



TTFB Company Limited

瓦城泰統集團 (Ticker:2729TT)

The Largest Asian Cuisine Chain Restaurant Group in Taiwan

6 Successful Brands

107 Restaurants

3300 Employees

7,500,000 Customers Yearly



The past 28 years, we've successfully been able to:

- **Replicate Any Type Of Asia Cuisine**
- **Standardize And Scale Fine Asian Cuisine**





Challenges in scaling Asian Cuisine

- Complexity of Ingredients
- Intricate Cooking Process
- Inconsistencies In Chef Technique

Hamburger

Fast Food



8 ingredients
10 steps

Steak

Western Style



8 ingredients
20 steps

Spicy Beef Stir-fry

Asian Style



20 ingredients
65 steps

Difficult

Scaling up Asian-chain restaurants is difficult



Of **64,000** Asian cuisine restaurants in the US, **only 8% are run by chains.**

Of **5,993** Thai cuisine restaurants, currently there is **not one** chain with more than 10 stores.

Source: CHD Expert 2016

In 1990, Entered Into New Territory
to study every aspect of the kitchen from start to finish



首創世界唯一【東方爐炒連鎖化系統】

The World's First Asian Cuisine Standardization System

- Ingredient standardization system
- Kitchen management system
- Chef training system

How did we do it?

1. Ingredients Standardization

**Over 700 different types of
fresh ingredients**

Ingredient Standardization



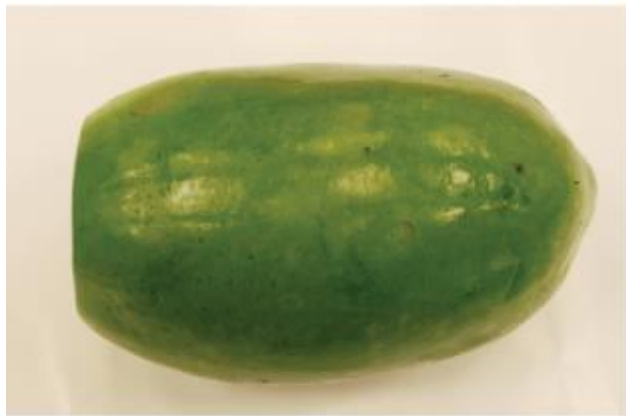
Water spinach



total length
stem length
stem width

Ingredient Standardization

Green Papaya

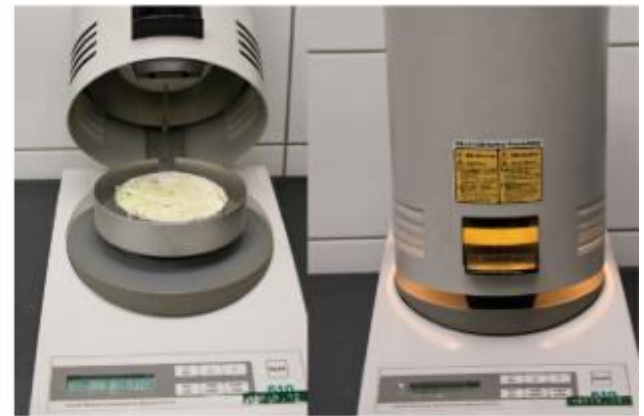


Skin color



Meat color

Pantone color chart



Moisture content

**Over 500 different
knife techniques with
cuts as thin as 0.05cm**

Spicy Seafood on a Sizzling Plate



Squid piece: length/width



Squid piece: length/width



Lemon leaf width



Chili slice : length/width



String bean : length/width

Shredded Potato Sauteed with Vinegar



Potato slice:
length/width/thickness



Red pepper slice:
length/width/thickness



Spring onion: length

2. Kitchen Management System

**Through scientific
management we created:**

- An Efficient Work Flow
- Accuracy Through Science

Efficient Work Flow

- Space optimization
- Kitchen to table efficiency
- Highest productivity
- Strict hygiene standard



Accuracy Through Science



Order Control System

8 mins - 25 mins

- customer satisfaction
- Table turnover



Daily Inventory Control

Material usage
Standard vs Actual usage
(within +/-0.5%)

- Freshest Ingredients
- Uniform portions
- Minimum waste



Automatic Ordering System

based on projected sales

- No shortages
- Freshest ingredients
- Minimum waste

3. Chef Training System

**The traditional apprenticeship system
can't keep up with our expansion rate**

Complicated Asian Culinary Techniques Which Includes tossing. sautéing. frying .roasting ...



