

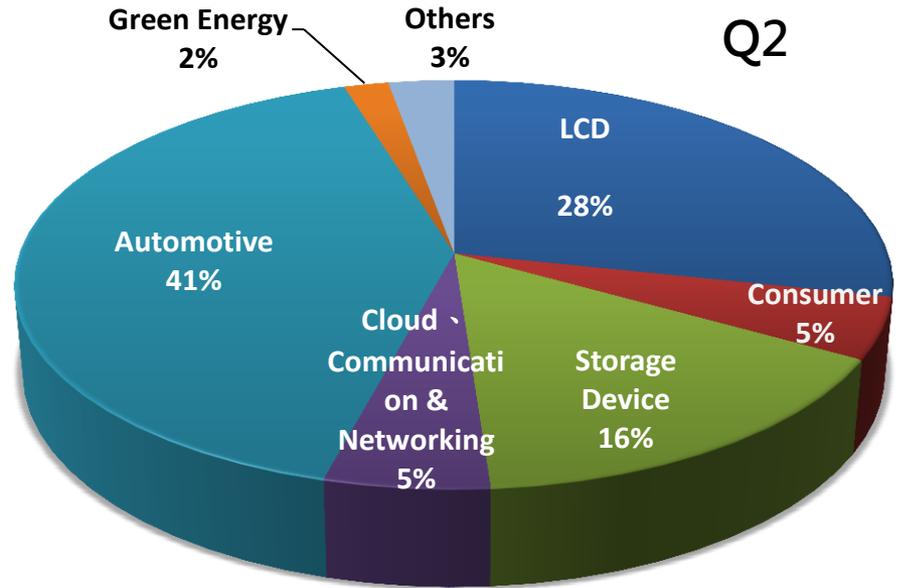
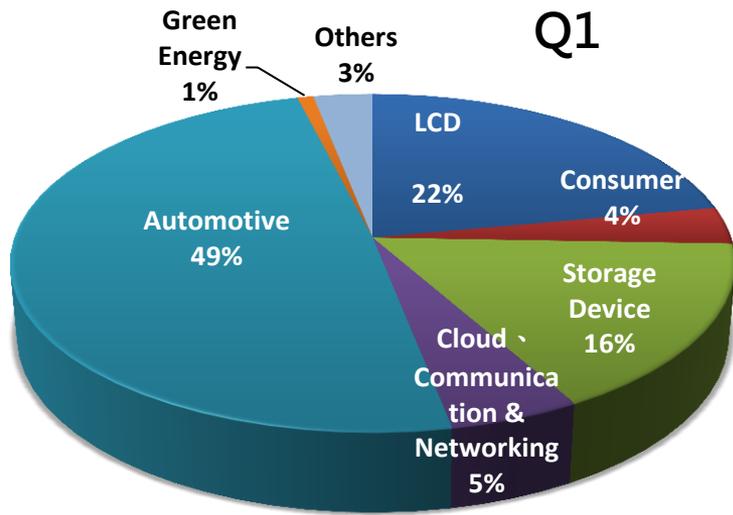
2020 Q2 Operational Overview

