



CyberLink
CREATE | PLAY | CONNECT
FACEME & AI

CyberLink (5203.TW)
Q1 2023 Investor Conference

The Innovative Solution Provider for CREATE, PLAY & CONNECT of Digital Media,
and Facial Recognition & AI.

April 26, 2023

Safe Harbor Notice

The following pages contain projections & estimates of financial information as well as market and product developments for future periods. These projections & estimates are based on information currently available which we believe to be reliable, but they involve risks & uncertainties. Our actual results of operations & financial condition may differ significantly from those contained in the projections & estimates. The projections & estimates should not be interpreted as legally binding commitments, but rather as flexible information subject to change occasionally.

Agenda

- ◆ CyberLink Q1 2023 Financial Results
- ◆ CyberLink Q1 2023 Business Performance

Q1 2023 Financial Result

(Un-audited)

Q1 2023 Financial Highlights

- Revenue NT\$431 M · 12.9% YoY **NT\$ 480 M ; 25.9% YoY**
- Operating Income NT\$33.5 M · 77.4% YoY **NT\$ 83 M ; 341% YoY**
- Net Profit NT\$54.7 M · 28.7% YoY
- EPS : NT\$0.69元

Note :

- If Q1'23 Mobile App revenue was book-at-once, revenue should increase by NT\$49M
- If Q1'23 Mobile App revenue was book-at-once, operating income should increase by NT\$49M

→ Revenue NT\$480M , YoY = 25.9%

→ Operating Income NT\$83M , YoY = 341%, Operating Profit Margin 17.3%

2023 Q1 Consolidated IS

Revenue expressed in NT\$ thousands
EPS expressed in NTD

NT\$ thousands	2023 Q1	%	2022 Q4	%	QoQ	2022 Q1	YoY	
Revenue	430,690	100.0%	439,040	100.0%	-1.9%	381,420	100.0%	12.9%
COGS	(65,085)	-15.1%	(59,141)	-13.5%	10.1%	(56,331)	-14.8%	15.5%
Gross Profit	365,605	84.9%	379,899	86.5%	-3.8%	325,089	85.2%	12.5%
R&D	(130,134)	-30.2%	(126,608)	-28.8%	2.8%	(134,677)	-35.3%	-3.4%
S&M	(174,341)	-40.5%	(164,301)	-37.4%	6.1%	(146,028)	-38.2%	19.4%
G&A	(27,622)	-6.4%	(24,412)	-5.6%	13.1%	(25,495)	-6.7%	8.3%
Operating Expense	(332,097)	-77.1%	(315,321)	-71.8%	5.3%	(306,200)	-80.2%	8.5%
Operating Income	33,508	7.8%	64,578	14.7%	-48.1%	18,889	5.0%	77.4%
	83,314		17.3%					
FX Gain (Loss)	(6,565)	-1.5%	(23,779)	-5.4%	-72.4%	16,357	4.3%	turn loss
Investment Gain (Loss)	0	0.0%	(89,400)	-20.4%	NA	0	0.0%	NA
Other Income (Loss)	36,556	8.4%	1,968	0.5%	1757.5%	16,218	4.2%	125.4%
Non-operating Income	29,991	6.9%	(111,211)	-25.3%	turn profit	32,575	8.5%	-7.9%
Income before Tax	63,499	14.7%	(46,633)	-10.6%	turn profit	51,464	13.5%	23.4%
Net Income	54,708	12.7%	(46,699)	-10.6%	turn profit	42,516	11.1%	28.7%
EPS (NT\$)	0.69		(0.59)			0.55		

Revenue NT480M

25.9% YoY

Operating Income NT\$83M
Operating Margin 17.3%

341% YoY

CyberLink Cash Dividend Distribution to Shareholders

➤ CyberLink's recent announcement on cash dividend for year 2022 by board of directors' resolution :

- Date of the board of directors resolution: March 28th , 2023
- Cash dividend to shareholders : **NT\$ 2.3 per share**
- Total amount of cash distribution to shareholders :NT\$181,566,140元

Year	EPS (NT\$)	Cash Dividend (NT\$ per share)	Dividend Payout Ratio
2022	2.34	2.3	98%

Q1 2023 Business Performance

Q1 2023 Highlights

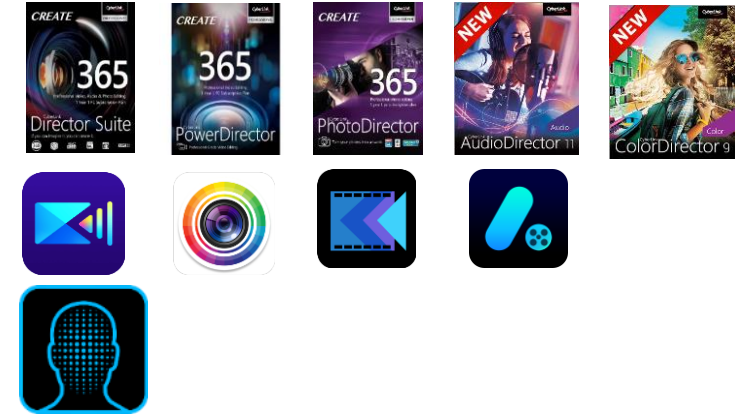
- **Total revenue grew +12.9% YoY** to NT\$431M in Q1'23. (US\$14.2M)
 - If Q1'23 mobile app revenue was book-at-once, total revenue grew 25.9% YoY to NT\$480 M in Q1'23.
- **3 Growth Segments** (B2C Create PC/ Mobile App/ New Biz) revenue grew **8.8% YoY** to US\$9.98 M in Q1'23, represents 70% of total revenue.
 - If Q1'23 mobile app revenue was book-at-once, 3 Growth Segments revenue grew 26.7% YoY to US\$11.6 M, represents 73% of total revenue.
 - **PC Create revenue grew 16.3% YoY to US\$7.2M in Q1'23**
 - If Q1'23 mobile app revenue was book-at-once, Mobile App revenue grew 46% YoY to US\$3.66M
- **B2C PC Create and Mobile App revenue strong year over year growth driven by :**
 - Steady increase in the number of subscribers.
 - Digital marketing drives significant contribution, particularly SEO (search engine optimization) brought strong growth in both web traffic and revenue.
 - Launched a variety of AI-driven video effects : such as new AI effects that can be used on dancing characters and moving objects, 3D wraparounds, background-changing AI effects, etc.
- **FaceMe (Facial Recognition)** revenue grew 102% YoY to US\$572K in Q1'23.
 - Japan GROOVE X' s smart family robot LOVOT



