



# Fitipower 1Q2023 Investor Conference

2023.5.5

*Drive your heart  
Power your life*


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# AGENDA

- 1Q23 Financial Results
- Fitipower Overview
- Q&A

James Chen IR



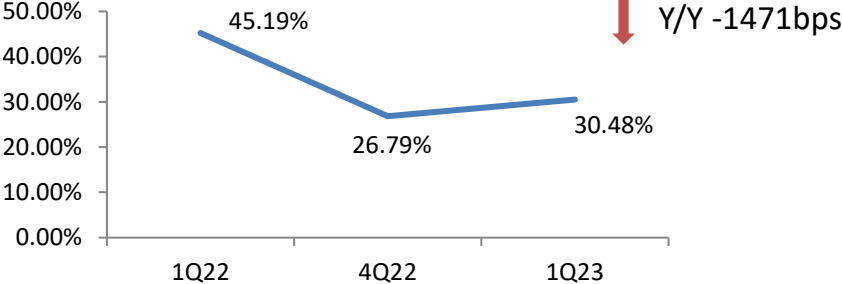
# 1Q2023 Financial Results

# 1Q23 Consolidated Income Statement

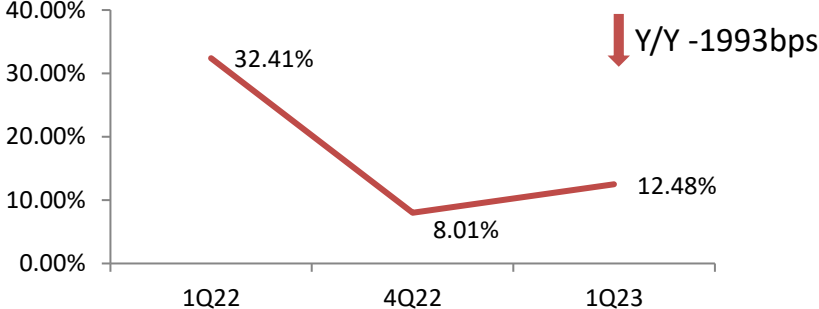
| ITEM<br>(In NT<br>Thousands) | 1Q23          | 4Q22          | Q/Q          | 1Q22          | Y/Y            |
|------------------------------|---------------|---------------|--------------|---------------|----------------|
| Revenue                      | 3,936,819     | 4,129,915     | -4.68%       | 5,961,667     | -33.96%        |
| Gross Profit                 | 1,199,921     | 1,106,578     | 8.44%        | 2,693,921     | -55.46%        |
| Gross Margin                 | <b>30.48%</b> | <b>26.79%</b> | <b>3.69%</b> | <b>45.19%</b> | <b>-14.71%</b> |
| Selling expenses             | (79,828)      | (87,330)      | -8.59%       | (101,434)     | -21.30%        |
| Administration expenses      | (86,775)      | (98,472)      | -11.88%      | (101,151)     | -14.21%        |
| R&D expenses                 | (541,095)     | (588,505)     | -8.06%       | (558,995)     | -3.20%         |
| Operating expenses           | (708,718)     | (775,932)     | -8.66%       | (761,807)     | -6.97%         |
| Operating Expense Ratio      | 18.00%        | 18.79%        | -0.79%       | 12.78%        | 5.22%          |
| Operating income             | 491,203       | 330,646       | 48.56%       | 1,932,114     | -74.58%        |
| Operating Margin             | <b>12.48%</b> | <b>8.01%</b>  | <b>4.47%</b> | <b>32.41%</b> | <b>-19.93%</b> |
| Net non-operating income     | 52,015        | (3,701)       | 1505.43%     | 50,127        | 3.77%          |
| Net income before income tax | 543,218       | 326,945       | 66.15%       | 1,982,241     | -72.60%        |
| Income tax expense           | (106,928)     | (28,538)      | 274.69%      | (373,924)     | -71.40%        |
| Net income                   | 436,290       | 298,407       | 46.21%       | 1,608,317     | -72.87%        |
| Owners of the parent         | 420,443       | 348,545       | 20.63%       | 1,509,124     | -72.14%        |
| <b>Net income Margin</b>     | <b>11.08%</b> | <b>7.23%</b>  | <b>3.86%</b> | <b>26.98%</b> | <b>-15.90%</b> |
| EPS (NT Dollar)              | 2.26          | 1.87          | 20.86%       | 8.11          | -72.13%        |
| ROE of the parent company    | <b>2.38%</b>  | <b>2.02%</b>  | <b>0.37%</b> | <b>9.07%</b>  | <b>-6.68%</b>  |

