PONTEX POLYBLEND CO., LTD.

Investor Conference

2023 Q3 Operating Results

2023/12/25

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
- NEW-Thermocompression Composite Factory Introduction
- 2023 Q3 Financial Results
- Future Business Focus
- 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

Dec-2022-40th Anniversary

Mar.-2023 -obtained the invention patent of solar frame material in Taiwan /NO.**I 795202**

Aug.-2023-Solar frame material won the award in the 15th Cross-Strait Composite Materials Forum held in Changzhou City, Jiangsu Province

Oct.-2023-Approve the 361° brand shoe factory certification

Dec.-2023-Thermocompression Composite Factory completed

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

Major business divisions-1







Plastic Compound Material

Revenue ratio: **70%~80%**

- **Engineering modified plastic & Other High Specification Materials**
- **Recycled materials(PCR)**
- **Biodegradable materials**
- **Electroplatable High-Density Plastic**
- **Solar panel material & Profile extrusion**
- **Textile Board**









Major business divisions-2

photos of finished shoes are quoted from CROCS official website



Equipment Injection

Revenue ratio:20%~30%

- Casual shoes and accessories
- Sneakers outsole (Soccer shoes, Baseball shoes, Football boots,Golf shoes)
- Sneaker parts injection
- Other injection(non-shoes









NEW-Thermocompression Composite Factory Introduction

Thermocompression Composite Factory

Based on the promotion of environmental protection recycling and the development of industrial zero waste solutions, the company has built a new production linein the parent company in Taichung, which can help solve the huge scraps and waste textiles generated by major apparel brands and fabric factories every year, create new circular economy value, and expand the company's new industrial business opportunities.

The process technology of Bangtai hot pressing plant is made from recycled cloth or textile fiber crushed material, and through the automatic hot pressing process (the patent of the cross-strait process has been applied), a large flat plate is produced, which becomes the material for indoor building materials and home decorations.

According to the needs of the product, the client will cut it into including wall decoration, home shelves, shopping mall layout, exhibit base, picture frame, frame, signboard, interior art... and other diversified product uses.

The crushed fabric itself has a variety of colors, through the color selection, the product can present a rich pattern color and fashion sense, in the foreign fashion industry, has been seen to be used to display the base of high-end brand-name goods.

Fully automatic production process





Capacity:12,000 pieces/year/1 production line
Size: 240cm ×120 cm

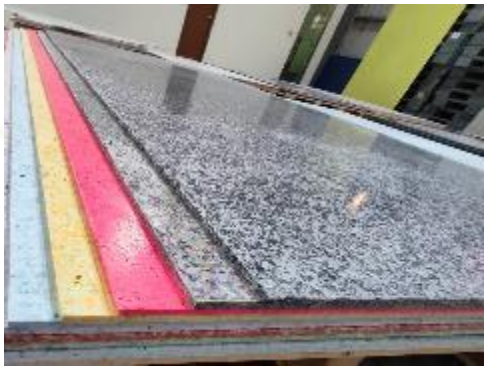


Textile Board-1



Textile Board-2







Textile Board Application products















2023 Q3 Financial Results

Statement of Comprehensive Income (Consolidated)

Amount : NT$Thousand

	2023Q1		2023Q2		2023Q3		2022Q3	
Operating Revenue	161,783	100%	146,805	100%	154,647	100%	225,989	100%
Operating Cost	(137,565)	-85%	(130,401)	-89%	(143,649)	-93%	(185,528)	-82%
Gross Profit	24,218	15%	16,404	11%	10,998	7%	40,461	18%
Operating Expenses	(32,203)	-20%	(30,669)	-21%	(32,073)	-21%	(37,826)	-17%
Net Operating Income	(7,985)	-4.9%	(14,265)	-9.7%	(21,075)	-13.6%	2,635	1.2%
Non-Operating Income and Expenses	(2,534)	-1.6%	1,187	0.8%	(1,018)	-0.7%	3,927	1.7%
Profit before Tax	(10,519)	-6.5%	(13,078)	-8.9%	(22,093)	-14.3%	6,562	2.9%
Profit	(11,083)	-6.9%	(9,026)	-6.1%	(21,843)	-14.1%	5,353	2.4%
Earnings Per Share(NT$)	(0.13)		(0.10)		(0.23)		0.06	
Earnings Per Share was calculated based on total weighted average number of ordinary shares outstanding (thousand shares)	84,967		90,512		92,259		86,829	