Company's Revenue Segments

- **Growth Segments (G1+G2+G3)**

- Group 1: B2C Creativity PC/Mac (video & photo editing products)
- Group 2: Creativity Apps
- Group 3: New Business (mainly on FaceMe: facial recognition)



- **Cash Cow Segment (G4)**

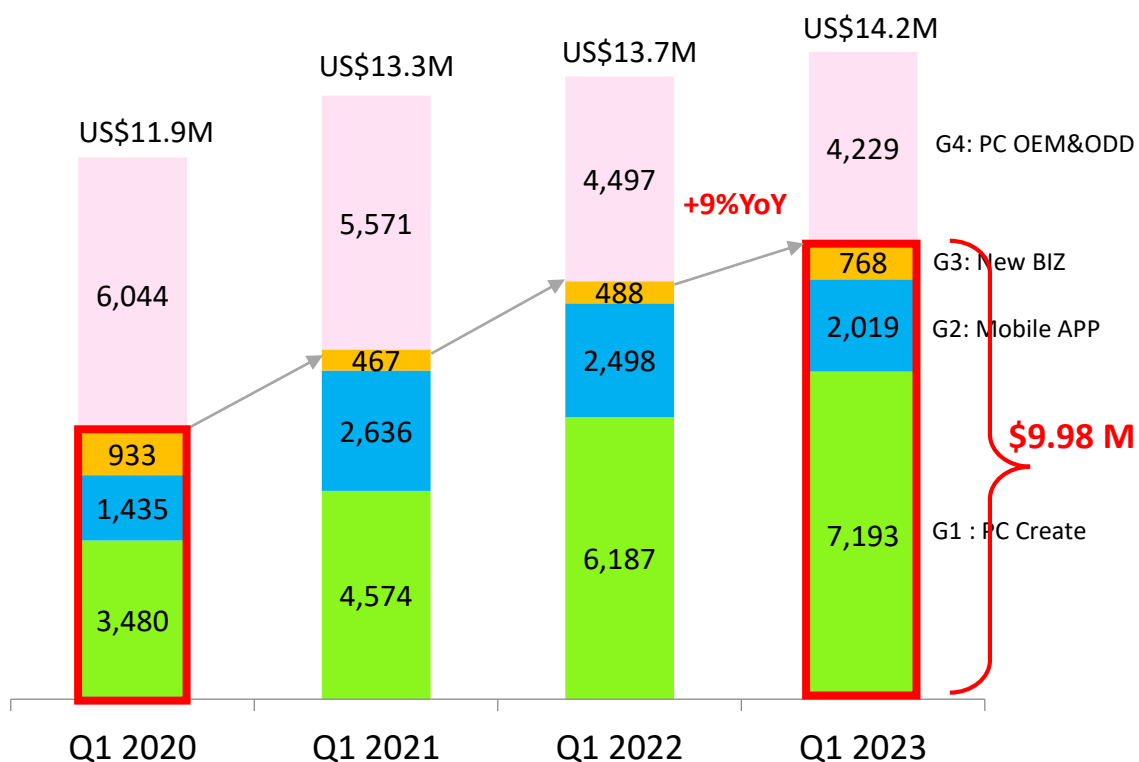
- Group 4: PC-OEM + ODD related products
 - Although revenue is not growing, ROI is high



Q1 2023 Revenue Amount by Business Segments

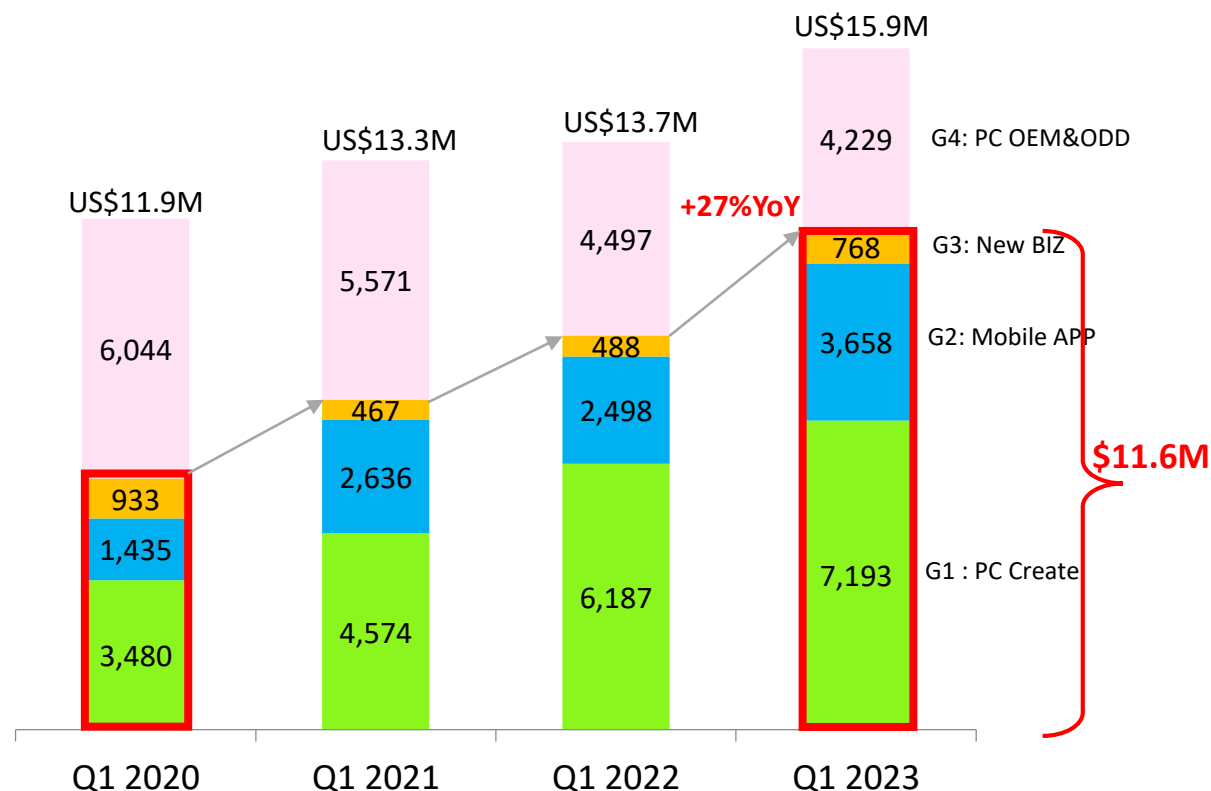
- Q1 2023, 3 Growth Segments combined revenue was **US\$9.98M**, represents **70%** of company total.
- If Q1'23 mobile app revenue was book-at-once, 3 Growth Segments combined revenue achieved **US\$11.6M**, represents **73%** of company total, revenue growth of **27%** year over year.

