Eclat Textile Co., Ltd

2023 Q4 Investor Conference

Mar. 2024

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Company Profile

• Year of establishment	Nov. 28, 1977
• Capital	US$ 91,000,000 (TWD$ 2,744 million)
• Chairman/CEO	Mr. C.H. Hung
• Group employee	1,850 employees in Taiwan ; 16,750 employees overseas
• Status	IPO in Taiwan Stock Market, 2001 (TWSE: 1476)
• 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.

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Competitive Advantage

- 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.

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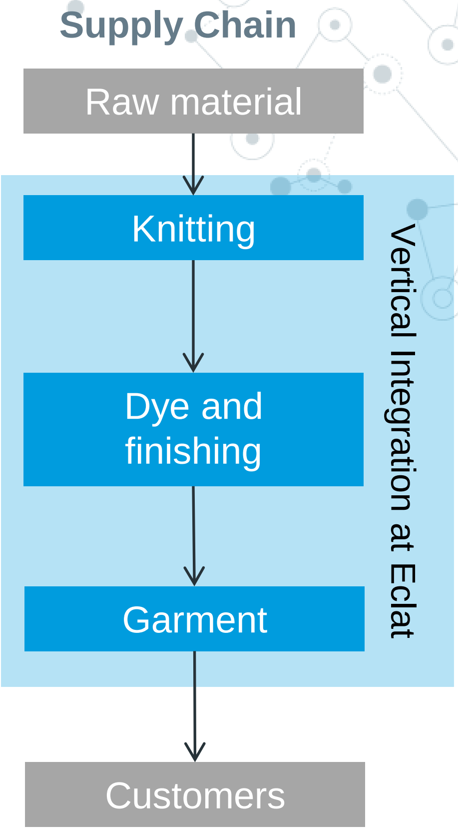
Global Strategy

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

Vertical Integration

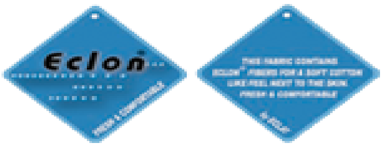
- **Fabric mill** — **Monthly capacity 15,000,000 yards**
  - Taiwan: **8,000,000** yards/month
  - Vietnam: **7,000,000** yards/month

- **Garment factories** — **Monthly capacity 11,200,000 pieces**
  1. Total monthly capacity 7,000,000 pieces
     - Vietnam： Eclat Textile Co., Ltd (Vietnam)
       Colltex Garment Mfy Co., Ltd (VN).
       E-Top (Vietnam) Co., Ltd.
       Tai-Yuan Garments Co., Ltd.
     - Indonesia： PT Eclat Textile International
     - Cambodia：Eclat Textile (Cambodia) Co., Ltd.
  2. Sub-Contractor monthly capacity 4,200,000 pieces



Fabric Products

Eclon® - Developed by Eclat



It feels and looks like natural cotton, also permeable to air and soft. It provides unlimited possibilities for new creations in fashion design, including T-shirts, tight clothes, dresses, aerobic outfits, etc.

Body Care® - Functional series

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

X-POLE ® - Outdoor series

Thermal control, warm & cool, Water proof & breathable, Lightweight knitting, Wind block knitting, Knitting lamination, Anti-snagging, UV-cut.

Garment Products

Performance
Made with ecofriendly materials, organic & recycle polyester.


Non- sew and welding
Production sites based in both Taiwan and Vietnam.


Athleisure
Multi-function sportswear from gym to street styles.


Seamless
Design for comfort.


Customer Collaboration

ODM

1. Design research

2. Fabric development

3. Design sketch for brands

4. End product

Design sketch for yoga

Design sketch for training

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Quality Control

Four certified laboratories

Certification

Bluesign

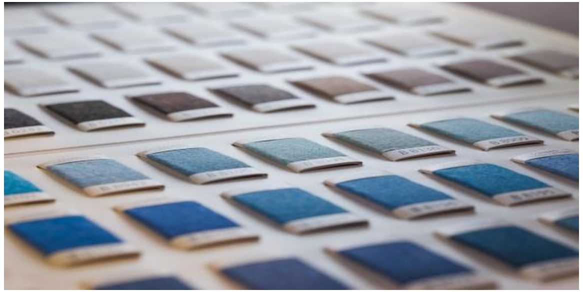
ISO 14001

NIKE

ADIDAS

Product Creative Center

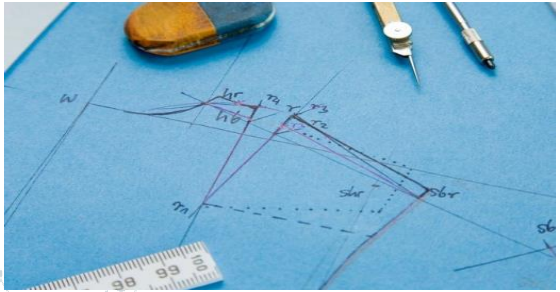
The process of P.C.C.