Traditionally, it takes **5 years** to develop a chef
to be proficient in using a wok



3. Systematic Chef Training

An 11-color badge chef training system guaranteed
to train a chef **in 13 months**



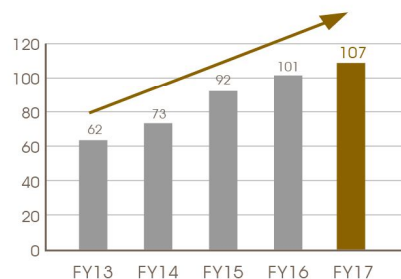


**Consistent in producing 200+ Dishes,
365 days a year in 107 different locations**

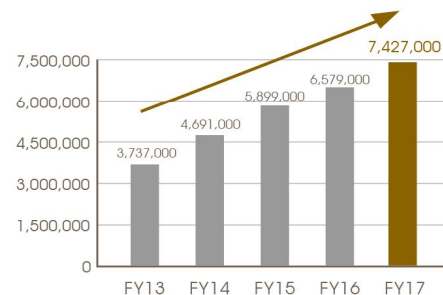
Steady Growth

Sales Compound Annual Growth Rate 16%

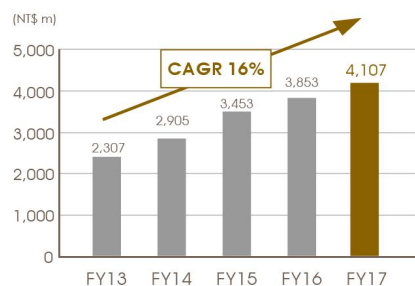
2013-2017 Store Count



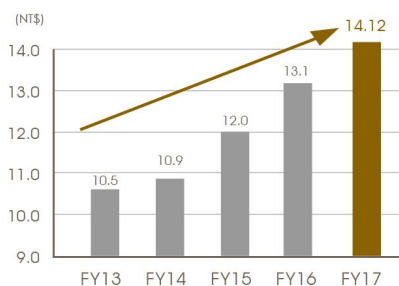
2013-2017 Customer Count



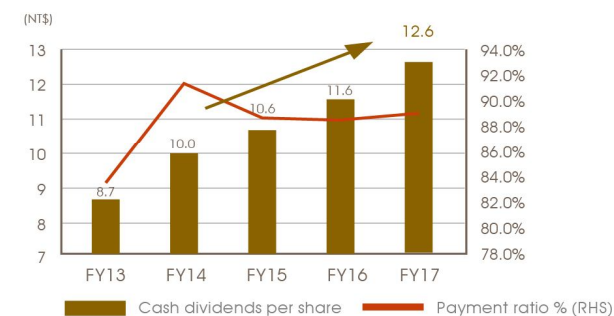
