



3Q20 Investor Conference

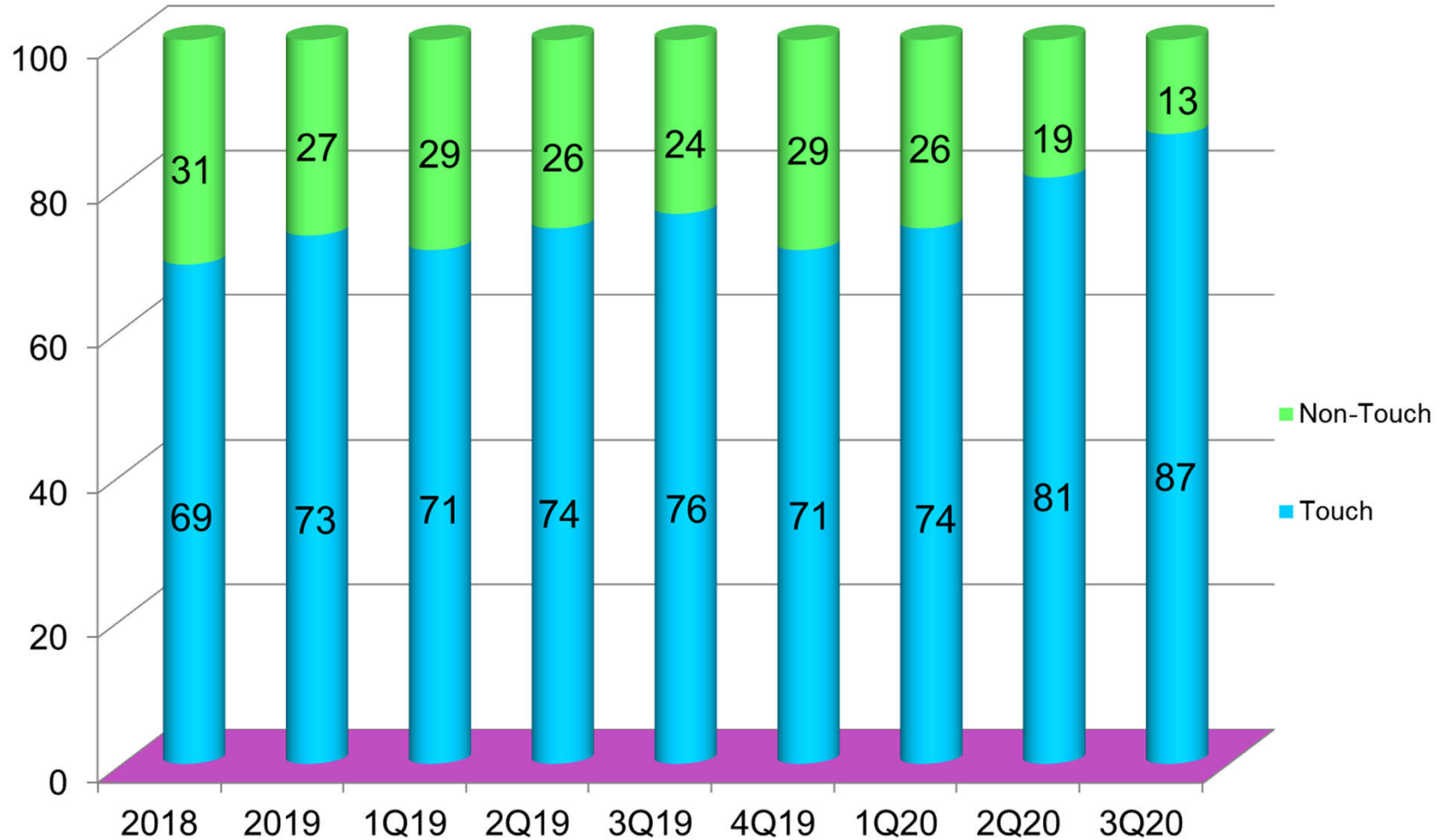
2020/10/28



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 4,708



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

3Q20 Income Statement

YoY Comparison (Consolidated)

