Elite Material Co., Ltd.

Global leader of high end eco-friendly laminates

Presentation

August, 2022

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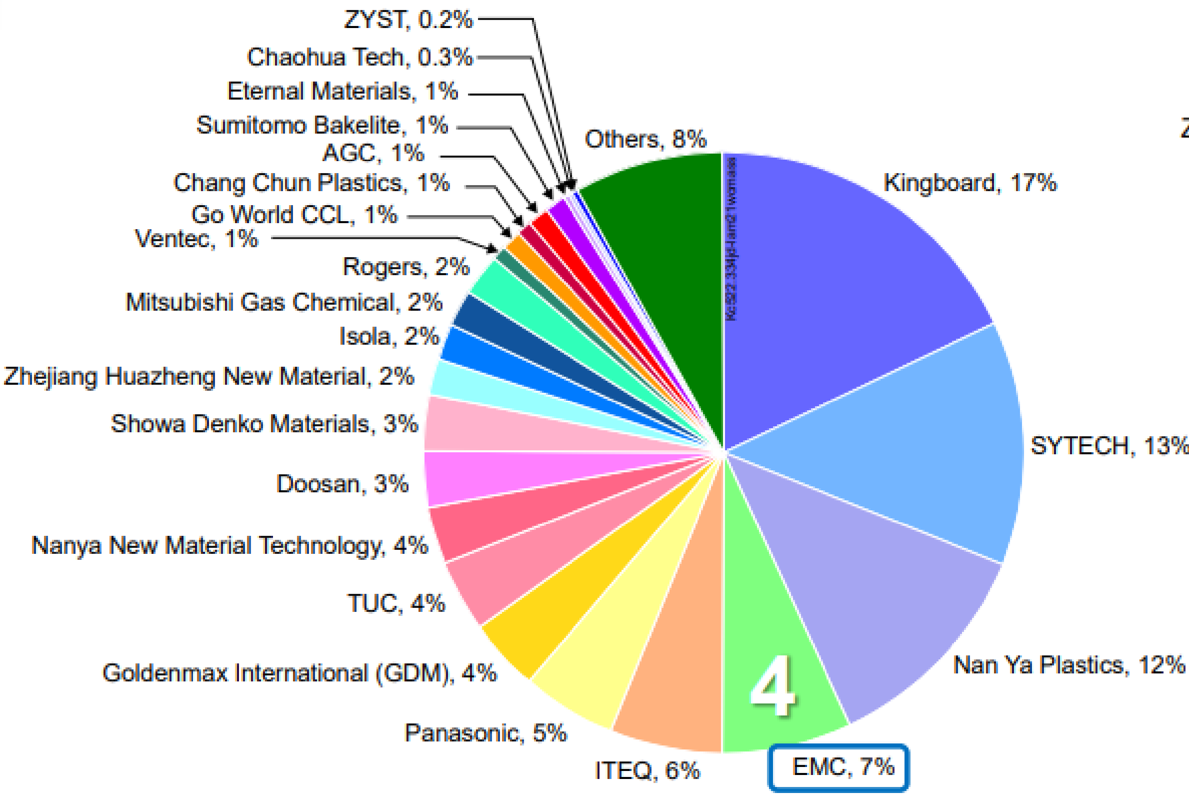
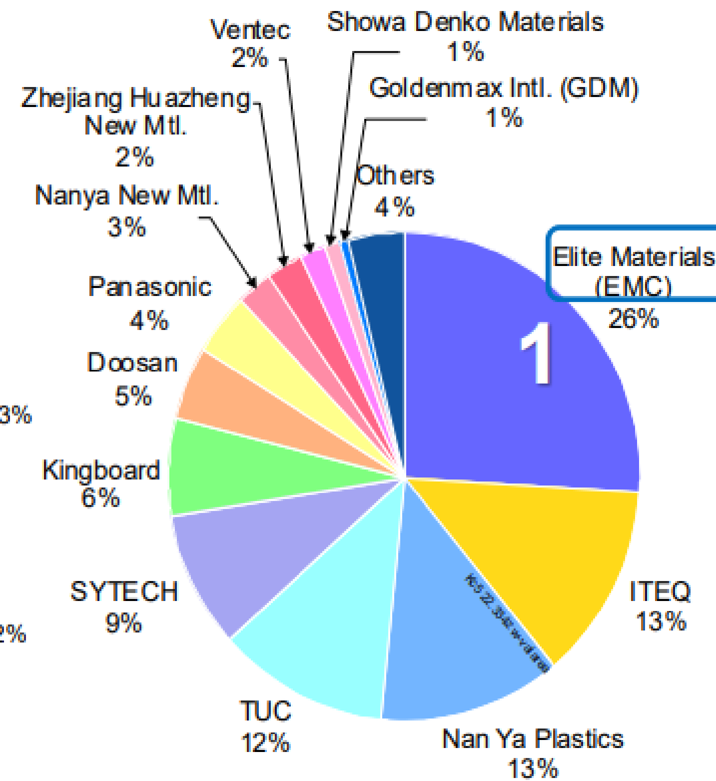
World #1 HF material supplier in 2021

