

turnkey **Test** and **Auto** **mation**  
**Solution** provider™



CHROMA ATE INC.

**2021.2Q Earnings Conference Call**

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**29<sup>th</sup> July, 2021**

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This presentation contains some forward-looking statements that are subject to substantial risks and uncertainties. Typically, these statements contain words such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “plan”, “forecast”, “project”, “predict”, “potential”, “continue”, “may”, “should”, “will”, and “would” or similar words. You should consider these forward-looking statements carefully because such statements are only our expectations or projections about future events, and actual results may differ materially from those expressed or implied by such statements. The forward-looking statements in this presentation include, but are not limited to, growth rates for various markets estimated by third party sources, future products and technology development, widespread market acceptance of the hosted delivery model, future revenue growth and profitability. You should be cautioned that the forward-looking statements are no guarantee of our future performance. The forward-looking statements contained in this presentation are made only as of the date of this presentation and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances, except as required by law.

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- **Financial Review**
- **Operation Highlights**
- **Q&A**

# FINANCIAL REVIEW



# Year 2021.1H Condensed Consolidated Income Statement



## Condensed Consolidated P&L

(In Million NTD, except for EPS in NTD)

	2021.1H	%	2020.1H	%	YoY %
<b>Net Sales</b>	<b>8,718</b>	<b>100%</b>	<b>7,200</b>	<b>100%</b>	<b>21%</b>
Consolidated Sales of Testing Equipment Business	6,705	77%	5,580	78%	20%
Consolidated Sales of MAS	364	4%	306	4%	19%
Consolidated Sales of New Material	1,457	17%	1,171	16%	24%
Others	192	2%	143	2%	34%
Cost of Goods Sold	(4,546)	(52%)	(3,591)	(50%)	27%
<b>Gross Profit</b>	<b>4,172</b>	<b>48%</b>	<b>3,609</b>	<b>50%</b>	<b>16%</b>
Operating Expenses:					
General & Administration	(1,947)	(22%)	(1,646)	(23%)	18%
Research & Development	(746)	(9%)	(644)	(9%)	16%
<b>Operating Income</b>	<b>1,479</b>	<b>17%</b>	<b>1,319</b>	<b>18%</b>	<b>12%</b>
Non-Operating Income (Expenses), net	1,898	22%	65	1%	2820%
Income (Loss) Before Tax	3,377	39%	1,384	19%	144%
Income Tax	(609)	(7%)	(303)	(4%)	100%
<b>Net Income</b>	<b>2,768</b>	<b>32%</b>	<b>1,081</b>	<b>15%</b>	<b>156%</b>
Other Comprehensive Income (Losses)	207	2%	(69)	(1%)	n/a
<b>Comprehensive Income</b>	<b>\$ 2,975</b>	<b>34%</b>	<b>\$ 1,012</b>	<b>14%</b>	<b>194%</b>
<b>Net Income (Losses) Attributable To:</b>					
Shareholders of the Parent	2,729	31%	1,054	15%	159%
Noncontrolling Interests	39	1%	27	-	44%
	<b>\$ 2,768</b>	<b>32%</b>	<b>\$ 1,081</b>	<b>15%</b>	<b>156%</b>
<b>EPS (Basic)</b>	<b>\$ 6.50</b>		<b>\$ 2.53</b>		<b>157%</b>
<b>EPS (Diluted)</b>	<b>\$ 6.47</b>		<b>\$ 2.51</b>		<b>158%</b>

# Balance Sheet Highlights & Financial Ratio

<u>Consolidated</u> (In Million NTD)	<u>2021. June</u>	<u>2020. Dec</u>	<u>+ / - %</u>
<b>Balance Sheet Highlights</b>			
Cash & Short Term Investments	5,373	4,442	21%
Inventory	3,308	3,028	9%
Short Term Debt	1,333	3,187	- 58%
Long Term Debt	1,598	2,405	- 34%
Shareholders Equity	17,510	16,389	7%
<b>Total Assets</b>	<b>28,815</b>	<b>28,129</b>	<b>2%</b>
Inventory Turnover (Day)	125	130	
AR Turnover (Day)	98	120	
AP Turnover (Day)	108	122	
Net Debt to Equity (%)	Net Cash	7%	
<b>ROE (%) ●</b>	<b>14%</b>	<b>15%</b>	
<b>ROA (%) ●</b>	<b>8%</b>	<b>7%</b>	

