



Taiwan Thick-Film Industries corp. 2022 Q4 Invest conference

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Disclaimer

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Taiwan Thick-Film Industries Corp.

Outline

- Company introduction
- Review of 2022 Q1-Q3 revenue
- Prospect
- Q&A

About

Be the Light of Your Soul!

Taiwan Thick-Film Industries Corp. (hereinafter referred to as the Company) was established in 1982. Upholding “research, development, innovation, and progress” , the Company has successively built up SMT team and Backlight Module team to accumulate rich experiences in manufacturing transformers, backlight modules, LED light bars, light guide plates and other related products, adopted by major computer brands.

While expanding its business and responding to market demand and trends, the Company has established the Cultural and Creative Business Unit to be responsible for the world-renowned image licensing goods cooperation business. We have searched for the licensed images that have been topical in the market and used our professional planning, design, production, and access experiences and capabilities to maximize the combined effect of licensed images and goods. Our continuous innovation brings new and innovative feelings to consumers.

The Company's backlight modules, LED light bar products and cultural and creative business unit have all become indispensable due to using “innovation” and “creativity” to illuminate goals and create value!

Information

Taiwan Thick-Film Industries Corp.

Date of Establishment: November 13, 1982

Company Address: 3F., No.7, Ln.332, Siyuan Rd., Xinzhuang Dist., New Taipei City 242, Taiwan(R.O.C.)

Number of Employees: 516 (20 at Taiwan Company, 236 at Dongguan Branch Office, 222 at Kunshan Branch Office, 38 at Suzhou Branch Office)

Paid-in Capital: NT\$ 371 Million

Consolidated revenue in 2021: NT\$ 1,913,612,000

Main Products: Backlight Modules, Light Bars, LCM Modules, Cultural and Creative Business, ASA Reinforced Plastic Corrugated Sheet / Roofing Sheet.

Global Office



Taiwan Thick-Film Industries Corp.

Business, R&D, Cultural and Creative Business

Address: 3F., No. 7, Ln. 332, Siyuan Rd., Xinzhuang Dist., New Taipei City



Hualon Electionics Co.,Ltd.

Transformer, backlight module, LCM module assembly

Address: Tiantou Industrial Management District, Hengli Town, Dongguan City, Guangdong Province



Tailon Electronics (Kunshan) Co., Ltd

LIGHT BAR 、 SMT

Address: No. 569, Zhenyang Road, Zhangpu Town, Kunshan City, Jiangsu Province

Comparison of consolidated comprehensive profit and loss between 2011 and the first three quarters of 2011

