

Global Tek Fabrication Co. Ltd. Q3 2020 Results

時碩工業2020年第三季財報法人說明會

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- Cumulative consolidated numbers were reviewed by CPA
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- Welcome
歡迎致詞

Donald Huang
黃亞興

- Q3 2020 Financial Results
2020年第三季財務成果

Tim Gau
高正興

- Industry Outlook
產業概況

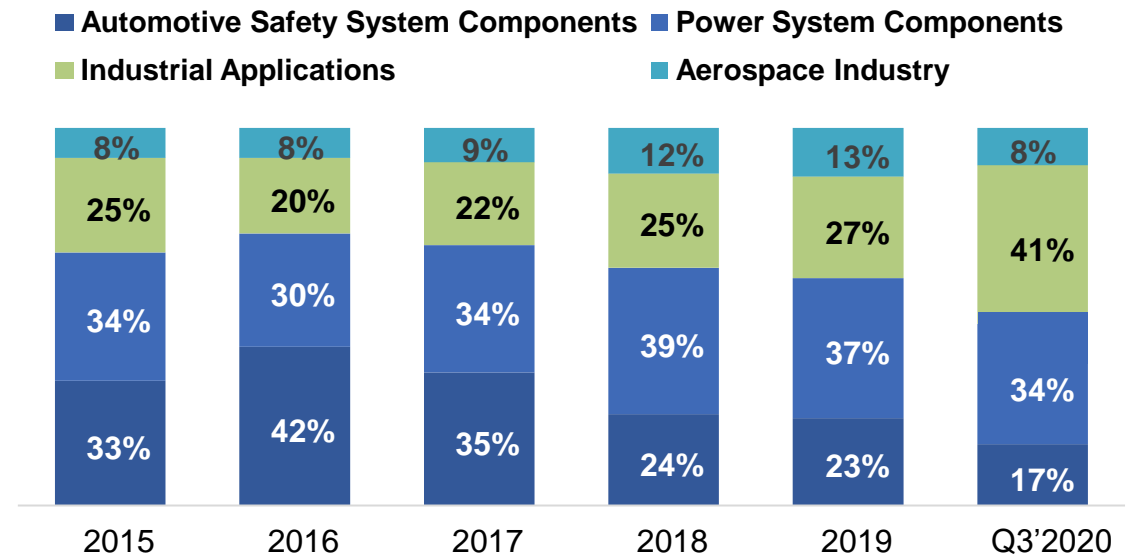
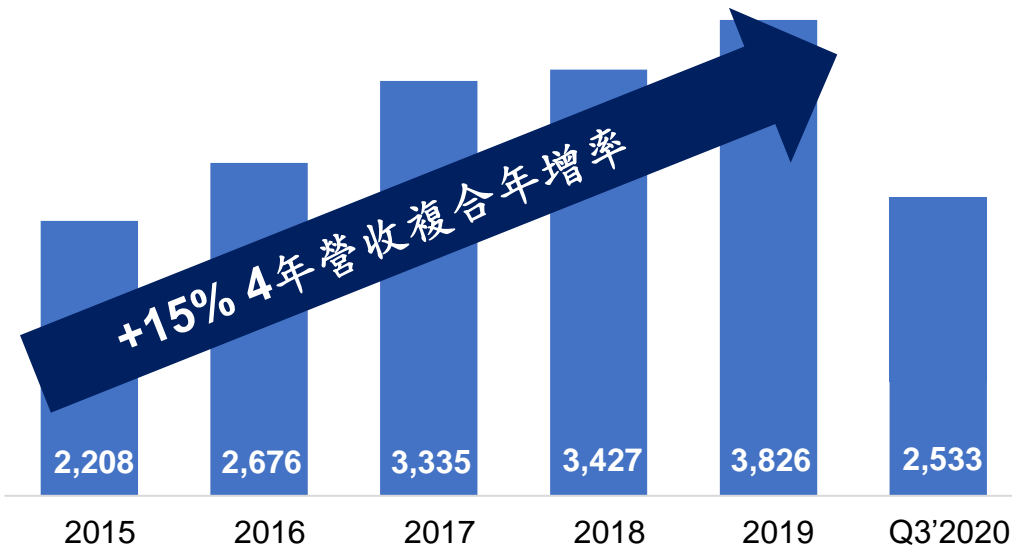
Donald Huang
黃亞興

