

Taiwan large-size LCD panels

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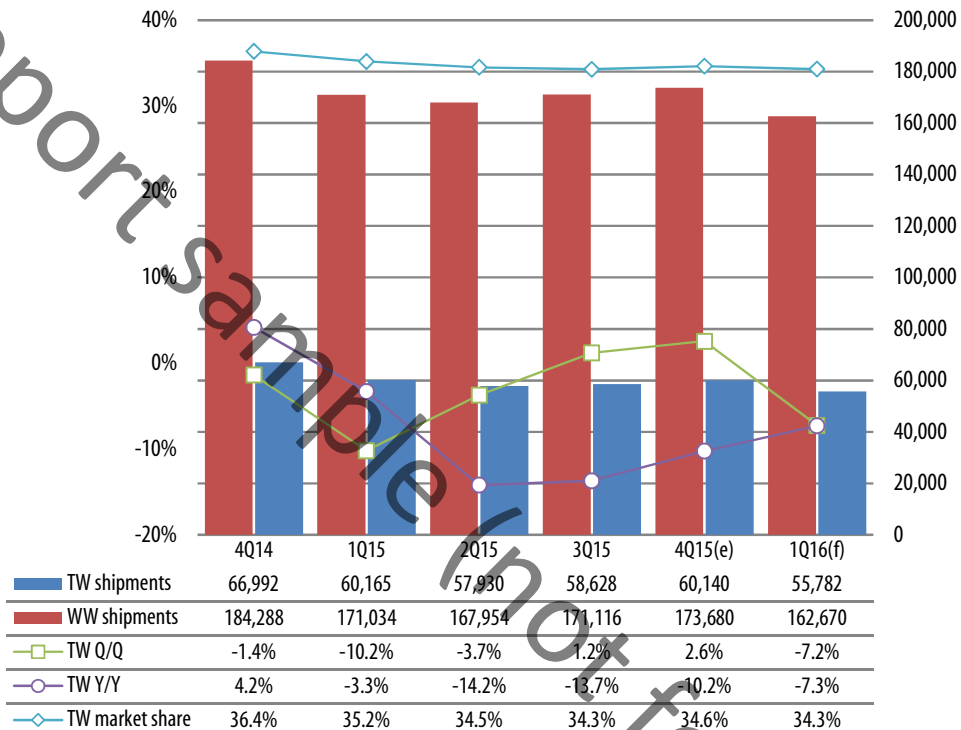
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Introduction

- ✓ Taiwan's large-size (9-inch and above) TFT LCD panel shipments reached 60.14 million units in the fourth quarter of 2015, up 2.6% sequentially but down 10.2% on year.
- ✓ Taiwan makers will ship 55.78 million large-size TFT LCD panels in the first quarter of 2016, decreasing 7.2% sequentially and 7.3% on year.

NOTE: Unless otherwise indicated, all figures and tables in this report refer to output from Taiwan makers.

Chart 1: Large-size TFT LCD shipments, 4Q14-1Q16 (k units)



Source: Digitimes Research, January 2016

- ✓ Taiwan makers shipped 60.14 million large-size TFT LCD panels (9-inch and above) in the fourth quarter of 2015, up 2.6% sequentially.
- ✓ However, their shipments are expected to drop 7.2% sequentially in the first quarter of 2016 to reach 55.78 million units because of a number of reasons: the Lunar New Year holidays, which will mean fewer working days in February; seasonal factors; annual maintenance at production facilities; and reduced capacity.

Shipments breakdown

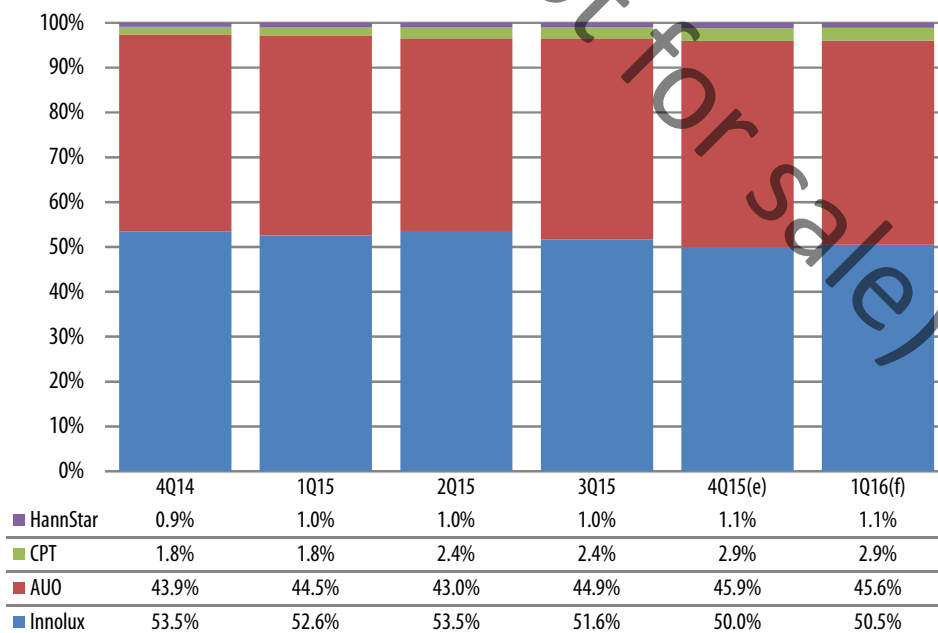
Makers

Chart 2: Shipments by maker, 4Q14-1Q16 (k units)