Unit: NT\$ thousand

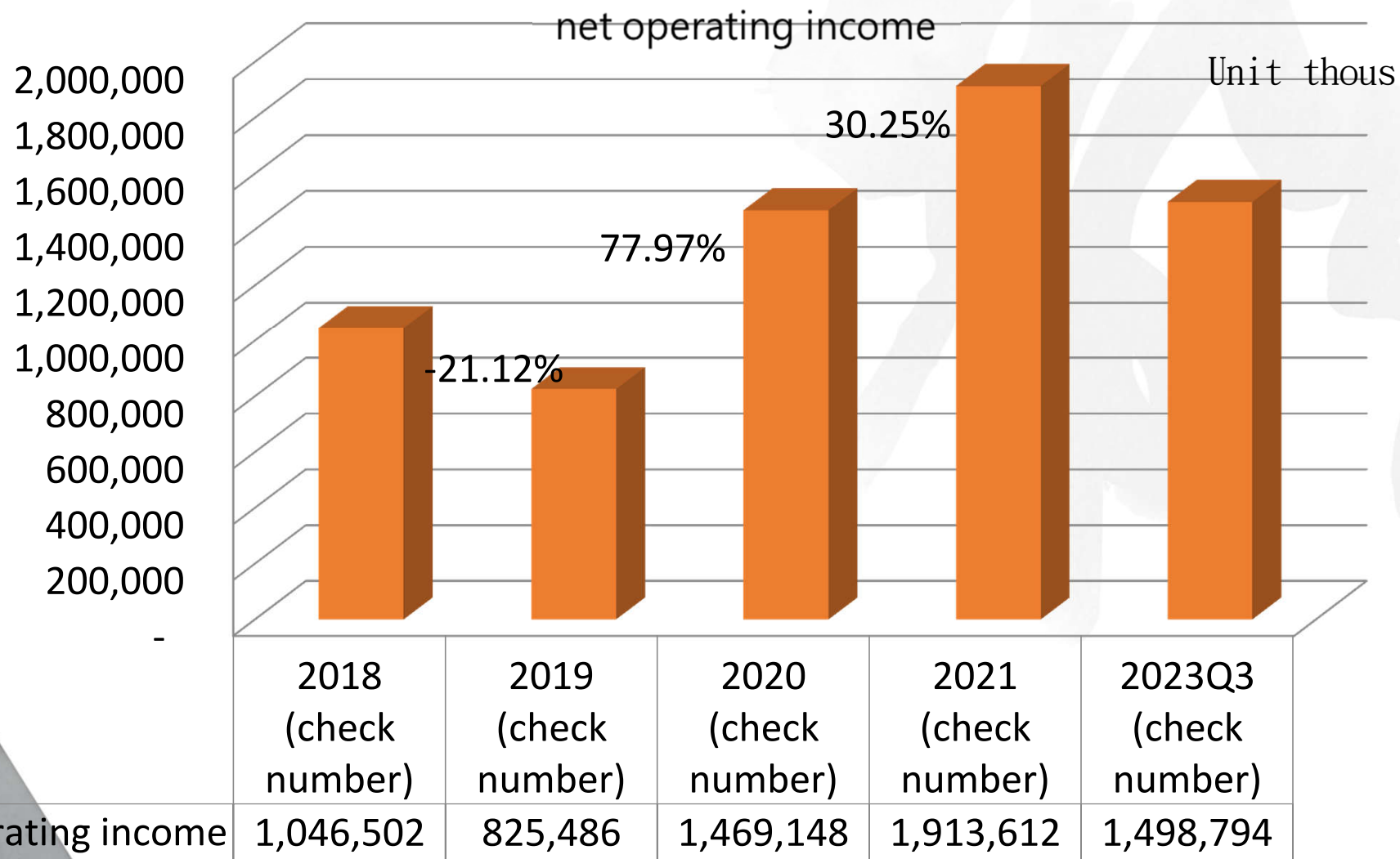
subject	2022/1-9		2021/1-9		YOY%	
net operating income	1,498,794	100%	1,404,977	100%	93,817	7%
Operating costs	1,342,851	90%	1,254,445	89%	88,406	7%
Gross profit (loss) from operations	155,943	10%	150,532	11%	5,411	4%
Operating expenses	142,001	9%	109,490	7%	32,511	30%
Operating profit	13,942	1%	41,042	4%	(27,100)	-66%
Non-operating income and expenses	12,840	1%	(5,855)	-1%	18,695	319%
Net profit (loss) before tax for the period	26,782	2%	35,187	3%	(8,405)	-24%
Tax expense (income)	5,325	0%	5,022	0%	303	6%
Profit (loss)	21,457	2%	30,165	3%	(8,708)	-29%
Earnings per share (yuan)	0.58		0.87			-33%

Consolidated Balance Sheet and Key Analysis

Unit: NT\$ thousand

subject	2022/9/30	%	2021/12/31	%	2021/9/30	%
Total current assets	1,216,809	90	1,157,069	90	1,132,357	91
Total non-current assets	141,762	10	122,435	10	115,986	9
Total assets	1,358,571	100	1,279,504	100	1,248,343	100
Total current liabilities	887,883	65	854,875	67	830,020	65
Total non-current liabilities	20,199	2	15,687	1	12,610	2
Total liabilities	908,082	67	870,562	68	842,630	67
Total equity	450,489	33	408,942	32	405,713	33
Book Value per Share	12.14		11.02		10.93	
Debt Ratio (%)	66.84		68.04		67.50	
Current Ratio (%)	137.05		135.35		136.43	

Annual Consolidated Revenue



Backlight Module & LCD Module

The backlight module is one of the important components of the liquid crystal display (LCD). As the liquid crystal layer does not produce light by itself, the light must be produced by the backlight source, penetrates the polarizer, glass substrate, and liquid crystal layer in the panel of the liquid crystal screen sequentially, and finally enters the human eye, to form images and achieve the display function.