- Q & A
問與答

Global Tek Team
時碩團隊

Chairman	Donald Huang		
General Manager	Donald Huang		
Paid-in Capital	NT\$674M		
Business	Precision metal machining for automotive safety system components, powertrain system components, industrial applications, aviation application and medical device application.		
Employees	800+		
Factory	Xiwu, Taiwan	Wuxi, China	Xian, China
Quality	IATF16949 ISO9001 AS9100 NADCAP	IATF16949 ISO9001 ISO 13485	AS9100 ISO9001 ISO14001

- Founded in 2000 & Listed on the TWSE February 5th, 2018 (Ticker: 4566 TT)
- Employees: 800+
- Founders + management team shareholdings are more than 50%
- Revenue: NT\$3.8bn in 2019 with +15% 2015 -19 sales CAGR
- Our business: Precision metal machining for automotive safety system components, powertrain system components, industrial applications, Aviation Applications and Medical Device Applications.





汽車產品
Automotive Industry

- EV Components
- Powertrain System
- Components
 - ICE
 - BEV、HEV、PHEV、FCV
- Safety System Components
 - Inflator
 - Steering system
 - Smart Seat Belt



工業產品
Industry Application

- Electric & High-end Bike Parts
- Oil & Gas Equipment
- Semiconductor Components
- AI Robotics Components