	3Q20	%	3Q19	%	NT\$M YoY(%)
Sales	4,708	100.0	2,713	100.0	73.5
Gross profit	2,143	45.5	1,286	47.4	66.6
Sales expense	138	2.9	116	4.3	
G&A expense	128	2.7	91	3.4	
R&D expense	507	10.8	428	15.7	
OPEX	773	16.4	635	23.4	21.7
Operating profit	1,370	29.1	651	24.0	110.4
Non-operating income & exp.	(28)	(0.6)	185	6.8	
Profit before tax	1,342	28.5	836	30.8	60.5
Net profit	1,067	22.7	677	25.0	57.6
Belong					
Parent company	1,080		686		
Non-Controlling Interests	(13)		(9)		
* EPS (NT\$)	3.71		2.35		57.9

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

* Consolidated Statement of Financial Position (Unreviewed).

3Q20 Income Statement

QoQ Comparison (Consolidated)

	NT\$M				
	3Q20	%	2Q20	%	QoQ(%)
Sales	4,708	100.0	3,539	100.0	33.0
Gross profit	2,143	45.5	1,684	47.6	27.3
Sales expense	138	2.9	132	3.7	
G&A expense	128	2.7	101	2.9	
R&D expense	507	10.8	479	13.5	
OPEX	773	16.4	712	20.1	8.6
Operating profit	1,370	29.1	972	27.5	40.9
Non-operating income & exp.	(28)	(0.6)	113	3.2	
Profit before tax	1,342	28.5	1,085	30.7	23.7
Net profit	1,067	22.7	893	25.2	19.5
Belong					
Parent company	1,080		918		
Non-Controlling Interests	(13)		(25)		
* EPS (NT\$)	3.71		3.15		17.8

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

* Consolidated Statement of Financial Position (Unreviewed).

1Q20~3Q20 Income Statement

YoY Comparison (Consolidated)

	1Q20	%	2Q20	%	3Q20	%	1Q20~3Q20	NT\$M
Sales	2,206	100.0	3,539	100.0	4,708	100.0	10,453	100.0
Gross profit	1,043	47.3	1,684	47.6	2,143	45.5	4,870	46.6
Sales expense	102	4.6	132	3.7	138	2.9	372	3.6
G&A expense	70	3.2	101	2.9	128	2.7	299	3.0
R&D expense	357	16.2	479	13.5	507	10.8	1,343	12.7
OPEX	529	24.0	712	20.1	773	16.4	2,014	19.3
Operating profit	514	23.3	972	27.5	1,370	29.1	2,856	27.3
Non-operating income & exp.	(445)	(20.2)	113	3.2	(28)	(0.6)	(360)	(3.4)
Profit before tax	69	3.1	1,085	30.7	1,342	28.5	2,496	23.9
Net profit	44	2.0	893	25.2	1,067	22.7	2,004	19.2
Belong								
Parent company	54		918		1,080		2,052	
Non-Controlling Interests	(10)		(25)		(13)		(48)	
* EPS (NT\$)	0.18		3.15		3.71		7.04	

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

* Consolidated Statement of Financial Position (Unreviewed).

Balance Sheets

September 30, 2020 (Consolidated)

	NT\$M
Current assets	10,046
Cash and cash equivalents	1,817
Current financial assets	1,015
A/R&A/N	3,907
Inventory	1,784
Other current assets	35
Other current financial assets	1,488
Non-current financial assets	1,612
Fixed assets	855
Other non-current assets	738
Total Assets	13,251
Current liabilities	4,588
Non-current liabilities	609
Total Liabilities	5,197
Capital stock	3,039
Capital surplus	520
Retained earnings	4,265
Other equity interest	32
Treasury stock	(29)
Non-controlling interests	227
Total Stockholders' Equity	8,054

(Unreviewed)

Cash Flow Statement

September 30, 2020 (Consolidated)

