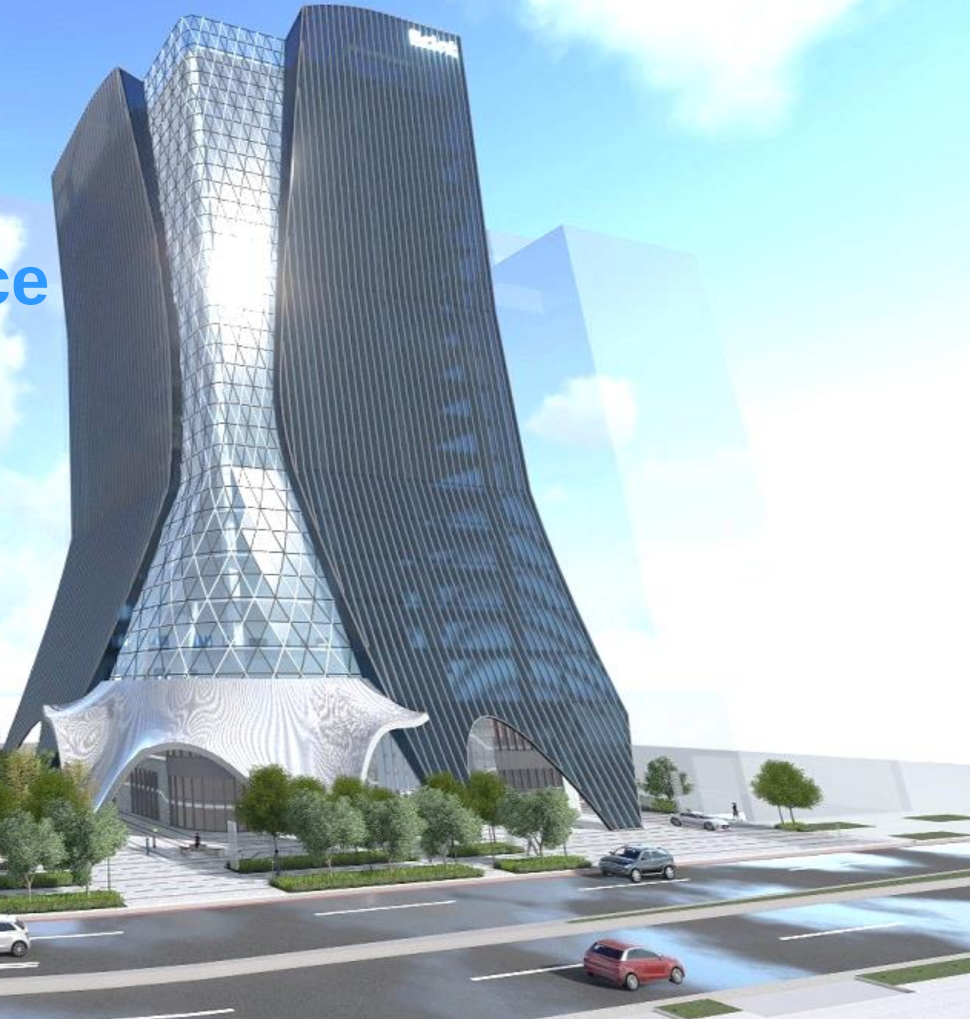
Eclat Textile Co., Ltd

2024 Q2 Investor Conference

August 2024



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- The content and related information in this briefing report and the synchronous announcement are sourced from ECLAT’s inner and outer material, including the operation result, financial situation and the business development, et cetera.

- No financial forecasting is released by ECLAT. Discrepancy may be existed between the actual result in the future and the estimated opinion to the company operation and business developing subjects indicated in this briefing report with respect to the financial, business and Q&A part. The causes of the discrepancy may include the variation of market needs, price fluctuation, competition activities, international economic situation, exchange rate fluctuation, upper and downer stream supply chain, and any other risk factors that beyond ECLAT’s control.

- The prospects to the future in this briefing report reflect ECLAT’s vision of future. ECLAT is not responsible for any notification or update with regard to any change or adjustment to these prospects in the future.

