



2021 Investor Conference
Formosa Taffeta Co., Ltd.
Stock code : 1434

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Agenda

1. Corporate Overview
2. Financial Status
3. Product Development
4. Operation Orientation
5. Q&A



Corporate Overview



Company Profile

Chairman	Wen-Yuan Wong	
Vice Chairman	Shih-Ming Hsie	
President	Ming-Chang Lee	
Number of employees at five plant of three countries(as of September 30, 2021)	Taiwan	4,410
	China	814
	Vietnam	2,224
	Total	7,448
Capital	NT\$16.8 billion	



2020
Expanded Corporation
between F.T.C and Schoeller
Textil AG



2005
Formosa Taffeta Chang-shu
Co., Ltd.



2004
Formosa Taffeta Dong-nai
Co., Ltd.



1999
Formosa Taffeta Vietnam
Co., Ltd.



1992
Formosa Taffeta Zhong-shan
CO., Ltd.

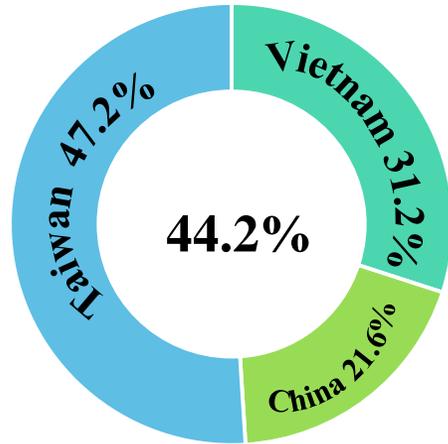


1973
Formosa Taffeta Co., Ltd.

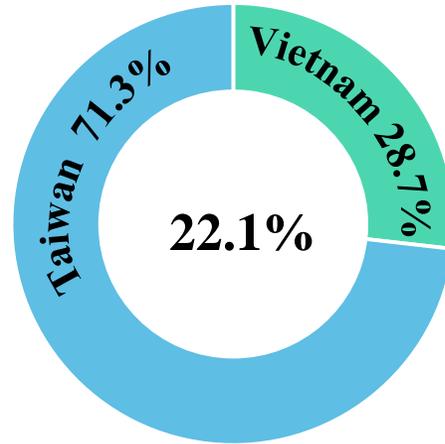


Products Breakdowns by Production Bases

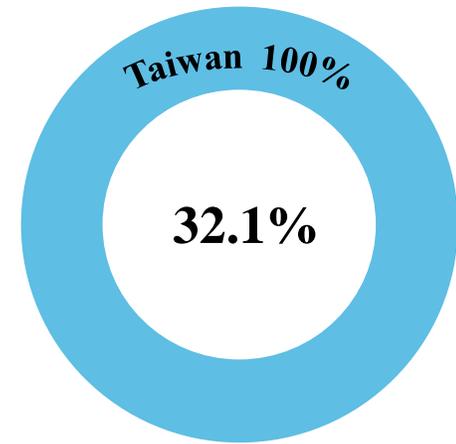
Data Period: From January 1 to September 30, 2021



