



ELAN Monthly Sales Report – September 2017

ELAN Microelectronics Corp., a major touch controller IC design house in global NB market, announced that its consolidated net sales for September 2017 hit a record high of NT\$750 million. (+12.6% YoY, + 1.3% MoM).

The 3Q17 revenue reached NT\$2.16 billion and accumulated in the year-to-September revenue reached NT\$5.616 billion which grew by +14.3% YoY.

September 2017 Sales --YoY Comparison

Unit: NT\$Thousand

Year	2017	2016	YoY
Net Sales (Consolidated)	750,384	666,441	+12.6%

The September sales were better than expectations, majorly due to the sales increase from high gross margin products – Touchscreen Controller and Touchpad Module. In addition, sales of Fingerprint Sensor application also increasing significantly, while over than one million units of monthly shipments. Resulted in a better scenario both in Fingerprint Sensor sales and shipments.

September consolidated net sales were composed of touch applications (including Fingerprint Sensor applications) which accounted for 71% and non-touch applications accounted for 29% of total sales.

Overall, ELAN pointed out that the 3Q17 sales growth momentum mainly from the Touchscreen Controller shipment which gross margin was higher than corporate margin increasing significantly QoQ & YoY, including the increasing shipments in 2-in-1 NB device and on-cell models.

Secondly, Touchpad Modules whether adopted in Microsoft OS or Google Chrome OS were in an enormous growth. ELAN expects to expand the market share of global notebook market over than 35% and aims to rank top in the global NB market.



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Furthermore, both in sales or shipments of Fingerprint Sensor were all better than last month and ELAN estimates the shipment in 3Q17 will even be better than 2Q17. Meanwhile, the optimized product mix also made a positive contribution to gross margin.

Accelerating by the gradual expansion of mobile payment applications, Fingerprint Smart Card is the high-potential application which brings out the security issues. The United Nations (UN) which currently made up of 193 Member States worldwide also took on the train of fingerprint card technology. KSID (Korea Smart ID) has been selected due to their brilliant system integration expertise, combined with Taiwan ELAN Microelectronic Corporation's strength in chip design, Jinco Universal's competence in manufacturing smart card, to provide the employee ID smart card with fingerprint identification for the UN.

Since the transnational cooperation between Taiwan and South Korea manufacturers to supply the brand-new fingerprint financial card to the South Korean Woori Bank, shortly afterward, comes again the good news and new ways for fingerprint applications.

It was understanding that the organization was specifically looking for best security solutions which would enable its employees to access their computers and grant entry to its headquarters and affiliated organizations. The KSID fingerprint smart cards will be initially issued to 18 affiliated organizations including the UN Geneva office. The company expects to later expand this application to 57 other UN organizations.

Meanwhile, the UN Refugee Agency is also looking into ways to use fingerprint smart cards for its refugee and hunger welfare system as paper cards are being issued, which are more susceptible to forgery and theft.

For making differentiations from the other rivals, ELAN expands its Fingerprint Sensor solution aggressively to widen its portfolio of fingerprint applications. ELAN had shipped fingerprint financial card to Korea's second largest bank and then succeeded in design-win of the United Nations fingerprint employee ID card. Next, ELAN aims the huge market of fingerprint credit card and keeps on developing multi-function in one smart card with fingerprint sensor applications fields.

In the meanwhile, in line with the AI (Artificial Intelligence) and Big Data trend of development,



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using the smart card with fingerprint identification, can track the identity of the use of card holders, analyze consumer behavior (such as where transactions are made and what places are accessed) can offer different industries to create new vision and applications.

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