



長興材料

ETERNAL MATERIALS

Elements of Infinite Possibilities

The background of the slide is a collage of scientific and technological images. At the top left, there is a periodic table of elements with chemical structures overlaid, including a benzene ring with two hydroxyl groups and a cyclohexane ring with a methyl group. In the center, a blue-tinted image shows a laboratory flask with a chemical structure and a pipette. At the bottom left, there is a close-up of a circuit board. A large, light gray diagonal shape cuts across the right side of the slide, and a small red triangle is positioned to the right of the main title.

2024 First Quarter Earnings Conference

Speaker : B.C. Liu, Spokesman / CFO

Date : 2024/05/17

Agenda



1. Profile
2. 1Q24 Financial results
3. Key messages
4. Q&A





Profile



Profile



Chairman — Allen K. L. Kao

Core Business — Manufacturing, processing and sales

Founding

1964

Employees

4,809

Overall Sales
Revenue

USD\$ 1,363
million

Production Sites

25

Taiwan 5

China 14

USA 1

Thailand 1

Japan 2

Malaysia 1

Italy 1

Headcounts of
Researcher

581

R&D expenditures

For sales revenue
3%

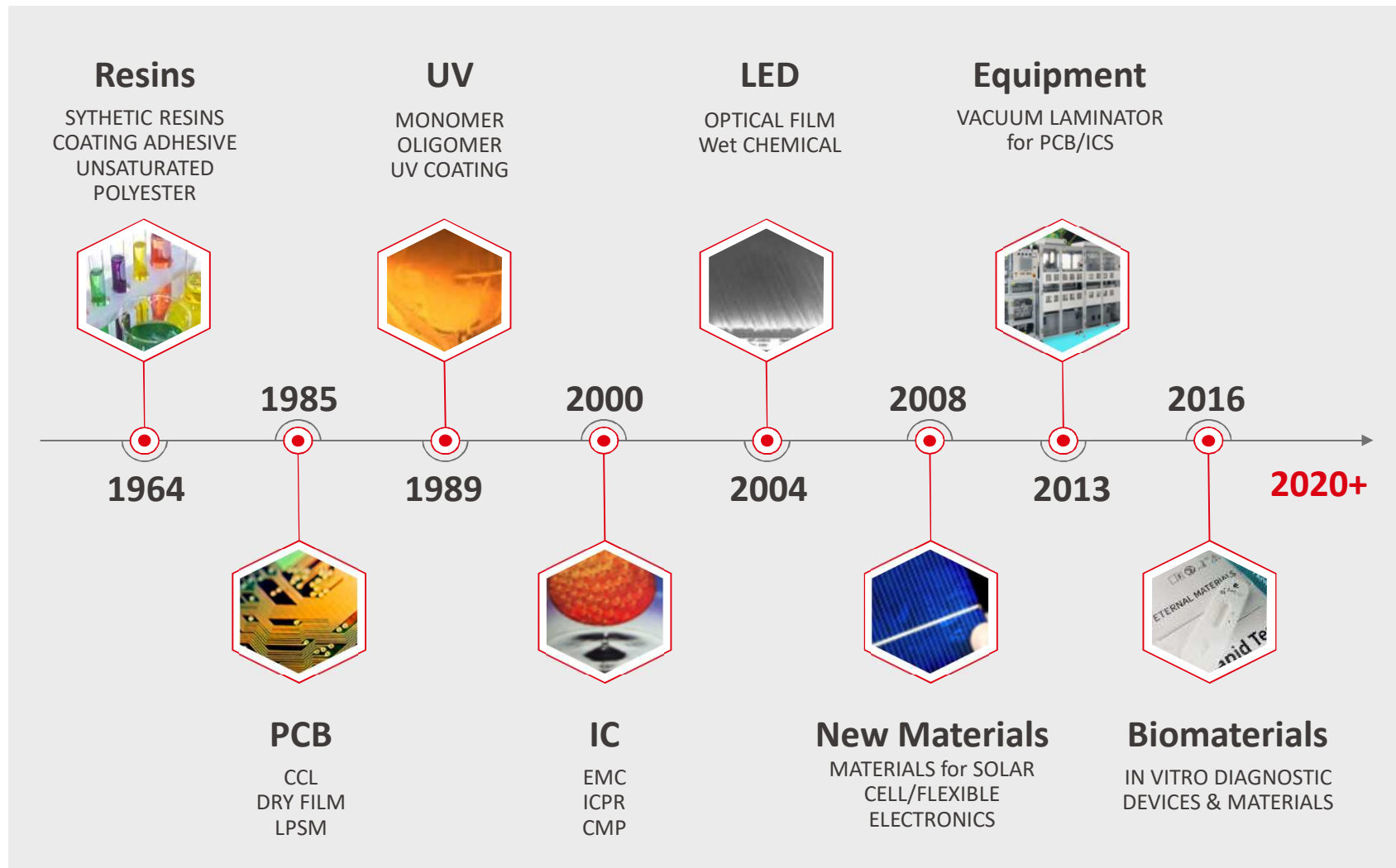
Notes 1 :

