



# AUO Corporation 2Q24 Results

July 31, 2024



# 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.
- Our forward-looking statements at any particular time does not create any duty of disclosure beyond that which is imposed by law, and we expressly disclaim any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

# Revenue & Profits

Amount: NT\$ Million

	2Q24	1Q24	QoQ	2Q23	YoY
<b>Net Sales</b>	74,328	59,477	25.0%	63,321	17.4%
<b>Gross Profit (Loss)</b>	8,355 <i>11.2%</i>	1,962 <i>3.3%</i>	325.9%	1,992 <i>3.1%</i>	319.4%
<b>Operating Profit (Loss)</b>	107 <i>0.1%</i>	(4,940) <i>(8.3%)</i>	-	(4,424) <i>(7.0%)</i>	-
<b>Net Profit</b> <i>Attributable to Owner of Company</i>	(231)	(3,527)	93.4%	(4,807)	95.2%
<b>Operating Profit + D&amp;A</b>	9,229 <i>12.4%</i>	3,455 <i>5.8%</i>	167.1%	3,552 <i>5.6%</i>	159.8%

# Balance Sheet Highlights

Amount: NT\$ Million

	2Q24	1Q24	QoQ	2Q23
<b>Cash and Cash Equivalents</b>	71,961	87,674	(17.9%)	90,531
<b>Inventory</b>	33,164	29,402	12.8%	28,409
<b>Short Term Debt <sup>(a)</sup></b>	8,813	7,799	13.0%	14,529
<b>Long Term Debt</b>	113,783	110,339	3.1%	99,815
<b>Equity</b>	157,028	156,663	0.2%	168,669
<b>Total Assets</b>	399,430	382,666	4.4%	397,293
<b>Inventory Turnover Days <sup>(b)</sup></b>	43	46		42
<b>Net Debt to Equity <sup>(c)</sup></b>	32.2%	19.4%		14.1%

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.

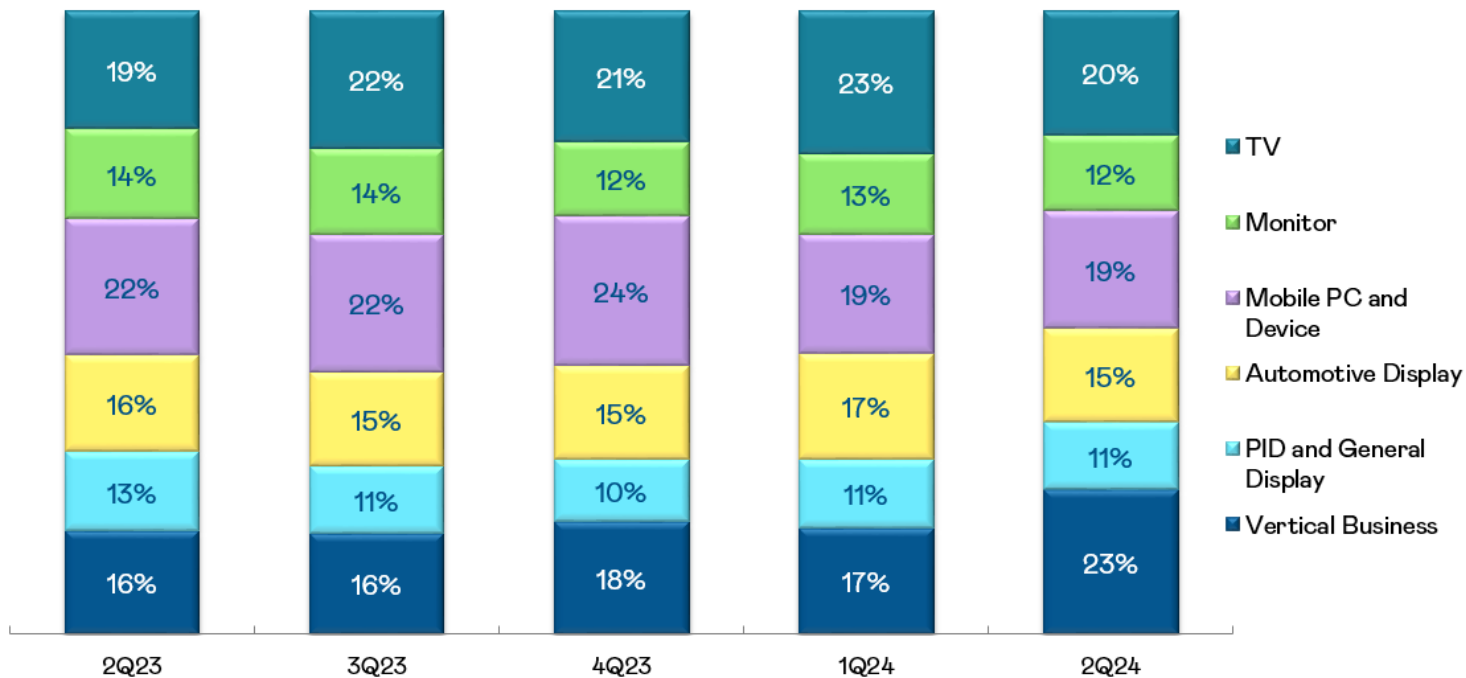
# Cash Flow Highlights

Amount: NT\$ Million

	2Q24	1Q24	QoQ
<b>From Operating Activities</b>	<b>3,378</b>	<b>1,553</b>	<b>1,825</b>
Profit(Loss) before Tax	286	(3,315)	3,601
Depreciation & Amortization	9,122	8,395	726
Net Change in Working Capital	(5,571)	(1,891)	(3,679)
<b>From Investing Activities</b>	<b>(18,158)</b>	<b>(5,126)</b>	<b>(13,032)</b>
Capital Expenditure	(5,691)	(8,250)	2,560
Acquisition of Subsidiary	(12,556)	-	(12,556)
<b>From Financing Activities</b>	<b>(1,224)</b>	<b>5,885</b>	<b>(7,109)</b>
Net Change in Debt	(969)	6,041	(7,010)
<b>Net Change in Cash<sup>(a)</sup></b>	<b>(15,713)</b>	<b>3,704</b>	<b>(19,417)</b>

- 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.

