



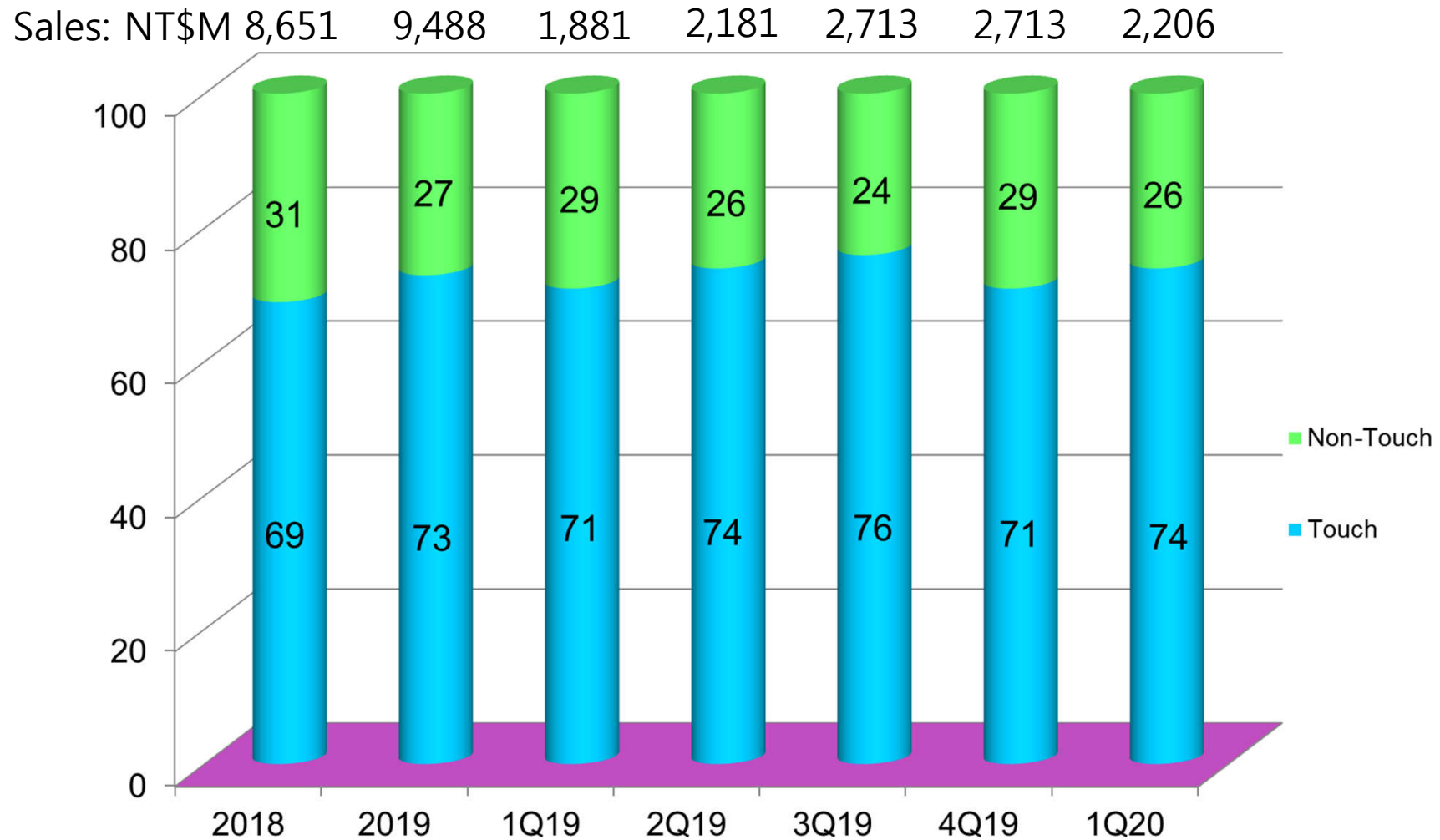
1Q20 Investor Conference

2020/04/28



ELAN Microelectronics Corporation

Sales Breakdown by Product Line (Consolidated)



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

1Q20 Income Statement

YoY Comparison (Consolidated)

