

Fitipower
3Q2023
Investor Conference

2023.11.3

*Drive your heart
Power your life*

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AGENDA

- 3Q23 Financial Results

James Chen IR


- 9months 23 Financial Results

- Fitipower Overview

- CEO Key Messages

Young Lin Chairman

- Q&A



3Q2023 Financial Results

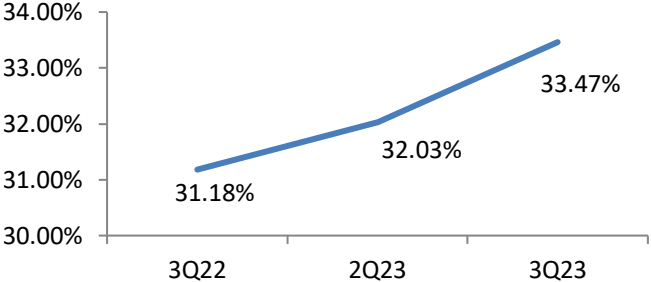
3Q23 Consolidated Income Statement

ITEM (In NT Thousands)	3Q23	2Q23	Q/Q	3Q22	Y/Y
Revenue	4,241,538	4,340,870	-2.29%	4,191,652	1.19%
Gross Profit	1,419,432	1,390,503	2.08%	1,306,919	8.61%
Gross Margin	33.47%	32.03%	1.43%	31.18%	2.29%
Selling expenses	(94,680)	(91,535)	3.44%	(115,738)	-18.19%
Administration expenses	(91,052)	(84,981)	7.14%	(109,345)	-16.73%
R&D expenses	(583,346)	(592,241)	-1.50%	(631,891)	-7.68%
Operating expenses	(769,094)	(767,417)	0.22%	(856,185)	-10.17%
Operating Expense Ratio	18.13%	17.68%	0.45%	20.43%	-2.30%
Operating income	650,338	623,086	4.37%	450,734	44.28%
Operating Margin	15.33%	14.35%	0.98%	10.75%	4.58%
Net non-operating income	146,226	158,394	-7.68%	134,950	8.36%
Net income before income tax	796,564	781,480	1.93%	585,684	36.01%
Income tax expense	(135,978)	(123,167)	10.40%	(112,776)	20.57%
Net income	660,586	658,313	0.35%	472,908	39.69%
Owners of the parent	611,248	582,371	4.96%	461,194	32.54%
Net income Margin	15.57%	15.17%	0.41%	11.28%	4.29%
EPS (NT Dollar)	3.98	3.13	27.16%	2.48	60.48%
ROE of the parent company	3.64%	3.36%	0.28%	2.87%	0.77%

