



### Company Basic Information

Closing Price (16/11/2023)	NT\$100.0
52 WK High	NT\$102.0
52 WK Low	NT\$79.4
Book Value/share	NT\$76.6
Shares on Issue (M)	236.0
Market Cap (USD M)	730
QFII Holding (%)	13.6
Monthly Avg Daily Turn	NT\$100M

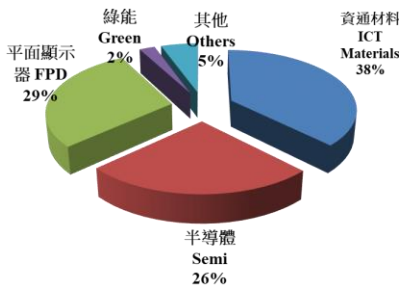
### Key Financial Indicators

	2021	2022	3Q23
ROE	19.1%	15.0%	12.8%
Debt/Asset	61.0%	62.0%	61.0%
Cash Conversion Days	76.5	76.0	86.4

### 3010 WL Price Chart (1 yr)



### Product Mix (1~3Q23)



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

### 3Q23 Consolidated Results Announcement

Wah Lee's 3Q23 cumulative sales reached NT\$49,565 million, a 13.0% YoY decrease but is showing some recovery from 1H23 which had a 19.3% YoY decline.

- Information Communication Technology 16.85% YoY decline:** Despite the FED maintaining a high interest rate, the traditional peak season of 3Q still appeared to be strong due to the launches of next generation smartphones from the American brand name company and the ongoing demands for generative AI device. Wah Lee supplies high-end engineering plastics and PCB/MB materials not only to the general tech industries but also to the uprising alternative energy vehicle segment. ICT 3Q23 quarterly sales grew 3.1% YoY.
- Semiconductor 8.15% YoY decline:** Wah Lee's semiconductor raw materials for the high end manufacturing processes, now into 3 nm, are playing a critical role in the semiconductor industry. The inventory digestion of the semiconductor industry would probably last longer than expected according to the latest analyst meeting of the leading foundry maker. However, with the demands of AI servers and recovery of PC/NB and smartphones, semi material sales will resume its growth momentum soon.
- FPD 11.44% YoY decline:** The FPD cumulative 3Q23 sales showed a YoY decline because in the beginning of 2022 the electronic whiteboards were shipped in large quantities to avoid the delay of delivery due to the Chinese New Year holidays. The whiteboard sales had gradually returned in 3Q23 and will continue the growth momentum in the later half of this year. FPD 3Q23 quarterly sales grew 18.9% YoY.
- Green Energy 42.98% YoY decline:** The mainland Chinese government phased out their EV subsidy policy starting in 2023. The rush to purchase EVs before the phase out has made the sales of li-battery cathode and anode materials hiked up the demand in 2H 2022 resulting in the YoY decline of the green energy sector in 3Q23. However, the EV battery cathode and anode materials and electrolyte sales will recover in the coming quarters due to the expansion into new customers.

**Cumulative 3Q23 EPS: NT\$7.16, 3Q23 EPS of NT\$3.02 set a record high in the most recent four quarters**

Cumulative 3Q23 consolidated sales totaled NT\$49,565M. Cumulative 3Q23 gross profit was NT\$4,152M with gross margin of 8.38%. 3Q23 GM still benefitted in part from the reversals of reserves for losses in slow-moving and write-off of inventory starting in 2H22, as inventory was gradually digested. 3Q23 operating expense ratio was 4.59%, which was at its normal level, and operating margin was 3.79%. Operating profit was NT\$1,879M. Non-operating profit was NT\$533M, mainly contributed from long-term investment companies. Pretax profit totaled NT\$2,412M. Cumulative 3Q23 after tax and minority profit was NT\$1,690M, with EPS of NT\$7.16.



