Elite Material Co., Ltd.

Investor Conference Presentation

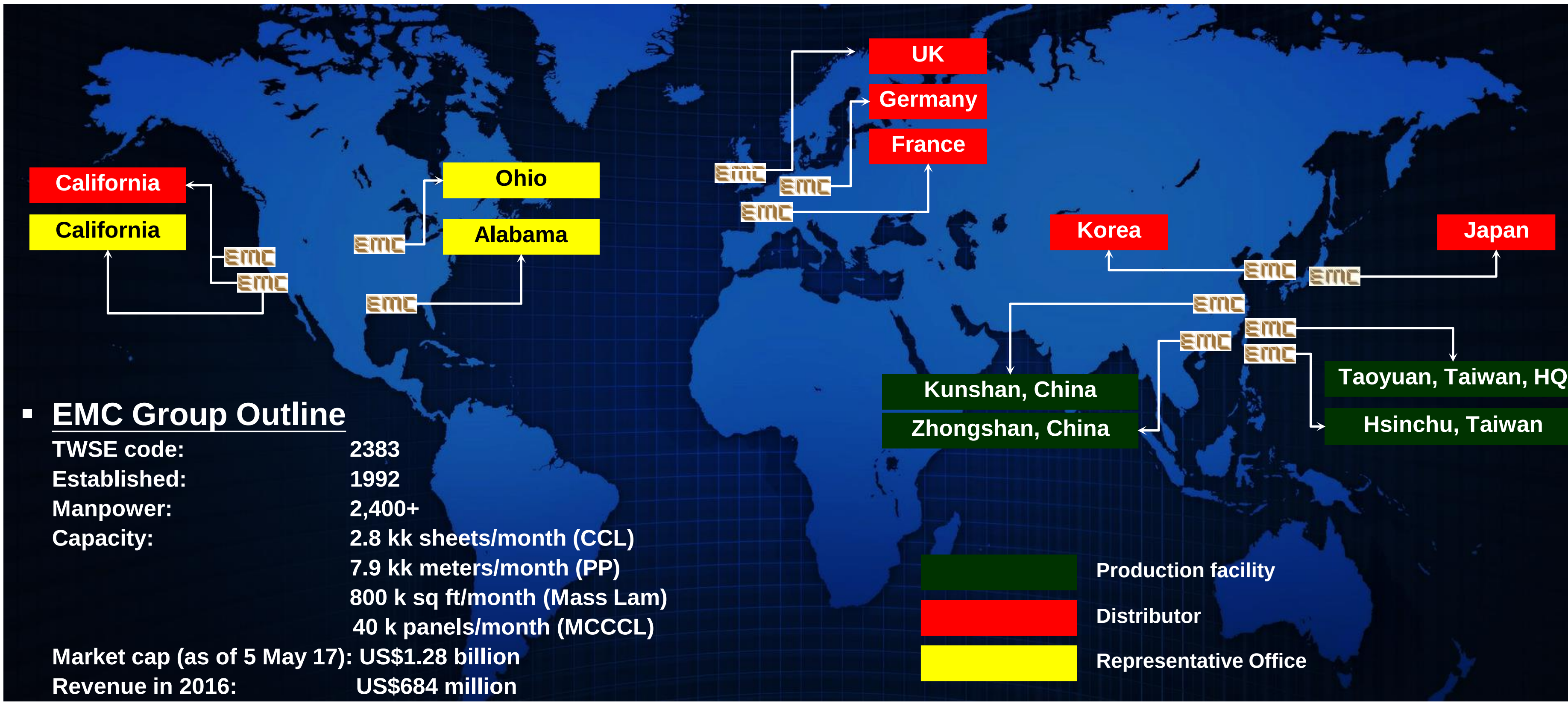
12 May 2017

Innovation
Globalization
Diversification

Contents

Company profile – global footprint

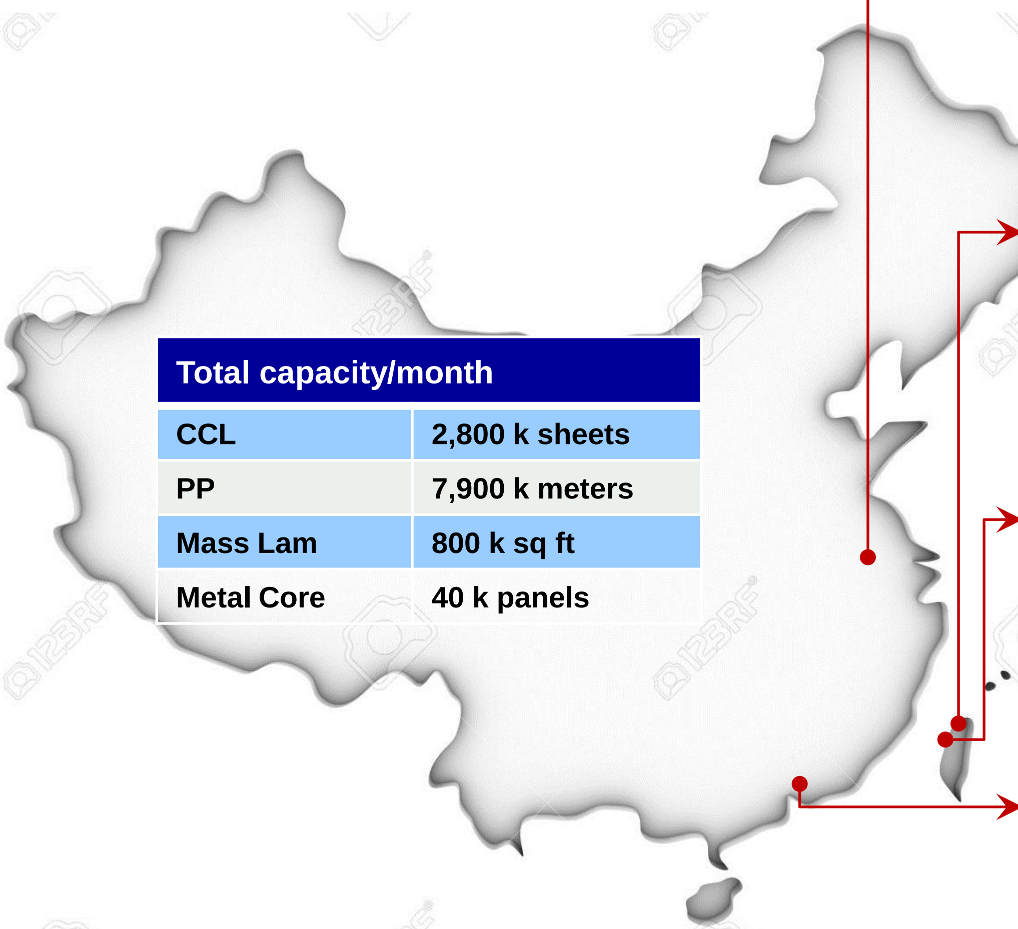
- In 2016, EMC was **the largest halogen-free laminator** and **the 5th largest** overall laminate manufacturer in the world. (Prismark Partners LLC)



- <u>EMC Group Outline</u>

TWSE code:	2383
Established:	1992
Manpower:	2,400+
Capacity:	2.8 kk sheets/month (CCL)
	7.9 kk meters/month (PP)
	800 k sq ft/month (Mass Lam)
	40 k panels/month (MCCCL)
Market cap (as of 5 May 17):	US$1.28 billion
Revenue in 2016:	US$684 million
Qualifications:	ISO-9001, ISO-14001, TS-16949 QC080000, AS9100C, and Sony Green Partner
UL file number:	E150504

Production sites and current monthly capacity



Total capacity/month	
CCL	2,800 k sheets
PP	7,900 k meters
Mass Lam	800 k sq ft
Metal Core	40 k panels

