

Anli-KY Thermal module parts supplier

**ANLI-KY**

**2022/12/28 法說會簡報**

5223.TW

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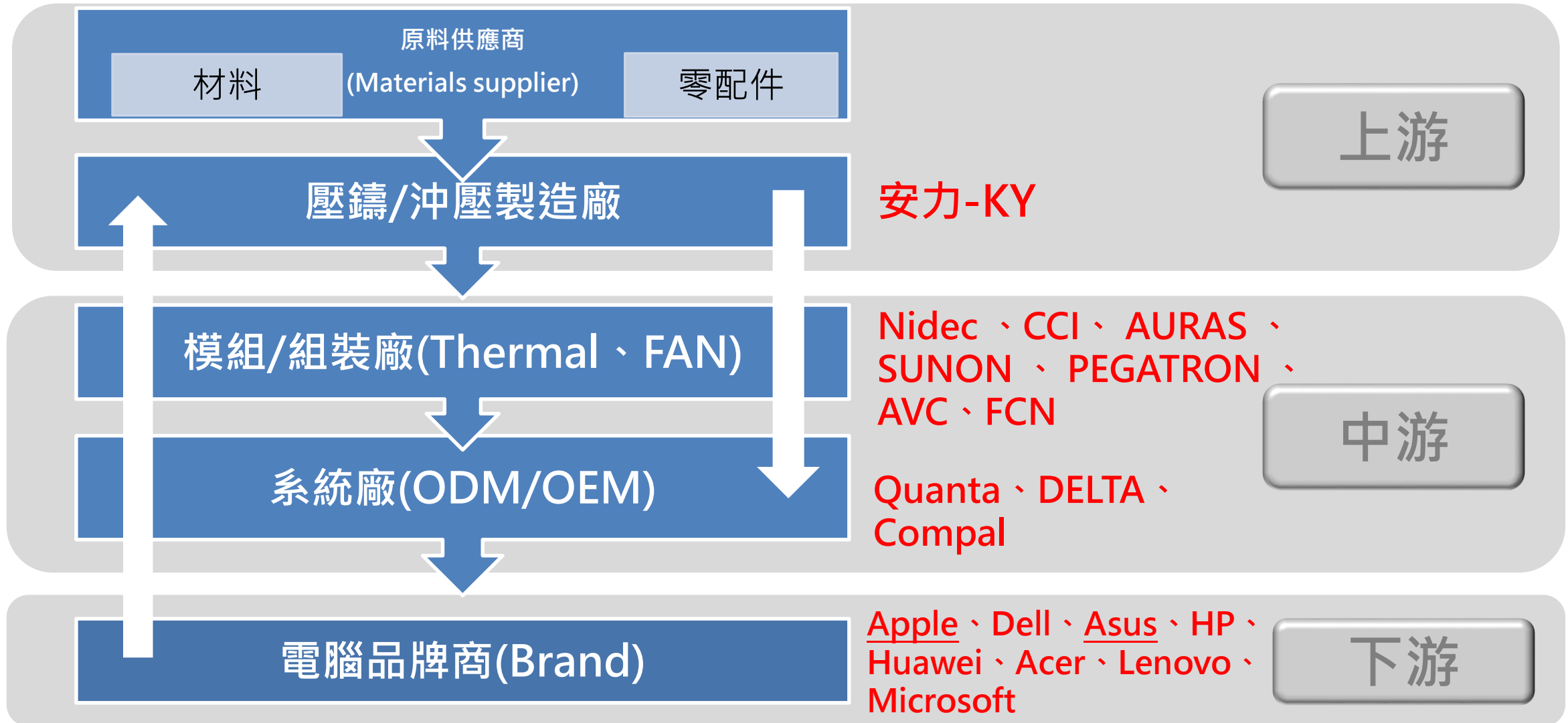
# Anli-KY Thermal module parts supplier

Date of foundation	June, 2010 in Cayman Islands
Raised capital	The paid-in capital amount to NT\$445,498 thousand
Date of listing in TPEX	July, 2018 (Stock code:5223)
Core production process	The metal die casting, precision metal stamping, the rear-end CNC precision processing and the product surface treatment
Product applied	Major brand notebook computers, Game consoles, Servers, <b>Automobile devices and Handheld communication devices</b>
Location	Taiwan 、 China Kunshan 、 Chongqing 、 Huzhou(Under construction)
Customer	Nidec 、 CCI 、 DELTA 、 AURAS 、 SUNON 、 Quanta 、 Wistron...more than 90% are well-known listed companies

# Anli-KY Thermal module parts supplier



# ANLI-KY The upstream of the chain

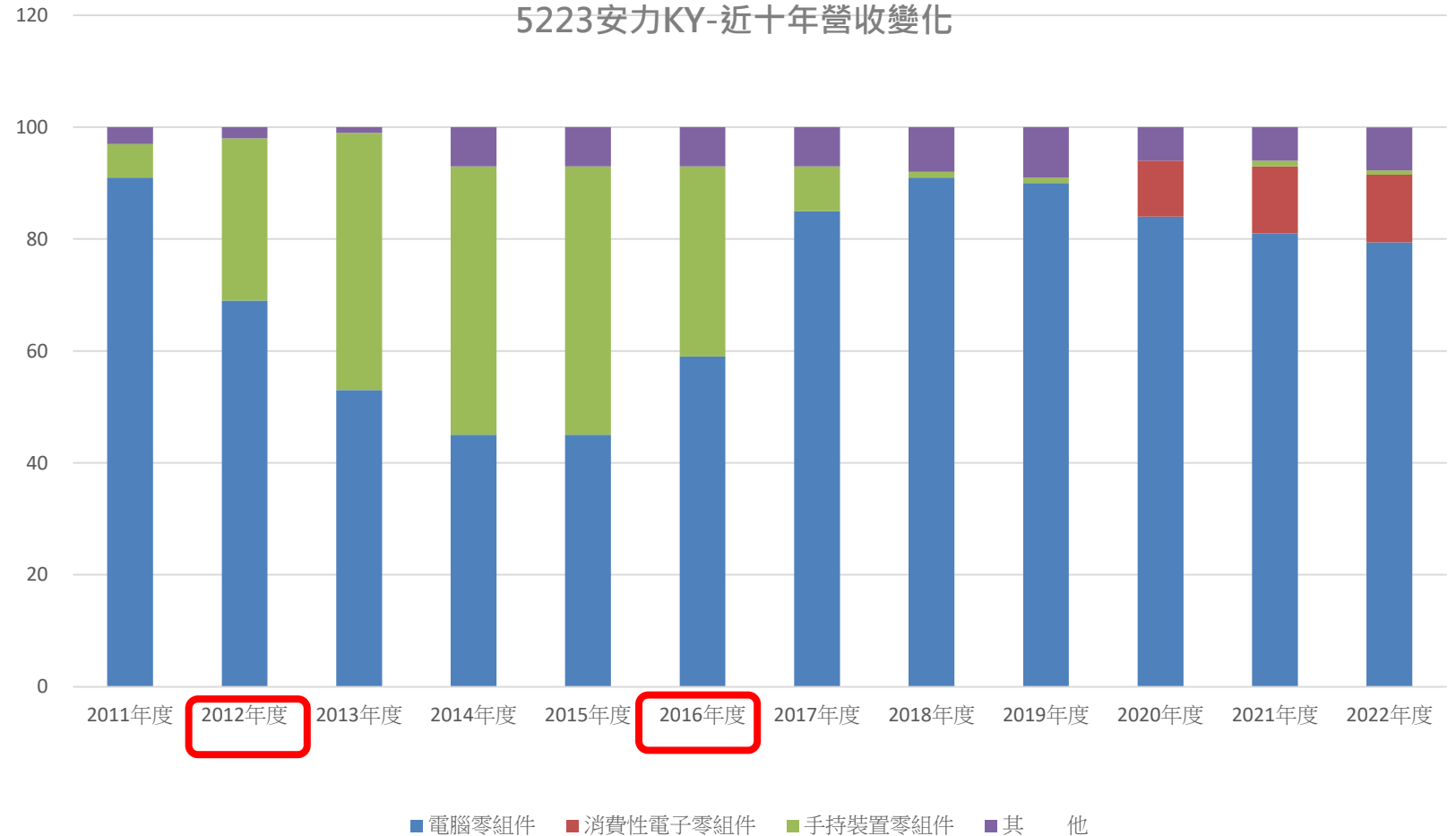


## The management team of ANLI-KY are all from Taiwan

### 安力-KY(5223.TW)

- **Structure of the group** : KY → HK → CN
- **Shareholder composition** : All original shareholders are Taiwanese
- **Board of Directors** : Member of the board are Taiwanese
- **Management team** : Member of the management team are Taiwanese
- **Major customers** : More than 70% of customers are Taiwan listed companies

# ANLI-KY(5223) Product category in the past 10 years



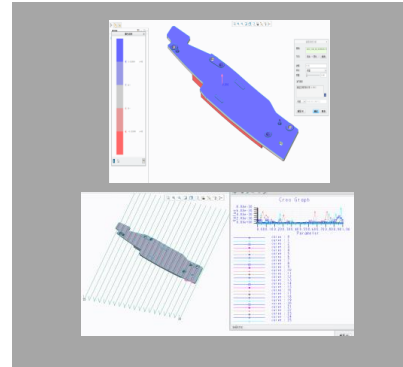
Changes in product revenue:

The proportion of notebook continues to decline, and the operating system of enterprises is healthier.

