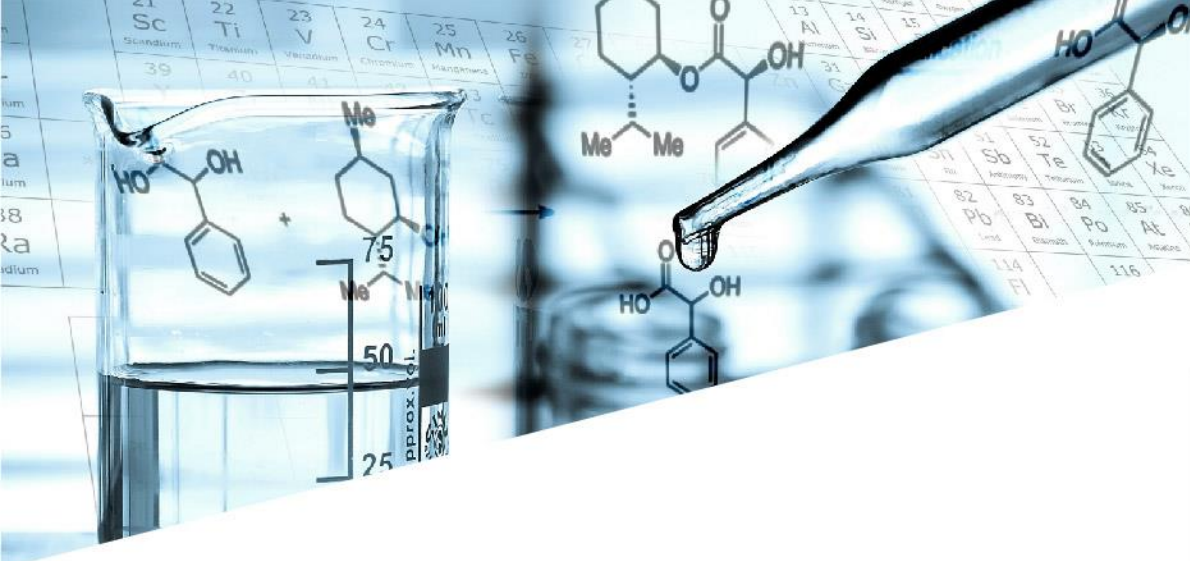




長興材料

ETERNAL MATERIALS

Elements of Infinite Possibilities

The top left portion of the slide features a collage of scientific imagery. It includes a periodic table of elements, a glass beaker containing a liquid with a chemical structure of a diol (1,2-diphenylethane-1,2-diol) overlaid on it, and a test tube with a chemical structure of a carboxylic acid (2,2-dimethyl-3-phenylpropanoic acid) overlaid on it. The background is a light blue gradient.

2023 Third Quarter Earnings Conference

Speaker : B.C. Liu, Spokesman / CFO

Date :2023/11/13

Agenda

1. Profile
2. 3Q23 Financial results
3. Key messages
4. Q&A



Profile - Overview

Chairman — Allen K. L. Kao

Core Business — Manufacturing, processing and sales

Founding

1964

Employees

4,835

Overall Sales
Revenue

USD\$ 1,649
million

Headcounts of
Researcher

597

R&D expenditures

For sales revenue
3%

Production Sites

25

Taiwan 5

China 14

USA 1

Thailand 1

Japan 2

Malaysia 1

Italy 1

Notes 1 :

