

A nighttime city skyline with a network overlay. The background shows a city at night with many lit-up buildings. Overlaid on this is a large, semi-transparent blue network of nodes and lines, resembling a globe or a data network. The text is centered over this network.

Ennoconn Corporation 4Q 2020 Investor Conference

March 29th, 2021

Safe Harbor Statement

Our discussion may include predictions, estimates and other information that might be considered forward-looking. While these forward-looking statements represent our current judgment on what the future holds, they are subject to risks and uncertainties that could cause actual results to differ materially. Undue reliance should not be placed on any forward-looking statements, which reflect our opinions only as of the date of this presentation. We undertake no obligation to update them.







4Q20 Financial Results

NT\$M	3Q20	4Q20	QoQ	Notes
Revenues	21,132	26,532	25.6%	<ul style="list-style-type: none"> Revenue increased by 25.6% QoQ, which was mainly driven by the growth of brand and ODM businesses. Gross margin decreased by 0.4 ppt QoQ since the proportion of IT services, which contained low gross margin, climbed up in the product mix of brand business in Q4. Meanwhile, thanks to the optimization of OPEX expenditure control, operating margin slightly went down by 0.2 ppt. R&D expense climbed up as we continued to invest in advanced technologies that could boost up revenue.
Gross Profit	4,640	5,738	23.7%	
Gross Margin %	22.0%	21.6%	-0.4ppt	
Selling expenses	-933	-1,092		
G&A expenses	-1,043	-1,093		
R&D expenses	-1,575	-2,254		
Expected credit loss	-106	-100		
Operating Income	984	1,199	21.8%	
Operating Marg%	4.7%	4.5%	-0.2ppt	
Interest income (expense)	-120	-133		
FX gain (loss)	-125	-167		<ul style="list-style-type: none"> Due to the depreciation of USD, we recognized foreign exchange loss of NT\$167 million in Q4. Increase of other non-operating income mainly came from R&D subsidy of NT\$194 million from the government.
Other non-operating income (expenses)	227	414		
Income Tax	217	178	-17.9%	
Net Income	749	1,134	51.4%	<ul style="list-style-type: none"> The effective tax rate in Q4 was 13.6%.
Net Income (deducted minority interest)	276	349	26.5%	
EPS (NT\$)	3.01	3.78	25.8%	<ul style="list-style-type: none"> EPS of Q4 was NT\$3.78. (Foreign exchange loss affected NT\$0.97. EPS would be NT\$4.75 if the loss was not considered.)

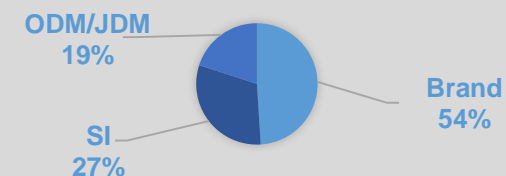
2020 Financial Results

NT\$M	2019	2020	YoY	Notes	
Revenues	81,506	84,091	3.2%	<ul style="list-style-type: none"> Despite the COVID-19 pandemic in 2020, revenue increased by 3.2% YoY due to the revenue growth of brand and system integration businesses. Gross margin and operating margin rose about 0.3 ppt respectively. 	
Gross Profit	18,753	19,593	4.5%		
Gross Margin %	23.0%	23.3%	0.3ppt		
Selling expenses	-3,379	-3,629			
G&A expenses	-4,139	-4,137			
R&D expenses	-7,788	-7,887			
Expected credit loss	-70	-266			
Operating Income	3,377	3,674	8.8%		
Operating Marg%	4.1%	4.4%	0.3ppt		
Interest income (expense)	-423	-461			
FX gain (loss)	-118	-322		<ul style="list-style-type: none"> As a result of the depreciation of USD, we recognized foreign exchange loss of NT\$322 million in 2020. 	
Other non-operating income (expenses)	976	1,086			<ul style="list-style-type: none"> Foreign exchange loss brought about EPS reduction of NT\$0.5 and NT\$1.96 respectively in 2019 and 2020.
Income Tax	786	821	4.5%		
Net Income	3,026	3,155	4.3%	<ul style="list-style-type: none"> The effective tax rate in 2020 was 20.7%. 	
Net Income (deducted minority interest)	1,080	1,112	2.9%		
EPS (NT\$)	12.03	12.13	0.8%	<ul style="list-style-type: none"> EPS in 2020 was NT\$12.13. (Foreign exchange loss affected NT\$1.96. EPS would be NT\$14.09 if the loss was not considered.) 	

