ENNOSTAR Inc.(3714.TW)
Second Quarter 2022 Results
Investor Conference

AUG. 5, 2022

Safe Harbor Notice

This presentation may contain forward-looking statements. These forward-looking are subject to risks, uncertainties and other factors. Consequently, actual results could differ materially from those reflected in these forward-looking statements.

The factors include the impact of competitive products and pricing, timely acceptance of products design by our customers, timely introduction of new technologies, ability to ramp new products into volume, industry wide shifts in supply and demand, market oversupply, availability of manufacturing capacity, financial stability in end markets, potential difficulties in talents retention, unexpected costs and expenses, any merger and acquisition associated uncertainties such as obtaining of regulatory approval or integration delay, loss of significant customers, involvement in legal or administrative proceedings, new regulations that may impact our business operation, fluctuations in foreign exchange rates, global economic conditions or non-economic conditions and any other risks factors.

Except as imposed by law, we undertake no obligation to publicly revise or update these forward-looking statements, whether as a result of new information, future events or otherwise.

Consolidated Statements of Comprehensive Income

in NT$ millions	2Q22	1Q22	2Q21	QoQ	YoY
Net Revenue	**7,781**	**8,546**	**9,365**	**-9.0%**	**-16.9%**
EPISTAR	5,555	6,206	6,780	-10.5%	-18.1%
LEXTAR	2,137	2,339	2,585	-8.6%	-17.3%
Gross Margin	**22.8%**	**21.8%**	**22.8%**	**+1.0%**	**+0.0%**
Operating Expenses	1,504	1,358	1,536	+10.7%	-2.1%
Operating Margin	**3.7%**	**6.2%**	**6.8%**	**-2.5%**	**-3.1%**
Net Non-Operating Items	58	174	85	-66.5%	-31.5%
Net Income Attributable to Parent Company	**389**	**759**	**700**	**-48.8%**	**-44.5%**
Net Profit Margin	**5.0%**	**8.9%**	**7.5%**	**-3.9%**	**-2.5%**
Basic EPS (NT Dollar)	**0.57**	**1.11**	**1.03**	**(0.54)**	**(0.46)**
EBITDA%*	**20.2%**	**21.6%**	**20.9%**	**-1.4%**	**-0.7%**

* EBITDA% is calculated as the operating income plus depreciation and amortization divided by revenue.

Consolidated Statements of Comprehensive Income

in NT$ millions	1H22	1H21	YoY
Net Revenue	**16,327**	**16,244**	**+0.5%**
EPISTAR	11,761	11,343	+3.7%
LEXTAR	4,476	4,901	-8.7%
Gross Margin	**22.3%**	**18.9%**	**+3.4%**
Operating Expenses	2,862	2,859	+0.1%
Operating Margin	**5.0%**	**1.9%**	**+3.1%**
Net Non-Operating Items	232	70	+231.6%
Net Income Attributable to Parent Company	**1,148**	**440**	**+160.7%**
Net Profit Margin	**7.0%**	**2.7%**	**+4.3%**
Basic EPS (NT Dollar)	**1.68**	**0.65**	**1.03**
EBITDA%*	**20.9%**	**17.8%**	**+3.1%**

* EBITDA% is calculated as the operating income plus depreciation and amortization divided by revenue.

