

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 sphere with a network of white dots and lines connecting them, resembling a globe or a data network. The text is centered over this graphic.

Ennoconn Corporation

3Q 2021 Investor Conference Call

Nov 11th, 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.

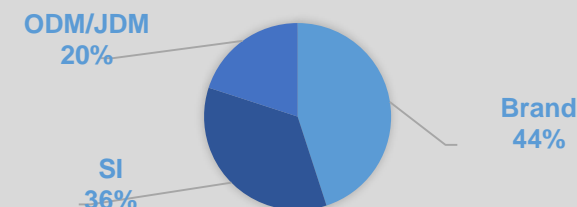
3Q21 Financial Results

NT\$M	3Q20	2Q21	3Q21	QoQ	YoY	Notes
Revenues	21,132	22,805	23,414	2.7%	10.8%	<ul style="list-style-type: none"> In spite of brand business being affected by chip crisis, revenue increased by 2.7% QoQ due to the achievement in system and ODM/JDM business segments, especially the substantial growth of parent company and system integration business.
Gross Profit	4,640	5,145	5,043	-2.0%	8.7%	
Gross Margin %	22.0%	22.6%	21.5%	-1.1ppt	-0.5ppt	<ul style="list-style-type: none"> Gross margin decreased by 1.1 ppt QoQ since brand business was affected by chip crisis. Meanwhile, thanks to the optimization of OPEX control, operating margin just slightly went down by 0.3 ppt QoQ.
Selling expenses	-933	-794	-840			
G&A expenses	-1,043	-1,205	-1,139			
R&D expenses	-1,575	-2,166	-2,167			
Expected credit loss	-106	-55	2			
Operating Income	984	925	899	-2.8%	-8.6%	<ul style="list-style-type: none"> Increase of other non-operating income mainly came from subsidy of R&D, which is given by the European government as a reward of continuously developing and upgrading digital technology.
Operating Marg%	4.7%	4.1%	3.8%	-0.3ppt	-0.9ppt	
Interest income (expense)	-120	-127	-123			
FX gain (loss)	-125	-101	8			
Other non-operating income (expenses)	227	239	269			
Income Tax	217	173	179	3.8%	-17.3%	<ul style="list-style-type: none"> The effective tax rate in Q3 was 17.1%.
Net Income	749	763	872	14.3%	16.4%	
Net Income (deducted minority interest)	276	301	363	20.6%	31.7%	<ul style="list-style-type: none"> EPS of Q3 was NT\$3.78, which increased by 20.6% QoQ and 25.8% YoY.
EPS (NT\$)	3.01	3.13	3.78	20.6%	25.8%	

Performance by Business Segment

Business Segments		3Q21 Revenue Contribution (NT\$M)	Revenue QoQ	Revenue YoY	3Q21 GM	3Q21 OpM	3Q21 EPSContribution (NT\$)	Notes
Ennoconn Consolidation	3Q21	23,414	2.7%	10.8%	21.5%	3.8%	3.78	
	2Q21	22,805			22.6%	4.1%	3.13	
	3Q20	21,132			22.0%	4.7%	3.01	
Brand	3Q21	10,290 (44%)	-0.5%	0.4%	29.7%*	1.0%	0.62 (17%)	
	2Q21	10,338 (45%)			31.3%*	2.8%	0.65 (21%)	
	3Q20	10,252 (49%)			28.1%*	3.8%	0.80 (27%)	
System Integration	3Q21	8,370 (36%)	4.5%	26.1%	11.5%	5.8%	2.01 (53%)	
	2Q21	8,010 (35%)			11.7%	5.5%	1.81 (58%)	
	3Q20	6,638 (31%)			12.8%	5.1%	1.08 (36%)	
ODM / JDM	3Q21	4,754 (20%)	6.7%	12.1%	21.6%	6.6%	1.15 (30%)	
	2Q21	4,457 (20%)			22.0%	4.5%	0.67 (21%)	
	3Q20	4,242 (20%)			21.4%	5.9%	1.13 (38%)	

3Q21 Revenue Contribution



- The gross margin and operating margin of brand segment slightly reduced due to chip crisis, which resulted in the increase of raw material costs.
- The revenue of system integration segment climbed up by 4.5% QoQ, which mainly came from the continuous growth of semiconductor business and capacity. The gross margin has also increased to 5.8%.
- The revenue of ODM/JDM business increased by 6.7% QoQ due to recovery of capacity. Yet, chip crisis and the increase of transportation costs have resulted in the decrease of gross margin by 0.4%. Meanwhile, thanks to the optimization of OPEX control, operating margin climbed up by 2.1% QoQ.
- Ownership : S&T 27.6% ; MIC 44.6% ; Goldtek 56.7% ; CASwell 31.8%.

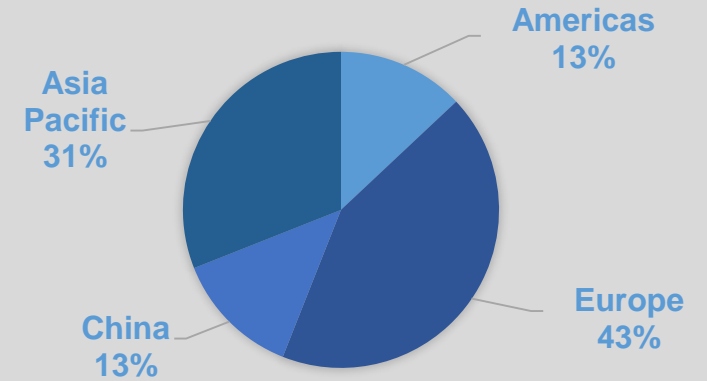
* We adjusted the GM and OpM of S&T due to the difference in accounting principles between EU and Taiwan. S&T's announcement: 3Q21 GM was 36.6%; 2Q21 GM was 38.2%; 3Q20 GM was 35.6%.

Revenue by Region

		Revenue (NT\$M)	Revenue QoQ	Revenue YoY	2021Q1-Q3 Revenue (NT\$M)
Ennoconn Total	3Q21	23,414	2.7%	10.8%	66,410
	2Q21	22,805			
	3Q20	21,132			
The Americas	3Q21	2,995 (13%)	10.9%	-2.5%	7,671 (12%)
	2Q21	2,703 (12%)			
	3Q20	3,071 (15%)			
Europe	3Q21	10,145 (43%)	1.1%	6.1%	29,897 (45%)
	2Q21	10,032 (44%)			
	3Q20	9,557 (45%)			
China	3Q21	3,120 (13%)	-5.7%	-2.0%	9,469 (14%)
	2Q21	3,310 (14%)			
	3Q20	3,183 (15%)			
Asia Pacific	3Q21	7,154 (31%)	5.8%	34.5%	19,373 (29%)
	2Q21	6,760 (30%)			
	3Q20	5,321 (25%)			

Notes

3Q21 Revenue



- The Americas : mainly from Goldtek and S&T, 36% and 27%, respectively.
- Europe : S&T accounted for 86% of our Europe sales.
- China : 56% of the revenue was from Marketech, and 38% came from ODM/JDM business.
- Asia Pacific : Marketech was the key contributor, generating 81% of total revenue.