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## ELAN 1Q23 Earnings Report

ELAN Microelectronics Corp. (code: 2458), a leading human-machine interface solution provider today announced its 1Q23 unaudited financial results. Sales came in at NT\$2,405million, up 22.5% qoq on improving demand with easing inventory issues at the clients' side, while it declined by 41.3% on year due to weaker NB demand, which is affected by inflation, interest hikes and geopolitical-driven wars.

1Q23 gross margin increased by 170 bps qoq to 40.7% as there was one-off LTA costs in 4Q22; while it declined by 650 bps yoy due to product mix change, higher wafer costs and loss provisions for inventory. Operating profit surged 10 times on quarter due to expanded revenue scale and higher gross profit, but it went down by 81% yoy due to shrinking revenue and gross profit. Net profit – parent and EPS for the quarter were NT\$307 million and NT\$1.08, respectively.

Our outlook for 2Q23 is: revenue to be NT\$2.6~2.8 billion as NB demand resumes seasonally, GM to be 41%~43%, and OPM to be 11%~15%.

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

	1Q23	1Q22	YoY
Consolidated Sales	2,405	4,099	-41.3%
Gross Profit	980	1,936	-49.4%
Operating Profit	212	1,113	-81.0%
Net Profit	307	798	-61.5%
EPS	1.08	2.81	-61.6%
Gross Margin	40.7%	47.2%	

Presentation material for investor conference could be found at

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

<<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>.>>