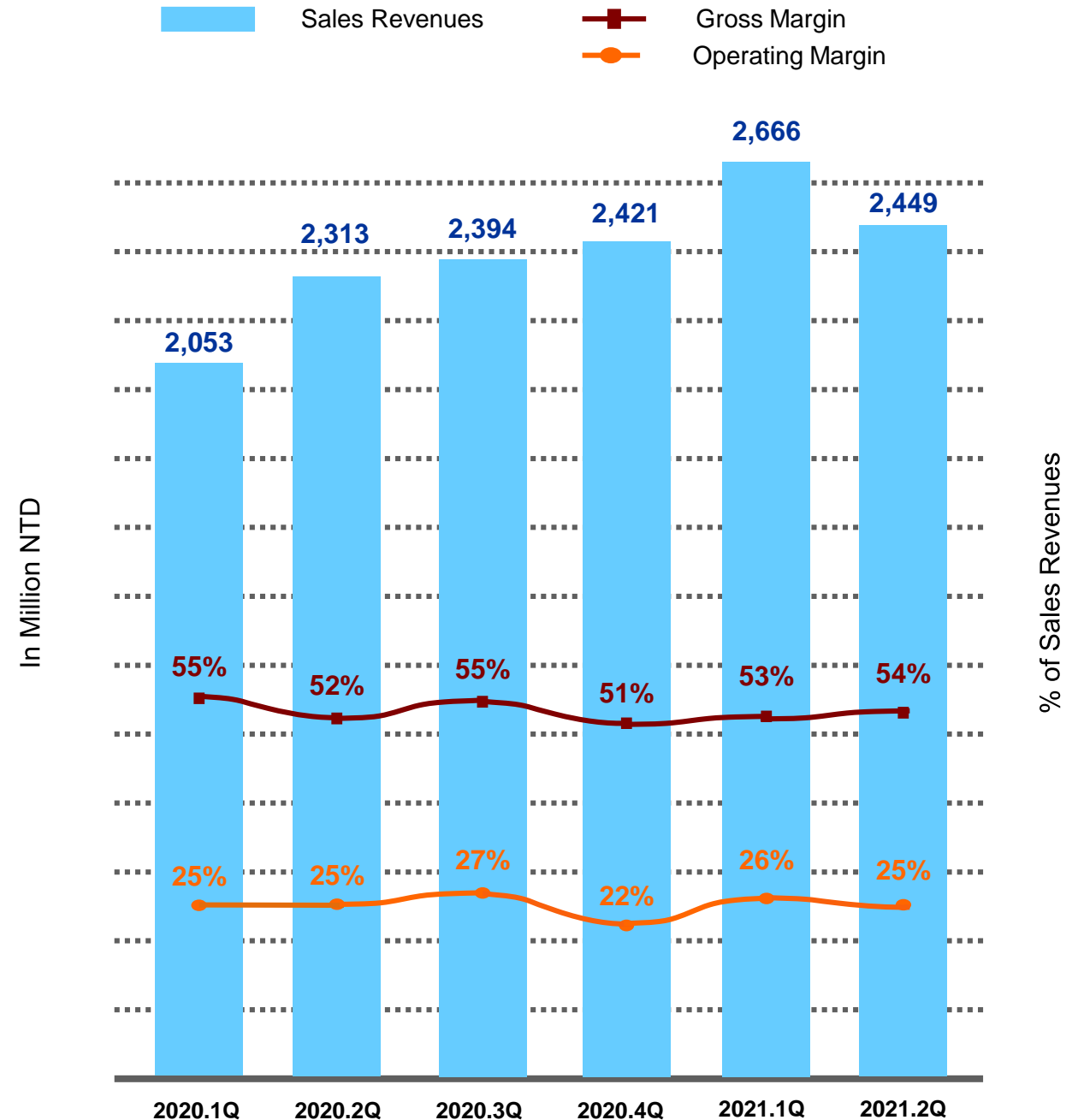
<b>Cash Position</b>	<u>2021.1H</u>	<u>2020.1H</u>	<b>YoY</b>
EBITDA	3,661	1,631	125%
Cash Flow from Operation	1,405	756	86%
<b>Free Cash Flow ●●</b>	<b>3,220</b>	<b>322</b>	<b>900%</b>

