Makalot Industrial Co., Ltd.

2026

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.

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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

Gap Inc. FAST RETAILING

- Mass Channels

TARGET DICK'S SPORTING GOODS

- Department Stores

KOHL'S

Production Base

- Vietnam
- Indonesia
- Cambodia
- China
- 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

1 NO POVERTY
Help disadvantaged groups to improve their life

2 ZERO HUNGER
Natural farming
Farmland protection

3 GOOD HEALTH AND WELL-BEING
Provide good benefits and takes care of employees' health

4 QUALITY EDUCATION
Provide in-service training to prepare for future career growth

5 GENDER EQUALITY
100% retention rate after childcare leave

7 AFFORDABLE AND CLEAN ENERGY
Use energy-saving machinery and equipment

8 DECENT WORK AND ECONOMIC GROWTH
Create 36,000↑ job opportunities

13 CLIMATE ACTION
Set a net zero target for 2050

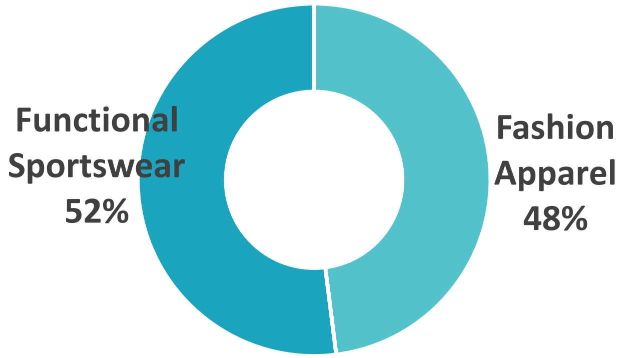
15 LIFE ON LAND
Natural farming adoption
Coastal forestation

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Strictly prohibit child and forced labor

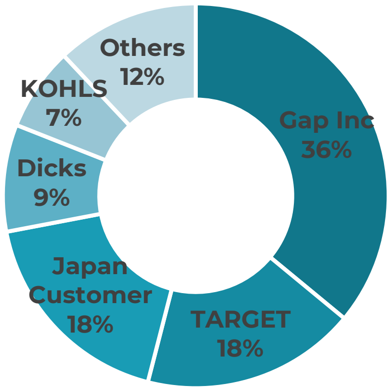
17 PARTNERSHIPS FOR THE GOALS
Establish a Sustainability Committee

