



Security code : 1702

# **Namchow holdings Co., Ltd.**

## **2022 Q2 Investor Conference**

Kevin Lee  
Oct. 13, 2022



## 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**
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## 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

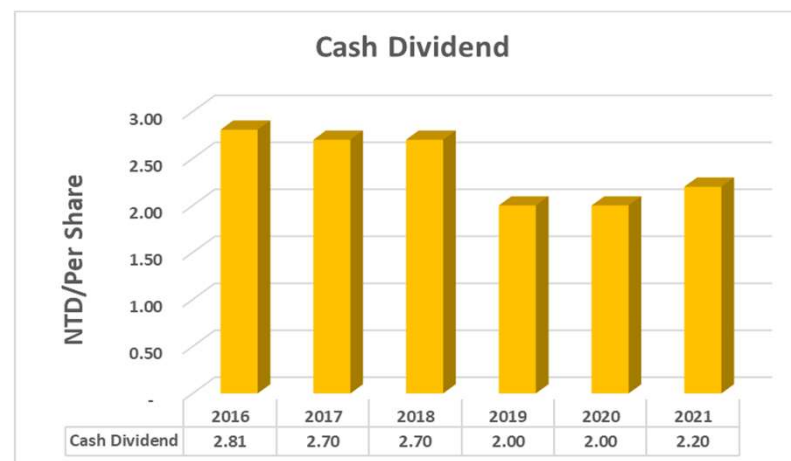
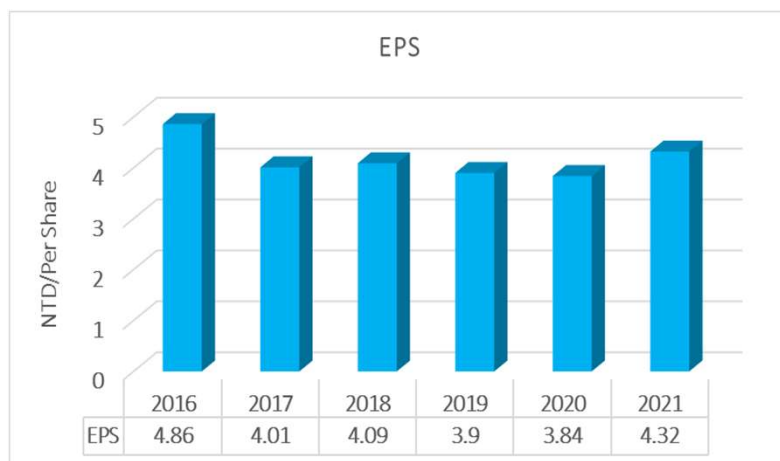
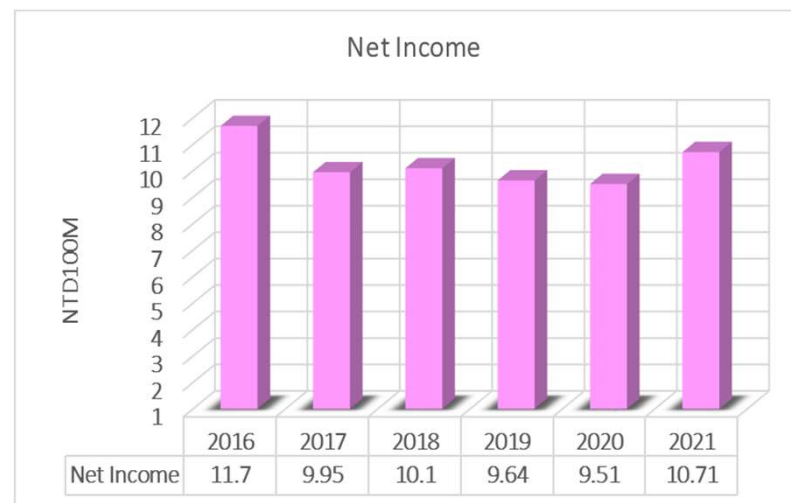
**Plant locations** : Taoyuan Factory 、 Chungli factory 、 Tainan factory 、 Thailand factory 、 Tenjin factory 、 Guangzhou factory 、 Jinshan Shanghai (1st&2nd)

**Food service locations** : Taipei (Dian Shue Lou 、 Paulaner 、 Honbaryu Noodle Shop 、 Le vil du Petit Prince) 、 Shanghai (Paulaner) 、 Tokyo (Dian Shue Lou )

