

ETERNAL MATERIALS



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2021 Third Quarter Earnings Conference

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Outline

- **Profile**
Overview ∙ Development Milestones ∙ Business Group ∙
Global Production Sites/Service Network/R&D Sites ∙
Annual Sales Distribution
- **3Q21 Financial results**
- **Key messages**
- **Q&A**

Profile - Overview

- **Core Business** : Manufacturing, processing and sales
- **Founding** : in 1964, Headquarter in Kaohsiung, Taiwan
- **Year of Listed on Taiwan Stock Exchange** : 1994
- **Chairman** : Allen K. L. Kao
- **Number of Employees** : 4,960 ¹
- **Number of Production Sites** : 23 (4 in Taiwan, 13 in Mainland China, 1 in United States, 1 in Thailand, 2 in Japan, 1 in Malaysia and 1 in Italy)
- **Overall Sales Revenue in 2019** : USD 1,299 million ²
- **Headcounts of Researchers** : 591 (R&D expenditures accounted for 4% of sales revenue)



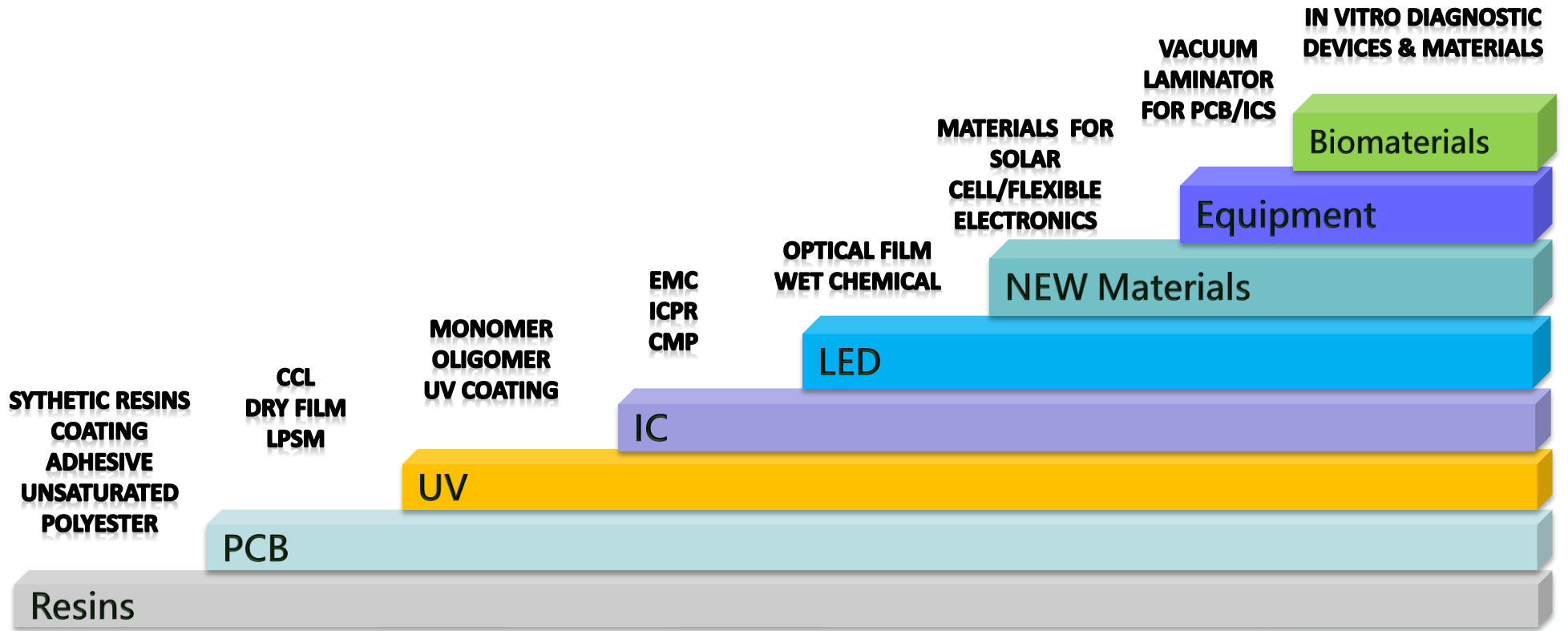
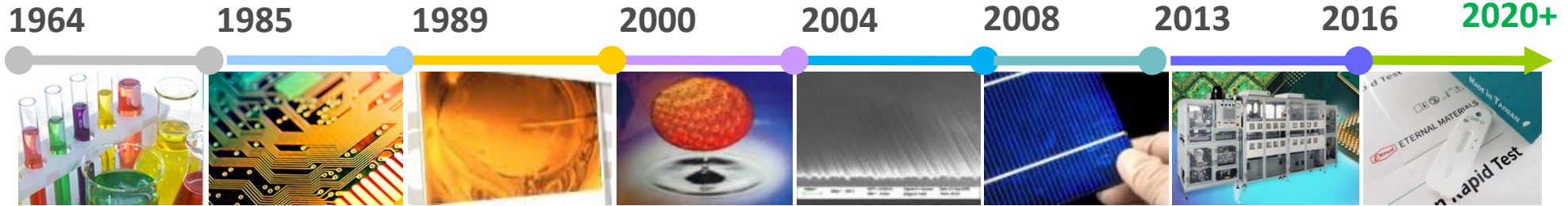
Eternal is:

- One of the leading suppliers of Dry film photoresist in the world.
- One of three largest UV curable Monomers & Oligomers material suppliers.
- One of the leading suppliers of synthetic resin in Asian.

•1.Number of Employees on September 30,2021

•2.refer to year 2020 Consolidated statement

Profile-Development Milestones



Profile-Business Group



Resin Materials
48.2%

Alkyd Resin, Solvent-Based Acrylic Coating Resin, Water-Based Acrylic Coating Resin, Acrylic Resin For Adhesives and Overprinting, Polyester Polyol Resin, Fluorocarbon Resin, Polyurethane Resin, Saturated Polyester Resin, Amino Resin, Optoelectronic Materials, Other Coatings Resin, Unsaturated Polyester Resin, Vinyl Ester Resin, Fire Retardant Resin, Epoxy System, Structural Adhesive, Polyester for Polyurethane Foam

Dry Film Photoresist, Dry Film Solder Mask, UV INK, Dry Film Photosensitive Polyimide, Liquid Polyimide Material, Vacuum Laminator, Toll Coating Service, Paper Phenolic Copper Clad Laminate, Composite Epoxy Copper Clad Laminate



Electronic Materials
33.5%

2020
Consolidated Revenue
USD **1,299** Million

UV Monomers, UV Oligomers, Special Coatings, silicone powder, Additives, 3D UV printing Material, EMC, Optical Silicone & Epoxy material - for LED Packaging



High Performance Materials
17.6%

Enzyme, antibody for IVD, conductive polymer Liquid molding compound, Binder, electrolyte, Si/C for LIB materials Hydrophilic film for strip

