



Investor Presentation



**SOLAR APPLIED
MATERIALS TECH. CORP.**
(1785 TT/TW)

Dec 2025

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Understandings

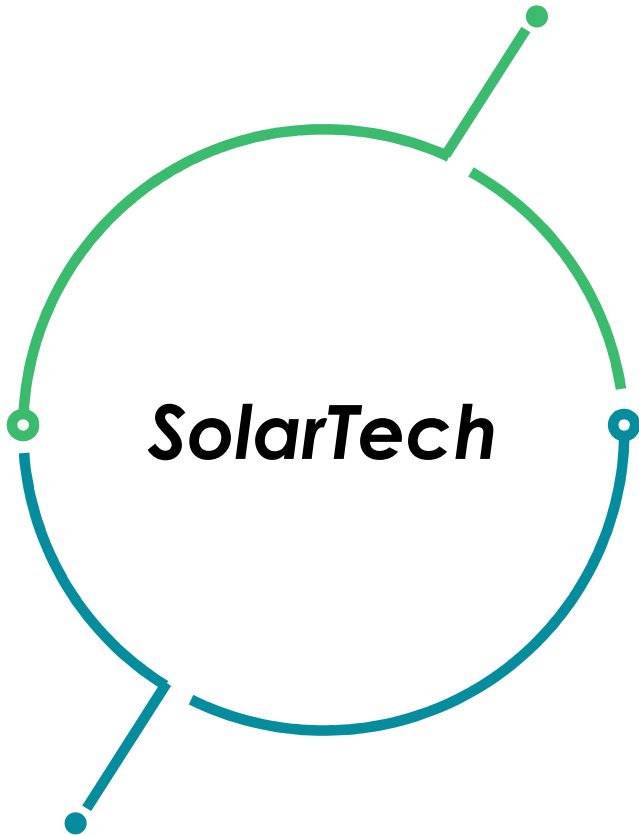
PART 2

Trends & Technologies

PART 3

Measurement

Circular Economy



SolarTech

Advanced Material Solutions

We are

A Leading Circular Materials Technology Company

with an extensive expertise in the fields of material science, chemistry and metallurgy

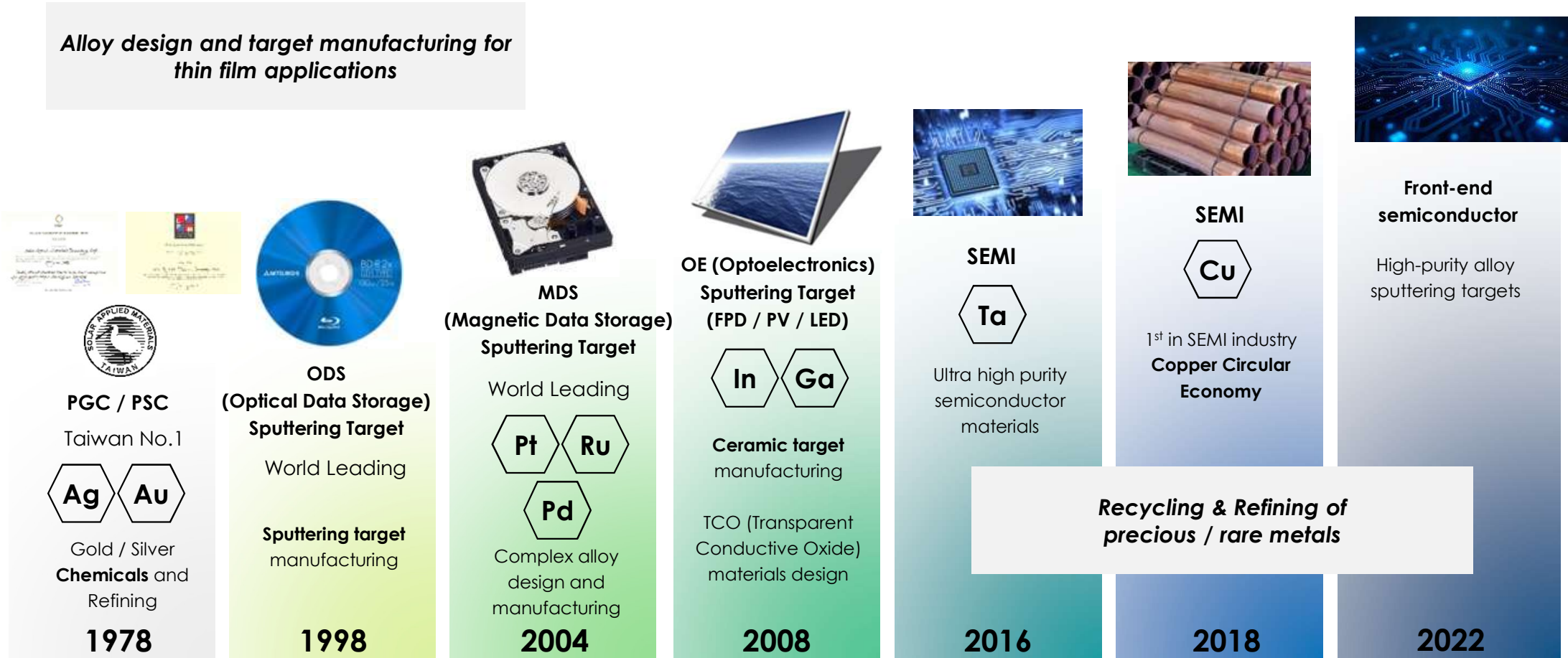
We are **UNIQUE**

because we provide truly innovative material solutions to solve our customers' most complex technical challenges

