



WAH LEE INDUSTRIAL CORP.

華立企業股份有限公司

Material Pioneer, Technology Navigator



INVESTOR MEETING

法說簡報

March 2024

2024年3月

TSE Ticker : 3010 TT

<http://www.wahlee.com>

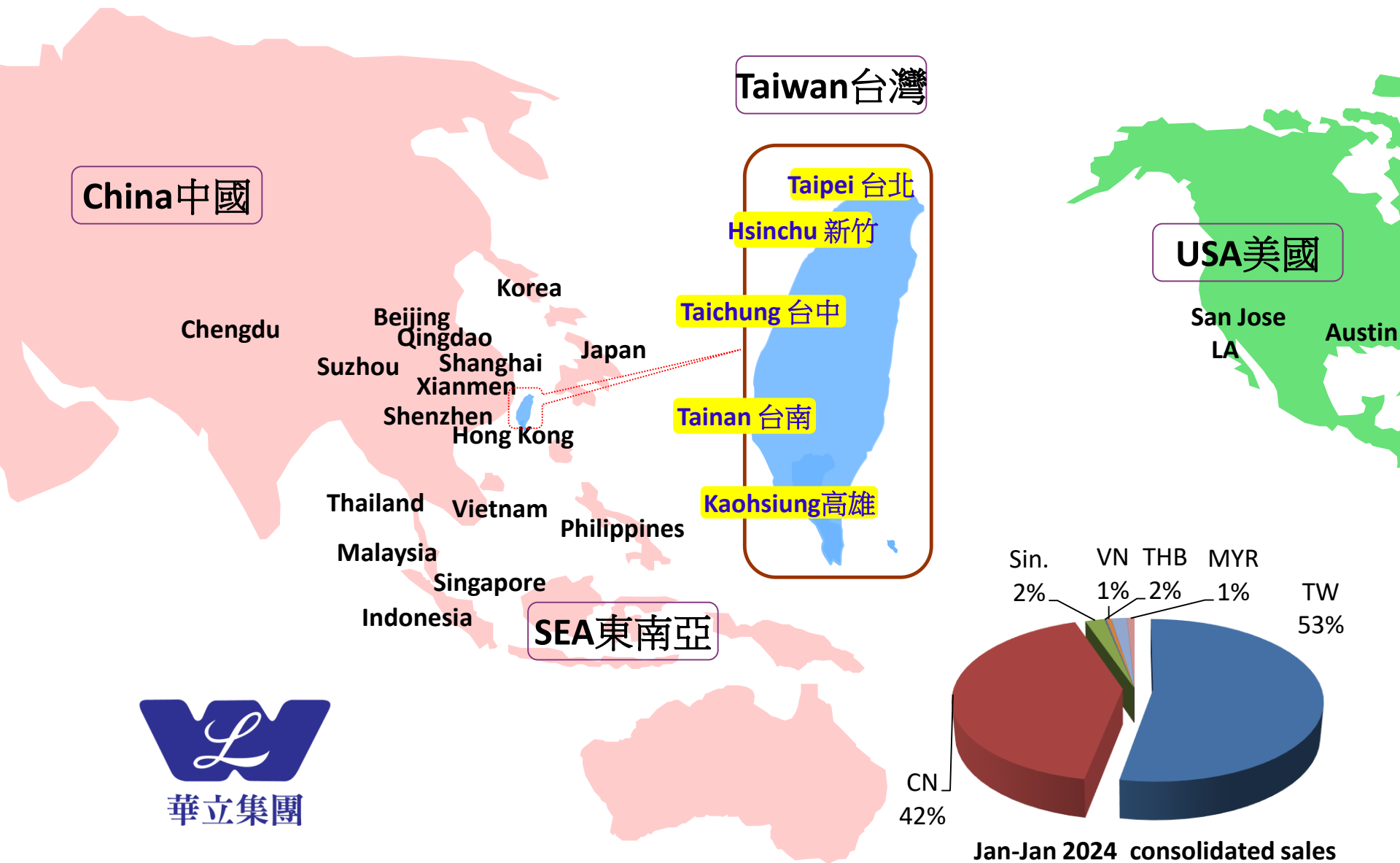
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Company Profile 公司簡介

