

Gloria Material Technology Corp.
(Ticker : 5009)



Disclaimer

In addition to providing historical information, some of the content in this information involves the expression of future business opportunities. Due to the impact of uncertain factors and unknown risks, the actual results may be different from the stated content. Investors should make their own judgment and control risks.

Agenda

01 Company profile

02 Focused Industry Overview

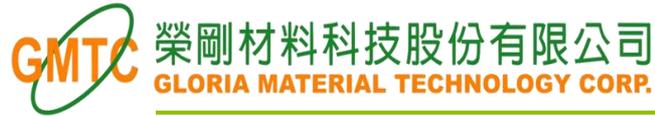
03 Financial Information

04 Growth of GMTC

05 Future Development



Company overview



- Ticker : 5009
- Founded : 3/19/1993
- IPO : 10/17/1998
- Capital : NT 60 Billion
- Consolidated Revenue : NT 13.5 Billion
- Chairman : Mr. Joseph Wang
- **President : Mr. Kang Yung-Chang**
- Address : No. 10, Gong 2nd Rd., Liuying Dist., Tainan, Taiwan 736 (Liuying Technology Industrial Park)
- Main products : Alloy Tool Steel 、 Functional Material 、 Commercial alloy steel ,etc
- Honored to be ranked Top 5% of the 8th,9th and 10th Corporate Governance Evaluation



國家品質獎
NATIONAL QUALITY AWARD



Top 5% of
Corporate
Governance
Evaluation



Plant Hsinying



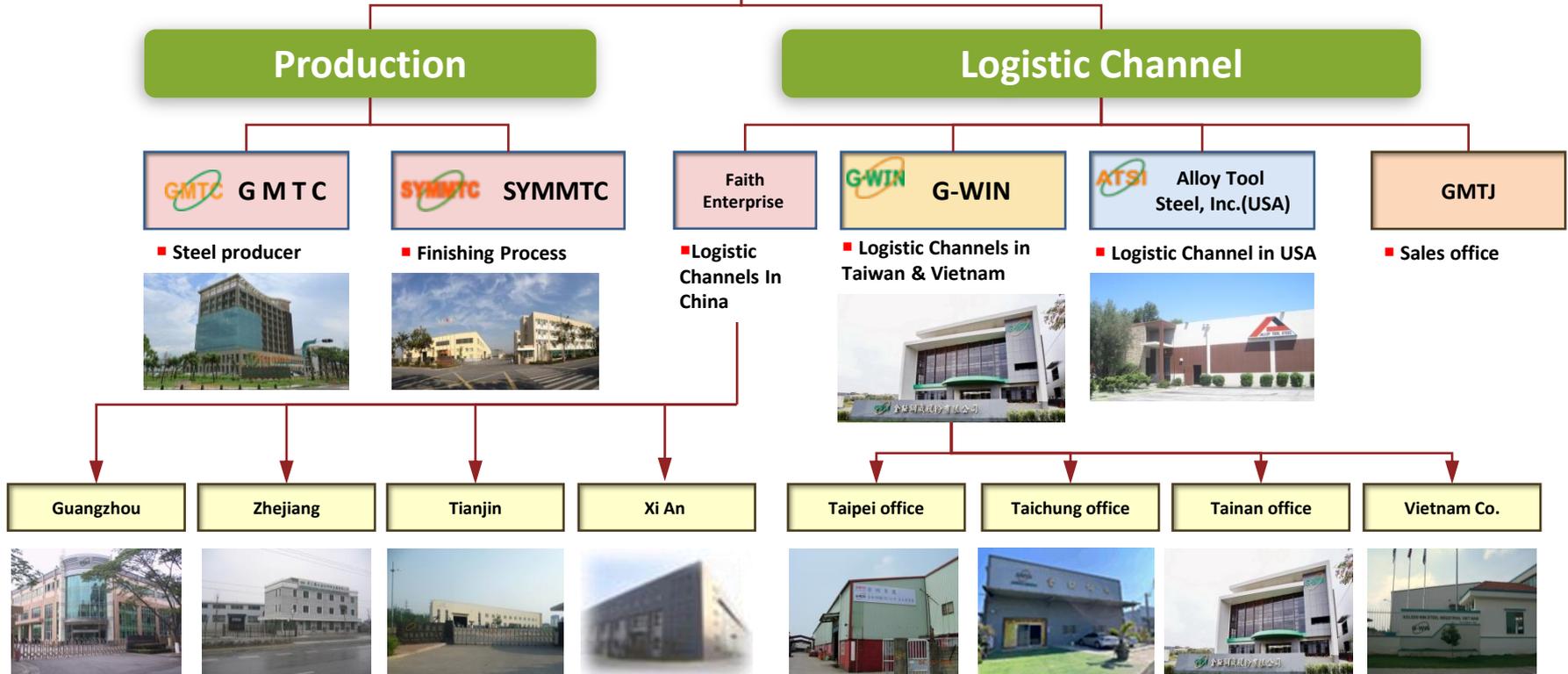
Plant Liuying



- ▾ Plant Area : Plant Hsinying, Plant Liuying
- ▾ Global Channel : Taiwan 、 America 、 Mainland China 、 Vietnam 、 Japan



Global Headquarter
in Tainan



Manufacturing in Taiwan, establishing Asian logistic channels,
and marketing worldwide

