

Namchow holdings Co., Ltd.

2020 Q3 Investor Conference

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Dec. 02, 2020

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 : March 29, 1952

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







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

漢餅專用油脂系列





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







南僑讚岐
さぬき
南僑讚岐急凍熟麵

榮獲

世界品質評鑑大賞
iTQi風味絕佳獎章
全球純粹風味評鑑大賞



新鮮美味 · 快速便利 · 安全衛生



增肌減糖熟飯
健康雙麥飯



方便美味熟飯
健康雙麥飯

穩糖高纖熟飯
健康多穀飯



有機營養熟飯
有機紅藜原米飯



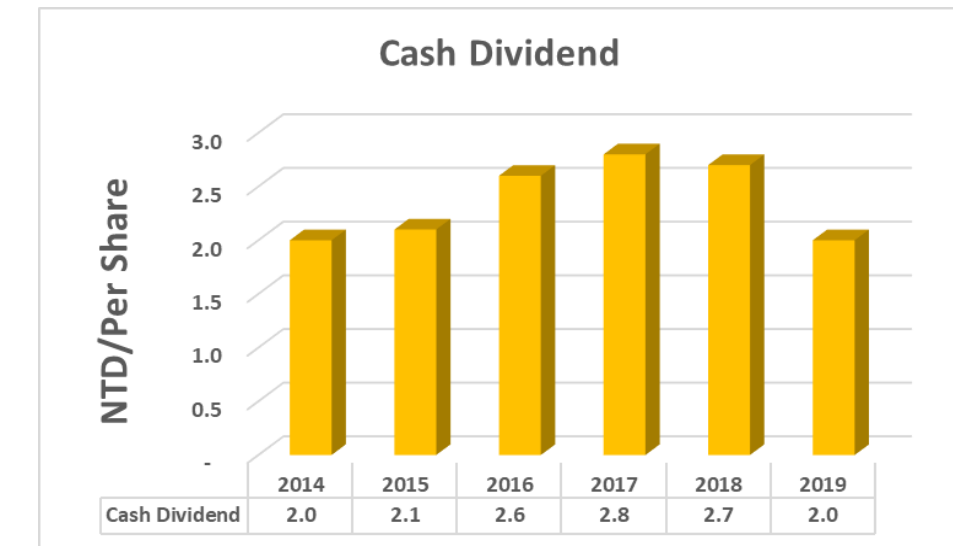
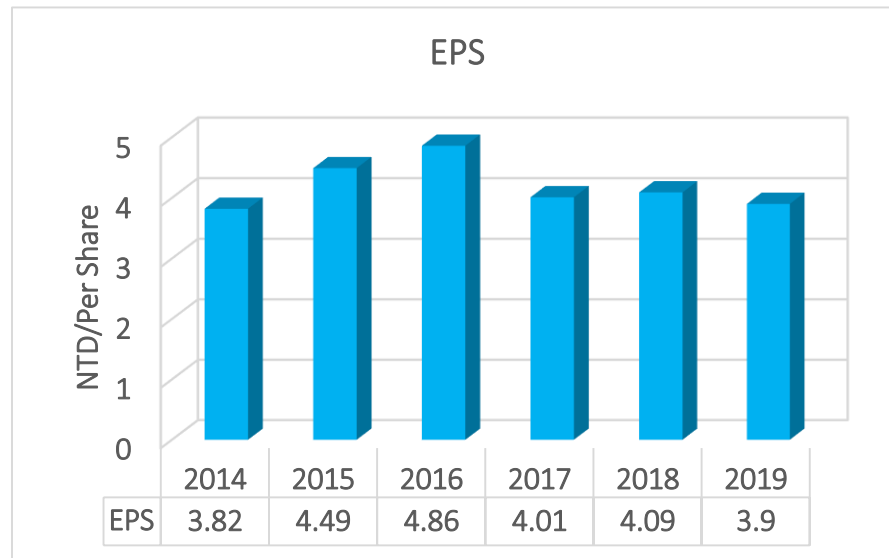
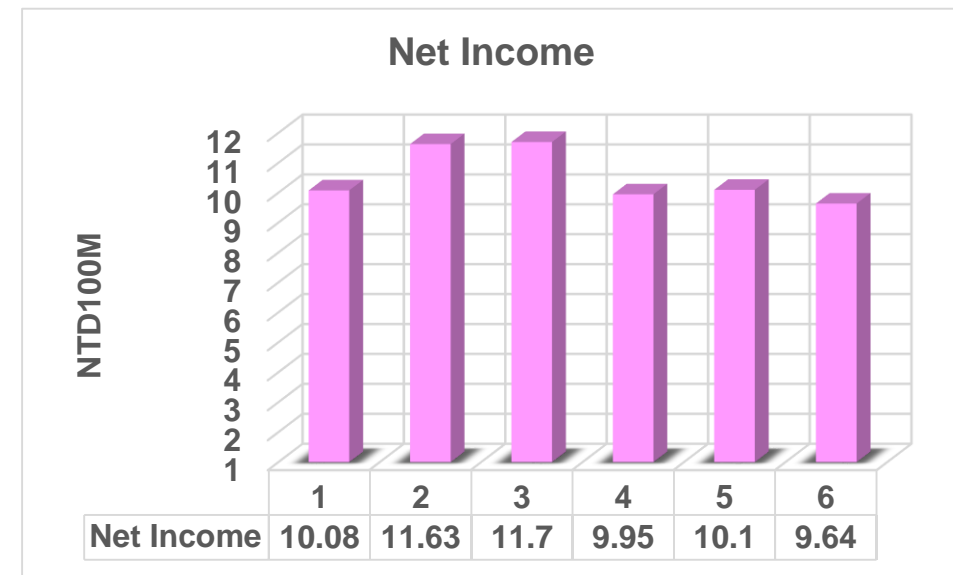
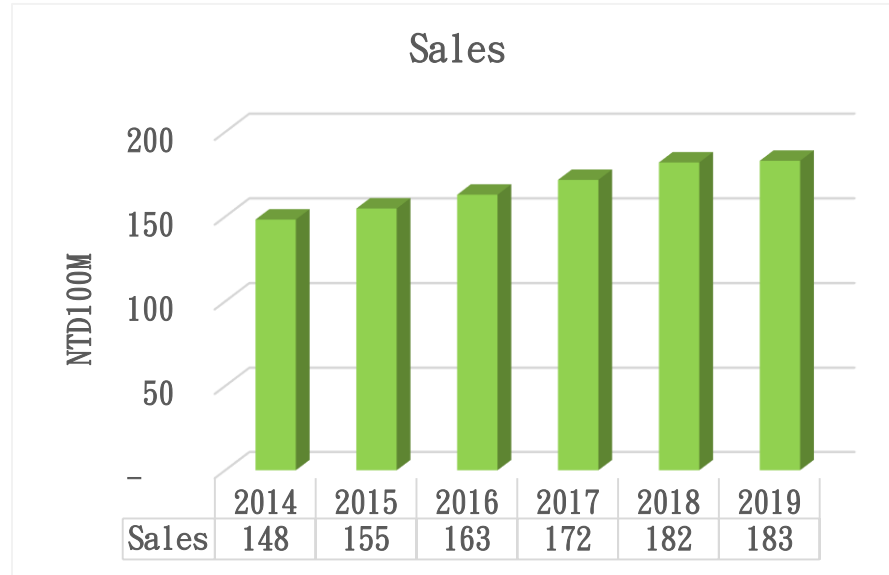