2025 Operating Highlight

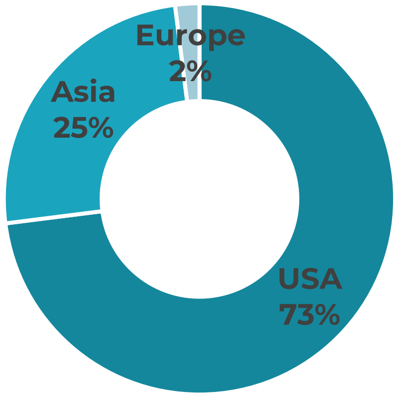
Revenue by Product Line



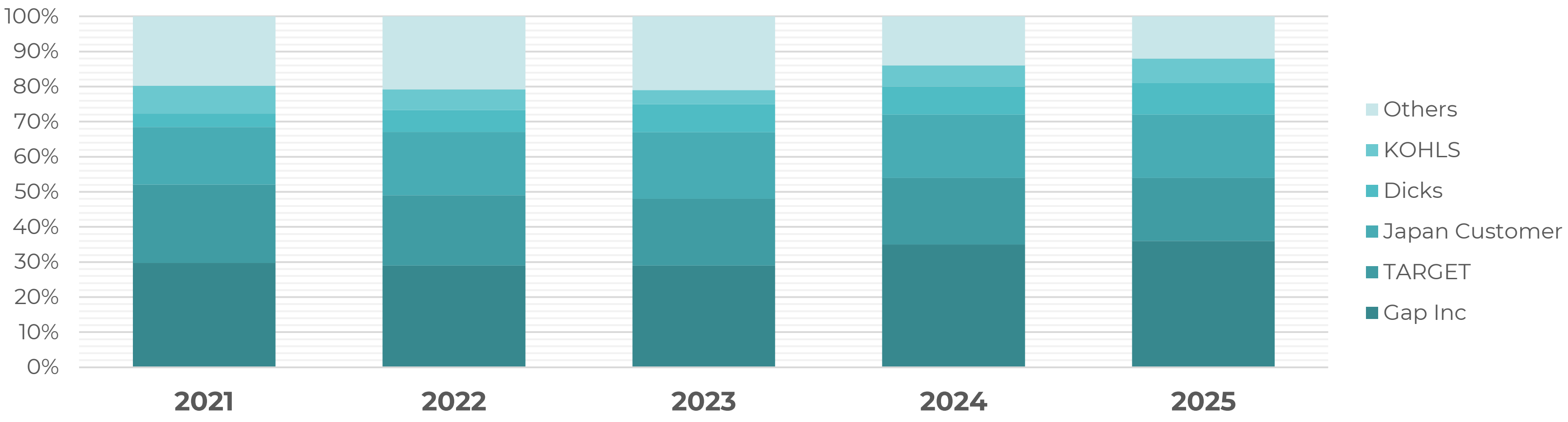
Revenue by Customer



Revenue by Region



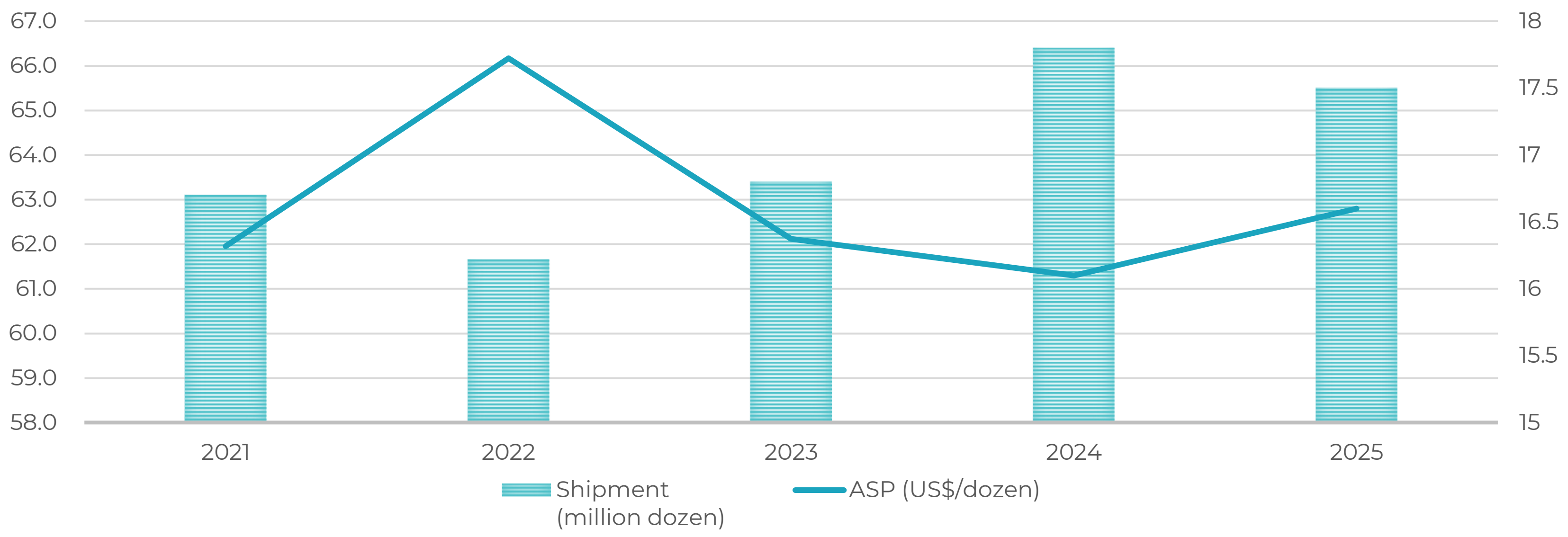
Top Client Revenue Proportion Diagram



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

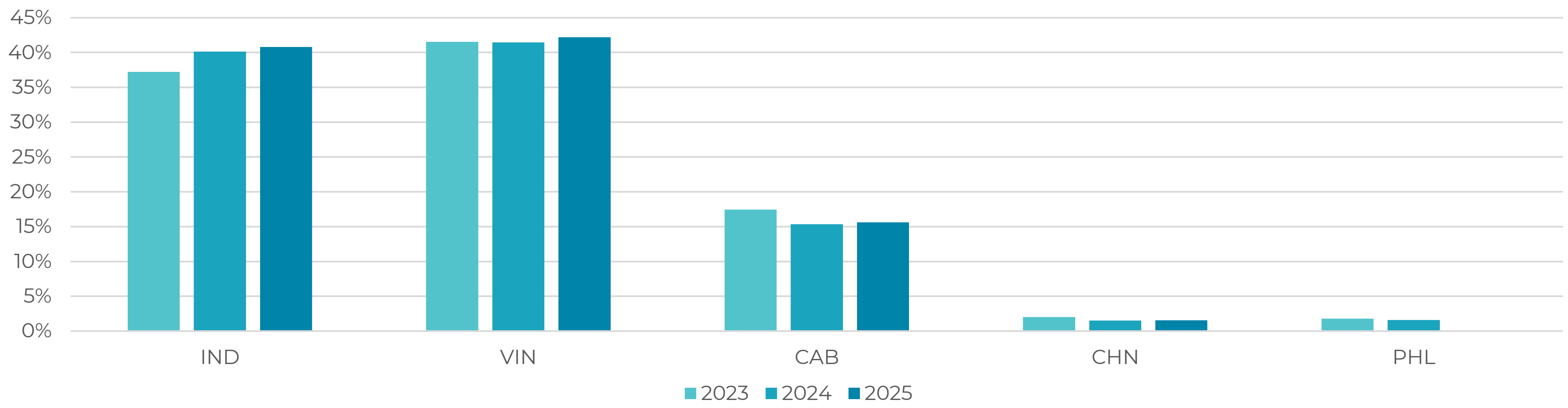


	2021	2022	2023	2024	2025
Shipment (million dozen)	16.7	16.2	16.8	17.8	17.5
Growth	14%	-3%	4%	6%	-2%
ASP (US$/dozen)	62.0	66.2	62.1	61.3	62.8
