Elite Material Co., Ltd.

Global leader of high-end eco-friendly laminates

Presentation

Oct, 2024

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.

Agenda

Financial Highlights-3Q24

- Net consolidated revenue was NT$17.5 billion, representing an 13.0% increase from NT$15.4 billion in 2Q24 and an 47.1% increase from NT$11.8 billion in 3Q23.

- Consolidated gross margin was 27.0%, 0.4 percentage points lower than 2Q24 and 3.2 percentage points lower than 3Q23.

- Consolidated operating margin was 18.1%, down 0.8 percentage points from 2Q24 and down 3.0 percentages point from 3Q23.

- Net consolidated income attributable to shareholders of the parent company was NT$2.5 billion, up 3.3% from 2Q24 and up 24.3% from 3Q23. Net consolidated profit margin was 14.4% and diluted EPS was NT$7.30.

- <u>Net consolidated revenue was NT$17.5 billion, Earnings per share was NT$ 7.30, all hit the same quarter record high in EMC history.</u>

Financial Highlights-1Q-3Q24

- **Net consolidated revenue was NT$45.8 billion, representing an 61.2% increase from NT$28.4 billion in the same period of 2023.**
- **Consolidated gross margin was 27.7%, 0.7 percentage points higher than in the same period of 2023.**
- **Consolidated operating margin was 18.8%, up 1.6 percentage points from the same period of 2023.**
- **Consolidated net income attributable to shareholders of the parent company was NT$6.93 billion, up 97.7% from the same period of 2023.**
- **Consolidated net profit margin was 15.1% and diluted EPS was NT$20.14.**
- **Net consolidated revenue was NT$45.8 billion, consolidated gross profit margin was 27.7%, consolidated operating profit margin was 18.8%, consolidated net profit margin was 15.1%, Earnings per share was NT$ 20.14, all hit the same period record high in EMC history.**

3Q24 P&L Summary

Unit: NT$ million

	3Q24	2Q24	QoQ	3Q23	YoY
Revenue	17,463	15,449	13.0%	11,875	47.1%
Gross profit	4,715	4,235	11.3%	3,584	31.6%
Operating profit	3,167	2,924	8.3%	2,506	26.4%
Income before tax	3,174	2,975	6.7%	2,574	23.3%
Tax expenses	(659)	(541)	21.9%	(552)	19.5%
Net income	2,515	2,434	3.3%	2,022	24.3%
EPS (NT$) - basic	7.30	7.08	3.1%	6.04	20.9%
Gross margin (%)	27.0%	27.4%		30.2%	
Operating margin (%)	18.1%	18.9%		21.1%	
Net margin (%)	14.4%	15.8%		17.0%	

1Q-3Q24 P&L Summary

Unit: NT$ million

	1Q-3Q24	1Q-3Q23	YoY
Revenue	45,815	28,414	61.2%
Gross profit	12,688	7,681	65.2%
Operating profit	8,626	4,895	76.2%
Income before tax	8,763	4,891	79.2%
Tax expenses	(1,838)	(1,389)	32.3%
Net income	6,925	3,502	97.7%
EPS (NT$) - basic	20.14	10.50	91.8%
Gross margin (%)	27.7%	27.0%	
Operating margin (%)	18.8%	17.2%	
Net margin (%)	15.1%	12.3%	

3Q24 Abstracted Balance Sheet

Unit:NT$ million	3Q24		2Q24		3Q23	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	13,601	19.4%	13,514	19.3%	10,582	15.1%
A/R+N/R	23,438	33.4%	20,724	29.5%	15,658	22.3%
Inv	8,741	12.5%	7,771	11.1%	5,598	8.0%
PPE	19,378	27.6%	18,399	26.2%	17,036	24.3%
Total Assets	70,166	100.0%	65,184	92.9%	51,913	74.0%
Short term Debt	10,910	15.5%	10,969	15.6%	7,928	11.3%
A/P	14,467	20.6%	12,970	18.5%	10,195	14.5%
Long term Debt	5,303	7.6%	1,634	2.3%	2,388	3.4%
Shareholder's Equity	32,095	45.7%	28,644	40.8%	24,865	35.4%
Total Debt and Equity	70,166	100.0%	65,184	92.9%	51,913	74.0%

