



Emerging Display Technologies Corp.

Third Quarter 2017 Results Investor Conference

DATE : 2017.11.15



EMERGING DISPLAY TECHNOLOGIES CORP.

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Agenda

Operational Highlights

Development Strategy

Financial analysis

Q&A



Operational Highlights

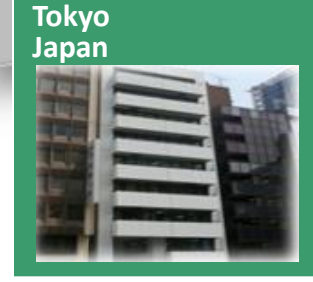
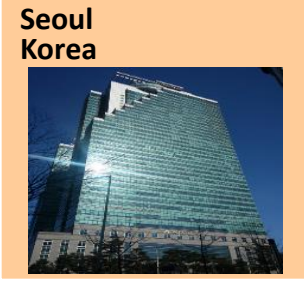
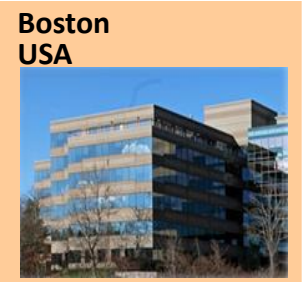
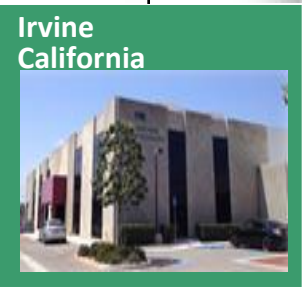
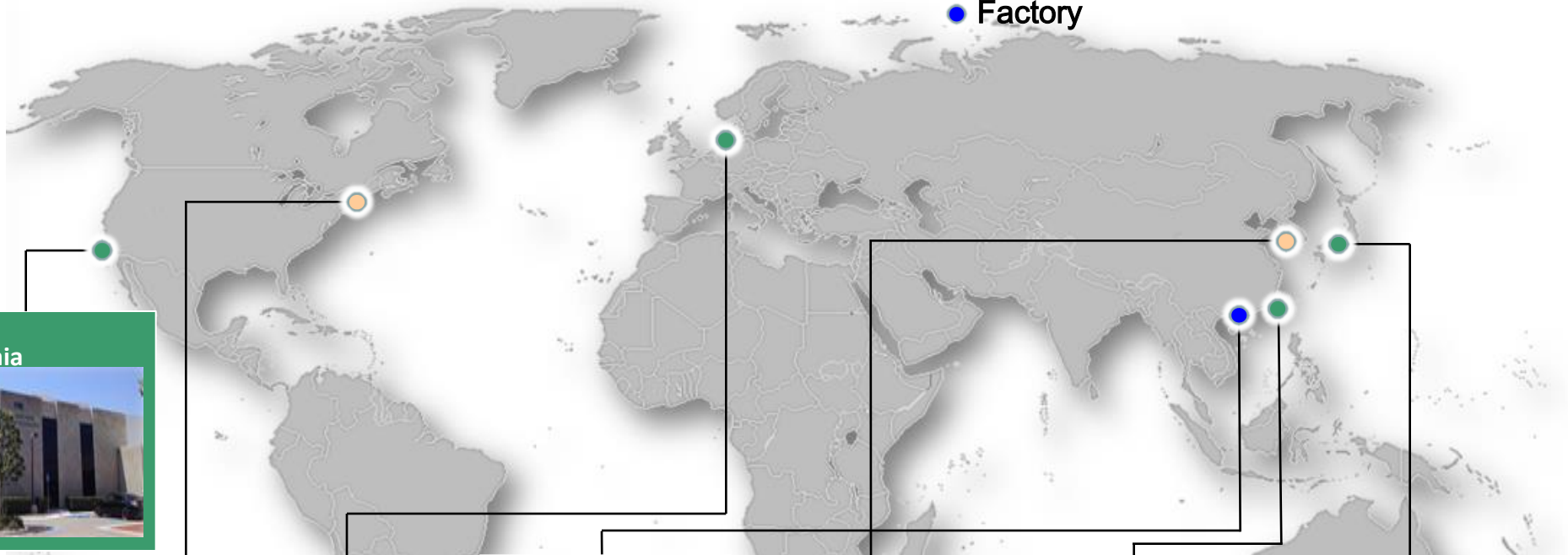
Company Profile

- Established on Sep. 23th ,1994
- Company is listed on TWSE under ticker Number 3038 in 2002.
- Company address: No.5, Central 1st Road, K.E.P.Z., Kaohsiung
- Capital stock : NT\$ 183.4M
- Employee: 1,150 persons
- Products : [CTP](#), [LCD](#), [LCM](#)