Historical Revenue



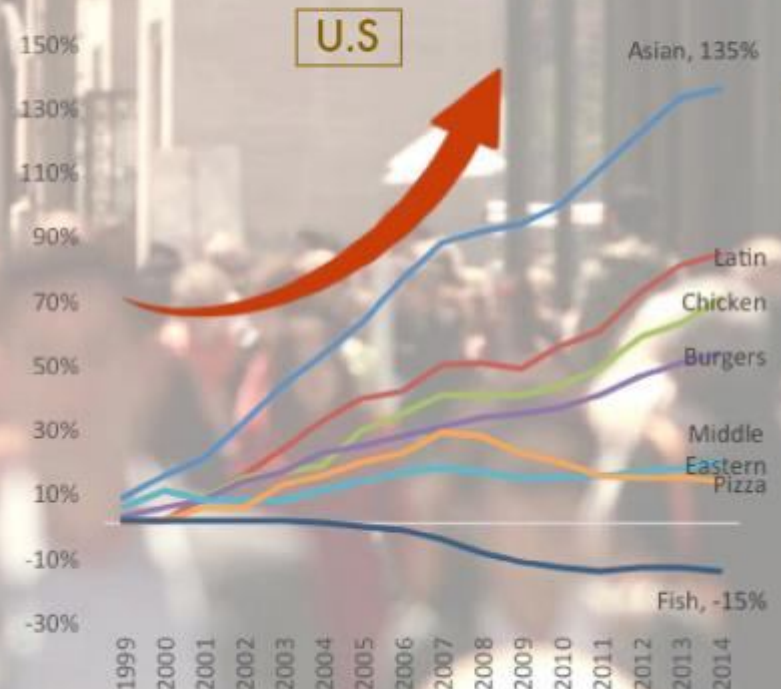
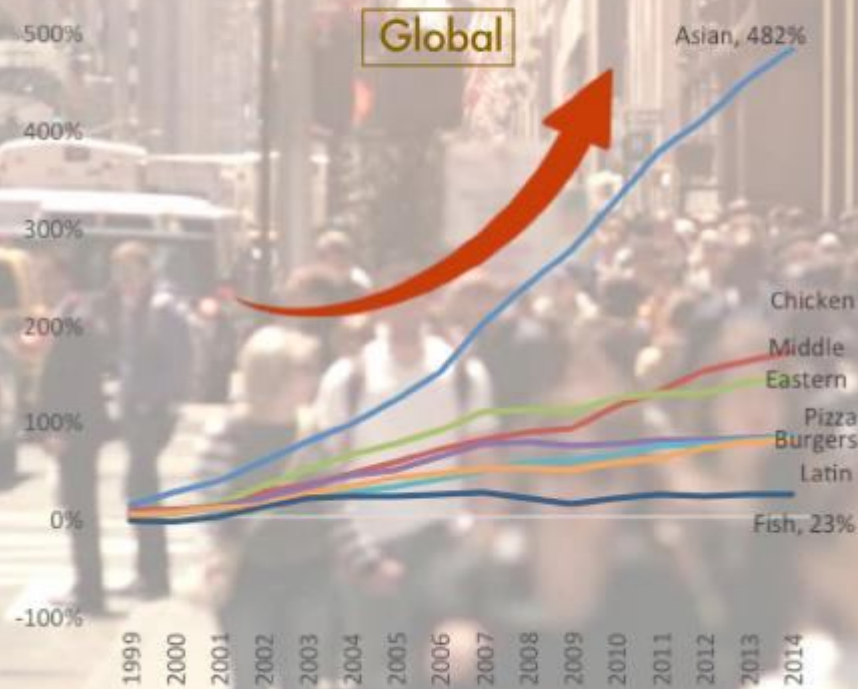
Historical EPS



Historical Cash Dividend Payout



Asian Cuisine: The Fastest Growing Cuisine In The World



Source: Euromonitor

Unlimited Growth Possibilities

3368

The number 3368 is rendered in a large, bold, white serif font. A white swoosh underline starts beneath the first '3', passes under the '6' which contains a small circular logo, and extends to the right, ending under the '8'. The swoosh has a slight curve and a double-line effect at its base.

