



Fitipower  
1Q2024  
Investor Conference

2024.5.10

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Power your life*

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# AGENDA

- 1Q24 Financial Results
- Fitipower Overview
- CEO Key Messages
- Q&A

James Chen IR

Young Lin Chairman



# 1Q2024 Financial Results

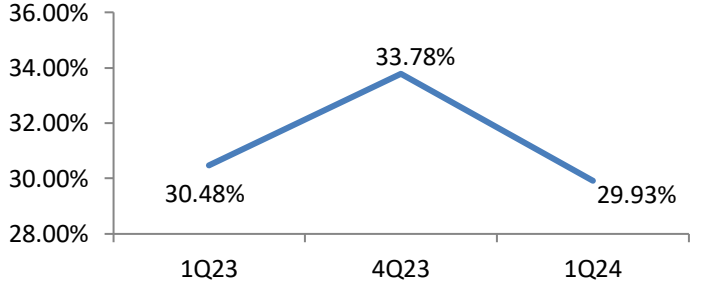
# 1Q24 Consolidated Income Statement

ITEM (In NT Thousands)	1Q24	4Q23	Q/Q	1Q23	Y/Y
Revenue	3,722,907	3,767,293	-1.18%	3,936,819	-5.43%
Gross Profit	1,114,165	1,272,620	-12.45%	1,199,921	-7.15%
Gross Margin	<b>29.93%</b>	<b>33.78%</b>	<b>-3.85%</b>	<b>30.48%</b>	<b>-0.55%</b>
Selling expenses	(85,078)	(87,184)	-2.42%	(79,828)	6.58%
Administration expenses	(91,951)	(75,442)	21.88%	(86,775)	5.96%
R&D expenses	(554,245)	(528,580)	4.86%	(541,095)	2.43%
Operating expenses	(731,281)	(691,201)	5.80%	(708,718)	3.18%
Operating Expense Ratio	19.64%	18.35%	1.29%	18.00%	1.64%
Operating income	382,884	581,418	-34.15%	491,203	-22.05%
Operating Margin	<b>10.28%</b>	<b>15.43%</b>	<b>-5.15%</b>	<b>12.48%</b>	<b>-2.20%</b>
Net non-operating income	141,121	99,081	42.43%	52,015	171.31%
Net income before income tax	524,005	680,499	-23.00%	543,218	-3.54%
Income tax expense	(74,611)	(68,489)	8.94%	(106,928)	-30.22%
Net income	449,394	612,010	-26.57%	436,290	3.00%
Owners of the parent	384,155	536,151	-28.35%	420,443	-8.63%
<b>Net income Margin</b>	<b>12.07%</b>	<b>16.25%</b>	<b>-4.18%</b>	<b>11.08%</b>	<b>0.99%</b>
EPS (NT Dollar)	3.17	4.43	-28.44%	2.26	40.27%
ROE of the parent company	<b>2.19%</b>	<b>3.14%</b>	<b>-0.95%</b>	<b>2.38%</b>	<b>-0.19%</b>

