



2019 Q3 Results Conference

NOV 21 2019

The logo for Creativity on Display, featuring the words "Creativity on Display" in a sans-serif font. The word "on" is in red and enclosed in a small red circle. A small trademark symbol (SM) is located to the right of the text. Below the logo is a graphic of a whiteboard with several colorful sticky notes (red, yellow, blue, green, brown) and white markers.

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.

Today's Presentation

Financial Performance



Patrick Chang
Financial Center Director

Business Update



Lloyd Chen
CFO

Outlook



Johnson Lee
President

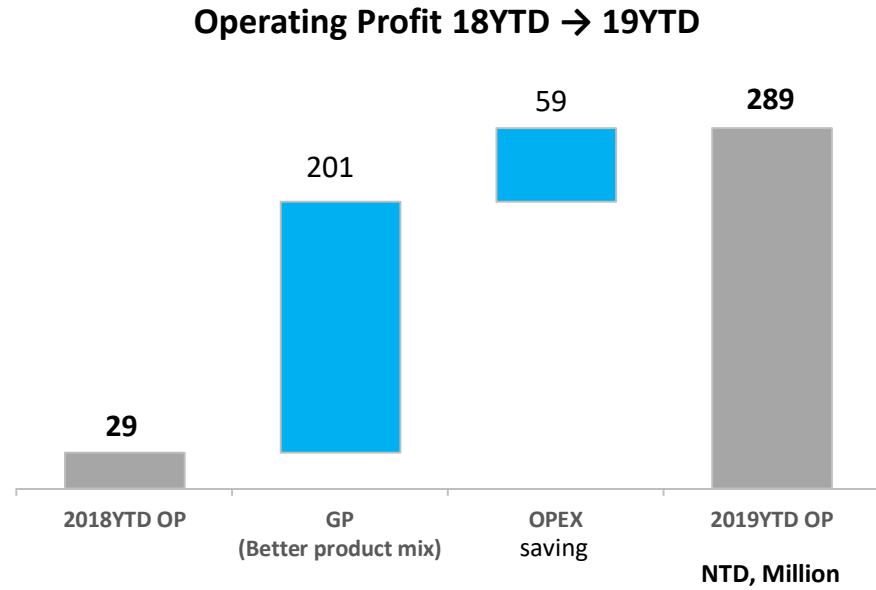
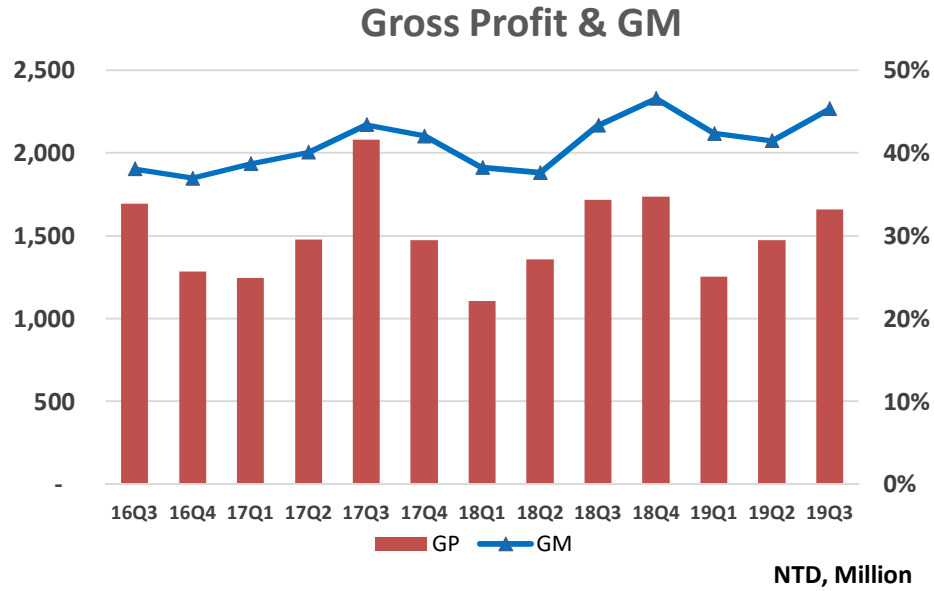
Q3 Highlights

- Q3 revenue declined 7.7% YoY; GM 45.4% due to improved product mix.
- First 9 months EPS \$2.18 (NTD), which is 94% of 2018 annual EPS.
- First 9 months net cash inflow increased \$3.18B YoY.
- L/A ratio 30.8% after dividend payout. Financial position remains strong. Cash level is healthy and capable of future investment activities.