Aug. 14, 2020

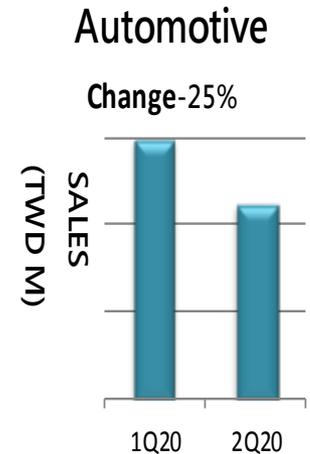
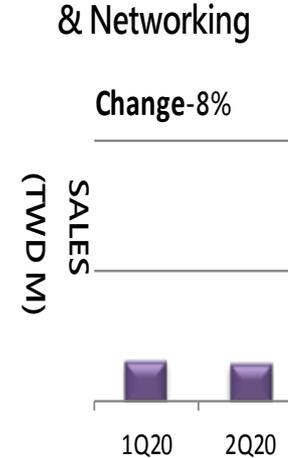
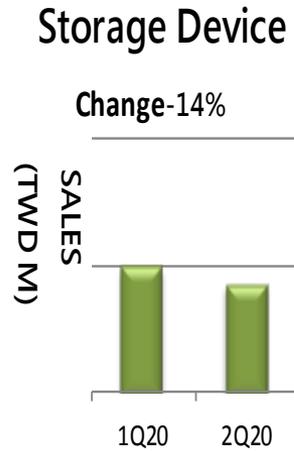
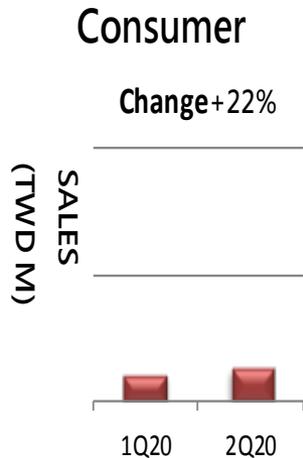
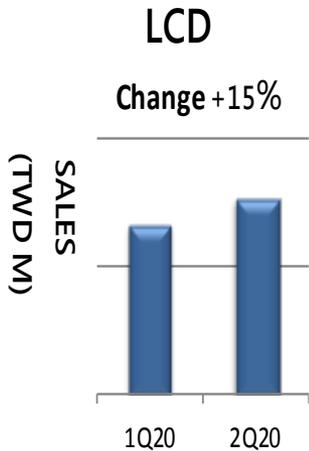
Content

1. Operational Overview of 2020 Q2
2. Future Prospects
3. Significant Events

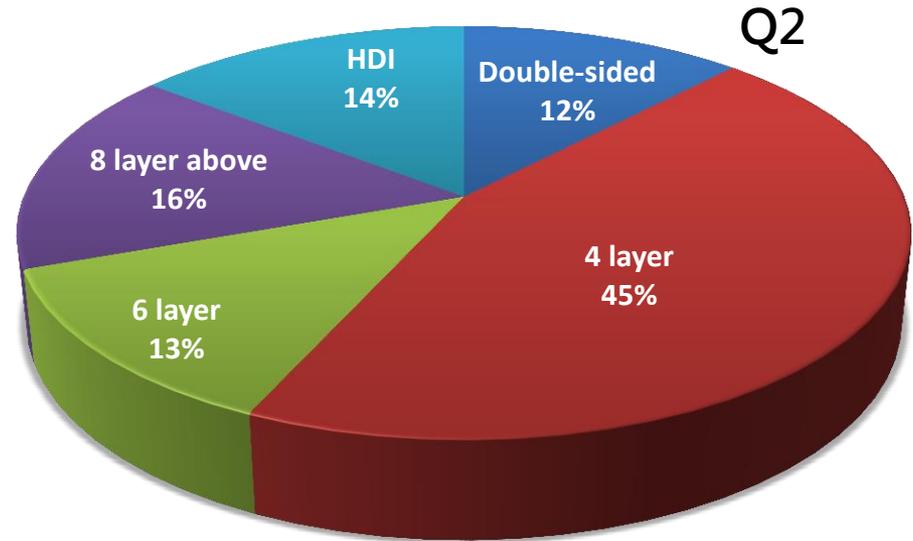
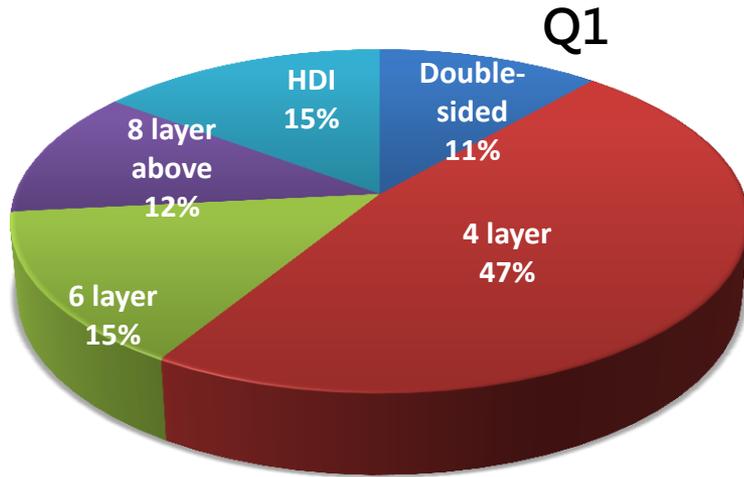
2020 Q2 Revenue by Application