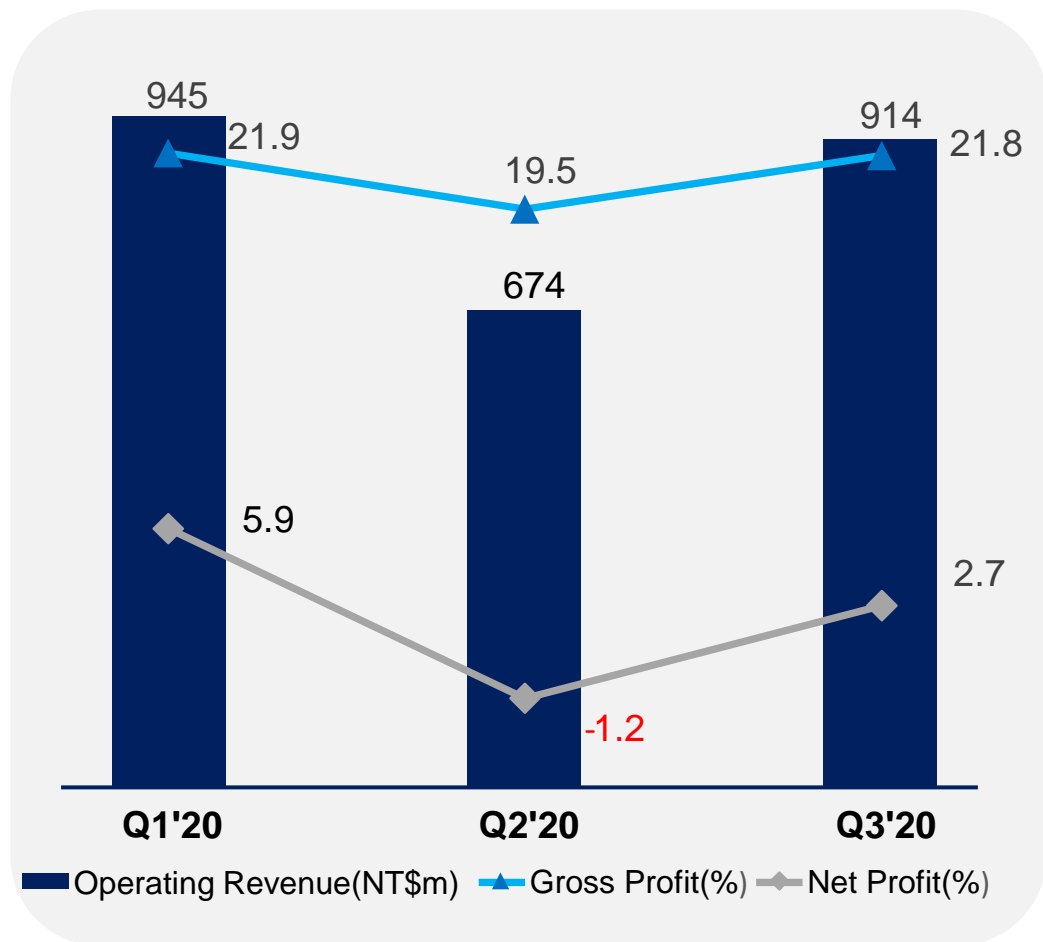
航太產品
Aerospace Industry

- Engine Components
- Thrust-reverser
- Components
- Sensors
- Linear Components



醫療產品
Medical Industry

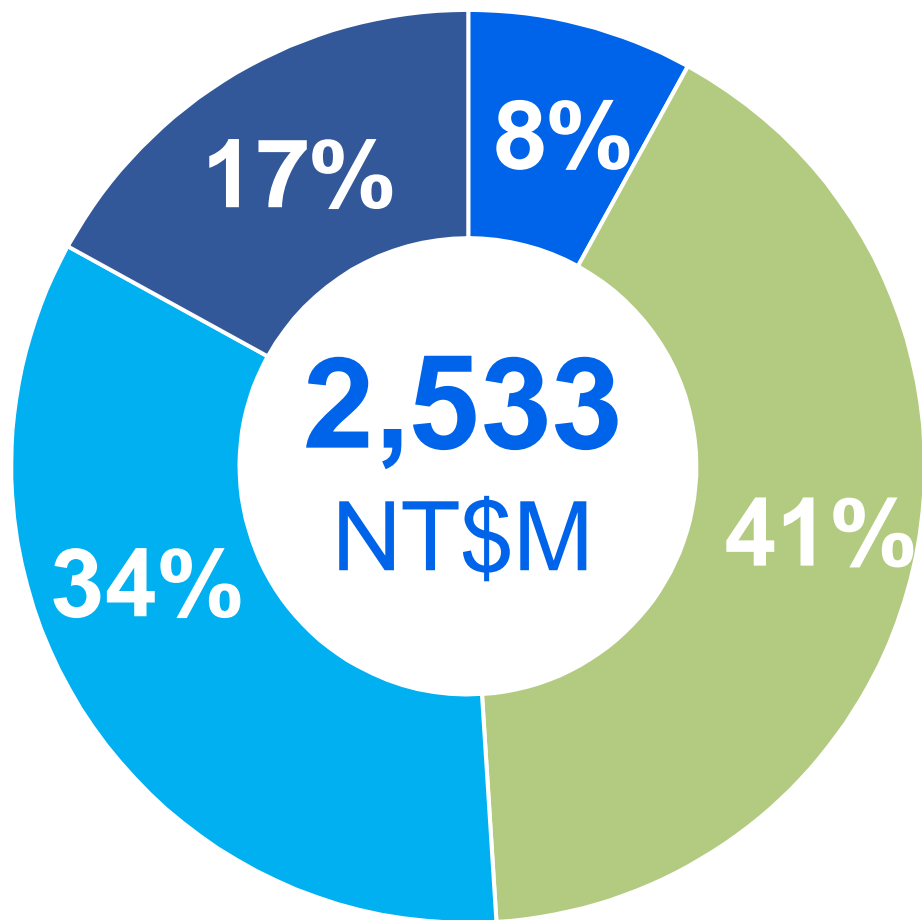
- MIS Stapler



Net Income
24.5
NT\$m

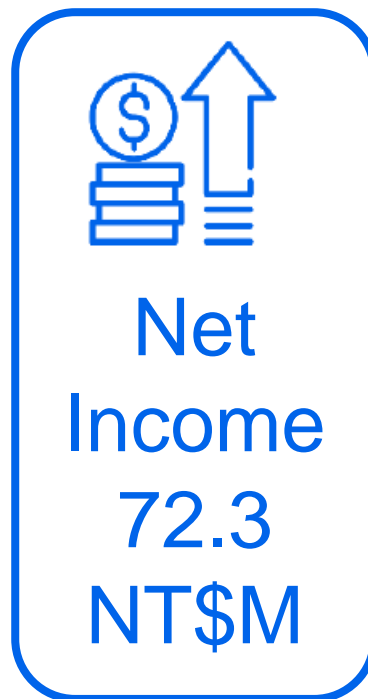
Net Profit Margin
2.7
%

EPS
0.36
NT\$/share



■ Automotive Safety System Components
■ Automotive Power System Components

■ Industrial Applications
■ Aerospace Industry



Q3 2020 Financial Results

2020年第三季財務成果

NTD K	Q3'20	%	Q3'19	%	Diff	YoY(%)
Operating revenue	913,840	100.0	1,030,769	100.0	(116,929)	(11)
Operating costs	(715,075)	(78.2)	(809,807)	(78.6)	94,732	(12)
Gross profit/(loss)	198,765	21.8	220,962	21.4	(22,197)	(10)
Operating Expenses						
Selling and marketing expenses	(49,232)	(5.4)	(62,588)	(6.1)	13,356	(21)
General and administrative expenses	(43,701)	(4.8)	(51,106)	(5.0)	7,405	(14)
Research and development expenses	(51,023)	(5.6)	(38,694)	(3.8)	(12,329)	32
Operating Expenses	(143,956)	(15.8)	(152,388)	(14.8)	8,432	(6)
Profit/(loss) from operations	54,809	6.0	68,574	6.7	(13,765)	(20)
Non-operating income and exp.						
Share of profit or loss of associates	(136)	(0.0)	(170)	(0.0)	34	(20)
Other income	15,167	1.7	28,129	2.7	(12,962)	(46)
Other gains and losses	(29,558)	(3.2)	3,137	0.3	(32,695)	NM
Finance costs	(3,935)	(0.4)	(4,413)	(0.4)	478	(11)
Net non-operating income and exp.	(18,462)	(2.0)	26,683	2.6	(45,145)	NM
Profit/(loss) before income tax	36,347	4.0	95,257	9.2	(58,910)	(62)
Income tax (expense)/benefit	(11,881)	(1.3)	(18,717)	(1.8)	6,836	(37)
Net profit/(loss) for the period	24,466	2.7	76,540	7.4	(52,074)	(68)
EPS (NTD)	0.36		1.15			

