

YeongGuanGroup (1589TT)



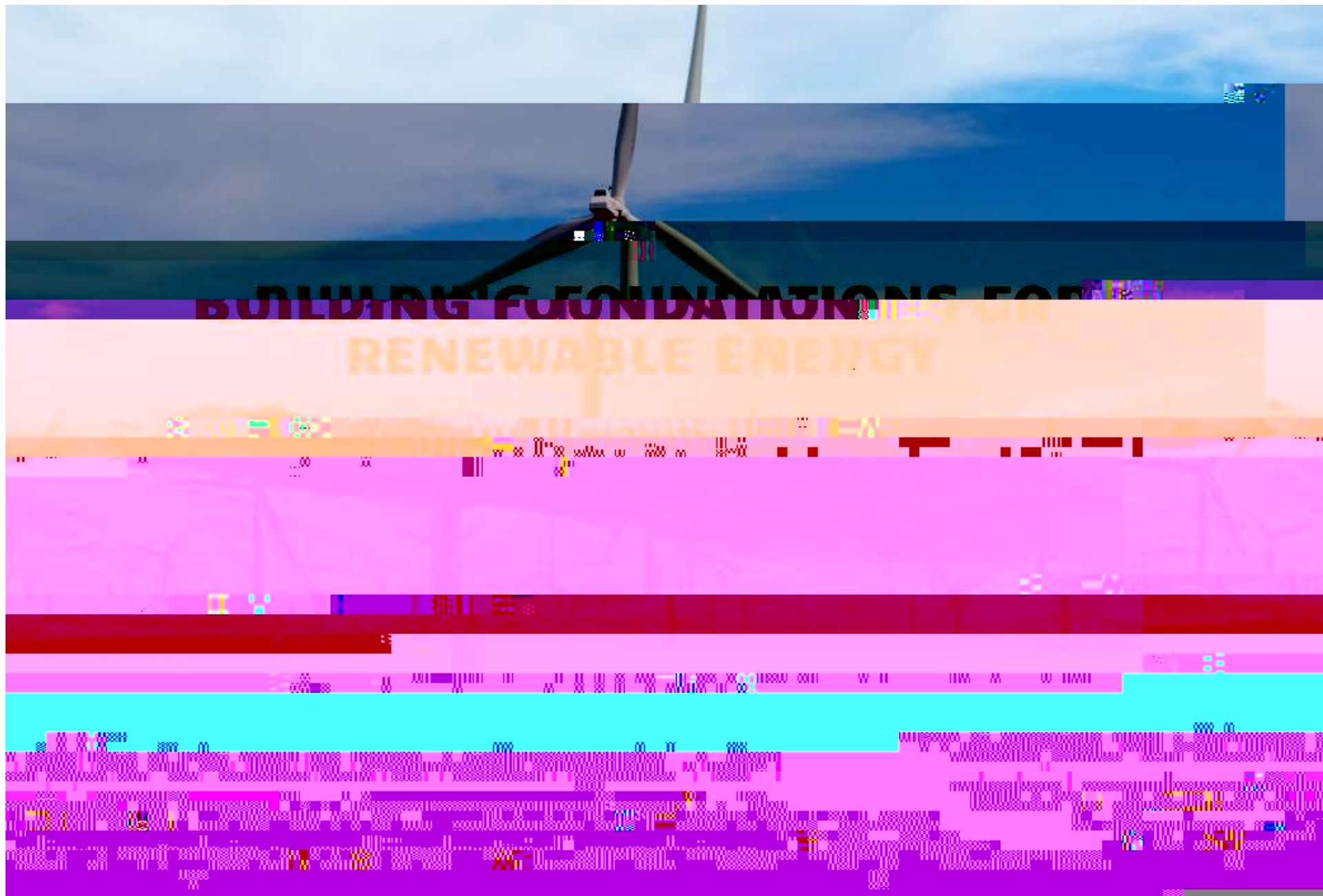


永冠集團
YEG KONG HAN GROUP

Outline

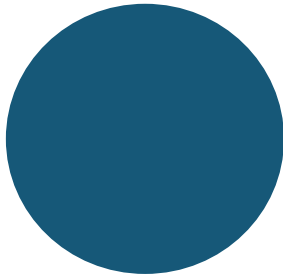


Yeong Guan Overview





**Industrial
Machinery**

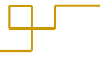