Cloud Communication & Networking

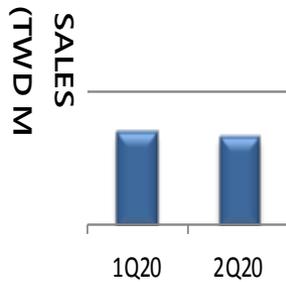


2020 Q2 Revenue by Process



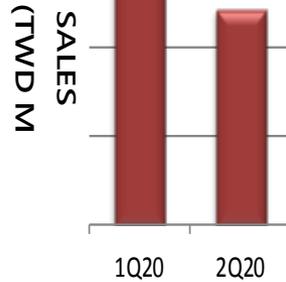
Double-sided

Change-5%



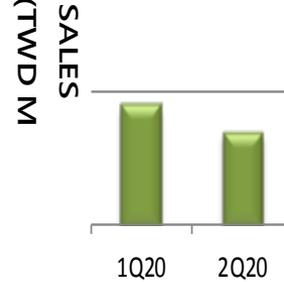
4 layer

Change-16%



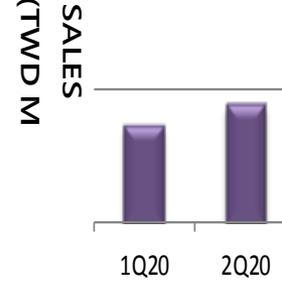
6 layer

Change-22%



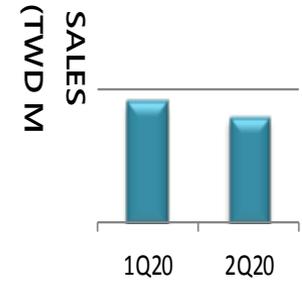
8 layer above

Change+20%



HDI

Change-12%



Consolidated Income Statement

Accounts (TWD 100M)	2Q20	1Q20	Q-o-Q Change%	2Q19	Y-o-Y Change%	Q1-Q2 2020	Q1-Q2 2019	Y-o-Y Change%
Sales Revenue	27.15	30.36	(10.6)%	32.33	(16.0)%	57.50	62.85	(8.5)%
Gross Profit %	16.5 %	15.0 %	1.5 %	10.5 %	6.0 %	15.7 %	9.7 %	6.0 % pts
Operating expenses	2.70	3.12	(13.7)%	2.76	(2.2)%	5.82	5.32	9.4 %
Operating Income%	6.6 %	4.7 %	1.9 %	2.0 %	4.6 %	5.6 %	1.2 %	4.4 % pts
Non-operating income/expenses	(0.37)	4.37	(108.4)%	(0.40)	9.0 %	4.00	(0.65)	716.7 %
Net Income (loss)	1.04	5.44	(80.8)%	0.12	737.9 %	6.49	(0.26)	2,558.6 %
Net Income (loss)%	3.8 %	17.9 %	(14.1)%	0.4 %	3.5 %	11.3 %	(0.4)%	11.7 % pts
EPS(NTD)	0.37	1.94	(80.9)%	0.05	640.0 %	2.27	(0.09)	2,622.2 %
ROE (%)	8.5 %	49.2 %	(40.7)%	1.3 %	7.2 %	13.2 %	(1.3)%	14.5 % pts
Quantity(M SF)	706	792	(10.9)%	807	(12.5)%	1498	1598	(6.3)%
Average exchange	30.04	30.15	(0.4)%	30.99	(3.1)%	30.04	30.99	(3.1)%

* The weighted average shares to 283,202,192 of ordinary shares outstanding during the second quarter of 2020.

