



Vision Enhancer in Multifunction Prism and Mobile Device

# **Optivision Technology Inc.**

## **2022 Q3**

### **Investor Conference**

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**2022/11/09**



# Disclaimer

- Optivision's statements of its current expectations are forward looking statements subject to significant risks and uncertainties and actual results may differ materially from these forward-looking statements.
- Except as required by law, Optivision assumes no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.



# About Optivision

- Founded in 2004/7/13
- Chairman : Daniel Kuo
- GM : Ken Yuan
- Employee Number: 321( Taiwan: 228: Ning-Bo: 93)(2022/9/30)
- Capital: NTD 587M
- Market Cap : NTD 916M(2022/10/31)





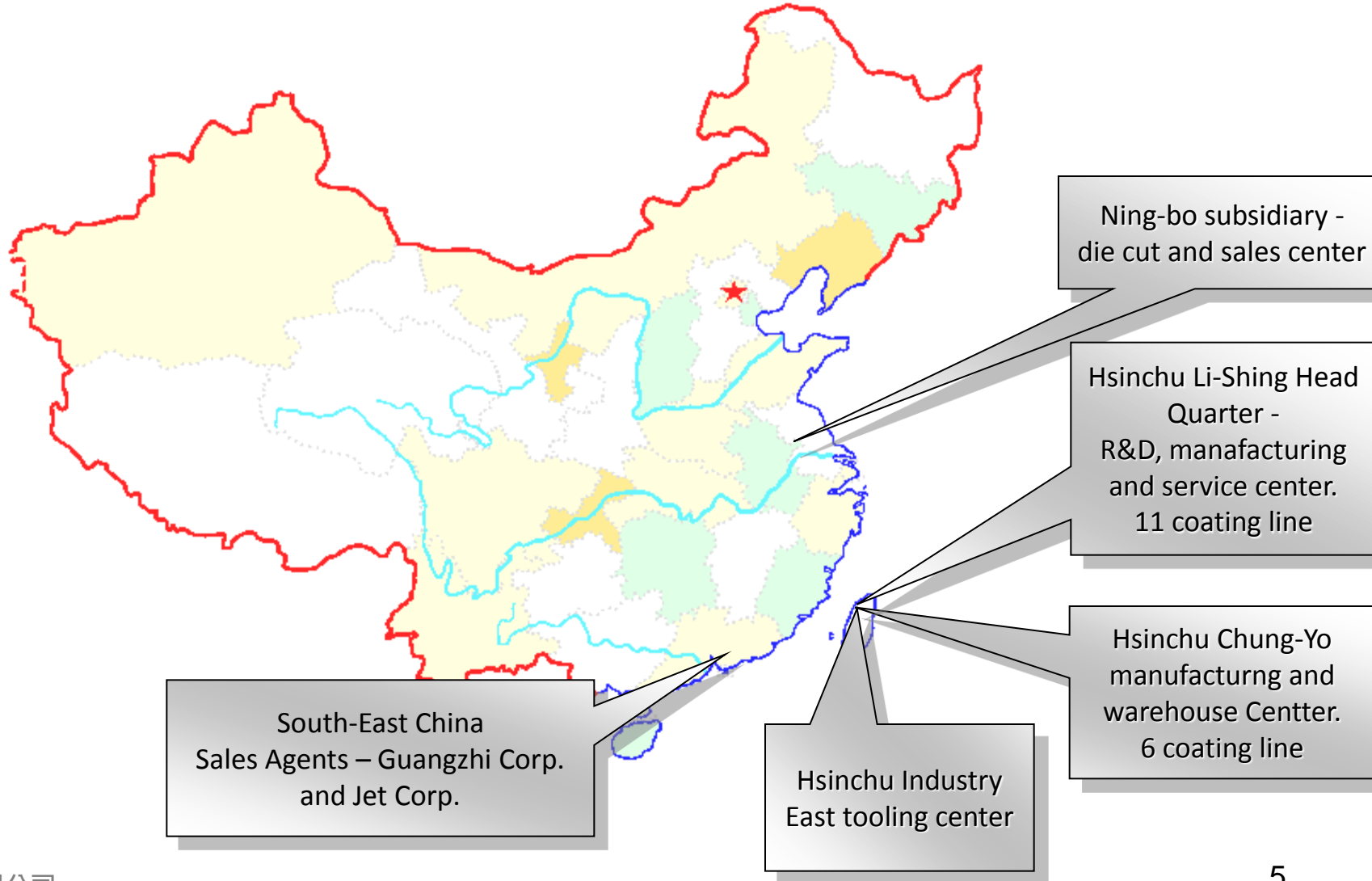
# A Profession Company in Designing and Manufacturing of Optical Film

- Optivision(OTI) is a professional manufacturer of optical film which is the key component of LCD backlight module.
- OTI provides various types of optical films including brightness enhancement files(BEF), diffusers, turning films and light guide films, which are applied to different sizes of LCD backlight module.