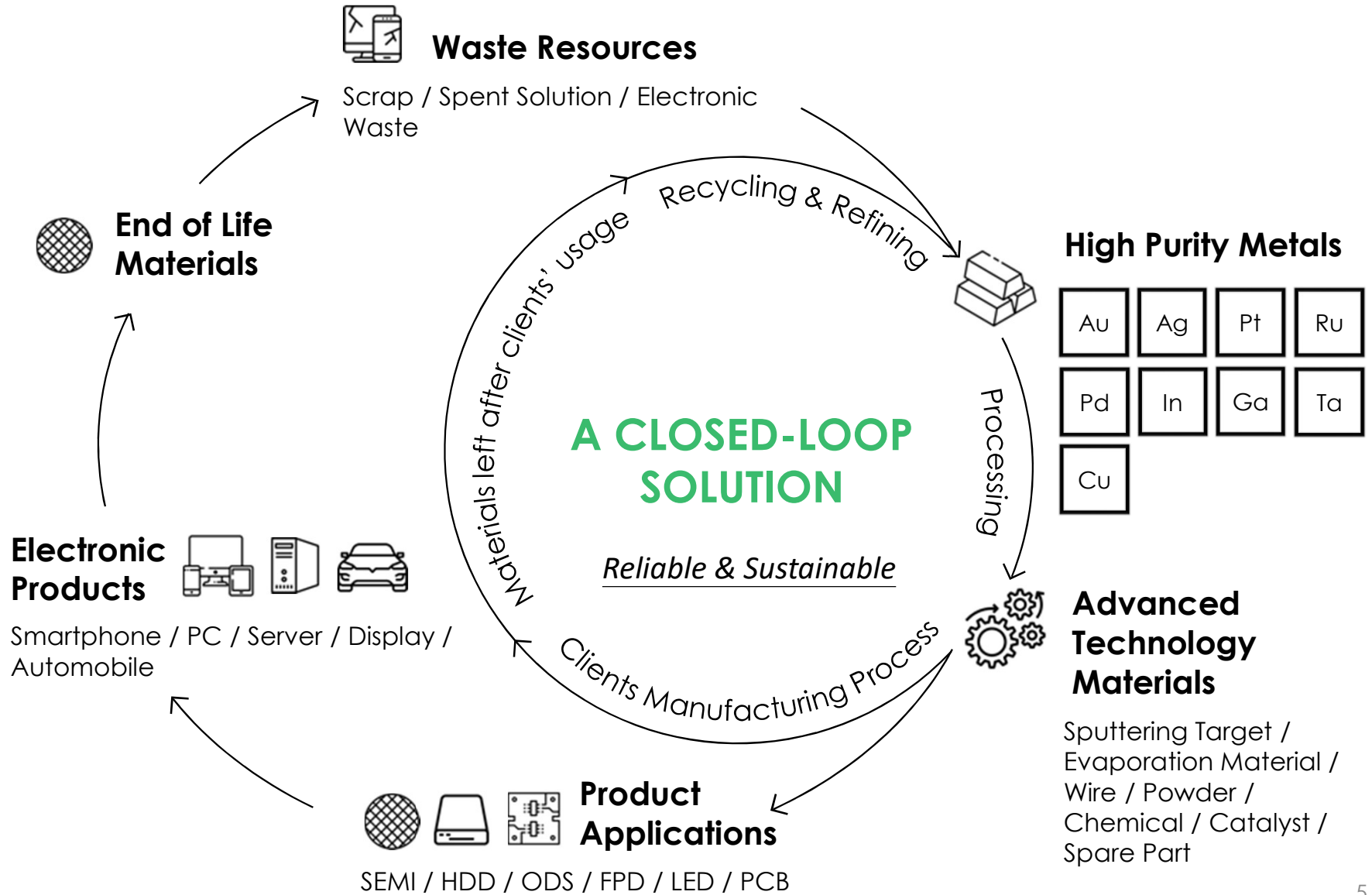
in the most **SUSTAINABLE** way

Company milestone

Alloy design and target manufacturing for thin film applications



Enabling circular economy

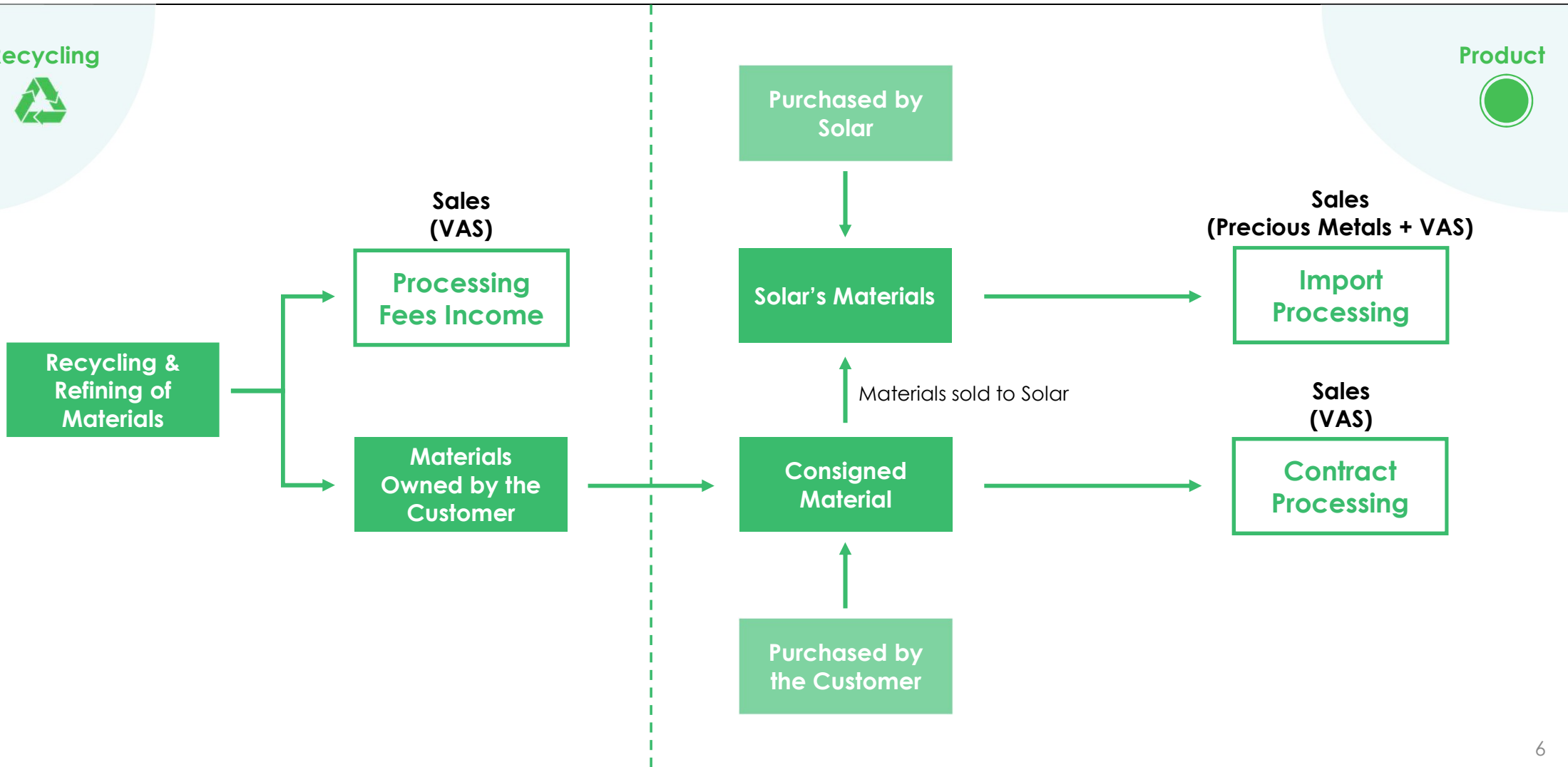


Sales model

Recycling

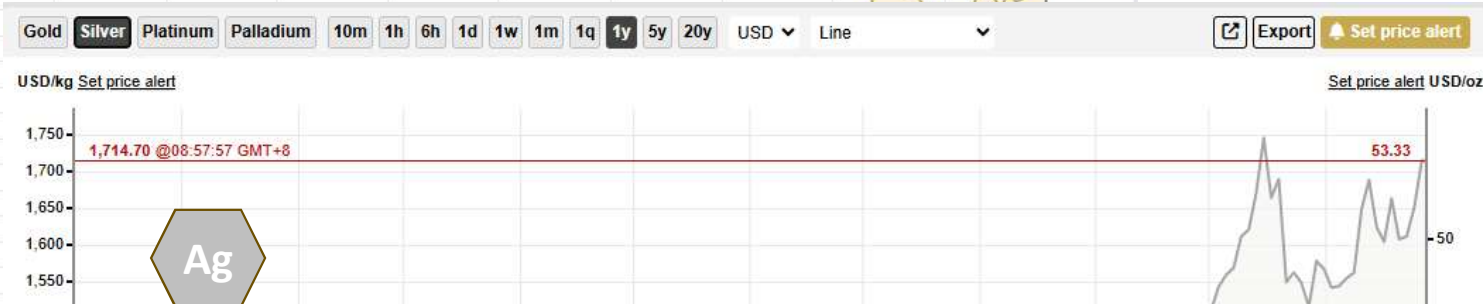


Product





Au



Ag

MacroMicro



Au

Au : US\$ 134,453/Kg 12,267 times the price of copper

Ag

Ag : US\$ 1,715/Kg 156 times the price of copper

Cu

Cu : US\$ 10,964/ton → USD 10.96/Kg

SOLAR at a glance

1978
Founded

2005
Listed (1785 TT)

1,671
Employees (2024)

Tainan, Taiwan
Headquarters



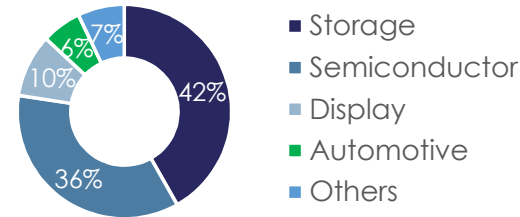
NT\$ 28.2 Bn
Total Sales in 2025 Q3

NT\$ 35.0 Bn
US\$ 1135 Mn
Market Cap as of Nov, 2025

NT\$ 4.8 Bn
Value Added Sales in 2025Q3
+7% YoY

SolarTech's Industry Position
World No.1

Value Added Sales Breakdown by Applications (2025Q3)



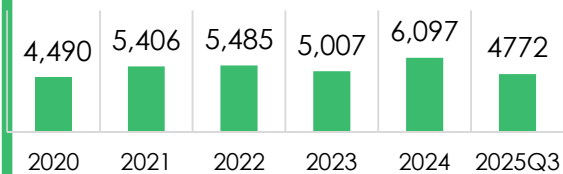
Hard Disk Drive
Data Storage Sputtering Target



5 Factories
Located in Taiwan and Mainland China

Taiwan No.1 Semiconductor
Precious Metal Sputtering Target

VAS收入 (NT\$m)



Taiwan No.1 Precious Metals Recycling
Precious Metal recycling and high purity refining

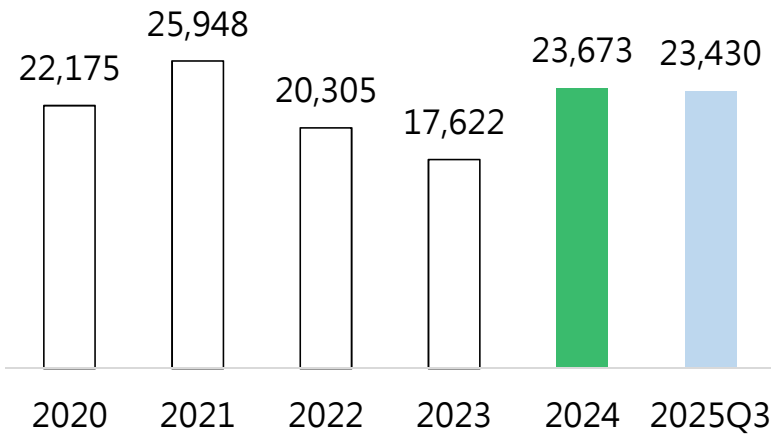
Track record

Precious Metals Sales

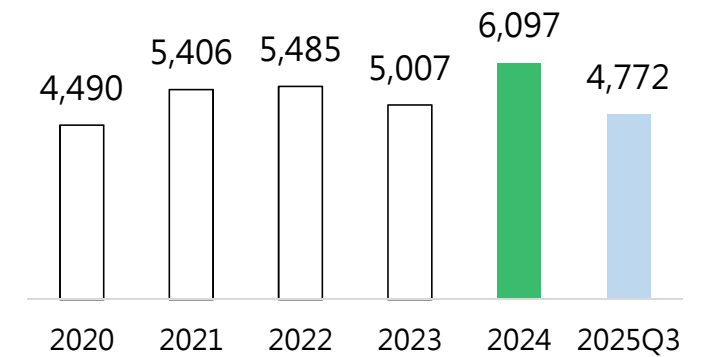


Precious metals are sold mainly as part of raw materials in products. In addition to the growth of business volume, revenue is also subject to changes in precious metal price trends (depending on if the materials are on consigned basis or not).

