,815	5.7	310,231	4.8
Total non current liabilities	165,757	1.8	150,164	2.5	108,116	1.7
Total Liabilities	2,993,535	32.3	2,057,865	34.8	2,788,699	43.3
Total Shareholders' Equity	6,276,149	67.7	3,863,556	65.2	3,648,876	56.7
Key indices						
A/R Turnover Days	68.74		93.89		89.92	
Inventory Turnover Days	62.61		85.57		98.14	
Cash from operating activities	2,856,480		728,154		(202,088)	
Free cash flow	2,646,616		504,195		(235,750)	

Key Indices

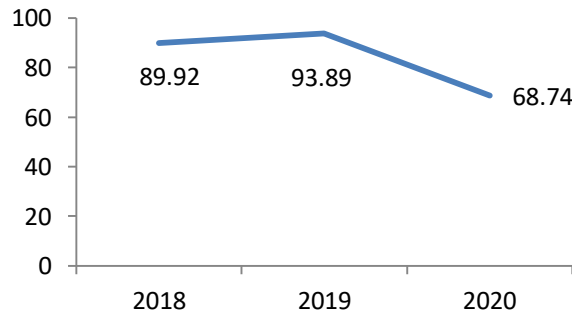
Cash from operating activities



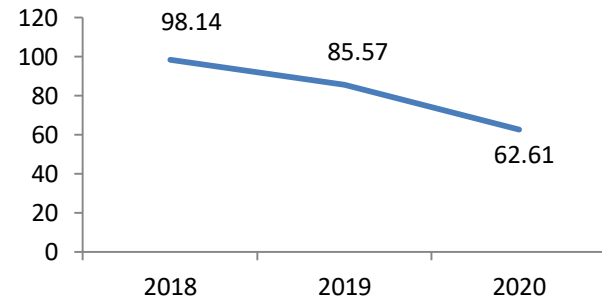
Inventories by Total Assets



A/R Turnover Days



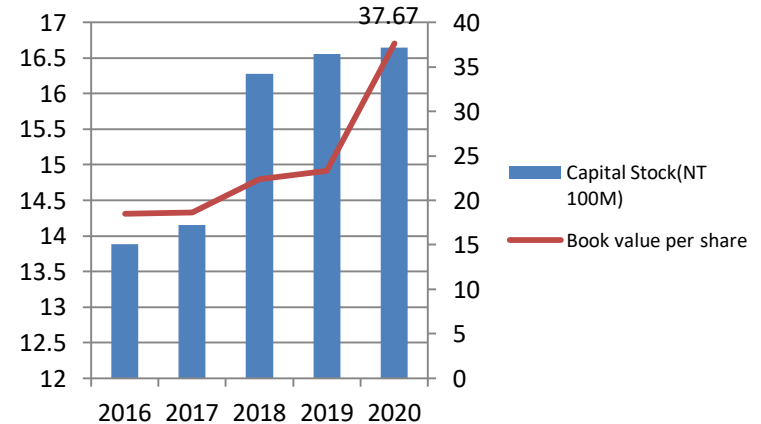
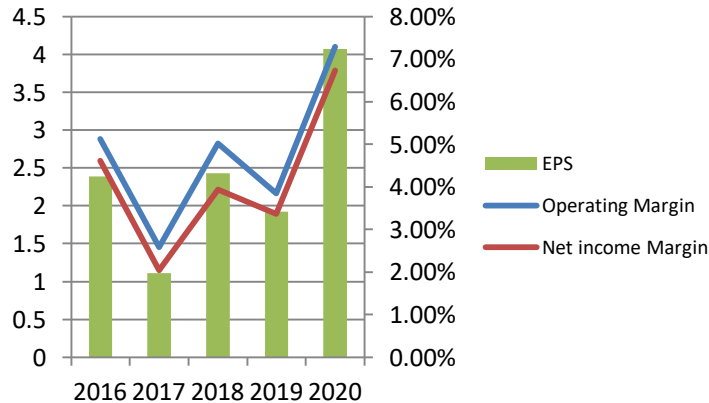
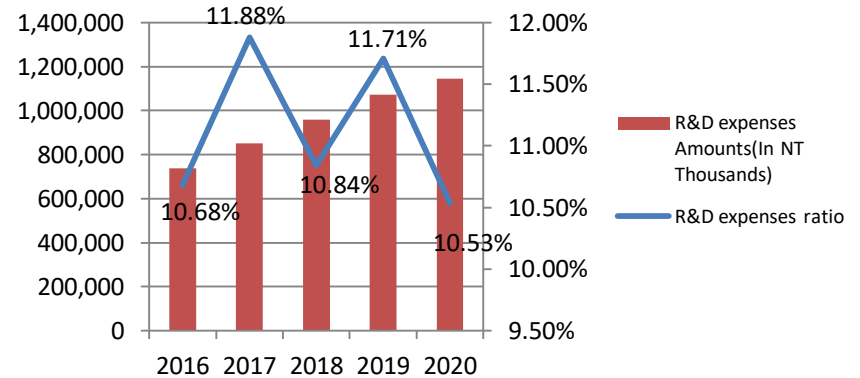
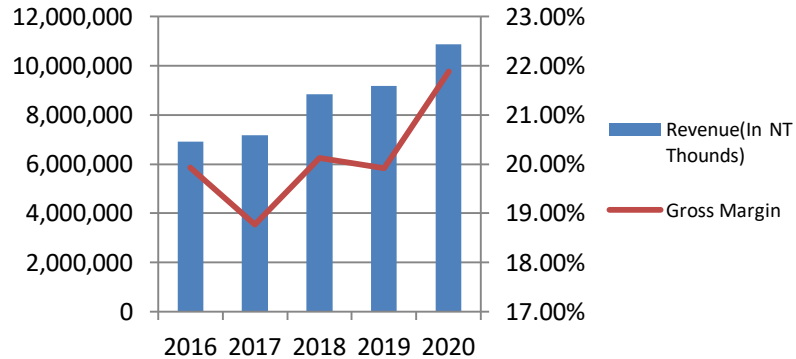
Inventories Turnover Days



