Quang Viet Enterprise Co., Ltd. (4438 TT)

Investor Presentation

THE WORST IS OVER.

Driving Efficiency. Restoring Value.

Date：2026/05

https://www.qve.com.tw/

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廣越企業股份有限公司
Quang Viet Enterprise Co., Ltd.

Agenda

- 1Q26 Results and Outlook
- Corporate Strategy Update

1Q26 Results and Outlook

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Seasonal Loss Narrowed Significantly; April Revenue Continued to Reach New Highs

- **New HighsRevenue remained resilient:** 1Q26 revenue increased 0.7% YoY, marking the second-highest first-quarter revenue on record.
- **Seasonal loss narrowed:** Operating margin improved by 1.1 ppts YoY, while loss per share narrowed to NT$0.04.
- **Peak-season momentum continued:** April revenue reached NT$1.5bn (+37% YoY), while cumulative revenue for the first four months reached NT$4.27bn (+11% YoY), both hitting record highs for the same period.

	1Q26	1Q25	YOY
(NT$ mn)	Amount	Amount	%
Revenue	**2,777**	**2,756**	0.7%
Gross Profit	331	281	17.7%
Operating Expenses	(420)	(399)	5.3%
Operating Income	**(89)**	**(118)**	24.4% (Loss narrowed)
Non-operating Income / Expenses	138	(21)	Turned profitable
Profit Before Tax	49	(139)	Turned from loss to profit
Income Tax Expense	(7)	0	N.M.
Non-controlling Interests	61	(9)	Turned positive
Net Income Attributable to Owners of the Parent	**(5)**	**(130)**	96.2% (Loss narrowed)
EPS (NT$)	**(0.04)**	**(1.26)**	96.8% (Loss narrowed)
Key Financial Ratios			
Gross Margin	11.9%	10.2%	+1.7 ppts
Operating Expense Ratio	15.1%	14.5%	+0.6 ppts
Operating Margin	-3.2%	-4.3%	**+1.1 ppts**
Net Margin	-0.2%	-4.7%	+4.5 ppts

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2026 Outlook

- **The earnings is poised to challenge the highest level despite the COVID's peak with the ongoing efforts deploying in manufacturing efficiency reforms and the unproductive assets' optimizations**

- **The Jordan facilities has little impact from Iran War. The investment is proven strategic and turns to the key drivers for the future growth**

- **Ongoing industry consolidations continue favoring Quang Viet in the long term.**

Corporate Strategy Update

Jordan Base: From Tariff Advantage to Mid-term Growth Driver

- **Tariff advantage:** Jordan offers a relative tariff advantage for exports to the U.S., helping brand customers reduce supply chain costs.
- **Customer validation:** Brands such as Alo Yoga have introduced production lines in Jordan. Jordan's shipment contribution increased from 8% in 2025 to 17%, and is expected to exceed 20% in 2026.
- **Capacity expansion:** Jordan has gradually become an important order intake base for the company. Phase I expansion of the new plant is expected to be completed in 3Q26, further enhancing production flexibility.

U.S. Import Duty Comparison – Textile-Producing Countries

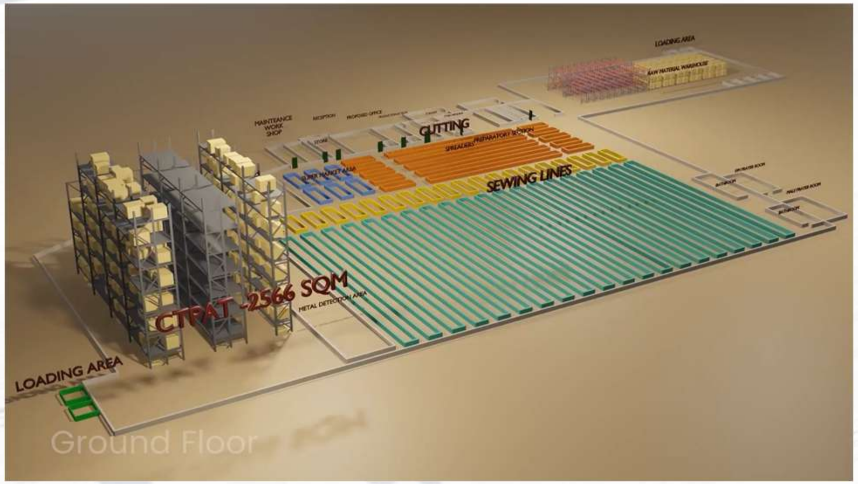
Country	Avg. U.S. Import Duty by Country
Cambodia	27.0%
Vietnam	27.7%
Bangladesh	26.5%
Indonesia	18.3%
India	24.3%
Jordan	0%

