



環球水泥

Universal Cement Corporation

2021 Q1 Institutional Investor Conference

Outline



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- Profile
- Summary on Operation – Q1, 2021
- Overview on Operation, 2021

Disclaimer : Financial information for Q1, 2021 disclosed in this report is subject to review by external auditor. Financial report reviewed by external auditor will be published on or before May 15, 2021.

Profile



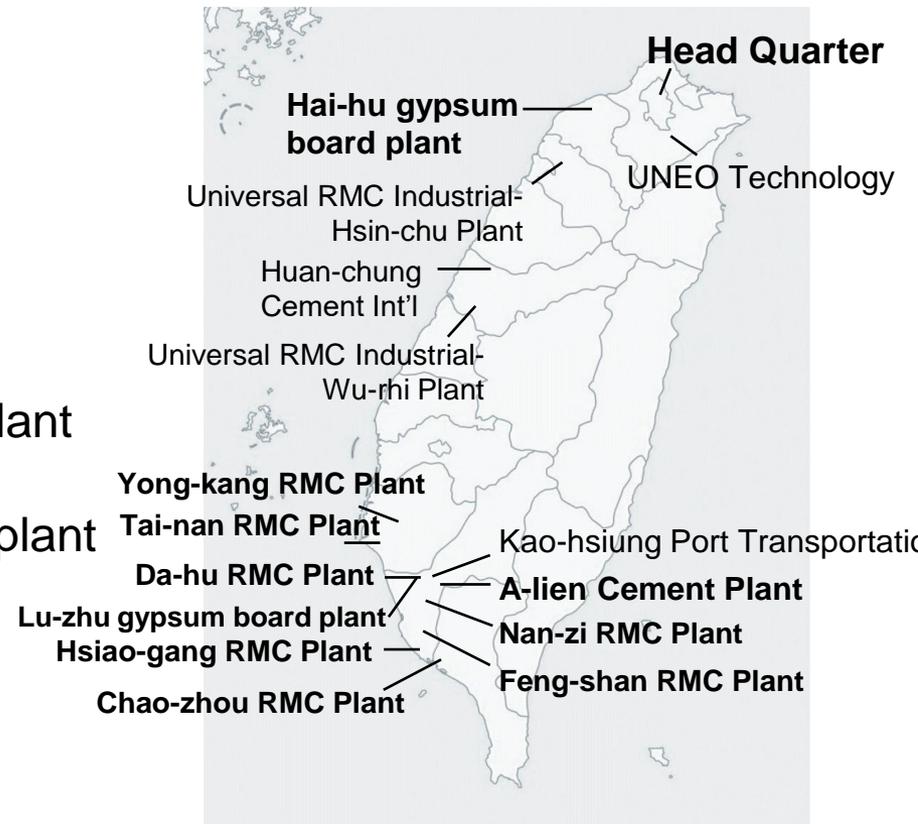
- Universal Cement Corporation
- Office address : 10F., 125 Nan-king E. Rd., Sec. 2, Taipei, Taiwan
- Website : www.ucctw.com
- Publicly listed at TWSE
- Code : 1104
- Paid-in Capital : NTD 6.5 Billion

Market Value : NTD 15 Billion (2021/03/31)

- Number of employee : 400

■ Chronicle :

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





Consolidated Financial Performance for Q1, 2021

- Consolidated revenue **NT\$5.43 Billion**, representing growth of **8%** comparing to same period last year, operating profit ratio of **9%**, mainly attributing to the steady growth of sales of various sectors of building material.
- Non-operating profit **NT\$0.8 Billion** representing decrease of **22%** 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\$1.26 Billion** representing growth of **10%** comparing to same period last year, **EPS NT\$1.91**.