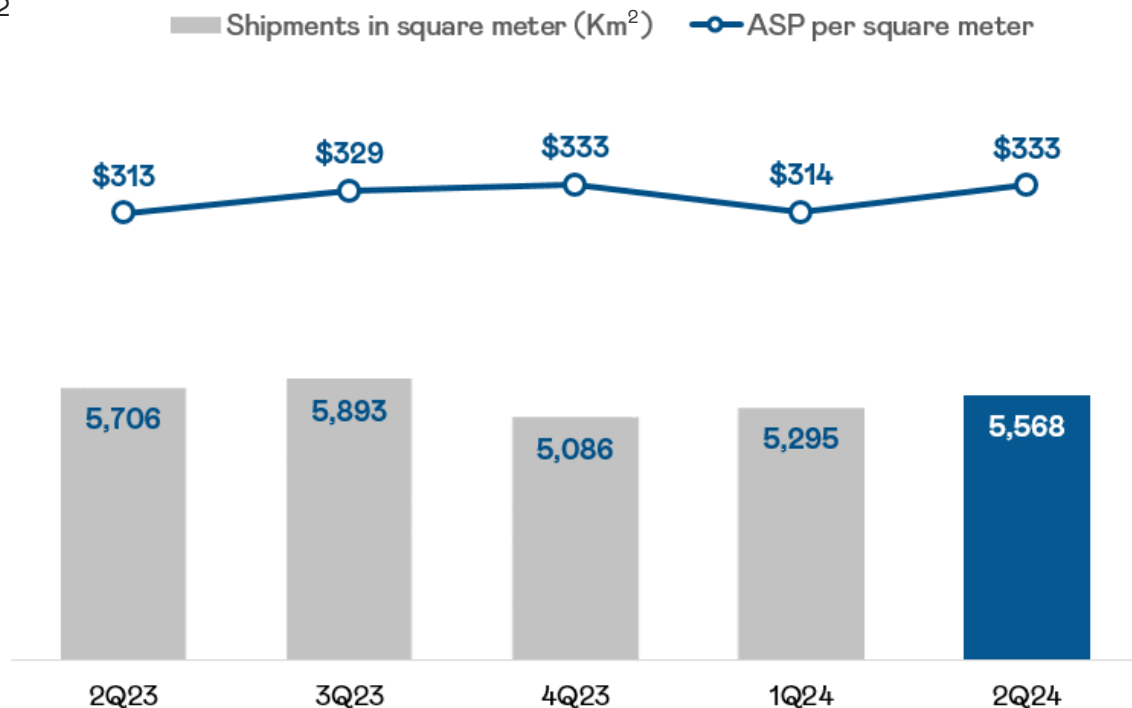
# Revenue Breakdown



- 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.
- Vertical Business: including Energy, System Design Manufacturing Service, Display HMI Business, LED display, Smart Vertical, BHTC and others.