Manufacturing Process

Melting

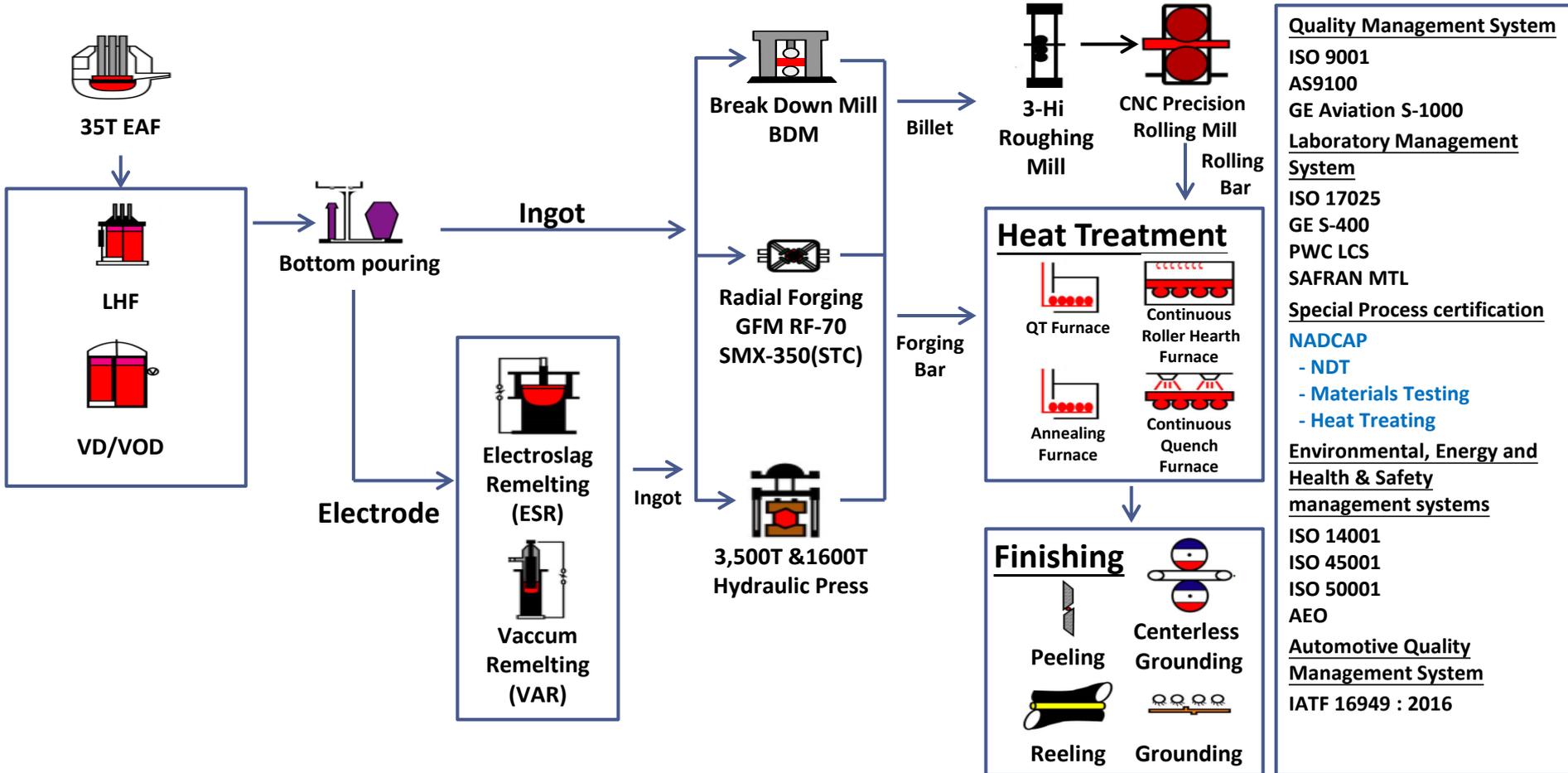
Casting

Remelting

Forging

Rolling

Cetification



Customer Approval

Aerospace



Energy



O&G



Medical



1. With the expansion of the Liuying plant, GMTC continues to carry out the certification process for the expansion of aerospace, energy, oil and gas, and machinery. This enables an increased range of sizes supplied.
2. Continue to get new certifications from system companies.

2019

1. Obtained Laboratory certification from GKN Aerospace in Swedish
2. Awarded as qualified supplier of Voestalpine BÖHLER Aerospace GmbH & Co KG for aerospace grade 300M
3. Awarded as qualified supplier of Safran Landing System (SLS) for MTL1201 300M
4. Awarded as qualified supplier of Airbus Canada - A220

2020

1. Awarded as qualified supplier of WEG
2. Awarded as qualified supplier of Triumph Integrated Systems(UK)

2021

1. Approved as qualified supplier of Cameron for superalloy
2. Obtained approval from Boeing for enlarging range of material supply
3. Obtained IS 6603:2001 certification from Bureau of Indian Standards (BIS)

2022

1. Obtained JIS Mark G4303 certification
2. BIS stainless steel (IS 6603) certification renewal, and addition of new steel types and increase the variety in size of supplies

2023

1. TS-GHX1 approved as NADCA Grade C
2. Obtained tool steel/high speed steel certification from Bureau of Indian Standards (BIS)

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Overview

Aerospace

The two major OEM have plans to increase production in 2024. Although Boeing's production increase plan is affected, material orders/shipments remain at a high level.

Energy

1. In the short to medium term, the demand for blade maintenance of energy generators is stable. Under the requirement of low carbon emissions, steam turbines for nuclear power and gas turbine units are used to replace coal power. All materials used are existing products.
2. In the long term, wind or solar power have the opportunity to become mainstream, and related business opportunities have been considered when expanding production lines.

O&G

Benefiting from the fact that oil prices are at a relatively high level, the number of active oil wells in the world is still at a relatively high level despite the decline. Demand for materials is stable, as oil prices stabilize.

Recent Business Overview

Overview

Machinery

The orders from tool steel improved compared to the second half of last year, due to the inventory replenishment in America and Asia. The volume of orders can support the production lines sufficiently.

Defense

Factors such as accelerated depletion of weapons inventories due to geopolitical conflicts, the development of new weapons, weapon upgrades, enhanced operational availability, and national defense independence have driven the steady growth of demand for specialty steel. GMTC could benefit from its stable lead time and competitive prices.

The outlook for the aerospace industry is good, demand from the military industry is stable, and orders and shipments of high-margin products remain high level

	Net Order			Delivery			Backlog
	2022	2023	2024.04	2022	2023	2024.04	2024.04
Boeing	774	1,314	100	480	528	107	6,209
Airbus	820	2,094	222	661	735	203	8,617

- Boeing's backlog was 6,216 aircraft and Airbus's backlog was 8,598 aircraft in 2023. Backlog of orders remain high.
- Comparing the orders in hand and the delivery volume of Boeing and Airbus, we can find that orders were 6 to 8 times the peak in 2018. The upward trend is expected to continue in the coming years
- Although Boeing's production increase plan is affected, material orders/shipments remain at a high level.

