

Innodisk Corporate

Investor Conference

(Symbol: 5289)

Randy Chien

Chairman

2020.04.09

The logo features the word "innodisk" in white lowercase letters on a red rectangular background. A small red square is positioned above the right side of the red rectangle.

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Disclaimer

This file and the financial information and forecast information are based on information obtained by the company from internal and external sources. The actual operating results and financial conditions of the company may differ from these predictive sets of information due to various uncontrollable factors.

The viewpoints in this file reflects the company's opinion on the future by the current date. If there are any changes or adjustment in the future, the company is not responsible for notifying the reader or updating the content.

Agenda

- Company Profile and Overview
- Market Focus and Product Overview
- AIoT Market Trend and Activities
- Innodisk Group Strategy
- COVID-19: Effect and Initiative
- Financial information
- Q & A

Company Profile and Overview



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2005

Founded

Capital

NTD\$797M

Customers

3,000+

Revenue

NTD\$7,362M

Shipment

Growth

20% YoY

Patents

115

Worldwide Operation

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Fremont, CA (2008)

Marlboro, NJ

Austin, TX
2019 Established

Eindhoven
The Netherlands
2012 Established
2019 New Building

Chengdu

Shanghai

Shenzhen (2011)

Tokyo,
Japan (2010)

Headquarters, Taipei
R&D Center, Hsinchu
Factory Site, Yi-Lan



- Overseas Branch Office (4)
- Sales & Service points (5)



Total Employees: 681
(Taiwan 574, Overseas 107)

Production

1,000K / Monthly (2019)

Certifications

ISO9001 / ISO14001 / ISO45001 /
IECQ QC080000

Manufacturing

New Taipei City / Yi-Lan County

ISO9001 X ISO14001 X ISO 45001 X IECQ QC080000



Manufacturing Site at Yi-Lan

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Lot Size

10,000

Sq. Meter

Floor Area (4 floors)

12,000

Sq. Meter

2019 Capacity

600K

SMT x 4

Partnership and Alliance

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2017

Microsoft officially supports SATADOM™ Boot-up Drive for Windows Server.

2019

Official partner of Azure Sphere



IoT Solutions Alliance

2016 - 2019

Official Intel® IoT Solution Partner

Interbrand

2018 - 2019

Top 35 International Taiwanese Brand

Gartner

2018/2019

No. 1 Global Industrial Grade SSD

2016

SATADOM™ is qualified on the EVO: Rail platform

Forbes

2016

Innodisk was listed as one of Asia's 200 Best Companies Under A Billion in Forbes.

2018年度

Top 10 DRAM Module Suppliers

Market Focus and Product Overview



In-vehicle



APPLICATIONS



CUSTOMIZED PRODUCTS



Gaming



Medical



Transportation



Military



Aero-space



Communication



Infra-structure



FLASH – Complete Storage Solutions

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Multi-level PLP
(Power-Loss -
Protection)



