



BAOTEK INDUSTRIAL MATERIALS LTD.

(Stock Code : 5340)

2023Q3 Investors' Conference

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Agenda

I 、 Company Overview

II 、 Product Description

III 、 Financial Results

IV 、 Future Outlook





I 、 Company Overview

- **Date of Establishment : 1992/08/12**
- **Started the OTC Listing : 1998/01/20**
- **Capital Amount : NT\$ 1.948 billion**
- **Company Address :**
No. 277, Minfeng Rd., Yangmei Dist.,
Taoyuan City 326
- **Main Product :**
Electronic and industrial fiberglass fabric.

- **Chairman : Yoshida Kohichi**
Education :
Electrical Engineering, Engineering Dept.
Shibaura Institute of Technology
Experience :
Nitto Boseki Co., Ltd. has 36 years of work
experience in manufacturing, technology,
and quality assurance.
- **President : Sato Eiji**
Education :
Yamagata University Faculty of Engineering
Department of Chemical Engineering
Experience :
General manager of Nittobo Macau Glass
Weaving Company Ltd.



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I 、 Company Overview – Company History

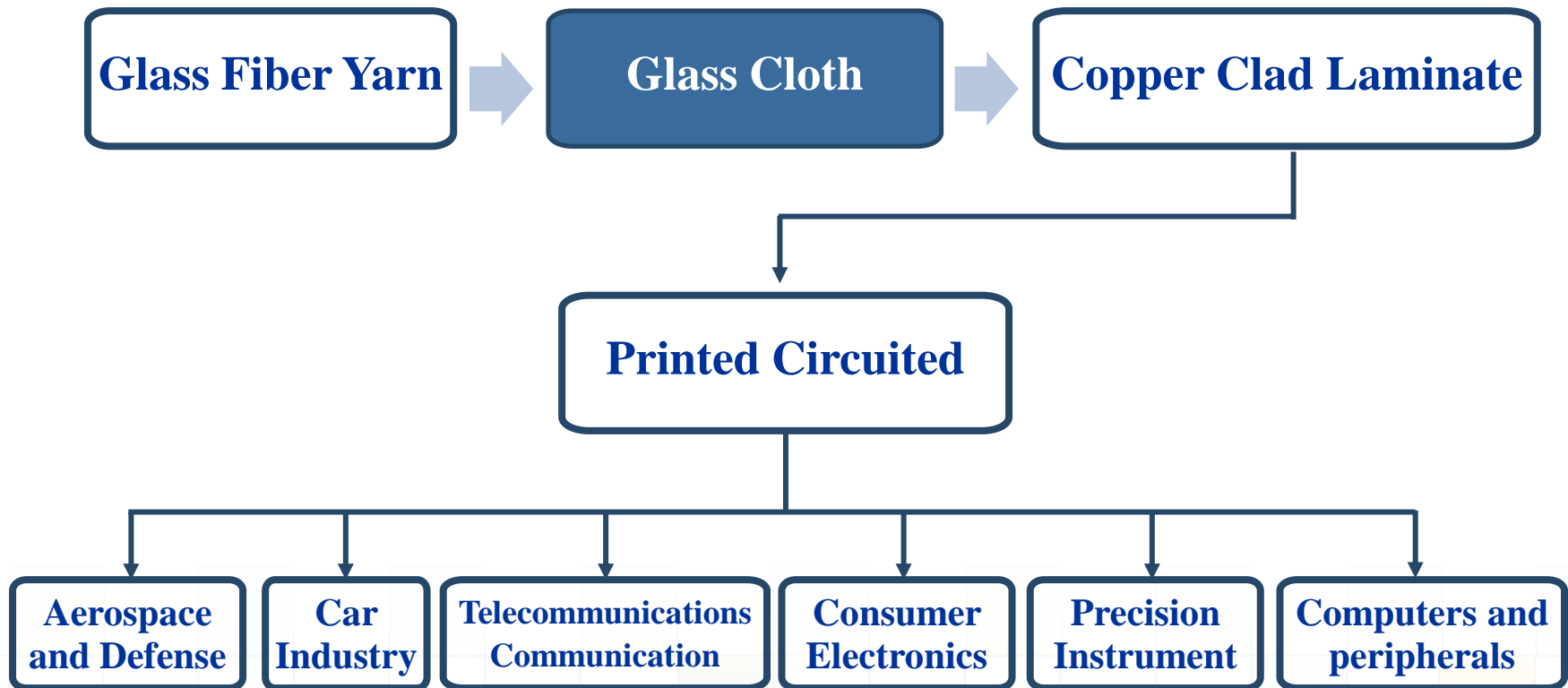
- Year 1992 The company was established.
- Year 1994 Plant construction completed.
- Year 1998 Started the OTC listing.
- Year 2008 Investment strategy alliance with Nitto Boseki Co., Ltd.
- Year 2018 Nitto Boseki Co., Ltd. obtained 47.65% of the company's stock by public acquisition and became the major shareholders of the company.
- Year 2019 Nitto Boseki Co., Ltd. obtained over half of the seats in the board of directors of the company and became the parent company of the company.
- Year 2020 The Borad of Directors approved to expand facilities and to invest equipment for future demand of high-end products.
The estimated total investment amount is NT\$430 million.





