

2022 Q3 Investor Conference
Eclat Textile Co., Ltd
2022.11.08



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- n** The prospects to the future in this briefing report reflect ECLAT's vision of future. ECLAT is not responsible for any notification or update with regard to any change or adjustment to these prospects in the future.

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Eclat

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Company Profile

Eclat

- Year of establishment 1977
- Capital US\$ 91,000,000 (TWD\$ 2,744 million)
- Chairman/CEO C.H. Hung
- Group employee 1,800 employees Taiwan ; 15,200 employees overseas
- Status IPO in Taiwan Stock Market, 2001 (1476-Taiwan)
- Main products Provide the vertical integration supply chain including knitting, dyeing, finishing, and garment making.
Specialize in functional elastic circular knitting fabrics and garments for performance and sportswear.

Competitive Advantage

Eclat

- Global strategy to shorten the lead-time and strengthen competition.
- R&D Technicians attend to the task to provide more than 3,000 new fabrics per year.
- Quick response to produce 150 pieces of sample per day.
- Deeply collaborative development with the first tier international brand and built up a strategy partner relationship with our customers.
- Advantage of production economies of scale and Vertical integration.

Global Strategy

Eclat

- Headquarter New Taipei City, Taiwan
- Fabric mill bases Taiwan and Vietnam 2
- Garment factories Vietnam 、 Cambodia 、 China
Lesotho and Indonesia 18



Vertical Integration

Eclat

- Fabric mill

Monthly capacity 15,000,000 yards

Taiwan 8,000,000 yards/month

Vietnam 7,000,000 yards/month

- Garment factories
(18 factories)

Monthly capacity 11,200,000 pieces

1. Total monthly capacity 6,950,000 pieces

Vietnam Eclat Textile Co., Ltd (Vietnam). Colltex Garment Mfy Co., Ltd (VN).

E-Top (Vietnam) Co., Ltd.

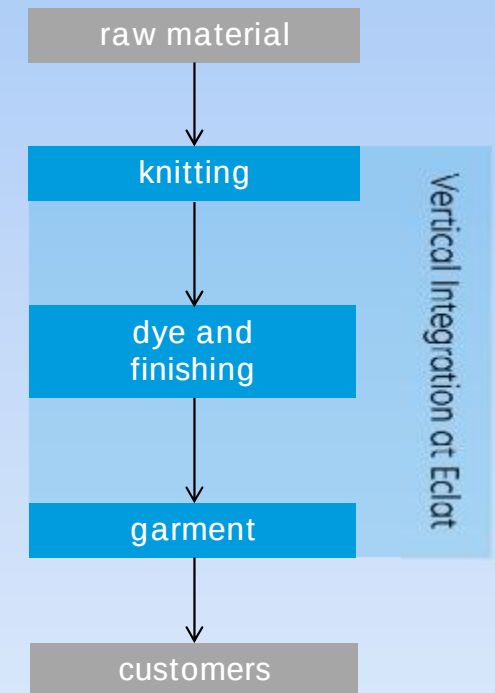
Tai-Yuan Garments Co., Ltd.

Cambodia Eclat Textile (Cambodia) Co., Ltd.

Indonesia PT Eclat Textile (ID) Co., Ltd.

2. Sub-Contractor monthly capacity 4,250,000 pieces

Supply Chain



Fabric Products

Eclat

Functional series



Moisture Management
Anti-bacterial function
High compression
Lycra sport
Anti-pilling
UV-cut
3X dry

Outdoor series



Thermal control: warm & cool
Water proof & breathable
Light weight knitting
Wind block knitting
Knitting lamination
Anti-snagging
UV-cut

Sustainable series



Tencel / Modal Rayon
Sorona & Apexa
Organic cotton
Polypropylene
Recycle fiber
Soybean
Sea cell

Garment Products

Eclat

Performance

Made with ecofriendly materials,
organic & recycle polyester.



Non- sew and welding

Production both in Taiwan and Vietnam.



Athleisure

Multi-function sportswear, from gym to street.



Seamless

Design for the comfort.



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Customer Collaboration

Eclat

ODM



Design research



Fabric development



Design sketch for brands



End product

Design sketch for yoga



Design sketch for training



Quality Control

Eclat

Four certified laboratories



Certification



bluesign

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ISO 14001



nike



adidas

Product Creative Center

Eclat

The process of P.C.C.



1. Raw material - yarn



2. Fabric development



3. Customized product design



4. Pattern making



5. Sampling - sewing



6. Sampling - quality check

Eclat Textile Co., Ltd. And Subsidiaries

Consolidated Statements of Comprehensive Income

2022Q3 VS 2021Q3

(Expressed in Thousands of NTD, Except for EPS)