GMTC supplies various raw materials for military industrial segment



Gun barrel



Gun tubing



Missile shell



Torsion bar

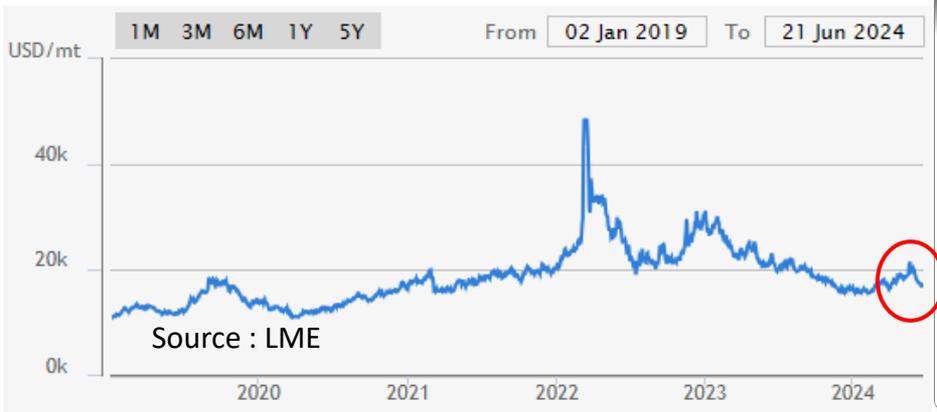


Fighter landing gear

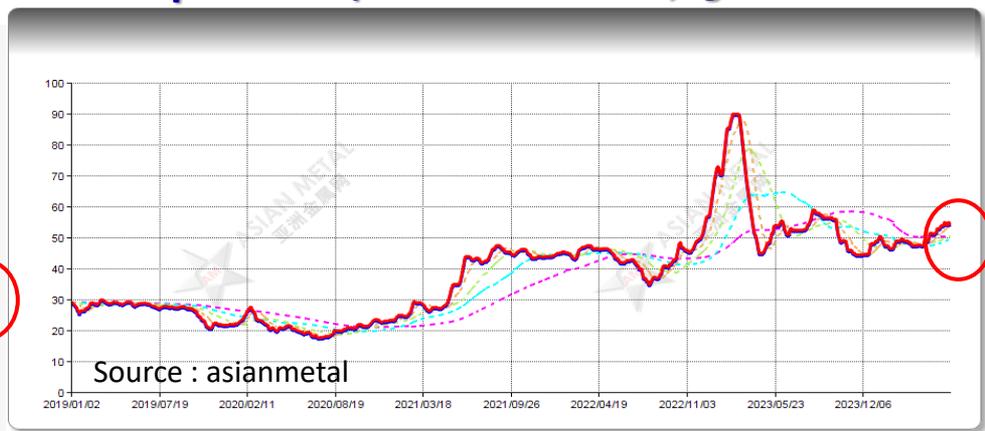
* Pictures are for illustration only

Trend of major ferro alloy prices

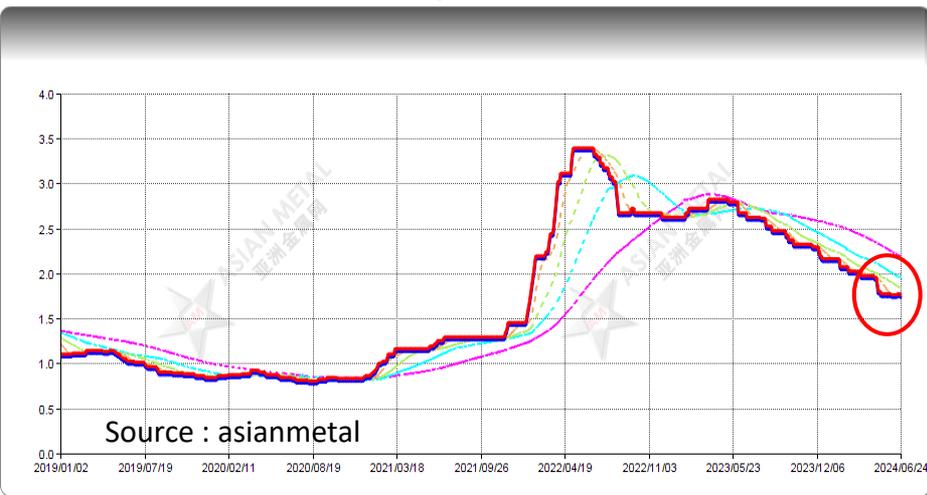
Ni : Down! Market Price USD 17,100~17,400/MT



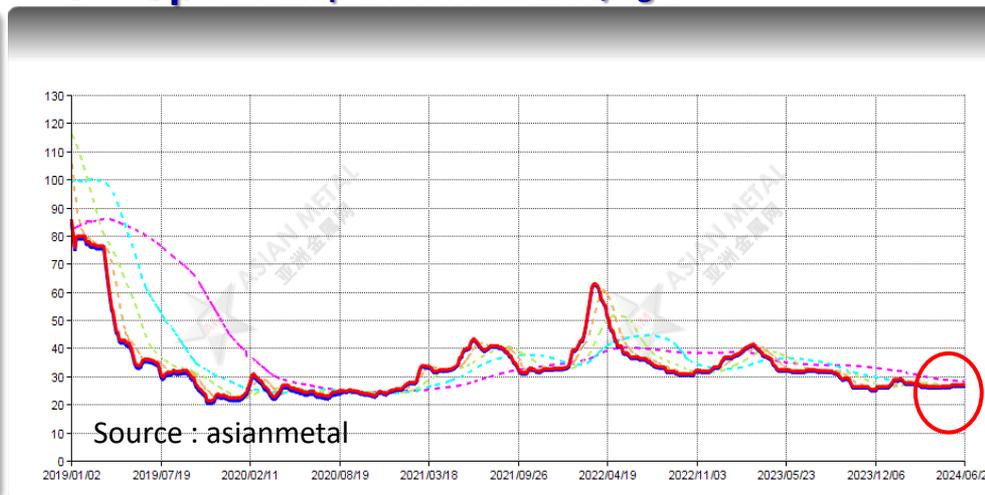
Mo : Up ! Market price at USD 55-55.5/kg Mo.