# Key Ratio Chart

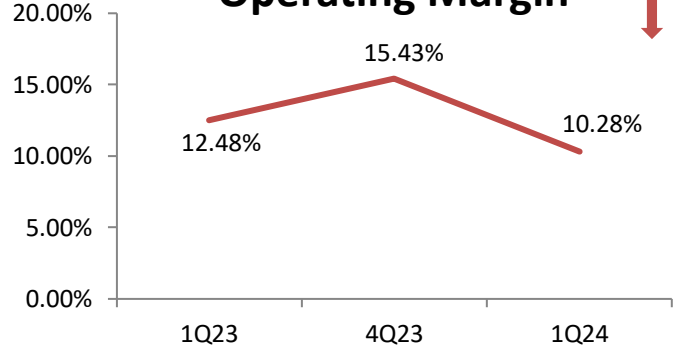
## Gross Margin

↓ Y/Y -55bps



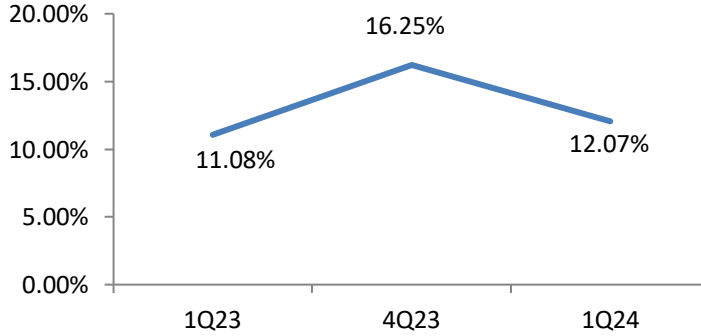
## Operating Margin

↓ Y/Y -220bps

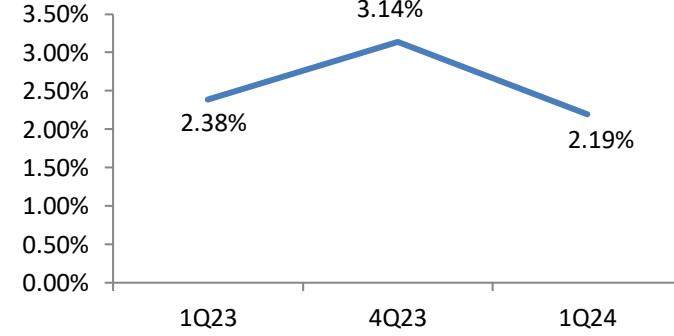


## Net Income Margin

↑ Y/Y +99bps



## ROE

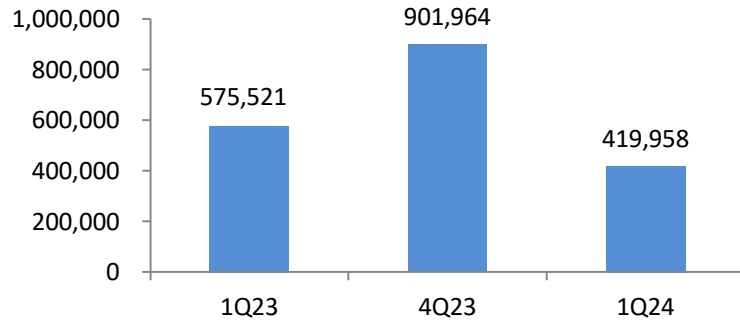


# 1Q24 Consolidated Balance Sheets & Key Indices

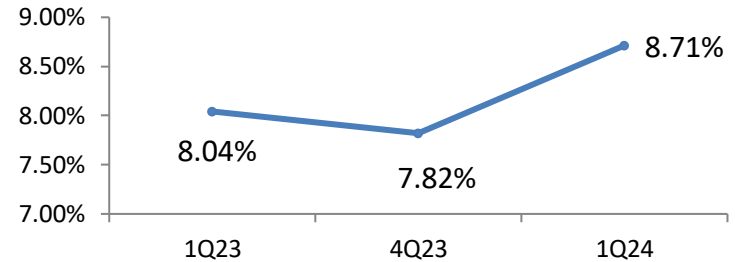
Selected Items from Balance Sheets (In NT Thousands)	1Q24		4Q23		1Q23	
	Amount	%	Amount	%	Amount	%
Cash&Marketable Securities	2,038,512	7.9	1,933,863	7.8	6,464,849	25.5
CFAFV	10,800,335	41.9	10,583,314	42.6	10,570,471	41.6
Accounts Receivable	2,838,848	11.0	2,546,735	10.2	2,885,086	11.4
Inventories	2,245,885	8.7	1,945,787	7.8	2,040,569	8.0
Other current assets	201,204	0.8	165,839	0.7	155,015	0.6
Non-current financial assets at amortised cost	5,862,640	22.7	5,668,370	22.8	0	0.0
Net PP&E	1,023,173	4.0	1,028,598	4.1	1,056,182	4.2
Intangible assets	125,656	0.5	63,003	0.3	88,784	0.3
Other non current assets	341,213	1.3	649,514	2.6	1,981,453	7.8
<b>Total Assets</b>	<b>25,775,818</b>	<b>100.0</b>	<b>24,872,281</b>	<b>100.0</b>	<b>25,380,439</b>	<b>100.0</b>
Accounts Payable	3,004,084	11.7	2,644,631	10.6	2,425,187	9.6
Other current liabilities	14,568	0.1	19,880	0.1	18,603	0.1
Total non current liabilities	478,973	1.9	430,108	1.7	261,281	1.0
<b>Total Liabilities</b>	<b>4,162,986</b>	<b>16.2</b>	<b>3,675,813</b>	<b>14.8</b>	<b>3,766,022</b>	<b>14.8</b>
<b>Total Shareholders' Equity</b>	<b>21,612,832</b>	<b>83.8</b>	<b>21,196,468</b>	<b>85.2</b>	<b>21,614,417</b>	<b>85.2</b>
Net Shareholders' Equity of the Parent Company	17,701,716		17,319,043		17,883,078	
<b>Key indices</b>						
A/R Turnover Days	65.10		68.55		64.35	
Inventory Turnover Days	72.31		69.33		74.77	
Cash from operating activities	419,958		901,964		575,521	
Free cash flow	329,970		829,537		485,659	