EMC (KS) Kunshan	
CCL	1,350 k sheets
PP	3,300 k meters
Manpower	900+

EMC (TW) Taoyuan	
CCL	500 k sheets
PP	1,800 meters
Manpower	550+

EMC (TW) Hsinchu	
PP	700 meters
Mass Lam	800 k sq ft
Metal Core	40 k panels
Manpower	300+

EMC (ZS) Zhongshan	
CCL	950 k sheets
PP	2,100 k meters
Manpower	650+

1Q17 consolidated P&L

Unit: NT$ million

	1Q17	4Q16	QoQ	1Q16	YoY
Revenue	5,767	5,878	-1.9%	4,821	19.6%
Gross profit	1,405	1,549	-9.3%	1,195	17.5%
Operating profit	1,002	1,069	-6.2%	800	25.3%
Interest income (expenses)	(6)	(7)	na	(7)	na
Other income (expenses)	1	33	-96.9%	(37)	na
Income before tax	997	1,095	-8.9%	756	31.9%
Tax expenses	275	300	-8.3%	198	38.9%
Net income	722	795	-9.2%	558	29.4%
EPS (NT$) - basic	2.26	2.49	-9.2%	1.75	29.4%
Gross margin (%)	24.4%	26.4%		24.8%	
Operating margin (%)	17.4%	18.2%		16.6%	
Net margin (%)	12.5%	13.5%		11.6%	

