



CyberLink

CREATE | PLAY | CONNECT
FACEME & AI

CyberLink (5203.TW)

Q3 2024 Investor Conference

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

October 30, 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

- Q3 2024 Financial Results (Un-audited)
- Q3 2024 Business/Product Update

Q3 2024 Financial Results

(Un-audited)

Financial Highlights

2024 Q3 Income Statement

- Revenue NT\$523.2 M +9.2% YoY
- Operating Income NT\$52.6 M +22.8 % YoY
- Net Profit NT\$43.9 M -53.6% YoY
- EPS NT\$0.56

2024 Q1-Q3 Income Statement

- Revenue NT\$1,546.2 M +14.1% YoY
- Operating Income NT\$131.6 M +13.2 % YoY
- Net Profit NT\$228.4 M +8.3% YoY
- EPS NT\$2.89

- Due to CyberLink's ecommerce payment service provider, asknet Solutions AG's filed self-administration insolvency and reorganization, CyberLink's Q3 2024 financial income statement recognized **NT\$9.6 million** as Expected Credit Loss.
- For Q1-Q3 2024, CyberLink has recognized a total of NT\$46.2 million as Expected Credit Loss.
- There will be no credit losses starting in Q4 2024.

2024 Q3 Consolidated IS

NT\$ thousands	2024 Q3	%	2024 Q2	%	QoQ	2023 Q3	%	YoY
Revenue	523,177	100.0%	530,872	100.0%	-1.4%	479,187	100.0%	9.2%
COGS	(72,902)	-13.9%	(74,242)	-14.0%	-1.8%	(67,061)	-14.0%	8.7%
Gross Profit	450,275	86.1%	456,630	86.0%	-1.4%	412,126	86.0%	9.3%
R&D	(170,001)	-32.5%	(169,753)	-32.0%	0.1%	(144,744)	-30.3%	17.4%
S&M	(188,991)	-36.2%	(194,886)	-36.7%	-3.0%	(177,144)	-36.9%	6.7%
G&A	(29,007)	-5.5%	(31,394)	-5.9%	-7.6%	(31,796)	-6.6%	-8.8%
Expected Credit Loss	(9,637)	-1.8%	(16,089)	-3.0%	-40.1%	(15,583)	-3.3%	-38.2%
Operating Expense	(397,636)	-76.0%	(412,122)	-77.6%	-3.5%	(369,267)	-77.1%	7.7%
Operating Income	52,639	10.1%	44,508	8.4%	18.3%	42,859	8.9%	22.8%
FX Gain (Loss)	(29,066)	-5.6%	18,565	3.5%	NA	39,837	8.3%	NA
Investment Gain (Loss)	0	0.0%	0	0.0%	NA	0	0.0%	NA
Other Income (Loss)	30,758	5.9%	37,742	7.1%	-18.5%	29,162	6.1%	5.5%
Non-operating Income	1,692	0.3%	56,307	10.6%	-97.0%	68,999	14.4%	-97.5%
Income before Tax	54,331	10.4%	100,815	19.0%	-46.1%	111,858	23.3%	-51.4%
Net Income	43,904	8.4%	84,896	16.0%	-48.3%	94,619	19.7%	-53.6%
EPS (NT\$)	0.56		1.08			1.20		

2024 Q1-Q3 Consolidated IS

NT\$ thousands	2024 Q1-Q3	%	2023 Q1-Q3	%	YoY
Revenue	1,546,163	100.0%	1,355,540	100.0%	14.1%
COGS	(216,970)	-14.0%	(198,908)	-14.7%	9.1%
Gross Profit	1,329,193	86.0%	1,156,632	85.3%	14.9%
R&D	(494,434)	-32.0%	(414,138)	-30.6%	19.4%
S&M	(562,157)	-36.4%	(522,776)	-38.5%	7.5%
G&A	(94,787)	-6.1%	(87,927)	-6.5%	7.8%
Expected Credit Loss	(46,240)	-3.0%	(15,583)	-1.1%	196.7%
Operating Expense	(1,197,618)	-77.5%	(1,040,424)	-76.7%	15.1%
Operating Income	131,575	8.5%	116,208	8.6%	13.2%
FX Gain (Loss)	37,504	2.4%	60,389	4.5%	-37.9%
Investment Gain (Loss)	0	0.0%	0	0.0%	NA
Other Income (Loss)	106,278	6.9%	94,493	6.9%	12.5%
Non-operating Income	143,782	9.3%	154,882	11.4%	-7.2%
Income before Tax	275,357	17.8%	271,090	20.0%	1.6%
Net Income	228,352	14.8%	210,815	15.6%	8.3%
EPS (NT\$)	2.89		2.67		