Cr : Down! HCr : Market price at USD 1.65-2.15/lb Cr.



V : Up ! Market price at USD 26.6-28/ kg V



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Financial performance (Consolidated)

Unit : NTD*1,000

	2024.Q1		2023.Q4		QoQ	2023.Q1		YoY
	Amount	%	Amount	%	%	Amount	%	%
Net Sales	3,413,139	100	3,291,203	100	4	3,317,519	100	3
Gross Profit	923,661	27	790,045	24	17	927,513	28	0
Operating Income	597,646	18	461,652	14	29	635,622	19	-6
Net Income	578,776	17	670,107	20	-14	578,493	17	0
Net Income Attributed to the Parent Company	571,405	17	661,285	20	-14	552,297	17	3
EPS(NT)	1.00	-	1.26	-	-21	1.2	-	-17

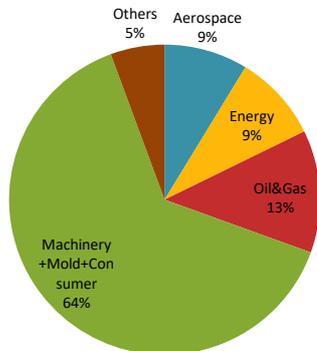
	2023		2022		YoY	2021		YoY
	Amount	%	Amount	%	%	Amount	%	%
Net Sales	13,525,251	100	12,365,317	100	9	8,770,944	100	54
Gross Profit	3,644,650	27	3,955,630	32	-8	2,338,770	27	56
Operating Income	2,374,232	18	2,414,961	20	-2	1,074,052	12	121
Net Income	2,395,251	18	2,098,015	17	14	837,300	10	186
Net Income Attributed to the Parent Company	2,339,563	17	2,018,769	16	16	751,575	9	211
EPS(NT)	4.66	-	4.52	-	3	1.7	-	174

Gross profit, Operating income, and Net income all reached record highs and continue to grow through:

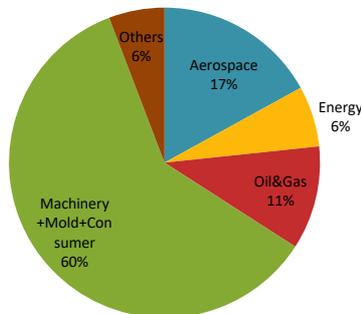
- New procurement strategy for raw material
- Consolidation of the manufacturing process and still types
- Waste reduction and successful cost control

