



漢微科

Investor Conference

April 19, 2016

AGENDA

- **1Q16 Highlights and Financial Results**
- **Business Update and Outlook**
- **Q & A**

Speakers

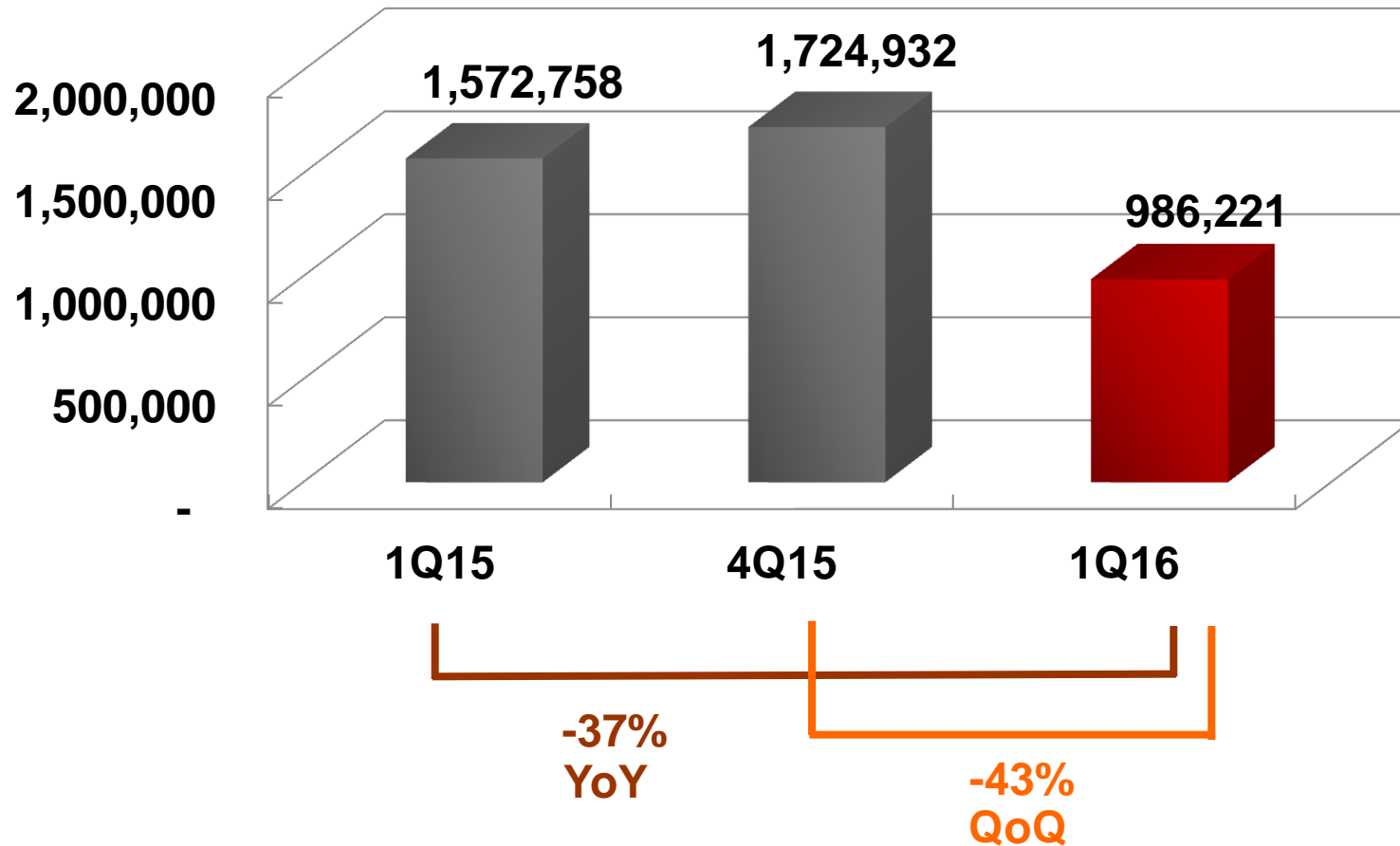
招允佳 Jack Jau/ CEO

沈孝廉 Leo Shen/ CFO

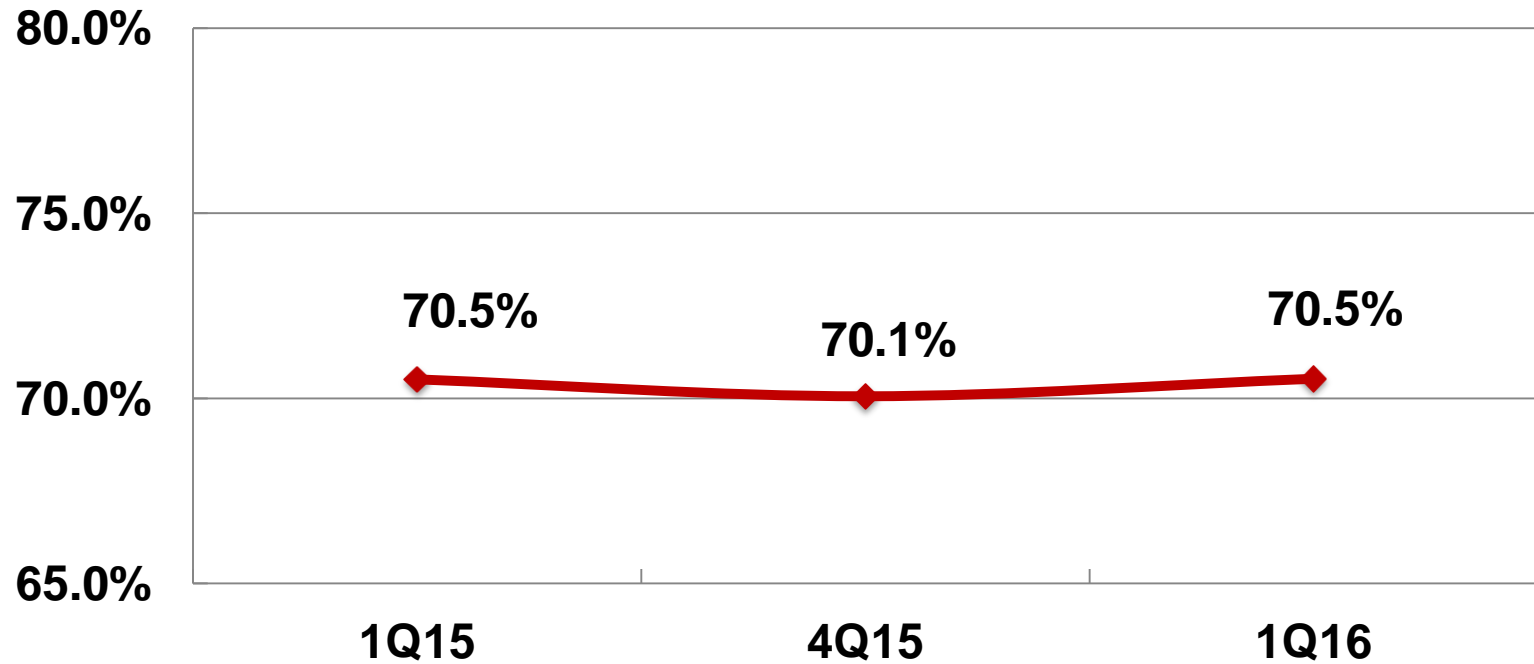
- **HMI's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.**
- **Please consider these forward-looking statements carefully because such statements are only our expectations or projections about future events, and actual results may differ materially from those expressed or implied by such statements.**
- **The forward-looking statements contained in this presentation are made only as of the date of this presentation and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances, except as required by law.**

Operating revenue (Consolidated)

(In NT\$ Thousands)