慢食麵 運動 慢食麵



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Business Highlight-Consolidated Balance Sheets

Unit:NTD'000

	2020.09.30		2019.12.31		2019.09.30	
	amount	%	amount	%	amount	%
Current Assets	10,268,166	42%	9,512,619	40%	9,635,510	41%
Non-Current Assets	14,251,640	58%	14,342,563	60%	13,773,839	59%
Total Assets	24,519,806	100%	23,855,182	100%	23,409,349	100%
Current Liabilities	8,101,644	33%	7,347,150	31%	8,477,966	36%
Non-Current Liabilities	10,061,619	41%	10,088,019	42%	8,771,036	37%
Total Liabilities	18,163,263	74%	17,435,169	73%	17,249,002	74%
Stockholders' equity	6,356,543	26%	6,420,013	27%	6,160,347	26%
Total Liabilities and Equity	24,519,806	100%	23,855,182	100%	23,409,349	100%

Business Highlight-Consolidated income statement

Unit:NTD'000	Q3-2020	Q3-2019	YoY(%)	Q3-2020 YTD	Q3-2019 YTD	YoY(%)
Revenue	4,794,812	4,545,051	5.50%	12,677,593	13,427,224	-5.58%
Operating costs	3,123,018	2,966,867	5.26%	8,477,288	8,785,208	-3.50%
Gross profit	1,671,794	1,578,184	5.93%	4,200,305	4,642,016	-9.52%
%	34.87%	34.72%	0.14%	33.13%	34.57%	-1.44%
Operating expenses	1,109,641	1,191,196	-6.85%	3,078,362	3,480,502	-11.55%
Operating profit	562,153	386,988	45.26%	1,121,943	1,161,514	-3.41%
%	11.72%	8.51%	3.21%	8.85%	8.65%	0.20%
non-operating income and expenses	(864)	(19,817)	-95.64%	(16,371)	(61,723)	-73.48%
Net income before tax	561,289	367,171	52.87%	1,105,572	1,099,791	0.53%
income tax expense	212,503	139,854	51.95%	438,925	448,887	-2.22%
Net income	348,786	227,317	53.44%	666,647	650,904	2.42%
%	7.27%	5.00%	2.27%	5.26%	4.85%	0.41%
Net income attributable to Shareholders of the parent	333,621	216,930	53.79%	640,150	619,531	3.33%
EPS(NTD/per share)	\$1.35	\$0.88	\$0.47	\$2.59	\$2.50	\$0.09

