# Innodisk Corporate

## Investor Conference

(Symbol: 5289)

Randy Chien

Chairman

2021.04.09

**innodisk**

# 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

- Market Trend and Activities

- Innodisk Group Strategy

- COVID-90: Effect and Initiative

- Financial information

- Q & A

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# Company Profile and Overview

**2005**
Founded

**Revenue**
**NT$7,152M**

**Capital**
**NT$813M**

**EPS**
NT$11.46

**Patents**
**148**
(+33)

**Customers**
3,300+

# Worldwide Operation

**innodisk**

**Eindhoven
The Netherlands
2012 Established
2019 New Building**

**Tokyo,
Japan(2010)**

Paris
2021

Beijing

Chengdu
2020

Shanghai

**Fremont, CA (2008)**

Marlboro, NJ

S. Ca
2020

Austin, TX
2019

**Shenzhen(2011)**

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

India
2020

Vietnam
2020

◎ Overseas Branch Office (4)
● Sales & Service points (10)
▲ R&D sites (2)

Total Employees: 680
(Taiwan 571, Overseas 109)

# ISO9001  X  ISO14001  X  ISO 45001 X IECQ QC080000

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# ISO27001 Certificated

- ISO27001 Information Security Management System  has passed the verification audit in 2021/03.

- Faced with the rapid increase in global information security threats, the company attaches great importance to the protection of overall information security and continues to invest more resources and manpower.

  – Formulate the "Information Security Policy" and implement relevant operational rules to maintain information security

  – Strictly manage the use and security maintenance of application system access and file data authority control

  – Deploy multiple protection checkpoints internally and externally to reduce the company's information security risks

  – Xizhi and Yilan have established a disaster recovery mechanism to implement a complete backup plan operation on weekdays, and regularly exercise emergency contingency plans to ensure the normal operation of the information system and data preservation

**SGS**

March 18, 2021

宜鼎國際股份有限公司
Innodisk Corporation
5F., No. 237, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City 221, Taiwan (R.O.C.)
No. 128, Yike Rd., Yilan City, Yilan County, Taiwan (R.O.C.)
221新北市汐止區大同路一段237號5樓
260 宜蘭縣宜蘭市宜科路128 號

Dear Sirs,

We are pleased to confirm that, based on the satisfactory results of our assessment as concluded on March 11~12, 2021, Innodisk Corporation has been recommended for registration as a company conforming to ISO/IEC 27001:2013 : Information Security Management Systems Certification requirements in the scope of The objectives of this audit were to determine conformity of the management system, or parts of it with audit criteria and its:
- ability to ensure applicable statutory, regulatory and contractual requirements are met,
- effectiveness to ensure the client can reasonably expect to achieve specified objectives, and
- ability to identify as applicable areas for potential improvement.

SGS台灣檢驗科技股份有限公司於2021年3月11~12日，於 宜鼎國際股份有限公司 執行 稽核，有鑑於其令人滿意的稽核結果，我們很高興以此函證明宜鼎國際股份有限公司 業 經推薦為符合 ISO/IEC 27001:2013 : Information Security Management Systems Certification要求的組織，稽證範圍:本次稽核目的為確定管理制度或其部分與稽核標準的符合性，以及:
- 確保符合適用的法律、法規和合約要求的能力；
- 有效性，以確保客戶能合理地期望實現特定目標；以及
- 鑑別適用範圍內之改善能力。

尚此
Yours sincerely,

David Huang
Director
SGS Taiwan Ltd.

DH/cs
TW SSC/ TW    c611897

# Partnership and Awards

intel® | IoT Solutions Alliance

**2016 - 2019**
Official Intel® IoT Solution Partner

## Microsoft

**2019**
Official partner of Azure Sphere

## Taiwan Excellence

**2020** 3.5" Fire Shield SSD
**2021** InnoAGE™ SSD

# Interbrand

**2018 - 2020**
Top 35 International
Taiwanese Brand

# Gartner

**2018-2020**
No. 1 Global Industrial
Grade SSD

## TRENDFORCE

**2018-2020**
Top 10 DRAM Module Suppliers

# Market Trend and Activities

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# Smart Applications: Vertical Market Requirements

