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ELAN 3Q22 Earnings Report

ELAN Microelectronics Corp. (code: 2458), a leading human-machine interface solution provider today announced its 3Q22 unaudited financial results. 3Q business was contra-seasonal as NB demand turned softer due to inflations, Ukraine-Russia wars and CN lockdowns, while the downstream customers focused on inventory digestion in the quarter due to elevated inventory levels. Sales came in at NT\$2,819 million, down 32% sequentially, and down 43.3 % on year. Sales for the first 3 quarters 2022 were NT\$11,066 million, down 21.9% annually.

3Q22 gross margin of 46.5% declined by 100bps qoq due to lower contribution of high-gross-margin touchscreen products, while it dropped by 450 bps yoy on higher production costs on top of lower contribution of high-gross-margin touchscreen products. Operating profit went down by 52.4% qoq or 68.2% yoy on smaller business scale and lower gross margin. Non-op income of NT\$91 million was mainly attributed to forex gains, driven by weaker NTD. Net profit and EPS for the quarter were NT\$522 million and NT\$1.83, respectively.

Our outlook for 4Q22 is: revenue to be NT\$1.8~2.0 billion due to seasonal softness and inventory adjustment in the supply chain; GM to be 45%~47%; and OPM to be 3.6%~9.8%.

Unit: in NT\$ M, EPS in NT\$

	3Q22	3Q21	YoY
Consolidated Sales	2,819	4,974	-43.3%
Gross Profit	1,312	2,539	-48.3%
Operating Profit	532	1,672	-68.2%
Net Profit (Attributable to Owners of the Parent)	522	1,362	-61.7%
EPS	1.83	4.70	-61.1%
Gross Margin	46.5%	51.0%	

<<ELAN is a world leader in human-machine interfaces, notably in Touchscreen Controller with Pen Supports, Touchpad Module, Pointing Stick and Biometrics (fingerprint sensors and facial recognition). For more information, please go to <http://www.emc.com.tw/emc/en>.>>



義隆電子股份有限公司
ELAN MICROELECTRONICS CORP.

Presentation material for investor conference could be found at

<http://www.emc.com.tw/emc/en/Investor/seminar>

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