

# ETERNAL MATERIALS



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## 2021 First Quarter Earnings Conference

Speaker : Benson LIU, Spokesman / CFO

# Outline

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- **Profile**  
Overview ∙ Development Milestones ∙ Business Group ∙  
Global Production Sites/Service Network/R&D Sites ∙  
Annual Sales Distribution
- **1Q21 Financial results**
- **Key messages**
- **Q&A**

# Profile - Overview

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- **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** : 4,864 <sup>1</sup>
- **Number of Production Sites** : 23 (3 in Taiwan, 13 in Mainland China, 1 in United States, 1 in Thailand, 3 in Japan, 1 in Malaysia and 1 in Italy)
- **Overall Sales Revenue in 2019** : USD 1,299 million <sup>2</sup>
- **Headcounts of Researchers** : 591 (R&D expenditures accounted for 4% of sales revenue)



Eternal is:

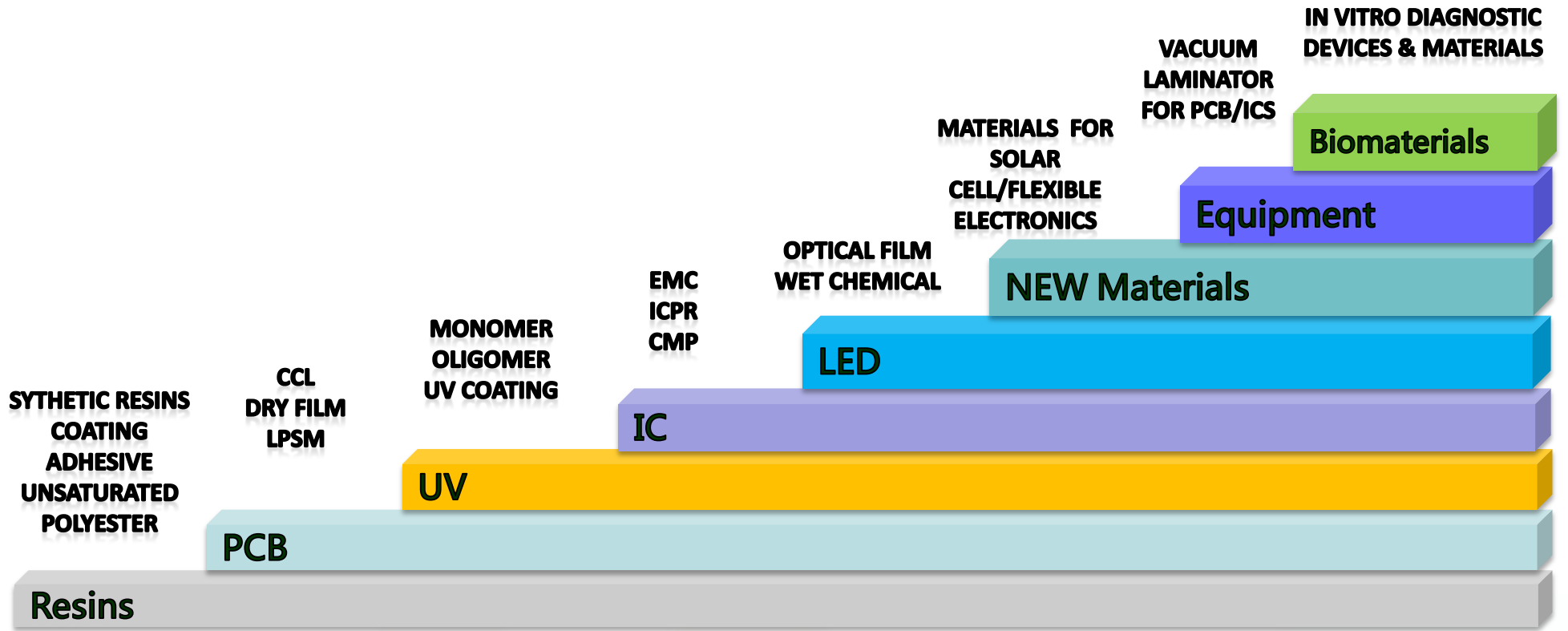
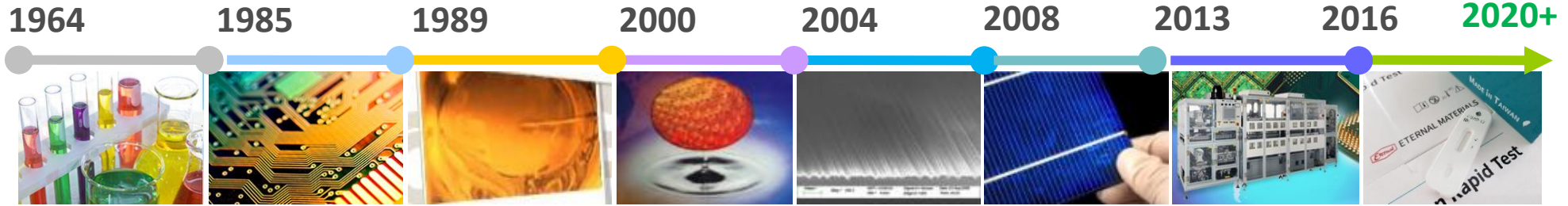
- One of the leading suppliers of Dry film photoresist in the world.
- One of three largest UV curable Monomers & Oligomers material suppliers.
- One of the leading suppliers of synthetic resin in Asian.