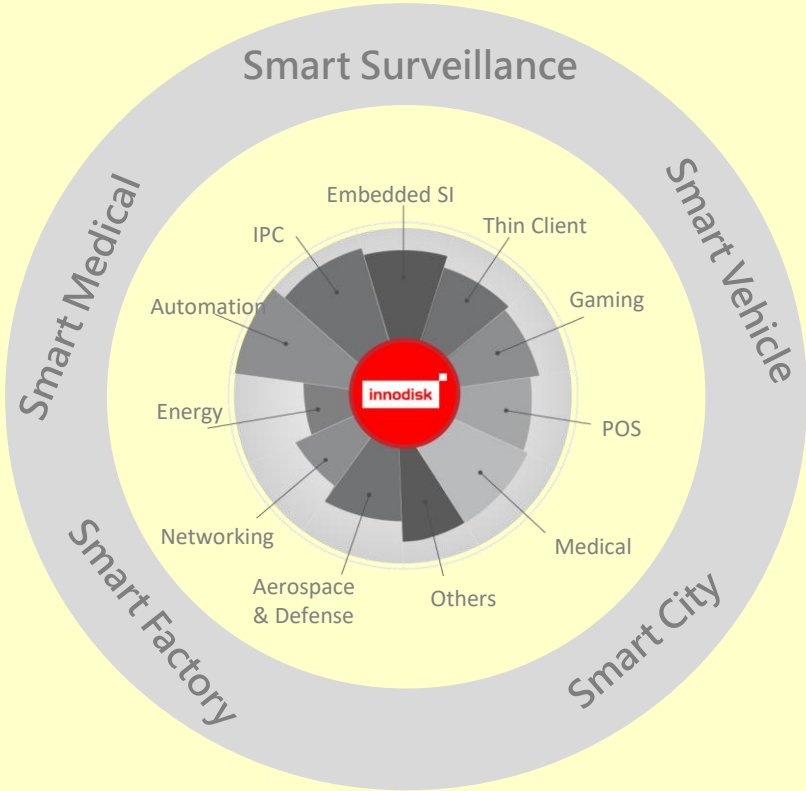**innodisk**

## Smart Vertical Market (AIoT)

Smart Surveillance

Smart Medical

Smart Vehicle

Smart Factory

Smart City

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- Embedded SI
- Thin Client
- IPC
- Gaming
- Automation
- POS
- Energy
- Medical
- Networking
- Others
- Aerospace & Defense

Multi-Vertical Smart Application

## Consolidation of Edge Devices & Cloud Services

## Data Security of Edge Devices

## Remote Monitoring, Maintenance & Full Recovery of Scattered Edge Devices

## Easy Maintenance & Quick Recovery of Local Edge Devices

# Innodisk's AIoT Solutions

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## Consolidation of Edge Devices & Cloud Services

**iCAP**

- Connectivity with Private & Public Cloud
- Monitor device status & lifetime
- Data collection, consolidation & presentation

## Data Security of Edge Devices

- World's First Blockchain SSD
- Each SSD with private key to track data origin
- Data was encrypted with Blockchain technology

## Remote Monitoring, Maintenance & Full Recovery of Scattered Edge Devices

- World's First Out-Of-Band (OOB) SSD
- Independent sub-System connecting to Private & Public Cloud
- Remote command sent from the cloud for system shut down and recovery

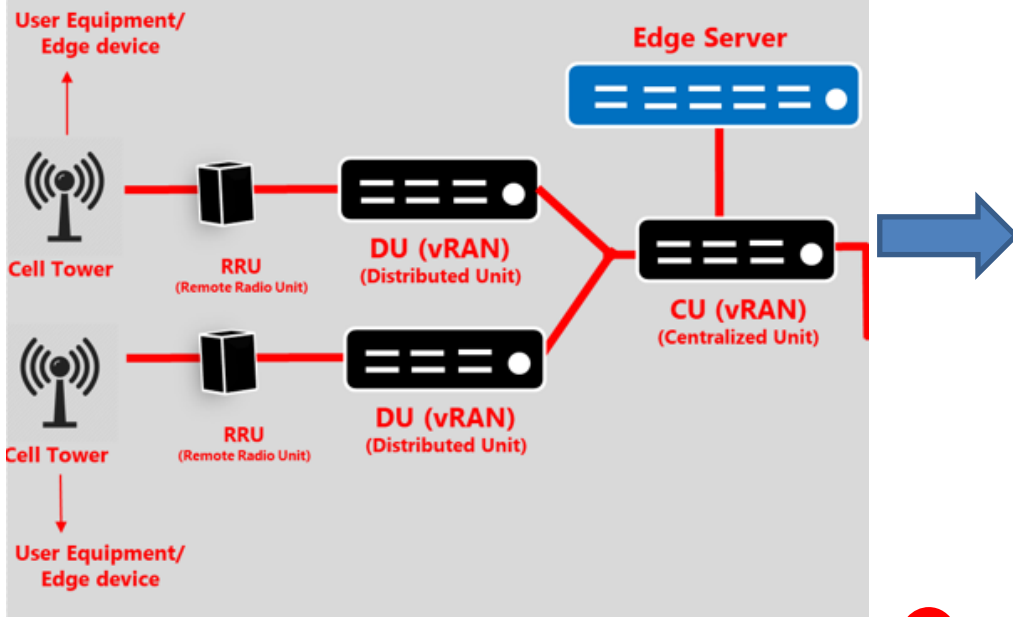## Easy Maintenance & Quick Recovery of Local Edge Devices

- No maintenance required for system recovery
- One Click easy & quick recovery
- Most affordable recovery SSD solution