Source: USITC (July 2025); Indonesia tariff data based on 2023 averages; The White House.

Jordan New Production Building Overview

- **The new plant will further strengthen Jordan's capacity flexibility for North American orders.**

Floor Area : 16,000 M²/ 4 floor building
Number of workers : 1,200
Production line : 15 Lines
Est Ready date: 2 floors will be Q3 2026



QVE Icebreaking Plan: Driving Efficiency Through Management Upgrade

Operational Excellence Program

- Accelerate smart manufacturing upgrades
- Build an integrated data system for analysis and response
- Standardize shift and workforce management

Product Mix Optimization

- Maximize site utilization and product margin
- Prioritize long-term customer value over volume

Disciplined Capital Expenditure

- Prudent expansion strategy focused on maximizing capital utilization efficiency

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China Site Icebreaking Delivers — Efficiency Up Nearly 25%

How China Site Led the Efficiency Breakthrough

Organizational Restructuring：

- Flattened and rejuvenated management layers to boost agility and communication.
- Introduced international management talent to deepen global client engagement.

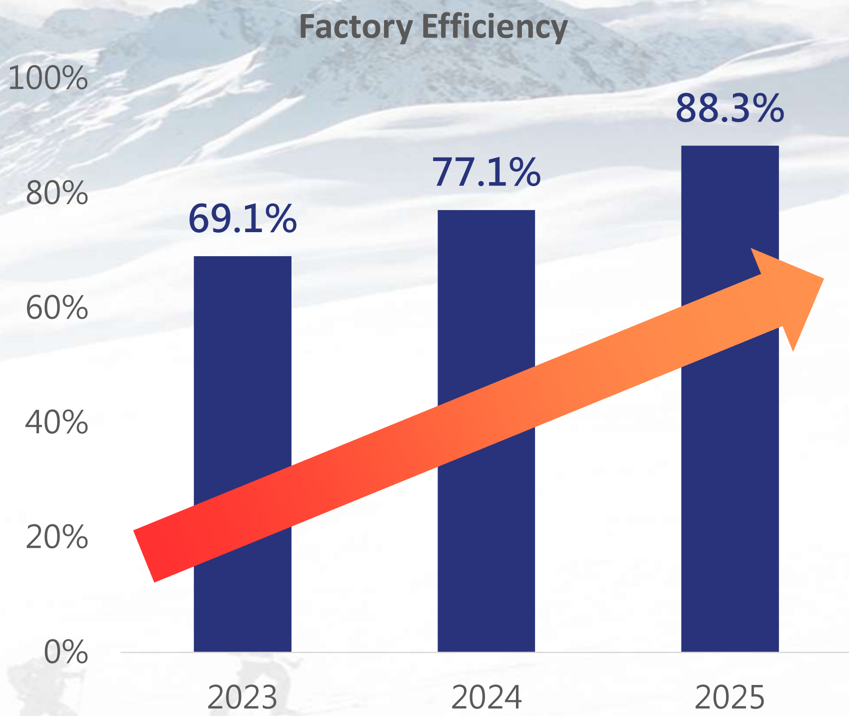
Cost Efficiency：

- Conducted detailed site-level cost breakdowns to optimize resource use and reduce waste.
- Implemented cost accountability to preserve contribution margins.