Key Ratio Chart

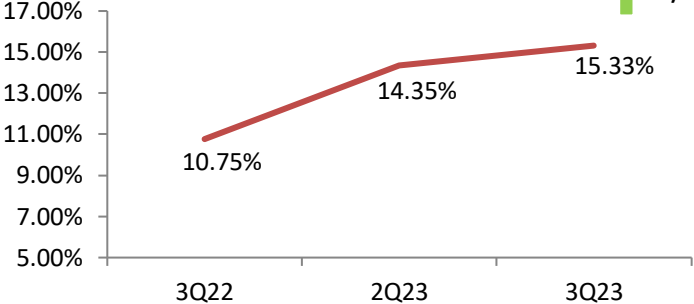
Gross Margin

↑ Y/Y +229bps



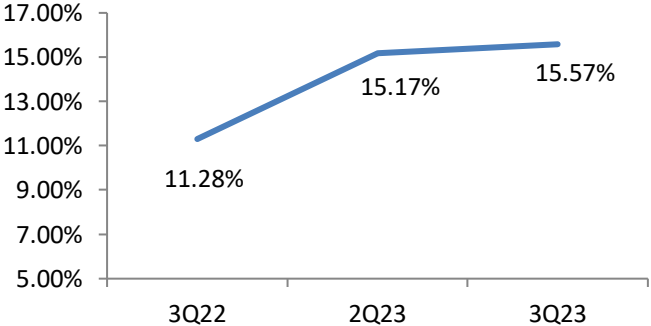
Operating Margin

↑ Y/Y +458bps

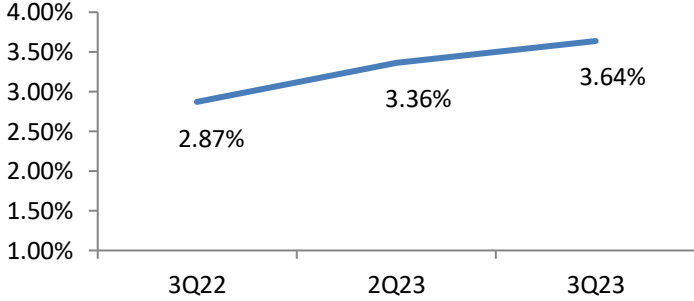


Net Income Margin

↑ Y/Y +429bps



ROE

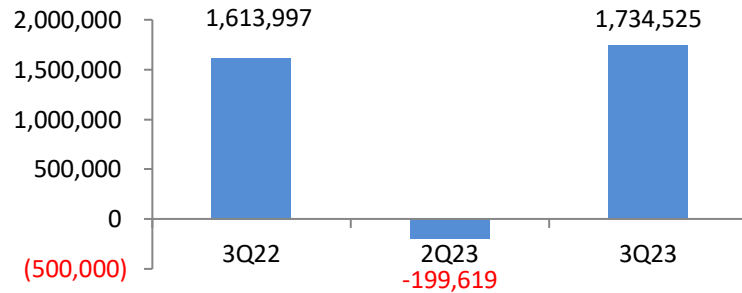


3Q23 Consolidated Balance Sheets & Key Indices

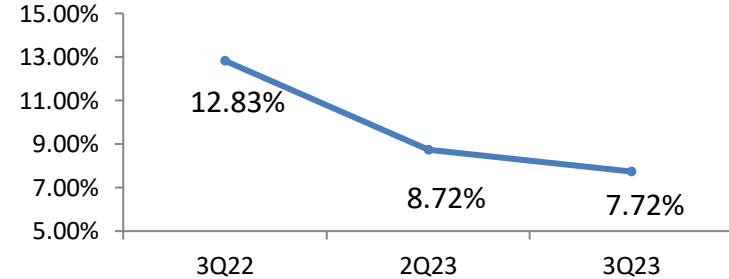
Selected Items from Balance Sheets (In NT Thousands)	3Q23		2Q23		3Q22	
	Amount	%	Amount	%	Amount	%
Cash&Marketable Securities	2,907,221	11.8	2,192,417	8.6	8,557,560	34.5
CFAFV	9,470,977	38.5	10,672,294	41.8	6,016,661	24.3
Accounts Receivable	3,192,021	13.0	3,083,934	12.1	3,299,492	13.3
Inventories	1,897,844	7.7	2,227,797	8.7	3,183,464	12.8
Other current assets	90,858	0.4	458,682	1.8	267,798	1.1
Non-current financial assets at amortised cost	5,077,250	20.7	4,838,660	18.9	0	0.0
Net PP&E	1,072,232	4.4	1,036,109	4.1	953,675	3.8
Intangible assets	73,972	0.3	71,248	0.3	59,655	0.2
Other non current assets	670,960	2.7	802,783	3.1	2,395,482	9.7
Total Assets	24,576,699	100.0	25,546,702	100.0	24,803,927	100.0
Short-term debt	0	0.0	0	0.0	230,650	0.9
Accounts Payable	2,981,638	12.1	2,728,807	10.7	2,451,262	9.9
dividends payable	0	0.0	1,582,499	6.2	0	0.0
Other current liabilities	19,926	0.1	26,281	0.1	18,347	0.1
Total non current liabilities	275,811	1.1	257,202	1.0	187,146	0.8
Total Liabilities	3,864,914	15.7	5,088,298	19.9	3,895,877	15.7
Total Shareholders' Equity	20,711,785	84.3	20,458,404	80.1	20,908,050	84.3
Net Shareholders' Equity of the Parent Company	16,835,882		16,768,145		17,156,421	
Key indices						
A/R Turnover Days	66.58		61.88		82.31	
Inventory Turnover Days	65.79		65.1		105.57	
Cash from operating activities	1,734,525		-199,619		1,613,997	
Free cash flow	1,607,390		-288,983		1,418,031	

