



*Your Partner of
Advanced Materials & Mass Lam Service*

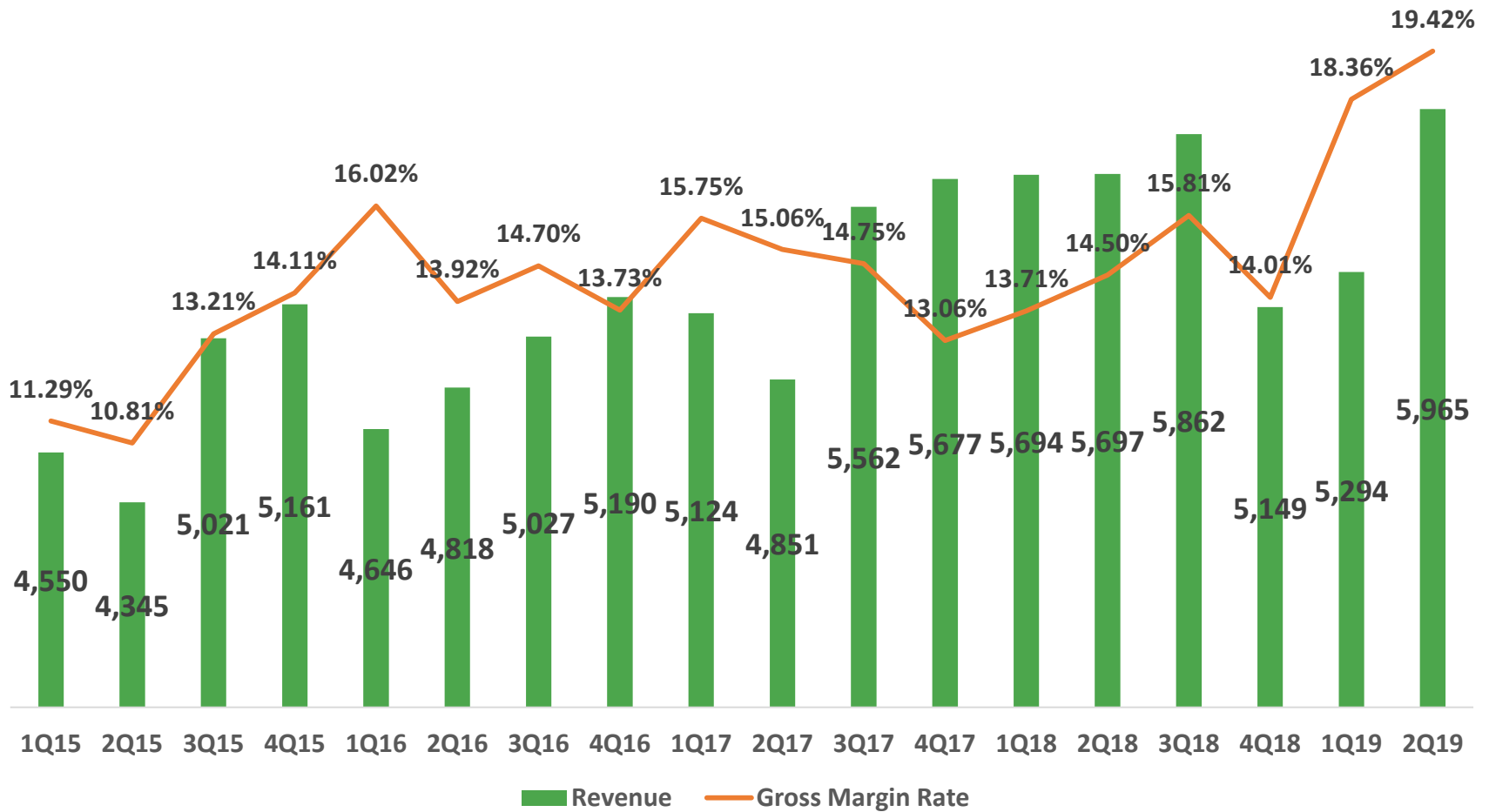
ITEQ Corporation

2019 Second Quarter Earnings Result

- This presentation and release contain “forward-looking statements” which may include projections of future results of operations, financial condition or business prospects based on our own information and other sources.
- Our actual results of operations, financial condition or business prospects may differ from those expressed or implied in these forward-looking statements for a variety of reasons, including but not limited to market demand, price fluctuations, competition, international economic conditions, supply chain issues, exchange rate fluctuations and other risks and factors beyond our control.
- The forward-looking statements in this release reflect the current belief of ITEQ as of the date of this release. ITEQ undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.

Revenue & Gross Margin Rate

(Million NTD)



