

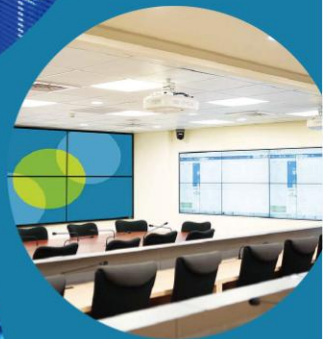


ATEN International

ICA Asia Insights Forum

Sep. 23, 2020

TWSE 6277



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- **Company Profile**
- **Core Advantage**
- **Future Strategy**
- **Financial Performance**
- **Q&A**



Company Profile

40+

Years of
Excellence

50%+

Gross Margin Rate

1.6k

Employees
Worldwide

TOP35

Best Taiwan Global Brand

640+

Patents Awarded

Cross product line solution

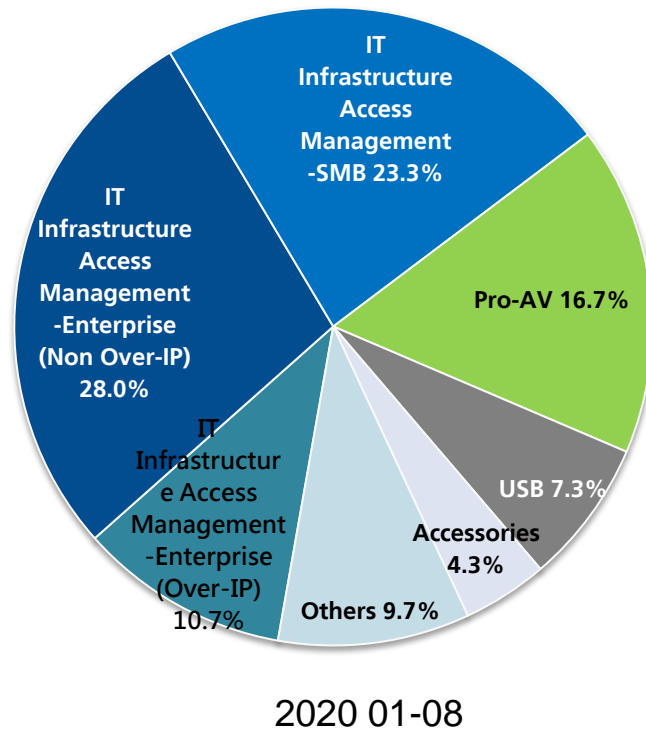
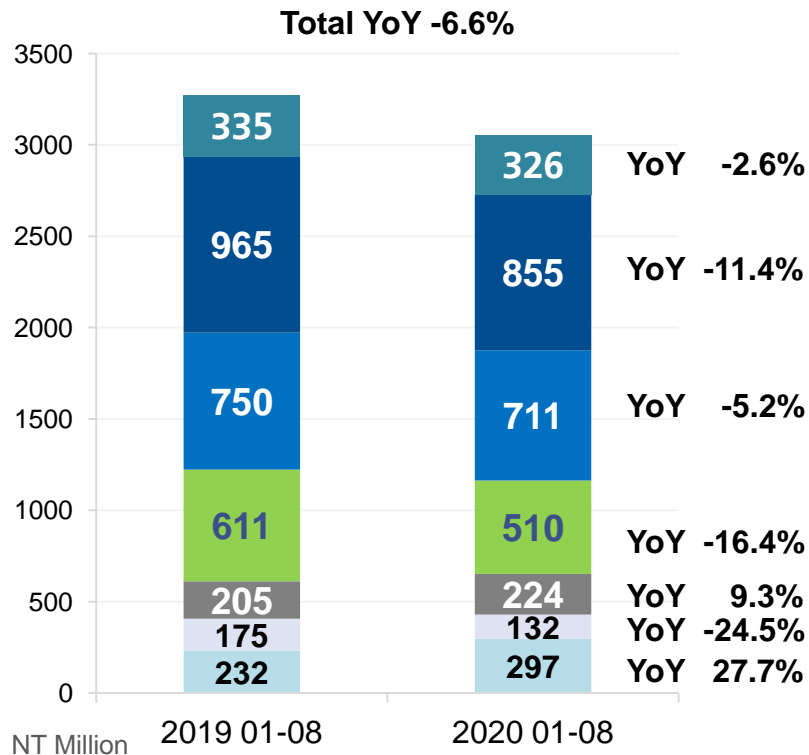
- One-stop shopping experience to fulfill customers' demand
- Exclusive competitive advantage by providing KVM, Pro-AV, and PDU products which no competitor can follow

Expand global sales site and launch showrooms

- Direct communication between local markets and ATEN
- Present customers with integrated solution by showroom
- Develop products fulfilling user experiences

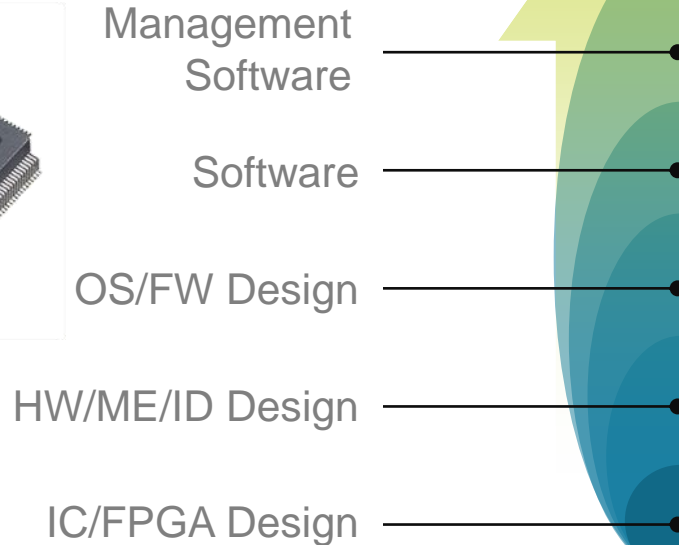
Thailand factory under construction, ready for mass production in 2Q21

- Diversify production risk
- Decrease logistic cost



Core Advantage

**Get the know-how
Outstanding margin performance**



User-Centered
Design



Worldwide Presence

Localized Service



Corporate Headquarters
Taiwan

Asia-Pacific
China Subsidiary
Taiwan Subsidiary
Japan Subsidiary
Korea Subsidiary
India Office

Europe
Belgium Subsidiary
UK Subsidiary
Russia Office
Turkey Office(2016*)
Poland Subsidiary(2017*)
Romania Subsidiary(2019*)

America
US Subsidiary (CA)
US Subsidiary (NJ)