3 Years

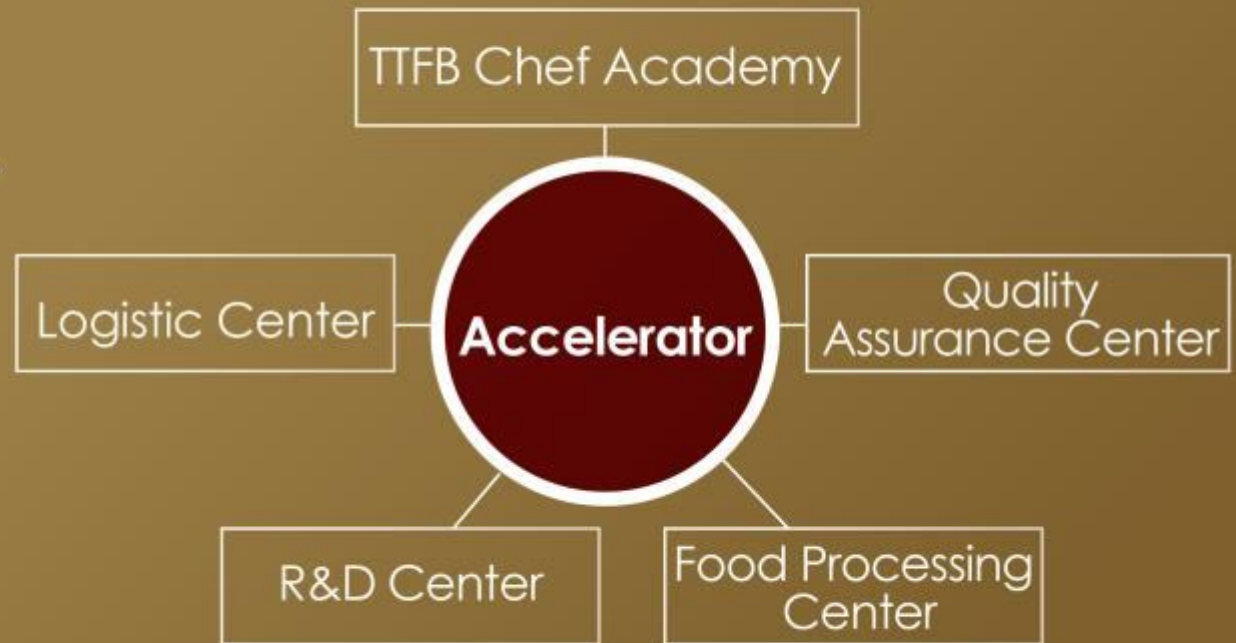
3 Markets

6 New Brands

80 New Restaurants



Centralized Global Research & Development Center





People's passion and pursuit for great food
is not limited to nationality, race, gender or age.



A stylized world map in a light brown color, centered on the Atlantic Ocean, set against a dark brown background with a subtle grid pattern.

**Our goal is to become
the world's largest Asian restaurant chain**



瓦城泰統集團

TTFB Company Limited

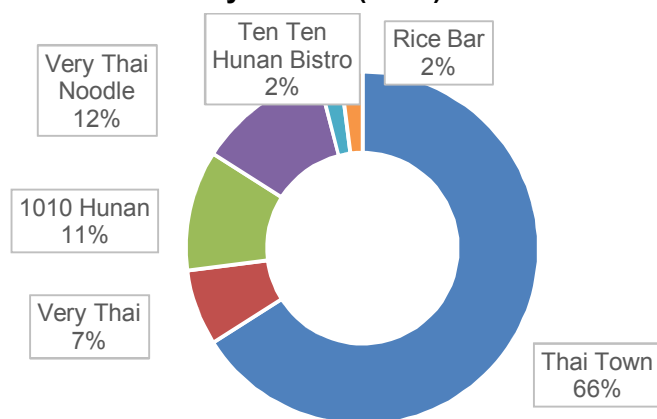
APPENDIX

Company Snapshot

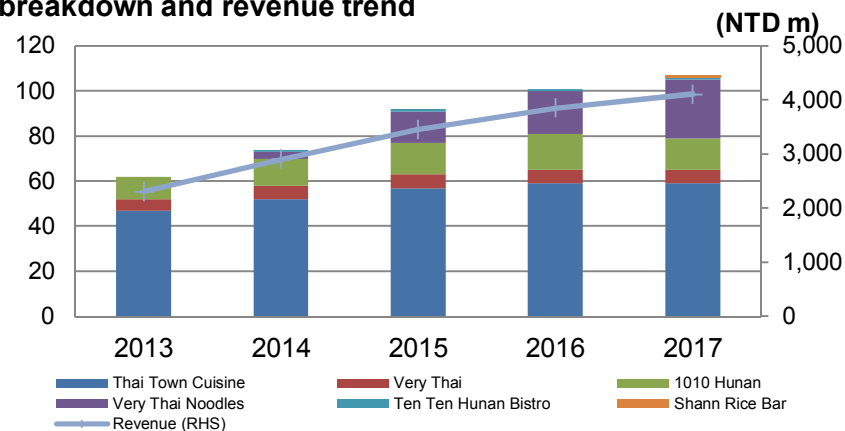
TTFB brand overview

Brand						
Year established	1990	1995	2006	2014	2014	2017
Cuisine Type	Family-style full-service Thai cuisine	Bistro-style full-service Thai cuisine	Family-style full-service Hunan cuisine	Fast Casual full-service Thai noodle bowl	Bistro-style full-service Hunan cuisine	Family-style full-service Asian cuisine
No. of Store (20180313)	59	6	14	26	1	1

Sales break down by brands (2017)



Store breakdown and revenue trend



Thai Town Cuisine



Concept

Established in 1990, Thai Town Cuisine is our Group's first restaurant brand and is now the largest full-service restaurant chain in Taiwan. Our aim is to provide customers with the most authentic and delicious Thai cuisine made by fresh ingredients and traditional cooking methods as well as a memorable dining experiences.

Number of stores: Taiwan 54, China 4 (20180313)

Average ticket: Taiwan NT\$600, China Rmb 150

Menus: Savouries, salads, seafood, beef, pork, chicken, vegetables, rice/noodles, soup, dessert, beverages, group combo meals.

