

AAC TECHNOLOGIES

2022 Full Year Results Presentation

AAC TECHNOLOGIES HOLDINGS INC.

Stock Code: 2018.HK

1. 2022 Full Year & Q4 Results Overview

2022Q4 Results Overview

2022Q4

- Revenue up by 21.4% YoY to RMB5.84bn
- Gross margin down 3.9 ppts YoY to 16.6%
- Net profit up 12.0% YoY to RMB237mn

5.84bn

Revenue

16.6%

Gross Margin

2022 Full Year Results Overview

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- Revenue up 16.7% YoY to RMB20.63 bn
- Gross margin down 6.4 pts YoY to 18.3%
- Net profit down 37.6% YoY to RMB821 mn

20.63bn

Revenue

18.3%

Gross Margin

Prudent Financial Management, Broadened Financing Channels & Solid Cash Position



Free Cash Flow
2.52 bn



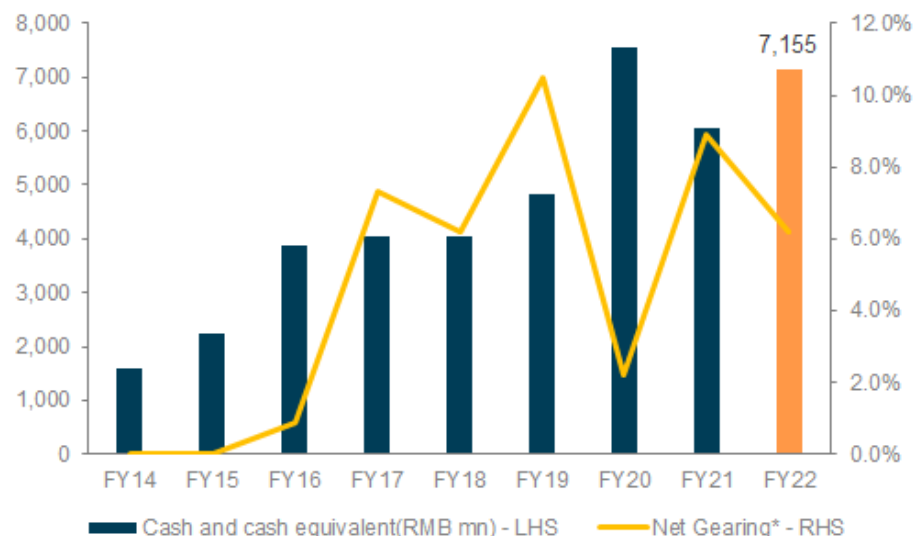
Capex
1.85 bn



Cash & Cash Equivalents
7.16 bn



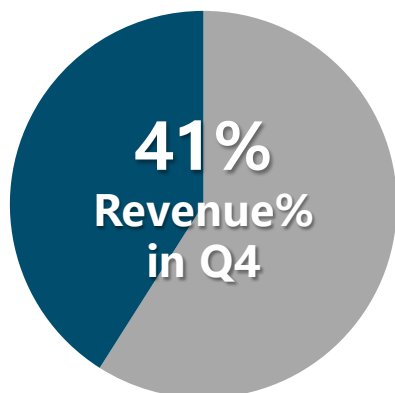
Net gearing ratio
6.2%



RMB million	1 Jan – 31 Dec	
	2022	2021
Cash as at beginning	6,051	7,540
Net operating cash inflow	4,372	2,176
Capital expenditure	1,848	3,548
Net borrowings repayment	(728)	1,510
Cash as at period end	7,155	6,051

2. Performance by Business Segments

Acoustics Business



	4Q22	3Q22	4Q21	QoQ	YoY	FY22	FY22 YoY
Revenue (million)	2,385	2,324	2,244	2.6%	6.3%	8,848	3.1%
Gross profit margin	31.2%	26.9%	26.8%	4.3 p.p	4.4 p.p	28.1%	-1.5 p.p
Gross profit (million)	743	625	602	19.0%	23.5%	2,490	-2.2%

