



2Q20 Investor Conference

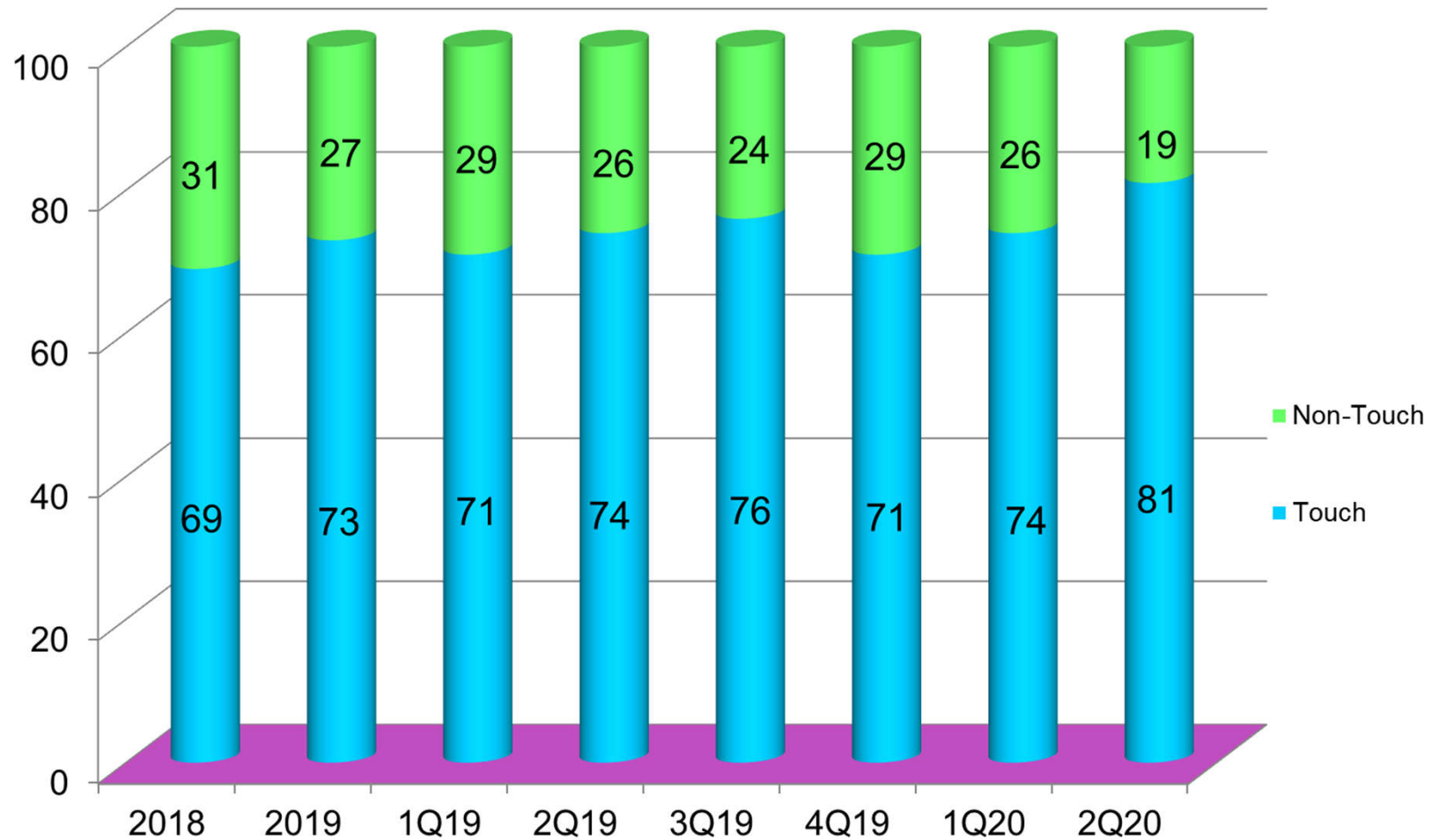
2020/07/28



ELAN Microelectronics Corporation

Sales Breakdown by Product Line (Consolidated)

Sales: NT\$M 8,651 9,488 1,881 2,181 2,713 2,713 2,206 3,539



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

2Q20 Income Statement

YoY Comparison (Consolidated)