Key Indices

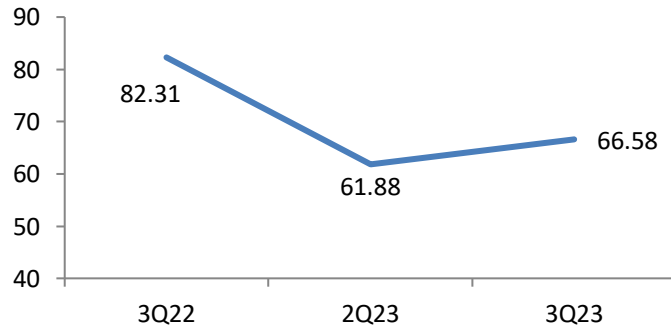
Cash from operating activities



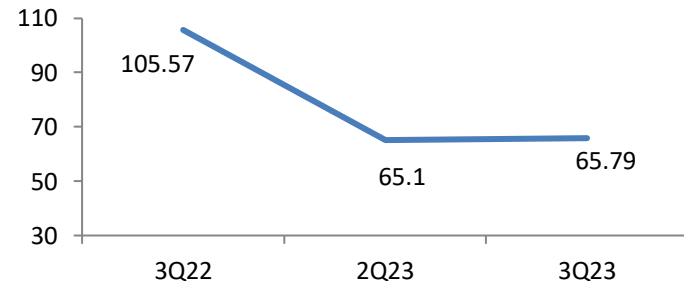
Inventories by Total Assets



A/R Turnover Days



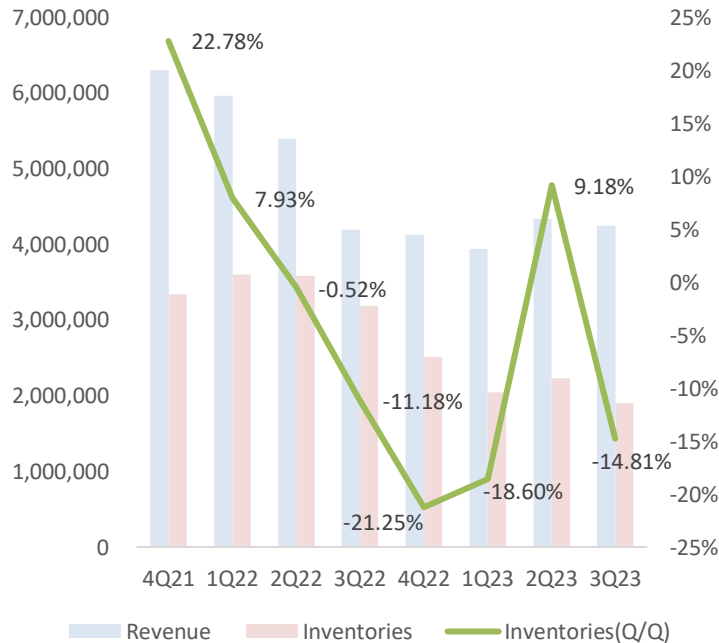
Inventories Turnover Days



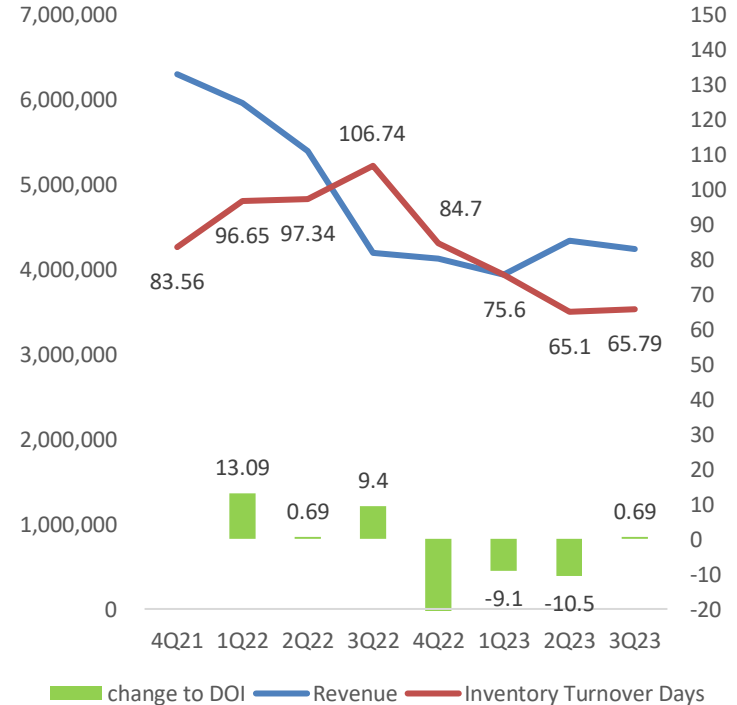
Past 8 quarters Rev/Inventories/change to DOI

8 Quarter

Rev/Inventories/Inventories(Q/Q)

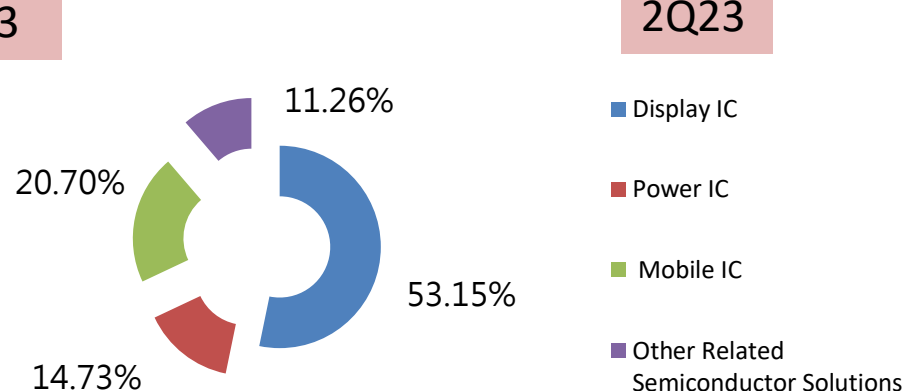
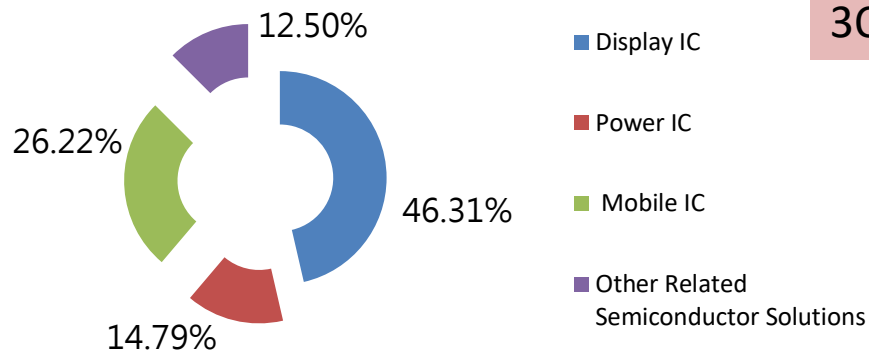


8 Quarter REV/DOI/DOI change

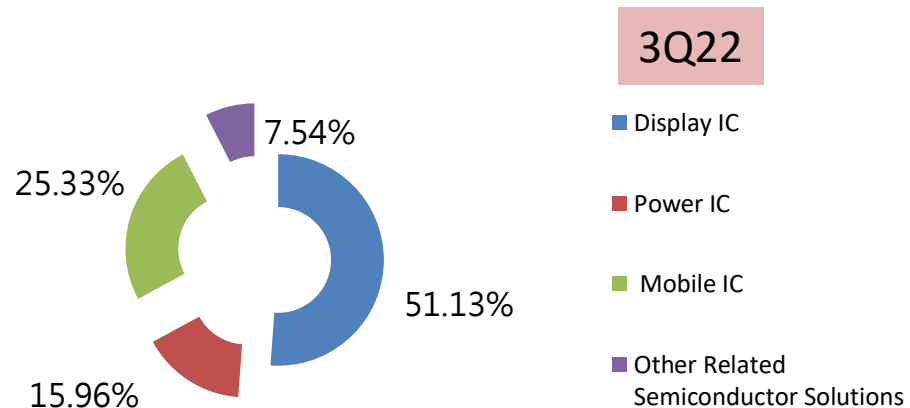


DOI lower than past 5 years average with -7 days

3Q23 Revenues By Product Segment



Segment	3Q2022	2Q2023	Q/Q Change%	3Q2023
Display IC	51.13%	53.15%	-6.84%	46.31%
Power IC	15.96%	14.73%	+0.06%	14.79%
Mobile IC	25.33%	20.70%	+5.52%	26.22%
Other Related Semiconductor Solutions	7.54%	11.26%	+1.24%	12.50%

