

# Catcher Technology (2474.TW/2474 TT)

# Notebook demand recovery to boost sales in 2025F

FTSE4Good TIP Taiwan ESG Index stock

# Neutral · Maintained

229.5
255.0
255.0
0.0
11.1

#### Key message

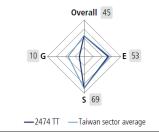
- 1Q24 EPS of NT\$6.73 beat consensus & our estimate on higher margins & forex gains.
- We expect 2Q24F sales to grow 23% QoQ, despite a YoY fall, and 2H24-2025F sales to grow YoY, with improved margins.
- 3. We expect Catcher to ride on a NB replacement demand increase in 2025F.

Trading data			
Mkt cap (NT\$bn/U	156.1/	4,817	
Outstanding share	680		
Foreign ownership	225.7		
3M avg. daily trad	ing (mn)	1.96	
52-week trading r	ange (NT\$)	166.5 -	-229.5
Performance	3M	6M	12M
Absolute (%)	22.4	24.4	
Relative (%)	3.3	-1.5	-10.1

### **Quarterly EPS**

NT\$	1Q	2Q	3Q	4Q
2022	2.81A	4.88A	7.06A	0.40A
2023	1.25A	6.59A	6.59A	(1.02)A
2024	6.73A	4.89F	5.08F	3.53F

### ESG score card



Source: Refinitiv, KGI securities

#### Event

Catcher Technology's 1Q24 EPS of NT\$6.73 beat consensus and our estimate on higher margins and forex gains. With a new model launch for Apple (US), the firm's 2Q24F sales outlook is quite positive, and 2H24F sales will be stronger than 1H24F, resulting in YoY sales and margin rebounds in 2024F.

### Impact

**1Q24 EPS beat.** 1Q24 EPS of NT\$6.73 beat our forecast and consensus, on better gross and operating margins, as well as forex gains. Gross margin of 27.9% and operating margin of 7.9% both improved QoQ and YoY, which were also better than we had expected, thanks to sales growth on the back of new product launches from Apple, growing gaming NB case sales, and NT dollar depreciation. However, a key client is exerting strong pricing pressure, weighing on margins. Coupled with forex gains of NT\$2.9bn, EPS was a strong beat. The firm derives over 97% of sales from notebooks (NB), with limited contributions from the auto and medical segments. A growing gaming sales weighting, from less than 5% in 2023 to 5-6% in 1Q24, has benefited the firm's margins.

Bright sales outlook for rest of 2024F. Catcher registered April sales of NT\$1.47bn, up 8% QoQ, but still down 33% YoY. Based on a new client's MacBook Air model launch, and stable commercial and gaming NB sales, we expect 2Q24F sales to grow 23% QoQ. Despite an expected YoY fall for sales in 2Q24F, we forecast 2H24-2025F sales to see YoY growth, and 2H24F sales will be stronger than 1H24F sales on several new model rollouts by NB clients. With the firm's utilization rate improving, gross margin should expand to 30% in 2Q24F, and grow further in 2H24F. On the back of stable operating expenses, of approximately NT\$800mn per quarter on average, we expect an operating margin improvement will be more apparent in 2H24F, resulting in higher EPS. As for AI NB, we expect more models to roll out after 3Q24, which may stimulate some replacement demand in the commercial market. Due to the suspension of technical support for Windows 10 in 4Q25F, we think most NB replacement demand will arise in 2025F, contributing to Catcher's sales growth. The non-NB business will provide very minimal sales contributions during 2024-25F, and new ventures into semi equipment for precision metal parts and medical devices will take some time to bear fruit. We expect Catcher's main sales growth driver will be a rebound in NB demand. Our 2024F EPS forecast is upped to NT\$20.22, up 52% YoY, to reflect better 1H24F margin and EPS, and our 2025F EPS forecast is NT13.77, down YoY on higher forex gain expected in 2024F while operating profit is in a growth

#### Valuation & Action

Our target price is revised up from NT\$190 to NT\$255, on 15x average 2024-25F EPS. Maintain Neutral.

#### Risks

Slow new business development; ASP pressure; weak NB demand.

#### Key financials and valuations

	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
Revenue (NT\$mn)	41,095	27,821	18,074	18,769	20,372
Gross profit (NT\$mn)	13,569	8,867	4,934	5,553	6,345
Operating profit (NT\$mn)	8,760	4,969	1,627	2,438	3,081
Net profit (NT\$mn)	8,575	10,902	9,151	13,757	9,367
EPS (NT\$)	11.31	15.14	13.33	20.22	13.77
Cash DPS (NT\$)	10.00	10.00	10.00	10.00	10.00
EPS growth (%)	(59.1)	33.9	(12.0)	51.7	(31.9)
PE (x)	20.3	15.2	17.2	11.4	16.7
PB (x)	1.2	1.0	1.0	1.0	1.1
EV/EBITDA (x)	12.1	15.5	17.3	15.7	13.9
Net debt to equity (%)	16.5	Net cash	22.1	26.4	31.8
Dividend yield (%)	4.4	4.4	4.4	4.4	4.4
Return on average equity (%)	5.5	6.9	5.7	8.9	6.3

