



**UH+U TECHZONE (3455)**

# Investor Conference

2018 . 12 . 13

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# 1. Basic Information

# Utechzone Introduction

- 1 Utechzone was established in 1992. The first AOI manufacturer to be listed on Taiwan OTC market in 2007.
- 2 Main business : **Automatic Optical Inspection (AOI)** & **AI Auto Defect Classification (AI)**
- 3 Main Industry : A. Display Front End      B. Display Back End      C. Flex & Package PCB  
D.COFA Tape & Chip<sup>New</sup>      E.PCB<sup>New</sup>      F. Semicon. Assembly<sup>New</sup>
- 4 The AOI manufacturer with the greatest yearly revenue in greater China area since 2003.
- 5 Current Employee : 458

# Utechzone Introduction

- 6 2017 revenue = 28.06 (NTD one hundred million) , EPS = 2.75
- 7 Utechzone made a tender offer to purchase more than a quarter of Favite' s share in 2018.
- 8 Peers in the AOI industry

	Orbotech	Camtek	Rudolph	Screen	JINGCE	Machvision
1. 2017 Revenue ( NTD one hundred million)	270.26	28.06	76.53	933.26	40.28 (AOI Revenue 18.25)	14.21
2. 2017 Gross Margin	47%	49%	53%	32%	46% (AOI Gross Margin 35.88%)	64%
3.12/10 Market Cap. ( NTD one hundred million)	834.89	85.22	184.79	723.57	372.99	160.63
4. CAGR (2015~2017 Revenue)	9.41%	-2.96%	7.27%	14.32%	46.41%	52.61%