NT\$ in million	2019	2020	YOY
Operating Income	5,006	5,426	8%
Gross Profit from Operation	587	907	55%
Operation Profit	171	493	188%
Non-operating income	1,028	805	-22%
Net profit before tax	1,199	1,298	8%
Net profit after tax	1,142	1,260	10%
EPS (in NT\$)	1.74	1.91	10%
Asset	23,402	24,103	3%
Liability	5,299	5,318	0%
Equity	18,103	18,785	4%

Consolidated Financial Ration, Q1, 2021



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%	2019	2020	YOY
Gross Margin (%)	12%	17%	5%
Operating Profit Margin (%)	3%	9%	6%
Net Profit after Tax (%)	23%	23%	0%
Earnings per Share (NTD\$)	1.74	1.91	10%
Net Value per Share(NTD\$)	27.51	28.48	4%
Return on Equity (%)	6%	7%	1%
Return on Asset (%)	5%	5%	0%
Liquidity Ratio (%)	111%	116%	5%
Debt/Equity Ratio (%)	29%	28%	-1%

Individual Financial Performance Q1, 2021

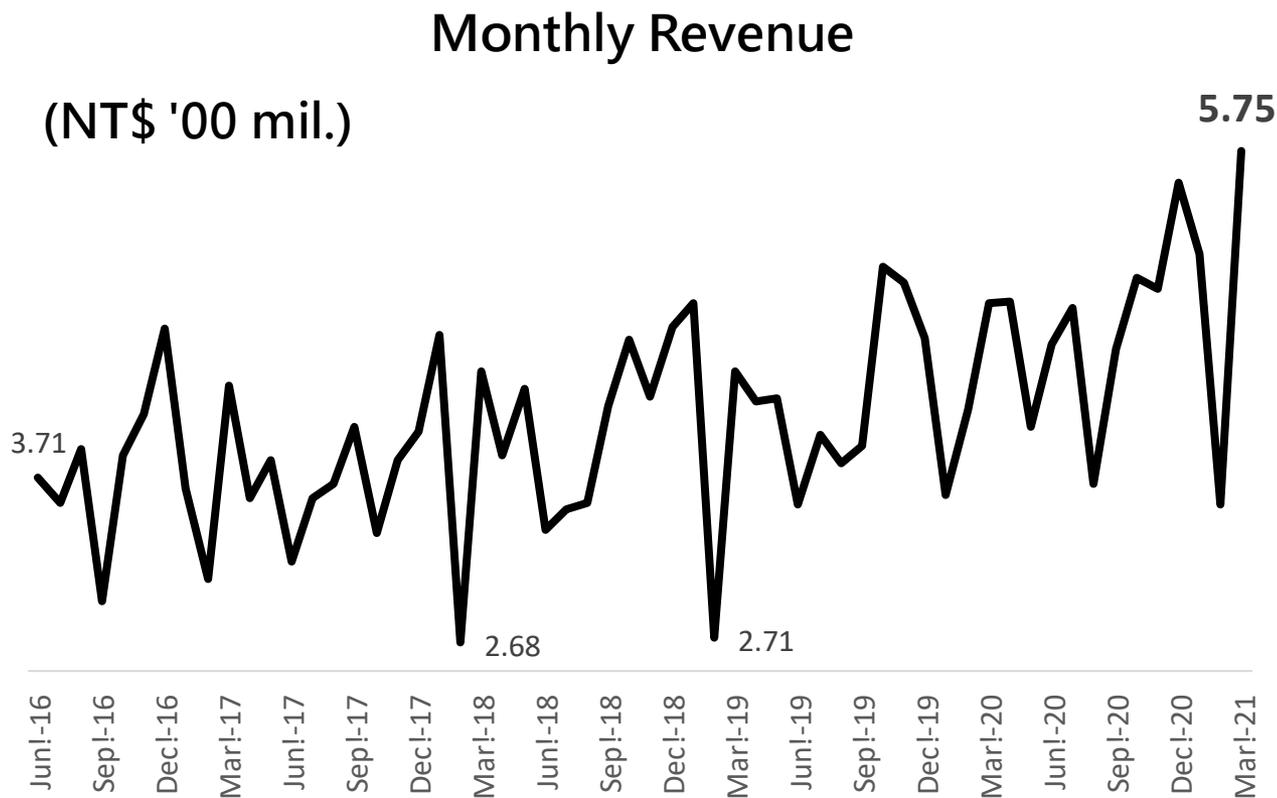


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		2019	2020	YOY	1Q20	1Q21	YOY
Operating Income	Mil.	4,149	4,496	8%	1,056	1,140	8%
Gross Profit from Operation	Mil.	495	802	62%	148	222	50%
Gross Margin	%	12%	18%	6%	14%	19%	5%
Operation Profit	Mil.	158	470	197%	60	126	110%
Operation Profit Ratio	%	4%	10%	6%	6%	11%	5%
Non-operating Income	Mil.	1,030	812	-21%	-21	131	-