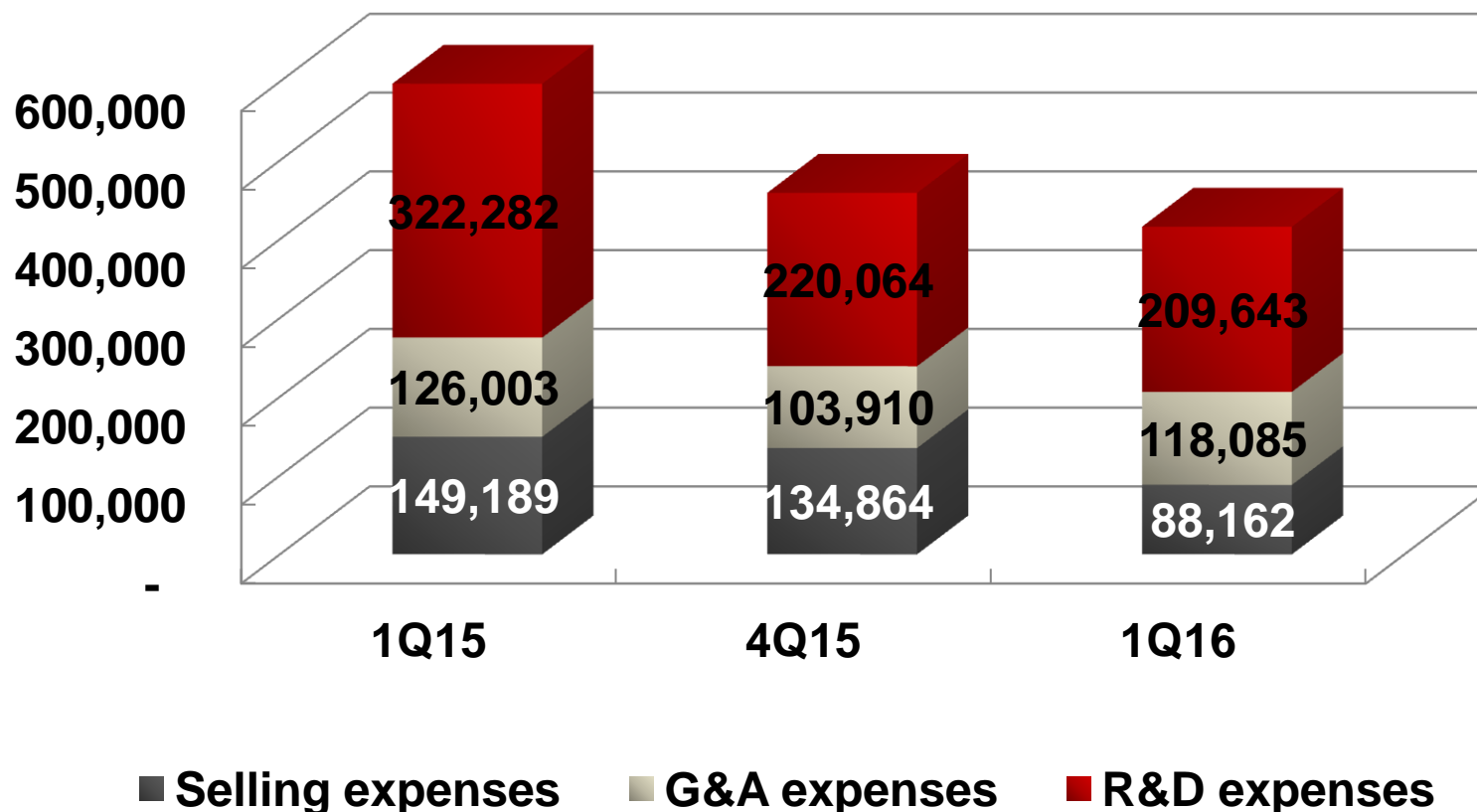


Gross Margin (Consolidated)



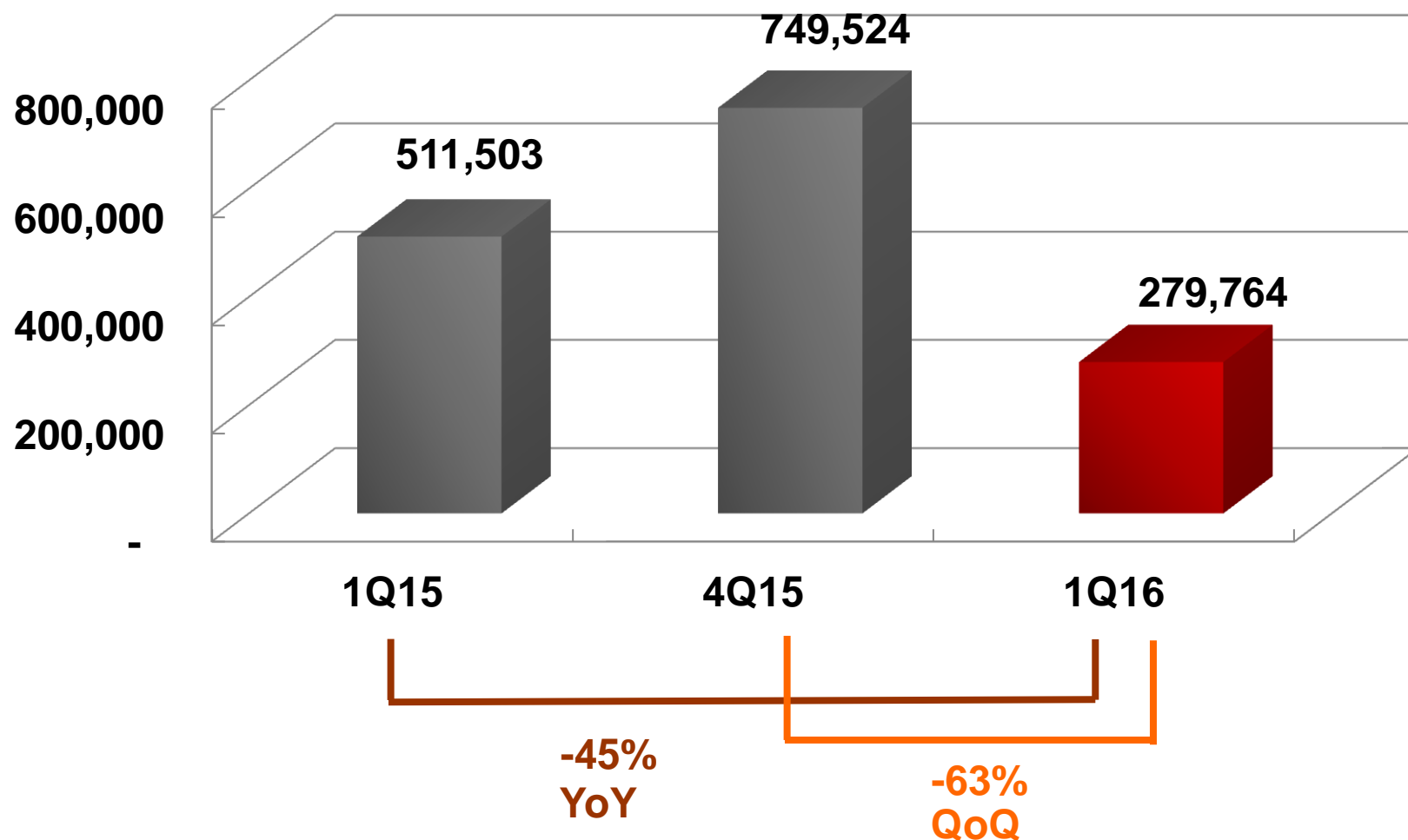
Operating Expenses (Consolidated)