4Q20 Performance by Business Segment

Business Segments	Key Members		4Q20 Revenue Contribution (NT\$M)	Revenue QoQ	4Q20 GM	4Q20 OpM	4Q20 EPS Contribution (NT\$)
Ennoconn Consolidation		4Q20	26,532	25.6%	21.6%	4.5%	3.78
		3Q20	21,132		22.0%	4.7%	3.01
Brand	 	4Q20	14,342 (54%)	39.9%	27.4%*	3.8%	1.80 (48%)
		3Q20	10,252 (49%)		28.1%*	3.8%	0.80 (27%)
System Integration		4Q20	7,196 (27%)	8.4%	11.0%	4.1%	0.92 (24%)
		3Q20	6,638 (31%)		12.8%	5.1%	1.08 (36%)
ODM / JDM	   Others	4Q20	4,995 (19%)	17.8%	20.3%	7.3%	1.06 (28%)
		3Q20	4,242 (20%)		21.4%	5.9%	1.13 (37%)







4Q2020 Revenue Contribution



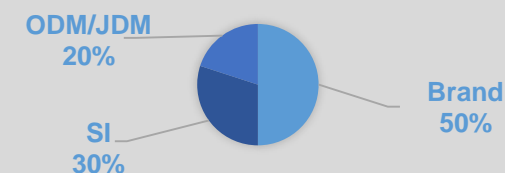
- Gross margin of brand business went down by 0.7 ppt QoQ due to a different product mix with higher proportion of IT service, which contained a low gross margin. Meanwhile, thanks to the optimization of OPEX expenditure control, operating margin remained flat.
- The revenue of system integration business increased by 8.4% QoQ, while the revenue growth of construction projects, which contained lower gross margin, led to the reduction of gross margin by 1.8 ppt QoQ.
- The revenue of ODM/JDM business increased by 17.8% QoQ, which was mainly resulted from the revenue growth of smart home business. On the other hand, an unfavorable product mix brought down gross margin by 1.1 ppt, while operating margin increased by 1.4 ppt because of the optimization of OPEX expenditure control.

*We adjusted the GM and OpM of S&T due to the difference in accounting principles between EU and Taiwan. S&T's announcement: 4Q20 GM was 33.0%; 3Q20 GM was 35.6%.

2020 Performance by Business Segment

Business Segments	Key Members		Revenue Contribution (NT\$M)	Revenue YoY	GM	OpM	EPS Contribution (NT\$)
Ennoconn Consolidation		2020	84,091	3.2%	23.3%	4.4%	12.13
		2019	81,507		23.0%	4.1%	12.03
Brand	 	2020	42,403 (50%)	9.4%	30.5%*	3.4%	3.84 (32%)
		2019	38,759 (48%)		31.4%*	3.4%	3.39 (28%)
System Integration		2020	25,120 (30%)	3.9%	12.3%	4.8%	4.21 (35%)
		2019	24,183 (30%)		10.6%	3.4%	3.27 (27%)
ODM / JDM	   Others	2020	16,568 (20%)	-10.8%	21.5%	6.3%	4.08 (33%)
		2019	18,566 (22%)		21.6%	6.6%	5.37 (45%)