Revenue Breakdown by Product Group

Total revenue in Q3 2024 amounted to NT\$ 523.2 million, reflecting a 9.2% YoY growth

Total revenue in Q1-Q3 2024 amounted to NT\$ 1,546.2 million, reflecting a 14.1% YoY growth

Revenue expressed in NT\$ thousands

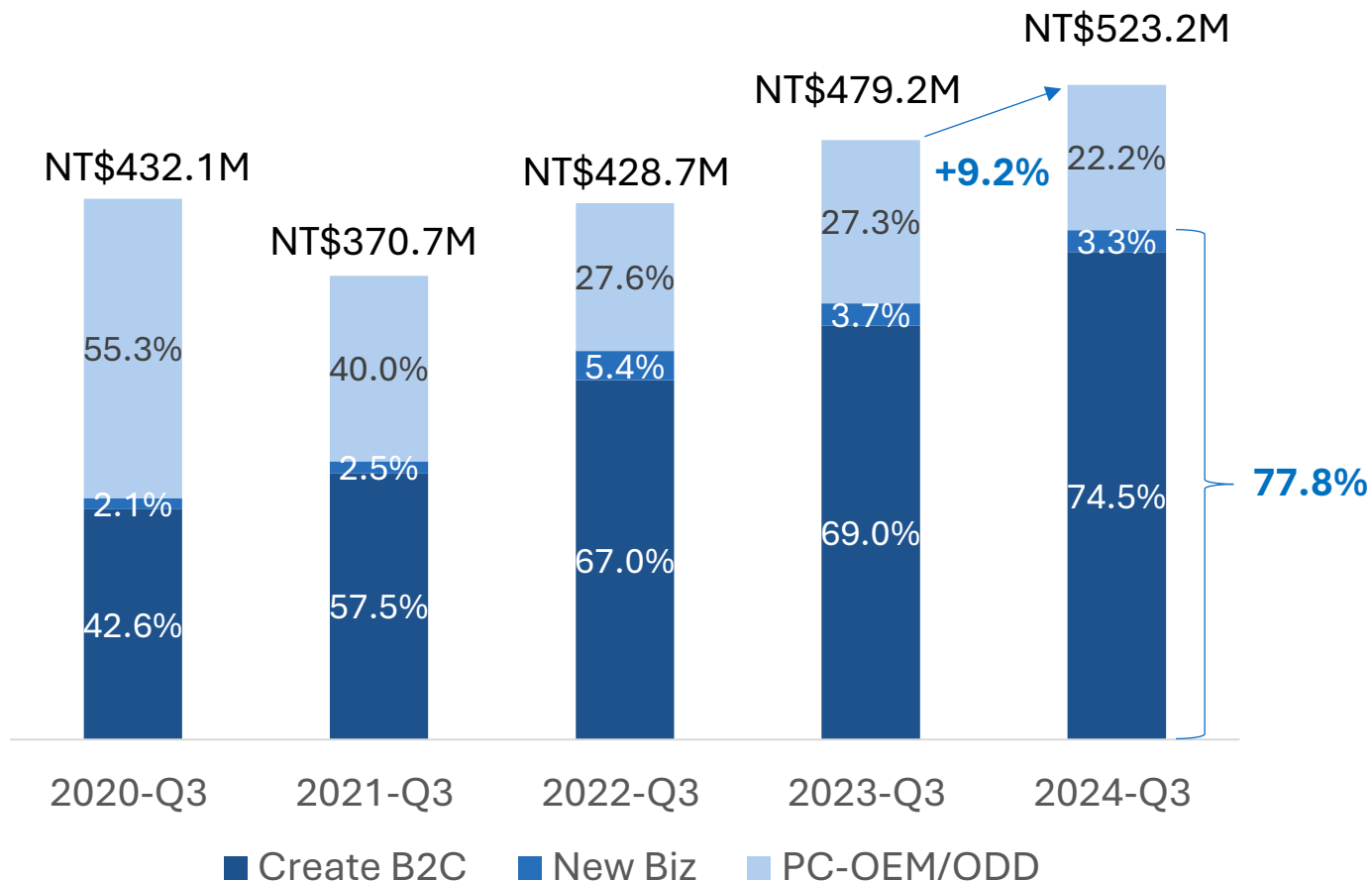
Product Group	2024-Q3 Revenue	%	YoY
Create B2C	389,663	74.5%	17.8%
New Biz	17,516	3.3%	-0.8%
PC-OEM/ODD	115,998	22.2%	-11.2%
TOTAL	523,177	100.0%	9.2%