	NT\$M
Income before tax	2,496
Dep & Amort.	137
Inc. of A/R & N/R	(1,049)
Inc. of inventory	(453)
Net loss (gain) on financial assets at fair value through	372
Inc. of A/P & N/P	772
Others	(340)
Operating cashflow	1,935
Inc. F/A	(108)
Dec. F/A	1
Dividend received	33
Inc. of investments	(462)
Dec. Time deposit with maturity over three-month	802
Acquisition of intangible assets	(230)
Cash Flows from Consolidation	123
Investment cashflow	159
Inc. in short-term loans payable	100
Dec. in short-term loans payable	(299)
Inc. in guarantee deposits	15
Distribution of cash dividends	(1,894)
Payment of lease liabilities	(20)
Inc. in non-controlling interests	319
Financing cashflow	(1,779)
Change in cash	315
Beg. Cash	1,502
End Cash	1,817

(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\$43.1 as of 2020/9/30. ELAN's stake under liquidity restriction was 4,450,373 shares and discount ratio applied to the valuation of restricted shares was 5.66% (i.e discounted value to be \$40.66), while the rest unrestricted holding of 4,450,000 shares was marked to market. Valuation loss for 3Q20 was NT\$39,470K $= (NT\$40.66 - 42.03) * 4,450,373 + (NT\$43.1 - 50.6) * 4,450,000$. Discounted value in 2Q20 was NT\$42.03.