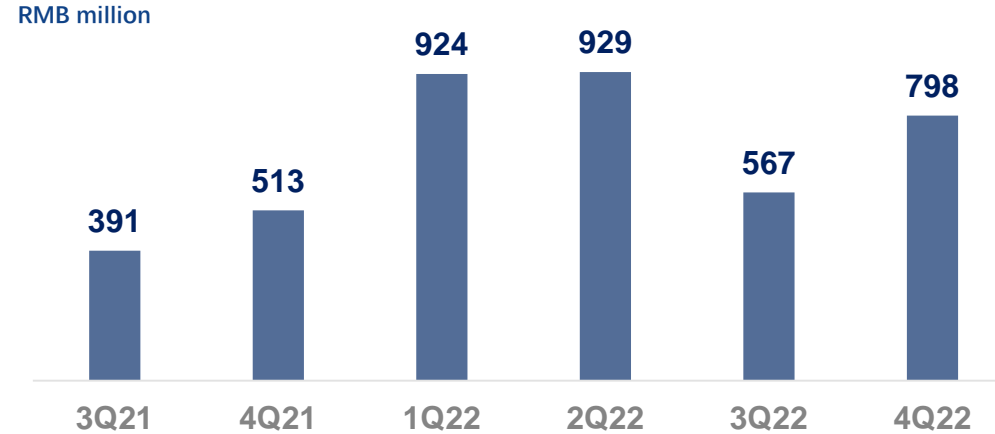
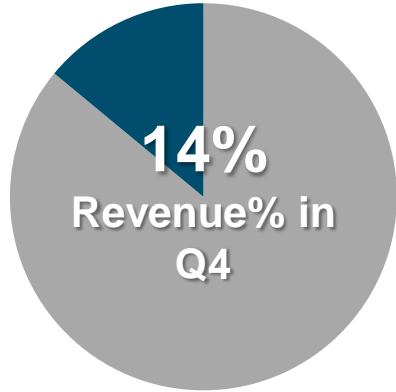
In Q4 2022, the Group's acoustics business revenue was **RMB2.39 billion, up 6.3% YoY.**

For 2022 full year, the Group's acoustics business revenue was **RMB8.85 billion, up 3.1% YoY.**

Worked **more closely** with overseas customers and supported their expansion into emerging business fields by consistently enhancing product competitiveness and ensuring stable product delivery. Market share increased steadily.

Currently, the Group has built up **an integrated solution for mobile audio device** including high-performance linear speakers, multi-speaker arrays and the proprietary algorithm which will actively promote it to the market.

Optics Business



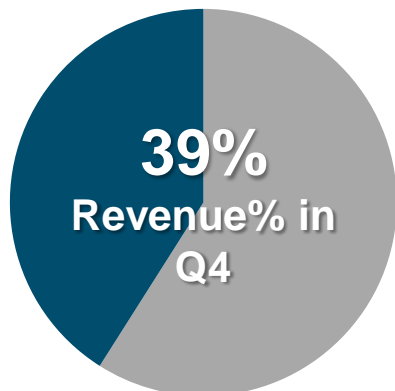
In Q4 2022, the Group's optics business revenue was **RMB798 million, up 55.6% YoY.**

During 2022, the Group's optics business revenue was **RMB3.22 billion, up 34.7% YoY.**

Plastic lens product mix has been continuously improving, and the proportion of 6P and above increased. Camera module business grew steadily and annual shipment volume delivered a **YoY increase** of 121.5%.