The main product is metal cooling components

# ANLI-KY The competitive edge of the product development

The flow chart of the mold design



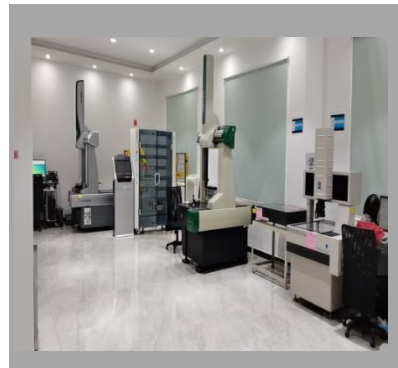
The analysis of product



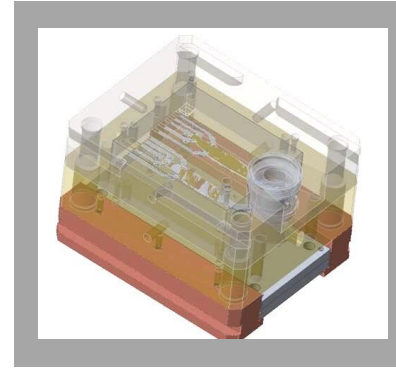
Demand of die casting



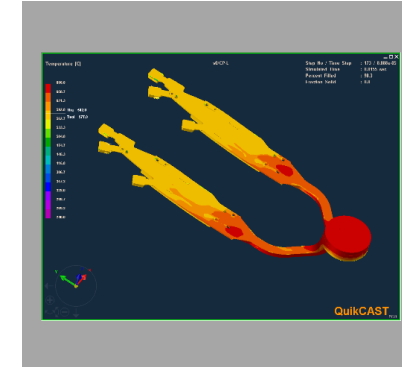
The level of mold workshop



Verification



Structural design



The analysis of moldflow



# ANLI-KY The competitive edge of automated manufacturing

Information  
System

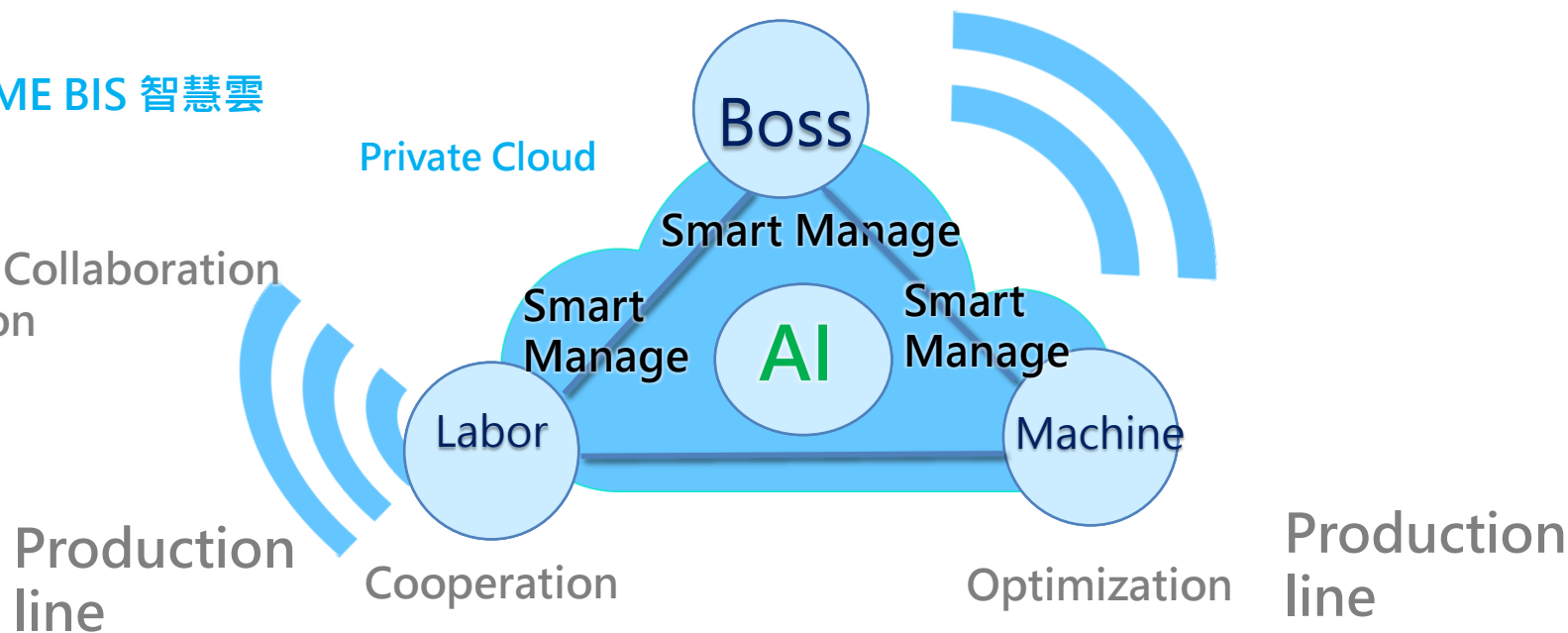
ERP / MES

Information  
System

immediacy

POME BIS 智慧雲

Interface IT & OT  
Labor and Machine Collaboration  
Intelligent Promotion  
Creat Value



Factory  
affairs  
equipments

Production  
process  
equipments

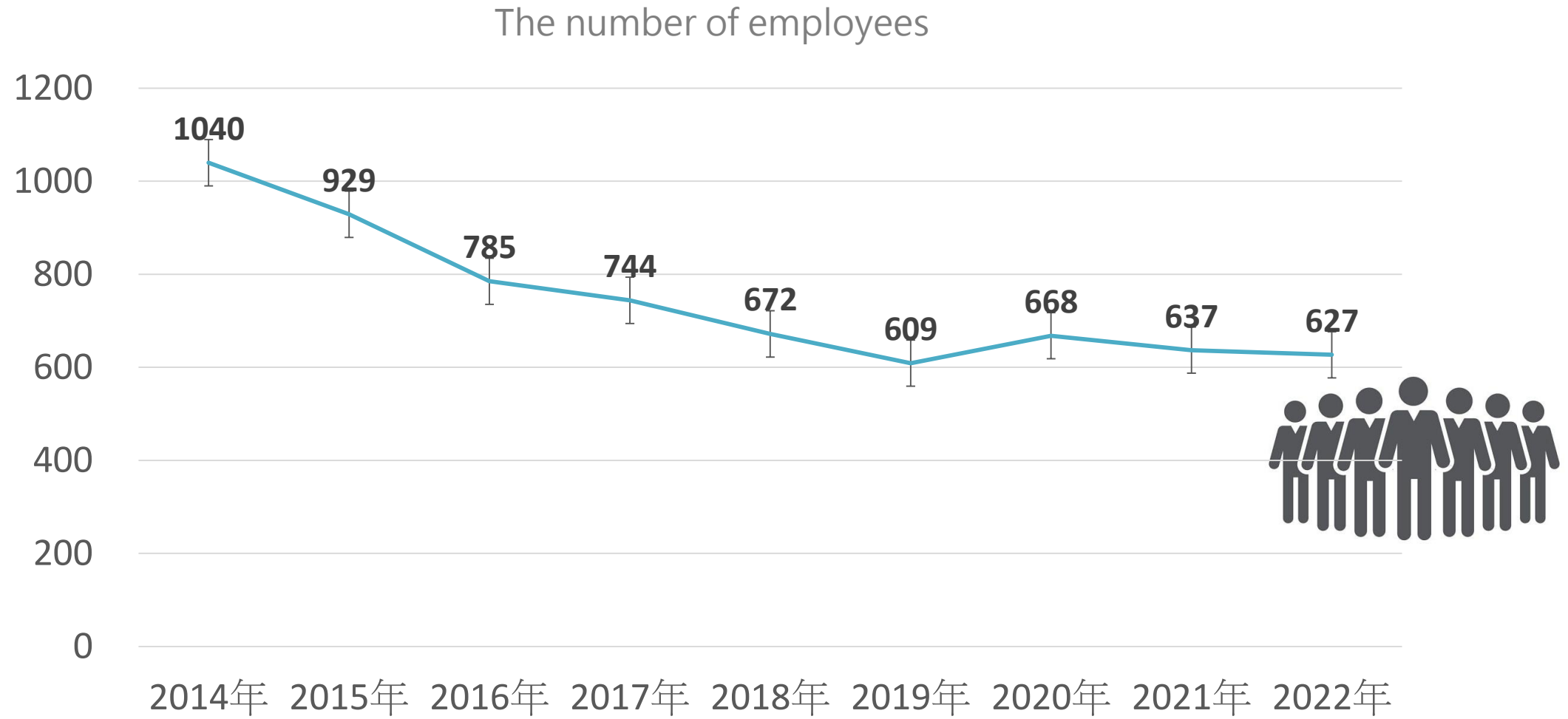
Measure  
equipments

QC system

Environmental  
parameters

工廠產線智慧化的系統架構

# The benefits of Automation



# ANLI-KY The main products for cooling-related

筆記型電腦 NB

Thermal keycomponent

筆記型電腦 NB

遊戲機 Game console

車用 automobile

5G應用

■ The part of cooling module



■ Mechanism

■ Hinges

# ANLI-KY The main products for cooling-related

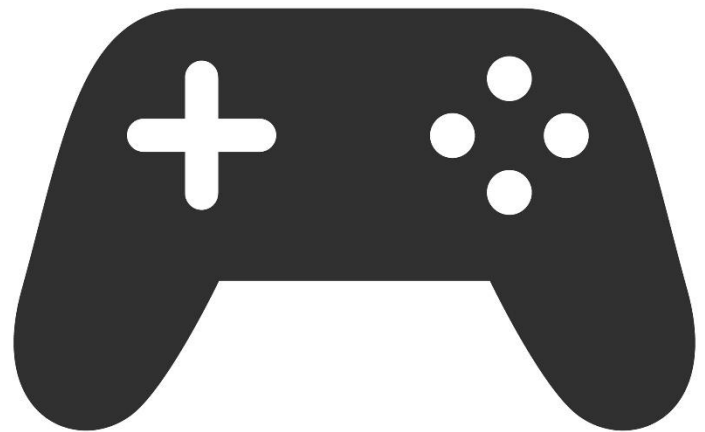
## 遊戲機 Game consoles

筆記型電腦 NB

遊戲機 Game console

車用 automobile

5G應用



# ANLI-KY The main products for cooling-related

車用 automobile



筆記型電腦 NB

遊戲機 Game console

車用 automobile

5G應用

# ANLI-KY The main products for cooling-related

## 5G應用

筆記型電腦 NB

遊戲機 Game console

車用 automobile

5G應用

■ 5G Base station

■ Server

■ Automotive products



■ Mobile

■ Intelligent video surveillance system

# The factory of Huzhou Anli



Land area : 73,361 m<sup>2</sup>

Construction area : 107,401 m<sup>2</sup>

Industrial Distribution :

- Cooling application
- New energy vehicles
- Semiconductor related

New process :

