



August 10, 2023

VisEra 2Q23 Quarterly Management Report

VisEra Technologies Company Ltd. (TWSE: 6789) today announced net revenue of NT\$1,937 million, income from operations of NT\$155 million, net income of NT\$180 million, and basic earnings per share of NT\$0.57 for the second quarter ended June 30, 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

| | 2023 | 1Q23 | 2Q22 | QoQ | YoY |
|----------------------|-------|-------|-------|----------|-----------|
| Net Revenue | 1,937 | 1,591 | 2,650 | 22% | -27% |
| Gross Profit | 367 | 375 | 1,120 | | |
| Gross Margin | 19.0% | 23.6% | 42.2% | -4.6 pts | -23.2 pts |
| Operating Expenses | 225 | 305 | 354 | -26% | -36% |
| Operating Income | 155 | 82 | 774 | | |
| Operating Margin | 8.0% | 5.2% | 29.2% | +2.8 pts | -21.2 pts |
| Net Income | 180 | 77 | 624 | | |
| Net Profit Margin | 9.3% | 4.8% | 23.5% | +4.5 pts | -14.2 pts |
| EPS (NT\$ per share) | 0.57 | 0.24 | 2.12 | 138% | -73% |

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Second Quarter 2023

- Net revenue was NT\$1,937 million, representing a 22% increase from NT\$1,591 million in 1Q23 and a 27% decrease from NT\$2,650 million in 2Q22.
- Gross margin was 19.0%, 4.6 percentage points lower than 1Q23 and 23.2 percentage points lower than 2Q22.
- Operating margin was 8.0%, up 2.8 percentage points from 1Q23 and down 21.2 percentage points from 2Q22.
- Net Profit Margin was 9.3%, up 4.5 percentage points compared to 1Q23 and 14.2 percentage points lower than 2Q22.
- EPS was NT\$0.57, which increased 138% compared to 1Q23 and decreased 73% from 2Q22.



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I. Revenue Analysis

| Net Revenue % by Product | <u>2Q23</u> | <u>1Q23</u> | <u>2Q22</u> |
|--------------------------|-------------|-------------|-------------|
| Image Sensor | 32% | 30% | 50% |
| Micro-Optical Elements | 66% | 69% | 49% |
| Others | 2% | 1% | 1% |

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) | <u>2Q23</u> | <u>1Q23</u> | <u>2Q22</u> |
|--------------------|--------------|--------------|--------------|
| Net Revenue | 1,937 | 1,591 | 2,650 |
| Cost of Revenue | <u>1,570</u> | <u>1,216</u> | <u>1,530</u> |
| Gross Profit | 367 | 375 | 1,120 |
| Gross Margin | 19.0% | 23.6% | 42.2% |

Gross margin was 19.0% in 2Q23, down from 23.6% in 1Q23 and 42.2% in 2Q22, which was primarily due to recognition of depreciation of new Longtan fab and lower capacity utilization, respectively.

III. Expense Analysis

| (In NT\$ millions) | <u>2Q23</u> | <u>1Q23</u> | <u>2Q22</u> |
|--------------------------|-------------|-------------|-------------|
| SG&A | 48 | 139 | 181 |
| Research & Development | <u>177</u> | <u>166</u> | <u>173</u> |
| Total Operating Expenses | 225 | 305 | 354 |
| Operating Income | 155 | 82 | 774 |
| Operating Margin | 8.0% | 5.2% | 29.2% |

Operating expenses decreased on a QoQ and a YoY basis in 2Q23. Because the new Longtang fab has started ramping since 2Q23, its expenses are now recognized as cost of goods sold.

IV. Net Profit & EPS

| (In NT\$ millions) | <u>2Q23</u> | <u>1Q23</u> | <u>2Q22</u> |
|----------------------|-------------|-------------|-------------|
| Net Income | 180 | 77 | 624 |
| Net Profit Margin | 9.3% | 4.8% | 23.5% |
| EPS (NT\$ per share) | 0.57 | 0.24 | 2.12 |

Net income in 2Q23 was NT\$180 million and EPS was NT\$0.57, increasing 138% compared to 1Q23 and decreasing 73% on a YoY basis.



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V. Financial Condition Review

| (In NT\$ millions) | 6/30/23 | 3/31/23 | 6/30/22 |
|-------------------------------------|----------------------|----------------------|----------------------|
| Cash and cash equivalents | 13,175 | 13,272 | 9,694 |
| Contract assets | 206 | 321 | 320 |
| Accounts receivable, net | 938 | 730 | 1,420 |
| Other current assets | <u>294</u> | <u>254</u> | <u>198</u> |
| Total current assets | 14,613 | 14,577 | 11,632 |
| Property, plant and equipment | 11,478 | 12,129 | 11,542 |
| Other non-current assets | <u>405</u> | <u>395</u> | <u>304</u> |
| Total assets | <u>26,496</u> | <u>27,101</u> | <u>23,478</u> |
| Current liabilities | <u>4,079</u> | <u>3,684</u> | <u>3,651</u> |
| Non-current liabilities | <u>5,896</u> | <u>6,445</u> | <u>3,570</u> |
| Total liabilities | <u>9,975</u> | <u>10,129</u> | <u>7,221</u> |
| Total equity | <u>16,521</u> | <u>16,972</u> | <u>16,257</u> |
| Total liabilities and equity | <u>26,496</u> | <u>27,101</u> | <u>23,478</u> |
| Net working capital | 10,534 | 10,893 | 7,981 |
| Current ratio | 3.6 | 4.0 | 3.2 |

| (In NT\$ millions) | 2Q23 | 1Q23 | 2Q22 |
|--------------------|------|------|------|
| Days of Receivable | 39 | 43 | 49 |
| Days of Inventory | 5 | 7 | 7 |

VI. Cash Flow Analysis

| (In NT\$ millions) | 2Q23 | 1Q23 | 2Q22 |
|------------------------------|---------------|---------------|--------------|
| Net Operating Sources/(Uses) | 820 | 371 | 1,307 |
| Net Investing Sources/(Uses) | (412) | (1,130) | (1,948) |
| Net Financing Sources/(Uses) | <u>(505)</u> | <u>2,082</u> | <u>7,215</u> |
| Cash Position Net Changes | (97) | 1,323 | 6,574 |
| Beginning Cash Balance | <u>13,272</u> | <u>11,949</u> | <u>3,120</u> |
| Ending Cash Balance | 13,175 | 13,272 | 9,694 |

Liquidity Analysis

At the end of 2Q23, total assets were NT\$26,496 million, decreased by NT\$605 million due to depreciation of property, plant and equipment. Total liabilities were NT\$9,975 million, decreased by NT\$154 million. Overall movements were mainly due to recognition of cash dividends payable and repayments of long-term borrowings in 2Q23.

Total equity was NT\$16,521 million, decreased by NT\$451 million as a result of appropriation of 2022 earnings.

Net working capital was NT\$10,534 million and current ratio was 3.6 in 2Q23.

Receivable and Inventory days

Days of receivable decreased 10 days compared to 2Q22.

Days of inventory decreased 2 days compared to 2Q22.

During 2Q23, cash generated from operating activities totaled NT\$820 million, mainly including net income. Net cash used in investing activities was NT\$412 million in 2Q23, primarily attributable to capital expenditures. Net cash used in financing activities was NT\$505 million, mainly attributable to repayments of long-term borrowings.