



August 10, 2022

VisEra 2Q22 Quarterly Management Report

VisEra Technologies Company Ltd. (TWSE: 6789) today announced net revenue of NT\$2,650 million, income from operations of NT\$774 million, net income of NT\$624 million, and basic earnings per share of NT\$2.12 for the second quarter ended June 30, 2022.

Summary (Amounts are in NT\$ millions unless otherwise noted)

Topics in This Report

- I. Revenue Analysis
- II. Gross Margin Analysis
- III. Expense Analysis
- IV. Net Profit & EPS
- V. Financial Condition Review
- VI. Cash Flow Analysis

	2022	1Q22	QoQ	2Q21	YoY
Net Revenue	2,650	2,296	15%	2,139	24%
Gross Profit	1,120	872	28%	771	45%
Gross Margin	42.2%	38.0%	+4.2 pts	36.0%	+6.2 pts
Operating Expenses	354	269	32%	200	77%
Operating Income	774	610	27%	578	34%
Operating Margin	29.2%	26.6%	+2.6 pts	27.0%	+2.2 pts
Net Income	624	523	19%	461	35%
Net Profit Margin	23.5%	22.8%	+0.7 pts	21.6%	+1.9 pts
EPS (NT\$ per share)	2.12	1.78	19%	1.58	34%

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Second Quarter 2022

- Net revenue was NT\$2,650 million, representing a 15% increase from NT\$2,296 million in 1Q22 and a 24% increase from NT\$2,139 million in 2Q21.
- Gross margin was 42.2%, 4.2 percentage points higher than 1Q22 and 6.2 percentage points higher than 2Q21.
- Operating margin was 29.2%, up 2.6 percentage points from 1Q22 and up 2.2 percentage points from 2Q21.
- Net Profit Margin was 23.5%, up 0.7 percentage points compared to 1Q22 and 1.9 percentage points higher than 2Q21.
- EPS was NT\$2.12, which increased 19% compared to 1Q22 and also increased 34% from 2Q21, both were higher than the growth rate of net revenue.



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I. Revenue Analysis

Net Revenue % by Production	2022	1Q22	2021
Image Sensor	50%	58%	53%
Micro-Optical Elements	49%	40%	45%
Others	1%	2%	2%

From the production perspective, the major revenue contribution was still coming from Image Sensor and Micro-Optical Elements.

II. Gross Margin Analysis

(In NT\$ millions)	2022	1Q22	2021
Net Revenue	2,650	2,296	2,139
Cost of Revenue	1,530	1,424	1,368
Gross Profit	1,120	872	771
Gross Margin	42.2%	38.0%	36.0%

Gross Margin was 42.2% in 2022, increasing compared to 38.0% in 1Q22 and 36.0% in 2Q21, which was due to better product mix.

III. Expense Analysis

(In NT\$ millions)	2022	1Q22	2021
SG&A	181	116	77
Research & Development	173	153	123
Total Operating Expenses	354	269	200
Operating Income	774	610	578
Operating Margin	29.2%	26.6%	27.0%

Operating expenses increased on both QoQ and YoY basis in 2022 due to the increase of start-up costs for new Longtang fab and the recognition of ESPP expense.

IV. Net Profit & EPS

(In NT\$ millions)	2022	1Q22	2021
Net Income	624	523	461
Net Profit Margin	23.5%	22.8%	21.6%
EPS (NT\$ per share)	2.12	1.78	1.58

Net income in 2022 was NT\$624 million and EPS was NT\$2.12, increasing 19% compared to 1Q22 and it also increased 34% on YoY basis.



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V. Financial Condition Review

(In NT\$ millions)	6/30/22	3/31/22	6/30/21
Cash and cash equivalents	9,694	3,120	2,236
Contract assets	320	303	265
Accounts receivable, net	1,420	1,427	1,174
Other current assets	<u>198</u>	<u>209</u>	<u>172</u>
Total current assets	11,632	5,059	3,847
Property, plant and equipment	11,542	10,950	9,149
Other non-current assets	<u>304</u>	<u>315</u>	<u>346</u>
Total assets	<u>23,478</u>	<u>16,324</u>	<u>13,342</u>
Current liabilities	<u>3,651</u>	<u>3,550</u>	<u>1,775</u>
Non-current liabilities	<u>3,570</u>	<u>3,331</u>	<u>3,450</u>
Total liabilities	<u>7,221</u>	<u>6,881</u>	<u>5,225</u>
Total equity	<u>16,257</u>	<u>9,443</u>	<u>8,117</u>
Total liabilities and equity	<u>23,478</u>	<u>16,324</u>	<u>13,342</u>
Net working capital	7,981	1,509	2,072
Current ratio(%)	319%	143%	217%

(In NT\$ millions)	2Q22	1Q22	2Q21
Days of Receivable	49	54	46
Days of Inventory	7	6	6

VI. Cash Flow Analysis

(In NT\$ millions)	2Q22	1Q22	2Q21
Net Operating Sources/ (Uses)	1,306	868	402
Net Investing Sources/ (Uses)	(1,947)	(959)	(875)
Net Financing Sources/ (Uses)	<u>7,215</u>	<u>(22)</u>	<u>527</u>
Cash Position Net Changes	6,574	(113)	54
Beginning Cash Balance	<u>3,120</u>	<u>3,233</u>	<u>2,182</u>
Ending Cash Balance	9,694	3,120	2,236

Liquidity Analysis

At the end of 2Q22, total assets were NT\$23,478 million, increased by NT\$7,154 million mainly due to the substantial increase in cash and cash equivalents as the issuance of share capital this quarter.

Total liabilities were NT\$7,221 million, increased by NT\$340 million mainly due to proceeds from long-term borrowings.

Total equity was NT\$16,257 million, increased by NT\$6,814 million mainly due to the issuance of share capital this quarter.

Net working capital was NT\$7,981 million and current ratio was 319% in 2Q22.

Receivable and Inventory days

Days of receivable increased 3 days compared to 2Q21.

Days of inventory increased 1 day compared to 2Q21.

During 2Q22, cash generated from operating activities totaled NT\$1,306 million, mainly including income before tax and depreciation expenses. Net cash used in investing activities was NT\$1,947 million in 2Q22, primarily attributable to capital expenditures. Net cash generated from financing activities was NT\$7,215 million, mainly attributable to proceeds from issuance of share capital.