Productivity Enhancement：

- Upgraded automation systems and extended automation to select manual steps (e.g., bundling) to improve process efficiency.

Efficiency Up Nearly 25%



- Factory Efficiency = Standard Output Time ÷ Actual Input Time
- Source: Company data

2025 China Site Revenue +60% YoY. Group revenue contribution rising from 13% → 19%

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This is Just the Beginning...

Proven Model Now Scaling Globally – Blueprint for Future Growth

2024

China Site

Efficiency model validated — foundation laid for global rollout

- ✅ Rolled out with continuous improvement underway

2025

Vietnam & Jordan Sites

Replicating proven success to boost efficiency across overseas sites

- ⌛ Deployment in progress

2026 ~

Continue to Enhance Production Efficiency

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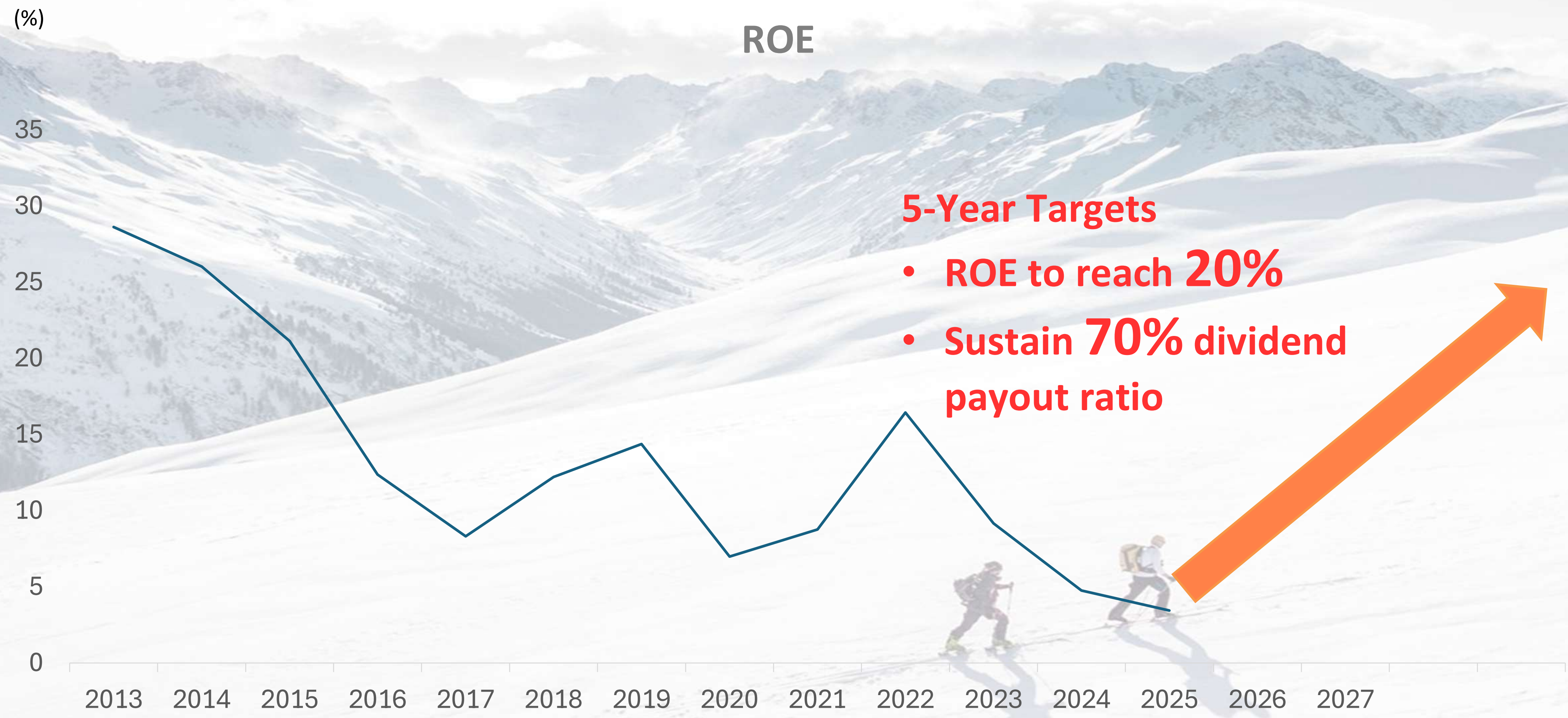
Broader Operational Improvement Initiatives