Oceania
ANZ Subsidiary

R&D / Manufacturing
Canada R&D
China R&D/Factory
Taiwan R&D/Factory

*Recent Launch year



ATEN Global Showroom Presence

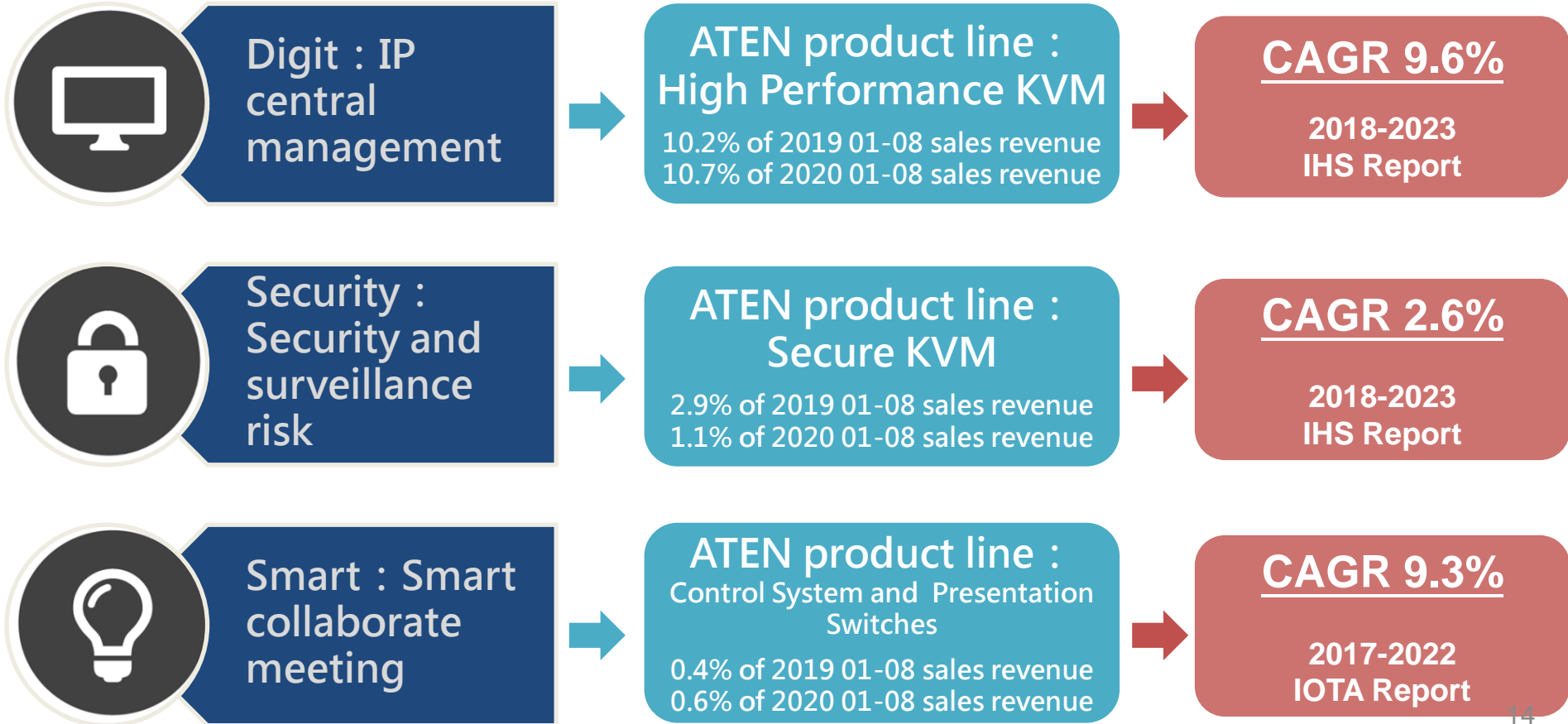
- There are 28 ATEN showroom worldwide in total
- 2 new showroom in Q4 2019 : US and Romania





Provide IT and Pro-AV one-stop purchase solution at the same time.
ATEN exclusive advantage that no competitor can imitate.

Future Strategy



A surreal landscape featuring a range of dark, jagged mountains under a sky with two large, glowing moons. The sky is a mix of deep blue, green, and orange, suggesting a sunset or sunrise. The mountains are dark and rocky, with some mist or smoke rising from the valleys. The overall mood is mysterious and otherworldly.