# Key Indices

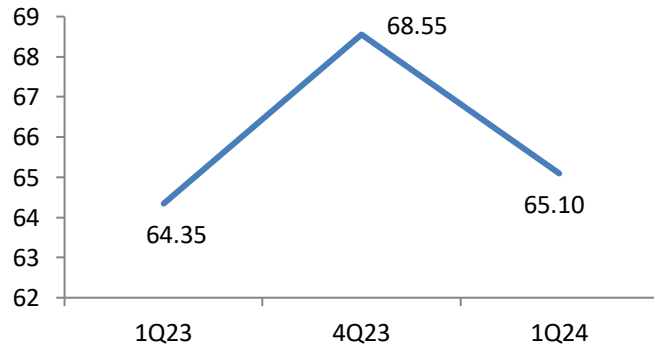
## Cash from operating activities



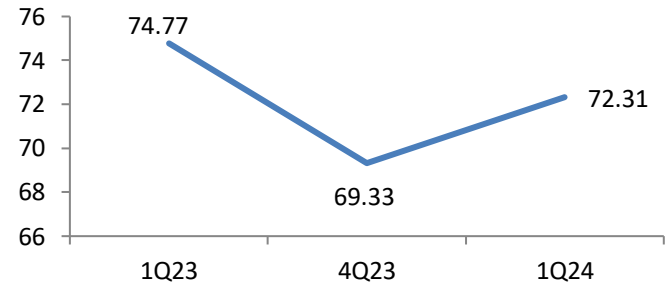
## Inventories by Total Assets



## A/R Turnover Days

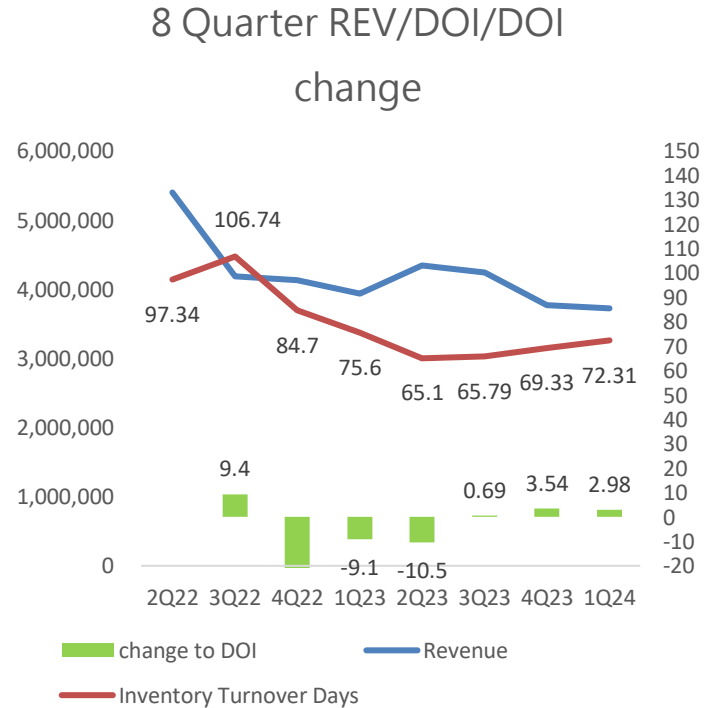
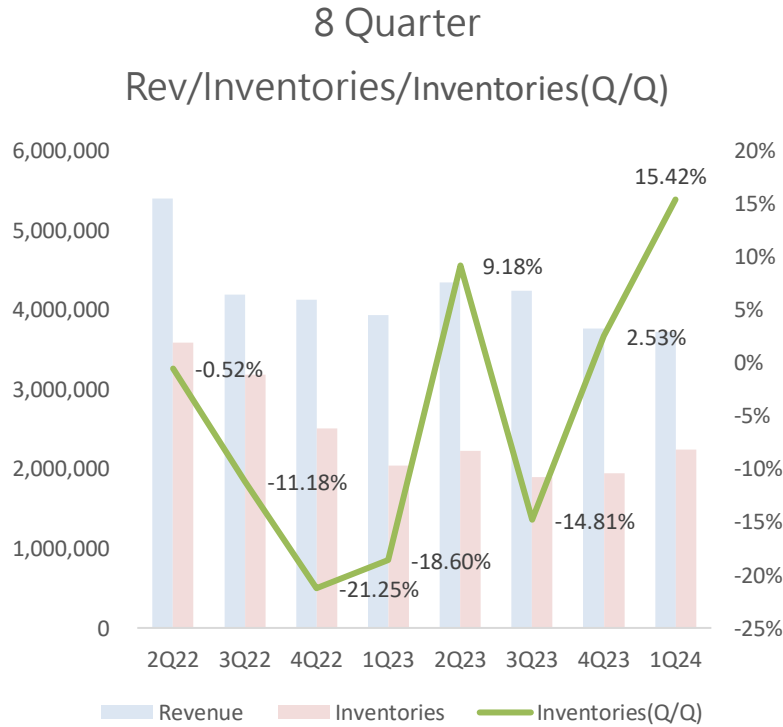


## Inventories Turnover Days



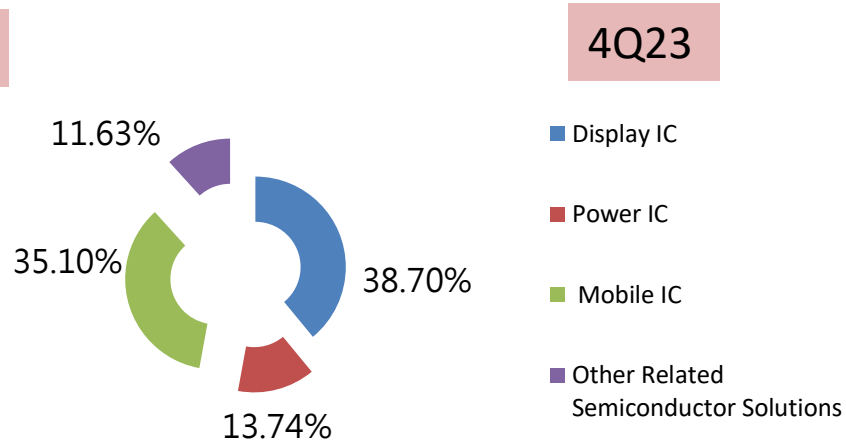
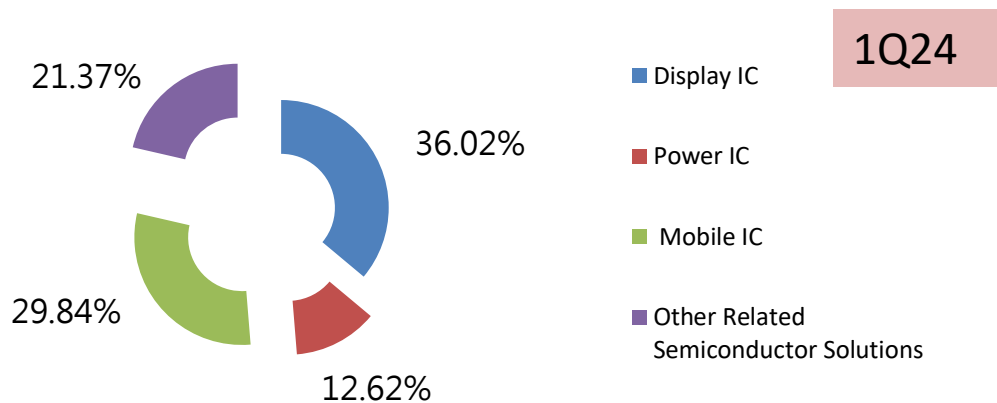


# Past 8 quarters Rev/Inventories/change to DOI



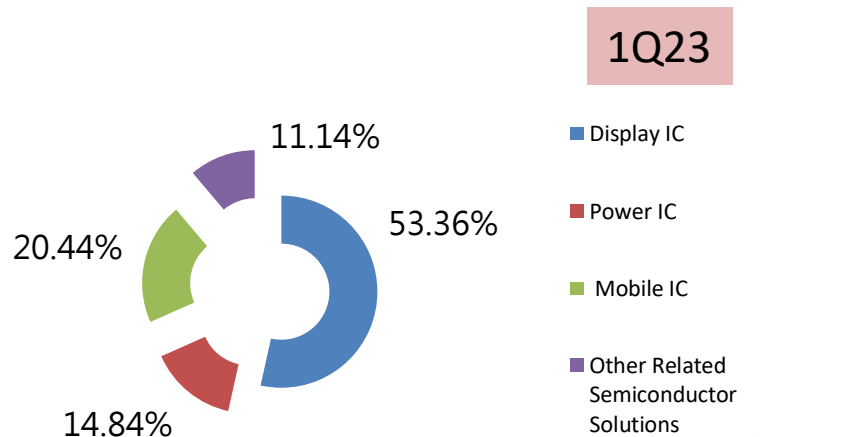
DOI lower than past 5 years average

# 1Q24 Revenues By Product Segment



Segment	1Q2023	4Q2023	Q/Q Change%	1Q2024
Display IC	53.36%	38.70%	-2.68%	36.02%
Power IC	14.84%	13.74%	-1.12%	12.62%
Mobile IC	20.44%	35.10%	-5.26%	29.84%
Other Related Semiconductor Solutions	11.14%	11.63%	+9.74%	21.37%