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# Review of operations

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## Business Highlight-Consolidated Balance Sheets

Unit:NTD'000

	2022.06.30		2021.12.31		2021.06.30	
	amount	%	amount	%	amount	%
Current Assets	17,955,649	57%	16,011,182	54%	15,900,406	53%
Non-Current Assets	13,337,163	43%	13,402,686	46%	13,939,698	47%
<b>Total Assets</b>	<b>31,292,812</b>	<b>100%</b>	<b>29,413,868</b>	<b>100%</b>	<b>29,840,104</b>	<b>100%</b>
Current Liabilities	9,249,010	30%	6,561,148	22%	12,085,520	41%
Non-Current Liabilities	10,019,209	32%	11,017,062	37%	6,815,524	23%
<b>Total Liabilities</b>	<b>19,268,219</b>	<b>62%</b>	<b>17,578,210</b>	<b>60%</b>	<b>18,901,044</b>	<b>63%</b>
<b>Stockholders' equity</b>	<b>12,024,593</b>	<b>38%</b>	<b>11,835,658</b>	<b>40%</b>	<b>10,939,060</b>	<b>37%</b>
<b>Total Liabilities and Equity</b>	<b>31,292,812</b>	<b>100%</b>	<b>29,413,868</b>	<b>100%</b>	<b>29,840,104</b>	<b>100%</b>



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## Business Highlight-Consolidated income statement

Unit:NTD'000	Q2-2022	Q2-2021	YoY(%)	Q2-2022 YTD	Q2-2021 YTD	YoY(%)
Revenue	5,149,487	4,926,650	4.5%	9,907,561	9,586,941	3.3%
Operating costs	3,729,056	3,334,570	11.8%	7,118,038	6,426,418	10.8%
<b>Gross profit</b>	<b>1,420,431</b>	<b>1,592,080</b>	<b>-10.8%</b>	<b>2,789,523</b>	<b>3,160,523</b>	<b>-11.7%</b>
%	27.58%	32.32%	-4.7%	28.16%	32.97%	-4.8%
Operating expenses	1,147,199	1,101,799	4.1%	2,191,168	2,216,067	-1.1%
<b>Operating profit</b>	<b>273,232</b>	<b>490,281</b>	<b>-44.3%</b>	<b>598,355</b>	<b>944,456</b>	<b>-36.6%</b>
%	5.31%	9.95%	-4.6%	6.04%	9.85%	-3.8%
non-operating income and expenses	87,151	(27,578)	-416.0%	118,992	(9,810)	-1313.0%
<b>Net income before tax</b>	<b>360,383</b>	<b>462,703</b>	<b>-22.1%</b>	<b>717,347</b>	<b>934,646</b>	<b>-23.2%</b>
income tax expense	140,273	187,445	-25.2%	267,738	366,745	-27.0%
<b>Net income</b>	<b>220,110</b>	<b>275,258</b>	<b>-20.0%</b>	<b>449,609</b>	<b>567,901</b>	<b>-20.8%</b>
%	4.27%	5.59%	-1.3%	4.54%	5.92%	-1.4%
Net income attributable to Shareholders of the parent	161,846	259,435	-37.6%	348,546	539,535	-35.4%
EPS(NTD/per share)	\$0.65	\$1.05	-\$0.40	\$1.40	\$2.17	-\$0.77