Global Operational business

- Sales Office
- With Sales & Engineering Support
- Factory

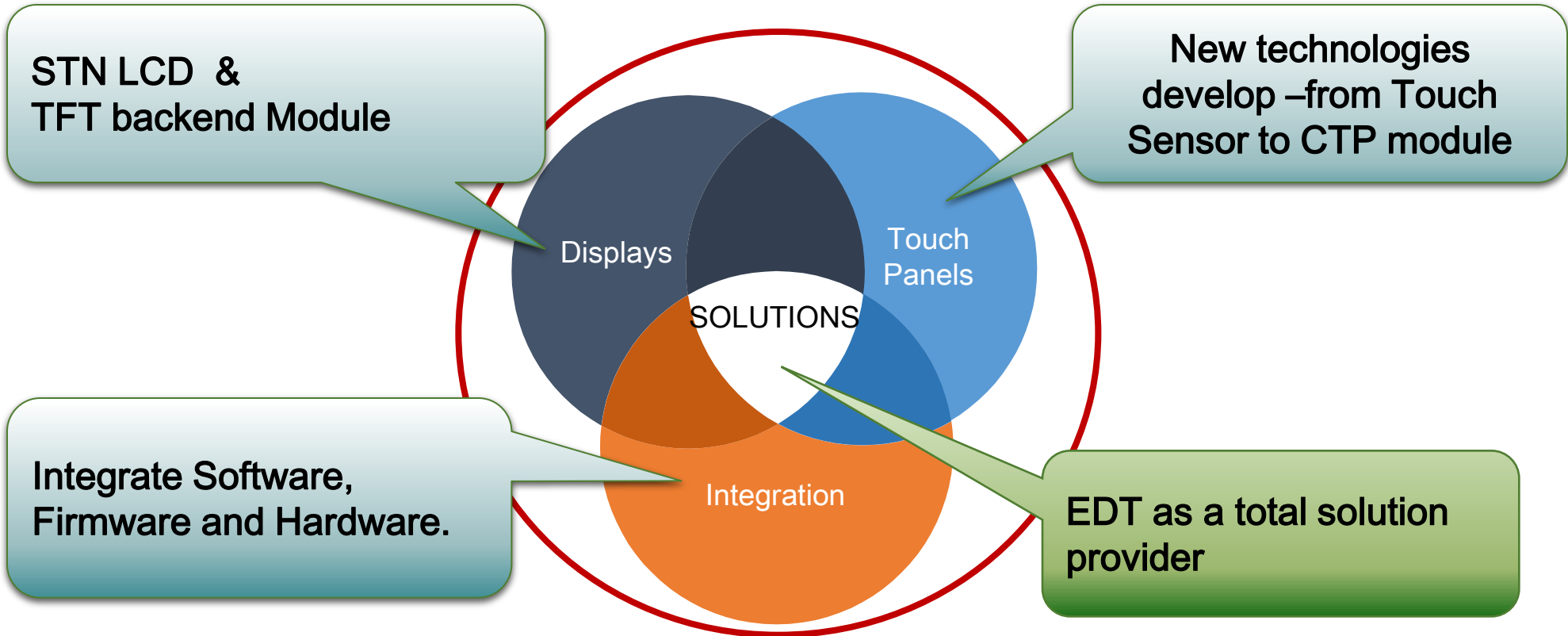


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Production process and Core ability- Positioning Is Really Important