Precious Metals Sales (NT\$m)



Value Added Sales (NT\$m)



Value Added Sales (VAS)



Value-added sales (VAS) reflect the true value of the products that we deliver to our customers, regardless of the precious metal prices.

- VAS Result
 - 2025 Q3 YoY : +7.14% ; QoQ : +6.74%
- EPS
 - 2025 Q3 EPS=1.26

Why invest in SolarTech ?

- We are a global leader in advanced materials solutions. We are the world's largest manufacturer of sputtering targets for hard-disk drives (HDD), as well as Taiwan's largest manufacturer of sputtering targets for semiconductors. Our unique foundation as a **circular** materials company and our ability to provide our customers with **mission-critical solutions** have allowed us to emerge as a preferred partner throughout our customers' technology roadmap.
- We are well-positioned to benefit from several megatrends in the industry, including
 - 1) **Increasing complexity in electronic devices requires more sophisticated chips and solutions, leading to a rise in demand for advanced materials;**
 - 2) **The growing importance of local supply chains and substitutes; and**
 - 3) **Companies' shift towards a circular economy.**These trends are expected to enhance the competitiveness of our company and will provide a significant growth opportunity for our revenues and earnings.
- In light of these factors, we aim for a **50% CAGR** in our front-end semiconductor materials value-added sales (VAS) in the next five years, which should result in **double-digit growth** in value-added sales and earnings to support further value-enhancing investments and sustained dividend payout to our shareholders.

Industry Overview

SOLAR is a global leader in advanced material solutions, as well as the world's largest manufacturer of hard-disk sputtering targets and a major producer of semiconductor targets in Taiwan. Our unique operational model as a circular materials company, together with our ability to provide critical solutions for our customers' technological development, makes Kwang Yang the ideal partner for our clients.

Industry trends are favorable to SOLAR's value enhancement.

- 1) The rise of AI has driven increasing demand for computing power and data.
- 2) Geopolitical tensions and the strategic importance of semiconductor resources have heightened the need for localized supply.
- 3) The visible impacts of greenhouse gas emissions on climate and the environment have brought growing attention to carbon-reduction issues.

These trends will enable SOLAR to continue creating long-term value through its involvement in semiconductors, cloud storage, and the development of a circular-economy business model, providing room for growth in our revenue and profitability.