Features for
Vertical
Markets



Longevity
Support



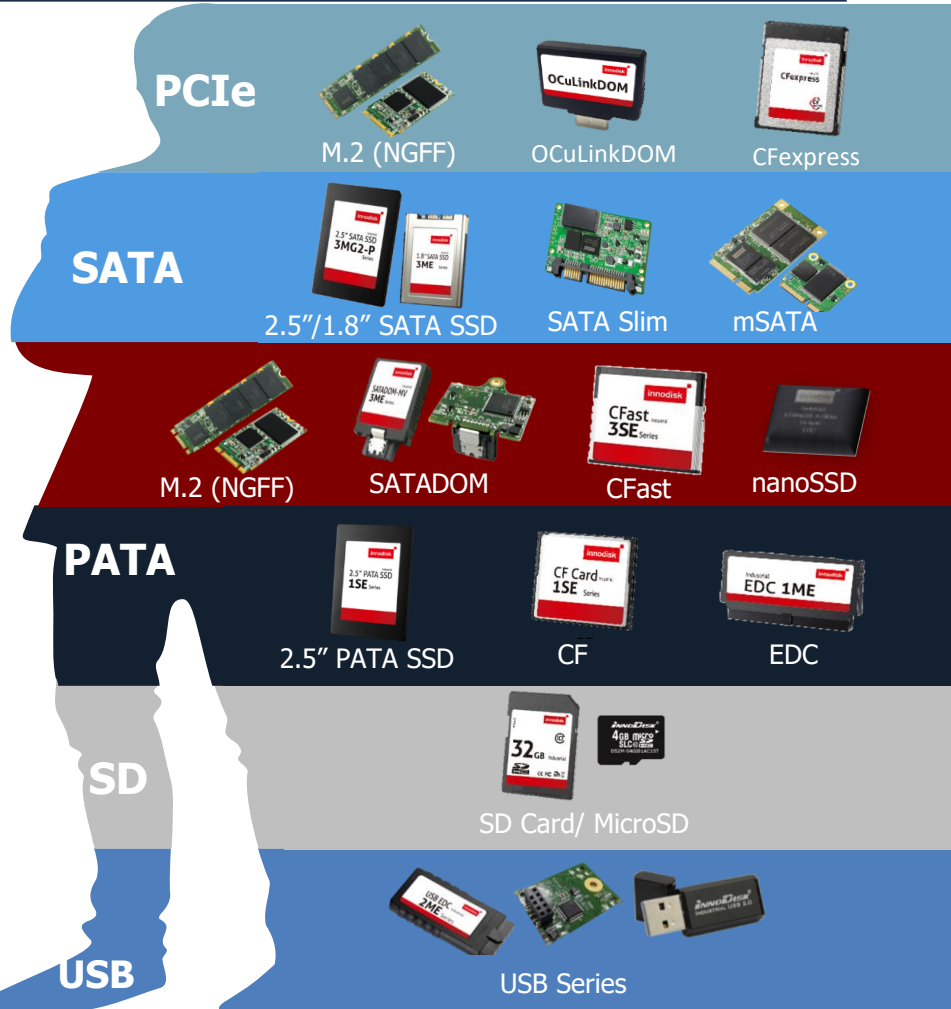
Combination
with MS Azure



Optimized Firmware
for
Industrial Applications



Data Security
& Integrity





High R/W Speed to 4GB/s



Industrial grade 3D TLC



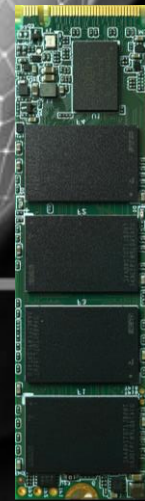
Flexible capacity options to 4TB



Wide temperatures
-40° to 85° C

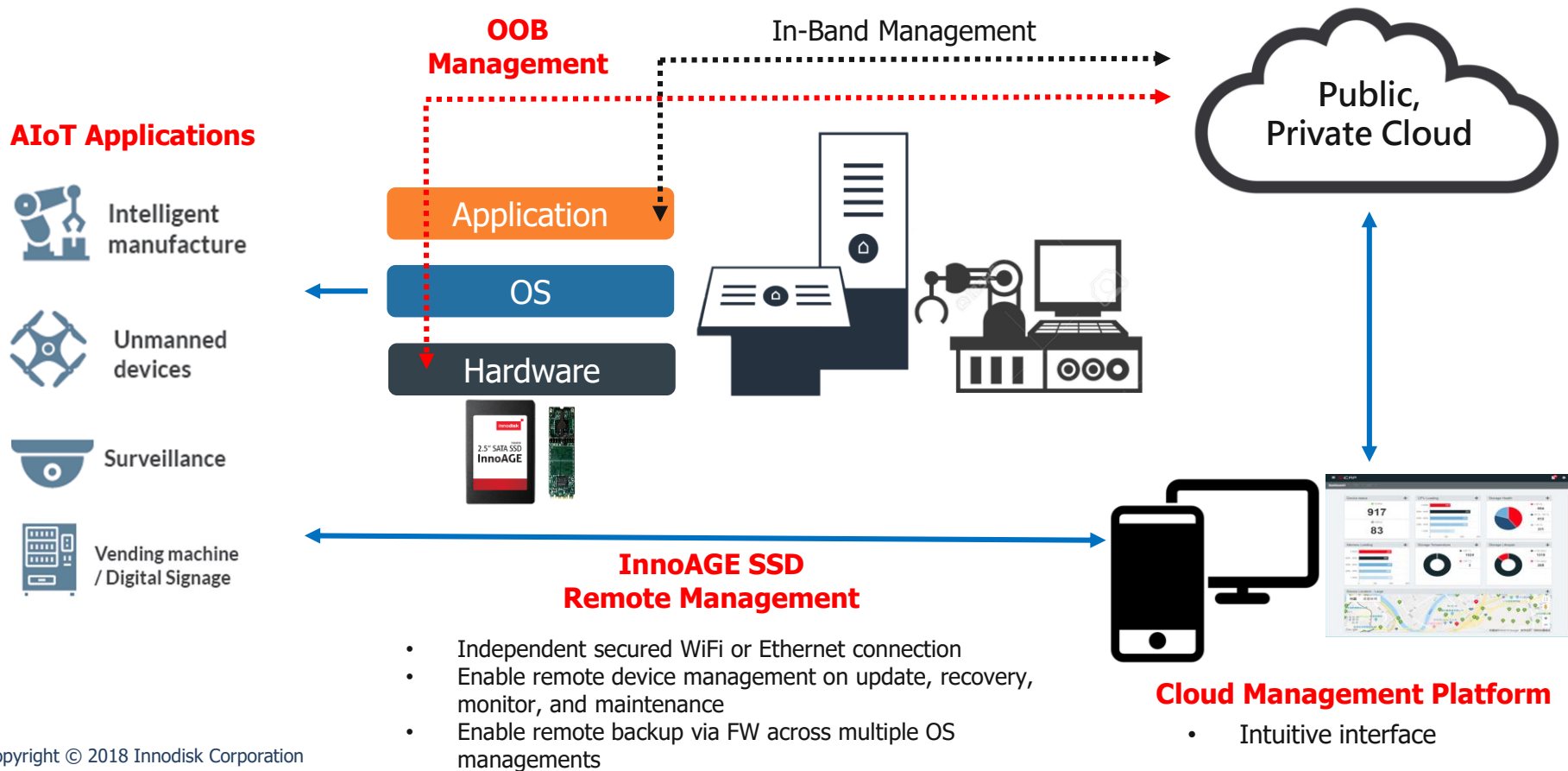


AES 256bits
Encryption




World's First Industrial PCIe_NVMe Gen 4 SSD

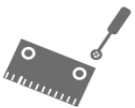
Define Out-of-Band (OOB) Management in AIoT