1. Raw material – yarn

2. Fabric development

3. Customized product design



4. Pattern making

5. Sampling - sewing

6. Sampling - quality check

Comprehensive Income – 2023 Q4 vs 2022 Q4

Expressed in Thousands of NTD

	2023 Q4		2022 Q4		Diff.	
	Amount	%	Amount	%	Amount	%
Operating revenue	8,498,934	100.00	7,630,305	100.00	868,629	11.38
Operating costs	5,736,119	67.49	5,532,309	72.50	203,810	3.68
Gross profit from operations	2,762,815	32.51	2,097,996	27.50	664,819	31.69
Operating expenses:						
Selling expenses	424,007	4.99	453,940	5.95	(29,933)	(6.59)
Administrative expenses	356,811	4.20	424,470	5.56	(67,659)	(15.94)
Research and development expenses	41,373	0.49	42,459	0.56	(1,086)	(2.56)
Total operating expenses	822,191	9.68	920,869	12.07	(98,678)	(10.72)
Net operating income	1,940,624	22.83	1,177,127	15.43	763,497	64.86
Non-operating income and expenses:						
Other income	7,285	0.09	4,666	0.06	2,619	56.13
Other gains and losses, net	(225,640)	(2.65)	(162,031)	(2.12)	(63,609)	(39.26)
Finance costs	(20,823)	(0.25)	(31,166)	(0.41)	10,343	33.19
Interest income	40,876	0.48	35,768	0.47	5,108	14.28
Subtotal	(198,302)	(2.33)	(152,763)	(2.00)	(45,539)	29.81
Income before income tax	1,742,322	20.50	1,024,364	13.43	717,958	70.09
Less: Tax expenses	342,688	4.03	232,213	3.04	110,475	47.57
Profit	1,399,634	16.47	792,151	10.39	607,483	76.69
Other comprehensive income:						
Remeasurements from defined benefit plans	723	0.01	41,283	0.54	(40,560)	(98.25)
Exchange differences on translation of foreign financial statements	(266,392)	(3.13)	(317,782)	(4.16)	51,390	16.17
Total comprehensive income	1,133,965	13.35	515,652	6.77	618,313	119.91
Earnings per share (in dollars)	5.10		2.89		2.21	76.69

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Comprehensive Income – 2023 vs 2022

Expressed in Thousands of NTD

	2023 Annual		2022 Annual		Diff.	
	Amount	%	Amount	%	Amount	%
Operating revenue	30,790,462	100.00	39,736,173	100.00	(8,945,711)	(22.51)
Operating costs	21,111,381	68.56	28,670,846	72.15	(7,559,465)	(26.37)
Gross profit from operations	9,679,081	31.44	11,065,327	27.85	(1,386,246)	(12.53)
Operating expenses:						
Selling expenses	1,583,652	5.14	1,701,503	4.08	(117,851)	(6.93)
Administrative expenses	1,393,123	4.52	1,466,538	3.59	(73,415)	(5.01)
Research and development expenses	153,456	0.50	160,278	0.40	(6,822)	(4.26)
Total operating expenses	3,130,231	10.16	3,328,319	8.07	(198,088)	(5.95)
Net operating income	6,548,850	21.28	7,737,008	19.78	(1,188,158)	(15.36)
Non-operating income and expenses:						
Other income	24,523	0.08	14,360	0.04	10,163	70.77
Other gains and losses, net	103,912	0.34	811,975	2.04	(708,063)	(87.20)
Finance costs	(117,374)	(0.38)	(68,424)	(0.17)	(48,950)	(71.54)
Interest income	115,687	0.38	45,482	0.11	70,205	154.36
Subtotal	126,748	0.42	803,393	2.02	(676,645)	(84.22)
Income before income tax	6,675,598	21.70	8,540,401	21.80	(1,864,803)	(21.84)
Less: Tax expenses	1,499,131	4.87	1,750,053	4.40	(250,922)	(14.34)
Profit	5,176,467	16.83	6,790,348	17.40	(1,613,881)	(23.77)
Other comprehensive income:						
Remeasurements from defined benefit plans	723	0.00	41,283	0.10	(40,560)	(98.25)
Exchange differences on translation of foreign financial statements	15,665	0.05	453,311	1.14	(437,646)	(96.54)
Total comprehensive income	5,192,855	16.88	7,284,942	18.64	(2,092,087)	(28.72)
Earnings per share (in dollars)	18.87		24.75		(5.88)	(23.75)

