



Company Basic Information

Closing Price (12/5/2021)	NT\$75.5
52 WK High	NT\$86.5
52 WK Low	NT\$53.4
Book Value/share	NT\$60.0
Shares on Issue (M)	231.4
Market Cap (USD M)	626
QFII Holding (%)	15.3

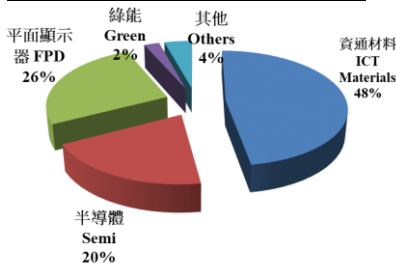
Key Financial Indicators

	2019	2020	1Q21
ROE	12.1%	14.5%	17.3%
Debt/Asset	61.4%	62.0%	59.0%
Cash Conversion Days	89.4	86.4	80.7

3010 WL Price Chart (1 yr)



Product Mix (FY2020)



Wah Lee Consolidated Entities include Wah Lee Taiwan and subsidiaries in China, Singapore, Thailand, Vietnam, and Indonesia.

IR Contact
Eric Lin
+886-2-2715-2087 ext.22061
eric.lin@wahlee.com

1Q 2021 Consolidated Results Announcement

Wah Lee's 1Q21 cumulative sales reached NT\$16,284 million, a 31.8% YoY increase from 1Q20 and a record high quarterly sales.

- **Information Communication Technology 45.98% YoY increase:** ICT materials 1Q21 cumulative sales, including Engineering Plastics and PCB materials, reached NT\$7,747 million. High-end engineering plastics have strong sales from the post-pandemic demands for NB, PC, servers, and other 3C products. Engineering plastics also penetrated into auto parts, EV components, and EV charging poles. PCB raw materials for 5G applications continued to drive the sales strongly.
- **Semiconductor 8.18% YoY increase:** 1Q21 Semi sales was NT\$3,217 million. Wah Lee's foundry and memory customers in Taiwan, China, and Singapore continued to expand their capacities in response to the increasing worldwide demands for ICs. Wah Lee is the top supplier for a comprehensive portfolio of electronic grade chemicals and gases to them.
- **FPD 33.92% YoY growth:** 1Q21 FPD sales reached NT\$4,240M and grew by 33.92% from a year ago. Video conference equipment for remote working and large-screen TVs for more time spent in home entertainment due to the pandemic restriction have stimulated the sales for display.
- **Green Energy 4.46% YoY increase:** Green Energy 1Q21 sales reached NT\$383M. Silver paste sales drop was the main reason for the previous declines. Now that the related sales had bottom out, solar power station electricity sales will take place and gradually pick up the sales momentum. Wah Lee will harvest the related business opportunities and receive stable income streams from the solar field.

1Q21 EPS was NT\$2.58, a growth of 73.8% from 1Q20

1Q21 consolidated sales of NT\$16,284M set a record high. Consolidated 1Q21 gross profit was NT\$1,438M, a 43.1% increase compared to NT\$1,005M in 1Q20. 1Q21 gross margin was 8.83%, as compared to 8.14% for the same period in 2020, due to better product mix trend in higher ICT/Semi sales. Operating expense ratio was lowered to 4.37% (4.70% a year ago) and operating profit was NT\$726M, a growth of 71.0% from last year. Overall non-operating profit was NT\$148M, mainly contributed from steady profits recognized from long-term investment companies, such as CWE(8070.TT). Pretax profit totaled NT\$874M. 1Q21 after tax and minority profit was NT\$597M, as compared to NT\$344M in 1Q20 and posted a 73.8% growth. 1Q21 EPS was NT\$2.58 per share.



