



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



INSTITUTIONAL INVESTORS CONFERENCE

3Q22' FINANCIAL RESULTS AND OUTLOOK

DEC. 5th, 2022

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	2022Q3	20213Q	Diff	Diff. %
Sales Revenue	41.5	39.7	1.8	4.34%
Cost of Good Sold	33.06	30.26	2.8	8.47%
Gross Profit	8.43	9.43	-1	-11.86%
Gross Profit Ratio	20.31%	23.75%	-0.034	-16.93%
Operating Expenses	3.87	4.01	-0.14	-3.62%
Operating Expenses Ratio	9.33%	10.10%	-0.008	-8.32%
Operating Income	4.58	5.42	-0.84	-18.34%
Operating Income Ratio	11.04%	13.65%	-0.026	-23.71%
Net Income to Shareholders of the Parent Company	2.8	2.81		
EPS(NT Dollar)	1	1.01		

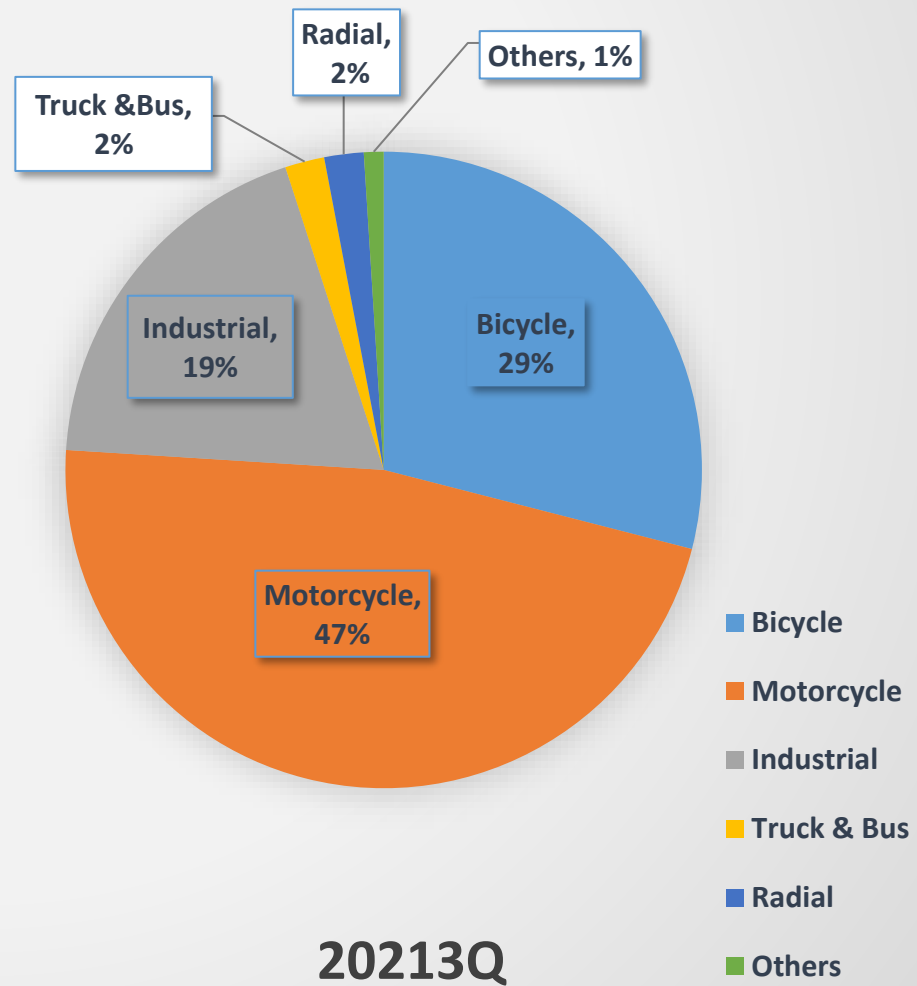
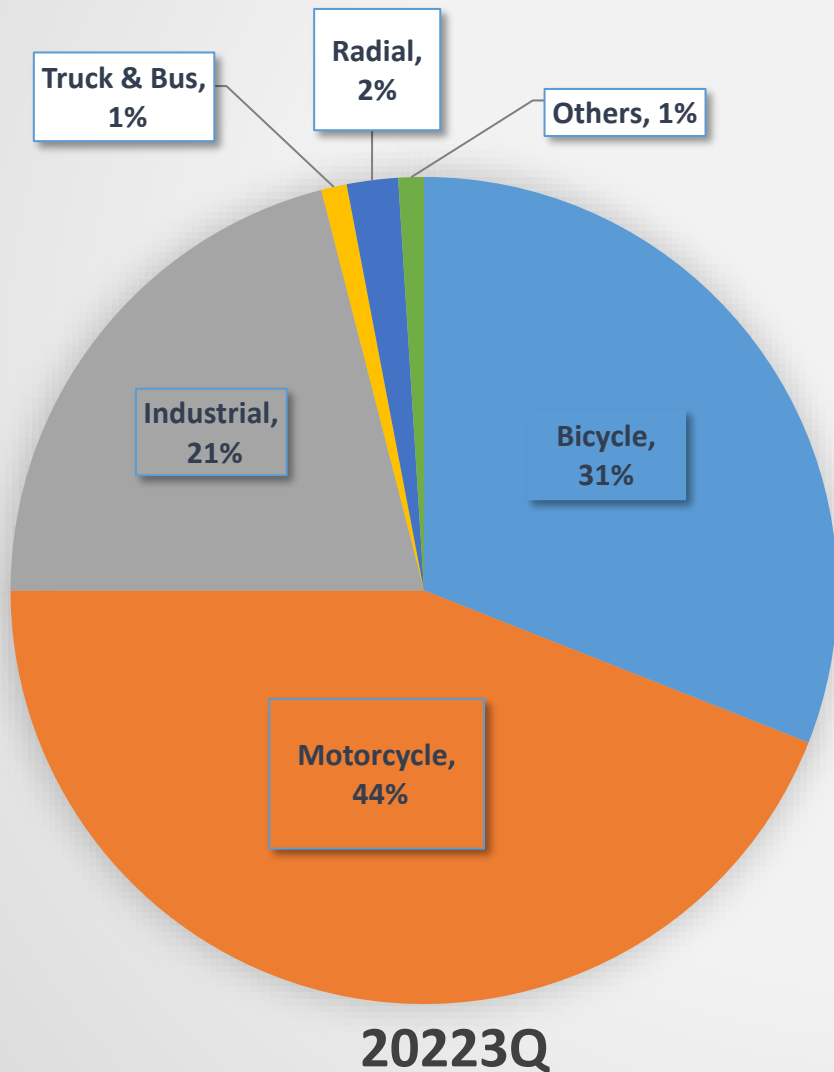
CONDENSED BALANCE SHEET (CONSOLIDATED)