Consolidated Income Statement - Summary

NTD, Million	2019 YTD	2018 YTD	YoY	備註
Net Sales	10,169	10,476	-2.9%	
Gross Profit	4,391	4,190	4.8%	Revenue declined \$0.31B YoY, but GM increased 3.2% due to IoT business growth and better product mix
<i>GP%</i>	43.2%	40.0%	3.2%	
Operating Expense	4,102	4,161	-1.4%	OPEX slightly decrease due to improved cost control
R&D Expense	1,741	1,569	10.9%	
<i>OPEX%</i>	40.3%	39.7%	1.6%	
Operating Profit (Loss)	289	29	898.5%	
<i>OP%</i>	2.8%	0.3%	2.6%	
Non-Op Items	2,768	2,219	24.7%	Non-Op items increased \$0.55B, mainly forex, valuation in financial assets, dividend income and interest income
Royalty Income	1,570	1,692	-7.3%	Royalty declined YoY as one Taiwanese client exits market
Pre-Tax Income	3,056	2,248	36.0%	
Tax Expense (Benefit)	504	451		
E Ink Net Income	2,470	1,742	41.8%	
EPS (after-tax)	2.18	1.55		

Margin Analysis

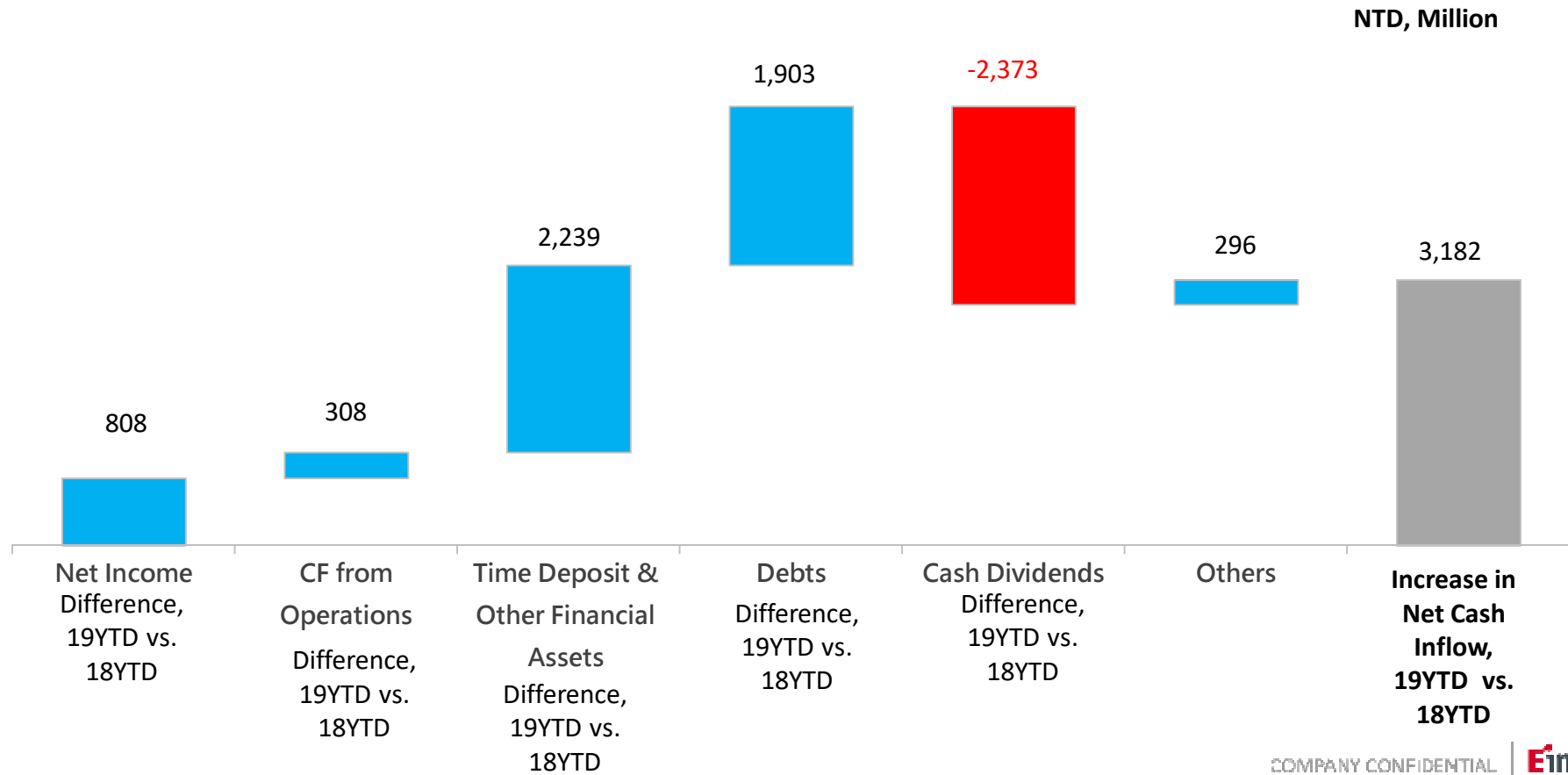


Consolidated Balance Sheet - Summary

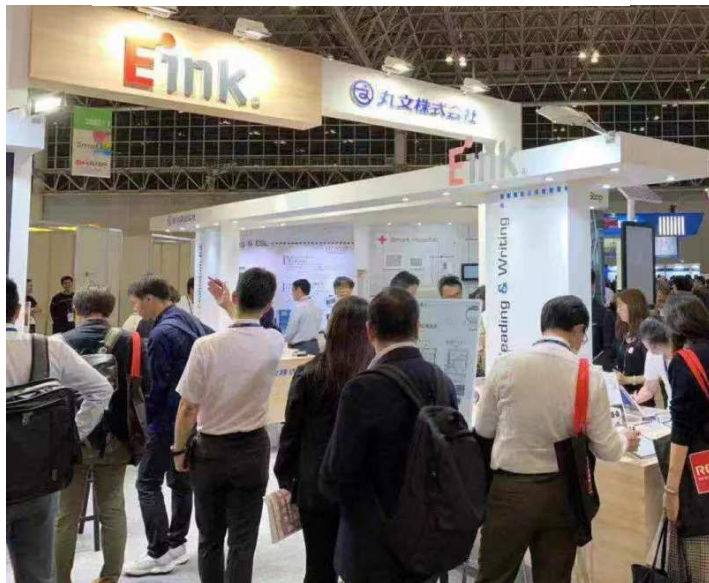
NTD, Million	3Q'19	Q2'19	3Q'18
