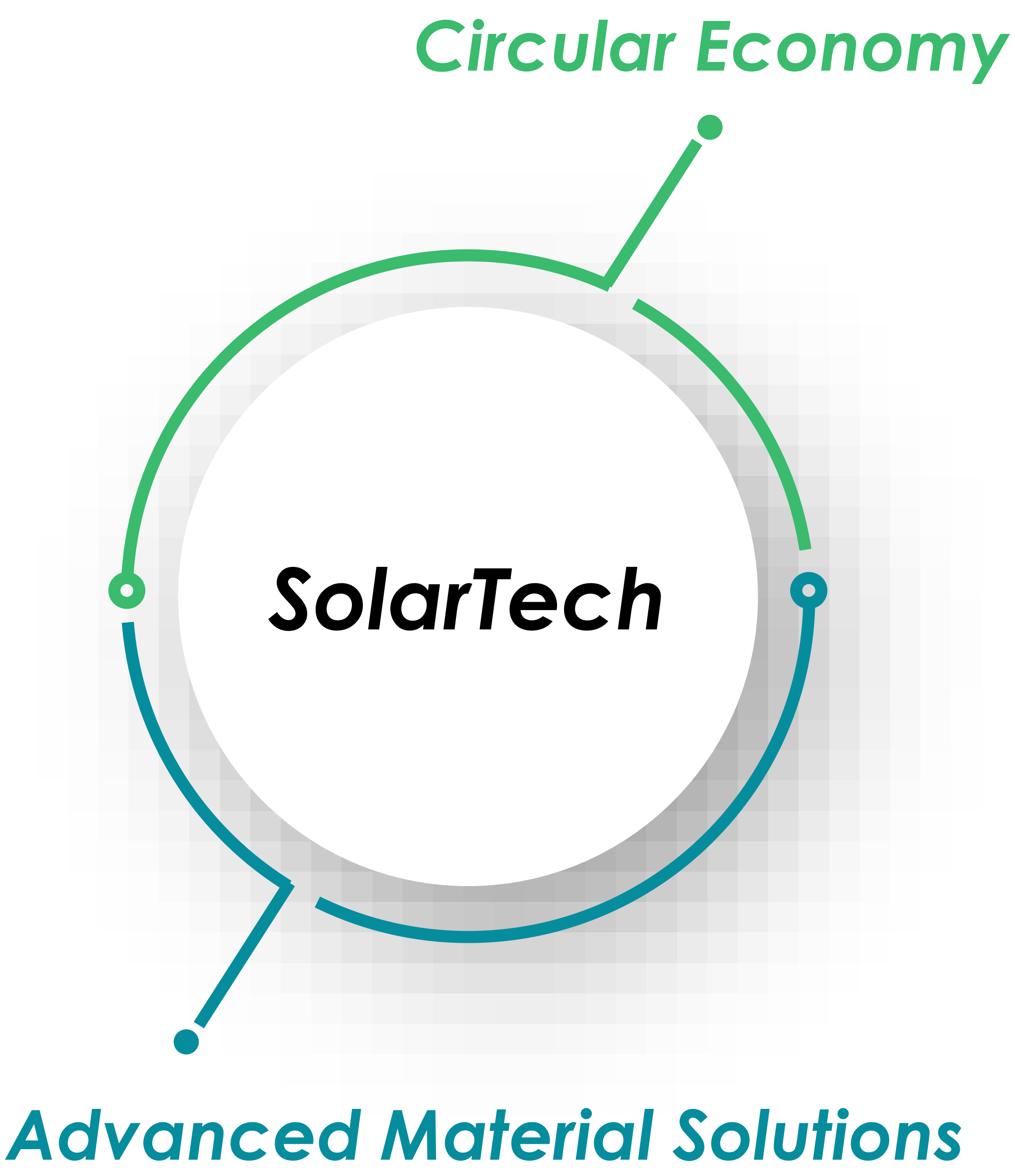
Investor Presentation

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

Jun 2026

Table of Contents



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 **SUSTAINBLE** way

Company milestone

Alloy design and target manufacturing for thin film applications

PGC / PSC

Taiwan No.1

Ag **Au**

Gold / Silver **Chemicals** and Refining

1978

ODS (Optical Data Storage) Sputtering Target

World Leading

Sputtering target manufacturing

1998

MDS (Magnetic Data Storage) Sputtering Target

World Leading

Pt **Ru** **Pd**

Complex alloy design and manufacturing

2004

OE (Optoelectronics) Sputtering Target (FPD / PV / LED)