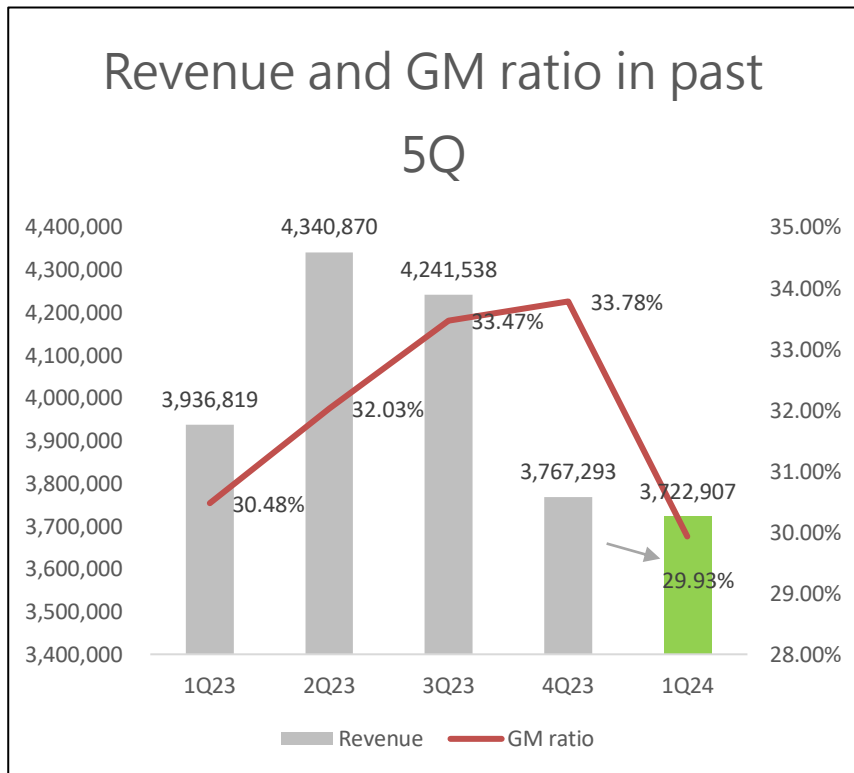
Display IC including Large(TV/NB/MNT)/Medium(Automotive/IPC) DDIC  
 Other Related Semiconductor Solutions including T-CON/EPD/ESL



# Consolidated REV and GM in past 5 quarter

Revenue(Unit: NT Thousands)

## Highlights

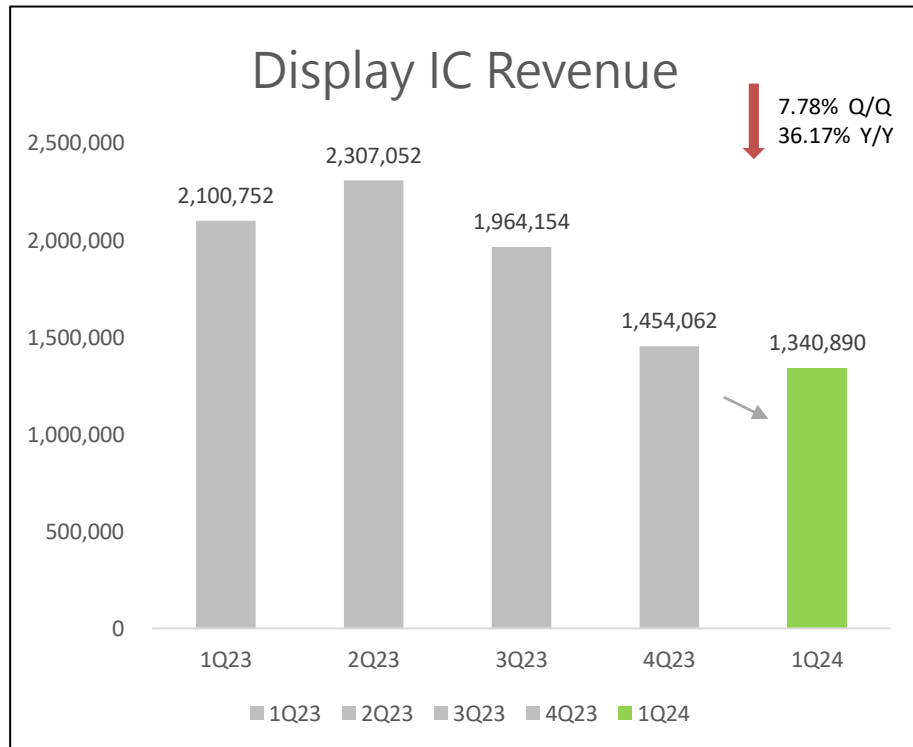


- Revenue for the first quarter of 2024 decreased by 1.18% compared to the previous quarter and by 5.43% compared to the same quarter last year, marking the lowest revenue in nearly five quarters.
- Despite the impact of price and volume adjustments from small-sized clients in the first quarter, the revenue performance remained steady due to a surge in large-sized urgent orders and better-than-expected performance in other related semiconductor sectors.
- In terms of quarter-over-quarter (Q/Q) revenue growth, the main driving force came from other related semiconductor ICs.
- For year-over-year (Y/Y) revenue growth, the main driving forces in order were other related semiconductor ICs and Mobile ICs.
- The gross margin continued to balance customer, manufacturing supplier, and inventory factors, striving for the best equilibrium. The main reason for the decline in gross profit margin in the first quarter was due to the impact of small-sized products.