	1Q20	%	1Q19	%	NT\$M YoY(%)
Sales	2,206	100.0	1,881	100.0	17.3
Gross profit	1,043	47.3	856	45.5	21.8
Sales expense	102	4.6	62	3.3	
G&A expense	70	3.2	81	4.3	
R&D expense	357	16.2	366	19.5	
Operating profit	514	23.3	347	18.4	48.1
Non-operating income & exp.	(445)	(20.2)	131	7.0	
Profit before tax	69	3.1	478	25.4	(85.6)
Net profit	44	2.0	384	20.4	(88.5)
Belong					
Parent company	54		395		
Non-Controlling Interests	(10)		(11)		
* EPS (NT\$)	0.18		1.36		(86.8)

* Based on the current 304 million shares (Unreviewed)

* Based on the weighted average number of shares outstanding

1Q20 Income Statement

QoQ Comparison (Consolidated)

	NT\$M				
	1Q20	%	4Q19	%	QoQ(%)
Sales	2,206	100.0	2,713	100.0	(18.7)
Gross profit	1,043	47.3	1,270	46.8	(17.9)
Sales expense	102	4.6	122	4.5	
G&A expense	70	3.2	94	3.5	
R&D expense	357	16.2	427	15.7	
Operating profit	514	23.3	627	23.1	(18.0)
Non-operating income & exp.	(445)	(20.2)	339	12.5	
Profit before tax	69	3.1	966	35.6	(92.9)
Net profit	44	2.0	980	36.1	(95.5)
Belong					
Parent company	54		982		
Non-Controlling Interests	(10)		(2)		
* EPS (NT\$)	0.18		3.37		(94.7)

* Based on the current 304 million shares (Unreviewed)

* Based on the weighted average number of shares outstanding

Balance Sheets

March. 31, 2020 (Consolidated)

	NT\$M
Current Assets	8,461
Cash and cash equivalents	2,057
Current financial assets	834
A/R&A/N	1,763
Inventory	1,534
Other current assets	30
Other current financial assets	2,243
Non-current financial assets	1,342
Fixed assets	787
Other non-current assets	631
Total Assets	11,221
Current liabilities	2,626
Non-current liabilities	625
Total Liabilities	3,251
Capital stock	3,039
Capital surplus	439
Retained earnings	4,207
Other equity interest	58
Treasury stock	(29)
Non-controlling interests	256
Total Stockholders' Equity	7,970

(Unreviewed)

Cash Flow Statement

March. 31, 2020 (Consolidated)

	NT\$M
Income before tax	69
Dep & Amort.	41
Inc. of A/R & N/R	(32)
Inc. of inventory	(170)
Dec. of A/P & N/P	(183)
Others	804
Operating cashflow	529
Inc. F/A	(26)
Inc. of investments	(148)
Dec. Time deposit with maturity over three-month	46
Acquisition of intangible assets	(77)
Cash Flows from Consolidation	109
Others	1
Investment cashflow	(95)
Inc. in short-term loans payable	71
Dec. in short-term loans payable	(263)
Payment of lease liabilities	(7)
Inc. in non-controlling interests	319
Financing cashflow	120
Change in cash	554
Beg. Cash	1,502
End Cash	2,056

(Unreviewed)



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 2020/03/31 was NT\$40.3 and discount ratio for the restriction on its liquidity is 15.1%. **Valuation loss** in 1Q20 was [NT\$34.215(discounted value in 1Q20)-NT\$81.03 (discounted value in 4Q19)] x 8,900,373 shares=NT\$416,670,256.

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2020/03/31旭暉收盤價40.3元，流動性折價15.1%，所以，調整後的評價損失為[34.215元 (1Q20折價後評價)- 81.03元 (4Q19折價後評價)] x 8,900,373股數=416,670,256元。

2Q20 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。

	4Q19	3Q19	2Q19	1Q19	Unit: NT\$K Total
Non-operating income & exp.	339,412	184,424	73,266	131,132	728,234
Pre-tax income	965,572	836,352	529,848	477,888	2,809,660
Non-operating income & exp. accounted for pre-tax income ratio					25.9%

Q & A

Thank You



ELAN Microelectronics Corporation

