SUNSPRING OVERVIEW

DEC. 2024

SUNSPRING

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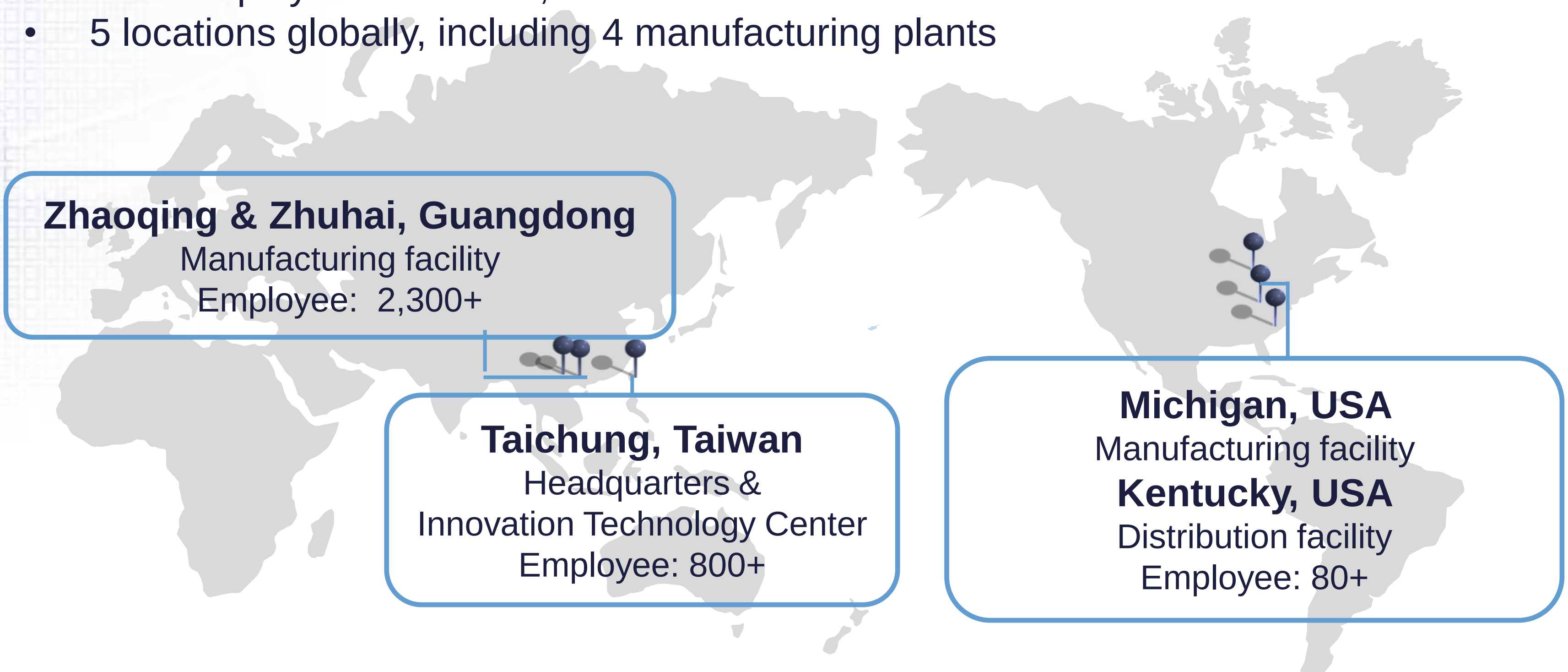
SUNSPRING IS YOUR MOST RELIABLE SOURCE

Executive Summary

- Sunspring is one of leading supplier of global kitchen & bath plumbing faucet, serving a US$9.0bn total addressable market globally.
- Zinc products are our strategic focus and we are the No.1 supplier worldwide for zinc components in the global kitchen & bath plumbing industry.
- Over the last 40 years, Sunspring has built a strong customer base of well-known global brands, who capture >60% of North American and European market through these long-term partnerships.
- Zinc conversion trend presents a major industrial opportunity; Sunspring is well-positioned to leap.
- Sunspring aims to be the best total solution provider in a market with great potential opportunity through disciplined investment in automation and talent.

Sunspring Overview

- Sunspring is the manufacturing solution provider for global kitchen & bath fitting industry.
- Key products: components, modules and assembly for faucets, showering, and accessories
- Year of establishment: 1974
- Ticker: 2062 TW
- 2023 Revenue:NT$7.6bn
- Total employee number: 3,200+
- 5 locations globally, including 4 manufacturing plants



