Elite Material Co., Ltd.

Global leader of eco-friendly laminates

Presentation

May, 2021

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Content

- Industry outlook
- Financial performance
- Appendix

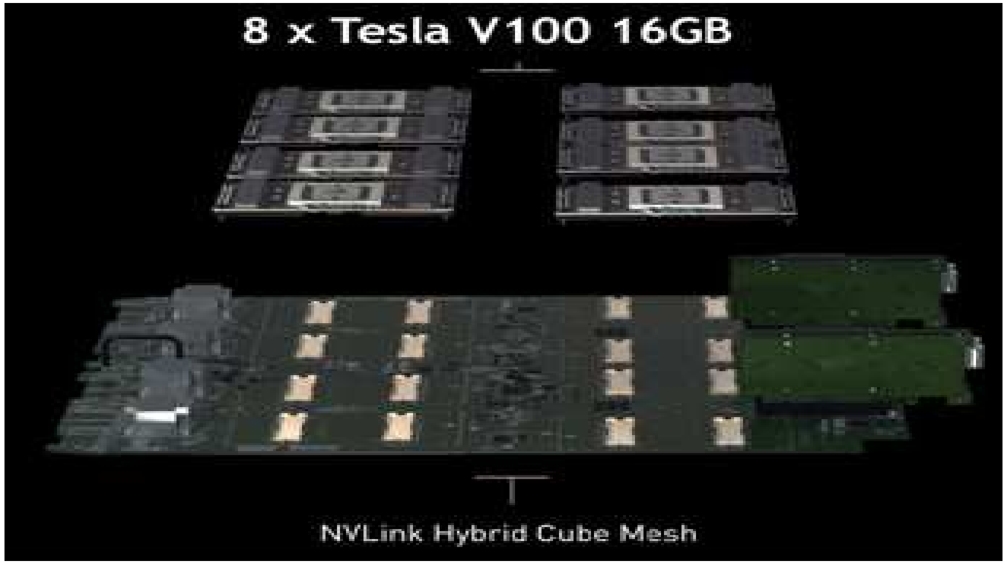
PCB design of networking infrastructure is migrating

- **Trend 1: Halogen-free. HF laminates are preferred or required.**

  New platforms of PCIe 4 include, but are not limited to, Intel's Whitely, request only halogen-free laminates.
- **Trend 2: HDI. AI semiconductors, GPUs and CPUs, and heterogeneous integration of semiconductors increase pin counts substantially.**

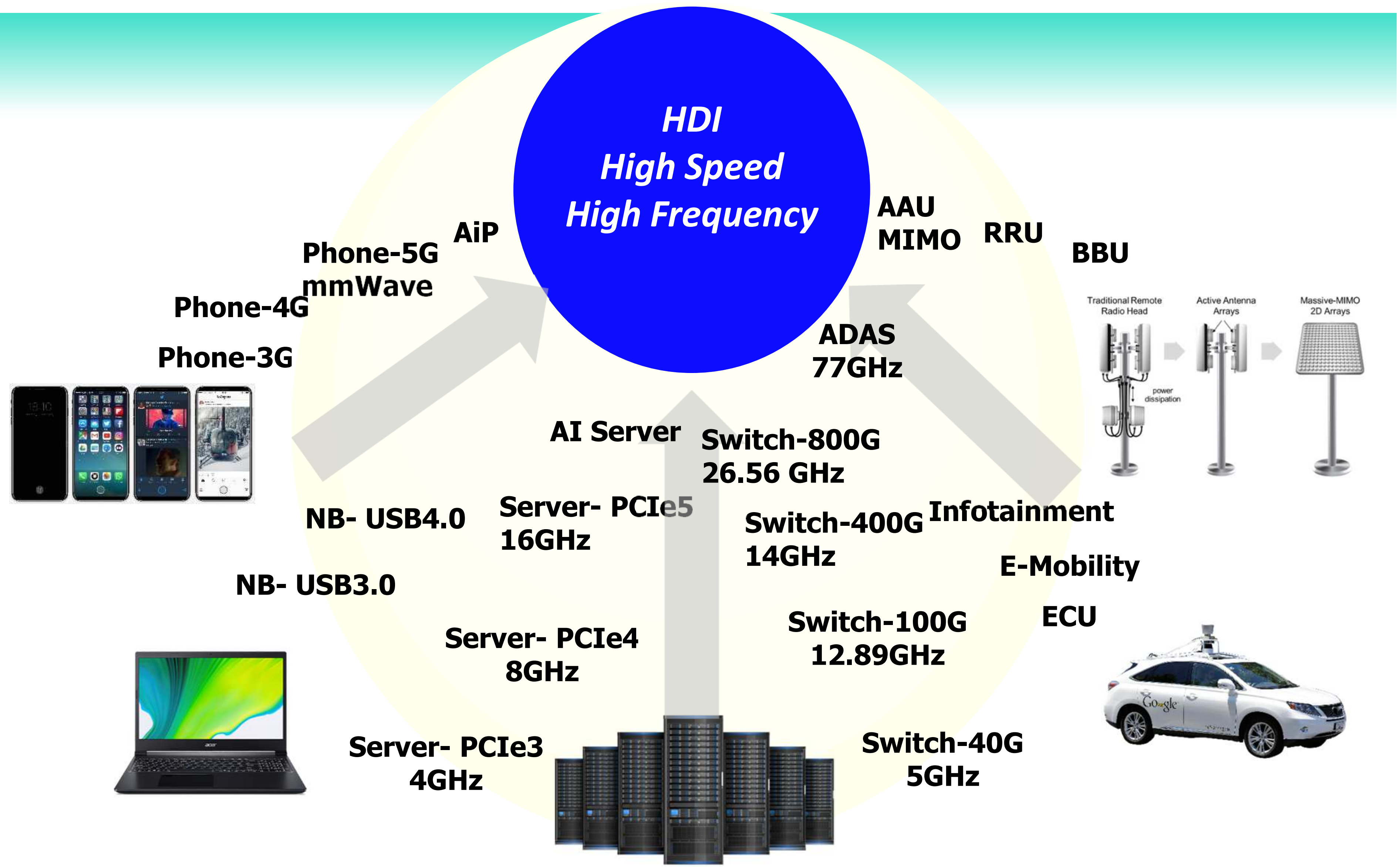
  Fine line/pitch HDI architecture design by PCB constructors becomes common.
- **Trend 3: The manufacturing technique of HDI becomes the must handicraft art of high-end networking board.**
- **Decades of experiences and knowledge EMC accumulated in HF and HDI now a competitive advantage unrivalled by peers.**

