



環球水泥

Universal Cement Corporation

2021 Q3 Institutional Investor Conference

Outline



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- Profile
- Summary on Operation – Q1 to Q3, 2021
- Prospect on Operation of 2022

Disclaimer : Financial information for Q3, 2021 disclosed in this report has been reviewed by external auditor and published on November 15, 2021.



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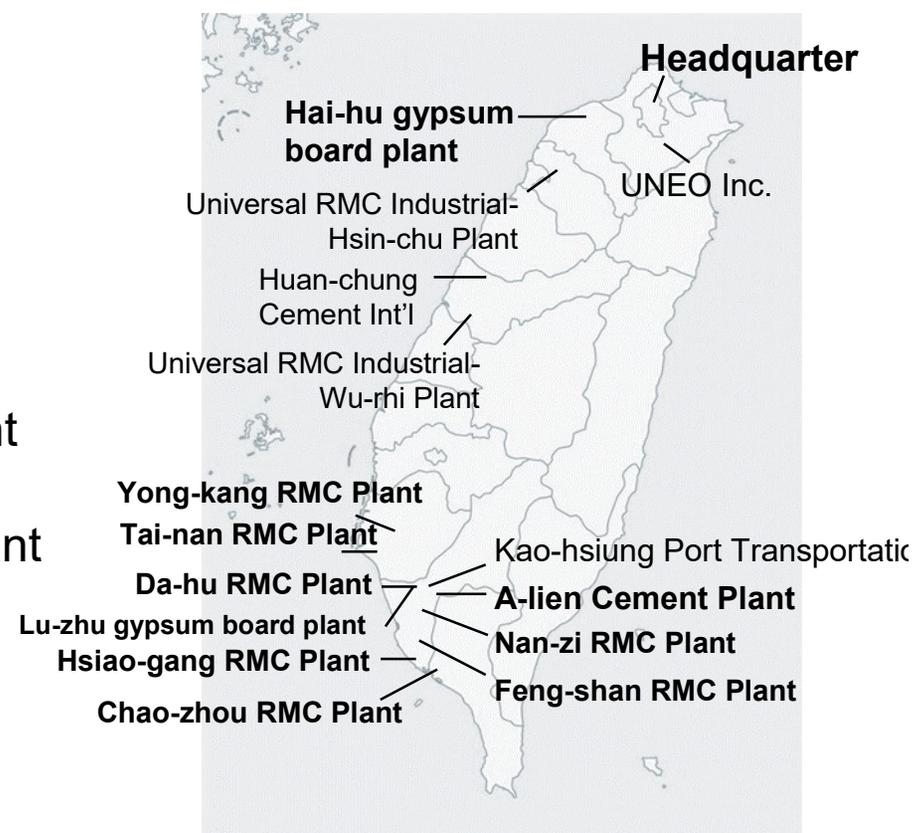
Profile

- Universal Cement Corporation
- Office address : 10F., 125 Nan-king E. Rd., Sec. 2, Taipei, Taiwan
- Website : www.ucctw.com
- Publicly listed on TWSE
- Code : 1104
- Paid-in Capital : NTD 6.5 Billion

Market Value : NTD 13.9 Billion (2021/09/30)

- Number of employee : 400
- Chronicle :

- 1960 | Establishment of the Company
- 1963 | Erection of first integrated cement plant
- 1971 | Publicly listed on TWSE
- 1988 | Erection of first ready-mix concrete plant
- 1991 | Erection of first gypsum board plant
- 2012 | Establishment of subsidiary
UNEO Inc.





Consolidated Financial Performance for Q1-Q3, 2021

- Consolidated revenue **NT\$4.36 Billion**, representing growth of **12%** comparing to same period last year, operating profit ratio of **10%**, mainly attributing to the steady growth of sales of various sectors of building material.
- Non-operating profit **NT\$379 Million** representing decrease of **35%** comparing to same period last year, mainly due to decrease of dividend income from Liu-ho Mechanic and other investment.
- Net profit after tax **NT\$749 Million** representing decrease of **15%** comparing to same period last year, **EPS NT\$1.11**.

NT\$ in million	Q1-Q3, 2021	Q1-Q3, 2020	YOY
Operating Income	4,358	3,887	12%
Gross Profit from Operation	779	614	27%
Operation Profit	455	302	51%
Non-operating income	379	586	-35%
Net profit before tax	834	889	-6%
Net profit after tax	749	881	-15%
EPS (in NT\$)	1.11	1.33	-17%
Assets	24,274	23,132	5%
Liabilities	5,279	5,209	1%
Equity	18,995	17,923	6%



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Consolidated Financial Ratio, Q1-Q3, 2021