(In NT\$ Thousands)

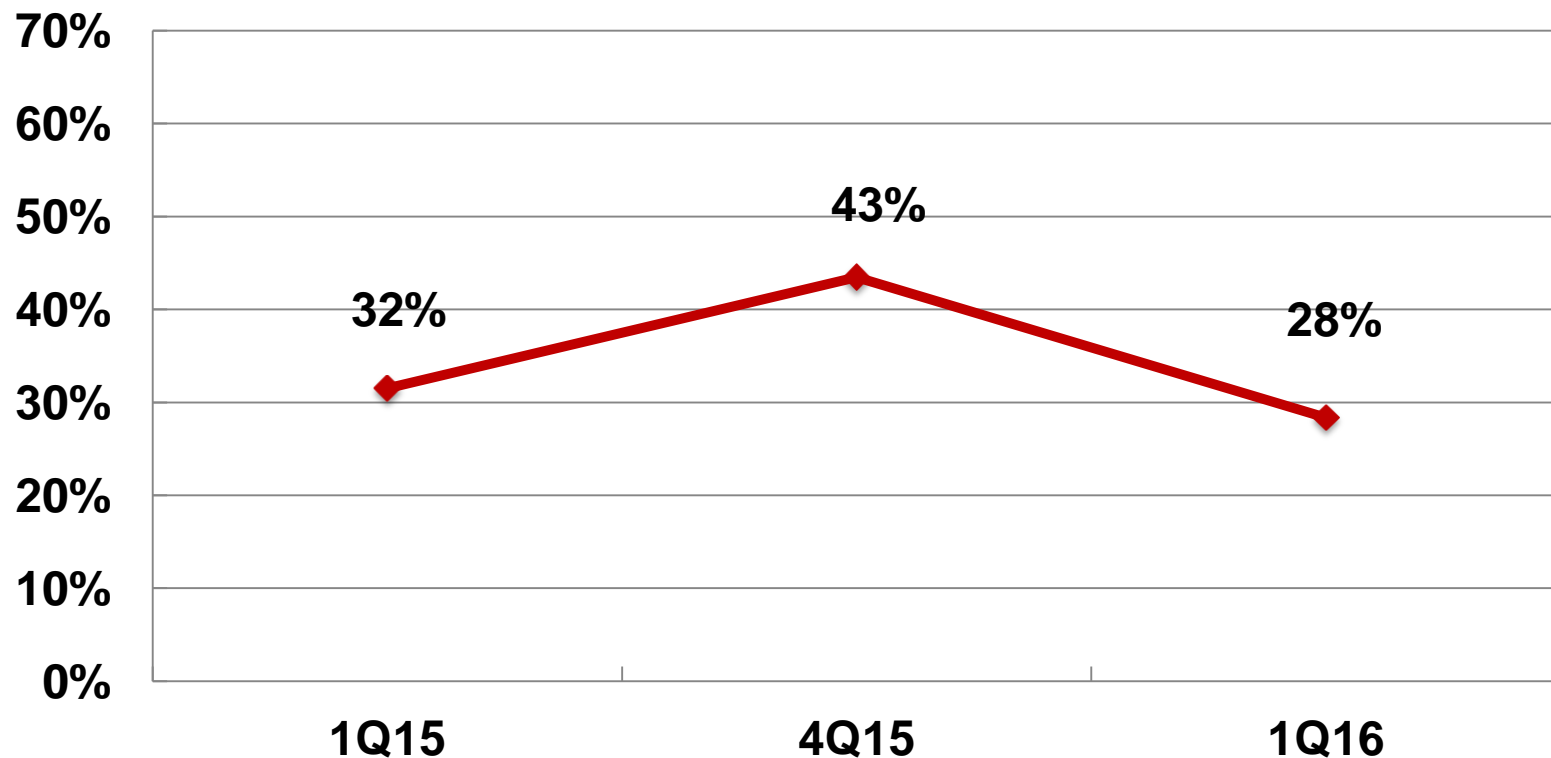


Operating Profit (Consolidated)

