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UnivacCO Half Year Operation Review 2022

6 September 2022

Outline

- About UnivacCO
- Finance Review
- Sustainability and Corporate Governance
- Q3 2022 Outlook

About Univacco



A worldwide leading stamping foil manufacturer



2021 consolidated revenue was NTD 2,848m, up 20% on the prior period



4000 customers in 70 countries worldwide



Won the Taiwan Excellence Award for 5 consecutive years



Univacco Group

More than 30-year coating & vacuum metallizing expertise.

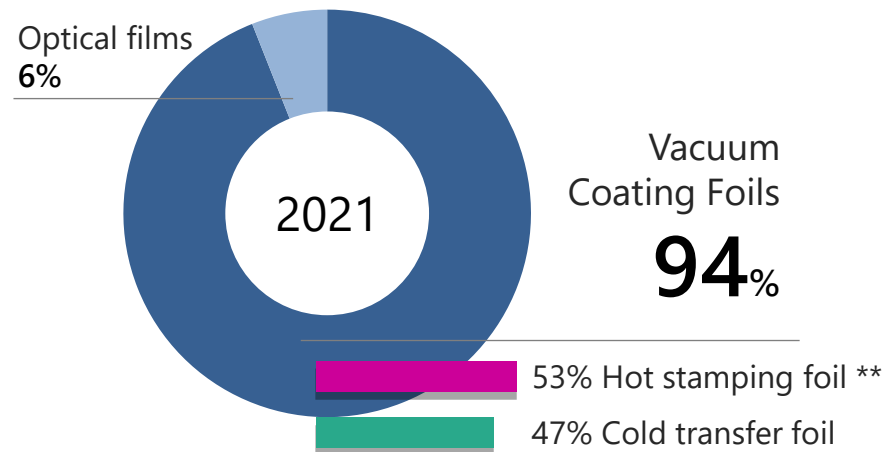
- Established 1990 (Listed in 2007)
- Main Products Vacuum Coating Foils (VC) / Optical films (OP)
- Group Employees 660 *
- Paid-up Capital NTD 941 million *

* As of June 30, 2022

Group Revenue NTD **2,848_m** ▲ 20%



Group Revenue by Product



** Other foil products included UNIVACCO | 4

Global Sales

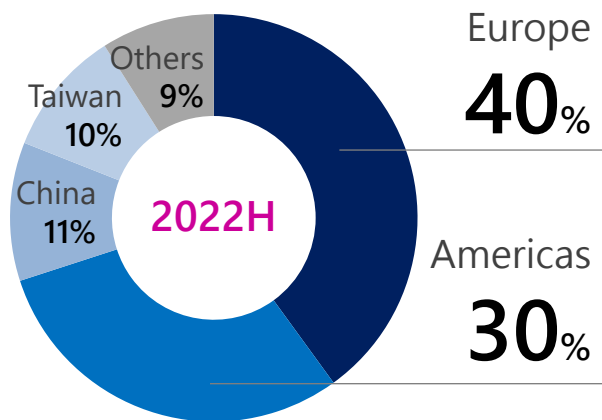
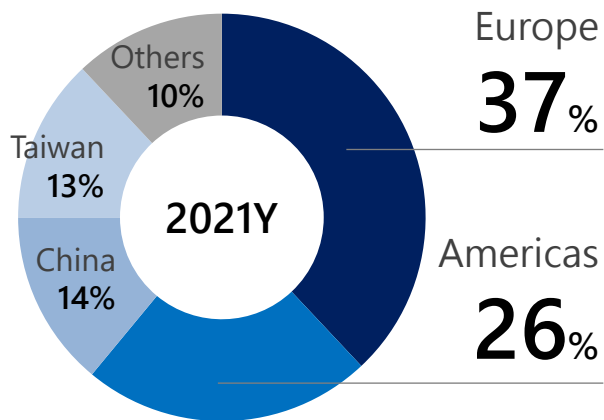
Source: 2021 Univacco group revenue

- Countries/Regions 70
- Clients 4000+
- Production sites 6 (5 in Taiwan, 1 in China)