# Consolidated Shipments & ASP by Area

Unit: K m<sup>2</sup>, USD/m<sup>2</sup>



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

# AUO Transformation

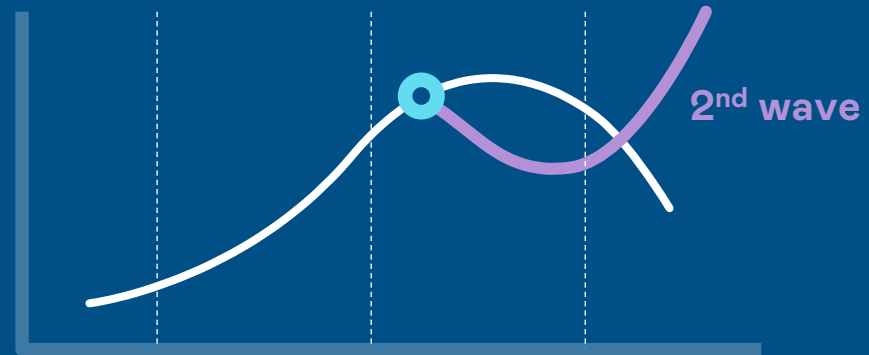


# 2<sup>nd</sup> Wave to Reduce Volatility

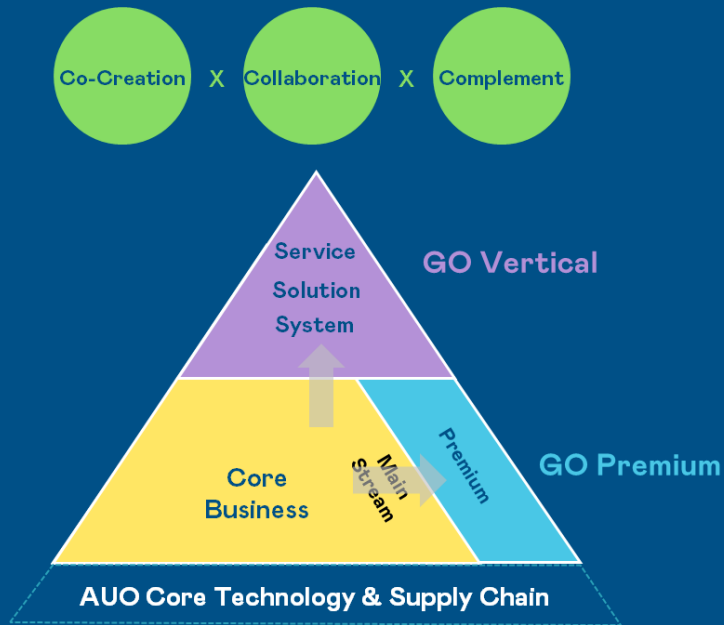
Go Premium



Go Vertical

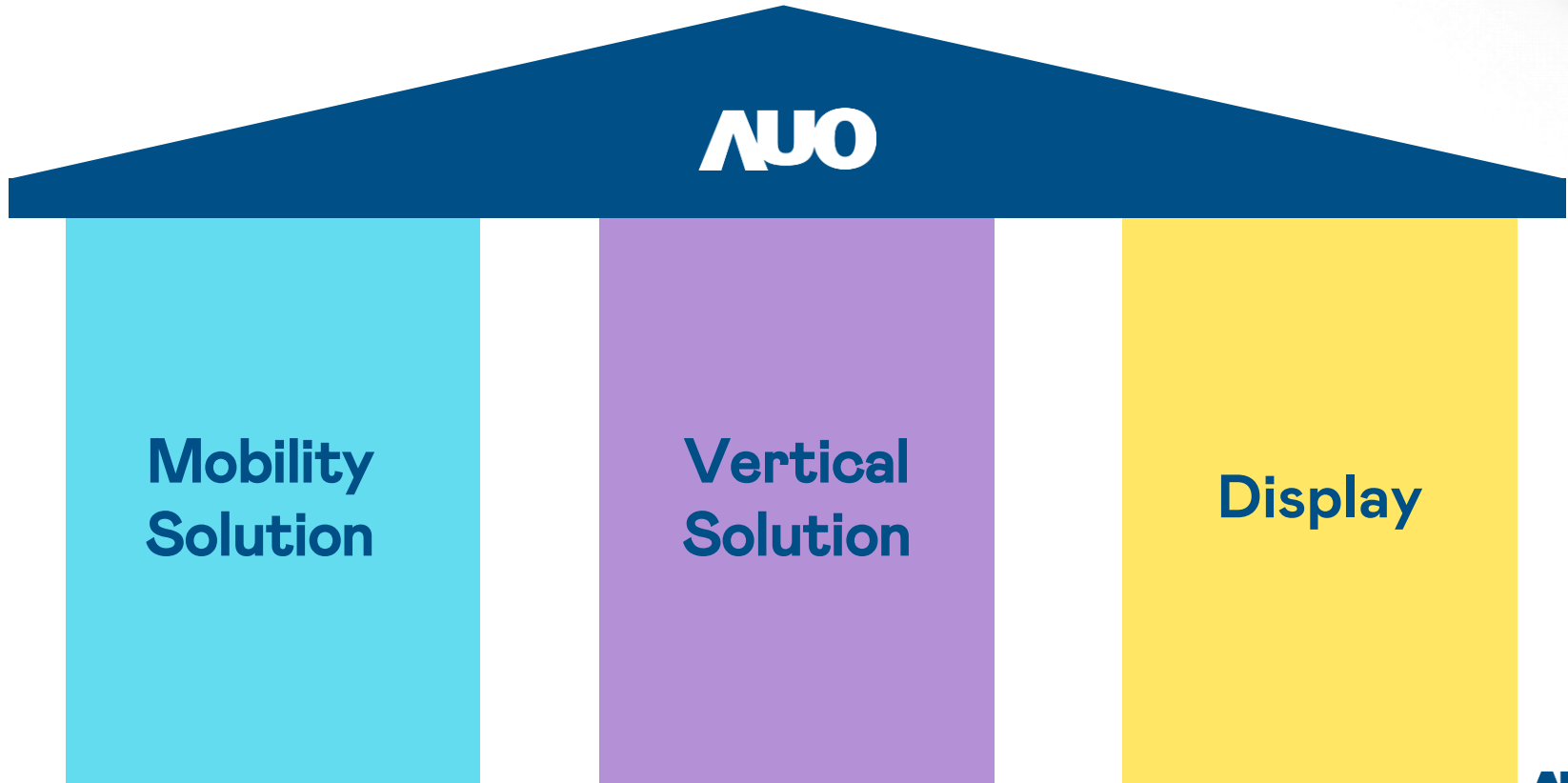


# Go Premium and Go Vertical

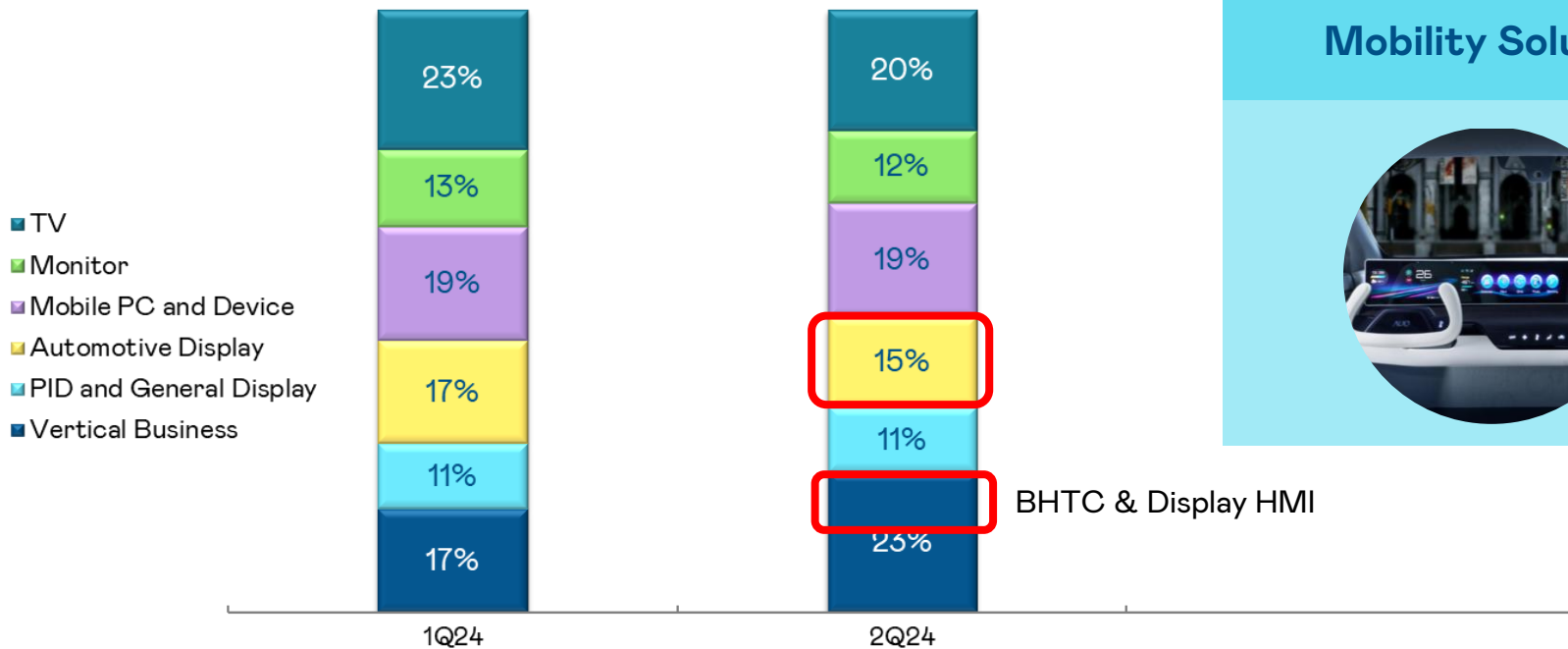


- Ecosystem and partner engagement
- Expanding light asset business
  - **Less CAPEX**
  - **Lower power consumption**
- Integrating ESG into business