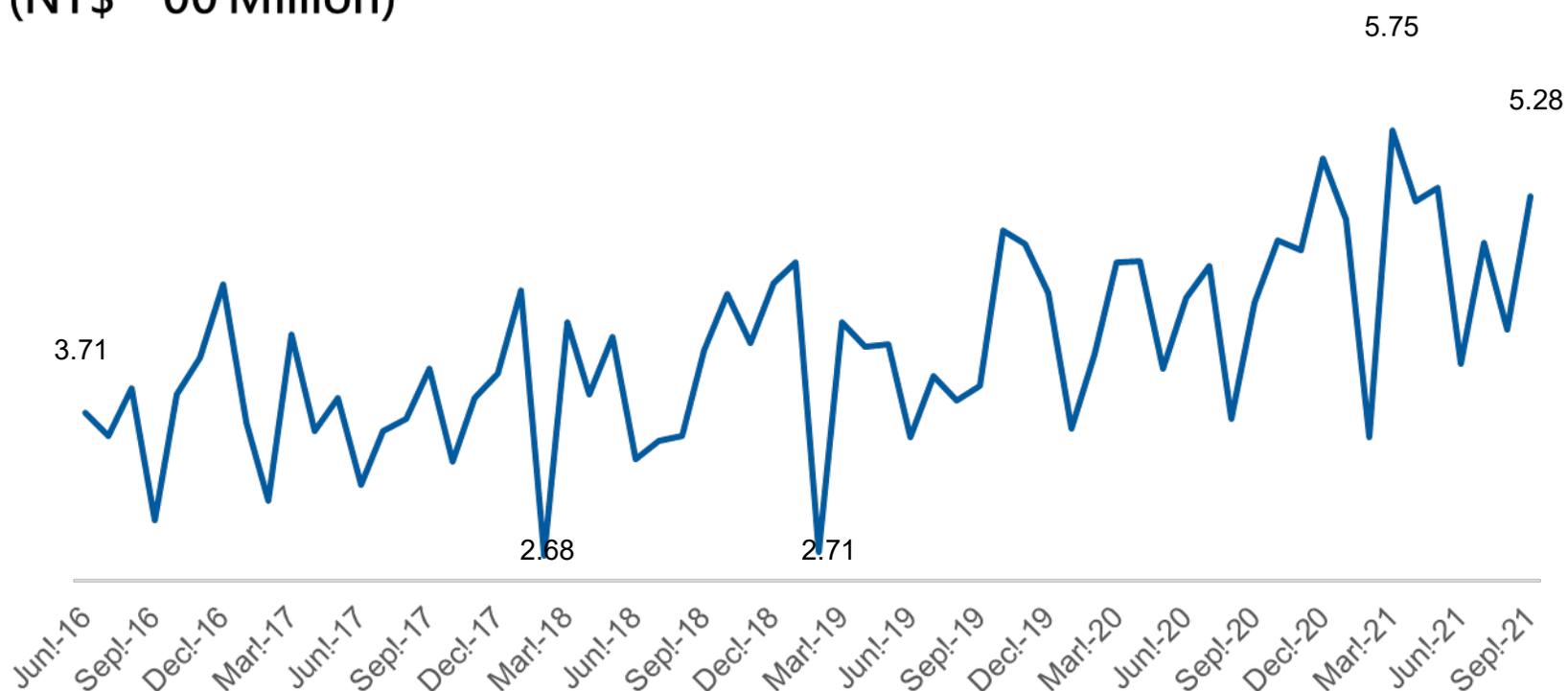
%	Q1-Q3, 2021	Q1-Q3, 2020	YOY
Gross Margin (%)	18%	16%	13%
Operating Margin (%)	10%	8%	25%
Net Profit after Tax (%)	17%	23%	-26%
Earnings per Share (NTD\$)	1.11	1.33	-17%
Net Value per Share(NTD\$)	29.06	27.42	6%
Return on Equity (%)	4%	5%	-20%
Return on Asset (%)	3%	4%	-18%
Current Ratio (%)	127%	108%	18%
Debt/Equity Ratio (%)	28%	29%	-4%



Monthly Revenue Trend

■ 21Q1-Q3 Revenue reached ten year high.

Monthly Revenue
(NT\$' 00 Million)

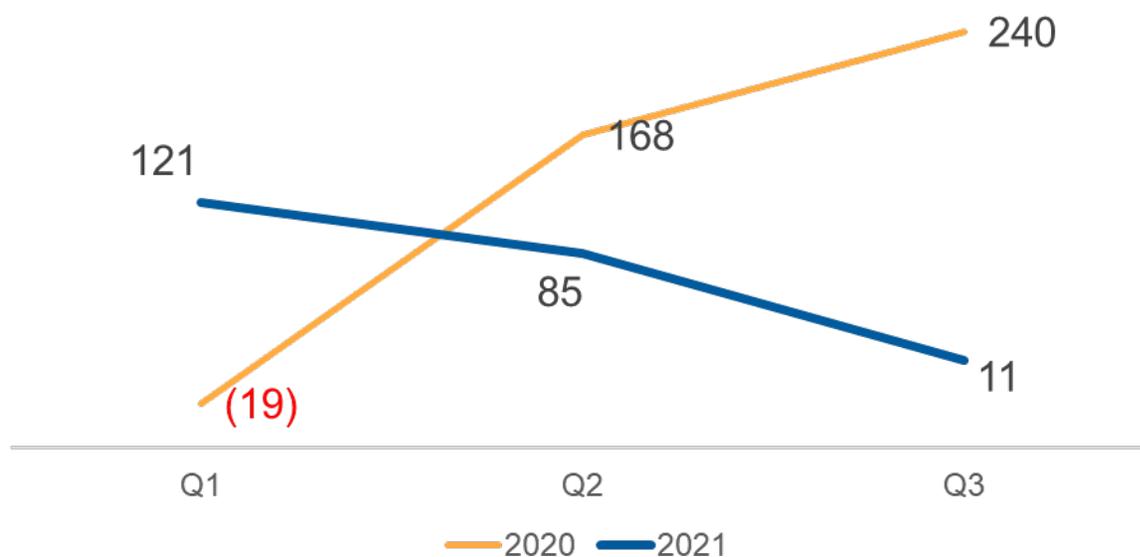




Recognition of investment income from Liu-ho Machinery

- Profit from Liu-ho has dropped due to the escalation of cost of raw material and freight and rationing of power supply.

