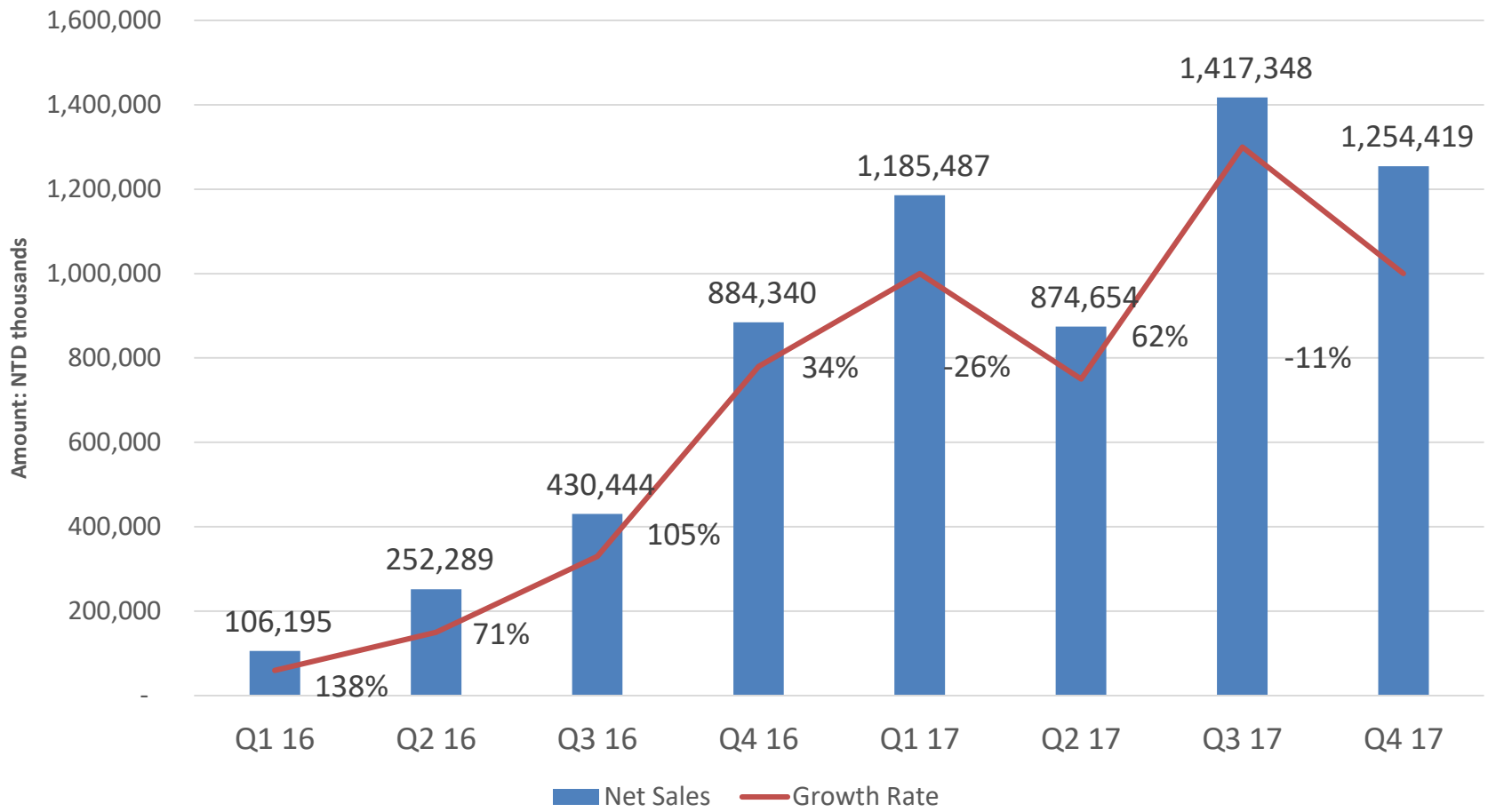




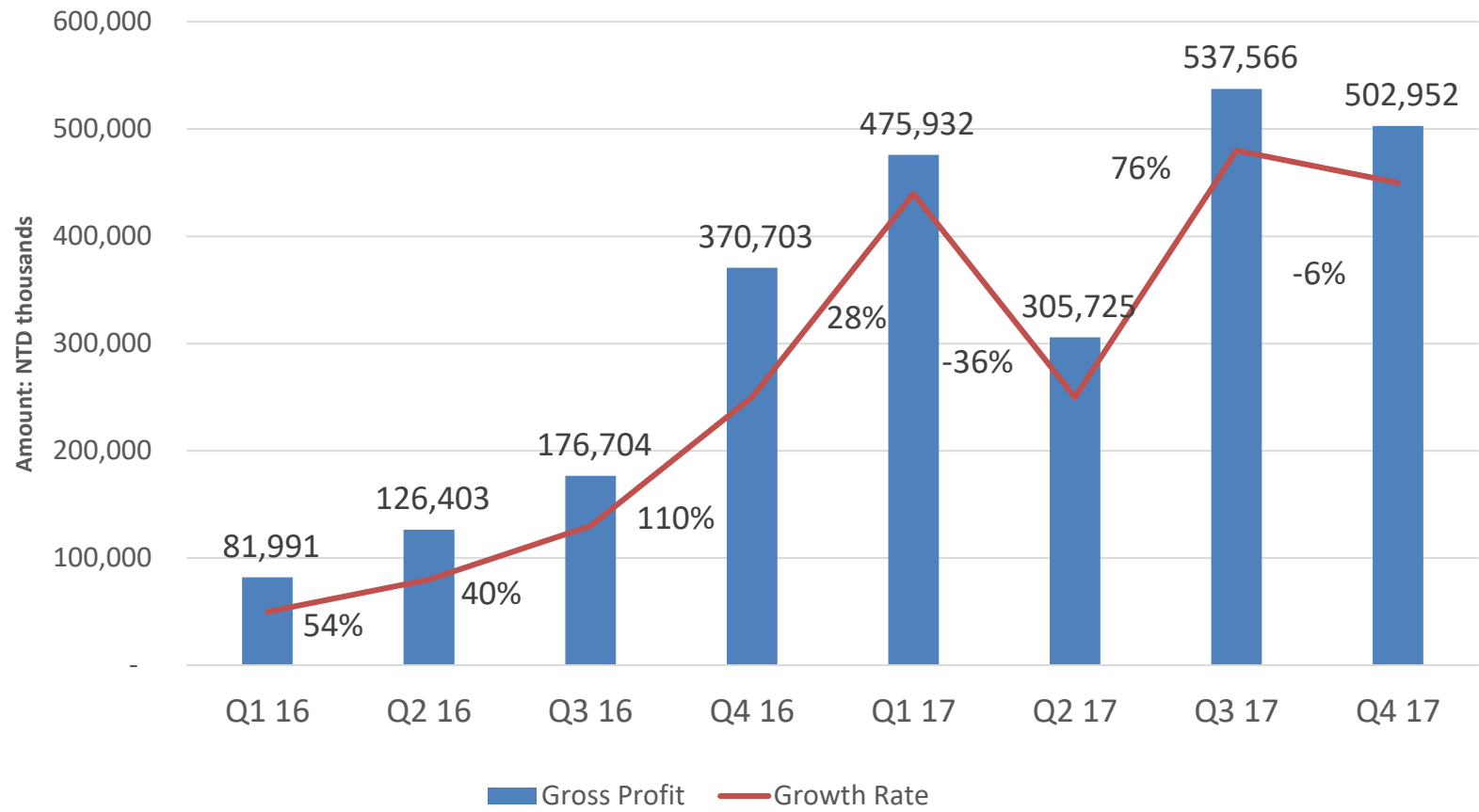
Egis Technology Inc.
2017 Q4



2016 Q1 ~ 2017 Q4 Net Sales

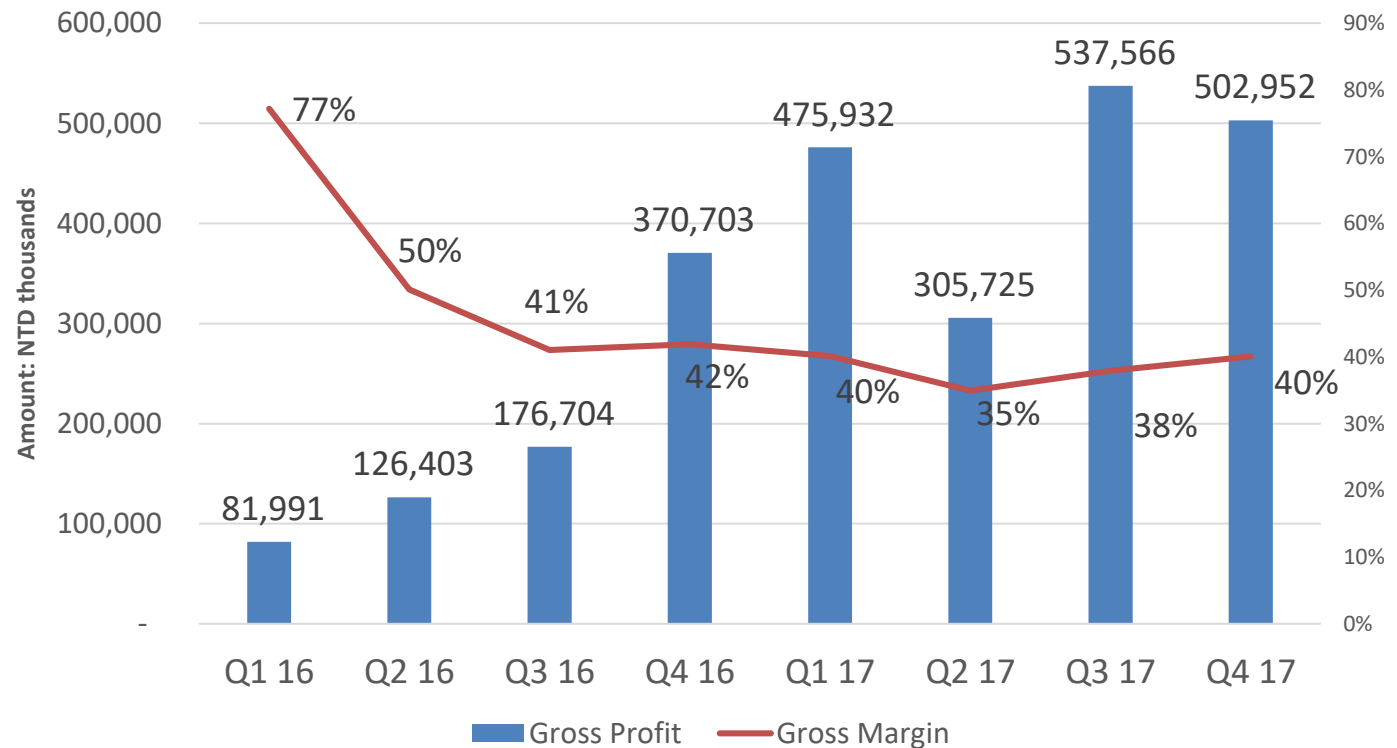


2016 Q1 ~ 2017 Q4 Gross Profit

