



TAISUN

Growing Together

Stock NO. of TWSE : 8480(Taisun-KY)



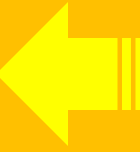
TAISUN INT'L (HOLDING) CORP.

COMPANY PROFILE

PRESENTER : TOM LIN (CFO)

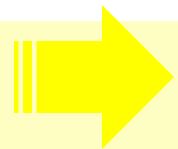
DATE: 8TH APRIL, 2020

Safe Harbor Notice

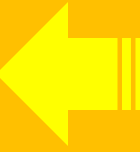


This presentation is based on the information obtained from various sources which the Company believes to be reliable. But at some point in the future, there are a variety of factors which could cause actual results to differ materially from those statements. Therefore, please refer to the information on MOPS website as the main basis if any adjustment has been made.

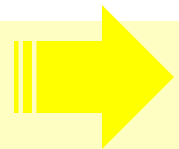
(<http://mops.twse.com.tw>)



Presentation outline



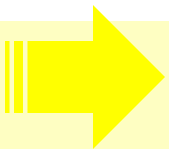
- 1. Group Overview**
- 2. Product & Market Introduction**
- 3. Operating Performance**
- 4. Outlook and Strategies**



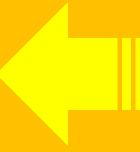
1. Group Overview

Basic Information

- **Established on February 2014**
(Taisun Vietnam was established on February 2001)
- **Chairman and General Director: Mr. Tai Chao Rong**
- **Paid-in capital: NT \$ 393 million**
- **Headquarters: Ho Chi Minh City, Vietnam**
- **Employees: 933 employees (February 2020)**



Business Location



WINSUN CAMBODIA



TAISUN TAIWAN

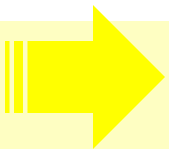
TAISUN INDIA

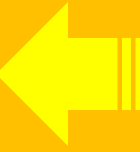


TAISUN VIETNAM

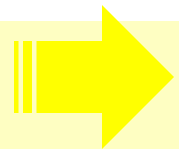


AB CARE SINGAPORE





2. Product & Market Introduction



Our Products

Baby Care Products

Baby diaper(BDP)



Baby pull-up Pant(POP)



New Born



Wet Tissue (WTP)



Our Products

Adult Care Products

Adult Diaper
(ADP)



Adult Pull-up Pant
(APOP)



Insert pads
(IDP)



Under pads
(UDP)



Adult Wet Tissue
(WTP)



Our Products

Lady Care Products

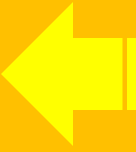
Napkins (NPK)



Lady Wet Tissue (WTP)



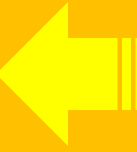
ASEAN Market



Country		Population (23 Mar. 2020)	GDP Growth 2019	GDP Growth 2020 est
	Vietnam	97,338,579	7.02%	6.70%
	Cambodia	16,718,965	7.00%	6.80%
	Thailand	69,799,978	3.90%	3.20%
	Laos	7,275,560	6.50%	6.20%
	Myanmar	54,409,800	6.30%	6.80%
	Philippines	109,581,078	6.70%	6.20%
	Indonesia	273,523,615	5.40%	5.20%
	Malaysia	32,365,999	4.90%	4.70%
	Brunei	437,479	1.00%	1.50%
	Singapore	5,850,342	0.70%	1.40%
Total		667,301,395		

Source: <http://www.worldometers.info/world-population/south-eastern-asia-population/>
<https://www.adb.org/countries/viet-nam/economy>
<https://saigondautu.com.vn/kinh-te/nhan-dien-kinh-te-cac-nuoc-asean-76055.html>

Main Market



2019 Index	Vietnam	Cambodia
Median age	32.5(47% under 30)	25.5 (59% under 30)
Infant population, ages 0~4	7,800,000	1,700,000
Baby Diapers Penetration Rate	<40%	<30%
Estimated Baby Diaper Market Size	USD\$ 250,000,000	USD\$ 30,000,000
Estimated Baby Diaper Market Size(100% Penetration Rate)	USD\$ 750,000,000	USD\$ 120,000,000

Source: Taisun Holding's Database

<https://www.populationpyramid.net/viet-nam/2019/>

Market Share

Vietnam (2018)

UniDry (Baby diaper/Baby diaper pants)	11% - No.4 ranking
SunMate (Adult Diaper)	28% - No.2 ranking
Sunfree (Napkins)	2% - No.5 ranking

