



**SOLOMON
SYSTECH**

2022 Interim Results Presentation

Six months ended 30 June 2022

Stock code: 2878

September 2022

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FINANCIAL HIGHLIGHTS



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FINANCIAL HIGHLIGHTS

- Revenue increased by about 45.1% to US\$108.5 million
- Gross profit jumped by 45.0% to US\$42.2 million; gross profit margin remained stable at 38.9%
- Operating profit surged by 105.9%
- Profit attributable to owners of the parent surged by 103.2% to US\$21.8 million
- Earnings per share was 0.87 US cent (equivalent to 6.74 HK cents); net profit margin increased from 14.4% to 20.1%



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FINANCIAL REVIEW



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FINANCIAL HIGHLIGHTS



	1H 2022	1H 2021	Change %
	(US\$ million)	(US\$ million)	
Revenue	108.5	74.8	+45.1%
Gross profit	42.2	29.1	+45.0%
Gross margin	38.9%	38.9%	-
Research and development costs	14.9	12.1	23%
Profit attributable to owners of the parent	21.8	10.7	+103.2%
Earnings per share (US cents)	0.87	0.43	+102.3%
Current ratio	2.46	2.35	

BALANCE SHEET

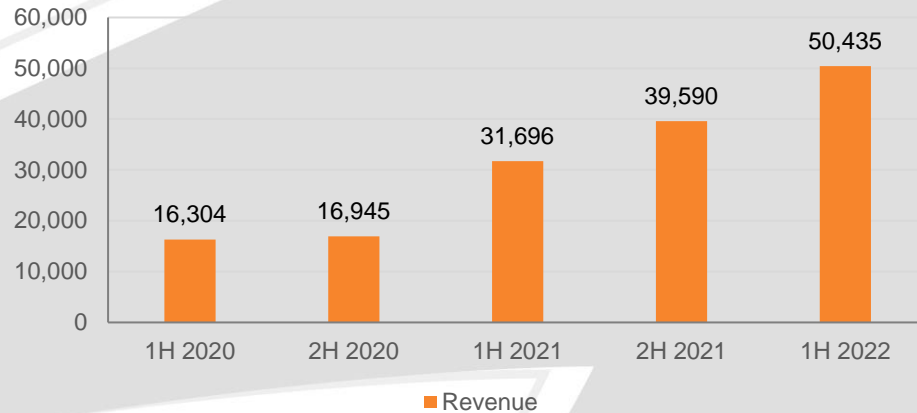


	As at 30 June 2022	As at 31 Dec 2021	Change %
	(US\$ million)	(US\$ million)	
Total assets	168.6	139.9	+20.5%
Shareholders' funds	105.9	86.7	+22.1%
Bank deposits and cash	59.4	41.8	+42.1%
Shareholders' funds per share (HK cents)	32.9	27.0	+21.9%
Net cash per share (HK cents)	18.7	13.2	+41.7%

REVENUE TREND BY PRODUCTS

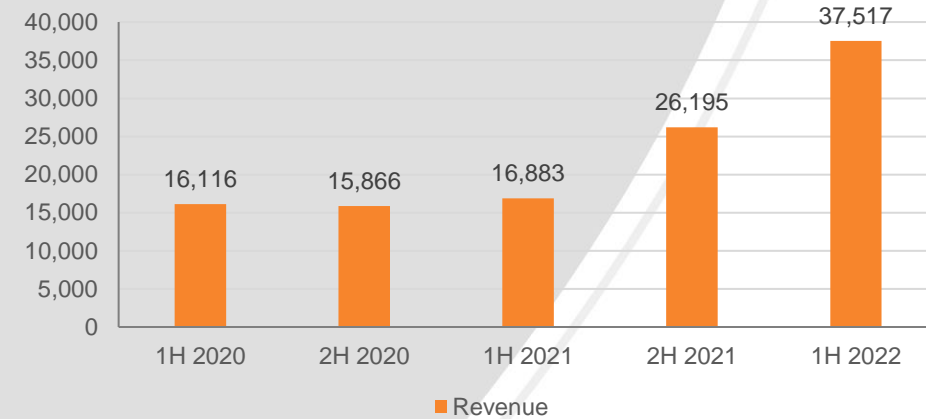
(US\$'000)