<i>Selected Asset Items</i>			
Cash	6,965	6,453	7,967
CD & financial products	7,780	8,150	4,480
Accounts Receivables	2,725	2,391	2,618
Inventory (Net)	2,008	2,109	2,281
Fixed Assets/Intangible Assets/Right-of-use Asset	14,422	14,615	13,148
Other Assets	7,894	7,535	6,759
Total Assets	41,793	41,252	37,252
<i>Selected Liability Items</i>			
Long-Term/Short-Term Debt	4,828	2,217	1,378
Accounts Payable/Other Payables	2,804	5,016	4,761
Other Liabilities	5,227	5,548	3,171
Total Liabilities	12,859	12,780	9,310
Capital	11,405	11,405	11,405
Total Equity	28,934	28,472	27,943
Debt Ratio	30.8%	31.0%	25.0%
Book Value Per Share	25.37	24.97	24.50

- Total assets increased \$0.54B (NTD) from Q2, mainly due to NT\$0.85B increase in cash & A/R.
- Total liabilities increased \$0.08B. Debt increased \$2.61B to pay dividend \$2.37B.
- L/A ratio stays stable relative to Q2 despite of dividend payment. BV per share increased, balance sheet remains healthy.
- CD & financial products are mostly over-3-months time deposit, stocks and fund beneficiary certificate.