- All ROE + ROA has been annualized (excluded capital gain).
- Free Cash Flow = Net Cash Provided by Operating Activities + (Net Cash used by Investing Activities)

# Quarterly Highlights

## 2021.2Q Key Points

- Sales Revenue: \$ 2,449 million, down 8% QoQ, up 6% YoY
- Gross Margin: 54%
- Operating Margin: 25%
- Net Income: NT\$ 481 million, down 79% QoQ, down 18% YoY
- 2021.2Q Highlights:
  - The major growth sector in second quarter is contributed from Test Instruments & ATS, which presented a growth of 18% QoQ and 9% YoY respectively.



# Year 2021.2Q Condensed Income Statement

## Condensed P&L – Parent Only

(In Million NTD, except for EPS in NTD)

	2021.2Q	%	2021.1Q	%	QoQ %	2020.2Q	%	YoY %
<b>Net Sales</b>	2,449	100%	2,666	100%	(8%)	2,313	100%	6%
Cost of Goods Sold	(1,119)	(46%)	(1,266)	(47%)	(12%)	(1,112)	(48%)	1%
<b>Gross Profit</b>	1,330	54%	1,400	53%	(5%)	1,201	52%	11%
Operating Expenses:								
General & Administration	(376)	(15%)	(370)	(14%)	2%	(330)	(14%)	14%
Research & Development	(344)	(14%)	(333)	(13%)	3%	(302)	(13%)	14%
<b>Operating Income</b>	610	25%	697	26%	(12%)	569	25%	7%
Non-Operating Income (Expenses), net ●	(3)	-	1,933	73%	n/a	145	6%	n/a
Income (Loss) Before Tax	607	25%	2,630	99%	(77%)	714	31%	(15%)
Income Tax	(126)	(5%)	(382)	(14%)	(67%)	(130)	(6%)	(3%)
<b>Net Income</b>	\$ 481	20%	\$ 2,248	85%	(79%)	\$ 584	25%	(18%)
Other Comprehensive Income	75	3%	137	5%	(45%)	(1)	-	n/a
<b>Comprehensive Income</b>	\$ 556	23%	\$ 2,385	90%	(77%)	\$ 583	25%	(5%)
<b>EPS (Basic)</b>	\$ 1.14		\$ 5.36		(79%)	\$ 1.40		(19%)
<b>EPS (Diluted)</b>	\$ 1.14		\$ 5.33		(79%)	\$ 1.39		(18%)

● 100% owned subsidiaries' income - New Material: 14m (QoQ ↑ 133%, YoY ↑ 250%); MAS: (214m).



# Year 2021.1H Condensed Income Statement

<b>Condensed P&amp;L – Parent Only</b> (In Million NTD, except for EPS in NTD)	<u>2021.1H</u>	<u>%</u>	<u>2020.1H</u>	<u>%</u>	<u>YoY</u> %
<b>Net Sales</b>	5,115	100%	4,365	100%	17%
Cost of Goods Sold	(2,385)	(47%)	(2,041)	(47%)	17%
<b>Gross Profit</b>	2,730	53%	2,324	53%	17%
Operating Expenses:					
Selling and General & Administration	(746)	(14%)	(672)	(15%)	11%
Research & Development	(677)	(13%)	(580)	(13%)	17%
<b>Operating Income</b>	1,307	26%	1,072	25%	22%
Non-Operating Income (Expenses), net ●	1,930	37%	208	4%	828%
Income (Loss) Before Tax	3,237	63%	1,280	29%	153%
Income Tax	(508)	(10%)	(226)	(5%)	125%
<b>Net Income</b>	\$ 2,729	53%	\$ 1,054	24%	159%
Other Comprehensive Income	213	4%	(62)	(1%)	n/a
<b>Comprehensive Income</b>	\$ 2,942	57%	\$ 992	23%	197%
<b>EPS (Basic)</b>	\$ 6.50		\$ 2.53		157%
<b>EPS (Diluted)</b>	\$ 6.47		\$ 2.51		158%

● Non-operating Income included 100% owned subsidiaries' income - New Material: 20m (YoY ↑ 33%), MAS: (191m).

