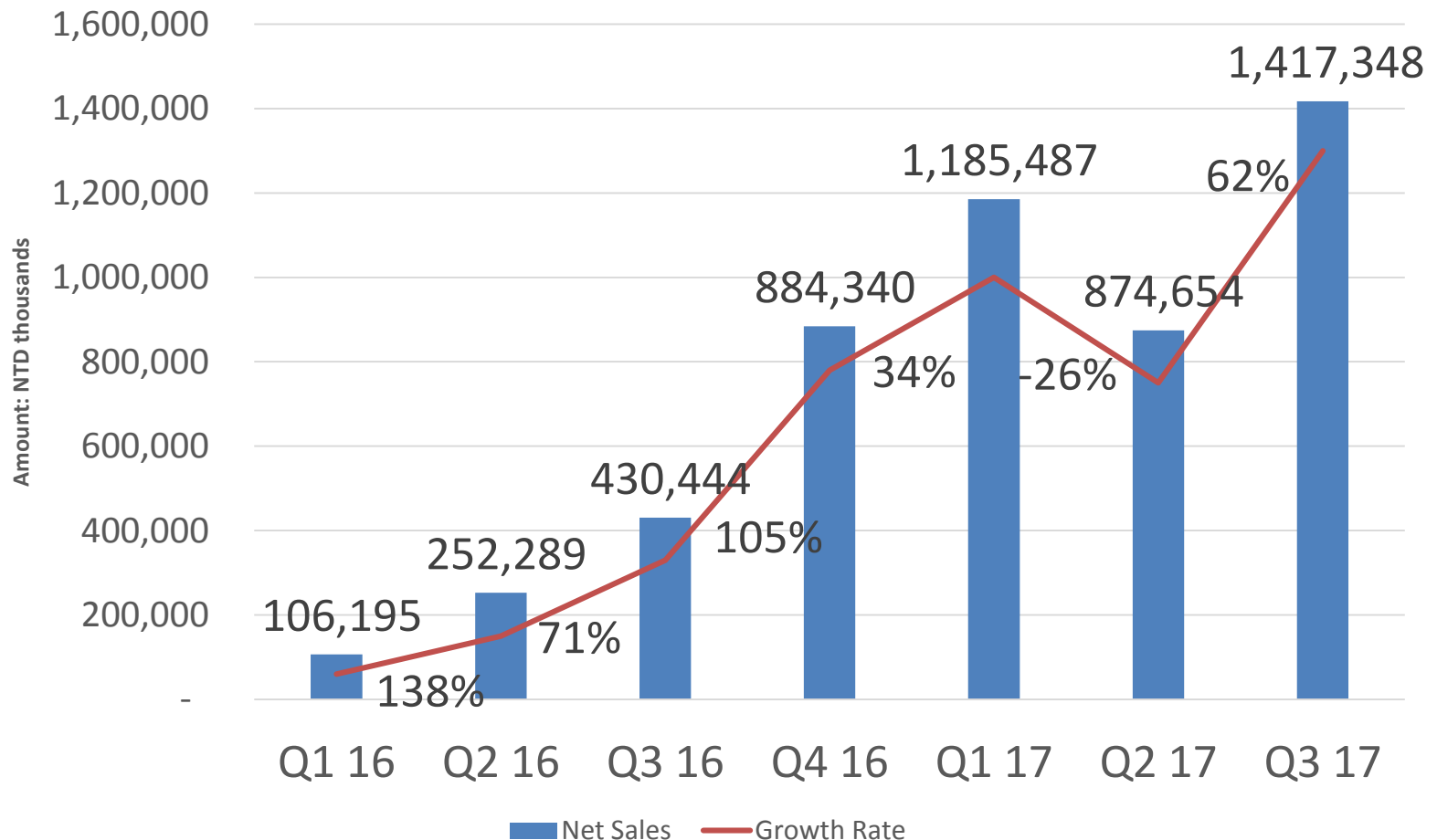




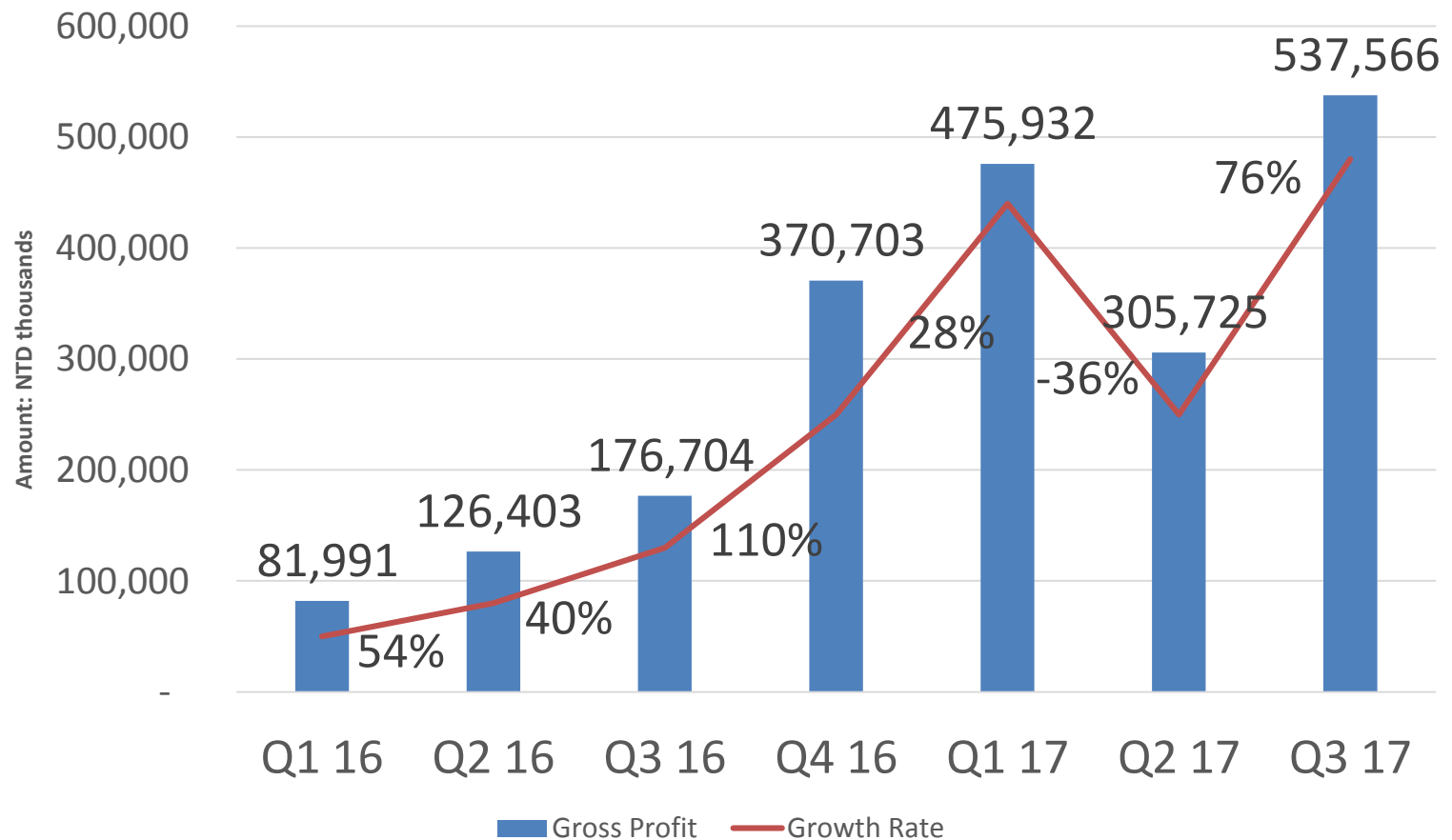