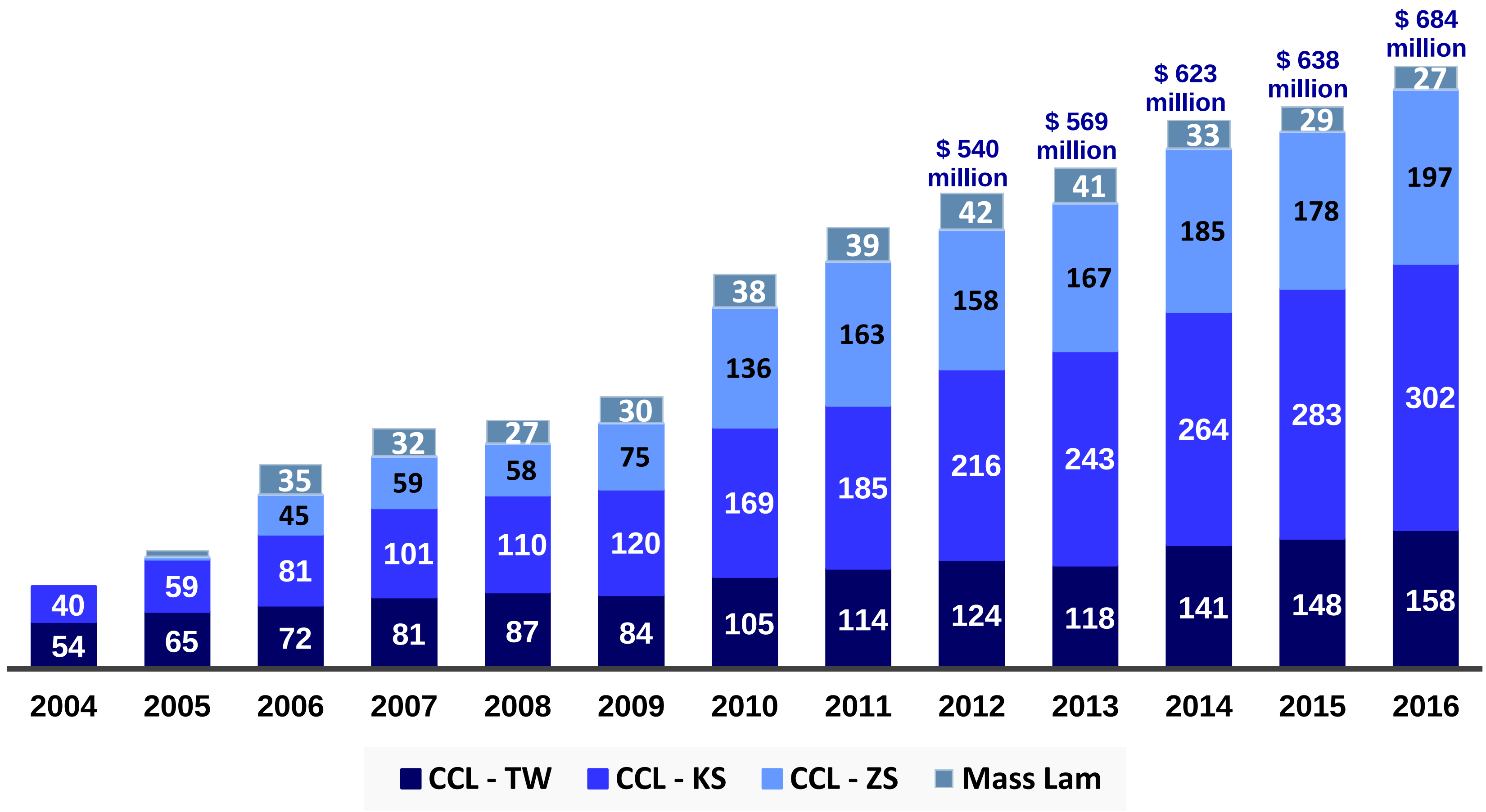
Five-year consolidated P&L

Unit: NT$ million

	2012	2013	2014	2015	2016	1Q17	1Q16	YoY
Revenue	15,960	16,873	18,885	20,870	22,070	5,767	4,821	19.6%
Gross profit	2,666	2,545	3,431	5,064	5,766	1,405	1,195	17.5%
Operating profit	1,246	1,019	1,598	3,249	3,939	1,002	800	25.3%
Interest income (expenses)	(53)	(50)	(47)	(36)	(27)	(6)	(7)	na
Other income (expenses)	37	63	287	117	6	1	(37)	na
Income before tax	1,230	1,033	1,838	3,331	3,917	997	756	31.9%
Tax expenses	97	195	297	938	1,143	275	198	38.9%
Net income	1,132	838	1,542	2,392	2,774	722	558	29.4%
EPS (NT$) - basic	3.55	2.63	4.83	7.50	8.70	2.26	1.75	29.4%
Gross margin (%)	16.7%	15.1%	18.2%	24.3%	26.1%	24.4%	24.8%	
Operating margin (%)	7.8%	6.0%	8.5%	15.6%	17.8%	17.4%	16.6%	
Net margin (%)	7.1%	5.0%	8.2%	11.5%	12.6%	12.5%	11.6%	

