Test and Automation turnkey Solution provider™

CHROMA ATE INC.

2020.1Q Earnings Conference Call

Paul Ying, CFO

29th April, 2020

Disclaimer

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.

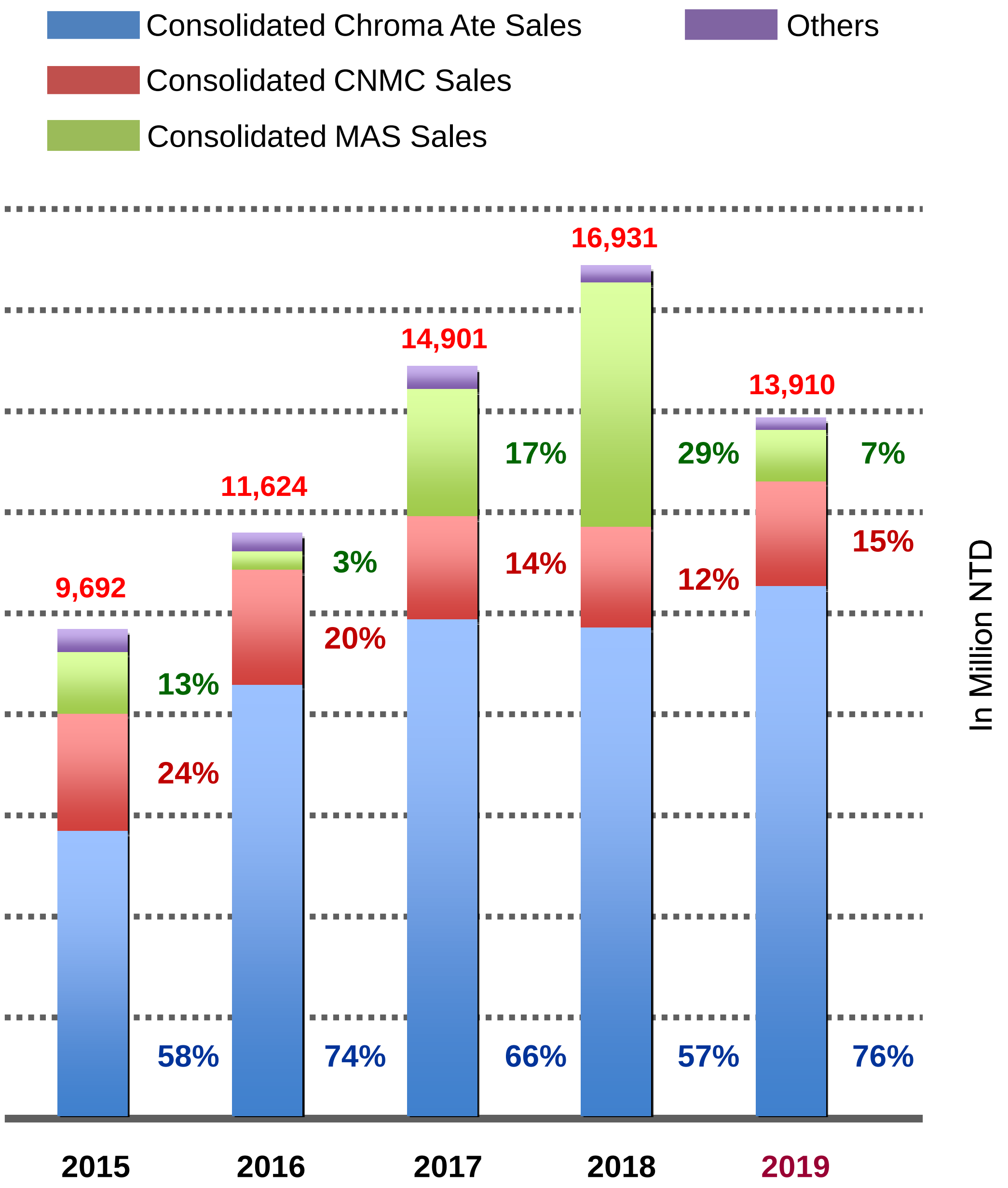
Agenda

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

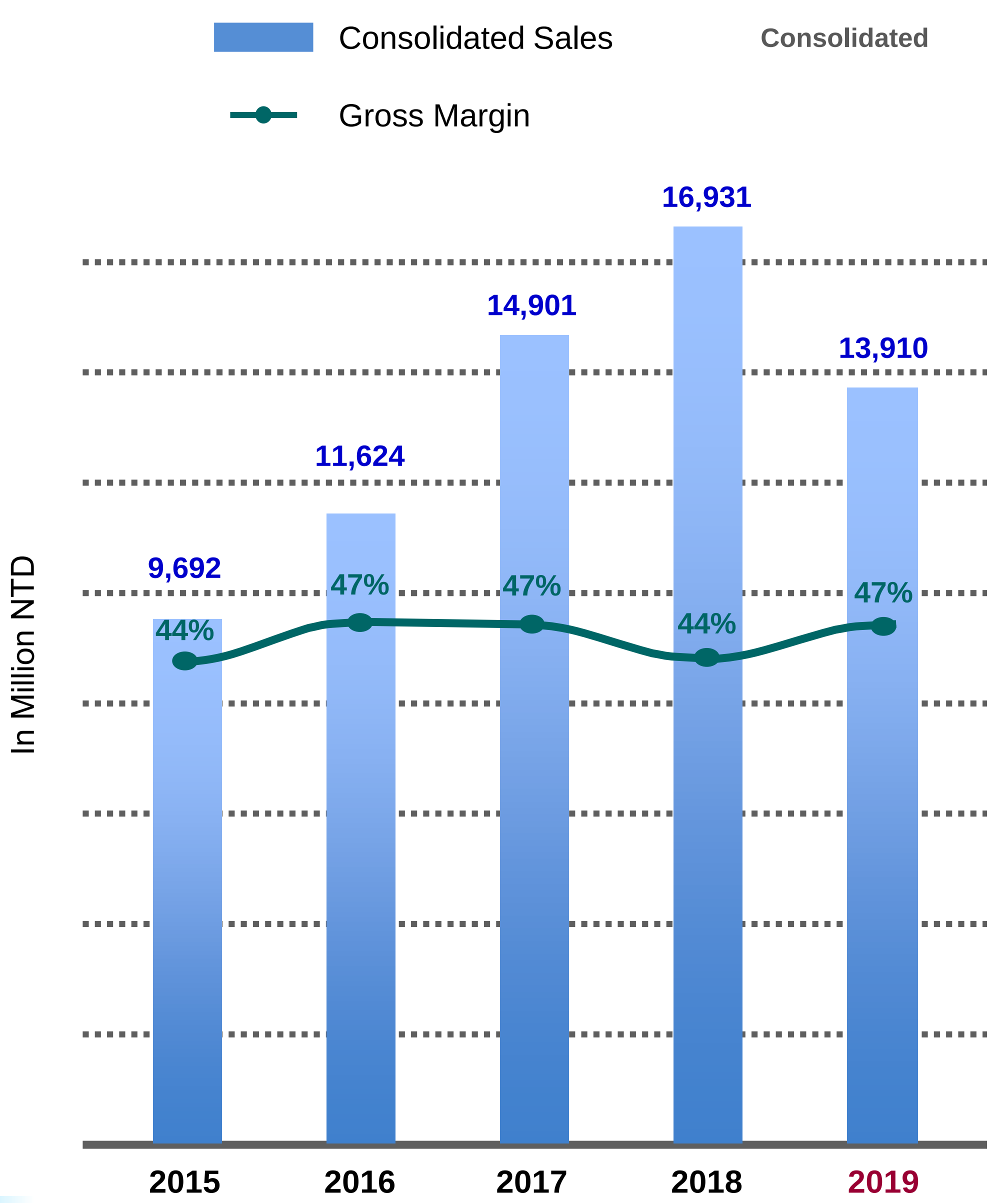
CORPORATE PROFILE

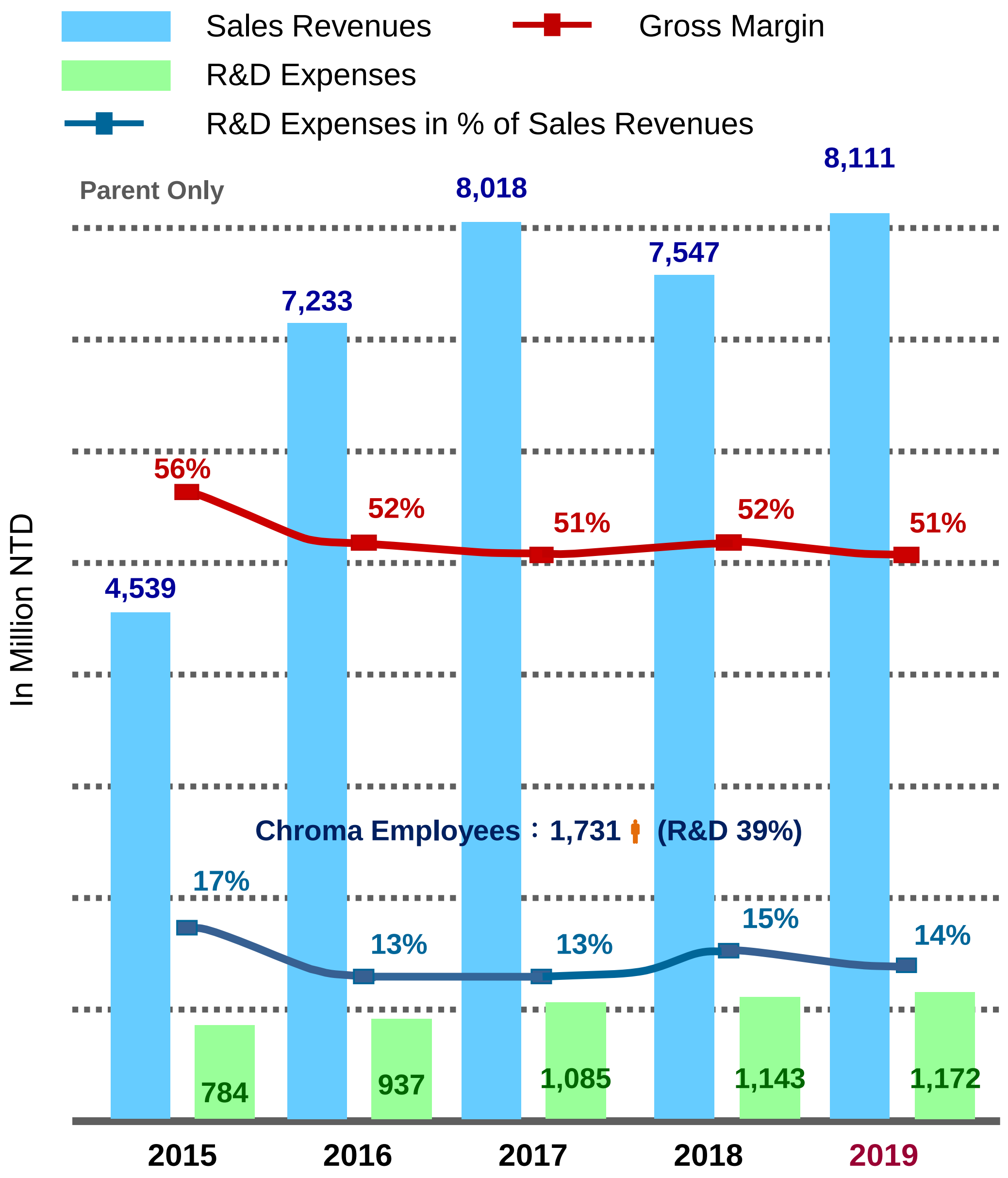
Corporate Profile

- 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).
- 2019 Consolidated Sales : NT$ 13.9 billion
- 2019 Net Income: NT$ 1.9 billion
- Chroma Group total of 2,981 employees (as of March, 2020)