# Balance Sheet Highlights & Financial Ratio

**Parent Only** (In Million NTD)

## Balance Sheet Highlights

	<u>2021. June</u>	<u>2020. Dec</u>	+ / - %
Cash & Short Term Investment	1,622	902	80%
Inventory	2,690	2,331	15%
Short Term Debt	600	2,420	- 75%
Long Term Debt	1,350	2,230	- 39%
Shareholders Equity	17,134	16,063	7%
<b>Total Assets</b>	<b>25,176</b>	<b>24,406</b>	<b>3%</b>
Inventory Turnover (Day)	189	184	
AR Turnover (Day)	88	106	
AP Turnover (Day)	93	96	
Net Debt to Equity (%)	2%	23%	
<b>ROE (%)</b> ●	<b>14%</b>	<b>15%</b>	
<b>ROA (%)</b> ●	<b>10%</b>	<b>10%</b>	

## Cash Position

	<u>2021. 1H</u>	<u>2020. 1H</u>	<u>YoY</u>
EBITDA	3,407	1,409	142%
Cash Flow from Operation	1,100	663	66%
<b>Free Cash Flow</b> ●●	<b>3,136</b>	<b>102</b>	<b>2975%</b>

● All ROE + ROA has been annualized (excluded capital gain).

●● Free Cash Flow = Net Cash Provided by Operating Activities + (Net Cash used by Investing Activities)

**Chroma**

**OPERATION  
HIGHLIGHT**

**Test**  
**Auto**  
**Solution**  
**providers**

# 2021.2Q & 1H Product Mix and Consolidated Sales Breakdown

(Unit: Million NTD)