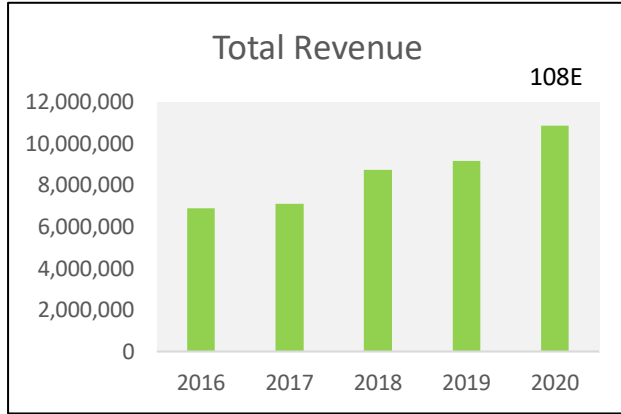
Consolidated Financial Results in past 5 Years

Item/Year	2016	2017	2018	2019	2020
Revenue(In NT Thounds)	6,902,506	7,169,758	8,852,376	9,166,293	10,879,700
Gross Margin	19.93%	18.77%	20.13%	19.92%	21.89%
R&D expenses ratio	10.68%	11.88%	10.84%	11.71%	10.53%
R&D expenses Amounts(In NT Thousands)	737,263	851,427	959,525	1,073,083	1,146,018
Operating Margin	5.12%	2.58%	5.02%	3.85%	7.29%
Net income Margin	4.61%	2.04%	3.93%	3.37%	6.73%
EPS	2.39	1.11	2.43	1.92	4.07
Dividend	1.2	0.5	1.3	1	
Payout ratio	50.21%	45.05%	53.50%	52.08%	
Capital Stock(NT 100M)	13.88	14.15	16.28	16.56	16.65
Book value per share	18.45	18.6	22.4	23.32	37.67
Total Assets(NT Thounds)	4,812,116	5,517,214	6,437,575	5,921,421	9,269,684
Debt Ratio	46.90%	52.47%	43.32%	34.75%	32.29%

