

鍊寶科技股份有限公司 RiTdisplay Corporation



September, 2017

Agenda

- Company Introduction
- Industry Overview
- Financial Results
- Products and Technology
- Future Development and Strategy

Company Introduction

Basic Information

- Company set up : Mar. 13, 2000
- Address : No. 12, Kuanfu N. Road, Hsin Chu Industrial Park, Hsin Chu County, Taiwan 30351
- Employees : 246
- Major stockholders : Ritek Group (71.76%)
- Capital : NTD 410 million
- Main products : PMOLED

Milestones

2008
Gambling
Applications
(MP)



2013
Wearable
Device
(MP)



2015
Turn to profit

2011
Automotive
Applications
(MP)



2014
Set-Top Box (MP)
Rigid OLED Lighting
successfully developed



2016
Flexible PMOLED
successfully developed

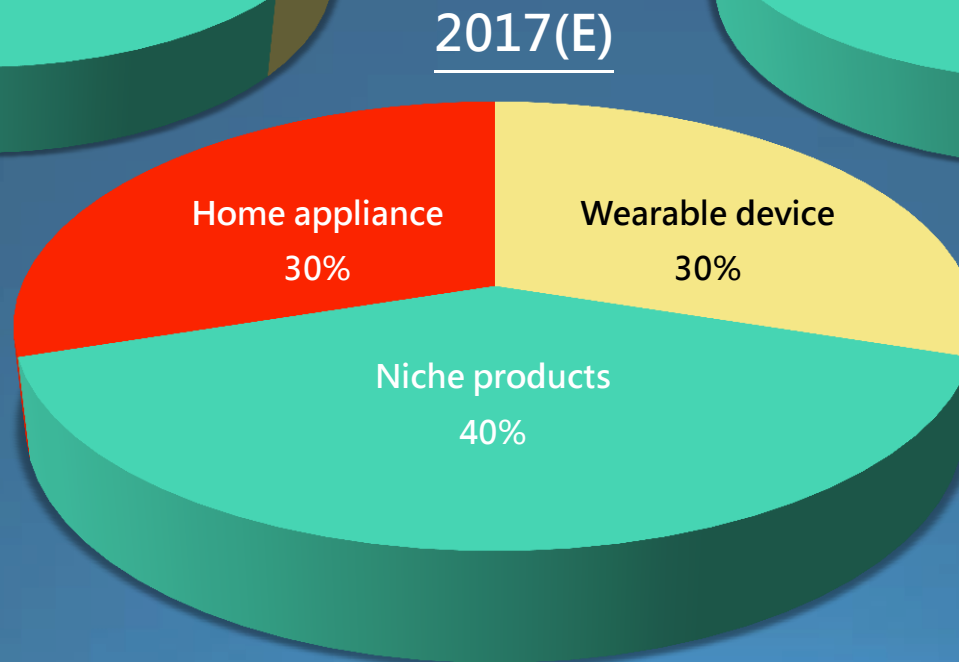
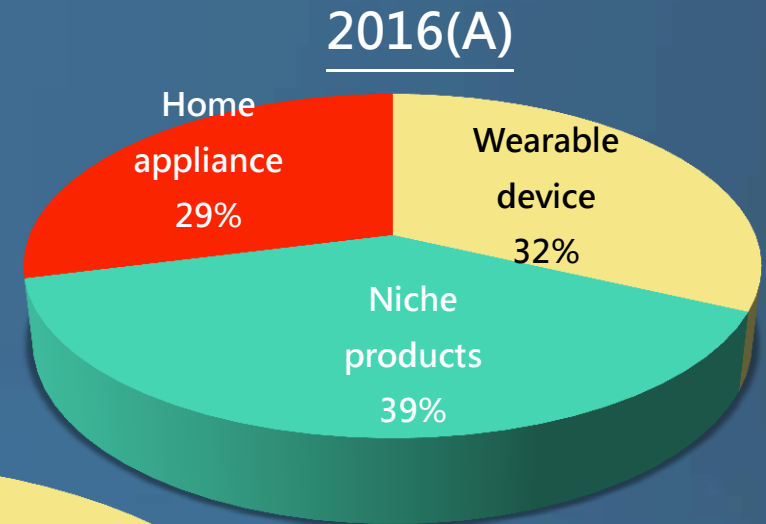
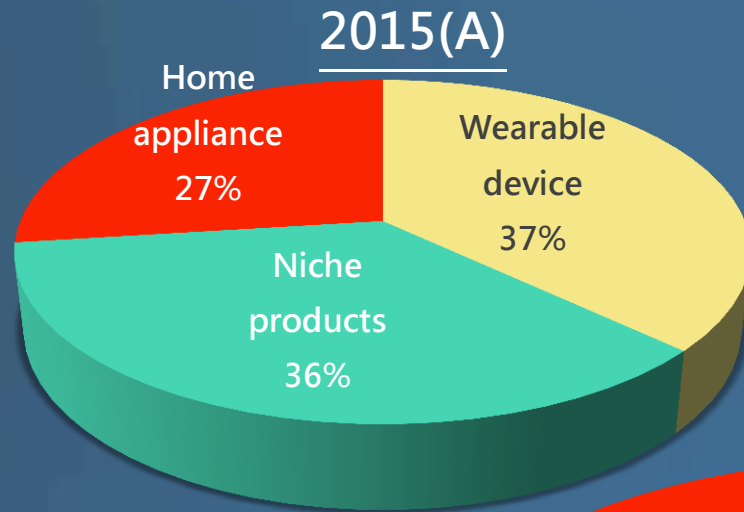


