

# Prosperity Dielectrics Co., Ltd

## 2020 Investor Conference

*(Stock code: 6173)*

Date:2020.12.8

Investor Relations Contact Person : Summer Lou

Email : [summer\\_lou@pdc.com.tw](mailto:summer_lou@pdc.com.tw)

Tel : 03-4753355

# Contents

1. Company Profile
2. Financial Performances
3. Market Outlook
4. Business Focus & Opportunity

# Contents

## 1. Company Profile

2. Financial Performances

3. Market Outlook

4. Business Focus & Opportunity

# Company Profile

## Prosperity Dielectrics Corp :

- Established June, 1990
- Capital NTD 1.72 Billion
- Employee 1,210
- Brand PDC, Frontier
- Revenue NTD 4.35 Billion/2019 Y (YoY:-24%)  
NTD 3.8 Billion/2020 Q1~Q3 (YoY:+14%)



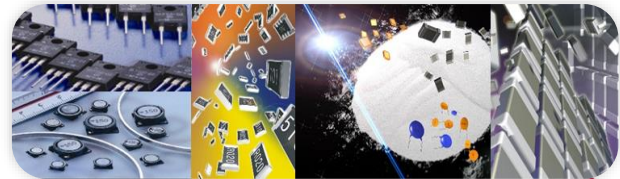
## Branch Office/ Plant :

- Taiwan Taoyuan / Yangmei Plant
- China Wujiang/ Yongzhou Plant /Shenzhen Plant  
/Dongguan Office



## Production experience :

- Powder Since 1995 (25 years)
- MLCC/CR Since 1990 (30 years)
- Coil Since 1972 (48 years)



