



ITEQ Corporation

2021 Fourth Quarter Earnings Result

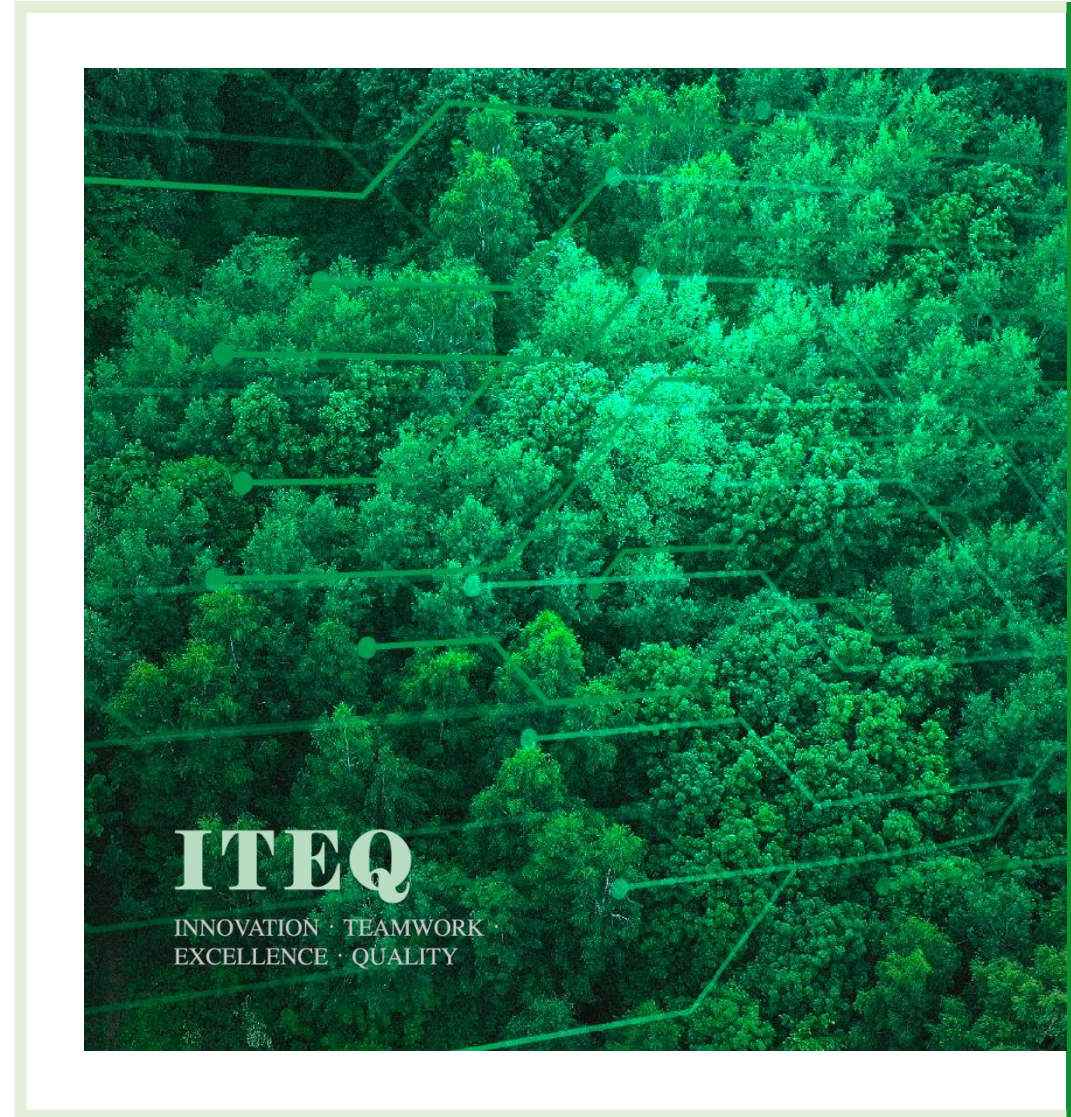
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March 2022

Disclaimer Statement

- This presentation and release contain “forward-looking statements” which may include projections of future results of operations, financial condition or business prospects based on our own information and other sources.
- Our actual results of operations, financial condition or business prospects may differ from those expressed or implied in these forward-looking statements for a variety of reasons, including but not limited to market demand, price fluctuations, competition, international economic conditions, supply chain issues, exchange rate fluctuations and other risks and factors beyond our control.
- The forward-looking statements in this release reflect the current belief of ITEQ as of the date of this release. ITEQ undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.



