



**Wah Lee Industrial Corp. (3010.TT)**  
**1Q25 Management Report**  
**May 15, 2025**

**Company Basic Information**

Closing Price (05/15/2025)	NT\$97.9
52 WK High	NT\$157.0
52 WK Low	NT\$78.6
Book Value/share	NT\$84.3
Shares on Issue (M)	259.4
Market Cap (USD M)	806
QFII Holding (%)	9.3
Monthly Avg Daily Turn	NT\$100M

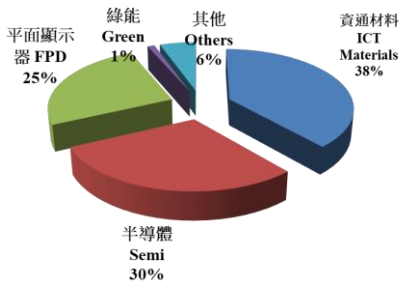
**Key Financial Indicators**

	2023	2024	1Q25
ROE	11.9%	11.3%	9.6%
Debt/Asset	59.0%	53.0%	54.0%
Cash Conversion Days	81.8	72.3	82.6

**3010 WL Price Chart (1 yr)**



**Product Mix (1Q25)**



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

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**1Q25 Consolidated Results Announcement**

**Wah Lee's 1Q25 sales reached NT\$18,599 million, a 7.82% YoY growth, still a nice growth momentum under the tariff pressures.**

- **Information Communication Technology 5.78% YoY growth:** ICT sector's 1Q25 sales reached NT\$7,169 million and grew by 5.78% YoY due to the uncertainties in macroeconomic conditions and geopolitical pressures. Industrial and automotive markets were particularly soft in demand situations.
- **Semiconductor 20.16% YoY growth:** 1Q25 semi sector sales was NT\$5,489 million. Wah Lee provides photoresist, slurry, and advanced packaging material to the leading foundry customer's 5/3 nm nodes and CoWoS packaging process. The customer reported strong financial results for the first quarter of 2025, driven by robust demand for advanced chips, particularly those used in artificial intelligence (AI) applications.
- **FPD 0.66% YoY growth:** The FPD 1Q25 sales reached NT\$4,719 million and had an almost flat sales as compared to a year ago. The large screen LCD TV and electronic whiteboard customers in the U.S. were in the wait and see mode when they placed orders for the 1Q25 shipments in 4Q24 because of the uncertainties brought by the newly elected President Trump at that time.
- **Green Energy 12.33% YoY decline:** The Chinese EV and EV battery markets were very competitive and the price erosions of EV's batteries and its upstream raw materials were serious. However, due to the low base of the sales in last year, the decline in sales of Green sector in 1Q25 has lessened to 12% as compared to 30-40% decline in last year and hopefully will reverse to growth in this year.

**1Q25 EPS: NT\$1.94, cash dividend for 2025 was raised to NT\$5.3/share**  
1Q25 consolidated sales totaled NT\$18,599M. 1Q25 gross profit was NT\$1,392M with gross margin of 7.5% which remained stable in the range of 7~8%. 1Q25 operating expense ratio was 4.6% and 1Q25 operating margin was 2.9% (1Q25 operating profit was NT\$545M). 1Q25 non-operating profit was NT\$181M. Pretax profit totaled NT\$727M. 1Q25 after tax and minority profit was NT\$503M, which was a 16.4% YoY growth. The outstanding common shares of the company as of the end of 1Q24 were 240,229K shares and grew to 259,437K shares as of the end of 1Q25 because of the conversion of convertible bonds (issued 3 years ago) into stocks. With the dilution effect of about 9.8%, the 1Q25 EPS still grew to NT\$1.94/share from NT\$1.80/share a year ago. On April 14, the Company's board decided to raise the cash dividend for 2025 from NT\$5.0/share to NT\$5.3/share.



## 2025 Outlook

Despite mounting global challenges—including climate change, geopolitical tensions, and the escalating threat of tariff wars sparked by President Trump's proposed trade policies targeting numerous exporting countries—we remain optimistic about achieving solid sales growth in 2025. Given that the U.S. remains the largest market for technology products, any new tariffs may introduce near-term volatility; however, we still anticipate high single-digit growth, with the potential to reach low double digits.