# Contents

1. Company Profile

**2. Financial Performances**

3. Market Outlook

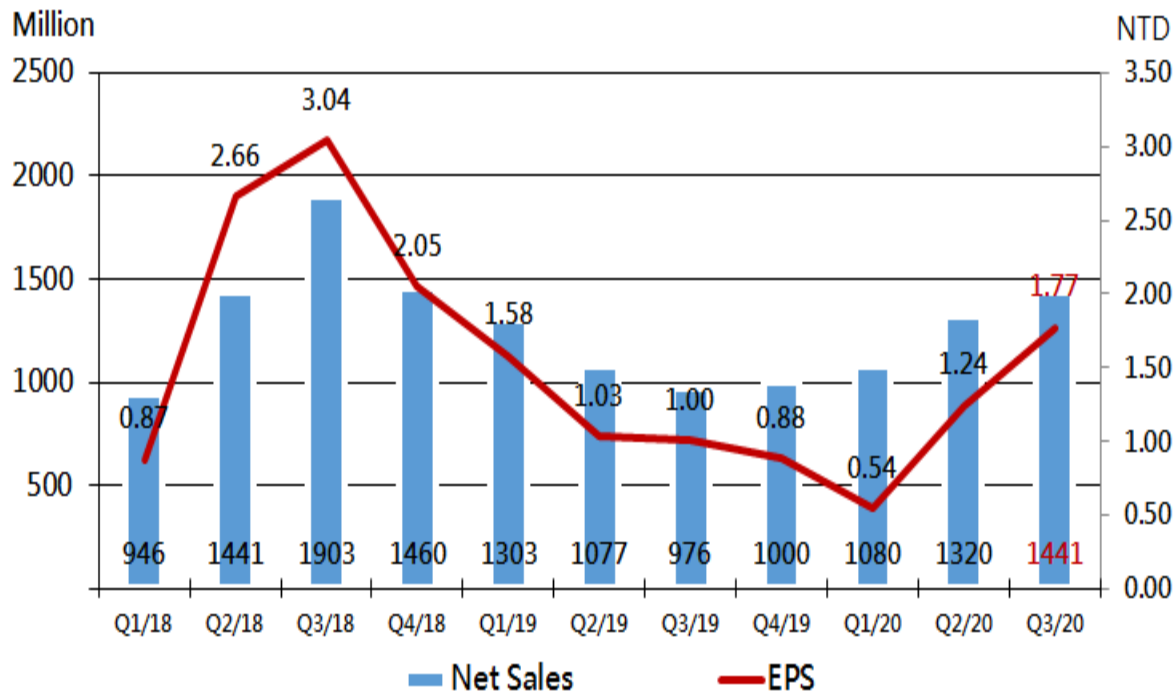
4. Business Focus & Opportunity

# Income statement

In Million NTD Except NTD for Earnings Per Share

|                   | 2020 Q3 | 2020 Q2 | QoQ   | change(%) | 2020 Q1~Q3 | 2019 Q1~Q3 | YoY    | change(%) |
|-------------------|---------|---------|-------|-----------|------------|------------|--------|-----------|
| Net Sales         | 1,441   | 1,320   | 122   | 9%        | 3,841      | 3,356      | 486    | 14%       |
| Gross Profit      | 353     | 359     | (6)   | -2%       | 988        | 1,017      | (29)   | -3%       |
| Gross Profit(%)   | 24.5%   | 27.2%   | -2.7% |           | 25.7%      | 30.3%      | -4.6%  |           |
| N.O.P             | 249     | 254     | (5)   | -2%       | 692        | 741        | (49)   | -7%       |
| N.O.P(%)          | 17.3%   | 19.3%   | -2.0% |           | 18.0%      | 22.1%      | -4.1%  |           |
| Income Before Tax | 363     | 280     | 83    | 29%       | 763        | 810        | (47)   | -6%       |
| Net Income        | 304     | 213     | 92    | 43%       | 610        | 621        | (11)   | -2%       |
| Net Income(%)     | 21.1%   | 16.1%   | 5.0%  |           | 15.9%      | 18.5%      | -2.6%  |           |
| EPS(NTD)          | 1.77    | 1.24    | 0.53  |           | 3.55       | 3.61       | (0.06) |           |

# Quarterly Revenue & EPS Trend



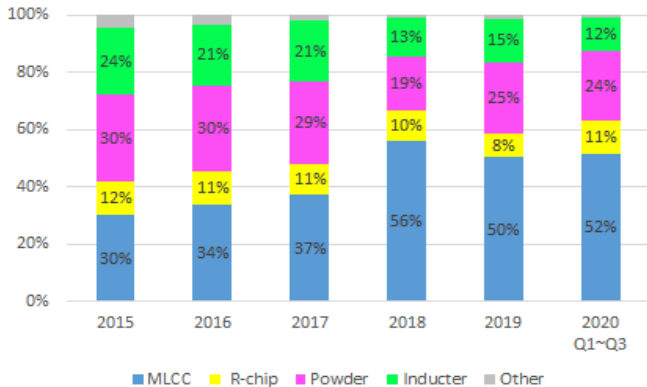
# Contents

1. Company Profile
2. Financial Performances
- 3. Market Outlook**
4. Business Focus & Opportunity

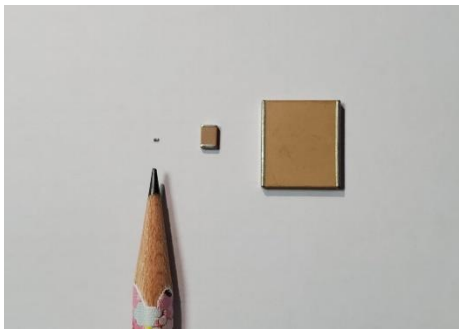
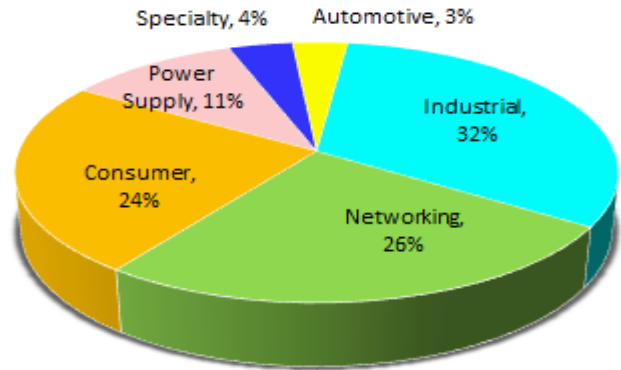