OIS products have started small-scale mass production, the Group will continue to enhance its vertical integration capability by **integrating plastic lenses, camera module and VCM business.**

Electromagnetic Drives and Precision Mechanics Business



	4Q22	3Q22	4Q21	QoQ	YoY	FY22	FY22 YoY
Revenue (million)	2,290	2,055	1,797	11.5%	27.5%	7,276	29.0%
Gross profit margin	22.2%	21.5%	19.8%	0.7 p.p	2.5 p.p	21.3%	-0.4 p.p
Gross profit (million)	509	443	355	15.0%	43.4%	1,549	26.9%

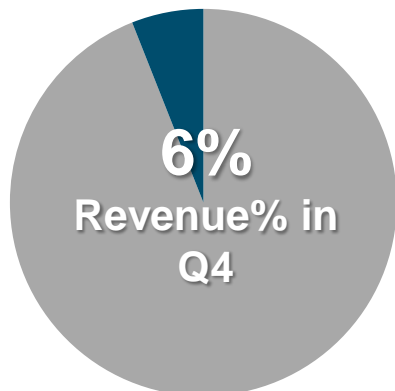
In Q4, revenue from this combined segment reached **RMB2.29 billion, up 27.5% YoY.**

For 2022, revenue from this combined segment amounted to **RMB7.28 billion, up 29.0% YoY.**

EMD: In 2022, the market shares of Android x-axis haptics further increased with the total shipment volume **increased by 41.9% YoY.**