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)	0.65 M	1.6 M
Kunshan	(CN)	1.80 M	4.1 M
Zhongshan	(CN)	0.95 M	2.2 M
Huangshi	(CN)	0.90 M	4.8 M
Total (2024)		**4.30 M**	**12.7 M**
Penang	(Malaysia)	0.60 M	0.9 M
Zhongshan	(CN)	0.60 M	0.9 M
Huangshi	(CN)	0.30 M	0.2 M
Total (2025)		**5.80 M**	**14.7 M**

Kunshan, China

HQ, Taiwan

Huangshi, China

300K shts/mon
Q2 2025

Zhongshan, China

600K shts/mon
Q4 2025

Penang, Malaysia

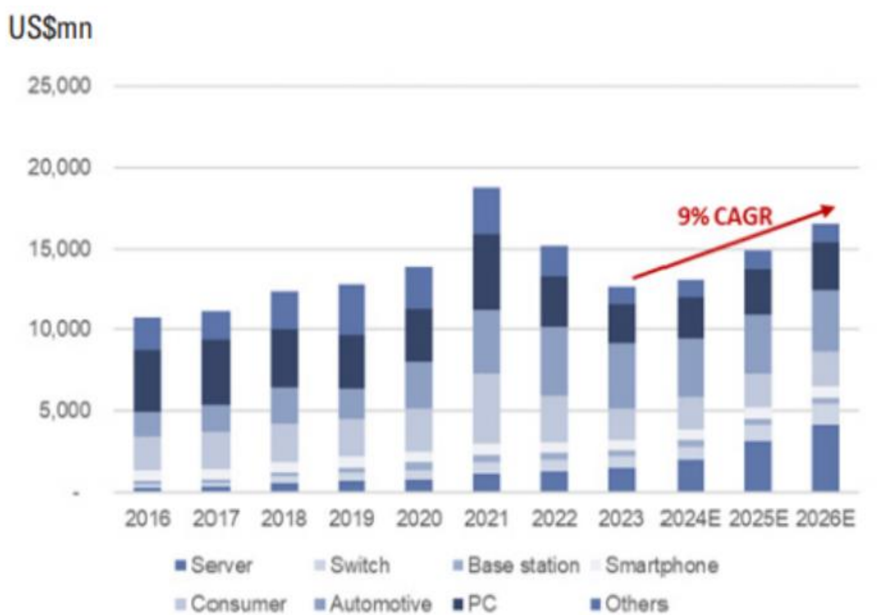
[Phase1]
600K shts/mon
Q3 2025

☆ EMC: Dominant CCL Capacity in Southeast Asia.
(Competitors provide less capacities or incomplete production capabilities)

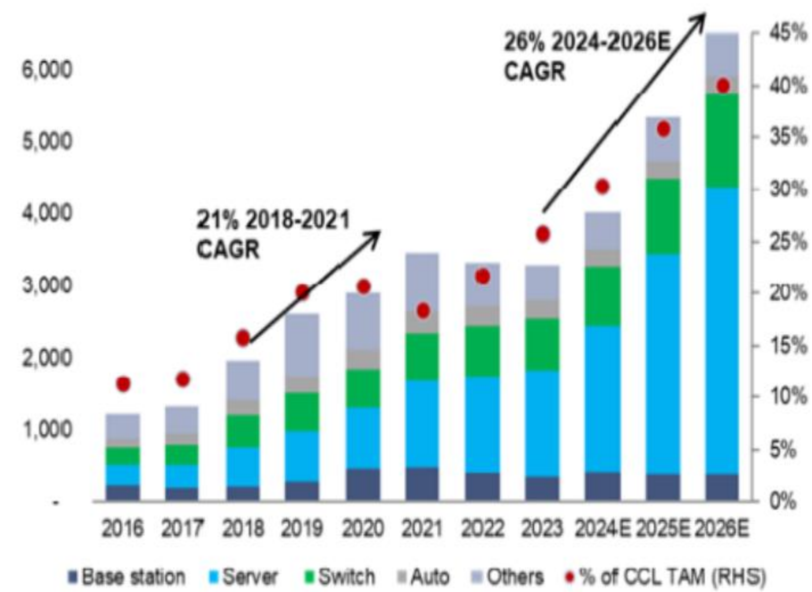
High-end CCL (HDI & High-Speed/ Frequency)