Q1 2023 Revenue Amount (US\$K)



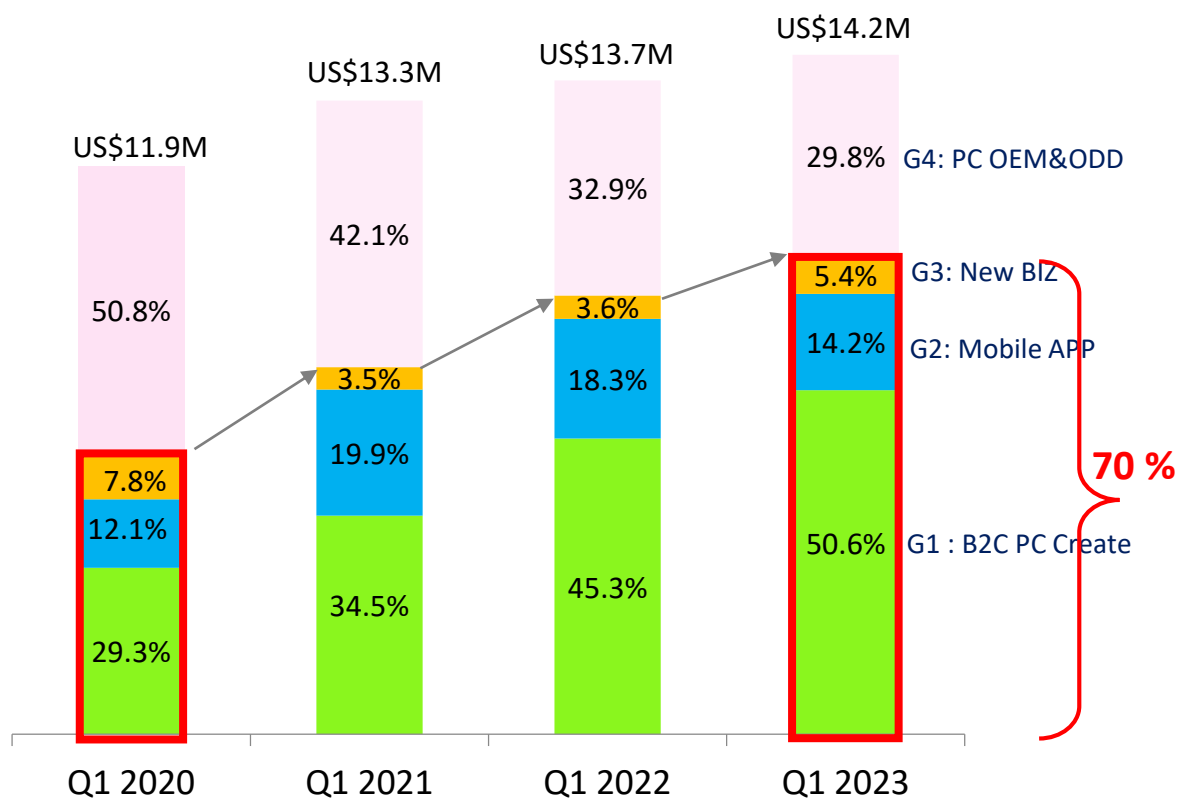
If Q1'23 mobile app revenue was book-at-once

Q1 2023 Revenue Amount (US\$K)