In **Ga**

Ceramic target manufacturing

TCO (Transparent Conductive Oxide) materials design

2008

SEMI

Ta

Ultra high purity semiconductor materials

2016

SEMI

Cu

1st in SEMI industry **Copper Circular Economy**

2018

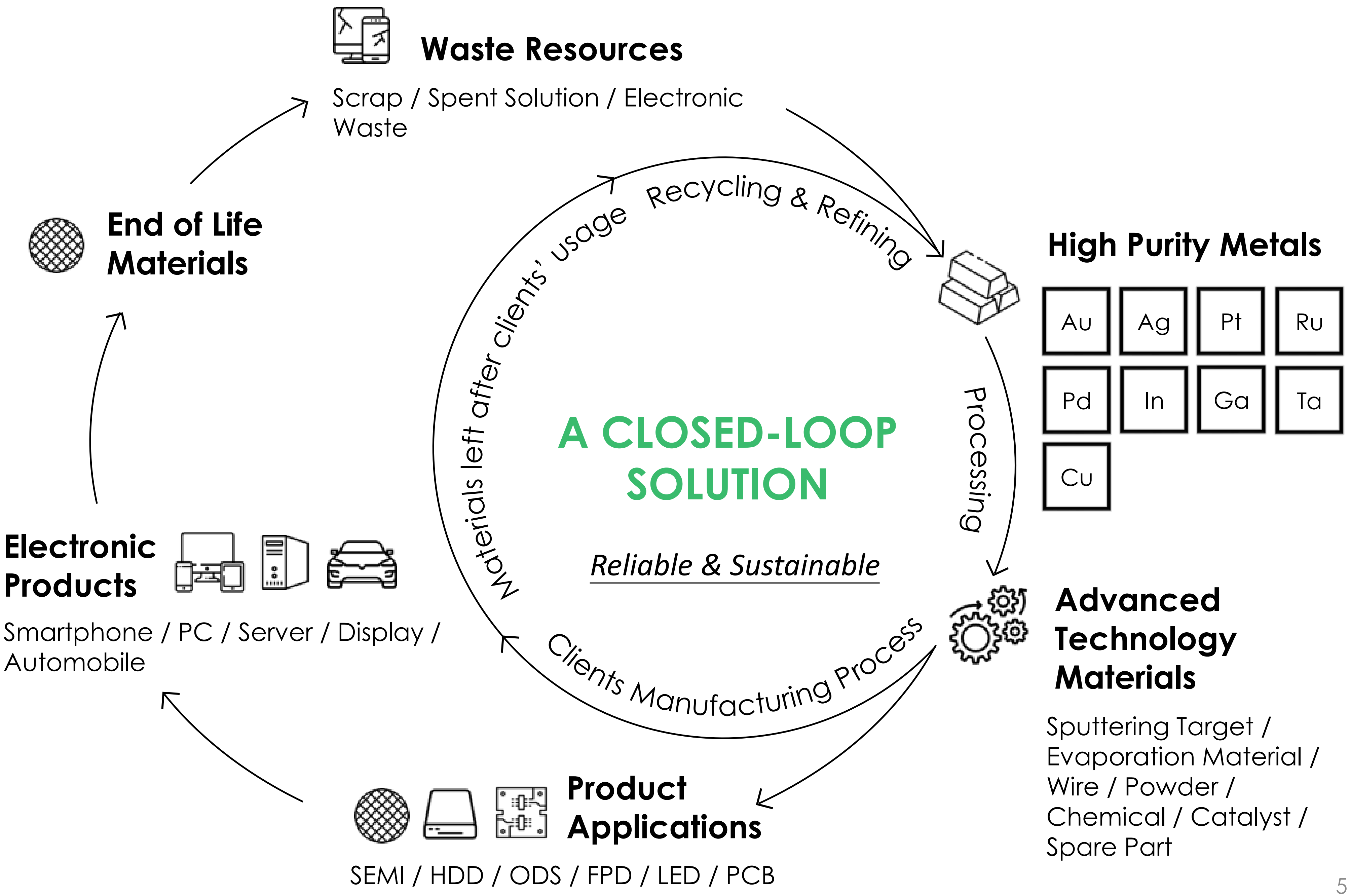
Front-end semiconductor

High-purity alloy sputtering targets

2022

Recycling & Refining of precious / rare metals

Enabling circular economy



SOLAR at a glance

1978
Founded

2005
Listed (1785 TT)

Tainan, Taiwan
Headquarters

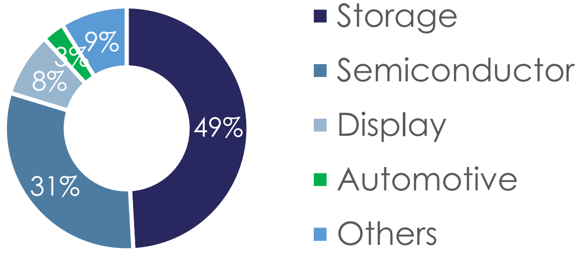
1,670
Employees (2025)

NT$ 39.4 billion
2025: NT$394億

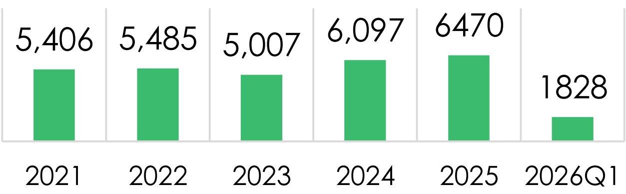
NT$ 82.3 Bn
Market Cap as of May, 2026

NT$ 1.83 billion
Value Added Sales in 2026Q1

Value Added Sales Breakdown by Applications (2026Q1)



VAS (NT$mn)



SolarTech's Industry Position

World No.1
Hard Disk Drive
Data Storage Sputtering Target

Taiwan No.1
Semiconductor
Precious Metal Sputtering Target

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

5 Factories
Located in Taiwan and Mainland China

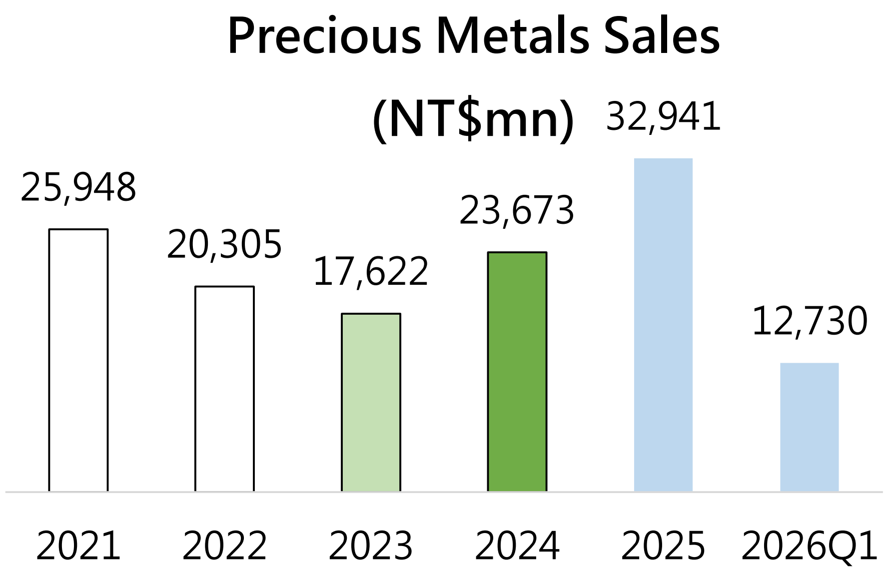
Track record

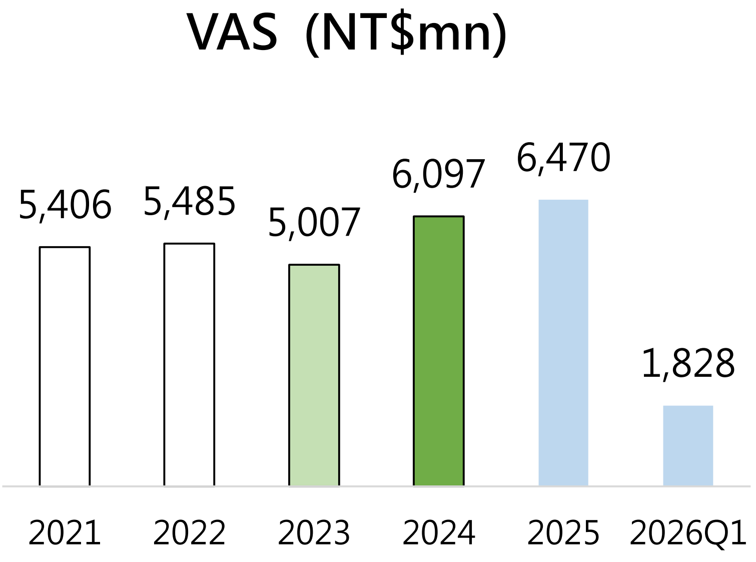
Precious Metals Sales

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).