# Innodisk's Complete 5G Solutions

## 5G O-RAN Infrastructure



**5G Applications**

| Agriculture | Automotive | Energy & Utilities | Media & Entertainment |
|---|---|---|---|
| Y2023: USD13.5B, CAGR (2018-2023) 12.39% | Y2027: USD126.8B, CAGR (2017-2027) 39.6% | Y2025: EURO 6.5B Revenue in Smart Meters | Reached USD1,300B in 10 years time |

| Healthcare | Manufacturing | Smart City | Others.. |
|---|---|---|---|
| Y2025: USD2B in Telemedicine | Y2023: USD214B in Global Industrial 4.0 | Y2020: USD 156.5B in Global Smart City | Smart Retail/Smart Surveillance/Smart Finance/Education... ... |

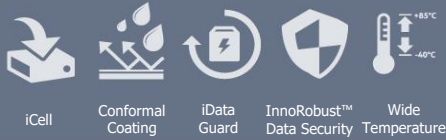# Market Focus and Product Overview

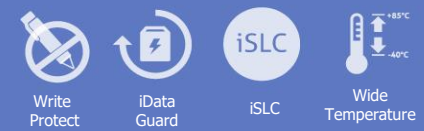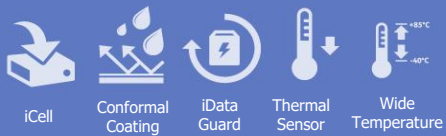# Applications and Technologies

**innodisk**

## Aerospace
- iCell
- Conformal Coating
- iData Guard
- InnoRobust™ Data Security
- Wide Temperature

## Embedded Systems
- Wide Temperature
- Anti-Sulfuration

## Server Application
- Thermal Sensor
- Anti-Sulfuration
- Cable-less Power

## Gaming
- Write Protect
- iData Guard
- iSLC
- Wide Temperature

## In-Vehicle
- iCell
- Conformal Coating
- iData Guard
- Thermal Sensor
- Wide Temperature

## Smart Automation
- Anti-Sulfuration
- Conformal Coating
- Wide Temperature

## Smart Surveillance
- iCell
- Garbage Collection and TRIM
- iData Guard
- Quick Erase
- Thermal Sensor

## 5G & Networking
- Rugged
- Conformal Coating
- Side Fill
- Wide Temperature

# Complete PCIe Product Solutions

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| U.2 SSD | M.2 2280/2242 | CFexpress | OculinkDOM | BGA 1130 BGA 1620 |
|---|---|---|---|---|
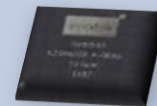
Gen 3x2 → SLC/MLC/ 3D TLC 64L    Compact design & Entry Level

Gen 3x4 → 3D TLC 64L/96L/112L    Robust Design

Gen 4x4 → 3D TLC 64L/96L/112L    High Performance

# Innodisk's Exclusive Recovery Technology

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**InnoOSR** — Full Recovery Abilities for Edge Device

- One-Click Recovery
- Patented Firmware -Level Reliability
- Suit both manned and unmanned applications
- No-fuss System Implementation

- Utilizing standard form factors with pin headers, on-site personnel can effortlessly implement InnoOSR's powerful functionality in any application.

# The World's 1st Blockchain Technology Storage

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## Blockchain SSD

### Integrates blockchain technology for cutting-edge AI applications

- It enables blockchain setup for edge applications by eliminating the need for additional software and connecting numerous devices to the blockchain network. Application areas include smart cities, smart vehicles, smart factories, and smart surveillance.

Creates and secures the private key
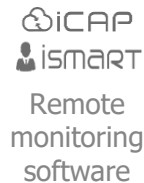
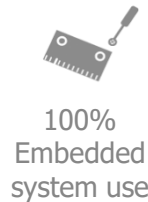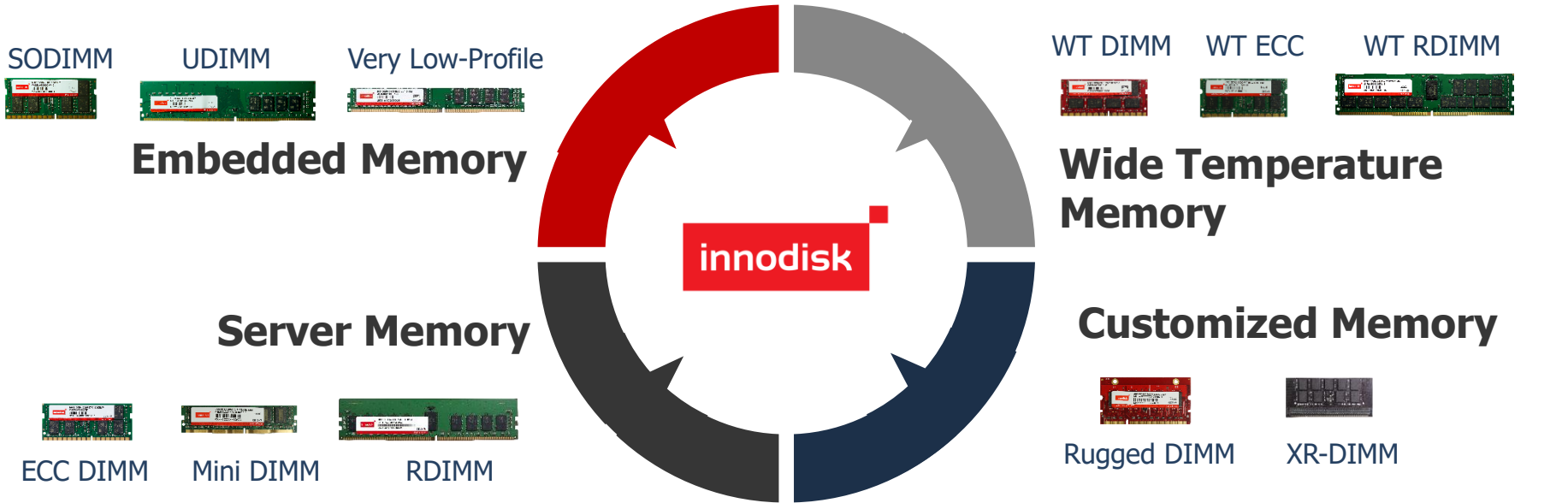Automatic generate digital signature and easily verified