	NT\$M				
	2Q20	%	2Q19	%	YoY(%)
Sales	3,539	100.0	2,181	100.0	62.3
Gross profit	1,684	47.6	1,005	46.1	67.6
Sales expense	132	3.7	91	4.2	
G&A expense	101	2.9	82	3.7	
R&D expense	479	13.5	375	17.2	
Operating profit	972	27.5	457	21.0	112.7
Non-operating income & exp.	100	2.8	73	3.3	
Profit before tax	1,072	30.3	530	24.3	102.3
Net profit	880	24.9	424	19.4	107.5
Belong					
Parent company	918		434		
Non-Controlling Interests	(38)		(10)		
EPS (NT\$)	3.15		1.49		111.4

* 304 million shares issued; 291.4 million shares outstanding as of the end of reporting period.

* Consolidated Statement of Financial Position (Unreviewed).

2Q20 Income Statement

QoQ Comparison (Consolidated)

	NT\$M				
	2Q20	%	1Q20	%	QoQ(%)
Sales	3,539	100.0	2,206	100.0	60.4
Gross profit	1,684	47.6	1,043	47.3	61.5
Sales expense	132	3.7	102	4.6	
G&A expense	101	2.9	70	3.2	
R&D expense	479	13.5	357	16.2	
Operating profit	972	27.5	514	23.3	89.1
Non-operating income & exp.	100	2.8	(445)	(20.2)	
Profit before tax	1,072	30.3	69	3.1	1,453.6
Net profit	880	24.9	44	2.0	1,900.0
Belong					
Parent company	918		54		
Non-Controlling Interests	(38)		(10)		
EPS (NT\$)	3.15		0.18		

* 304 million shares issued; 291.4 million shares outstanding as of the end of reporting period.

* Consolidated Statement of Financial Position (Unreviewed).

1H20 Income Statement

YoY Comparison (Consolidated)

	NT\$M				
	1H20	%	1H19	%	YoY(%)
Sales	5,745	100.0	4,062	100.0	41.4
Gross profit	2,727	47.5	1,861	45.8	46.5
Sales expense	234	4.1	153	3.8	
G&A expense	171	3.0	163	4.0	
R&D expense	836	14.6	741	18.3	
Operating profit	1,486	25.9	804	19.7	84.8
Non-operating income & exp.	(345)	(6.0)	204	5.0	
Profit before tax	1,141	19.9	1,008	24.7	13.2
Net profit	924	16.1	808	19.9	14.4
Belong					
Parent company	972		829		
Non-Controlling Interests	(48)		(21)		
EPS (NT\$)	3.33		2.85		16.8

* 304 million shares issued; 291.4 million shares outstanding as of the end of reporting period.

* Consolidated Statement of Financial Position (Unreviewed).

Balance Sheets

Jun. 30, 2020 (Consolidated)

	NT\$M
Current assets	10,490
Cash and cash equivalents	2,775
Current financial assets	1,680
A/R&A/N	2,967
Inventory	1,876
Other current assets	39
Other current financial assets	1,153
Non-current financial assets	1,454
Fixed assets	801
Other non-current assets	625
Total Assets	13,370
Current liabilities	5,837
Non-current liabilities	596
Total Liabilities	6,433
Capital stock	3,039
Capital surplus	440
Retained earnings	3,150
Other equity interest	97
Treasury stock	(29)
Non-controlling interests	240
Total Stockholders' Equity	6,937

(Unreviewed)

Cash Flow Statement

Jun. 30, 2020 (Consolidated)

	NT\$M
Income before tax	1,141
Dep & Amort.	84
Inc. of A/R & N/R	(513)
Inc. of inventory	(532)
Inc. of A/P & N/P	584
Others	207
Operating cashflow	971
Inc. F/A	(63)
Dec. F/A	1
Dividend received	13
Inc. of investments	(909)
Dec. Time deposit with maturity over three-month	1,137
Acquisition of intangible assets	(89)
Cash Flows from Consolidation	123
Others	2
Investment cashflow	215
Inc. in short-term loans payable	71
Dec. in short-term loans payable	(263)
Dec. in guarantee deposits	(27)
Payment of lease liabilities	(13)
Inc. in non-controlling interests	319
Financing cashflow	87
Change in cash	1,273
Beg. Cash	1,502
End Cash	2,775

(Unreviewed)

Fair Value of ELAN's Holdings in FineMat / 旭暉評價調整說明

義隆電子是旭暉應材(6698)持股超過10%的大股東，旭暉掛牌上市時，本公司相關持股須強制集保，所以會計處理依相關規定在評價時將流動性受限制部分折價認列。流動性折價因子係委託獨立單位提供鑑價報告。

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. Valuation will be discounted accordingly.