	3Q22 (A)	%	3Q21 (B)	%	C=A-B	%(C/B)
Operating revenue	10,712,675	100.00	8,058,797	100.00	2,653,878	32.93
Operating costs	7,606,511	71.00	6,071,979	75.35	1,534,532	25.27
Gross profit from operations	3,106,164	29.00	1,986,818	24.65	1,119,346	56.34
Operating expenses:						
Selling expenses	445,368	4.16	441,917	5.48	3,451	0.78
Administrative expenses	379,349	3.54	303,155	3.76	76,194	25.13
Research and development expenses	40,785	0.38	42,788	0.53	(2,003)	(4.68)
Total operating expenses	865,502	8.08	787,860	9.78	77,642	9.85
Net operating income	2,240,662	20.91	1,198,958	14.88	1,041,704	86.88
Non-operating income and expenses:						
Interest income	3,451	0.03	8,207	0.10	(4,756)	(57.95)
Foreign exchange gain(loss)	493,934	4.61	9,085	0.11	484,849	5,336.81
Finance costs	(18,307)	(0.17)	(5,256)	(0.07)	(13,051)	(248.31)
Loss of equity method investment	0	0.00	(968)	(0.01)	968	100.00
Other gains and losses	9,158	0.09	10,816	0.13	(1,658)	(15.33)
Subtotal	488,236	4.56	21,884	0.27	466,352	2,131.02
Profit before tax	2,728,898	25.47	1,220,842	15.15	1,508,056	123.53
Less: Tax expenses	559,008	5.22	257,854	3.20	301,154	116.79
Profit	2,169,890	20.25	962,988	11.94	1,206,902	125.33
Other comprehensive income:						
Exchange differences on translation of foreign financial statements	386,058	3.60	(344)	(0.00)	386,402	112,326.16
Total comprehensive income	2,555,948	23.86	962,644	11.94	1,593,304	165.51
Earnings per share (in dollars)	7.91		3.51		4.40	125.36

Eclat Textile Co., Ltd. And Subsidiaries

Consolidated Statements of Comprehensive Income

01-09/2022 VS 01-09/2021 (Expressed in Thousands of NTD, Except for EPS)

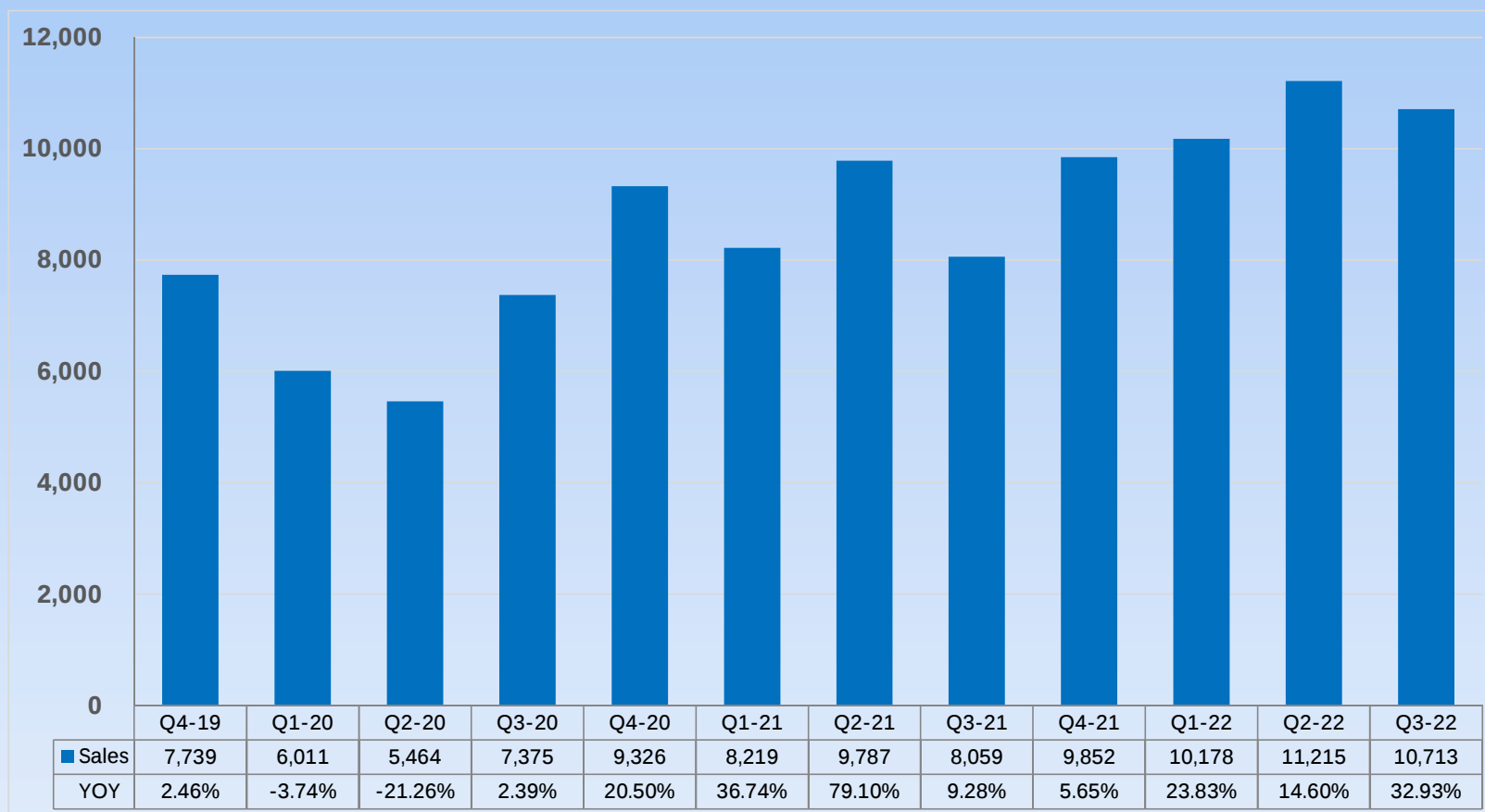
	01-09/ 2022 (A)	%	01-09/ 2021 (B)	%	C=A-B	% (C/B)
Operating revenue	32,105,868	100.00	26,065,040	100.00	6,040,828	23.18
Operating costs	23,138,537	72.07	18,992,507	72.87	4,146,030	21.83
Gross profit from operations	8,967,331	27.93	7,072,533	27.13	1,894,798	26.79
Operating expenses:						
Selling expenses	1,247,563	3.89	1,260,416	4.84	(12,853)	(1.02)
Administrative expenses	1,042,068	3.25	875,383	3.36	166,685	19.04
Research and development expenses	117,819	0.37	122,052	0.47	(4,233)	(3.47)
Total operating expenses	2,407,450	7.50	2,257,851	8.66	149,599	6.63
Net operating income	6,559,881	20.43	4,814,682	18.47	1,745,199	36.25
Non-operating income and expenses:						
Interest income	9,714	0.03	13,992	0.05	(4,278)	(30.57)
Foreign exchange gain(loss)	968,186	3.02	(93,054)	(0.36)	1,061,240	1,140.46
Finance costs	(37,258)	(0.12)	(14,804)	(0.06)	(22,454)	(151.68)
Loss of equity method investment	0	0.00	(2,118)	(0.01)	2,118	100.00
Other gains and losses	15,514	0.05	62,492	0.24	(46,978)	(75.17)
Subtotal	956,156	2.98	(33,492)	(0.13)	989,648	(2,954.88)
Profit before tax	7,516,037	23.41	4,781,190	18.34	2,734,847	57.20
Less: Tax expenses	1,517,840	4.73	935,804	3.59	582,036	62.20
Profit	5,998,197	18.68	3,845,386	14.75	2,152,811	55.98
Other comprehensive income:						
Exchange differences on translation of foreign financial statements	771,093	2.40	(140,691)	(0.54)	911,784	648.08
Total comprehensive income	6,769,290	21.08	3,704,695	14.21	3,064,595	82.72
Earnings per share (in dollars)	21.86		14.02		7.84	55.92