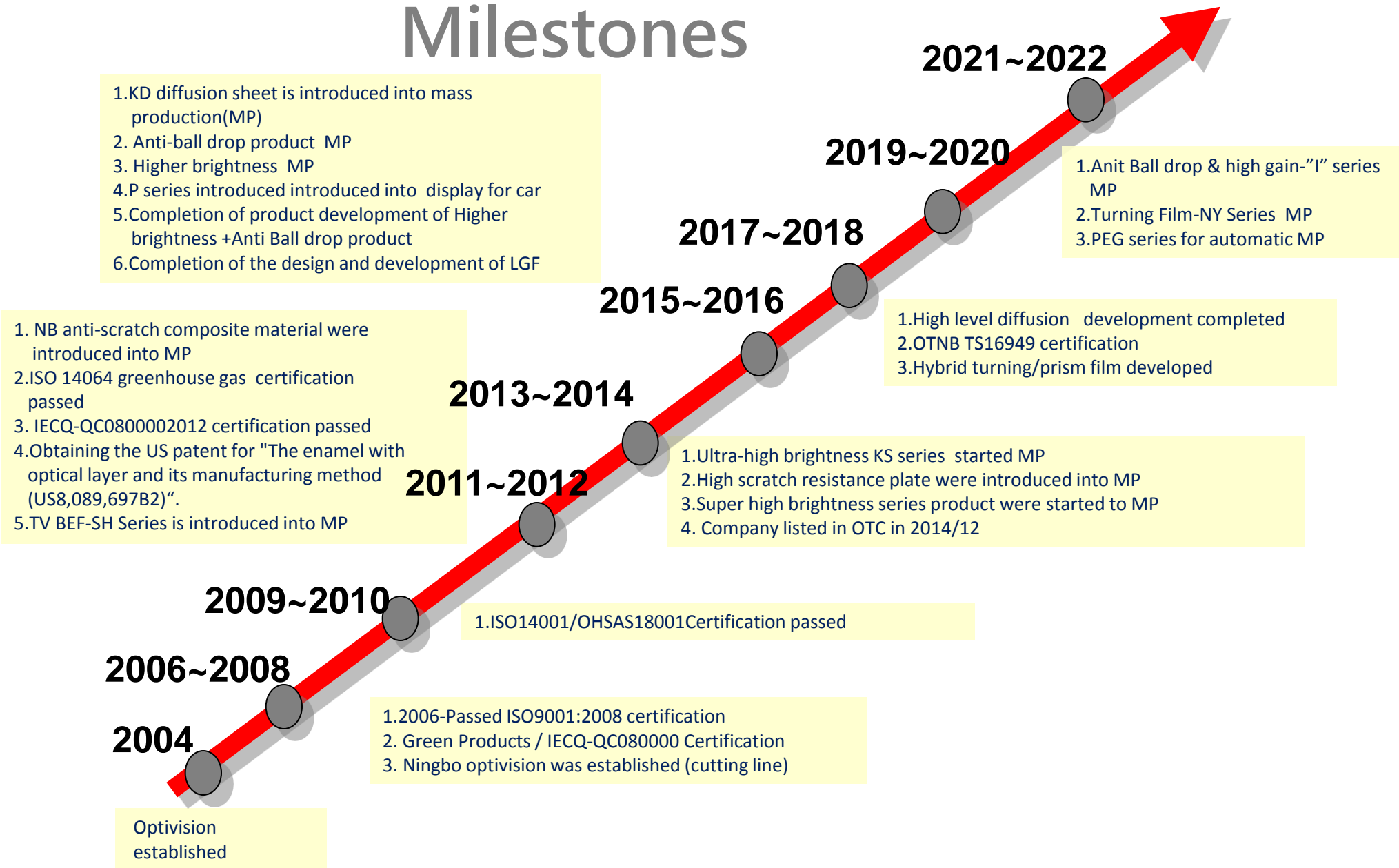




# Location of manufacturing, R&D and sales service points



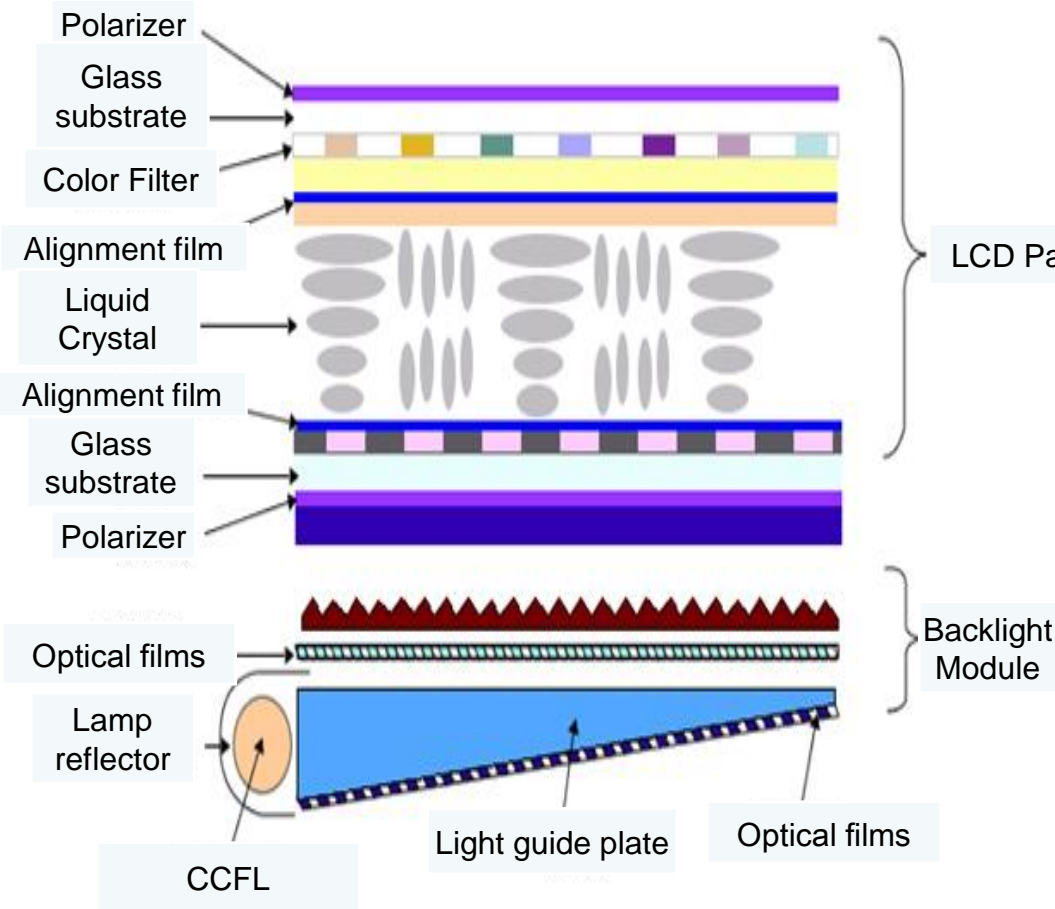
# Milestones



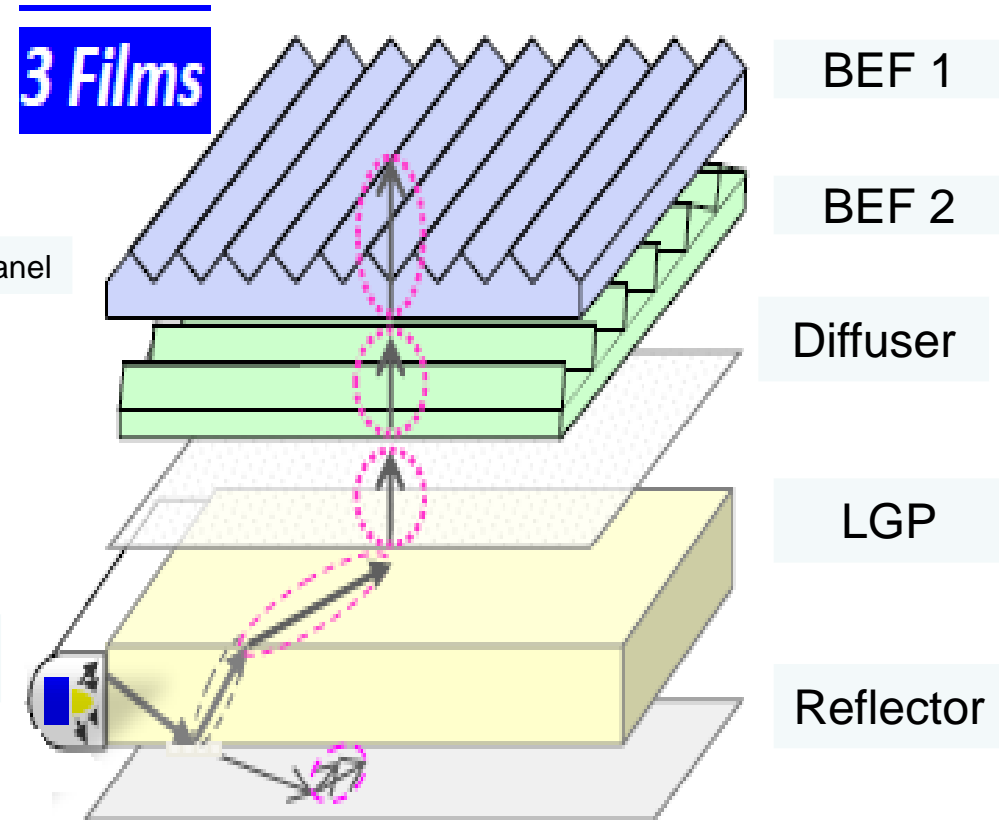


# LCD Panel and Backlight Module

## TFT-LCD Display module



## Backlight module





# Liquid Crystal Display

Based on the different sizes of the liquid crystal display, the size of optical films are categorise as below. :

- Small size -1.x"~4.x" (For low functional mobile phone 、 feature phone, DSC)
- Small to medium size-4.x"~10.x" (For smart phone 、 PND 、 Tablet PC)
- Medium size-10.x"~17.x" (Car dashboard 、 Notebook)
- Large size 20.x" (Monitor) ~32" 以上 (TV)

