Elite Material Co., Ltd.

Global leader of high end eco-friendly laminates

Presentation

March, 2024

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Agenda

Financial Highlights-4Q23

- Net revenue was NT$12.88 billion, representing an 8.5% increase from NT$11.88 billion in 3Q23 and an 44.9% increase from NT$8.89 billion in 4Q22.

- Gross margin was 28.3%, 1.9 percentage points lower than 3Q23 and 1.4 percentage points higher than 4Q22.

- Operating margin was 19.0%, down 2.1 percentage points from 3Q23 and up 1.9 percentages point from 4Q22.

- Net income attributable to shareholders of the parent company was NT$1.99 billion, down 1.8% from 3Q23 and up 46.1% from 4Q22. Net profit margin was 15.4% and diluted EPS was NT$5.85

Financial Highlights-2023

- Net revenue was NT$41.3 billion, representing an 6.8% increase from NT$38.7 billion in 2022.

- Gross margin was 27.4%, 2.3 percentage points higher than 2022.

- Operating margin was 17.8%, up 1.7 percentage points from 2022.

- Net income attributable to shareholders of the parent company was NT$5.5 billion, up 8.1% from 2022 and diluted EPS was NT$16.35.

- Net revenue was NT$41.3 billion, Gross profit margin was 27.4%, and the pretax profit margin was 18.0%, all hit the record high in EMC history.

4Q23 P&L summary

Unit: NT$ million

	4Q23	3Q23	QoQ	4Q22	YoY
Revenue	12,882	11,875	8.5%	8,888	44.9%
Gross profit	3,651	3,584	1.9%	2,387	53.0%
Operating profit	2,451	2,506	-2.2%	1,523	61.0%
Income before tax	2,528	2,574	-1.8%	1,549	63.2%
Tax expenses	(542)	(552)	-1.7%	(190)	185.3%
Net income	1,986	2,022	-1.8%	1,359	46.1%
EPS (NT$) - basic	5.85	6.04	-3.1%	4.08	43.4%
Gross margin (%)	28.3%	30.2%		26.9%	
Operating margin (%)	19.0%	21.1%		17.1%	
Net margin (%)	15.4%	17.0%		15.3%	

2023 P&L summary

Unit: NT$ million

	2023	2022	YoY
Revenue	41,296	38,673	6.8%
Gross profit	11,333	9,710	16.7%
Operating profit	7,346	6,225	18.0%
Income before tax	7,419	6,296	17.8%
Tax expenses	(1,931)	(1,220)	58.3%
Net income	5,488	5,076	8.1%
EPS (NT$) - basic	16.35	15.24	7.3%
Gross margin (%)	27.4%	25.1%	
Operating margin (%)	17.8%	16.1%	
Net margin (%)	13.3%	13.1%	

4Q23 Abstracted Balance Sheet

Unit:NT$ million	4Q23		3Q23		4Q22	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	9,259	17.3%	10,582	20.4%	10,444	24.1%
A/R+N/R	17,327	32.4%	15,658	30.2%	11,683	26.9%
Inv	6,135	11.5%	5,598	10.8%	4,236	9.8%
PPE	16,655	31.2%	17,036	32.8%	14,680	33.8%
Total Assets	53,427	100.0%	51,913	100.0%	43,382	100.0%
Short term Debt	7,866	14.7%	7,928	15.3%	5,299	12.2%
A/P	10,489	19.6%	10,195	19.6%	6,513	15.0%
Long term Debt	2,109	3.9%	2,388	4.6%	4,218	9.7%
Shareholder's Equity	26,809	50.2%	24,865	47.9%	22,075	50.9%
Total Debt and Equity	53,427	100.0%	51,913	100.0%	43,382	100.0%

