

Eink

2019 Q4 Investor Conference

NEIGHBORHOOD NEWS FEED
SOMERVILLE, THURSDAY MARCH 12TH, 2020

EVENTS

Sunday morning
sketching/drawing/painting
Vinton Street Studios, 4
Vinton St, Somerville MA,
9:30 AM **MAR 15**

Accessibility Hacking Night
Armed & Anxious Inc. 15
2100 State Street, Somerville, MA,
5:00 PM **MAR 15**

Preparando un viaje a un
lugar donde se habla
español. Basic/intermediate
level
201 Highland Ave., 10
Highland Ave Somerville
MA,
6:00 PM **MAR 18**

CITY OF SOMERVILLE
COVID-19 UPDATES
Update: Schools, Libraries, and
Related Activities to Close
through the Weekend
All major programming is expected to resume
Monday, March 16.
For additional information please
visit www.cityofma.gov/coronavirus
or scan the QR code

49° LS

www.soofatalk.com

Safe Harbor Statement

Statements in this presentation that are not strictly historical, including the statements regarding the market, economy, the Company's ePaper and other business, the Company's future product launches, the Company's positioning and expectations for 2020 and future periods, and any other statements regarding events or developments that we believe or anticipate will or may occur in the future, may be "forward-looking" statements within the meaning of the securities laws in Taiwan. There are a number of important factors that could cause actual events to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include, among other things, the uncertainty in the economy, contractions or growth rates and cyclicity of markets we serve, competition, our ability to develop and successfully market new products and technologies and expand into new markets, our ability to successfully identify, consummate and integrate appropriate acquisitions, contingent liabilities relating to acquisitions, risks relating to potential impairment of goodwill and other

long-lived assets, currency exchange rates, our compliance with applicable laws and regulations and changes in applicable laws and regulations, tax audits and changes in our tax rate and income tax liabilities, litigation and other contingent liabilities including intellectual property and environmental matters, risks relating to product defects and recalls, the impact of our debt obligations on our operations, raw material costs, our ability to adjust purchases and manufacturing capacity to reflect market conditions, legislative reforms and other changes in industry, labor matters, our relationships with and the performance of our customers and partners, risks relating to man-made and natural disasters, our ability to achieve projected cost reductions and growth, and international economic, political, legal and business factors. These forward-looking statements speak only as of the date of this presentation and the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

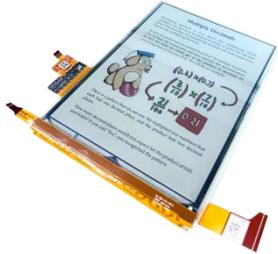
Q4 Results

Revenue 3,433 NTD, Million -8% YoY -6% QoQ	Gross Profit% 48.0% +1.4% YoY +2.6% QoQ	Operating Profit 271 NTD, Million -37% YoY -4% QoQ
Non-Op Income 387 NTD, Million -31% YoY -63% QoQ	Net Income 613 NTD, Million -30% YoY -47% QoQ	EPS 0.54 NTD

Highest Gross Profit% Ever

- Revenue declined in E Ink module sales
- Gross Profit% highest ever
- Operating Profit kept comparing with Q3
- Non-Op Income lost from exchange loss

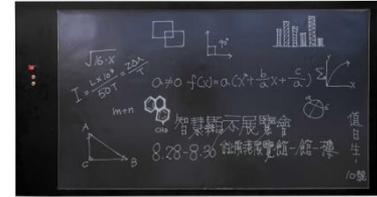
2019 Accomplishment



Print Color



ACeP™



JustWrite™



Protection Sheet



Wirelessly Powered
ePaper Display



TCON T1000

CSR Contribution Recognitions and Corp Recognitions



台灣企業永續獎

Corporate Comprehensive
Performance -
Top 50 Sustainable
Corporates



第五屆卓越中堅企業獎

5th Taiwan Mittelstand Award,
Industrial Development Bureau,
Ministry of Economic Affairs



國家再生能源憑證中心

Top 1 company purchased
renewable energy in Taiwan



Financial Results

NTD, Million	2019	2018
Revenue	13,602	14,209
Gross Profit	6,039	5,930
<i>Gross Profit%</i>	44.4%	41.7%
OPEX	5,479	5,473
R&D Expense	2,374	2,072
<i>OPEX%</i>	40.3%	38.5%
Operating Profit	560	457
<i>Operating Profit%</i>	4.1%	3.2%
Non-Op Income	3,162	2,802
Net Income	3,084	2,614
EPS (NTD)	2.72	2.32

