# Elite Material Co., Ltd.

## Global leader of eco-friendly laminates

***Presentation***

***November, 2021***

# Disclaimer

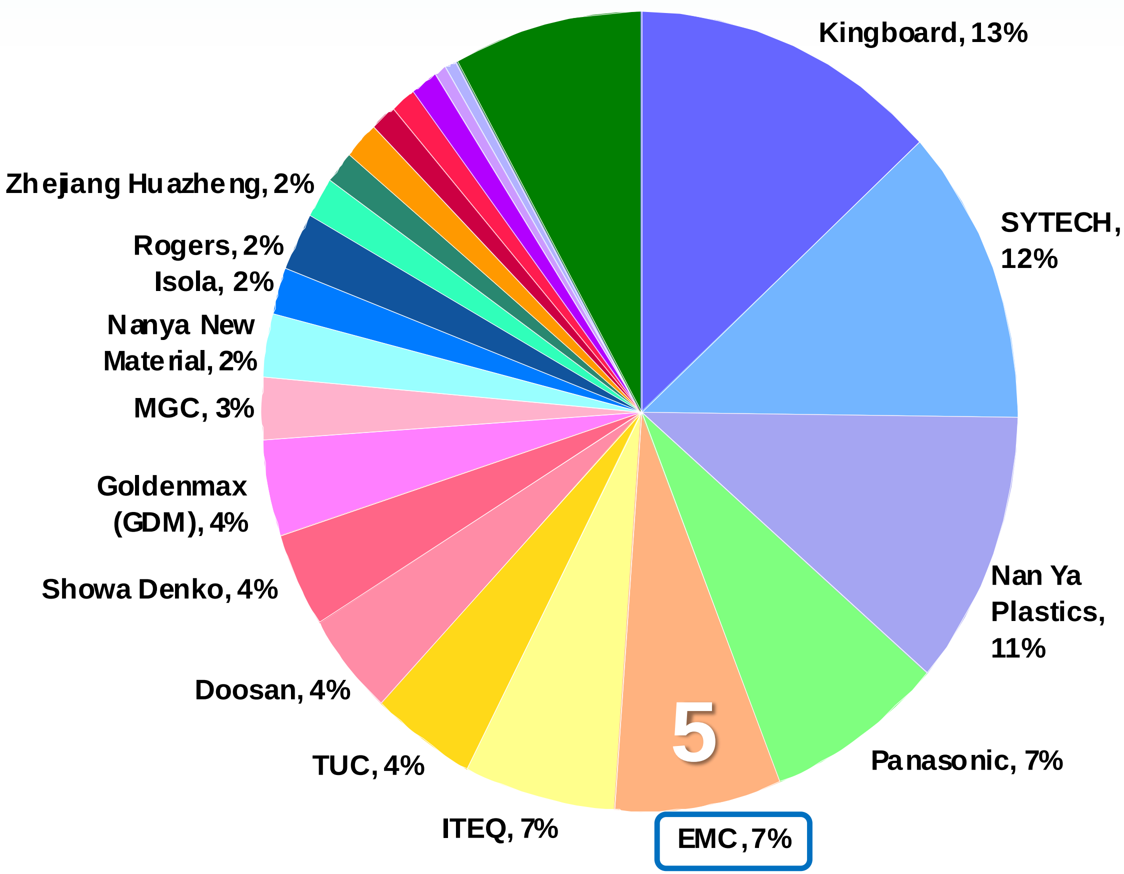
This presentation may contain "forward-looking statements" which may include projections on future results of operations, financial condition, and business prospects based on our own information and other sources.

The actual results of operations, financial condition, and business prospects may differ from those explicitly or implicitly indicated in those forward-looking statements for a variety of reasons, including but not limited to market demand, price fluctuations, competition, supply chain issues, global economic conditions, exchange rate fluctuation and other risks and factors beyond EMC's controls.

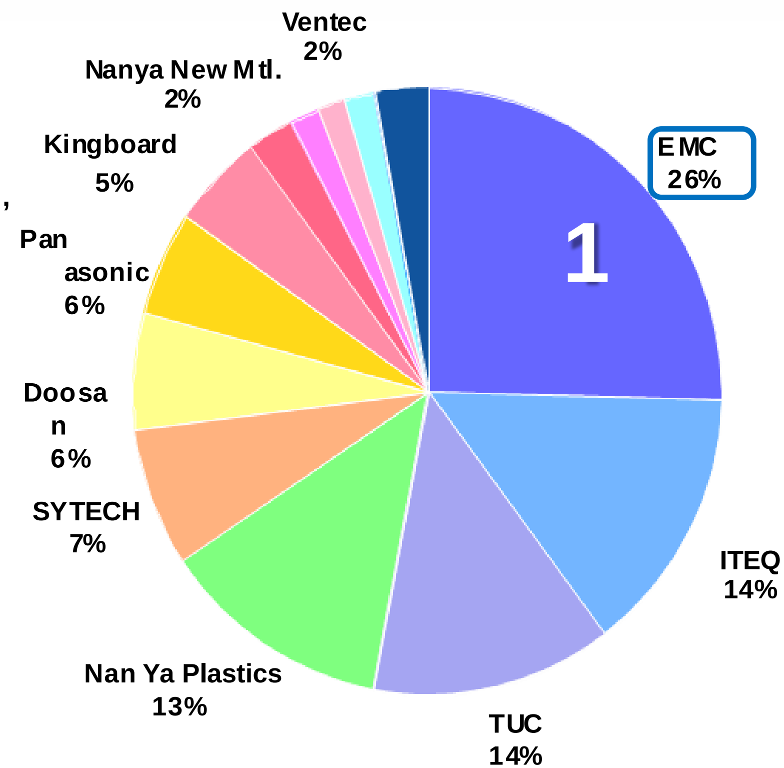
The forward-looking statements in this presentation, if any, only reflect the current view of EMC as of the date of its release. EMC undertakes no obligation to update those forward-looking statements for events or circumstances that occur subsequently.