Global Laminate Market | **Global Green Laminate Market**



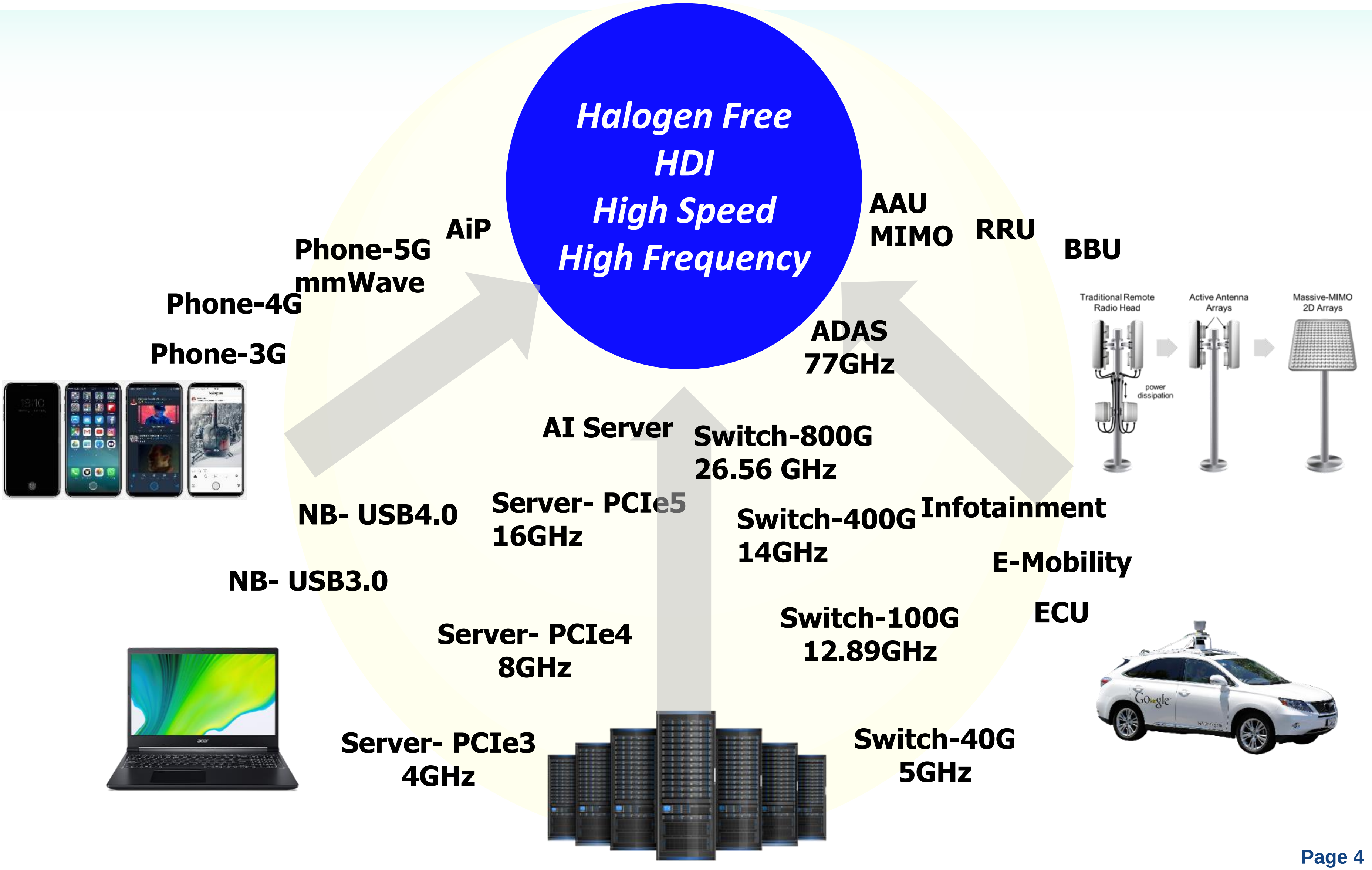
TOTAL: $18.8Bn

PRISMARK
May 2022



Mass Lam sales is excluded.

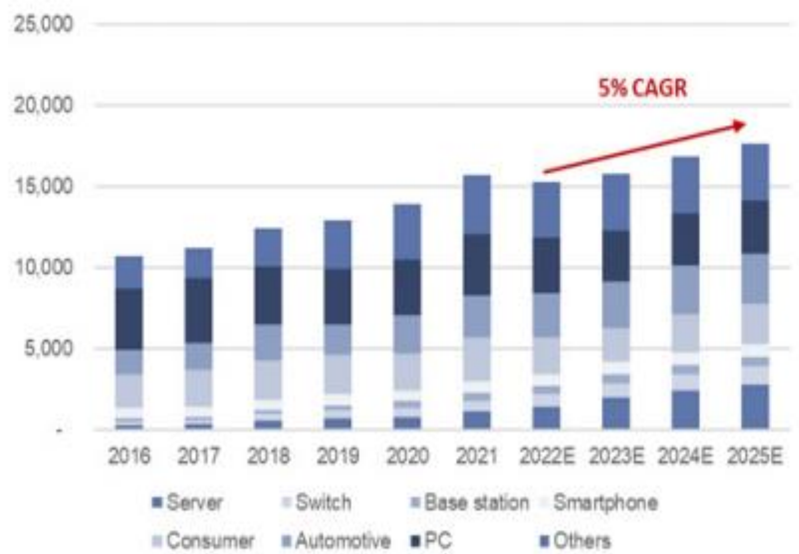
Trend of 5G infrastructure development: HF, HDI, High Speed, High Frequency



