

JMC ELECTRONICS CO.,LTD.



TAIEX : 6552

2020/08/26

- * JMC's statements of its current expectations are forward looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- * Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.



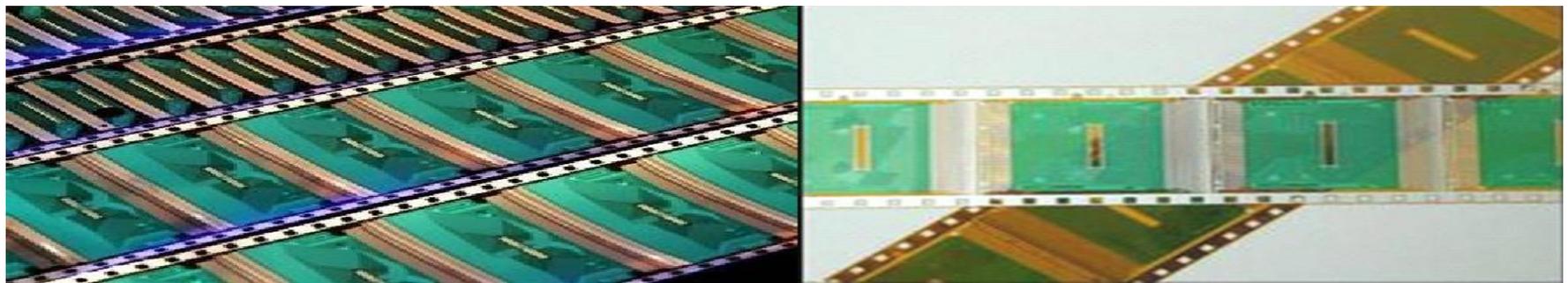
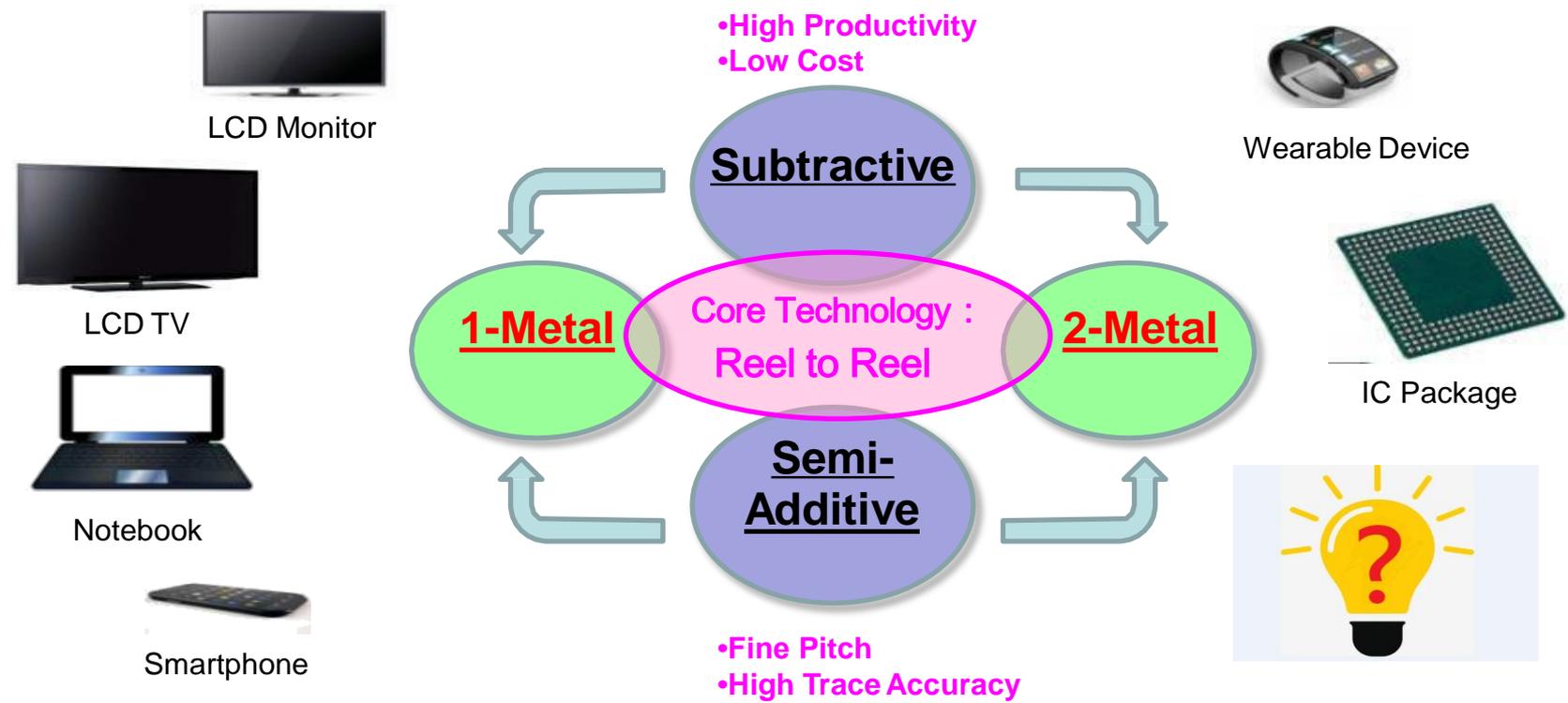
-Professional Reel-to-Reel Fine-Pitch Service