Multi-GPUs make a super high speed computing AI Server



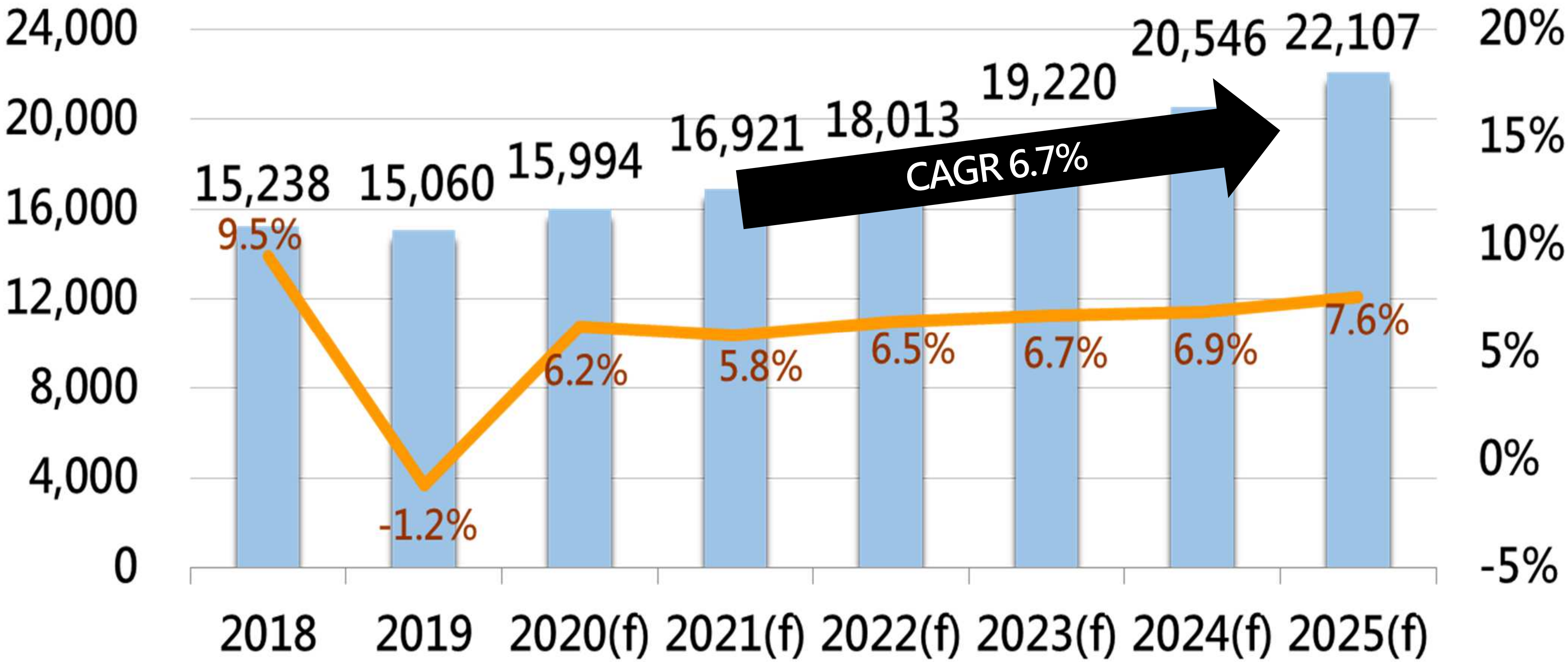
Source: nVidia

Trend of 5G infrastructure development: HDI, High Speed, High Frequency



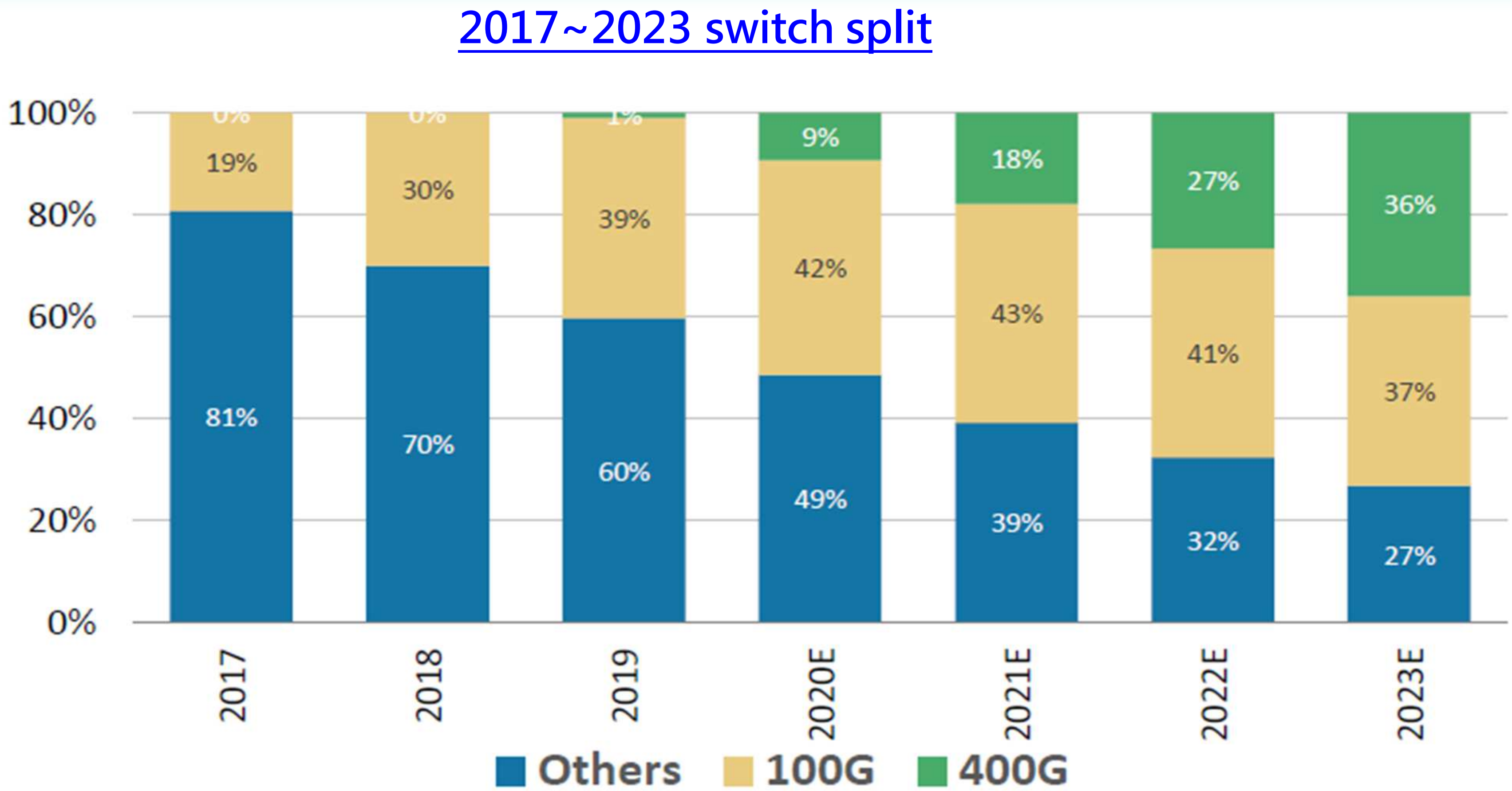