# Three Pillars For Sustainable Business

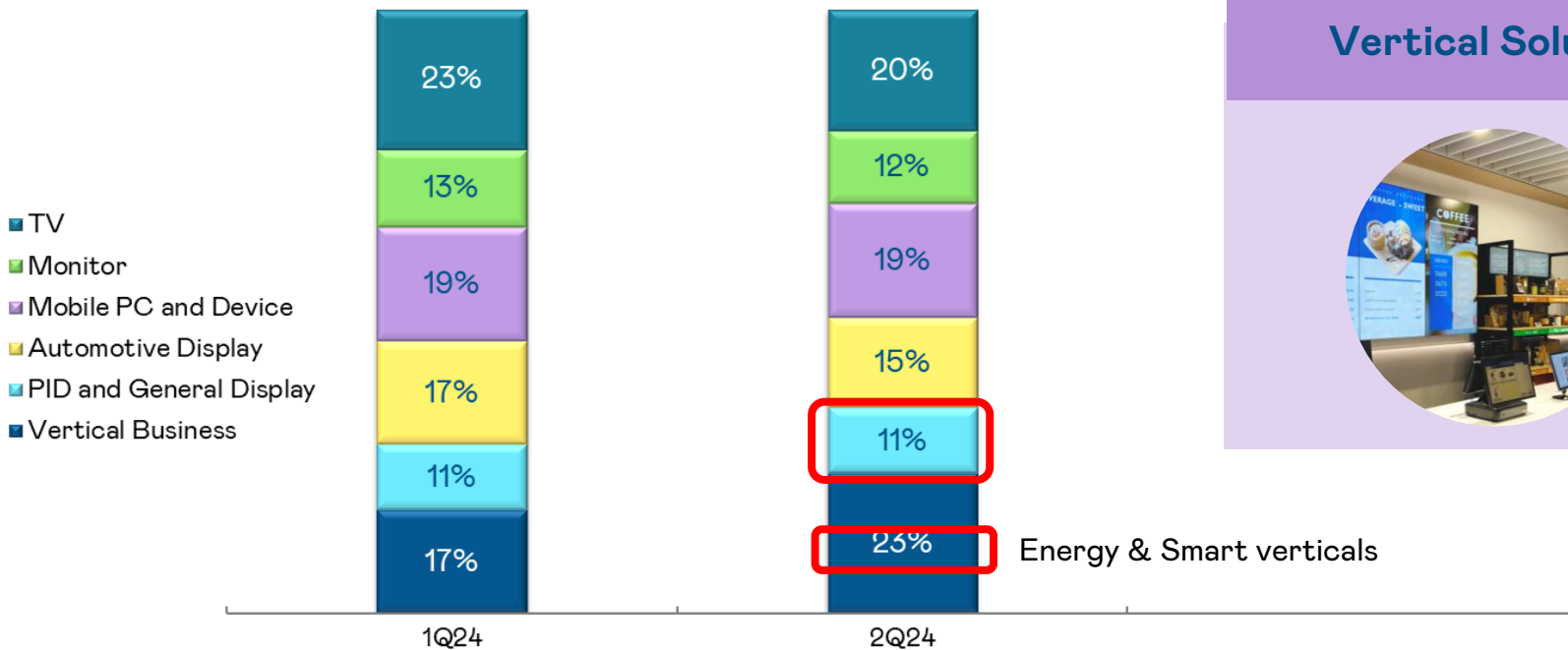


# Definition of New Business Segments



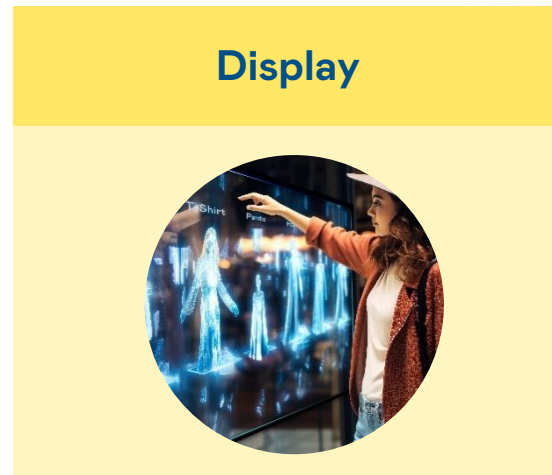
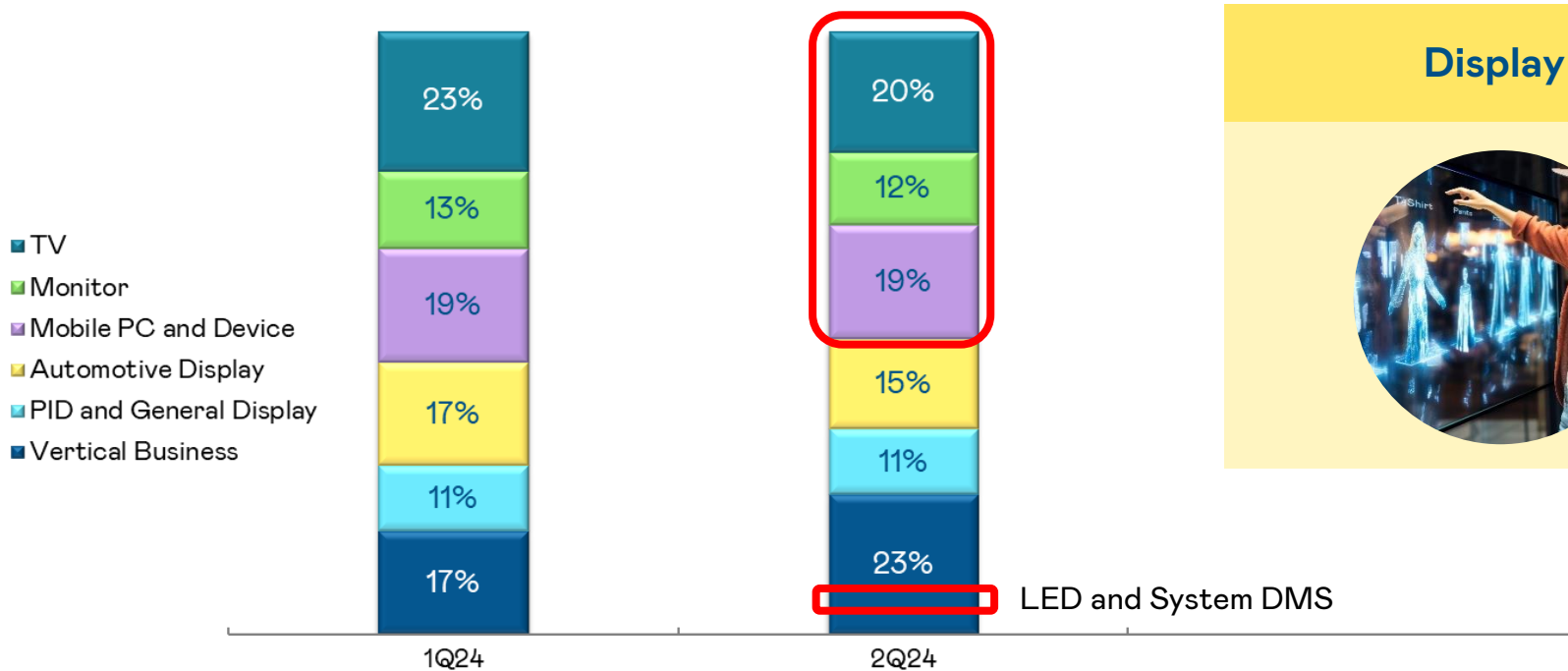
BHTC & Display HMI

