

Paragon (3518TW)

Investor Conference

2025 / 05 / 23

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Company Overview



Paragon_(3518TW)

Paragon was established in 1995 as the world's first company to apply vacuum sputtering thin film technology to EMI/ESD solutions for 3C products. It is also the first vacuum sputtering technology company listed on the Taiwan Stock Exchange company.



- ◆ Establishment : 1995.10.20
- ◆ Capital : NTD 960 Million
- ◆ Chairman : Mr. Kenny, Huang
- ◆ General manager : Ms. Cathy, Yu
- ◆ Main of products :
 - PVD appearance coating – 94%
 - PVD equipment – 5%
 - SiC products – 1%

About Paragon



Taiwan HQ & RD Center

- Established: 1995 year
- Capital: NTD 960 million



EMI sputtering & PVD appearance coating

- Nanjing Factory / Neijiang Factory
(PVD coating & equipment)

The leading company of EMI suppliers in
Notebook Market, 50% of market share,
Annual shipments of 50 million.

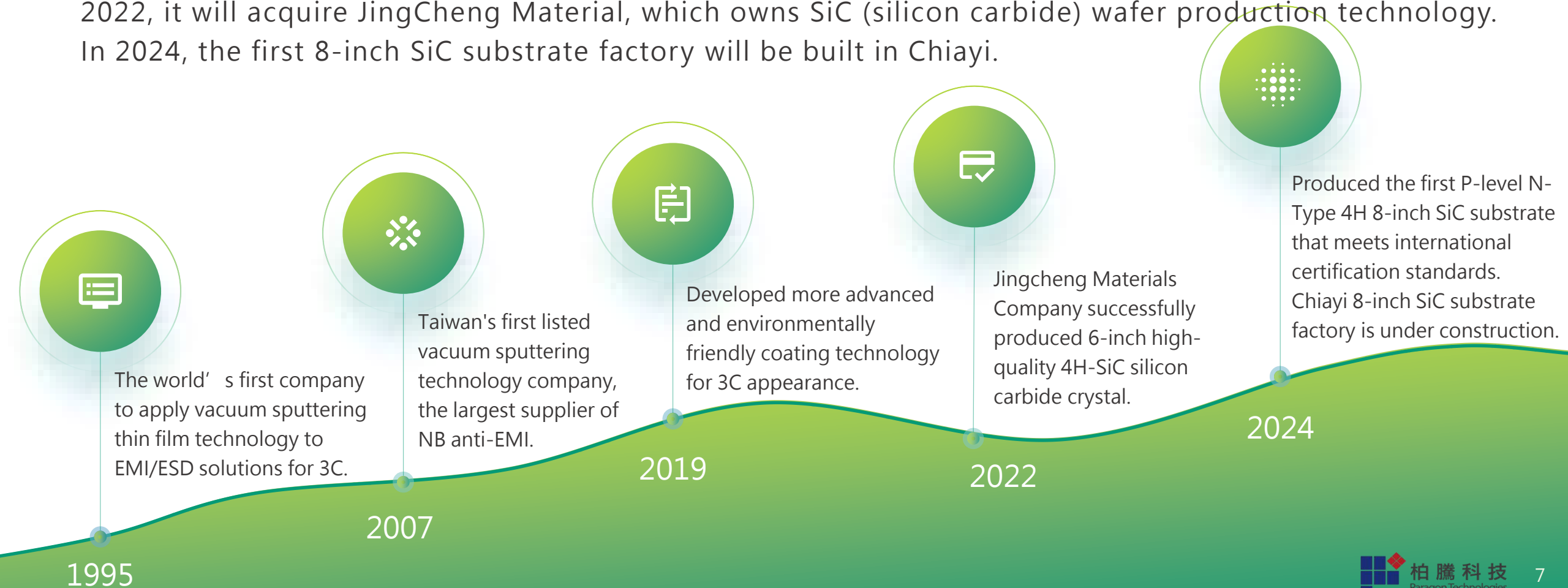


Silicon carbide products

- Nankan Factory (2023.1)
- Chiayi Factory (building)
- 6 ~8 inches Silicon Carbide (SiC) Wafer**
- N-Type / P-Type
- Semi-insulating (HPSI)

Development history

As the world's first company to apply vacuum sputtering thin film technology to EMI/ESD solutions for 3C products. The leading company of EMI suppliers in Notebook Market, 50% of market share. One of the few in the industry with EMI manufacturing, PVD equipment and process design capabilities. In 2022, it will acquire JingCheng Material, which owns SiC (silicon carbide) wafer production technology. In 2024, the first 8-inch SiC substrate factory will be built in Chiayi.