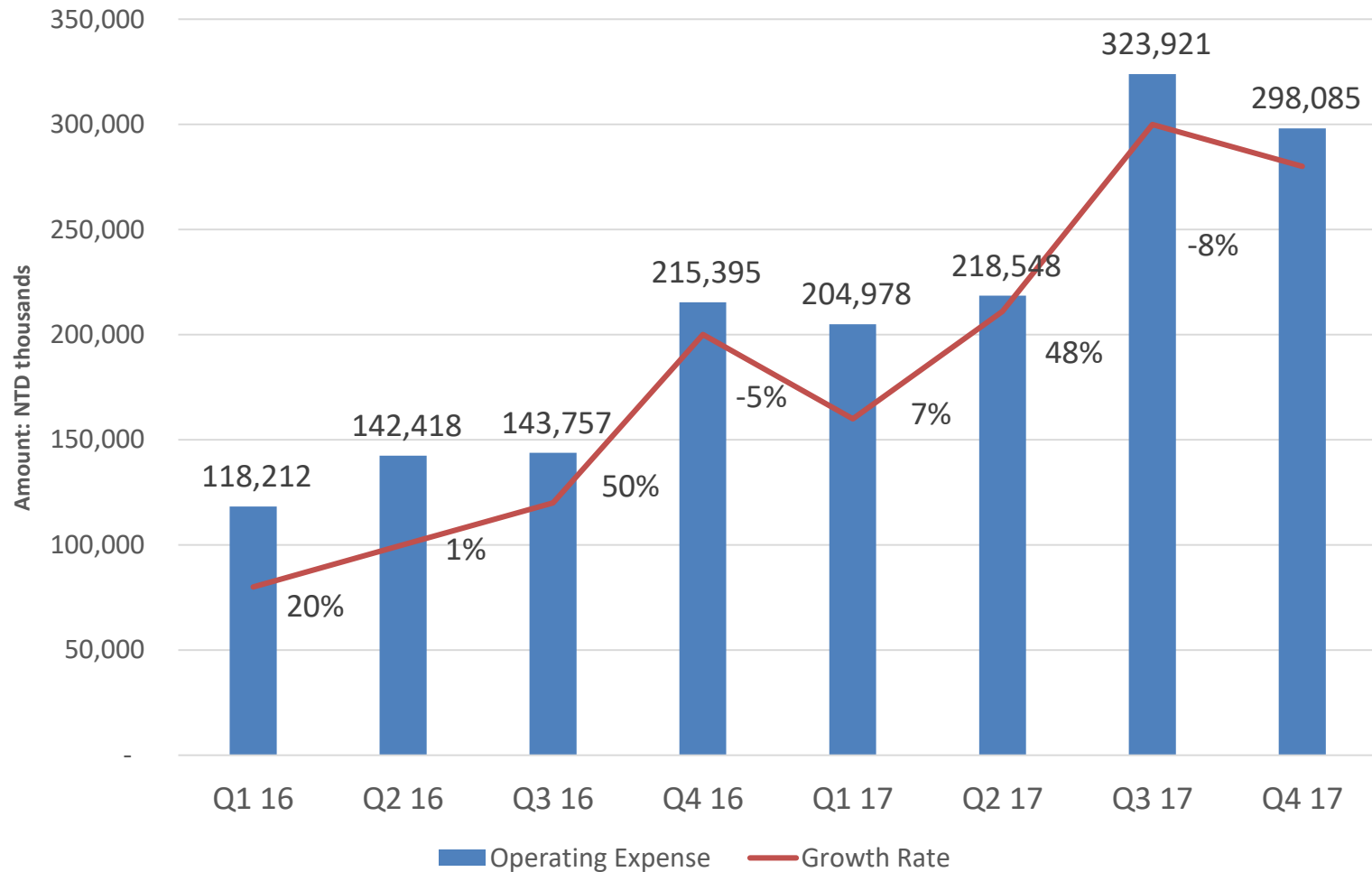


2016 Q1 ~ 2017 Q4

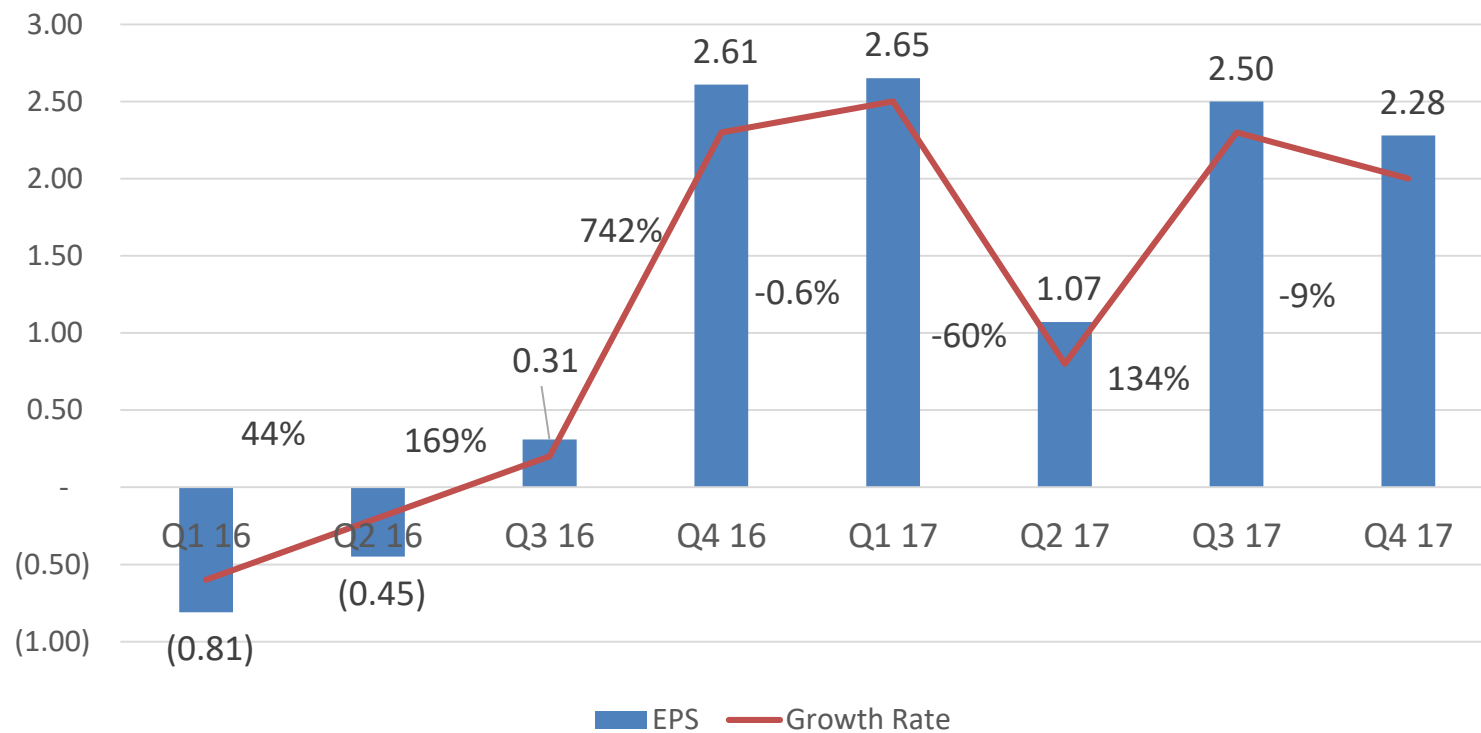
Changes in Operating Margin & Gross Margin



2016 Q1 ~ 2017 Q4 Operating Expense



2016 Q1 ~ 2017 Q4 EPS



Income Statement Summary 2017



Unit: NTD Thousands	2017	2016	Growth Rate
Net Sales	4,731,908	1,673,268	183%
COGS	2,909,733	917,467	217%
Gross Profit	1,822,175	755,801	141%
Gross Margin	39%	45%	-15%
Operating Expense	1,045,532	619,782	69%
Operating Expense %	23%	37%	-38%
Operating Income	776,643	136,019	471%
Operating Margin	16%	8%	102%
Non-operating Income and Expense	-40,757	22,733	-79%
Income before Tax	735,886	158,752	364%
Income Tax	142,695	44,726	219%
Net Income (Loss)	593,191	114,026	420%
Net Margin	13%	7%	84%
Total comprehensive income	590,583	114,707	415%
EPS (NT\$)	8.50	1.66	412%

