



AUO Corporation 3Q22 Results

October 26, 2022



Safe Harbor Notice

- The statements included in this presentation that are not historical in nature are “forward-looking statements”. These forward-looking statements, which may include statements regarding AUO Corporation’s future results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on AUO Corporation’s current expectations.
- Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical nature of our industry; our dependence on introducing new products on a timely basis; our dependence on growth in the demand for our products; our ability to compete effectively; our ability to successfully expand our capacity; our dependence on key personnel; general economic and political conditions, including those related to the TFT-LCD industry; possible disruptions in commercial activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates.
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Statement of Comprehensive Income

Selected Items from Statement of Comprehensive Income

Amount : NT\$ Million

	3Q22		2Q22		QoQ %	3Q21	
Net Sales	49,732	100.0%	62,884	100.0%	(20.9%)	99,055	100.0%
Cost of Goods Sold	(56,996)	(114.6%)	(61,160)	(97.3%)	(6.8%)	(71,642)	(72.3%)
Gross Profit (Loss)	(7,264)	(14.6%)	1,725	2.7%	-	27,413	27.7%
Operating Expenses	(6,450)	(13.0%)	(6,370)	(10.1%)	1.3%	(6,987)	(7.1%)
Operating Profit (Loss)	(13,715)	(27.6%)	(4,645)	(7.4%)	(195.3%)	20,427	20.6%
Net Non-operating Income	2,313	4.7%	1,002	1.6%	130.9%	464	0.5%
Profit (Loss) before Tax	(11,401)	(22.9%)	(3,643)	(5.8%)	(212.9%)	20,891	21.1%
Net Profit (Loss)	(10,490)	(21.1%)	(5,697)	(9.1%)	(84.1%)	19,964	20.2%
Net Profit Attributable to Owners of Company	(10,426)	(21.0%)	(5,632)	(9.0%)	(85.1%)	19,310	19.5%
Basic EPS (NT\$)^(a)	(1.23)		(0.59)		(108.5%)	2.03	
Operating Profit + D&A	(5,884)	(11.8%)	3,256	5.2%	-	28,818	29.1%
Area Shipments (K m²)	3,876		4,919		(21.2%)	6,445	

- a) Basic EPS was calculated based on the weighted average outstanding shares of the reporting quarter. The weighted average outstanding shares were 8,493m shares, 9,576m shares and 9,515m shares for 3Q22, 2Q22 and 3Q21, respectively.

Consolidated Balance Sheet Highlights

Amount : NT\$ Million

	3Q22	2Q22	QoQ %	3Q21
Cash and Cash Equivalents	80,613	84,942	(5.1%)	87,922
Inventory	29,814	37,241	(19.9%)	34,736
Short Term Debt^(a)	9,442	7,398	27.6%	25,248
Long Term Debt	58,332	45,382	28.5%	44,334
Equity	202,667	229,257	(11.6%)	242,283
Total Assets	387,266	408,405	(5.2%)	435,088

Inventory Turnover (Days)^(b)	54	56	42
Net Debt to Equity^(c)	(6.3%)	(14.0%)	(7.6%)

- a) Short term debt refers to all interest bearing debt maturing within one year.
 b) Calculated by dividing the average inventory into the annualized cost of goods sold during such period, then multiplying by 365 days.
 c) Net Debt to Equity = (Short Term Debt + Long Term Debt - Cash and Cash Equivalents) / Equity.

