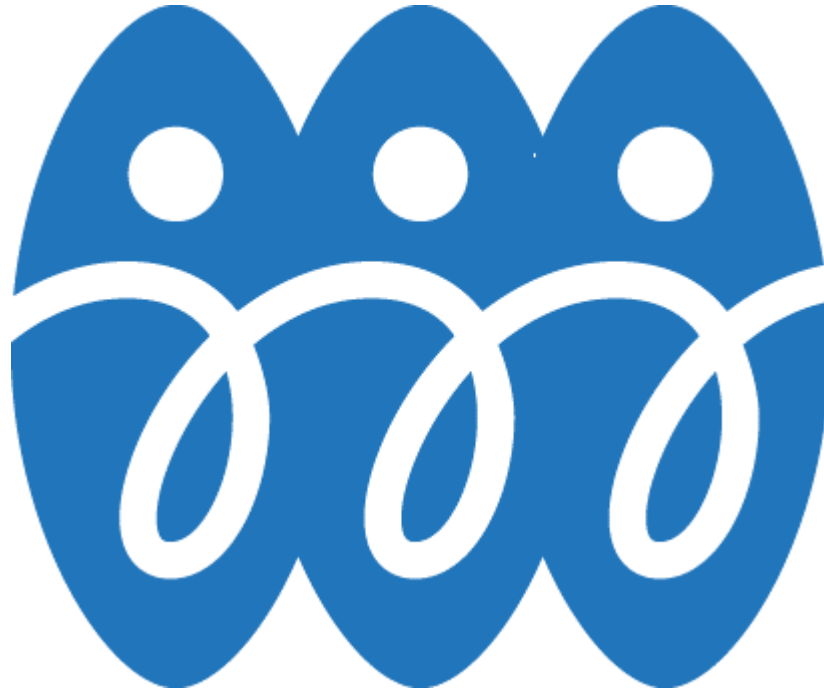




Makalot Industrial Co., Ltd.

2025

Safe Harbor Notice

1. The information provided is intended for reference purposes only and should not be considered as a buy or sell recommendation. It is important to note that any investment decision should be based on your own analysis and understanding of the market.
2. Please be advised that this meeting may include forward-looking statements that are subject to the safe harbor provisions of applicable securities law. These statements may be affected by known and unknown risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied in such statements.

Table of Contents



Company Overview

A Glance at Makalot -P.4

Company Outline -P.5

2024 & Beyond -P.6

Sustainability -P.7



Operating Highlight

Operating Highlight -P.8

Financial Highlight -P.9

ASP/Shipment -P.10

Global Network -P.11

Cost Breakdown -P.12



Financial Figures

Capital Expenditure -P.13

Dividend Policy -P.14

Debt Ratio -P.15

FX Gain/Loss -P.16

A Glance at Makalot

A well known integrated coordinator of apparel supply chain in Asia.

Makalot's Strengths

- ◆ **Strong management** : Creating best formula to stabilize margin through international production bases across 5 countries with diversified production lines.
- ◆ **Value added service** : Providing our customers with one-stop shopping experience and high value-added services in design, material sourcing and speed to market.
- ◆ **Vertical integration** : An addition of a fabric mill in Vietnam though JV enables Makalot to upgrade its speed to market and lower production cost.

Main Strategies



Company Outline

Product Line

- **Active & Sportswear**
 - Performance/Outdoor
 - Athleisure
- **Fashion Apparel**
 - Ready to Wear
 - Sleepwear/Loungewear
 - Underwear
- **Others**
 - Swimwear
 - Medical

Customer

- **Brands**



- **Mass Channels**



- **Department Stores**

KOHL'S

Production Base

- **Vietnam**
- **Indonesia**
- **Cambodia**
- **China**
- **Philippines**
- **El Salvador**
- **Bangladesh**

2024 & Beyond



Supply chain relocation

- Production moving out of China due to wage growth and worker shortage.
- To avoid the risk of US-China trade war, buyer is looking for non-China production base.



