



CHROMA ATE INC.

2015.2Q Investor Conference

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31th July, 2015

Test
Auto
Solution
provider

This presentation contains some forward-looking statements that are subject to substantial risks and uncertainties. Typically, these statements contain words such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “plan”, “forecast”, “project”, “predict”, “potential”, “continue”, “may”, “should”, “will”, and “would” or similar words. You should consider these forward-looking statements carefully because such statements are only our expectations or projections about future events, and actual results may differ materially from those expressed or implied by such statements. The forward-looking statements in this presentation include, but are not limited to, growth rates for various markets estimated by third party sources, future products and technology development, widespread market acceptance of the hosted delivery model, future revenue growth and profitability. You should be cautioned that the forward-looking statements are no guarantee of our future performance. The forward-looking statements contained in this presentation are made only as of the date of this presentation and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances, except as required by law. This presentation and the information contained herein are the property of Chroma Ate Inc.

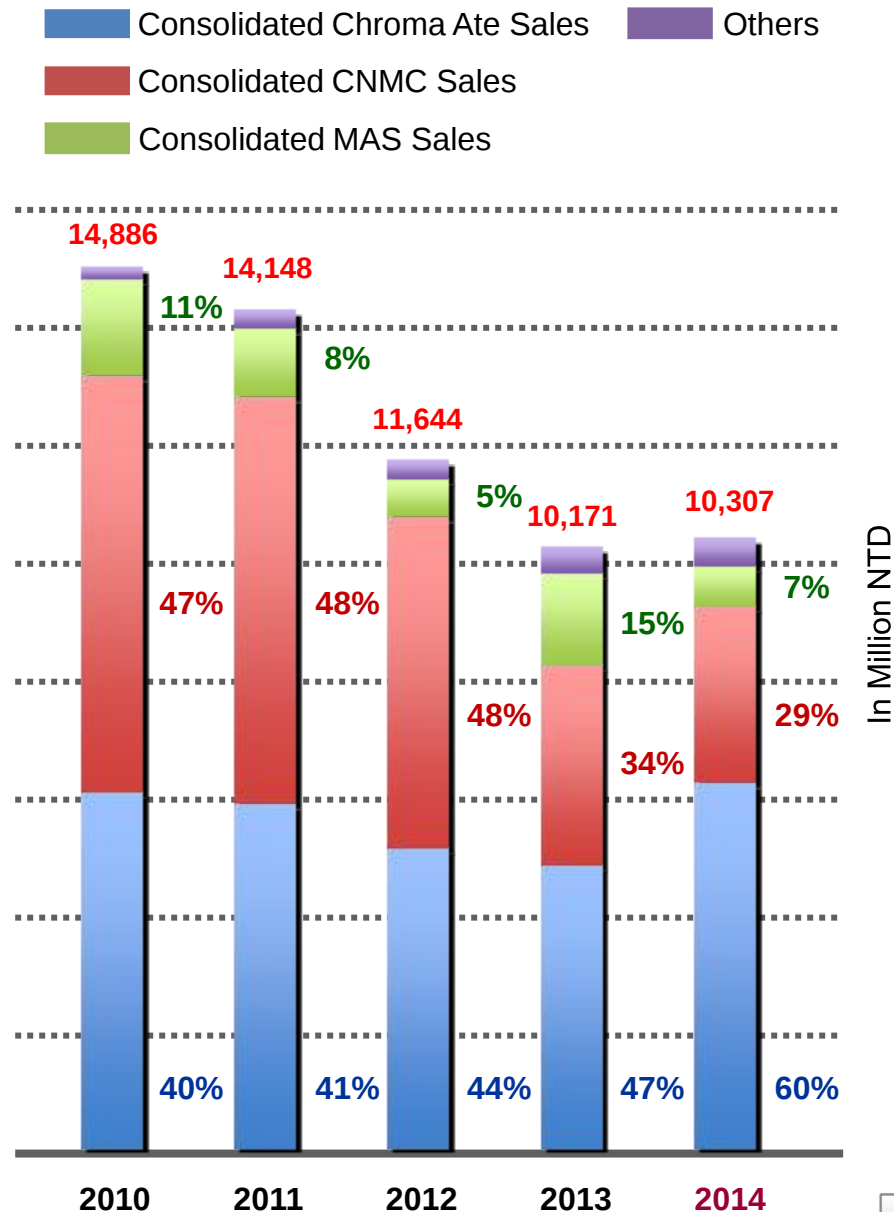
- **Corporate Profile**
- **Financial Review**
- **Operation Highlights**
- **Q&A**