Sunspring Timeline

1974 Chang Hwa, Taiwan
Sunspring founded

1997 Zhaoqing, Guangdong
1st China manufacturing facility

1999 Taichung, Taiwan
Headquarter established

2001 Los Angeles, USA
1st US distribution facility

2002 North Carolina, USA
2nd US distribution facility

2004 Zhuhai, Guangdong
2nd China manufacturing facility

2006 Kentucky, USA
Acquired Gamco

2007
Michigan, USA
Acquired H&H Tubing

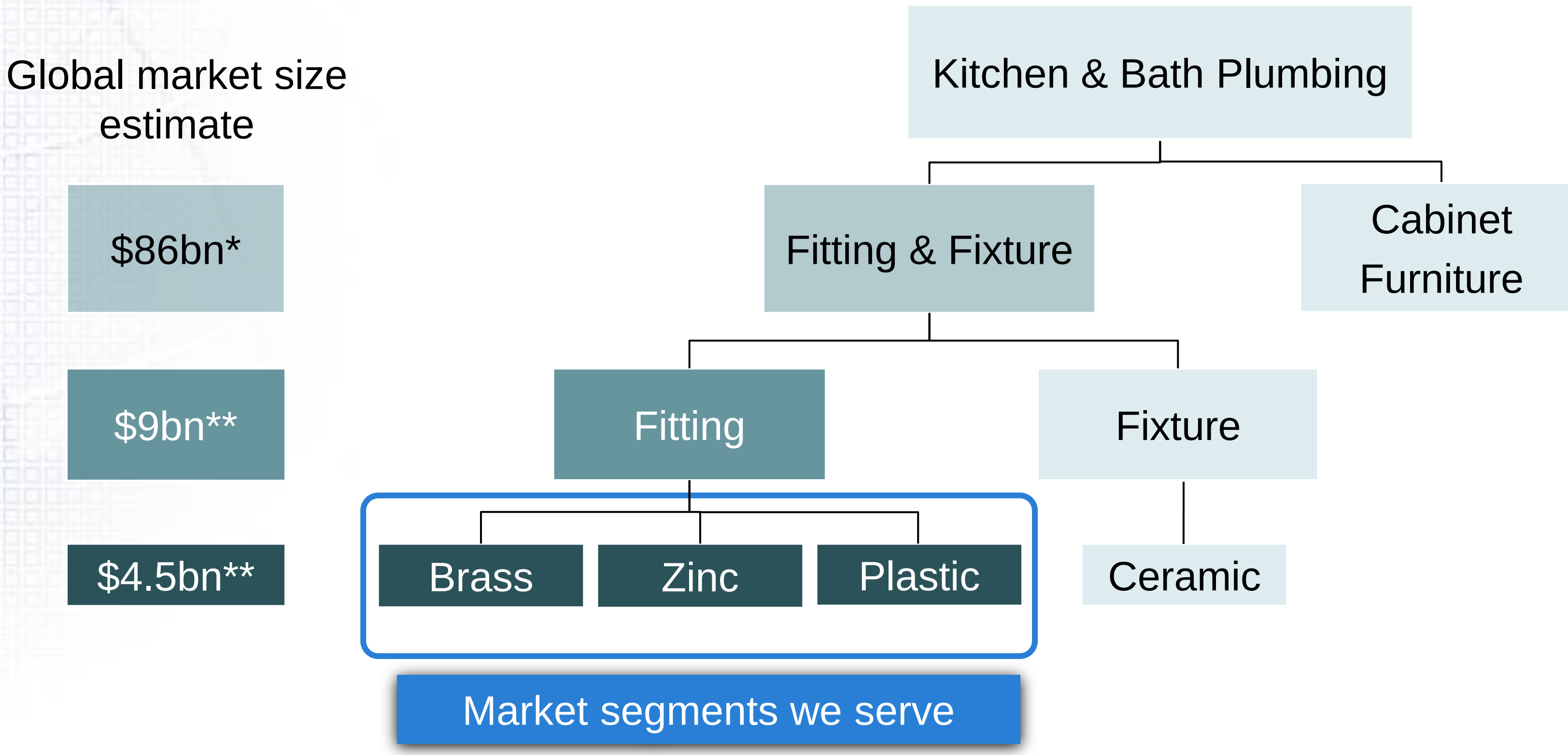
2016
Taichung, Taiwan
Innovation & Technology Center

2020
Taichung, Taiwan
Assembly & Testing Center






Sunspring Serves the Fitting Industry



- *Source: Plumbing Fittings & Fixtures, 1/1/2021, Global Industry Analysts
- ** Source: Company estimates. Based on Sunspring customers purchasing amount in faucet components/modules

Kitchen & Bath Plumbing

Fitting

Fixture

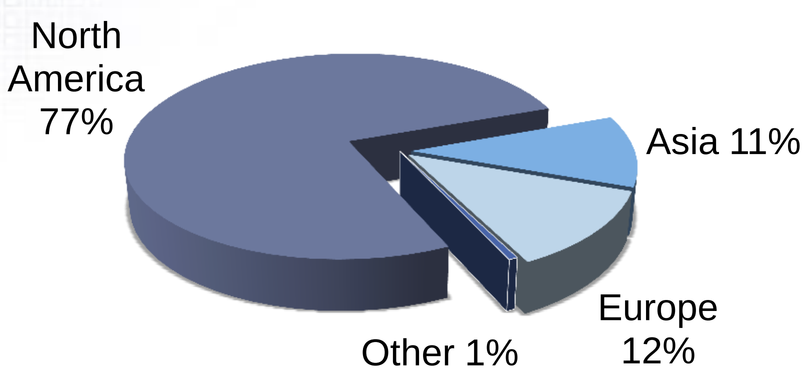
Cabinet & Furniture

Solid Customer Portfolio & Partnership

Our customers account for > 60% of faucet market share in North American and Europe

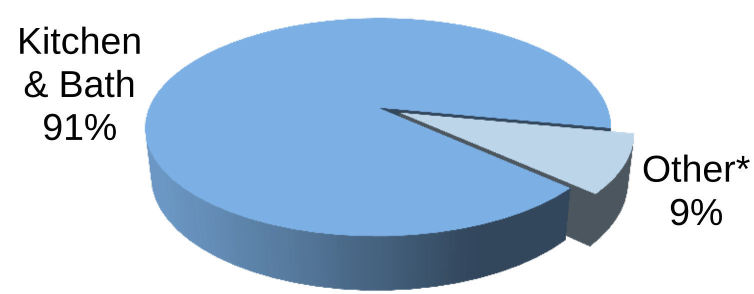
KWC
HANSA
MOEN
Hansgrohe SE
LIXIL INAX
KOHLER.
American Standard
DELTA see what Delta can do
Pfister
damixa When design makes sense
Jacob Delafon PARIS
TOTO
SLOAN.
ØSTNOR
mira SHOWERS
PORCHER La confiance installée
Ideal STANDARD INTERNATIONAL
GROHE
Aquis
stern Stern Engineering Ltd.