\* Screen's 2017 annual revenue is accumulated between 2017.4.1 and 2018.3.31

\* AOI products accounts for 45.31% of JINGCE's revenue

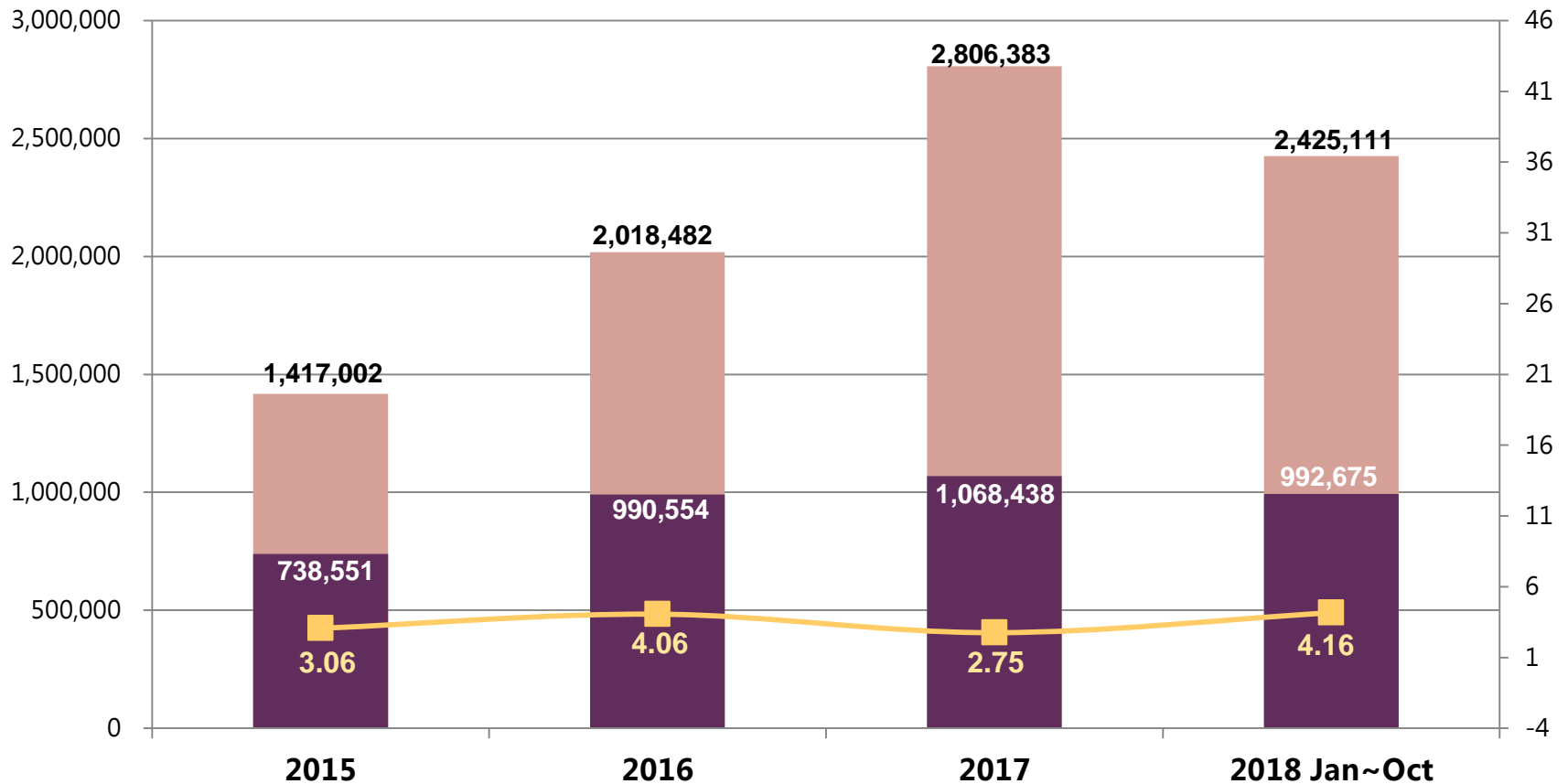
# Utechzone- Sales Performance

Unit : Thousands (NTD)