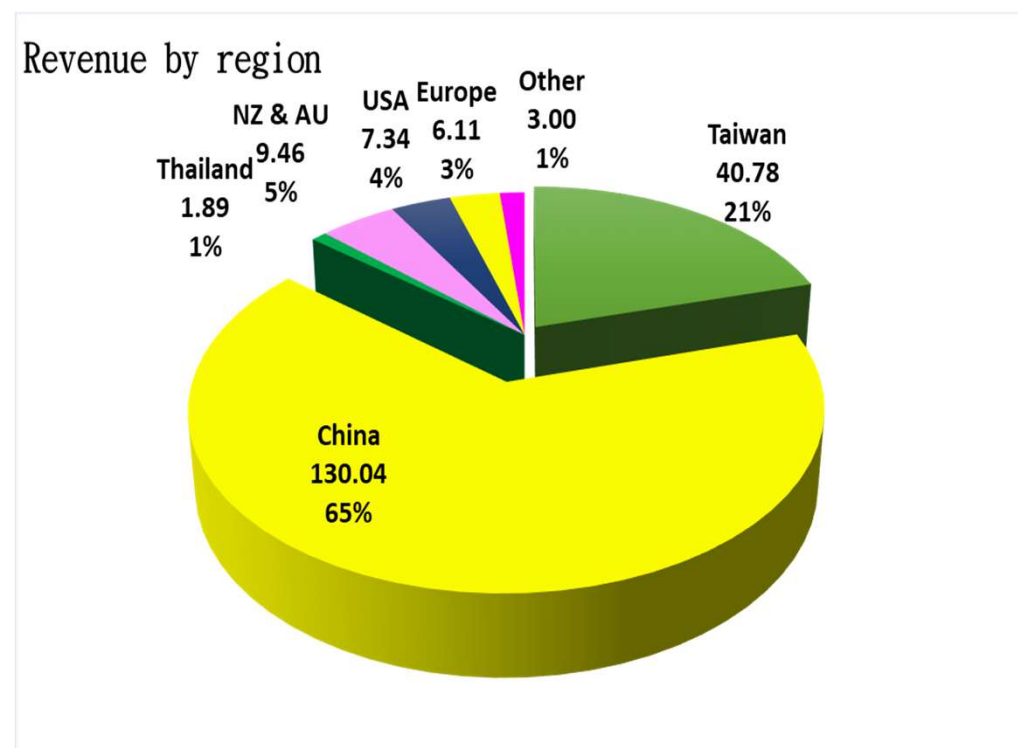
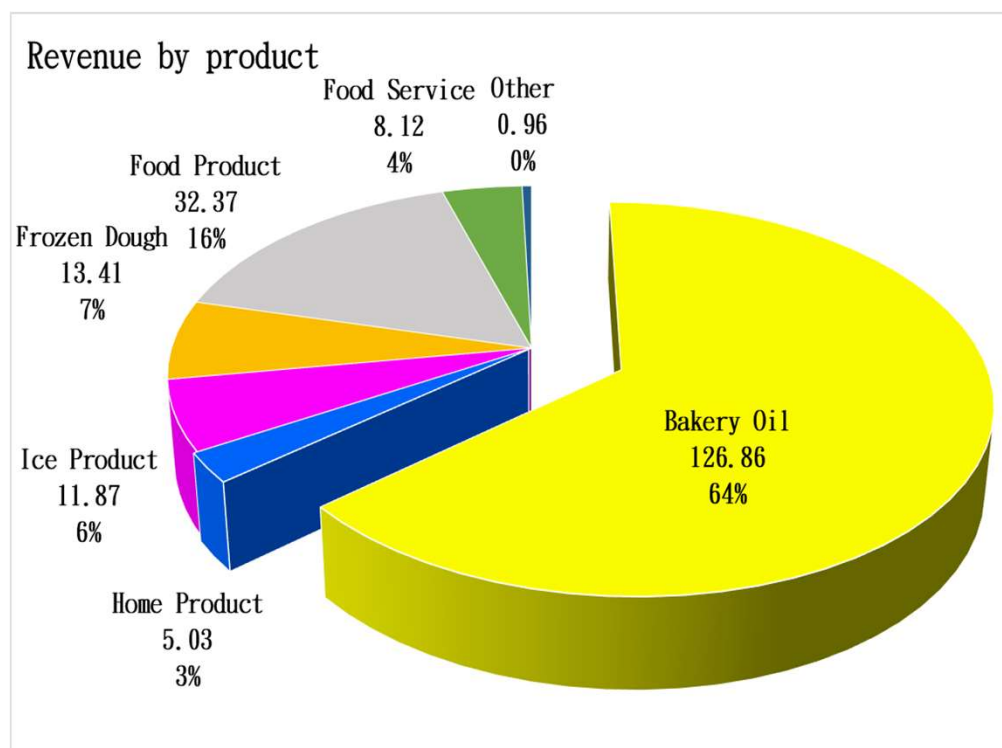


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## Business Highlight-Consolidated statement of cash flow

