Company Profile

Speaker: Nancy Hsu, Special Assistant to Managing Director

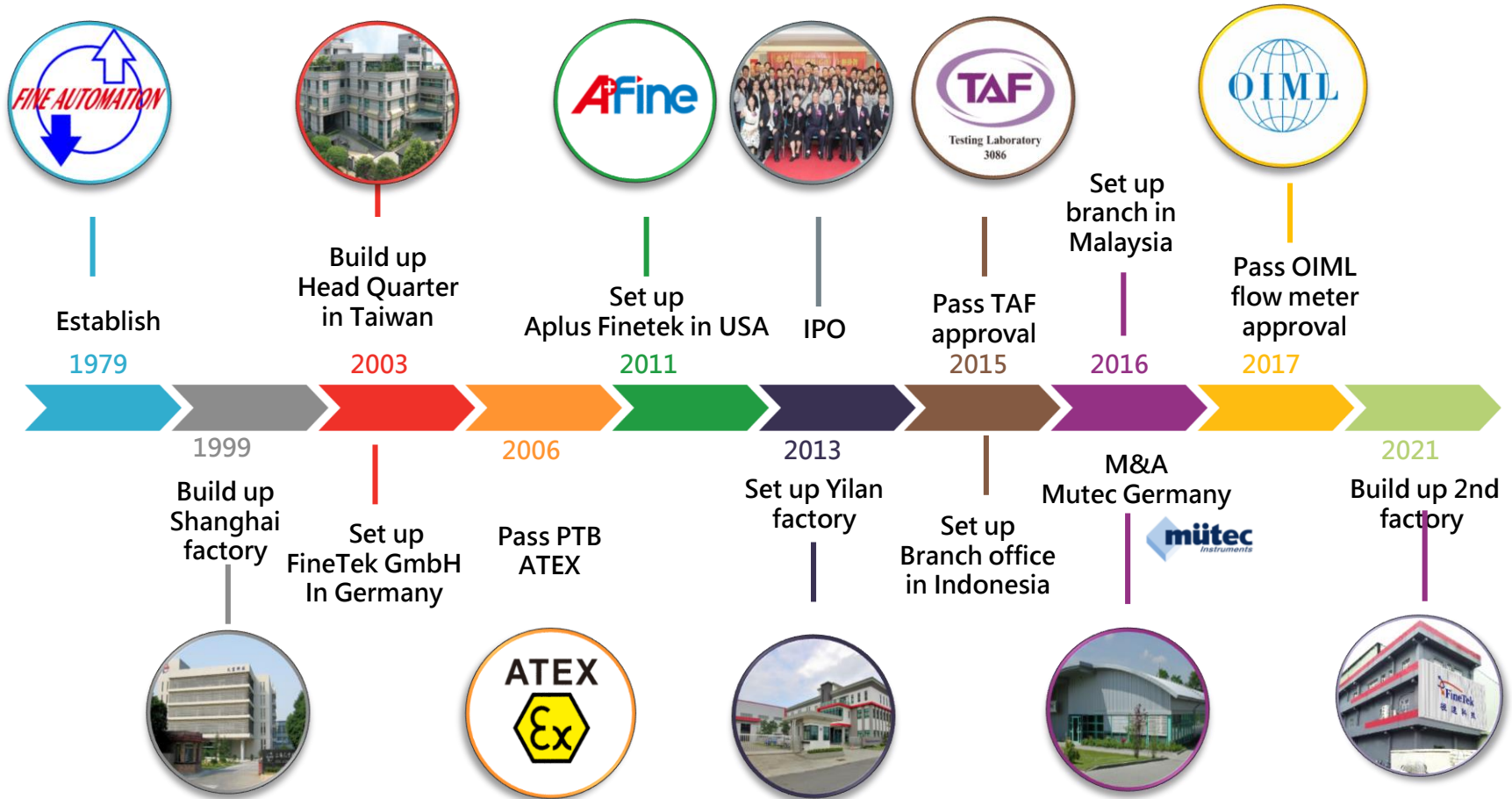**IR email: ir@fine-tek.com (Tel : 886-2-22696789 ext 111)**

