



長興材料

ETERNAL MATERIALS

Elements of Infinite Possibilities

The top left portion of the slide features a collage of scientific imagery. It includes a periodic table with elements like Strontium (Sr), Barium (Ba), and Radium (Ra) visible. Overlaid on this are chemical structures, including a benzene ring with two hydroxyl groups and a cyclohexane ring with a methyl group. A blue-tinted image of a laboratory flask with a chemical structure inside is also present.

2024 Third Quarter Earnings Conference

Speaker : B.C. Liu, Spokesman / CFO

Date : 2024/11/15

The bottom half of the slide has a light gray background with a large, dark gray triangular shape on the left side. This triangle contains a detailed image of a circuit board, showing various electronic components and traces.

Agenda



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





Profile



Profile



Chairman — Allen K. L. Kao

Core Business — Manufacturing, processing and sales

Founding

1964

Employees

4,850

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

589

R&D expenditures

For sales revenue
3%

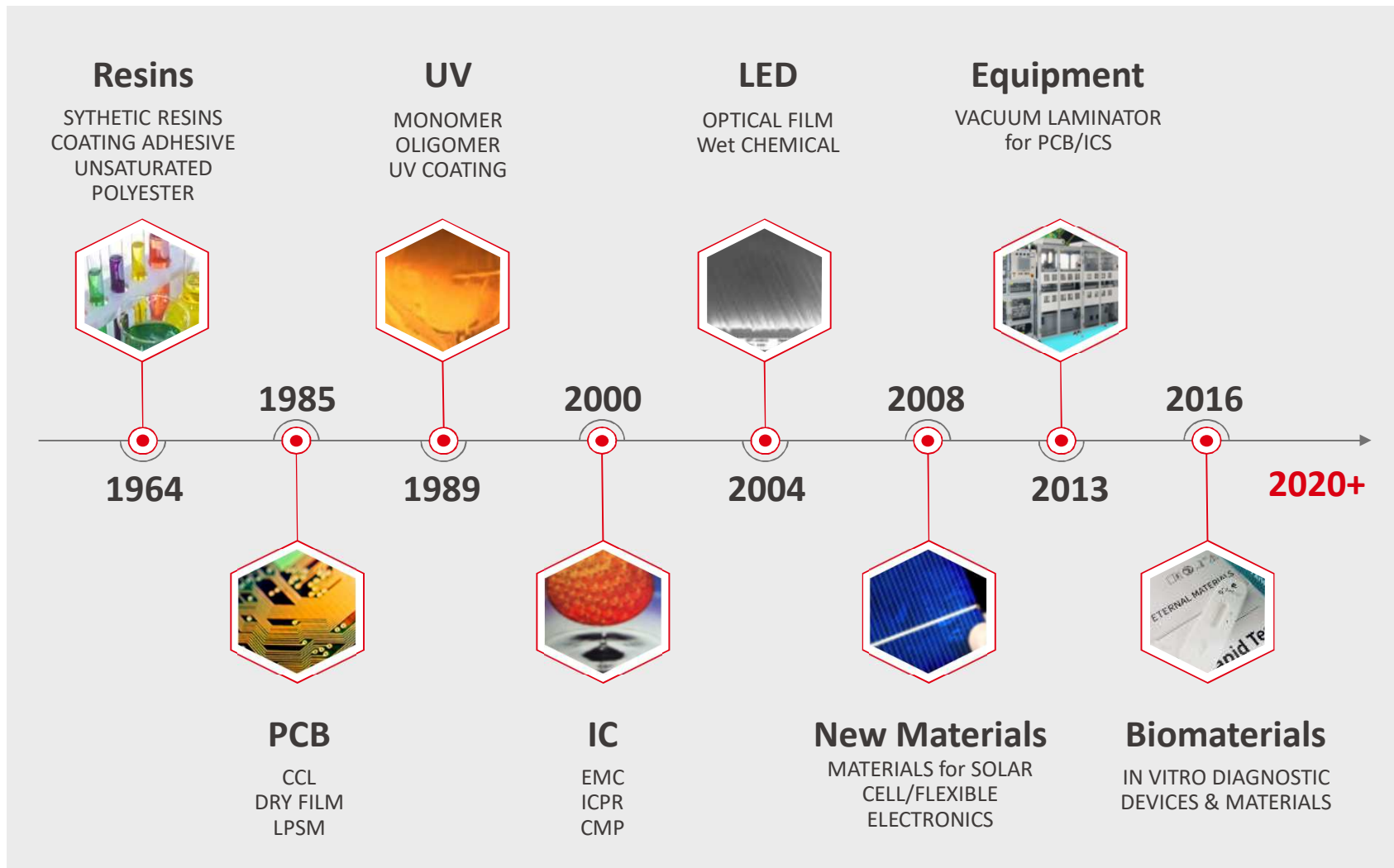
Notes 1 :