FineMat's closing price was NT\$50.6 as of 2020/6/30. ELAN's stake under liquidity restriction was 4,450,373 shares and discount ratio applied to the valuation of restricted shares was 16.94% (i.e discounted value to be \$42.03), while the rest unrestricted holding of 4,450,000 shares was marked to market. Valuation gain for 2Q20 was NT\$107,693K = (NT\$42.03-34.215)*4,450,373+(NT\$50.6-34.215)*4,450,000. Discounted value in 1Q20 was NT\$34.215.

2020/3/31 :

折價後評價\$34.215

2020/6/30 :

收盤價\$50.6

折價率16.94%

每股折價價值\$42.03

集保股數4,450,373

未集保股數4,450,000

集保評價利益

$(42.03-34.215)*4,450,373$



34,780仟元

未集保評價利益

$(50.6-34.215)*4,450,000$



72,913仟元

2020/6/30評價利益
合計107,693仟元



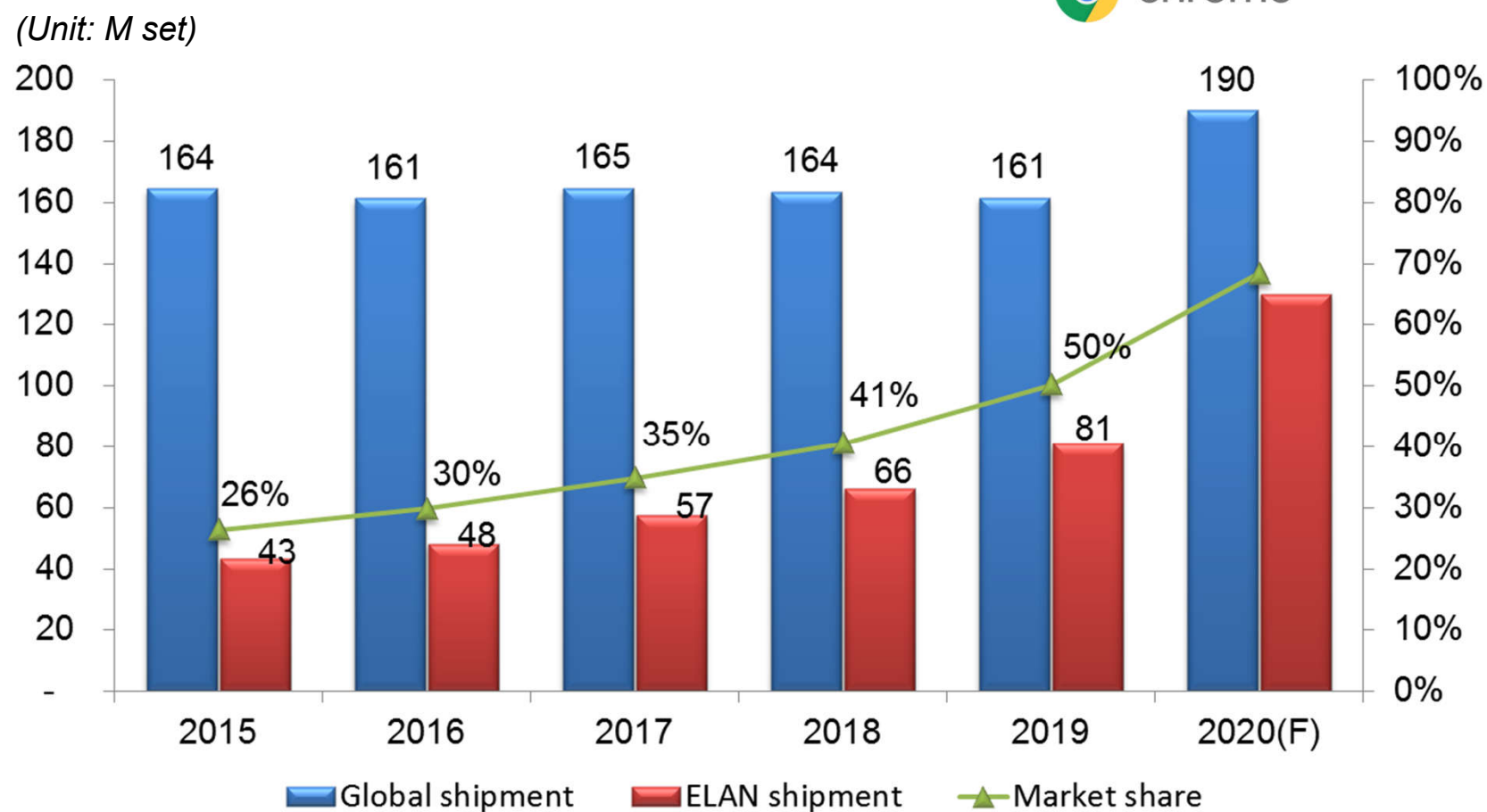
3Q20 Guidance

Based on Current Assumptions of Future Prospects, ELAN Expects:

- Consolidate Revenue to be Approximately between NT\$ 4.6Billion and NT\$ 4.8Billion
- Gross Margin to be about 47% to 48%
- Operating Income Rate to be about 31% to 33%

NB Touchpad Shipments

Global vs. ELAN



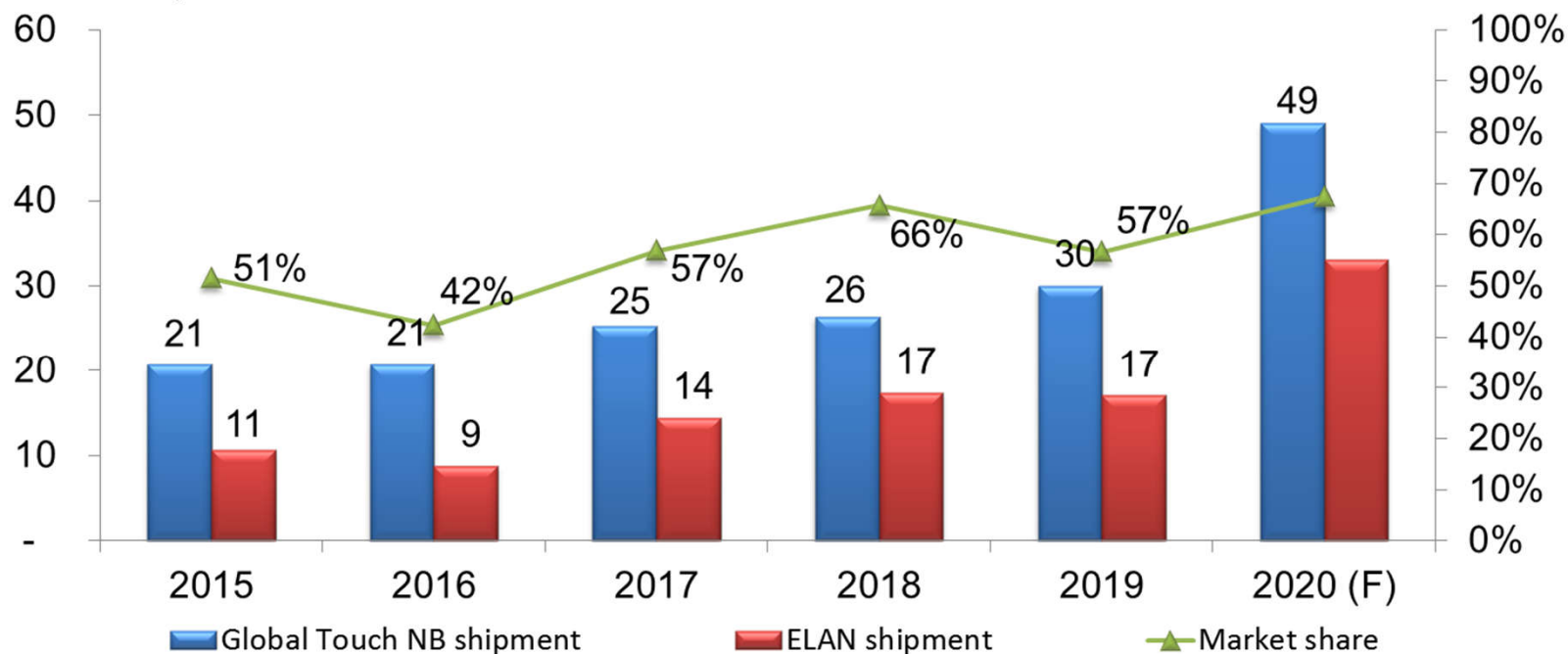
Source: TrendForce, TRI, NB Players, ELAN