Big vendors become bigger

- With the buyer's vendor consolidation plan, a big supplier would gain more market shares.
- Stronger co-operations benefitting vendors with stable finances and diversified production bases.
- Barrier to entry due to stronger demand for large scale productions and innovation capabilities.



Reduce supply chain lead-time

- In order to improve inventory management, customers require vendors to shorten lead-time.
- Vendors who are able to cut their lead-time will be the winner in the long run.



Implement ESG rule

- In order to control risk, customers ask vendors to follow the high specification ESG rule.
- Clients will increase orders to the vendors who perform well in ESG .

Sustainability

- Ranked Top 6%~20% in the 2024 Corporate Governance Evaluation of TWSE-listed Companies
- Listed as a constituent stock in the TWSE Corporate Governance 100 Index of the Taiwan Stock Exchange
- Listed as a constituent stock in the TWSE RAFI Taiwan High Compensation 100 Index of the Taiwan Stock Exchange



Help disadvantaged groups to improve their life



Natural farming
Farmland protection



Provide good benefits and takes care of employees' health



Provide in-service training to prepare for future career growth



100% retention rate after childcare leave



Use energy-saving machinery and equipment



Create 36,000↑ job opportunities



Set a net zero target for 2050



Natural farming adoption
Coastal forestation



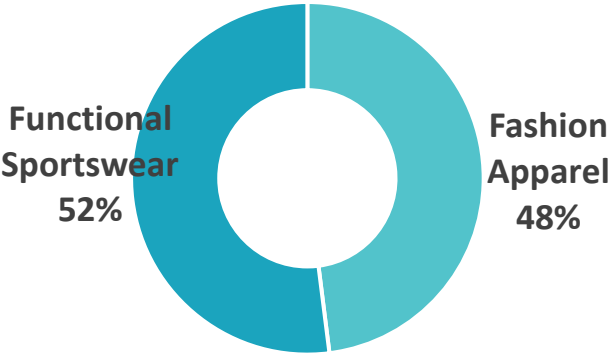
Strictly prohibit child and forced labor



