



2019 Q2 Results Conference

8/21/2019

The logo for Creativity on Display, featuring the words "Creativity on Display" in a sans-serif font. The word "on" is in a smaller font and is positioned between "Creativity" and "Display". A small registered trademark symbol (SM) is located to the right of the word "Display". The logo is positioned in the upper right corner of a graphic that shows a top-down view of a whiteboard with several colorful sticky notes (blue, dark blue, green, yellow, red) and a white marker.

Rev. 02_20180409

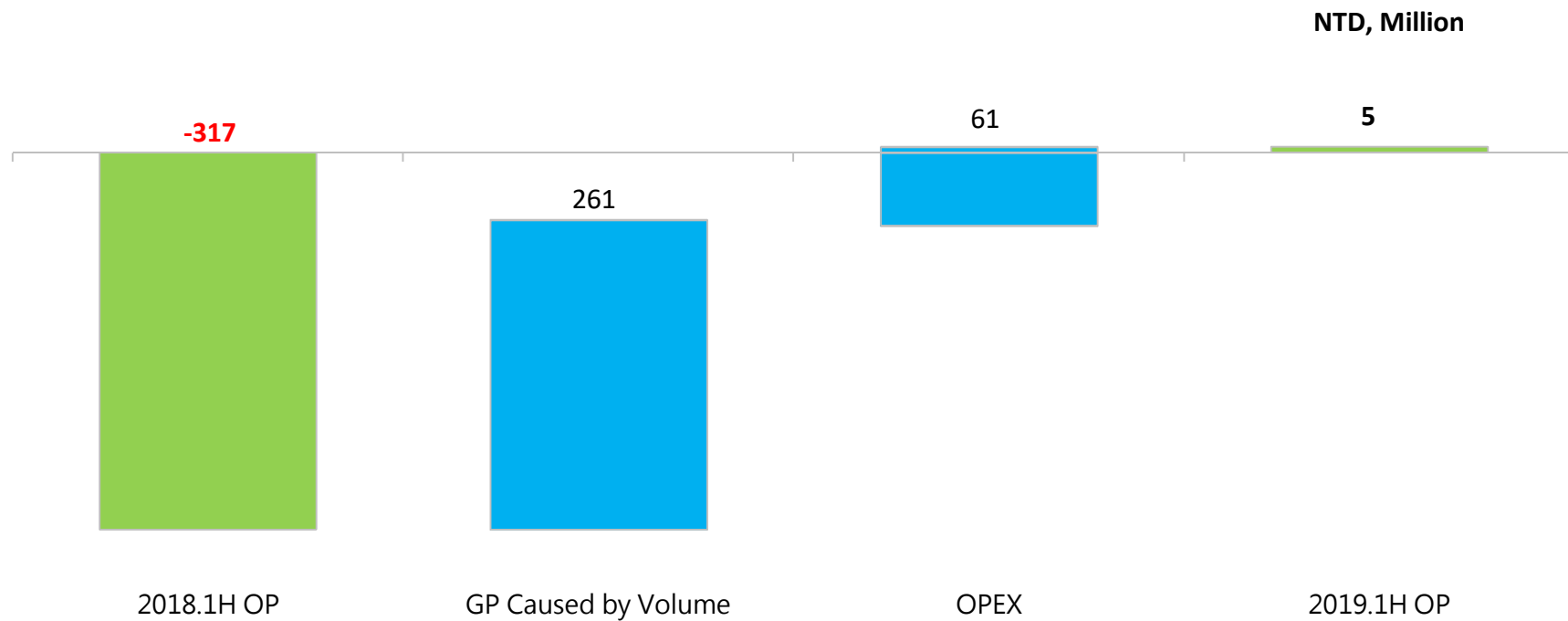
Safe Harbor Statement

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 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.

Consolidated Income Statement

NTD, Million	Q2'19	Q2'18	QoQ	H1'19	H1'18	YoY
Net Sales	3,555	3,612	-1.6%	6,510	6,509	0.0%
Gross Profit	1,476	1,360	8.5%	2,730	2,469	10.6%
<i>GP%</i>	41.5%	37.7%	10.3%	41.9%	37.9%	4.0%
Operating Expense	1,364	1,414	-3.5%	2,725	2,786	-2.2%
<i>OPEX%</i>	38.4%	39.1%	-2.0%	41.9%	42.8%	-2.2%
Operating Profit (Loss)	112	(53)	-310.5%	5	(317)	-101.5%
<i>OP%</i>	3.2%	-1.5%	-313.9%	0.1%	-4.9%	4.9%
Non-Op Items	985	1,246	-21.0%	1,697	1,629	4.2%
Royalty Income	687	798	-13.9%	1,136	1,244	-8.7%
Pre-Tax Income	1,097	1,193	-8.0%	1,702	1,312	29.7%
Tax Expense (Benefit)	181	293	-38.3%	326	363	
E Ink Net Income	885	861	2.7%	1,323	902	46.6%
EPS (after-tax)	0.78	0.77		1.17	0.80	