EMC Manufacturing-Globally Diversified

California, US

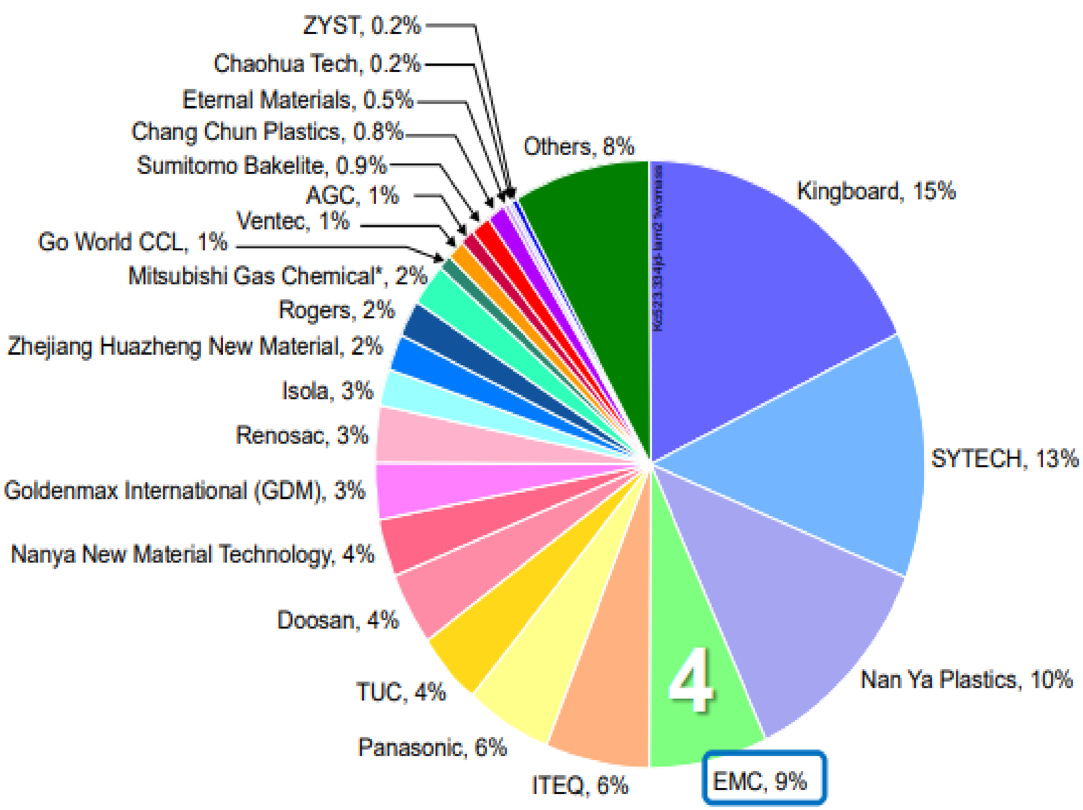
ARLON ELECTRONIC MATERIALS

☆ EMC: Exclusive Asian CCL Supplier with US Production Capability

Site Capacity		Laminate (SHTs/mon)	Prepreg (meter/mon)
HQ	(TW)	0.55 M	1.6 M
Kunshan	(CN)	1.80 M	5.1 M
Zhongshan	(CN)	0.95 M	2.1 M
Huangshi	(CN)	0.90 M	4.8 M
Total (2024)		**4.2 M**	**13.6 M**
Penang	(Malaysia)	0.60 M	0.9 M
Total (2025)		**4.8 M**	**14.5 M**