# 2020 Q1-Q3 Sales Breakdown

## By Product



## By Application



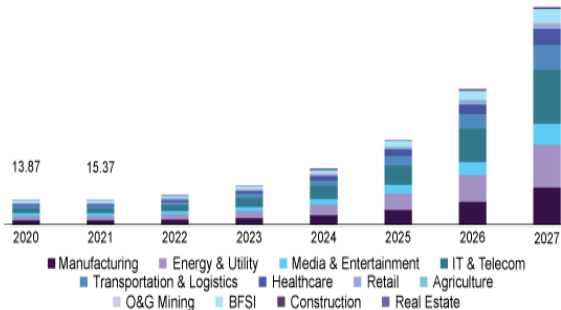
PASSIVE SYSTEM ALLIANCE  
PROSPERITY DIELECTRICS CO., LTD.

- Safety certification/high power/High temperature resistance/High flexural resistance/low loss passive component products and dielectric ceramic powder are the company's main products.
- Product application segments include: Networking(including 5G 、IOT,etc.), industrial(including AI 、Airspace,etc.), and automotive applications.

PSA

# Market opportunities - 5G

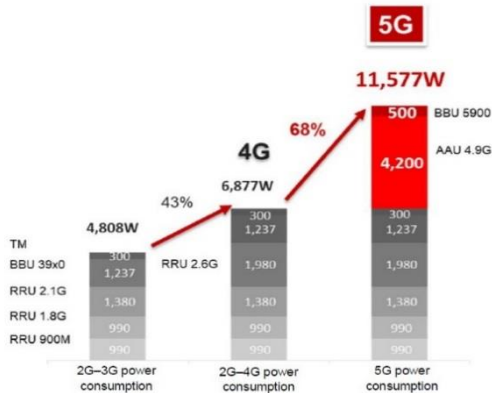
U.S. 5G services market size, by vertical, 2020 - 2027 (USD Billion)



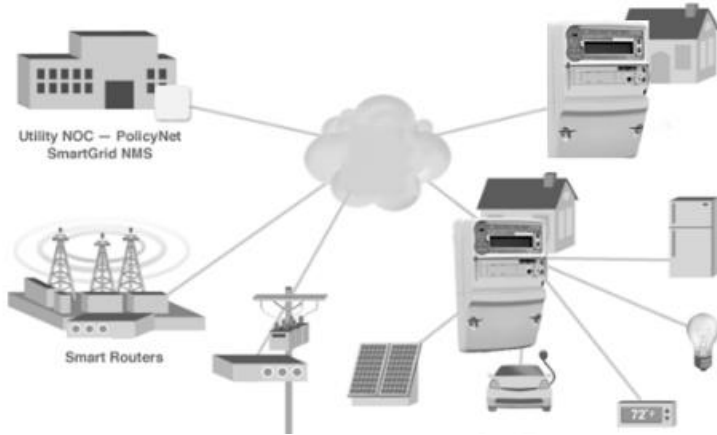
source: Grand view research. May 2020

Changes in the major application market in the future will correspondingly change their demand for the company's products.

- Business Opportunities in 5G – 5G market is estimated to grow at a rapid rate of 43.9% compound annual growth rate and facilitate the increase of the power module.
- With the rapid growth of the 5G market, the passive component consumption for the power module has increased significantly, especially the power of 5G applications has increased by 68% compared with 4G, which relatively drives the demand for high-power passive components.