Source: Digitimes Research, January 2016

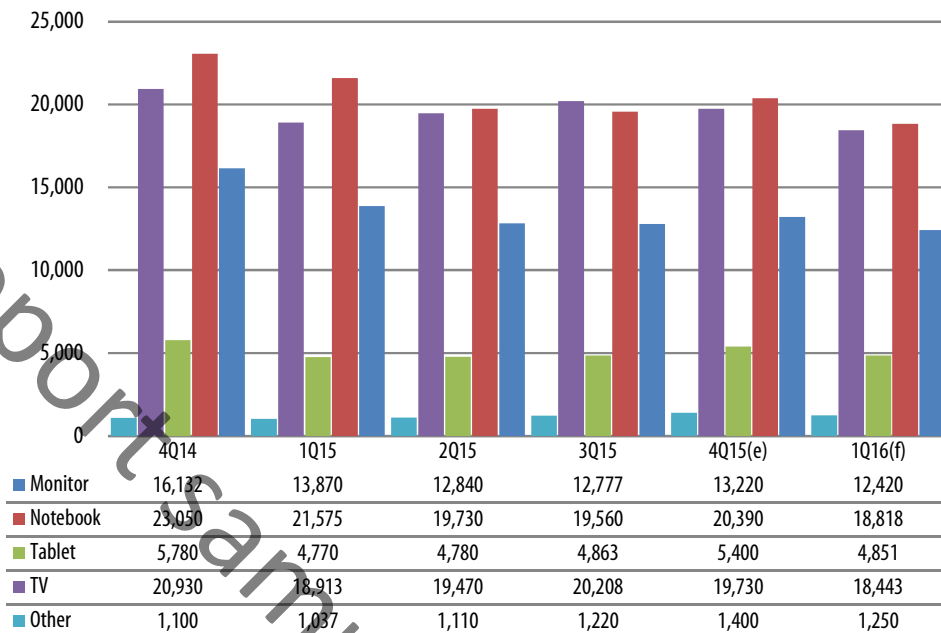
Chart 3: Shipment share by maker, 4Q14-1Q16



Source: Digitimes Research, January 2016

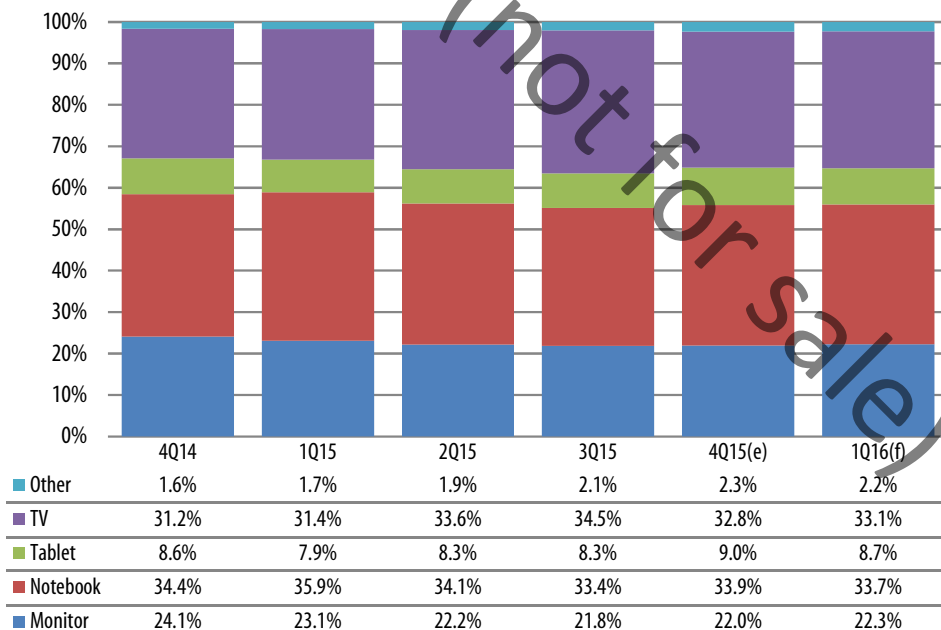
Applications

Chart 4: Shipments by application, 4Q14-1Q16 (k units)