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Company Profile

• Year of establishment	Nov. 28, 1977
• Capital	US$ 91,000,000 (TWD$ 2,744 million)
• Chairman/CEO	Mr. Shu-Wen Wang
• Group employee	1,850 employees in Taiwan ; 16,750 employees overseas
• Status	IPO in Taiwan Stock Market, 2001 (TWSE: 1476)
• Main products	Provide the vertical integration supply chain including knitting, dyeing, finishing, and garment making. Specialize in functional elastic circular knitting fabrics and garments for performance and sportswear.

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Competitive Advantage

- Global strategy to shorten the lead-time and strengthen competition.
- R&D Technicians attend to the task to provide more than 3,000 new fabrics per year.
- Quick response to produce 150 pieces of sample per day.
- Deeply collaborative development with the first tier international brand and built up a strategy partner relationship with our customers.
- Advantage of production economies of scale and vertical integration.

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Global Strategy

- Headquarters: **New Taipei City, Taiwan**
- Fabric mill bases: **Taiwan and Vietnam – Total 2 bases**
- Garment factories: **Vietnam、Cambodia、Lesotho、China and Indonesia – Total 18 factories**

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Vertical Integration

- **Fabric mill** — **Monthly capacity 15,000,000 yards**

  Taiwan: **8,000,000** yards/month

  Vietnam: **7,000,000** yards/month

- **Garment factories** — **Monthly capacity 11,200,000 pieces**

  1. Total monthly capacity 7,000,000 pieces

     Vietnam： Eclat Textile Co., Ltd. (Vietnam)

     Colltex Garment Mfy Co., Ltd. (VN).

     E-Top (Vietnam) Co., Ltd.

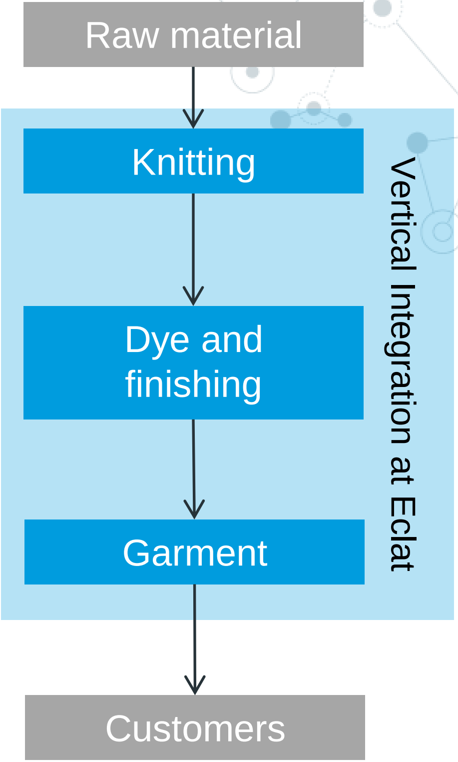
     Tai-Yuan Garments Co., Ltd.

     Indonesia： PT Eclat Textile International

     Cambodia：Eclat Textile (Cambodia) Co., Ltd.

  2. Sub-Contractor monthly capacity 4,200,000 pieces

Supply Chain



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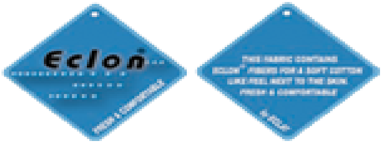
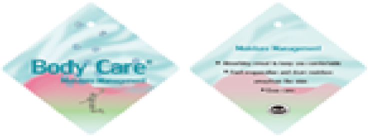
Fabric Products

Eclon® - Developed by Eclat



It feels and looks like natural cotton, also permeable to air and soft. It provides unlimited possibilities for new creations in fashion design, including T-shirts, tight clothes, dresses, aerobic outfits, etc.

Body Care® - Functional series



Moisture Management, Anti-bacterial function, High compression, Lycra sport, Anti-pilling, UV-cut, 3X dry .

X-POLE ® - Outdoor series

Thermal control, warm & cool, Water proof & breathable, Lightweight knitting, Wind block knitting, Knitting lamination, Anti-snagging, UV-cut.

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Garment Products

Performance
Made with ecofriendly materials, organic & recycle polyester.


Non- sew and welding
Production sites based in both Taiwan and Vietnam.


Athleisure
Multi-function sportswear from gym to street styles.


Seamless
Design for comfort.