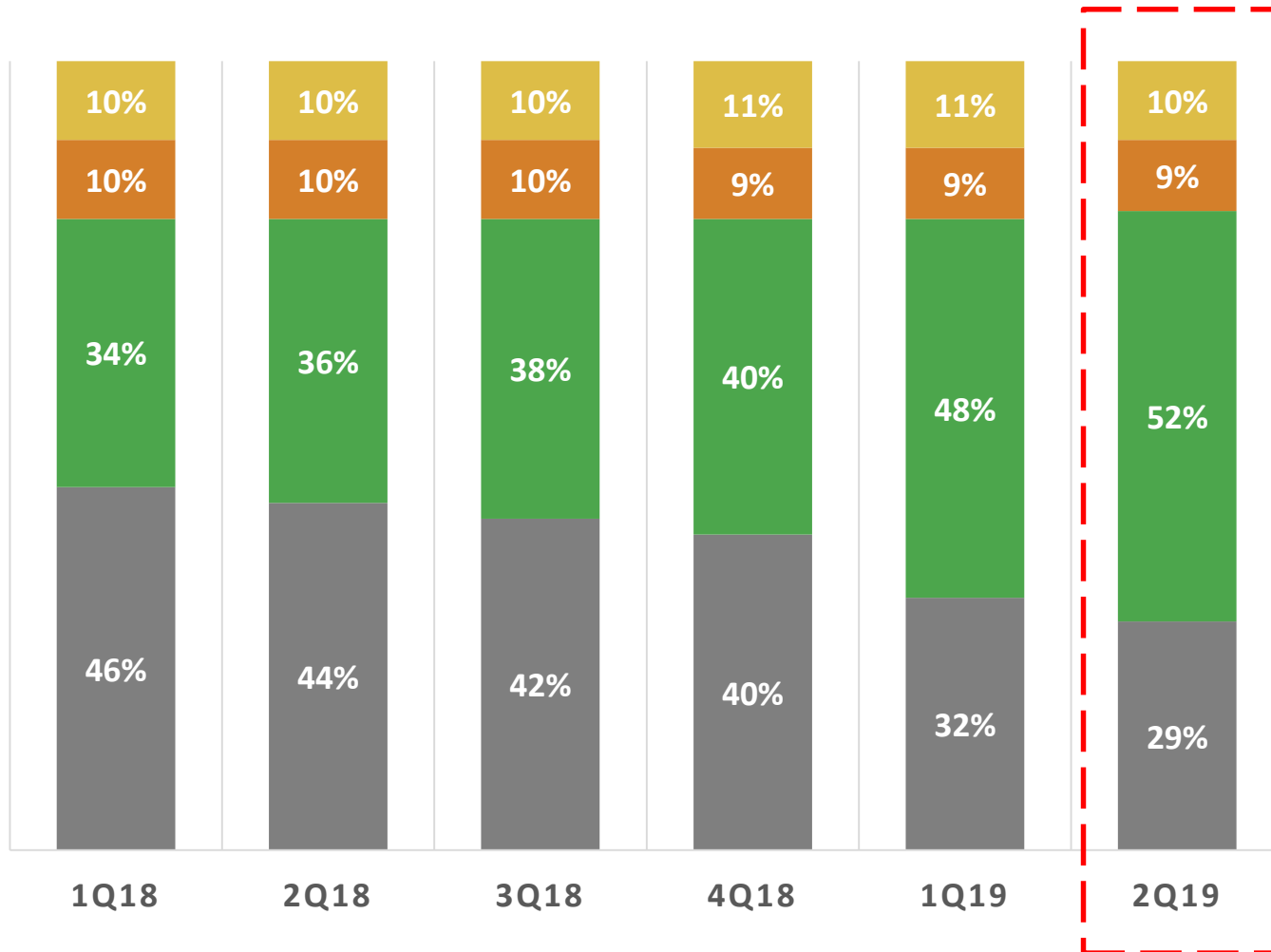
2Q19 Income Statement

NTD \$Million	1Q19	2Q18	2Q19	QOQ	YOY
Revenue	5,294	5,697	5,965	13%	5%
Gross Profit	972	826	1,159	19%	40%
Operating Expense	384	373	430	12%	15%
Operating Profit	588	454	729	24%	61%
Non-Op Income / Loss	36	165	0		
Income before Tax	624	619	729	17%	18%
Tax Expense	118	129	152		
Net Income to Parent	506	490	577	14%	18%
EPS(NT\$)	1.67	1.62	1.91	14%	18%
Key Financial Ratio (%)					
Gross Margin	18.4	14.5	19.4		
Operating Expense Ratio	7.3	6.5	7.2		
Operating Margin	11.1	8.0	12.2		
Effective Tax Rate	18.9	20.8	20.8		
Net Margin	9.6	8.6	9.7		

Note: WX、DG applicable to New and High Tech enterprise in 4Q18, effective tax rate decline from 25% to 15%