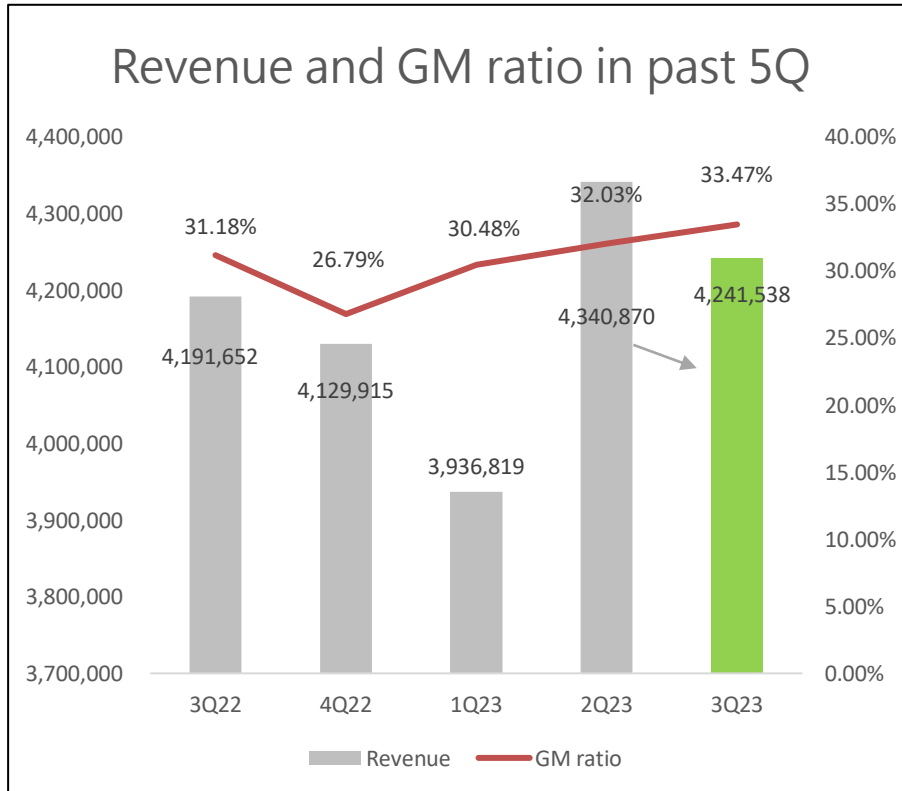


Display IC including Large(TV/NB/MNT)/Medium(Automotive/IPC) DDIC
 Other Related Semiconductor Solutions including T-CON/EPD/ESL

Consolidated REV and GM in past 5 quarter

Revenue(Unit: NT Thousands)

Highlights

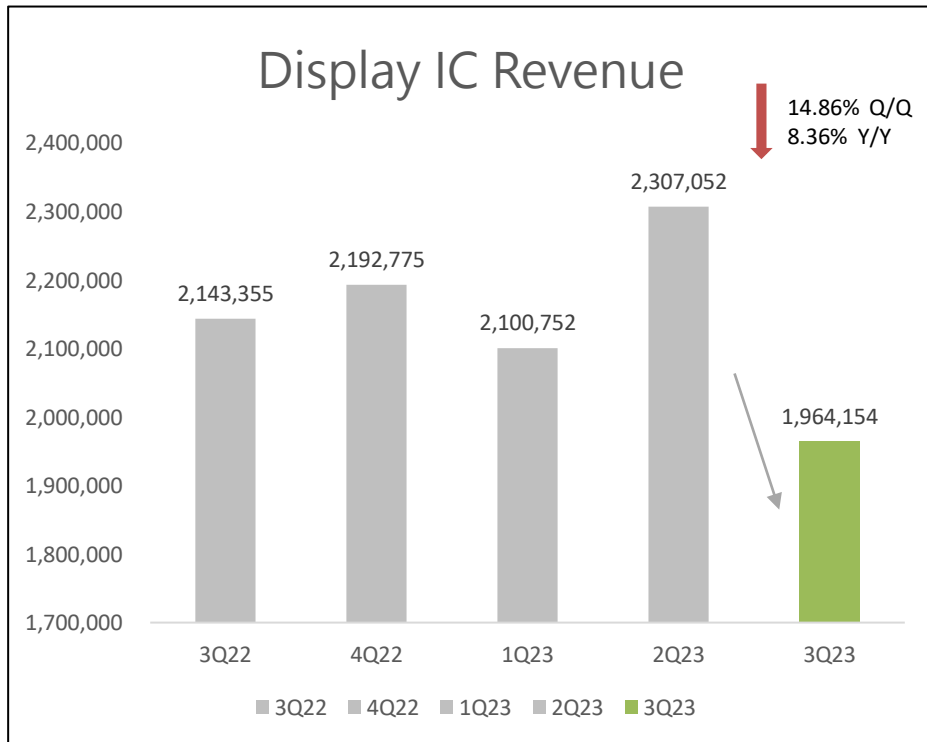


- 3Q23 Revenue Q/Q-2.29%,Y/Y+1.19%, our revenue decline continually in six quarters from the end of 2021,2Q23 start to rise and this quarter result edge down.
- In the third quarter, an uptick in small-size inventory replenishment demand and the conclusion of stockpiling by mid-size customers led to overall revenue remaining relatively stable. We still need to continue monitoring the impact of the overall economy on future demand.
- Quarterly growth rate mainly drive by Mobile IC/Other semi in sequence.
- Annual growth rate mainly drive by other semi/Mobile IC.
- Because we care about client/supplier chain/inventory level, we continually seek the best balance between all factors.
- Third 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)



