



華豐橡膠工業股份有限公司
HWA FONG RUBBER Ind. Co., Ltd.



INSTITUTIONAL INVESTORS CONFERENCE

3Q21' FINANCIAL RESULTS AND OUTLOOK

DEC. 18th, 2020

DISCLAIMER

The information from this presentation was obtained by the company from various reliable sources. The information published is subjected to change caused by future uncertainties. Please refer to the information published on MOPS if the above circumstances take place.

COMPANY PROFILE

- Foundation: December, 1945
- TWSE Listing Date: May 8th, 2000
- Headquarter: Chunghwa County, Taiwan
- Capital: NTD 2.79 Billion
- Chairman: Kuo-Jung Shen
- Total Number of Employees: 3,158 (Group)



BRAND VALUE



DURO is derived from the English word “**Durability**”, which reflects Hwa Fong Rubber Group’s highest corporate principle: “ **Quality first**”. The four letters– **D**、**U**、**R**、**O** – represent the four pillars upholding this principle of highest quality : **Dependable, Utility, Rapid , Outstanding.**

Dependable

With more than 70 years' devotion to tire manufacturing, Hwa Fong Rubber Group is your reliable partner providing DURO tires with best quality.

Utility

DURO's comprehensive product line meets and satisfies every customer's needs, from passenger car, light truck, SUV, motorcycle, ATV, bicycle, trailer, specialty to race kart.

Rapid

Dedicated to exceeding our customer's expectations in full satisfaction, from swift communication to smooth delivery with maximum efficiency, not to mention the superb high speed stability and performance of DURO tires.

Outstanding

Great quality, advanced technology and excellent service are our commitment to fulfill a wide range of interests and applications. Numerous certifications and awards are the proof, e.g. winners of the Red Dot Award and the Taiwan Excellence Award of 2018.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED)

Unit : NTD 0.1 Billion	20213Q	20203Q	Diff	Diff. %
Sales Revenue	39.7	34.61	5.09	12.82%
Cost of Good Sold	30.26	27.02	3.24	10.71%
Gross Profit	9.43	7.59	1.84	19.51%
Gross Profit Ratio	23.75%	21.93%	0.0182	7.68%
Operating Expenses	4.01	3.56	0.45	11.22%
Operating Expenses Ratio	10.10%	10.29%	-0.002	-1.83%
Operating Income	5.42	4.03	1.39	25.65%
Operating Income Ratio	13.65%	11.64%	0.0201	14.71%
Net Income to Shareholders of the Parent Company	2.81	2.14		
EPS(NT Dollar)	1.01	0.64		