- High-end CCL market grows at **26% CAGR (2024-2026)**
- Overall CCL market grows at **9% CAGR (2024-2026)**
- EMC expects to outgrow high-end CCL market

Overall CCL Market



High-end CCL Market

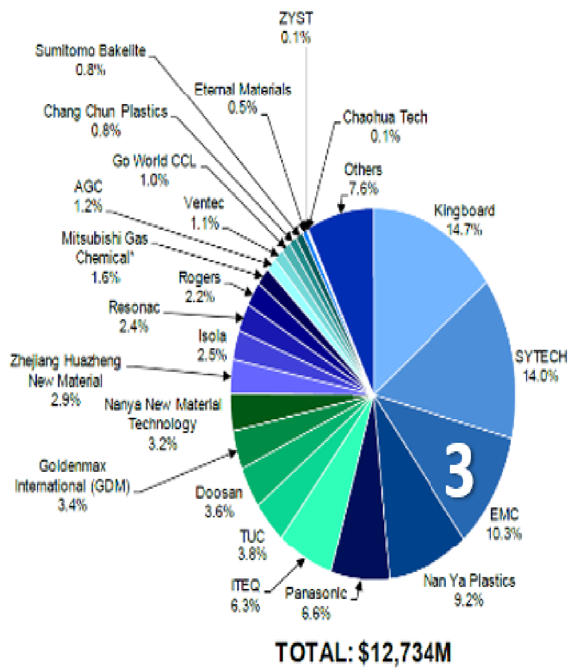


Source: Goldman Sachs Global Investment Research, Oct 2024

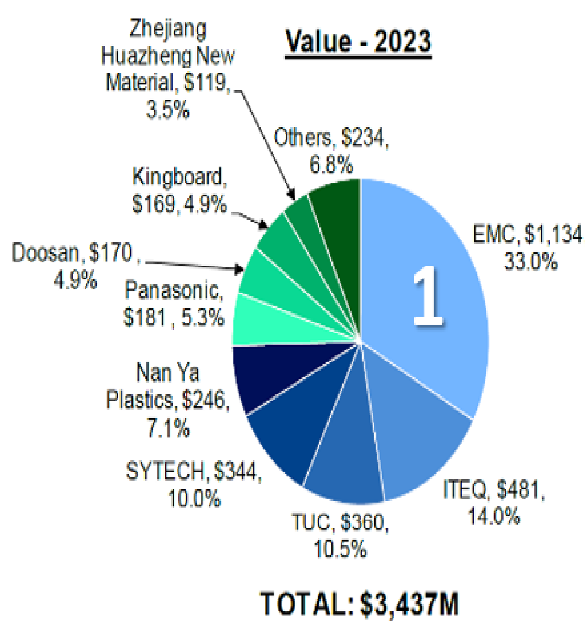
EMC Global Ranking In 2023

- **Global No. 1 - mSAP, HDI, Halogen-Free laminate provider.**
- **Global No. 1 – High-Speed Laminate provider.**

