



Fitipower
4Q2023
Investor Conference

2024.2.21

*Drive your heart
Power your life*

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AGENDA

- **4Q23 Financial Results(unaudited)**
- **2023 Financial Results(unaudited)**
- **Fitipower Overview**
- **CEO Key Messages**
- **Q&A**

James Chen IR

Young Lin Chairman



4Q2023 Financial Results

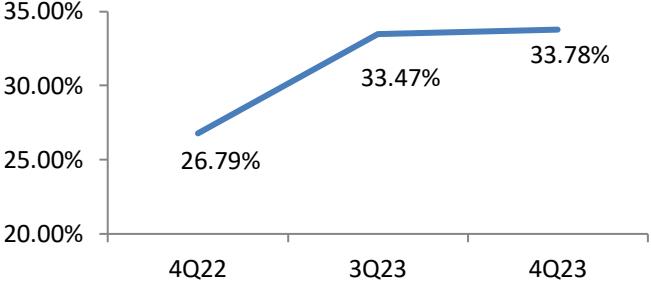
4Q23 unaudited Consolidated Income Statement

ITEM (In NT Thousands)	4Q23	3Q23	Q/Q	4Q22	Y/Y
Revenue	3,767,293	4,241,538	-11.18%	4,129,915	-8.78%
Gross Profit	1,272,620	1,419,432	-10.34%	1,106,578	15.00%
Gross Margin	33.78%	33.47%	0.31%	26.79%	6.99%
Selling expenses	(87,184)	(94,680)	-7.92%	(87,330)	-0.17%
Administration expenses	(75,442)	(91,052)	-17.14%	(98,472)	-23.39%
R&D expenses	(528,580)	(583,346)	-9.39%	(588,505)	-10.18%
Operating expenses	(691,202)	(769,094)	-10.13%	(775,932)	-10.92%
Operating Expense Ratio	18.35%	18.13%	0.22%	18.79%	-0.44%
Operating income	581,418	650,338	-10.60%	330,646	75.84%
Operating Margin	15.43%	15.33%	0.10%	8.01%	7.43%
Net non-operating income	99,081	146,226	-32.24%	(3,701)	-2777.14%
Net income before income tax	680,499	796,564	-14.57%	326,945	108.14%
Income tax expense	(68,489)	(135,978)	-49.63%	(28,538)	139.99%
Net income	612,010	660,586	-7.35%	298,407	105.09%
Owners of the parent	536,151	611,248	-12.29%	348,545	53.83%
Net income Margin	16.25%	15.57%	0.68%	7.23%	9.02%
EPS (NT Dollar)	4.43	3.98	11.31%	1.87	136.90%
ROE of the parent company	3.14%	3.64%	-0.50%	2.02%	1.12%

