

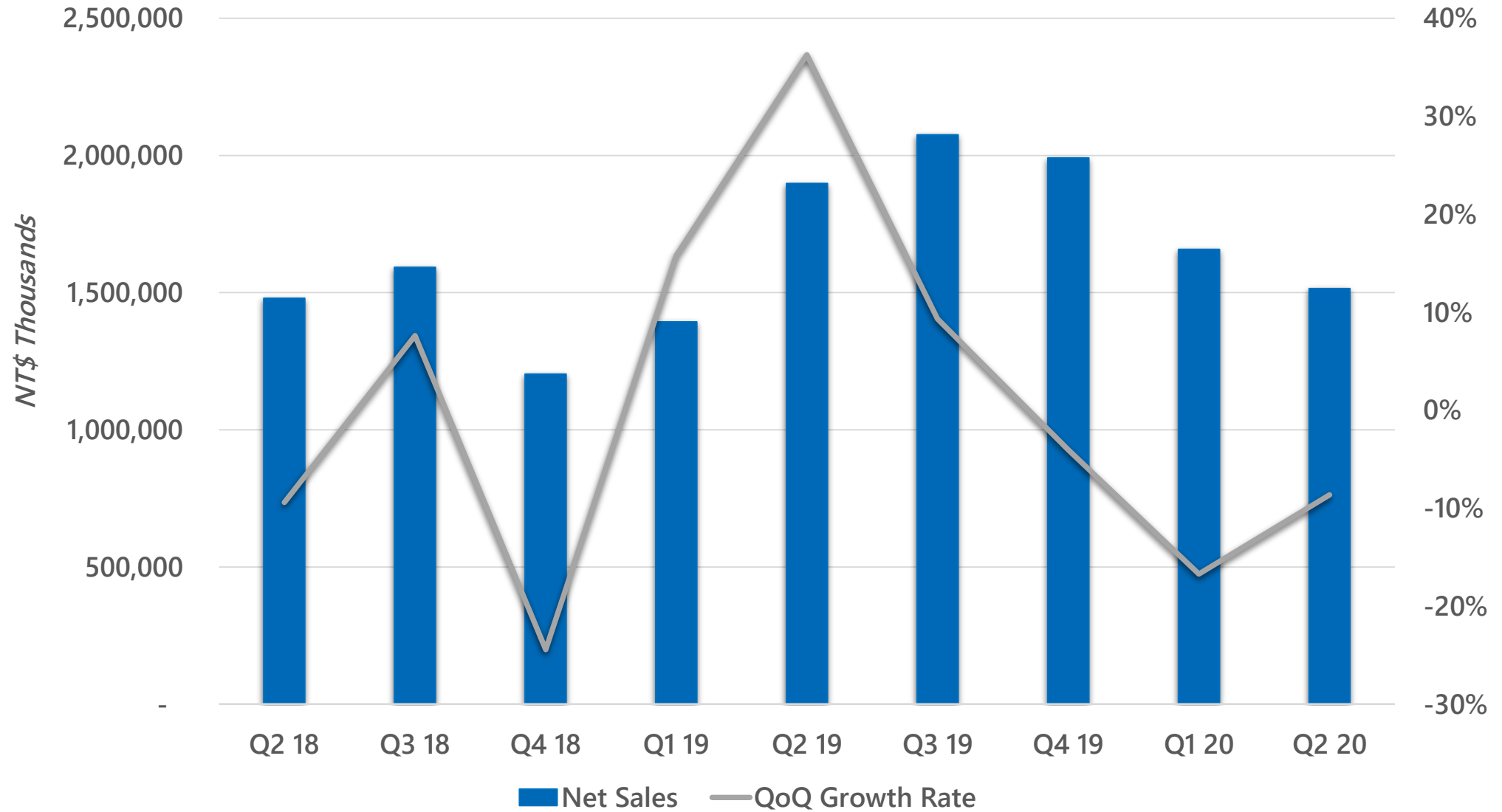
# Egis Technology Inc.

