Elite Material Co., Ltd.

Global leader of high end eco-friendly laminates

Presentation

October, 2023

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Financial Highlights

- Net revenue was NT$11.88 billion, representing an 29.3% increase from NT$9.18 billion in 2Q23 and an 20.2% increase from NT$9.88 billion in 3Q22.

- Gross margin was 30.2%, 2.7 percentage points higher than 2Q23 and 4.4 percentage points higher than 3Q22.

- Operating margin was 21.1%, up 3.5 percentage points from 2Q23 and up 4.9 percentages point from 3Q22.

- Net income attributable to shareholders of the parent company was NT$2.02 billion, up 101.3% from 2Q23 and up 53.7% from 3Q22. Net profit margin was 17.0% and diluted EPS was NT$6.04

- Gross profit margin was 30.2%, operating profit margin was 21.1%, and the net profit margin was 17.0%, all hit a record high in a single quarter. The profit reached NT$2.02 billion, a significant quarter-on-quarter growth of 101.3%.

3Q23 P&L summary

3Q23 results

Unit: NT$ million

	3Q23	2Q23	QoQ	3Q22	YoY
Revenue	11,875	9,180	29.3%	9,883	20.2%
Gross profit	3,584	2,525	41.9%	2,549	40.6%
Operating profit	2,506	1,619	54.8%	1,598	56.8%
Income before tax	2,574	1,588	62.1%	1,630	57.9%
Tax expenses	(552)	(588)	-6.1%	(322)	71.4%
Net income	2,022	1,000	102.2%	1,308	54.6%
EPS (NT$) - basic	6.04	3.00	101.3%	3.93	53.7%
Gross margin (%)	30.2%	27.5%		25.8%	
Operating margin (%)	21.1%	17.6%		16.2%	
Net margin (%)	17.0%	10.9%		13.2%	
				0.0%	

3Q23 Abstracted Balance Sheet

Unit:NT$ million	3Q23		2Q23		3Q22	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	10,582	20.4%	13,951	29.1%	7,526	18.1%
A/R+N/R	15,658	30.2%	11,657	24.3%	13,309	31.9%
Inv	5,598	10.8%	3,980	8.3%	4,710	11.3%
PPE	17,036	32.8%	15,385	32.1%	13,742	33.0%
Total Assets	51,913	100.0%	47,962	100.0%	41,688	100.0%
Short term Debt	7,928	15.3%	8,103	16.9%	4,730	11.3%
A/P	10,195	19.6%	7,180	15.0%	6,880	16.5%
Long term Debt	2,388	4.6%	4,292	8.9%	3,969	9.5%
Shareholders' Equity	24,865	47.9%	20,293	42.3%	20,948	50.2%
Total Debt and Equity	51,913	100.0%	47,962	100.0%	41,688	100.0%

Manufacturing Locations and Monthly Capacity

EMC monthly laminate capacity will reach **4.5mn** sheets in **4Q 2023**

EMC (HS)
Huangshi
CCL: 900k sheets
PP: 4.8kk meters
Manpower: 650+

EMC (KS)
Kunshan
CCL: 1.35kk sheets
PP: 3.3kk meters
Manpower: 1,400+
+300K SHT/M in 2Q, 2023
+450K SHT/M in 4Q,2023