ATEN Solution

Government
政府解決方案

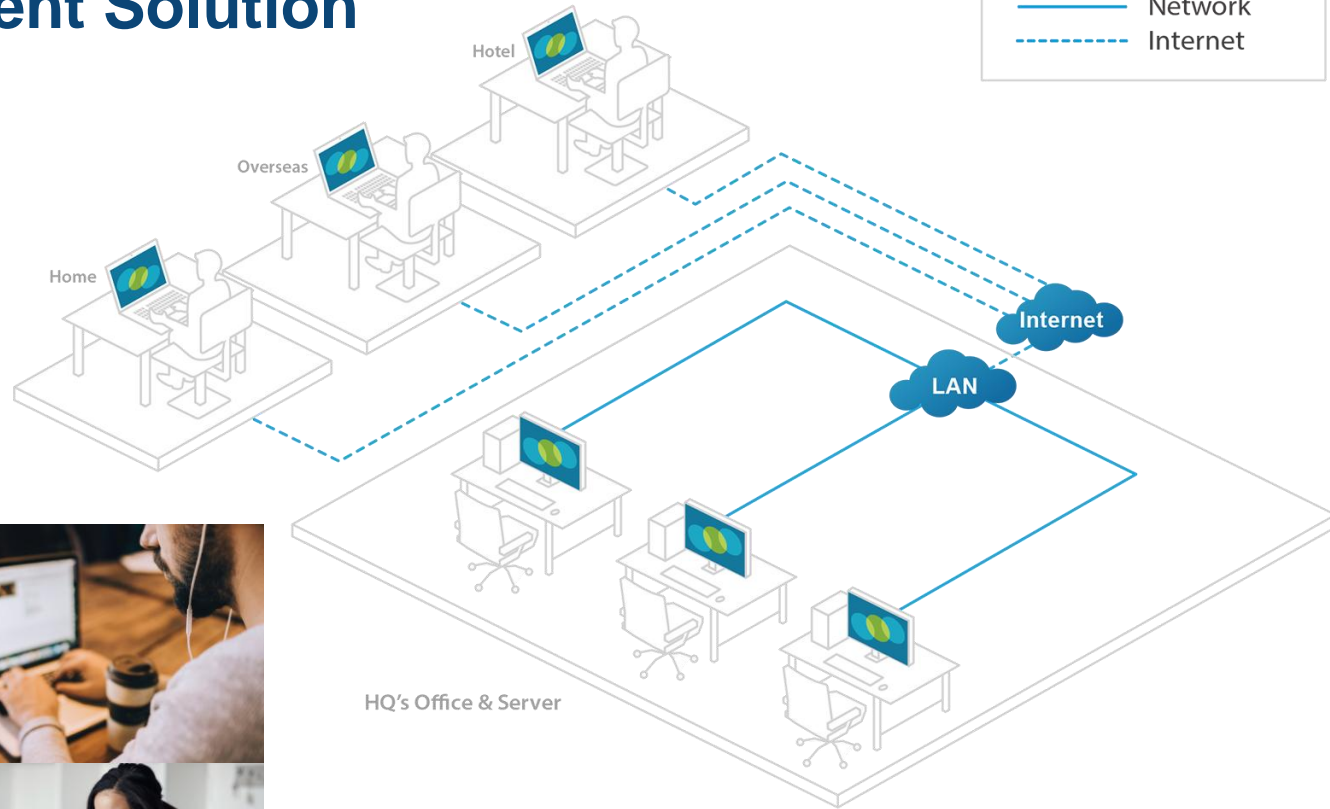
Education
教育解決方案

Healthcare
醫療/健康解決方案

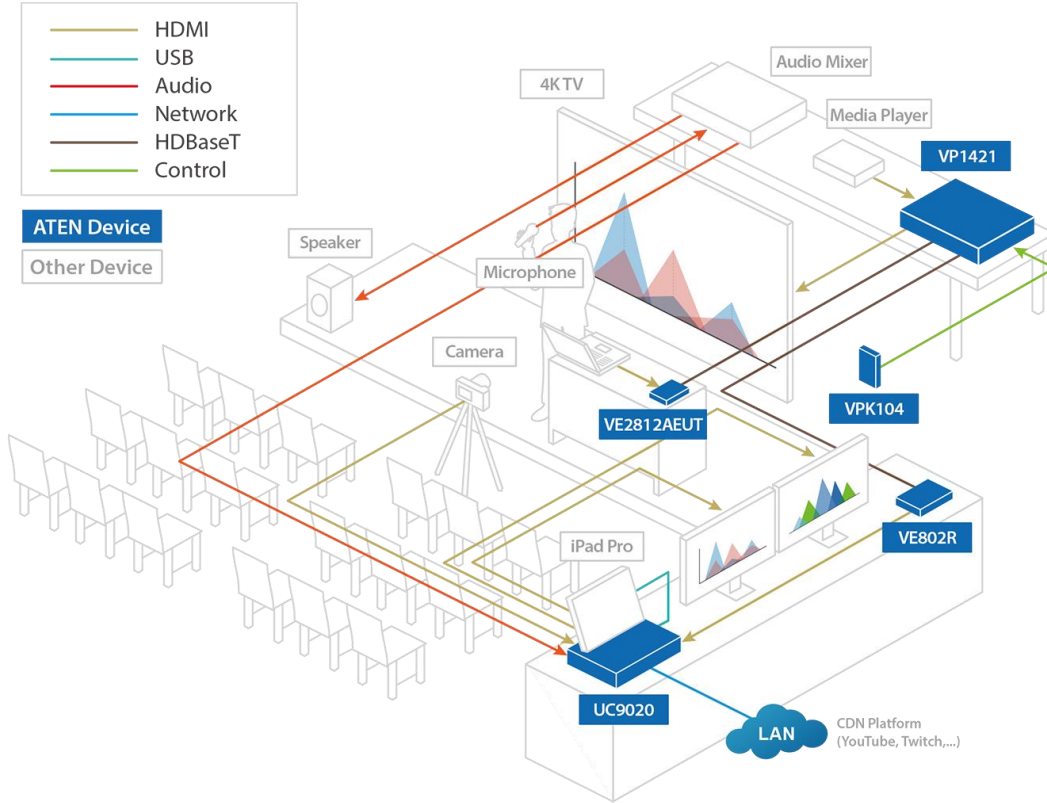
Maunufacturing
智慧製造解決方案



ATEN Government Solution