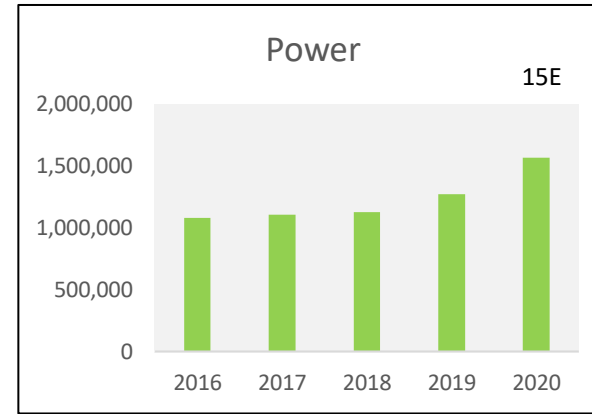
Key Indices in past 5 Years



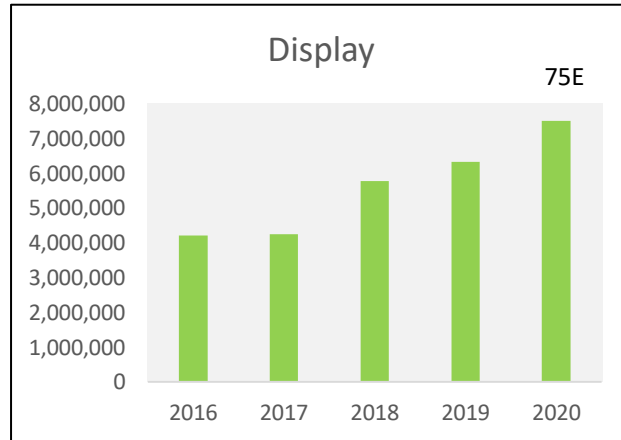
CAGR in past 5 Years



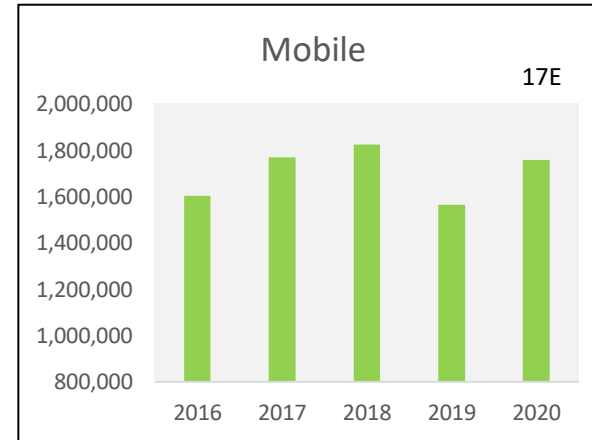
Total Revenue
CAGR 11.97%



Power Revenue
CAGR 9.68%



Display Revenue
CAGR 15.58%

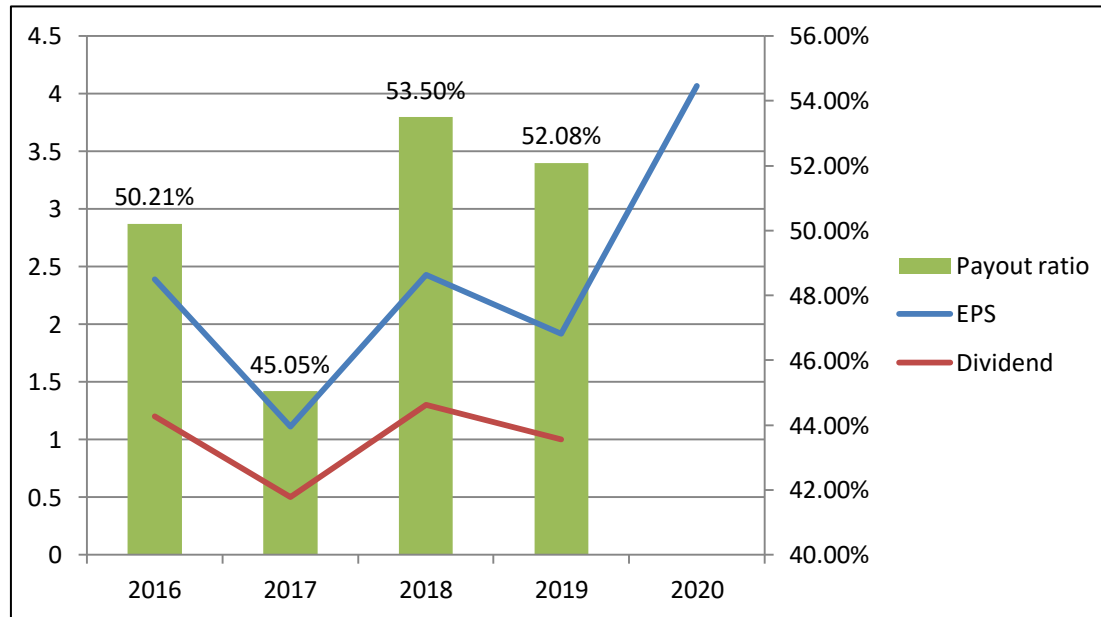


Mobile Revenue
CAGR 2.33%



Dividend and Payout Ratio

Item/Year	2016	2017	2018	2019	2020
EPS	2.39	1.11	2.43	1.92	4.07
Dividend	1.2	0.5	1.3	1	
Payout ratio	50.21%	45.05%	53.50%	52.08%	



The background of the slide is a close-up, slightly blurred photograph of a laptop's internal hinge mechanism. A prominent feature is a long, rectangular, gold-colored flexible circuit board (FPC) that runs diagonally across the frame. The board has intricate circuitry and several small components. To the right of the FPC, the grey plastic housing of the laptop hinge is visible. The overall lighting is soft, and the colors are muted, giving it a professional, technical feel.

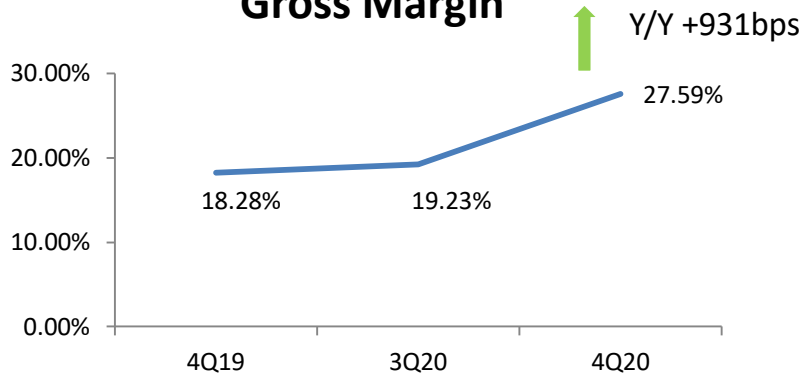
4Q2020 Financial Results

Consolidated Income Statement

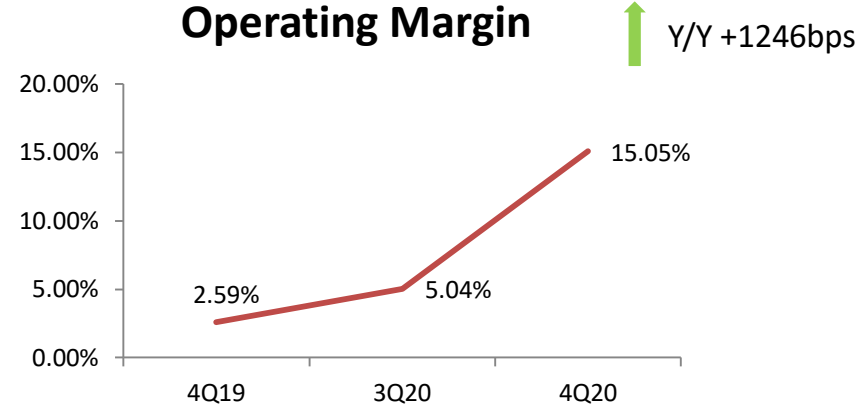
ITEM (In NT Thousands)	4Q20	3Q20	Q/Q	4Q19	Y/Y
Revenue	3,637,539	2,936,721	23.86%	2,366,880	53.68%
Gross Profit	1,003,675	564,707	77.73%	432,633	131.99%
Gross Margin	27.59%	19.23%	836bps	18.28%	931bps
Selling expenses	(81,831)	(64,939)	26.01%	(52,547)	55.73%
Administration expenses	(67,187)	(48,660)	38.07%	(47,236)	42.24%
R&D expenses	(310,323)	(303,516)	2.24%	(254,887)	21.75%
Operating expenses	(456,216)	(416,832)	9.45%	(371,384)	22.84%
Operating Expense Ratio	12.54%	14.19%	-1.65%	15.69%	-3.15%
Operating income	547,459	147,875	270.22%	61,249	793.83%
Operating Margin	15.05%	5.04%	1001bps	2.59%	1246bps
Net non-operating income	15,651	(2,923)	635.44%	(13,982)	211.94%
Net income before income tax	563,110	144,952	288.48%	47,267	1091.34%
Income tax expense	(66,859)	(23,017)	190.48%	(385)	17265.97%
Net income	496,251	121,935	306.98%	46,882	958.51%
Owners of the parent	445,815	118,708	275.56%	46,882	850.93%
Net income Margin	13.64%	4.15%	949bps	1.98%	1166bps
EPS (NT Dollar)	2.69	0.73	268.49%	0.29	827.59%
ROE	9.36%	2.87%	649bps	1.23%	813bps