Number of Employees on
March 31, 2024

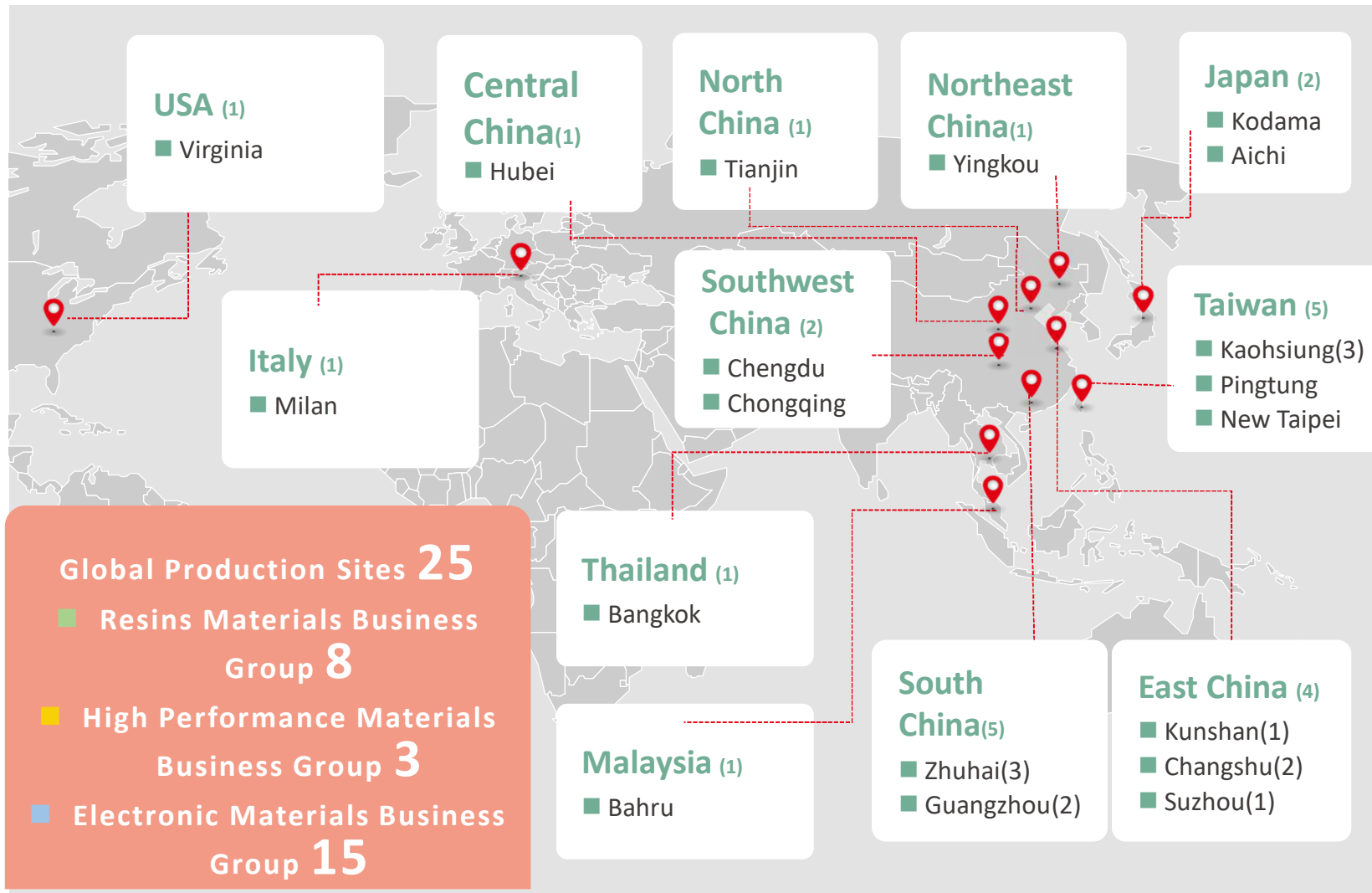
Notes 2:

refer to year 2023
Consolidated statement

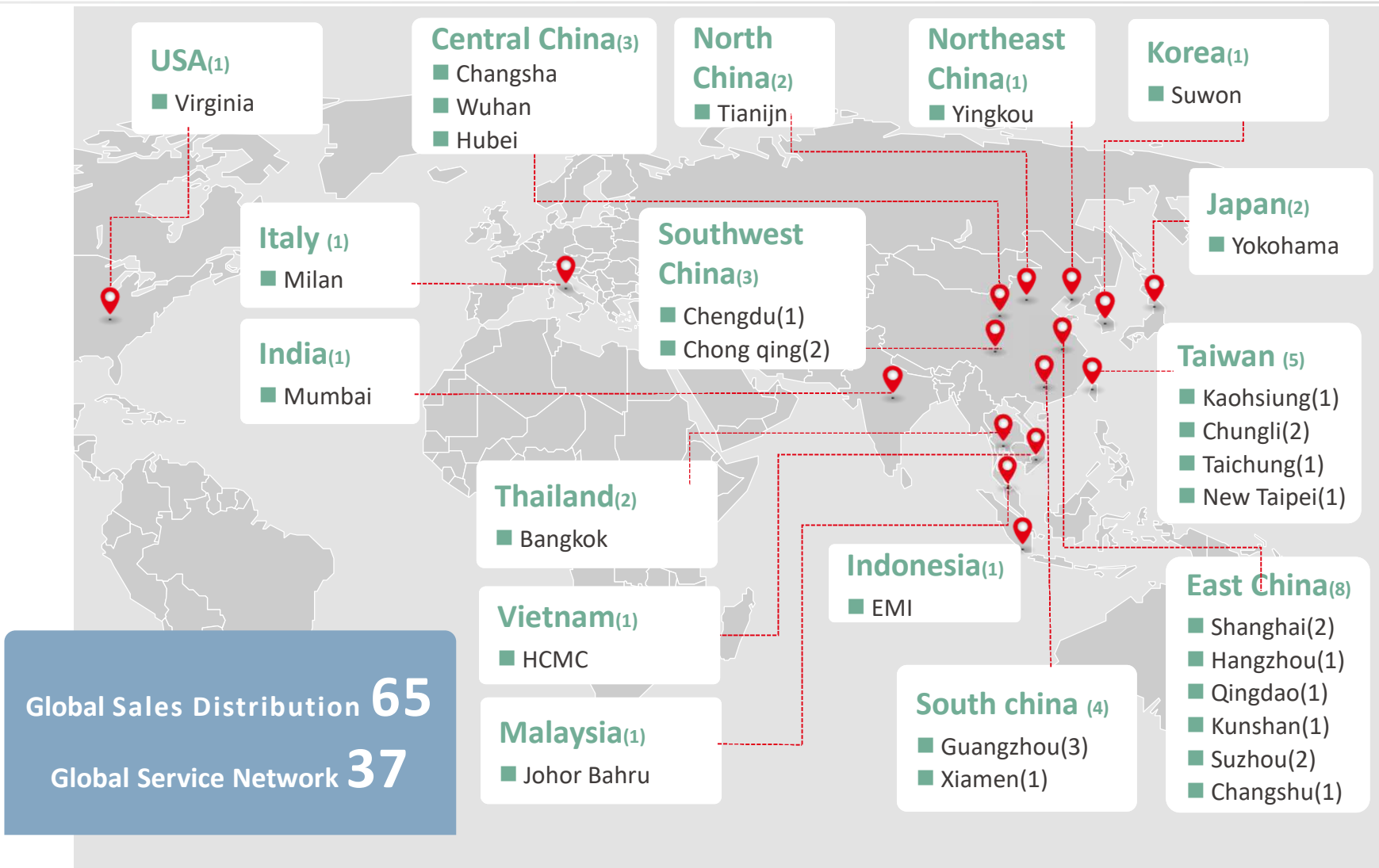
Development Milestones



Global Production Sites



Global Service Network



2023 Product Lines Sales Ratio



Resins Materials 52.1%

- 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 、Wind power materials
- Other Coatings Resin
- Conductive polymer
- Unsaturated Polyester Resin
- Vinyl Ester Resin 、Fire Retardant Resin
- Epoxy System 、Structural Adhesive
- Polyester for Polyurethane Foam

Others 0.6%

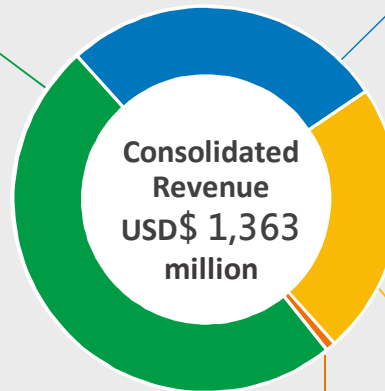