**Filament Woven Fabrics
of 1st Business Segment**



**Polyamine/Polyester Tire
Cord Fabric of 2nd
Business Segment**

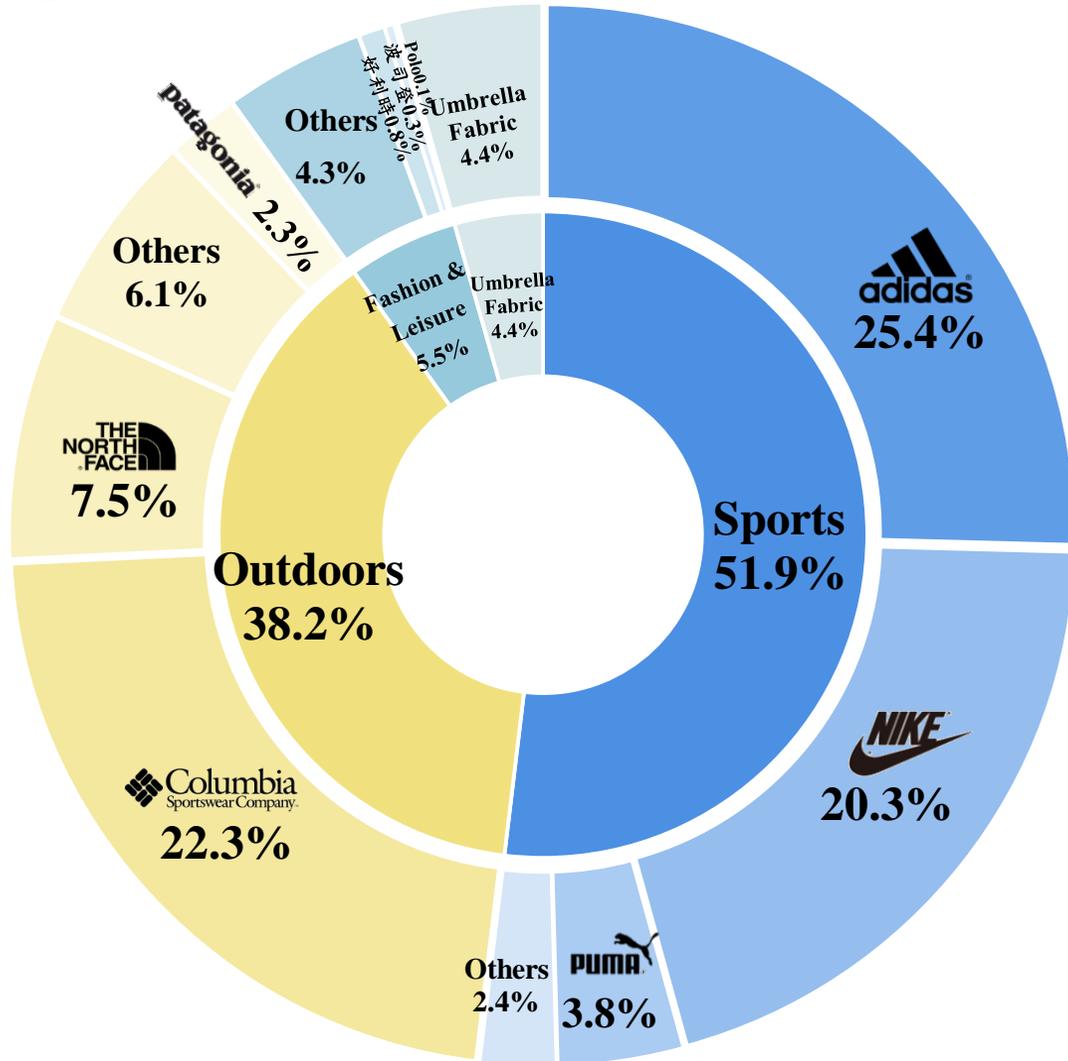


**Petroleum goods/service
of 2nd Business Segment**





Sales Volume Breakdown of Polyamide/Polyester Filament Fabrics

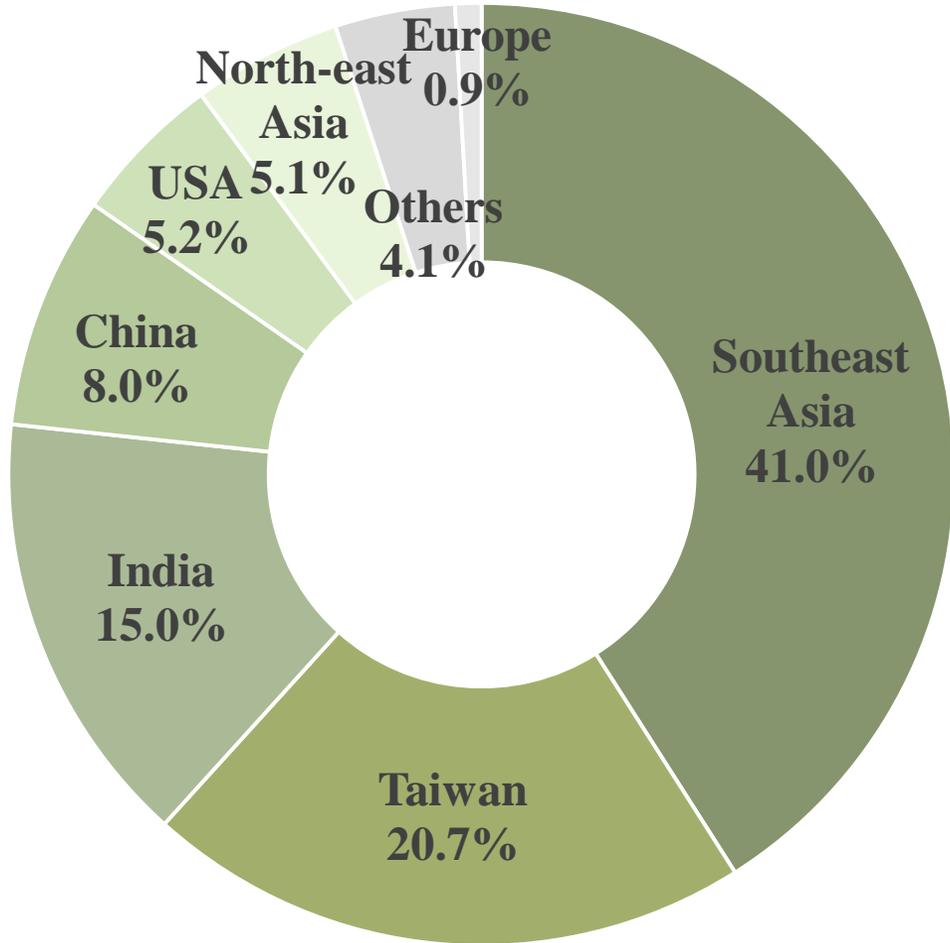


Usage	Required Cloth	Functionality
Sports	fabric of flexibility and with multiple functions	moisture absorbent and quick drying, deodorant, and anti-bacterial