Product Group	2024 Q1-Q3 Revenue	%	YoY
Create B2C	1,131,290	73.2%	24.0%
New Biz	64,198	4.2%	8.8%
PC-OEM/ODD	350,675	22.6%	-8.7%
TOTAL	1,546,163	100.0%	14.1%

Revenue % by Product Group in Q3 2024

Create B2C revenue continued to grow, representing 74.5% of total revenue in Q3 2024

2020-2024 Q3 Revenue Breakdown (%)



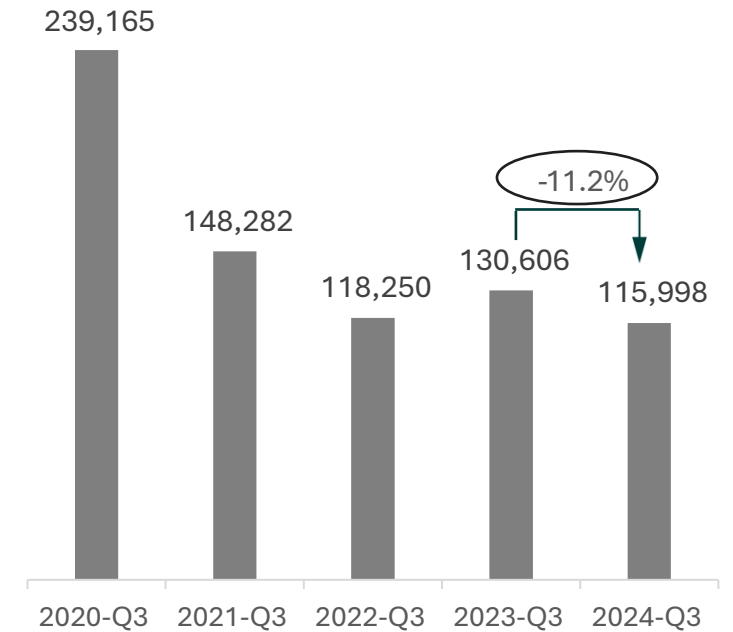
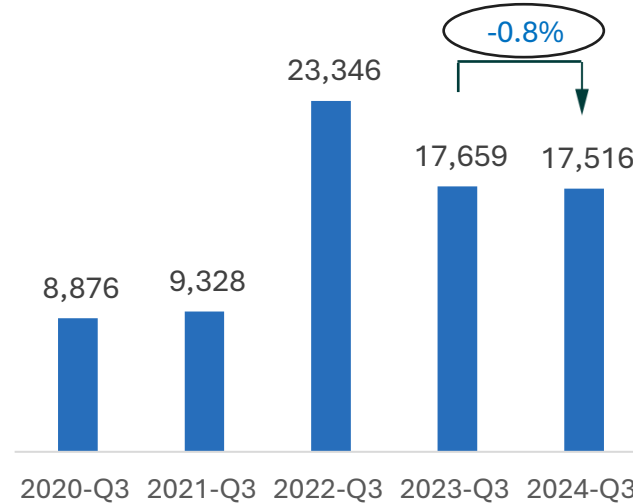
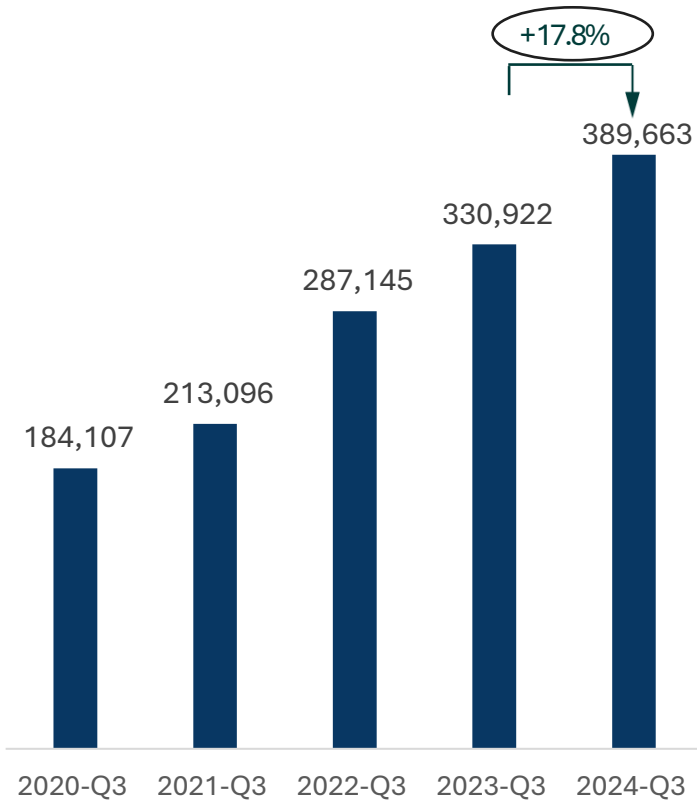
Revenue Trends for Three Product Groups in Q3 2024