World #1 HF material supplier in 2022

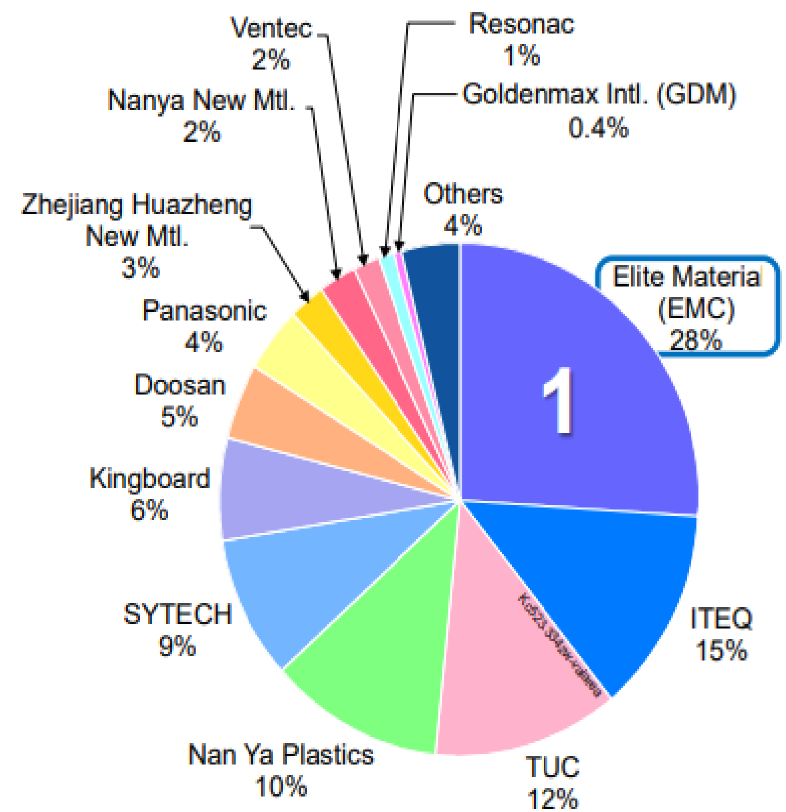
Global Laminate Market



TOTAL: $15.2Bn

Mass Lam Sales is excluded.