# Key Ratio Chart

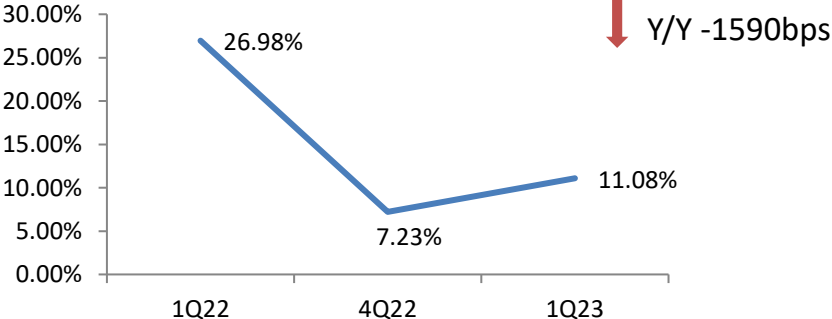
## Gross Margin



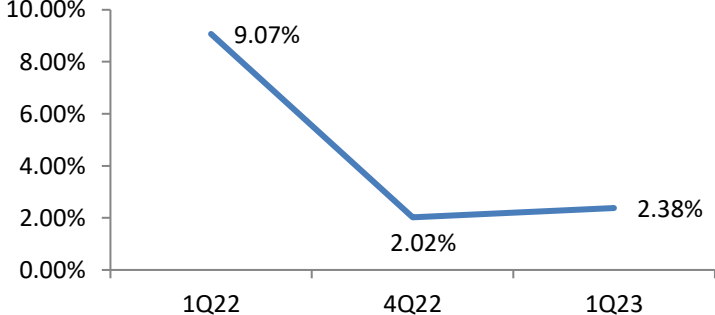
## Operating Margin



## Net Income Margin



## ROE

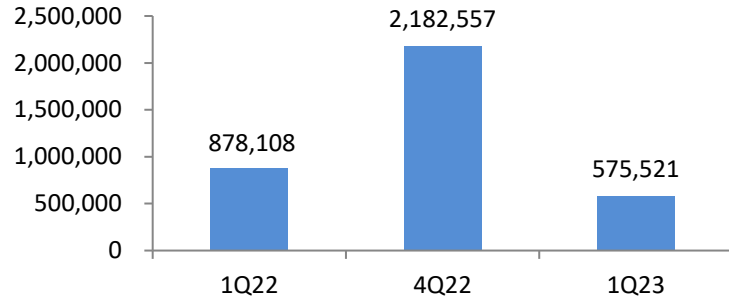


# 1Q23 Consolidated Balance Sheets & Key Indices

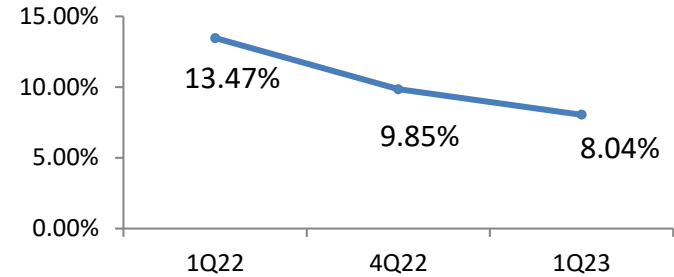
| Selected Items from Balance Sheets<br>(In NT Thousands) | 1Q23              |              | 4Q22              |              | 1Q22              |              |
|---|-------------------|--------------|-------------------|--------------|-------------------|--------------|
|   | Amount            | %            | Amount            | %            | Amount            | %            |
| Cash&Marketable Securities                              | 6,464,849         | 25.5         | 6,758,947         | 26.6         | 4,203,687         | 15.7         |
| CFAFV   | 10,570,471        | 41.6         | 9,642,472         | 37.9         | 9,454,228         | 35.3         |
| Accounts Receivable                                     | 2,885,086         | 11.4         | 2,744,399         | 10.8         | 5,013,905         | 18.7         |
| Inventories   | 2,040,569         | 8.0          | 2,506,847         | 9.8          | 3,603,056         | 13.5         |
| Other current assets                                    | 155,015           | 0.6          | 165,506           | 0.7          | 590,461           | 2.2          |
| Net PP&E  | 1,056,182         | 4.2          | 1,054,976         | 4.1          | 794,746           | 3.0          |
| Intangible assets                                       | 88,784            | 0.3          | 83,883            | 0.3          | 248,438           | 0.9          |
| Other non current assets                                | 1,981,453         | 7.8          | 2,394,852         | 9.4          | 2,221,827         | 8.3          |
| <b>Total Assets</b>                                     | <b>25,380,439</b> | <b>100.0</b> | <b>25,455,457</b> | <b>100.0</b> | <b>26,757,036</b> | <b>100.0</b> |
| Short-term debt   | 0                 | 0.0          | 220,734           | 0.9          | 2,271,988         | 8.5          |
| Accounts Payable  | 1,556,624         | 6.1          | 1,891,917         | 7.4          | 2,428,642         | 9.1          |
| Other current liabilities                               | 887,166           | 3.5          | 985,140           | 3.9          | 943,091           | 3.5          |
| Total non current liabilities                           | 261,281           | 1.0          | 246,161           | 1.0          | 184,734           | 0.7          |
| <b>Total Liabilities</b>                                | <b>3,766,022</b>  | <b>14.8</b>  | <b>4,311,948</b>  | <b>16.9</b>  | <b>7,622,661</b>  | <b>28.5</b>  |
| <b>Total Shareholders' Equity</b>                       | <b>21,614,417</b> | <b>85.2</b>  | <b>21,143,509</b> | <b>83.1</b>  | <b>19,134,375</b> | <b>71.5</b>  |
| Net Shareholders' Equity of the Parent Company          | 17,883,078        |              | 17,394,713        |              | 17,437,442        |              |
| <b>Key indices</b>                                      |                   |              |                   |              |                   |              |
| A/R Turnover Days                                       | 64.35             |              | 65.85             |              | 76.68             |              |
| Inventory Turnover Days                                 | 74.77             |              | 84.7              |              | 95.59             |              |
| Cash from operating activities                          | 575,521           |              | 2,182,557         |              | 878,108           |              |
| Free cash flow  | 485,659           |              | 1,991,174         |              | 699,593           |              |

