

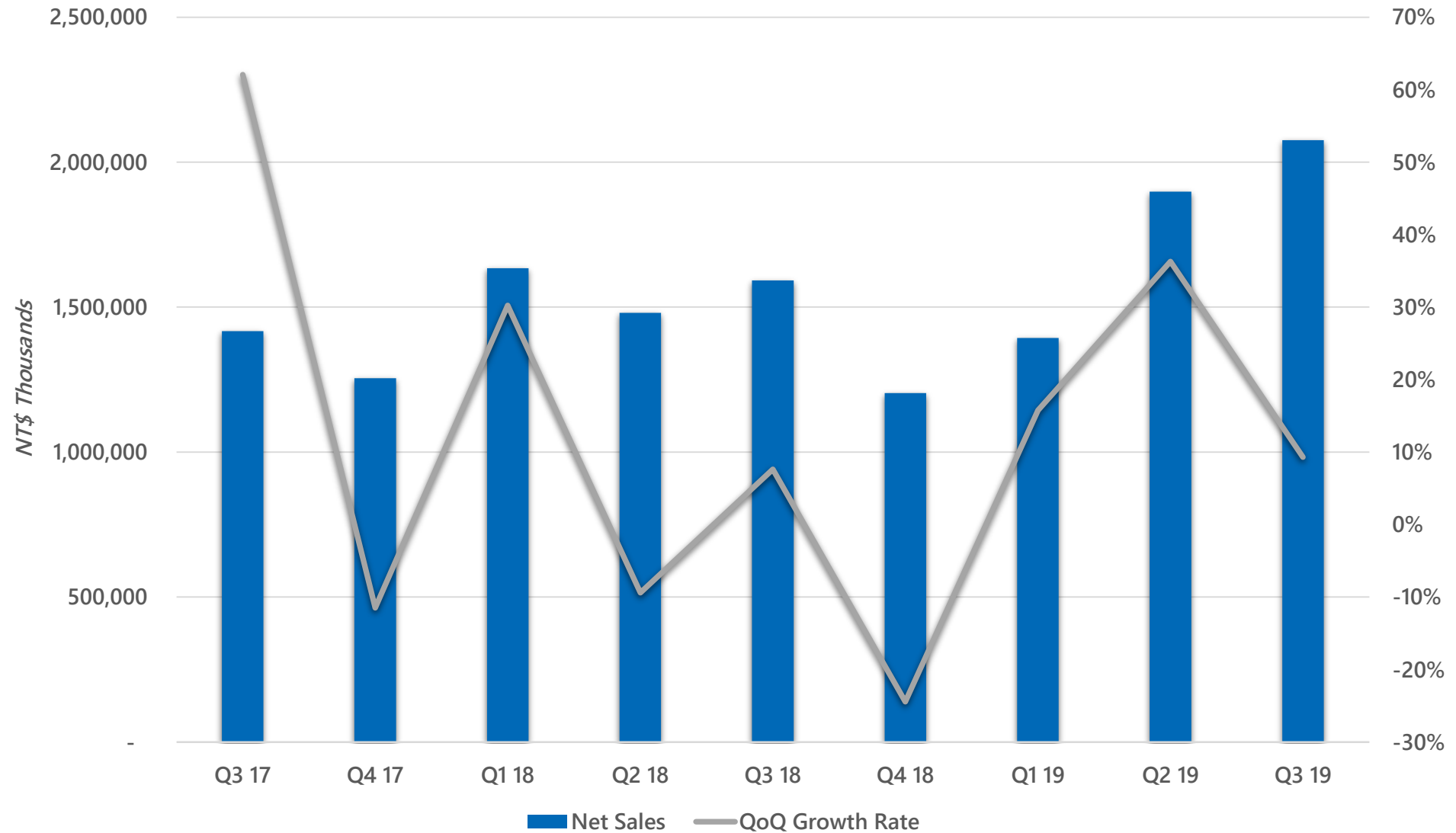
Egis Technology Inc.