- Surface treatment

# ANLI-KY The end customers / The direct customers

The end customers



The direct customers



日電



台達



仁寶電腦



超眾



SUNON

建準



雙鴻

PEGATRON

和碩聯合科技



立訊



力致



廣達

廣達

HIKVISION

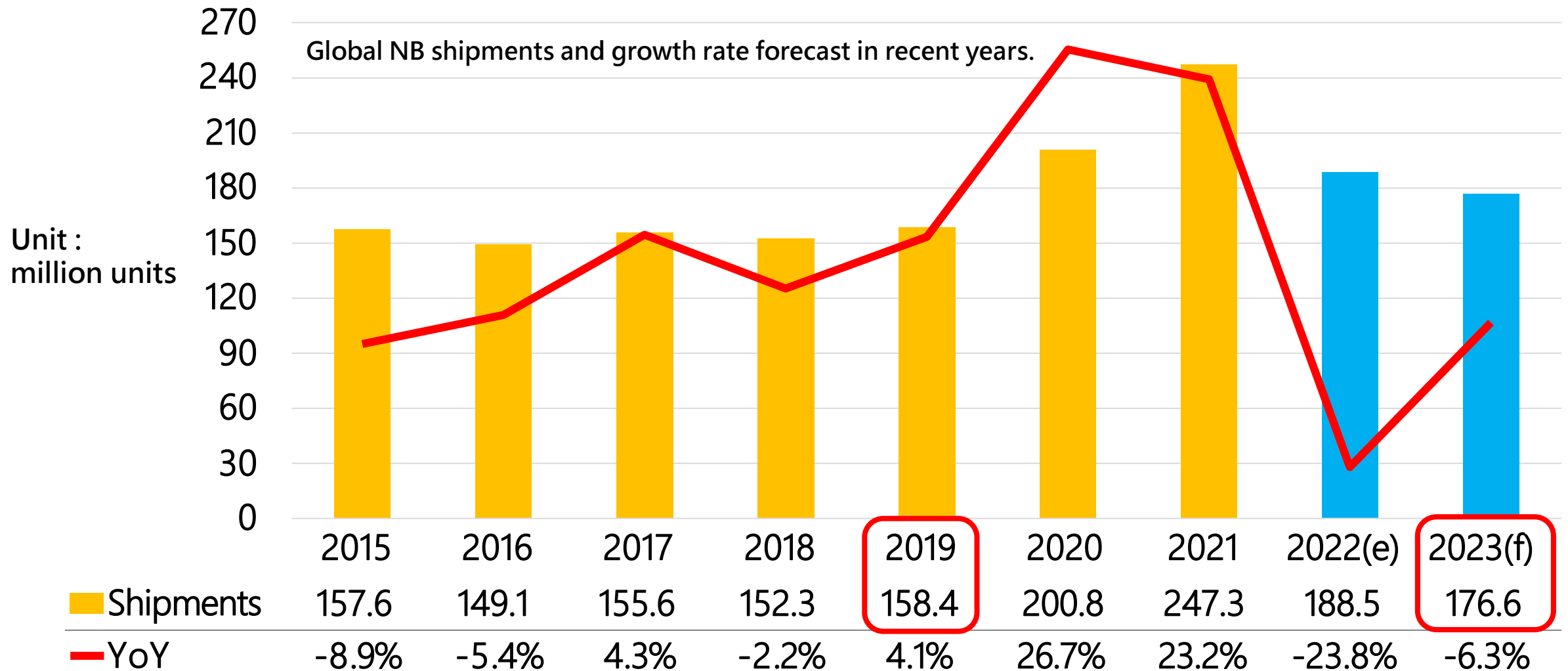


丘钛科技(集团)有限公司  
专业高端摄像模组制造商

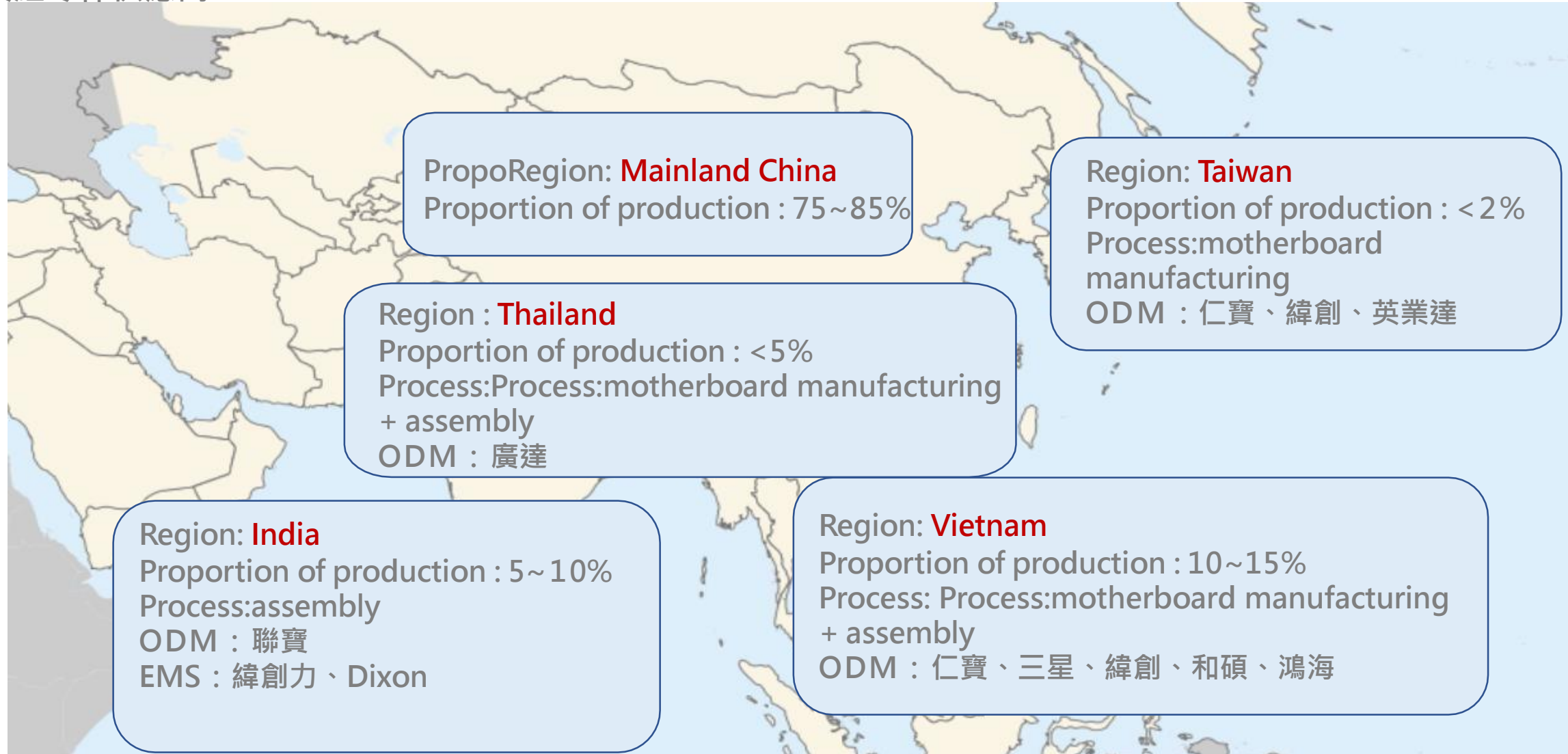
# NB Analysis



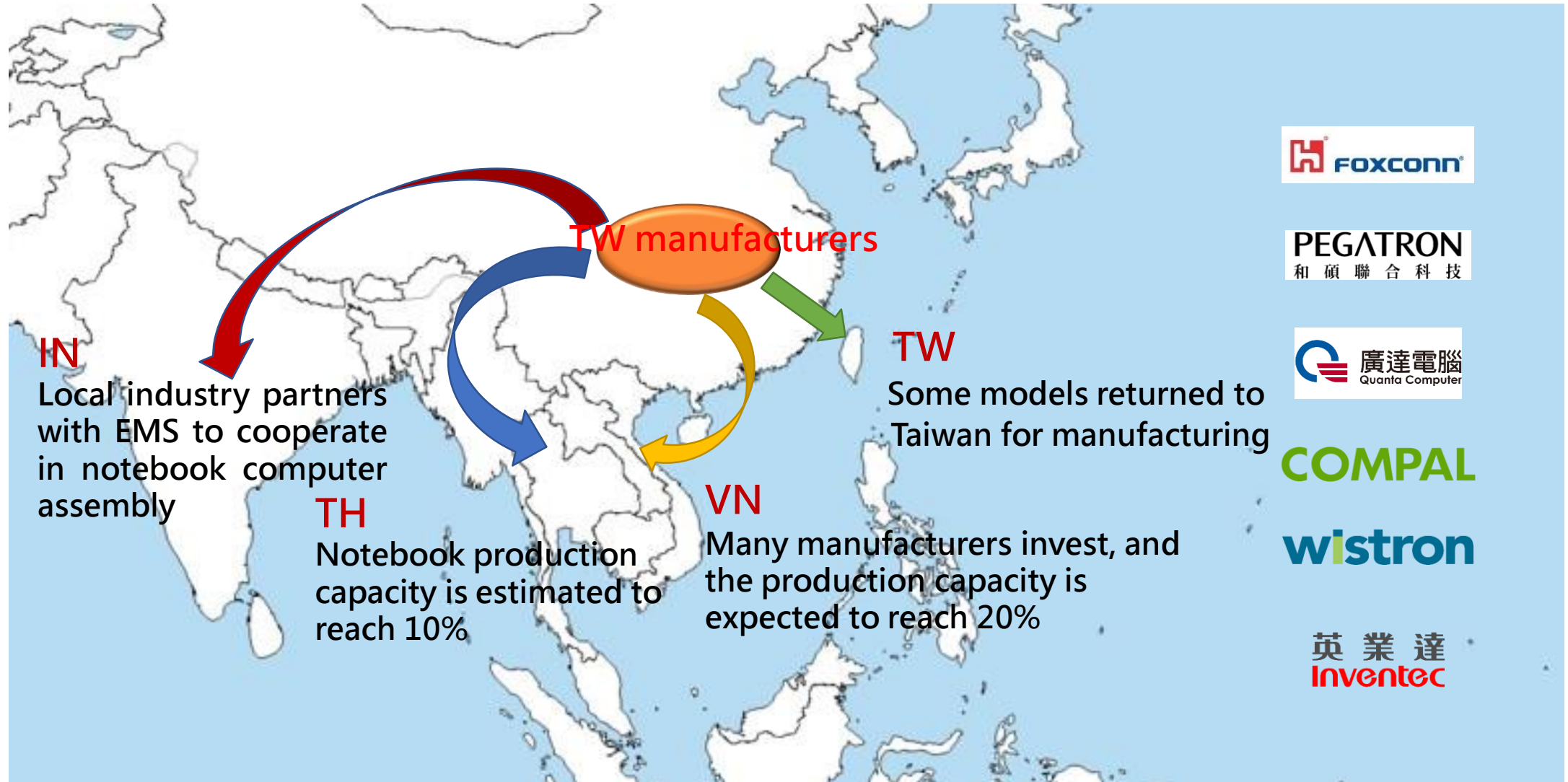
In 2023, global NB shipments are expected to decline by 6.3%, lower than  
散熱模組零件供應商 the previous three years, but still higher than before the epidemic.