Egis Technology Inc.
2017 Q3



2016 Q1 ~ 2017 Q3 Net Sales

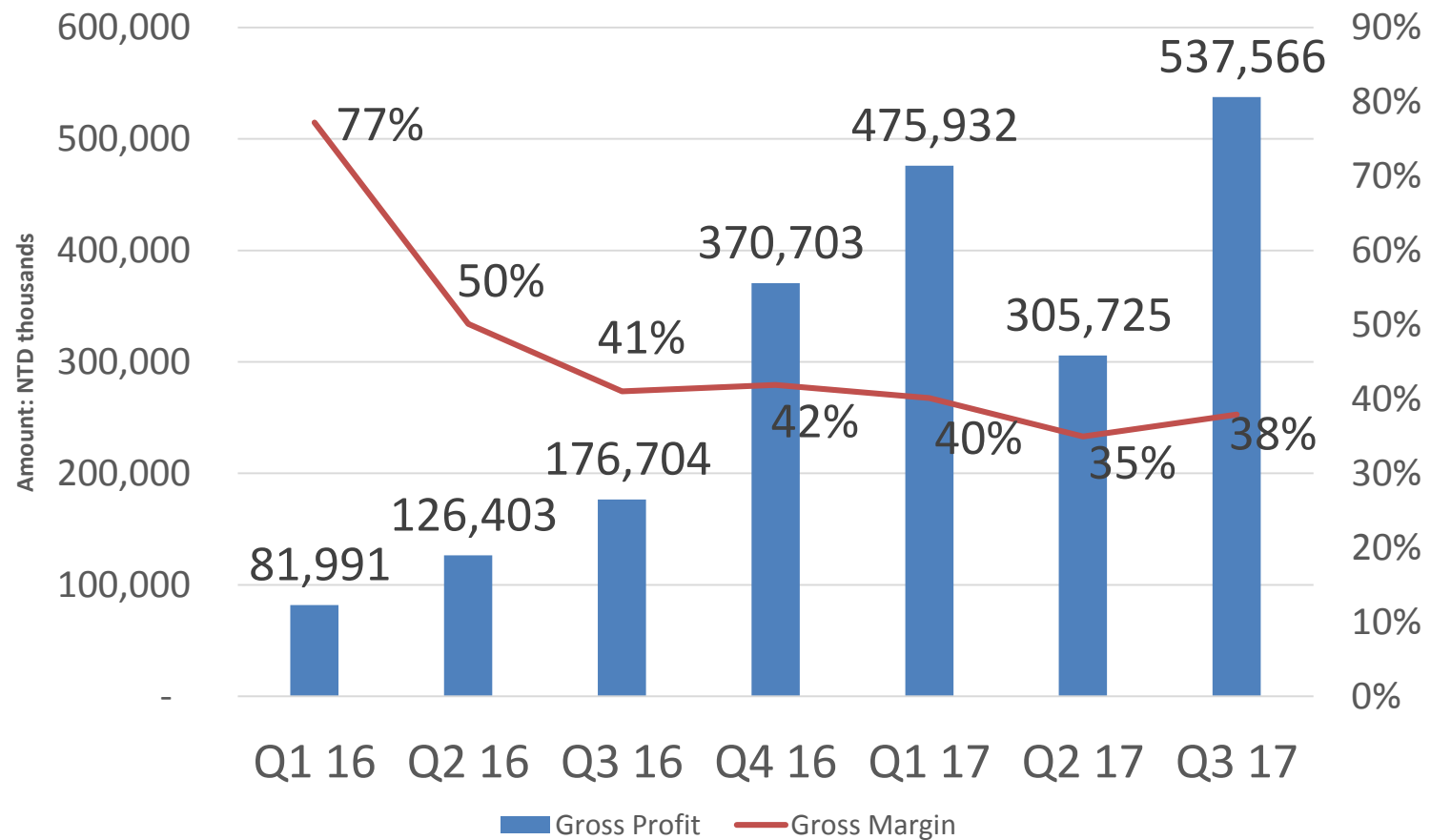


2016 Q1 ~ 2017 Q3 Gross Profit