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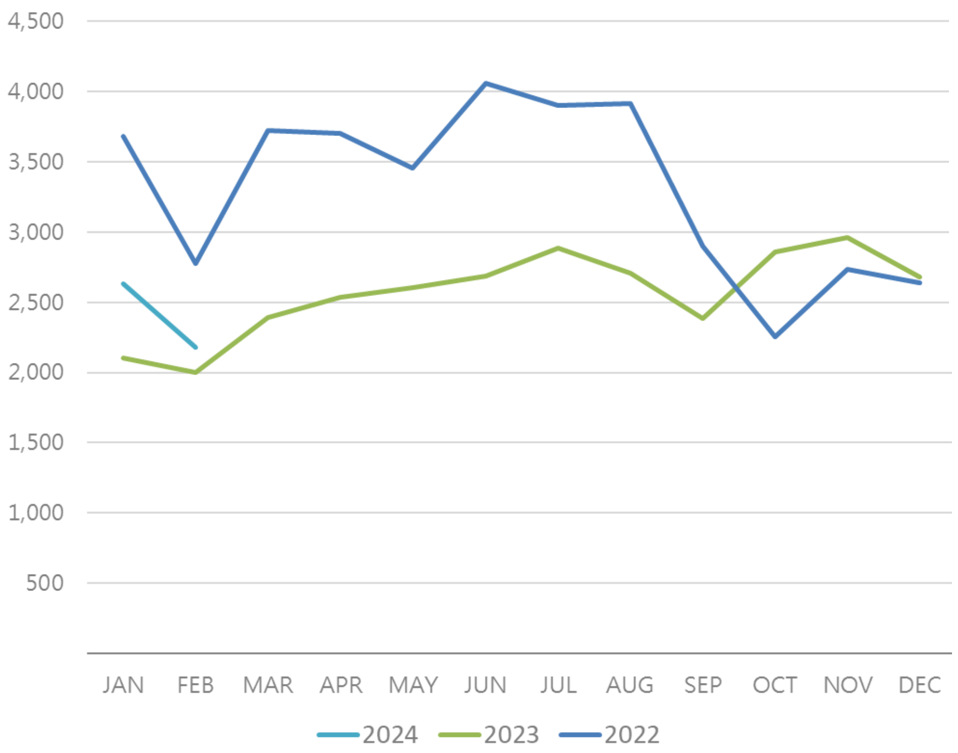
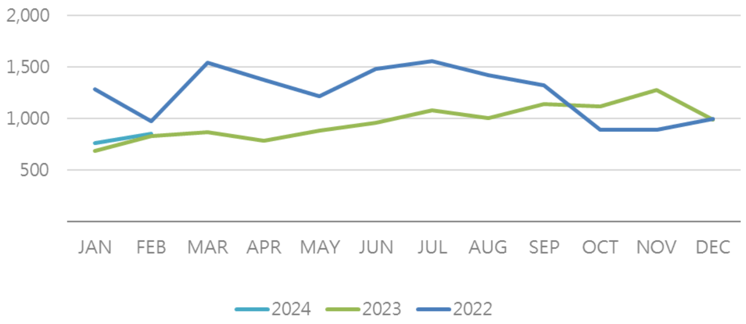
Sales Revenue – Monthly

