

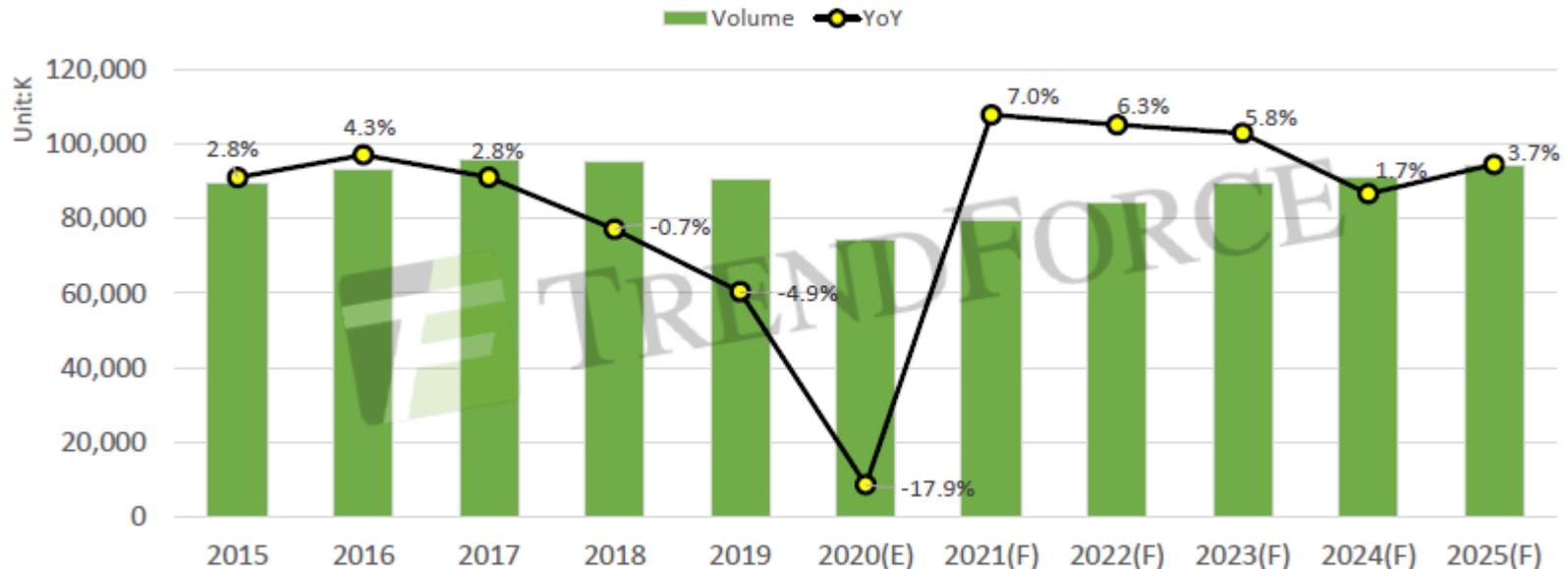
2020 Q3 Operational Overview

Nov. 10, 2020

Forecast of Global Automotive Market Scale

The estimated vehicle quantity of year 2021 automotive market is 79,600,000.

