

Asia Electronic Material Co., Ltd.(4939)

2022 Third Quarter Investor Conference

2022/11/24

Safe Harbor Notice

We have made forward-looking statements in the presentation. Our forward looking statements contain information regarding, among other things, our financial conditions, future expansion plans and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties, and assumptions about us. We under take no obligation to publicly update or revise any forward looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.

Agenda

AEM Overview

Competitiveness

Financial
Results

Future Outlook

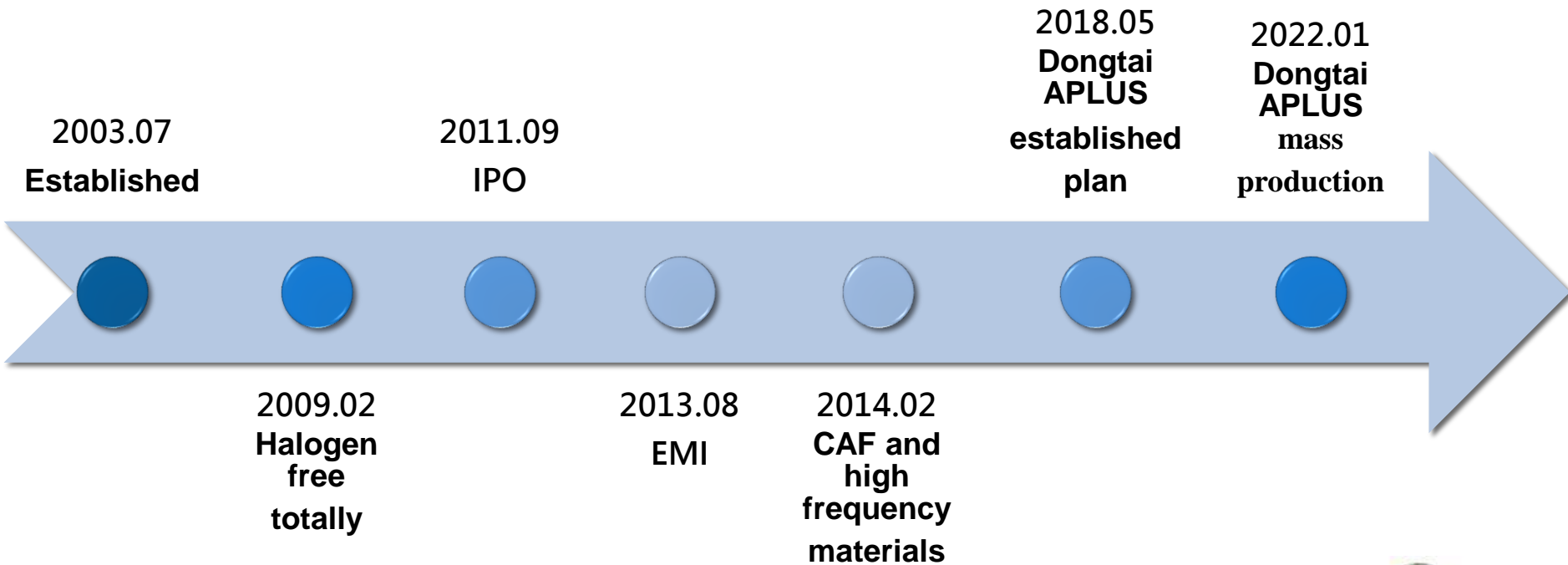
AEM Overview

Basic

- ◆ Established in 2003
- ◆ Headquarters in Hsinchu, Taiwan
- ◆ Manufacturing bases : Kunshan 、 Dongtai
- ◆ Public company listed on OTC since 2011
- ◆ Chairman and General manager : Addison Lee
- ◆ 252 employees worldwide(2022/9/30)