Source: Company data; KGI Research estimates



# Figure 1: Breakdown of 1Q24 results & 2Q24 forecast revisions vs. consensus

				1Q24							2Q24F			
NT\$mn	Actual	KGI forecast	Diff. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	3,659	3,510	4.2	10.6	3.3	3,643	0.4	4,500	4,387	2.6	23.0	(34.7)	4,151	8.4
Gross profits	1,020	807	26.3	24.6	25.6	916	11.3	1,350	1,185	14.0	32.4	14.0	1,063	27.0
Operating income	288	35	720.9	444.1	-	174	65.6	585	307	90.5	103.1	90.5	315	85.7
Pretax Income	5,899	2,580	128.6	-	405.2	4,038	46.1	4,752	2,852	66.6	(19.4)	66.6	3,375	40.8
Net income	4,576	1,806	153.4	-	417.7	2,642	73.2	3,327	1,996	66.6	(27.3)	66.6	2,232	49.0
EPS (NT\$)	6.73	2.65	153.4	-	438.0	3.85	73.2	4.89	2.93	66.6	(27.3)	66.7	3.22	49.0
Gross margin (%)	27.9	23.0	4.9 ppts	3.1 ppts	4.9 ppts	25.2	2.7 ppts	30.0	27.0	3.0 ppts	2.1 ppts	3.0 ppts	25.6	4.4 ppts
OP margin (%)	7.9	1.0	6.9 ppts	6.3 ppts	8.3 ppts	4.8	3.1 ppts	13.0	7.0	6.0 ppts	5.1 ppts	6.0 ppts	7.6	5.4 ppts
Net margin (%)	125.1	51.5	73.6 ppts	146.3 ppts	100.1 ppts	72.5	52.5 ppts	73.9	45.5	28.4 ppts	(51.1)ppts	28.4 ppts	53.8	20.1 ppts

Source: KGI Research; Bloomberg

# Figure 2: Breakdown of 2024-25 forecast revisions vs. consensus

		2024F						2025F					
NT\$mn	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	
Sales	18,769	19,998	(6.1)	3.8	19,095	(1.7)	20,372	22,336	(8.8)	8.5	21,114	(3.5)	
Gross profit	5,553	5,622	(1.2)	12.5	5,423	2.4	6,345	6,626	(4.2)	14.3	N/A	N/A	
Operating income	2,438	2,157	13.0	49.9	2,160	12.9	3,081	2,809	9.7	26.4	2,822	9.2	
Pretax Income	19,107	12,336	54.9	55.4	14,416	32.5	13,010	10,772	20.8	(31.9)	15,243	(14.6)	
Net income	13,757	8,635	59.3	50.3	10,322	33.3	9,367	7,541	24.2	(31.9)	10,721	(12.6)	
EPS (NT\$)	20.22	12.69	59.3	51.7	15.17	33.3	13.77	11.08	24.2	(31.9)	15.76	(12.6)	
Gross margin (%)	29.6	28.1	1.5 ppts	2.3 ppts	28.4	1.2 ppts	31.1	29.7	1.5 ppts	1.6 ppts	N/A	N/A	
OP margin (%)	13.0	10.8	2.2 ppts	4.0 ppts	11.3	1.7 ppts	15.1	12.6	2.5 ppts	2.1 ppts	13.4	1.8 ppts	
Net margin (%)	73.3	43.2	30.1 ppts	22.7 ppts	54.1	19.2 ppts	46.0	33.8	12.2 ppts	(27.3)ppts	50.8	(4.8)ppts	

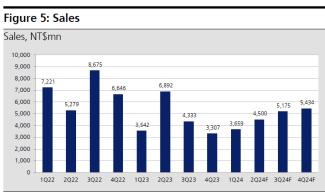
Source: KGI Research; Bloomberg



# Figure 3: Company profile

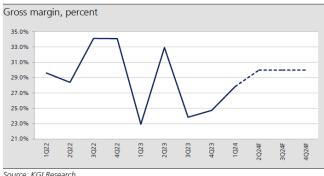
Established in 1984, Catcher supplies metal casings to the consumer electronics, communications, and computer industries. After its Taizhou plant was sold to Lens (CN) in 4Q20, NB casing sales rose to around 87-90% in 2022, with 10% from tablets and less than 3% from wearables and automotive products. Catcher's top clients, Apple (US), Dell (US), HP (US), Asustek (2357 TT, NT\$466, OP) and Gigabyte (2376 TT, NT\$313, OP), accounted for over 95% of consolidated revenue in 2022. The company has production networks in China and Taiwan, and more new business should come from Taiwan in the future.

Source: KGI Research



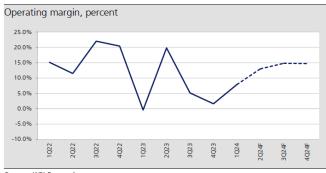
Source: KGI Research

# Figure 7: Gross Margin



Source: KGI Research

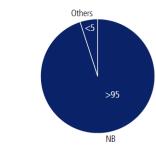
# Figure 9: Operating Margin



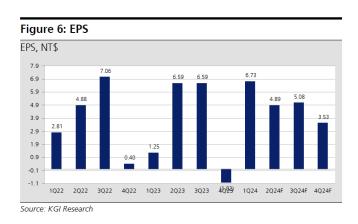
Source: KGI Research

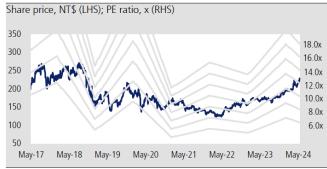
Figure 4: Notebooks the major sales contributor in 2023