Outdoors	fabric with multiple functions, and coating & lamination processes	moisture permeability, waterproof, light-weighted and keeping warm
Fashion & Leisure	fabric as materials and of flexibility, whose hand emphasizes variety of garment styles	natural hand flexibility
Umbrella Fabric	for both sunny and rainy days	UV-cut, shading and cooling-down

Period data: From January to September, 2021



Sales Volume Breakdown of Polyamide/Polyester Tire Cord Business



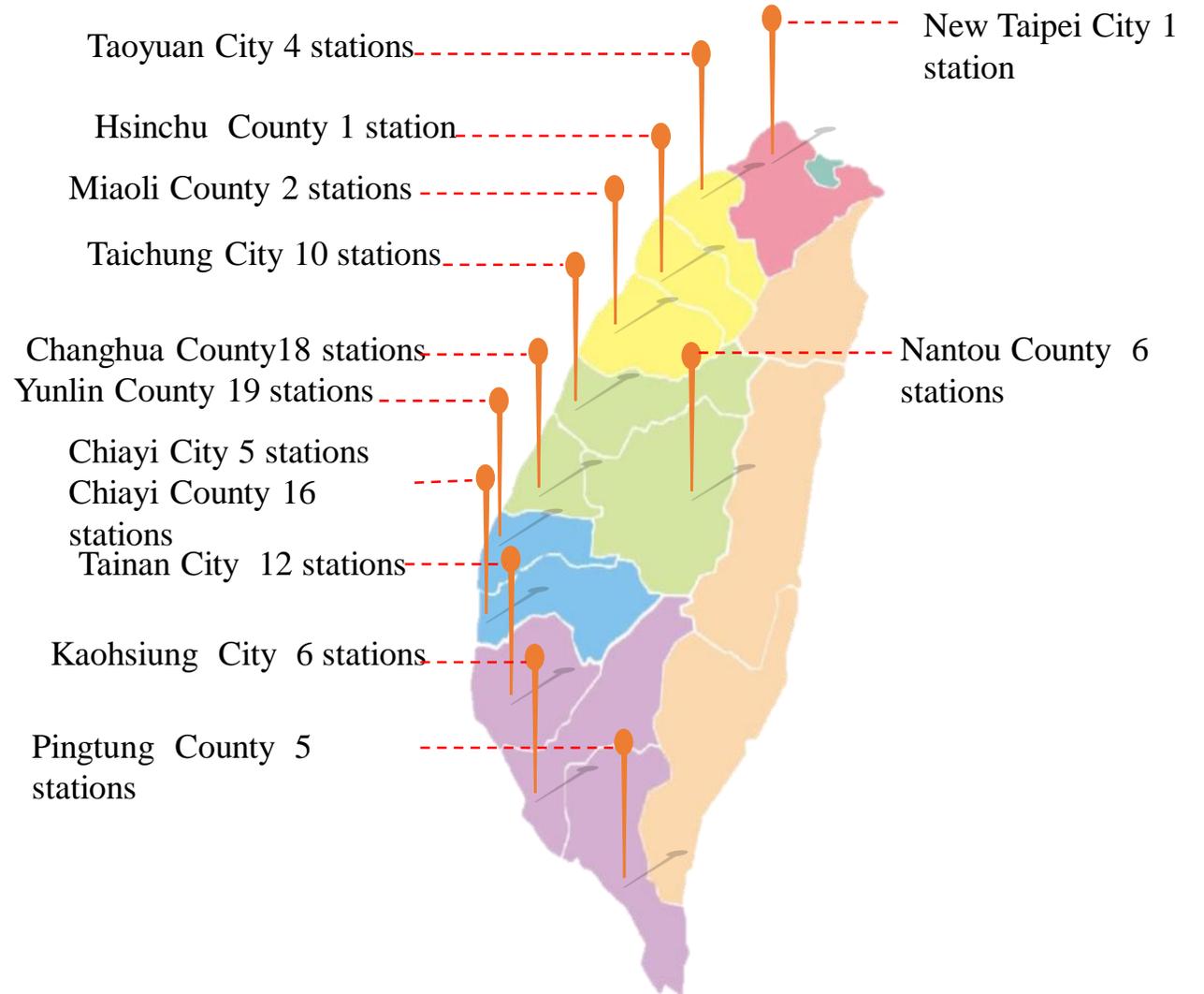
Period data: From January to September, 2021

