



# Taisun Enterprise

## 2020Q3 Investor Relations Update

November 17<sup>th</sup> 2020

## Disclaimer

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- **Q3 Operating Result**
- **Taisun Profile**
- **Performance Review**
- **Financials**

## 2020Q3 Operating result

(NT\$ 1000)

Item	2020Q3		2019Q3		YoY Difference	
	Amount	%	Amount	%	Amount	%
Sales	2,516,161		2,463,724		52,437	2%
Cost	1,942,041	77.2%	1,954,466	79.3%	(12,425)	-1%
Gross profit	574,021	22.8%	509,697	20.7%	64,324	13%
Operating expense	402,056	16.0%	368,137	14.9%	33,703	9%
Operating profit	171,965	6.8%	141,560	5.7%	30,621	22%
Non-operating profit	199,171	7.9%	141,713	5.8%	57,368	40%
Pretax income	371,136	14.8%	283,273	11.5%	87,989	31%
Tax	28,718	1.1%	18,179	0.7%	10,539	58%
Net income	342,418	13.6%	265,094	10.8%	77,450	29%
EPS (NT\$)	0.70		0.54		0.16	29%

## YTD2020 (1Q-3Q) Operating result

(NT\$ 1000)

Item	2020Q1~Q3		2019Q1~Q3		YoY Difference	
	Amount	%	Amount	%	Amount	%
Sales	6,317,456		6,080,600		236,856	4%
Cost	5,015,713	79.4%	4,922,457	81.0%	93,256	2%
Gross profit	1,301,216	20.6%	1,159,375	19.1%	141,841	12%
Operating expense	989,269	15.7%	973,041	16.0%	16,228	2%
Operating profit	311,947	4.9%	186,334	3.1%	125,613	67%
Non-operating profit	438,029	6.9%	356,762	5.9%	81,267	23%
Pretax income	749,976	11.9%	543,096	8.9%	206,880	38%
Tax	53,530	0.8%	35,162	0.6%	18,368	52%
Net income	696,446	11.0%	507,934	8.4%	188,512	37%
EPS (NT\$)	1.43		1.04		0.39	38%

## ■ Taisun Profile

*“70 years of experience and hard work, ready to soar “*

- Core Business: Food & Beverage
- Total Asset : NT\$ 9.23 billion
- Amount of Capital : NT\$ 4.9 billion
- Ticker : 1218
- FY2019 Revenue : NT\$ 8 billion
- Leadership : Chairman Peter Chan,  
General Manager Fred Chan