Value Added Sales (VAS)

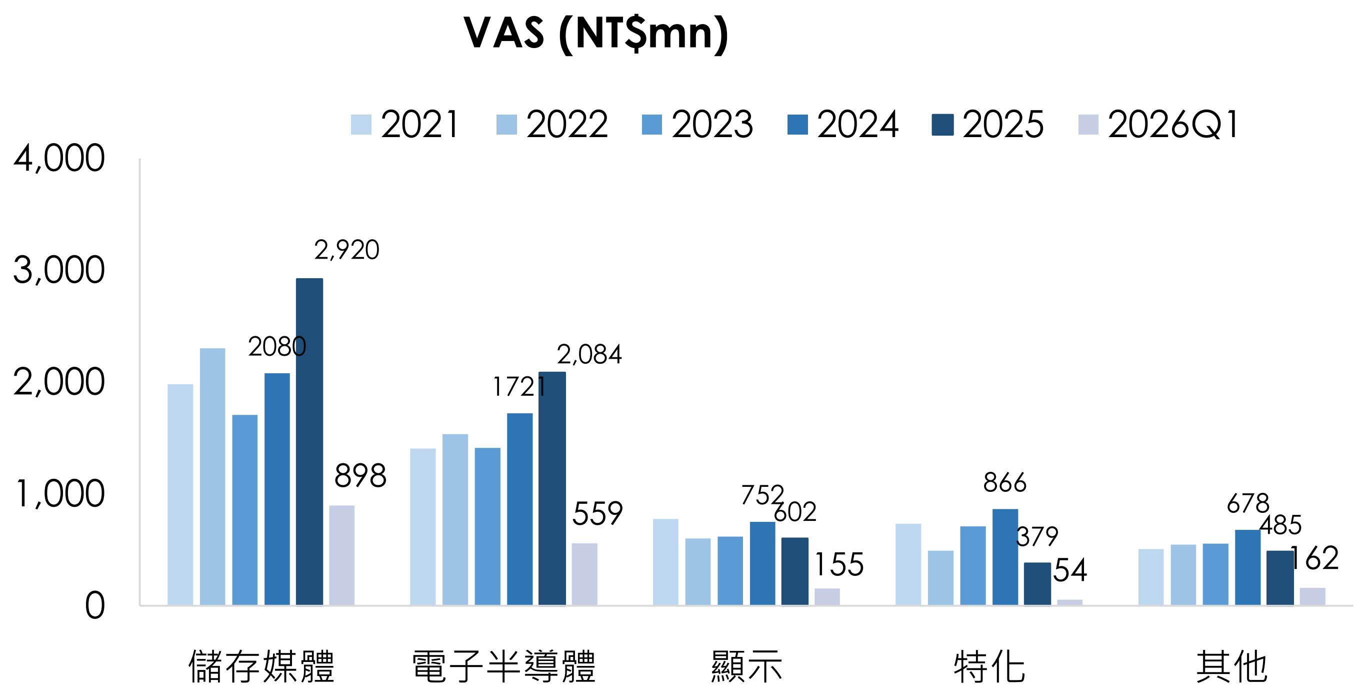
Value-added sales (VAS) reflect the true value of the products that we deliver to our customers, regardless of the precious metal prices.

