

Investor Conference

Formosa Taffeta Co., Ltd.

November 28, 2023 14:00

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Agenda

- I. Business Performance
- II. Product Development
- III. Operation Orientation
- IV. Q&A

01. Business Performance



Consolidated Income Statement

Unit: NT\$1,000	Three months ended September 30		Variance	Nine months ended September 30		Variance
	2023	2022		2023	2022	
Sales revenue	7,143,501	8,749,831	-18.4%	22,025,137	26,945,284	-18.3%
Net operating margin	611,115	866,877	-29.5%	1,971,533	2,873,882	-31.4%
Net margin	8.6%	9.9%		9.0%	10.7%	
Operating profit	33,769	263,510	-87.2%	240,967	939,777	-74.4%
Operating profit Margin	0.5%	3.0%		1.1%	3.5%	
Non-operating income and expenses	41,310	433,380		464,844	2,516,895	
Profit before income tax	75,079	696,890	-89.2%	705,811	3,456,672	-79.6%
Profit for the period from continuing operations	50,110	586,109	-91.5%	597,856	3,177,834	-81.2%
Rate of profit for the year	0.7%	6.7%		2.7%	11.8%	
Profit attributable to common shareholders of the parent	0.04	0.40		0.39	2.03	
Equity	54,573,010	57,608,805				



Comparison of Revenues of Different Businesses

Unit: NT\$1,000	Nine months ended September 30		Variance
	2023	2022	
1 st Business Segment	9,196,217	11,337,903	-18.9%
Tire Cord Business	3,056,954	5,214,816	-41.4%
Oil Product Business	8,444,586	8,788,474	-3.9%
Others	1,327,380	1,604,091	-17.3%
Total	22,025,137	26,945,284	-18.3%

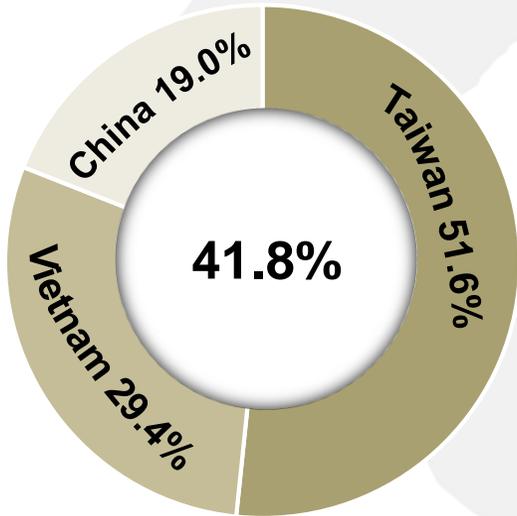
A decrease of NT\$ 4.92 billion (18.3%)in consolidated revenue from January to September, 2023—NT\$ 22.03 billion , compared to that of 2022—NT\$ 26.95 billion

- Advantageous difference in sale quantity of NT\$ 0.25 billion: a result of an increase of NT\$ 0.74 billion of the filament fabric of the 1st Business Segment, a decrease of NT\$ 0.5 billion of tire cord fabric, an decrease of NT\$ 0.01 billion of oil product business division.
- Disadvantageous difference in sale price of NT\$ 5.17 billion: a result of an decrease of NT\$ 2.87 billion of the filament fabric of the 1st Business Segment, a decrease of NT\$ 1.66 billion of tire cord fabric, a decrease of NT\$ 0.35 billion of oil product business division, and a decrease of NT\$ 0.29 billion of other business divisions.