Balance Sheet



Unit: NTD Thousands

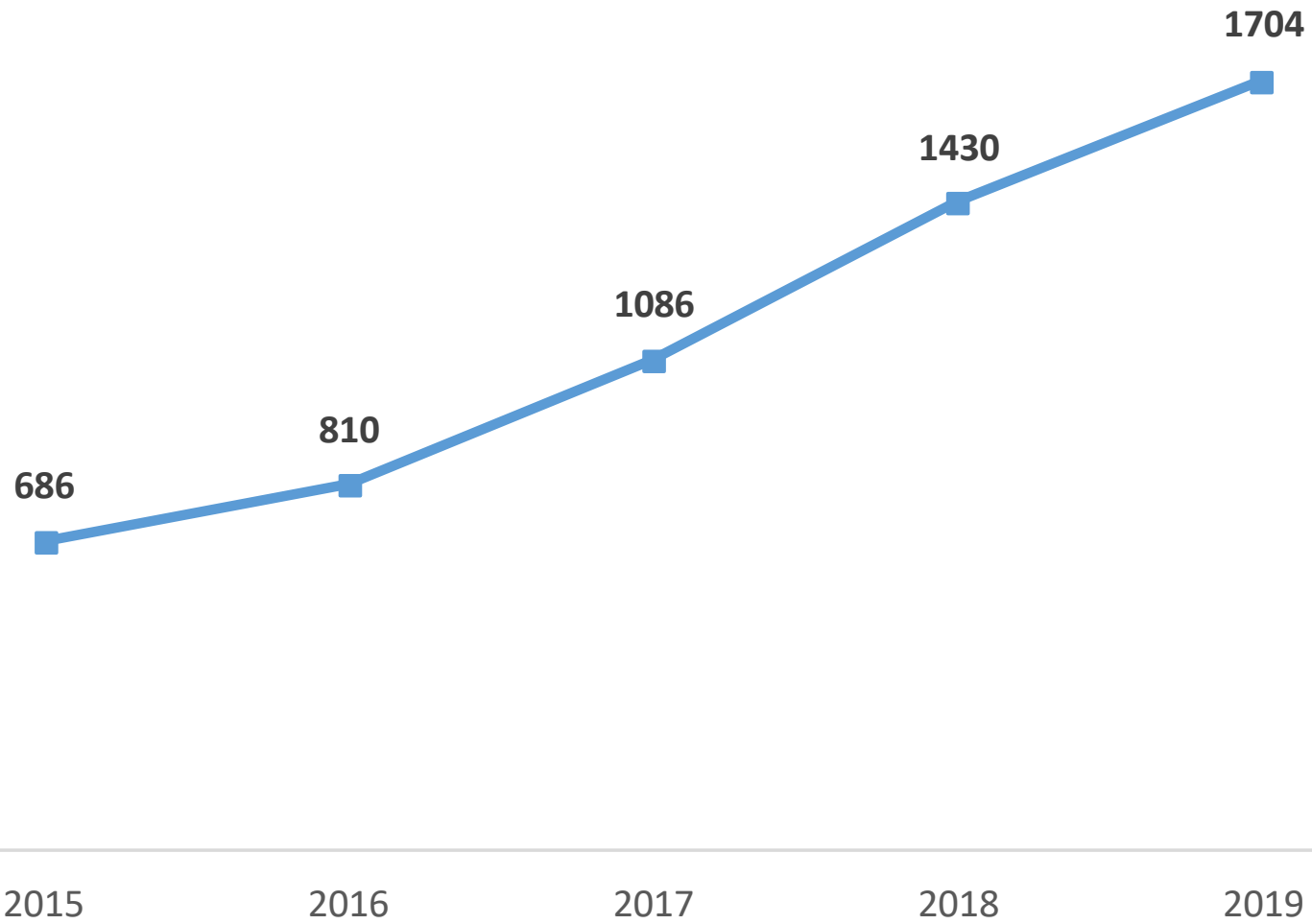
	Q4 17	Q4 16
<i>Current assets</i>		
Cash and cash equivalents	1,153,711	859,795
Notes and accounts receivable, net	729,289	407,697
Inventories	699,553	548,791
Prepaid expenses and other current assets	65,088	46,399
Total Current assets	3,238,969	2,170,794
<i>Non-Current assets</i>		
Total Non-Current assets	388,699	322,264
Total Assets	3,627,668	2,493,058
<i>Current liabilities</i>		
Short-term borrowings	280,519	252,693
Notes and accounts payable	642,598	468,119
Accrued expenses and other current liabilities	311,580	209,371
Total Current liabilities	1,363,586	933,703
<i>Non-Current liabilities</i>		
Deferred tax	-	1,285
Total Liabilities	1,363,586	934,988
Total Equity	2,264,082	1,558,070
Current Ratio	238%	232%
Debt ratio	38%	38%

