



**WAH LEE INDUSTRIAL CORP.**

**華立企業股份有限公司**

**Material Pioneer, Technology Navigator**



# **INVESTOR MEETING**

## **法說簡報**

**July 2022**

**2022年7月**

**TSE Ticker : 3010 TT**

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

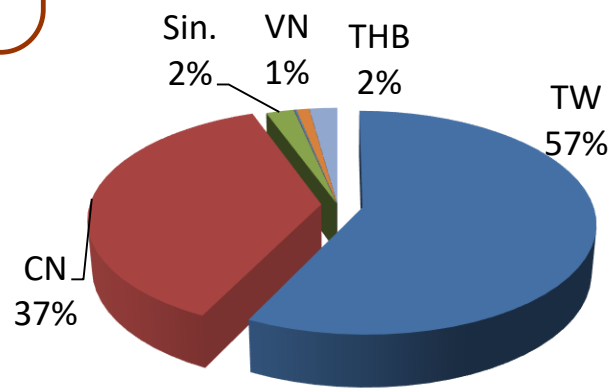
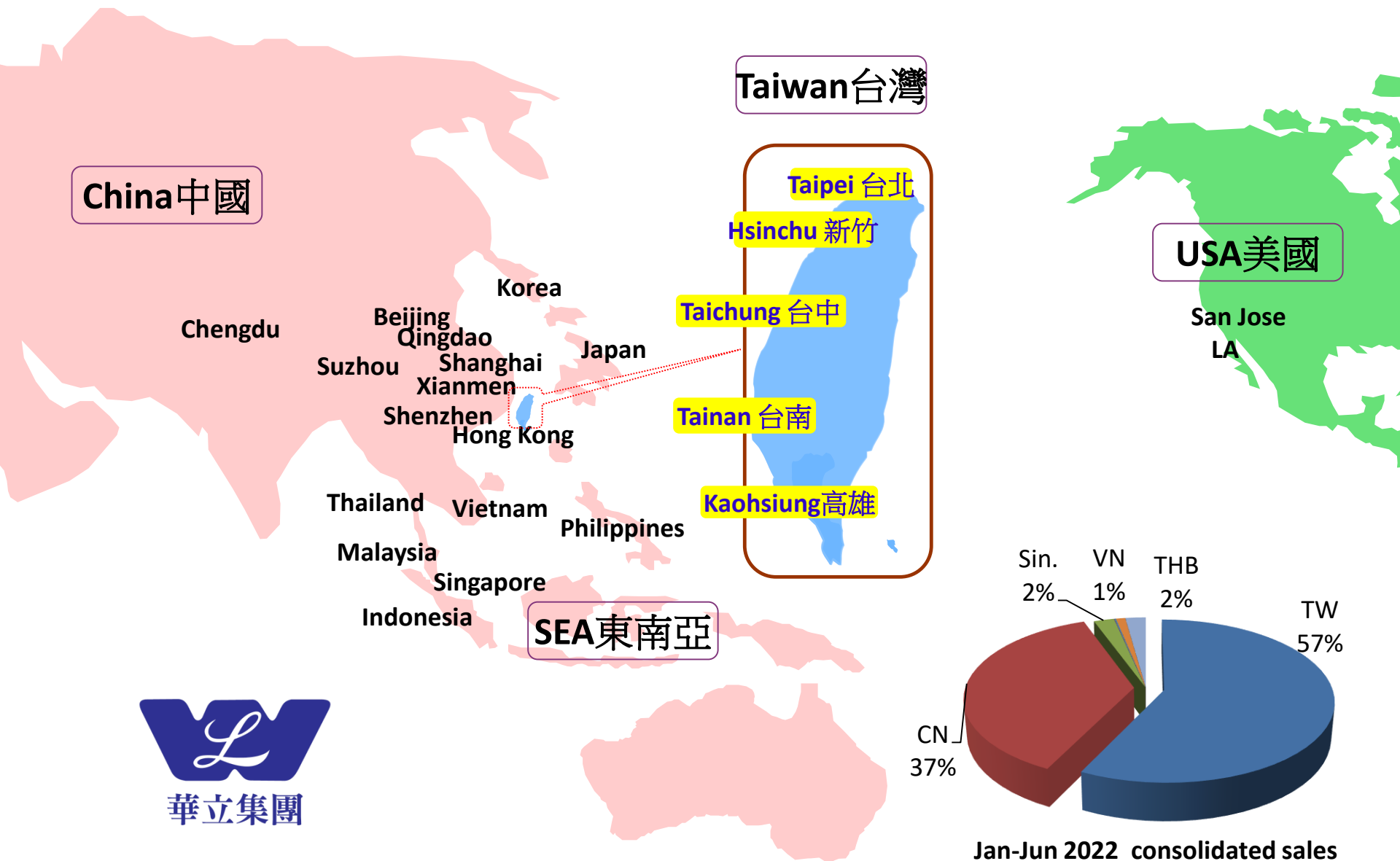
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# Company Profile 公司簡介