Key Ratio Chart

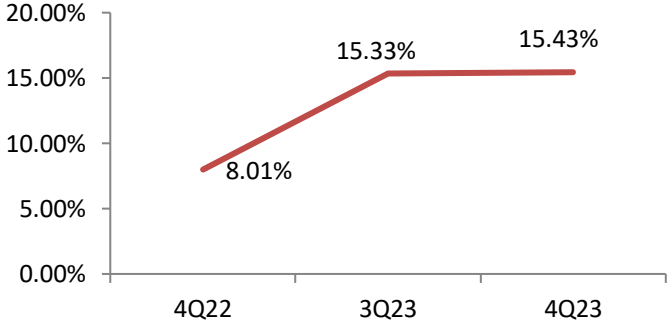
Gross Margin

↑ Y/Y +699bps



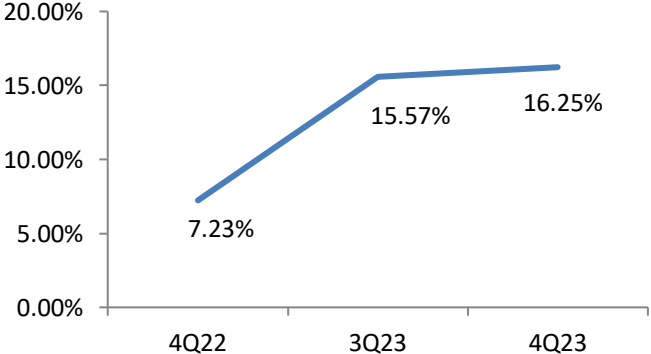
Operating Margin

↑ Y/Y +743bps

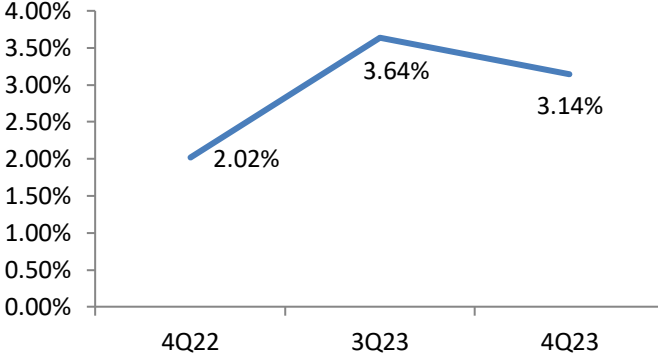


Net Income Margin

↑ Y/Y +902bps



ROE

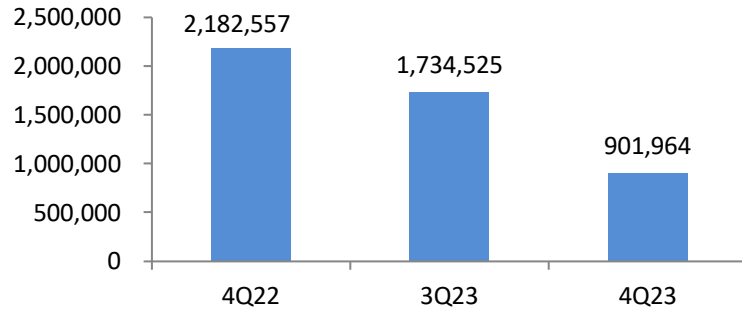


4Q23 unaudited Consolidated Balance Sheets & Key Indices

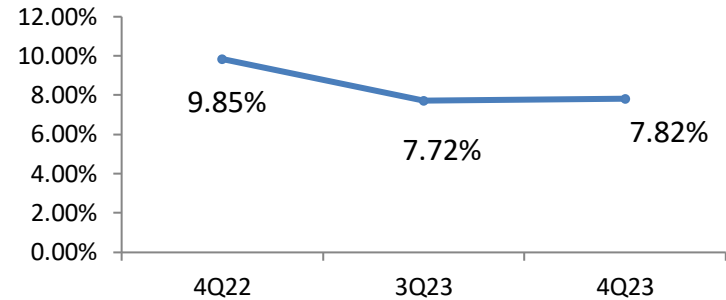
Selected Items from Balance Sheets (In NT Thousands)	4Q23		3Q23		4Q22	
	Amount	%	Amount	%	Amount	%
Cash&Marketable Securities	1,933,863	7.8	2,907,221	11.8	6,758,947	26.6
CFAFV	10,583,314	42.6	9,470,977	38.5	9,642,472	37.9
Accounts Receivable	2,546,735	10.2	3,192,021	13.0	2,744,399	10.8
Inventories	1,945,787	7.8	1,897,844	7.7	2,506,847	9.8
Other current assets	165,839	0.7	90,858	0.4	165,506	0.7
Non-current financial assets at amortised cost	5,668,370	22.8	5,077,250	20.7	0	0.0
Net PP&E	1,028,598	4.1	1,072,232	4.4	1,054,976	4.1
Intangible assets	63,003	0.3	73,972	0.3	83,883	0.3
Other non current assets	649,514	2.6	670,960	2.7	2,394,852	9.4
Total Assets	24,872,281	100.0	24,576,699	100.0	25,455,457	100.0
Short-term debt	0	0.0	0	0.0	220,734	0.9
Accounts Payable	2,644,631	10.6	2,981,638	12.1	1,891,917	7.4
dividends payable	0	0.0	0	0.0	0	0.0
Other current liabilities	19,880	0.1	19,926	0.1	985,140	3.9
Total non current liabilities	430,108	1.7	275,811	1.1	246,161	1.0
Total Liabilities	3,675,813	14.8	3,864,914	15.7	4,311,948	16.9
Total Shareholders' Equity	21,196,468	85.2	20,711,785	84.3	21,143,509	83.1
Net Shareholders' Equity of the Parent Company	17,319,043		16,835,882		17,394,713	
Key indices						
A/R Turnover Days	68.55		66.58		65.85	
Inventory Turnover Days	69.33		65.79		84.7	
Cash from operating activities	901,964		1,734,525		2,182,557	
Free cash flow	829,537		1,607,390		1,991,174	