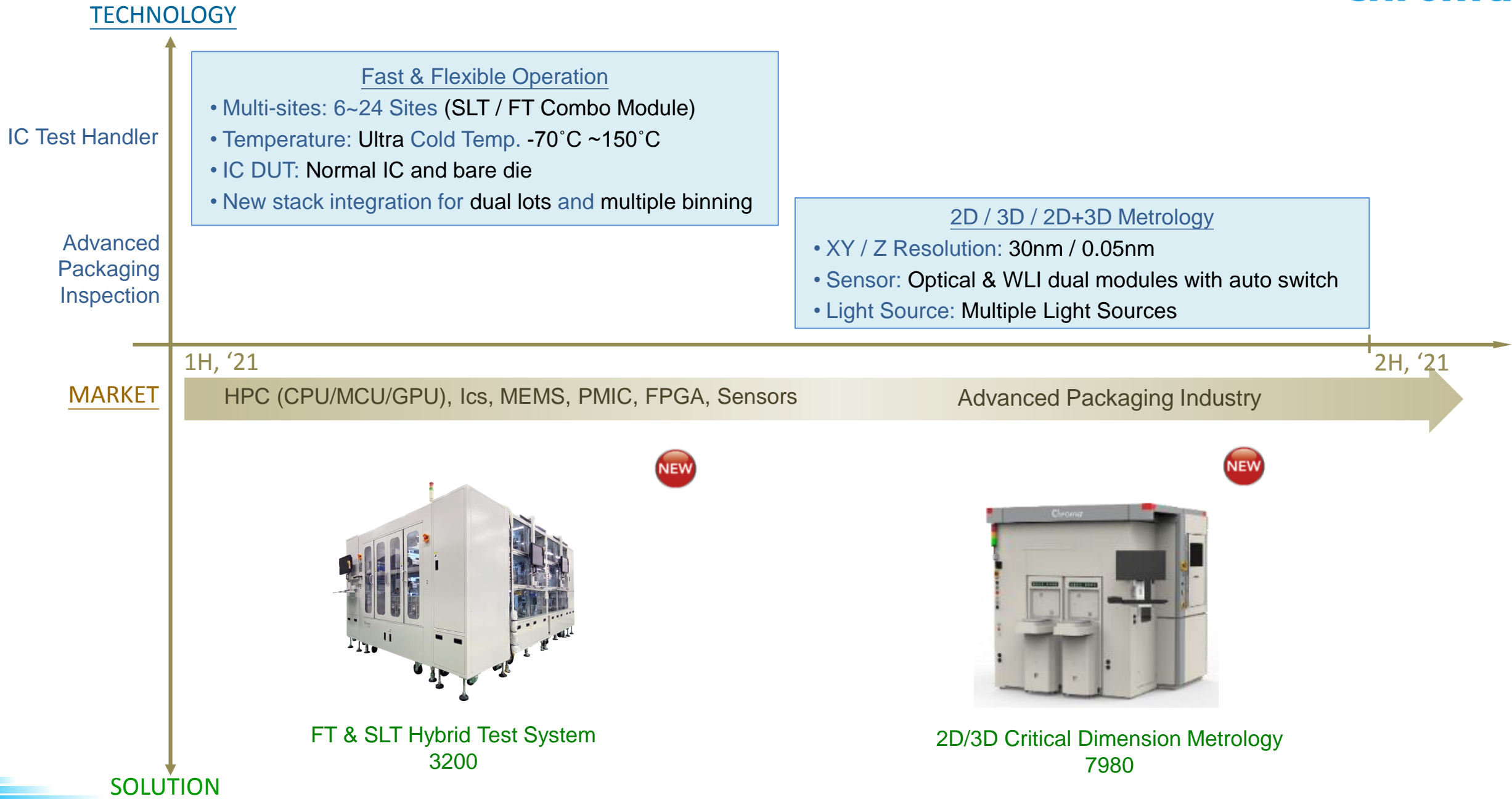
	<u>2021.2Q</u>	<u>%</u>	<u>QoQ</u>	<u>YoY</u>	<u>2021.1H</u>	<u>%</u>	<u>YoY</u>	<u>2020</u>	<u>%</u>
<b>Test Instruments &amp; Automatic Testing System (ATS)</b>	1,349	55%	18%	9%	2,491	49%	3%	4,849	53%
<b>Semiconductor / Photonics Test Solutions</b>	803	33%	(23%)	(3%)	1,845	36%	23%	3,025	33%
<b>Turnkey Solutions</b>	33	1%	(84%)	(45%)	245	5%	113%	456	5%
<b>Service &amp; Others</b>	264	11%	(2%)	41%	534	10%	60%	850	9%
<b>Total of Parent Company Sales</b>	<b>2,449</b>	<b>100%</b>	<b>(8%)</b>	<b>6%</b>	<b>5,115</b>	<b>100%</b>	<b>17%</b>	<b>9,180</b>	<b>100%</b>
<b>+ Sales from Overseas Operations &amp; Related Subsidiaries</b>	910		34%	28%	1,590		31%	2,865	
<b>Chroma Consolidated Testing Equipment Business</b>	<b>3,359</b>	<b>76%</b>	-	11%	<b>6,705</b>	<b>77%</b>	20%	<b>12,045</b>	<b>78%</b>
<b>MAS</b>	221	5%	55%	71%	364	4%	19%	618	4%
<b>New Material</b>	765	17%	11%	25%	1,457	17%	24%	2,551	16%
<b>Other Subsidiaries</b>	100	2%	9%	54%	192	2%	34%	318	2%
<b>Consolidated Sales</b>	<b>4,445</b>	<b>100%</b>	<b>4%</b>	<b>16%</b>	<b>8,718</b>	<b>100%</b>	<b>21%</b>	<b>15,532</b>	<b>100%</b>