Global Sales Mix



Note：202412YTD

Industries Served

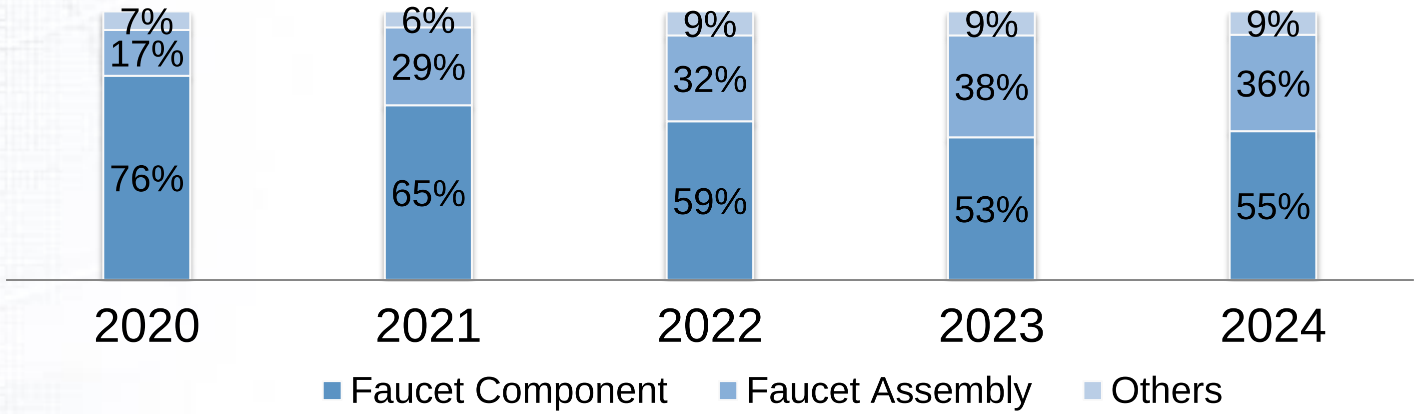


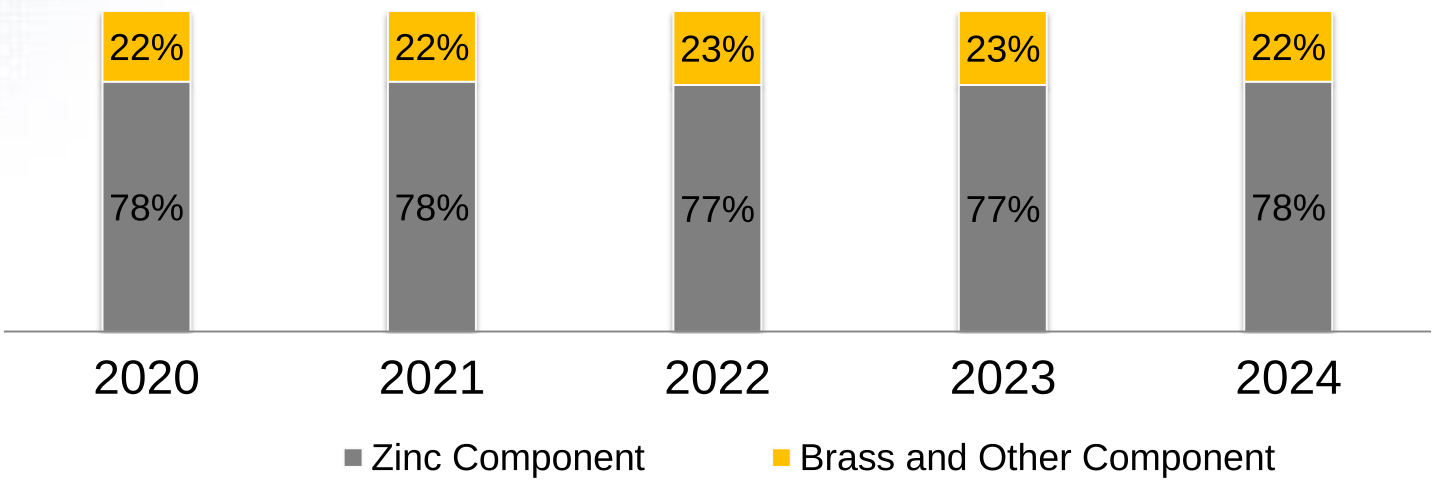
* Other includes home improvement hardware and other applications

No. 1 Zinc Solution Provider

- Global No. 1 zinc die casting manufacturer in kitchen & bath plumbing fitting

“Zinc” account for more than 70% of parts revenue.





Sunspring Value Proposition

Background

- Zinc is 1/3 of the material cost of copper
- Regulation changes favorable to Zinc conversion
- Zinc conversion to extend from US to Europe & Asia

Our Effort

- Sunspring is an early mover since 1990s
- Sunspring masters the Zinc production with stable yield & shorter lead time
- Sunspring partners with all global brands for Zinc solutions

Sunspring Answers

On-going Zinc Conversion

From Zinc to Total Solution

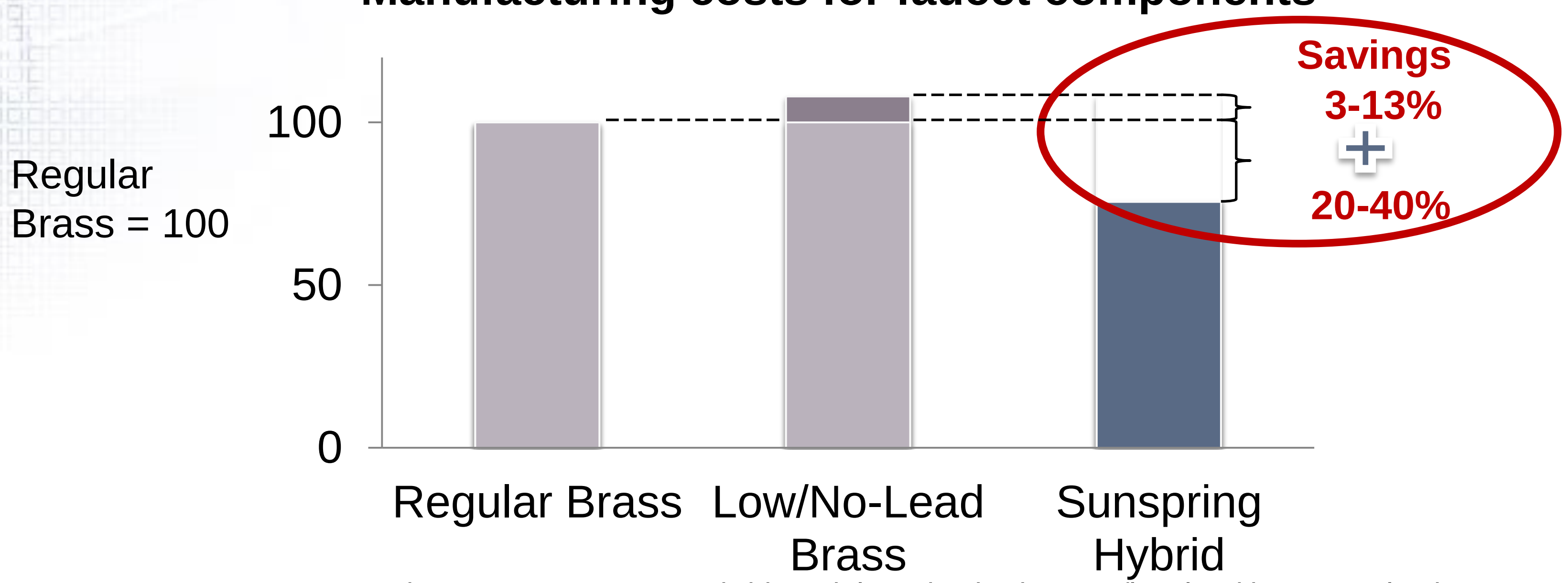
Sunspring Offers the Best Solutions

Increased demand for quality coupled with more stringent regulations

Push for continued cost reduction, both in product and processes

Global market requires rapid response capability to capitalize on emerging opportunities

Manufacturing costs for faucet components



Source: Company estimates

*Note: Hybrid modules: zinc body + no-/low-lead brass or plastic waterway

Competitive Zinc Solutions

Our new hybrid modules* provide > 20% cost-saving vs regular brass

Isolated high-grade plastic inner waterway
Water does not get in contact with lead or nickel
Compliant with drinking water and no lead regulations