# Key Indices

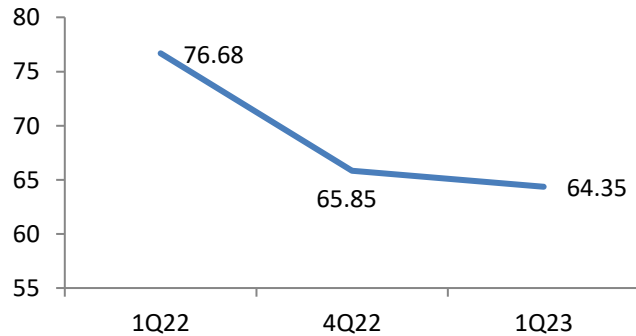
## Cash from operating activities



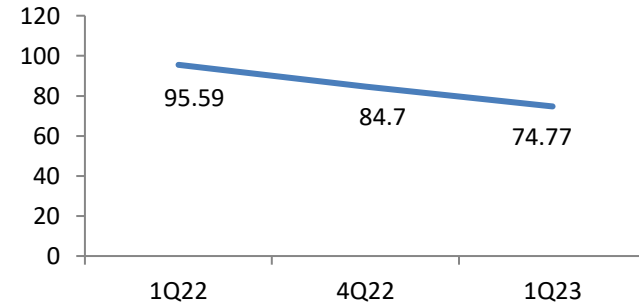
## Inventories by Total Assets



## A/R Turnover Days

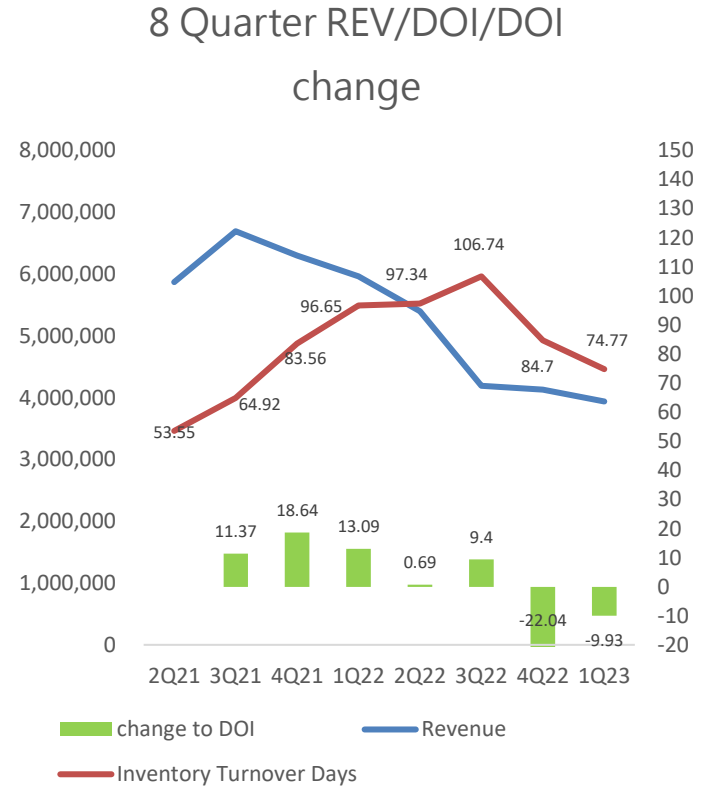
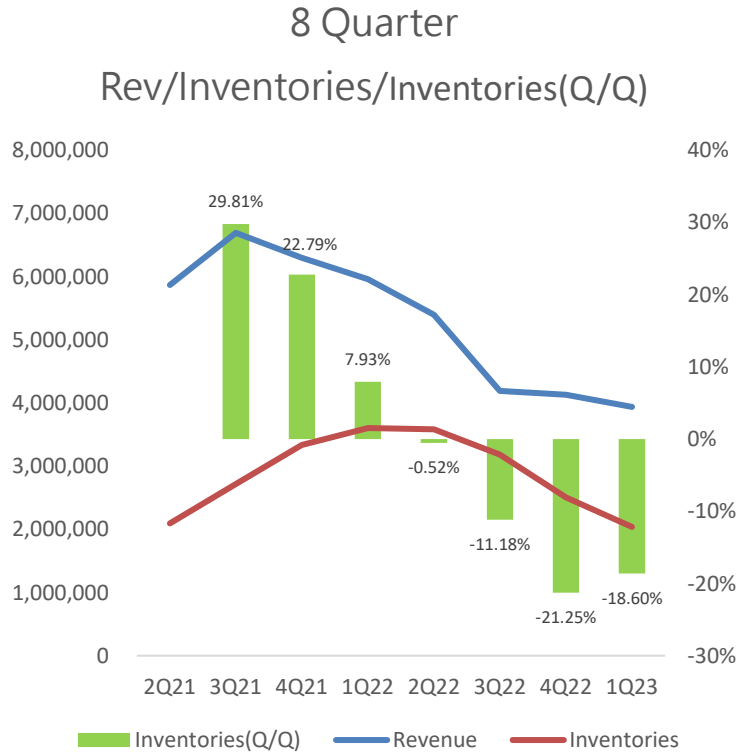