Profit Recognized by Quarter
(NT\$ Million)

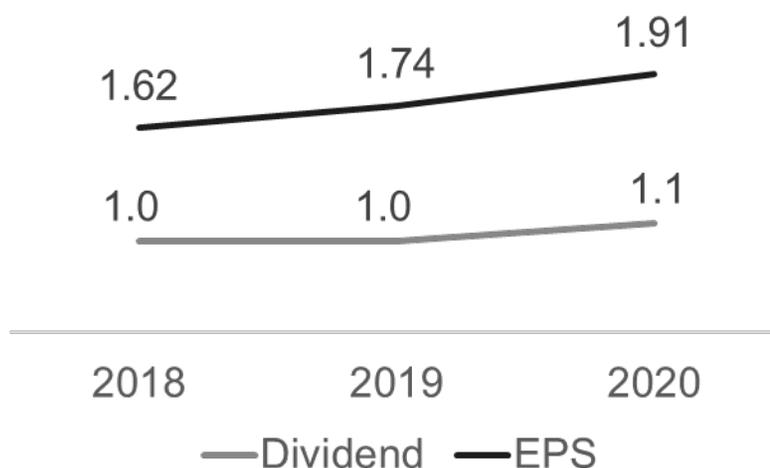




Distribution of Dividend

- The Board of Directors meeting, held on Mar. 23, 2021, has resolved to distribute a cash dividend of **NTD\$1.1 per share**.
- Dividend payout ratio of **58%** · dividend yield at **5%**, *vis-à-vis* annual average share price.

Cash dividend and EPS* (NTD\$)





Revenue and Sales Performance Q1-Q3 by Sector

Consolidated Sales			
Sector (NT\$ Mil)	Q1-Q3, 2021	Q1-Q3, 2020	YOY (%)
RMC	2,756	2,375	16%
Cement	986	942	5%
Gypsum Board	585	553	6%
Other	31	17	82%
Total	4,358	3,887	12%

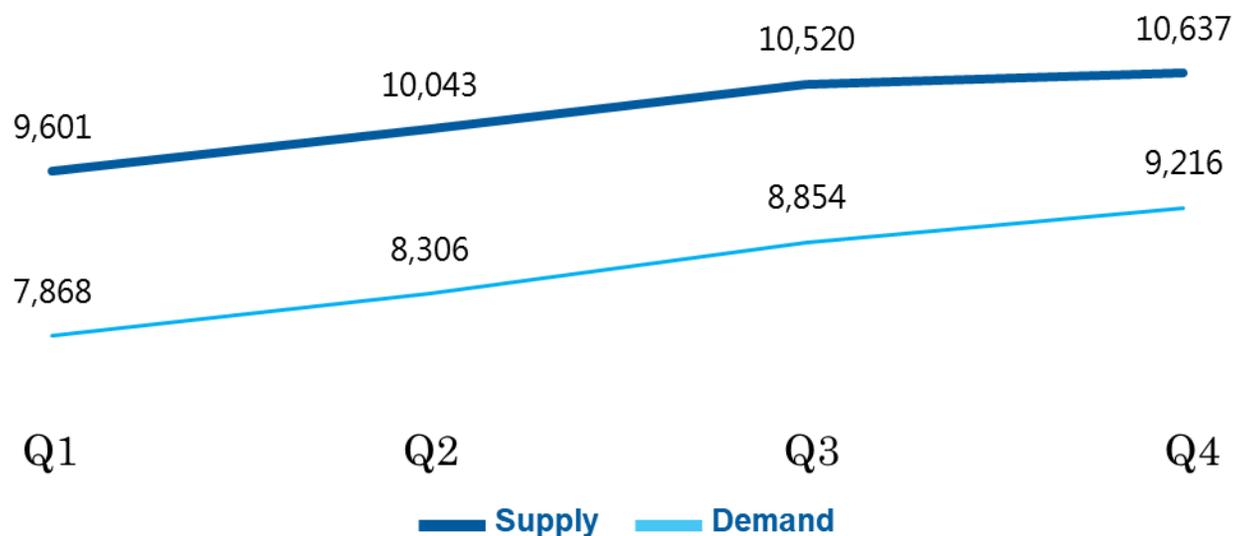
Consolidated Sales in Quantity			
Sector	Q1-Q3, 2021	Q1-Q3, 2020	YOY (%)
RMC('000M³)	1,281	1,246	3%
Cement ('000 mt)	414	394	5%
Gypsum Board ('000 M²)	11,105	10,282	8%



Cement Sector : Profitable Steadily

- Demand for cement in domestic market grows steadily at rate of 5%.
- The goal of our cement sectors remains to meet the demand for our product to achieve a steady profit.