New Display ICs



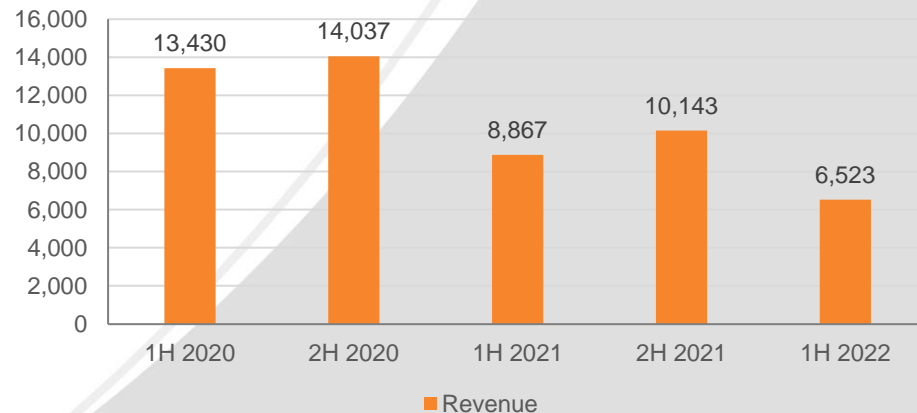
(US\$'000)

Mobile Display & Mobile Touch ICs



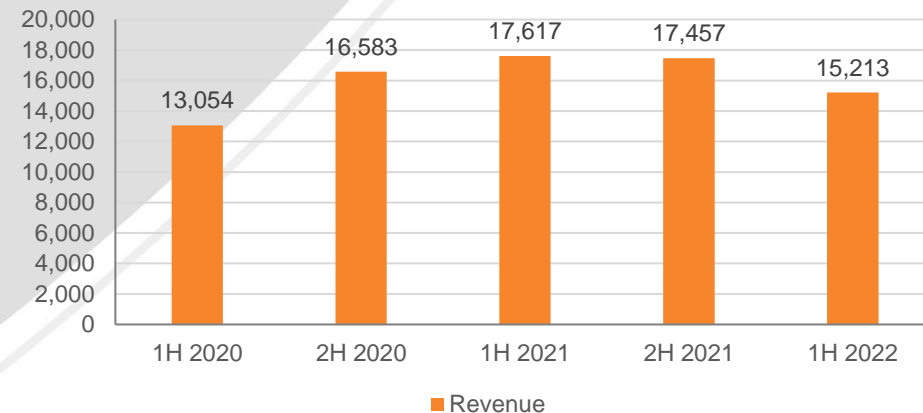
(US\$'000)

Large Display ICs



(US\$'000)