Mega Trend

The rapid growth of AI

Geopolitics and the strategic use of resources

The increasing visibility of climate change impacts

The **3 Forces** that Brought AI to Life

And Why it's Only Now
Changing the World

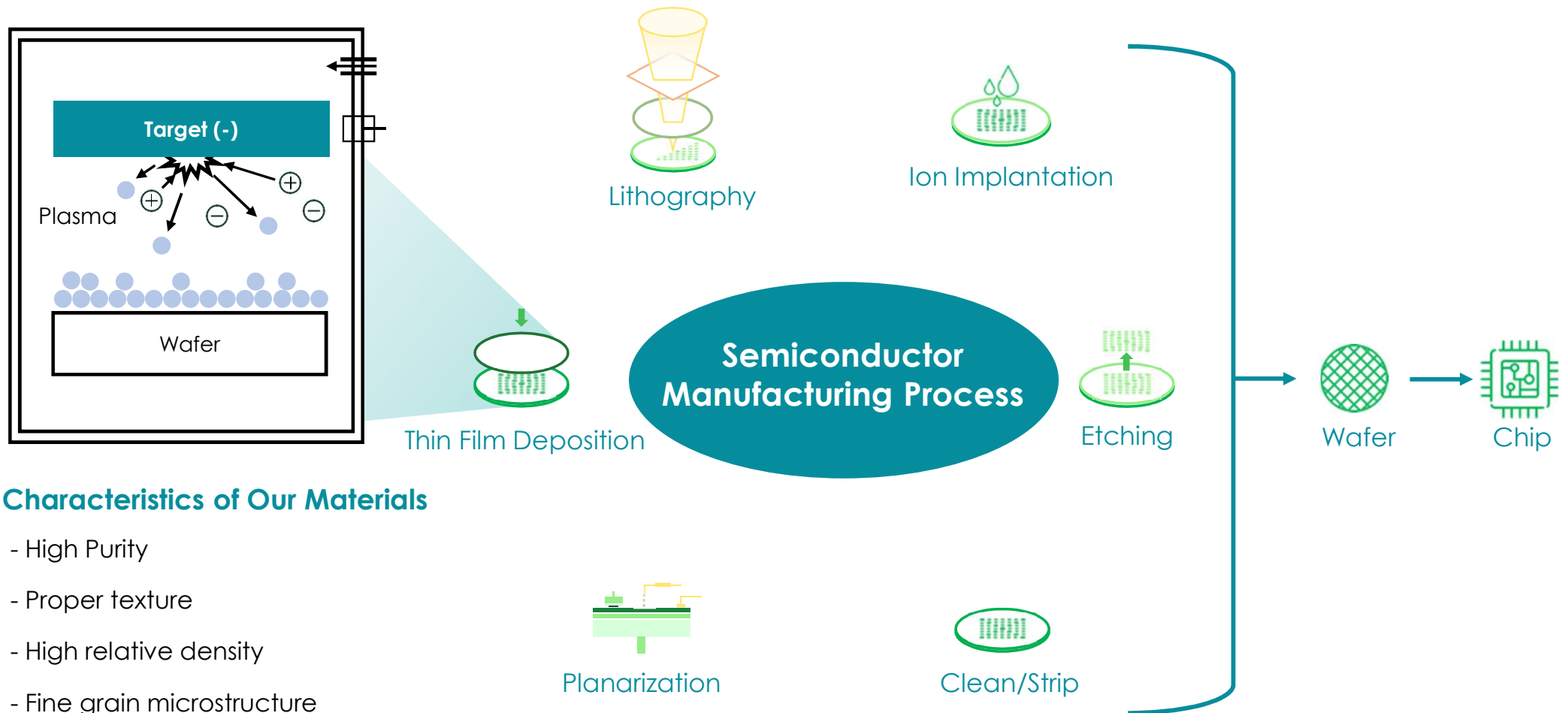
Computing Power

Digital Data Boom

Better Algorithms



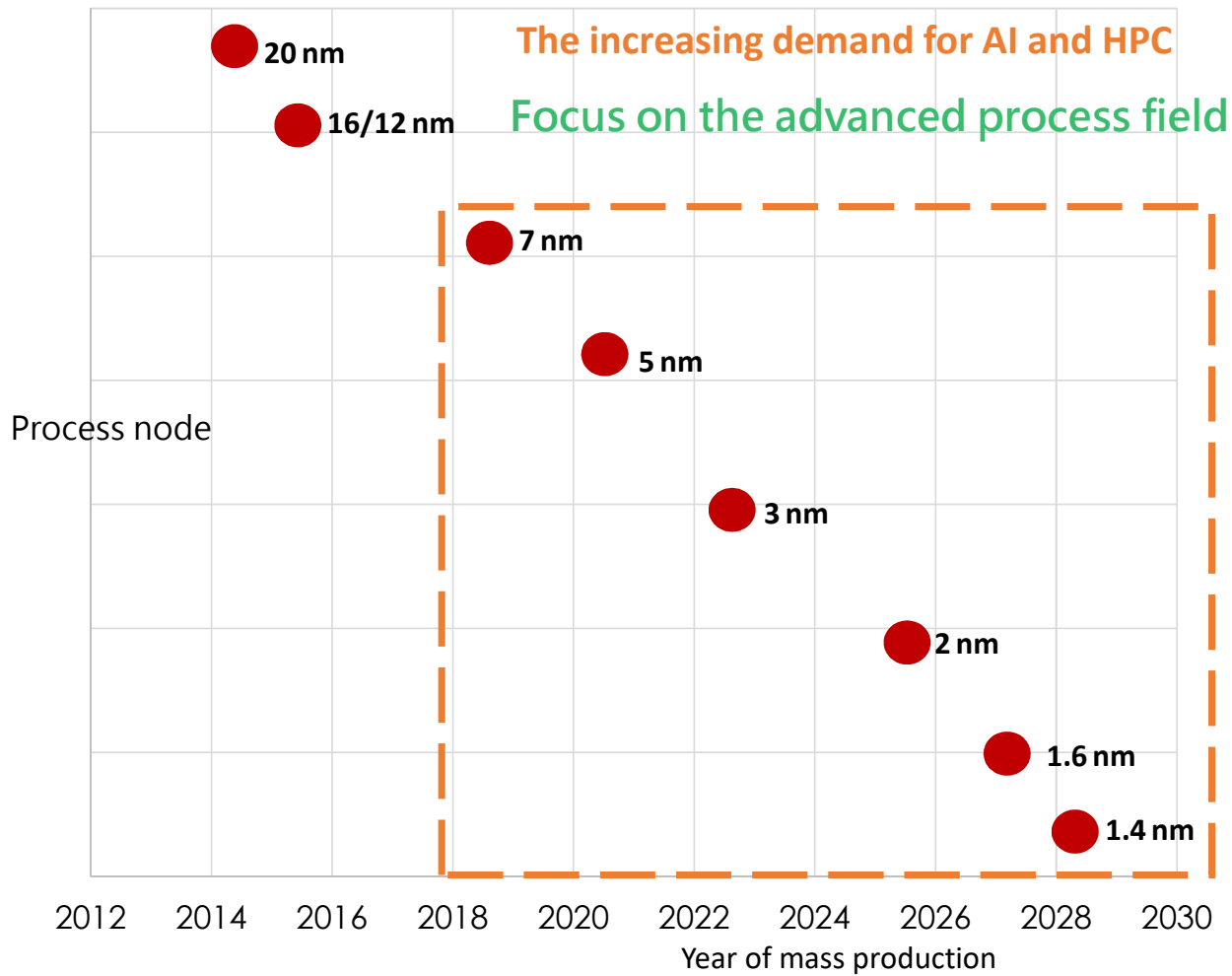
Our products are used in thin film deposition processes



Characteristics of Our Materials

- High Purity
- Proper texture
- High relative density
- Fine grain microstructure
- Uniform microstructure

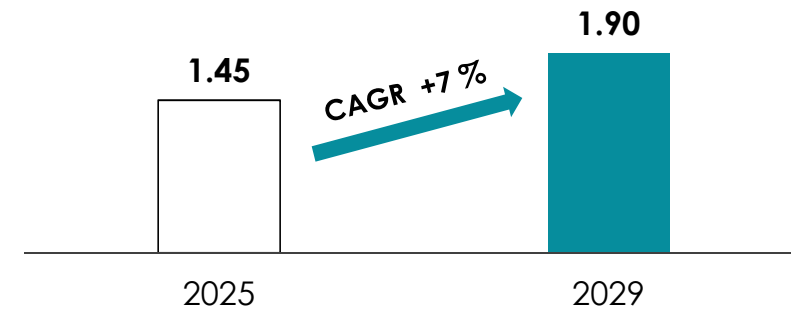
Rising chip complexity is boosting material demand



Source: Compiled by SOLAR, referencing TSMC data

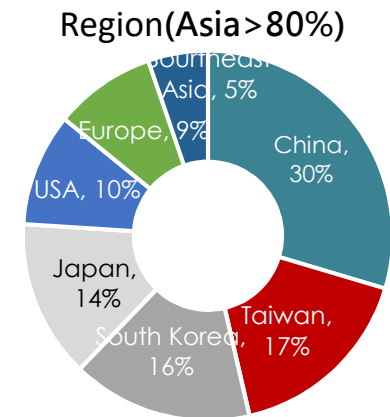
Global Semiconductor Sputtering Target Material

Market Size Trend (US \$bn)



Source: SOLAR, referencing TECHCET data

Global Semiconductor Target Material Demand by Region (Asia > 80%)



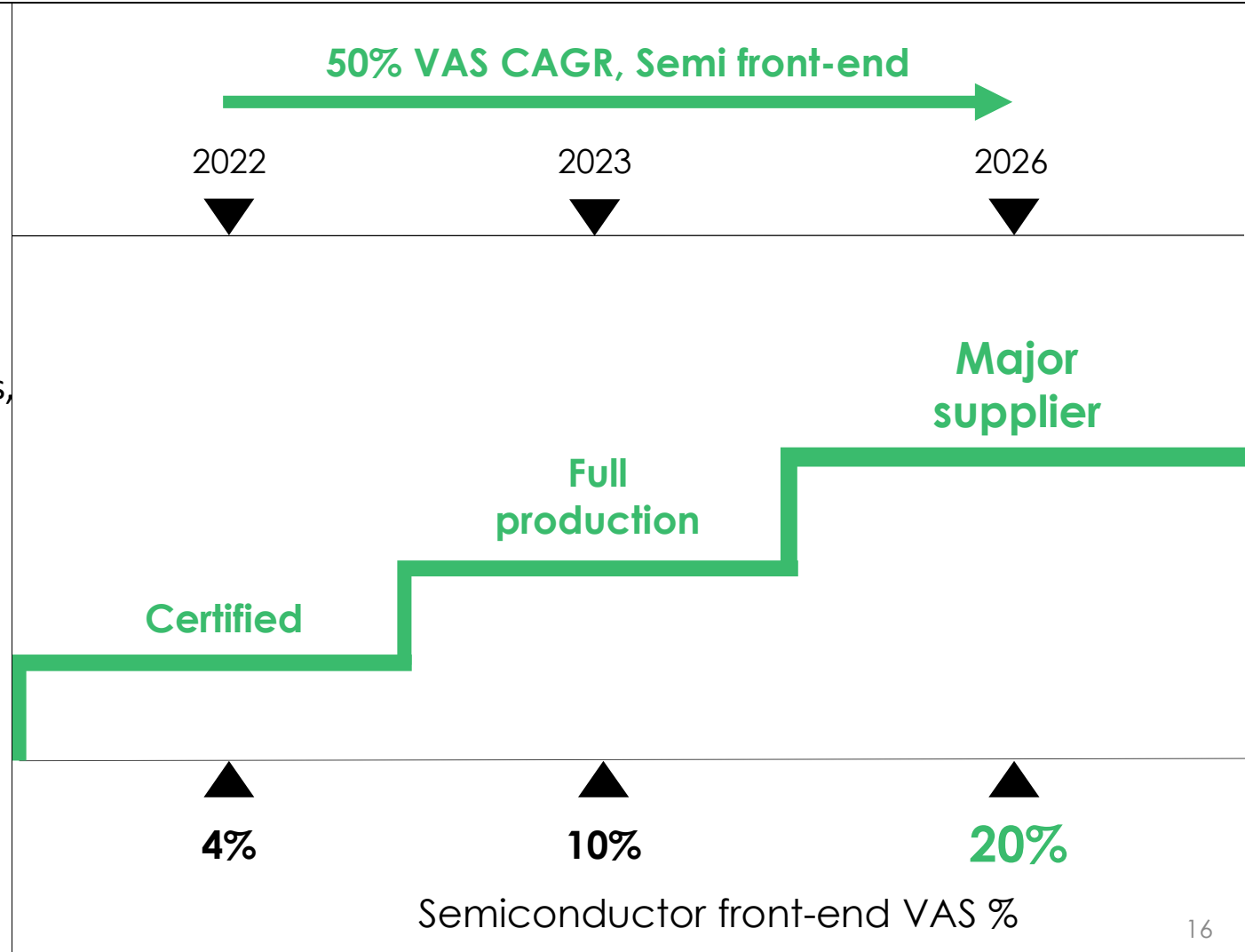
Source: SOLAR, referencing SEMI Global Fab Data Compiled 15