⚡ Revenue -4%

⚡ Decline in E Ink module sales

⬆️ Growth in E Ink materials sales

⬆️ Gross Profit% +2.7%

Highest ever, change in product portfolio mix and cost reduction

⬆️ Operating Profit +23%

Controlled OPEX with increased continuing R&D investment

⬆️ Non-Op Income +13%

⬆️ Increased financial income

⚡ Declined Royalty

⬆️ Net Income +18%

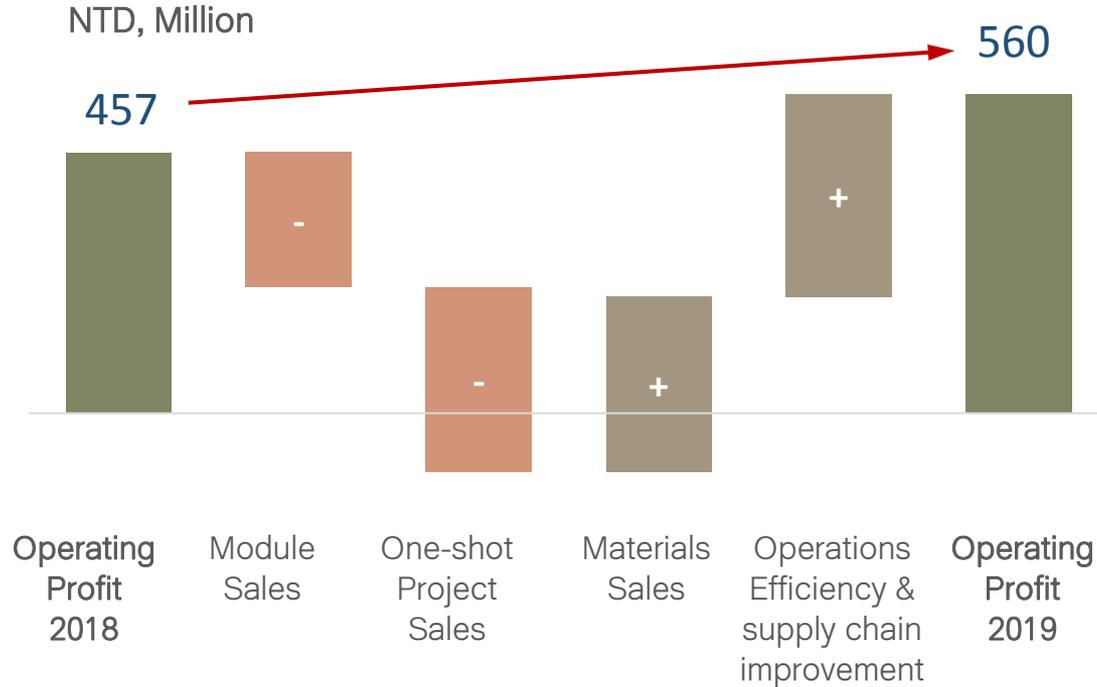
Gross Profit Trend



Improved Gross Profit%

- Growth in materials sales and decline in module sales, part of overall strategy to expand more module partners
- Cost Reduction
Continuous supply chain efficiency and manufacturing cost improvements
- Gross Profit% highest ever

Operating Profit Migration



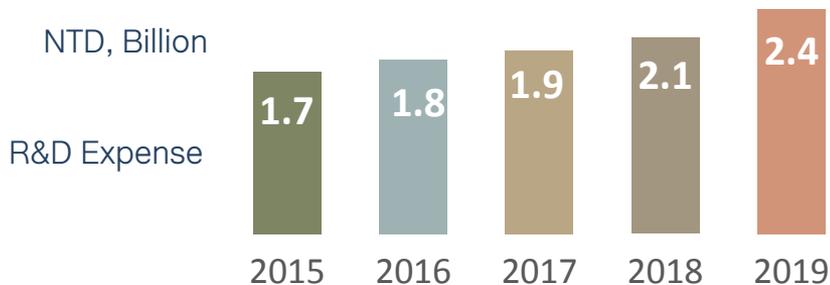
Increased Operating Profit

- E Ink Material sales increase offset sales decline in module sales
- Automation and Cost Reduction offset one-shot (voting machine) project Improvements on supply chain & manufacturing cost efficiency

Continue R&D Investment

Continue Investment into Research and Development

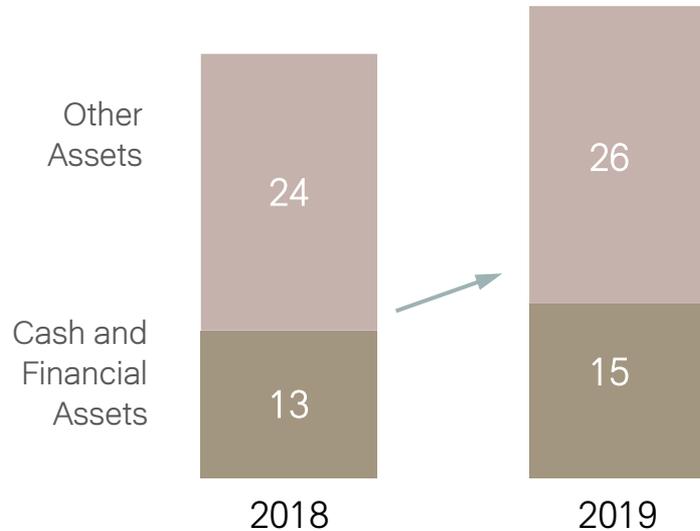
- Material Side
Improve color saturation, speed, lower power and wider temp range to expand other applications, such as automotive and industrial
- Display Module Side
Flexible displays to foldable displays to improve value proposition