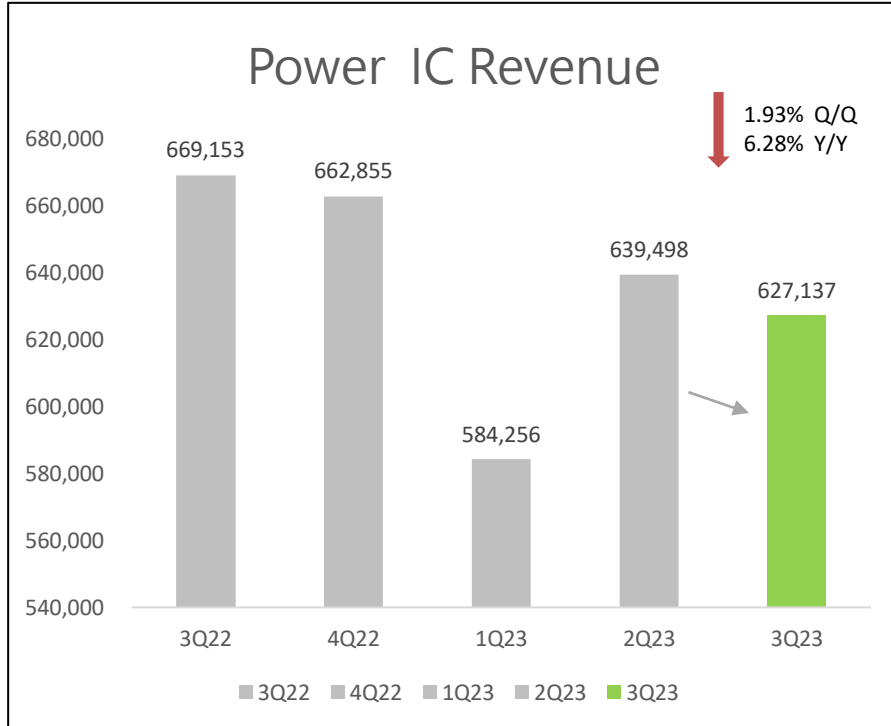
Highlights

- ▶ Quarterly growth rate mainly drive by NB, Mid-size customer inventory stockpiling has come to an end.
- ▶ Annual growth rate mainly drive by Mid-size.
- ▶ In the overall large and mid-size market, there was a quarterly decline primarily due to the conclusion of stockpiling by mid-size customers, coupled with a slowdown in orders for large-size TVs.
- ▶ New product MP and expand market share are our priority.

Large Size DDIC are including TV/NB/MNT
Medium Size DDIC are including Auto/IPC
Revenues are including parent and subsidiaries

Power IC

Revenue(Unit: NT Thousands)



Highlights

- ▶ Quarterly growth rate mainly drive by VCM/Regulator/Others.
- ▶ Annual growth rate mainly drive by Others/VCM/Mobile PMIC.
- ▶ We continually gain market share in different product lines.
- ▶ Many new products will MP in every quarter and contribute more revenues, ex. 4 phase PWM controller for GPU Power 、 BLDC MCU etc.. MP in 4Q.

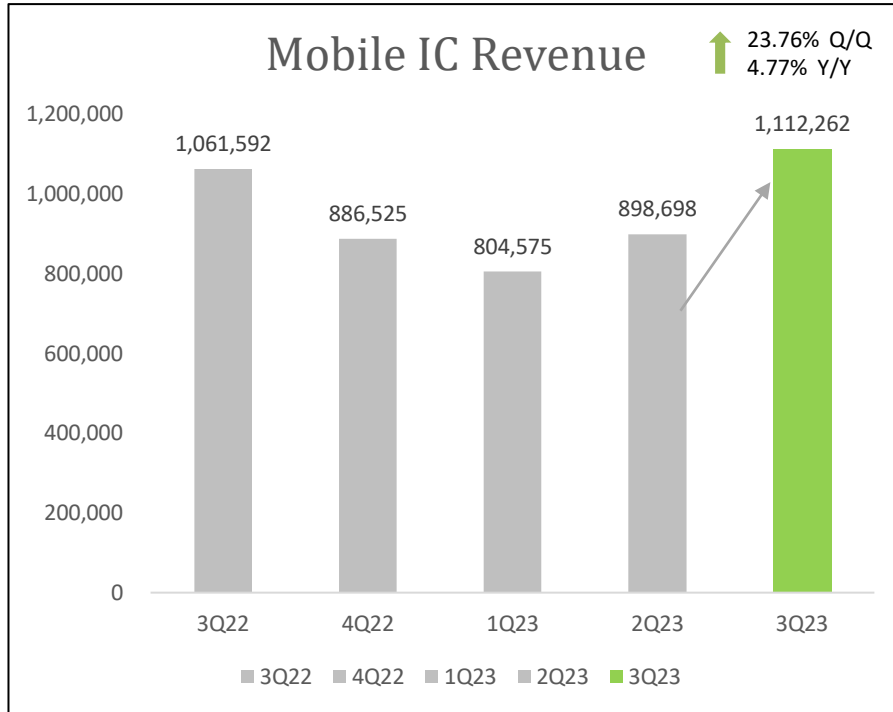
Regulator(LVBUCK,LDO,BOOST)

Others are including LED/SW/Motor/DDR5

Revenues are including parent and subsidiaries

Mobile IC

Revenue(Unit: NT Thousands)



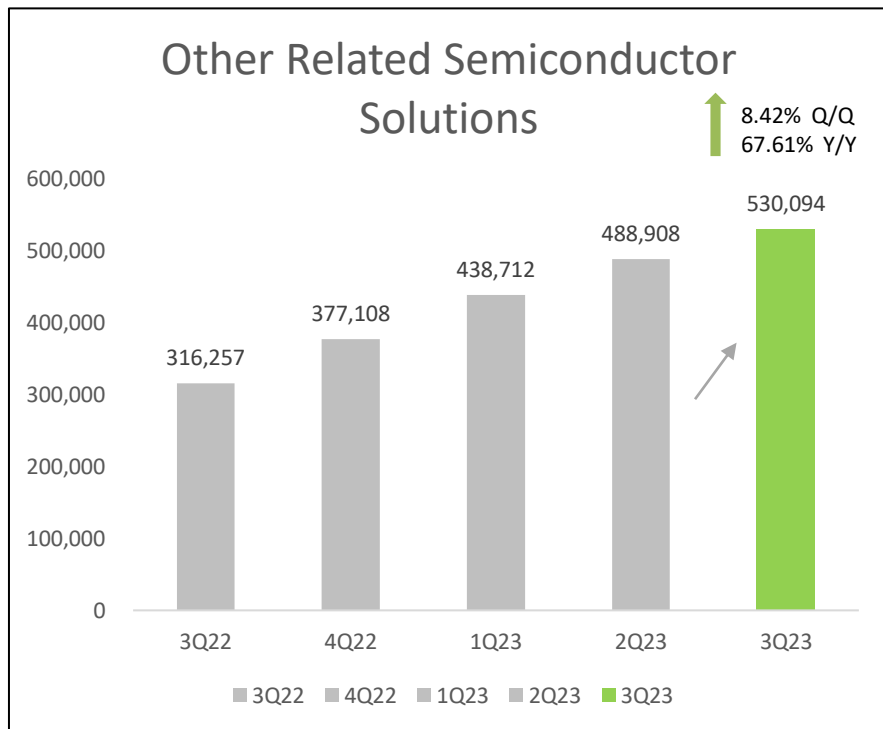
Highlights

- ▶ Quarterly growth rate mainly drive by TDDI Tablet/TDDI MBL.
- ▶ Annual growth rate mainly drive by TDDI MBL.
- ▶ Considering the Smartphone market is weak, we put AMOLED mobile IC to MP in 2Q24.