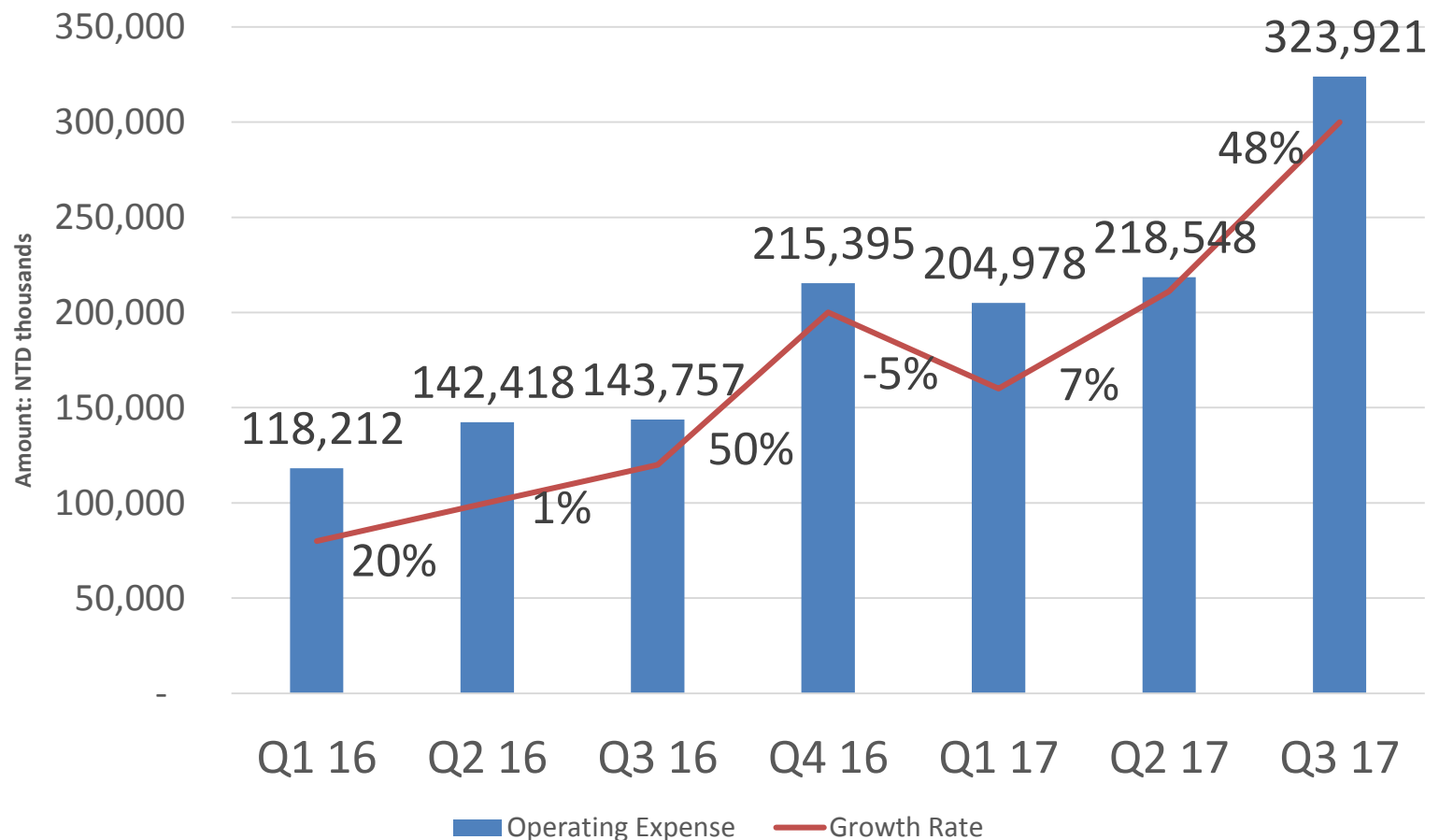


2016 Q1 ~ 2017 Q3