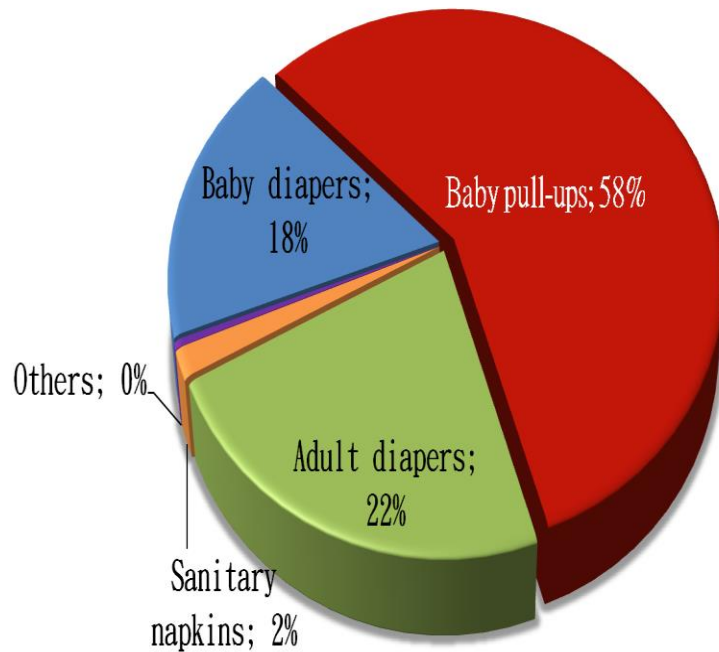
Cambodia (2018)

UniDry (Baby diaper/Baby diaper pants)	48% - No.1 ranking
SunMate (Adult Diaper)	59% - No.1 ranking