DRAM –Industrial Memory Modules


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- 

Industry Oriented
- 

Highest Quality Original IC
- 

Free Upgradation Anti-Sulfuration
- 

Complete Product Line
- 

Strict In-House Testing
- 

Add-On Selections

Embedded Memory



SODIMM



UDIMM



Very Low-Profile

Server Memory



ECC DIMM



Mini DIMM



RDIMM

Wide Temperature Memory



WT DIMM



WT ECC



WT RDIMM

Customized Memory



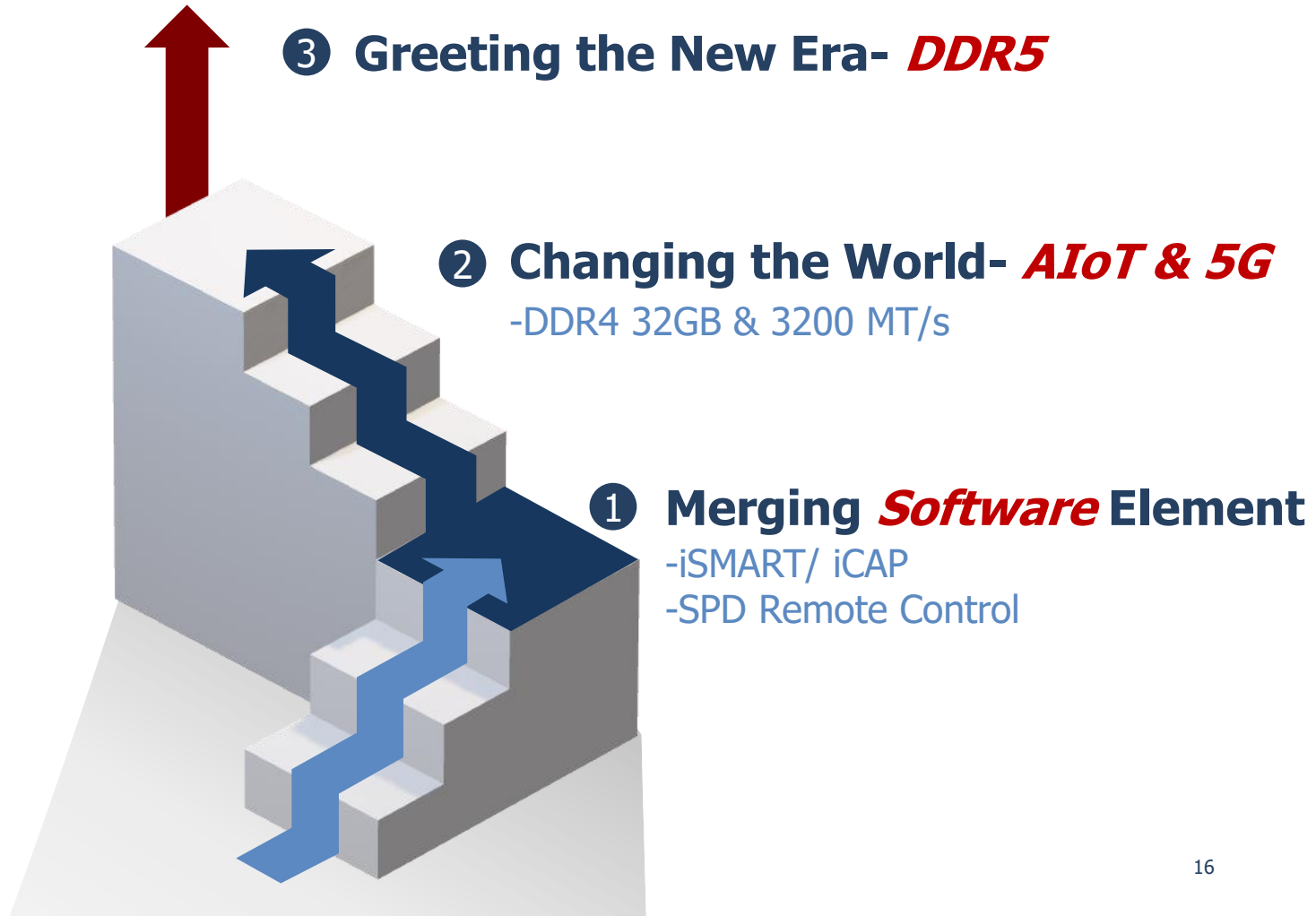
Rugged DIMM



XR-DIMM







2020 DRAM

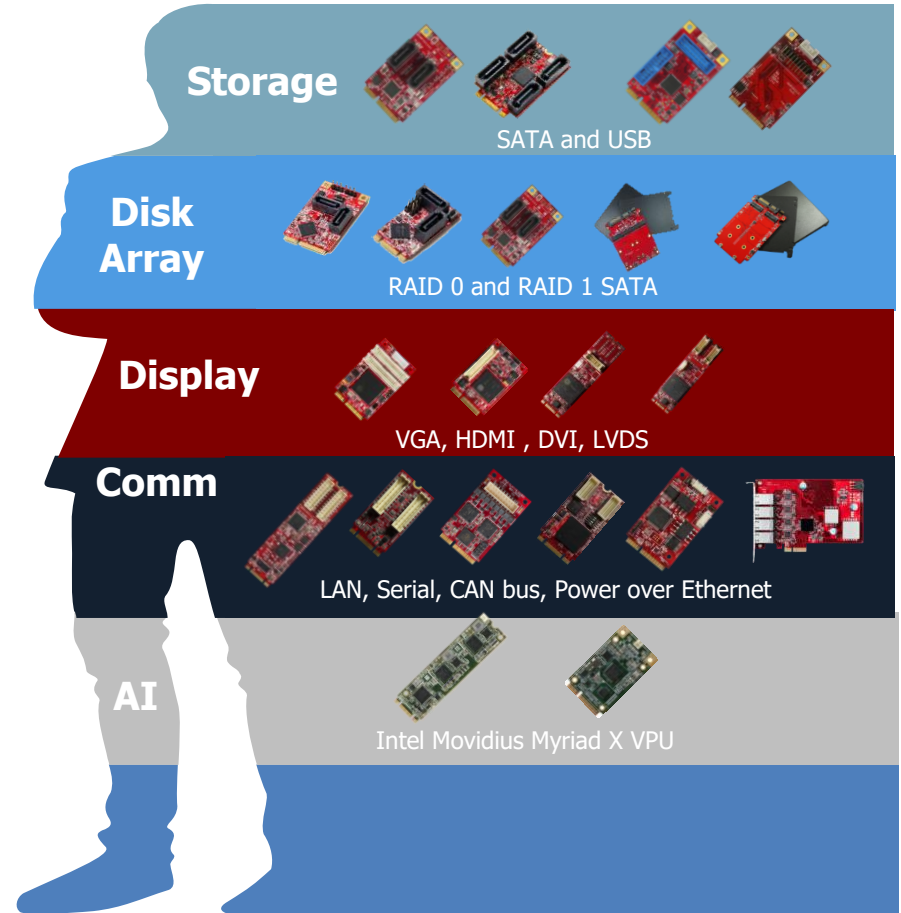
BRINGING
TO THE
NEXT LEVEL

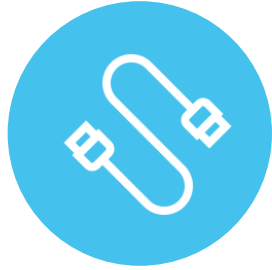


EP – Complete Embedded Peripheral

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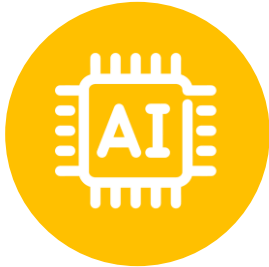
 Complete Form Factor	 Contact 8KV, Air 15KV ESD Protection	 Industrial grade components
 AIOT Application	 Complete API and Software Support	 Up to 2500V Isolation Protection





Industrial I/O – CAN, LAN, Serial, Display

- Industrial Network Protocols Supported
- Compatible with Legacy Systems
- Balance cost and expandability



AI Module

- Accelerator expansion
- Easy AI implementation
- AI SDK integration



Innovation – I/O Device Server

- MCI level I/O integration
- Remote I/O Research

Integration Innodisk Group from Edge to Cloud

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Cloud

Data visualization
Device management
Business logic

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Internet

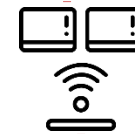
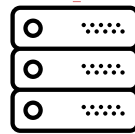


Edge

Edge computing
Data collection
Data filter & optimization
AI module inference

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LAN/WAN



AI module partners



Sensor

Data Collect
Data Transmission



AIoT Market Trend and Activities

Smart Applications: the New Growth Engine!

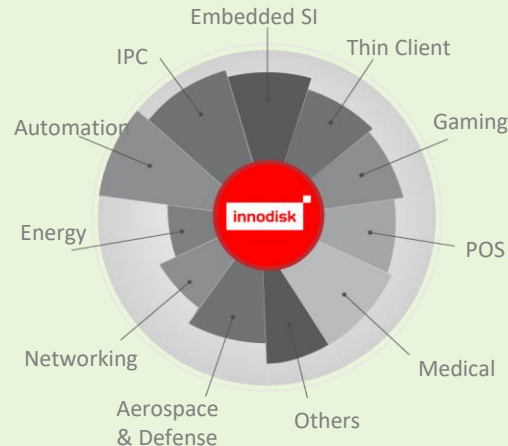
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IPC Market