Key Ratio Chart

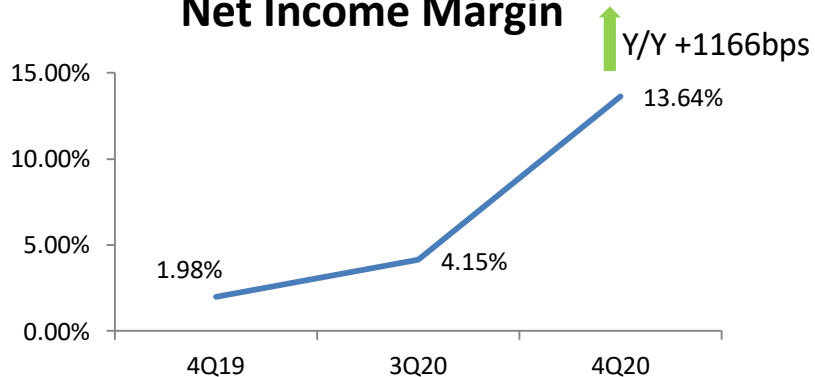
Gross Margin



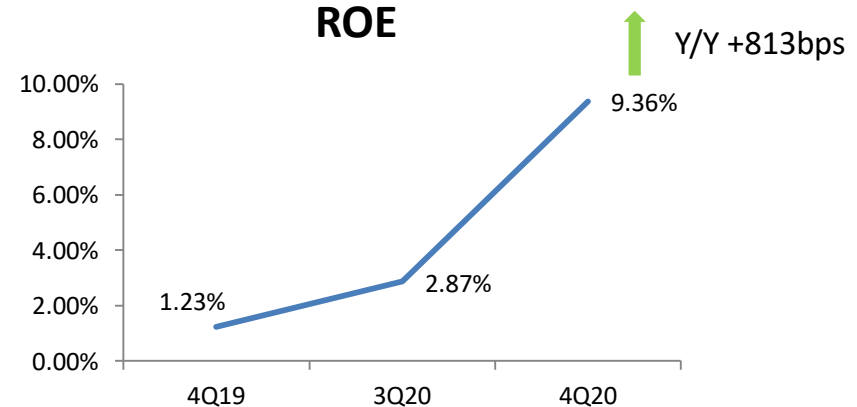
Operating Margin



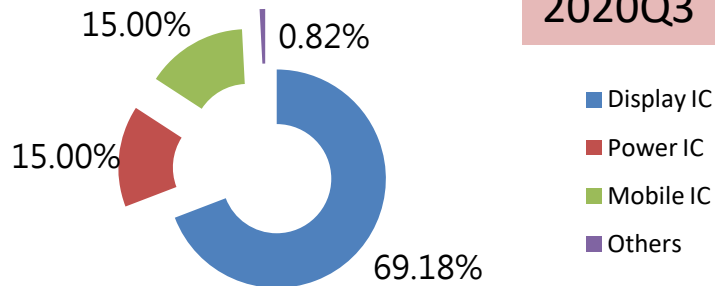
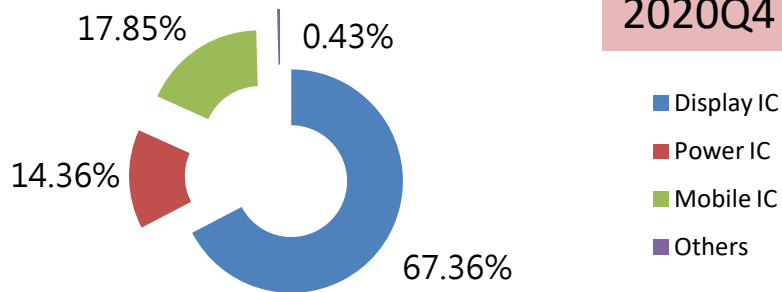
Net Income Margin



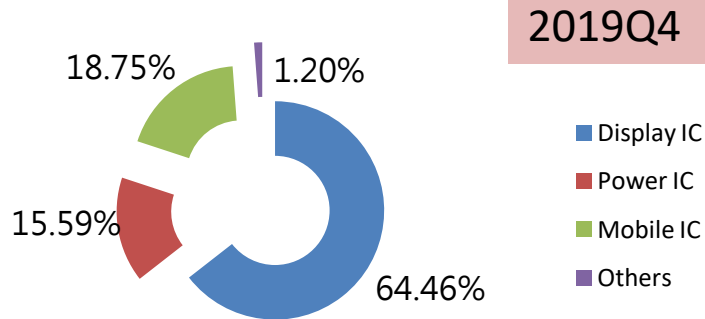
ROE



2020 Q4 Revenues By Product Segment



Segment	2019Q4	2020Q3	Q/Q Change%	2020Q4
Display IC	64.46%	69.18%	-1.82%	67.36%
Power IC	15.59%	15.00%	-0.64%	14.36%
Mobile IC	18.75%	15.00%	+2.85%	17.85%
Others	1.2%	0.82%	-0.39%	0.43%

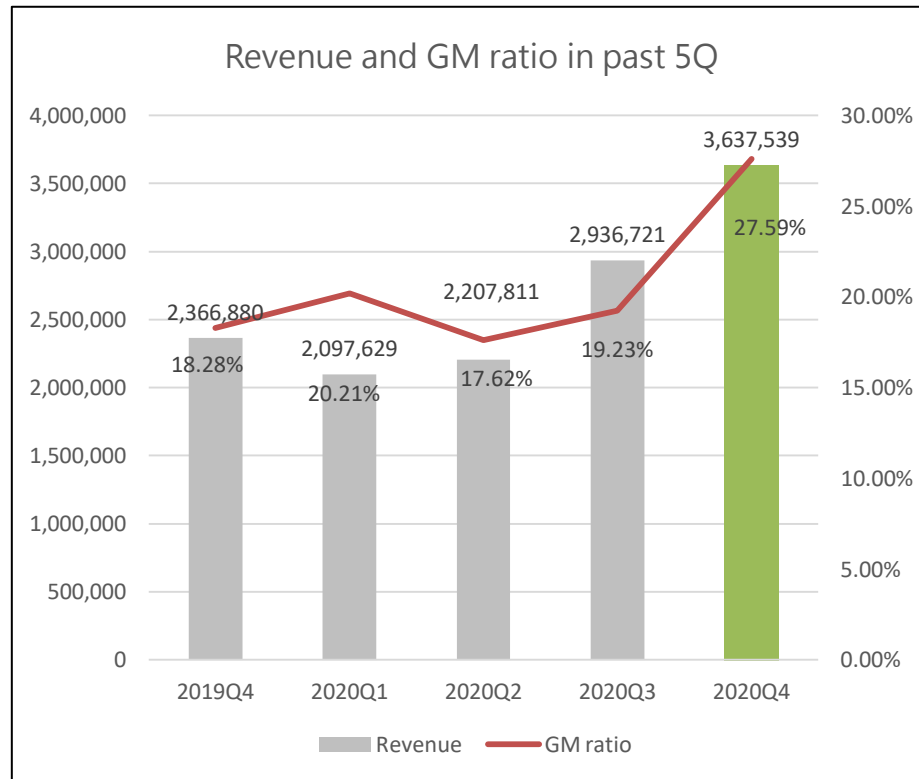


Display IC including T-CON/EPD/ESL

Consolidated REV and GM in past 5 quarter

Revenue((Unit: NT Thousands)