CORPORATE PROFILE

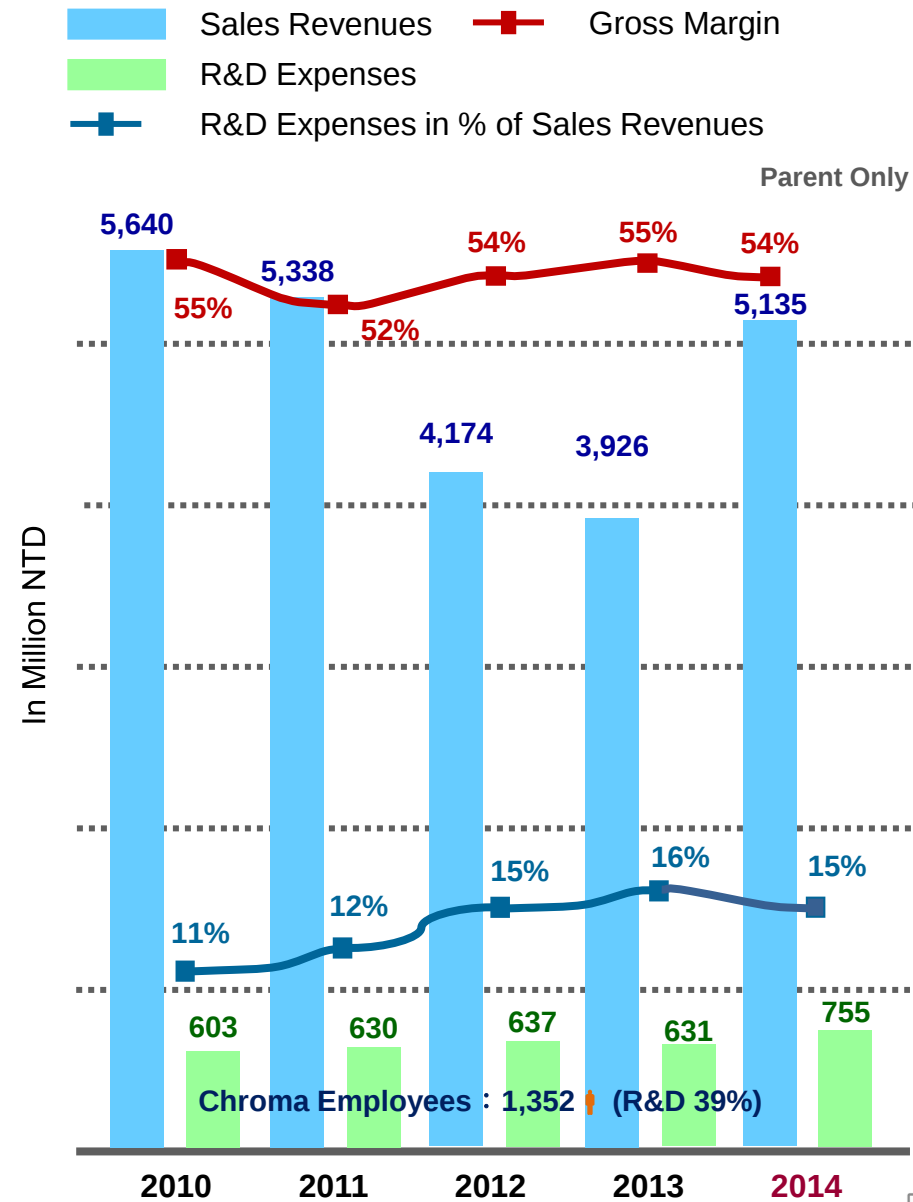
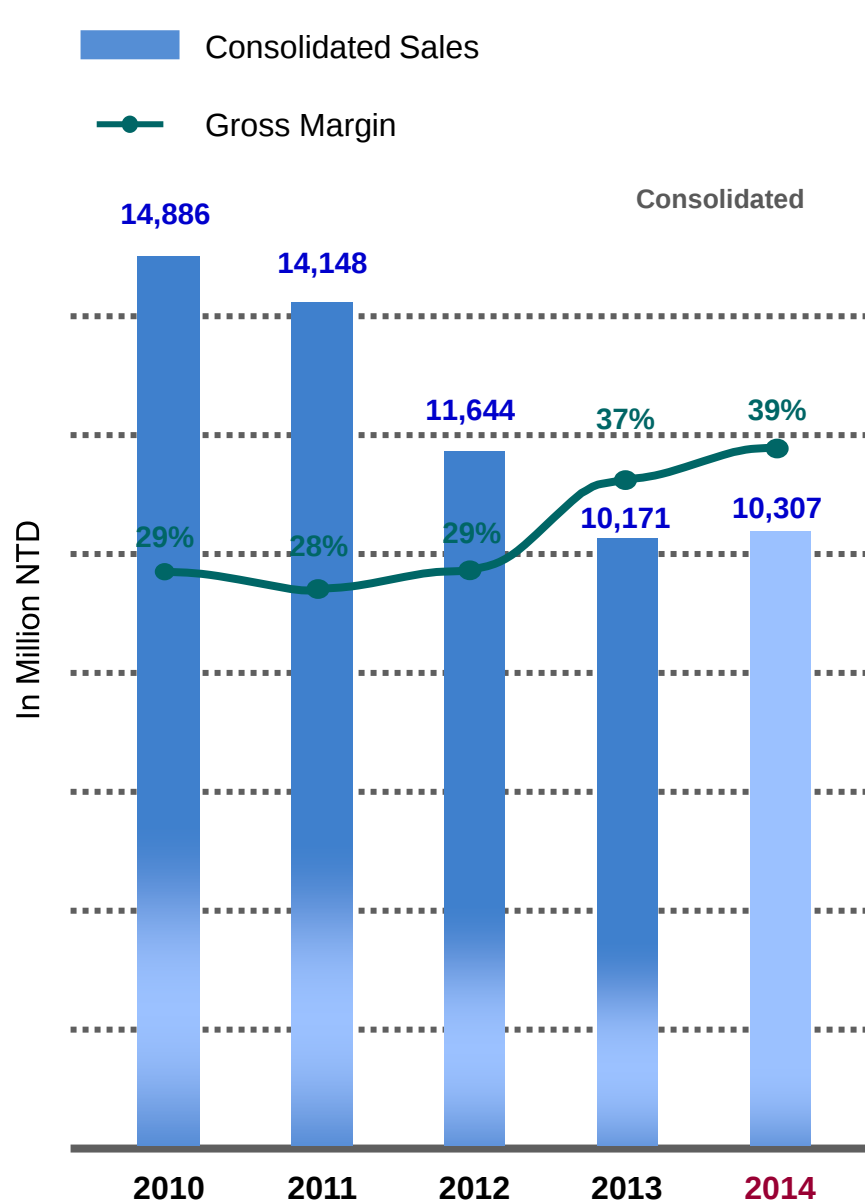