Focus on niche markets and products

Industry



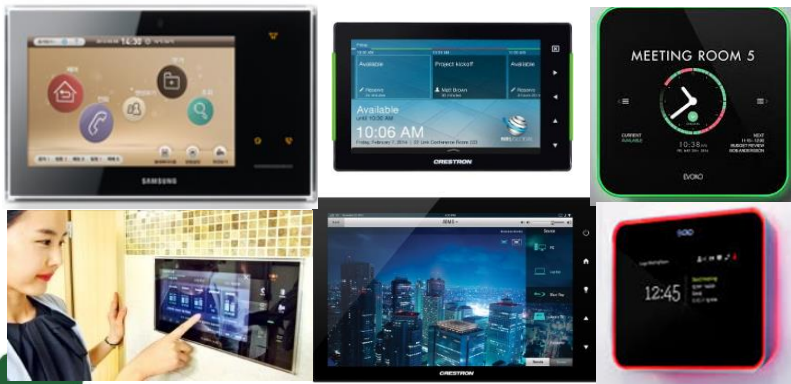
Medical related equipment



Automotive



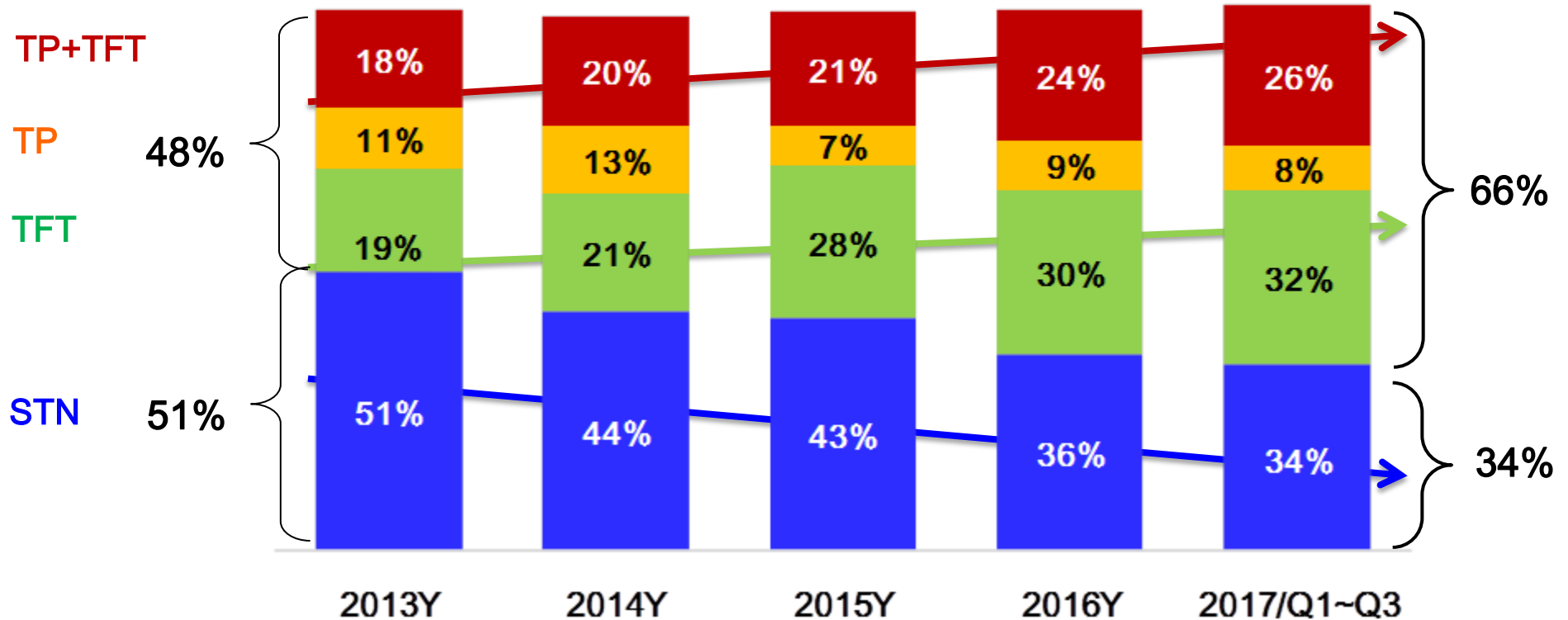
Home Automation and Office Equipment



Others



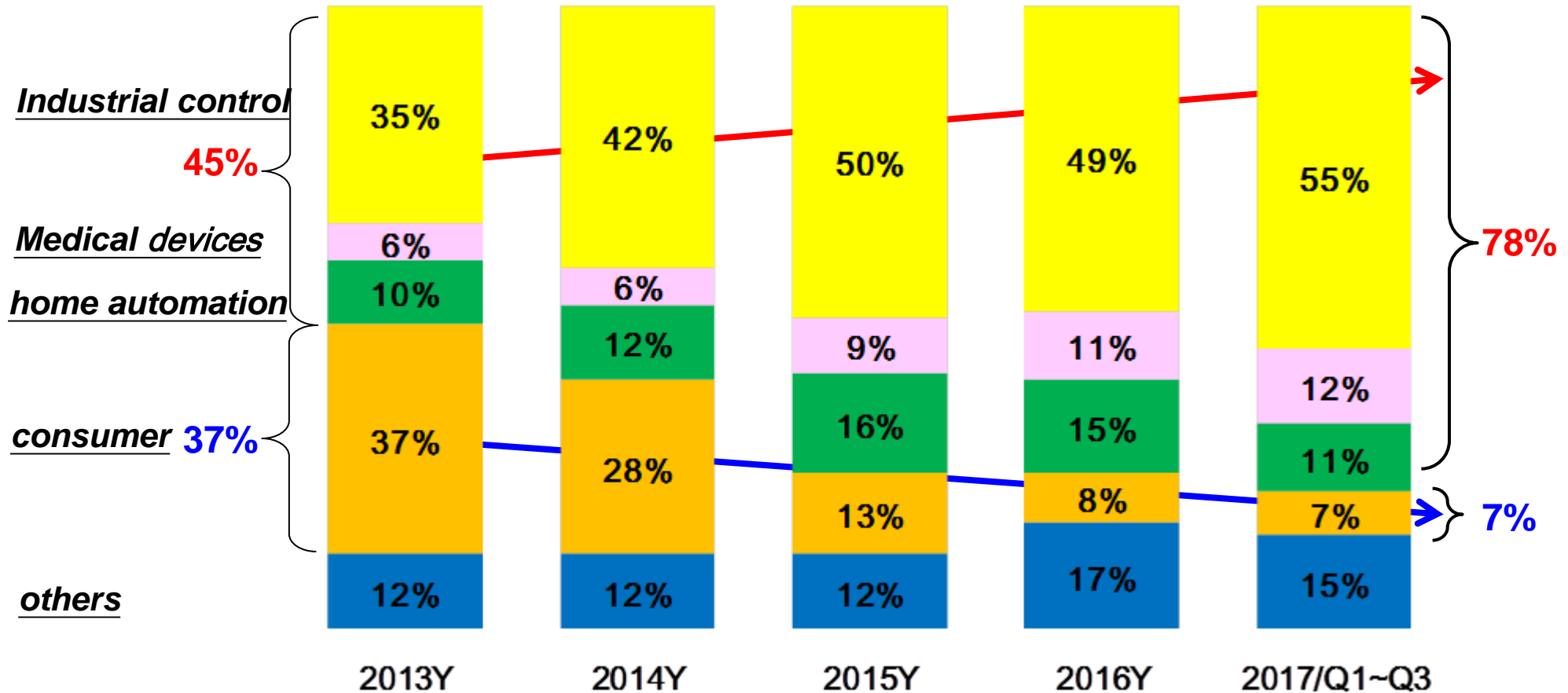
Revenue share by Products



Increased revenue share of CTP(including TFT+TP) & TFT and decreased revenue share of STN decreased year by year.



Revenue share by applications



Increased revenue share of niche market products (e.g. industrial, medical, home automation...etc.) and decreased share of consumer product year by year.



Development Strategy

- Focus on the development of CTP application technologies and continue to increase the revenue of CTP products.
- Reinforce the design of pan industrial products to maintain future business growth and profit. Develop Smart Embedded total solution system, assist customers to integrate software, firmware and hardware design to further differentiate and increase value-added products.
- Focus the core value on sensor touch technologies, invest in the layout of Intellectual Property(IP) and RD to develop technologies for future product and high margin market opportunities.