Operating Profit 2018.1H → 2019.1H



Consolidated Balance Sheet

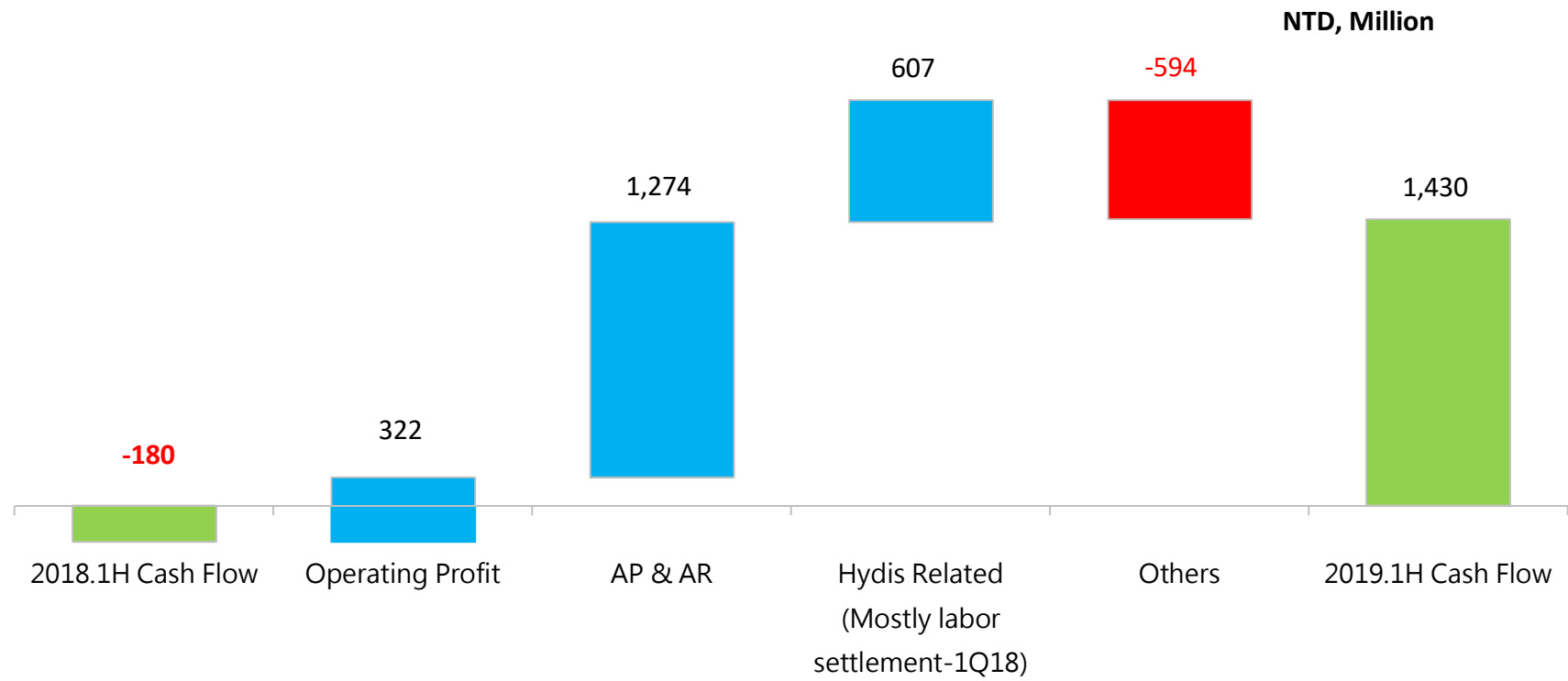
NTD, Million	Q2'19	Q1'19	Q2'18
<i>Selected Asset Items</i>			
Cash	6,453	8,023	12,369
Accounts Receivables	2,391	2,671	2,523
Inventory (Net)	2,109	2,231	2,548
Fixed Assets/Intangible Assets/Right-of-use Asset	14,615	14,754	13,225
Other Assets	15,685	12,795	6,552
Total Assets	41,252	40,474	37,216
<i>Selected Liability Items</i>			
Long-Term/Short-Term Debt	2,217	2,853	1,899
Accounts Payable	5,016	2,479	5,047
Contract Liabilities	3,247	3,327	3,147
Lease Liabilities	1,868	1,876	0
Other Liabilities	433	502	264
Total Liabilities	12,780	11,037	10,357
Capital	11,405	11,405	11,405
Total Equity	28,472	29,438	26,859
Debt Ratio	31.0%	27.3%	28.1%
Book Value Per Share	24.97	25.81	23.55