Corporate Profile

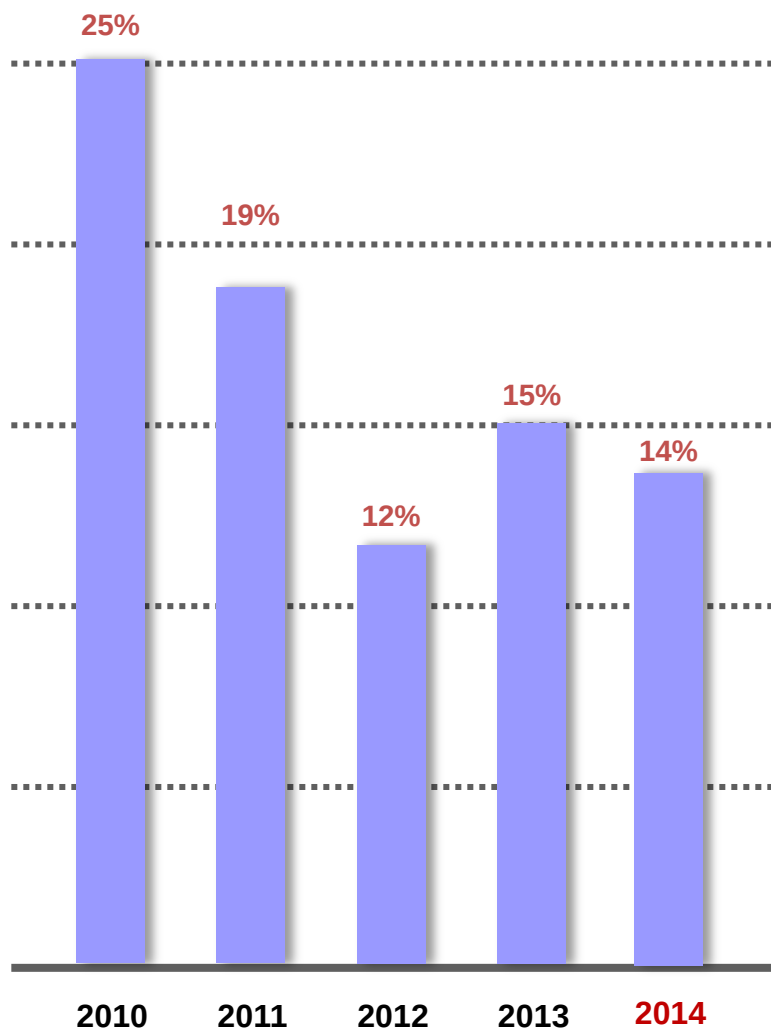
- Chroma Group founded in 1984, a world leading own brand turnkey test & automation solution provider, specialized in electronics test and measurement instruments and ATS (auto test system). Businesses cover test and measurement instruments and ATS for various industries, and a turnkey solution as an integration of Test and Measurement , Automation and MES (manufacturing execution system).
- Key success: Precision, Reliability, Innovation
- Chroma group encompass business unit of Chroma Ate Inc., Modular Assembly System (MAS) and Chroma New Material Corp (CNMC).
- 2014 Consolidated Sales : NT\$10.31 billion
- 2014 Net Income: NT\$1.32 billion
- Chroma Group total of 2,286 employees (as June, 2015)



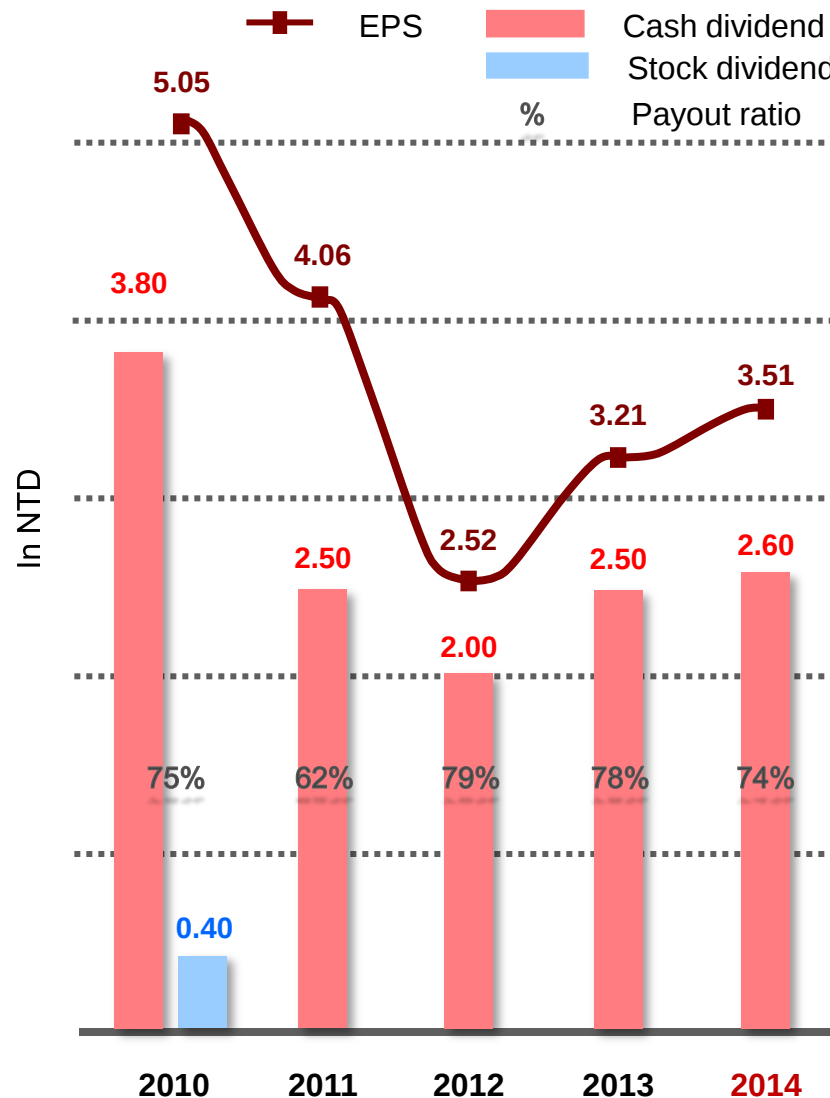
Financial Performance



ROE



Dividend



Global Employees : 2,286 🧑 , Branch Offices **x16**, Distributors **x65**, Subsidiaries **x6**



FINANCIAL REVIEW



Year 2015.1H Condensed Consolidated Income Statement

Condensed Consolidated P&L

(In Million NTD, except for EPS in NTD)