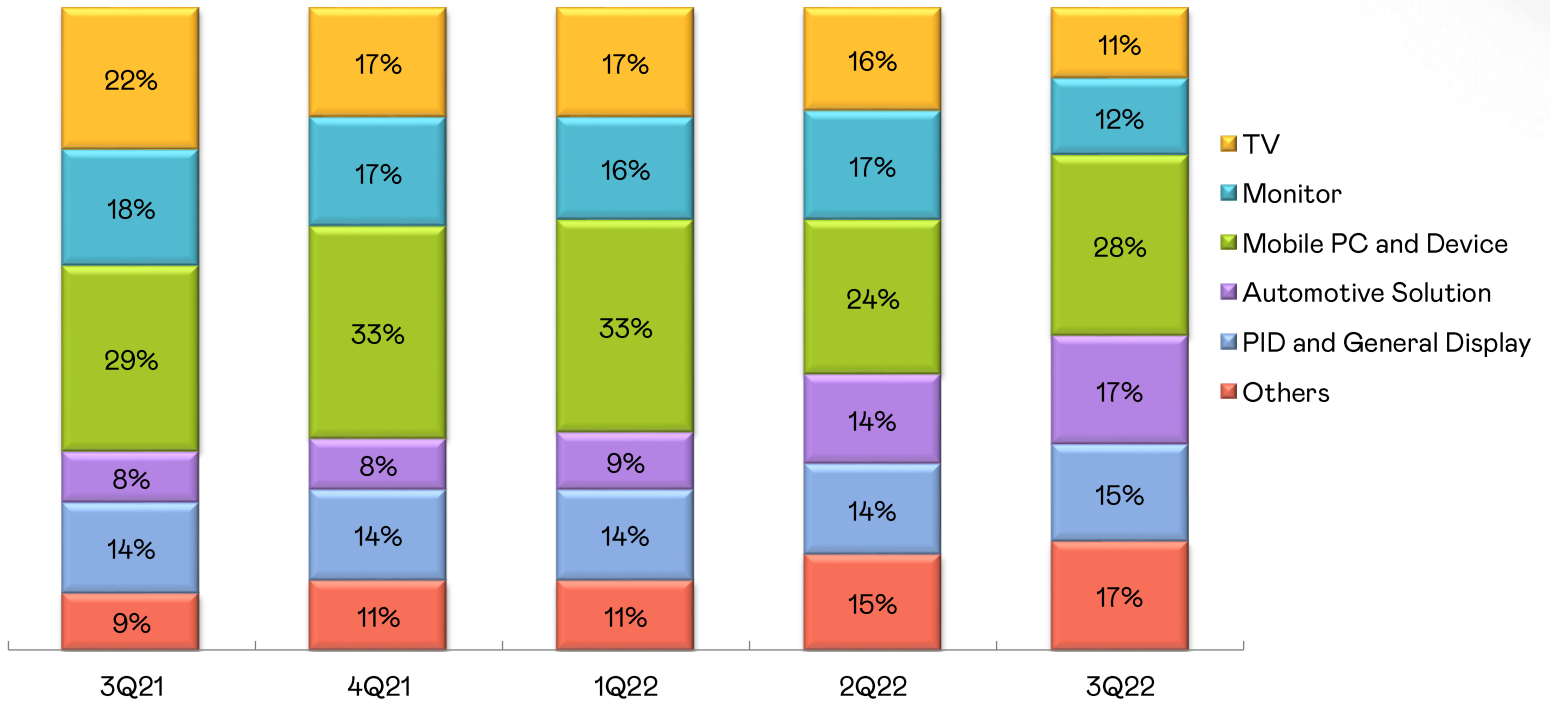
Consolidated Cash Flow Highlights

Amount : NT\$ Million

	3Q22	2Q22	QoQ
From Operating Activities	(4,993)	9,295	(14,288)
Profit(Loss) before Tax	(11,401)	(3,643)	(7,758)
Depreciation & Amortization	7,830	7,901	(71)
Net Change in Working Capital	(2,345)	6,404	(8,750)
From Investing Activities	(6,593)	(9,219)	2,626
Capital Expenditure	(11,527)	(8,053)	(3,474)
From Financing Activities	4,823	(6,149)	10,972
Net Change in Debt	14,589	(6,001)	20,590
Net Change in Cash^(a)	(4,329)	(5,190)	861