Supply and Demand in Domestic Market ('000 mt)



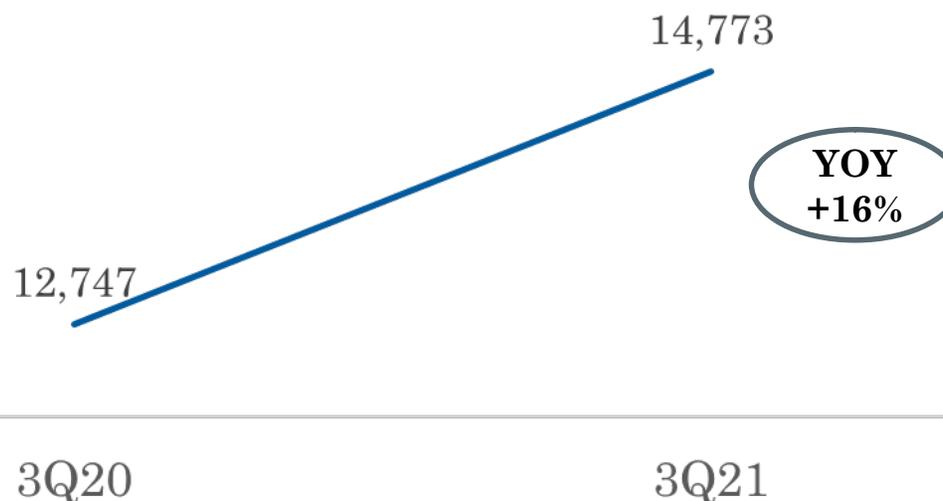


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Ready-mixed Concrete : Securing more projects

- Despite the impact of pandemic on local market, building permit issued, in terms of area of the floor, has grown 16% comparing to same period last year.
- As of Sept. 2021, the total volume to be supplied is 2.38 million M3.
- Our RMC Team in Hsin-Chu region aims at securing commercial projects such as AI Smart Park and 2-nm Plant by TSMC.
- Our RMC Team in Taichung region aims at securing mega projects, Entertainment and Shopping Center in HSR Station and International Convention Center.
- Our RMC Team in Tainan, Kaohsiung and Ping-tung region aims at residential projects in Ping-shi section of East District, Tainan and major infrastructures, Senior Citizen Hospital by NCKU and Kao-hsiung Metro.

Floor areas of building permit issued (within service area)*



*Service Area :

Hsin-Chu county & city, Taichung City, Tainan City, Kao-hsiung City, Ping-tung.



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RMC sector sales structure

* As of 3Q21

Area	Sales Volume ('000 M³)	Percentage	Volume to be supplied ('000 M³)	Percentage
Hsin-chu	75	6%	128	5%
Taichung	129	10%	214	9%
Tainan	452	35%	927	39%
Kao-hsiung	505	39%	927	39%
Ping-tung	121	9%	179	8%
Total	1,281	100%	2,375	100%



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RMC Sector- by categories of project