Global server shipment is increasing for next 5 years

Unit：k set



Source：DIGITIMES Research，2020/9

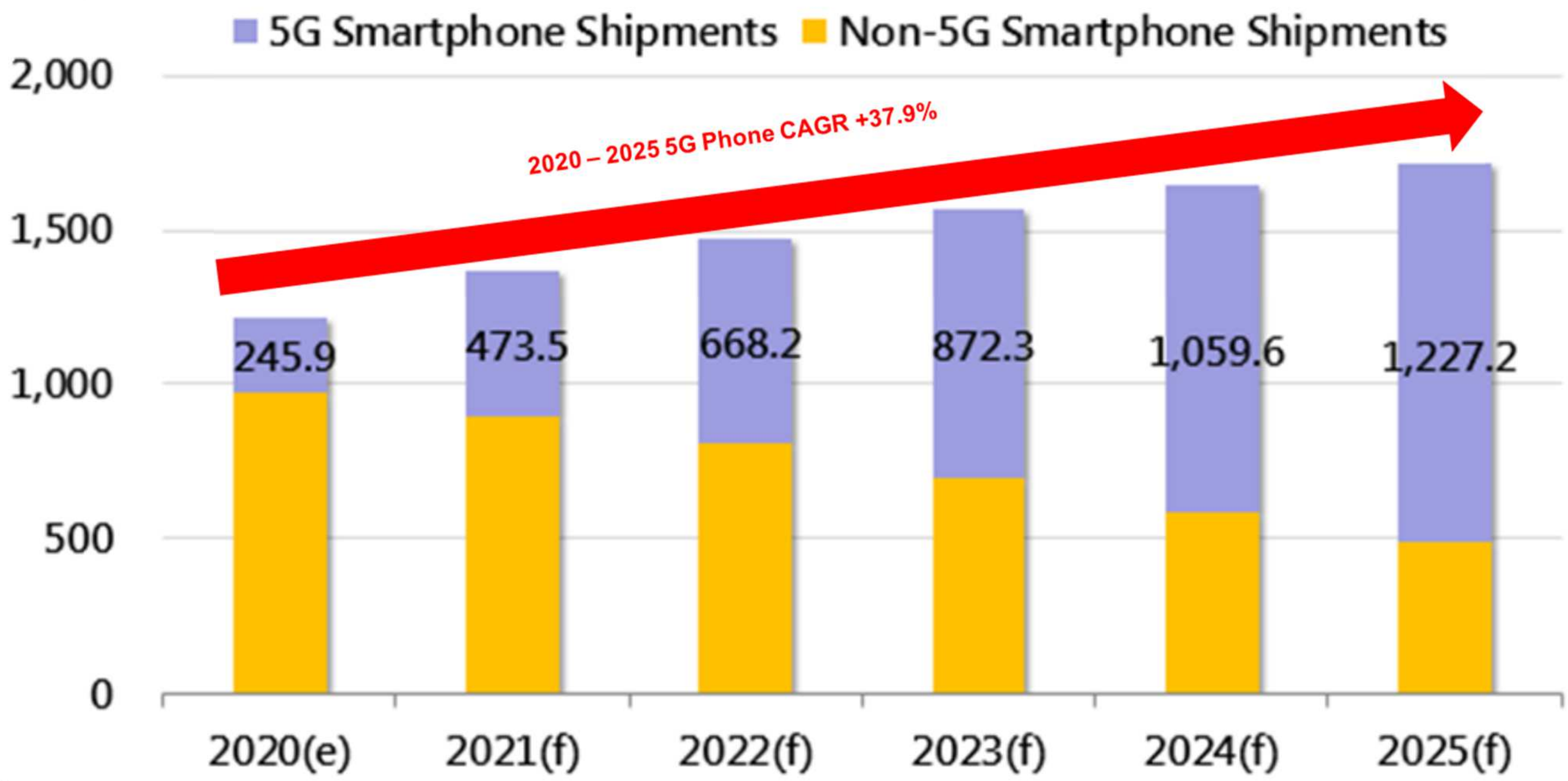
The 100/400G switch is becoming the main stream