2017Q1
Flexible OLED Lighting
successfully developed



2016
Round PMOLED
(MP)

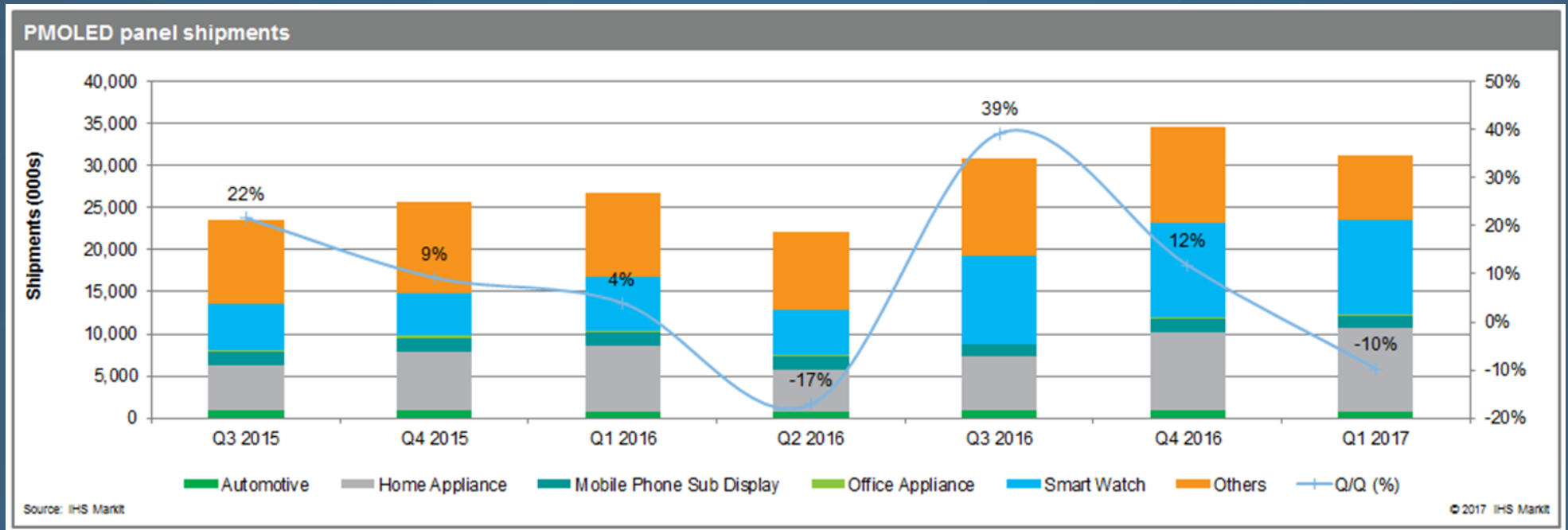
Product Applications



Niche products : Medical 、 Industrial controller 、 Military....

