PONTEX POLYBLEND CO., LTD.

Investor Conference
2022 Q3 Operating Results

2022/11/24

Disclaimer

This briefing may contains forward-looking statements that will affect the Company's inferred views on the development of the industry in the future due to uncertainty risks, actual results may differ materially from these forward-looking expectations, and the Company is not responsible for updating or reminding the Company from time to time in the event of changes or adjustments in the future.

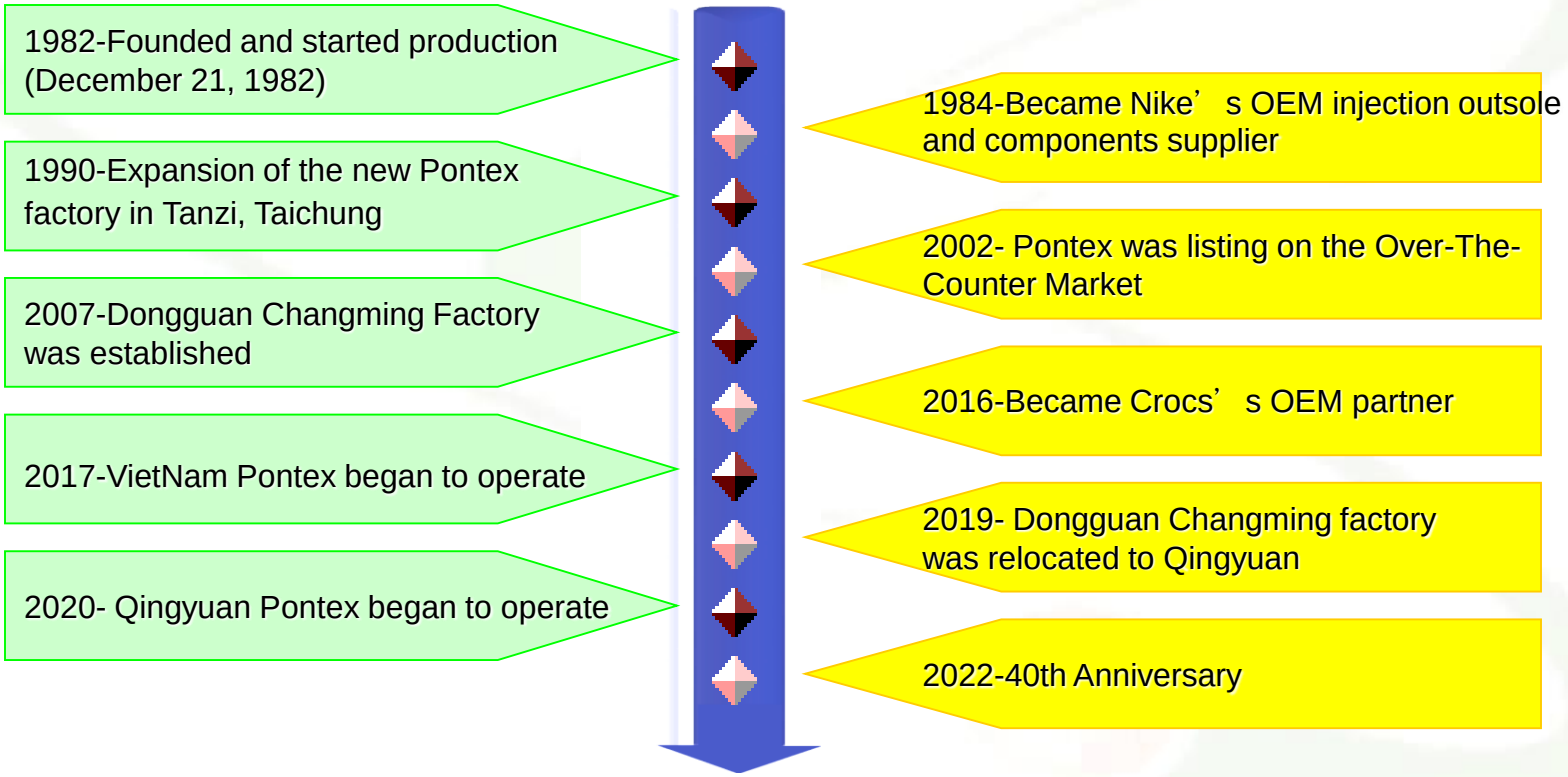
The financial information in this briefing has been prepared in accordance with ifrs, international accounting standards, has been reviewed by accountants and has been submitted to the Board of Directors of the Company.

