AU Optronics Corp.
Second Quarter 2020 Results
Investor Conference

Jul. 30, 2020

Safe Harbor Notice

- The statements included in this presentation that are not historical in nature are "forward-looking statements" within the meaning of Section 27A of the United States Securities Act of 1933 and Section 21E of the United States Securities Exchange Act of 1934. These forward-looking statements, which may include statements regarding AU Optronics' future results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on AU Optronics' current expectations.

- Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical nature of our industry; our dependence on introducing new products on a timely basis; our dependence on growth in the demand for our products; our ability to compete effectively; our ability to successfully expand our capacity; our dependence on key personnel; general economic and political conditions, including those related to the TFT-LCD industry; possible disruptions in commercial activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates.

- Beginning on January 1, 2013, we have adopted the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") to the extent endorsed by the ROC Financial Supervisory Commission ("FSC") ("Taiwan IFRS") for reporting our annual and interim consolidated financial statements in the ROC in accordance with the requirements of the FSC. All financial information contained herewithin is presented in conformity with Taiwan IFRS. Readers should be cautioned that Taiwan IFRS differs in many material respects from IFRS including to the extent that any new or amended standards or interpretations applicable under IFRS may not be timely endorsed by the FSC.

- Our release of financial forecasts and forward-looking statements at any particular time does not create any duty of disclosure beyond that which is imposed by law, and we expressly disclaim any obligation to publicly update or revise any forecasts or forward-looking statements, whether as a result of new information, future events or otherwise.

Statement of Comprehensive Income

Selected Items from Statement of Comprehensive Income

Amount : NT$ Million

	2Q20		1Q20		QoQ %	2Q19	
Net Sales	**63,500**	**100.0%**	**53,690**	**100.0%**	**18.3%**	**70,065**	**100.0%**
Cost of Goods Sold	(61,785)	(97.3%)	(54,045)	(100.7%)	14.3%	(68,082)	(97.2%)
Gross Profit(Loss)	**1,715**	**2.7%**	**(355)**	**(0.7%)**	**—**	**1,983**	**2.8%**
Operating Expenses	(5,119)	(8.1%)	(5,092)	(9.5%)	0.5%	(5,403)	(7.7%)
Operating Profit(Loss)	**(3,404)**	**(5.4%)**	**(5,447)**	**(10.1%)**	**37.5%**	**(3,420)**	**(4.9%)**
Net Non-operating Income(Expenses)	408	0.6%	(208)	(0.4%)	—	1,136	1.6%
Profit(Loss) before Tax	**(2,996)**	**(4.7%)**	**(5,654)**	**(10.5%)**	**47.0%**	**(2,284)**	**(3.3%)**
Net Profit(Loss)	**(3,202)**	**(5.0%)**	**(5,778)**	**(10.8%)**	**44.6%**	**(2,828)**	**(4.0%)**
Net Profit Attributable to Owners of Company	**(2,961)**	**(4.7%)**	**(4,991)**	**(9.3%)**	**40.7%**	**(2,682)**	**(3.8%)**
Basic EPS (NT$)[(a)]	**(0.31)**		**(0.53)**		**41.5%**	**(0.28)**	
Operating Profit + D&A	**5,470**	**8.6%**	**3,612**	**6.7%**	**51.4%**	**5,641**	**8.1%**
Display Segment Information:							
Net Sales	61,583	100.0%	51,361	100.0%	19.9%	66,960	100.0%
Operating Profit(Loss)	(3,350)	(5.4%)	(5,388)	(10.5%)	37.8%	(3,206)	(4.8%)
Operating Profit + D&A	5,378	8.7%	3,525	6.9%	52.6%	5,598	8.4%
Unit Shipments (mn)[(b)]							
Large Size Panels	**30.7**		**22.4**		**37.0%**	**27.2**	
Small & Medium Size Panels	**29.1**		**29.5**		**(1.5%)**	**33.0**	

a) Basic EPS was calculated based on the weighted average outstanding shares of the reporting quarter. The weighted average outstanding shares were 9,499m shares, 9,499m shares and 9,624m shares for 20Q2, 20Q1 and 19Q2, respectively.

b) Large size refers to panels that are 10 inches and above

Consolidated Balance Sheet Highlights

Amount : NT$ Million

	2Q20	1Q20	QoQ %	2Q19
Cash and Cash Equivalents [a]	72,155	76,789	(6.0%)	80,096
Inventory	26,660	27,882	(4.4%)	26,614
Short Term Debt [b]	15,092	12,284	22.9%	8,343
Long Term Debt	105,050	109,230	(3.8%)	99,717
Equity	176,304	179,520	(1.8%)	205,018
Total Assets	385,417	388,242	(0.7%)	421,792