Source: IDC, Morgan Stanley Research

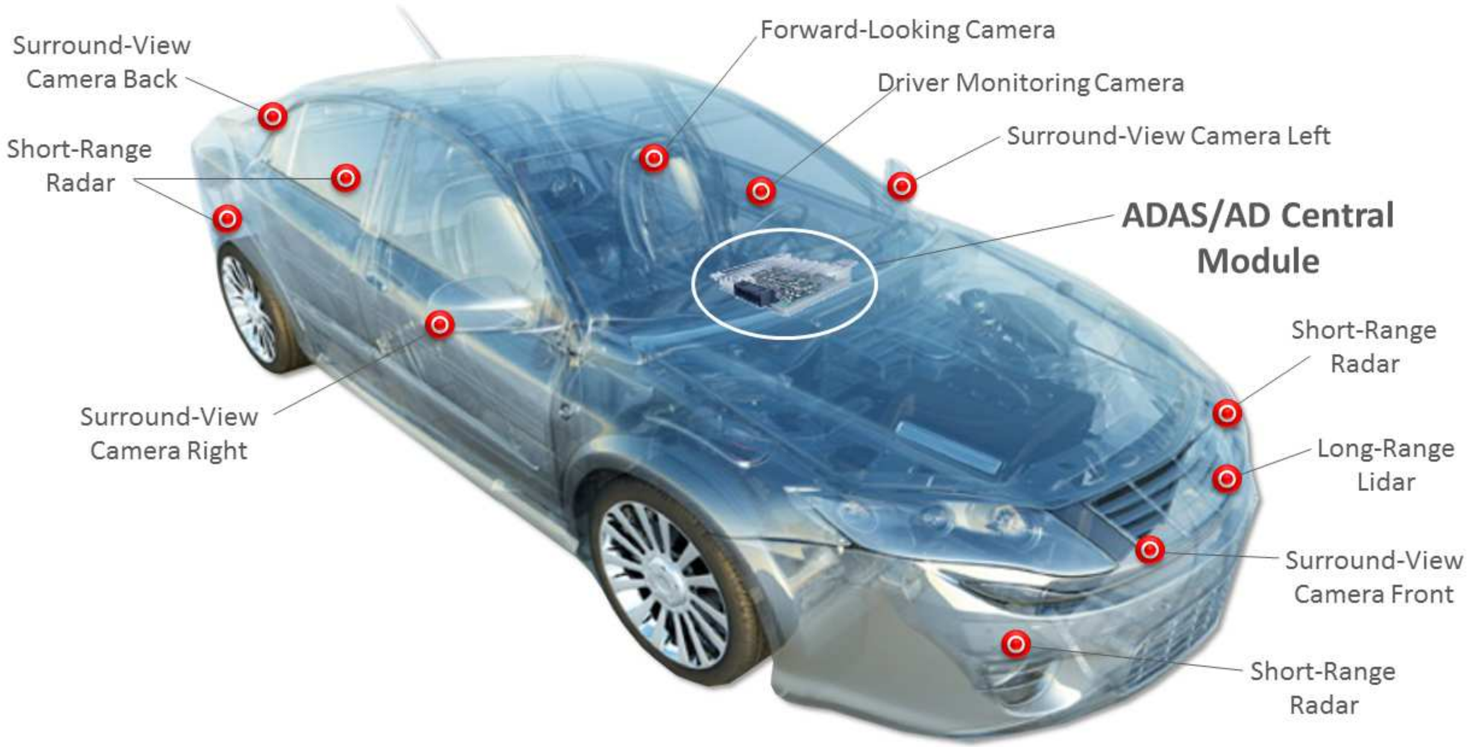
The CAGR of 5G Smartphone is 37.9%

Unit: Million



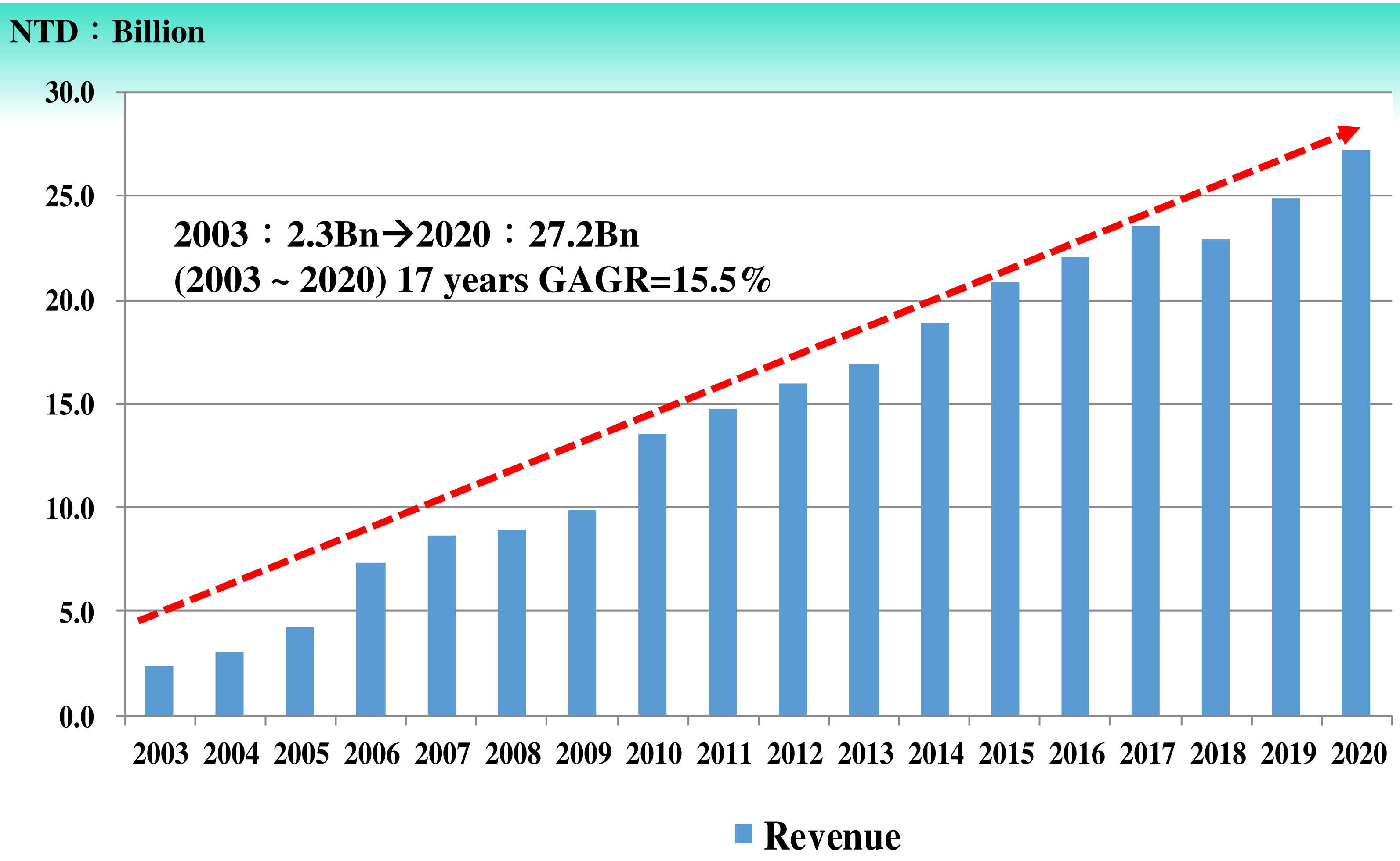
Source: DIGITIMES Research, 2020/9

HDI is a must trend of wide varieties of automotive electronics applications