Revenue by customer industry

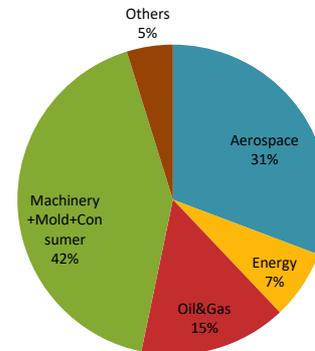
2021年



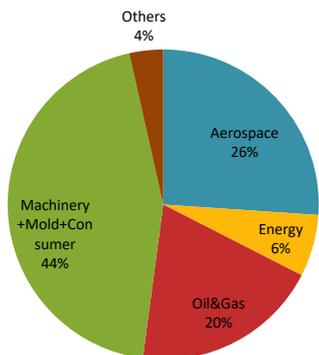
2022年



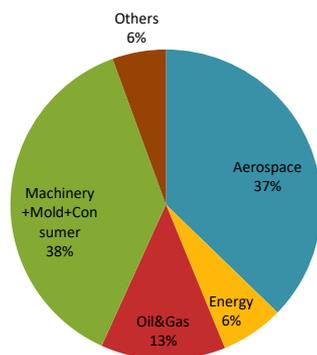
2023年



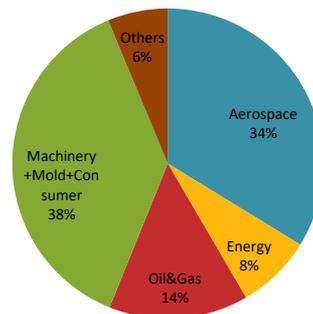
2023年Q2



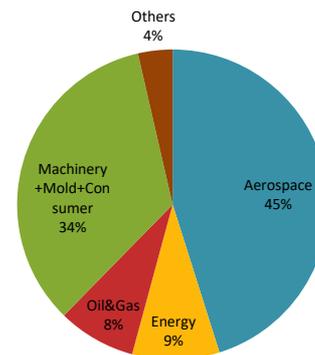
2023年Q3



2023年Q4

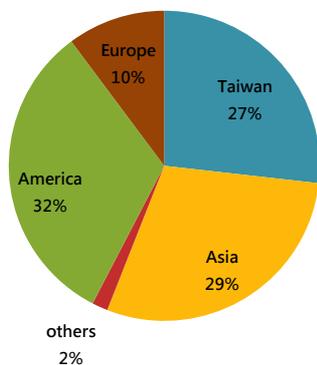


2024年Q1

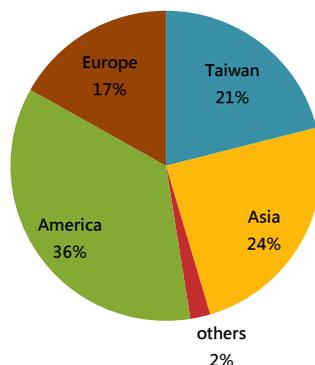


Revenue by Area

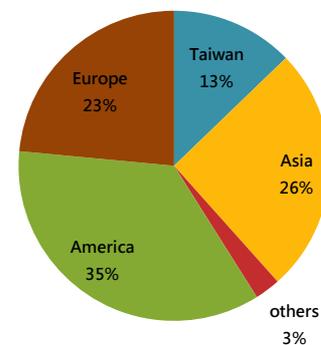
2021年



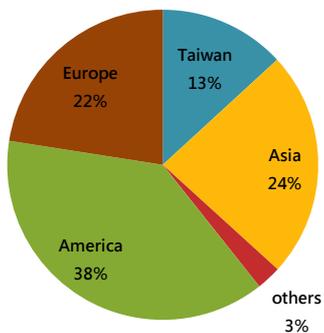
2022年



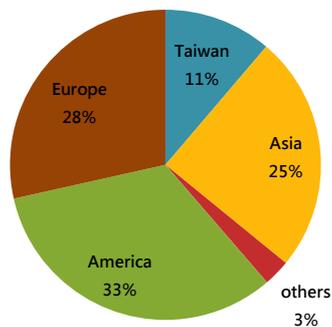
2023年



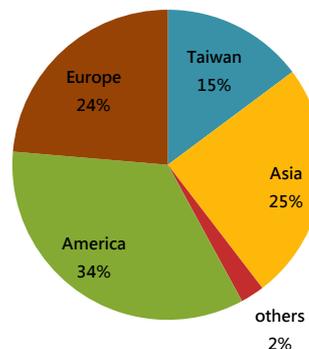
2023年Q2



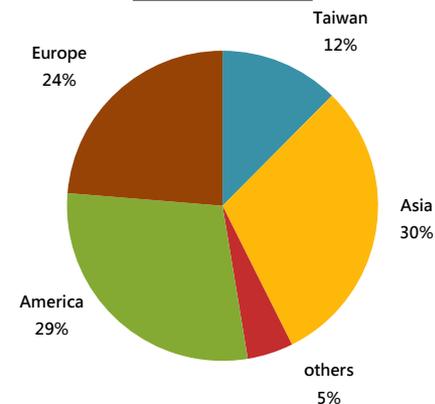
2023年Q3



2023年Q4



2024年Q1



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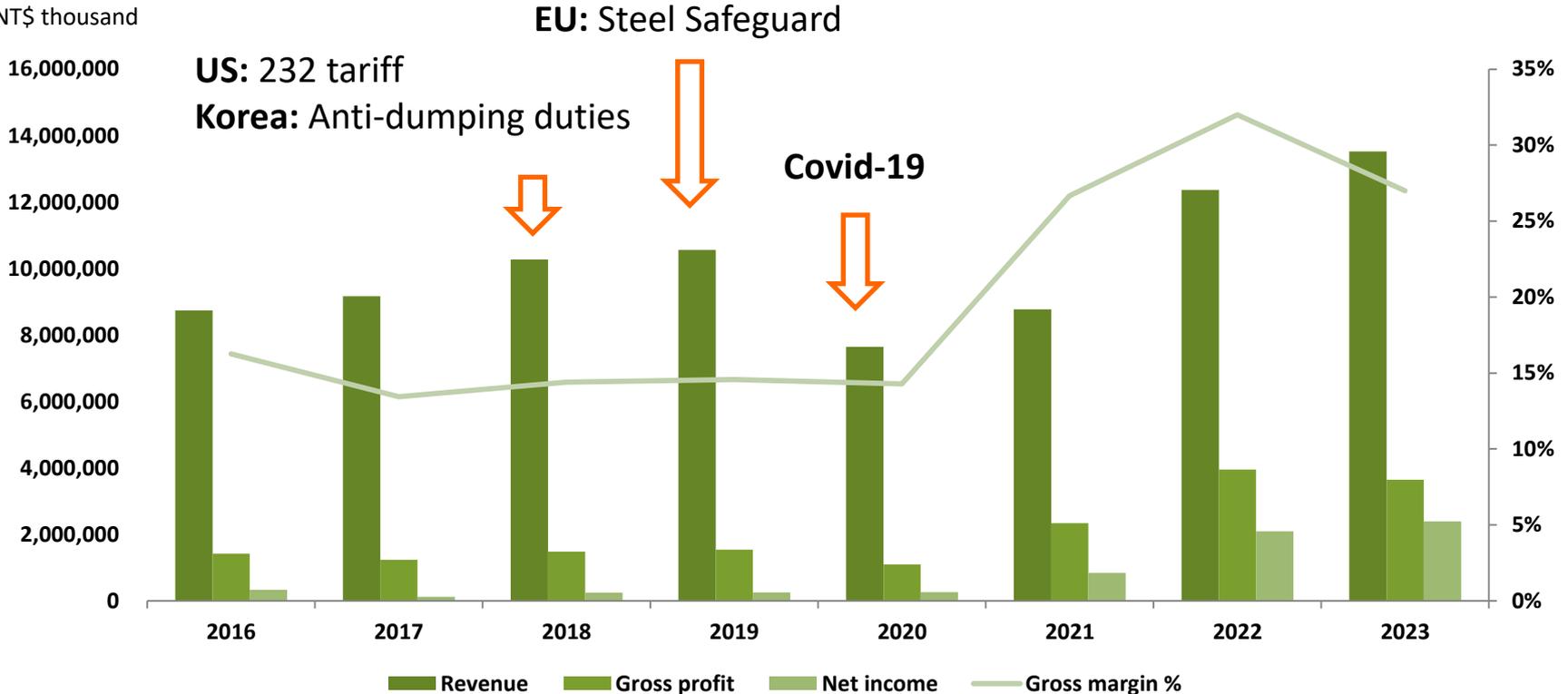
05 Future Development