<b>Inception:</b> 成立日期	<b>10/1/1968</b>
<b>Listing:</b> 掛牌日期	<b>7/22/2002 on TSE (台灣證券交易所)</b>
<b>Capital:</b> 實收資本額	<b>NT\$ 2,360,179,000</b>
<b>FY2021 sales:</b> 2021營收	<b>NT\$70,515 million (USD2,552 million)</b>
<b>Market Cap:</b> 市值	<b>~USD\$617 million</b>
<b>Mission:</b> 主要業務	<b>To provide leading materials and total solutions integration for the high-tech manufacturing 高科技產業材料及整體解決方案供應商</b>
<b>Long term Growth Drivers :</b> 長期成長動能	<b>Expansion into hi-end semiconductor manufacturing processes, PCB high frequency substrates, next generation electronic products, and 5G, biomedical, Electric Vehicles, and energy storage system 高階半導體、高階載板、次世代電子產品、5G、生技醫療、電 動車材料、儲能系統</b>

# Sales Offices 國際行銷據點



Jan-Jun 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

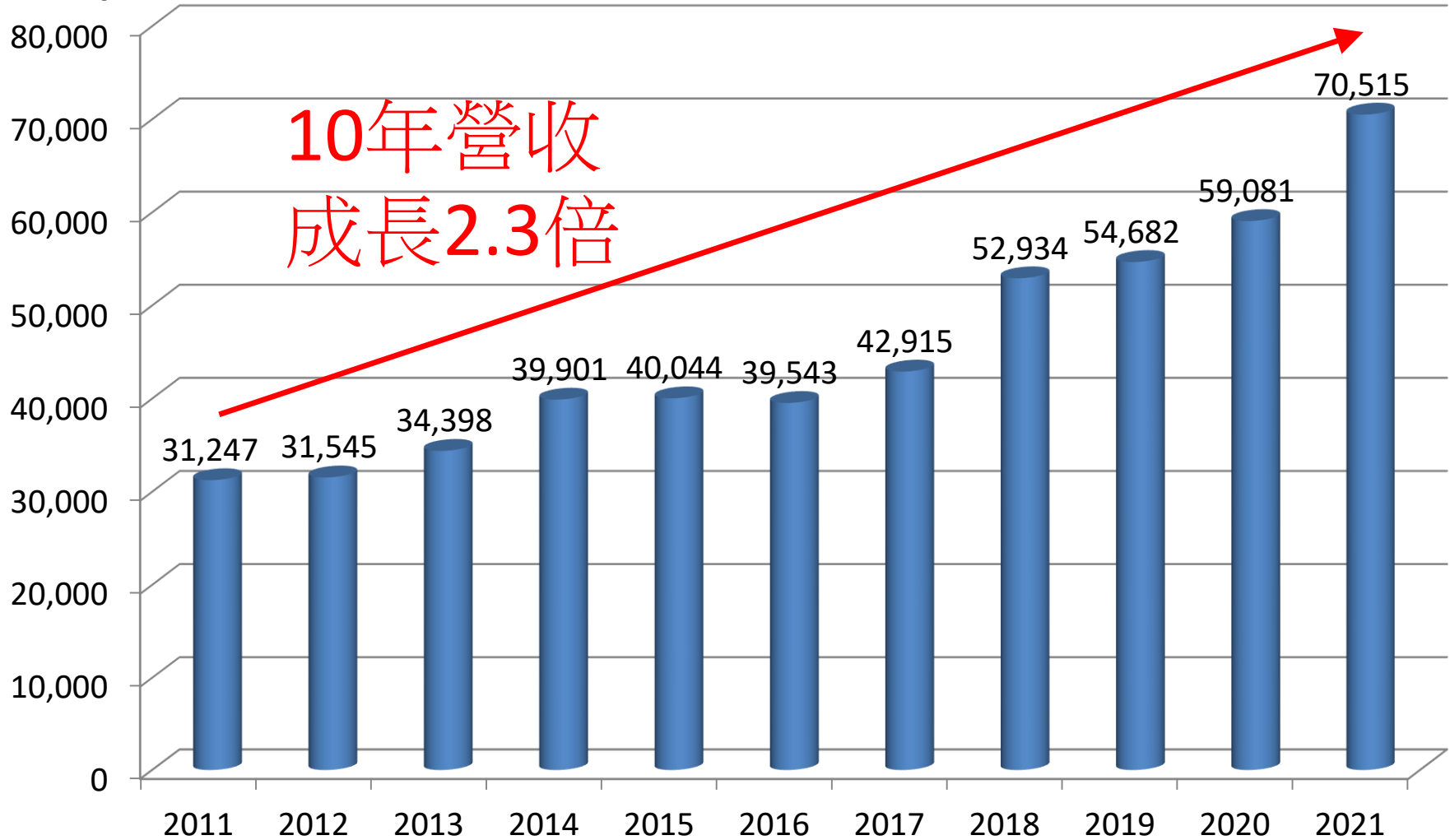
### 客戶角度

- 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

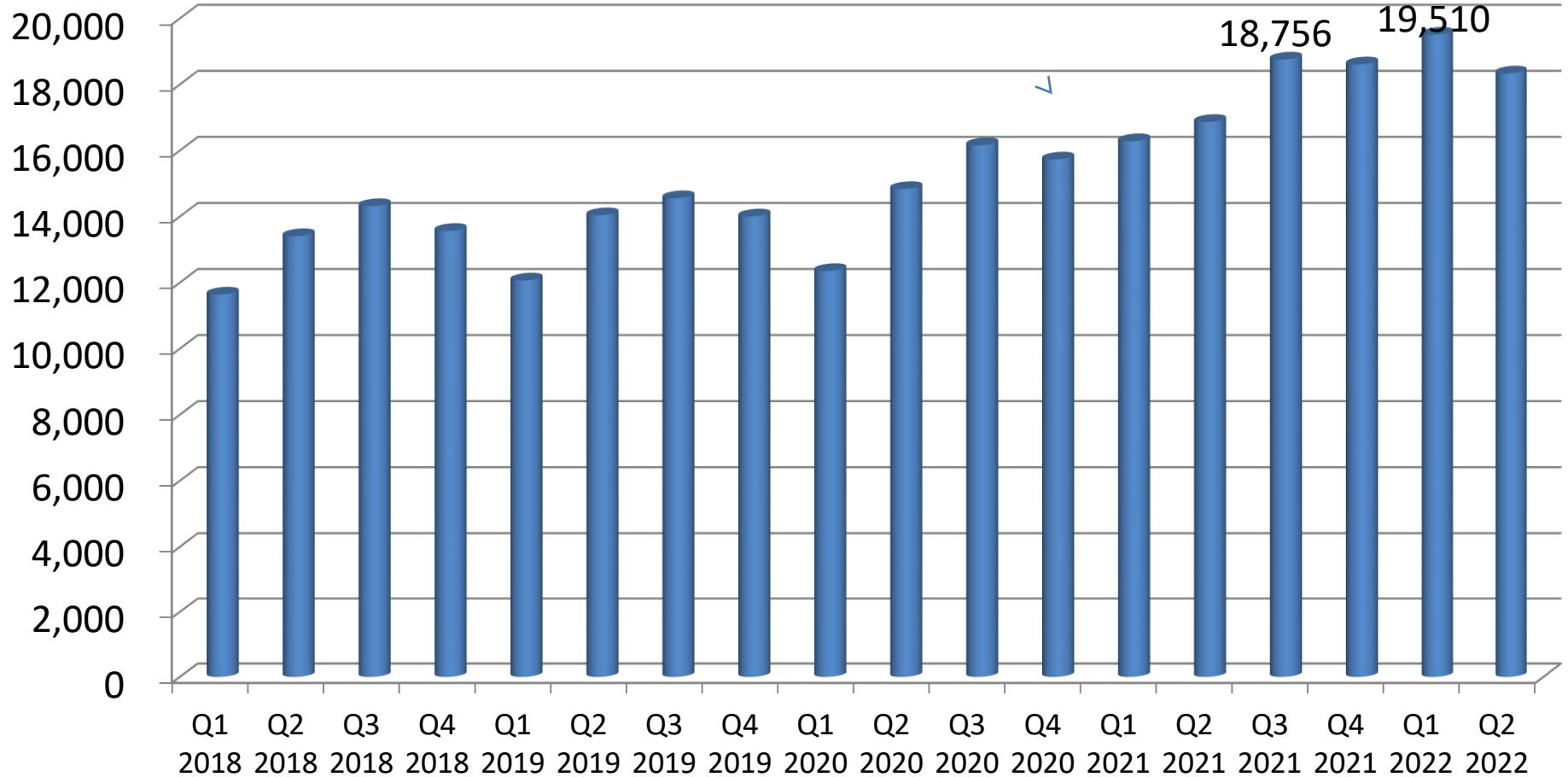