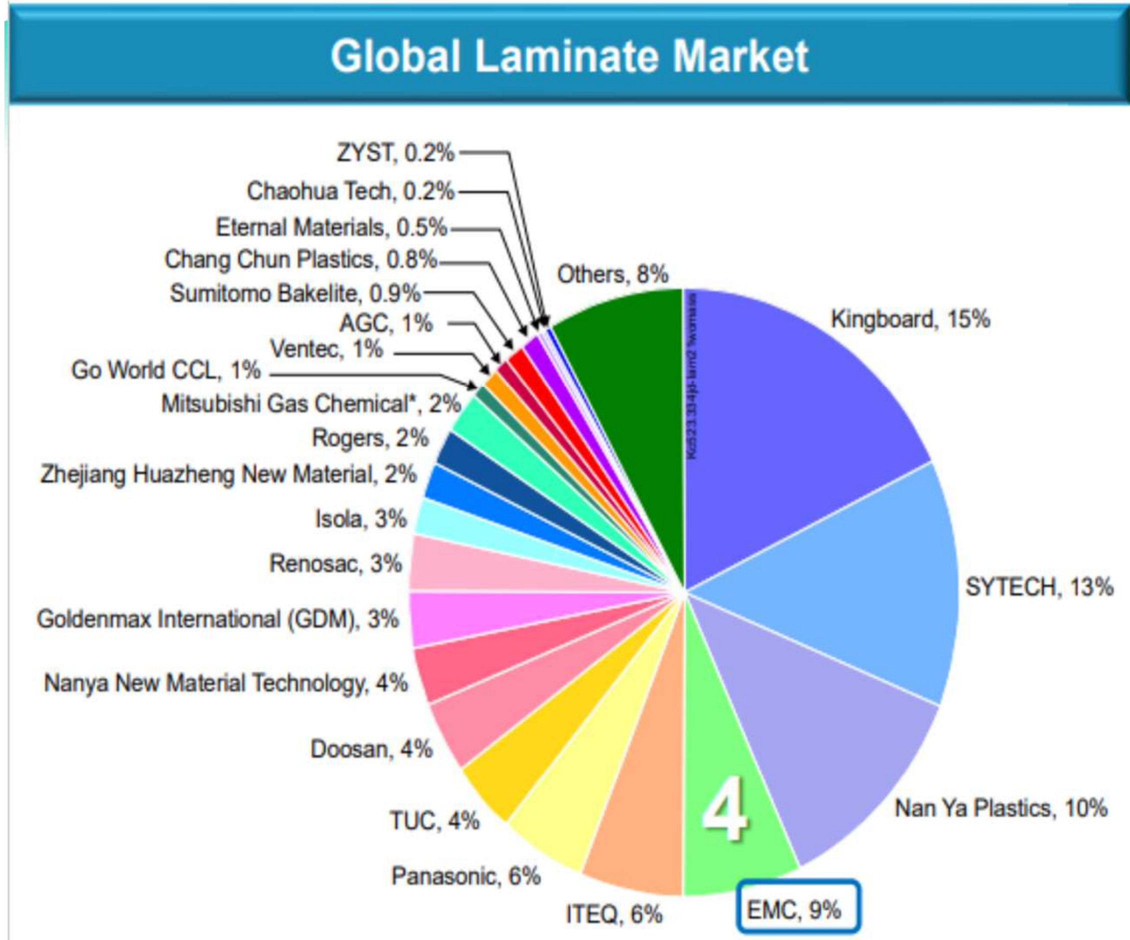
EMC (TW)
Taoyuan
CCL: 400k sheets
PP: 1.4kk meters
Manpower: 900+

