

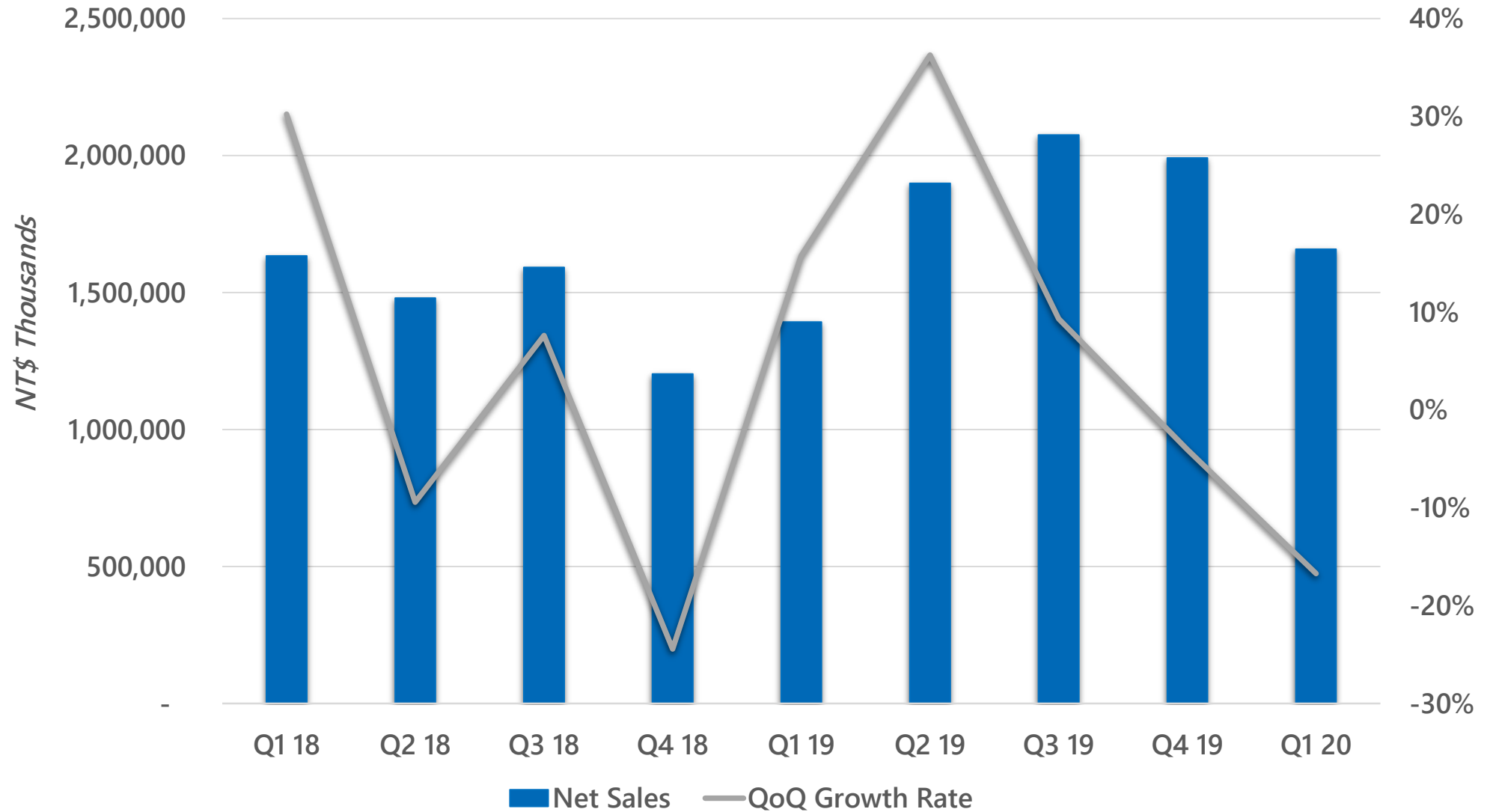
Egis Technology Inc.