# Production Proportion of Notebook in Mainland China and Various Regions

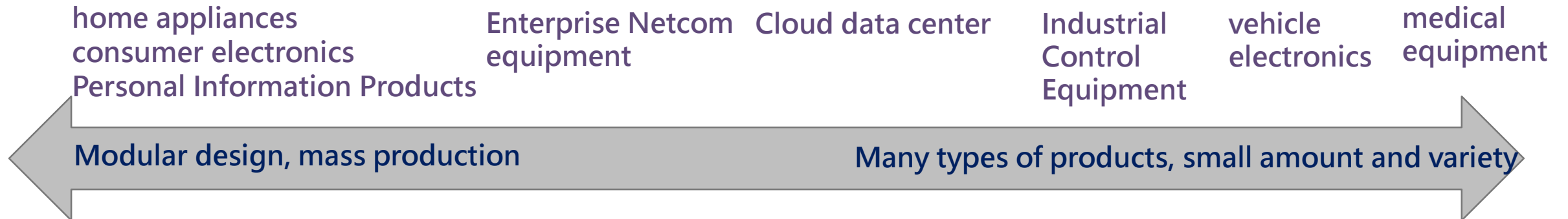


## Estimated Changes in Proportion of Notebook Production Capacity in Mainland China





## Different types of products require differentiated production base layout thinking



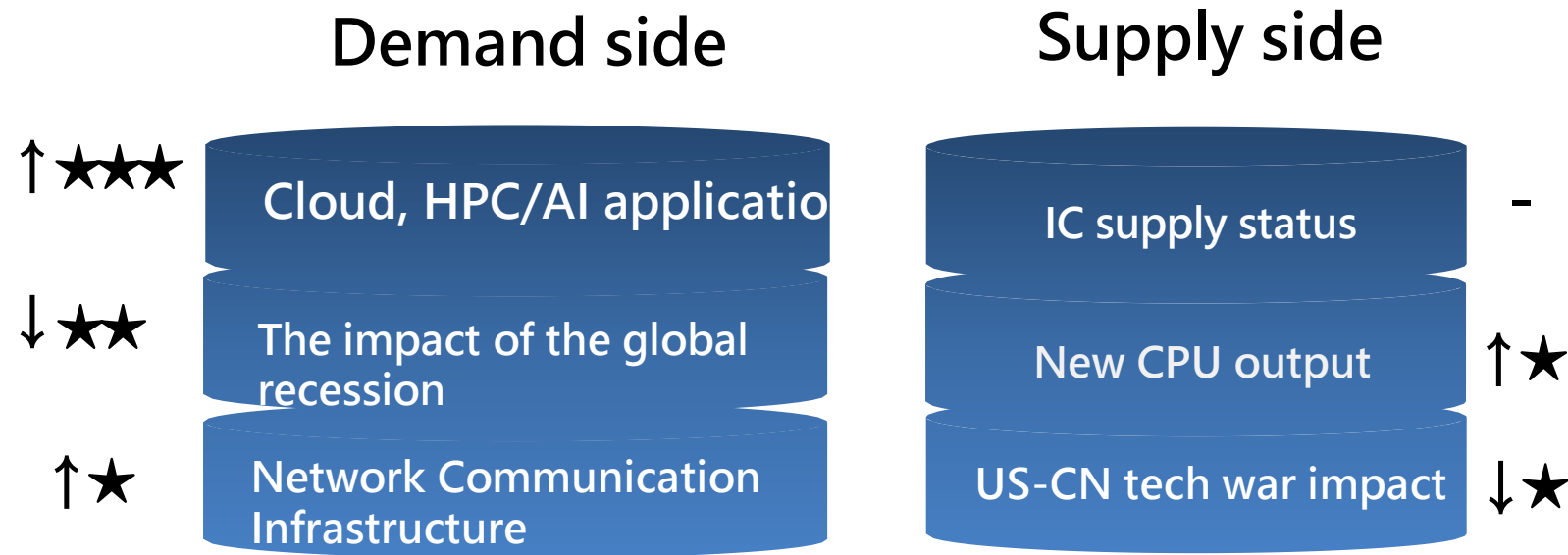
- Product life cycle iteration is fast
- Cost
- The production base needs to be close to the end customer or the supply chain
- Industry standard or highly regulated
- High product development costs
- The production site needs to be close to the customer's R&D center

Explanation: The notebook supply chain is currently very complete in Kunshan, and most of the assembly plants are still in China. If they move out of the Chinese assembly plant, they must move first, and must have a certain scale before the satellite industry will start to move, and the time interval may not be long. so fast. In addition, the heat dissipation components are not large, so it is very convenient to transport them by sea or air. These costs may be lower than those of moving to Southeast Asia where the supply chain is incomplete at the beginning, but only when the local supply chain has begun to gradually take shape will it be considered.

In addition, more than half of Anli's product A is shipped to the Philippines and Thailand by sea or air.

# Server Analysis

## Analysis of factors influence Global Servers shipments in 2023



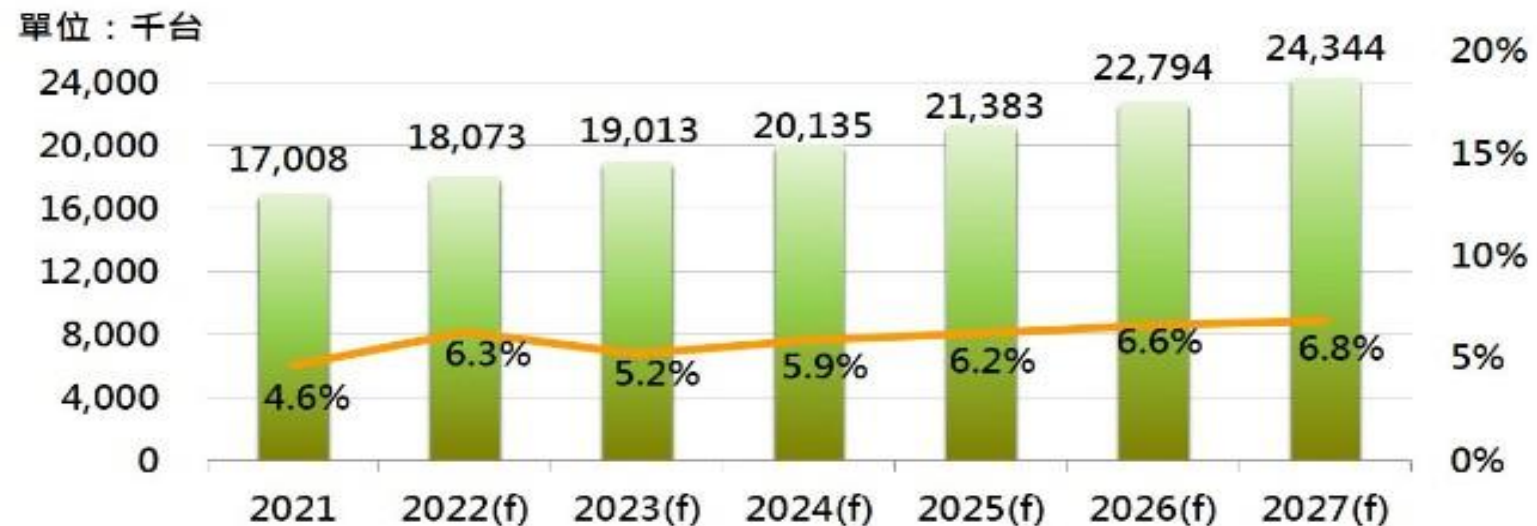
It is expected that cloud demand will still be the main force supporting the growth of shipments, with an annual increase of 4.5%

Note: The impact on shipments refers to the comparison with the previous year. ↓ indicates negative impact and ↑ indicates positive impact. The more stars, the higher the degree of impact.

