

Egis Technology Inc.

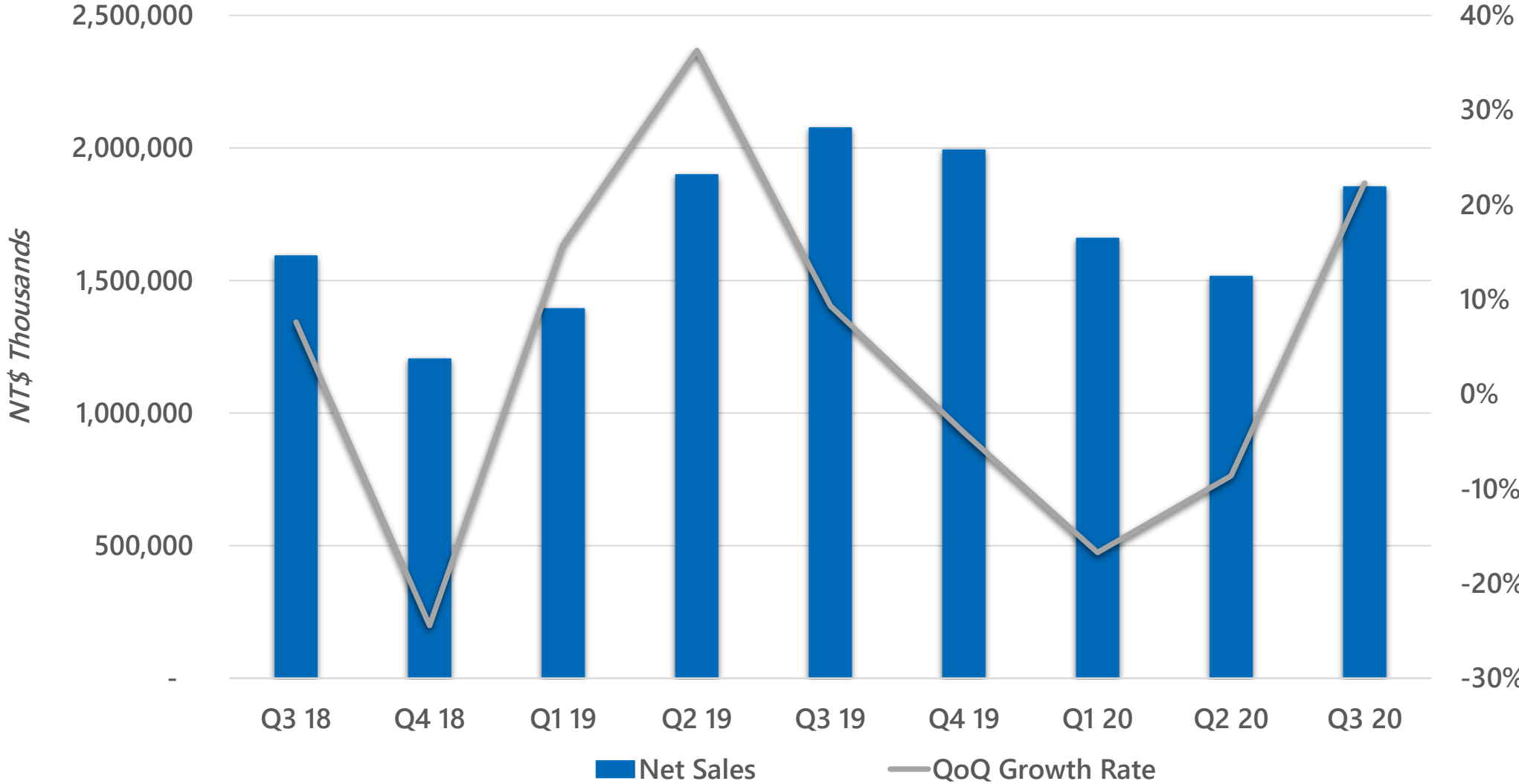
2020 Q3