Expanding in sync with customer demand

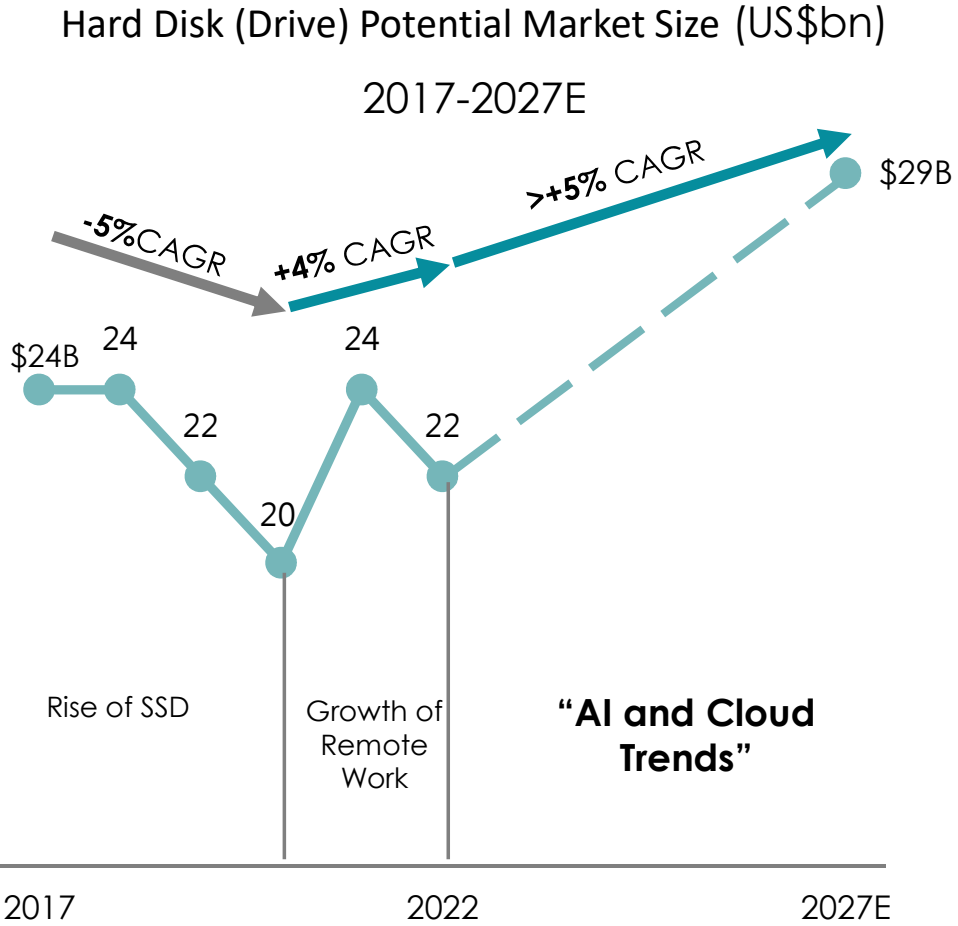
By serving our customers, we continuously explore, test, and develop advanced materials that lead technological change.

Our advantage lies in being close to customers and providing 24/7 support, which no competitor can currently achieve.

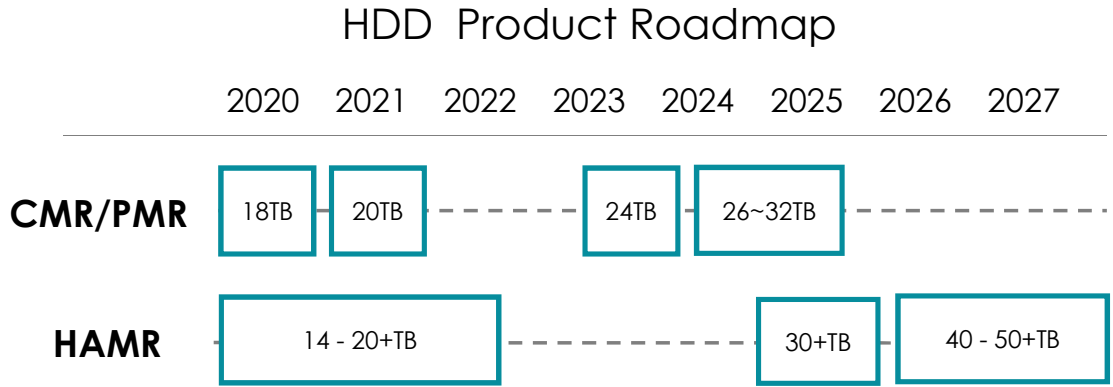
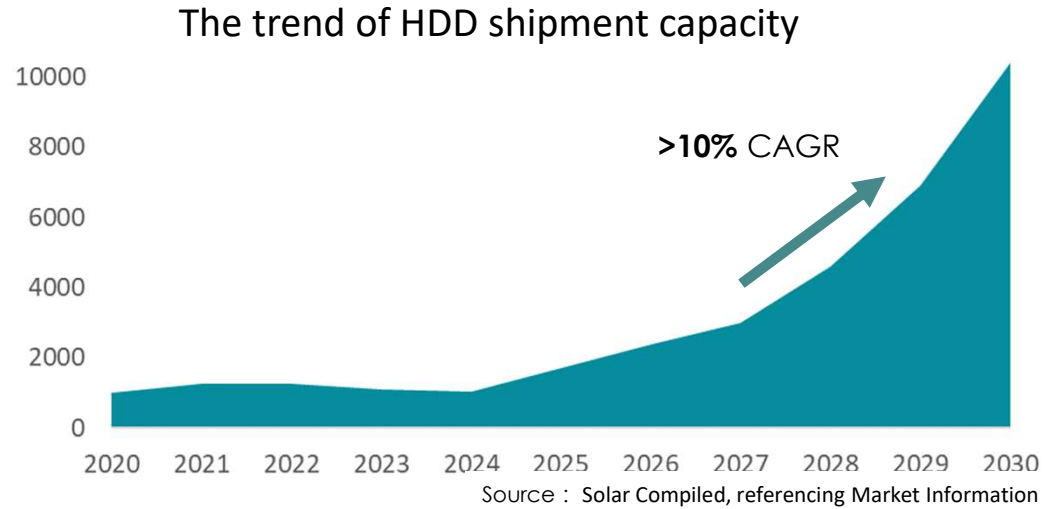
We are latecomers in mature technology nodes, but we are actively working closely with customers in developing new materials for advanced technology nodes.



Data explosion drive higher HDD capacity demand



Source : Solar Compiled, referencing WD & Market Information



Source : Solar Compiled, referencing Market Information

HDD & SSD are highly complementary technologies

	HDD	SSD
Features	lower cost, mass capacity	High speed
Application	more storage volume	read/write faster

- HDD & SSD are highly complementary technologies, not substitutes
- The significant cost difference makes HDDs more attractive in usage scenarios that 'require large-capacity storage without pursuing high speed.
- Given the cost incentives, applications for massive data storage in data centers or enterprise servers will still favor the use of HDDs within the next decade.

3 Data storage places high demands on HDD

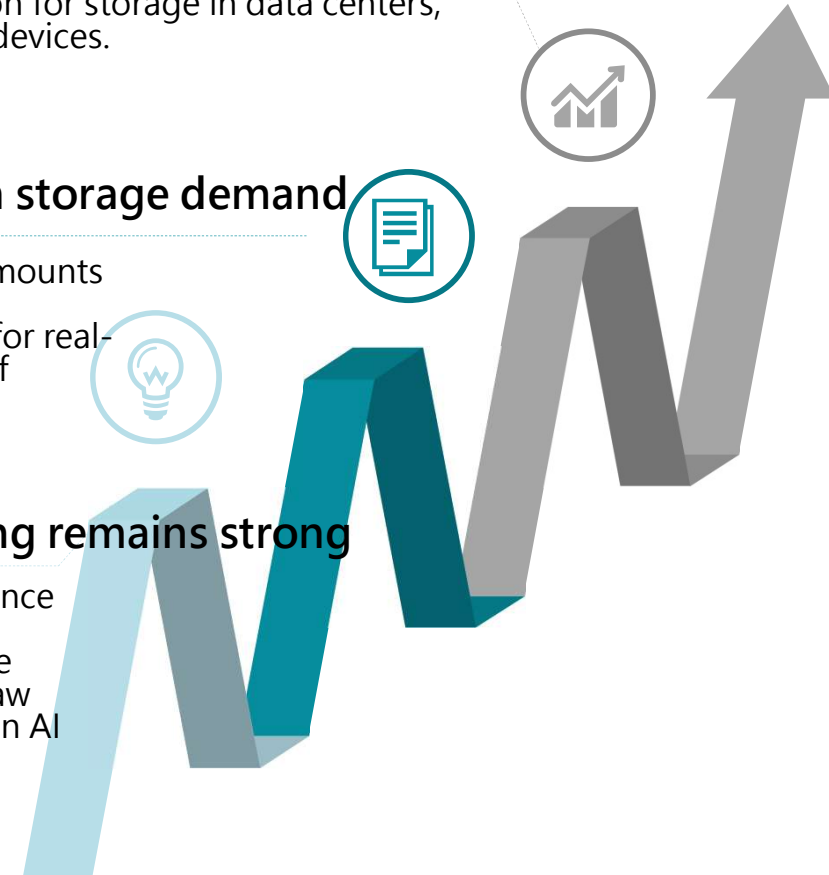
HDDs are designed for versatility in a variety of environments, making them a reliable and cost-efficiency solution for storage in data centers, enterprise servers, and personal storage devices.

2 AI inference drives growth in storage demand

In addition to AI training requiring vast amounts of memory and storage, AI Inference applications also accelerate the demand for real-time access and high-speed processing of massive data.