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•1.Number of Employees on March 31,2021

•2.refer to year 2020 Consolidated statement

# Profile-Development Milestones



**Resins**

Eternal Materials

# 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 **35**

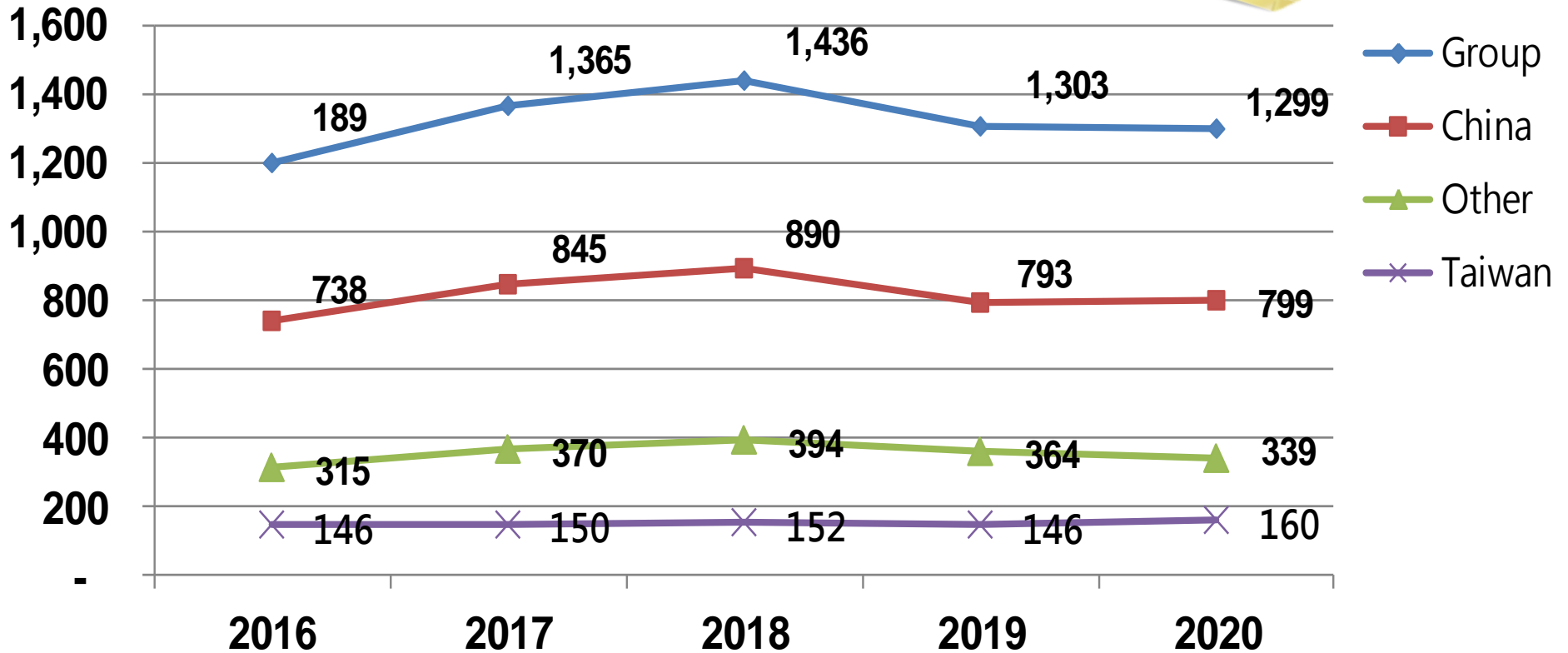
R&D Sites **11**

Resin Materials : 8  
Electronic Materials : 14  
High Performance Materials : 3



# Profile-Annual Sales Distribution

(In the recent 5 years)