Eclat Textile Co., Ltd. And Subsidiaries

Comparison of Quarterly Sales Revenue

(The Group)

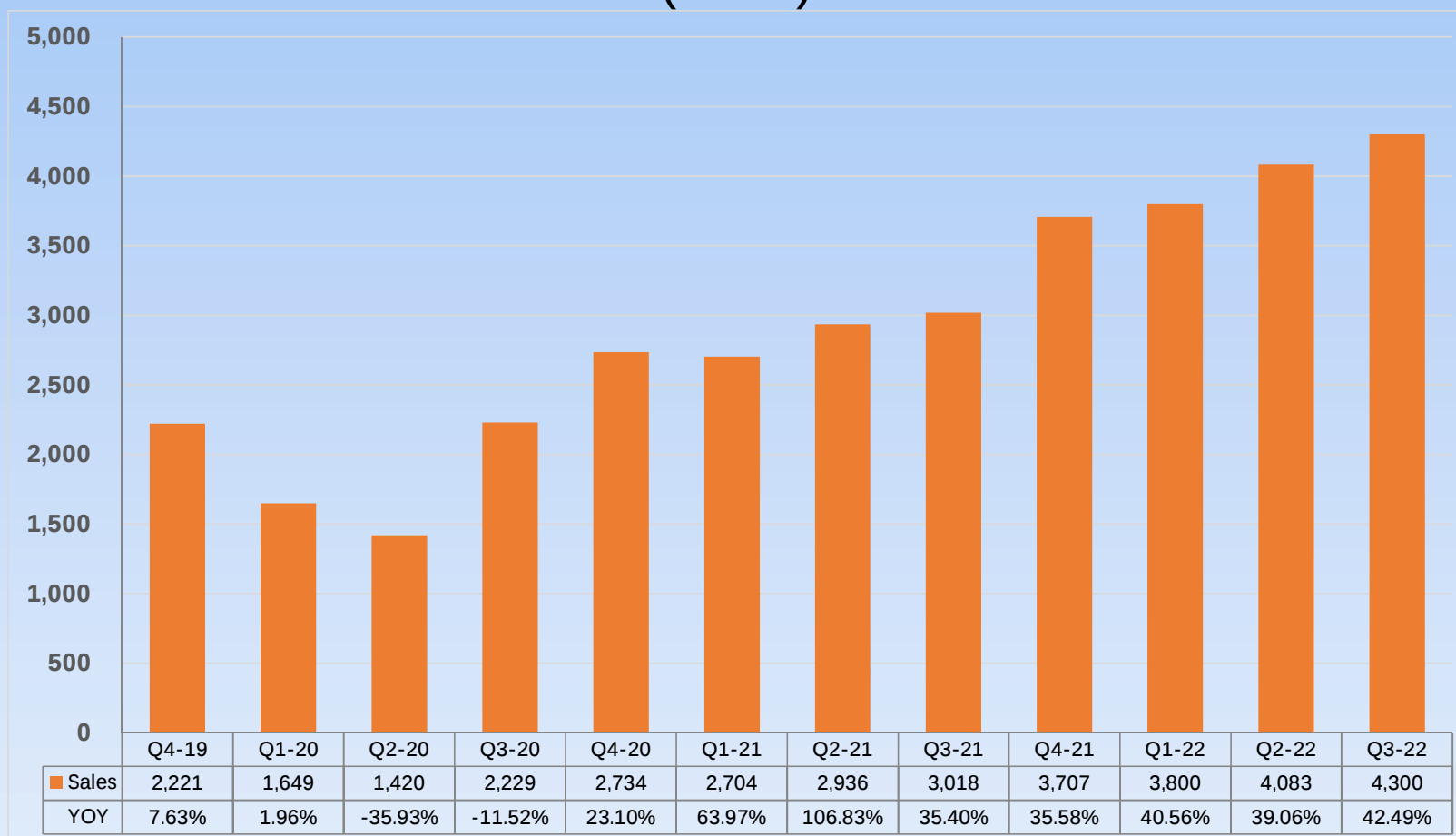
Unit : NTD/million



Eclat Textile Co., Ltd. And Subsidiaries

Comparison of Quarterly Sales Revenue (Fabric)

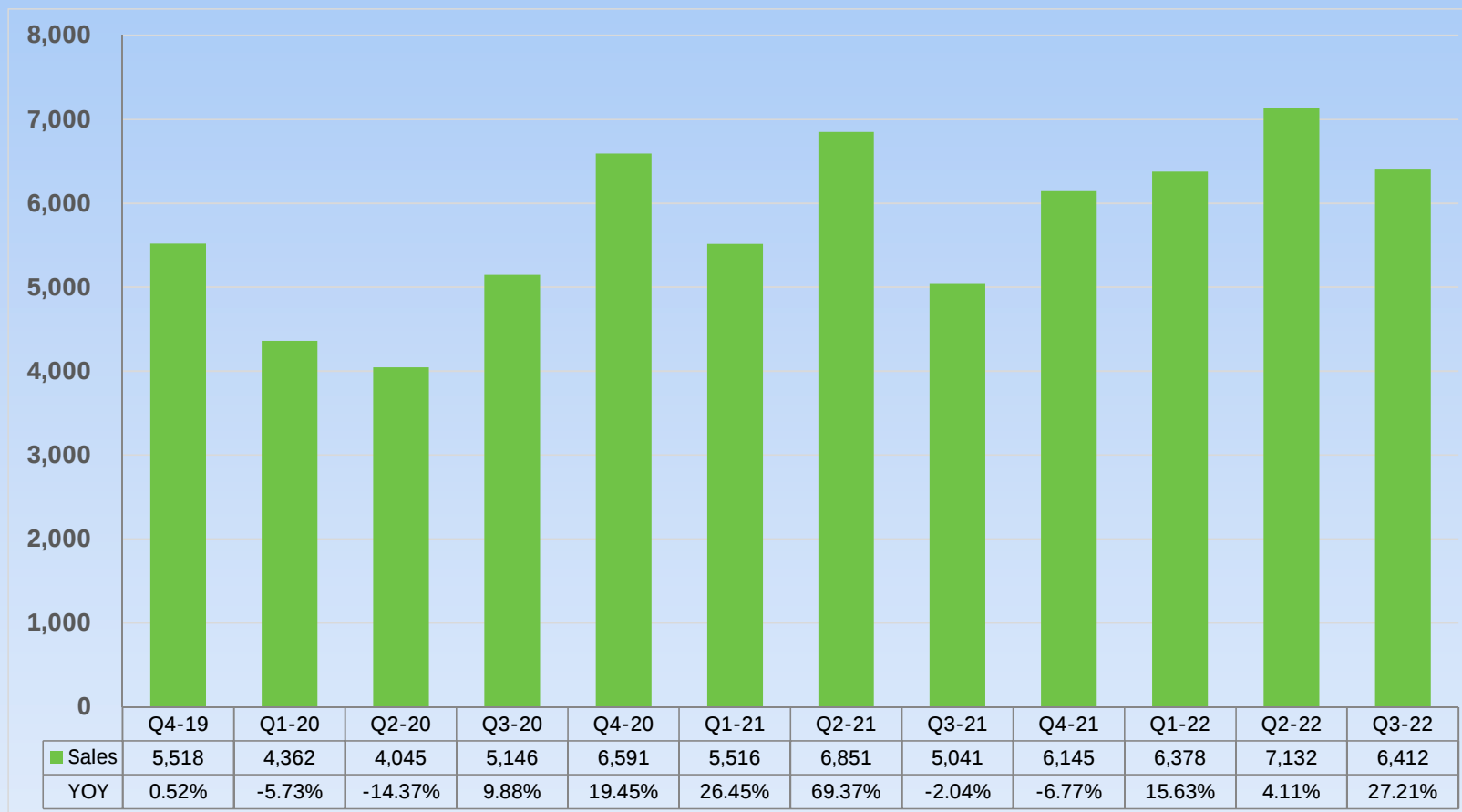
Unit : NTD/million



Eclat Textile Co., Ltd. And Subsidiaries

Comparison of Quarterly Sales Revenue (Garment)