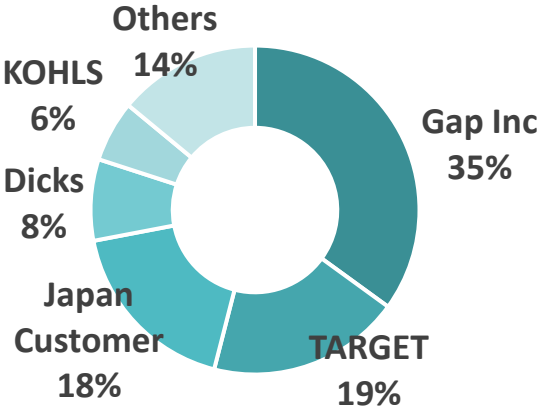
Establish a Sustainability Committee

2024 Operating Highlight

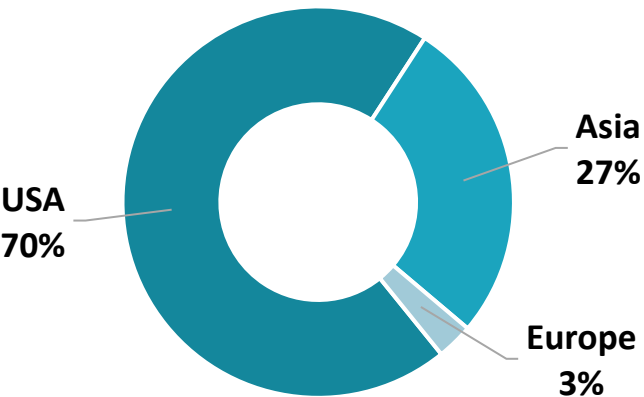
Revenue by Product Line



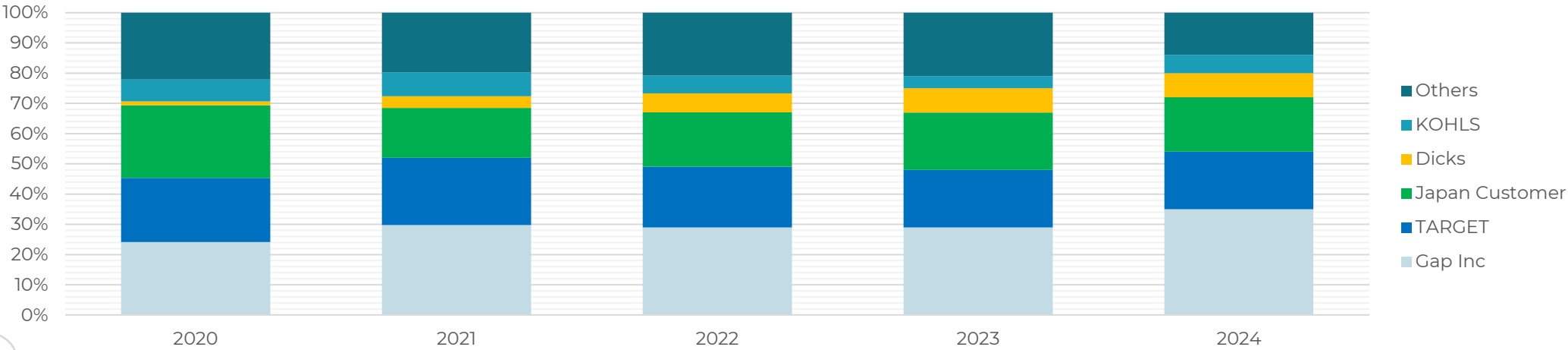
Revenue by Customer



Revenue by Region



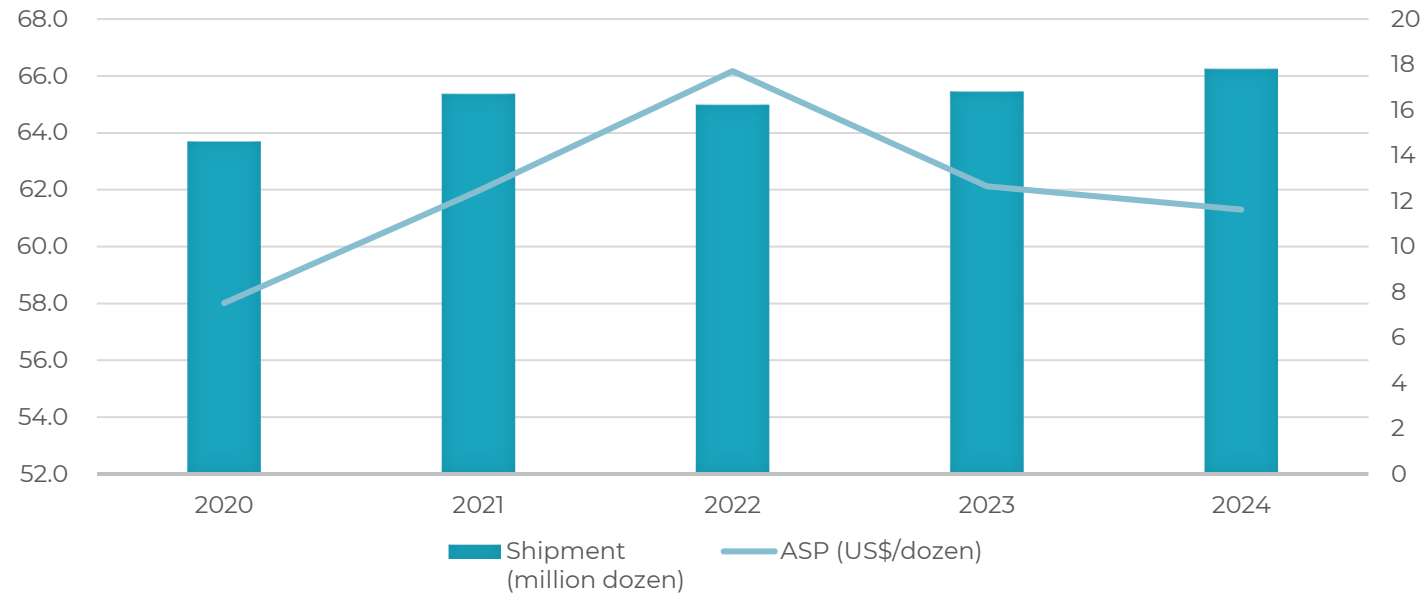
Top Client Revenue Proportion Diagram



Financial Highlight

NT\$mn	2018	2019	2020	2021	2022	2023	2024	2025 Q1~Q3
Net Sales	23,930	27,048	24,924	28,931	32,083	32,459	35,524	26,502
Sales growth (%)	6.95%	13.03%	-7.85%	16.07%	10.90%	-1.58%	9.44%	
COGS	19,187	21,622	19,353	22,396	23,827	24,092	26,532	20,057
Gross profit	4,742	5,425	5,571	6,535	8,256	8,366	8,991	6,445
Operating profit	1,977	2,490	2,666	3,381	4,432	4,840	5,300	3,614