2015-2025(F) Global automotive market size



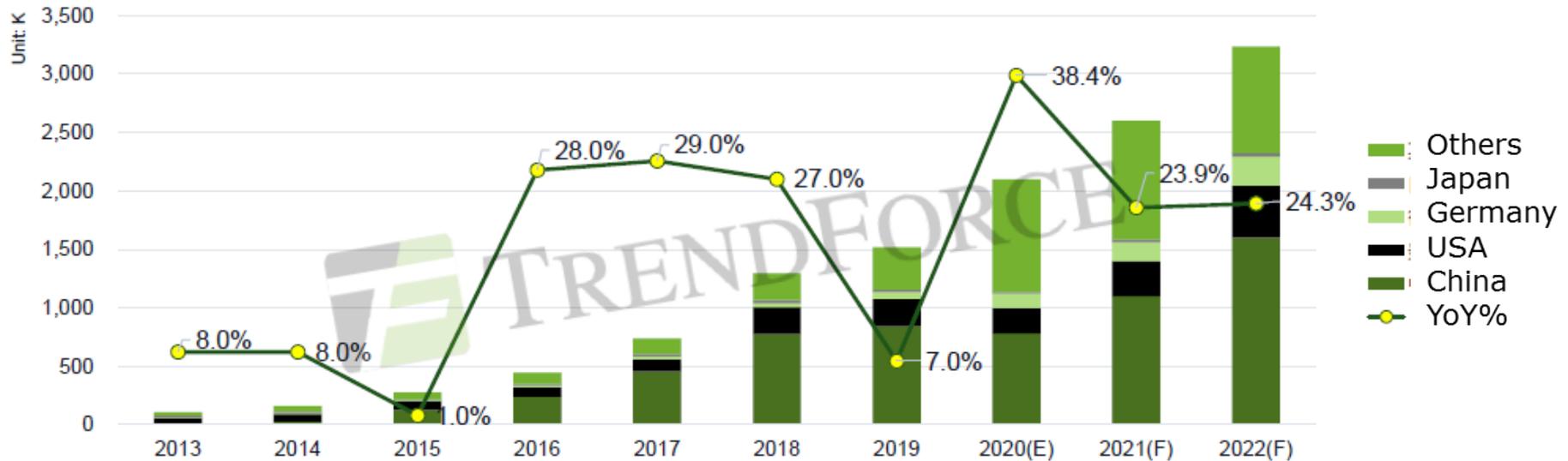
It is expected that the automotive market will stop recessing in 2021, the automobile sales will moderately recover under the influences of post-epidemic(COVID-19) life changing and U.S.-China Trade.

Source: Trend Force

Forecast of the Demand for Electric Vehicle

Battery electric vehicle market grows by benefiting from priority policies.