2020 Q2

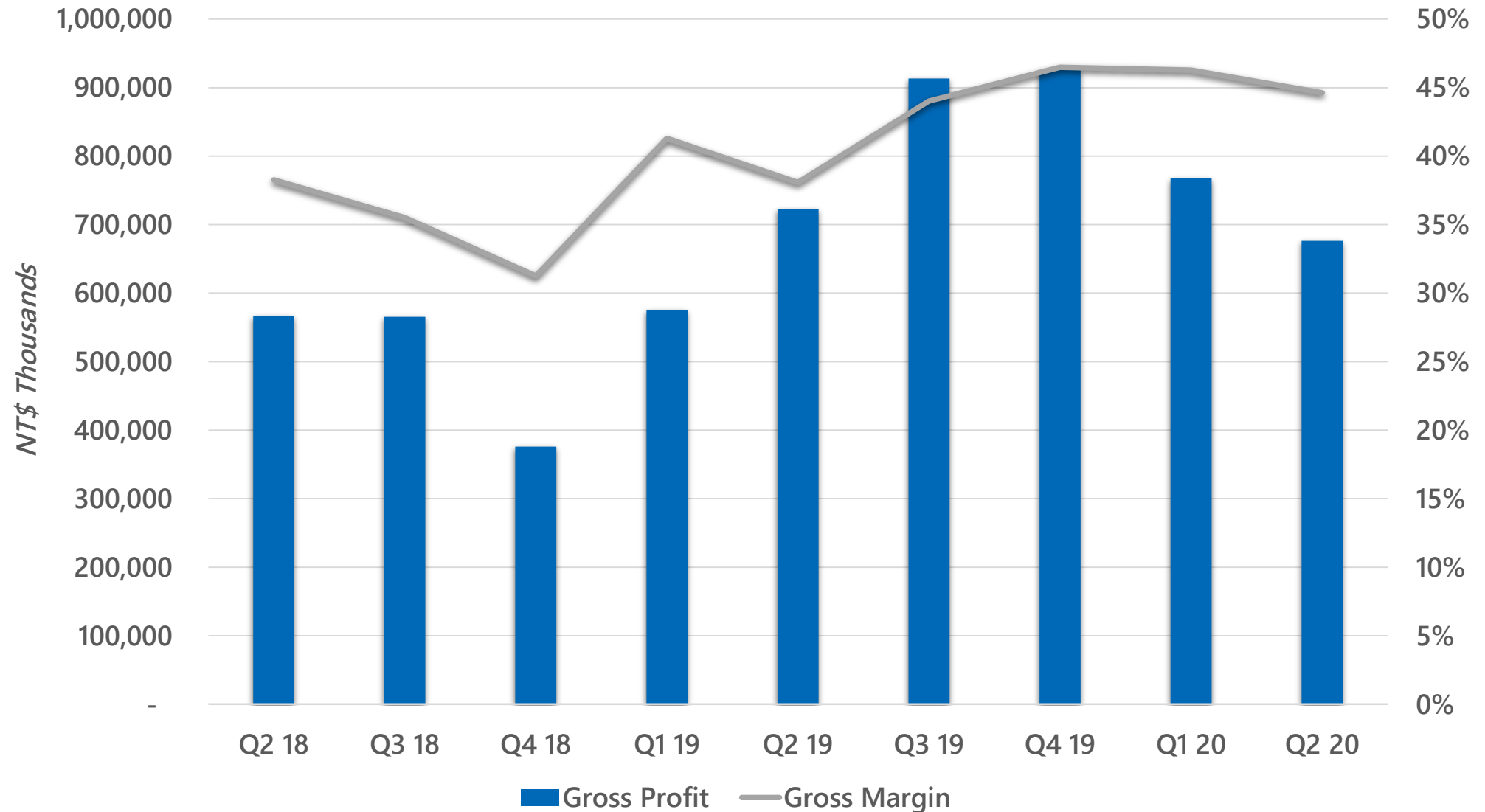
Confidential



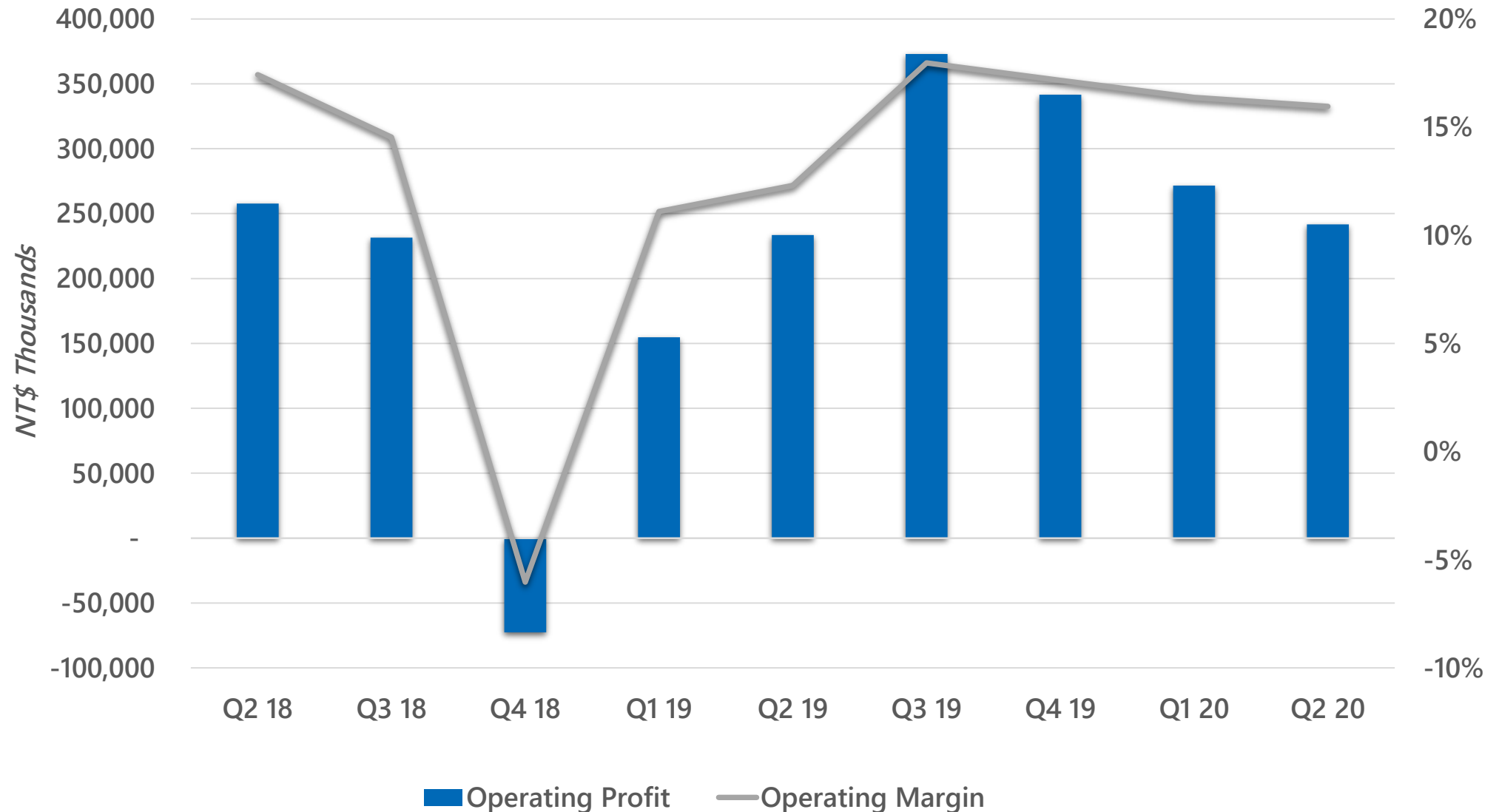
# Net Sales Trend



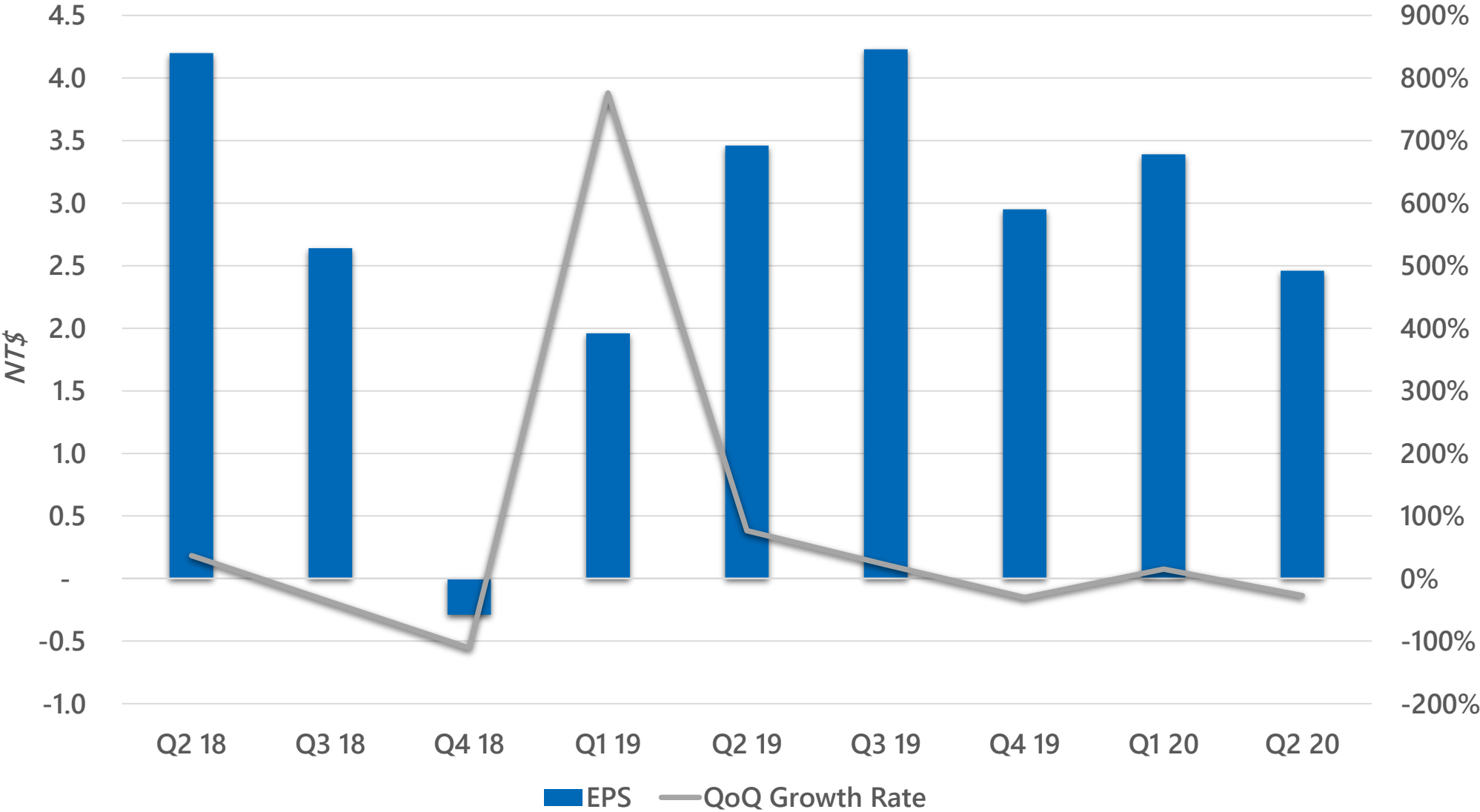
# Gross Profit & Margin Trend



# Operating Profit & Margin Trend



# EPS



# Income Statement 2020 Q2 vs. 2020 Q1

Unit: NT\$ Thousands

	Q2 2020	Q1 2020	Growth Rate
<b>Net Sales</b>	1,515,098	1,658,359	-9%
COGS	839,000	890,939	
<b>Gross Profit</b>	676,098	767,420	-12%
Gross Margin	45%	46%	
Operating Expense	434,392	495,888	
<b>Operating Income</b>	241,707	271,531	-11%
Operating Margin	16%	16%	
Non-operating Income and Expense	(66,654)	29,246	
<b>Income before Tax</b>	175,053	300,778	
Income Tax	5,431	67,041	
<b>Income after Tax</b>	169,621	233,737	
Minority Interest	(316)	(802)	