Unit : NTD/million



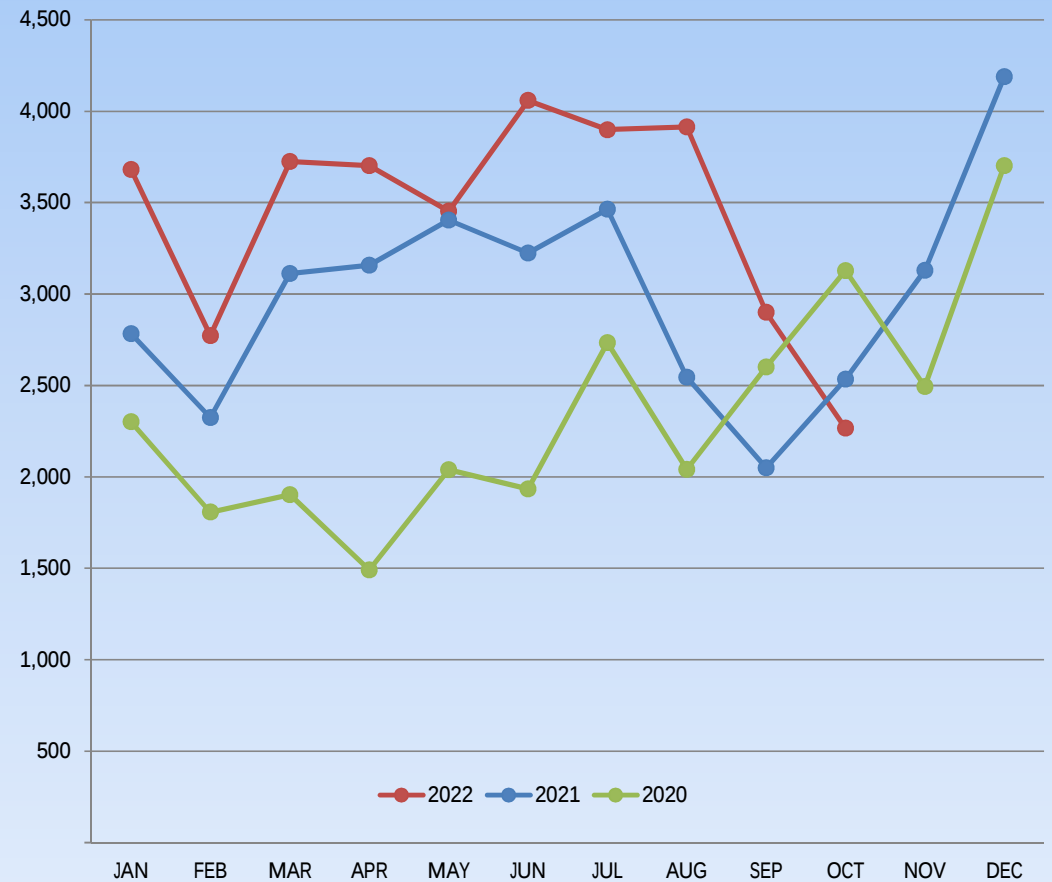
Eclat Textile Co., Ltd. And Subsidiaries

Comparison of Monthly Sales Revenue

(The Group)

Unit : NTD/million

	2022 A	Accumulat ed C	YOY% (A-B)/B	YOY% (C-D)/D	2021 B	Accumulat ed D	2020	Accumula ted
JAN	3,681	3,681	32%	32%	2,783	2,783	2,301	2,301
FEB	2,772	6,453	19%	26%	2,324	5,108	1,807	4,108
MAR	3,725	10,178	20%	24%	3,112	8,219	1,902	6,011
APR	3,703	13,880	17%	22%	3,158	11,378	1,491	7,502
MAY	3,454	17,334	1%	17%	3,405	14,782	2,039	9,541
JUN	4,059	21,393	26%	19%	3,224	18,006	1,934	11,475
JUL	3,899	25,292	13%	18%	3,465	21,471	2,733	14,209
AUG	3,914	29,206	54%	22%	2,545	24,015	2,041	16,249
SEP	2,900	32,106	41%	23%	2,050	26,065	2,600	18,850
OCT	2,256	34,362	-11%	20%	2,535	28,600	3,129	21,979
NOV					3,129	31,729	2,494	24,473
DEC					4,188	35,917	3,702	28,175
total	34,362				35,917		28,175	