(In NT\$ Thousands)

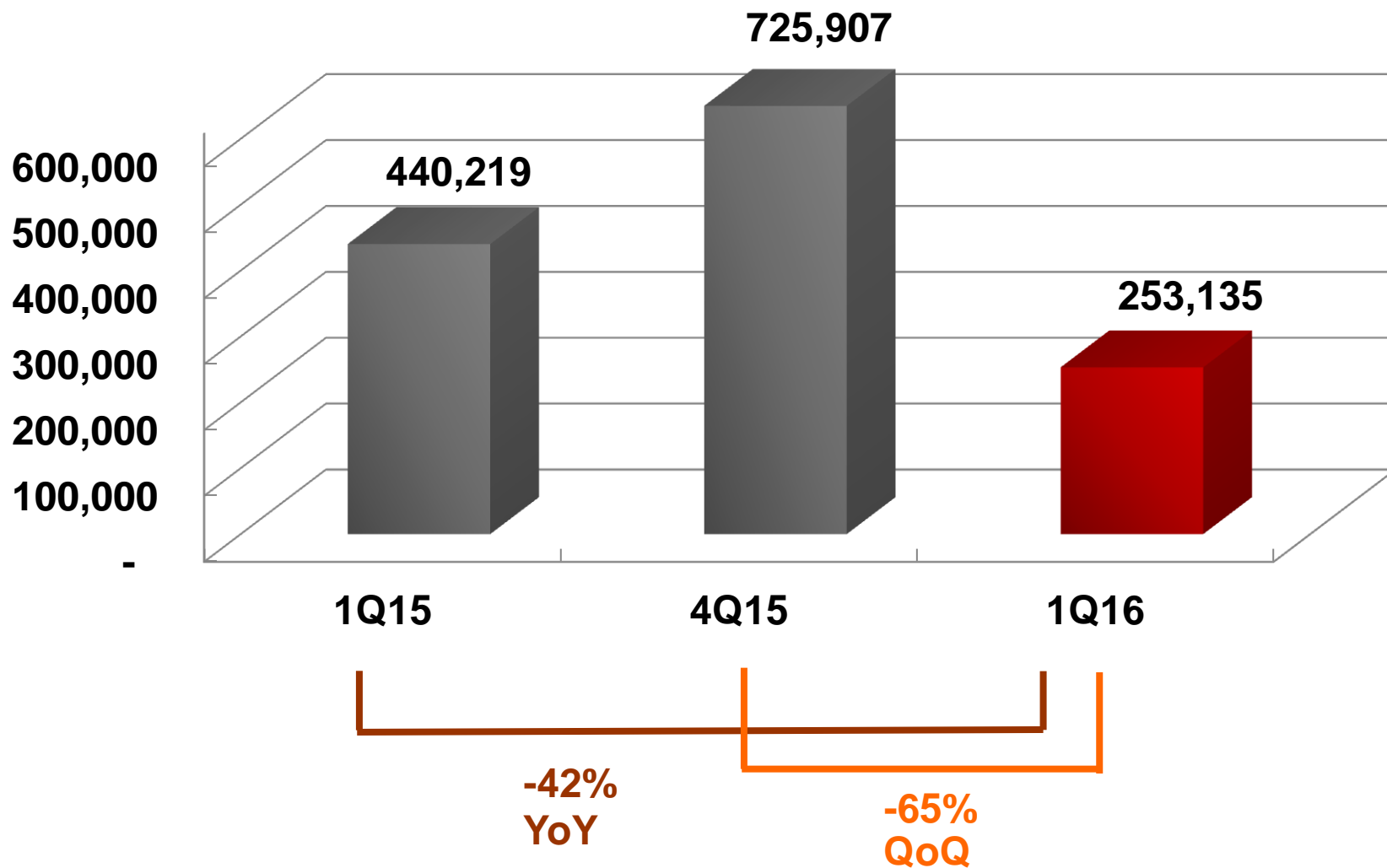


Operating Margin (Consolidated)