NB Touchscreen Shipments

Global vs. ELAN

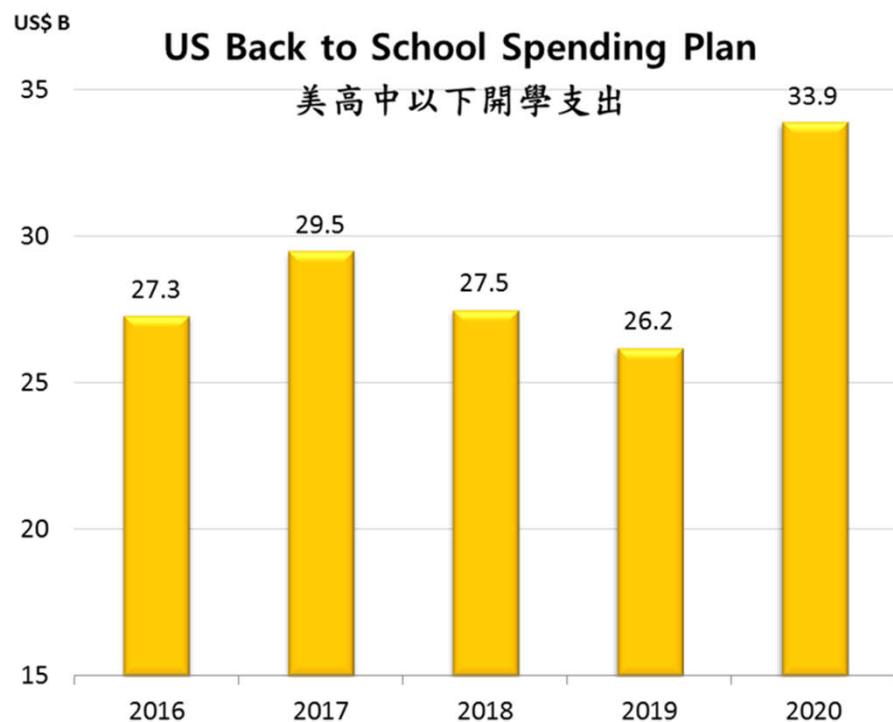
(Unit: M set)



	2015	2016	2017	2018	2019	2020(F)
Global NB Q'ty	147	148	149	146	146	173
Penetration Rate	14%	14%	17%	18%	21%	28%

* PS.: Global Touch NB Q'ty excluding Apple which does not support touchscreen function

US Back-to-School Expenditures Up vs Japan May Fulfill "GIGA School Program" by 2020 / 美開學季支出增加暨日本預計提前中小學一人一機計畫



Source: NRF/Chinatimes

*GIGA: global and innovation gateway for all

- USA美國：
 - Us consumers raise their budget for NB and accessories in response to remote learning caused by COVID-19. 學生因應疫情而採取遠距上課，使美國消費者預計提高預算添購筆電與配件。
 - Back-to-school spending surges by 30% for families with elementary to high school students in 2020. 2020年美高中以下開學支出將較前一年大幅增加近3成。
- Japan日本：
 - Japanese government may conclude its "GIGA School Program" by 2020 vs original plan in 2023 in response to COVID-19. 政府因應Society5.0推出"GIGA School"計畫，原預期在2023年前使全國1000萬中小學生配備一人一台終端設備，受疫情影響，打算提前至2020年度。

Q & A

Thank You



ELAN Microelectronics Corporation