# Definition of New Business Segments

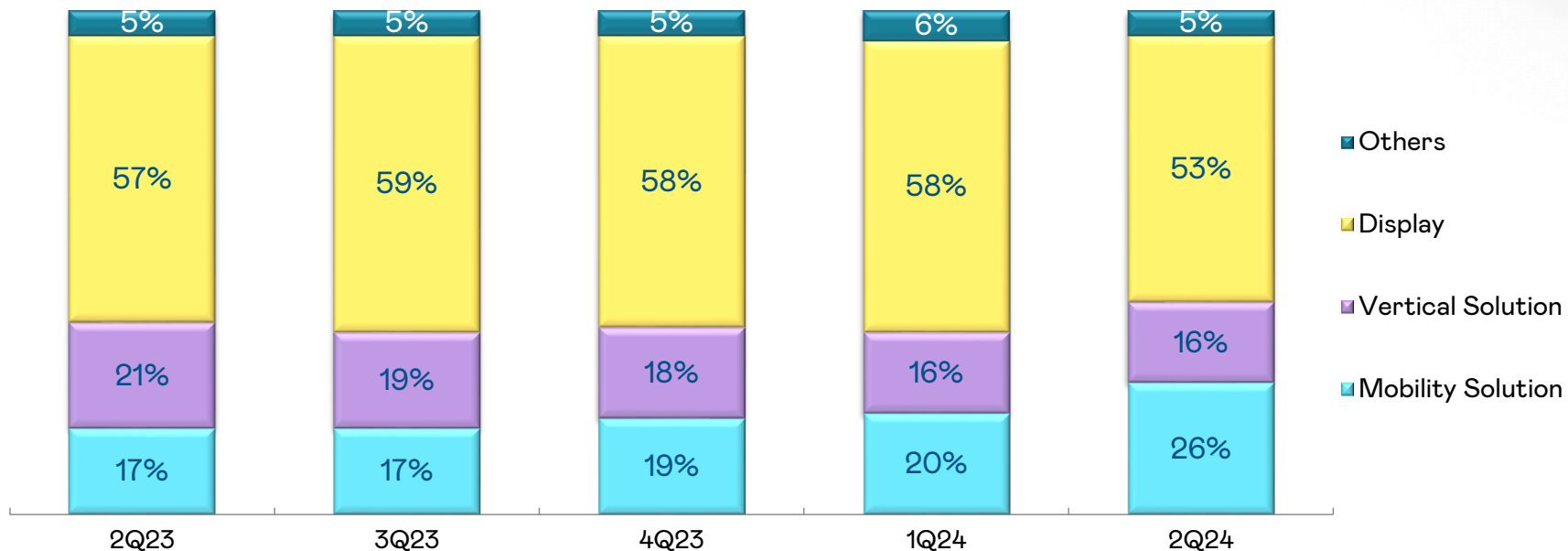


Energy & Smart verticals

# Definition of New Business Segments

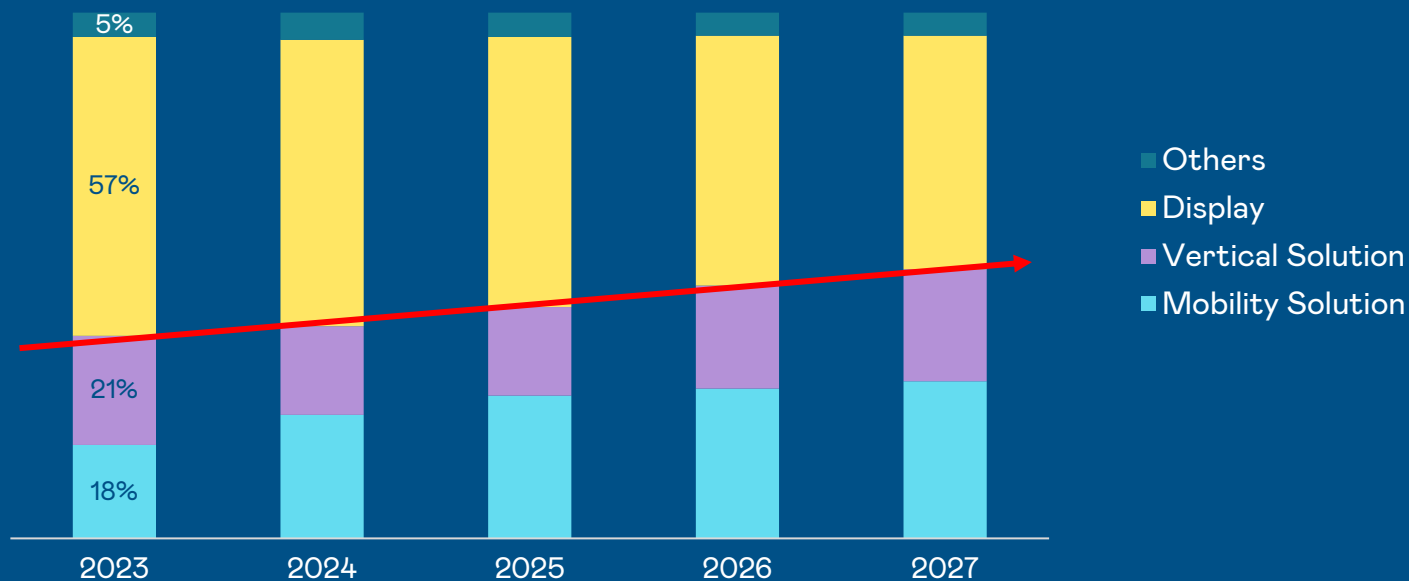


# Revenue Breakdown under Three Pillars



- Mobility Solution: Primarily including integrated solutions in automotive business
- Vertical Solution: Primarily including integrated solutions in various fields, such as Smart Retail, Smart Healthcare, Education and Enterprise, other industrial and public displays, Intelligent Service and Energy
- Display: Primarily including displays for TV, monitor and notebook, as well as LED display
- Others: Primarily including Darwin