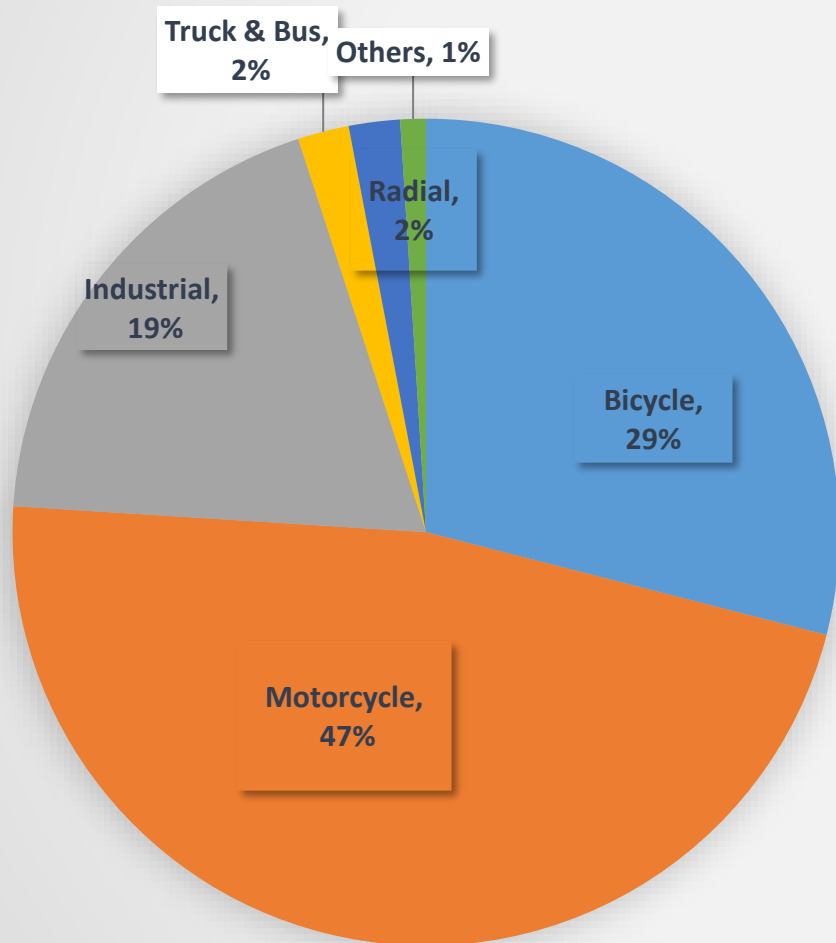
CONDENSED BALANCE SHEET (CONSOLIDATED)

Unit : NTD 0.1 Billion	20213Q	20203Q	Diff	Diff. %
Cash and Cash Equivalents	14.35	12.37	1.98	13.8%
Net Receivable	7.86	7.84	0.02	0.25%
Inventories	13.51	8.91	4.6	34.05%
Net PP&E	33.99	35.2	-1.21	-3.56%
Other	11.51	11.17	0.34	2.95%
Total Assets	81.22	75.49	5.73	7.05%
Current Liabilities	18.36	17.56	0.8	4.36%
Non-current	19.22	15.67	3.55	18.47%
Total Liabilities	37.58	33.23	4.35	11.58%
Shareholders' Equity of Parent Company	29.89	28.29	2.49	8.33%
Total Shareholders' Equity	43.64	42.26	1.38	3.16%

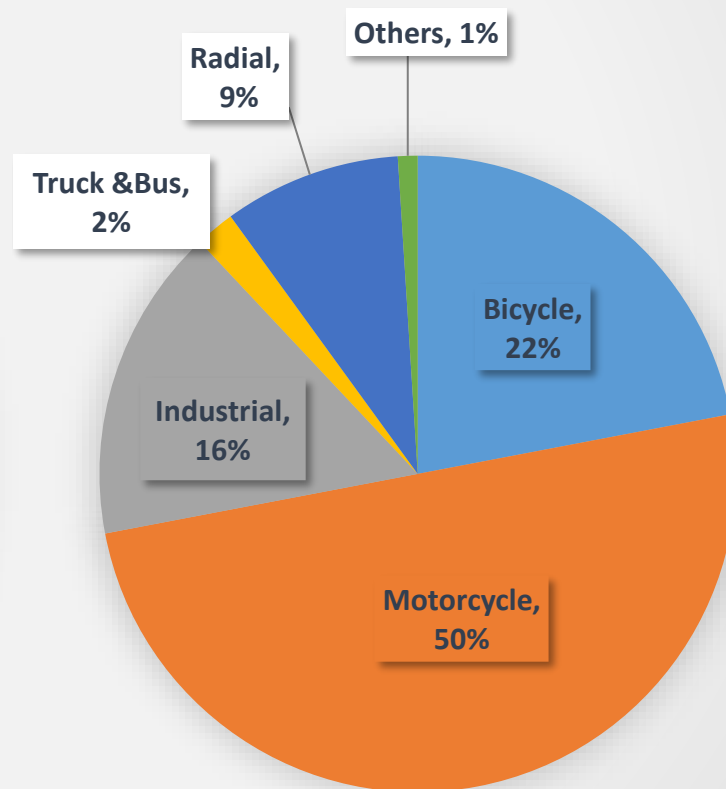
CONDENSED STATEMENT OF CASH FLOW (CONSOLIDATED)