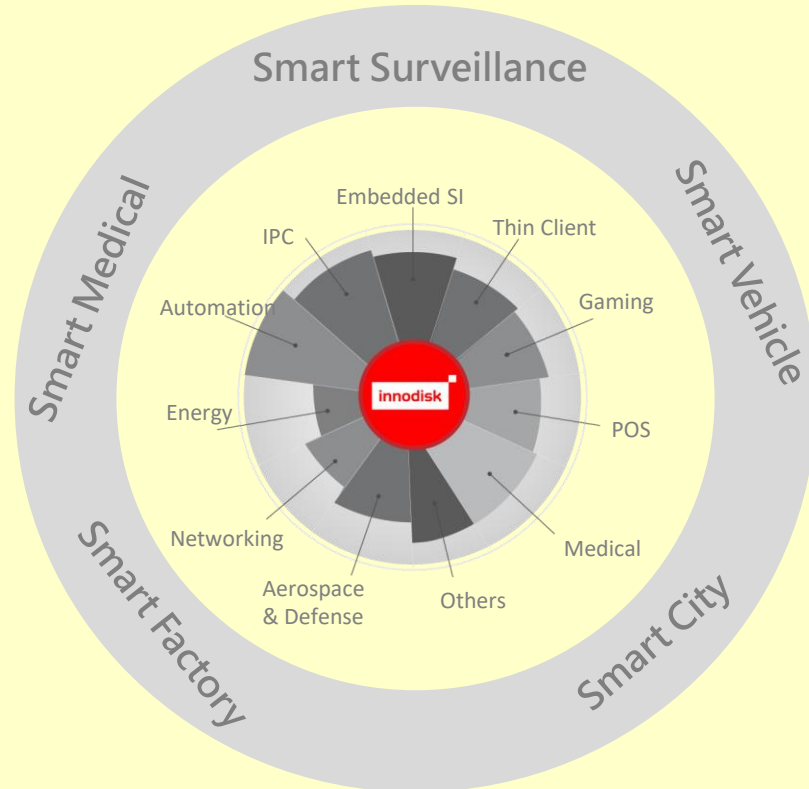
Embedded (IPC) Market

Vertical Market (IIoT)



Vertical Market

Smart Vertical Market (AIoT)



Multi-Vertical Smart Application



Global AIoT Conference

- Present Innodisk Group AIoT landing cases
- Partner and Alliance Endorsement
- Customer Interactions and Cooperations

N. America
Fremont

New Jersey



Chengdu

Shanghai



Innodisk & Microsoft Alliance: Accelerate AIoT Landing

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Innodisk Press Conference with Microsoft

深化 AIoT 賦能智慧邊緣

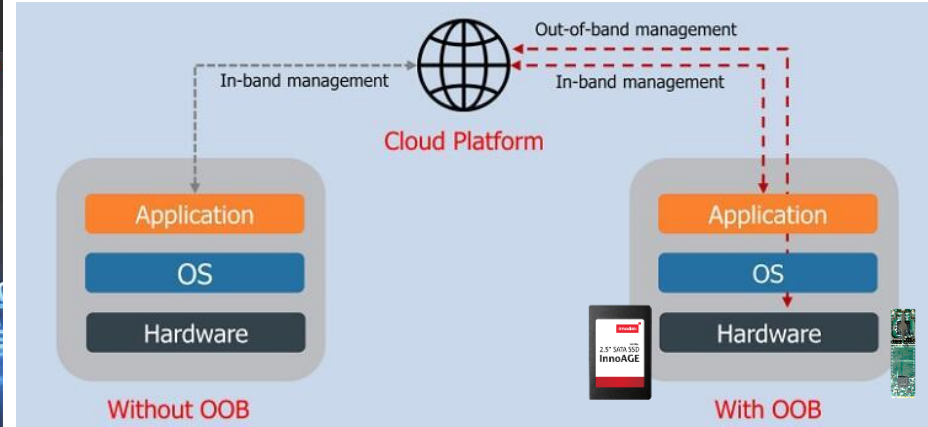
宜鼎 X 微軟 推動邊緣智能管理標準 記者會

Microsoft

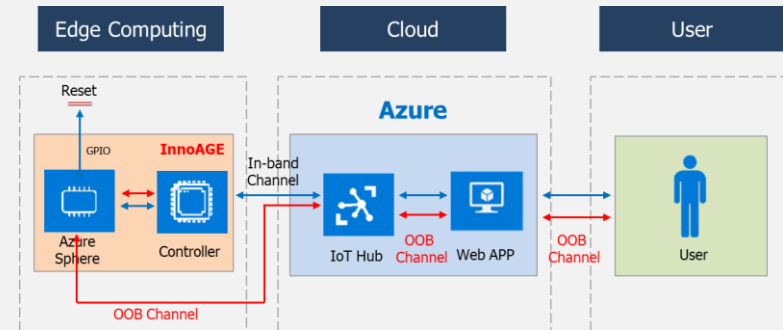
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- Innodisk SSD: World's first Azure Sphere powered SSD
- Specially designed for Smart device management
- Realize secure remote device and data management via Out-of-Band (OOB)



From Cloud to Edge OOB Architecture



IoT in Action Santa Clara (U.S.A)

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Place: Santa Clara (U.S.A.)
Date: 2019. 10. 10

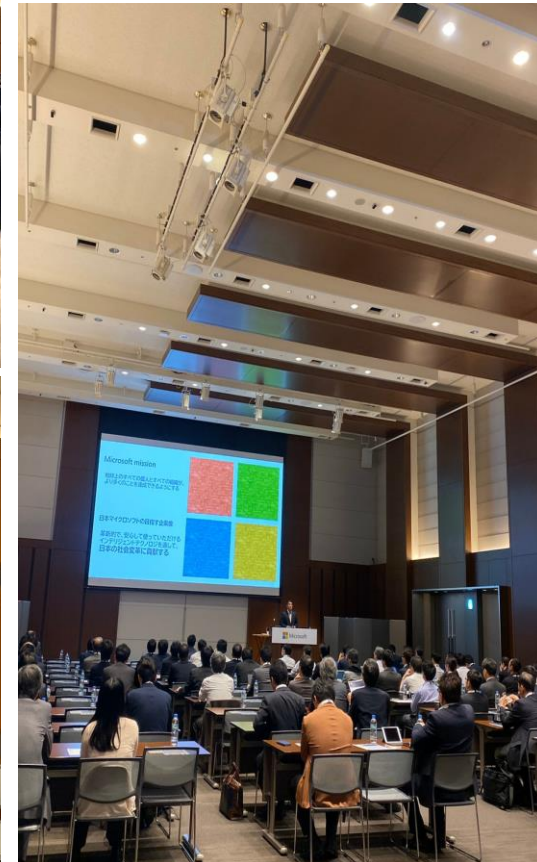


IoT in Action Nagoya (Japan)

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Place: Nagoya (Japan)

Date: 2019. 11.05

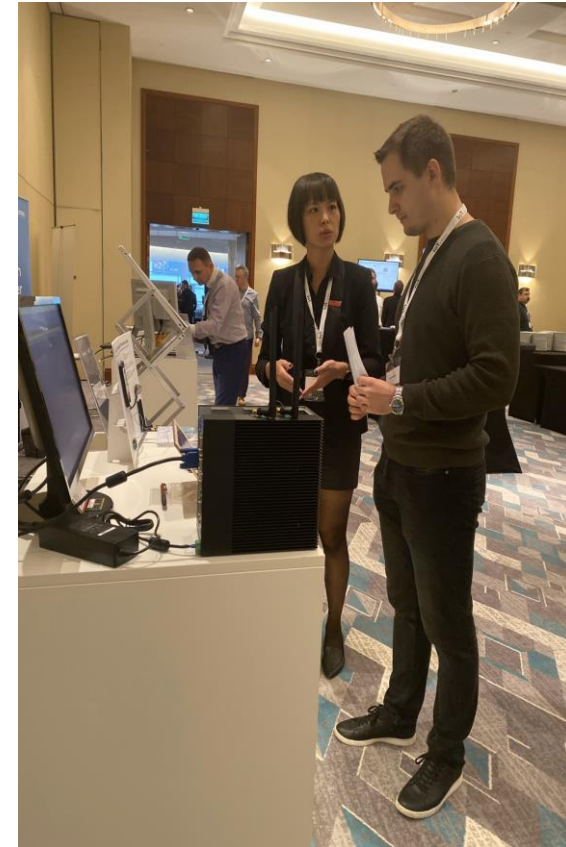


IoT in Action Warsaw (Poland)