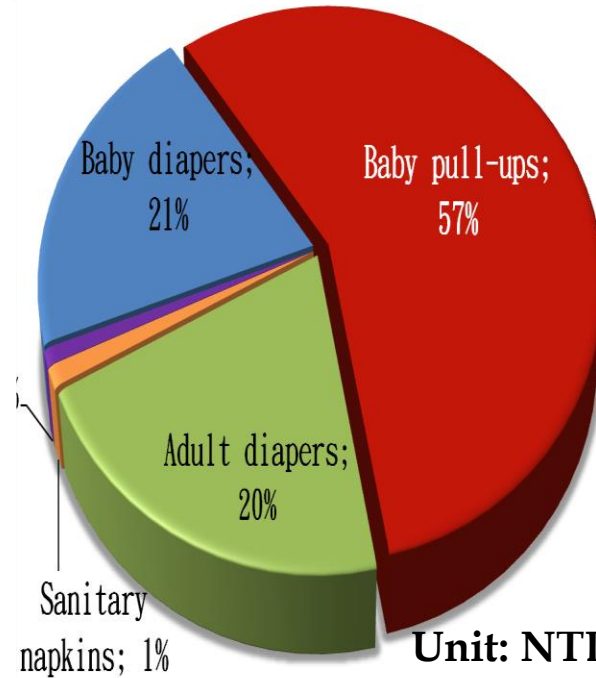
Source: Taisun Holdings Database

2019Q4 - Sales by Products

2019Q4



2018Q4

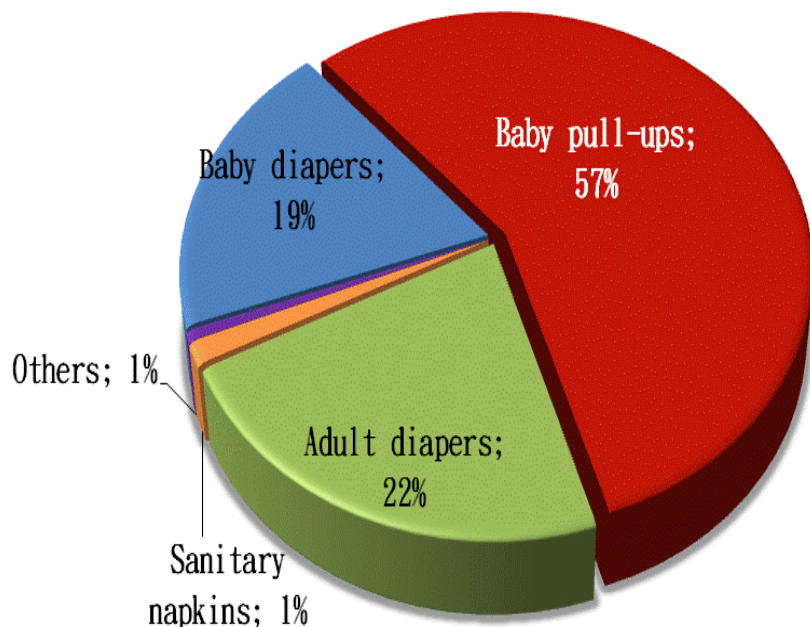


Unit: NTD thousands

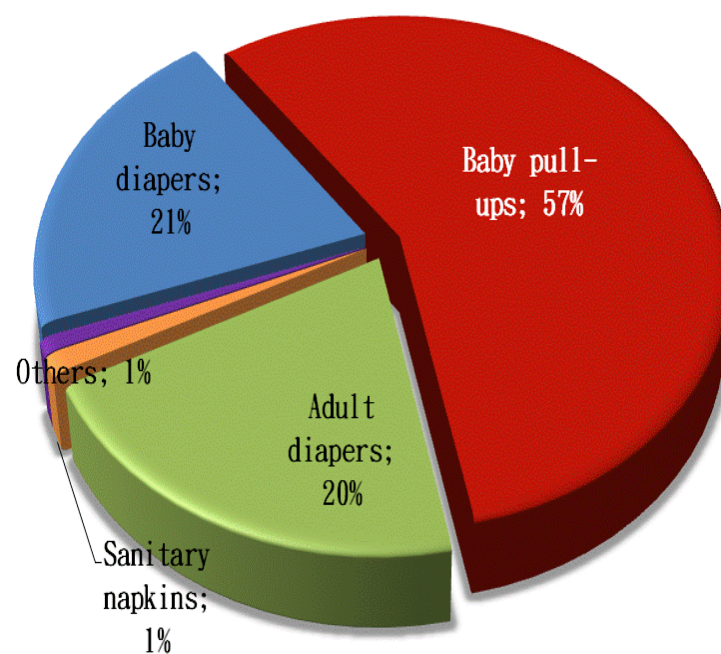
Product	2019Q4		2018Q4		Var.	
	Amount	%	Amount	%	Amount	%
Baby diapers	98,356	17.72%	100,164	20.64%	(1,808)	-1.80%
Baby pull-ups	321,431	57.91%	276,029	56.87%	45,403	16.45%
Adult diapers	123,315	22.22%	98,852	20.37%	24,463	24.75%
Sanitary napkins	9,495	1.71%	5,726	1.18%	3,770	65.84%
Others	2,431	0.44%	4,593	0.95%	(2,162)	-47.08%
Total	555,029	100.00%	485,363	100.00%	69,666	14.35%