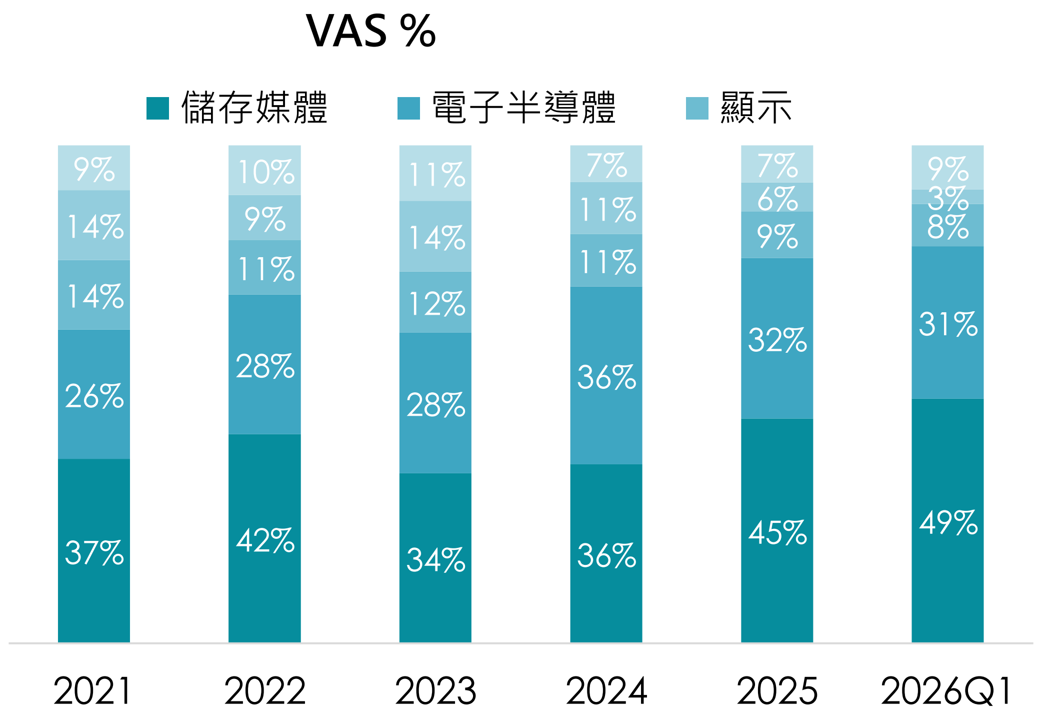




- EPS
  - 2025 EPS=3.14
  - 2026 Q1 EPS=2.54元
- VAS
  - 2025 YoY : +6.1%
  - 2026 Q1 YoY : +18.8%

Value Added Sales Break Down By Industry



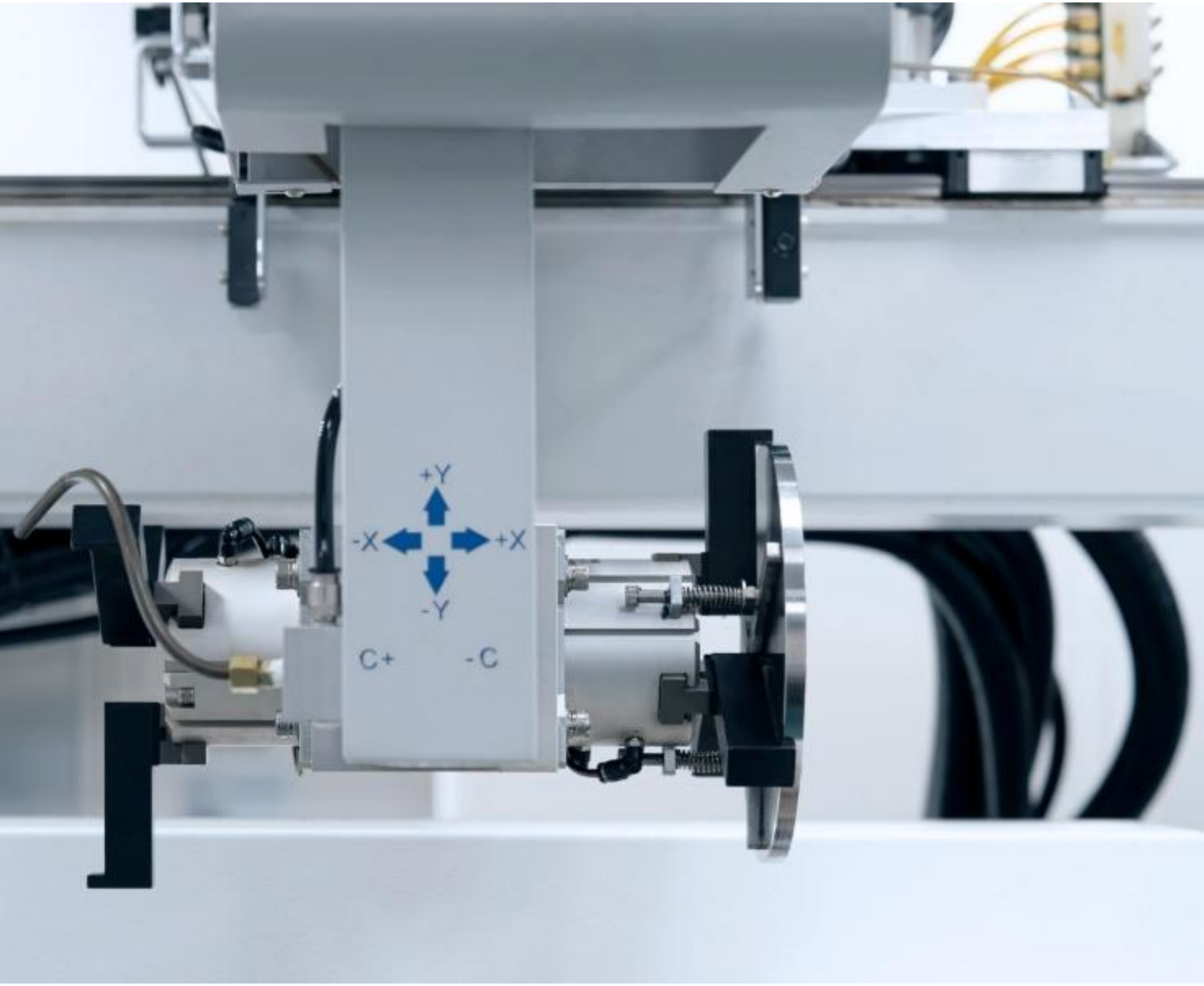


VAS revenue: SOLAR Technology's overall operations benefited from the growth in AI demand. In 2025, VAS revenue increased by 40% in storage media and 21% in the semiconductor segment.

AS industry mix: In 2025, the storage media segment outperformed other industries in terms of growth, increasing its share of total VAS revenue to 45%, and further rising to 49% in Q1.

PART 2

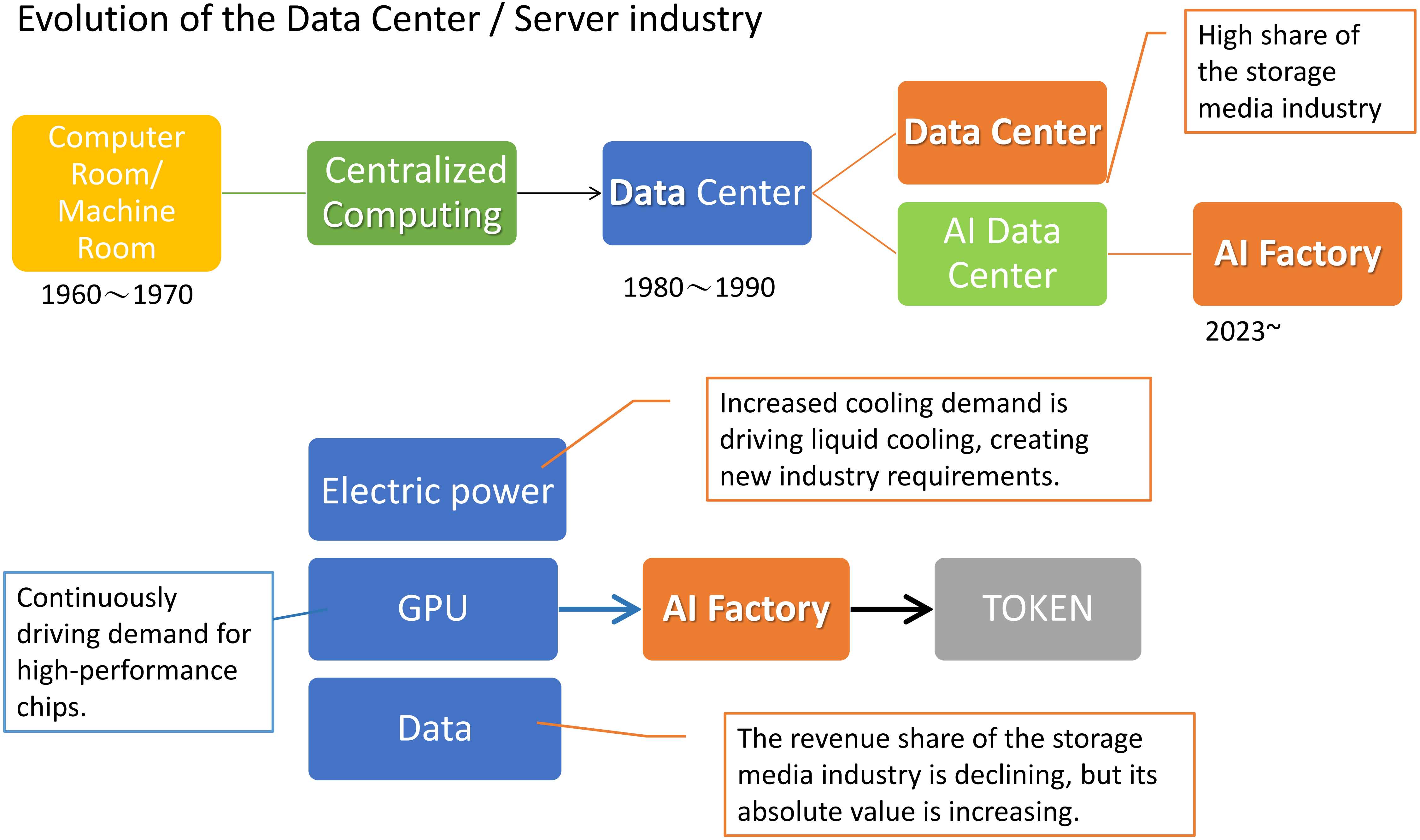
Industry trends and strategic development



Mega Trend

- The rapid growth of AI
- Geopolitics and the strategic use of resources
- The increasing visibility of climate change impacts

Evolution of the Data Center / Server industry



PART 2

Industry trends and strategic development

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.