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Place: Warsaw (Poland)

Date: 2019. 11.13

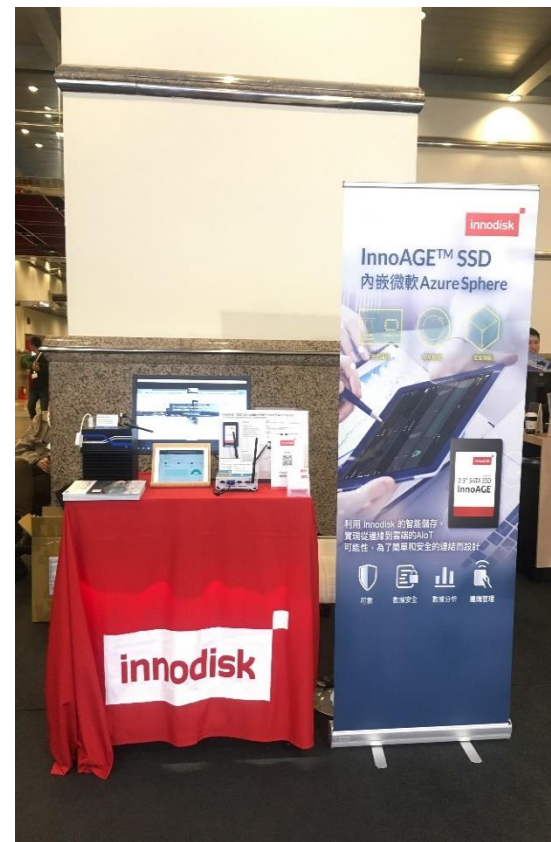
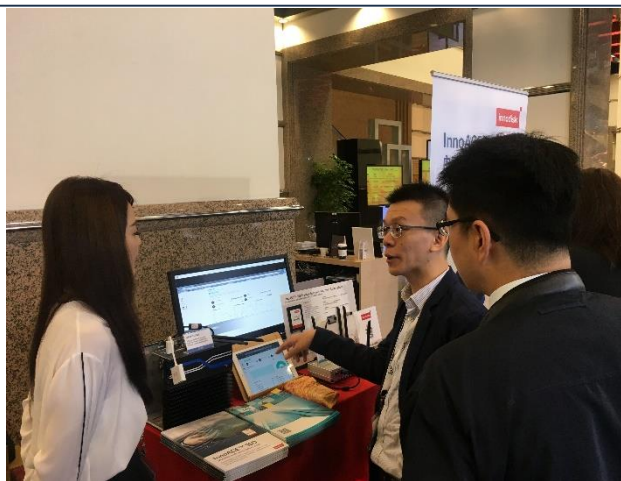


Microsoft IoT in Action Taipei (Taiwan)

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Place: Taipei (Taiwan)

Date: 2019.11.20



IoT in Action Shenzhen (China)

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Place: Shenzhen (China)