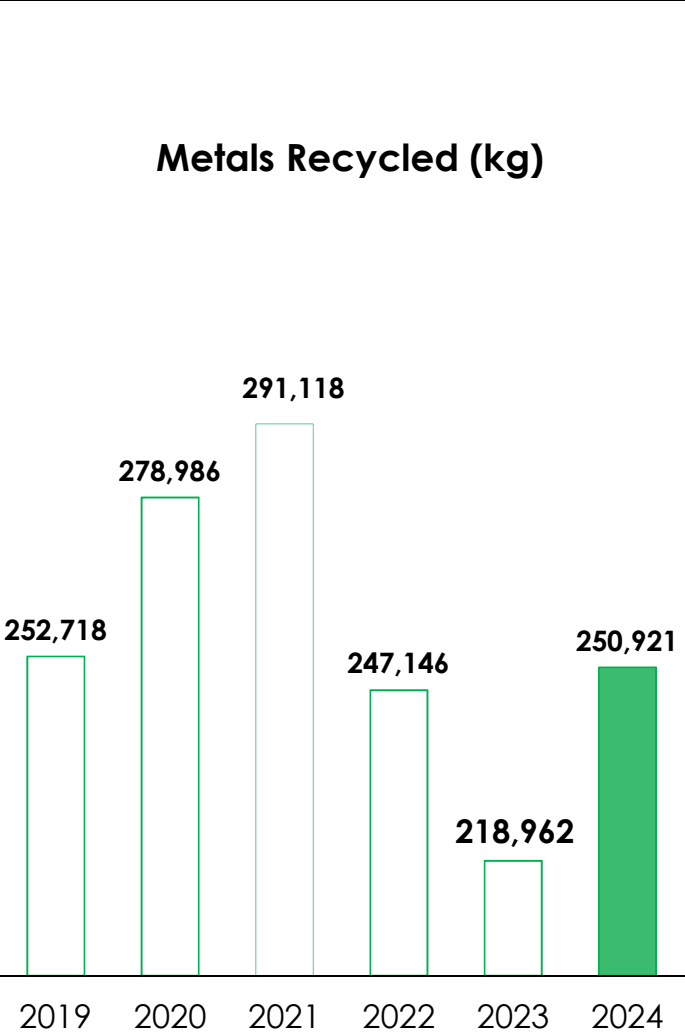
1 Demand for AI model training remains strong

The Generative AI market is set to experience explosive growth, and its applications are continuously expanding, necessitating the use of massive amounts of high-quality raw text, images, music, and video data to train AI models.



Reducing carbon emissions through material recycling – Sustainable sourcing

Metals Recycled (kg)



366,297 tons

of carbon emissions saved
per year

equivalent to

carbon footprint generated by

82,129 people

per capita carbon emission
(12 ton per person in Taiwan)

equivalent to

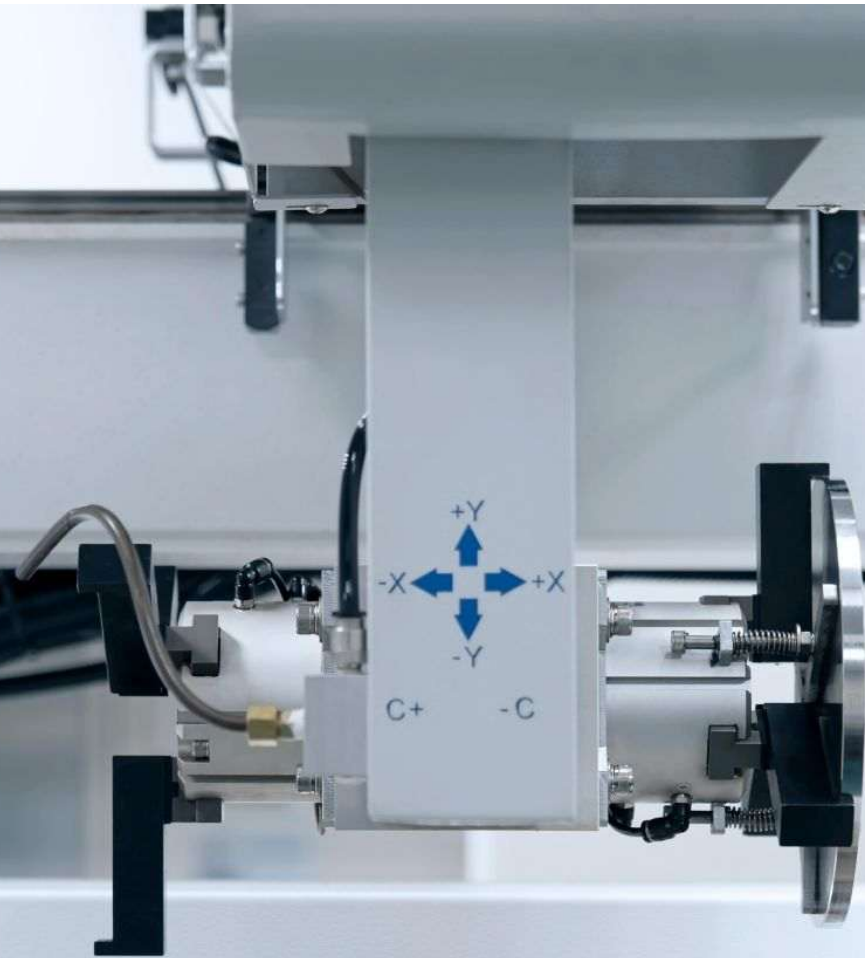
937 central park

in New York

Source: Solar ESG Report

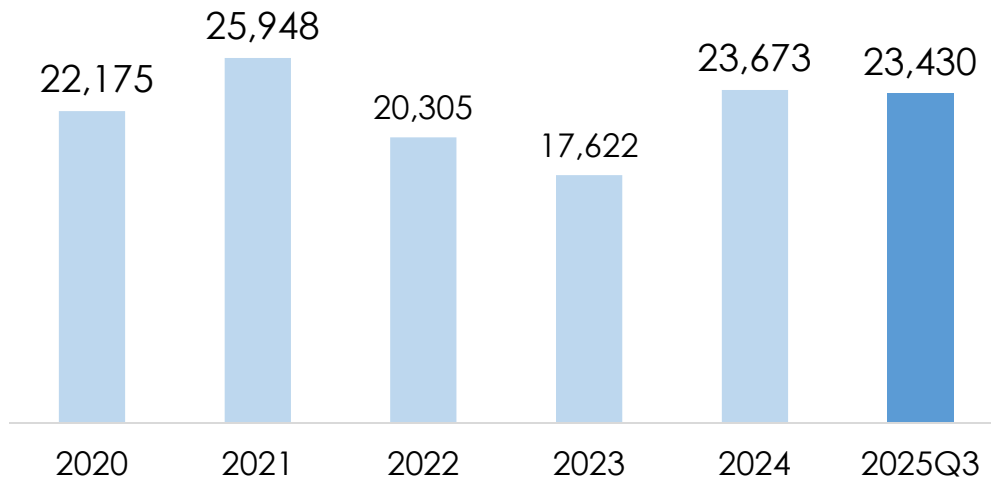
PART 3

Measurement



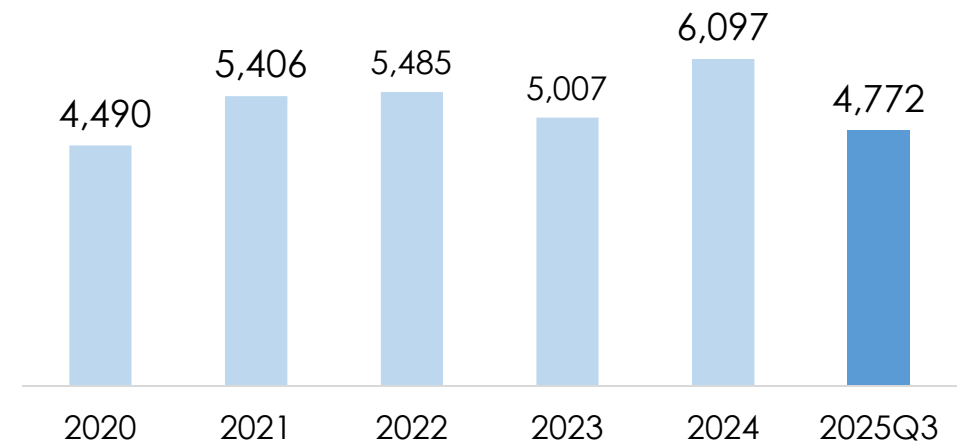
Our revenue model and trends

Precious Metals Sales (NT\$m)



Precious metals are sold mainly as part of raw materials in products. In addition to the growth of business volume, revenue is also subject to changes in precious metal price trends (depending on if the materials are on consigned basis or not).