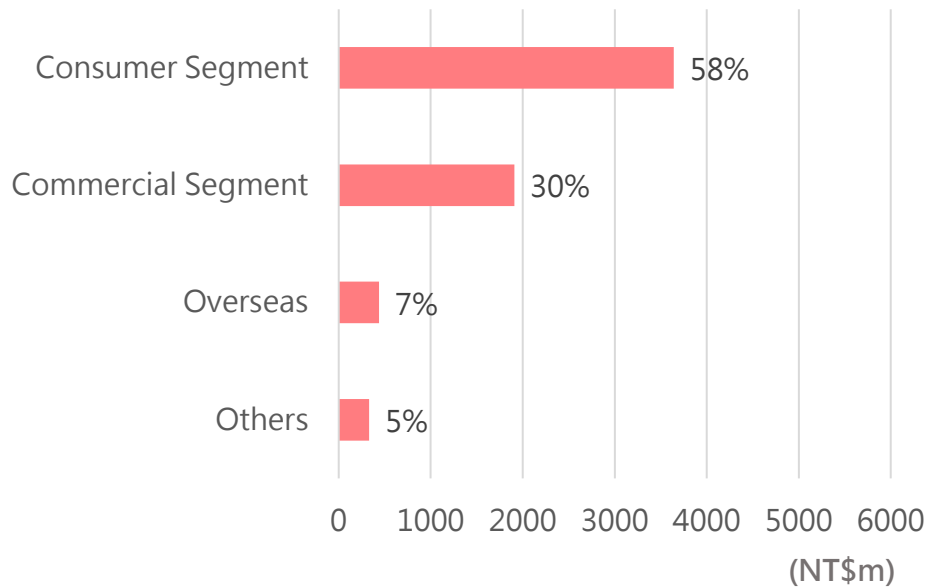
### Key Products

- Canned Desserts
- Bottled Water
- Beverages
- Cooking Oil

# Taisun is a Hidden Gem

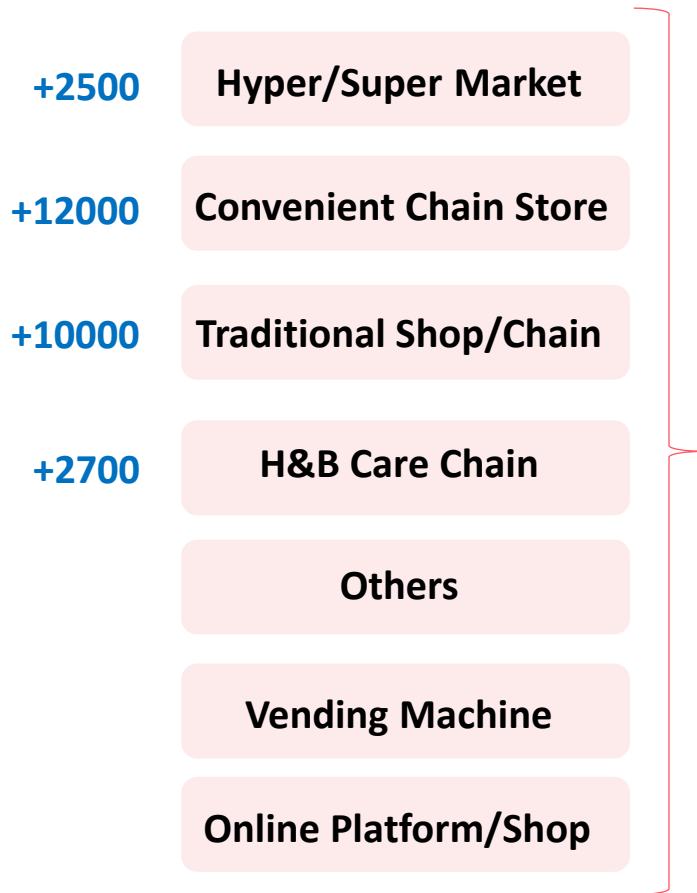
- A well-known brand: 70 years of history, beloved products for all ages
- Strong competencies for F&B manufacturing: mass production experience, product development know-how, patent & formula

Revenue breakdown  
FY 2020Q1-Q3



## Ubiquitous presence, myriad channels

- Over 25, 000 retailers, hyper/super market places, wholesalers, chain stores, and restaurants in TW are selling Taisun products



Unite : shop/store



## Consumer Segment

- Household cooking oil, beverage, bottled water, canned desert

## Market share

- Canned Desert #1
- Ice Fruit Tea #1
- Sparkling Water #1
- Cooking Oil #2
- Bottled Water #2



## Commercial Segment

- Restaurant cooking oil , soybean powder

- **Commercial cooking oil provider # Top 4**
- **Stable single-digit sales growth every year**



炸醬油  
泰山黃金標準大豆沙拉油



煎炸用小包裝  
泰山黃金標準大豆沙拉油  
(3L小包裝)



食品級黃豆  
食品級特選黃豆



食品級黃豆  
食品級特選黃豆



炸醬油  
泰山炸的油 (18公升純淨配  
方)



炸醬油  
泰山純葵花油



炸醬油  
泰山芥花油



油炸專用油  
泰山金鮮耐炸油18L



散裝油  
取裝黃豆油



煎炸用小包裝  
泰山100%大豆沙拉油 (小  
包裝)

