



# 4Q19 Investor Conference

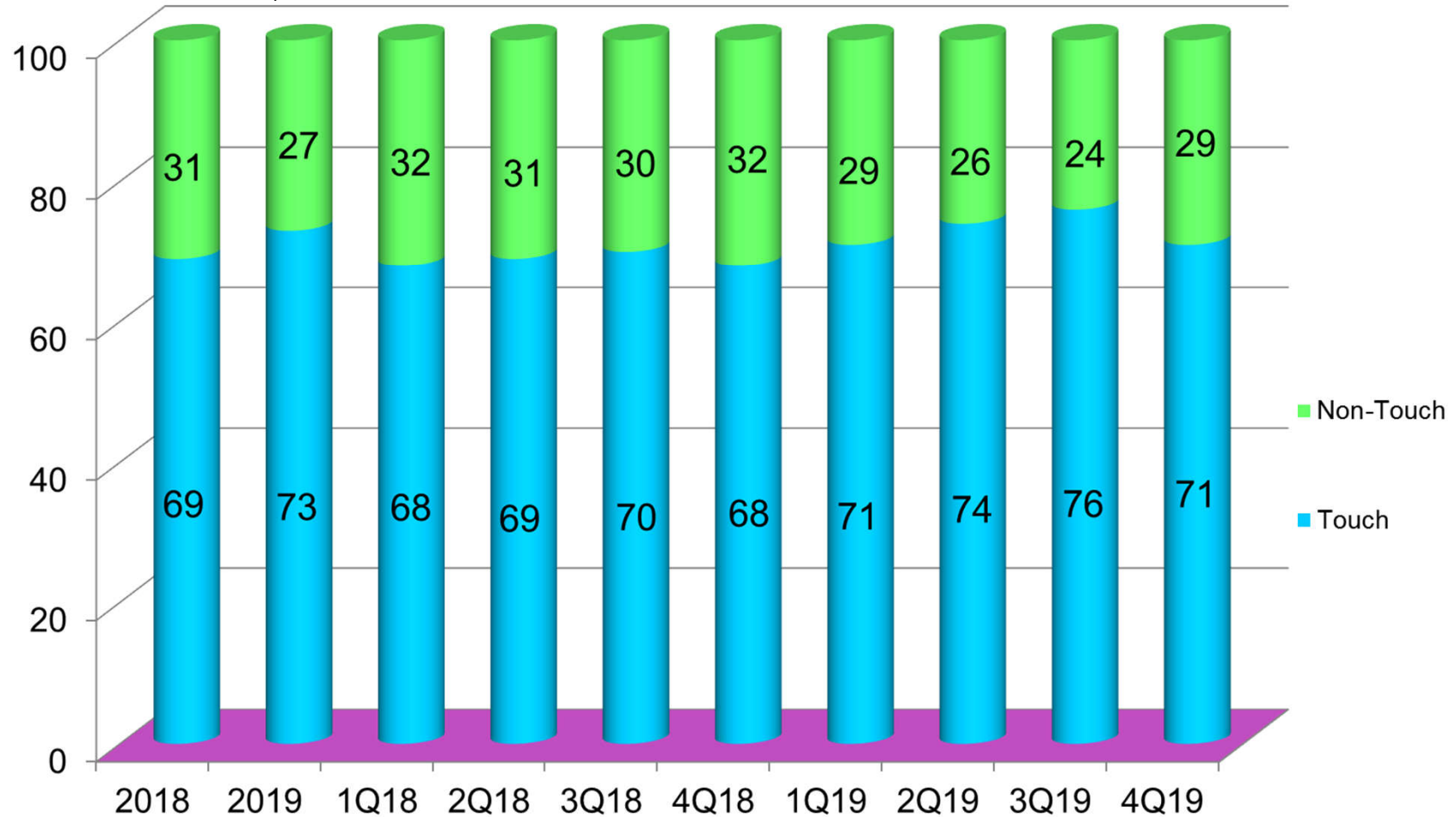
2020/02/11



ELAN Microelectronics Corporation

## Sales Breakdown by Product Line (Consolidated)

Sales: NT\$M 8,651 9,488 1,779 2,104 2,484 2,284 1,881 2,181 2,713 2,713



- Touch: Touchscreen Controller, Touchpad, Biometrics
- Non-Touch: MCU, Pointing Stick, Affiliated Co. Products