Number of Employees on
June 30, 2024

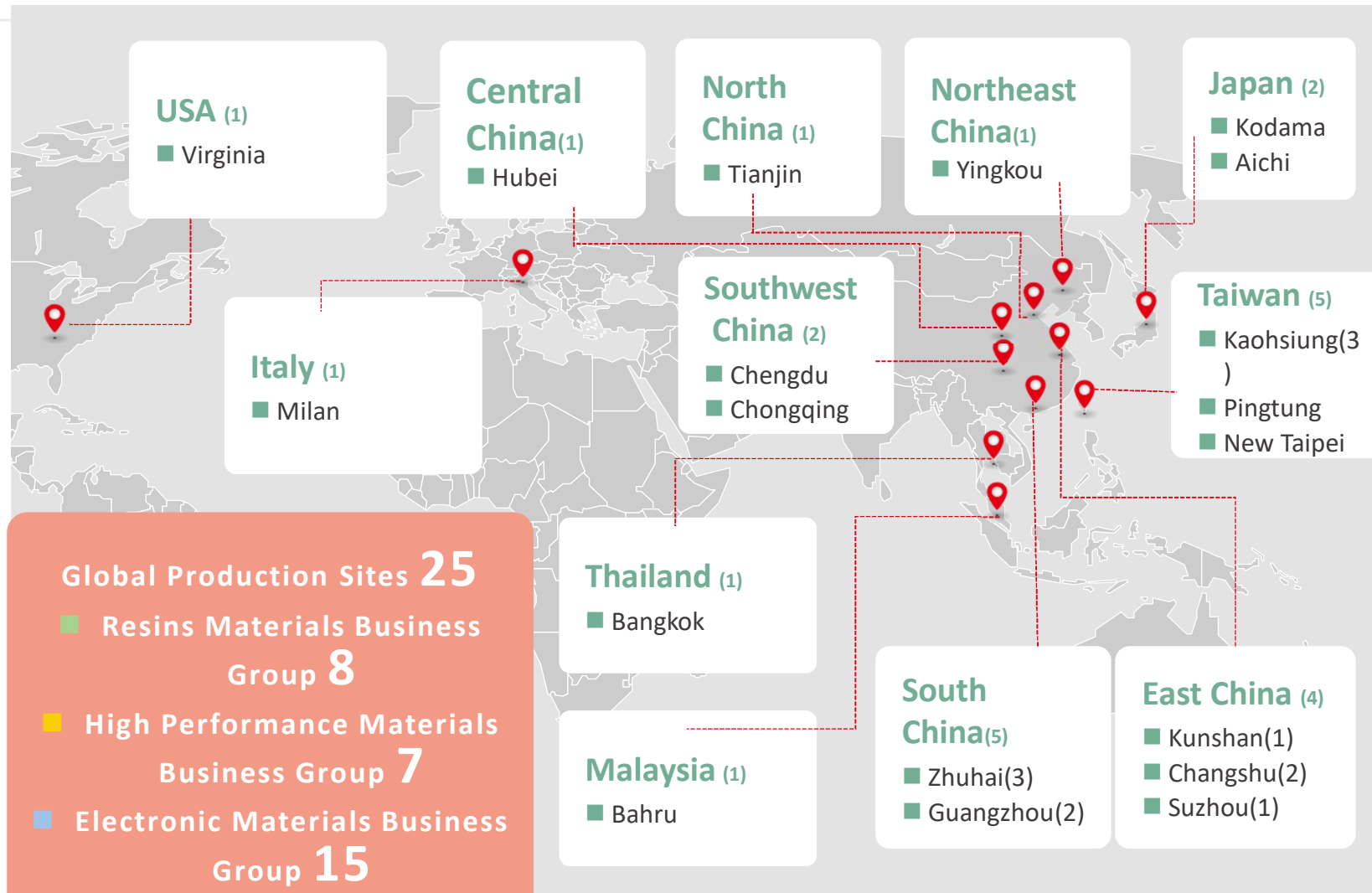
Notes 2:

refer to year 2023
Consolidated statement

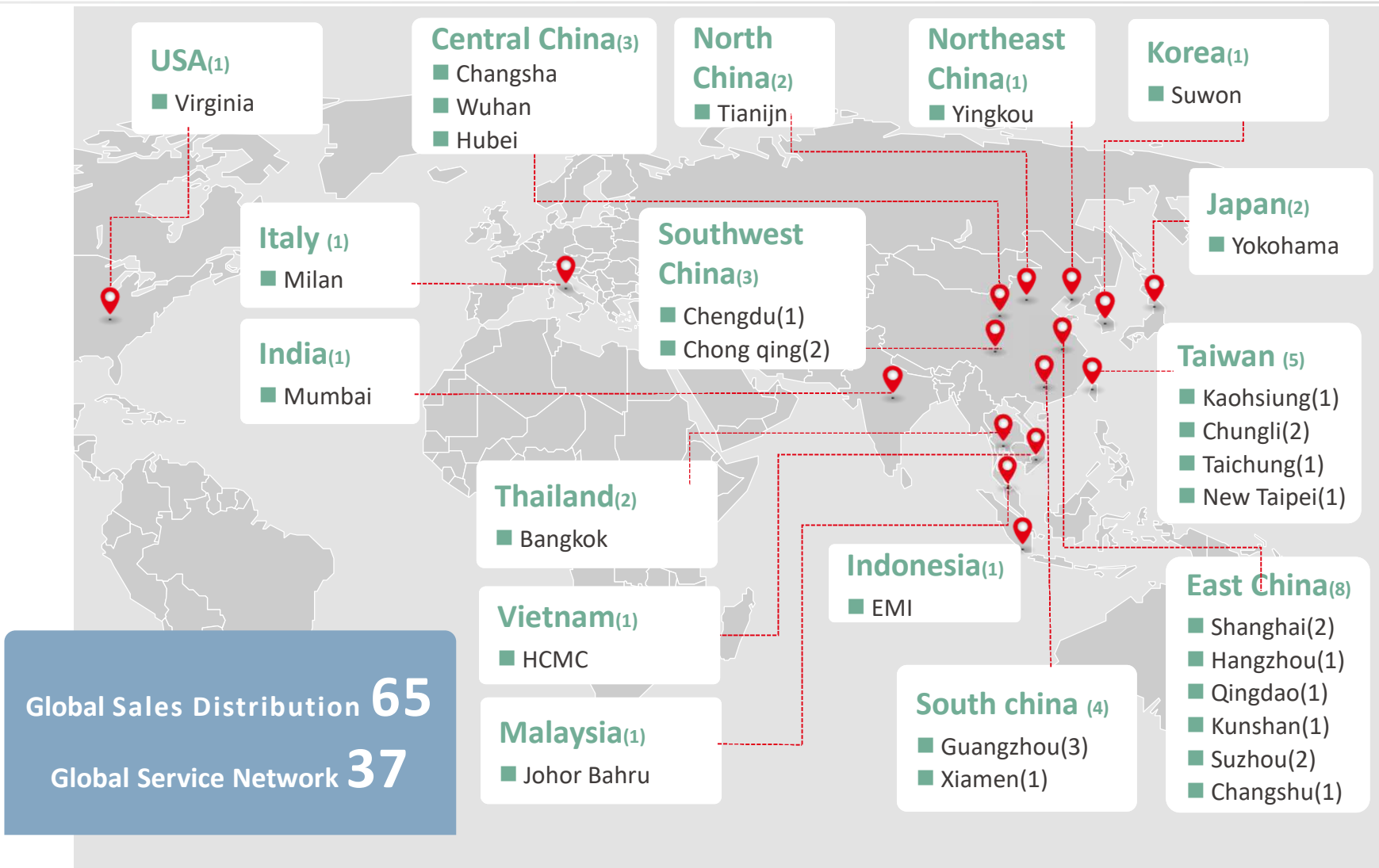
Development Milestones



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%

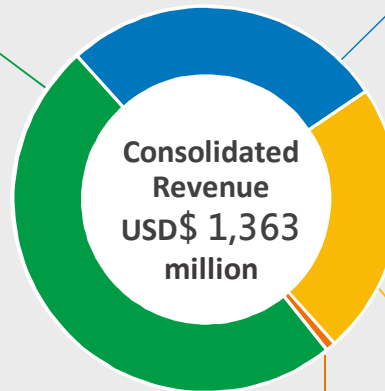
- Enzyme
- antibody for IVD
- Liquid molding compound
- Thermoplastic composite materials
- Hydrophilic film for strip
- Si/C for LIB materials