Small → Small to Medium → Medium → Large

Mobile TV



Feature Phone



Smart Phone



NoteBook / Auto



TV



Monitor



DSC



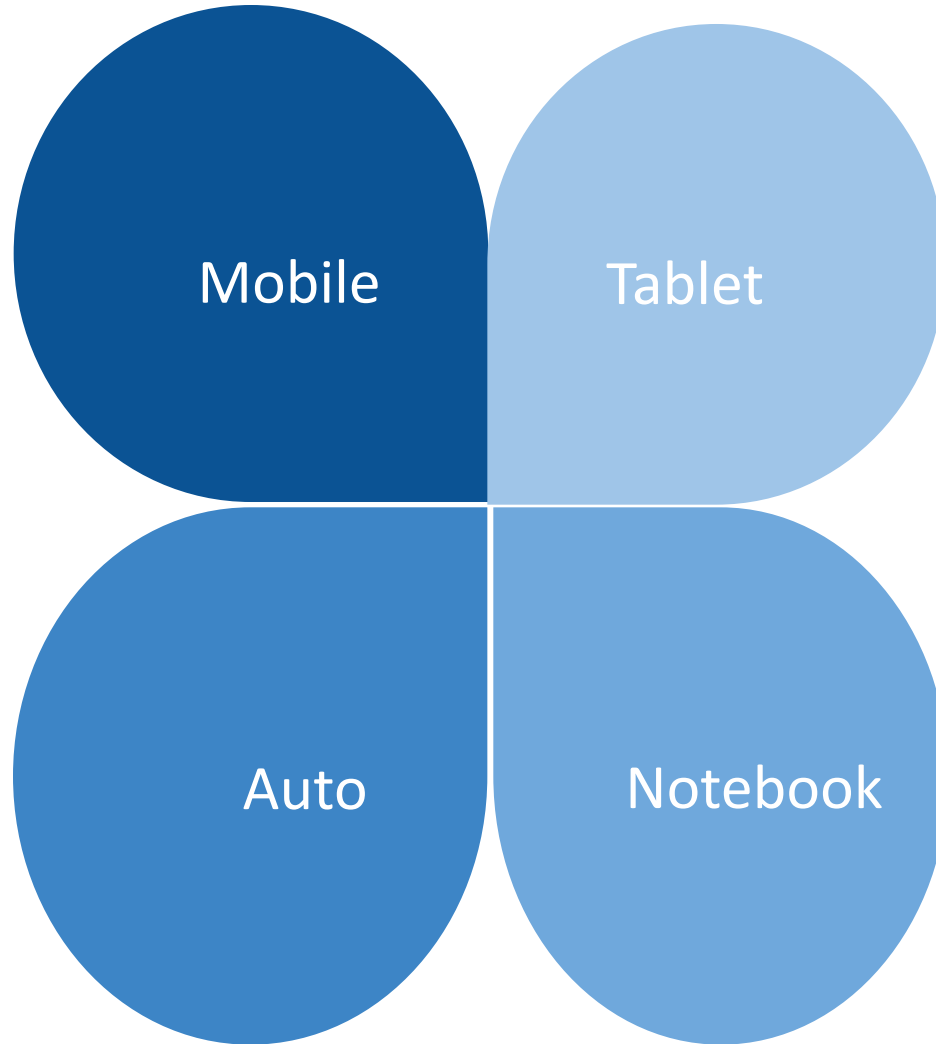
Tablet PC







# Major Market—small to medium size





# An Overview of Global Economic and Display Industry

- Although the international epidemic has slowed down, the global consumer market has been slow to recover due to the turmoil in the global financial system caused by the strong US dollar, high inflation, high interest rate, and the Russian-Ukrainian war.
- The epidemic in China continues, and the policy of dynamic clearing is adhered to. The social blockade and control