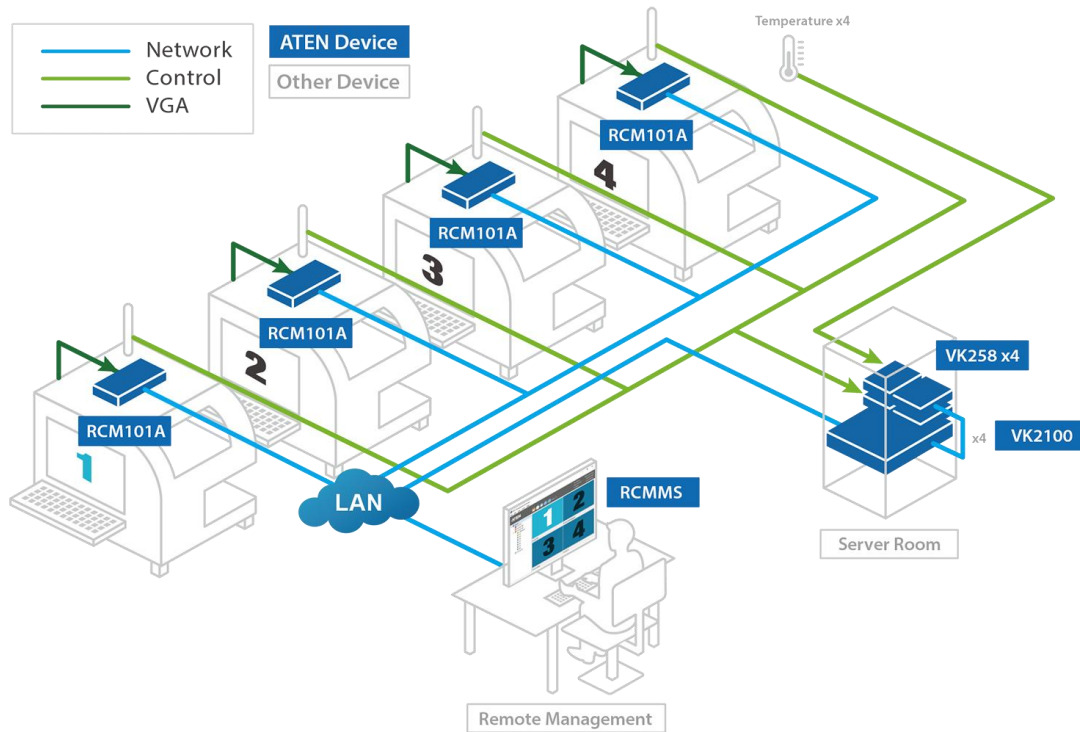






Education Solution

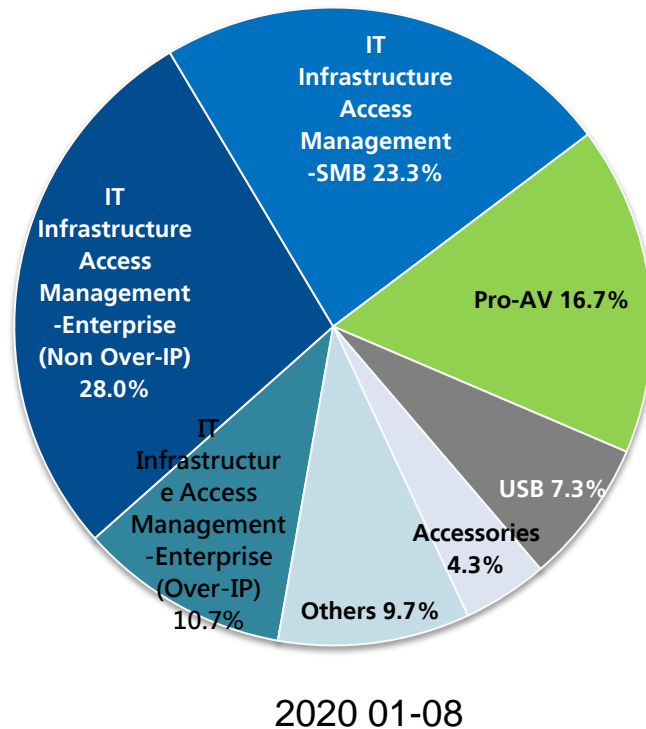
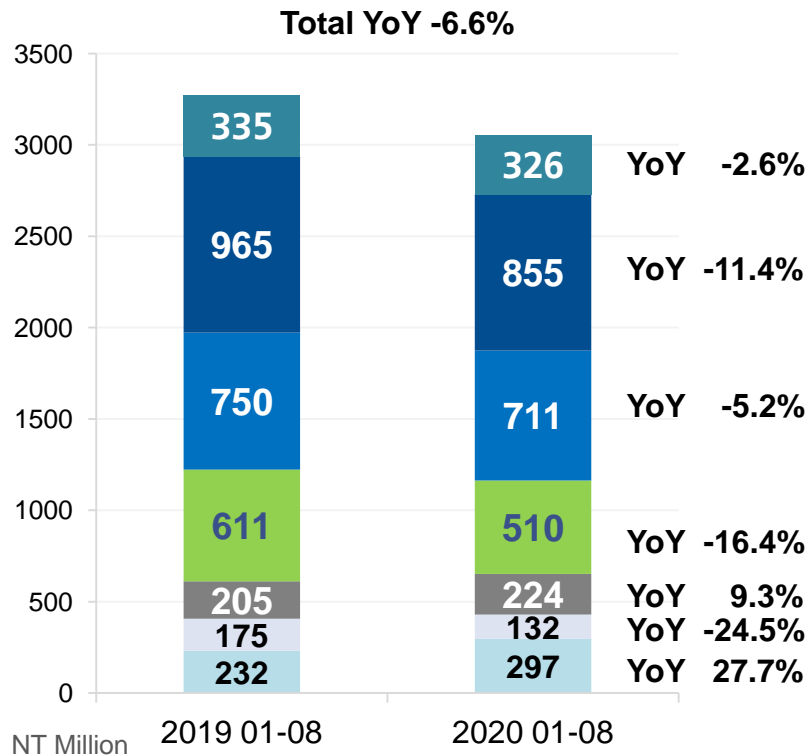


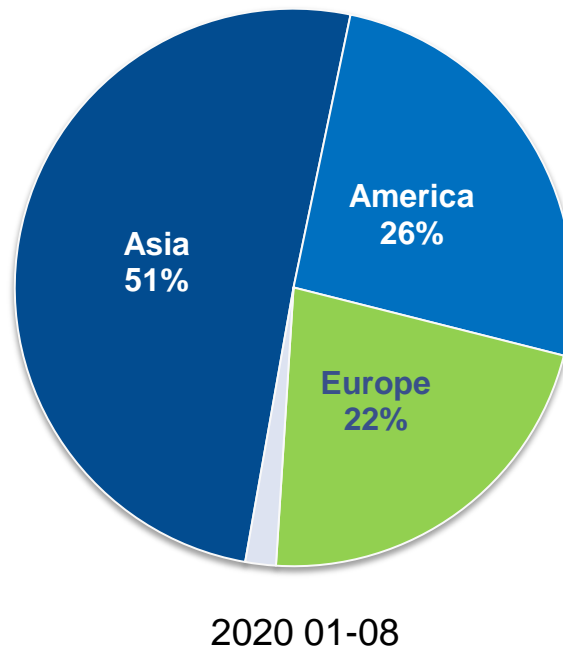
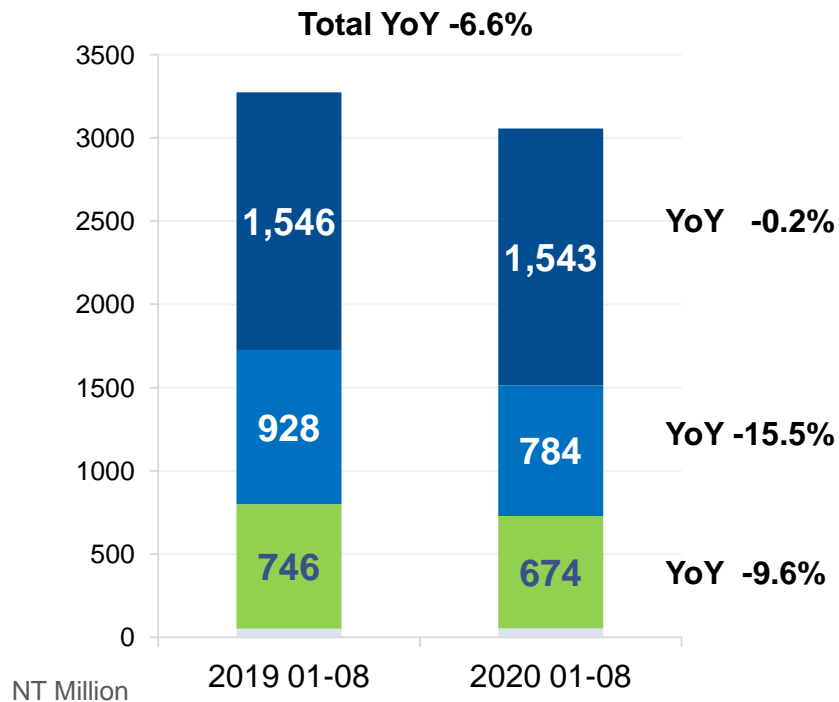


