

SWANCOR HOL. CO., LTD

3708.tw

2021Q1 Results

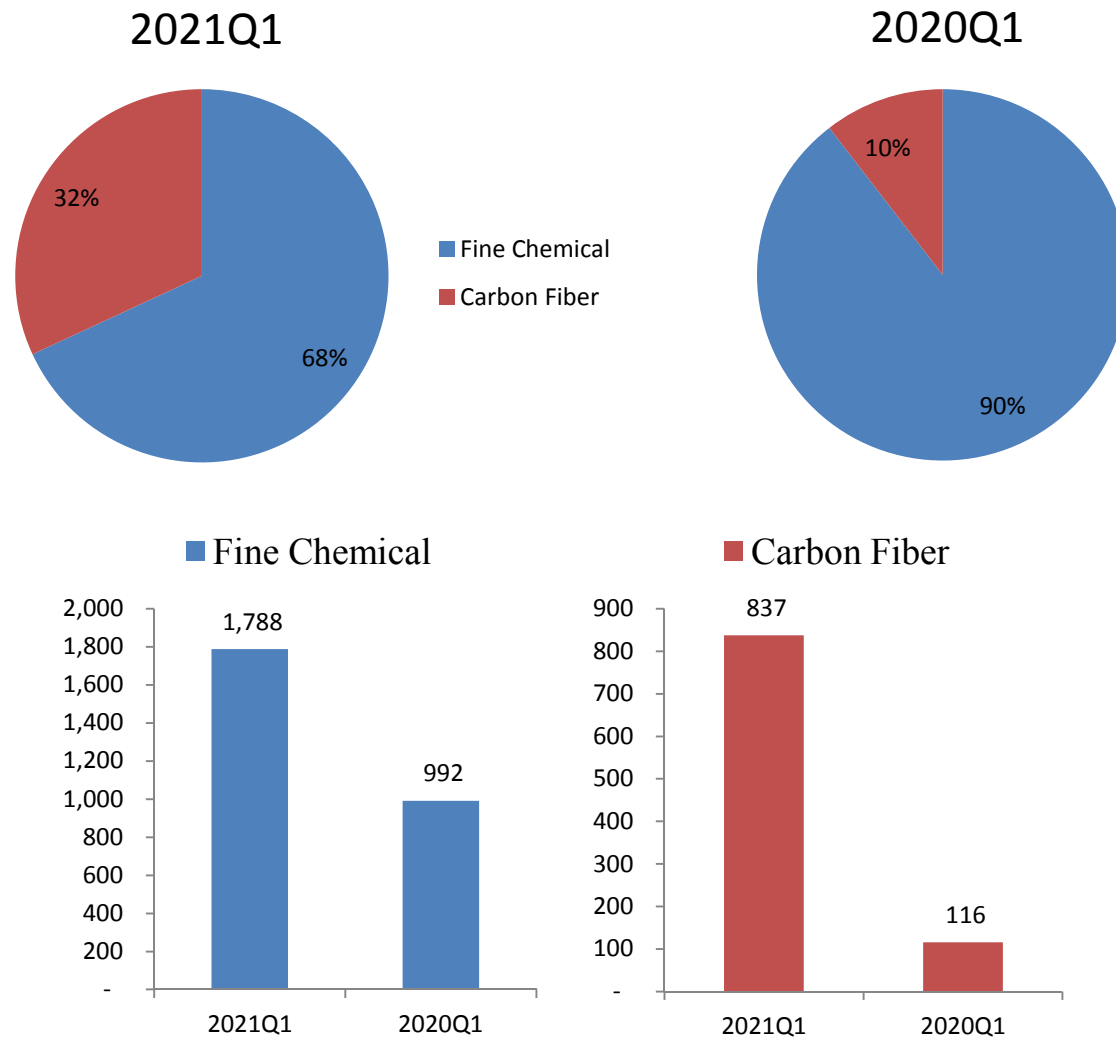
Income Statement



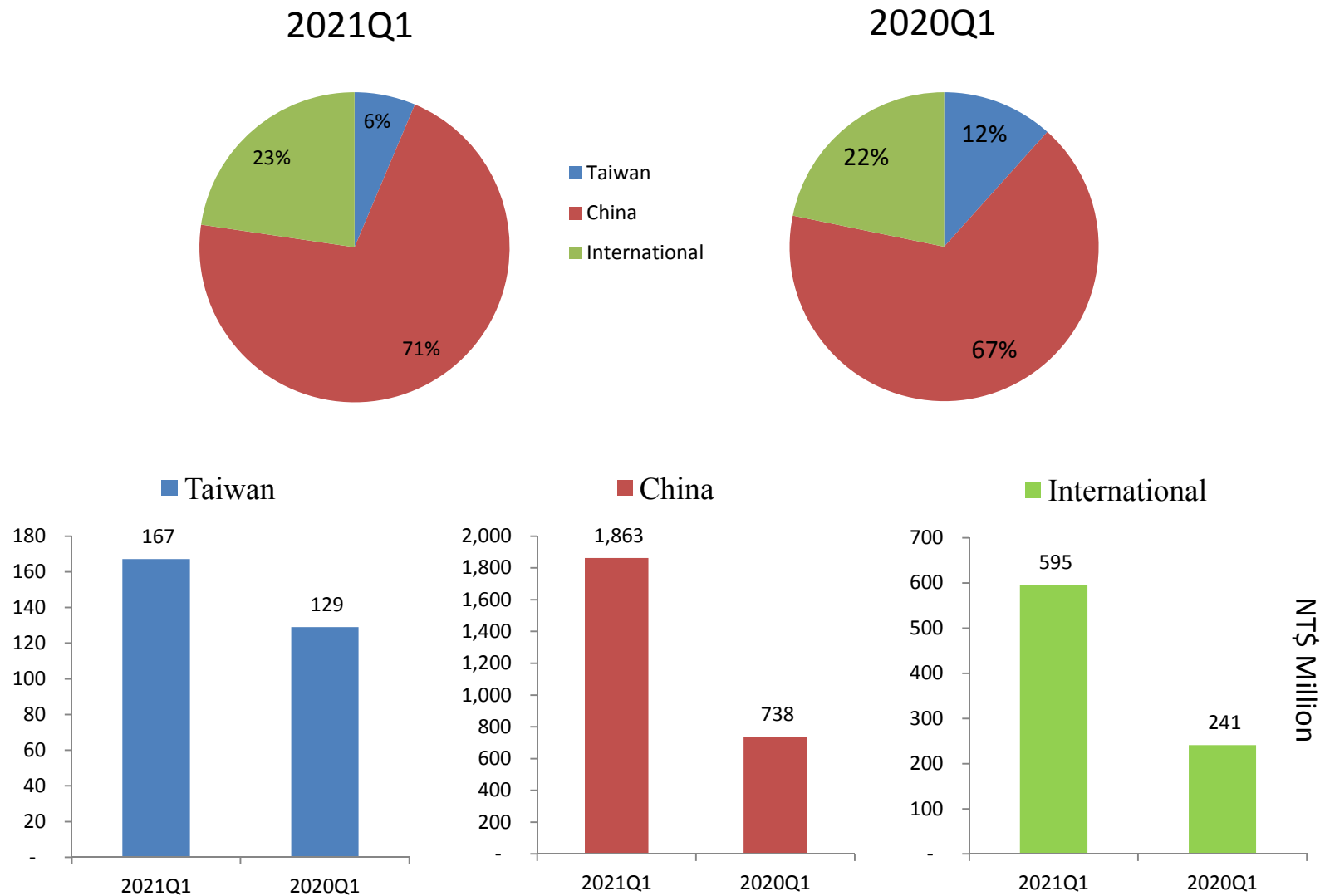
<u>Consolidated Income Statement</u> <u>(NT\$ million except rates)</u>	<u>2021Q1</u>	<u>2020Q4</u>	<u>2020Q1</u>	<u>QoQ</u>	<u>YoY</u>
Net Revenue	2,625	3,395	1,108	-23%	137%
Gross Margin Rate	13.7%	15.2%	17.6%	-1.5%	-4.0%
Operating Expense	(282)	(323)	(156)	-13%	81%
Operating Income Rate	3.0%	5.7%	3.6%	-2.7%	-0.6%
Non-Operating Income	(3)	(8)	29	-62%	-110%
Tax Rate	-9%	21%	29%	-30%	-39%
Net Income	55	110	45	-50%	22%
Net Income Rate	2.1%	3.2%	4.0%	-1.1%	-2.0%
EPS (NT\$)	0.59	1.19	0.49	(0.60)	0.10
ROE Rate	3.4%	6.8%	3.2%	-3.5%	0.1%
Sales Volume (Ton)	17,092	28,302	9,918	-40%	72%

•Sales volume included anti-corrosion material and wind blade material. Other products are not included