Customer Collaboration

ODM



1. Design research
2. Fabric development
3. Design sketch for brands
4. End product

Design sketch for yoga

Design sketch for training

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Quality Control

Four certified laboratories

Certification

Bluesign

ISO 14001

NIKE

ADIDAS

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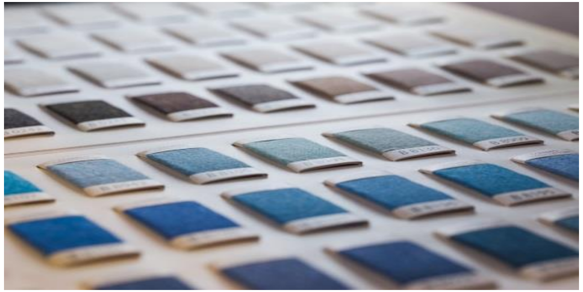
Product Creative Center

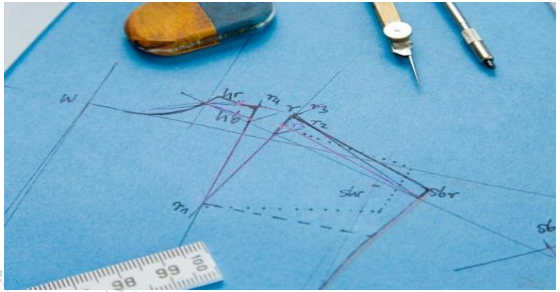
The process of P.C.C.



1. Raw material – yarn

2. Fabric development

3. Customized product design



4. Pattern making

5. Sampling - sewing

6. Sampling - quality check

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Comprehensive Income – 2024 H1 vs 2023 H1

Expressed in Thousands of NTD

	2024 H1		2023 H1		Diff.	
	Amount	%	Amount	%	Amount	%
Operating revenue	17,225,915	100.00	14,318,720	100.00	2,907,195	20.30
Operating costs	11,955,775	69.41	10,038,708	70.11	1,917,067	19.10
Gross profit from operations	5,270,140	30.59	4,280,012	29.89	990,128	23.13
Operating expenses:						
Selling expenses	856,098	4.97	736,618	5.14	119,480	16.22
Administrative expenses	762,182	4.42	683,336	4.77	78,846	11.54
Research and development expenses	75,741	0.44	72,072	0.50	3,669	5.09
Total operating expenses	1,694,021	9.83	1,492,026	10.41	201,995	13.54
Net operating income	3,576,119	20.76	2,787,986	19.48	788,133	28.27
Non-operating income and expenses:						
Other income	15,327	0.09	9,942	0.07	5,385	54.16
Other gains and losses, net	398,357	2.31	99,806	0.70	298,551	299.13
Finance costs	(39,907)	(0.23)	(72,590)	(0.51)	32,683	45.02
Interest income	56,764	0.33	63,278	0.44	(6,514)	(10.29)
Subtotal	430,541	2.50	100,436	0.70	330,105	328.67
Income before income tax	4,006,660	23.26	2,888,422	20.18	1,118,238	38.71
Less: Tax expenses	847,844	4.92	669,702	4.68	178,142	26.60
Profit	3,158,816	18.34	2,218,720	15.50	940,096	42.37
Other comprehensive income:						
Exchange differences on translation of foreign financial statements	298,360	1.73	78,209	0.55	220,151	281.49
Total comprehensive income	3,457,176	20.07	2,296,929	16.05	1,160,247	50.51
Earnings per share (in dollars)	11.51		8.09		3.42	42.27

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Comprehensive Income – 2024 Q2 vs 2023 Q2