	Representative Customers
Taiwan	●Cheng Shin (Maxxis) ●Kenda ●Bridgestone ●Federal ●Hwa Fong ●Nankang
Japan	●Yokohama ●Sumitomo ●BS
Korea	●Hankook ●Hung-A ●Kumho ●Nexen
India	●MRF ●Apollo ●JK ●Ceat
Europe	●Continental ●Michelin ●Pirelli Tire
USA	●Goodyear ●Cooper ●Titan
South-east Asia	●Multistrada ●Samson ●Casumina ●Da Nang



Sale of Petrol and Diesel

As of the end of September, 2021, 105 Formosa Petroleum Stations are located in Taiwan (shown as the right picture).





Financial Status



Consolidated Income Statement

Expressed in Thousands of NTD

	Nine months ended September 30			3Q2021	2Q2021	1Q2021
	2021	2020	Variance			
Sales revenue	24,348,138	21,627,329	12.6%	7,579,110	8,609,111	8,159,917
Net operating margin	3,236,336	2,190,619	47.7%	934,819	1,210,636	1,090,881
Net margin	13.3%	10.1%	↑	12.3%	14.1%	13.4%
Operating profit (loss)	1,242,813	343,927		273,853	527,394	441,566
Operating profit Margin	5.1%	1.6%	↑	3.6%	6.1%	5.4%
Total non-operating income and expenses	721,473	1,562,914	-53.8%	445,887	76,863	198,723
Profit before income tax	1,964,286	1,906,841	3.0%	719,740	604,257	640,289
Profit for the period from continuing operations	1,786,051	1,788,700	-0.2%	664,679	547,460	573,912
Rate of profit for the year	7.3%	8.3%		8.8%	6.4%	7.0%
Profit attributable to common shareholders of the parent	1.11	1.10	↑	0.42	0.31	0.38



Comparison of Revenues of Different Businesses

Expressed in thousands of NTD

		1 st Business Segment	Tire Cord Business	Oil Product Business	Others	Total
Eleven months ended November 30	2021	11,858,760	6,411,364	9,810,870	1,756,796	29,837,790
	2020	10,838,819	5,521,952	8,565,879	1,328,419	26,255,069
Variance		1,019,941	889,412	1,244,991	428,377	3,582,721
Growth Rate		9.4%	16.1%	14.5%	32.2%	13.6%

- **An increase of NT\$ 3.58 billion (13.6%) in consolidated revenue as of Nov,30, 2021—NT\$ 29.84 billion , compared to that of 2020—NT\$ 26.26 billion , comes from:**
 1. Advantageous difference in sale quantity of NT\$ 3.69 billion: a result of an increase of NT\$ 0.11 billion of the filament fabric of the 1st Business Segment, an increase of NT\$ 1.46 billion of tire cord fabric, an increase of NT\$ 1.99 billion of oil product business division, and an increase of NT\$ 0.11 billion of industrial material business division.
 2. Disadvantageous difference in sale price of NT\$ 0.11 billion: a result of an increase of NT\$ 0.90 billion of the filament fabric of the 1st Business Segment, a decrease of NT\$ 0.57 billion of tire cord fabric, a decrease of NT\$ 0.74 billion of oil product business division, and an increase of NT\$ 0.27 billion of industrial material business division.