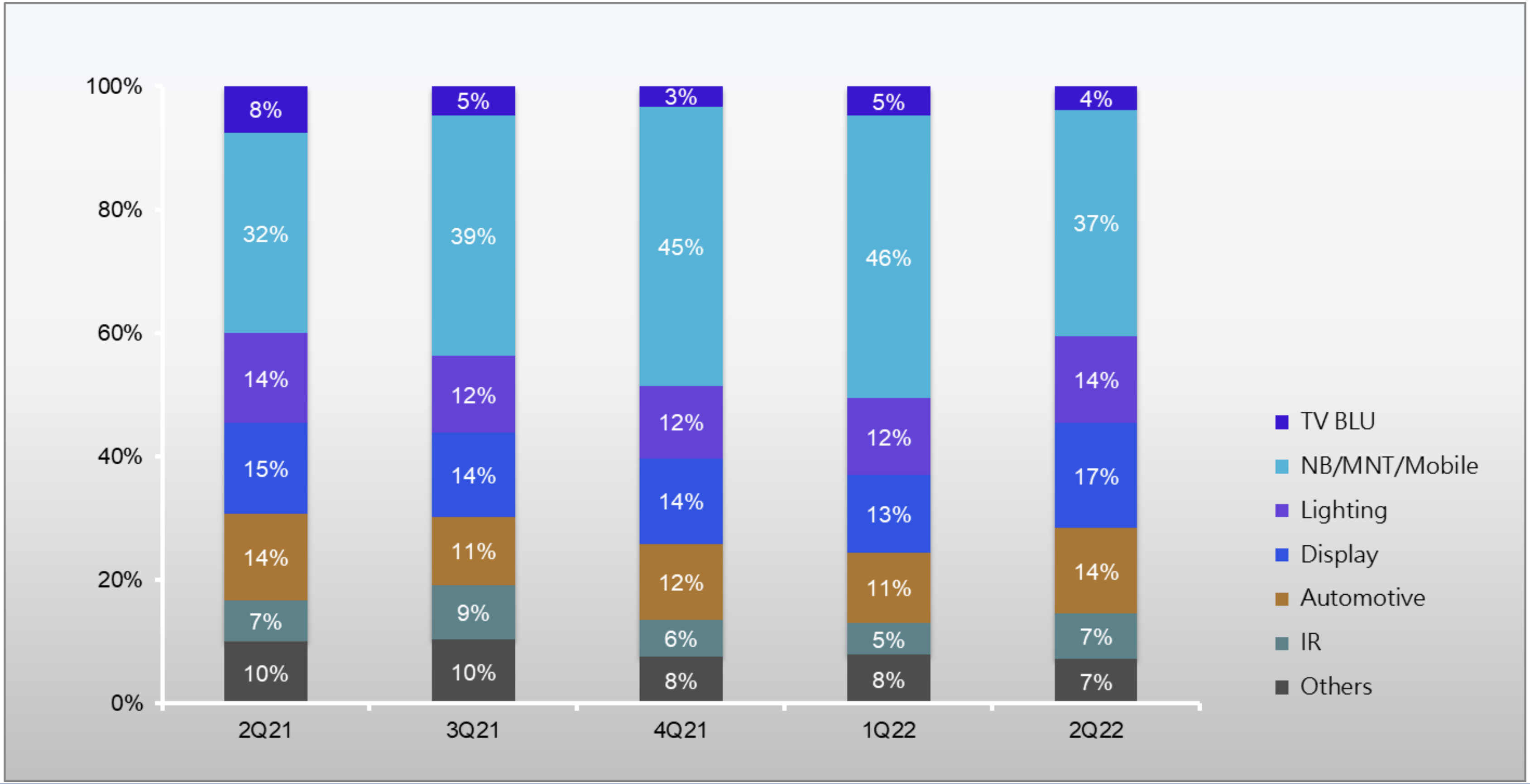
Statements of Comprehensive Income – Epistar

in NT$ millions	2Q22	1Q22	2Q21	QoQ	YoY
Net Revenue	**5,555**	**6,206**	**6,780**	**-10.5%**	**-18.1%**
Gross Margin	**27.0%**	**22.9%**	**24.4%**	**+4.1%**	**+2.6%**
Operating Expenses	859	874	1,008	-1.8%	-14.8%
Operating Margin	**12.0%**	**9.3%**	**10.1%**	**+2.7%**	**+1.9%**
EBITDA%*	**31.2%**	**28.3%**	**27.4%**	**+2.9%**	**+3.8%**

in NT$ millions	1H22	1H21	YoY
Net Revenue	**11,761**	**11,343**	**+3.7%**
Gross Margin	**24.8%**	**19.6%**	**+5.2%**
Operating Expenses	1,733	1,907	-9.2%
Operating Margin	**10.5%**	**3.7%**	**+6.8%**
EBITDA%*	**29.7%**	**23.6%**	**+6.1%**

* EBITDA% is calculated as the operating income plus depreciation and amortization divided by revenue.
** Unikorn has not been consolidated into Epistar since the second quarter of 2022 because of the group reorganization.