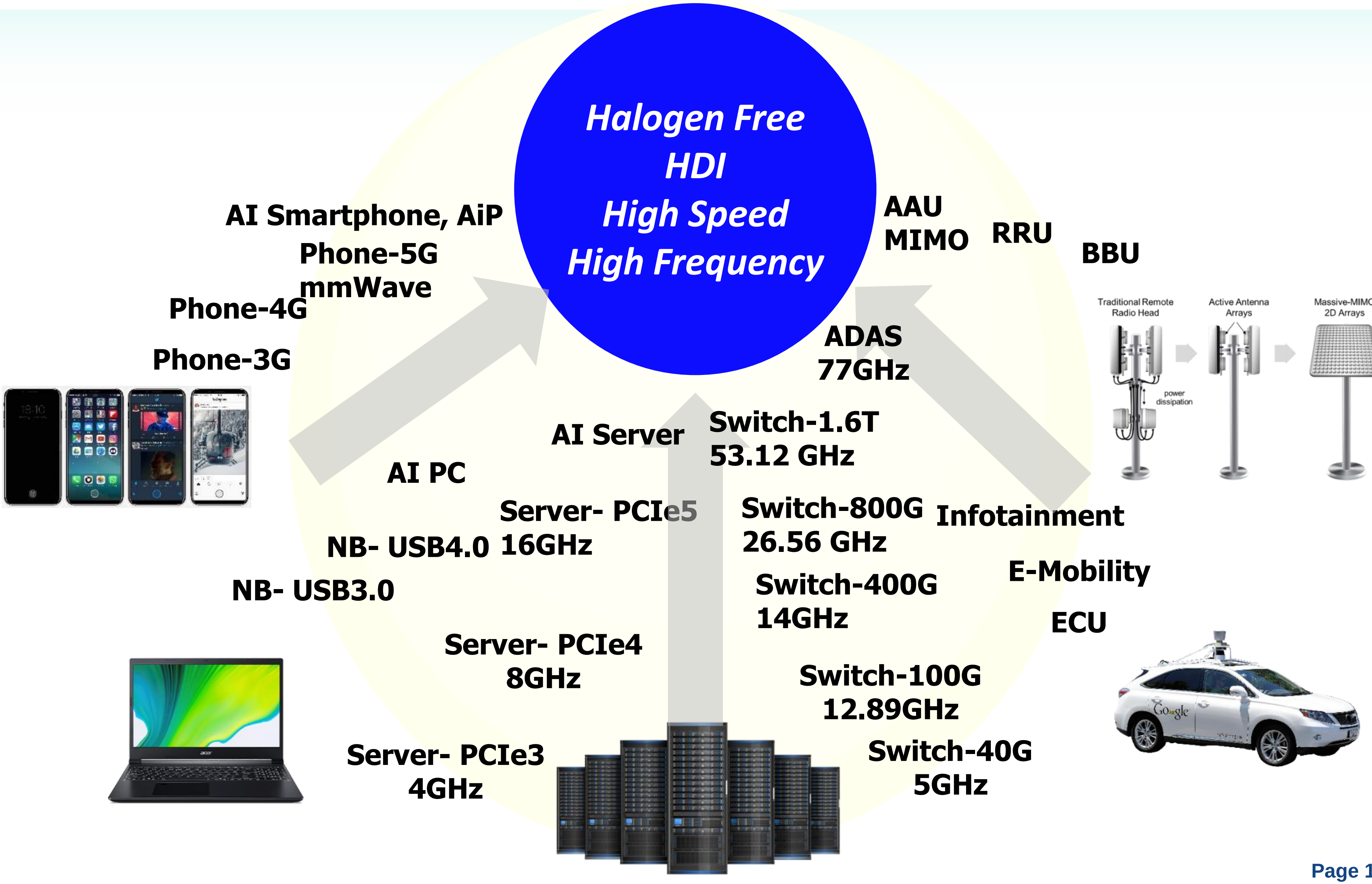
Global Green Laminate Market



PRISMARK
June 2023

TOTAL LAMINATE: $3,769M

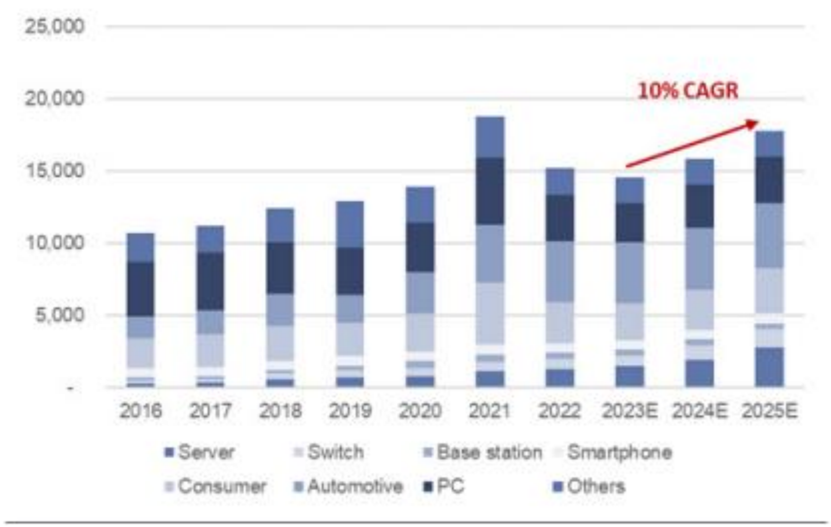
Trend of 5G infrastructure development: HF, HDI, High Speed, High Frequency



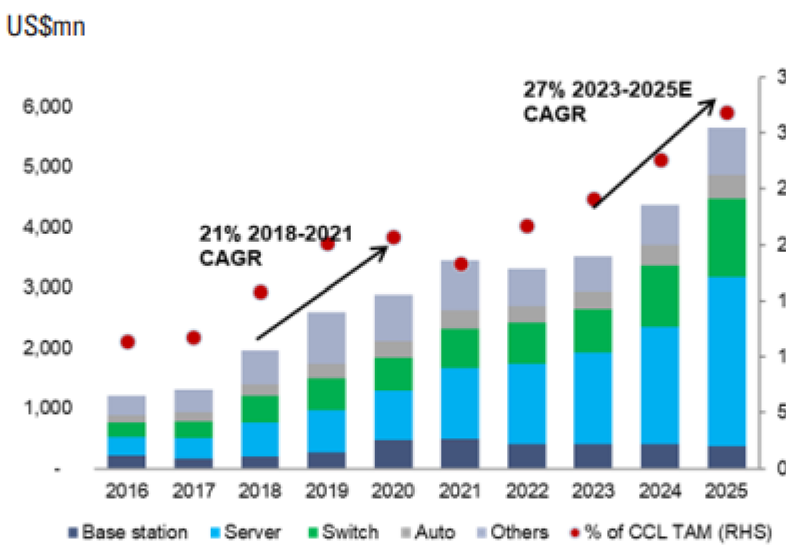
High-end CCL(HDI & High-speed/ frequency)