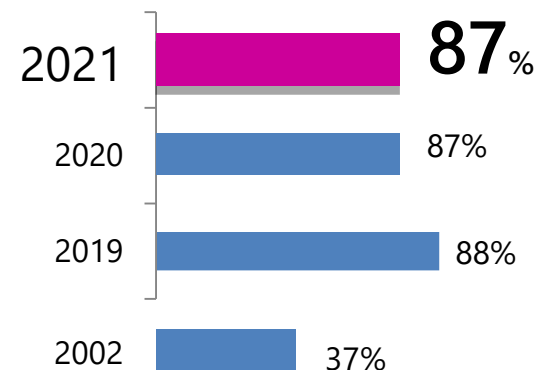


Global Sales

Group Revenue by Region



The Proportion of Exports



UNIVACCO

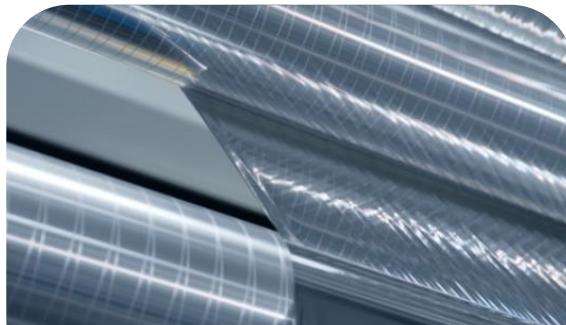


represents the core value

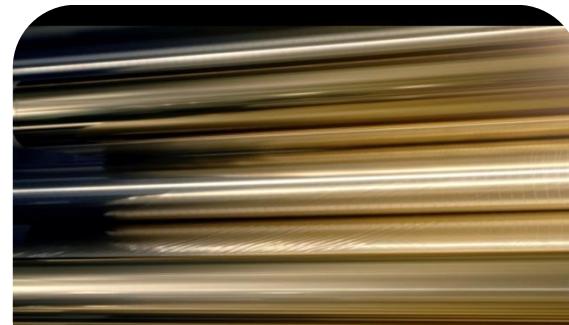
A global leading brand of stamping foil and cold transfer



Unique Chemical Formulas



Vacuum Metalizing



Coating Technology

Product Range

Vacuum Coating Foils

Proportion of sales: 94%



- Hot stamping foil
- Cold transfer foil
(sheet fed offset/narrow web)
- Holographic foil
- Digital foil
- Function foil

Optical films

Proportion of sales: 6%



- Medical Film
- OEM coating service
- PET Protective Film
- Adhesive SMD Cover Tape

Widely Used



- Greeting cards
- Print media (magazine)
- Commercial printing (poster, advertisement)
- Folding boxes (food, cosmetic)
- Pressure sensitive labels
- Wet glue labels
- Laminates
- Artificial leather

Awards and Honors



Won FSEA Gold Leaf Award for 12 consecutive years

2021-1 silver and 1 bronze
2020-2 gold and 2 bronze
2019-1 gold, 1 silver and 2 bronze



Won Taiwan Excellence Award for 5 consecutive years

2022-Hot stamping foil 705 new series
2021-Toner foil
2020-Hot stamping foil RS-01



The National Brand
Yushan Award
(2017-2020)



Potential Taiwan
Mittelstnad
Award(2017)



FINAT
(2017)



Sun Cup Asia
Label
Awards(2016)



