



長興材料

# ETERNAL MATERIALS

Elements of Infinite Possibilities



The background of the top half of the slide features a collage of scientific imagery. On the left, a glass beaker contains a liquid and is overlaid with a chemical structure of a dihydroxybenzene derivative. In the center, a glass pipette is shown dispensing a drop of liquid into another beaker, with another chemical structure overlaid. The background is a blurred periodic table of elements, with various chemical structures and molecular models scattered throughout.

# 2021 Fourth Quarter Earnings Conference

Speaker : B.C. Liu, Spokesman / CFO

Date :2022/03/16



## Agenda

1. Profile
2. 4Q21 Financial results
3. Key messages
4. Q&A



# Profile - Overview

**Chairman** — Allen K. L. Kao

**Core Business** — Manufacturing, processing and sales

**Founding**

**1964**

**Employees**

**4,960**

**Overall Sales Revenue**

**USD\$ 1,803 million**

**Headcounts of Researcher**

**595**

**R&D expenditures**

**For sales revenue 4%**

**Production Sites**

**23**

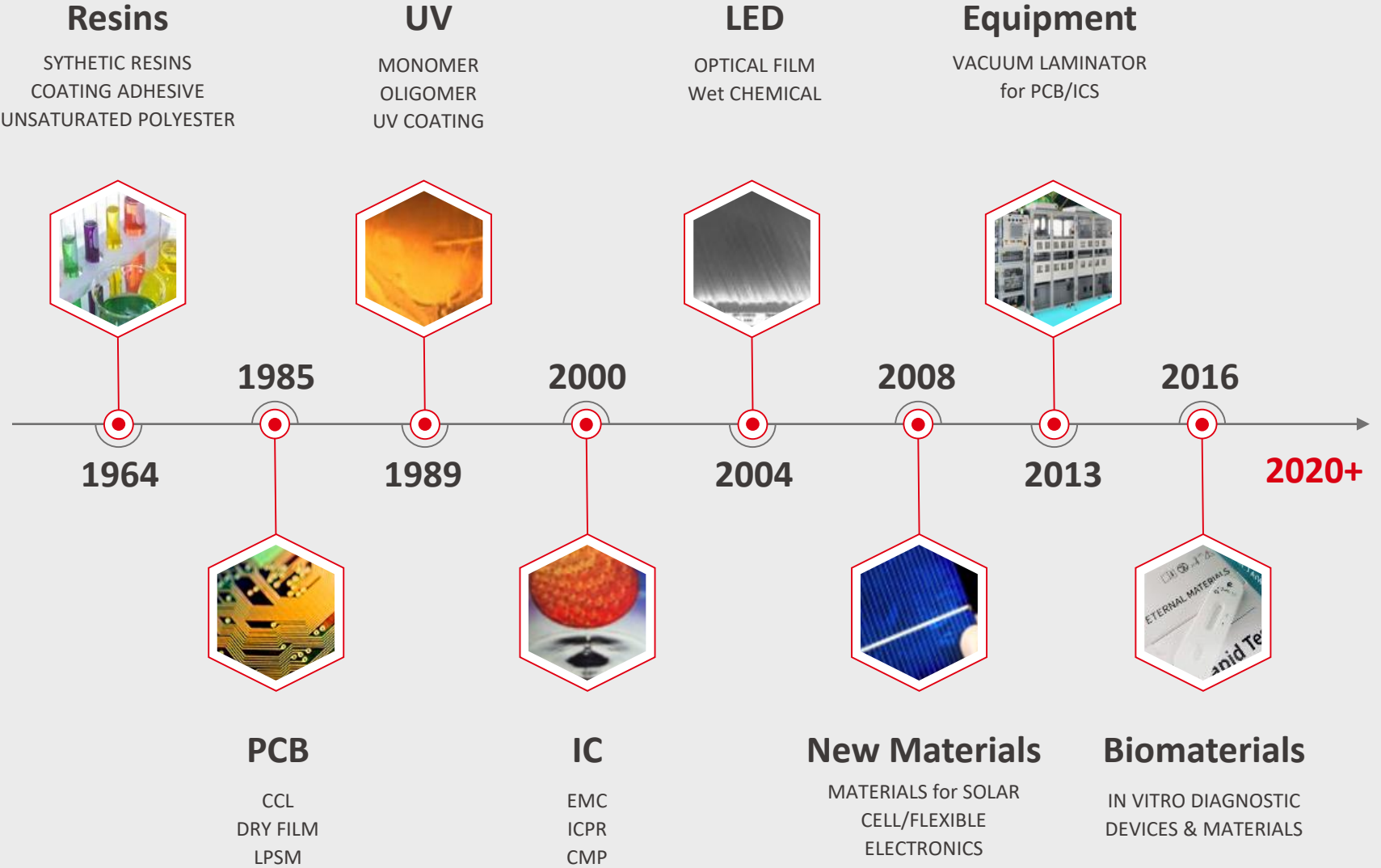
- Taiwan **4**
- China **13**
- USA **1**
- Thailand **1**
- Japan **2**
- Malaysia **1**
- Italy **1**