TECHNOLOGY

OPTICAL

Cost Structure Competitiveness

Gross Die Output



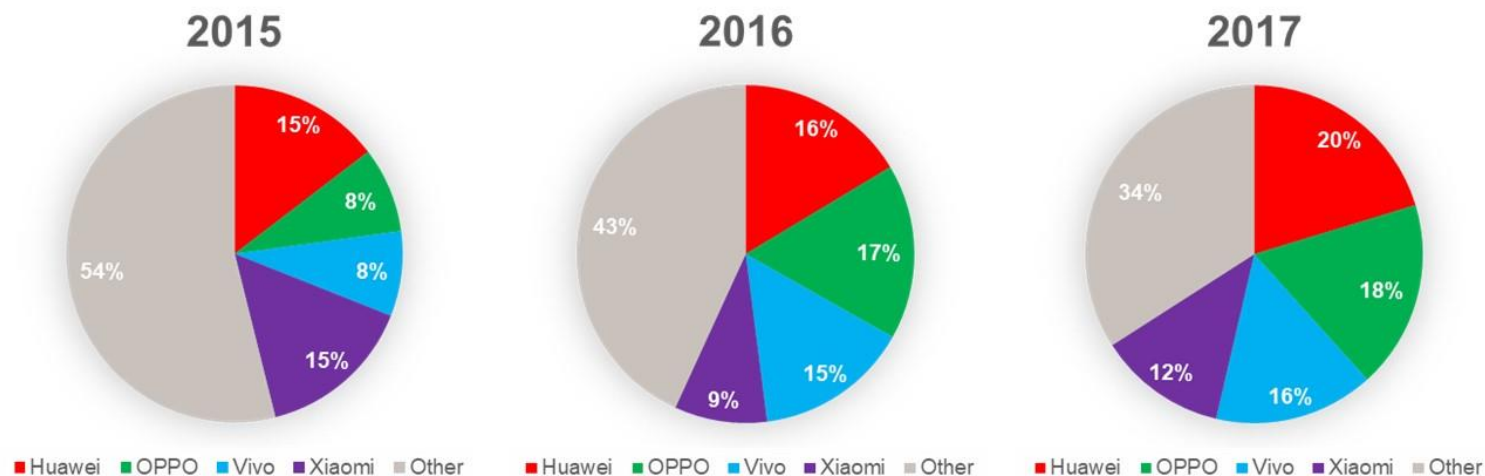
Guidance



- Continue to expand the business with Korean customer with new model shipment in 2018. Full year shipment target to major customer is in line with our expectation
- New wafer supplier vendor joined the supply chain in 2018 and is continuing to improve the cost structure in new product shipment and enhance the competition in both China and the international market
- Successful diversification on customer portfolio in China market starting in Q1-Q2 will further reduce the customer concentration risk
- More R&D effort in optical solution, facial recognition, and other biometric sensors targeting new AI consolidated application
- Continue to manage a justifiable OPEX in 2018 in line with product development and ground support to customers
- Optical sensor has been provided to customer for verification process and looking for under-display possibility
- Next generation optical sensor for full screen sensing solution is under-development

Market

- Market competition in China is crucial in Mobile phone industry. The branding product market concentration ratio is getting higher especially for top 4 players. So, for Egis, this is a good entry point to win the project of the top 4 customers due to our better cost structure and without historical inventory burden like peers to further strengthen our product flexibility and negotiation power



Source: IDC, Credit Suisse

Market



- More biometric sensing technology such as 3D facial recognition and Iris 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, and automobile will be emerging in the near future

Thank you !