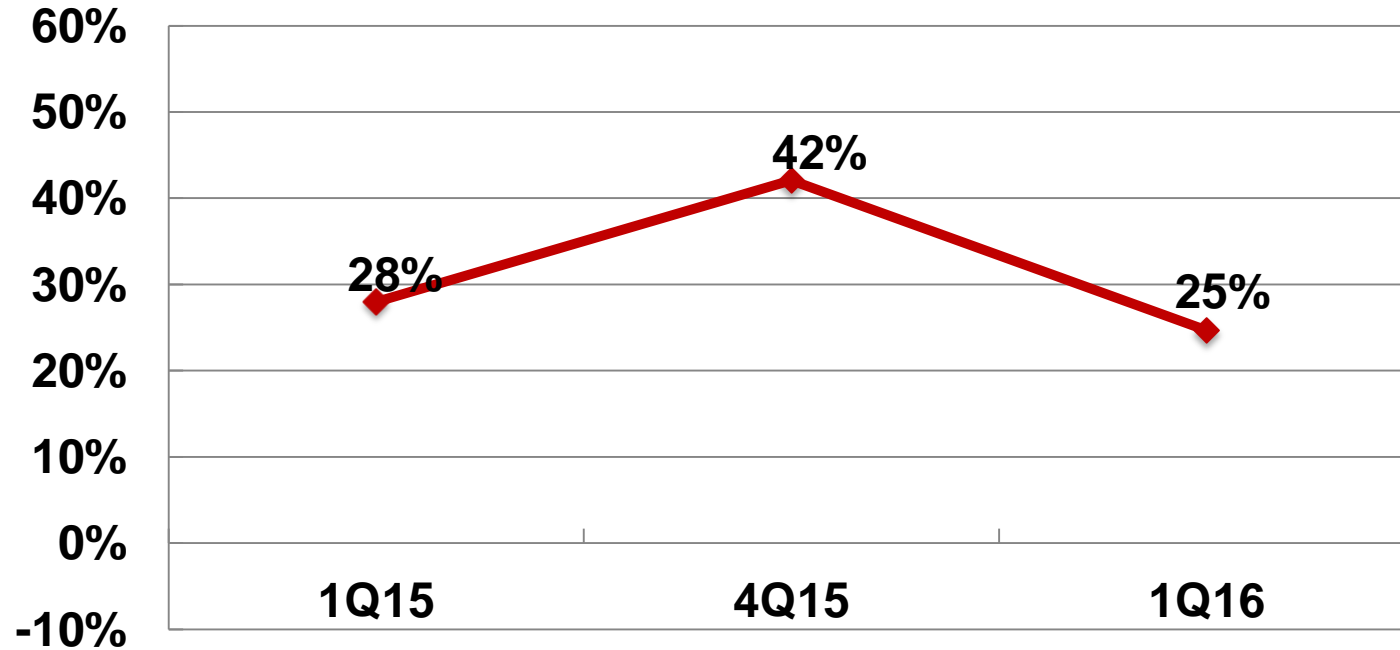


Net Income (Consolidated)

(In NT\$ Thousand)