# Reduce Volatility from Display





# 3Q2024 Business Outlook

Based on our current business outlook, the Company expects:

## Mobility Solution

- Flattish QoQ

## Vertical Solution

- Decrease low to mid-single % QoQ

## Display

- Slight increase QoQ

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

# AUO Next with 3 Pillars

**AUO**

Maximizing Display Technology Value and Transform to Provide Solutions

**Mobility Solution**



**Vertical Solution**



**Display**



**Green Technology Applied to Empower Sustainability Goal**

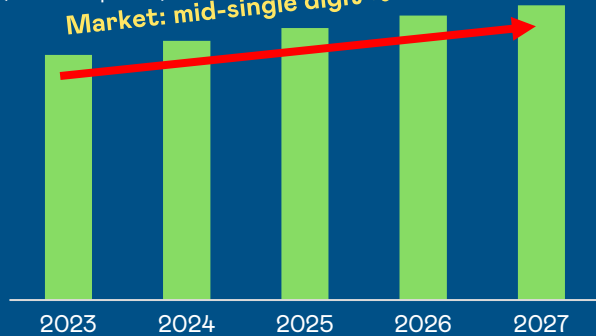
# Mobility Solution

*Positioned as a Growth Engine (Rev. >10% CAGR)*

## Automotive Display Market Growth

(In unit shipment)

Market: mid-single digit % CAGR



Source: Omdia

## Digital (Display) + Analog (Knob)

Together,  
We Redefine In-Vehicle  
Experience



## From automotive panel supplier to be smart cockpit solution provider

- Reposition the value proposition:
  - ➔ More than traditional tier 1 & tier 2
- Ecosystem engagement
  - Panel multi-sourcing & HW/SW integrated solutions
- Display-centric HMI + Climate control + micro-LED
  - Integration at Core Products + New Technology
  - Drive the synergy with BHTC
- Global Operation
  - R&D: Taiwan, Mainland China, Germany, Finland, India
  - Manuf.: Taiwan, Mainland China, Bulgaria, India, Mexico

# Innovate beyond Display through Partnerships

## Smart Cockpit



Smart Cockpit for P.V.



Smart Cockpit for C.V.

Smart Cockpit CAGR ~9%

AUO × BHTC A PART OF AUO

## Mobility Service



Passenger Information System



Digital Out-of-Home

Passenger information system CAGR ~10%

Climate Control

+Sensors

HMI



Display



Computing Software

Telematics

Display x Design x Experience

# Vertical Solution

*Reduce Volatility, Create Green Opportunities*

## Smart Retail



## Smart Education



## Stable profit from both Smart Verticals and Energy: Gateway to Smart Living

- Display Centric Total Solution Provider (H/W + S/W)
  - Smart Retail
  - Smart Healthcare
  - Smart Enterprise and Education
- Ecosystem & Partners Engagement
- Global Operation and Hyper Growth Opportunities

## Green Opportunities

- Energy
  - To build a sustainable business
  - Support RE100 commitment
- Intelligent Service
- Digital x Green, Carbon Solution

# Success Story in the US: Unleashing the Power of our Ecosystem



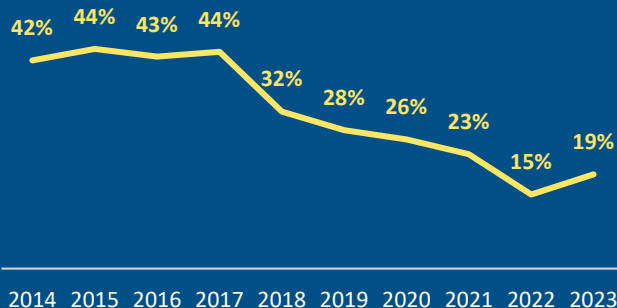
- ✓ 230 + professionals
- ✓ 50 + **accessible** active partner network
- ✓ 2,000 + channel companies
- ✓ 10,000 + direct, paying customers
- ✓ US\$230million + current sales revenue
- ✓ **Full capability** from components all the way to end customers. Collaborative business model

Co-creation of products and services through ecosystem

# Display Business

## Sustainable Cash Generation

### Optimizing TV Revenue Mix



### Improving Supply & Demand



Source: Market research

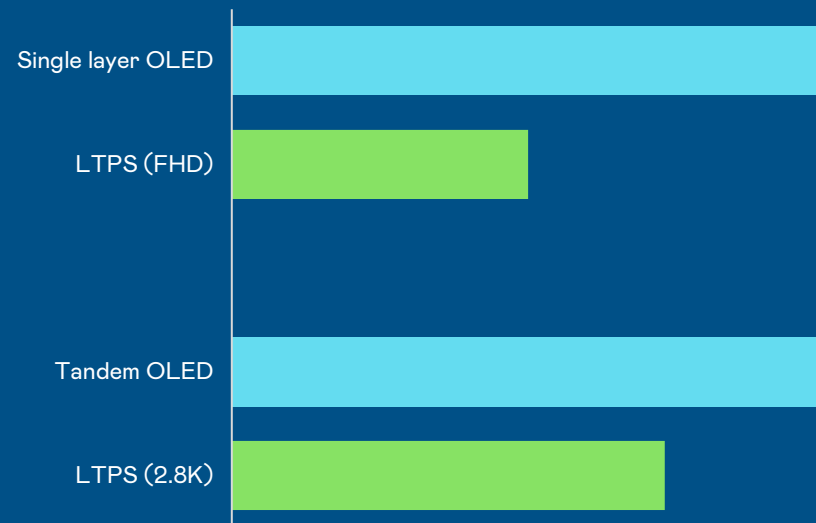
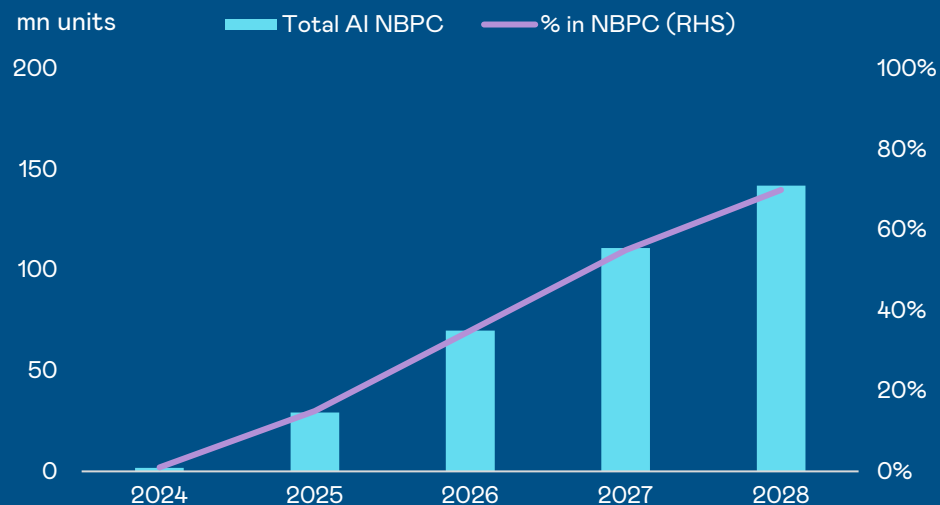
### Display Industry Becomes More Disciplined

