



November 9, 2022

## VisEra 3Q22 Quarterly Management Report

VisEra Technologies Company Ltd. (TWSE: 6789) today announced net revenue of NT\$2,215 million, income from operations of NT\$458 million, net income of NT\$382 million, and basic earnings per share of NT\$1.21 for the third quarter ended September 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

	<u>3Q22</u>	<u>2Q22</u>	<u>3Q21</u>	<u>QoQ</u>	<u>YoY</u>
Net Revenue	2,215	2,650	2,855	-16%	-22%
Gross Profit	798	1,120	1,293		
Gross Margin	36.0%	42.2%	45.3%	-6.2 ppts	-9.3 ppts
Operating Expenses	357	354	279	1%	28%
Operating Income	458	774	1,020		
Operating Margin	20.7%	29.2%	35.7%	-8.5 ppts	-15.0 ppts
Net Income	382	624	814		
Net Profit Margin	17.2%	23.5%	28.5%	-6.3 ppts	-11.3 ppts
EPS (NT\$ per share)	1.21	2.12	2.78	-43%	-56%

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#### Third Quarter 2022

- Net revenue was NT\$2,215 million, representing a 16% decrease from NT\$2,650 million in 2Q22 and a 22% decrease from NT\$2,855 million in 3Q21.
- Gross margin was 36.0%, 6.2 percentage points lower than 2Q22 and 9.3 percentage points lower than 3Q21.
- Operating margin was 20.7%, down 8.5 percentage points from 2Q22 and down 15.0 percentage points from 3Q21.
- Net Profit Margin was 17.2%, down 6.3 percentage points compared to 2Q22 and 11.3 percentage points lower than 3Q21.
- EPS was NT\$1.21, which decreased 43% compared to 2Q22 and also decreased 56% from 3Q21.



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## I. Revenue Analysis

Net Revenue % by Product	3Q22	2Q22	3Q21
Image Sensor	44%	50%	42%
Micro-Optical Elements	55%	49%	56%
Others	1%	1%	2%

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

## II. Gross Margin Analysis

(In NT\$ millions)	3Q22	2Q22	3Q21
Net Revenue	2,215	2,650	2,855
Cost of Revenue	1,417	1,530	1,562
Gross Profit	798	1,120	1,293
Gross Margin	36.0%	42.2%	45.3%

Gross Margin was 36.0% in 3Q22, decreasing compared to 42.2% in 2Q22 and 45.3% in 3Q21, which was due to different product mix.

## III. Expense Analysis

(In NT\$ millions)	3Q22	2Q22	3Q21
SG&A	187	181	118
Research & Development	170	173	161
Total Operating Expenses	357	354	279
Operating Income	458	774	1,020
Operating Margin	20.7%	29.2%	35.7%

Operating expenses increased on a YoY basis in 3Q22 due to the increase of start-up costs for new Longtang fab.

## IV. Net Profit & EPS

(In NT\$ millions)	3Q22	2Q22	3Q21
Net Income	382	624	814
Net Profit Margin	17.2%	23.5%	28.5%
EPS (NT\$ per share)	1.21	2.12	2.78

Net income in 3Q22 was NT\$382 million and EPS was NT\$1.21, decreasing 43% compared to 2Q22 and it also decreased 56% on a YoY basis.



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## V. Financial Condition Review

<i>(In NT\$ millions)</i>	<u>9/30/22</u>	<u>6/30/22</u>	<u>9/30/21</u>
Cash and cash equivalents	8,590	9,694	1,999
Contract assets	245	320	255
Accounts receivable, net	1,437	1,420	1,724
Other current assets	<u>237</u>	<u>198</u>	<u>196</u>
Total current assets	10,509	11,632	4,174
Property, plant and equipment	11,767	11,542	9,205
Other non-current assets	<u>295</u>	<u>304</u>	<u>324</u>
<b>Total assets</b>	<b><u>22,571</u></b>	<b><u>23,478</u></b>	<b><u>13,703</u></b>
Current liabilities	<u>2,615</u>	<u>3,651</u>	<u>1,580</u>
Non-current liabilities	<u>3,304</u>	<u>3,570</u>	<u>3,730</u>
<b>Total liabilities</b>	<b><u>5,919</u></b>	<b><u>7,221</u></b>	<b><u>5,310</u></b>
Total equity	<u>16,652</u>	<u>16,257</u>	<u>8,393</u>
<b>Total liabilities and equity</b>	<b><u>22,571</u></b>	<b><u>23,478</u></b>	<b><u>13,703</u></b>
<b>Net working capital</b>	7,894	7,981	2,594
<b>Current ratio</b>	4.0	3.2	2.6

<i>(In NT\$ millions)</i>	<u>3Q22</u>	<u>2Q22</u>	<u>3Q21</u>
Days of Receivable	59	49	46
Days of Inventory	7	7	6

## VI. Cash Flow Analysis

<i>(In NT\$ millions)</i>	<u>3Q22</u>	<u>2Q22</u>	<u>3Q21</u>
Net Operating Sources/(Uses)	515	1,306	745
Net Investing Sources/(Uses)	(1,017)	(1,947)	(714)
Net Financing Sources/(Uses)	<u>(602)</u>	<u>7,215</u>	<u>(268)</u>
Cash Position Net Changes	(1,104)	6,574	(237)
Beginning Cash Balance	<u>9,694</u>	<u>3,120</u>	<u>2,236</u>
Ending Cash Balance	8,590	9,694	1,999

### Liquidity Analysis

At the end of 3Q22, total assets were NT\$22,571 million, decreased by NT\$907 million as the decrease in cash and cash equivalents. Total liabilities were NT\$5,919 million, decreased by NT\$1,302 million. Overall movements were mainly due to the payments for property, plant and equipment and payment of cash dividends in 3Q22.

Total equity was NT\$16,652 million, increased by NT\$395 million mainly contributed by net income this quarter.

Net working capital was NT\$7,894 million and current ratio was 4.0 in 3Q22.

### Receivable and Inventory days

Days of receivable increased 13 days compared to 3Q21.

Days of inventory increased 1 day compared to 3Q21.

During 3Q22, cash generated from operating activities totaled NT\$515 million, mainly including income before tax and depreciation expenses. Net cash used in investing activities was NT\$1,017 million in 3Q22, primarily attributable to capital expenditures. Net cash used in financing activities was NT\$602 million, mainly attributable to payment of cash dividends.