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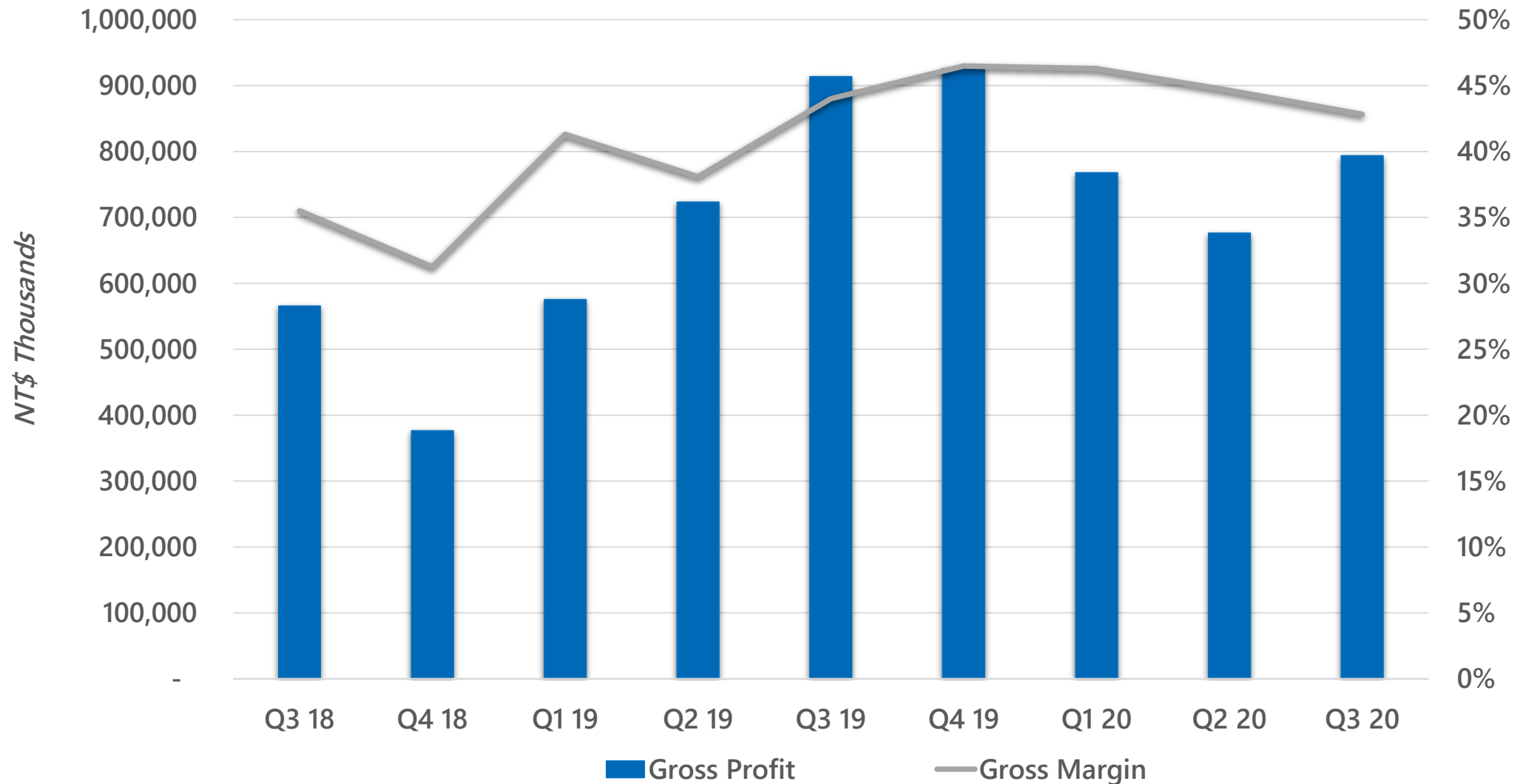