	2015.1H	%	2014.1H	%	YoY %
Net Sales	4,633	100%	4,633	100%	-
Consolidated Sales of Testing Business	2,434	53%	2,557	55%	(5%)
Consolidated Sales of MAS	825	18%	272	6%	203%
Consolidated Sales of New Material	1,158	25%	1,578	34%	(27%)
Others	216	4%	226	5%	(4%)
Cost of Goods Sold	(2,696)	(58%)	(2,876)	(62%)	(6%)
Gross Profit	1,937	42%	1,757	38%	10%
Operating Expenses:					
General & Administration	(975)	(21%)	(896)	(19%)	9%
Research & Development	(414)	(9%)	(381)	(8%)	9%
Operating Income	548	12%	480	11%	14%
Non-Operating Income (Expenses), net	41	1%	109	2%	(62%)
Income (Loss) Before Tax	589	13%	589	13%	-
Income Tax	(104)	(2%)	(89)	(2%)	17%
Net Income	485	11%	500	11%	(3%)
Other Comprehensive Income (Losses)	(175)	(4%)	(35)	(1%)	n/a
Comprehensive Income	\$ 310	7%	\$ 465	11%	(33%)
Net Income (Losses) Attributable To:					
Shareholders of the Parent	505	11%	512	11%	(1%)
Noncontrolling Interests	(20)	-	(12)	-	67%
	\$ 485	11%	\$ 500	11%	(3%)
EPS (Basic)	\$ 1.34		\$ 1.36		(1%)

Balance Sheet Highlights & Financial Ratio

Consolidated (In Million NTD)

Balance Sheet Highlights

	<u>2015. June</u>	<u>2014. Dec</u>	+ / - %
Cash & Short Term Investments	5,157	4,129	25%
Inventory	1,581	1,605	- 1%
Short Term Debt	406	426	- 5%
Long Term Debt	2,405	2,488	- 3%
Shareholders Equity	8,748	9,373	- 7%
Total Assets	15,716	14,970	5%
Inventory Turnover (Day)	107	91	
AR Turnover (Day)	116	108	
AP Turnover (Day)	93	76	
Net Debt to Equity (%)	-	-	
ROE (%) ●	11%	14%	
ROA (%) ●	7%	9%	

Cash Position

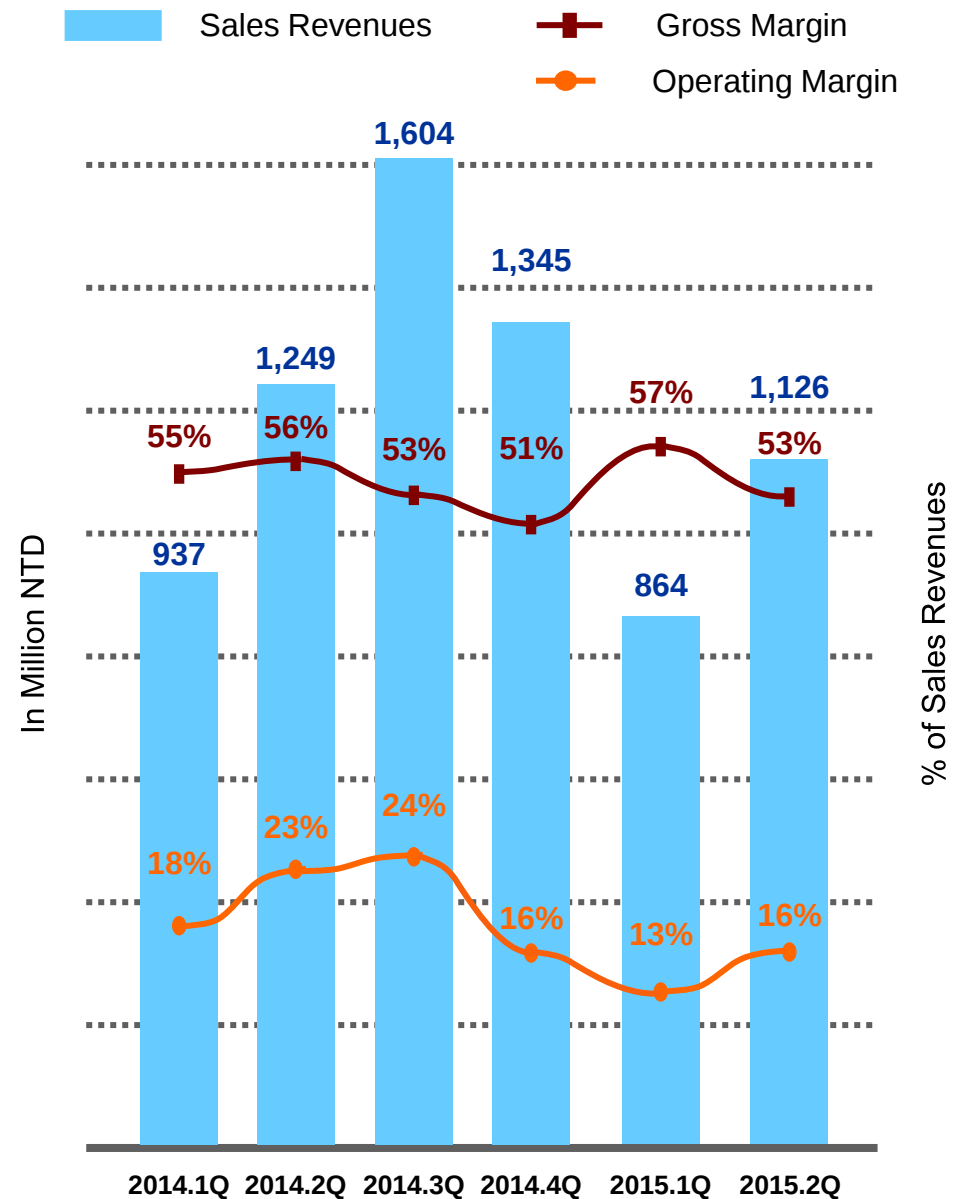
	<u>2015.1H</u>	<u>2014.1H</u>	<u>YoY</u>
EBITDA	770	743	4%
Cash Flow from Operation	1,366	825	66%
Free Cash Flow ●●	922	(1,105)	n/a

● All ROE + ROA has been annualized.

