



3303.TWO

UnivacCO Technology Inc. 2021 Q3 Business Review

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Outline

- ▶ **Company Profile**
- ▶ **Core Technology & Competitive Advantages**
- ▶ **Finance Review**
- ▶ **Future Plan & Corporate Governance**





Company Profile

Univacco Company Profile

(3303.TWO)



● **Chairman** **Mr. Kuo-Lung Tsai**



● **CEO** **Mr. Bruce Lee**



- **Established** **Aug. 29, 1990**
- **Paid-up Capital** **NTD 961 million ***
- **Consolidated Revenue** **NTD 2.36 billion (2020)**
- **Listing Day** **May 28, 2007**
- **Group Employees** **650 ***
- **Main Products** **Vacuum Coating Foils (VC)**

*: As of Sep. 30, 2021

Focus on Foil for 30 years



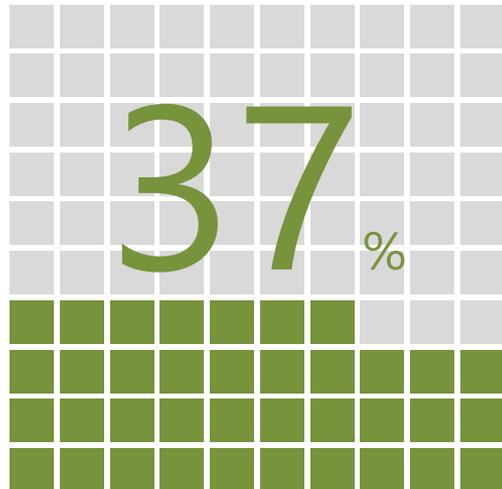
2020: 93% consolidated revenue of UnivacCO came from VC products (foils)

Foils Sales to 70 Countries

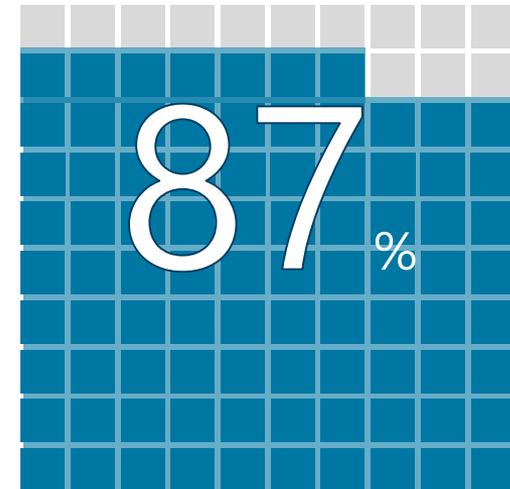


Proportion of Exports Up to 90%

2002

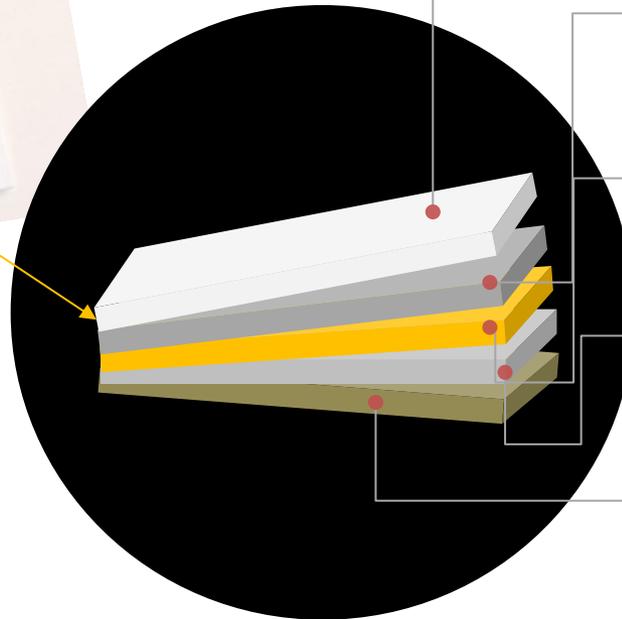


2021



What is stamping foil?

| The structure of stamping foil



PET film

main material

Release

release the main structure from PET film

Color

provide color to the product

Aluminium Coating

provide metal effect

Topping with gum

paste on the object

Foils Series

Packaging with metal design elements, enrich the design level, thereby enhancing brand and product value!



Hot stamping foil

Hot stamping foil can be applied to the large area, thin lines, small characters, or applied to the smooth, imitation leather paper, artificial leather.



Cold foil

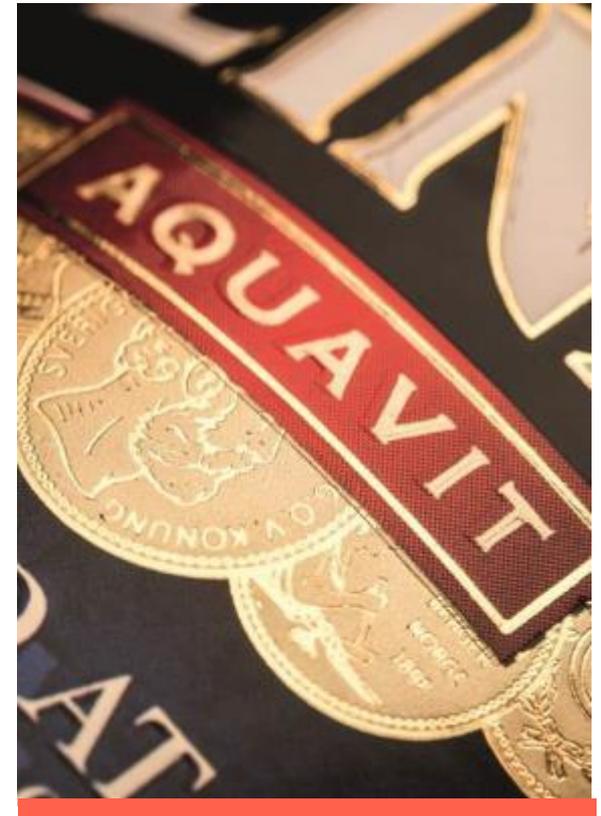
It can be directly connected to the printing machine, and directly printed in color after cold ironing to create a colorful golden effect!



Holographic foil

Multiple laser patterns are available for hot foil and cold foil.

Hot Foils Application



Luxury Packaging

Food Packaging

Drink label/package

Cold Foils Application



Labels



Food Packaging



Cigarettes

Awards and honors



Univacco receives numerous awards worldwide.

Univacco foil products were awarded by FSEA in 11 consecutive years, and products are well recognized and appreciated in the global market.