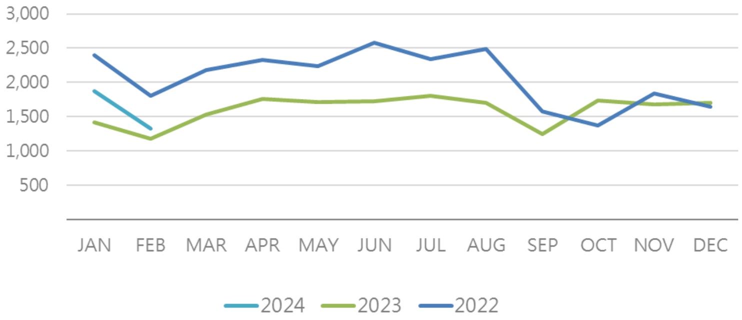
(Unit：NTD/Million) **The Group**



(Unit：NTD/Million) **Fabric**



(Unit：NTD/Million) **Garment**



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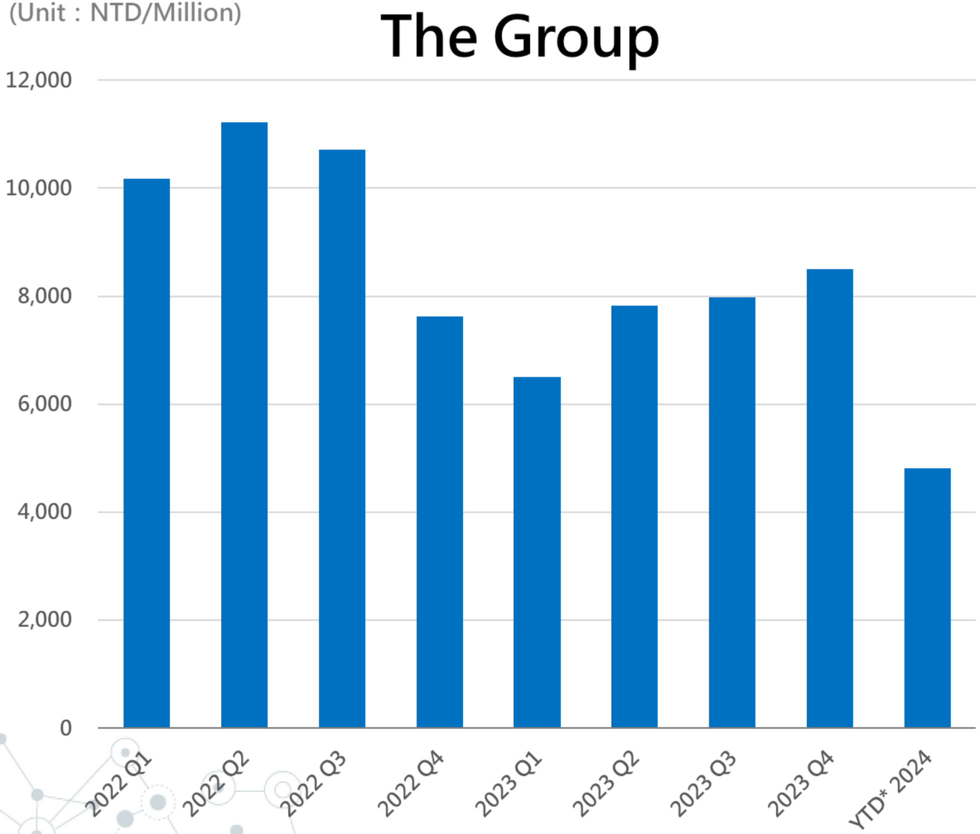
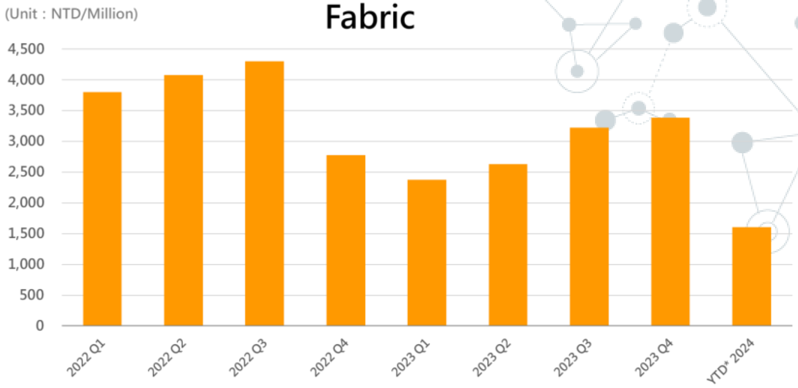
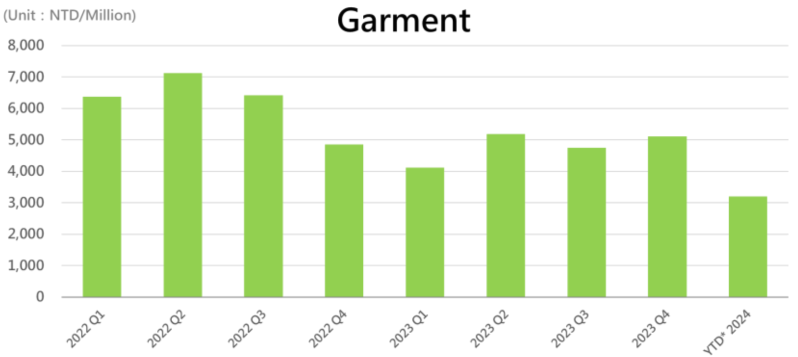
Sales Revenue – Quarterly