Year 2019 - Sales by Products

Year 2019



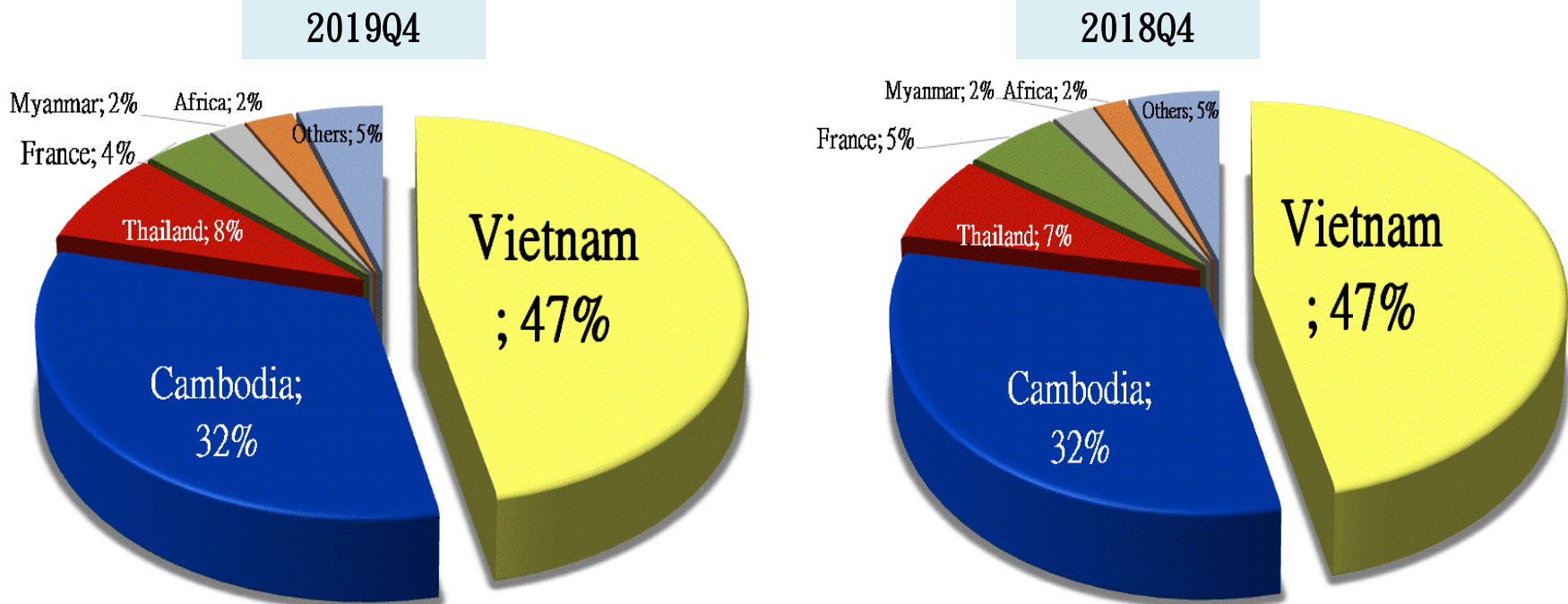
Year 2018



Unit: NTD thousands

Products	Year 2019		Year 2018		Var.	
	Amount	%	Amount	%	Amount	%
Baby diapers	378,894	19.16%	360,333	20.66%	18,561	5.15%
Baby pull-ups	1,120,001	56.64%	989,862	56.75%	130,139	13.15%
Adult diapers	438,084	22.15%	356,302	20.43%	81,782	22.95%
Sanitary napkins	27,634	1.40%	21,747	1.25%	5,887	27.07%
Others	12,753	0.64%	15,931	0.91%	(3,178)	-19.95%
Total	1,977,366	100.00%	1,744,175	100.00%	233,191	13.37%