Company Overview



Establishment
April 10th, 1997



Headquarters
HsinChu, Taiwan



Capital
NT\$3,830 million



Employees
~4,000



Chairman
Dennis Chen



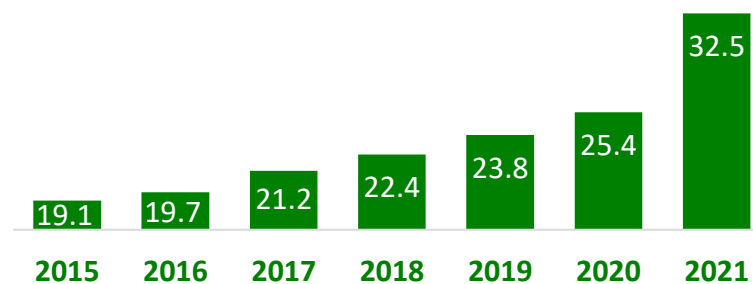
CEO
Audrey Tsai



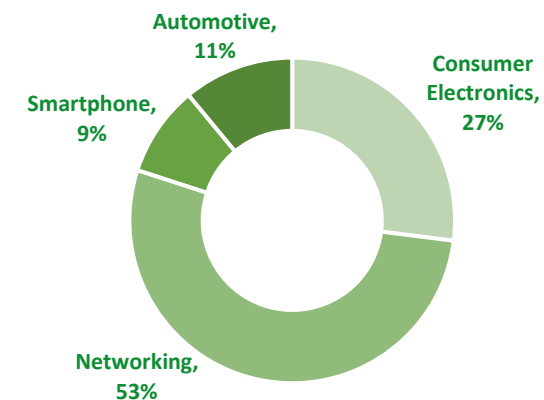
Main Products

Copper Clad Laminate (CCL) & Prepreg (PP) | Masslam service | Flexible CCL

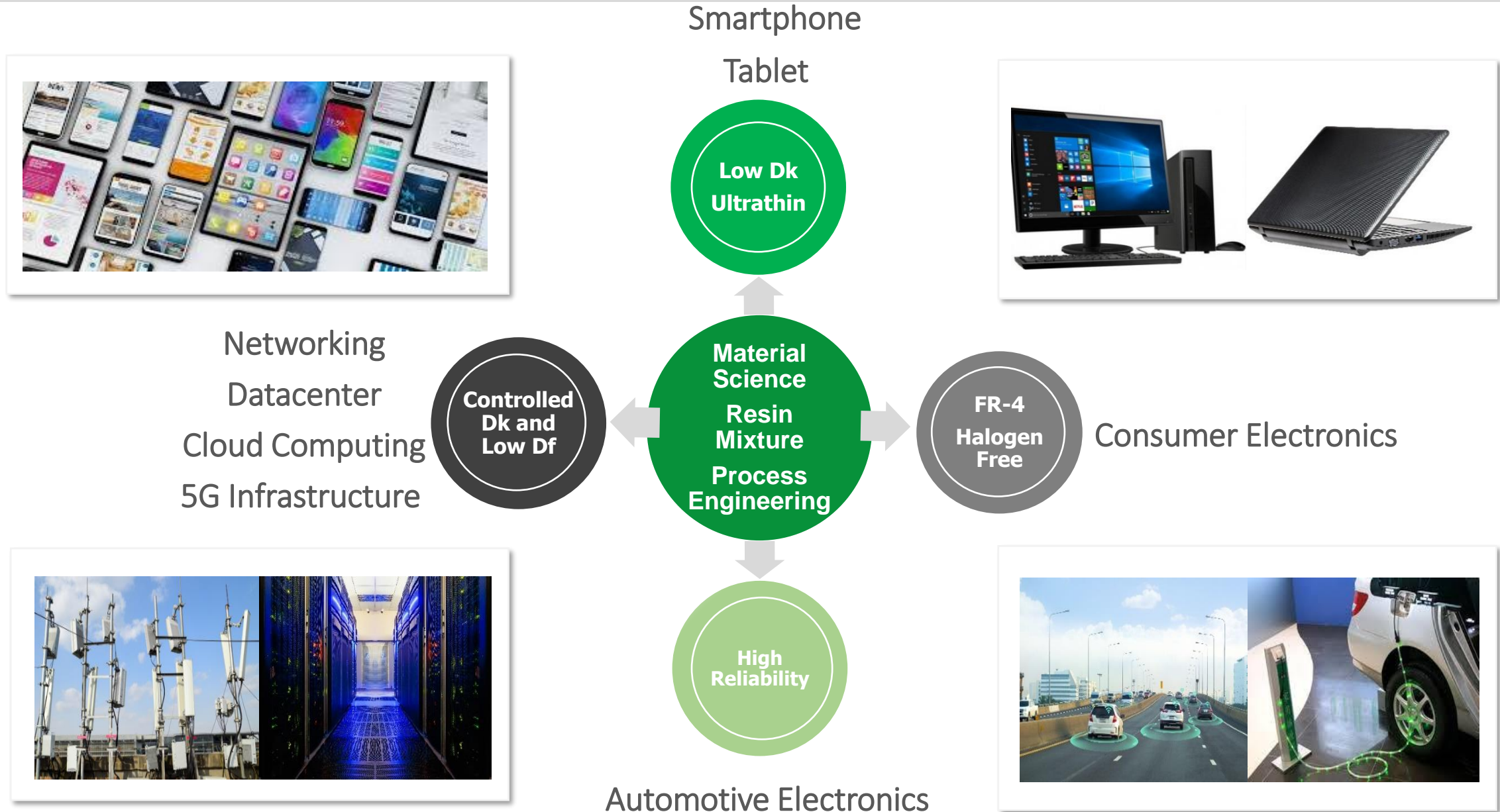
Revenue (NT\$ billion)



Revenue by Application (FY21)



Key Technology Applications





4Q21 & 2021 Financial Results

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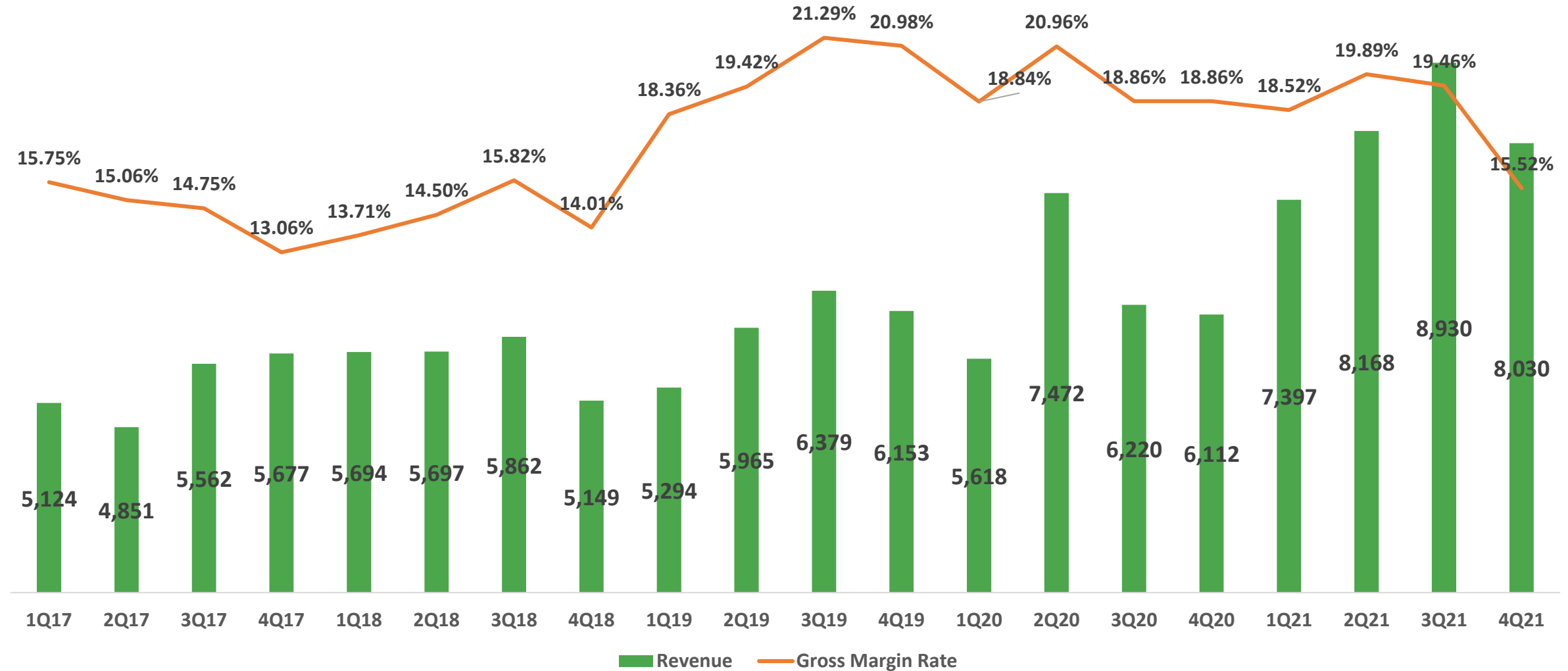
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4Q21 & FY21 Income Statement