Expressed in Thousands of NTD

	2024 Q2		2023 Q2		Diff.	
	Amount	%	Amount	%	Amount	%
Operating revenue	9,593,234	100.00	7,820,978	100.00	1,772,256	22.66
Operating costs	6,569,733	68.48	5,383,566	68.83	1,186,167	22.03
Gross profit from operations	3,023,501	31.52	2,437,412	31.17	586,089	24.05
Operating expenses:						
Selling expenses	469,487	4.89	397,062	5.08	72,425	18.24
Administrative expenses	414,813	4.32	342,563	4.38	72,250	21.09
Research and development expenses	39,566	0.41	37,659	0.48	1,907	5.06
Total operating expenses	923,866	9.62	777,284	9.94	146,582	18.86
Net operating income	2,099,635	21.90	1,660,128	21.23	439,507	26.47
Non-operating income and expenses:						
Other income	7,978	0.08	5,164	0.07	2,814	54.49
Other gains and losses, net	108,358	1.13	130,552	1.67	(22,194)	(17.00)
Finance costs	(21,014)	(0.22)	(33,517)	(0.43)	12,503	37.30
Interest income	34,454	0.36	38,049	0.49	(3,595)	(9.45)
Subtotal	129,776	1.35	140,248	1.80	(10,472)	(7.47)
Income before income tax	2,229,411	23.25	1,800,376	23.03	429,035	23.83
Less: Tax expenses	495,873	5.17	408,376	5.22	87,497	21.43
Profit	1,733,538	18.08	1,392,000	17.81	341,538	24.54
Other comprehensive income:						
Exchange differences on translation of foreign financial statements	78,134	0.81	127,069	1.62	(48,935)	(38.51)
Total comprehensive income	1,811,672	18.89	1,519,069	19.43	292,603	19.26
Earnings per share (in dollars)	6.32		5.08		1.24	24.41

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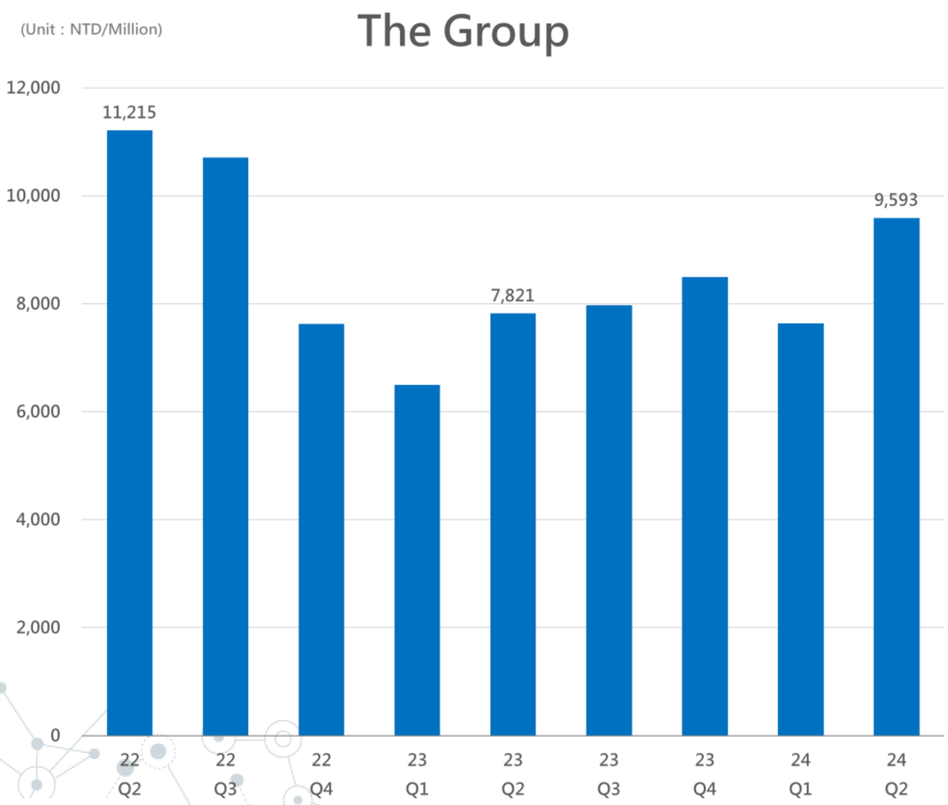
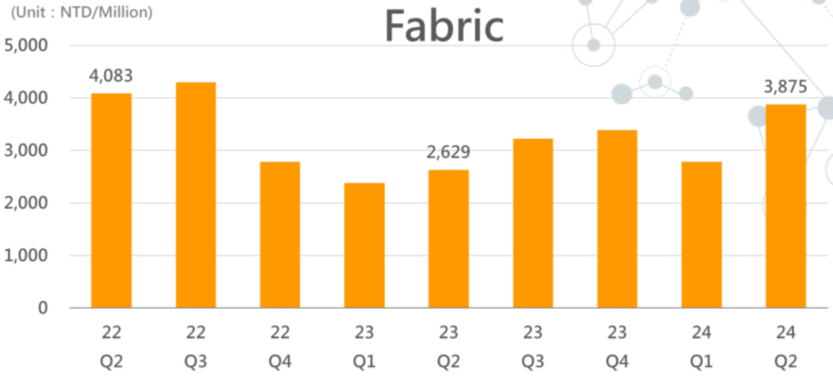
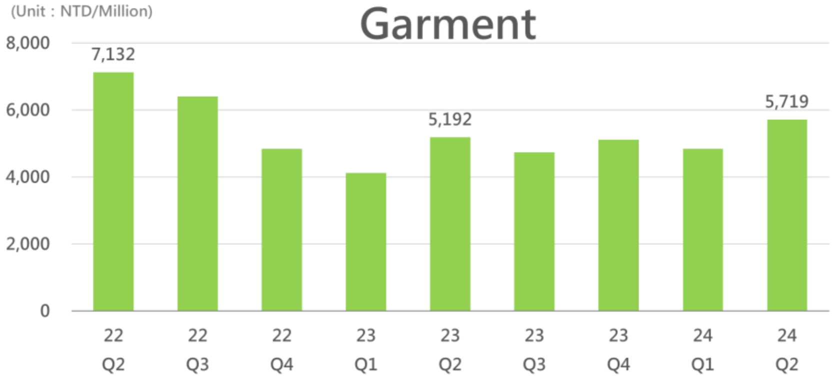
Sales Revenue – Quarterly