- 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



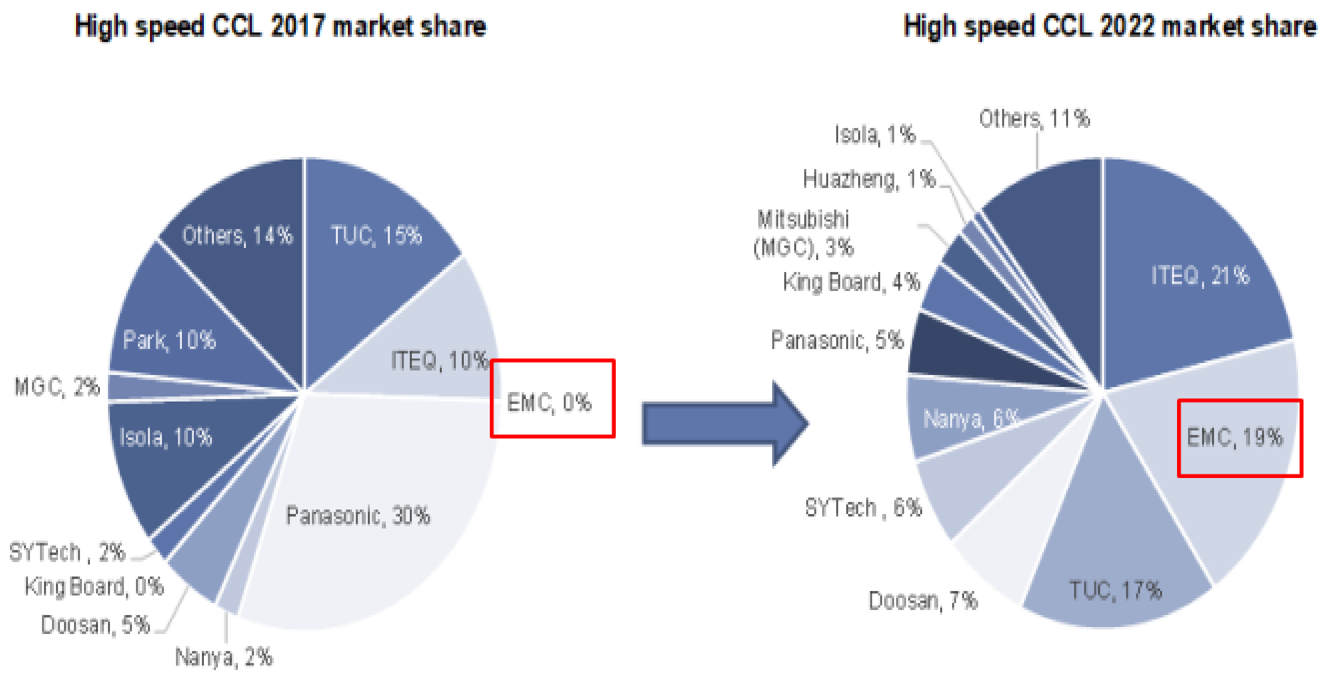
High-end CCL Market