2020 Q1

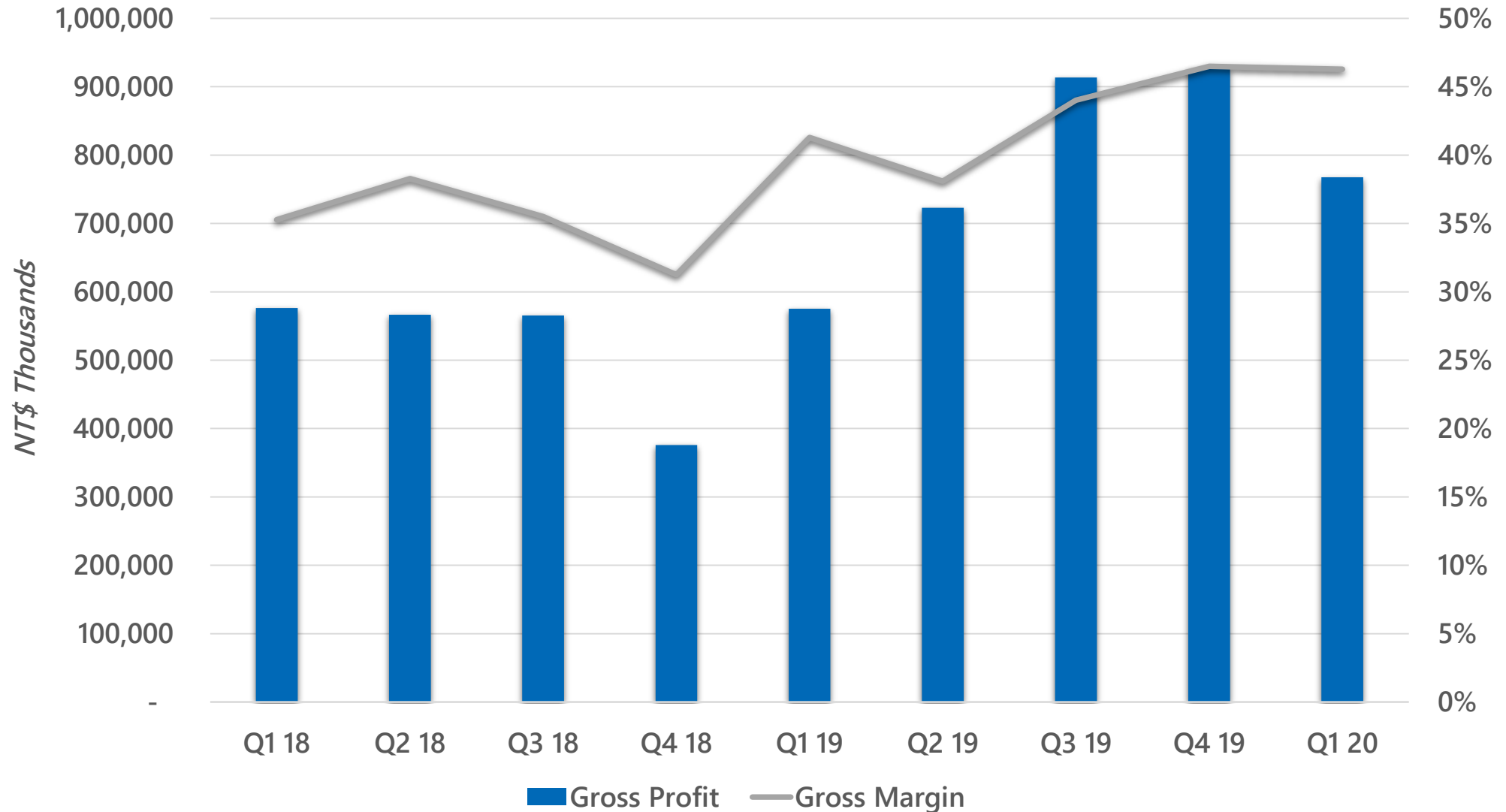
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