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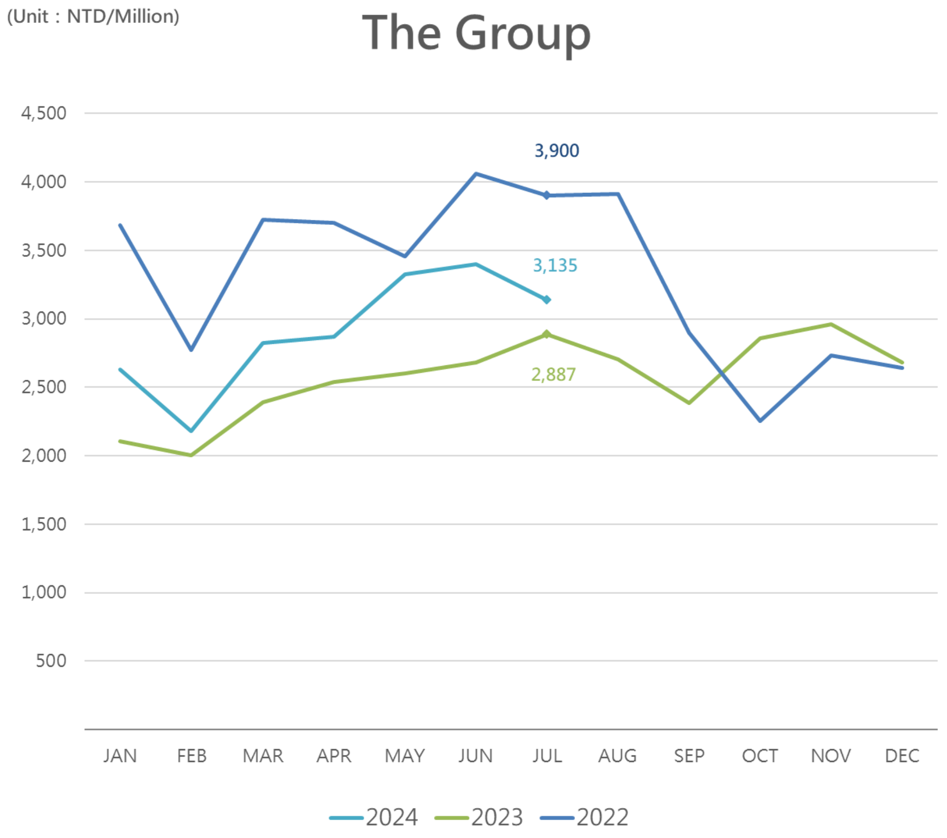
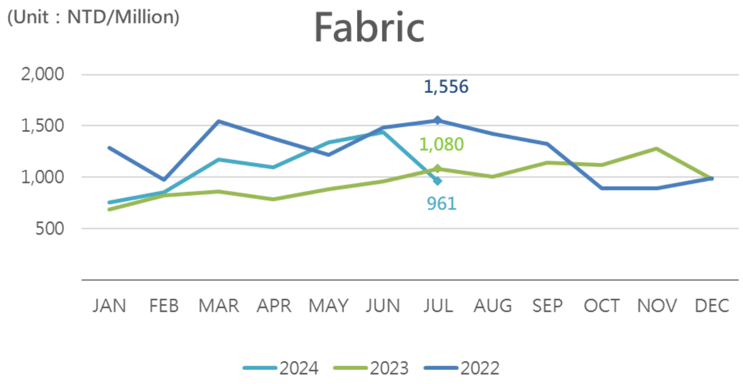