AIoT Data on Blockchain



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2.5" SATA SSD
Industrial
InnoBTS
Series

# DRAM –Industrial Memory Modules

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SODIMM  UDIMM  Very Low-Profile

WT DIMM  WT ECC  WT RDIMM

## Embedded Memory

## Wide Temperature Memory

## Server Memory

## Customized Memory

ECC DIMM  Mini DIMM  RDIMM

Rugged DIMM  XR-DIMM

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iCAP
iSmart

iRam

100% Embedded system use

Remote monitoring software

DDR4 Anti-sulfuration

Vertical market oriented

Self-build testing software

Customization service

# DRAM Product Strategy

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## Production Process Optimization

- Dynamic high & low temperature testing equipment
- Add-on selection process automation
- SPD programming & inspection automation

## Product Development

- Greeting the New Era- DDR5 memory
- Vertical market : high capacity memory for Networking, ultra-wide temperature memory for in-vehicle

# EMBEDDEDED PERIPHERAL

**innodisk**

## Boldly pushing the limit for what is possible with embedded I/O expansion

### Compatibility | Scalable | Customize

Provide complete industrial peripheral solutions. Innodisk provides software tools and customer software that can also be highly integrated, and can provide long-term supply on products
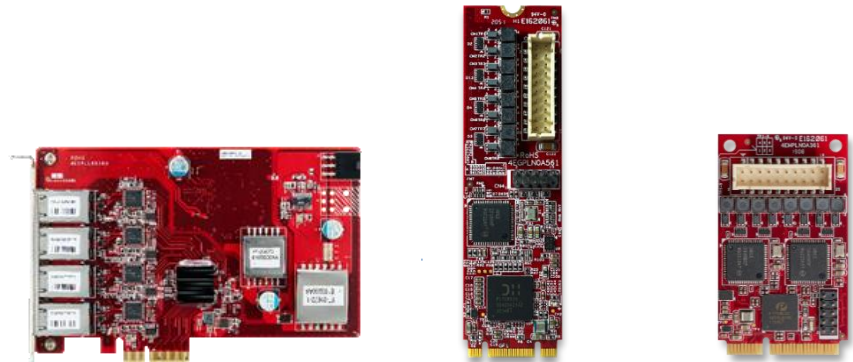
Display

AI

**AIoT**

Storage

Communication

# I/O Product Extension

The biggest challenge on the Internet of Things market will be in the three capabilities of device communication, remote management and data computing. In the future, it will meet customer needs and Innodisk launch integrated solution products.

## Management Module

Remote diagnosis and management of AIoT equipment, so that maintenance can be more efficient

## External I/O Device

Via external I/O expansion without modifying the device mechanism

## AI Module & Platform

Exclusive AI application software and hardware integration platform

# COVID-90: Effect and Initiative

# COVID-19: Effect and Initiative



- 2020:
    - Staff health and safety were top priority
    - Secured key components supplies with long term partners
    - Explored medical and 5G/networking business opportunities
    - Executed Digital Transformation and Digital Marketing
    - Expanded R&D resources and sales force.

    → Prepared for post-pandemic era.

- 2021:
    - Set up more sales office
    - Build up more inventory for the demand after recovery.
    - Accelerate the execution of AIoT cases.
    - Cautiously react the price pressure and tight supply-chain.
    - Maintain the competitive edge to embrace AIoT business.