# 4Q19 Income Statement

## YoY Comparison (Consolidated)

NT\$M

	4Q19	%	4Q18	%	YoY(%)
Sales	2,713	100.0	2,284	100.0	18.8
Gross profit	1,270	46.8	1,060	46.4	19.8
Sales expense	122	4.5	80	3.5	
G&A expense	94	3.5	85	3.7	
R&D expense	427	15.7	407	17.8	
Operating profit	627	23.1	488	21.4	28.5
Non-operating income & exp.	339	12.5	2	0.1	
Profit before tax	966	35.6	490	21.5	97.1
Net profit	980	36.1	436	19.1	124.8
Belong					
Parent company	982		440		
Non-Controlling Interests	(2)		(4)		
* EPS (NT\$)	3.37		1.51		123.2

\* Based on the current 304 million shares (Unaudited)

\* Based on the weighted average number of shares outstanding

# 4Q19 Income Statement

## QoQ Comparison (Consolidated)

NT\$M

	4Q19	%	3Q19	%	QoQ(%)
Sales	2,713	100.0	2,713	100.0	0.0
Gross profit	1,270	46.8	1,286	47.4	(1.2)
Sales expense	122	4.5	116	4.3	
G&A expense	94	3.5	91	3.3	
R&D expense	427	15.7	428	15.8	
Operating profit	627	23.1	651	24.0	(3.7)
Non-operating income & exp.	339	12.5	185	6.8	
Profit before tax	966	35.6	836	30.8	15.6
Net profit	980	36.1	677	25.0	44.8
Belong					
Parent company	982		686		
Non-Controlling Interests	(2)		(9)		
* EPS (NT\$)	3.37		2.35		43.4

\* Based on the current 304 million shares (Unaudited)

\* Based on the weighted average number of shares outstanding

# 2019 Income Statement

## YoY Comparison (Consolidated)

NT\$M

	2019	%	2018	%	YoY(%)
Sales	9,488	100.0	8,651	100.0	9.7
Gross profit	4,417	46.6	3,944	45.6	12.0
Sales expense	391	4.1	352	4.1	
G&A expense	348	3.7	331	3.8	
R&D expense	1,596	16.9	1,531	17.8	
Operating profit	2,082	21.9	1,730	19.9	20.3
Non-operating income & exp.	728	7.7	140	1.6	
Profit before tax	2,810	29.6	1,870	21.5	50.3
Net profit	2,465	26.0	1,532	17.7	60.9
Belong					
Parent company	2,497		1,560		
Non-Controlling Interests	(32)		(28)		
* EPS (NT\$)	8.57		4.16		106.0

\* Based on the current 304 million shares (Unaudited)

\* Based on the weighted average number of shares outstanding

# Balance Sheets

December 31, 2019 (Consolidated)

	NT\$M
Current assets	8,007
Cash and cash equivalents	1,502
Current financial assets	779
A/R&A/N	2,030
Inventory	1,386
Other current assets	20
Other current financial assets	2,290
Non-current financial assets	1,903
Fixed assets	761
Other non-current assets	576
<b>Total Assets</b>	<b>11,247</b>
Current liabilities	3,058
Non-current liabilities	586
<b>Total Liabilities</b>	<b>3,644</b>
Capital stock	3,039
Capital surplus	368
Retained earnings	4,161
Other equity interest	130
Treasury stock	(29)
Non-controlling interests	(66)
<b>Total Stockholders' Equity</b>	<b>7,603</b>

(Unaudited)

# Cash Flow Statement

December. 31, 2019 (Consolidated)

	NT\$M
Income before tax	2,810
Dep & Amort.	124
Inc. of A/R & N/R	(83)
Inc. of inventory	(353)
Inc. of A/P & N/P	194
Others	(1,344)
<b>Operating cashflow</b>	<b>1,348</b>
Inc.F/A	(51)
Dec. of investments	261
Inc. Time deposit with maturity over three-month	(530)
Acquisition of intangible assets	(126)
Others	6
<b>Investment cashflow</b>	<b>(440)</b>
Inc. in short-term loans payable	616
Dec. in short-term loans payable	(618)
Distribution of cash dividends	(1,458)
Payment of lease liabilities	(27)
Others	5
<b>Financing cashflow</b>	<b>(1,482)</b>
<b>Change in cash</b>	<b>(574)</b>
Beg. Cash	2,076
End Cash	1,502

(Unaudited)

## 1Q20 Guidance

According to the regulations of the Taiwan Stock Exchange : If the sum total of the non-operating income & exp. on the TWSE listed company's consolidated (or individual) financial reports for the most recent four quarters accounts for more than 10 percent of the sum total of the pre-tax income, the predictive information cannot be mentioned in the investor conference.