Unit : NTD 0.1 Billion	20213Q	20203Q	Diff
Cash and cash equivalents, Beginning of period	15.61	12.08	3.53
Net cash(used in) from Operating activities	2.02	6.4	-4.38
Capital expenditures	-2.38	-4.1	1.72
Short-term debt	-2.15	3.54	-5.69
Long-term debt	3.27	-1.6	4.87
Cash Dividends	-0.91	-0.45	-0.46
Other	-1.11	-3.49	2.38
Cash and cash equivalents, End of period	14.35	12.37	1.98
Net Decrease(increase) in cash and cash equivalents	-1.26	0.3	

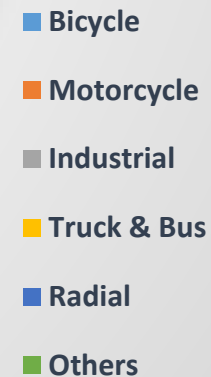
SALES SHARE BY PRODUCT CATEGORY



20213Q

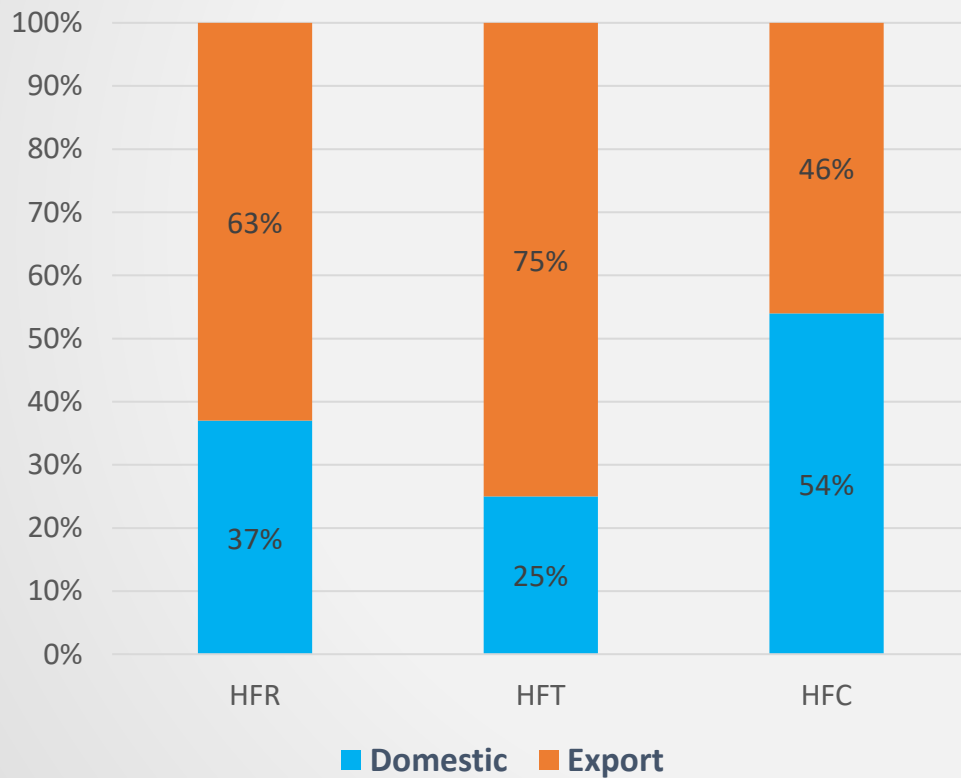


20203Q