Notes 1 :  
 Number of Employees on December 31,2021

Notes 2:  
 Sales Revenue refer to year 2021 statement

- 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.

# Profile-Development Milestones



# Profile-2021 Product Lines Sales Ratio

Electronic Materials **33.5%**

- 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

Resins Materials **48.2%**

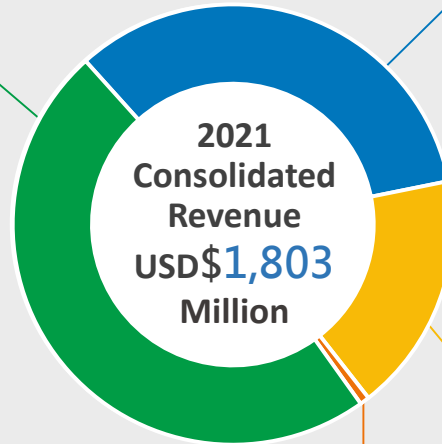
- Alkyd Resin 、 Solvent-Based Acrylic Coating Resin
- Water-Based Acrylic Coating Resin
- Acrylic Resin For Adhesives and Overprinting
- Polyester Polyol Resin 、 Fluorocarbon Resin
- Polyurethane Resin 、 Saturated Polyester Resin
- Amino Resin 、 Optoelectronic Materials
- Other Coatings Resin
- Unsaturated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