Applications

software / firmware

 **Smart Embedded**

software / firmware

Hardware

Displays

Touch Panels

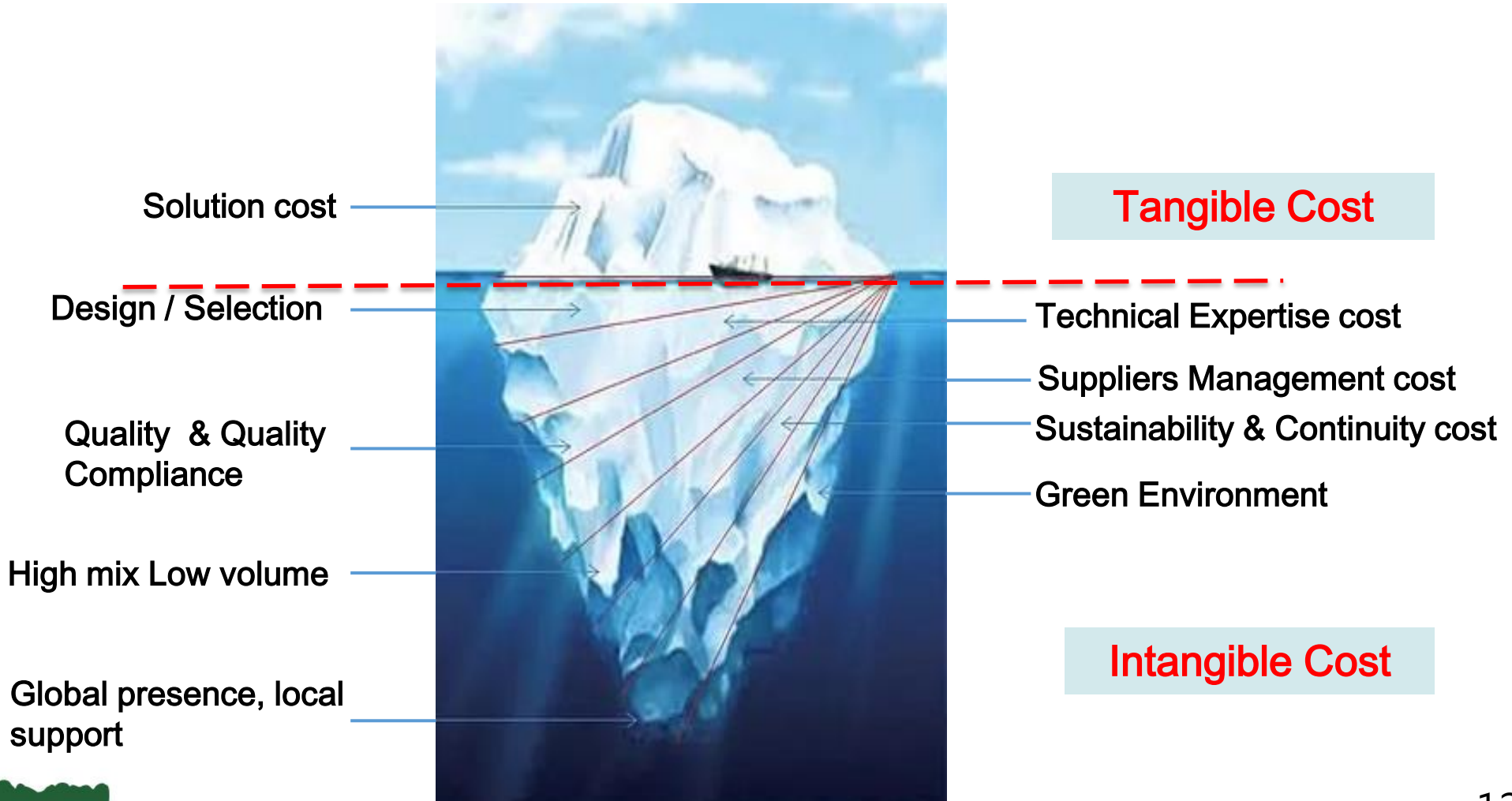
SOLUTIONS

Integration



Business Proposition

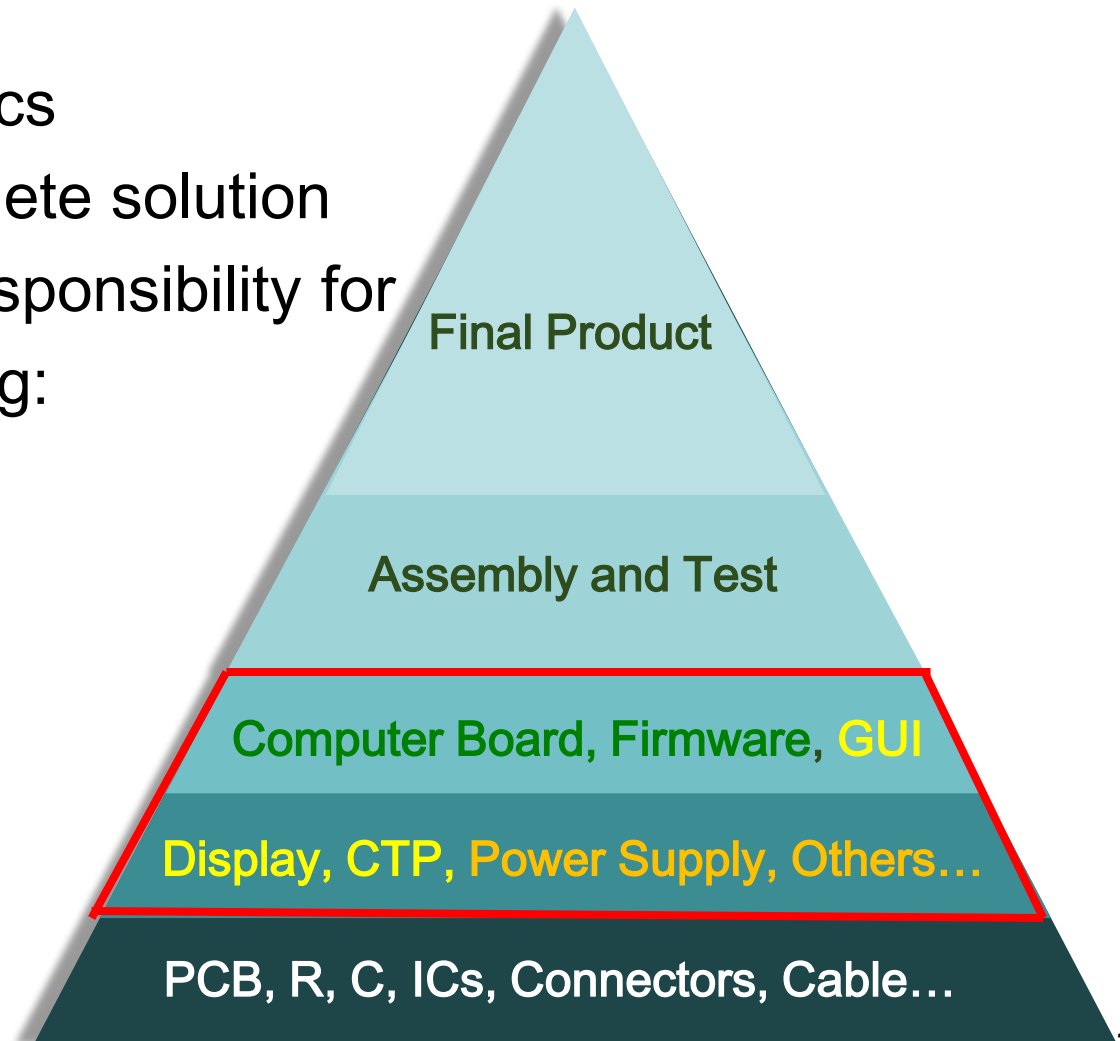
Total Cost of Ownership OPTIMIZED!