Mobile IC are including SDDI/TDDI/TFT wearable/OLED wearable/AMOLED smartphone
Revenues are including parent and subsidiaries

Other Related Semiconductor Solutions

Revenue(Unit: NT Thousands)



Highlights

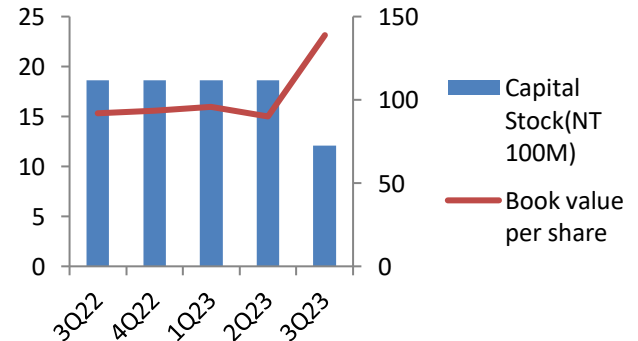
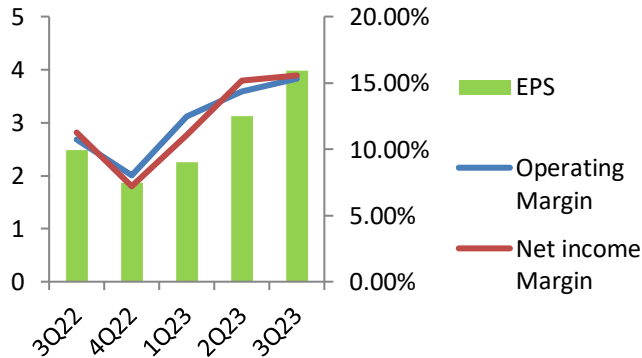
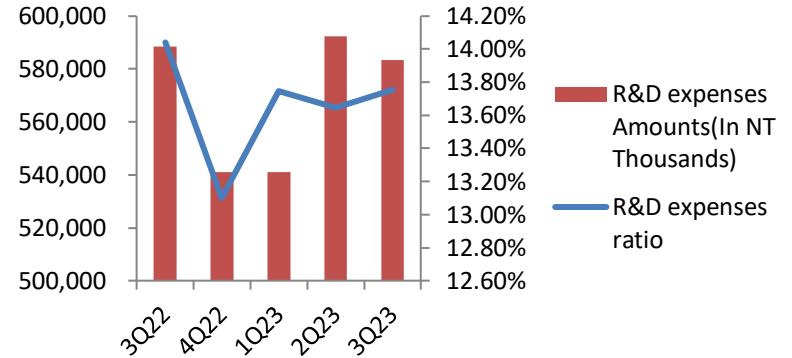
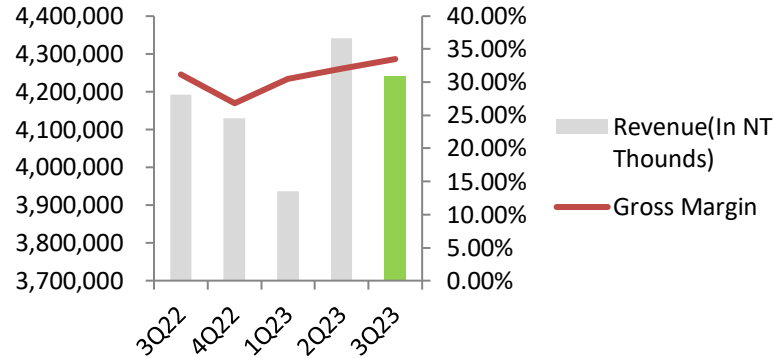
- ▶ Quarterly growth rate mainly drive by ESL/T-CON.
- ▶ Annual growth rate mainly drive by EPD/T-CON/ESL.
- ▶ T-CON is the key growth driver in this segment and gain more market share continually, NB T-CON will MP in 1Q24.
- ▶ Sensor product will MP in 1Q24.
- ▶ NEW product line(new IC) will classify at this segment (Other SEMI) in near future.

Other Related Semiconductor Solutions are including T-CON/EPD/ESL
Revenues are including parent and subsidiaries

Consolidated Financial Results in past 5 Quarters

Item/Year	3Q22	4Q22	1Q23	2Q23	3Q23
Revenue(In NT Thounds)	4,191,652	4,129,915	3,936,819	4,340,870	4,241,538
Gross Margin	31.18%	26.79%	30.48%	32.03%	33.47%
R&D expenses ratio	14.04%	13.10%	13.74%	13.64%	13.75%
R&D expenses Amounts(In NT Thousands)	588,505	541,095	541,095	592,241	583,346
Operating Margin	10.75%	8.01%	12.48%	14.35%	15.33%
Net income Margin	11.28%	7.23%	11.08%	15.17%	15.57%
EPS	2.48	1.87	2.26	3.13	3.98
Capital Stock(NT 100M)	18.65	18.65	18.65	18.65	12.12
Book value per share	92.15	93.43	96.05	90.07	139.12
Total Assets(NT Thounds)	24,803,927	25,455,457	25,380,439	25,546,702	24,576,699
Debt Ratio	15.71%	16.84%	14.84%	19.92%	15.73%

