



Company Basic Information

Closing Price (17/5/2022)	NT\$101.0
52 WK High	NT\$115.5
52 WK Low	NT\$71.2
Book Value/share	NT\$71.1
Shares on Issue (M)	236.0
Market Cap (USD M)	785
QFII Holding (%)	12.8
Monthly Avg Daily Turn	NT\$100M

Key Financial Indicators

	2020	2021	1Q22
ROE	14.5%	19.1%	18.6%
Debt/Asset	62.0%	61.0%	60.2%
Cash Conversion Days	86.3	76.5	75.2

3010 WL Price Chart (1 yr)



Product Mix (1Q22)



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

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1Q22 Consolidated Results Announcement

Wah Lee's 1Q22 sales reached NT\$19,510 million, a 19.8% YoY increase and a record high quarterly sales in company history.

- **Information Communication Technology 8.33% YoY increase:** ICT materials 1Q22 sales reached NT\$8,392 million. Continuously growing demands for our high-end engineering plastics and PCB materials are further boosted by the new generation of server platforms launched by Intel and AMD. Connectors and chassis in the new servers utilize our engineering plastics, as well as those in EVs and charging poles. New servers also require 18-20 layered PCBs that utilize our high resolution dry film and CCL.
- **Semiconductor 18.99% YoY increase:** 1Q22 Semi sales was NT\$3,828 million. IC chips are essential in the modern world and their volumes are destined to increase exponentially. EVs, for example, are basically 3C products on the move and are composed of countless chips. Wah Lee is a total solution provider of specialty chemicals and gases for semi customers in Taiwan, China, and Singapore and will expand its supply to other overseas sites.
- **FPD 34.93% YoY growth:** 1Q22 FPD sales reached NT\$5,721M. The next generation electronic product (electronic whiteboard) was in great demand as US schools re-opened and got a great deal of subsidies from the government to upgrade classroom equipment and interactive learning device. Corporate activities also resumed and purchased more interactive meeting equipment and display products.
- **Green Energy 71.08% YoY increase:** Green Energy 1Q22 sales reached NT\$656M. Lithium battery material sales grew substantially as Wah Lee supplied cathode and anode materials to both Taiwanese and Chinese Li-battery manufacturers. With 54MW of solar power capacity by yearend 2021 and more to come in 1~2 years, Wah Lee will be able to provide customers with carbon rights and strengthen its total solution provider position under the ESG requirements.

1Q22 EPS was NT\$3.26, 2nd highest quarterly EPS

1Q22 consolidated sales of NT\$19,510M set a quarterly record high. Consolidated 1Q22 gross profit was NT\$1,558M, an 8.3% increase compared to NT\$1,438M a year ago. 1Q22 gross margin was 8.0%. Operating expense ratio lowered to 3.88%, due to better economies of scale, and operating margin was 4.11%. Operating profit was NT\$802M, grew by 10.4%. Non-operating profit was NT\$279M, mainly contributed from steady profits recognized from long-term investment companies, such as CWE(8070.TT). Pretax profit totaled NT\$1,081M. 1Q22 after tax and minority profit was NT\$768M, as compared to NT\$597M in 1Q21 and posted a 28.6% growth. 1Q22 EPS was NT\$3.26 and ROE reached 18.6%.



2022 Outlook

The local government anti-Covid-19 measures in Eastern China had caused some turbulences in the Company's April sales from Chinese subsidiaries. However, it was already announced that normal civil and corporate activities have resumed and the interruptions in the supply chain will be alleviated soon. Our views on the mega trends of fundamental technology industries remained intact. 5G, EV, AI, AIoT, HPC (high performance computing), data center, and cloud computing will continue to develop, whether in a slower pace or faster. Critical raw materials for the above-mentioned mega trends are actually getting more important for manufacturers to secure the supplies. Wah Lee's role in the overall supply chain has become more crucial. Products that Wah Lee supplies are summarized as below:

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 and the additional IC fab capacity expansions, more semiconductor raw materials are in needs. 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 more on-line activities and the e-commerce promote the demands for large-screen LCD TVs and video conferencing displays. The schools also require a lot more of Wah Lee's next generation electronic products. Wah Lee's endeavors in the Green Energy sector will also pay off as suppliers and customers alike will need carbon rights for business continuities. Wah Lee's solar power capacities will provide the solutions and the ESS (Energy Storage System) business will serve as the last mile for the transition to the alternative energies.

Operating Result (M)	2019	2020	2021	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Total Rev	54,682	59,081	70,515	12,066	14,041	14,559	14,016	12,353	14,836	16,160	15,731	16,284	16,866	18,756	18,610	19,510
Gross Profit	4,185	4,801	5,983	918	1,081	1,154	1,032	1,005	1,195	1,287	1,313	1,438	1,496	1,572	1,476	1,558
Operating Profit	1,574	2,108	3,073	323	428	465	357	425	545	636	501	726	758	804	784	802
After Tax Profit	1,416	1,859	2,843	315	344	449	308	344	440	636	439	597	641	842	764	768
Shares Outstanding	231.40	231.40	236.02	231.40	231.40	231.40	231.40	231.40	231.40	231.40	231.40	231.40	231.40	236.02	236.02	236.02
EPS (NTD)	6.12	8.03	12.05	1.36	1.49	1.94	1.33	1.49	1.90	2.75	1.89	2.53	2.71	3.57	3.24	3.26
Operating Result (%)																
GP Margin	7.7%	8.1%	8.5%	7.6%	7.7%	7.9%	7.4%	8.1%	8.1%	8.0%	8.3%	8.8%	8.9%	8.4%	7.9%	8.0%
OP Margin	2.9%	3.6%	4.4%	2.7%	3.0%	3.2%	2.5%	3.4%	3.7%	3.9%	3.2%	4.5%	4.5%	4.3%	4.2%	4.1%
AT Profit Margin	2.6%	3.1%	4.0%	2.6%	2.4%	3.1%	2.2%	2.8%	3.0%	3.9%	2.8%	3.7%	3.8%	4.5%	4.1%	3.9%
Growth % YoY																
Sales YoY	3.3%	8.0%	19.4%	3.7%	4.7%	1.7%	3.3%	2.4%	5.7%	11.0%	12.2%	31.8%	13.7%	16.1%	18.3%	19.8%
GP YoY	-0.6%	14.7%	24.6%	-12.0%	-4.1%	11.3%	2.9%	9.5%	10.5%	11.5%	27.2%	43.1%	25.2%	22.1%	12.4%	8.3%
OP YoY	-9.9%	33.9%	45.8%	-29.5%	-13.5%	4.7%	2.0%	31.6%	27.3%	36.8%	40.3%	70.8%	39.1%	26.4%	56.5%	10.5%
AT Profit YoY	5.2%	31.3%	52.9%	103.2%	-21.1%	12.8%	-13.5%	9.2%	27.9%	41.6%	42.5%	73.5%	45.7%	32.4%	74.0%	28.6%

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.