Net Profit before Tax	Mil.	1,188	1,281	8%	39	257	559%
Net Profit after Tax	Mil.	1,135	1,247	10%	31	232	648%
EPS	NTD	1.74	1.91	10%	0.07	0.35	400%

Monthly revenue reaches record high, March 2021

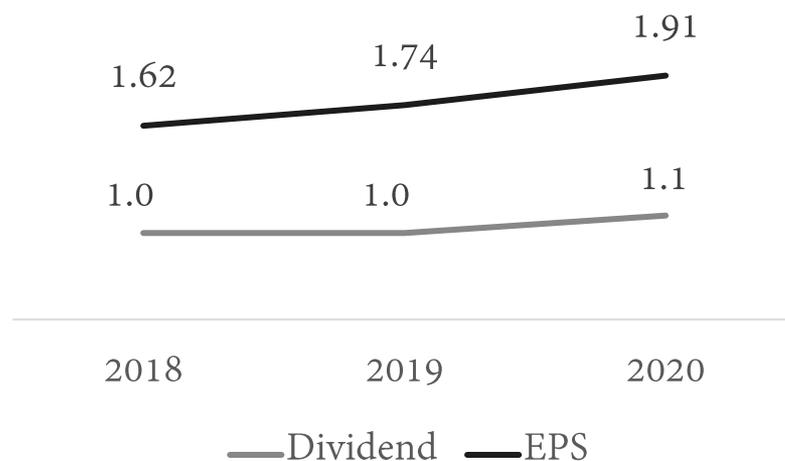
- Both Monthly revenue and 21Q1 Revenue reached ten year high.



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\$)



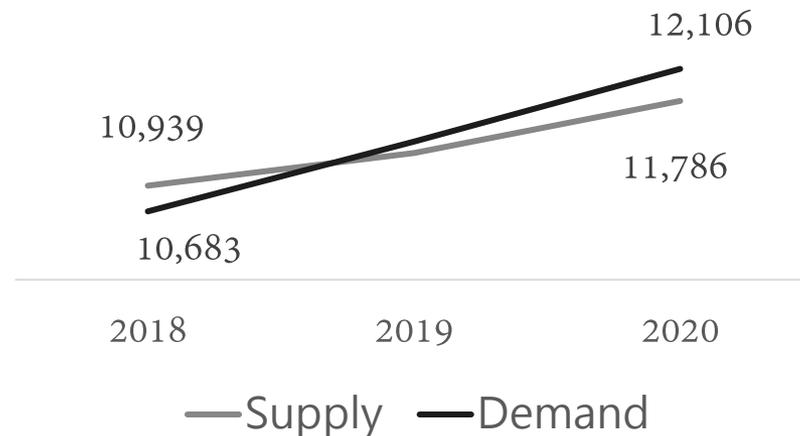
*Distribution of dividend for year of 2020 is still subject to final adoption of 2020 Annual General Meeting of Shareholders.

Cement Sector : Steadfast growth



- Demand for cement in domestic market grows steadily.
- The goal of our cement sectors remains to maintain balance between the production and manufacturing of product and thus steady profit.

Supply and Demand in domestic market ('000 mt)



Ready-mixed Concrete : Securing more projects

- Infrastructure sector remains promising with the promotion from the public sectors on the Foresight Infrastructure Project; private sectors increase demand in new-built building with prosperity.
- Hsin-chu plant, Huan-hun, subsidiary of UCC, activated in Nov. 2020 to satisfy local demand.
- As of Mar. 2021, the total volume to be supplied is 1.92 million M³.