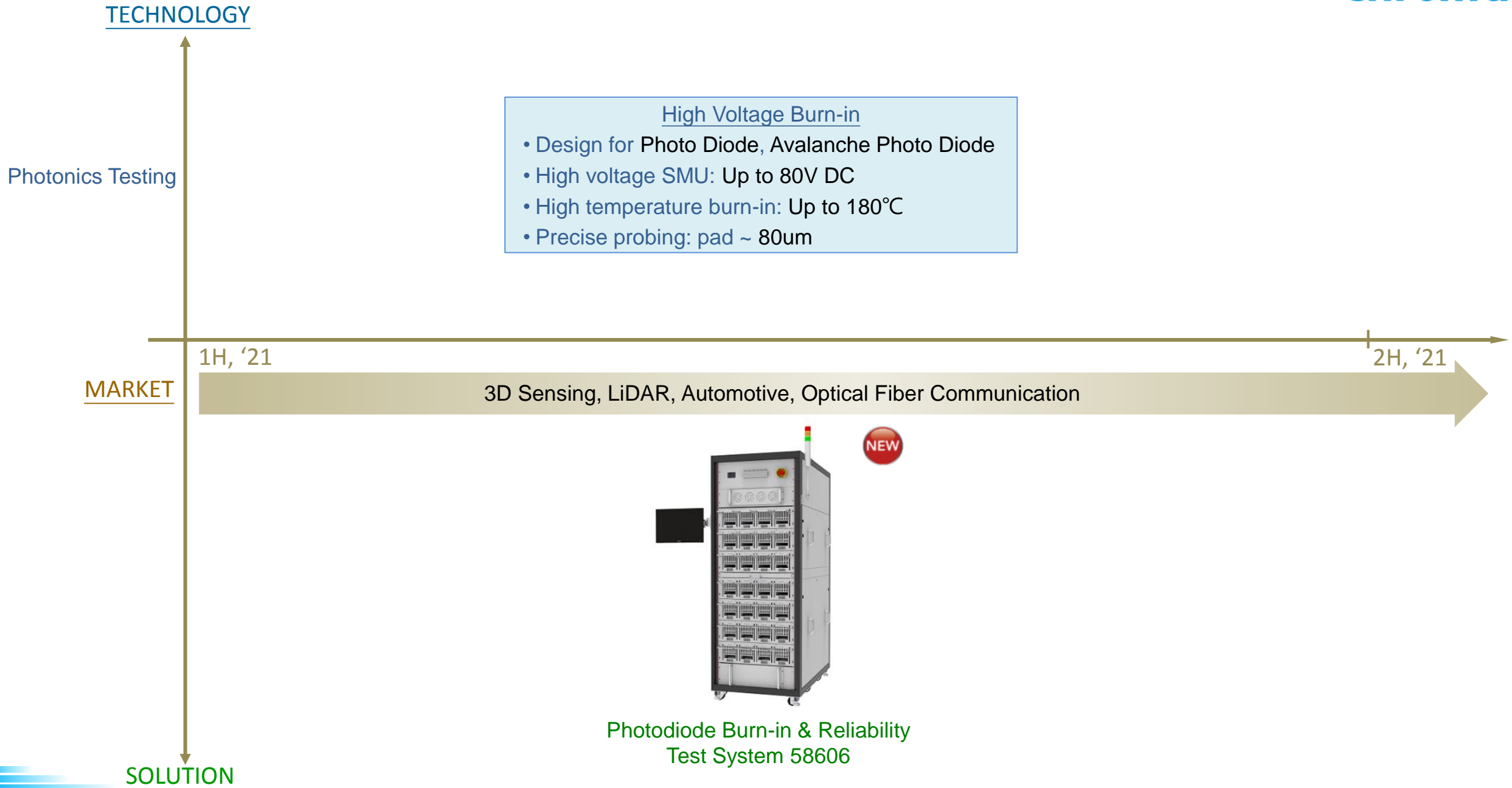


## Year 2021 Guidance

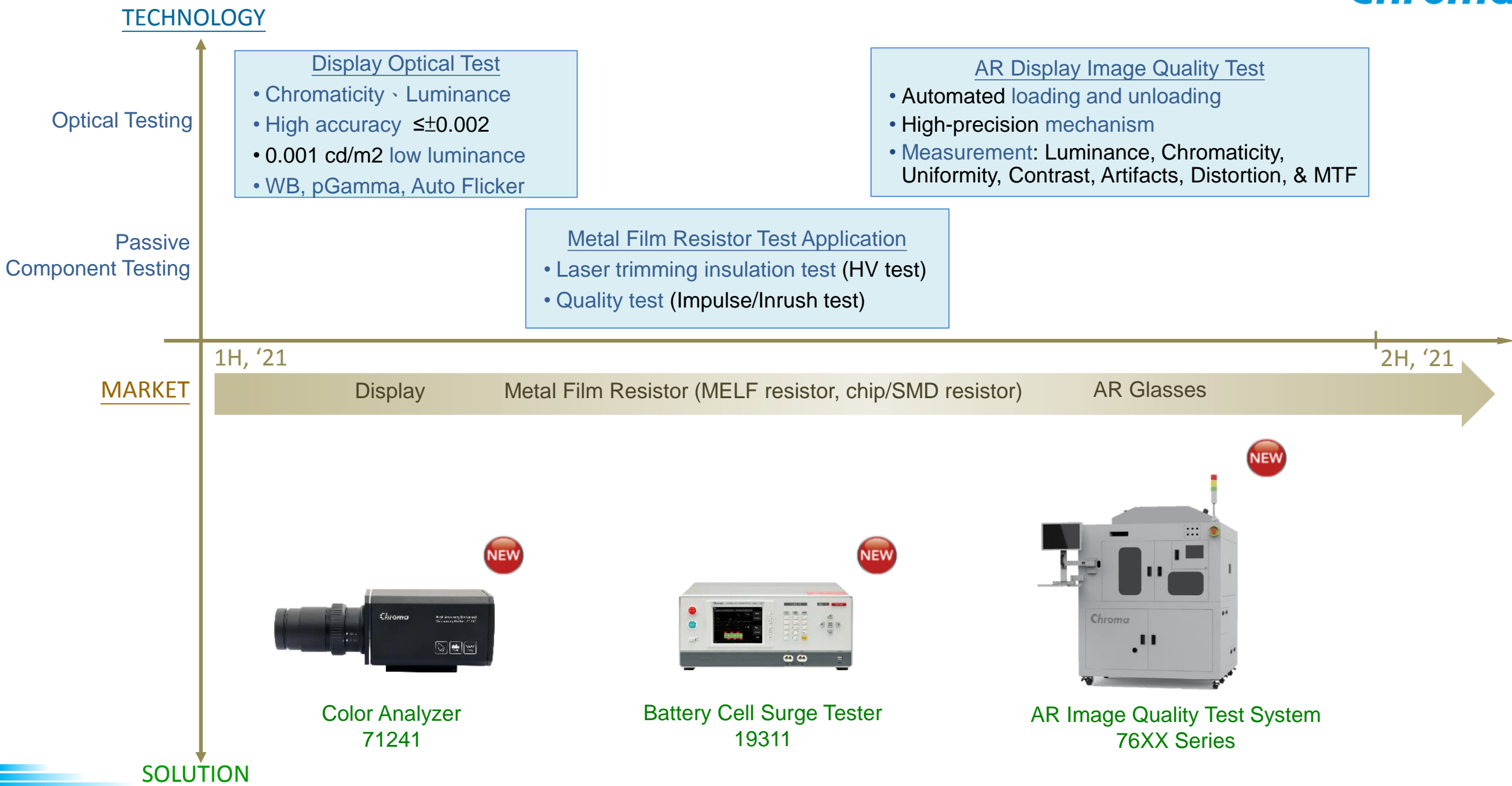
- For the first half in 2021, Chroma total consolidated sales revenues reached 8.7 billion NTD, presented a growth of 21% YoY. The Parent Company sales reached 5.1 billion, presented a growth of 17% YoY, mainly contributed from Semiconductor / Photonics testing solutions which increased by 23% compared to year 2020.
- 2021 Business Outlook:
  - ✓ Semiconductors / Photonics testing solution remains strong in second half, continued drive by increasing demand of automotive IC, development of 5G-related and high performance chip (HPC) applications. Key drivers are:
    - CIS / VCSEL / ToF testing solutions
    - Wireless RF and MCU testing solutions
    - High Reliability Testing Solutions : Burn-in Test, SLT Test with thermal control dedicated for EV applications.
  - ✓ The Test Instruments & ATS for power testing solutions continues benefit from green energy, included EV related components, battery cell / module / pack and smart-grid and 5G / Server related power testing.
  - ✓ Developing of augmented reality / virtual reality glasses will be driving the demand for testing solutions from second half.

# Semiconductor / Photonics Test Solutions





# Test Instruments & ATS Solution





# Test Instruments & ATS Solution

## TECHNOLOGY



Programmable DC Source

- High Power Density: 1.7kW x 3ch in 1U
- Voltage rating: Up to 600V
- Power rating: 1.7kW/3.4kW/5kW

Bidirectional DC Supply, Regenerative

- Bidirectional: Source & Load
- Power: 0~1200/1800V, 0-40A, 18kW
- Load Changed +90%~ -90%, <4ms