Others **0.7%**

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

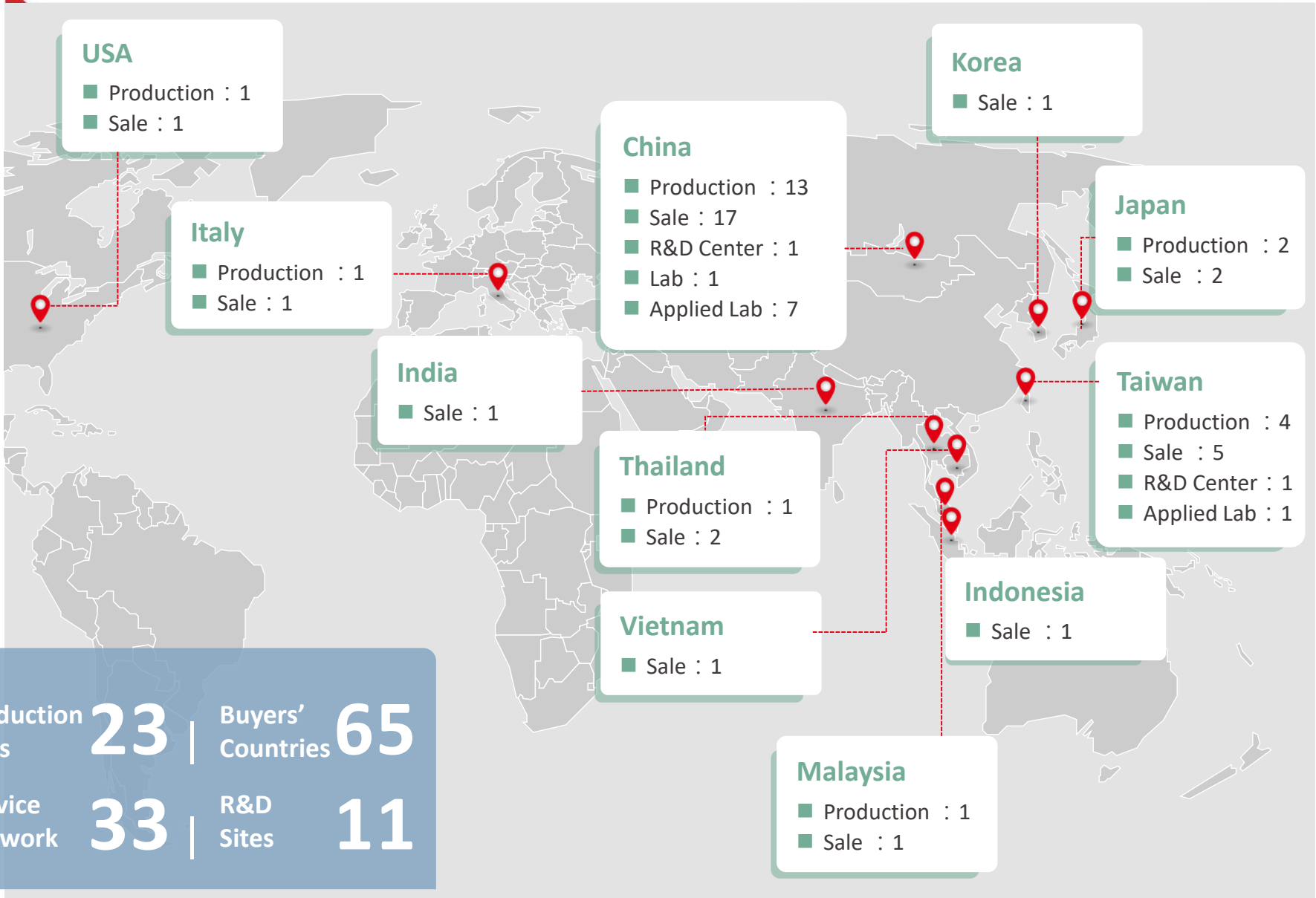
High Performance Materials **17.6%**

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





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

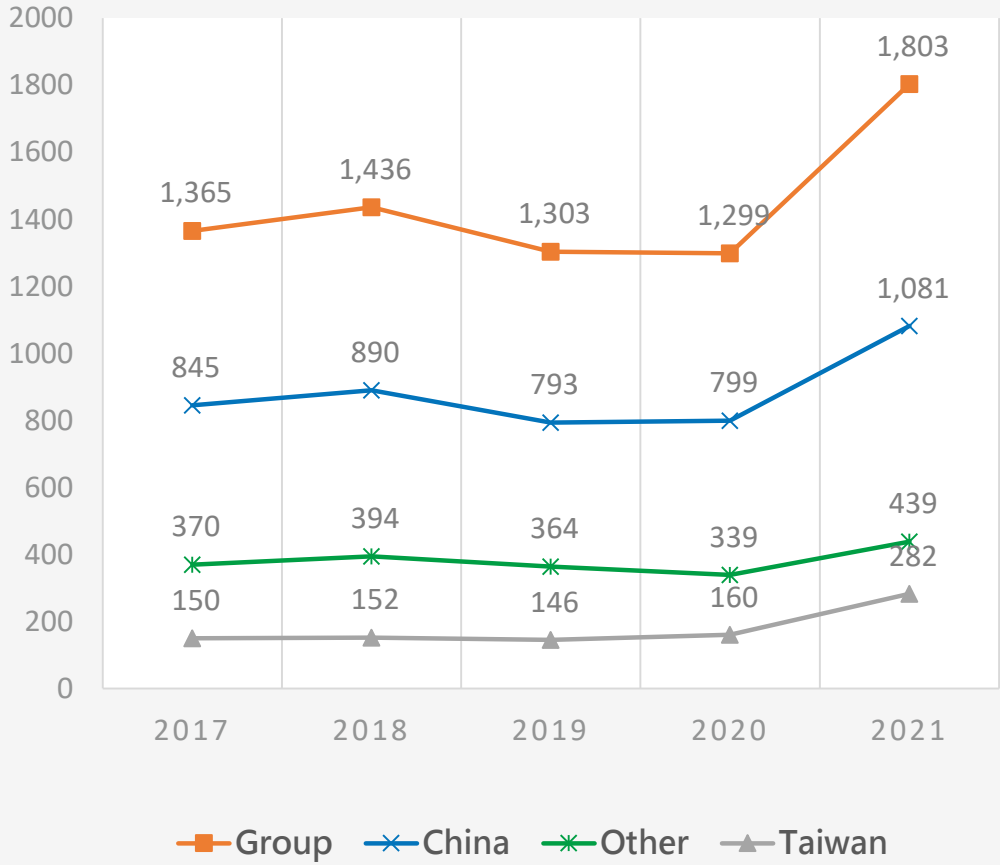


Production Sites	<b>23</b>	Buyers' Countries	<b>65</b>
Service Network	<b>33</b>	R&D Sites	<b>11</b>