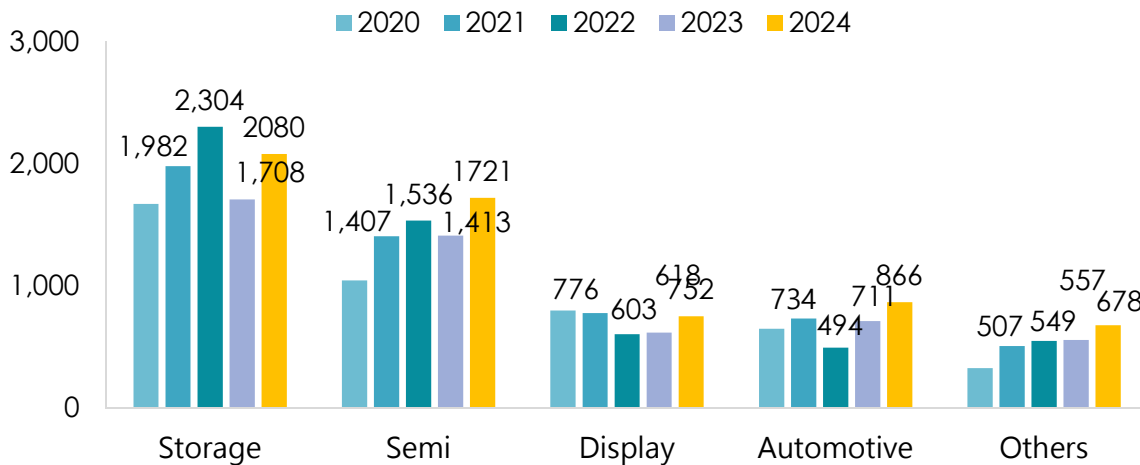
Value Added Sales (NT\$m)



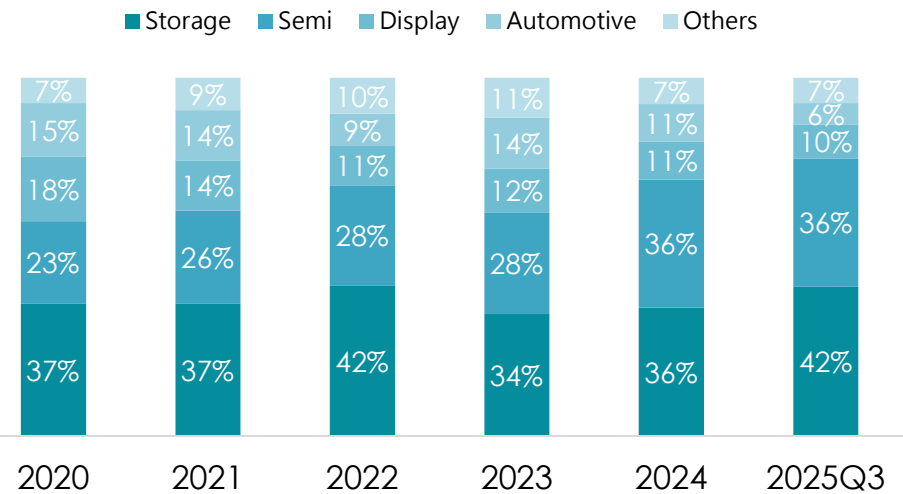
Value-added sales (VAS) reflect the true value of the products that we deliver to our customers, regardless of the precious metal prices.

Value Added Sales Break Down By Industry

Value Added Sales – By Industry (NT\$m)



Value Added Sales Breakdown – By Industry



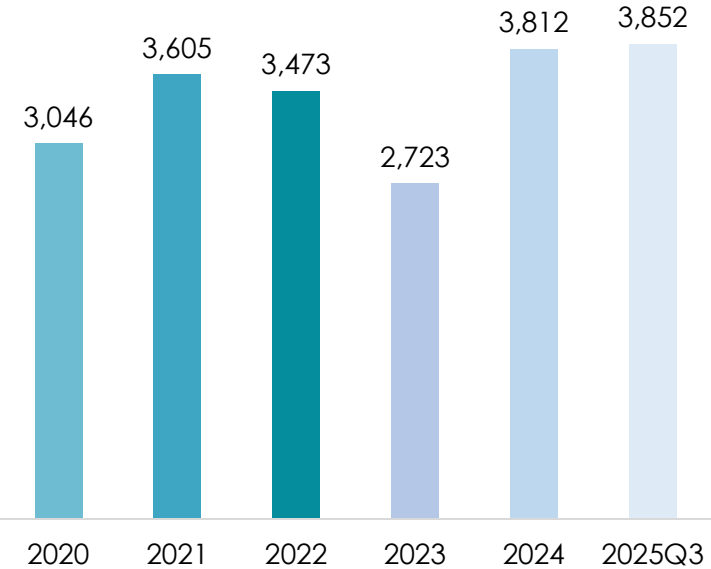
Value added sales : Our business model includes a significant amount of pass-through precious metal revenue that mask the true profitability. Value added sales shows the revenue without pass-through precious metal revenue can better present the company's actual business status to avoid being masked by precious metal transaction.

By Industry : In 2025 Q3, due to conservative demand from Semi clients, the VAS% is 36%.

Strong profitability

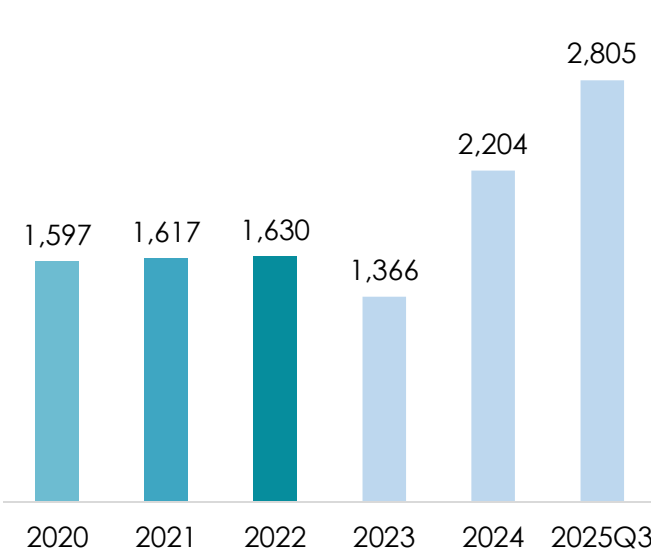
Gross Profit (NT\$m)

2020-2024 CAGR: 6%

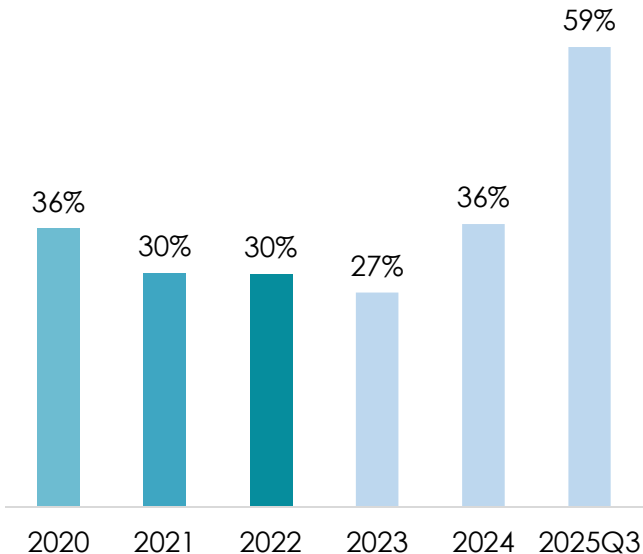


Operating Profit (NT\$m)

2020-2024 CAGR: 9%



SolarTech's operating profit as % of value added sales (%)



3Q25 Balance Sheet

NT\$m	3Q25		3Q24	
	金額	%	金額	%
Total Assets	32,261	100%	31,293	100%
Cash	2,969	9%	1,732	6%
AR & NR	2,899	9%	2,440	8%
Inventories	16,187	50%	14,975	48%
Fixed Assets	7,431	23%	7,765	24%
Total Liabilities	18,548	57%	17,006	54%
AP & NP	2,251	7%	2,329	7%
Total Equity	13,712	43%	14,287	46%

Key Financial Ratios

A/R Days	30	26
Inventory Days	199	191
A/P Days	35	23
Cash Conversion Days	194	194
Debt ratio (%)	57	54

2025 Q3 Income Statement

NT\$mn	3Q2024	3Q2025	YoY (%)
Revenue	21,533	28,202	30.97
<i>VAS Sales</i>	4,454	4,772	7.15
Gross Profit	2,904	3,853	32.68
Operating expense	1,112	1,047	(5.85)
Operating Profit	1,792	2,805	56.53
Non Operating Income/(Loss)	(231)	(1,874)	711.26
Pretax Income	1,562	931	(40.40)
Tax Expenses	308	183	(40.58)
Net Income to Parent	1,256	753	(40.05)
Basic EPS (NT\$)	2.12	1.27	(40.09)