	2Q20	1Q20	2Q19
Inventory Turnover (Days) [c]	**40**	**43**	**36**
Net Debt to Equity [d]	**27.2%**	**24.9%**	**13.6%**

a) Excluding time deposit with maturity longer than 3 months (NT$0m in 2Q20, 1Q20 and 2Q19)
b) Short term debt refers to all interest bearing debt maturing within one year
c) Calculated by dividing the average inventory into the annualized cost of goods sold during such period, then multiplying by 365 days
d) Net Debt to Equity = (Short Term Debt + Long Term Debt - Cash and Cash Equivalents) / Equity

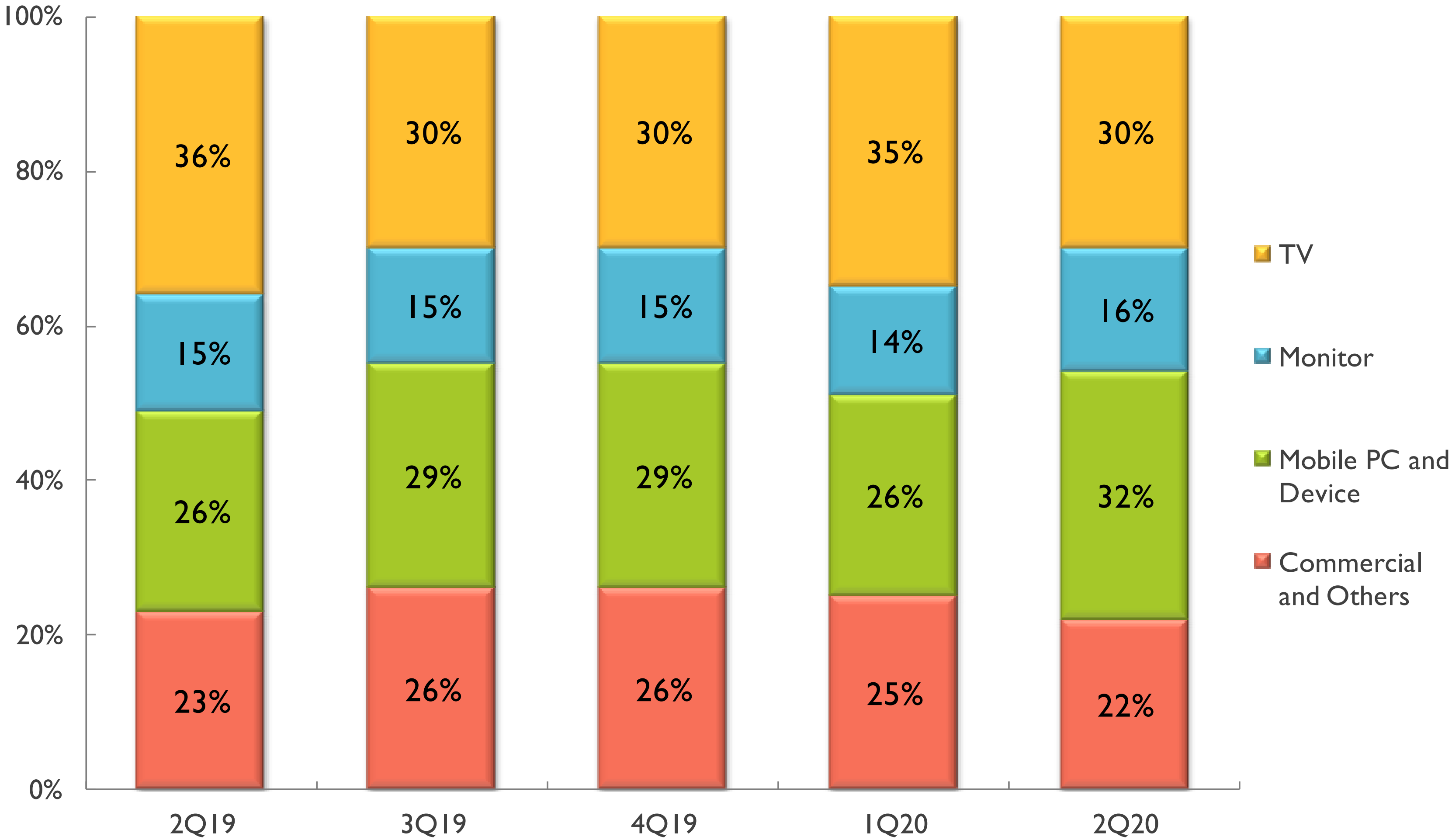
Consolidated Cash Flow Highlights

Amount : NT$ Million

	2Q20	1Q20	QoQ