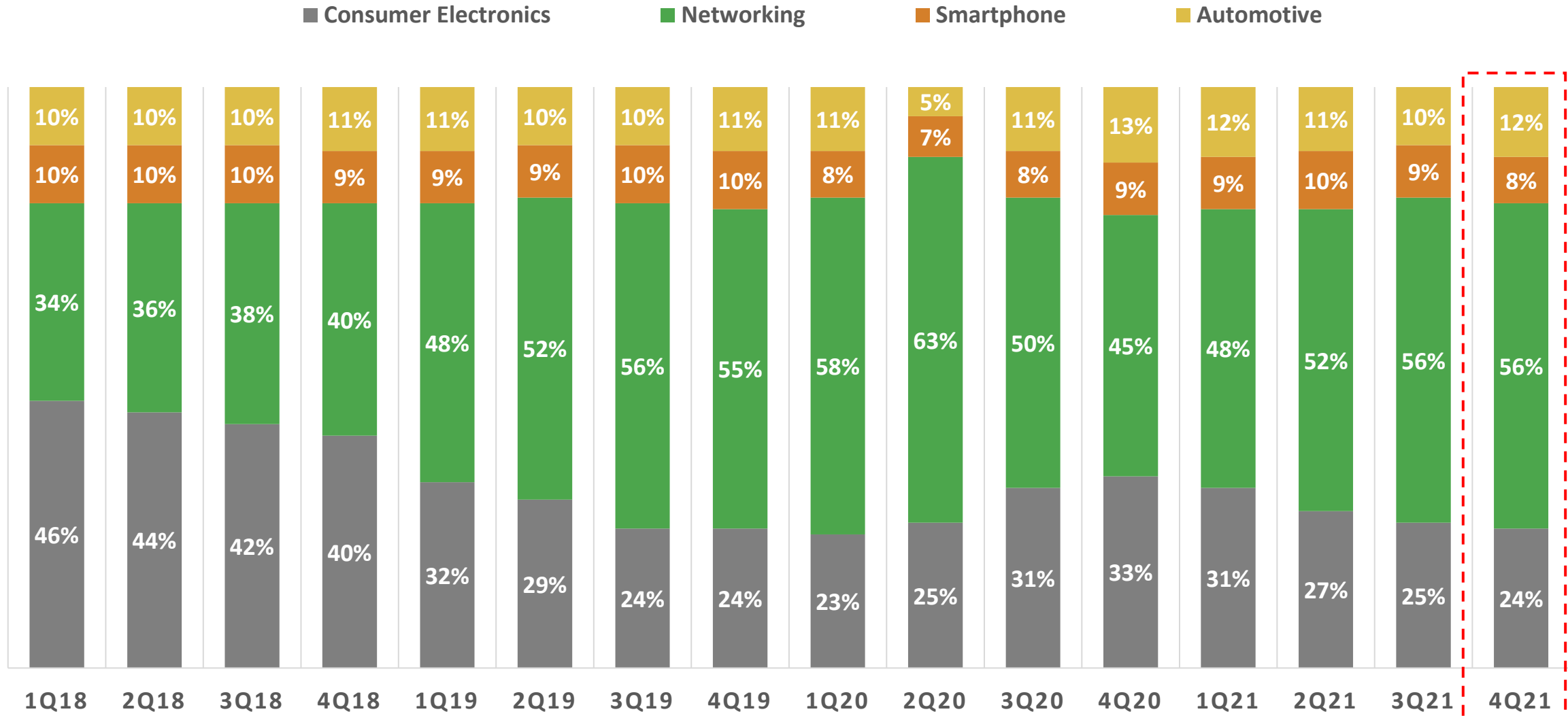
NTD \$Million	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	YoY
Revenue	8,030	8,930	6,112	-10%	31%	32,525	25,422	28%
Gross Profit	1,246	1,738	1,153	-28%	8%	5,980	4,951	21%
Operating Expense	543	631	327	-14%	66%	2,160	1,732	25%
Operating Profit	703	1,107	826	-36%	-15%	3,820	3,219	19%
Non-Op Income / Loss	49	(11)	164			(5)	176	
Income before Tax	752	1,096	990	-31%	-24%	3,815	3,395	12%
Tax Expense	(55)	261	212			670	729	
Net Income to Parent	807	835	778	-3%	4%	3,145	2,666	18%
EPS(NT\$)	2.11	2.40	2.34	-12%	-10%	9.00	8.19	10%
Key Financial Ratio								
Gross Margin	15.52%	19.46%	18.86%			18.38%	19.47%	
Operating Expense Ratio	6.76%	7.07%	5.35%			6.64%	6.81%	
Operating Margin	8.75%	12.40%	13.51%			11.74%	12.66%	
Effective Tax Rate	-7.31%	23.81%	21.41%			17.56%	21.47%	
Net Margin	10.05%	9.35%	12.73%			9.67%	10.49%	

Revenue & Gross Margin Rate

(Million \$NTD)



1Q18~4Q21 Product Mix



4Q21 Balance Sheet

NTD \$Million	4Q21	3Q21	4Q20
Total Assets	36,237	36,035	25,684
Cash	4,423	4,035	3,287
Marketable Securities	5	5	6
NR / AR	13,260	14,100	10,813
Inventories	5,167	5,194	3,243
Fixed Assets	11,078	10,117	6,484
Total Liabilities	14,922	15,681	12,290
Short-term Debt	2,131	1,434	2,370
NP / AP	7,121	8,432	4,858
Long-term Debt	-	-	1,640
Total Equity	21,315	20,354	13,394
Key Financial Index			
Days Sales Outstanding	136	149	154
Days Sales of Inventory	62	66	55
Days Payable Outstanding	83	98	100
ROE (%)	18.12	18.50	23.90
ROA (%)	10.37	10.31	11.09
Debt ratio (%)	41.18	43.50	47.85

2015 – 2021 Dividend Policy

Year	EPS(NT\$)	Dividend(NT\$)	Cash Dividend(NT\$)	Pay-out Ratio(%)
2015	1.92	1.6	1.6	83%
2016	3.13	2.5	2.5	80%
2017	4.11	3.1	3.1	75%
2018	5.86	3.8	3.8	65%
2019	8.13	5.0	5.0	62%
2020	8.19	5.0	5.0	61%
2021	9.00	5.0	5.0	56%

