



CyberLink

CREATE | PLAY | CONNECT  
FACEME & AI

CyberLink (5203.TW)

# Q1 2024 Investor Conference

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

April 25, 2024

# 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

1. Q1 2024 Financial Results (Un-audited)
2. Product focus for 2024

# Q1 2024 Financial Result

(Un-audited)

# Financial Highlights

(Q1 2024 Financial Income Statement)

- Revenue NT\$492.1 M, 14.3% YoY
- Operating Income NT\$34.4 M, 2.7% YoY
- Net Profit NT\$99.6 M, 82.0% YoY
- EPS : NT\$1.26

Note: 1. Revenue expressed in NT\$ millions.  
2. EPS expressed in NTD.

# CyberLink Cash Dividend Distribution to Shareholders

CyberLink’s recent announcement on cash dividend for year 2023 by board of directors' resolution :

- Date of the board of directors resolution: March 27th, 2024
- Cash dividend to shareholders : NT\$ 2.8 per share

Year	EPS	Cash Dividend (NT\$ per share)	Dividend Payout Ratio
2023	2.81	2.80	99.6%

# CyberLink's Expected Credit Loss during 2024

- One of CyberLink's ecommerce payment service providers, asknet Solutions AG (asknet) has filed for self-administration insolvency and reorganization which has been ordered by court in Germany on September 25, 2023. The above court order results in asknet's delay in paying CyberLink **accounts payable**.
  - CyberLink's Q1 2024 financial income statement recognized NT\$20.5 million as Expected Credit Loss
  - As of March 31, 2024, CyberLink has recognized a total of NT\$51.7 million as Expected Credit Loss
- Based on our assessment on the corresponding revenue of asknet in Q2 and Q3 2024, CyberLink estimates expected credit losses would be
  - NT\$16 million in Q2 2024
  - NT\$10 million in Q3 2024
  - Recognition of expected credit losses is no longer required from Q4 2024

# 2024 Q1 Consolidated IS

NT\$ thousands	2024 Q1	%	2023 Q4	%	QoQ	2023 Q1	%	YoY
Revenue	492,114	100.0%	509,482	100.0%	-3.4%	430,690	100.0%	14.3%
COGS	(69,826)	-14.1%	(70,508)	-13.8%	-1.0%	(65,085)	-15.1%	7.3%
<b>Gross Profit</b>	<b>422,288</b>	<b>85.9%</b>	<b>438,974</b>	<b>86.2%</b>	<b>-3.8%</b>	<b>365,605</b>	<b>84.9%</b>	<b>15.5%</b>
R&D	(158,412)	-32.2%	(172,067)	-33.8%	-7.9%	(130,134)	-30.2%	21.7%
S&M	(174,548)	-35.5%	(186,866)	-36.6%	-6.6%	(174,341)	-40.5%	0.1%
G&A	(34,386)	-7.0%	(30,564)	-6.0%	12.5%	(27,622)	-6.4%	24.5%
Expected Credit Loss	(20,514)	-4.2%	(15,570)	-3.1%	31.8%	0	0.0%	NA
Operating Expense	(387,860)	-78.9%	(405,067)	-79.5%	-4.2%	(332,097)	-77.1%	16.8%
<b>Operating Income</b>	<b>34,428</b>	<b>7.0%</b>	<b>33,907</b>	<b>6.7%</b>	<b>1.5%</b>	<b>33,508</b>	<b>7.8%</b>	<b>2.7%</b>
FX Gain (Loss)	48,005	9.7%	(49,278)	-9.7%	NA	(6,565)	-1.5%	NA
Investment Gain (Loss)	0	0.0%	0	0.0%	NA	0	0.0%	NA
Other Income (Loss)	37,778	7.7%	50,159	9.8%	-24.7%	36,556	8.4%	3.3%
Non-operating Income	85,783	17.4%	881	0.1%	9637.0%	29,991	6.9%	186.0%
Income before Tax	120,211	24.4%	34,788	6.8%	245.6%	63,499	14.7%	89.3%
<b>Net Income</b>	<b>99,552</b>	<b>20.2%</b>	<b>11,221</b>	<b>2.2%</b>	<b>787.2%</b>	<b>54,708</b>	<b>12.7%</b>	<b>82.0%</b>
EPS (NT\$)	1.26		0.14			0.69		