From Operating Activities	**552**	**(3,727)**	**4,279**
Profit(Loss) before Tax	(2,996)	(5,654)	2,658
Depreciation & Amortization	8,874	9,059	(184)
Net Change in Working Capital	(5,157)	(6,907)	1,750
From Investing Activities	**(3,306)**	**(7,628)**	**4,322**
Capital Expenditure	(3,761)	(5,276)	1,515
From Financing Activities	**(1,086)**	**7,768**	**(8,854)**
Net Change in Debt	(923)	7,940	(8,863)
Net Change in Cash [a]	**(4,633)**	**(3,661)**	**(972)**

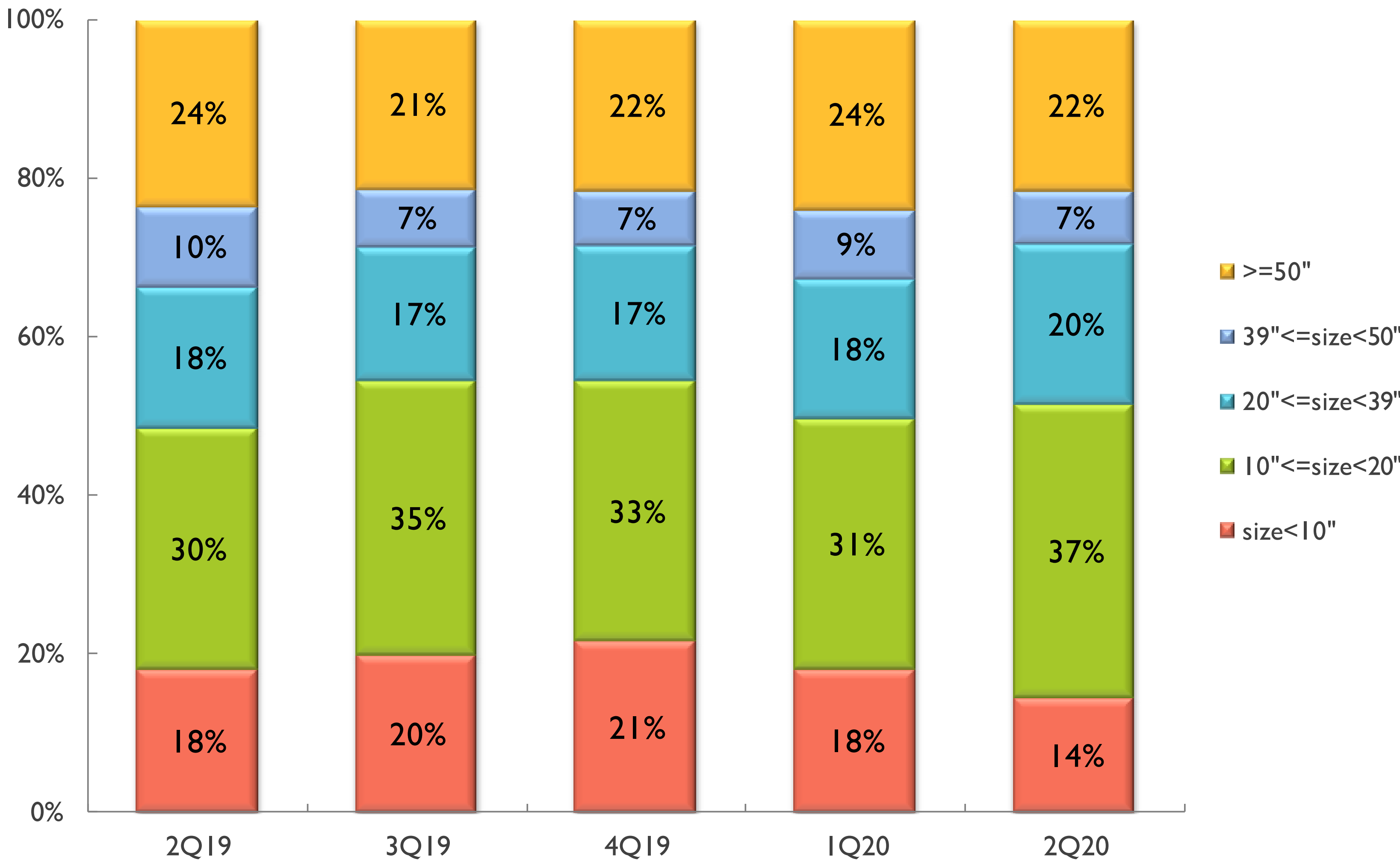
a) In addition to cash generated from operating, investing and financing activities, net change in cash also include effect on currency exchange of foreign subsidiaries