Source: Goldman Sachs Global Investment Research, Oct 2023

EMC Momentum in High speed CCL – Reach 19% Global Share

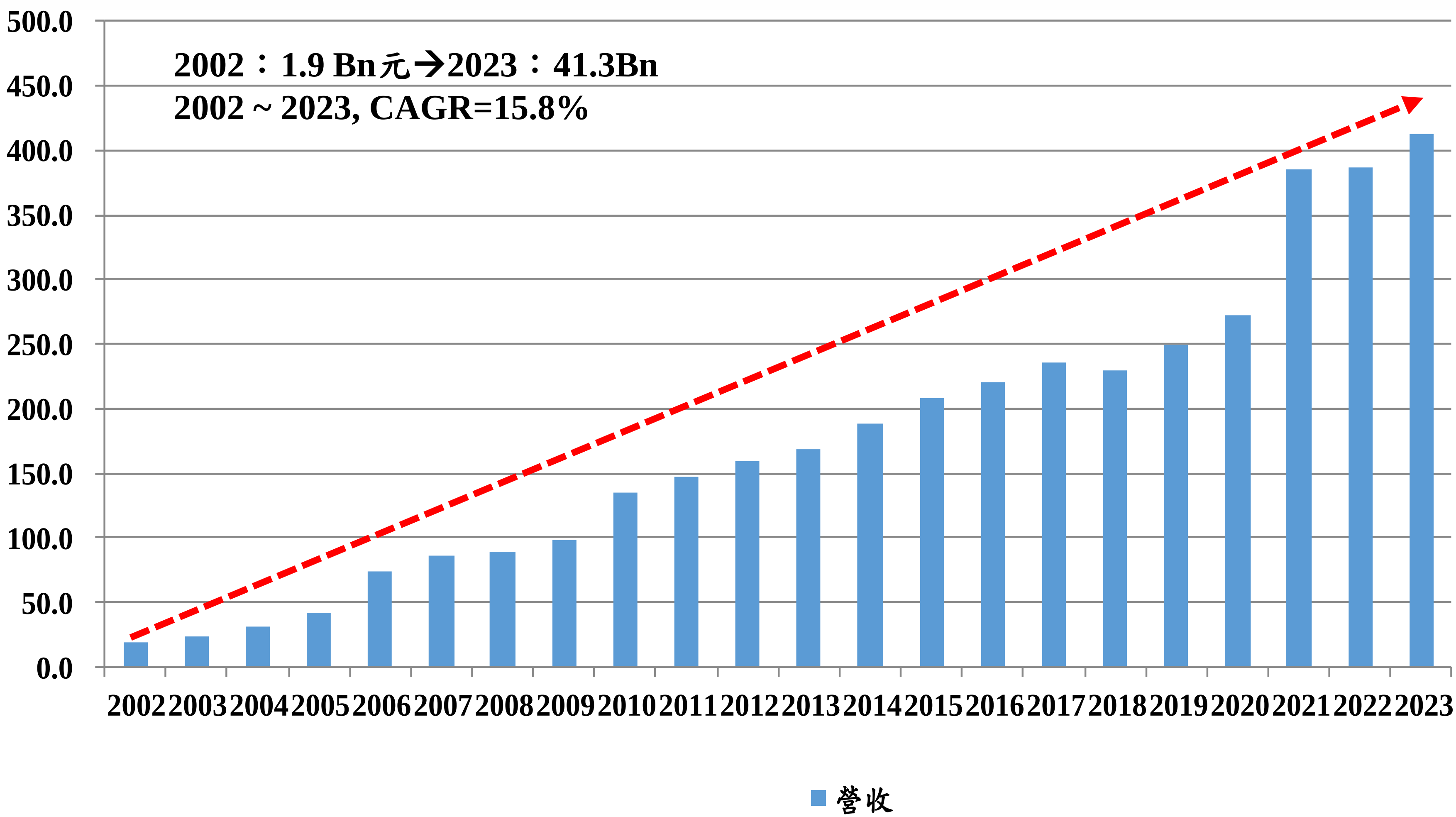