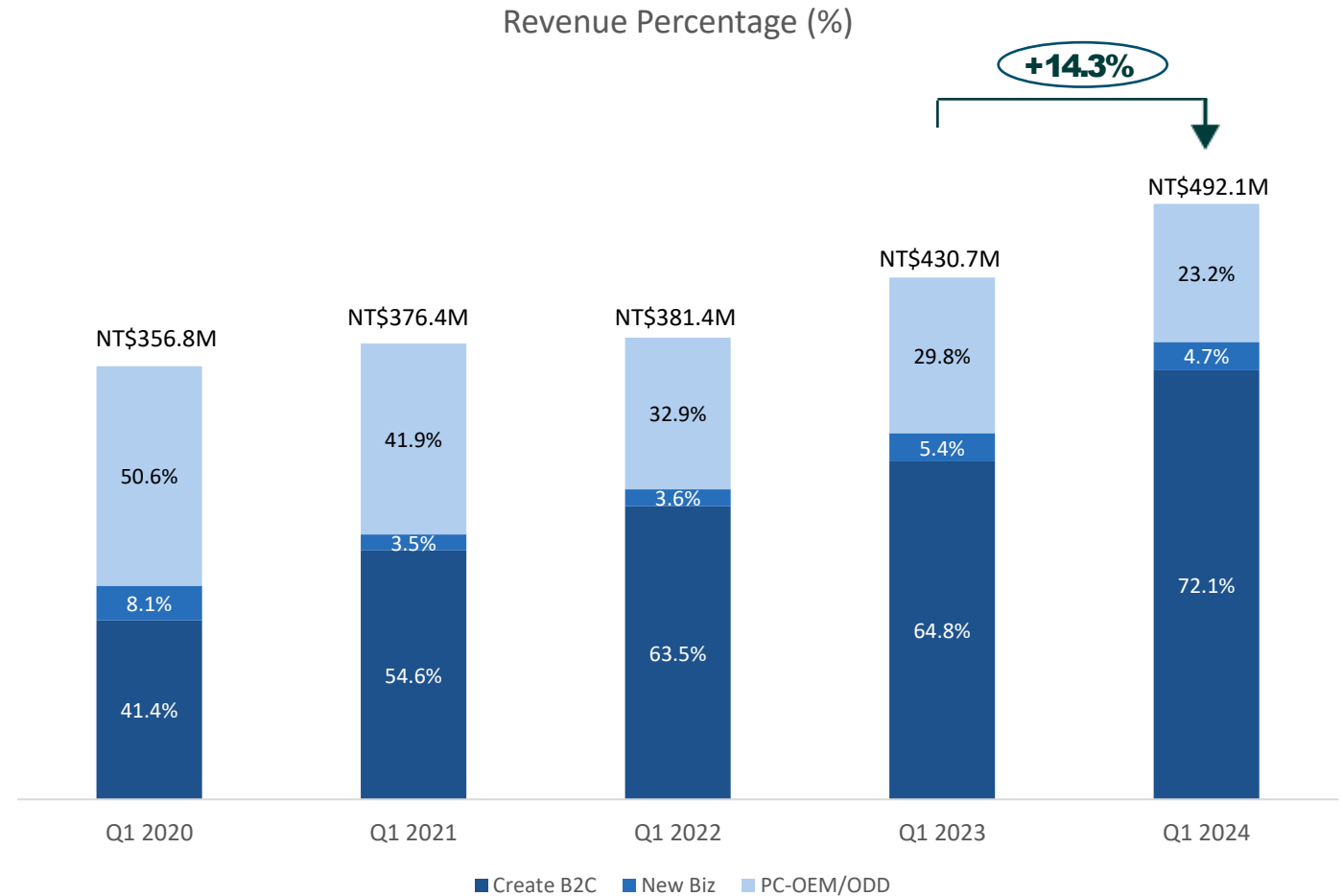


# Revenue Mix in Q1 2024

Total revenue for the three product groups in Q1 2024 amounted to NT\$492 million, reflecting a 14.3%YoY growth

Revenue expressed in NT\$ thousands

Product Group	Q1 2024 Revenue	%	YoY
<span style="color: #003366;">■</span> Create B2C	354,670	72.1%	27.1%
<span style="color: #0066CC;">■</span> New Biz	23,367	4.7%	0.5%
<span style="color: #99CCFF;">■</span> PC-OEM/ODD	114,077	23.2%	-11.2%
<b>TOTAL</b>	<b>492,114</b>	<b>100%</b>	<b>14.3%</b>