Net profit	1,522	1,929	2,079	2,678	3,540	4,035	4,172	2,788
Net profit growth (%)	17.39%	26.73%	7.77%	28.83%	32.17%	12.59%	3.39%	
Basic EPS (NT\$)	7.2	8.66	9.35	11.21	14.53	16.5	16.68	11.13
Gross margin	19.82%	20.06%	22.35%	22.59%	25.73%	25.77%	25.31%	24.32%
Operating margin	8.26%	9.21%	10.70%	11.69%	13.81%	14.91%	14.92%	13.64%
Net margin	6.36%	7.13%	8.34%	9.26%	11.03%	12.43%	11.74%	10.52%
ROE	17.51%	21.34%	21.47%	22.36%	24.21%	25.72%	27.18%	
ROA	11.61%	13.58%	12.45%	13.11%	15.18%	16.37%	17.36%	

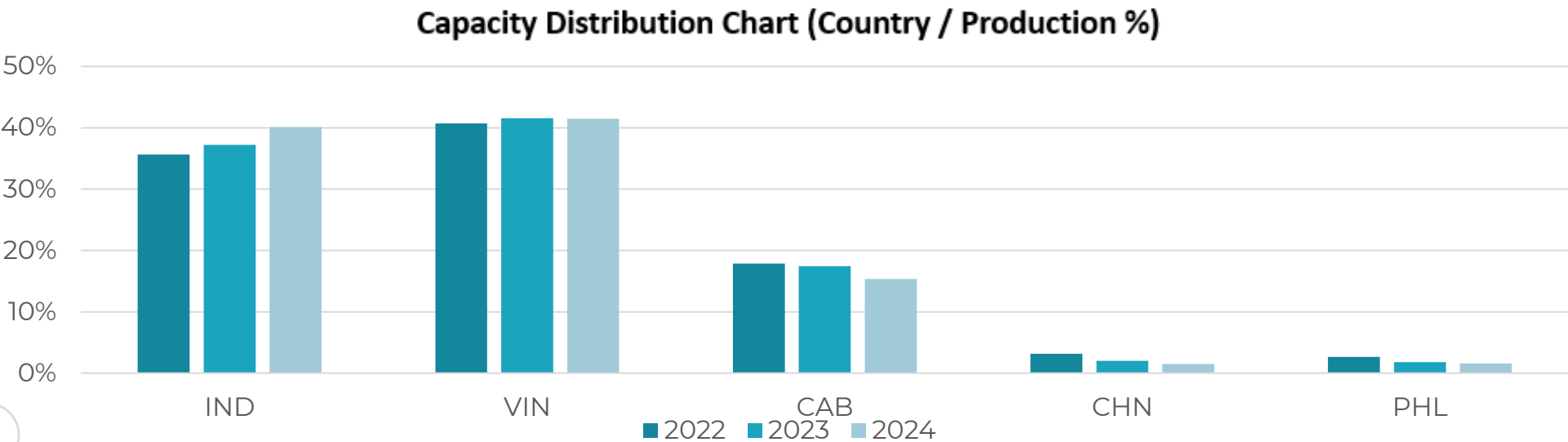
ASP/Shipment



	2019	2020	2021	2022	2023	2024
Shipment (million dozen)	14.5	14.6	16.7	16.2	16.8	17.8
Growth	6%	1%	14%	-3%	4%	6%
ASP (US\$/dozen)	59.8	58.0	62.0	66.2	62.1	61.3
Growth	6%	-3%	7%	7%	-6%	-1%