Executive Yuan
Labor Committee-
Friendly Workplace



Taiwan TrainQuali System

Taiwan Training Quality
System (TTQS)
Gold Award 2010

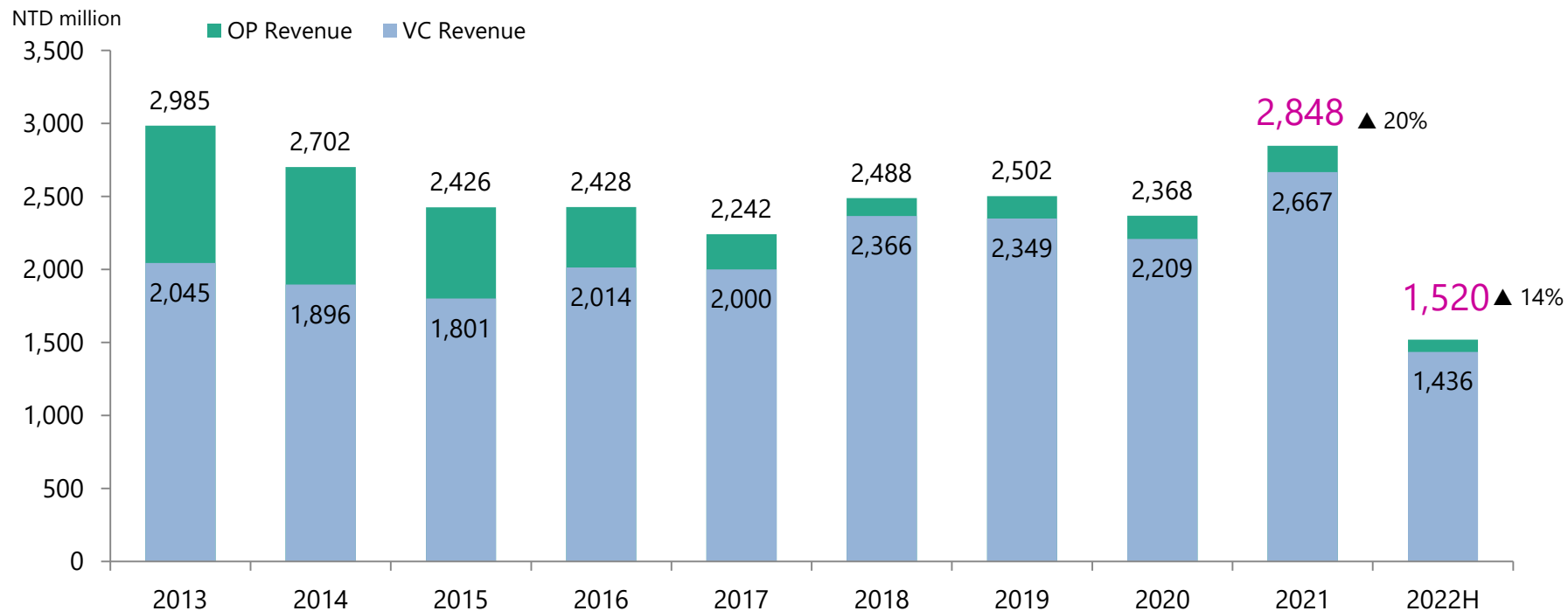


Healthy
Workplace
Certification

Finance Review

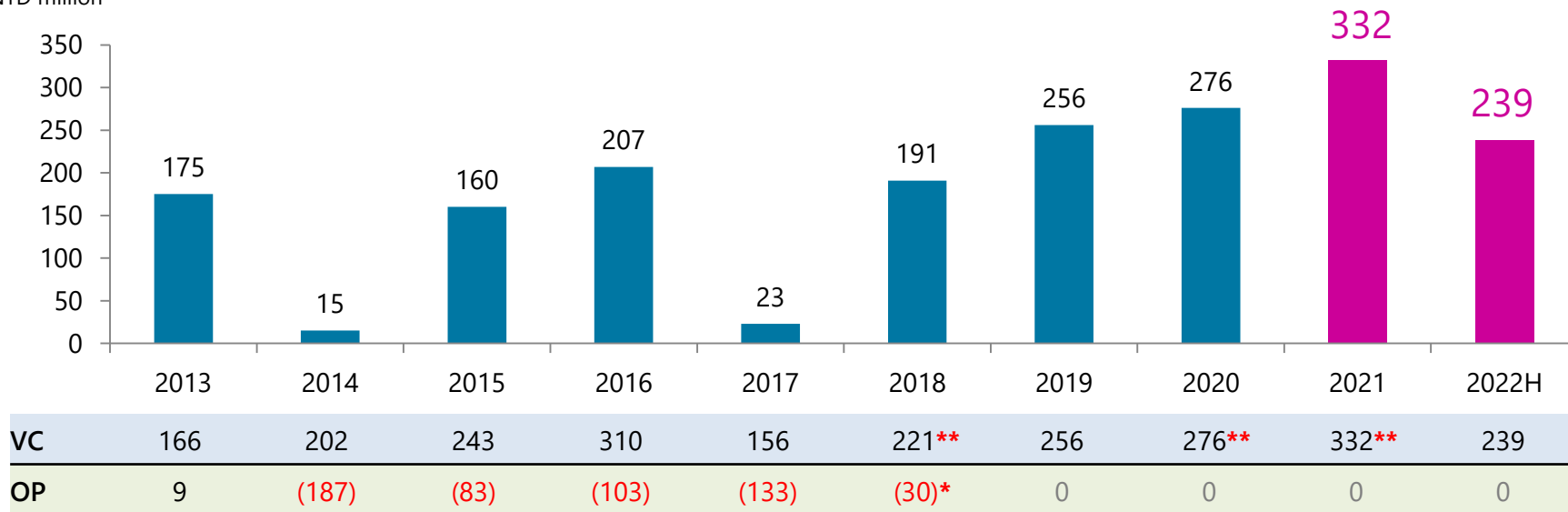


Consolidated Revenues



Consolidated BTAX

NTD million



*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.