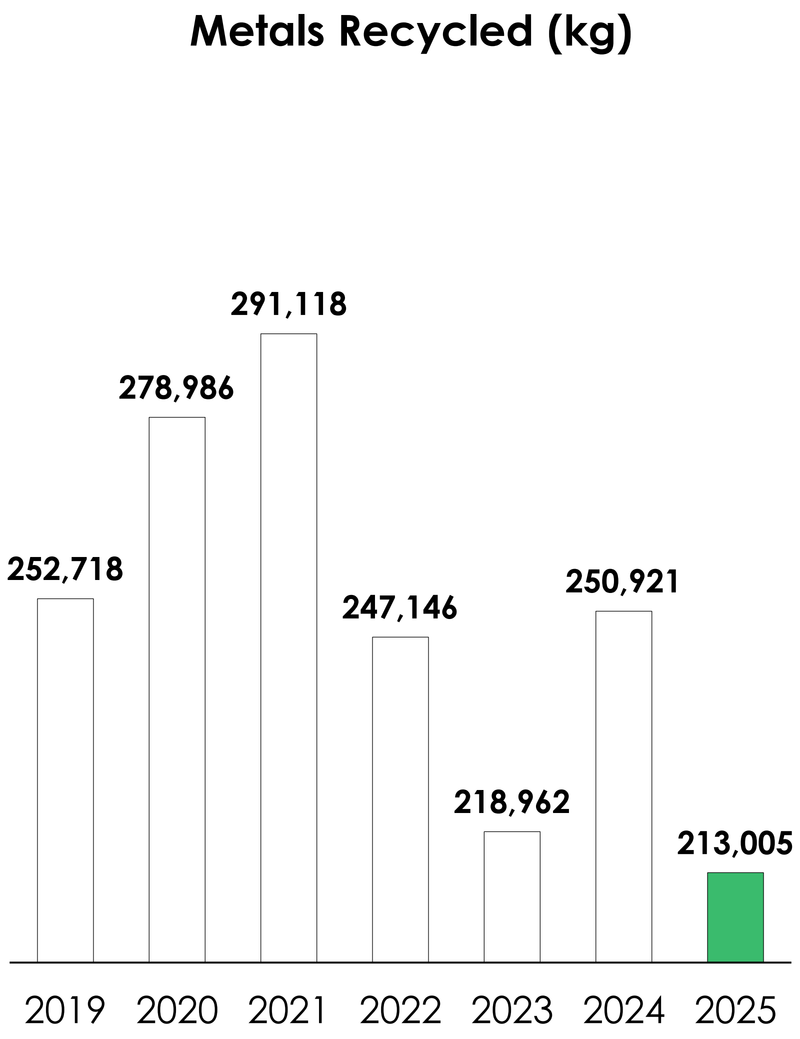
2 AI inference drives growth in storage demand