1. Company Introduction - Company Snapshot

- Established : October 6 ,1973
- Chairman : Canon Huang
- General Manager : Jane Lee
- Capital Stock : 1,000 million
- Major Shareholders : CWE 42%、 ChipMos 10%
- Number of employees as of Jun. 30,2020 : 789
- Major Product : COF(Reel to Reel Chip on Film)
- Headquarter : Kaohsiung,Taiwan

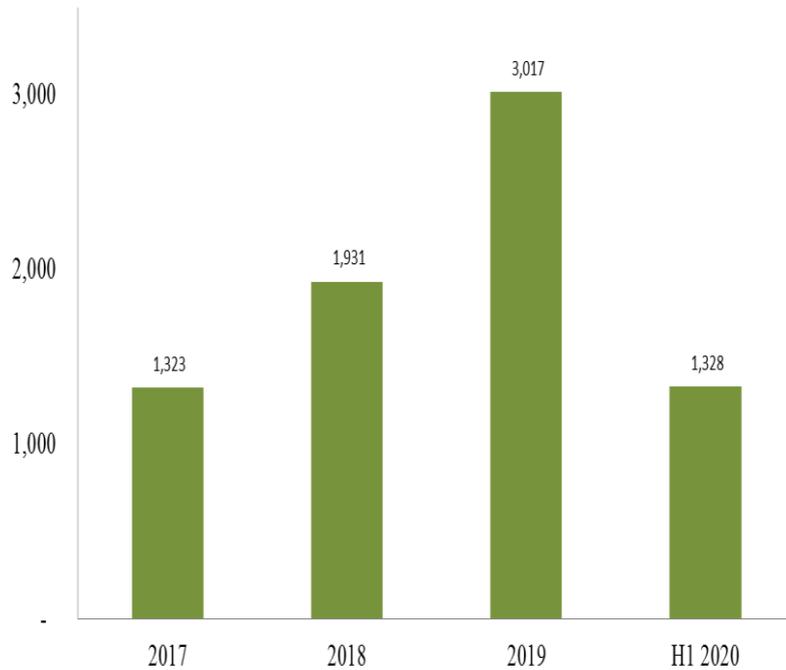


1. Company Introduction - Product Application

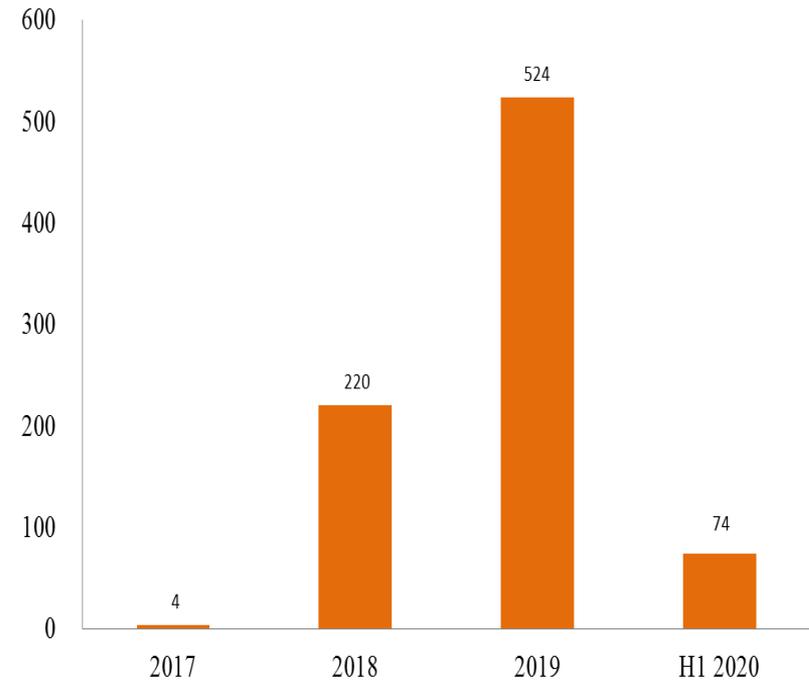


2. Financial Results - Results Highlights

Revenue



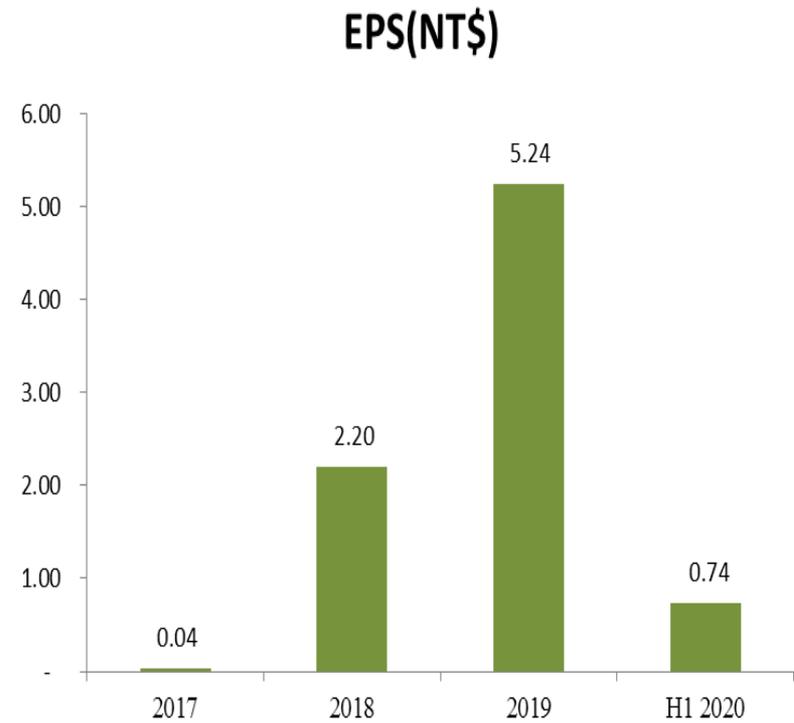
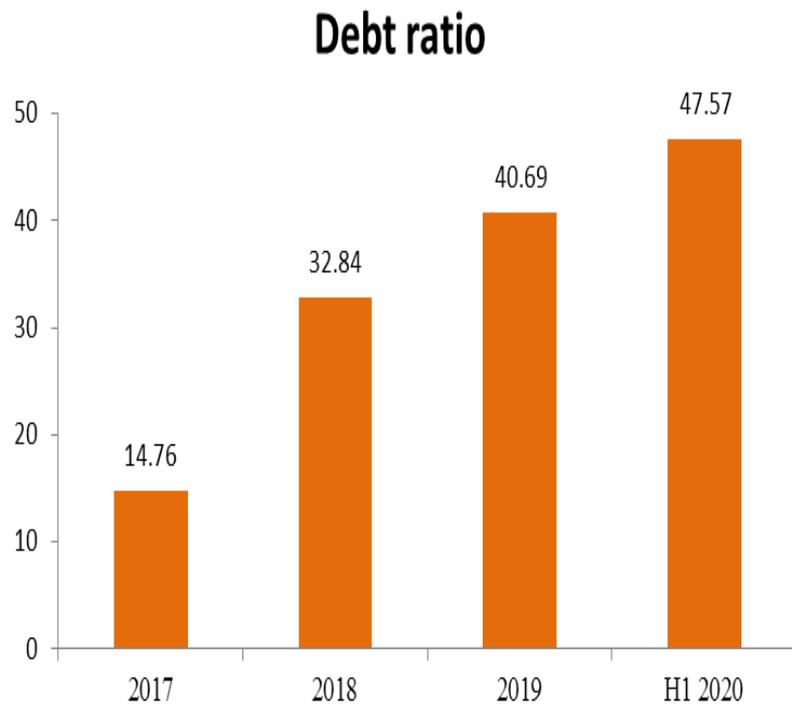
Net Income