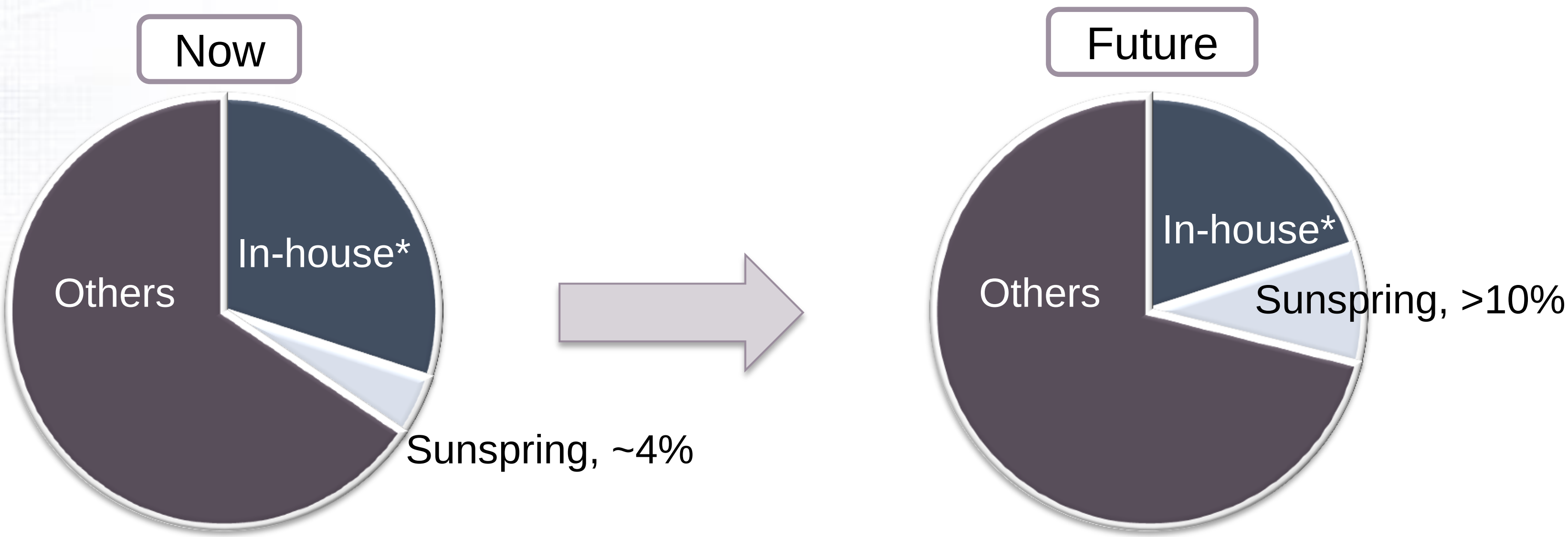
*Note: Hybrid modules: Zinc Spout Body + Flexible Waterway

We Aim to Be a Total Solution Provider

We intend to achieve our goal by

- Expanding our market share in Zinc solutions
- Using Zinc solution as a platform to integrate other services
- Offering one stop manufacturing solution to customers