# Financial Information-Balance Sheets & Key Indices

Unit : NT\$ Millions

	2021Q1		2020		2019	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents and current financial assets	6,304	<u>11</u>	6,170	<u>11</u>	6,076	<u>11</u>
Accounts receivable	17,471	<u>30</u>	17,523	<u>31</u>	15,361	<u>29</u>
Inventories	8,529	<u>15</u>	7,493	<u>13</u>	7,182	<u>13</u>
Financial assets	3,570	<u>6</u>	3,344	<u>6</u>	3,043	<u>6</u>
Property, plant and equipment	16,390	<u>28</u>	16,623	<u>30</u>	17,436	<u>32</u>
<b>Total Assets</b>	<b>57,550</b>	<b><u>100</u></b>	<b>56,189</b>	<b><u>100</u></b>	<b>53,797</b>	<b><u>100</u></b>
Short-term borrowings	5,521	<u>10</u>	4,404	<u>8</u>	4,415	<u>8</u>
Current portion of long-term borrowings	2,340	<u>4</u>	2,211	<u>4</u>	4,547	<u>9</u>
Long-term borrowings	12,531	<u>22</u>	13,185	<u>23</u>	11,924	<u>22</u>
<b>Total Liabilities</b>	<b>33,725</b>	<b><u>59</u></b>	<b>32,950</b>	<b><u>59</u></b>	<b>31,877</b>	<b><u>59</u></b>
<b>Total Equity</b>	<b>23,826</b>	<b><u>41</u></b>	<b>23,238</b>	<b><u>41</u></b>	<b>21,920</b>	<b><u>41</u></b>
<b>Key Financial Ratios</b>						
Average cash collection days	145		159		139	
Average days required for sale	86		93		86	
Current ratio (%)	200		210		191	

# Financial Information-Statements of Comprehensive Income

Unit : NT\$ Millions

	2021Q1		2020		2019	
	Amount	%	Amount	%	Amount	%
Operating Revenue	11,202	100	38,370	100	40,363	100
Gross profit	2,563	23	8,886	23	7,857	19
Operating expenses	(1,538)	(14)	(5,747)	(15)	(5,522)	(14)
Operating Income	1,025	9	3,139	8	2,335	6
Non-operating income and expenses	33	0	6	0	579	1
Net profit attributable to owners of the company	825		2,543		2,466	
<b>Key Financial Ratios</b>						
Net profit margin	7		6		6	
EPS	0.66		2.05		1.99	
ROE	14		11		11	

# Financial Information-Cash Flow Statements

Unit : NT\$ Millions

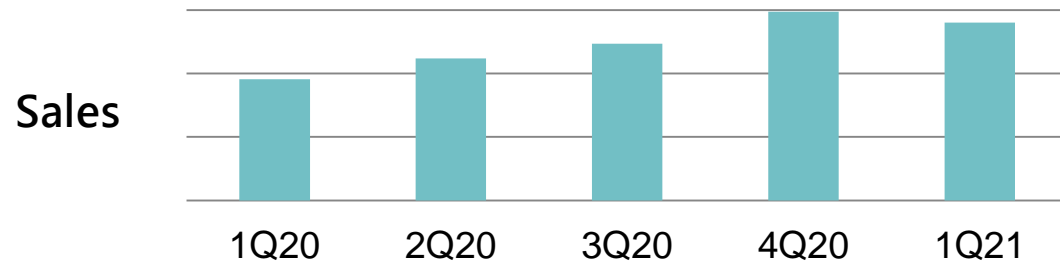
	2021Q1	2020	2019
	Amount	Amount	Amount
Cash and cash equivalents at the beginning of the year	6,108	6,010	6,085
Cash flows from operating activities	110	4,148	4,946
Acquisition of property, plant and equipment	(481)	(1,458)	(2,111)
Increase (decrease) in borrowings	646	(997)	(2,228)
Dividends paid	0	(1,736)	(1,116)
Other items	(1,212)	134	914
Effects of exchange rate changes on cash and cash equivalents	(126)	7	(480)
Cash and cash equivalents at the end of the period	5,045	6,108	6,010
Free cash flow	(371)	2690	2,835