- Focus on stable profitability & customer synergy
  - Optimize product mix
  - Maximize LTPS adoption for AIPC and automotive

### Maximize AUO's Display Expertise

- Go Premium
  - Micro-LED
    - ✓ Superior display quality, transparency, and better reliability
  - Integrated solutions: Touch, Privacy, A.R.T.
  - Leveraging AUO's glass know-how in new applications
- Go Green
  - Green manufacturing
  - Eco-friendly products/solution

# AI-NB Penetration to Increase



Source: Market research and AUO estimate

Note: AI NBPC refers to NBs with NPU of at least 40 TOPS

Source: AUO internal study.

Note: LTPS vs Single layer OLED is based on 13.3" FHD NB panel at OPR 50%

LTPS vs Tandem OLED is based on 13.5" 2.8K NB panel at OPR 50%



# AUO Around the Globe



# Q&A

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**AUO CORPORATION AND SUBSIDIARIES**  
**Consolidated Condensed Statements of Comprehensive Income**  
**For the Three Months Ended June 30, 2024 and 2023 and March 31, 2024**  
(Expressed in Millions of New Taiwan Dollars (NTD) except for per share amounts and shares outstanding)

	2Q24		1Q24	2Q23	QoQ%	YoY%
	NTD	%	NTD	NTD		
Net Sales	74,328	100.0	59,477	63,321	25.0	17.4
Cost of Goods Sold	65,973	88.8	57,516	61,329	14.7	7.6
Gross Profit(Loss)	8,355	11.2	1,962	1,992	325.9	319.4
Operating Expenses	8,248	11.1	6,902	6,416	19.5	28.5
Operating Profit(Loss)	107	0.1	(4,940)	(4,424)	-	-
Net Non-operating Income(Expenses)	179	0.2	1,625	160	(89.0)	11.4
Profit(Loss) before Income Tax	286	0.4	(3,315)	(4,264)	-	-
Income Tax Benefit(Expense)	(520)	(0.7)	(260)	(469)	(100.3)	(10.7)
Net Profit(Loss)	(234)	(0.3)	(3,574)	(4,734)	93.5	95.1
Other Comprehensive Income(Loss)	526	0.7	1,492	(1,459)	(64.7)	-
Total Comprehensive Income(Loss)	292	0.4	(2,082)	(6,192)	-	-
Net Profit(Loss) Attributable to:						
Owners of Company	(231)	(0.3)	(3,527)	(4,807)	93.4	95.2
Non-Controlling Interests	(3)	(0.0)	(48)	74	94.2	-
Net Profit(Loss)	(234)	(0.3)	(3,574)	(4,734)	93.5	95.1
Total Comprehensive Income(Loss) Attributable to:						
Owners of Company	246	0.3	(2,105)	(6,148)	-	-
Non-Controlling Interests	47	0.1	23	(44)	99.9	-
Total Comprehensive Income(Loss)	292	0.4	(2,082)	(6,192)	-	-
Basic Earnings Per Share	(0.03)		(0.46)	(0.63)		
Weighted-Average Shares Outstanding ('M)	7,668		7,668	7,668		

**AUO CORPORATION AND SUBSIDIARIES**  
**Consolidated Condensed Statements of Comprehensive Income**  
**For the Period Ended June 30, 2024 and 2023**

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

	Year over Year Comparison			
	1H 2024		1H 2023	
	NTD	%	NTD	YoY%
Net Sales	133,805	100.0	114,509	16.9
Cost of Goods Sold	<u>123,489</u>	<u>92.3</u>	<u>117,374</u>	<u>5.2</u>
Gross Profit(Loss)	<u>10,316</u>	<u>7.7</u>	<u>(2,865)</u>	<u>-</u>
Operating Expenses	15,149	11.3	12,697	19.3
Operating Profit(Loss)	<u>(4,833)</u>	<u>(3.6)</u>	<u>(15,562)</u>	<u>68.9</u>
Net Non-operating Income(Expenses)	<u>1,804</u>	<u>1.3</u>	<u>5</u>	<u>38,486.4</u>
Profit(Loss) before Income Tax	<u>(3,029)</u>	<u>(2.3)</u>	<u>(15,557)</u>	<u>80.5</u>
Income Tax Benefit(Expense)	<u>(779)</u>	<u>(0.6)</u>	<u>(263)</u>	<u>195.8</u>
Net Profit(Loss)	<u>(3,808)</u>	<u>(2.8)</u>	<u>(15,821)</u>	<u>75.9</u>
Other Comprehensive Income(Loss)	<u>2,019</u>	<u>1.5</u>	<u>(798)</u>	<u>-</u>
Total Comprehensive Income(Loss)	<u>(1,790)</u>	<u>(1.3)</u>	<u>(16,619)</u>	<u>89.2</u>
Net Profit(Loss) Attributable to:				
Owners of Company	(3,758)	(2.8)	(15,718)	76.1
Non-Controlling Interests	<u>(51)</u>	<u>(0.0)</u>	<u>(103)</u>	<u>50.8</u>
Net Profit(Loss)	<u>(3,808)</u>	<u>(2.8)</u>	<u>(15,821)</u>	<u>75.9</u>
Total Comprehensive Income(Loss) Attributable to:				
Owners of Company	(1,860)	(1.4)	(16,418)	88.7
Non-Controlling Interests	<u>70</u>	<u>0.1</u>	<u>(201)</u>	<u>-</u>
Total Comprehensive Income(Loss)	<u>(1,790)</u>	<u>(1.3)</u>	<u>(16,619)</u>	<u>89.2</u>
Basic Earnings Per Share	<u>(0.49)</u>		<u>(2.05)</u>	
Weighted-Average Shares Outstanding ('M)	<u>7,668</u>		<u>7,665</u>	