Date: September 27, 2021

Agenda

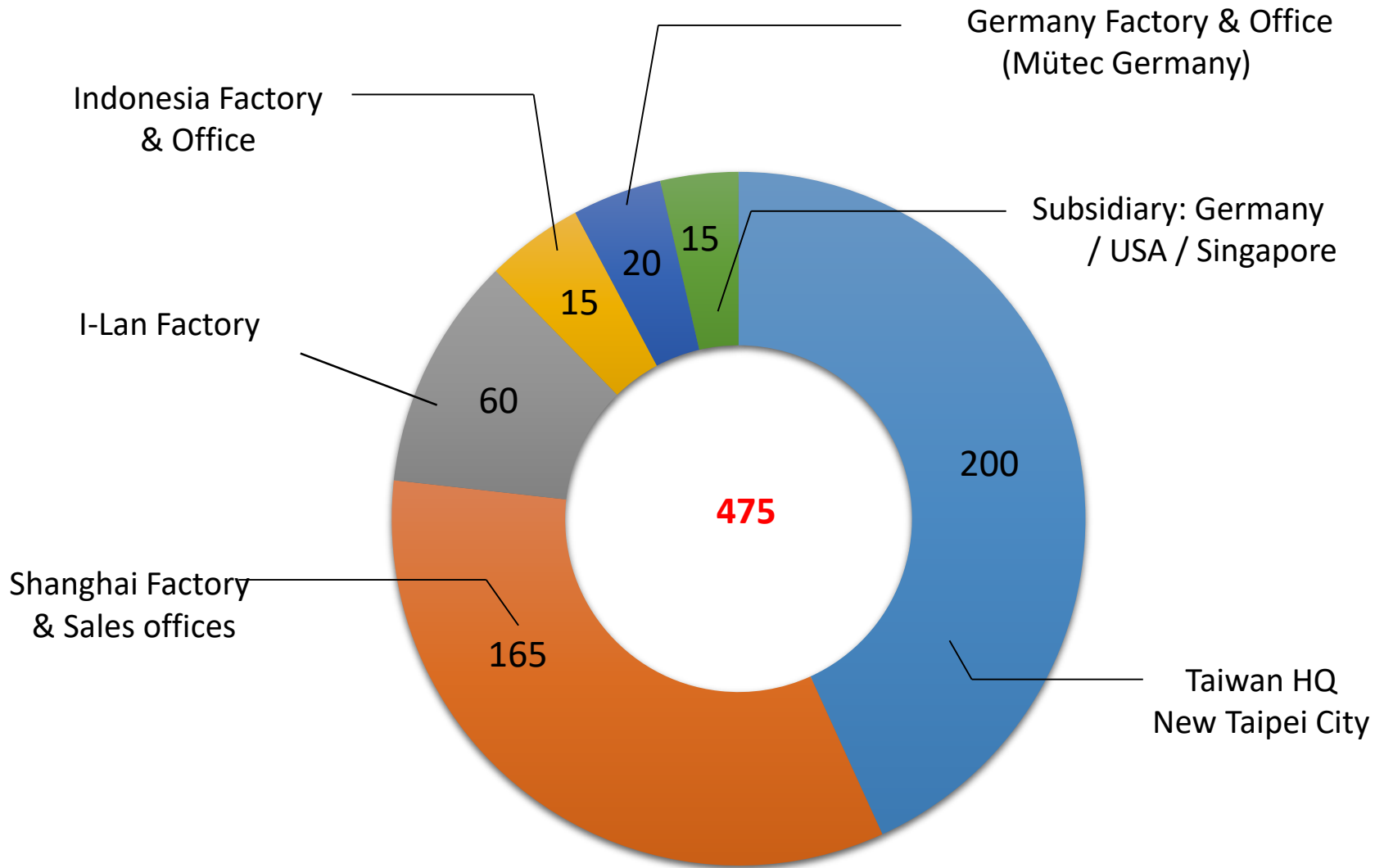- ➢ **Company organization**
- ➢ **Financial outlook**
- ➢ **Sales forecast and capital investment**

Company Milestone

Establish
1979

1999
Build up
Shanghai
factory

**Build up
Head Quarter
in Taiwan**
2003

Set up
FineTek GmbH
In Germany

2006
Pass PTB
ATEX

Set up
Aplus Finetek in USA
2011

IPO

2013
Set up Yilan
factory

**Pass TAF
approval**
2015

Set up
Branch office
in Indonesia

**Set up
branch in
Malaysia**
2016

M&A
Mutec Germany

**Pass OIML
flow meter
approval**
2017

2021
Build up 2nd
factory

Company Organization

FineTek

Germany Factory & Office (Mütec Germany) — 15

Indonesia Factory & Office — 15

Subsidiary: Germany / USA / Singapore — 20

I-Lan Factory — 60

Shanghai Factory & Sales offices — 165

Taiwan HQ New Taipei City — 200

475

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.