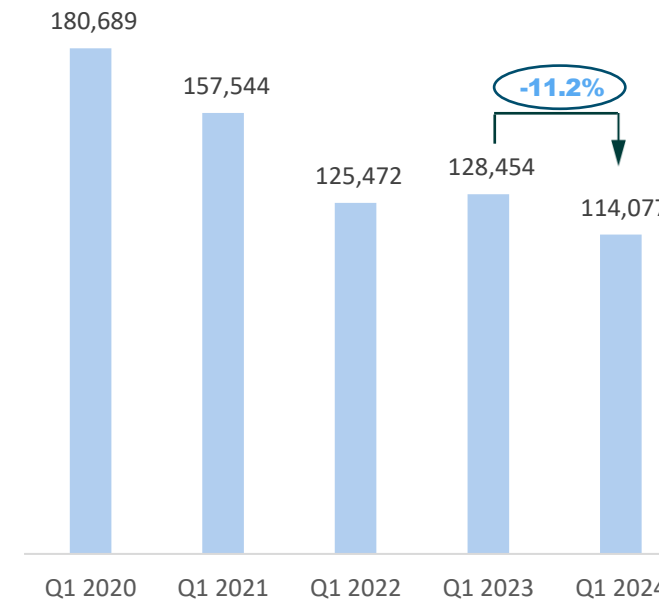
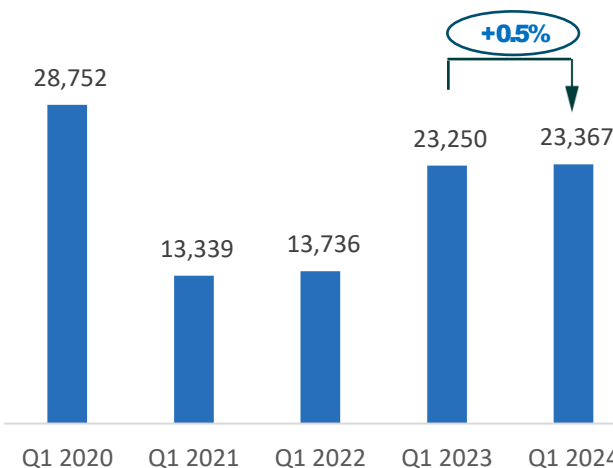
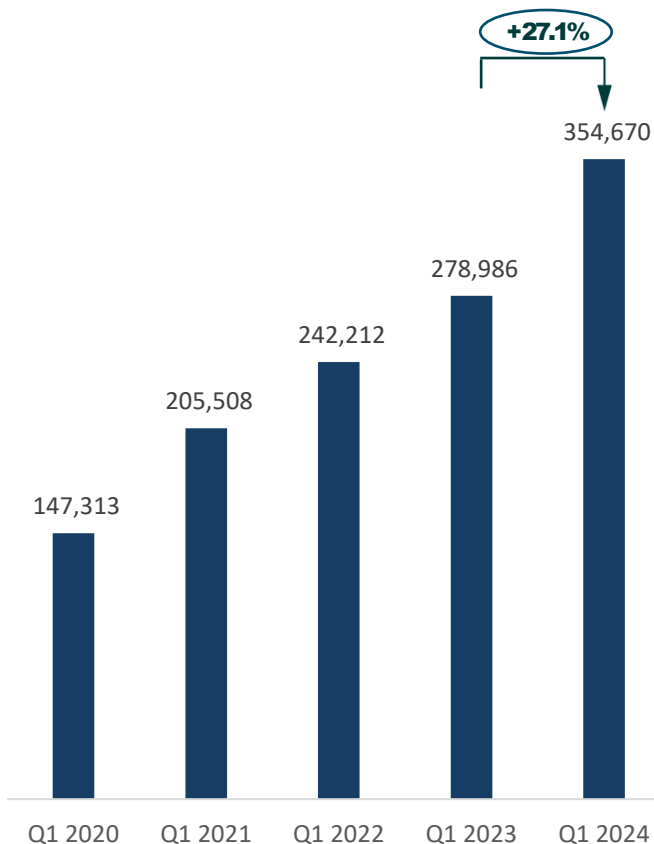
# Revenue trends for three product groups in Q1 2024

Unit: NT\$ thousands

Create B2C revenue grew 27.1% YoY to NT\$354.7M, represents 72.1% of total revenue

New Biz revenue grew 0.5% YoY to NT\$23.4M, represents 4.7% of total revenue

PC-OEM & ODD revenue decline 11.2% YoY to NT\$114M, represents 23.2% of total revenue



# Product focus in 2024

# Focus features and AI technologies on selected use cases

- Continue to develop new AI features to enable users in creating high-quality video and image content without needing to learn complex software or have deep aesthetic taste
- In addition to PowerDirector and PhotoDirector, which continue to be positioned as general purpose video and image editing software, other applications will focus on the following selected vertical application areas, using AI features to provide the best user experience:
  - **Online Selling and Marketing**
    - Generation of product catalog photos and social media video/image ads.
    - Professional portrait photos on business headshot & business outfits
  - **Beauty and Fashion, with AI-generated accessories and trendy outfits**
  - **Art and Content Generation**