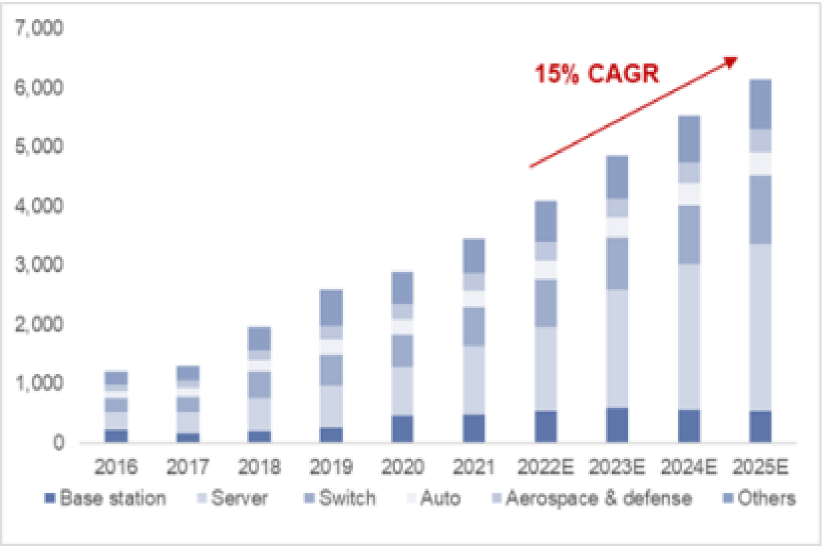
High-end CCL(HDI & High-speed/ frequency)

- High-end CCL market grows at **15% CAGR (2022-2025)**
- Overall CCL market grows at **5% CAGR (2022-2025)**