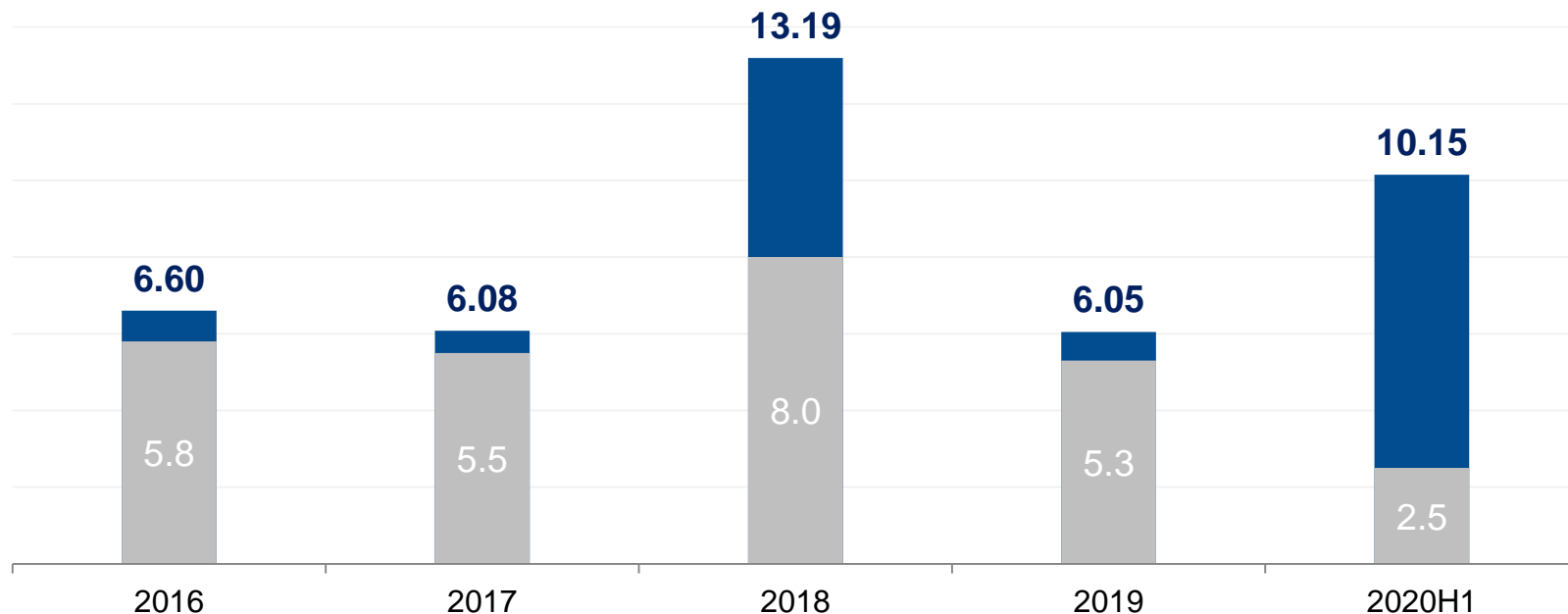
Manufacturing Solution



Financial Performance

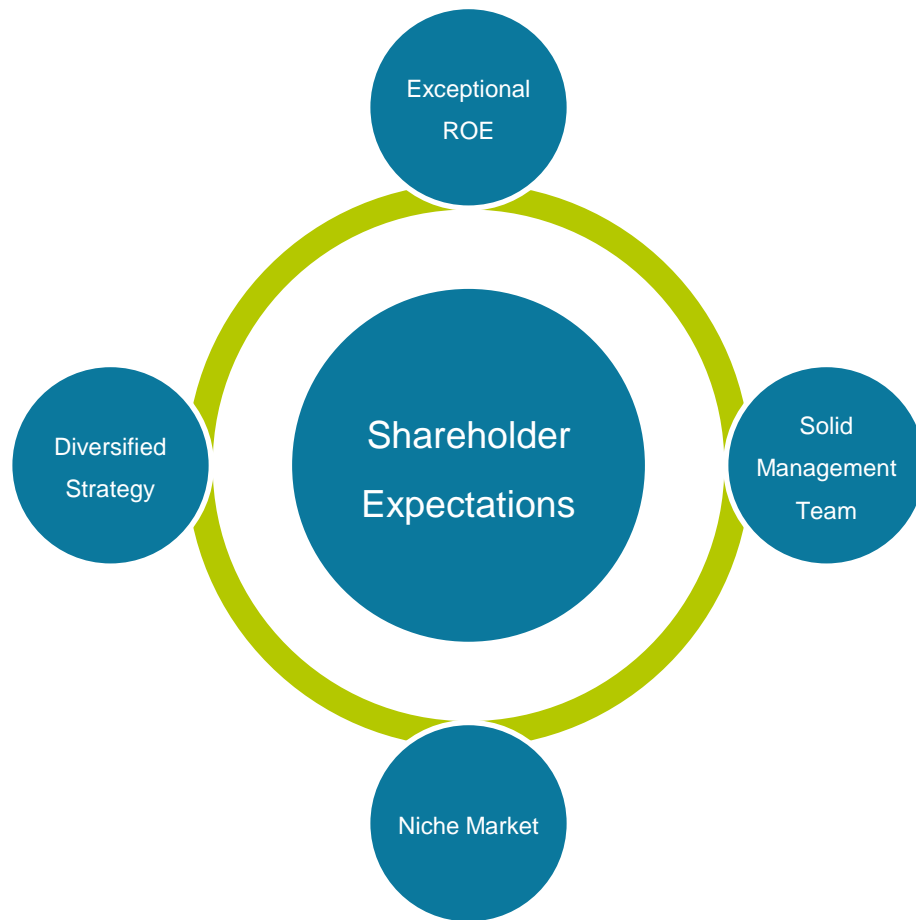






■ EPS
■ Cash Dividend

90% payout ratio from operational profit remains unchanged



Q&A

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ATEN War Room



ATEN War Room

Simply Better Connections



Appendix I | Financial Report

Consolidated Statements of Comprehensive Income – 2Q20 (YoY)