Won FSEA
Gold Leaf Award
2011-2021



Won FINAT
2017



Won Sun Cup
Asia Label Awards
2016



Won Potential Taiwan
Mittelstnad Award
2017



Won Taiwan Excellence
Award 2018-2021



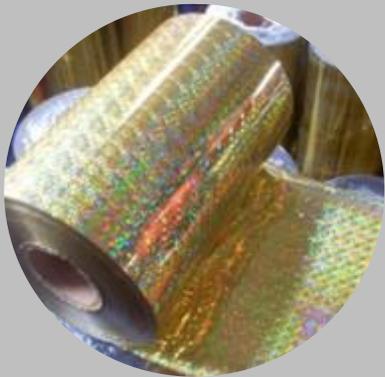
Won The National Brand
Yushan Award 2017-
2020



Core Technology & Competitive Advantages

Applied Fields of Vacuum Coating

Low ← Technology barrier → High



**Metallic film
for flexible
packaging**



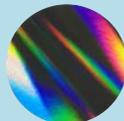
Metallic yarn



**Metallic film
for rigid
packaging**



**Stamping
foil**



Holographic effect

Own Branding Manufacturing



Univacco owns its core technology by integrating the technologies in chemical formulation, vacuum metallizing, and coating. Univacco prides itself in foils development, establishing own brand name and setting up sales channels in more than 70 countries.



Unique chemical
formula

Vacuum
Metalizing

Coating
technology

Foils Application Markets



Hot Stamping Foils

Greeting Cards
Gift boxes/package
Wine/Liquor labels

Cold Foils

Labels for daily supplies
Poster printing
Gift boxes/package



Specialty Foils

Wine/liquor bottles
Clothing, leather bags
Bike frame/helmet
deco

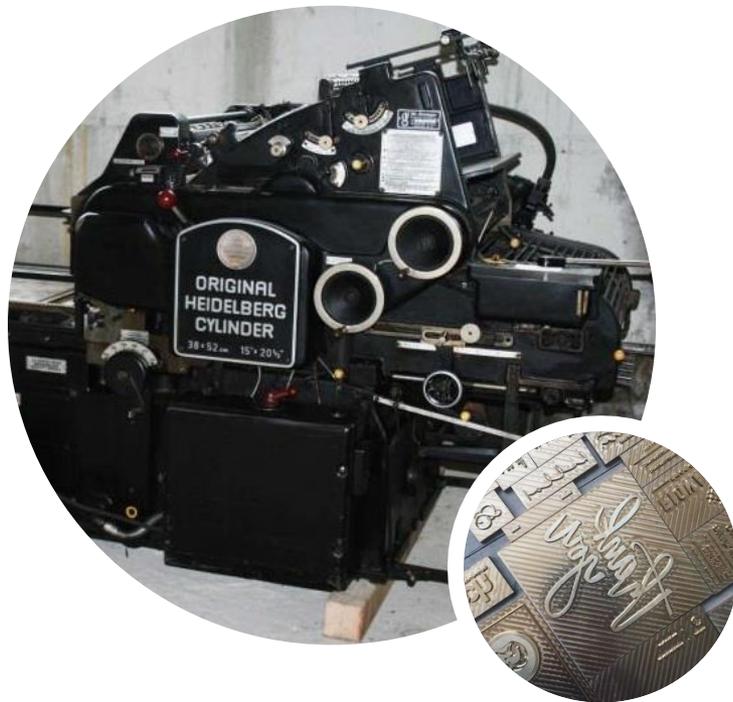
Hot Foils for Plastic

Vehicle license plates
Table cloth
Plastic materials



Breakthrough Cold Foil Launched

Univacco is the world's second-largest producer of cold foils, and the largest in Asia.



Launched over a century –
Hot stamping foil



Breakthrough foil product –
Cold foil

Cold Foil Printing Process



Cold Foiling is a fast, cost-effective inline process that works in conjunction with "**cold foil unit**" on most printing presses.



Cold Foil Benefits Industrial Chain

Customer costs
have dropped
significantly



Enrich the
printed-color
possibility



Apply to
more printing
material



01 Reduce printing time thoroughly

18,000 sheets/hour

02 Reduce material loss

(Single workshop/ alignment precisely)

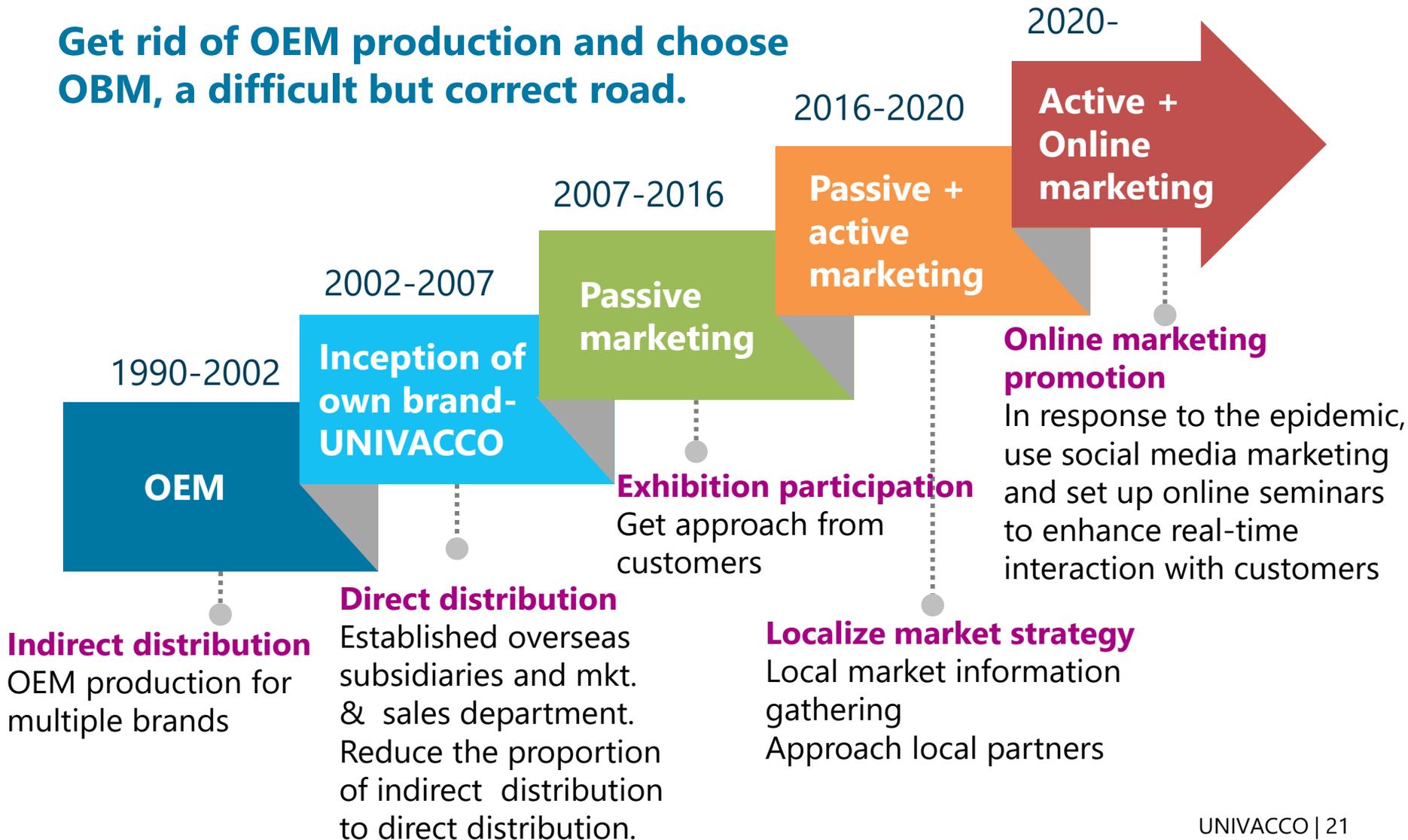
03 Reduce inventory

(Apply to more than 90% cold foil glue brands)