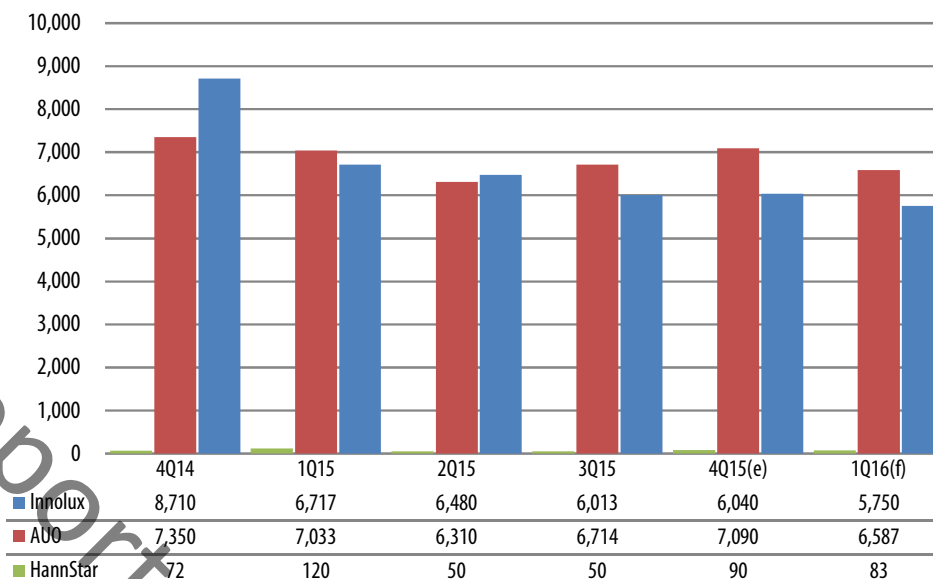


Source: Digitimes Research, January 2016

Chart 5: Shipment share by application, 4Q14-1Q16

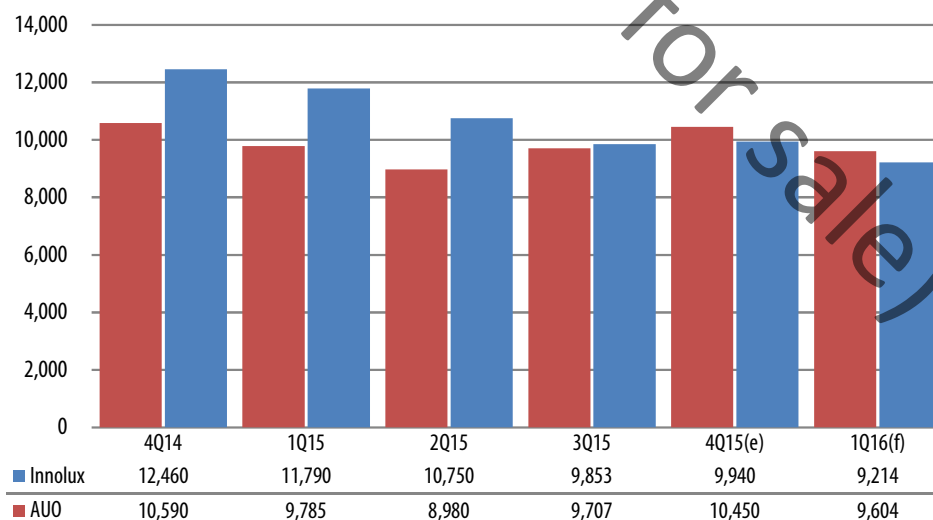


Source: Digitimes Research, January 2016

Chart 6: Monitor panel shipments by maker, 4Q14-1Q16 (k units)

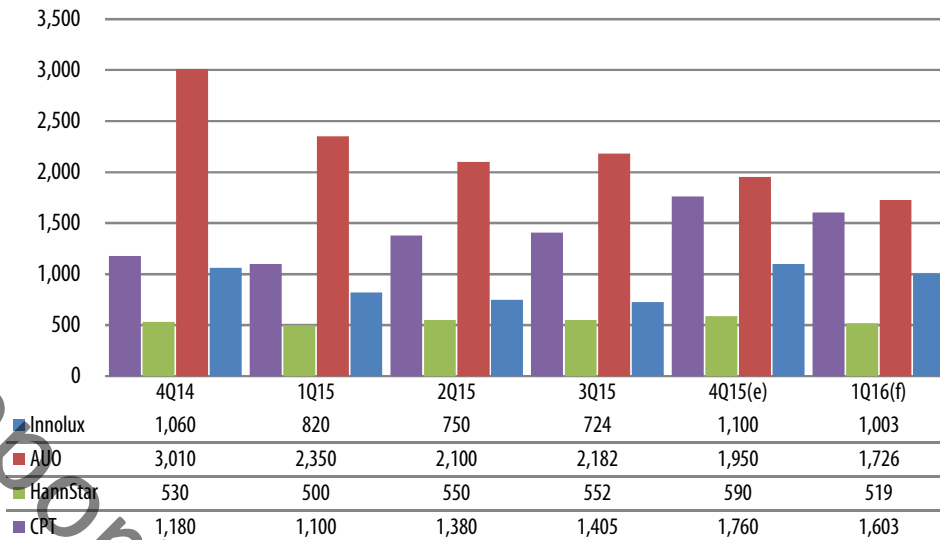
Source: Digitimes Research, January 2016

- ✓ As profitability for the monitor segment gradually declines, Korea-based makers have been reluctant to manufacture monitor applications. Their LCD monitor panel shipments dropped sequentially in the fourth quarter.
- ✓ Meanwhile, Taiwan's LCD monitor panel shipments remained stable, as utilization rates for the segment were still relatively high.
- ✓ But with demand weakening, Taiwan panel makers are expected to reduce their utilization rates for monitor applications in the first quarter.
- ✓ Innolux has devoted more resources for TV panels and reduced its monitor panel output. Its monitor panel shipments will drop below six million units in the first quarter of 2016.

