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# Syncmold Enterprise



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2020/8

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# Executive Summary

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- ❖ **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 Gatetech and potential strategy investment

(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
- ❖ 2Q20 Share capital: NT\$1.24B
- ❖ 2Q20 Total assets: NT\$10.6B
- ❖ Market cap: US\$350M
- ❖ Major products:
  - ❖ component products(Monitor / TV / AIO hinge & stand)
  - ❖ plastic products(plastic mold / injection)
  - ❖ aluminum and magnesium die-casting: Gatetech(73% owned subsidiary)



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# Acquire Gatetech to Extend Product Applications

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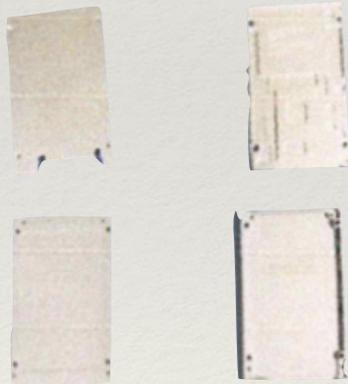
We acquired 72.8% ownership of Gatetech by NT\$550M from Yulon Motor group at 2019 end. Through this deal, we recorded a negative goodwill of NT\$64M

## Benefits of this acquisition

- ❖ **Upstream integration:** Gatetech's product of die-casting is also 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's total net assets around NT\$1B and generate avg. 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

