

Namchow holdings Co., Ltd.

2021 Q1 Investor Conference

Kevin Lee
Jun. 18, 2021

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
53,545 M²



2016–Jinshan Shanghai
59,279 M²



2016–Jinshan Shanghai
12,109 M²

Company profile - Food service locations

上海



台北



東京



本場流 專業麵店





 **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





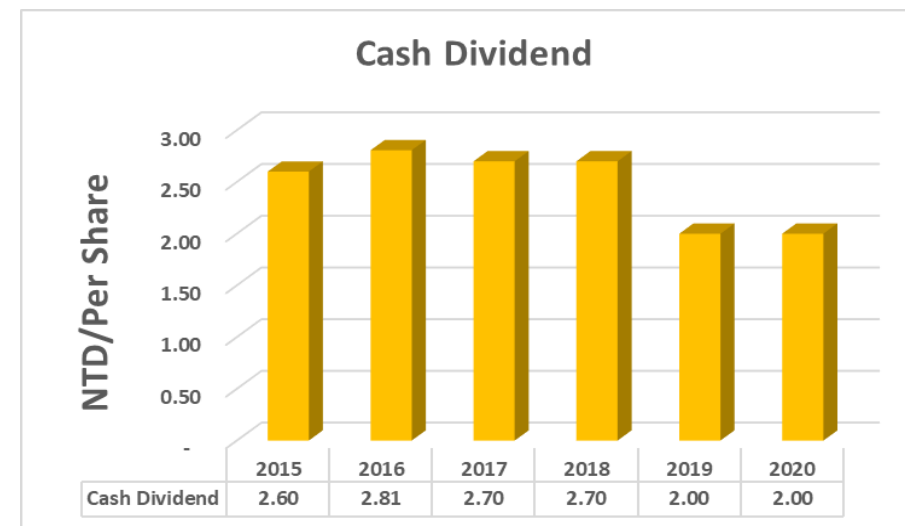
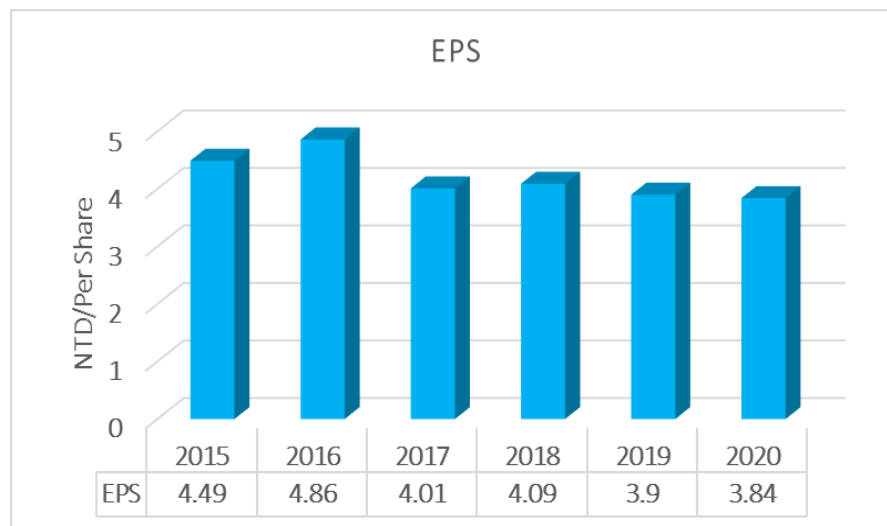
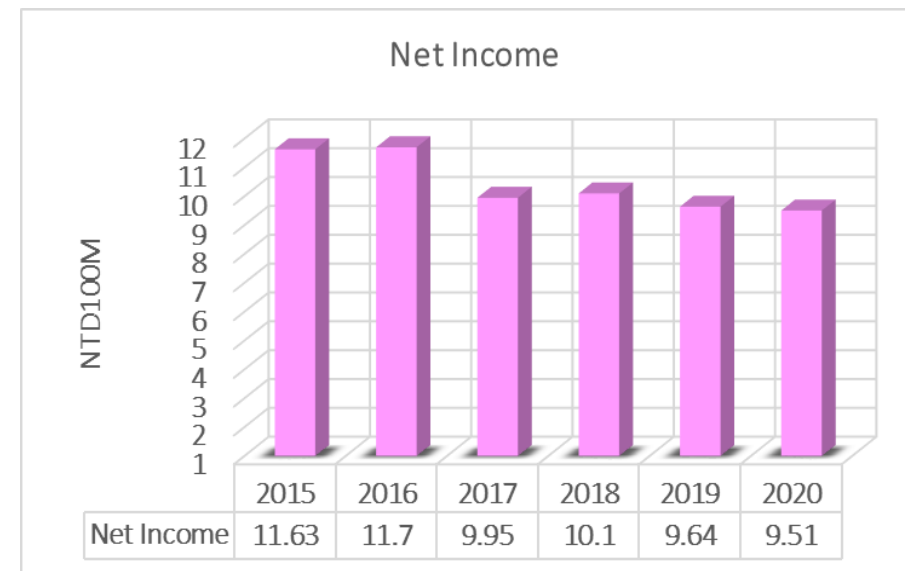
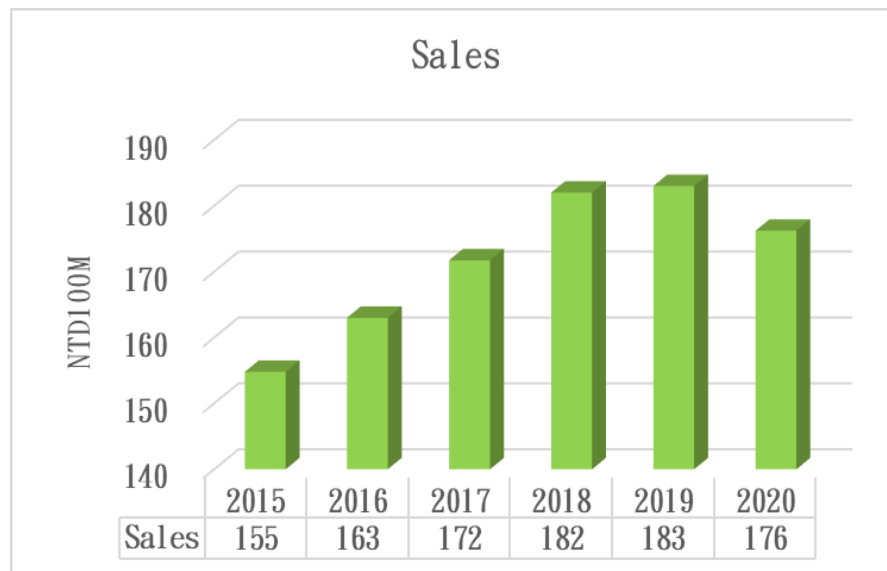
慢食麵運動