Q3'20YTD vs. Q3'19YTD Income Statement

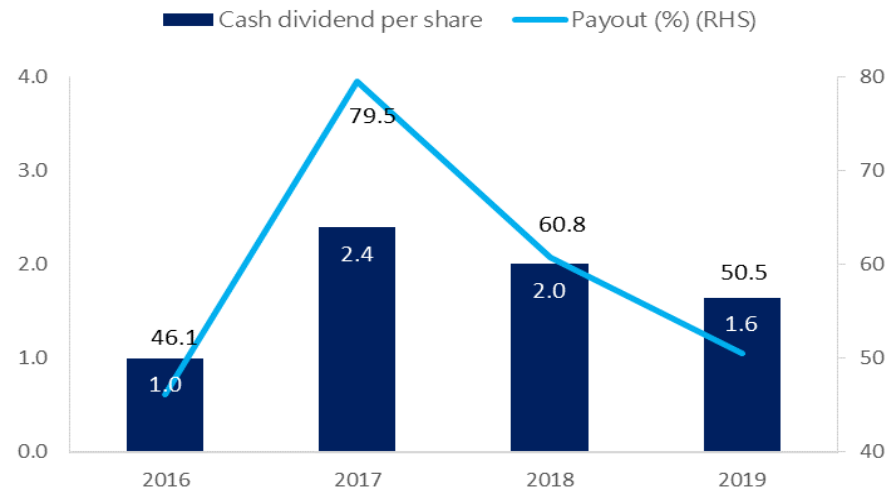
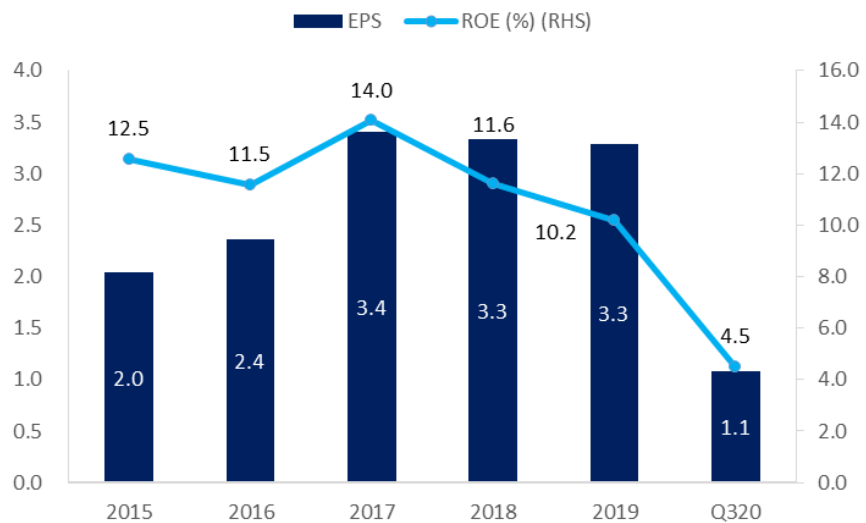
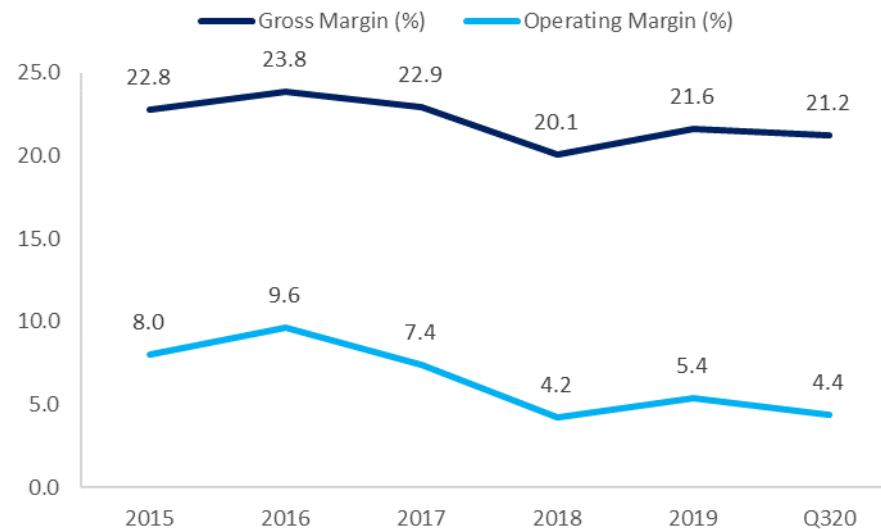
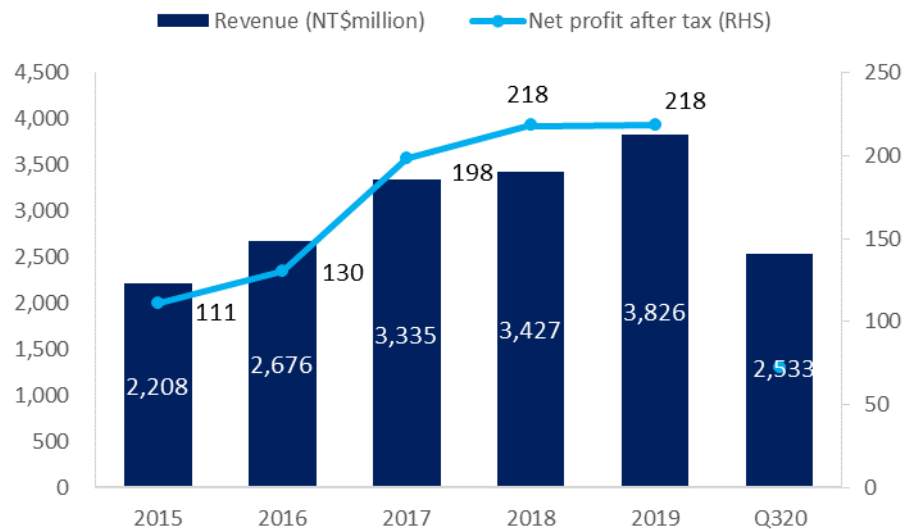
Q3'20YTD vs. Q3'19YTD 綜合損益表