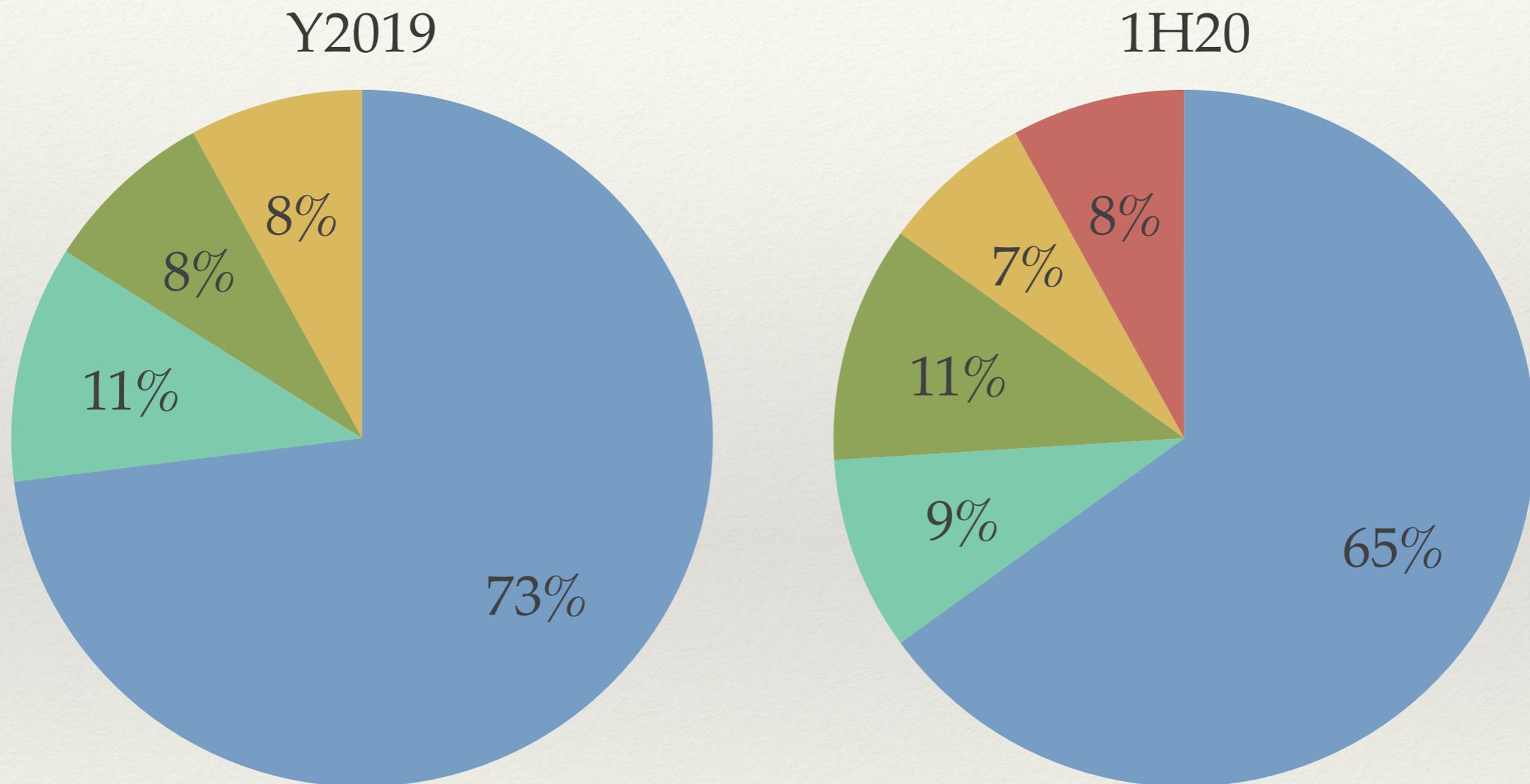


steering wheel, column

# Syncmold is High-End Monitor Stand Leader



# Product Mix



● Monitor    ● AIO    ● TV    ● Others    ● Gatetech

note : revenue breakdown

# Manufacturing Sites



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