# Consolidated Sales 營收資訊

## 季合併營收

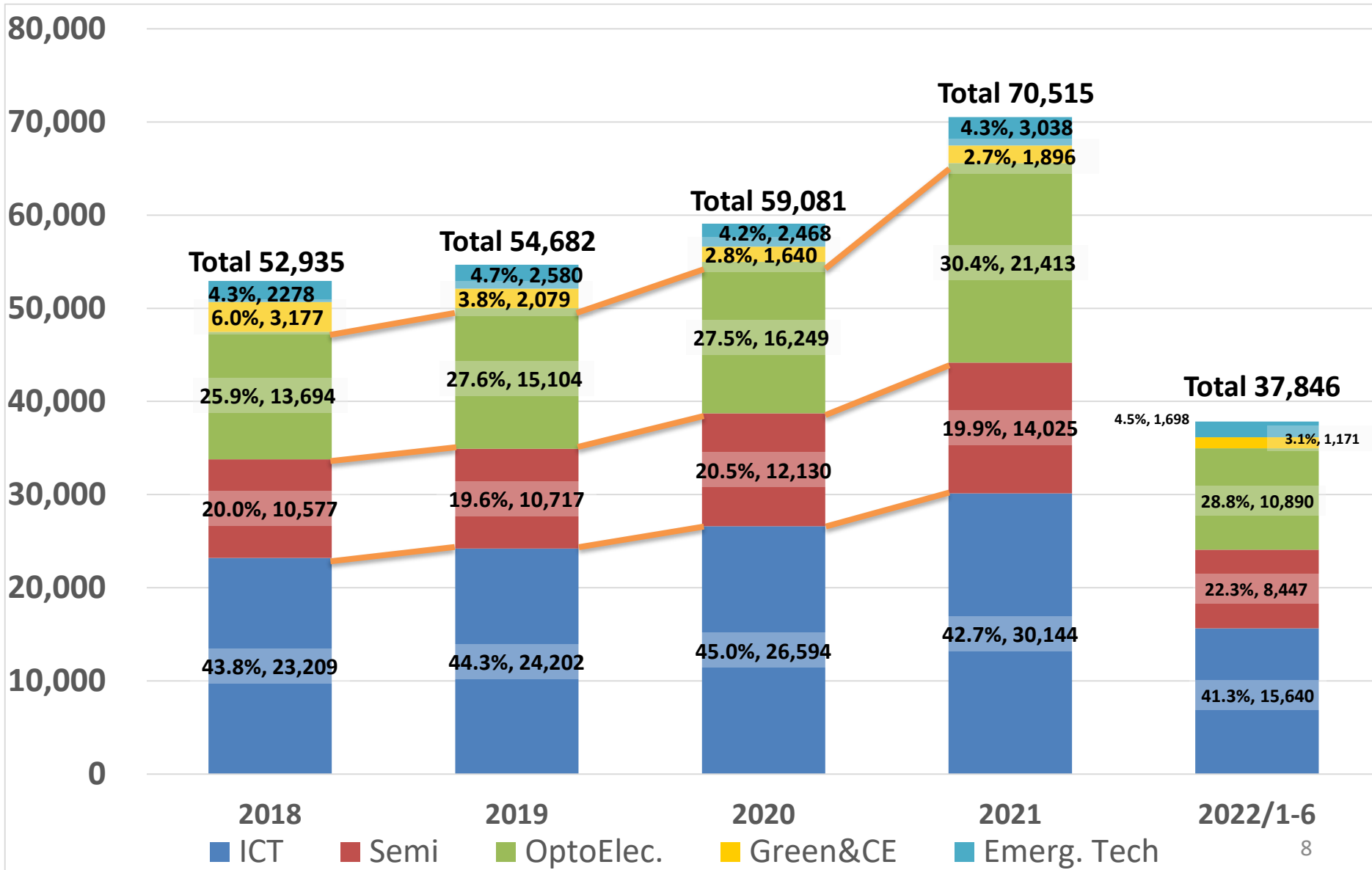
### Quarterly Sales

百萬元新台幣  
In Million NTD



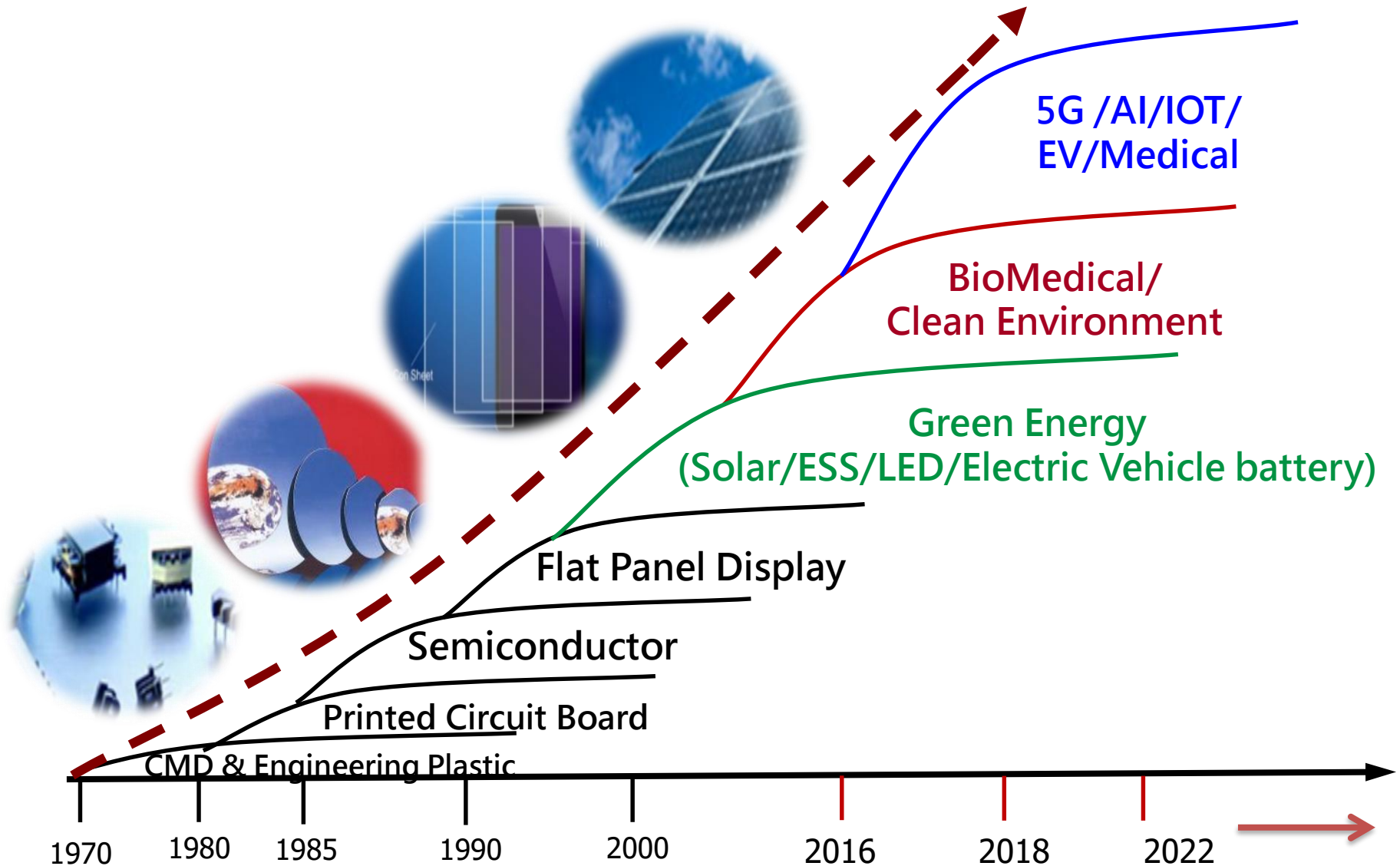
# Industry Sales Breakdown 營收產業別資訊

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 (CPA)	1Q2021 (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> 轉投資事業	<b>Product Lines</b> 主要產品線	<b>Holding %</b> 持有比例 %	<b>1Q2022 Earnings Recognized</b> 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 長華塑膠	SABIC Engineering Plastics	<b>40</b>	<b>55,004</b>
Wah Hong Industrial Corp. 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