## Inventories Turnover Days

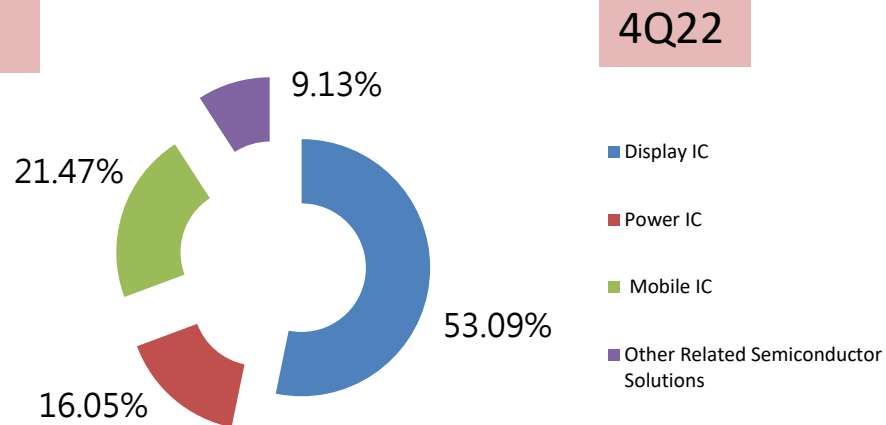
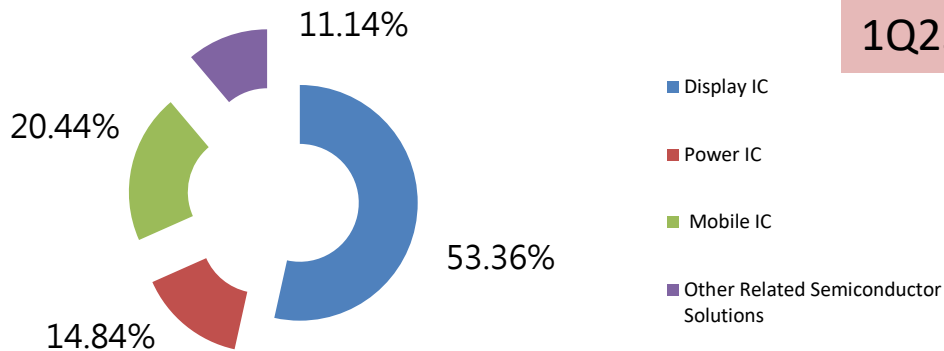




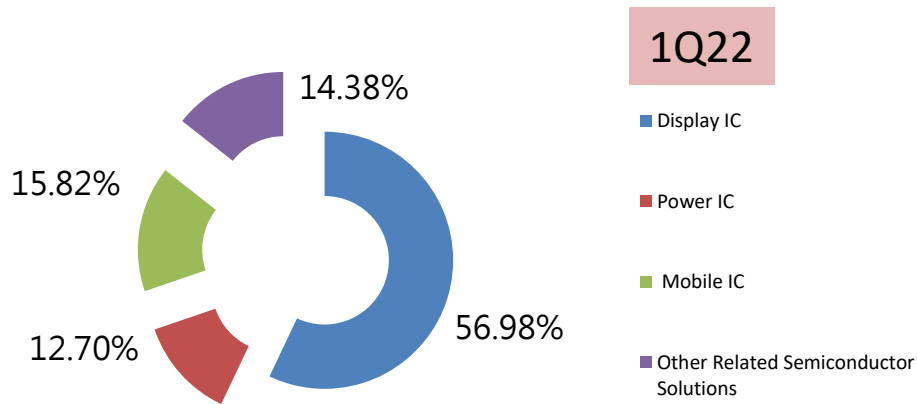
# Past 8 quarters Rev/Inventories/change to DOI



# 1Q23 Revenues By Product Segment



| Segment                               | 1Q2022 | 4Q2022 | Q/Q Change% | 1Q2023 |
|---------------------------------------|--------|--------|-------------|--------|
| Display IC                            | 56.98% | 53.09% | +0.27%      | 53.36% |
| Power IC                              | 12.70% | 16.05% | -1.21%      | 14.84% |
| Mobile IC                             | 15.82% | 21.47% | -1.03%      | 20.44% |
| Other Related Semiconductor Solutions | 14.38% | 9.13%  | +2.01%      | 11.14% |

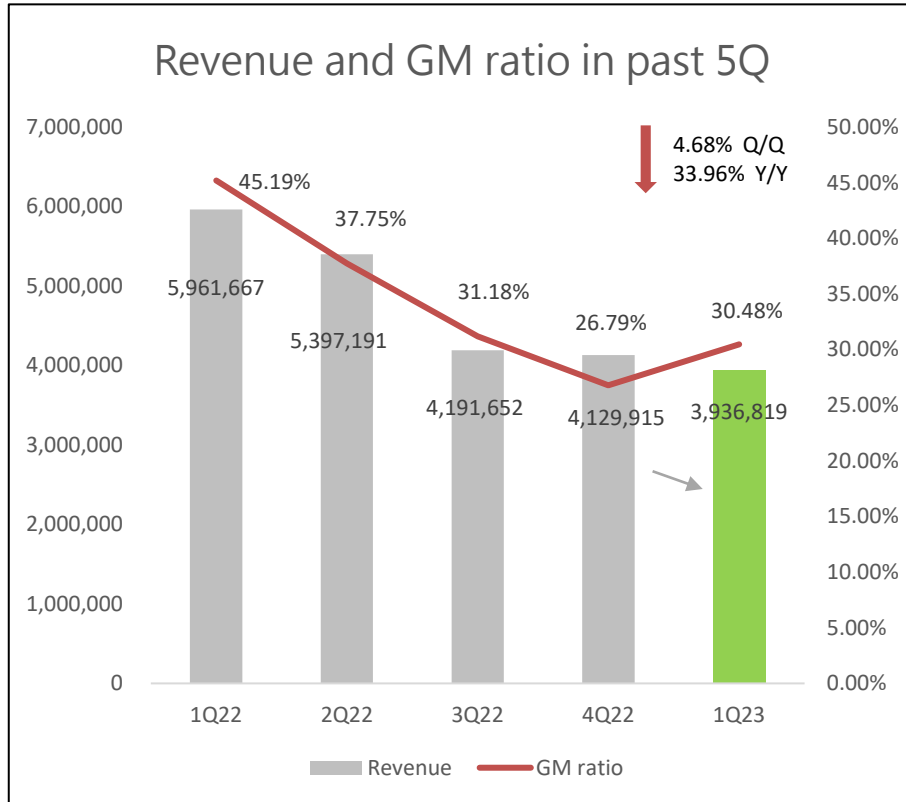


Display IC including Large/Medium DDIC(Automotive/IPC)  
 Other Related Semiconductor Solutions including T-CON/EPD/ESL

# Consolidated REV and GM in past 5 quarter

Revenue(Unit: NT Thousands)