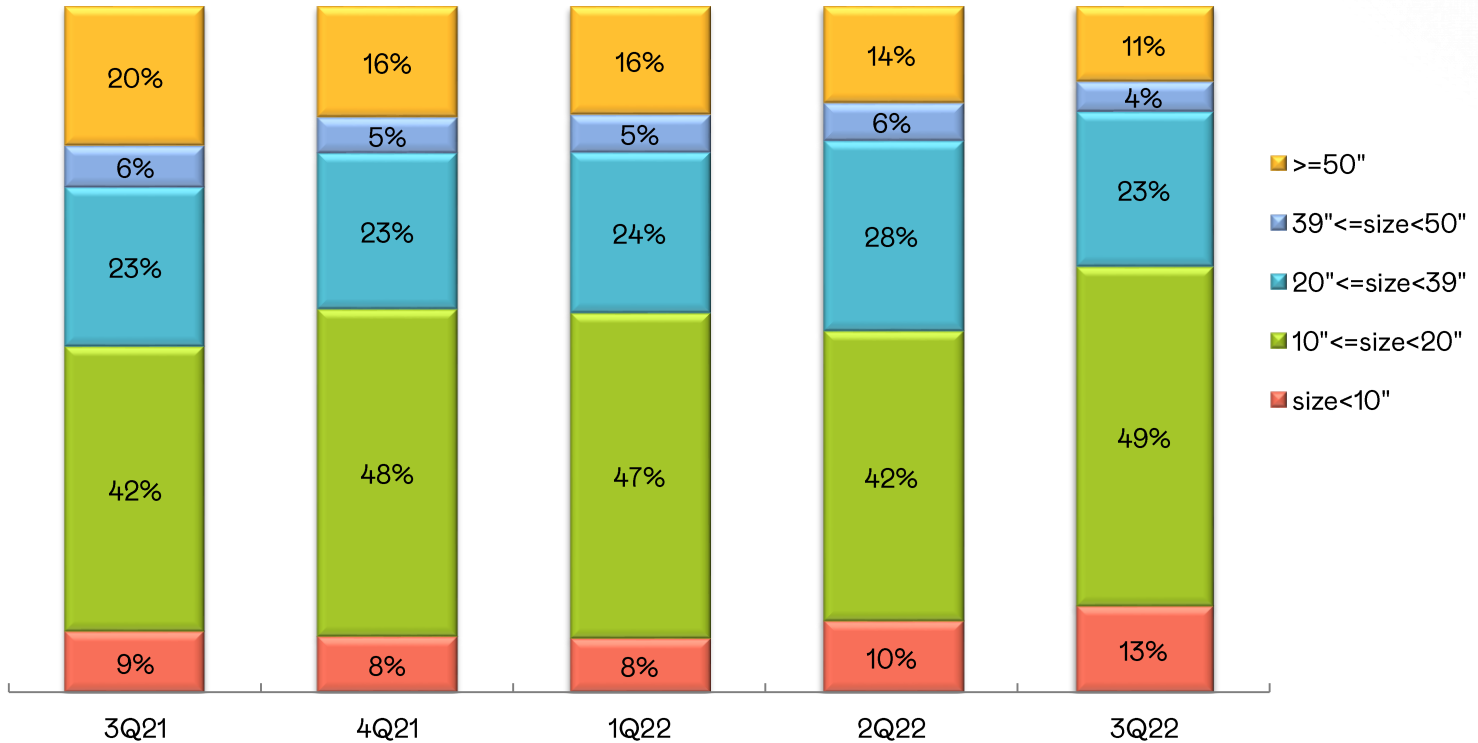
a) In addition to cash generated from operating, investing and financing activities, net change in cash also include effect on currency exchange of foreign subsidiaries.

Revenue Breakdown



- Mobile PC and Device: including displays for notebook, tablet and mobile phones.
- PID and General Display: including displays for public information(PID), industrial PC, ATM, POS, pachinko and medical equipment.
- Others: including System Design Manufacturing Service, New Business, Energy and etc.