Cash Flow 18YTD → 19YTD

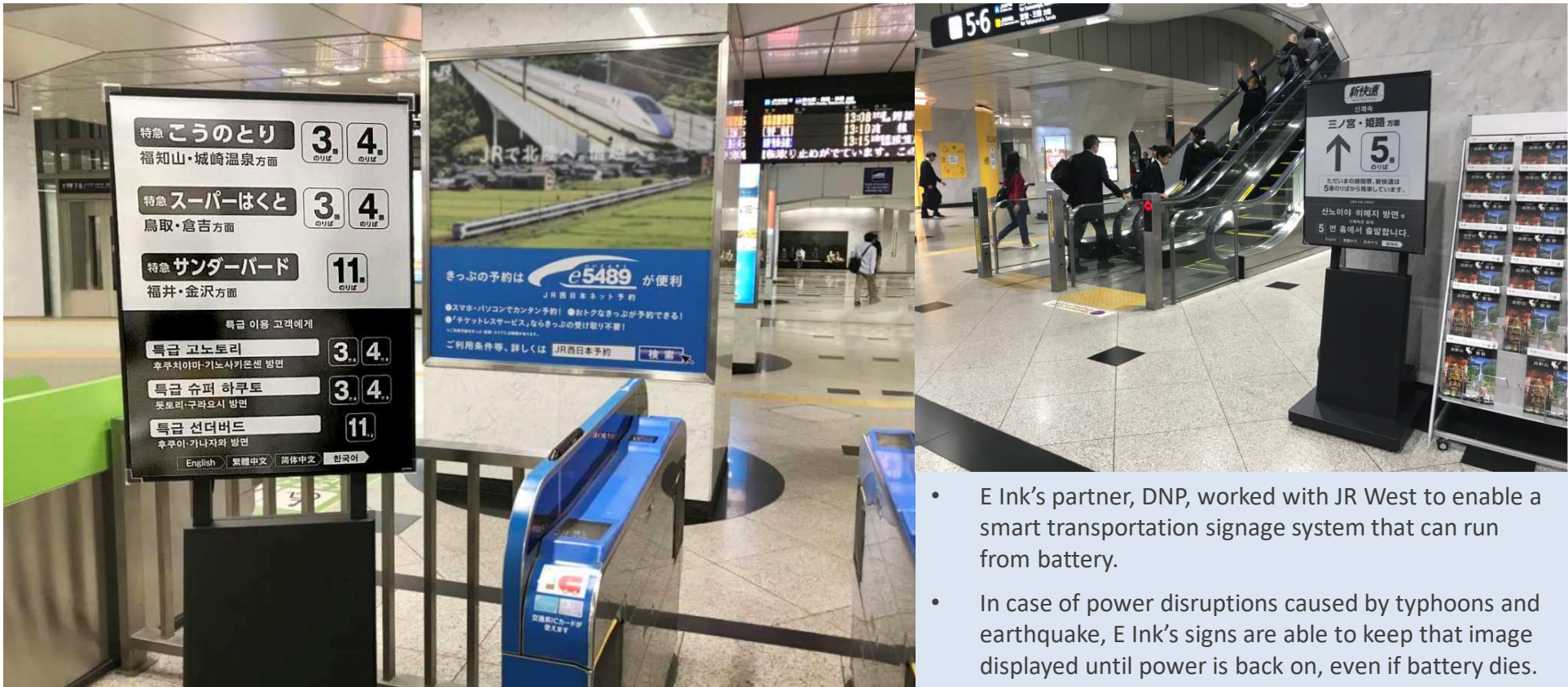


Achievement in Japan – CEATEC 2019



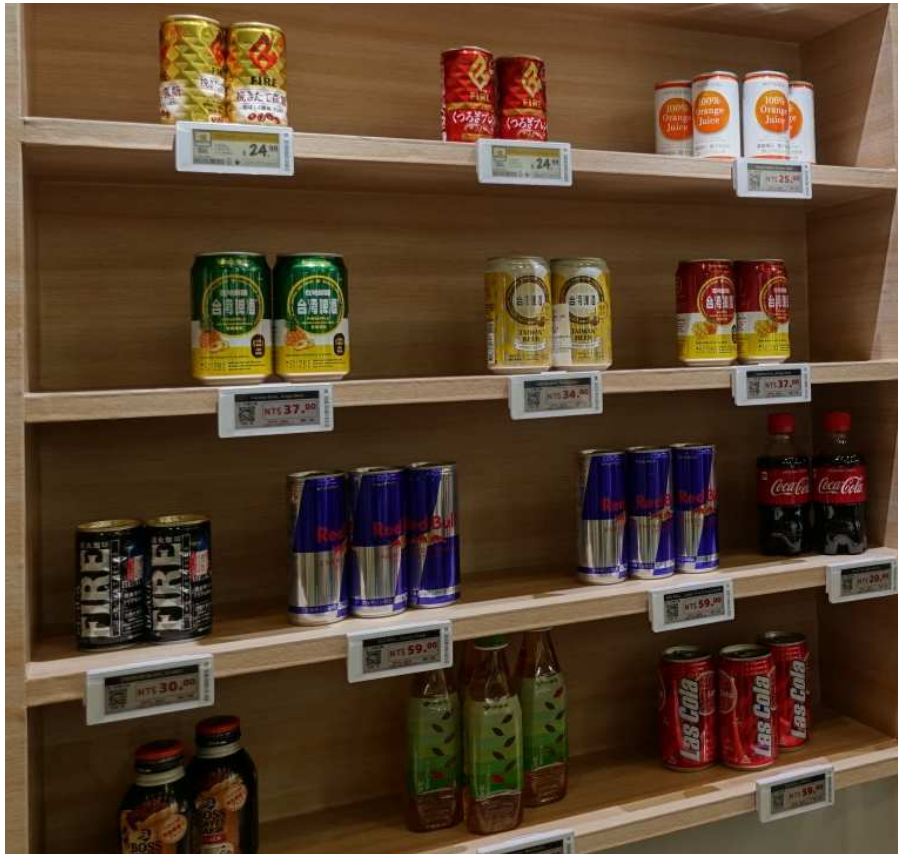
E Ink exhibits a variety of EPD applications such as smart hospital solutions, interactive EPD whiteboard, and battery-free smart logistic tags.