Cash Flow Statement

Expressed in thousands of NTD

	Nine months ended September 30	
	2021	2020
Cash at beginning of period	3,083,322	3,236,624
Net cash flows from operating activities (A)	2,076,131	3,627,000
Capital Expenditures (B)	-337,628	-866,829
Financial assets	-78,139	0
Investment in Schoeller	0	-1,353,514
Proceeds from disposal of subsidiary	0	-23,556
Bank borrowings	471,890	2,756,844
Cash dividends paid	-1,682,429	-4,214,432
Payment of lease principal	-114,568	-106,742
Other	-176,970	-135,725
Cash and cash equivalent at end of period	3,241,609	2,919,670
Free cash flow(A-B)	1,738,503	2,760,171



Stable Profitability and Dividends Distribution (Parent Company)

EXPRESSED IN
THOUSANDS OF NTD

DOLLARS/
SHARE

6,000,000

3.5

5,000,000

3

4,000,000

2.5

3,000,000

2

2,000,000

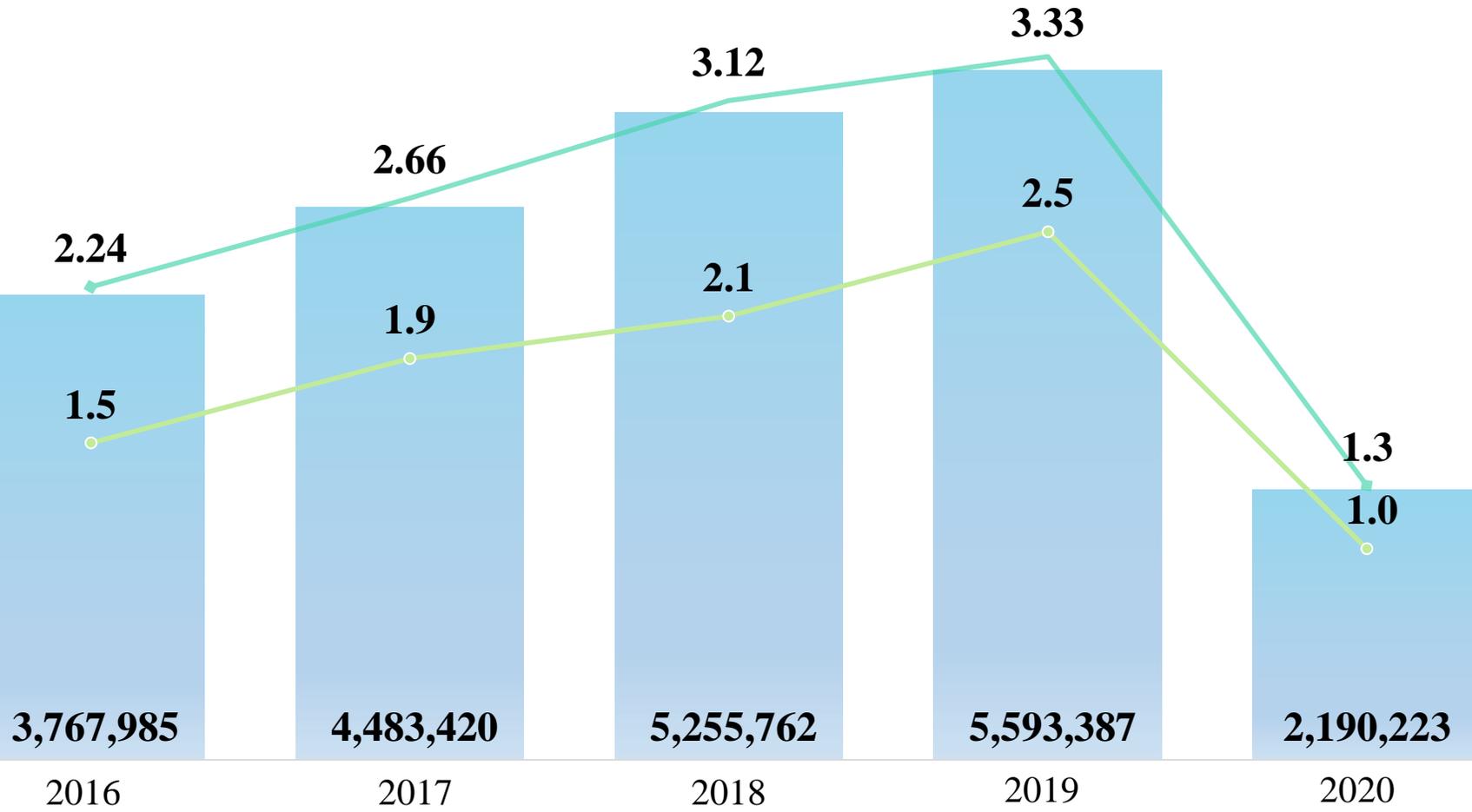
1.5

1,000,000

1

0.5

0



Profit before
income tax

Cash Dividends

EPS

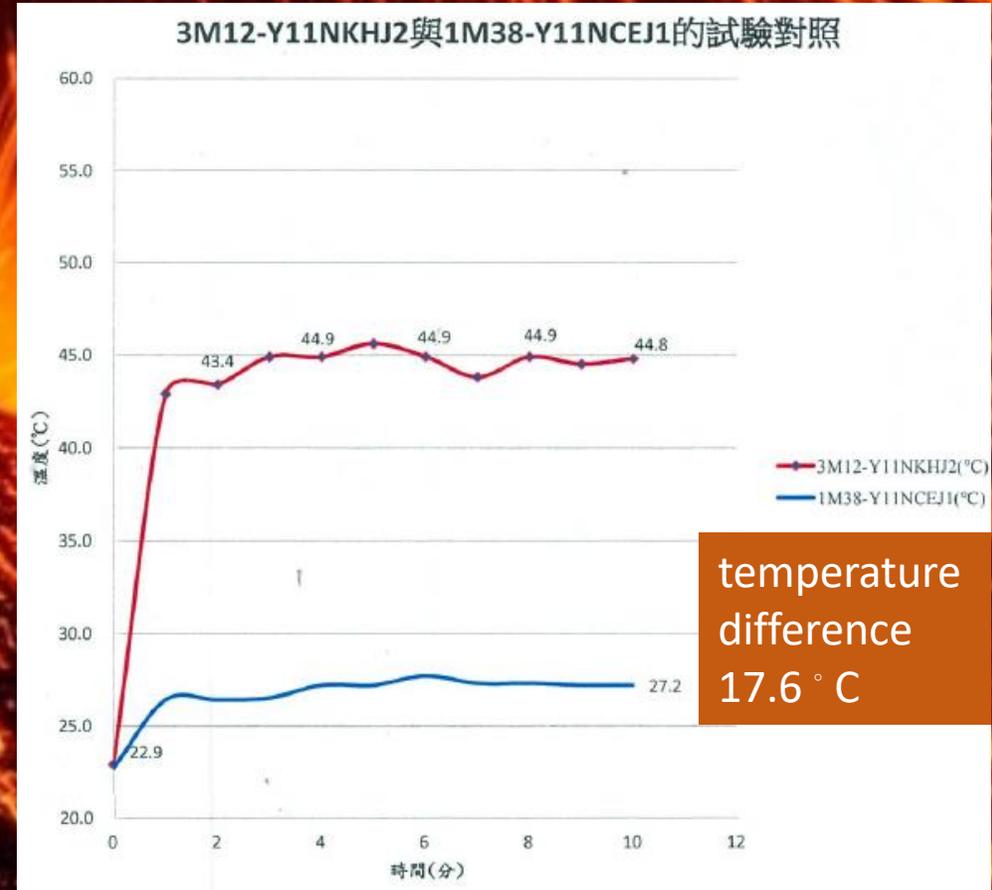


Smart Innovation Sustainable Future

Thermal Technology



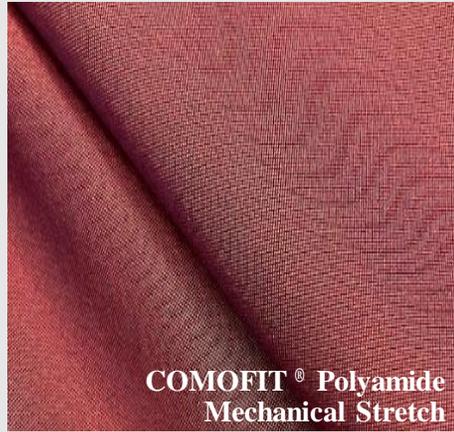
F.T.C developed the third generation of waterproof + heat storage fabrics technology. This technology is better than traditional ones with more efficient heat storage and temperature rise performance.