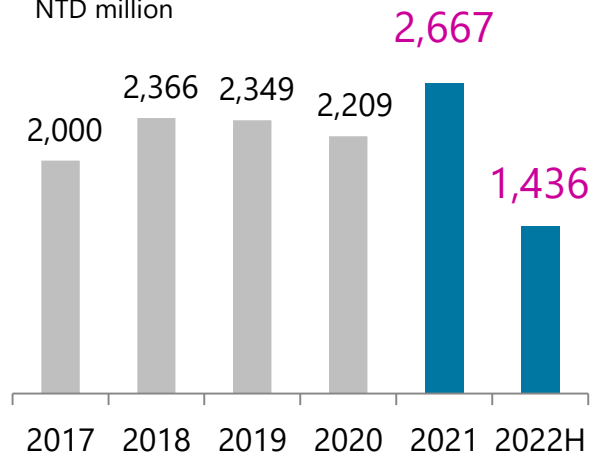
**Except non routine issue : a. reversal of debt loss 62M in 2018

b. increase air pollution fee estimate: 85m in 2020, 139m in 2021

VC Business Performance

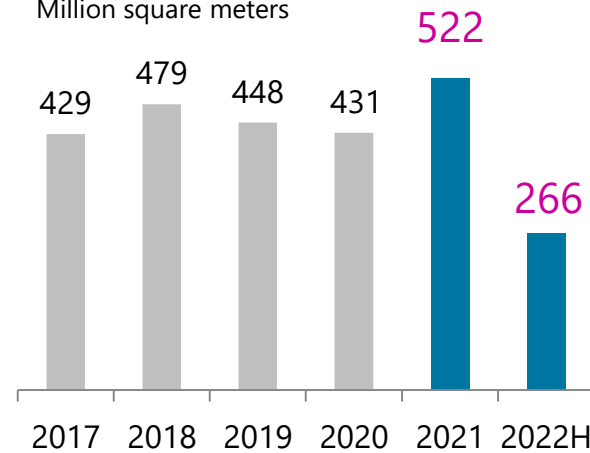
Revenue

NTD million



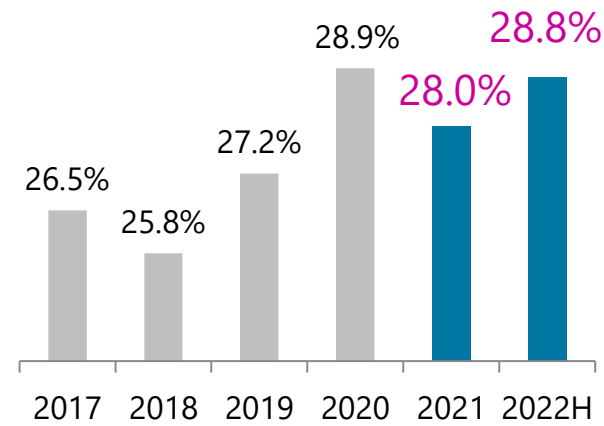
Sales Quantity

Million square meters



Gross Profit

%



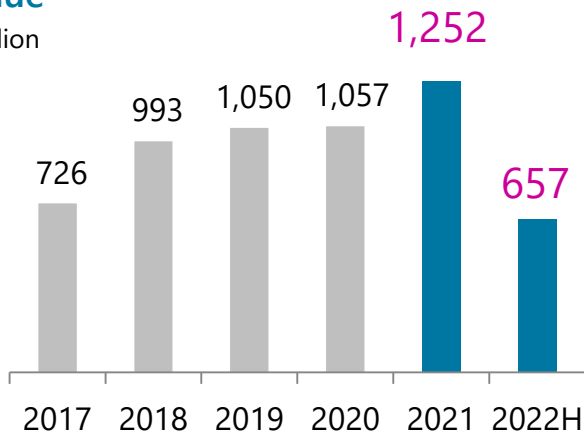
YoY (1%) 18% (1%) (6%) 21%

7% 12% (6%) (4%) 21%

VC Niche products-Cold Foil Revenue

Revenue

NTD million



YoY

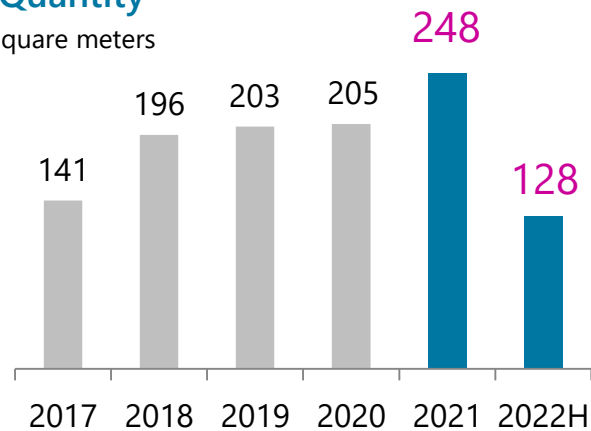
1% 6% 37% 18%

Product-group Ratio

36% 42% 45% 48% 47% 46%

Sales Quantity

Million square meters

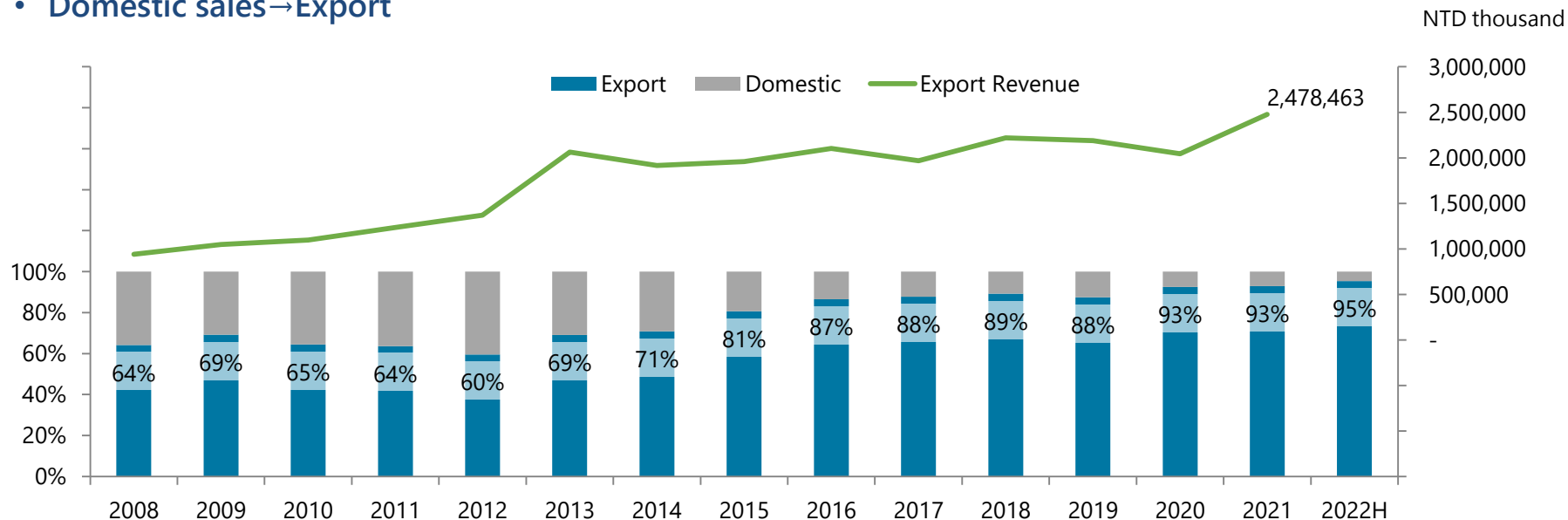


YoY

39% 4% 1% 21%

Export-Sales Ratio After Listing

- OEM→OBM
- Domestic sales→Export



Consolidated Income Statement-yr



NTD thousand	2022H	2021H	YoY%
Operating revenue	1,520,047	1,328,950	14%
Gross profit (loss) from operations	456,042	385,277	18%
Gross margin	30.00%	28.99%	
Operating expenses	(248,969)	(216,654)	15%
Selling expenses	(85,622)	(75,710)	13%
Administrative expenses	(116,835)	(99,108)	18%
Research and development expenses	(41,295)	(40,566)	2%
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(5,217)	(1,270)	311%
Net operating income (loss)	207,073	168,623	23%
Operating Profit Margin	13.62%	12.69%	
Non-operating income and expenses	31,538	(163,774)	-119%
Net foreign exchange gains (losses)	42,602	(17,875)	-338%
Finance costs	(5,400)	(4,868)	11%
Other gains and losses	(5,664)	(141,031)	-96%
Profit (loss) from continuing operations before tax	238,611	4,849	4821%