- Enzyme
- antibody for IVD
- Liquid molding compound
- Thermoplastic composite materials
- Hydrophilic film for strip
- Si/C for LIB materials
- Blood glucose test strip material
- High Frequency Materials in 5G

Electronic Materials 26.4%

- 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

High Performance Materials 20.9%

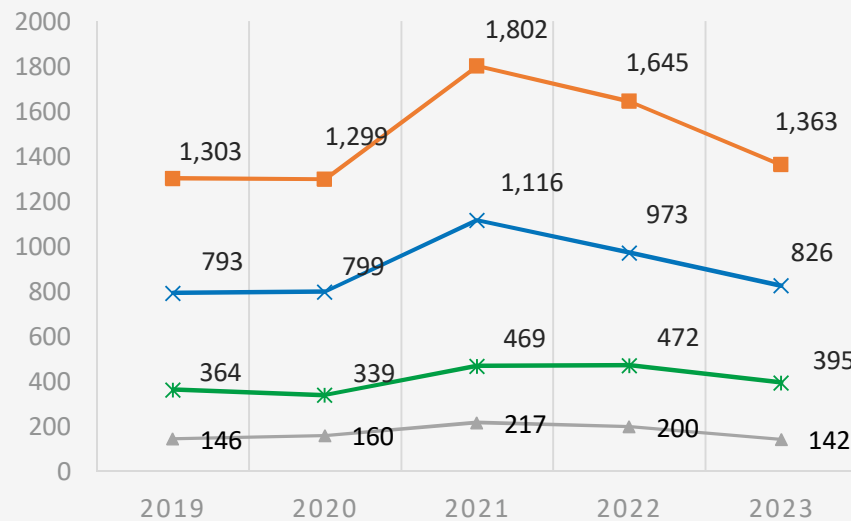
- UV Monomers
- UV Oligomers
- Special Coatings
- UV Adhesives
- Silicone Materials
- 3D UV printing Material 、EMC
- Optical Silicone & Epoxy material - for LED Packaging



