



**WAH LEE INDUSTRIAL CORP.**

**華立企業股份有限公司**

**Material Pioneer, Technology Navigator**



# **INVESTOR MEETING**

## **法說簡報**

**June 2022**

**2022年6月**

**TSE Ticker : 3010 TT**

**<http://www.wahlee.com>**

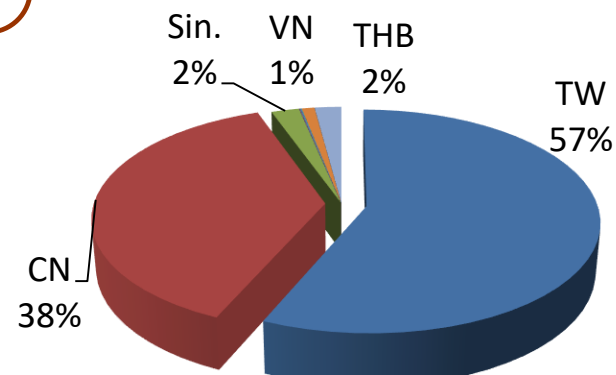
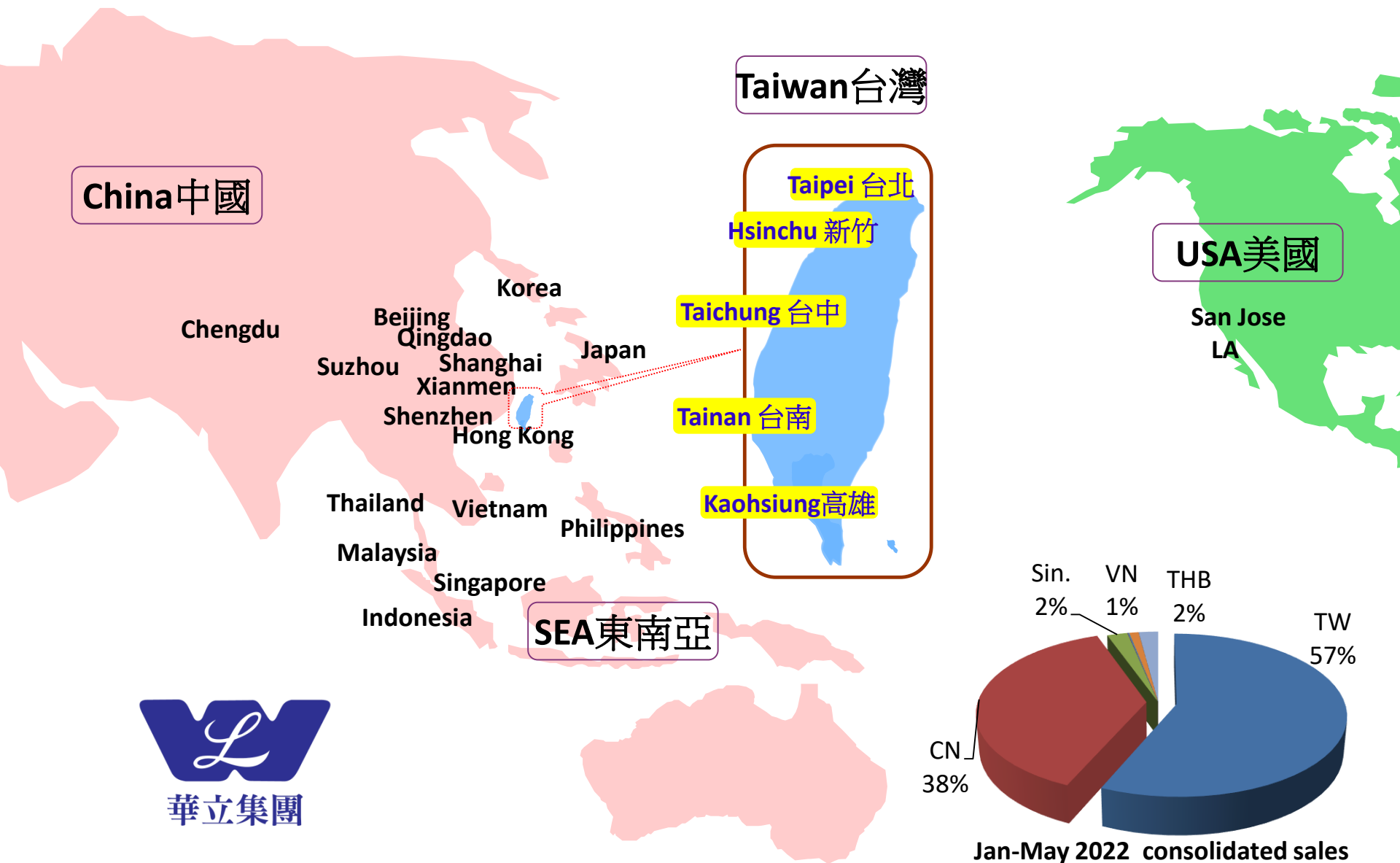
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# Company Profile 公司簡介