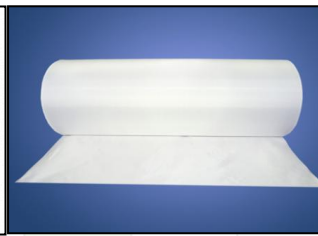
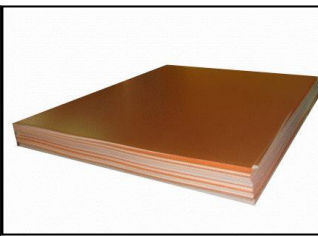
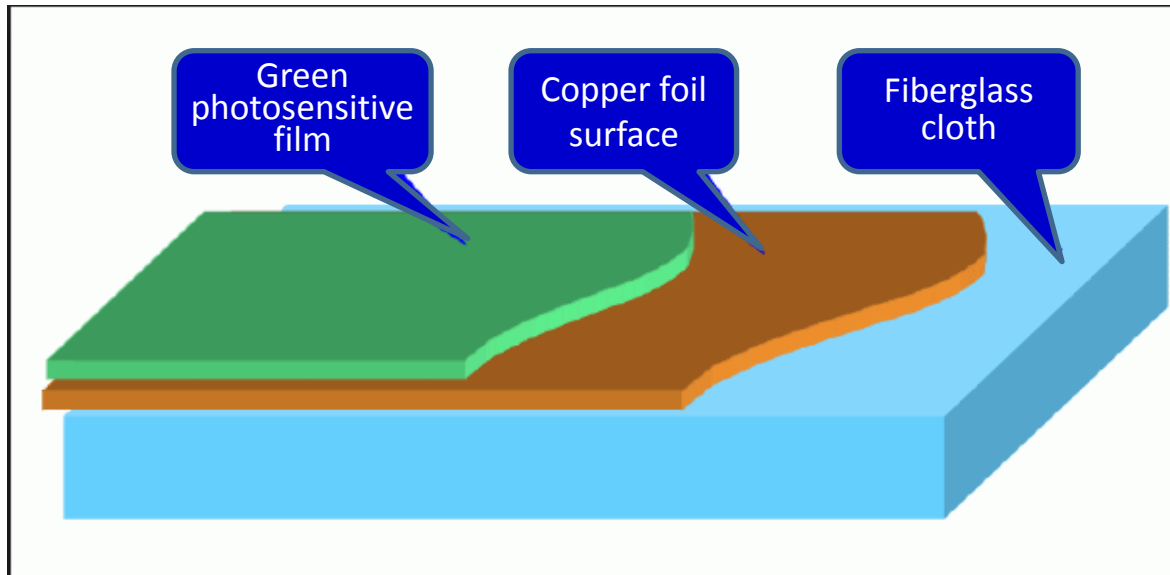
II 、 Product Description

(1) Supply chain of the PCB industry :



II 、 Product Description

(2) Circuit board stacking composition description :





II 、 Product Description

(3) Product Applications :

Electronic Communication Applications

- 5G communication products
- Cloud Information Products
- AI 、 IoT 、 VR/AR
- Electric car electronics
- Telecommunications, mobile phones, etc.