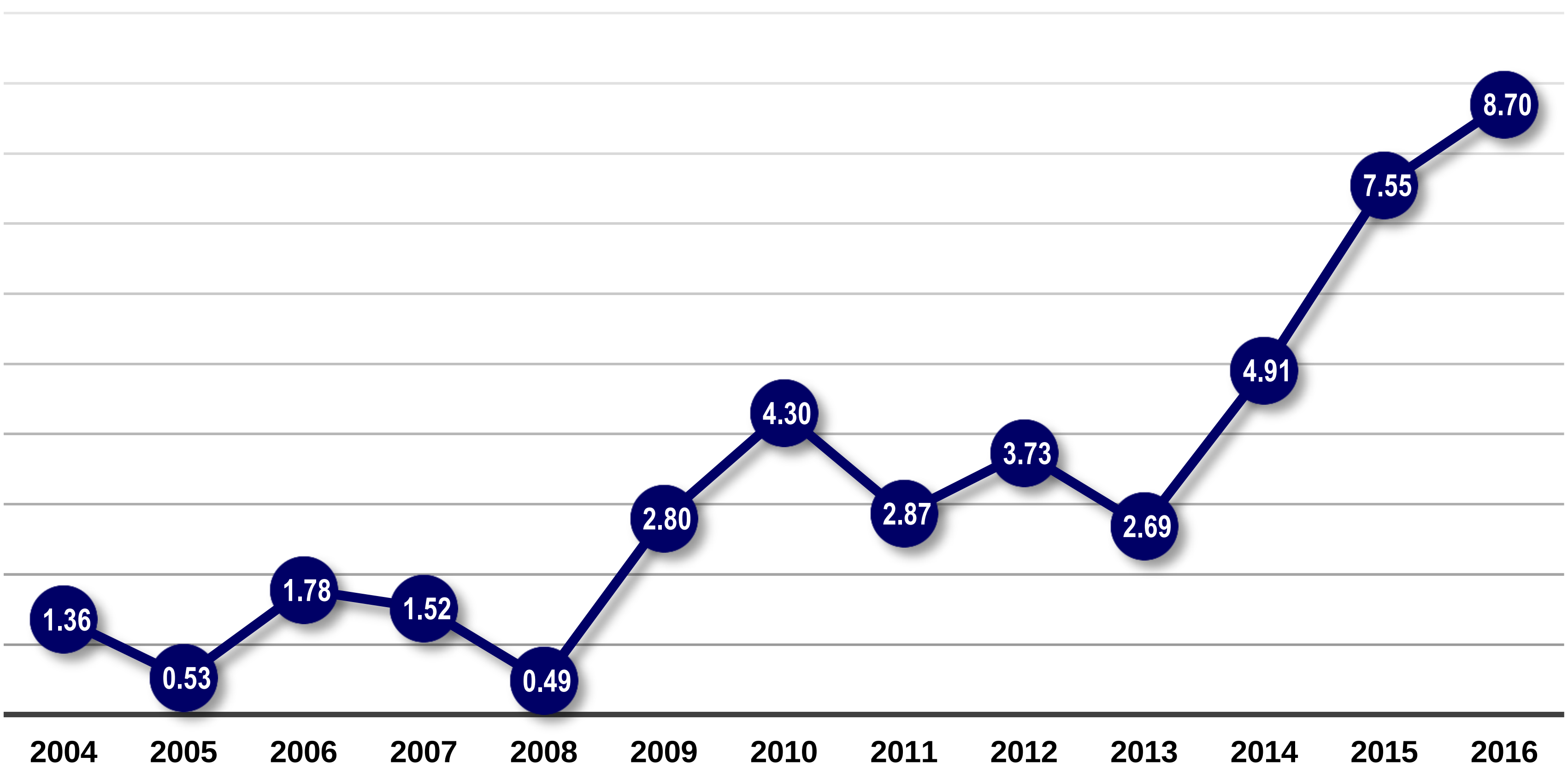
Consolidated revenue of EMC Group

Unit: US$ million



Reported earnings per share

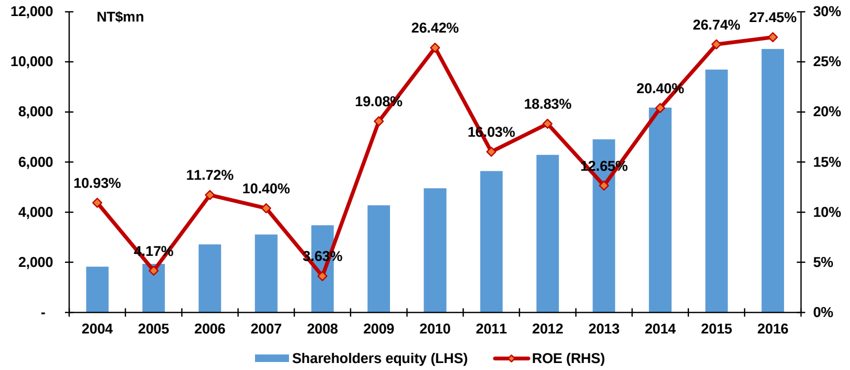
Unit: NT$ per share



ROE reached the highest level in the company's history

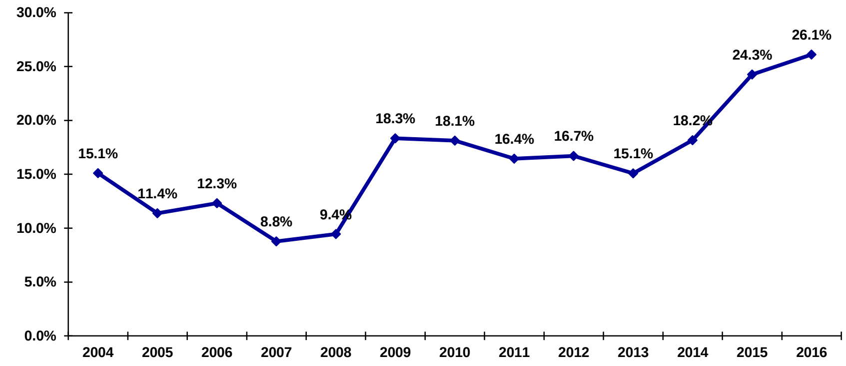
ROE reached 27.45% in 2016, the highest level in the company's history

Despite shareholders equity rose at a steady rate, ROE remained on the upward trend in the long term, resulted mainly from margin expansion.



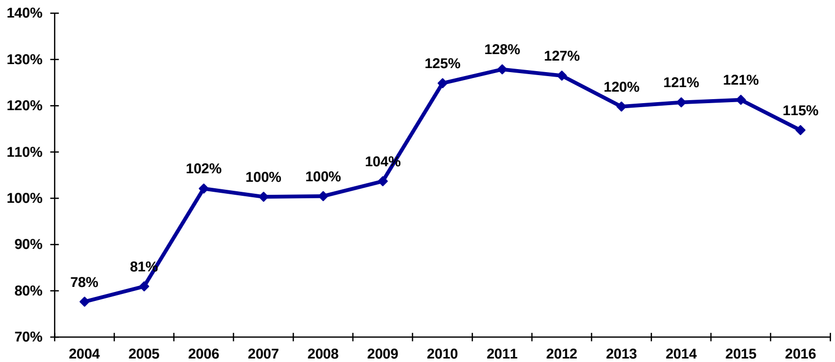
LT gross margin expansion, for:

- **More green products used for high-speed/high-frequency applications**
- **Engineering solutions and technical services provided to customers**



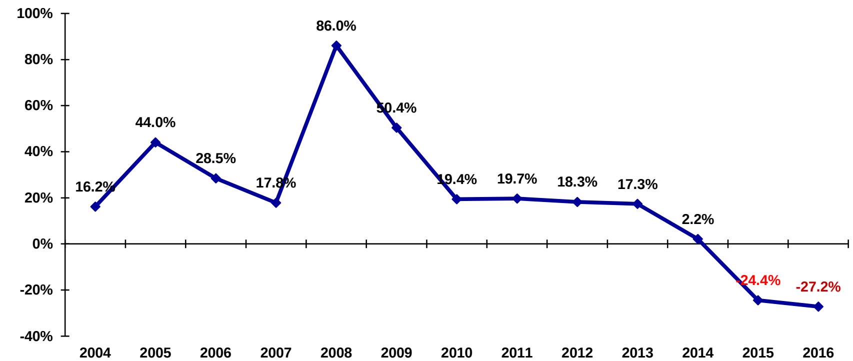
Asset turnover ratio up from 78% to 115%+

Rising output per factory, higher UT rate and yield, combined with higher blended ASP for more high-end products, led to LT improvement of asset turnover.



Conservative financial leverage

Net debt/equity trends lower, as the company is able to generate strong cash flow.



Note: Net debt = Interest-bearing debts – cash amount

The company has a net cash position at end-2016.

Dividend payout history