Key Indices

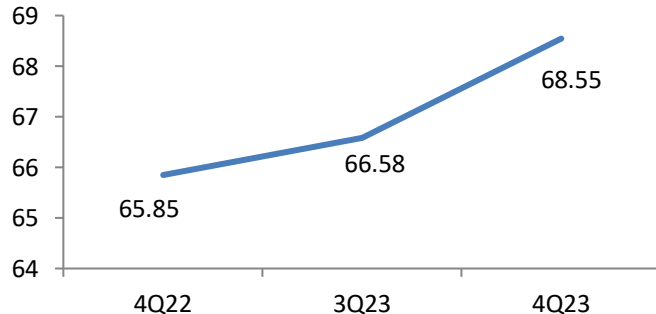
Cash from operating activities



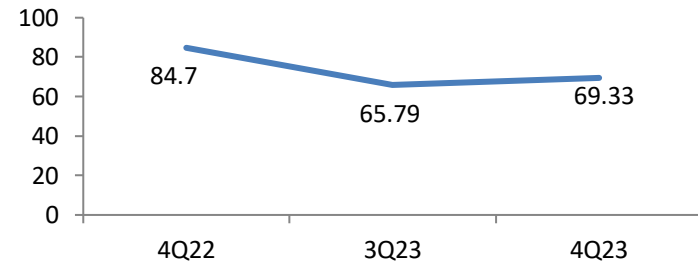
Inventories by Total Assets



A/R Turnover Days



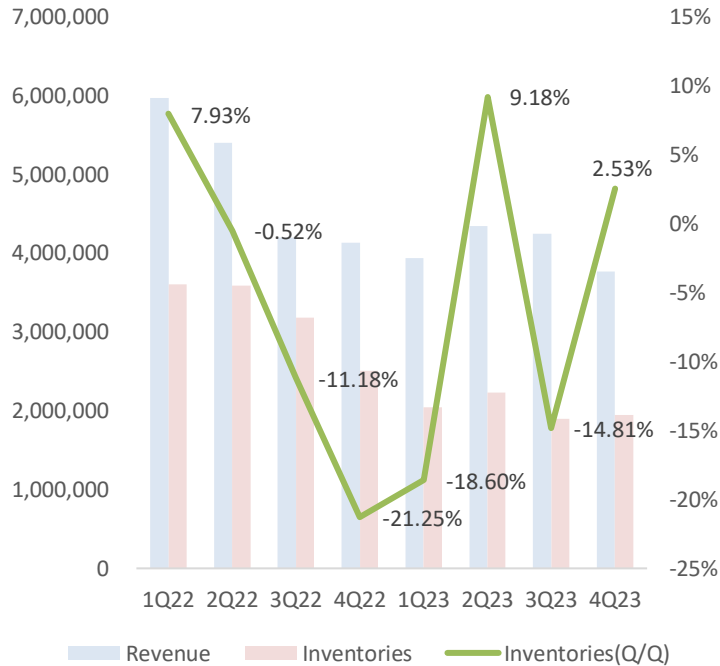
Inventories Turnover Days



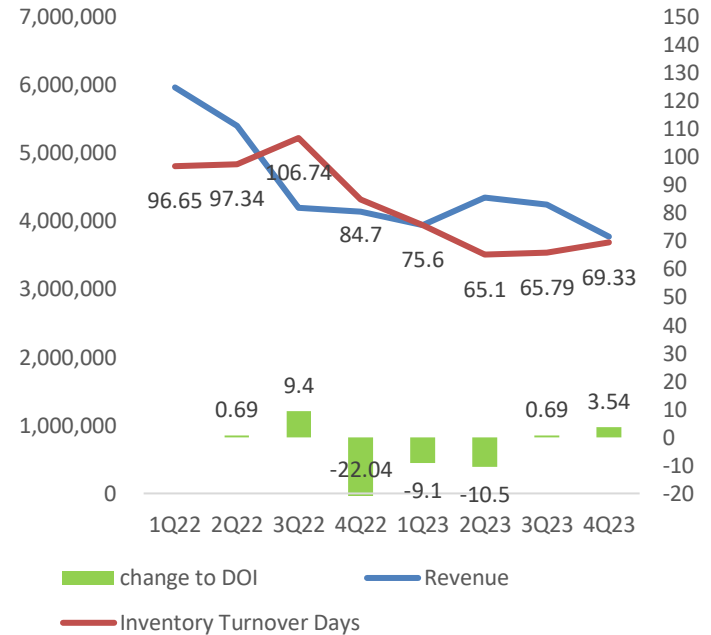
Past 8 quarters Rev/Inventories/change to DOI

8 Quarter

Rev/Inventories/Inventories(Q/Q)

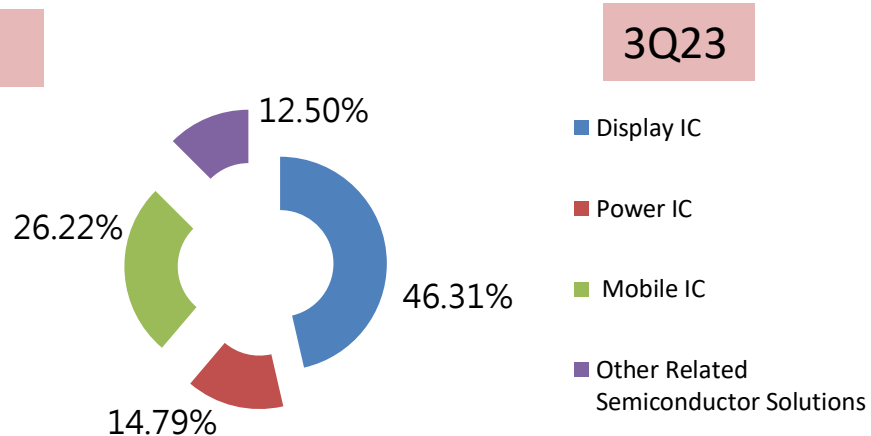
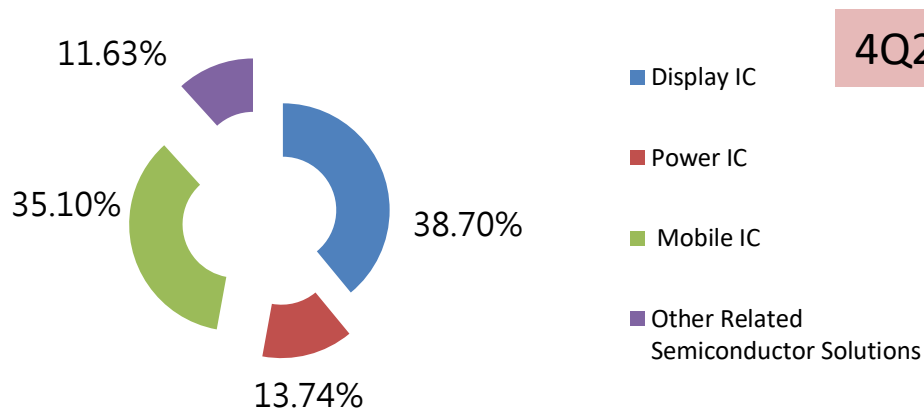


8 Quarter REV/DOI/DOI change

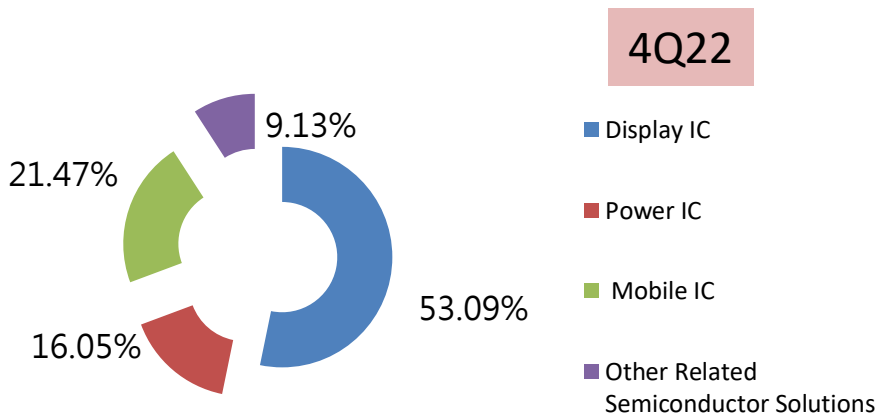


DOI lower than past 5 years average

4Q23 Revenues By Product Segment



Segment	4Q2022	3Q2023	Q/Q Change%	4Q2023
Display IC	53.09%	46.31%	-7.61%	38.70%
Power IC	16.05%	14.79%	-1.05%	13.74%
Mobile IC	21.47%	26.22%	+8.88%	35.10%
Other Related Semiconductor Solutions	9.13%	12.50%	-0.87%	11.63%