Agenda

- Company Profile
- Operational Overview
- 2022 Q3 Financial Results
- Q&A

Company Profile

Milestones


1982-Founded and started production (December 21, 1982)
1984-Became Nike’ s OEM injection outsole and components supplier
1990-Expansion of the new Pontex factory in Tanzi, Taichung
2002- Pontex was listing on the Over-The-Counter Market
2007-Dongguan Changming Factory was established
2016-Became Crocs’ s OEM partner
2017-VietNam Pontex began to operate
2019- Dongguan Changming factory was relocated to Qingyuan
2020- Qingyuan Pontex began to operate
2022-40th Anniversary

Group Stronghold



Qingyuan Pontex–

◆Equipment ◆ Composite production base
Address： Qingyuan City, Guangdong Province Qingxin District Taiping Town Longwan Industrial Park
Covers an area of about 86,60 square meters (130acres)

Taiwan Pontex (World Headquarter) –

◆Composite production base/
◆R&D center
Address：Longxing Ln.,Sec.2, Fengxing Rd., Tanzi Dist., Taichung City
Covers an area of about 34,700 square meters





VietNam Pontex–

◆Equipment ◆Composite production base
Address：My Phuoc II Industrial Part, Binh Duong Province
Covers an area of about 50,000 square meters

Operational Overview

Two major business divisions

Revenue ratio: 70%~80%

Plastic Compound Material

- ◆Engineering modified plastic
- ◆Biodegradable materials
- ◆Recycled materials
- ◆Electroplatable High-Density Plastic
- ◆Other High Specification Materials
- ◆Profile extrusion

Revenue ratio: 20%~30%

Equipment Injection

- ◆Sneakers outsole
→Elastic plastics: Soccer shoes, Baseball shoes,Football boots,Golf shoes …
→Non-elastic plastics: Bicycle shoes…
- ◆Casual shoes and accessories Injection
- ◆Sneaker parts injection
- ◆Other injection(non-shoes)

Equipment Injection

Pontex equipment injection business is specialized in the production of ball spike soles, bicycle soles, various sports shoes spare parts and fashionable casual uppers and other products. The foundry service covers international leading brands, and its technical reputation is well-known in the industry.

Major OEM Brand Customers ：

NIKE	crocs™	fi'zi:k	UNDER ARMOUR
DIADORA	RINGOR	ANTA	特步

All trademarks are quoted from the official website of each brand

Pontex

專業創新 • 價值分享

◆NIKE



◆CROCS





LiteRide 360 series

(photos of finished shoes are quoted from CROCS official website)