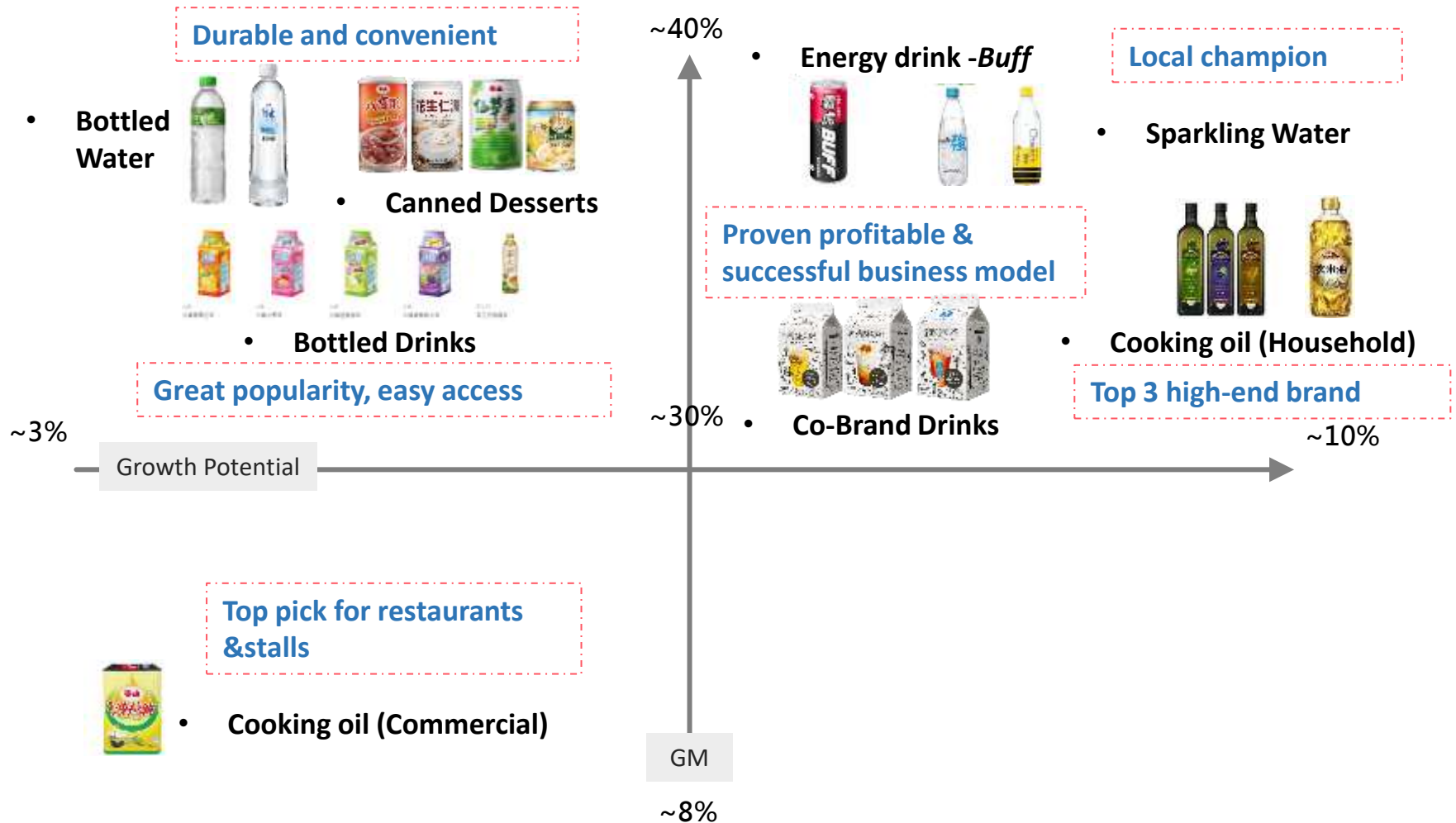


沙拉油  
泰山大豆沙拉油18KG



沙拉油  
泰山大豆沙拉油18L

# Diversified product portfolio, fulfilling various market demands



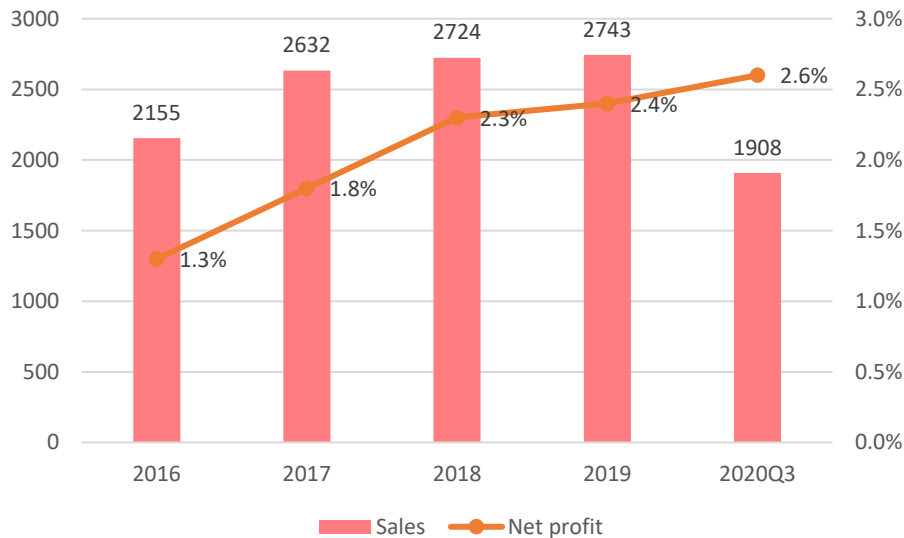
## ■ Performance Review

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# Domestic sales post stable growth and GM continue to expand thanks to improving operating execution and better product mix