Industrial Application

- PTFE use
(Silicone : Adhesive tape)
- Food industry (bakeware)
- Keep warm(wind pipe/oil pipe)
- And more... (hot air balloon)



II、Product Description

(4) Product applications :

Cloud computing = Hi-speed、Low loss & Ultra-thin

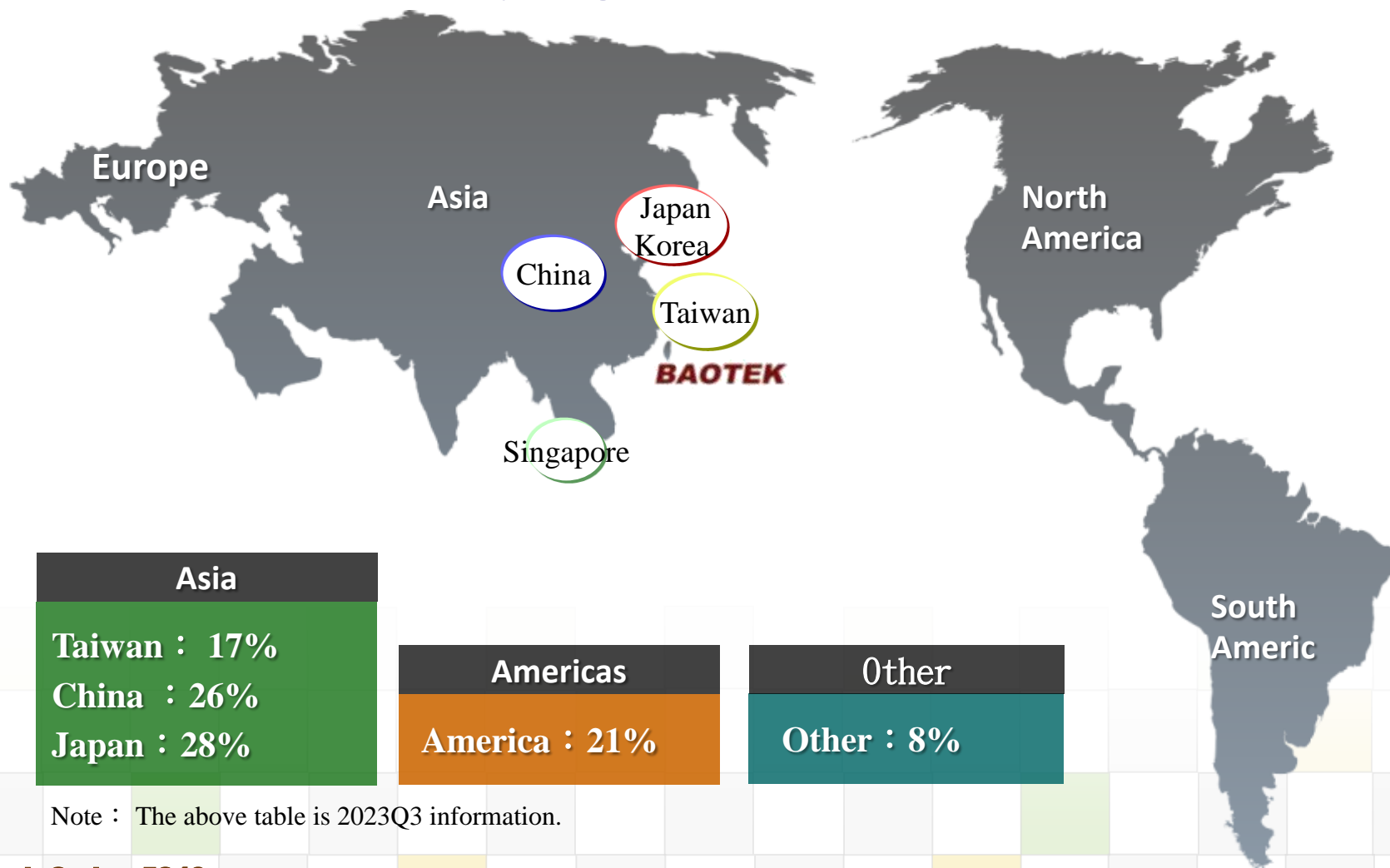


Low loss materials for high frequency applications.