Comprehensive shoes

◆Fizik Bicycle Sole



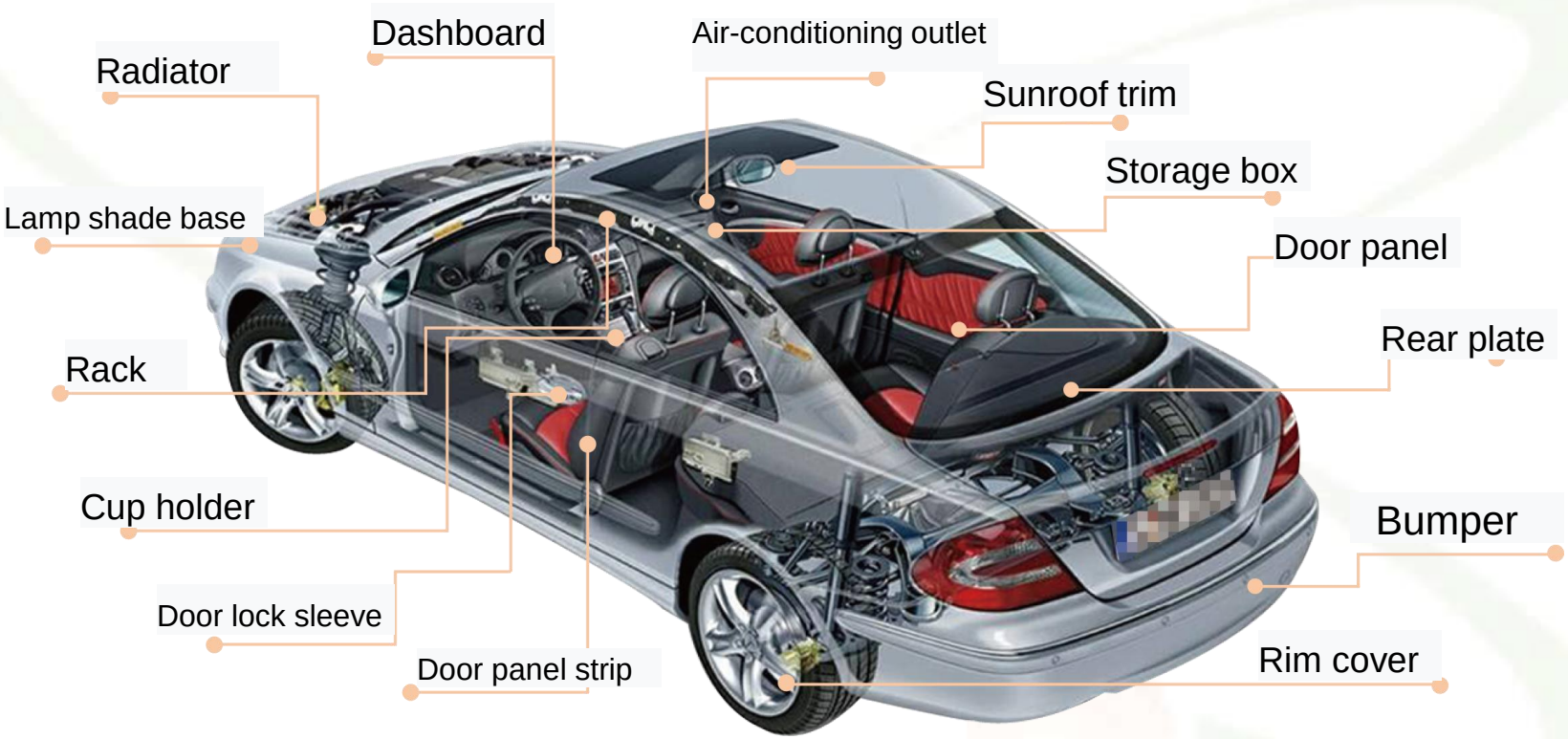


Plastic Compound Material

In the past 40 years, Pontex composite materials business has continuously improved and improved its research and development, focusing on the development of multiple industrial materials such as the automobile and motorcycle industry, 3C electronics industry, agricultural machinery industry, furniture industry, and daily necessities industry.

Since 2010, Pontex Green Polymer Materials R&D Center has been established to grasp the global environmental protection trend in advance. In recent years, in response to the serious issues of limiting (reducing) plastics and net zero carbon emissions, it has actively expanded the recycling economy of plastic recycling and improved the application of biodegradable materials. field, self-developed high-standard patented materials…, provide more competitive materials to meet the needs of domestic and foreign customers !

◆Automotive industry applications

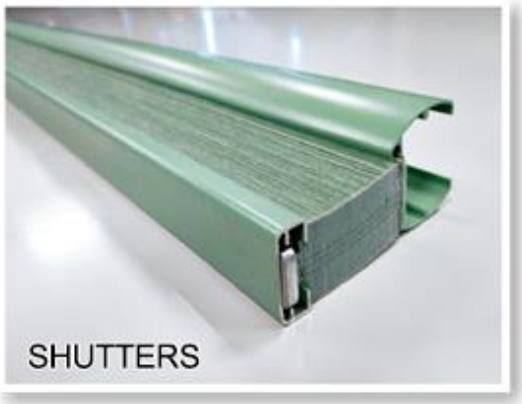


◆Plastic materials replace metal applications


RADIATOR PARTS


CAR LAMP HOUSING BASE


SOLAR PANEL BORDER


SHUTTERS

◆Biodegradable plastic materials applications



Eco-friendly tableware/straw



Eco- friendly Drink cup

Eco- friendly kettle



Pontex Biodegradable Materials Registered Trademark
(Bio-Star)