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



384,929 tons

of carbon emissions saved per year

equivalent to

carbon footprint generated by

86,307 people

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

equivalent to

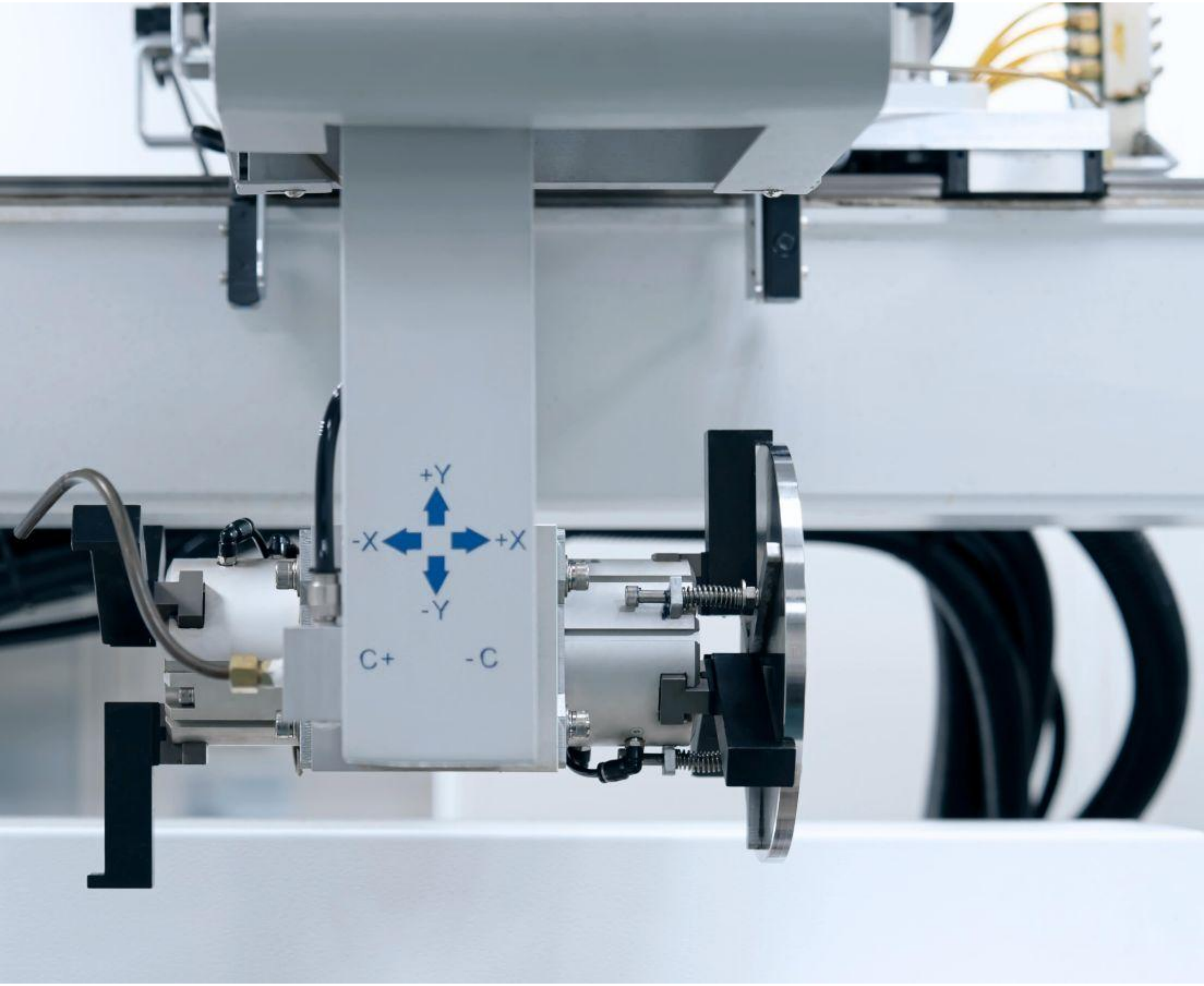
984 central park

in New York

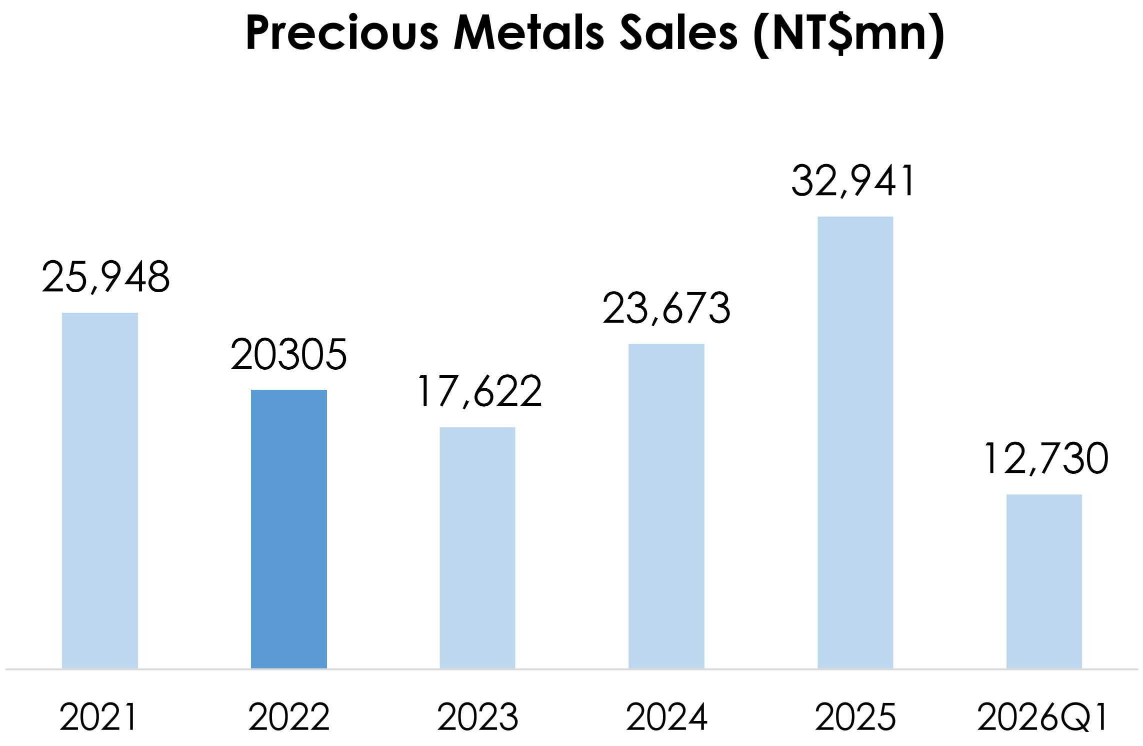
Source: Solar ESG Report

PART 3

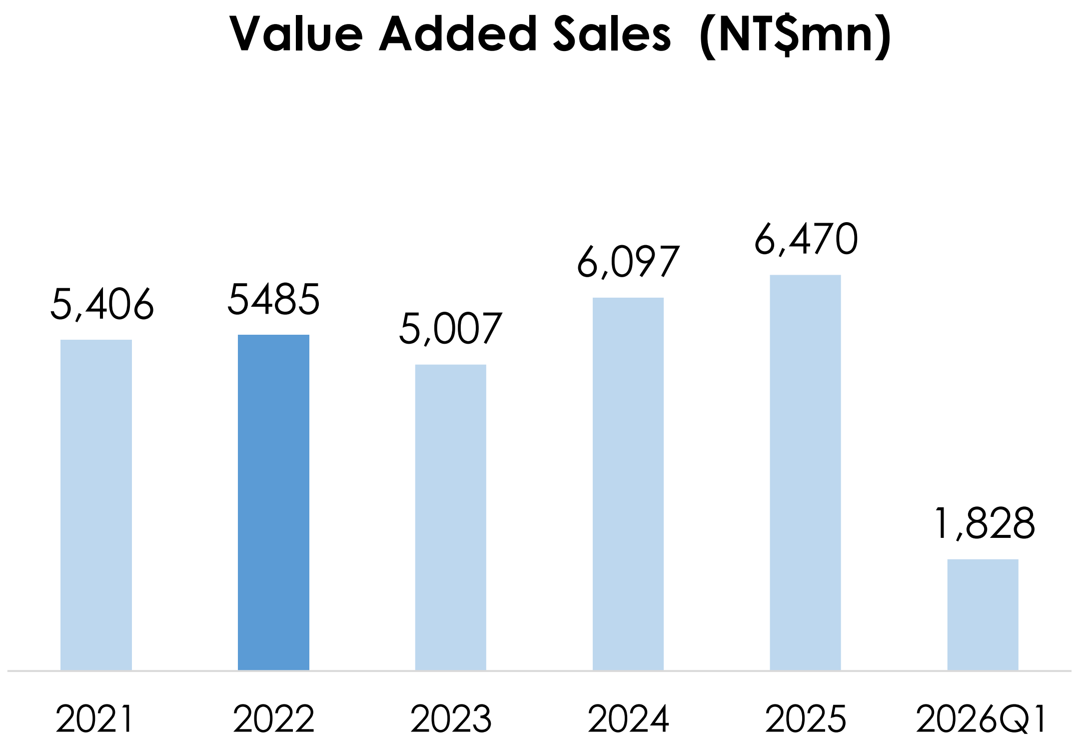
Measurement



Our revenue model and trends

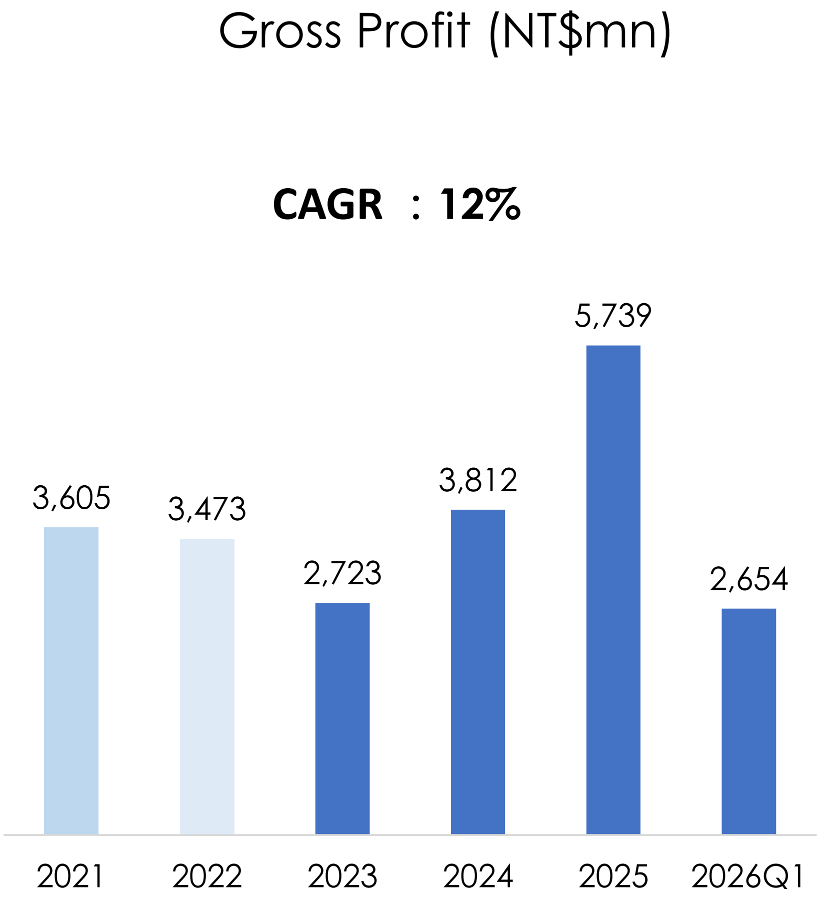


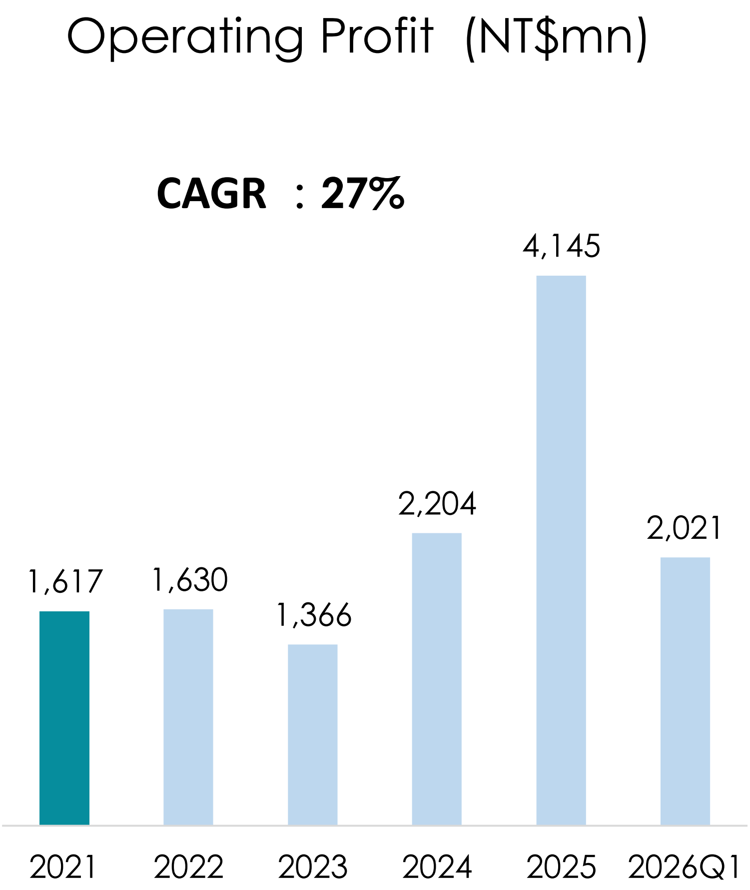
Precious metals are sold mainly as part of raw materials in products. In addition to the growth of business volume, revenue is also subject to changes in precious metal price trends (depending on if the materials are on consigned basis or not).

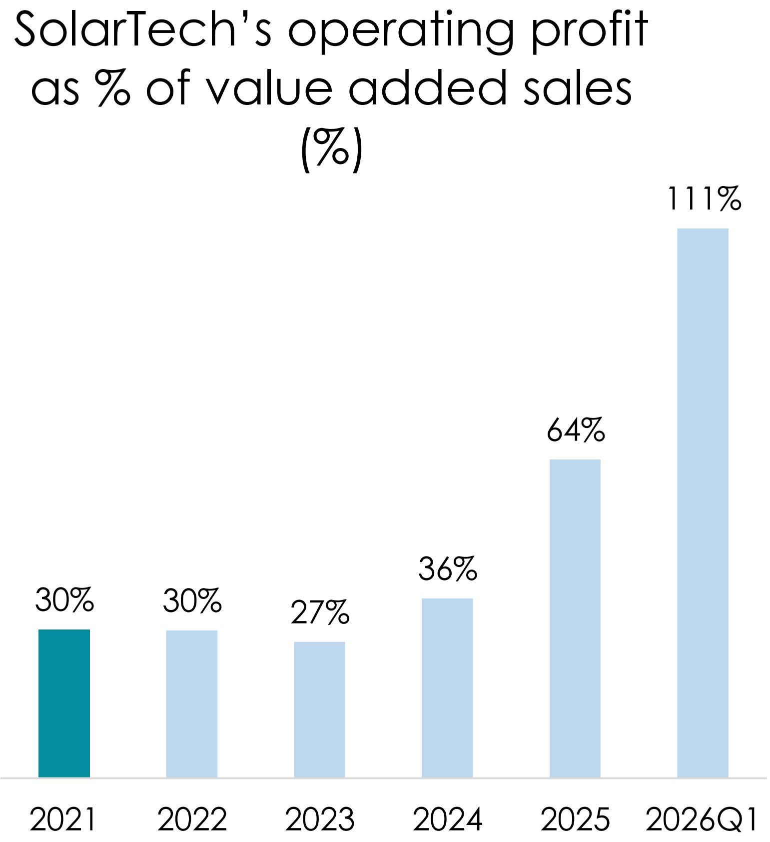


Value-added sales (VAS) reflect the true value of the products that we deliver to our customers, regardless of the precious metal prices.

Strong profitability







Income Statement

NT$mn	1Q26		1Q25	
	金額	%	金額	%
Revenue	39,179	100%	31,786	100%
VAS Sales	3,020	8%	2,846	6%
Gross Profit	3,822	10%	2,305	8%
Operating expense	21,224	54%	15,603	48%
Operating Profit	7,534	19%	7,609	24%
Non Operating Income/(Loss)	21,945	56%	17,084	54%
Pretax Income	2,583	7%	2,245	7%
Tax Expenses	17,234	44%	14,702	46%

Key Financial Ratios		
Gross Margin	21	26
VAS implied gross margin	148	196
Operating Expense Ratio	20	32