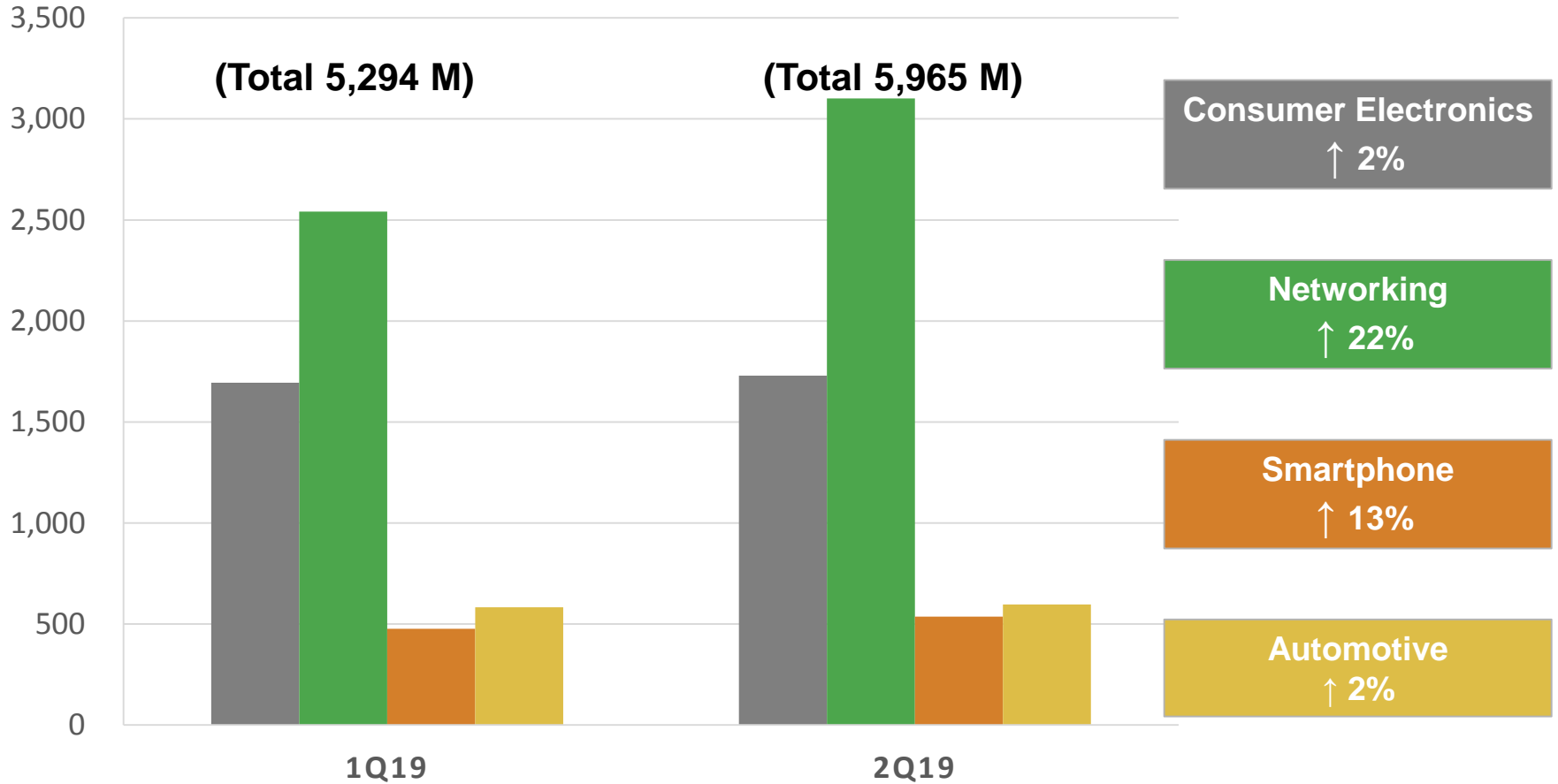
1Q18~2Q19 Product Mix

■ Consumer Electronics ■ Networking ■ Smartphone ■ Automotive



QoQ Change

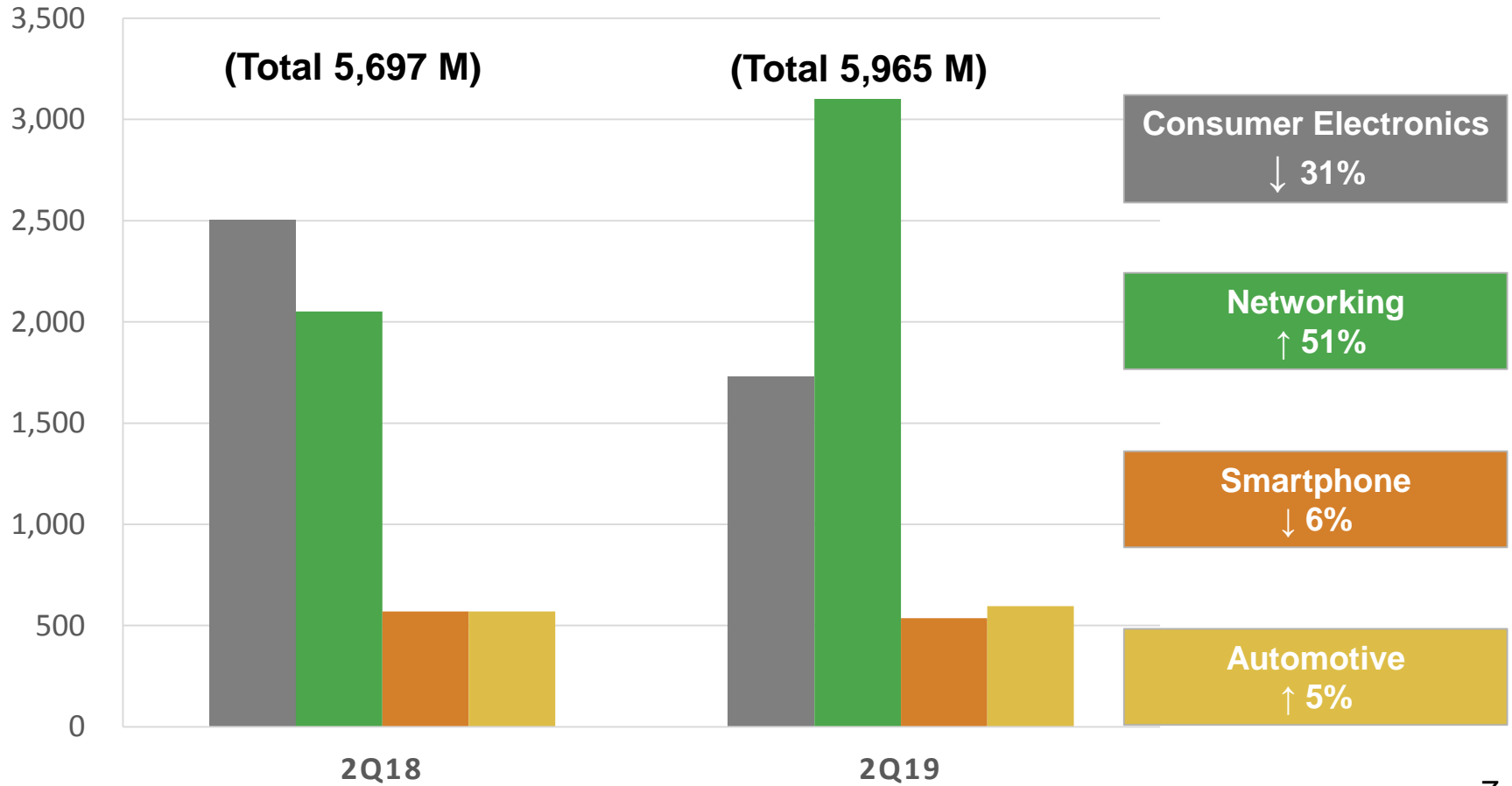
SALES
(NT\$ MILLION)