Unit : NTD 0.1 Billion	2022Q3	2021Q3	Diff	Diff. %
Cash and Cash Equivalents	14.85	14.35	0.5	3.37%
Net Receivable	8.73	7.86	0.87	9.97%
Inventories	12.92	13.51	-0.59	-4.57%
Net PP&E	33.12	33.99	-0.87	-2.63%
Other	13.03	11.51	1.52	11.67%
Total Assets	82.65	81.22	1.43	1.73%
Current Liabilities	19.13	18.36	0.77	4.03%
Non-current	17.24	19.22	-1.98	-11.48%
Total Liabilities	36.37	37.58	-1.21	-3.33%
Shareholders' Equity of Parent Company	31.33	29.89	1.44	4.60%
Total Shareholders' Equity	14.85	14.35	0.5	3.37%

CONDENSED STATEMENT OF CASH FLOW (CONSOLIDATED)

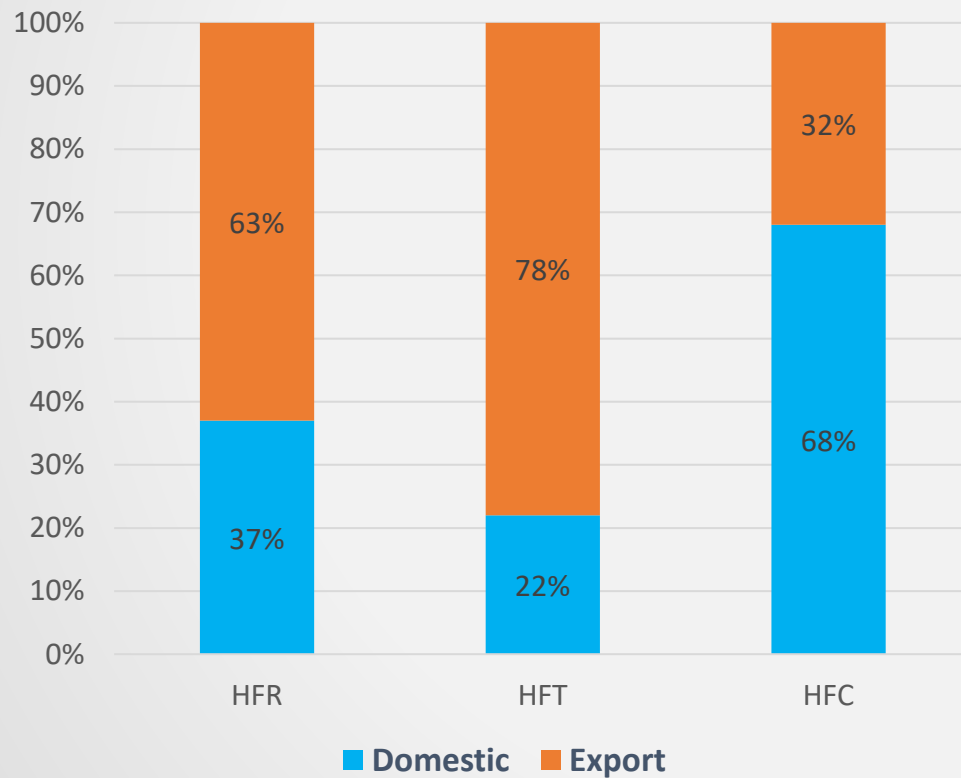
Unit : NTD 0.1 Billion	2022Q3	2021Q3	Diff
Cash and cash equivalents, Beginning of period	13.7	15.61	-1.91
Net cash(used in) from Operating activities	4.15	2.02	2.13
Capital expenditures	-0.81	-2.38	1.57
Short-term debt	-0.42	-2.15	1.73
Long-term debt	-1.26	3.27	-4.53
Cash Dividends	-1.19	-0.91	-0.28
Other	0.68	-1.11	1.79
Cash and cash equivalents, End of period	14.85	14.35	0.5
Net Decrease(increase) in cash and cash equivalents	1.15	-1.26	