2021 Outlook

The vaccination is not yet prevalent and the global immunity from the pandemic is still at a distance, the e-commerce, remote working, and on-line education will continue to stimulate the demands for NB, tablet PCs, and game consoles. Wah Lee has been providing thermoset plastics (e.g. phenolic and PA9T) which are of high rigidity, high reliability, and high insulation capability. These plastics have been the first choice for major power supply manufacturers and have also penetrated into the applications of auto parts, EV electrical components, and EV charging stations. Moreover, optical grade plastics generated strong sales as more lenses and camera modules are used in smartphones and automobile ADAS systems. PCB sector is leading in the provision of materials for 5G networks, which are being enthusiastically promoted by the governments to increase the stimulus on economies by infrastructure expansions. Under the great demands from 5G and EVs, despite the additional capacity expansions, semiconductor industry is still under supply. Wah Lee, as the top supplier for the world leading foundry company, has strong sales of photoresists, electronics grade chemicals, specialty gases, photoresist strippers, and CMP slurry driven by the strong industry demands. Wah Lee has become the largest supplier of semiconductor front end manufacturing process consumable raw materials. FPD sales is also expected to grow because the pandemic restriction promotes the demands for large-screen LCD TVs and video conferencing displays. Green Energy sector will have a strong growth potential for it is integrating the supply chain from upstream materials to downstream solar modules and building solar power plants with Taiwanese government's supports. It is also penetrating into the ESS (Energy Storage System) market to provide energy-saving solutions for factories and enterprises. With the above efforts and our deployment in 5G, biomedical, EVs and ESS, we are optimistic about the continuous growth trend in year 2021.

Operating Result (M)	2018	2019	2020	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
Total Rev	52,935	54,682	59,081	11,640	13,408	14,318	13,568	12,066	14,041	14,559	14,016	12,353	14,836	16,160	15,731	16,284
Gross Profit	4,210	4,185	4,801	1,043	1,127	1,037	1,003	918	1,081	1,154	1,032	1,005	1,195	1,287	1,313	1,438
Operating Profit	1,747	1,574	2,108	458	495	444	350	323	428	465	357	425	545	636	501	726
After Tax Profit	1,346	1,416	1,859	155	436	398	356	315	344	449	308	344	440	636	439	597
Shares Outstanding	231.40	231.40	231.40	231.40	231.40	231.40	231.40	231.40	231.40	231.40	231.40	231.40	231.40	231.40	231.40	231.40
EPS (NTD)	5.82	6.12	8.03	0.67	1.89	1.72	1.54	1.36	1.49	1.94	1.33	1.49	1.90	2.75	1.89	2.58
Operating Result (%)																
GP Margin	8.0%	7.7%	8.1%	9.0%	8.4%	7.2%	7.4%	7.6%	7.7%	7.9%	7.4%	8.1%	8.1%	8.0%	8.3%	8.8%
OP Margin	3.3%	2.9%	3.6%	3.9%	3.7%	3.1%	2.6%	2.7%	3.0%	3.2%	2.5%	3.4%	3.7%	3.9%	3.2%	4.5%
AT Profit Margin	2.5%	2.6%	3.1%	1.3%	3.3%	2.8%	2.6%	2.6%	2.4%	3.1%	2.2%	2.8%	3.0%	3.9%	2.8%	3.7%
Growth % YoY																
Sales YoY	23.3%	3.3%	8.0%	26.7%	32.6%	22.3%	14.0%	3.7%	4.7%	1.7%	3.3%	2.4%	5.7%	11.0%	12.2%	31.8%
GP YoY	7.5%	-0.6%	14.7%	17.2%	20.9%	-3.5%	-1.7%	-12.0%	-4.1%	11.3%	2.9%	9.5%	10.5%	11.5%	27.2%	43.1%
OP YoY	19.7%	-9.9%	33.9%	40.5%	43.9%	2.5%	-2.0%	-29.5%	-13.5%	4.7%	2.0%	31.6%	27.3%	36.8%	40.3%	70.8%
AT Profit YoY	-4.5%	5.2%	31.3%	-47.1%	60.9%	-4.6%	-17.2%	103.2%	-21.1%	12.8%	-13.5%	9.2%	27.9%	41.6%	42.5%	73.5%

Safe Harbor Notice

Wah Lee Industrial Corp. (the Company) has made forward-looking statements in this report. The forward-looking statements contain information regarding, among other things, the Company's financial condition, future expansion plans and business strategies. The Company has based these forward-looking statements on its current expectations and projections about future events. Although the Company believes that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions about it. The Company undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this report might not occur and the actual result could differ materially from those anticipated in these forward-looking statements.