(In NT\$ Million)

Year	2017	2018	2019	H1 2020
Revenue	1,323	1,931	3,017	1,328
Net Income	4	220	524	74

2. Financial Results - Results Highlights



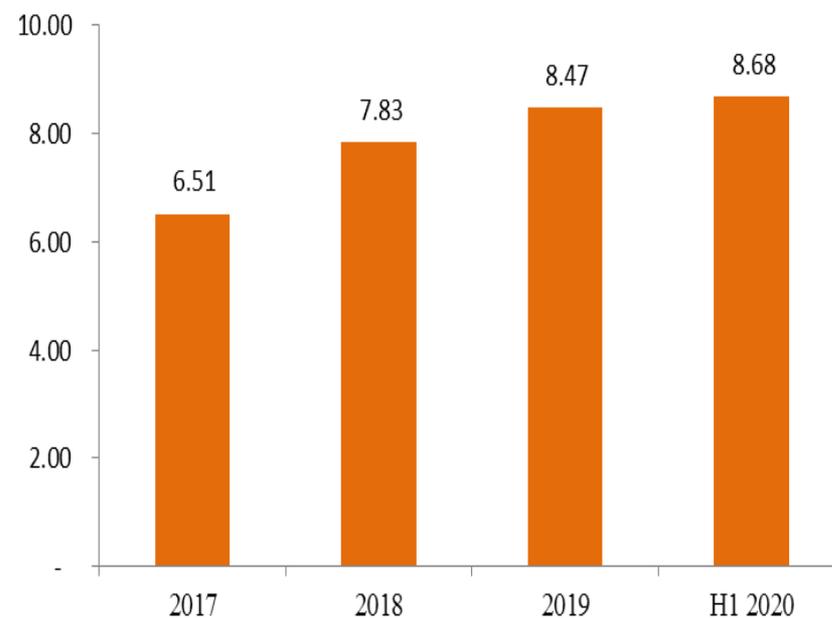
Year	2017	2018	2019	H1 2020
Debt Ratio(%)	14.76	32.84	40.69	47.57
EPS(NT\$)	0.04	2.20	5.24	0.74

2. Financial Results - Results Highlights

A/R Turnover ratio



Inventory Turnover ratio



Year	2017	2018	2019	H1 2020
A/R Turnover Ratio	6.60	6.60	7.26	5.94
Inventory Turnover ratio	6.51	7.83	8.47	8.68

3. Market & Business Overview - Large Panel

✓ Currently – COVID-19 affects consumption and leads to weaker demand

- * COVID-19 affects consumer willingness, and leads to weaker demand.
- * Fab orders surge due to 5G and automotive demand ,and crowds out the capacity supply of low-margin products, such as LCD driver IC.
- * The overall inventory of LCD driver IC is currently falling. However, because of the FAB capacity limitation and LCD driver inventory consumption, when the demand of follow-up market recovers , it is expected that there will be a short-term emergency pull situation , and yet somehow the long-term supply and demand will be more stable.

✓ Future trend – New design and application ;Trend unchanged; Demand time deferred

- * TV Panel – 4K to 8K , Dual Cell.
- * Monitor/NB/Tablet Panel – COG moves to COF due to full-screen/narrow edge design.
- * Automotive Panel – comes to COF.

3. Market & Business Overview – Small Panel

✓ Currently – Market is in chaos.

- * COVID-19 affects consumer willingness, coupled with the U.S.-China trade war on Huawei's IC supply restrictions, and the China-Indian border conflict has an impact on the sales of MI phone, all leads to weaker demand.
- * Fab orders surge due to 5G and automotive demand, and crowds out the capacity supply of low-margin products, such as LCD driver IC.
- * In the short term, the smartphone LCD driver IC market is full of obscure, and the market is still changing rapidly.

✓ Future trend – New design and application ; Trend unchanged; Demand time deferred

- * High-end Smartphone with Flexible OLED: COP / 1-Metal COF.
- * Mid-range Smartphone with Rigid OLED/LTPS: FHD TDDI/FTDDI uses 1-Metal COF / partial COG.
- * Low-end Smartphone with a-Si/LTPS: HD uses COG / FHD TDDI uses 1-Metal COF.
- * Wearable Device: The design turns to 1-Metal COF instead of COG due to the narrow border panel. The market is still growing up.