Growth	7%	7%	-6%	-1%	2%

Global Network

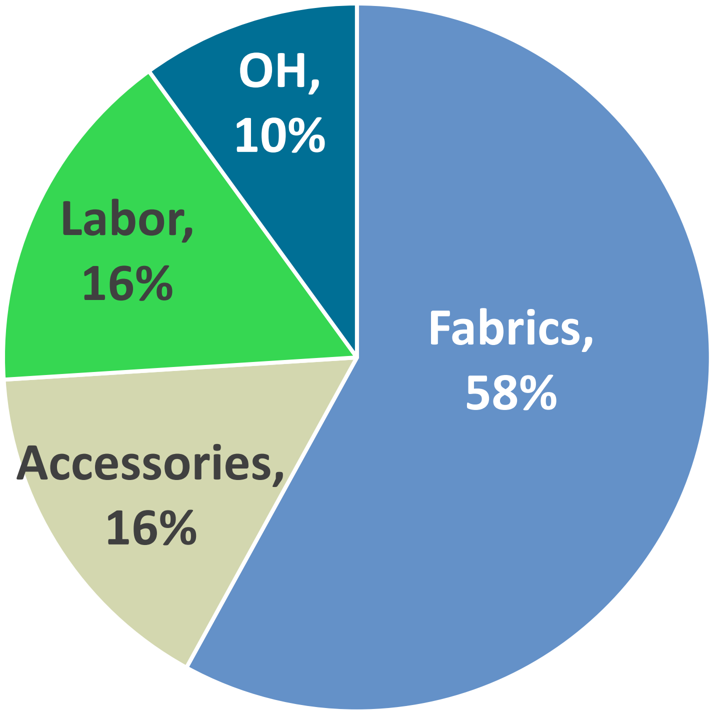
Site		2025 Capacity (dozens)	%	2026E Capacity (dozens)	%
Taipei, Taiwan	Headquarters				
Indonesia	Factory	7,140,000	41%	8,372,000	45%
Vietnam	Factory	7,380,000	42%	6,440,000	35%
Cambodia	Factory	2,730,000	16%	2,760,000	15%
China	Factory	270,000	2%	368,000	2%
Bangladesh	Factory	0	0%	312,800	2%
El Salvador	Factory	0	0%	147,200	1%
Total		**17,500,000**	**100%**	**18,400,000**	**100%**