# World #1 HF material supplier in 2020

| Global Laminate Market | Global Green Laminate Market |
| --- | --- |




TOTAL: $12,896M



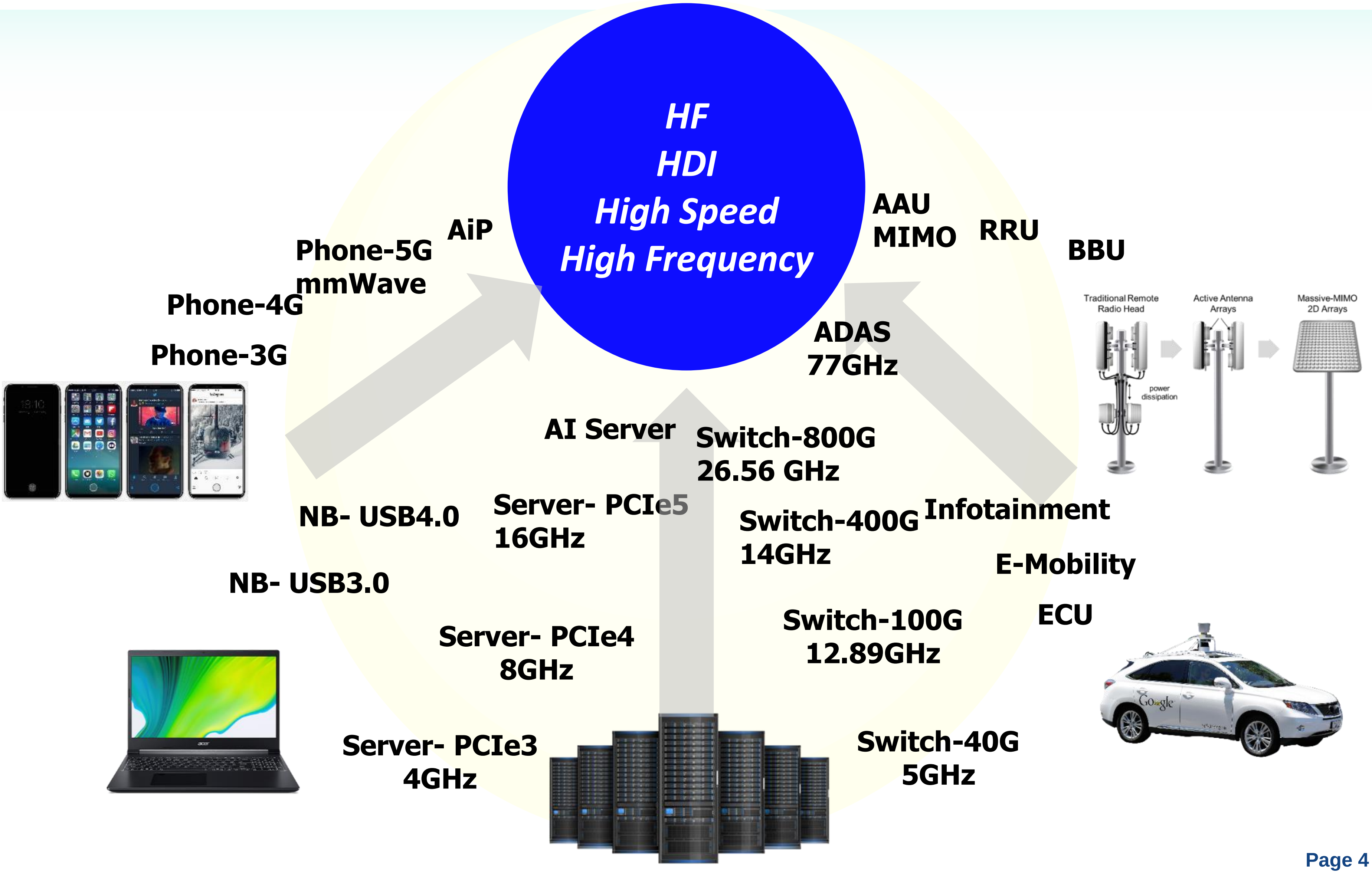

TOTAL LAMINATE: $3,094M

PRISMARK PARTNERS LLC

*May 2021*

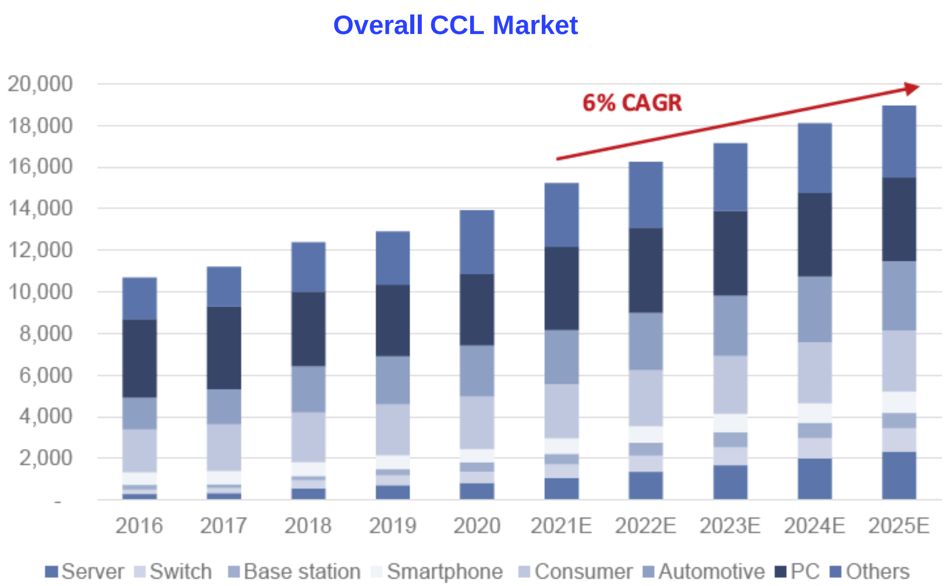
Mass Lam sales is excluded.

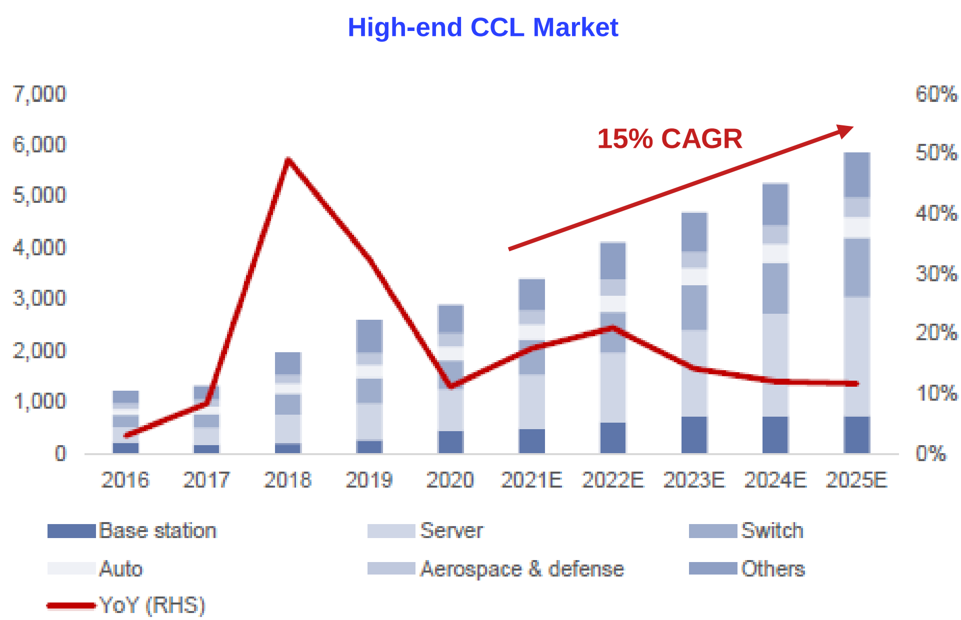
# Trend of 5G infrastructure development: HF, HDI, High Speed, High Frequency



