

International Professional Excellent

Syncmold Enterprise



2020 / 11

Executive Summary

- ❖ **A leading monitor stand provider**

Design with tier-1 brands, shipping about 24M monitor stands in 2019, with 20% market share

- ❖ **Continue a stable financial performance over one decade**

Deliver an average 22% pre-tax ROE and the growing profitability

- ❖ **Drivers of business growth**

(1) Worldwide gaming monitor stand uptrend and gain market share in existing monitor stand business

(2) Revenue contribution from strategy investment (i.e: Gatetech, Leohab)

(3) Expand product applications (i.e: foldable device, exercise equipment)

- ❖ **Yearly dividend grows by 2025**

Promise incremental cash dividend with annual growth rate 6% plus operation bonus until 2025, based on solid balance sheet

- ❖ **Diversify manufacturing sites**

Deploying factories in Taiwan, China, Southern-Aisa

Syncmold Introduction

Syncmold established in 1979 and listed on TWSE in 2009(ticker:1582)

- ❖ Headquarter: New Taipei City, Taiwan
- ❖ Chairman: Chen Chiu Lang
- ❖ Employee: 4,800(2020 / 10)
- ❖ 3Q20 Share capital: NT\$1.24B
- ❖ 3Q20 Total assets: NT\$10.4B
- ❖ Major products:
 - ❖ component products(Monitor / TV / AIO hinge & stand)
 - ❖ plastic products(plastic mold / injection)
 - ❖ aluminum and magnesium die-casting: Gatetech
 - ❖ precise stamping: Leohab



Acquire Gatetech to Extend Die-Casting Applications

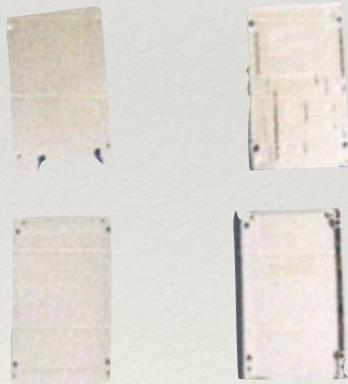
We acquired 72.8% ownership of Gatetech by NT\$550M from Yulon Motor group at 2019 end. Through this deal, we recorded a negative goodwill of NT\$64M

Benefits of this acquisition

- ❖ **Upstream integration:** Gatetech's product of die-casting is our key components in gaming and higher-end monitor stand module
- ❖ **Favor Syncmold to expand product and customer portfolio:** server SSD and rugged computers accounting for 45% of Gatetech and its customers like Intel and Getac are worldwide famous brand companies
- ❖ Gatetech has earned revenue of NT\$600M with profitable over the past 3 years

Gatetech Introduction

- ❖ Established in 1988, NT\$575M capital, 500 employees
- ❖ Factories : Suzhou, China; Taoyuan, Taiwan
- ❖ Products : Aluminum and Magnesium die-casting
- ❖ Applications : enterprise / server SSD, rugged computers ,automotive-related parts, valves and machine tools