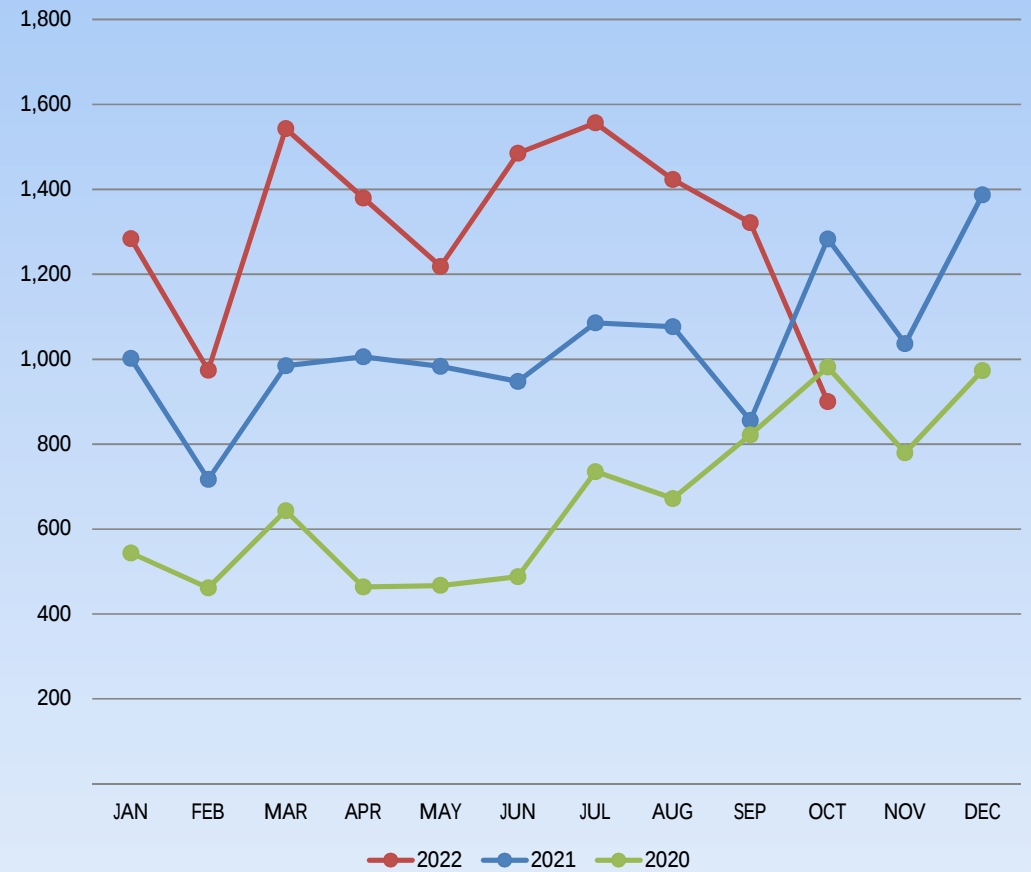


Eclat Textile Co., Ltd. And Subsidiaries

Comparison of Monthly Sales Revenue (Fabric)

Unit : NTD/million

	2022 A	Accumulated C	YOY% (A-B)/B	YOY% (C-D)/D	2021 B	Accumulated D	2020	Accumulated
JAN	1,284	1,284	28%	28%	1,002	1,002	544	544
FEB	974	2,257	36%	31%	717	1,719	462	1,005
MAR	1,543	3,800	57%	41%	984	2,704	644	1,649
APR	1,380	5,180	37%	40%	1,006	3,710	464	2,113
MAY	1,219	6,399	24%	36%	983	4,692	467	2,580
JUN	1,485	7,884	57%	40%	948	5,640	488	3,069
JUL	1,556	9,440	43%	40%	1,086	6,726	735	3,804
AUG	1,423	10,864	32%	39%	1,077	7,802	672	4,476
SEP	1,322	12,185	54%	41%	856	8,658	822	5,298
OCT	889	13,074	-31%	32%	1,283	9,942	981	6,279
NOV					1,037	10,978	779	7,058
DEC					1,387	12,365	973	8,032
合計	13,074				12,365		8,032	