# Digital Transformation -- Martech

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4) Affiliate Marketing – Deepen Partnership with IPCs

3) Video Marketing Enhancement –
Multiple Content Creation - Brand Video, InnoTV, Video Shooting

2) COVID19 Challenge –
Strengthen Digital Marketing— AIoT Website, Virtual Exibit, Software Website

1) Promote AIoT Program

# Explore Innodisk Next Solutions

Innodisk launches new tools for exploring the future of AIoT

## Innodisk Virtual Exhibit

**Interaction**

Dive into this immersive virtual exhibition to explore the latest products and innovations from Innodisk Group, see a next-generation warehouse in action, and learn more about the future of computing.  There might even be a surprise waiting there for you…

**Dive in**

## Innodisk AIoT

**Solution**

Explore how AIoT solutions are bringing our future to the present with Innodisk's dedicated AIoT website. Go in depth with different applications and learn how AIoT solutions bring them to the next level with this interactive website. The future of AIoT is now!

**Explore now**

## Take a Byte & InnoTV

**Information**

Take a Byte is Innodisk's brand new blog, providing insights into exciting new technologies, important industry trends, and a behind-the-scenes look at Innodisk. When you want to learn something new or sit back and read something interesting, go ahead and take a byte!

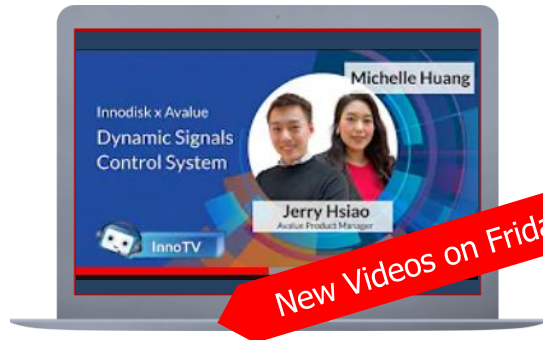**Take a Byte**   **InnoTV**

# Content Marketing Enhancement

![innodisk]