小廚師慢食麵是一個居家、安全、營養正餐



- **Company Profile**
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Business Highlight-Consolidated Balance Sheets

Unit:NTD'000

| | 2021.03.31 | | 2020.12.31 | | 2019.12.31 | |
|-------------------------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|
| | amount | % | amount | % | amount | % |
| Current Assets | 11,003,477 | 44% | 10,796,850 | 43% | 9,512,619 | 40% |
| Non-Current Assets | 14,288,839 | 56% | 14,543,634 | 57% | 14,342,563 | 60% |
| Total Assets | 25,292,316 | 100% | 25,340,484 | 100% | 23,855,182 | 100% |
| Current Liabilities | 11,557,618 | 46% | 11,043,938 | 44% | 7,347,150 | 31% |
| Non-Current Liabilities | 7,159,328 | 28% | 7,341,157 | 28% | 10,088,019 | 42% |
| Total Liabilities | 18,716,946 | 74% | 18,385,095 | 72% | 17,435,169 | 73% |
| Stockholders' equity | 6,575,370 | 26% | 6,955,389 | 28% | 6,420,013 | 27% |
| Total Liabilities and Equity | 25,292,316 | 100% | 25,340,484 | 100% | 23,855,182 | 100% |

Business Highlight-Consolidated income statement

Unit:NTD'000

| | Q1-2021 | Q1-2020 | YoY(%) | 2020 YTD | 2019 YTD | YoY(%) |
|---|------------------|------------------|---------------|------------------|------------------|--------------|
| Revenue | 4,660,291 | 3,616,096 | 28.9% | 17,621,763 | 18,343,979 | -3.9% |
| Operating costs | 3,091,848 | 2,501,341 | 23.6% | 11,682,430 | 11,918,057 | -2.0% |
| Gross profit | 1,568,443 | 1,114,755 | 40.7% | 5,939,333 | 6,425,922 | -7.6% |
| % | 33.66% | 30.83% | 2.8% | 33.70% | 35.03% | -1.3% |
| Operating expenses | 1,114,268 | 966,551 | 15.3% | 4,261,588 | 4,754,834 | -10.4% |
| Operating profit | 454,175 | 148,204 | 206.5% | 1,677,745 | 1,671,088 | 0.4% |
| % | 9.75% | 4.10% | 5.6% | 9.52% | 9.11% | 0.4% |
| non-operating income and expenses | 17,768 | 6,776 | 162.2% | (21,094) | (68,619) | -69.3% |
| Net income before tax | 471,943 | 154,980 | 204.5% | 1,656,651 | 1,602,469 | 3.4% |
| income tax expense | 179,300 | 77,770 | 130.6% | 661,050 | 589,162 | 12.2% |
| Net income | 292,643 | 77,210 | 279.0% | 995,601 | 1,013,307 | -1.7% |
| % | 6.28% | 2.14% | 4.1% | 5.65% | 5.52% | 0.1% |
| Net income attributable to Shareholders of the parent | 280,100 | 75,705 | 270.0% | 950,697 | 964,149 | -1.4% |
| EPS(NTD/per share) | \$1.13 | \$0.31 | \$0.82 | \$3.84 | \$3.90 | -\$0.06 |

Business Highlight-Consolidated statement of cash flow

Unit:NTD'000

| | 2020 YTD | 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 | 2,545,972 | 2,539,792 | 6,180 |
| Net cash used in investing activities | (1,087,374) | (1,923,881) | 836,507 |
| Net cash used in financing activities | (393,076) | (698,056) | 304,980 |
| Effect of exchange rate changes on cash and cash equivalents | 32,390 | (2,702) | 35,092 |
| Net increase (decrease) in cash and cash equivalents | 1,097,912 | (84,847) | 1,182,759 |
| Cash and cash equivalents at end of period | 5,721,627 | 4,623,715 | 1,097,912 |

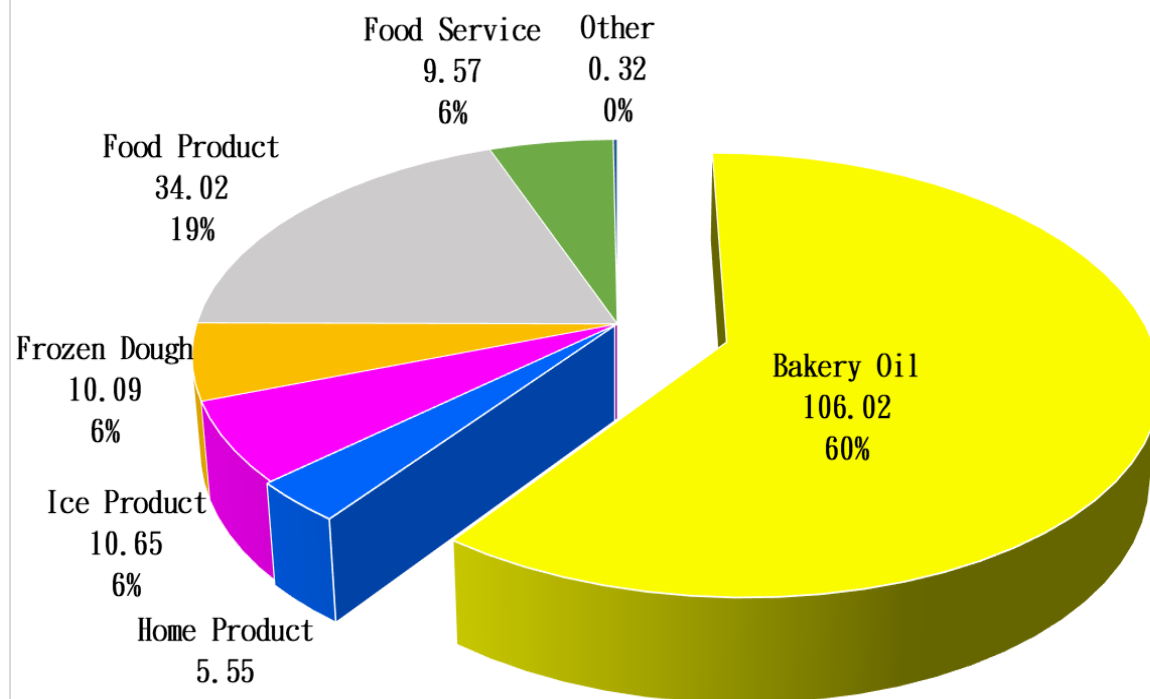
Business Highlight-Consolidated statement of cash flow