SALES SHARE BY PRODUCT CATEGORY

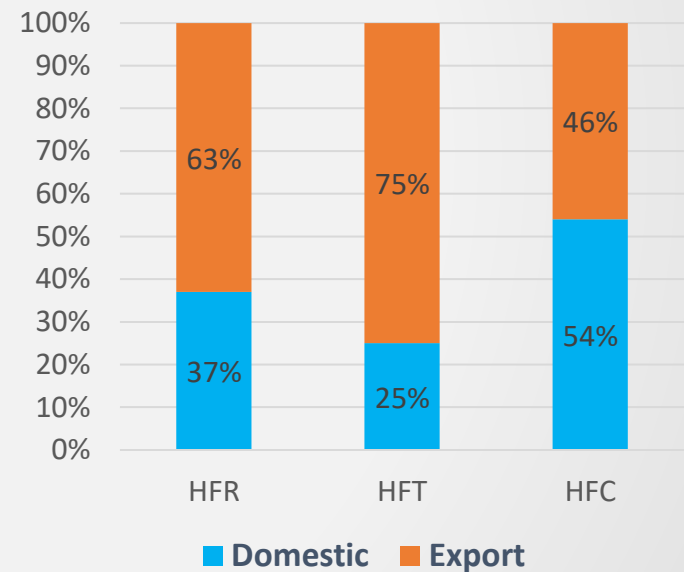


SALES RATIO OF DOMESTIC AND EXPORT

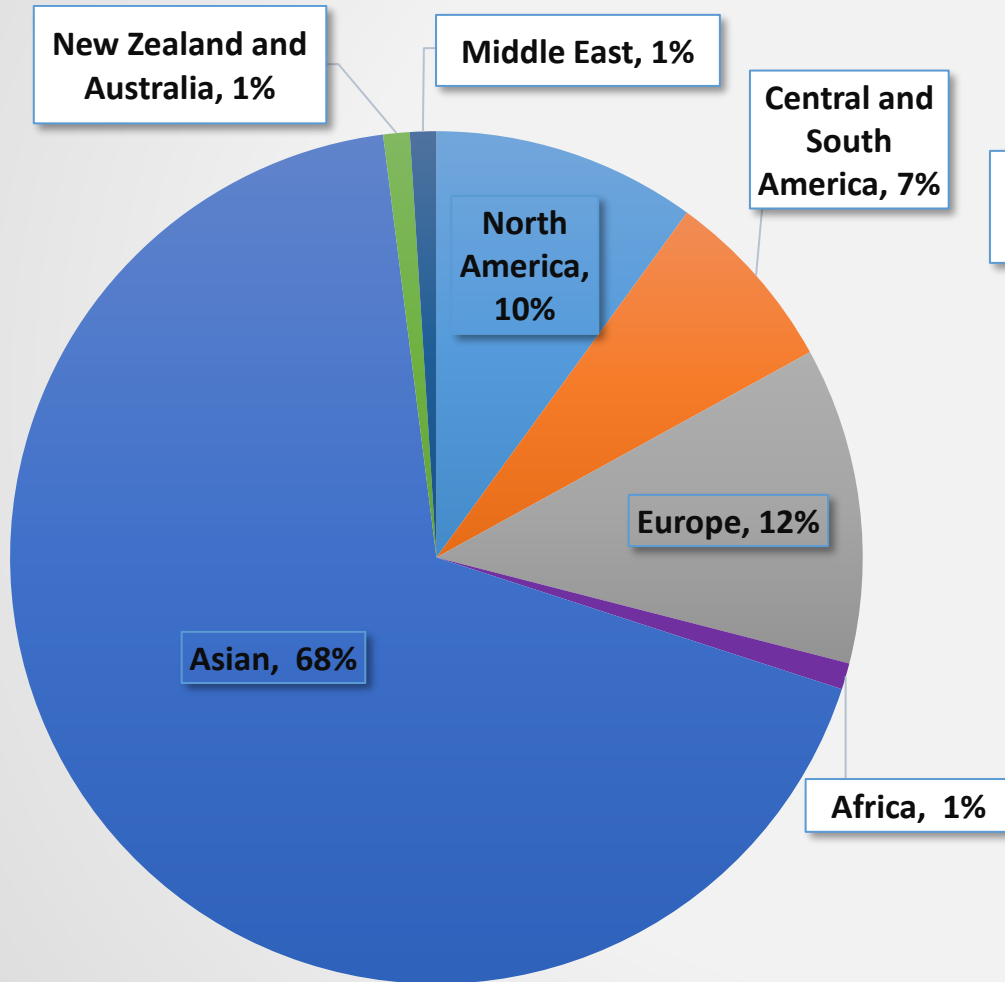