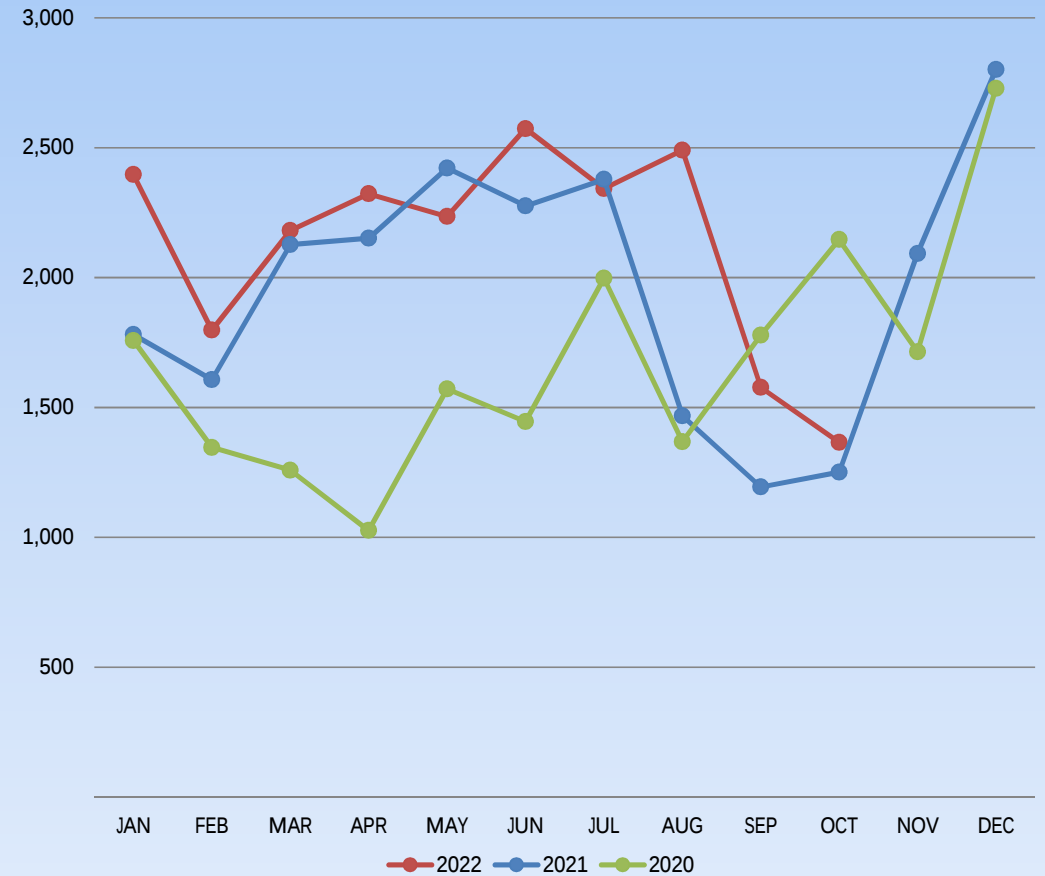


Eclat Textile Co., Ltd. And Subsidiaries

Comparison of Monthly Sales Revenue (Garment)