COVID 19

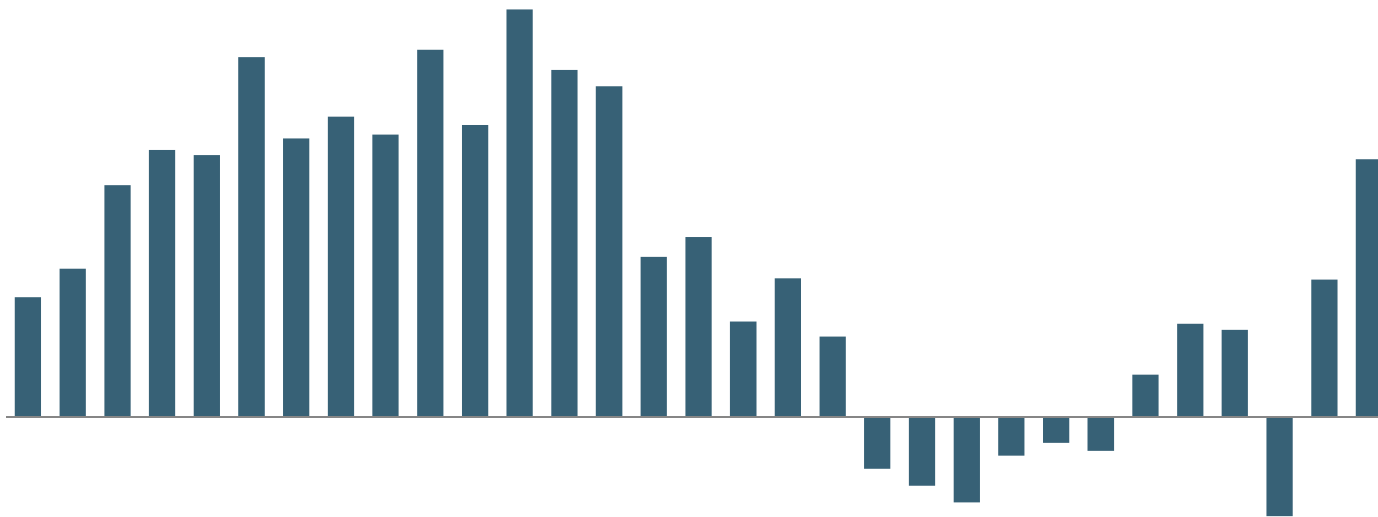
**Resurgence of COVID 19 in
EU and the US YG's
customers continues to
operate business normally.
Shipments to EU/US
remains normal. YG's
supply chain is normal**