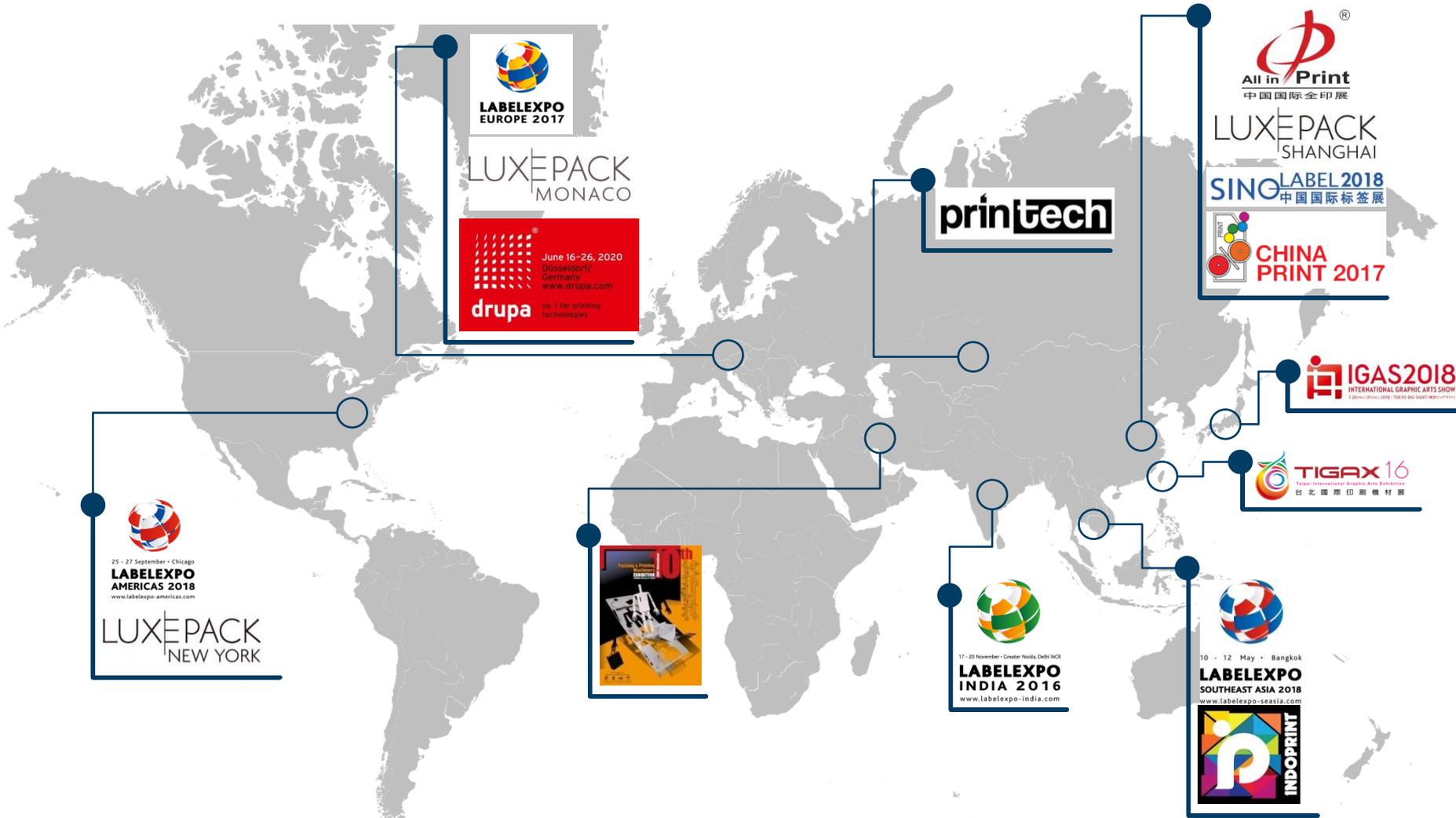
Brand & Distribution Strategy



Get rid of OEM production and choose OBM, a difficult but correct road.



Trade Shows & Exhibitions



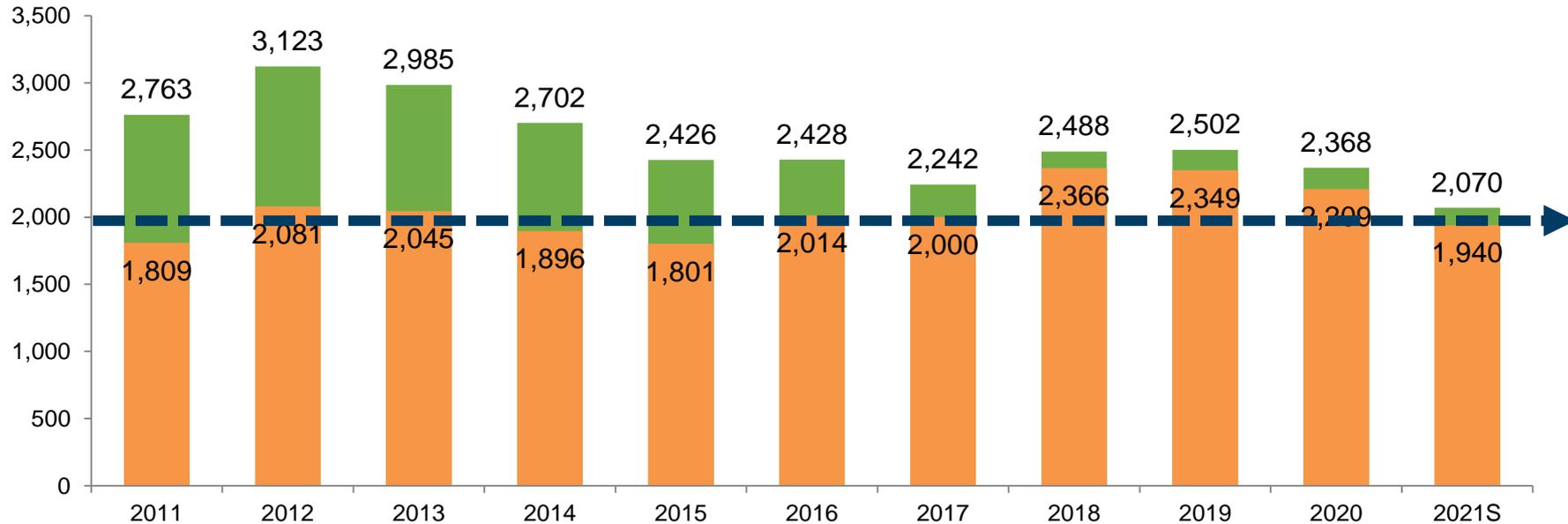


Finance Review

Consolidated Revenues

■ OP Revenue ■ VC Revenue

Unit : NT\$ million



BTAX (VC)	(41)	92	166	202	243	310	156	221**	256	276**	240**
BTAX (OP)	(181)	36	9	(187)	(83)	(103)	(133)	(30)*	0	0	0
Consolidated BTAX	(222)	128	175	15	160	207	23	191	256	276	240

*Optoelectronic Films Business (OP) incorporate into Vacuum Coating Foils Business (VC) since July 1st, 2018, therefore the revenue before income tax (BTAX) of OP in 2018 calculated to June 30th, 2018.

