

Namchow holdings Co., Ltd.

2019 Q3 Investor Conference

Kevin Lee
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Disclaimer

Namchow's presentation contains forward-looking statements subject to significant risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements.

The forward-looking statements in this release reflect the current belief of Namchow as of the date of this release, we undertake no obligation to update these forward-looking statements for new information, future events, or otherwise.

- **Company Profile**
- **Review of operations**
- **Business Highlight**
- **Business Outlook**
- **Q & A**

Company Profile

Date of Incorporation : Jun 30, 1950

Date of stock listed : May 30, 1973

Paid-up capital : TWD 2,941 million

Name of Representative : Fei-Lung Chen

Scope of Business : Home product, Bakery oil, Frozen dough,
Ice cream, Frozen noodle, Aseptic cooked
rice, Instant noodle, rice crackers,
Dining.

Company profile - territories



Company profile – Plant locations



1971– Taoyuan Factory
49,587 M²



1981– Chungli factory
7,150 M²



1986– Tainan factory
16,529 M²



1989– Thailand factory
130,562 M²



1996 – Tenjin factory
66,790 M²



2007– Guangzhou factory
36,006 M²



2016–Jinshan Shanghai
59,279 M²



2016–Jinshan Shanghai
12,109 M²

Company profile - Food service locations

上海



台北



本場流 專業麵店



東京





 **南僑水晶** 天然呵護健康與環保



樟之物語全方位呵護肌膚・敏感肌也適用

[南僑集團匯聚65年工藝能量，耗費3年時間打造全新品牌—樟之物語]



牛樟芝精華：原住民傳承，注入肌膚活力光彩



天然油脂製造：獨家黃金比例，清潔潤澤完美平衡



七段輾壓工法：溫潤紮實手感，洗到薄博一片也不會斷裂



舒緩木質香調：如芬多精氣息，像漫步森林中



美國AMA認證：通過美國專業皮膚臨床測試實驗室檢測



南僑食安把關：產品用料皆以食安等級進行檢驗





南僑油脂

全球烘焙業經營策略夥伴 共同創新發展

市場領導品牌 ▶ 伴隨烘焙業一起成長

顧問式行銷 ▶ 提供一步到位專業烘焙顧問服務

技術領先 ▶ 全台首家提供“無部分氫化的反式脂肪”烘焙油脂

客製化產品能力 ▶ 創造客戶具差異化的競爭優勢

溯源管理系統 ▶ 強化食安的競爭力 安心把關





南僑冷凍麵糰

是您烘焙事業的忠實夥伴

- ✓ 市占率第一的領導品牌，從原物料到生產製程經過嚴謹的品質管理
- ✓ 一步到位的顧問式行銷服務，洞悉產業趨勢與客戶共創價值
- ✓ 具差異化且品質穩定的產品，並提供量身訂做客製化服務
- ✓ 完善的溯源管理系統，嚴格監控原料物料食品安全衛生