Tax expense (income)	(60,429)	(1,182)	5012%
Profit (loss) from continuing operations before tax	178,182	3,667	4759%
Profit(loss), attributable to non-controlling interests	(117)	319	
Profit (loss), attributable to owners of parent	178,299	3,348	
EPS (NTD)	1.89	0.04	

Consolidated Income Statement-q



NTD thousand	2022Q2	2022Q1	QoQ	2021Q2	YoY
Operating revenue	765,522	754,525	1%	690,199	11%
Gross profit (loss) from operations	243,339	212,703	14%	201,824	21%
Gross margin	31.79%	28.19%		29.24%	
Operating expenses	(124,845)	(124,124)	1%	(104,701)	19%
Selling expenses	(43,672)	(41,950)	4%	(37,927)	15%
Administrative expenses	(58,905)	(57,930)	2%	(45,955)	28%
Research and development expenses	(21,676)	(19,619)	10%	(19,277)	12%
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(592)	(4,625)	-87%	(1,542)	-62%
Net operating income (loss)	118,494	88,579	34%	97,123	22%
Operating Profit Margin	15.48%	11.74%		14.07%	
Non-operating income and expenses	15,887	15,651	2%	(157,098)	-110%
Net foreign exchange gains (losses)	16,922	25,680	-34%	(14,690)	-215%
Finance costs	(2,836)	(2,564)	11%	(2,412)	18%
Other gains and losses	1,801	(7,465)	-124%	(139,996)	-101%
Profit (loss) from continuing operations before tax	134,381	104,230	29%	(59,975)	-370%
Tax expense (income)	(37,936)	(22,493)	69%	14,033	-310%
Profit (loss) from continuing operations before tax	96,445	81,737	18%	(45,942)	21%
Profit(loss), attributable to non-controlling interests	(64)	(53)		290	
Profit (loss), attributable to owners of parent	96,509	81,790		(46,232)	
EPS (NTD)	1.03	0.87		(0.49)	