Highlights

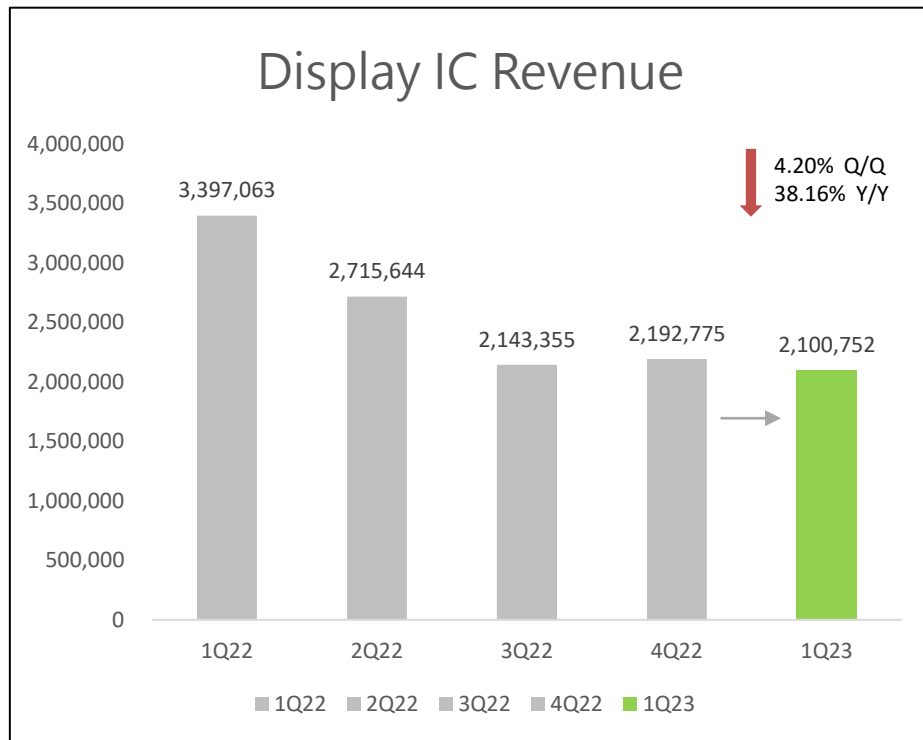


- 1Q23 Revenue Q/Q-4.68% · Y/Y-33.96%, our revenue hit record high with 7Q incessantly and stop at 4Q21.
- Our revenue almost flat, although macroeconomic and inventory issue still are noise, but some product line have rush orders to contribute revenues.
- The quarter over quarter in our product segments, other semi perform positive, power IC perform weak.
- The year over year in our product segments, other semi perform weak.
- Because we care about client/supplier chain/inventory, we continually seek the best balance between all factors.
- First quarter GM benefit from product mix and new product MP.

Revenues are including parent and subsidiaries

# Display IC(large and medium size)

Revenue(Unit: NT Thousands)



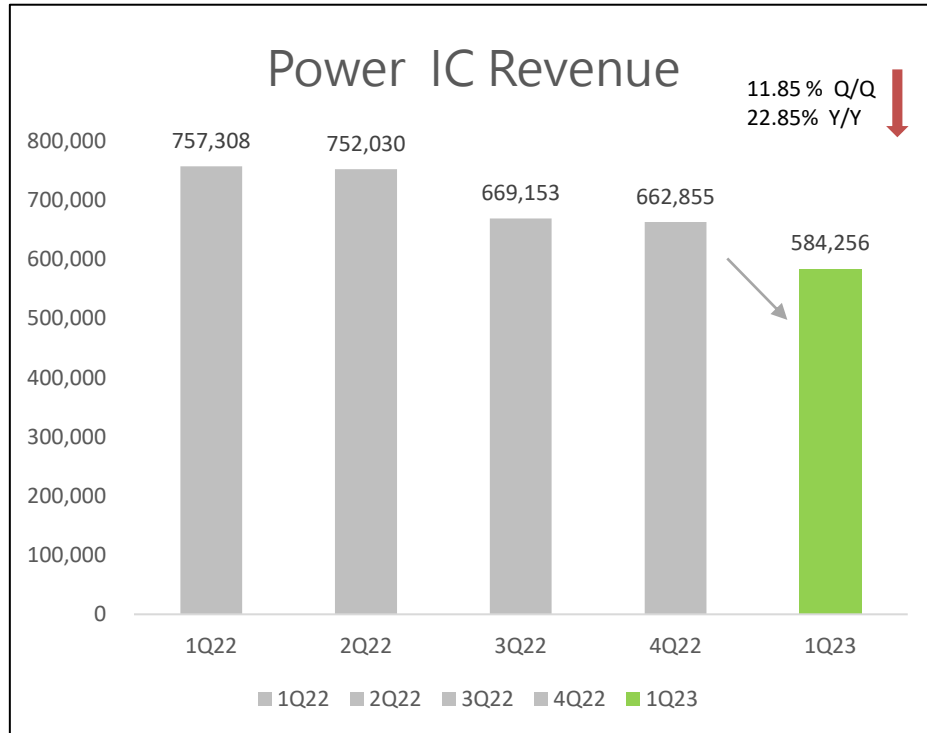
Highlights

- ▶ Quarterly growth rate mainly drive by NB/medium(auto/IPC).
- ▶ The year over year mainly drive by medium, NB perform weak
- ▶ Display IC 1Q23 benefit from rush orders and more market share from medium size, revenues perform flat.
- ▶ New product MP and expand market share are our priority.