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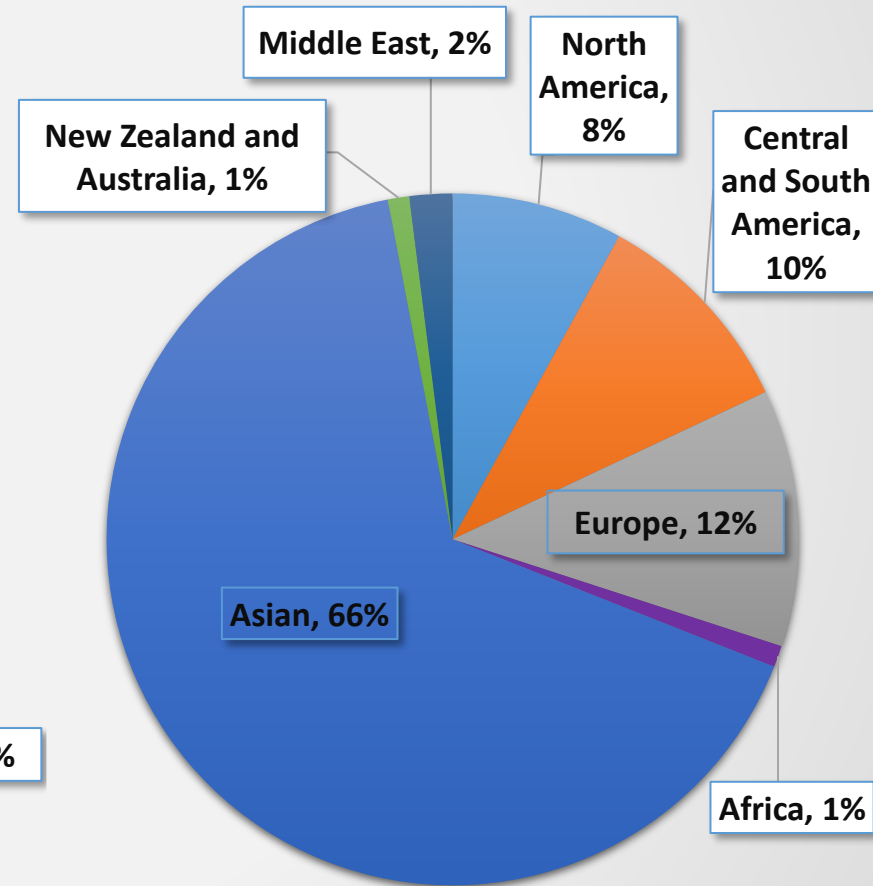
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SALES SHARE BY REGION