2019Q4 - Sales by areas

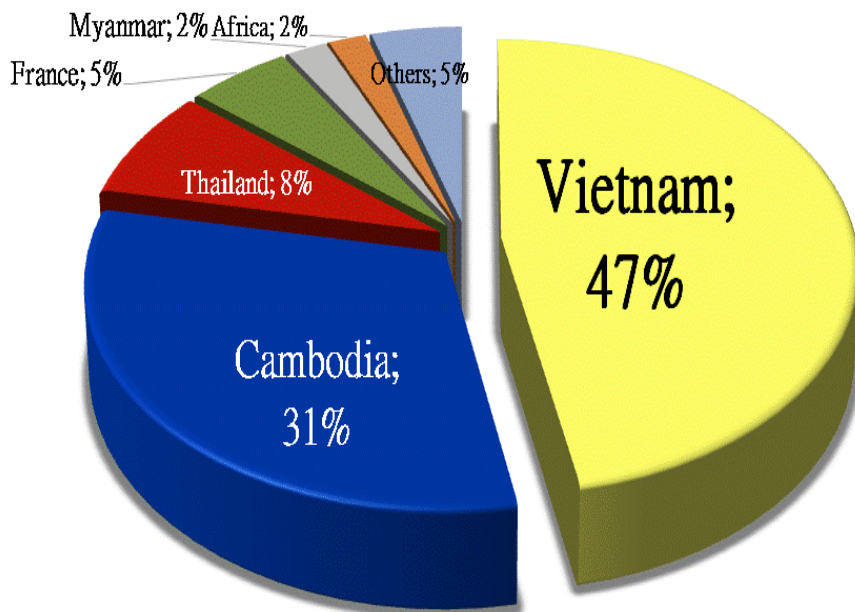


Unit: NTD thousands

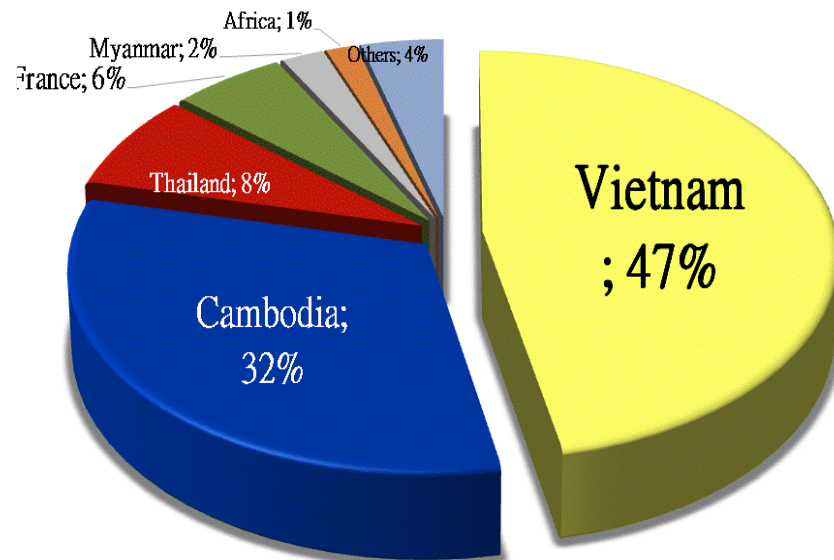
Areas	2019Q4		2018Q4		Var.	
	Amount	%	Amount	%	Amount	%
Vietnam	259,557	46.76%	225,503	46.46%	34,053	15.10%
Cambodia	179,003	32.25%	152,820	31.49%	26,183	17.13%
Thailand	43,488	7.84%	34,920	7.19%	8,568	24.54%
France	21,322	3.84%	26,293	5.42%	(4,971)	-18.91%
Myanmar	10,399	1.87%	11,297	2.33%	(897)	-7.94%
Africa	14,835	2.67%	8,975	1.85%	5,861	65.30%
Others	26,424	4.76%	25,556	5.27%	868	3.40%
Total	555,029	100.00%	485,363	100.00%	69,665	14.35%

Year 2019- Sales by areas

Year 2019



Year 2018



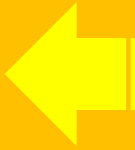
Unit: NTD thousands

Area	Year 2019		Year 2018		Var.	
	Amount	%	Amount	%	Amount	%
Vietnam	929,810	47.02%	817,758	46.89%	112,052	13.70%
Cambodia	614,615	31.08%	554,273	31.78%	60,342	10.89%
Thailand	157,499	7.97%	134,292	7.70%	23,207	17.28%
France	103,133	5.22%	99,043	5.68%	4,090	4.13%
Myanmar	41,367	2.09%	37,983	2.18%	3,384	8.91%
Africa	38,906	1.97%	27,337	1.57%	11,569	42.32%
Others	92,036	4.65%	73,490	4.21%	18,546	25.24%
Total	1,977,366	100.00%	1,744,175	100.00%	233,191	13.37%

3. Operating Performance



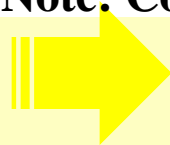
2019Q4- Income Statement



Unit: NTD thousand

Profit & Loss	2018					2019				
	Q1	Q2	Q3	Q4	Year 2018	Q1	Q2	Q3	Q4	Year 2019
Net Sales	419,572	385,860	453,380	485,363	1,744,175	461,233	462,295	498,809	555,029	1,977,366
Gross profit	134,219	121,369	127,133	138,588	521,309	126,151	133,854	165,790	186,885	612,680
Gross margin (%)	31.99	31.45	28.04	28.55	29.89	27.35	28.95	33.24	33.67	30.98
Operating expenses	55,205	58,861	57,054	65,674	236,794	67,302	69,068	76,738	84,563	297,671
Operating expenses (%)	13.16	15.25	12.58	13.53	13.58	14.59	14.94	15.38	15.24	15.05
Operating income	79,014	62,508	70,079	72,914	284,515	58,849	64,786	89,052	102,322	315,009
Operating income (%)	18.83	16.20	15.46	15.02	16.31	12.76	14.01	17.85	18.44	15.93
Net income	80,240	62,149	76,122	80,180	298,691	65,167	72,503	98,085	109,408	345,164
Net income (%)	19.12	16.11	16.79	16.52	17.13	14.13	15.68	19.66	19.71	17.46
Earnings per share	2.04	1.58	1.94	2.04	7.61	1.66	1.85	2.49	2.79	8.79