Industry Overview

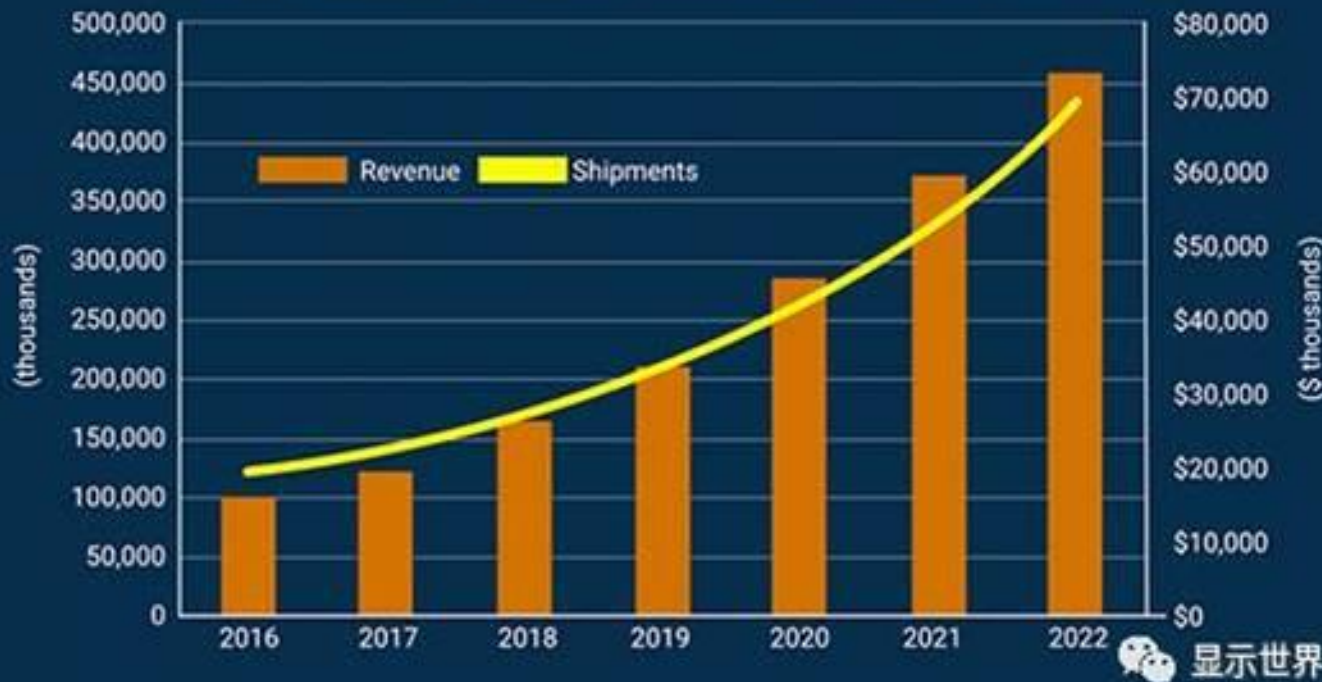
PMOLED Display Shipments



- ❑ Global PMOLED display shipments grow smoothly
- ❑ Growth comes from the smart watch and home appliance
- ❑ Diversified PMOLED product development

Potential of Wearable Device

Total Global Wearable Device Shipments and Revenue: 2016 to 2022



- ❑ Global wearable device shipments will grow significantly to 2022
- ❑ Significant growth will come from the body sensors (medical)
- ❑ Applications include : Smart watch 、 Fitness tracker 、 Body sensors 、 Smart clothing 、 Wearable camera 、 Smart glasses.....