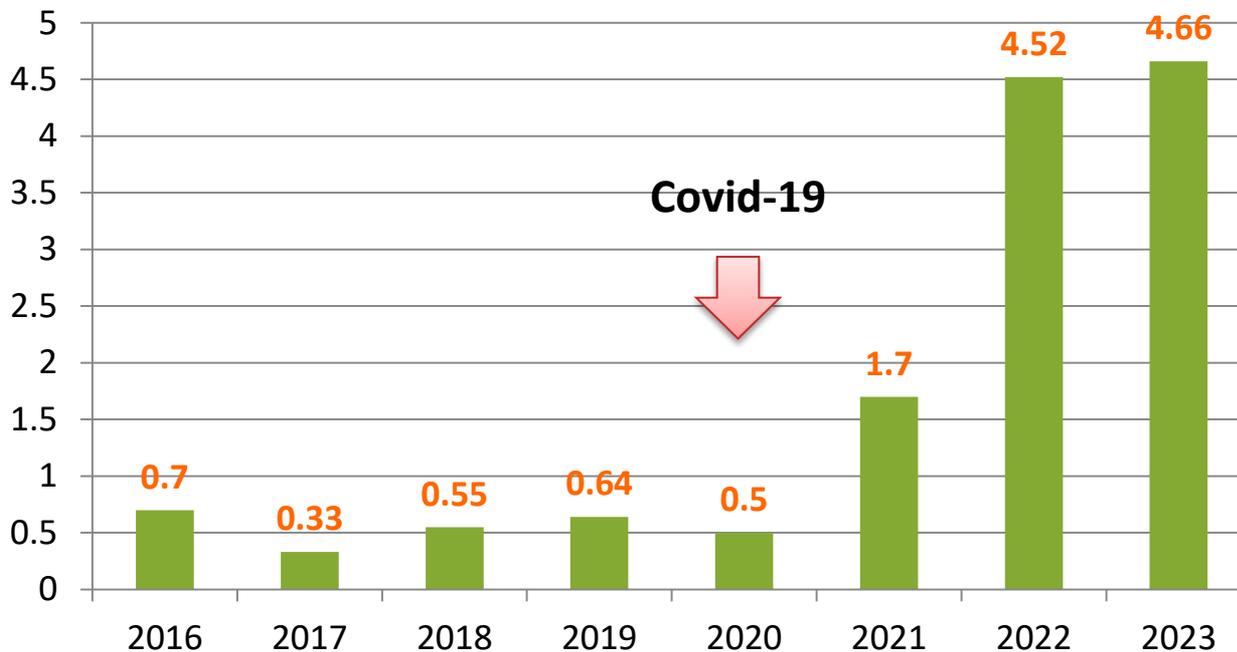
Gross Margin Improves Through Product Mix Enhancement and Cost Control

Consolidated

in NT\$ thousand



Earning per share by years

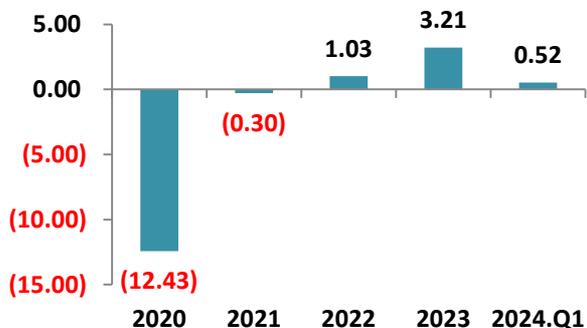


Earning per share in 2023 reached historically high

Performance VS peers

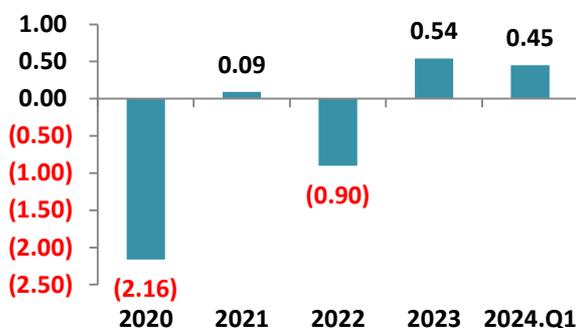
ATI

Unit : USD



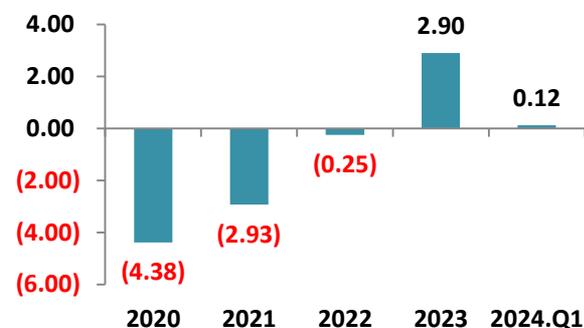
Universal

Unit : USD



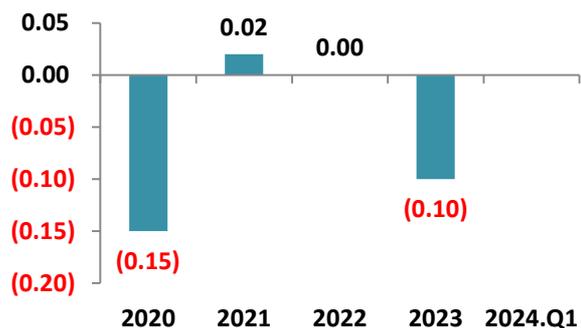
Carpenter

Unit : USD



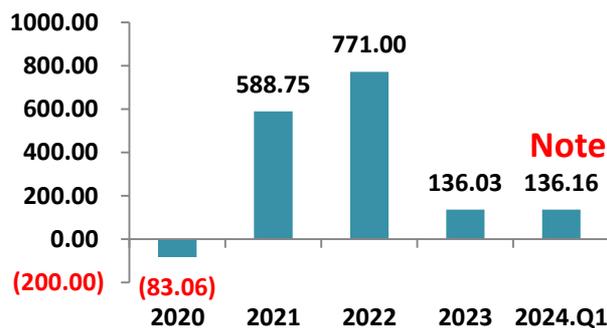
Swiss Steel

Unit : Eur



Daido Steel

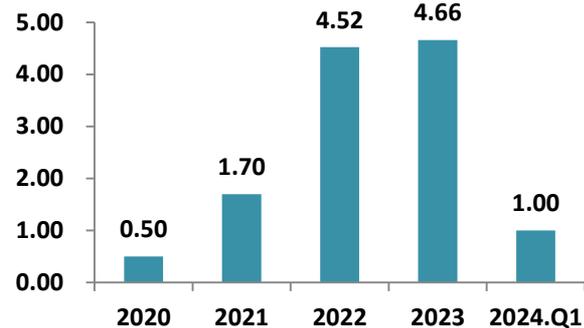
Unit : JPY



Note: The stock split carried out on January 1, 2024 at the ratio of 1 common share to 5 shares.