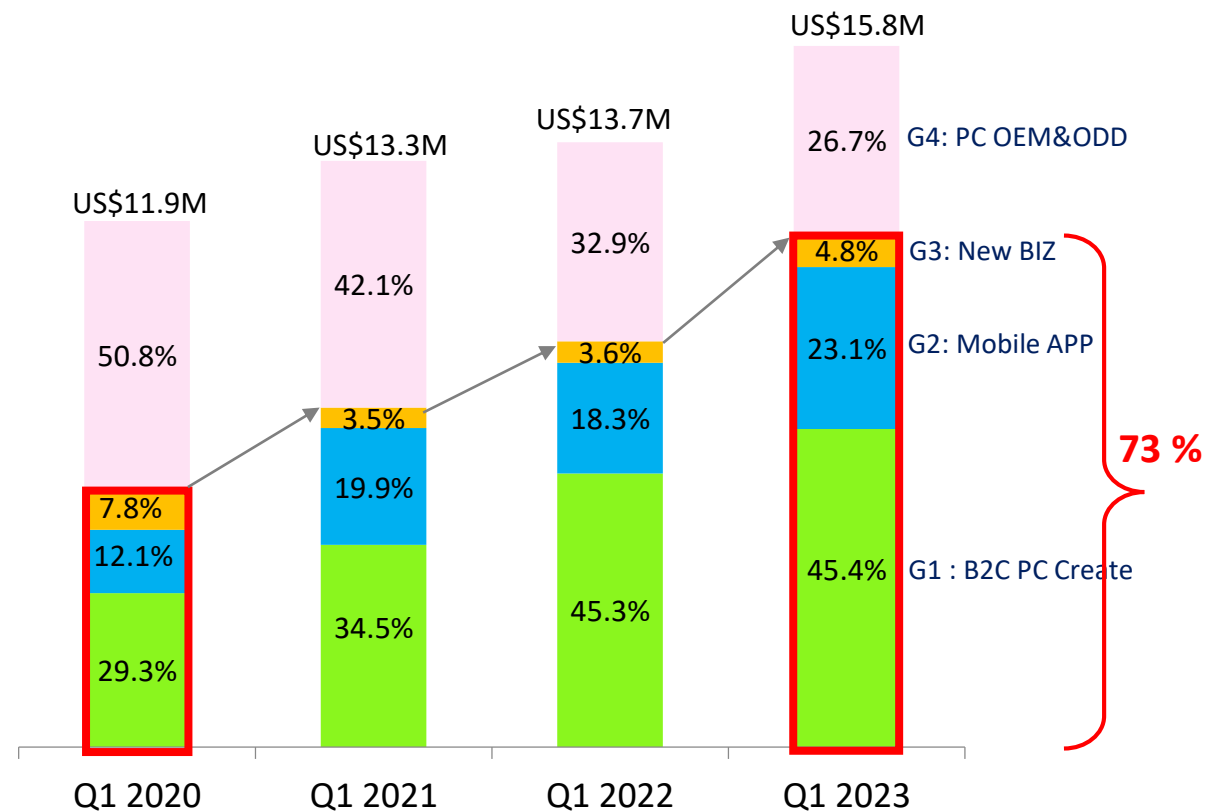
Q1 2023 Revenue % by Business Segments

Q1 2023 Revenue Percentage (%)



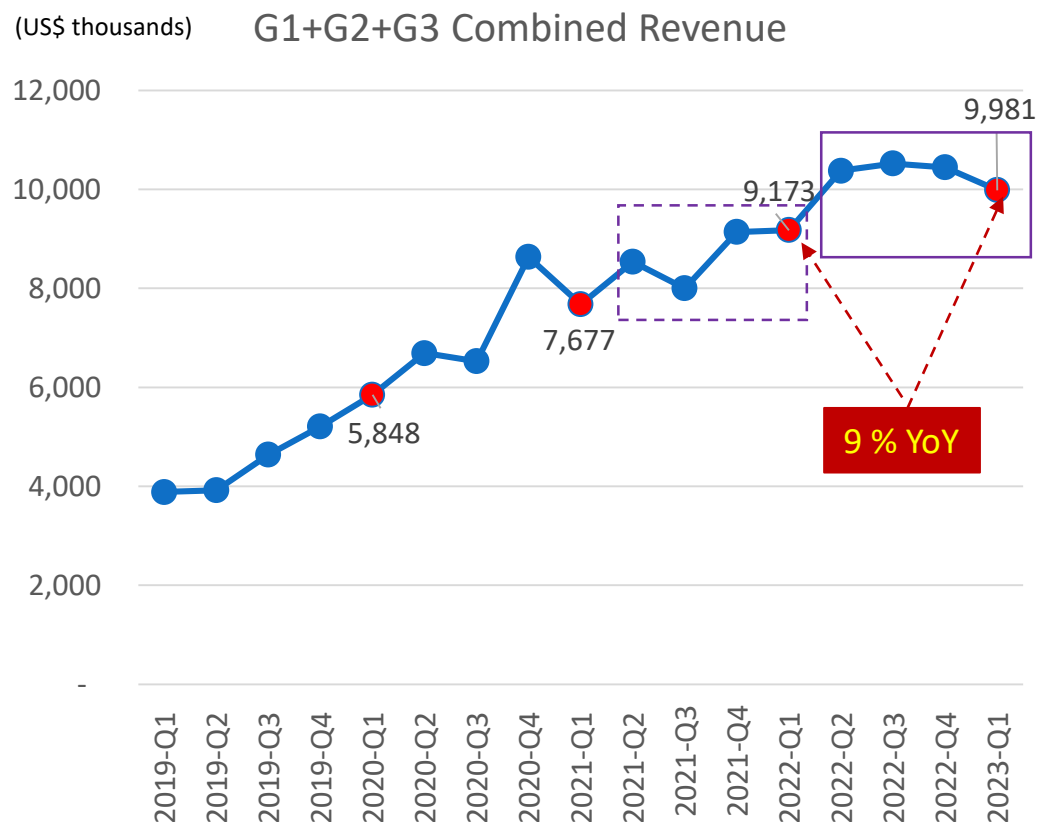
If Q1'23 mobile app revenue was book-at-once

Q1 2023 Revenue Percentage (%)