Display Revenue Breakdown by Application



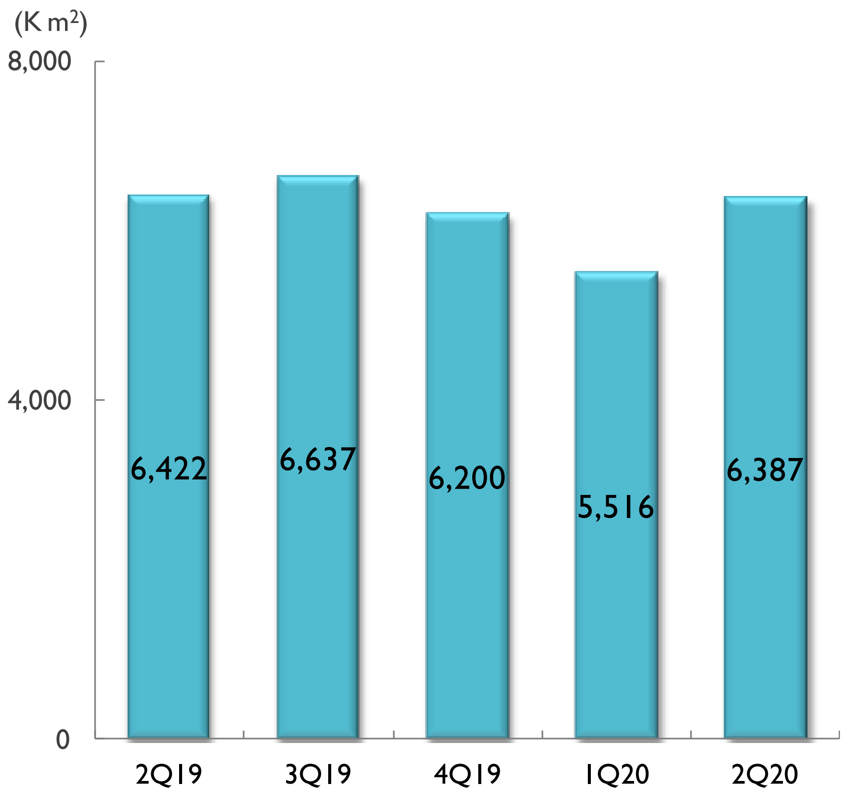
- Mobile PC and Device: including displays for notebook, tablet and mobile phones.
- Commercial and Others: including displays for automobile, industrial PC, ATM, point of sale (POS), pachinko, medical equipment, and etc.