Unit:NTD'000	Q2-2022 YTD	Q2-2021 YTD	YoY
Cash and cash equivalents at beginning of period	9,729,803	5,721,627	4,008,176
Net cash provided by operating activities	598,372	481,402	116,970
Net cash used in investing activities	(346,218)	(69,102)	(277,116)
Net cash provided by financing activities	143,907	4,568,507	(4,424,600)
Effect of exchange rate changes on cash and cash equivalents	250,742	(206,172)	456,914
Net increase (decrease) in cash and cash equivalents	646,803	4,774,635	(4,127,832)
Cash and cash equivalents at end of period	10,376,606	10,496,262	(119,656)

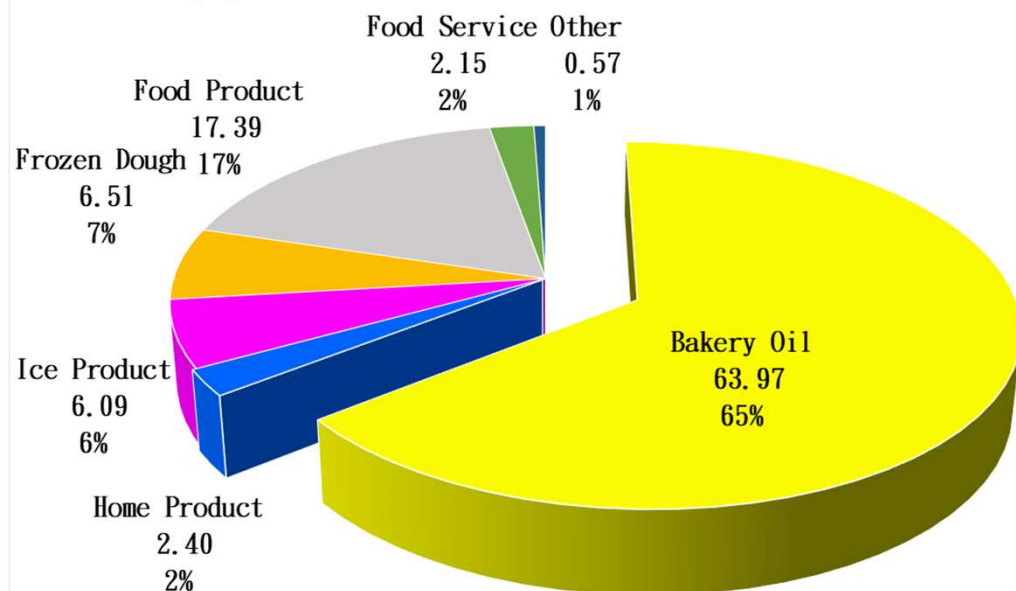
## Business Highlight - 2021 YTD revenue