Video Creation

**1**

**Innodisk Brand Video –**
Creating Brilliance, Creating with you, Creating the World



0:35   0:34   0:37

**2**

**InnoTV – 20+ videos**
Innodisk Owned Media Channel



New Videos on Friday

**3**

**Business and New Product Videos**



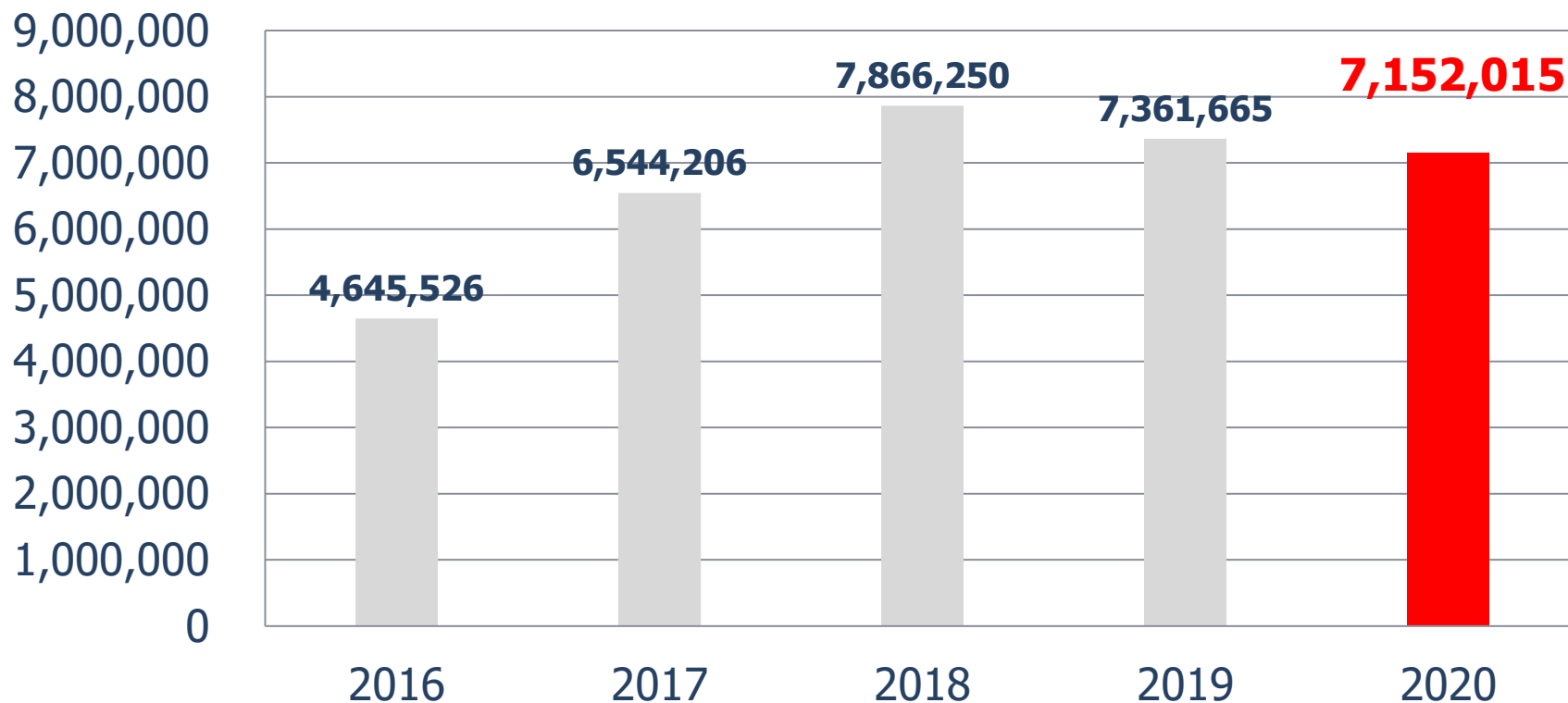1:41   1:27

**The Industrial Grade Leader: DRAM Video**   **InnoAGE SSD Video**

# Financial information

# Revenues over last 5 years

NT$:K



Bar chart of revenues:

- 2016: 4,645,526
- 2017: 6,544,206
- 2018: 7,866,250
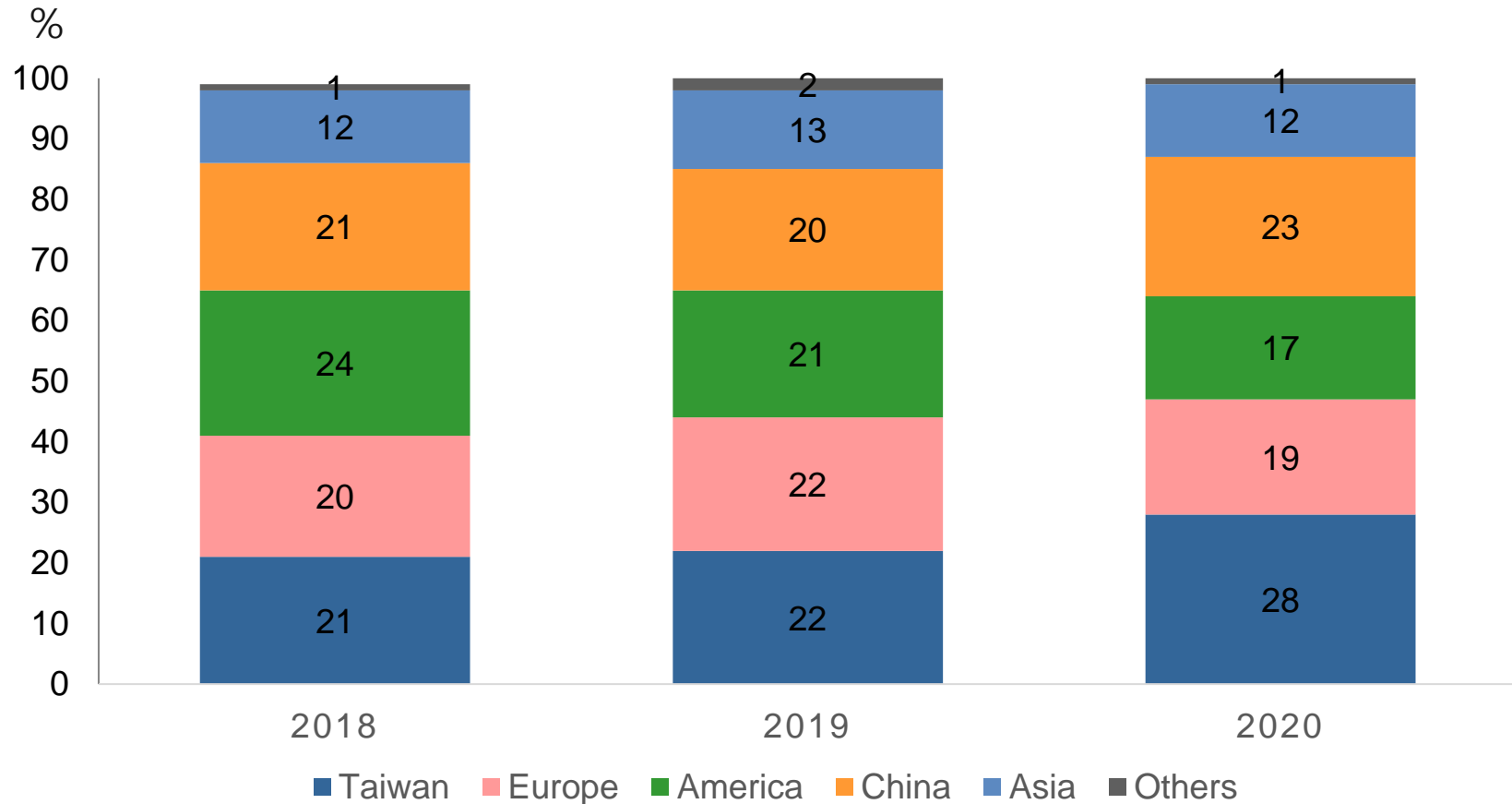- 2019: 7,361,665
- 2020: 7,152,015