Number of Employees on
September 30, 2023

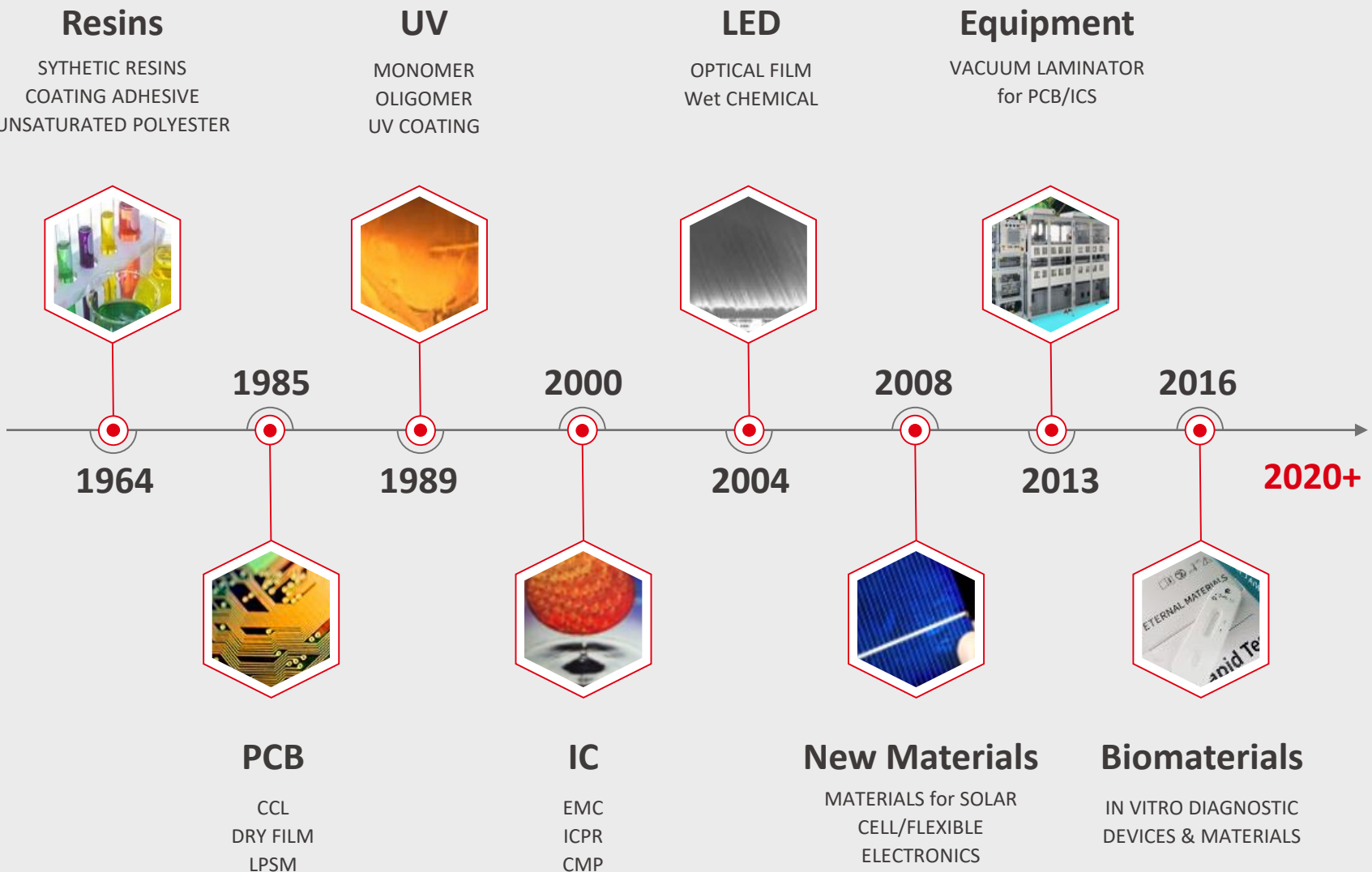
Notes 2 :

Sales Revenue refer to year
2022 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-2022 Product Lines Sales Ratio

Resins Materials 49.1%

- 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
- Other Coatings Resin
- Unsaturated Polyester Resin
- Vinyl Ester Resin 、Fire Retardant Resin
- Epoxy System 、Structural Adhesive
- Polyester for Polyurethane Foam

Others 0.8%

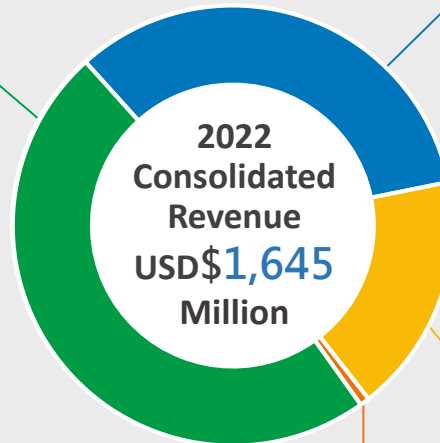
- Enzyme
- antibody for IVD
- conductive polymer
- Liquid molding compound
- Hydrophilic film for strip
- Electrolyte
- Si/C for LIB materials
- Binder