|   |   |
|---|---|
| <b>Inception:</b><br>成立日期                       | <b>10/1/1968</b>  |
| <b>Listing:</b><br>掛牌日期                         | <b>7/22/2002 on TSE (台灣證券交易所)</b>   |
| <b>Capital:</b><br>實收資本額                        | <b>NT\$ 2,360,179,000</b>   |
| <b>FY2021 sales:</b><br>2021營收                  | <b>NT\$70,515 million<br/>(USD2,552 million)</b>  |
| <b>Market Cap:</b><br>市值                        | <b>~USD\$817 million</b>  |
| <b>Mission:</b><br>主要業務                         | <b>To provide leading materials and total solutions<br/>integration for the high-tech manufacturing<br/>高科技產業材料及整體解決方案供應商</b>   |
| <b>Long term<br/>Growth Drivers :</b><br>長期成長動能 | <b>Expansion into hi-end semiconductor manufacturing<br/>processes, PCB high frequency substrates, next<br/>generation electronic products, and 5G, biomedical,<br/>Electric Vehicles, and energy storage system<br/>高階半導體、高階載板、次世代電子產品、5G、生技醫療、電<br/>動車材料、儲能系統</b> |

# Sales Offices 國際行銷據點



Jan-May 2022 consolidated sales  
合併營收區域別

# Wah Lee's Value Proposition 華立附加價值

## One Stop Full Service Shopping

華立在供應鏈中提供關鍵附加價值：一次購足



## VALUE WAH LEE PROVIDES 華立提供的附加價值

### Supplier Perspective

- Strategic alliance of supply chain
- New applications for suppliers
- Reduction in Marketing, Sales, FAE cost
- Can focus on R&D and Manufacturing

### 供應商角度

- 供應鏈上下游策略聯盟
- 幫供應商找出新應用
- 減輕行銷、技術支援成本
- 專注研發、製造

### Customer's Perspective

- New materials, technologies new components
- Total solutions integrator
- Int'l marketing network
- Develop new applications new customers
- Int'l cash flow, logistics services
- JIT, on-site tech support