are still in progress, which greatly affects the global supply chain and causes a sluggish domestic consumer market in China.
- The end consumer market (including mobile, phones, laptops) is still under low demand and a large amount of inventory has accumulated on the sales side. All companies from the sales side aim to reduce inventory and reduce purchases.
- In response to sluggish consumption and increased inventory, backlight module manufacturers and panel manufacturers have affected their willingness to develop new products and models to the market.





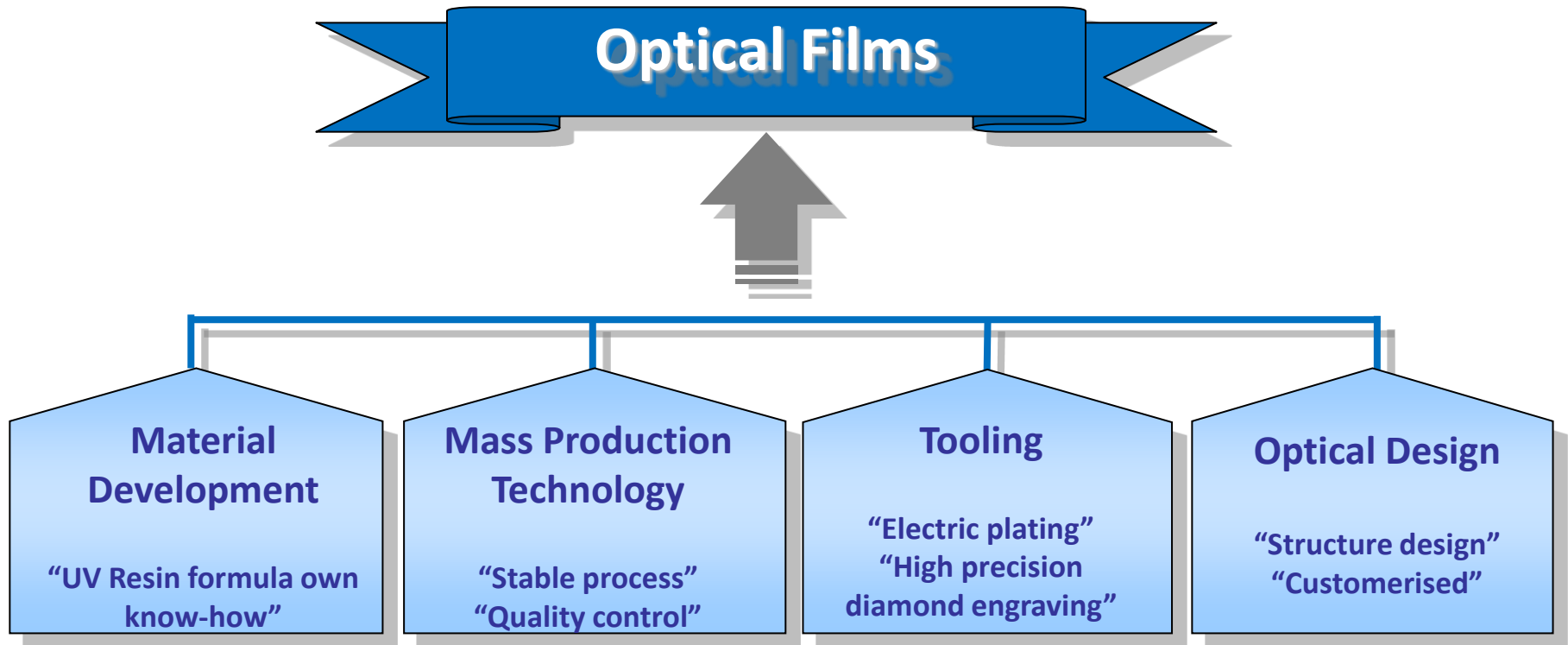
# The Trend of Market and Product Development