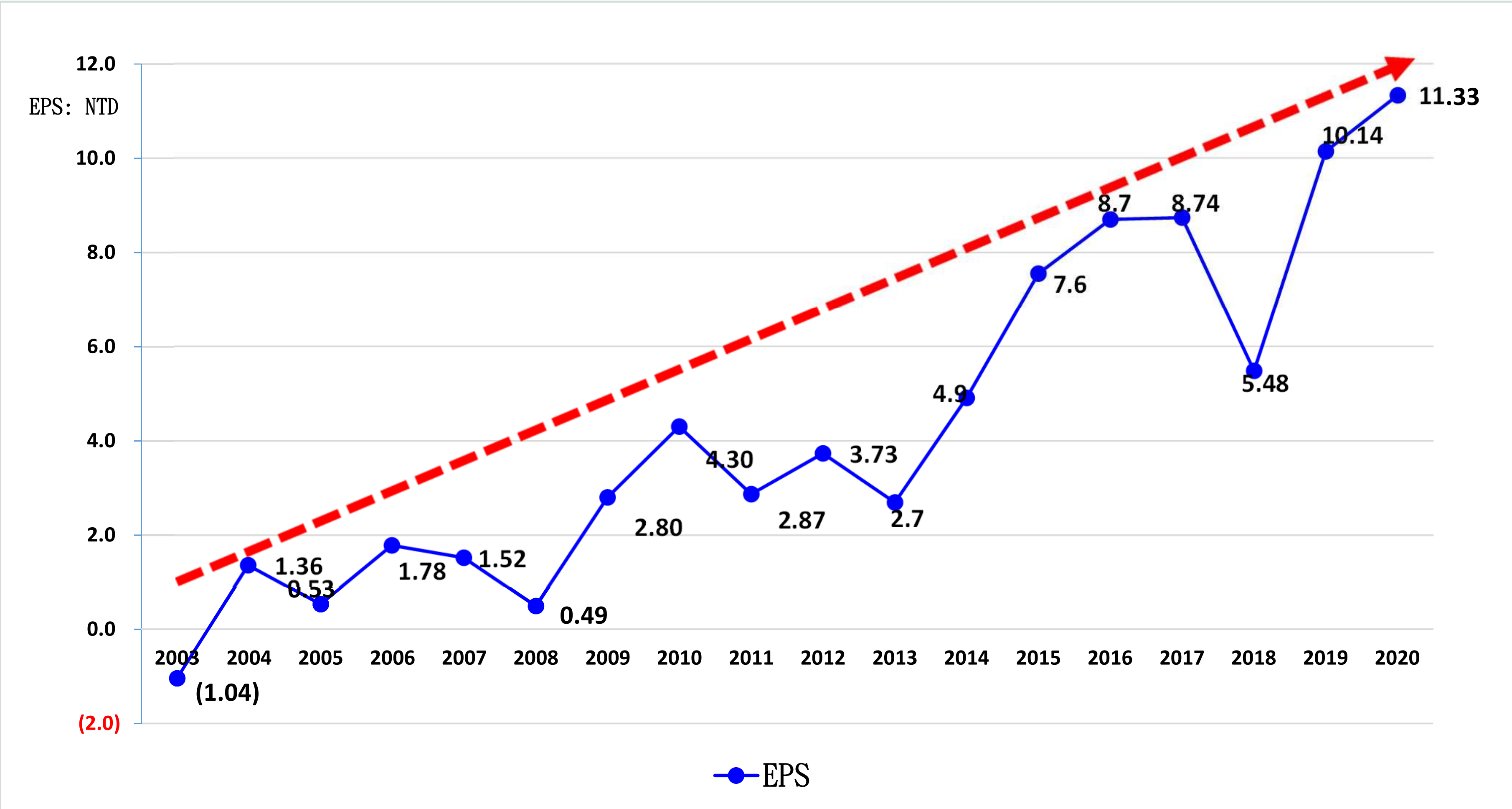


HDI (High-Density Interconnection) PCB adoption in automotive electronics is set to rise in the next 10 years in step with higher penetration of ADAS (advanced driver assistance systems), infotainment systems and telematic systems.