(Unit：NTD/Million)







*: From the beginning of 2024 up until 29th February 2024

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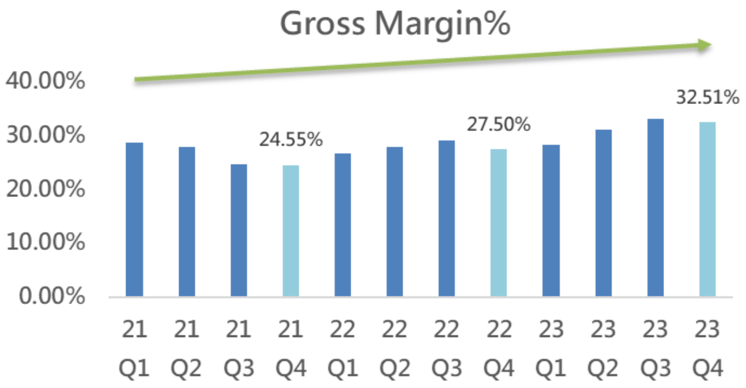
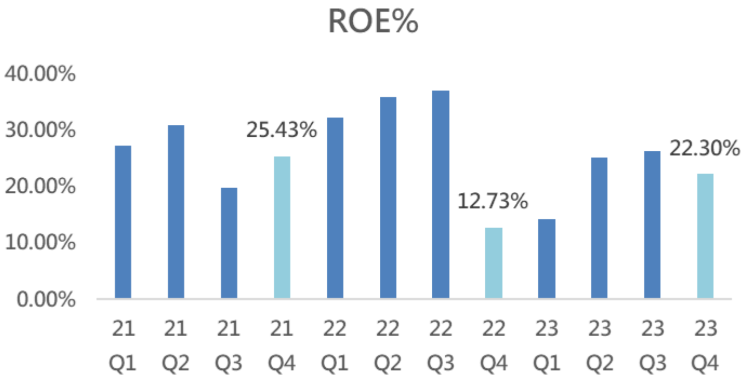
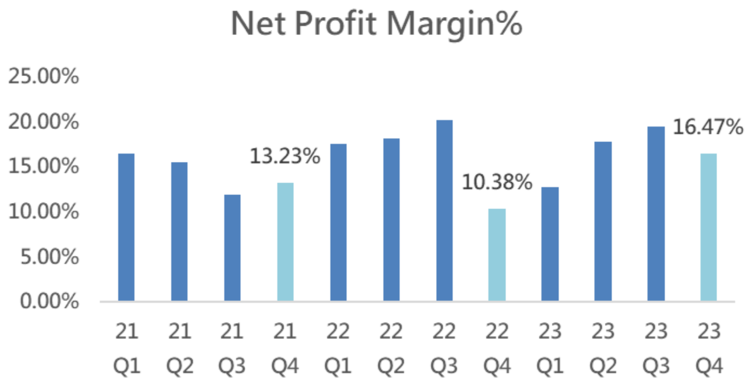
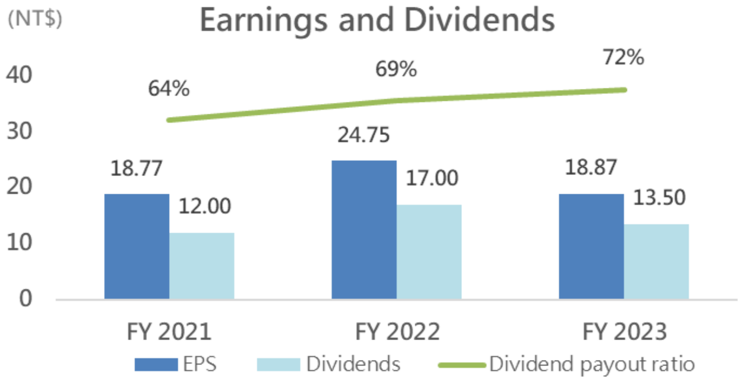
Analysis of Profitability Ratios









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Thank You
Q & A