●● Free Cash Flow = Net Cash Provided by Operating Activities + (Net Cash used by Investing Activities)

2015.2Q Key Points

- Sales Revenue: \$ 1,126 million, up 30% QoQ, down 10% YoY
- Gross Margin: 53%
- Operating Margin: 16%
- Net Income: NT\$ 381 million, up 210% QoQ, up 14% YoY
- 2015.2Q Highlights:
 - The second quarter sales revenues mainly contributed from Test Measurements and ATS sector, represented a growth of 22% QoQ and 7% YoY respectively.



Year 2015.2Q Condensed Income Statement

Condensed P&L – Parent Only (In Million NTD, except for EPS in NTD)	2015.2Q	%	2015.1Q	%	QoQ %	2014.2Q	%	YoY %
Net Sales	1,126	100%	864	100%	30%	1,249	100%	(10%)
Cost of Goods Sold	(524)	(47%)	(369)	(43%)	42%	(546)	(44%)	(4%)
Gross Profit	602	53%	495	57%	22%	703	56%	(14%)
Operating Expenses:								
General & Administration	(229)	(19%)	(210)	(24%)	9%	(236)	(19%)	(3%)
Research & Development	(198)	(18%)	(176)	(20%)	13%	(179)	(14%)	11%
Operating Income	175	16%	109	13%	61%	288	23%	(39%)
Non-Operating Income (Expenses), net ●	225	20%	31	4%	626%	91	7%	147%
Income (Loss) Before Tax	400	36%	140	16%	186%	379	30%	6%
Income Tax	(19)	(2%)	(17)	(2%)	12%	(46)	(4%)	(59%)
Net Income	\$ 381	34%	\$ 123	14%	210%	\$ 333	26%	14%
Other Comprehensive Income	(122)	(11%)	(51)	(6%)	139%	(83)	(6%)	47%
Comprehensive Income	\$ 259	23%	\$ 72	8%	n/a	\$ 250	20%	4%
EPS (Basic)	\$ 1.01		\$ 0.33		206%	\$ 0.88		15%
EPS (Diluted)	\$ 0.96		\$ 0.32		200%	\$ 0.86		12%

● Non-operating Income included 100% owned subsidiaries' income - New Material: 9m (QoQ ↓ 18%, YoY ↓ 25%), MAS: 164m (QoQ ↑ 413%, YoY ↑ 720%,).

Year 2015.1H Condensed Income Statement

Condensed P&L – Parent Only

(In Million NTD, except for EPS in NTD)

	2015.1H	%	2014.1H	%	YoY %
Net Sales	1,990	100%	2,186	100%	(9%)
Cost of Goods Sold	(894)	(45%)	(967)	(44%)	(8%)
Gross Profit	1,096	55%	1,219	56%	(10%)
Operating Expenses:					
General & Administration	(438)	(22%)	(419)	(19%)	5%
Research & Development	(374)	(19%)	(340)	(16%)	10%
Operating Income	284	14%	460	21%	(38%)
Non-Operating Income (Expenses), net ●	256	13%	122	6%	110%
Income (Loss) Before Tax	540	27%	582	27%	(7%)
Income Tax	(35)	(2%)	(70)	(4%)	(50%)
Net Income	\$ 505	25%	\$ 512	23%	(1%)
Other Comprehensive Income	(174)	(8%)	(35)	(2%)	n/a
Comprehensive Income	\$ 331	17%	\$ 477	21%	(31%)
EPS (Basic)	\$ 1.34		\$ 1.36		(1%)
EPS (Diluted)	\$ 1.28		\$ 1.33		(4%)

● Non-operating Income included 100% owned subsidiaries' income - New Material: 20m (YoY ↓ 31%), MAS: 196m (YoY ↑ 576%)

Balance Sheet Highlights & Financial Ratio

Parent Only (In Million NTD)

2015. June

2014. Dec

+ / - %

Balance Sheet Highlights

Cash & Short Term Investment	2,482	2,168	14%
Inventory	1,236	1,257	- 2%
Short Term Debt	144	151	- 5%
Long Term Debt	2,304	2,361	- 2%
Shareholders Equity	8,606	9,271	- 7%
Total Assets	13,401	13,290	1%

Inventory Turnover (Day)	251	186
AR Turnover (Day)	191	141
AP Turnover (Day)	106	71
Net Debt to Equity (%)	-	5%

ROE (%) ●	11%	15%
ROA (%) ●	8%	11%

Cash Position

2015.2Q

2015.1Q

QoQ

2015.1H

YoY

EBITDA	447	186	140%	633	(4%)
Cash Flow from Operation	188	419	(55%)	607	(5%)
Free Cash Flow ●●	(5)	224	n/a	219	n/a

● All ROE + ROA has been annualized.

●● Free Cash Flow = Net Cash Provided by Operating Activities + (Net Cash used by Investing Activities)

