

Investor Conference

Formosa Taffeta Co., Ltd.

November 26, 2024

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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	nine months ended September 30			Three months ended September 30		
	2024	2023	Variance	2024	2023	Variance
Sales revenue	21,882,926	22,025,137	-0.65%	7,089,698	7,143,501	-0.75%
Net operating margin	2,341,103	1,971,533	18.75%	758,563	611,115	24.13%
Net margin	11%	9%	↑	10.70%	8.6%	↑
Operating profit	503,995	240,967	109.16%	138,944	33,769	311.45%
Operating profit Margin	2%	1%	↑	1.96%	0.5%	↑
Non-operating income and expenses	991,729	464,844		841,768	41,310	
Profit before income tax	1,495,724	705,811	111.92%	980,712	75,079	
Profit for the period from continuing operations	1,384,398	597,856	131.56%	962,469	50,110	
Rate of profit for the year	6%	3%	↑	13%	1%	↑
Profit attributable to common shareholders of the parent	0.85	0.39		0.57	0.04	
Equity	44,093,618	54,573,010		44,093,618	54,573,010	



Comparison of Revenues of Different Businesses

Unit: NT\$1,000	1 st Business Segment	Tire Cord Business	Oil Product Business	Others	Total
As of September 30, 2024	10,524,415	2,618,578	8,190,362	549,571	21,882,926
As of September 30, 2023	9,612,289	3,158,648	8,444,586	809,614	22,025,137
difference	912,126	-540,070	-254,224	-260,043	-142,211

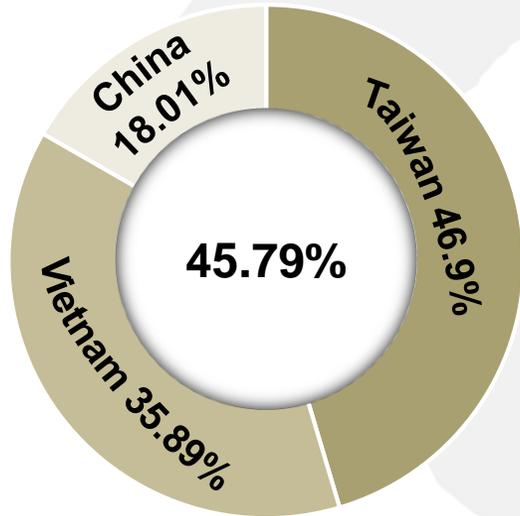
A decrease of NT\$0.142 billion(-0.65%) in consolidated revenue from January to September, 2024—NT\$ 21.88 billion, compared to that of 2023—NT\$ 22.02 billion.

- Advantageous difference in sale price of NT\$ 0.349 billion: a result of an increase of NT\$ 0.669 billion of the 1st Business Segment, a decrease of NT\$ 0.127 billion of tire cord fabric, a decrease of NT\$ 0.078 billion of oil product business division, an decrease of NT\$ 0.115 of other business divisions.
- Disadvantageous difference in sale quantity of NT\$ 0.491 billion: a result of an increase of NT\$ 0.243 billion of the 1st Business Segment, a decrease of NT\$ 0.413 billion of tire cord fabric, a decrease of NT\$ 0.176 billion of oil product business division, and an decrease of NT\$ 0.145 billion of other business divisions.

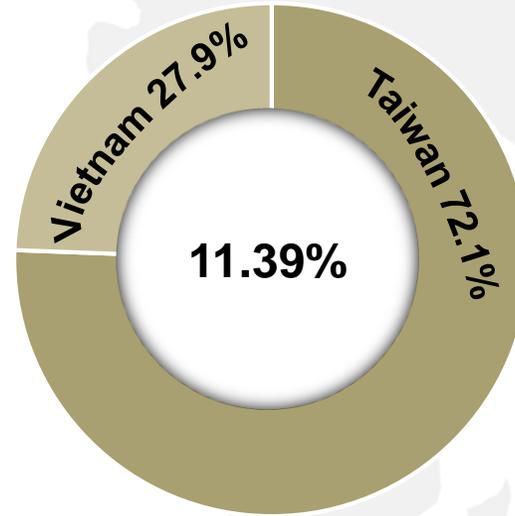


Proportion of Sales Revenue by Production Base for Key Products as of the End of September 2024