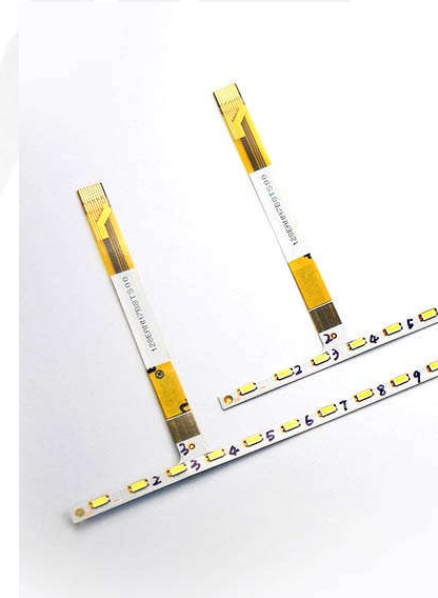
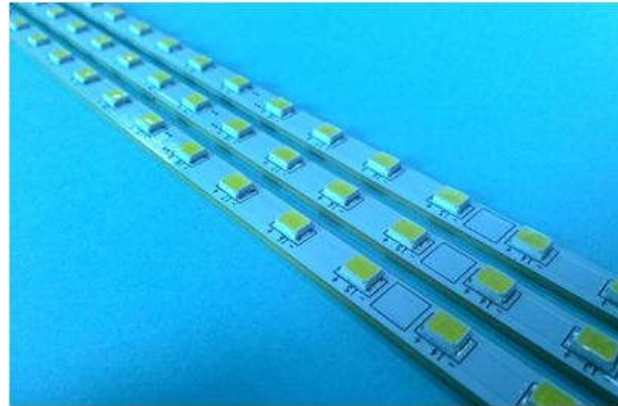
The Company established a backlight module factory in 2003, to produce 5" to 23" backlight products. In addition to the production of backlight modules for desktop screens and notebook-size screens, to respond to the needs of the smart mobile market in recent years, we have focused on small and medium-sized products for in-vehicle computers and industrial control applications, with a core team of professional B/L engineers providing services to customers. Besides the backlight module assembly line, a complete SMD factory has been built, and a number of key technologies have been mastered to design key components such as plastic frames, light guide plates and light bars to meet customer requirements.

The factory has been certified by: ISO9001, ISO14001, TS16949 & QC080000

LED Light Bar

The Company has aggressively cultivated the market for backlight modules. In addition to the backlight module assembly line, the Company has also built a complete SMD factory and mastered a number of key technologies to design key components such as plastic frames, light guide plates and LED light bars. Applications include consumer electronics, industrial control, medical, military, automotive and other products.

The factory has been certified by: ISO9001 · ISO14001 · IATF16949



Prospect

- The trend of large screen and multi screen
With the rapid development of the internet, IoT, and autopilot, the automotive display is leading automotive industry into an era of smart cockpit. The conclusion to the future automotive development is "Automobile will be like a mobile smartphone."
- No matter it is an electric car or a gasoline car, the demand for interior panel and display are gradually increasing. Including the dashboard, console, passenger's seat, back seat, and rear mirror, there are 4~5 screens in total for one vehicle. It is estimated that the shipment volume CAGR (Compound Annual growth rate) of automotive displays will be 5% by 2023~2025, and a vehicle equipped with 3 or more screens will increase to about 20% by 2030.
- In addition, a larger size is also a key point. The console has been expanded to about 12~13 inches compared to the smaller one in the past.
- For expanding the size of console screen, applying the full lamination technology to the manufacturing process as a prior step in assembly brings a higher production yield rate and resolution which becomes the mainstream of the large screen touch panel production process.