PM: Stable shipment percentage from mid-to-high end products and explore **projects with high values**; increased revenue contribution from non-smartphone business.

Sensor & Semiconductor Business



	4Q22	3Q22	4Q21	QoQ	YoY	FY22	FY22 YoY
Revenue (million)	356	421	238	-15.4%	49.5%	1,256	24.0%
Gross profit margin	13.9%	7.4%	12.5%	6.6 p.p	1.4 p.p	11.6%	-3.5 p.p
Gross profit (million)	50	31	30	60.2%	66.2%	146	-4.8%

For Q4, the sensor and semiconductor business recorded **RMB356 million in revenue, up by 49.5% YoY.**

In 2022, the sensor and semiconductor business revenue was **RMB1.26 billion, up 24.0% YoY.**

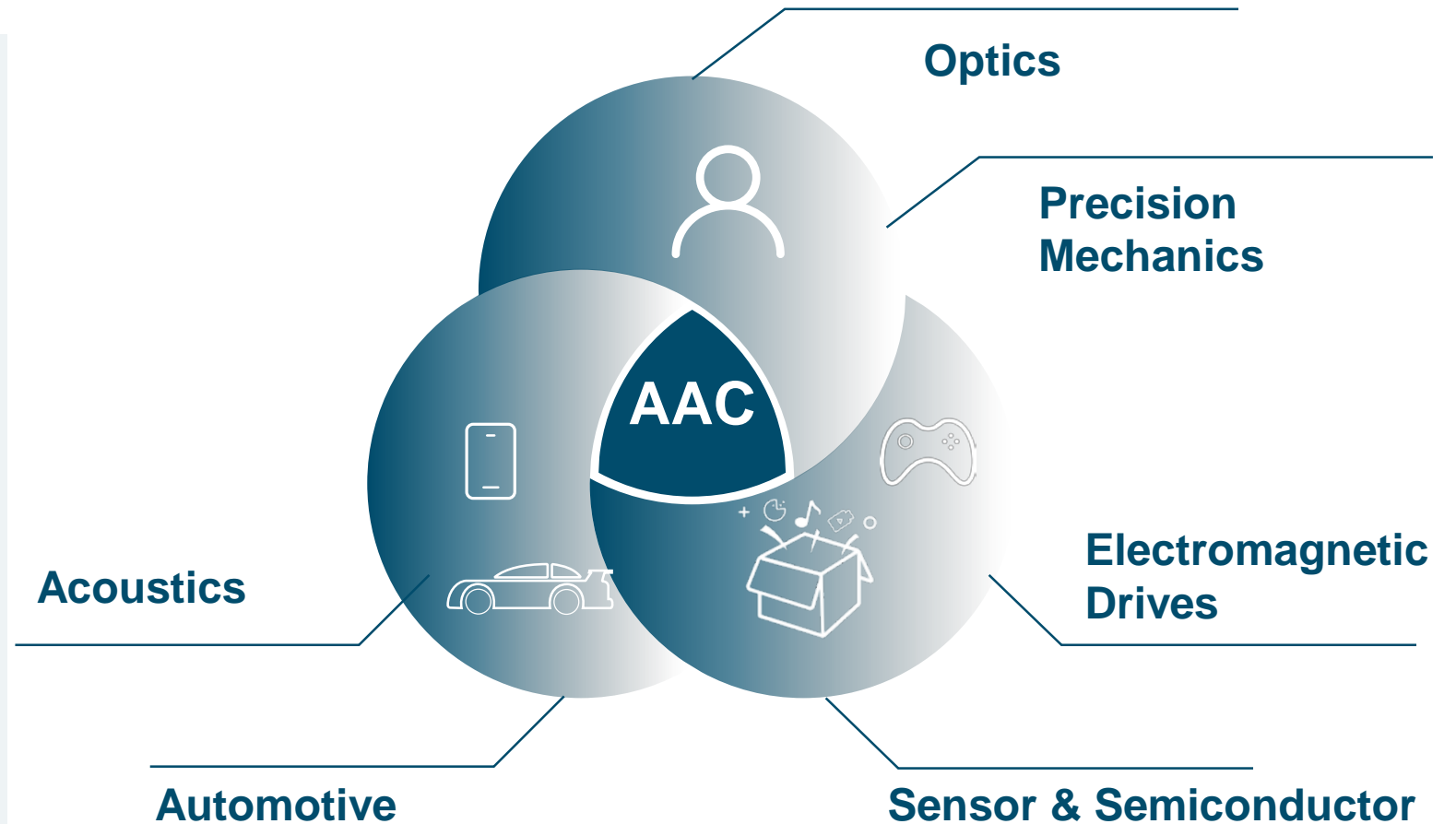
Actively developing products with high signal-to-noise ratio to meet customers' demand for product upgrades; The factory facility in Malaysia commenced production of high-performance MEMs microphones, which further strengthened the Group's **global production capacity.**