**Except non routine issue : a. reversal of debt loss 62M in 2018

b. increase air pollution fee estimate 85M in 2020/139M in 2021

VC Business Performance

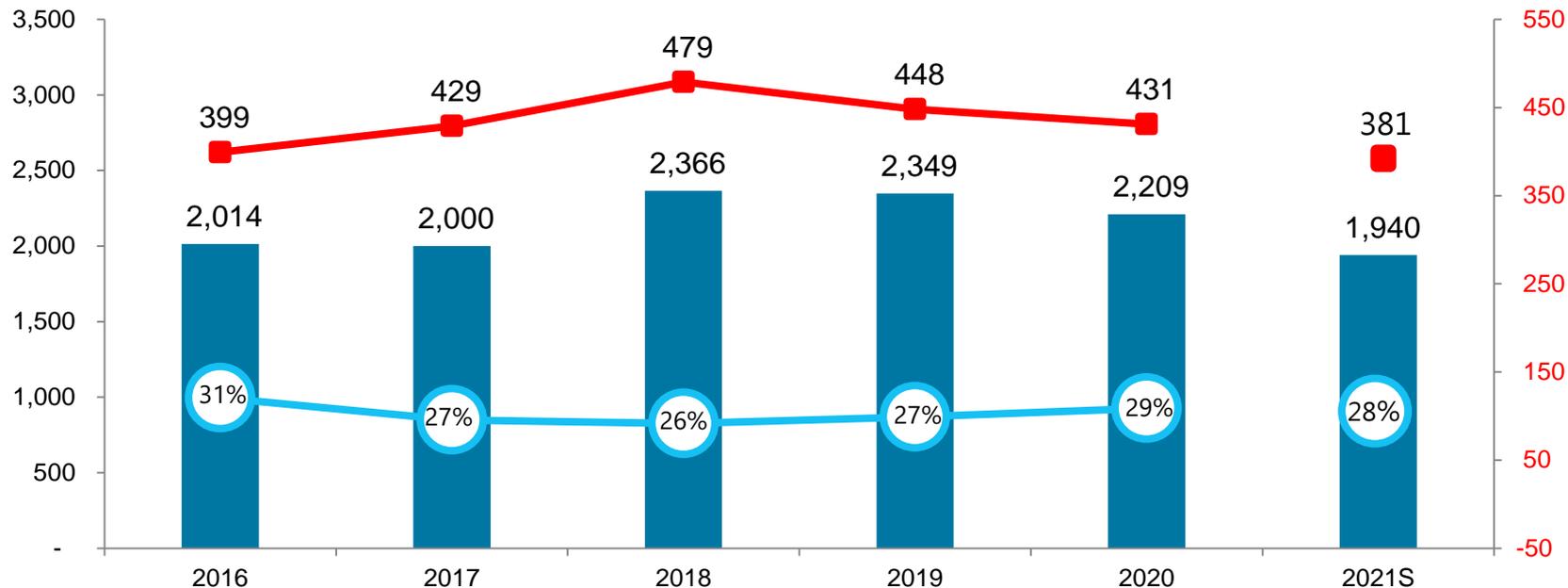
VC Revenue

VC consolidated GM

VC Sales Quantity

Unit : NT\$ million

Unit : Million SQM



Exchange Rate :
(USD : NTD)

2016	32.25	2017	30.41	2018	30.14	2019	30.90	2020	29.46	2021S	27.97
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Revenue YoY %	12%	(1%)	18%	(1%)	(6%)	16%
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Sales Quantity YoY %	21%	7%	12%	(6%)	(4%)	17%
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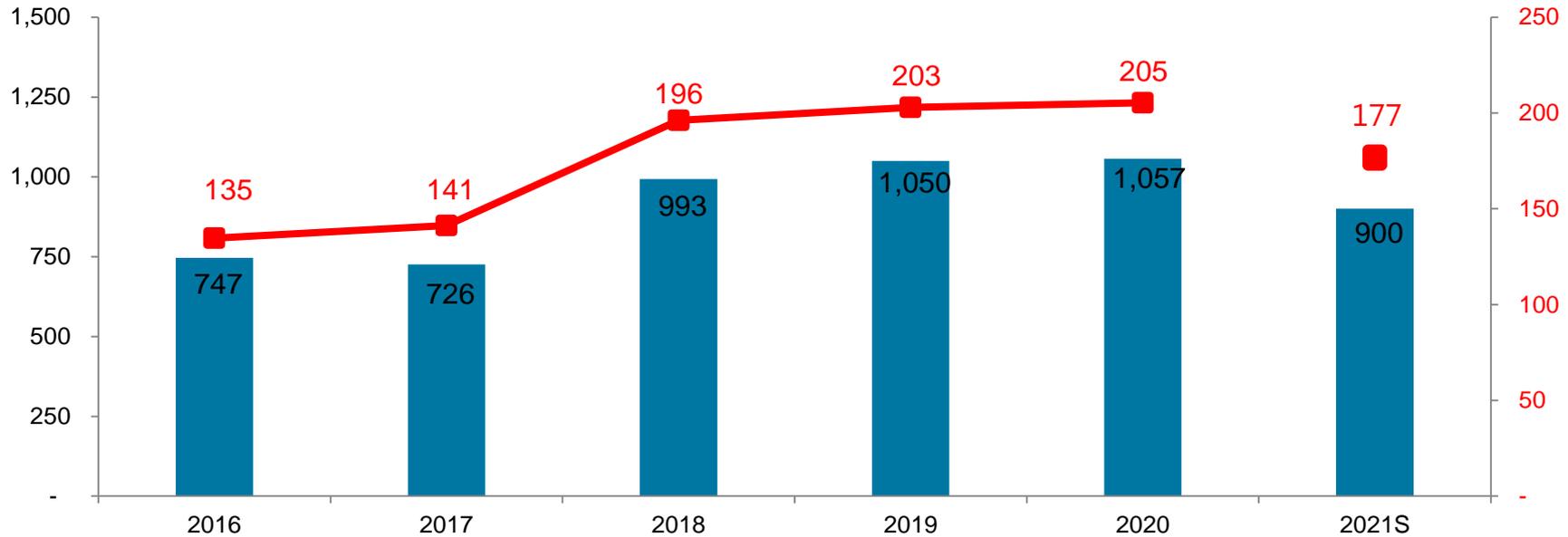
VC Niche products-Cold Foil Revenue