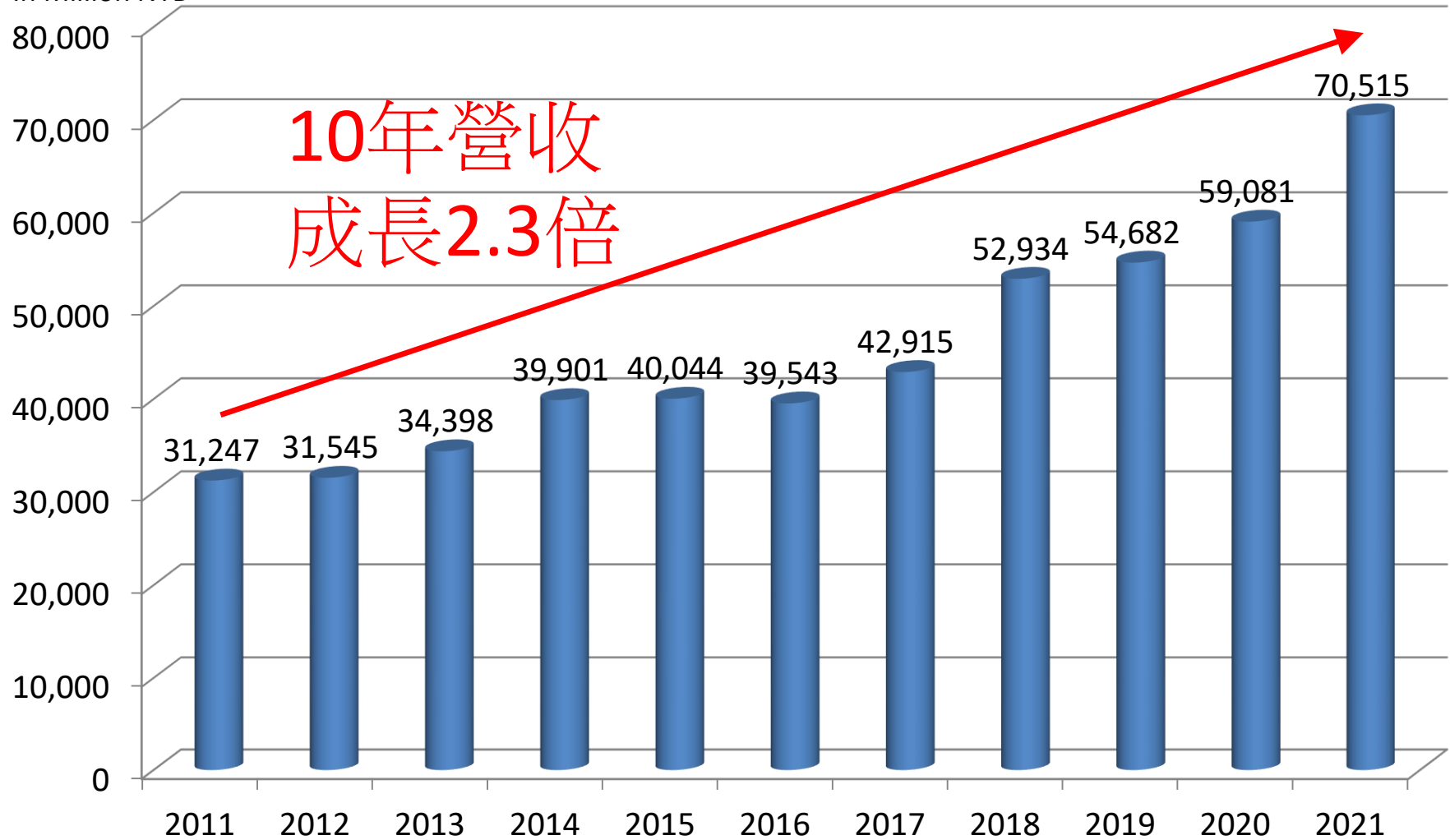
### 客戶角度

- 新材料、新技術、元件
- 外包生產解決方案
- 開拓國際行銷網路
- 發展新應用及客戶
- 國際金流、物流解決方案
- 即時服務、在場服務

# Strong Sales Growth 營收成長性佳

## 年度合併營收 Annual Sales

百萬元新台幣  
In Million NTD

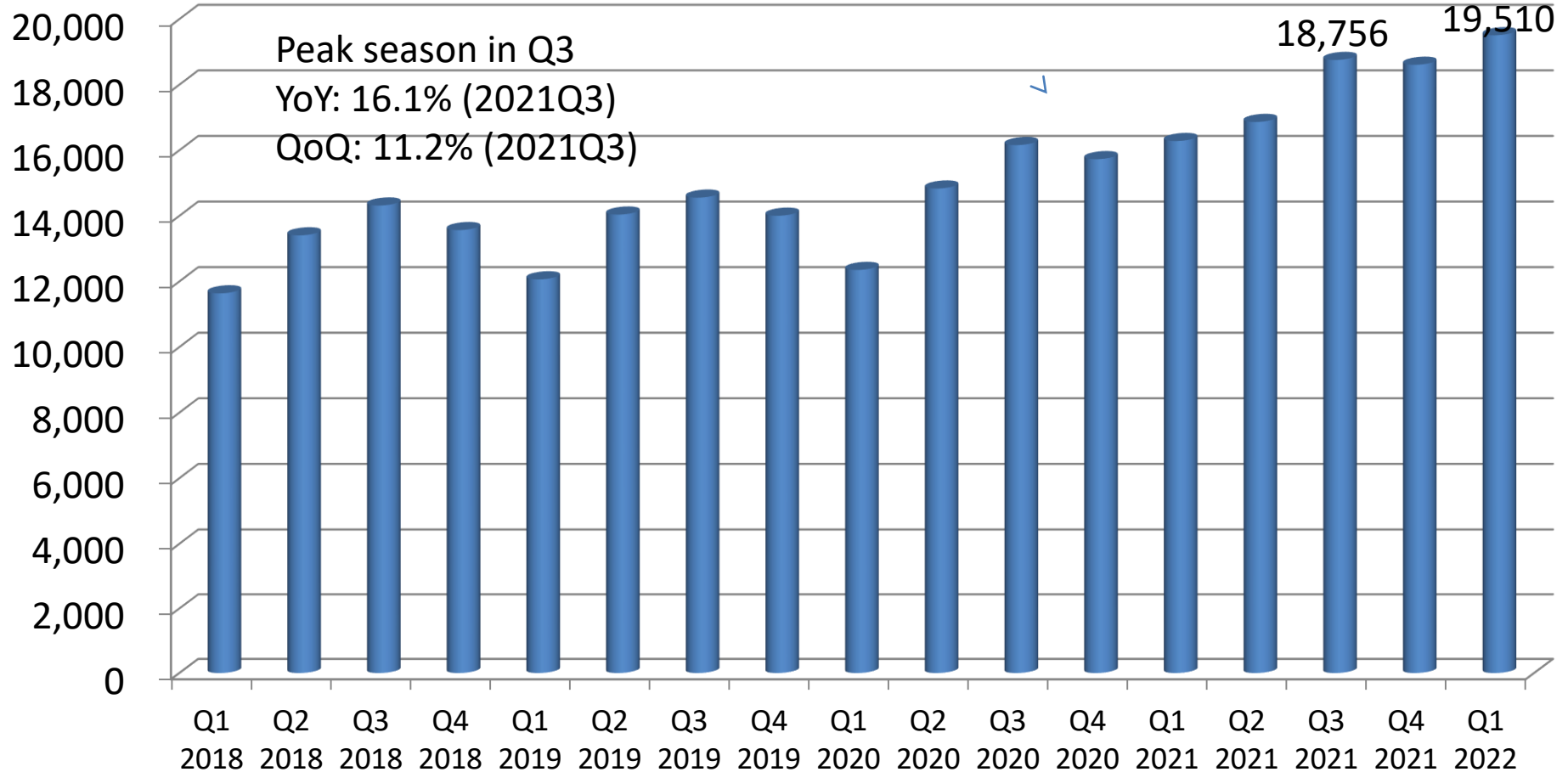


# Consolidated Sales 營收資訊

## 季合併營收

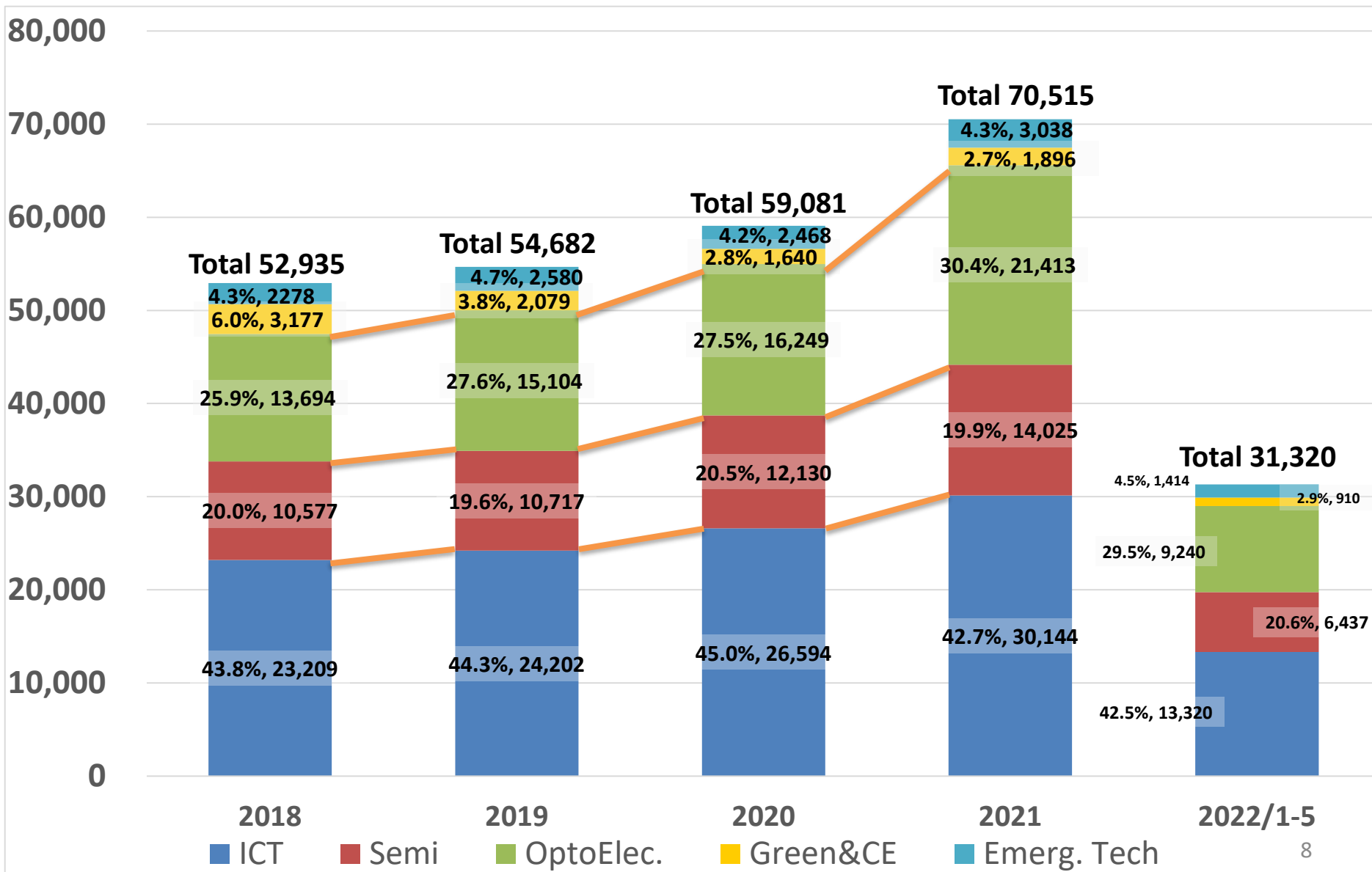
### Quarterly Sales

百萬元新台幣  
In Million NTD



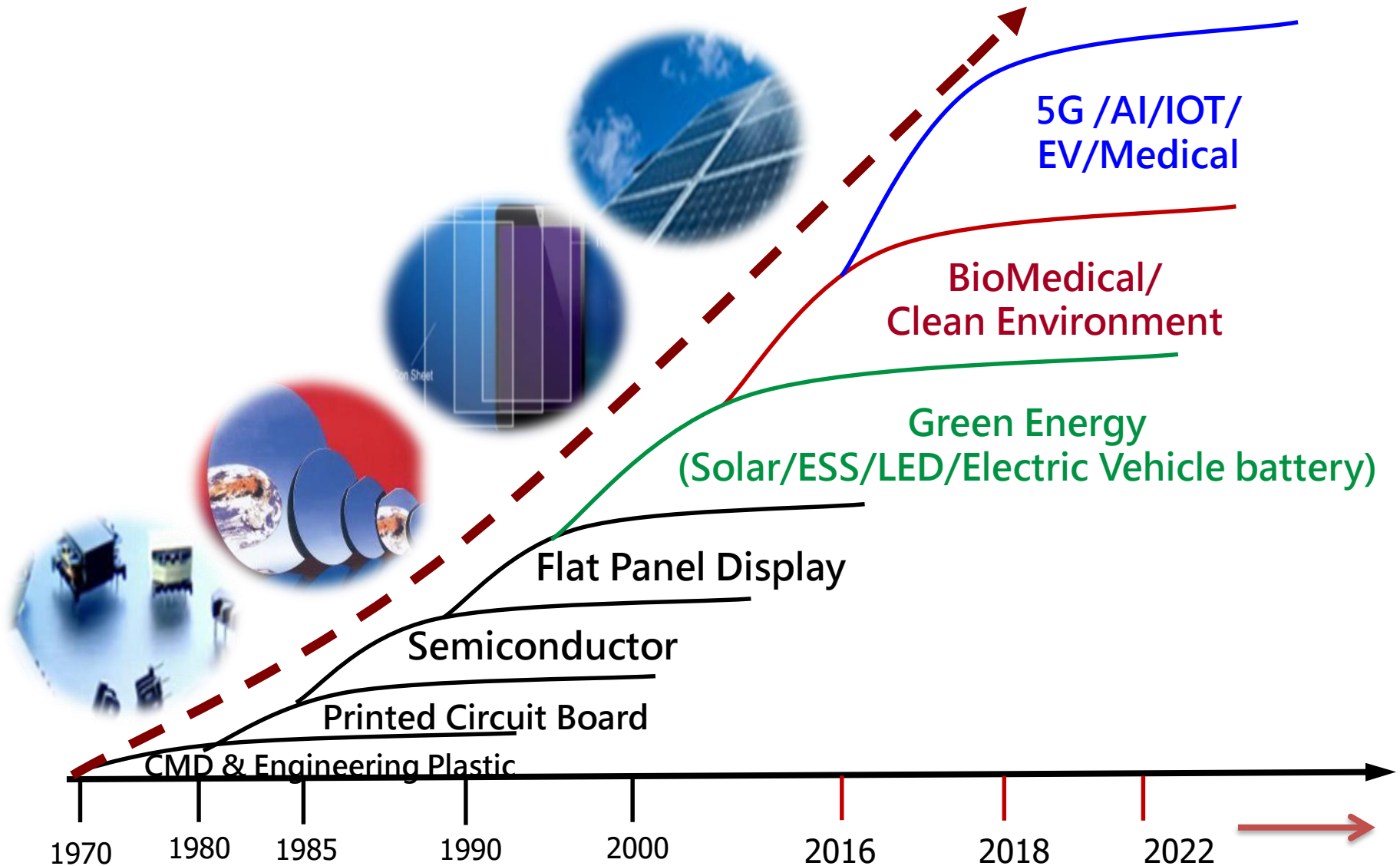
# Industry Sales Breakdown 營收產業別資訊

百萬元新台幣  
In Million NTD





# Contributions to Industries in Taiwan



# Dual growth tracks on ICT and Auto

- ◆ Optical grade plastics provided to world leading camera module maker.  
Demands are from smart phones, ADAS/DMS, surveillance systems
- ◆ On-line education and e-Commerce created huge demands for PC, NB, servers, and 5G smart phones which all require temperature enduring Nylon
- ◆ Weight reduction and high intensity plastics are widely adopted by Auto parts and EVs and EV charging poles
- ◆ PCR (Post Consumer Recycle) plastics are **ESG** highlights