- Environmental protection, energy saving and electricity saving – in response to the international trend of energy saving and carbon reduction
- Improving the thinness of product – in response to consumer demand for lighter and thinner end products ◦
- Brightness and Contrast Improvement – Brightness can reduce the use of light sources; contrast can improve the taste and functional application of the panel
- Development of integrated multi-functional optical films – simplifying the structure of backlight modules, in response to green environmental protection, low process pollution, in order to increase the added value of products
- Optical film for auto application – Continue to develop demand and dashboard and control panel for driver and passenger ◦



# Technology and Advantage

- Based on the market change and trend of product development, OTI engages in the research and development on the below four categories to provide the products for the present and the future





# The Operating Strategy and Chances under Current Situation

- OTI continues to carry out new product development and product optimization, including light guide films, high brightness turning films, and low-carbon microstructure diffusers.
- Continuously engages process optimization and innovation to improve product yield and production efficiency, including the application of AI technology in process inspection and statistics.
- Continuously develops new materials to improve product performance, reduce costs and reduce carbon emission.
- Cooperation with panel manufacturers and backlight module manufacturers to develop new applications and new products
- Continue to optimize the product mix and develop new products with high gross profit to reduce the pressure from the customers to reduce their procurement costs



# Summary of Consolidated Income Statements

(NT\$ thousand)	111Q3		111Q2		QoQ	110Q3		111YTQ3		110YTQ3		110YTQ4	
Sales	138,329	100%	272,005	100%	-49%	375,330	100%	805,923	100%	1,319,732	100%	1,726,892	100%
Sales Margin	(67,906)	-49%	(12,343)	-5%	-450%	2,280	1%	(61,754)	-8%	138,064	10%	148,775	9%
Operating Income Deficit	(103,356)	-75%	(54,248)	-20%	-91%	(44,415)	-12%	(184,382)	-23%	(999)	0%	(58,352)	-3%
Non Operating Income and Expense	(57,954)	-42%	(557)	0%	-10305%	933	0%	(19,547)	-2%	8,805	1%	27,468	2%
Income(Loss) beforeTax	(161,310)	-117%	(54,805)	-20%	-194%	(43,482)	-12%	(203,929)	-25%	7,806	1%	(30,884)	-2%
Net Income(Loss)	(161,159)	-117%	(56,140)	-21%	-187%	(36,097)	-10%	(205,031)	-25%	1,838	0%	(32,168)	-2%
Basic EPS(NT\$)	(3.04)		(1.01)		-201%	(0.62)		(3.74)		0.03		(0.55)	



# Summary of Consolidated Balance Sheet

(NT\$ thousand)	111.09.30		111.06.30		QoQ	110.12.31		110.09.30	
Cash and Cash Equiva	425,356	29%	538,905	29%	-21%	713,066	36%	835,200	41%
Accounts Receivable	251,735	17%	420,634	23%	-40%	437,601	22%	597,751	29%
Inventory	168,774	12%	218,890	12%	-23%	237,994	12%	214,313	11%
Total Assests	1,445,022	100%	1,867,093	100%	-23%	1,992,067	100%	2,039,073	100%
Short-term borrowing	33,846	2%	184,713	10%	-82%	196,977	10%	223,853	11%
Long-term borrowing	197,400	14%	197,400	11%	0%	0	0%	0	0%
Total Equity	1,056,197	73%	1,221,199	65%	-14%	1,368,830	69%	1,476,434	72%
Current Ratio	488%		281%			271%		320%	
Liquid Ratio	387%		227%			165%		277%	
Debt Ratio	27%		35%			31%		28%	
AR Turnover(days)	149		142			163		158	
Inventory Turnover(day)	64		63			50		47	
Equity per share	19.95		23.07			24.31		25.17	