Indonesia Factory

- **Set up in March 2020**

- **Focus South East Asia countries**

- **For big volume products**

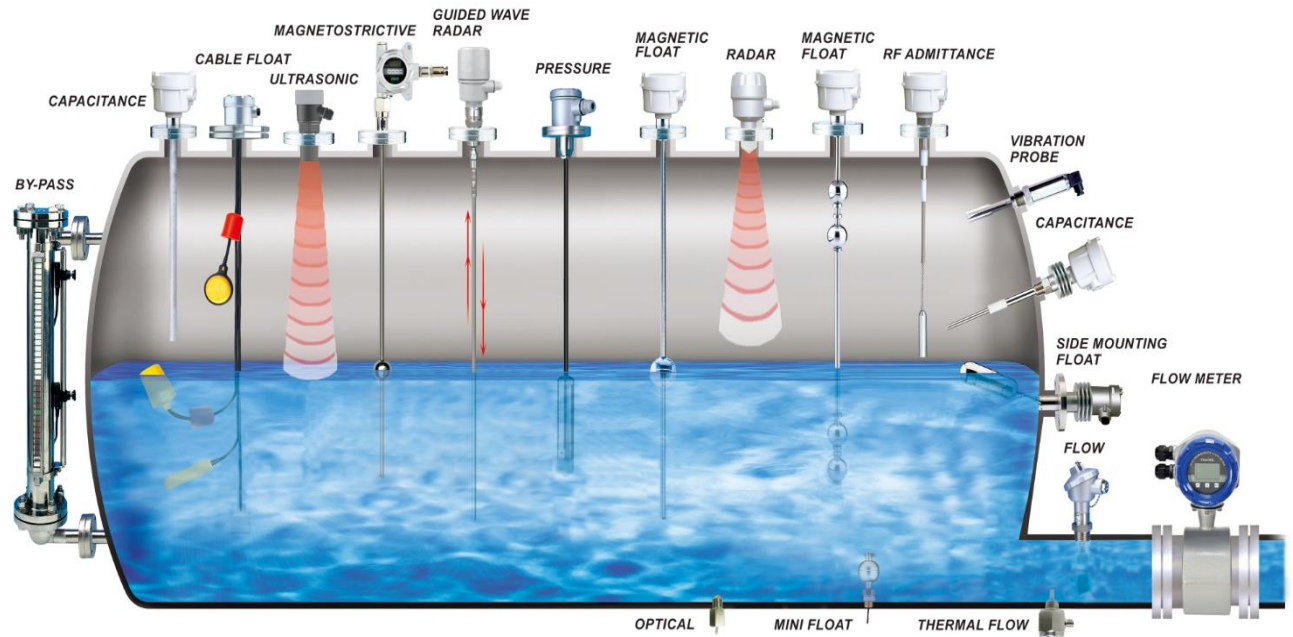- **Human resource training**

Global Distributor Network
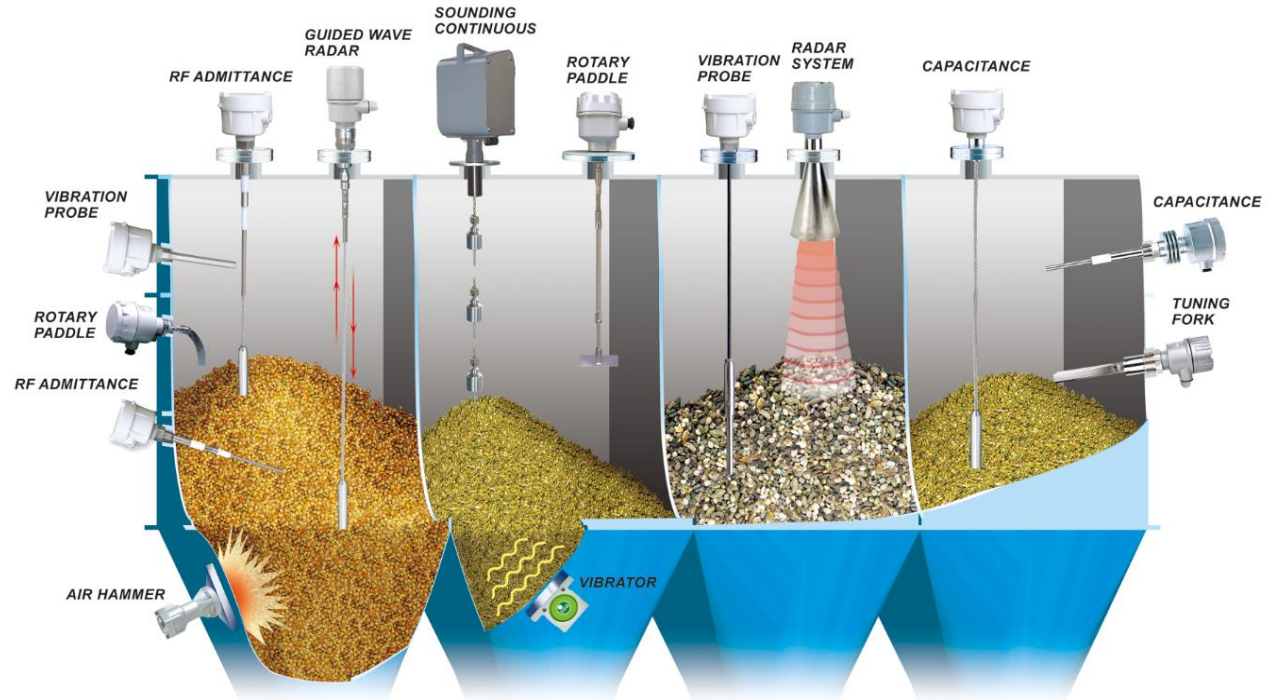
Over 600 Distributors in Global Market