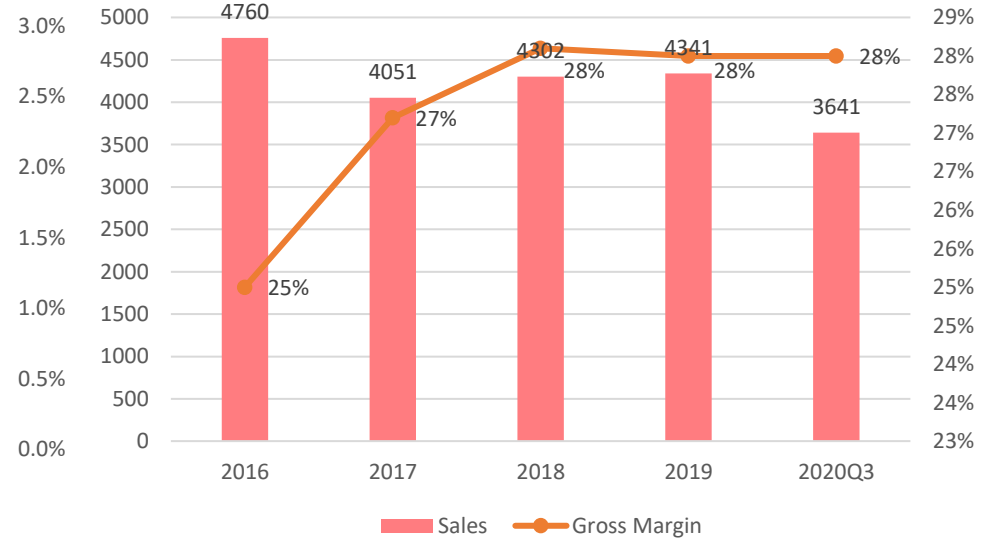
## Commercial Segment

Sales (NT\$m)



## Consumer Segment

Sales (NT\$m)



- For 2016-2020, GM expansion was driven by stable commodity prices, prudent procurement strategy, and improving efficiency
- Close partnerships with our suppliers and customers should help sustain steady growth