Inception: 成立日期	10/1/1968
Listing: 掛牌日期	7/22/2002 on TSE (台灣證券交易所)
Capital: 實收資本額	NT\$ 2,360,202,810
FY2023 sales: 2023營收	NT\$66,782 million (USD2,200 million)
Market Cap: 市值	~USD\$785 million
Mission: 主要業務	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
Long term Growth Drivers : 長期成長動能	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

Sales Offices 國際行銷據點



Jan-Jan 2024 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

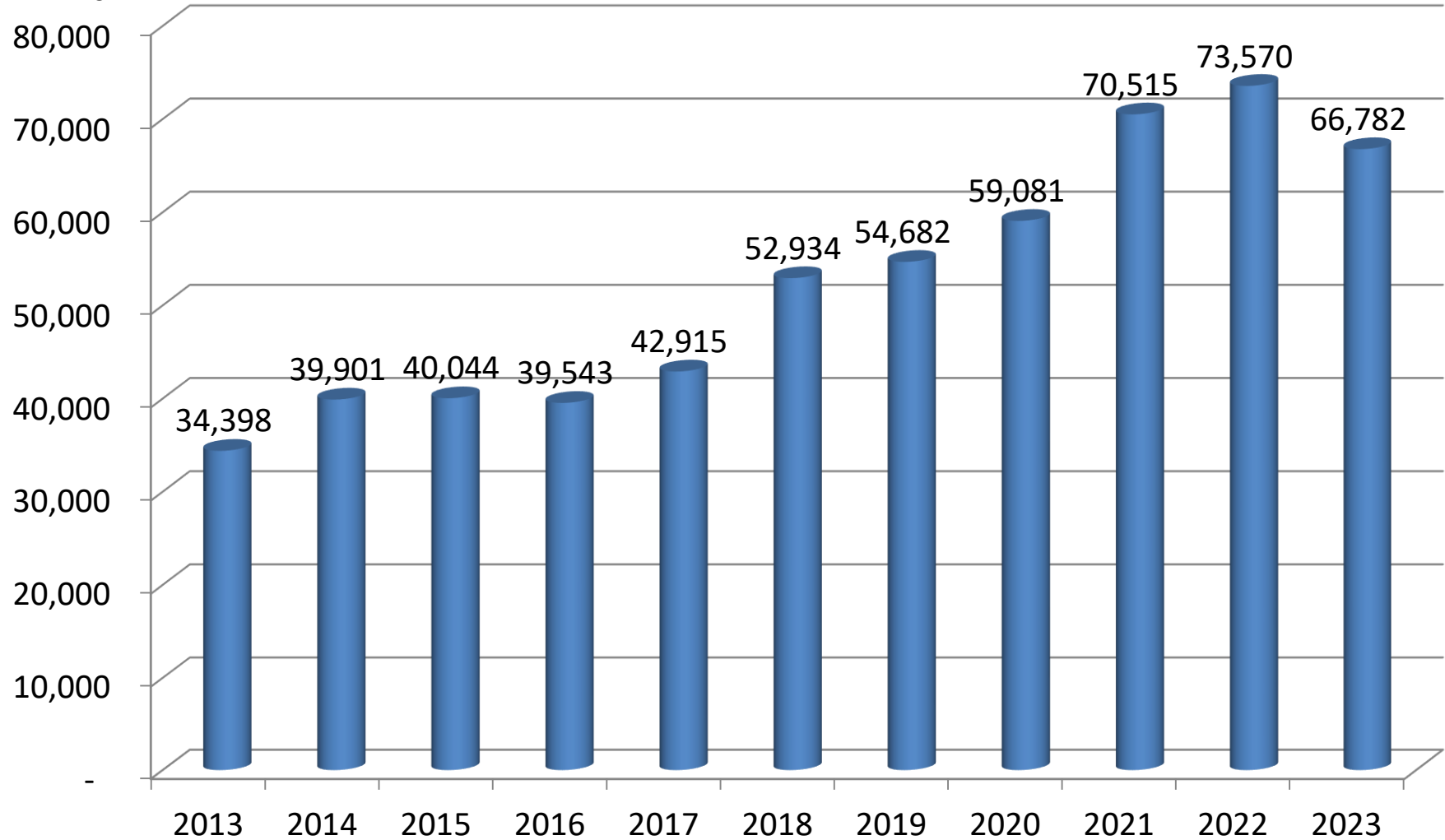
客戶角度

- 新材料、新技術、元件