Consolidated Cash Flow

NTD, Million	H1'19	H1'18	Q2'19	Q1'19
Cash Flow from Operations	1,430	(180)	1,242	188
Cash Flow from Investing	(2,749)	(557)	(2,123)	(626)
Cash Flow from Financing	124	1,340	(601)	726
Effect of Exchange Rate Change	(48)	(114)	(88)	40
Net Increase in Cash	(1,243)	490	(1,571)	328
Cash at Quarter End	6,453	12,369	6,453	8,023
Cash, Time Deposit & Other financial assets	14,603	12,403	14,603	14,279
Depreciation & Amortization	623	540	315	308
Capital Expenditure	309	362	139	170
Free Cash Flow*	1,121	(542)	1,103	18

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

Cash Flow from Operations 2018.1H → 2019.1H



COMPUTEX 2019



ePaper Bus Stop / Shelter



Hualien, Taiwan



Kinmen, Taiwan



Fuzhou, China



Naju City, S. Korea

ePaper Information Displays in Hospital



ePaper Patient and Room Information Displays Launched by Landmark Hospitals of Florida

ePaper Luggage Tag



Battery-less Electronic Baggage Tag
Released by China Eastern Airlines



Digital Bag Tag Launched by British Airways

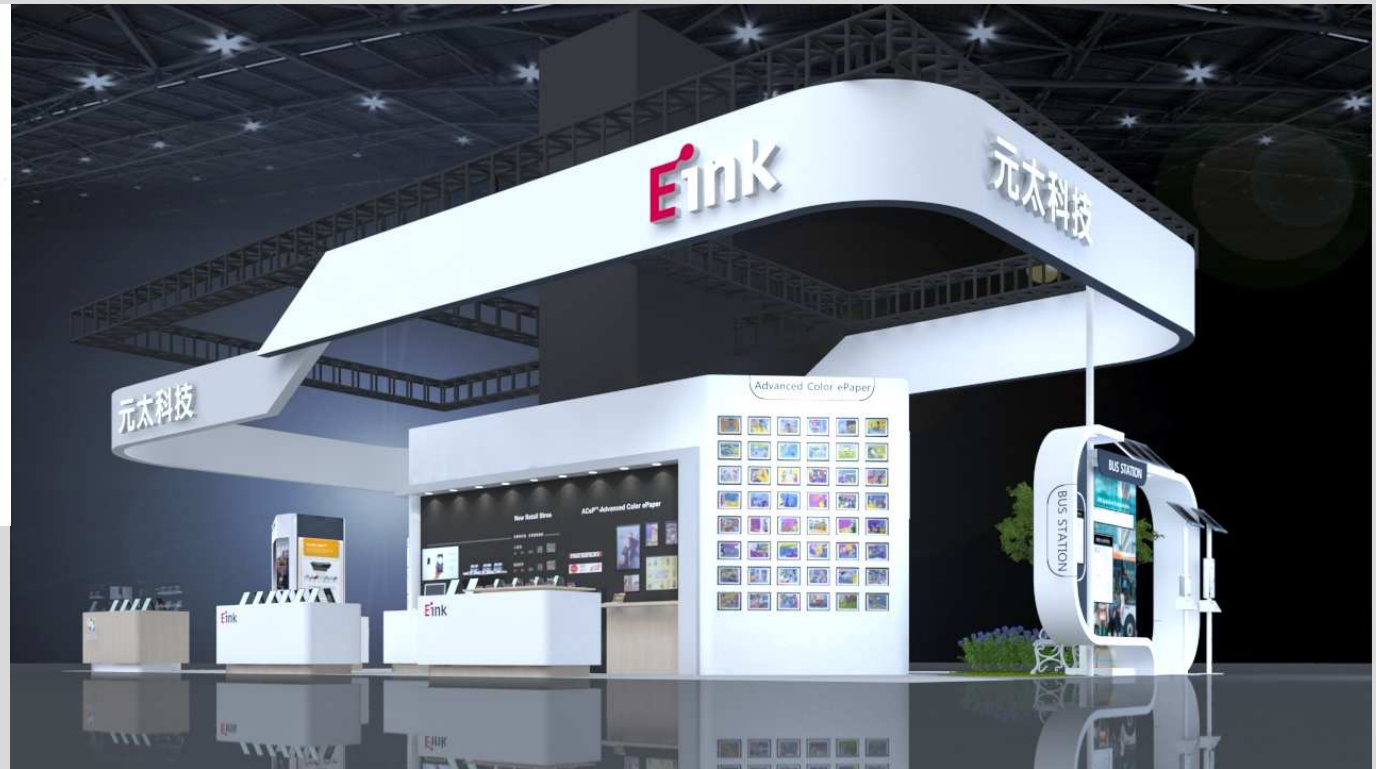
and more to come.....

Welcome to E Ink Booth @ Beyond Display

 **Aug. 28–30**
10:00 AM – 5:00 PM

 E Ink Booth **#J818**

 Taipei Nangang
Exhibition Center,
Hall 1, 1F





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Thank You

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