Unit:NTD'000

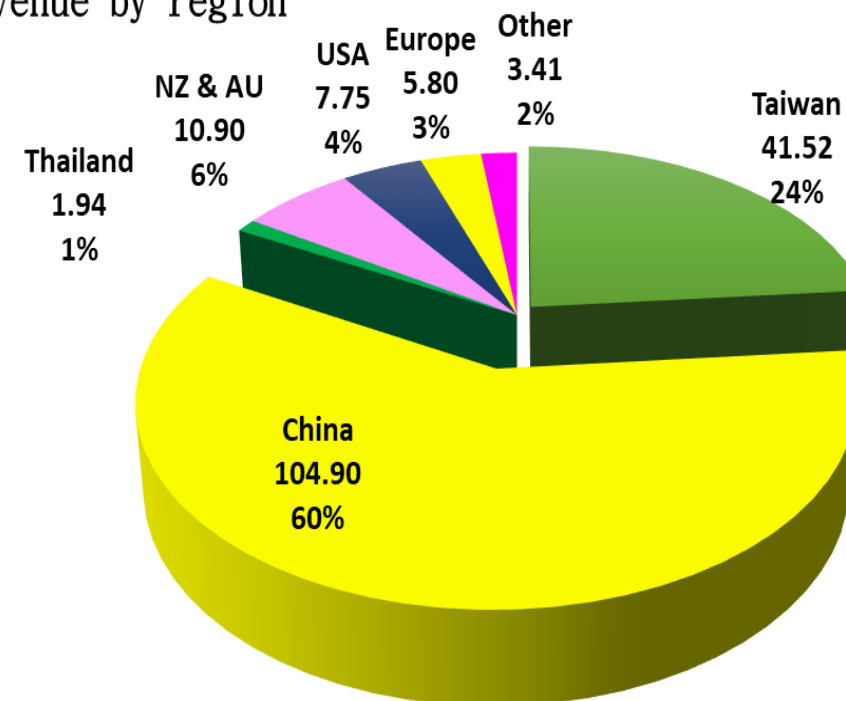
| | Q1-2021 YTD | Q1-2020 YTD | YoY |
|--|-------------|-------------|-----------|
| Cash and cash equivalents at beginning of period | 5,721,627 | 4,623,715 | 1,097,912 |
| Net cash provided by (used in) operating activities | 45,200 | (101,502) | 146,702 |
| Net cash provided by (used in) investing activities | 78,532 | (494,038) | 572,570 |
| Net cash provided by financing activities | 15,089 | 442,780 | (427,691) |
| Effect of exchange rate changes on cash and cash equivalents | (88,661) | (126,296) | 37,635 |
| Net increase (decrease) in cash and cash equivalents | 50,160 | (279,056) | 329,216 |
| Cash and cash equivalents at end of period | 5,771,787 | 4,344,659 | 1,427,128 |