Floor areas of building permit issued
(within service area) ('000 M²)



*Service Area :
Hsin-Chu county & city, Taichung City, Tainan City,
Kao-hsiung City, Pint-tung.

Source: Construction and planning agency, Ministry of Interior

RMC sector sales structure



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Area	Percentage	Percentage of public projects in the area
Hsin-chu	1%	0%
Taichung	8%	12%
Tainan	45%	18%
Kao-hsiung	34%	19%
Ping-tung	12%	24%
Total	100%	19%

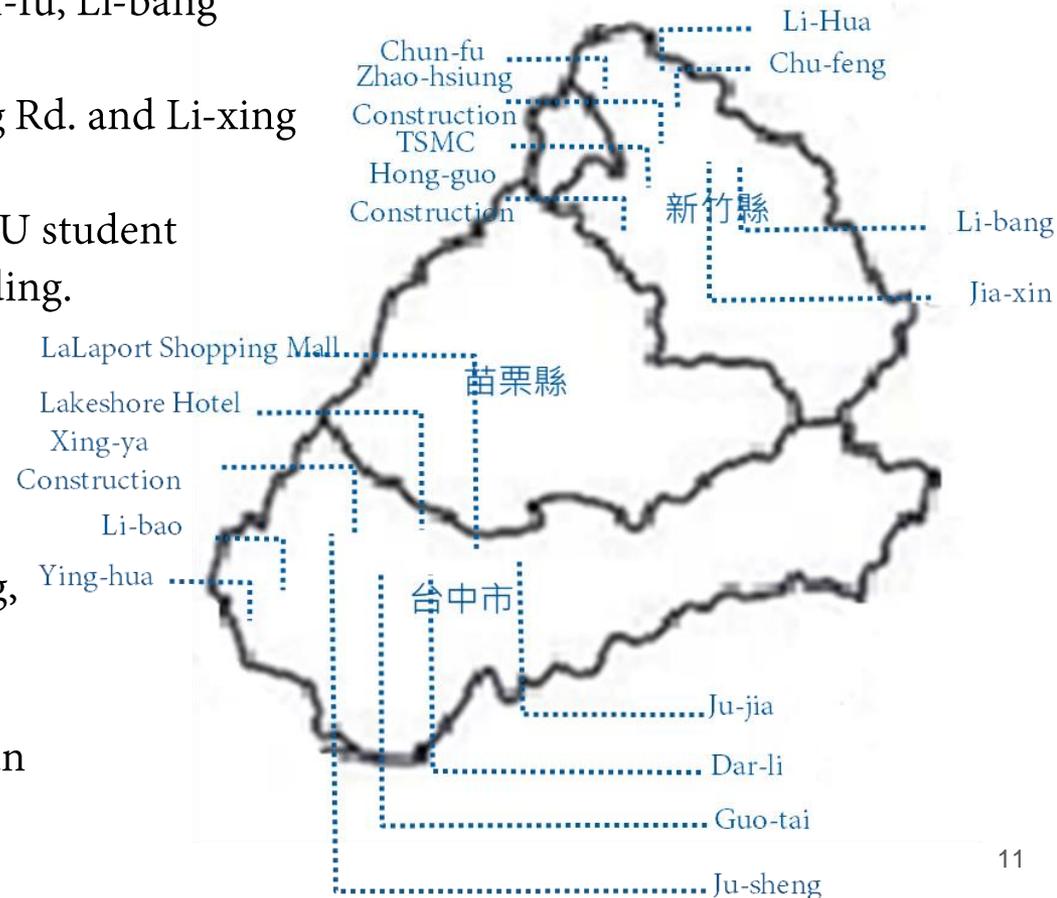
Active RMC client – Hsin-chu & Taichung

■ Hsin-Chu

- TSMC F12P8 Plant, office building
- Li-Hua Construction – Hsin-Hsing Electronic Plant
- Active projects by Chu-feng, Chun-fu, Li-bang Development
- Jia-xin Construction – Zhong-xing Rd. and Li-xing Rd. express way.
- Zhao-hsiung Construction – NTHU student dormitory and College of Art building.