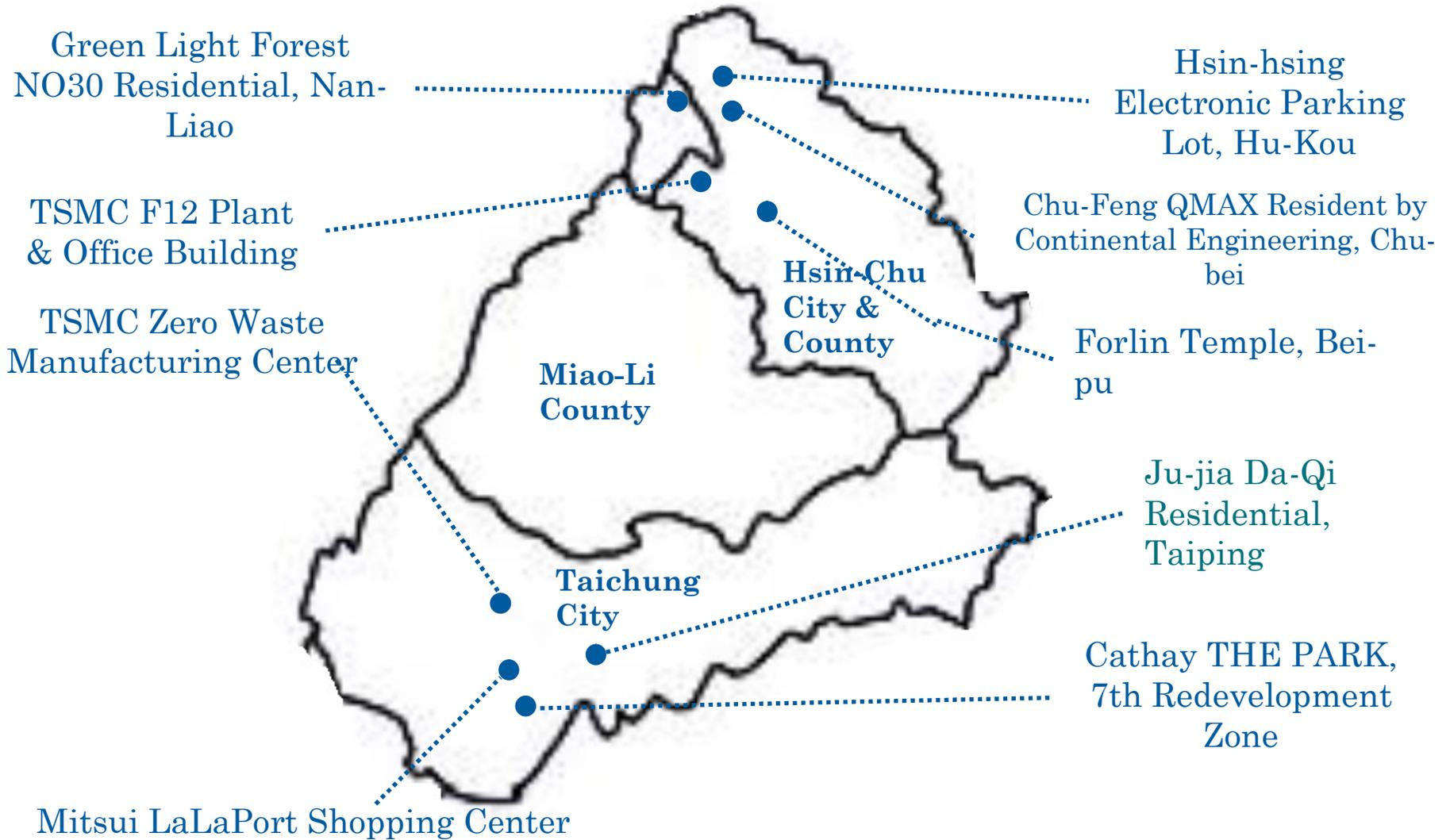
* As of 3Q21

Projects	Residential	Industrial & Commercial	Civil Engineering	Infrastructure	Total
Hsin-chu	63%	37%	0%	0%	100%
Taichung	63%	28%	2%	7%	100%
Tainan	54%	31%	2%	12%	100%
Kao-hsiung	50%	22%	11%	17%	100%
Ping-tung	60%	11%	10%	20%	100%



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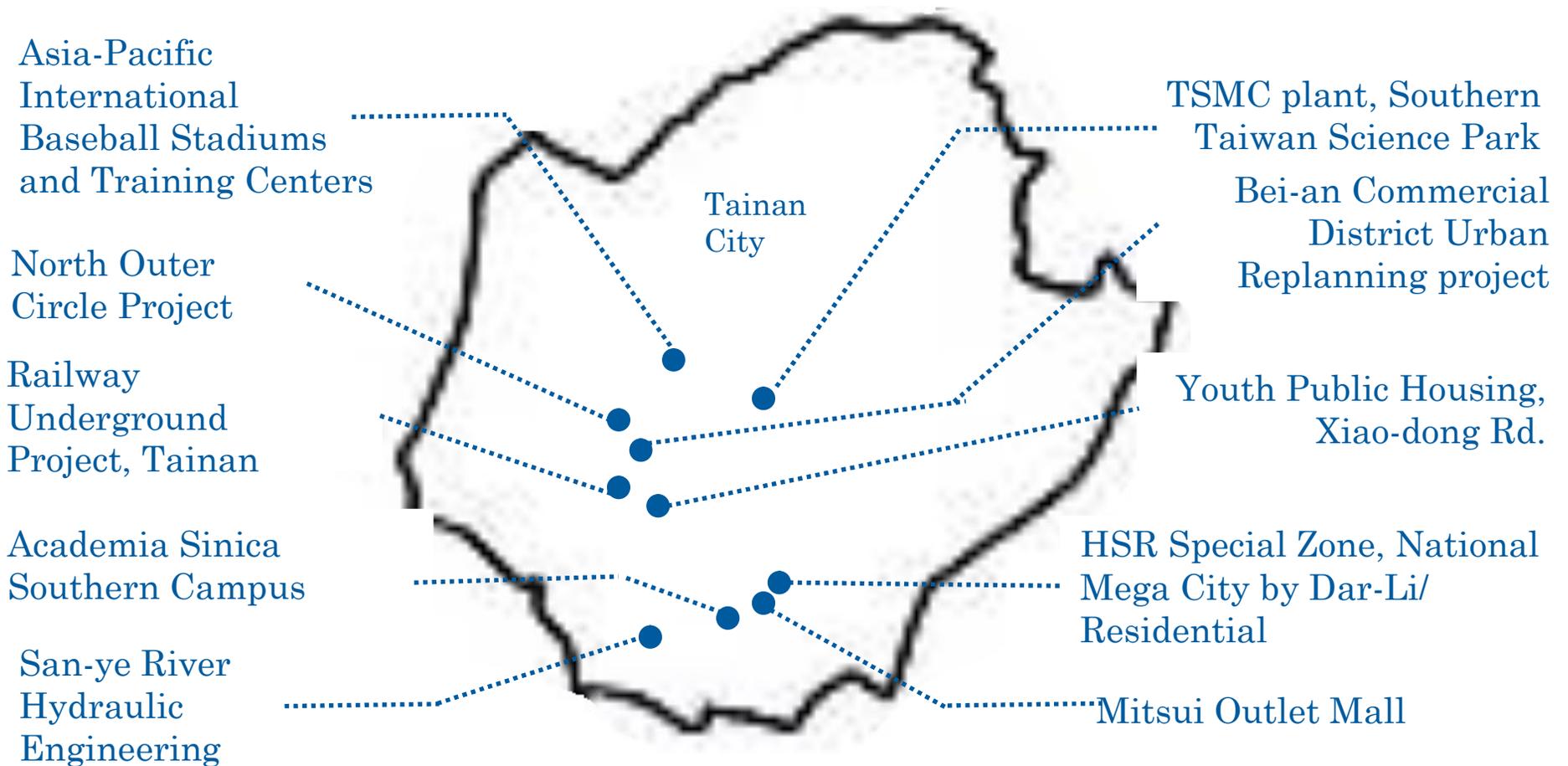
Active RMC Account-Hsin-Chu & Taichung