Revenue

Gross Profit

EPS



Gross Margin

52%

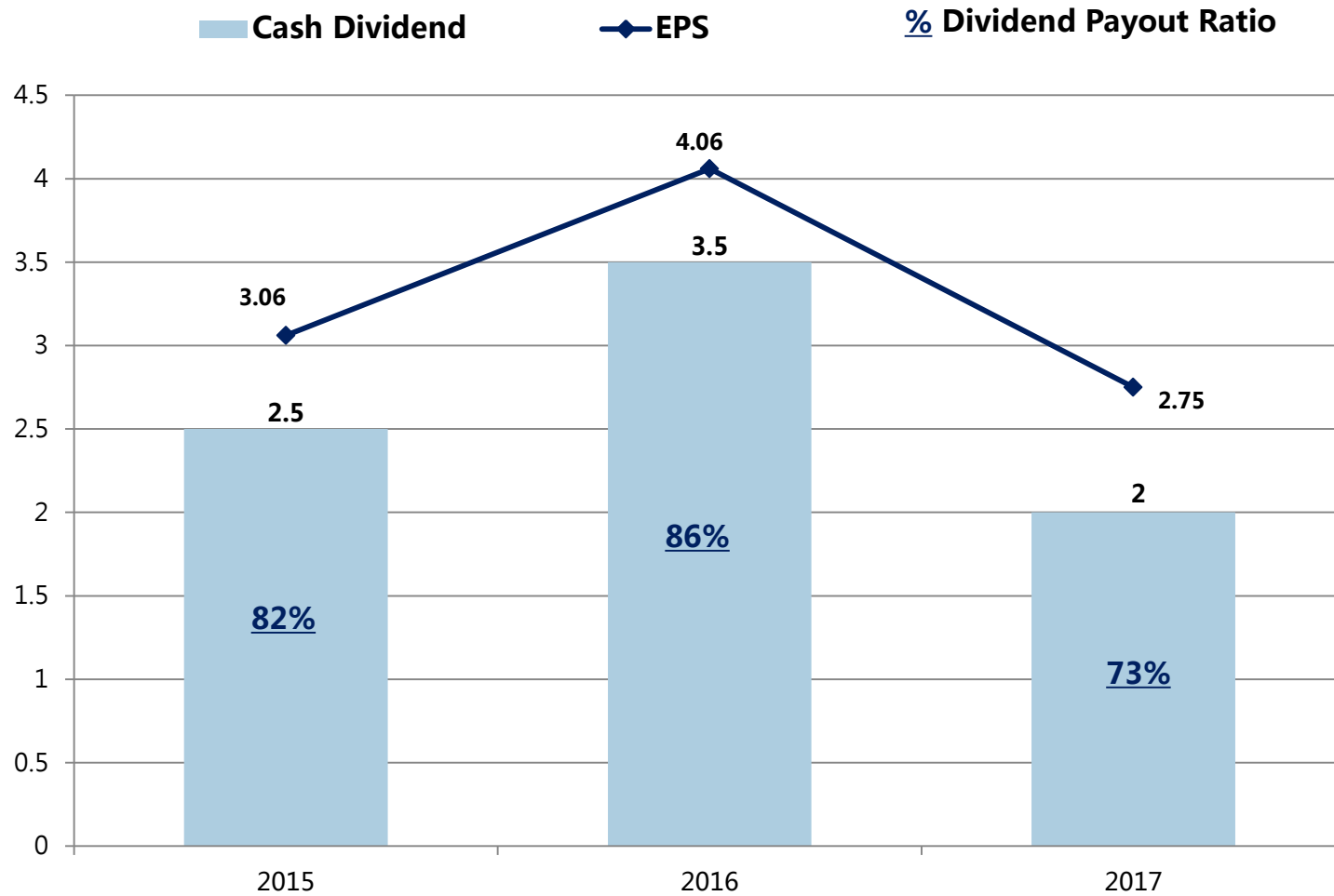
49%

38%

41%

*CAGR for the past three years = 40.73%*

# Utechzone- Dividend Policy



The background features a collage of financial data. At the top left, there's a candlestick chart with price points like 397 +0.45%, 339 -1.07%, 330 +0.88%, and 315 +0.14%. Below it is a line graph. The word 'UTECHZONE' is repeated in large, semi-transparent blue letters across the middle. At the bottom, there's a 3D architectural rendering of modern skyscrapers. 

## 2. Financial Statement

# 2018 Q1~Q3 Consolidated Statements of Comprehensive Income

## Consolidated Statements of Comprehensive Income

(In Thousands of NTD, Except for NT Dollar for EPS)

	2018 Q1~Q3		2017 Q1~Q3		YOY
	Amount	%	Amount	%	%
<b>Revenue</b>	<b>2,061,488</b>	<b>100</b>	<b>1,744,834</b>	<b>100</b>	<b>18%</b>
Display Front-End AOI	953,511	46	893,308	51	7%
Display Back-End AOI	428,326	21	419,911	24	2%
Flex & Package PCB AOI	670,309	33	429,397	25	56%
Others	9,342	-	2,218	0	321%
Cost of Revenue	1,215,546	59	1,053,137	60	15%
<b>Gross profit</b>	<b>845,942</b>	<b>41</b>	<b>691,697</b>	<b>40</b>	<b>22%</b>
Operating Expenses					
Selling	313,006	15	245,760	14	27%
Administration	114,961	6	105,433	6	9%
Research and Development	161,257	8	167,339	10	-4%
Expected Credit Loss (Gain)	23,330	1	0	-	
Operating Expense	612,554	30	518,532	30	18%
<b>Operating Income</b>	<b>233,388</b>	<b>11</b>	<b>173,165</b>	<b>10</b>	<b>35%</b>
Other Expense (Income)	5,560	-	(90,292)	(5)	-106%
<b>Income Before Provision for Income Taxes</b>	<b>238,948</b>	<b>11</b>	<b>82,873</b>	<b>5</b>	<b>188%</b>
Provision for Income Taxes	37,132	2	20,840	1	78%
<b>Net Income</b>	<b>201,816</b>	<b>9</b>	<b>62,033</b>	<b>4</b>	<b>225%</b>
Other Comprehensive Income	(27,566)	(1)	(2,297)	-	1100%
<b>Comprehensive Income</b>	<b>174,250</b>	<b>8</b>	<b>59,736</b>	<b>4</b>	<b>192%</b>
Total net income					
Attributable to Shareholders of the parent	201,816	9	62,033	4	225%
Total comprehensive income					
Attributable to Shareholders of the parent	174,250	8	59,736	4	192%
<b>Basic earnings per share</b>	<b>3.28</b>		<b>1.01</b>		
<b>Diluted earnings per share</b>	<b>3.25</b>		<b>1.00</b>		

# 2018 Q3 Consolidated Statements of Comprehensive Income

## Consolidated Statements of Comprehensive Income

(In Thousands of NTD, Except for NT Dollar for EPS)