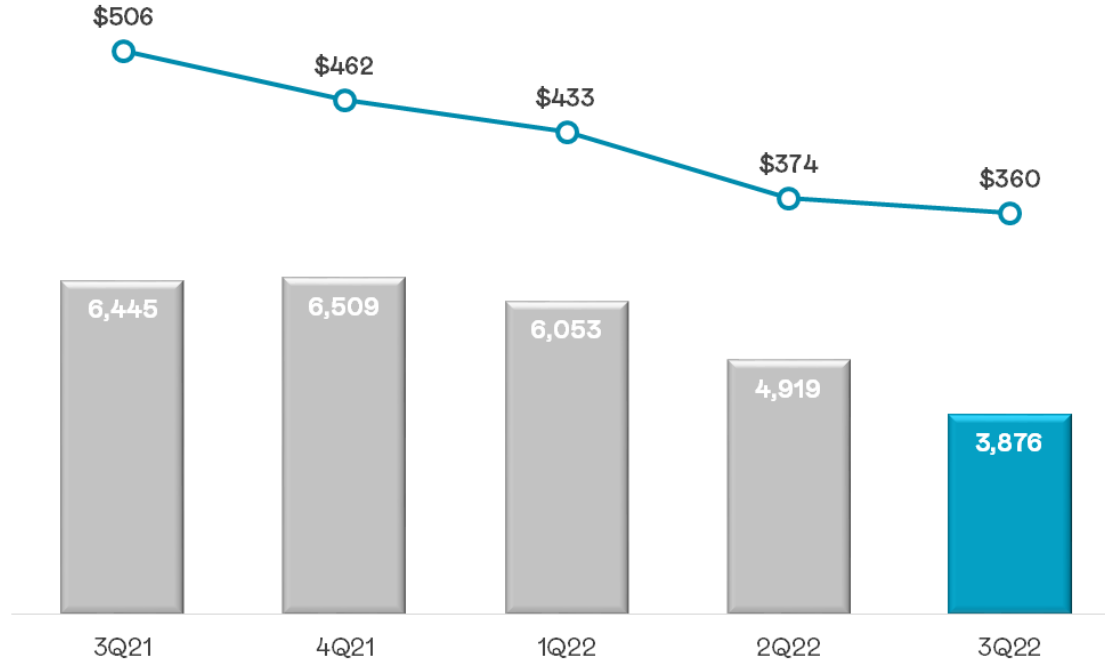
Display Revenue Breakdown by Size



Consolidated Shipments & ASP by Area

■ Shipments in square meter (Km²) ○ ASP per square meter

Unit: K m², USD/m²



- ASP per square meter in US\$ was translated from NT\$ based on exchange rates announced by one of AUO's main banks.

4Q2022 Business Outlook

Based on our current business outlook, the Company expects display business:

- Area shipment to be up by low to mid-single % QoQ
- Blended ASP (USD/square meter) to be down by mid-single % QoQ

Nonetheless, some non-display factors, such as increasing Energy revenue or favorable FX, may have positive impacts to the Company's operating results.

- Loading rates will be dynamically adjusted based on market conditions

– The above is our current best forecast based on current business outlook and may vary depending on the actual market supply, demand and economic conditions.

Q&A

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AUO CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Comprehensive Income
For the Three Months Ended September 30, 2022 and 2021 and June 30, 2022
(Expressed in Millions of New Taiwan Dollars (NTD) except for per share amounts and shares outstanding)