Revenues are including parent and subsidiaries

# Display IC(large and medium size)

Revenue(Unit: NT Thousands)



Highlights

- ▼ The main driver of quarter-over-quarter (Q/Q) revenue growth in consolidated revenue was from medium-sized products, while the performance of notebook (NB) products was weaker. In the Y/Y consolidated revenue, the primary growth driver is NB (Notebook).
- ▼ In year-over-year (Y/Y) consolidated revenue, the performance of TV products was weaker.
- ▼ In the overall large and medium-sized market, medium-sized customers have regained momentum in pulling orders, with urgent orders boosting TV and monitor (MNT) segments. The notebook (NB) segment continues to wait patiently for an economic recovery.

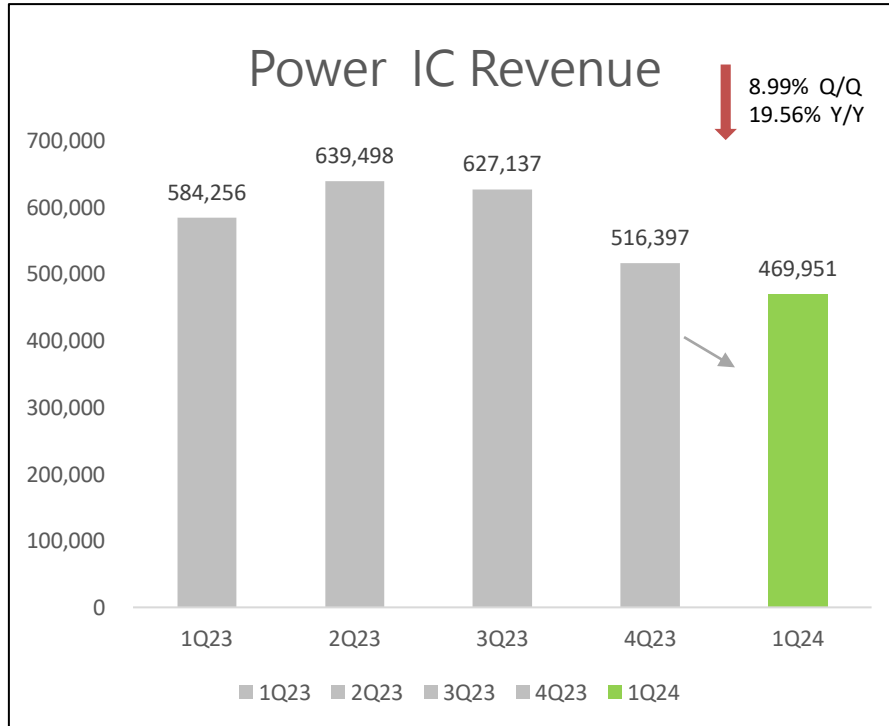
Large Size DDIC are including TV/NB/MNT

Medium Size DDIC are including Auto/IPC

Revenues are including parent and subsidiaries

# Power IC

Revenue(Unit: NT Thousands)



## Highlights

- ▼ The main drivers of quarter-over-quarter (Q/Q) revenue growth in consolidated revenue were Panel Power and Others.
- ▼ The main drivers of year-over-year (Y/Y) revenue growth in consolidated revenue were Others and Regulator.
- ▼ We continue to expand our customer base and market presence with our existing products, including in regions like India. The volume of DDR5 is gradually increasing, and other advanced solutions such as VCM OIS high-end driving schemes will also contribute to revenue growth in the near future.

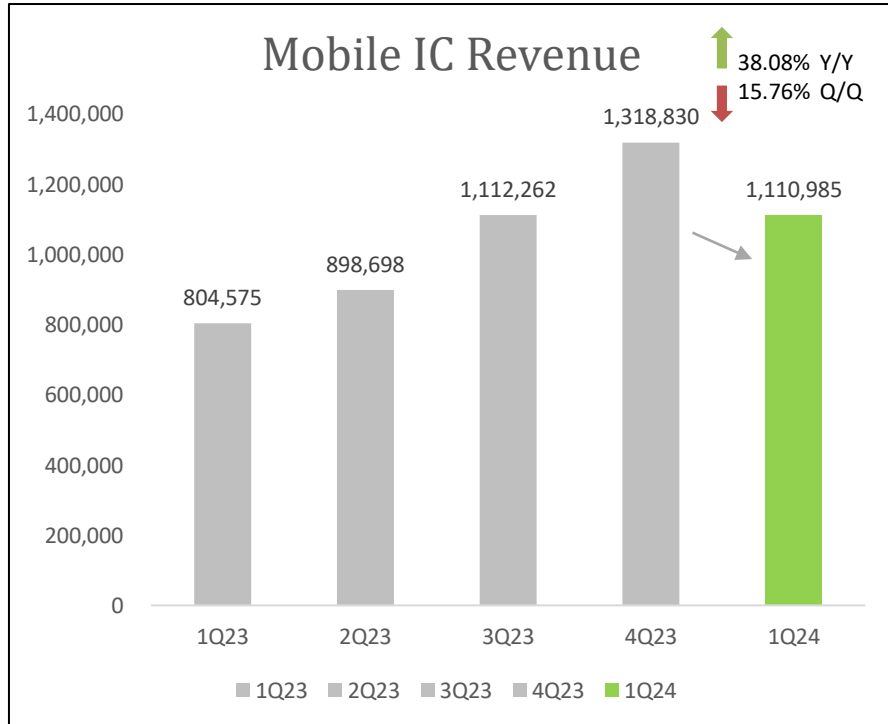
Regulator(LVBUCK,LDO,BOOST)

Others are including LED/SW/Motor/DDR5

Revenues are including parent and subsidiaries

# Mobile IC

Revenue(Unit: NT Thousands)