Note: Consolidated financial statements are audited by Deloitte



2019Q4 – Income Statement



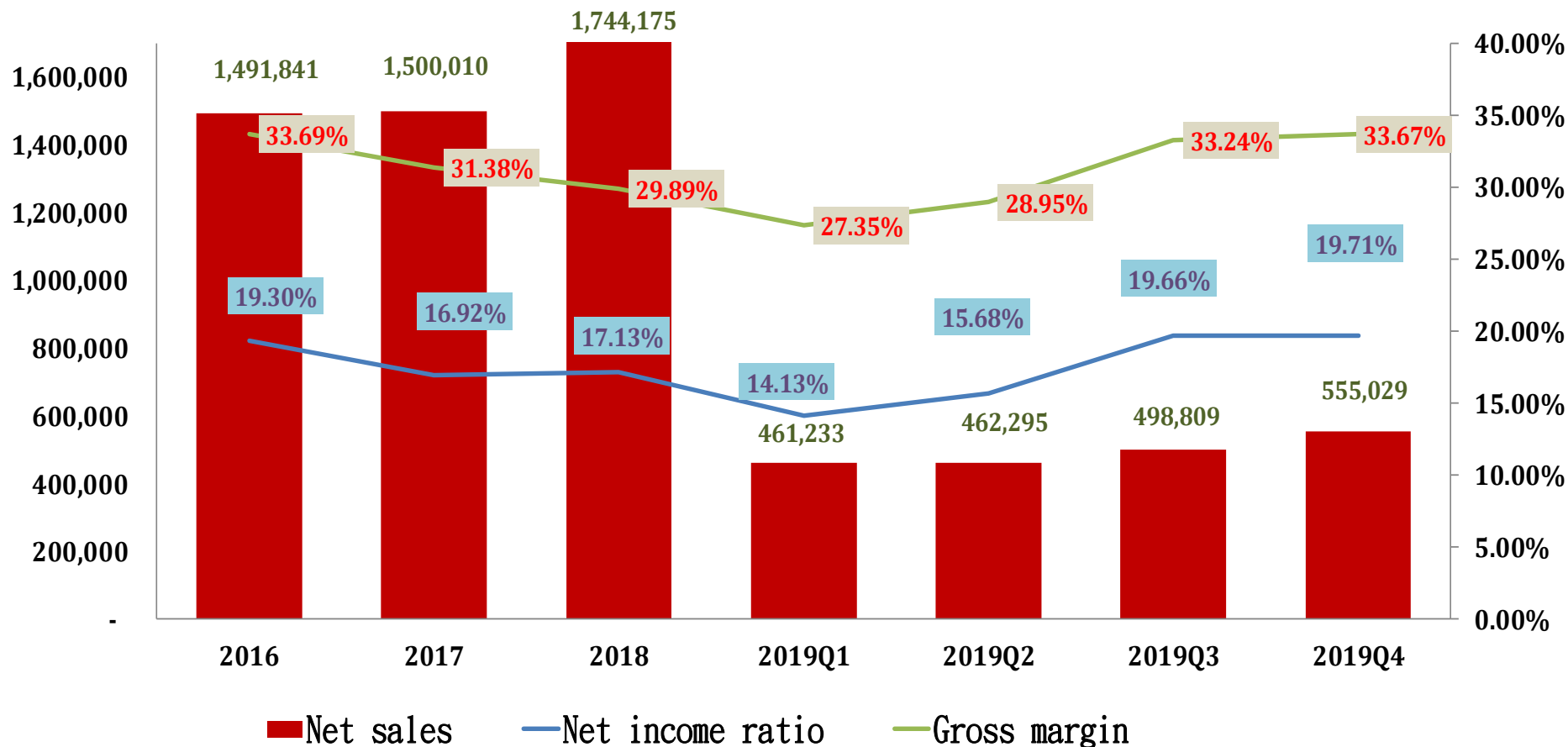
Unit: NTD thousand

Profit & Loss	2019Q4	2018Q4	2019Q3	Var.		Year 2019	Year 2018	YOY
				Q4.2019 vs. 2018	Q4 vs. Q3 .2019			
Net Sales	555,029	485,363	498,809	14.35%	11.27%	1,977,366	1,744,175	13.37%
Gross profit	186,885	138,588	165,790	34.85%	12.72%	612,680	521,309	17.53%
Gross margin (%)	33.67	28.55	33.24	-	-	30.98%	29.89%	-
Operating expenses	84,563	65,674	76,738	28.76%	10.20%	297,671	236,794	25.71%
Operating expenses (%)	15.24	13.53	15.38	-	-	15.05%	13.58%	-
Operating income	102,322	72,914	89,052	40.33%	14.90%	315,009	284,515	10.72%
Operating income (%)	18.44	15.02	17.85	-	-	15.93%	16.31%	-
Net income	109,408	80,180	98,085	36.45%	11.54%	345,164	298,691	15.56%
Net income (%)	19.71	16.52	19.66	-	-	17.46%	17.13%	-