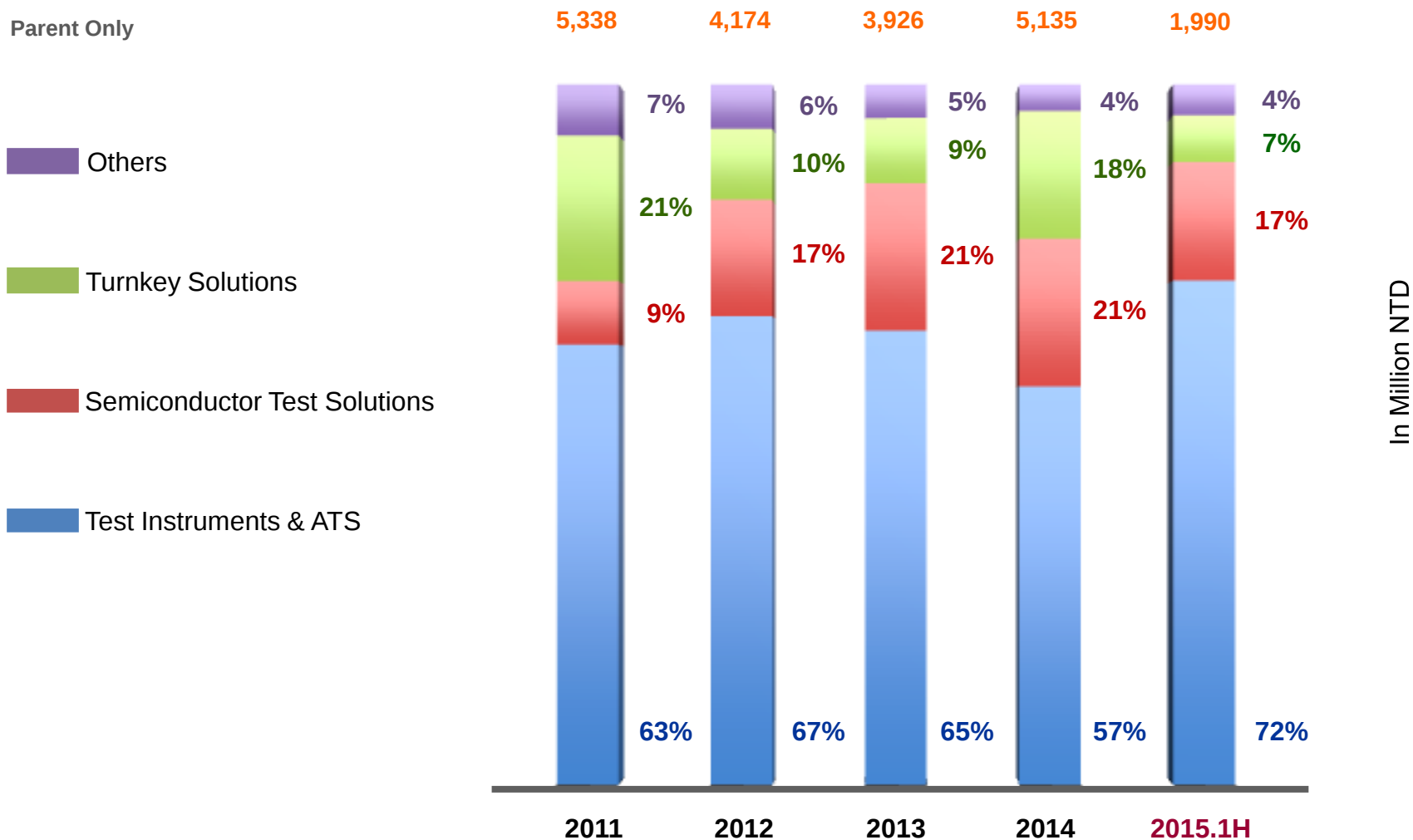
OPERATION HIGHLIGHT



Chroma Ate Inc. Sales Breakdown by Testing Solutions **Chroma**

(Unit: Million NTD)	<u>2015.2Q</u>	<u>%</u>	<u>QoQ</u>	<u>2014.2Q</u>	<u>%</u>	<u>YoY</u>	<u>2015.1H</u>	<u>%</u>	<u>2014.1H</u>	<u>%</u>	<u>YoY</u>
Test Instruments & ATS	787	70%	22%	735	59%	7%	1,433	72%	1,328	61%	8%
Semiconductor Test Solutions	184	16%	21%	260	21%	(29%)	336	17%	418	19%	(20%)
Turnkey Solutions	105	10%	275%	202	16%	(48%)	133	7%	349	16%	(62%)
Service & Others	50	4%	32%	52	4%	-	88	4%	91	4%	(3%)
Total	1,126	100%	30%	1,249	100%	(10%)	1,990	100%	2,186	100%	(9%)