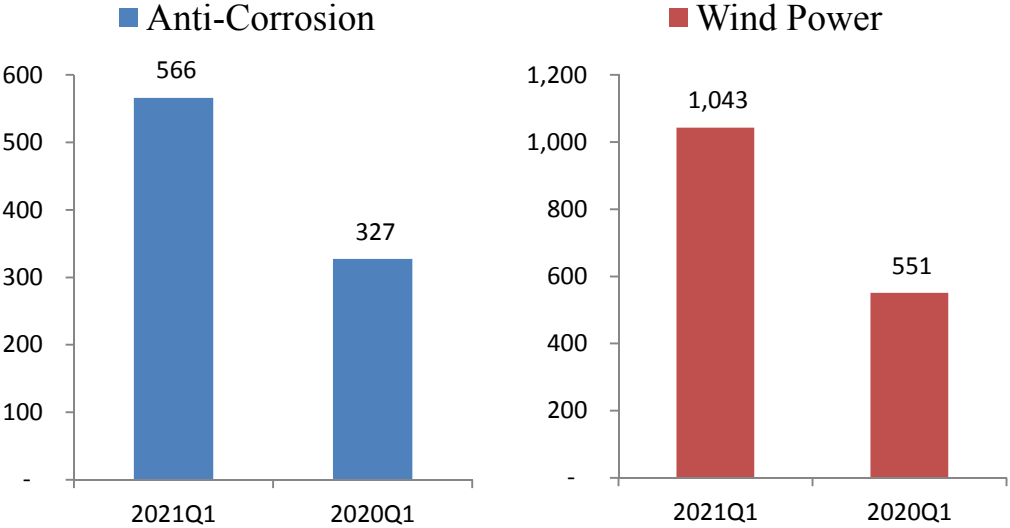
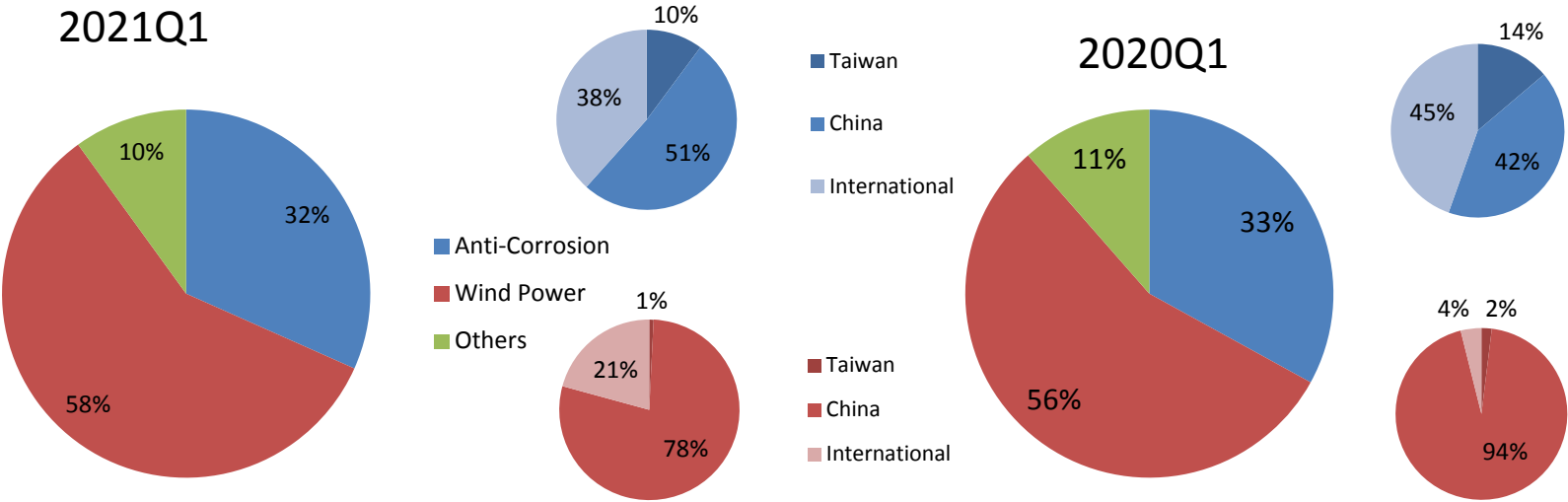
Sales Revenues by Business Unit



Sales Revenues by Region



Fine Chemical Sales Revenues by Product Line



NT\$ Million

Balance Sheet and Financial Indexes



Balance Sheet (NT\$ Million)	2021/3/31		2020/12/31		2020/3/31	
	Amount	%	Amount	%	Amount	%
Cash and Equivalent	1,100	9%	1,599	13%	2,099	22%
Account Receivable	3,084	25%	3,396	28%	1,607	17%
Note Receivable	3,150	25%	2,621	21%	1,635	17%
Stock	1,228	10%	1,016	8%	822	9%
Long-Term Investment	652	5%	654	5%	562	6%
Real Estate, Factory, Equipment	1,940	16%	1,867	15%	1,494	16%
Total Asset	12,413	100%	12,219	100%	9,346	100%
Current Liability	5,389	43%	5,244	43%	2,750	29%
Long-Term Liability	389	3%	448	4%	945	10%
Total Liability	5,888	47%	5,804	47%	3,759	40%
Shareholders' Equity	6,525	53%	6,416	53%	5,586	60%
Financial Index						
Average Collecting Days	111		89		141	
Average Inventory Turnover Days	45		28		71	
Current Ratio	1.71		1.75		2.47	
Total Asset/Debt Ratio	47%		47%		40%	

Cash Flow



NT\$ Million	2021Q1	2020Q4
Beginning Cash	1,599	1,407
Operating Cash Flow	(604)	(187)
Investment Cash Flow	(161)	7
Short-term Debt	368	213
Long-term Debt	(124)	19
Cash Dividend	0	0
Equity Related	0	45
Others	23	95
Ending Cash	1,100	1,599
Free Cash Flow	(765)	(180)