- Implement Epicor ERP to enhance digitalization and real-time management visibility.
- Deepen vertical integration and strengthen fabric mill collaboration to improve supply chain responsiveness.
- Optimize asset utilization while continuing to invest in new production lines to support future growth.

Focused on Enhancing Operating Margin

Efficiency-Driven ROE Rebuild



5-Year Targets

- ROE to reach **20%**
- Sustain **70%** dividend payout ratio

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Now Is the Right Time to Focus on us

THE WORST IS OVER.

Sustaining Revenue Growth, Reshaping Efficiency, and Rebuilding Value

Thank you!

Financials

Income Statement

NT$mn	2021	2022	2023	2024	2025
Revenue	**13,022**	**20,066**	**16,553**	**16,473**	**19,424**
Gross Profit	1,872	3,266	2,486	2,095	2,567
Operating Expenses	-1,187	-1,744	-1,565	-1,626	-1,777
Operating Profit	**685**	**1,522**	**921**	**469**	**790**
Pretax Income	974	1,957	1,191	682	514
Tax Expenses	-248	-462	-286	-203	-158
Minority Interest	-96	-318	-170	-77	-36
Net Income to Parent	**631**	**1,176**	**734**	**402**	**320**
Basic EPS (NT$)	**6.10**	**11.38**	**7.10**	**3.89**	**3.04**
Key Financial Ratios (%)					
Gross Margin	14.4	16.3	15.0	12.7	13.2
Operating Expense Ratio	9.1	8.7	9.5	9.9	9.1
Operating Margin	5.3	7.6	5.6	2.8	4.1
Effect Tax Rate	25.4	23.6	24.0	29.7	30.7
Net Margin	5.6	7.4	5.5	2.9	1.8

YoY				
2021	2022	2023	2024	2025
6.8	**54.1**	**-17.5**	**-0.5**	**17.9**
45.6	74.5	-23.9	-15.7	22.5
18.1	47.0	-10.3	3.9	9.3
144.2	**122.3**	**-39.4**	**-49.1**	**68.3**
41.9	100.9	-39.2	-42.7	-24.7
92.8	86.5	-38.1	-29.1	-22.2
366.3	232.4	-46.5	-54.6	-53.5
17.3	**86.5**	**-37.6**	**-45.2**	**-20.3**
17.3	**86.6**	**-37.6**	**-45.2**	**-21.9**

Balance Sheet

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NT$mn	2021	2022	2023	2024	2025
Total Assets	**14,839**	**16,486**	**15,692**	**17,198**	**17,900**
Cash	1,819	3,765	3,227	2,337	2,223
AR & NR	2,035	1,816	1,320	1,570	2,442
Inventories	4,201	4,238	3,226	4,213	4,332
Fixed Assets	2,938	3,098	3,387	3,534	3,703
Total Liabilities	**6,448**	**6,718**	**5,750**	**7,043**	**7,399**
AP & NP	852	984	703	1,154	1,263
Total Borrowings	3,598	3,203	2,863	3,915	4,226
Total Equity	**8,392**	**9,768**	**9,942**	**10,155**	**10,500**
Key Financial Ratios					
A/R Turnover Days	41.6	34.5	34.1	31.6	37.2
Inventory Turnover Days	116.3	90.4	95.5	93.1	91.2
A/P Turnover Days	25.2	19.7	21.6	23.3	25.8
Cash Conversion Days	132.7	105.3	108.0	101.5	102.6
ROE (%)	8.8	16.5	9.2	4.8	3.4
ROA (%)	5.2	9.5	5.6	2.9	2.0
Net Debt/equity	21.2	(20.3)	(18.2)	15.5	11.9