Business Highlight-Consolidated income statement

Unit:NTD'000

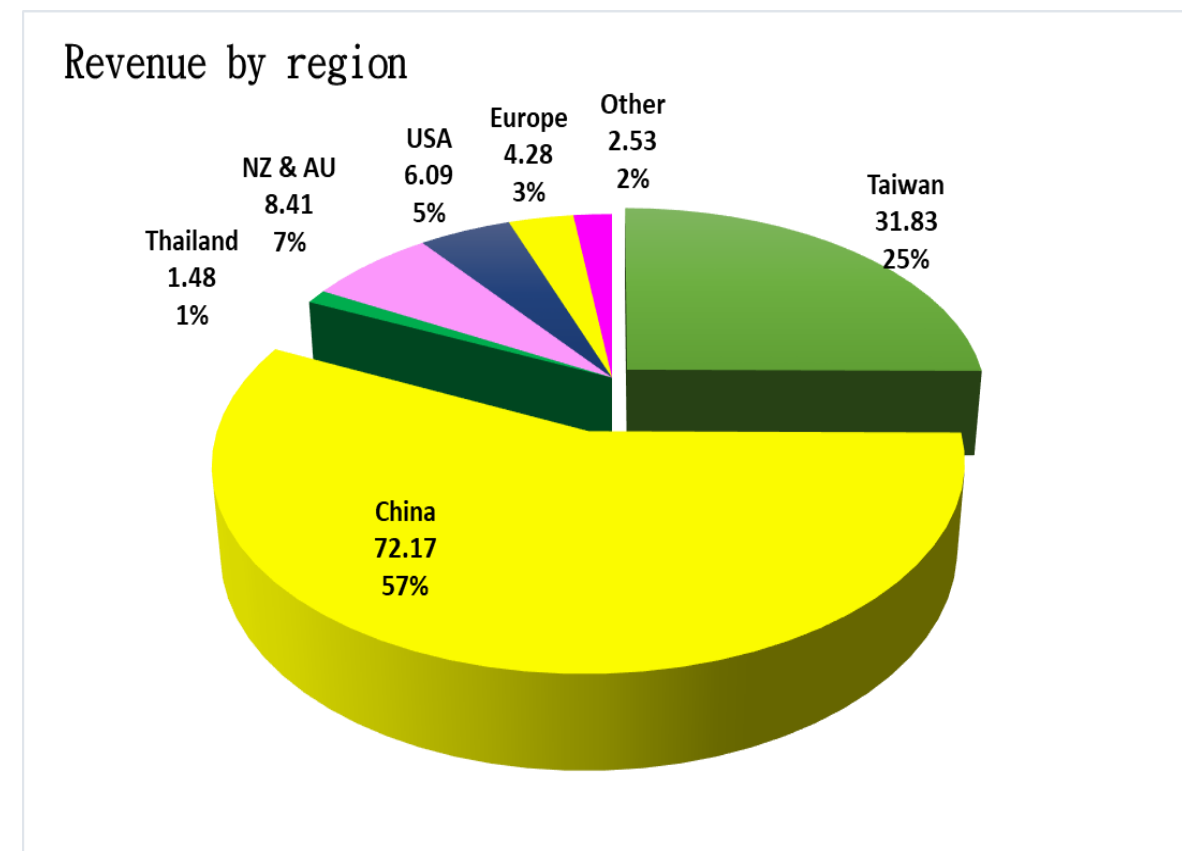
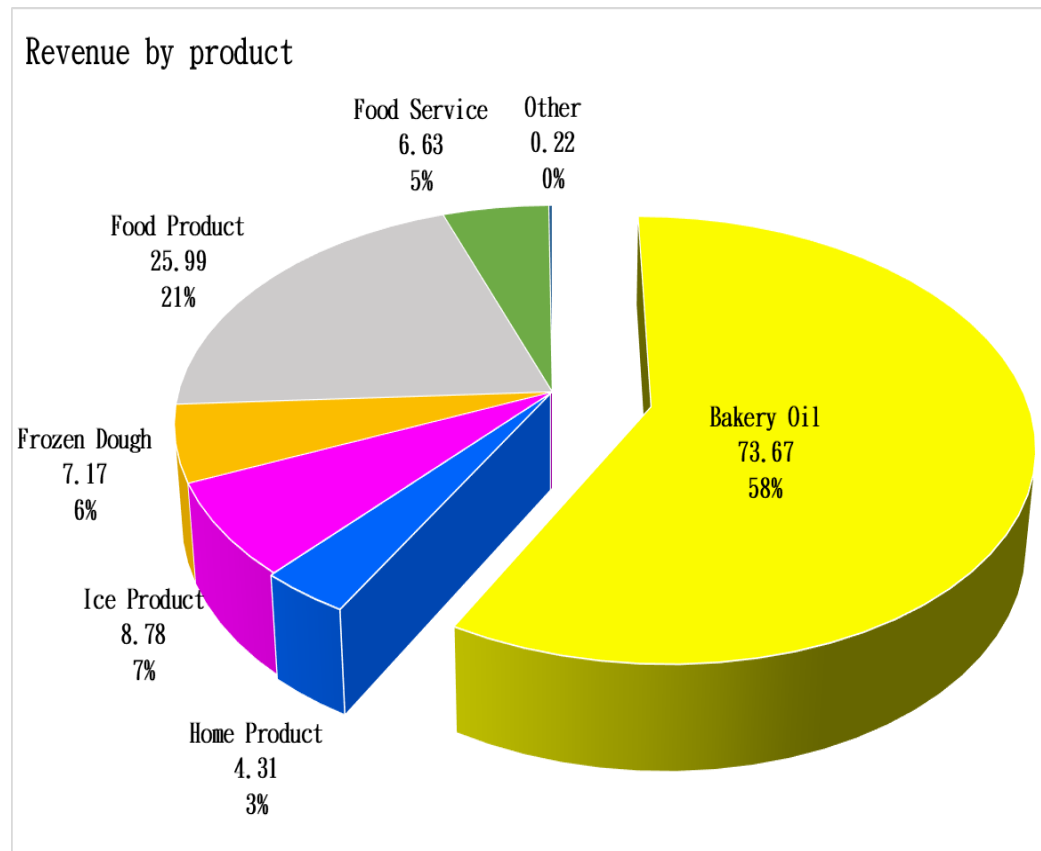
	<u>Q3-2020 YTD</u>	<u>Q3-2019 YTD</u>	<u>YoY(%)</u>	<u>10M-2020 YTD</u>	<u>10M-2019 YTD</u>	<u>YoY(%)</u>
Revenue	12,677,593	13,427,224	-5.58%	14,196,485	14,938,606	-4.97%
Operating costs	8,477,288	8,785,208	-3.50%	9,506,336	9,783,048	-2.83%
Gross profit	4,200,305	4,642,016	-9.52%	4,690,149	5,155,558	-9.03%
%	33.13%	34.57%	-1.44%	33.04%	34.51%	-1.47%
Operating expenses	3,078,362	3,480,502	-11.55%	3,419,234	3,852,423	-11.24%
Operating profit	1,121,943	1,161,514	-3.41%	1,270,915	1,303,135	-2.47%
%	8.85%	8.65%	0.20%	8.95%	8.72%	0.23%
non-operating income and expenses	(16,371)	(61,723)	-73.48%	(23,467)	(68,544)	-65.76%
Net income before tax	1,105,572	1,099,791	0.53%	1,247,448	1,234,591	1.04%
income tax expense	438,925	448,887	-2.22%	500,851	505,018	-0.83%
Net income	666,647	650,904	2.42%	746,597	729,573	2.33%
%	5.26%	4.85%	0.41%	5.26%	4.88%	0.38%
Net income attributable to Shareholders of the parent	640,150	619,531	3.33%	714,946	693,709	3.06%
EPS(NTD/per share)	\$2.59	\$2.50	\$0.09	\$2.89	\$2.80	\$0.09