## 2023 Outlook

Generally speaking, monthly sales in the first three quarters showed a gradual, MoM growth pattern. 3Q23 sales showed a 17.64% QoQ growth from 2Q23 sales. This has signaled the gradual digestions of inventories at all levels of the tech industry. Most of Wah Lee's industry sectors, including engineering plastics, PCB/MB raw materials, FPD related sales, and green energy sector will see mild to strong HoH sales growth in 2023, indicating the resumption of consumer and enterprise spendings. The overall FY2023 sales will show a modest decline or a flat YoY from a year ago, and will see a YoY growth for the year of 2024 and onwards. We are confident that the general trends in the mega technology advancements will continue to move on. The generative AI (e.g. ChatGPT), HPC, 5G communications, EV/automobiles, smartphones, consumer electronics, high-end semiconductor manufacturing will eventually bring the general demands back to a positive growth cycle. Gradual digestions of customers' inventory levels will also lead to the return of technology raw material demands. Wah Lee is well-positioned in the raw material supply chain and will ride on the mega trends of technology advancements. We will be in the forefront of demand returns and closely monitor the inflection point of underlying economic cycles.

Operating Result (M)	2020	2021	2022	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Total Rev	59,081	70,515	73,570	12,353	14,836	16,160	15,731	16,284	16,866	18,756	18,610	19,510	18,336	19,149	16,575	14,378	16,167	19,019
Gross Profit	4,801	5,983	5,567	1,005	1,195	1,287	1,313	1,438	1,496	1,572	1,476	1,558	1,428	1,438	1,143	1,094	1,510	1,548
Operating Profit	2,108	3,073	2,643	425	545	636	501	726	758	804	784	802	697	704	440	431	749	699
After Tax Profit	1,859	2,843	2,485	344	440	636	439	597	641	842	764	768	657	737	323	289	689	712
Shares Outstanding	231.40	236.02	236.02	231.40	231.40	231.40	231.40	231.40	231.40	236.02	236.02	236.02	236.02	236.02	236.02	236.02	236.02	236.02
EPS (NTD)	8.03	12.05	10.53	1.49	1.90	2.75	1.89	2.53	2.71	3.57	3.24	3.26	2.78	3.12	1.37	1.22	2.92	3.02
Operating Result (%)																		
GP Margin	8.1%	8.5%	7.6%	8.1%	8.1%	8.0%	8.3%	8.8%	8.9%	8.4%	7.9%	8.0%	7.8%	7.5%	6.9%	7.6%	9.3%	8.1%
OP Margin	3.6%	4.4%	3.6%	3.4%	3.7%	3.9%	3.2%	4.5%	4.5%	4.3%	4.2%	4.1%	3.8%	3.7%	2.7%	3.0%	4.6%	3.7%
AT Profit Margin	3.1%	4.0%	3.4%	2.8%	3.0%	3.9%	2.8%	3.7%	3.8%	4.5%	4.1%	3.9%	3.6%	3.8%	1.9%	2.0%	4.3%	3.7%
Growth % YoY																		
Sales YoY	8.0%	19.4%	4.3%	2.4%	5.7%	11.0%	12.2%	31.8%	13.7%	16.1%	18.3%	19.8%	8.7%	2.1%	-10.9%	-26.3%	-11.8%	-0.7%
GP YoY	14.7%	24.6%	-7.0%	9.5%	10.5%	11.5%	27.2%	43.1%	25.2%	22.1%	12.4%	8.3%	-4.5%	-8.5%	-22.6%	-29.8%	5.7%	7.6%
OP YoY	33.9%	45.8%	-14.0%	31.6%	27.3%	36.8%	40.3%	70.8%	39.1%	26.4%	56.5%	10.5%	-8.0%	-12.4%	-43.9%	-46.3%	7.5%	-0.7%
AT Profit YoY	31.3%	52.9%	-12.6%	9.2%	27.9%	41.6%	42.5%	73.5%	45.7%	32.4%	74.0%	28.6%	2.5%	-12.5%	-57.7%	-62.4%	4.9%	-3.4%

### 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.