Goal: Provide the Lowest Cost of Ownership...

- Simplify customers logistics
- One supplier of the complete solution
- One supplier has total responsibility for the final product including:
 - TFT display
 - Touch sensor
 - Cover Lens
 - Controller board
 - Assembly and test



Financial analysis

Consolidated Statements of Comprehensive Income

(Unit : NT\$thousands)

	<u>2017 Q3</u>		<u>2017 Q2</u>		<u>2017 Q1</u>	
	Amount	%	Amount	%	Amount	%
Operating revenue	769,121	100	746,918	100	726,863	100
Operating cost	642,543	84	612,519	82	600,686	83
Gross profit	126,578	16	134,399	18	126,177	17
Operating expenses	104,988	13	100,129	13	96,288	13
Net other income	204	-	308	-	309	-
Operating profit	21,794	3	34,578	5	30,198	4
Non operating income and expenses	21,170	3	18,738	2	(80,564)	(11)
Profit before tax	42,964	6	53,316	7	(50,366)	(7)
Total tax expense	(6,879)	(1)	(18,419)	(2)	8,032	1
Net profit:	36,085	5	34,897	5	(42,334)	(6)
<i>Shareholders of parent</i>	<i>34,612</i>	<i>5</i>	<i>34,835</i>	<i>5</i>	<i>(42,285)</i>	<i>(6)</i>
Basic earnings per share	0.21		0.21		(0.25)	

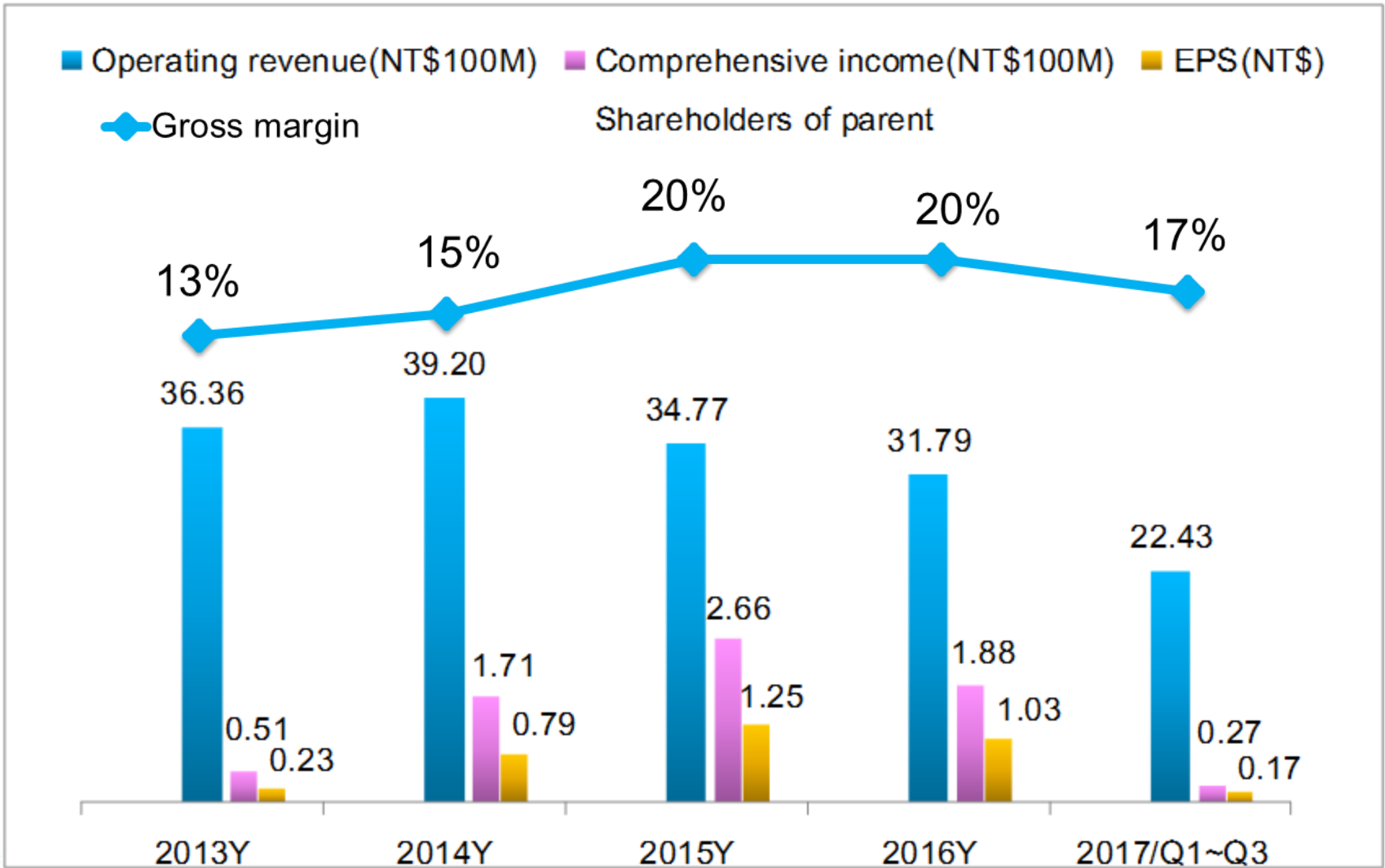
Consolidated Statements of Comprehensive Income(YoY)

(Unit : NT\$thousands)

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Consolidated Statements of Comprehensive Income



Consolidated Balance Sheets (YoY)

(Unit : NT\$thousands)