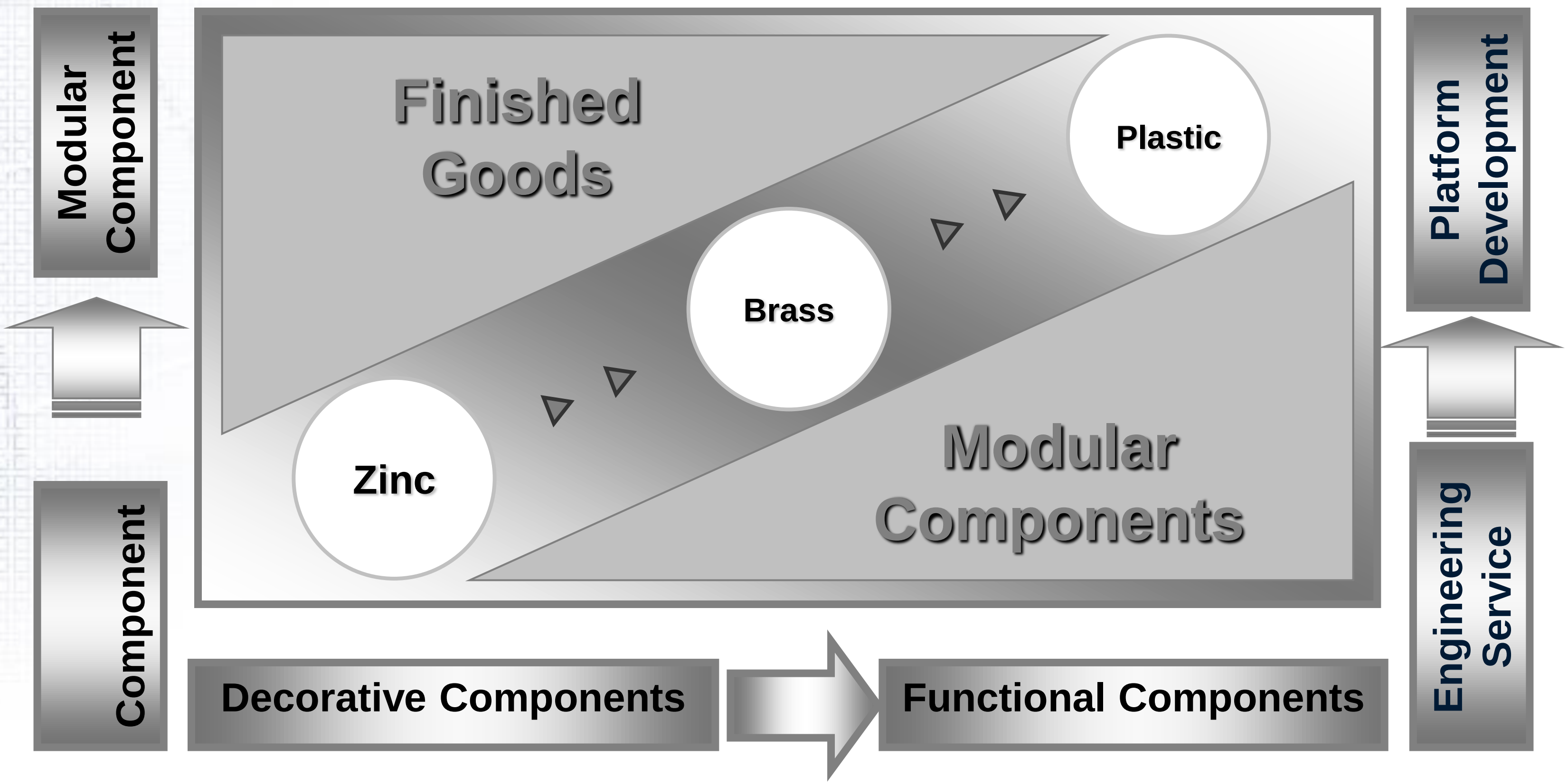
Market segments we serve



Source: Company estimates   * Note: Customer in-house manufacturing

Manufacturing Capability Development Strategy

✓Be the "Solution Provider" in Zinc, Brass, Plastic



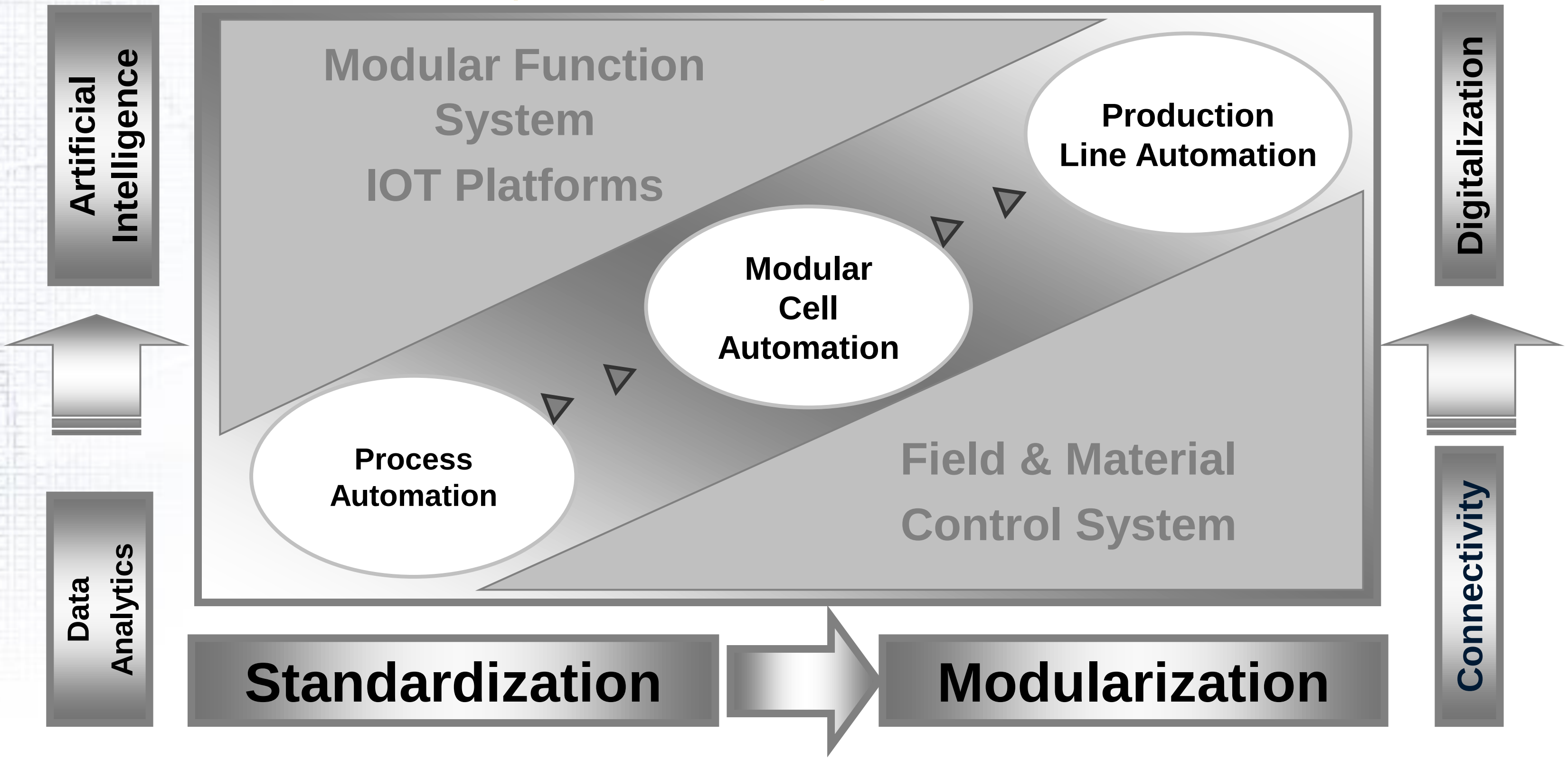
Speed To Market

Reduce Operational Cost

Deliver on Customers Expectation

Manufacturing Automation Strategic Roadmap

- Integrated Planning & Execution
- Optimized for Rapid Value Creation



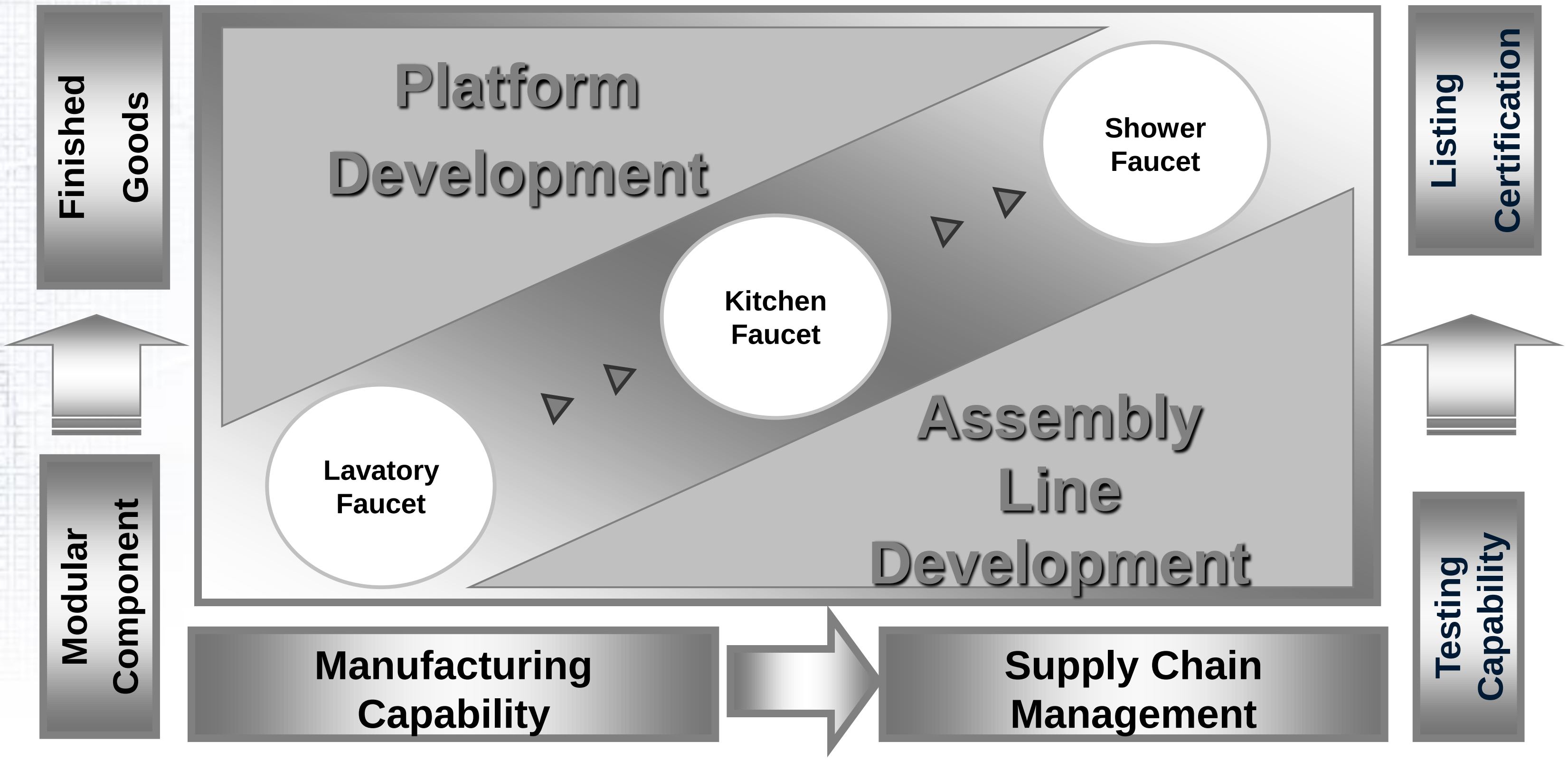
Full Visibility; Traceability & Transparency

