



## Company Profile

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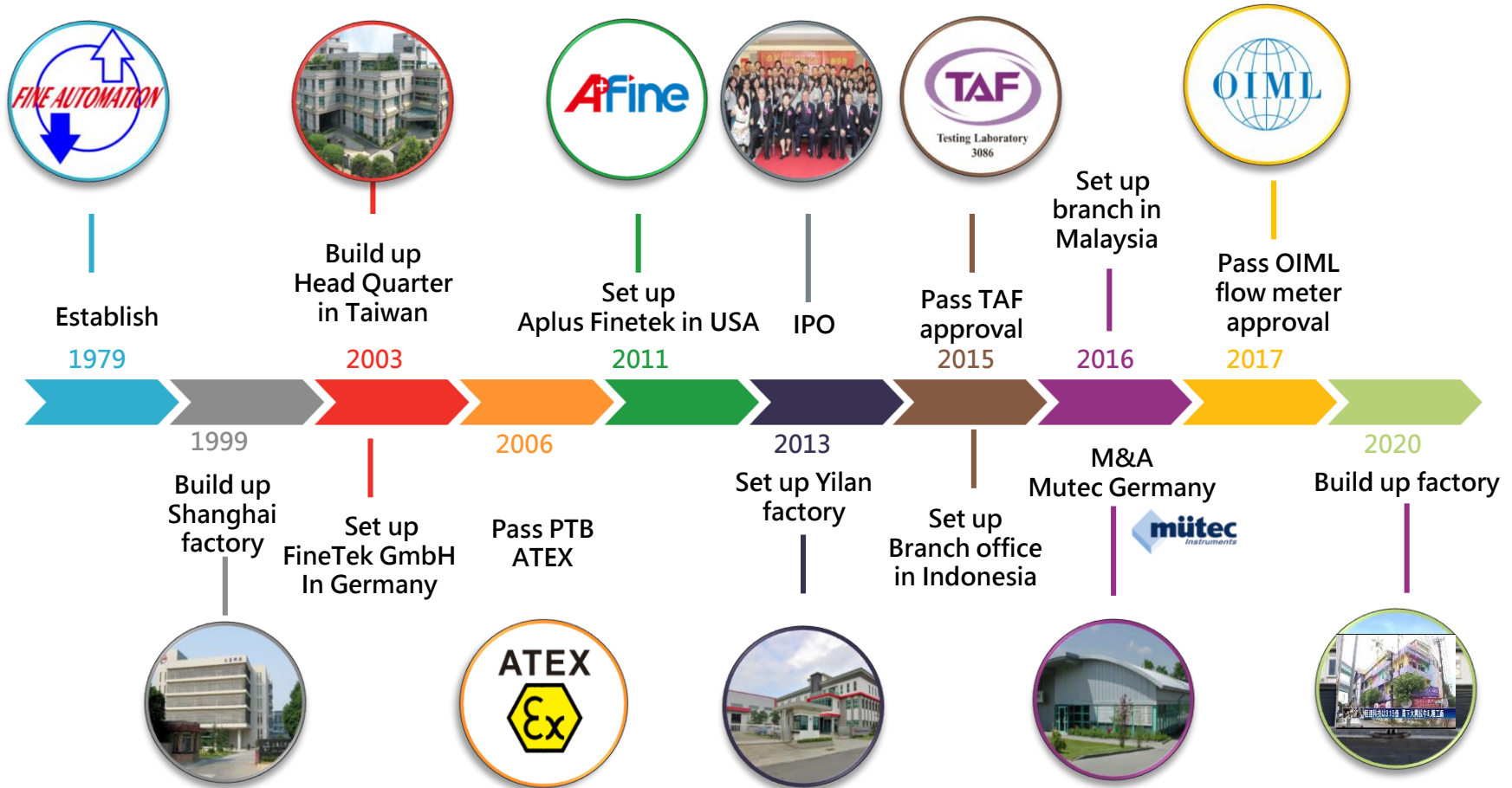