# Net Profits and EPS over last 5 years

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EPS: NT$



Net Profit (NT$: K)

2016: 463,582 — 7.06
2017: 767,880 — 10.86
2018: 843,084 — 10.87
2019: 1,014,254 — 12.72
2020: 931,663 — 11.46
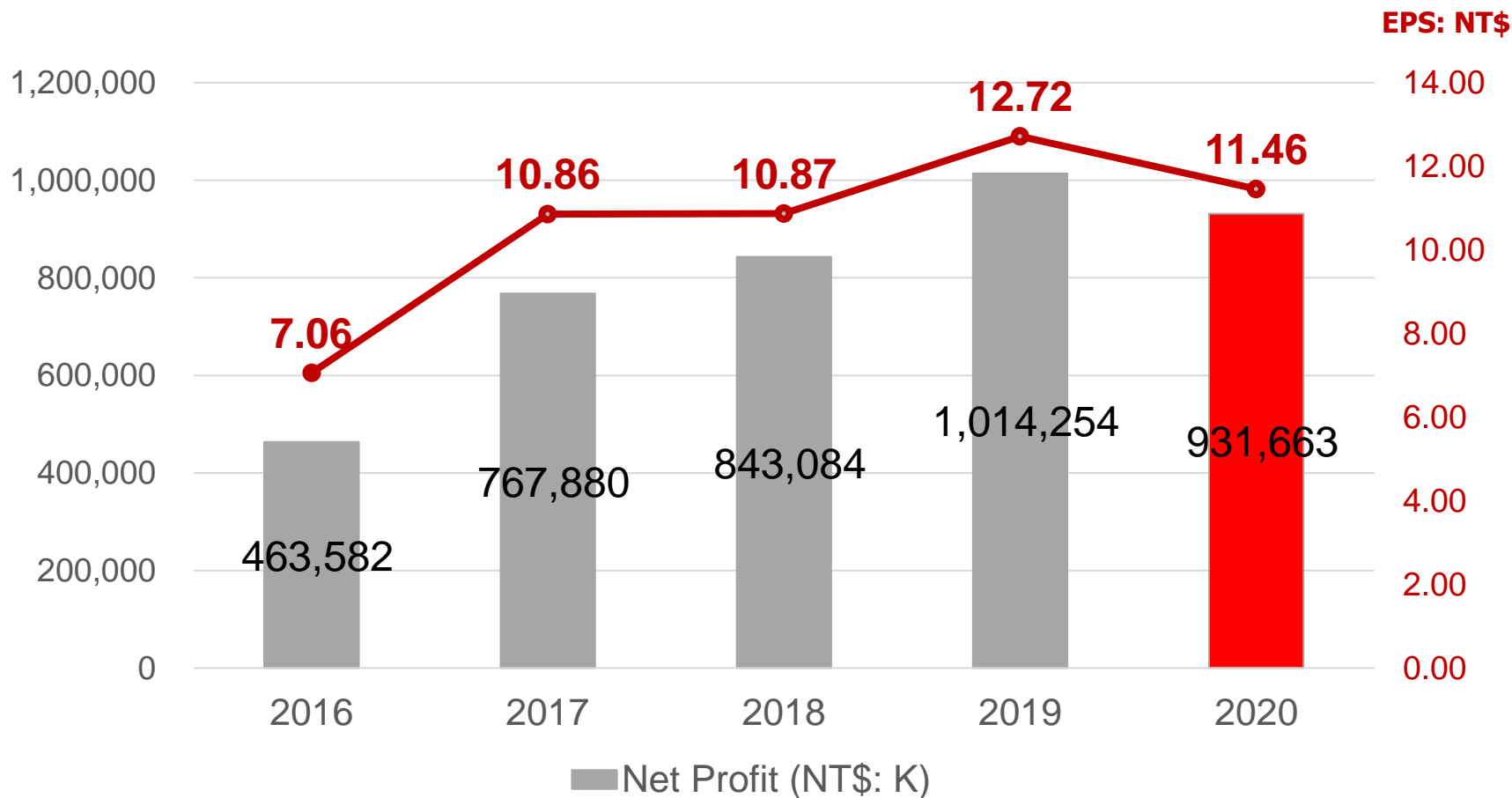
# Revenue Breakdown by Product Lines