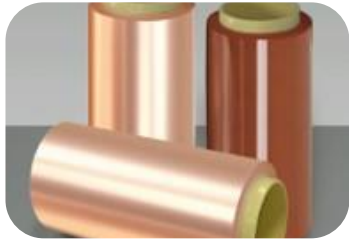
History



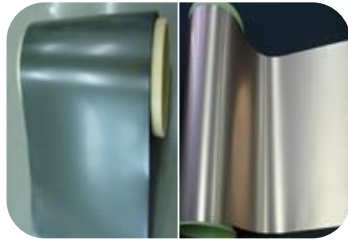
Business Locations



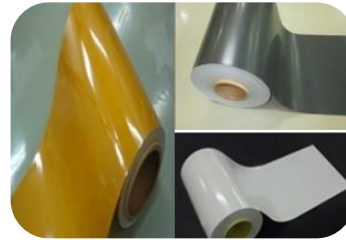
Products



3Layer-S/D



2Layer-S/D



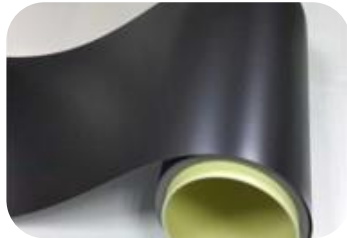
Coverlay



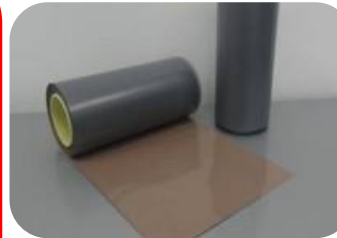
High frequency BS



CF/SF



SF-Black

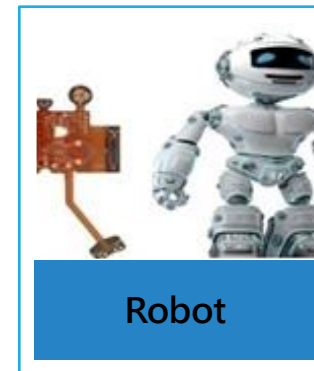
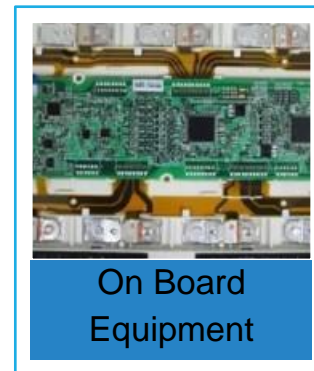
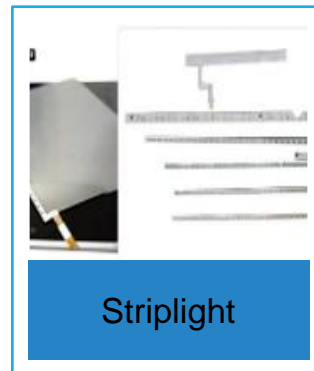
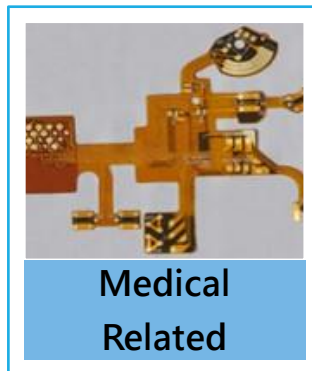
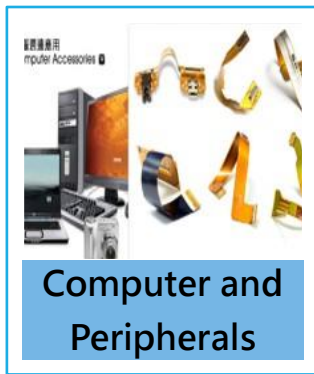


EMI



CAF

Product Applications



Dividend

Years	EPS(NT\$)	Cash dividend per share(NT\$)	%
2017	1.21	0.50	41%
2018	1.14	0.50	44%
2019	0.36	0.25	69%
2020	1.61	1.25	78%
2021	1.76	1.40	80%

Competitiveness

Professional team

- With FPC professional manufacturer and service team for customers
- Manufacturing and develop group with experience and best quality

The layout and division of the two sides

- Close to the key market(China) and grasp it well
- The dedicated and high efficient mechanism on research and development
- The layout of patent groups on both sides

Intensive equipment and management

- Continuous R 2 R automation manufacturing equipment
- Monitoring feedback system by real-time on-line parameter
- On-line CCD appearance check & film thickness monitoring system
- The logistics management of Barcode can be traced