*New shares issuance of 30 million common shares concluded on March 31st 2020

**New shares issuance of 50 million common shares concluded on September 2nd 2021; current total outstanding common share: 383 million



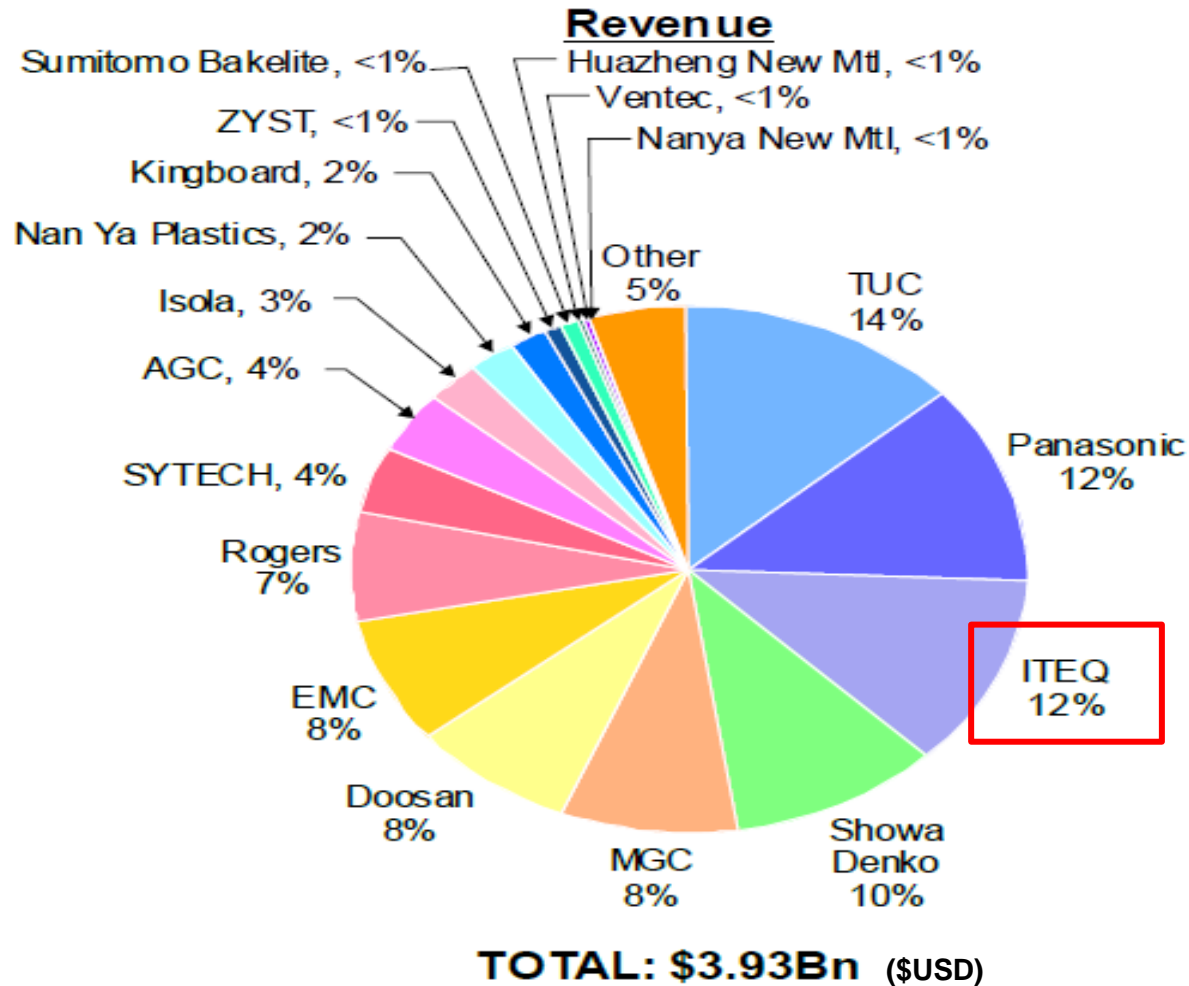
Growth Strategy Blueprint

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2020 WW Specialty Laminate Market Share