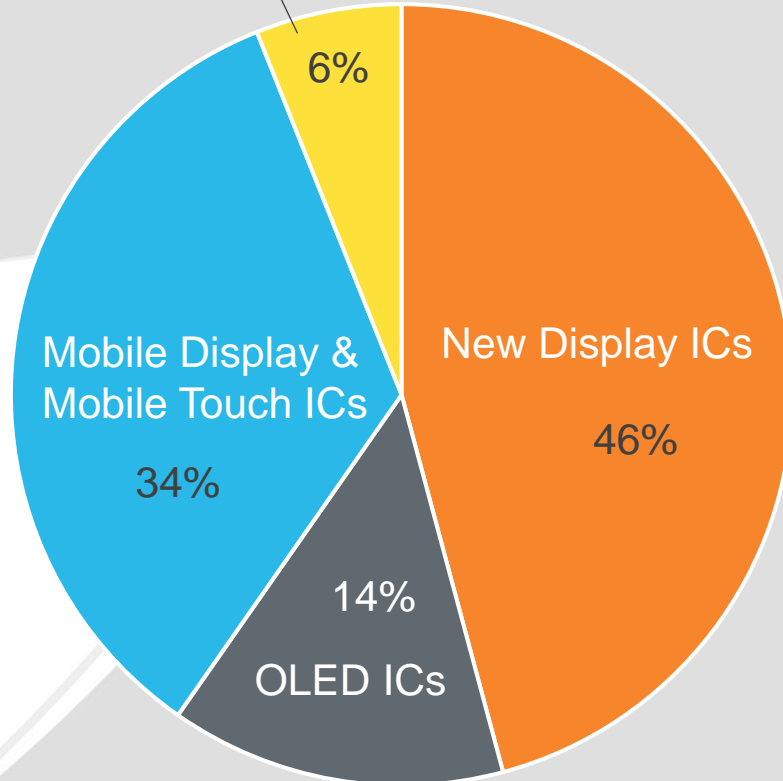
OLED Display ICs



REVENUE BY PRODUCTS

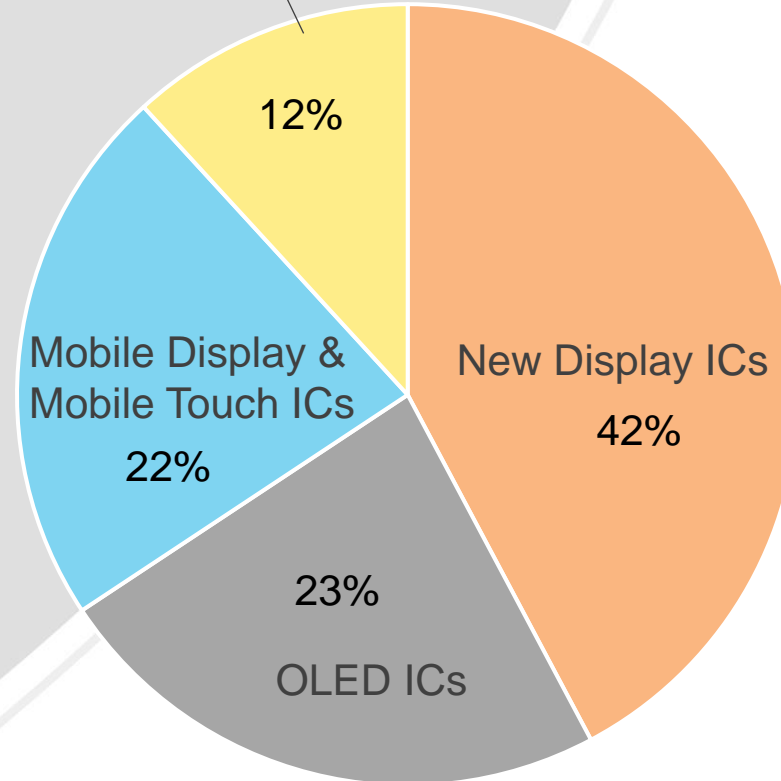
1H 2022

Large Display ICs



1H 2021

Large Display ICs



TRADE RECEIVABLE AGEING

(Based on invoice date)



	As at 30 June 2022	As at 31 Dec 2021
	(US\$ million)	(US\$ million)
1-30 days	16.5	9.8
31-60 days	5.4	6.5
61-90 days	3.2	5.5
91-180 days	2.2	2.4
Total	27.4	24.1

TRADE PAYABLE AGEING

(Based on invoice date)



	As at 30 June 2022	As at 31 Dec 2021
	(US\$ million)	(US\$ million)
1-30 days	13.0	14.7
31-60 days	7.9	6.5
61-90 days	2.3	2.4
Over 90 days	0.5	0.3
Total	23.7	23.9

CONSOLIDATED CASH FLOW



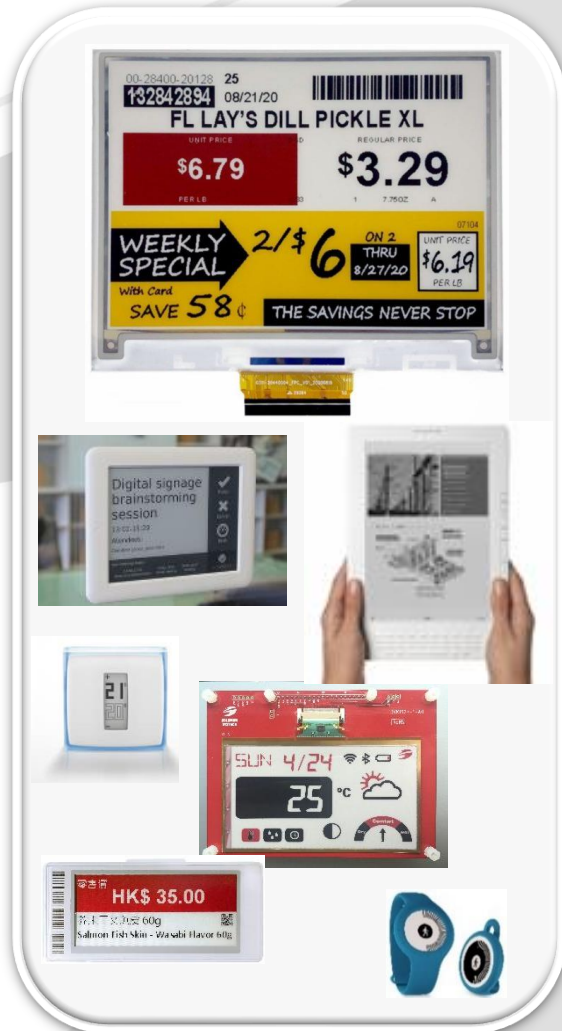
	1H 2022	1H 2021	Change %
	(US\$ million)	(US\$ million)	
Net cash generated from operating activities	20.1	7.6	+162.8%
Net increase in cash and cash equivalents	21.5	3.9	+447.1%
Total bank deposits and cash	59.4	54.6	+8.8%