Revenue expressed in NT\$ thousands

Create B2C revenue grew by 17.8% YoY to NT\$389.7M, representing 74.5% of total revenue

New Biz revenue declined by 0.8% YoY to NT\$17.5M, representing 3.3% of total revenue

PC-OEM & ODD revenue declined by 11.2% YoY to NT\$116.0M, representing 22.2% of total revenue



Q3 2024 Business/Product Update

Create B2C Business Update (1/2)

- **Continuing to invest in AI technology**
 - 30 generative AI features have been developed and integrated into products such as PowerDirector, PhotoDirector, Promeo, Vivid Glam, Vivid AI, and MyEdit. These features are well received by the users.
- **Introduced GenAI 2.0, allowing users to easily generate desired images through various methods (image, text) and enhancing the accuracy of AI-generated content**
 - As of Q3, the following features have been launched:
 - Text to Image + Single reference image (face, pose, style, and layout)
 - AI Image Fusion
 - AI Face Swap
 - In Q4, we plan to release a new feature “Text to Image + multiple reference images”

(Released in Q3)

Text to Image with a Reference Image (Face, Pose, Layout, and Style)

Generate with a Defined **Face**

1 — 2 — 3

1: Fashion suit, luxury background

2: [Reference Image: Woman's face]

3: [Generated Image: Woman in fashion suit and luxury background]

Enter a description + Import an image for reference face >> Woman in fashion suit and luxury background

Generate with a Defined **Layout**

1 — 2 — 3

1: A bridge, Winter, snowy

2: [Reference Image: Bridge outline]

3: [Generated Image: Bridge outline in winter with snow]

Enter a description + Import an image for reference outline >> A bridge outline in winter with snow

Generate with a Defined **Pose**

1 — 2 — 3

1: A young man, dark skin, white suit

2: [Reference Image: Man's pose]

3: [Generated Image: Young man with pose from reference image]

Enter a description + Import an image for reference pose >> Young man with pose from reference image

Generate with a Defined **Style**

1 — 2 — 3

1: A Lighthouse standing on the shore

2: [Reference Image: Van Gogh's Starry Night]