## Large data centers in North America drive continuous Server growth

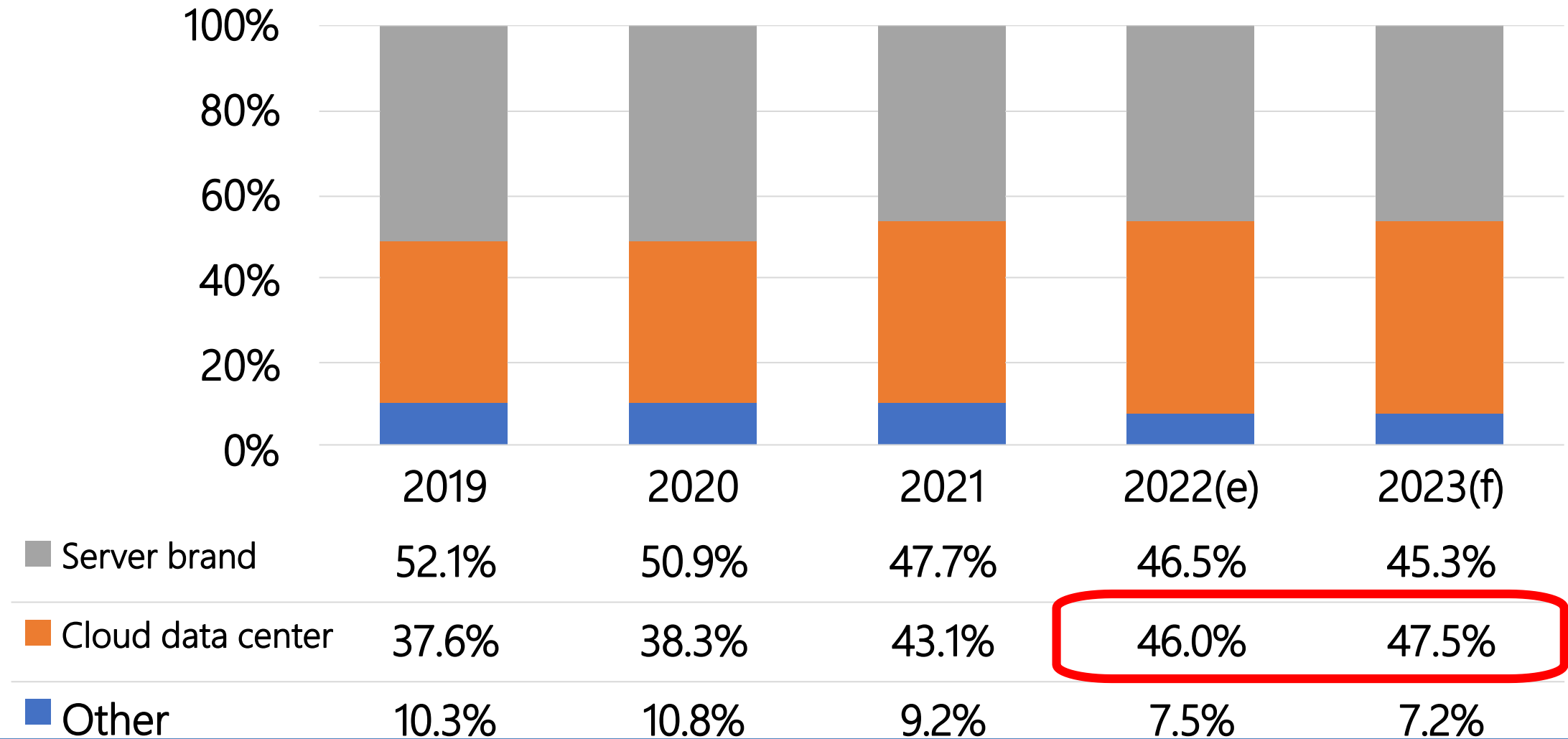
- Driven by the continuous deployment of data centers, edge computing, AIoT, and 5G telecom applications, hybrid cloud and infrastructure continue to grow, and the compound annual growth rate of global server shipments from 2022 to 2027 will reach 6.1%.
- North American large data center operators including Amazon, Microsoft, Google, and Meta will still be the main force of market growth, and will gradually ease with the shortage of materials In 2023. **the global server shipment growth rate is estimated to be 5.2% year-on-year In 2023.**
- It is expected that the launch of the new CPU platform Intel Eagle Stream and the growth of AMD Genoa in the first half of 2023 will drive some server replacement demand, and it is expected that the ARM architecture will gradually erode the X86 architecture server market.

The compound annual growth rate of global server shipments from 2022 to 2027 will reach 6.1%.



參考，不得轉傳

Proportion of cloud data center demand to global server shipments in 2023  
Will exceed the brand business approaching 48%

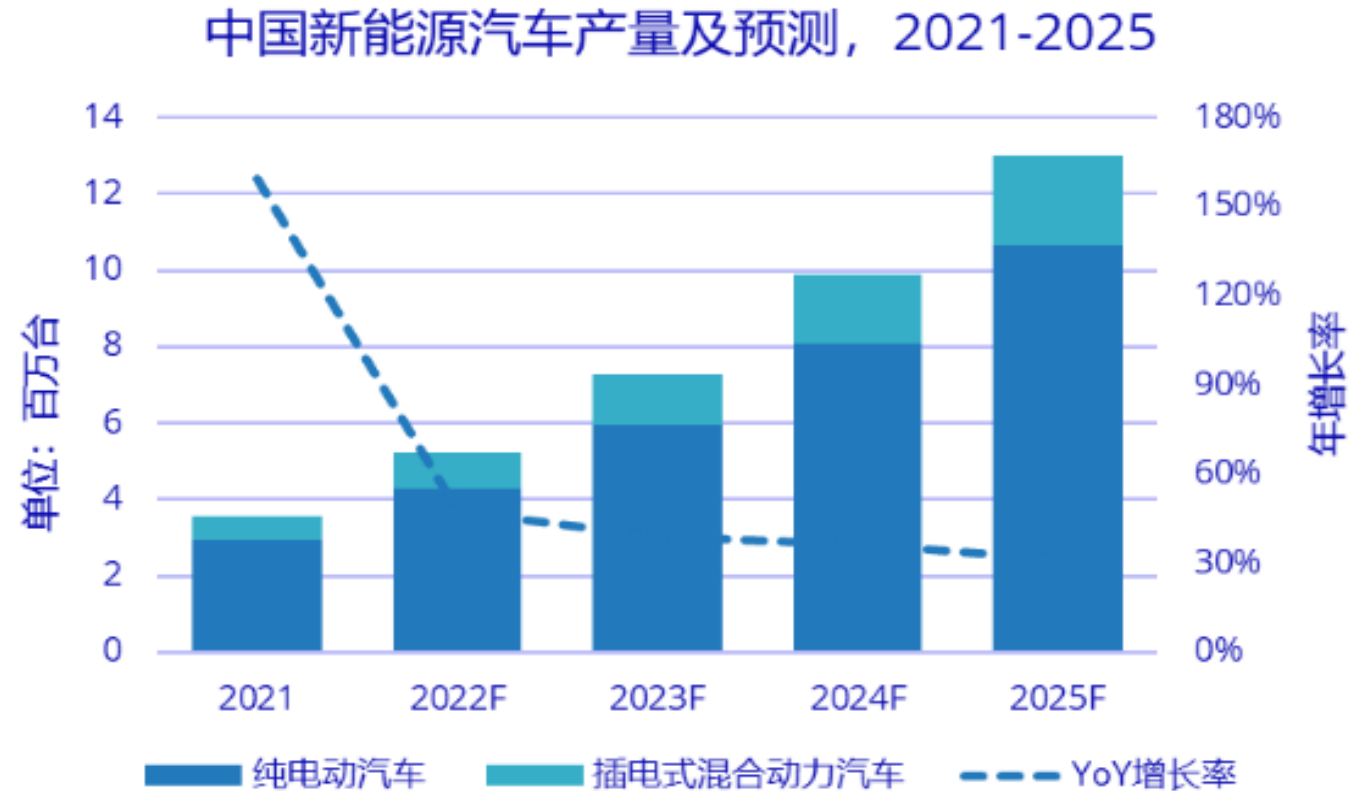


# Analysis of New Energy Vehicles in China

## Production and Forecast of New Energy Vehicles in China from 2021 to 2025



Affected by factors such as rising oil prices, IDC predicts that China's new energy vehicle market will reach 5.225 million units in 2022, a year-on-year increase of 47.2%. After 2023, with the end of subsidies, the market will return to a relatively stable growth level. By 2025, the new energy vehicle market is expected to reach about 12.99 million units; the compound annual growth rate (CAGR) from 2021 to 2025 is about 38%.



来源：IDC中国，2022

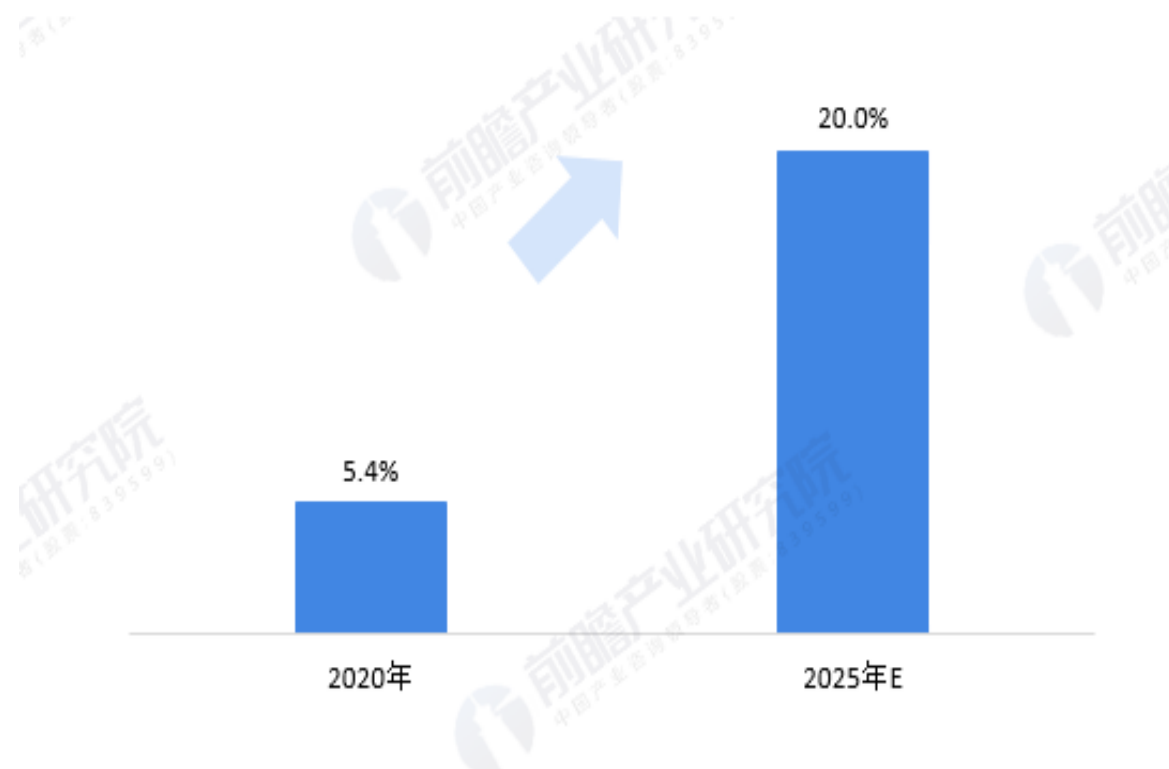
## China's 14th Five-Year Plan Proportion of new energy vehicles in new car sales in 2025

### China's 14th Five-Year Plan

——New energy vehicles will account for 20% of new car sales in 2025

According to the "New Energy Vehicle Industry Development Plan (2021-2035)", by 2025, the proportion of new energy vehicle sales in my country's new vehicle sales will increase from 5.4% in 2020 to 20%, and the average power consumption of new vehicles will also increase. Reduced to 12 kWh/100 km, highly autonomous vehicles will also be commercialized in limited areas and specific scenarios.

