



2018 Q4 Results Conference

3/28/2019

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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 2019 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.

C DAY: A Daring Breakthrough of the Black/White Curtain



Consolidated Income Statement

NTD, Million	Q4'18	Q4'17	YoY	2018	2017	YoY	
Net Sales	3,733	3,505	6.5%	14,209	15,203	-6.5%	
Gross Profit	1,740	1,475	18.0%	5,930	6,284	-5.6%	
	<i>GP%</i>	<i>46.6%</i>	<i>42.1%</i>	<i>10.7%</i>	<i>41.7%</i>	<i>41.3%</i>	<i>0.4%</i>
Operating Expense	1,312	1,435	-8.6%	5,473	5,182	5.6%	
	<i>OPEX%</i>	<i>35.1%</i>	<i>41.0%</i>	<i>-14.2%</i>	<i>38.5%</i>	<i>34.1%</i>	<i>13.0%</i>
Operating Profit (Loss)	428	40	971.8%	457	1,102	-58.5%	
	<i>OP%</i>	<i>11.5%</i>	<i>1.1%</i>	<i>906.2%</i>	<i>3.2%</i>	<i>7.3%</i>	<i>-4.0%</i>
Non-Op Items	583	486	20.1%	2,802	2,236	25.3%	
Royalty Income	668	870	-23.2%	2,361	2,607	-9.4%	
Pre-Tax Income	1,011	526	92.4%	3,259	3,338	-2.4%	
Tax Expense (Benefit)	116	70	66.2%	567	406	39.8%	
Income from Continuing Operations	895	456	96.4%	2,692	2,932	-8.2%	
Discontinued Operations		(516)			(850)		
E Ink Net Income	871	(50)		2,614	2,078	25.8%	
EPS (after-tax)*	0.77	(0.04)		2.32	1.85		

Technology Building Block

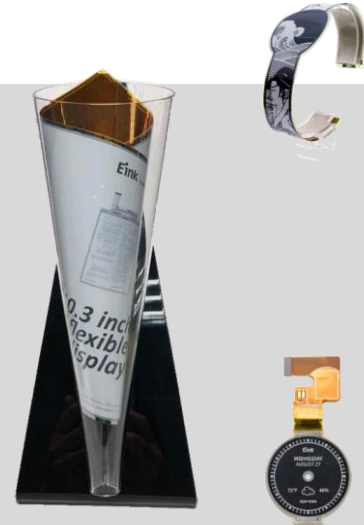
Battery-Free & No Power Cord

- Information updated via energy harvesting through NFC or UHF



Rollable / Flexible

- Plastic Backplane No backlight
- Free shape
- Programmable colors and patterns



Consolidated Balance Sheet

NTD, Million	4Q'18	3Q'18	4Q'17
<i>Selected Asset Items</i>			
Cash	7,695	7,967	11,879
Accounts Receivables	2,467	2,618	2,336
Inventory (Net)	1,927	2,281	2,143
Fixed Assets	4,521	4,573	4,753
Intangible Assets	8,526	8,576	8,592
Other Assets	11,777	11,239	6,174
Total Assets	36,914	37,252	35,876
<i>Selected Liability Items</i>			
Long-Term/Short-Term Debt	2,089	1,378	541
Accounts Payable	2,695	4,761	3,843
Total Liabilities	8,600	9,310	8,649
Capital	11,405	11,405	11,405
Total Equity	28,314	27,943	27,227
Debt Ratio	23.3%	25.0%	24.1%
Book Value Per Share	24.83	24.50	23.87

Consolidated Cash Flow

NTD, Million	2018	2017	Q4'18	Q3'18
Cash Flow from Operations	2,481	5,515	2,161	500
Cash Flow from Investing	(6,400)	(422)	(1,341)	(4,502)
Cash Flow from Financing	(203)	(1,802)	(1,151)	(393)
Effect of Exchange Rate Change	(62)	23	59	(7)
Net Increase in Cash	(4,184)	3,314	(272)	(4,402)
Cash at Quarter End	7,695	11,879	7,695	7,967
Cash, Time Deposit & Other financial assets	13,396	12,398	13,396	12,447
Depreciation & Amortization	1,104	1,167	287	277
Capital Expenditure	824	444	213	250
Free Cash Flow*	1,657	5,072	1,948	251

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

More Progress in Signage



Taipei



Puxi, Shanghai



Puxi, Shanghai



一花々祭2019 P

世界初となるフルカラー電子ペーパーPOPのトライアル開始

今回の花々祭ではフルカラー電子ペーパーによる世界初のデジタルPOPを店内装飾に試験的に活用します。凸版印刷株式会社とE Ink Holdings社が開発したフルカラー電子ペーパーを使用した、世界初のデジタルPOPを、伊勢丹新宿店に設置いたします。

簡単に画面表示を書き換えられ、店頭での設置はコードレスながら3万2千色の表示により、色鮮やかに「花々祭」を盛り上げます。

会期：2月20日（水）～3月26日（火）

場所：伊勢丹新宿店本館1階＝正面玄関

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