



O2Micro Reports Second Quarter 2021 Financial Results

July 30, 2021

GEORGE TOWN, Grand Cayman, July 30, 2021 (GLOBE NEWSWIRE) --

Operational Highlights:

- 2021 Q2 revenue was \$26.2 million.
- Revenue increased 51.6% compared to the same quarter in 2020.
- GAAP net income was \$0.10 per fully diluted ADS, up from \$0.01 per ADS, for the same quarter a year ago.
- O2Micro expects the third quarter 2021 revenue to be in the range of \$26.2 million to \$27.5 million.

O2Micro® International Limited (NASDAQ: OIIM) ("O2Micro"), a global leader in the design, development and marketing of high-performance integrated circuits and solutions, reported its financial results today for the second quarter ending June 30, 2021.

Financial Highlights for the Second Quarter ending June 30, 2021:

O2Micro reported the second quarter 2021 revenue of \$26.2 million which exceeded guidance provided on June 30, 2021. Revenue was up 51.6% from the same quarter in the previous year. The gross margin in the second quarter of 2021 was 51.5%, which was up from 51.2% in the same quarter of 2020. During the second quarter of 2021, the Company recorded total GAAP operating expenses of \$10.2 million and was up from \$9.5 million in the second quarter of 2020. The GAAP operating margins for the second quarter of 2021 was 12.5% compared to (3.9%) in the second quarter of 2020. The Company reported 2021 Q2 GAAP net income of \$3.2 million, or \$0.10 per fully diluted ADS, compared to a GAAP net income of \$380 thousand or \$0.01 per ADS in the comparable quarter of 2020.

Supplementary Data:

The Company ended the second quarter of 2021 with \$47.4 million in unrestricted cash and short-term investments or \$1.66 per outstanding ADS, along with 341 employees worldwide of which 200 are engineers.

Management Commentary:

"O2Micro's escalating growth continued through the second quarter with revenue increasing 12.8% from the prior quarter and 51.6% over the same quarter in 2020. Our strong business came from both LCD backlighting and battery products. The cohesive flexible working hours between work from home and office continue to fuel the high demand of TV, Monitor and household battery powered appliances. Our battery business grew strongly in all sectors, while our intelligent lighting group continued seeing the benefit of post pandemic trends.

Expanding acceptance of our technology resulted in additional Top Tier and OEM manufacturers' choosing O2Micro Integrated circuits," said Sterling Du, O2Micro's Chairman and CEO. "These factors, plus our strong patent granted technologies along with continued management of operational costs, are leading O2Micro into sustainable long-term profitability."

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME follows conference call information below

Conference Call:

O2Micro will hold its second quarter conference call on Friday July 30, 2021, at 6:00AM. Pacific, 9:00AM Eastern. You may participate using the following dial-in information.

Conference Code: 8375691

Participants, Int'l Toll: +1 323-289-6576

Participants, US/CAN: 800-437-2398

The Call-in Audio Replay will be available following the call at 12:00PM Eastern Time (US & Canada) for the next 14 days. <https://events.globalmeet.com/Public>

[WebRegistration](https://events.globalmeet.com/Public)

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An online replay will also be available at <https://ir.o2micro.com> following the conference.

About O2Micro:

Founded in April 1995, O2Micro develops and markets innovative power management components for the Computer, Consumer, Industrial, and Automotive markets. Products include Backlighting, and Battery Power Management. The company maintains offices worldwide. Additional company and product information can be found on the company website at www.o2micro.com.

O2Micro, the O2Micro logo, and combinations thereof are registered trademarks of O2Micro. All other trademarks or registered trademarks are the property of their respective owners.

Statements made in this release that are not historical, including statements regarding O2Micro or its management's intentions, hopes, beliefs, expectations, representations, projections, plans or predictions of the future, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other Federal Securities Laws. Such statements involve risks, speculation and uncertainties that may cause actual results to differ materially from those set forth in these statements or from management's current views and expectations. Risks and uncertainties in this release may include, without limitation, any one or combination of the following: the effect of competitive and economic factors; real property value fluctuations and market demand; legal changes in any relevant rules and regulations pertaining to O2Micro's business; changes in technology and industry standards, and O2Micro's reaction to those factors; consumer and business buying decisions with respect to our customers' products incorporating O2Micro's products; continued competitive pressures in the marketplace; the ability of O2Micro to deliver to the marketplace, and stimulate customer demand therein, for new products and technological innovations on a timely basis; the effect that product introductions and transitions, changes in product pricing or mix, and/or increases in component costs could have on O2Micro's gross margins; the inventory risk associated with O2Micro's need to order, or commit to order, product components and product capacity in advance of forecast customer orders; the continued availability of acceptable terms of certain components and services essential to O2Micro's business which are currently obtained by the Company from sole or limited sources; the effect that O2Micro's dependency on manufacturing and logistics services provided by third parties may have on the quality, quantity, availability or cost of products manufactured or services rendered; risks associated with O2Micro's international operations; the potential impact of a finding that O2Micro has infringed on the intellectual property rights of others,