Chart 7: Notebook panel shipments by maker, 4Q14-1Q16 (k units)

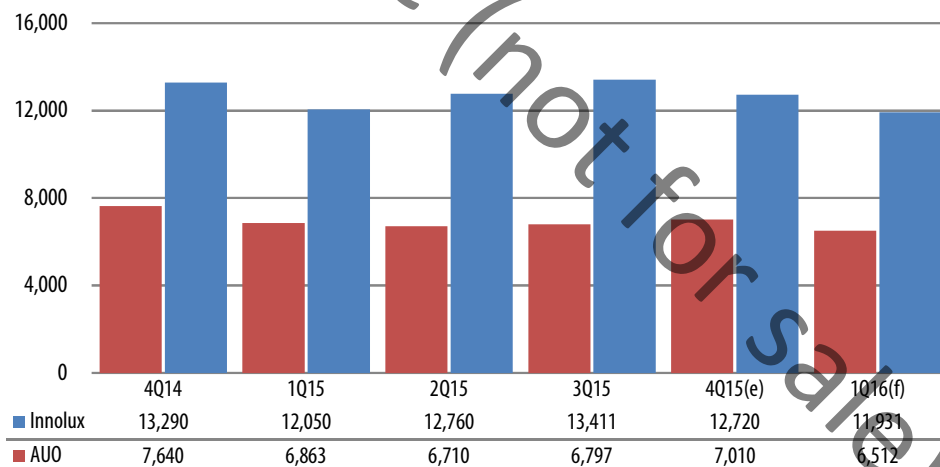
Source: Digitimes Research, January 2016

- ✓ Taiwan's notebook panel shipments grew 4.2% sequentially in the fourth quarter of 2015 as the makers had received some short-term rush orders during the period.

Chart 8: Tablet panel shipments by maker, 4Q14-1Q16 (k units)

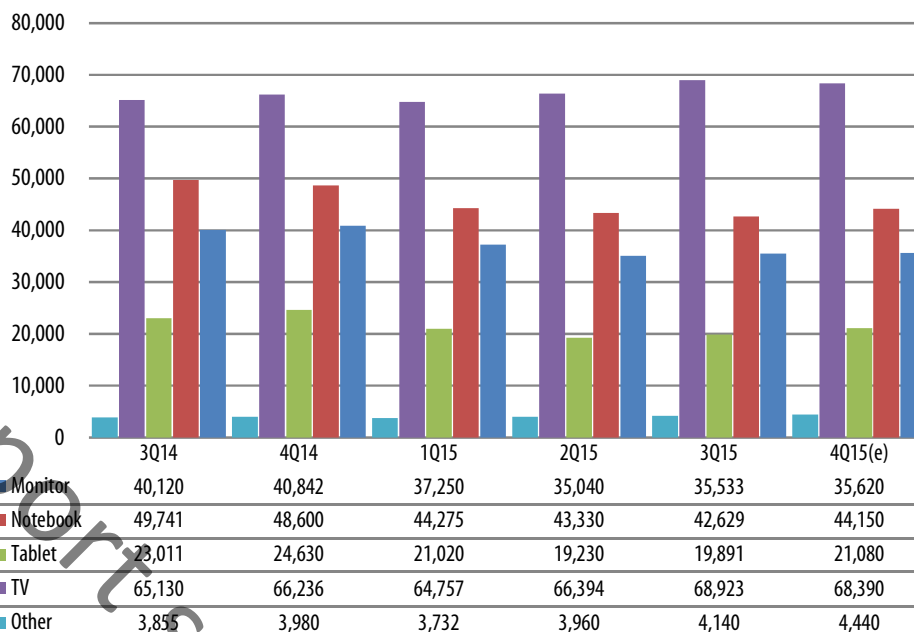
Source: Digitimes Research, January 2016

- ✓ Taiwan's large-size tablet panel shipments are expected to drop in the first quarter of 2016 as demand for tablets is expected to be weakened by seasonality.
- ✓ Compared to notebook panels, which will see a sequential shipment drop of 7.7% in the first quarter of 2016, demand for tablet panels will be even weaker, with Taiwan makers' shipments dropping by over 10% sequentially.