2019 Q3

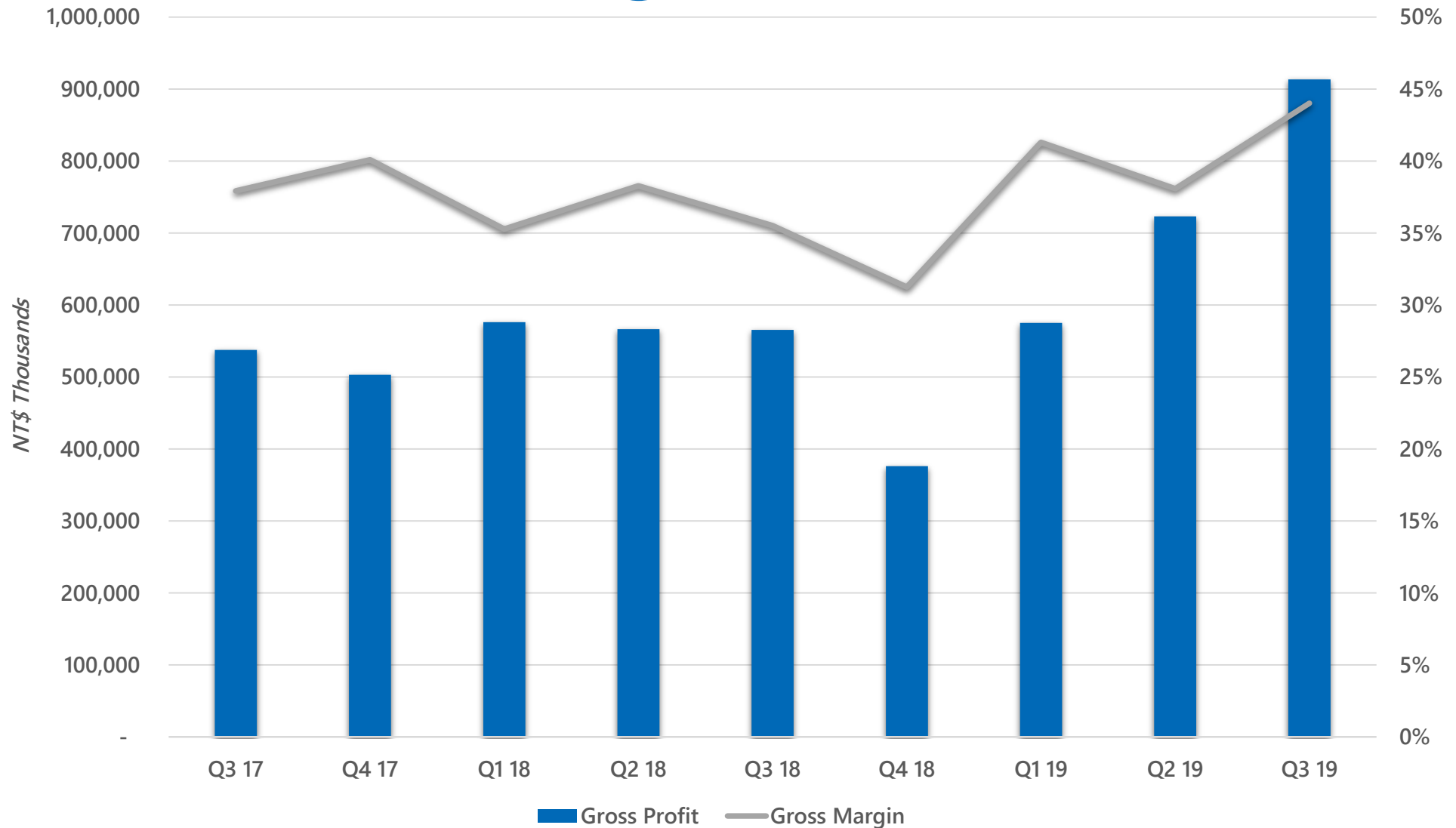
Confidential



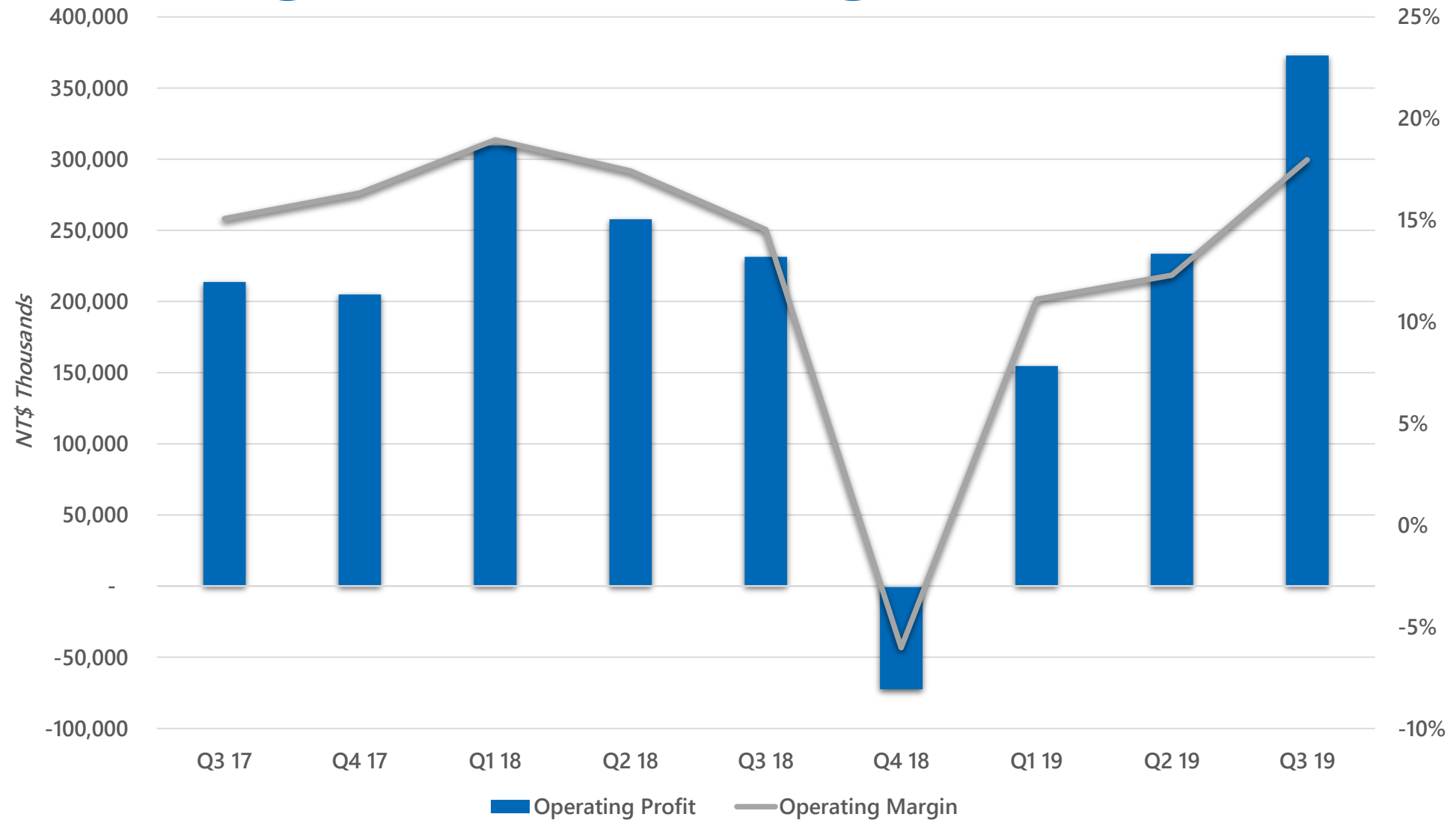
Net Sales Trend



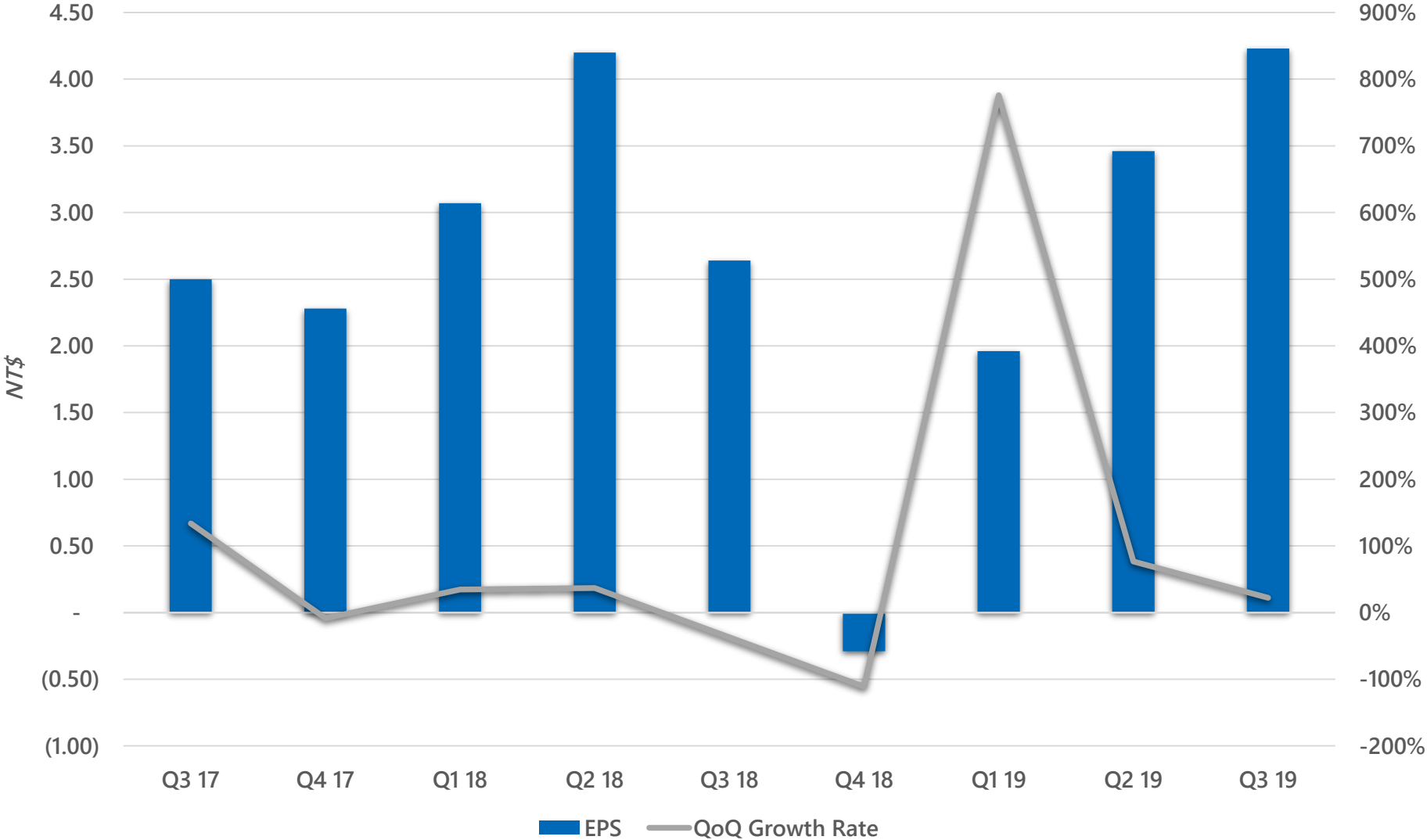
Gross Profit & Margin Trend



Operating Profit & Margin Trend



EPS



Income Statement 2019 Q3 vs. 2019 Q2

Unit: NT\$ Thousands

	Q3 2019	Q2 2019
Net Sales	2,075,413	1,898,529
COGS	1,161,982	1,175,578
Gross Profit	913,431	722,952
Gross Margin	44%	38%
Operating Expense	540,589	489,440
Operating Income	372,842	233,512
Operating Margin	18%	12%
Non-operating Income and Expense	8,613	35,590
Income before Tax	381,455	269,101
Income Tax	87,714	41,416
Income after Tax	293,741	227,686
Minority Interest	4,170	(8,687)
Parent Net Income (Loss)	289,571	236,373
Net Margin	14%	12%
EPS (NT\$)	4.23	3.46

Income Statement 2019 Q3 vs. 2018 Q3

Unit: NT\$ Thousands

	Q3 2019	Q3 2018
Net Sales	2,075,413	1,592,414
COGS	1,161,982	1,027,083
Gross Profit	913,431	565,331
Gross Margin	44%	36%
Operating Expense	540,589	333,941