Operating Margin	149	190
VAS implied operating margin	56	54

Balance Sheet

NT$mn	1Q26		1Q25	
	金額	%	金額	%
Total Assets	39,179	100%	31,786	100%
Cash	3,020	8%	2,846	6%
AR & NR	3,822	10%	2,305	8%
Inventories	21,224	54%	15,603	48%
Fixed Assets	7,534	19%	7,609	24%
Total Liabilities	21,945	56%	17,084	54%
AP & NP	2,583	7%	2,245	7%
Total Equity	17,234	44%	14,702	46%

Key Financial Ratios		
A/R Days	21	26
Inventory Days	148	196
A/P Days	20	32
Cash Conversion Days	149	190
Debt ratio (%)	56	54

Cash Flow

NT$mn	2026Q1	2025Q1
Beginning Balance	**2,624**	**1,732**
Operating Cash Flow	-1,440	291
Capital Expenditures	-163	-102
Investments and Others	11	721
Financing Cash Flow	1,987	205
Ending Balance	**3,020**	**2,846**

Income Statement Summary (2019 ~ 2026 Q1)

NT$mn	2019	2020	2021	2022	2023	2024	2025	2026Q1
Revenue	21,987	26,665	31,355	25,791	22,629	29,770	39,411	14,558
VAS Sales	*5,072*	*4,490*	*5,406*	*5,485*	*5,007*	*6,097*	*6,470*	*1,828*
Gross Profit	2,901	3,046	3,605	3,473	2,723	3,812	5,739	2,654
Operating expense	1,468	1,449	1,988	1,843	1,357	1,608	1,594	633
Operating Profit	1,433	1,597	1,617	1,630	1,366	2,204	4,145	2,021
Non Operating Income/(Loss)	-185	-452	-40	39	-77	159	-1,832	-11
Pretax Income	1,248	1,145	1,577	1,670	1,289	2,363	2,313	2,010
Tax Expenses	186	261	268	241	222	463	452	418
Net Income to Parent	1,039	843	1,256	1,389	1,085	1,903	1,867	1,514
Basic EPS (NT$)	$2.35	$1.69	$2.15	$2.35	$1.83	$3.21	$3.14	$2.54