Prospect

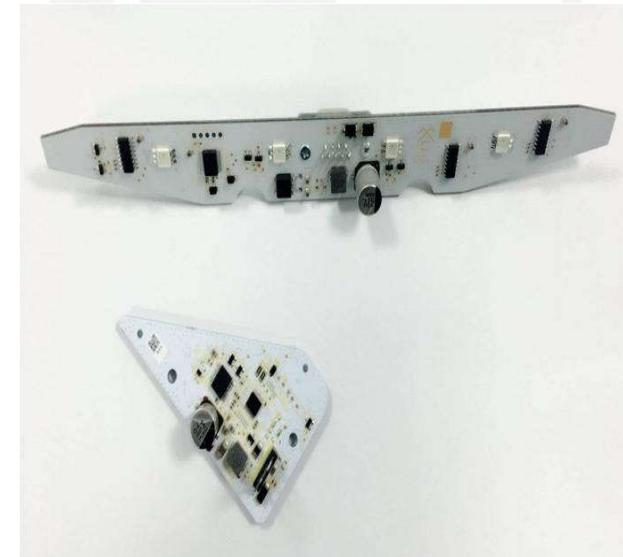
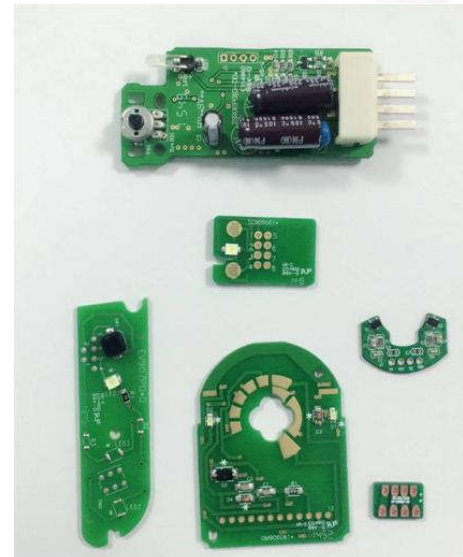
TTFI is dedicated to automotive LCD module development since 2020 Q4. The main customers are China local car dealerships. The products started small volume production in the second half of last year. With the teamwork effort, the number of car dealerships and items that have design-in is increasing. It is expected there are several products that going to increase the volume of production after Q4 of this year. Currently, there are 6 out of the top 10 China local car dealerships that have cases under mass production and design-in. Except for the top 10 car dealerships, there are many China new energy car dealerships also included in the cases that are testing. In September this year, an optically full lamination in-cell automotive touch display officially entered into mass production which expands the product depth.



Automotive/New Energy Automotive Electronics

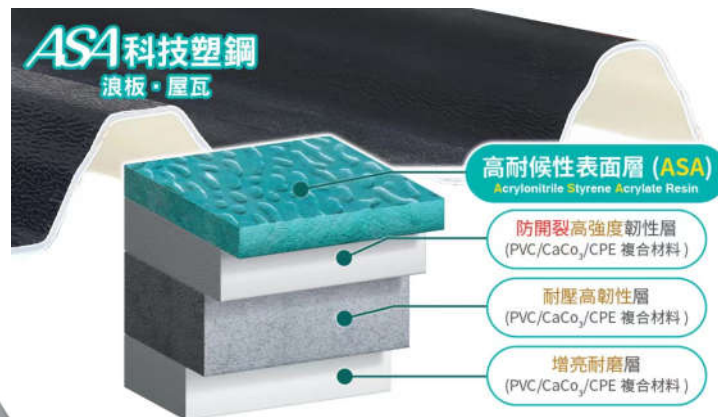
With the continuous growth of the global automotive market and investment in the new energy automotive industry, the Asian and Chinese regional market will remain the largest one in the world and will continue to expand. The Company has integrated technical resources and joined the production supply chain of automotive/new energy automotive mainboards, as well as continued to supply main boards for automotive switchboards, door locks, and charging instructions for well-known auto makers.

- Vehicle charging station main boards
- Vehicle charging indicator main boards
- Car door lock main boards
- Automotive control switches
- Anti-Pinch window lift motor main boards
- Vehicle indicator light switches