Revenues are including parent and subsidiaries

# Power IC

Revenue(Unit: NT Thousands)



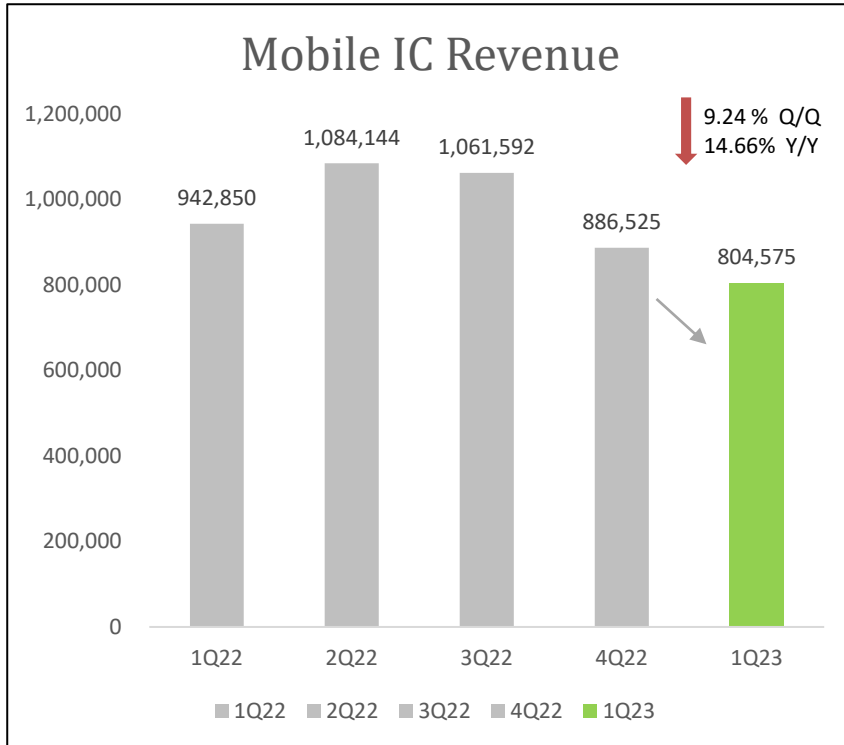
## Highlights

- ▶ Quarterly growth rate mainly drive by E-BOOK PMIC/Mobile PMIC.
- ▶ Annual growth rate mainly drive by Mobile PMIC/E-BOOK PMIC/Battery.
- ▶ We continually gain market share in different product lines.
- ▶ Many new products will MP in 4Q and contribute more revenues.

Revenues are including parent and subsidiaries

# Mobile IC

Revenue(Unit: NT Thousands)



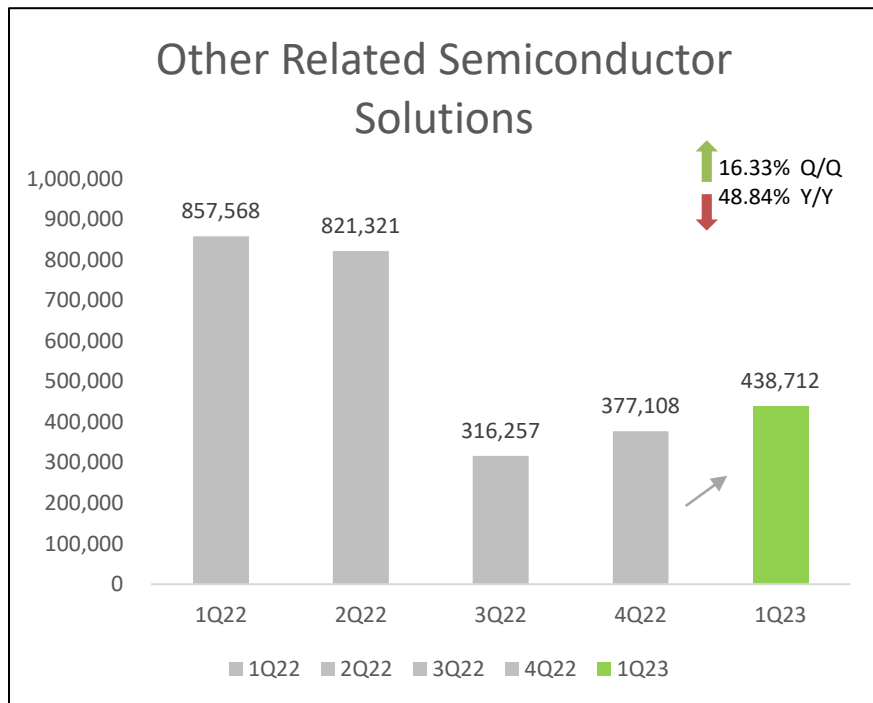
Highlights

- Q/Q TDDI still perform negative because total smartphone market still weak. But SDDI Q/Q perform positive.
- Our FHD TDDI 、 tablet TDDI 、 AMOLED smart band and watch contribute revenues continuously, and AMOLED smart phone will join to the list in 4Q .

Revenues are including parent and subsidiaries

# Other Related Semiconductor Solutions

Revenue(Unit: NT Thousands)



Highlights

- ▶ Quarterly growth rate mainly drive by EPD/ESL.
- ▶ The year over year decrease in EPD ,ESL and T-CON, because it still affected by macroeconomic and supply chain inventory .