YoY Change

SALES
(NT\$ MILLION)

**Total Revenue
YoY +5%**



2Q19 Balance Sheet

NTD \$Million	1Q19	2Q18	2Q19
Total Assets	19,784	18,746	20,470
Cash	3,506	3,408	3,502
Marketable Securities	66	32	87
NR / AR	9,196	8,623	9,830
Inventories	1,854	2,179	1,818
Fixed Assets	3,257	2,591	3,406
Total Liabilities	11,109	11,480	12,481
Short-term Debt	3,456	2,424	3,181
NP / AP	4,587	5,314	4,878
Long-term Debt	876	1,005	947
Total Equity	8,675	7,266	7,990
Key Financial Ratio (%)			
ROE	23.0	23.4	27.1
ROA	10.2	9.5	11.3
Debt ratio	56.2	61.2	61.0

Increasing “Need for Speed”

● Key contributors to data demand include

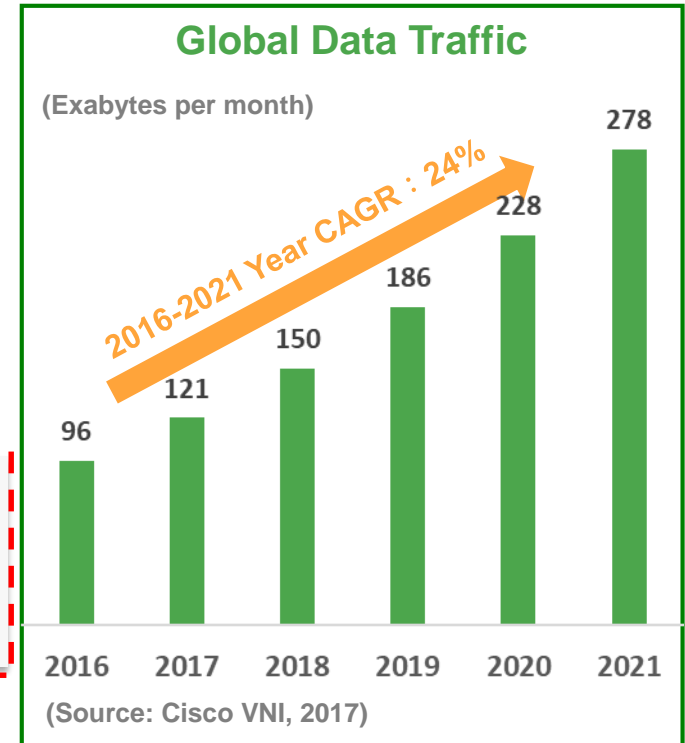
- Ultra-High-Definition Video streaming
- Connected Home, Work, Health and Car
- Analytics, Big Data, and AI applications
- Virtual Reality (VR) and Augmented Reality (AR)