Overall CCL Market



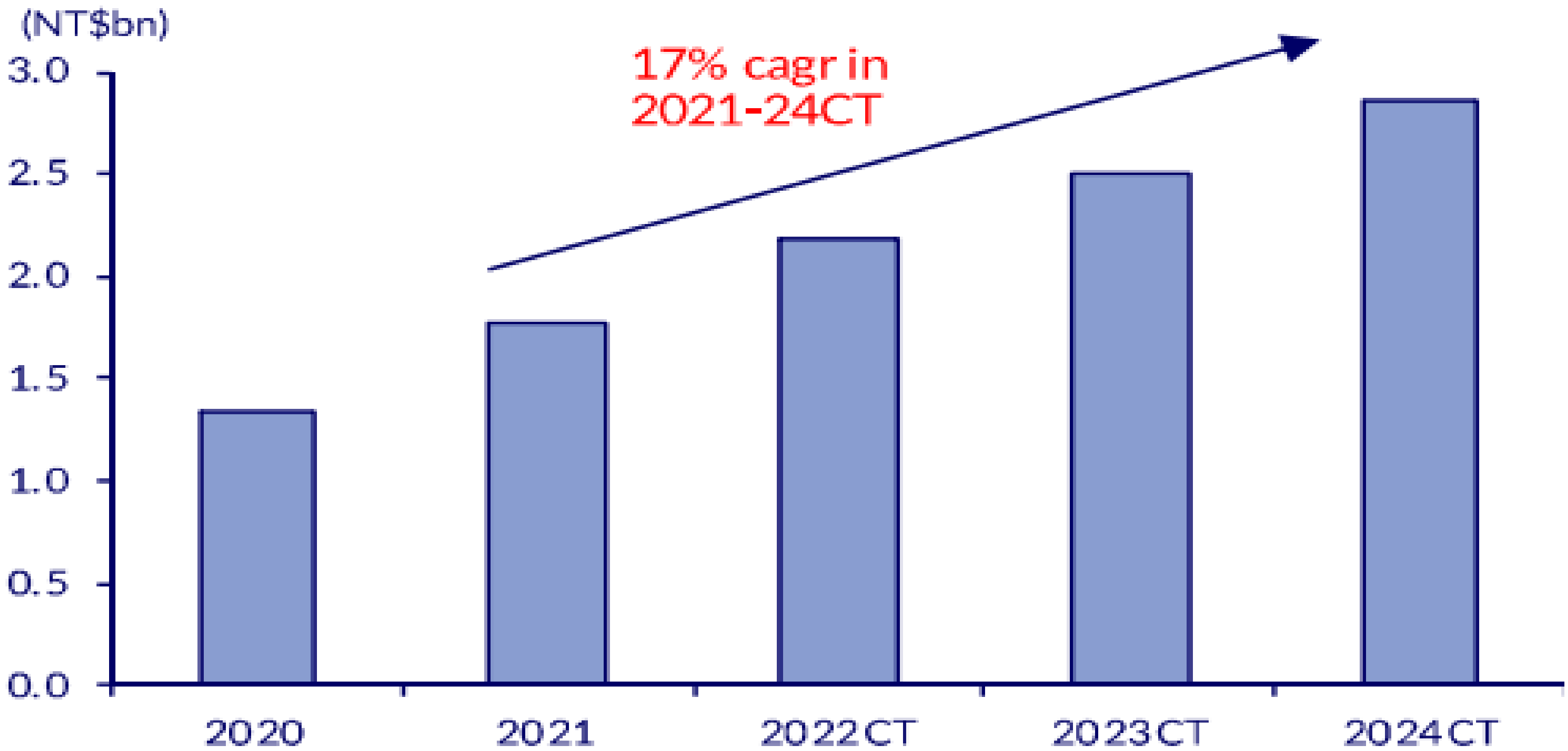
High-end CCL Market



Source: Goldman Sachs Global Investment Research, July 2022

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

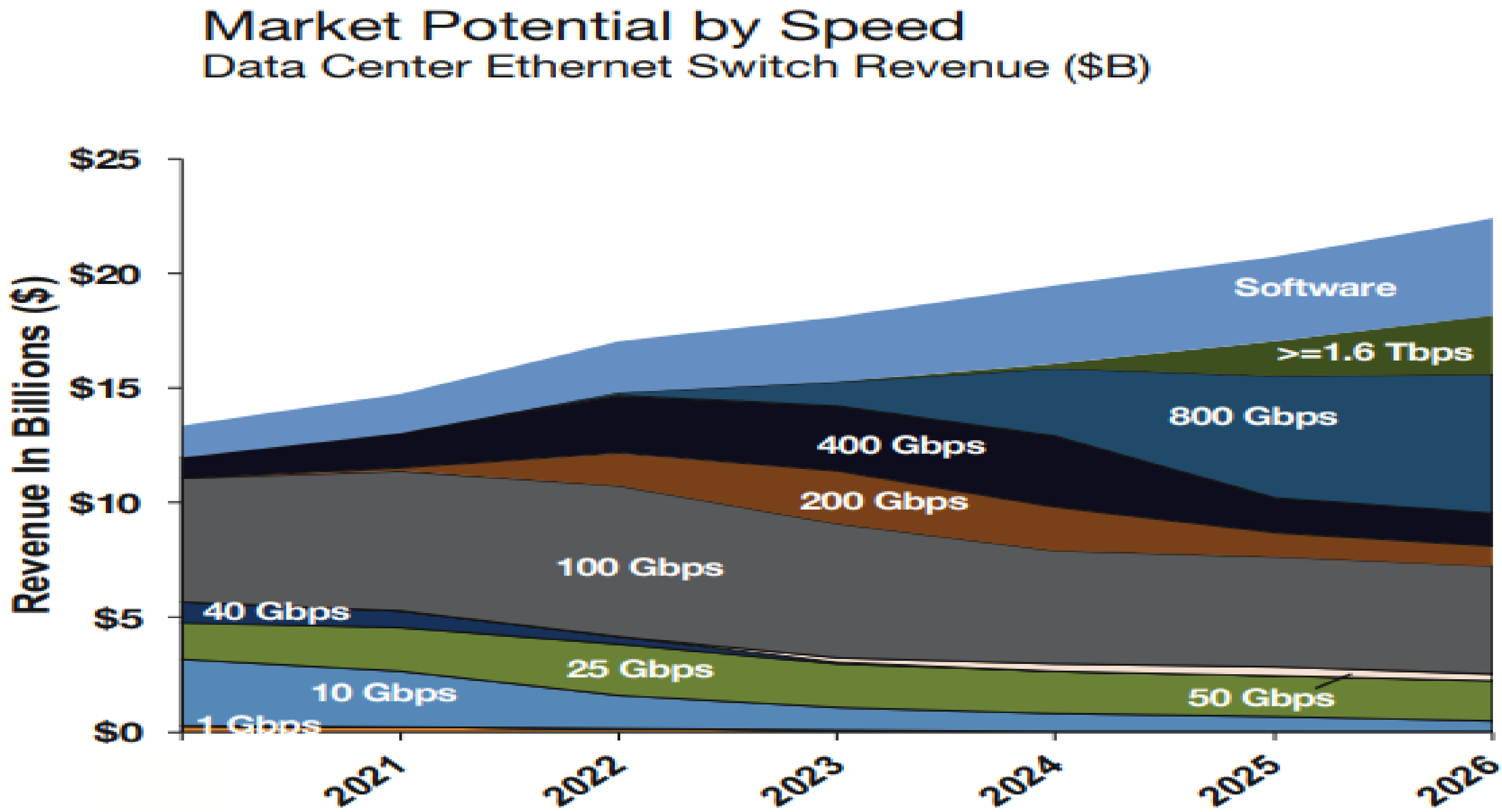
EMC expects to gain significant share in current and next generation platform



Source: CLST, 2022/6

The switch market continues to enjoy high growth in the coming years

EMC expects to gain significant share in 400G platform

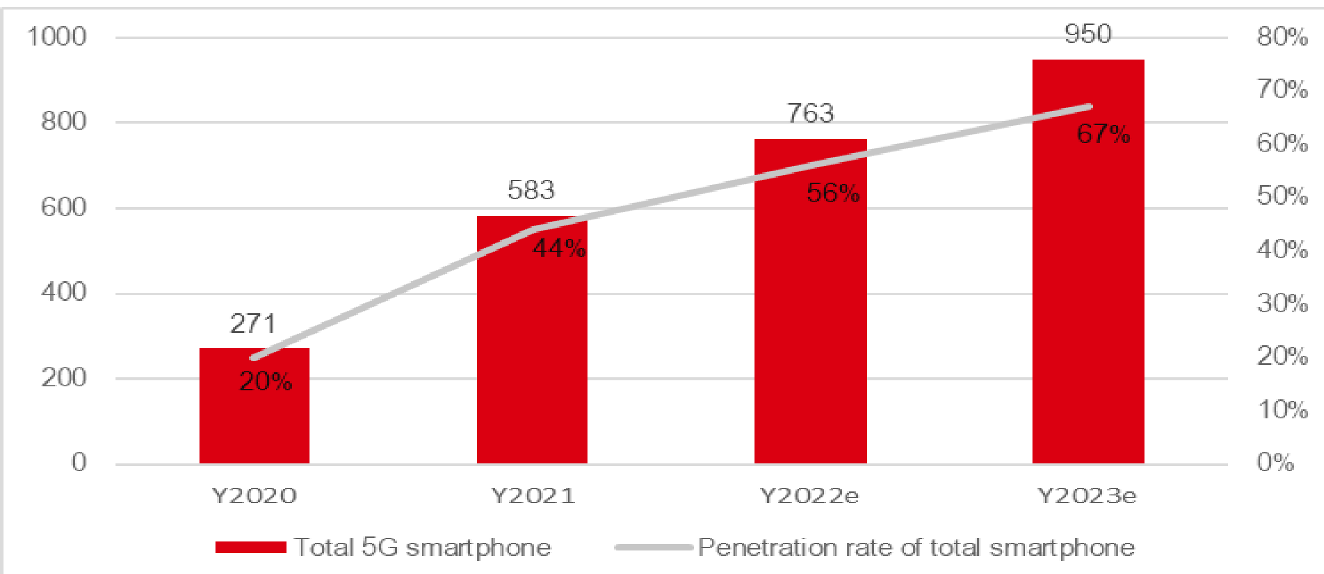


Source: Arista, 2022/5

The strong 5G smartphone shipment

EMC takes the significant 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

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.