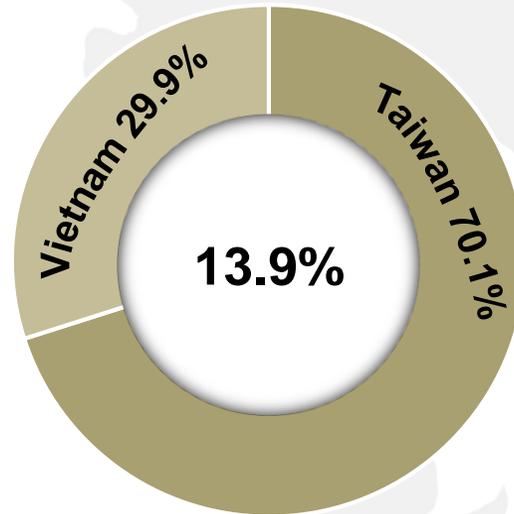


Products Breakdowns by Production Bases as of the end of September, 2023

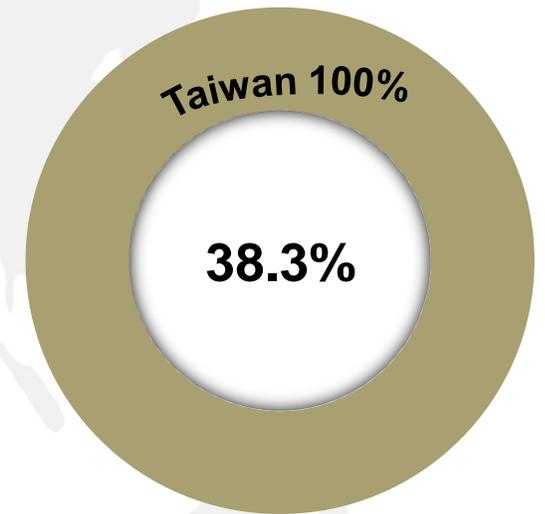
Filament Woven Fabrics
of 1st Business Segment



Polyamine/Polyester Tire Cord
Fabric of 2nd Business Segment



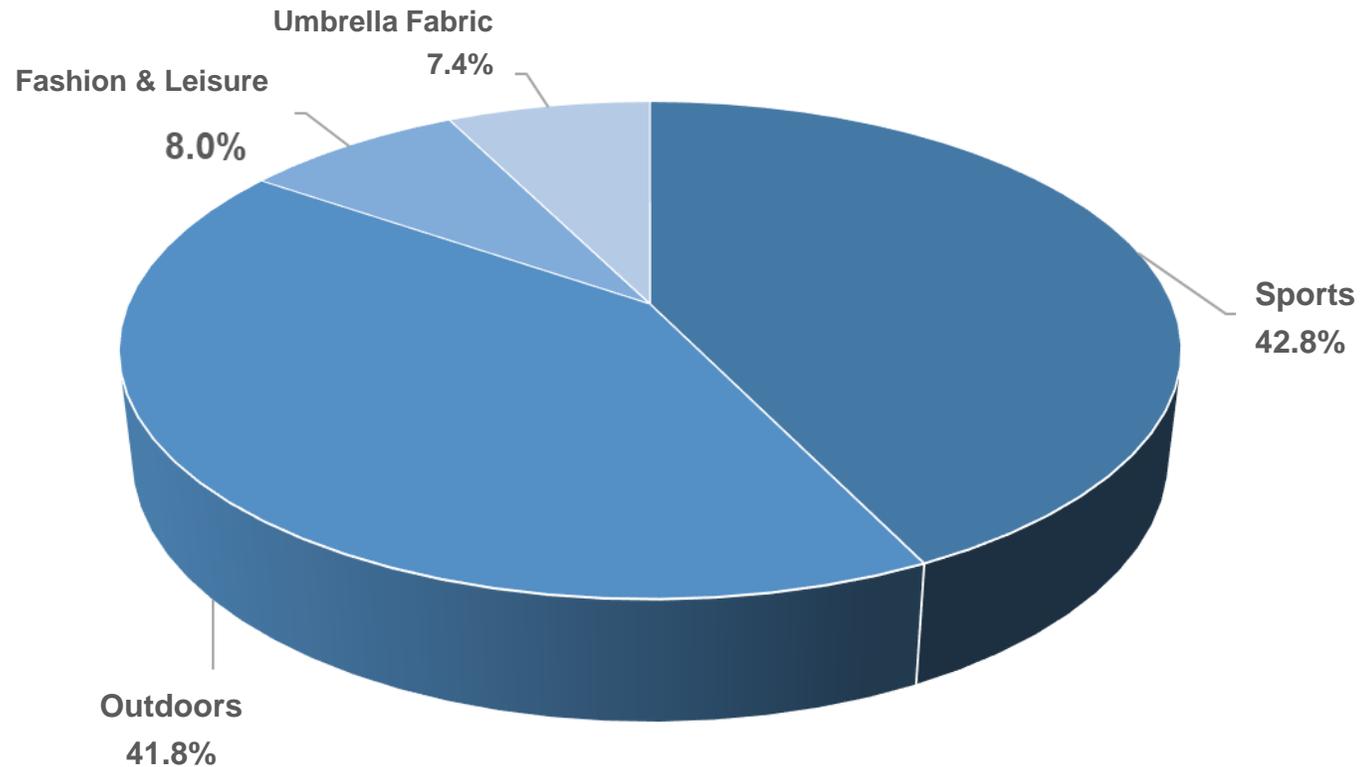
Petroleum goods/service
of 2nd Business Segment





Sales Volume Breakdown of Polyamide/Polyester Woven Fabrics as of the end of September, 2023

Breakdown by sales volume:



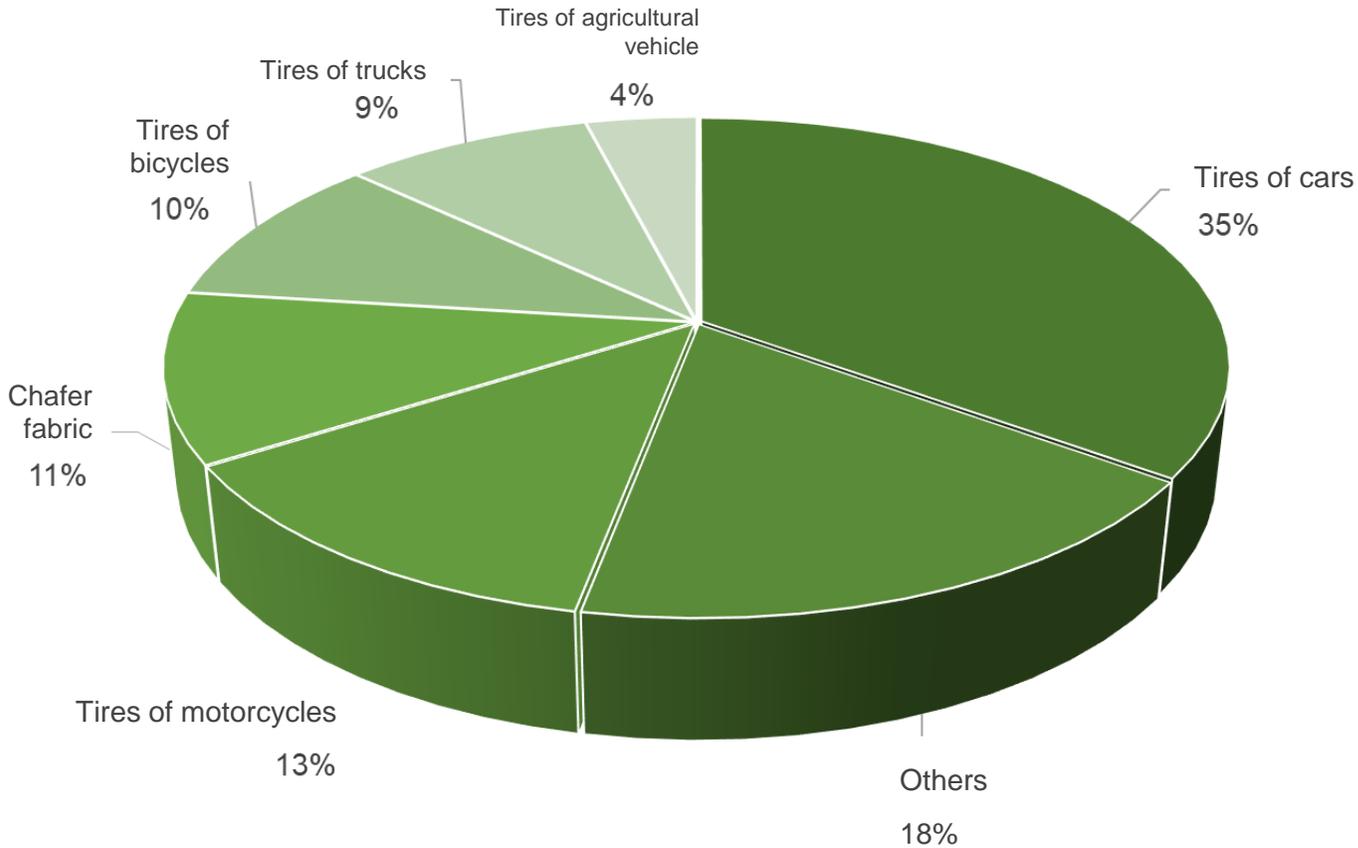
Breakdown by customer category:

Item	Customer	Sales Volume
Sports	Nike	20.1%
	adidas	18.2%
	PUMA	3.4%
	Others	1.1%
Outdoors	Columbia	18.2%
	Patagonia	2.2%
	The North Face	9.8%
	Others	11.6%
Fashion & Leisure	Lululemon	3.7%
	萬姿	0.4%
	L.L.Bean	1.5%
	Others	2.4%
Umbrella Fabric		7.4%



Sales Volume Breakdown of Polyamide/Polyester Tire Cord Business as of the end of September, 2023

Breakdown by product:



Breakdown by sales area

Area	Sales Volume
South-east Asia	40%
Taiwan	25%
India	11%
South-north Asia	9%
China	5%
U.S.A	5%
Europe	2%
Others	3%