2023 sales weighting, percent



Source: Company data; KGI Research

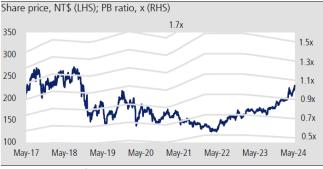




Source: TEJ: KGI Research estimates

#### Figure 10: 12M forward PB band

Figure 8: 12M forward PE band



Source: TEJ; KGI Research estimates



Taiwan

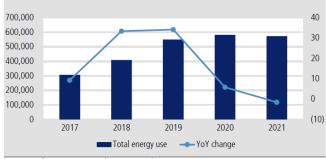
# Figure 11: Overall ESG score



Source: Refinitiv; KGI Research; Company data

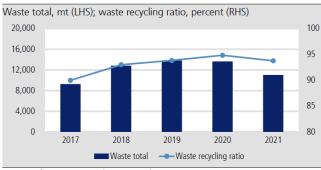
#### Figure 13: Energy use

Energy use, gigajoules (LHS); YoY change, percent (RHS)



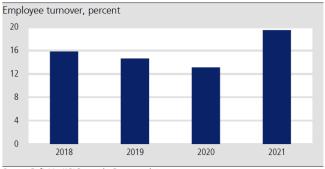
Source: Refinitiv; KGI Research; Company data

# Figure 15: Waste total



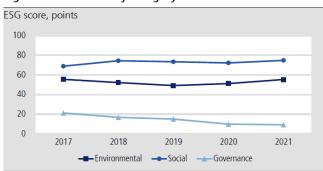
Source: Refinitiv; KGI Research; Company data

Figure	17:	Emp	loyee	turn	over
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Source: Refinitiv; KGI Research; Company data

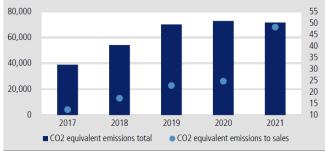
#### Figure 12: ESG score by category



Source: Refinitiv; KGI Research; Company data

#### Figure 14: CO2 equivalent emissions

CO2 equivalent emissions, mt (LHS); emissions to revenue, mt/ US\$mn (RHS)



Source: Refinitiv; KGI Research; Company data

# Figure 16: Water use to revenue

Water use to revenue, m3/ US\$mn (LHS); YoY change, percent (RHS) 1,000 60 45 800 30 600 15 400 0 200 (15) 0 (30) 2021 2017 2018 2019 2020 ---YoY change Water use to revenues