2020 Q3 Financial Highlights





Operating Profit continues to Improve



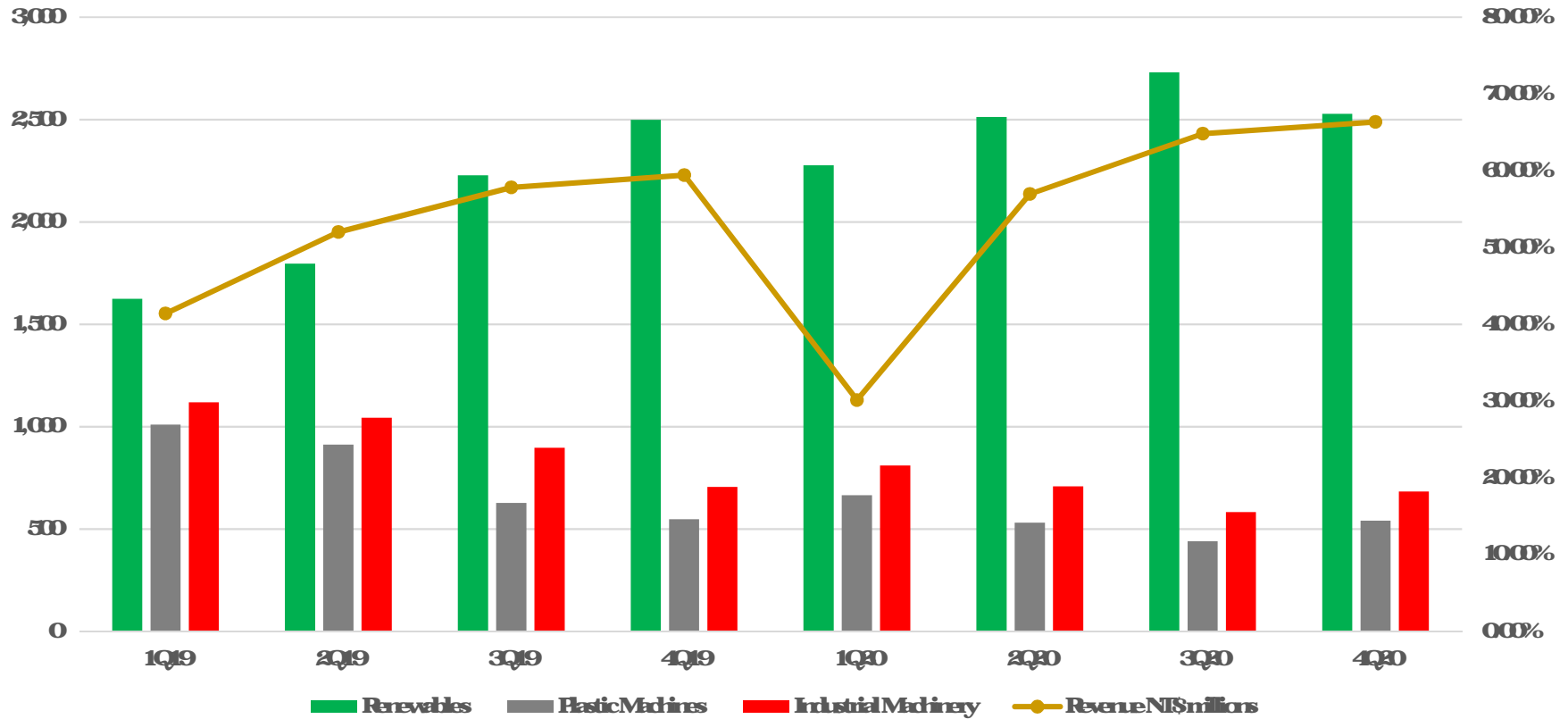


Renewable Product Demand Reaches New High

2020Q4 Revenue composition Renewables 72.8%, Plastic Injection 11.7%, Industrial Machinery 15.5%

Due to COVID 19 non-renewables product demand remains low Renewables shipment continued to grow

Revenue Allocation by Product Sector



2020 Q3 Income Statement

Unit: Thousand NID	3Q2020	2Q2020	QoQ	3Q2019	YoY
Revenue	2,430,601	2,135,664	14%	2,168,195	12%
Gross Profit	582,178	465,019	25%	390,298	49%
Gross Margin	24%	22%	2PP	18	6PP
Operating Expense	292,462	310,608	-6%	285,651	2%
Operating Income	289,716	154,411	88%	104,647	177%
Operating Profit Ratio	12%	7%	5PP	5%	7PP
Non Operating Items	(22,518)	68,353	-133%	(3,166)	-611%
Profit before % Ratio					