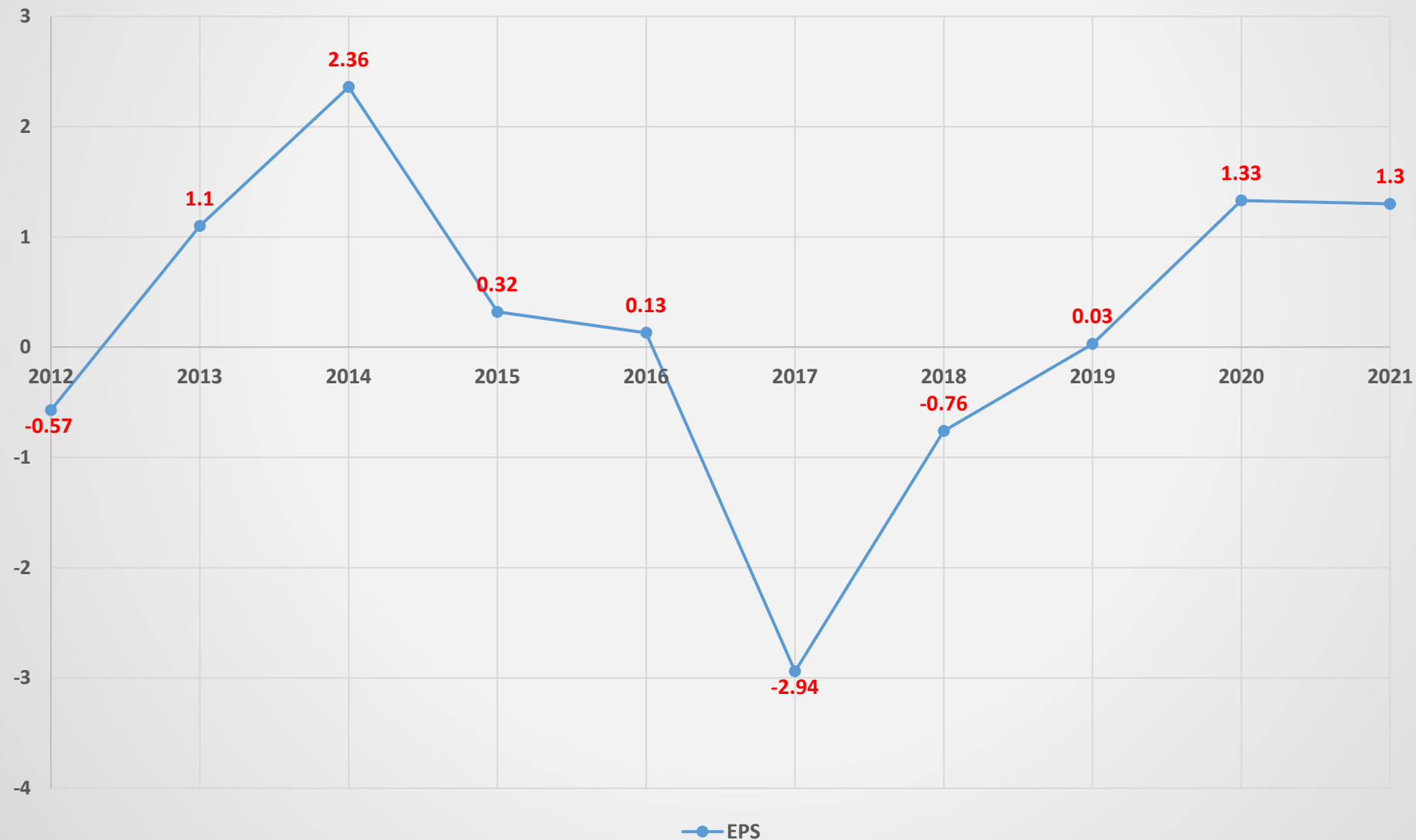


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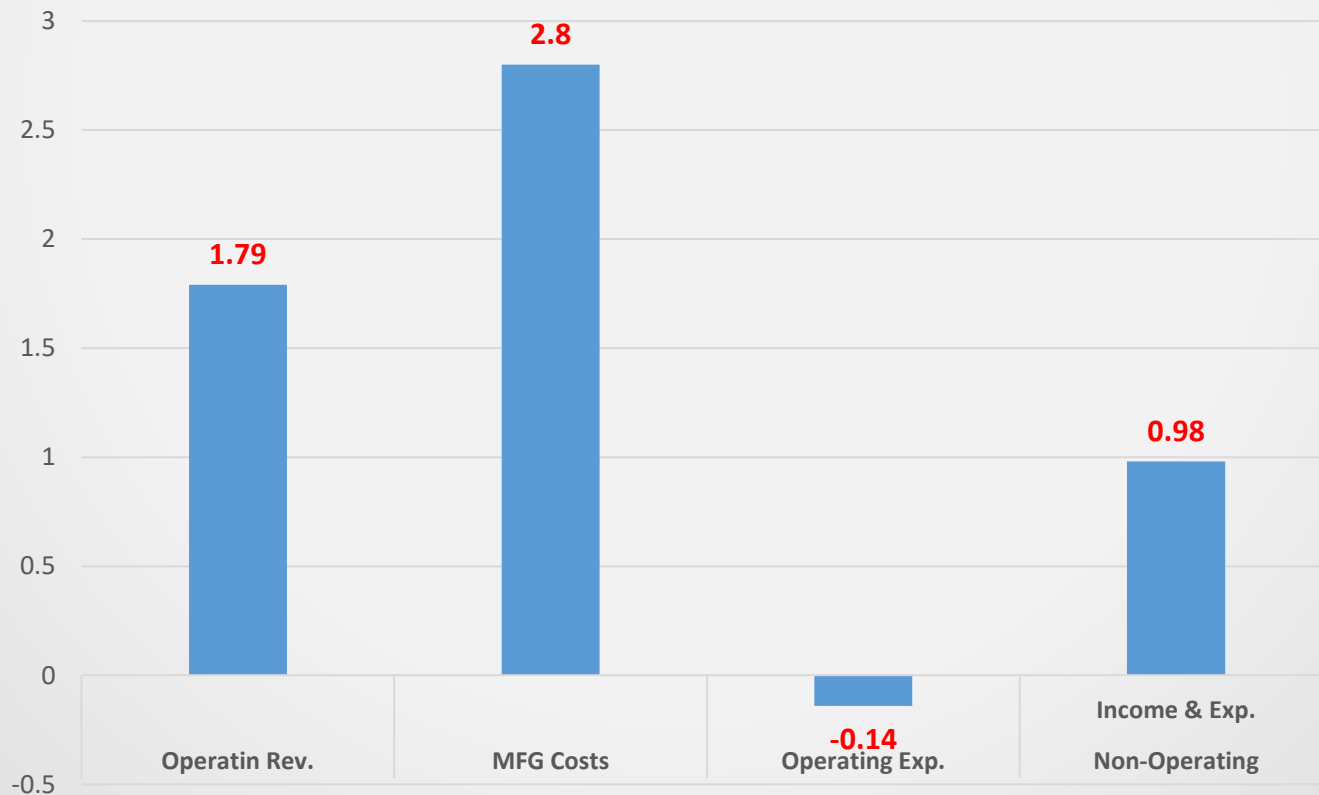
EARNINGS PER SHARE HISTORY IN LAST DECADE



OPERATING RESULTS

Unit : NTD 0.1 Billion

2021Q3 Operating Income	Operating Rev.	MFG Costs	Operating Exp.	Non-Operating Income & Exp.	2022Q3 Operating Income
4.7	1.79	2.8	-0.14	0.98	5.95



FUTURE OUTLOOK

➤ Research and Development

Continue to develop low rolling resistance tires to reduce fuel consumption while driving. To develop high value added products for advantage differentiation. Take effort to develop new material with environmental friendly and green concept to meet global environmental regulation.

➤ 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 expending 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 33 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