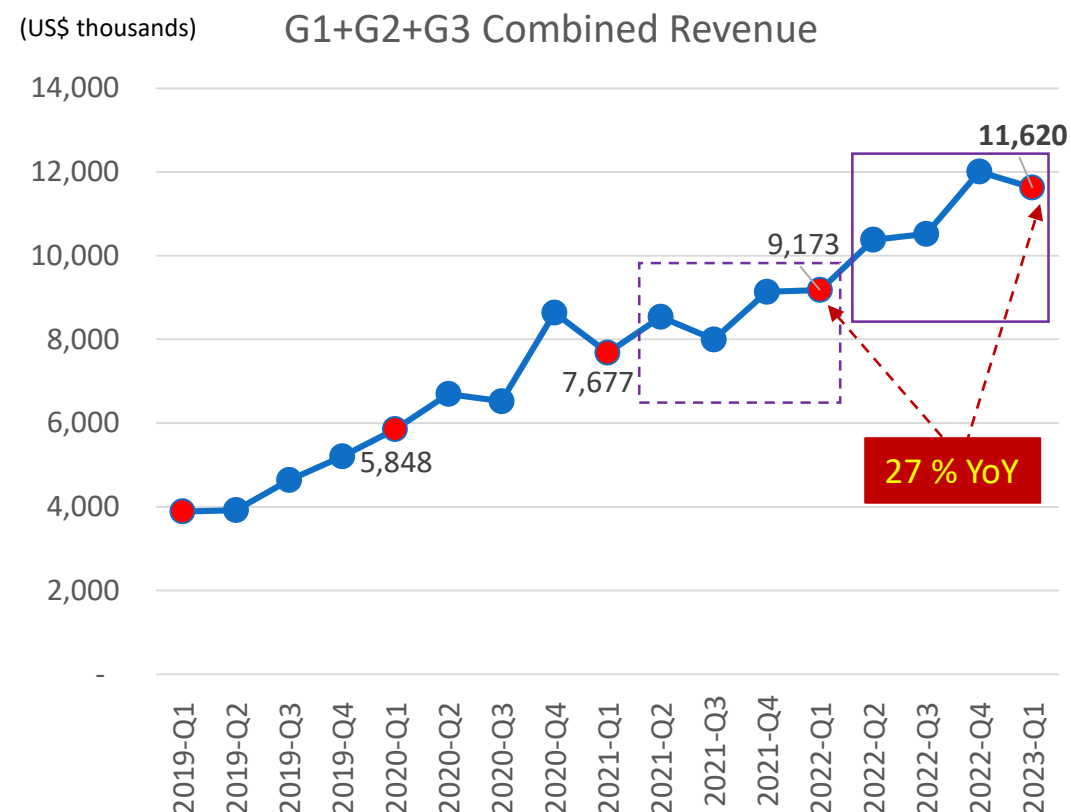


Solid Growth Momentum of 3 Growth Segments

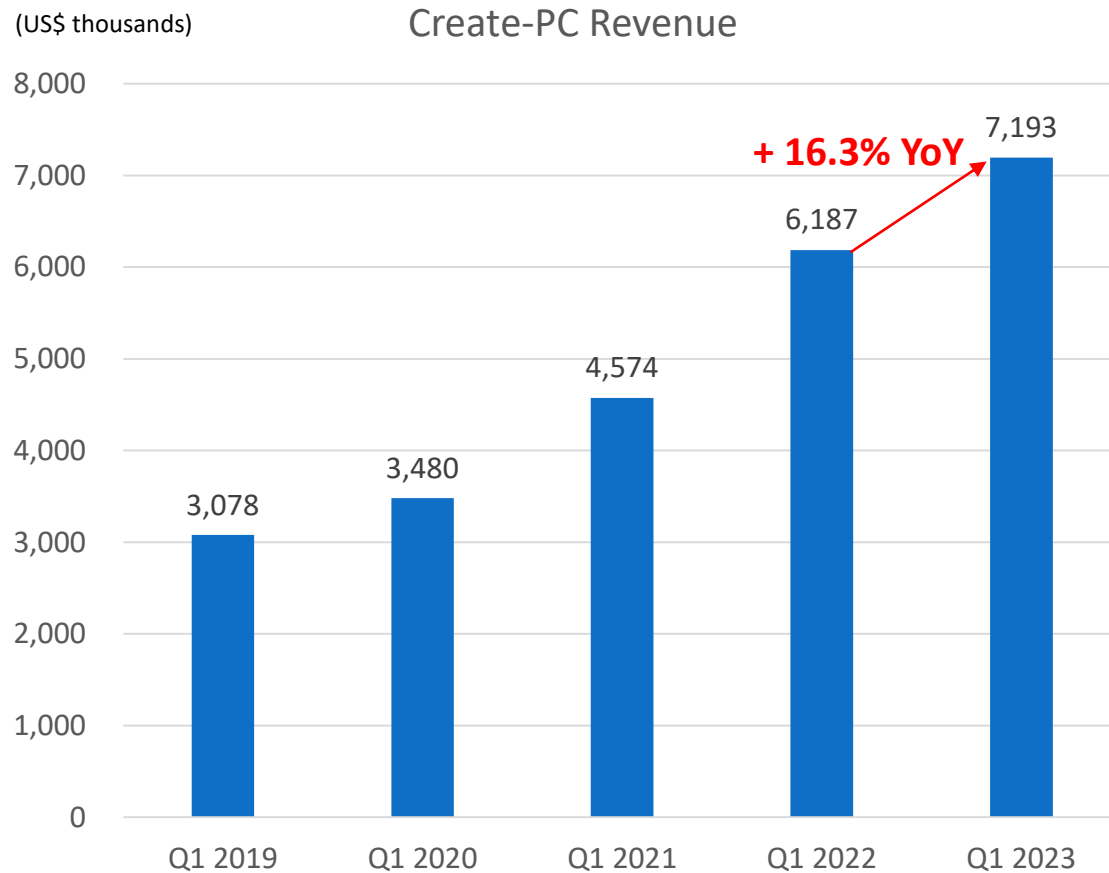
- Q1 2023, 3 Growth Segments combined revenue was **US\$9.98M**, with +8.8% YoY growth
- If Q1'23 mobile app revenue was book-at-once, 3 Growth Segments combined revenue achieved **US\$11.62M**, +26.7% YoY growth