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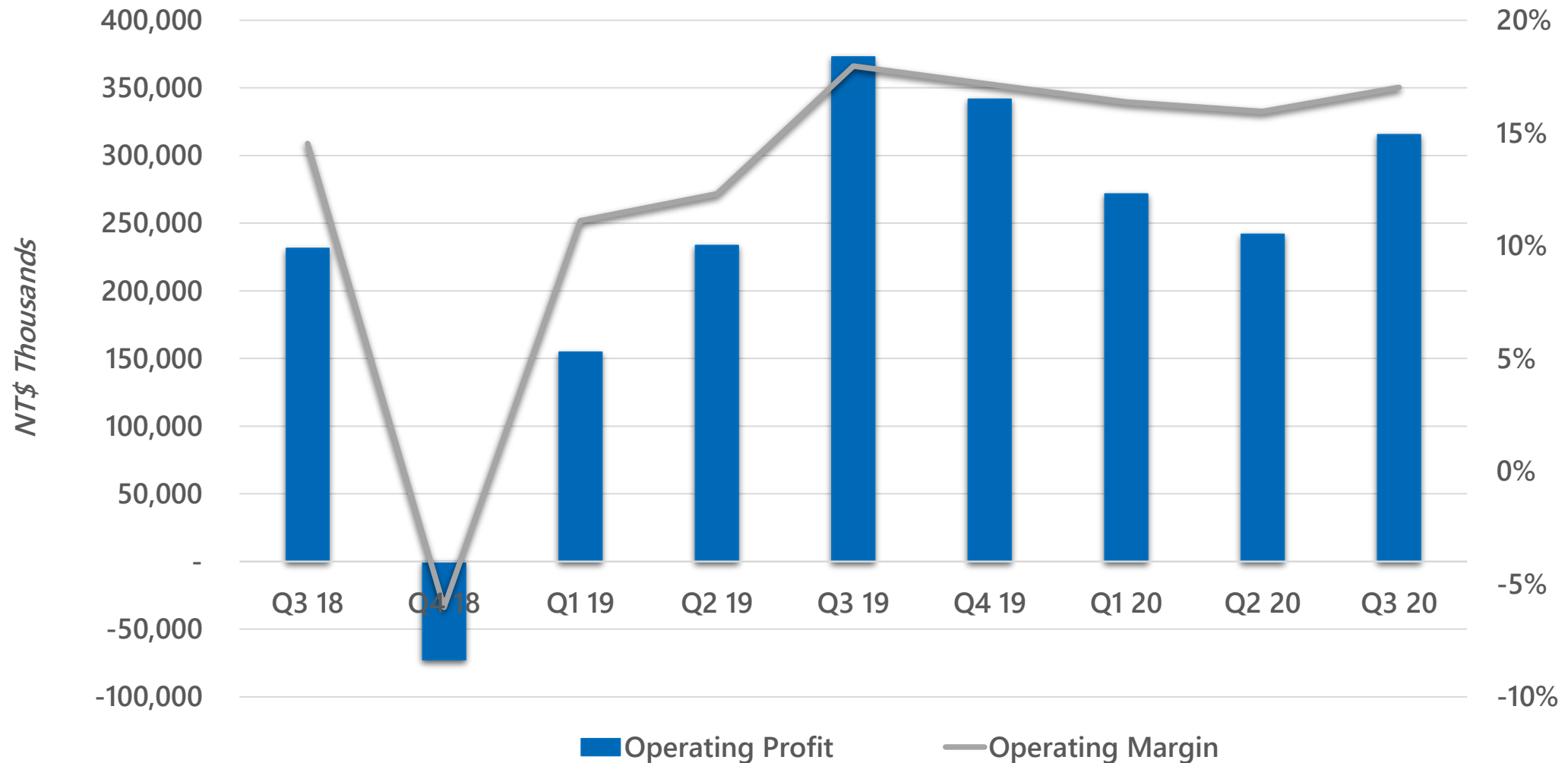
Net Sales Trend