■ Cold Foil Revenue

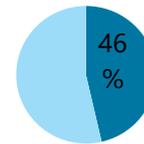
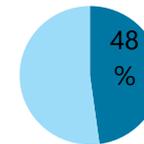
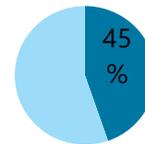
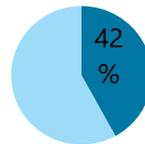
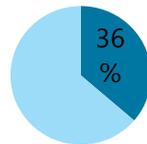
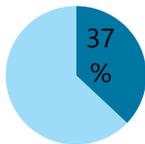
■ Cold Foil Sales Quantity

Unit : NT\$ million

Unit : Million SQM



Cold Foil-VC Revenue Ratio



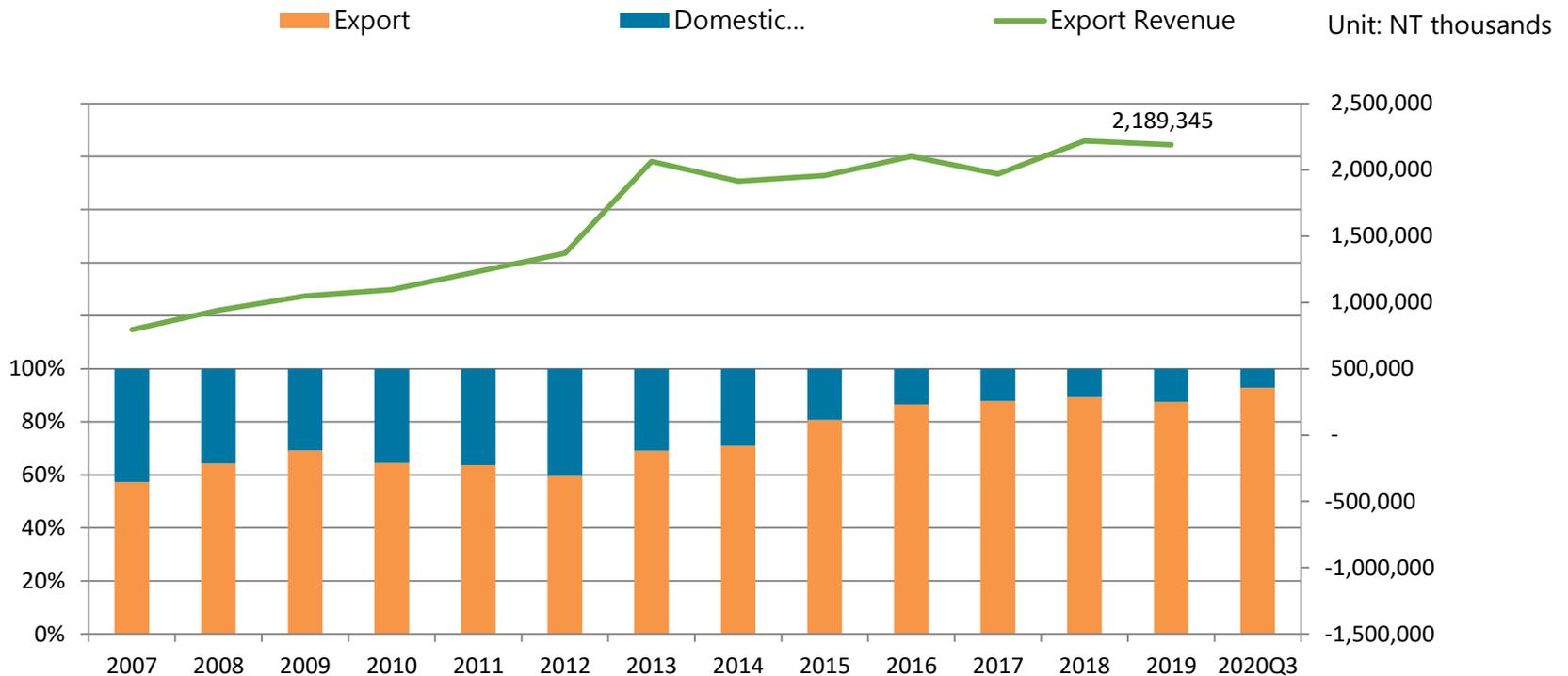
VC Export-Sales Ratio After Listing



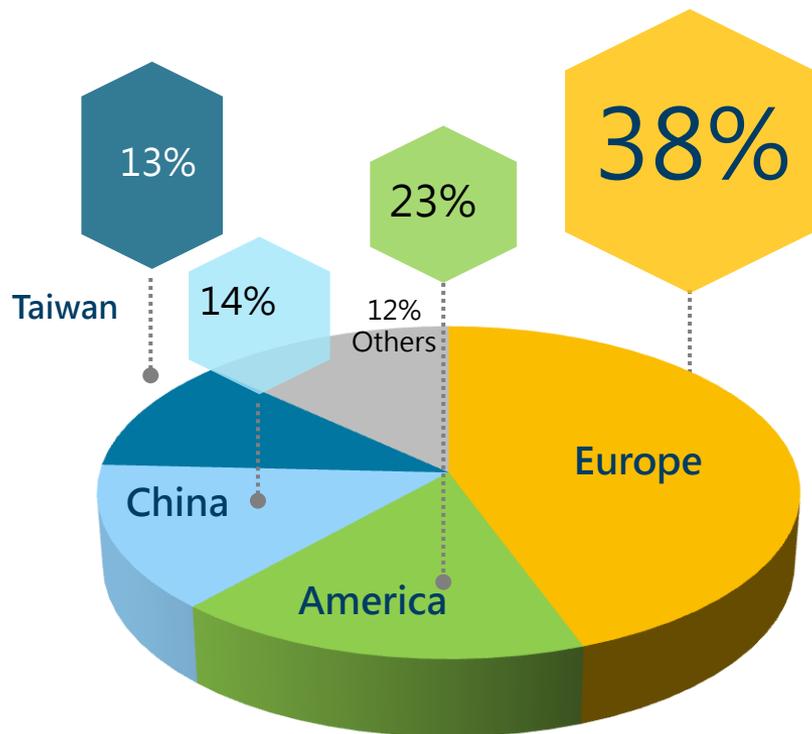
OEM → OBM



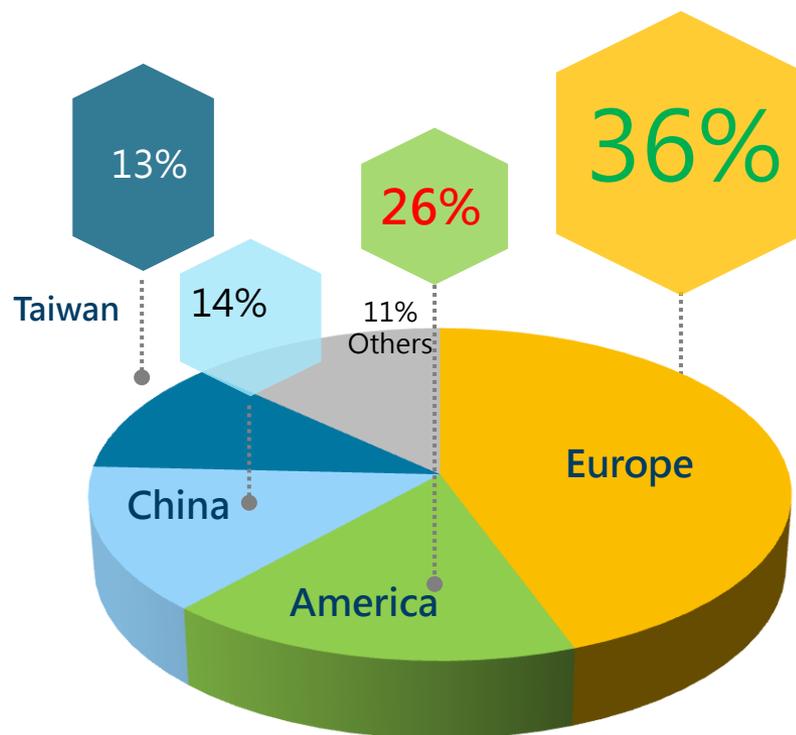
Domestic sales → Export



Consolidated Revenue by Region



2020Y



2021S

Data: UnivacCO consolidated revenue in 2020 and 2021S.

Note: Gray zone represents the revenue of other Asia countries, Oceania, and Africa.

Consolidated Income Statement(yr)

	2021S	2020S	Diff	YoY
Operating revenue	2,070,270	1,782,579	287,691	16%
Operating costs	(1,455,445)	(1,245,271)	(210,174)	17%
Gross profit (loss) from operations	614,825	537,308	77,517	14%
Gross margin	29.70%	30.14%		
Operating expenses	(336,899)	(308,721)	(28,178)	9%
Selling expenses	(122,873)	(103,569)	(19,304)	19%
Administrative expenses	(153,099)	(150,438)	(2,661)	2%
Research and development expenses	(62,064)	(51,988)	(10,076)	19%
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	1,137	(2,726)	3,863	-142%
Net operating income (loss)	277,926	228,587	49,339	22%
Operating Profit Margin	13.42%	12.82%		
Non-operating income and expenses	(177,099)	(47,162)	(129,937)	276%
Net foreign exchange gains (losses)	(18,176)	(14,983)	(3,193)	21%
Finance costs	(7,310)	(6,776)	(534)	8%
Other gains and losses	(151,613)	(25,403)	(126,210)	497%
Profit (loss) from continuing operations before tax	100,827	181,425	(80,598)	-44%
Tax expense (income)	(22,990)	(38,272)	15,282	-40%
Profit (loss) from continuing operations before tax	77,837	143,153	(65,316)	-46%
Profit(loss), attributable to non-controlling interests	796	546	250	
Profit (loss), attributable to owners of parent	77,041	142,607	(65,566)	
EPS	0.83	1.53	(0.70)	

Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share

| PAGE 29



Consolidated Income Statement(q)

	2021Q3	2021Q2	QoQ	2020Q3	YoY
Operating revenue	741,320	690,199	51,121	652,129	89,191
Operating costs	(511,772)	(488,375)	(23,397)	(453,280)	(58,492)
Gross profit (loss) from operations	229,548	201,824	27,724	198,849	30,699
Gross margin	30.96%	29.24%		30.49%	
Operating expenses	(120,245)	(104,701)	(15,544)	(103,459)	(16,786)