Chart 9: LCD TV panel shipments by maker, 4Q14-1Q16 (k units)

Source: Digitimes Research, January 2016

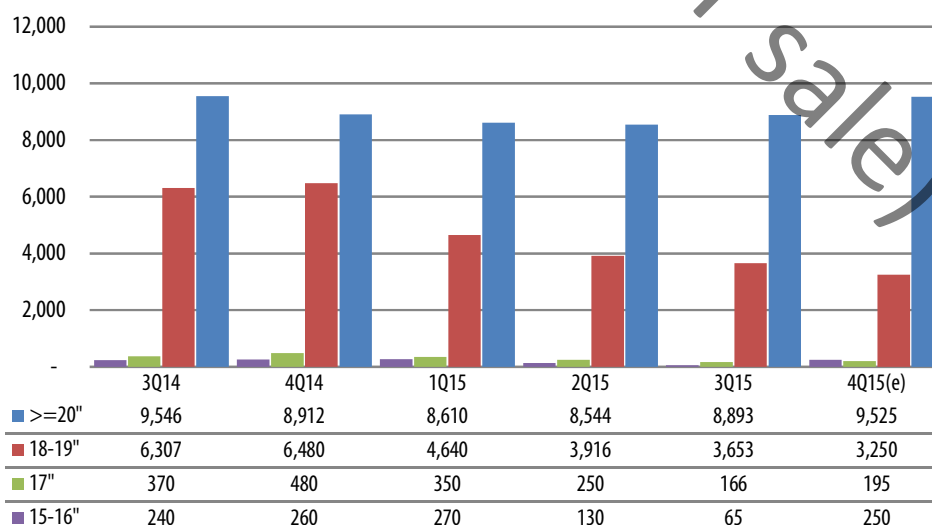
- ✓ Innolux's large-size LCD TV panel shipments reached 50.94 million units in 2015, up 4.8% on year. The volume was close to that of the global second-place Samsung Display. Innolux was the third-largest LCD TV panel maker worldwide in 2015.
- ✓ AUO shipped 27.38 million large-size LCD TV panels in 2015, down 10.8% to settle for fifth place worldwide.
- ✓ China-based BOE saw its LCD TV panel shipments grow significantly by 143.3% on year to reach 35.04 million units and became the fourth largest maker worldwide.
- ✓ AUO's LCD TV panel shipments saw better-than-expected growth in the fourth quarter of 2015, as Samsung Electronics significantly reduced its purchasing of Samsung Display's TV panels and turned to AUO for supply.

Chart 10: Worldwide shipments by application, 3Q14-4Q15 (k units)

Source: Digitimes Research, January 2016

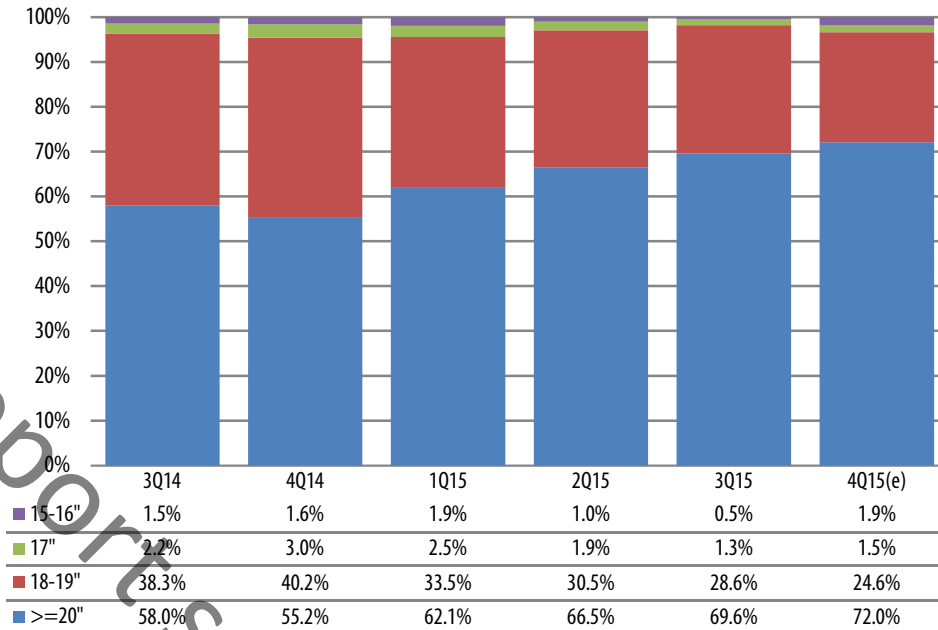
- ✓ Worldwide large-size LCD panel shipments were 173.68 million units in the fourth quarter of 2015, up 1.5% sequentially and down 5.8% on year.
- ✓ Worldwide large-size LCD TV panel shipments were 268.46 million in 2015, up 7.2% from 2014, while large-size LCD monitor panel shipments were 143.44 million, down 11.1% on year.
- ✓ Worldwide large-size notebook panel shipments were 174.38 million in 2015, down 9.1% on year, while large-size tablet panel shipments were 81.22 million, down 14.5% on year.