**Date: May 11, 2021**

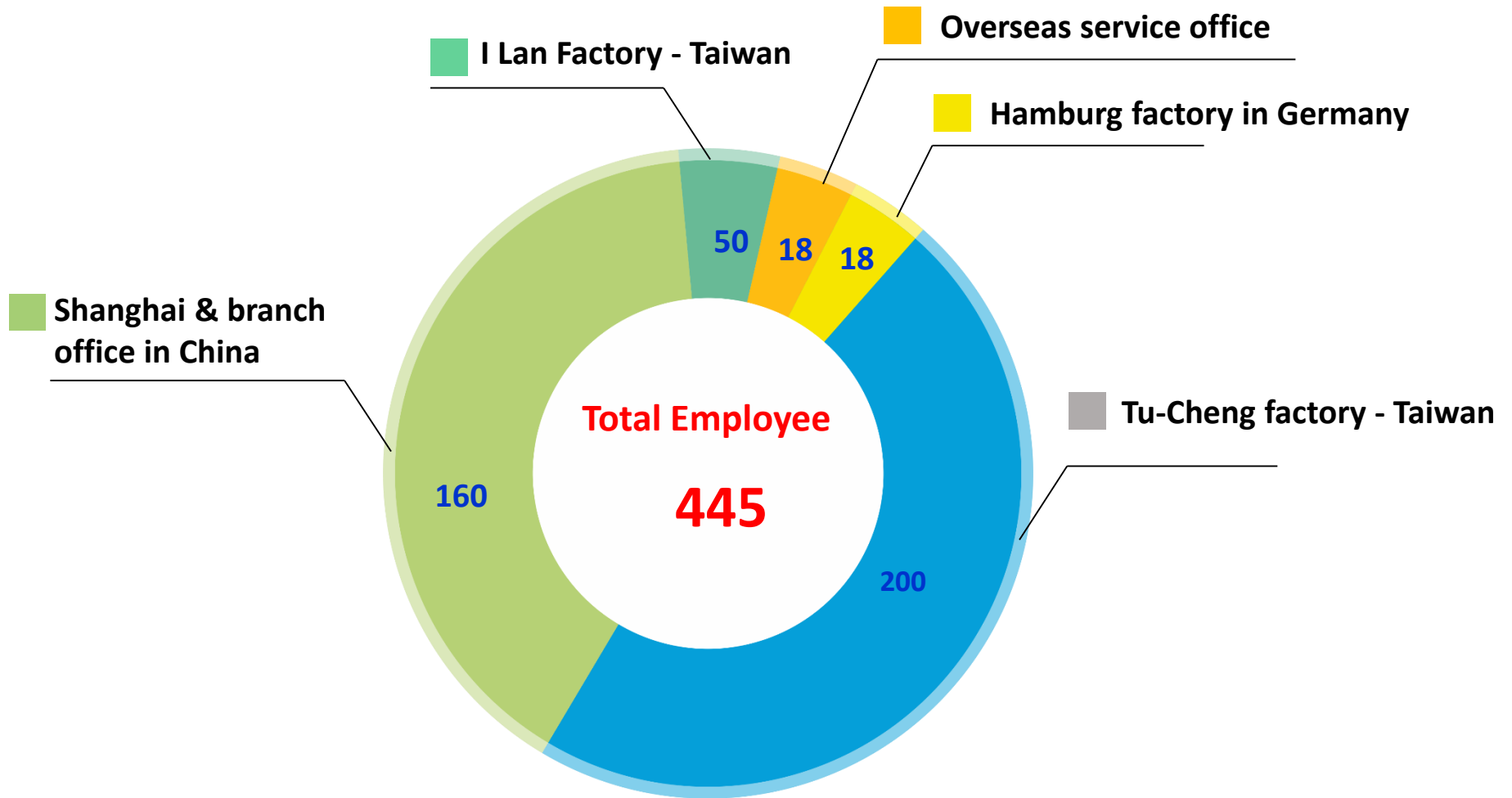
# Agenda

- **Finetek Company organization**
- **2020 and 2021 Q1 financial outlook**
- **2021 sales forecast and capital investment**

# Company Milestone



# Company Organization



# Main Factory



## ➤ Taiwan Tu-Cheng (Head Quarter)

- Key components production line
- Customs design production line
- supply to China, Taiwan and overseas market



## ➤ Taiwan I-Lan

- Standard products and high volume orders
- Flow meter Calibration system
- supply for oversea and Taiwan market



## ➤ China Shanghai

- Simple Assembly line
- supply for China market only

# Taiwan (I-Lan factory)



- Standard and mass production products.
- Flow meter production and calibration center.
- Calibration method: Weight+ comparison  
**(Accuracy: 0.02%)**
- Supply Taiwan domestic and oversea market.



# Mütec Germany



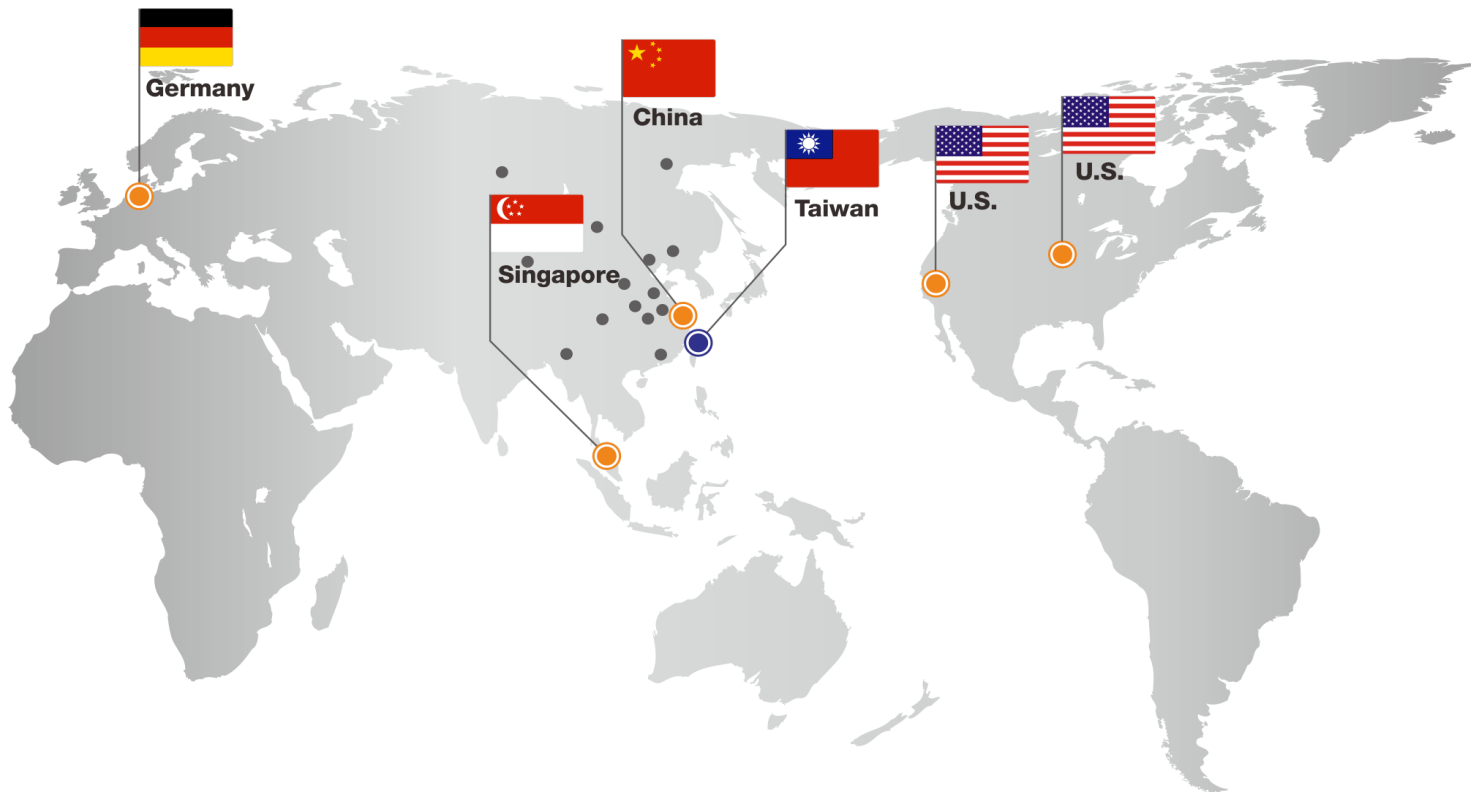
Mütec Instruments GmbH in Germany

Hi-tech and total solution for signal conversion and solid detection.