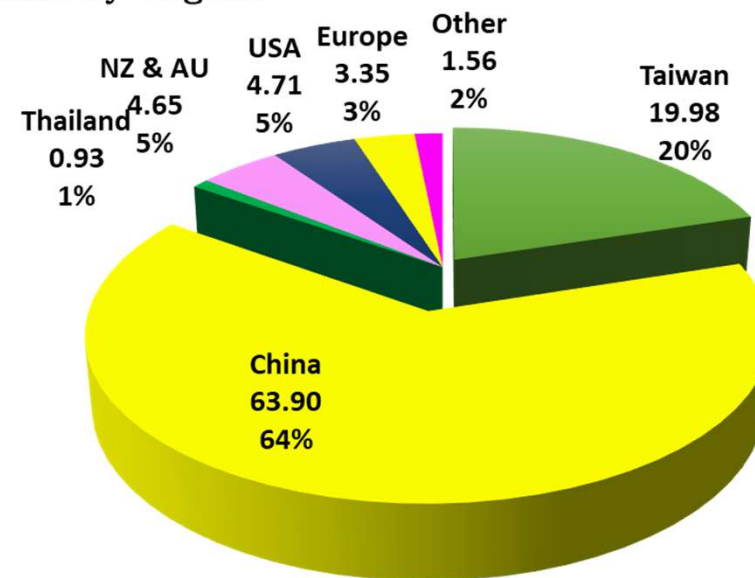
Unit: NTD 100M

## Business Highlight - Q2-2022 YTD revenue

Revenue by product



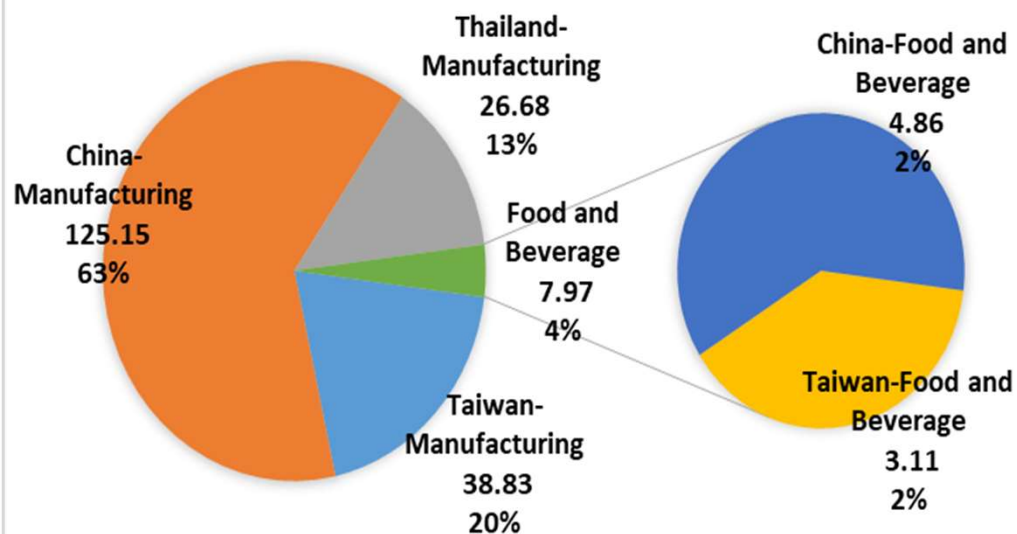
Revenue by region



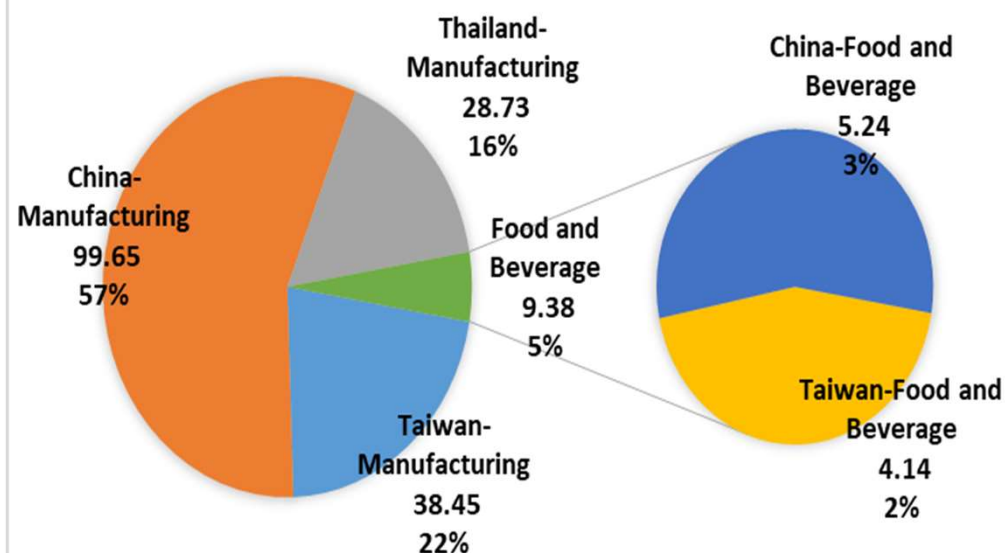
Unit: NTD 100M

## Business Highlight- 2021 VS 2020 YTD revenue

2021 YTD revenue by manufacture territory



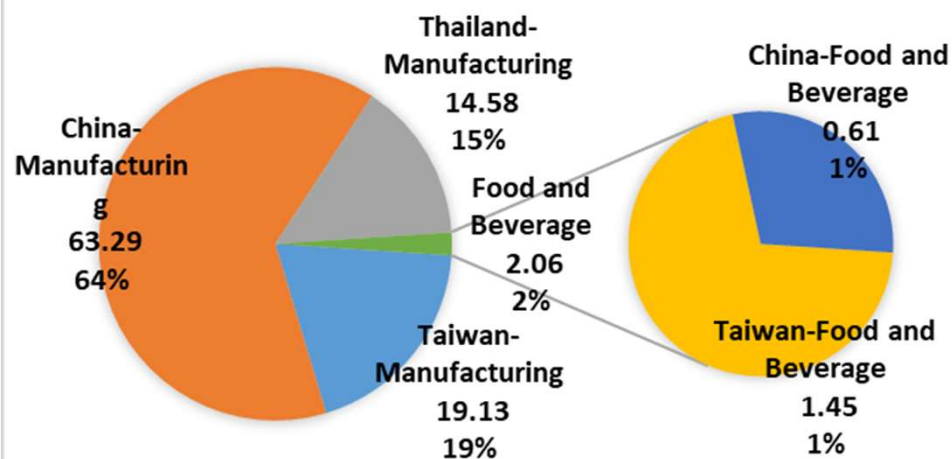
2020 YTD revenue by manufacture territory