2020/6/30：

收盤價\$50.6；折價率16.94%

強制集保每股折價價值\$42.03

2020/9/30：

收盤價\$43.1；折價率5.66%

強制集保每股折價價值\$40.66

強制集保股數4,450,373

未強制集保股數4,450,000

強制集保評價損失
 $(40.66 - 42.03) * 4,450,373$



6,095仟元

未強制集保評價損失
 $(43.1 - 50.6) * 4,450,000$



33,375仟元

2020/9/30評價損失
合計39,470仟元



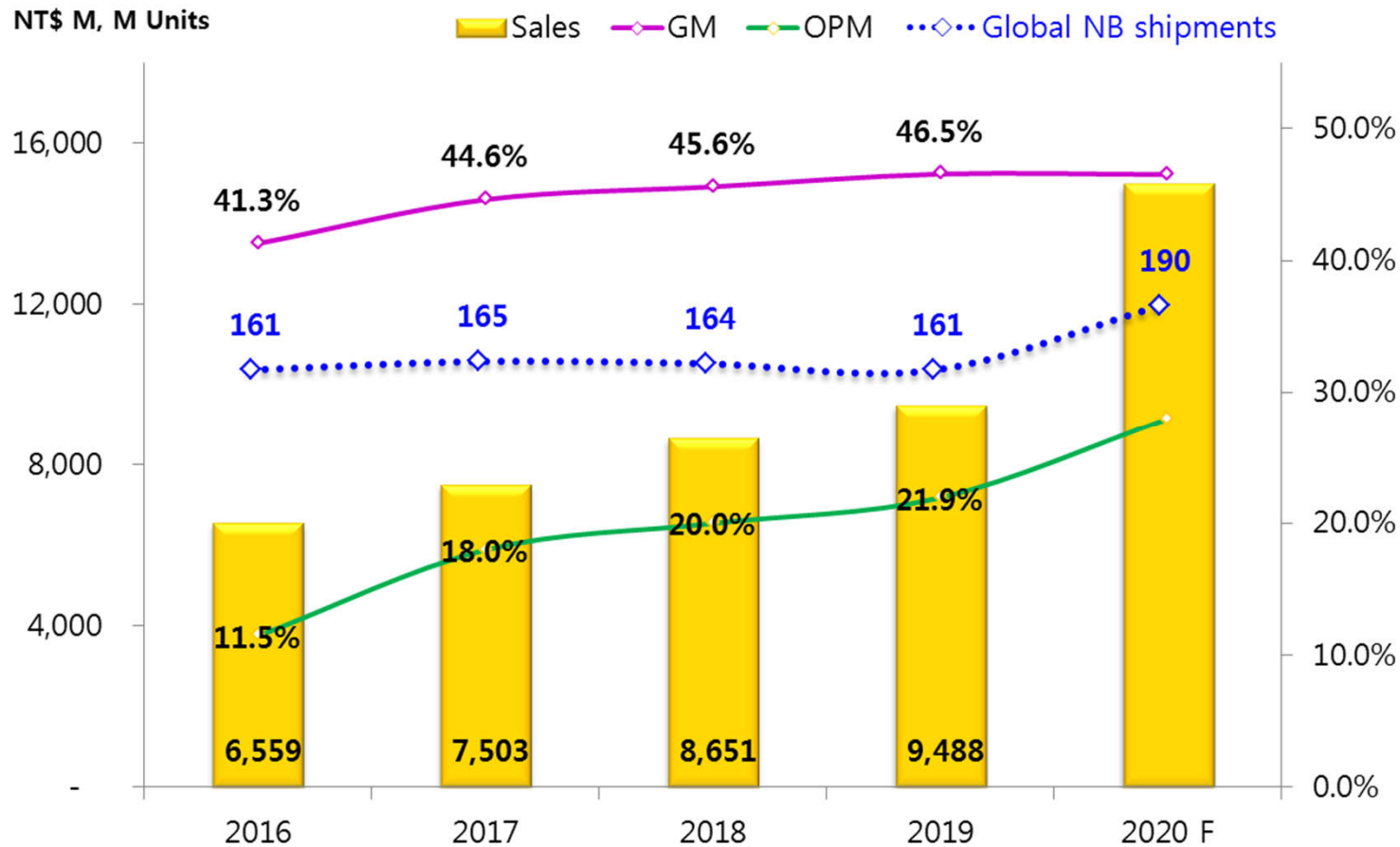
4Q20 Guidance

Based on Current Assumptions of Future Prospects, ELAN Expects:

- Consolidate Revenue to be Approximately between NT\$ 4.55Billion and NT\$ 4.75Billion
 - Gross Margin to be about 46% to 47%
 - Operating Income Rate to be about 29% to 31%
-
- ELAN's forward-looking statements are subject to significant risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made in this presentation.
 - Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

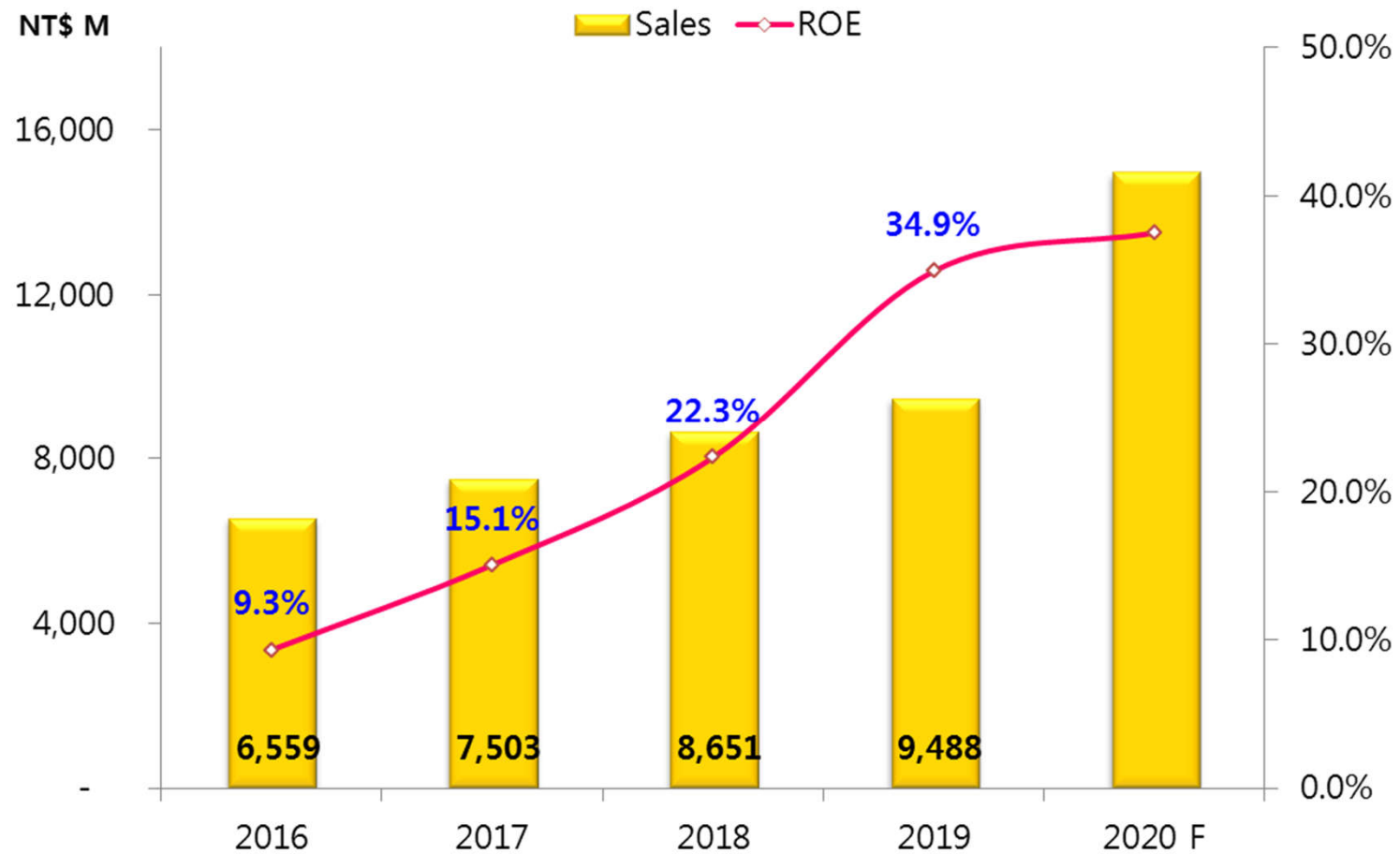
ELAN's Sales & Profitability Outperforms Market Growth