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Product Group

Liquid

Product Group

Solid

Flow Meter - product Group

DN40~DN300

Ultrasonic Type	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
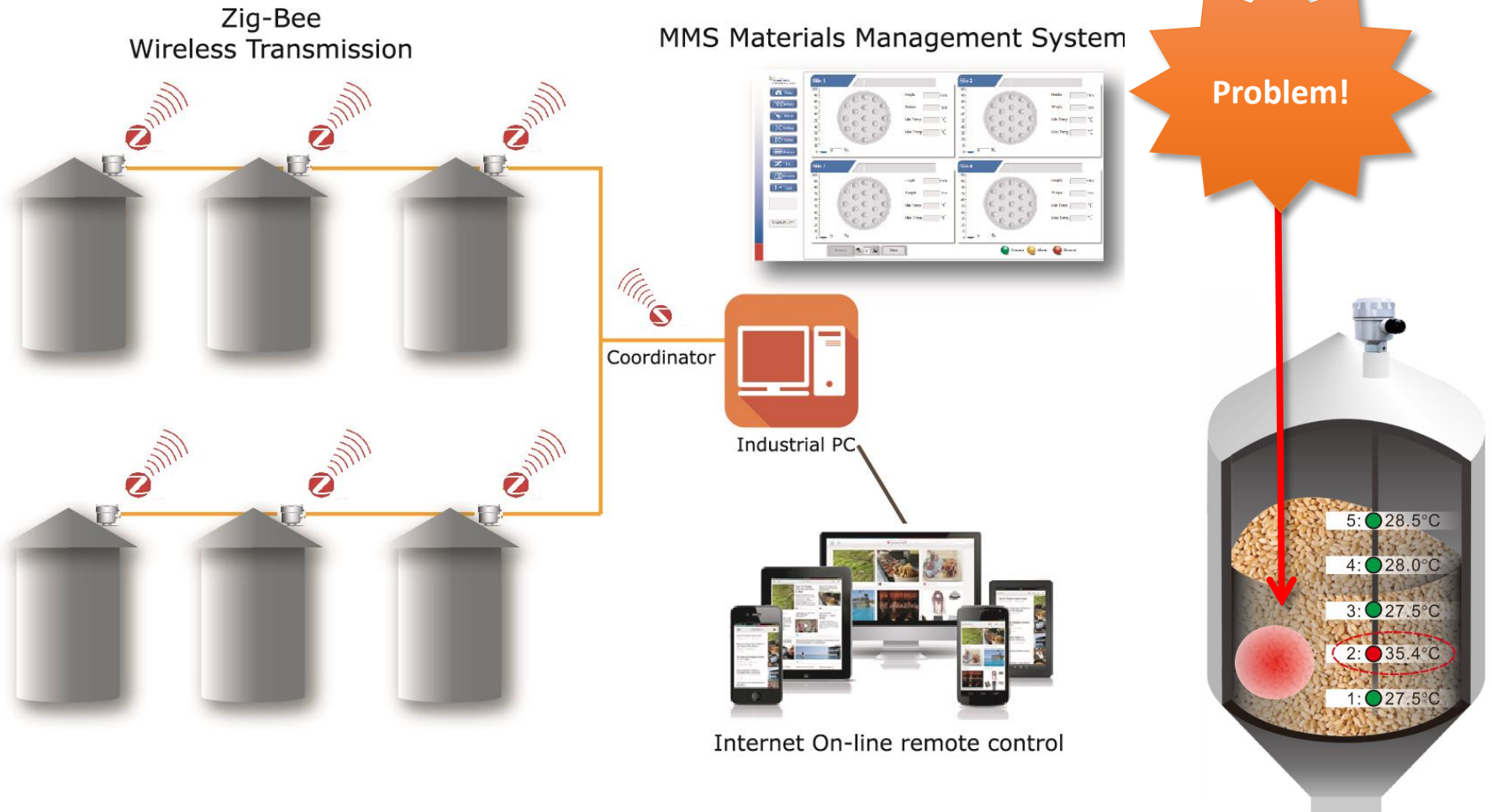
Flow Monitoring System

Level Monitoring System

mütec
Instruments

SIL✓
IEC 61508 / IEC 61511

Ex

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- MMS System + Wireless

with EST120 2 in 1 grain temperature & level monitoring transmitter

FineTek

Zig-Bee
Wireless Transmission

MMS Materials Management System

Problem!