** The ROE is the annualized data calculated by the average equity of the parent company.

Consolidated BS & Financial Indicators

Accounts (TWD 100M)	2Q20		1Q20		2Q19	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	8.51	7.1%	16.45	12.3%	12.23	8.9%
Accounts receivable	30.97	25.8%	34.66	26.0%	35.13	25.6%
Inventories	17.15	14.3%	16.00	12.0%	17.28	12.6%
Property, plant and equipment	50.53	42.1%	52.13	39.1%	58.24	42.4%
Total Assets	120.05	100.0%	133.38	100.0%	137.35	100.0%
Current liabilities	56.22	46.8%	74.41	55.8%	70.74	51.5%
Long-term loans	6.28	5.2%	6.40	4.8%	19.33	14.1%
Total liabilities	70.77	59.0%	89.13	66.8%	98.01	71.4%
Total equity	49.28	41.0%	44.25	33.2%	39.34	28.6%
Important Financial Indicator						
Average collection turnovers	117		116		112	
Average inventory turnover	64		59		62	
Current ratio (Times)	1.1		1.0		1.0	
Asset productivity(Times)	0.9		0.9		0.9	

Ps. Asset productivity= Sales Revenue/ Average total Assets.

Consolidated Cash Flow Statement

(TWD 100M)	2Q20	1Q20	2Q19
Cash at beginning of period	16.45	10.38	13.03
Cash Flow from Operating	2.63	5.95	2.03
Capital Expenditure	(1.01)	4.11	(2.70)
Cash Dividends Paid			
Cash Flow from Financing	(9.27)	(4.12)	(0.68)
Investment & Other	(0.29)	0.13	0.28
Cash at end of period	8.51	16.45	11.97
Free Cash Flow	1.63	10.06	(0.67)

Ps. Free Cash Flow=Cash Flow from Operating-Capital Expenditure

2020 Q2 Summary

- A large number of European and American automobile factories have shut down the production due to the local pandemic of COVID-19, resulting in a revenue decrease of about 10% in Q2 compared to Q1, but the gross profit margin increased from 15% to 16.5%.
- The reason for the increase in gross profit margin is the change in "product structure":
 - Automotive board decreased, but the proportion of high-end products such as electric vehicles and ADAS in shipments increased.
 - TFT-LCD increased, and shipments of TFT-LCD used in notebook increased.
- The debt ratio decreased from 66.8% in Q1 to 59.0% in Q2 this year due to repayment of bank loans.

2020 H2 Product Trends and Capacity Expansion

- Q3 Product Trends

- With the gradual reopening of automotive board customers in Europe and the US, demand has gradually recovered, especially the automotive board used in electric car is expanding fast.
- The HDI process of each product has increased, the production capacity is in short supply.

- Q3~Q4 Capacity Expansion plan

- Huangshi plant is opening up 300,000 SF conventional board production capacity in the third quarter, and it will be completed by the end of September.
- Huangshi plant is expected to open up an HDI capacity of 100,000 SF in the fourth quarter.

2021 Growth Momentum

- Automotive board - Mainly electric car, ADAS
- Server - server for enterprise and cloud
- Netcom - routers, small base stations, antennas, optical modules, satellite receivers, etc.
- Display panel - Mini LED

Winning top 5% Ranking in the 6th Corporate Governance Evaluation



In the 6th Corporate Governance Evaluation, Dynamic once again stood out in the crowd and won the top 5% ranking for four consecutive years

Dynamic believes that good corporate governance enhances the competitiveness of an enterprise, reduces possible risks, and increases investors' confidence, which brings positive influence to the company, investors, and society. Therefore, Dynamic took the initiative to establish a good corporate governance culture, hoping to ensure the company's long-term stable operation through sound corporate governance and lead the company to sustainable development.

Thank You!

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