Electronic Materials 27.2%

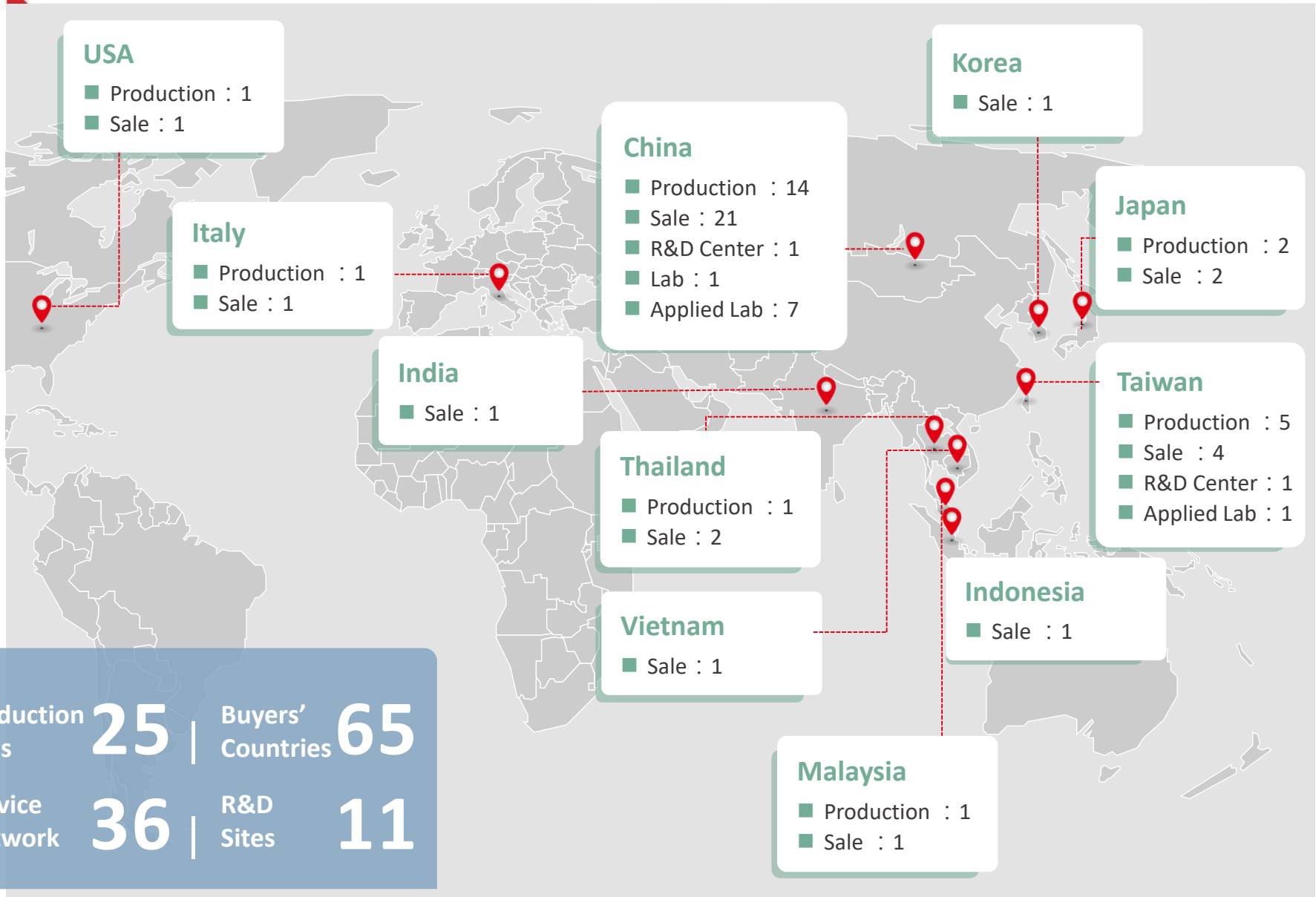
- Dry Film Photoresist
- Dry Film Solder Mask
- UV INK
- Dry Film Photosensitive Polyimide
- Liquid Polyimide Material
- Vacuum Laminator
- Toll Coating Service
- Paper Phenolic Copper Clad Laminate
- Composite Epoxy Copper Clad Laminate