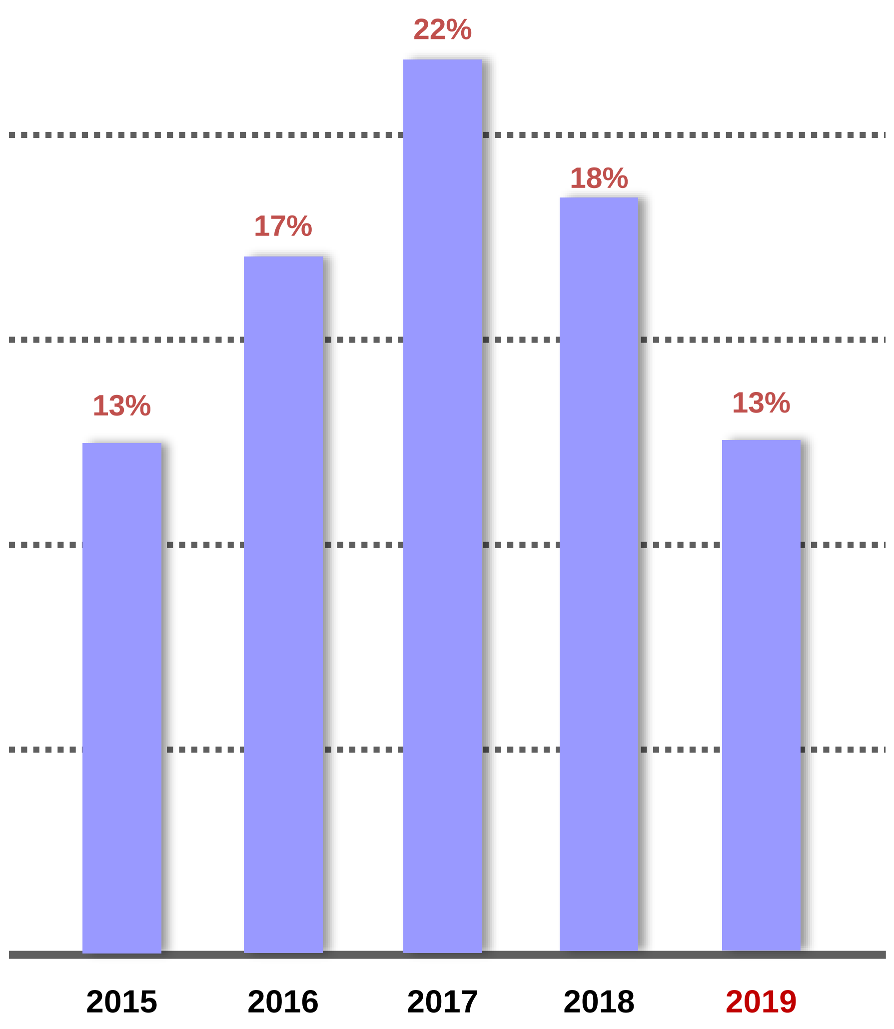
Financial Performance



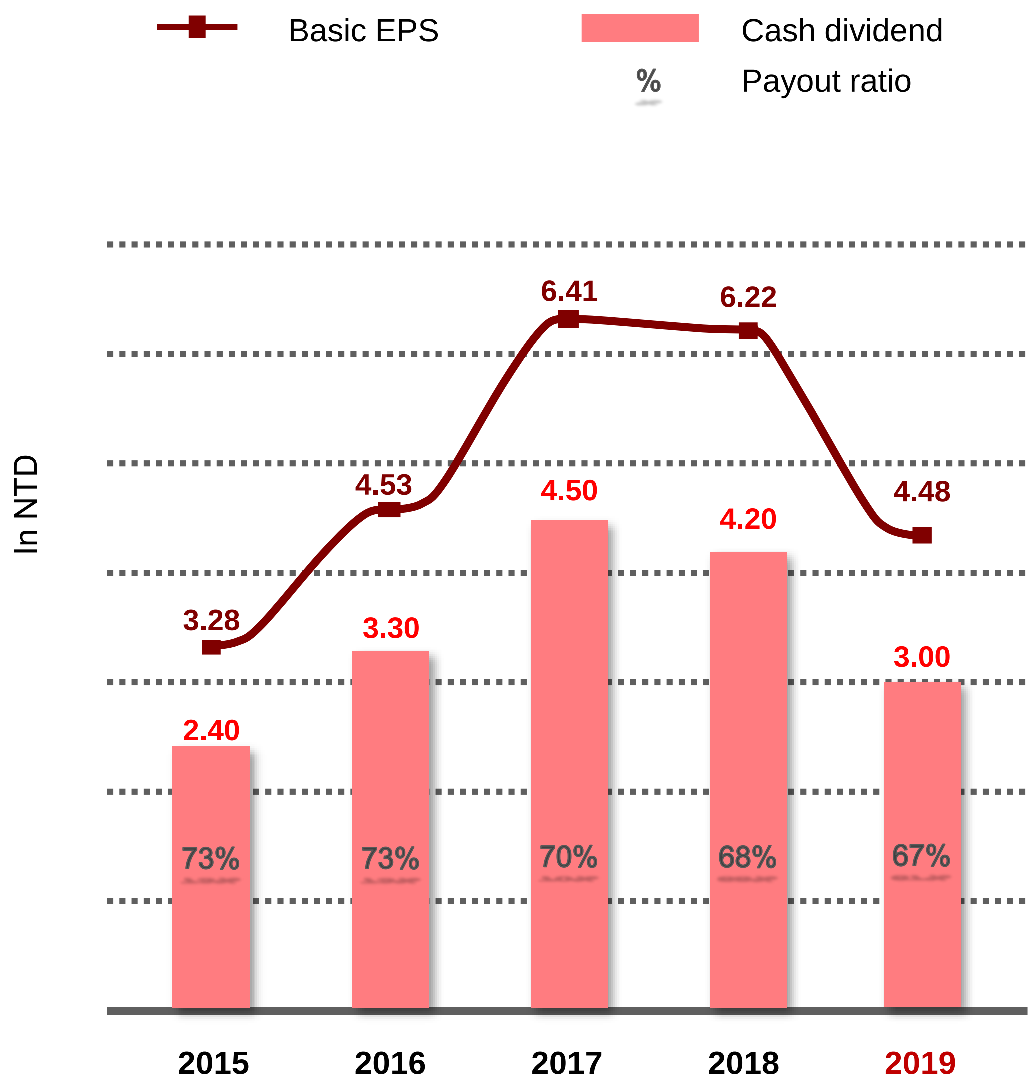


Financial Performance

ROE



Dividend



Global Operation Sites

50 Operation Sites

93 Distributors

EST. 1999

Netherlands: Ede

EST. 2017

Germany: Augsburg

EST. 2008


Japan: Shin-Yokohama/ Nagoya/ Osaka

EST. 2018

Korea: Pangyo

EST. 1993

United States: Irvine, CA
Santa Clara, CA
Chandler, AZ

EST. 2001

United States: Foothill Ranch, CA
Marlborough, MA
Mexico：
Ciudad Juarez

Chroma

EST. 1998

China/ Shenzhen

EST. 1999

China/ Beijing

EST. 2000

China/ Shanghai

EST. 2001

China/ Dongguan


Taiwan: Taoyuan (Headquarters)

EST. 2003

Taiwan: Hsinchu

EST. 2009

Taiwan: Kaohsiung

EST. 2006

China/ Suzhou

EST. 2011

China/ Xiamen

EST. 2011

China/ Chongqing

EST. 2016

Quantel：Singapore

Others:
India: New Delhi/ Mumbai/ Bangalore
Thailand: Bangkok
Vietnam: Hanoi/ Ho Chi Minh
Malaysia: Kuala Lumpur/ Penang
Philippines: Manila/ Cebu
Indonesia: Jakartar

Others: Qingdao/ Zhengzhou/ Xian/Hefei/ Chengdu/ Wuhan/ Hangzhou/ Guangzhou/ Hong Kong