Rapid growth of internet traffic is driving the need for

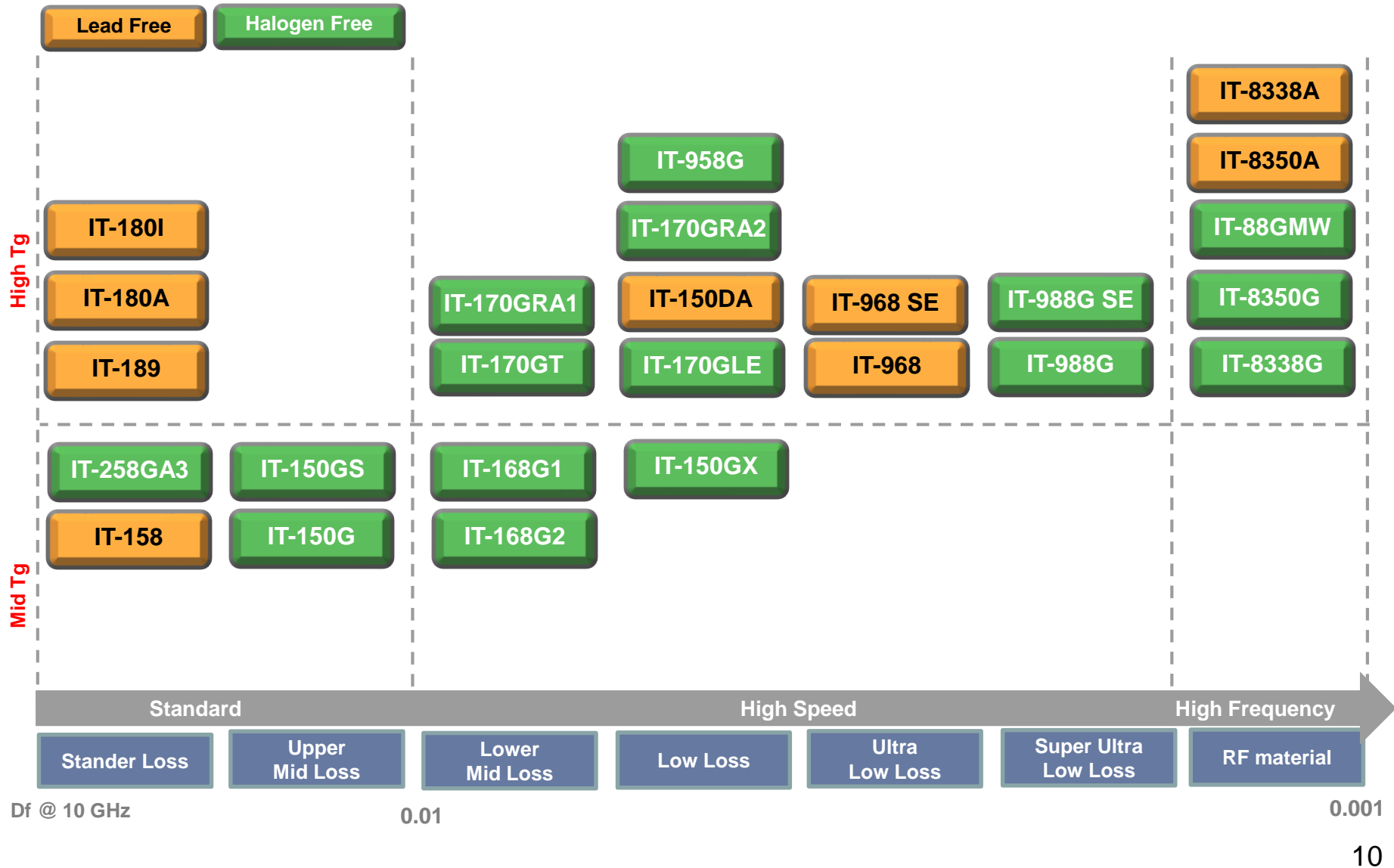
1. Data center deployment and upgrade
2. 5G networking commercialization