Low Dk materials applied for high speed signal propagation.



II 、 Product Description

(5) Sales distribution by Region :



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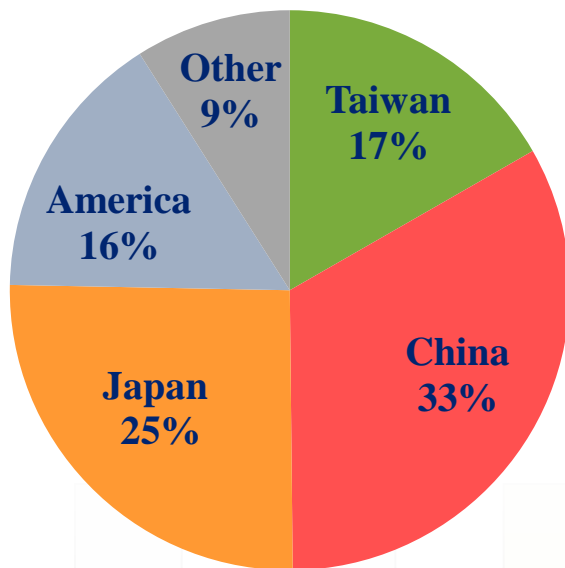


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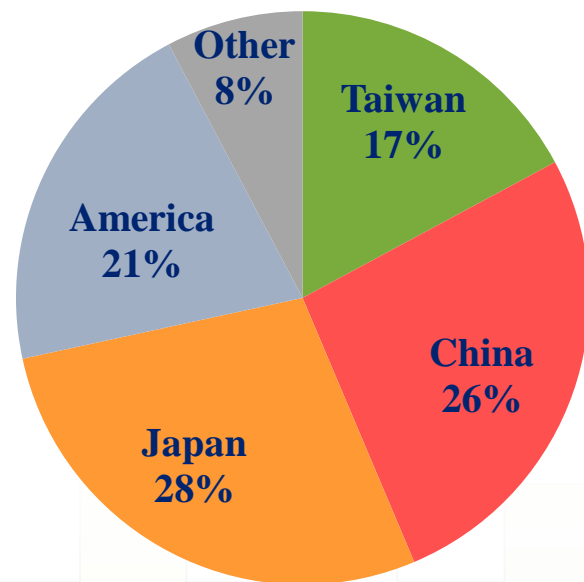
II 、 Product Description

(6) Sales distribution by Region :