- Blood glucose test strip material
- High Frequency Materials in 5G

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%

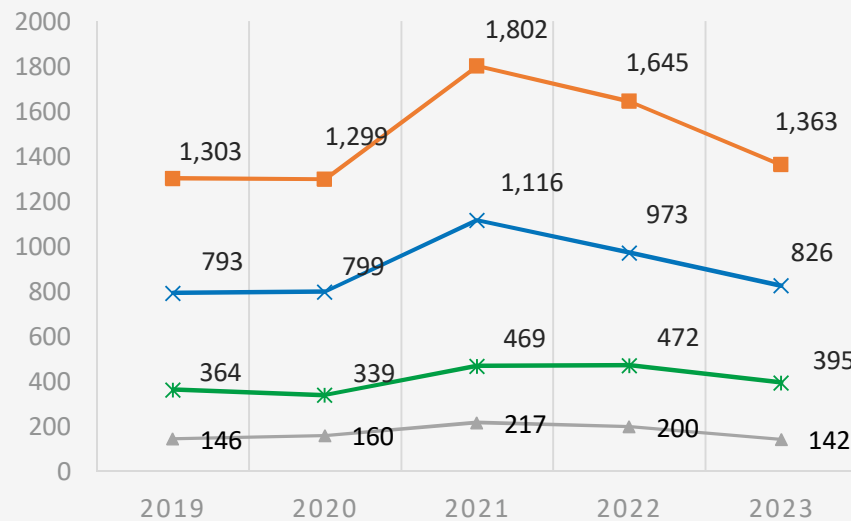
- UV Monomers
- UV Oligomers
- Special Coatings
- UV Adhesives
- Silicone Materials
- 3D UV printing Material 、EMC
- Optical Silicone & Epoxy material - for LED Packaging