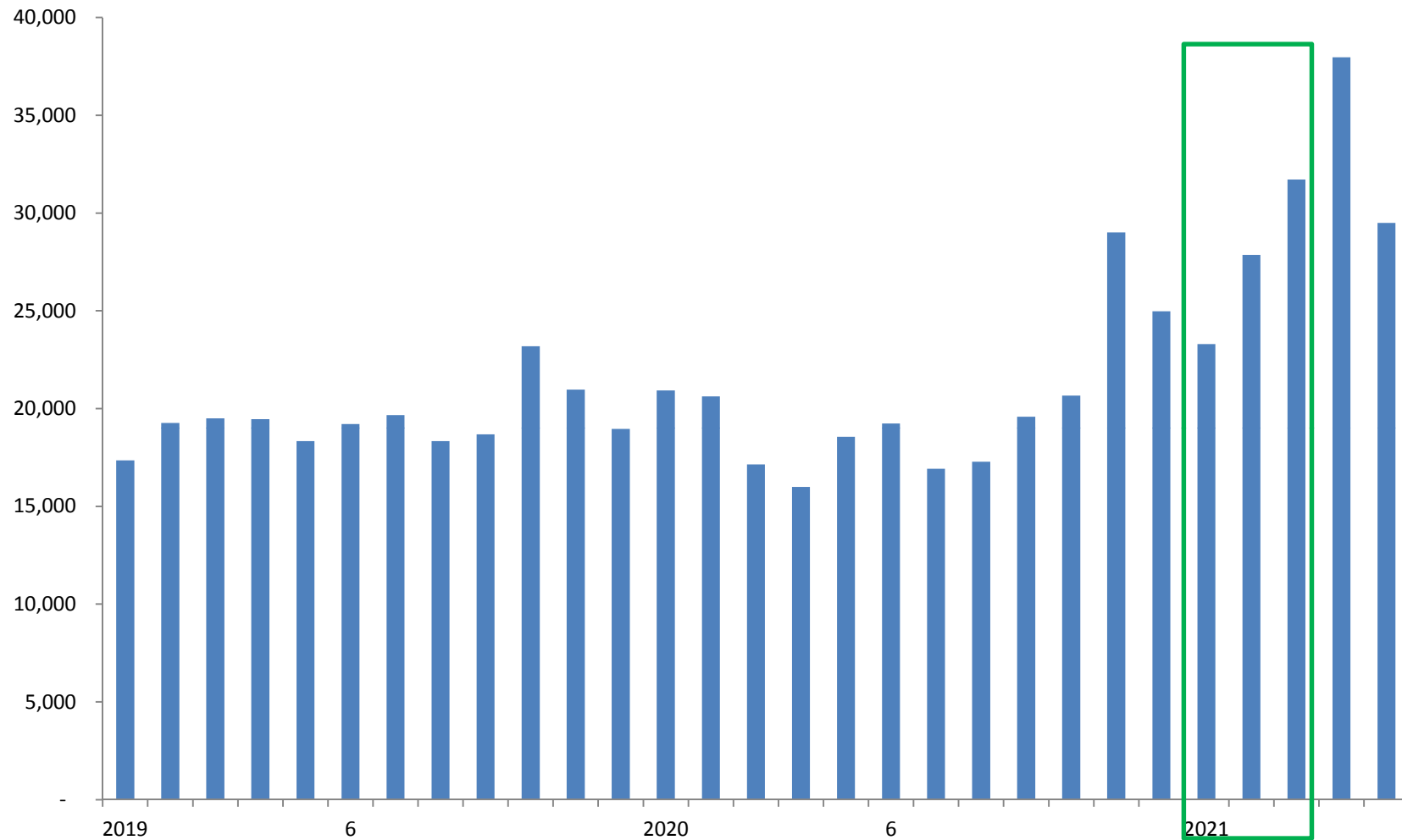
China Wind Power Market



- Source: Bloomberg NEF
- Unit: GW

- China plans to reach Co2 emission peak in 2030, and to achieve Carbon neutral by 2060.
- In 2020/10/14 Beijing Wind Energy Declaration calls for average annual installations of 50GW from 2021 to 2025.
- Chinese wind power industry estimates wind power market will be 35-40GW in 2021 and 40-50GW from 2022 to 2025.