Statement of Comprehensive Income (Consolidated)

Amount : NT$Thousand

	Total Q1 to Q3 2023		Total Q1 to Q3 2022		Differences amount	
Operating Revenue	463,235	100%	757,228	100%	(293,993)	-39%
Operating Cost	(411,615)	-89%	(623,322)	-82%	(211,707)	34%
Gross Profit	51,620	11%	133,906	18%	(82,286)	-61%
Operating Expenses	(94,945)	-20%	(116,254)	-15%	(21,309)	-18%
Net Operating Income	(43,325)	-9.4%	17,652	2.3%	(60,977)	-345%
Non-Operating Income and Expenses	(2,365)	-0.5%	9,806	1.3%	(12,171)	124%
Profit before Tax	(45,690)	-9.9%	27,458	3.6%	(73,148)	-266%
Profit	(41,952)	-9.1%	30,718	4.1%	(72,670)	-237%
Earnings Per Share(NT$)	(0.45)		0.35			
Earnings Per Share was calculated based on total weighted average number of ordinary shares outstanding (thousand shares)	92,259		86,829			

Balance Sheet Highlights (Consolidated)

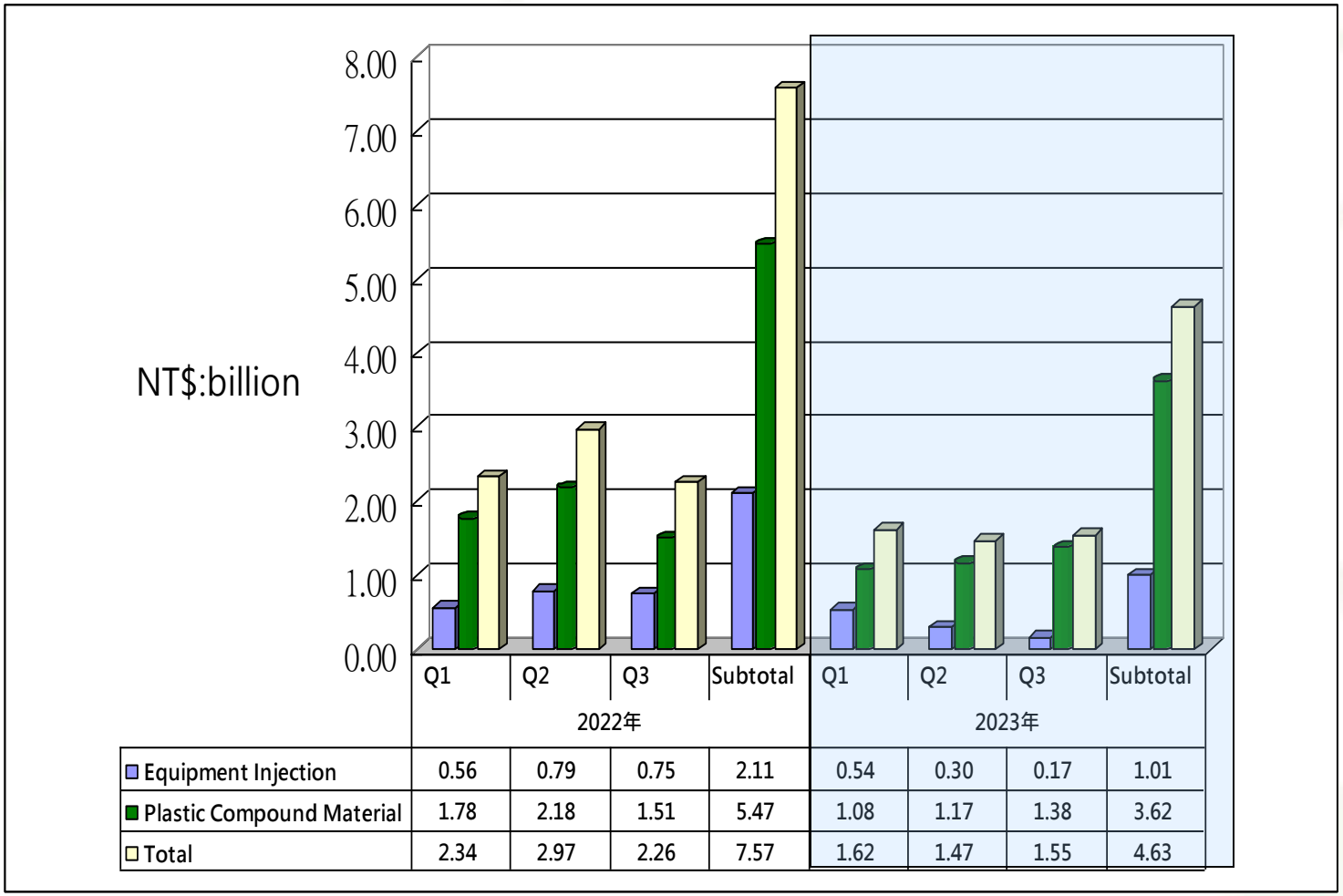
Amount : NT$Thousand

	2023.09.30	2022.12.31	2022.09.30
Cash and cash equivalents	170,635	151,394	180,209
Current financial assets measured at amortized cost	52,980	35,272	-
Notes and accounts receivable,net	180,757	239,851	271,624
Inventories	275,250	277,306	278,669
Property,plant and equipment	698,380	722,405	738,079
Other assets	306,309	294,811	294,421
Total Assets	1,684,311	1,721,039	1,763,002
Current Liabilities	544,931	609,193	617,813
Non-current Liabilities	227,440	273,977	292,178
Total Equity	911,940	837,869	853,011
Net Worth/Share(NT$)	9.88	9.65	9.82
Net worth per share was calculated based on total shares outstanding (thousand shares)	92,239	86,829	86,829