Business Highlight - 2020 YTD revenue

Revenue by product

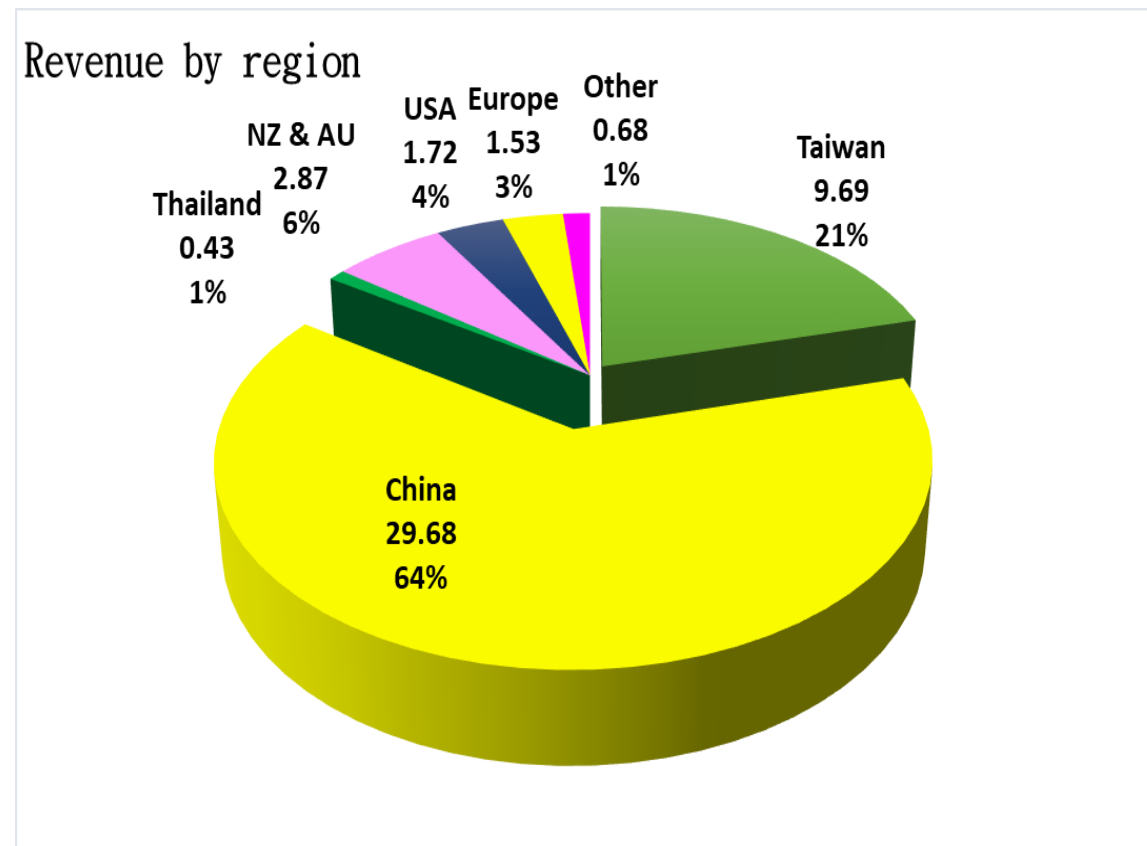
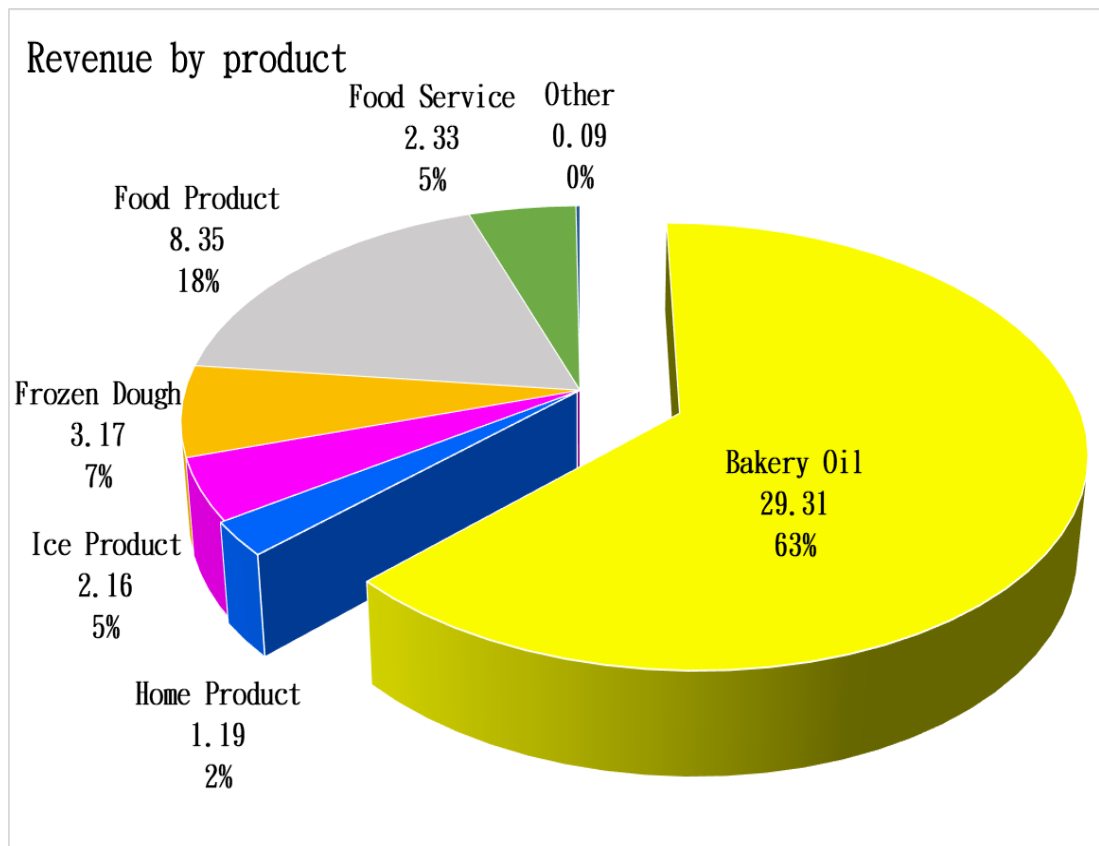