# PDC Product Solutions for 5G



## Automotive/Industrial

- Big Size Mid-Volt./ High-Volt. MLCC
- Safety MLCC
- Mega cap MLCC
- Power Inductor/ Wire-Wound
- Hi-Power Chip Resistor
- Current Sensor Resistor

## Base Station

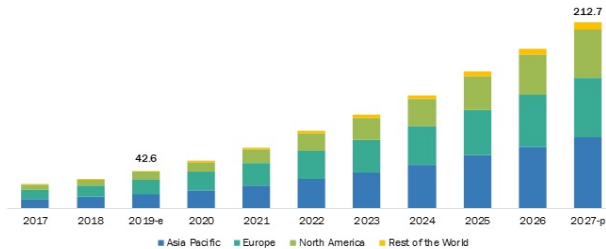
- Big Size Mid-Volt./ High-Volt. MLCC
- Power Inductor/ Wire-Wound
- Power Inductor/ Molding
- Hi-Power Chip Resistor
- Current Sensor Resistor

## Communication

- RF Inductor

# Market opportunities-Automobile

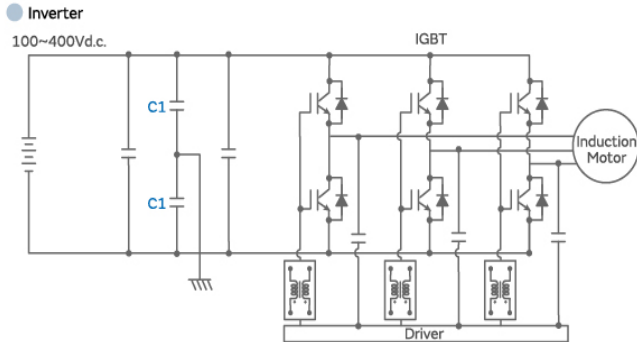
CONNECTED CAR MARKET, BY REGION (USD BILLION)



e-estimated, p-projected  
©2019 MarketsandMarkets Research Private Ltd. All rights reserved.

Source: Secondary Research, Expert Interviews, Company Presentations, and MarketsandMarkets Analysis

Source:Secondary Research



Changes in the major application market in the future will correspondingly change their demand for the company's products.

- Automotive business opportunities-Connected cars are expected to grow rapidly at a compound annual growth rate of 22%. The demand for passive components in ECU and ADAS may increase several times compared to the original fuel vehicles.
- With a rising penetration rate of electric vehicles and connected cars, the battery system has been converted from 12V to 24V,48V(Electric vehicles are even greater than 400V), which greatly boosts the demand for mid to high voltage MLCC and large-size passive components.

# PDC Product Solutions- Automotive



## Body Electronics

- RF Inductor
- Power Inductor
- Big Size Mid-Volt./ High-Volt. MLCC
- Common Mode Choke
- Current Sensing Resistor

## Ethernet Phy

- RF Inductor
- Power Inductor
- Big Size Mid-Volt./ High-Volt. MLCC
- Common Mode Choke

## ECU

- Power Inductor
- Common Mode Choke
- Big Size Mid-Volt./ High-Volt. MLCC
- Chip Resistor

## Lighting

- Power Inductor
- Big Size Mid-Volt./ High-Volt. MLCC
- Current Sensor Resistor

## Infotainment

- RF Inductor
- Power Inductor
- Common Mode Choke
- Current Sensor Resistor

## GPS/DVBT/BT/WiFi/FM/GSM

- RF Inductor

## ADAS

- Power Inductor
- RF Inductor
- Big Size Mid-Volt./ High-Volt. MLCC
- Common Mode Choke
- Current Sensor Resistor

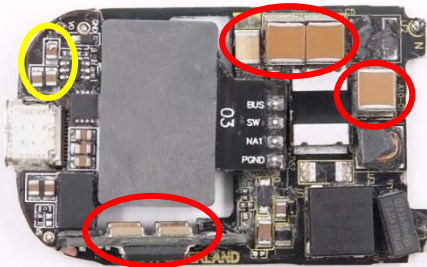
# Market opportunities-Third-generation semiconductors(GaN、SiC)