GMTC

Unit : TWD



The operating performance surpasses its peers in the United States, Europe and Japan

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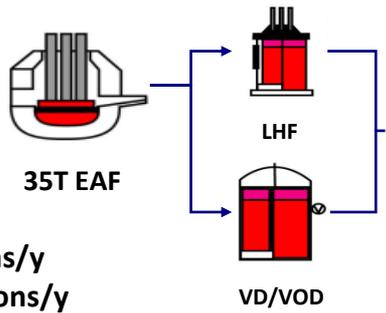
05 Future Development



Reposition of the Production Plants

Plant Hsinying

Crude steel
120,000 tons/y
→ 150,000 tons/y



Improvement



Continuous casting

1. Use continuous casting to produce billet to replace the existing process to produce small sized bar
2. Extend to Wire rod and coil combined with E-Sheng Steel

Billet

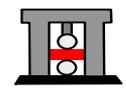
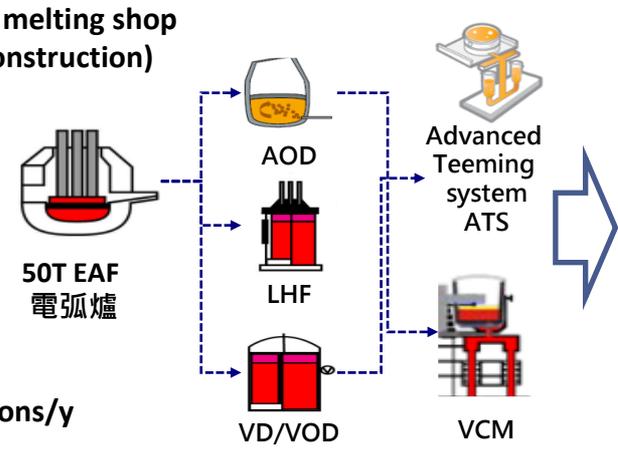
Position

Small-sized steel bar

1. Adopt the continuous casting process to increase the yield and shorten the production cycle time
2. Increase commercial alloy-steel sales with the benefit of large-scale production

Plant Liuying

Crude steel
0 tons/y
→ 240,000 tons/y



Break down Mill
BDM

Increase rolling stands of BDM to produce Mid-to-large sized bar

Mid-to large-sized Rolled bar



Hydraulic Press

Large sized forged bar

Mid to large-sized steel bar

1. Renovate the BDM to improve the competitive advantage of the manufacturing process
2. Increase the size of forged bars to enter the markets of large modules, die-casting molds, and specialty forgings

Functional products (ESR/VAR)

Enhance the competitive advantage by integrating VCM with existing ESR/VAR secondary remelting equipment

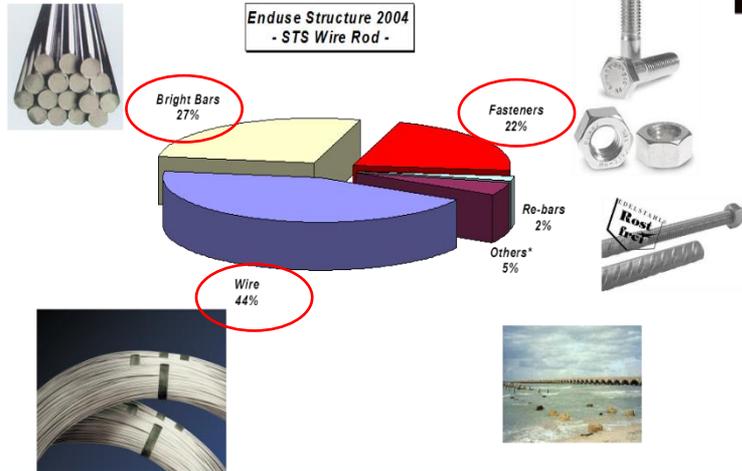
Establish dedicated production line for long product of specialty steel

New continuous casting in Hsinying plant to increase commercial alloy steel sales with economies of scale

The commissioning of the new continuous casting line will not only meet the previous demand for outsourced steel billet, but also plans to connect with E-Sheng Steel (Guantian Plant), a Taiwan Steel Group enterprise, to jointly produce bars and wire rod. The figure below shows the picture of the commercial market. The market size of stainless steel wire rod is approximately 4.05 million tons/year (in 2020), and the market size of high-strength low alloy steel long products is approximately 34 million tons/year (estimated).

Focused on existing market for Stainless steel wire rod

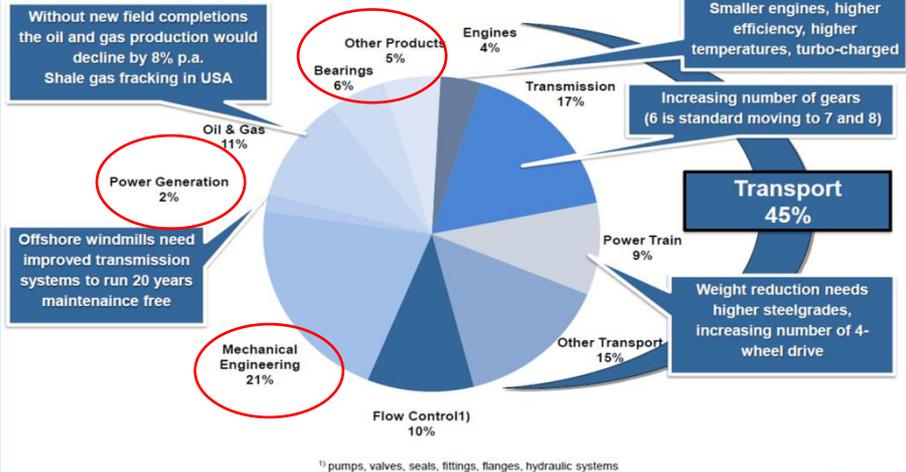
What is Wire Rod used for?