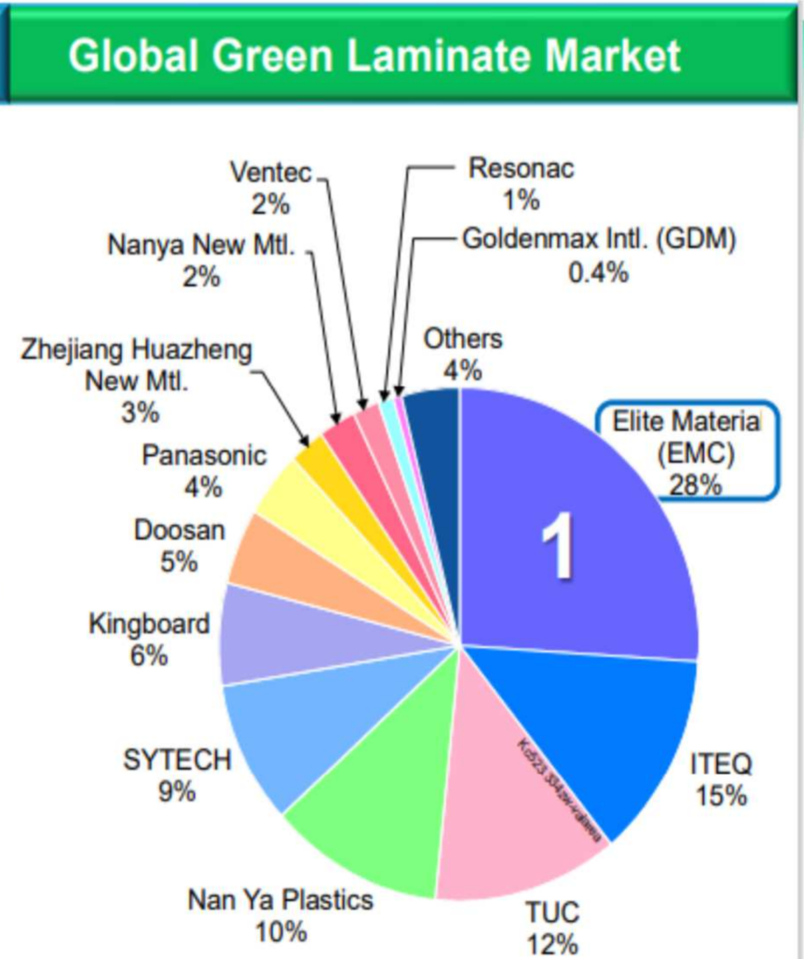
EMC (TW)
Hsinchu
CCL: 150k sheets
PP: 1.1kk meters
Mass Lam: 800k ft2
Metal Core: 40k pnls
Manpower: 150+

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

EMC's SEA investment situated in Penang Science Park North, Malaysia, phase one capacity of 450K sheets schedules to mass production in early 2025