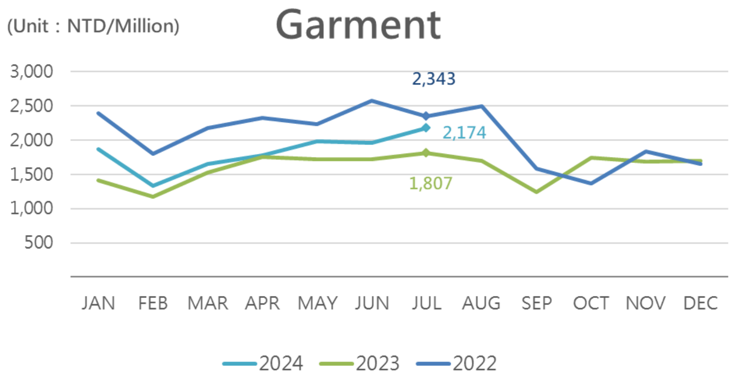
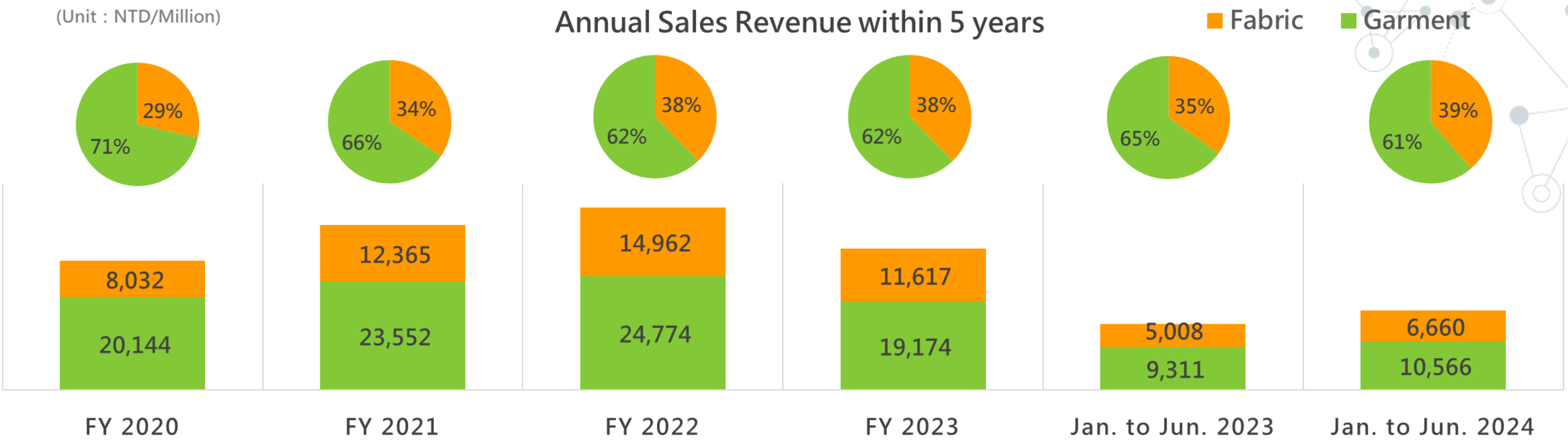
Sales Revenue – Monthly