<b>Parent Net Income (Loss)</b>	169,937	234,539	
Net Margin	11%	14%	
<b>EPS (NT\$)</b>	2.5	3.4	

# Income Statement 2020 Q2 vs. 2019 Q2

Unit: NT\$ Thousands

	Q2 2020	Q2 2019	Growth Rate
<b>Net Sales</b>	1,515,098	1,898,529	-20%
COGS	839,000	1,175,578	
<b>Gross Profit</b>	676,098	722,952	-6%
Gross Margin	45%	38%	
Operating Expense	434,392	489,440	
<b>Operating Income</b>	241,707	233,512	4%
Operating Margin	16%	12%	
Non-operating Income and Expense	(66,654)	35,590	
<b>Income before Tax</b>	175,053	269,101	
Income Tax	5,431	41,416	
<b>Income after Tax</b>	169,621	227,686	
Minority Interest	(316)	(8,687)	
<b>Parent Net Income (Loss)</b>	169,937	236,373	
Net Margin	11%	12%	
<b>EPS (NT\$)</b>	2.5	3.5	

# Balance Sheet

Unit: NT\$ Thousands

	Q2 2020	Q2 2019
<b>Current assets</b>		
Cash and cash equivalents	2,906,801	2,905,136
Notes and accounts receivable, net	652,705	1,231,554
Inventories	548,579	265,867
<b>Total current assets</b>	<b>4,278,134</b>	<b>4,547,370</b>
<b>Non-current assets</b>	<b>2,260,922</b>	<b>700,556</b>
<b>Total Assets</b>	<b>6,539,056</b>	<b>5,247,926</b>
<b>Current liabilities</b>		
Short-term borrowings	1,378,760	968,042
Notes and accounts payable	230,952	573,731
Accrued expenses and other current liabilities	541,198	726,744
<b>Total current liabilities</b>	<b>2,906,252</b>	<b>2,964,942</b>
<b>Total Liabilities</b>	<b>3,923,335</b>	<b>3,042,292</b>
<b>Total Equity</b>	<b>2,615,721</b>	<b>2,205,635</b>



# Business Update

Despite 1H20 revenues showing a mild YoY contraction due to the global pandemic, our operating profit increased 32% YoY driven by the better GM and opex control.

Demand is now recovering, and we are seeing decent customers' pull-in into the seasonally strong months (from both Korean and Chinese customers). As a result, we forecast revenues to rise QoQ in 3Q20. In fact, certain products may even experience foundry capacity constraints, as a result of the rush orders seen in recent days.

For our optical fingerprint sensors, we continue to expand our customer base in China.

Progress of our new fingerprint (ultra-slim, large-area OLED, full-screen LCD) and AI products also remain largely on track.

The shift in product mix has resulted in a small fluctuation in GM in 2Q20, and GM for like-to-like products is stable. Meanwhile, we are seeing unfavorable F/X impact in non-op losses.

# Thank you