■ Taichung

- LaLaport shopping mall
- Lakeshore Hotel
- Active Projects – Li-bao, Dar-Li, Guo-tai, Ju-jia, Ju-sheng, Her-yang, Ying-hua Constructions.
- Xing-ya Construction – Public Housing, Tong-rong Sector, Bei-tun Dist.



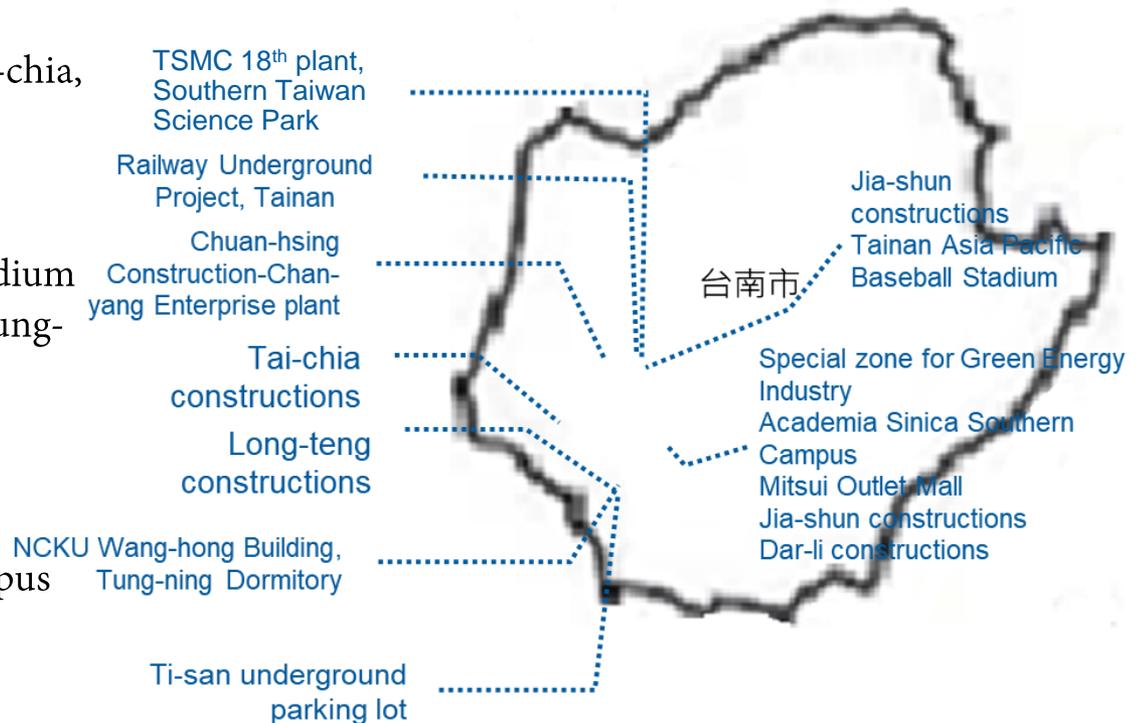
Active RMC Client-Tainan



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■ Tainan

- ❑ TSMC 18th plant, Southern Taiwan Science Park
- ❑ Chuan-hsing Construction-Chanyang Enterprise plant
- ❑ Long-teng, Fu-du, Jia-shun, Tai-chia, Dar-li constructions
- ❑ Railway Underground Project, Tainan
- ❑ Tainan Asia Pacific Baseball Stadium
- ❑ NCKU Wang-hong Building, Tung-ning Dormitory
- ❑ Ti-san underground parking lot
- ❑ Special zone for Green Energy Industry
- ❑ Academia Sinica Southern Campus
- ❑ Mitsui Outlet Mall