Operating Income	372,842	231,390
Operating Margin	18%	15%
Non-operating Income and Expense	8,613	6,603
Income before Tax	381,455	237,993
Income Tax	87,714	53,797
Income after Tax	293,741	184,196
Minority Interest	4,170	0
Parent Net Income (Loss)	289,571	184,196
Net Margin	14%	12%
EPS (NT\$)	4.23	2.64

Balance Sheet

Unit: NT\$ Thousands

	Q3 2019	Q3 2018
Current assets		
Cash and cash equivalents	2,370,371	1,747,271
Notes and accounts receivable, net	1,621,835	1,240,250
Inventories	394,177	838,444
Prepaid expenses and other current assets	173,493	156,857
Total current assets	5,317,994	4,009,755
Non-current assets	677,263	398,944
Total Assets	5,995,257	4,408,699
Current liabilities		
Short-term borrowings	1,384,315	717,436
Notes and accounts payable	903,517	513,865
Accrued expenses and other current liabilities	851,628	466,243
Total current liabilities	3,362,861	1,889,936
Total Liabilities	3,430,512	1,889,936
Total Equity	2,564,745	2,518,763

Recap

3Q19 revenues grew 9% QoQ to NT\$2.1bn, better than our guidance of “mild” growth.

Gross margin had a nice improvement, up 6 pts QoQ to 44%, and was the highest since 1H16.

Operating profit rose 60% QoQ, while operating margin also increased 6 pts QoQ to 18%.

EPS was NT\$4.2, up 22% QoQ, partially impacted by F/X losses seen in recent weeks.

Outlook

Big customers requested not to carry inventory at year-end, and this may result in some order fluctuations for us. As a result, total shipment volume in 4Q19 could be less than what we have predicted a few months ago.

That being said, we see it as a temporary matter at the most, and we continue to see an increase in model counts, which is in line with what we have been communicating to the market.

Also, some of the models that we are shipping now are already for customers' launch in 1H20.

Last but not least, shipments of optical sensors for our second Chinese customer have already commenced.

Gross margin will remain stable.

Thank you