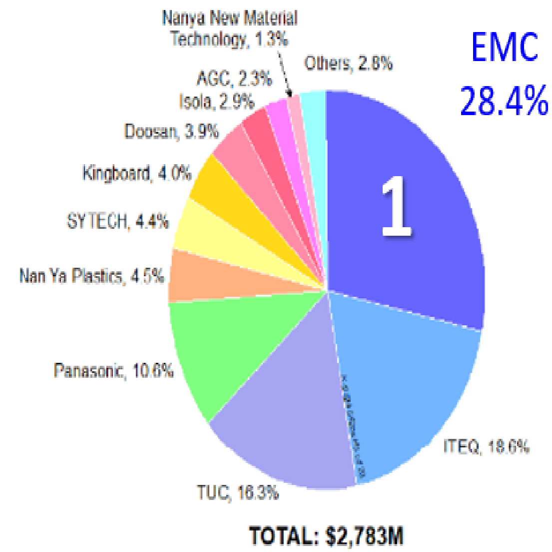
Laminate Market



Green Laminate Market



High-Speed Laminate Market



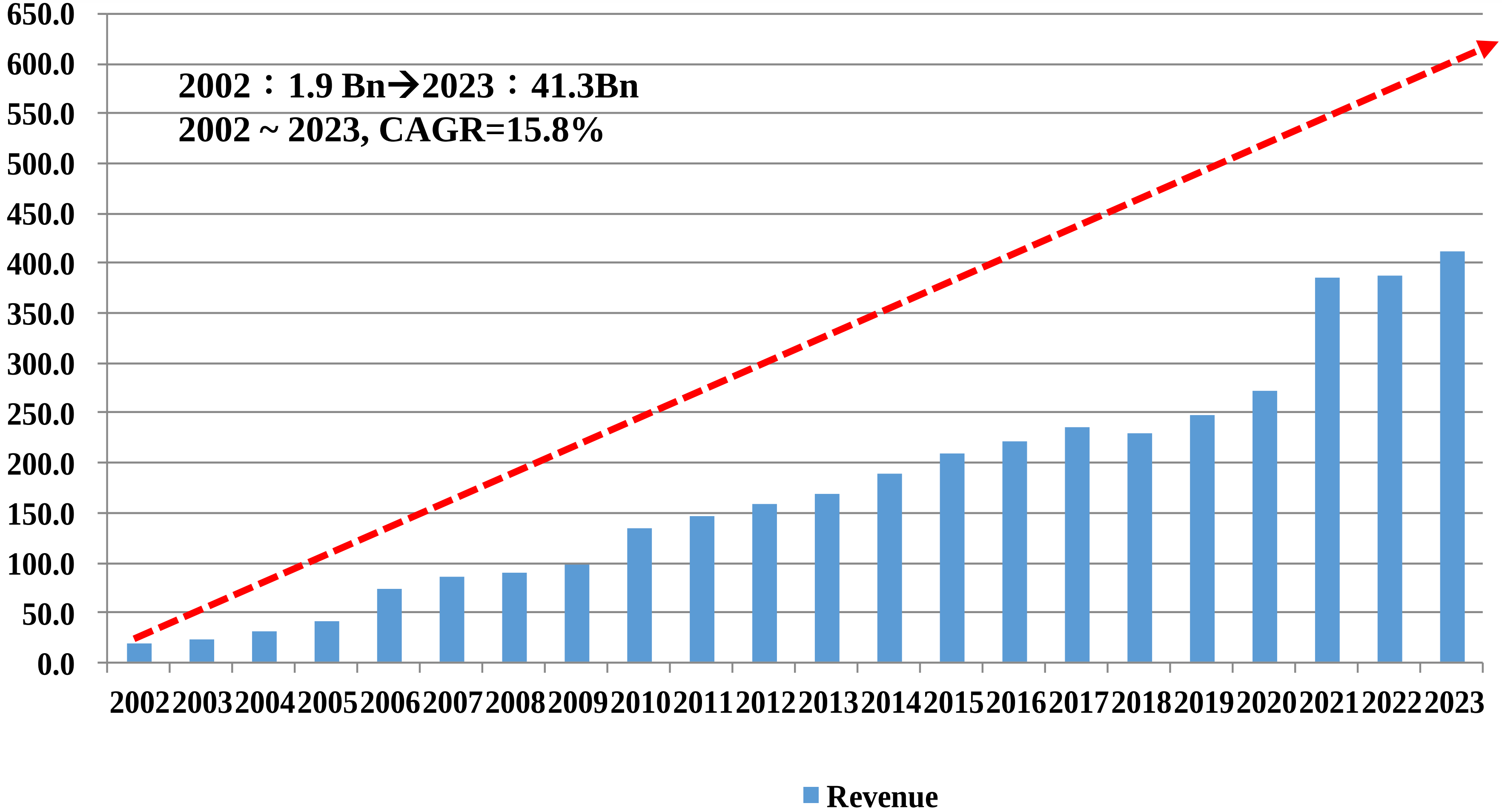
- By Revenue
- Mass Lam Sales is excluded.