Coordinator

Industrial PC

Internet On-line remote control

5: 28.5°C
4: 28.0°C
3: 27.5°C
2: 35.4°C
1: 27.5°C

Conveyer Safety Product and System

SRS Series Safety Cable Pull Switch

SRT Series Conveyer Belt Misalignment Switch

ED Series Speed Monitor

Materials Management System
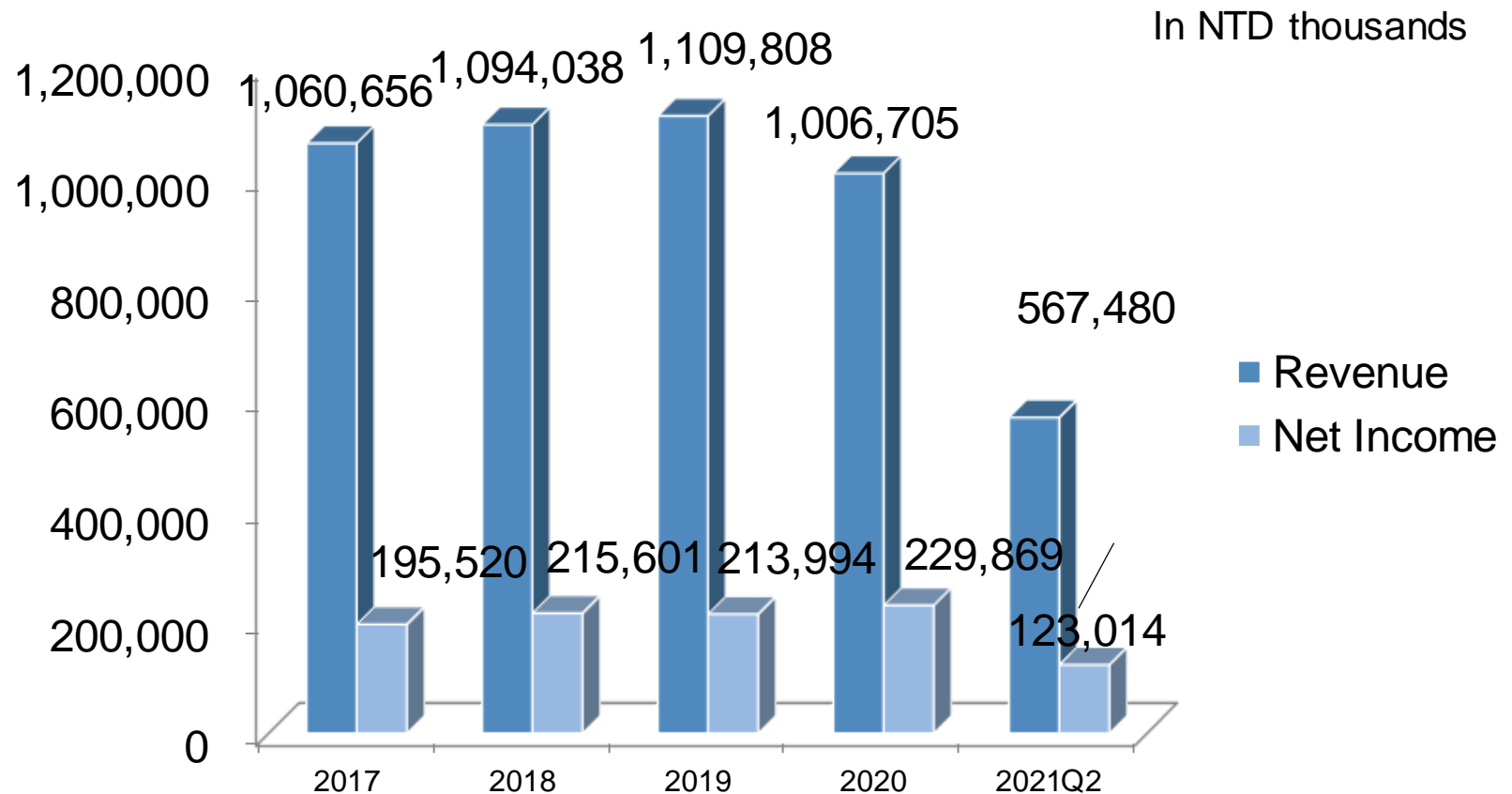
RDA Diaphragm Valve Dust Monitor

- **Flour Industry**
- **Feeding Industry**
- **Cement Industry**
- **Steel Industry**
- **Power Plant**