High Performance Materials 22.9%

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



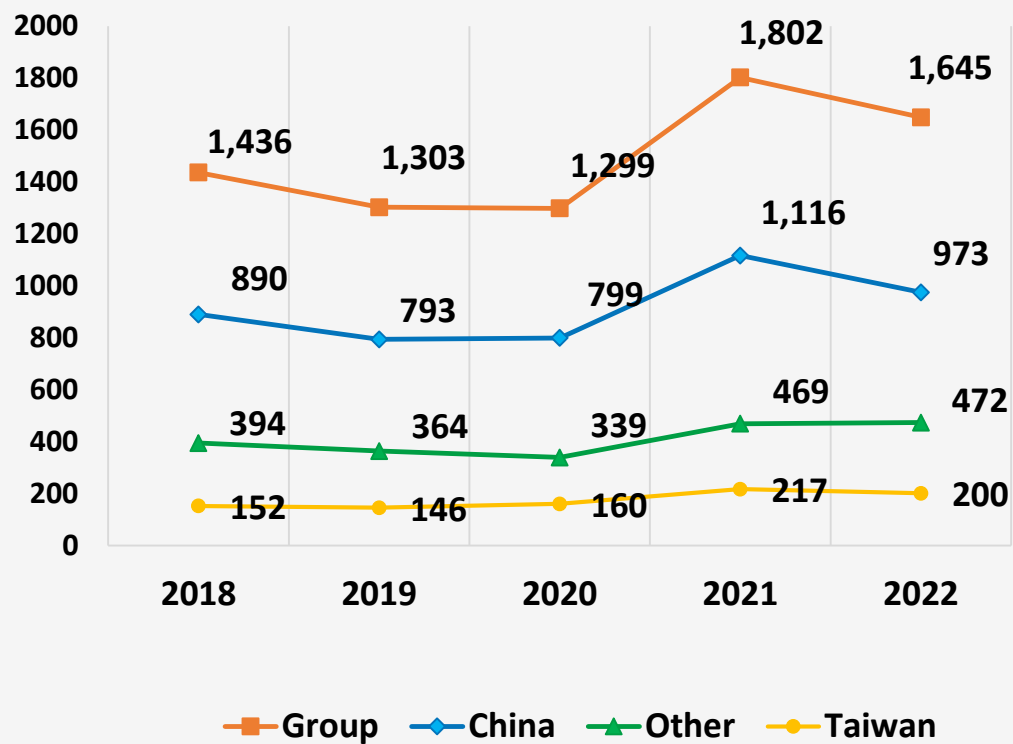
Profile-Global Sites : Production / Sales / R&D



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



■ Unit : USD million



Financial Information-Balance Sheets & Key Indices



Unit : TWD Millions

	2023Q3		2022		2021	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents and current financial assets	7,703	<u>13</u>	6,671	<u>11</u>	4,444	<u>7</u>
Accounts receivable	16,671	<u>28</u>	17,132	<u>29</u>	20,071	<u>33</u>
Inventories	8,601	<u>14</u>	9,716	<u>16</u>	10,678	<u>18</u>
Financial assets	3,479	<u>6</u>	3,155	<u>5</u>	3,506	<u>6</u>
Property, plant and equipment	18,188	<u>30</u>	17,473	<u>29</u>	16,369	<u>27</u>
Total Assets	60,093	<u>100</u>	59,455	<u>100</u>	60,536	<u>100</u>
Short-term borrowings	6,275	<u>10</u>	5,364	<u>9</u>	4,588	<u>8</u>
Current portion of long-term borrowings	687	<u>1</u>	3,040	<u>5</u>	4,326	<u>7</u>
Long-term borrowings	15,555	<u>26</u>	13,988	<u>24</u>	12,506	<u>21</u>
Total Liabilities	34,751	<u>58</u>	34,384	<u>58</u>	35,869	<u>59</u>
Total Equity	25,342	<u>42</u>	25,071	<u>42</u>	24,667	<u>41</u>

Key Financial Ratios

Average cash collection days	148	141	138
Average days required for sale	100	98	85
Current ratio (%)	219	206	190

Financial Information-Statements of Comprehensive Income



Unit : TWD Millions

	2023Q3(YTD)		2022		2021	
	Amount	%	Amount	%	Amount	%
Operating Revenue	31,693	100	49,014	100	50,471	100
Gross profit	6,086	19	10,163	21	10,694	21
Operating expenses	(4,628)	(15)	(6,886)	(14)	(6,599)	(13)
Operating Income	1,458	5	3,277	7	4,095	8
Non-operating income and expenses	140	0	238	0	337	1
Net profit attributable to owners of the company	1,095		2,618		3,549	
Key Financial Ratios						
Net profit margin (%)	3		5		7	
EPS	0.93		2.15		2.86	
ROE (%)	6		11		15	