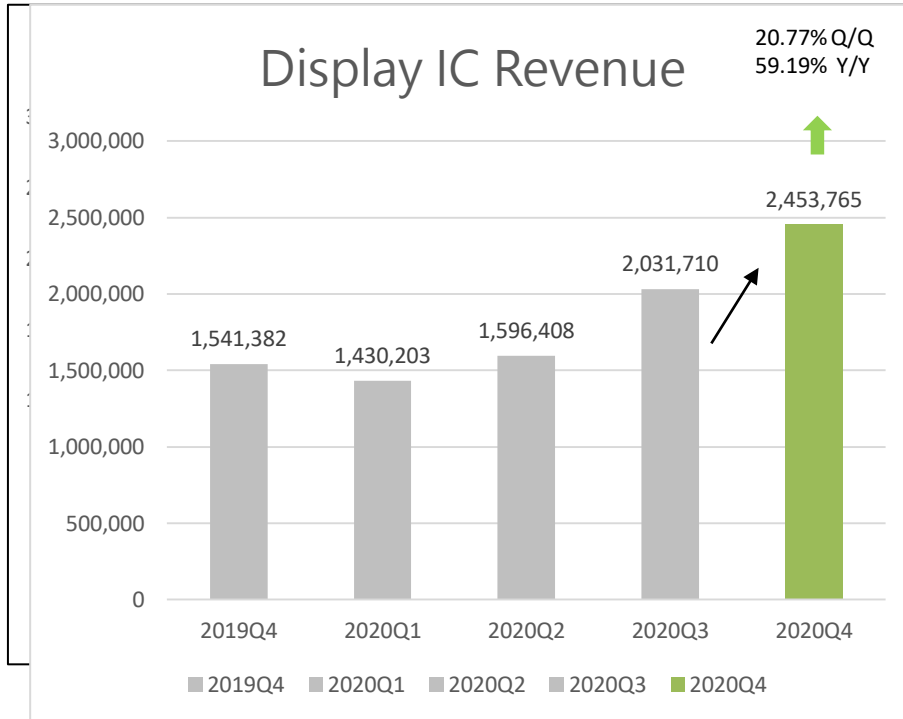
Highlights



- 2020 Q4 Revenue Q/Q+24.04% , Y/Y+52.34%,record high in historical period.
- Benefit from WFH and humans accelerate digitization process ,all product line are in the strong demand situation. Q and P are all rise up.
- Quarterly growth rate mainly drive by Mobile(small size)IC/Display IC(large and medium size)/Power IC.
- Annual growth rate mainly drive by Display IC/Mobile IC/ Power IC.
- Gross margin ratio stabilize in 25-30%.

Display IC

Revenue(Unit: NT Thousands)

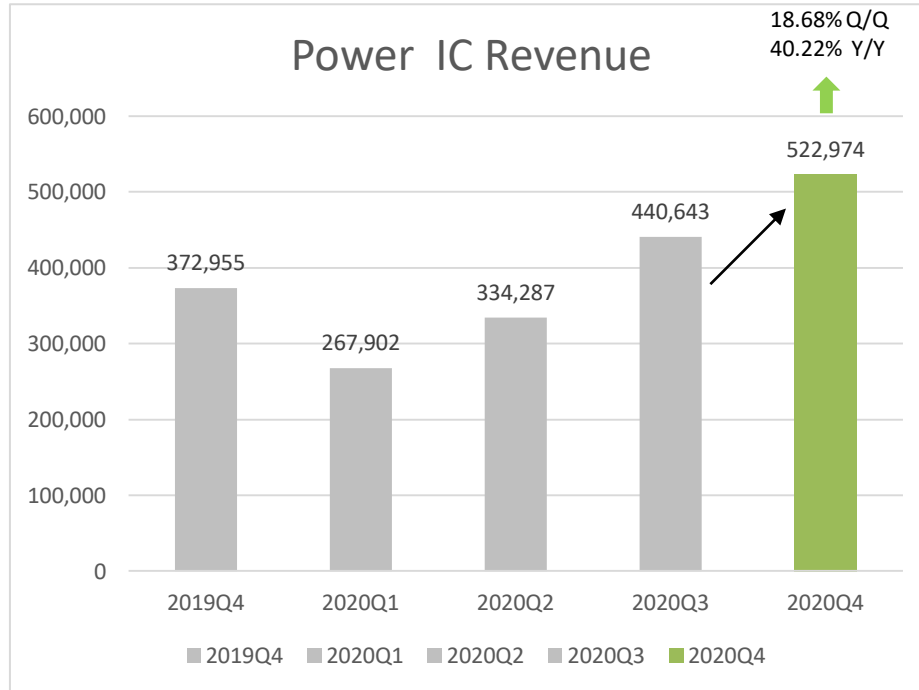


Highlights

- Quarterly growth rate mainly drive by ESL/medium size(Pad, Automotive Display, IPC)/TV.
- Annual growth rate mainly drive by ESL/NB/E-BOOK.
- All product line gain positive quarterly and annual growth rate because WFH and strong demand in semiconductor industry.