**AUO CORPORATION AND SUBSIDIARIES**

**Consolidated Condensed Balance Sheets**

**June 30, 2024 and 2023**

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

	June 30, 2024		June 30, 2023		YoY	
	NTD	%	NTD	%	NTD	%
<b>ASSETS</b>						
Cash and Cash Equivalents	71,961	18.0	90,531	22.8	(18,570)	(20.5)
Notes & Accounts Receivables	30,738	7.7	22,624	5.7	8,114	35.9
Other Current Financial Assets	5,218	1.3	5,630	1.4	(413)	(7.3)
Inventories	33,164	8.3	28,409	7.2	4,755	16.7
Other Current Assets	3,896	1.0	3,512	0.9	384	10.9
<b>Total Current Assets</b>	<b>144,977</b>	<b>36.3</b>	<b>150,706</b>	<b>37.9</b>	<b>(5,729)</b>	<b>(3.8)</b>
Long-term Investments	27,652	6.9	32,655	8.2	(5,004)	(15.3)
Net Fixed Assets	170,843	42.8	179,653	45.2	(8,810)	(4.9)
Right-of-use Assets	10,121	2.5	9,597	2.4	524	5.5
Other Non-Current Assets	45,838	11.5	24,682	6.2	21,156	85.7
<b>Total Non-Current Assets</b>	<b>254,453</b>	<b>63.7</b>	<b>246,587</b>	<b>62.1</b>	<b>7,866</b>	<b>3.2</b>
<b>Total Assets</b>	<b>399,430</b>	<b>100.0</b>	<b>397,293</b>	<b>100.0</b>	<b>2,137</b>	<b>0.5</b>
<b>LIABILITIES</b>						
Short-term Borrowings	731	0.2	97	0.0	634	655.7
Notes & Accounts Payable	54,099	13.5	50,379	12.7	3,720	7.4
Current Installments of Long-term Borrowings	8,082	2.0	14,432	3.6	(6,350)	(44.0)
Current Financial Liabilities	67	0.0	454	0.1	(387)	(85.2)
Accrued Expense & Other Current Liabilities	37,665	9.4	32,036	8.1	5,628	17.6
Machinery and Equipment Payable	3,988	1.0	7,708	1.9	(3,720)	(48.3)
<b>Total Current Liabilities</b>	<b>104,632</b>	<b>26.2</b>	<b>105,106</b>	<b>26.5</b>	<b>(474)</b>	<b>(0.5)</b>
Long-term Borrowings	113,783	28.5	99,815	25.1	13,968	14.0
Other Non-Current Liabilities	23,987	6.0	23,702	6.0	284	1.2
<b>Total Non-Current Liabilities</b>	<b>137,770</b>	<b>34.5</b>	<b>123,517</b>	<b>31.1</b>	<b>14,253</b>	<b>11.5</b>
<b>Total Liabilities</b>	<b>242,402</b>	<b>60.7</b>	<b>228,624</b>	<b>57.5</b>	<b>13,778</b>	<b>6.0</b>
<b>EQUITY</b>						
Common Stock	76,994	19.3	76,994	19.4	0	0.0
Capital Surplus	48,411	12.1	55,874	14.1	(7,463)	(13.4)
Retained Earnings	27,905	7.0	34,398	8.7	(6,493)	(18.9)
Other Equity	(2,350)	(0.6)	(4,357)	(1.1)	2,007	46.1
Treasury Shares	(240)	(0.1)	(240)	(0.1)	0	0.0
Non-Controlling Interests	6,308	1.6	6,001	1.5	307	5.1
<b>Total Equity</b>	<b>157,028</b>	<b>39.3</b>	<b>168,669</b>	<b>42.5</b>	<b>(11,641)</b>	<b>(6.9)</b>
<b>Total Liabilities &amp; Equity</b>	<b>399,430</b>	<b>100.0</b>	<b>397,293</b>	<b>100.0</b>	<b>2,137</b>	<b>0.5</b>

**AUO CORPORATION AND SUBSIDIARIES**  
**Consolidated Condensed Cash Flow Statements**  
**For the Period Ended June 30, 2024 and 2023**  
(Expressed in Millions of New Taiwan Dollars (NTD))

	<u>1H 2024</u>	<u>1H 2023</u>
	<u>NTD</u>	<u>NTD</u>
<b>Cash Flow from Operating Activities:</b>		
Profit(Loss) before Income Taxes	(3,029)	(15,557)
Depreciation & Amortization	17,517	15,645
Share of Profit of Equity-Accounted Investees	(3)	147
Changes in Working Capital	(7,462)	(1,490)
Changes in Others	(2,092)	(903)
Net Cash Provided by (Used in) Operating Activities	<u>4,931</u>	<u>(2,158)</u>
<b>Cash Flow from Investing Activities:</b>		
Acquisitions of Financial Assets Measured at Fair Value	0	(93)
Disposals of Financial Assets Measured at Fair Value	0	54
Acquisitions of Financial Assets Measured at Amortized Cost	(264)	(342)
Disposals of Financial Assets Measured at Amortized Cost	300	0
Disposals of Equity-Accounted Investees	4,218	0
Acquisitions of Property, Plant and Equipment	(13,941)	(17,517)
Net Cash Outflow Arising from Acquisition of Subsidiaries	(12,556)	(7)
Changes in Others	(1,042)	3,086
Net Cash Provided by (Used in) Investing Activities	<u>(23,284)</u>	<u>(14,820)</u>
<b>Cash Flow from Financing Activities:</b>		
Increase(Decrease) in Short-term Borrowings	(628)	(29)
Increase(Decrease) in Long-term Borrowings	5,699	27,691
Payment of Lease Liabilities	(376)	(293)
Changes in Others	(34)	90
Net Cash Provided by (Used in) Financing Activities	<u>4,661</u>	<u>27,459</u>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<u>1,684</u>	<u>(563)</u>
<b>Net Increase(Decrease) in Cash and Cash Equivalents</b>	<u>(12,008)</u>	<u>9,918</u>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<u>83,969</u>	<u>80,613</u>
<b>Cash and Cash Equivalents at End of Period</b>	<u>71,961</u>	<u>90,531</u>



Tap Into The Possibilities

**AUO**