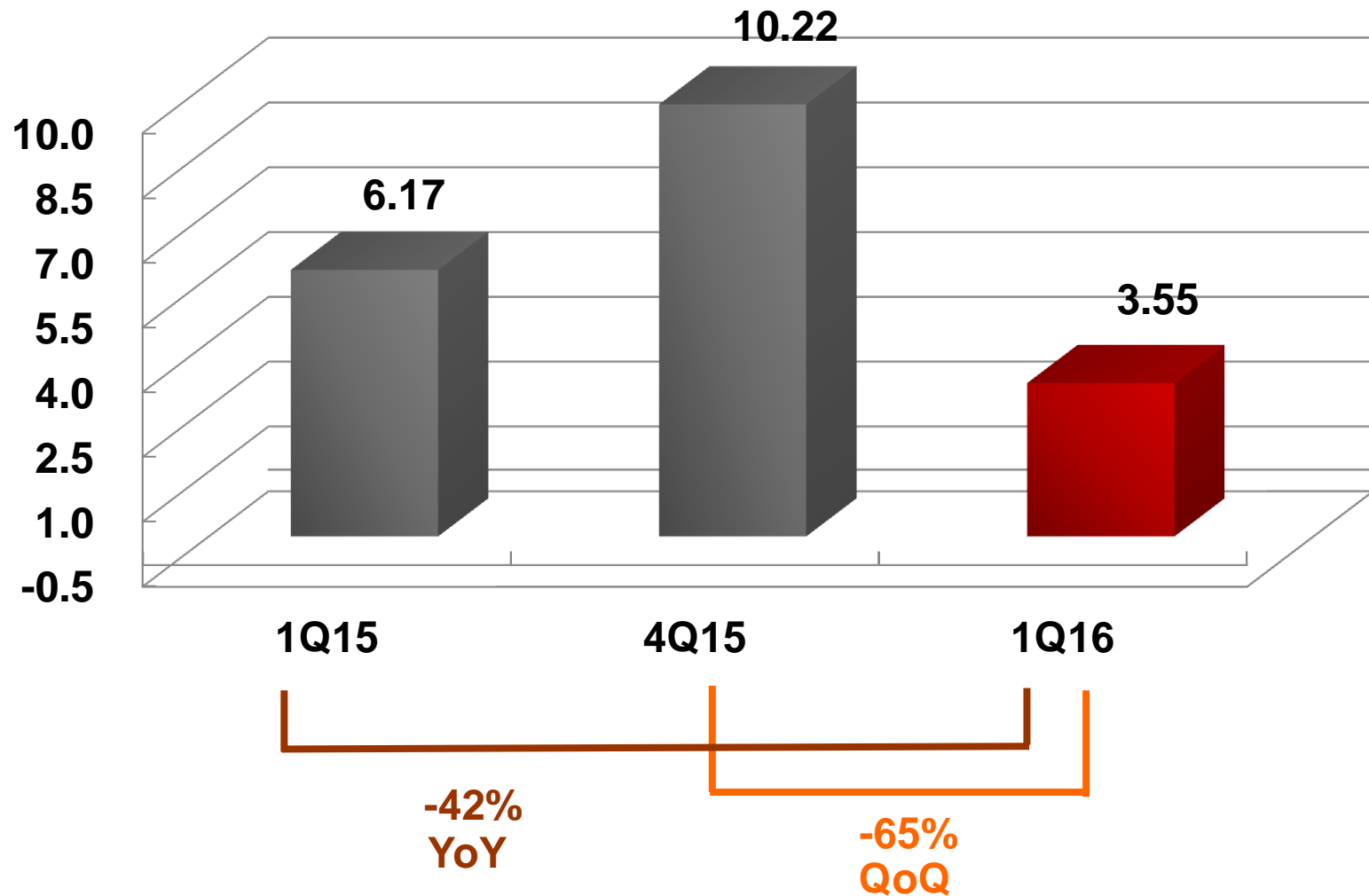


Profit Margin (Consolidated)



Basic EPS (Consolidated)

(In NT\$)



Income Statement (Consolidated)

(In NT\$ Thousands)

	1Q16	%	4Q15	%	1Q15	%	QoQ	YoY
Sales revenue	986,221	100	1,724,932	100	1,572,758	100	-43%	-37%
Operating costs	(290,567)	(30)	(516,570)	(30)	(463,781)	(30)		
Operating margin	695,654	70	1,208,362	70	1,108,977	70	-42%	-37%
Selling expenses	(88,162)	(9)	(134,864)	(8)	(149,189)	(10)		
G&A expenses	(118,085)	(12)	(103,910)	(6)	(126,003)	(8)		
R&D expenses	(209,643)	(21)	(220,064)	(13)	(322,282)	(20)		
Total operating expenses	(415,890)	(42)	(458,838)	(27)	(597,474)	(38)	-9%	-30%
Operating income	279,764	28	749,524	43	511,503	32	-63%	-45%
Non-operating G&L	2,780	-	44,075	3	(22,155)	(1)		
Profit before income tax	282,544	28	793,599	46	489,348	31		
Income tax expense	(29,409)	(3)	(67,692)	(4)	(49,129)	(3)		
Net income	253,135	25	725,907	42	440,219	28	-65%	-42%
Basic EPS	3.55		10.22		6.17		-65%	-42%

Balance Sheet (Consolidated)

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(In NT\$ Thousands)

	1Q16	%	4Q15	%	1Q15	%
Cash and cash equivalents	8,604,609	52	8,559,779	51	7,450,854	47
Financial assets at fair value through profit or loss	762,727	5	-	-	1,269,241	8
Bond investment without active markets-current	1,711,550	10	2,828,250	17	1,471,100	10
Accounts receivable	1,632,962	10	1,359,297	8	2,390,528	15
Other receivables	6,589	-	3,760	-	28,233	-
Inventories	2,585,486	15	2,634,265	16	2,073,824	13
Prepayments	204,177	1	160,236	1	118,134	1
Other current assets	28,016	-	60,855	-	29,907	-
Available-for-sale financial assets-noncurrent	32,524	-	32,524	-	7,450	-
Property, plant and equipment	1,005,121	6	975,021	6	942,486	6
Intangible assets	23,457	-	25,203	-	11,569	-
Deferred income tax assets	59,076	1	56,639	1	50,135	-
Other assets	8,165	-	9,452	-	7,565	-
Total assets	16,664,459	100	16,705,281	100	15,851,026	100
Accounts payable	90,560	1	106,129	1	288,599	2
Other payables	1,534,540	9	1,734,318	10	1,244,379	8
Current income tax liabilities	181,418	1	182,404	1	303,706	2
Provision for liabilities-current	1,778,129	11	1,808,182	11	1,572,400	10
Other current liabilities	40,369	-	105,292	-	48,112	-
Non-current liabilities	133,029	1	132,689	1	87,466	-
Equity	12,906,414	77	12,636,267	76	12,306,364	78
Total liabilities and equity	16,664,459	100	16,705,281	100	15,851,026	100