SSD case



rugged NB case



automotive motor case



bike fork



steering wheel, column

Acquire Leohab to Extend Stamping Applications

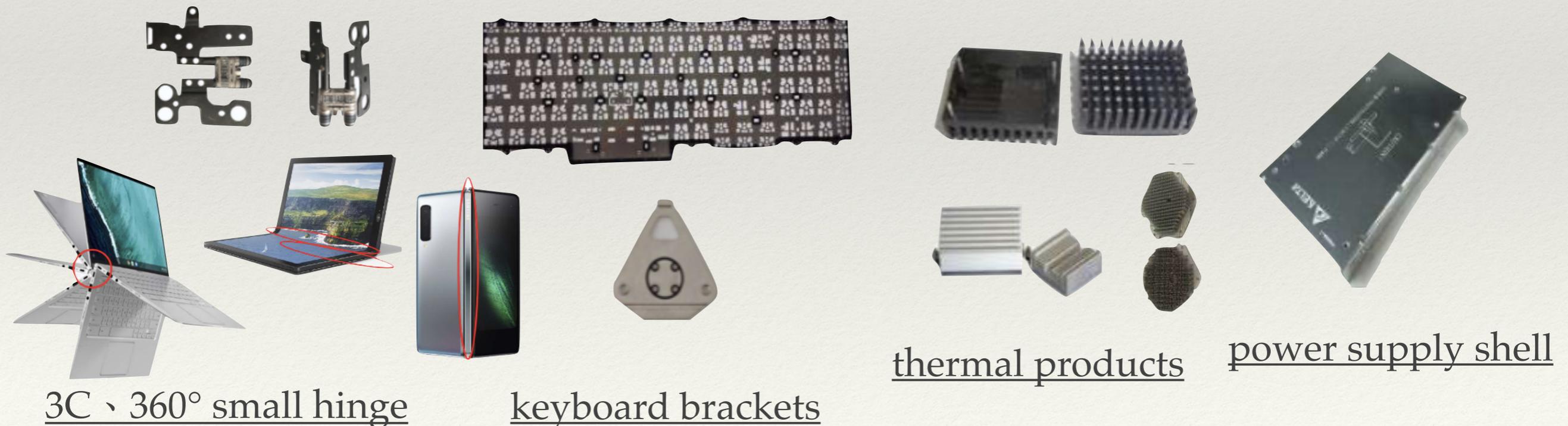
We acquire 70% shares of Leohab with NT\$230 million whose founder seeks the successor. Transaction will be done at the end of November

Benefits of this acquisition

- ❖ **Upstream integration:** Leohab's product of stamping is our key components in stand module
- ❖ **Favor Syncmold to expand product and customer portfolio:** NB, 3C, 360° hinge and thermal products accounting for 60% of Leohab. Small hinge and precision stamping strengthen Syncmold's applications for 3C and 5G component
- ❖ **Cooperation platform:** Merry Electronics and Syncmold will be two major shareholders, that will benefit for the group long-term prospect
- ❖ Leohab has earned revenue of NT\$600M with profitable over the past 3 years, having room for growth based on relatively low utilization rate and base period

Leohab Introduction

- ❖ Established in 1990, NT\$237M capital, 600 employees
- ❖ Factories: Suzhou, China; Taichung, Taiwan; Thailand
- ❖ Products: Metal stamping
- ❖ Applications: All kinds of 3C, 360° small hinge, keyboard brackets, stamping parts for touch module, server shell, power supply and thermal products