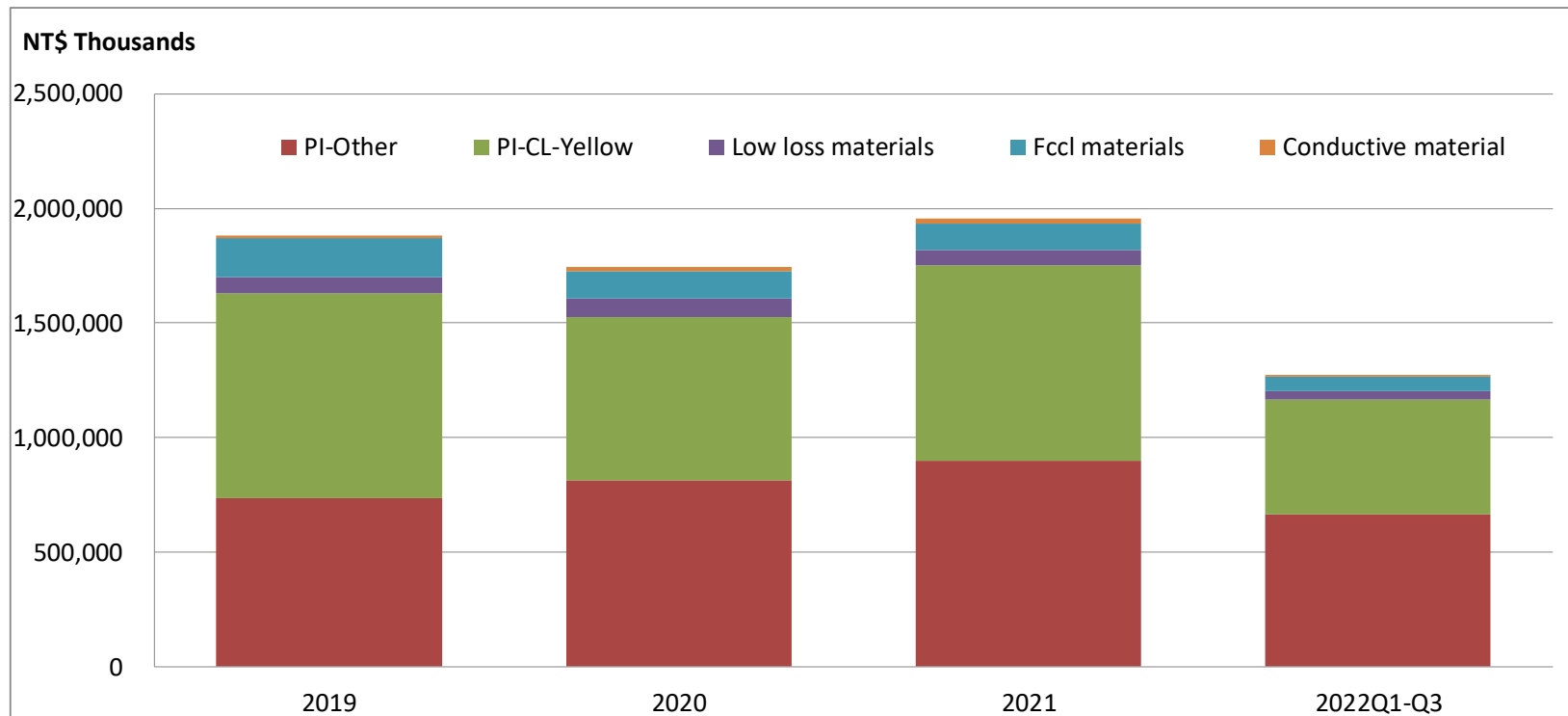
Financial Results

Consolidated Statements Of Comprehensive Income

Unit : In Thousands of New Taiwan Dollars

	2022/Q3	2022/Q2	2022/Q1	2021/Q4	2021/Q3	QoQ	YoY
Net Revenue	445,327	395,640	432,498	520,699	544,542	12.56%	-18.22%
Operating Costs	347,692	313,172	328,853	357,352	388,738	11.02%	-10.56%
Gross Profit	97,635	82,468	103,645	163,347	155,804	18.39%	-37.33%
Gross Margin	21.92%	20.84%	23.96%	31.37%	28.61%		
Operating Expense	56,078	62,444	63,864	71,232	75,737	-10.19%	-25.96%
Operating Profit	44,557	20,024	39,781	92,115	80,067	122.52%	-44.35%
Profit before tax	9,829	-13,231	57,477	64,878	73,234	out of the red	-86.58%
Net Profit	8,306	-6,567	39,990	38,557	51,121	out of the red	-83.75%
Net Margin	1.87%	-1.66%	9.25%	7.40%	9.39%	out of the red	
EPS	0.08	-0.07	0.41	0.39	0.52	out of the red	

Revenues Breakdown



Note : PI-other including CL-Black, SF and CF etc.

Consolidated Balance Sheets

Unit : In Thousands of New Taiwan Dollars

	2022/9/30		2022/6/30		2021/12/31		2021/9/30	
	Amount	%	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	535,521	18.22%	613,712	19.90%	704,016	23.17%	627,668	20.60%
Notes and Accounts Receivable	812,339	27.63%	820,064	26.60%	962,142	31.67%	993,472	32.61%
Inventories	390,220	13.27%	440,062	14.27%	239,131	7.87%	283,800	9.32%
Current assets	1,798,785	61.19%	1,946,728	63.14%	1,983,837	65.29%	1,994,035	65.46%
Financial assets at fair value through other comprehensive income	128,523	4.37%	127,268	4.13%	124,774	4.11%	129,911	4.26%
Property, plant and equipment	850,920	28.94%	846,037	27.44%	756,286	24.89%	734,091	24.10%
Total assets	2,939,871	100.00%	3,083,421	100.00%	3,038,314	100.00%	3,046,270	100.00%
Short-term borrowings	753,096	25.62%	814,219	26.41%	720,396	23.71%	705,978	23.18%
Notes and Accounts payable	180,758	6.15%	294,859	9.56%	184,964	6.09%	273,354	8.97%
current liabilities	1,106,726	37.65%	1,273,524	41.30%	1,056,263	34.76%	1,118,635	36.72%