## Key PCB raw materials and equipment supplier

- ◆ 5G era leading to cloud servers, switches, routers, antenna modules, and communication equipment demands
- ◆ CCL (Copper Clad Laminate) with low Dk, low Df is the first choice for 5G high-end PCB
- ◆ DI grade Dry Film has an oligopoly market position



# Total solutions for Semi front-end legacy and advanced nodes materials

- ◆ 5G, AIoT, HPC, EV, WFH:  
Drivers for Semi front-end materials
- ◆ Partnership with world class Semi suppliers and customers for critical raw materials
- ◆ Photoresist, PR Stripper, Bulk Chemicals, CMP Slurry, Specialty Gases, and Spare Parts



# Optoelectronics materials and system supplies

- ◆ TV, NB, PC, and Monitor demand driver and controller ICs
- ◆ Large screen interactive touch panel displays marketed around the world. TV main board catered to smart appliances
- ◆ Video conferencing stimulated demands for displays and upstream raw materials





# Renewable energy is friendly to Earth

- ◆ Has built solar power stations with capacities over 54MW by the end of 2021, equivalent to carbon emission reduction of 8,700 tons and reached **Carbon Negative**. Expect to increase capacities to 160MW by the end of 2023, equivalent to the carbon absorption of 280 Da-An forest parks, or equivalent to 60,000 household electricity usage
- ◆ Provide REC (Renewable Energy Certificates) to customers for their carbon rights trading to meet int'l carbon neutral requirements
- ◆ With >10% ROI, attracting int'l funds to co-invest. Obtain more attentions from ESG funds.
- ◆ Promote ESS (Energy Storage System) to complement renewable energy systems



## Strengthen the core competences of distributorship

- ◆ Invest to set up southern logistics center to meet the demands of newly established Semi and Optoelectronic plants in southern Taiwan
- ◆ The center is over 40,000 m<sup>2</sup>, with total 7 warehouses, office building, and machinery room.
- ◆ Further strengthen the leading position of Wah Lee's logistics and increase the value-add of services to customers