FINANCIAL REVIEW

Year 2020.1Q Condensed Consolidated Income Statement

Condensed Consolidated P&L (In Million NTD, except for EPS in NTD)	2020.1Q	%	2019.1Q	%	YoY %
Net Sales	**3,371**	**100%**	**2,742**	**100%**	**23%**
Consolidated Sales of Testing Equipment Business	2,557	76%	2,023	74%	**26%**
Consolidated Sales of MAS	177	5%	274	10%	**(35%)**
Consolidated Sales of New Material	559	17%	395	14%	**42%**
Others	78	2%	50	2%	**56%**
Cost of Goods Sold	(1,625)	(48%)	(1,425)	(52%)	**14%**
Gross Profit	**1,746**	**52%**	**1,317**	**48%**	**33%**
Operating Expenses:					
General & Administration	(884)	(26%)	(733)	(26%)	**21%**
Research & Development	(314)	(9%)	(295)	(11%)	**6%**
Operating Income	**548**	**16%**	**289**	**11%**	**90%**
Non-Operating Income (Expenses), net	59	2%	72	2%	**(18%)**
Income (Loss) Before Tax	607	18%	361	13%	**68%**
Income Tax	(121)	(4%)	(64)	(2%)	**89%**
Net Income	**486**	**14%**	**297**	**11%**	**64%**
Other Comprehensive Income (Losses)	(64)	(2%)	67	2%	**n/a**
Comprehensive Income	**$ 422**	**12%**	**$ 364**	**13%**	**16%**
Net Income (Losses) Attributable To:					
Shareholders of the Parent	471	14%	296	11%	**59%**
Noncontrolling Interests	15	-	1	-	**n/a**
	$ 486	**14%**	**$ 297**	**11%**	**64%**
EPS (Basic)	**$ 1.13**		**$ 0.72**		**57%**
EPS (Diluted)	**$ 1.12**		**$ 0.71**		**58%**

Balance Sheet Highlights & Financial Ratio

Chroma

Consolidated (In Million NTD)	**2020. March**	**2019. Dec**	**+ / - %**
Balance Sheet Highlights			
Cash & Short Term Investments	3,728	3,455	8%
Inventory	2,980	2,665	12%
Short Term Debt	2,168	2,381	- 9%
Long Term Debt	2,691	2,422	11%
Shareholders Equity	13,989	14,785	- 5%
Total Assets	**25,476**	**25,437**	**-**
Inventory Turnover (Day)	156	127	
AR Turnover (Day)	136	133	
AP Turnover (Day)	145	129	
Net Debt to Equity (%)	8%	9%	
ROE (%) ●	**13%**	**13%**	
ROA (%) ●	**7%**	**8%**	

Cash Position	**2020.1Q**	**2019.1Q**	**YoY**
EBITDA	732	486	51%
Cash Flow from Operation	619	500	24%
Free Cash Flow ●●	**442**	**388**	**14%**