- 全方位解決方案
- 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

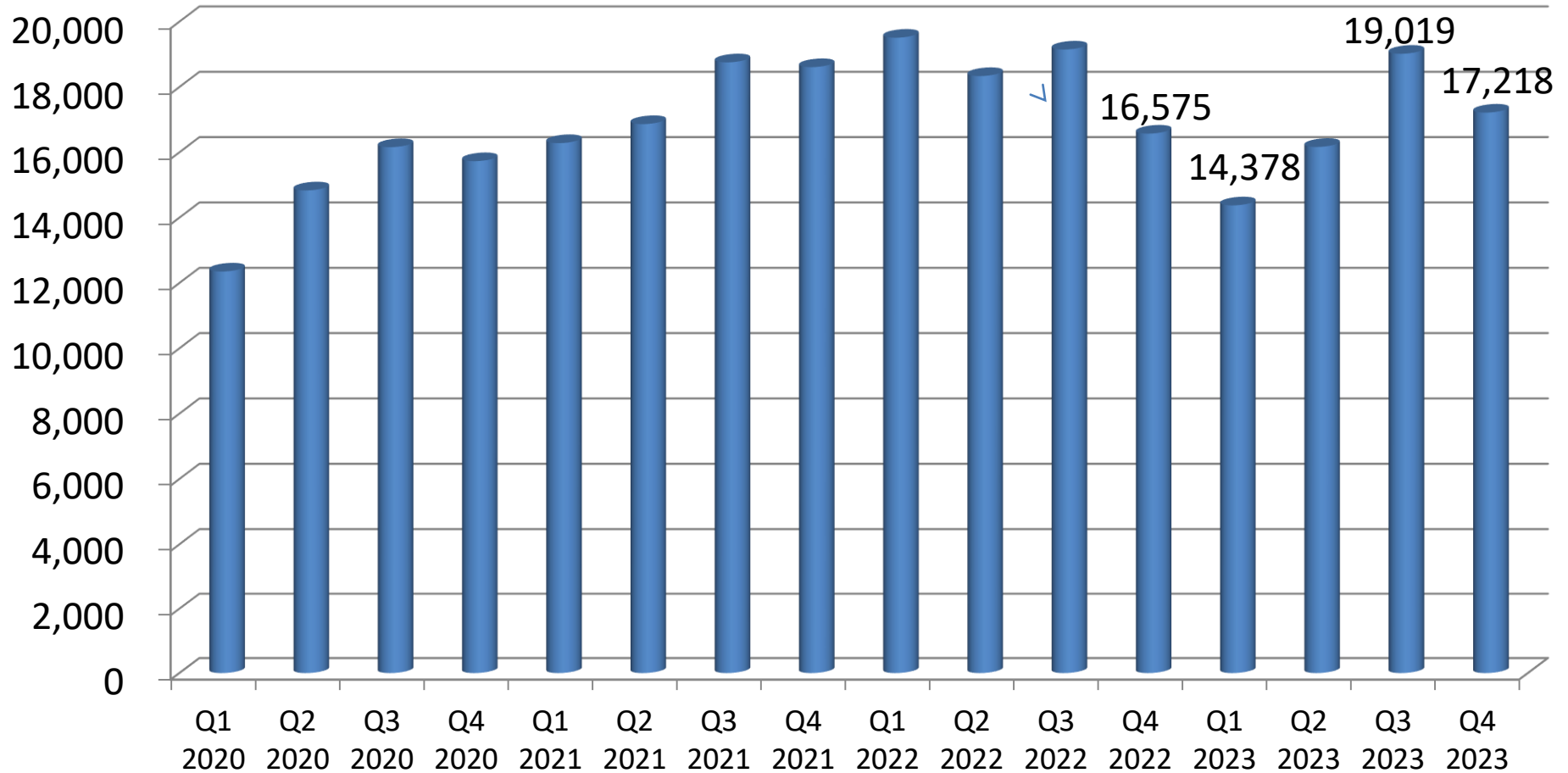


Consolidated Sales 營收資訊

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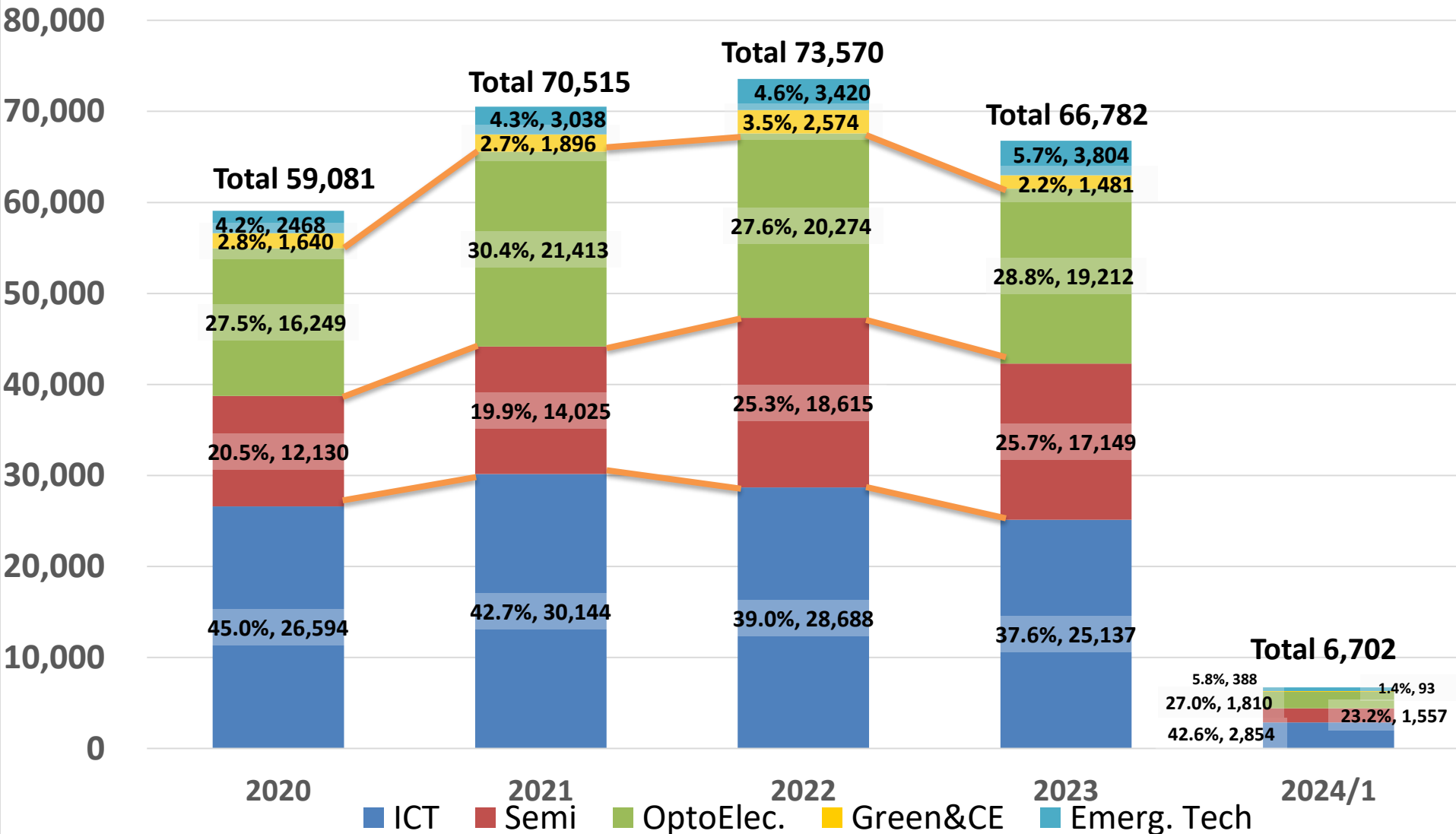
Quarterly Sales