Operation Efficiency Optimization

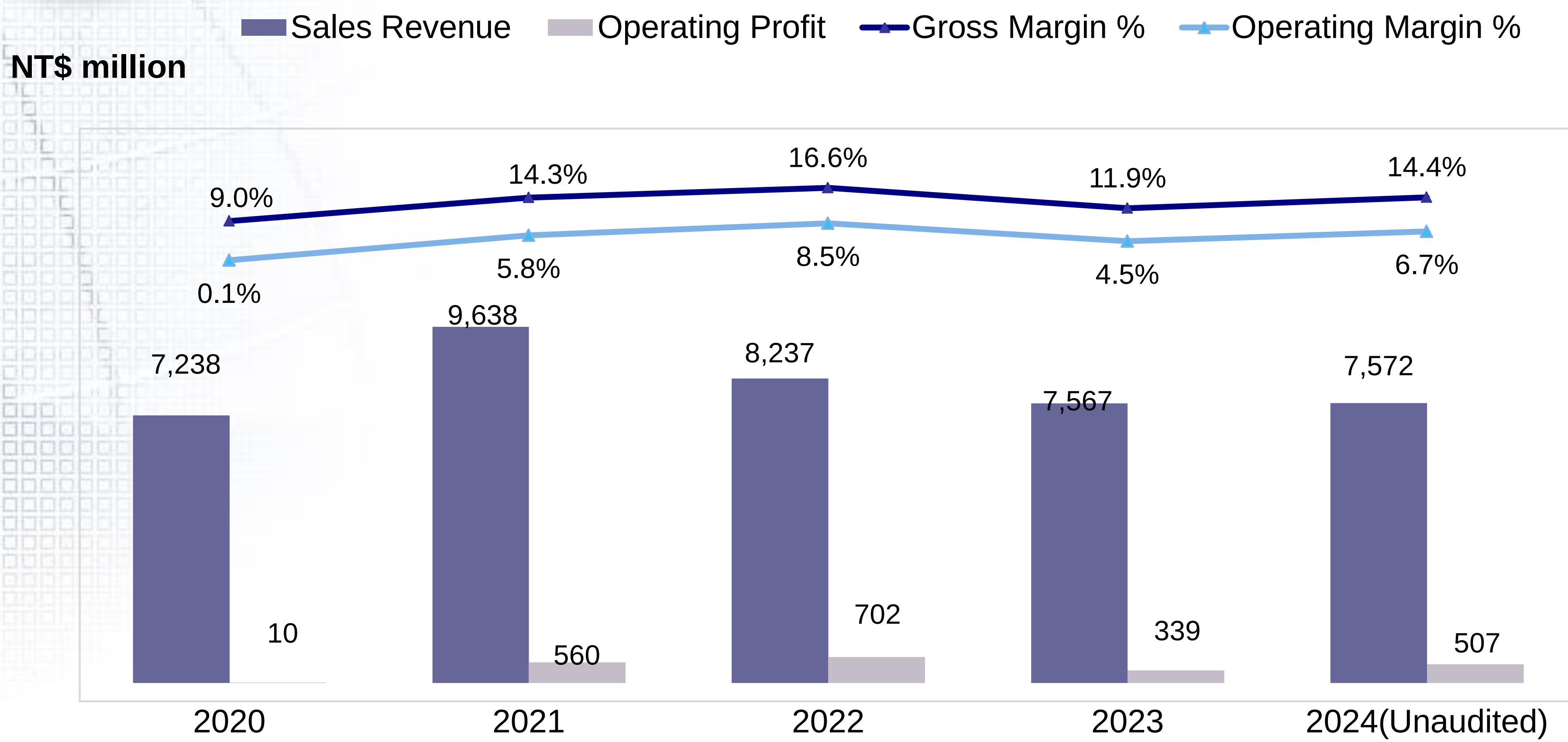
Enabled by Integrated Control and Information

Assembly Capability Development Milestones

- Be the “Solution Provider”