PRISMARK

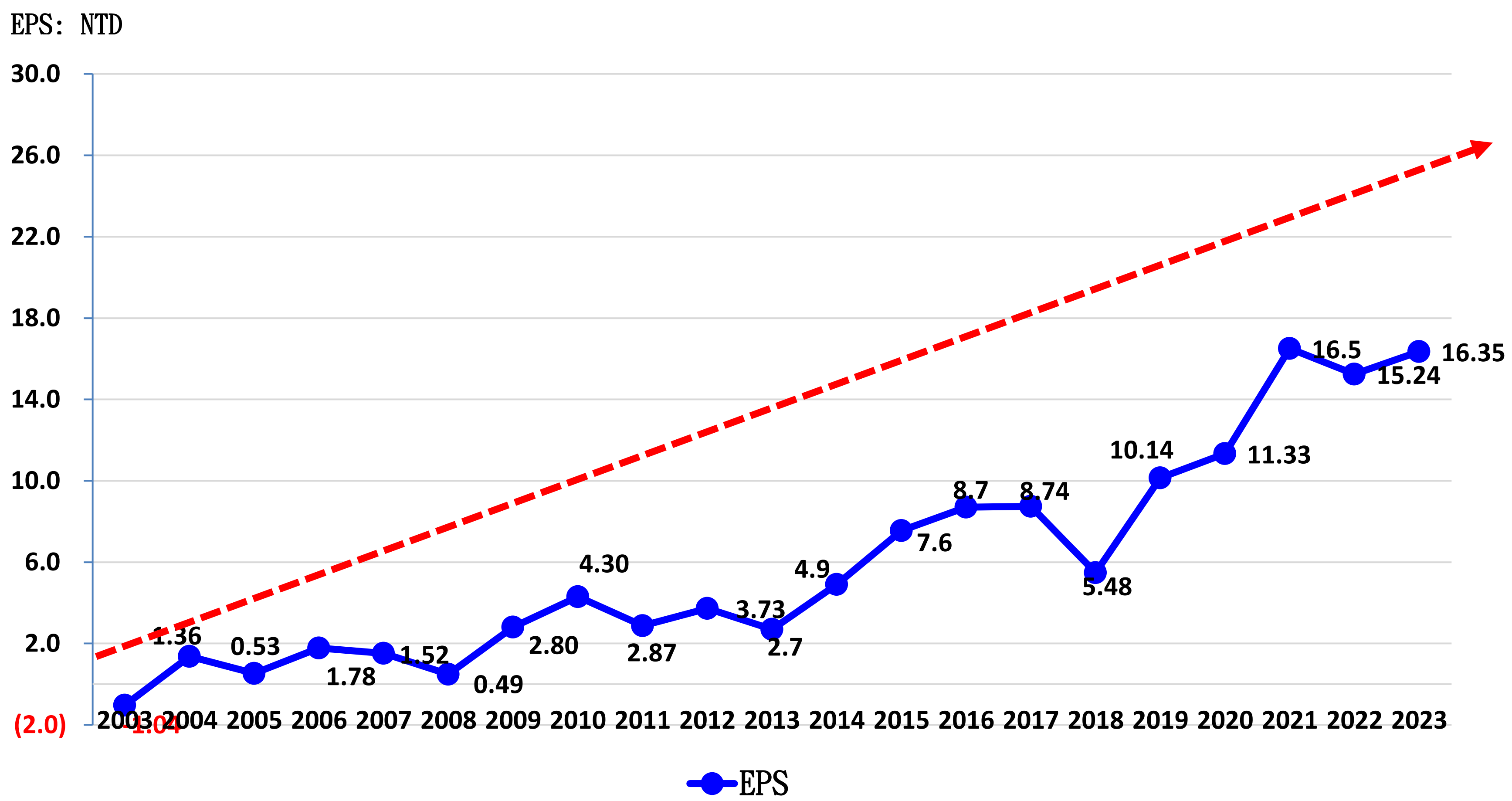
May 2024

Accelerated Sales Growth

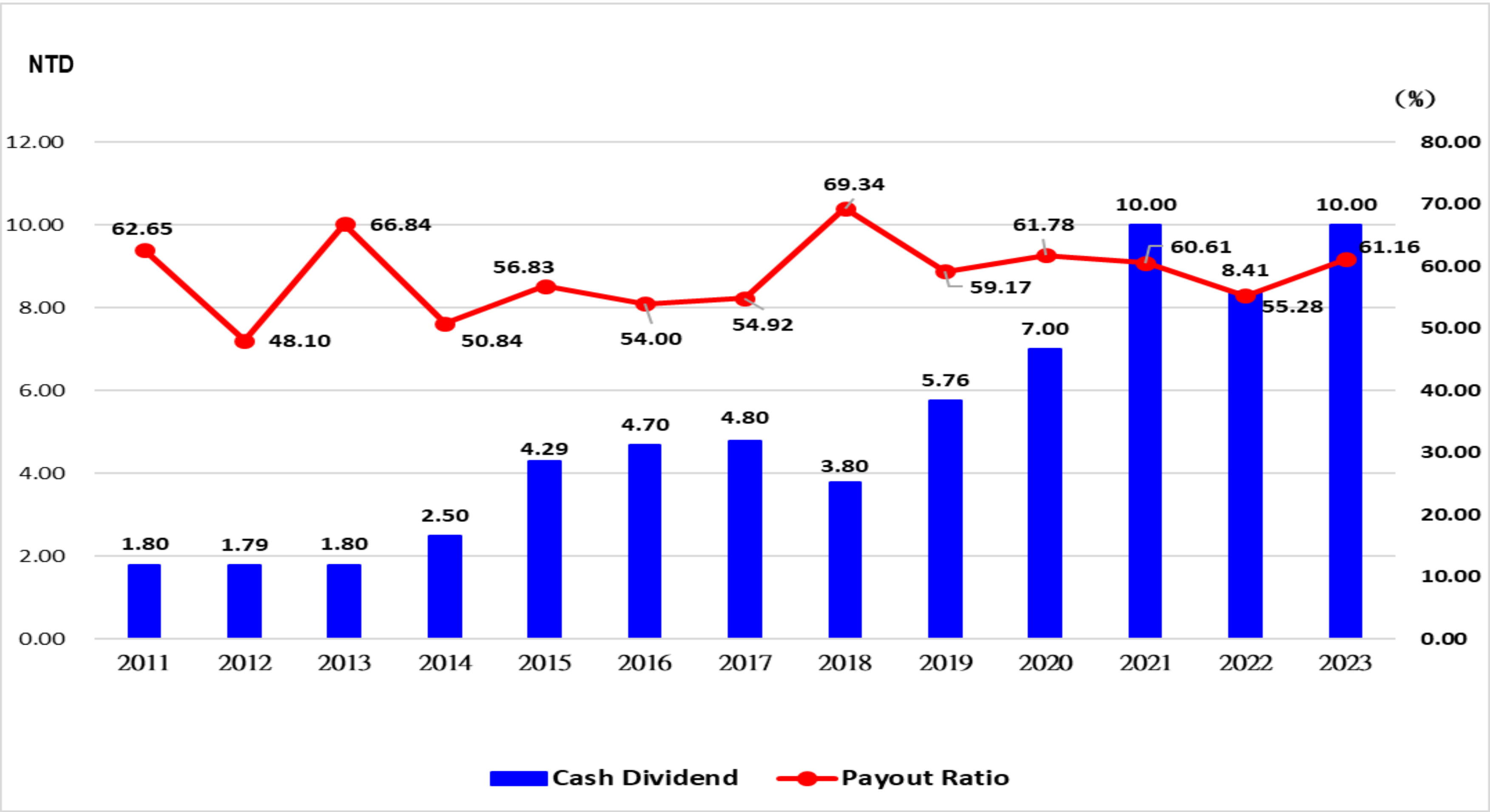
NTD：100 Million



Outstanding Operation Performance



Stable Cash Dividend and Payout Ratio



The Corporate Social Responsibility Report

bsi.

By Royal Charter

Q & A