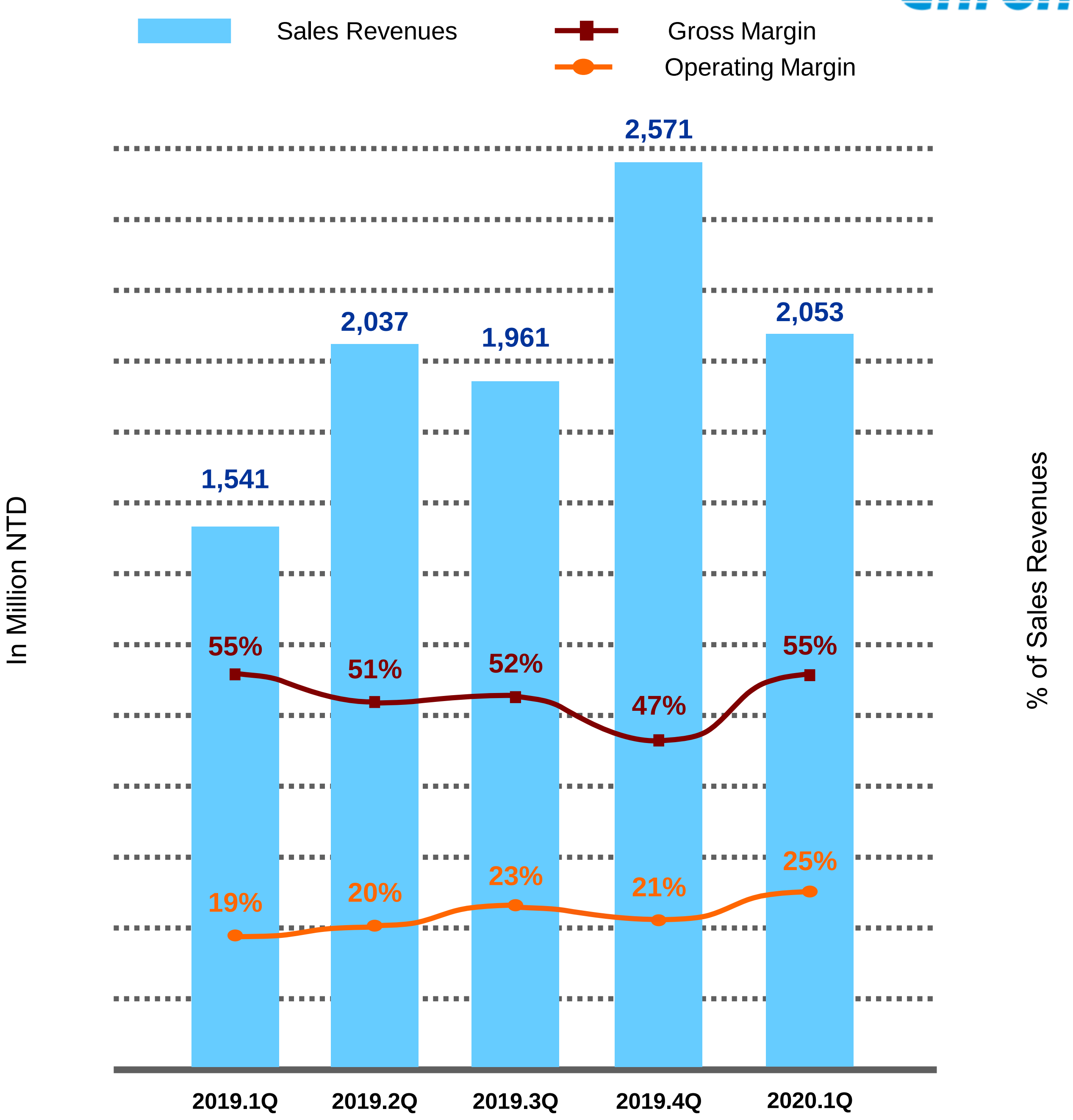
● All ROE + ROA has been annualized.

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

Quarterly Highlights

2020.1Q Key Points

- Sales Revenue: $ 2,053 million,
  down 20% QoQ, up 33% YoY
- Gross Margin: 55%
- Operating Margin: 25%
- Net Income: NT$ 471 million,
  down 22% QoQ, up 59% YoY
- 2020.1Q Highlights:
  - The major growth in first quarter is contributed from Semiconductor / Photonics sector, which presented a growth of 4% QoQ and 78% YoY respectively.



Year 2020.1Q Condensed Income Statement

Condensed P&L – Parent Only (In Million NTD, except for EPS in NTD)	2020.1Q	%	2019.4Q	%	QoQ %	2019.1Q	%	YoY %
Net Sales	**2,053**	**100%**	**2,571**	**100%**	**(20%)**	**1,541**	**100%**	**33%**
Cost of Goods Sold	(929)	(45%)	(1,370)	(53%)	**(32%)**	(696)	(45%)	**33%**
Gross Profit	**1,124**	**55%**	**1,201**	**47%**	**(6%)**	**845**	**55%**	**33%**
Operating Expenses:								
General & Administration	(342)	(16%)	(339)	(13%)	**1%**	(291)	(19%)	**18%**
Research & Development	(278)	(14%)	(311)	(13%)	**(11%)**	(265)	(17%)	**5%**
Operating Income	**504**	**25%**	**551**	**21%**	**(9%)**	**289**	**19%**	**74%**
Non-Operating Income (Expenses), net ●	63	3%	195	8%	**(68%)**	53	3%	**19%**
Income (Loss) Before Tax	567	28%	746	29%	**(24%)**	342	22%	**66%**
Income Tax	(96)	(5%)	(142)	(6%)	**(32%)**	(46)	(3%)	**109%**
Net Income	**$ 471**	**23%**	**$ 604**	**23%**	**(22%)**	**$ 296**	**19%**	**59%**
Other Comprehensive Income	(61)	(3%)	(211)	(8%)	**(71%)**	66	4%	**n/a**
Comprehensive Income	**$ 410**	**20%**	**$ 393**	**15%**	**4%**	**$ 362**	**23%**	**13%**
EPS (Basic)	**$ 1.13**		**$ 1.45**		**(22%)**	**$ 0.72**		**57%**
EPS (Diluted)	**$ 1.12**		**$ 1.43**		**(22%)**	**$ 0.71**		**58%**

● 100% owned subsidiaries' income - New Material: 11m (QoQ ↑ 175%, YoY ↑ 38%), MAS: (73m).

