

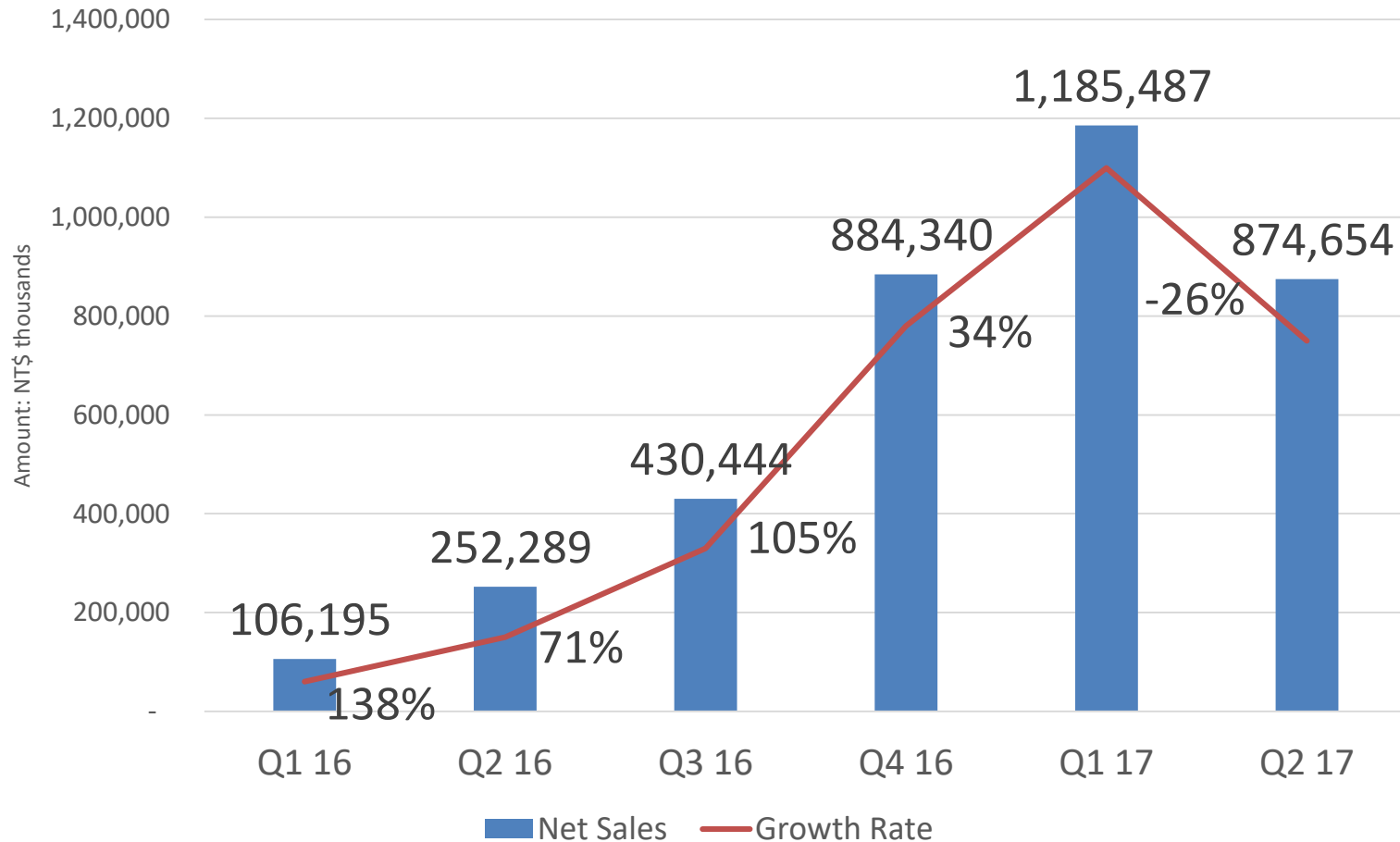


Egis Technology Inc.