# High-end CCL (High-speed & High-frequency)

- High-end CCL market grows at **15% CAGR (2021-2025)**
- Overall CCL market grows at **6% CAGR (2021-2025)**
- Commodity CCL market grows at **3% CAGR (2021-2025)**

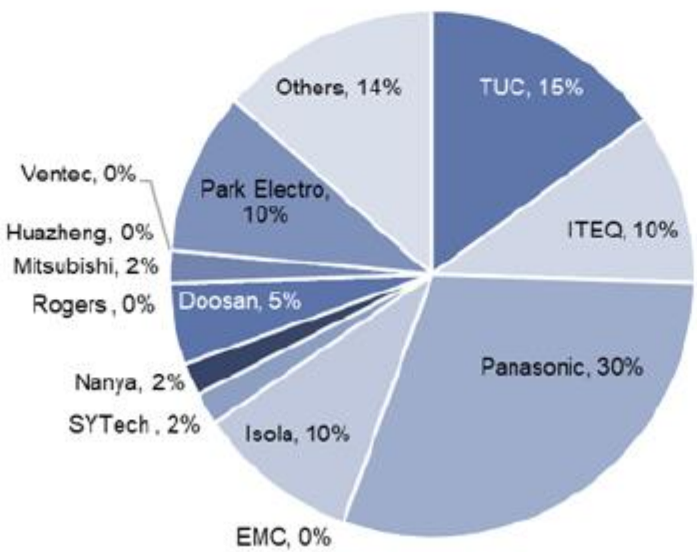


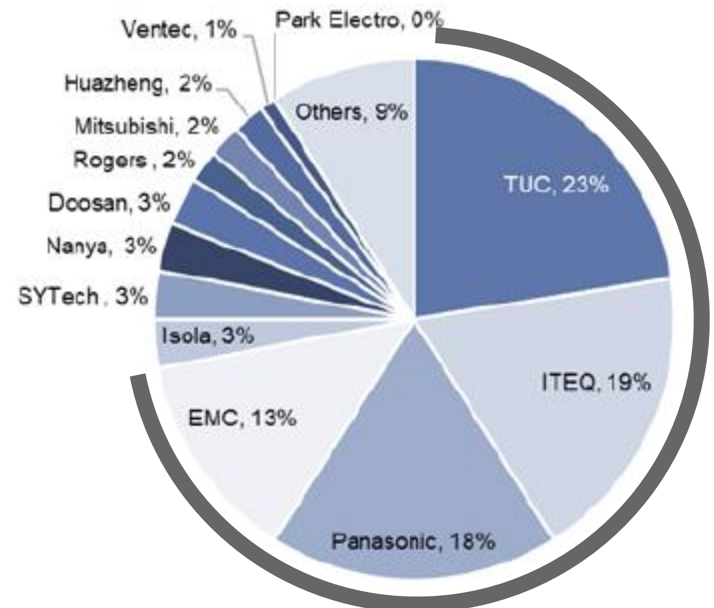

**Source: Company data, Goldman Sachs Global Investment Research**

# High-speed CCL – JP/TW with 75% Share

**High speed CCL 2017 market share**



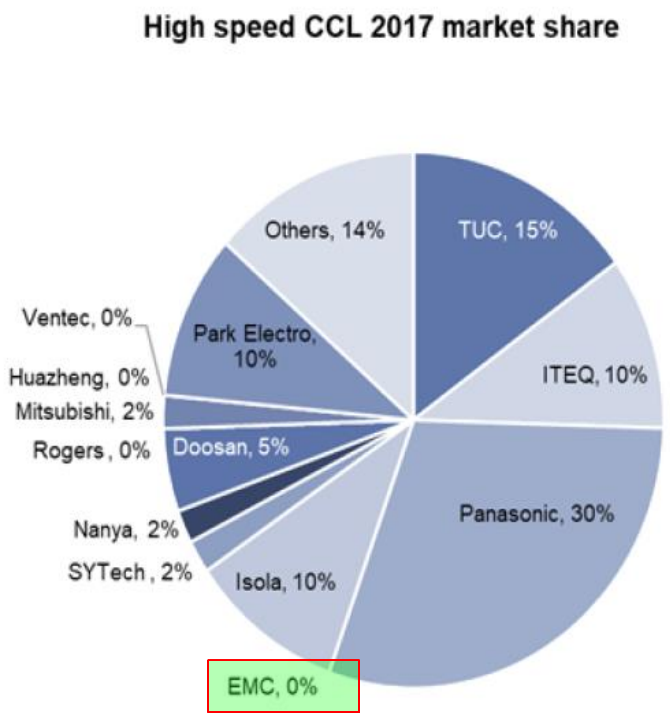

**High speed CCL 2020 market share**

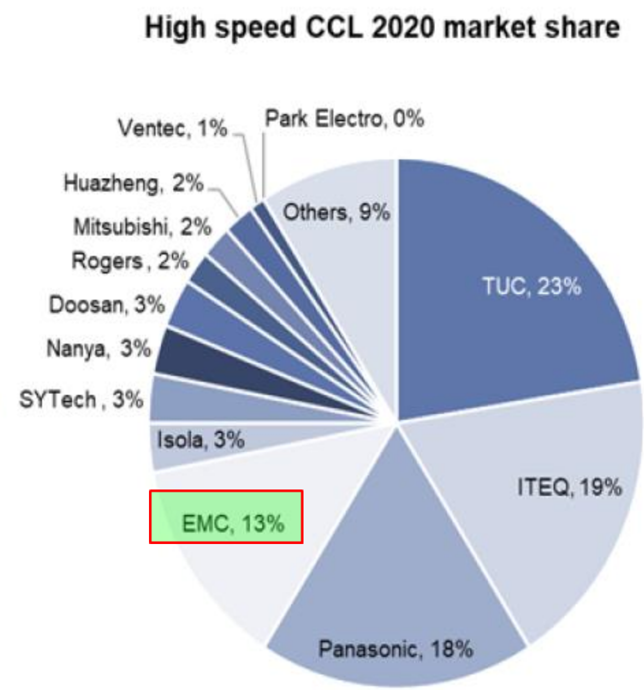