Achievement in Japan – JR West Transportation Signage



- E Ink's partner, DNP, worked with JR West to enable a smart transportation signage system that can run from battery.
- In case of power disruptions caused by typhoons and earthquake, E Ink's signs are able to keep that image displayed until power is back on, even if battery dies.

Achievement in Japan – 3C Retailers Adopt ESL



基於電子紙的電子標籤將助日本家電通路 Nojima、BicCamera 更有效反映商品及時浮動定價

Cool3c by Chevelle.fu | © 2019.10.30 10:41AM | 👁 2126

(News Title: Electronics retailer Nojima and Bic Camera are introducing EPD-based ESL system at its stores across Japan, tracking real-time shifts in the market and at rival stores to offer customers more competitive rates. – Source: Cool3c)

- As the result of years of effort to develop and promote ESL concept in Japan, major Japanese retailers gradually start to install ESL system at their stores.

Exhibition & Award

这里的一切关于零售

CHINASHOP

第二十一届中国零售业博览会

2019.11.7-9 青岛世界博览城

Eink 元太科技
E Ink Holdings

生鲜系列 Fresh Series
面向蔬菜瓜果、水产生鲜、冷冻食品、冰柜等应用场景，满足

8寸款(双面) 8寸款(单面)

E Ink's partners exhibited ACeP ESL with various sizes at China Shop at Qingdao, China, in November.

經濟日報 首頁 即時 會員專區 產業 證券 行情 期貨 國際 兩岸 金融

元太科技 獲第5屆卓越中堅企業獎

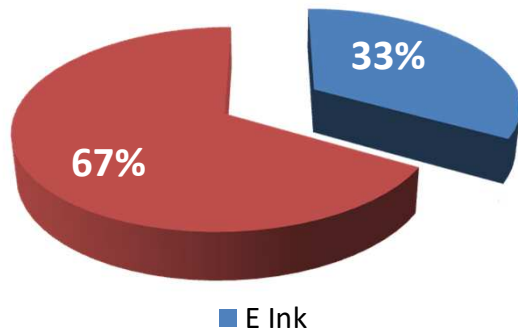
2019-10-29 17:53 經濟日報 記者李瑞琪 / 即時報導

指導：行 主辦：部 執行

- E Ink is honored by Mittelstand Award from Ministry of Economic Affairs. The award recognizes business with unique and internationally competitive technology or product.

E Ink - No.1 Procurer of Renewable Energy Certificate in Taiwan

- Started in 2017, E Ink purchased 948 renewable energy certificates (33.24% of the total number of transfers in Taiwan) in 2017/2018.
- Obtained 333 certificates through bidding in 2019.
- Signed the first renewable energy supply MOU



台灣再生能源憑證成交比只有5%，為什麼這間公司就佔了三分之一？

Web Only 文 · 劉光璧 2019-11-19

AA

減碳議題日益成為主流，當蘋果等國際大廠要求供應鏈使用綠電，台灣的供應商無不使出渾身解數找綠電。再生能源憑證，是企業證明使用綠電的方式之一，經濟部標檢局更成立再生能源憑證交易平台，但事實上只有不到5%的憑證成交，困難出在哪？供不應求的難題如何解？

近年國際大廠如蘋果、Google、星巴克、微軟等紛紛加入國際再生能源倡議組織RE100，宣示以100%使用再生能源為目標。(延伸閱讀：[百分百再生能源救不了地球](#))

但讓人想不到的是，台灣買最多再生能源憑證的，居然不是蘋果供應鏈成員，而是做電子標籤和電子閱讀器的元太科技。

根據元太科技揭露，至今年4月為止，共累積購買近千張再生能源憑證，為國內認購再生能源憑證數量最多的企業。

“E Ink Accounts for 1/3 Renewable Energy Certificate Trade in Taiwan” by Commonwealth Magazine

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Creativity **on**
Display

Thank You

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E Ink is the originator, pioneer & commercial leader in ePaper technology