Others 0.7%

Profile-Global Sites : Production / Sales / R&D

Production Sites **23**

Buyers' countries **65**

Service Network **34**

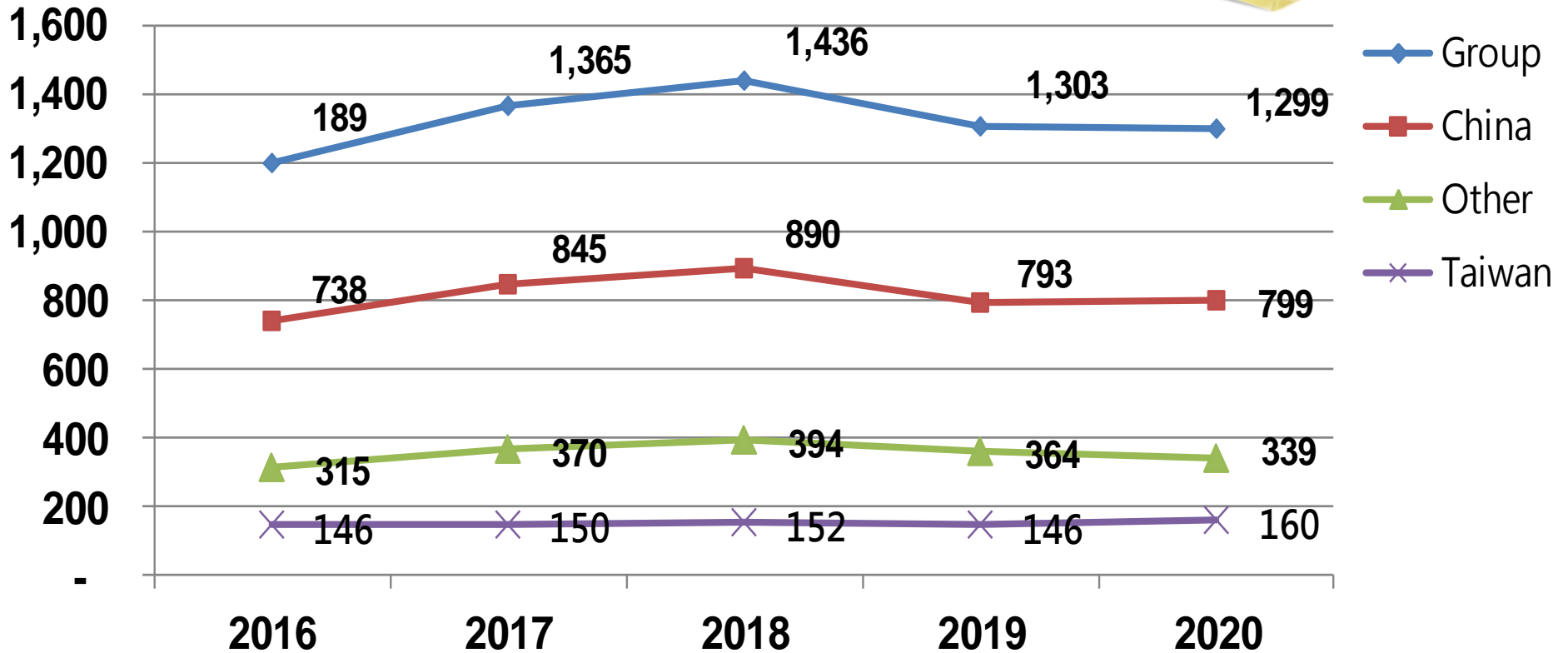
R&D Sites **11**

Resin Materials : 8
 Electronic Materials : 13
 High Performance Materials : 3



Profile-Annual Sales Distribution

(In the recent 5 years)





Financial Information-Balance Sheets & Key Indices

Unit : TWD Millions

	3Q' 2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents and current financial assets	5,685	<u>9</u>	6,170	<u>11</u>	6,076	<u>11</u>
Accounts receivable	19,494	<u>32</u>	17,523	<u>31</u>	15,361	<u>29</u>
Inventories	10,052	<u>17</u>	7,493	<u>13</u>	7,182	<u>13</u>
Financial assets	3,485	<u>6</u>	3,344	<u>6</u>	3,043	<u>6</u>
Property, plant and equipment	16,167	<u>27</u>	16,623	<u>30</u>	17,436	<u>32</u>
Total Assets	60,213	<u>100</u>	56,189	<u>100</u>	53,797	<u>100</u>
Short-term borrowings	7,239	<u>12</u>	4,404	<u>8</u>	4,415	<u>8</u>
Current portion of long-term borrowings	3,224	<u>5</u>	2,211	<u>4</u>	4,547	<u>9</u>
Long-term borrowings	12,192	<u>20</u>	13,185	<u>23</u>	11,924	<u>22</u>
Total Liabilities	36,573	<u>61</u>	32,950	<u>59</u>	31,877	<u>59</u>
Total Equity	23,640	<u>39</u>	23,238	<u>41</u>	21,920	<u>41</u>
Key Financial Ratios						
Average cash collection days	137		159		139	
Average days required for sale	84		93		86	
Current ratio (%)	181		210		191	

Financial Information-Statements of Comprehensive Income

Unit : TWD Millions

	3Q' 2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Operating Revenue	37,424	100	38,370	100	40,363	100
Gross profit	8,144	22	8,886	23	7,857	19
Operating expenses	(4,804)	(13)	(5,747)	(15)	(5,522)	(14)
Operating Income	3,340	9	3,139	8	2,335	6
Non-operating income and expenses	325	1	6	0	579	1
Net profit attributable to owners of the company	3,665		2,543		2,466	
Key Financial Ratios						
Net profit margin	8		6		6	
EPS	2.32		2.05		1.99	
ROE	16		11		11	

Financial Information-Cash Flow Statements

Unit : TWD Millions

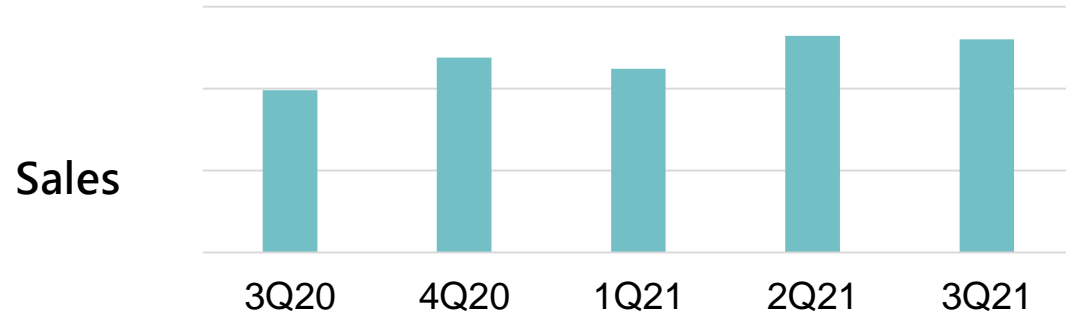
	3Q' 2021	2020	2019
	Amount	Amount	Amount
Cash and cash equivalents at the beginning of the year	6,108	6,010	6,085
Cash flows from operating activities	168	4,148	4,946
Acquisition of property, plant and equipment	(1,348)	(1,458)	(2,111)
Increase (decrease) in borrowings	2,964	(997)	(2,228)
Dividends paid	(1,860)	(1,736)	(1,116)
Other items	(236)	134	914
Effects of exchange rate changes on cash and cash equivalents	(251)	7	(480)
Cash and cash equivalents at the end of the period	5,545	6,108	6,010
Free cash flow	(1,180)	2690	2,835