	2018 Q3		2017 Q3		YOY
	Amount	%	Amount	%	%
<b>Revenue</b>	<b>848,947</b>	<b>100</b>	<b>606,665</b>	<b>100</b>	<b>40%</b>
Display Front-End AOI	281,683	33	241,150	40	17%
Display Back-End AOI	183,042	22	168,363	28	9%
Flex & Package PCB AOI	384,036	45	197,131	32	95%
Others	186	-	21	-	786%
Cost of Revenue	484,902	57	360,123	59	35%
<b>Gross profit</b>	<b>364,045</b>	<b>43</b>	<b>246,542</b>	<b>41</b>	<b>48%</b>
Operating Expenses					
Selling	129,931	15	111,665	19	16%
Administration	38,881	5	20,861	3	86%
Research and Development	55,273	7	66,148	11	-16%
Expected Credit Loss (Gain)	(5,221)	(1)	0	-	
Operating Expense	218,864	26	198,674	33	10%
<b>Operating Income</b>	<b>145,181</b>	<b>17</b>	<b>47,868</b>	<b>8</b>	<b>203%</b>
Other Expense (Income)	1,180	-	327	-	261%
<b>Income Before Provision for Income Taxes</b>	<b>146,361</b>	<b>17</b>	<b>48,195</b>	<b>8</b>	<b>204%</b>
Provision for Income Taxes	29,273	3	12,350	2	137%
<b>Net Income</b>	<b>117,088</b>	<b>14</b>	<b>35,845</b>	<b>6</b>	<b>227%</b>
Other Comprehensive Income	(42,460)	(5)	1,015	-	-4283%
<b>Comprehensive Income</b>	<b>74,628</b>	<b>9</b>	<b>36,860</b>	<b>6</b>	<b>102%</b>
Total net income					
Attributable to Shareholders of the parent	117,088	14	35,845	6	227%
Total comprehensive income					
Attributable to Shareholders of the parent	74,628	9	36,860	6	102%
<b>Basic earnings per share</b>	<b>1.91</b>		<b>0.58</b>		
<b>Diluted earnings per share</b>	<b>1.89</b>		<b>0.58</b>		

# Selected Items from Balance Sheets

## Selected Items from Balance Sheets

(In Thousands of NTD)

	2018.Sep	2017.Dec	%
Cash and Marketable securities	632,244	933,453	-32%
Inventories	1,150,577	907,266	27%
Current liabilities	2,168,615	1,698,617	28%
Non-current liabilities	75,022	81,243	-8%
Total stockholders' equity	1,882,092 * After Distribution	1,847,709	2%
<b>Total assets</b>	<b>4,125,729</b>	<b>3,627,569</b>	<b>14%</b>