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  
Highgrade(38%) : TV wall bracket, medical cart

Vietnam : Qisda 、 Wistron

# Stable Revenue and EPS



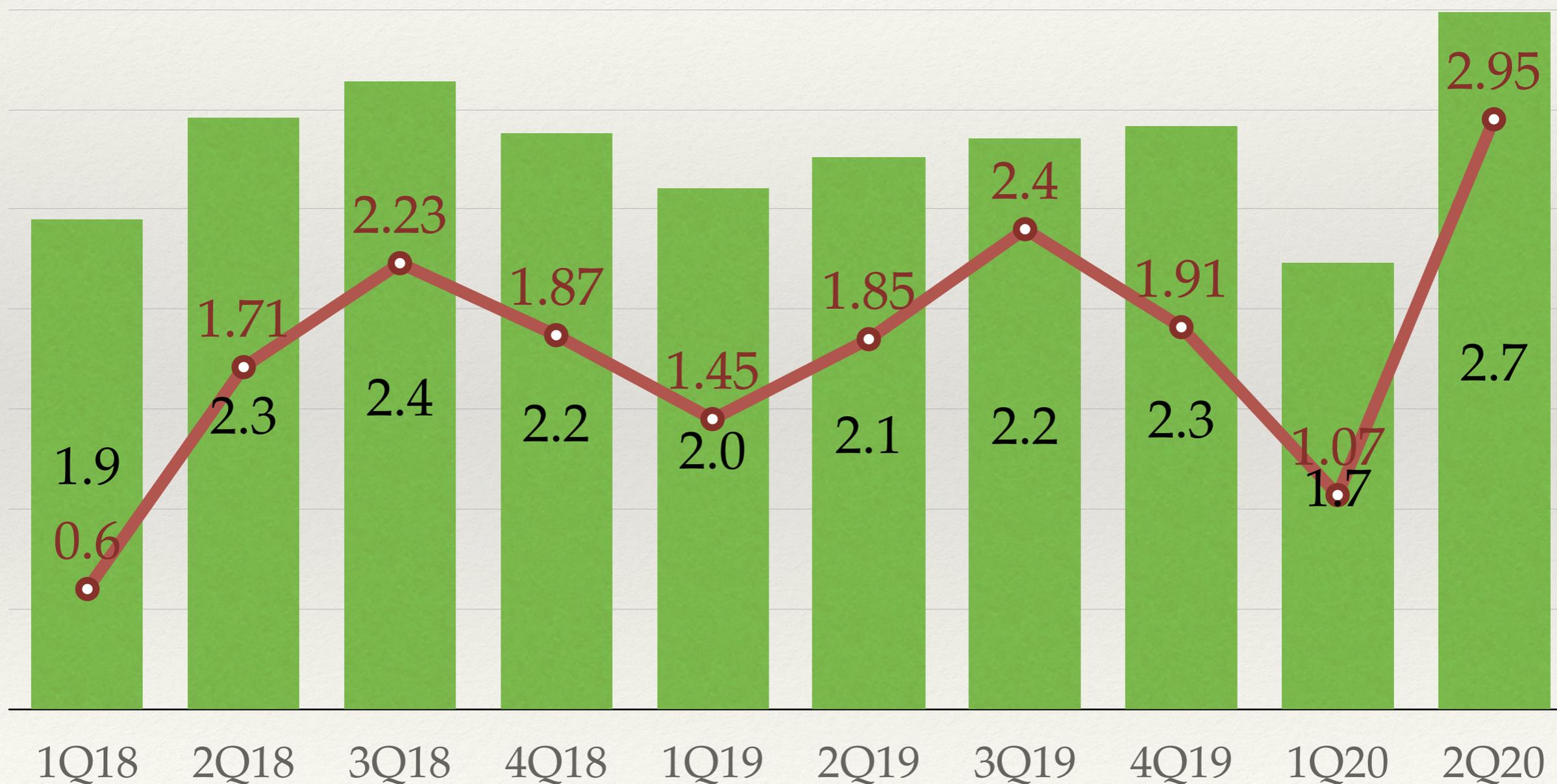
note : EPS is calculated by net income / year-end capital