Display Revenue Breakdown by Size

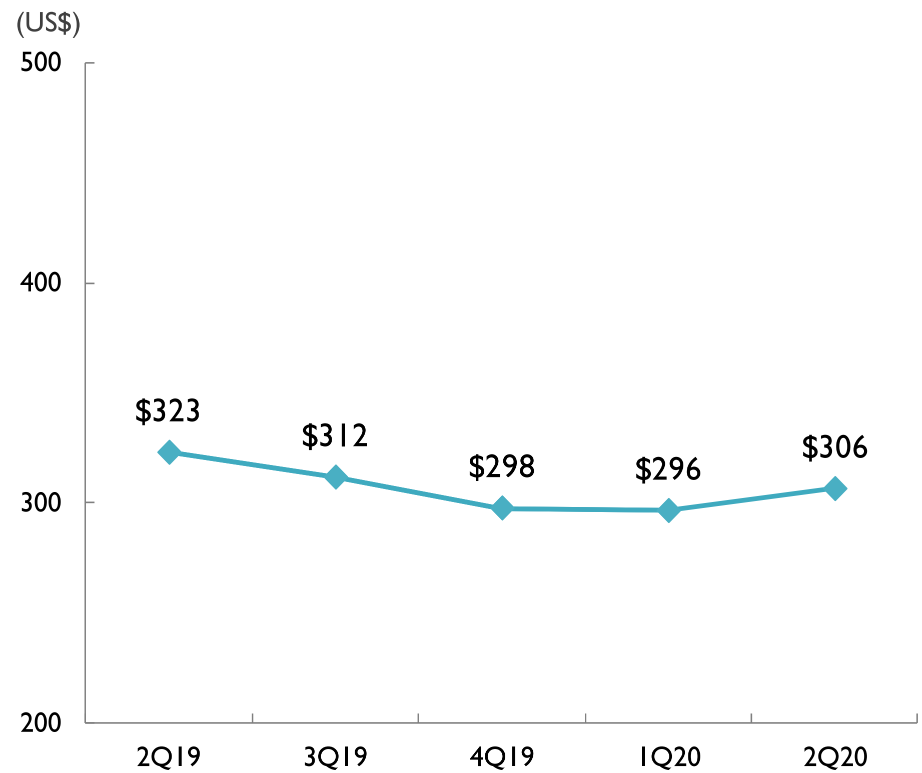


Consolidated Shipments & ASP by Area

Shipments in square meter

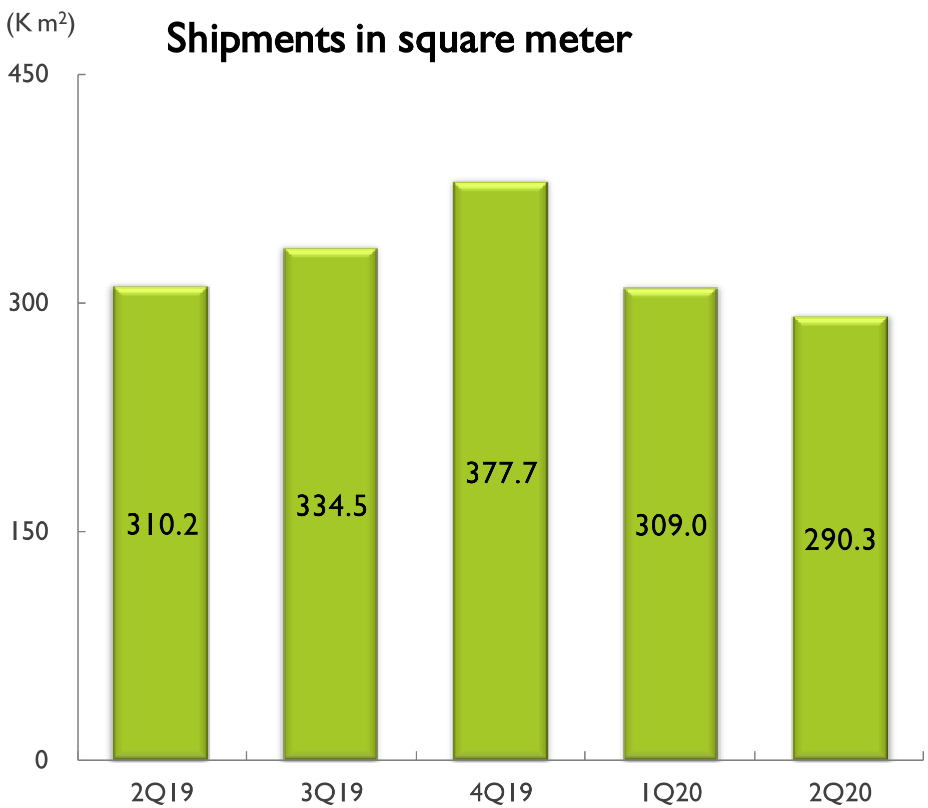


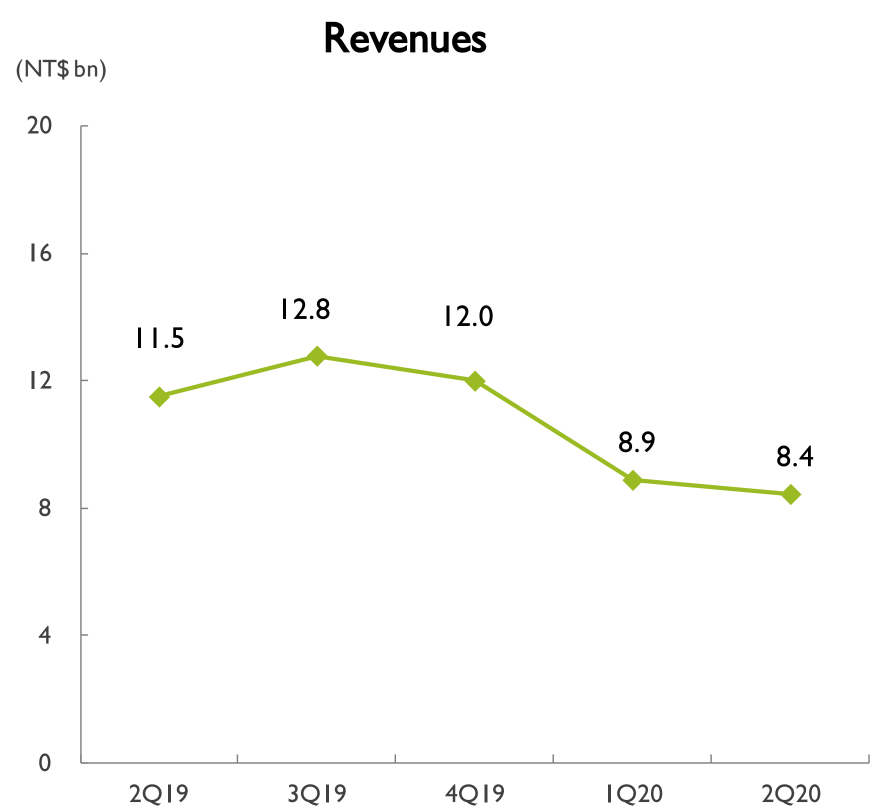
ASP per square meter



– ASP per square meter in US$ was translated from NT$ based on average exchange rates announced by Customs Administration, Ministry of Finance of each respective quarter

Consolidated Small & Medium Panel Shipments by Area & Revenues





– Small & Medium size refers to panels that are under 10 inches www.auo.com

ir@auo.com

亮麗創新 曼妙生活

Bright Innovation · Amazing Life

AU OPTRONICS CORP. AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income

For the Three Months Ended June 30, 2020 and 2019 and March 31, 2020

(Expressed in Millions of New Taiwan Dollars (NTD) and US Dollars (USD) except for per share amounts and shares outstanding)

	Year over Year Comparison					Sequential Comparison				
	2Q20			2Q19		2Q20			1Q20	
	USD	NTD	%	NTD	YoY%	USD	NTD	%	NTD	QoQ%
Net Sales	2,157	63,500	100.0	70,065	(9.4)	2,157	63,500	100.0	53,690	18.3
Cost of Goods Sold	2,099	61,785	97.3	68,082	(9.2)	2,099	61,785	97.3	54,045	14.3
Gross Profit(Loss)	58	1,715	2.7	1,983	(13.5)	58	1,715	2.7	(355)	–
Operating Expenses	174	5,119	8.1	5,403	(5.3)	174	5,119	8.1	5,092	0.5
Operating Profit(Loss)	(116)	(3,404)	(5.4)	(3,420)	0.5	(116)	(3,404)	(5.4)	(5,447)	37.5