Capacity Distribution Chart (Country / Production %)



Cost Breakdown

Cost of good sold breakdown

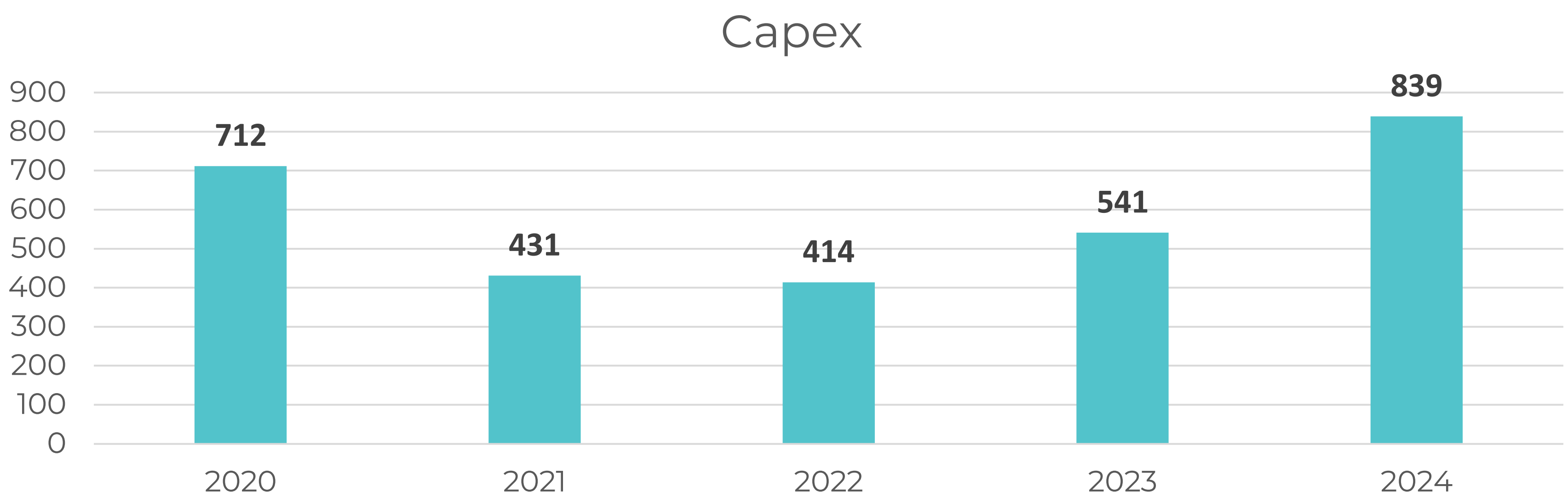


Cost Structure based on ASP

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

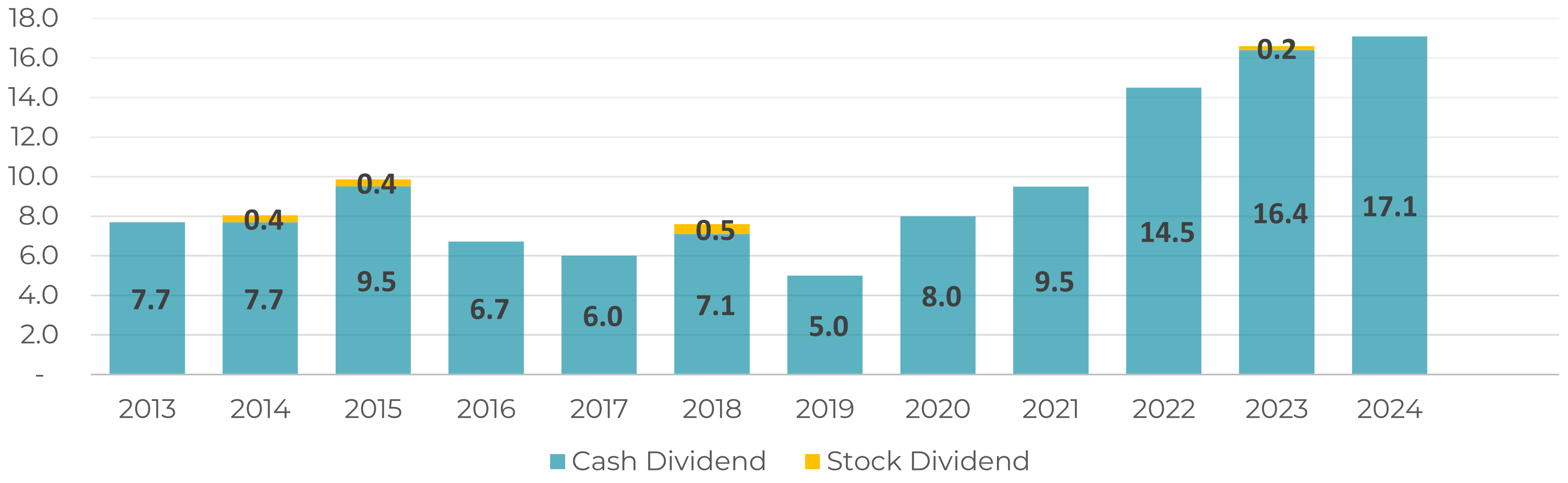