World #1 HF material supplier in 2022





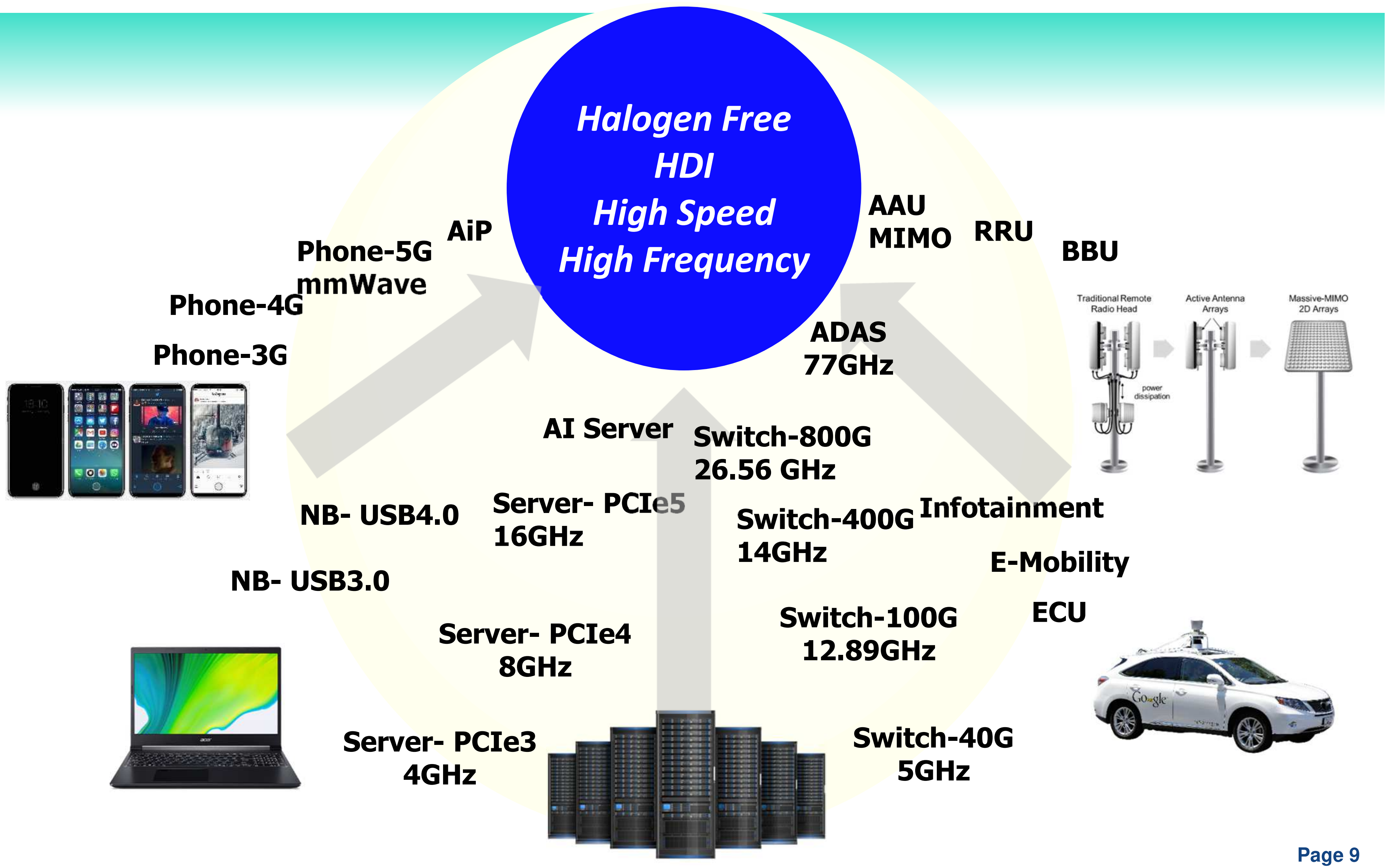
TOTAL: $15.2Bn

PRISMARK
June 2023

TOTAL LAMINATE: $3,769M

Mass Lam Sales is excluded.

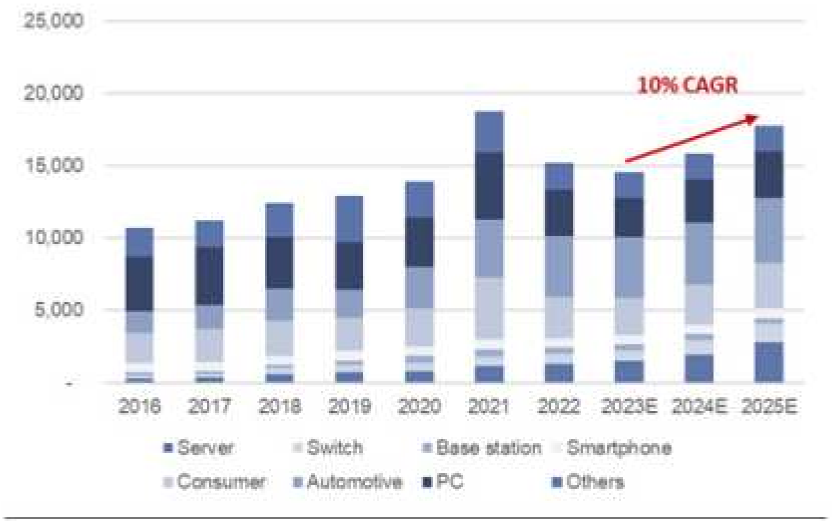
Trend of 5G infrastructure development: HF, HDI, High Speed, High Frequency



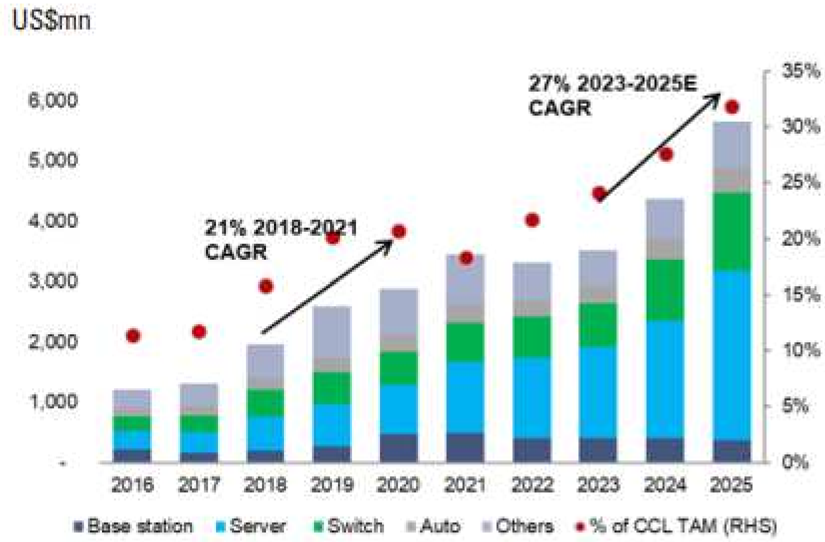
High-end CCL(HDI & High-speed/ frequency)