If Q1'23 mobile app revenue was book-at-once



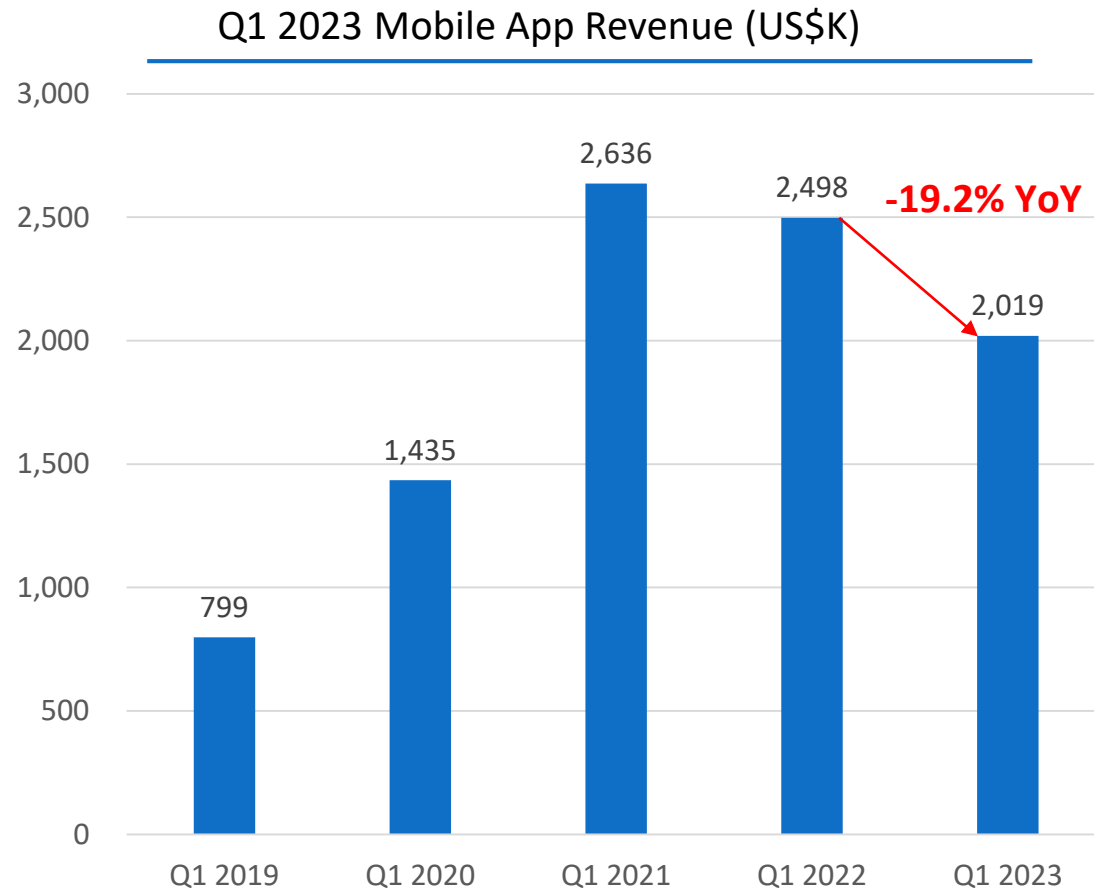
Group 1 : PC Create (B2C) Revenue



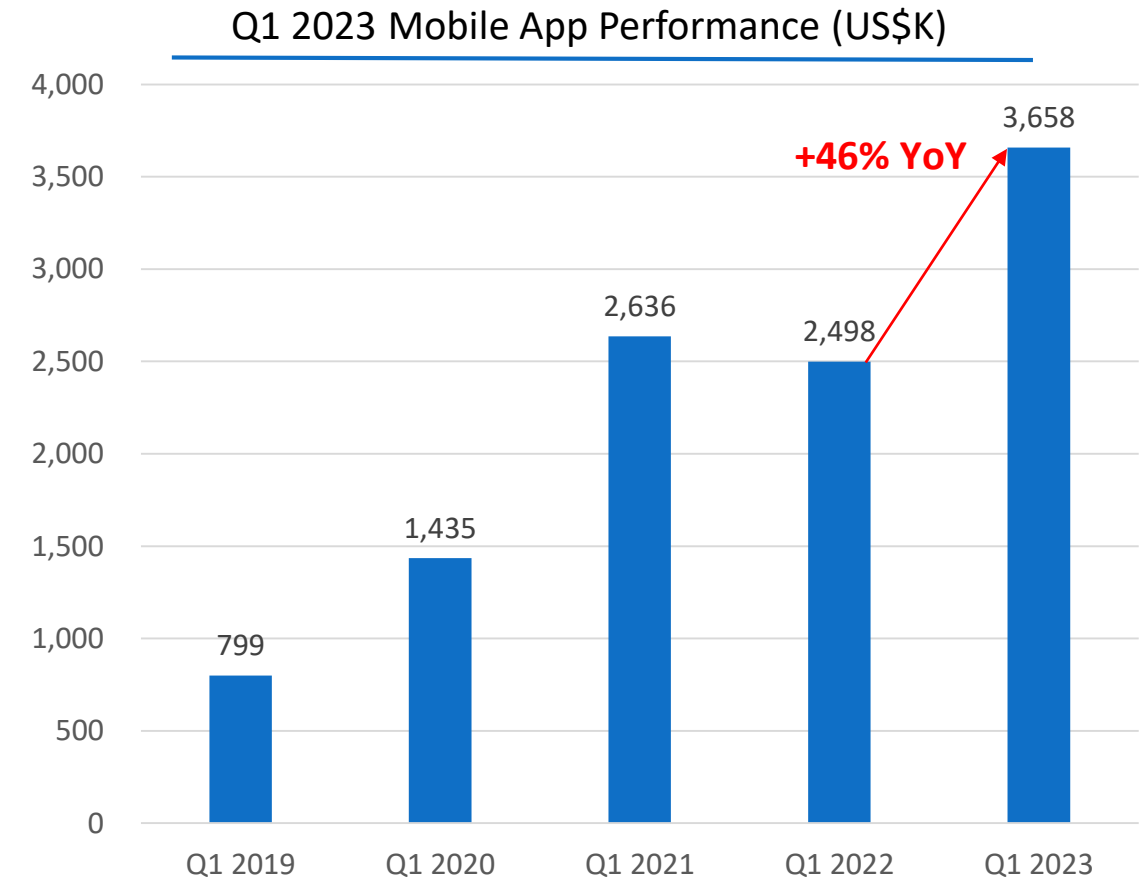
- PC Create (B2C) software segment revenue grew 16% YoY to US\$7.19 million In Q1 2023.
- B2C channel sales alliance with major PC makers brought significant revenue growth.