Financial outlook

Revenue & Net Income

FineTek

In NTD thousands
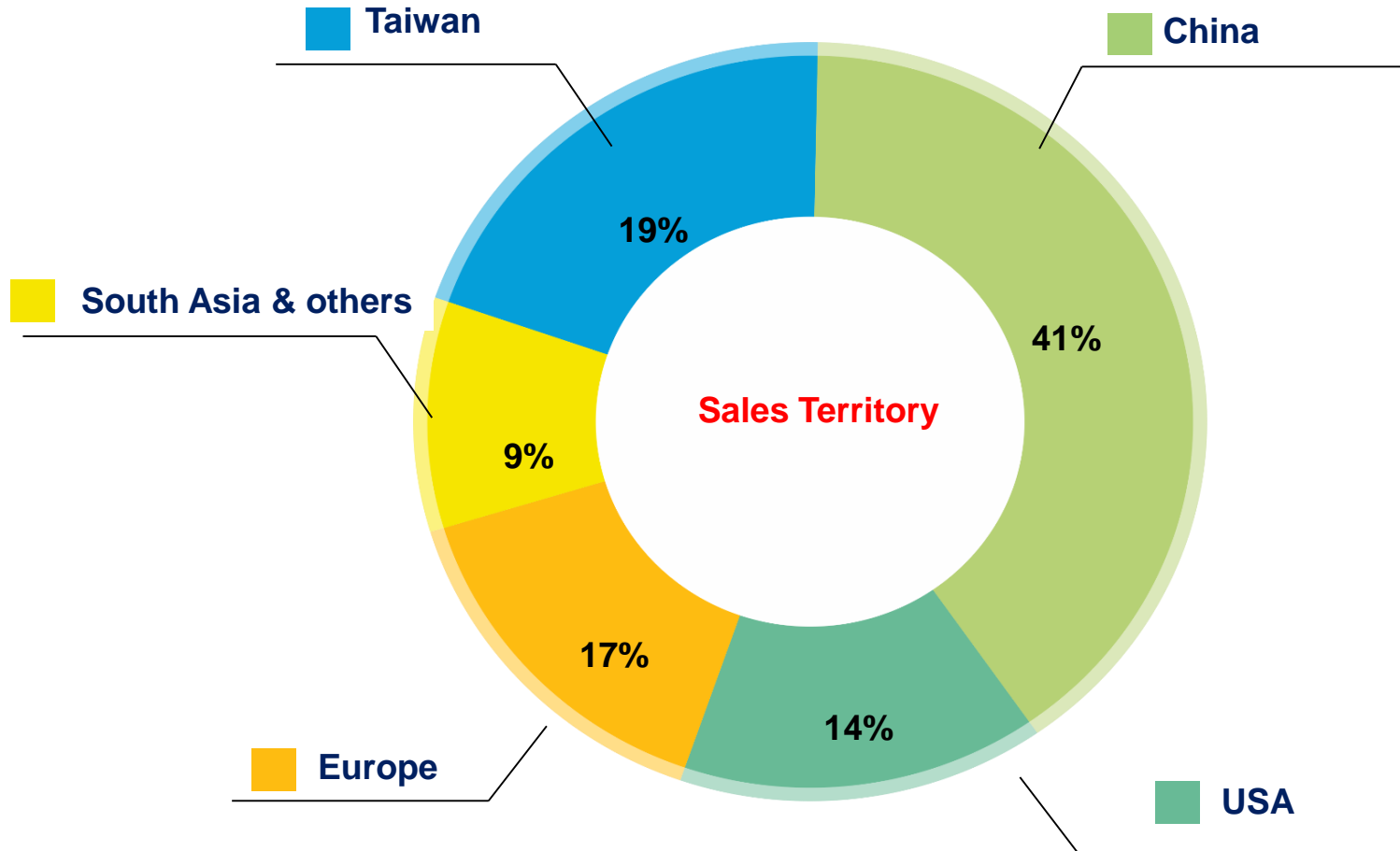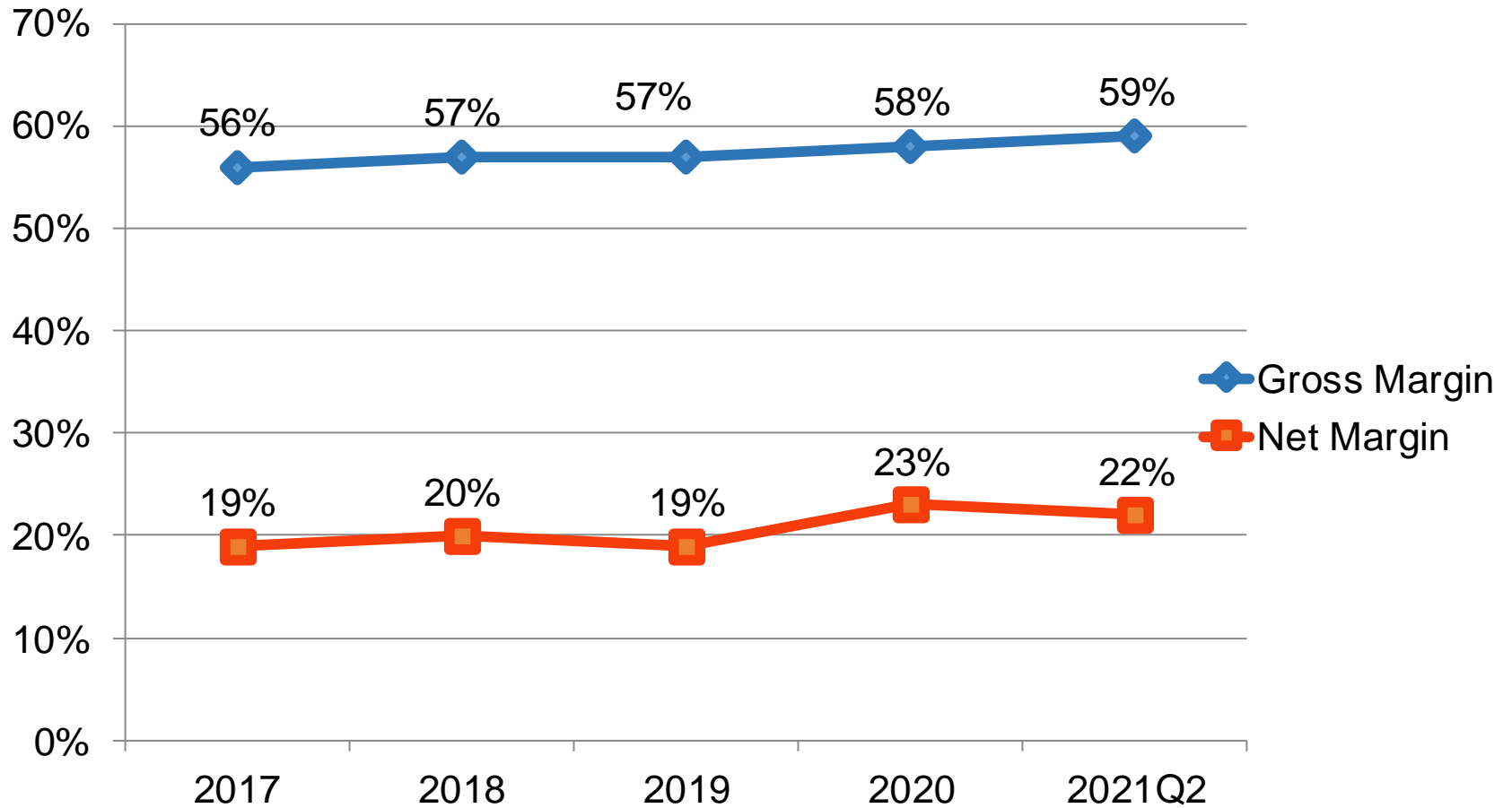