**Source: Company data, Goldman Sachs Global Investment Research, Prismark**

# EMC Momentum in High speed CCL – from Nothing to 13% Global Share in 3 years

## Driven by HF and HDI requirement



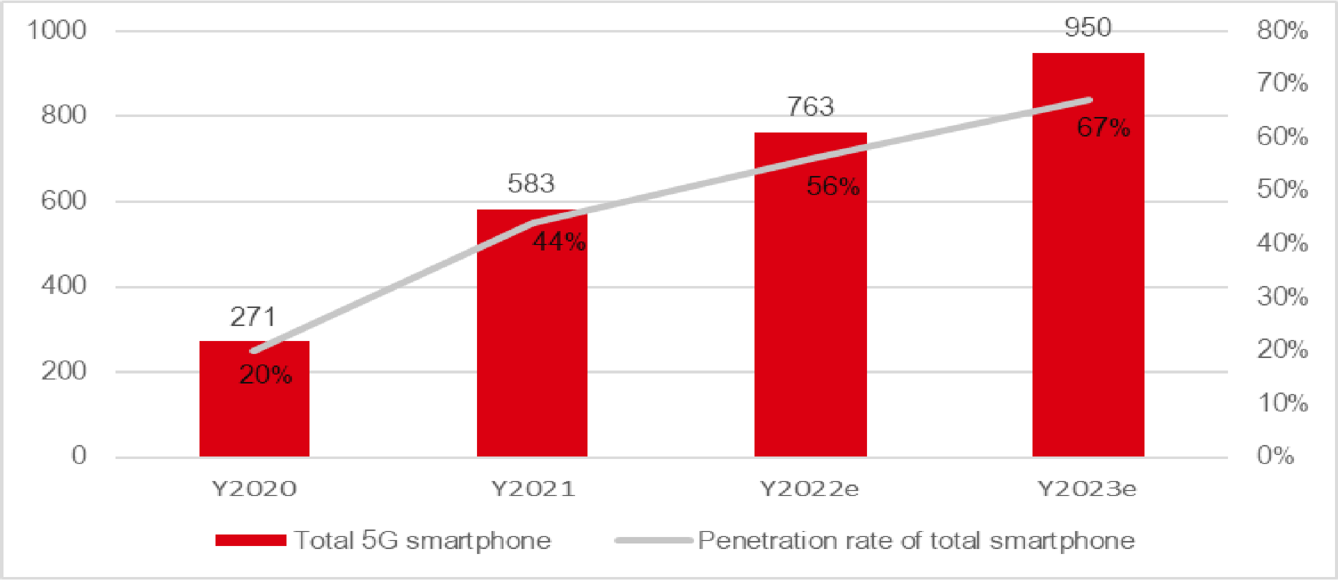




**Source: Company data, Goldman Sachs Global Investment Research, Prismark**

# The strong 5G smartphone shipment

## EMC takes the majority share in the 5G smart phone application dominating in HDI from standard layer, any layer, through SLP CCL