依證交所「對上市公司應公開完整式財務預測之認定標準」之第二條規定：最近四季合併（個別）財務報表營業外收支淨額合計數占稅前損益合計數之絕對值若大於10%，在法說會中不能提及預測性資訊。

	3Q19	2Q19	1Q19	4Q18	Unit: NT\$K Total
Non-operating income & exp.	184,424	73,266	131,132	1,896	390,718
Pre-tax income	836,352	529,848	477,888	490,137	2,334,225
Non-operating income & exp. accounted for pre-tax income ratio					16.7%





## Fair Value of ELAN's holdings in FineMat

As ELAN has more than 10% of shareholdings of FineMat, ELAN's stake in FineMat has been placed in central custody and is restricted for disposal after FineMat's IPO.

According to IE28 of IFRS 13: restriction on the sale of an equity instrument, when the sale of an equity instrument is legally or contractually restricted for a specified period, the fair value of the instrument would be adjusted to reflect the effect of the restriction. In addition, Article 27 of Statements of Valuation Standards 4, issued by Accounting Research and Development Foundation in Taiwan, requires the valuation of an underlying subject being made based on its market liquidity. ELAN has commissioned an independent valuation report accordingly.

FineMat closing price on 2019/12/31 was NT\$91.3 and discount ratio for the restriction on its liquidity is 11.25%. Valuation gain in 4Q19' was  $[\text{NT\$}81.03(\text{discounted value in Q419}) - \text{NT\$}38.2 (\text{Q319 value})] \times 8,900,373 \text{ shares} = \text{NT\$}381,202,975$ .

由於義隆電子為上市公司旭暉應材持股超過10%的大股東，依旭暉上市要求需強制集保而無法任意處分旭暉股票，本公司依IFRS13釋例8 IE28權益工具出售限制，因合約限制需考慮流動性折價；及評價準則第4號第27條規定評價需考慮評價標的的市場流動性對價值的影響，故委外評價旭暉強制集保的流動性折價影響。以2019/12/31旭暉收盤價91.3元，流動性折價11.25%，所以，調整後的評價 $[\text{81.03元 (Q419折價後評價)} - \text{38.2元 (Q319的評價)}] \times 8,900,373 \text{股數} = 381,202,975 \text{元}$



# CES 2020 New Launch

With ELAN Technologies



ELAN Microelectronics Corporation

# CES 2020 Launch with ELAN Technologies

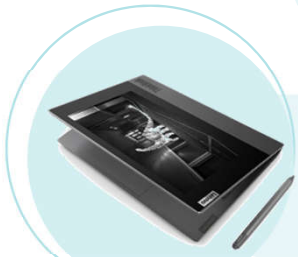
Foldable/Gaming/Creator/

- **ELAN Touch Solution** with 17.3" Foldable OLED Screen
- Largest Tablets in the Market
- Fold in Half to the Equivalent of a 12.5-inch Laptop



Intel Horseshoe Bend  
Foldable

- **ELAN's Fingerprint Solution on Power Button**
- **ELAN's Touchpad Solution**
- 10.8" E-ink Monochromatic Display on Top Cover with Lenovo Pen
- More than 10 Hours Battery Life Versatile E-ink Display



Lenovo Thinkbook Plus  
Creator

- **ELAN's Touchpad Solution** with 15.6" UHD (3840 x 2160) IPS Display
- 8 Hours Battery Life
- Starting Price at \$1,099



Lenovo Legion Y740S  
Gaming

- **ELAN's Touchscreen Solution** with 8" 1900x1200 resolution
- 10th Gen Intel processors



Dell Alienware UFO  
Gaming

# ELAN CES 2020 Launch

## Chromebook

- **ELAN's Touchscreen Solution** with 14" FHD Display
- Support USI 1.0 Stylus
- **ELAN's Touchpad Solution**
- 12 Hours Battery Life



Chromebook Flip C436  
Asus



IdeaPad Duet Chromebook  
Lenovo

- **ELAN's Touchscreen Solution** with 10.1" 1920 x 1200 display
- 400 nits of brightness
- Support USI 1.0 Stylus
- **ELAN's Touchpad Solution**



Galaxy Chromebook  
Samsung

- **ELAN's Touchscreen Solution** with 13.3-inch 4K UHD resolution
- AMOLED display
- Built-in-pen support
- Near-infinite screen and slim 3.9mm bezel
- **ELAN's Touchpad Solution**



## Smart-ID Card



## ITU Smart-ID Card



Q & A

Thank You



ELAN Microelectronics Corporation