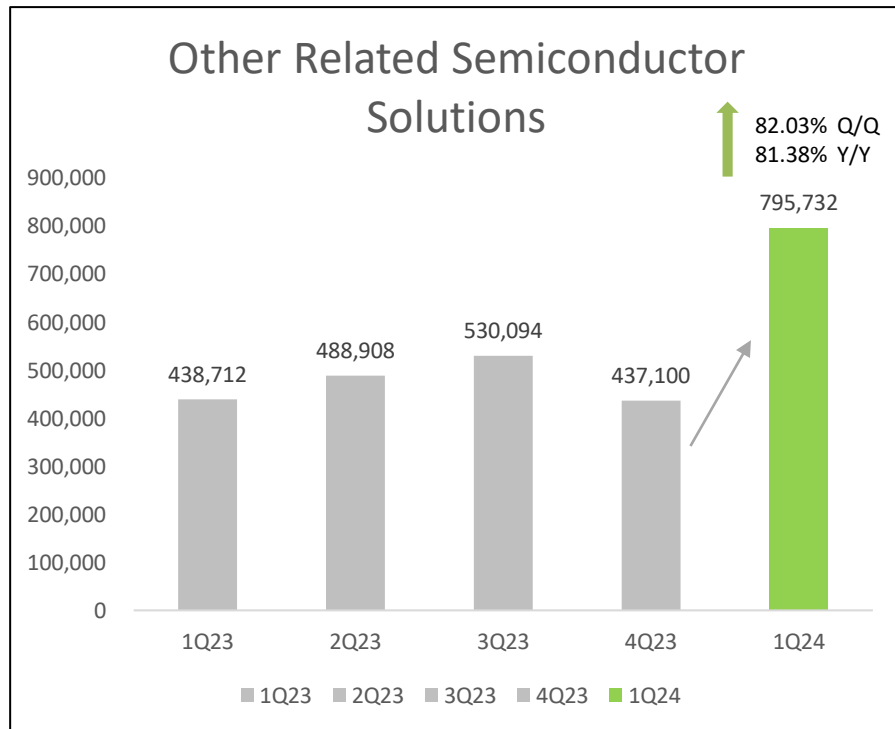
Highlights

- ▶ The sequential quarter-over-quarter (Q/Q) growth drivers were TDDI TAB and TFT Wear.
- ▶ Year-over-year (Y/Y), the main drivers of growth were TFT Wear, followed by TDDI TAB and TDDI MBL.
- ▶ 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

- ▼ The main drivers of quarter-over-quarter (Q/Q) revenue growth in consolidated revenue were EPD, followed by ESL and T-CON.
- ▼ The main drivers of year-over-year (Y/Y) revenue growth in consolidated revenue were ESL, followed by EPD, and T-CON.
- ▼ 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.

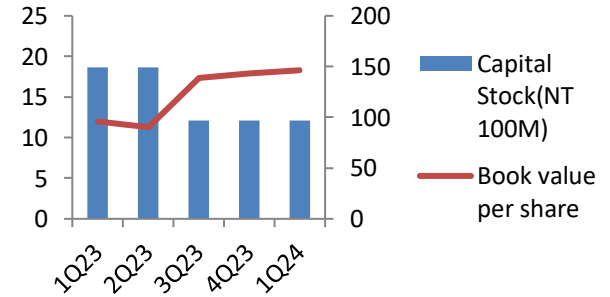
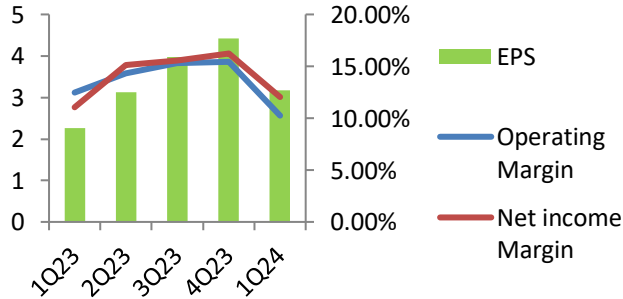
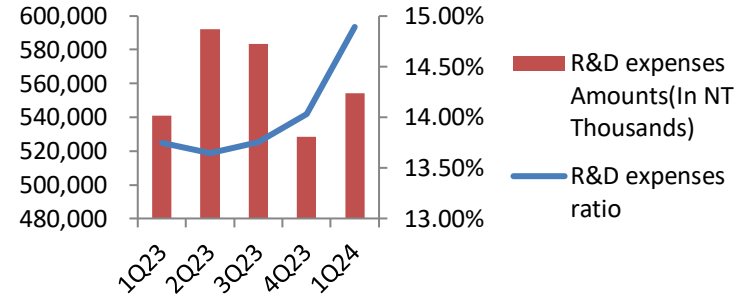
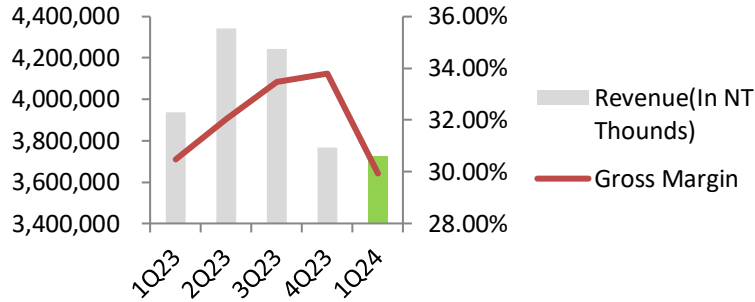
Other Related Semiconductor Solutions are including T-CON/EPD/ESL  
Revenues are including parent and subsidiaries

## Consolidated Financial Results in past 5 Quarters

Item/Year	1Q23	2Q23	3Q23	4Q23	1Q24
Revenue(In NT Thounds)	3,936,819	4,340,870	4,241,538	3,767,293	3,722,907
Gross Margin	30.48%	32.03%	33.47%	33.78%	29.93%
R&D expenses ratio	13.74%	13.64%	13.75%	14.03%	14.89%
R&D expenses Amounts(In NT Thousands)	541,095	592,241	583,346	528,580	554,245
Operating Margin	12.48%	14.35%	15.33%	15.43%	10.28%
Net income Margin	11.08%	15.17%	15.57%	16.25%	12.07%
EPS	2.26	3.13	3.98	4.43	3.17
Capital Stock(NT 100M)	18.65	18.65	12.12	12.12	12.12
Book value per share	95.86	89.89	138.85	143.12	146.25
Total Assets(NT Thounds)	25,380,439	25,546,702	24,576,699	24,872,281	25,775,818
Debt Ratio	14.84%	19.92%	15.73%	14.78%	16.15%