Unit: Million

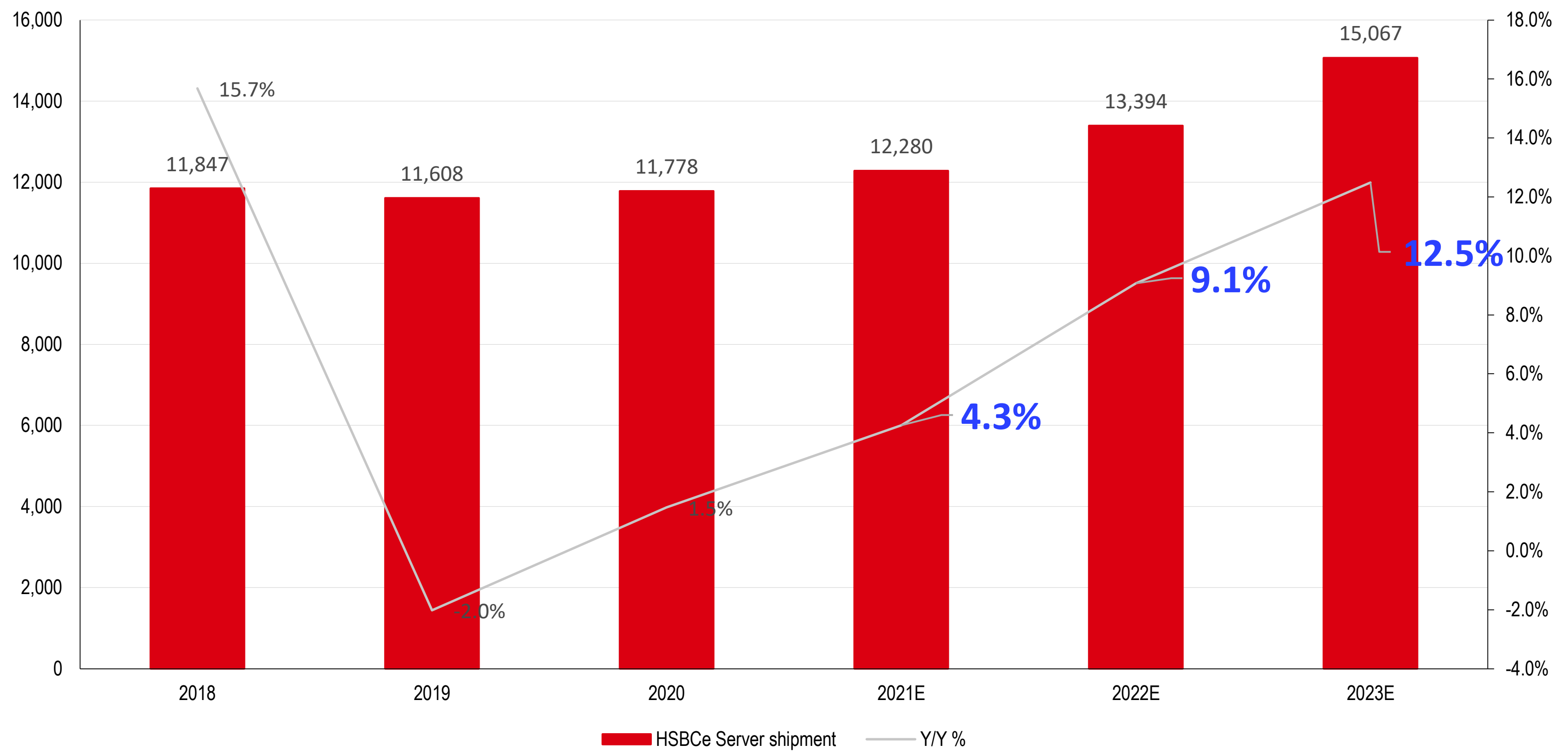



Source：IDC, HSBC estimates, 2021/7

# Global server shipment expects to have strong growth in the coming three year

## EMC expects to gain significant share in current and next generation platform

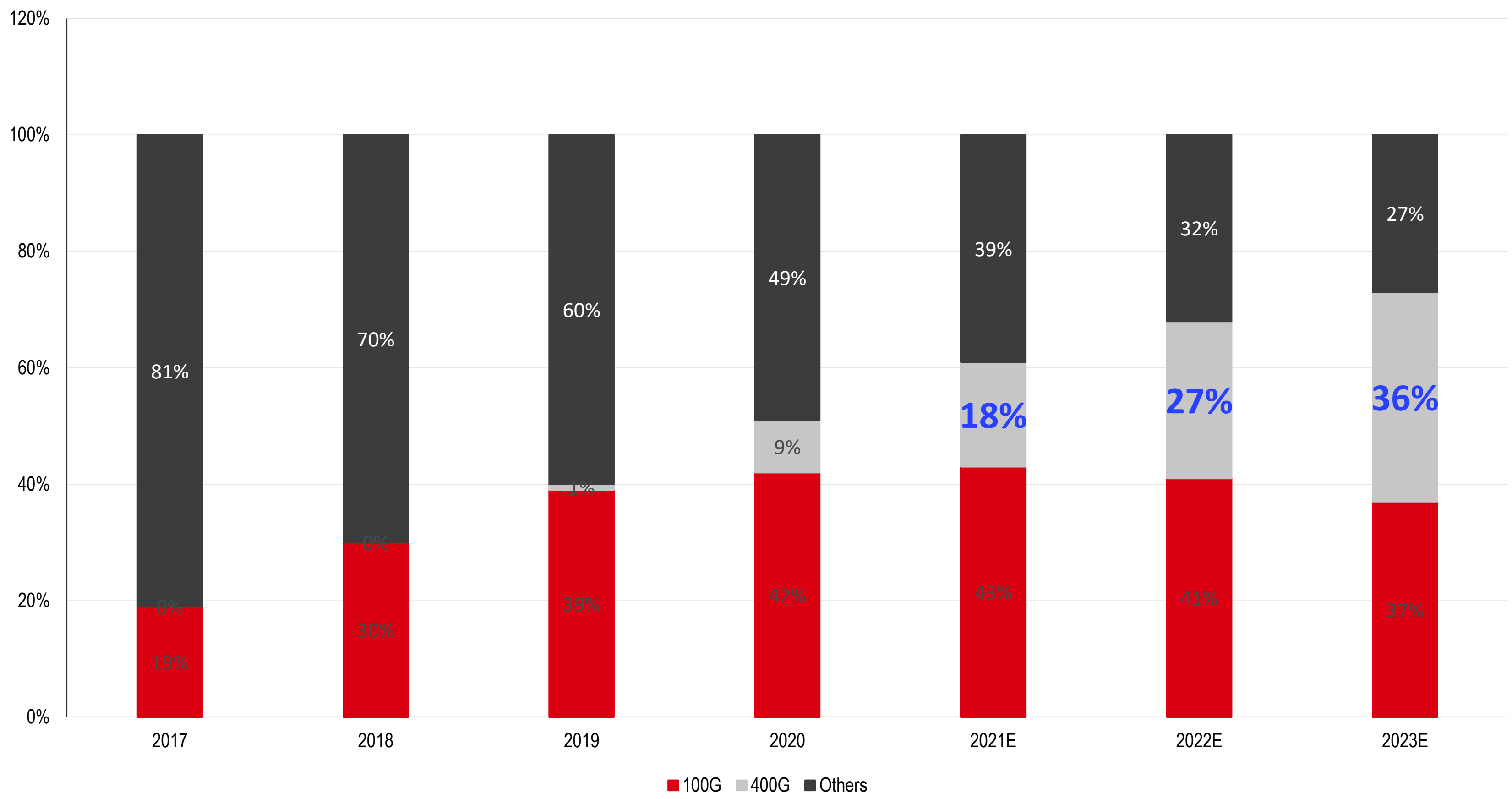
**Unit: Thounsand**




Source：IDC, HSBC estimates, 2021/7

# The 400G switch will have the highest growth among all switches

## EMC will take the majority share




Source: IDC, HSBC estimates, 2021/7

# CCL Production in the USA

**EMC is the only CCL manufacturer, among all Taiwanese & Chinese makers, having production capacity in the USA meeting President Biden’s “Made in USA” initiative requirement.**