Data source: display world

Picture source : display world 、 innovatemedtec

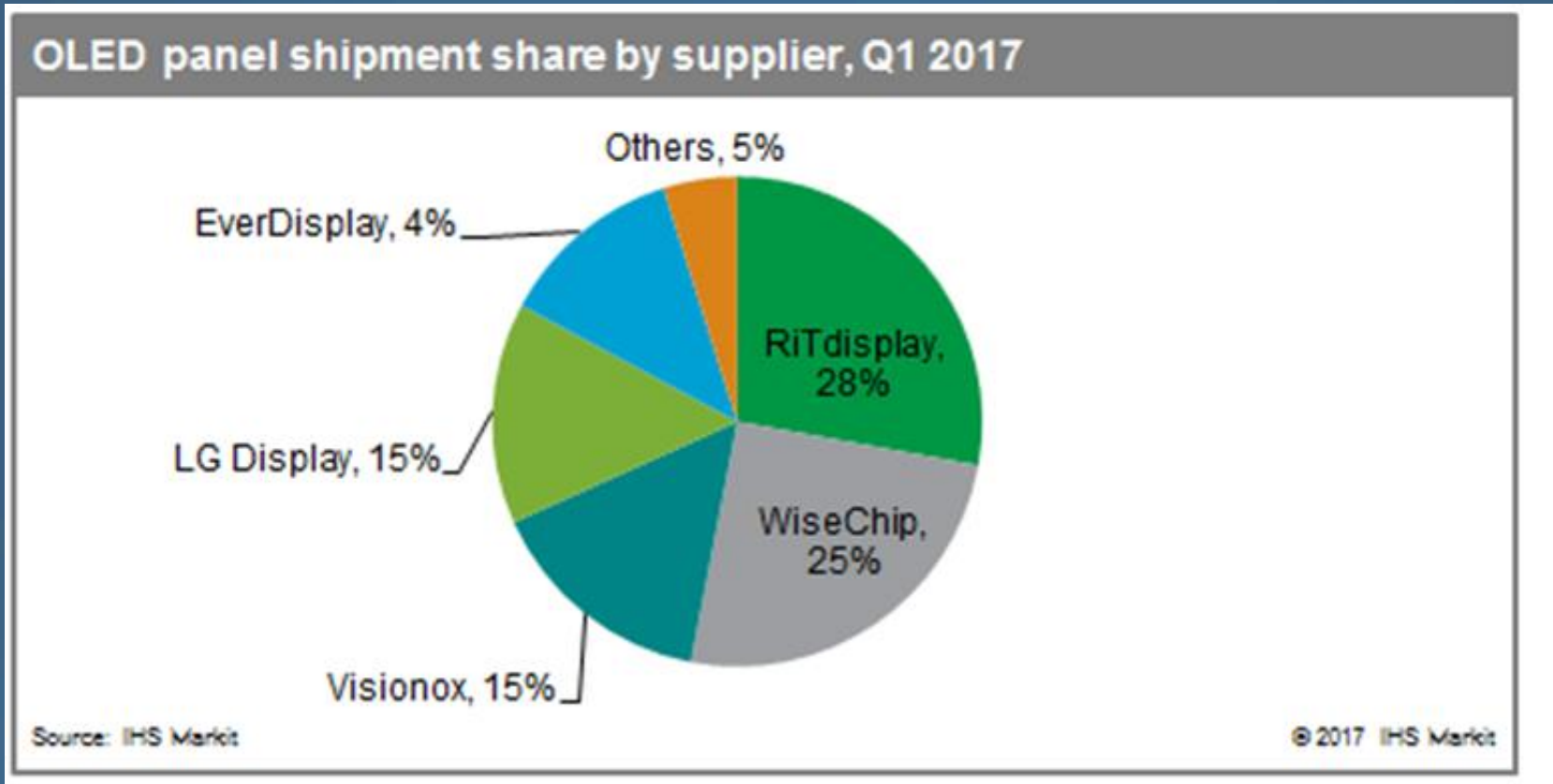
PMOLED to Replace STN LCD

	PMOLED	STN LCD
Size(inch)	0.4" ~5.5"	1" ~7"
Thickness(mm)	0.8~1.4	3~5
Viewing angle(degree)	170	90
Contrast	>10,000:1	10:1
Response time	uSec	mSec
Resolution	<250 dpi	<100 dpi
Power consumption(mW) 100% pixel on	200	500
Operating temperature range (°C)	-40~85	0~70
Flexible	Yes	No
Price	150%	100%
Applications	Wearable device、Consumer、 Home appliance、 Communication、Medical、 Industrial controller、 Automotive、Military、 lighting....	Consumer、Automotive、 Industrial controller

PMOLED is suitable for small size products

	PMOLED	AMOLED
Capital Expenditures	Low	High
Production Process	Simple	Complicated
Manufacturing Cost	Low	High
Tooling Cost	<NT 1million	>NT 5million
Customized	Easy	Difficult (standard)
Minimum Order Quantity	<5K	>100K
Production	High-mix Low-volume	Difficult to implement High-mix Low-volume
Optimum Size(inch)	<2"	>2"
<2" Visual Identification	Same	Same