Revenue by region



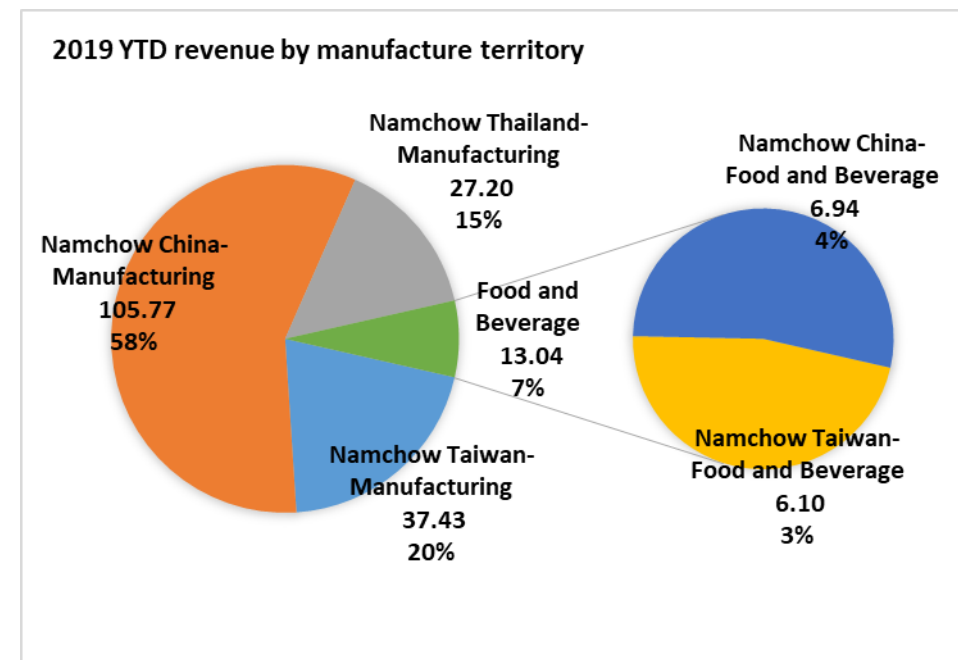
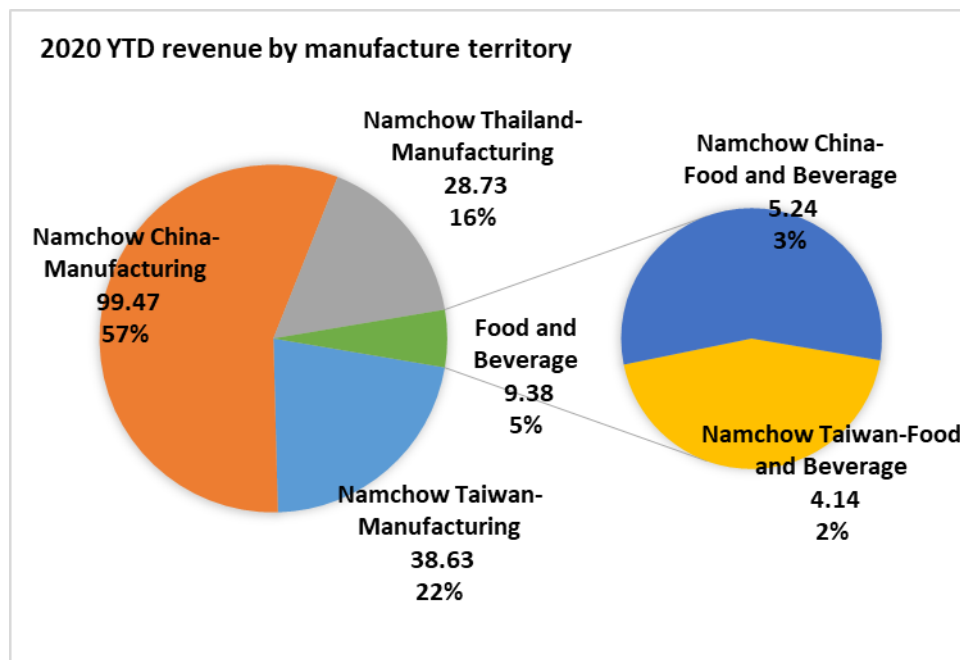
Unit: NTD 100M