- High-end CCL market grows at **27% CAGR (2023-2025)**
- Overall CCL market grows at **10% CAGR (2023-2025)**
- EMC expects to outgrow high-end CCL market

Overall CCL Market



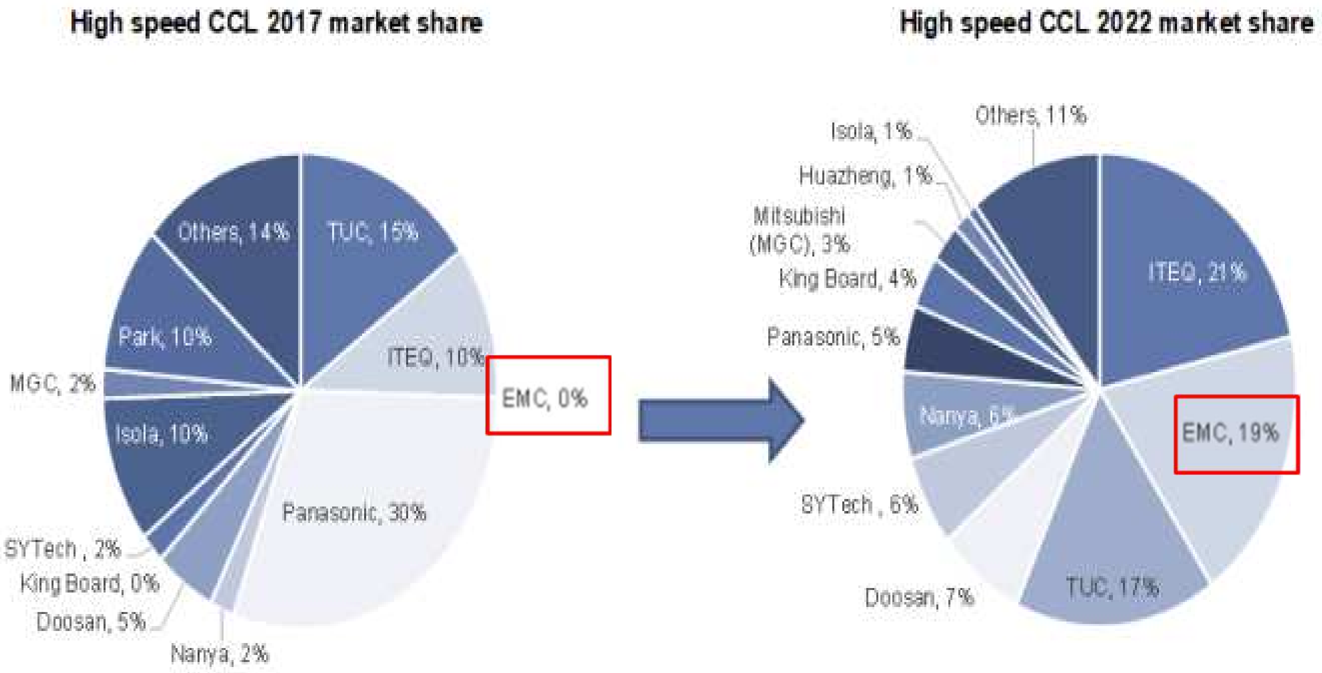
High-end CCL Market