Cash Flow Statement

Unit: NT\$1,000	Nine months ended September 30	
	2023	2022
Cash and cash equivalents at beginning of period	5,216,541	3,471,141
Net cash flows from operating activities	3,664,106	2,447,219
Net cash flows used in investing activities	(1,125,853)	(605,092)
Net cash flows used in financing activities	(3,254,749)	(1,010,220)
Effect of foreign exchange rate	62,770	109,603
Cash and cash equivalents at end of period	4,562,815	4,412,651
Free cash flow*	3,078,725	1,878,788

Free cash flow = Net cash flows from operating activities - Capital Expenditures

FORMOSA TAFFETA

Product Development



FORMOSA
TAFFETA

Contents

|01 Recycled PET stretch
functional fabrics

|02 Recycled nylon 6
mechanical stretch fabrics

|03 Bio based spandex
stretch fabrics

|04 Recycled PET from
textiles waste fabrics

|05 Upgraded Omni-Heat
Infinity fabrics

01 Recycled PET stretch functional fabrics

FTC collaborates with upper stream suppliers to develop a new composite eco friendly stretch textiles products with fluffier texture, better handfeel and good elasticity.

Advantages

1. 100% Recycled PET
2. Compare with the similar products: elasticity up 15%, wicking improved 20%, UPF(100+)
3. Can be use for water proof breathable clothing to enable a softer, thicker and warm feel.

Application : sportswear, casual and outdoor wear.





COMOFIT™



02

Recycled nylon 6 mechanical stretch

FTC Comofit is a polyamide 6 mechanical stretch fabric that does not contain spandex covered yarn, but still has excellent elasticity, natural cottony texture and comfort. Moreover, the excellent wicking & quick dry function can provide the wearer with comfort and relaxation during activity.

Advantages

1. Eco friendly is the market main stream
2. Comfort stretch and fluffy texture
3. No undyeable spandex exposure issue
4. Single material design is easier for future garment recycle system

Application: sportswear, urban casual and outdoor wear.

03 Bio based spandex

FTC utilizes bio-based spandex comes from non-edible industrial corn through fermentation technology, transforming it into bio-based material. This bio-based spandex performs just like conventional spandex in terms of its performance. This new generation of stretch product can be combine with different functional finishing for different seasons and purposes.

Eco friendly pursuits

1. Bio based spandex yarn contains 30% of bio components.
2. Reduce 39% of water usage and 23% of carbon emission
3. Replace oil with plants, diminish the reliance on fossil fuels.



04 Recycled PET from textiles waste fabrics

FTC has utilized recycled polyester yarn from textile waste to develop a range of fabric products that can be used in sports, outdoor, casual and fashion wear. These fabric products are not just inspired by eco concept, they have also been given a new life and became a part of the realization of circular economy. Let us make a positive contribution to our environment.

1. Reduce 75% of CO₂ emissions
2. Reduce 85% of energy consumption
3. Reduce our reliance on oil resources and minimized environmental damage caused by oil drilling.





05 Upgraded Omni-Heat Infinity fabrics

FTC's joint project with US outdoor brand. This upgraded version of treatment for reflecting body heat can enhance thermal protection. Furthermore, when combined with advanced bonding baffle technology we can effectively achieve a multi-functional technology that encompasses waterproof breathability, down-proof and warmth retention. This is a versatile product that can offer both functionality and fashion.



03. Operation Orientation



Operation Orientation

1 *IS MORE* a milestone of textile industry

Developing the electrospinning fabric with high waterproof, breathable, fluoride-free, and mono nylon, which could be recycled to expand the outdoors market.

2 **Circular Economy, Sustainable Environment**

Upholding the sustainable environment spirits, promote water-, energy-saving, and carbon reduction projects as well as develop eco-friendly products with the aim to circular economy.

3 **Introduction of AI, Smart Manufacturing**

Introducing AI and AOI technology to fulfill digitalization and improve the efficacy of product management.

4 **Global Deployment, Expanded Cooperation**

Utilizing capacity adjustment among the five factories in Taiwan, China, and Vietnam to assure smooth production and delivery, and deepening the cooperation with branded customers to become long-term partners.



ESG Highlights and Awards

SCIENCE BASED TARGETS

Validation of Science Based Targets initiative, SBTi

CDP

Carbon Disclosure Project
Climate change – Leadership
Water security-Leadership

Best enterprise

for voluntarily energy conservation and carbon reduction



21st Century Foundation

the High Distinction Award for Net Zero Competition



SGS ESG Awards

Water Resource Management



TIP Taiwan ESG Index
FTSE4GOOD

9th Corporate Governance Evaluation of TWSE/TPEX listed companies **6~20%**
Taiwan Employment Creation 99 index



敬請指教

Thank You !



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