Selling expenses	(47,163)	(37,927)	(9,236)	(36,787)	(10,376)
Administrative expenses	(53,991)	(45,955)	(8,036)	(47,711)	(6,280)
Research and development expenses	(21,498)	(19,277)	(2,221)	(17,180)	(4,318)
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	2,407	(1,542)	3,949	(1,781)	4,188
Net operating income (loss)	109,303	97,123	12,180	95,390	13,913
Operating Profit Margin	14.74%	14.07%		14.63%	
Non-operating income and expenses	(13,325)	(157,098)	143,773	(42,501)	29,176
Net foreign exchange gains (losses)	(301)	(14,690)	14,389	(10,528)	10,227
Finance costs	(2,442)	(2,412)	(30)	(2,518)	76
Other gains and losses	(10,582)	(139,996)	129,414	(29,455)	18,873
Profit (loss) from continuing operations before tax	95,978	(59,975)	155,953	52,889	43,089
Tax expense (income)	(21,808)	14,033	(35,841)	(12,863)	(8,945)
Profit (loss) from continuing operations before tax	74,170	(45,942)	120,112	40,026	34,144
Profit(loss), attributable to non-controlling interests	477	290	187	81	396
Profit (loss), attributable to owners of parent	73,693	(46,232)	119,925	39,945	33,748
EPS	0.79	(0.50)	1.29	0.43	0.36

Consolidated Balance Sheet

	2021/9/30	2020/12/31	2020/9/30
Selected Asset Items			
Cash	447,040	515,756	375,563
Accounts Receivables	592,027	509,809	524,353
Inventory	581,687	478,217	446,411
Fixed Assets/Intangible Assets/Right-of-use Assets	1,458,357	1,429,987	1,428,930
Other Assets	327,323	267,561	324,625
Total Assets	3,406,434	3,201,330	3,099,882
Selected Liability Items			
Long-Term/Short-Term Debt	891,817	838,163	822,595
Accounts Payable	668,717	485,261	400,345
Other Liabilities	126,945	119,917	117,692
Total Liabilities	1,687,479	1,443,341	1,340,632
Capital	960,896	960,896	960,896
Total Equity	1,718,955	1,757,989	1,759,250
Debt Ratio	49.5%	45.1%	43.2%
Book Value Per Share	18.17	18.80	18.82

Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share

Cash Flow

Unit: In Thousands of New Taiwan Dollars

	2021S	2020Y	2019Y
Cash Flow from Operations	185,596	242,645	531,831
Cash Flow from Investing	(182,015)	(110,848)	(288,076)
Cash Flow from Financing	(64,927)	11,896	(234,112)
Effect of Exchange Rate Change	(7,370)	368	(7,465)
Net Increase in Cash	(68,716)	144,061	2,178
Cash at Quarter End	447,040	515,756	371,695
Depreciation and Amortization	110,921	140,874	132,187
Depreciation of Right of use Asset(Note)	10,126	12,802	12,567

(Note):The Group adopted IFRS 16 on January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