(For illustration only)



# 1Q2022 Consolidated Income Statement

## 1Q2022 合併損益表

| Unit: NT\$ million         | 1Q2022<br>(CPA) | 1Q2021<br>(CPA) | YoY    |
|----------------------------|-----------------|-----------------|--------|
| Net Sales 營收淨額             | 19,509.9        | 16,283.5        | 19.8%  |
| Gross Profit 銷貨毛利          | 1,558.1         | 1,438.4         | 8.3%   |
| Gross Margin 毛利率           | 8.0%            | 8.8%            | -0.8%  |
| Op. Expense 營業費用           | 756.2           | 712.2           | 6.2%   |
| Op. Profit 營業利益            | 801.9           | 726.2           | 10.4%  |
| Non-op. Profit 業外收支        | 279.0           | 147.6           | 89.1%  |
| L-T investment income 長投收益 | 239.1           | 182.2           | 31.3%  |
| Interest Expense 利息費用      | (52.6)          | (46.8)          | 12.2%  |
| Others 其他                  | 92.4            | 12.2            | 655.4% |
| Pre-tax Profit 稅前利潤        | 1,080.9         | 873.8           | 23.7%  |
| Net Income 稅後淨利            | 768.3           | 597.2           | 28.6%  |
| After tax EPS              | 3.26            | 2.53            | 28.9%  |

\* Consolidated entities include: Wah Lee Taiwan and China Subsidiaries (Raycong, Shanghai YiKang), Japan Solar Power Plant (Miyazaki、Sakuragawa), Singapore, Thailand, Indonesia, and Vietnam.

\* 上述合併報表主體, 包含華立台灣、大陸子公司(華港香港、上海怡康)、日本電廠(宮崎、櫻川)、華立新加坡、華泰、華立印尼、及華立越南。



# 1Q2022 Long Term Investments 長期投資收益

Unit: NT\$ thousand

| <b>Long-term Investments</b><br>轉投資事業 | <b>Product Lines</b><br>主要產品線  | <b>Holding %</b><br>持有比例<br>% | <b>1Q2022 Earnings Recognized</b><br>長投收益 |
|---------------------------------------|--|-------------------------------|---|
| Chang Wah Electromaterials Inc. 長華電材  | Semiconductor Packaging and Testing Materials  | <b>29</b>                     | <b>169,937</b>                            |
| Nagase Wah Lee Plastics<br>長華塑膠       | SABIC Engineering Plastics   | <b>40</b>                     | <b>55,004</b>                             |
| Wah Hong Industrial Corp.<br>華宏新技     | Optical Film, High Performance Plastic Compound, Heat Dissipation Solution, VCM Actuator | <b>26</b>                     | <b>17,964</b>                             |
| ORC Wah Lee Technology Corp. 華展光電     | ORC Exposure Machine and Lamps   | <b>35</b>                     | <b>(1,487)</b>                            |
| <b>Total</b>                          |  |                               | <b>241,418</b>                            |