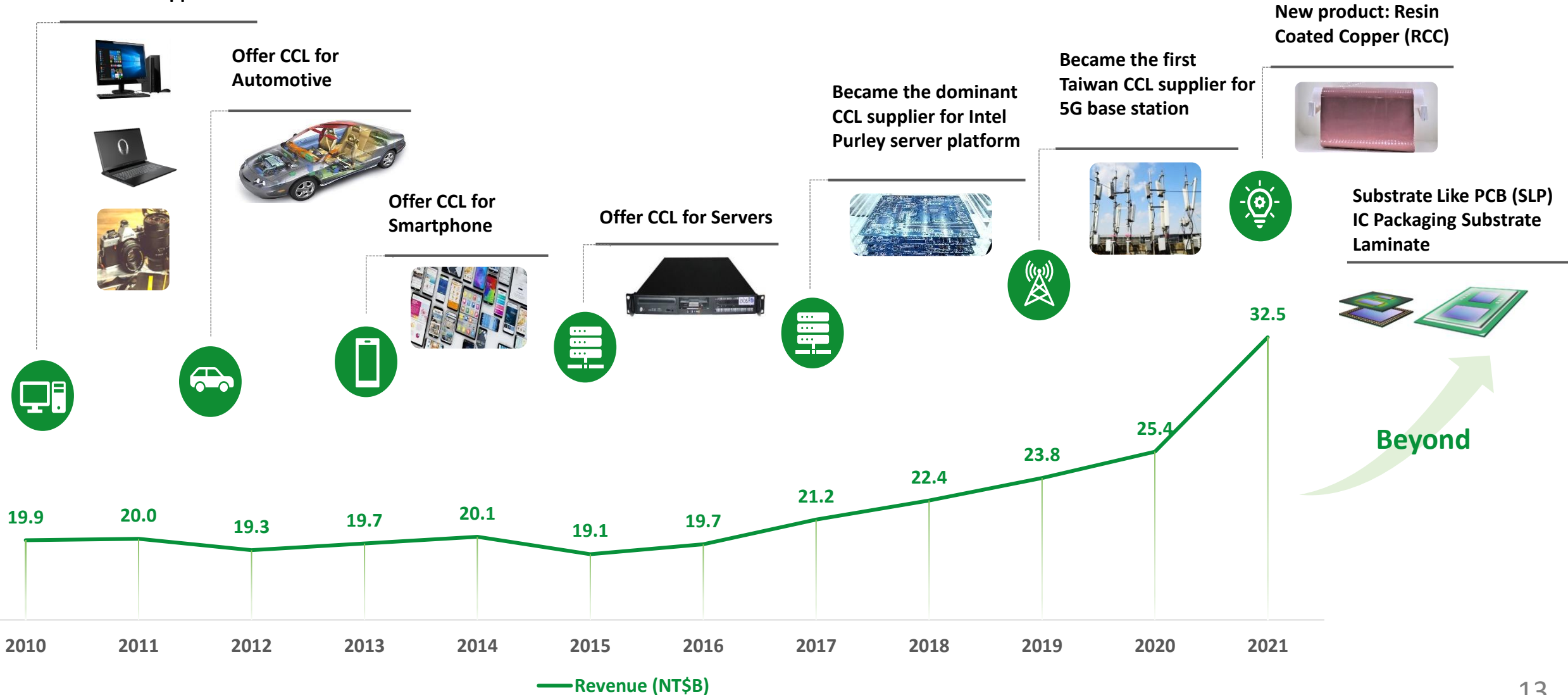
ITEQ: Leading CCL supplier

- Worldwide top supplier in high speed / frequency laminate
- Cutting-edge technology with MP track record
- Secular growth momentum in 5G network and data center opportunities
- Rising EV market to boost demand for high speed / frequency automotive CCL

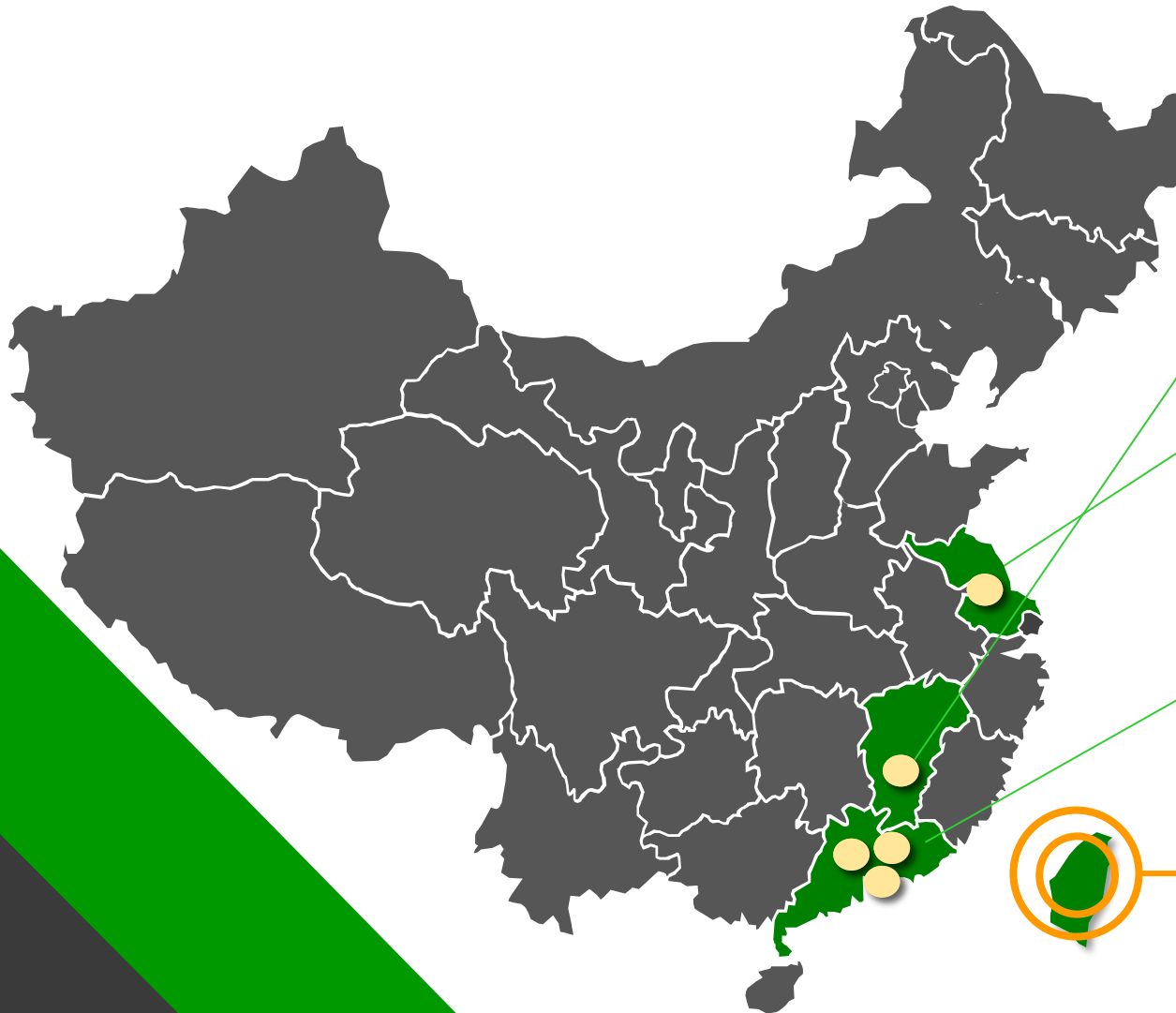
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Path of Innovation

Focus on Consumer Electronics application



Manufacturing Site & Capacity – Expansion Plan ITEQ



JiangXi Plant
(Phase I) - 2020
Laminate (600K SHT/Month)
Prepeq (3,500K M/Month)
(Phase II) - 2021
Laminate (600K SHT/Month)
Prepeq (3,500K M/Month)
(Phase III) – 2022 & 2023
Laminate (1,200K SHT/Month)
Prepeq (5,000K M/Month)



WuXi Plant
Laminate (1,650K SHT/Month)
Prepeq (8,000K M/Month)



DongGuan Plant
Laminate (1,000K SHT/Month)
Prepeq (4,000K M/Month)



GuangZhou Plant
3L FCCL(750 K M²/Month)
2L FCCL(140 K M²/Month)



HuangJiang Plant
Masslam Service(500K SQFT/Month)



HsinChu (Headquarters)
Laminate(350K SHT/Month)
Prepeq (1,800K M/Month)

Distributor/Agent : USA 、 Europe 、 Israel 、 Korea 、 Japan 、 Singapore



Market Trend & Growth Drivers

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Datacenter Server Platform Upgrade