Earnings & Dividends

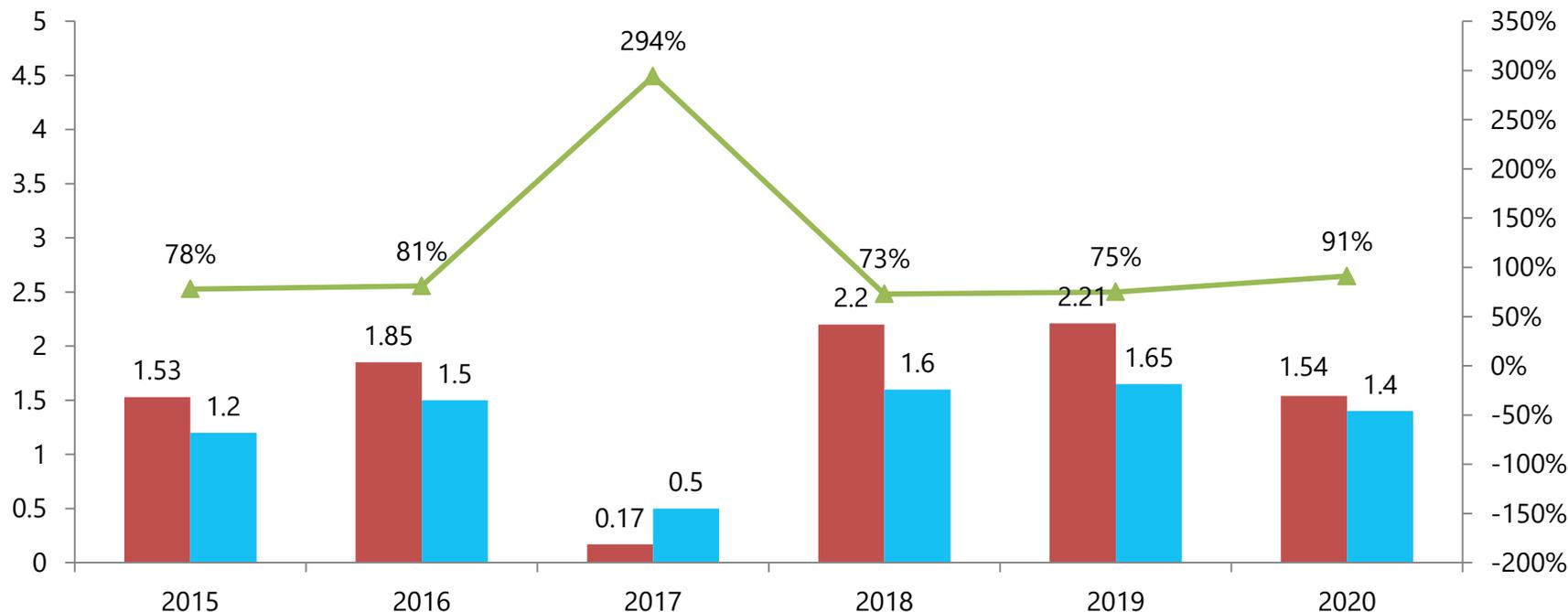
■ EPS(NTD/Share)

■ Dividend (NTD/share)

▲ Distribution Yield

Unit : %

Unit : NTD/Share



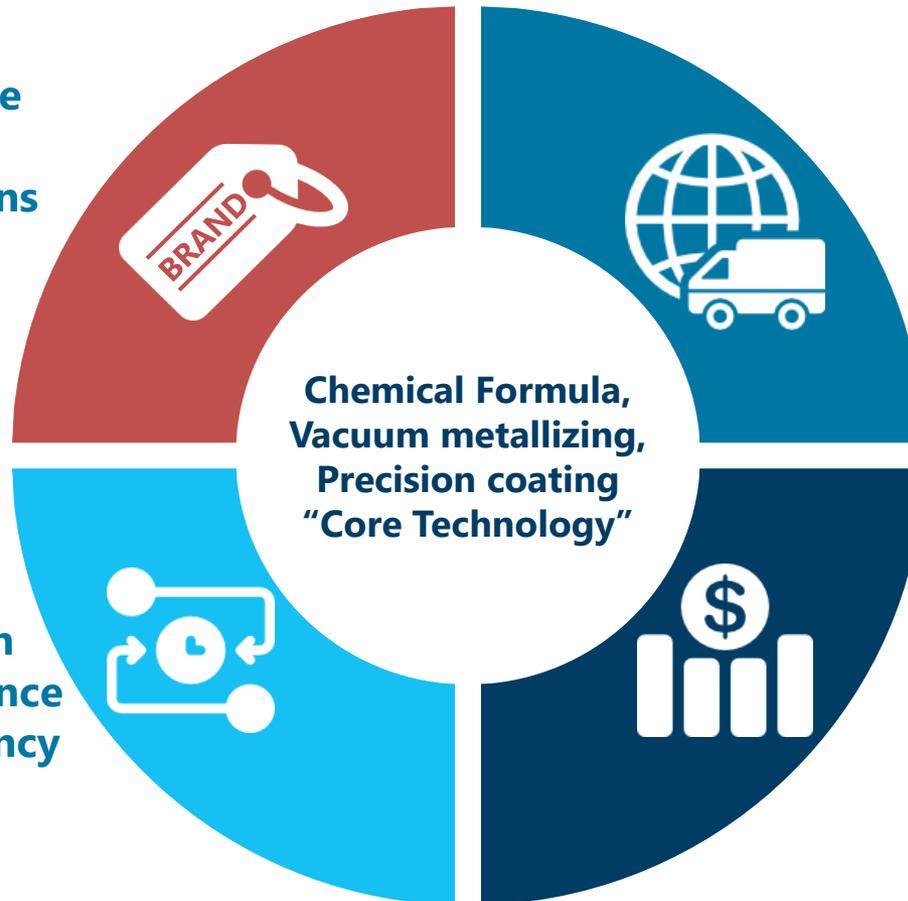
Net Profit after Tax (NT\$ Million)	150	177	16	209	208	144
EPS (NTD/share)	1.53	1.85	0.17	2.20	2.21	1.54
Dividend (NTD/share)	1.20	1.50	0.50	1.60	1.65	1.40
Distribution Yield	78%	81%	294%	73%	75%	91%



Future Plan & Corporate Governance

Focus on Core Business

Actively participate the global trade shows & exhibitions to promote UNIVACCO brand name



Strengthen global sales channels and cooperate with large global printing houses

Expand production capacity and enhance production efficiency to reduce costs

Continue to R&D and increase the sales of niche products such as cold foils

Enlarge Vacuum Coating Industry



- ✓ The value of OBM has been revealed, the revenue of company has grown rapidly.
- ✓ Implement the intellectualization manufacturing to strengthen the advantages in the industry.
- ✓ Labor costs in China has increased gradually and it is difficult to against R&D technology.
- ✓ Increasing the production capacity in Taiwan to protect the export market planning as well as to avoid tensions over trade are heating up between the United States and China from 2018.

Item	Amount
Land purchased	NTD 800 million
Factory extended	
Manufacturing equipment purchased	
Working capital	

The background of the slide is a large, abstract graphic. It consists of a thick, flowing ribbon with a rainbow gradient that curves across the frame. On the left side, the ribbon forms a frame containing a composite image: the top part shows a view of Earth from space, and the bottom part shows a silhouette of a family (a woman, a child on a tricycle, and another child) walking on a path. The overall theme is sustainability and environmental care.

UNIVACCO and SUSTAINABILITY



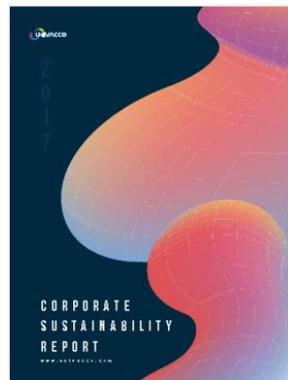
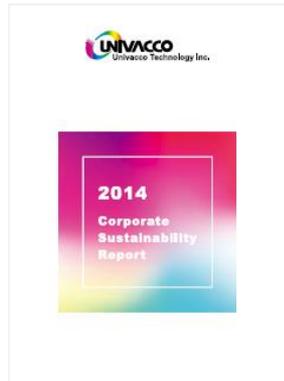
Environmentally Friendly

We not only focus on providing high-quality foil products, but also following to the company-wide ethical principles of integrity, pragmatism, gratitude, and appreciation guide our development and form the foundation all of our policies, and specifically on sustainability.