Consolidated Balance Sheet



NTD thousand

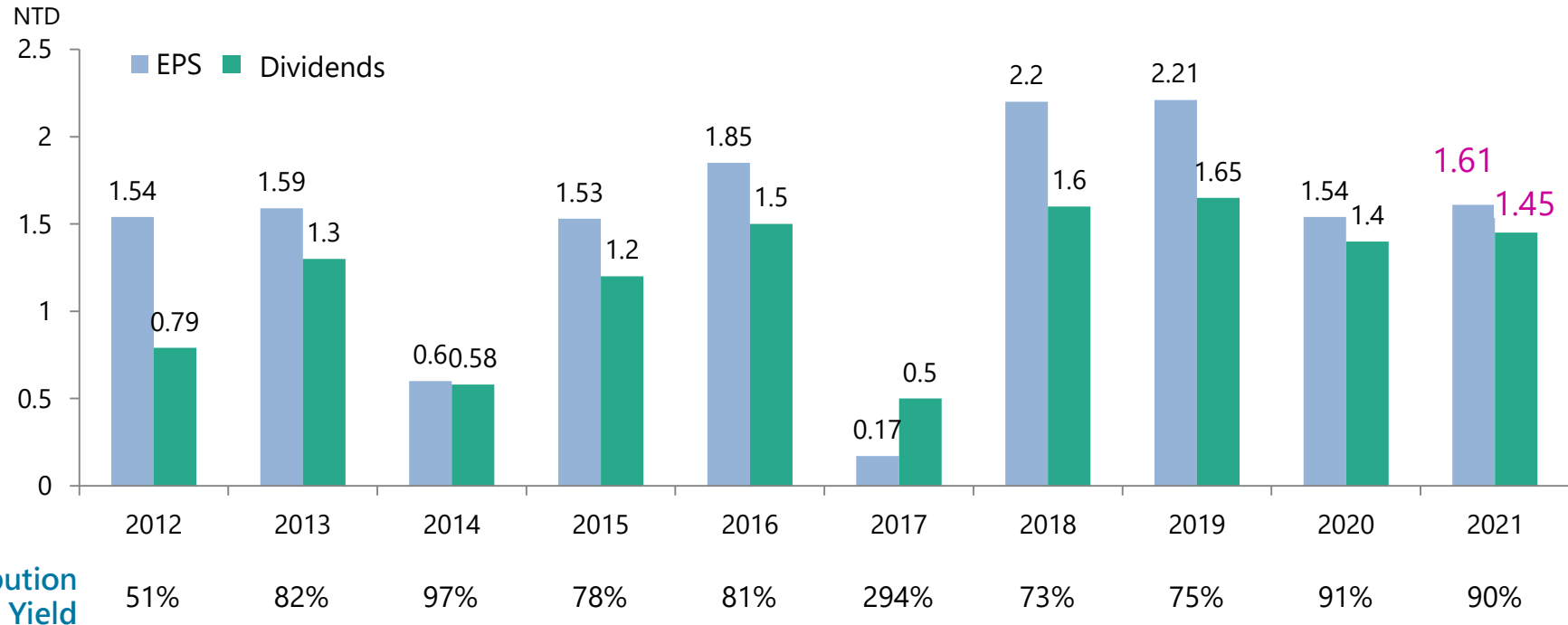
	2022/6/30	2021/12/31	2021/6/30
Selected Asset Items			
Cash	474,541	534,682	452,991
Accounts Receivables	654,582	593,466	595,398
Inventory	688,515	610,623	523,992
Fixed Assets/Intangible Assets/Right-of-use Assets	1,419,447	1,432,782	1,434,622
Other Assets	310,502	91,271	363,719
Total Assets	3,547,587	3,262,824	3,370,722
Selected Liability Items			
Long-Term/Short-Term Debt	827,774	917,239	850,883
Accounts Payable	716,708	611,760	696,846
Other Liabilities	154,134	174,425	199,686
Total Liabilities	1,698,616	1,703,424	1,747,415
Capital	940,906	940,906	960,896
Total Equity	1,848,971	1,794,281	1,623,307
Debt Ratio	47.9%	52.2%	51.8%