In NT million

| | 2Q20 | | 2Q19 | | YoY | |
|-----------------------------------|--------|-------|--------|-------|--------|------|
| | Amount | % | Amount | % | Amount | % |
| Net Sales | 1,083 | 100.0 | 1,254 | 100.0 | -172 | -14 |
| Gross Profit | 649 | 59.9 | 741 | 59.1 | -93 | -12 |
| Operating Expenses | 593 | 54.8 | 561 | 44.8 | 32 | 6 |
| Sales Expenses | 305 | 28.2 | 310 | 24.7 | -4 | -1 |
| Admin. Expenses | 149 | 13.7 | 131 | 10.5 | 18 | 13 |
| RD Expenses | 139 | 12.8 | 120 | 9.6 | 19 | 15 |
| Operating Profit | 56 | 5.1 | 180 | 14.3 | -124 | -69 |
| Non-Operating Income and Expenses | 875 | 80.9 | 12 | 1.0 | 863 | 6942 |
| Net Income before Tax | 931 | 86.0 | 192 | 15.3 | 739 | 384 |
| Tax | 20 | 1.9 | 40 | 3.2 | -20 | -49 |
| Net Income | 911 | 84.1 | 152 | 12.1 | 758 | 499 |
| EPS(NT\$) (After Tax) | 7.62 | | 1.26 | | | |

Note : Taiwan Consolidated Basis

Consolidated Statements of Comprehensive Income – 2Q20 (YoY)

In NT Million

| | 2Q20 (Without Disposal Effect) | | 1Q19 | | YoY | | 2Q20 Disposal Effect |
|-----------------------------------|--------------------------------------|--------------|--------|-------|--------|-----|----------------------------|
| | Amount | % | Amount | % | Amount | % | Amount |
| Net Sales | 1,083 | 100.0 | 1,254 | 100.0 | -172 | -14 | 0 |
| Gross Profit | 656 | 60.6 | 741 | 59.1 | -85 | -11 | -7 |
| Operating Expenses | 510 | 47.1 | 561 | 44.8 | -51 | -9 | 83 |
| Sales Expenses | 286 | 26.5 | 310 | 24.7 | -23 | -8 | 19 |
| Admin. Expenses | 116 | 10.7 | 131 | 10.5 | -15 | -12 | 33 |
| RD Expenses | 108 | 10.0 | 120 | 9.6 | -12 | -10 | 31 |
| Operating Profit | 146 | 13.5 | 180 | 14.3 | -34 | -19 | -90 |
| Non-Operating Income and Expenses | 8 | 0.7 | 12 | 1.0 | -5 | -37 | 867 |
| Net Income before Tax | 154 | 14.2 | 192 | 15.3 | -38 | -20 | 777 |
| Tax | 28 | 2.6 | 40 | 3.2 | -12 | -30 | -8 |
| Net Income | 126 | 11.6 | 152 | 12.1 | -26 | -17 | 785 |
| EPS(NT\$) (After Tax) | 1.05 | | 1.26 | | | | 6.57 |

Consolidated Statements of Comprehensive Income – Jan.~ Jun. 2020 (YoY)

In NT million

| | Jan. ~ Jun. '20 | | Jan. ~ Jun. '19 | | YoY | |
|-----------------------------------|-----------------|-------|-----------------|-------|--------|------|
| | Amount | % | Amount | % | Amount | % |
| Net Sales | 2,236 | 100.0 | 2,410 | 100.0 | -174 | -7 |
| Gross Profit | 1,347 | 60.2 | 1,431 | 59.4 | -85 | -6 |
| Operating Expenses | 1,159 | 51.9 | 1,103 | 45.8 | 56 | 5 |
| Sales Expenses | 614 | 27.4 | 605 | 25.1 | 9 | 1 |
| Admin. Expenses | 274 | 12.3 | 255 | 10.6 | 19 | 7 |
| RD Expenses | 272 | 12.2 | 244 | 10.1 | 28 | 12 |
| Operating Profit | 187 | 8.4 | 328 | 13.6 | -141 | -43 |
| Non-Operating Income and Expenses | 1,080 | 48.3 | 22 | 0.9 | 1058 | 4717 |
| Net Income before Tax | 1,267 | 56.7 | 350 | 14.5 | 917 | 262 |
| Tax | 56 | 2.5 | 82 | 3.4 | -26 | -32 |
| Net Income | 1,212 | 54.2 | 269 | 11.1 | 943 | 351 |
| EPS(NT\$) (After Tax) | 10.15 | | 2.24 | | | |

Note : Taiwan Consolidated Basis

Consolidated Statements of Comprehensive Income – Jan. ~ Jun. (YoY)

| In NT Million | Jan. ~ Jun. '20 (Without Disposal Effect) | | Jan. ~ Jun. '19 | | YoY | | 1H20 Disposal Effect |
|-----------------------------------|--|-------|-----------------|-------|--------|-----|----------------------|
| | Amount | % | Amount | % | Amount | % | Amount |
| Net Sales | 2,236 | 100.0 | 2,410 | 100.0 | -174 | -7 | |
| Gross Profit | 1,356 | 60.6 | 1,431 | 59.4 | -75 | -5 | -10 |
| Operating Expenses | 1,050 | 47.0 | 1,103 | 45.8 | -53 | -5 | 109 |
| Sales Expenses | 588 | 26.3 | 605 | 25.1 | -17 | -3 | 25 |
| Admin. Expenses | 231 | 10.3 | 255 | 10.6 | -24 | -9 | 43 |
| RD Expenses | 231 | 10.3 | 244 | 10.1 | -13 | -5 | 41 |
| Operating Profit | 306 | 13.7 | 328 | 13.6 | -22 | -7 | -119 |
| Non-Operating Income and Expenses | 18 | 0.8 | 22 | 0.9 | -4 | -20 | 1062 |
| Net Income before Tax | 324 | 14.5 | 350 | 14.5 | -26 | -8 | 943 |
| Tax | 67 | 3.0 | 82 | 3.4 | -15 | -18 | -11 |
| Net Income | 257 | 11.5 | 269 | 11.1 | -12 | -4 | 954 |
| EPS(NT\$) (After Tax) | 2.16 | | 2.24 | | | | 7.99 |