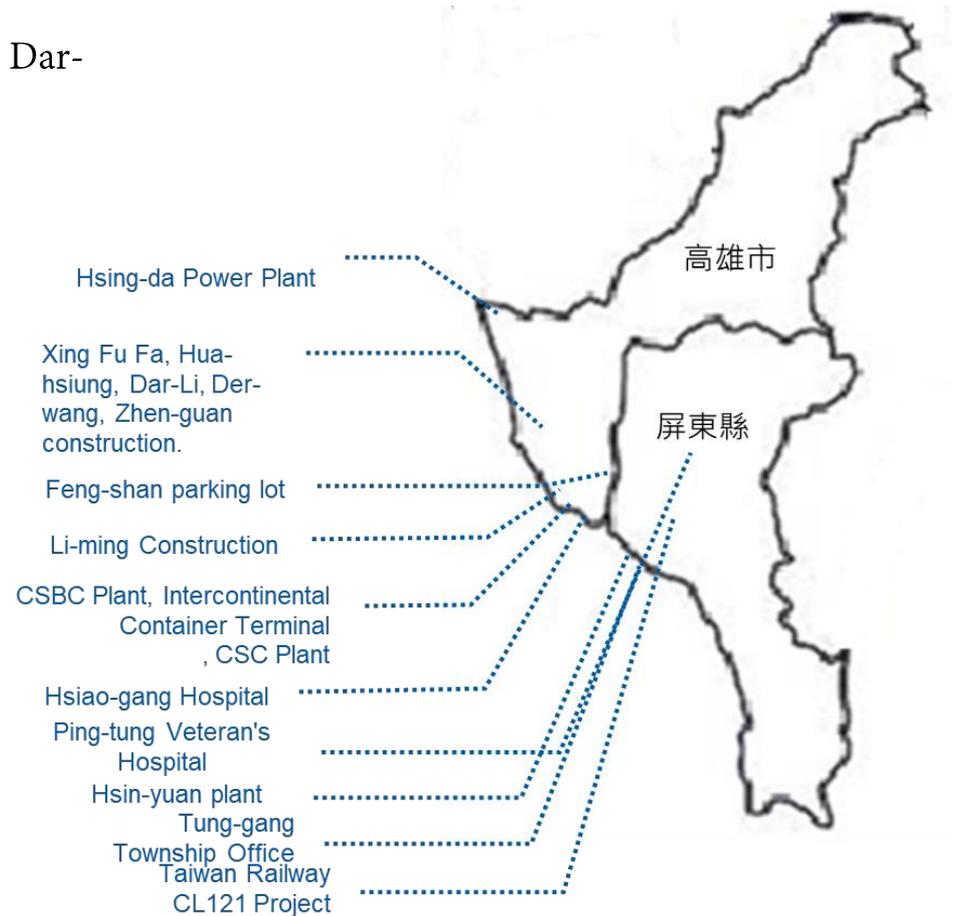
Active RMC Client-Kaohsiung, Ping-tung

■ Kaohsiung

- ❑ Li-ming Construction-Tai-jun Technology Plant
- ❑ Active project – Xing Fu Fa, Hua-hsiung, Dar-Li, Der-wang, Zhen-guan construction.
- ❑ Gas burning unit, Hsing-da Power Plant
- ❑ CSBC Plant
- ❑ Intercontinental Container Terminal
- ❑ CSC Plant
- ❑ Feng-shan parking lot
- ❑ Hsiao-gang Hospital