*Note:* Free cash flow=

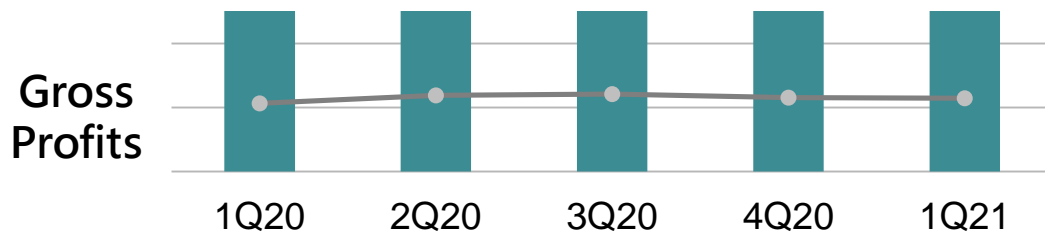
Cash flows from operating activities - Acquisition of property, plant and equipment

# Sales Revenues & Gross Profits

Unit : NT\$ Millions



	1Q20	2Q20	3Q20	4Q20	1Q21
<b>Sales</b>	7,630	8,956	9,889	11,896	11,202

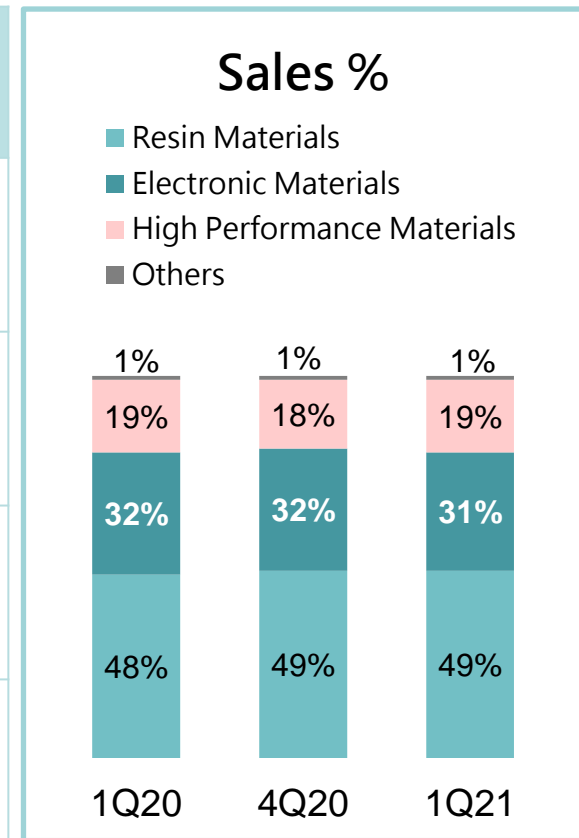


	1Q20	2Q20	3Q20	4Q20	1Q21
<b>GP</b>	1,622	2,129	2,390	2,745	2,563
<b>GPM</b>	21.3%	23.8%	24.2%	23.1%	22.9%

	Q121	y/y	q/q
<b>Sales</b>		+47%	-6%
<b>Gross Profits</b>		+58%	-7%

# Performance by Segment

NT\$ Millions	Sales		Operating Profits			
	y/y	q/q	y/y	q/q		
Resin Materials	<b>5,456</b>	<b>+49%</b>	<b>-6%</b>	<b>235</b>	<b>+95%</b>	<b>-20%</b>
Electronic Materials	<b>3,511</b>	<b>+42%</b>	<b>-11%</b>	<b>605</b>	<b>+250%</b>	<b>-10%</b>
High Performance Materials	<b>2,159</b>	<b>+50%</b>	<b>+4%</b>	<b>289</b>	<b>+127%</b>	<b>+22%</b>



# Recap of Recent Major Events

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- Eternal Materials Board of Directors Approved NTD1.5 Cash Dividend for the year of 2020 (2021/03/26)
- Eternal Materials Board of Directors Approved the Establishment of a Wholly-Owned Subsidiary in Anhui, China to Expand Resin Production, with a Capital appropriation of CNY350 Million(2021/03/26)
- Eternal Materials Board of Directors Approved a Capital appropriation of CNY90.52 Million in Subsidiary Eternal Electronic (Suzhou) Co., Ltd. to Expand the Dispensing Coating Production Line (2021/03/26)
- Eternal Materials Board of Directors Approved the Issuance of NT Dollar-Denominated Secured Corporate Bonds for an Amount Not to Exceed NTD 3 Billion (2021/05/07)



# Q & A



**Thank you**