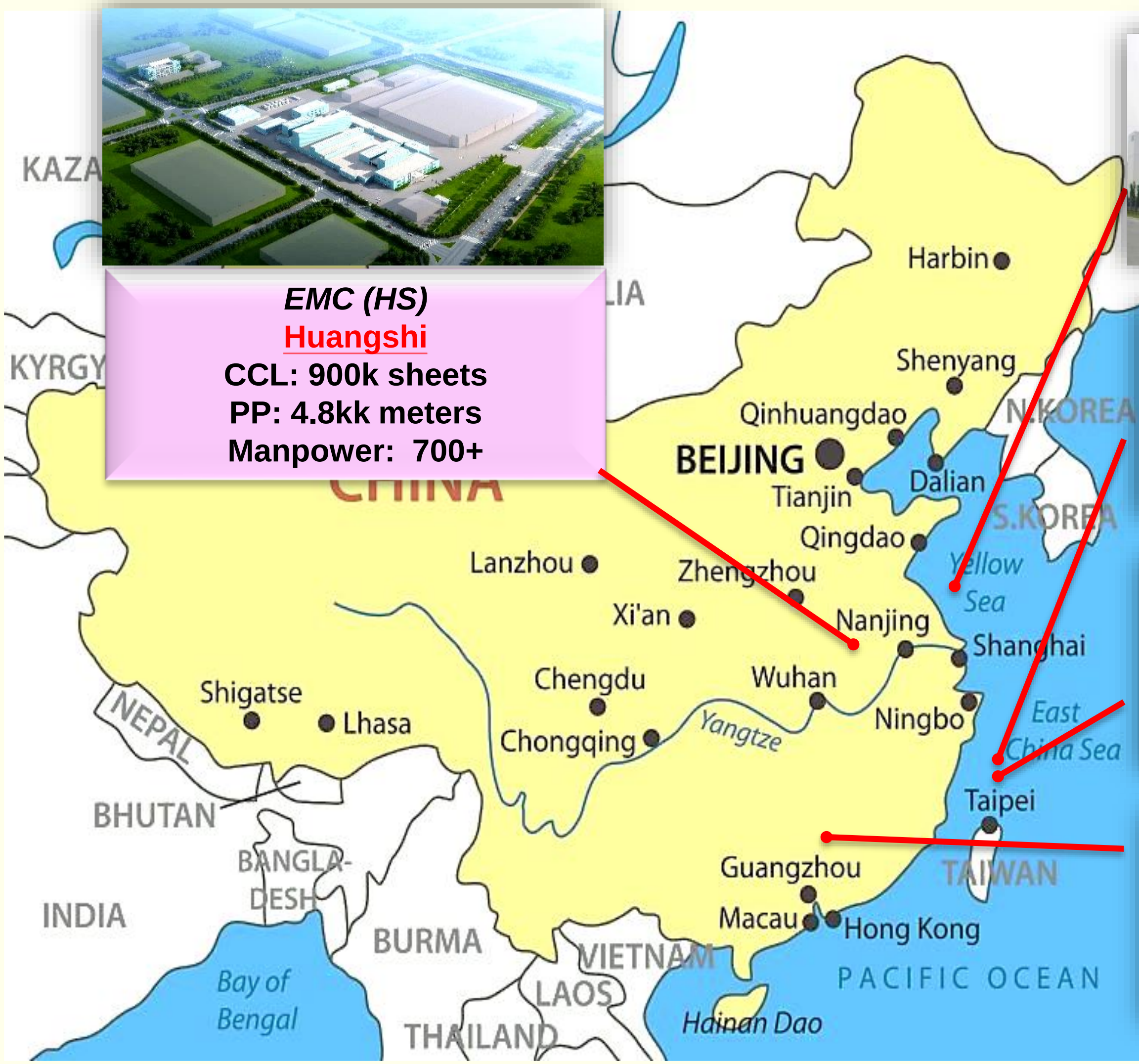
ARLON
ELECTRONIC MATERIALS

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 **30%** and reach **4.6mn** sheets/mon in **3Q,2023**