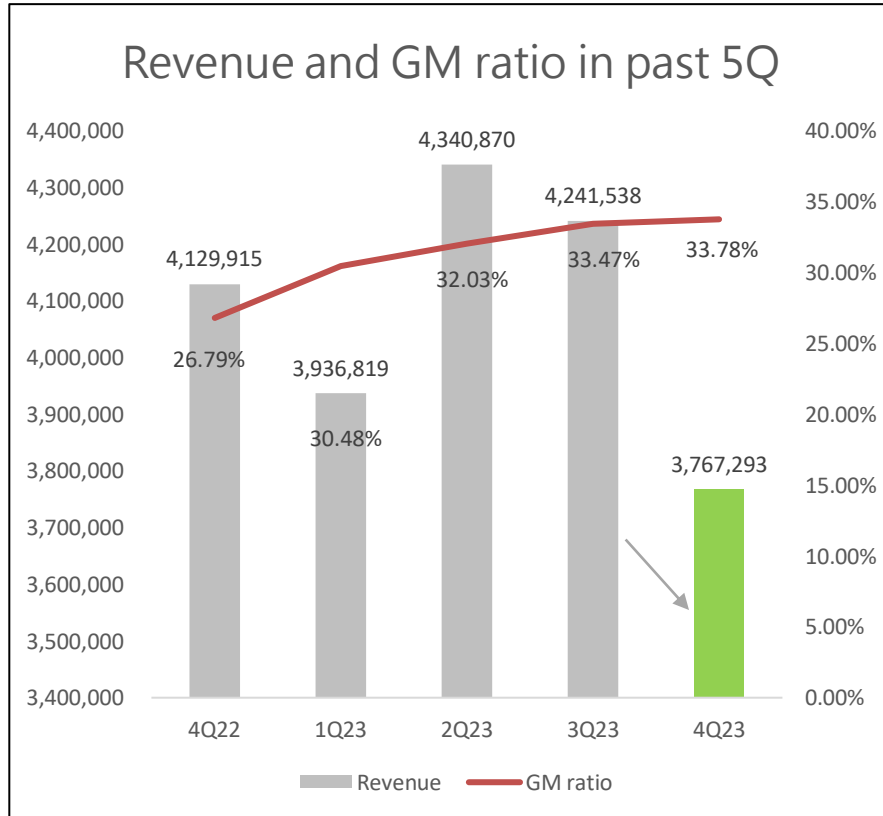


Display IC including Large(TV/NB/MNT)/Medium(Automotive/IPC) DDIC
 Other Related Semiconductor Solutions including T-CON/EPD/ESL

Consolidated REV and GM in past 5 quarter

Revenue(Unit: NT Thousands)

Highlights

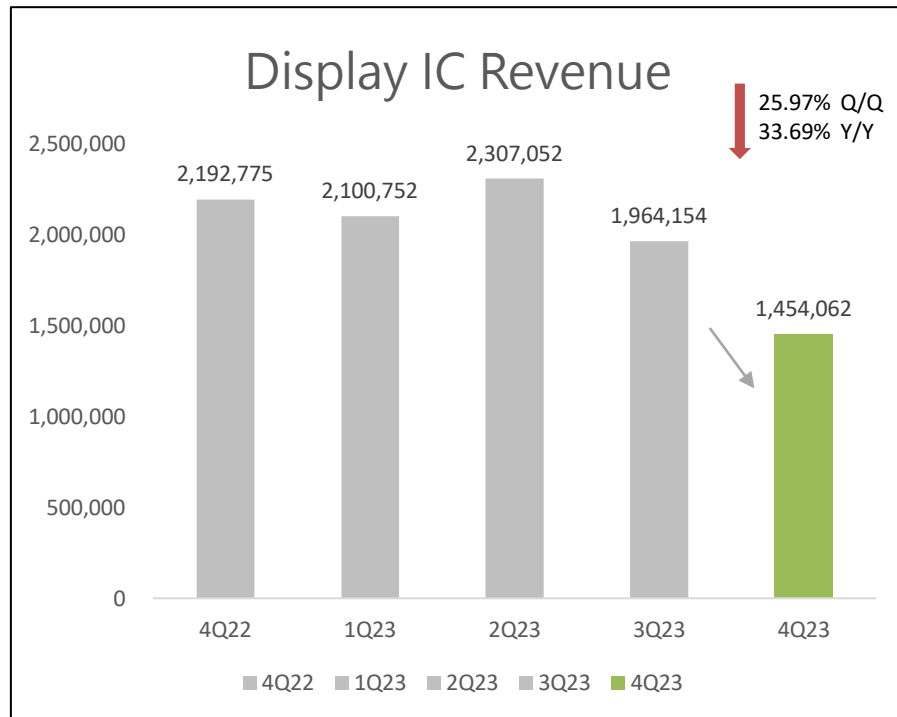


- ▶ In the fourth quarter of 2023, the revenue decreased by 11.18% quarter-over-quarter (Q/Q) and 8.78% year-over-year (Y/Y), reaching a new low in the past five quarters. The main reason for the decline in revenue in the fourth quarter was the impact of capacity adjustments by large-size customers, which resulted in a decrease in shipment volume.
- ▶ In the Q/Q revenue, the main growth driver came from Mobile IC. In the Y/Y revenue, the main growth drivers were Mobile IC and other related semiconductor ICs in sequence.
- ▶ The gross margin continued to balance customer, manufacturing supplier, and inventory factors, striving for the best equilibrium. The upward trend in gross margin in the fourth quarter was mainly attributed to product mix, new product mass production.