Source: Refinitiv; KGI Research; Company data

# Figure 18: Gender diversification

Weighting of female managers & employees, percent



Source: Refinitiv; KGI Research; Company data



Taiwan

Val direct and indirect energy consumption in gloppides:           Finegy use         - for all energy use - for all energy energy consumption - indirect energy consumption - indirect energy consumption - indirect energy consumption - indirect energy consumption - for utilities, transmission yield loss as part of its business activities is considered as tatal energy consumed and data does not considered in the production or were energy to coll - for outilities, ransmission yield loss as part of its business activities is considered as tatal energy consumed and data does not considered in gloppides.           Retexuable energy purchased         - for utilities, ransmission yield loss as part of its business, genothermally are in consolered to the company forwards to soll - for utilities, ransmission yield loss as part of its business, genothermally are incompany forwards to soll - for the company (forget 1 energy concord by the company (forget 1 energy consumed 1 energy use)           Retexuable energy purchased         Retexuable energy to consult are consel or controlled by the company. Use ne consider the reported energy flags as a remavable energy purchased (FQ), instrumed to the company (forget 1 envision)           - direct energines from a consel or controlled by the company (forget 1 envision)         - direct energines from a consel or controlled by the company (forget 1 envision)           - direct envisions         - direct envisions from averse that envision (FG), significated analysis (FG), significated anaverse (FG), significated analysis (FG), significated	ESG chart definition	D. C. Maria	
- be total around of energy fact has been consumed within the boundaries of the company's operations           - built energy use = total direct energy consumed on total energy uses           - built energy uses         - functions energy consumed to total energy uses (utility company produces to soll)           - built energy uses         - functions energy total energy and total energy uses           - functions energy uses         - functions energy total energy and endowed to another energy use (utility company produces to soll)           - functions energy uses         - functions energy total energy and endowed to another energy uses           - functions energy total energy total energy produces         - functions energy total energy uses           - functions energy and total energy uses         - functions energy total energy and endowed energy is produced by the company (sope 1 emission)           - energy and cold energy and cold energy and cold energy and cold energy endowed energy is and cold energy and cold ene	Item	Definition Remarks	
- energy consumed by the conjusy from various sources and anong the purchased energy, how much energy is revealed in nature (odir, wind, hydro, homes, source)           Renewable energy use ratio         Renewable energy use ratio           Renewable energy use ratio         Renewable energy used           Direct CO2 and CO2 and value energy used	Energy use	<ul> <li>the total amount of energy that has been consumed within the boundaries of the company's operations</li> <li>total energy use = total direct energy consumption + indirect energy consumption</li> <li>purchased energy and produced energy are included in total energy use</li> <li>for utilities, transmission/ grid loss as part of its business activities is considered as total energy consumed and data does not consider electricity produced to answer energy use (utility company produces to sell)</li> <li>for utilities, raw materials such as coal, gas or nuclear used in the production of energy are not considered</li> </ul>	
Direct CO2 and CO2 equivalent emissions in metric tons.         - direct emissions in succes that are owned or controlled by the company (scope 1 emissions).           - Good emissions in the emissions in metric tons.         - direct emissions in succes that are owned or controlled by the company (scope 1 emissions).           - Biotect CO2 and CO2 equivalent emissions (micrit tons) to safe (ND2), hydrofluorocarbons (HFCS), perfluorinated compound (PCS), suffur teachanger (SO2), herdfourbook (PC3).           - Biotect CO2 and CO2 equivalent emissions (micrit tons) to safe (PC3), hortgen trifluoride (NF3)           - direct emissions in - following gases are relevant: carbon dioxide (CO2), methangy (scope 1 emissions).           - addition and variable produced in metric tons.           - following gases are relevant: carbon dioxide (CO2), methangy (scope 1 emissions).           - addition and variable produced in metric tons.           - total words en non-basedous words + hazardous wate!           - only solid words is taken into consideration, exceptionally if liquid waste is reported in metric tons, then we do the summation to device total inducing liquid waste?           - for sectors like mining. oil & gas, words egeneration like tailings, waste rock, coal and fly ash are also considered as recycled waste?           - for sectors like mining. oil & gas, words egeneration like tailings, waste rock, coal and fly ash are also considered as recycled waste?           - to total value with inducin metrs.           - for total value with inducin metrs.           - for total value with inducin metrs.	Renewable energy purchased	Total primary renewable energy purchased in gigajoules. - energy consumed by the company from various sources and among the purchased energy, how much energy is renewable in nature (solar, wind, hydro, biomass, geothermal) are in scope - if there is no evidence that renewable energy is produced by the company, then we consider the reported	
- elinet emissions       - elinet emissions from sources that are owned or controlled by the company (scope 1 emissions)         - elinet emissions from sources that are owned or controlled by the company (scope 1 emissions)       - elinet emissions from sources that are owned or controlled by the company (scope 1 emissions)         - equivalent emissions       - elinet emissions from sources that are owned or controlled by the company (scope 1 emissions)         - elinet emissions       - elinet emissions from sources that are owned or controlled by the company (scope 1 emissions)         - elinet emissions       - elinet emissions from sources that are owned or controlled by the company (scope 1 emissions)         - following gasse are relevant: carbon dioxide (CO2), methane (CH40, introus oxide (PL20), hydofluorocarbons (HFCS), perfluorinated compound (PCS), sufflue headhauride (FK5), netrogen trifluoride (NF3)         Total amount of waste produced in metric tors.       - total waste = non-hazardous waste         - only solid waste is taken into consideration, exceptionally if liquid waste is reported in metric tons, then we do to essent metric atos are reported by the company.         Waste recycling ratio       - waste recycling ratio as reported by the company.         - waste recycling ratio as reported by the company.       - waste recycling ratio as reported by the company.         - waste recycling ratio as reported by the company.       - waste recycling ratio as reported by the company.         - waste recycling ratio as reported by the company.       - waste recycling ratio as reported by the compa	Renewable energy use ratio	Renewable energy to total energy used	
CO2 equivalent emissions on       - direct emissions from sources that are owned or controlled by the company (scope 1 emissions)         sales       - following gases are relevant: carbon diodic (CO2), methane (CH4), nitrous oxide (N20), hydrofluorocarbons (HFCS), perfluorinated compound (PFCS), suffur hexafluoride (SF6), nitrogen trifluoride (NF3)         Waste total       Total amount of waste produced in metric tons.         - only solid waste is nate-and/outs waste + nazardous waste + now         - only solid waste is isten into consideration, exceptionally if liquid waste is reported in metric tons, then we do the summation to derive total including liquid waste       - for sectors like mining, oil 8 gas, waste exceptionally if liquid waste is reported in metric tons, then we do the summation to derive total including indexe as reported as waste recycled         - waste recycling ratio       - waste recycling ratio as reported by the company.         - waste recycling ratio as reported by the company.       - waste recycling ratio as reported by the company.         - waste recycling ratio as reported by the company.       - waste recycling ratio a waste indexed with henergy recovery are considered as waste recycled.         - different sources of water like velocitication as water withdrawn from any water source that waste enthy the velocitication as responding to considered as waster recycled.         - different sources of water like velocitication from any outer source that was either withdrawn directly by the reporting organization or through intermediali	CO2 equivalent emissions	<ul> <li>direct emissions from sources that are owned or controlled by the company (scope 1 emissions)</li> <li>following gases are relevant: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons</li> <li>(HFCS), perfluorinated compound (PFCS), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3)</li> </ul>	
Here total       - total waste = non-hazardous waste + hazardous waste         • only solid waste is taken into consideration, exceptionally if liquid waste is reported in metric tons, then we do the sumnation to derive total including liquid waste       - for sectors like mining. oil & gas, waste generation like tailings, waste rock, coal and fly ash are also considered         Waste recycling ratio       The waste recycling ratio as reported by the company.       - waste recycling ratio as reported by the company.         • waste recycling ratio       - waste recycled/total waste '100       - waste recycled/total waste '100         • waste recovered via compositing is considered as recycled waste       - to waste recycled vaste       - waste recycled vaste         Water withdrawal total       - the total volume of water withdrawn from any water source that was either withdrawn directly by the reporting organization or through intermediaries such as water utilities       - the total volume of water withdrawn from any water source that wase, river water, and surface water are considered         Environmental expenditures       - total anount of environmental expenditures       - includes employees tumover.         Environmental expenditures       - includes employees who left the company for any reason (voluntary or involuntary), such as resignations, retirement, natural departure/deart, medical incapacitation, redundancy, layoffs, restructuring, dismisal, reterendment or end of a farted-term contract         Tunover of employees       - employees tumover rate = (employees leaving/average number of employees)* 100         - whe		<ul> <li>direct emissions from sources that are owned or controlled by the company (scope 1 emissions)</li> <li>following gases are relevant: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons</li> <li>(HFCS), perfluorinated compound (PFCS), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3)</li> </ul>	