YoY				
2021	**2022**	**2023**	**2024**	**2025**
15.3	**11.1**	**-4.8**	**9.6**	**4.1**
-22.4	107.0	-14.3	-27.6	-4.9
109.1	-10.8	-27.3	18.9	55.5
39.8	0.9	-23.9	30.6	2.8
6.3	5.5	9.3	4.4	4.8
36.7	**4.2**	**-14.4**	**22.5**	**5.1**
20.0	15.5	-28.5	64.2	9.5
71.2	-11.0	-10.6	36.8	7.9
2.9	**16.4**	**1.8**	**2.1**	**3.4**

1Q26 Balance Sheet

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(NT$ million)	1Q26 Amount	1Q26 %	1Q25 Amount	1Q25 %	YoY (%)
Cash and Cash Equivalents	1,819	9	2,165	11	(16.0)
Notes & Accounts Receivable, Net	2,166	11	1,620	8	33.7
Inventories	6,669	34	6,930	35	(3.8)
Other Current Assets	2,551	13	2487	13	2.6
Long-term Investments	374	2	529	3	(29.2)
Fixed Assets	3,554	18	3,881	20	(8.4)
Other Long-term Assets	2,325	12	2,033	10	14.4
Total Assets	**19,460**	**100**	**19,645**	**100**	**(0.9)**
Current Liabilities	7,120	37	8,478	43	(16.0)
LT Debt	392	2	559	3	(29.8)
Other Non-Current Liabilities	1,232	6	494	3	149.3
Total Liabilities	**8,744**	**45**	**9,531**	**49**	**(8.3)**
Common Stock	1,134	6	1,034	5	9.7
Total Equity	**10,715**	**55**	**10,113**	**51**	**6.0**
Financial Ratios					
Days Sales Outstanding (DSO)	62.2		47.4		
Days Inventory Outstanding (DIO)	253.7		213.1		
Days Payables Outstanding (DPO)	71.7		61.5		
Cash Conversion Cycle (CCC)	244.2		199.0		
Return on Equity (ROE) (%)	-0.2		-5.1		
Return on Assets (ROA) (%)	-0.1		-2.8		

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Historical Cash Dividend Distribution

Distribution Year	2020	2021	2022	2023	2024	2025	2026
Dividend Year	2019	2020	2021	2022	2023	2024	2025
EPS (NT$)	9.73	5.2	6.1	11.38	7.1	3.89	3.04
Cash Dividend per Share (NT$)	7.5	3.2	4.2	6.8	5.2	3.2	2.3
Payout ratio	77%	62%	69%	60%	73%	82%	76%
Dividend Yield	6.14%	2.64%	3.50%	5.79%	5.17%	4.67%	3.89%*

* The 2025 dividend is calculated based on the closing price on March 18, 2026.