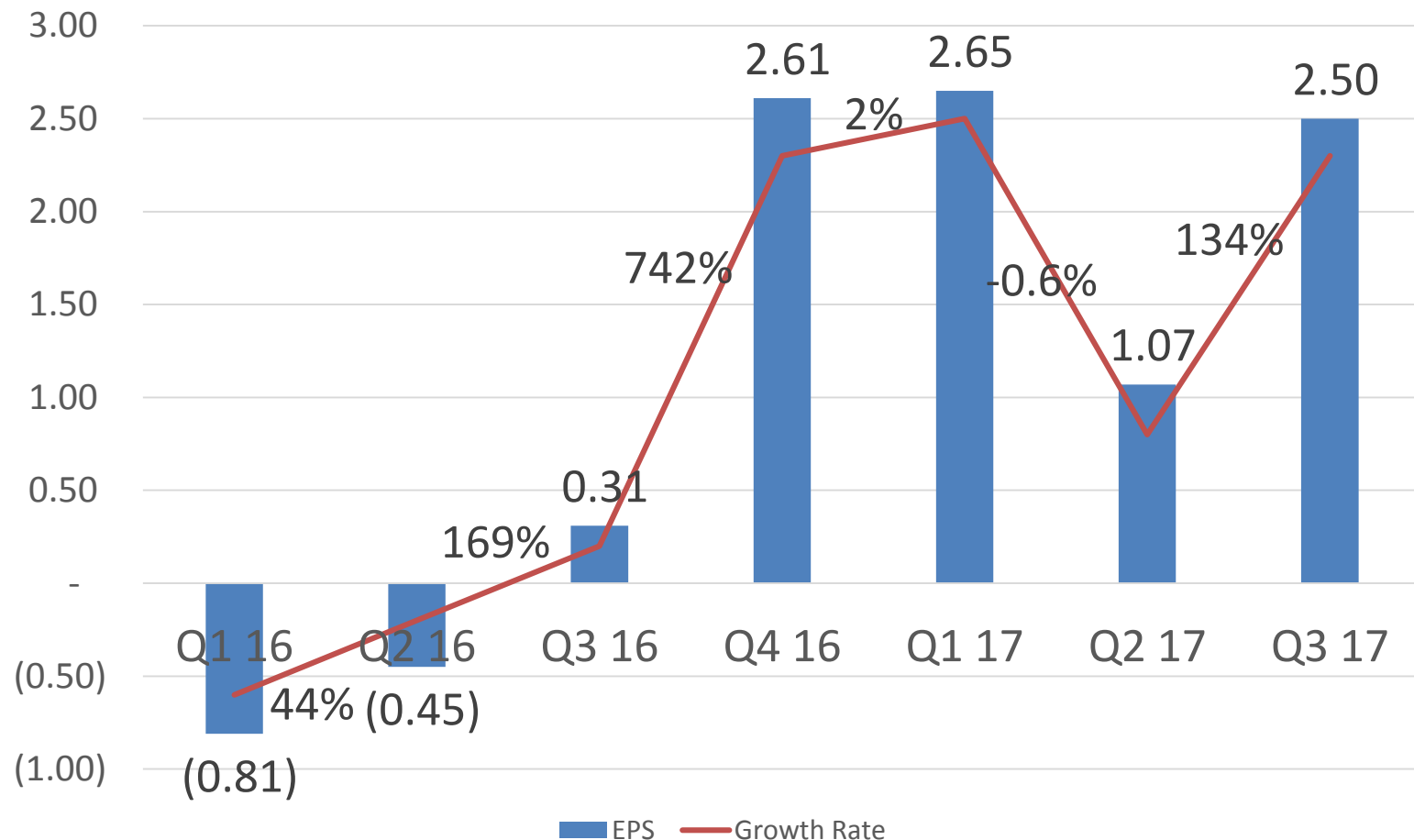
Changes in Operating Margin & Gross Margin