3: [Generated Image: A lighthouse with Van Gough style]

Enter a description + Import an image for reference style >> A lighthouse with Van Gough style

(Released in Q3)

AI Image Fusion



AI Face Swap



Text to Image with Multiple Reference Images

(To be released in Q4)

Text Prompt

A female wearing a formal suit in a luxury coffee shop

Reference Images



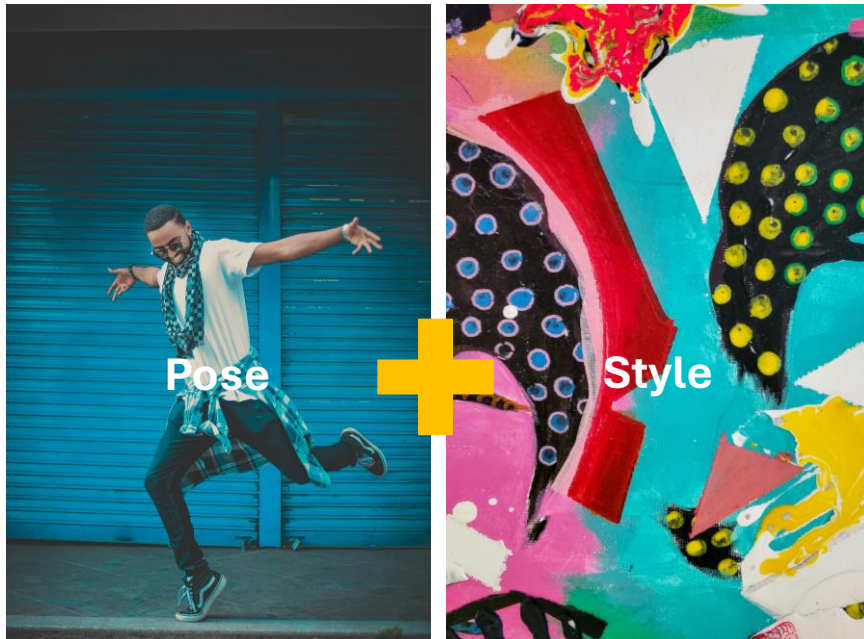
Text to Image with Multiple Reference Images

(To be released in Q4)

Text Prompt

A man with baseball cap, and standing in the town

Reference Images



Text to Image with Multiple Reference Images

(To be released in Q4)

Text Prompt

A man with a cowboy hat and standing in the town

Reference Images








Two major products, newly released in 2024, have been reviewed by major magazines with very high ratings


PowerDirector review by PC Mag:

5-star rating

CyberLink PowerDirector 365 Review

The best enthusiast-level video editor money can buy

By  **Michael Muchmore** Updated October 26, 2024    



PC MAG EDITORS' CHOICE ●●●●● 5.0 Exemplary

THE BOTTOM LINE

CyberLink PowerDirector 365 is fast and full of exceptional features, giving you pro-level video editing tools in a user-friendly design.

Per Year, Starts at \$74.99

\$51.99 Per Year Cyberlink PowerDirector 365 [See It](#)

PCMag editors select and review products independently. If you buy through affiliate links, we may earn commissions, which help support our testing.

<https://www.pcmag.com/reviews/cyberlink-powerdirector>

PhotoDirector review by Techradar:

4.5-star rating

CyberLink PhotoDirector 365 review

Organize, edit, and composite your photos all in one place

★★★★☆ **Reviews** By Steve Paris published October 12, 2024

When you purchase through links on our site, we may earn an affiliate commission. [Here's how it works.](#)

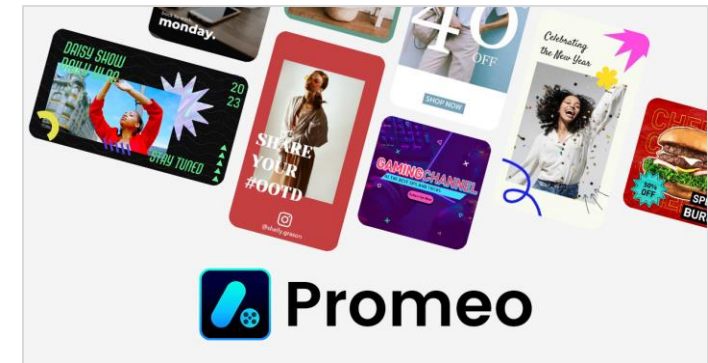


Background Remove / Replace Skateboarding.jpg

<https://www.techradar.com/pro/software-services/cyberlink-photodirector-365-review>