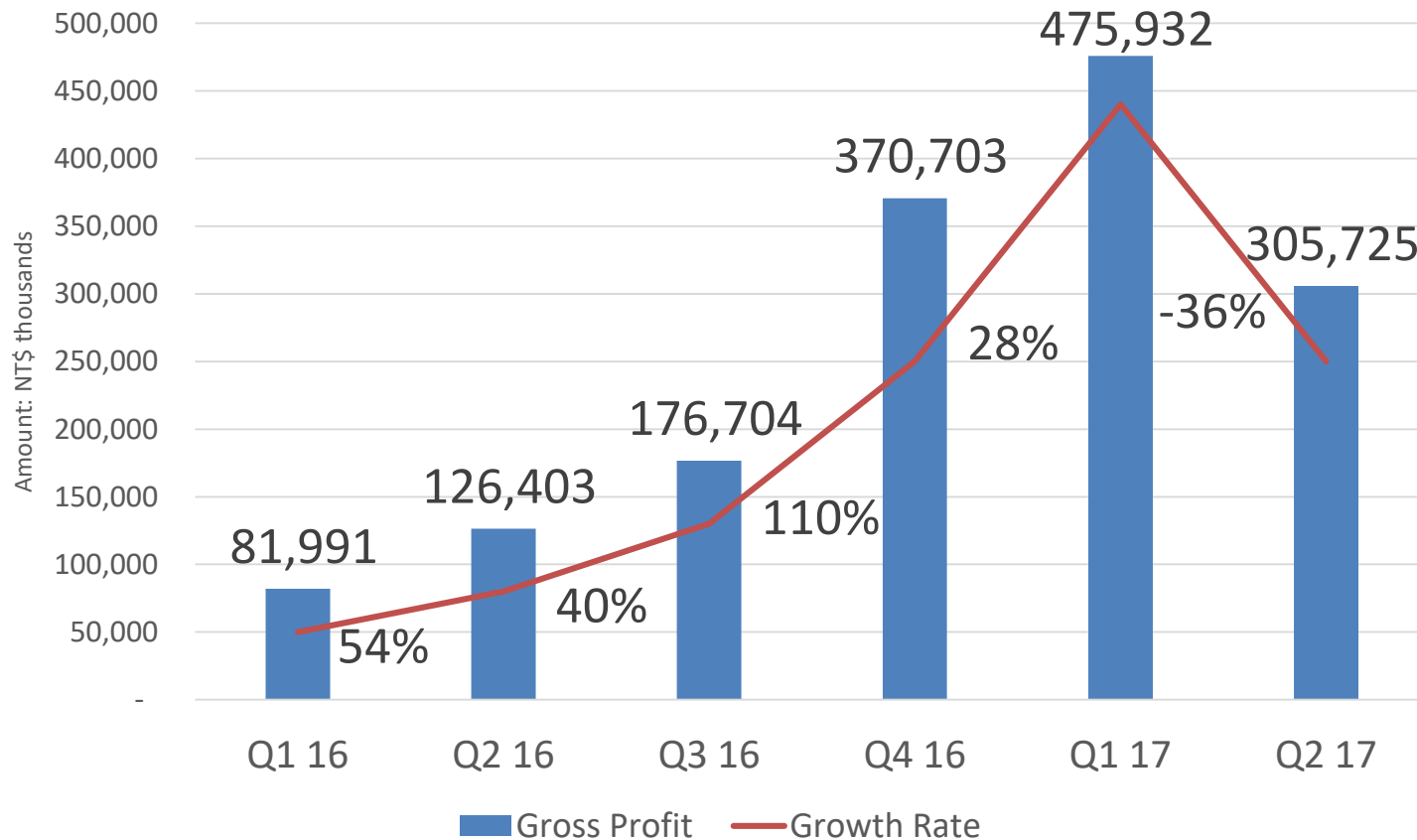
2017 Q2



2016 Q1 ~ 2017 Q2 Net Sales

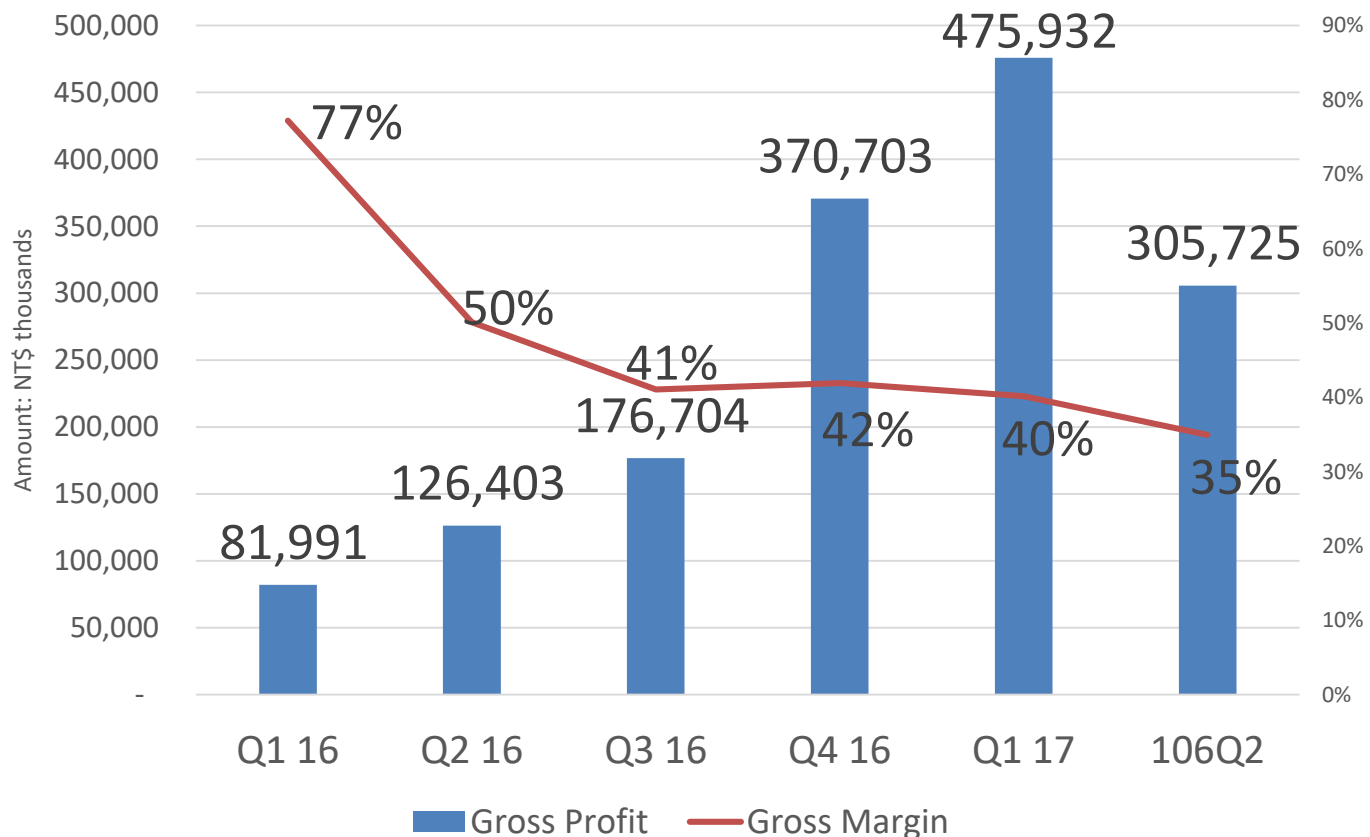