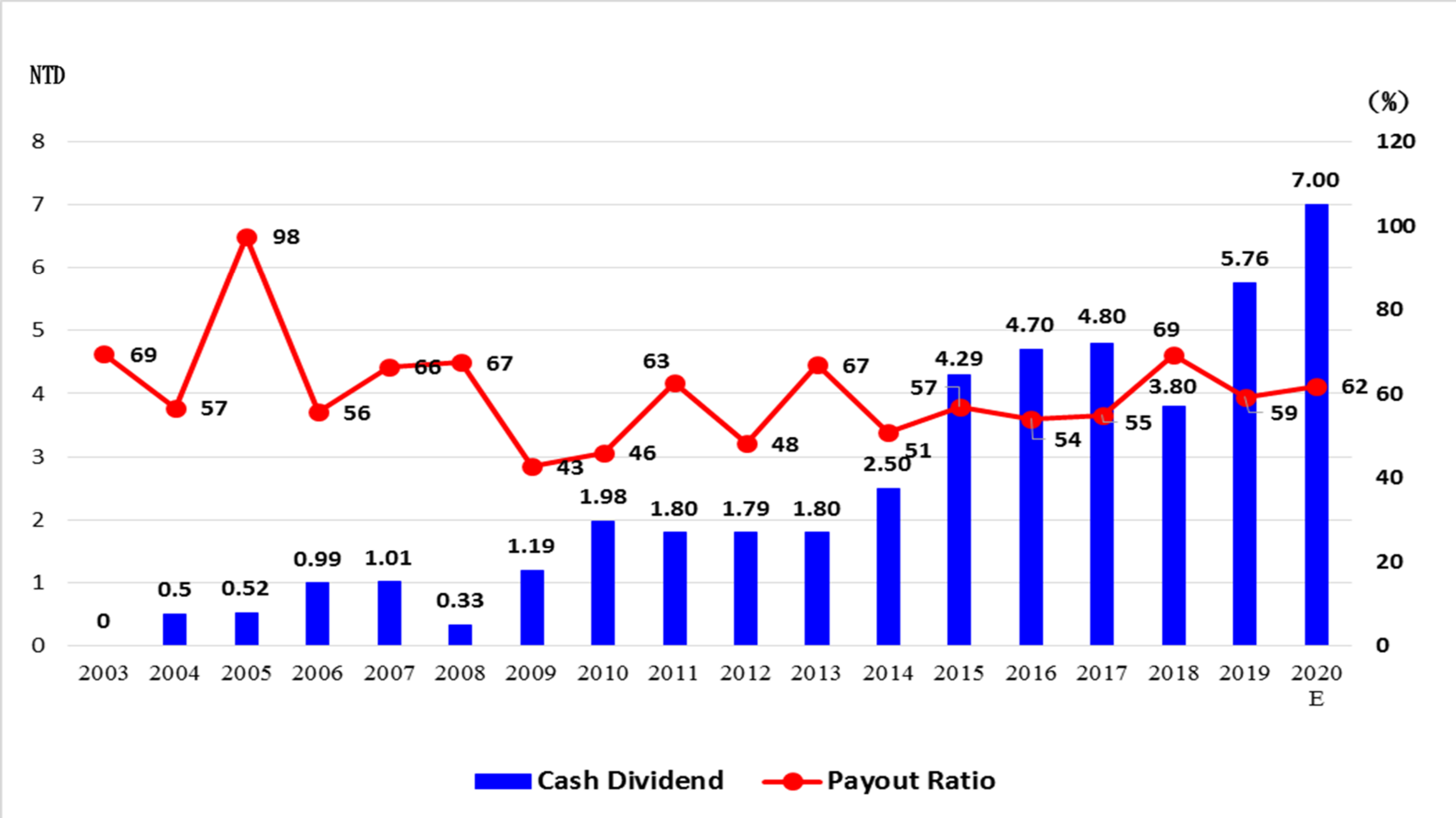
Sales Revenue



Operation Performance



History of Cash dividend and Payout ratio



1Q21 P&L summary

Unit: NT$ million

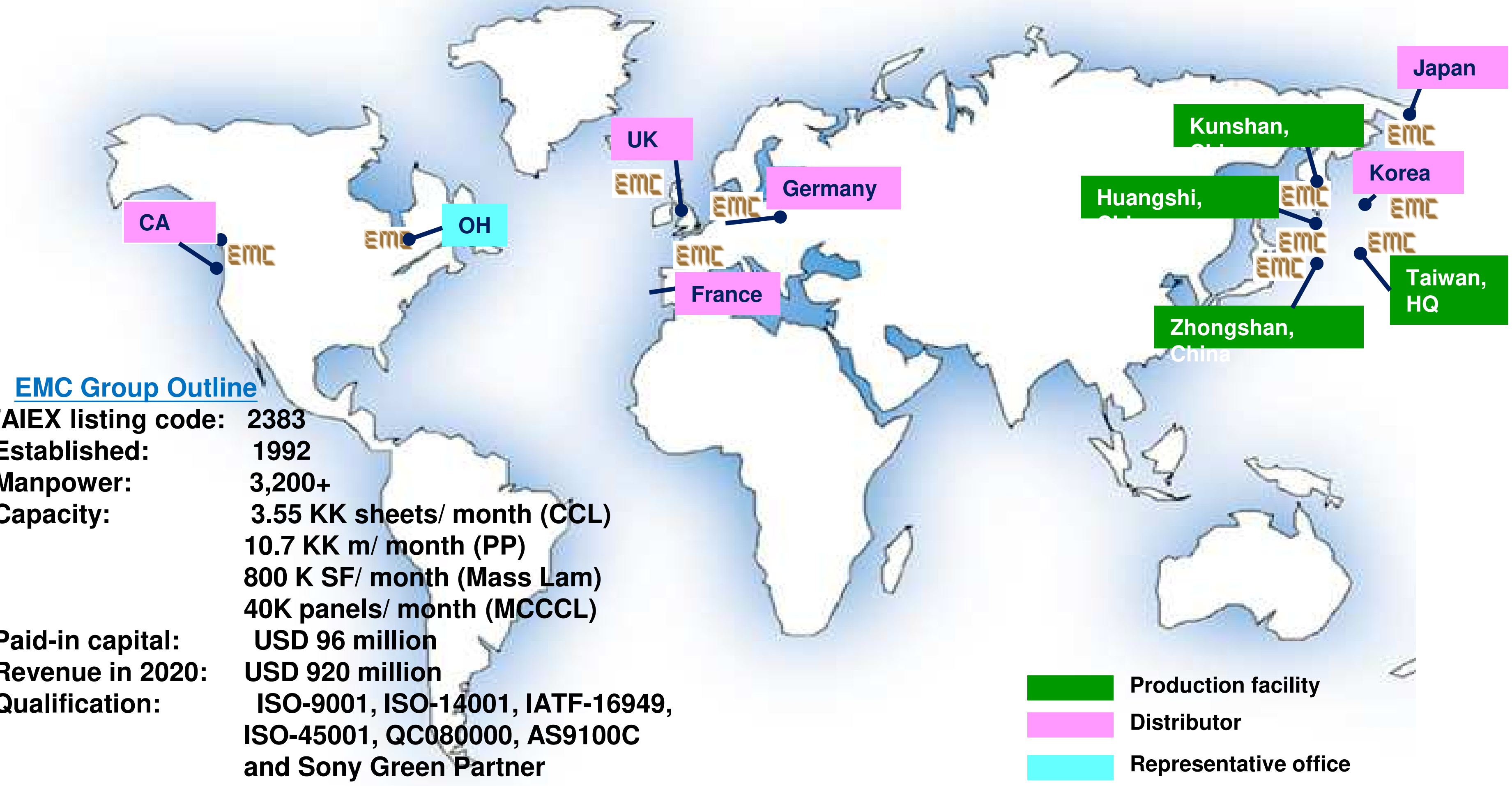
	1Q21	4Q20	QoQ	1Q20	YoY
Revenue	8,004	7,517	6.5%	5,909	35.4%
Gross profit	1,887	1,876	0.6%	1,431	31.9%
Operating profit	1,233	1,203	2.5%	951	29.6%
Income before tax	1,224	1,287	-4.9%	954	28.4%
Tax expenses	(259)	(310)	16.3%	(221)	-17.7%
Net income	965	977	-1.3%	733	31.6%
EPS (NT$) - basic	2.89	2.93	-1.4%	2.29	26.2%
Gross margin (%)	23.6%	25.0%		24.2%	
Operating margin (%)	15.4%	16.0%		16.1%	
Net margin (%)	12.1%	13.0%		12.4%	

1Q21 Abstracted Balance Sheet

Unit:NT$ million	1Q21		4Q20		1Q20	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	6,567	21.5%	5,732	20.6%	7,007	27.1%
A/R+N/R	10,495	34.3%	9,934	35.7%	8,084	31.3%
Inv	4,386	14.3%	3,702	13.3%	3,384	13.1%
PPE	6,729	22.0%	6,531	23.4%	5,867	22.7%
Total Assets	30,609	100.0%	27,857	100.0%	25,825	100.0%
Short term Debt	1,696	5.5%	1,162	4.2%	903	3.5%
A/P	7,018	22.9%	5,847	21.0%	5,461	21.1%
Long term Debt	300	1.0%	564	2.0%	703	2.7%
Shareholder's Equity	17,633	57.6%	16,756	60.1%	14,140	54.8%
Total Debt and Equity	30,609	100.0%	27,857	100.0%	25,825	100.0%