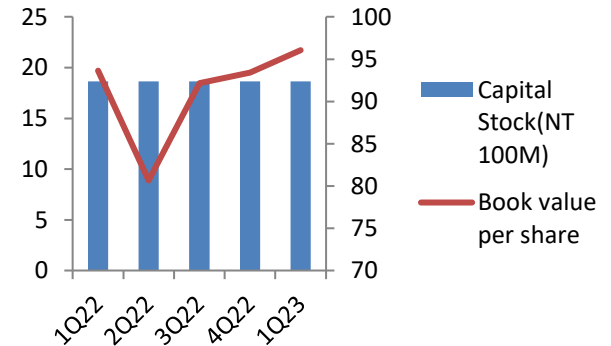
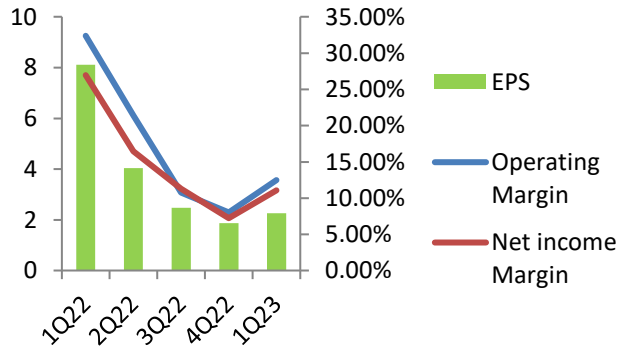
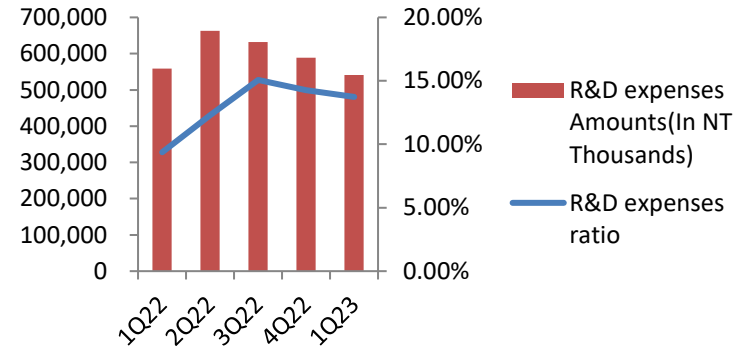
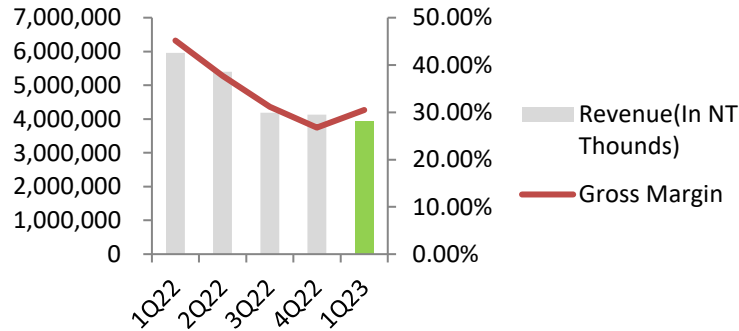
Revenues are including parent and subsidiaries

## Consolidated Financial Results in past 5 Quarters

| Item/Year                             | 1Q22       | 2Q22       | 3Q22       | 4Q22       | 1Q23       |
|---------------------------------------|------------|------------|------------|------------|------------|
| Revenue(In NT Thounds)                | 5,961,667  | 5,397,191  | 4,191,652  | 4,129,915  | 3,936,819  |
| Gross Margin                          | 45.19%     | 37.75%     | 31.18%     | 26.79%     | 30.48%     |
| R&D expenses ratio                    | 9.38%      | 12.29%     | 15.07%     | 14.25%     | 13.74%     |
| R&D expenses Amounts(In NT Thousands) | 558,995    | 663,180    | 631,891    | 588,505    | 541,095    |
| Operating Margin                      | 32.41%     | 21.41%     | 10.75%     | 8.01%      | 12.48%     |
| Net income Margin                     | 26.98%     | 16.48%     | 11.28%     | 7.23%      | 11.08%     |
| EPS                                   | 8.11       | 4.04       | 2.48       | 1.87       | 2.26       |
| Capital Stock(NT 100M)                | 18.65      | 18.65      | 18.65      | 18.65      | 18.65      |
| Book value per share                  | 93.66      | 80.65      | 92.15      | 93.43      | 96.05      |
| Total Assets(NT Thounds)              | 26,757,036 | 25,711,550 | 24,803,927 | 25,455,457 | 25,380,439 |
| Debt Ratio                            | 28.49%     | 34.44%     | 15.71%     | 16.84%     | 14.84%     |



# Key Indices in past 5 Quarters





# Fitipower Overview

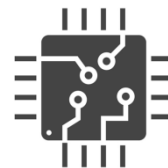
“IT'S OFFICIAL: FITIPOWER IS NOT JUST A DRIVER IC COMPANY ANYMORE”