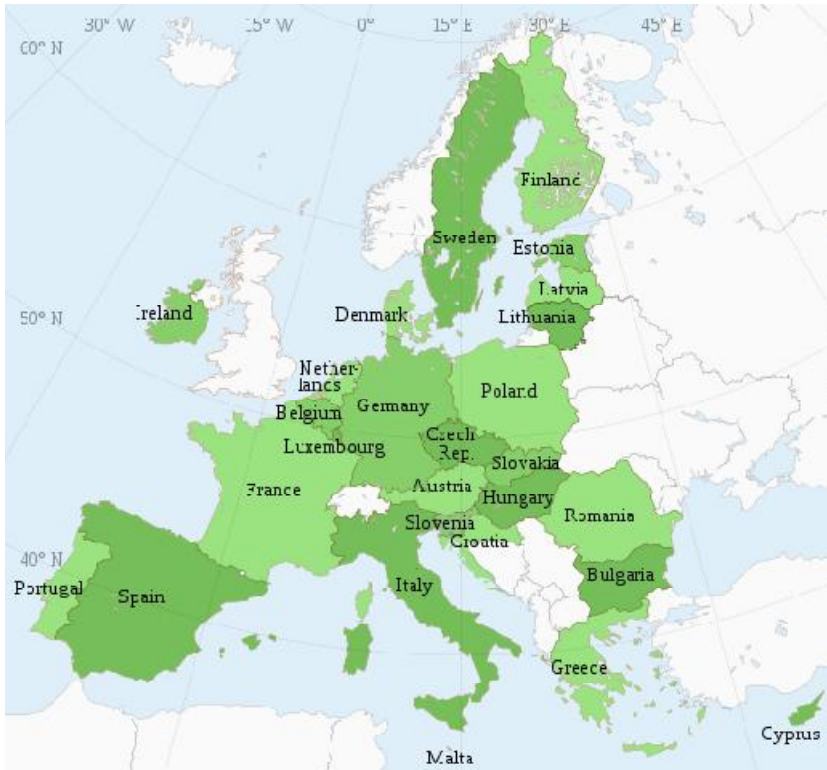
Prices of Epoxy



Source: www.chem99.com

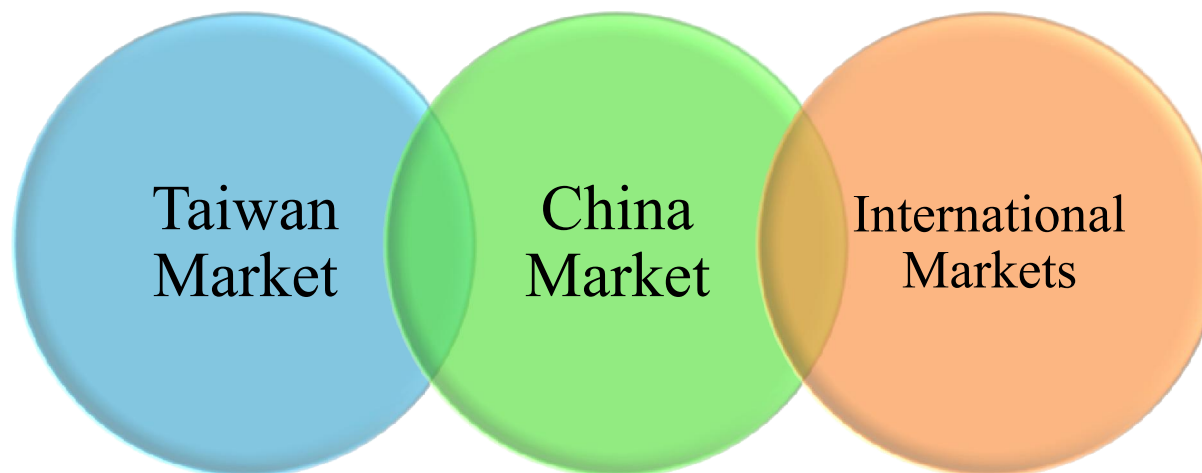
Unit: RMB/Ton

Build Up EU Manufacturing Capacity

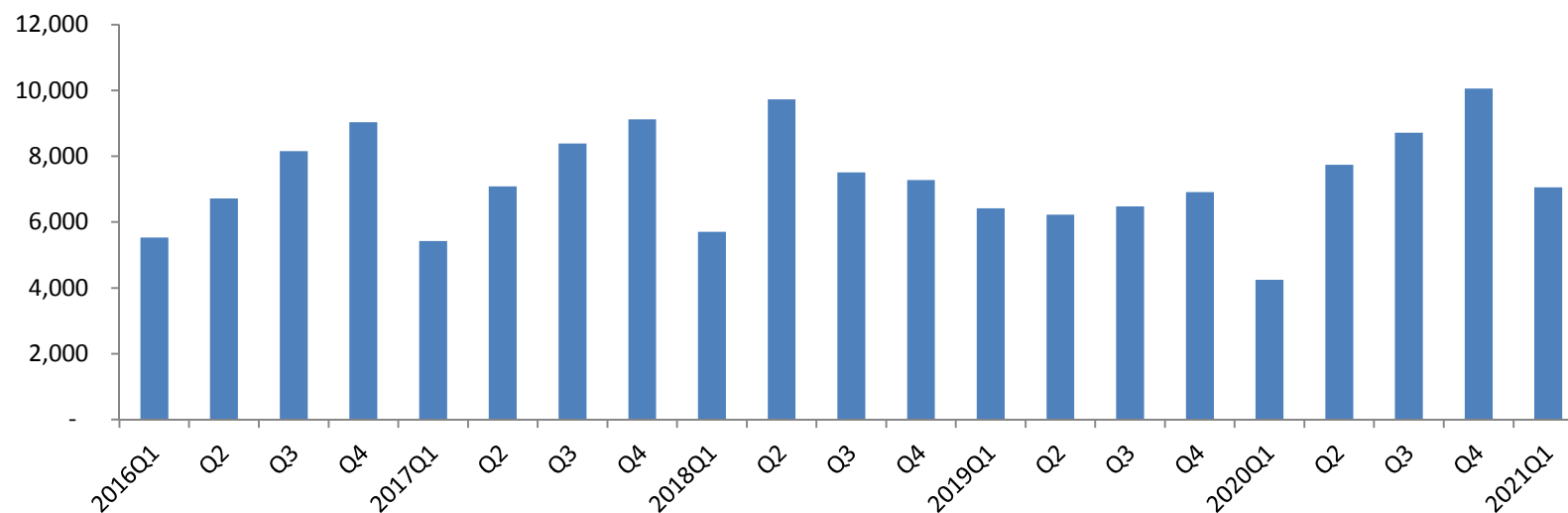


- Swancor is selling anti-corrosion resin, wind blade resin, and carbon fiber composite from Asia to EU through sea/land transportations.
- Both utilizing EU manufacturing partner and M&A EU factory are considered. Both will be finalized in 2021H1 and be executed in 2021H2.
- Target date to mass produce wind blade resin is 2022H1, and mass produce anti-corrosion resin and carbon fiber composite is 2023.
- We believe build up EU manufacturing capacity could increase gross margin rates, reduce transportation cost, enhance overall competitiveness to increase sales revenue.