Book Value Per Share (NTD)	19.65	19.07	16.89

Cash Flow



NTD thousand	2022H	2021Y	2021H
Cash Flow from Operations	65,580	295,021	73,618
Cash Flow from Investing	(40,373)	(227,751)	(136,270)
Cash Flow from Financing	(96,482)	(43,070)	6,603
Effect of Exchange Rate Change	11,134	(5,314)	(6,716)
Net Increase in Cash	(60,141)	18,926	(62,675)
Cash at Quarter End	474,541	534,682	452,991
Depreciation and Amortization	73,347	146,986	74,956
Depreciation of Right of use Asset(Note)	7,841	14,108	6,565

Distributed dividends for ten consecutive years

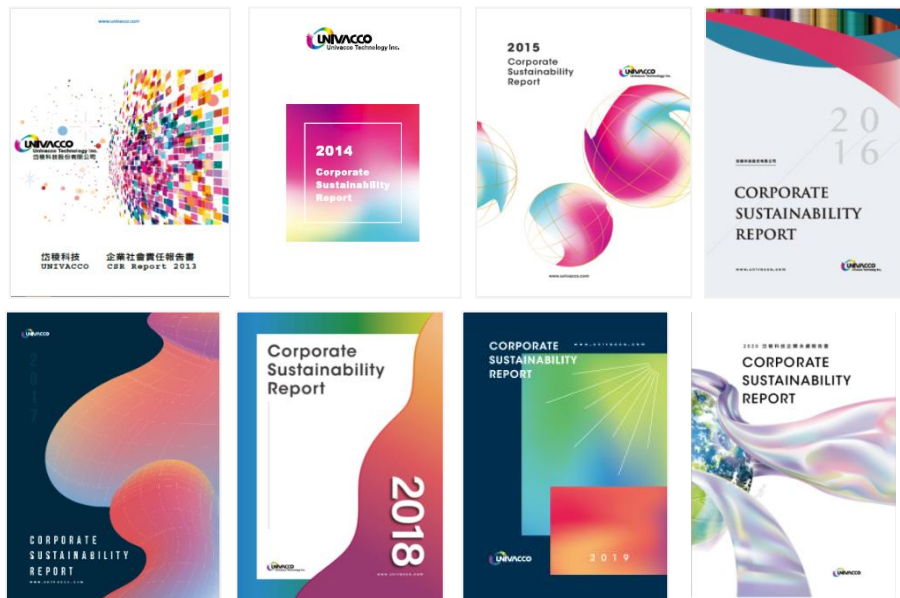




Sustainability and Corporate Governance

Release CSR Report since 2013

UnivacCO has started to release the CSR report since 2013, for nine consecutive years.