or that any third party may have infringed on O2Micro's intellectual property that may negatively affect O2Micro's business; O2Micro's legal classifications with governmental and regulatory agencies; O2Micro's dependency on the performance of distributors, carriers, independent sales representatives, and other resellers of O2Micro's products; the effect that product and service quality problems could have on O2Micro's sales ability and operating profits; the ability of O2Micro to deliver its products in a timely fashion to its customers, and the possible negative ramifications if such is not possible; the continued service and availability of key executives and employees; war, terrorism, public health issues, natural disasters, and other circumstances that could disrupt supply, delivery, or demand of products; and unfavorable results of other legal proceedings. Actual results may differ materially due to numerous risk factors. Such risk factors are more fully enumerated in O2Micro's 20-F Annual Filings, Annual Report(s), 6-K's, the Form F-1 filed in connection with the Company's initial public offering in August 2000, information posted on our website at www.o2micro.com, and other documents filed with the SEC, NASDAQ or any other public agency from time to time. The statements herein are based on dated information on the dates mentioned herein, which is subject to change. O2Micro assumes no obligation to update or revise the information provided on today, or any other forward-looking information, whether as a result of new information, future events or any other information that may arise. This information only speaks to the respective dates mentioned in said information.

O₂MICRO INTERNATIONAL LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED) (In Thousand U.S. Dollars, Except Per Share Amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
OPERATING REVENUES	\$ 26,205	\$ 17,284	\$ 49,441	\$ 32,865
COST OF REVENUES	12,718	8,431	23,964	15,921
GROSS PROFIT	13,487	8,853	25,477	16,944
OPERATING EXPENSES				
Research and development (1)	4,741	5,025	9,307	9,166
Selling, general and administrative (1)	5,465	4,503	10,521	9,024
Total Operating Expenses	10,206	9,528	19,828	18,190
INCOME (LOSS) FROM OPERATIONS	3,281	(675)	5,649	(1,246)
NON-OPERATING INCOME (LOSS)				
Interest income	62	157	138	344
Net gain (loss) recognized on long-term investments	-	1,059	-	(41)
Foreign exchange loss – net	(70)	(92)	(28)	(60)
Government grants	28	75	138	84
Other – net	113	118	243	226
Total Non-operating Income (Loss)	133	1,317	491	553
INCOME (LOSS) BEFORE INCOME TAX	3,414	642	6,140	(693)
INCOME TAX EXPENSE	253	262	497	467
NET INCOME (LOSS)	3,161	380	5,643	(1,160)
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation adjustments	384	164	184	(82)
Unrealized pension gain	1	1	1	1
Total Other Comprehensive Income (Loss)	385	165	185	(81)
COMPREHENSIVE INCOME (LOSS)	\$ 3,546	\$ 545	\$ 5,828	\$ (1,241)
EARNINGS (LOSS) PER ADS				
Basic	\$ 0.11	\$ 0.01	\$ 0.20	\$ (0.04)
Diluted	\$ 0.10	\$ 0.01	\$ 0.18	\$ (0.04)
ADS UNITS USED IN LOSS PER ADS CALCULATION:				
Basic (in thousands)	28,435	26,991	28,245	26,856
Diluted (in thousands)	31,063	27,726	31,323	26,856

(1) INCLUDES STOCK-BASED COMPENSATION CHARGE AS FOLLOWS:

Research and development	\$ 105	\$ 67	\$ 196	\$ 147
Selling, general and administrative	\$ 337	\$ 260	\$ 651	\$ 577

O₂MICRO INTERNATIONAL LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousand U.S. Dollars, Except Share Amounts)

	June 30, 2021	December 31, 2020
	(Unaudited)	(Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 21,856	\$ 18,752
Restricted cash	38	37
Short-term investments	25,497	29,054
Accounts receivable – net	16,555	16,430
Inventories	16,005	12,588
Prepaid expenses and other current assets	4,229	2,548
Total Current Assets	<u>84,180</u>	<u>79,409</u>
LONG-TERM INVESTMENTS	992	992
PROPERTY AND EQUIPMENT – NET	22,113	17,266
OTHER ASSETS	<u>4,397</u>	<u>4,369</u>
TOTAL ASSETS	\$ 111,682	\$ 102,036
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes and accounts payable	\$ 10,132	\$ 7,995
Income tax payable	220	272
Lease liabilities	1,018	865
Accrued expenses and other current liabilities	5,317	5,934
Total Current Liabilities	<u>16,687</u>	<u>15,066</u>
OTHER LONG-TERM LIABILITIES		
Accrued pension liabilities	152	177
Deferred income tax liabilities	651	545
Lease liabilities	1,979	2,091
Other liabilities	69	68
Total Other Long-Term Liabilities	<u>2,851</u>	<u>2,881</u>
Total Liabilities	<u>19,538</u>	<u>17,947</u>
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preference shares at \$0.00002 par value per share		
Authorized – 250,000,000 shares	-	-
Ordinary shares at \$0.00002 par value per share		
Authorized – 4,750,000,000 shares		
Issued – 1,669,036,600 shares as of June 30, 2021 and December 31, 2020		
Outstanding – 1,422,216,850 and 1,361,886,000 shares as of June 30, 2021 and December 31, 2020, respectively	33	33
Additional paid-in capital	142,569	143,422
Accumulated deficits	(41,628)	(46,744)
Accumulated other comprehensive income	5,925	5,740
Treasury stock – 246,819,750 and 307,150,600 shares as of June 30, 2021 and December 31, 2020, respectively	<u>(14,755)</u>	<u>(18,362)</u>
Total Shareholders' Equity	<u>92,144</u>	<u>84,089</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 111,682	\$ 102,036

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Source: O2Micro, Inc.