



November 2, 2023

## VisEra 3Q23 Quarterly Management Report

VisEra Technologies Company Ltd. (TWSE: 6789) today announced net revenue of NT\$1,829 million, income from operations of NT\$45 million, net income of NT\$67 million, and basic earnings per share of NT\$0.21 for the third quarter ended September 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        |

|                      | 3Q23  | 2Q23  | 3Q22  | QoQ      | YoY       |
|----------------------|-------|-------|-------|----------|-----------|
| Net Revenue          | 1,829 | 1,937 | 2,215 | -6%      | -17%      |
| Gross Profit         | 255   | 367   | 798   |          |           |
| Gross Margin         | 13.9% | 19.0% | 36.0% | -5.1 pts | -22.1 pts |
| Operating Expenses   | 227   | 225   | 357   | 1%       | -36%      |
| Operating Income     | 45    | 155   | 458   |          |           |
| Operating Margin     | 2.4%  | 8.0%  | 20.7% | -5.6 pts | -18.3 pts |
| Net Income           | 67    | 180   | 382   |          |           |
| Net Profit Margin    | 3.7%  | 9.3%  | 17.2% | -5.6 pts | -13.5 pts |
| EPS (NT\$ per share) | 0.21  | 0.57  | 1.21  | -63%     | -83%      |

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#### Third Quarter 2023

- Net revenue was NT\$1,829 million, representing a 6% decrease from NT\$1,937 million in 2Q23 and a 17% decrease from NT\$2,215 million in 3Q22.
- Gross margin was 13.9%, 5.1 percentage points lower than 2Q23 and 22.1 percentage points lower than 3Q22.
- Operating margin was 2.4%, down 5.6 percentage points from 2Q23 and down 18.3 percentage points from 3Q22.
- Net Profit Margin was 3.7%, down 5.6 percentage points compared to 2Q23 and 13.5 percentage points lower than 3Q22.
- EPS was NT\$0.21, which decreased 63% compared to 2Q23 and decreased 83% from 3Q22.



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## I. Revenue Analysis

| Net Revenue % by Product | 3Q23 | 2Q23 | 3Q22 |
|--------------------------|------|------|------|
| Image Sensor             | 48%  | 32%  | 44%  |
| Micro-Optical Elements   | 50%  | 66%  | 55%  |
| Others                   | 2%   | 2%   | 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) | 3Q23  | 2Q23  | 3Q22  |
|--------------------|-------|-------|-------|
| Net Revenue        | 1,829 | 1,937 | 2,215 |
| Cost of Revenue    | 1,574 | 1,570 | 1,417 |
| Gross Profit       | 255   | 367   | 798   |
| Gross Margin       | 13.9% | 19.0% | 36.0% |

Gross margin was 13.9% in 3Q23, down from 19.0% in 2Q23 and 36.0% in 3Q22, which was primarily due to different product mix and recognition of depreciation of new Longtan fab, respectively.

## III. Expense Analysis

| (In NT\$ millions)       | 3Q23 | 2Q23 | 3Q22  |
|--------------------------|------|------|-------|
| SG&A                     | 46   | 48   | 187   |
| Research & Development   | 181  | 177  | 170   |
| Total Operating Expenses | 227  | 225  | 357   |
| Operating Income         | 45   | 155  | 458   |
| Operating Margin         | 2.4% | 8.0% | 20.7% |

Operating expenses decreased on a YoY basis in 3Q23. 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)   | 3Q23 | 2Q23 | 3Q22  |
|----------------------|------|------|-------|
| Net Income           | 67   | 180  | 382   |
| Net Profit Margin    | 3.7% | 9.3% | 17.2% |
| EPS (NT\$ per share) | 0.21 | 0.57 | 1.21  |

Net income in 3Q23 was NT\$67 million and EPS was NT\$0.21, decreasing 63% compared to 2Q23 and decreasing 83% on a YoY basis.



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## V. Financial Condition Review

| (In NT\$ millions)                  | 9/30/23              | 6/30/23              | 9/30/22              |
|-------------------------------------|----------------------|----------------------|----------------------|
| Cash and cash equivalents           | 12,422               | 13,175               | 8,590                |
| Contract assets                     | 272                  | 206                  | 245                  |
| Accounts receivable, net            | 915                  | 938                  | 1,437                |
| Other current assets                | 280                  | 294                  | 237                  |
| Total current assets                | 13,889               | 14,613               | 10,509               |
| Property, plant and equipment       | 11,111               | 11,478               | 11,767               |
| Other non-current assets            | 371                  | 405                  | 295                  |
| <b>Total assets</b>                 | <b><u>25,371</u></b> | <b><u>26,496</u></b> | <b><u>22,571</u></b> |
| Current liabilities                 | 3,517                | 4,079                | 2,615                |
| Non-current liabilities             | 5,256                | 5,896                | 3,304                |
| <b>Total liabilities</b>            | <b><u>8,773</u></b>  | <b><u>9,975</u></b>  | <b><u>5,919</u></b>  |
| Total equity                        | 16,598               | 16,521               | 16,652               |
| <b>Total liabilities and equity</b> | <b><u>25,371</u></b> | <b><u>26,496</u></b> | <b><u>22,571</u></b> |
| Net working capital                 | 10,372               | 10,534               | 7,894                |
| Current ratio                       | 3.9                  | 3.6                  | 4.0                  |

### Liquidity Analysis

At the end of 3Q23, total assets were NT\$25,371 million, decreased by NT\$1,125 million due to the decrease in cash and cash equivalents. Total liabilities were NT\$8,773 million, decreased by NT\$1,202 million. Overall movements were mainly due to payment of cash dividends and repayments of long-term borrowings in 3Q23.

Total equity was NT\$16,598 million, increased by NT\$77 million mainly contributed by net income from this quarter.

Net working capital was NT\$10,372 million and current ratio was 3.9 in 3Q23.

| (In NT\$ millions) | 3Q23 | 2Q23 | 3Q22 |
|--------------------|------|------|------|
| Days of Receivable | 46   | 39   | 59   |
| Days of Inventory  | 5    | 5    | 7    |

### Receivable and Inventory days

Days of receivable decreased 13 days compared to 3Q22.

Days of inventory decreased 2 days compared to 3Q22.

## VI. Cash Flow Analysis

| (In NT\$ millions)           | 3Q23    | 2Q23   | 3Q22    |
|------------------------------|---------|--------|---------|
| Net Operating Sources/(Uses) | 631     | 820    | 515     |
| Net Investing Sources/(Uses) | (258)   | (412)  | (1,017) |
| Net Financing Sources/(Uses) | (1,126) | (505)  | (602)   |
| Cash Position Net Changes    | (753)   | (97)   | (1,104) |
| Beginning Cash Balance       | 13,175  | 13,272 | 9,694   |
| Ending Cash Balance          | 12,422  | 13,175 | 8,590   |

During 3Q23, cash generated from operating activities totaled NT\$631 million, mainly including net income. Net cash used in investing activities was NT\$258 million in 3Q23, primarily attributable to capital expenditures. Net cash used in financing activities was NT\$1,126 million, mainly attributable to payment of cash dividends and repayments of long-term borrowings.