APPENDIX

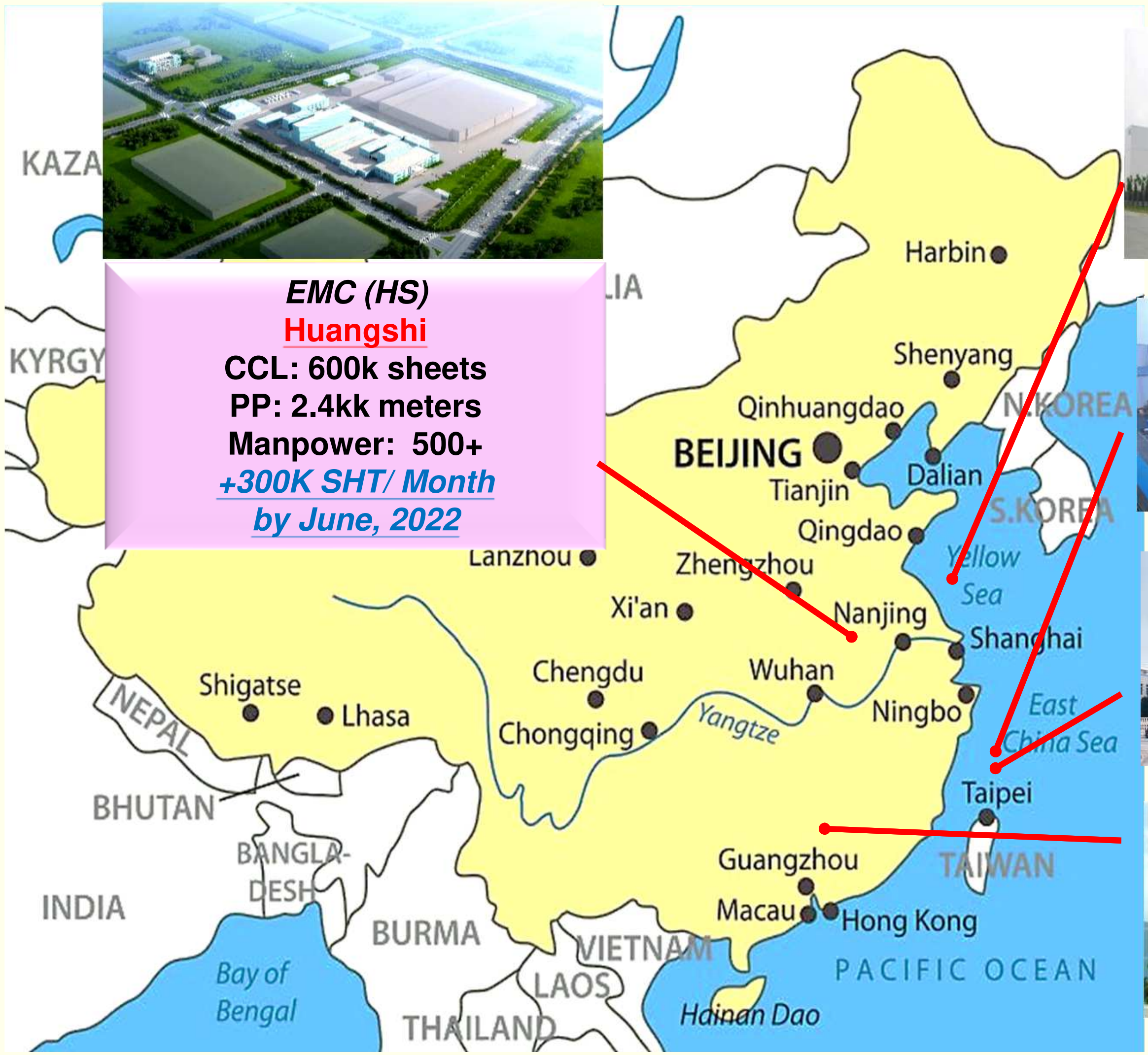
Company profile- Global Footprint



- **EMC Group Outline**

TAIEX listing code: 2383
Established: 1992
Manpower: 3,200+
Capacity: 3.55 KK sheets/ month (CCL)
10.7 KK m/ month (PP)
800 K SF/ month (Mass Lam)
40K panels/ month (MCCCL)
Paid-in capital: USD 96 million
Revenue in 2020: USD 920 million
Qualification: ISO-9001, ISO-14001, IATF-16949, ISO-45001, QC080000, AS9100C and Sony Green Partner
UL file number: E150504

Manufacturing Locations and Monthly Capacity



EMC (HS)
Huangshi
CCL: 600k sheets
PP: 2.4kk meters
Manpower: 500+
+300K SHT/ Month by June, 2022

EMC (KS)
Kunshan
CCL: 1.35kk sheets
PP: 3.3kk meters
Manpower: 1,000+
+300K SHT/M in Q3,2022

EMC (TW)
Taoyuan
CCL: 500k sheets
PP: 1.8kk meters
Manpower: 600+

EMC (TW)
Hsinchu
CCL: 150k sheets
PP: 1.1kk meters
Mass Lam: 800k ft2
Metal Core: 40k pnls
Manpower: 300+

EMC (ZS)
Zhongshan
CCL: 950k sheets
PP: 2.1kk meters
Manpower: 800+