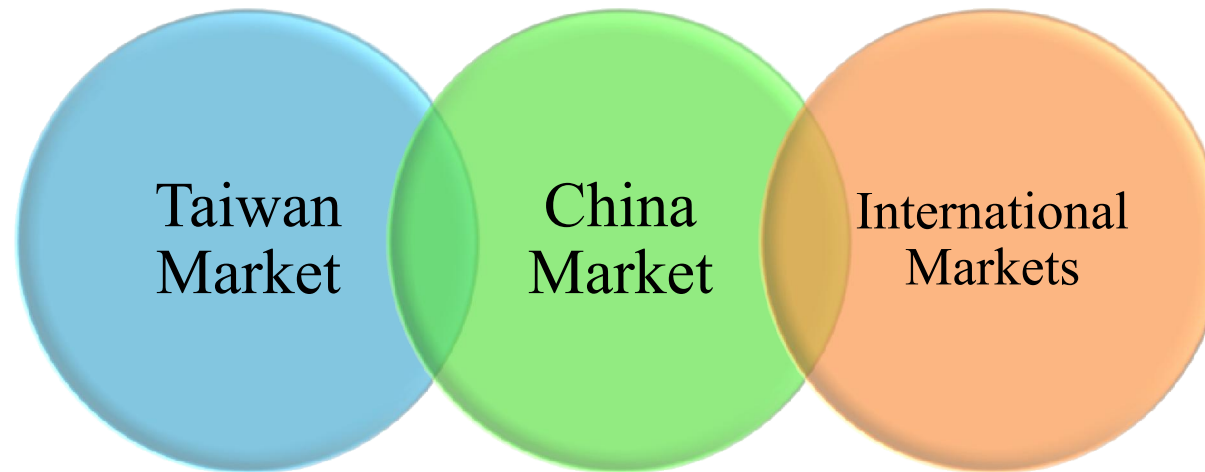
Anti-Corrosion Material



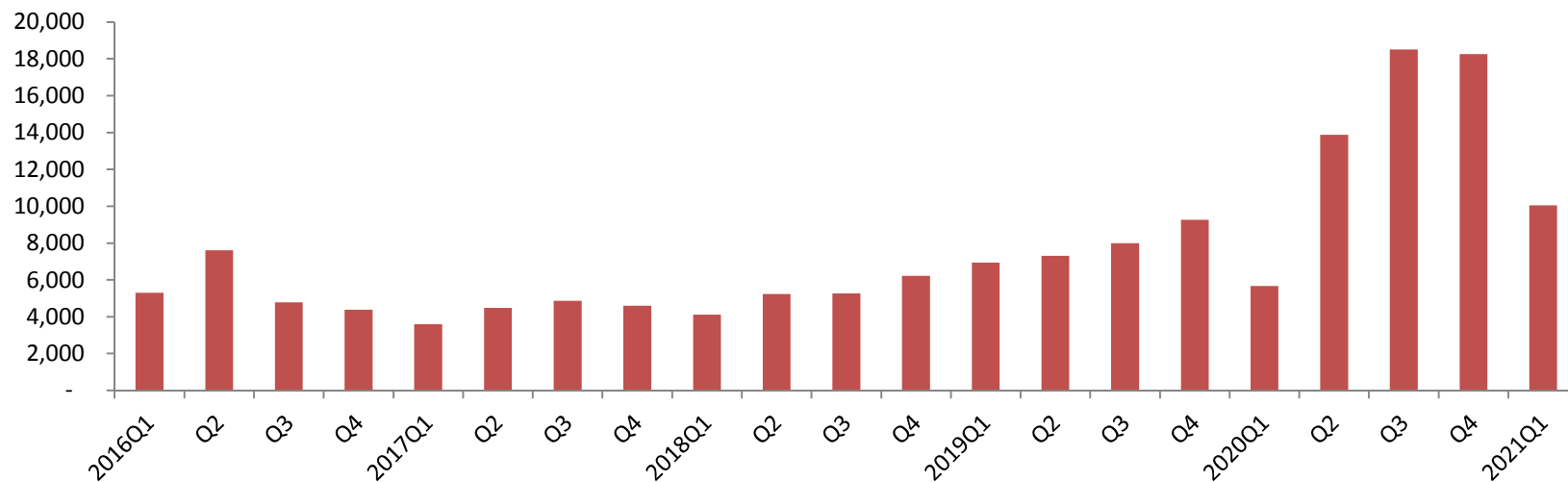
Anti-corrosion (Ton)