2022 Sales distribution by Region

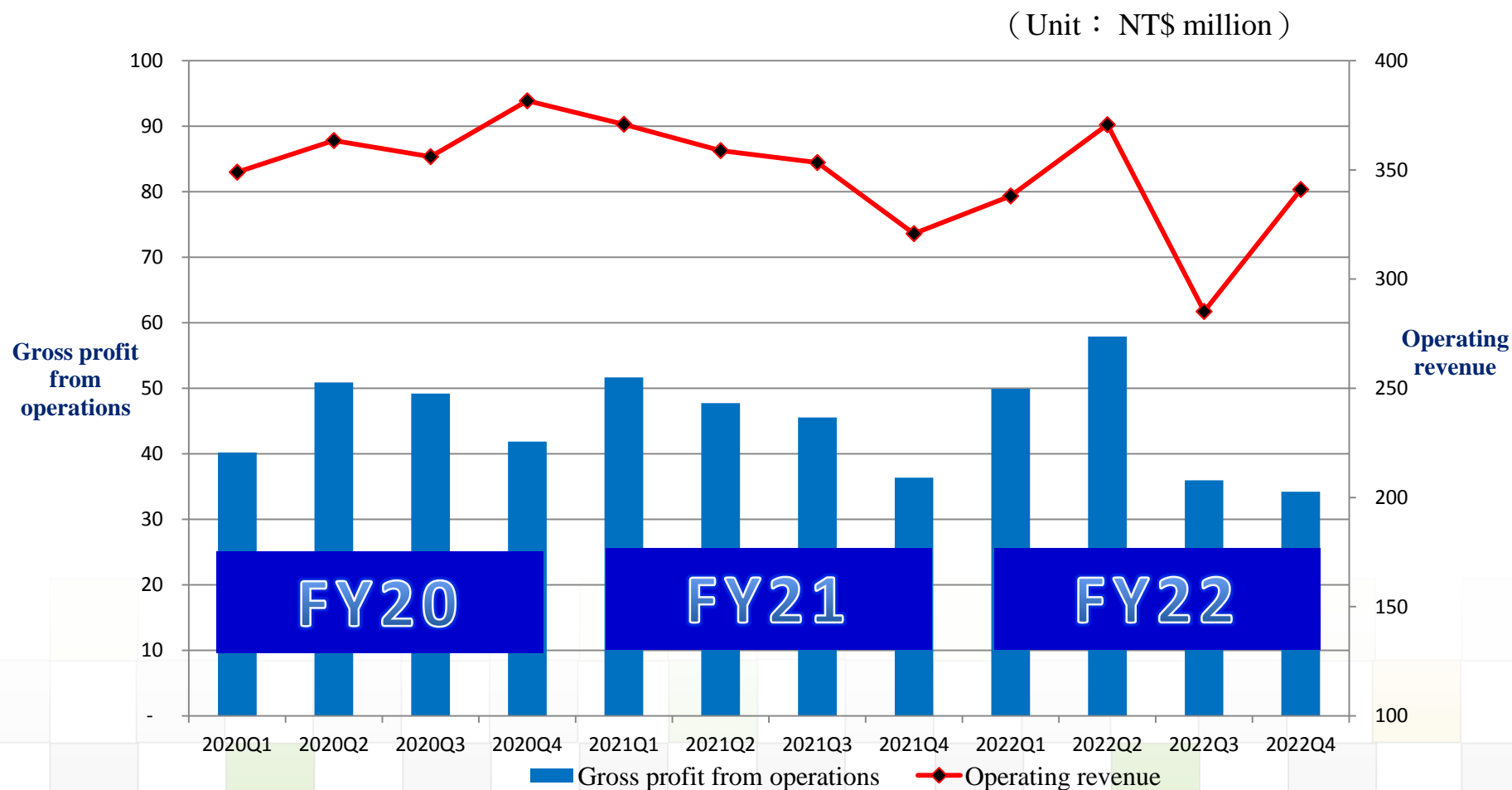


2023Q3 Sales distribution by Region



III 、 Financial Results

Revenue & Gross profit :