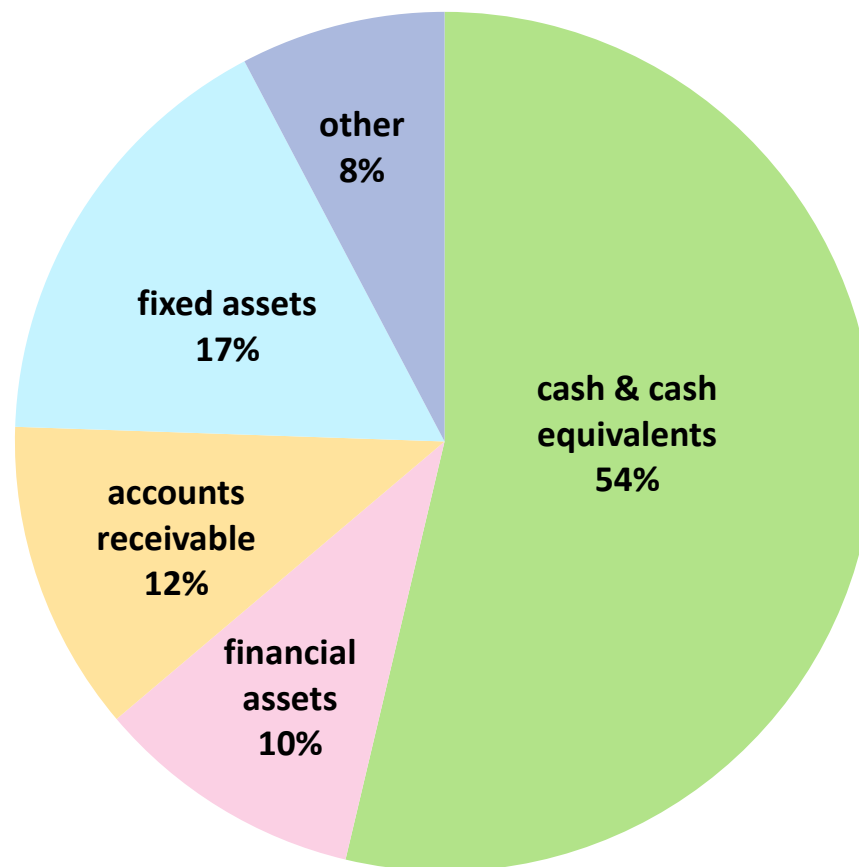
Financial Information

Q1 25' Consolidated Balance

Unit in NT\$ Million

	2025.3.31	%	2024.12.31	%	2024.03.31	%
cash& cash equivalents	753	36	1,069	49	722	48
Financial assets-current & noncurrent	427	21	228	10	56	4
Notes and accounts receivable	240	12	246	11	295	20
Inventories	16	1	20	1	18	1
non-liquid asset in suspense	10	0	10	0	0	0
Fixed Assets & Right-of-use asset	467	22	413	20	307	20
Other Assets	164	8	196	9	107	7
Total Assets	2,077	100	2,183	100	1,506	100
Short-term loans & current portion of long-term loans payable	174	8	171	8	174	12
other payables	78	4	114	5	66	4
bonds payable	286	13	284	12	0	0
long-term debt payable	13	1	15	1	3	0
other liabilities	146	7	144	7	64	4
Total Liabilities	696	33	729	33	308	20
Total Owners' Equity	1,382	67	1,455	67	1,198	80
Net Worth Per Share	14.50		15.00		14.25	

Q1 25' Financial Structure



ITEM	2025Q1	2024	2023	2022	2021
Debt Ratio	33.50	33.37	21.49	16.30	24.54
Current Ratio	506.59	511.45	395.27	606.50	377.86
Cash flow Ratio	(83.41)	(33.46)	(17.17)	63.32	31.54

2025Q1 Consolidated income statement

Unit in NT\$ Millon

ITEM	2025Q1	2024Q4	QoQ%	2024Q1	QoQ%
operating revenue	74	88	(14)	80	(6)
Gross Profit	1	7	(6)	21	(21)
operating expenses	40	52	(12)	48	(8)
Operating Profit	(39)	(45)	6	(27)	(13)
non-operating revenue and expenses	(33)	4	(37)	5	(38)
continuing operating income before tax	(72)	(41)	(32)	(22)	(51)
income tax expense	19	9	10	20	(2)
continuing operating income after tax	(91)	(50)	(41)	(42)	(49)
discontinued operation income	1	(6)	6	(5)	6
Net Income	(90)	(55)	(35)	(47)	(43)
Gross margin(%)	1%	8%		27%	
Net profit margin(%)	-122%	-57%		-58%	
EPS	(0.94)	(0.58)		(0.57)	