Revenues are including parent and subsidiaries

Display IC(large and medium size)

Revenue(Unit: NT Thousands)



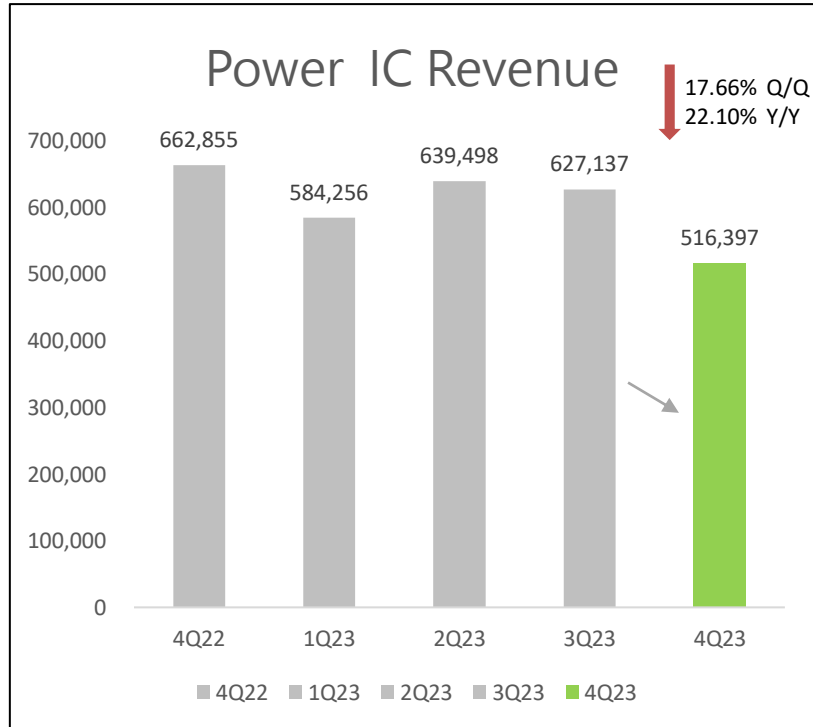
Highlights

- ▼ In the Q/Q consolidated revenue, the decline in TV and MNT is more pronounced due to customer production cuts.
- ▼ In the Y/Y consolidated revenue, the primary growth driver is NB (Notebook).
- ▼ The overall large and medium-sized market shows consecutive quarterly declines attributed to customer factors and market production reductions to maintain pricing.
- ▼ In the first quarter, there was another surge in urgent orders for TVs, while MNT and NB are patiently awaiting an economic upturn.

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

- ▶ In the Q/Q consolidated revenue, the primary sources of growth are sequentially VCM and ebook PMIC.
- ▶ In the Y/Y consolidated revenue, the main growth drivers, in sequence, are Others, VCM, ebook PMIC.
- ▶ The existing products continue to expand their customer base and market share.
- ▶ The volume of DDR5 is gradually increasing, and other products such as in-vehicle Infotainment HVBUCK and next-generation multi-protocol controller IC are expected to contribute to revenue growth in the coming periods.

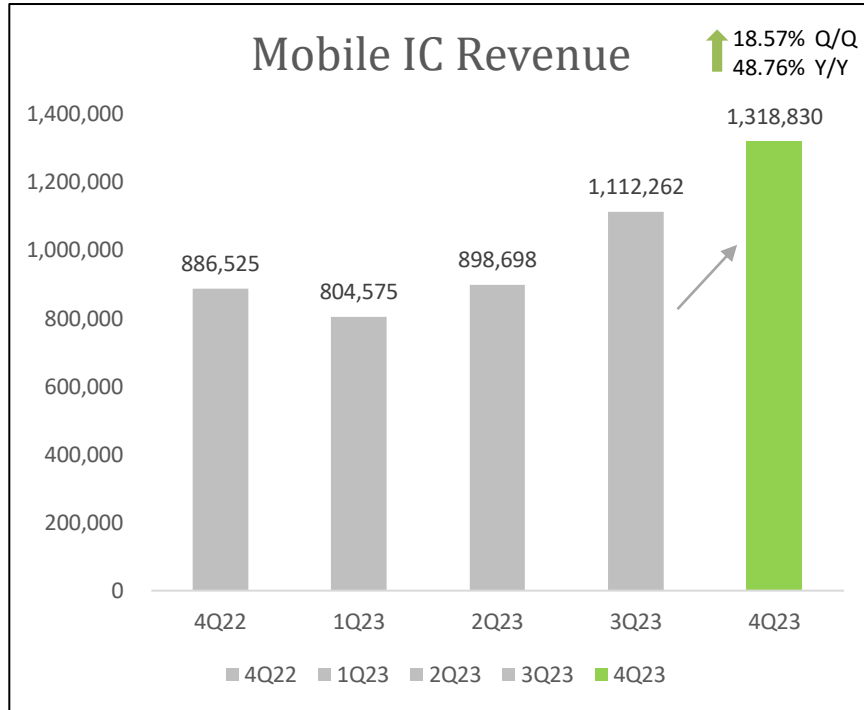
Regulator(LVBUCK,LDO,BOOST)

Others are including LED/SW/Motor/DDR5

Revenues are including parent and subsidiaries

Mobile IC

Revenue(Unit: NT Thousands)