NTD K	Q3'20 YTD	%	Q3'19 YTD	%	Diff	YoY(%)
Operating revenue	2,533,348	100.0	2,897,961	100.0	(364,613)	(13)
Operating costs	(1,996,189)	(78.8)	(2,294,916)	(79.2)	298,727	(13)
Gross profit/(loss)	537,159	21.2	603,045	20.8	(65,886)	(11)
Operating Expenses						
Selling and marketing expenses	(156,624)	(6.2)	(176,612)	(6.1)	19,988	(11)
General and administrative expenses	(135,686)	(5.4)	(153,180)	(5.3)	17,494	(11)
Research and development expenses	(134,098)	(5.3)	(113,381)	(3.9)	(20,717)	18
Operating Expenses	(426,408)	(16.8)	(443,173)	(15.3)	16,765	(4)
Profit/(loss) from operations	110,751	4.4	159,872	5.5	(49,121)	(31)
Non-operating income and exp.						
Share of profit or loss of associates	(3,409)	(0.1)	496	0.0	(3,905)	NM
Other income	51,677	2.0	65,177	2.2	(13,500)	(21)
Other gains and losses	(52,169)	(2.1)	41,866	1.4	(94,035)	NM
Finance costs	(12,142)	(0.5)	(12,781)	(0.4)	639	(5)
Net non-operating income and exp.	(16,043)	(0.6)	94,758	3.3	(110,801)	NM
Profit/(loss) before income tax	94,708	3.7	254,630	8.8	(159,922)	(63)
Income tax (expense)/benefit	(22,391)	(0.9)	(57,460)	(2.0)	35,069	(61)
Net profit/(loss) for the period	72,317	2.9	197,170	6.8	(124,853)	(63)
EPS (NTD)	1.08		2.97			

NTD K	Q1'20	%	Q2'20	%	Q3'20	%
Operating revenue	945,082	100.0	674,426	100.0	913,840	100.0
Operating costs	(738,137)	(78.1)	(542,977)	(80.5)	(715,075)	(78.2)
Gross profit/(loss)	206,945	21.9	131,449	19.5	198,765	21.8
Operating Expenses						
Selling and marketing expenses	(57,903)	(6.1)	(49,489)	(7.3)	(49,232)	(5.4)
General and administrative expenses	(50,217)	(5.3)	(41,768)	(6.2)	(43,701)	(4.8)
Research and development expenses	(46,532)	(4.9)	(36,543)	(5.4)	(51,023)	(5.6)
Operating Expenses	(154,652)	(16.4)	(127,800)	(18.9)	(143,956)	(15.8)
Profit/(loss) from operations	52,293	5.5	3,649	0.5	54,809	6.0
Non-operating income and exp.						
Share of profit or loss of associates	(138)	(0.0)	(3,135)	(0.5)	(136)	(0.0)
Other income	20,041	2.1	16,469	2.4	15,167	1.7
Other gains and losses	7,031	0.7	(29,642)	(4.4)	(29,558)	(3.2)
Finance costs	(4,249)	(0.4)	(3,958)	(0.6)	(3,935)	(0.4)
Net non-operating income and exp.	22,685	2.4	(20,266)	(3.0)	(18,462)	(2.0)
Profit/(loss) before income tax	74,978	7.9	(16,617)	(2.5)	36,347	4.0
Income tax (expense)/benefit	(18,755)	(2.0)	8,245	1.2	(11,881)	(1.3)
Net profit/(loss) for the period	56,223	5.9	(8,372)	(1.2)	24,466	2.7
EPS (NTD)	0.84		(0.12)		0.36	