Wah Lee's sustained growth is underpinned by its indispensable role in the global technology manufacturing supply chain. As an exclusive supplier of critical raw materials across diverse technology sectors, Wah Lee is well-positioned to benefit from the persistent demand driven by major technological advancements—despite potential trade barriers.

For example:

- AI servers are increasingly dependent on high-end engineering plastics for motherboard sockets to support the rising number of ICs, including CPU, GPU, ASIC, HBM memory chips, etc.
- Advanced semiconductor nodes require greater volumes of high-performance chemicals, as leading foundries accelerate capacity expansions at an unprecedented pace—even as they brace for shifts in cross-border trade dynamics.
- Next-generation communication devices, such as 400G/800G switches and Low Earth Orbit (LEO) satellites, depend on low-dk/low-df copper clad laminates (CCLs) across all PCB layers, which Wah Lee supplies amid tightening global supply chains.
- High-performance computing (HPC) systems in hyper scale data centers—especially in the U.S.—demand HDI (High-Density Interconnect) PCBs, leveraging Wah Lee's proprietary Dry Film technologies for critical photo exposure processes.

These examples underscore Wah Lee's vital role in enabling cutting-edge innovation. Thanks to our technical capabilities and strategic market positioning, we are prepared to navigate policy shifts and global uncertainties while continuing our upward growth trajectory.

Operating Result (M)	2022	2023	2024	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
Total Rev	73,570	66,782	80,031	19,510	18,336	19,149	16,575	14,378	16,167	19,019	17,218	17,251	21,154	21,413	20,213	18,599
Gross Profit	5,567	5,526	5,958	1,558	1,428	1,438	1,143	1,094	1,510	1,548	1,374	1,321	1,503	1,622	1,512	1,392
Operating Profit	2,643	2,502	2,666	802	697	704	440	431	749	699	623	558	690	818	600	545
After Tax Profit	2,485	2,114	2,253	768	657	737	323	289	689	712	423	433	581	712	527	503
Shares Outstanding	236.02	236.24	259.44	236.02	236.02	236.02	236.02	236.02	236.02	236.02	236.24	240.23	259.35	259.44	259.44	259.44
EPS (NTD)	10.53	8.96	8.89	3.26	2.78	3.12	1.37	1.22	2.92	3.02	1.80	1.80	2.30	2.77	2.02	1.94
Operating Result (%)																
GP Margin	7.6%	8.3%	7.4%	8.0%	7.8%	7.5%	6.9%	7.6%	9.3%	8.1%	8.0%	7.7%	7.1%	7.6%	7.5%	7.5%
OP Margin	3.6%	3.7%	3.3%	4.1%	3.8%	3.7%	2.7%	3.0%	4.6%	3.7%	3.6%	3.2%	3.3%	3.8%	3.0%	2.9%
AT Profit Margin	3.4%	3.2%	2.8%	3.9%	3.6%	3.8%	1.9%	2.0%	4.3%	3.7%	2.5%	2.5%	2.7%	3.3%	2.6%	2.7%
Growth % YoY																
Sales YoY	4.3%	-9.2%	19.8%	19.8%	8.7%	2.1%	-10.9%	-26.3%	-11.8%	-0.7%	3.9%	20.0%	30.8%	12.6%	17.4%	7.8%
GP YoY	-7.0%	-0.7%	7.8%	8.3%	-4.5%	-8.5%	-22.6%	-29.8%	5.7%	7.6%	20.2%	20.7%	-0.5%	4.8%	10.0%	5.4%
OP YoY	-14.0%	-5.3%	6.6%	10.5%	-8.0%	-12.4%	-43.9%	-46.3%	7.5%	-0.7%	41.6%	29.5%	-7.9%	17.0%	-3.7%	-2.3%
AT Profit YoY	-12.6%	-14.9%	6.6%	28.6%	2.5%	-12.5%	-57.7%	-62.4%	4.9%	-3.4%	31.0%	49.8%	-15.7%	0.0%	24.6%	16.2%

### 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.