Strong Growth in Market Share & ASP

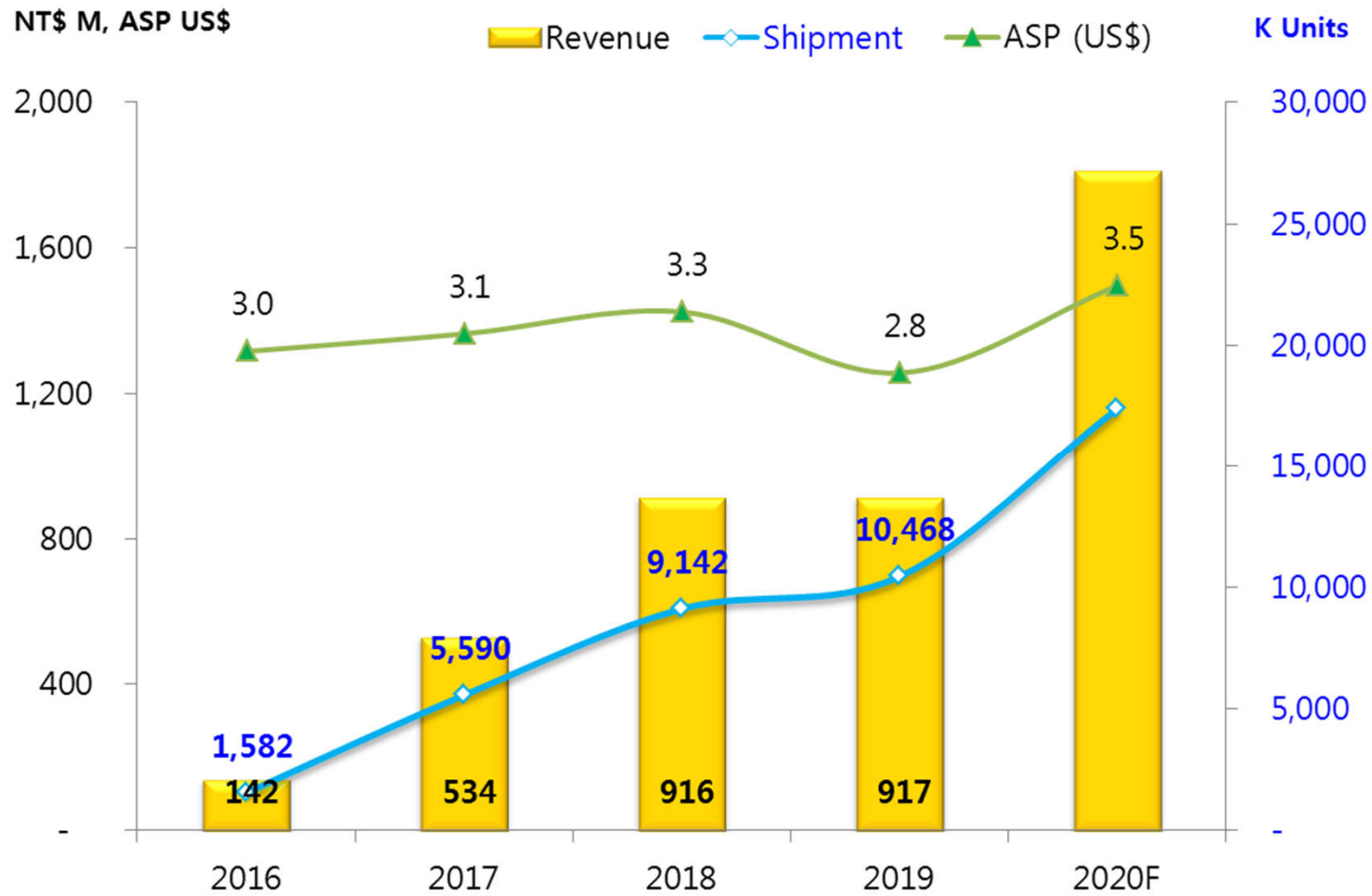


	2016	2017	2018	2019	2020F
ELAN Rev YoY	-1%	14%	15%	10%	>55%
Global NB Shipment YoY	-2%	2%	-1%	-2%	>15%

ELAN's Increasing ROE Trend



Rapid Growth in Active Pen Market

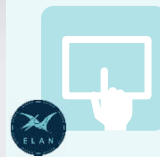




NB Touchpad and Fingerprint Update

Surface Laptop Go

ELAN Launches in Surface's 2nd Series



ELAN's
Precision Trackpad



ELAN's Fingerprint
Total Solution
with 2.5D Anti-Spoof
on Power Button



ELAN's Keyboard Controller



12.4" In-Cell
Touchscreen

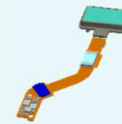


10th Gen Intel®
Core™ i5 Processor



Starting at \$549.99

Surface Laptop Go



ELAN's Fingerprint
Total Solution with 2.5D Anti-
Spoof on Power Button



ELAN's
Precision Trackpad



Up to 13 hours of typical
device usage



ELAN's Support for the Latest Windows Hello Spec 20H1

Tightening of FRR Requirement while requesting for Enhanced Anti-Spoofing Feature



		Spec	SAR	FAR	FRR	Attacks covered	Justification
Requirement (Mandatory)	2D	Presentation attacks that replicate fingerprints in a 2D manner are blocked	<5%	<0.002%	<5%	Presentation attacks based on images printed directly to a surface with any type of ink	A printed image is extremely easy to obtain and should not fool a sensor under any circumstances
	2.5D	Presentation attacks that replicate latent fingerprints or pictures of fingerprints with rudimentary 3D* information	<10%			Presentation attacks based on PCB etchings, laser etchings	Most public techniques that leverage latent fingerprints and pictures of fingerprints are unable to replicate the 3D structure of the finger
Recommendation	3D	Cooperative Presentation attacks that capture 3D information of a fingerprint	<10%			Cooperative Play-Doh, (gelatin) presentation attacks, Dental grade silicone presentation attacks	Cooperative Presentation attacks are like sharing your password with someone; equivalent to sharing the user gesture

SAR : Spoof-Accept-Rate Rudimentary 3D: 2.5D Spoof



Q & A

Thank You



ELAN Microelectronics Corporation