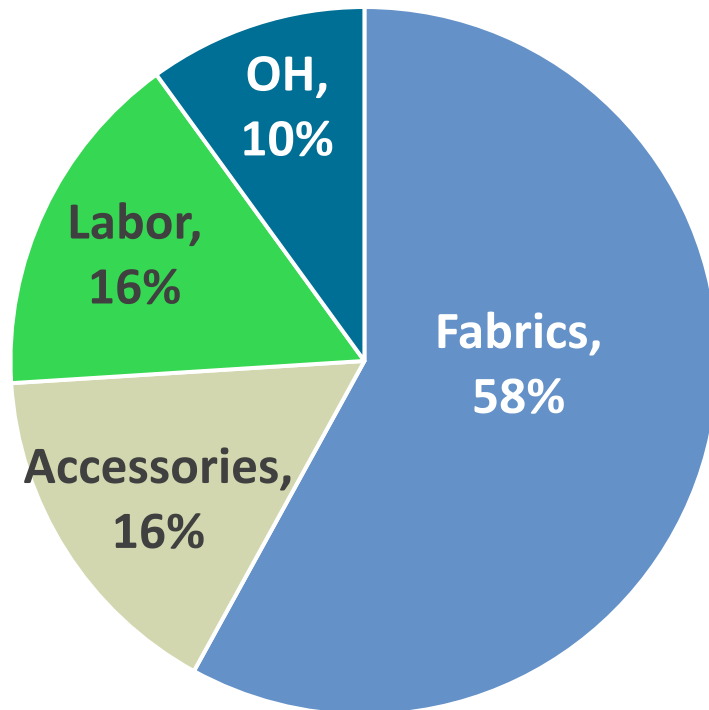
Global Network

Site		2024 Capacity (dozens)		%	2025E Capacity (dozens)		%
Taipei, Taiwan	Headquarters						
Indonesia	Factory	7,140,000		40%	7,547,200		42%
Vietnam	Factory	7,380,000		41%	7,013,200		39%
Cambodia	Factory	2,730,000		15%	2,705,600		15%
China	Factory	270,000		2%	267,000		2%
Philippines	Factory	280,000		2%	267,000		2%
Total		17,800,000		100%	17,800,000		100%