Key Indices in past 5 Quarters





9 Months 2023 Financial Results

1/1-9/30 Consolidated Income Statement

ITEM (In NT Thousands)	2023 1/1-9/30	2022 1/1-9/30	Y/Y
Revenue	12,519,227	15,550,510	-19.49%
Gross Profit	4,009,856	6,038,447	-33.59%
Gross Margin	32.03%	38.83%	-6.80%
Selling expenses	(266,043)	(322,270)	-17.45%
Administration expenses	(262,808)	(332,251)	-20.90%
R&D expenses	(1,716,682)	(1,854,066)	-7.41%
Operating expenses	(2,245,229)	(2,500,273)	-10.20%
Operating Expense Ratio	17.93%	16.08%	1.86%
Operating income	1,764,627	3,538,174	-50.13%
Operating Margin	14.10%	22.75%	-8.66%
Net non-operating income	356,635	91,288	290.67%
Net income before income tax	2,121,262	3,629,462	-41.55%
Income tax expense	(366,073)	(658,684)	-44.42%
Net income	1,755,189	2,970,778	-40.92%
Owners of the parent	1,614,062	2,721,761	-40.70%
Net income Margin	14.02%	19.10%	-5.08%
EPS (NT Dollar)	9.21	14.62	-37.00%
ROE	9.43%	16.49%	-7.06%



Fitipower Overview

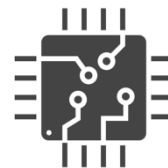
“IT'S OFFICIAL: FITIPOWER IS NOT JUST A DRIVER IC COMPANY ANYMORE”



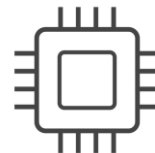
HQ :
Hsinchu
Science Park
Taiwan
Headcount : 900

Our Core Business

Display IC



PMIC



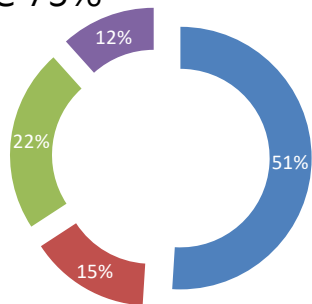
Others
SEMI



Change from Our Revenue Segment

9 months ended 2023

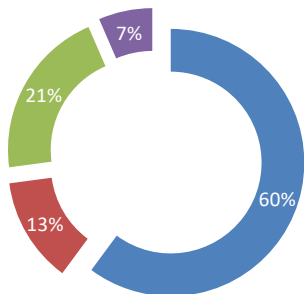
DDIC 73%



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

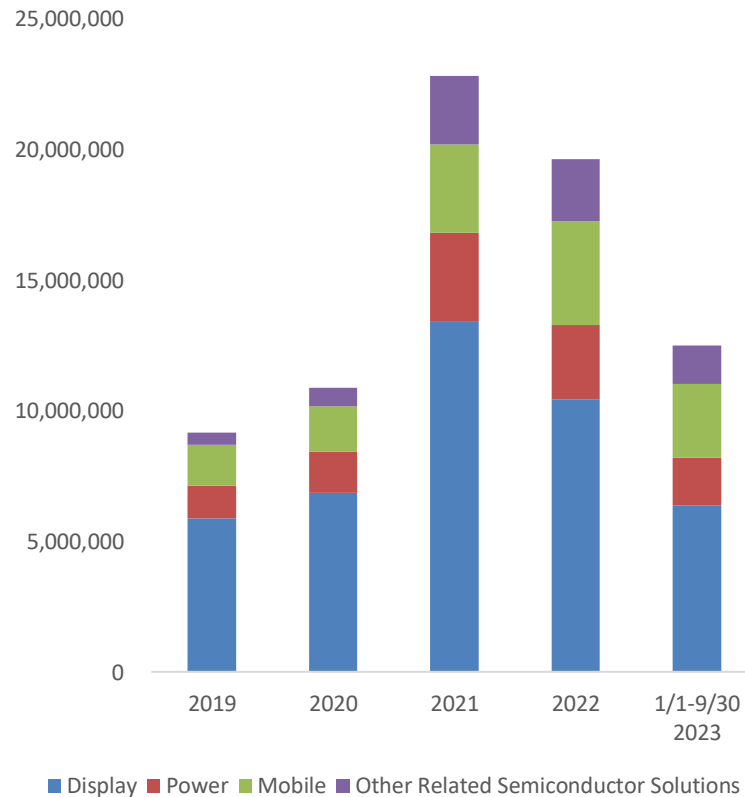
DDIC 81%

2018



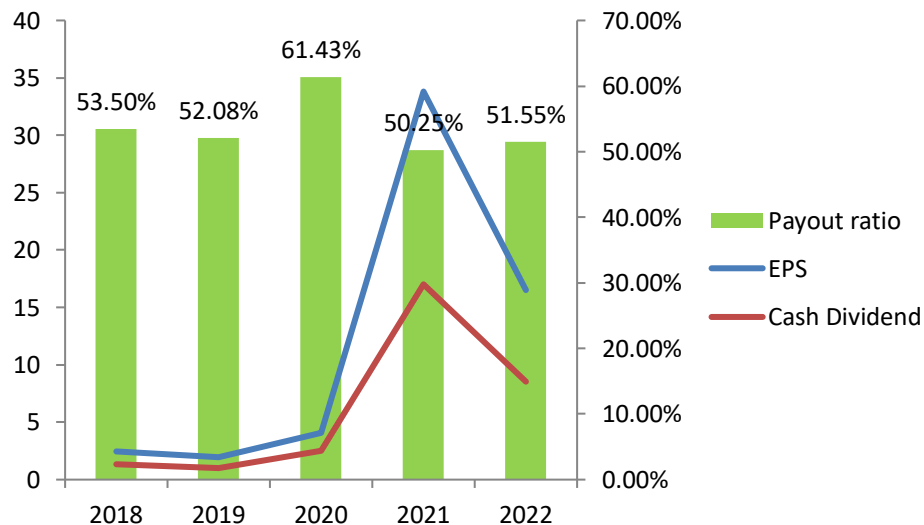
- L&M DDIC
- POWER IC
- S DDIC
- Others SEMI

Business Mix (%)