Waste recycling ratio       - waste recycling ratio       - waste recycling ratio         Waste recycling ratio       - waste incinerated with energy recovery are considered as waste recycled         - waste recovered via compositing is considered as recycled waste         Water withdrawal total       - Total water withdrawal in cubic meters.         - the total volume of water withdrawn from any water source that was either withdrawn directly by the reporting organization or through intermediaries such as water utilities         - different sources of water like wells, town/utility/municipal water, river water, and surface water are considered         Environmental expenditures       - all environmental expenditures.         - all environmental aspects, impacts, and hazards. It also includes disposal, treatment, sanitation, and clean-up expenditures         Percentage of employee turnover.       - includes employees turnover.         - includes employees turnover ate = (employees leaving/average number of employees)*100         - where the average number of employees at the end of the current year + employees at the end of the previous year)/2         - employees       - employees at the end of the current fiscal year = employees at the end of the previous fiscal year + new employees.         - precentage of women managers       - percentage of women managers = employees at the end of the previous fiscal year + new employees.         - employees       - percentage of women managers = number of women managers?total number of managers*100 <t< td=""><td>Waste total</td><td><ul> <li>total waste = non-hazardous waste + hazardous waste</li> <li>only solid waste is taken into consideration, exceptionally if liquid waste is reported in metric tons, then we</li> <li>do the summation to derive total including liquid waste</li> <li>for sectors like mining, oil &amp; gas, waste generation like tailings, waste rock, coal and fly ash are also</li> </ul></td><td></td></t<>	Waste total	<ul> <li>total waste = non-hazardous waste + hazardous waste</li> <li>only solid waste is taken into consideration, exceptionally if liquid waste is reported in metric tons, then we</li> <li>do the summation to derive total including liquid waste</li> <li>for sectors like mining, oil &amp; gas, waste generation like tailings, waste rock, coal and fly ash are also</li> </ul>	
Water withdrawal total       - the total volume of water withdrawn from any water source that was either withdrawn directly by the reporting organization or through intermediaries such as water utilities - different sources of water like wells, town/utility/municipal water, river water, and surface water are considered         Environmental expenditures       - all environmental investment & expenditures for environmental protection or to prevent, reduce, control environmental aspects, impacts, and hazards. It also includes disposal, treatment, sanitation, and clean-up expenditures         Environmental expenditures       - encretage of employee turnover.         - includes employees who left the company for any reason (voluntary or involuntary), such as resignations, retirement, natural departure/death, medical incapacitation, redundancy, layoffs, restructuring, dismissal, reterenchment or end of a fixed-term contract         Turnover of employees       - employees turnover rate = (employees leaving/average number of employees)* 100         • where the average number of employees = (employees at the end of the current year + employees at the end of the current fiscal year = employees at the end of the previous fiscal year + new employees - employees leaving         • percentage of women managers.       - percentage of modele women managers.         • percentage of women managers = number of women managers/total number of managers*100         Women employees       - pricentage of women employees.         • percentage of women employees.       - percentage of women employees.         • percentage of women employees.       - percentage of women employees. </td <td>Waste recycling ratio</td> <td><ul> <li>waste recycling ratio = waste recycled/total waste*100</li> <li>waste to energy or waste incinerated with energy recovery are considered as waste recycled</li> </ul></td> <td></td>	Waste recycling ratio	<ul> <li>waste recycling ratio = waste recycled/total waste*100</li> <li>waste to energy or waste incinerated with energy recovery are considered as waste recycled</li> </ul>	
Environmental expenditures       - all environmental investment & expenditures for environmental protection or to prevent, reduce, control environmental aspects, impacts, and hazards. It also includes disposal, treatment, sanitation, and clean-up expenditures         Percentage of employee turnover.       - includes employees who left the company for any reason (voluntary or involuntary), such as resignations, retirement, natural departure/death, medical incapacitation, redundancy, layoffs, restructuring, dismissal, retrenchment or end of a fixed-term contract         Turnover of employees       - employees turnover rate = (employees leaving/average number of employees)*100         - where the average number of employees at the end of the current year + employees at the end of the previous yeal/2         - employees at the end of the current fiscal year = employees at the end of the previous fiscal year + new employees - employees leaving         Women managers       - percentage of women managers.         - percentage of women managers among total managers of the company       - if there is a breakdown by category in percentage, such as top, senior, middle, and junior management, then we consider the percentage of middle women managers?         Women employees       - percentage of women employees = number of women/total number of employees of the company         - if there is a breakdown by category in percentage, such as top, senior, middle, and junior management, then we consider the percentage of model women managers?         - percentage of women employees = number of women/total number of employees of the company         - if there is a breakdown by category in perc	Water withdrawal total	<ul> <li>the total volume of water withdrawn from any water source that was either withdrawn directly by the reporting organization or through intermediaries such as water utilities</li> <li>different sources of water like wells, town/utility/municipal water, river water, and surface water are</li> </ul>	
Percentage of employee turnover.         - includes employees who left the company for any reason (voluntary or involuntary), such as resignations, retirement, natural departure/death, medical incapacitation, redundancy, layoffs, restructuring, dismissal, retrenchment or end of a fixed-term contract         Turnover of employees       - employees turnover rate = (employees leaving/average number of employees)*100         - where the average number of employees = (employees at the end of the current year + employees at the end of the previous year)/2         - employees - employees leaving         Percentage of women managers.         - percentage of women managers.         - percentage of women managers.         - percentage of middle women managers of the company         - if there is a breakdown by category in percentage, such as top, senior, middle, and junior management, then we consider the percentage of middle women managers         - percentage of women employees.         - percentage of women employees to the total number of employees of the company         - percentage of women employees = number of employees of the company         - percentage of women employees.         - percentage of women employees = number of employees of the company         - percentage of women employees.         - percentage of women employees.         - percentage of women employees = number of employees of the company         - percentage of women employees = number of employees.         - percentage	Environmental expenditures	- all environmental investment & expenditures for environmental protection or to prevent, reduce, control environmental aspects, impacts, and hazards. It also includes disposal, treatment, sanitation, and clean-up	
- percentage of women managers among total managers of the company         - if there is a breakdown by category in percentage, such as top, senior, middle, and junior management, then         we consider the percentage of middle women managers         - percentage of women managers = number of women managers/total number of managers*100         Percentage of women employees.         - percentage of women employees to the total number of employees of the company         - percentage of women employees = number of women/total number of employees*100         Total training hours performed by all employees.         - consider only employee training hours	Turnover of employees	Percentage of employee turnover includes employees who left the company for any reason (voluntary or involuntary), such as resignations, retirement, natural departure/death, medical incapacitation, redundancy, layoffs, restructuring, dismissal, retrenchment or end of a fixed-term contract - employees turnover rate = (employees leaving/average number of employees)*100 - where the average number of employees = (employees at the end of the current year + employees at the end of the previous year//2 - employees at the end of the current fiscal year = employees at the end of the previous fiscal year + new	
Women employees       - percentage of women employees to the total number of employees of the company - percentage of women employees = number of women/total number of employees*100         Total training hours performed by all employees. - consider only employee training hours	Women managers	<ul> <li>percentage of women managers among total managers of the company</li> <li>if there is a breakdown by category in percentage, such as top, senior, middle, and junior management, then we consider the percentage of middle women managers</li> </ul>	
- consider only employee training hours	Women employees	- percentage of women employees to the total number of employees of the company	
response, skills & career development training) - if the value is given in days, multiply by 8, assuming that 1 day = 8 hours worked	Training hours total	- consider only employee training hours - includes all types of training given to general employees (such as health & safety, environmental, emergency response, skills & career development training)	