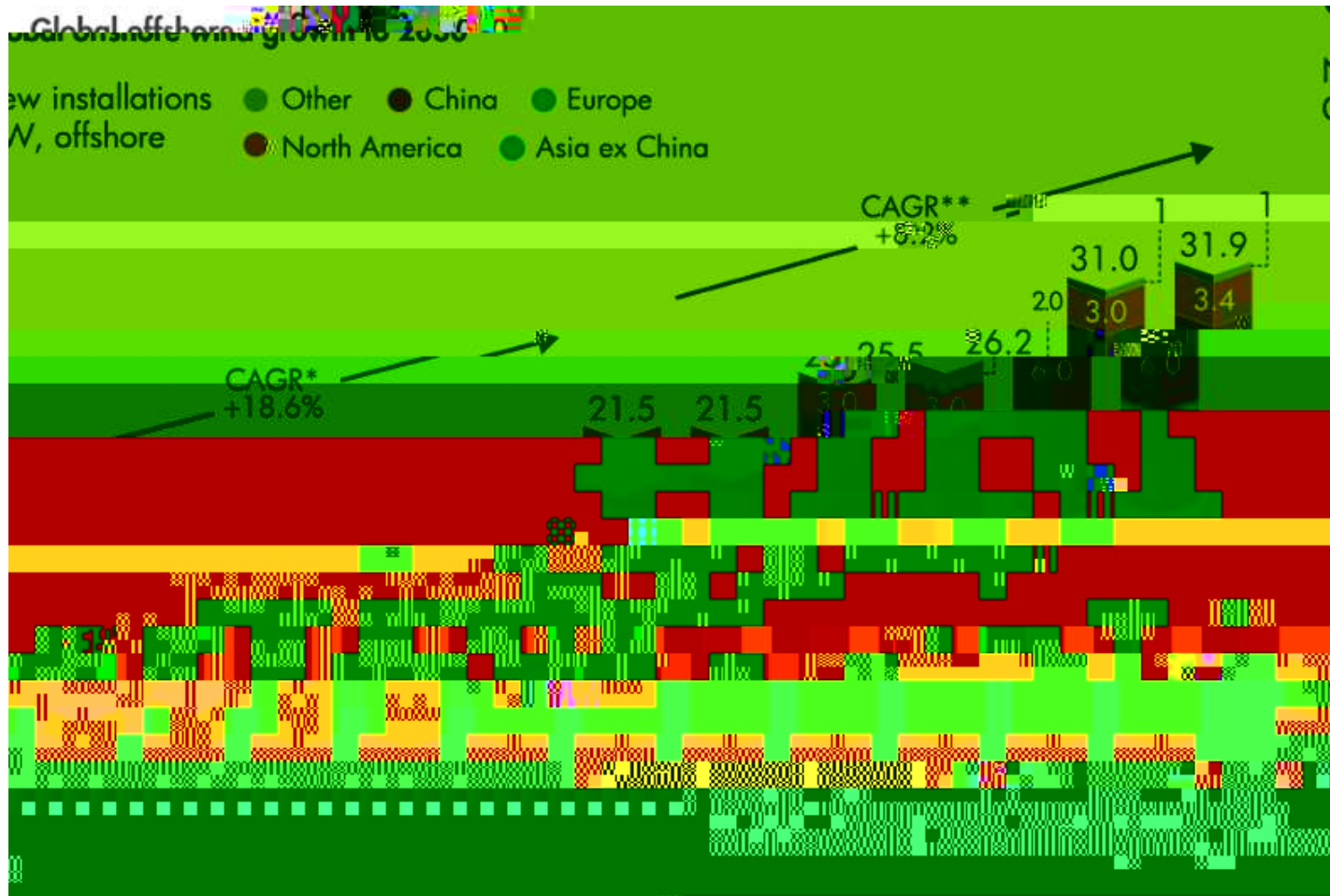
2020 Q3 Balance Sheet

Unit: Thousand NID	3Q2020	2Q2020	QoQ	3Q2019	YoY
Total Assets	15,136,380	13,636,832	11%	13,828,344	9%
Cash	2,457,711	1,581,766	55%	1,582,427	55%
NR&AR	3,549,680	2,707,002	31%	2,980,309	19%
Inventory	1,267,130	1,354,009	-6%		

Market Trends

Offshore Wind Market growth forecast to 2030

206 GW of new Offshore Wind capacity to be added from 2020 to 2030



The Prime Minister of the UK announced an increase of 2080 offshore wind energy installation target from 30GW to 40GW

Onshore/ offshore wind power is the most cost competitive power generation method in the UK