Business Highlight - Q1-2021 YTD revenue



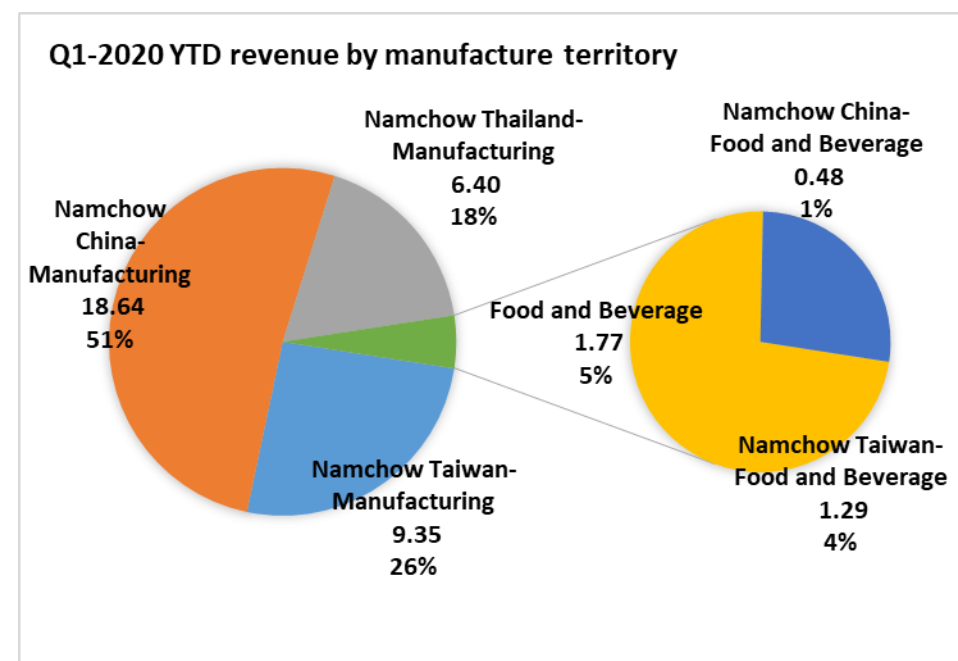
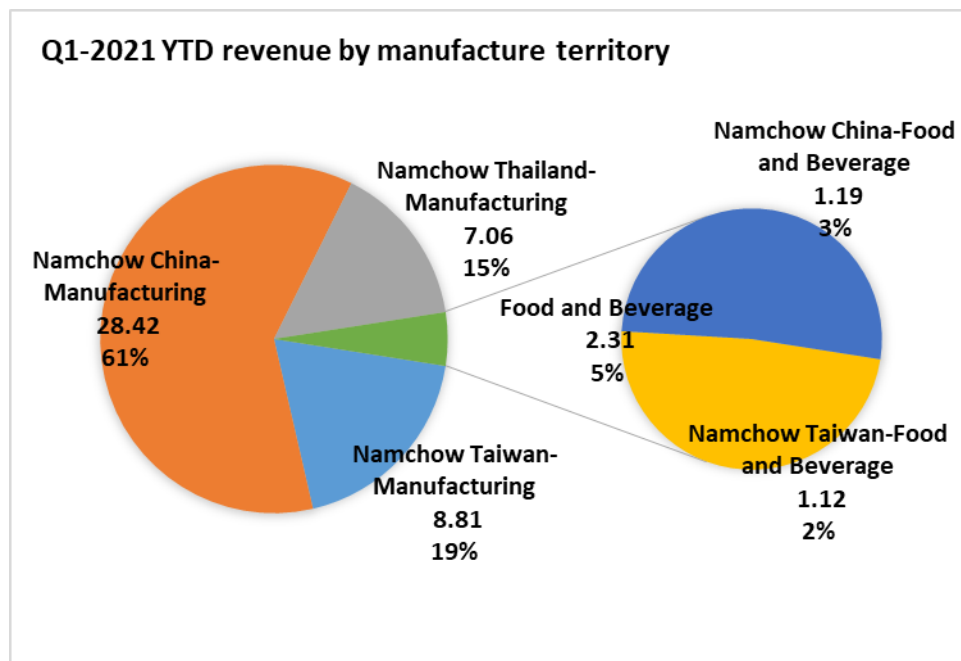
Unit: NTD 100M