# Income statement

	Quarterly								Annually		
	Mar-23A	Jun-23A	Sep-23A	Dec-23A	Mar-24A	Jun-24F	Sep-24F	Dec-24F	Dec-23A	Dec-24F	Dec-25F
Income statement (NT\$mn)											
Revenue	3,542	6,892	4,333	3,307	3,659	4,500	5,175	5,434	18,074	18,769	20,372
Cost of goods sold	(2,730)	(4,621)	(3,300)	(2,489)	(2,639)	(3,150)	(3,623)	(3,804)	(13,140)	(13,216)	(14,027)
Gross profit	812	2,271	1,033	818	1,020	1,350	1,553	1,630	4,934	5,553	6,345
Operating expenses	(828)	(904)	(811)	(765)	(731)	(765)	(787)	(831)	(3,307)	(3,115)	(3,264)
Operating profit	(16)	1,367	223	53	288	585	766	799	1,627	2,438	3,081
Depreciation of fixed assets	(740)	(708)	(694)	(613)	(588)	(592)	(592)	(596)	(2,755)	(2,369)	(2,322)
Amortisation of intangible assets	(6)	(7)	(6)	(6)	(4)	(5)	(5)	(5)	(25)	(20)	(20)
EBITDA	730	2,082	924	671	880	1,182	1,363	1,401	4,407	4,826	5,423
Interest income	2,150	2,643	2,695	2,913	2,850	2,684	2,684	2,518	10,401	10,738	9,874
Investment income	37	-	40	28	41	38	38	34	105	150	175
Other non-op income	24	3,252	2,632	13	3,088	2,196	2,196	1,303	5,921	8,782	2,798
Non-operating income	2,210	5,895	5,368	2,954	5,979	4,917	4,917	3,855	16,426	19,670	12,847
Interest expense	(239)	(282)	(326)	(344)	(369)	(375)	(375)	(382)	(1,191)	(1,501)	(1,418)
Investment loss	-	(1)	-	-	-	-	-	-	-	-	-
Other non-op expenses	(788)	0	-	(3,781)	-	(375)	(375)	(750)	(4,569)	(1,500)	(1,500)
Non-operating expenses	(1,027)	(283)	(326)	(4,125)	(369)	(750)	(750)	(1,132)	(5,760)	(3,001)	(2,918)
Pre-tax profit	1,167	6,979	5,264	(1,117)	5,899	4,752	4,933	3,523	12,293	19,107	13,010
Current taxation	(284)	(2,496)	(778)	416	(1,323)	(1,426)	(1,480)	(1,121)	(3,142)	(5,350)	(3,643)
Minorities	(0)	(0)	(0)	0	(0)	-	-	0	(0)	-	-
Normalised net profit	884	4,483	4,486	(701)	4,576	3,327	3,453	2,401	9,151	13,757	9,367
Extraordinary items	(0)	0	0	0	(0)	-	-	0	-	-	-
Net profit	884	4,483	4,486	(701)	4,576	3,327	3,453	2,401	9,151	13,757	9,367
EPS (NT\$)	1.25	6.59	6.59	(1.02)	6.73	4.89	5.08	3.53	13.33	20.22	13.77
Margins (%)											
Gross profit margin	22.9	32.9	23.8	24.7	27.9	30.0	30.0	30.0	27.3	29.6	31.1
Operating margin	(0.4)	19.8	5.1	1.6	7.9	13.0	14.8	14.7	9.0	13.0	15.1
EBITDA margin	20.6	30.2	21.3	20.3	24.1	26.3	26.3	25.8	24.4	25.7	26.6
Pretax profit margin	33.0	101.3	121.5	(33.8)	161.2	105.6	95.3	64.8	68.0	101.8	63.9
Net profit margin	25.0	65.1	103.5	(21.2)	125.1	73.9	66.7	44.2	50.6	73.3	46.0
Sequential growth (%)											
Revenue growth	(46.7)	94.6	(37.1)	(23.7)	10.6	23.0	15.0	5.0			
Gross profit growth	(64.2)	179.7	(54.5)	(20.8)	24.6	32.4	15.0	5.0			
Operating profit growth	(101.2)		(83.7)	(76.2)	444.1	103.1	30.9	4.3			
EBITDA growth	(65.7)	185.1	(55.6)	(27.3)	31.1	34.3	15.3	2.8			
Pretax profit growth	301.3	497.8	(24.6)	(121.2)		(19.4)	3.8	(28.6)			
Net profit growth	208.7	407.3	0.1	(115.6)		(27.3)	3.8	(30.5)			
YoY growth (%)											,
Revenue growth	(51.0)	30.6	(50.0)	(50.2)	3.3	(34.7)	19.4	64.3	(35.0)	3.8	8.5
Gross profit growth	(62.0)	51.4	(65.1)	(63.9)	25.6	(40.5)	50.2	99.3	(44.4)	12.5	14.3
Operating profit growth	(101.4)	125.3	(88.3)	(96.1)		(57.2)	244.0	1408.5	(67.3)	49.9	26.4
EBITDA growth	(63.9)	37.5	(66.4)	(68.5)	20.6	(43.2)	47.6	108.6	(47.7)	9.5	12.4
Pretax profit growth	(61.7)	55.7	(39.7)	(484.1)	405.2	(31.9)	(6.3)		(25.6)	55.4	(31.9)
Net profit growth	(57.0)	27.6	(11.1)	(345.0)	417.7	(25.8)	(23.0)		(16.1)	50.3	(31.9)