图表8：2020-2025年中国新车销量中新能源汽车的销量占比及预测  
(单位：%)



资料来源：《新能源汽车产业发展规划(2021-2035年)》前瞻产业研究院整理

@前瞻经济学人APP

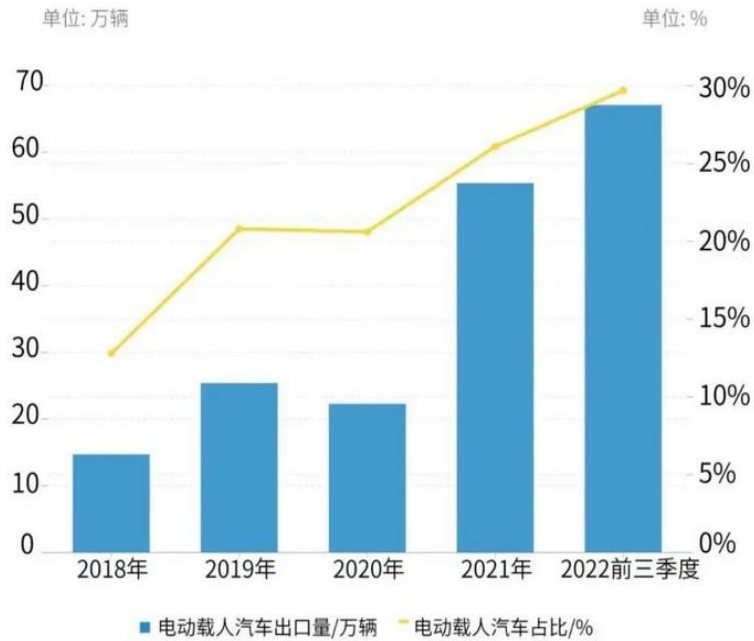
## Sales Ranking of China's New Energy Vehicle Manufacturers, on January to November 2022

From January to November, BYD sold 1,576,269 vehicles, YOY increase of 220.9%. The latest sales are 4 times that of Tesla, with a market share of over 30%, even exceeding the combined sales of the second to fourth places.

2022年1-11月新能源厂商销量排行榜					
单位: 辆					
NO.	NEV厂商	2022.1-11	2021.1-11	同比	份额
1	比亚迪汽车	1,576,269	491,245	220.9%	31.3%
2	上汽通用五菱	403,258	376,498	7.1%	8.0%
3	特斯拉中国	397,844	250,141	59.0%	7.9%
4	吉利汽车	265,879	64,500	312.2%	5.3%
5	广汽埃安	243,750	110,287	121.0%	4.8%
6	奇瑞汽车	208,747	77,270	170.2%	4.2%
7	长安汽车	177,919	66,062	169.3%	3.5%
8	哪吒汽车	142,872	59,547	139.9%	2.8%
9	长城汽车	114,502	113,274	1.1%	2.3%
10	理想汽车	112,013	76,404	46.6%	2.2%
11	小鹏汽车	109,465	82,155	33.2%	2.2%
12	蔚来汽车	106,671	80,940	31.8%	2.1%
13	零跑汽车	102,675	37,099	176.8%	2.0%
14	一汽大众	88,985	59,278	50.1%	1.8%
15	上汽大众	80,869	53,627	50.8%	1.6%

# China's new energy vehicles Export volume/export region/export volume of major car manufacturers

中国电动载人汽车出口量及占比  
2018-2022



数据来源: 中国海关总署



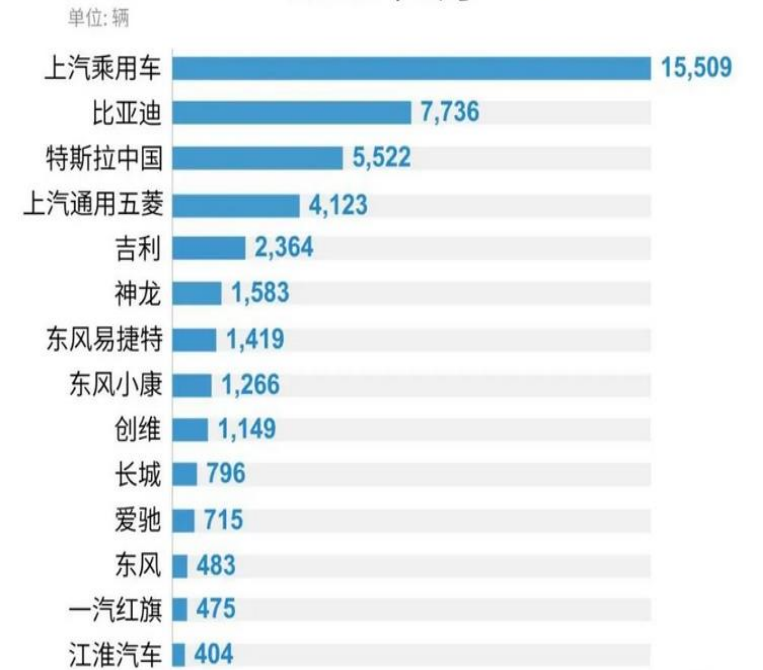
中国新能源车出口到哪些地区  
2022年1-9月



数据来源: 中国汽车流通协会



新能源汽车主要车企出口量  
2022年9月



数据来源: 乘用车市场信息联席会



# China Semiconductor Analysis

## Governments actively promote the development of regional semiconductor supply chains

- The world has regarded the semiconductor industry as a strategic resource, and governments of various countries have promoted policies related to the revitalization of the semiconductor industry, trying to support the local semiconductor manufacturing industry and strengthen cooperation with overseas semiconductor industries.
- In addition to plant and equipment subsidies and tax incentives, R&D investment in advanced manufacturing processes is also a major focus of various countries.
- Mainland China is forced to accelerate the development of independent semiconductor process technology and equipment. It is expected that in 3 to 5 years, its mature process will have the ability to threaten Taiwanese wafer foundries.

各國對區域半導體供應鏈發展提供之政策激勵

國家	研發投資	租稅優惠	建廠補助
美國	●	●	●
日本	●		●
韓國	●	●	
歐盟	●		
中國大陸	●	●	



» USD : Focus on domestic advanced logic chip manufacturing capacity and resilient and secure supply chain.



» EU: Advanced process capacity target reaches 20% in 2030



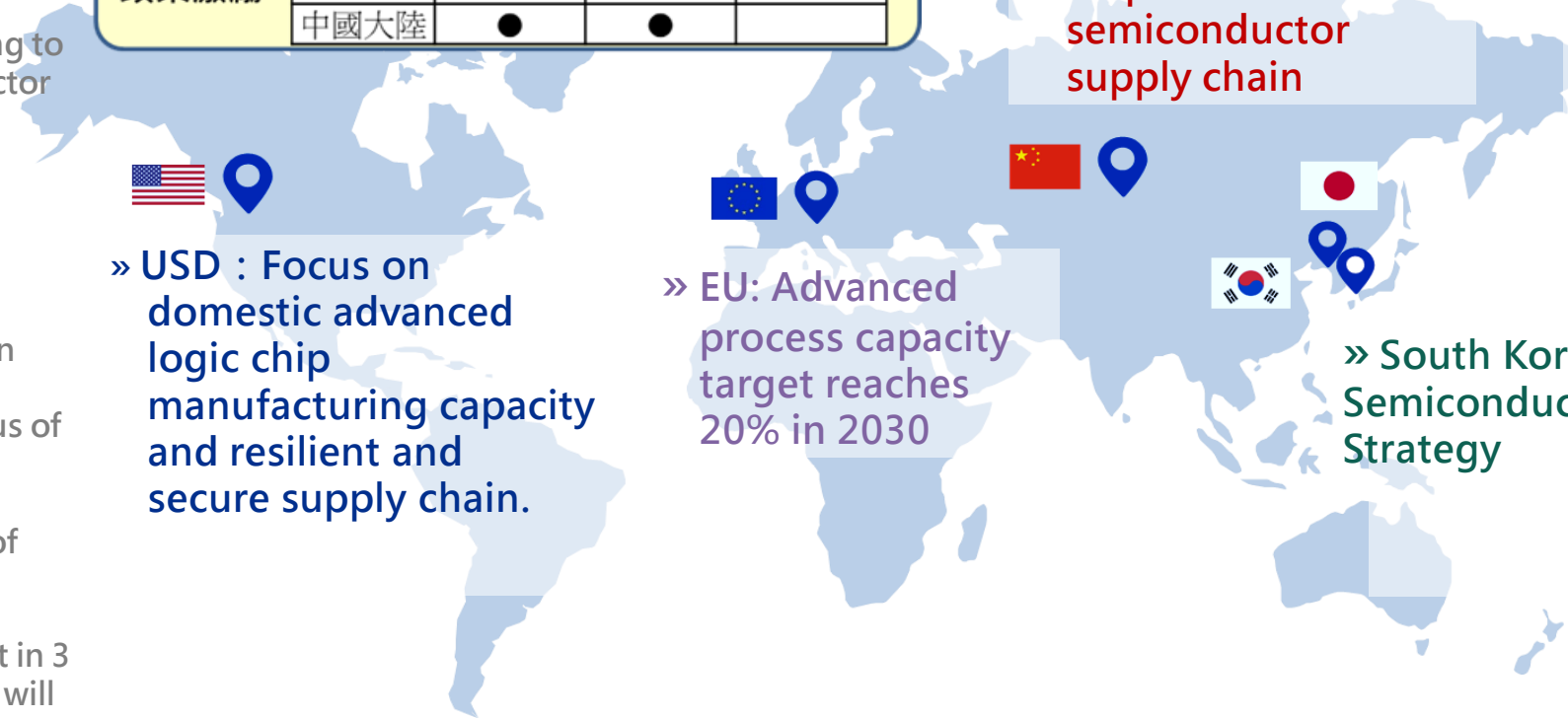
» China: Independent and controllable one-stop semiconductor supply chain