# AI features applied in business scenarios

## AI Product Background



## AI Social Media Ads



## AI Business Headshot



## AI Business Outfits

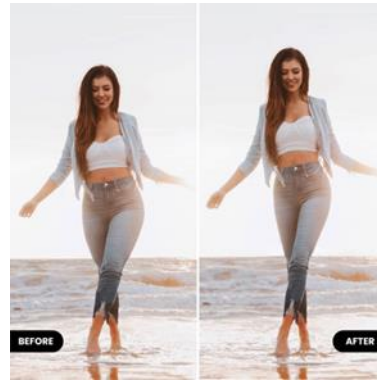


# AI features applied in Beauty and Fashion, with AI-generated accessories and trendy outfits

## AI Video Makeup



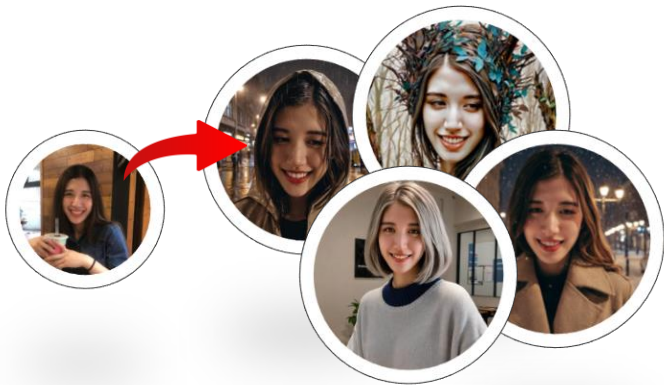
## Video Body Reshape



## Face Plumpness



## AI Avatar



## AI Trendy Outfits



## AI Replacement



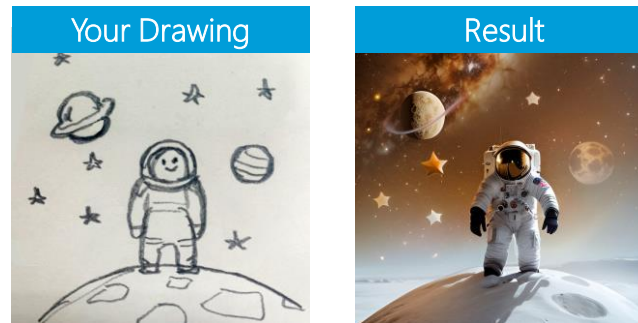
Note: Most of above features are released, and some are under development.

# AI features applied in Art & Content Creation

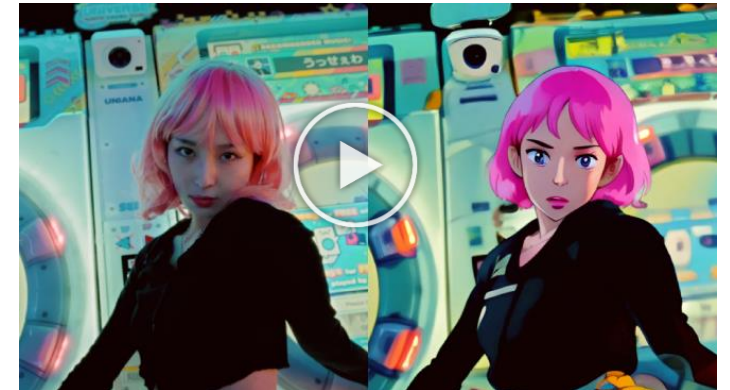
## AI Text-to-Image with Reference



## AI Draw-to-Image



## AI Anime Video



Note: Most of above features are released, and some are under development.

# AI features applied in general image and video editing

Image/Video Enhance



Video Background Remover



AI Image Super Resolution





# New Opportunity with AI PC

- Partners with Intel and PC manufacturers to jointly promote the AI PC initiative and applications
- Will release new versions of PowerDirector and PhotoDirector with AI features optimized for Intel® Core™ Ultra processors
- Become market leader in AI content creation on a new wave of AI PCs
- May start generating revenue from 2024 H2.



## On FaceMe:

# A success case of eKYC adoption in financial sector in Vietnam

- FaceMe® extends into the financial sector in Vietnam with its advanced facial recognition and anti-spoofing technology
- Partners with Generali Vietnam to integrate FaceMe® facial recognition into their life insurance application “GenVita app”
- To verify the identity of new customers who apply for insurance services



# Summary

- The revenue of 2024-Q1 grew by 14.3% YoY and we maintain a positive outlook for continued growth in 2024
- On B2C Create (Digital Media) :
  - Product applications and AI technology will be more focused on selected vertical use cases
  - Seize the new opportunity of AI PCs as new revenue stream
- On FaceMe (Facial Recognition):
  - Continuously expand use cases to make facial recognition technology more widely applicable

For more information about CyberLink:

[www.CyberLink.com](http://www.CyberLink.com)

For IR inquiries, suggestions and comments:

[investor@cyberlink.com](mailto:investor@cyberlink.com)

**Thank You!**