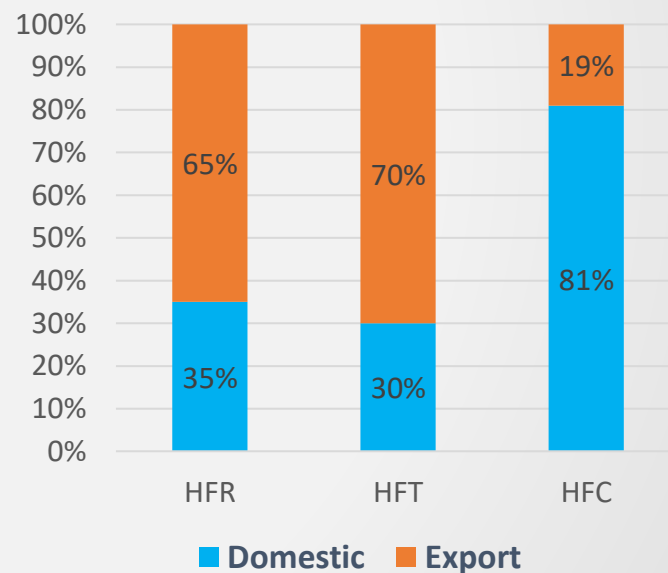


SALES RATIO OF DOMESTIC AND EXPORT

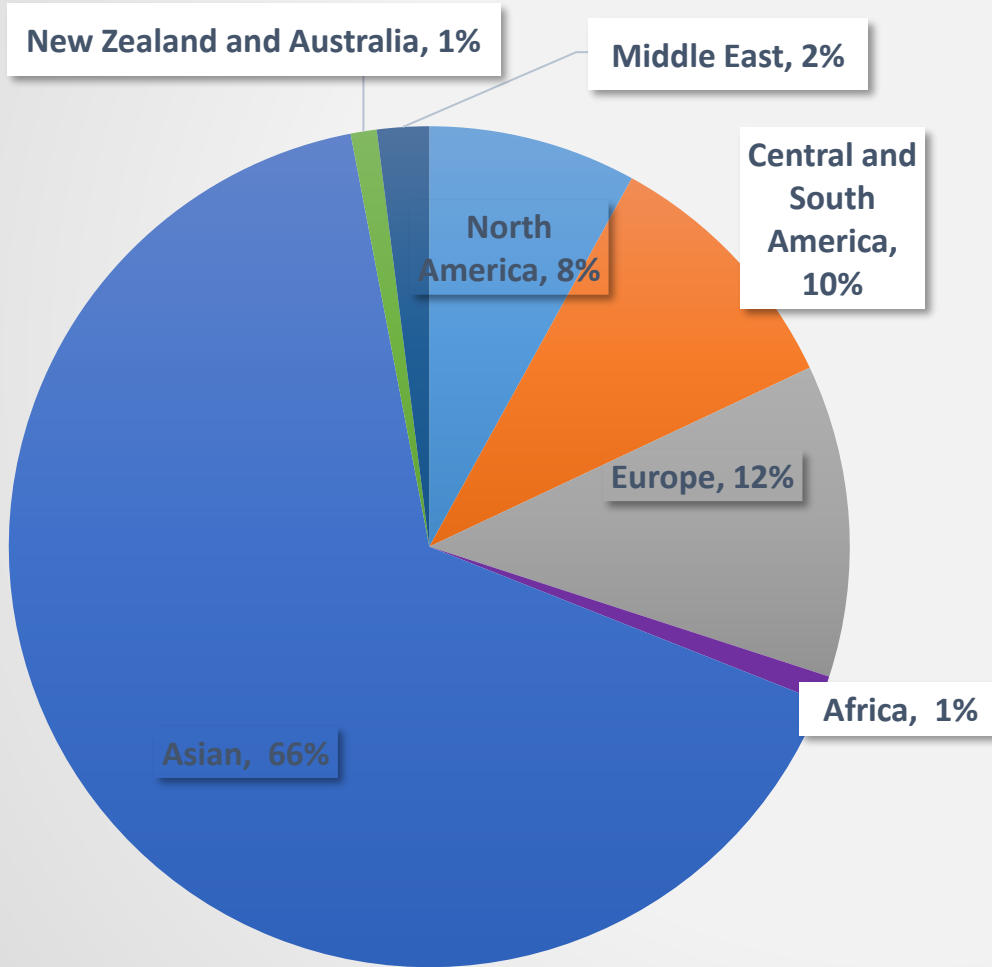
20213Q



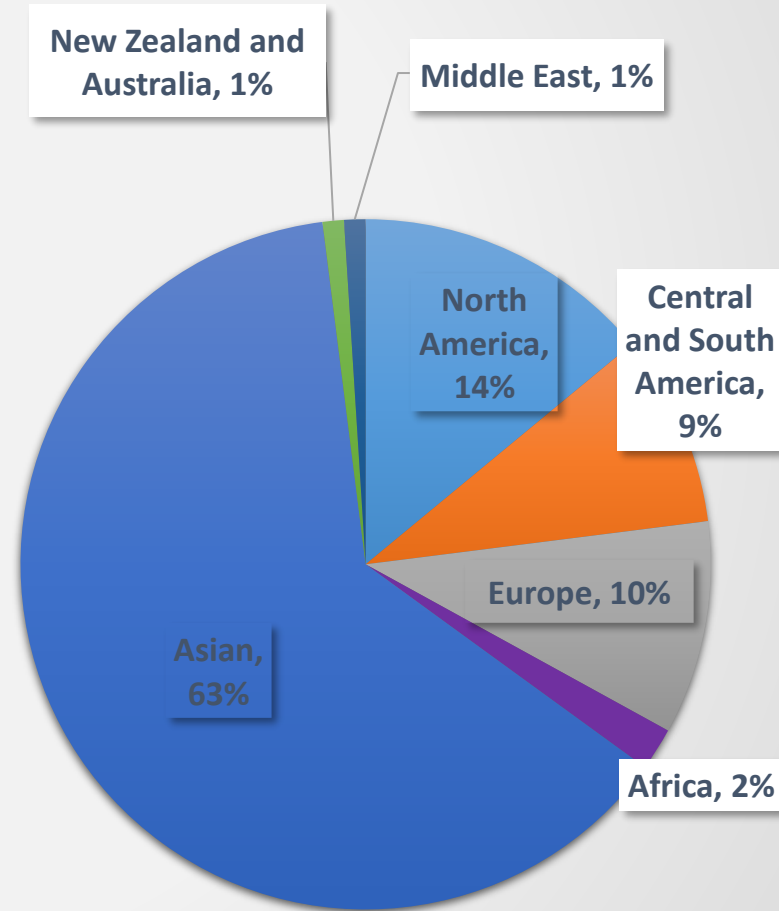
20203Q



SALES SHARE BY REGION

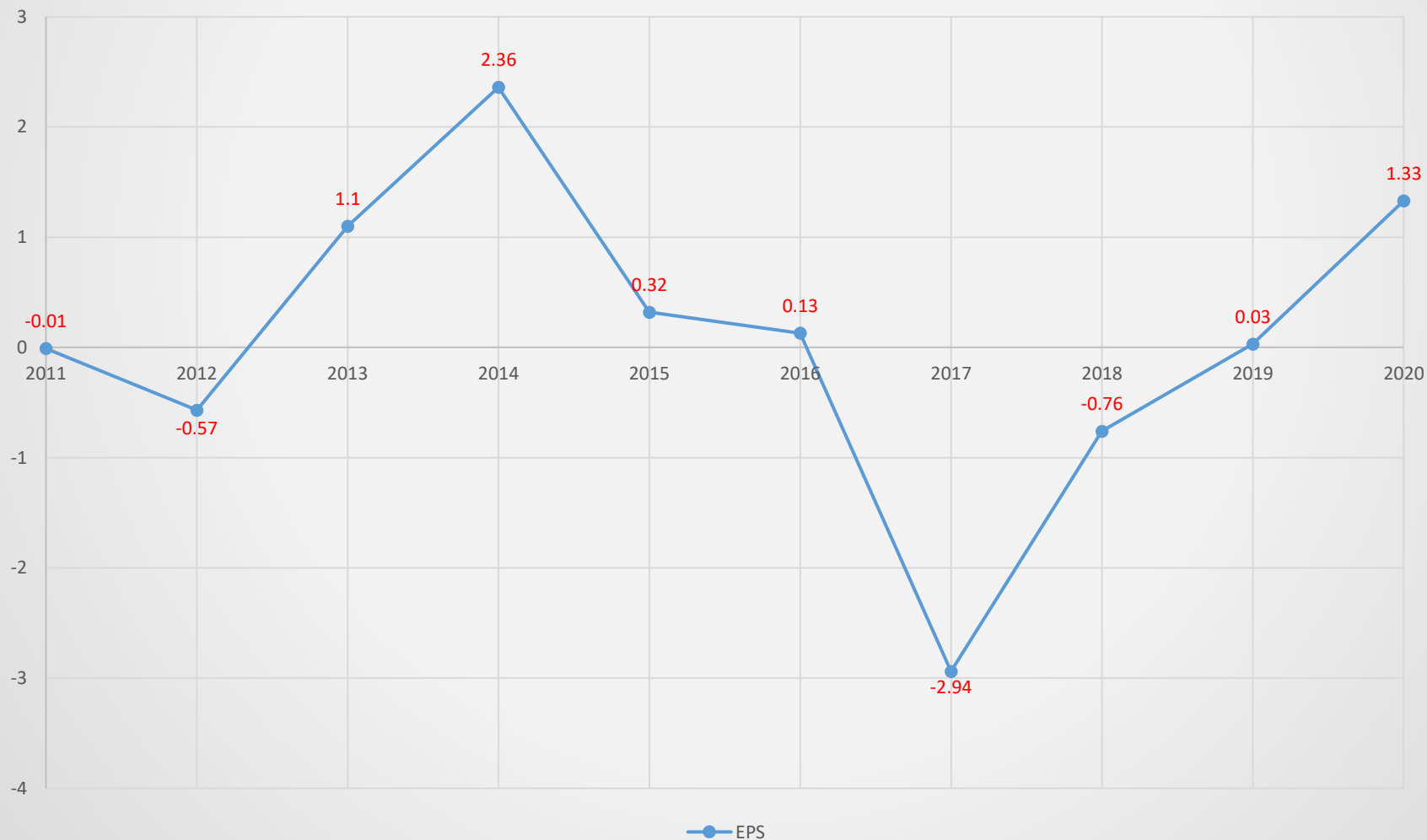


20213Q



20203Q

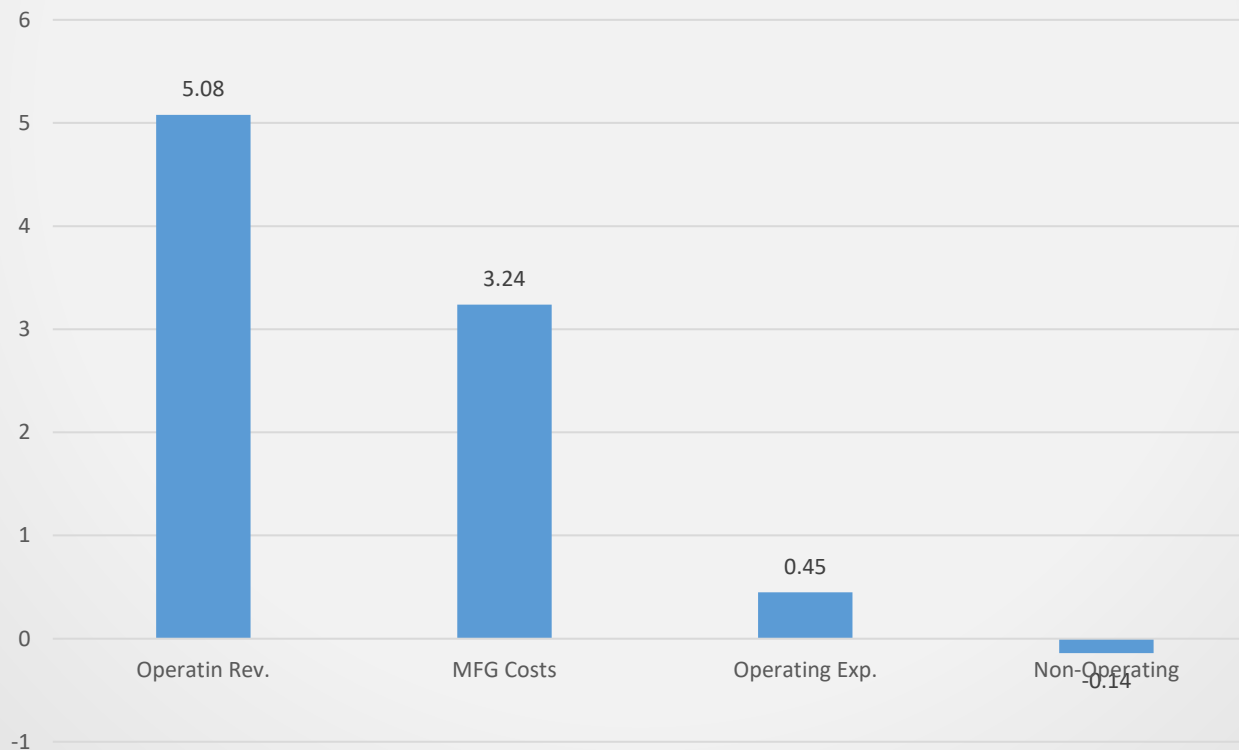
EARNINGS PER SHARE HISTORY IN LAST DECADE



OPERATING RESULTS

Unit : NTD 0.1 Billion

20203Q Operating Income	Operating Rev.	MFG Costs	Operating Exp.	Non-Operating Income & Exp.	20213Q Operating Income
4.7	5.08	3.24	0.45	-0.14	5.95



FUTURE OUTLOOK

➤ **Research and Development**