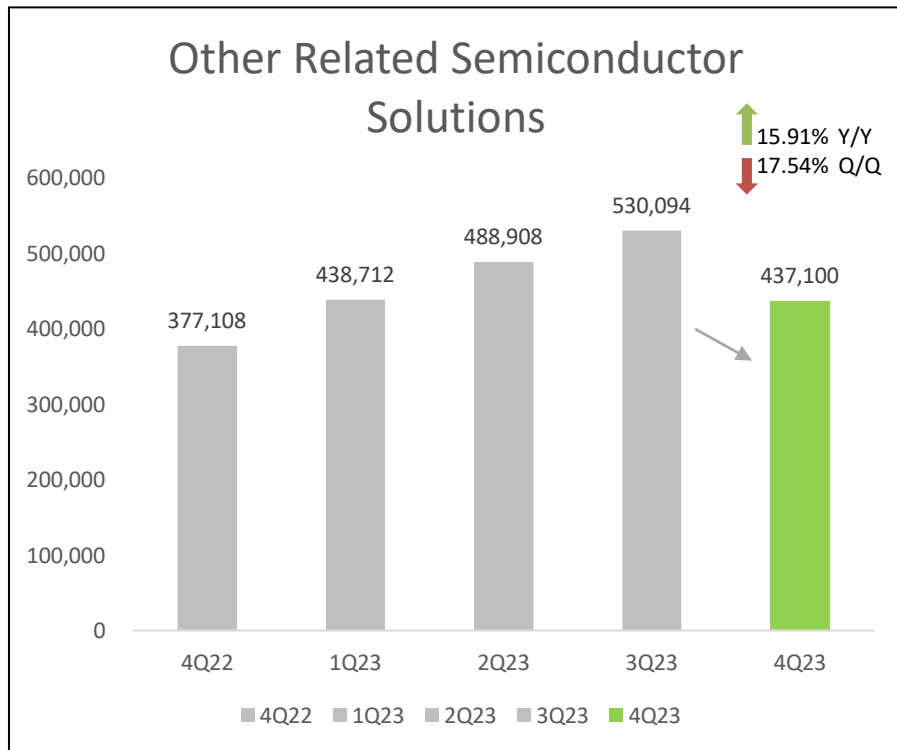
Highlights

- ▶ In the Q/Q analysis, the sequential sources of growth are TFT for wearables and TDDI for mobile.
- ▶ In the Y/Y comparison, the primary source of growth is TDDI for mobile.
- ▶ Starting from the second quarter of 2024, AMOLED DDI is expected to contribute to revenue growth.

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

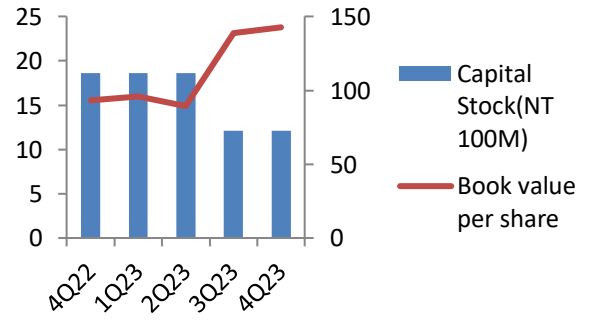
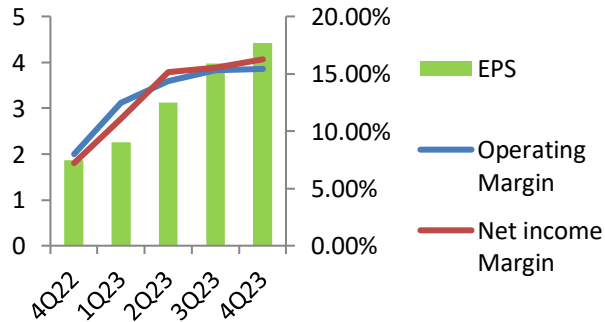
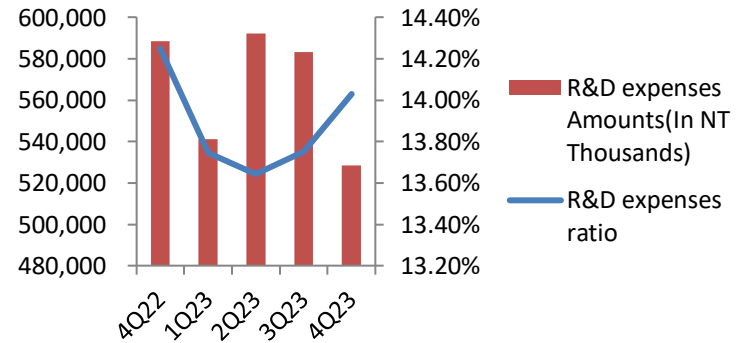
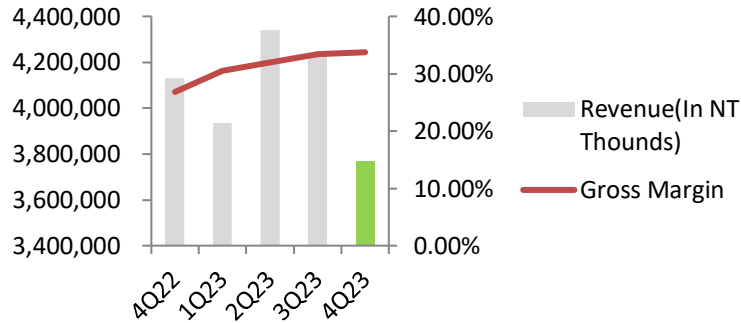
- ▶ In the Q/Q consolidated revenue analysis, the main sources of growth, in sequence, are ESL.
- ▶ In the Y/Y consolidated revenue analysis, the primary sources of growth, in sequence, are EPD and ESL.
- ▶ The NB T-CON product has entered mass production in the first quarter of 2024.
- ▶ Sensor 1Q24 has commenced mass production
- ▶ In the upcoming quarters, new product lines will be incorporated into this segment, further contributing to growth.

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	4Q22	1Q23	2Q23	3Q23	4Q23
Revenue(In NT Thounds)	4,129,915	3,936,819	4,340,870	4,241,538	3,767,293
Gross Margin	26.79%	30.48%	32.03%	33.47%	33.78%
R&D expenses ratio	14.25%	13.74%	13.64%	13.75%	14.03%
R&D expenses Amounts(In NT Thousands)	588,505	541,095	592,241	583,346	528,580
Operating Margin	8.01%	12.48%	14.35%	15.33%	15.43%
Net income Margin	7.23%	11.08%	15.17%	15.57%	16.25%
EPS	1.87	2.26	3.13	3.98	4.43
Capital Stock(NT 100M)	18.65	18.65	18.65	12.12	12.12
Book value per share	93.25	95.86	89.89	138.85	142.83
Total Assets(NT Thounds)	25,455,457	25,380,439	25,546,702	24,576,699	24,872,281
Debt Ratio	16.94%	14.84%	19.92%	15.73%	14.78%