Create B2C Business Update (2/2)

- **Joint promotion of AI PC ecosystem with hardware+software integration**
 - Partnered with Intel, AWS, and major PC brands (Dell, HP, etc.) to jointly drive the development of AI PC industry with more AI applications to fuel the growth globally
- **Unveiled Promeo, an advertising content creation software supporting edge computing on AI PCs**
 - Optimized for Intel® Core™ Ultra processors for AI PC, as one of the best applications on AI PC.
 - With a hybrid architecture integrating AI PC and AWS cloud service, Promeo provides users the flexibility to switch between cloud and edge computing.
 - Edge computing allows working in environments without network as well as better protects data privacy.



Intel Connection Japan (Sep. 4th Japan)

Showcased Promeo, which is optimized for the next-generation Intel® Core™ Ultra 200V processors



Intel Commercial AI PC Platform and Applications Press Conference (Aug. 27th Taipei)

As a vital business partner of Intel's global AI PC acceleration program, we showcased Promeo, an AI creation software designed for e-commerce and digital marketing



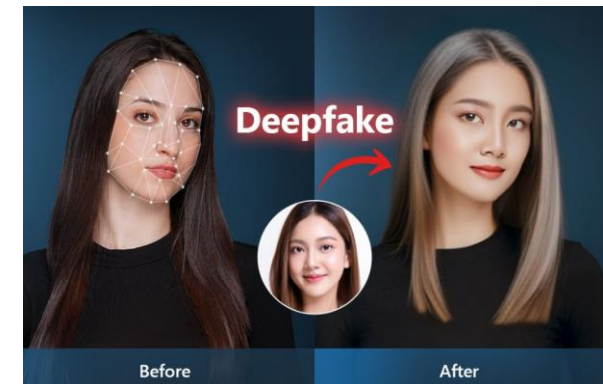
HP Imagine 2024 (Sep. 24th U.S. and Global)

Partnered with HP to showcase Promeo and PowerDirector to the world at HP California headquarters. The event highlighted HP's latest AI PCs and Promeo's **AI Magic Designer**, which can switch between cloud and edge computing on AI PCs



FaceMe Business Update and Outlook

- Acquired new success cases
 - Adopted by a domestic financial institution at hundreds of its branches throughout Taiwan. For personal financial transactions at the counter, users can choose to use facial recognition to enhance identity verification and prevent financial fraud. Also, withdrawing cash from ATM by face recognition is also launched at selected locations.
 - Adopted by a global leading dating app to power its AI photo selector feature, which assists users in easily selecting the best photos to upload and enhances the user experience
- Continuously investing in anti-spoofing technologies, launched a new feature on Deepfake detection
 - Identifying whether images are generated by Deepfake to ensure the security of digital identity verification in financial eKYC
 - Enhancing the ability of financial institutions to guard against hacker attacks using Deepfake
- For 2025, as our clients' products and services gradually go live, we expect a considerable revenue growth in FaceMe business



Summary

- Revenue grew by 9.2% YoY in Q3 2024. We remain optimistic about revenue and operating income growth for Q4 2024 and 2025
 - Starting in Q4, there will be no need to recognize expected credit losses for asknet Solutions.
- Create B2C business
 - Continuously develop and improve GenAI features to be included in existing products, making our products the best of its kind in the market.
 - Promote both Promeo and MyEdit for business users as a new revenue source.
 - To collaborate with AI PC strategic partners to market products worldwide for revenue growth.
- FaceMe business
 - Continuously enhancing features to win more business cases.
 - Grow FaceMe revenue as more of our clients' products and services gradually go live.

For more information about CyberLink:

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Thank You!