EMC (HS)
Huangshi
CCL: 900k sheets
PP: 4.8kk meters
Manpower: 700+

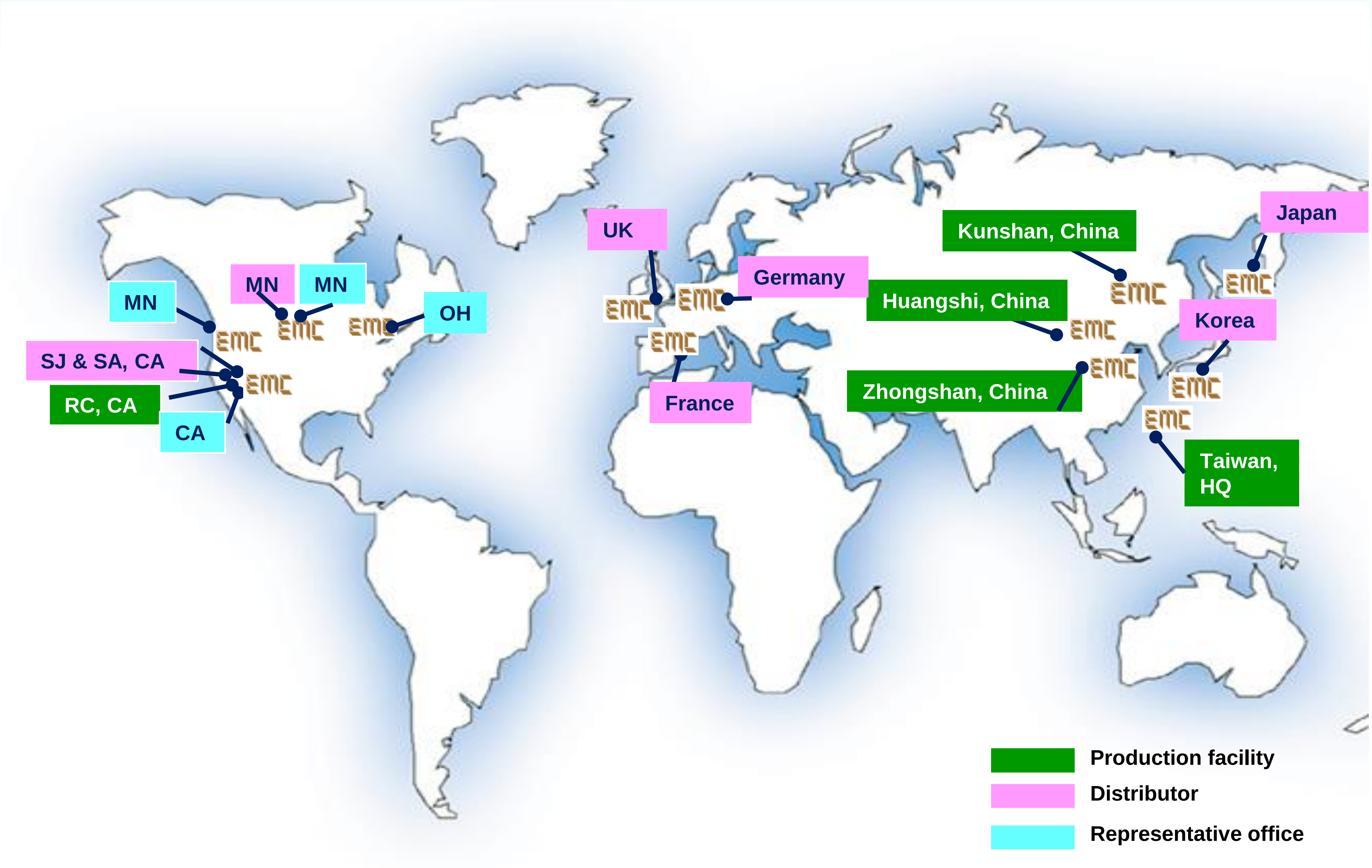
EMC (KS)
Kunshan
CCL: 1.35kk sheets
PP: 3.3kk meters
Manpower: 1,200+
+300K SHT/M in 1Q, 2023
+450K SHT/M in 3Q,2023

EMC (TW)
Taoyuan
CCL: 500k sheets
PP: 1.8kk meters
Manpower: 600+
+300K SHT/M in 2024

EMC (TW)
Hsinchu
CCL: 150k sheets
PP: 1.1kk meters
Mass Lam: 800k ft2
Metal Core: 40k pnls
Manpower: 200+

EMC (ZS)
Zhongshan
CCL: 950k sheets
PP: 2.1kk meters
Manpower: 900+

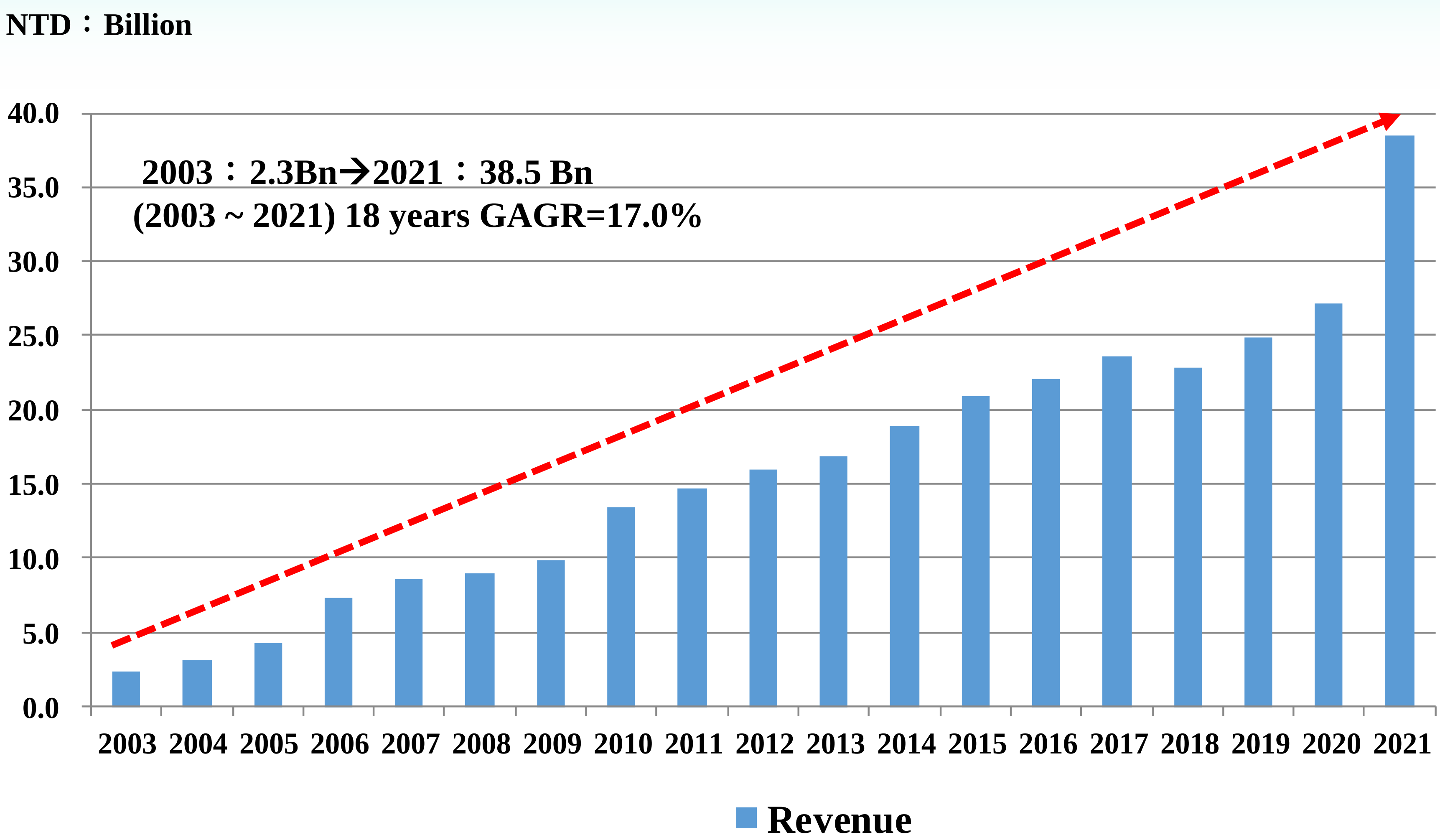
Global Footprint- pan US, pan EU & pan Asia sales distribution network