Driven by HSD and HDI requirement



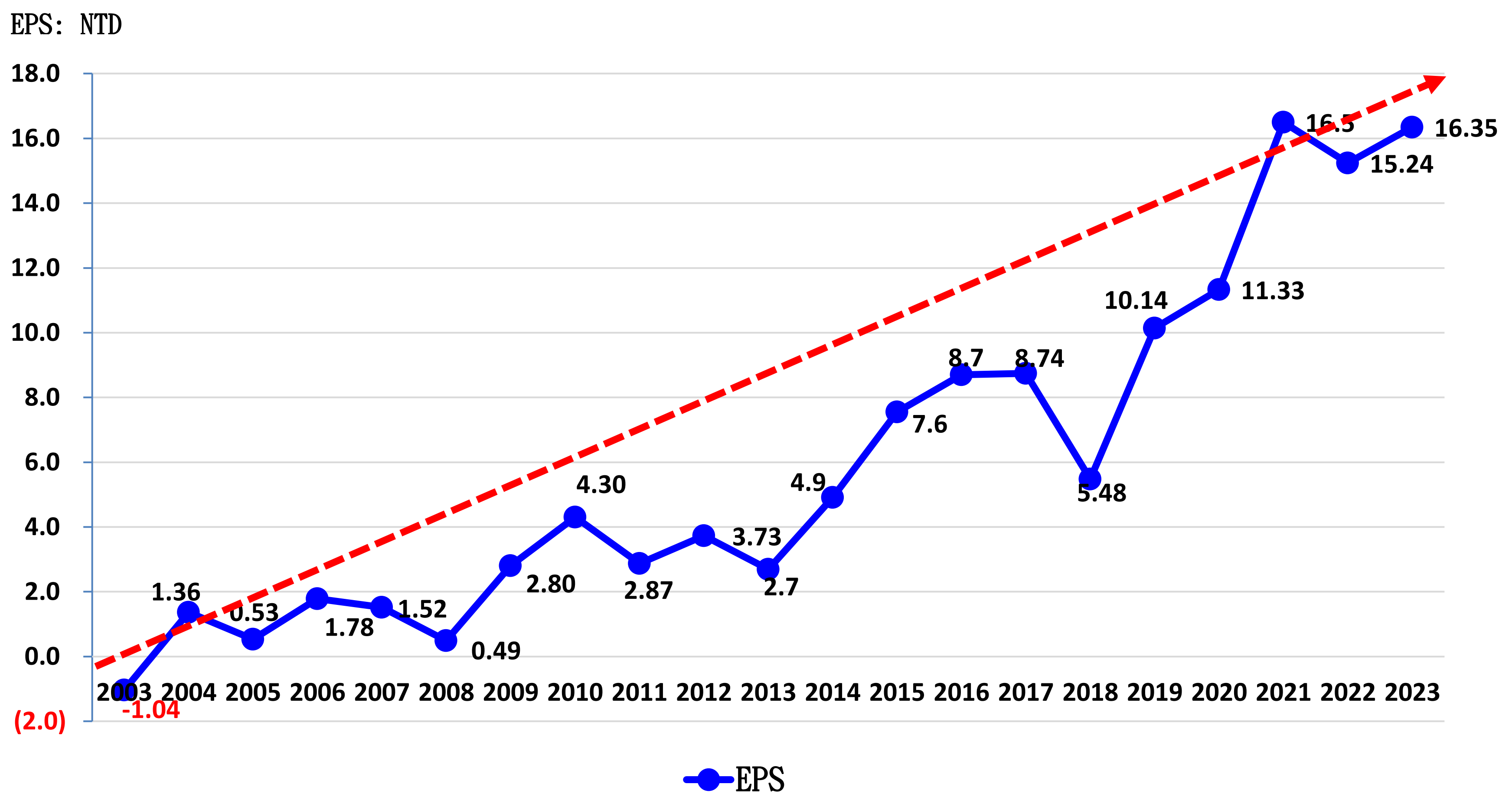
Source: Goldman Sachs Global Investment Research, Oct 2023