<i>ASSETS</i>	<u>2017.9.30</u>		<u>2016.9.30</u>		<i>Change</i>	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalent	1,052,310	30	866,474	25	185,836	5
Short-term investments(Note)	407,467	12	550,419	15	(142,952)	(4)
Accounts receivable	506,450	15	478,250	14	28,200	1
Inventories	809,098	23	714,704	20	94,394	3
Other current assets	41,424	1	303,869	8	(262,445)	(7)
<i>CURRENT ASSETS Total</i>	2,816,749	81	2,913,716	82	(96,967)	(3)
Financial assets carried at cost-noncurrent	185,000	5	185,000	5	0	0
Property, plant and equipment	404,128	12	471,311	13	(67,183)	(2)
Intangible assets and Total noncurrent assets	64,754	2	46,083	0	18,671	1
<i>NONCURRENT ASSETS</i>	653,882	19	702,394	18	(48,512)	(1)
<i>ASSETS TOTAL</i>	3,470,631	100	3,616,110	100	(145,479)	(4)

Note : Short-term investments = Financial assets at fair value through profit or loss + Available-for-sale financial assets - current



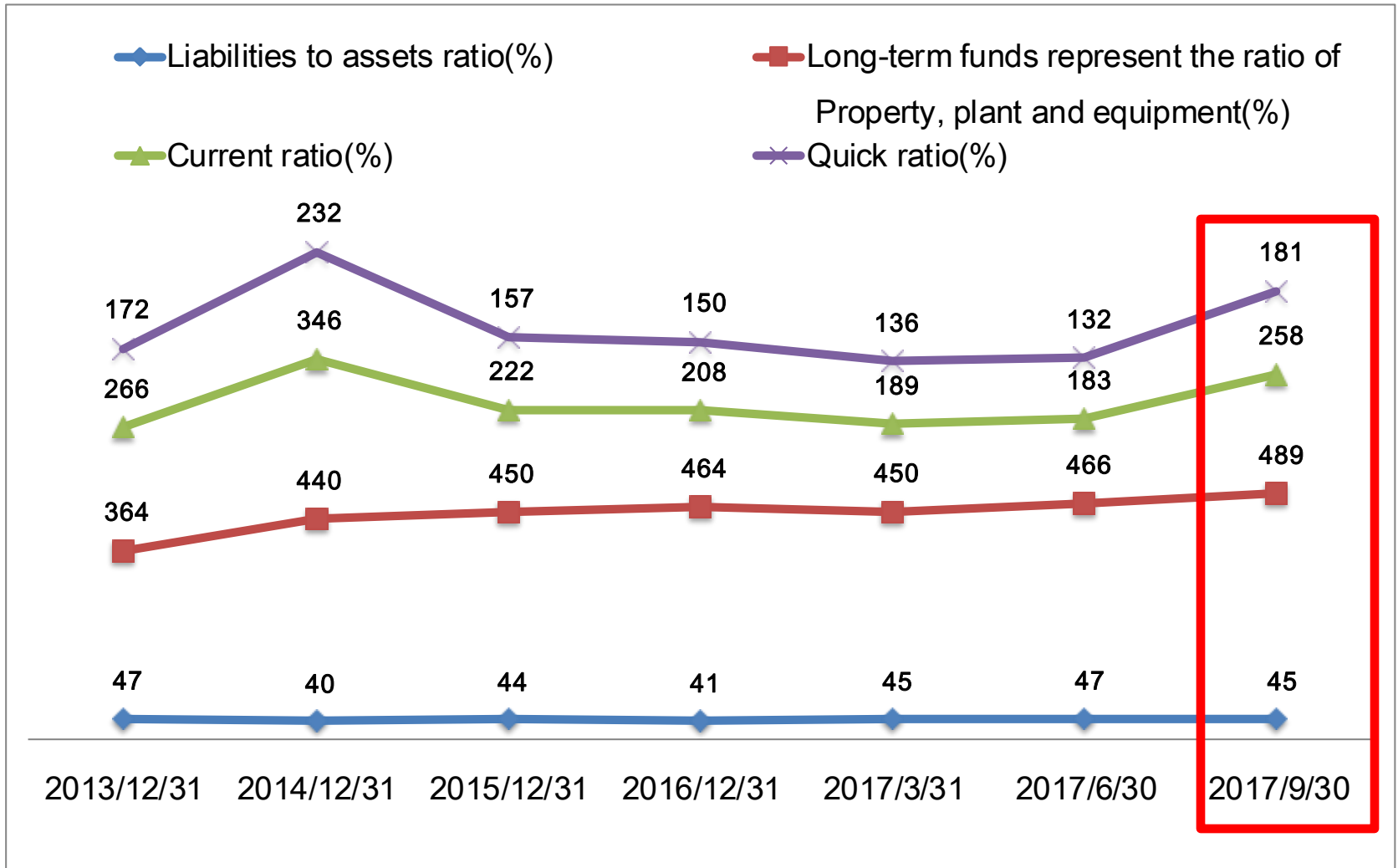
Consolidated Balance Sheets (YoY)

(Unit : NT\$thousands)