Balance Sheet Highlights & Financial Ratio

Chroma

Parent Only (In Million NTD)	2020. March	2019. Dec	+ / - %
Balance Sheet Highlights			
Cash & Short Term Investment	606	459	32%
Inventory	2,308	2,026	14%
Short Term Debt	1,400	1,615	- 13%
Long Term Debt	2,500	2,285	9%
Shareholders Equity	13,681	14,489	- 5%
Total Assets	**22,006**	**21,807**	**1%**
Inventory Turnover (Day)	210	178	
AR Turnover (Day)	123	123	
AP Turnover (Day)	122	102	
Net Debt to Equity (%)	23%	24%	
ROE (%) ●	**13%**	**13%**	
ROA (%) ●	**9%**	**9%**	

Cash Position	2020. 1Q	2019.1Q	YoY
EBITDA	629	402	56%
Cash Flow from Operation	378	451	(16%)
Free Cash Flow ●●	**120**	**428**	**(72%)**

● All ROE + ROA has been annualized.

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

OPERATION HIGHLIGHT

2020.1Q Product Mix and Consolidated Sales Breakdown

(Unit: Million NTD)	2020.1Q	%	QoQ	YoY	2019	%
Test Instruments & Automatic Testing System (ATS)	1,168	57%	(11%)	24%	4,605	57%
Semiconductor / Photonics Test Solutions	682	33%	4%	78%	2,311	28%
Turnkey Solutions	55	3%	(87%)	(45%)	632	8%
Service & Others	148	7%	(23%)	29%	563	7%
Total of Parent Company Sales	**2,053**	**100%**	**(20%)**	**33%**	**8,111**	**100%**
+ Sales from Overseas Operations & Related Subsidiaries	504		(41%)	5%	2,435	
Chroma Consolidated Testing Equipment Business	**2,557**	**76%**	**(25%)**	**26%**	**10,546**	**76%**
MAS	**177**	**5%**	**(43%)**	**(35%)**	**1,009**	**7%**
New Material	**559**	**17%**	**(16%)**	**42%**	**2,097**	**15%**
Other Subsidiaries	**78**	**2%**	**(5%)**	**56%**	**258**	**2%**
Consolidated Sales	**3,371**	**100%**	**(25%)**	**23%**	**13,910**	**100%**

Year 2020 Guidance

- Chroma first quarter consolidated sales revenues reached 3.4 billion NTD, presented a decline of 25% QoQ, but an increase of 23% YoY. The Parent Company sales hit first quarter's record high reached 2.1 billion, presented a decline of 20% QoQ, but a growth of 33% YoY, mainly contributed from Semiconductor / Photonics testing solutions which increased 78% compared to last year.

- 2020 Business Outlook:

  - ✓ Rapidly development of AIoT (convergence of AI and IoT) increases the demand for high performance CPU/GPU, Sensors, RF connections etc. which will be continuously driving the sales growth in Semiconductors / Photonics testing solutions. Particularly from:

    - High Reliability Testing Solutions : Burn-in Test, SLT Test
    - VCSEL / ToF testing for 3D sensing
    - OFC (Optical Fiber Communication) testing
    - Integrated wireless RF and MCU testing solutions for True Wireless Stereo (TWS)

  - ✓ The Test Instruments & ATS for power testing solutions will be focusing on green energy, included EV related components, battery module / pack and smart-grid and 5G / Server related power testing.

  - ✓ The In-line Nanoparticle Monitoring System, a breakthrough technology developed by Innovative Nanotech, which could precisely detect the particles down to 3nm and have started to deliver to foundry customer.

Thank You !