主要財務比率 (%)								
Gross Margin	13.2	11.4	11.5	13.5	12	12.8	14.56	18.23
VAS implied gross margin	*57.2*	*67.8*	*66.7*	*63.3*	*54.4*	*62.5*	*88.7*	*145.2*
Operating Expense Ratio	6.7	5.4	6.3	7.1	6	5.4	4.0	4.3
Operating Margin	6.5	6	5.2	6.3	6	7.4	10.5	13.9
VAS implied operating margin	*28.2*	*35.6*	*29.9*	*29.7*	*27.3*	*36.2*	*64.1*	*110.5*
Effect Tax Rate	14.9	22.8	17	14.4	17.2	19.6	19.5	20.8
Net Margin	4.7	3.2	4	5.4	4.8	6.4	4.7	10.4

YoY成長 (%)								
Revenue	5.3	21.3	17.6	-17.7	-12.3	31.6	32.4	76.6
Gross Profit	29.0	5.0	18.4	-3.7	-21.6	40.0	6.1	18.8
Operating Profit	92.4	11.5	1.3	0.8	-16.2	61.4	50.5	117.7
Net Income to Parent	167.1	-18.8	48.9	10.6	-21.9	75.4	-0.9	66.4
Basic EPS	139.8	-28.1	27.2	9.3	-22.1	75.4	88.1	140.9

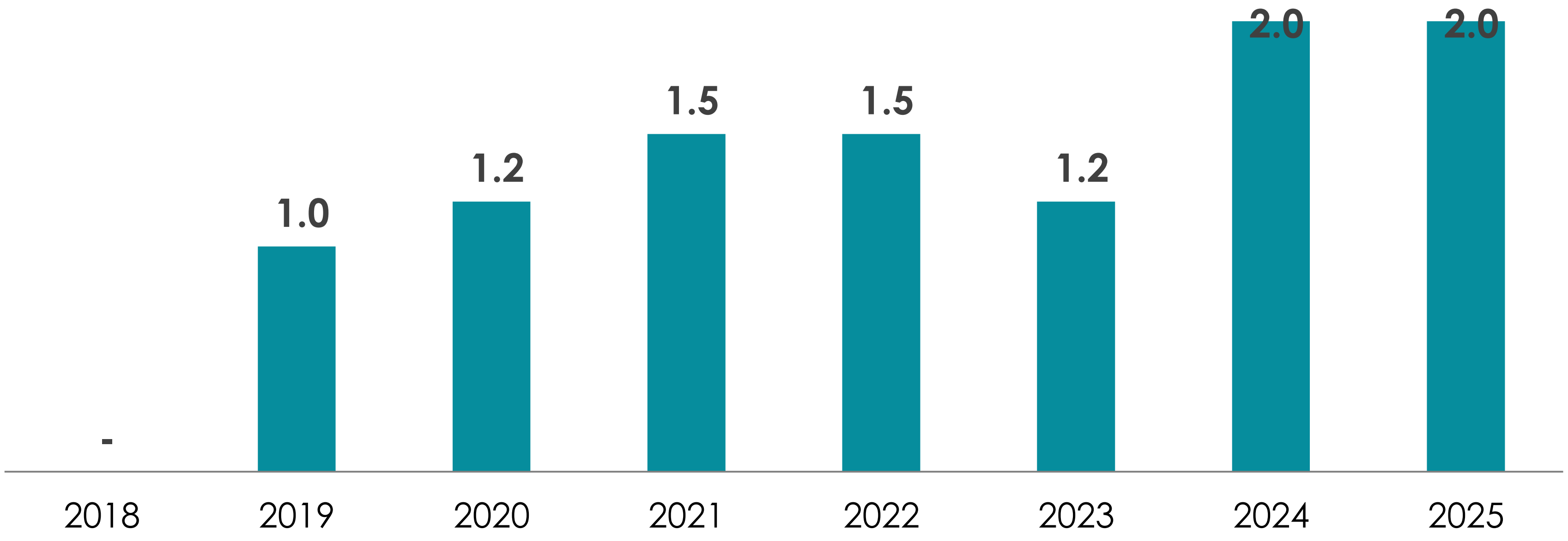
Balance Sheet Summary (2019~2026Q1)

NT$mn	2019	2020	2021	2022	2023	2024	2025	2026Q1
Total Assets	21,274	21,259	25,422	26,570	26,460	31,293	34,434	39,179
Cash	590	2,161	3,149	2,207	2,362	1,732	2,624	3,020
AR & NR	1,594	1,820	2,099	1,729	1,852	2,440	3,069	3,822
Inventories	7,407	7,893	9,474	11,434	11,567	14,975	17,773	21,224
Fixed Assets	7,031	6,877	7,321	8,308	7,840	7,659	7,576	7,534
Total Liabilities	13,275	12,752	12,984	13,366	13,501	17,006	19,422	21,945
AP & NP	352	230	623	1,084	943	2,329	2,584	2,583
Total Equity	7,999	8,506	12,438	13,203	12,959	14,287	15,013	17,234

YoY成長 (%)								
Total Assets	7.3	-0.1	19.6	4.5	-0.4	18.3	10.0	23.3
Cash	-25.8	266.6	45.7	-29.9	7.1	-26.7	51.5	6.1
AR & NR	8.8	14.1	15.4	-17.6	7.1	31.7	25.8	65.8
Inventories	6.9	6.6	20	20.7	1.2	29.5	18.7	36.0
Fixed Assets	10.1	-2.2	6.4	13.5	-5.6	-2.3	-1.1	-1.0
Total Liabilities	-9.5	-3.9	1.8	2.9	1	26	14.2	28.5
AP & NP	23.5	-34.6	171.1	73.9	-13	147	10.9	15.0
Total Equity	54.7	6.3	46.2	6.2	-1.9	10.2	5.1	17.2

主要財務比率 (%)								
A/R Days	25.4	23.4	22.8	27.1	28.9	26	25.7	21.3
Inventory Days	137.1	118.2	114.2	171	210.9	191	180.7	147.5
A/P Days	6.1	4.5	5.6	14	18.6	23	27.7	19.5
Cash Conversion Days	156.4	137.1	131.4	184.1	221.2	194	178.6	149.3
ROE (%)	16.2	10.5	12.4	11.2	8.4	13.9	12.7	9.9
ROA (%)	6.4	4.9	6.2	6.2	5.2	7.4	6.5	4.3
Debt ratio (%)	62.4	60	51.1	50.3	51	54	56.4	56.0

Dividend Payout and Capex (2019 ~ 2025)



	2018	2019	2020	2021	2022	2023	2024	2025
Payout Ratio (%)	-	48%	84%	71%	64%	66%	62%	
Dividend Yield* (%)	-	2.4%	2.5%	3.8%	3.9%	1.7%	3.7%	
Capex (NT$ mn)	266	991	352	706	1,374	833	553	300
Capex to Sales (%)	1.30%	4.50%	1.30%	2.30%	5.30%	3.68%	1.86%	1.06%

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

Contact Information

Allen Yen (CFO)

Email: shareholders@solartech.com.tw

Phone Number: 06-5110123