Restaurant Design



Exterior

- Recognizable brand with strong national presence.
- Signature red color exterior reflecting the spiciness of Thai food and passion of our services.
- Garden-style decoration.



Interior

- Tastefully finished with faux wood walls and floors with trees to give warm feeling.
- Flexible arrangement of table of 2, 4, and 6 people.
- Round table and private room for larger group.

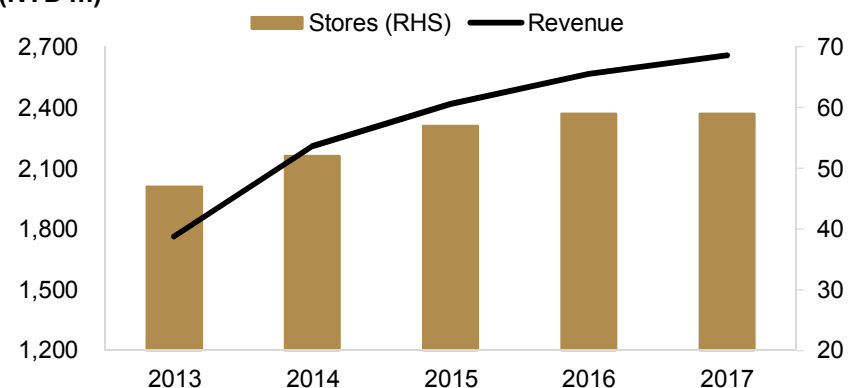
Top Selling Dishes



- Original shrimp pancake
- Spicy beef stir-fry
- Yellow curry chicken

Store Count and Revenue

(NTD m)



Very Thai Restaurant & Bar

Concept

Established in 1995, Very Thai Restaurant & Bar is our Group's second Thai restaurant brand offering a cool urban-style bistro blending authentic Thai food with special lighting and music. Our aim is to provide customers a place to relax and chill after work and enjoy drinks with friends over a nice meal.

Number of stores: Taiwan 6 (20180313)

Average ticket: Taiwan NT\$650

Menus: Appetizer, salads, seafood, beef, pork, chicken, vegetables, rice/noodles, soup, dessert, beverages, signature cocktails, and over 30 imported beers and wines.

Restaurant Design



Exterior

- Simplistic modern looking with large glass walls.
- Mystique vibe in the hustle and bustle of cities.



Interior

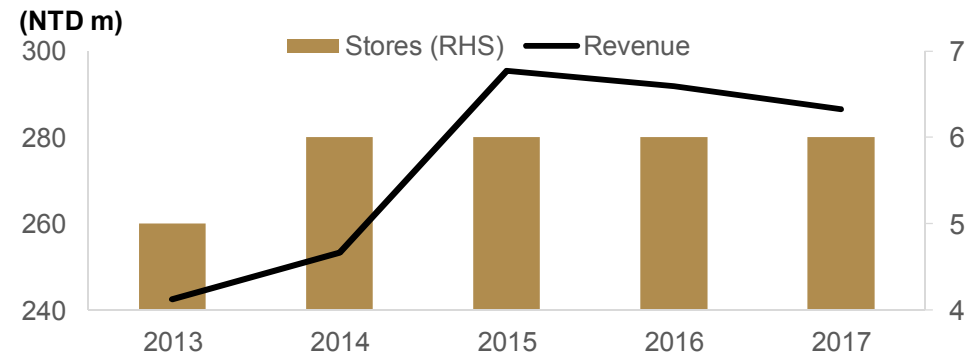
- Trendy décor tables with mood lighting offering a cozy atmosphere.
- Bar area offering a large selection of cocktails, wine, champagne, and liquor.

Top Selling Dishes



- Shrimp pancake
- Grilled pork with Thai dip
- Tom-Yam-Kung (Hot & sour shrimp soup)

Store Count and Revenue



***Note: Our Fuxing Store reopened in May 2015 after remodeled, hence sales were stronger initially.**

1010 Hunan

Concept

Established in 2006, 1010 Hunan offers authentic Hunan cuisine that emphasizes the use of oil, dense color, and techniques that produces crispness and tenderness as well as savory flavors and spices. It's now the largest Hunan Cuisine chained restaurant in Taiwan was named Taiwan's best restaurant by the Miele Guide.

Number of stores: Taiwan 14 (20180313)

Average ticket: Taiwan NT\$650

Menus: Appetizer, hotpots, seafood, beef, pork, chicken, vegetables, rice and egg dishes, soup, dessert, beverages, group combo meals.