Source: Goldman Sachs Global Investment Research, Oct 2023

EMC Momentum in High speed CCL – from Nothing to 19% Global Share

Driven by HSD and HDI requirement



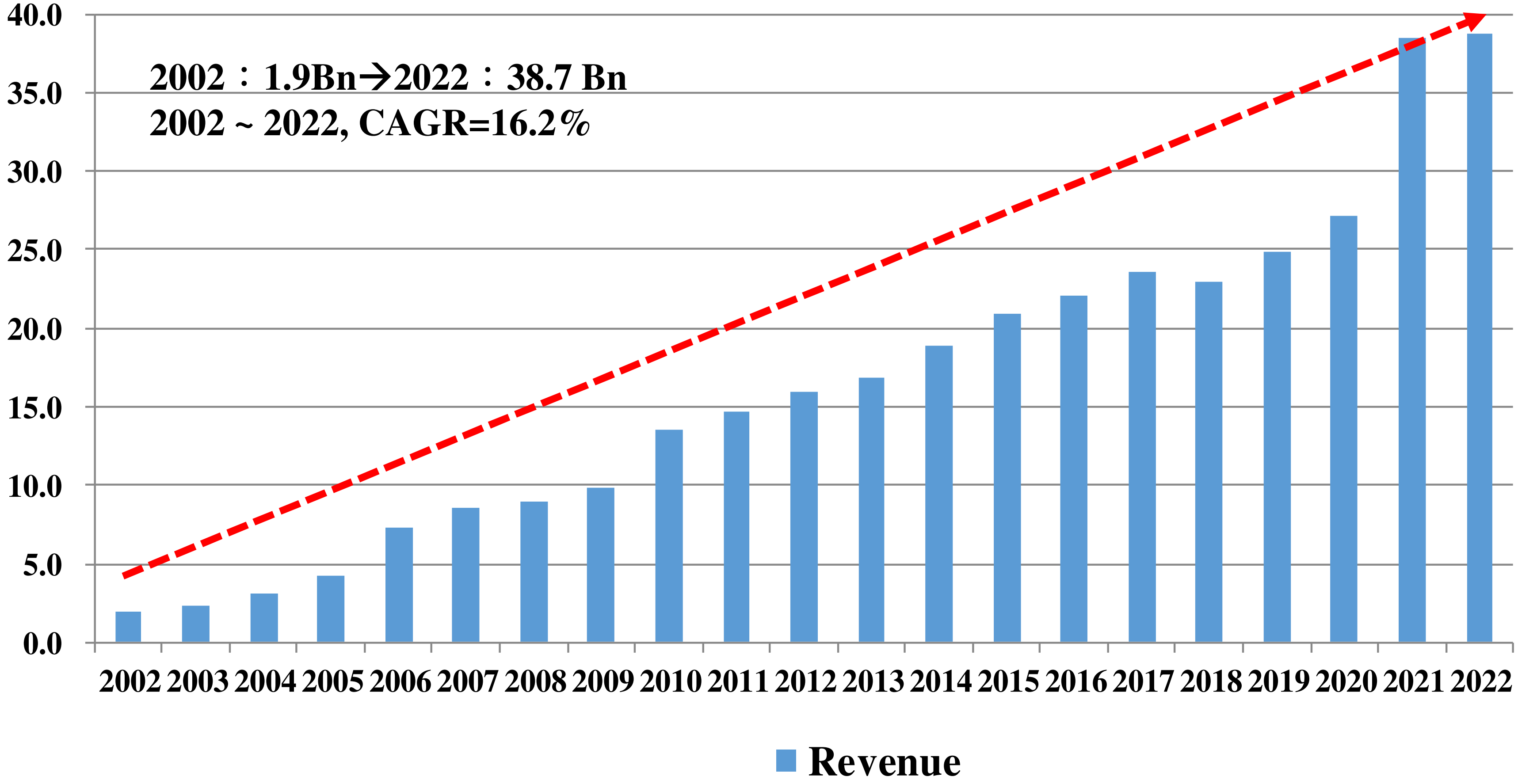
Source: Goldman Sachs Global Investment Research, Oct 2023