UV-protection

**Exposure to UV rays do harm to human skin.
F.T.C develops UV-protection fabrics to protect
customers' skin.**



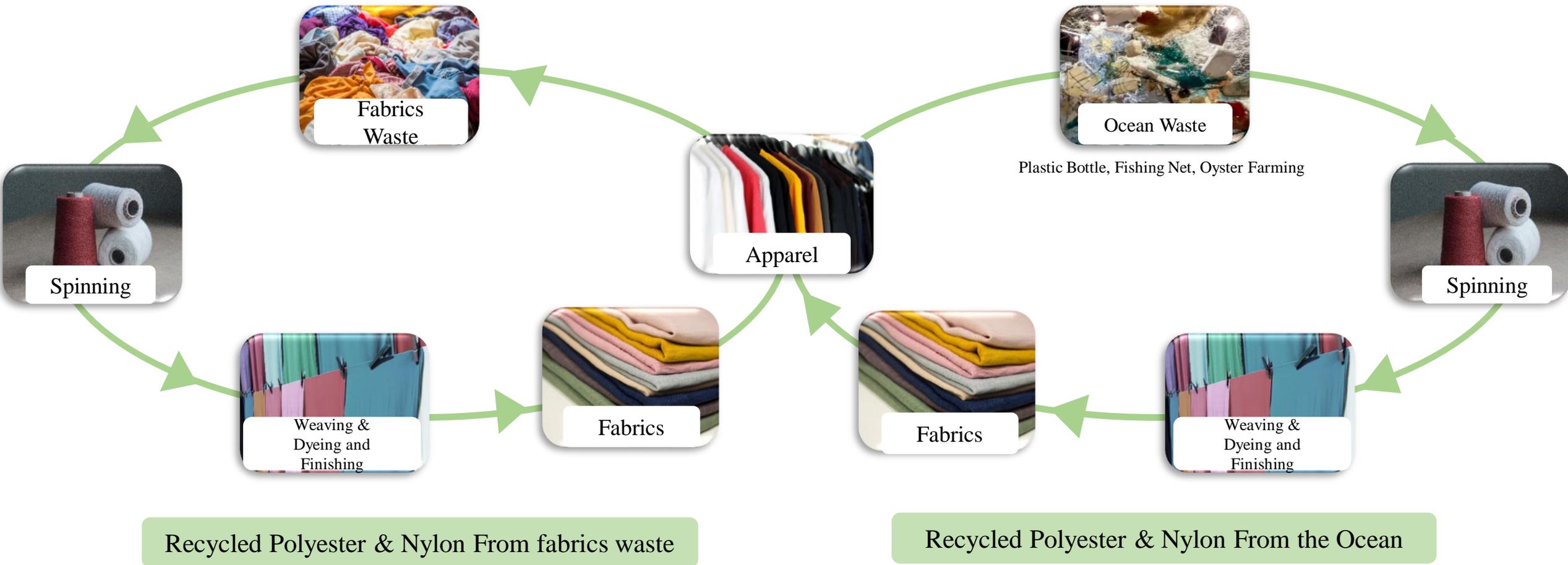


Hi-Tech & Functional Fabrics

F.T.C utilizes patented fabric structure design and dyeing and finishing process to launch various functional fabrics which can be applied to different products; in addition, F.T.C continues to develop the high-tech functional fabric in collaboration with suppliers and brand customers.

Circular Economy-

Ecological and Environmental Protection Textiles





RECYCLED POLYAMIDE FROM OYSTER FARMING

- **Taiwan oyster farming produces numerous waste such as rope and fishing net. For example, there are 1,375 tons of waste in Caisancho Island of Chiayi.**
- **FCFC was in collaboration with Ocean Affairs Council and Chiayi County Government for oyster farming recycling. After collecting the waste, FCFC uses chemical recycle technology to produce recycled polyamide yarn and then to offer the material to FTC.**
- **FTC 's eco friendly weaving and dyeing technology create a new green product line from renewable ocean waste.**



Recycled Polyester & Nylon



Recycled Polyester Yarn :9,500 tons/year; Output of finished product:100,000,000 yard/year
Recycled Nylon Yarn : 3,900 tons/year; Output of finished product: 40,000,000 yard/year ◦

Eco Friendly Black Stretch Fabric



- FTC integrated FPG's internal resources such as recycled black solution polyamide yarn of FCFC and black solution dyed spandex from FAS to create a new eco friendly black stretch fabric.
- This product has great elasticity and cottony feel. No dyeing required. This pure black color is saturated without any concern of grin-through when the fabric stretches out. More over, it is water saving and eco friendly.