Financial Information-Cash Flow Statements



Unit : TWD Millions

	2023Q3(YTD)	2022	2021
	Amount	Amount	Amount
Cash and cash equivalents at the beginning of the year	5,451	4,289	6,108
Cash flows from operating activities	4,716	6,581	750
Acquisition of property, plant and equipment	(2,210)	(2,783)	(2,049)
Increase (decrease) in borrowings	112	681	1,743
Dividends paid (Including Capital reduction)	(1,414)	(2,481)	(1,860)
Other items	(468)	(947)	(216)
Effects of exchange rate changes on cash and cash equivalents	47	110	(187)
Cash and cash equivalents at the end of the period	6,234	5,451	4,289
Free cash flow	2,506	3,799	(1,299)

Note: Free cash flow=

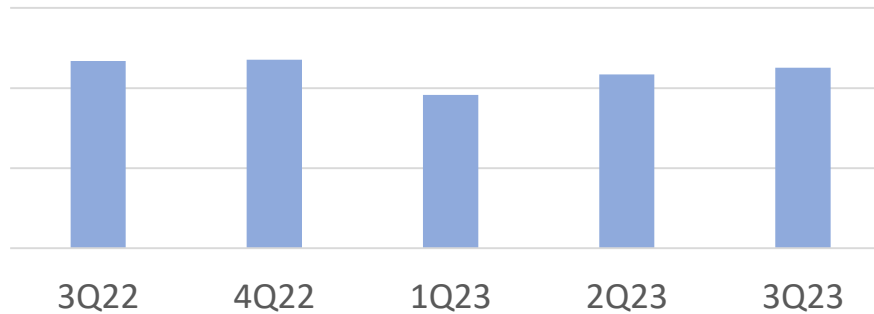
Cash flows from operating activities - Acquisition of property, plant and equipment

Sales Revenues & Gross Profits



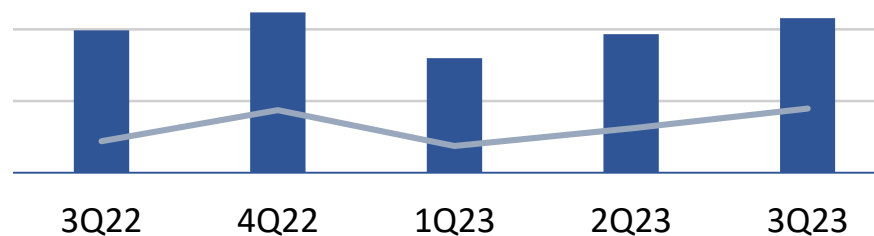
Unit : TWD Millions

Sales
營收



■ Sales	11,695	11,771	9,575	10,850	11,268
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GP
毛利



■ GP	2,124	2,395	1,710	2,070	2,306
— GPM	18.2%	20.4%	17.9%	19.1%	20.5%

3Q22

y/y

q/q

Sales

-3.7%

+3.9%

Gross
Profits

+8.6%

+11.4%

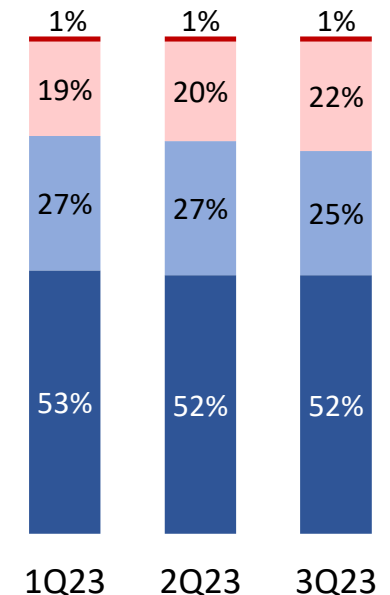
Performance by Segment



TWD Millions	3Q Sales		3Q Operating Profits			
		y/y	q/q		y/y	q/q
Resin Materials	5,884	-1%	+5%	217	+2525%	+164%
Electronic Materials	2,845	-8%	-4%	235	+1%	-7%
High Performance Materials	2,463	-4%	+12%	415	+20%	+68%

Sales %

- Others
- High Performance Materials
- Electronic Materials
- Resin Materials



Recap of Recent Major Events

- Eternal Materials Board of Directors resolved the first cash capital increase plan in 2023 for subsidiary Eternal Precision Mechanics Co., Ltd. (2023/11/10)
- Eternal Materials Board of Directors resolved to waive participation in the cash capital increase plan for Eternal Precision Mechanics Co., Ltd. (2023/11/10)
- Eternal Materials Board of Directors resolved to issue the first employee stock options in 2023 for Eternal Precision Mechanics Co., Ltd. (2023/11/10)
- Eternal Materials Board of Directors resolved to establish the Nominating Committee and the appointment of its members. (2023/11/10)



Q & A





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