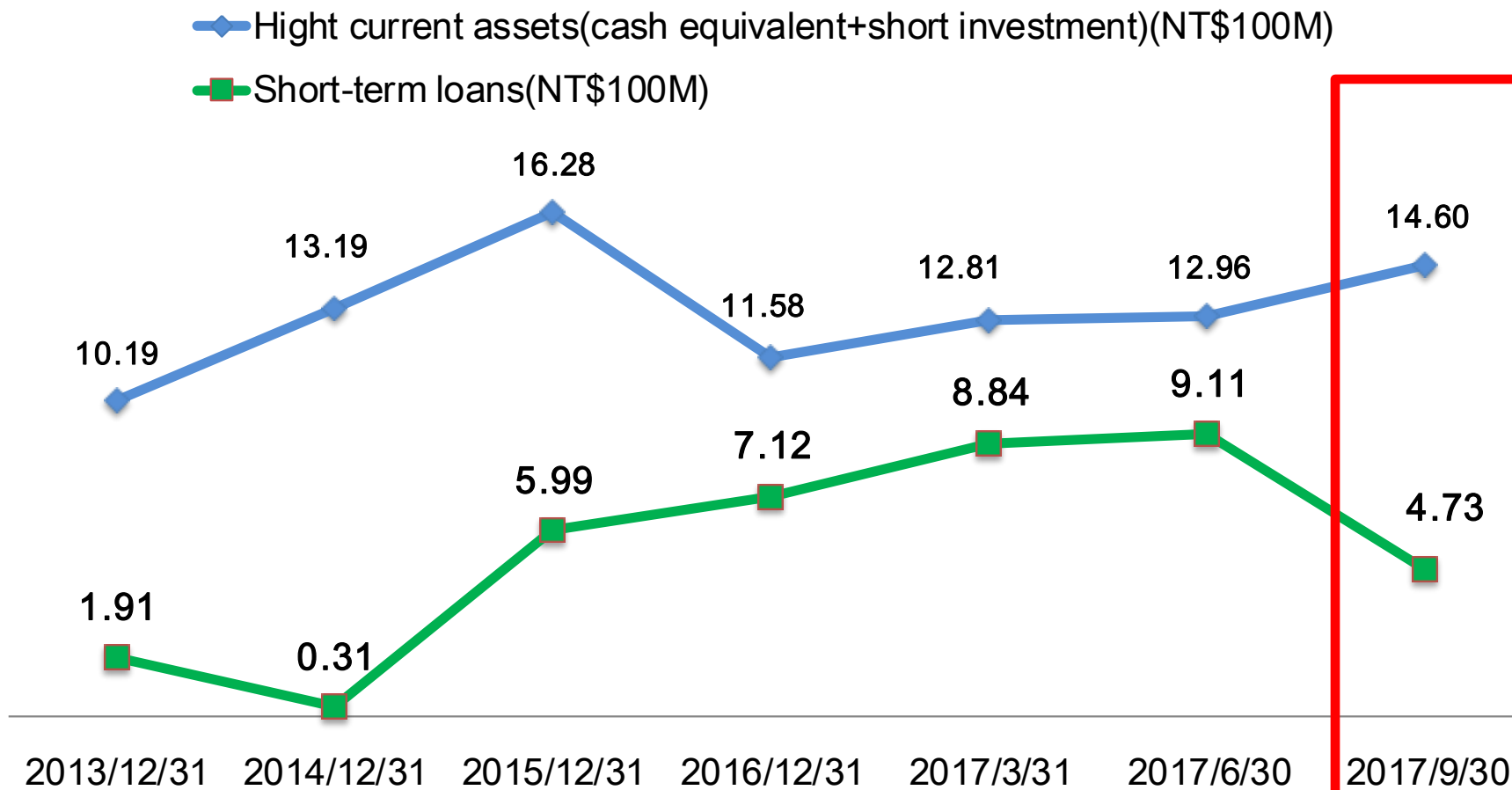
<i>liabilities and equity</i>	<u>2017.9.30</u>		<u>2016.9.30</u>		<i>Change</i>	
	Amount	%	Amount	%	Amount	%
Short-term loans	473,000	14	932,314	26	(459,314)	(13)
Accounts payable	583,288	17	526,371	15	56,917	2
Long-term loans, current portion	-	0	-	0	0	0
Other current liabilities	34,776	1	32,991	1	1,785	0
Total current liabilities	1,091,064	32	1,491,676	42	- 400,612	(11)
Long-term loans	398,062	11	-	-	398,062	11
Other noncurrent liabilities	89,582	2	85,732	2	3,850	0
Total current liabilities	487,644	13	85,732	2	401,912	11
Total liabilities	1,578,708	45	1,577,408	44	1,300	0
Capital stock	1,834,076	53	2,009,076	56	(175,000)	(5)
Capital surplus	23,873	1	33,903	1	(10,030)	(0)
Accumulated deficit	295,521	9	285,765	8	9,756	0
Other equity interest(contain Non-controlling interests)	(261,547)	(8)	(290,042)	(9)	28,495	1
Total equity	1,891,923	55	2,038,702	56	(146,779)	(4)
Total	3,470,631	100	3,616,110	100	(145,479)	(4)