Intel	Platform	Purley		Whitley		Eagle Stream	
	CPU	Skylake	Cascade Lake	Copper Lake	Ice lake	Sapphire Rapids	Emerald Rapids
	Nano Process	14 nm	14 nm+	14 nm++	10 nm	Intel 7	Intel 7
	PCIe Generation	PCIe 3.0	PCIe 3.0	PCIe 3.0	PCIe 4.0	PCIe 5.0	PCIe 5.0
	MP Time	2017 Q3	2019 Q3	Cancel	2021 Q1	2022 Q2	2023 Q1
	CCL Material	Mid Loss	Mid Loss	Cancel	Low Loss	Very Low Loss	Very Low Loss
	Layer count	8 to 12	8 to 12	Cancel	12 to 16	16 to 20	16 to 20

AMD	Architecture	Zen	Zen2	Zen3	Zen4
	CPU	Naples	Rome	Milan	Genoa
	Nano Process	14 nm (Global Foundries)	7 nm (TSMC)	7 nm (TSMC)	5 nm (TSMC)
	PCIe Generation	PCIe 3.0	PCIe 4.0	PCIe 4.0	PCIe 5.0
	MP Time	2017 Q3	2019 Q3	2020 Q4	2022 Q2
	CCL Material	Mid Loss	Low Loss	Low Loss	Very Low Loss
	Layer count	8 to 12	12 to 16	12 to 16	16 to 20



Datacenter Equipment Cyclical Upgrade to Drive the Following;

- Corresponding CCL material upgrade
- Increase consumption and layer counts for CCL