# 1Q2022 Consolidated Balance Sheet 合併資產負債表

Unit: NT\$ million

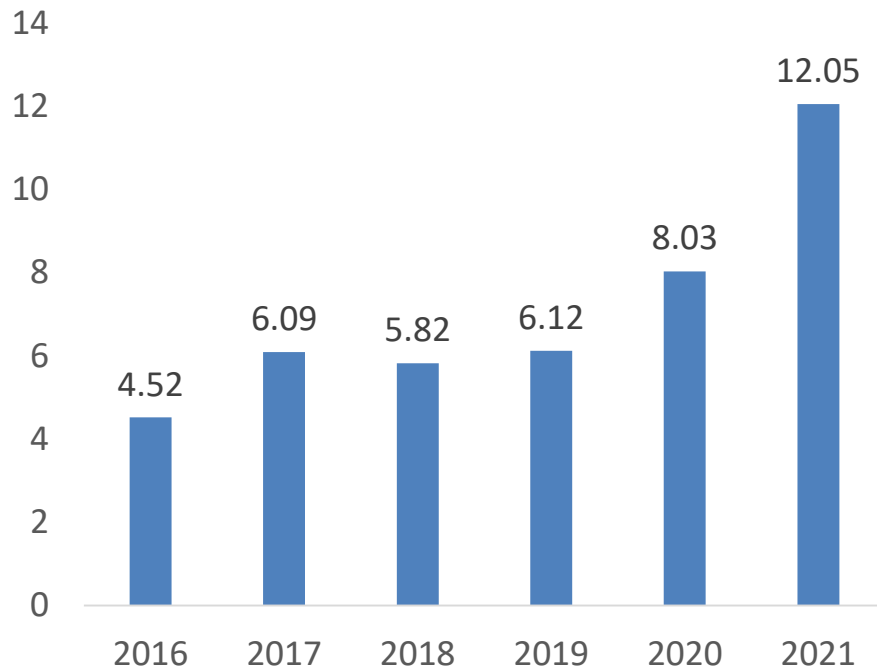
|   | 2022-3-31 |        | 2021-3-31 |        |                                     | 2022-3-31 |        | 2021-3-31 |        |
|---|-----------|--------|-----------|--------|-------------------------------------|-----------|--------|-----------|--------|
|   | (CPA)     |        | (CPA)     |        |                                     | (CPA)     |        | (CPA)     |        |
| Cash & Equiv. 現金                        | 6,661     | 14.0%  | 4,112     | 10.5%  | S-T Borrowing 短期借款                  | 9,278     | 19.5%  | 7,069     | 18.0%  |
| A/R 應收帳款                                | 19,576    | 41.1%  | 17,331    | 44.2%  | A/P 應付帳款                            | 8,036     | 16.9%  | 7,353     | 18.8%  |
| Inventory 存貨                            | 5,104     | 10.7%  | 4,217     | 10.8%  | Other C/L 其他流動負債                    | 2,989     | 6.3%   | 2,931     | 7.5%   |
| Other C/A 其他流動資產                        | 2,866     | 6.0%   | 2,293     | 5.8%   | Current Liab. 流動負債                  | 20,304    | 42.6%  | 17,353    | 44.3%  |
| Current Assets 流動資產                     | 34,206    | 71.8%  | 27,953    | 71.3%  | L-T Borrowing 長期借款                  | 4,031     | 8.5%   | 3,770     | 9.6%   |
| Financial Asset-Non<br>Current 金融資產-非流動 | 705       | 1.5%   | 687       | 1.8%   | Other Liab. 其他負債                    | 4,331     | 9.1%   | 2,107     | 5.4%   |
| L-T investments 長期投資                    | 5,996     | 12.6%  | 5,119     | 13.1%  | Non-Current Liab. 非流動負債             | 8,362     | 17.6%  | 5,876     | 15.0%  |
| Fixed Assets 固定資產                       | 5,801     | 12.2%  | 4,558     | 11.6%  | Total Liab. 總負債                     | 28,665    | 60.2%  | 23,229    | 59.2%  |
| Other Assets 其他資產                       | 919       | 1.9%   | 891       | 2.3%   | Capital 股本                          | 2,360     | 5.0%   | 2,314     | 5.9%   |
| Non-Current Asset<br>非流動資產              | 13,421    | 28.2%  | 11,255    | 28.7%  | Capital Surplus 資本公積                | 1,704     | 3.6%   | 1,469     | 3.7%   |
|   |           |        |           |        | Retained Earnings 保留盈餘              | 12,638    | 26.5%  | 10,471    | 26.7%  |
|   |           |        |           |        | Other Equities 其他權益                 | 88        | 0.2%   | (367)     | -0.9%  |
|   |           |        |           |        | Non-Controlling. Interest<br>非控制權益  | 2,172     | 4.6%   | 2,091     | 5.3%   |
|   |           |        |           |        | Total Equities 總股東權益                | 18,962    | 39.8%  | 15,979    | 40.8%  |
| Total Assets 總資產                        | 47,627    | 100.0% | 39,208    | 100.0% | Total Liab. and Equities 總負債及<br>權益 | 47,627    | 100.0% | 39,208    | 100.0% |

\* Consolidated entities include: Wah Lee Taiwan and China Subsidiaries (Raycong, Shanghai YiKang), Japan Solar Power Plant (Miyazaki、Sakuragawa), Singapore, Thailand, Indonesia, and Vietnam.

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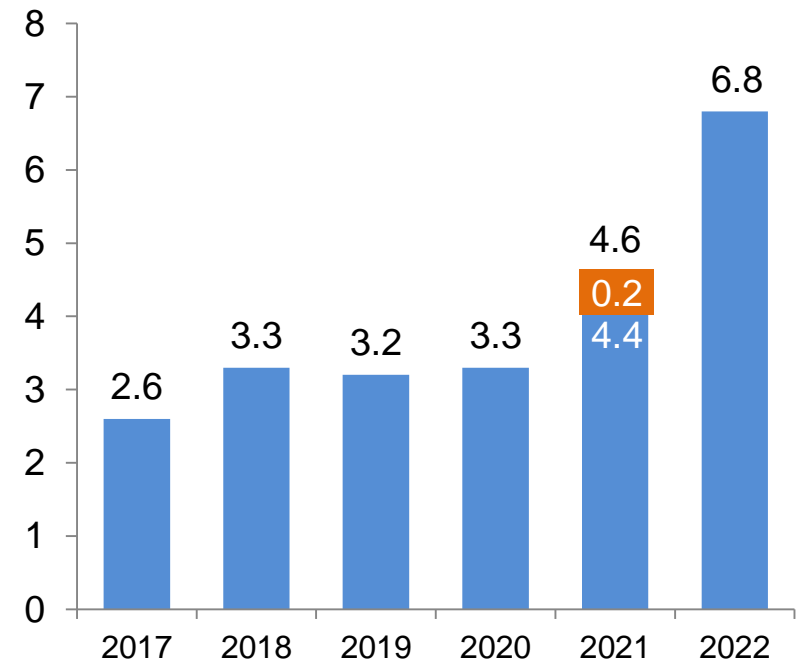
# Stably Growing Dividends

## EPS



## Annual Dividend

Cash Dividend (NT\$)  
Stock Dividend (NT\$)