Financial Position Migration

Increased Cash and Financial Assets

NTD, Billion

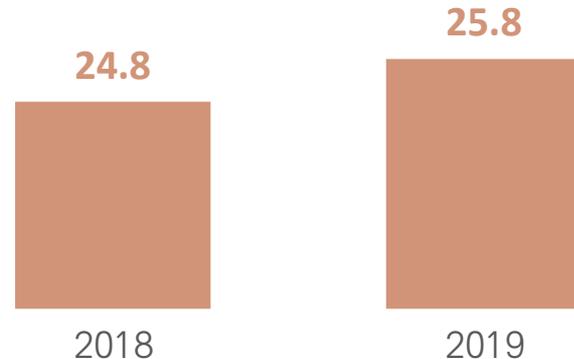


Increased Debt Ratio for Operating Needs

Debt Ratio

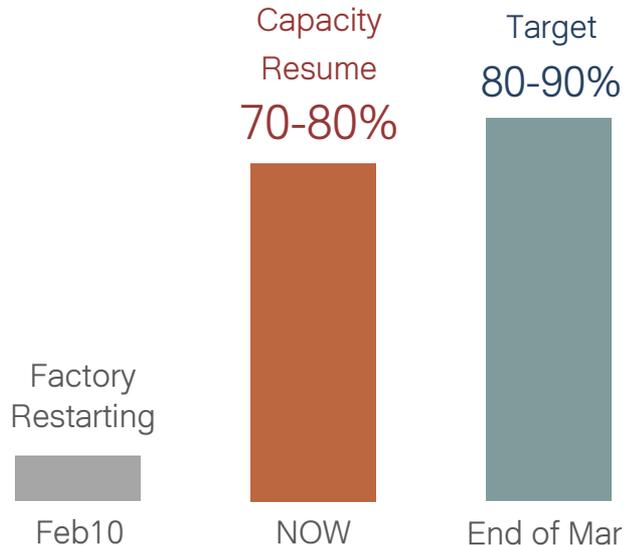


Book Value Per Share (NTD)



COVID-19 Impact, Watching Closely and Carefully

Module Capacity at China Factory



Supply

- Potential late delivery due to labor shortage on specific materials, such as touch panel
- Expect resume most of module capacity by the end of March

Demand

- Slight demand uptick in 1st half
- Uncertainty in European and US markets for 2nd half

Risk Mitigation

- Proactive safety measures across all E Ink sites
- Plan to expand additional E Ink material production site to meet demand
- Automation in module to offset labor needs
- Continuing expense control & efficiency improvements in operations and manufacturing

COVID-19, Business Opportunities

eLearning

- Home schooling
- Online learning
- Distance learning



- **Easy on The Eyes**
 - No back light, no blue light hazard

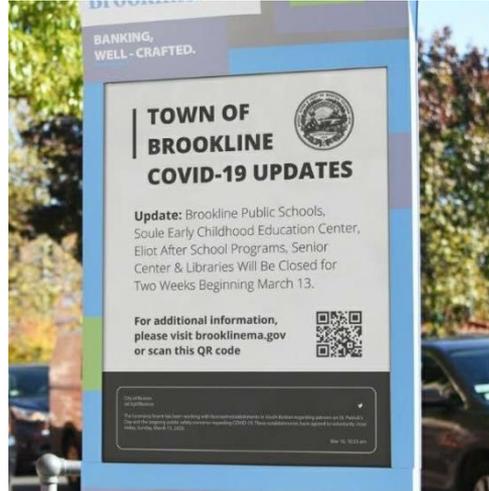


- **Low Power Consumption**
 - Long battery life



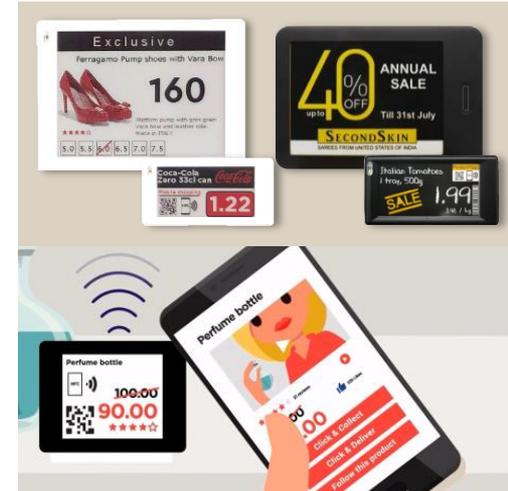
Information Board

- Real time update for emerging trusted messages
- Off-grid
- Easy installation



Grocery Retail

A catalyst for speeding up installation after the epidemic



Eink