Total liabilities	1,378,614	46.89%	1,547,264	50.18%	1,427,523	46.98%	1,482,177	48.66%
Share capital	982,009	33.40%	982,009	31.85%	982,009	32.32%	982,009	32.24%
Total equity	1,561,257	53.11%	1,536,157	49.82%	1,610,791	53.02%	1,564,093	51.34%
Total liabilities and equity	2,939,871	100.00%	3,083,421	100.00%	3,038,314	100.00%	3,046,270	100.00%

Cash Flow

Unit : In Thousands of New Taiwan Dollars

	2022/Q1-Q3	2021/Q1-Q3
Depreciation and Amortization Exp.	48,917	38,335
Decrease (Increase) in Receivables	151,573	24,925
Decrease (Increase) in Inventories	(151,089)	(43,079)
Increase (Decrease) in Payables	75,694	26,412
Net cash flows from (used in) operating activities	44,231	172,420
Acquisition of property, plant and equipment	(134,848)	(97,625)
Net cash flows from (used in) investing activities	(133,711)	(90,179)
Net cash flows from (used in) financing activities	(107,869)	(10,295)
Cash and cash equivalents at end of period	535,521	627,668

Future Outlook

Smartphone Market

- China's domestic demand market is declining, and the demand for mobile phones is decreasing. The inventory destocking is estimated to be at least 2023Q1, but it can still benefit from the replacement demand driven by the release of new mobile phones from America customers.

On Board Equipment Application

- The terminal customers are mainly electric vehicle, which are mainly used in power system, central control and touch screen systems, lights and battery modules, it has accounted for 5% of revenue, and it is estimated to reach 8% in 2023 and continue to grow.

Production Strategy

- To speed up the customer certification progress of Dongtai factory, ensure the Kunshan and Dongtai dual production bases can stable supply.

New Products

- Deploy to ionic migration CL, Low loss high-frequency products and vehicle-mounted energy storage applications actively.

~Thank you~

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