Date: 2019. 12.03



Innodisk Group Strategy

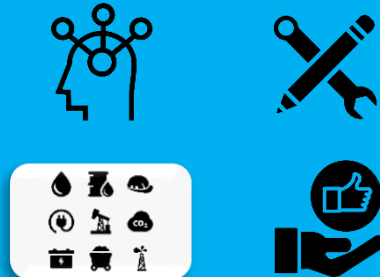
Service creates
"Value"
服務創造價值

Create
"Service Value"
創造服務的價值

Hardware Value Up



Solution Value Up

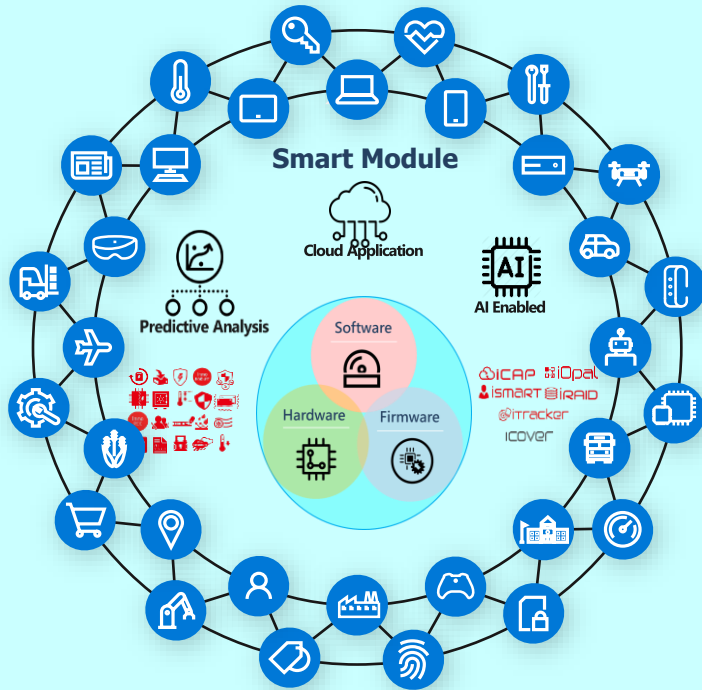


Service Value Up

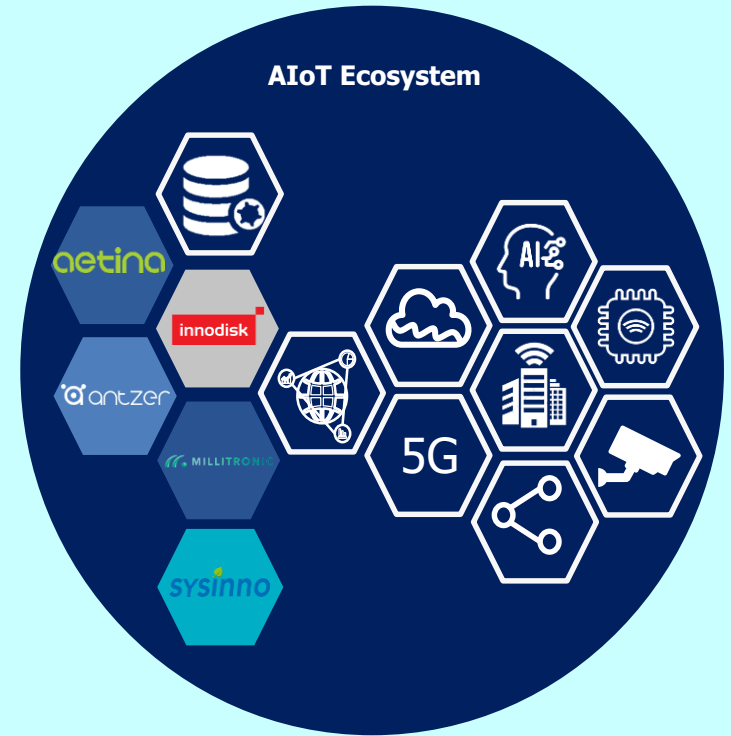


Innodisk Solutions and Ecosystem

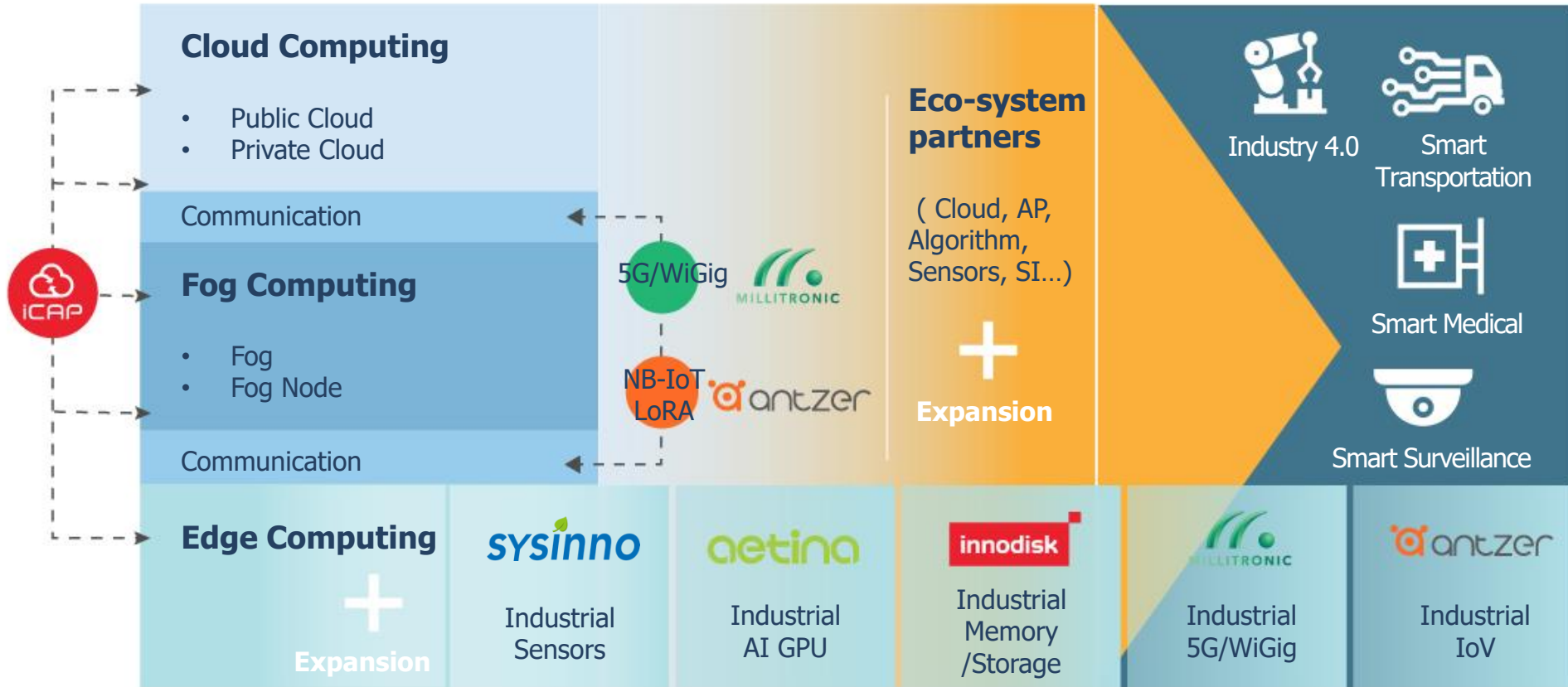
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**Innodisk
AIoT
Platform**