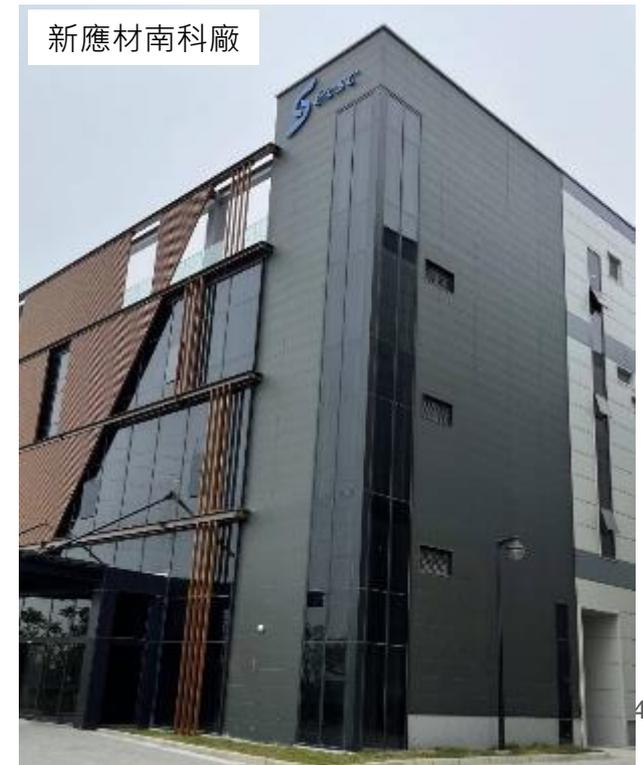
■ Ping-tung

- ❑ Hua-feng Construction-hsin-yuan plant
- ❑ Li-ming Construction –Ping-tung Veteran's Hospital
- ❑ Taiwan Railway CL121 Project
- ❑ Tung-gang Township Office



Building Material Sector : Diversified Application of Gypsum Board

- 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.



Sales structure of Building Material Sector

Category	Percentage
Commercial Building	41%
Public Infrastructure	19%
Housing	18%
Hotel	5%
Other	17%
Total	100%

Active Client – Building Material Sector

■ Industrial Building

- China Airline-Nordam plant, Taoyuan
- Qualcomm plant, Hsin-Chu
- Esun Bank Flagship Building, Kao-hsiung

■ Housing

- Yuan Zhen Di, Longpao Development, Taichung
- Ju-zhuo, Zong-tai Construction

■ Other

- Guangci Bo-ai Complex, Taipei
- Southern Branch of Palace Museum, Chia-yi
- Hotel Indigo Alishan, Chia-yi
- Chia-yi Li-Bao Hotel
- Tainan Hotel Chateau
- Shui-li hotel, Nantou
- MND Factory 205 Guangfu Campus





UNEO Technology : Force-sensor technology

- UNEO has evolved from supplier of force-sensor unit to provider of turnkey solution system of force-sensor.
- We dedicated to development of both standard and customized products to fulfill the need of the markets such as Smart Health Monitoring System, Force-sensor for both general industrial use and semi-conductor industry, Smart Warehouse Management and consumer products. We supply our product to prestigious domestic manufacturer of health equipment, TSMC and its comprehensive supply chain, international smart warehouse manage service provider, international brand of pressure sensitive stylus and writing tablet.