Revenue by Application – Epistar



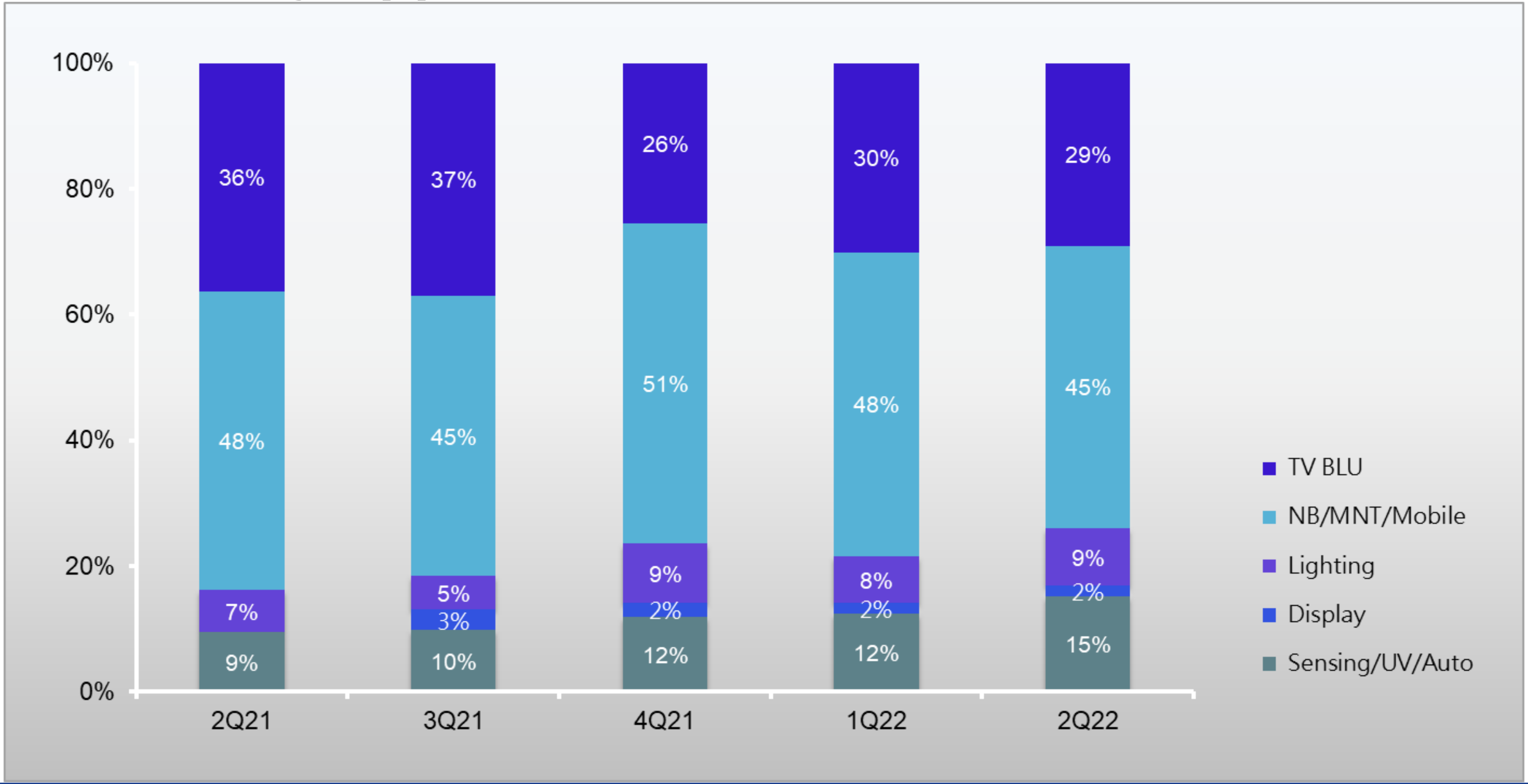
Statements of Comprehensive Income – Lextar