UNIVACCO for a Better Future

UNIVACCO is a brand you can rely on to deliver outstanding graphic enhancement. As a worldwide leader in hot stamp and cold transfer foils, it is our responsibility to offer a sustainable product offering.

Meet Sustainable Development Goals

As for the development of green products and clean production strategies, UNIVACCO actively commits to the 2030 Sustainable Development Agenda and its 17 Sustainable Development Goals (SDGs).

- 2021 Univacco focus on 8 goals

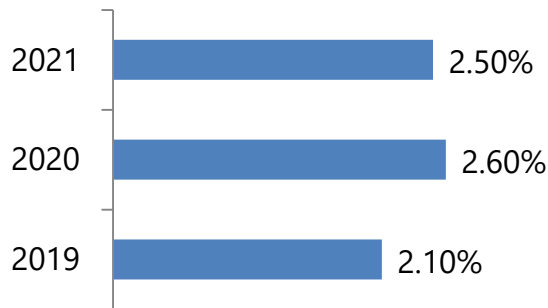


Environment - Green Product

Eliminate carbon emissions

- Thinner PET carrier
- Develop water-based resins products

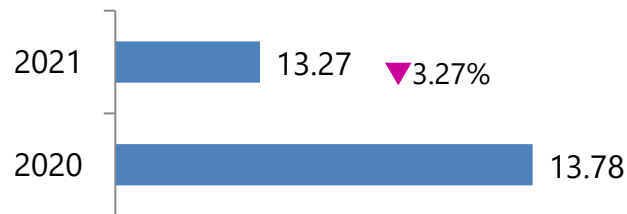
Water-based resins to total resin ratio



Transfer to greener and safer raw material

- Introduction of high solids coating technology, lower solvent consumption.
- Develop products with hazard-free and halogen-free formula

The consumption of organic solvent (kg/k.m2)





Environment- Green Product

Use renewable resources

- Foil on post-consumer recycled (PCR) carrier
- Development of a foil made from used foil

More Eco-friendly

- Complies with hazard-free regulations
- Foil-stamped prints are **RECYCLABLE and DEINKABLE** 
- Foil-stamped prints are **COMPOSTABLE and BIODEGRADABLE** 
- Used foil turns into PET chips and combustible fuel pellets



Social Engagement



95%
of key suppliers signed back the
"Supplier Social Responsibility
and Ethics Commitment"



Introduction of
Hazardous Substances
Management System
QC080000



Proportion of
female supervisors
12%



The rate of
reinstatement from
childcare leave
100%



Turnover rate
22.8%



0
Labor disputes

Governance



Set up a
Corporate Sustainability Committee



Certified with
Information Security Management System
ISO 27001



Information disclosure transparency
Core Options 2016
AA1000 Assurance Standard
Type 1 Moderate Assurance Level



Percentage of downgrading
major risk items
57%



Percentage of
R&D expenses of revenue
3.06%

▲ 17%



Corporate Governance Performance Review
Top 20% of Taiwan
OTC listing companies
during 2015-2020.
Top21-35% in 2021

A large, colorful color wheel is positioned on the left side of the slide. It is a semi-circle divided into numerous concentric rings and radial segments, each representing a different color. The colors transition smoothly from red at the top to blue at the bottom, with various shades of green, yellow, and purple in between. The wheel is slightly tilted and has a soft shadow.

Q3 2022 Outlook

Q3 2022 Outlook

Clients

Sales expectation remain the same as H1 2022.

- With widespread application products, facing the peak season from Christmas demand.
- Depreciation of TWD will be favorable to export.

Cost

Purchase cost of material remain lower level.

- PET(main material) with price favorable impact from supply and demand imbalance.
- Stabler international crude oil price than H1 2022.
- Keep technology advantage for production unit cost decrease.

Disclaimer Statement

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