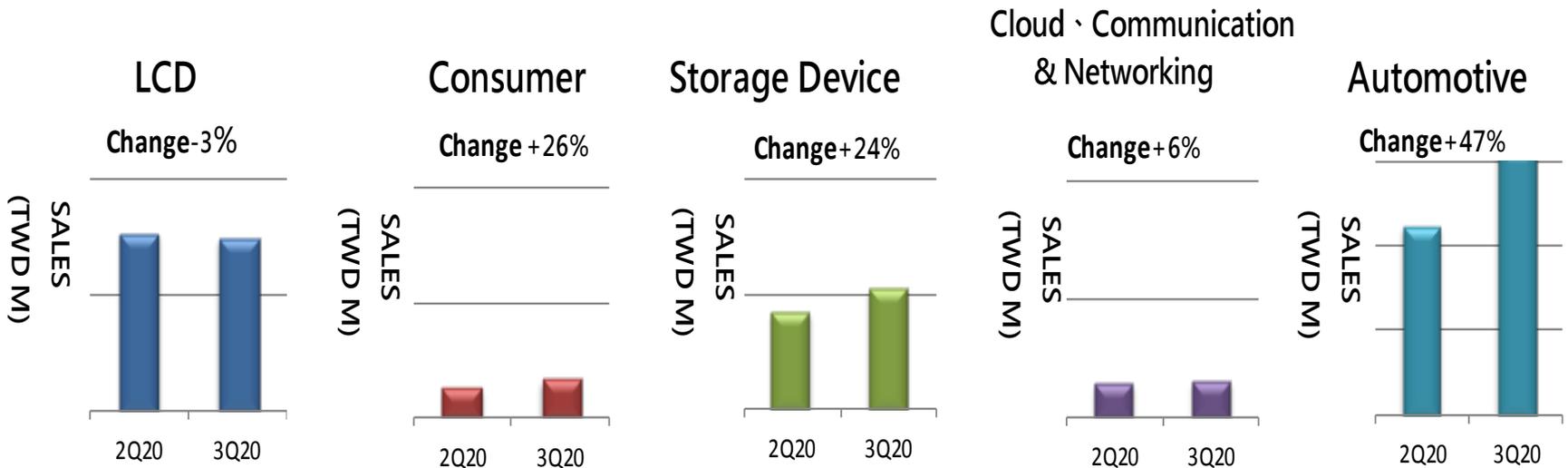
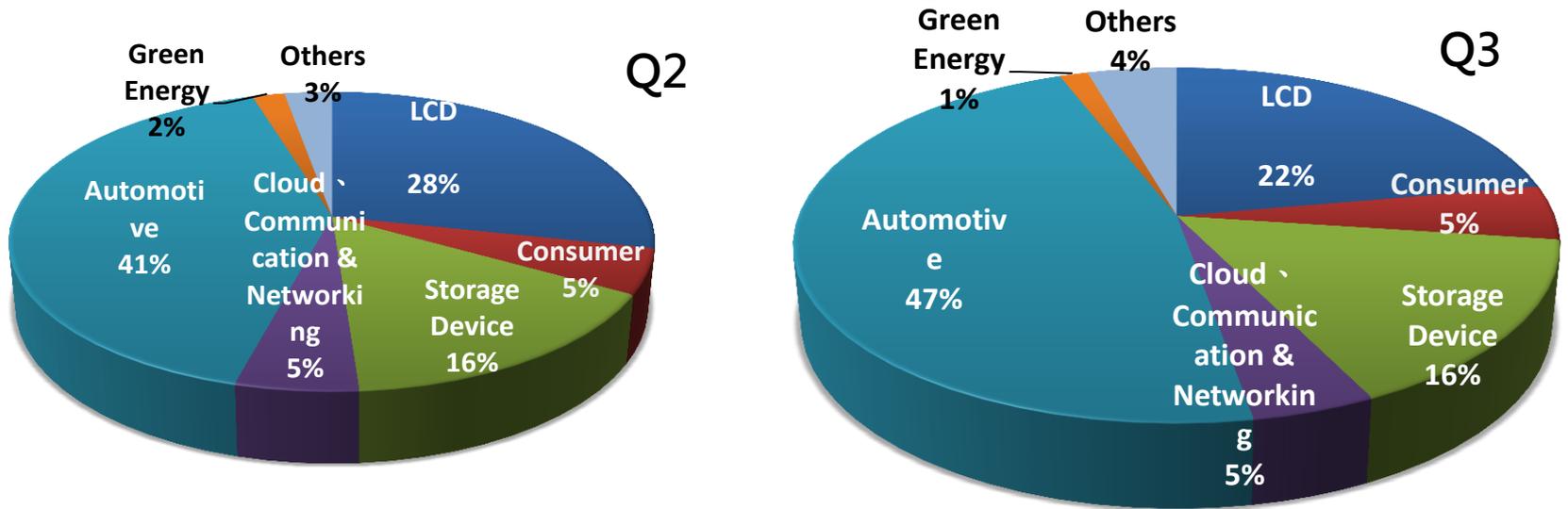
Estimated demand for BEV (unit: thousand)



The vehicle sales stimulus policies introduced by various countries under the epidemic all target electric vehicles as the main subsidy party, and hybrid electric vehicles are excluded. Battery electric vehicles usually get the highest subsidy amount.

Source: Trend Force

2020 Q3 Revenue by Application



Consolidated Income Statement

Accounts (TWD 100M)	3Q20	2Q20	Q-o-Q Change%	3Q19	Y-o-Y Change%	Q1-Q3 2020	Q1-Q3 2019	Y-o-Y Change%
Sales Revenue	33.62	27.15	23.8 %	38.73	(13.2)%	91.12	101.59	(10.3)%
Gross Profit %	12.7 %	16.5 %	(3.8)%	15.2 %	(2.5)%	14.6 %	11.8 %	2.8 % ppts
Operating expenses	2.81	2.70	4.1 %	3.86	(27.3)%	8.63	9.18	(6.0)%
Operating Income%	4.3 %	6.6 %	(2.2)%	5.2 %	(0.9)%	5.1 %	2.7 %	2.4 % ppts
Non-operating income/expenses	(0.91)	(0.37)	(148.5)%	(0.50)	(82.8)%	3.09	(1.15)	369.0 %
Net Income (loss)	0.37	1.04	(65.0)%	1.21	(69.8)%	6.85	0.95	(624.5)%
Net Income (loss)%	1.1 %	3.8 %	(2.8)%	3.1 %	(2.0)%	7.5 %	0.9 %	6.6 % ppts
EPS(NTD)	0.12	0.37	(67.6)%	0.43	(72.1)%	2.32	0.34	582.4 %
ROE (%)	2.9 %	8.5 %	(5.6)%	12.2 %	(9.3)%	13.6 %	3.2 %	10.4 % ppts
Quantity(M SF)	857	706	21.4 %	909	(5.7)%	2369	2506	(5.5)%
Average exchange	29.85	30.04	(0.6)%	31.07	(3.9)%	29.85	31.07	(3.9)%