Note: Consolidated financial statements are audited by Deloitte



Financial Information

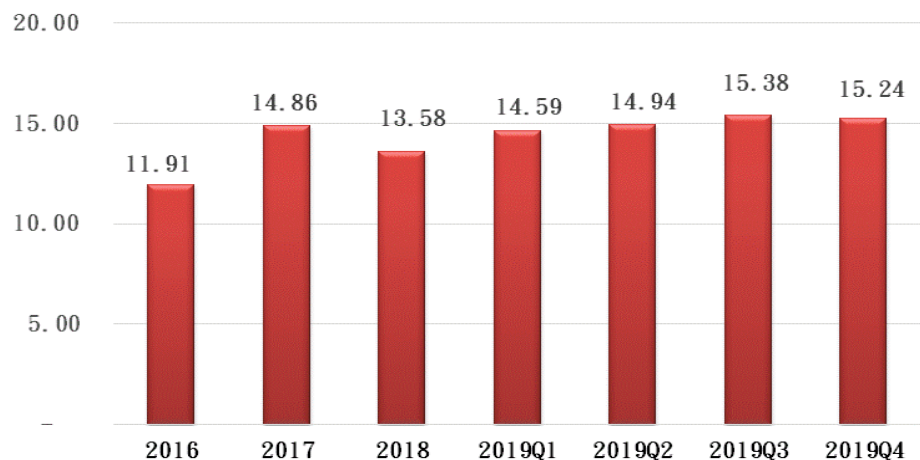


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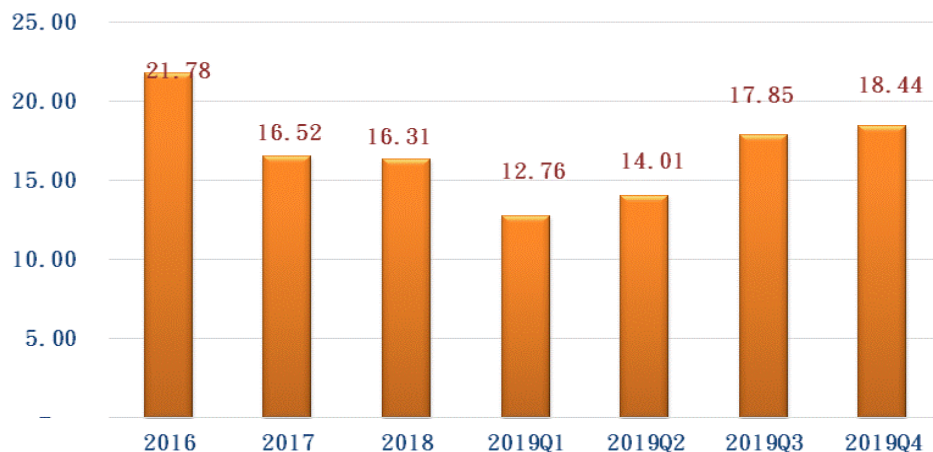
Financial Information