Green Power/EV



- Energy Conservation
- Power Charging
- High Current & Voltage
- Heavy Cu

High Tg material

Internet of Vehicle

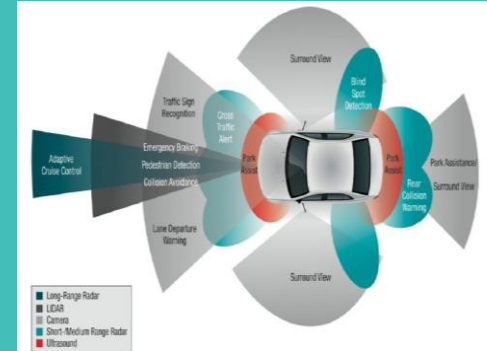


- Infotainment
- Networking

HDI

High Speed Material

Active Safety



- Active Safety System
- ADAS
- Radar
- Antenna Module

High Speed Material

High Frequency Material

Autonomous Driving

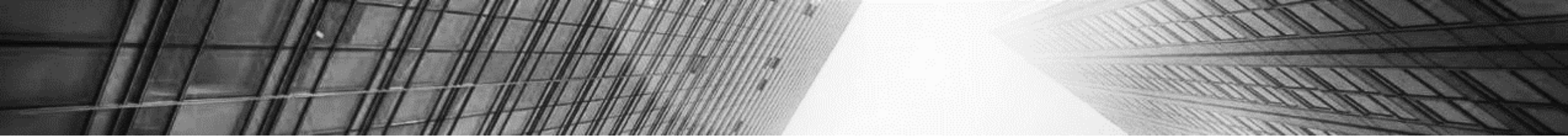


- HPC
- Graphic Processing
- Automated Driving Control Module

HDI

High Speed Material

- EV, IoV and Active Safety to boost demand for high performance automotive CCL



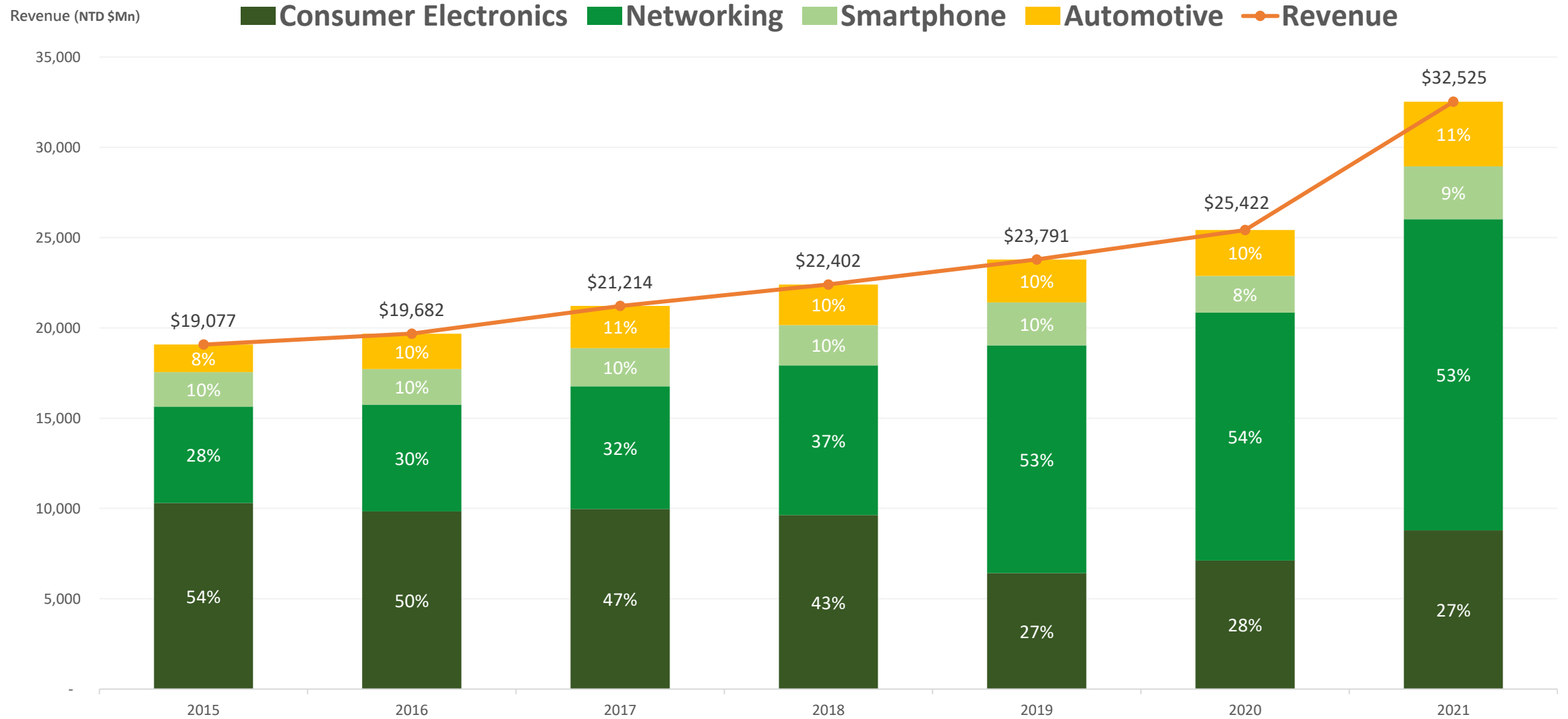
Appendix

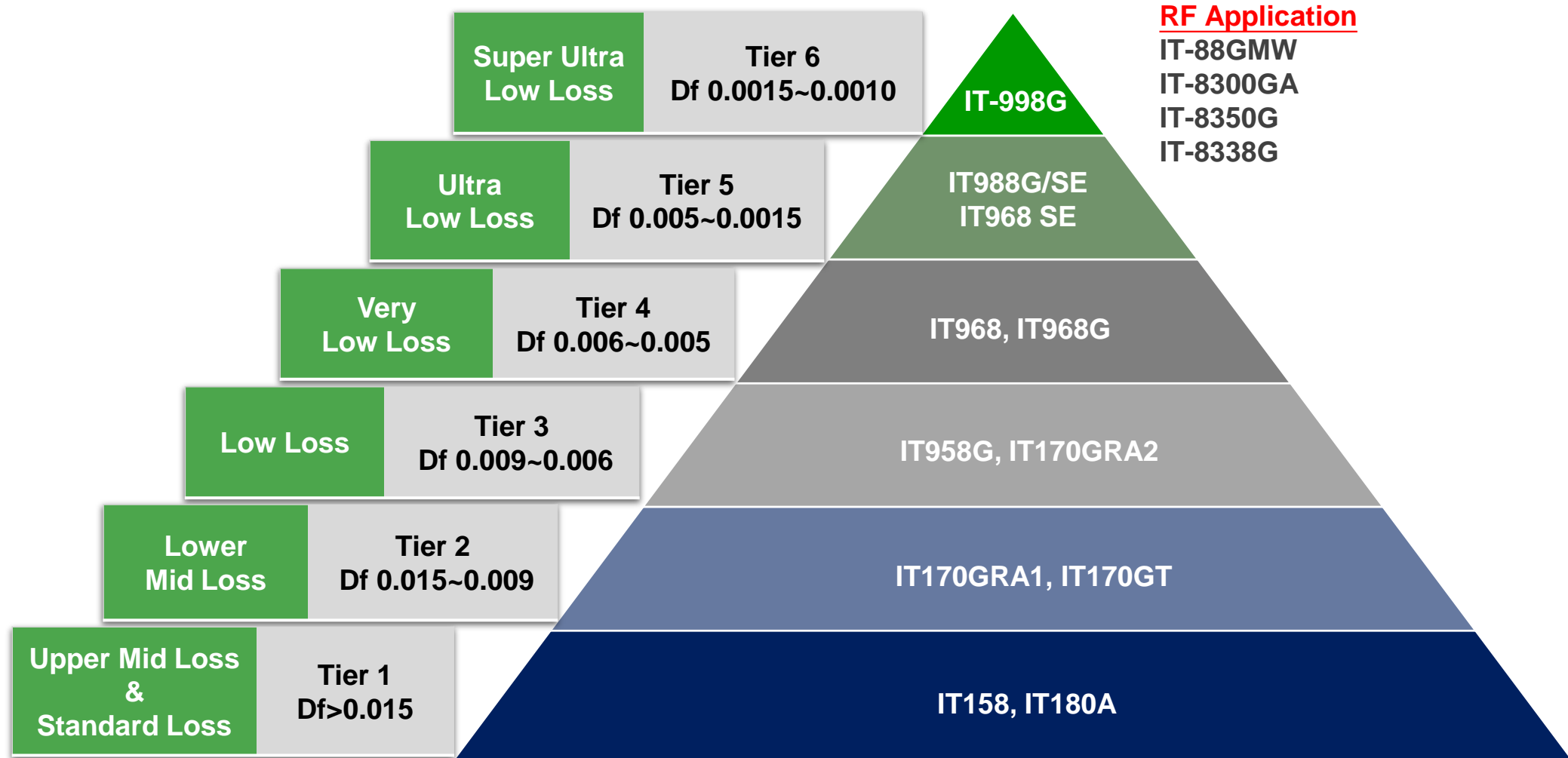
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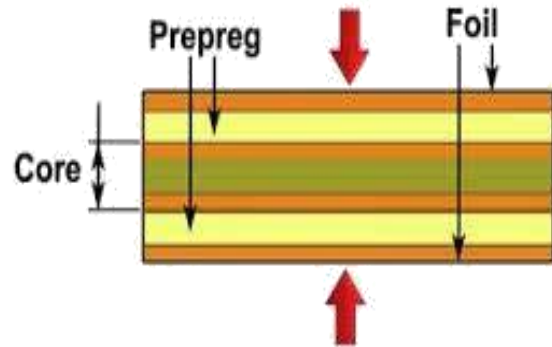
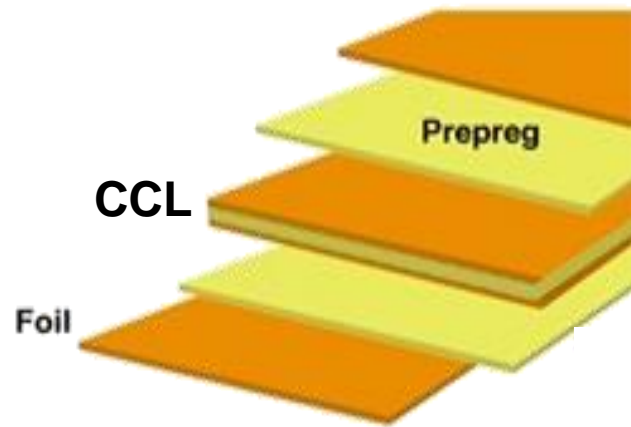
2015-2021 Mix Shifted Driven by Innovation