Key Indices in past 5 Quarters





2023 Financial Results

2023 unaudited Consolidated Income Statement

ITEM	2023	2022	Y/Y
(In NT Thousands)			
Revenue	16,286,520	19,680,425	-17.25%
Gross Profit	5,282,476	7,145,025	-26.07%
Gross Margin	32.43%	36.31%	-3.88%
Selling expenses	(353,227)	(409,600)	-13.76%
Administration expenses	(338,250)	(430,723)	-21.47%
R&D expenses	(2,245,262)	(2,442,571)	-8.08%
Operating expenses	(2,936,431)	(3,276,205)	-10.37%
Operating Expense Ratio	18.03%	16.65%	1.38%
Operating income	2,346,045	3,868,820	-39.36%
Operating Margin	14.40%	19.66%	-5.26%
Net non-operating income	455,716	87,587	420.30%
Net income before income tax	2,801,761	3,956,407	-29.18%
Income tax expense	(434,562)	(687,222)	-36.77%
Net income	2,367,199	3,269,185	-27.59%
Owners of the parent	2,150,213	3,070,306	-29.97%
Net income Margin	14.53%	16.61%	-2.08%
EPS (NT Dollar)	13.29	16.49	-19.41%
ROE	12.39%	18.47%	-6.08%



Fitipower Overview

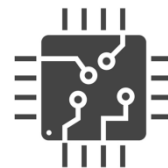
“IT'S OFFICIAL: FITIPOWER IS NOT JUST A DRIVER IC COMPANY ANYMORE”



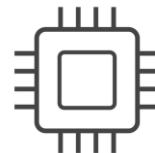
HQ :
Hsinchu
Science Park
Taiwan
Headcount : 900

Our Core Business

Display IC



PMIC



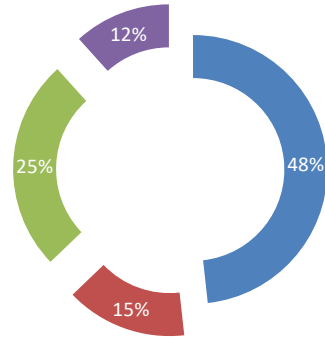
Others
SEMI



Change from Our Revenue Segment

2023

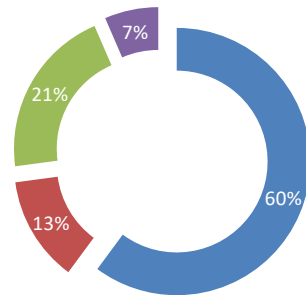
DDIC 73%



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

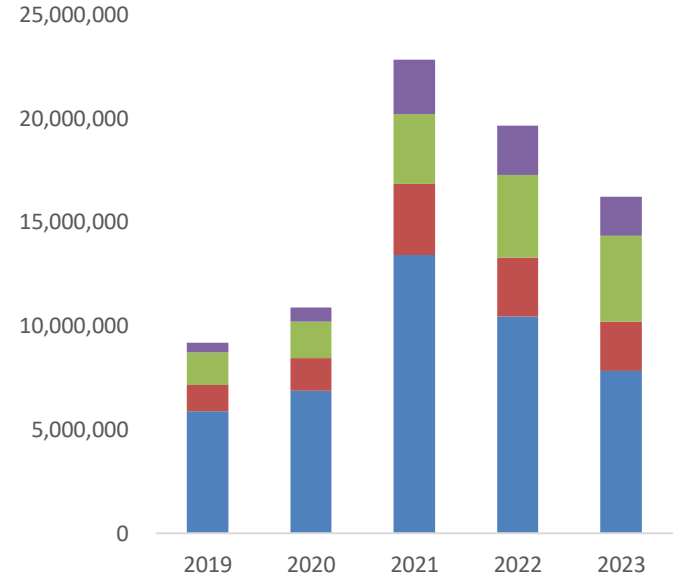
DDIC 81%

2018



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

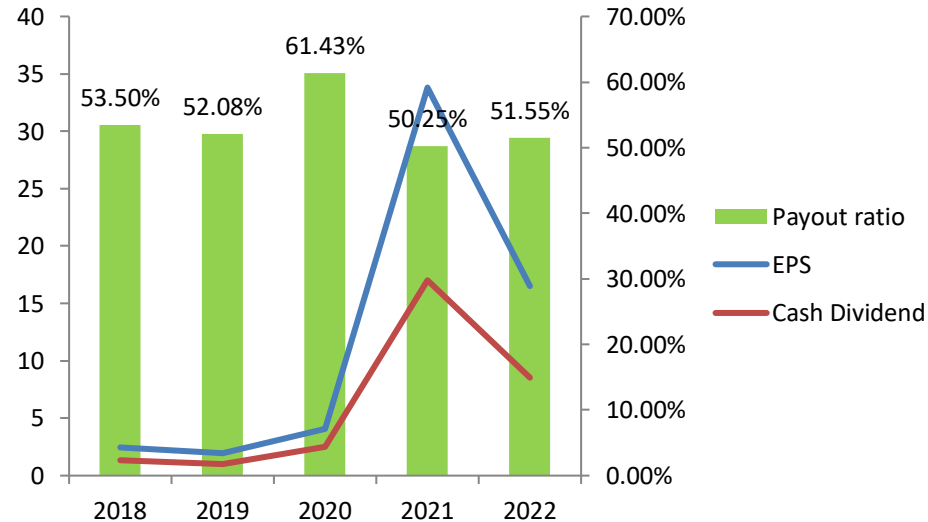
Business Mix (%)



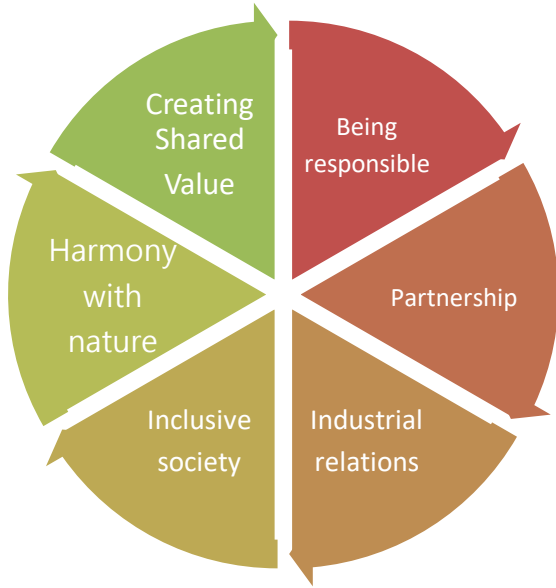
- Other Related Semiconductor Solutions
- Mobile
- Power
- Display