2016 Q1 ~ 2017 Q2 Gross Profit

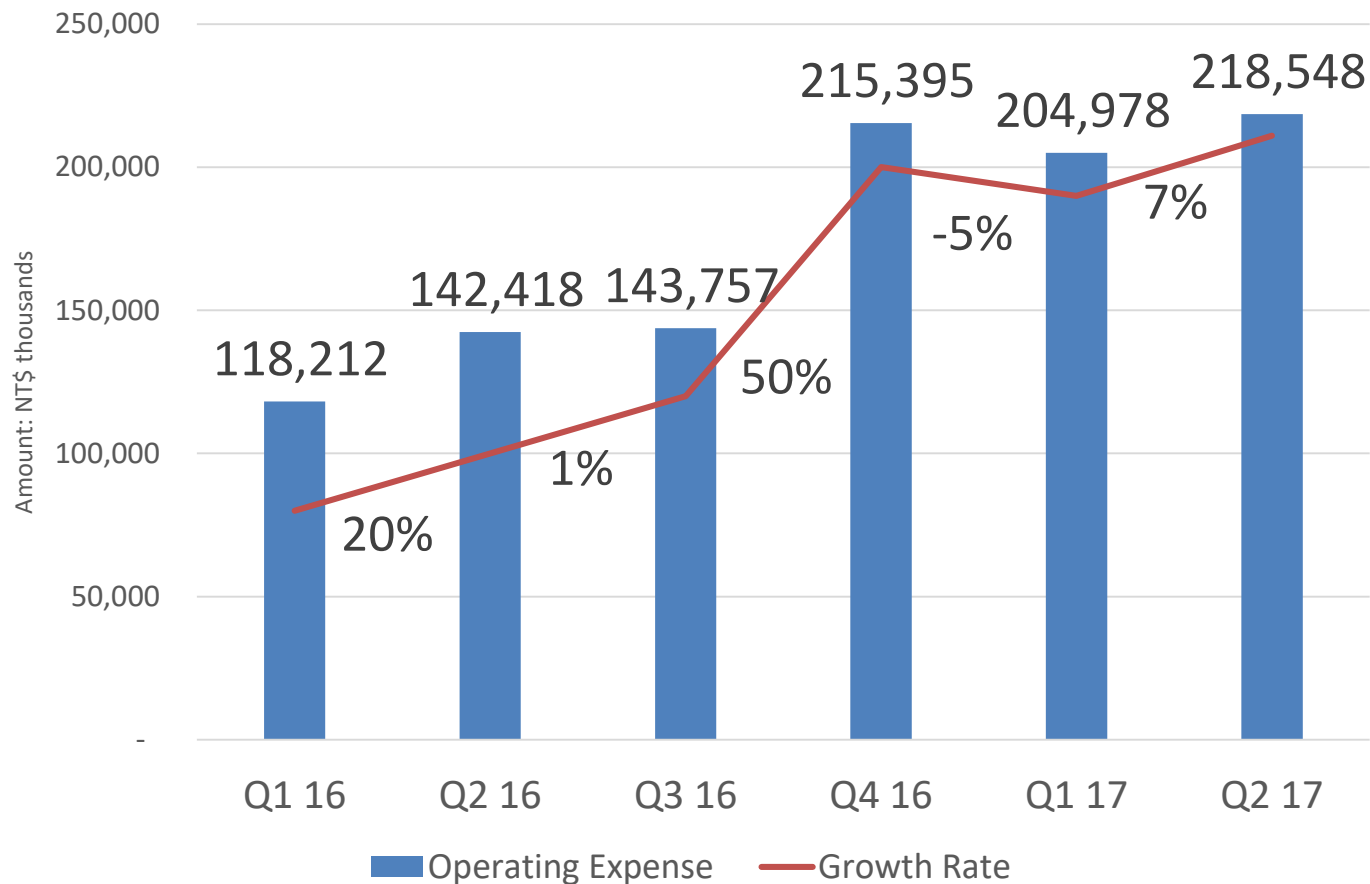