2016 Q1 ~ 2017 Q3 Operating Expense



2016 Q1 ~ 2017 Q3 EPS



Income Statement Summary

Q3



Unit: NTD Thousands	Q3 17	Q3 16	Growth Rate
Net Sales	1,417,348	430,444	229%
COGS	879,782	253,740	247%
Gross Profit	537,566	176,704	204%
Gross Margin	38%	41%	-8%
Operating Expense	323,921	143,757	125%
Operating Expense %	23%	33%	-32%
Operating Income	213,645	32,947	548%
Operating Margin	15%	8%	97%
Non-operating Income and Expense	571	-7,264	108%
Income before Tax	214,216	25,683	734%
Income Tax	39,739	4,346	814%
Net Income (Loss)	174,477	21,337	718%
Net Margin	12%	5%	148%
Total comprehensive income	173,830	21,048	726%
EPS (NT\$)	2.50	0.31	706%

Income Statement Summary

Q1~Q3



Unit: NTD Thousands	Q1~Q3 17	Q1~Q3 16	Growth Rate
Net Sales	3,477,489	788,928	341%
COGS	2,158,266	403,830	434%
Gross Profit	1,319,223	385,098	243%
Gross Margin	38%	49%	-22%
Operating Expense	747,447	404,387	85%
Operating Expense %	21%	51%	-58%
Operating Income	571,776	-19,289	3064%
Operating Margin	16%	-2%	772%
Non-operating Income and Expense	-29,655	-5,347	455%
Income before Tax	542,121	-24,636	2301%
Income Tax	107,855	41,010	163%
Net Income (Loss)	434,266	-65,646	762%
Net Margin	12%	-8%	250%
Total comprehensive income	432,373	-64,749	768%
EPS (NT\$)	6.22	-0.95	755%

Balance Sheet



Unit: NTD Thousands

	Q3 17	Q3 16
<i>Current assets</i>		
Cash and cash equivalents	1,420,430	468,002
Notes and accounts receivable, net	633,298	253,518
Inventories	270,138	312,922
Prepaid expenses and other current assets	44,098	25,196
Total Current assets	2,712,851	1,406,203
<i>Non-Current assets</i>		
Credit goodwill	106,827	106,827
Total Non-Current assets	356,870	299,482
Total Assets	3,069,721	1,705,685
<i>Current liabilities</i>		
Short-term borrowings	388,145	109,311
Notes and accounts payable	291,838	141,145
Accrued expenses and other current liabilities	272,251	137,049
Total Current liabilities	1,051,484	392,069
<i>Non-Current liabilities</i>		
Deferred tax	1,285	-
Total Liabilities	1,052,769	392,069
Total Equity	2,016,952	1,313,616
Current Ratio	258%	359%
Debt ratio	34%	23%

Guidance

- Full year shipment target to major customer is in line with our expectation
- Cost down effort on foundry suppliers will be effective in early 2018 together with our new sensors shipment.
- Diversification on customers portfolio in China market will be starting in early next year
- More R&D effort in optical solution targeting new fingerprint high-end application and targeting shipment in second half next year.
- Higher OPEX in Q4 due to fast growing business in China and Korea market expansion
- Higher inventory level in Q4 to prepare new shipment in early next year.
- Optical sensor has been provided to customer for verification as planned
- Next generation optical sensor for full screen sensing solution is under-development.

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 !