» South Korea: K Semiconductor Strategy

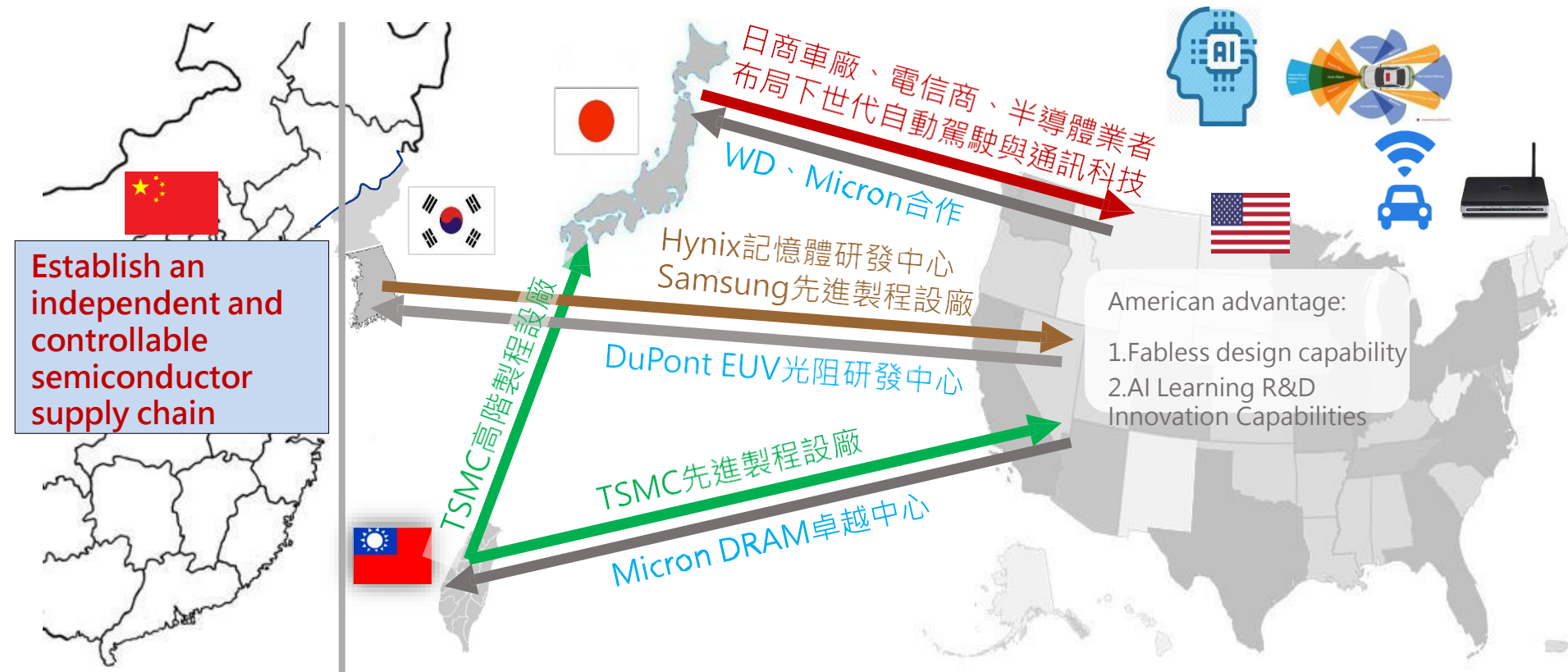


» Japan: Semiconductor and Digital Industry Strategy



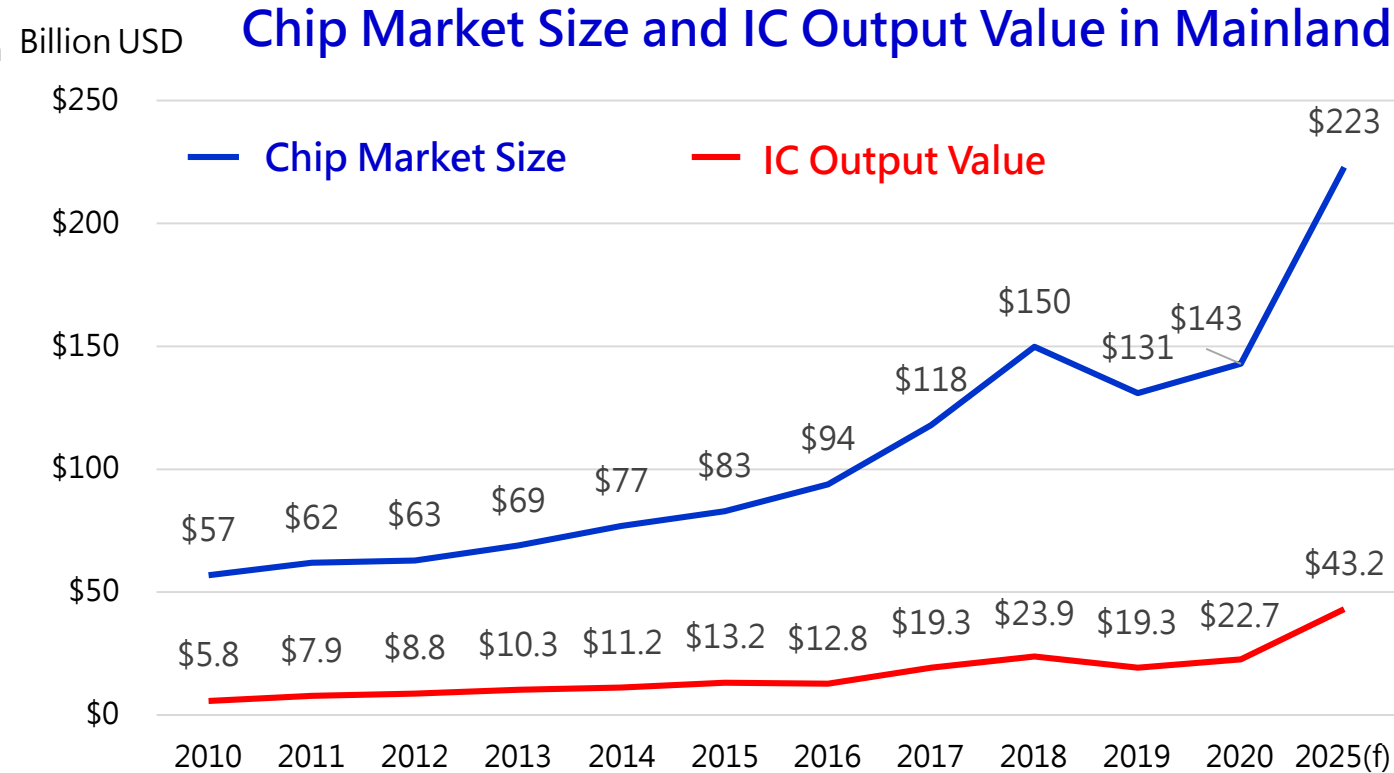
- The U.S.-China technology war has created a trend for both camps to shape their own supply chains, which will promote the development of regional supply chains to become more polarized: the United States promotes the development of resilient regional supply chains through cooperation with Taiwan, Japan, and South Korea in semiconductors and related industries
- In the face of the U.S. blockade of semiconductor technology and industry, mainland China will continue to work hard to establish an independent semiconductor supply chain. According to statistics from research institutions, by the end of 2024, China will have established 31 large-scale fabs, surpassing the United States, Taiwan and South Korea. According to calculations at the same time, there are only 19 in Taiwan, and the United States is expected to have 12. The sum of the two is not as fast as China's expansion.
- On the other hand, the European Union has recently reached a consensus with Intel on the start of construction of an advanced process plant in 2023 and mass production in 2027, gradually forming a regional semiconductor supply chain in the European Union

## U.S.-China Competition Accelerates Regional Semiconductor Supply Chain Formation



## Mainland China sets a target IC self-sufficiency rate of 70% in 2025

- The chip market in mainland China will grow from US\$143.4 billion in 2020 to US\$223 billion in 2025, with a compound annual growth rate of 9.2%. The domestic chip production value in mainland China will increase from US\$22.7 billion in 2020 to US\$43.2 billion in 2025 USD, compound annual growth rate of 13.7%.
- Made in China 2025" preset target self-sufficiency rate of 70%, but estimated from the above data, the chip self-sufficiency rate in 2020 is only 15.9%, and the chip self-sufficiency rate in 2025 can only reach 19.4%, which is a significant increase but not in line with the target far from.



**IC Self-sufficiency Rate  
in Mainland China**

**2010 : 10.2%**

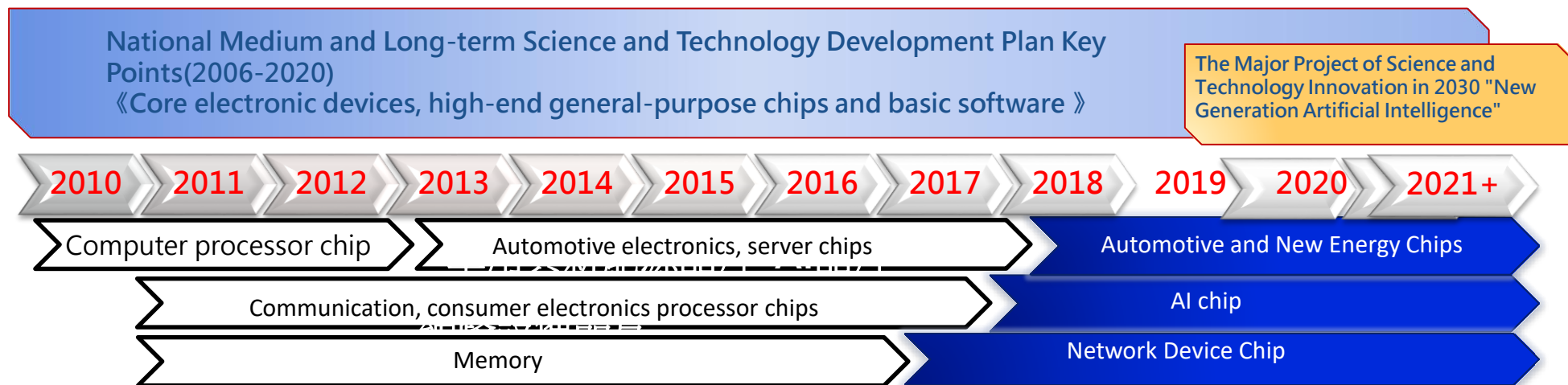
**2020 : 15.9%**

**2025(f) : 19.4%**

資料來源：IC Insights，  
MIC整理，2022年6月



# Mainland China drives the development of the semiconductor industry through the domestic market



## 人工智慧應用

Cambricon

- AI應用之DNN加速晶片
- MLU100 雲端智慧晶片



- Matrix 自動駕駛平台/晶片
- 旭日二代AIoT晶片



- 自研達文西架構
- 昇騰910 / 麒麟1020



- 自駕AI演算法專用IP
- aiDrive2平台

## 車用電子與新能源應用

AutoChips

- 資訊娛樂系統SoC
- 車身安全控制器



- 車用微控制器
- 高壓驅動模組



- 車用通訊模組



比亞迪半導體

- GBT功率模組

## 工業物聯網應用



- 即時影像監控SoC
- 工業控制系統SoC



- 電力物聯網ASIC

## 高電壓晶片製造



中車株洲電力機車研究所有限公司  
CRRC ZHUZHOU INSTITUTE CO., LTD.