2016 Q1 ~ 2017 Q2

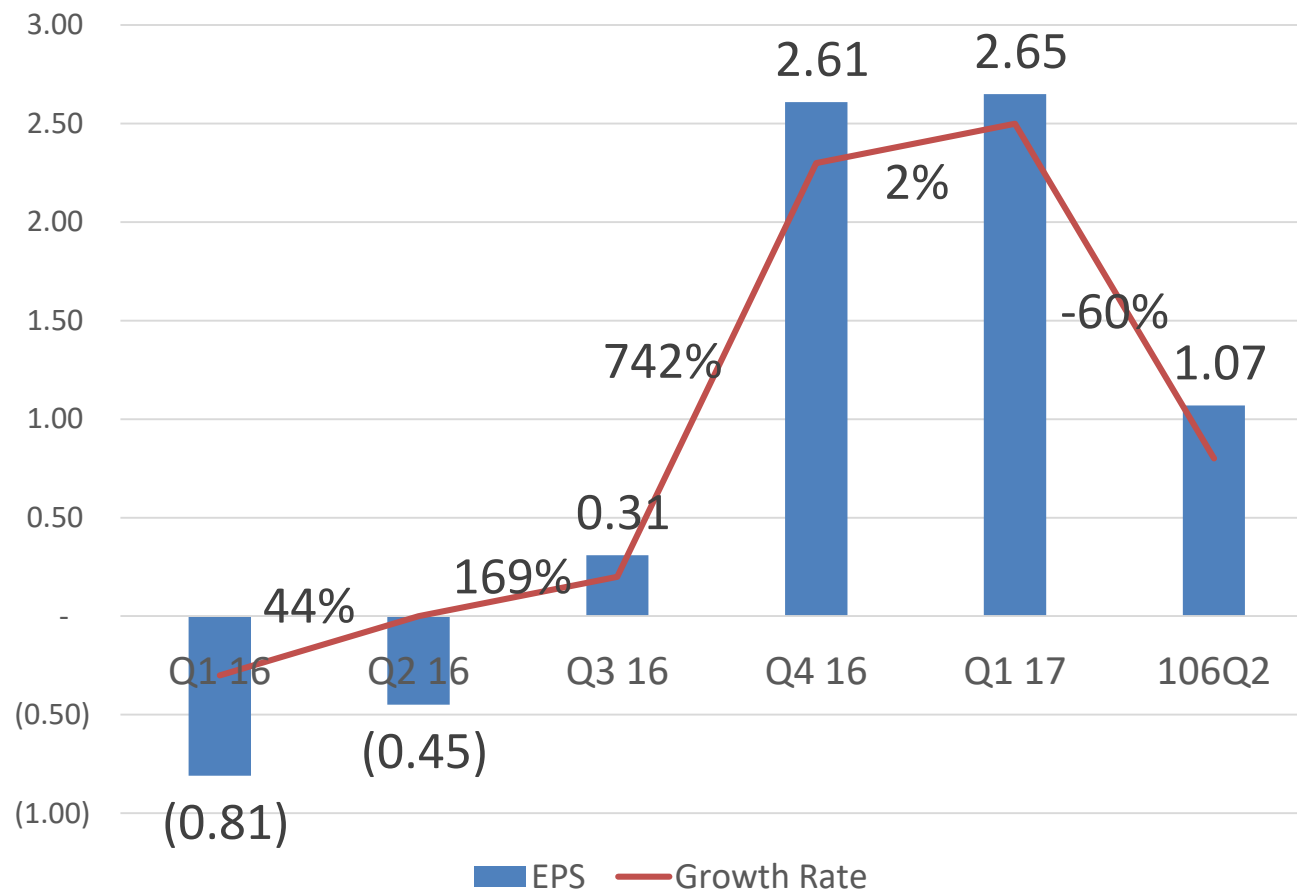
Changes in Operating Margin & Gross Margin