Note: Free cash flow=

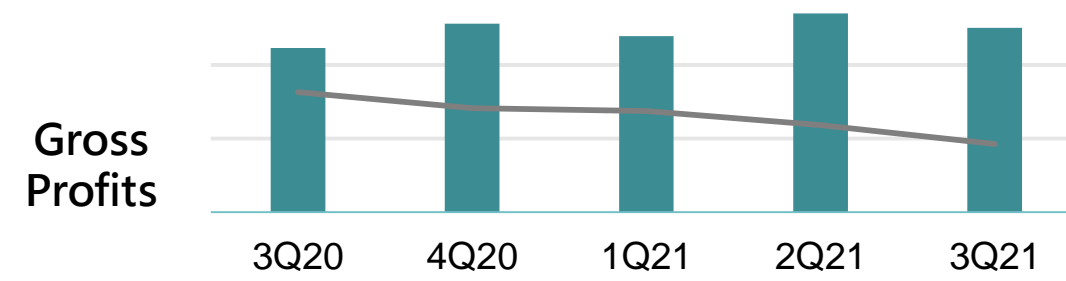
Cash flows from operating activities - Acquisition of property, plant and equipment

Sales Revenues & Gross Profits

Unit : TWD Millions



	3Q20	4Q20	1Q21	2Q21	3Q21
Sales	9,889	11,896	11,202	13,211	13,010

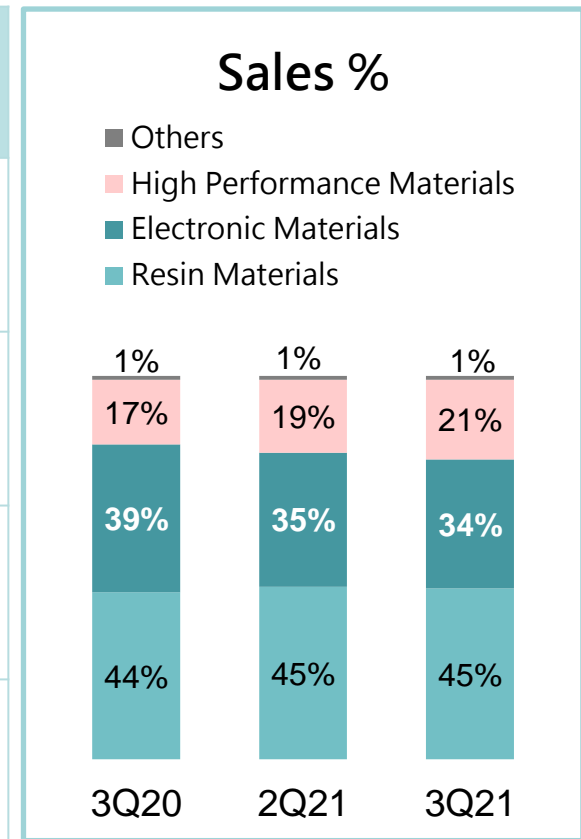


	3Q20	4Q20	1Q21	2Q21	3Q21
GP	2,390	2,745	2,563	2,896	2,686
GPM	24.2%	23.1%	22.9%	21.9%	20.6%

	3Q'21	y/y	q/q
Sales		+32%	-2%
Gross Profits		+12%	-7%

Performance by Segment

TWD Millions	Sales		Operating Profits			
	y/y	q/q	y/y	q/q		
Resin Materials	6,290	+30%	-3%	3	-99%	-98%
Electronic Materials	3,568	+7%	-11%	503	+1%	-26%
High Performance Materials	3,069	+86%	+17%	663	+271%	+26%



Recap of Recent Major Events

- The project of construction a R&D Building located in Eternal Materials Suzhou which planned to spend CNY 381 million was approved by the Board of Eternal Taiwan on 2021/11/5.
- The project of expansion on Coating Production Lines in Eternal Electronic (Suzhou) which planned to spend CNY544 million was approved by the Board of Eternal Taiwan on 2021/11/5.
- Establishment of Corporate Governance and Social Responsibility Committee and appointment of the first members were approved by the Board of Eternal Taiwan on 2021/11/5

Q & A



Thank you