Key Financial Indicators



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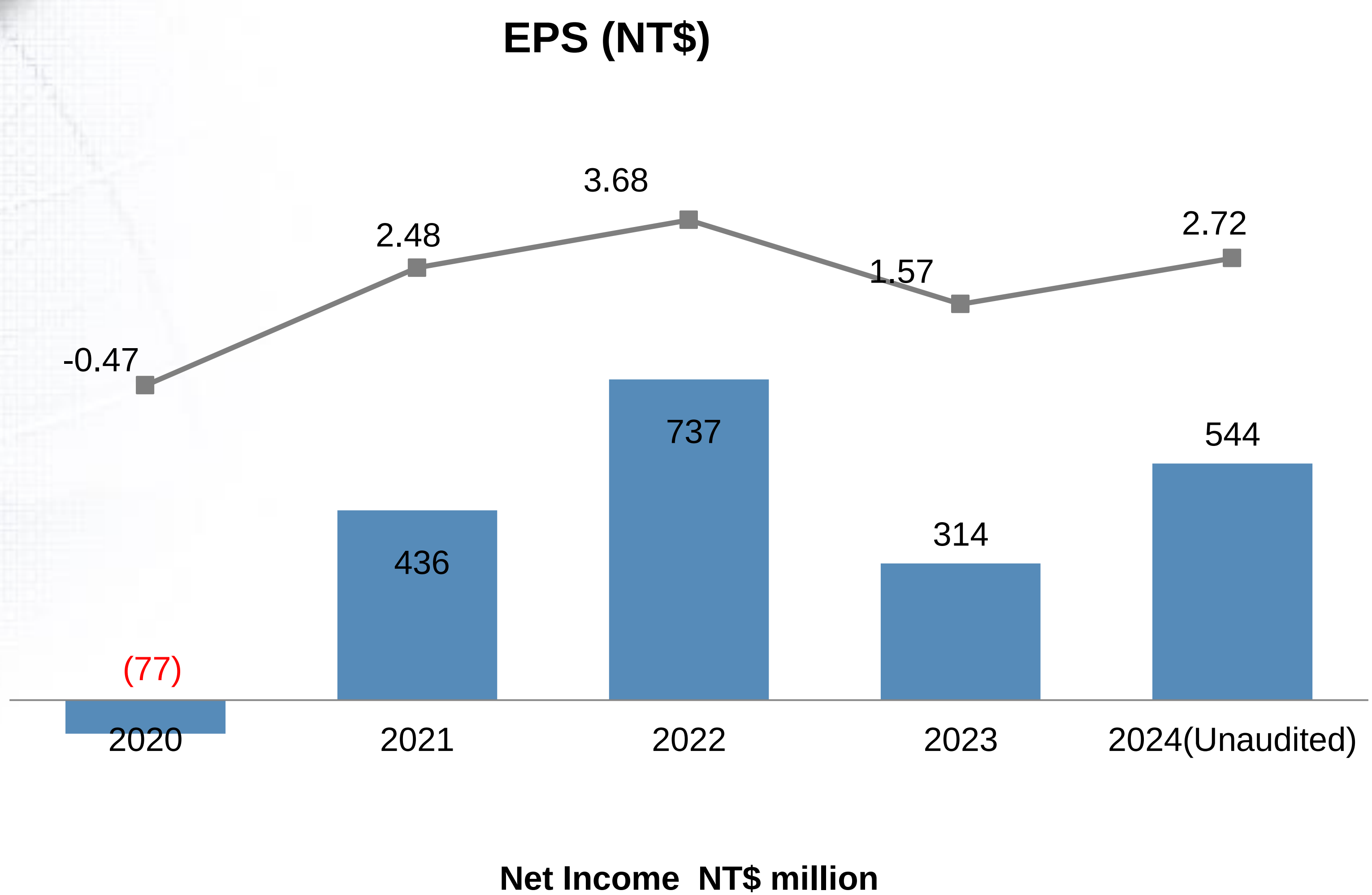
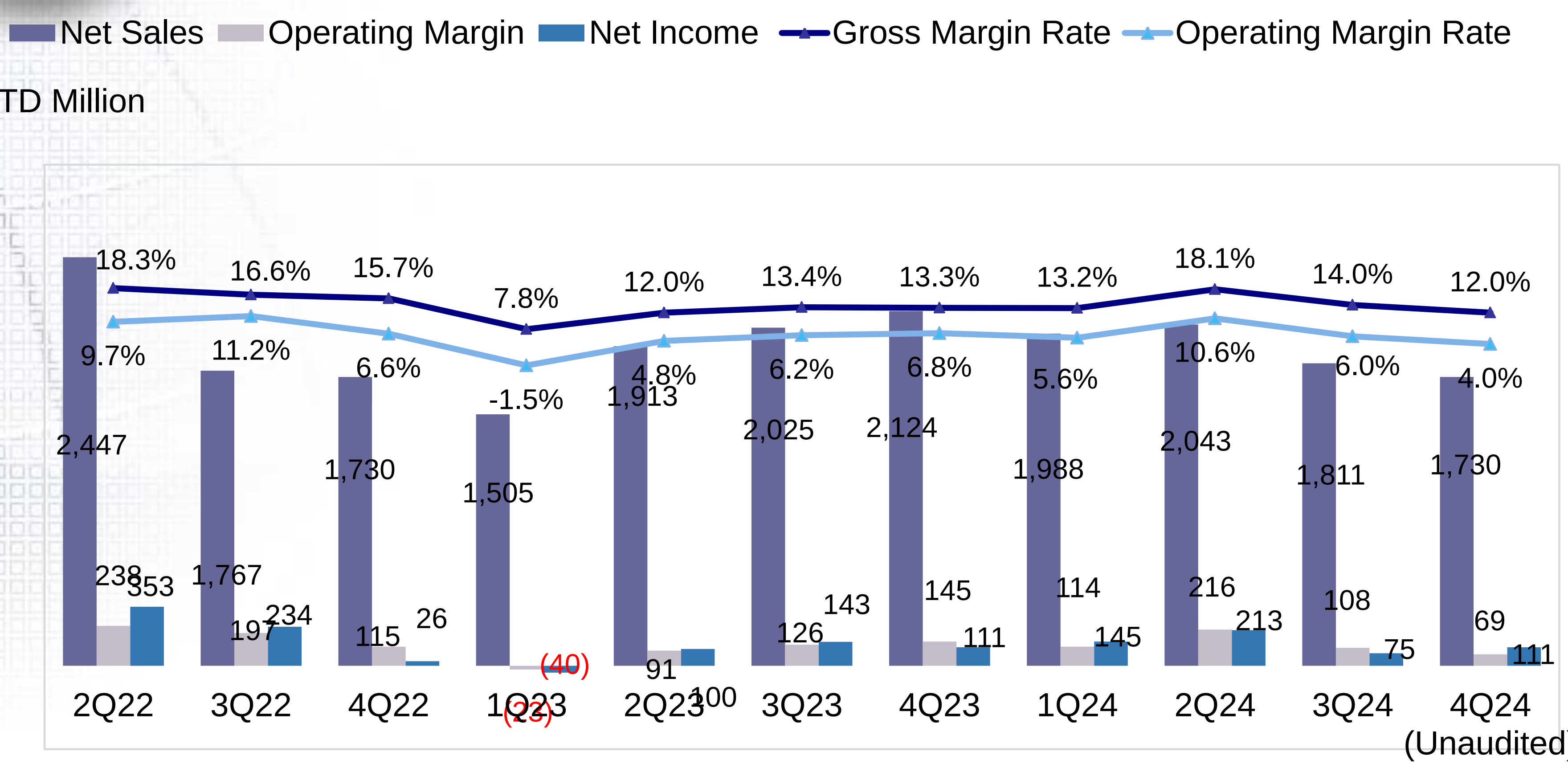