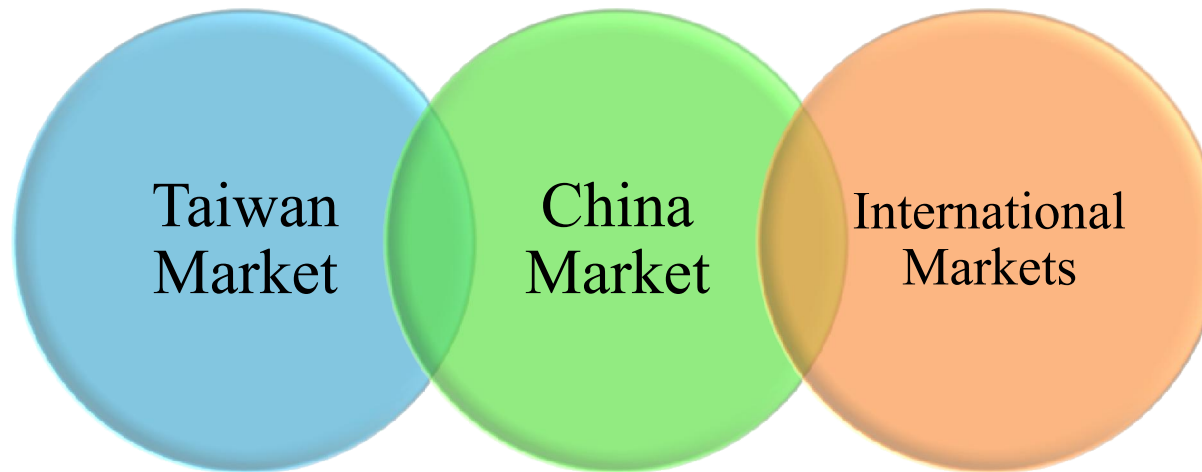
Wind Power Material



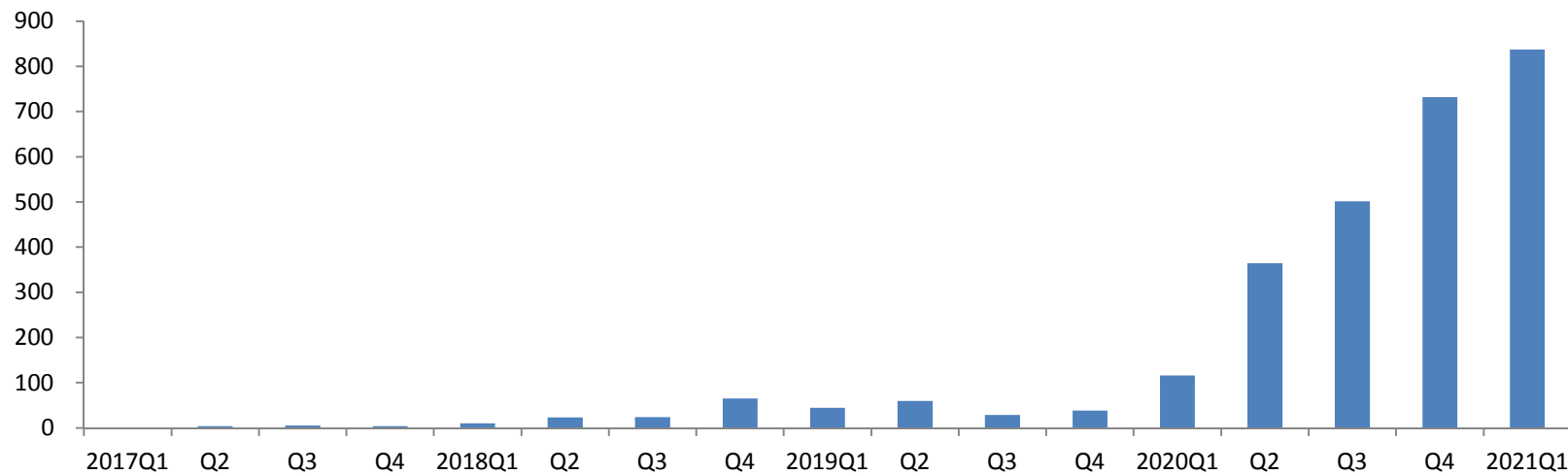
Wind blade (Ton)



Carbon Fiber



Carbon fiber (NT\$MN)



Swancor Outlook



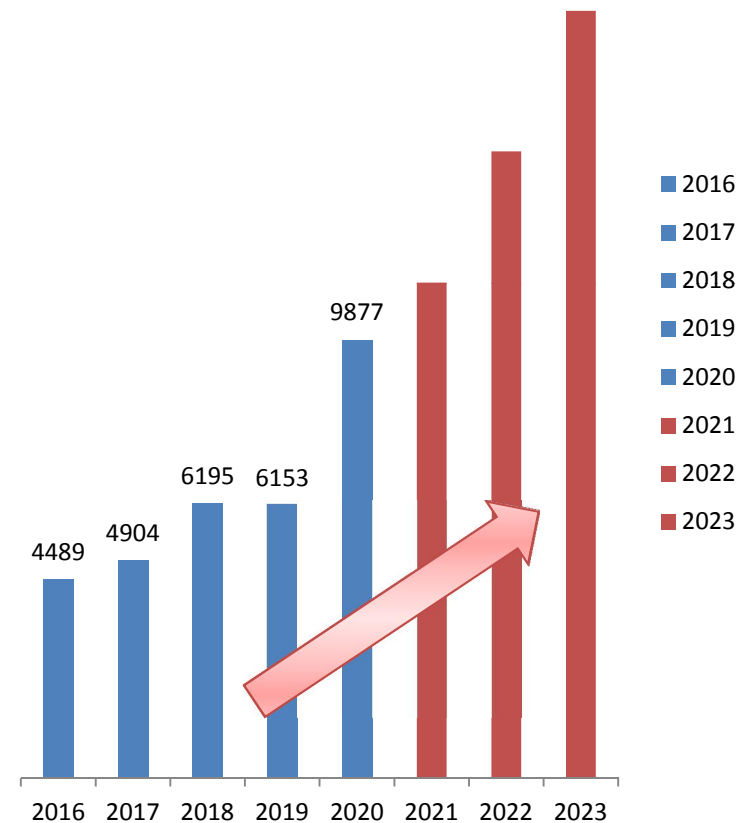
- Short-term

- Wind power resin brings in Vestas, Shanghai Electric and other new customers
- Supply carbon fiber to GE, Shanghai Electric and others
- Be world leader of wind power material supplier by 2022

- Mid-to-long term (2025)

- Anti-corrosion material Asia market share > 25%.
- Wind blade material global market share >25%.
- Carbon fiber for wind power global market share 30%.