in NT$ millions	2Q22	1Q22	2Q21	QoQ	YoY
Net Revenue	**2,137**	**2,339**	**2,585**	**-8.6%**	**-17.3%**
Gross Margin	**16.8%**	**19.2%**	**18.5%**	**-2.4%**	**-1.7%**
Operating Expenses	497	437	467	+13.7%	+6.3%
Operating Margin	**(6.4%)**	**0.6%**	**0.4%**	**-7.0%**	**-6.9%**
EBITDA%*	**0.8%**	**7.1%**	**7.8%**	**-6.3%**	**-7.0%**

in NT$ millions	1H22	1H21	YoY
Net Revenue	**4,476**	**4,901**	**-8.7%**
Gross Margin	**18.1%**	**17.2%**	**+0.9%**
Operating Expenses	934	875	+6.8%
Operating Margin	**(2.8%)**	**(0.6%)**	**-2.2%**
EBITDA%*	**4.1%**	**7.4%**	**-3.3%**

* EBITDA% is calculated as the operating income plus depreciation and amortization divided by revenue.

Revenue by Application – Lextar



Consolidated Balance Sheets & Key Indices

in NT$ millions	2Q22		1Q22		2Q21	
	Amount	%	Amount	%	Amount	%
Cash & Cash Equivalent	12,621	17.1%	12,733	16.7%	6,482	8.9%
Accounts Receivable	12,346	16.7%	13,563	17.8%	13,101	17.9%
Inventories	5,935	8.0%	5,831	7.7%	5,853	8.0%
Long-term Investments	3,913	5.3%	3,976	5.2%	1,870	2.6%
Net PP&E	23,117	31.3%	23,233	30.6%	24,827	33.9%
Total Assets	**73,943**	**100.0%**	**76,023**	**100.0%**	**73,225**	**100.0%**
Short-term Debt	1,328	1.8%	2,872	3.8%	2,642	3.6%
Long-term Debt	4,119	5.6%	3,915	5.2%	3,917	5.3%
Total Liabilities	**20,057**	**27.1%**	**21,989**	**28.9%**	**21,106**	**28.8%**
Total Equity	**53,886**	**72.9%**	**54,034**	**71.1%**	**52,118**	**71.2%**
Inventory Turnover Days	**89**		**79**		**67**	
Current Ratio	**2.5**		**2.2**		**2.1**	
Net Cash	**7,174**		**5,946**		**(77)**	

Consolidated Cash Flows

in NT$ millions	2Q22	1Q22	2Q21
From Operating Activities	**2,254**	**1,732**	**(203)**
Profit before Tax	348	704	720
Depreciation & Amortization	1,286	1,313	1,323
Net Change in Working Capital	576	(309)	(2,419)
From Investing Activities	**(1,319)**	**(1,324)**	**(775)**
Capital Expenditure	(1,214)	(933)	(1,082)
From Financing Activities	**(1,518)**	**(38)**	**578**
Net Change in Loans	(1,582)	(594)	736
Net Change in Cash	**(112)**	**397**	**(618)**
Ending Balance	**12,621**	**12,733**	**6,482**

* The data of 2021 above excludes the effect of initial consolidation of subsidiaries, which is NT$ 3,764 million.

Consolidated Cash Flows

in NT$ millions	1H22	1H21
From Operating Activities	**3,986**	**(835)**
Profit before Tax	1,051	376
Depreciation & Amortization	2,599	2,584
Net Change in Working Capital	266	(3,993)
From Investing Activities	**(2,643)**	**(3,448)**
Capital Expenditure	(2,147)	(2,817)
From Financing Activities	**(1,557)**	**1,821**
Net Change in Loans	(2,177)	1,692
Net Change in Cash	**285**	**(2,510)**
Ending Balance	**12,621**	**6,482**

* The data of 2021 above excludes the effect of initial consolidation of subsidiaries, which is NT$ 3,764 million.

Q&A

Thank You

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