# Global Sales Channel

- Taiwan Head Quarter as Global sales channel development Center
- China - 12 sales branch offices
- Germany, USA, Singapore, Malaysia, Indonesia - Sales subsidiary





# Global Distributor Network

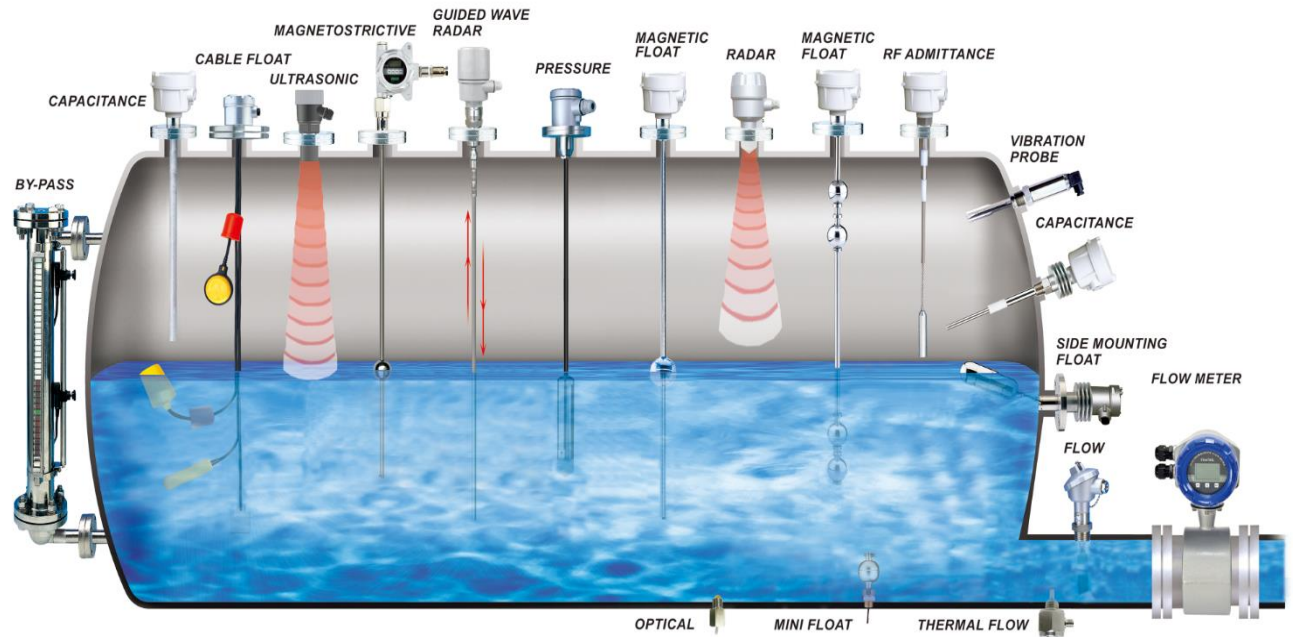


Over 600 Distributors in Global Market



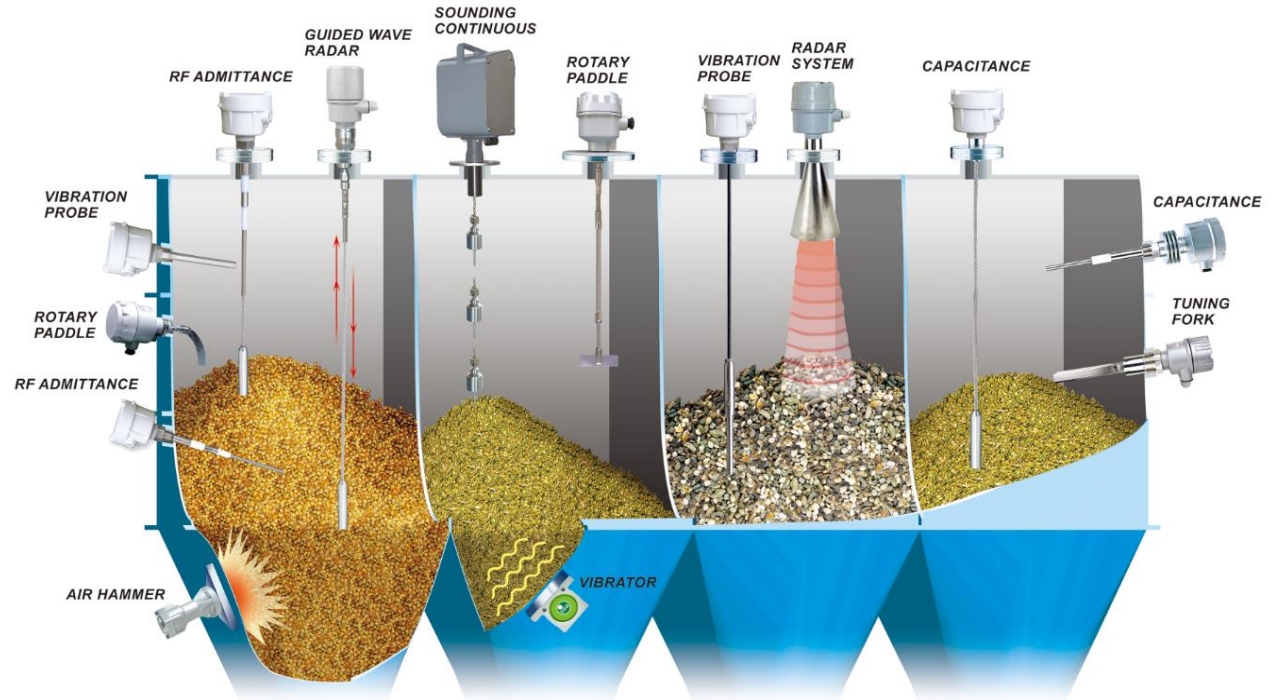
# Product Group

## Liquid



# Product Group

## Solid



# Flow Meter - product Group



**Your Best  
Water Treatment  
Solution**

**DN40~DN300**



**Paddle Wheel Type  
Stainless/ Plastic**



**Magnet type  
(Remote Display)**



**Magnet type  
(Sanitary Grade)**



**Magnet type  
(Local Display)**



# Total Solution for Powders & Bulk Solids



Moisture Measuring System



Mass Flow Measuring System