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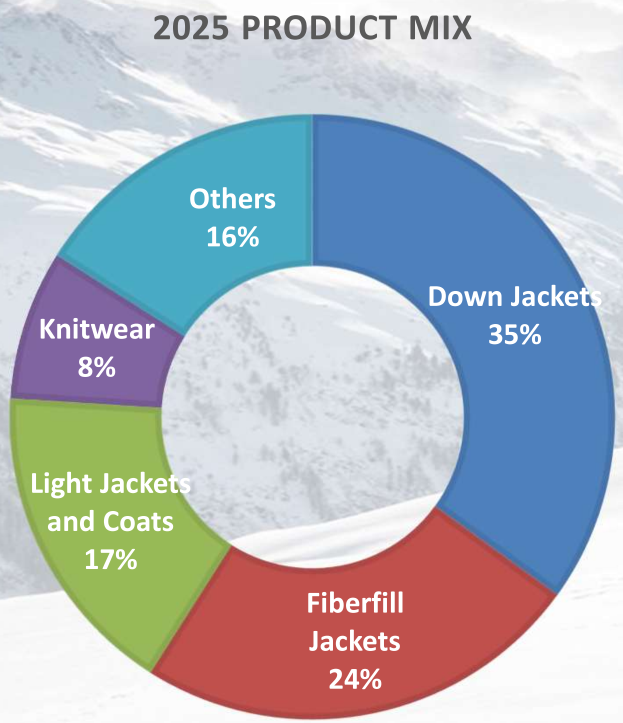
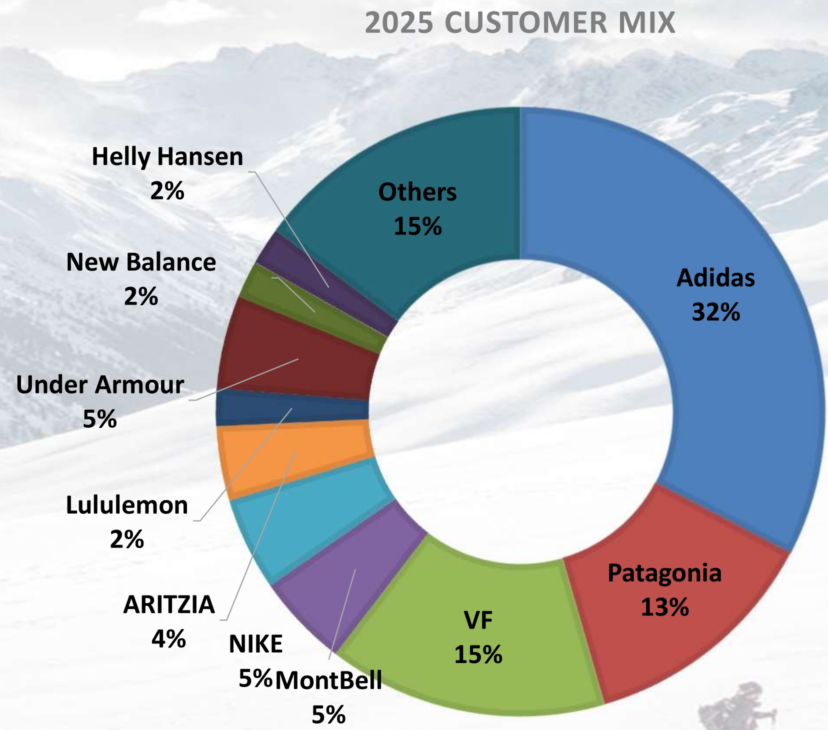
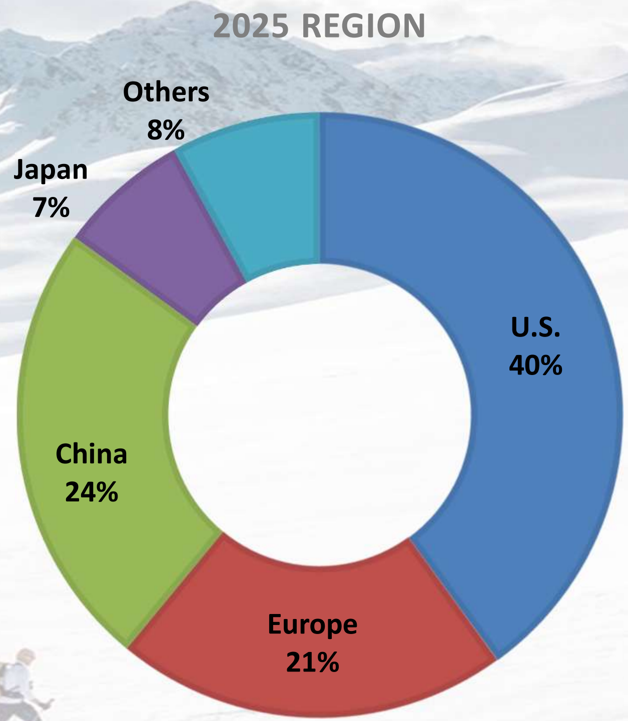
2025 Product and Customer Mix







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1Q26 Product and Customer Mix