



# 2018 Q3 Results Conference

11/22/2018

# Safe Harbor Statement

Statements in this presentation that are not strictly historical, including the statements regarding the market, economy, the Company's e Paper, LCD and other business, the Company's future product launches, the Company's positioning and expectations for 2018 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.

# Consolidated Income Statement

NTD, Million	Q318	Q218	QoQ	Q317	YoY
Net Sales	3,966	3,612	9.8%	4,791	-17.2%
Gross Profit	1,721	1,360	26.5%	2,082	-17.3%
Gross Profit %	43.4%	37.7%	5.7%	43.5%	-0.1%
Operating Expense	1,375	1,414	-2.8%	1,357	1.3%
R&D Expense	532	543	-2.0%	526	1.3%
Operating Profit (Loss)	<b>346</b>	<b>(53)</b>		<b>725</b>	-52.2%
Operating Profit (Loss) %	8.7%	-1.5%	10.2%	15.1%	-6.4%
Non-Op Items	<b>590</b>	<b>1,246</b>	<b>-52.7%</b>	<b>638</b>	<b>-7.5%</b>
Royalty Income	448	798	-43.9%	455	-1.4%
Pre-Tax Income	936	1,193	-21.5%	1,363	-31.3%
Tax Expense (Benefit)	88	293	-70.0%	147	-39.9%
Income from Continuing Operations	848	900	-5.7%	1,216	-30.3%
Discontinued Operations				<b>(48)</b>	
E Ink Net Income	840	861	-2.5%	1,173	-28.4%
<b>EPS ( after-tax)*</b>	0.74	0.77		1.04	

# Consolidated Balance Sheet

NTD, Million	Q318	Q218	Q317
<i>Selected Asset Items</i>			
Cash	7,967	12,369	10,600
Accounts Receivables	2,618	2,523	2,810
Inventory (Net)	2,281	2,548	1,982
Fixed Assets	4,573	4,696	4,828
Intangible Assets	8,576	8,529	8,735
Other Assets	11,239	6,552	7,680
Total Assets	37,252	37,216	36,635
<i>Selected Liability Items</i>			
Long-Term/Short-Term Debt	1,378	1,899	2,220
Accounts Payable	4,761	5,047	3,807
Total Liabilities	9,310	10,357	9,596
Capital	11,405	11,405	11,405
Total Equity	27,943	26,859	27,039
Debt Ratio	25.0%	27.8%	26.2%
Book Value Per Share	24.50	23.55	23.71

# Consolidated Cash Flow

NTD, Million	Q318	Q218	Q317
Cash Flow from Operations	500	1,187	2,097
Cash Flow from Investing	(4,502)	(760)	321
Cash Flow from Financing	(393)	543	(794)
Effect of Exchange Rate Change	(7)	(65)	43
Net Increase in Cash	(4,402)	905	1,667
Cash at Quarter End	7,967	12,369	10,600
Cash, Time Deposit & Other financial assets	12,447	12,403	11,093
Depreciation & Amortization	277	263	289
Capital Expenditure	250	186	73
Free Cash Flow*	251	1,000	2,024

\*\*Free Cash Flow: Cash Flow from Operations – Capital Expenditure



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