Restaurant Design



Exterior



Interior

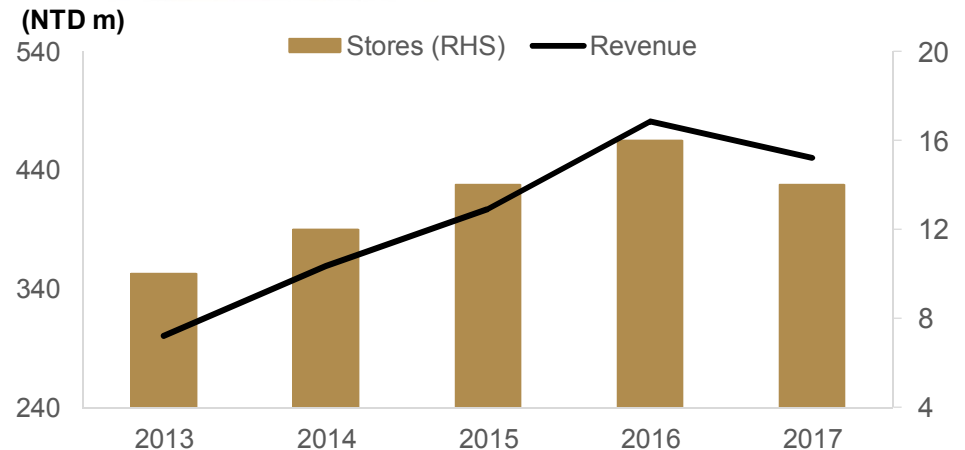
- Modern and pop vibe, contrasting with traditional dishes serving inside.
- The 1010 brand name (1010 – stands for perfection) and blue color has made it a recognizable brand for delicious Hunan cuisine.
- Trendy décor with heavy wooden elements and large artistic paintings.
- Flexible arrangement of table of 2, 4, and 6 people.
- Round table and private room for large group.

Top Selling Dishes



- Steamed fish head with minced green peppers
- Fried spare ribs with cumin & chilies
- Preserved tofu & pork intestine hot pot

Store Count and Revenue



Ten Ten Hunan Bistro

十食湘 BISTRO

Concept

Established in 2014, Ten Ten Hunan Bistro is our Group's first Hunan cuisine restaurant in China. With our success of running 1010 Hunan in Taiwan since 2006, Ten Ten Hunan is the first restaurant in Shanghai that combines modern environment and large wine selection with authentic Hunan cuisine.

Number of stores: China 1 (20180313)

Average ticket: Rmb 180

Menus: Appetizer, hotpots, seafood, beef, pork, chicken, vegetables, rice and egg dishes, soup, dessert, beverages, cocktails, wine, and liquor.

Restaurant Design



Exterior

- Stylish bar and fusion restaurant outlook mainly targeting the fashionable white-collar crowd.



Interior

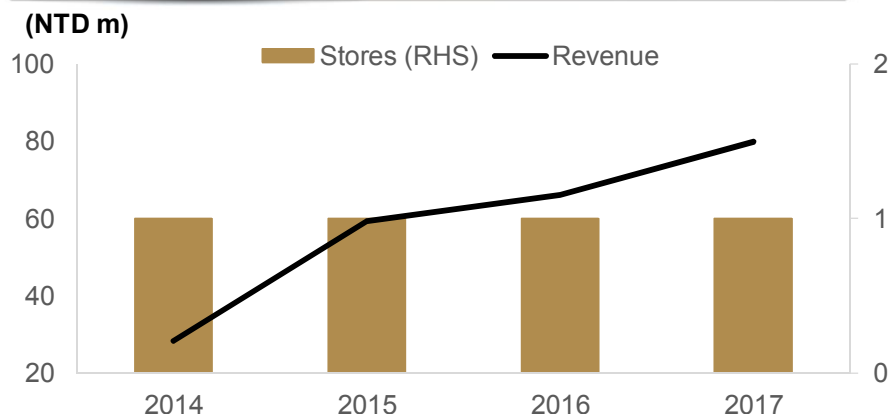
- Modern, polished and sleek design by using large dark wood elements creating a more high-end atmosphere.
- Private rooms and partition available giving diners more privacy.