Executive Summary

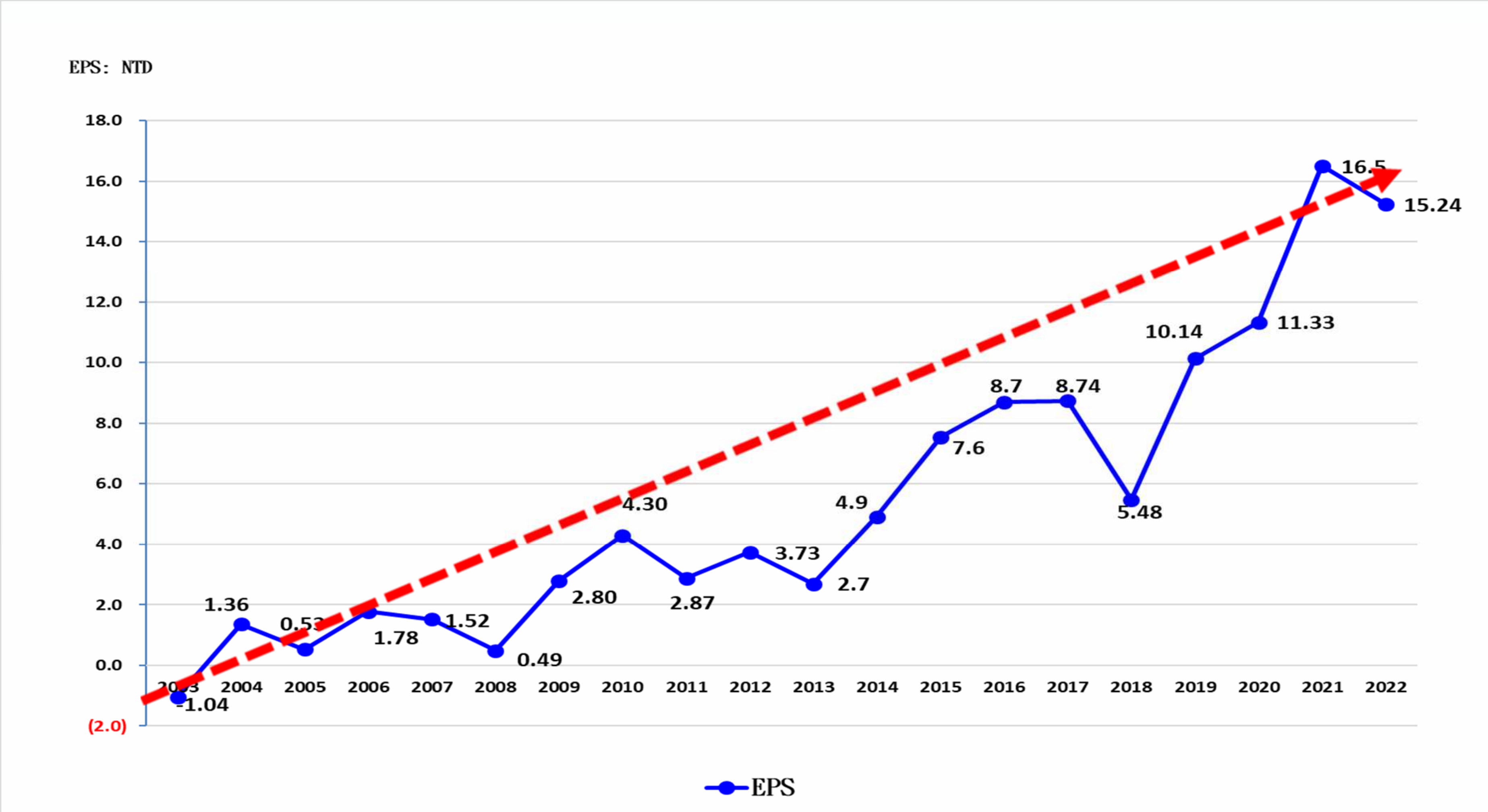
- Leader in HDI technology, with a global mobile phone market share of ~70%, and a 5G mobile phone market share of ~ 90%.
- The global market share of switch products has risen from ~10% of 100G to ~30% for mainstream 400G products.
- AI server, with a market share of ~60%.
- Our first Southeast Asia plant in Malaysia
- Our partnership with Insulectro across North America