Innodisk Group Solution Strategy



COVID-90: Effect and Initiative

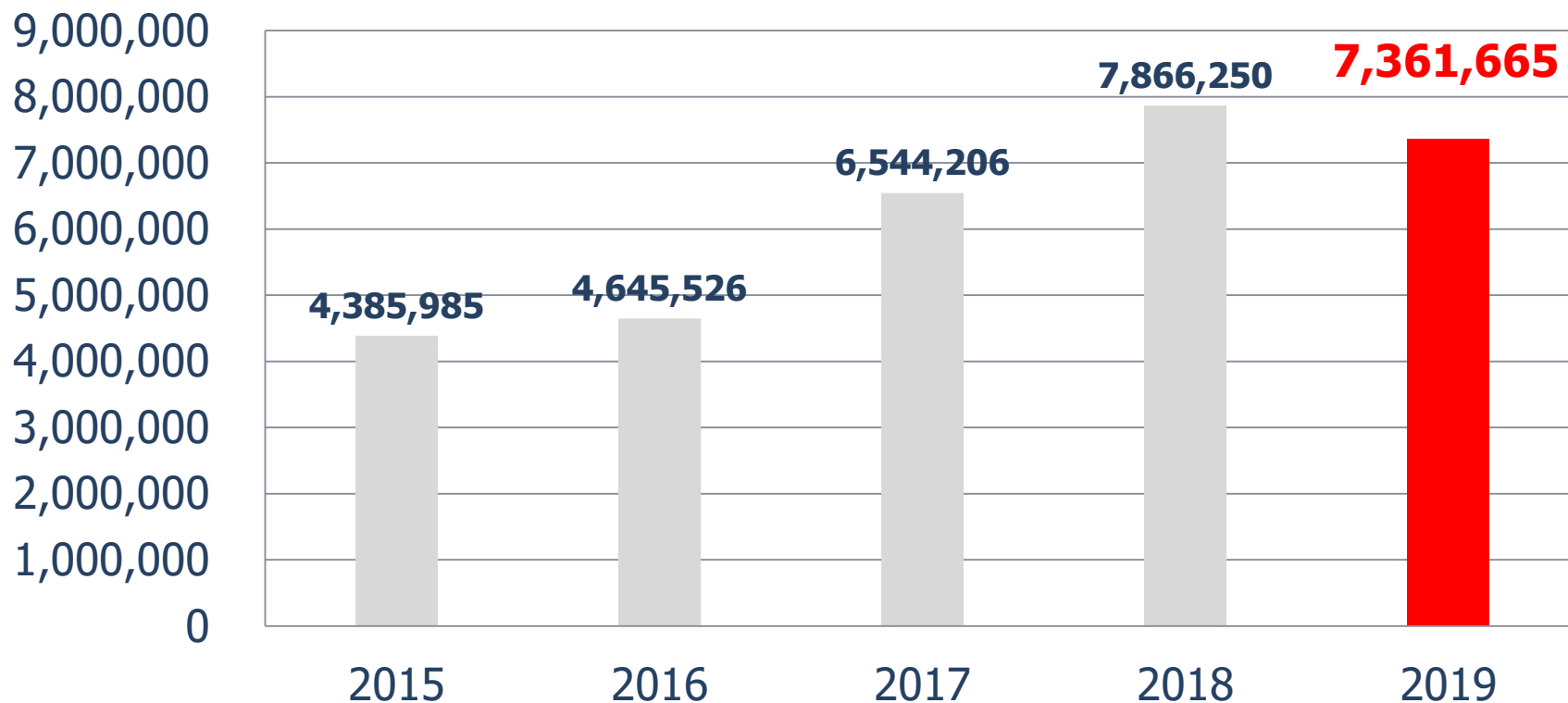
COVID-19: Effect and Initiative

- **Employee:**
 - Staff health and safety are top priority
 - HQ completed drill exercise on working and doing business at home & company system pressure testing
 - Overseas branches: China resumes working; work from home for U.S.A., Europe, and Japan regions
- **Production:**
 - Taipei and Yi-Lan factories to function and operate independently
 - Remote Backup Mechanism supporting Disaster Recovery and Backup on both factories
- **Supply Chain:**
 - Secure key components supplies with long term partners
 - Elevated safety inventory level of common parts
- **Market Responses:**
 - Business risk is evenly distributed as customers and markets are evenly spread out
 - Short Term: some markets demands are deferred but compensated by surge demand in other markets
 - Long Term: AIoT Smart Applications demand will recover rigorously