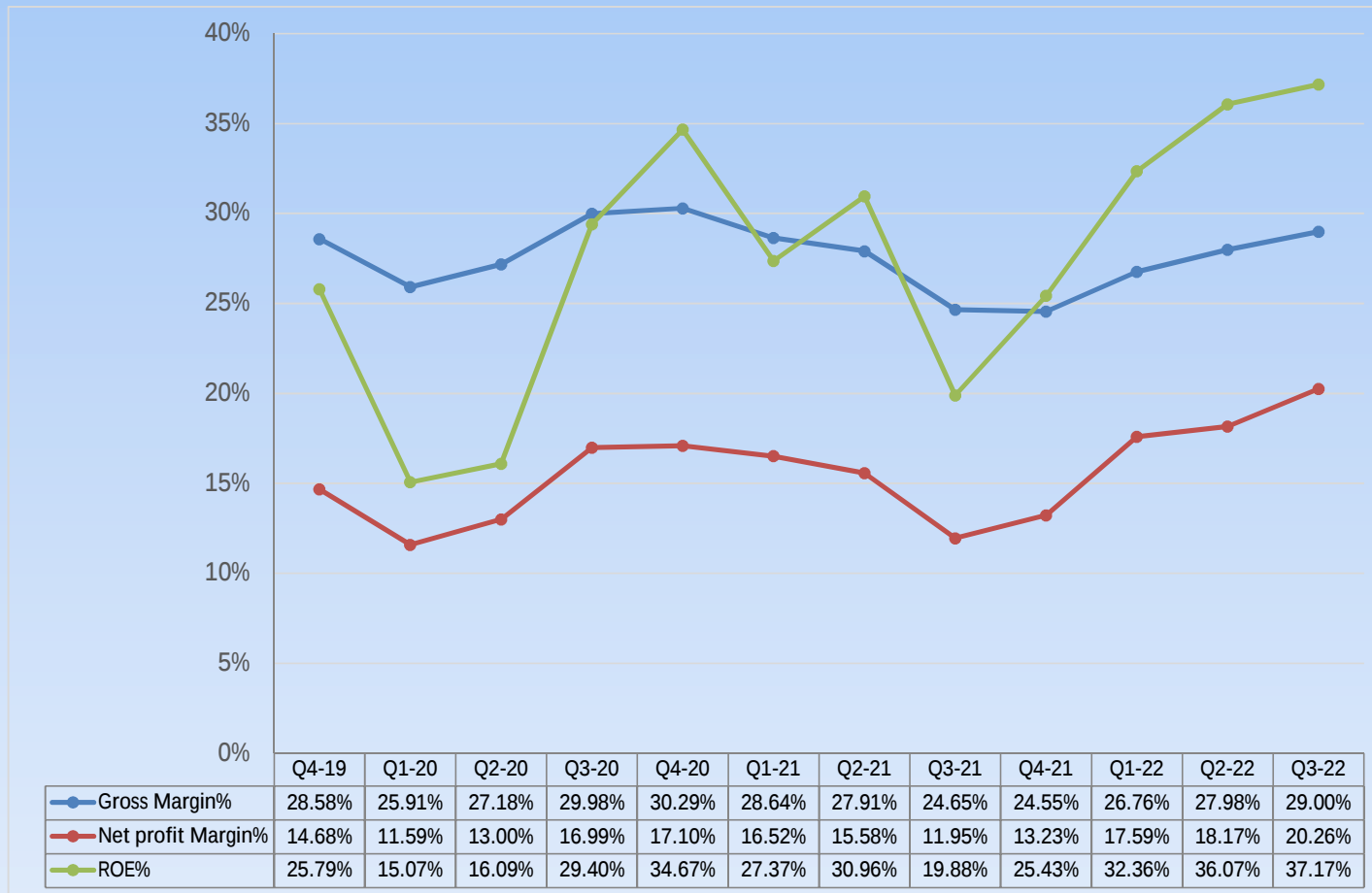
Unit : NTD/million

	2022 A	Accumulated C	YOY% (A-B)/B	YOY% (C-D)/D	2021 B	Accumulated D	2020	Accumulated
JAN	2,397	2,397	35%	35%	1,781	1,781	1,757	1,757
FEB	1,798	4,196	12%	24%	1,607	3,388	1,346	3,103
MAR	2,182	6,377	3%	16%	2,127	5,516	1,259	4,362
APR	2,323	8,700	8%	13%	2,152	7,668	1,027	5,389
MAY	2,235	10,935	-8%	8%	2,422	10,090	1,572	6,961
JUN	2,574	13,509	13%	9%	2,277	12,366	1,446	8,407
JUL	2,343	15,852	-1%	8%	2,379	14,745	1,998	10,405
AUG	2,491	18,343	70%	13%	1,468	16,213	1,369	11,773
SEP	1,578	19,921	32%	14%	1,194	17,407	1,779	13,552
OCT	1,366	21,287	9%	14%	1,251	18,658	2,147	15,700
NOV					2,093	20,751	1,715	17,415
DEC					2,801	23,552	2,729	20,144
total	21,287				23,552		20,144	



Eclat Textile Co., Ltd. And Subsidiaries

Comparison of Quarterly Net Profit



Eclat Textile Co., Ltd. and Subsidiaries

Explanation of notes and accounts receivables

1. Age of receivables :

(Expressed in Thousands of NTD)

	2022/9/30		2022/6/30		2021/9/30	
	Fabric	Garment	Fabric	Garment	Fabric	Garment
Current	1,039,504	3,319,039	1,211,217	4,288,093	811,132	2,081,658
Within 30 days past due	138,276	451,833	140,466	416,589	40,534	204,714
31~120 days past due	50	98,553	50	12,903	1,392	6,375
Over 121 days past due	0	1,815	0	581	429	719
Allowance for doubtful accounts	(8,430)	(15,656)	(4,541)	(19,545)	(6,532)	(17,554)
Total	<u>1,169,400</u>	<u>3,855,584</u>	<u>1,347,192</u>	<u>4,698,621</u>	<u>846,955</u>	<u>2,275,913</u>

2. Average collection days :

	2022Q1-Q3		2022H1		2021Q1-Q3	
	Fabric	Garment	Fabric	Garment	Fabric	Garment
Net sales	12,183,885	19,921,983	7,883,466	13,509,727	8,658,083	17,406,957
Receivables balance at the begin	1,252,052	3,625,159	1,252,052	3,625,159	1,025,862	4,092,395
Receivables balance at the end	1,169,400	3,855,584	1,347,192	4,698,621	846,955	2,275,913
Receivables turnover ratio	13.42	7.10	12.13	6.49	12.33	7.29