Business Highlight- 2020 VS 2019 YTD revenue



Unit: NTD 100M

Business Highlight- Q3-2020 VS 2019 YTD revenue



Unit: NTD 100M

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Taiwan Oil & Fat

- 「烘焙餐飲化」: added the elements of food and beverage into the bakery application, and promoted bakery products new style to be as main meals and provided to meet customers' delicious and convenient expectations. Built the platform to connect all peers and providers, compiled the changes of the whole economic situation and consumer behavior and the impact of Taiwan's Baking Industry, and suggested the business solutions of the multiple baking business models.
- Understood the changes of Taiwan's Baking Industry in the post epidemic era to open the first store in Taiwan, "community bakery and food and beverage complex store". Promote the new style(bakery and food and beverage complex) to customers to increase added value.

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. As the weather is hotter, the whole market will grow.

Home products

- Cooperate with probiotics (益菌の革命 TripleProbio) developed by TCI Co., Ltd.(大江生醫集團) to launch the new product(益生菌高效抗菌洗衣液體皂) to decrease the bad microbiota for a long time and protect the clothing fibers.

Thailand Namchow

- The all new production capacity was set to manufacture rice cracker and the sales reached record high in 2020. The first stage goes into full production and the second stage will be all in place in third-quarter and will be in production next year.

China Oil & Fat

- Namchow Food Group (Shanghai) applied to China Securities Regulatory Commission for A-shares IPO in Shanghai in 2018. On Jan 14, the application was approved by China Securities Regulatory Commission. The main products are bakery oil, frozen dough, ice product and frozen noodle. Namchow Taiwan had the shares of 96.15%.
- On April 9, China Securities Regulatory Commission issued the official IPO approval.
- On May 18, Namchow Food Group (Shanghai) issued A-shares in Shanghai. The issue price was RMB 16.98 and the IPO funding was RMB 1.07 billion(NTD 4.6 billion). The funding will be used in the new equipment and technical development in Shanghai factory, Tenjin factory and Guangzhou factory, cold chain storage, R&D center, call centers and the information system upgrading program.

Q & A