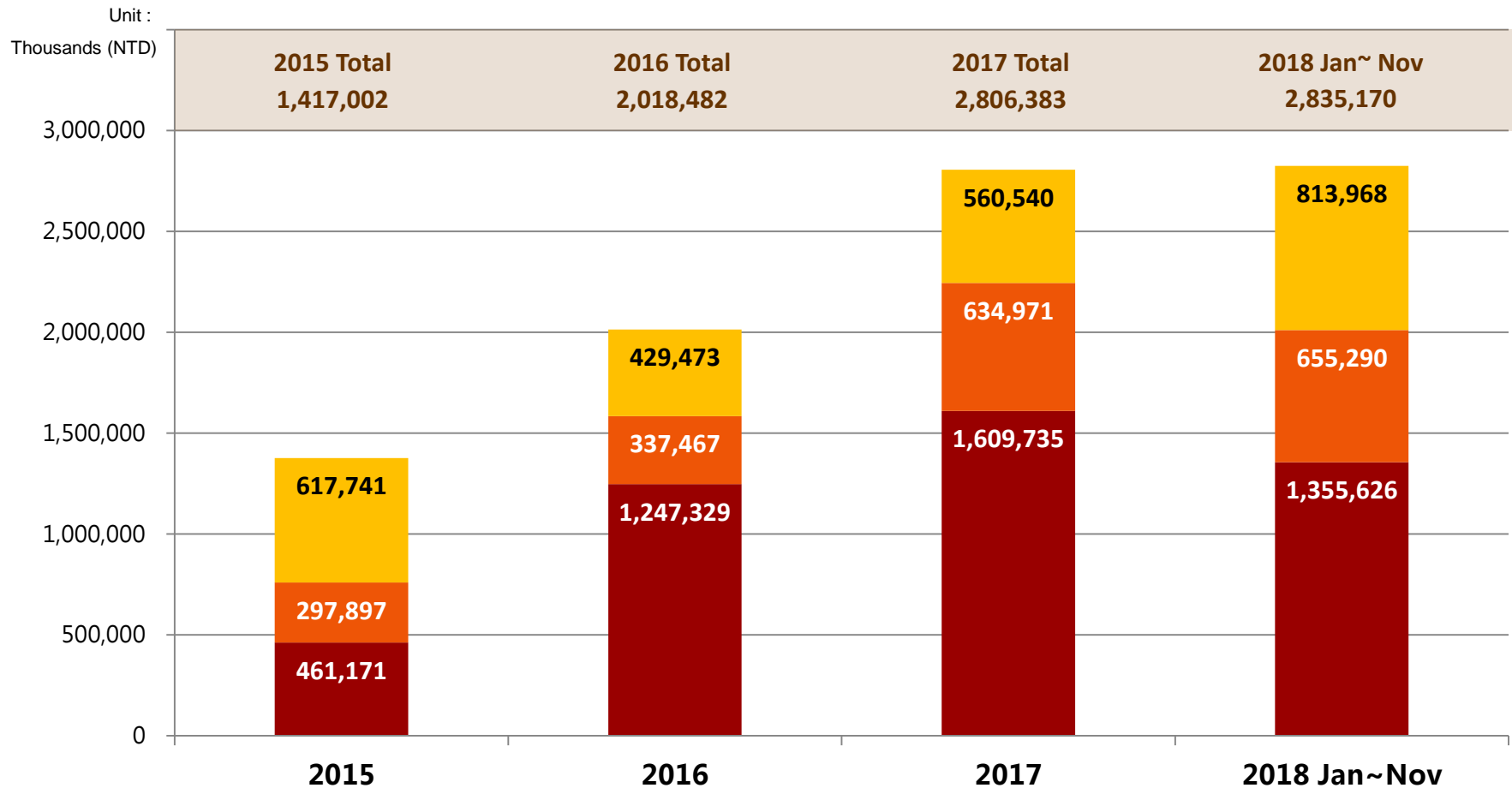


### 3. 2015~2017

#### Performance of Three Product Lines

# Performance of Three Product Lines

■ Display Front End AOI    ■ Display Back End AOI    ■ Flex & Package PCB AOI





## 4. Main Forces & Target

Four newly added product lines will be launched since 2019.



**COF  
AOI**

**Semicon.  
AOI**

**PCB  
AOI**

**AI System**

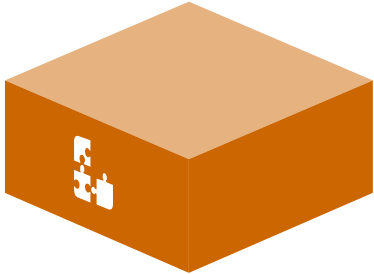
## Seven Driven Forces of Utechzone

*Traditional Force x 3*

*Newly-Added Force x 4*



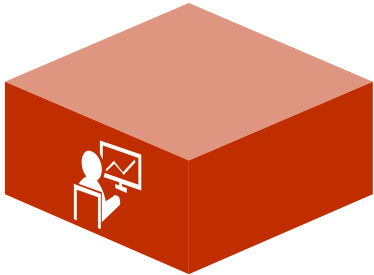
These seven driven forces utilizes the extension of  
**(1)Current Technologies**    **(2)Current Customers**  
to assure a prosperous future of Utechzone.



## AI for UT VRS

A potential 2.5~3 billion market size.

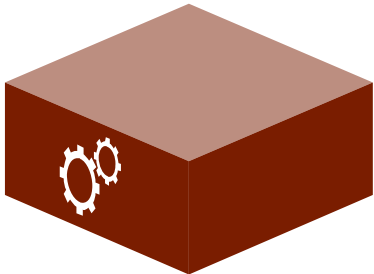
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## AI for Other Brand VRS

Market size is several times larger than AI for UT VRS.

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## Defect Root Cause Analysis

Unpredictable but tremendous

# Growth Target

After years of preparation, UT will experience the largest product portfolio expansion in 2019. The synergy between technology and market enables a forward-looking year.

## Growth Target of the Seven Product Lines

	Growth Rate	Revenue Share
1. Display Front End AOI	Remain Stable	40%~45%
2. Display Back End AOI	More than 25%	20%~25%
3. Flex & Package PCB AOI	More than 30%	20%~25%
4. COF AOI	New	5%~10%
5. Semicon. AOI	New	3%~5%
6. PCB AOI	New	2%~3%
7. AI System	New	5%~8%

\* Any modification will be updated in the following investor conference.