Power IC

Revenue(Unit: NT Thousands)

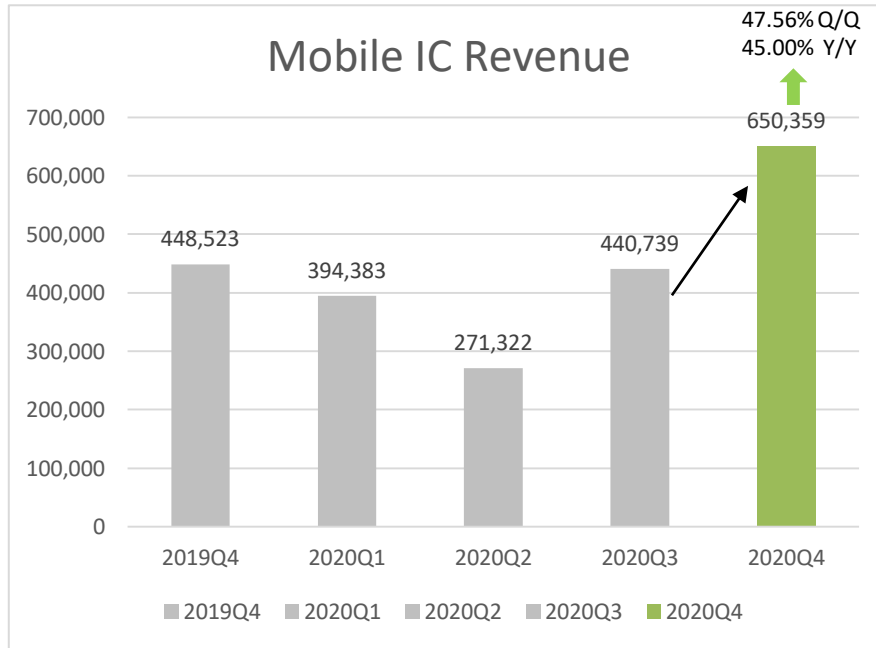


Highlights

- Quarterly growth rate mainly drive by Panel PMIC/QC.PD.
- Annual growth rate mainly drive by Panel PMIC/E-BOOK PMIC/BOOST.

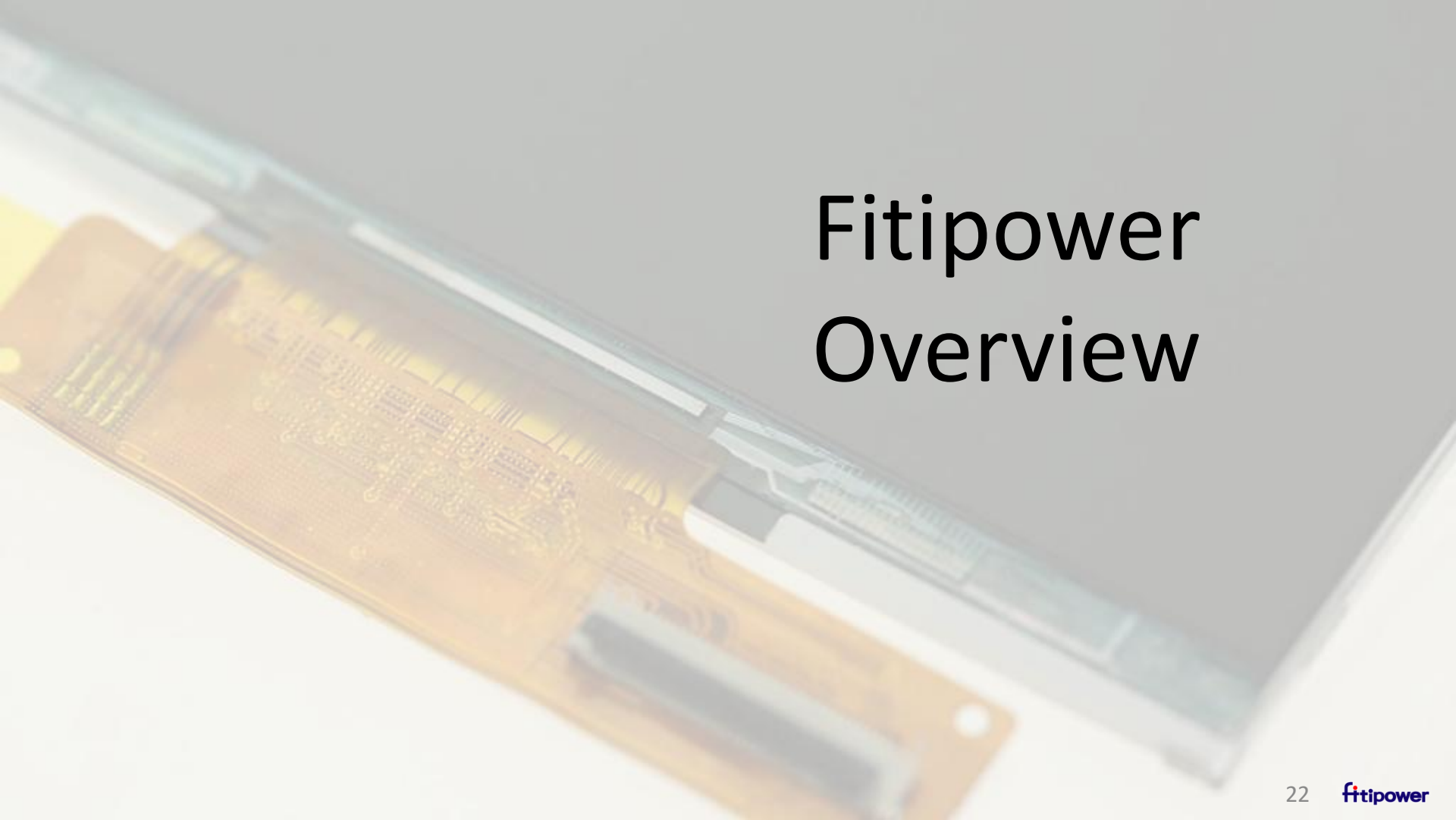
Mobile IC

Revenue(Unit: NT Thousands)



Highlights

- Mainly benefit from our China and Korea client's strong demand in two consecutive seasons.
- Our Subsidiary's TDDI IC had small shipment in 2020Q4, MP in 2021Q2.