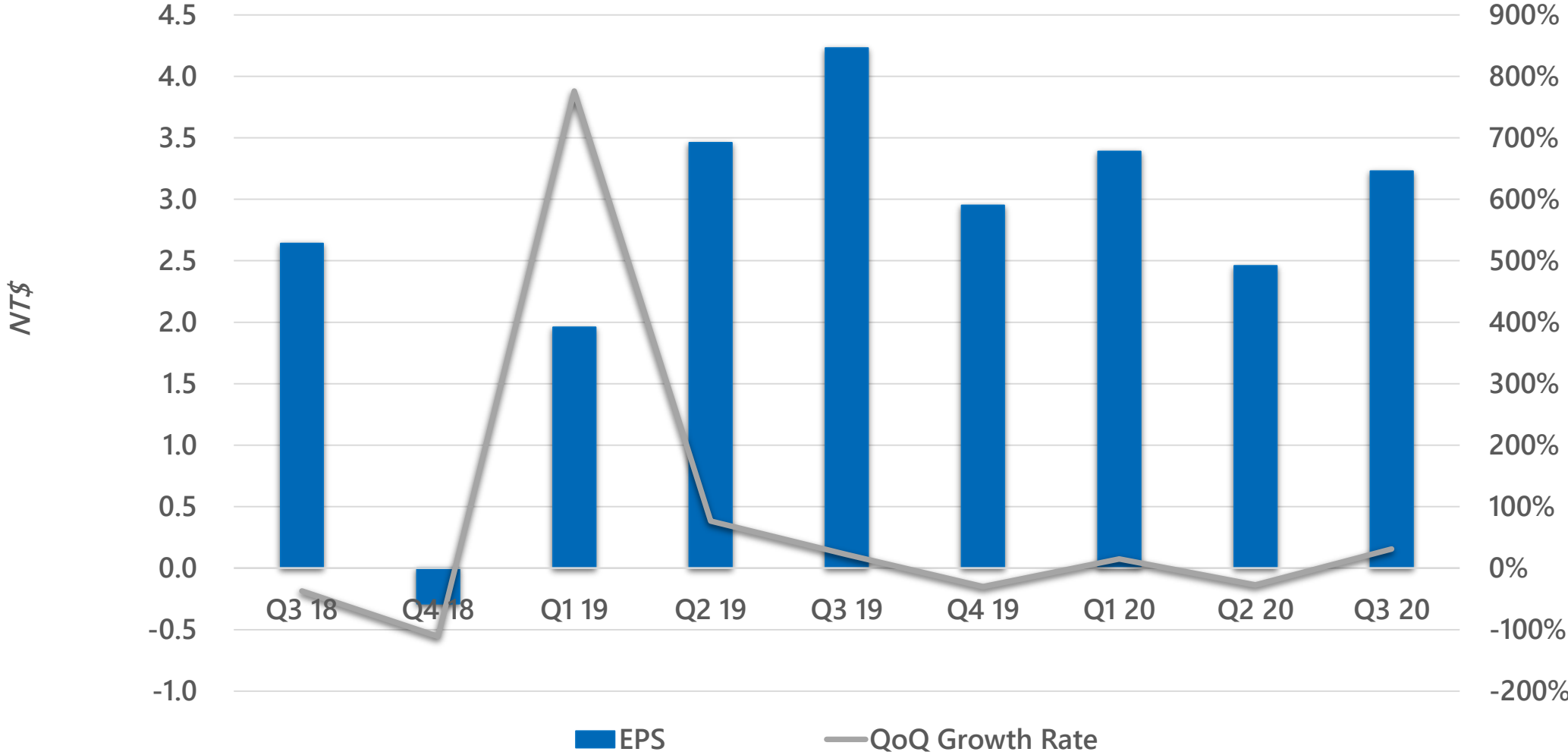
Gross Profit & Margin Trend



Operating Profit & Margin Trend



EPS



Income Statement 2020 Q3 vs. 2020 Q2

| Unit: NT\$ Thousands | Q3 2020 | Q2 2020 | Growth Rate |
|----------------------------------|-----------|-----------|-------------|
| Net Sales | 1,852,612 | 1,515,098 | 22% |
| COGS | 1,059,345 | 839,000 | |
| Gross Profit | 793,268 | 676,098 | 17% |
| Gross Margin | 43% | 45% | |
| Operating Expense | 477,934 | 434,392 | |
| Operating Income | 315,334 | 241,707 | 30% |
| Operating Margin | 17% | 16% | |
| Non-operating Income and Expense | (26,394) | (66,654) | |
| Income before Tax | 288,940 | 175,053 | |
| Income Tax | 67,043 | 5,431 | |
| Income after Tax | 221,896 | 169,621 | |
| Minority Interest | (1,791) | (316) | |
| Parent Net Income (Loss) | 223,687 | 169,937 | |
| Net Margin | 12% | 11% | |
| EPS (NT\$) | 3.2 | 2.5 | |

Income Statement 2020 Q3 vs. 2019 Q3

| Unit: NT\$ Thousands | Q3 2020 | Q3 2019 | Growth Rate |
|----------------------------------|-----------|-----------|-------------|
| Net Sales | 1,852,612 | 2,075,413 | -11% |
| COGS | 1,059,345 | 1,161,982 | |
| Gross Profit | 793,268 | 913,431 | -13% |
| Gross Margin | 43% | 44% | |
| Operating Expense | 477,934 | 540,589 | |
| Operating Income | 315,334 | 372,842 | -15% |
| Operating Margin | 17% | 18% | |
| Non-operating Income and Expense | (26,394) | 8,613 | |
| Income before Tax | 288,940 | 381,455 | |
| Income Tax | 67,043 | 87,714 | |
| Income after Tax | 221,896 | 293,741 | |
| Minority Interest | (1,791) | 4,170 | |
| Parent Net Income (Loss) | 223,687 | 289,571 | |
| Net Margin | 12% | 14% | |
| EPS (NT\$) | 3.2 | 4.2 | |

Balance Sheet

Unit: NT\$ Thousands

| | Q3 2020 | Q3 2019 |
|--|-----------|-----------|
| Current assets | | |