# Profile-Annual Sales Distribution (In the recent 5 years)



■ Unit : USD million





# Financial Information-Balance Sheets & Key Indices



Unit : TWD Millions

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents and current financial assets	4,444	<u>7</u>	6,170	<u>11</u>	6,076	<u>11</u>
Accounts receivable	20,071	<u>33</u>	17,523	<u>31</u>	15,361	<u>29</u>
Inventories	10,678	<u>18</u>	7,493	<u>13</u>	7,182	<u>13</u>
Financial assets	3,506	<u>6</u>	3,344	<u>6</u>	3,043	<u>6</u>
Property, plant and equipment	16,369	<u>27</u>	16,623	<u>30</u>	17,436	<u>32</u>
<b>Total Assets</b>	<b>60,536</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	4,588	<u>8</u>	4,404	<u>8</u>	4,415	<u>8</u>
Current portion of long-term borrowings	4,326	<u>7</u>	2,211	<u>4</u>	4,547	<u>9</u>
Long-term borrowings	12,506	<u>21</u>	13,185	<u>23</u>	11,924	<u>22</u>
<b>Total Liabilities</b>	<b>35,869</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>24,667</b>	<b><u>41</u></b>	<b>23,238</b>	<b><u>41</u></b>	<b>21,920</b>	<b><u>41</u></b>

## Key Financial Ratios

Average cash collection days	138	159	139
Average days required for sale	85	93	86
Current ratio (%)	190	210	191

# Financial Information-Statements of Comprehensive Income



Unit : TWD Millions

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Operating Revenue	50,471	100	38,370	100	40,363	100
Gross profit	10,694	21	8,886	23	7,857	19
Operating expenses	(6,599)	(13)	(5,747)	(15)	(5,522)	(14)
Operating Income	4,095	8	3,139	8	2,335	6
Non-operating income and expenses	337	1	6	0	579	1
Net profit attributable to owners of the company	3,549		2,543		2,466	
<b>Key Financial Ratios</b>						
Net profit margin (%)	7		6		6	
EPS	2.86		2.05		1.99	
ROE (%)	14		11		11	

# Financial Information-Cash Flow Statements



Unit : TWD Millions

	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	750	4,148	4,946
Acquisition of property, plant and equipment	(2,049)	(1,458)	(2,111)
Increase (decrease) in borrowings	1,743	(997)	(2,228)
Dividends paid	(1,860)	(1,736)	(1,116)
Other items	(216)	134	914
Effects of exchange rate changes on cash and cash equivalents	(187)	7	(480)
Cash and cash equivalents at the end of the period	4,289	6,108	6,010
Free cash flow	(1,299)	2690	2,835