Cost Breakdown

Cost of good sold breakdown

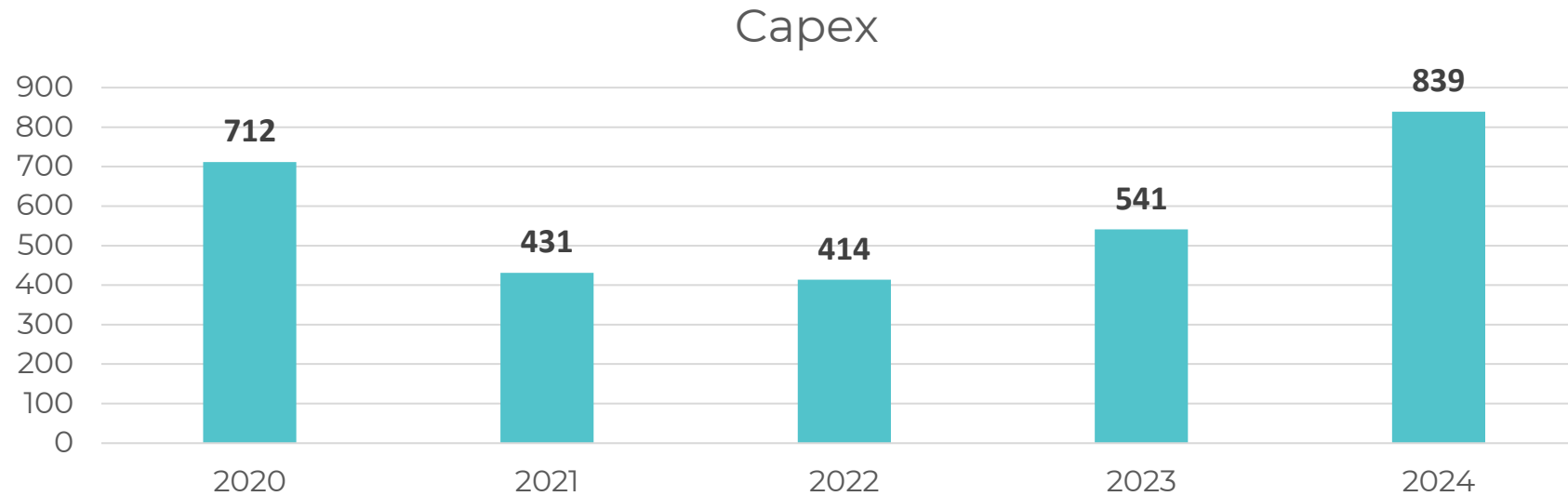


Cost Structure based on ASP

- **Material** **56%**
- **Labor** **12%**
- **Overheads** **7%**
- **Gross Margin** **25%**

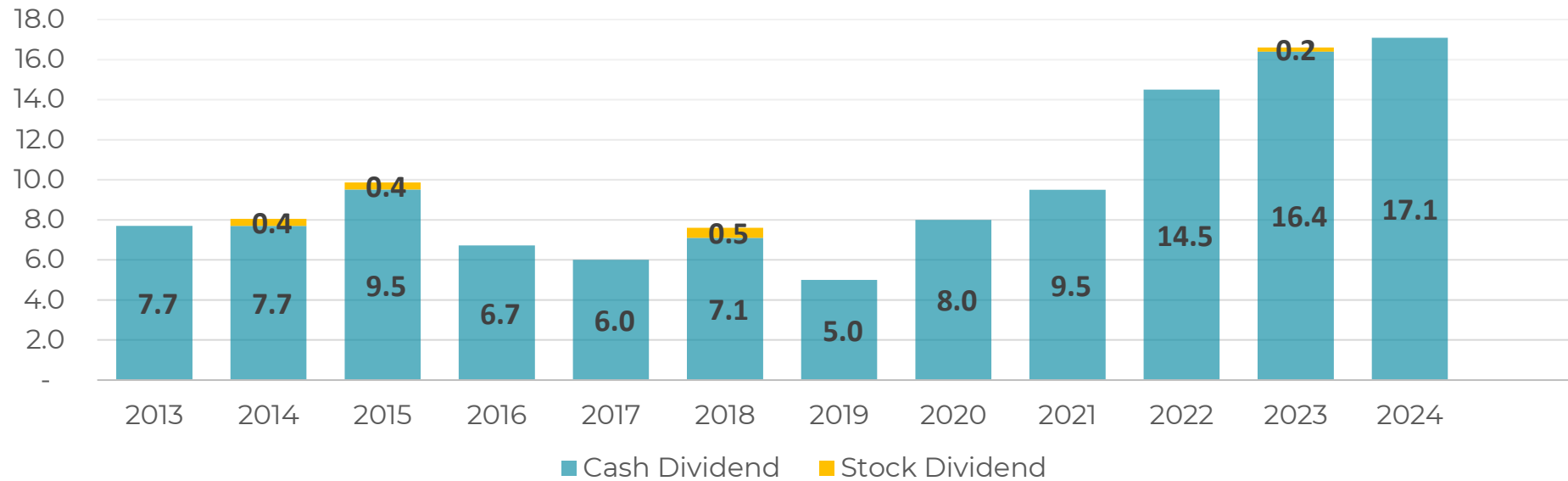
Capital Expenditure

Million NT\$



- ◆ 2022 capex was about US\$ 14.03 million (NT\$ 414 million)
- ◆ 2023 capex was about US\$ 17.42 million (NT\$ 541 million)
- ◆ 2024 capex was about US\$ 26.25 million (NT\$ 839 million)