Boris Johnson: Wind farms could power every home by 2030

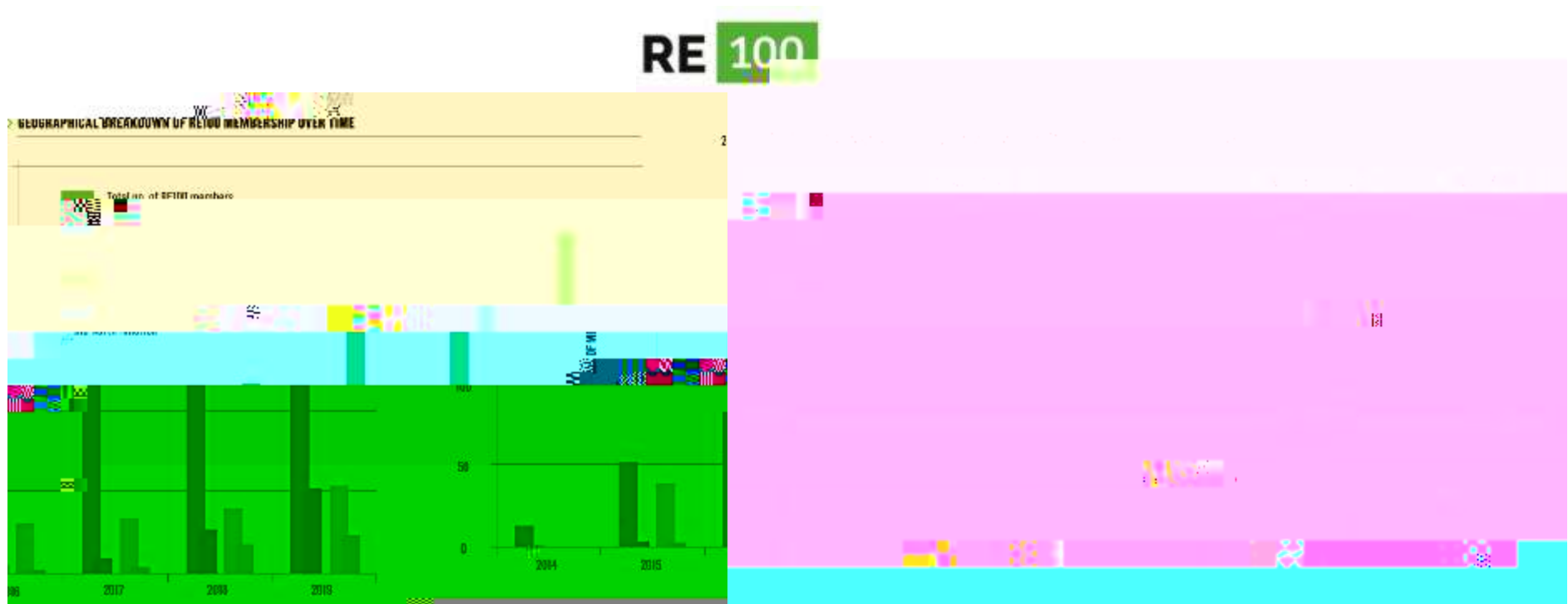




RE 100 members prefer to invest in Wind Energy

As of the end of 2019 the RE 100 organization has more than 200 members and we expect more international corporations to join in the future

66% of the green energy purchased by RE 100 members is wind

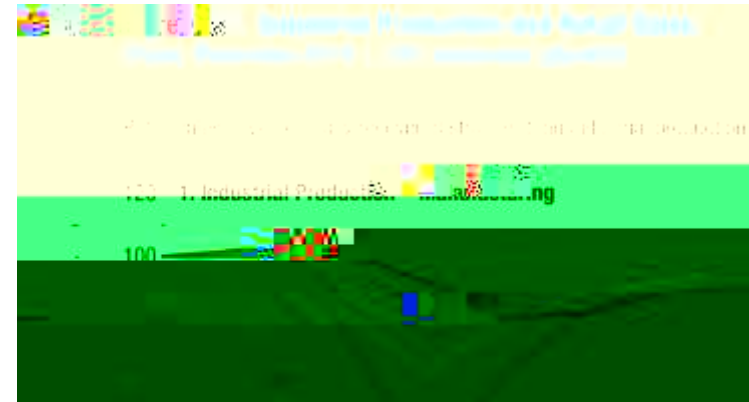




World Economies continue to Recover

IMF data shows that by the end of August 2020 the industrial production index and retail activities of most countries are back close to the level before COVID 19