Steadily Sales Growth

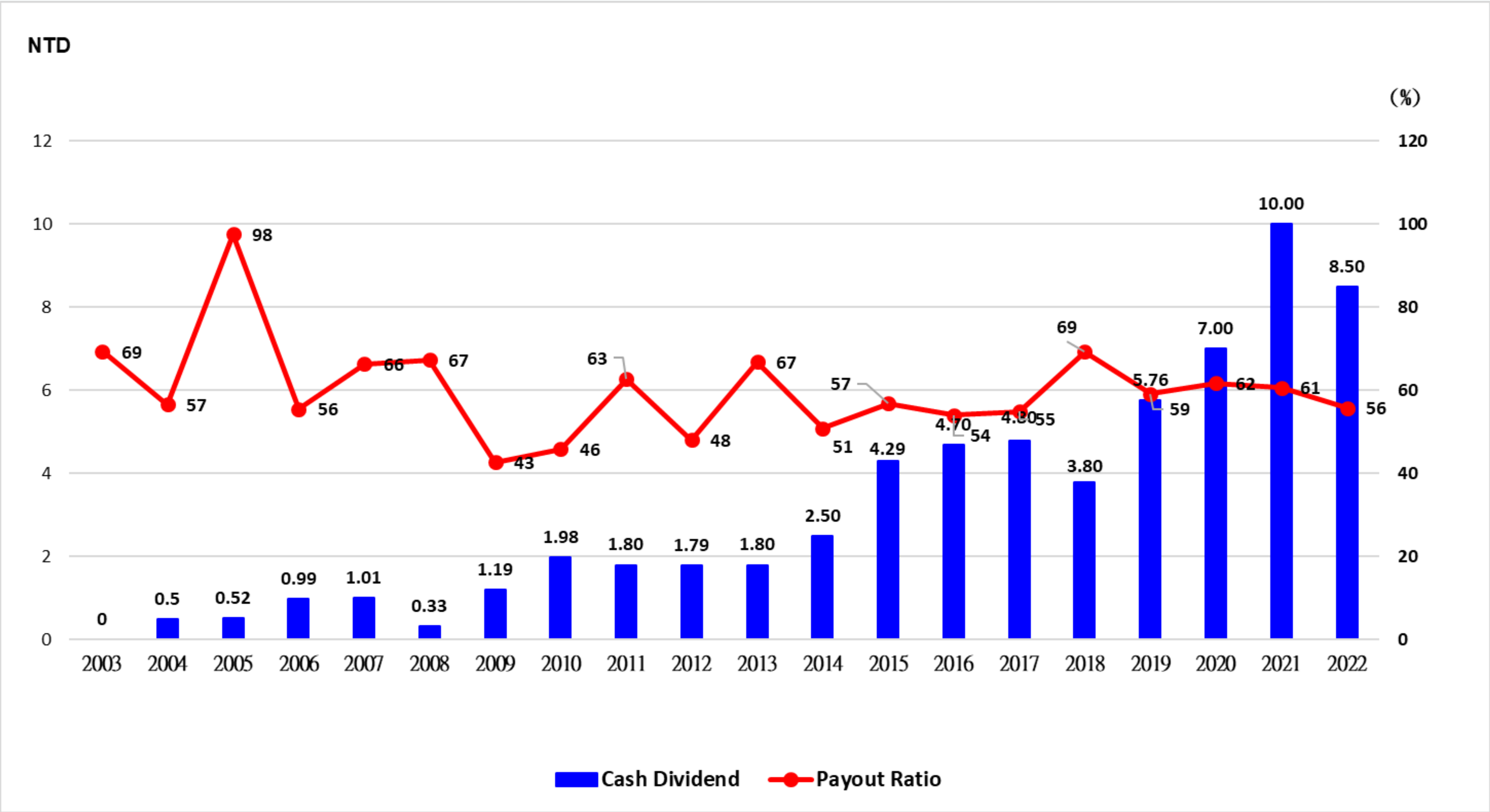
NTD：Billion



Sustainable Operation Performance



History of Cash dividend and Payout ratio



The Corporate Social Responsibility Report

Q & A