Source: Company data; KGI Research estimates



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Balance sheet	Dec 214	Dec 224	Dec 224	Dec 245	Dec 255
	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
Total assets	246,903	241,563	256,380	270,739	284,547
Current assets	195,318	188,978	121,621	137,697	153,150
Cash & ST securities	181,001	174,816	113,718	129,652	144,613
Inventory	3,317	3,392	2,250	2,257	2,402
Accounts receivable	9,665	9,565	3,787	3,922	4,269
Other current assets	1,335	1,205	1,866	1,866	1,866
Non-current assets	51,585	52,584	134,759	133,042	131,398
LT investments	28,510	33,681	116,994	117,147	117,324
Net fixed assets	17,868	14,338	12,772	10,904	9,082
Other assets	5,206	4,565	4,992	4,992	4,992
Total liabilities	95,476	75,760	98,421	119,085	139,926
Current liabilities	89,233	69,192	92,967	108,898	125,991
Accounts payable	3,466	2,720	1,452	1,457	1,550
Interest bearing ST liabilities	78,032	56,696	77,417	93,417	110,417
Other current liabilities	7,736	9,776	14,097	14,023	14,023
Non-current liabilities	6,243	6,568	5,454	10,188	13,935
Long-term debt	-	-	-	5,000	9,000
Other L-T liabilities	6,116	6,442	5,320	5,054	4,802
Total equity	151,427	165,803	157,959	151,654	144,621
Share capital	7,616	7,145	6,804	6,804	6,804
Retained earnings reserve	108,288	102,804	112,488	118,081	119,283
Minority interests	50	11	11	11	11
Preferred shareholders funds	-	-	-	-	-

•	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25
Growth	Decin	Det LLA	Decebra	Deci	000 201
Revenue growth	(50.2%)	(32.3%)	(35.0%)	3.8%	8.5%
Operating profit growth	(41.3%)	(43.3%)	(67.3%)	49.9%	26.4%
EBITDA growth	(42.3%)	(38.5%)	(47.7%)	9.5%	12.4%
Net profit growth	(59.4%)	27.1%	(16.1%)	50.3%	(31.9%)
EPS growth	(59.1%)	33.9%	(12.0%)	51.7%	(31.9%)
Profitability	(33.170)	55.570	(12.070)	51.770	(51.570)
Gross profit margin	33.0%	31.9%	27.3%	29.6%	31.1%
Operating margin	21.3%	17.9%	9.0%	13.0%	15.1%
EBITDA margin	33.3%	30.3%	24.4%	25.7%	26.6%
Net profit margin	20.9%	39.2%	50.6%	73.3%	46.0%
Return on average assets	3.4%	4.5%	3.7%	5.2%	3.4%
Return on average equity	5.5%	6.9%	5.7%	8.9%	6.3%
Stability	0.070	010 / 0	011.10	010 / 0	01070
Gross debt to equity	51.5%	34.2%	49.0%	64.9%	82.6%
Net debt to equity	16.5%	Net cash	22.1%	26.4%	31.8%
Interest coverage (x)	26.0	24.5	11.3	13.7	10.2
Interest & ST debt coverage (x)	0.1	0.2	0.1	0.2	0.1
Cash flow interest coverage(x)	19.7	19.4	7.7	10.6	7.9
Cash flow/int. & ST debt (x)	0.1	0.2	0.1	0.2	0.1
Current ratio (x)	2.2	2.7	1.3	1.3	1.2
Quick ratio (x)	2.2	2.7	1.3	1.2	1.2
Net debt (NT\$mn)	24,916	(833)	34,955	40,021	46,060
Per share data		. ,			
EPS (NT\$)	11.31	15.14	13.33	20.22	13.77
CFPS (NT\$)	12.56	18.95	13.37	23.31	16.37
BVPS (NT\$)	198.76	232.05	232.15	222.88	212.55
Adj BVPS (NT\$)	199.66	230.24	230.07	222.88	212.55
SPS (NT\$)	54.20	38.63	26.33	27.59	29.94
EBITDA/share (NT\$)	18.04	11.69	6.42	7.09	7.97
Cash DPS (NT\$)	10.00	10.00	10.00	10.00	10.00
Activity					
Sales / avg assets	0.16	0.11	0.07	0.07	0.07
Days receivable	85.8	125.5	76.5	76.5	76.5
Days inventory	44.0	65.3	62.5	62.5	62.5
Days payable	46.0	52.4	40.3	40.3	40.3
Cash cycle	83.9	138.4	98.6	98.6	98.6