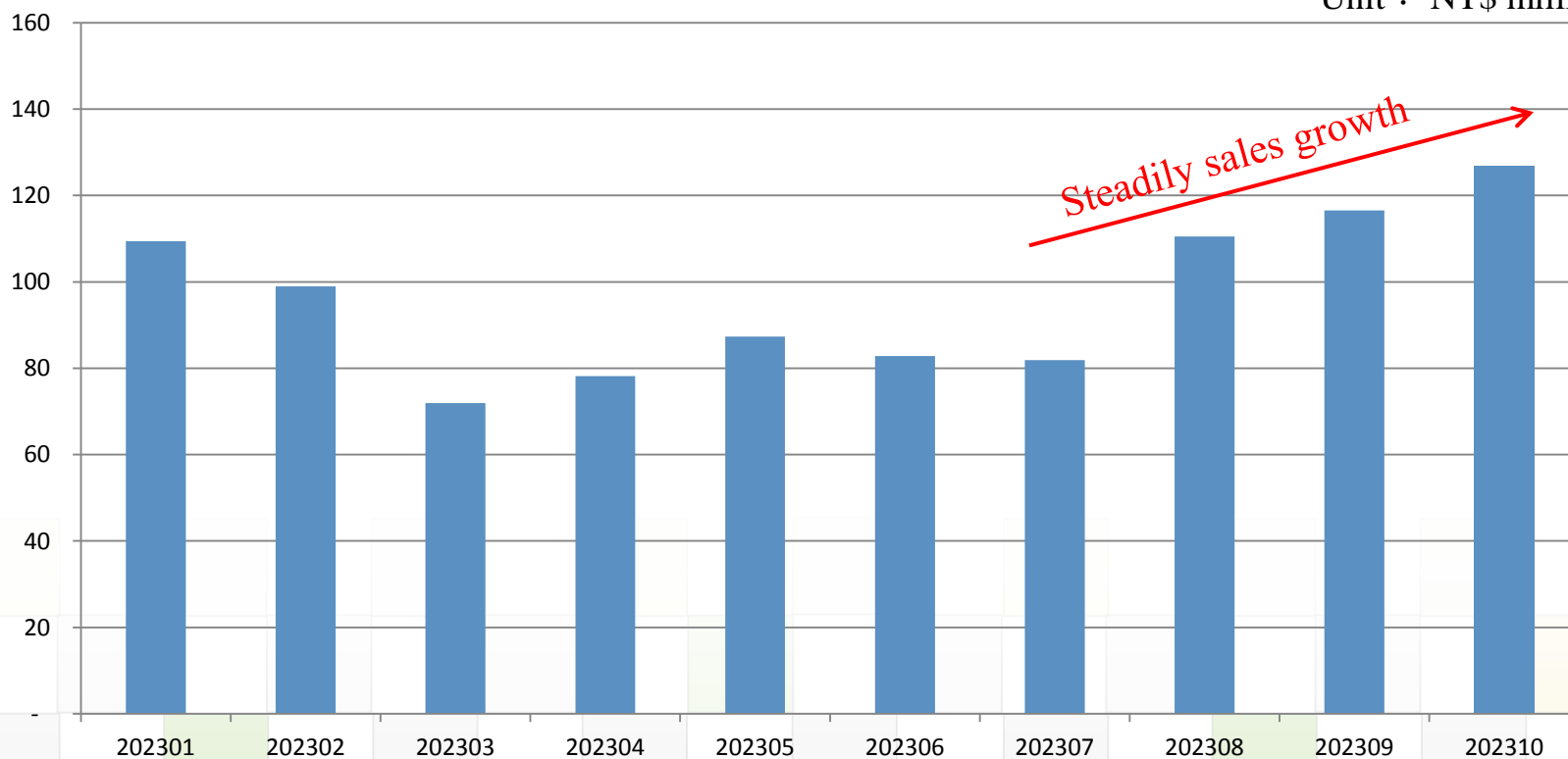


III 、 Financial Results

Operating revenue in 2023 :

Operating revenue from January to October 2023

Unit : NT\$ million





III 、 Financial Results

Comparison between 2023Q2 and 2023Q3 :

Unit : NT\$1,000

	2023Q2	2023Q3	Differences	
Operating revenue	248,339	308,947	60,608	24.41%
Gross profit	18,664	27,203	8,539	45.75%
Gross profit margin (%)	8%	9%		
Net operating income	(5,949)	2,337	8,286	139.28%
Profit before income tax	(2,371)	15,153	17,524	739.10%





III 、 Financial Results

Income statement (2023Q1~2023Q3) :