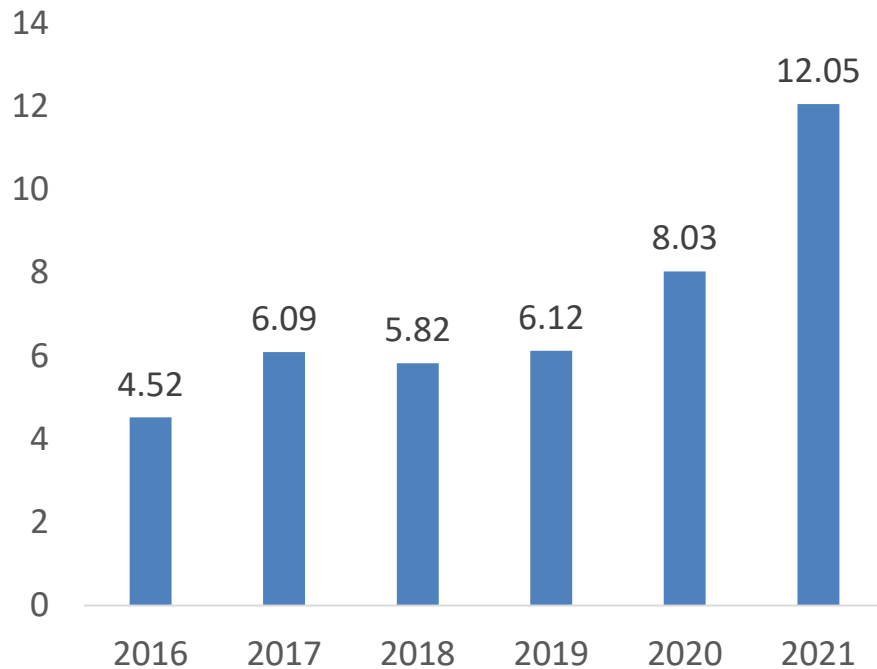
	2022-3-31		2021-3-31			2022-3-31		2021-3-31	
	(CPA)		(CPA)			(CPA)		(CPA)	
Cash & Equiv. 現金	6,661	14.0%	4,112	10.5%	S-T Borrowing 短期借款	9,278	19.5%	7,069	18.0%
A/R 應收帳款	19,576	41.1%	17,331	44.2%	A/P 應付帳款	8,036	16.9%	7,353	18.8%
Inventory 存貨	5,104	10.7%	4,217	10.8%	Other C/L 其他流動負債	2,989	6.3%	2,931	7.5%
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 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 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 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 總負債及權益	47,627	100.0%	39,208	100.0%

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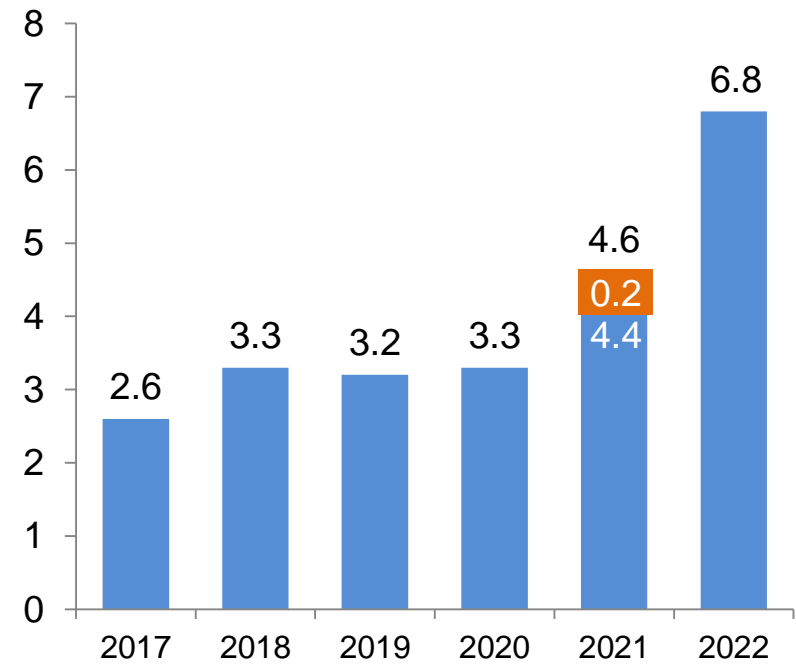
# Stably Growing Dividends