Net Non-operating Income(Expenses)	14	408	0.6	1,136	(64.1)	14	408	0.6	(208)	–
Profit(Loss) before Income Tax	(102)	(2,996)	(4.7)	(2,284)	(31.2)	(102)	(2,996)	(4.7)	(5,654)	47.0
Income Tax Benefit(Expense)	(7)	(206)	(0.3)	(545)	62.1	(7)	(206)	(0.3)	(124)	(66.7)
Net Profit(Loss)	(109)	(3,202)	(5.0)	(2,828)	(13.2)	(109)	(3,202)	(5.0)	(5,778)	44.6
Other Comprehensive Income(Loss)	(1)	(21)	(0.0)	(326)	93.6	(1)	(21)	(0.0)	(2,695)	99.2
Total Comprehensive Income(Loss)	(109)	(3,223)	(5.1)	(3,154)	(2.2)	(109)	(3,223)	(5.1)	(8,473)	62.0
Net Profit(Loss) Attributable to:										
Owners of Company	(101)	(2,961)	(4.7)	(2,682)	(10.4)	(101)	(2,961)	(4.7)	(4,991)	40.7
Non-Controlling Interests	(8)	(241)	(0.4)	(146)	(65.6)	(8)	(241)	(0.4)	(787)	69.3
Net Profit(Loss)	(109)	(3,202)	(5.0)	(2,828)	(13.2)	(109)	(3,202)	(5.0)	(5,778)	44.6
Total Comprehensive Income(Loss) Attributable to:										
Owners of Company	(96)	(2,832)	(4.5)	(2,854)	0.8	(96)	(2,832)	(4.5)	(7,580)	62.6
Non-Controlling Interests	(13)	(391)	(0.6)	(300)	(30.5)	(13)	(391)	(0.6)	(893)	56.2
Total Comprehensive Income(Loss)	(109)	(3,223)	(5.1)	(3,154)	(2.2)	(109)	(3,223)	(5.1)	(8,473)	62.0
Basic Earnings Per Share	(0.011)	(0.31)		(0.28)		(0.011)	(0.31)		(0.53)	
Basic Earnings Per ADS(2)	(0.106)	(3.12)		(2.79)		(0.106)	(3.12)		(5.25)	
Weighted-Average Shares Outstanding ('M)		9,499		9,624			9,499		9,499	