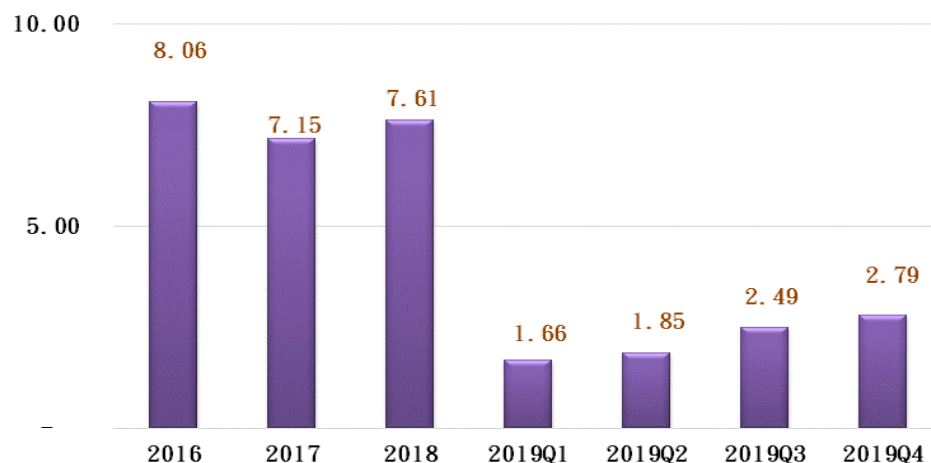
Operating expenses ratio



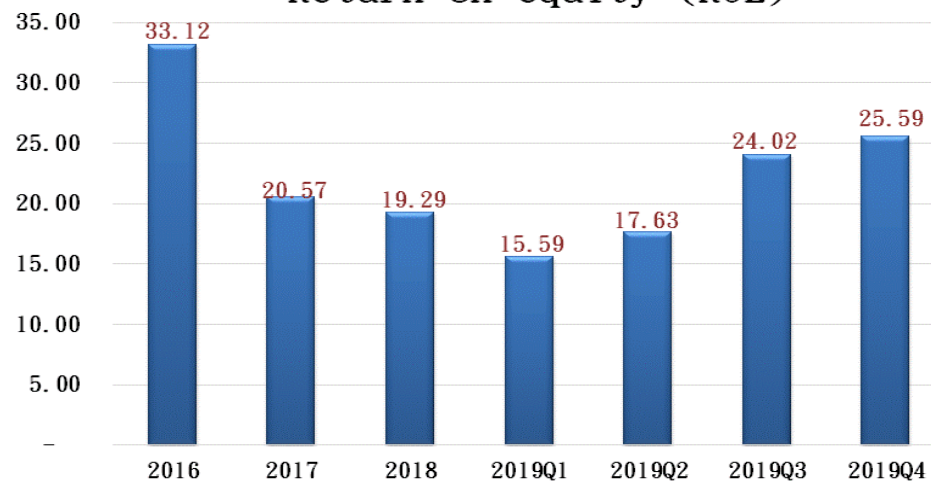
Operating income ratio



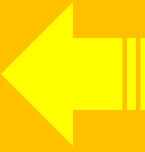
Earnings per share (EPS)



Return on equity (ROE)



Dividend Policy

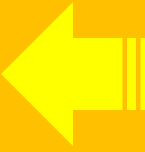


Dividend policy: dividend payout ratio is around 70% and will keep 100% in cash.

		2016	2017	2018	2019
EPS		8.06	7.15	7.61	8.79
Dividend	Cash	6.00	4.00	5.30	6.20
	Stock	–	1.00	–	–
Dividend payout ratio (%)		74.44%	69.93%	69.65%	70.53%

4. Outlook & Strategies

Outlook for 2020 & Strategies (1/4)



- ❖ Because the raw material cost is keep decreasing in 2020Q1, we estimate the gross margin of 2020Q1 will be higher than 2019Q4 and reach the historic high. Furthermore, we also estimate the net sales and profit of 2020Q1 could have double-digit growth and especially the net profits will have very big growth.
- ❖ If the Covid-19 virus continue to spread in 2020Q2 but Vietnam and Cambodia don't have strong policies such as the lockdown city or country, we estimated the 2020Q2 net sales will near the same with 2019Q2 but the net profits are still could achieve double-digit growth.
- ❖ Since 2020Q2, the price of non-woven materials will rise but another important material - SAP (from Oil) are expected to reduce. Therefore, we still estimated gross margin of 2020Q2 will be reduced around 2-3% compared with 2020Q1, but it is still much higher than 2019Q2.



Outlook for 2020 & Strategies (2/4)

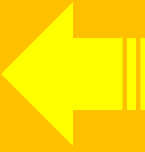
- ❖ Taking three major strategies to reduce the impact of raw materials cost increasing:

1. Increasing product's selling prices
2. Reducing marketing budgets
3. Implementing cost-saving projects intensely.

Applying all above strategies to maintain profitability of the 2020Q2 and the second half of this year.

- ❖ Our main markets North of Southeast Asia and the outlying islands of French don't have big impact by Covid-19 virus, but we are still conservative to estimate the consumer demand maybe will reduced due to some factors such as city lockdown and the lower income. But another good new is that some competitor in Vietnam and Cambodia already had a full or partial supply shortage in mid-March, so this is a good opportunity for Taisun to get more market shares and profits.

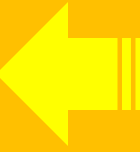
Outlook for 2020 & Strategies (3/4)



- ❖ The marketing budgets for new Adult pants and women's sanitary napkins will be temporarily stopped until the Covid-19 virus is under control. On the other hand, we will invest more resources to develop the antibacterial and anti-virus products ,and actively get more business opportunities and take more responsibility for against Covid-19 virus.
- ❖ The project of upstream materials investment has been postponed. However, the merger and acquisition in downstream sales channels still continue, and it is expected to be completed at the end of September 2020.
- ❖ If the Covid-19 virus could not be effectively control before the end of 2020, we estimate the net sales and profit this year will still maintain the same level as year 2019 in this worst situation.



Outlook for 2020 & Strategies (4/4)



- ❖ If the Covid-19 virus could be controlled before 2020Q3, we estimate the net sales and profit of year 2020 will still be able to achieve our target to have double-digit growth.



THANK YOU!