SiC/GaN More suitable for high voltage/high frequency



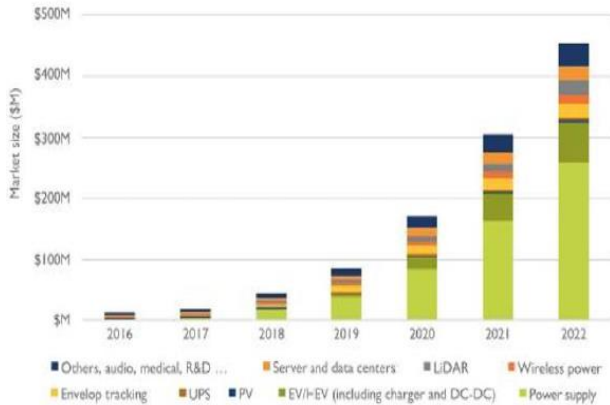
Changes in the major application market in the future will correspondingly change their demand for the company's products.

- The third-generation semiconductors (GaN, SiC) are more resistant to temperature and high frequency than the second-generation (GaAs), so smaller power modules can be designed.
- Possessing the characteristics of small in size, high efficiency and low heat generation, fast chargers with GaN (gallium nitride) MOS will eventually replace its internal electrolytic capacitors and Disc safety capacitors with large-size MLCC.



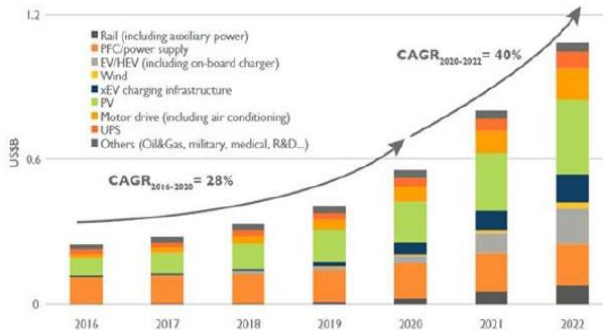
# Market opportunities-Third-generation semiconductors(GaN、SiC)

## GaN Market size forecast (2020~2022 Estimated CAGR60%)



Changes in the major application market in the future will correspondingly change their demand for the company's products.

## SiC Market size forecast (2020~2022 Estimated CAGR40%)



- The third generation of GaN/SiC semiconductors are expected to be wildly used in Power, EV, and other industrial applications. These applications will hence drive the demand for high-power passive components.

# Contents

1. Company Profile
2. Financial Performances
3. Market Outlook
- 4. Business Focus & Opportunity**



# Opportunity

- 5G mobile phones have brought a large increase in the application of radio frequency components, and the integration of 5G base stations requires the original metal cavity filter to be replaced by an LTCC ceramic dielectric filter, which in turn drives an increase in the demand for LTCC ceramic powder.
- 5G applications will expeditiously increase the demand for high-power passive components, For example, the number of MLCC requirements for 5G base stations has increased by about three times compared with 4G.
- Automotive business opportunities - The fast-growing connected cars and improved penetration of electric cars increase the consumption of mid to high voltage MLCCs and large-size passive components, MLCC demand is about 10 times that of traditional cars.
- The booming of the third-generation GaN/SiC semiconductor will also drive the demand for high-power passive components.

# Business Focus

## ■ MLCC –

- In response to future industrial application needs, continue to develop large-size and medium-to-high voltage MLCCs and expand production capacity.
- With the ability of independent development of material and process technology, the company is expected to reduce costs and enhance competitiveness. All these will enable the company to pitch in the high value-added markets for large sizes medium and high voltage MLCCs.

## ■ Dielectric Powder –

- Continue to develop high-end, high-volume and high-reliability application MLCC powder and establish high-volume powder production capacity.
- In response to the growing needs of the 5G/AI market, continue to develop microwave powders for high-end applications, RF components and LTCC materials.

## ■ Continue to integrate products and expand sales through the PSA platform.

# Thank you!

本資料均屬機密，僅供指定之收件人使用，未經寄件人許可不得揭露、複製或散佈本信件。

This message and any attachments are confidential and may be legally privileged. Any unauthorized review, use or distribution by anyone other than the intended recipient is strictly prohibited. If you are not the intended recipient, please immediately notify the sender, completely delete this documents, and destroy all copies. Your cooperation will be highly appreciated.