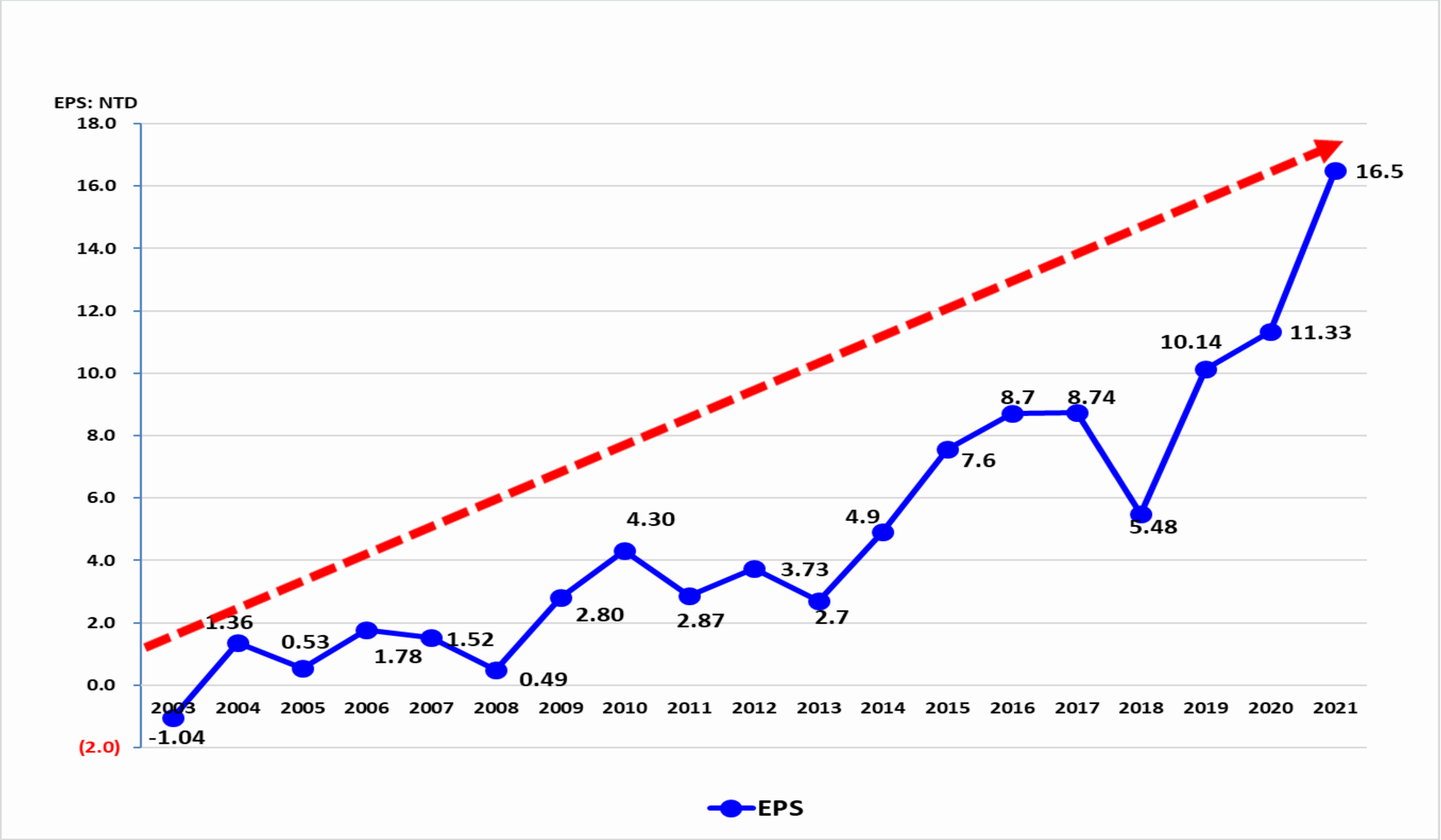
The Corporate Social Responsibility Report