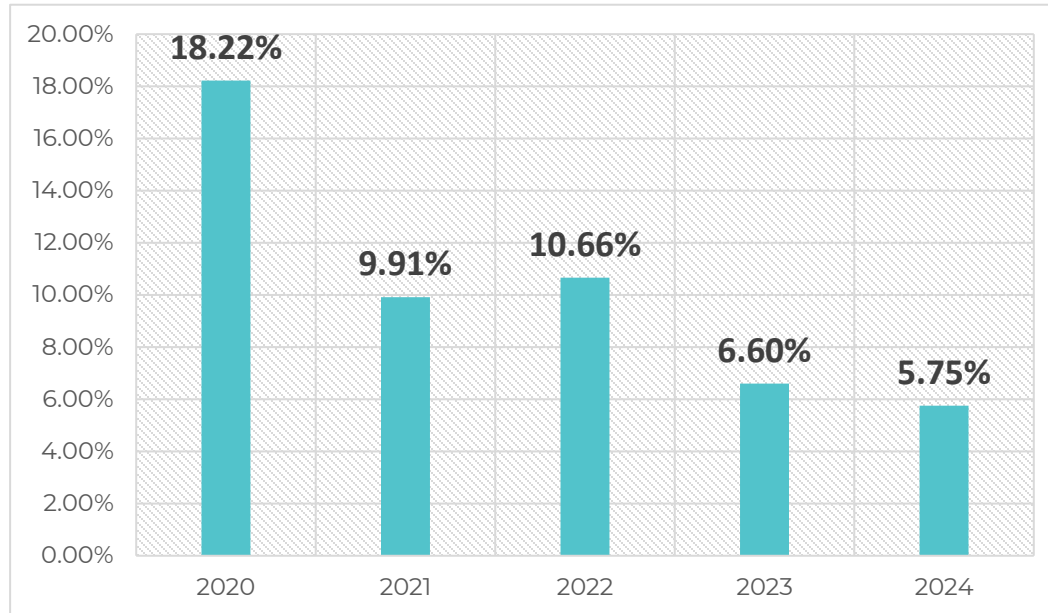
Dividend Policy



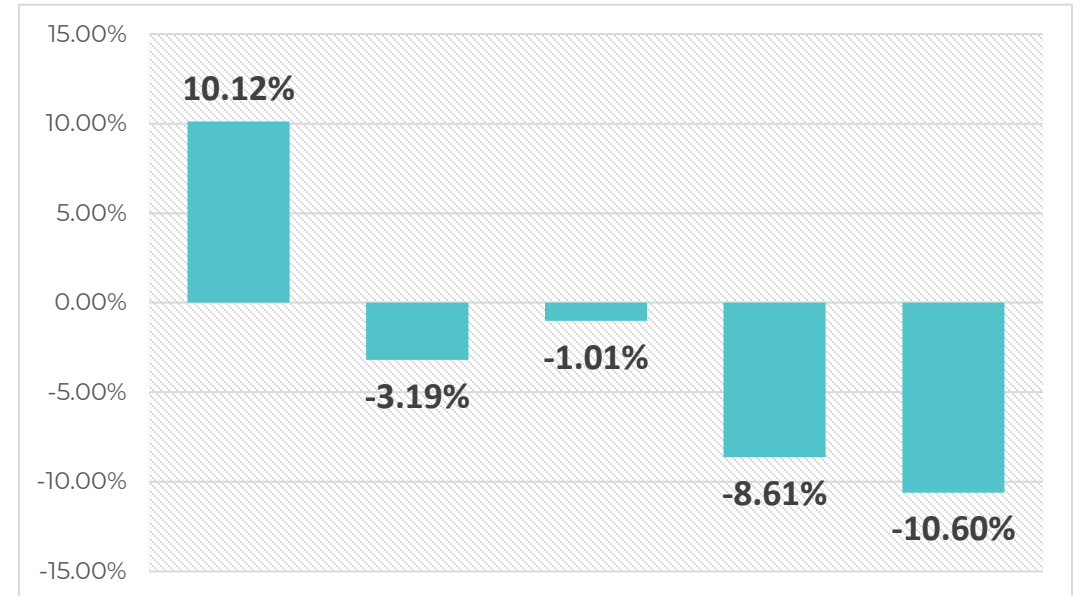
- ◆ Cash dividend payout ratio will be maintained around 70% and 90%.

