



May 10, 2023

## VisEra 1Q23 Quarterly Management Report

VisEra Technologies Company Ltd. (TWSE: 6789) today announced net revenue of NT\$1,591 million, income from operations of NT\$82 million, net income of NT\$77 million, and basic earnings per share of NT\$0.24 for the first quarter ended March 31, 2023.

### 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

	1Q23	4Q22	1Q22	QoQ	YoY
Net Revenue	1,591	1,916	2,296	-17%	-31%
Gross Profit	375	538	872		
Gross Margin	23.6%	28.1%	38.0%	-4.5 pts	-14.4 pts
Operating Expenses	305	334	269	-9%	13%
Operating Income	82	226	610		
Operating Margin	5.2%	11.8%	26.6%	-6.6 pts	-21.4 pts
Net Income	77	237	523		
Net Profit Margin	4.8%	12.4%	22.8%	-7.6 pts	-18.0 pts
EPS (NT\$ per share)	0.24	0.75	1.78	-68%	-87%

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#### First Quarter 2023

- Net revenue was NT\$1,591 million, representing a 17% decrease from NT\$1,916 million in 4Q22 and a 31% decrease from NT\$2,296 million in 1Q22.
- Gross margin was 23.6%, 4.5 percentage points lower than 4Q22 and 14.4 percentage points lower than 1Q22.
- Operating margin was 5.2%, down 6.6 percentage points from 4Q22 and down 21.4 percentage points from 1Q22.
- Net Profit Margin was 4.8%, down 7.6 percentage points compared to 4Q22 and 18 percentage points lower than 1Q22.
- EPS was NT\$0.24, which decreased 68% compared to 4Q22 and also decreased 87% from 1Q22.



May 10, 2023

## I. Revenue Analysis

Net Revenue % by Product	1Q23	4Q22	1Q22
Image Sensor	30%	35%	58%
Micro-Optical Elements	69%	62%	40%
Others	1%	3%	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)	1Q23	4Q22	1Q22
Net Revenue	1,591	1,916	2,296
Cost of Revenue	1,216	1,378	1,424
Gross Profit	375	538	872
Gross Margin	23.6%	28.1%	38.0%

Gross margin was 23.6% in 1Q23, decreasing compared to 28.1% in 4Q22 and 38.0% in 1Q22, which was mainly due to lower capacity utilization.

## III. Expense Analysis

(In NT\$ millions)	1Q23	4Q22	1Q22
SG&A	139	157	116
Research & Development	166	177	153
Total Operating Expenses	305	334	269
Operating Income	82	226	610
Operating Margin	5.2%	11.8%	26.6%

Operating expenses increased on a YoY basis in 1Q23 due to the increase of start-up costs for new Longtang fab and research and development expense for new projects.

## IV. Net Profit & EPS

(In NT\$ millions)	1Q23	4Q22	1Q22
Net Income	77	237	523
Net Profit Margin	4.8%	12.4%	22.8%
EPS (NT\$ per share)	0.24	0.75	1.78

Net income in 1Q23 was NT\$77 million and EPS was NT\$0.24, decreasing 68% compared to 4Q22 and it also decreased 87% on a YoY basis.



May 10, 2023

## V. Financial Condition Review

(In NT\$ millions)	3/31/23	12/31/22	3/31/22
Cash and cash equivalents	13,272	11,949	3,120
Contract assets	321	314	303
Accounts receivable, net	730	764	1,427
Other current assets	<u>254</u>	<u>251</u>	<u>209</u>
Total current assets	14,577	13,278	5,059
Property, plant and equipment	12,129	11,919	10,950
Other non-current assets	<u>395</u>	<u>403</u>	<u>315</u>
<b>Total assets</b>	<b><u>27,101</u></b>	<b><u>25,600</u></b>	<b><u>16,324</u></b>
Current liabilities	<u>3,684</u>	<u>3,637</u>	<u>3,550</u>
Non-current liabilities	<u>6,445</u>	<u>5,073</u>	<u>3,331</u>
<b>Total liabilities</b>	<b><u>10,129</u></b>	<b><u>8,710</u></b>	<b><u>6,881</u></b>
Total equity	<u>16,972</u>	<u>16,890</u>	<u>9,443</u>
<b>Total liabilities and equity</b>	<b><u>27,101</u></b>	<b><u>25,600</u></b>	<b><u>16,324</u></b>
Net working capital	10,893	9,641	1,509
Current ratio	4.0	3.7	1.4

(In NT\$ millions)	1Q23	4Q22	1Q22
Days of Receivable	43	52	54
Days of Inventory	7	6	6

## VI. Cash Flow Analysis

(In NT\$ millions)	1Q23	4Q22	1Q22
Net Operating Sources/(Uses)	371	1,600	868
Net Investing Sources/(Uses)	(1,130)	(213)	(959)
Net Financing Sources/(Uses)	<u>2,082</u>	<u>1,972</u>	<u>(22)</u>
Cash Position Net Changes	1,323	3,359	(113)
Beginning Cash Balance	<u>11,949</u>	<u>8,590</u>	<u>3,233</u>
Ending Cash Balance	13,272	11,949	3,120

### Liquidity Analysis

At the end of 1Q23, total assets were NT\$27,101 million, increased by NT\$1,501 million as the increase in cash and cash equivalents. Total liabilities were NT\$10,129 million, increased by NT\$1,419 million. Overall movements were mainly due to proceeds from long-term borrowings in 1Q23.

Total equity was NT\$16,972 million, increased by NT\$82 million which was mainly contributed by net income this quarter.

Net working capital was NT\$10,893 million and current ratio was 4.0 in 1Q23.

### Receivable and Inventory days

Days of receivable decreased 11 days compared to 1Q22.

Days of inventory increased 1 day compared to 1Q22.

During 1Q23, cash generated from operating activities totaled NT\$371 million, mainly including income before tax and depreciation expenses. Net cash used in investing activities was NT\$1,130 million in 1Q23, primarily attributable to capital expenditures. Net cash generated from financing activities was NT\$2,082 million, mainly attributable to proceeds from long-term borrowings.