	Year over Year Comparison				Sequential Comparison			
	3Q22		3Q21		3Q22		2Q22	
	NTD	%	NTD	YoY%	NTD	%	NTD	QoQ%
Net Sales	49,732	100.0	99,055	(49.8)	49,732	100.0	62,884	(20.9)
Cost of Goods Sold	56,996	114.6	71,642	(20.4)	56,996	114.6	61,160	(6.8)
Gross Profit(Loss)	<u>(7,264)</u>	<u>(14.6)</u>	<u>27,413</u>	<u>-</u>	<u>(7,264)</u>	<u>(14.6)</u>	<u>1,725</u>	<u>-</u>
Operating Expenses	6,450	13.0	6,987	(7.7)	6,450	13.0	6,370	1.3
Operating Profit(Loss)	<u>(13,715)</u>	<u>(27.6)</u>	<u>20,427</u>	<u>-</u>	<u>(13,715)</u>	<u>(27.6)</u>	<u>(4,645)</u>	<u>(195.3)</u>
Net Non-operating Income(Expenses)	2,313	4.7	464	398.5	2,313	4.7	1,002	130.9
Profit(Loss) before Income Tax	<u>(11,401)</u>	<u>(22.9)</u>	<u>20,891</u>	<u>-</u>	<u>(11,401)</u>	<u>(22.9)</u>	<u>(3,643)</u>	<u>(212.9)</u>
Income Tax Benefit(Expense)	912	1.8	(927)	-	912	1.8	(2,054)	-
Net Profit(Loss)	<u>(10,490)</u>	<u>(21.1)</u>	<u>19,964</u>	<u>-</u>	<u>(10,490)</u>	<u>(21.1)</u>	<u>(5,697)</u>	<u>(84.1)</u>
Other Comprehensive Income(Loss)	1,777	3.6	(624)	-	1,777	3.6	(1,100)	-
Total Comprehensive Income(Loss)	<u>(8,713)</u>	<u>(17.5)</u>	<u>19,340</u>	<u>-</u>	<u>(8,713)</u>	<u>(17.5)</u>	<u>(6,797)</u>	<u>(28.2)</u>
Net Profit(Loss) Attributable to:								
Owners of Company	(10,426)	(21.0)	19,310	-	(10,426)	(21.0)	(5,632)	(85.1)
Non-Controlling Interests	<u>(64)</u>	<u>(0.1)</u>	<u>654</u>	<u>-</u>	<u>(64)</u>	<u>(0.1)</u>	<u>(65)</u>	<u>0.9</u>
Net Profit(Loss)	<u>(10,490)</u>	<u>(21.1)</u>	<u>19,964</u>	<u>-</u>	<u>(10,490)</u>	<u>(21.1)</u>	<u>(5,697)</u>	<u>(84.1)</u>
Total Comprehensive Income(Loss) Attributable to:								
Owners of Company	(8,699)	(17.5)	18,658	-	(8,699)	(17.5)	(6,677)	(30.3)
Non-Controlling Interests	<u>(14)</u>	<u>(0.0)</u>	<u>682</u>	<u>-</u>	<u>(14)</u>	<u>(0.0)</u>	<u>(121)</u>	<u>88.6</u>
Total Comprehensive Income(Loss)	<u>(8,713)</u>	<u>(17.5)</u>	<u>19,340</u>	<u>-</u>	<u>(8,713)</u>	<u>(17.5)</u>	<u>(6,797)</u>	<u>(28.2)</u>
Basic Earnings Per Share	<u>(1.23)</u>		<u>2.03</u>		<u>(1.23)</u>		<u>(0.59)</u>	
Weighted-Average Shares Outstanding ('M)	<u>8,493</u>		<u>9,515</u>		<u>8,493</u>		<u>9,576</u>	

AUO CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Comprehensive Income
For the Period Ended September 30, 2022 and 2021

(Expressed in Millions of New Taiwan Dollars (NTD) except for per share amounts and shares outstanding)