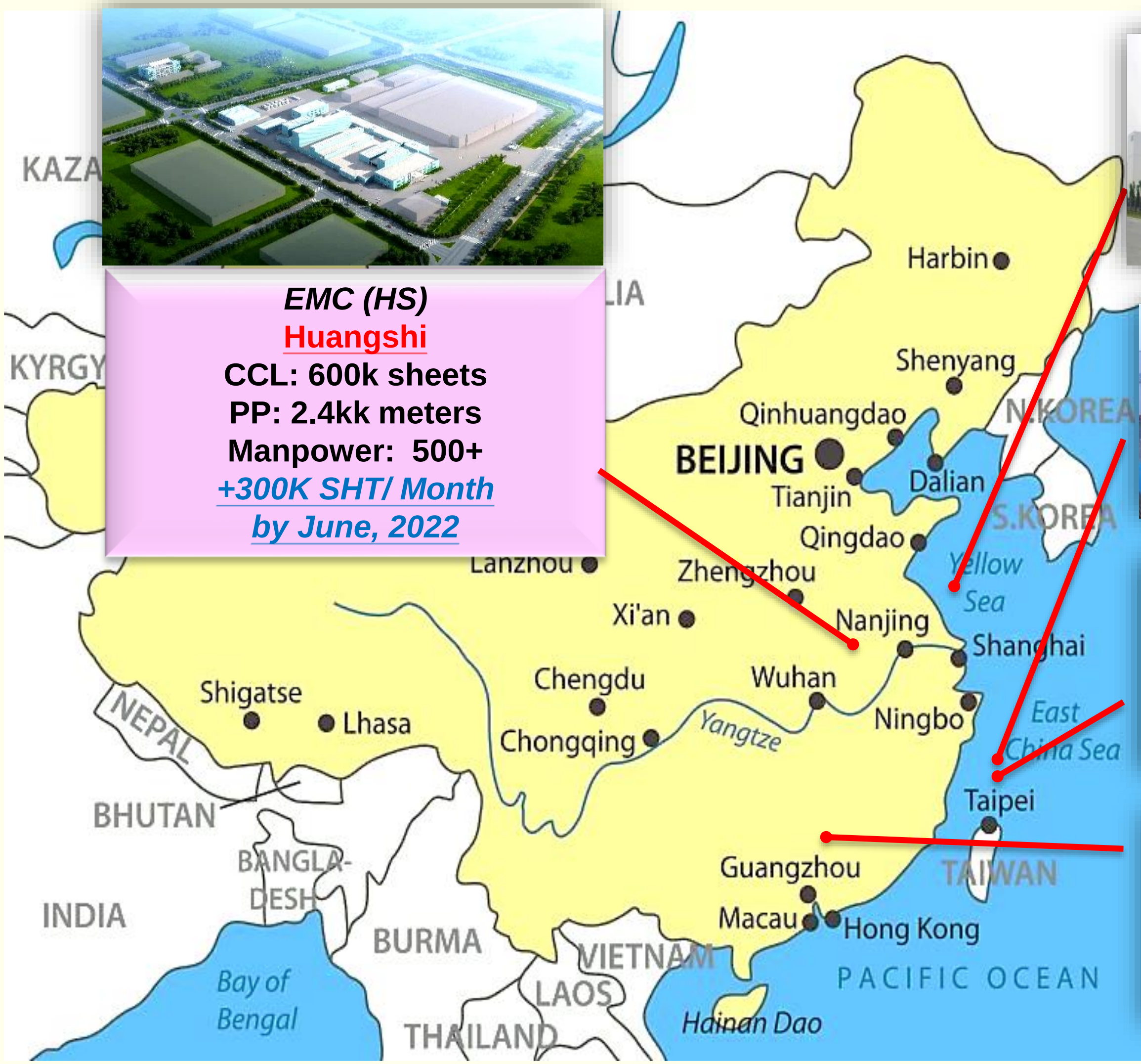

ARLON
ELECTRONIC MATERIALS

**9433 Hyssop Dr,
Rancho Cucamonga, CA 91730, United States**

**Arlon, a CA-based company at Rancho Cucamonga, makes specialty laminates and prepregs for PCBs used in the aerospace, defense and semiconductor industries, also known as Arlon EMD.**

# Manufacturing Locations and Capacity Expansion

EMC monthly laminate capacity will increase by **17%** and reach **4.15mn** sheets/mon in **3Q,2022**




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

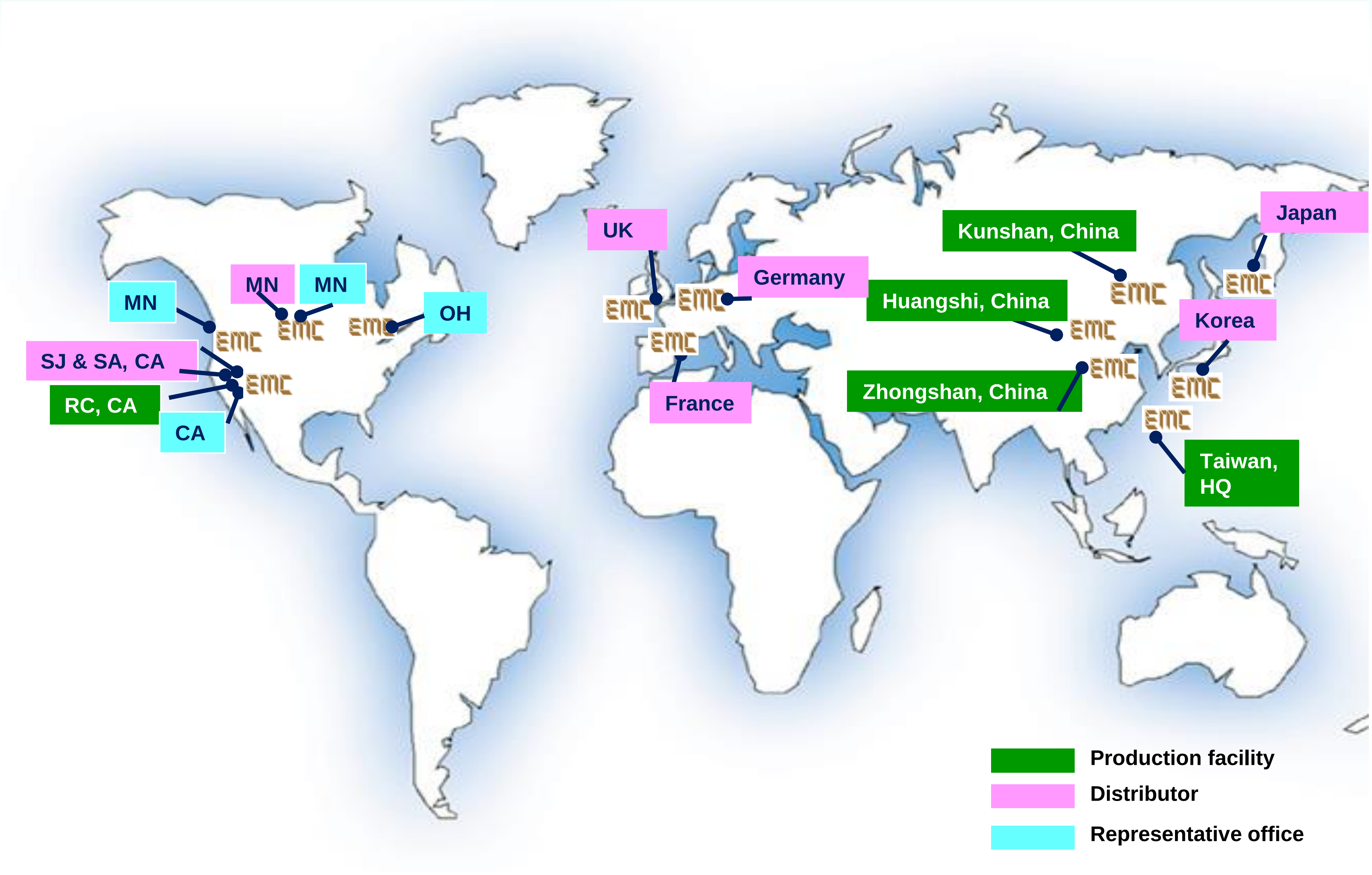
***EMC (KS)***
**Kunshan**
**CCL: 1.35kk sheets**
**PP: 3.3kk meters**
**Manpower: 1,000+**
***+300K SHT/M in Q3,2022***