百萬元新台幣
In Million NTD

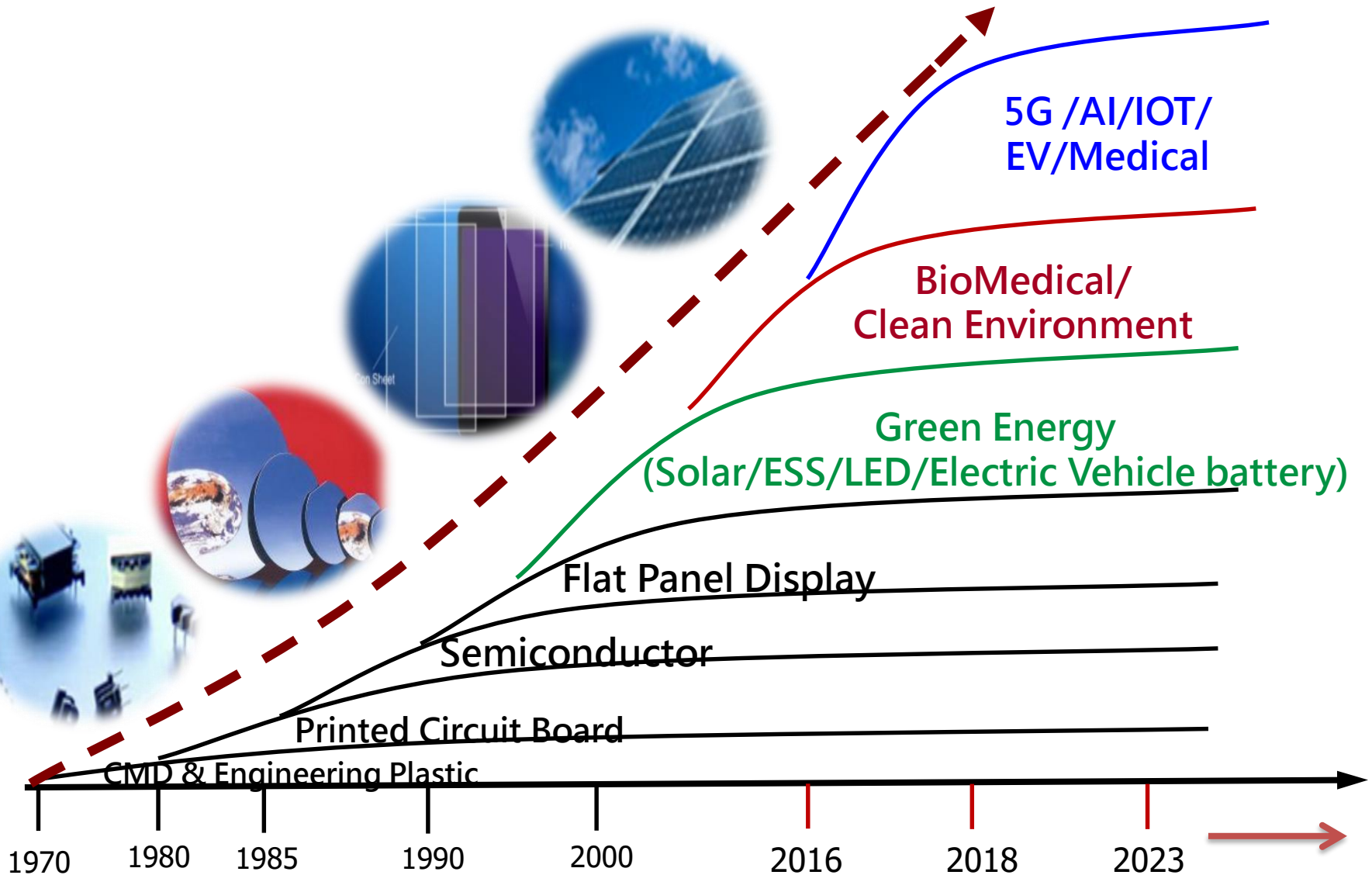


Industry Sales Breakdown 營收產業別資訊

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



Car connectors

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 51MW by the end of 2022, equivalent to carbon emission reduction of 35,000 tons. Increased capacities to 65MW by the end of 2023
- ◆ Will be able to 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 about 40,000 m², 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)