# Summary of Consolidated Statement of Cash Flow

(NT\$ thousand)	111YTQ3	111YTQ2	QoQ%	110YTQ4
<b>Cashflow from operating Activities</b>	<b>135,591</b>	<b>66,708</b>	<b>103%</b>	<b>316,434</b>
Income Before Income Tax	(203,929)	(42,619)	378%	(30,884)
Depreciation and Amortization	64,895	42,617	52%	81,701
Change of Working Capital	163,788	56,153	192%	243,480
<b>Cashflow form Investment Activities</b>	<b>(339,645)</b>	<b>(315,097)</b>	<b>8%</b>	<b>(114,395)</b>
Capital Investment	(339,111)	(314,312)	8%	(115,118)
<b>Cashflow from Financing Activities</b>	<b>(86,824)</b>	<b>72,276</b>	<b>-220%</b>	<b>(405,178)</b>
Change of Loan	34,269	185,136	-81%	(178,187)
Cash Dividend	0	0		(117,227)
Buyback Treasury Stock	(96,941)	(96,941)	0%	(77,571)
<b>Change of Cash and Cash Equivalent</b>	<b>(287,710)</b>	<b>(174,161)</b>	<b>65%</b>	<b>(174,161)</b>
<b>Cash and Cash Equivalent at Beginning of the period</b>	<b>713,066</b>	<b>713,066</b>	<b>0%</b>	<b>916,828</b>
<b>Cash and Cash Equivalent at End of the period</b>	<b>425,356</b>	<b>538,905</b>	<b>-21%</b>	<b>713,066</b>

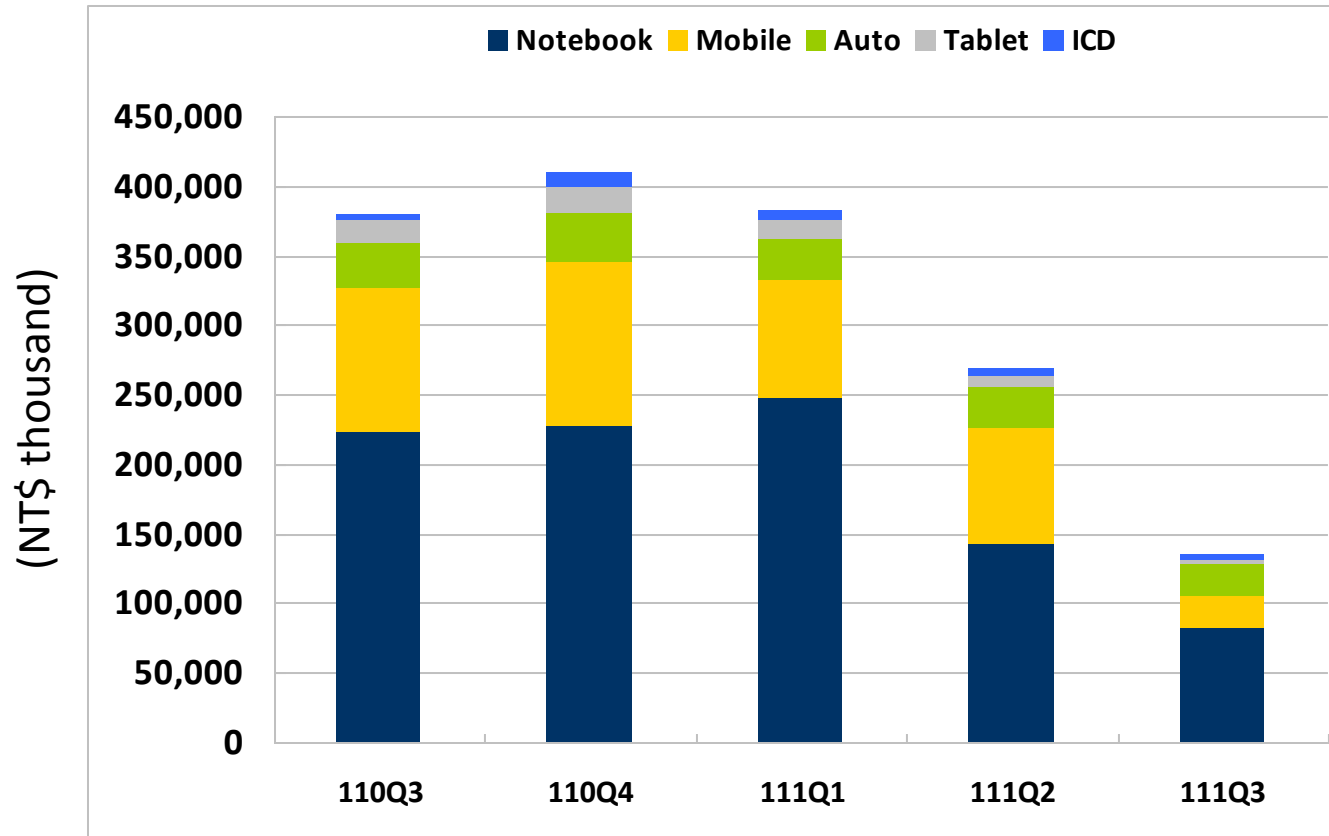
The change for cash and cash includes the cashflow from operating activities, investment activities, financing activities and the effect of change in exchange rate.