Top Selling Dishes



- Steamed fish head with red minced peppers (served with fish noodles)
- Grilled shrimp skewers
- Crab with rice cake and hot chilies

Store Count and Revenue



Shann Rice BAR

時時香
RICE BAR

Concept

Established in 2017, Shann Rice Bar is our latest concept blending in the signature dishes from Asian cuisine and Taiwan delicacies. With a unique offering of three kind of rice, our customers can choose whichever rice to go with their dishes. The design of our dishes are unique in a way that each dish's look, taste, and smell are carefully engineered to provide our guests a memorable dining experience.

Number of stores: Taiwan 1 (20180313)

Average ticket: NT\$620

Menus: Appetizer, seafood, beef, pork, chicken, vegetables, soup, dessert, and multiple selection of rice.

Restaurant Design



Exterior

- Fusion restaurant look with a black and orange exterior design.
- Large glass wall displaying variations of rice reflecting the importance of rice to Asian cuisine.



Interior

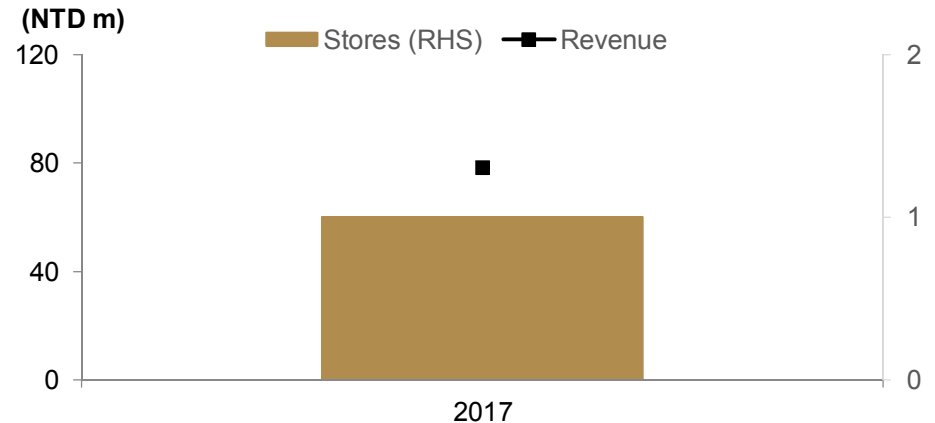
- Open space, light wood decoration creates a bright but warm dining atmosphere.
- Wall pictures and traditional rice tank depicting the importance of rice to Asian cuisine..

Top Selling Dishes



- 3.5 – cup chicken with pig's blood rice cake
- Deep fried sugarcane prawn (3 pcs)
- Steamed halibut topped with crispy fried soybeans

Store Count and Revenue



Very Thai Noodles

Concept

Established in 2014, Very Thai Noodles is our Group's first fast-casual restaurant serving Southeast Asian style noodle bowls. Inspired by Thailand's popular noodle shops culture, we provide a simple menu serving signature Southeast Asian noodle bowls for those customers craving a more flavorful taste and spices. It is now the largest Thai noodle chain restaurant in Taiwan with a highest record of 16 table turnover per day.

Number of stores: Taiwan 25 , China 1 (20180313)

Average ticket: Taiwan NT\$260

Menus: Signature noodle bowls, side dishes, and beverages,

Restaurant Design



Exterior

- The restaurant color is designed in red which represents energy, freedom and youthfulness.



Interior

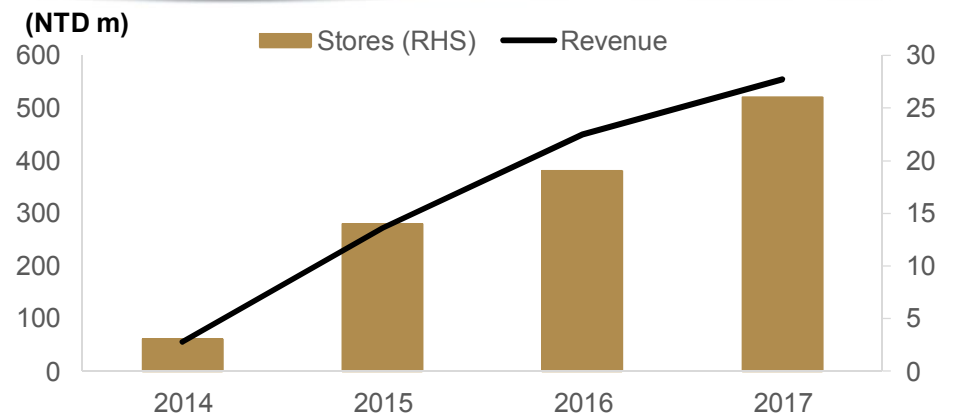
- Warm lighting creates a cozy dining environment.
- Connecting long tables suitable for individual customer or larger group.