BUSINESS REVIEW



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NEW DISPLAY ICS



- **Increase in Demand from Electronic Shelf Labels (ESL) in European and North American markets**
 - New Display IC products showed significant growth in revenue of 56.9% due to better product mix and shifting of focus to more sophisticated products
 - ESL gaining popularity for automating pricing and price changes
 - ESL as a more eco-friendly and efficient option for retailers
- **ESL as an Emerging Trend in Asia**
 - The Group co-developed with E Ink Holdings Inc. for Display IC Solutions for Spectra™ 3100, a next-generation specialized platform for ESL and retail signage application
 - Major technological break-through in 2021 to develop ESL with four colour spectrum display, which is expected to launch and enter mass production for use in Advanced Colour e-Paper (ACeP) products in 2023
 - A specific driver IC is being developed by the Group and expected to commence mass production soon to tap into the markets of e-Signage and e-Reader applications
- **Market leader in e-Paper display driver ICs as supplier with largest market share**

OLED DISPLAY ICS

OLED Display



- **World's leading PMOLED display driver IC player with dominant market share**
- **OLED Display ICs**
 - Strong market demand for PMOLED wearables, smart home solutions and IoT/AIoT solutions
- **Mini-LED**
 - Our mini-LED DDI solutions for 50" to 100" indoor signage display have been in mass production since 2018 and are used in the curved signage display in the underground and subways in the UK and the US

MOBILE DISPLAY ICS



➤ Mobile Display and Mobile Touch ICs

- Increase in sales revenue of 120.3% YoY
- Successfully secured manufacturing orders for game console controller ICs for 2022 and 2023, which will notably contribute to Group's revenue base
- The Group launched its first full-colour TDDI specialized for wearables and IoT devices which offers a combination of cost-effective high performance and low power consumption in 2021. Steady growth in demand is expected for the TDDI in 2022 and 2023

➤ Development of new products

- The Group's MIPI – Local Dimming IP is scheduled to be launched in Q4 2022
- Further, the Group is co-developing a human interface display platform with a leading TFT-LCD panel maker. The IC solution is expected to enter mass production in Q3 2022

LARGE DISPLAY ICS



➤ New IC for entertainment

- Sales revenue was lower YoY due to the impact of COVID-19 and change in customer preference
- The Group has launched a high-speed Peer-to-peer (P2P) display driver IC for the 165Hz high-refresh-rate gaming monitor and 8K HDTV
- The latest offering will enhance the Group's product value and increase the Group's visibility in the booming high-end entertainment market

OUTLOOK



**SOLOMON
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OUTLOOK



COMPANY INTRODUCTION



**SOLOMON
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Our Networks

Head Office

Hong Kong

Technology Centers

Hong Kong

Nanjing

Shenzhen

Taiwan

Sales Networks

Hong Kong

Shenzhen

Beijing

Nanjing

Shanghai

Taiwan

Japan

Korea

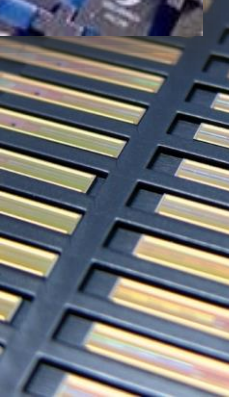
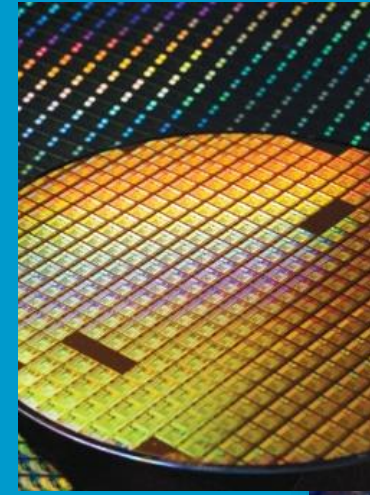
USA