- For 2016-2020, our consumer segment posted meaningful GM expansion, mainly driven by stable input costs, judicious pricing strategies, and better product mix
- Going forward, we remain upbeat on our outlook as we continue to strive to improve product mix and further enhance our cost structure

## Product innovation and development leading the growth



### Cha Street – Beverage “Fast Fashion”

- In 2020 partnered with hip beverage brands DONTYELLATME and TUREDAN



### Cheers Sparkling Water

- Top sparkling water brand. Growing through continued innovation including launching seasonal lemon flavor and partnering with 7-11 to introduce coffee with sparkling water



深耕全聯通路

### BUFF Energy Drink

- Close partnership with PxMart has lead to 60% sales growth at the stores. Working with Acer to introduce energy enhancement drinks next year



米其林唯一指定

### ChefOil – Michelin’s choice

- ChefOil brand launched in 2017 has grown double digit each year successfully targeting the high-end consumer oil market and has been the official oil of the Michelin Guide banquet for three years running

## Product innovation and development leading the growth



泰山玄米油

### Taisun Rice Bran Oil – Best Known Brand

- Taisun Rice Bran Oil brand is the industry's most recognized brand with the second highest market share



### Grass Jelly, New Promotions to a Traditional Snack

- Introduced limited editions of this traditional snack which led to highest growth in four years