The Group also cooperated with Soundskrit to provide world's first high performance MEMS directional microphone to consumer electronics and automotive market.

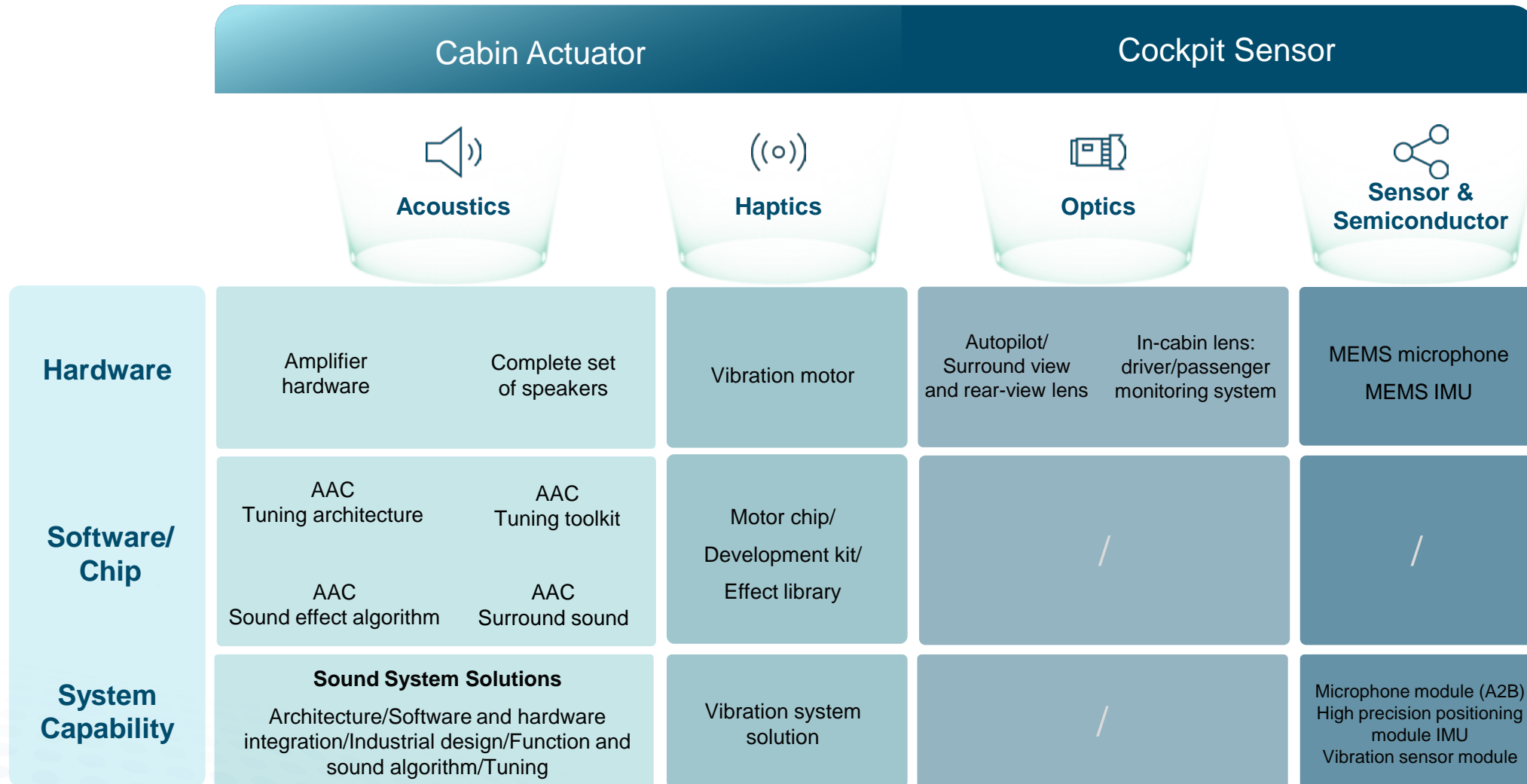
Internal Operations: Lean Management, Digital Transformation

Continue to promote construction of digital factories, improve automation level, and labor efficiency, introduce digital management systems to allocate resources rationally.

Strictly control capital expenditures, continue to reduce costs and increase efficiency, strictly managed inventory and improve turnover rate.



Independent R&D to Provide Automotive Acoustics for Cockpit





01

System

- System design/development
- Complete set of hardware and software
- Function/audio algorithm
- Tuning
- Extend solution



NETA flagship S complete sound system

- 21 speaker systems
- 720 ° panoramic surround sound field
- 7.1.4 Sky sound effect
- 16-channel A2B independent amplifier
- 1216W maximum output

02

Subsystem/Module

Amplifier module/ Speaker set



03

Hardware & Software | Tuning

- Speaker
- Software/Tuning



Automotive Lens Products Recognized by Top Customers from Domestic and Overseas



- ✓ Completed product layout of automotive lens, ARHUD optical components and LiDAR optical components. Automotive lens include cameras for parking and surround view, ADAS front/side view, cabin monitoring, and LiDAR cylindrical lenses, HUD core optical components, etc.
- ✓ The surround view and in-cabin lenses have been mass produced.
- ✓ Obtained projects from NEV OEMs for ADAS front view camera.
- ✓ New products are under smooth development. The LiDAR optical components are expected to be in mass production and delivery to domestic leading customers in early 2024.

Investor Information



STOCK CODE

The Stock Exchange of Hong Kong Limited: 2018

Bloomberg: 2018: HK

Reuters: 2018.HK

ISIN: KYG2953R1149

MAJOR MARKET INDEXES

Hang Seng Indexes Company Limited Sub-indexes:

- TECH Index
- Composite MidCap Index
- Composite Industry Index (Industrials)
- SCHK China Technology Index

Hang Seng ESG Indexes:

- Corporate Sustainability Benchmark Index
- ESG 50 Index

Constituent stock of the FTSE4Good Index

MSCI China Index

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