全家人的健康飯

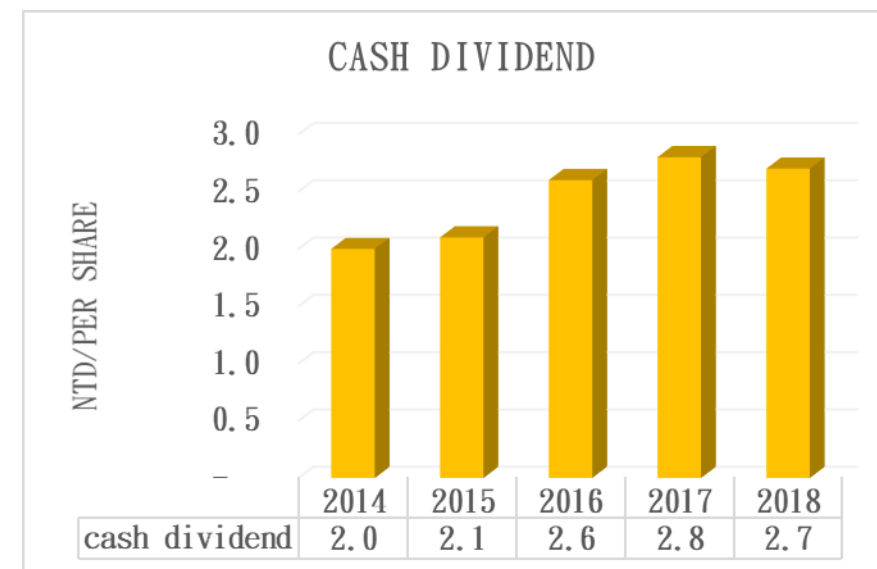
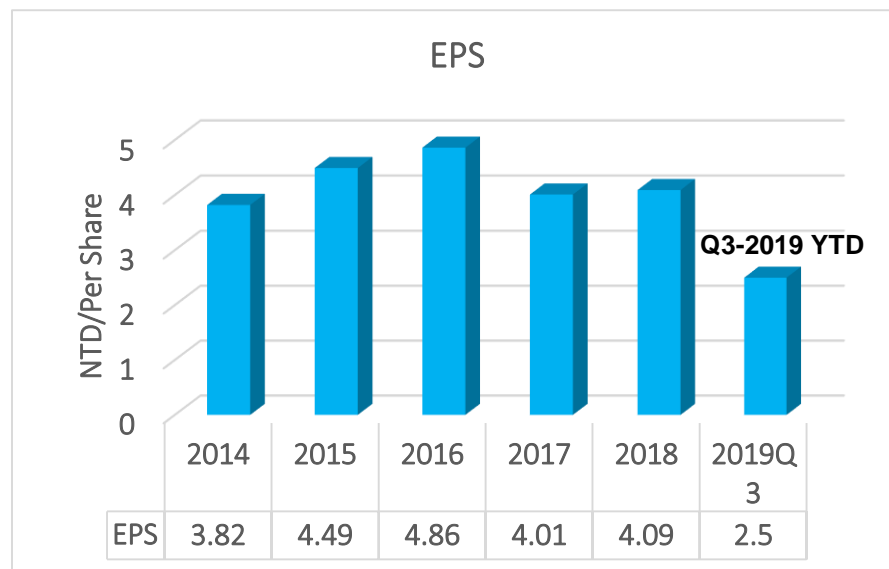
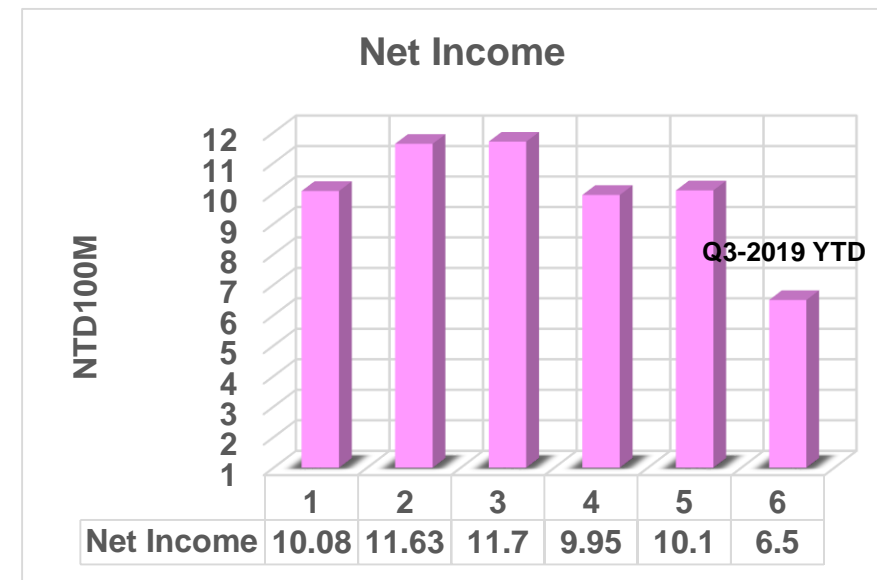
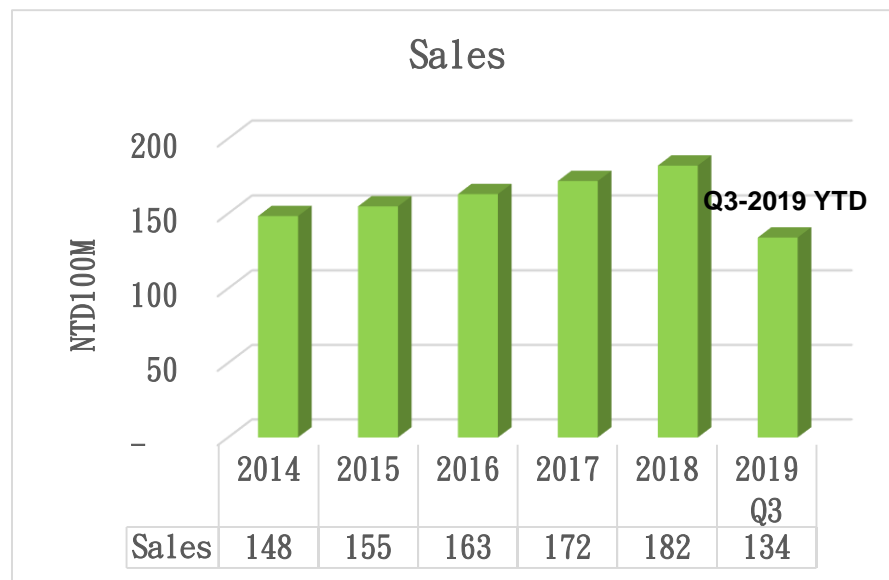
全國第一家
榮獲 健康食品認證