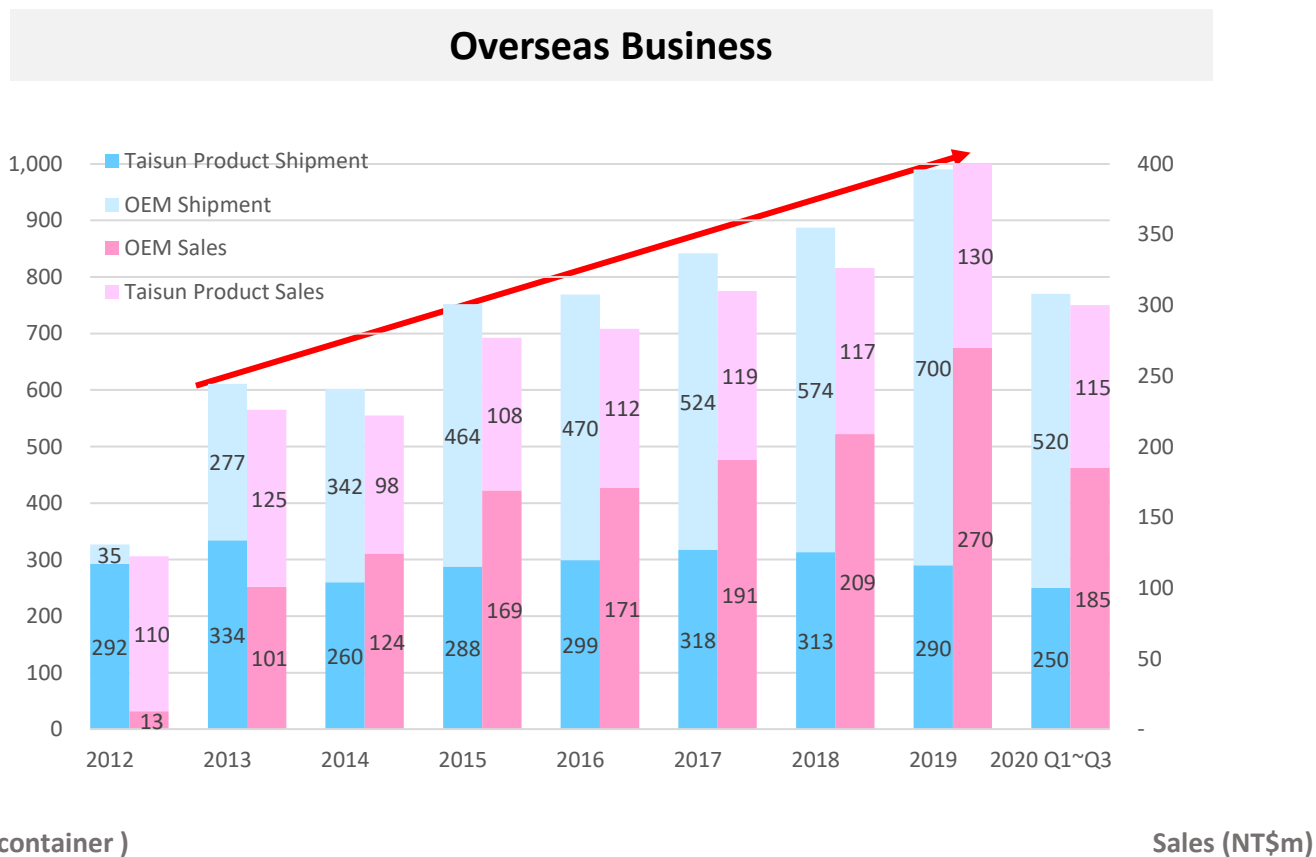


### Congee – New Focus on Healthy and Sugar-free Ingredients

- Introduced in May the first sugar free congee with natural ingredients that has been well received and recognized by the Anti-Additive Association with its highest 3-star award

## Overseas business continues to grow at a healthy pace

- OEM business maintains a double digit growth rate
- We expect new clients in untapped markets to be the key revenue driver going forward





## Invested companies: TW FamilyMart brings in uptrending cash flow

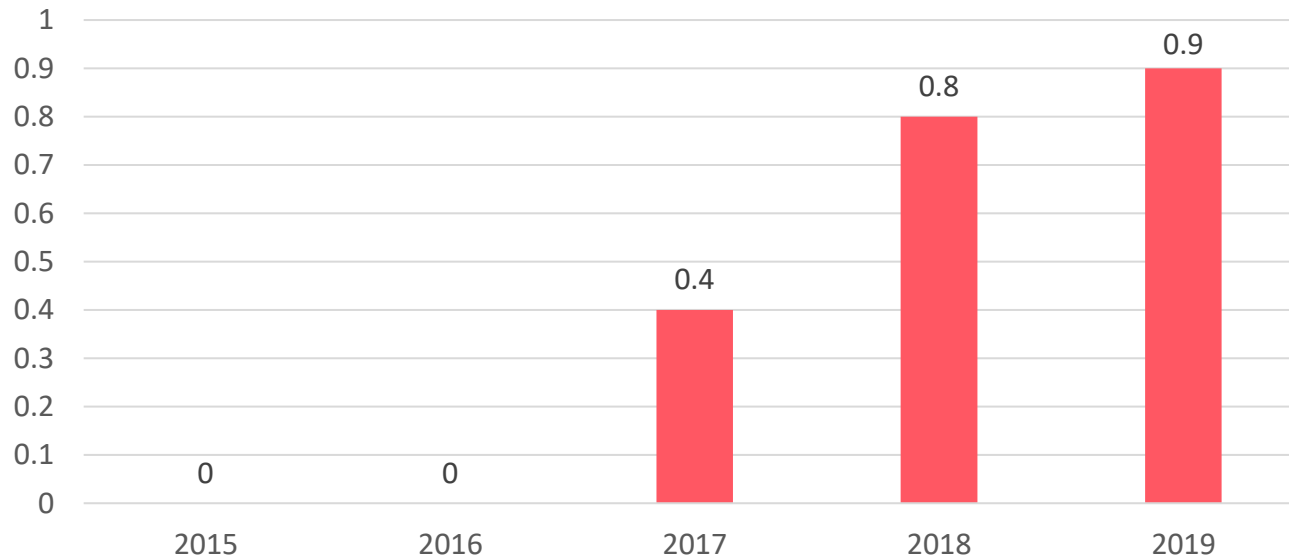
- Taisun holds 22.47% of TW FamilyMart receiving steady cash dividends every year
- As Taisun's operating profit grows has grown rapidly, TW FamilyMart's percentage contribution to net income has gradually decreased