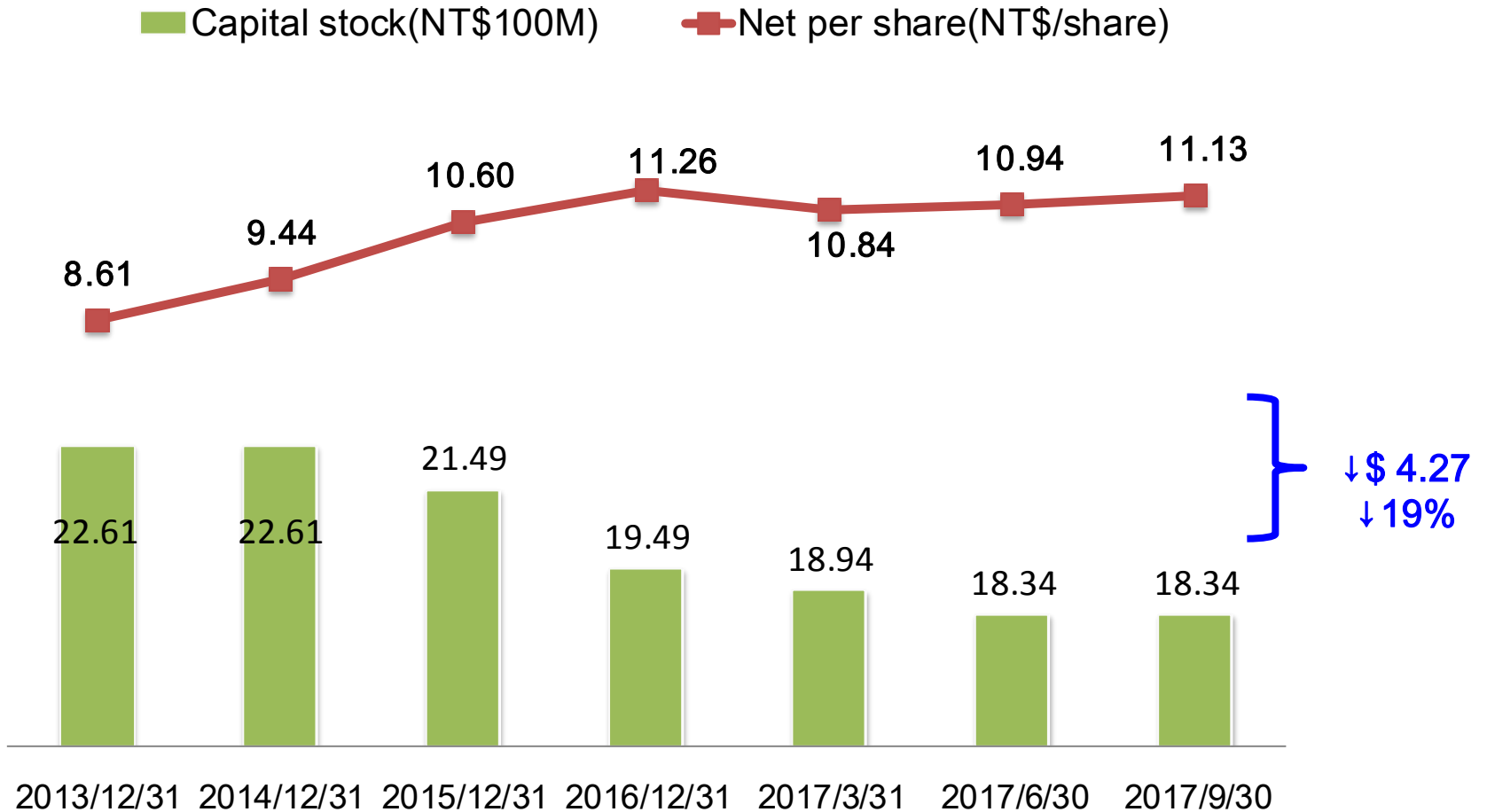
Key financial ratio



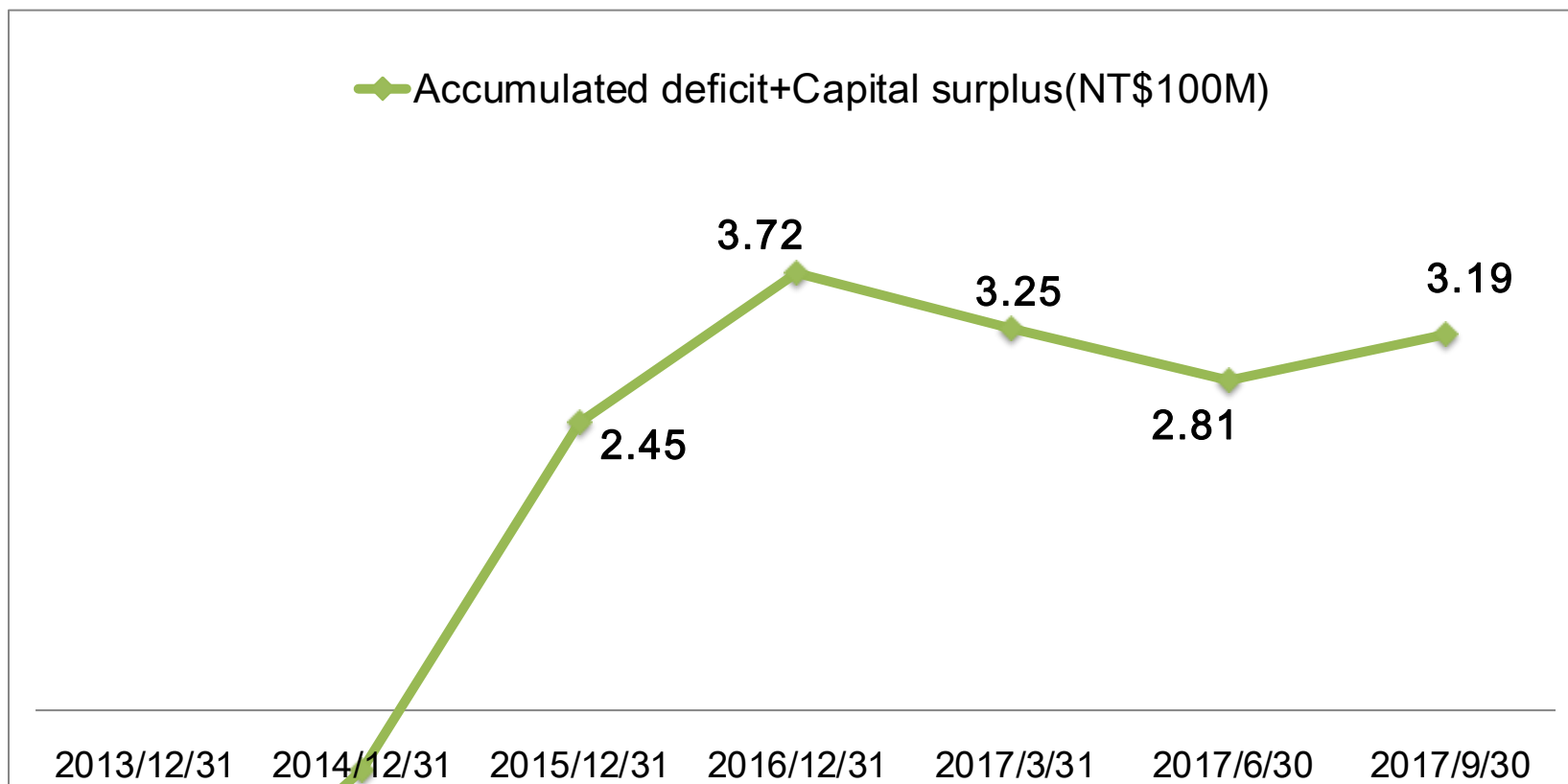
Hight current assets



Net per share VS Capital stock



Financial structure



A hand is shown reaching out from the bottom right towards a grid of glowing squares on a dark background. The squares are arranged in a pattern that resembles a keyboard or a grid of data points. The text "Thanks for your attention!" is overlaid on the hand and the grid.

Thanks for your attention!



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