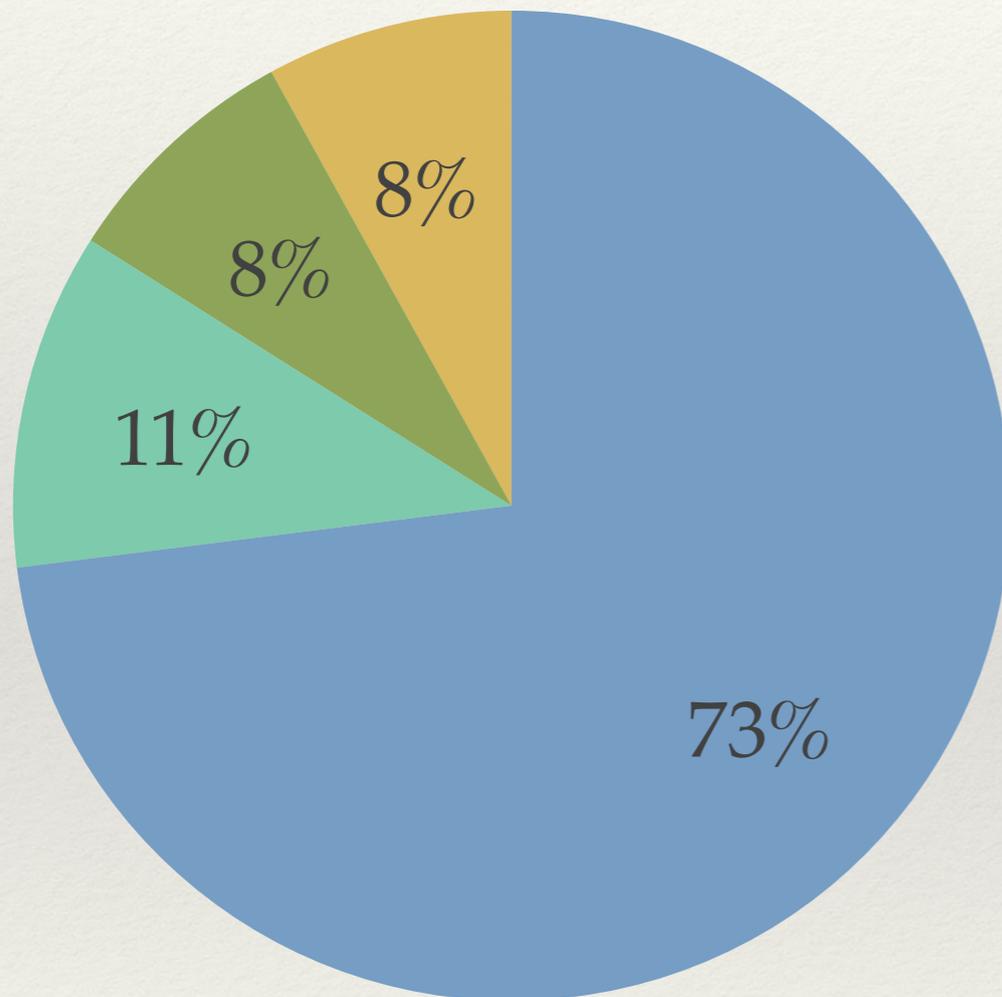


Syncmold is High-End Monitor Stand Leader

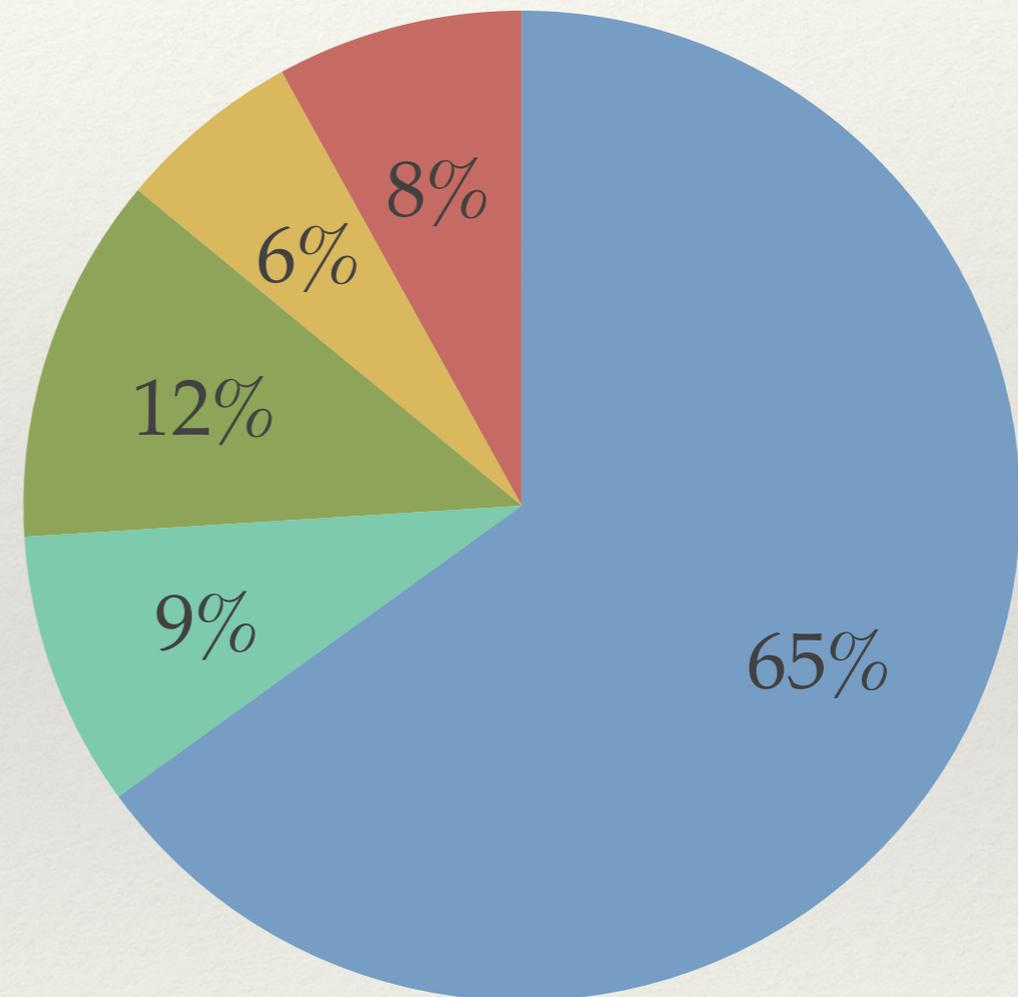


Product Mix

Y2019



Y2020 Q1-Q3



● Monitor

● AIO

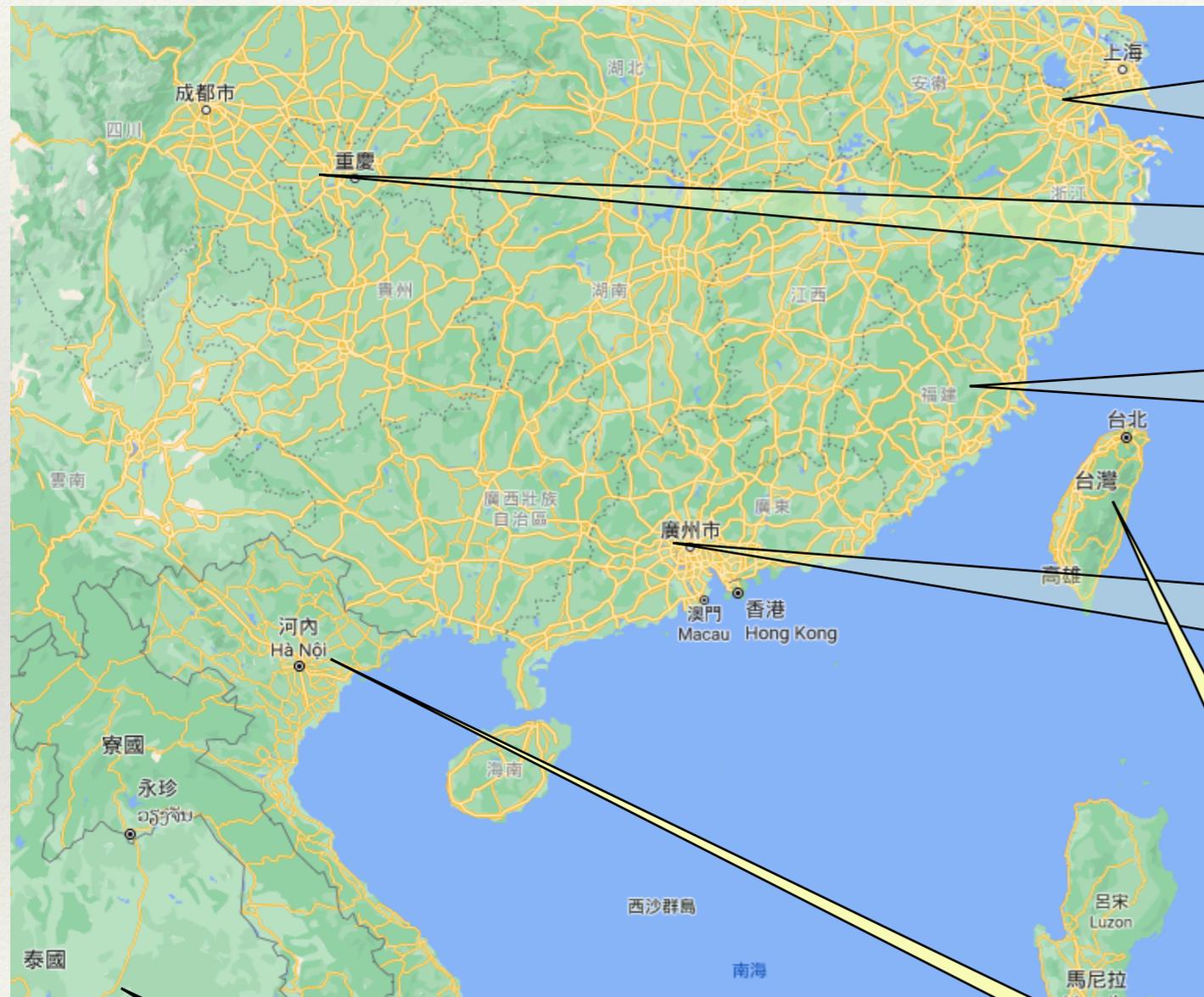
● TV

● Others

● Gatetech

note : revenue breakdown

Manufacturing Sites



Suzhou : Qisda 、 Pegatron 、 Compal 、 Quanta
Kunshan : self-made
Gatetech-Suzhou(73%) : die-casting
Leohab-Suzhou(70%) : stamping

Chongqing : Foxconn 、 Quanta 、 Inventec

Fuzhou : TPV 、 L&T
Fujian : TPV 、 L&T 、 self-made
Fuqing : self-made

DongGuang : self-made 、 Funai
Zhongshan : Wistron 、 SONY

Taoyuan : assembly 、 automation
Gatetech-Taoyuan(73%) : die-casting
Leohab-Taichung(70%) : stamping
Highgrade(38%) : TV wall bracket, medical cart

Thailand : TPV
Leohab-Thailand(70%) : stamping

Vietnam : Qisda 、 Wistron

Stable Revenue and EPS



note : EPS is calculated by net income / year-end capital

Quarterly Results

Revenue(NT\$B) EPS(NT\$)