Europe

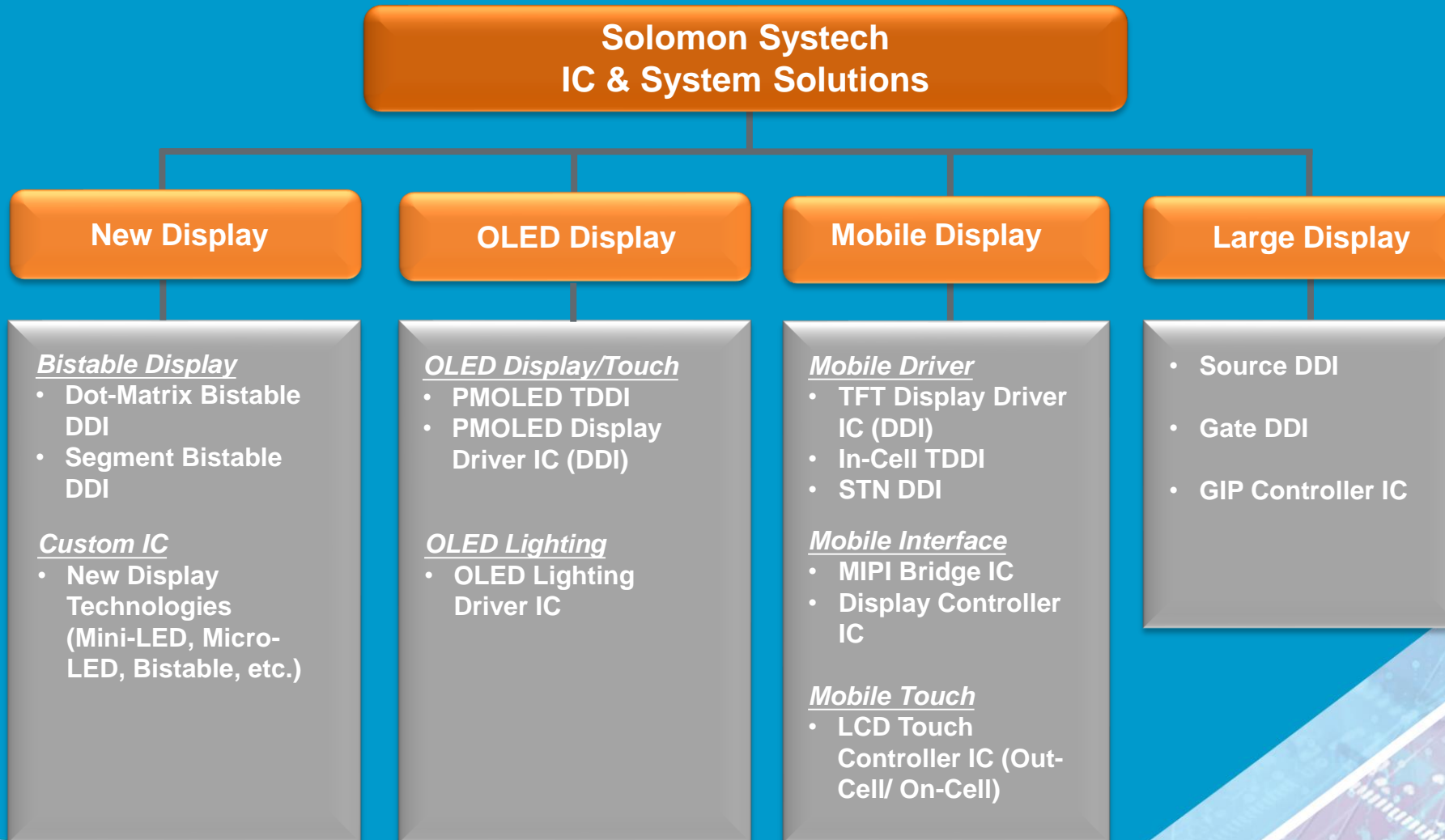
ABOUT SOLOMON SYSTECH

A leading semiconductor company providing IC products and system solutions for display applications