SOLUTION DYE



HIGH POWER
STRETCH



NATURAL
HANDFEEL

Bio-based Polyamide



- Under the current situation of oil depletion, FTC replaces petroleum with bio-based material from non-edible plants. FTC's PA56 products series has natural cottony touch and special drape look. Combine with different post treatments, these bio-based product can be used in sports, casual and outdoor clothes.
- PA56 can help reducing the damage of oil mining to the environment and the dependence of petroleum. Compare with Nylon6 and Nylon66 in the same amount of production, PA56 can reduce warm house gas by 50-56% .



Operation Orientation

Operation Orientation



Smart Innovation

- ◆ Digitalization
- ◆ Smart Manufacturing, and Introduction of Industry 4.0
- ◆ In collaboration with Schoeller, innovation and high-end textile products.



Sustainable Future

- ◆ Sustainability and Environmental Protection
- ◆ Circular Economy
- ◆ Green Energy, Carbon Emission Reduction, and Water Conservation



Cooperation with Branded Customers





Global Deployment



Vietnam

1. Generalized System of Preferences (GSP)
2. EVFTA
3. Advantageous Locations—located in the hub of Global Textile Industry Cluster — Maximized Benefits of Local-to-local Supply Chain

China

1. Advantages of China's internal trade
2. Preferential Tariff Scheme for RCEP

Taiwan

1. high-end textile products
2. Develop and Produce in Taiwan and Switzerland

Switzerland

1. In collaboration with Schoeller, innovation and high-end textile products
2. New Development on Technology, Leading position on the Brand



Energy conservation & Waste and Carbon Emission reduction



- To carry out the corporate social responsibility, emphasize environmental protection and strive for sustainable development

Plant	Period Data: January to September, 2021					
	Effectiveness of Completed Conservation Projects					
	Conserved Steam (MT/HR)	Conserved Water (MT/Day)	Conserved Electricity (KW)	Conserved Fuel (KG/HR)	Reduced Emissions of CO ₂ (Tons/Year)	Accumulated Amount (Thousands of NTD/Year)
Taiwan Plant	0.63	156.15	294.35	0.12	4,121.95	2,696.61
Zhong-Shan Plant	0.61	14.60	74.74	0.58	2,530.71	896.58
Chang-Shu Plant	0.69	65.72	34.73	0	2,464.10	549.03
Long-an Plant	1.15	126.97	97.42	3.94	4,508.1	1,086.50
Dong-nai Plant	1.47	26.20	24.08	11.79	5,215.10	1,212.90
Total	4.55	389.64	525.32	16.43	18,839.96	6,441.62



Green Energy Program for Carbon Reduction

- In September, 2019, solar power-generating infrastructure was established in FTC's Vietnam Plant, and its annual power generation reaches to 1.7 million kWh.
- In March, 2021, FTC continued to set up the solar power-generating infrastructure of phase II, and the capacity is raised up to 1,750 KW.
- In May, 2021, in collaboration with Jirui Electric company (吉瑞電業公司), FTC started to set up a solar photovoltaic system in Taiwan plant.

The amount of the annual power generation of the equipment set up in Douliu and Vietnam plants could reach to 35 million kWh. It is calculated that 17,815 tons of CO₂ emissions can be reduced, equal to the amount of carbon sequestration of 2.51 million trees of a year.



**Taiwan
Plant**



**Vietnam
Plant**

Carry out the Corporate Social Responsibility



Sustainability Performance in 2021

- 1 A- (leadership) of 2021 CDP climate change
- 2 A-(leadership) of 2021 CDP water security
- 3 Taiwan Employment Creation 99 index
- 4 FTSE4Good TIP Taiwan ESG Index
- 5 Awarded FTC of the best enterprise for voluntarily energy conservation and carbon reduction



Q & A