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



In 2023, we have enhanced our environmental, health and safety, and information security management systems through the implementation of ISO 14001, ISO 45001, and ISO 27001. Furthermore, significant progress has been made in the sustainable assessment of suppliers. We have revised relevant management procedures and established the Tanyu Supplier Code of Conduct, requiring our suppliers to adhere to these guidelines. Regular sustainability assessments will be conducted to factor into our collaborative considerations.

Looking ahead, we plan to further enhance our "carbon management" initiatives. Starting in 2024, we will implement the Task Force on Climate-related Financial Disclosures (TCFD) and the Greenhouse Gas Inventory System (ISO 14064). We anticipate completing the verification of data by Q1 2025. Additionally, we will conduct carbon assessments (ISO 14067) for our major products. Through comprehensive carbon data inventory and risk management, we aim to achieve net-zero carbon emissions by 2050.

Glory of Fitipower

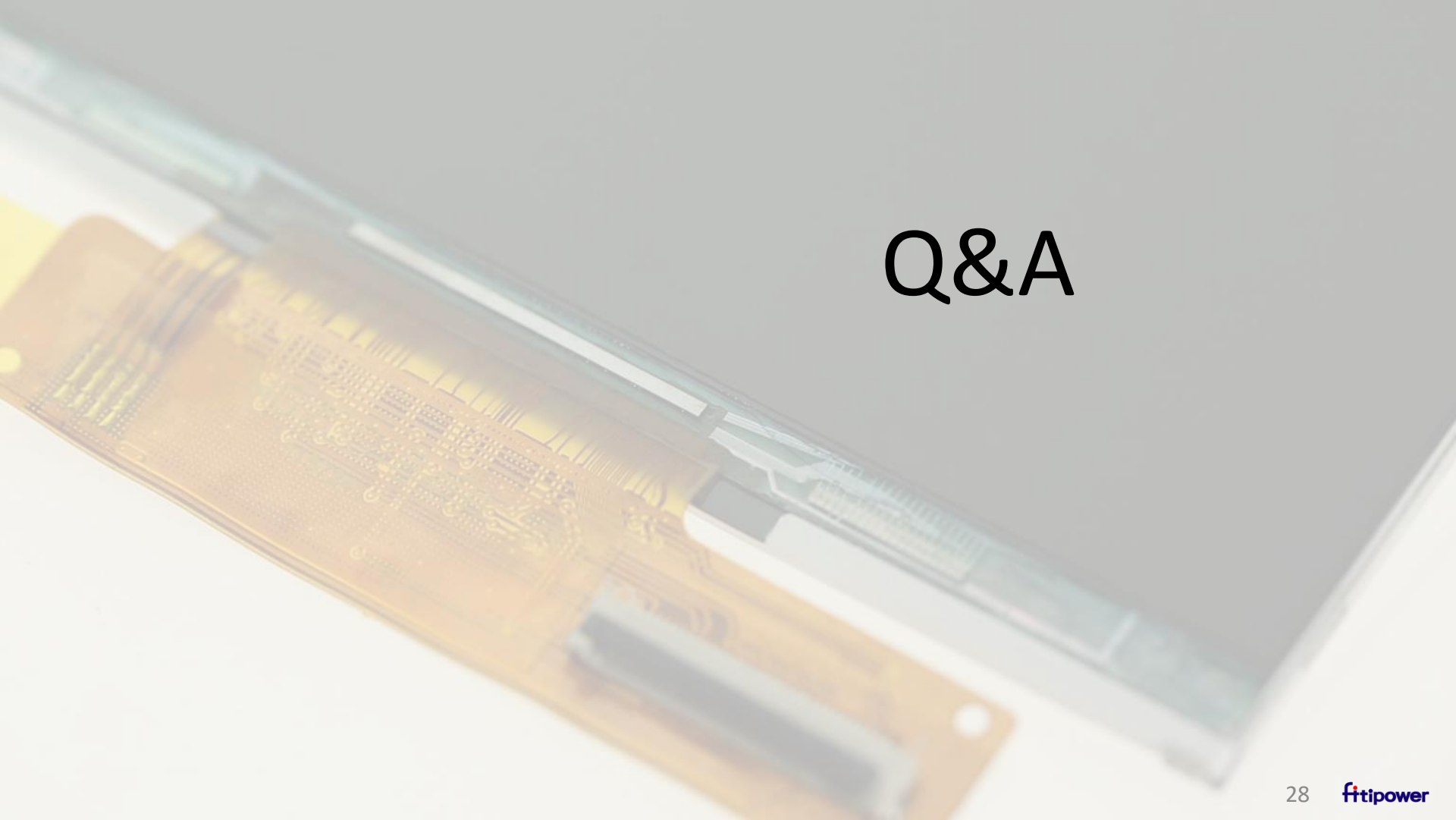
- ▼ 2022- Ranked 3rd in the Top 50 Performing Companies by CommonWealth Magazine.
- ▼ 2022- Ranked as one of the HBR TOP 100 CEOs.
- ▼ 2023- Ranked 2nd on HBR's (Female) Top Executives in the Publicly Listed Companies as the General Manager.
- ▼ 2023-Taiwan Best-in-Class 100
- ▼ 2024-7th Taiwan Mittelstand award by MOEA.



CEO Key Messages

CEO Key Messages

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



Q&A



<https://www.fitipower.com>
IR@fitipower.com
<https://www.fitipower-foundation.org/>