Business Highlight-Consolidated statement of cash flow

Unit:NTD'000

	Q3-2020 YTD	Q3-2019 YTD	YoY
Cash and cash equivalents at beginning of period	4,623,715	4,708,562	(84,847)
Net cash provided by operating activities	1,409,341	1,561,470	(152,127)
Net cash used in investing activities	(893,039)	(1,244,240)	351,201
Net cash provided by (used in) financing activities	111,659	(539,968)	651,626
Effect of exchange rate changes on cash and cash equivalents	(128,659)	(14,113)	(114,547)
Net increase (decrease) in cash and cash equivalents	499,302	(236,851)	736,153
Cash and cash equivalents at end of period	5,123,017	4,471,711	651,306

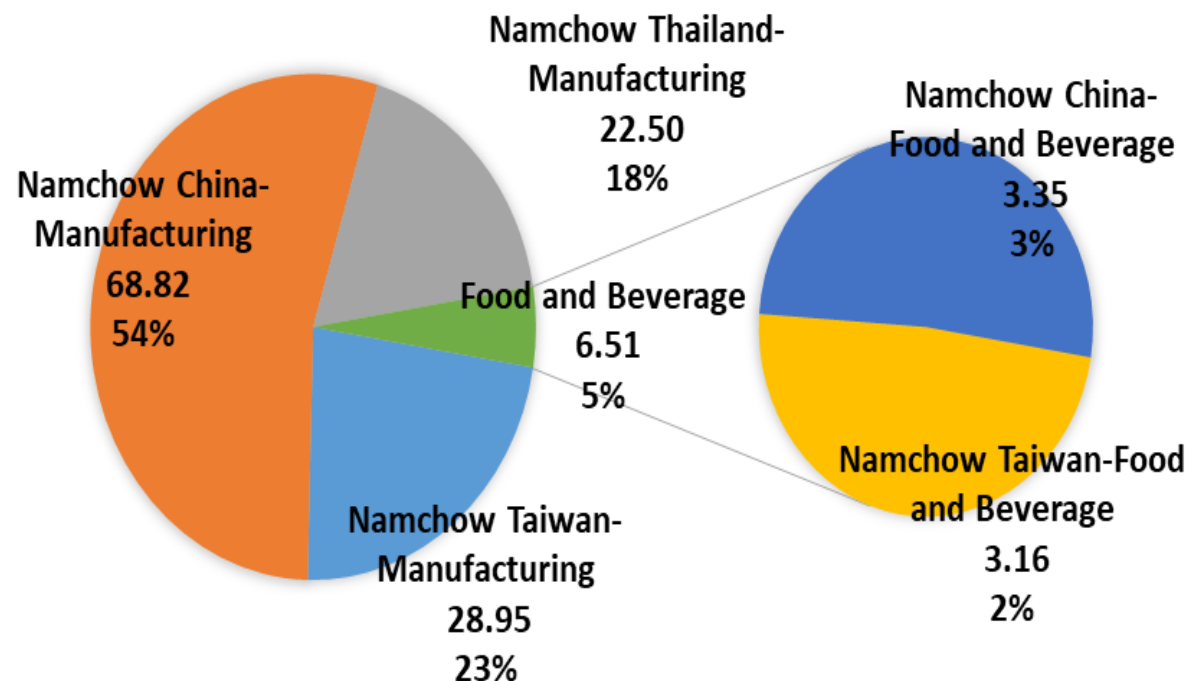
Business Highlight - Q3-2020 YTD revenue