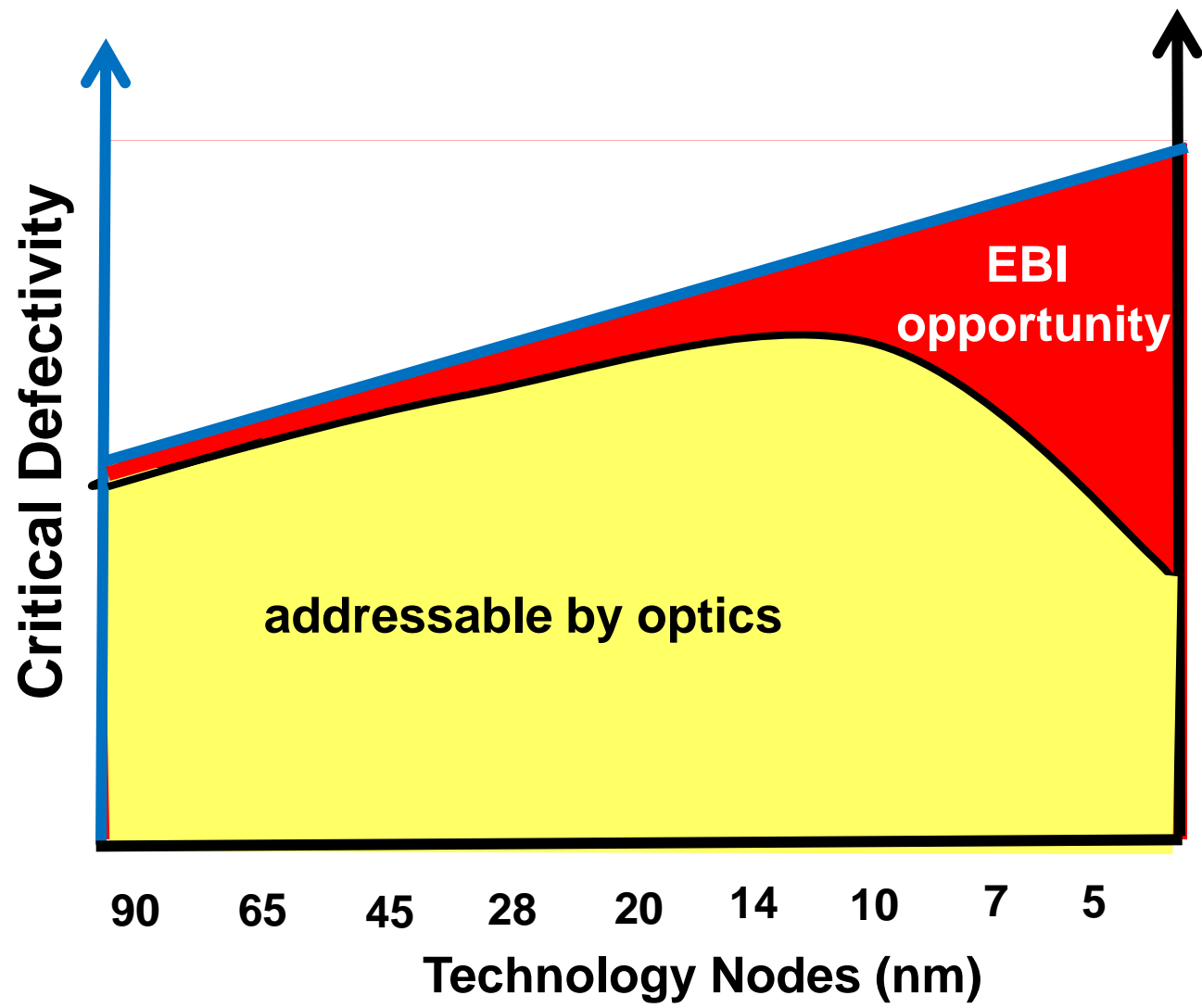
Statement of Cash Flow (Consolidated)

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(In NT\$ Thousands)

	3 months ended March 31, 2016	3 months ended March 31, 2015
Cash at beginning of period	8,559,779	7,396,471
Cash inflow from operating activities	(241,831)	653,863
Decrease (Icrease) in financial assets at fair value through profit or loss	(759,085)	(163,646)
Acquisition of bond investments without active markets-current	1,116,700	(205,100)
Acquisition of PP&E	(63,645)	(246,284)
Other activities	(7,309)	15,550
Cash at end of period	8,604,609	7,450,854

- EBI has been adopted for production HVM, and received repeating orders:
eScan500 and SkyScan for logic N10
eScan400 series for 3D NAND
eP4 for 2xnm DRAM
- NanoScan 3000 (with high landing energy) shipped for CDU, overlay and embedded defect applications. Expect more shipment in 2H
- eScan500 has become the critical tool for 10nm ramp-up and production
- Incremental demand of EBI for 3DNAND inline use compared with 2DNAND
- Continue to maintain >85% market share in EBI and with comfortable performance margin ahead of competitor's
- Tool reuse from N10 to N7 not likely to have significant impact to overall revenue
- Intensified collaboration with fabs and other equipment suppliers
- Industry consensus shown that 10nm will be the inflection point for high volume adoption of EBI



- Short-term revenue volatile due to revenue recognition timing uncertainties and semi equipment business nature, but long-term/incremental demand is high
- 2Q16 rebound, maintain margin and profitability
- 2H better than 1H
- Full year guidance remains unchanged

Q & A

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