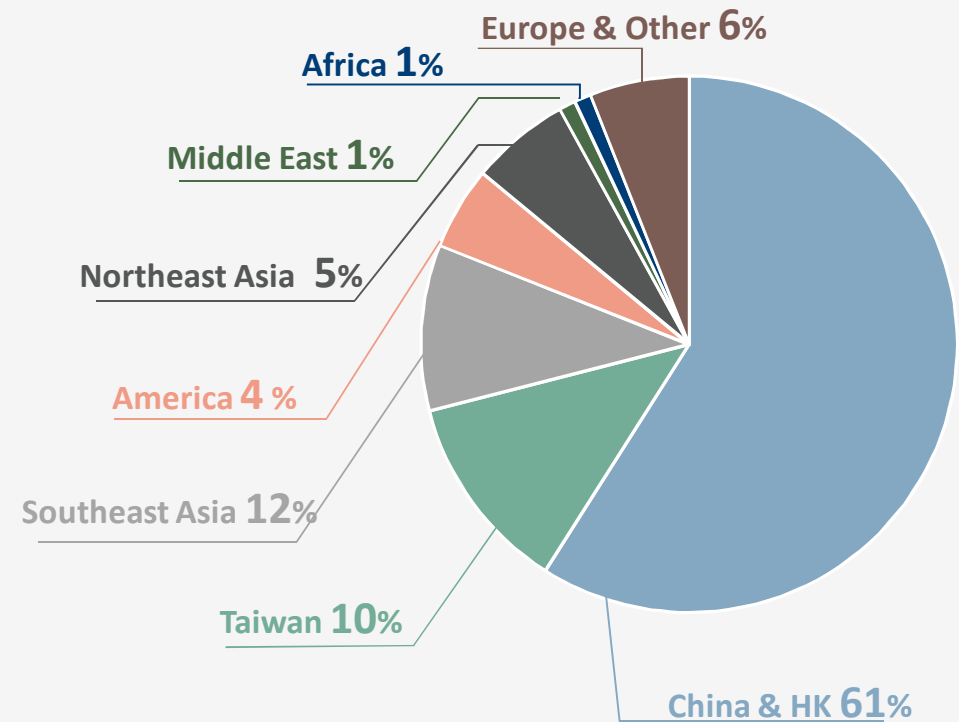
Annual Sales Distribution (In the recent 5 years), 2023 Regional Markets Sales Ratio



■ Unit : USD million



— Group — China — Other — Taiwan





1Q24 Financial results



Financial Information-Balance Sheets & Key Indices



	2024Q1		2023		2022		Unit : TWD Millions
	Amount	%	Amount	%	Amount	%	
Cash and cash equivalents and current financial assets	7,323	<u>12</u>	7,624	<u>13</u>	6,671	<u>11</u>	
Accounts receivable	15,563	<u>26</u>	15,213	<u>26</u>	17,132	<u>29</u>	
Inventories	8,826	<u>15</u>	8,479	<u>14</u>	9,716	<u>16</u>	
Financial assets	3,862	<u>6</u>	3,516	<u>6</u>	3,155	<u>5</u>	
Property, plant and equipment	19,031	<u>32</u>	18,323	<u>31</u>	17,473	<u>29</u>	
Total Assets	60,187	<u>100</u>	58,538	<u>100</u>	59,455	<u>100</u>	
Short-term borrowings	5,221	<u>9</u>	5,557	<u>9</u>	5,364	<u>9</u>	
Current portion of long-term borrowings	4,246	<u>7</u>	3,741	<u>7</u>	3,040	<u>5</u>	
Long-term borrowings	11,797	<u>20</u>	11,858	<u>20</u>	13,988	<u>24</u>	
Total Liabilities	34,147	<u>57</u>	33,322	<u>57</u>	34,384	<u>58</u>	
Total Equity	26,040	<u>43</u>	25,216	<u>43</u>	25,071	<u>42</u>	
Key Financial Ratios							
Average cash collection days	143		141		141		
Average days required for sale	102		99		98		
Current ratio (%)	176		182		206		

Financial Information-Statements of Comprehensive Income



	2024Q1		2023		2022		Unit : TWD Millions
	Amount	%	Amount	%	Amount	%	
Operating Revenue	10,021	100	42,452	100	49,014	100	
Gross profit	2,164	22	8,147	19	10,163	21	
Operating expenses	1,554	16	(6,232)	(15)	(6,886)	(14)	
Operating Income	609	6	1,915	5	3,277	7	
Non-operating income and expenses	98	1	268	1	238	0	
Net profit attributable to owners of the company	446		1,504		2,618		
Key Financial Ratios							
Net profit margin (%)	5		4		5		
EPS	0.38		1.28		2.15		
ROE (%)	7		6		11		

Financial Information-Cash Flow Statements



	2024Q1	2023	2022	Unit : TWD Millions
	Amount	Amount	Amount	
Cash and cash equivalents at the beginning of the year	6,382	5,451	4,289	
Cash flows from operating activities	394	6,514	6,581	
Acquisition of property, plant and equipment	(930)	(3,149)	(2,783)	
Increase (decrease) in borrowings	(20)	(1,107)	681	
Dividends paid	0	(1,414)	(1,860)	
Other items	(95)	250	(1,568)	
Effects of exchange rate changes on cash and cash equivalents	168	(163)	110	
Cash and cash equivalents at the end of the period	5,899	6,382	5,451	
Free cash flow	(536)	3,365	3,799	

