Elite Material Co., Ltd.

Global leader of high end eco-friendly laminates

Presentation

May, 2024

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Agenda

Financial Highlights-1Q24

- Net revenue was NT$12.90 billion, representing an 0.2% increase from NT$12.88 billion in 4Q23 and an 75.3% increase from NT$73.59 billion in 1Q23.

- Gross margin was 29.0%, 0.7 percentage points higher than 4Q23 and 7.6 percentage points higher than 1Q23.

- Operating margin was 19.7%, up 0.7 percentage points from 4Q23 and up 9.2 percentages point from 1Q23.

- Net income attributable to shareholders of the parent company was NT$1.98 billion, down 0.4% from 4Q23 and up 311.9% from 1Q23. Net profit margin was 15.3% and diluted EPS was NT$5.76.

- <u>Net revenue was NT$12.90 billion, Gross profit margin was 29.0%, and the Operating profit margin was 19.7%, all hit the same quarter record high in EMC history.</u>

1Q24 P&L summary

Unit: NT$ million

	1Q24	4Q23	QoQ	1Q23	YoY
Revenue	12,902	12,882	0.2%	7,359	75.3%
Gross profit	3,738	3,651	2.4%	1,572	137.8%
Operating profit	2,536	2,451	3.4%	769	229.7%
Income before tax	2,614	2,528	3.4%	729	258.5%
Tax expenses	(637)	(542)	17.4%	(249)	155.3%
Net income	1,977	1,986	-0.4%	480	311.9%
EPS (NT$) - basic	5.76	5.85	-1.5%	1.44	300.0%
Gross margin (%)	29.0%	28.3%		21.4%	
Operating margin (%)	19.7%	19.0%		10.5%	
Net margin (%)	15.3%	15.4%		6.5%	

4Q23 Abstracted Balance Sheet

Unit:NT$ million	1Q24		4Q23		1Q23	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	12,625	21.3%	9,259	17.3%	14,414	31.2%
A/R+N/R	17,963	30.3%	17,327	32.4%	9,814	21.2%
Inv	6,668	11.2%	6,135	11.5%	3,728	8.1%
PPE	17,838	30.1%	16,655	31.2%	15,189	32.9%
Total Assets	59,277	100.0%	53,427	100.0%	46,235	100.0%
Short term Debt	18,059	30.5%	7,866	14.7%	8,192	17.7%
A/P	10,648	18.0%	10,489	19.6%	5,986	12.9%
Long term Debt	1,881	3.2%	2,109	3.9%	4,168	9.0%
Shareholder's Equity	25,965	43.8%	26,809	50.2%	19,799	42.8%
Total Debt and Equity	59,277	100.0%	53,427	100.0%	46,235	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)
HQ	(TW)	0.65 M
Kunshan	(CN)	1.80 M
Zhongshan	(CN)	0.95 M
Huangshi	(CN)	0.90 M
Total (2024)		**4.3 M**
Penang	(Malaysia)	0.60 M
Zhongshan	(CN)	0.60 M
Total (2025)		**5.50 M**