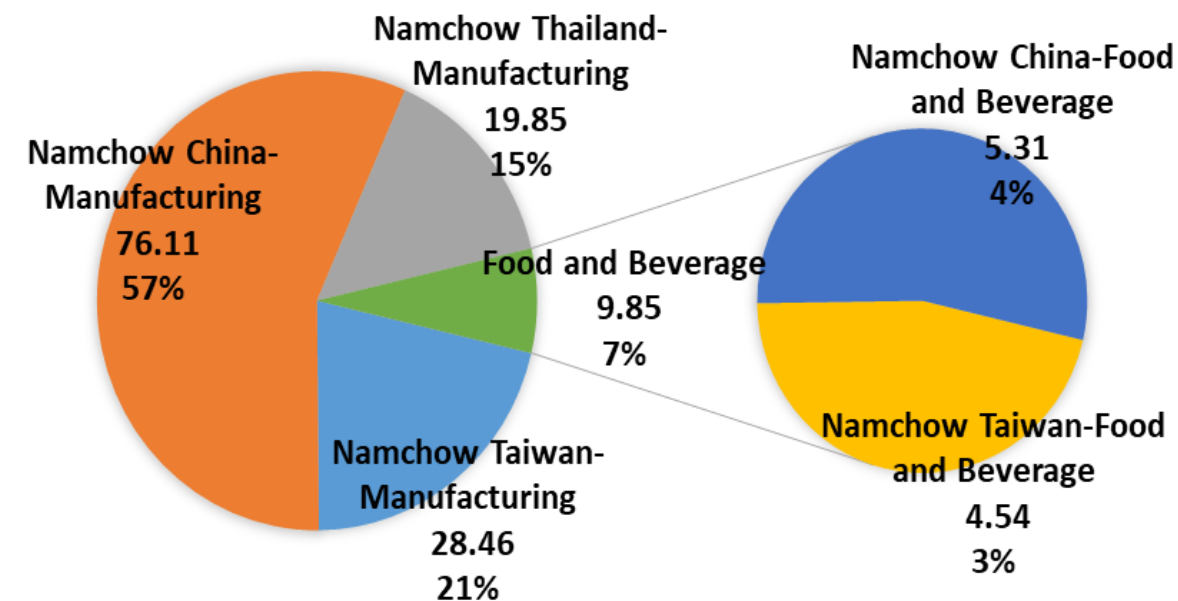
Unit: NTD 100M

Business Highlight- Q3-2020 VS 2019 YTD revenue

Q3-2020 YTD revenue by manufacture territory



Q3-2019 YTD revenue by manufacture territory



Unit: NTD 100M

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Taiwan Oil & Fat

- From July 08~10 at tourist factory in Taoyuan City, Namchow held the exhibition of bakery application, and invited clients to understand the multiple application of frozen dough and bakery oil & fat and join face-to-face discussion. Namchow issued White Paper of “In the post epidemic era, Taiwan’s Baking Industry” to compile the changes of the whole economic situation and consumer behavior and the impact of Taiwan’s Baking Industry after the Covid-19, and suggested the business solutions of the multiple baking business models.
- With the coming peak season of Chinese New year, increase the inventory to ship. In December, Namchow oil & fat will hold the exhibition of bakery at tourist factory in Taoyuan City to invite clients and potential clients.

Dairy products

- In addition to existing customers, develop strategic OEM and ODM products. Work with internationally and locally known brands in sales to help increase brand value. (Godiva, Kuang Chuan, KONIG, Lipton, Nestle, Milo)
- The dairy products market benefit from the hotter weather in Taiwan and the smaller effect of the typhoons than before, and the whole market continues to grow.

Home products

- During the Covid-19 epidemic, the products of grapefruit liquid antiseptis series were popular, including spray hand sanitizer, spray protection, liquid soap and hand-sanitizer.
- Develop “樟之物語” bath soap to skin care market.

Thailand Namchow

- The all new production capacity was set to manufacture rice cracker for European and American markets in June. Expect full capacity next year and plan the new production investment.
- The new second production capacity will be set to manufacture bread snakes. The machines and the equipment were all in place and will be in production next year.

China Oil & Fat

- As the epidemic has been ebbing, the exhibitions gradually return to normal condition. At Guangzhou factory, Namchow held the exhibition of bakery application, and invited clients and potential clients to understand the multiple application of frozen dough and bakery oil & fat. Participate China International Import Expo to promote products and communicate with domestic and foreign clients.

Q & A