	Year over Year Comparison			
	Nine Months 2022		Nine Months 2021	
	NTD	%	NTD	YoY%
Net Sales	194,145	100.0	277,651	(30.1)
Cost of Goods Sold	187,990	96.8	204,486	(8.1)
Gross Profit	<u>6,155</u>	<u>3.2</u>	<u>73,165</u>	<u>(91.6)</u>
Operating Expenses	19,216	9.9	20,435	(6.0)
Operating Profit(Loss)	<u>(13,061)</u>	<u>(6.7)</u>	<u>52,730</u>	<u>-</u>
Net Non-operating Income(Expenses)	<u>4,031</u>	<u>2.1</u>	<u>1,620</u>	<u>148.9</u>
Profit(Loss) before Income Tax	<u>(9,030)</u>	<u>(4.7)</u>	<u>54,350</u>	<u>-</u>
Income Tax Benefit(Expense)	<u>(1,982)</u>	<u>(1.0)</u>	<u>(2,682)</u>	<u>(26.1)</u>
Net Profit(Loss)	<u>(11,012)</u>	<u>(5.7)</u>	<u>51,668</u>	<u>-</u>
Other Comprehensive Income(Loss)	<u>2,642</u>	<u>1.4</u>	<u>(1,776)</u>	<u>-</u>
Total Comprehensive Income(Loss)	<u>(8,370)</u>	<u>(4.3)</u>	<u>49,891</u>	<u>-</u>
Net Profit(Loss) Attributable to:				
Owners of Company	(10,894)	(5.6)	50,675	-
Non-Controlling Interests	<u>(119)</u>	<u>(0.1)</u>	<u>993</u>	<u>-</u>
Net Profit(Loss)	<u>(11,012)</u>	<u>(5.7)</u>	<u>51,668</u>	<u>-</u>
Total Comprehensive Income(Loss) Attributable to:				
Owners of Company	(8,314)	(4.3)	49,039	-
Non-Controlling Interests	<u>(56)</u>	<u>(0.0)</u>	<u>852</u>	<u>-</u>
Total Comprehensive Income(Loss)	<u>(8,370)</u>	<u>(4.3)</u>	<u>49,891</u>	<u>-</u>
Basic Earnings Per Share	<u>(1.18)</u>		<u>5.33</u>	
Weighted-Average Shares Outstanding ('M)	<u>9,209</u>		<u>9,506</u>	

AUO CORPORATION AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

September 30, 2022 and 2021

(Expressed in Millions of New Taiwan Dollars (NTD))

	September 30, 2022		September 30, 2021		YoY	
	NTD	%	NTD	%	NTD	%
ASSETS						
Cash and Cash Equivalents	80,613	20.8	87,922	20.2	(7,309)	(8.3)
Notes & Accounts Receivables	19,284	5.0	65,644	15.1	(46,360)	(70.6)
Other Current Financial Assets	4,313	1.1	10,756	2.5	(6,443)	(59.9)
Inventories	29,814	7.7	34,736	8.0	(4,923)	(14.2)
Other Current Assets	4,749	1.2	4,888	1.1	(139)	(2.8)
Total Current Assets	<u>138,774</u>	<u>35.8</u>	<u>203,946</u>	<u>46.9</u>	<u>(65,173)</u>	<u>(32.0)</u>
Long-term Investments	33,415	8.6	22,832	5.2	10,583	46.3
Net Fixed Assets	179,351	46.3	173,212	39.8	6,140	3.5
Right-of-use Assets	10,259	2.6	10,728	2.5	(469)	(4.4)
Other Non-Current Assets	25,466	6.6	24,369	5.6	1,097	4.5
Total Non-Current Assets	<u>248,492</u>	<u>64.2</u>	<u>231,141</u>	<u>53.1</u>	<u>17,350</u>	<u>7.5</u>
Total Assets	<u>387,266</u>	<u>100.0</u>	<u>435,088</u>	<u>100.0</u>	<u>(47,822)</u>	<u>(11.0)</u>
LIABILITIES						
Short-term Borrowings	180	0.0	30	0.0	150	501.3
Notes & Accounts Payable	38,407	9.9	61,763	14.2	(23,356)	(37.8)
Current Installments of Long-term Borrowings	9,262	2.4	25,218	5.8	(15,956)	(63.3)
Current Financial Liabilities	831	0.2	247	0.1	584	237.0
Accrued Expense & Other Current Liabilities	47,823	12.3	32,507	7.5	15,315	47.1
Machinery and Equipment Payable	6,350	1.6	3,364	0.8	2,986	88.8
Total Current Liabilities	<u>102,852</u>	<u>26.6</u>	<u>123,129</u>	<u>28.3</u>	<u>(20,277)</u>	<u>(16.5)</u>
Long-term Borrowings	58,332	15.1	44,334	10.2	13,998	31.6
Other Non-Current Liabilities	23,414	6.0	25,342	5.8	(1,928)	(7.6)
Total Non-Current Liabilities	<u>81,746</u>	<u>21.1</u>	<u>69,676</u>	<u>16.0</u>	<u>12,070</u>	<u>17.3</u>
Total Liabilities	<u>184,598</u>	<u>47.7</u>	<u>192,805</u>	<u>44.3</u>	<u>(8,207)</u>	<u>(4.3)</u>
EQUITY						
Common Stock	76,994	19.9	96,242	22.1	(19,248)	(20.0)
Capital Surplus	61,900	16.0	61,195	14.1	704	1.2
Retained Earnings	60,227	15.6	77,693	17.9	(17,466)	(22.5)
Other Equity	(2,190)	(0.6)	(4,918)	(1.1)	2,729	55.5
Treasury Shares	(392)	(0.1)	(439)	(0.1)	47	10.7
Non-Controlling Interests	6,129	1.6	12,510	2.9	(6,380)	(61.0)
Total Equity	<u>202,667</u>	<u>52.3</u>	<u>242,283</u>	<u>55.7</u>	<u>(39,615)</u>	<u>(16.4)</u>
Total Liabilities & Equity	<u>387,266</u>	<u>100.0</u>	<u>435,088</u>	<u>100.0</u>	<u>(47,822)</u>	<u>(11.0)</u>