● Material Challenges

- Lower Dielectric constant (Dk) and Dissipation factor (Df)
- Attenuation
- Stability of dielectric properties over temperature, frequency, and humidity
- High Thermal durability and conductivity



Product Line



New Production Site - JiangXi



Wuxi

Laminate : 1,800 K sheets
Prepreg : 8,500 K meters



Hsin Pu(Taiwan)

Laminate : 450 K sheets
Prepreg : 1,800 K meters



Dong Guan

Laminate : 1,000 K sheets
Prepreg : 4,500 K meters



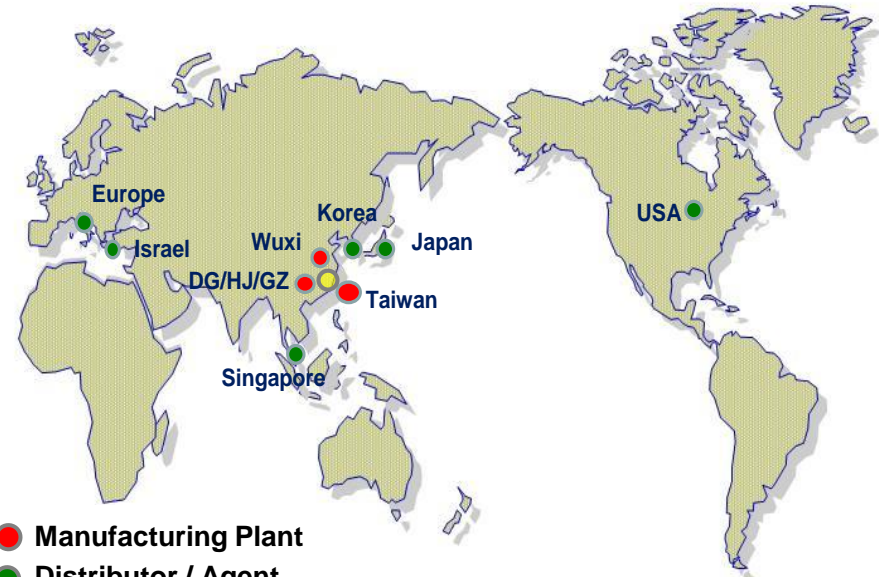
Guang Zhou(Flexible CCL)

3 Layer FCCL : 750 K SQM
2 Layer FCCL : 140 K SQM



Huang Jiang

Mass lam : 500 K SQFT



- Manufacturing Plant
- Distributor / Agent
- New Plant

JiangXi (First stage)

Laminate : 600 K sheets
Prepreg : 4,500 K meters
Investment : 2.8 Billion NTD
Mass Production : 3Q, 2019 for 300 K sheets
4Q, 2019 for 300 K sheets

2012 – 2018 Dividend Payout

Year	EPS(NT\$)	Dividend(NT\$)	Cash Dividend(NT\$)	Pay-out Ratio(%)
2012	3.34	2.5	2.5	75%
2013	2.52	2.2	2.2	87%
2014	1.62	1.2	1.2	74%
2015	1.92	1.6	1.6	83%
2016	3.13	2.5	2.5	80%
2017	4.11	3.1	3.1	75%
2018	5.86	3.8	3.8	65%



Thank You