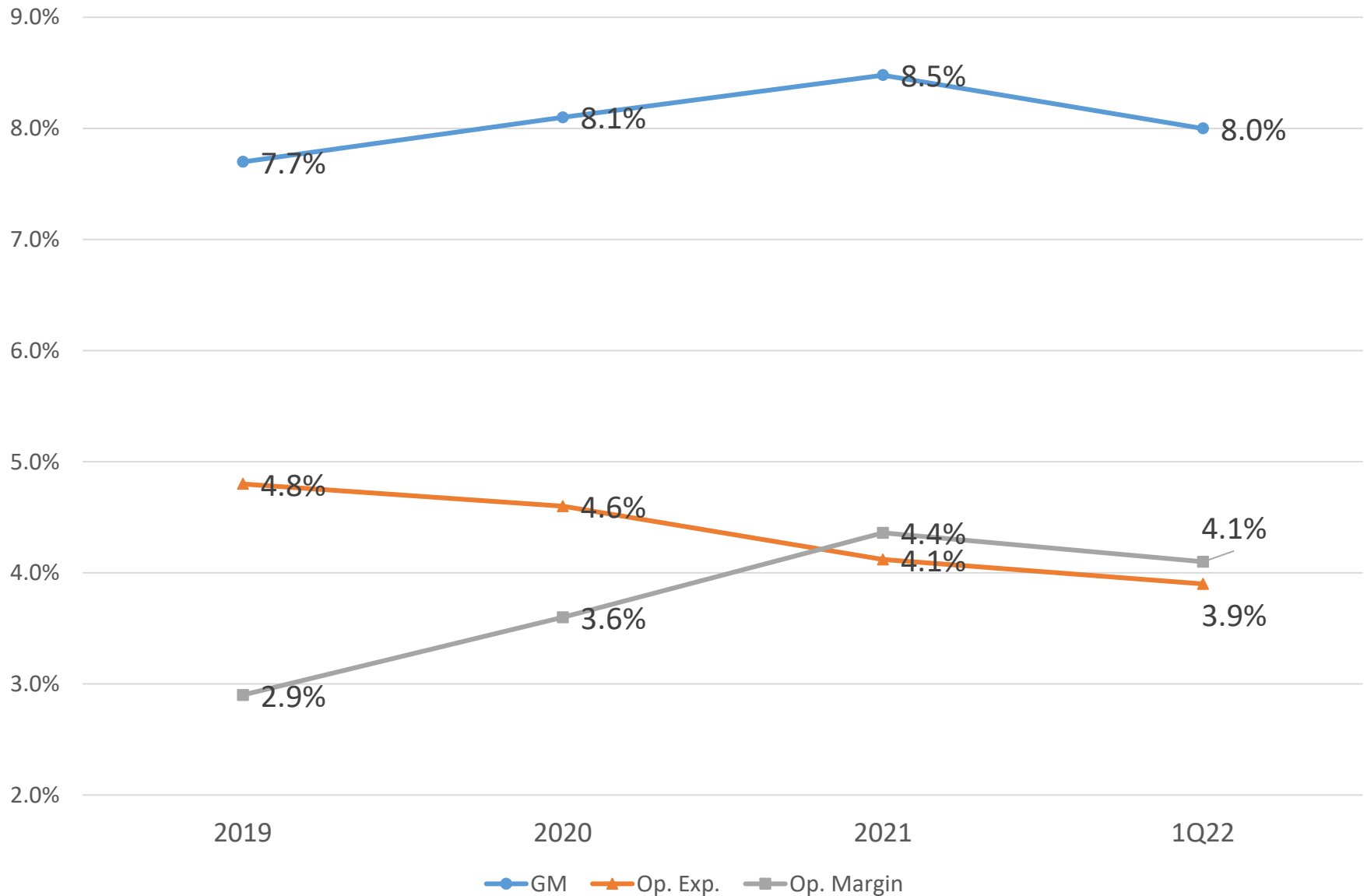


\*Dividends are distribution of prior year's earnings.

# Consolidated Financial Indicators 合併財務比率

|   | 2019      | 2020      | 2021    | 1Q22      |
|---|-----------|-----------|---------|-----------|
| Current Ratio 流動比率                        | 161.6%    | 153.9%    | 161.0%  | 168.5%    |
| Quick Ratio 速動比率                          | 126.9%    | 121.5%    | 123.5%  | 131.5%    |
| Net Debt/Equity 淨負債比率                     | 60.3%     | 52.9%     | 44.8%   | 46.2%     |
| A/R days 應收帳款天數                           | 103.0     | 103.6     | 95.1    | 90.5      |
| Inventory days 存貨天數                       | 33.8      | 29.1      | 28.3    | 28.0      |
| A/P days 應付帳款天數                           | 46.6      | 46.3      | 46.8    | 43.3      |
| Cash conversion days<br>現金週轉天數            | 90.1      | 86.4      | 76.5    | 75.2      |
| Operating cash flow (NT\$K)<br>來自營業活動現金流量 | 1,713,841 | 1,208,069 | 970,906 | (652,188) |
| ROE 股東權益報酬率                               | 12.7%     | 14.5%     | 19.1%   | 18.6%     |

# Economies of Scale on Expense Ratios



# Improving Return on Equities