Unit : NT\$1,000

Item	2023Q1	2023Q2	2023Q3	Total
Operating revenue	280,285	248,339	308,947	837,571
Gross profit from operations	27,496	18,664	27,203	73,363
Operating expenses	22,974	24,613	24,866	72,453
Net operating income	4,522	(5,949)	2,337	910
Non-operating income and expenses	(2,866)	3,578	12,816	13,528
Profit before income tax	1,656	(2,371)	15,153	14,438
Profit from operations	2,298	(1,896)	12,122	12,524
EPS (NTD)	0.01	(0.01)	0.06	0.06
Gross margin	9.81%	7.52%	8.81%	8.76%
Operating profit margin	1.61%	-2.40%	0.76%	0.11%
Earning before tax margin	0.59%	-0.95%	4.90%	1.72%





III 、 Financial Results

Balance sheet (2023Q3 & 2022) :

Unit : NT\$1,000

Item \ Year	2023/09/30	2022/12/31
Current assets	983,451	927,452
Property, Plant, and Equipment	1,199,207	1,222,588
Right-of-use assets	9,668	13,504
Other assets	16,053	18,034
Total assets	2,208,379	2,181,578
Current liabilities	268,967	250,783
Other non-current liabilities	8,336	12,243
Total liabilities	277,303	263,026
Share capital	1,948,940	1,948,940
Retained earnings	(17,864)	(30,388)
Total equity	1,931,076	1,918,552





III 、 Financial Results

Financial analysis (FY19 ~ FY23 3Q) :

Item	2019	2020	2021	2022	2023Q3
Debt to assets ratio (%)	15.60	14.06	14.86	12.06	12.55
Current ratio (%)	328.76	329.04	268.68	369.82	365.73
Quick ratio (%)	204.88	221.93	155.35	209.35	178.66
Accounts receivable turnover (times)	3.12	3.19	3.41	3.51	3.22
Average collection days	116.98	114.41	107.03	103.98	113.21
Accounts payable turnover (times)	6.87	7.30	6.61	6.31	5.95
Payable outstanding days	53.14	50.00	55.20	57.82	61.32
Inventory turnover (times)	3.37	3.83	3.74	3.06	2.25
Average days in sales	108.31	95.30	97.59	119.30	162.32
Return on equity (%)	7.06	5.56	2.94	4.49	1.03
Net profit margin (%)	7.69	6.60	3.77	6.31	1.50
EPS (NT\$)	0.58	0.49	0.27	0.43	0.06





IV 、Future Outlook

➤ Operation strategy :

- Combined with the business strategy of the parent company Nittobo, improve technical capabilities, strengthen core competitive advantages, and maintain a leading position.
- Cooperate with Nittobo's technical team, actively strive for high-end product certification from customers, and obtain full support from raw materials, and become a one-stop manufacturing system for electronic materials to increase competitiveness.

➤ Future product development :

- In response to the product application transformation strategy, optimizing the product portfolio toward 5G applications, automotive advanced driver assistance system applications, and space satellite signal transmission applications.
- Added Low Dk (NE glass) series product development.
- Product strategy on high compatible and reliable interface of high-frequency/high-speed materials.



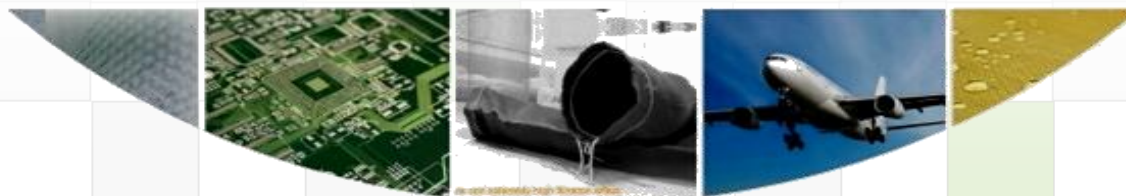


IV 、 Future Outlook

➤ Sustainability policy :

- Pursue sustainable management and committed to the promotion of corporate governance.
- Cooperate with the government "Sustainable Development Action Plan", complete the greenhouse gas inventory report, promote energy conservation and carbon reduction, and actively optimize energy equipment such as ice water machines and air compressors to reduce energy consumption.
- Promote renewable energy and install solar power generation facilities.





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