Quarterly Financials



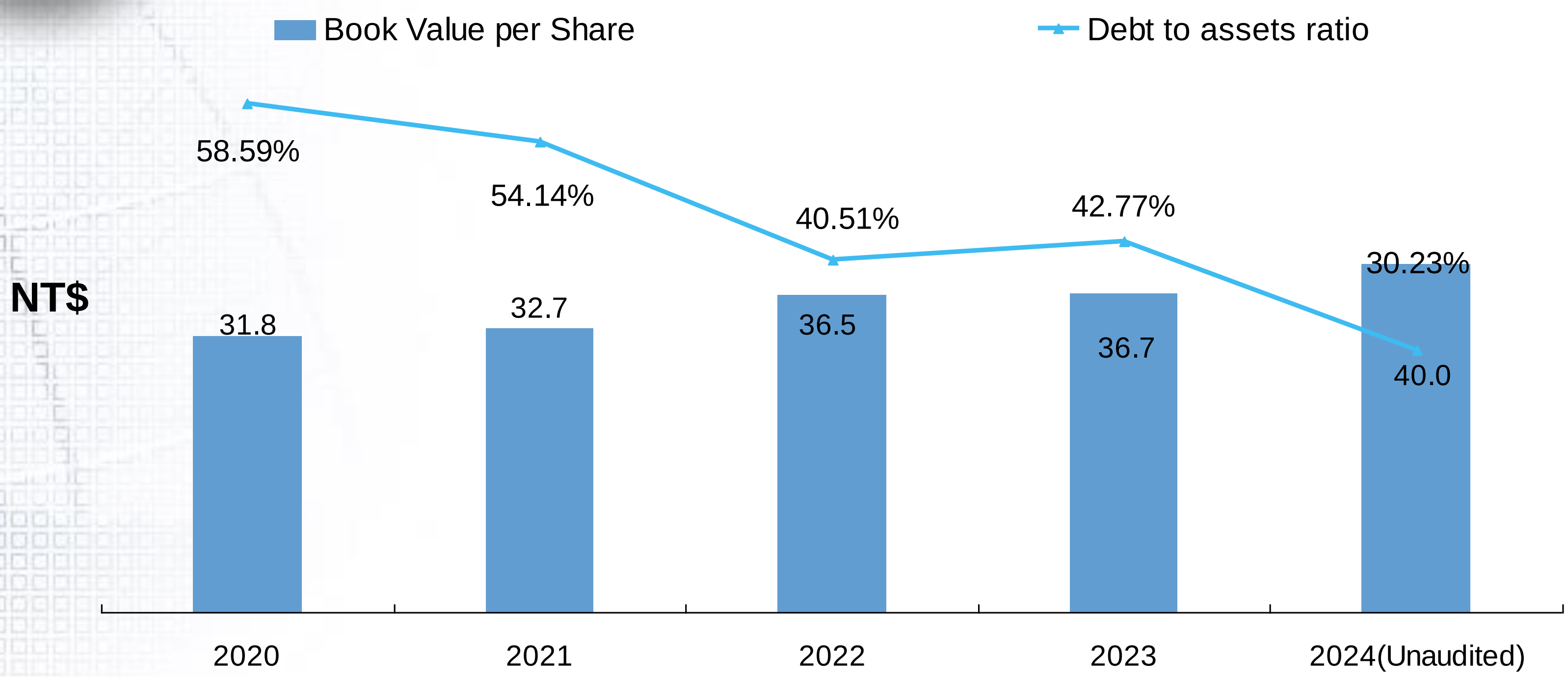
5-Year Income Statement

NT$ Million	2020	2021	2022	2023	2024 (Unaudited)
Sales Revenue	7,238	9,638	8,237	7,567	7,572
Gross Profit	655	1,383	1,363	902	1,094
Operating Profit	10	560	702	339	507
Income before Tax	(55)	532	956	353	689
Net Income	(77)	436	737	314	544
EPS (NT$)	(0.47)	2.48	3.68	1.57	2.72
Gross Margin (%)	9.0	14.3	16.6	11.9	14.4
Operating Margin (%)	0.1	5.8	8.5	4.5	6.7
Net Margin (%)	(1.1)	4.5	9.0	4.2	7.2
ROE (%)	(1.5)	7.4	10.7	4.4	7.0
ROA (%)	(0.2)	3.7	6.0	3.0	4.8

5-Year Balance Sheet

NT$ Million	2020	2021	2022	2023	2024 (Unaudited)
TOTAL ASSETS	12,531	14,260	12,263	12,837	11,464
Cash	697	542	728	1,283	1,161
NR & AR	2,087	3,744	2,110	2,837	2,471
Inventory	1,516	2,015	2,347	1,532	1,615
Pledged deposits	35	34	74	651	38
Fixed Asset	7,133	6,897	5,991	5,501	5,073
TOTAL LIABILITIES	7,342	7,720	4,968	5,490	3,466
Bank Loans	5,438	5,797	3,243	3,523	1,668
NP & AP	890	807	508	782	601
TOTAL EQUITY	5,189	6,540	7,296	7,347	7,998
A/R turnover days	83	110	130	119	131
Inventory turnover days	97	78	116	106	86
A/P turnover days	34	38	35	35	40
Book Value per Share (NT$)	31.8	32.7	36.5	36.7	40.0

Key Financial Indicators



5-Year Cash Flow Statement

Unit： NTD’ Million

	2020	2021	2022	2023	2024 (Unaudited)
Income before Tax	(55)	532	956	353	689
Depreciation & Amortization	744	718	763	746	727
Note & Accounts Receivable	(872)	(1,623)	1,567	(796)	450
Inventories	410	(534)	(448)	681	(44)
Financial derivative	-	-	-	(3)	4
Notes and accounts payable	553	(103)	(228)	255	(179)
Accrued expenses	39	86	(69)	3	(19)
Income tax paid	20	(63)	(107)	(88)	(68)
Others	15	(74)	20	127	(298)
Net cash from operating activities	**854**	**(1,061)**	**2,454**	**1,278**	**1,262**
Net cash for Investing activities	**(392)**	**(342)**	**360**	**(741)**	**521**
Net cash for financing activities	**(134)**	**1,240**	**(2,687)**	**22**	**(2,073)**
(Decrease) increase for the period	328	(162)	127	559	(290)
Effect of exchange rate changes	(26)	7	59	(4)	168
beginning of year	395	697	542	728	1,283
cash end of year	697	542	728	1,283	1,161

Dividend Condition

	2019	2020	2021	2022	2023
Net Income (NT$ mn)	70	(78)	436	737	314
Cash Dividend (NT$ mn)	16	16	100	200	160
Dividend per Share (NT$)	0.1	0.1	0.5	1.0	0.8
Payout Ratio (%)	23%	130%	23%	27%	51%
Cash Yield (%)*	0.4%	0.4%	4.6%	4.5%	2.9%

Notes:
Cash yield is based on Sunspring's closing share price on the day before ex-dividend day(Sep 23,2019 for 2018 yield, Sep 17,2020 for 2019 yield, Sep 27,2021 for 2020 yield, Nov 16,2022 for 2021 yield, JUL 24,2023 for 2022 yield , JUL 22,2024 for 2023 yield).

Thank You for Your Attention !

PRIDE

Passion

Reliability

Integrity

Dedication

Excellence