# Quarterly Results

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

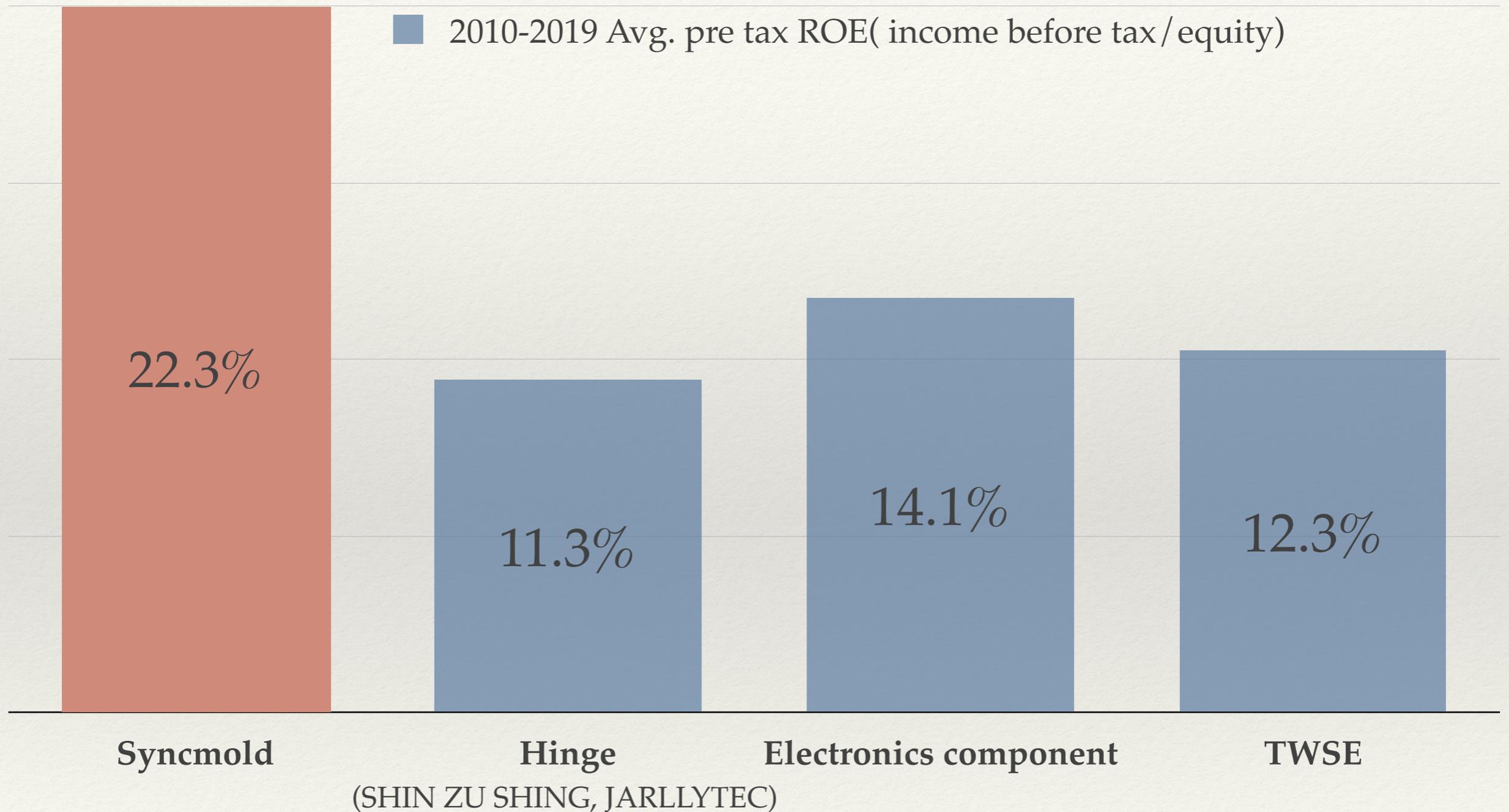
○ EPS

■ Revenue



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

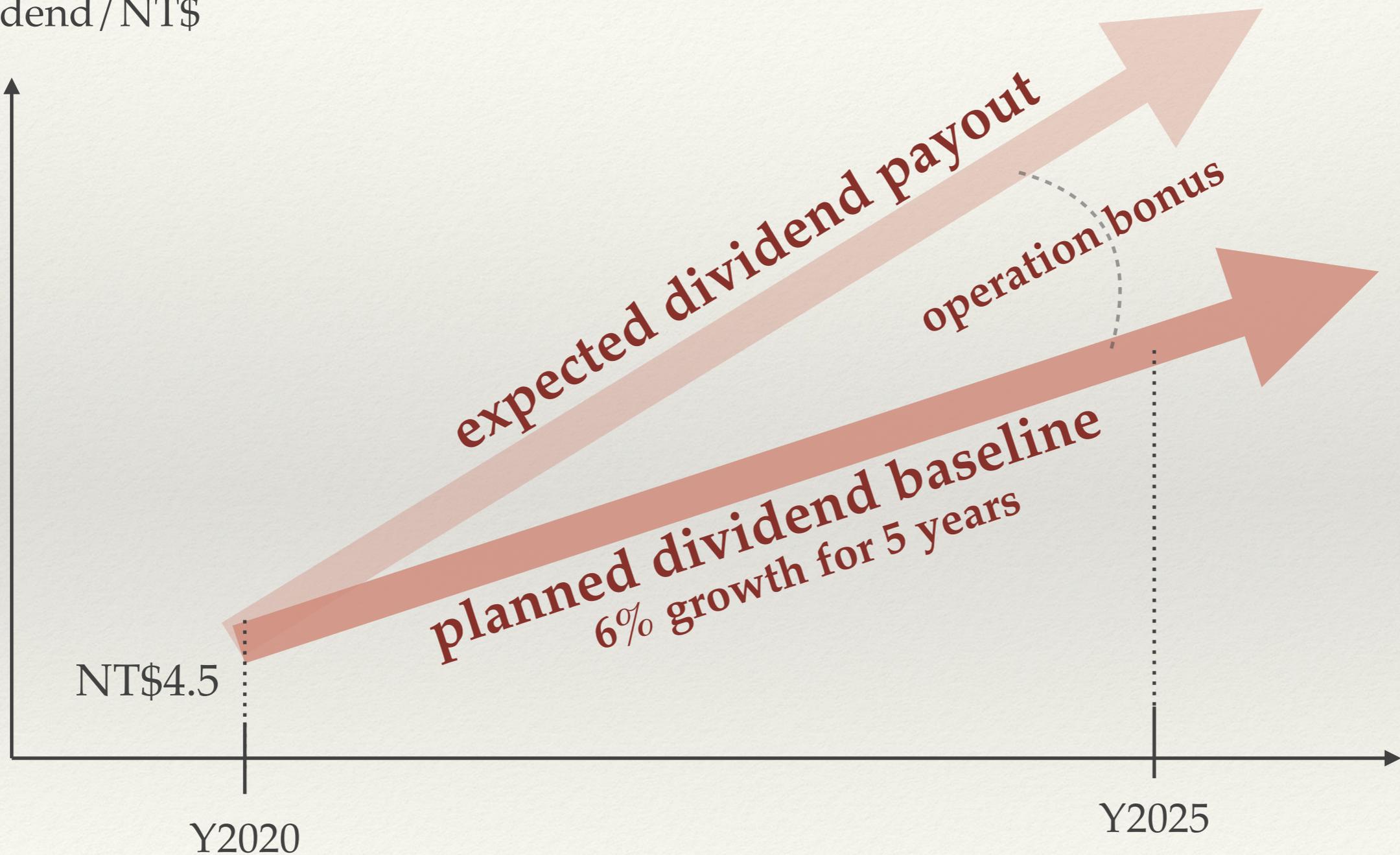
# Deliver Higher ROE



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

# Growth Dividend Policy

Dividend/NT\$



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# Strength

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- ❖ 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

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# Prospect

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## **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

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Q & A

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Thank You for Listening