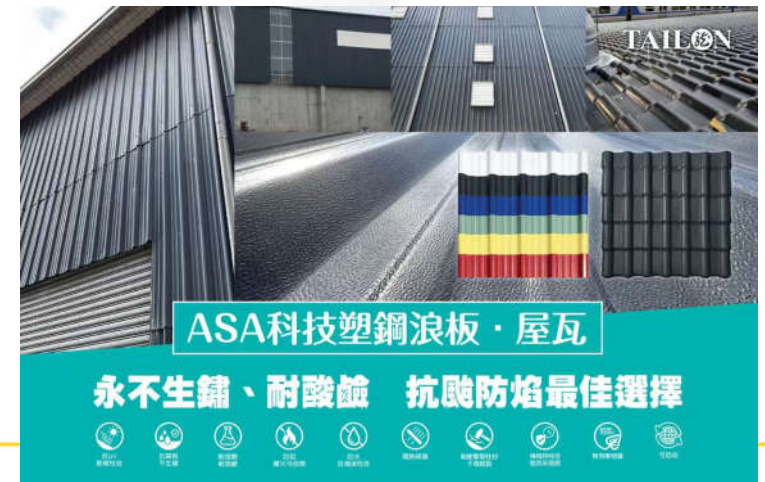


ASA Reinforced Plastic Corrugated Sheets / Roofing Sheets

- The company has introduced the best replacement for steel sheets, the latest ASA Reinforced Plastic, which feature eco-friendly, lightweight, and durable.
- Iron sheet steel construction is a popular architectural form in Taiwan for its low cost and shorter construction time. But iron sheet material needs to be replaced after a few years because it is easy to get rusty and out of shape that caused by the corrosion of salt, acid, and alkali.
- ASA Reinforced Plastic Sheet is produced by the high-performance co-extrusion equipment which is able to process a surface layer (ASA) and three PVC layers in one time. The formula of each layer is designed according to the characteristics of the product. The ASA resin on the surface is resistant to acid, alkali, corrosion and UV light. Staying in a harsh environment will not lead to a decline in the product performance. It is one of the best plastic materials with high weather resistance, and is 10 times higher than ABS. The other three PVC layers contain good mechanical properties, strong acid and alkali resistance and stable chemical properties which are widely used as building materials.



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Business Philosophy

Perseverance, Learning, Composure and Optimism

are the four pillars of the Company's business philosophy.

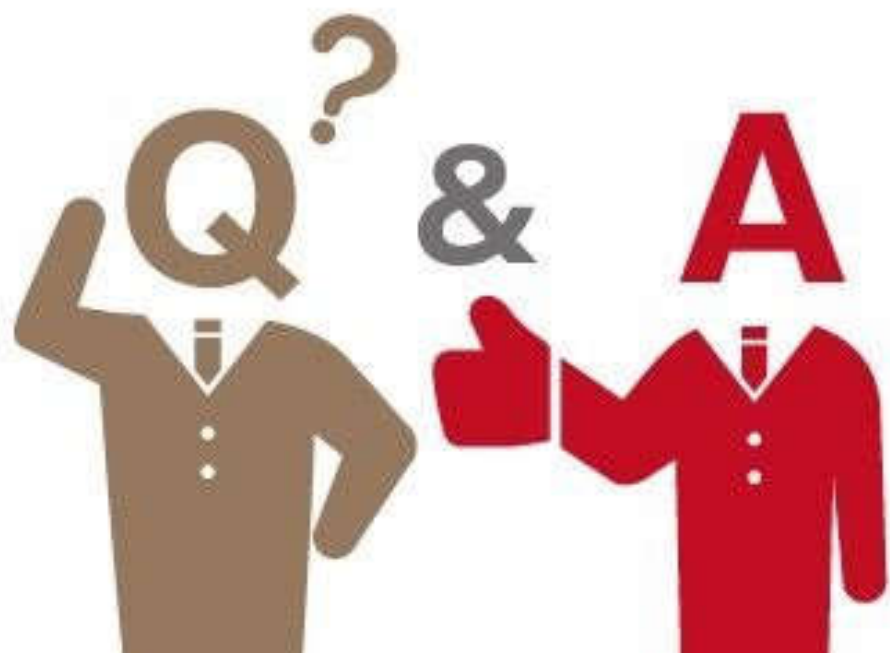
Since its establishment more than 30 years ago, the Company has seen the most glorious period in the electronics industry in Taiwan and the changes in the trend in China as the world's factory. In the face of major changes in the environment, the Company has continuously revised and improved its goals and methods, to find the right direction in chaotic situations and continue growing in a steady pace.

Research, Development, Innovation and Progress

are the four major guidelines for the Company's efforts.

The optoelectronics industry is changing with each passing day. The Company has been devoting itself to researching the trend of technology development and has been analyzing the context of the market calmly, to continuously achieve outstanding results in the research and development of new products and creation of value products, as well as provide perfect products. Our customers are well-known brands at home and abroad.

線上提問



Thank You!

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