- **Jan – Aug, 2021 Sales Revenue $796,000 (in NTD thousands)**
- **Revenue hits a record high over the same period of the year**
- **Compared with the same period of 2020, annual growth of 24%**
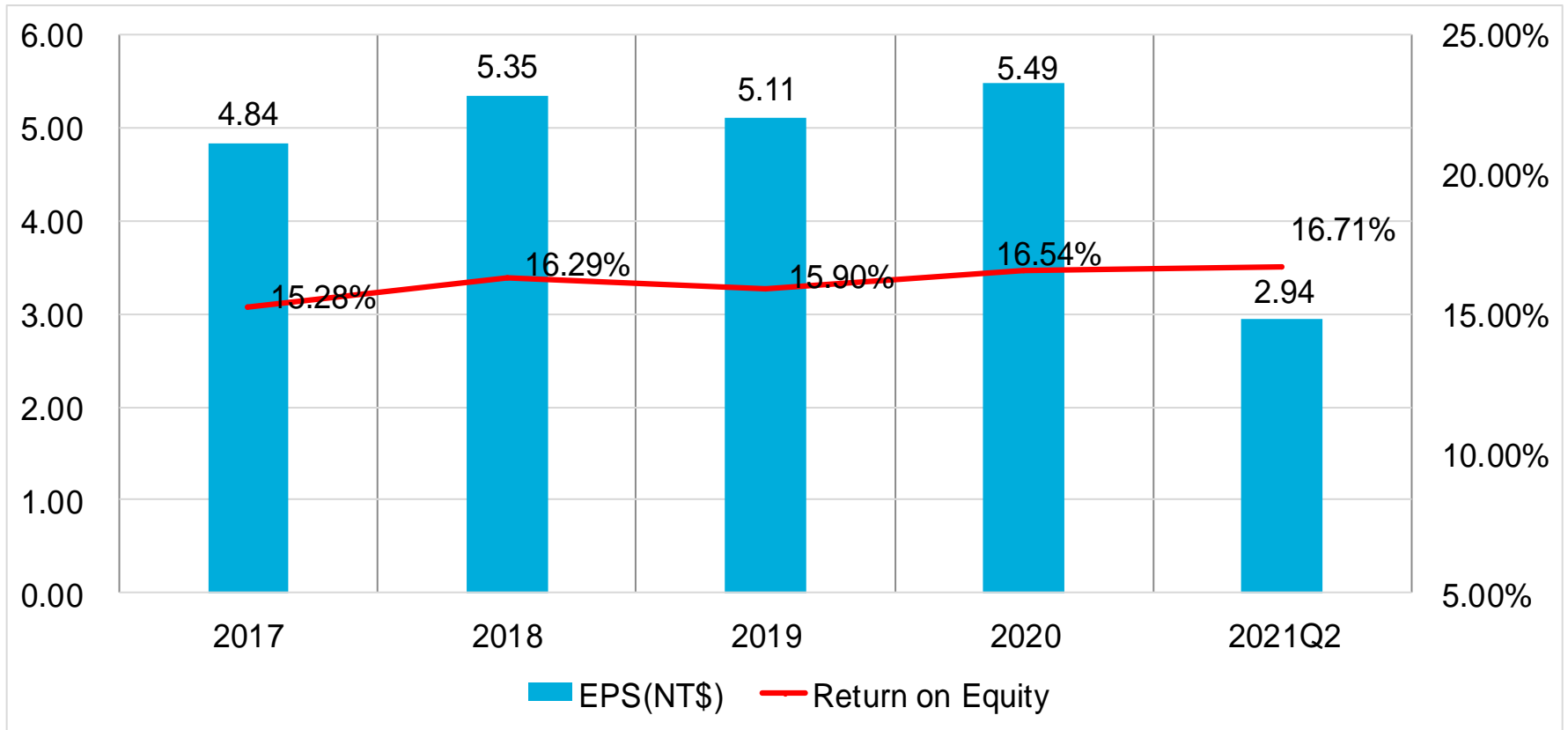
2021 Q2 Sales by Territory

Sales Territory

- Taiwan — 19%
- China — 41%
- USA — 14%
- Europe — 17%
- South Asia & others — 9%

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Gross Margin & Net Margin

Earnings Per Share & Return on Equity(%)

Income statement

In NTD thousands, except EPS

Item	2019		2020		2021Q2	
	NT$	%	NT$	%	NT$	%
Sales Revenue	1,109,808	100	1,006,705	100	567,480	100
Gross Profit	638,845	57	586,103	58	334,950	59
Operating Income	268,409	24	258,453	26	159,880	28
Non-operating Income and Expenses	26,709	3	37,798	4	5,295	1
Net Income	213,994	19	229,869	23	123,014	22
Earning Per Share	5.11		5.49		2.94	
Cash dividends	4.0		4.0		-	
Stock dividends	-		0.5		-	
Payout ratio	78%		82%		-	