Flow Monitoring System



Level Monitoring System



SIL2-Din rail devices



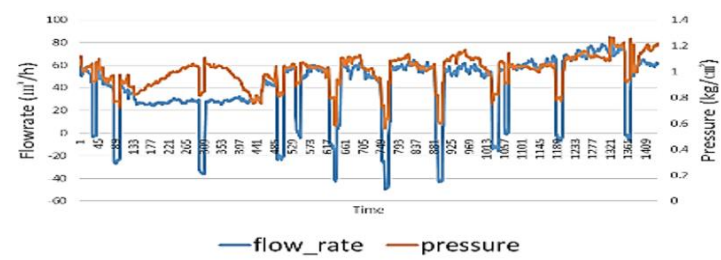
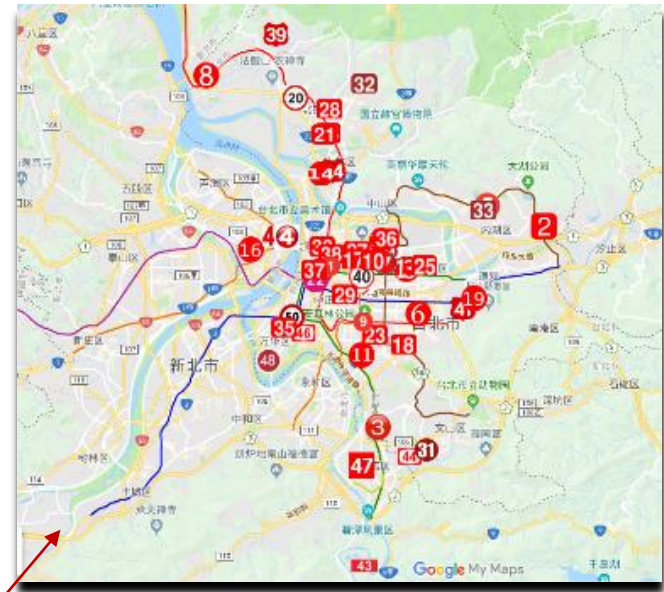
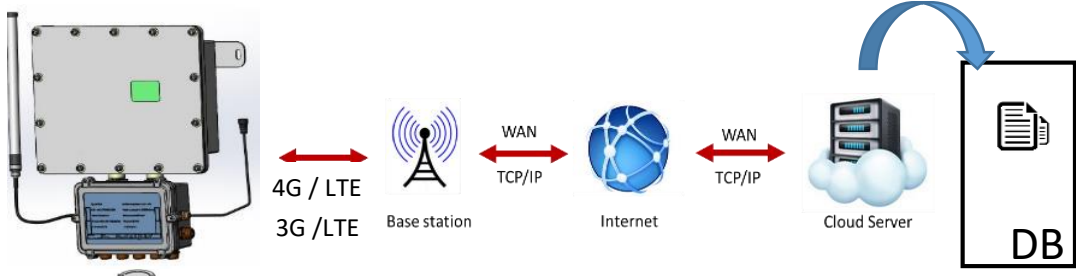
# Monitoring and Managing Drain Water from All Companies in Ind. Zone

1. Acid/alkaline liquid
2. Chrome plating bath
3. Hydrogen Cyanide



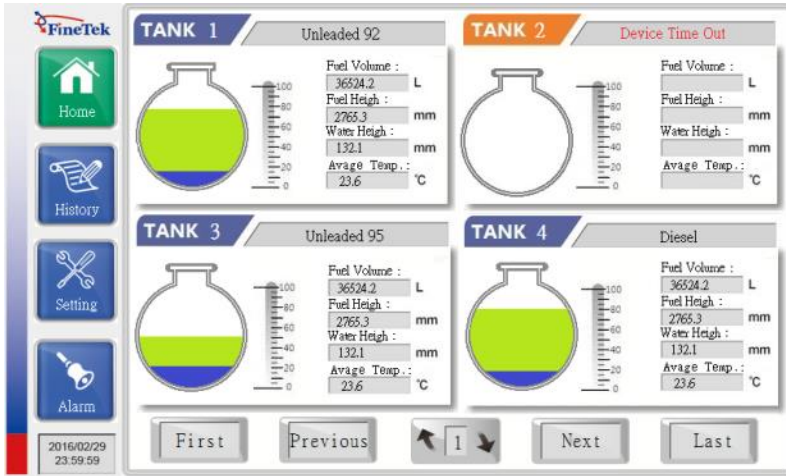
# Integrated system DMA leakage management

Monitoring 300 locations



# Integrated System- ATG System

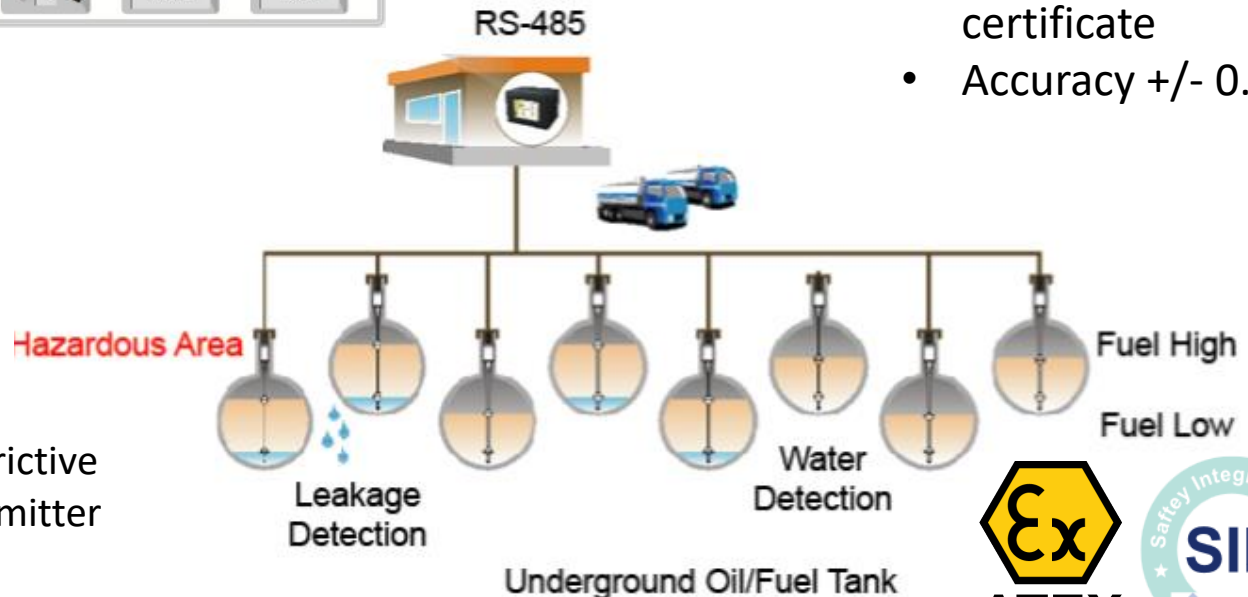
with Magnetostrictive Level Transmitter



- Interface detection
- 1-4 digit temperature display
- Linking Alarm
- Shift record
- Volume / Height conversion
- Ex-proof enclosure certificate
- Accuracy +/- 0.1mm