3Q2023 Consolidated Income Statement

3Q2023 合併損益表

Unit: NT\$ million	3Q2023 (CPA)	3Q2022 (CPA)	YoY
Net Sales 營收淨額	49,564.6	56,995.3	-13.0%
Gross Profit 銷貨毛利	4,152.1	4,423.7	-6.1%
Gross Margin 毛利率	8.4%	7.8%	0.6%
Op. Expense 營業費用	2,273.2	2,220.6	2.4%
Op. Profit 營業利益	1,878.9	2,203.2	-14.7%
Non-op. Profit 業外收支	533.3	873.7	-39.0%
L-T investment income 長投收益	535.9	747.5	-28.3%
Interest Expense 利息費用	(326.5)	(216.9)	50.5%
Others 其他	323.9	343.2	-5.6%
Pre-tax Profit 稅前利潤	2,412.1	3,076.9	-21.6%
Net Income 稅後淨利	1,690.3	2,162.2	-21.8%
After tax EPS	7.16	9.16	-21.8%

* 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。

3Q2023 Long Term Investments 長期投資收益

Unit: NT\$ thousand

Long-term Investments 轉投資事業	Product Lines 主要產品線	Holding % 持有比例 %	1~3Q2023 Earnings Recognized 長投收益
Chang Wah Electromaterials Inc. 長華電材	Semiconductor Packaging and Testing Materials	29	398,936
Nagase Wah Lee Plastics 長華塑膠	SABIC Engineering Plastics	40	90,214
Wah Hong Industrial Corp. 華宏新技	Optical Film, High Performance Plastic Compound, Heat Dissipation Solution, VCM Actuator	26	44,106
ORC Wah Lee Technology Corp. 華展光電	ORC Exposure Machine and Lamps	35	4,200
Total			537,456

3Q2023 Consolidated Balance Sheet 合併資產負債表

Unit: NT\$ million

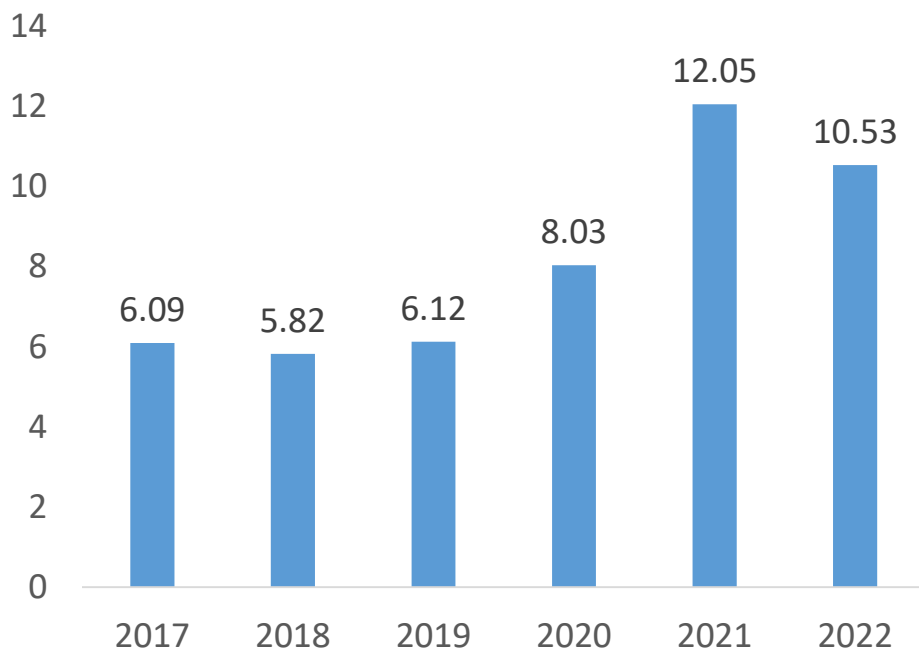
	2023-9-30 (CPA)		2022-9-30 (CPA)			2023-9-30 (CPA)		2022-9-30 (CPA)	
Cash & Equiv. 現金	7,822	15.4%	7,773	15.7%	S-T Borrowing 短期借款	10,208	20.0%	9,953	20.1%
A/R 應收帳款	20,044	39.3%	18,664	37.7%	A/P 應付帳款	9,193	18.0%	8,134	16.4%
Inventory 存貨	4,879	9.6%	6,193	12.5%	Other C/L 其他流動負債	4,709	9.2%	2,899	5.9%
Other C/A 其他流動資產	2,400	4.7%	2,308	4.7%	Current Liab. 流動負債	24,110	47.3%	20,985	42.4%
Current Assets 流動資產	35,144	69.0%	34,936	70.5%	L-T Borrowing 長期借款	4,747	9.3%	5,566	11.2%
Financial Asset-Non Current 金融資產-非流動	815	1.6%	577	1.2%	Other Liab. 其他負債	2,191	4.3%	4,258	8.6%
L-T investments 長期投資	6,919	13.6%	6,076	12.3%	Non-Current Liab. 非流動負債	6,938	13.6%	9,824	19.8%
Fixed Assets 固定資產	7,097	13.9%	6,848	13.8%	Total Liab. 總負債	31,048	60.9%	30,809	62.2%
Other Assets 其他資產	971	1.9%	1,084	2.2%	Capital 股本	2,360	4.6%	2,360	4.8%
Non-Current Asset 非流動資產	15,803	31.0%	14,585	29.5%	Capital Surplus 資本公積	2,090	4.1%	2,042	4.1%
					Retained Earnings 保留盈餘	13,071	25.7%	12,463	25.2%
					Other Equities 其他權益	556	1.1%	(517)	-1.0%
					Non-Controlling. Interest 非控制權益	1,823	3.6%	2,364	4.8%
					Total Equities 總股東權益	19,900	39.1%	18,712	37.8%
Total Assets 總資產	50,948	100.0%	49,521	100.0%	Total Liab. and Equities 總負債 及權益	50,948	100.0%	49,521	100.0%