CSR Report



- Release CSR Report since 2013
- Since 2015, Univacco has been among the top 20% Taiwan OTC listing companies in “Corporate Governance Performance Review”



Responding to Global Sustainability

Univacco actively commits to the 2030 Sustainable Development Agenda and its Sustainable Development Goals (SDGs) as outlined by the United Nations.

- Focus on the following eight goals in 2020



Producing Sustainably



Quality Management
ISO 9001:2015



Environmental Management
ISO 14001:2015



Energy Management
System
ISO 50001:2018



Occupational Health
and Safety Assessment Series
ISO 45001:2018



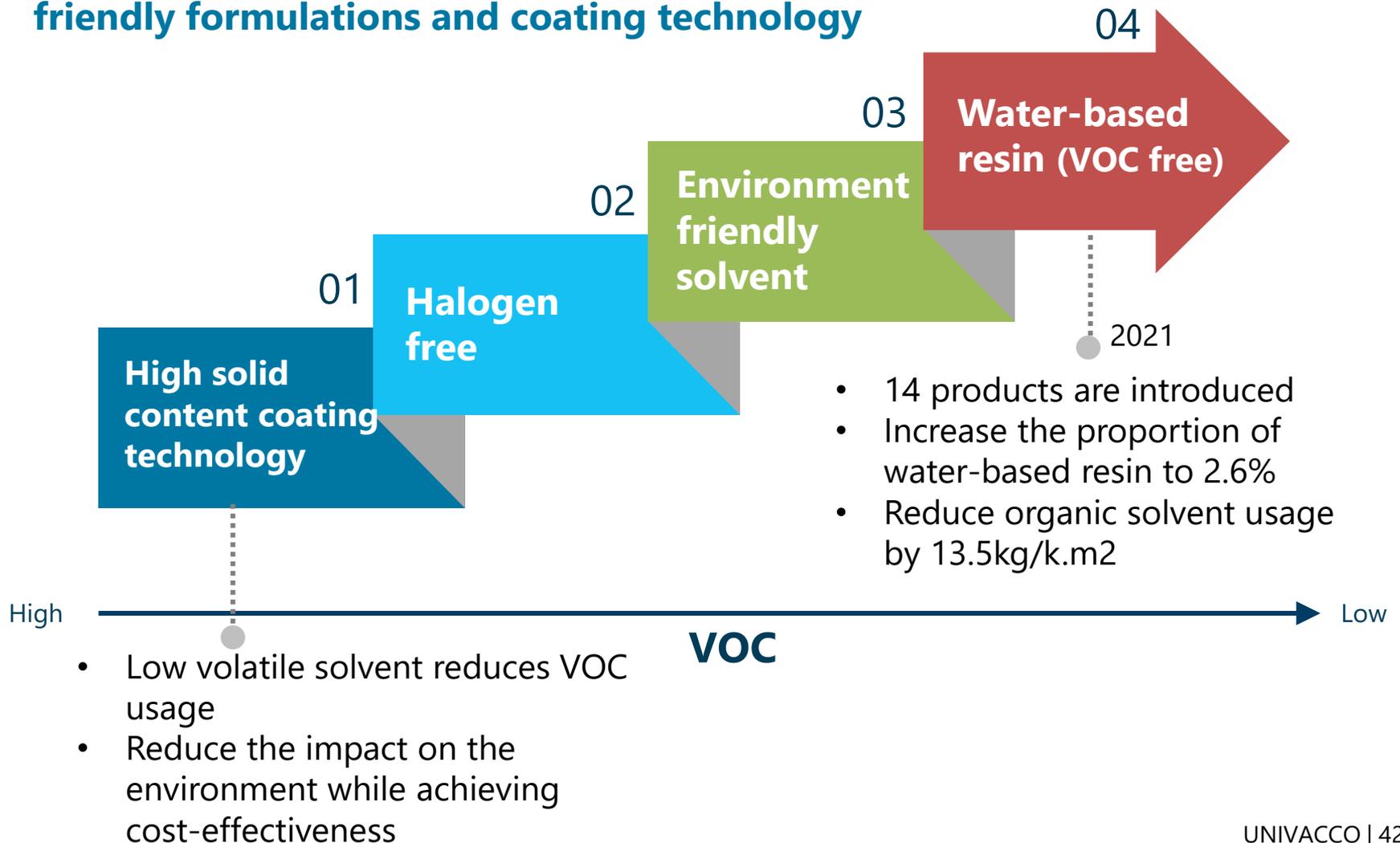
Greenhouse Gas
Management
ISO 14064-1:2018



Product Carbon Footprint
ISO 14067:2018

Green Materials

Towards the development of green products, environmentally friendly formulations and coating technology



Minimizing & Avoiding Waste



We eliminate waste in all steps across the manufacturing, slitting, and shipping processes.



Implementing a solvent recycled and reused process



Using RTO/RRTO recycle combustion



Piloting the reusable roll packing methods

Recyclability and Deinkability



A hot stamping foil/cold foil provided by Univacco has been certified in **the highest level of deinkability by INGEDE.**

- Large areas of stamping foil coverage can be removed through the deinking process
- Hot/cold foil used on recyclable materials can be completely removed during the repulping process.



Univacco Technology Inc.
No. 1-13, Makou VII., Madou Dist.
Tainan City 72154
TAIWAN R.O.C.

29 December 2020/DI30

Confirmation about the deinkability of a printed product

1. Test
The test print was tested according to INGEDE Method 11 and assessed according to the 'Assessment of Printed Product Recyclability – Deinkability Score' (EPRC 2017).

2. Specifications

Print sample:	Laboratory-prepared samples Hot Stamping Foil 705
Paper:	Recycled paper
Paper manufacturer:	Recycled
Paper surface:	Recycled paper
Printing process/ Printing machine:	unprinted
Printing ink/toner:	Hot-stamping foil removed after application of the aluminium layer, not in the final product, unprinted metal layer

3. Total result

The total score is 93/100 points.
The deinkability is rated 'good'.
Image: Sample tested



INGEDE Office
International Association of the Deinking Industry
Conventstr. 40, 70221 Stuttgart-Möhringen
Registry Number: HRB 248150
Tel. +49 7143 37022-27
www.ingede.org
office@ingede.org

Compostability and Biodegradability



Univacco Technology Inc. has gained a **DIN CERTCO certificate** for hot stamping foil, confirming that as an additive that is safe for the composting process.

- ✓ European Standard EN13432
- ✓ North America Standard ASTM D6400

After decomposition, substrates decorated by Univacco hot foil leave no toxic residues nor show any negative effects on the environment.





Univacco Technology Inc.

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www.univacco.com

