



Company Basic Information

Closing Price (9/11/2021)	NT\$88.7
52 WK High	NT\$93.6
52 WK Low	NT\$63.3
Book Value/share	NT\$60.5
Shares on Issue (M)	236.0
Market Cap (USD M)	736
QFII Holding (%)	13.9
Monthly Avg Daily Turn	NT\$100M

Key Financial Indicators

	2019	2020	3Q21
ROE	12.1%	14.5%	19.7%
Debt/Asset	61.4%	62.0%	62.0%
Cash Conversion Days	89.4	86.3	78.9

3010 WL Price Chart (1 yr)



Product Mix (3Q21)



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

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3Q 2021 Consolidated Results Announcement

Wah Lee's 1~3Q21 sales reached NT\$51,906 million, a 19.7% YoY increase and a record high quarterly and cumulative 3Q sales.

- **Information Communication Technology 17.46% YoY increase:** ICT materials cumulative 3Q21 sales reached NT\$22,678 million. EV, AI, AIoT, HPC(high performance computing), data center, and cloud computing all require a wide variety of plastic components such as connectors, CPU sockets, memory sockets for high end servers and communication device such as switches and routers. Wah Lee's high-end engineering plastics enjoy a dominant position in the industry. IC substrate makers and PCB makers demand a lot of Wah Lee's PCB raw materials such as high-resolution dry films and CCL.
- **Semiconductor 10.26% YoY increase:** Cumulative 3Q21 Semi sales was NT\$10,100 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 specialty gases to them.
- **FPD 29.97% YoY growth:** 1~3Q21 FPD sales reached NT\$15,432M and grew by 30% from a year ago. The next generation electronic product (electronic whiteboard) was in great demand as schools re-opened and got a great deal of subsidies from the Biden government to upgrade classroom equipment and interactive learning device. Corporate activities resumed and demanded interactive meeting equipment.
- **Green Energy 14.39% YoY increase:** Green Energy cumulative 3Q21 sales reached NT\$1,417M. LED and LED raw materials sales took the lead in Wah Lee's green energy sector. Rechargeable battery material sales grew substantially as related materials were adopted by both Taiwanese and Chinese Li-battery manufacturers.

Cumulative 3Q21 EPS was NT\$8.81, a growth of 46.4% from 1~3Q20

1~3Q21 consolidated sales of NT\$51,906M set a record high. Consolidated 1~3Q21 gross profit was NT\$4,506M, a 29.2% increase compared to NT\$3,488M a year ago. 1~3Q21 gross margin was 8.68%, as compared to 8.05% for the same period in 2020, due to better gross margins across all sectors as a result of price increase. Operating expense ratio maintained at 4.27% and operating margin improved to 4.41% (vs. 3.71% a year ago). Operating profit was NT\$2,288M, grew by 42.4%. Non-operating profit was NT\$734M, mainly contributed from steady profits recognized from long-term investment companies, such as CWE(8070.TT). Pretax profit totaled NT\$3,022M. 1~3Q21 after tax and minority profit was NT\$2,080M, as compared to NT\$1,420M a year ago and posted a 46.4% growth. 1~3Q21 EPS was NT\$8.81 per share.



2021 Outlook

Although vaccination rates across the world have gradually increased, the global pandemic has fundamentally changed people's lifestyles. E-commerce, WFH, 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 generate 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 and IC substrate makers, which require high frequency, low Dk, low Df CCL substrates and high-resolution dry films for high precision circuitry. With 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. The re-openings of schools also require a lot more of Wah Lee's next generation electronic product. 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 expanding its rechargeable battery raw material sales and in the ESS (Energy Storage System) market to provide energy-saving solutions for factories and enterprises. With the above efforts and our deployment in EV, 5G, AIoT, HPC, data centers, and cloud computing, we are optimistic about the continuous growth trend in year 2021 and the years to come.

Operating Result (M)	2018	2019	2020	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Total Rev	52,935	54,682	59,081	12,066	14,041	14,559	14,016	12,353	14,836	16,160	15,731	16,284	16,866	18,756
Gross Profit	4,210	4,185	4,801	918	1,081	1,154	1,032	1,005	1,195	1,287	1,313	1,438	1,496	1,572
Operating Profit	1,747	1,574	2,108	323	428	465	357	425	545	636	501	726	758	804
After Tax Profit	1,346	1,416	1,859	315	344	449	308	344	440	636	439	597	641	842
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	236.02
EPS (NTD)	5.82	6.12	8.03	1.36	1.49	1.94	1.33	1.49	1.90	2.75	1.89	2.53	2.71	3.57
Operating Result (%)														
GP Margin	8.0%	7.7%	8.1%	7.6%	7.7%	7.9%	7.4%	8.1%	8.1%	8.0%	8.3%	8.8%	8.9%	8.4%
OP Margin	3.3%	2.9%	3.6%	2.7%	3.0%	3.2%	2.5%	3.4%	3.7%	3.9%	3.2%	4.5%	4.5%	4.3%
AT Profit Margin	2.5%	2.6%	3.1%	2.6%	2.4%	3.1%	2.2%	2.8%	3.0%	3.9%	2.8%	3.7%	3.8%	4.5%
Growth % YoY														
Sales YoY	23.3%	3.3%	8.0%	3.7%	4.7%	1.7%	3.3%	2.4%	5.7%	11.0%	12.2%	31.8%	13.7%	16.1%
GP YoY	7.5%	-0.6%	14.7%	-12.0%	-4.1%	11.3%	2.9%	9.5%	10.5%	11.5%	27.2%	43.1%	25.2%	22.1%
OP YoY	19.7%	-9.9%	33.9%	-29.5%	-13.5%	4.7%	2.0%	31.6%	27.3%	36.8%	40.3%	70.8%	39.1%	26.4%
AT Profit YoY	-4.5%	5.2%	31.3%	103.2%	-21.1%	12.8%	-13.5%	9.2%	27.9%	41.6%	42.5%	73.5%	45.7%	32.4%

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.