2020 Revenue Contribution



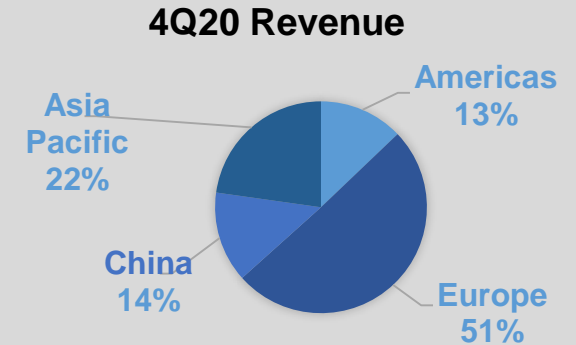
- Gross margin of brand business went down by 0.9 ppt YoY due to the revenue growth of IT services, which contained lower gross margin, while operating margin remained flat.
- Thanks to the semiconductor business, the revenue of system integration business grew by 3.9% YoY. Gross margin and operating margin rose by 1.7 ppt and 1.4 ppt respectively.
- As a result of revenue reduction in smart home business, the revenue of ODM/JDM business decreased by 10.8% YoY. Gross margin and operating margin slightly went down due to the factor of economies of scale.
- Ownership: S&T 27.2% ; MIC 44.6% ; Goldtek 56.7% ; CASwell 31.9%

*We adjusted the GM and OpM of S&T due to the difference in accounting principles between EU and Taiwan. S&T's announcement: 2020 GM was 36.3%; 2019 GM was 36.3%.

4Q20 Revenue by Region

		Revenue (NT\$M)	Revenue QoQ	4Q20 Revenue (NT\$M)
Ennoconn Total	4Q20	26,532	25.6%	84,091
	3Q20	21,132		
The Americas	4Q20	3,342 (13%)	8.8%	10,652 (13%)
	3Q20	3,071 (15%)		
Europe	4Q20	13,556 (51%)	41.8%	40,799 (49%)
	3Q19	9,557 (45%)		
China	4Q20	3,640 (14%)	14.4%	12,235 (14%)
	3Q20	3,183 (15%)		
Asia Pacific	4Q20	5,994 (22%)	12.6%	20,405 (24%)
	3Q20	5,321 (25%)		

Notes

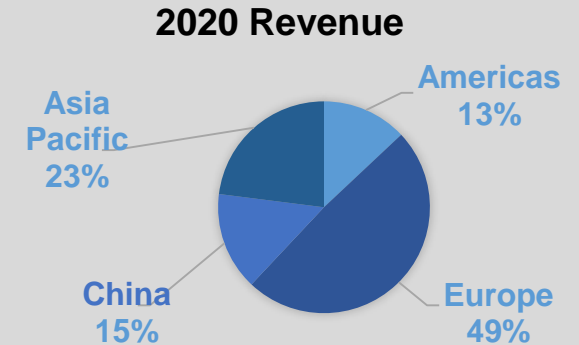


- The Americas : mainly from Goldtek and S&T, 37% and 41%, respectively.
- Europe : S&T accounted for 92% of our Europe sales.
- China : 58% of the revenue was from Marketech, and 36% came from ODM business.
- Asia Pacific : Marketech was the key contributor, generating 76% of total revenue.

2020 Revenue by Region

		Revenue (NT\$M)	Revenue YoY	2020 Revenue (NT\$M)
Ennoconn Total	2020	84,091	3.2%	84,091
	2019	81,506		
The Americas	2020	10,652 (13%)	-22.4%	10,652 (13%)
	2019	13,730 (17%)		
Europe	2020	40,799 (49%)	19.4%	40,799 (49%)
	2019	34,166 (42%)		
China	2020	12,235 (15%)	-0.8%	12,235 (15%)
	2019	12,332 (15%)		
Asia Pacific	2020	20,405 (23%)	-4.1%	20,405 (23%)
	2019	21,278 (26%)		

Notes



- The Americas : mainly from Goldtek and S&T, 31% and 39%, respectively.
- Europe : S&T accounted for 88% of our Europe sales.
- China : 58% of the revenue was from Marketech, and 33% came from ODM business.
- Asia Pacific : Marketech was the key contributor, generating 76% of total revenue.