- 100%無添加
- 微波90秒即可食用
- 等同於兩顆高麗菜的膳食纖維





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Business Highlight-Consolidated Balance Sheets

Unit:NTD'000

	2019.09.30		2018.12.31		2018.09.30	
	amount	%	amount	%	amount	%
CurrentAssets	9,635,510	41%	9,580,966	43%	9,457,622	43%
Non-CurrentAssets	13,773,839	59%	12,527,897	57%	12,522,468	57%
Total Assets	23,409,349	100%	22,108,863	100%	21,980,090	100%
CurrentLiabilities	8,477,966	36%	7,998,444	36%	9,272,176	43%
Non-CurrentLiabilities	8,771,036	37%	7,814,398	35%	6,851,062	30%
Total Liabilities	17,249,002	73%	15,812,842	72%	16,123,238	73%
Stockholders' equity	6,160,347	27%	6,296,021	28%	5,856,852	27%
Total Liabilities and Equity	23,409,349	100%	22,108,863	100%	21,980,090	100%

Business Highlight-Consolidated income statement(1/2)

Unit:NTD'000

	Q3-2019	Q3-2018	YoY(%)	Q3-2019 YTD	Q3-2018 YTD	YoY(%)
Revenue	4,545,051	4,554,030	-0.20%	13,427,224	13,484,667	-0.43%
Operating costs	2,966,867	2,994,389	-0.92%	8,785,208	9,073,749	-3.18%
Gross profit	1,578,184	1,559,641	1.19%	4,642,016	4,410,918	5.24%
%	34.72%	34.25%	0.48%	34.57%	32.71%	1.86%
Operating expenses	1,191,196	1,139,835	4.51%	3,480,502	3,278,997	6.15%
Operating profit	386,988	419,806	-7.82%	1,161,514	1,131,921	2.61%
%	8.51%	9.22%	-0.70%	8.65%	8.39%	0.26%
non-operating income and expenses	(19,817)	(109,330)	-81.87%	(61,723)	(152,443)	-59.51%
Net income before tax	367,171	310,476	18.26%	1,099,791	979,478	12.28%
income tax expense	139,854	107,266	30.38%	448,887	271,299	65.46%
Net income	227,317	203,210	11.86%	650,904	708,179	-8.09%
%	5.00%	4.46%	0.54%	4.85%	5.25%	-0.40%
Net income attributable to Shareholders of the parent	216,930	193,848	11.91%	619,531	675,079	-8.23%
EPS(NTD/per share)	\$0.88	\$0.78	\$0.10	\$2.50	\$2.72	-\$0.22

Business Highlight-Consolidated income statement(2/2)