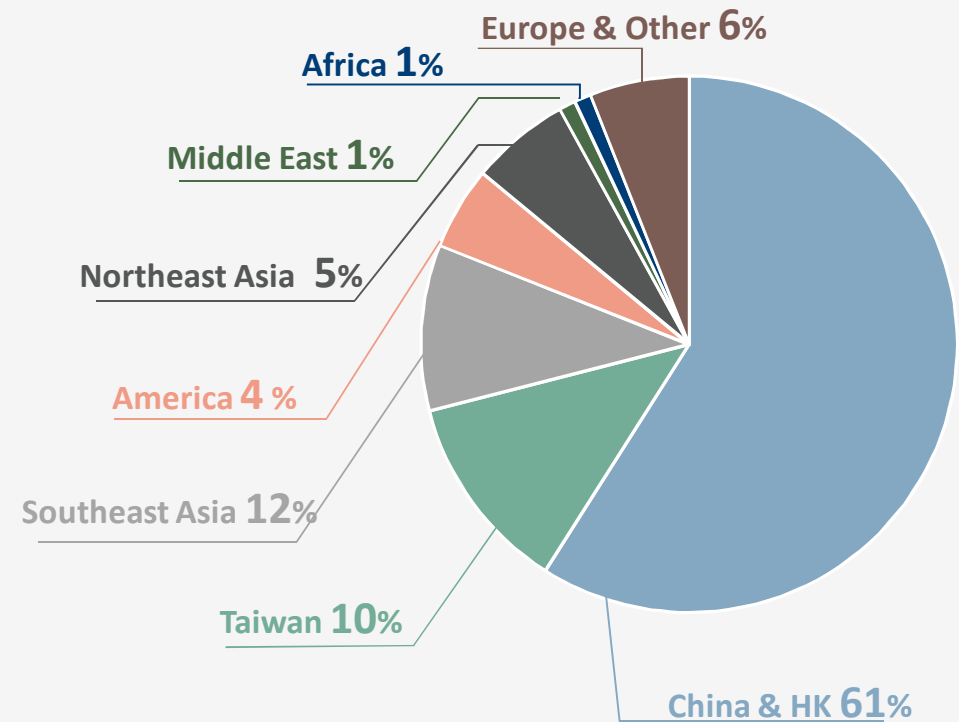
Annual Sales Distribution (In the recent 5 years), 2023 Regional Markets Sales Ratio



■ Unit : USD million



— Group — China — Other — Taiwan





3Q24 Financial results



Financial Information-Balance Sheets & Key Indices



	2024Q3		2023		2022		Unit : TWD Millions
	Amount	%	Amount	%	Amount	%	
Cash and cash equivalents and current financial assets	7,626	<u>12</u>	7,624	<u>13</u>	6,671	<u>11</u>	
Accounts receivable	16,406	<u>26</u>	15,213	<u>26</u>	17,132	<u>29</u>	
Inventories	9,038	<u>14</u>	8,479	<u>14</u>	9,716	<u>16</u>	
Financial assets	4,015	<u>6</u>	3,516	<u>6</u>	3,155	<u>5</u>	
Property, plant and equipment	20,177	<u>32</u>	18,323	<u>31</u>	17,473	<u>29</u>	
Total Assets	62,649	<u>100</u>	58,538	<u>100</u>	59,455	<u>100</u>	
Short-term borrowings	4,077	<u>7</u>	5,557	<u>9</u>	5,364	<u>9</u>	
Current portion of long-term borrowings	4,889	<u>8</u>	3,741	<u>6</u>	3,040	<u>5</u>	
Long-term borrowings	12,671	<u>20</u>	11,858	<u>20</u>	13,988	<u>24</u>	
Total Liabilities	34,611	<u>55</u>	33,322	<u>57</u>	34,384	<u>58</u>	
Total Equity	28,037	<u>45</u>	25,216	<u>43</u>	25,071	<u>42</u>	
Key Financial Ratios							
Average cash collection days	134		141		141		
Average days required for sale	93		99		98		
Current ratio (%)	184		182		206		

Financial Information-Statements of Comprehensive Income



	2024Q3		2023		2022		Unit : TWD Millions
	Amount	%	Amount	%	Amount	%	
Operating Revenue	32,924	100	42,452	100	49,014	100	
Gross profit	6,608	20	8,147	19	10,163	21	
Operating expenses	(4,917)	(15)	(6,232)	(15)	(6,886)	(14)	
Operating Income	1,691	5	1,915	5	3,277	7	
Non-operating income and expenses	327	1	268	1	238	0	
Net profit attributable to owners of the company	1,348		1,504		2,618		
Key Financial Ratios							
Net profit margin (%)	4		4		5		
EPS	1.14		1.28		2.15		
ROE (%)	7		6		11		

Financial Information-Cash Flow Statements



	2024Q3	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	2,407	6,514	6,581	
Acquisition of property, plant and equipment	(2,752)	(3,149)	(2,783)	
Increase (decrease) in borrowings	139	(1,107)	681	
Dividends paid	(943)	(1,414)	(1,860)	
Other items	516	250	(1,568)	
Effects of exchange rate changes on cash and cash equivalents	191	(163)	110	
Cash and cash equivalents at the end of the period	5,941	6,382	5,451	
Free cash flow	(345)	3,365	3,799	