Note: (1) Amounts in New Taiwan dollars were translated into US dollars at the exchange rate of NTD 29.44 per USD as of June 30, 2020

(2) 1 ADS equals 10 common shares

AU OPTRONICS CORP. AND SUBSIDIARIES

Consolidated Condensed Statements of Comprehensive Income

For the Period Ended June 30, 2020 and 2019

(Expressed in Millions of New Taiwan Dollars (NTD) and US Dollars (USD) except for per share amounts and shares outstanding)

	Year over Year Comparison				
	1H 2020			1H 2019	
	USD	NTD	%	NTD	YoY%
Net Sales	3,981	117,190	100.0	136,770	(14.3)
Cost of Goods Sold	3,934	115,830	98.8	134,544	(13.9)
Gross Profit	46	1,361	1.2	2,226	(38.9)
Operating Expenses	347	10,211	8.7	10,747	(5.0)
Operating Profit(Loss)	(301)	(8,851)	(7.6)	(8,520)	(3.9)
Net Non-operating Income(Expenses)	7	200	0.2	1,334	(85.0)
Profit(Loss) before Income Tax	(294)	(8,650)	(7.4)	(7,186)	(20.4)
Income Tax Benefit(Expense)	(11)	(330)	(0.3)	(535)	38.2
Net Profit(Loss)	(305)	(8,981)	(7.7)	(7,721)	(16.3)
Other Comprehensive Income(Loss)	(92)	(2,716)	(2.3)	738	—
Total Comprehensive Income(Loss)	(397)	(11,696)	(10.0)	(6,983)	(67.5)
Net Profit(Loss) Attributable to:					
Owners of Company	(270)	(7,953)	(6.8)	(6,370)	(24.8)
Non-Controlling Interests	(35)	(1,028)	(0.9)	(1,351)	23.9
Net Profit(Loss)	(305)	(8,981)	(7.7)	(7,721)	(16.3)
Total Comprehensive Income(Loss) Attributable to:					
Owners of Company	(354)	(10,412)	(8.9)	(5,739)	(81.4)
Non-Controlling Interests	(44)	(1,285)	(1.1)	(1,244)	(3.3)
Total Comprehensive Income(Loss)	(397)	(11,696)	(10.0)	(6,983)	(67.5)
Basic Earnings Per Share	(0.03)	(0.84)		(0.66)	
Basic Earnings Per ADS(2)	(0.28)	(8.37)		(6.62)	
Weighted-Average Shares Outstanding ('M)		9,499		9,624	

Note: (1) Amounts in New Taiwan dollars were translated into US dollars at the exchange rate of NTD 29.44 per USD as of June 30, 2020

(2) 1 ADS equals 10 common shares

AU OPTRONICS CORP. AND SUBSIDIARIES
Consolidated Condensed Balance Sheets
June 30, 2020 and 2019
(Expressed in Millions of New Taiwan Dollars (NTD) and US Dollars (USD))