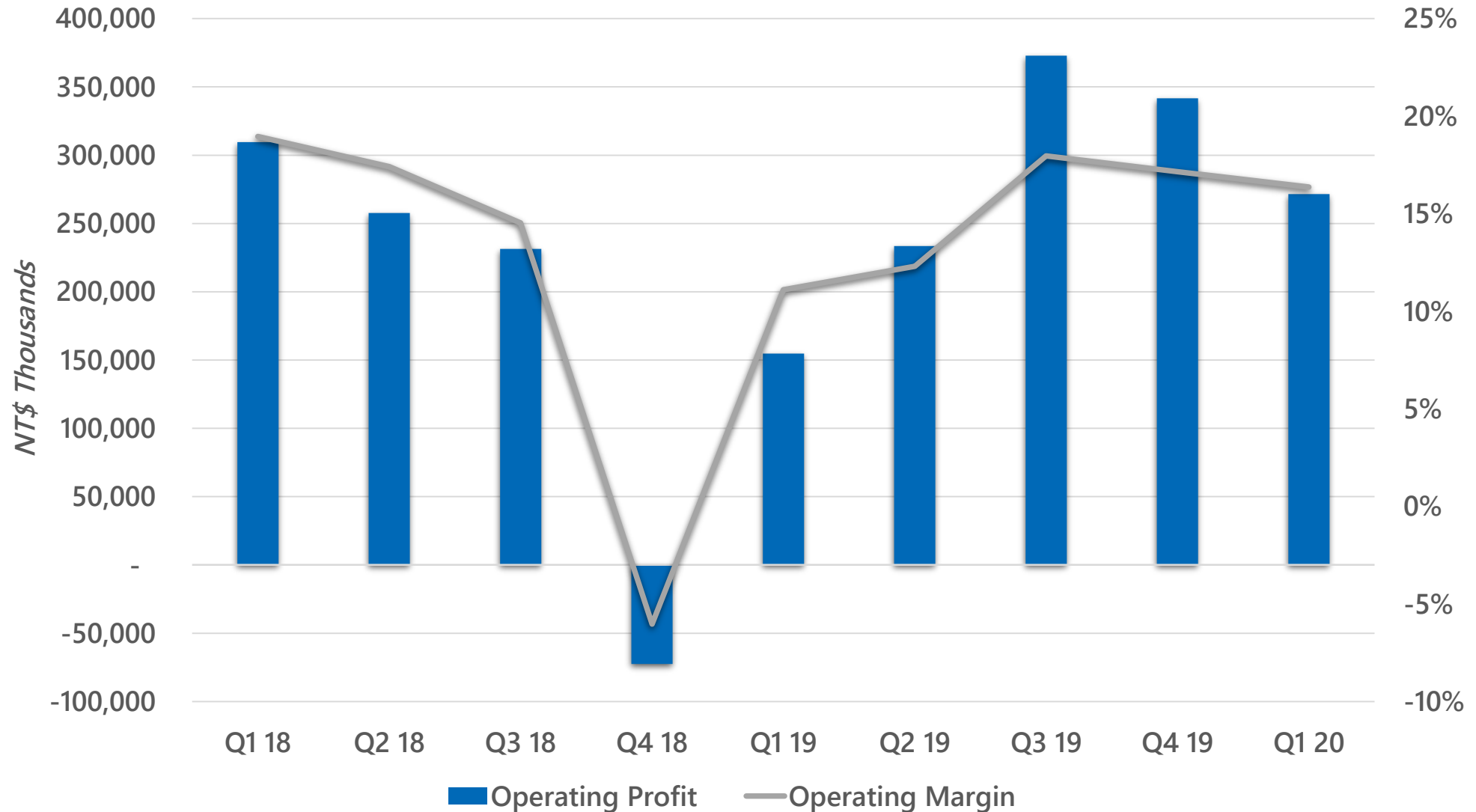
Net Sales Trend