***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+**

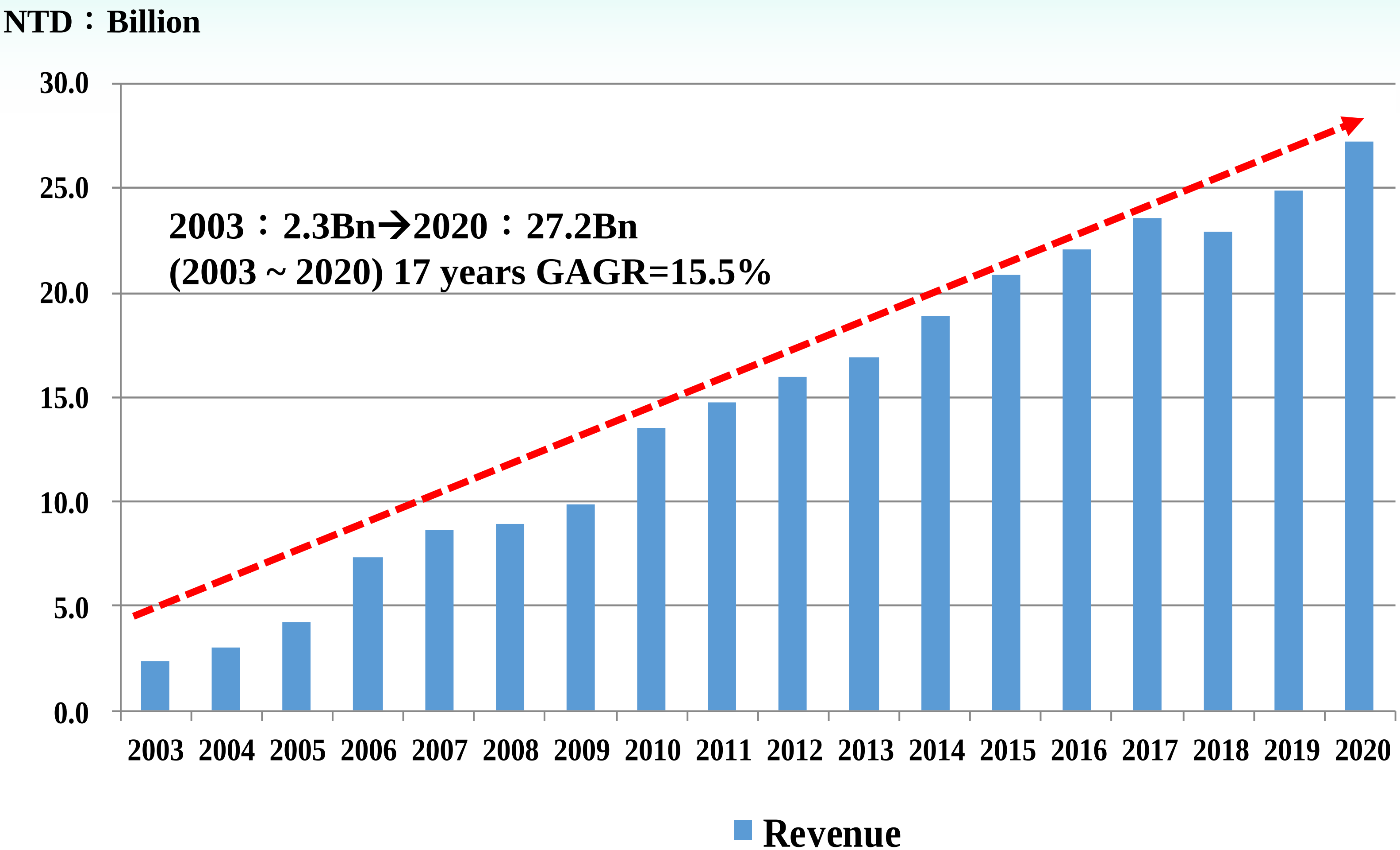
# Global Footprint- pan US, pan EU & pan Asia sales distribution network



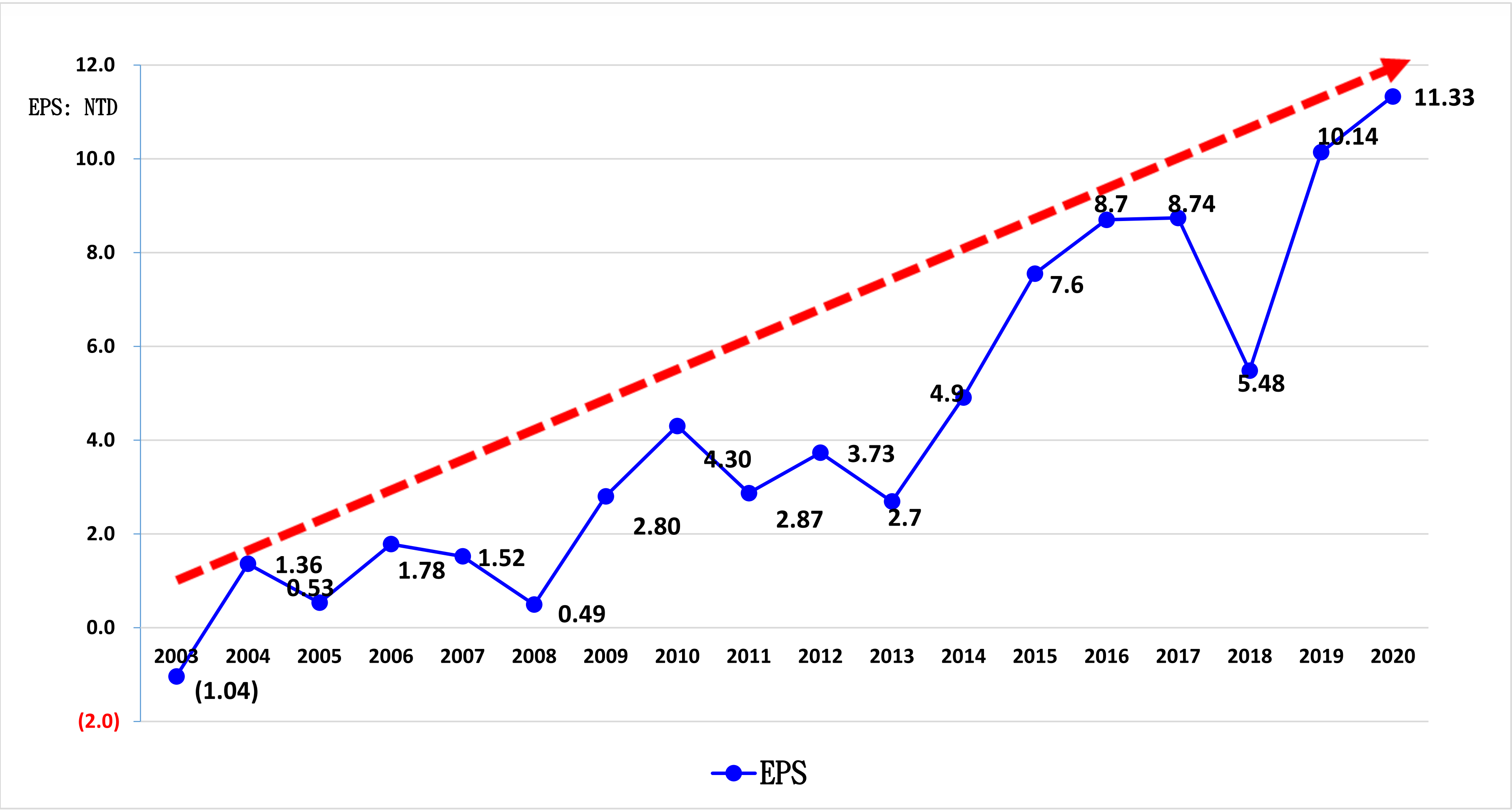
# The Corporate Social Responsibility Report