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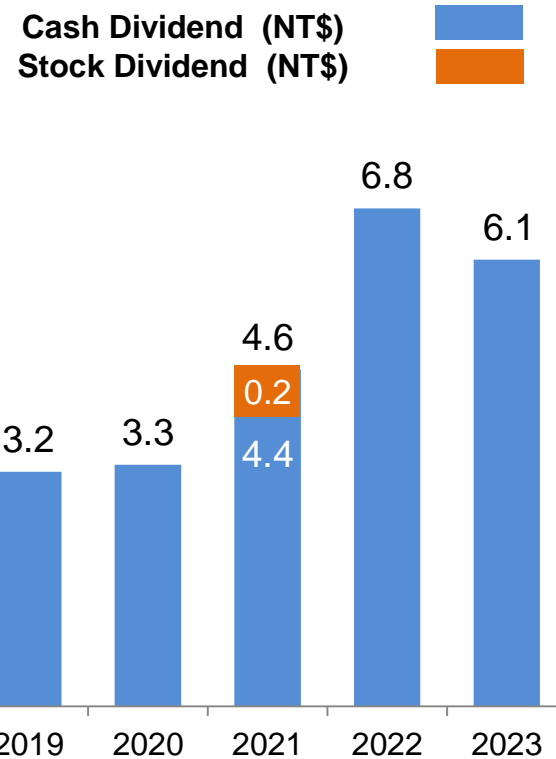
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Stably Growing Dividends