2016 Q1 ~ 2017 Q2 Operating Expense



2016 Q1 ~ 2017 Q2 EPS



Income Statement Summary



Amount:NT\$ thousands	Q2 17	Q2 16	Growth Rate
Net Sales	874,654	252,289	247%
COGS	568,929	125,886	352%
Gross Profit	305,725	126,403	142%
Gross Margin	35%	50%	(30%)
Operating Expense	218,548	142,418	53%
Operating Expense %	25%	56%	(56%)
Operating Income	87,177	(16,015)	644%
Operating Margin	10%	(6%)	257%
Non-operating Income and Expense	7,757	4,905	58%
Income before Tax	94,934	(11,110)	954%
Income Tax	20,040	20,165	(1%)
Net Income (Loss)	74,894	(31,275)	339%
Net Margin	9%	(12%)	169%
Total comprehensive income	74,993	(29,834)	351%
EPS (NT\$)	1.07	(0.45)	338%

Balance Sheet



Unit: NTD Thousands	Q2 17	Q2 16
<i>Current assets</i>		
Cash and cash equivalents	1,172,154	405,309
Notes and accounts receivable, net	411,861	164,652
Inventories	680,910	334,602
Prepaid expenses and other current assets	42,052	20,097
Total Current assets	2,578,206	1,311,593
<i>Non-Current assets</i>		
Credit goodwill	106,827	106,827
Total Non-Current assets	329,191	209,631
Total Assets	2,907,397	1,521,224
<i>Current liabilities</i>		
Short-term borrowings	526,892	30,000
Notes and accounts payable	323,692	104,976
Accrued expenses and other current liabilities	218,061	101,611
Total Current liabilities	1,068,645	236,587
<i>Non-Current liabilities</i>		
Deferred tax	1,285	-
Total Liabilities	1,069,930	236,587
Total Equity	1,837,467	1,305,875
Current Ratio	241%	554%
Debt ratio	37%	16%

Guidance

1. Optimistic regarding full year shipment target to major customer
2. Continue cost down effort on foundry suppliers in Q4 by qualifying new vendor and improving foundry processing
3. Further diversification on customer portfolio starting in Q2 with China shipment
4. More R&D effort in optical solution targeting new fingerprint high-end application in late 2017 and 2018
5. Controllable OPEX in line with revenue growth
6. After inventory adjustment in Q2, Sales will resume upward momentum in Q3 and Q4.
7. Aim to provide optical solutions inline with market expectations

Market

- China mobile phone fingerprint sensor attachment rate continues to increase and more market penetration to boost sales in China
- More biometric sensing technology such as Iris and 3D facial recognition will be used in High-end models as complimentary security solution to fingerprint sensing
- Fingerprint sensor is still the most cost effective and best user experience in mobile device environment
- More application of fingerprint sensing in IOT, smart-card, automobile will be emerging in the near future

Thank you !