Unit:NTD'000

	Q3-2019 YTD	Q3-2018 YTD	YoY(%)	Oct-2019YTD	Oct-2018YTD	YoY(%)
Revenue	13,427,224	13,484,667	-0.43%	14,938,606	14,940,451	-0.01%
Operating costs	8,785,208	9,073,749	-3.18%	9,783,048	10,057,682	-2.73%
Gross profit	4,642,016	4,410,918	5.24%	5,155,558	4,882,769	5.59%
%	34.57%	32.71%	1.86%	34.51%	32.68%	1.83%
Operating expenses	3,480,502	3,278,997	6.15%	3,852,423	3,617,764	6.49%
Operating profit	1,161,514	1,131,921	2.61%	1,303,135	1,265,005	3.01%
%	8.65%	8.39%	0.26%	8.72%	8.47%	0.25%
non-operating income and expenses	(61,723)	(152,443)	-59.51%	(68,544)	(142,980)	-52.06%
Net income before tax	1,099,791	979,478	12.28%	1,234,591	1,122,025	10.03%
income tax expense	448,887	271,299	65.46%	505,018	328,687	53.65%
Net income	650,904	708,179	-8.09%	729,573	793,338	-8.04%
%	4.85%	5.25%	-0.40%	4.88%	5.31%	-0.43%
Net income attributable to Shareholders of the parent	619,531	675,079	-8.23%	693,709	756,244	-8.27%
EPS(NTD/per share)	\$2.50	\$2.72	-\$0.22	\$2.80	\$3.05	-\$0.25

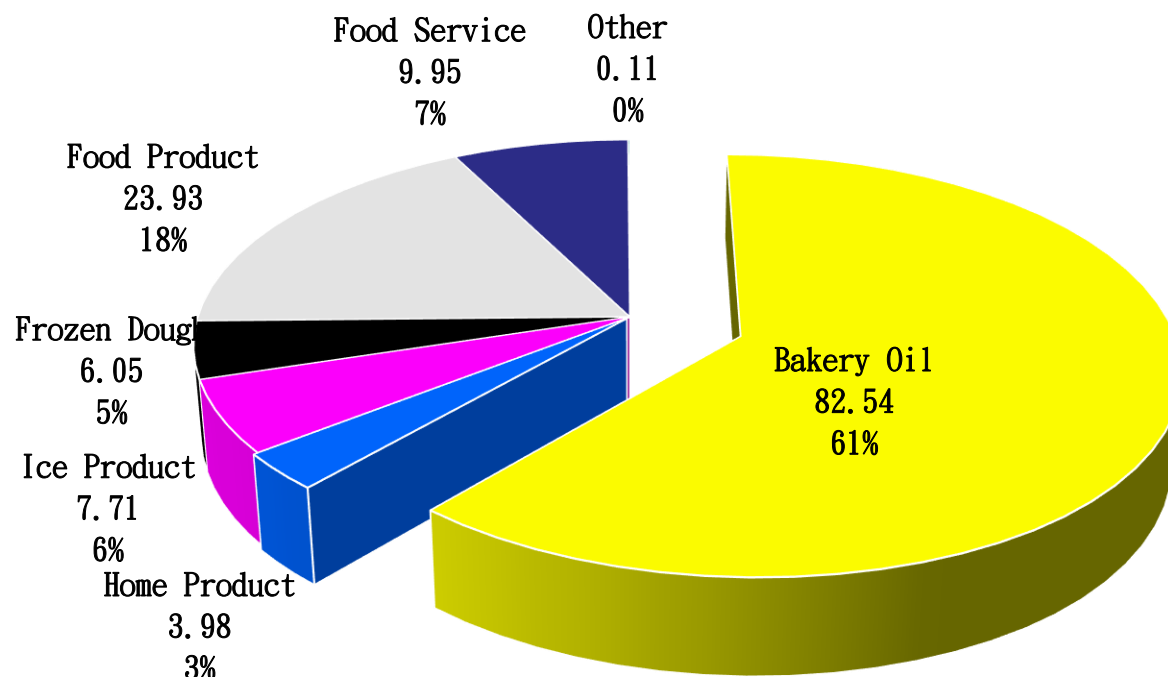
Business Highlight-Consolidated statement of cash flow