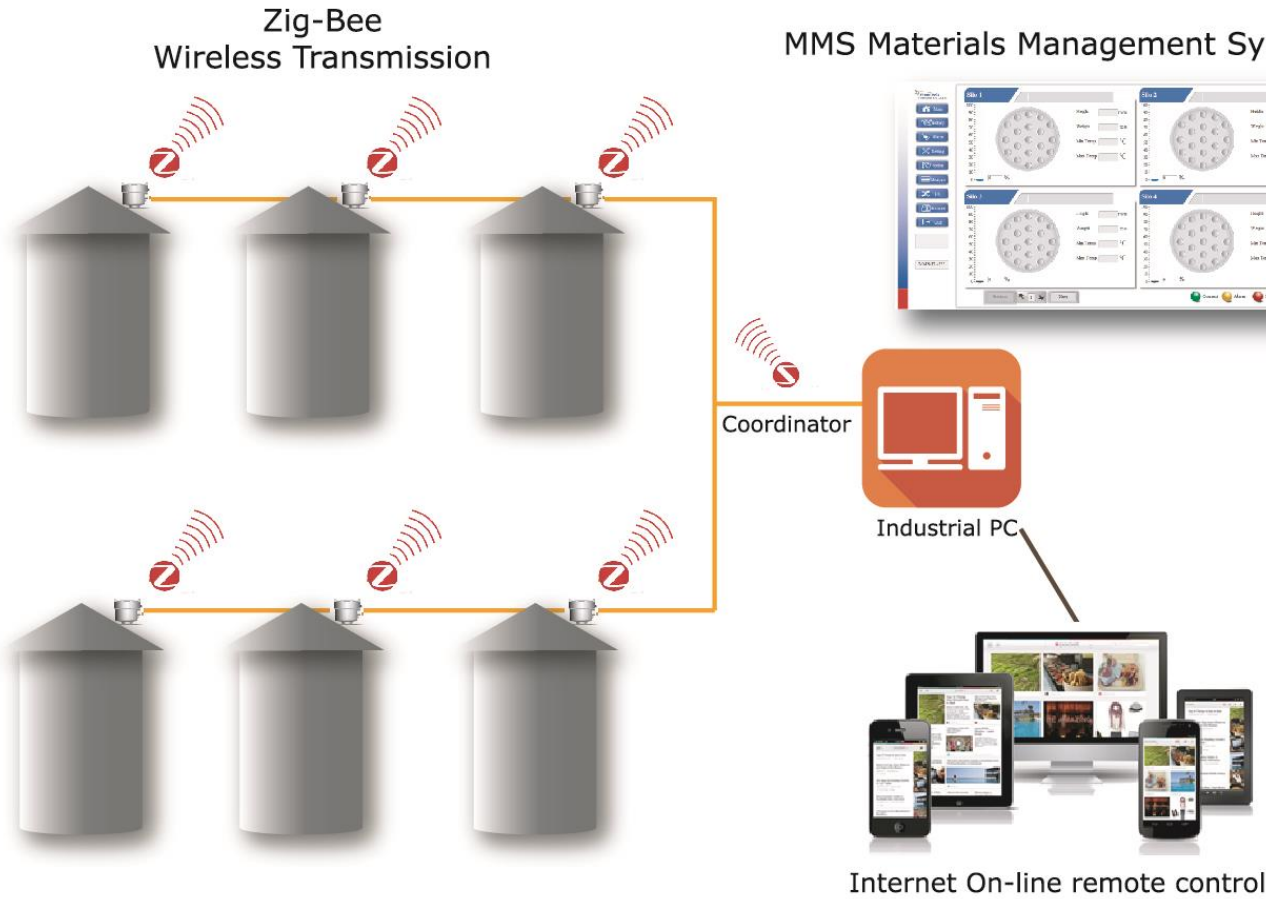
Magnetostrictive Level Transmitter





# Integrated System- MMS System + Wireless

with EST120 2 in 1 grain temperature & level monitoring transmitter



# Conveyer Safety Product and System



**SRS Series  
Safety Cable Pull  
Switch**



**SRT Series Conveyer  
Belt Misalignment  
Switch**



**ED Series Speed  
Monitor**



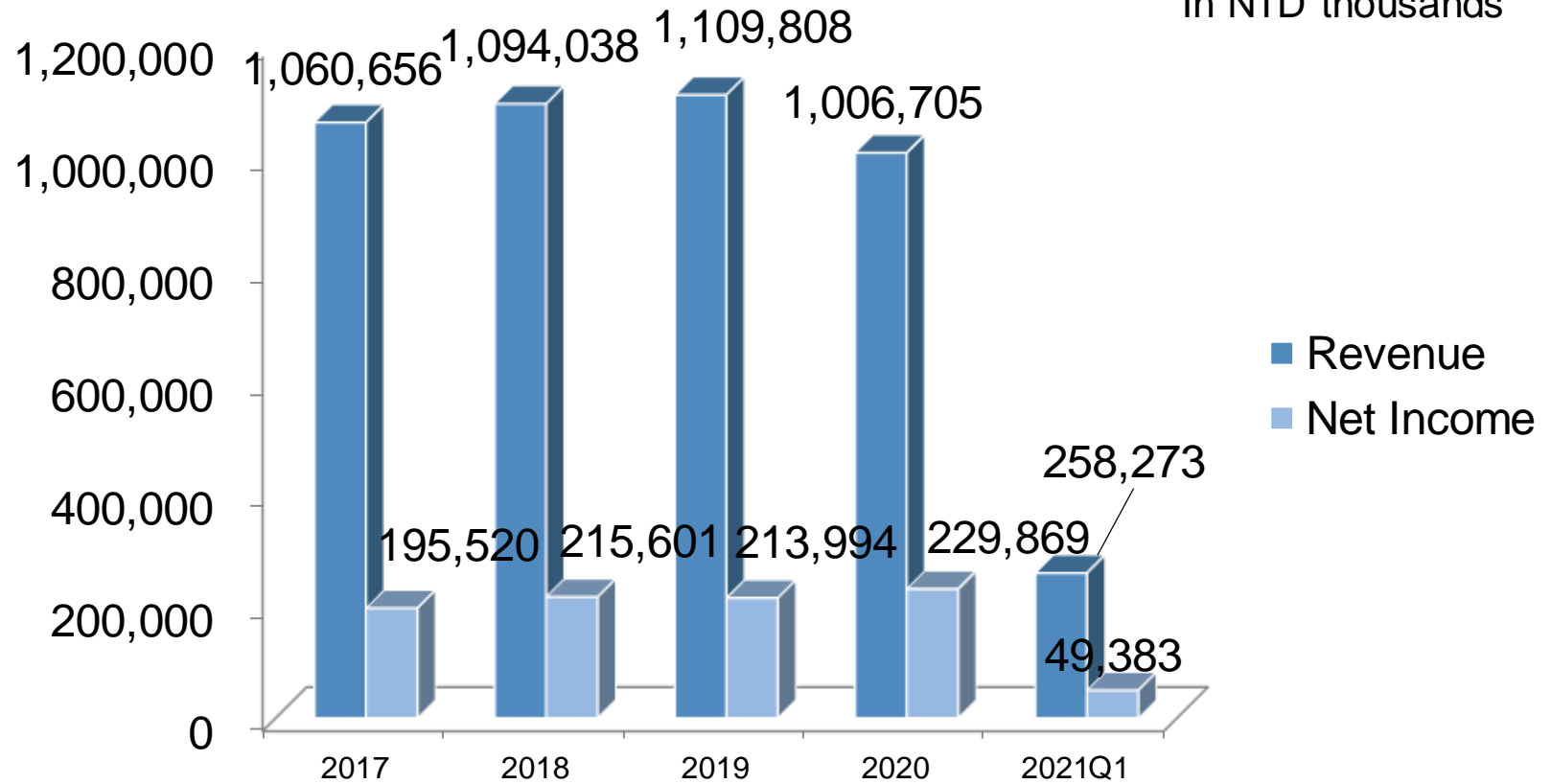
**Materials  
Management  
System**



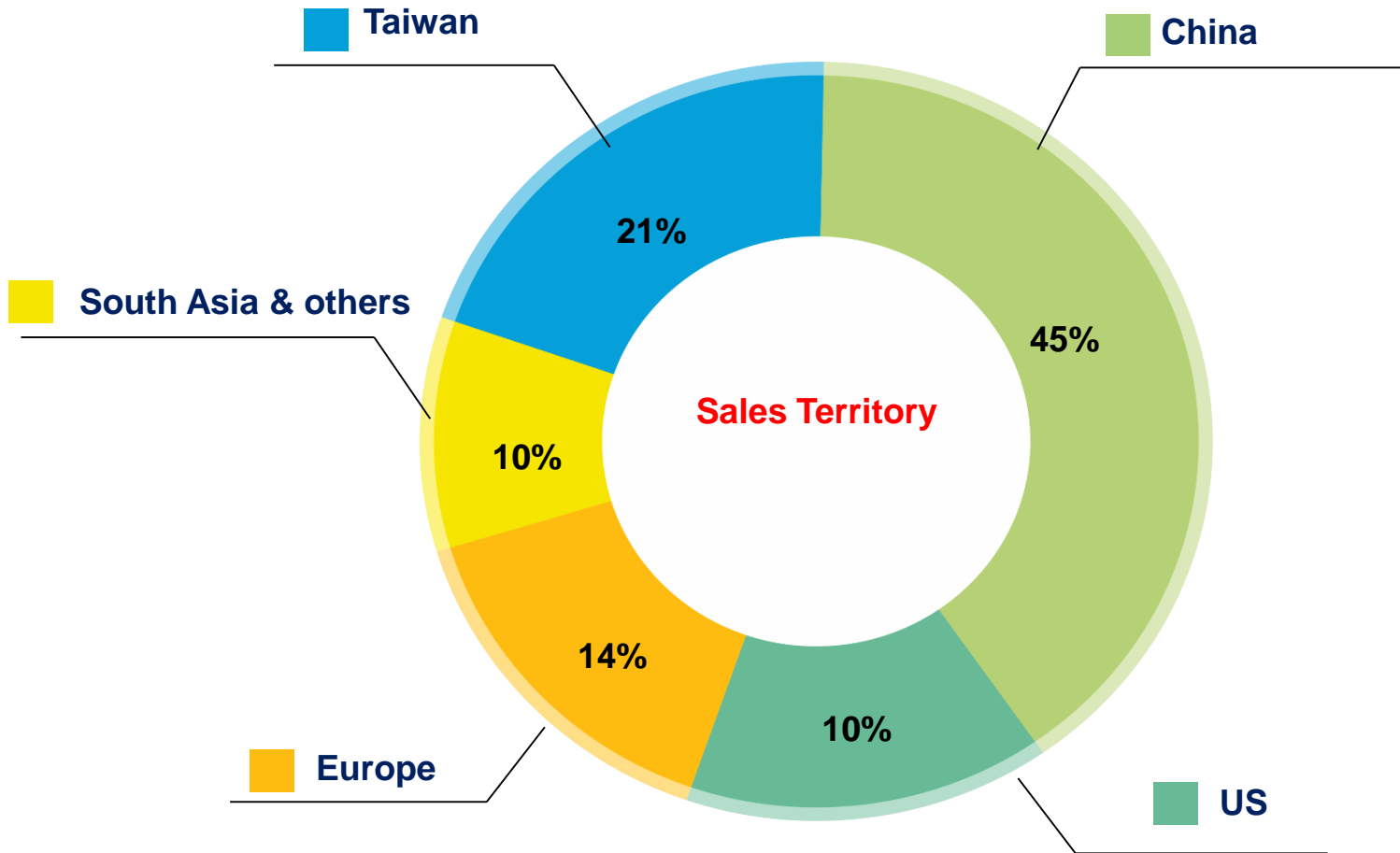
# Financial outlook

# Revenue & Net Income

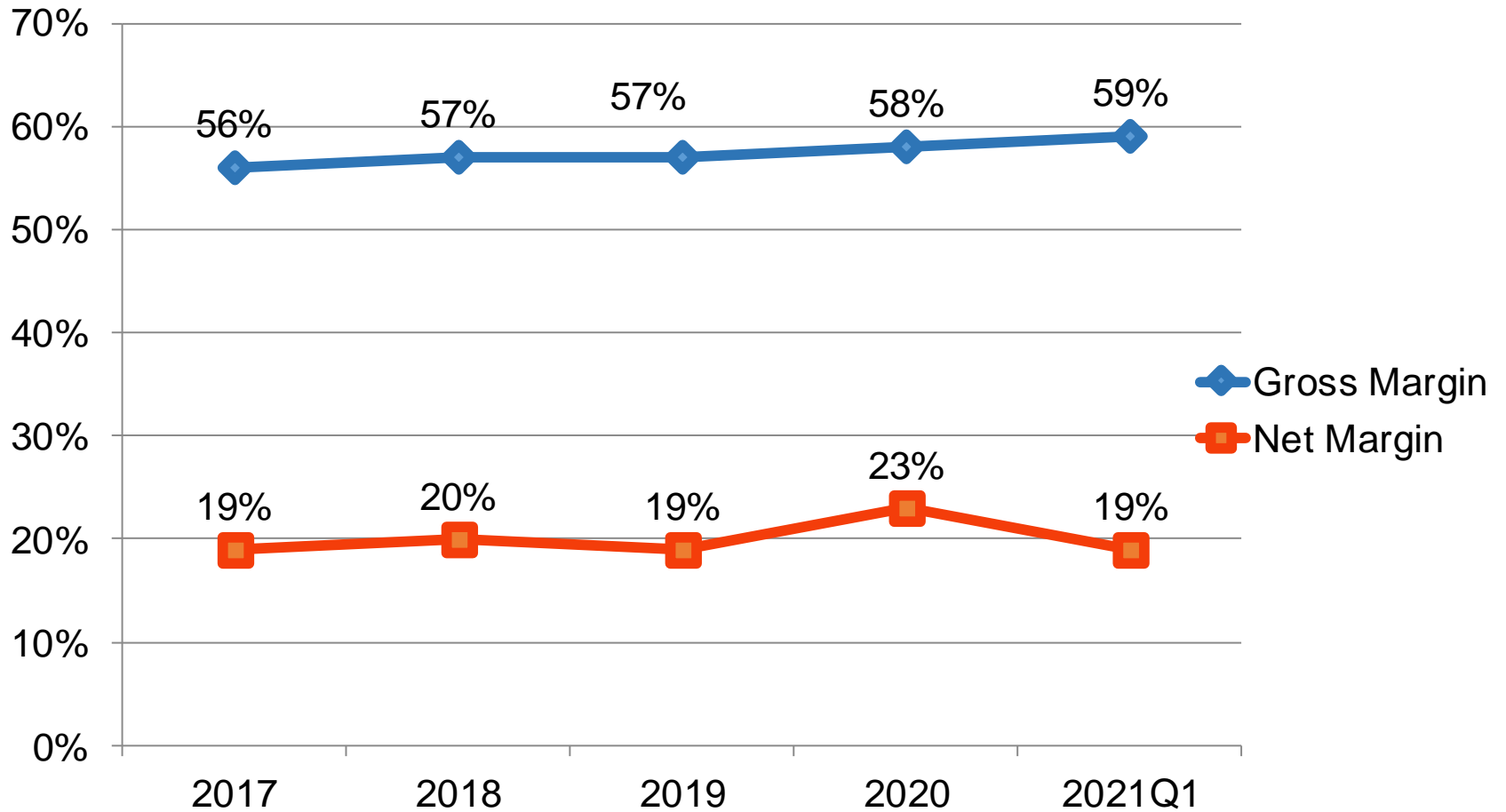
In NTD thousands



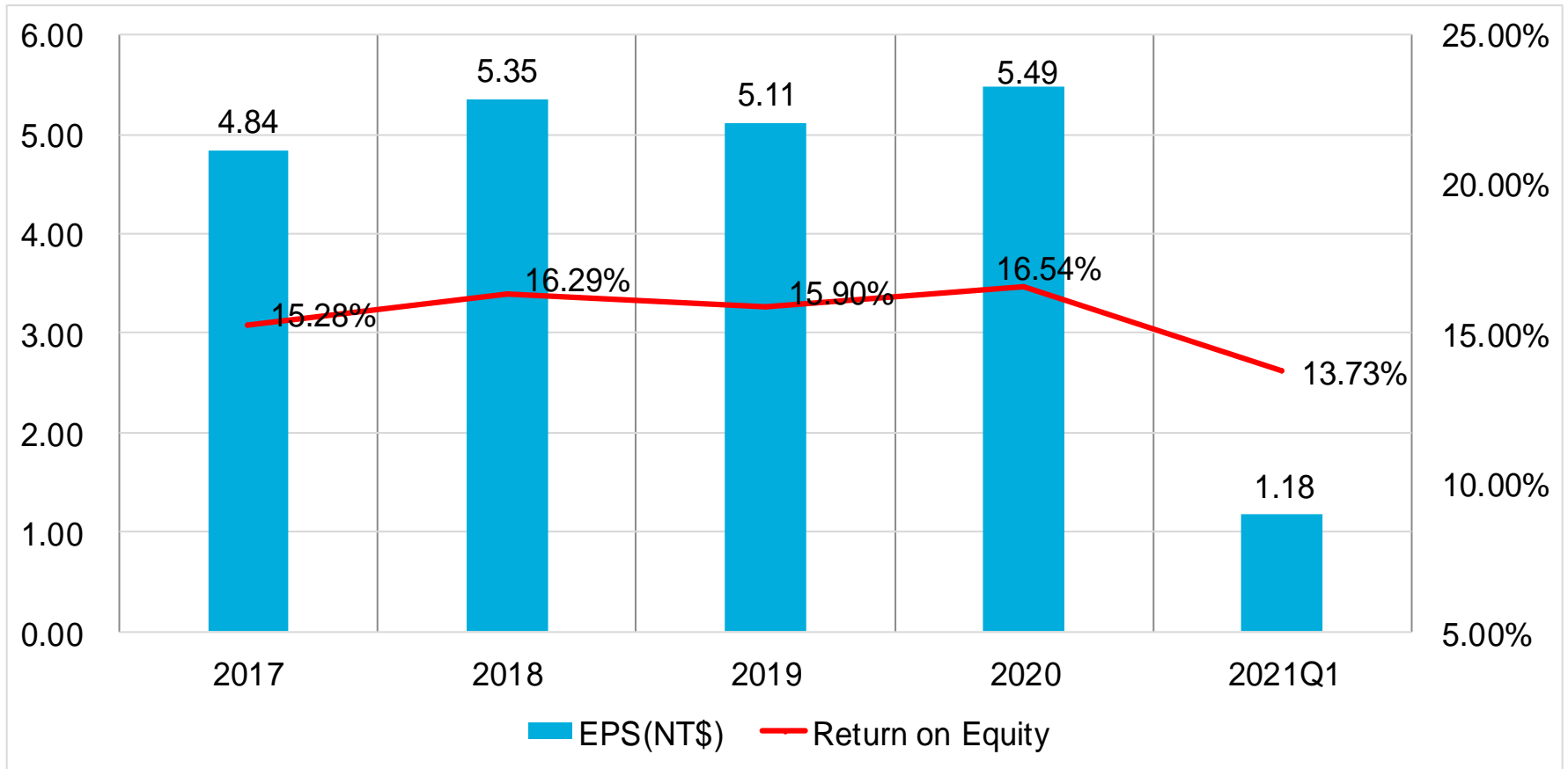
# 2020 Q1-Q4 Sales by Territory



# Gross Margin & Net Margin



# Earnings Per Share & Return on Equity(%)



# Income statement

In NTD thousands, except EPS

| Item                              | 2019      |     | 2020      |     | 2021Q1  |     |
|-----------------------------------|-----------|-----|-----------|-----|---------|-----|
|                                   | NT\$      | %   | NT\$      | %   | NT\$    | %   |
| Sales Revenue                     | 1,109,808 | 100 | 1,006,705 | 100 | 258,273 | 100 |
| Gross Profit                      | 638,845   | 57  | 586,103   | 58  | 151,455 | 59  |
| Operating Income                  | 268,409   | 24  | 258,453   | 26  | 65,054  | 25  |
| Non-operating Income and Expenses | 26,709    | 3   | 37,798    | 4   | 1,618   | 1   |
| Net Income                        | 213,994   | 19  | 229,869   | 23  | 49,383  | 19  |
| Earning Per Share                 | 5.11      |     | 5.49      |     | 1.18    |     |
| Cash dividends                    | 4.0       |     | 4.0       |     | -       |     |
| Stock dividends                   | -         |     | 0.5       |     | -       |     |
| Payout ratio                      | 78%       |     | 82%       |     | -       |     |