OLED Market Share In Wearable



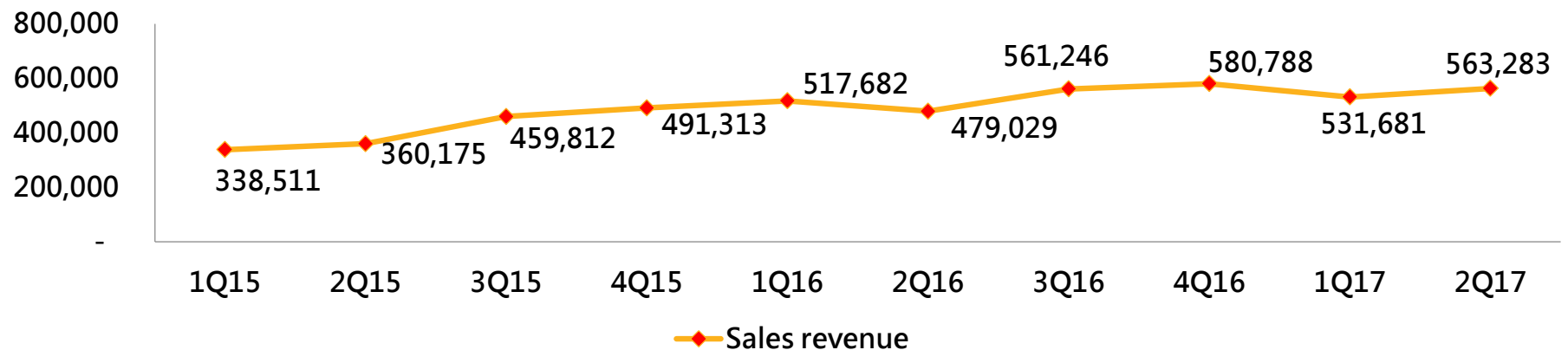
RiTdisplay is in the lead of PMOLED.

Financial Results

Income Statement

2015 turn to profit. Profit and sales revenue grow smoothly.

(In NTD thousands, except EPS)	2015		2016		20171H	
	Amount	%	Amount	%	Amount	%
Sales revenue	1,649,811	100	2,138,745	100	1,094,964	100
Cost of goods sold	(1,346,850)	(82)	(1,617,403)	(76)	(803,410)	(73)
Gross profit	302,961	18	521,342	24	291,554	27
Operating expenses	(170,111)	(10)	(273,054)	(12)	(130,833)	(12)
Net operating income	132,850	8	248,288	12	160,721	15
Non-operating income and expenses	(2,970)	-	87,726	3	39,245	4
Net income before tax	129,880	8	336,014	15	199,966	19
Tax expense	(9,312)	(1)	(5,209)	-	(18,120)	(2)
Net income	120,568	7	330,805	15	181,846	17
Basic EPS(NTD)(41,035,000 shares)	2.94		8.06		4.43	