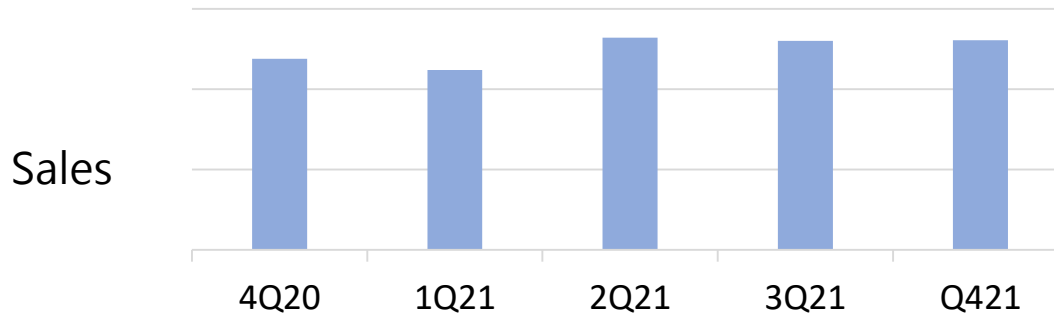
*Note:* Free cash flow=

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

# Sales Revenues & Gross Profits

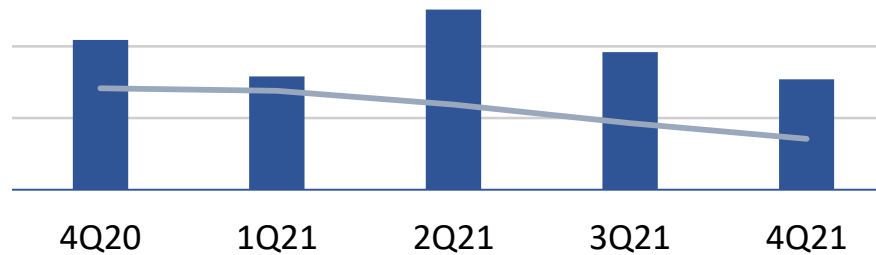


Unit : TWD Millions



	4Q20	1Q21	2Q21	3Q21	4Q21
<b>Sales</b>	11,896	11,202	13,211	13,010	13,048

Gross Profits



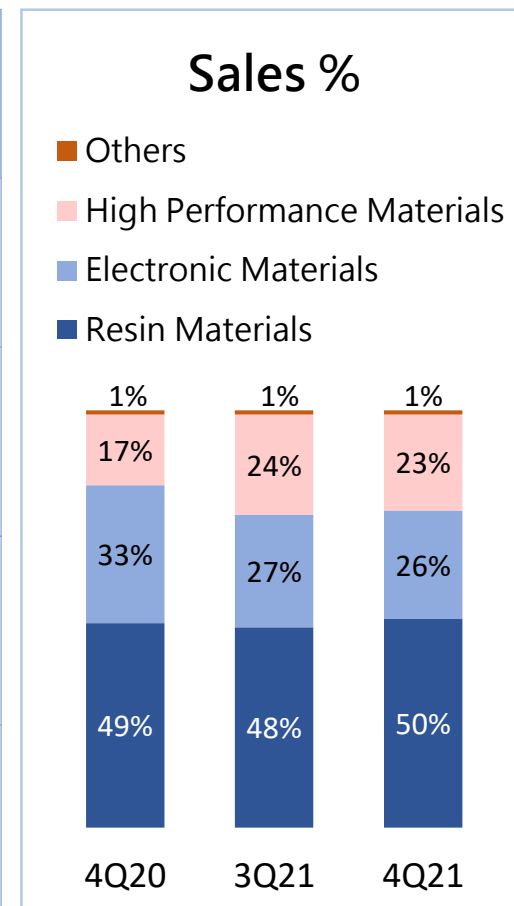
	4Q20	1Q21	2Q21	3Q21	4Q21
<b>GP</b>	2,745	2,563	2,896	2,685	2,550
<b>GPM</b>	23.1%	22.9%	21.9%	20.6%	19.5%

	4Q21	y/y	q/q
<b>Sales</b>		+9.7%	Remain constant
<b>Gross Profits</b>		-7%	-5%

# Performance by Segment



TWD Millions	4Q Sales		4Q Operating Profits			
	y/y	q/q	y/y	q/q		
Resin Materials	6,532	+13%	+4%	28	-91%	+761%
Electronic Materials	3,449	-12%	-3%	373	-45%	-26%
High Performance Materials	2,993	+44%	-2%	501	+111%	-24%



## Recap of Recent Major Events

- Eternal Materials Board of Directors resolved to execute a cash capital reduction to improve the ROE and adjust capital structure, NT\$ 620,139,720 would be returned and 62,013,972 shares (5 %) would be cancelled (2022/03/11)
- Eternal Materials Board of Directors resolved to spin off Electronic Equipment Business and establish a new subsidiary (2022/03/11)
- The project of expansion on high performance materials lines in Eternal Specialty Chemical (Suzhou) which planned to spend CNY227.11 million was approved by the Board of Eternal Materials (2022/03/11)
- Eternal Materials Board of Directors Approved NTD1.5 Cash Dividend for the year of 2021 (2022/03/11)
- Eternal Materials Board of Directors approved the issuance of secured corporate bonds for an amount not to exceed NT\$3.5 Billion (2022/03/11)



# Q & A







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