A Turnkey Solution and Intelligent Automation Line Provider

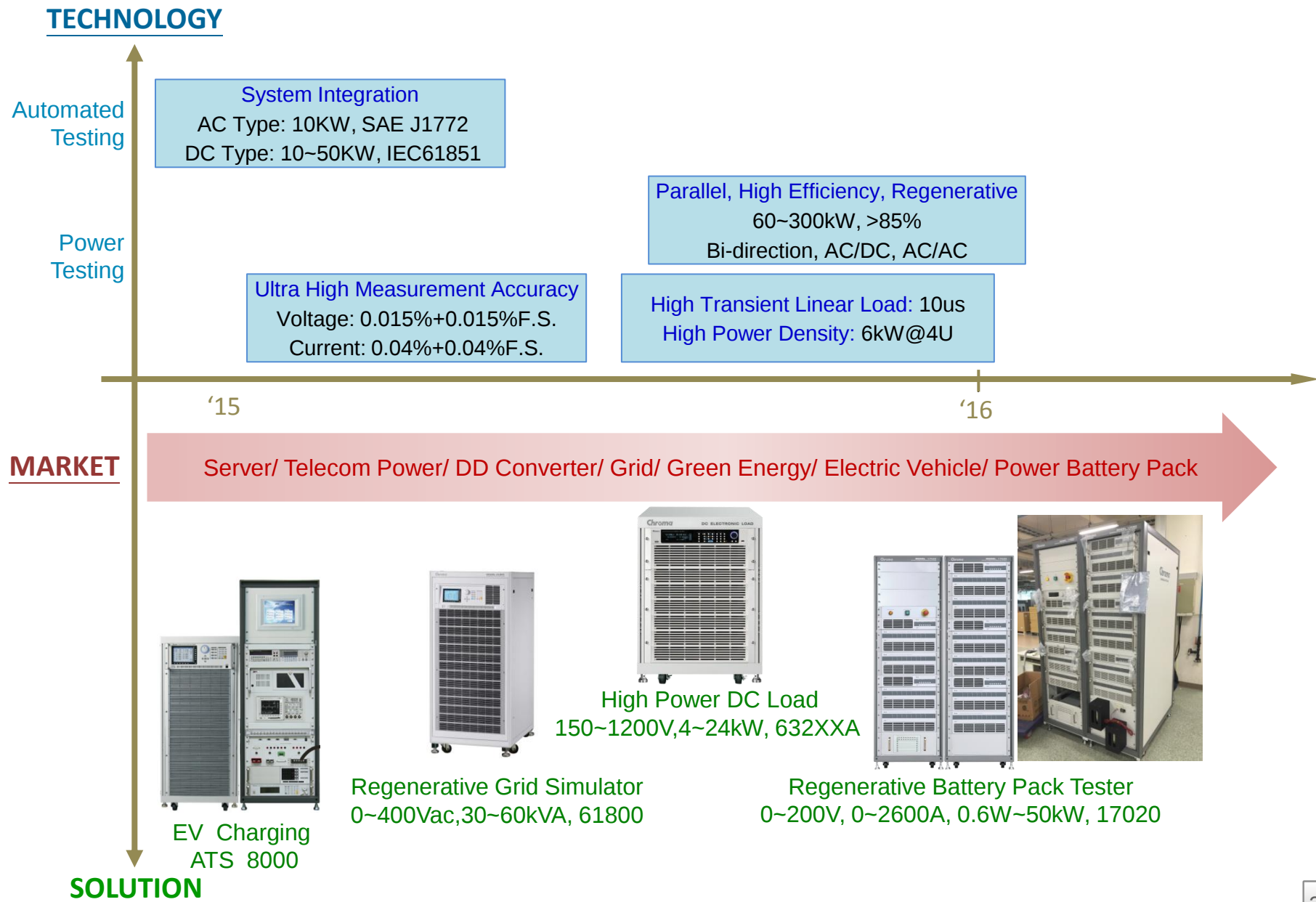


Sales Breakdown by Consolidated Entities

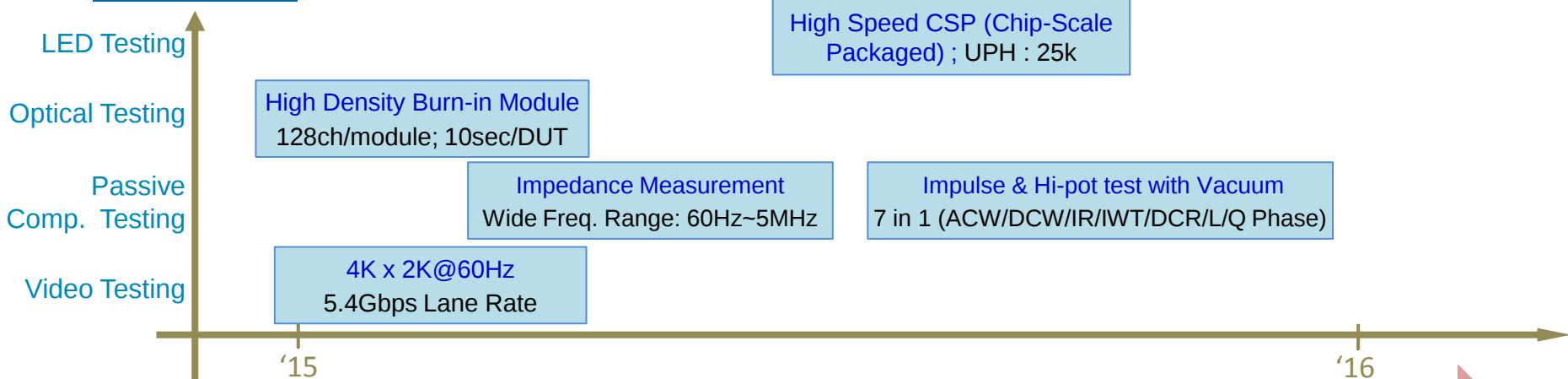
(Unit: Million NTD)

	<u>2015.2Q</u>	<u>%</u>	<u>QoQ</u>	<u>2014.2Q</u>	<u>%</u>	<u>YoY</u>	<u>2015.1H</u>	<u>%</u>	<u>2014.1H</u>	<u>%</u>	<u>YoY</u>
Chroma Ate. Inc. included overseas affiliates	1,369	51%	29%	1,476	56%	(7%)	2,434	53%	2,557	55%	(5%)
MAS	665	25%	313%	176	7%	278%	825	18%	272	6%	203%
New Material	563	21%	(5%)	850	32%	(34%)	1,158	25%	1,578	34%	(27%)
Others	112	4%	9%	125	5%	(10%)	216	4%	226	5%	(4%)
Consolidated Sales	2,709	100%	41%	2,627	100%	3%	4,633	100%	4,633	100%	-

- Heading into peak season, the Chroma parent sales revenues in second quarter presented a growth of 30% QoQ. The growth drivers are mainly coming from Turnkey Solutions and Test Instruments & ATS which presented a growth of 275% and 22% QoQ respectively.
- The US, Europe and Japan markets penetration have reached 28% of Chroma parent sales in first half 2015 through increasing recognition from global top-tier customers.
- Industrial Automation (IA) remains strong, the Company expected IA related businesses (Turnkey Solutions + MAS) to reach over 20% of the group consolidated sales compared to 16% in 2014. The first half 2015 have reached 21% of group consolidated sales.
- The Company expected the 2015 second half results will be better than first half due to delivery of new applications of Turnkey Solutions and increasing demand from clean tech related power testing businesses.