Steadily Sales Growth

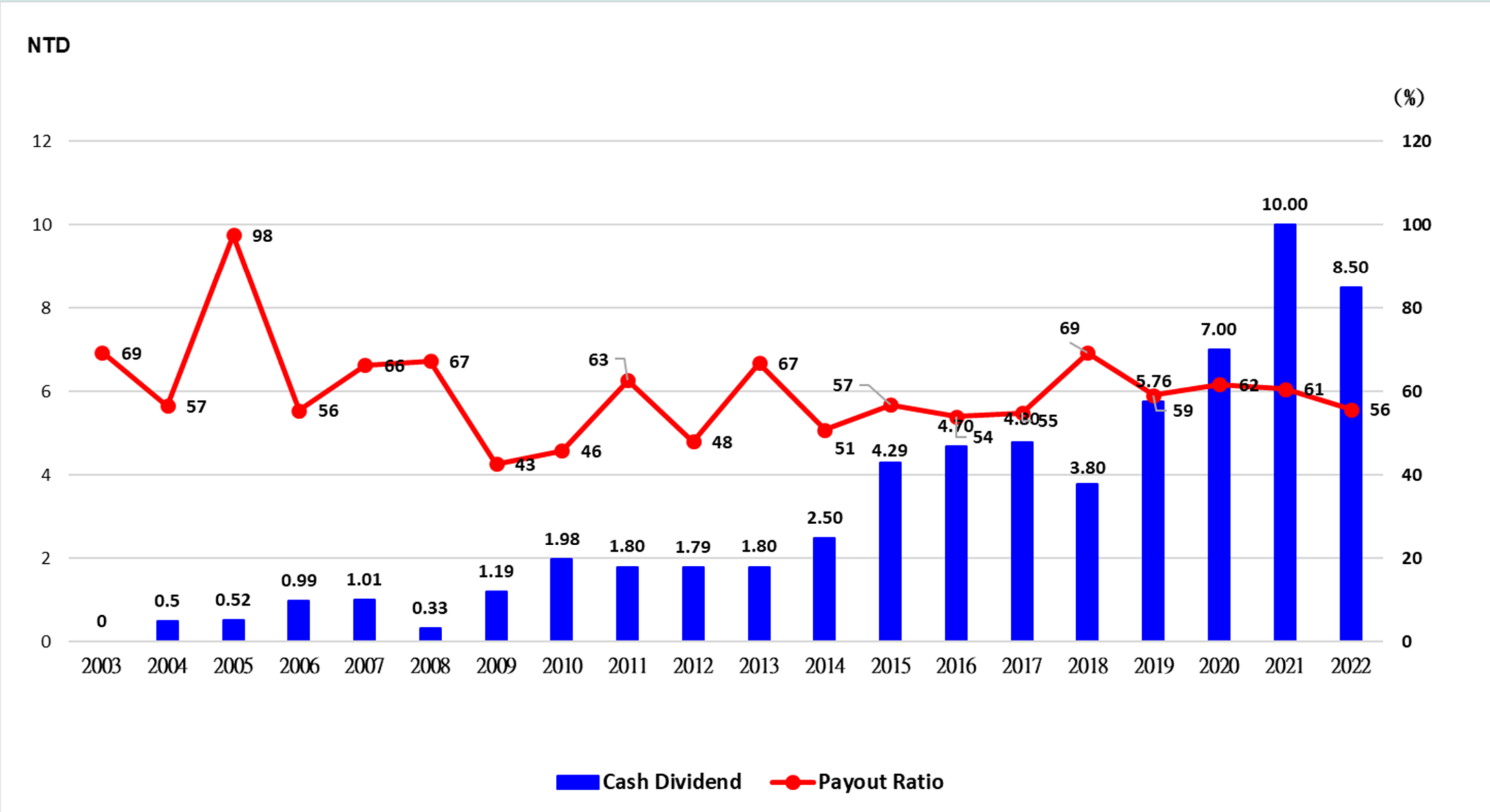
NTD：Billion



Sustainable Operation Performance



History of Cash dividend and Payout ratio



The Corporate Social Responsibility Report

By Royal Charter

Q & A