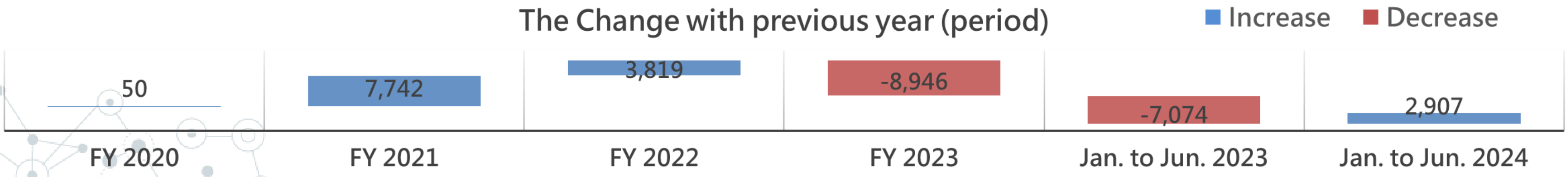




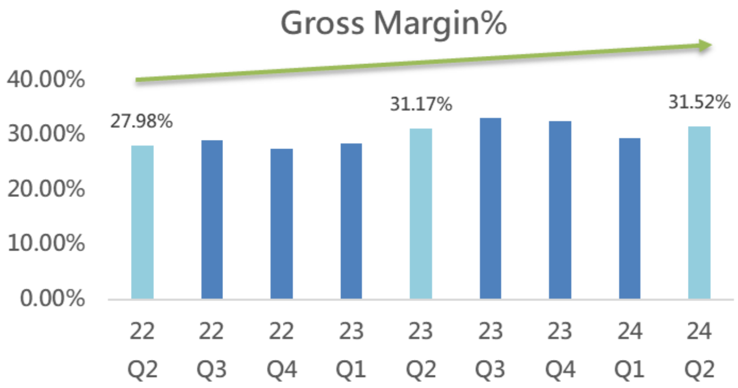


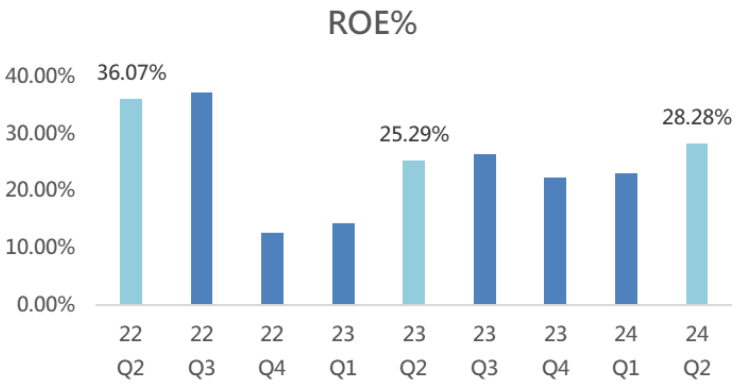
Sales Revenue Composition

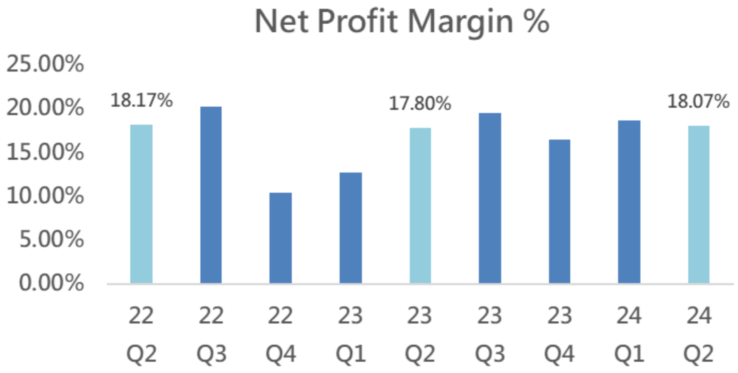


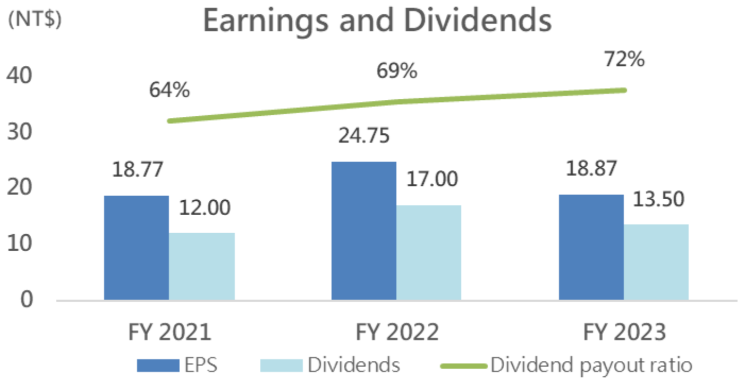


Analysis of Profitability Ratios









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Thank You

Q & A