# Key Indices in past 5 Quarters





# Fitipower Overview

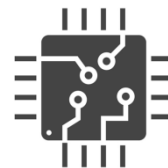
“IT'S OFFICIAL: FITIPOWER IS NOT JUST A DRIVER IC COMPANY ANYMORE”



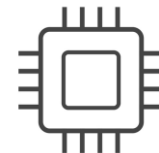
HQ :  
Hsinchu  
Science Park  
Taiwan  
Headcount : 900

### Our Core Business

Display IC



PMIC



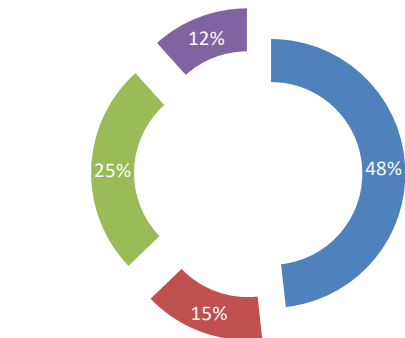
Others  
SEMI



# Change from Our Revenue Segment

**2023**

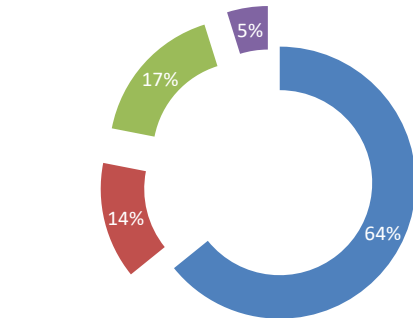
DDIC 73%



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

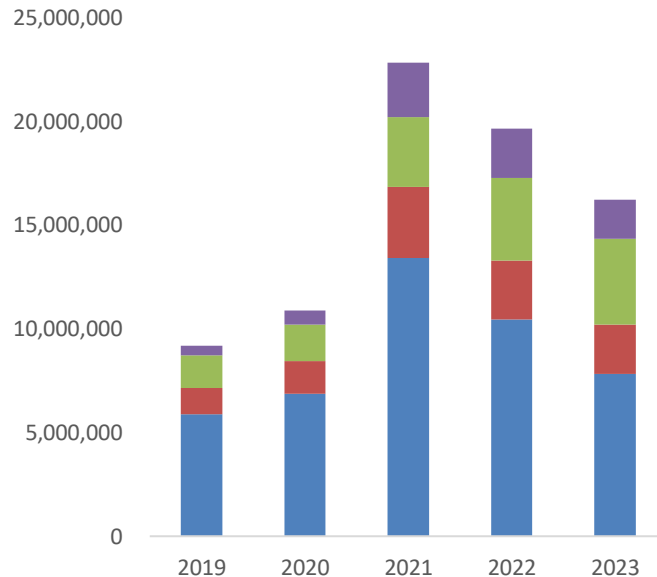
DDIC 81%

**2019**



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

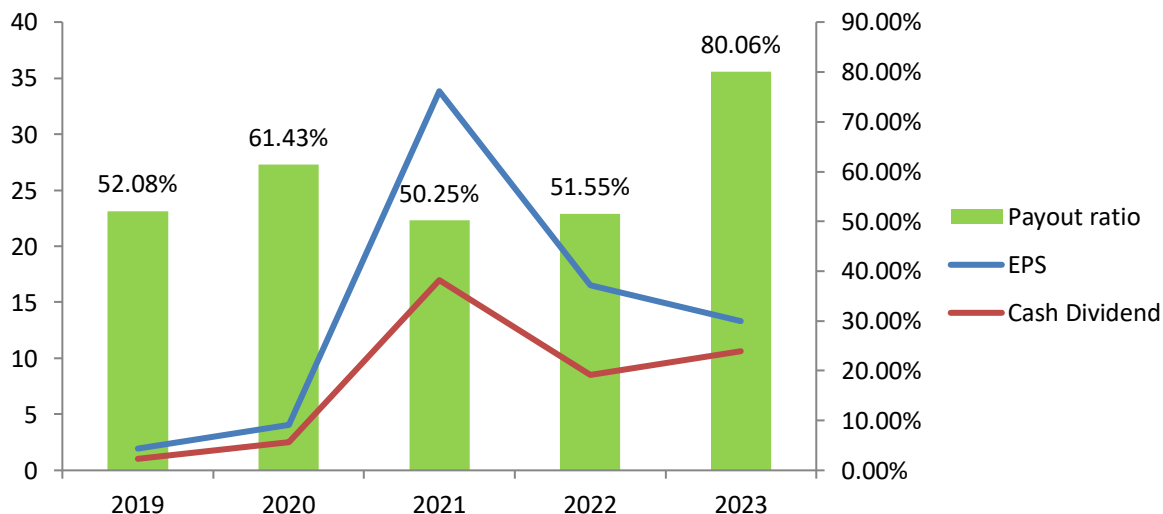
Business Mix (%)



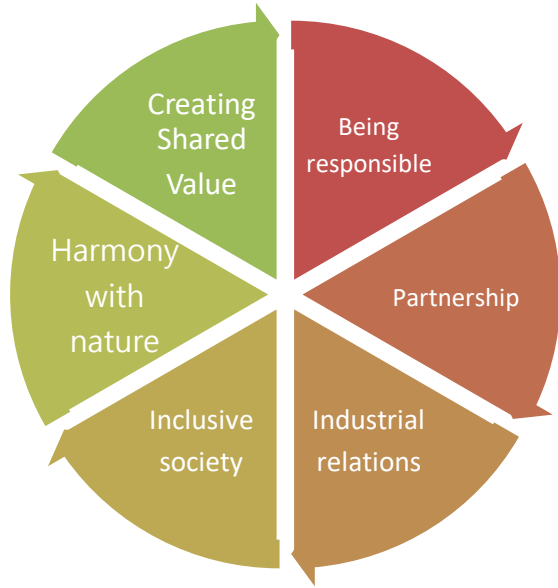
- Other Related Semiconductor Solutions
- Mobile
- Power
- Display