Kunshan, China

HQ, Taiwan

Huangshi, China

Zhongshan, China

[Phase1]
600K SHTs/mon
Expected MP In late 2025

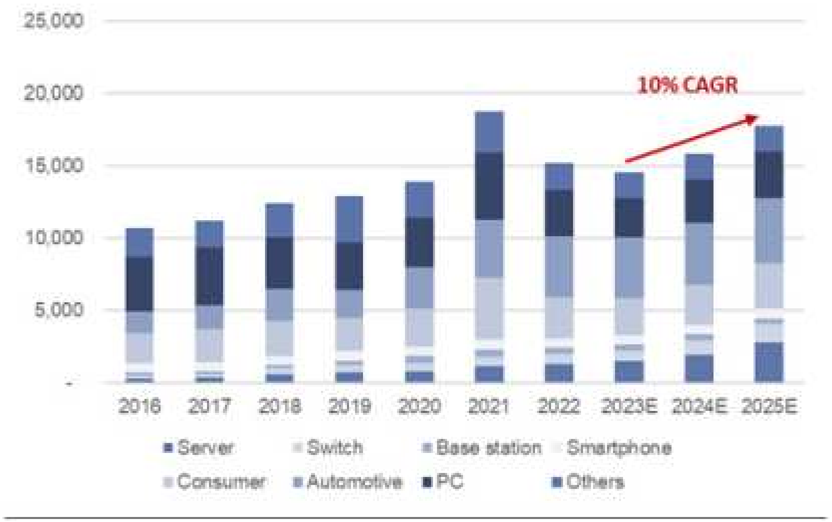
Penang, Malaysia

[Phase1]
600K SHTs/mon
Expected MP In early 2025

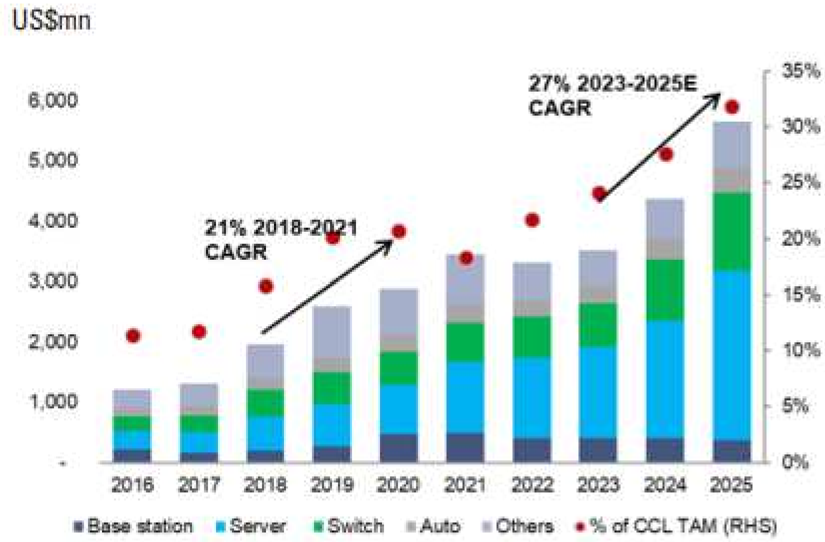
High-end CCL(HDI & High-speed/ frequency)

- 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

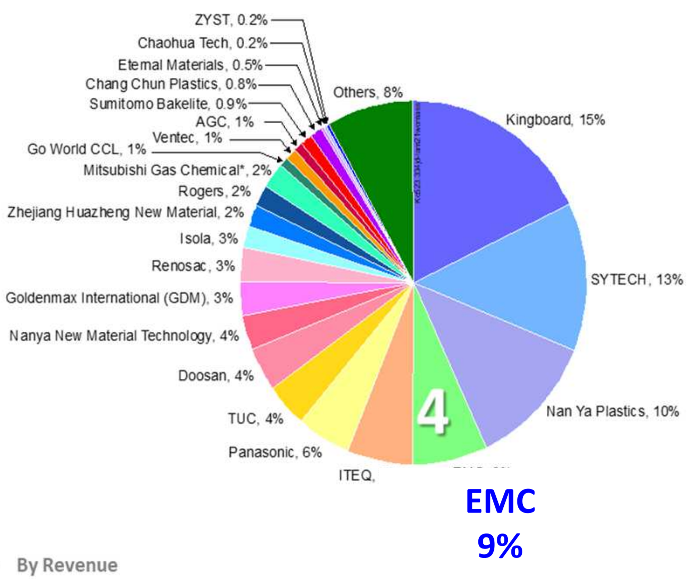


Source: Goldman Sachs Global Investment Research, Oct 2023

EMC Momentum in High speed CCL
Market Share Reached Number One Globally in 2023

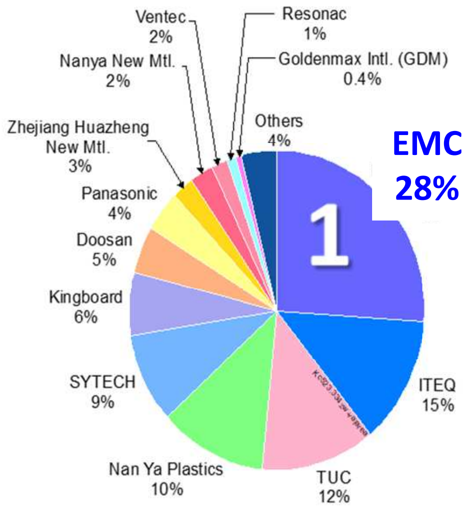
Driven by HDI and Halogen-free requirement