(NT\$m)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Jan~Sep
Investment income	266	262	279	287	347	411	364
Net income	70	124	121	317	464	582	696
Investment income (%)	<u>380%</u>	<u>211%</u>	<u>213%</u>	<u>91%</u>	<u>75%</u>	<u>71%</u>	<u>52%</u>

## A more favorable dividend policy for shareholders

- We paid a cash dividend of NT\$0.9 (81% payout ratio) on FY2019's earnings
- We are strongly committed to paying a dividend that is aligned with the company's earnings growth

Cash Dividend



(NT\$dollar)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
EPS	0.2	0.36	0.93	0.98	1.20
Cash dividend per share	<u>0</u>	<u>0</u>	<u>0.4</u>	<u>0.8</u>	<u>0.9</u>

## ■ Financials

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- Continued EPS expansion
- Stable investment income
- Strong balance sheet

## Income statement

- Over the past 3 years, we have been able grow earnings and expand ROE and ROA through improvement in operations, better product mix and cost controls

(NT\$ 100mn)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Q1~Q3
Sales	80.18	81.11	76.82	79.02	80	63.17
Gross profit	13.08	14.27	13.31	14.33	14.55	13.01
Operating expense	14.1	12.76	13.68	13.42	12.95	9.89
Operating profit	-1.03	1.5	-0.36	0.9	1.6	3.12
Non-operating profit	2.07	-0.02	3.81	4.01	4.61	4.38
Pretax income	1.04	1.48	3.44	4.91	6.22	7.50
Net income	1.24	1.21	3.17	4.64	5.82	6.96
EPS(NT\$)	<u>0.2</u>	<u>0.36</u>	<u>0.93</u>	<u>0.98</u>	<u>1.2</u>	<u>1.43</u>
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Q1~Q3
ROE(%)	3.65	3.53	8.69	9.09	8.95	10.33
ROA(%)	2.7	2.15	4.77	5.71	6.45	7.59

## Balance sheet

(NT\$ 100mn)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Q1~Q3
Cash & equivalents	7.26	8.08	4.66	12.8	11.47	6.45
Accounts receivable	9.92	11.27	10.48	10.57	10.80	14.43
Inventories	7.97	6.46	6.27	6.13	6.80	6.66
<b>Current assets</b>	<b>28.74</b>	<b>31.34</b>	<b>27.98</b>	<b>33.12</b>	<b>35.62</b>	<b>32.67</b>
LT investments	19.58	20.28	21.43	30.75	32.11	32.42
Property	6.37	6.32	6.21	6.2	6.18	6.16
Property, plant & equipment	19.79	18.68	17.88	16.81	17.14	17.55
<b>Total assets</b>	<b>77.59</b>	<b>78.83</b>	<b>74.82</b>	<b>88.07</b>	<b>92.29</b>	<b>91.11</b>
<b>Current liabilities</b>	<b>17.06</b>	<b>24.16</b>	<b>18.36</b>	<b>20.17</b>	<b>16.98</b>	<b>20.11</b>
LT debt	21.47	16.62	15.52	1.12	6.88	--
<b>Total liabilities</b>	<b>43.5</b>	<b>44.07</b>	<b>36.6</b>	<b>24.04</b>	<b>26.24</b>	<b>22.42</b>
<b>Shareholders equity</b>	<b>35.33</b>	<b>35.33</b>	<b>35.58</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Total equity</b>	<b>34.09</b>	<b>34.76</b>	<b>38.22</b>	<b>64.03</b>	<b>66.05</b>	<b>68.69</b>
<b><u>BVPS(NT\$)</u></b>	<b><u>10.02</u></b>	<b><u>10.22</u></b>	<b><u>11.19</u></b>	<b><u>13.15</u></b>	<b><u>13.57</u></b>	<b><u>13.70</u></b>



## New Era, New Way

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