| In NT Million | Jun. '20 | | Jun. '19 | | YoY | |
|--------------------------------------|--------------|------------|--------------|------------|-------------|-----------|
| | Amount | % | Amount | % | Amount | % |
| Cash and Financial Assets | 3,693 | 46 | 2,754 | 38 | 939 | 34 |
| Accounts Receivable | 577 | 7 | 741 | 10 | -164 | -22 |
| Inventory | 1,068 | 13 | 1,036 | 14 | 33 | 3 |
| Other Current Assets | 126 | 2 | 113 | 2 | 13 | 11 |
| Total Current Assets | 5,464 | 68 | 4,644 | 65 | 820 | 18 |
| Property, Plant, and Equipment | 2,039 | 25 | 1,975 | 27 | 64 | 3 |
| Other Non-Current Assets | 538 | 7 | 568 | 8 | -29 | -5 |
| Total Non-Current Assets | 2,578 | 32 | 2,543 | 35 | 35 | 1 |
| Total Assets | 8,042 | 100 | 7,187 | 100 | 855 | 12 |
| Short-term Borrowings | 756 | 9 | 663 | 9 | 93 | 14 |
| Accounts Payable | 375 | 5 | 351 | 5 | 23 | 7 |
| Other Accounts Payable | 618 | 8 | 582 | 8 | 36 | 6 |
| Other Current Liabilities | 889 | 11 | 1,204 | 17 | -315 | -26 |
| Total Current Liabilities | 2,638 | 33 | 2,801 | 39 | -163 | -6 |
| Long-term Borrowings | 57 | 1 | 21 | 0 | 36 | 170 |
| Other Non-Current Liabilities | 506 | 6 | 466 | 6 | 41 | 9 |
| Total Non-Current Liabilities | 563 | 7 | 487 | 7 | 76 | 16 |
| Total Liabilities | 3,201 | 40 | 3,288 | 46 | -87 | -3 |
| Total Equity | 4,841 | 60 | 3,899 | 54 | 942 | 24 |
| Receivable turnover days | 49 | | 56 | | | |
| Inventory turnover days | 211 | | 195 | | | |
| Payable turnover days | 78 | | 77 | | | |

| In NT Million | Jan.~ Jun. '20 | Jan.~ Jun. '19 |
|--|--------------------------------|------------------------------|
| | Amount | Amount |
| Cash and cash equivalents at beginning of period | 742 | 692 |
| From Operating | Without Trading -967 | Without Trading -349 |
| Net Profit before Tax | Financial Assets 1,267 | Financial Assets 350 |
| | +328 | +243 |
| Non cash adjustments to reconcile profit and loss | -979 | 74 |
| Financial assets at fair value through profit or loss, mandatorily | -1,295 | -592 |
| Inventory | -83 | 22 |
| Account Receivable | 51 | -11 |
| Account Payable | -7 | -123 |
| Other Operation Sources / (Uses) | 78 | -70 |
| From Investing | Including Trading 1,026 | Including Trading 543 |
| Property, plant and equipment | Financial Assets -91 | Financial Assets -21 |
| | --269 | -49 |
| Disposal of financial assets at fair value through profit or loss | 918 | 0 |
| Disposal of Investment income under equity method | 206 | 561 |
| Other Investing Sources / (Uses) | -7 | 3 |
| From Financing | 7 | -152 |
| Short-Term and Long-Term Borrowings | 71 | -99 |
| Other Financing Sources / (Uses) | -64 | -53 |
| Effect of exchange rate changes on cash and cash equivalents | -6 | 6 |
| Cash and cash equivalents at end of period | 802 | 740 |
| Free Cash Flow | 59 | 193 |

Appendix II | Industry Application



Office
Desktop



Broadcasting



Control
Room



Server Room
Management



Factory
Product
Line



Smart
Meeting
Room



Control
Room



Interactive
Classroom



Digital
Signage





Corporate



Education



Government



Entertainment



Manufacturing



Retail



Broadcasting



Banking &
Finance



Telecommunication



Healthcare



Utilities &
Resources



Transportation



Government



Broadcasting



Utilities &
Resources



Education



Banking &
Finance



Manufacturing



Government // Jet Simulation Training

**ATEN Niche
4K Seamless Switch
Fiber Transmission
Customized Resolution**





Increased security over long distances

Secure long-distance signal transmission of full HD-1080p and 3D video content via one optical fiber cable

Seamless switching at high resolutions

Features close-to-zero latency when switching to ensure continuous video streams, real-time switching and stable signal transmissions



Seamless Switch

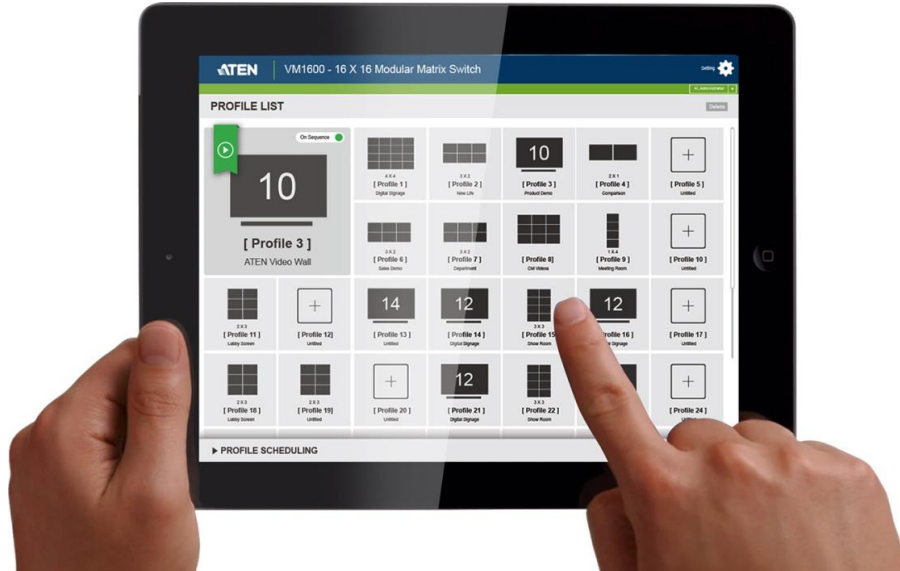
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ATEN Niche
Seamless Switch
Easy and Centralized Management for Video Wall
Intuitive Web GUI Design

Simple Meets Spectacular

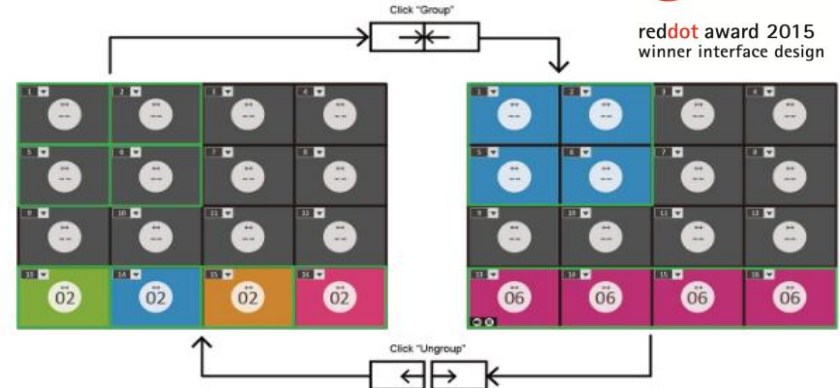


Seamless switching at high resolutions

Features close-to-zero latency when switching to ensure continuous video streams, real-time switching and stable signal transmissions



reddot award 2015
winner interface design



Easy centralized control

Effortlessly create custom video wall layouts via an intuitive web GUI that centralizes control