# Dividend and Payout Ratio

Item/Year	2019	2020	2021	2022	2023
EPS	1.92	4.07	33.83	16.49	13.29
Cash Dividend	1	2.5	17	8.5	10.64
Payout ratio	52.08%	61.43%	50.25%	51.55%	80.06%



# COMMITMENT TO ESG



- ▶ The company's governance rating improved to Level 2 (6%-20%) in 2023.
- ▶ In 2023, the company completed the implementation of management systems for environmental health and safety (ISO 14001, ISO 45001) as well as information security (ISO 27001).
- ▶ The company revised its relevant management procedures and established the Supplier Code of Conduct. This code requires related suppliers to adhere to specified guidelines and undergo regular sustainability assessments as part of the criteria for collaboration considerations.
- ▶ In the future, we plan to further enhance our carbon management efforts. Starting in 2024, we will introduce Climate Risk Financial Disclosure (TCFD) and Greenhouse Gas Inventory (ISO 14064) systems, with the aim of completing data verification by Q1 2025. Additionally, we will conduct carbon footprint assessments (ISO 14067) for our major products, aiming for a comprehensive carbon inventory and risk-controlled response 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
- ▼ 2024-7<sup>th</sup> Taiwan Mittelstand award by MOEA.

# Recap of Recent Major Events

- ▼ 2024-The board of directors' resolution for issuing common shares by private placement through cash capital injection(4/18).
- ▼ The Board of Directors approved a proposal of dividend distribution 10.64/share(4/18).

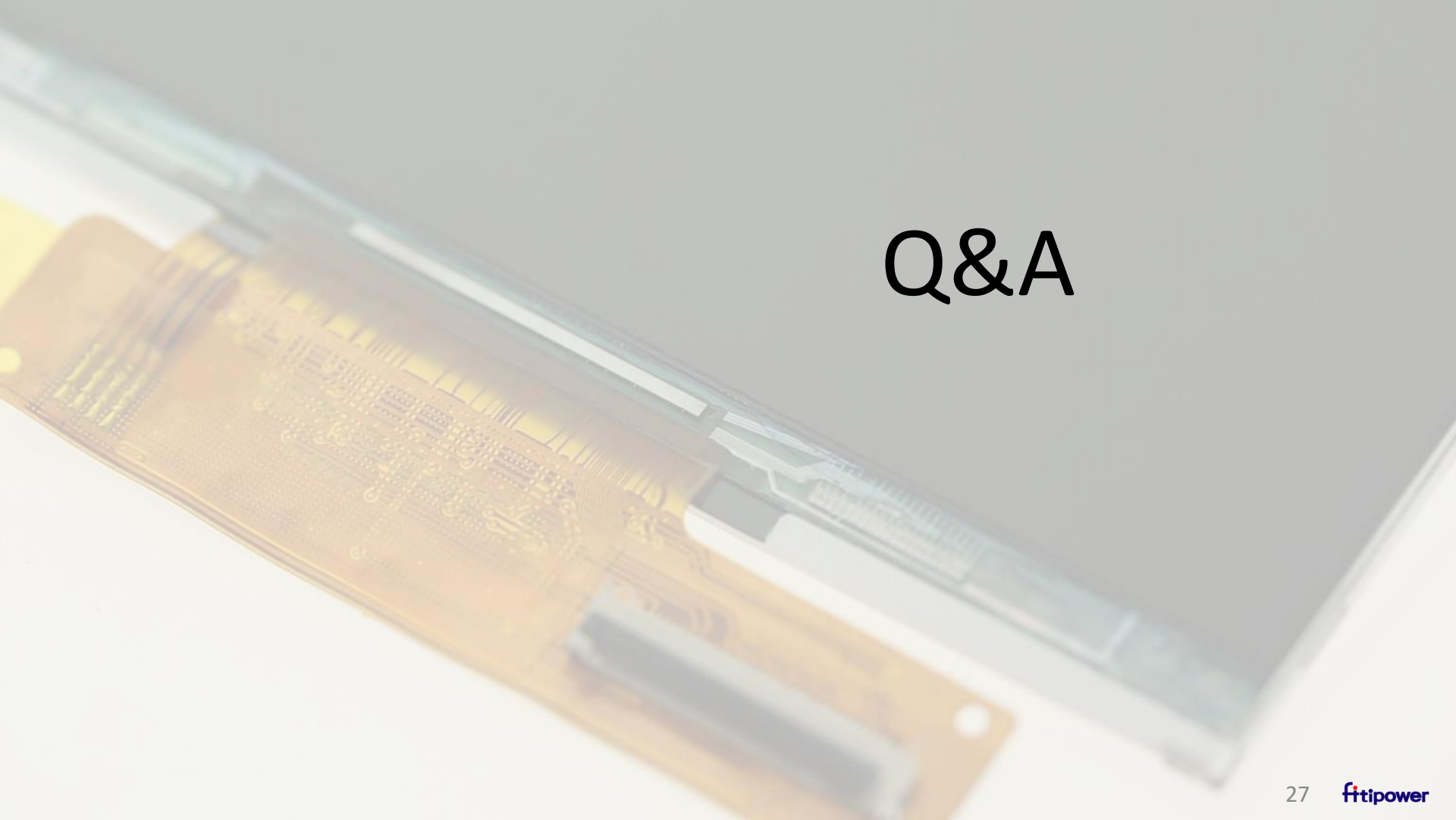




# CEO Key Messages

# CEO Key Messages

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



# Q&A



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<https://www.fitipower-foundation.org/>