Capital Expenditure

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)

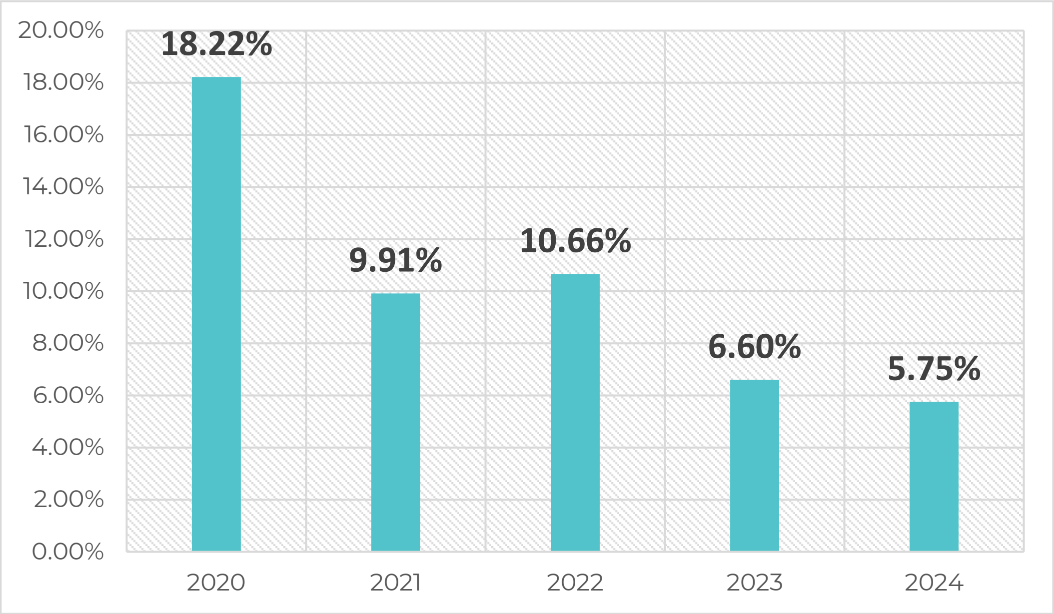
Dividend Policy



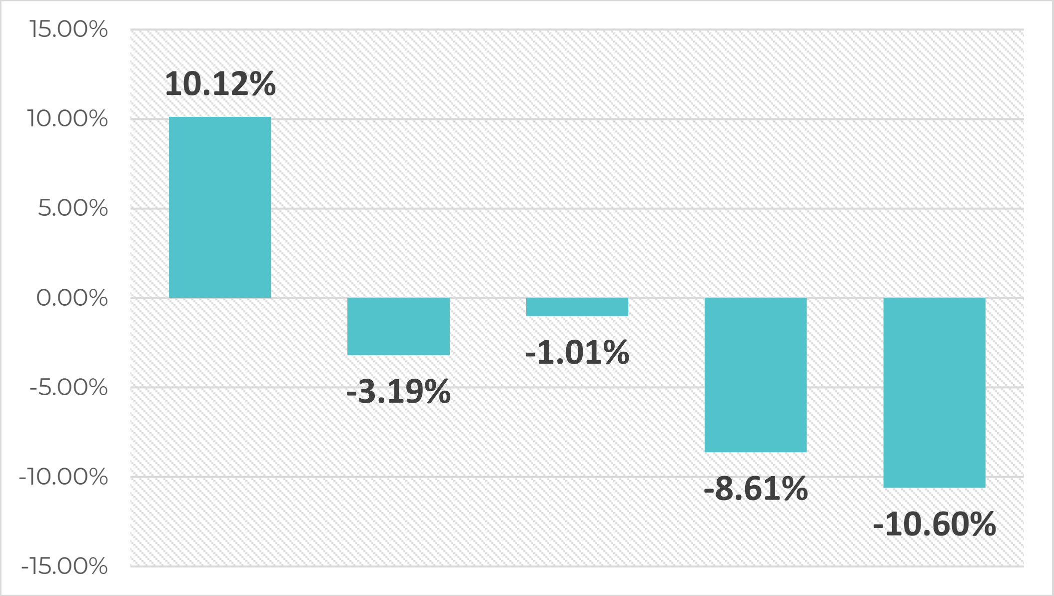
- Cash dividend payout ratio will be maintained around 70% and 90%.