Unit:NTD'000

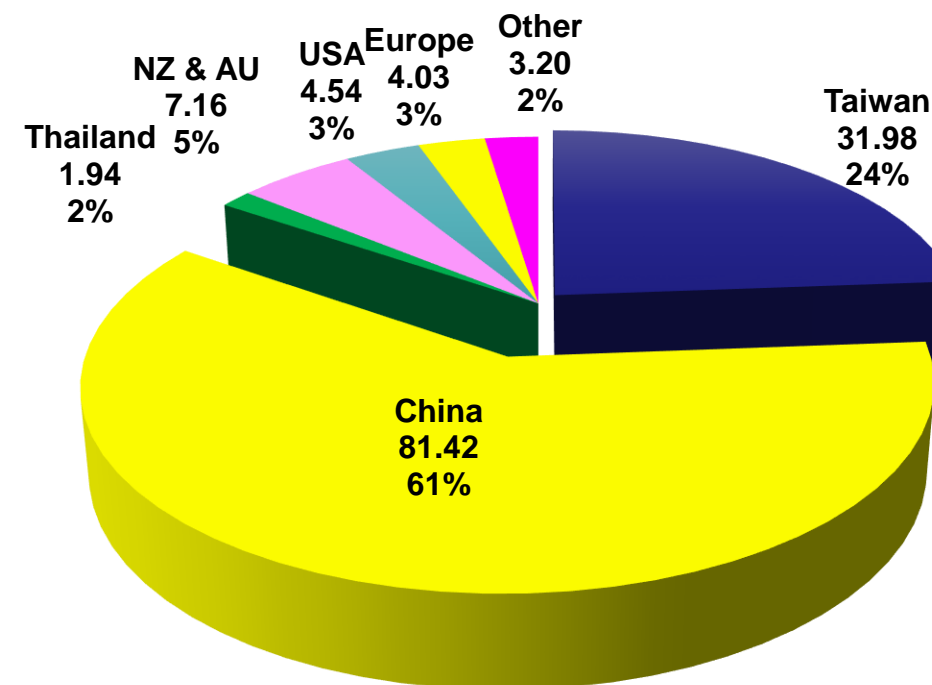
	Q3-2019 YTD	Q3-2018 YTD	YoY
Cash and cash equivalents at beginning of period	4,708,562	4,662,498	46,064
Net cash provided by operating activities	1,561,470	1,128,968	432,502
Net cash used in investing activities	(1,244,240)	(874,035)	(370,205)
Net cash used in financing activities	(539,968)	(595,221)	55,253
Effect of exchange rate changes on cash and cash equivalents	(14,113)	(61,738)	47,625
Net decrease in cash and cash equivalents	(236,851)	(402,026)	165,175
Cash and cash equivalents at end of period	4,471,711	4,260,472	211,239