Revenue 、 Gross margin



Q1 25' Consolidated Cash Flow

Unit in NT\$ Millon

	2025 ended March 31	2024 ended March 31
Cash provided by (used in) operating activities	(241)	(56)
Cash provided by (used in) investing activities	(83)	(13)
Cash provided by (used in) financing activities	(6)	(25)
Effects of exchange rate change on cash	14	15
Net increase (decrease) in cash and cash equivalents	(316)	(78)
Cash and cash equivalents at beginning of year	1,069	801
Cash and cash equivalents at end of year	\$753	\$722

Important events description

- ◆ The Board of Directors approved the consolidated financial statements for the first quarter of 2025, reporting a basic loss per share of NT\$0.94. (2025.05.07)
- ◆ In 2024, the Company conducted a cash capital increase, which was approved for filing by the **China Securities Regulatory Commission (CSRC)**. (2025.04.21)
- ◆ The Board of Directors resolved to issue common shares through a private placement for a cash capital increase. The total number of shares to be issued shall not exceed 25 million, and the Board was authorized to execute the issuance in up to two tranches within one year from the date of the shareholders' meeting resolution. (2025.03.12)
- ◆ The Board of Directors approved the consolidated financial statements for the fiscal year 2024, reporting a basic loss per share of NT\$2.39. (2025.03.12)
- ◆ The Board of Directors resolved not to distribute dividends for the fiscal year 2024. (2025.03.12)
- ◆ The subsidiary, **Macro Sight International Co., Ltd.**, resolved to distribute cash dividends totaling RMB 22.39 million. (2025.01.21)
- ◆ The subsidiary, **JingCheng Material**, secured NT\$445 million in contracts for factory engineering and interior works related to the new SiC plant. (2024.12.26)



Progress report

SiC investment plan

- ◆ Budget : NT\$899.53 million (First phase)
- ◆ Location : Chiayi Dapu Mei Intelligent Industrial Park
- ◆ Main products : 8-inch SiC wafer
- ◆ Capacity : 3,000pcs/month
- ◆ Maximum capacity : 6,000pcs/month

2024H2 (building)

- ISO9001 & 14001 Passed.
- Pass target customer certification.
- Building a new factory and equipment.
- Introduction of advanced 8-inch crystal growth process equipment.

2025 (Factory enabled)

- ~~Q3Q1~~ factory completion acceptance.
- ~~Q3Q2~~ device move in completed.
- ~~Q4Q3~~ equipment trial mass production preparation.
- ~~2026Q1Q4~~ new factory officially launched.
- Develop non-automotive product applications.
- Annual production capacity 4,000 pieces.