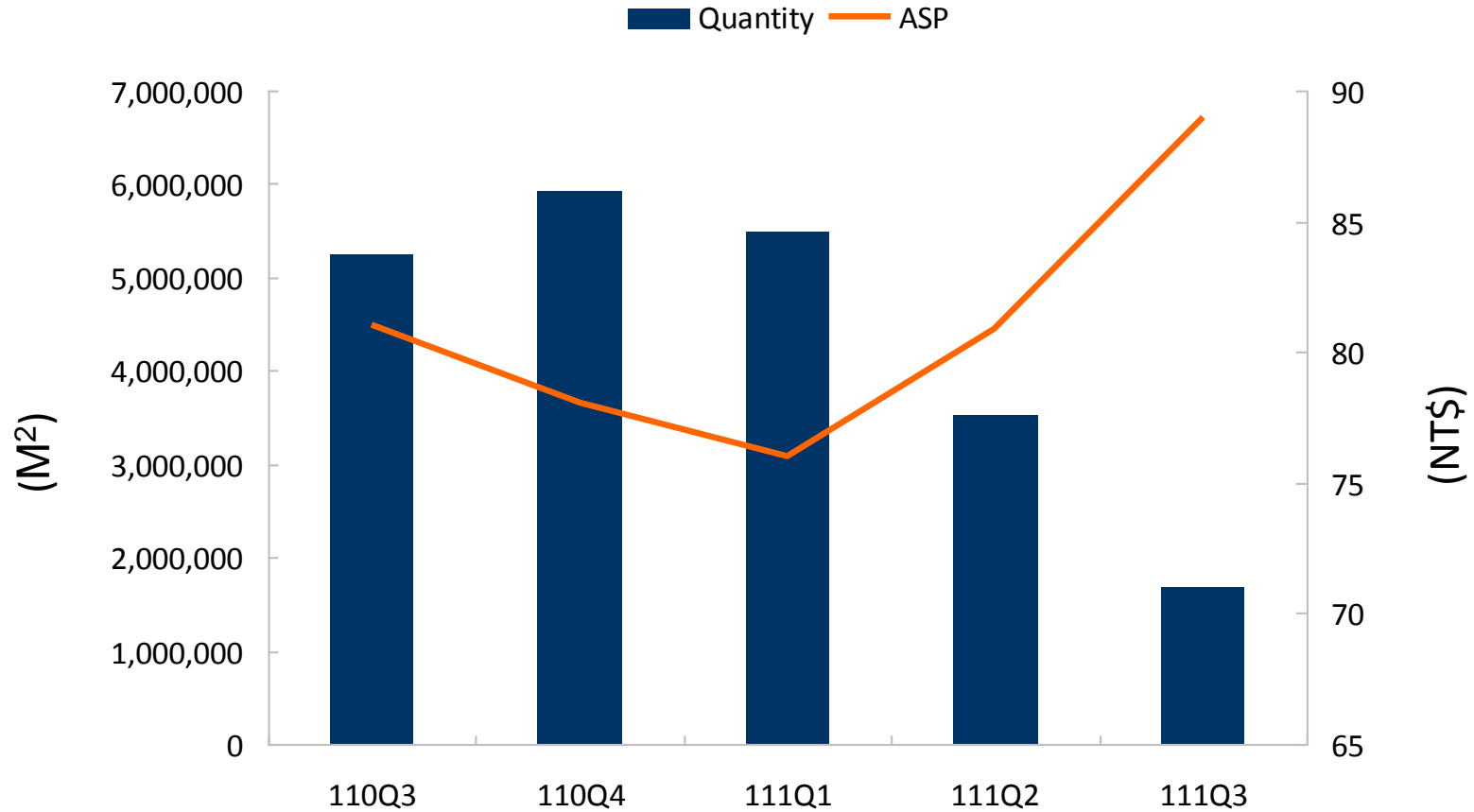
# Product Mix-Application

Product mix based on the end product application-





# Trend of selling price





# Q & A





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**Thank you**  
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