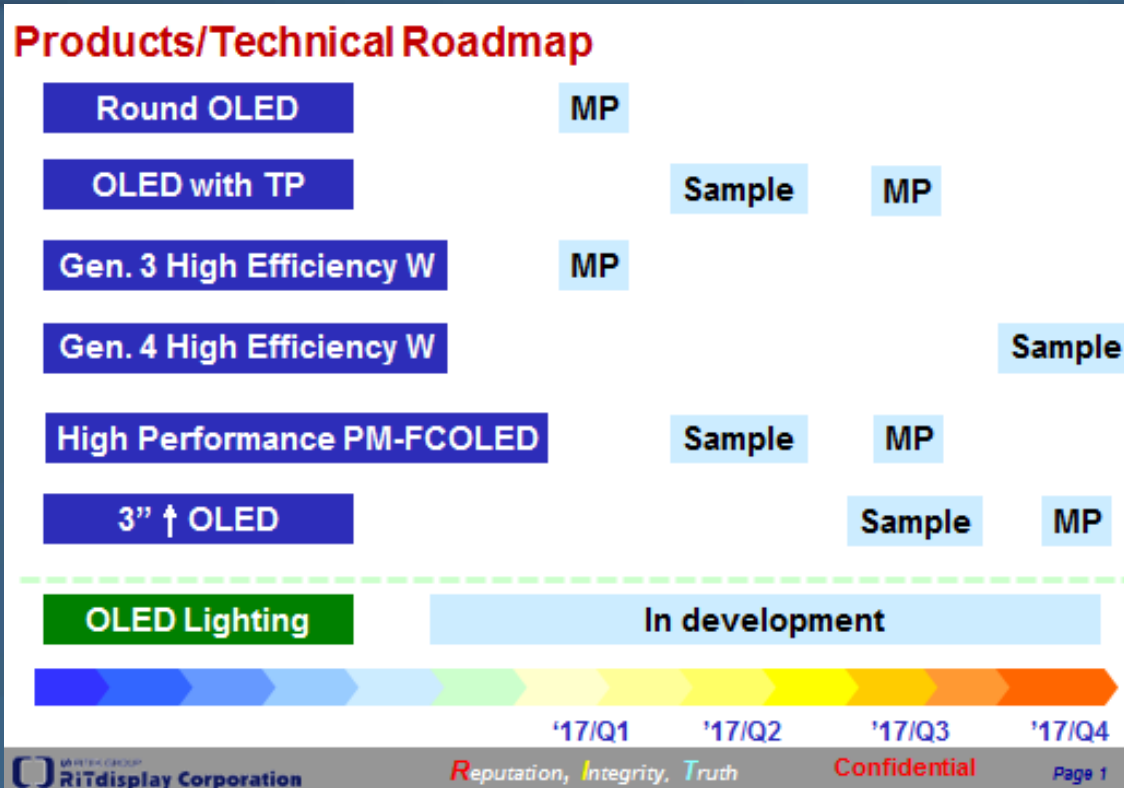
Balance Sheet

Debt ratio is decreasing. Low inventory turnover.

(In NTD thousands)	2015.12.31	2016.12.31	2017.6.30
	Amount	Amount	Amount
Cash and financial assets	326,950	523,530	355,828
Inventory	84,983	69,583	69,523
Current assets	666,297	917,530	754,403
Total assets	2,615,693	2,825,746	2,742,157
Short-term bank loan	392,101	288,816	260,983
Long-term bank loan	1,122,149	921,112	810,184
Current liabilities	1,061,471	1,109,964	1,008,139
Total liabilities	2,235,065	2,070,321	1,853,912
Total equity	380,628	755,425	888,245
Book value per share(NTD)	9.28	18.41	21.65
Debt ratio(%)	85.45	73.26	67.6
Current ratio(%)	62.77	82.66	74.83
Inventory turnover	33.6	21.39	18.07
ROE(%)	45.7	58.23	44.25

Products and Technology

Products & Technical Roadmap



A+ plan : Flexible OLED Lighting R&D

Period : 2015/6~2017/5

Achievement :

52 lm/W(1000nits) · Thickness <= 25mm

Life time > 20,000hrs · CRI > 90

Gen. 3 High Efficiency W :

Improve the efficiency to be over current products/competitor **more than 25%**

Gen. 4 High Efficiency W :