Key Financial Ratios (Consolidated)

	2023.09.30	2022.12.31	2022.09.30
AR Turnover(Days)	124	105	91
Inventory Turnover(Days)	210	150	120
AP Turnover(Days)	64	53	43
Cash Conversion Cycle(Days)	270	202	168
ROE(annualized)	-6.39%	3.37%	5.00%
Current ratio	137.25%	125.29%	126.95%
Fin.Debt(Included long term and short term financial debts)	39.42%	44.10%	44.47%

Revenue Breakdown by Divisions



	2022年 Q1	2022年 Q2	2022年 Q3	2022年 Subtotal	2023年 Q1	2023年 Q2	2023年 Q3	2023年 Subtotal
Equipment Injection	0.56	0.79	0.75	2.11	0.54	0.30	0.17	1.01
Plastic Compound Material	1.78	2.18	1.51	5.47	1.08	1.17	1.38	3.62
Total	2.34	2.97	2.26	7.57	1.62	1.47	1.55	4.63

Future Business Focus

Plastic Compound Material

●Development of low-carbon/carbon-reducing composite materials:
1.Replastic-recycling-reuse(circular economy materials)
-PCR post-consumer recycled plastic materials
-Industrial zero waste solutions
2.Plastic reduction-biomass alternative materials (green materials)
-Biodegradable materials
-Customized plant fiber alternative formulations

●Promotion of index products (semi-finished products):
1.Composite solar frame
2.Textile board

EquipmentInjection

●Expanded the mold factory to improve the autonomy of development .

●Expand the existing cooperative shoe factories and multi-brand OEM.
(international brands and Chinese brands)

●Increase cooperation with new shoe factories and introduce new brand OEM.

●Diversified development of non-footwear product OEM .

Q & A

Thank You !