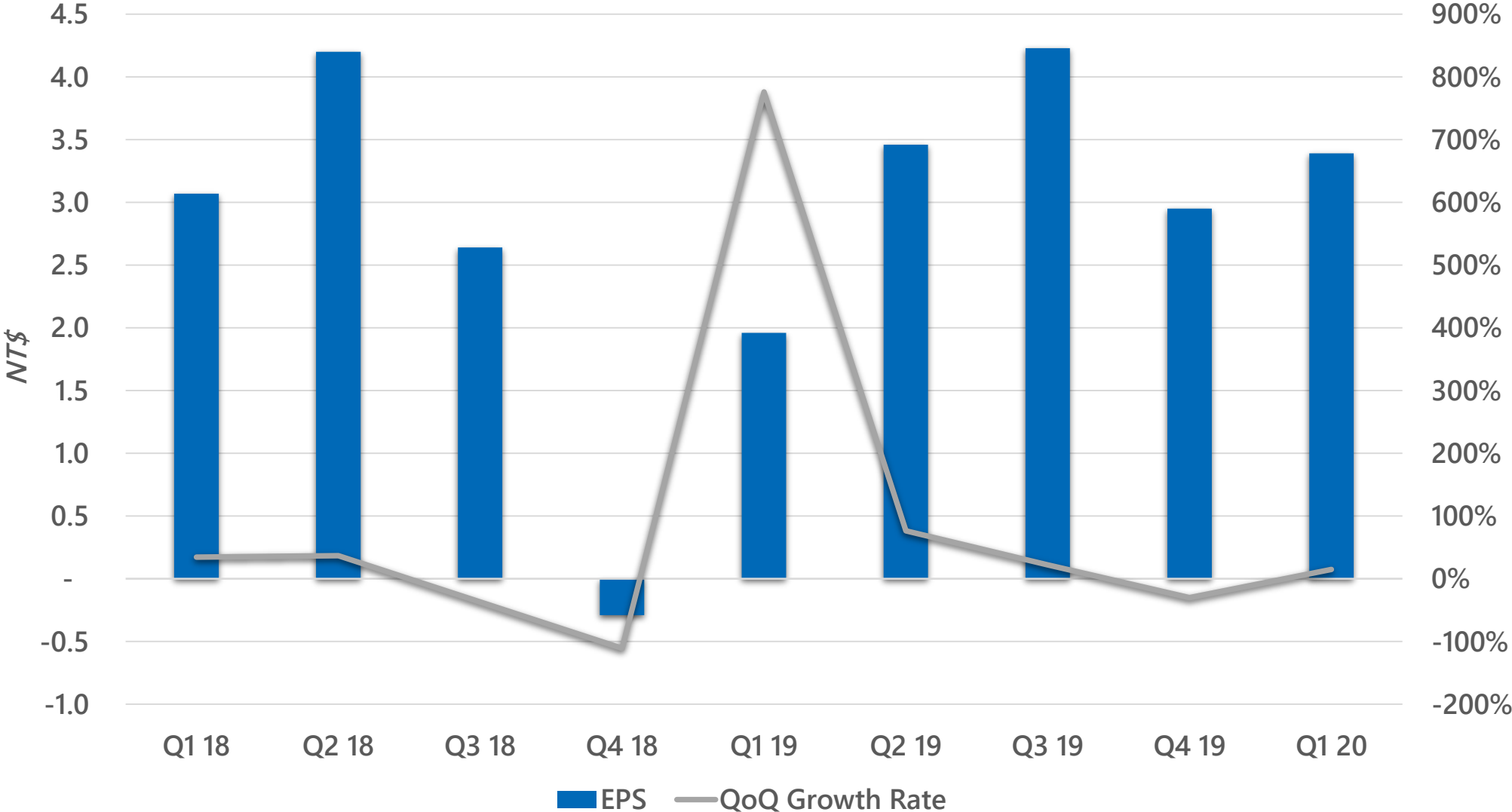
Gross Profit & Margin Trend



Operating Profit & Margin Trend



EPS



Income Statement 2020 Q1 vs. 2019 Q4

Unit: NT\$ Thousands

	Q1 2020	Q4 2019	Growth Rate
Net Sales	1,658,359	1,991,380	-17%
COGS	890,939	1,065,701	
Gross Profit	767,420	925,679	-17%
Gross Margin	46.3%	46.5%	
Operating Expense	495,888	584,024	
Operating Income	271,531	341,655	-21%
Operating Margin	16.4%	17.2%	
Non-operating Income and Expense	29,246	(107,478)	
Income before Tax	300,778	234,178	
Income Tax	67,041	29,578	
Income after Tax	233,737	204,599	
Minority Interest	(802)	1,531	
Parent Net Income (Loss)	234,539	203,069	15%
Net Margin	14.1%	10.2%	
EPS (NT\$)	3.39	2.95	15%

Income Statement 2020 Q1 vs. 2019 Q1

Unit: NT\$ Thousands

	Q1 2020	Q1 2019	Growth Rate
Net Sales	1,658,359	1,393,119	19%
COGS	890,939	817,873	
Gross Profit	767,420	575,246	33%
Gross Margin	46.3%	41.3%	
Operating Expense	495,888	420,603	
Operating Income	271,531	154,642	76%
Operating Margin	16.4%	11.1%	
Non-operating Income and Expense	29,246	12,825	
Income before Tax	300,778	167,467	
Income Tax	67,041	40,791	
Income after Tax	233,737	126,677	
Minority Interest	(802)	(6,991)	
Parent Net Income (Loss)	234,539	133,668	75%
Net Margin	14.1%	9.6%	
EPS (NT\$)	3.39	1.96	

Balance Sheet

Unit: NT\$ Thousands

	Q1 2020	Q1 2019
Current assets		
Cash and cash equivalents	2,633,513	2,667,129
Notes and accounts receivable, net	872,411	816,455
Inventories	752,487	386,441
Total current assets	4,487,698	4,018,236
Non-current assets	746,475	692,315
Total Assets	5,234,174	4,710,551
Current liabilities		
Short-term borrowings	973,773	918,896
Notes and accounts payable	371,212	514,628
Accrued expenses and other current liabilities	491,056	457,926
Total current liabilities	2,107,400	2,079,617
Total Liabilities	2,174,065	2,165,339
Total Equity	3,060,109	2,545,212

Business Update

As mentioned previously, the bottleneck in 1Q20 was more component driven, and we have seen the virus impact on the demand side starting from this quarter. Similar to the comments made by other vendors across the smartphone supply chain, a slowdown in demand in the near-term could be inevitable.

In addition, two months ago we could not have anticipated a full lockdown in India (not to mention the lockdown was subsequently extended twice), and this has also resulted in a temporary disruption at OEM customers' final assembly.

On a good note, we are still ramping up new models for our existing customers. More importantly, we are making a decent progress in China and gaining traction at new Chinese OEM customers. Customer diversification can help mitigate the adverse effect from the macro setback, and will become a key growth driver for us especially when the dust settles in 2H20.

We expect gross margin to remain fairly stable.

Thank you