Revenues (NT\$MN)



Offshore Wind Power

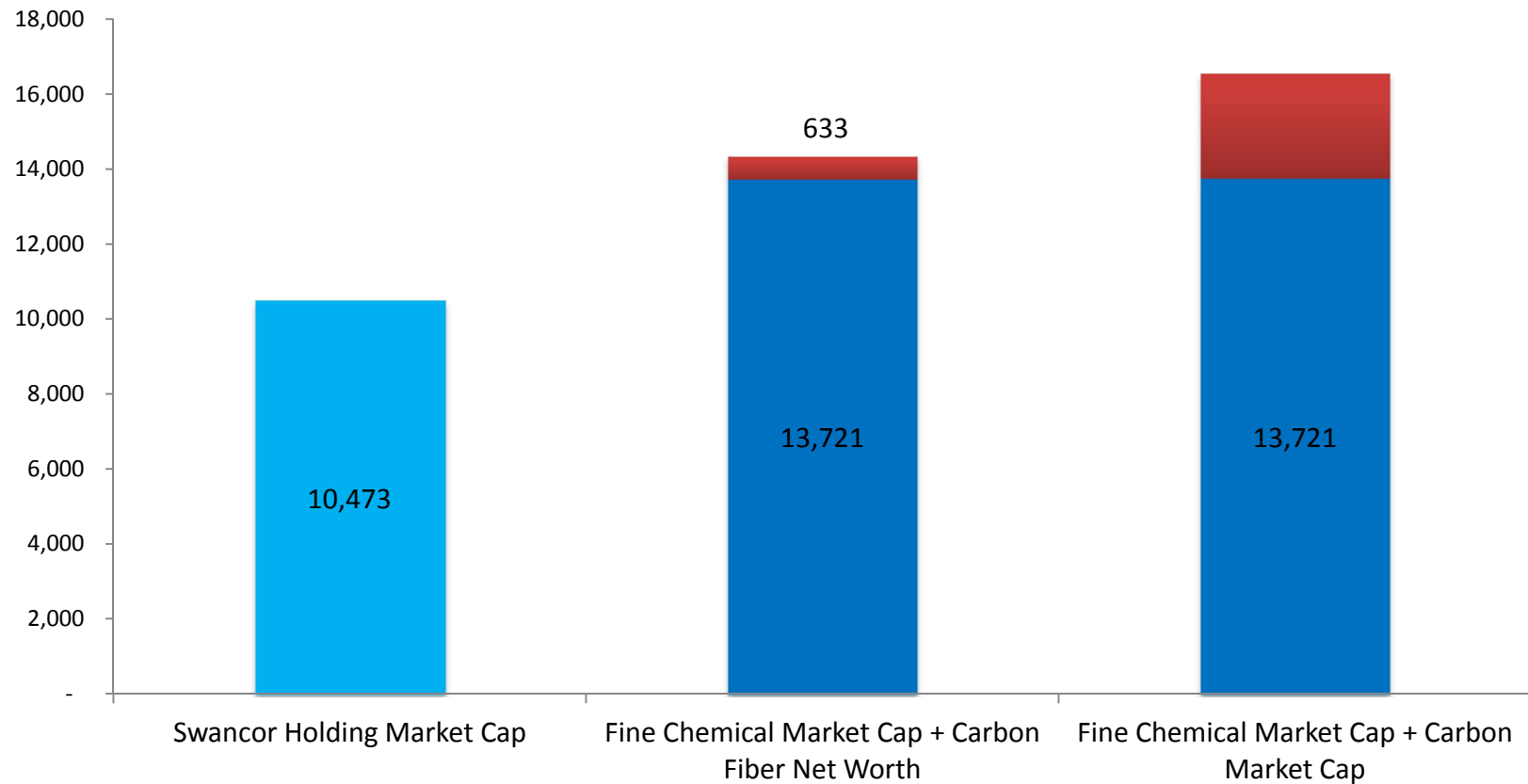
Formosa 1

- Capacity is 128MW.
- Taiwan 1st commercial operating offshore wind farm..
- Swancor owns 7.5%.

Formosa 2

- Capacity will be 376MW.
- Located in the west and south of Formosa 1,
- Swancor owns 1.25% through Swancor Renewable.

Market Capitalizations



- Unit: NT\$MN. RMB/NT\$=4.34
- Swancor holding owns 79.24% of Swancor Fine Chemical and 86.49% of Swancor Carbon Fiber as 2021/5/13.
- Market capitalizations of Swancor holding and Swancor fine chemical were dated 2021/5/13. Swancor Fine Chemical is listed in Shanghai Stock Exchange (688585.SH)



Thank You!

Q&A

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