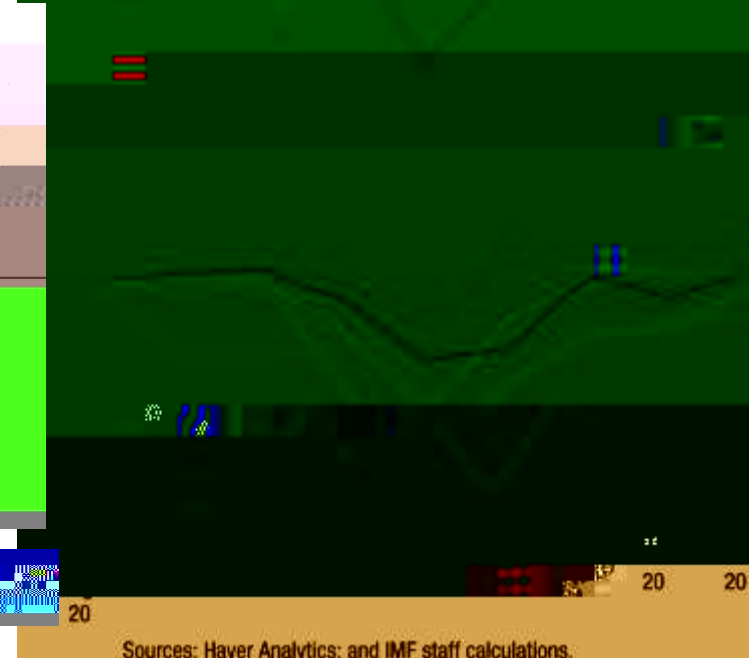
World Bank predicts with the rollout of COVID 19 vaccines globally economic recovery can be expected in 2021.



A. Global growth: Growth in advanced economies



Sources: Oxford Economics; World Bank



Development Strategy



Taichung Plant to Start Production in 2022

New Capacity for Offshore Wind sector

Timeline: Construction will start in 2020 targeting trial production by 2Q22

Capacity: 80,000 100,000 tons/year

45K by 2023, 60K by 2024, 80K by 2025

Advantages

Customers nearby (Siemens/MOW)

Localization requirements

Proximity to harbor

Government incentives

Capex

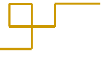
Phase 1: NT\$5.22b to reach 45k

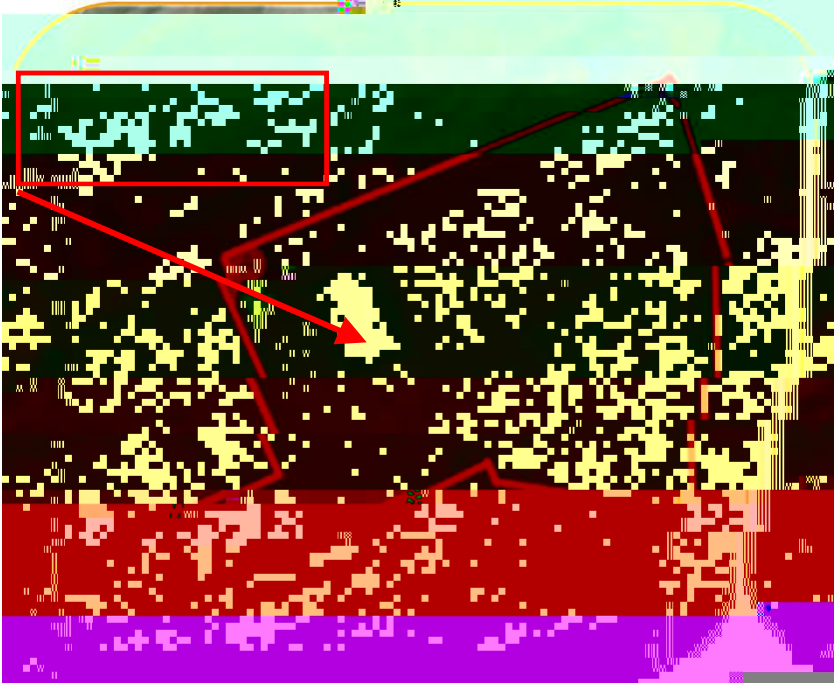


Signed Conditional Contracts with Siemens/MOW for the supply of castings for Taiwan's offshore wind market.

We expect 30,000 tons/year demand from Siemens Taiwan, and 50,000 tons demand from international markets