Source : SMR

Focused markets for low alloy steel long products

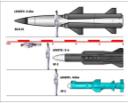
Global Alloy Engineering Steel Market Drivers by End Use Segment
approx. 45% used in Transportation



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<http://www.smr.at>

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Growth Engines for the Company

Product	<u>Tool Steel</u>	<u>Functional Product</u>	<u>Commercial Alloy Steel</u>
Application	<p>High-end tool steel</p> <p>Die-casting mold  Forging die </p>	<p>For dedicated application (+ESR或VAR)</p> <p>Energy </p>	<p>3/4/6 series and Duplex stainless steel</p> <p>Pump mandrel  Surgical tools  Screw </p>
	<p>Hot work tool steel</p> <p>Roller  Mandrel bar  Extrusion die </p>	<p>Aerospace  Actuator  Engine </p>	<p>Low alloy steel  Screw  Bearing steel </p>
Type	<p>Cold work tool steel</p> <p>Roller  Punch  Cold roll </p>	<p>O&G  Oil/gas transportation </p>	<p>Carbon Steel</p> <p>Coil  Hand tool  Screw </p>
	<p>Plastic mold steel</p> <p>Plastic injection, optics, car light </p> <p>High speed steel</p> <p>Cutting tool  Drill </p> <p>H11、H12、H13、H13(ESR/VAR)、H21、A2、D2、D3、S5、S7、O1、P20、P21、P21+Ni、M2、M35、M42...等</p>	<p>Defense  Missile shell  Torsion bar  Gun barrel  Gun tubing </p> <p>Remelting grade 420MP、GTD450、403CbPlus、13-8Mo、15-5PH、17-4PH、630、3XX、4XX、300M、DA6C、M152、M50、A-286、Fe-based Superalloy...etc</p>	<p>303、304L、316L、310、317、321、347、904、2205、410、416、431、440B、440C、630、XM19、XM25、4150、4340、S50C、SS400...,etc.</p>

Meet various needs for full size and all grades 台鋼集團

Grade	Size range	Industry application (ex)
3xx Stainless steel	$5.5 \leq \Phi \leq 1200$	tube body, valve body, valve ball for semiconductor
4xx Stainless steel	$5.5 \leq \Phi \leq 1200$	Engine blades, plastic molds, mandrels
6xx Stainless steel	$5.5 \leq \Phi \leq 1200$	Motor spindle, screw, surgical Instruments, ship shaft
Hot work tool steel	$5.5 \leq \Phi \leq 1200$	Roller, mandrel, die for extrusion, die-casting, and forging
Cold work tool steel	$5.5 \leq \Phi \leq 1200$	Rollers, punches, cold rolls
Plastic mold steel	$5.5 \leq \Phi \leq 1200$	Plastic injection, optics, car lighting
High speed steel	$5.5 \leq \Phi \leq 230$	Tools, drill bits, circular saw blades
Low alloy steel	$5.5 \leq \Phi \leq 1200$	Ball screws, screws and nuts, tank torque, aerospace components
Bearing steel	$5.5 \leq \Phi \leq 1200$	Bearing
Carbon steel	$5.5 \leq \Phi \leq 1200$	Coil, screws and nuts, hand tools, mold bases



50t melting shop (under construction)



Concluding Remarks

Business Development & Strategy

- Maximize the business opportunities of the three major product groups, which include **Alloy Tool Steel, Functional Product, and commercial alloy-steel, to deliver steady growth** for the Company
- **Rank worldwide no. 1** in the 630 functional stainless steel; continue to expand the business to the industries that require certification, such as aerospace, energy, and oil and gas, to build the entry barrier
- **Rank No.1 tool steel player in Asia**, strengthen sales channel and promote standardized spec to enlarge sales of tool steel
- For **Military Industrial Segment**, fully support defense localization with the mission to provide a stable and fundamental defenses for the country. The company aims to become the key contributor of the military industrial industry and lay the foundation of an invisible mountain that protects the country

Production

- Reposition and redesign the production flow for Plant Hsinying and Plant Liuying
- Enhance the competitiveness of a wide range of products and reduce production cost by specialization and large-scale production

Equipment

- Build a new generation of 50-ton intelligent alloy refining system and expand the scale of production to increase the market share of existing products
- Optimize the existing equipment and invest in new generation equipment to enhance production efficiency and quality

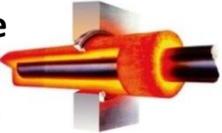
Corporate Governance

- Strengthen board function to protect the rights and interests of shareholders
- Align with the concept of green manufacturing by improving the manufacturing process to save energy and reduce carbon emissions to minimize environmental compact



Thank you for listening

Application for Alloy tool steel

Grade	Application	Industry
<p>Hot work tool steel</p>	<p>Roller  Mandrel bar  Extrusion die  Forging die  Die-casting mold </p>	<p>Transport(49%) </p>
<p>Cold work tool steel</p>	<p>Roller  Punch  Cold roll  Cutter </p>	<p>Building(6%)  Aluminum windows</p>
<p>Plastic mold Steel</p>	<p>Plastic injection, car light, optics   </p>	<p>Industry(21%)  Tube and pipe</p>
<p>High speed steel</p>	<p>Tool  Drill </p>	<p>Consumer(18%) lens 、 glass bottle 、 plastic bottle, etc other(6%)</p>

Aim for Large-sized Forging Market

	<u>Open die forging market size</u> (thousand tons)	<u>Current capability</u>	<u>Targeted Large-sized forgoing markets</u> (Width > 1,200mm)
Nickel base alloy	56	200mm	 Well-head assembly
Alloy tool steel	840	650mm	 NADCA grade large-sized (Width>1000mm) steels for automotive die casting mold
Stainless steel	910	600mm	 Turbine shaft, ring
Alloy steel	1,960	650mm	 >5MW Wind Shaft, ring
HSLA steel			 Block for Frac pump
Carbon steel	1,134		
Total	4,900		

Source : SMR, sorted by GMTC