By Royal Charter

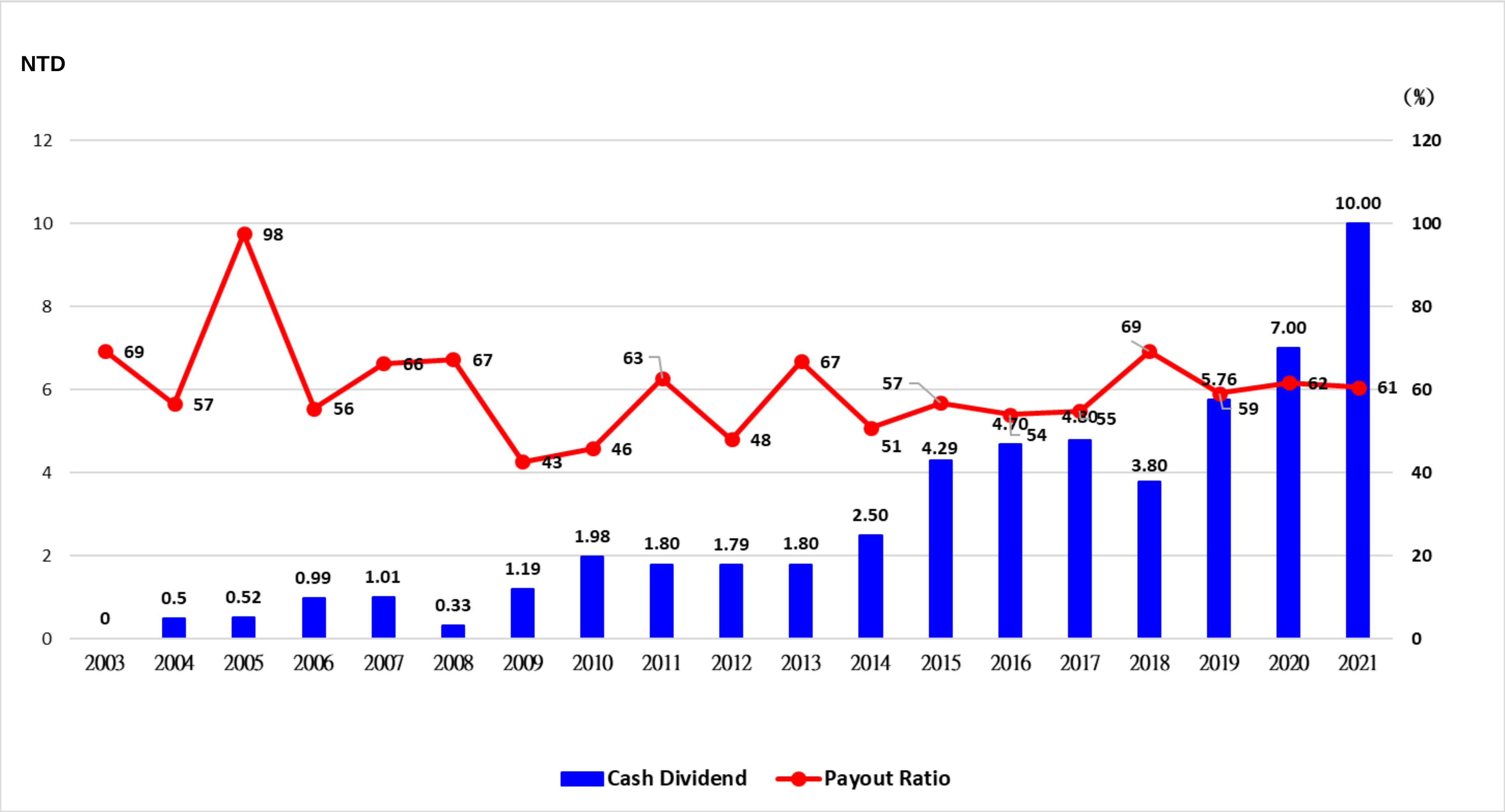
Steadily Sales Growth



Sustainable Operation Performance



History of Cash dividend and Payout ratio



2Q22 P&L summary

Unit: NT$ million

	2Q22	1Q22	QoQ	2Q21	YoY
Revenue	9,983	9,918	0.7%	9,558	4.4%
Gross profit	2,297	2,478	-7.3%	2,346	-2.1%
Operating profit	1,454	1,651	-11.9%	1,596	-8.9%
Income before tax	1,448	1,669	-13.2%	1,598	-9.4%
Tax expenses	(364)	(343)	6.1%	(347)	4.8%
Net income	1,084	1,326	-18.3%	1,251	-13.3%
EPS (NT$) - basic	3.25	3.98	-18.3%	3.75	-13.3%
Gross margin (%)	23.0%	25.0%		24.5%	
Operating margin (%)	14.6%	16.6%		16.7%	
Net margin (%)	10.9%	13.4%		13.1%	

2Q22 Abstracted Balance Sheet

Unit:NT$ million	2Q22		1Q22		2Q21	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	9,596	21.5%	8,368	20.9%	6,696	20.0%
A/R+N/R	13,246	29.7%	13,318	33.3%	11,970	35.7%
Inv	6,196	13.9%	5,476	13.7%	4,837	14.4%
PPE	12,711	28.5%	10,232	25.5%	7,437	22.2%
Total Assets	44,653	100.0%	40,047	100.0%	33,516	100.0%
Short term Debt	3,942	8.8%	4,397	11.0%	1,674	5.0%
A/P	8,869	19.9%	7,891	19.7%	8,262	24.7%
Long term Debt	3,674	8.2%	774	1.9%	300	0.9%
Shareholder's Equity	19,421	43.5%	21,652	54.1%	16,436	49.0%
Total Debt and Equity	44,653	100.0%	40,047	100.0%	33,516	100.0%

Q & A