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## 2018

| | |
|---|---|
| 5% | |
| 42% | 53% |

## 2019

| | |
|---|---|
| 6% | |
| 38% | 56% |

## 2020

| | |
|---|---|
| 6% | |
| 41% | 53% |

■ **DRAM**　■ **FLASH**　■ **OTHERS**
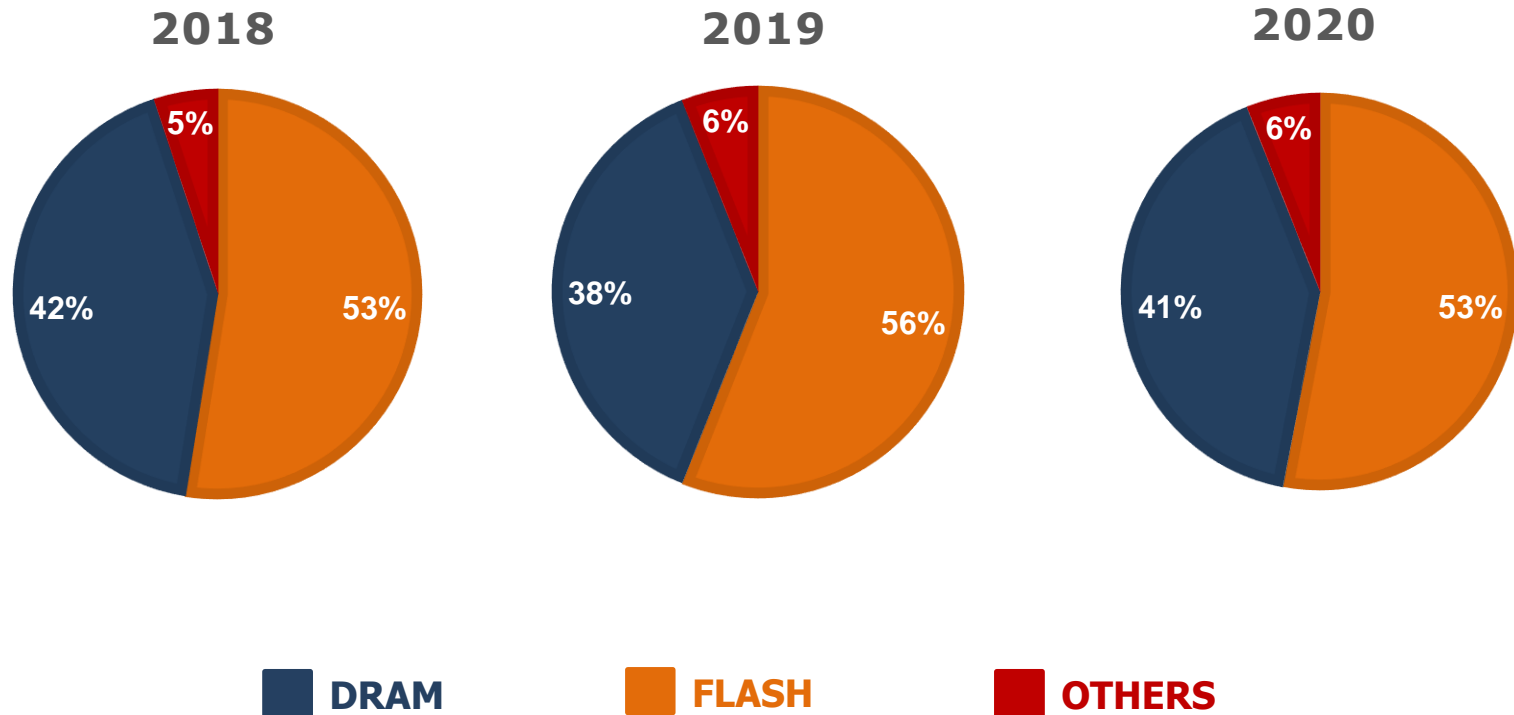
# Revenue Breakdown by Regions

# Annual Income Statement

**innodisk**

| | 2018 | 2019 | 2020 | YoY |
|---|---|---|---|---|
| Revenues | 7,866,250 | 7,361,665 | 7,152,015 | -2.8% |
| Cost of good sold | 5,925,784 | 5,043,889 | 5,018,288 | -0.5% |
| Gross profit | 1, 940,466 | 2, 317,776 | 2,133,727 | -7.9% |
| Operation expenses | 831,211 | 928,889 | 926,434 | -0.3% |
| Operation profits | 1,109,225 | 1,388,887 | 1,207,293 | -13.1% |
| Non-operating income and expenses | (10,733) | (74,252) | (39,697) | -46.5% |
| Profit before tax | 1,098,522 | 1,314,635 | 1,167,596 | -11.2% |
| Income tax expense | 248,072 | 285,436 | 227,063 | -20.5% |
| Net profits | 850,450 | 1,029,199 | 940,533 | -8.6% |
| Non-controlling interests | 7,366 | 14,945 | 8,870 | |
| Net profit attributable to parent company | 843,084 | 1,014,254 | 931,663 | -8.1% |
| EPS | 10.87 | 12.72 | 11.46 | |
| | | | | |
| Gross margin | 24.7% | 31.5% | 29.8% | |
| Operating margin | 14.1% | 18.9% | 16.9% | |
| Net profit rate | 10.8% | 14.0% | 13.2% | |

# Q & A

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