NTD K	9/30/2020	%	12/31/2019	%		9/30/2020	%	12/31/2019	%
Current Assets					Current Liabilities				
Cash and cash equivalents	1,490,333	31	1,334,121	27	Short-term borrowings	339,693	7	373,672	8
Notes receivable and Trade receivables	911,915	19	977,638	20	Notes payable and Trade payables	557,870	12	686,335	14
Other receivables	90,585	2	133,418	3	Other payables	382,384	8	541,260	11
Inventories	726,229	15	863,318	18	Current tax liabilities	12,590	0	17,169	0
Other current assets	73,148	2	74,657	2	Other current liabilities	53,688	2	57,824	1
					Current portion of long-term borrowings	154,100	3	29,100	1
Total current assets	3,292,210	68	3,383,152	69	Total current liabilities	1,500,325	31	1,705,360	35
Non-Current Asstes					Non-Current Liabilities				
Investments accounted for using the equity method	11,795	0	57,826	1	Bonds payable	578,210	12	574,128	12
Financial assets at fair value through other comprehensive income	68,832	1	0	0	Long-term borrowings	340,857	7	186,849	4
Property, plant and equipment	1,087,921	22	999,600	20	Other non-current liabilities	282,256	6	264,742	5
Prepayments for equipment	54,690	1	131,574	3	Total non-current liabilities	1,201,323	25	1,025,719	21
Right-of-use assets	155,348	3	159,772	3					
Other non-current assets	168,123	3	176,220	5	Total Liabilities	2,701,648	56	2,731,079	56
Total non-current assets	1,546,709	32	1,524,992	31	Equity				
					Share capital	674,280	14	668,170	14
					Capital surplus	1,117,724	23	1,109,940	23
					Retained earnings	480,445	10	518,530	11
					Other equity	(135,178)	(3)	(119,575)	(2)
					Total Equity	2,137,271	44	2,177,065	44
Total Assets	4,838,919	100	4,908,144	100	Total Liabilities and Equity	4,838,919	100%	4,908,144	100%

NTD K	Q3'20	Q3'19	Diff
Net cash generated from/(used in) operating activities	187,005	333,644	(146,639)
Net cash generated from/(used in) investing activities	(145,969)	(6,305)	(139,664)
Net cash generated from/(used in) financing activities	123,518	(4,333)	127,851
Effects of exchange rate changes on the balance of cash held in foreign currencies	(8,342)	(19,132)	10,790
Net increase/(decrease) in cash and cash equivalents	156,212	303,874	(147,662)
Cash and cash equivalents at the beginning of the period	1,334,121	902,262	431,859
Cash and cash equivalents at the end of the period	1,490,333	1,206,136	284,197



Industry Outlook

產業概況

- **Robust Demand Growth from Automotive in 2021**
 - Based on current order indications from our clients, we expect strong demand growth in 2021;
 - We are developing components for EV, including motor casings for Electric Power Systems(EPS), collaborating with global No. 1 motor manufacturer, Nidec;
 - We are support existing tier 1 and OEM customers, such as BorgWarner, to further penetrate the global EV market;
 - Future applications include motor casings for EV and electrical braking systems.
- **The Growth Momentum in industrial is likely to continue in 2021**
 - Based on current order indications from our clients, electric and high-end bikes demand to be strong and the growth momentum should continue in 2021;
 - Oil price is expected to recover in the hope of demand, oil and gas exploration products will recover;
 - In order to meet the demand of 5g and automotive electronics in 2021, semiconductor manufacturers are upgrading their processes, and the market for equipment and materials will grow.
- **Aerospace related applications will have the opportunity to increase the momentum of shipment in 2021**
 - Europe's aviation regulator has declared Boeing's 737 Max aircraft safe to fly after it was grounded in March 2019 following two accidents. The Federal Aviation Administration (FAA) will lift the 737 Max grounded order by the end of 2020 at the earliest. Expecting Boeing 737 Max deliveries to start in early 2021;
 - After the covid-19 vaccine is approved and popularized, the borders of various countries will be opened, which will contribute to the recovery of air passenger transport. The recovery time of the US aviation market is expected to fall before the end of 2021.

Q&A

問與答