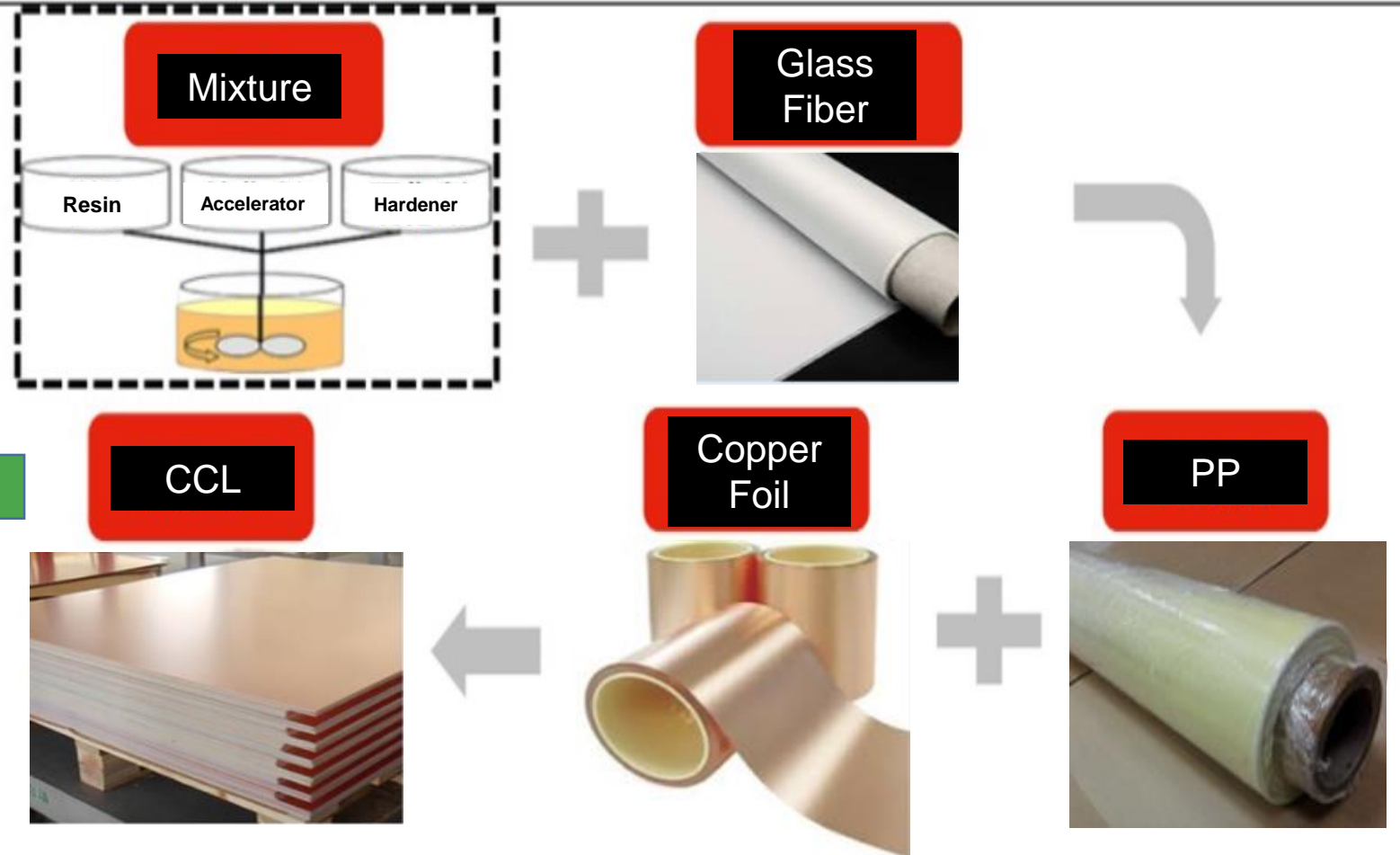


- The need for 5G commercialization and server upgrade to expedite the growth of high speed / frequency material demand
- ITEQ's market share in high speed / frequency material to uplift robustly

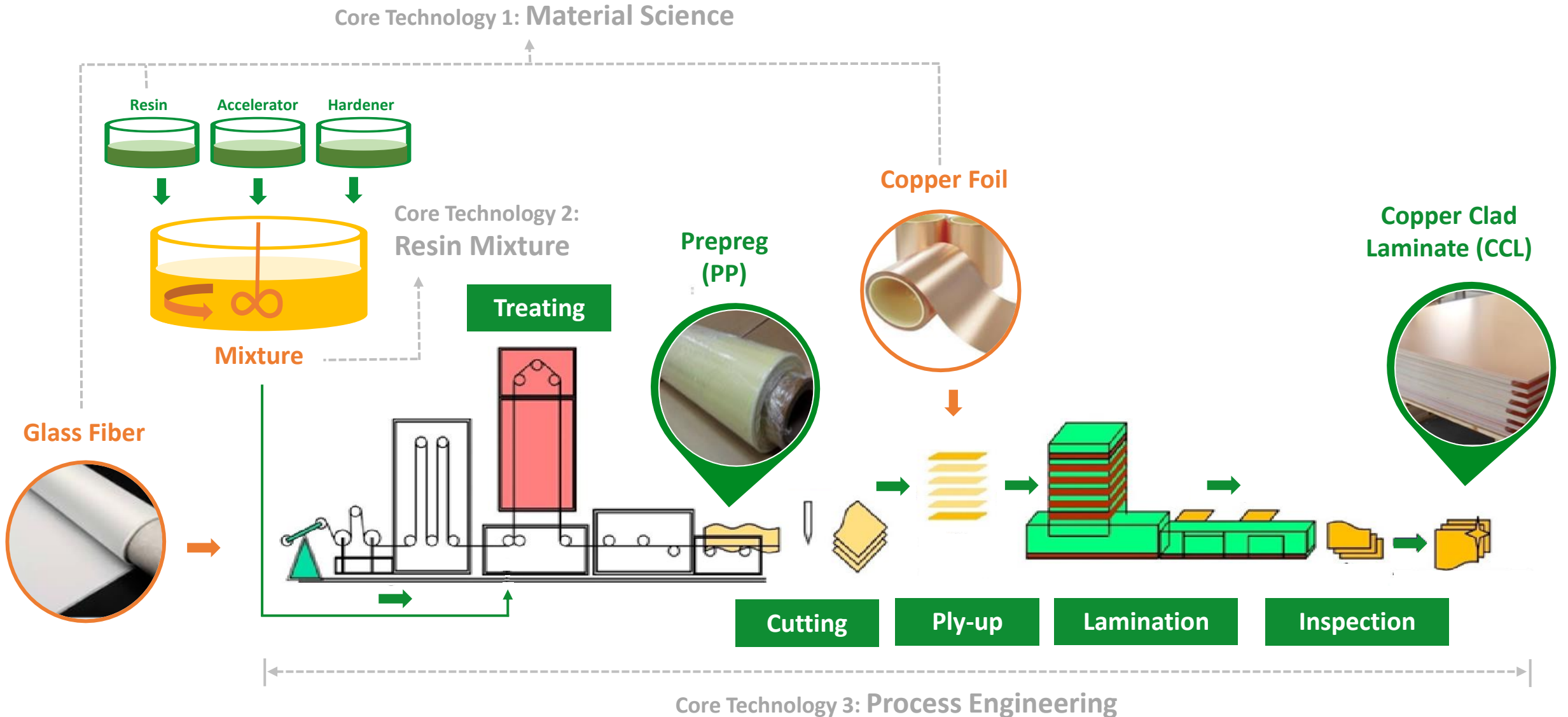
CCL/PP



CCL Manufacturing Process



CCL & PP Manufacturing Flow





Thank you

Question and Comment