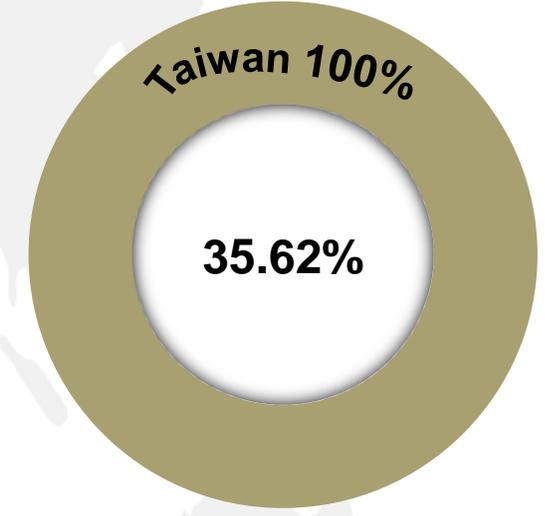
Filament Woven Fabrics of 1st Business Segment



Polyamine/Polyester Tire Cord Fabric of 2nd Business Segment



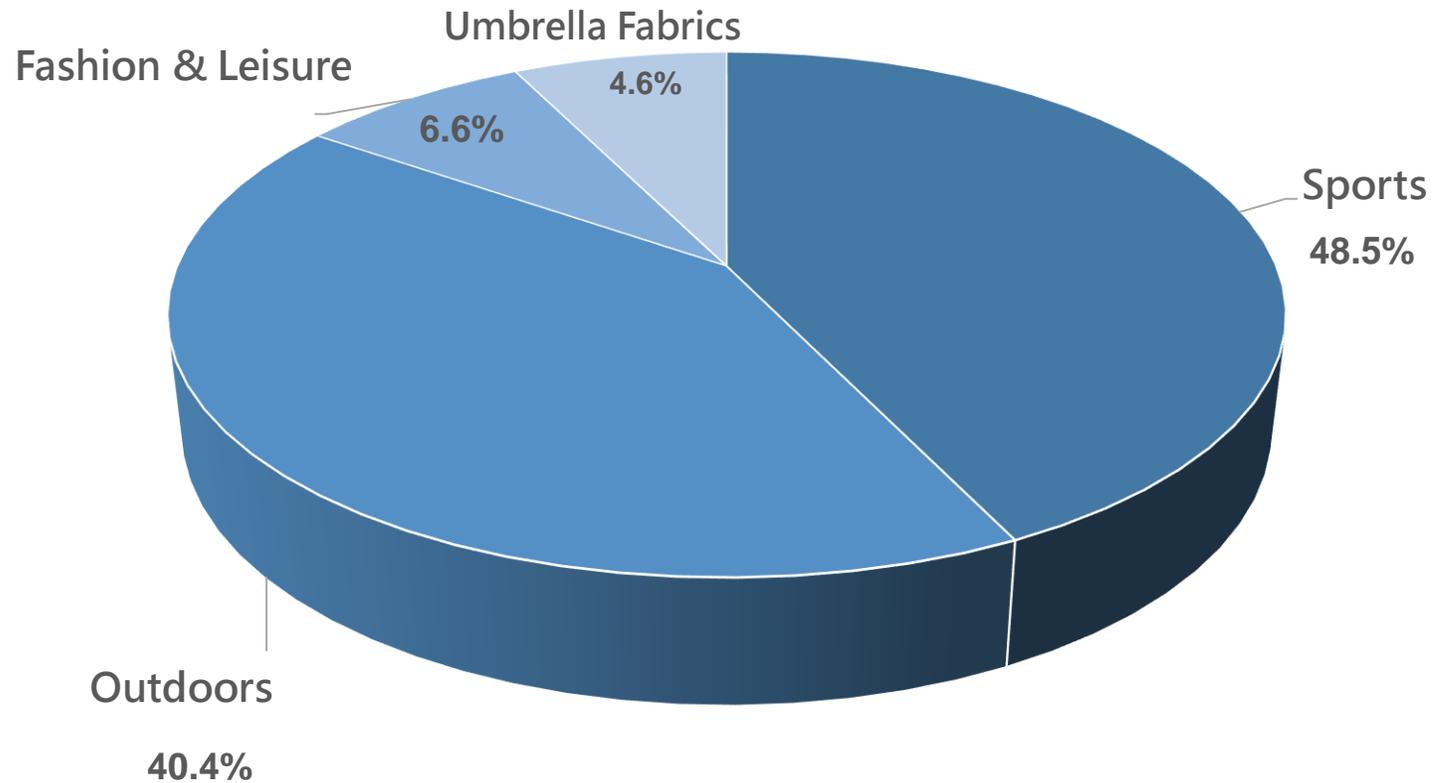
Petroleum goods/service of 2nd Business Segment