## EPS



## Annual Dividend

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

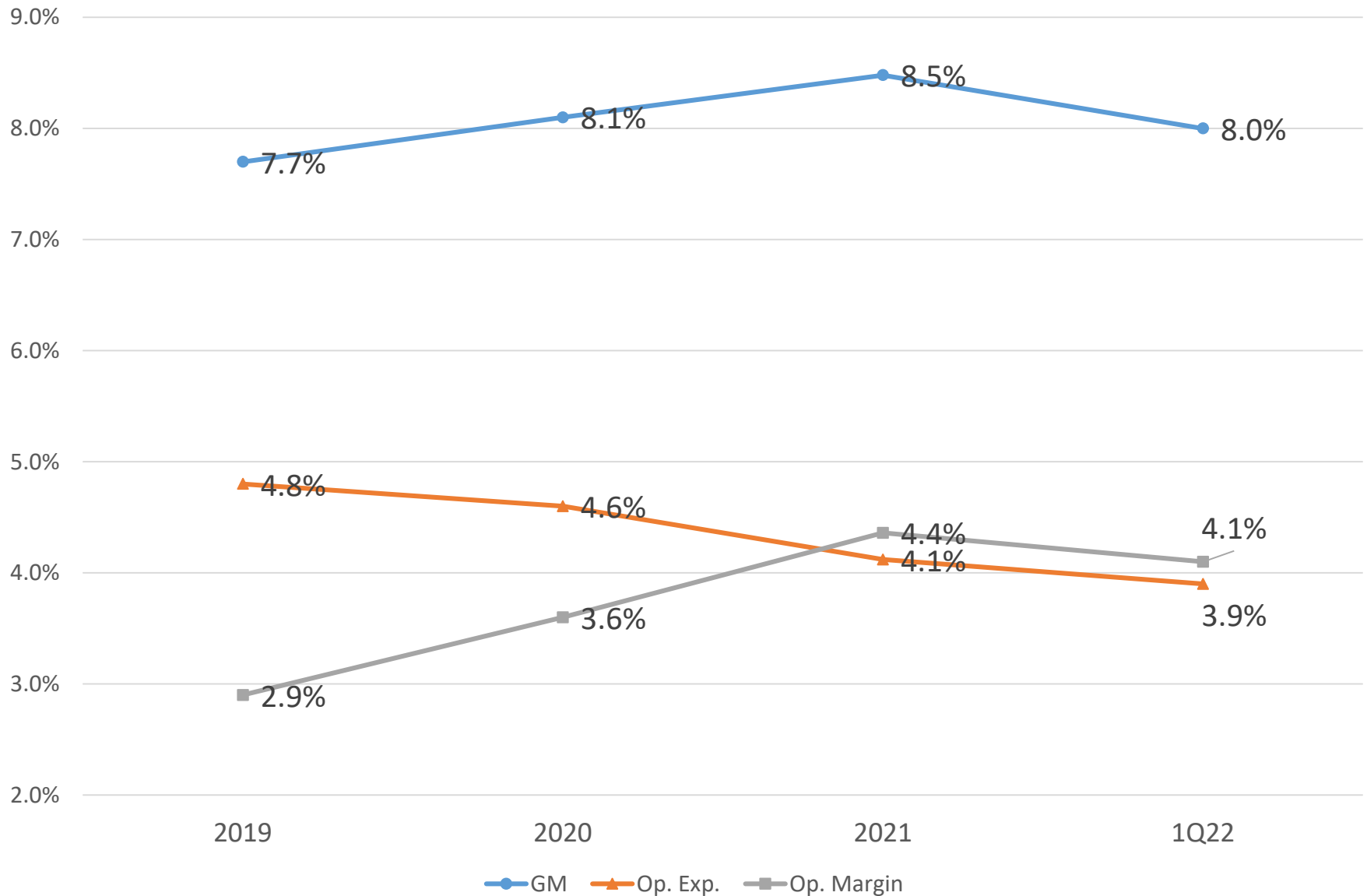


\*Dividends are distribution of prior year's earnings.

# 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 現金週轉天數	90.1	86.4	76.5	75.2
Operating cash flow (NT\$K) 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

