



Wah Lee announced FY2023 financials and a cash dividend of NT\$5.2/share

March 14, 2024 Wah Lee Industrial Corp. (3010.TT) announced its FY2023 consolidated sales of NT\$66.782 billion. FY2023 gross profit was NT\$5.526 billion and operating profit was NT\$2.502 billion. Net profit after tax and minority was NT\$2.114 billion and EPS was NT\$8.96//share. Last year, the economy was challenged by with inflation and interest rate hikes which obviously depressed end consumptions. However, the supply chain has gone through a year of de-stocking and the inventory has returned to a healthy level. In the meantime, AI, high-end servers, and cloud computing have been leading the growth momentum, Wah Lee has reported outstanding sales performance with accumulated Jan.-Feb. consolidated sales growing 22.5% YoY.

Wah Lee's board also approved a cash dividend of NT\$5.2 per share, which provides steadily high dividend yields along the years and was appreciated by long-term value investors.

The advent of ChatGPT has led the exponential demands for generative AI. CSP (Cloud Service Provider) and server enterprises have been grasping AI GPUs. The AI GPU market is seriously under supply. In order to fulfill the demand gap, Wah Lee's leading foundry customer is aggressively expanding its CoWoS advanced packaging capacities. Wah Lee's has been cultivating in the advanced packaging materials for a long time and will see its sales rising with the uprising AI demands.

The specialty gases has become a critical production raw materials for the semiconductor industry, especially after the supply disruptions due to the Russian-Ukraine war. Wah Lee has set up the first company in Taiwan to purify Neon gas, in the aim to build local supply chain for semi-used gases. The plant is scheduled to start test run in 4Q this year. Wah Lee's product portfolio of specialty gases will become more comprehensive and reach out to overseas markets. Foundry customer's Japan and US AZ fabs both have purchased specialty gases from Wah Lee. The related sales is expected to grow together with the geographic expansions.

With AMD and Intel launching their new servers platforms and will fully utilize DDR5 DRAM, together with the demands from AI PC, the industry is very optimistic about the penetration rate of DDR5 to be over 50%. The sockets for DDR5 will need to go through SMT production process which will undergo very high processing temperature and must require high-end engineering plastics which Wah Lee exclusively supplies for Japanese manufacturers. In addition, the American smart phone maker switched to USB Type C connectors due to the regulation requirements in the EU. Wah Lee will benefit from both DDR5 and USB Type C connector



opportunities and see its engineering plastics sales to record very strong growth momentum.

About Wah Lee Industrial Corp. : Wah Lee Industrial Corp. was founded in 1968. In order to satisfy the needs from the industry development of Taiwan and the overall operation requirements of the company, we have successfully introduced materials and equipment for industries of PCB, semiconductor, information communication technology, FPD, and green energy. Our goal is to be the leading hi-tech total solution integrator and provider in the Greater China area. The company is headquartered in Kaohsiung, with branch offices in China, Singapore, and ASEAN countries.

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