上海先進半導體製造股份有限公司  
Advanced Semiconductor Manufacturing Co., Ltd

# ANLI-KY financial analysis

## ANLI-KY Operation Overview - Consolidated Statements of comprehensive income

NTD/Thousands	2022 Q3	2021	2020	2019
OPERATING REVENUE	1,654,815	2,275,541	2,075,283	1,473,398
GROSS PROFIT	459,061	625,473	707,336	451,224
Gross margin(%)	28%	28%	34%	30%
PROFIT/(LOSS) FROM OPERATIONS	197,341	287,042	408,535	182,584
Operating profit margin	12%	13%	19%	12%
NET PROFIT/(LOSS) FOR THE YEAR OPERATIONS	207,104	231,168	283,484	154,309
EPS(Dollars)	4.65	5.22	6.41	3.57

## ANLI-KY Operation Overview -Simple income statement for the last seven quarters

Unit:NTD/Thousands

Item	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	2022Q2	2022Q3
Operating revenue	586,760	455,056	572,249	661,476	581,262	514,118	559,435
Operating costs	418,664	349,835	406,961	474,608	418,185	377,773	399,796
Gross profit from operations	168,096	105,221	165,288	186,868	163,077	136,345	159,639
Operating expenses	73,138	75,090	83,625	106,578	81,546	84,860	95,314
Operating income	94,958	30,131	81,663	80,290	81,531	51,485	64,325
Non-operating income and expenses	2,365	(5,230)	6,059	3,693	4,231	15,022	33,231
Profit before income tax	97,323	24,901	87,722	83,983	85,762	66,507	97,556
Income tax expense	23,786	7,353	12,058	19,564	25,425	15,110	2,186
Profit	73,537	17,548	75,664	64,419	60,337	51,397	95,370
EPS	1.69	0.39	1.70	1.45	1.35	1.15	2.14

說明: 2021Q2 第二季為本公司歷年淡季，其拉貨動能較低致毛利下降，該季淨外幣兌換損失9,425千元，致EPS偏低。  
 2022Q3 本季處份固定資產利益 16,740千元，及淨外幣兌換利益 11,996千元，和遞延所得稅影響 6,951千元，使EPS增加。

## ANLI-KY Operation Overview - Consolidated Balance sheets

NTD/Thousands	2022	2021	2020	2019	2018
	Sep.30	Dec.31	Dec.31	Dec.31	Dec.31
Total current assets	2,399,502	2,581,059	1,983,009	1,254,440	1,490,643
Total non-current assets	1,431,594	1,181,206	1,184,942	1,157,503	883,077
<b>TOTAL ASSETS</b>	<b>3,831,096</b>	<b>3,762,265</b>	<b>3,167,951</b>	<b>2,411,943</b>	<b>2,373,720</b>
Total current liabilities	1,067,954	1,173,203	695,902	590,181	586,733
Total non-current liabilities	652,169	637,366	713,943	317,940	290,612
<b>Total liabilities</b>	<b>1,720,123</b>	<b>1,810,569</b>	<b>1,409,845</b>	<b>908,121</b>	<b>877,345</b>
<b>Total equity</b>	<b>2,110,973</b>	<b>1,951,696</b>	<b>1,758,106</b>	<b>1,503,822</b>	<b>1,496,375</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,831,096</b>	<b>3,762,265</b>	<b>3,167,951</b>	<b>2,411,943</b>	<b>2,373,720</b>
The Net Asset Value of Each Share(Dollars)	47.38	43.80	40.65	34.77	34.60

# ANLI-KY Operation Overview -Simple Balance sheets

Unit:NTD/Thousands

Item	September 30, 2022	December 31, 2021	Amount difference	
			Amount	%
Current assets				
Cash and cash equivalents	367,373	563,190	(195,817)	(34.77)
Financial assets	715,626	707,813	7,813	1.10
Accounts receivable	1,076,110	1,064,135	11,975	1.13
Inventories	178,002	205,820	(27,818)	(13.52)
Other current assets	62,391	40,101	22,290	55.58
Total current assets	2,399,502	2,581,059	(181,557)	(7.03)
Non-current assets				
Financial assets	101,369	33,974	67,395	198.37
Property, plant and equipment	1,025,949	850,637	175,312	20.61
Other Non-current assets	304,276	296,595	7,681	2.59
Total non-current assets	1,431,594	1,181,206	250,388	21.20
Total assets	3,831,096	3,762,265	68,831	1.83
Current liabilities				
Short-term borrowings	433,596	400,195	33,401	8.35
Accounts payable	179,921	265,945	(86,024)	(32.35)
Other current liabilities	454,437	507,063	(52,626)	(10.38)
Total current liabilities	1,067,954	1,173,203	(105,249)	(8.97)
Non-current liabilities				
Bonds payable	296,249	292,803	3,446	1.18
Other Non-current liabilities	355,920	344,563	11,357	3.30
Total non-current liabilities	652,169	637,366	14,803	2.32
Total liabilities	1,720,123	1,810,569	(90,446)	(5.00)
Total equity	2,110,973	1,951,696	159,277	8.16
Total liabilities and equity	3,831,096	3,762,265	68,831	1.83

# ANLI-KY Financial ratios

Analysis Items		2022Q3	2021	2020	2019	2018	2017	2016	2015
Finance Structure	Debt to assets ratio(%)	44.90	48.12	44.50	37.65	36.96	41.22	46.11	40.39
	ROE(%)	10.20	12.46	17.38	10.29	12.02	6.98	5.23	4.77
Profitability	Net profit rate(%)	12.52	10.16	13.95	10.47	11.86	6.19	4.79	4.16
	Earnings per share (NTD)	4.65	5.22	6.56	3.57	4.40	2.25	1.80	2.19

## ANLI-KY Revenue breakdown

Unit:NTD/Thousands

Application	Q3'22		Q2'22		QoQ		Q3'21		YOY	
Computer components	378,467	67.7%	370,159	72.0%	8,308	2.2%	452,923	79.1%	(74,456)	-16.4%
Server/Game Console	109,726	19.7%	98,735	19.2%	10,991	10%	77,158	13.5%	32,586	30%
handheld device	3,015	0.5%	5,665	1.1%	(2,650)	-46.8%	2,791	0.5%	224	8.0%
Consumer Electronics and Accessories	8,048	1.4%	9,036	1.8%	(988)	-10.9%	9,309	1.6%	(1,261)	-13.5%
Car accessories	23,502	4.2%	10,688	2.1%	12,814	119.9%	6,078	1.1%	17,424	286.7%
Communication equipment accessories	8,367	1.5%	4,785	0.9%	3,582	74.9%	6,830	1.2%	1,537	22.5%
Others	28,310	5.1%	15,050	2.9%	13,260	88.1%	17,159	3.0%	11,151	65.0%
Total	559,435	100.0%	514,118	100.0%	45,317	8.8%	572,249	100.0%	(12,813)	-2.2%

## Anli-KY Changes in Inventory Allowance for Falling Price Losses

Unit:NTD/Thousands

Item	Inventories		Allowance for decline in value	Allowance for falling prices%	Net amount
	Amount	%			
	(A)		(B)	(B)/(A)	
September 30, 2022					
Finished good	31,067	14.77	5,120	16.48%	25,947
Work in progress	73,248	34.82	4,549	6.21%	68,699
Materials	106,061	50.41	22,705	21.41%	83,356
Total	<u>210,376</u>	100.00	<u>32,374</u>	15.39%	<u>178,002</u>
December 31, 2021					
Finished good	35,082	14.73	3,244	9.25%	31,838
Work in progress	82,766	34.74	9,167	11.08%	73,599
Materials	120,381	50.53	19,998	16.61%	100,383
Total	<u>238,229</u>	100.00	<u>32,409</u>	13.60%	<u>205,820</u>
Amount of change	(27,853)		(35)		(27,818)

**Note: On December 31, 2021 and September 30, 2022, the inventory turnover ratio will be 8.69 and 8.31 (compared to 5.36 in 2021)**

## ANLI-KY Real estate/plant/equipment change table

Unit:NTD/Thousands

類別	2022 (F)	2021. 12. 31	2022年新增	%
Land	42, 672	42, 672	–	–
Building	307, 002	316, 179	(9, 177)	(2)
Mechanical equipment	951, 885	933, 452	18, 433	5
Other equipment	121, 776	114, 475	7, 301	2
Construction in progress	488, 316	116, 434	371, 882	96
Total cost	1, 911, 651	1, 523, 212	388, 439	100

**Illustrate:**

- In 2021, the capital expenditure will be 100 million, and the depreciation fee will be about 120 million.
- In 2022, the estimated capital expenditure is 390 million, and the depreciation expense is expected to be 120 million.
- In 2023, the estimated capital expenditure is 330 million, and the depreciation expense is expected to be 143 million.

# Q&A