Average collection days	<u>27days</u>	<u>51days</u>	<u>30days</u>	<u>56days</u>	<u>30days</u>	<u>50days</u>

Eclat Textile Co., Ltd. and Subsidiaries

Explanation of inventories

(Expressed in Thousands of NTD)

1. Details of inventories:

	2022/9/30		2022/6/30		2021/9/30	
	Fabric	Garment	Fabric	Garment	Fabric	Garment
Raw materials	928,258	2,022,053	1,235,431	2,470,423	1,469,186	3,389,837
Supplies	32,600	513,261	27,291	652,149	27,858	938,577
Work in progress	1,189,608	141,295	1,616,961	223,180	1,998,181	117,339
Finished goods	138,941	15,758	188,110	92,405	235,749	101,952
sub total	2,289,407	2,692,367	3,067,793	3,438,157	3,730,974	4,547,705

2. Days sales outstanding:

	2022Q1-Q3		2022H1		2021Q1-Q3	
	Fabric	Garment	Fabric	Garment	Fabric	Garment
Cost of Good Sold	8,800,134	14,338,403	5,787,187	9,744,839	6,458,829	12,533,678
Inventory at the beginning of the quarter	3,593,196	4,683,111	3,593,196	4,683,111	2,058,476	3,143,171
Inventory at the end of the quarter	2,289,407	2,692,367	3,067,793	3,435,464	3,730,974	4,547,705
Inventory turnover ratio	3.99	5.18	3.48	4.80	2.97	4.35
Days sales outstanding	91	70	105	76	123	84

Eclat Textile Co., Ltd. and Subsidiaries

Explanation of Cash Flows

(Expressed in Thousands of New Taiwan Dollars)

	3Q22	2Q22	3Q21
Beginning Balance	1,759,847	1,759,847	4,024,302
Cash from operating activities	8,723,233	4,037,458	2,688,824
Capital expenditures	(1,621,782)	(1,108,035)	(1,668,918)
Cash dividends	(3,292,406)	0	(3,018,038)
Movement of Short-term and Long-term loans	679,626	304,211	393,616
Investments and others	(27,504)	(7,768)	(76,186)
Ending Balance	<u>6,221,014</u>	<u>4,985,713</u>	<u>2,343,600</u>
Free Cash Flow *	7,101,451	2,929,423	1,019,906

* Free cash flow = Cash from operating activities – Capital expenditures

Thank you Q&A

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