Monitor applications by size

Chart 11: Monitor panel shipments by size, 3Q14-4Q15 (k units)

Source: Digitimes Research, January 2016

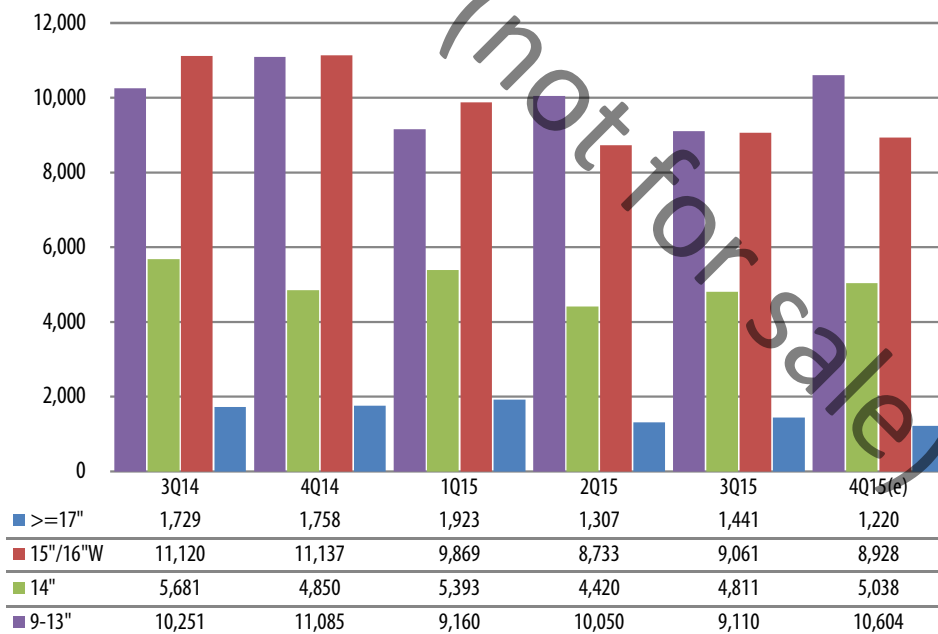
Chart 12: Monitor panel shipment share by size, 3Q14-4Q15



Source: Digitimes Research, January 2016

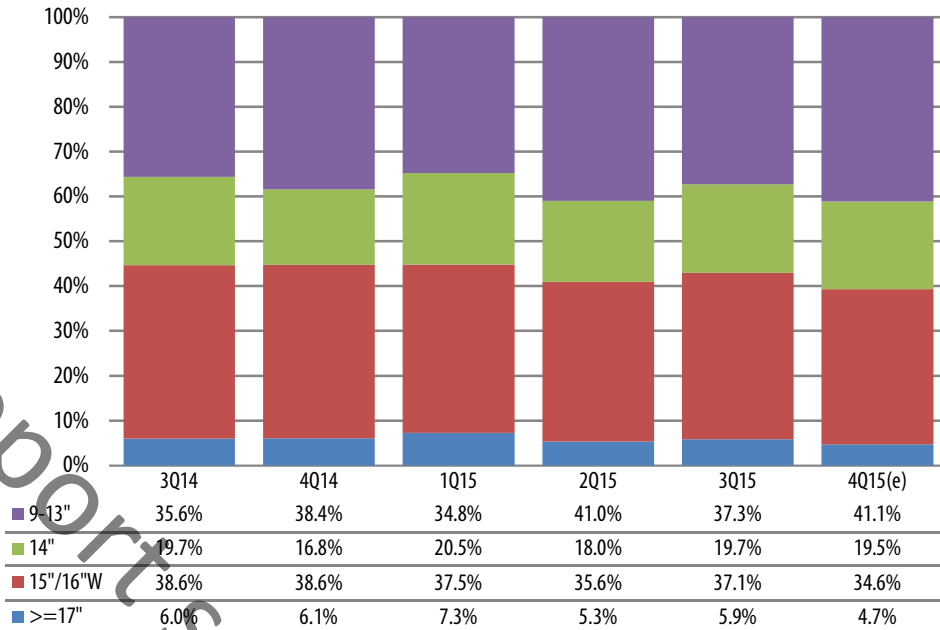
Notebook applications by size

Chart 13: Notebook panel shipments by size, 3Q14-4Q15 (k units)



