

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 graphic.

Ennoconn Corporation

1Q 2021 Investor Conference Call

May 14th, 2021







Safe Harbor Statement

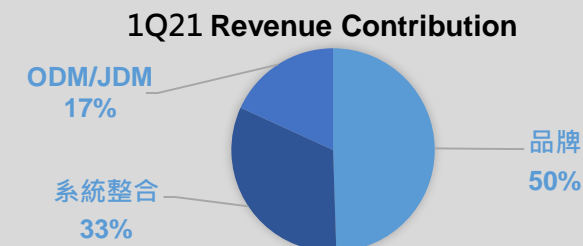
Our discussion may include predictions, estimates and other information that might be considered forward-looking. While these forward-looking statements represent our current judgment on what the future holds, they are subject to risks and uncertainties that could cause actual results to differ materially. 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.

1Q21 Financial Results

NT\$M	1Q20	1Q21	YoY	Notes
Revenues	17,868	20,191	13.0%	<ul style="list-style-type: none"> Revenue increased by 13.0% YoY due to the growth of three business segments, especially the growth of brand and system integration businesses. Gross margin decreased by 2.0 ppt YoY since an unfavorable change on product mix of brand business and system integration business. Meanwhile, thanks to the optimization of OPEX control, operating margin slightly went down by 0.5 ppt.
Gross Profit	4,561	4,754	4.2%	
Gross Margin %	25.5%	23.5%	-2.0ppt	
Selling expenses	-792	-852		
G&A expenses	-1,009	-1,175		
R&D expenses	-2,079	-2,113		
Expected credit loss	-64	-15		
Operating Income	617	599	-2.9%	
Operating Marg%	3.5%	3.0%	-0.5ppt	
Interest income (expense)	-108	-123		
FX gain (loss)	57	4		<ul style="list-style-type: none"> Increase of other non-operating income mainly came from government subsidy of R&D.
Other non-operating income (expenses)	112	240		
Income Tax	147	177	20.7%	<ul style="list-style-type: none"> The effective tax rate in Q1 was 24.5%.
Net Income	531	544	2.4%	
Net Income (deducted minority interest)	186	197	5.7%	
EPS (NT\$)	2.04	2.06	1.0%	<ul style="list-style-type: none"> EPS of Q1 was NT\$2.06.

1Q21 Performance by Business Segment

Business Segments	Key Members	1Q21 Revenue Contribution (NT\$M)	Revenue YoY	1Q21 GM	1Q21 OpM	1Q21 EPS Contribution (NT\$)	
Ennoconn Consolidation		1Q21	20,191	13.0%	23.5%	3.0%	2.06
		1Q20	17,868		25.5%	3.5%	2.04
Brand	 	1Q21	10,058 (50%)	12.1%	32.2%*	1.8%	0.64 (31%)
		1Q20	8,972 (50%)		34.8%*	2.6%	0.60 (29%)
System Integration		1Q21	6,569 (33%)	19.5%	11.0%	4.6%	0.91 (44%)
		1Q20	5,498 (31%)		12.9%	5.1%	1.08 (53%)
ODM / JDM	   Others	1Q21	3,564 (17%)	4.9%	22.2%	3.2%	0.51 (25%)
		1Q20	3,398 (19%)		21.4%	3.2%	0.36 (18%)



- The revenue of brand business climbed up by 12.1% YoY partially due to M&A. However, the gross margin of the companies being merged have diluted original gross margin, which led to the reduction of gross margin by 2.6 ppt YoY. Meanwhile, thanks to the optimization of OPEX control, operating margin slightly went down by 0.8 ppt.
- The revenue of system integration business increased by 19.5% YoY, while the revenue growth of construction projects, which contained lower gross margin, led to the reduction of gross margin by 1.9 ppt YoY.
- The revenue of ODM/JDM business increased by 4.9% YoY, which was mainly resulted from the revenue growth of smart home and gaming businesses. Gross margin increased by 0.8 ppt YoY.
- Ownership: S&T 27.5% ; MIC 44.6% ; Goldtek 56.7% ; CASwell 31.8%

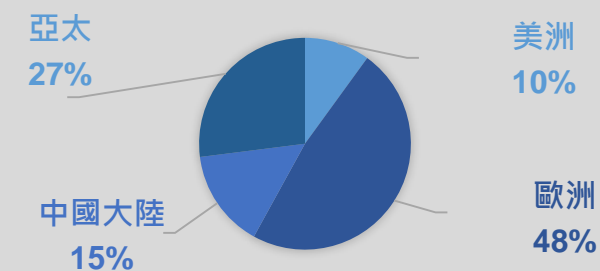
*We adjusted the GM and OpM of S&T due to the difference in accounting principles between EU and Taiwan. S&T's announcement: 1Q21 GM was 39.5%, 4Q20 GM was 33.0%, and 1Q20 GM was 39.9%.

1Q21 Revenue by Region

		Revenue (NT\$M)	Revenue YoY	1Q21 Revenue (NT\$M)
Ennoconn Total	1Q21	20,191	13.0%	20,191
	1Q20	17,868		
The Americas	1Q21	1,973 (10%)	15.3%	1,973 (10%)
	1Q20	1,711 (10%)		
Europe	1Q21	9,721 (48%)	6.6%	9,721 (48%)
	1Q20	9,118 (51%)		
China	1Q21	3,040 (15%)	9.9%	3,040 (15%)
	1Q20	2,766 (15%)		
Asia Pacific	1Q21	5,457 (27%)	27.7%	5,457 (27%)
	1Q20	4,273 (24%)		

Notes

1Q21 Revenue



- The Americas : mainly from Goldtek and S&T, 24% and 37%, respectively.
- Europe : S&T accounted for 87% of our Europe sales.
- China : 58% of the revenue was from Marketech, and 32% came from ODM business.
- Asia Pacific : Marketech was the key contributor, generating 77% of total revenue.