	June 30, 2020			June 30, 2019		YoY	
ASSETS	USD	NTD	%	NTD	%	NTD	%
Cash and Cash Equivalents	2,451	72,155	18.7	80,096	19.0	(7,940)	(9.9)
Notes & Accounts Receivables	1,256	36,971	9.6	39,821	9.4	(2,851)	(7.2)
Other Current Financial Assets	102	2,989	0.8	4,075	1.0	(1,087)	(26.7)
Inventories	906	26,660	6.9	26,614	6.3	46	0.2
Other Current Assets	129	3,784	1.0	3,978	0.9	(194)	(4.9)
Total Current Assets	4,842	142,559	37.0	154,584	36.6	(12,026)	(7.8)
Long-term Investments	494	14,546	3.8	13,295	3.2	1,252	9.4
Net Fixed Assets	6,621	194,925	50.6	217,366	51.5	(22,441)	(10.3)
Right-of-use Assets	396	11,648	3.0	12,727	3.0	(1,079)	(8.5)
Other Non-Current Assets	738	21,739	5.6	23,820	5.6	(2,081)	(8.7)
Total Non-Current Assets	8,249	242,859	63.0	267,208	63.4	(24,350)	(9.1)
Total Assets	13,092	385,417	100.0	421,792	100.0	(36,375)	(8.6)
LIABILITIES							
Short-term Borrowings	32	940	0.2	679	0.2	261	38.5
Notes & Accounts Payable	1,637	48,184	12.5	53,983	12.8	(5,799)	(10.7)
Current Installments of Long-term Borrowings	481	14,152	3.7	7,664	1.8	6,488	84.7
Current Financial Liabilities	4	107	0.0	45	0.0	62	138.9
Accrued Expense & Other Current Liabilities	704	20,711	5.4	29,308	6.9	(8,597)	(29.3)
Machinery and Equipment Payable	142	4,184	1.1	7,659	1.8	(3,475)	(45.4)
Total Current Liabilities	2,999	88,278	22.9	99,338	23.6	(11,060)	(11.1)
Long-term Borrowings	3,568	105,050	27.3	99,717	23.6	5,333	5.3
Other Non-Current Liabilities	536	15,785	4.1	17,721	4.2	(1,936)	(10.9)
Total Non-Current Liabilities	4,104	120,835	31.4	117,437	27.8	3,398	2.9
Total Liabilities	7,103	209,113	54.3	216,775	51.4	(7,662)	(3.5)
EQUITY							
Common Stock	3,269	96,242	25.0	96,242	22.8	0	0.0
Capital Surplus	2,057	60,568	15.7	60,475	14.3	93	0.2
Retained Earnings	508	14,951	3.9	35,664	8.5	(20,712)	(58.1)
Other Equity	(152)	(4,465)	(1.2)	(217)	(0.1)	(4,248)	(1961.8)
Treasury Shares	(34)	(1,013)	(0.3)	0	0.0	(1,013)	—
Non-Controlling Interests	340	10,020	2.6	12,853	3.0	(2,833)	(22.0)
Total Equity	5,989	176,304	45.7	205,018	48.6	(28,714)	(14.0)
Total Liabilities & Equity	13,092	385,417	100.0	421,792	100.0	(36,375)	(8.6)

Note: (1) Amounts in New Taiwan dollars were translated into US dollars at the exchange rate of NTD 29.44 per USD as of June 30, 2020

(2) Cash and Cash Equivalents excluding time deposit with maturity longer than 3 months

AU OPTRONICS CORP. AND SUBSIDIARIES

Consolidated Condensed Cash Flow Statements

For the Period Ended June 30, 2020 and 2019

(Expressed in Millions of New Taiwan Dollars (NTD) and US Dollars (USD))

	1H 2020		1H 2019
	USD	NTD	NTD
Cash Flow from Operating Activities:			
Profit(Loss) before Income Taxes	(294)	(8,650)	(7,186)
Depreciation & Amortization	609	17,933	18,211
Share of Profit of Equity-Accounted Investees	(3)	(77)	(189)
Changes in Working Capital	(410)	(12,065)	(2,162)
Changes in Others	(11)	(315)	(1,755)
Net Cash Provided(Used) by Operating Activities	(108)	(3,175)	6,919
Cash Flow from Investing Activities:			
Acquisitions of Financial Assets Measured at Fair Value	(32)	(942)	(2,001)
Disposals of Financial Assets Measured at Fair Value	51	1,499	1,686
Acquisitions of Equity-Accounted Investees	(86)	(2,534)	0
Disposals of Equity-Accounted Investees	3	84	0
Acquisitions of Property, Plant and Equipment	(307)	(9,037)	(16,125)
Disposals of Property, Plant and Equipment	2	70	53
Decrease(Increase) in Other Financial Assets	1	22	57
Decrease(Increase) in Other Assets	3	93	(26)
Net Cash Outflow Arising from Acquisition of Business	(6)	(189)	0
Net Cash Provided(Used) in Investing Activities	(371)	(10,935)	(16,357)
Cash Flow from Financing Activities:			
Increase(Decrease) in Short-term Borrowings	(26)	(752)	130
Increase(Decrease) in Long-term Borrowings	264	7,768	20,647
Payment of Lease Liabilities	(11)	(338)	(349)
Increase(Decrease) in Guarantee Deposits	0	4	20
Changes in Non-Controlling Interests and Others	(0)	(0)	(292)
Net Cash Provided(Used) by Financing Activities	227	6,682	20,156
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(29)	(867)	214
Net Increase(Decrease) in Cash and Cash Equivalents	(282)	(8,294)	10,932
Cash and Cash Equivalents at Beginning of Period	2,733	80,450	69,163
Cash and Cash Equivalents at End of Period	2,451	72,155	80,096

Note: (1) Amounts in New Taiwan dollars were translated into US dollars at the exchange rate of NTD 29.44 per USD as of June 30, 2020

AUO

Innovating Life