Business Highlight - Q3-2019 YTD revenue

Revenue by product



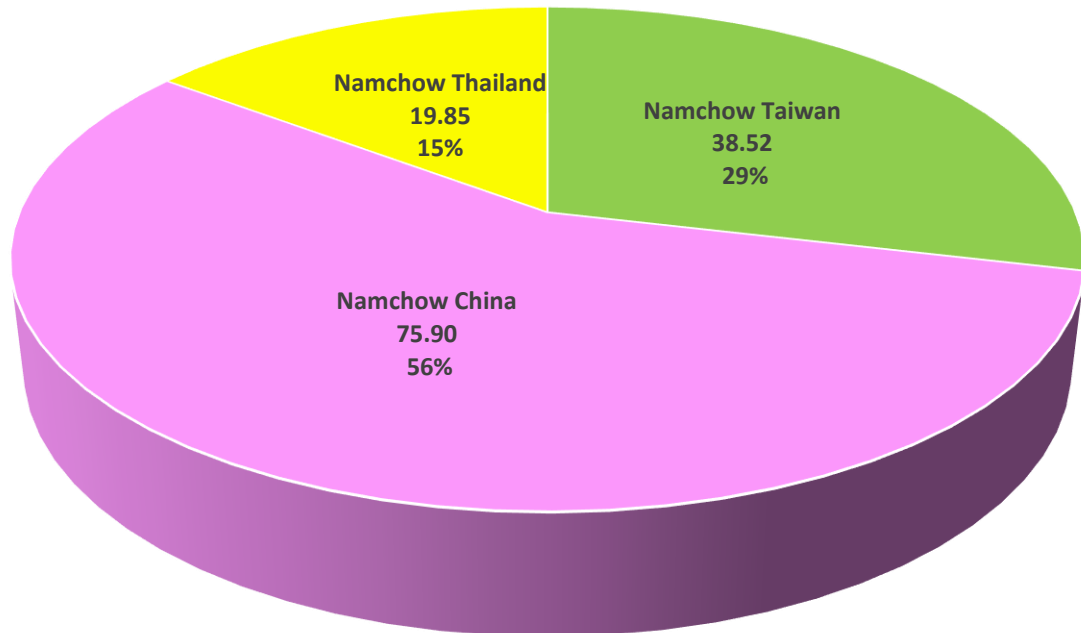
Revenue by region



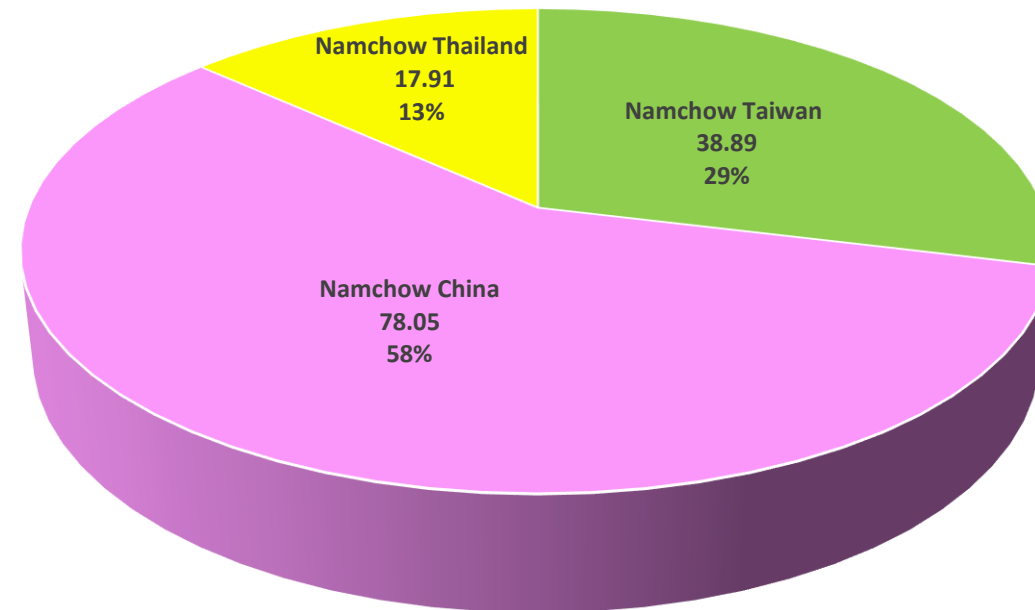
Unit: NTD 100M

Business Highlight- Q3-2019 VS 2018 YTD revenue

Q3-2019 YTD revenue by manufacture territory



Q3-2018 YTD revenue by manufacture territory



Unit: NTD 100M

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Business Outlook

With eyes on the world

Cultivated in Taiwan, expanded in China, and moving towards ASEAN

Frozen noodles

- Leading market brand with stable annual growth.
- Continue to develop healthy and convenient new products and food packs. Develop the market for senior groups, healthy living groups, and office worker groups.
- Show the advantages of Namchow's B2B consultation style sales. Increase the growth of international brands or new customers. Increase annual customer number by more than 5%.
- Obtain international certification and increase global marketing. (we got certification for Halal Certification, Monde Selection awarded from International Institute for Quality Selections, iTQi certification in 2019)
- Increase the number of face-to-face sales events under the original organization operation from 1500 annual events to 5000 annual events.

Dairy products

- In addition to existing customers, develop strategic OEM and ODM products. Work with internationally known brands in sales to help increase brand value. (Hershey's, Godiva)
- Continue to cultivate and expand the potential of large chain restaurant customers for ice cream and frozen dough products.
- Continue to expand global sales. Expand the export of mochi ice cream, sundaes, and smoothies.
- Increase the number of face-to-face sales under the original organization operation. Increase to 5000 annual events from the original 2000 events.

Home products

- Obtain international certification within the concept "appeal to organic and antibacterial".
- Develop OEM and ODM brand, and integrate with market channel to valued own brand..
- Develop new products and expand and cultivate special sales channels.
- Increase the number of face-to-face sales under the original organization operation. Increase to 4000 annual events from the original 1000 event per year.

NamChow Thailand: plant expansion

- Target: Thailand as a production base, market to worldwide .
- Investment amount: expected to invest 1.3 billion Thai baht in the first stage
- Investment item: factory, warehouse, baby rice cracker production line
- Product: baby rice crackers
- Revenue increase: increase from the group's current 15% to more than 20%

NamChow China:

- IPO: enhance corporate credibility and recognition from society
- Focus on making invisible oil
- Focus on research and develop product

Namchow Japan :

Start from restaurant and look for other business opportunities.

Namchow Taiwan :

Apply human resource advantage to do product research and development.

Q & A

Thank you