◆ Recycled plastic applications

(PCR post-consumer plastic/zero industrial waste circular economy)



Application products

◆Electroplatable High-Density Plastic application

(PTX patented plastic materials)



Faucet / Shower Head / Cosmetic Box / Handle / Grip



Taiwan / China Patent Certificate

2022 Q3 Financial Results

Statement of Comprehensive Income (Consolidated)

Amount : NT$Thousand

	2022Q1		2022Q2		2022Q3		2021Q3	
Operating Revenue	266,416	100%	332,621	100%	258,906	100%	345,622	100%
Operating Cost	(228,128)	-86%	(277,464)	-83%	(218,445)	-84%	(294,490)	-85%
Gross Profit	38,288	14%	55,157	17%	40,461	16%	51,132	15%
Operating Expenses	(36,026)	-14%	(42,402)	-13%	(37,826)	-15%	(39,249)	-11%
Net Operating Income	2,262	0.8%	12,755	3.8%	2,635	1.0%	11,883	3.4%
Non-Operating Income and Expenses	13	0.0%	5,866	1.8%	3,927	1.5%	8	0.0%
Profit before Tax	2,275	0.9%	18,621	5.6%	6,562	2.5%	11,891	3.4%
Profit	1,823	0.7%	23,542	7.1%	5,353	2.1%	11,183	3.2%
Earnings Per Share(NT$)	0.02		0.28		0.06		0.13	
Earnings Per Share was calculated based on total weighted average number of ordinary shares outstanding (thousand shares)	84,300		84,300		84,300		84,300	

Statement of Comprehensive Income (Consolidated)

Amount : NT$Thousand

	Total Q1 to Q3 2022		Total Q1 to Q3 2021		Differences amount	
Operating Revenue	857,943	100%	1,073,158	100%	(215,215)	-20%
Operating Cost	(724,037)	-84%	(897,535)	-84%	(173,498)	19%
Gross Profit	133,906	16%	175,623	16%	(41,717)	-24%
Operating Expenses	(116,254)	-14%	(115,278)	-11%	976	1%
Net Operating Income	17,652	2.1%	60,345	5.6%	(42,693)	-71%
Non-Operating Income and Expenses	9,806	1.1%	(11,168)	-1.0%	20,974	188%
Profit before Tax	27,458	3.2%	49,177	4.6%	(21,719)	-44%
Profit	30,718	3.6%	52,825	4.9%	(22,107)	-42%
Earnings Per Share(NT$)	0.36		0.63			
Earnings Per Share was calculated based on total weighted average number of ordinary shares outstanding (thousand shares)	84,300		84,300			

Balance Sheet Highlights (Consolidated)