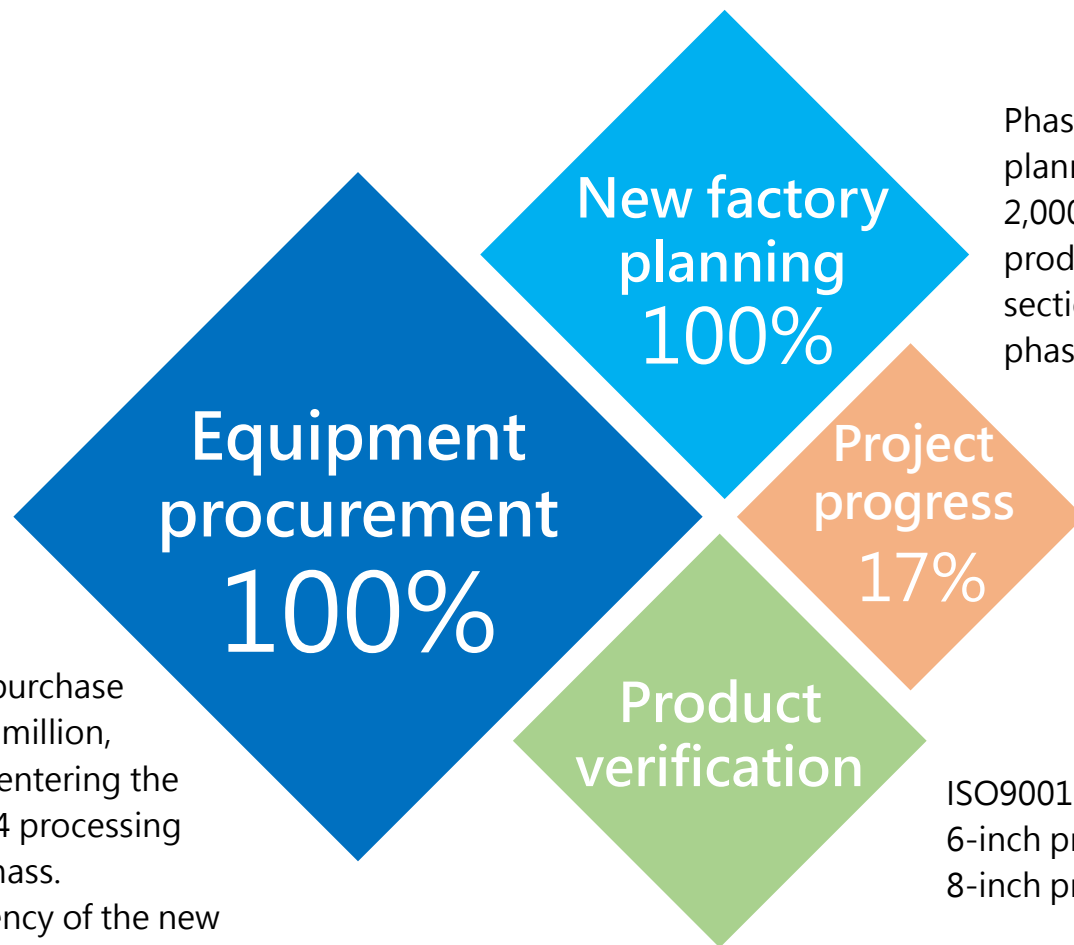
2026 (first phases)

- IATF16949 certification.
- Passed target automotive customer certification.
- Annual production capacity 24,000 pieces.
- Sample delivery to European and American target customers.
- Develop high-end power product applications.

2027 (second phases)

- Passed certification from major European and American automotive manufacturers.
- Enter the brand car factory supply chain.
- Annual production capacity 36,000 pieces.
- Prepare for the second phase of expansion of the new plant.
- Maximum annual production capacity 72,000 pieces.

8-inch factory progress description



Phase I & II factory design, equipment selection and process planning. The first phase will have a monthly production capacity of 2,000 pieces (2026), and the second phase will have a monthly production capacity of 6,000 pieces (2027). The factory service section meets the needs for expansion in the first and second phases.

In the bidding for factory engineering projects, the overall project is expected to be completed before August 2025, and the equipment will be installed and tested one after another. It is expected to be officially put into operation in Q1 of 2026.