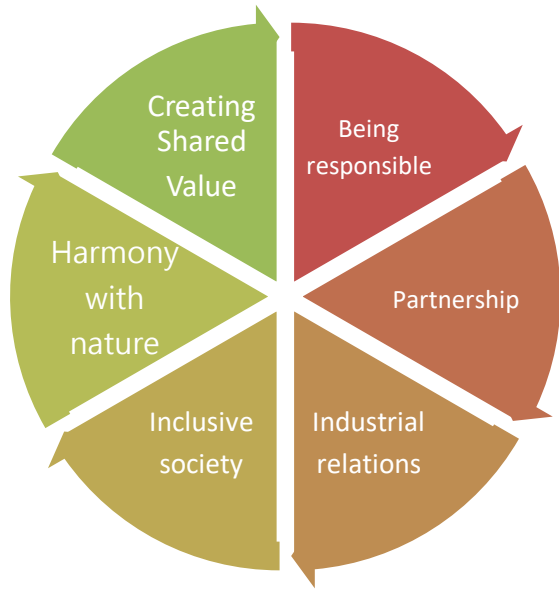
Dividend and Payout Ratio

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%



COMMITMENT TO ESG

2023



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

ISO 14001 and ISO 45001 certification is anticipated in 2023. For the product carbon footprint, we are progressively establishing product carbon footprint assessments and have completed the development of a platform for assessing carbon reduction benefits associated with energy-efficient product design.

ISO 14064 is expected to be implemented in 2024 with certification targeted for Q1 2025. Regarding climate risk and opportunities, we have undertaken TCFD framework disclosures and conducted comprehensive assessments of financially quantified impacts. We plan to release a "Climate-Related Financial Disclosure Report" in Q1 2025.

In the area of supply chain management, we aim to complete the sustainability assessment process for suppliers in 2023 and begin its implementation in 2024. ISO 27001 certification has already been obtained.

Glory of Fitipower

- ▼ 2022- Ranked 3rd in the Top 50 Performing Companies by CommonWealth Magazine.
- ▼ 2022- Ranked as one of the HBR TOP 100 CEOs.
- ▼ 2023- Ranked 2nd on HBR's (Female) Top Executives in the Publicly Listed Companies as the General Manager.
- ▼ 2023-Taiwan Best-in-Class 100

Recap of Recent Major Events

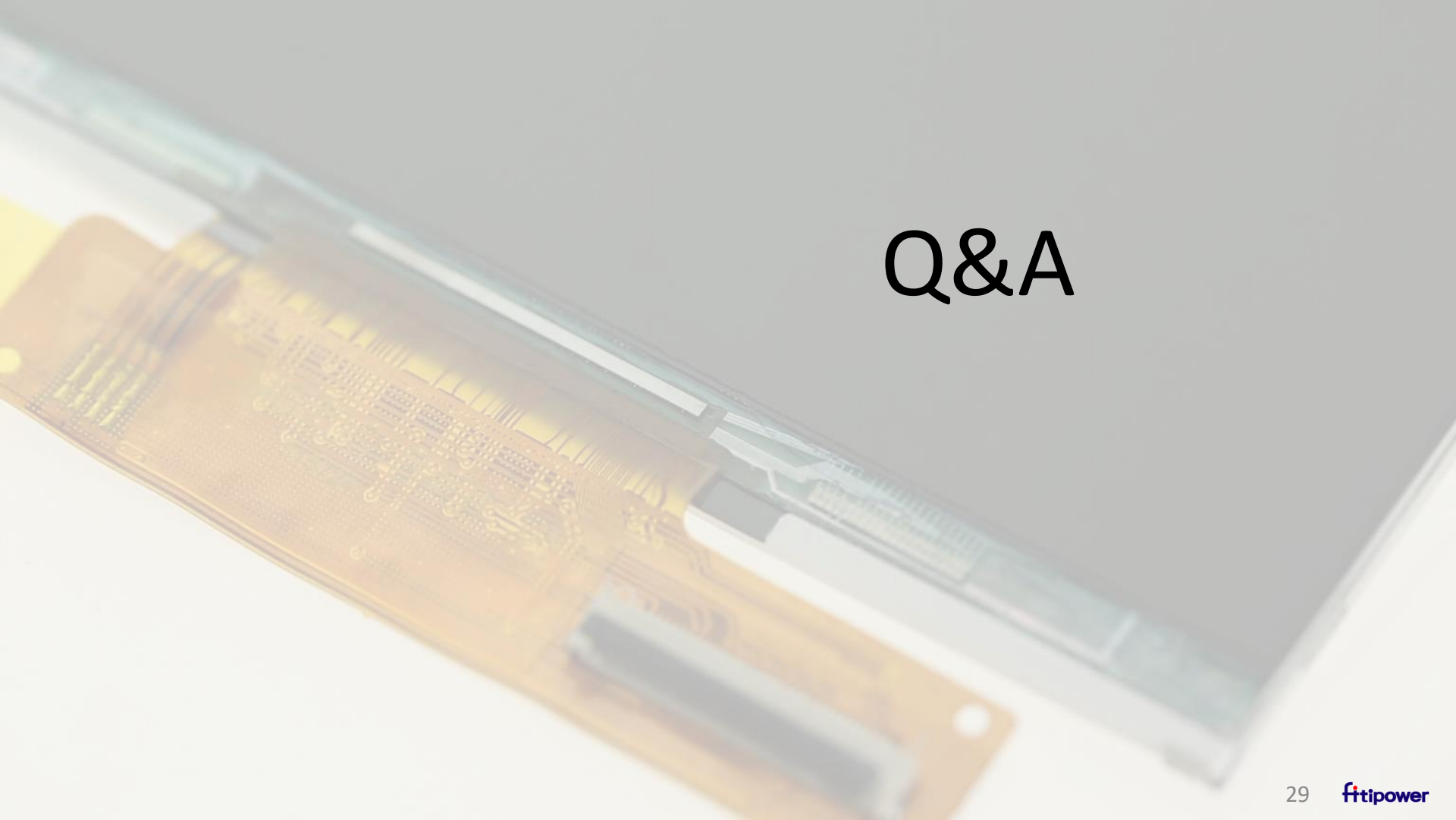
- ▼ After Fitipower capital reduction, it has been relisted with a new registered capital of 1.212 billion NTD.(2023/9/18)



CEO Key Messages

CEO Key Messages

- ▼ Key Growth Drivers (Short-term and Long-term)
- ▼ Recent demand and inventory levels



Q&A



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