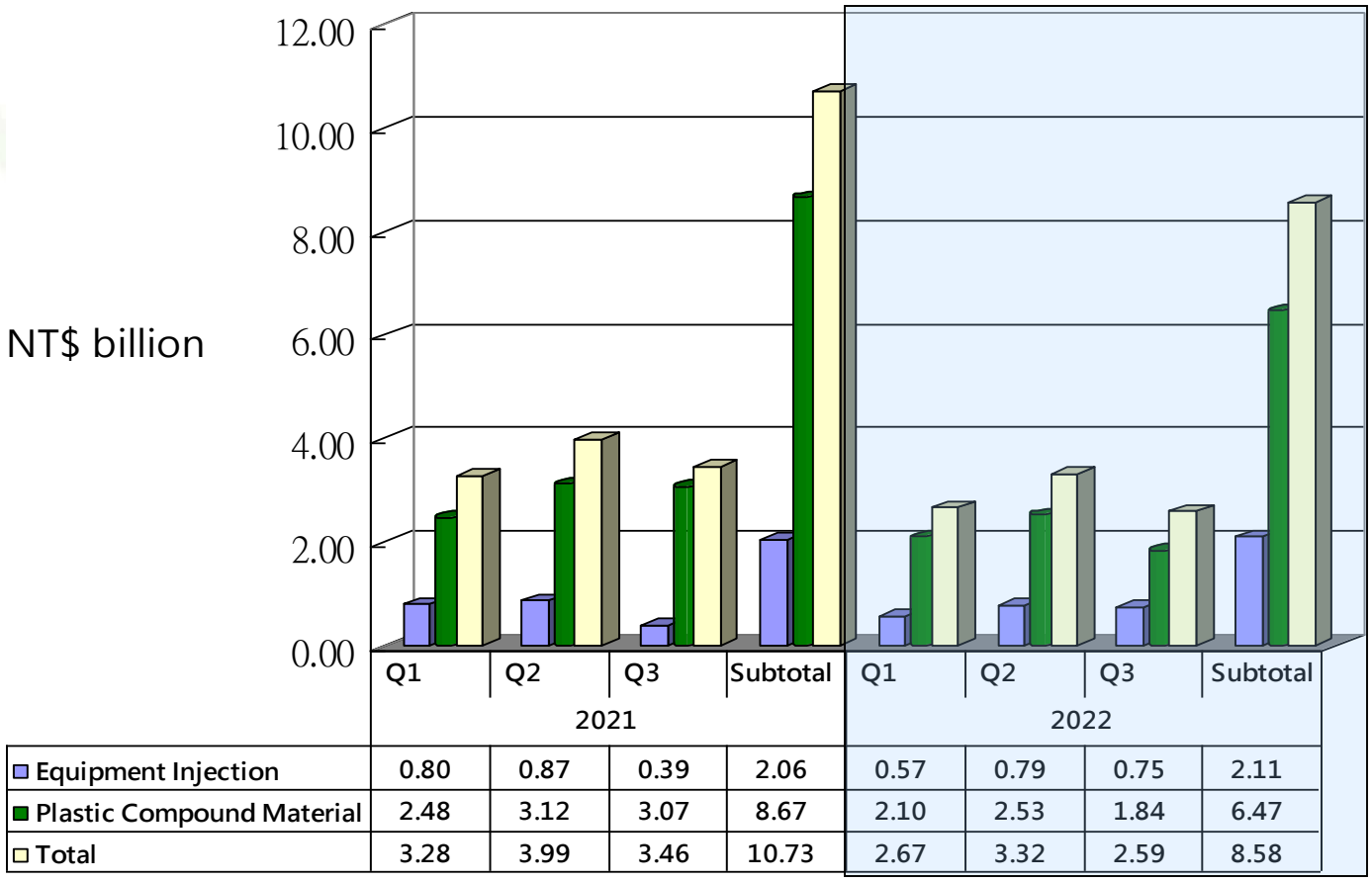
Amount：NT$Thousand

	2022.09.30	2021.12.31	2021.09.30
Cash and cash equivalents	180,209	112,146	141,823
Notes and accounts receivable,net	271,624	303,443	321,879
Inventories	278,669	281,387	289,600
Property,plant and equipment	738,079	750,642	774,196
Other assets	294,421	320,126	350,375
Total Assets	1,763,002	1,767,744	1,877,873
Current Liabilities	617,813	661,518	708,389
Non-current Liabilities	292,178	322,553	339,547
Total Equity	853,011	783,673	829,937
Net Worth/Share(NT$)	10.12	9.30	9.85
Net worth per share was calculated based on total shares outstanding (thousand shares)	84,300	84,300	84,300

Key Financial Ratios (Consolidated)

	2022.09.30	2021.12.31	2021.09.30
AR Turnover(Days)	91	84	84
Inventory Turnover(Days)	120	91	90
AP Turnover(Days)	43	45	47
Cash Conversion Cycle(Days)	168	130	127
ROE(annualized)	5.00%	5.59%	8.79%
Current ratio	126.95%	117.06%	120.89%
Fin.Debt(Included long term and short term financial debts)	44.47%	47.15%	46.46%

Revenue Breakdown by Divisions



	2021 Q1	2021 Q2	2021 Q3	2021 Subtotal	2022 Q1	2022 Q2	2022 Q3	2022 Subtotal
Equipment Injection	0.80	0.87	0.39	2.06	0.57	0.79	0.75	2.11
Plastic Compound Material	2.48	3.12	3.07	8.67	2.10	2.53	1.84	6.47
Total	3.28	3.99	3.46	10.73	2.67	3.32	2.59	8.58

Q & A

Thank You !