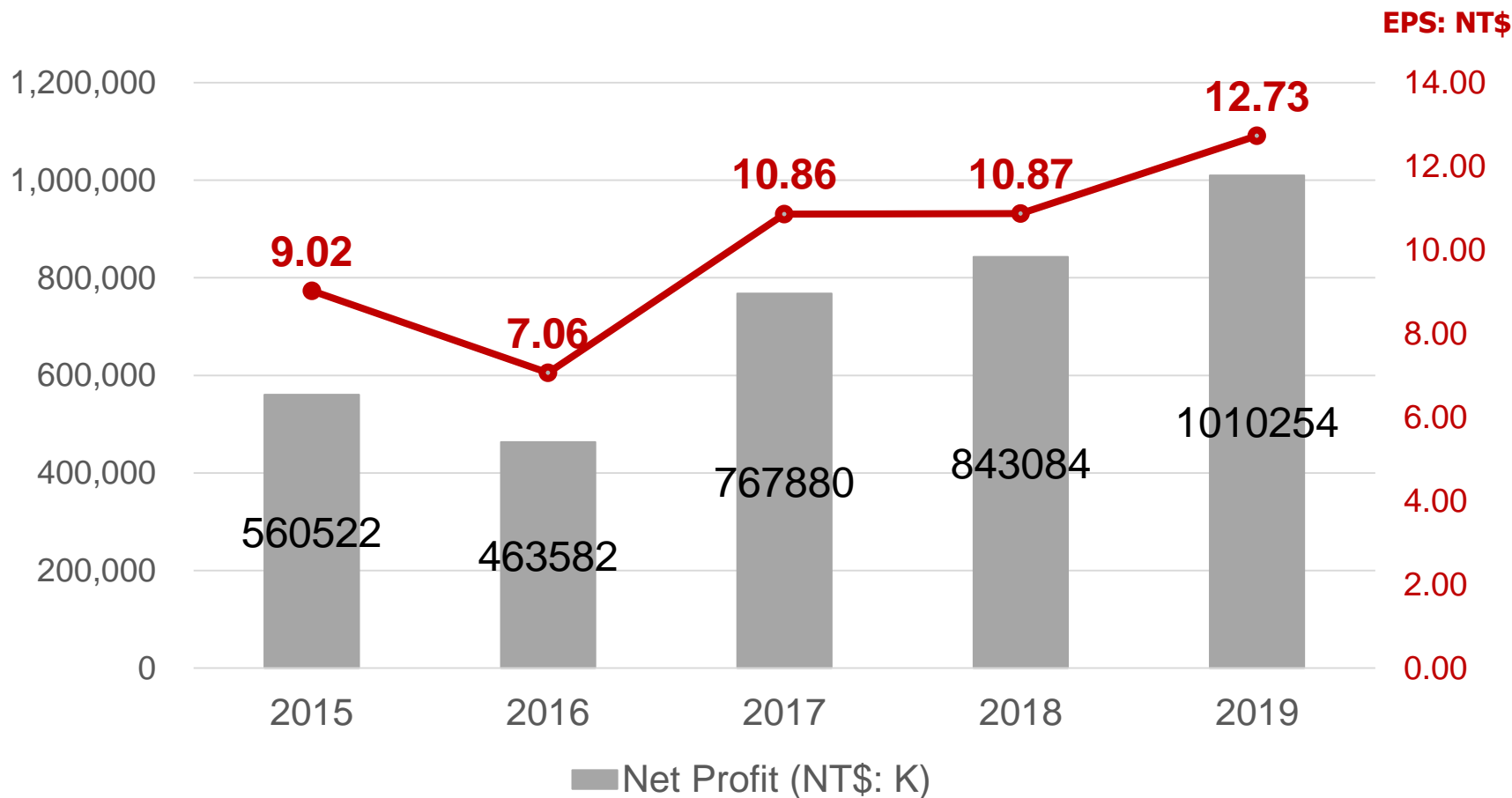
Financial information

Revenues over last 5 years

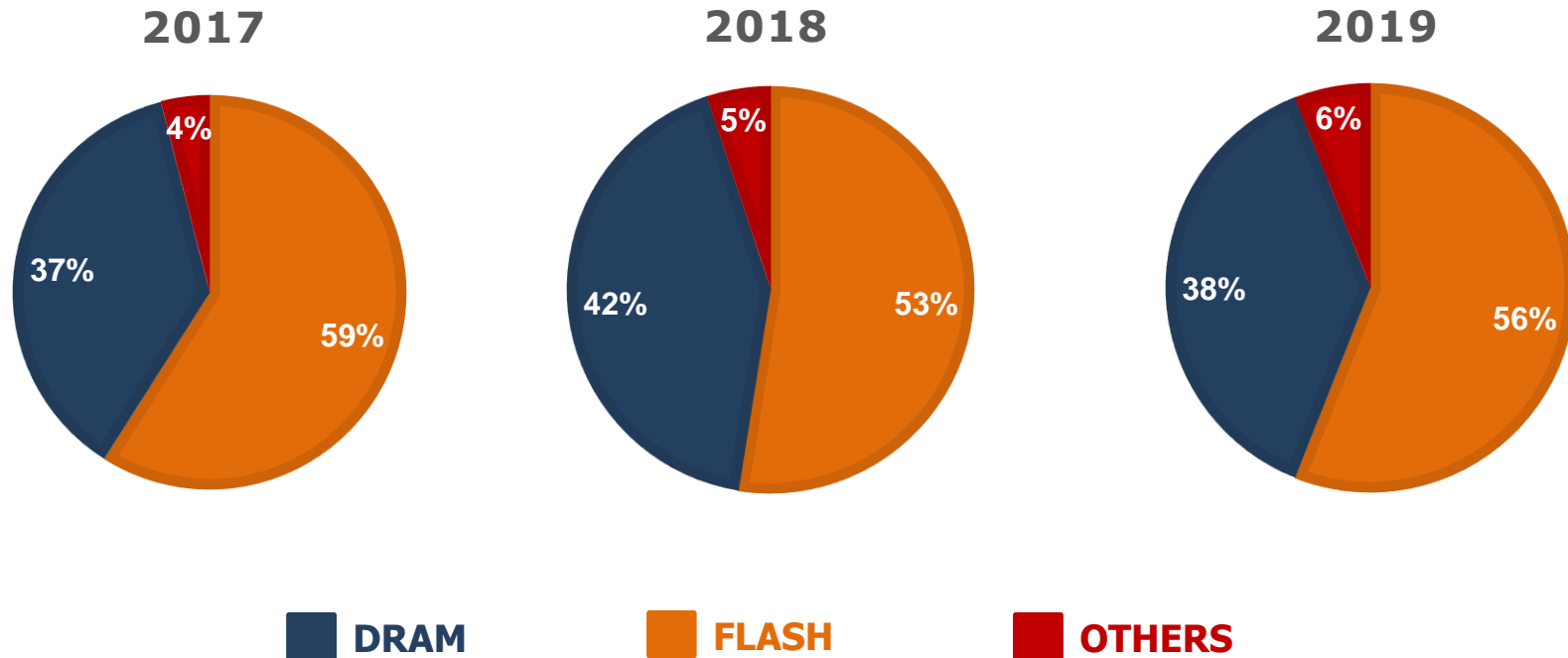
NT\$:K



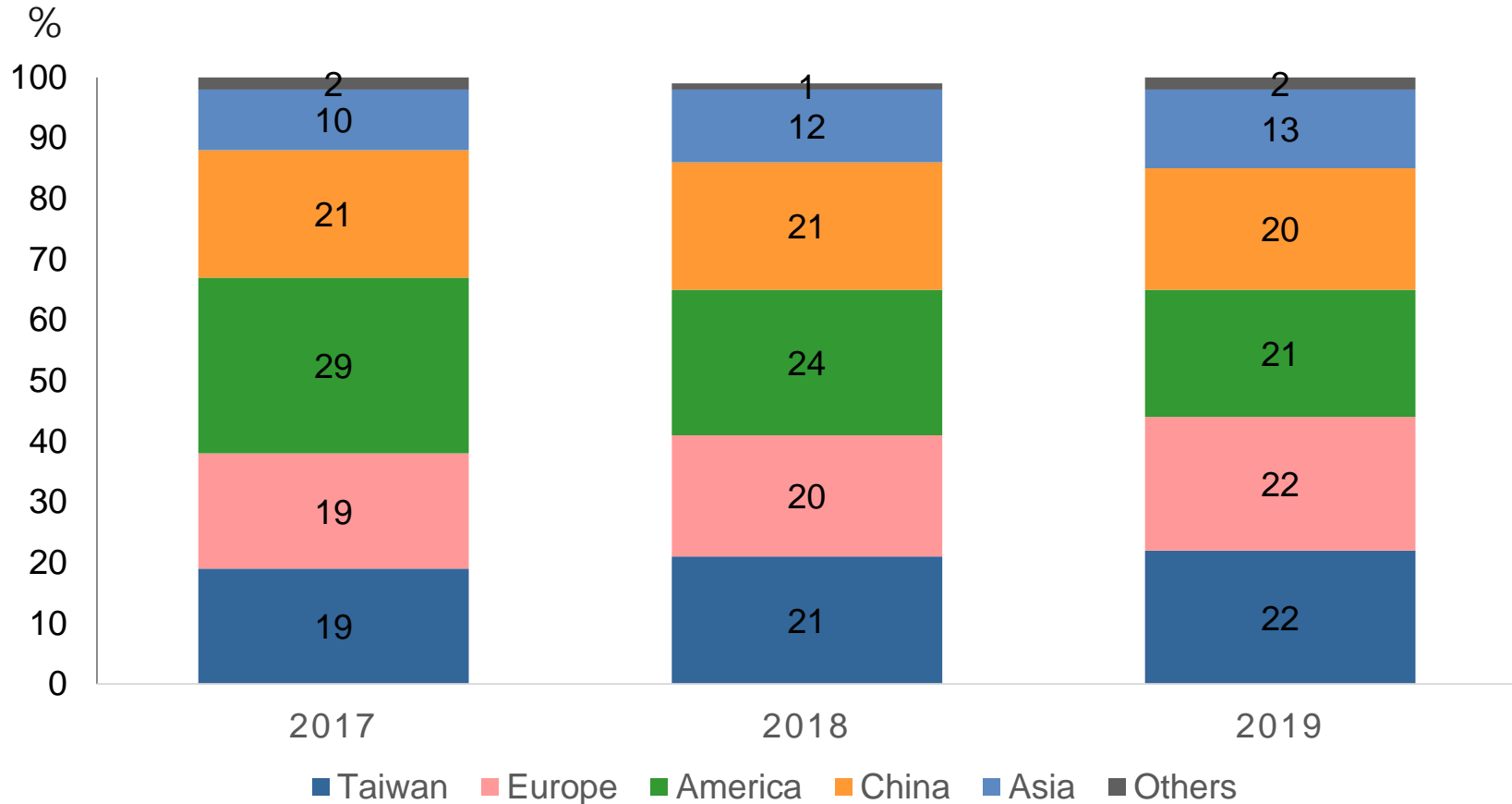
Net Profits and EPS over last 5 years



Revenue Breakdown by Product Lines



Revenue Breakdown by Regions



Annual Income Statement

	2017	2018	2019	YoY
Revenues	6,544,206	7,866,250	7,361,665	-6.4%
Cost of good sold	4,770,505	5,925,784	5,043,889	-14.9%
Gross profit	1,773,701	1,940,466	2,317,776	19.4%
Operation expenses	777,465	831,211	928,889	11.8%
Operation profits	996,236	1,109,225	1,388,887	25.2%
Non-operating income and expenses	(78,308)	(10,733)	(74,252)	591.8%
Profit before tax	917,928	1,098,522	1,314,635	19.7%
Income tax expense	187,067	248,072	285,436	15.1%
Net profits	730,861	850,450	1,029,199	21.0%
Non-controlling interests	(37,019)	7,366	14,945	102.9%
Net profit attributable to parent company	767,880	843,084	1,014,254	20.3%
EPS	10.86	10.87	12.72	
Gross margin	27.1%	24.7%	31.5%	
Operating margin	15.2%	14.1%	18.9%	
Net profit rate	11.2%	10.8%	14.0%	

Q & A

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