Debt Ratio

Total Debt / Total Assets



Net debt to equity



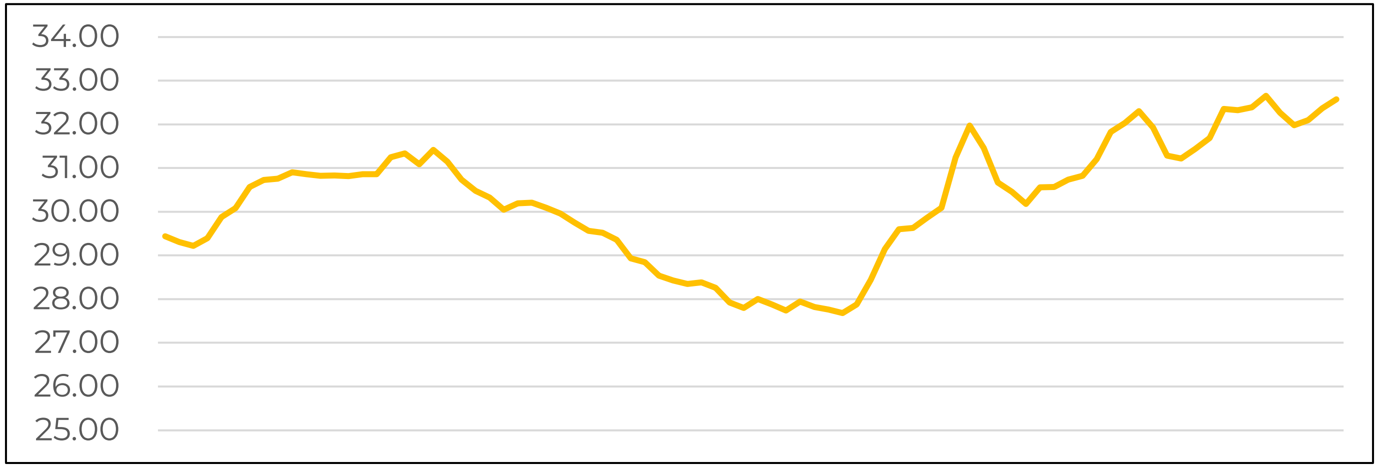
2024 Net Cash position NT$ 1,565 million

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

FX Gain/Loss

NT$mn	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



2018 **2024**

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

1990
- Founded in Taipei with woven apparel as the primary business.
- Established a production facility in the Philippines and forged an OEM strategic alliance in Taiwan.

1994
- Ventured into the knitted apparel production

1997
- Developed diversified product strategy

1998
- Started global production strategy

2000
- Established a production facility in Indonesia

2003
- Publicly Listed On TWSE (TPE:1477)

2004
- Established a production facility in Cambodia

2005
- Turnover exceeded NT$10 billion
- Established the North Vietnam production facility

2007
- Established the South Vietnam and China production facility

2011
- Established Ecolot Textile Co., Ltd

2013
- Purchased the headquarter building
- Invested in Namtex Co., Ltd., Vietnam

2014
- Turnover exceeded NT$20 billion

2015
- New Green Sportswear Plant in Vietnam

2017
- Established Innovative R&D Center

Q&A

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HAVE

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QUESTION