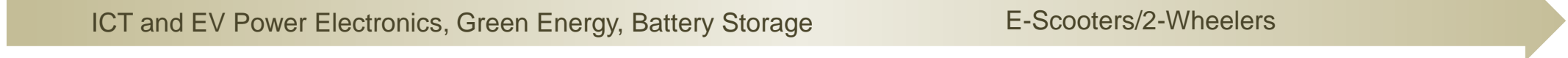
Charging Emulation

- CHAdeMO E-Scooter standard
- Simulating multiple charging conditions

1H, '21

2H, '21

## MARKET



**NEW**

Programmable DC Power Supply  
62017E-600P-3

**NEW**

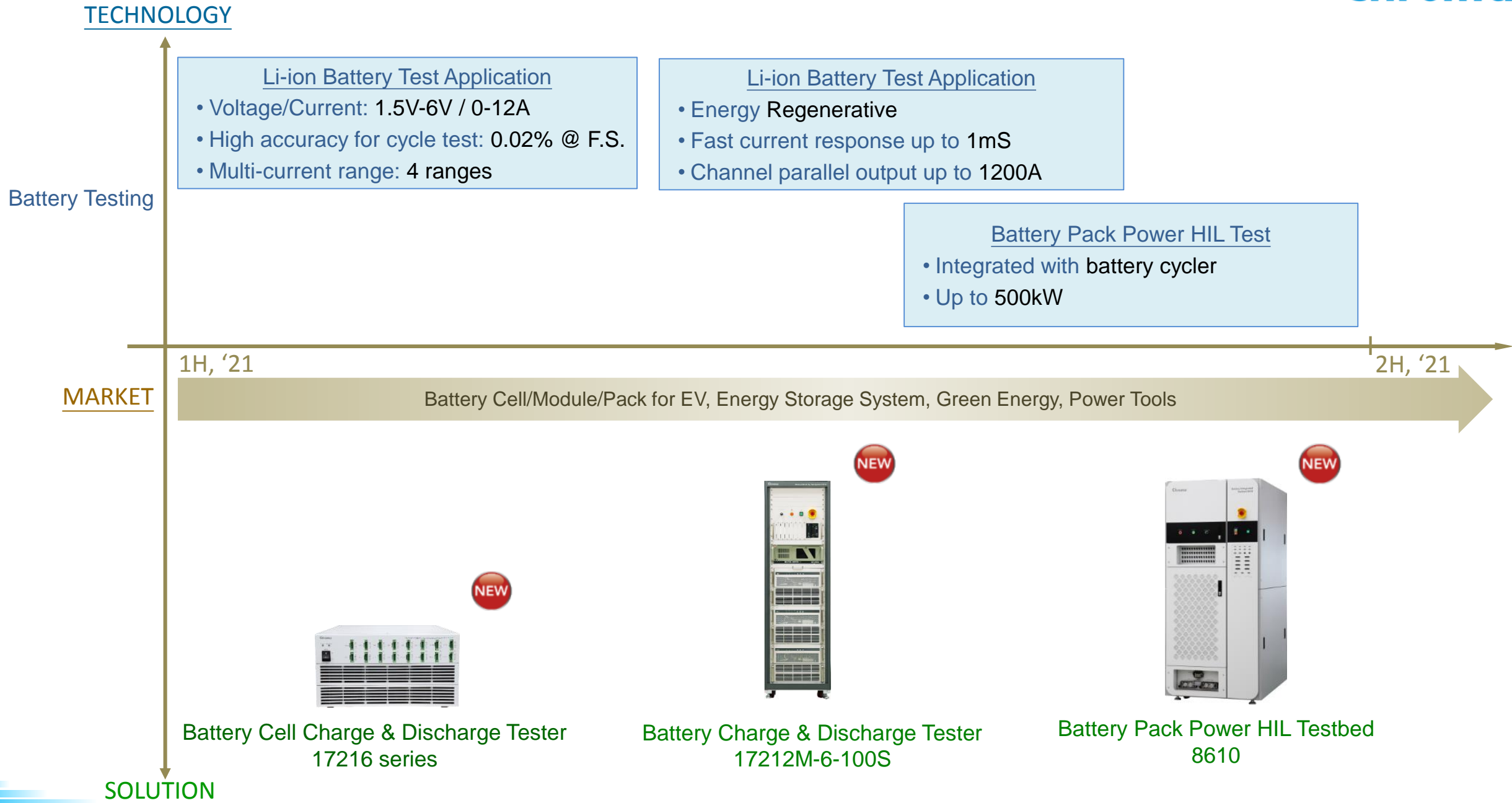
Bidirectional DC Power Supply  
62180D-1200/1800

**NEW**

CHAdeMO E-Scooter Emulation System  
8000

## SOLUTION

# Test Instruments & ATS Solution





Keep going beyond

Thank  
You !