AUO CORPORATION AND SUBSIDIARIES
Consolidated Condensed Cash Flow Statements
For the Period Ended September 30, 2022 and 2021
(Expressed in Millions of New Taiwan Dollars (NTD))

	<u>Nine Months 2022</u>	<u>Nine Months 2021</u>
	<u>NTD</u>	<u>NTD</u>
Cash Flow from Operating Activities:		
Profit(Loss) before Income Taxes	(9,030)	54,350
Depreciation & Amortization	23,737	25,450
Share of Profit of Equity-Accounted Investees	(2,122)	(1,682)
Changes in Working Capital	5,432	(5,627)
Changes in Others	9	831
Net Cash Provided by (Used in) Operating Activities	<u>18,025</u>	<u>73,323</u>
Cash Flow from Investing Activities:		
Acquisitions of Financial Assets Measured at Fair Value	(313)	(406)
Disposals of Financial Assets Measured at Fair Value	15	551
Acquisitions of Financial Assets Measured at Amortized Cost	(675)	(10,259)
Disposals of Financial Assets Measured at Amortized Cost	10,000	0
Acquisitions of Equity-Accounted Investees	(5,037)	(2,491)
Acquisitions of Property, Plant and Equipment	(27,966)	(11,632)
Increase in Receipts in Advance due to Disposal of Assets	150	898
Changes in Others	(517)	(247)
Net Cash Provided by (Used in) Investing Activities	<u>(24,344)</u>	<u>(23,586)</u>
Cash Flow from Financing Activities:		
Increase(Decrease) in Short-term Borrowings	134	(170)
Increase(Decrease) in Long-term Borrowings	12,008	(47,986)
Payment of Lease Liabilities	(432)	(417)
Increase(Decrease) in Guarantee Deposits	(15)	(25)
Cash Dividends	(9,576)	(2,851)
Treasury Shares Sold to Employees	47	572
Changes in Non-Controlling Interests and Others	(3)	(219)
Net Cash Provided by (Used in) Financing Activities	<u>2,162</u>	<u>(51,095)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>4,825</u>	<u>(996)</u>
Net Increase(Decrease) in Cash and Cash Equivalents	<u>669</u>	<u>(2,353)</u>
Cash and Cash Equivalents at Beginning of Period	<u>79,945</u>	<u>90,275</u>
Cash and Cash Equivalents at End of Period	<u>80,613</u>	<u>87,922</u>



Tap Into The Possibilities



AUO