| Cash and cash equivalents | 1,373,912 | 3,031,523 |
| Notes and accounts receivable, net | 1,007,025 | 1,621,835 |
| Inventories | 258,416 | 394,177 |
| Total current assets | 2,820,851 | 5,317,994 |
| Non-current assets | 2,392,788 | 677,263 |
| Total Assets | 5,213,640 | 5,995,257 |
| Current liabilities | | |
| Short-term borrowings | 71,844 | 1,384,315 |
| Notes and accounts payable | 334,431 | 903,517 |
| Accrued expenses and other current liabilities | 762,601 | 851,628 |
| Total current liabilities | 1,251,385 | 3,362,861 |
| Total Liabilities | 2,350,240 | 3,430,512 |
| Total Equity | 2,863,400 | 2,564,745 |

Business Update

3Q20 revenues were NT\$1.9bn, up 22% QoQ, but down 11% YoY. The sequential growth was in line with our earlier expectations, driven by the demand recovery seen across all segments, but was somewhat constrained by wafer supply.

3Q20 gross margin was 43%, down slightly from 2Q20, mainly due to the change in product mix.

3Q20 operating profit was NT\$315mn, with an operating margin of 17%, higher than that of 2Q20, as a result of the better operating leverage and lower opex ratio.

3Q20 net profit was NT\$224mn, with an EPS of NT\$3.2, compared to NT\$2.5 in 2Q20. EPS for the first three quarters was NT\$9.1.

October revenues were NT\$539mn, down 14% MoM. As mentioned, the wafer supply tightness would likely remain as a production bottleneck in the near-future.

FAQ

市場需求 What is your view on demand and market outlook?

產能規劃 How does the company deal with capacity bottleneck and wafer supply?

美中貿易 What is the impact from the US-Sino trade conflict?

市場競爭 How is the competitive landscape shaping up these days?

產品規劃 What are the latest roadmaps of Egis' new products?

投資處理 What is your accounting treatment on investment in FocalTech (3545.TW) and/or other invested companies?

Thank you