Group 2 : Mobile APP Q1 2023 Revenue

- Mobile App segment revenue was US\$2 Million in Q1 2023, a decrease of -19% YoY.
- If Q1'23 mobile app revenue was book-at-once, mobile app revenue achieved **US\$3.7M**, an increase of **46% YoY**.



If Q1'23 mobile app revenue was book-at-once



Q1 2023 PhotoDirector new release -

AI Avatar Generator

Advanced AI Generated Content technology to produce 16 new styles of AI Avatars
in 「PhotoDirector」 App for iOS

POP Style



Astronaut Style



Water Style



Animation Style



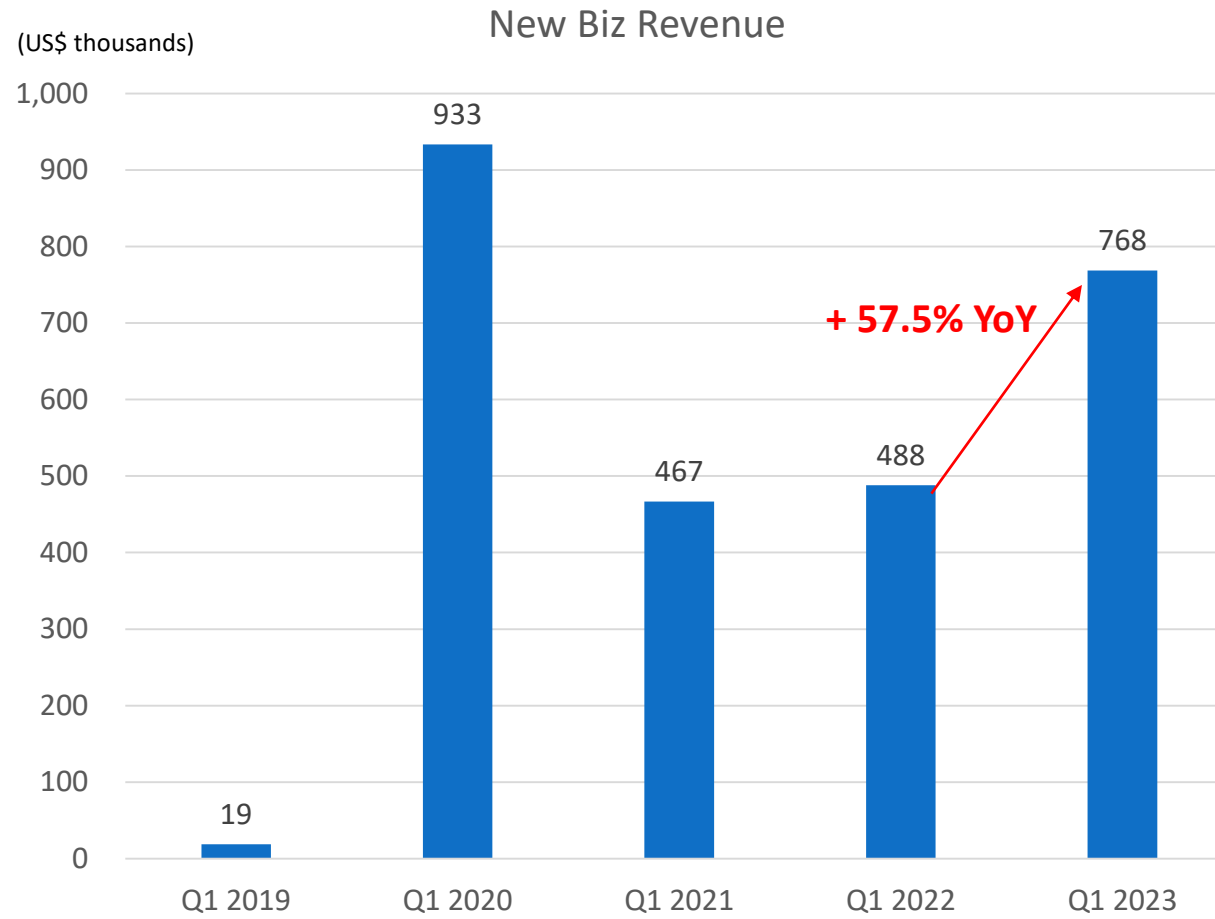
Goddess Style



God Style



Group 3 : New Biz Revenue



- New Biz segment revenue grew 57.5% YoY to US\$768K in Q1 2023.

Japan Groove X LOVOT family robot

- GROOVE X's LOVOT, a cute, smart, and highly advanced family robot chose FaceMe for its facial recognition feature.
- LOVOT looks up to human faces from a low angle. In choosing a facial recognition technology partner, GROOVE X needed the ability to **accurately identify faces from a wide range of view angles**. Additionally, it has to run on LOVOT's lightweight embedded system. FaceMe is able to achieve both requirements.



New Product Launched -



FaceMe®

People Tracker

People Tracker

AI Vision recognition and tracking using only physical attributes.