Top Selling Dishes



- Tom – Yam – Kung noodles with seafood and pork
- Thai-style curry noodles with chicken drumstick
- Black volcano (sesame ice cream)

Store Count and Revenue



FINANCIAL SUMMARY

Five-Year Income Statement

NT\$m	2012	2013	2014	2015	2016	2017	YoY (%)					
							2012	2013	2014	2015	2016	2017
Revenue	1,909	2,307	2,905	3,453	3,853	4,107	24.7	20.8	25.9	18.8	11.6	6.6
Gross Profit	1,001	1,218	1,495	1,779	2,004	2,190	20.3	21.8	22.7	19.0	12.7	9.3
Operating Expenses	-783	-937	-1,204	-1,454	-1,640	-1,792	22.2	19.7	28.5	20.8	12.8	9.3
Operating Profit	218	281	292	325	365	398	14.0	29.3	3.6	11.5	12.1	9.1
Non Operating Income/(Loss)	5	15	13	13	5	3	-46.1	194.1	-7.9	-6.1	-61.1	-35.3
Pretax Income	223	296	305	338	369	401	11.2	32.9	3.0	10.7	9.4	8.5
Tax Expenses	-39	-52	-52	-59	-64	-73	15.6	31.3	-0.2	13.4	9.6	13.3
Net Income to Parent	183	244	253	279	305	329	10.3	33.3	3.7	10.2	9.4	7.6
Basic EPS (NT\$)	9.44	10.50	10.89	12.00	13.12	14.12	0.2	11.2	3.7	10.2	9.3	7.6
Key Financial Ratios (%)												
Gross Margin	52.4	52.8	51.5	51.5	52.0	53.3						
Operating Expense Ratio	41.0	40.6	41.4	42.1	42.5	43.6						
Operating Margin	11.4	12.2	10.0	9.4	9.5	9.7						
Effect Tax Rate	17.7	17.5	16.9	17.3	17.4	18.1						
Net Margin	9.6	10.6	8.7	8.1	7.9	8.0						

Five-Year Balance Sheet

NT\$m	2012	2013	2014	2015	2016	2017	YoY (%)					
							2012	2013	2014	2015	2016	2017
Total Assets	1,929	2,060	2,193	2,287	2,339	2,407	173.2	6.8	6.4	4.3	2.3	2.9
Cash	1,375	1,259	1,034	895	509	483	490.0	-8.4	-17.9	-13.4	-43.2	-4.9
AR & NR	126	150	152	174	212	249	22.8	19.2	1.7	14.1	21.8	17.5
Inventories	23	70	81	110	91	117	-23.9	199.3	16.2	35.2	-17.5	29.5
Fixed Assets	333	495	742	985	1,387	1,377	18.8	48.7	50.0	32.8	40.8	-0.8
Total Liabilities	251	324	400	451	443	455	-4.2	29.0	23.3	12.9	-1.8	2.7
AP & NP	60	66	105	94	85	83	7.0	10.9	58.5	-11.1	-9.2	-2.0
Total Equity	1,678	1,736	1,793	1,835	1,896	1,951	278.1	3.5	3.3	2.3	3.3	2.9
Key Financial Ratios												
A/R Turnover Days	21.8	21.8	19.0	17.3	18.3	20.2						
Inventory Turnover Days	10.9	15.6	19.5	20.8	19.8	19.5						
A/P Turnover Days	23.3	21.2	22.2	21.7	17.6	15.8						
Cash Conversion Days	9.4	16.3	16.3	16.4	20.4	23.9						
ROE (%)	17.3	14.3	14.4	15.4	16.4	17.1						
ROA (%)	13.9	12.3	11.9	12.5	13.2	13.8						
Net debt (cash)/Equity (%)	-81.9	-72.5	-57.7	-48.8	-26.8	-24.8						

Dividend Payout and Capex

(NT\$m)	2012	2013	2014	2015	2016	2017
Net profit	185	244	253	279	305	328
Cash dividend	188	202	233	247	270	293
Fully Diluted DPS (NT\$)	8.1	8.7	10	10.6	11.6	12.6
Payout ratio	101.9%	82.8%	91.8%	88.3%	88.4%	89.3%
Cash yield	3.6%	3.9%	4.5%	4.8%	5.2%	5.7%
Capex	124	252	340	321	642	222