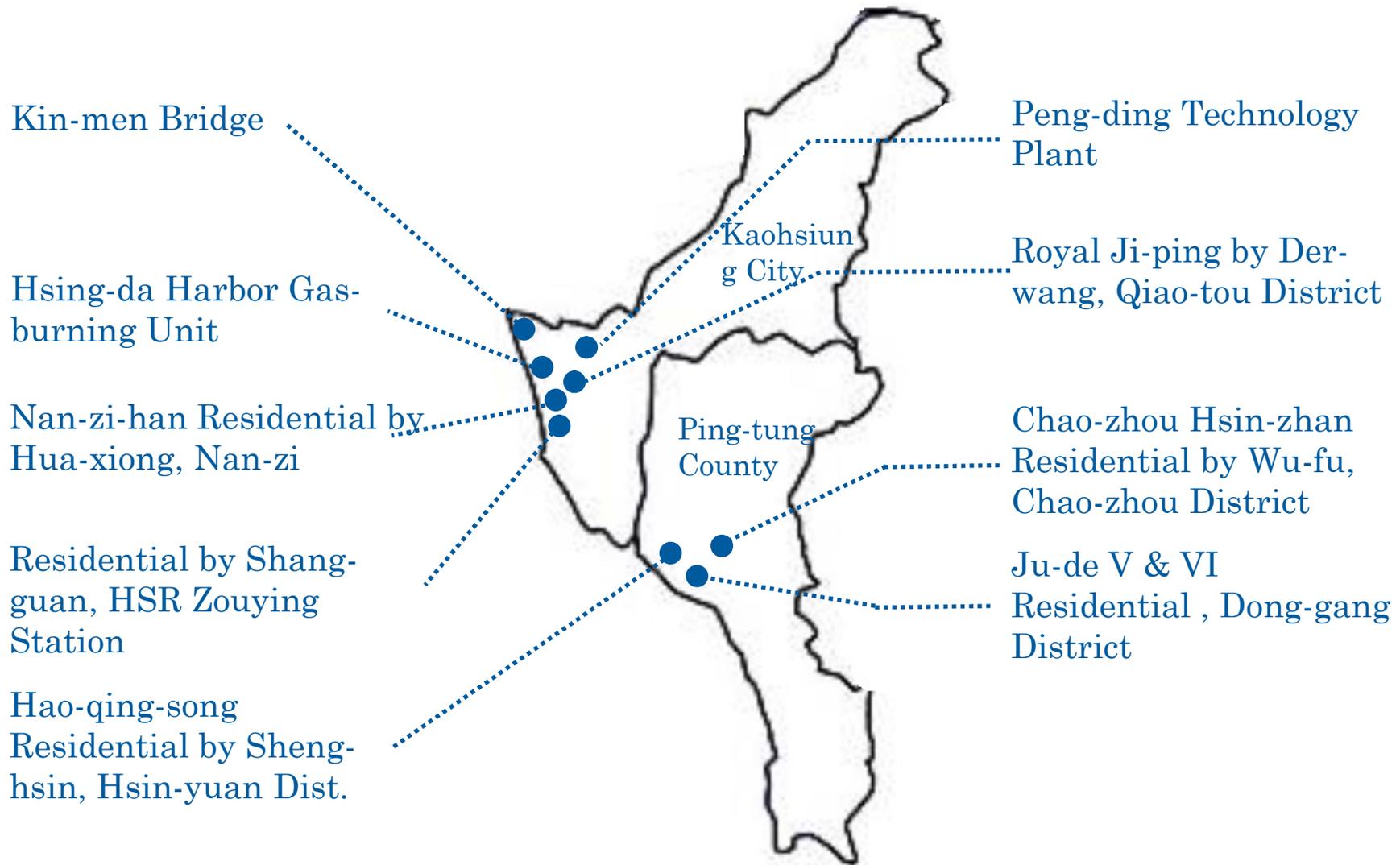
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Active RMC Tainan