Source: Digitimes Research, January 2016

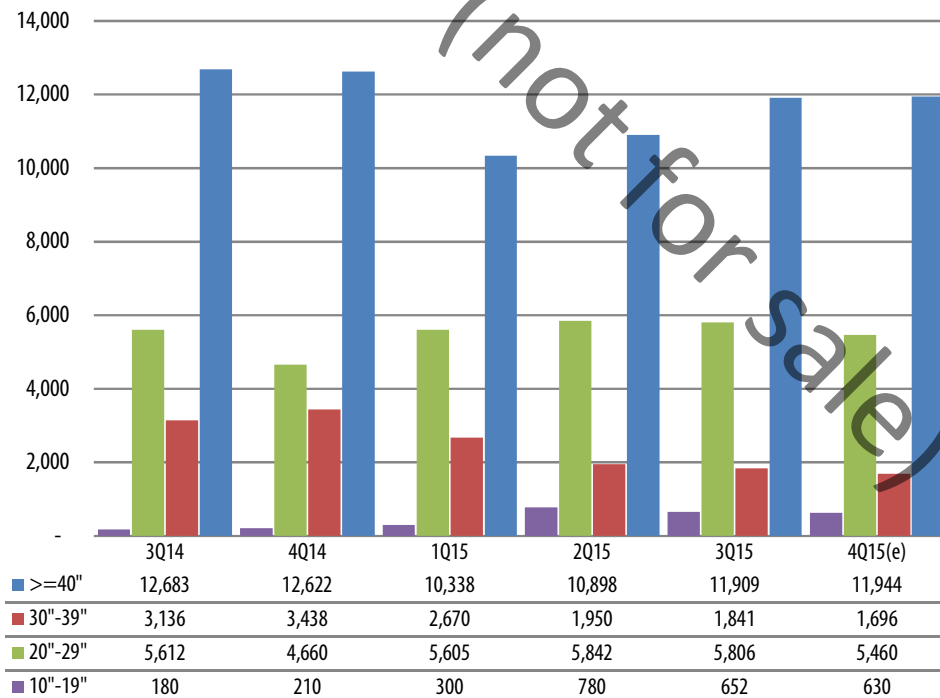
Chart 14: Notebook panel shipment share by size, 3Q14-4Q15



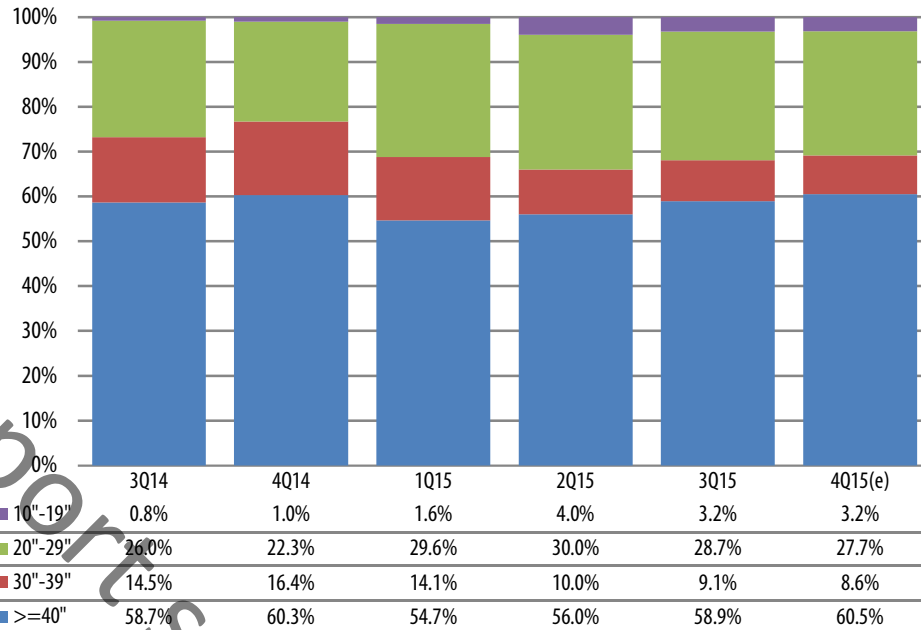
Source: Digitimes Research, January 2016

TV applications by size

Chart 15: TV panel shipments by size, 3Q14-4Q15 (k units)



Source: Digitimes Research, January 2016

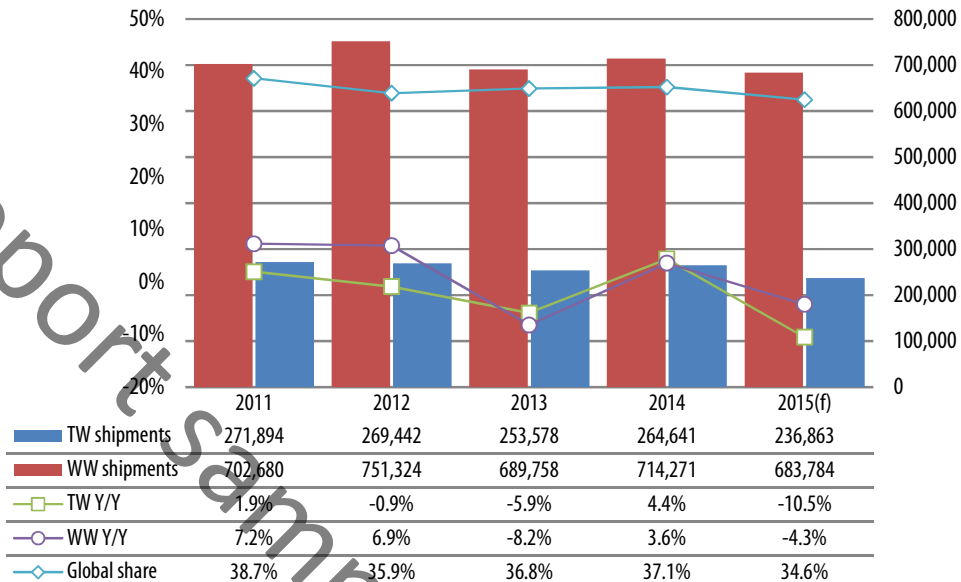
Chart 16: TV panel shipment share by size, 3Q14-4Q15