By Royal Charter

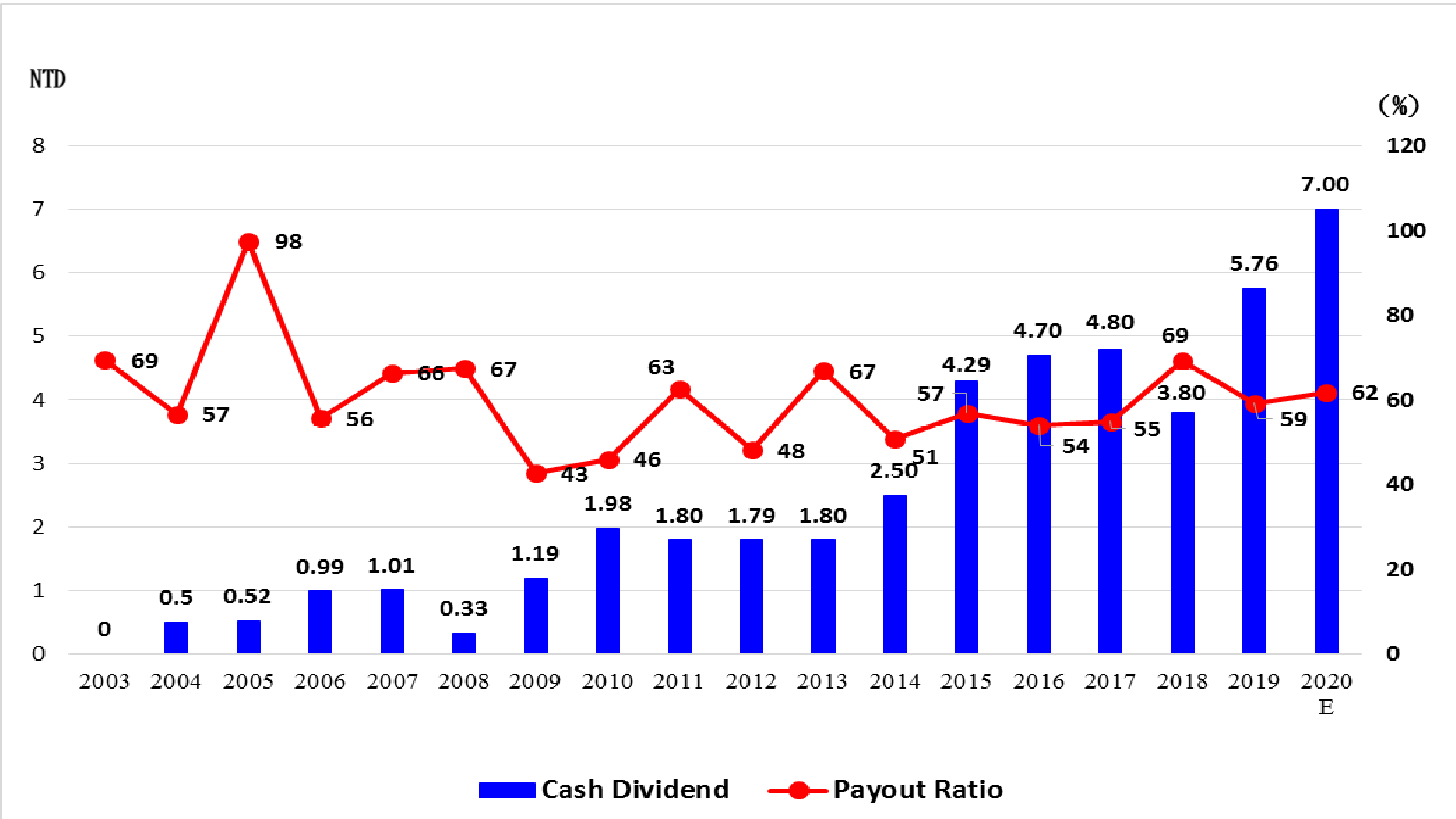
# Sales Revenue



# Operation Performance



# History of Cash dividend and Payout ratio



# 3Q21 P&L summary

Unit: NT$ million

| | 3Q21 | 2Q21 | QoQ | 3Q20 | YoY |
|---|---|---|---|---|---|
| Revenue | 10,776 | 9,558 | 12.7% | 7,474 | 44.2% |
| Gross profit | 3,078 | 2,346 | 31.2% | 2,058 | 49.6% |
| Operating profit | 2,250 | 1,596 | 40.9% | 1,423 | 58.0% |
| | | | | | |
| Income before tax | 2,264 | 1,598 | 41.7% | 1,437 | 57.6% |
| Tax expenses | (471) | (347) | 35.8% | (314) | 13.8% |
| Net income | 1,793 | 1,251 | 43.2% | 1,123 | 59.7% |
| | | | | | |
| EPS (NT$) - basic | 5.38 | 3.75 | 43.5% | 3.40 | 58.2% |
| | | | | | |
| Gross margin (%) | 28.6% | 24.5% | | 27.5% | |
| Operating margin (%) | 20.9% | 16.7% | | 19.0% | |
| Net margin (%) | 16.6% | 13.1% | | 15.0% | |

# 3Q21 Abstracted Balance Sheet

| Unit:NT$ million | 3Q21 | | 2Q21 | | 3Q20 | |
|---|---|---|---|---|---|---|
| | Amount | % | Amount | % | Amount | % |
| Cash & Equivalent | 5,568 | 15.9% | 6,696 | 20.0% | 5,328 | 20.2% |
| A/R+N/R | 13,631 | 38.9% | 11,970 | 35.7% | 9,571 | 36.2% |
| Inv | 5,336 | 15.2% | 4,837 | 14.4% | 3,914 | 14.8% |
| PPE | 7,883 | 22.5% | 7,437 | 22.2% | 6,016 | 22.8% |
| Total Assets | 35,059 | 100.0% | 33,516 | 100.0% | 26,406 | 100.0% |
| Short term Debt | 2,827 | 8.1% | 1,674 | 5.0% | 1,209 | 4.6% |
| A/P | 8,828 | 25.2% | 8,262 | 24.7% | 6,114 | 23.2% |
| Long term Debt | 964 | 2.8% | 300 | 0.9% | 545 | 2.1% |
| Shareholder's Equity | 18,178 | 51.8% | 16,436 | 49.0% | 15,533 | 58.8% |
| Total Debt and Equity | 35,059 | 100.0% | 33,516 | 100.0% | 26,406 | 100.0% |

# Q & A