# Balance sheet



In NTD thousands

| Item   | 2019             |            | 2020             |            | 2021Q1           |            |
|--|------------------|------------|------------------|------------|------------------|------------|
|  | NT\$             | %          | NT\$             | %          | NT\$             | %          |
| Cash and cash equivalents                                  | 601,468          | 36         | 526,255          | 27         | 595,716          | 30         |
| Receivable   | 190,521          | 11         | 169,907          | 9          | 182,565          | 9          |
| Inventory  | 191,035          | 11         | 167,146          | 9          | 165,201          | 9          |
| Other Current Assets                                       | 91,046           | 5          | 112,949          | 6          | 114,963          | 6          |
| Property, plant and equipment,<br>Other Non-current Assets | 614,760          | 37         | 943,794          | 49         | 913,269          | 46         |
| <b>Total Assets</b>  | <b>1,688,830</b> | <b>100</b> | <b>1,920,051</b> | <b>100</b> | <b>1,971,714</b> | <b>100</b> |
| Bank Debt  | 65,000           | 4          | 262,000          | 14         | 253,000          | 13         |
| Other Current Liabilities                                  | 195,490          | 11         | 192,918          | 10         | 209,983          | 11         |
| Other Long-term liabilities                                | 66,692           | 4          | 47,760           | 2          | 49,455           | 2          |
| <b>Total Liabilities</b>                                   | <b>327,182</b>   | <b>19</b>  | <b>502,678</b>   | <b>26</b>  | <b>512,438</b>   | <b>26</b>  |
| <b>Total Equity</b>  | <b>1,361,648</b> | <b>81</b>  | <b>1,417,373</b> | <b>74</b>  | <b>1,459,276</b> | <b>74</b>  |
| AR Turnover Days   | 65               |            | 67               |            | 63               |            |
| Inventory Turnover Days                                    | 197              |            | 203              |            | 190              |            |
| AP Turnover Days   | 46               |            | 42               |            | 44               |            |

## Cash flow

In NTD thousands

| Item                                 | 2019      | 2020      | 2021Q1 |
|--------------------------------------|-----------|-----------|--------|
| Cash flows from operating activities | 284,485   | 273,540   | 65,648 |
| Cash flows from investing activities | (121,988) | (376,330) | 18,845 |

## Dividend Policy

| Year        | Cash     | Stock      | Total      |
|-------------|----------|------------|------------|
| <b>2021</b> | <b>4</b> | <b>0.5</b> | <b>4.5</b> |
| 2020        | 4        | 0          | 4          |
| 2019        | 4        | 0.5        | 4.5        |
| 2018        | 4        | 0          | 4          |
| 2017        | 3        | 0.5        | 3.5        |
| 2016        | 2.8      | 0.2        | 3          |
| 2015        | 3.8      | 0.2        | 4          |

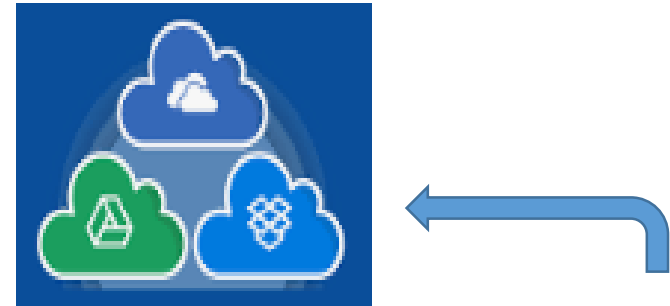
**Continuous to pay dividend for 8 years**

# 2021

- **Sales Promotion**
- **Capital investment**

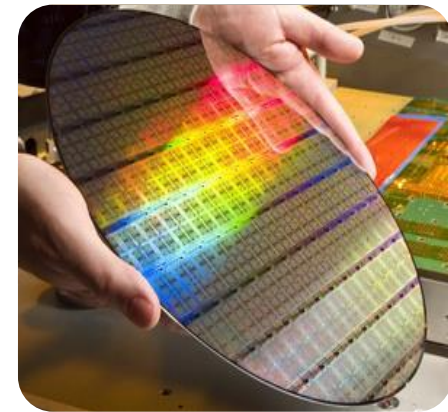
# 1. Taiwan Market

- Government plan Multiple water resources management
- Hot spring water management
- People's Livelihood and Public Internet of Things Groundwater Management in TAOYUAN City
- Metropolis Flood Control Monitoring



# 1. Taiwan Market

- TSMC project
- Overseas Taiwanese Enterprise return to Taiwan to build up new factory and increase investment
- Power Plant Transmission System Project
- Industrial Zone Wastewater Project
- Project Strong demand in the pulp, steel and feed industries



## 2. China Market

- New plants for livestock and poultry breeding continue to increase
- New construction of flour/noodle factory
- The pharmaceutical industry related to the new crown pneumonia is in strong demand
- New vaccine plant In Vitro Diagnostic Equipment
- The environmental protection industry continues to develop vigorously, and solid waste treatment projects continue to increase
- New construction of waste incineration power plant
- Sewage Treatment-Rural Sewage Wastewater Phase II, Panel Plant
- Water Treatment Electricity: Pumped storage power plant



### 3. USA market

- Oil prices rebound in 2021 and orders gradually stabilize
- Introduce new ODM products to increase revenue
- Flow Meter Carry out product specification optimization and expand petrochemical industry application fields
- Enter into the U.S. tank equipment manufacturer and provide ODM cooperation system





## 4. Mutec Germany

Orders gradually stabilized in the first quarter of 2021

Strong growth in US and China distributor order



SIL2-Din rail devices



## 5. Capital Investment

- Investment amount: 2020 land and buildings NT\$315 million
- Equipment investment: Invest NT\$50 million/renovate the plant and purchase equipment
- It is expected to be officially relocated in Q3 of 2021
- Investment purpose:

1. New product production expansion

and ODM order production base

2. Import AI automated production process

3. Self-produced key components

4. Introduce lean production,

Reduce production costs and increase production capacity



# 6. 5G Product & Application



## Smart City

Water resources management (tap water, ground water, hot spring water)

Disaster prevention warning (flood prevention warning): rivers, underpasses, sewers (water level monitoring)

Environmental protection (air pollution, water pollution) report on dust, sewage and wastewater discharge

Combine 5G for online real-time monitoring

## Smart farm (take chicken and pig raising as examples)

Environmental monitoring of temperature and humidity, use of water and fans to cool down

Drinking water monitoring, health management

Feed consumption and immediate feed warning

Sewage discharge, flow monitoring, biogas power generation, excrement storage tank and reaction tank

## Smart factory

Process parameter adjustment (temperature, pressure, material level, flow)

Wireless smart sensors (Bluetooth, Lora, NB-IOT, 4G, 5G)

Robust sensor (applicable to various harsh environments: high temperature, high pressure, strong acid, strong alkali)