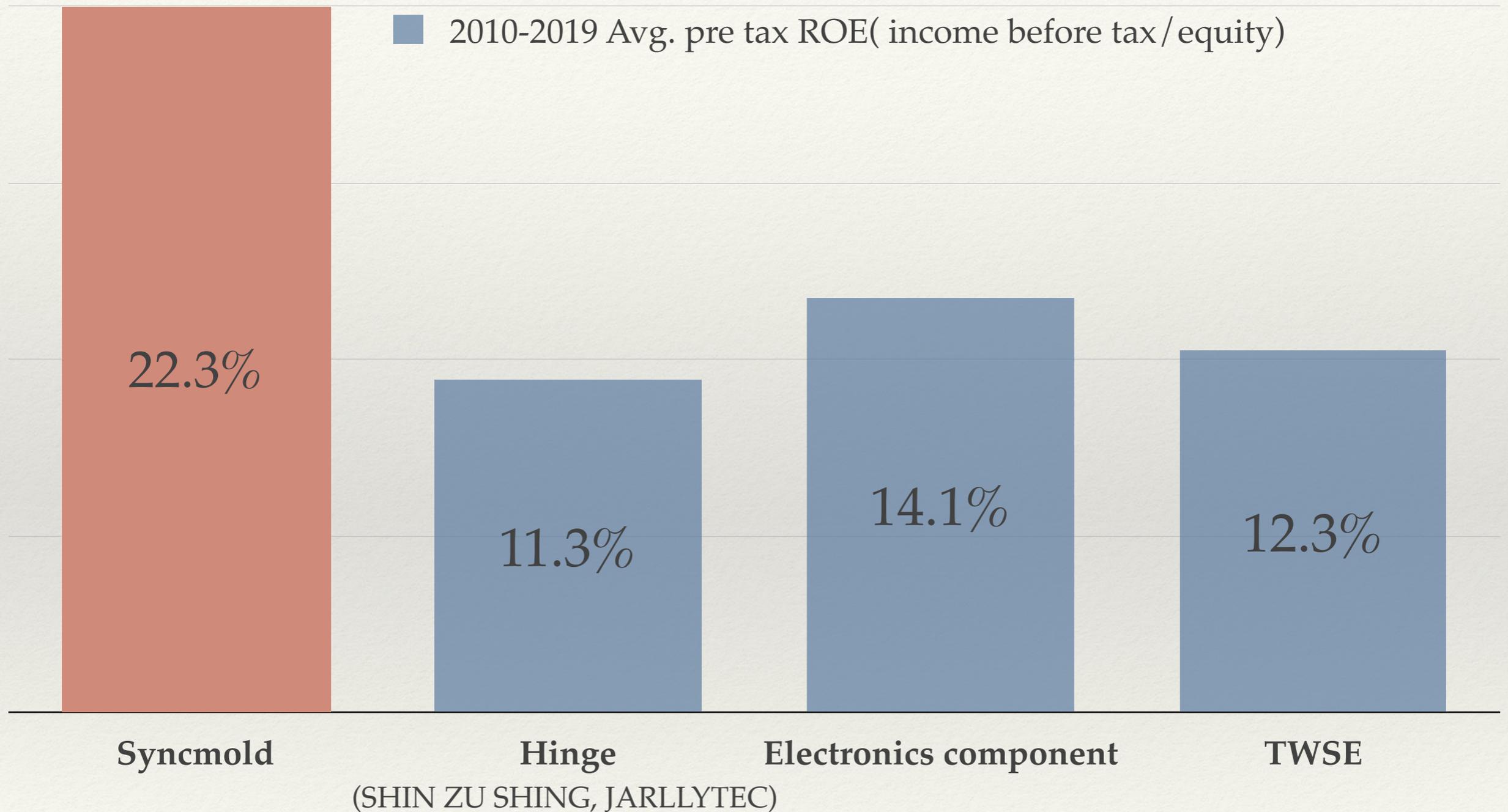
○ EPS

■ Revenue



note : EPS is calculated by net income / quarter-end capital

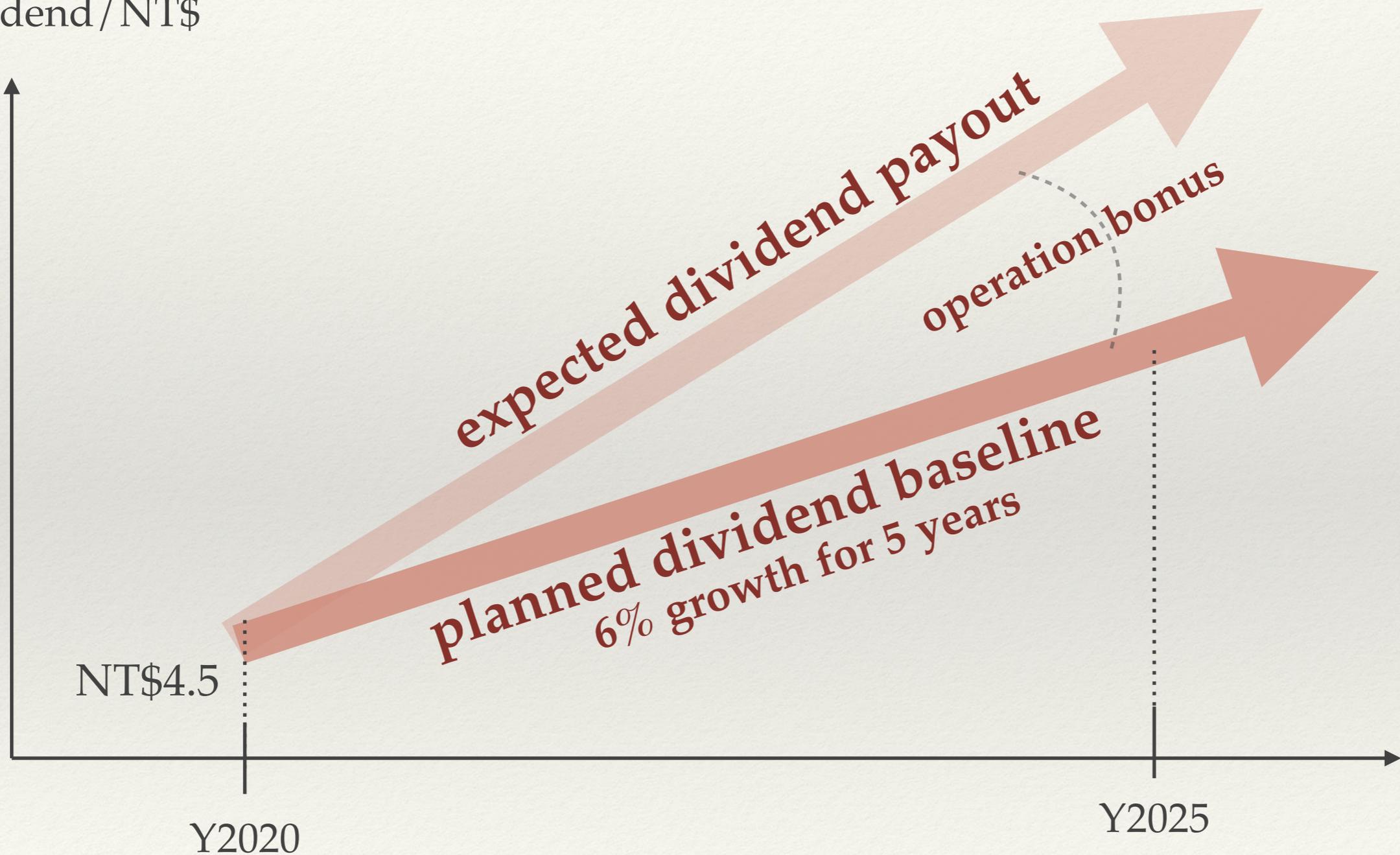
Deliver Higher ROE



note: given only pre-tax profit data disclosed from TWSE, we use pre tax ROE to be benchmark

Growth Dividend Policy

Dividend/NT\$



Strength

- ❖ Decades of mechanic engineering expertise, proficient at mechanism design and product development
- ❖ Devoted on capabilities of vertical integration, provide customers for a one-stop shopping of a full range service of R&D, design and manufacturing
- ❖ Production sites close to clients, provide prompt response and reliable supply services

Prospect

We anticipate a YoY revenue and profits growth in Y2020:

- ❖ Flat YoY growth in existing monitor stand revenue
- ❖ Consolidated revenue may get close to double-digit YoY growth after including Gatetech's revenue
- ❖ Increasing gaming monitor stand penetration which drive profits to grow relative to last year

Expect to see continued growth in Y2021:

- ❖ Gaming monitor stand keep growing
- ❖ Into exercise equipment supply chain
- ❖ Through M&A to expand product portfolio and drive revenue and profits to rise in near future

Q & A

Thank You for Listening