Fitipower Overview

**Fitipower —
An IC DESIGN PLATFORM
COMPANY**

HQ :
Hsinchu Science Park
Taiwan

Headcount :
2020.10/651
2020.12/686
2021.2/717

Fitipower, an IC design house talent platform, we will play the role of the pioneer at the HCI area in the future.

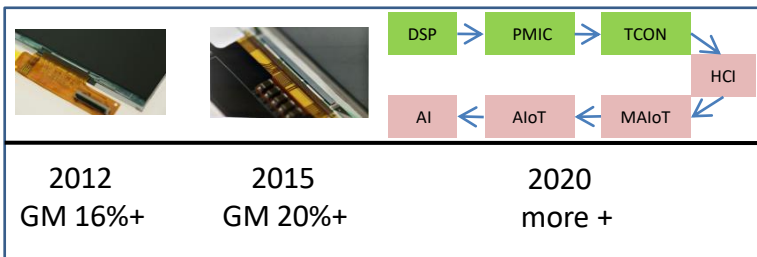
Fitipower Overview

A Platform of HCI

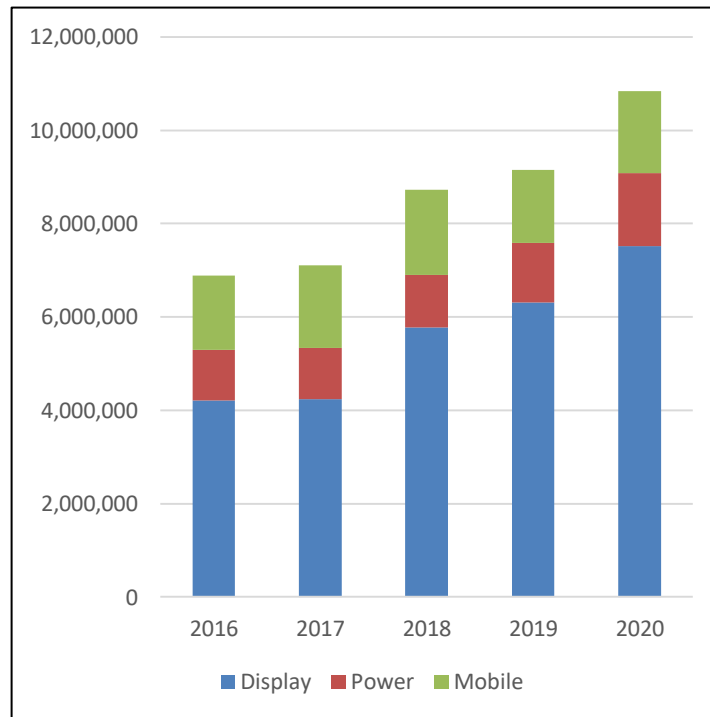
Brief History

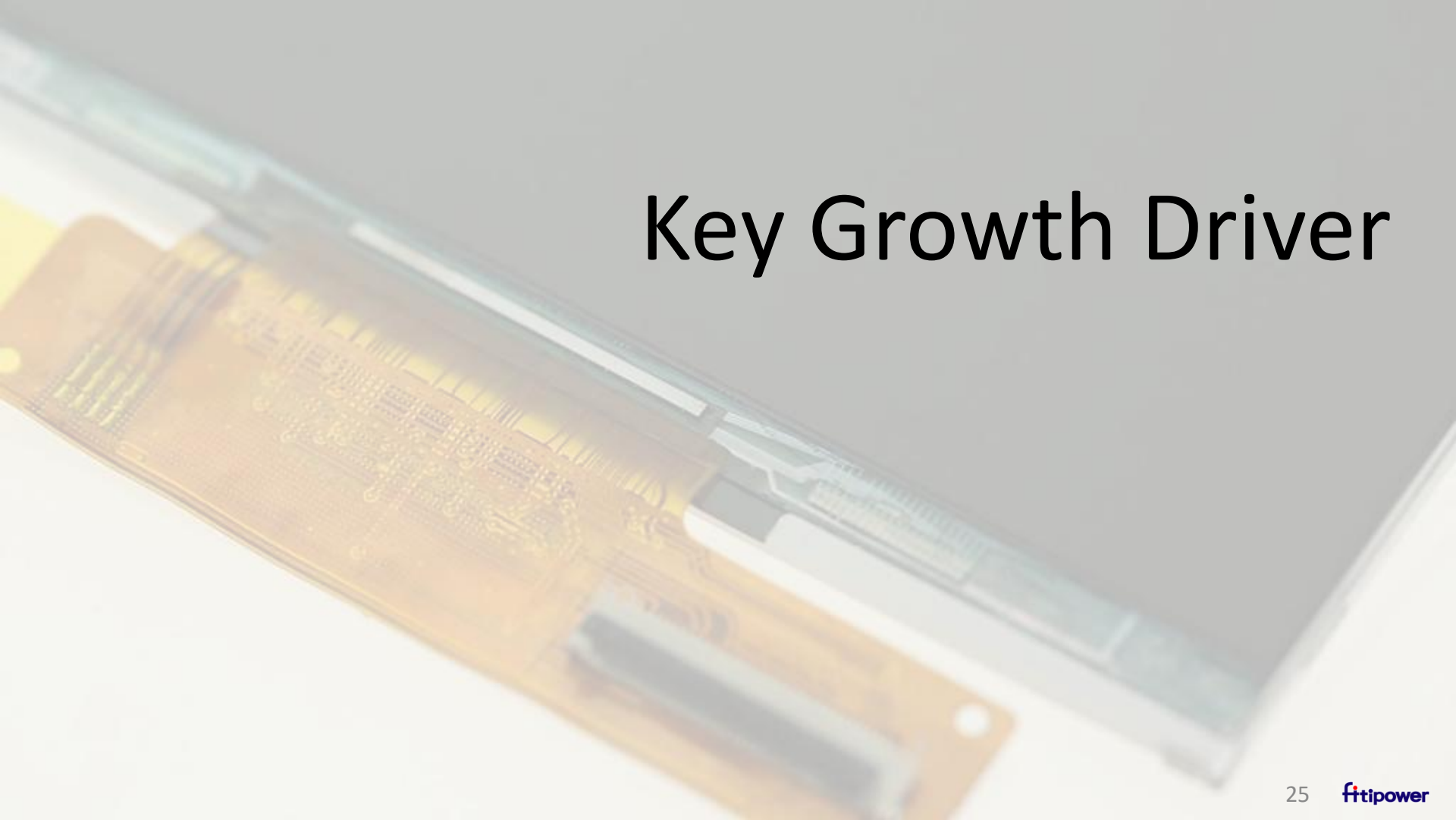
1995 : Founded in Taiwan
2006 : Acquisition HongXin Semiconductor
2010 : Acquisition TPower
2012 : Foxconn Technology become a shareholder
2013 : Innolux Corporation become a shareholder
2018 : IPO on TWSE
2020 : Acquisition Visual-Sensing Technology Corp.