Sales Volume Breakdown of Polyamide/Polyester Woven Fabrics as of the end of September, 2024

Breakdown by sales volume:



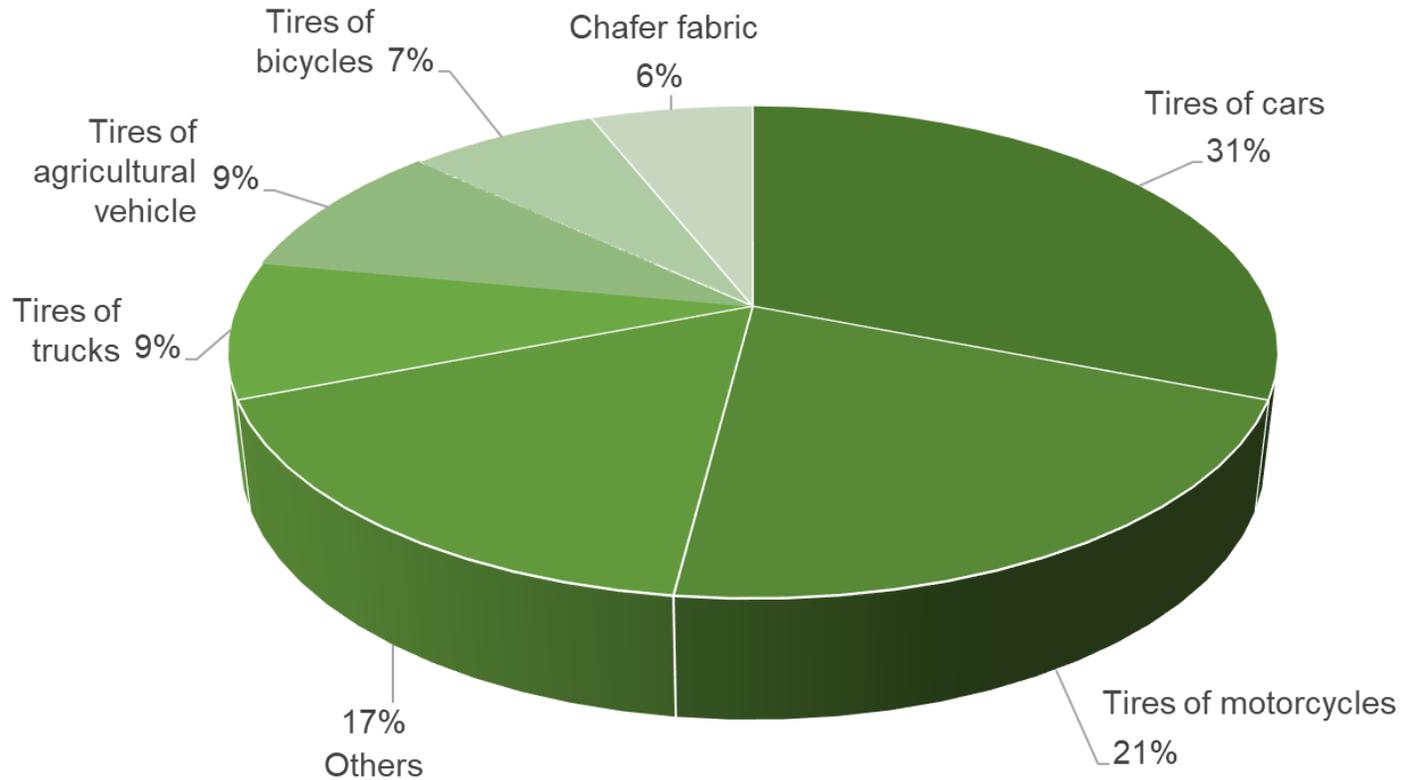
Breakdown by customer category:

Item	Customer	Sales Volume
Sports	Nike	23.2%
	adidas	18.3%
	PUMA	4.3%
	Others	2.7%
Outdoors	Columbia	20.7%
	Patagonia	3.0%
	The North Face	5.5%
	Others	11.2%
Fashion & Leisure	lululemon	2.4%
	Pertex	0.9%
	L.L.Bean	0.5%
	Others	2.9%
Umbrella Fabrics		4.6%



Sales Volume Breakdown of Polyamide/Polyester Tire Cord Business as of the end of September, 2024

Breakdown by product:



Breakdown by sales area

Area	Sales Volume
South-east Asia	45.59%
Taiwan	29.06%
India	4.61%
South-north Asia	7.37%
China	2.52%
U.S.A	6.49%
Europe	0.74%
Others	3.62%



Cash Flow Statement

Unit: NT\$1,000	nine months ended September 30	
	2024	2023
Cash and cash equivalents at beginning of period	4,241,157	5,477,800
Net cash flows from operating activities	2,787,614	3,664,106
Net cash flows used in investing activities	-376,980	-1,212,132
Net cash flows used in financing activities	-2,578,374	-3,254,749
Effect of foreign exchange rate	91,913	62,770
Cash and cash equivalents at end of period	4,165,330	4,737,795
Free cash flow*	2,276,739	3,078,725

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

FORMOSA TAFFETA

R&D NEW DEVELOPMENT



FORMOSA TAFFETA



01 100%-Nylon Waterproof Breathable Fabric

02 Moisture-Responsive Fabric

03 100% Recycled Polyester 3-Layer Fabric

04 Tone-on-Tone Body-Mapping Fabric

05 Carbon Captured Stretch Polyester Fabric

06

2024 TITAS

Taipei Innovative Textile Application Show

CONTENT

01 100%-Nylon Waterproof Breathable Fabric



The 100%-nylon waterproof breathable fabric includes the world's first waterproof, breathable, and air-permeable membrane made from nylon. This fabric is composed of a single material, making it easy to recycle and reuse. It offers excellent waterproofness, breathability, and elasticity. The production process uses non-toxic solvents, making it environmentally friendly and safe for human body. As a result, this fabric is ideal for a wide range of applications, including sports, leisure, and extreme sports apparel.

02 Moisture-Responsive Fabric

This is a special moisture-responsive fabric. When the fabric comes into contact with moisture, it immediately forms irregular waves, reducing the discomfort of the fabric sticking to the skin when sweating and effectively enhancing wearing comfort. Once dry, the fabric returns to its original smooth surface. This fabric has a reversible "moisture-responsive deformation and dry recovery" feature, which helps adjust the microclimate between the clothing and the body, significantly improving comfort.