EPS



Annual Dividend

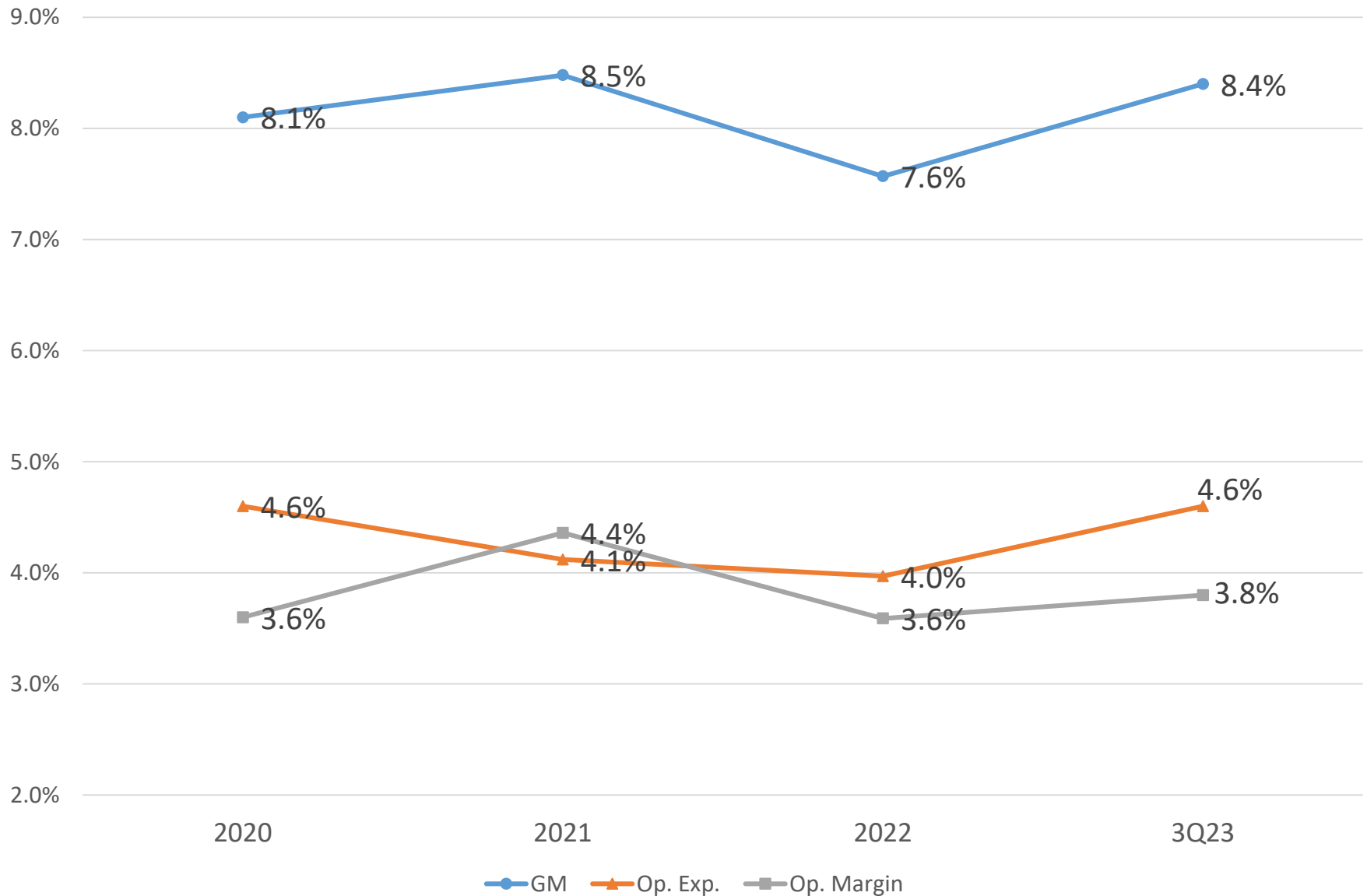


*Dividends are distribution of prior year's earnings.

Consolidated Financial Indicators 合併財務比率

	2020	2021	2022	3Q23
Current Ratio 流動比率	153.9%	161.0%	163.4%	145.8%
Quick Ratio 速動比率	121.5%	123.5%	124.1%	116.1%
Net Debt/Equity 淨負債比率	52.9%	44.8%	45.3%	46.8%
A/R days 應收帳款天數	103.6	95.1	89.1	102.9
Inventory days 存貨天數	29.1	28.3	33.8	36.7
A/P days 應付帳款天數	46.3	46.8	46.8	53.2
Cash conversion days 現金週轉天數	86.4	76.5	76.0	86.4
Operating cash flow (NT\$K) 來自營業活動現金流量	1,208,069	970,906	3,378,667	1,069,347
ROE 股東權益報酬率	14.5%	19.1%	15.0%	12.8%

Economies of Scale on Expense Ratios



Strong ROE and ROA