Utilities & Resources // Power Plant and Surveillance Center

ISO
and Future



**ATEN Niche
KVM High-End Solution
Matrix N to M Over-IP KVM Extender
High Resolution**



Complete over IP KVM system

Provides over IP remote monitoring and management plus matrix switching and extender control in addition to secure local access for simplified system maintenance

Advanced security

Secure browser logins from browser; choice of encryption levels for KVM operations, plus virtual media data encryption; automated CSR creation utility; IP/MAC address filter





ATEN Niche
AR Interaction
Seamless Switch
Expendable Solution for Future Convenient Expansion



Expandable solution

Easily expandable solution protects investment and allows for convenient future expansion



Seamless Switch
Less Than **0.5** sec.





**ATEN Niche
Cross Product Line Solution
Interactive Demo Classroom
Distance Education**



Sharing Knowledge



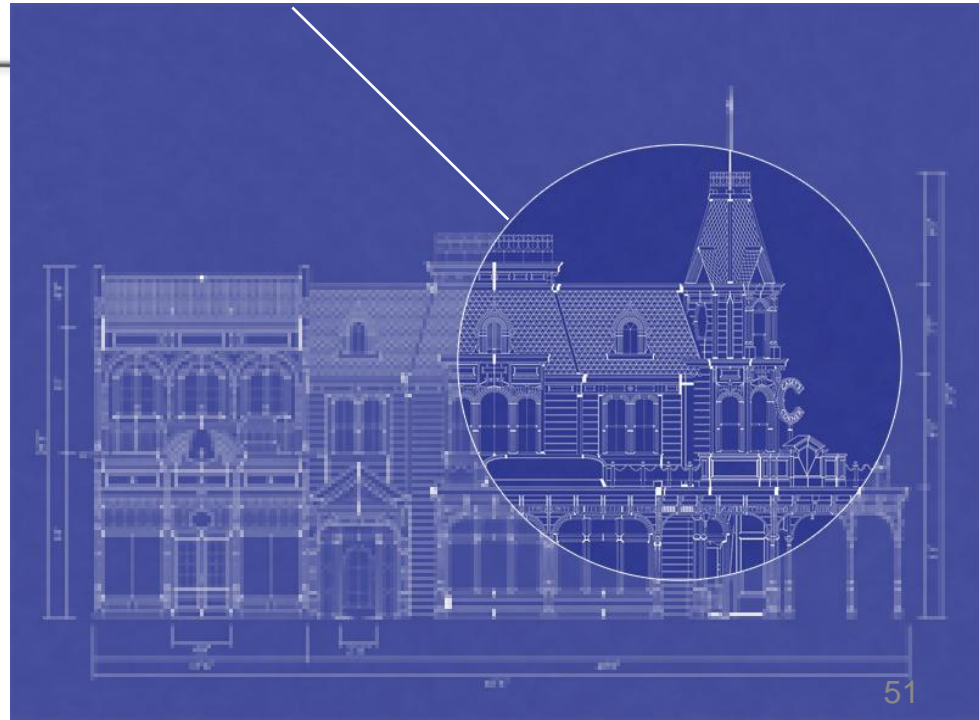
Collaborative Learning

ATEN's range of KVM, A/V, and control system solutions allow teachers to easily share information from teacher to student, student to teacher, and student to student. Partnering with ATEN transforms the classroom into an interactive, modern space.



A Clearer Vision

ATEN heavily invests in research and development to provide exceptional quality solutions that help teachers and students communicate with unprecedented clarity.





Banking & Finance // Financial Center



ATEN Niche
Control System
Seamless Switch

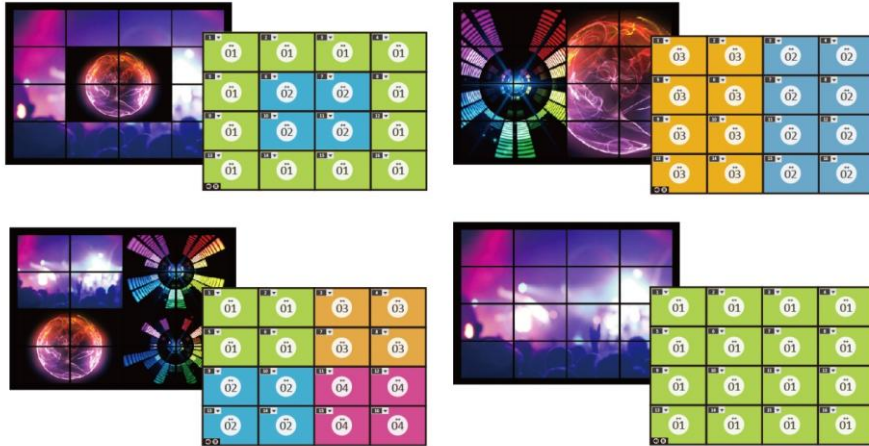
Integrated Management between Trading Lobby and Other Offices



Maximizes Convenience

Extends control, maximizes convenience

Three convenient methods to monitor, access and control devices in the installation



Seamless Switch

Less Than **0.5** sec.

Seamless switching at high resolutions

Features close-to-zero latency when switching to ensure continuous video streams, real-time switching and stable signal transmissions



Manufacturing // Semiconductor Industry

ATEN Niche
Industry 4.0 Automation Trend
Customized Service
Raise Defect-Free Rate and Decrease Cost

Human to Device Ratio



ATEN technologies help to facilitate remote, real-time monitoring of production lines with effortless data sharing for easy management.

Forward Thinking

ATEN KVM over IP matrix system embrace smart factory ideologies and Industry 4.0 trends, resulting in increased productivity and efficiency.





Government // Electronic Toll Collection and Transportation Center



ATEN Niche
Over-IP Management Solution
4K Seamless Switch
Cross Product Line Integration

Centralized Management

ATEN solutions create optimized work environments through centralized control, with the added peace of mind of secure remote access.



Hardware & Software Security

To ensure a complete security, systems require multiple levels of protection. ATEN solutions provide complete security and unwavering reliability that is compliant with leading industry security standards.