Note: Free cash flow=

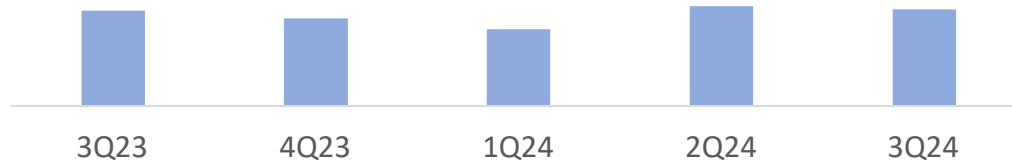
Cash flows from operating activities - Acquisition of property, plant and equipment

Sales Revenues & Gross Profits



Unit : TWD Millions

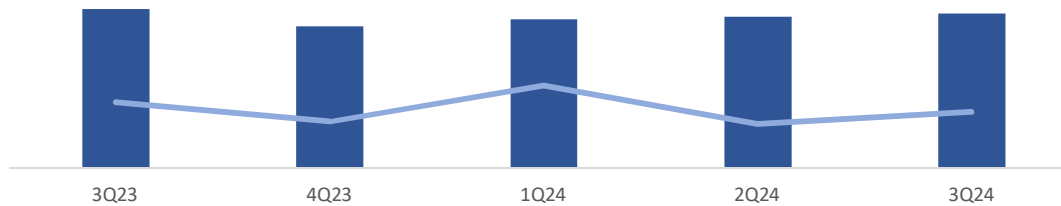
Sales
營收



■ Sales

3Q23	4Q23	1Q24	2Q24	3Q24
11,268	10,759	10,021	11,570	11,334

GP
毛利



■ GP

3Q23	4Q23	1Q24	2Q24	3Q24
2,306	2,061	2,164	2,198	2,246

— GPM

3Q23	4Q23	1Q24	2Q24	3Q24
20.5%	19.2%	21.6%	19.0%	19.8%

3Q24

y/y

q/q

Sales

+0.6%

-2.0%

Gross
Profits

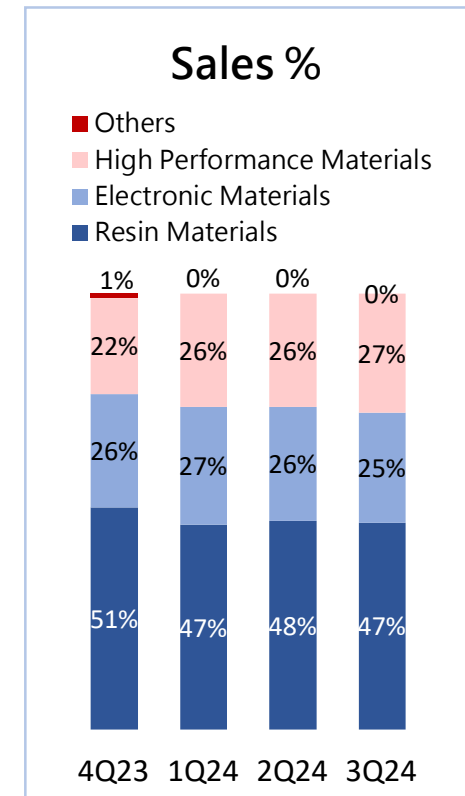
-2.6%

+2.2%

Performance by Segment



TWD Millions		3Q Sales		3Q Operating Profits		
		y/y	q/q	y/y	q/q	
Resin Materials	5,381	-9%	-4%	84	-61%	-56%
Electronic Materials	2,816	-1%	-5%	188	-20%	-24%
High Performance Materials	3,083	+25%	+4%	431	+4%	+32%





Recap of Recent Major Events



Recap of Recent Major Events

- Eternal Materials Board of Directors approved the release of shares of subsidiary Eternal Precision Mechanics Co., Ltd. (2024/06/28)
- Eternal Materials Board of Directors resolved to expand the coating production line of subsidiary Eternal Materials (Malaysia) Sdn.Bhd. (2024/06/28)



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MATERIALS**

Elements of Infinite Possibilities