- Established in Hong Kong in 1999
- Listed on the main board of the HKSE since 2004 (HKSE: 2878)

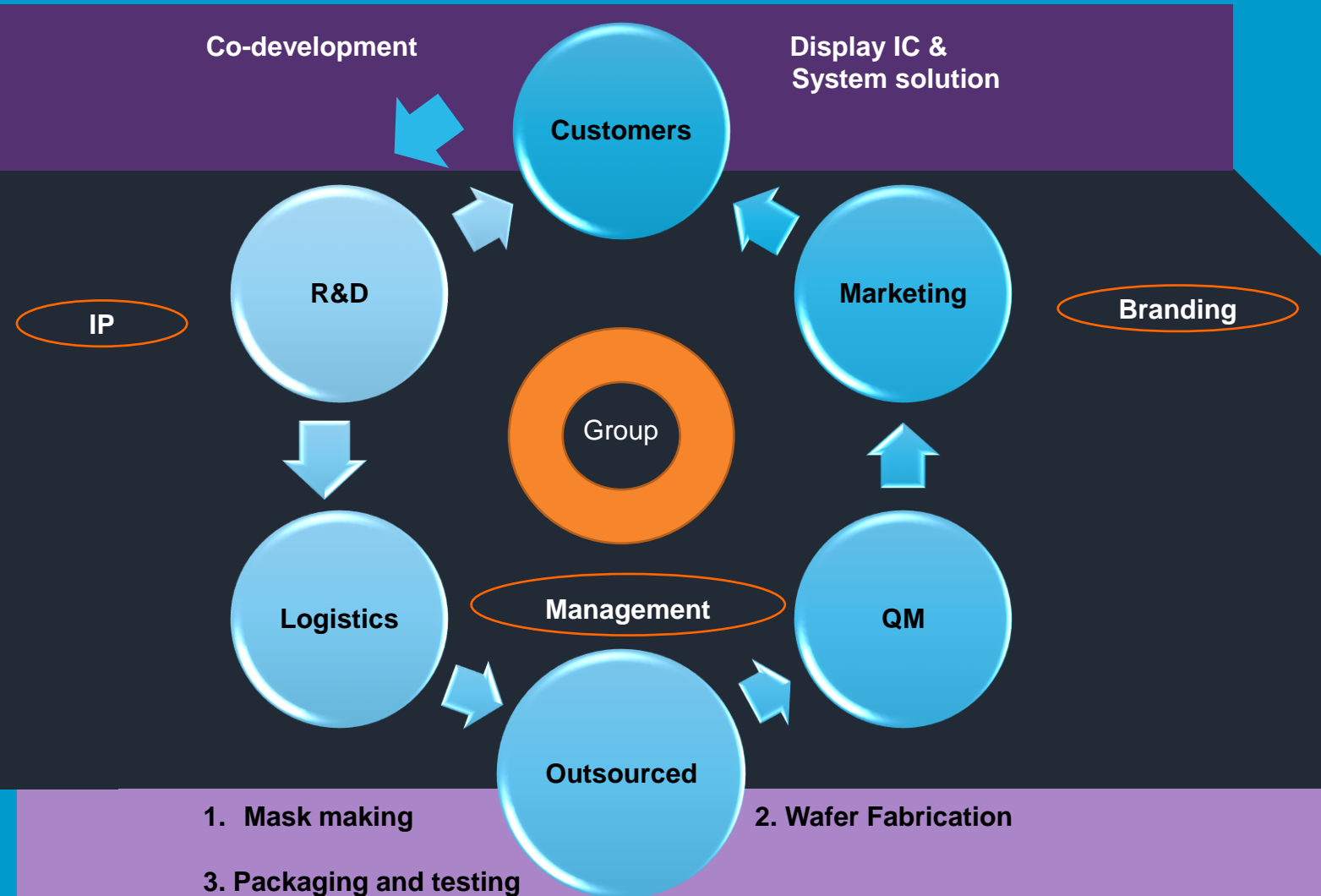


KEY BUSINESS UNITS



**SOLOMON
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FABLESS BUSINESS MODEL



**SOLOMON
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COMPETITIVE EDGES

Strong R&D Team Focusing On
Technological Innovation



Rich Patent Portfolio: > 600



Support of CEC,
a Fortune Global 500 company



Support a Comprehensive Range
of Display Technologies



Experienced Management with
International Perspective



Global Sales & Distribution
Network



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THANK YOU

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