Key Financial Ratios

Gross Margin	13.5	13.7	0.2ppts
<i>VAS implied gross margin</i>	65.2	80.7	15.5ppts
Operating Expense Ratio	5.2	3.7	(1.5 ppts)
Operating Margin	8.3	9.9	1.6ppts
<i>VAS implied operating margin</i>	40.2	58.8	18.6ppts
Effect Tax Rate	19.7	19.7	0ppts
Net Margin	5.8	2.7	(3.1 ppts)

2025 Q3 Cash Flow

NT\$m	2025Q3	2024Q3
Beginning Balance	1,732	2,362
Operating Cash Flow	(591)	196
Capital Expenditures	(300)	(409)
Investments and Others	1,263	(1,328)
Financing Cash Flow	865	1,070
Ending Balance	2,969	1,891

Income Statement Summary (2019 ~ 2025 Q3)

NT\$m	2019	2020	2021	2022	2023	2024	2025Q3
Revenue	21,987	26,665	31,355	25,791	22,629	29,770	28,202
<i>VAS Sales</i>	5,072	4,490	5,406	5,485	5,007	6,097	4,772
Gross Profit	2,901	3,046	3,605	3,473	2,723	3,812	3,853
Operating expense	1,468	1,449	1,988	1,843	1,357	1,608	1,047
Operating Profit	1,433	1,597	1,617	1,630	1,366	2,204	2,805
Non Operating Income/(Loss)	(185)	(452)	(40)	39	(77)	159	(1,874)
Pretax Income	1,248	1,145	1,577	1,670	1,289	2,363	931
Tax Expenses	186	261	268	241	222	463	183
Net Income to Parent	1,039	843	1,256	1,389	1,085	1,903	753
Basic EPS (NT\$)	\$2.35	\$1.69	\$2.15	\$2.35	\$1.83	\$3.21	\$1.26

Key Financial Ratios (%)							
Gross Margin	13.2	11.4	11.5	13.5	12	12.8	13.7
<i>VAS implied gross margin</i>	57.2	67.8	66.7	63.3	54.4	62.5	80.7
Operating Expense Ratio	6.7	5.4	6.3	7.1	6	5.4	3.7
Operating Margin	6.5	6	5.2	6.3	6	7.4	9.9
<i>VAS implied operating margin</i>	28.2	35.6	29.9	29.7	27.3	36.2	58.8
Effect Tax Rate	14.9	22.8	17	14.4	17.2	19.6	19.7
Net Margin	4.7	3.2	4	5.4	4.8	6.4	2.7

YoY Growth (%)							
Revenue	5.3	21.3	17.6	(17.7)	(12.3)	31.6	31.0
Gross Profit	29	5	18.4	(3.7)	(21.6)	40	32.7
Operating Profit	92.4	11.5	1.3	0.8	(16.2)	61.4	56.5
Net Income to Parent	167.1	(18.8)	48.9	10.6	(21.9)	75.4	(40.3)
Basic EPS	139.8	(28.1)	27.2	9.3	(22.1)	75.4	(40.1)

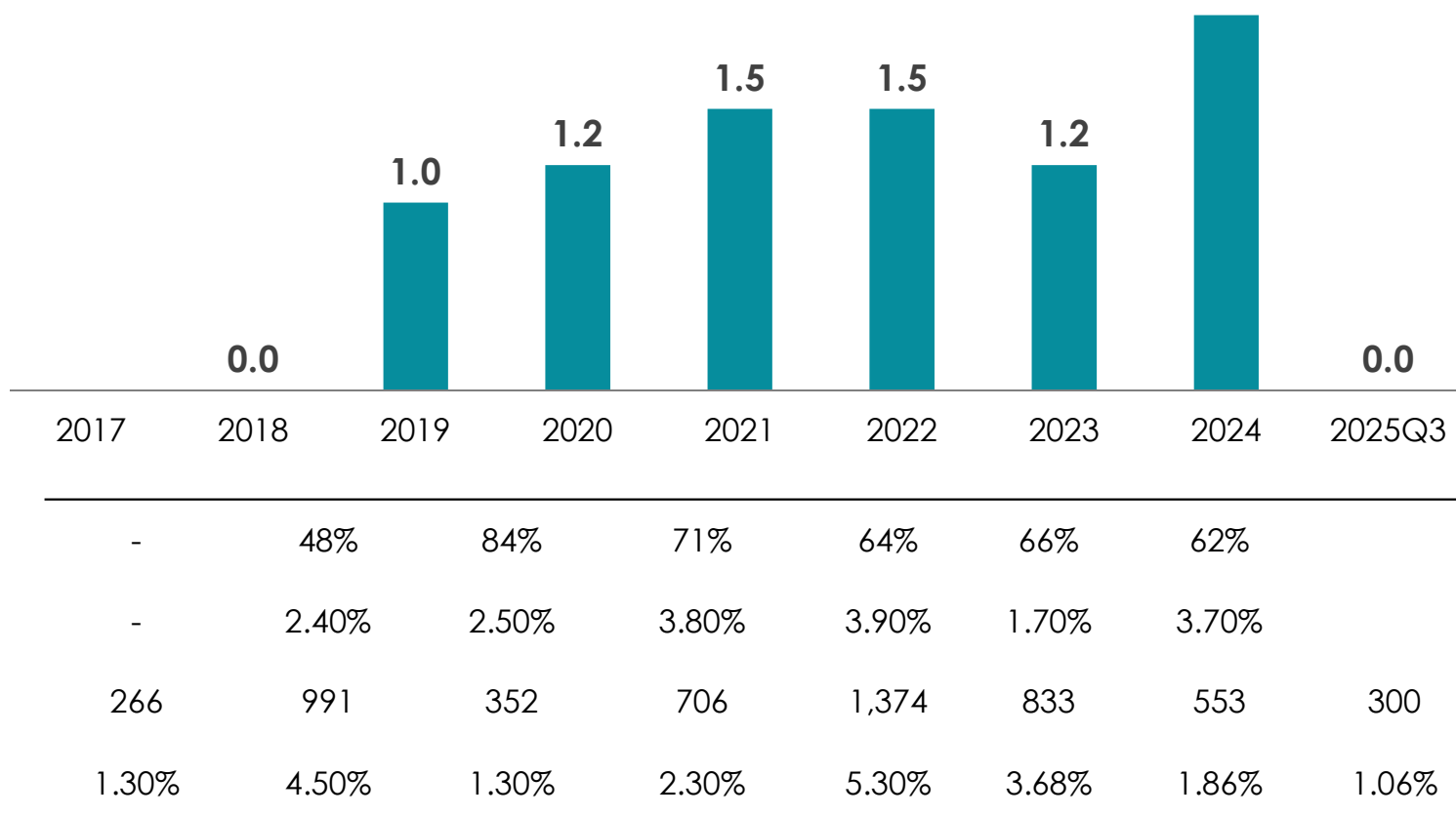
Balance Sheet Summary (2019~2025Q3)

NT\$mn	2019	2020	2021	2022	2023	2024	2025Q3
Total Assets	21,274	21,259	25,422	26,570	26,460	31,293	32,261
Cash	590	2,161	3,149	2,207	2,362	1,732	2,969
AR & NR	1,594	1,820	2,099	1,729	1,852	2,440	2,899
Inventories	7,407	7,893	9,474	11,434	11,567	14,975	16,187
Fixed Assets	7,031	6,877	7,321	8,308	7,840	7,765	7,530
Total Liabilities	13,275	12,752	12,984	13,397	13,501	17,006	18,548
AP & NP	352	230	623	1,084	943	2,329	2,251
Total Equity	7,999	8,506	12,438	13,203	12,959	14,287	13,712

YoY Growth (%)							
Total Assets	7.3	(0.1)	19.6	4.5	(0.4)	18.3	3%
Cash	(25.)8	266.6	45.7	(29.9)	7.1	(26.7)	71%
AR & NR	8.8	14.1	15.4	(17.6)	7.1	31.7	19%
Inventories	6.9	6.6	20	20.7	1.2	29.5	8%
Fixed Assets	10.1	(2.2)	6.4	13.5	(5.6)	(2.3)	(3%)
Total Liabilities	(9.5)	(3.9)	1.8	2.9	1	26	9%
AP & NP	23.5	(34.6)	171.1	73.9	(13)	(75.4)	(3%)
Total Equity	54.7	6.3	46.2	6.2	(1.9)	10.2	(4%)

Key Financial Ratios							
A/R Days	25.4	23.4	22.8	27.1	28.9	26	30
Inventory Days	137.1	118.2	114.2	171	210.9	191	199
A/P Days	6.1	4.5	5.6	14	18.6	23	35
Cash Conversion Days	156.4	137.1	131.4	184.1	221.2	194	194
ROE (%)	16.2	10.5	12.4	11.2	8.4	13.9	5.3
ROA (%)	6.4	4.9	6.2	6.2	5.2	7.4	2.4
Debt ratio (%)	62.4	60	51.1	50.3	51	54	57

Dividend Payout and Capex (2018 ~ 2025Q3)



Note: Cash dividend yield is calculated using SOLAR's market capitalization the day before the ex-dividend date.



Contact Information

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