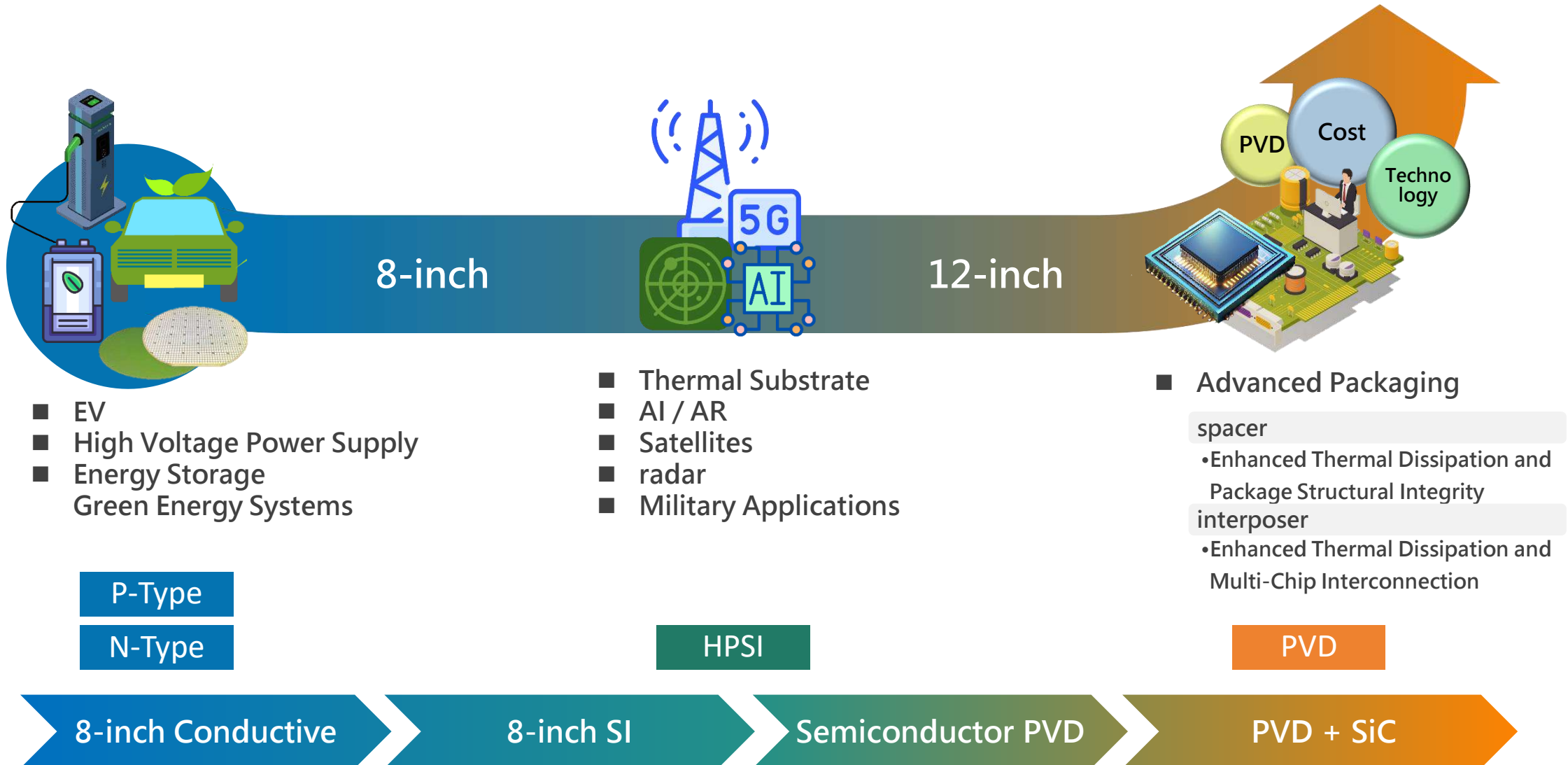
The total equipment purchase amount is NT\$418.36 million, It is expected to start entering the factory in Q3 2025, Q4 processing production line trial mass. The production efficiency of the new 8-inch crystal growth furnace is 30% higher than that of the original 6-inch equipment.

ISO9001 certified / ISO14001 certification in progress.
6-inch products passed verification by multiple customers. (Taiwan)
8-inch product is being verified by customers. (Japan & Taiwan)



Operational status

Product development



Operational status

EMI coating products

Due to the overall economic slowdown and rising tariff risks, the annual shipment growth rate of notebook brands in 2025 is expected to be revised down to 1.4%. The increased cost risks from U.S.-China tariffs have compelled brands to adopt more conservative production and procurement strategies. In the short term, capacity for U.S.-bound products will be rapidly shifted out of mainland China. The impact on China-based EMI orders remains to be closely monitored.

PVD coating technology

Vacuum sputtering (PVD) coating technology has a wide range of applications. Especially in line with the trend of ESG and environmental protection and carbon reduction, PVD coating technology is applied to functional coatings and appearance surface treatments.

- (1) AF coating – NB products.
- (2) Anode-like coating – NB, 3C product
- (3) Functional coating – electronic components, substrates

SiC wafer products

Compared to 6-inch wafers, 8-inch SiC wafers can reduce unit chip costs by up to 35%. Global 8-inch wafer fabs began ramping up for mass production in late 2024. As global players actively expand capacity, achieve technological breakthroughs, and drive down costs, large-scale commercialization is expected to begin in 2026. According to international market research institutions, the compound annual growth rate (CAGR) of 8-inch SiC wafers from 2026 to 2033 is projected to reach 18.5%.

SiC wafer processing services

- (1) 6~8 inch SiC wafer processing
- (2) SiC Reclaim wafer

The new facility is equipped with crystal processing capabilities, with a monthly processing capacity of up to 7,200 wafers. It provides nearby wafer processing support for domestic 6-inch and 8-inch crystal growth fabs, as well as SiC reclaimed wafer services for epitaxy fabs.



Q&A

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