Active RMC Account-Kao-hsiung & Ping-tung



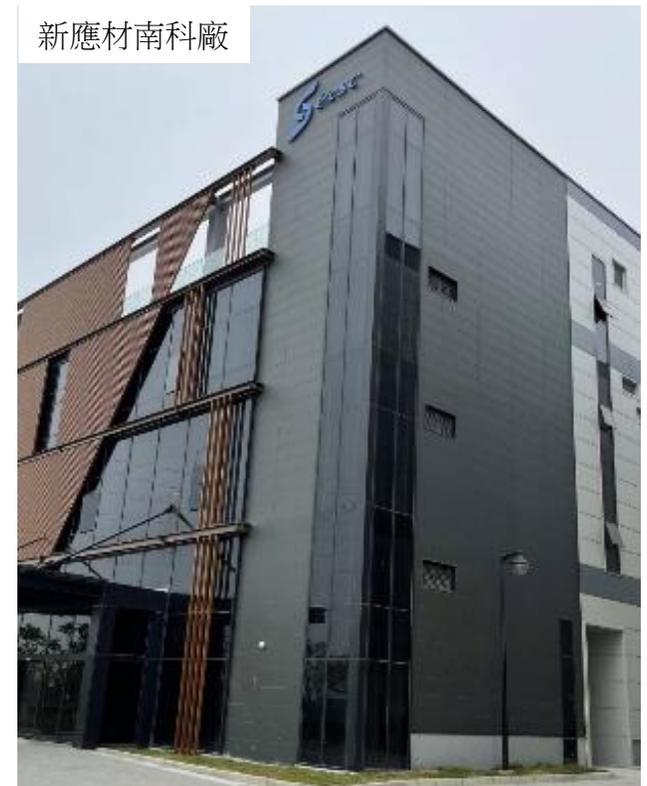
Building Material Sector : Diversified Application of Gypsum Board



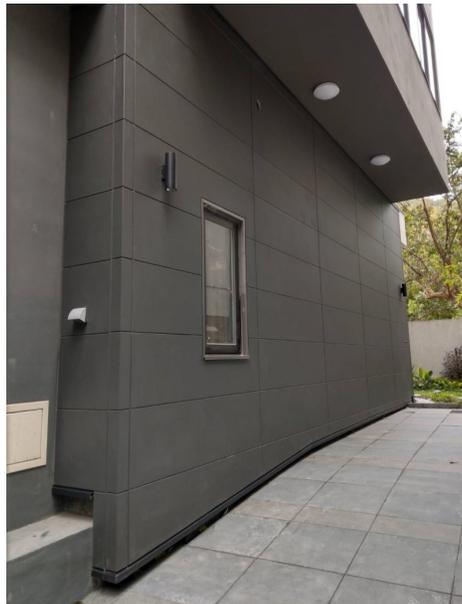
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- Continuous effort in improving the performance of water-proof, fire-proof, thermal-insulation, noise-insulation and easy to install.
- By incorporating the Wall-panel system with Nichiha Fiber Cement Board, we developed diversified pre-fabrication solution that can be used for indoor decoration, wall panel, roof and floor and reduce the number of working hours and workforce and maintain consistent quality of work.
- Continuous promotion of reward for recycled gypsum board with a 100% reuse rate.

新應材南科廠



Residential Hsiao-Zhishan,
Taipei



南科AI_ROBOT自造基地廠辦





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Building Material Sector - by type of project