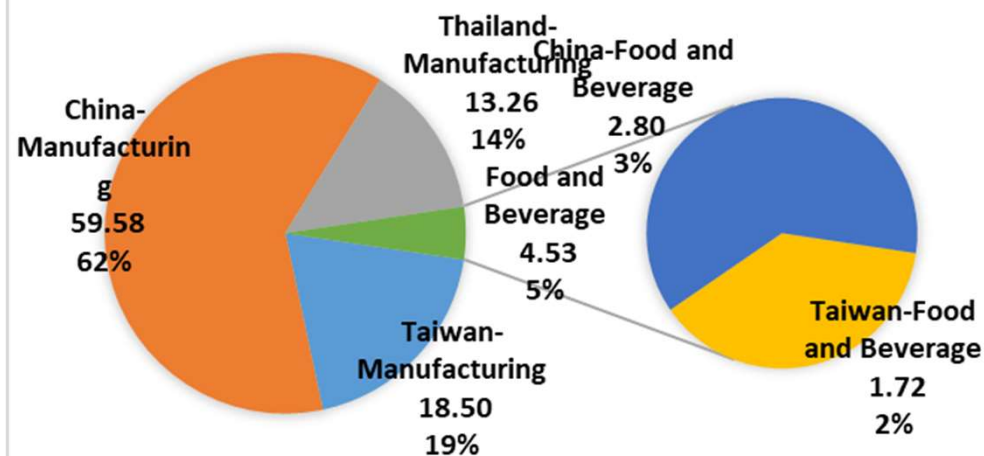
Unit: NTD 100M

## Business Highlight- Q2-2022 VS 2021 YTD revenue

Q2-2022 YTD revenue by manufacture territory



Q2-2021 YTD revenue by manufacture territory



Unit: NTD 100M



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## Business Outlook

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### Taiwan Oil & Fat

- 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. Understood the changes of Taiwan's Baking Industry in the post epidemic era, customers like to buy bread in their community bakery store. Product capability is the key to attract customers to increase added value.

### Forzen Noodles

- In September 2022, Sanuki's artificial wave ramen will be exclusively listed by PX Mart. Using Japanese microcomputer noodle making technology, imitating the craftsman's five-stage hand extension technique to create a wavy ramen body, this noodle can better absorb soup and sauce.

### 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 and Lipton). Export to USA 、Hong Kong 、Macau and South Korea to increase sale volume in winter.

### 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. Launch 「皂力淨洗衣液體皂」 to attain multiple effects 「clean + anti-bacteria + anti-mildew + mite-proof + hyposensitivity」, recommended by Panasonic.

### Soap

- Added probiotics, skin-friendly and moisturizing, to help skin maintain health. Naturally sourced ingredients to develop the most suitable formula for exclusive skin cleansing. No artificial flavors and pigments are added, the production process is rigorous, the soap body is solid and Q bombs are not easy to fester, and it is easy to use and durable. Make bathing a healing time. Launched the "Kingin Quality Life Increase Award" activity.



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### 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 and will be in production second half of the year.

### China Oil & Fat

- Namchow Food Group (Shanghai) Co., Ltd., approved by the board of directors on August 9, 2022, plans to establish a wholly-owned subsidiary Chongqing Namchow Food Co., Ltd. (name tentative) in Chongqing, with an estimated investment amount of approximately RMB 480 million (NTD 2.1 billion), as the company's production base in the western mainland and Southeast Asian markets, it has become the fourth largest production base owned by Namchow Foods, and has built production workshops for the production and processing of whipped cream and frozen dough, R&D workshops and supporting facilities. equipment, to achieve production and supply nearby, and continue to improve the company's operating capabilities.

# Q & A