To develop high value added products for advantage differentiation.

➤ **Lean Production**

To improve efficiency of production process by lean management and to enhance the capability and automation of equipment for loss saving on material, energy, defect, rework, and time consumption.

➤ **Global Perspective**

To establish cross-border e-Commerce, digital marketing ecosystem, in order to promote DURO brand and a variety of tire products. To cooperate with overseas subsidiaries, in an attempt to develop localized social media and membership for a customer-centric approach and the increase of brand awareness.

‘It’s not just where you’re going, it’s what carries you there.’ HFR will keep on expanding business and operation scale of DURO through connections to the international economic network.

FUTURE OUTLOOK

➤ **Market Devotion**

To muscle for market share in ASEAN countries through the expanding capacity of Hwa Fong Rubber (Thailand) PLC, which has been rooted in Thailand for more than 32 years and recognized by product quality.

➤ **CSR Efforts**

To contribute in pursuing sustainability of global resources by maximizing efficiency with the most economical methods and careful selections of raw materials that comply with regulations of environmental protection to reduce negative impact on environment.

➤ **Corporate Sustainability**

Confronting the challenge of rapid change in economic and political environment worldwide, HFR devote to sustainable operation through the implementation of enhancing corporate governance, proactive investment in cutting edge technology and human resources to maximize equipment utilization, in order to develop high-value added products for global market and increase company competitiveness.

Q & A