Laminate Market



- By Revenue
- Mass Lam Sales is excluded.
- 2023 is preliminary data

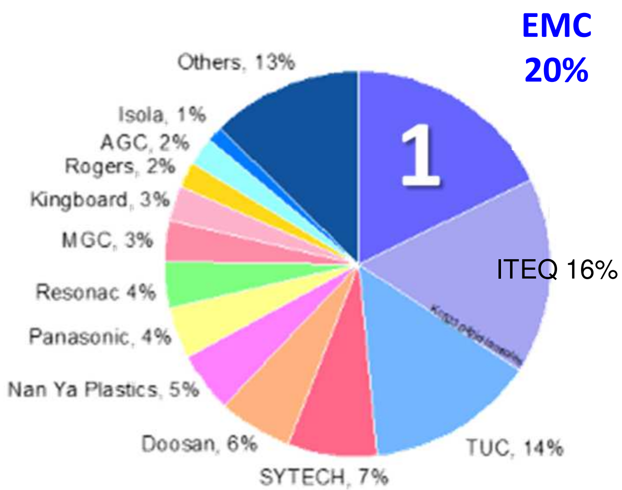
Green Laminate Market



PRISMARK

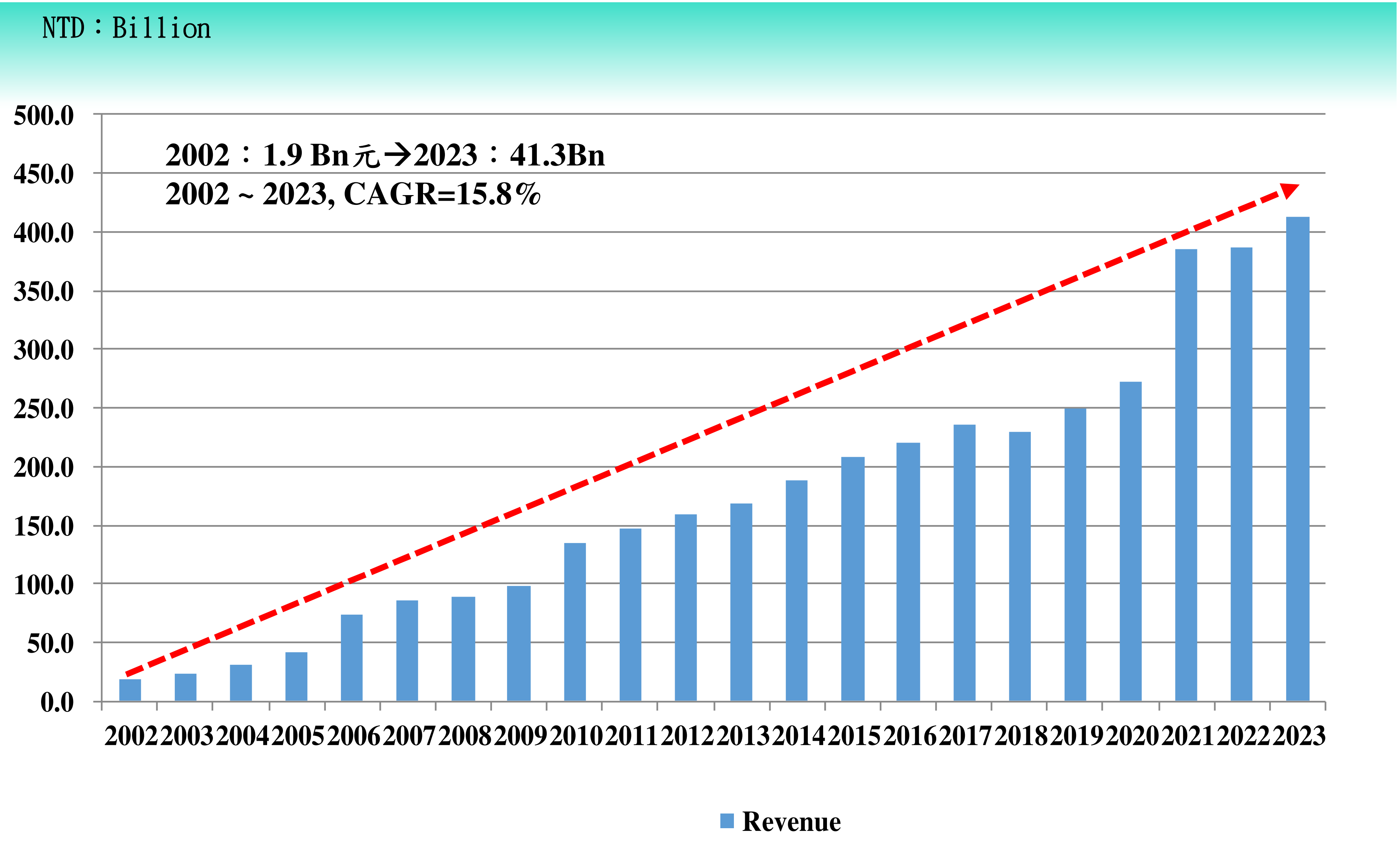
June 2023

Specialty Laminate Market

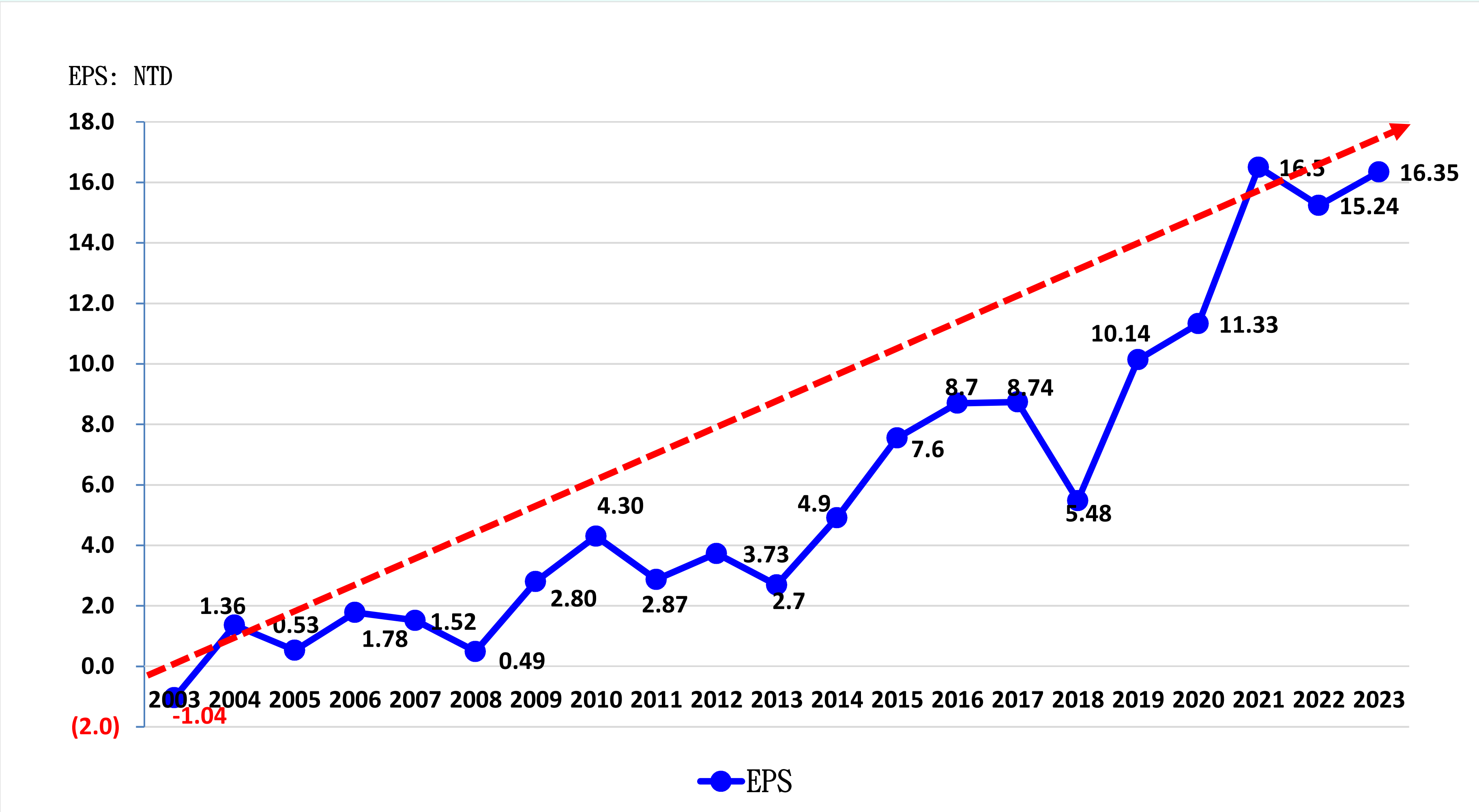


- By Area
- Specialty Laminate: High Speed + Substrate +RF