Outlook for 2021 : Cautiously Optimistic



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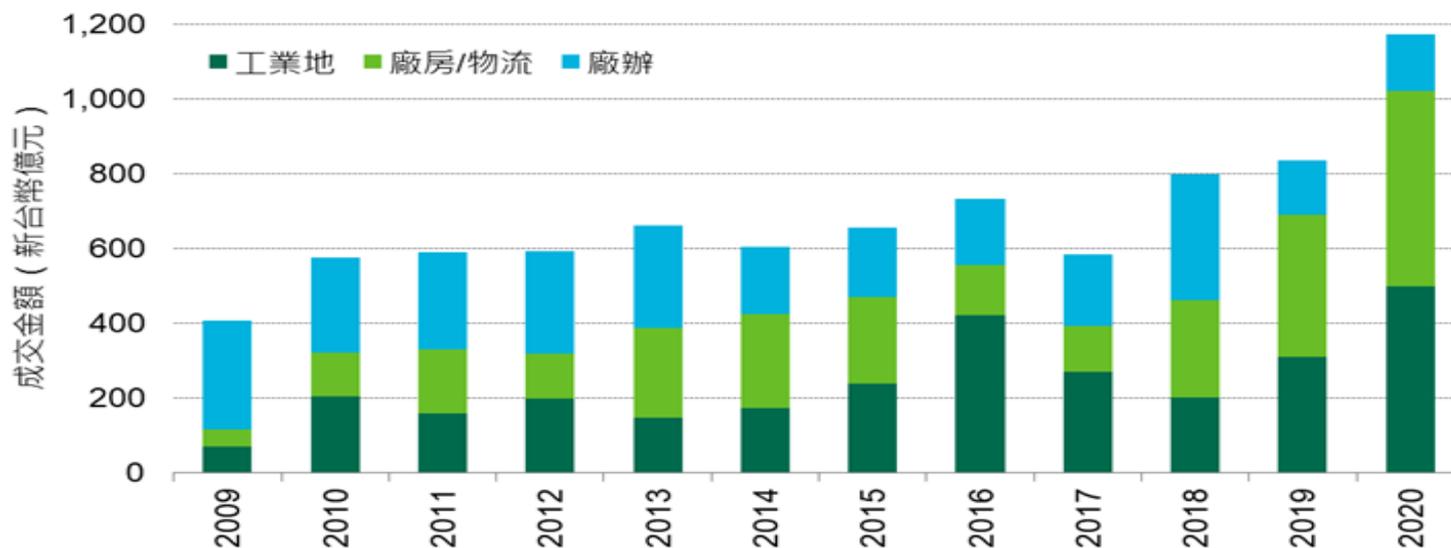
- The pandemic of COVID-19 has limited impact on the operation of the company in 2020 and we intend to keep close watch on the development.
- With Taiwan government's continuous promotion of Foresight Project, the growth in public infrastructure is expected. Demand for commercial building will increase 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 above along with promotion of Urban Renewal Plan for Unsafe and old building, the number of building permit issued continues to grow with rate around two-digit.

Outlook for 2021 : Cautiously Optimistic

- With the ease of the pandemic, the outlook is optimistic. Demand for renovation in public facility, such as hotels and shopping mall, is ready for booming.
- 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 and hence increase the revenue.
- On the basis of strategy deployment in 2020, Uneo successfully increased more new orders in Q1 2021, it is expected this will contribute significant growth of sales in 2021.

Annex : Transaction Price of Domestic Industrial Plot

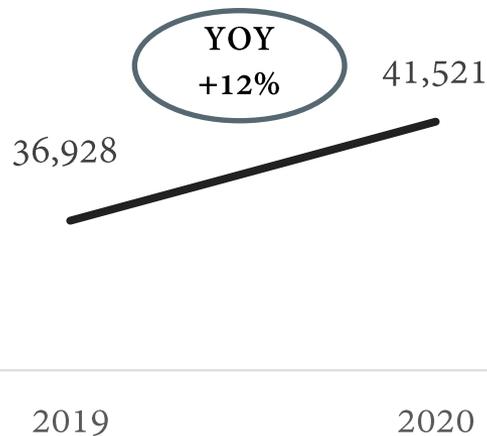
- The transaction of industrial plot has reached a record height of 117.2 Billion NTD representing significant growth of need for demand of plant due to the return of oversea Taiwanese business , foreign investment, relocation of farming land and factories.



Source : CBRE Taiwan

Annex II : Number of building permit issued/Update on Statue for Unsafe and old building

Floor areas of building permit issued
('000 M²)



Source : Construction and planning agency, Ministry of Interior

《Statute for Expediting Reconstruction of Urban Unsafe and Old Buildings》 Highlight		
Item	Before Amendment	After Amendment
Extension of reward for building bulk	Reward scheme of 10% of the building bulk expired by May 10, 2020.	Reward Scheme extended for another five years with an 1% decreasing rate on the reward every year.
Extra incentive for combined building bulk	The area of the adjacent building or plot shall not exceed that of the building site.	Extra 2% of reward given for project with area of the building site and consolidated adjacent site exceeds 200 m ² . For each 100 m ² t, an addition 0.5% reward will be awarded.