Profit & loss					
NT\$mn	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
Revenue	41,095	27,821	18,074	18,769	20,372
Cost of goods sold	(27,526)	(18,954)	(13,140)	(13,216)	(14,027)
Gross profit	13,569	8,867	4,934	5,553	6,345
Operating expenses	(4,809)	(3,898)	(3,307)	(3,115)	(3,264)
Operating profit	8,760	4,969	1,627	2,438	3,081
Non-operating income	3,034	15,343	16,426	19,670	12,847
Interest income	823	4,313	10,401	10,738	9,874
Investment income	4	71	105	150	175
Other non-op income	2,207	10,959	5,921	8,782	2,798
Non-operating expenses	277	(3,781)	(5,760)	(3,001)	(2,918)
Interest expense	(483)	(704)	(1,191)	(1,501)	(1,418)
Investment loss	(4)	(4)	-	-	-
Other non-op expenses	763	(3,073)	(4,569)	(1,500)	(1,500)
Pre-tax profit	12,071	16,531	12,293	19,107	13,010
Current taxation	(3,474)	(5,647)	(3,142)	(5,350)	(3,643)
Minorities	(21)	6	(0)	-	-
Extraordinary items	-	12	(0)	-	-
Net profit	8,575	10,902	9,151	13,757	9,367
EBITDA	13,679	8,419	4,407	4,826	5,423
EPS (NT\$)	11.31	15.14	13.33	20.22	13.77

Cash flow					
NT\$mn	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
Operations cash flow	9,525	13,649	9,181	15,858	11,136
Net profit	8,575	10,902	9,151	13,757	9,367
Depreciation & amortisation	4,919	3,450	2,780	2,388	2,342
Decrease in working capital	6,043	(349)	5,401	(137)	(398)
Other operating cash flow	(10,012)	(354)	(8,152)	(150)	(175)
Investing cash flow	(62,263)	16,599	(30,268)	(522)	(522)
Sale of ST investment	(67,437)	12,881	(37,081)	-	-
New investments	5,015	-	(745)	(2)	(2)
Capital expenditure	(982)	(469)	(403)	(500)	(500)
Others investing cashflow	1,141	4,186	7,961	(20)	(20)
Free cash flow	16,162	5,859	8,964	3,487	3,643
Financing cash flow	(5,552)	(33,350)	6,457	598	4,347
Increase in short term debt	7,566	(21,336)	20,822	16,000	16,000
Increase in long term loans	-	-	-	5,000	5,000
New ordinary shares issued	-	-	-		
Ordinary dividends paid	(9,139)	(7,297)	(6,804)	(8,238)	(8,164)
Other financing cashflow	(558)	(736)	(1,194)	(12,163)	(8,488)
Forex effects	(478)	7,517	(454)		
Total cash generated	(58,768)	4,414	(15,084)	15,934	14,961
ROIC					
	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
1 - COGS/revenue					

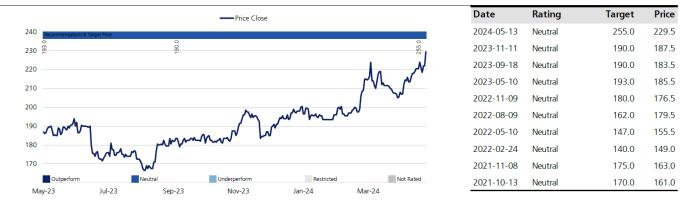
Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
11.7%	14.0%	18.3%	16.6%	16.0%
21.3%	17.9%	9.0%	13.0%	15.1%
0.1	0.1	(0.4)	(0.4)	(0.3)
0.4	0.5	0.7	0.6	0.4
0.0	0.0	0.0	0.0	0.0
2.0	1.7	3.4	5.2	9.4
21.3%	17.9%	9.0%	13.0%	15.1%
2.0	1.7	3.4	5.2	9.4
71.2%	65.8%	74.4%	72.0%	72.0%
29.6%	20.3%	23.1%	49.0%	102.8%
	11.7% <b>21.3%</b> 0.1 0.4 0.0 <b>2.0</b> 21.3% 2.0 71.2%	11.7%         14.0%           21.3%         17.9%           0.1         0.1           0.4         0.5           0.0         0.0           2.0         1.7           21.3%         17.9%           2.0         1.7           71.2%         65.8%	11.7%         14.0%         18.3%           21.3%         17.9%         9.0%           0.1         0.1         (0.4)           0.4         0.5         0.7           0.0         0.0         0.0           2.0         1.7         3.4           21.3%         17.9%         9.0%           2.0         1.7         3.4           71.2%         65.8%         74.4%	11.7%         14.0%         18.3%         16.6%           21.3%         17.9%         9.0%         13.0%           0.1         0.1         (0.4)         (0.4)           0.4         0.5         0.7         0.6           0.0         0.0         0.0         0.0           2.0         1.7         3.4         5.2           21.3%         17.9%         9.0%         13.0%           2.0         1.7         3.4         5.2           71.2%         65.8%         74.4%         72.0%

Source: Company data; KGI Research estimates



Taiwan

#### Catcher Technology – Recommendation & target price history



Source: TEJ; KGI Research

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