Debt Ratio

Total Debt / Total Assets



Net debt to equity



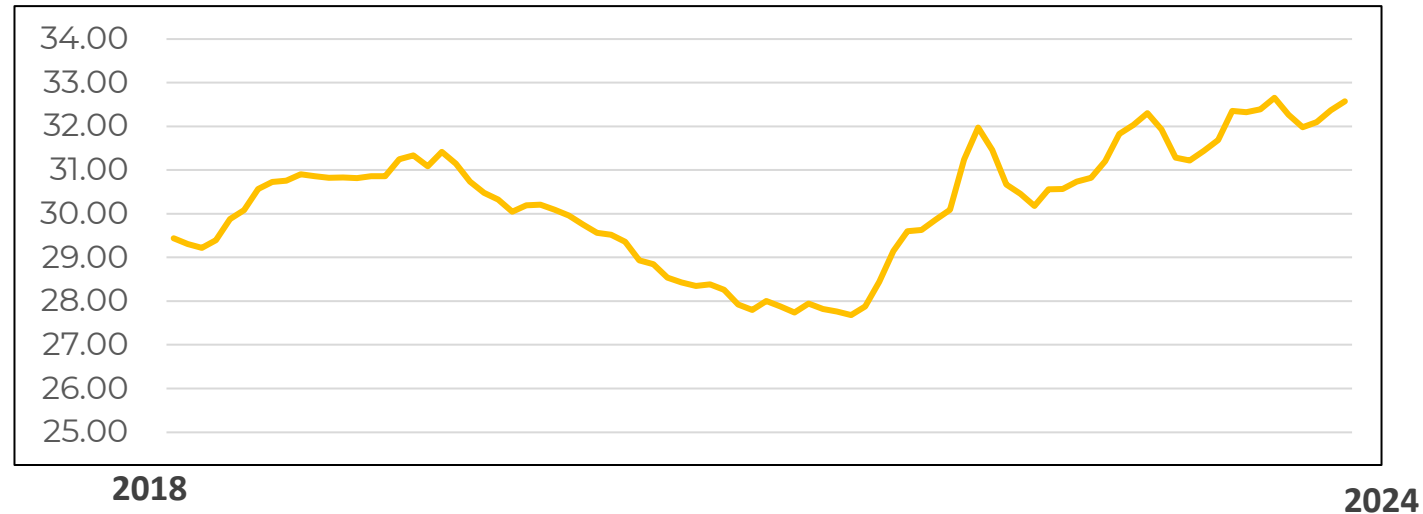
2024 Net Cash position NT\$ 1,565 million

- ◆ NT\$ 2,899 million cash on hand
- ◆ NT\$ 1,334 million debt

FX Gain/Loss

NT\$m	2019	2020	2021	2022	2023	2024
FX gain/(loss)	-8.7	- 23.7	- 3.6	171.0	41.5	114.1
Total sales	27,048	24,924	28,931	32,083	32,459	35,524
% to total sales	-0.03%	-0.09%	-0.01%	0.53%	0.13%	0.32%

NTD/USD



Hedging strategies

- ◆ Set conservative FX budget forecasts for the upcoming year.
- ◆ Cash flow hedges to reduce the exposure to variability in certain expected future cash flows.
- ◆ Natural hedge = 80% and net exposure position= 20%. Use USD/NTD forwards to hedge this 20% net position risk.

[Appendix] Makalot's History



Q&A

?

HAVE

ANY

QUESTION