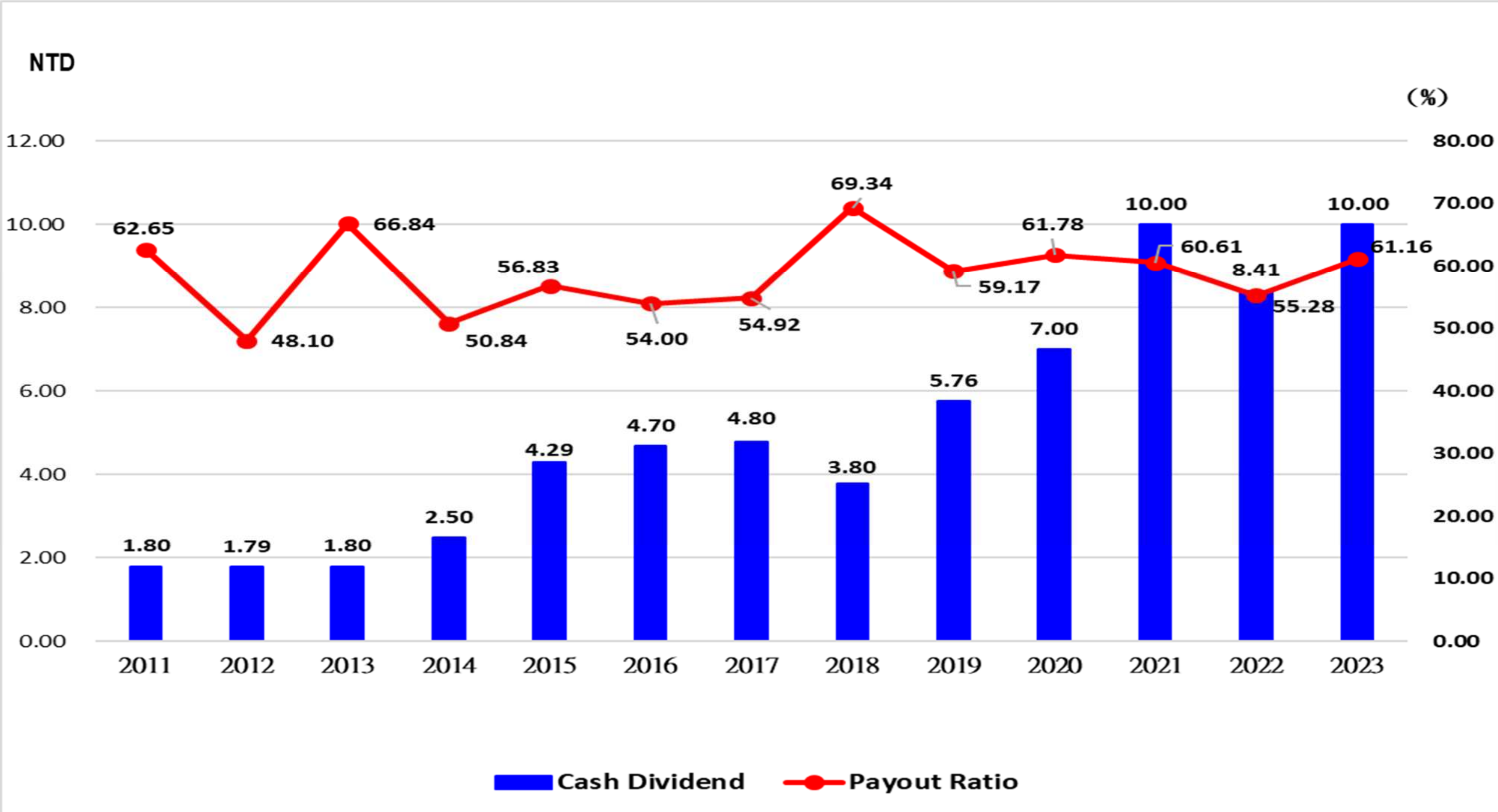
Solid Sales Growth



Sustainable Operation Performance



Stable Cash Dividend and Payout Ratio



The Corporate Social Responsibility Report

Q & A