* The weighted average shares to 311,059,335 of ordinary shares outstanding during the third 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)	3Q20		2Q20		3Q19	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	16.70	12.6%	8.51	7.1%	13.41	9.5%
Accounts receivable	35.75	26.9%	30.97	25.8%	41.73	29.5%
Inventories	14.53	10.9%	17.15	14.3%	16.76	11.9%
Property, plant and equipment	51.19	38.5%	50.53	42.1%	53.56	37.9%
Total Assets	132.86	100.0%	120.05	100.0%	141.31	100.0%
Current liabilities	67.93	51.1%	56.22	46.8%	70.60	50.0%
Long-term loans	6.37	4.8%	6.28	5.2%	23.32	16.5%
Total liabilities	82.37	62.0%	70.77	59.0%	101.80	72.0%
Total equity	50.49	38.0%	49.28	41.0%	39.52	28.0%
Important Financial Indicator						
Average collection turnovers	118		117		112	
Average inventory turnover	56		64		58	
Current ratio (Times)	1.1		1.1		1.1	
Asset productivity(Times)	1.0		0.9		1.1	

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

Consolidated Cash Flow Statement

(TWD 100M)	3Q20	2Q20	3Q19
Cash at beginning of period	8.51	16.45	11.97
Cash Flow from Operating	3.21	2.63	4.75
Capital Expenditure	(1.40)	(1.01)	(2.10)
Cash Dividends Paid			
Cash Flow from Financing	8.65	(9.27)	(1.82)
Investment & Other	(2.26)	(0.29)	0.23
Cash at end of period	16.70	8.51	13.02
Free Cash Flow	1.81	1.63	2.64

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

2020 Q3 Summary

- Due to the re-opening of European and American automakers in Q3, demands including traditional car and electric vehicles from automotive customers were strong, and revenue was increased by approximately 24% compared to Q2.
- Q3's gross profit margin decreased by 3.8% compared to Q2 due to factors such as: 1) RMB and Taiwan dollar appreciated against the U.S. dollar; 2) The increased shipments of automotive board are mostly the old part numbers. The gross profit margin is lower after years of price reduction, which impacts on the gross profit margin of automotive board; 3) The manpower shortage at the Kunshan plant have led to reduced utilization rates.
- Non-operating foreign exchange loss is about NT\$70 million.
- The net profit after tax is about NT\$37 million.

2021 Outlook

- The main focus of product development efforts is on high-end products such as electric vehicles, ADAS, servers, Netcom, and Mini LED.
- Huangshi Plant continues to expand its production capacity, utilizes a high degree of automation and intelligence to provide high-quality, high-efficiency, high-reliability, and high-traceability products to meet customer requirements and win customer recognition.
 - 2020 Q3 - 300,000 SF conventional board
 - 2020 Q4 - 100,000 SF HDI
 - 2021 - Huangshi Building B will be constructed, mass production is planned to start in 2022.

Received Supplier of the Year Award from Continental



Continental selected the best suppliers among its 949 suppliers in 2019. The best supplier in each field from 12 categories was selected based on company, supply, quality and cost criteria, and awarded the “Supplier of the Year”. Dynamic was awarded Best Performance within Category Standard Printed Circuit Boards under its outstanding performance of continuous improvement. (Standard PCB includes HDI, heavy copper, rigid-flex and flex etc. all kinds of PCB.)

Thank You!

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