Source: Digitimes Research, January 2016

Report Sample (not for sale)

Annual shipments

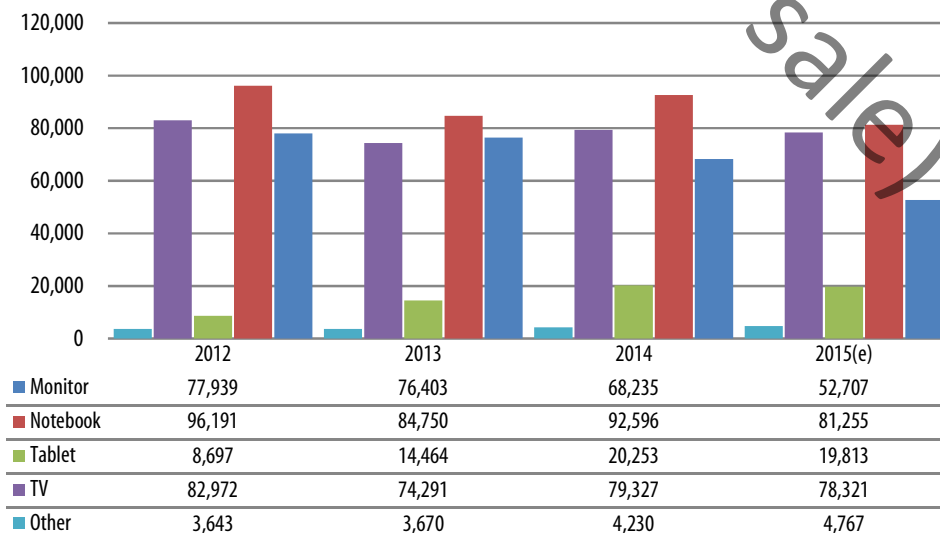
Chart 17: Taiwan large-size panel shipments and share of global market, 2011-2015 (k units)



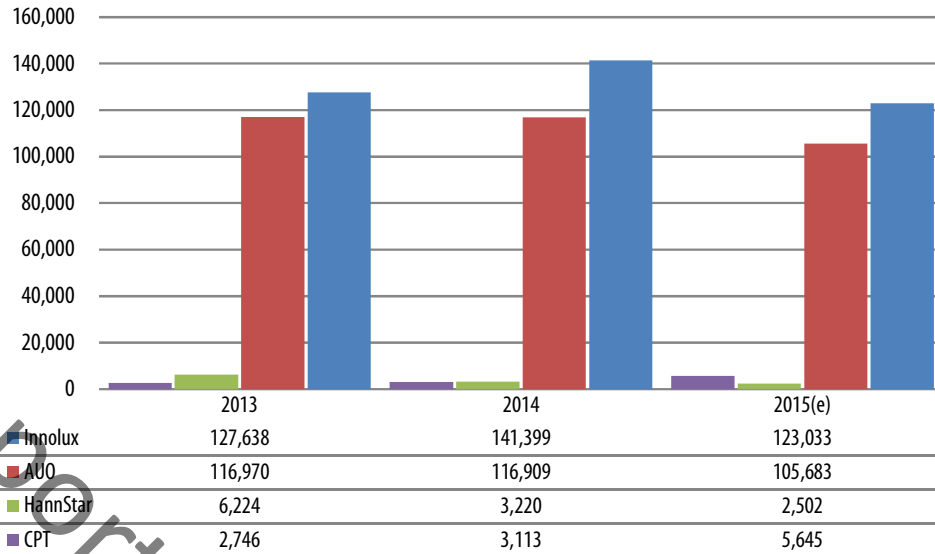
Source: Digitimes Research, January 2016

- ✓ Taiwan's large-size LCD panel shipments reached 236.86 million units in 2015, down 10.5% on year. AUO and Innolux shipped 105.68 and 123.03 million units, down 9.6% and 13% on year, respectively in the year.
- ✓ Taiwan's large-size LCD panel shipments had a much higher on-year drop than the worldwide average in 2015 because of growing competition from China panel makers.
- ✓ Worldwide large-size panel shipments are expected to total 662.3 million units in 2016, down 3.1% on year.

Chart 18: Taiwan large-size panel shipments by application, 2012-2015 (k units)



Source: Digitimes Research, January 2016

Chart 19: Taiwan large-size panel shipments by maker, 2013-2015 (k units)


Source: Digitimes Research, January 2016

Report sample (not for sale)