Balance sheet

In NTD thousands

Item	2019		2020		2021Q2	
	NT$	%	NT$	%	NT$	%
Cash and cash equivalents	601,468	36	526,255	27	641,886	31
Receivable	190,521	11	169,907	9	193,815	9
Inventory	191,035	11	167,146	9	179,231	9
Other Current Assets	91,046	5	112,949	6	121,402	6
Property, plant and equipment, Other Non-current Assets	614,760	37	943,794	49	911,536	45
Total Assets	1,688,830	100	1,920,051	100	2,047,870	100
Bank Debt	65,000	4	262,000	14	252,000	12
Other Current Liabilities	195,490	11	192,918	10	216,970	10
Other Long-term liabilities	66,692	4	47,760	2	52,080	3
Total Liabilities	327,182	19	502,678	26	521,050	25
Total Equity	1,361,648	81	1,417,373	74	1,526,820	75
AR Turnover Days	65		67		59	
Inventory Turnover Days	197		203		178	
AP Turnover Days	46		42		48	

Cash flow

In NTD thousands

Item	2019	2020	2021Q2
Cash flows from operating activities	284,485	273,540	122,443
Cash flows from investing activities	(121,988)	(376,330)	15,159

Dividend Policy

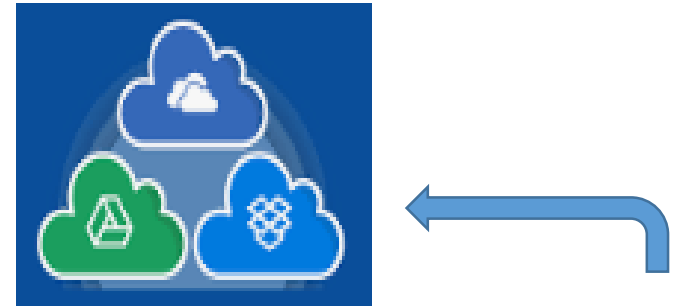| Year	Cash	Stock	Total
2021	**4**	**0.5**	**4.5**
2020	4	0	4
2019	4	0.5	4.5
2018	4	0	4
2017	3	0.5	3.5
2016	2.8	0.2	3
2015	3.8	0.2	4

Dividend Policy by cash, pay rate is over 80%

2021

- ➢ **Sales Forecast**
- ➢ **Capital investment**
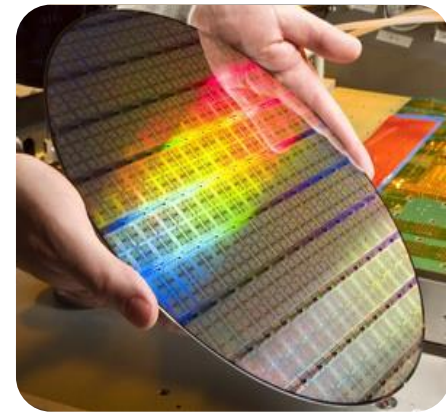
1. Taiwan Market

- **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**

Taiwan Market

- **Taiwan Semiconductor Factory TSMC**
- **Thermal power plant expansion project**
- **Sewage and wastewater treatment projects in science parks and industrial parks**
- **Steel and feed industry expansion**

2. China Market

- **Large groups of livestock breeding new plants increase**
- **Construction of a large-scale group grain, oil, flour/noodle factory**
- **New projects of carbon neutral environmental protection industry in the 14th Five-Year Plan**
- **Photovoltaic glass (solar panel) plant expansion and new construction project**
- **Expansion of cooling equipment in high-power transmission substations**
- **Sewage Treatment-Rural Sewage Wastewater Phase II, Panel Plant Water Treatment**
- **Intelligent Internet of Things (AIOT) innovative applications**
- **Smart factory upgrade project Smart Water increase**

3. USA market

- **Oil prices rebound in 2021 and orders gradually stabilize**

- **From January to August of 2021, revenue hits a record high, an increase of 87% over the same period last year**

- **Mainly because of the strong demand for Level Sensor, the order will be received until Q1 in 2022**

- **New ODM products contribute to revenue**

- **Product specification optimization expands petrochemical industry application fields**

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4. Mutec Germany

➤ **From January to August of 2021, revenue hit a record high and grew by 80% over the same period last year**

➤ **Strong growth, orders from Germany, the U.S. and China**

➤ **New products enter the electric vehicle market, and follow-up demand is strong**

SIL2-Din rail devices

mütec Instruments

5. Capital Investment

- **Investment amount: 2020 land and buildings NT$315 million**

- **Officially relocated in mid-July 2021**

- **New plant planning and benefits:**

  1. New product production

  2. Import automation equipment and produce key components

  3. Introduce lean production, reduce manpower requirements

  and production costs

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, NBIOT, 4G, 5G)
Robust sensor (applicable to various harsh environments: high temperature, high pressure, strong acid, strong alkali)

5G product & Application

Cloud Monitoring Integrated System