HQ :  
Hsinchu  
Science Park  
Taiwan  
Headcount : 900

### Our Core Business

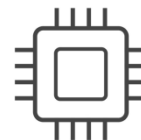
Display IC



PMIC

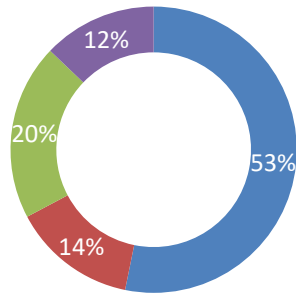


Others  
SEMI

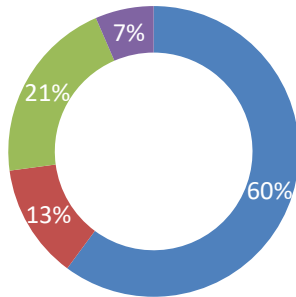


# Change from Our Revenue Segment

DDIC 73% **2022**

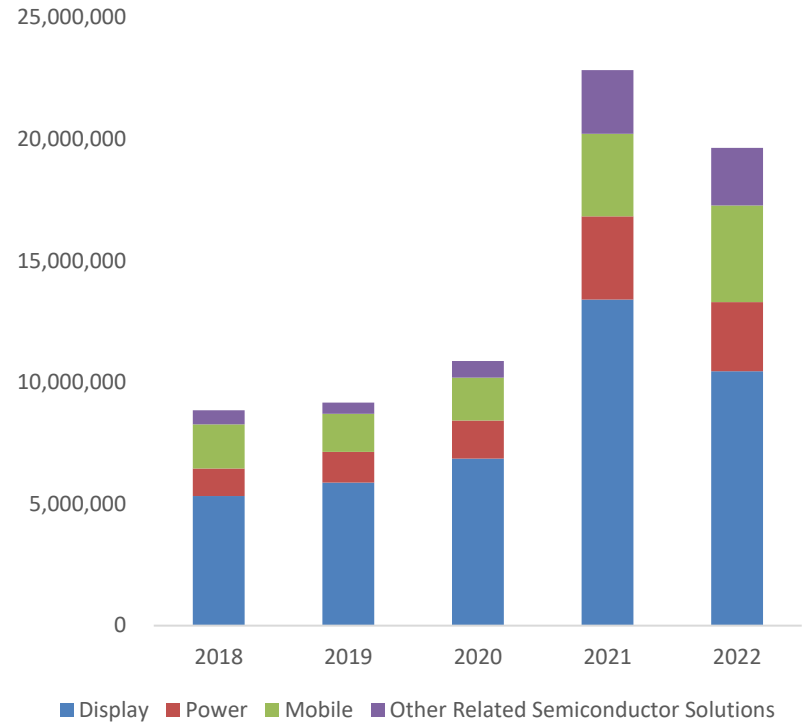


DDIC 81% **2018**



Business Mix (%)

- L&M DDIC
- POWER IC
- S DDIC
- Others SEMI



# COMMITMENT TO ESG

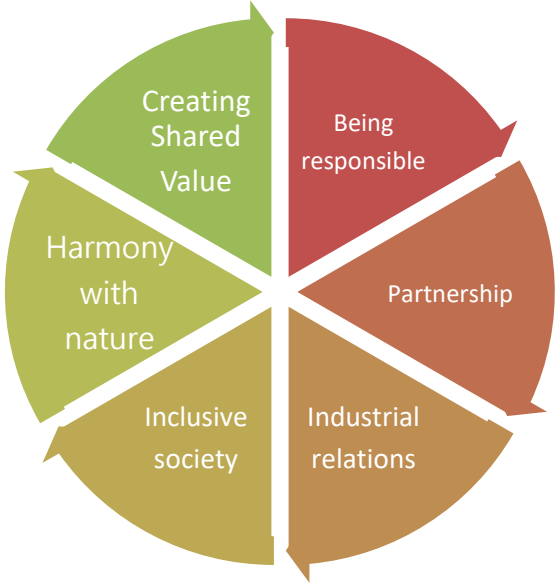
2022

2021 Corporate Governance Evaluation  
21%-35%

Co-work with National Taiwan Library about SDGs Plan

Hold campus technology competition about ESG (EV/ energy saving)

Process ESG Policy with our partnership



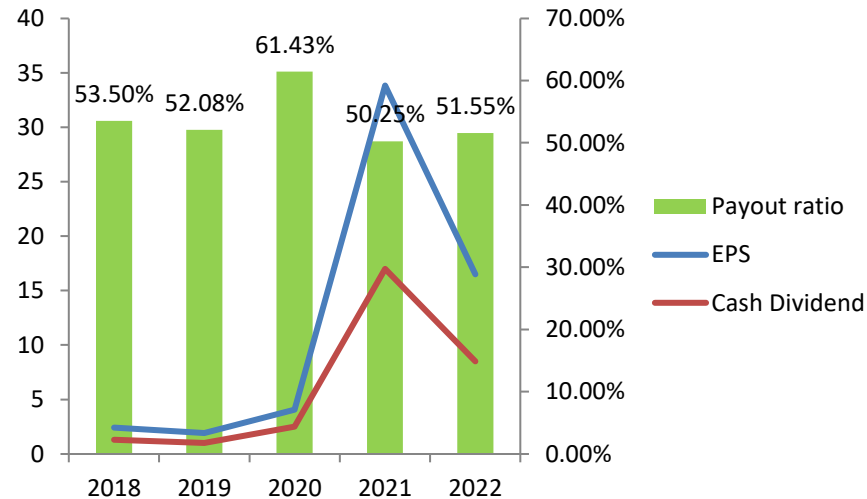
2023

2022 Corporate Governance Evaluation still in 21%-35%, but our score up 10.42% and list in front of the range.

Import ISO 14001/ISO45001 and get certification in 2023. Build a product energy saving and carbon reduction benefit evaluation platform. Import ISO 14064 and get certification in 2024. Import ISO 27001 and get certification in 2023. Start TCFD.

# Dividend and Payout Ratio

| Item/Year     | 2018   | 2019   | 2020   | 2021   | 2022   |
|---------------|--------|--------|--------|--------|--------|
| EPS           | 2.43   | 1.92   | 4.07   | 33.83  | 16.49  |
| Cash Dividend | 1.3    | 1      | 2.5    | 17     | 8.5    |
| Payout ratio  | 53.50% | 52.08% | 61.43% | 50.25% | 51.55% |



# Recap of Recent Major Events

- ▼ Fitipower Board of Directors Approved the Convening of the 2023 AGM on May 31, 2023 (2023/02/23)
- ▼ Fitipower Board of Directors Approved NT\$8.5 Cash Dividend for the year of 2022(2023/04/19)
- ▼ Fitipower Board of Directors approved a proposal to reduce capital and refund cash to shareholders, capital reduction percentage is 35%, amount of capital reduction is NT\$652,908,590 and share capital after capital reduction is NT\$1,212,544,530 (2023/04/19)



# Q&A





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