TECHNOLOGY



MARKET

HD Display/ Fiber Communication/ High Power Components/ LED/ Motor



FPD Tester 040201



HF LCR Meter
11050-5M



Programmable HF
AC Tester 11805-20-20



Motor Stator
Test System 1920



LD CoC Characterization
Test System 58620



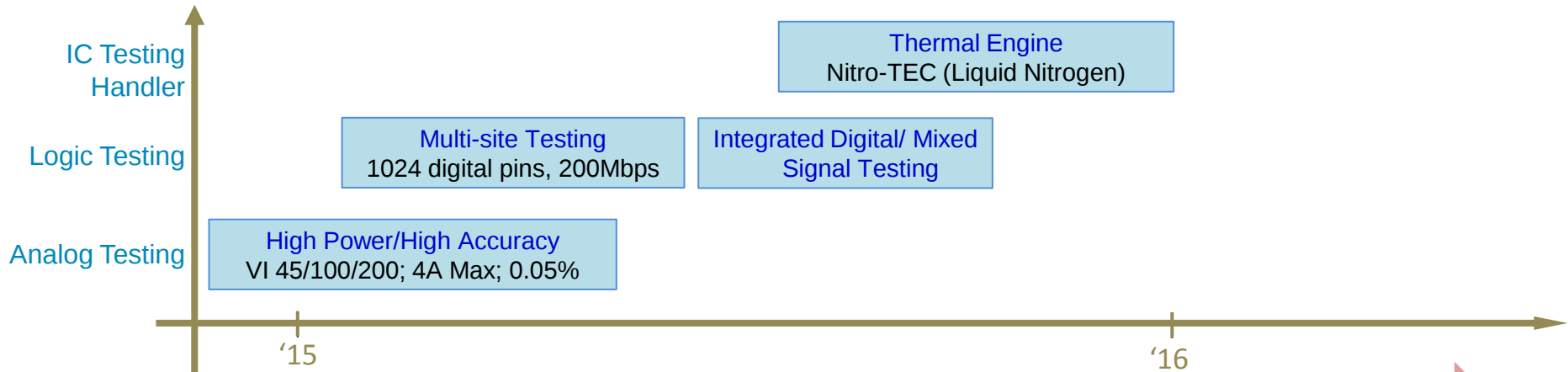
LD CoC Burn-In Test
System 58601/58603



LED Tester & Tapper 58280

SOLUTION

TECHNOLOGY



MARKET

IC – SoC/ MCU/ PMIC/ Sensors (touch-screen, fingerprint) / Connectivity (WiFi, BT)



Analog/power
Instruments
VI45/PVI100



SoC Test System
3650-EX

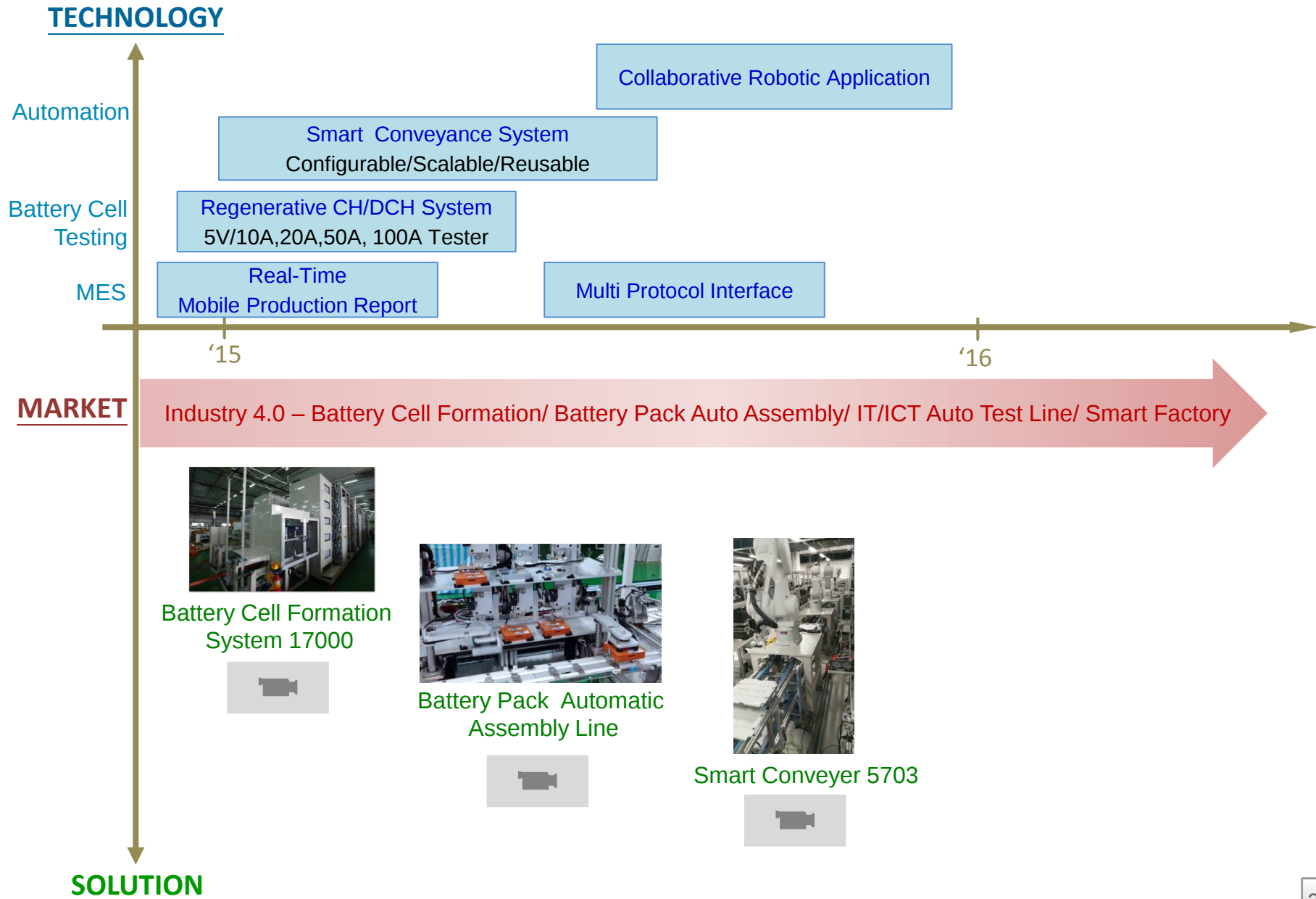


VLSI Test System
3380-D



Full Range Active
Thermal Control
Handler 3160-F

SOLUTION





let's make a better world.

Thank You!