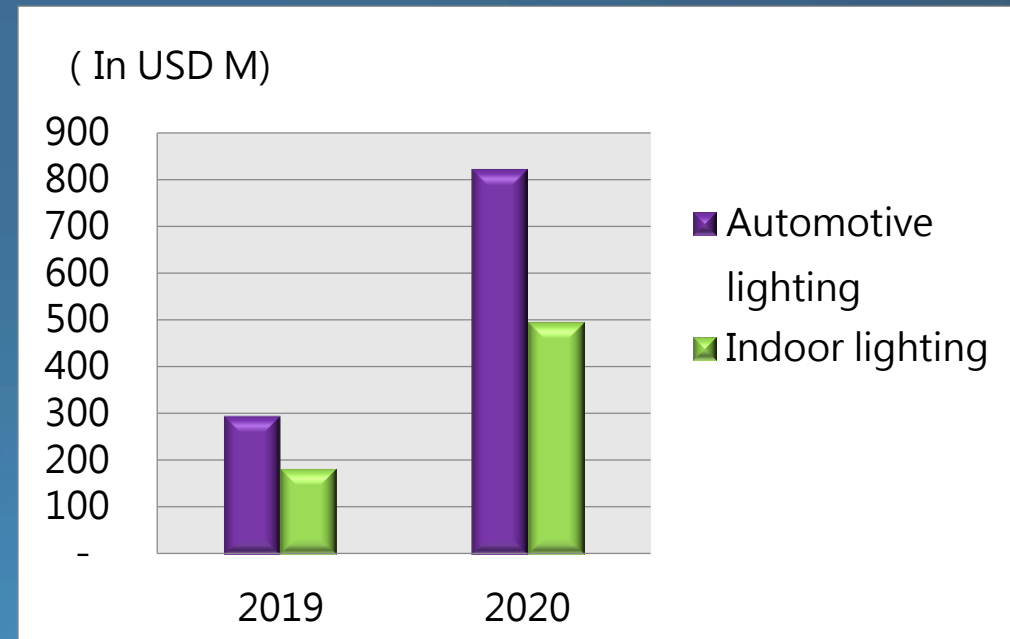
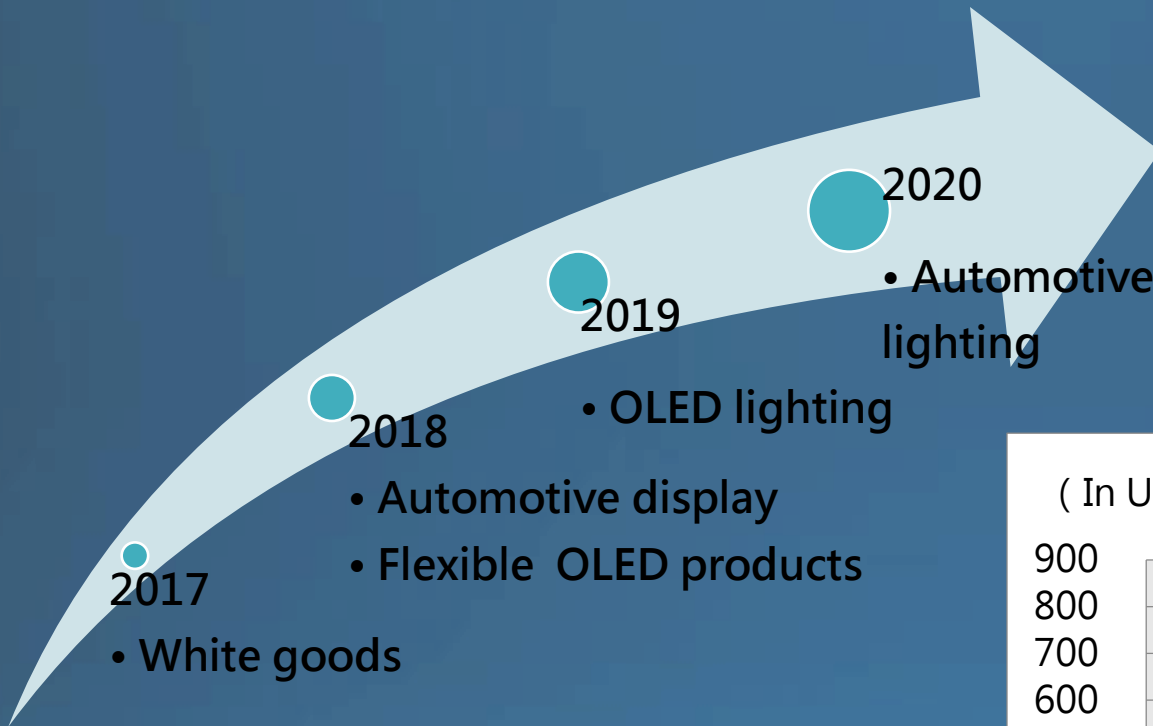
Improve the efficiency to be over current products/competitor **more than 50%**

High Performance PM-FCOLED : resolution higher than other companies

RiTdisplay (**200dpi**), other companies (**<130dpi**)

Future Development and Strategy

The Future of PMOLED



Company Prospect (AI & 5G)

2018 new era :

- Smart home appliances
- Smart tools
- Mobile payment



Company prospect :

- Collaboration in the supply chain (AI &5G)
- Maintain and expand the leading position
- New products mass production soon
- Continue to develop high-end products
- Increase high value-added and high GP products
- High ROE



Thank You!