The fabric surface is smooth when dry.



When exposed to moisture, the fabric immediately forms irregular waves.



03 100% Recycled Polyester 3-Layer Fabric



Our 100%-polyester waterproof breathable bonded fabric is made entirely from eco-friendly recycled polyester materials, including the outer/inner fabrics and the middle layer membrane. Emphasizing a single material composition, it is easy to integrate into garment recycling systems, aligning with the Textile-to-Textile environmental trend and achieving the ultimate goal of "zero waste, zero pollution."

This fabric also provides excellent insulation and outstanding waterproof and breathable performance, making it ideal for winter outdoor sports jackets.

04 Tone-on-Tone Body-Mapping Fabric

The development of advanced fashion trends is moving towards combining different materials, diverse structures, and weaving techniques with varying density distributions. This allows different areas of the same fabric to exhibit distinct textures, appearances, functions, and visual effects, representing an advancement of the traditional Body Mapping concept. The fabric's appearance and functionality can be adjusted to meet customer needs or align with market trends. Paired with embossing effects, this approach creates a multi-dimensional, fashionable, and dynamic look.



05 Carbon Captured Stretch Polyester Fabric

Formosa Taffeta, in collaboration with upstream raw material suppliers, has developed this product by capturing and reprocessing industrial waste gases, including greenhouse gases like carbon monoxide and carbon dioxide. This process reduces greenhouse gas emissions and decreases petrochemical material consumption by approximately 30%, while maintaining the same excellent quality as traditional polyester fiber fabrics. Additionally, it enhances elasticity, softness, and comfort. Certified by RSB for sustainable biomaterials, the product also features moisture-wicking, quick-drying, waterproof, and breathable properties, making it suitable for sports, leisure, and outdoor activities.



06 2024 TITAS Taipei Innovative Textile Application Show



In 2024, under the theme of “Green Driving the Future,” Formosa showcased a series of groundbreaking eco-friendly materials and technologies in TITAS. Highlights include the world’s first all-nylon high-performance fabric, single-material recycled polyester fabric, and innovative ocean-recycled fabric, providing partners with optimal green solutions. Both domestic and international visitors have expressed high praise for our exhibits. Going forward, Formosa will continue to work strategically with industry allies to create a new chapter in the circular economy and drive sustainable development within the industry.



03. Operation Orientation



Operation Orientation

1

R&D Innovation, Market Expansion

Cooperating with partners in value chain to keep developing high added, environmental, and recyclable fabrics to expand the outdoors market

2

Circular Economy, Sustainable Environment

Upholding the sustainable environment spirits, implement water-, energy-saving, and carbon reduction projects and develop eco-friendly products to fulfill the circular economy.

3

AI Intelligent Manufacturing, Digital Transformation

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

4

Global Deployment, Expanded Cooperation

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



Global Deployment



Long-an

- **product:** High performance Breathable waterproof coating and laminated fabrics
- **Investment Amount:** 358,783(in thousands of NT\$)
- **Annual Capacity after Expansion :** 656(ten thousand yard/year)
- **Estimated Completion Date :** 2026/07

Long-an

- **Product:** Filament greige
- **Investment Amount:** 141,755 (in thousands of NT\$)
- **Annual Capacity after Expansion :** 1,638 (ten thousand yard/year)
- **Estimated Completion Date :** 2026/06



ESG Highlights and Awards



21st Century Foundation

the High Distinction Award for Net Zero Competition

won an award for two consecutive year

SCIENCE BASED TARGETS

Validation of Science Based Targets initiative, SBTi

CDP

Carbon Disclosure Project

Climate change – A List
Water security-Leadership

Best enterprise

for voluntarily energy conservation and carbon reduction



SGS ESG Awards

Water Resource Management



FTSE4Good
TIP Taiwan ESG Index



TIP Taiwan ESG Index
FTSE4GOOD



敬請指教

Thank You !



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