From driver IC to HCI



Revenue by Product line





Key Growth Driver

Key Growth Driver

Large Size Total Solution

Our clients have high acceptability of the solution, because tight supply situation.



Large Size
Total Solution

PD/QC*

1. Supply to China client in steady. (including Type A/C)
2. Car charger shipment already, Wireless charging MP.

DC/DC

continues to give solutions about HV/LV Buck 、 Boost 、 LED ,to IPC/ IIoT /smart lighting,/automotive camera module /wifi area.

POWER

Gray Scale EPD(E-BOOK)

Number continues increase.

Color EPD(E-BOOK)

1. Product map no change.
2. Q4 small shipment, 2022 MP.

ESL

1. Retail market penetration rate continues rise up.
2. Fitipower market share rise up.



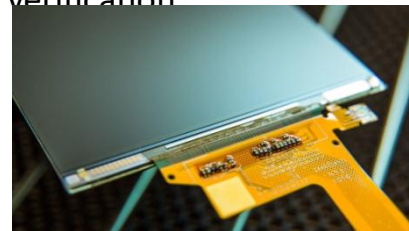
EPD/ESL*

TDDI

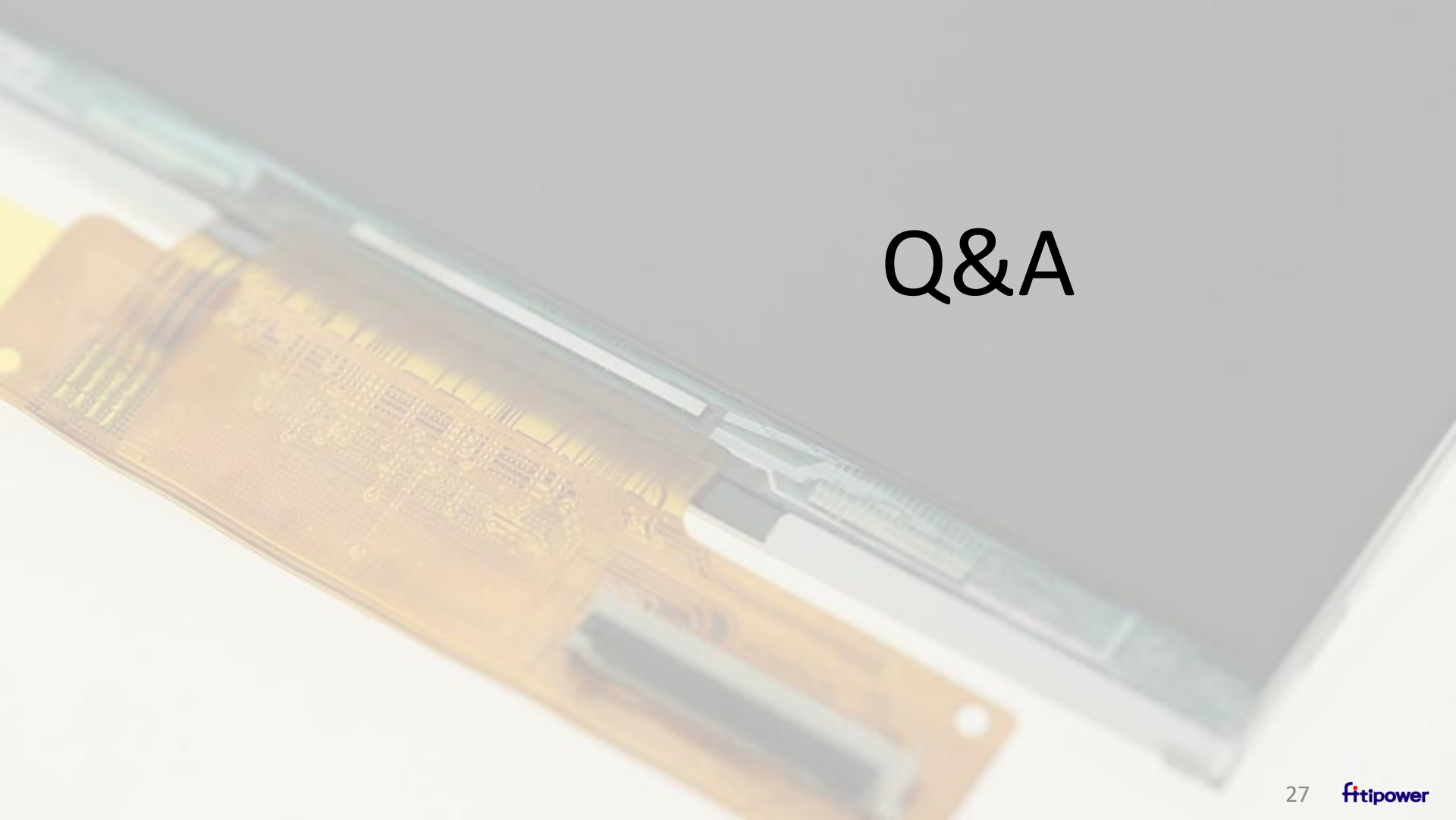
1. Already small shipment.
2. 2021 Q2 MP.

AMOLED

Wearable client verification



TDDI and
AMOLED*



Q&A



<https://www.fitipower.com>
IR@fitipower.com