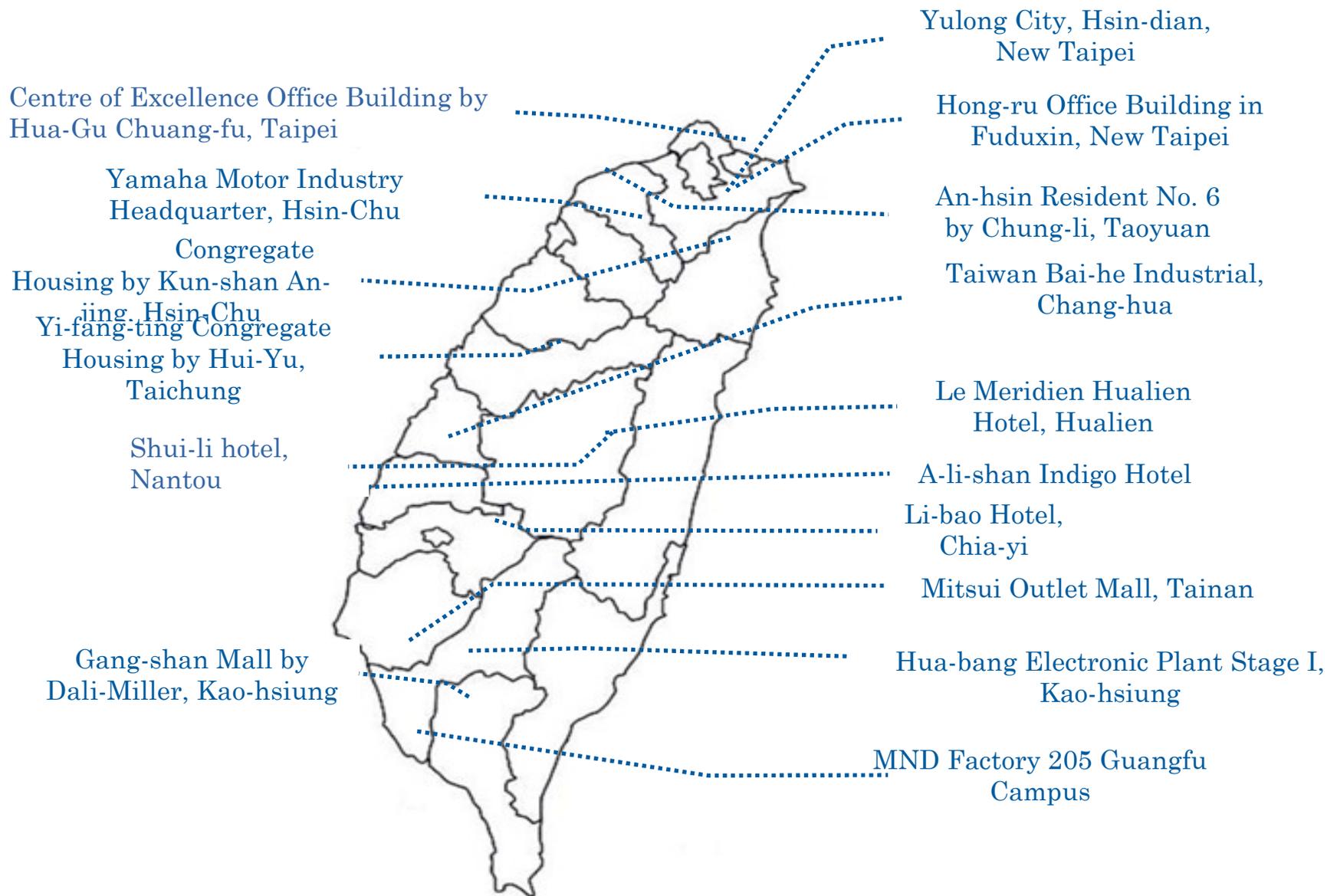
* Volume to be supplies till Q3, 2021

Type of Project	Percentage
Housing	28%
Industrial and Commercial Building	32%
Hotel	21%
Infrastructure	9%
Other	10%
Total	100%



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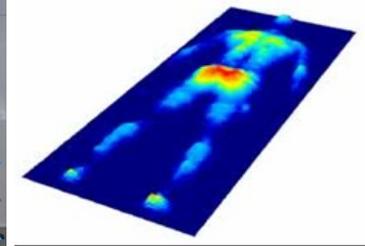
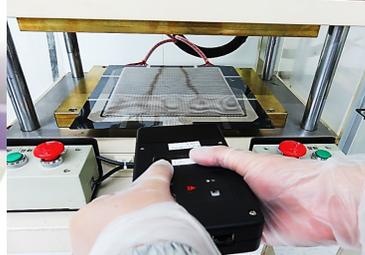
Active Client – Building Material Sector



UNEO : Supply of Force-Sensor

Supply of Force-Sensor

- In collaboration with internationally renowned manufacturer of Smart Medical Monitoring Product to supply components for medical beds.
- In collaboration with major touch ID developers for next generation touch writing pad and supply both domestically and abroad.
- In collaboration with manufacturers of stylus to supply comprehensive choices of components.
- In collaboration with international major manufacturers to develop next generation smart door with touching pad.



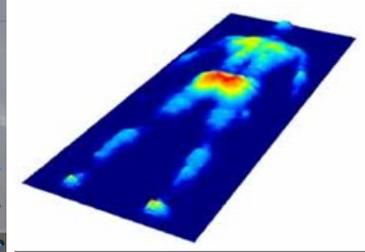
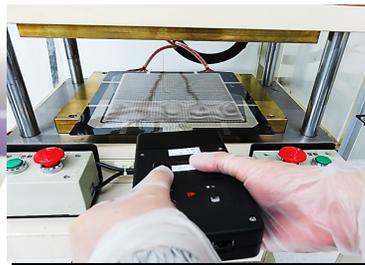
UNEO : Integration of Force Sensor System

Total Solution Provider of Force Sensor System Solution

■ Supply of force sensor equipment with high precision to customers from both upstream and downstream of supply chain.

- ❑ Semi-conductor industry
- ❑ Panel industry
- ❑ Precision Process Industry

■ In collaboration with international major provider of smart warehouse management service, develop total solution system for smart warehouse management.





Outlook 2022-Cautiously Optimistic

- COVID-19 has limited impact on the operation of the Company in 2021, and we will keep monitoring the influence in the future.
- With Taiwan government's continuous promotion of Foresight Project, the growth in public infrastructure is foreseeable. Demand for commercial building is expected to increase significantly due to the return of oversea Taiwanese business, foreign investment and relocation of farming land and factories. Residential building is expected to face increasing demand as a result of newly established factories in the vicinity. In light of factors above along with promotion of Urban Renewal Plan for Unsafe and old building, the overall sales is expected to see a growth.
- The new production line of Lu-zhu Gypsum Board plant and second production line from Da-hu RMC plant will be ready to contribute its production capacity in Q3, 2022.