Note: Free cash flow=

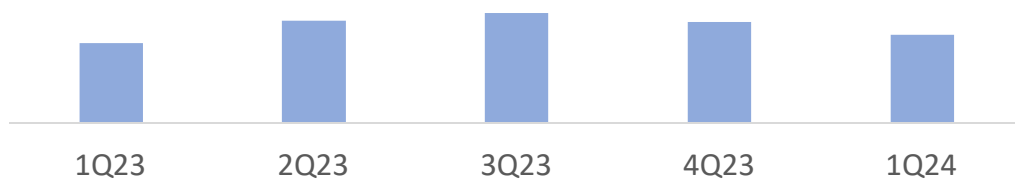
Cash flows from operating activities - Acquisition of property, plant and equipment

Sales Revenues & Gross Profits



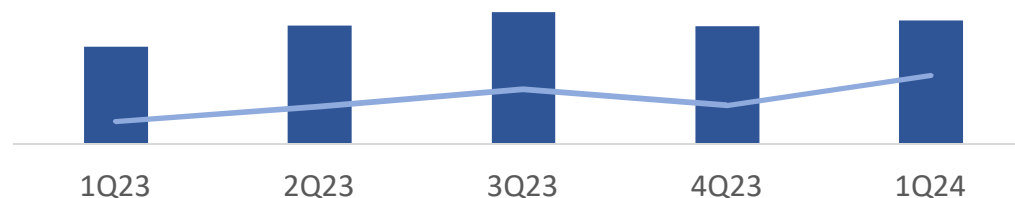
Unit : TWD Millions

Sales
營收



■ Sales	9,575	10,850	11,268	10,759	10,021
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GP
毛利



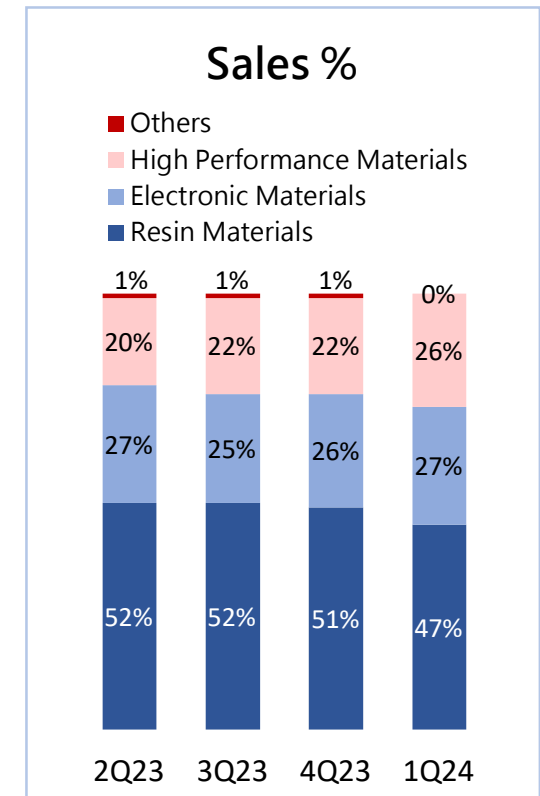
■ GP	1,710	2,070	2,306	2,061	2,164
— GPM	17.9%	19.1%	20.5%	19.2%	21.6%

1Q24	y/y	q/q
Sales	+4.7%	-6.9%
Gross Profits	+26.5%	+5%

Performance by Segment



TWD Millions		1Q Sales		1Q Operating Profits		
		y/y	q/q		y/y	q/q
Resin Materials	4,688	-7%	-15%	129	+39%	+34%
Electronic Materials	2,687	+5%	-5%	297	+151%	+76%
High Performance Materials	2,596	+39%	+11%	346	+140%	+2%





Recap of Recent Major Events





Recap of Recent Major Events

- Eternal Materials Board of Directors approved NTD 0.8 cash dividend for the year of 2023.
(2024/03/08)



Q & A





長興材料

**ETERNAL
MATERIALS**

Elements of Infinite Possibilities