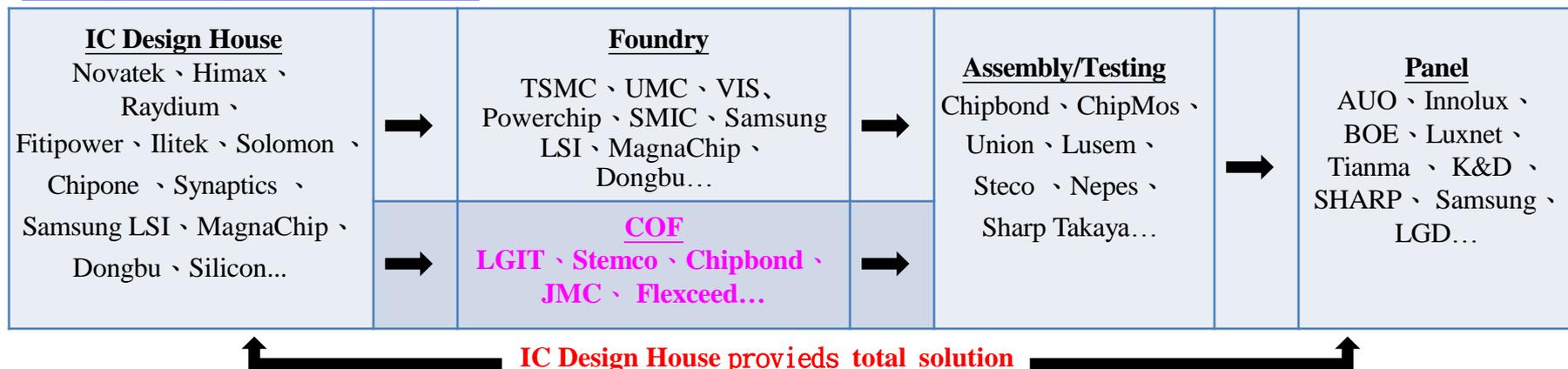
3. Market & Business Overview – Technology & Product Development

✓ A full service of flexible IC substrate provider

Process Technology	Competitive advantages	Technology/ Application	Targeted Market/ Development
1-Metal Subtractive (Etching)	<ul style="list-style-type: none"> ⊙Fast production and high efficiency. ⊙Independent technical ability and stable production yield. 	<ul style="list-style-type: none"> *Copper thickness #~8um *Pitch $\geq 20\mu\text{m}$ Pitch *Pin count ≤ 1440 Channel/48mm 	<ul style="list-style-type: none"> @ LCD TV @ OLED TV @ Dual Cell LCD
1-Metal Semi-Additive (Plating)	<ul style="list-style-type: none"> ⊙High precision size controlled COF products, and can improve the assembly of the panel module rate; help customers to lower total cost. ⊙High production yield and good quality stability; absolute competitive advantage in production costs. 	<ul style="list-style-type: none"> *Copper thickness #~12um *Pitch $\geq 18/16/14\mu\text{m}$ Pitch *Pin count ≤ 1900 Channel/48mm ≤ 3000 Channel/70mm 	<ul style="list-style-type: none"> @ High-end smartphone @ wearable device @ FoD @ FTDDI
2-Metal	<ul style="list-style-type: none"> ⊙New process technology development capabilities. ⊙Equipment design capability. ⊙Good cost control. 	<ul style="list-style-type: none"> *Thin Film IC Substrate *LED IC Substrate *Pin count ≤ 2500 Channel/48mm ≤ 4000 Channel/70mm 	<ul style="list-style-type: none"> @ NAND Flash @ Mini LED @ Micro LED

4. Industry Outlook - Driver IC Supply Chain

✓ IC Design House provides total solution.



✓ Five COF suppliers have mass production capacity currently , and JMC is just one of the two vendors in Taiwan.

Process Technology		1-Metal Subtractive(Etching)	1-Metal Semi-Additive(Plating)	2-Metal	
Application	Channel/48mm	=<1400 /48mm	1400~1900 /48mm	1900~2500 /48mm	
	Channel/70mm	=<2000 /70mm	2000~3000 /70mm	3000~4000 /70mm	
Capacity	Korea	S社	90~100KK	?KK(2-Metal→1-Metal)	7-10KK
		L社	120~130KK	?KK(2-Metal→1-Metal)	5-7KK
	Japan	F社	20KK	X	2KK
	Taiwan	C社	70~90KK	X	X
		JMC	30KK+10KK (Restarting)	40KK	5KK(Installing)
	China	ESWIN	?	?	?
	Aplus	?	?	?	

Q&A