Person Attribute Recognition

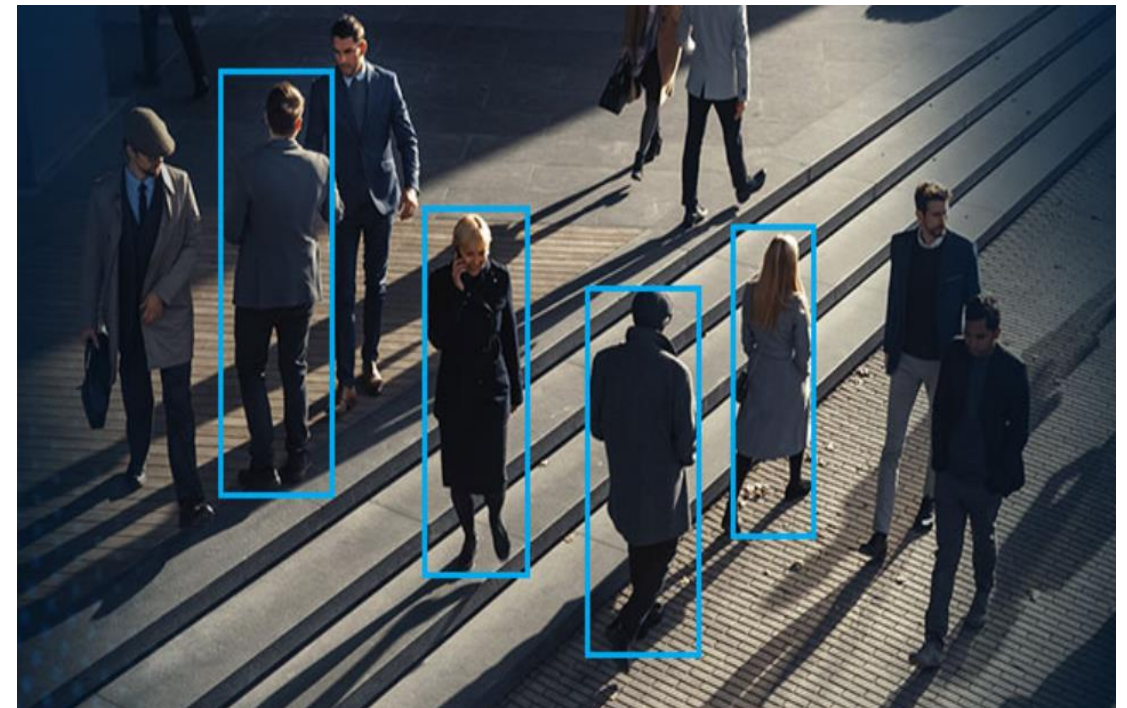
Input search criteria with physical attributes such as gender, age, clothing type, clothing color, and accessories.

Person Re-Identification

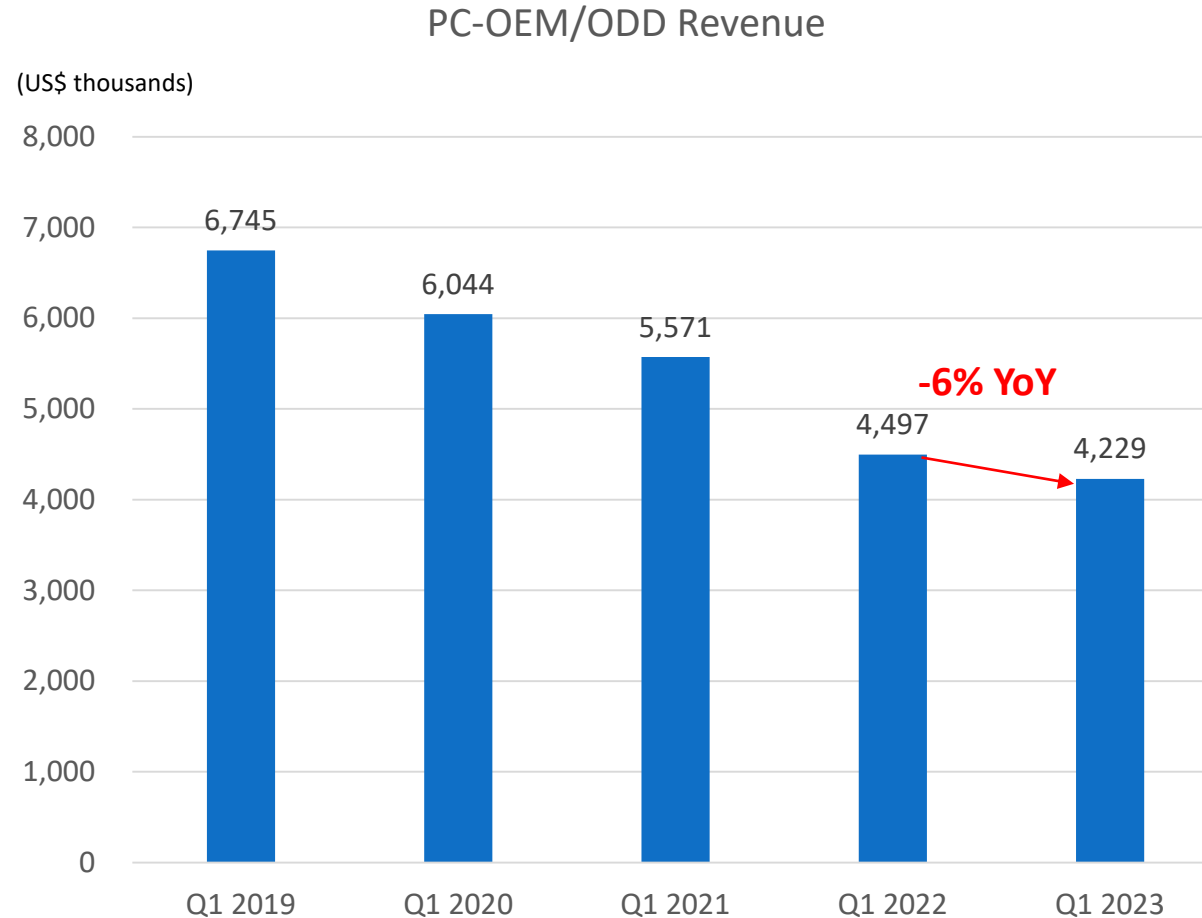
Utilize a person's image from 1 camera to find them at other times and locations.

Facial Recognition

Further refine your target search by uploading facial images.



Group 4 : PC OEM & ODD Revenue Trend



- PC OEM & ODD revenue down 6% YoY to US\$4.23 million in Q1 2023.

Summary

- The revenue contribution from three growth segments keeps growing, serve as CyberLink's growth engines.
- Facial recognition (FaceMe) keeps winning new clients, on track for accelerated market expansion, and keep releasing new products.
 - Launched new product "People Tracker" to expand market opportunity.

For more information about CyberLink:

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Thank You!