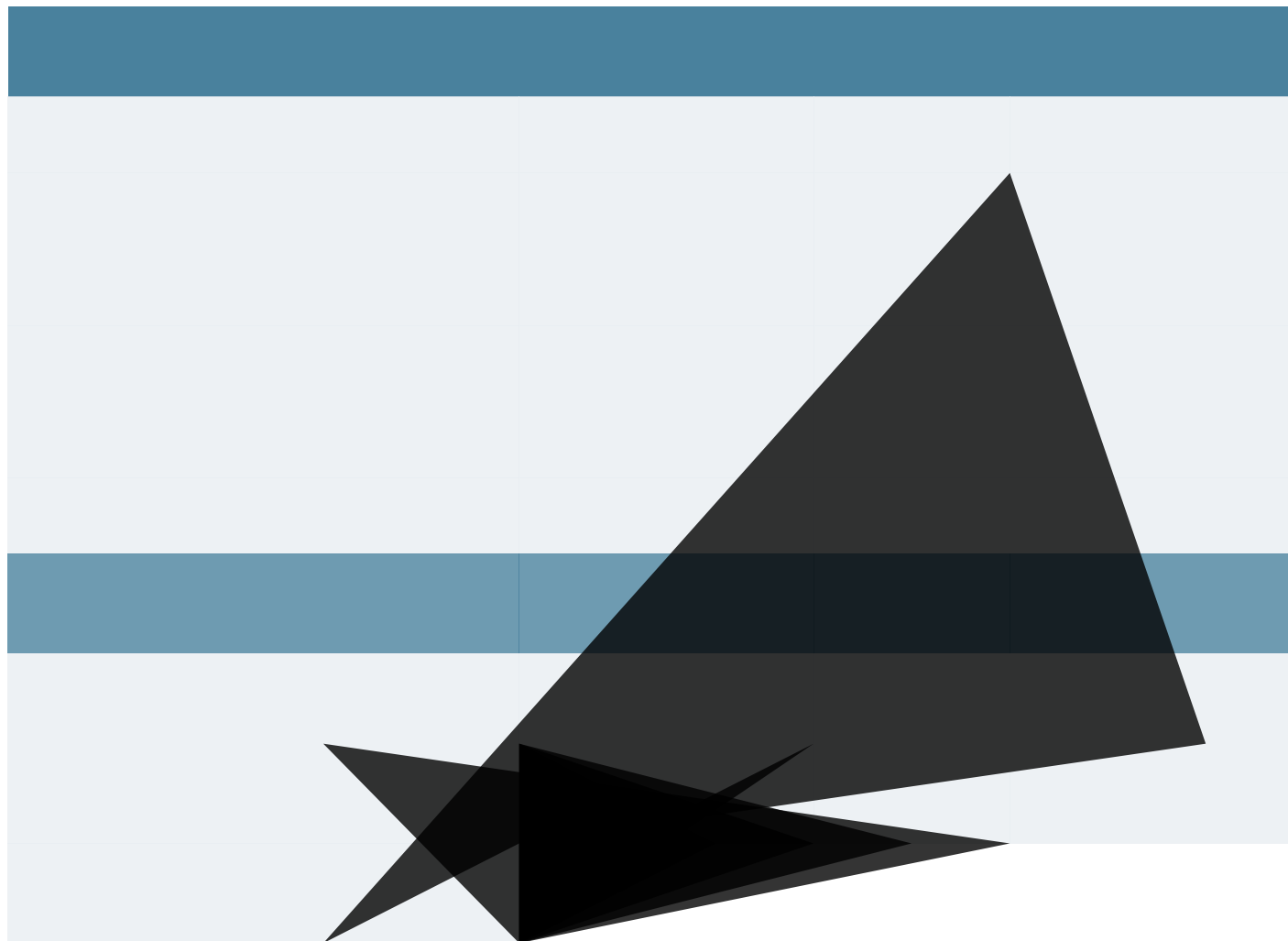
Financial Figures Appendix

Balance Sheet

NT\$ Million	2016	2017	2018	2019	2020 Q1-Q3	2019 Q1-Q3	YoY(%)				
							2016	2017	2018	2019	2019 V 2020 Q1-Q3
TOTAL ASSETS	15,052	14,483	14,531	13,521	15,136	13,828	-35	-38	03	-7	95
Cash	4,241	3,316	3,153	1,451	2,458	1,582	-21.6	-21.8	-49	-54	55.4
NR&AR	2,186	2,026	2,103	2,947	3,550	2,980	-12	-7.3	38	40.1	19.1
Inventory	1,261	1,256	1,368	1,226	1,267	1,430	-3.3	-0.4	8.9	-10.4	-11.4
Fixed Asset	5,701	6,279	5,920	5,735	5,534	5,859	8.5	10.1	-5.7	-3.1	-5.5
TOTAL LIABILITIES	4,974	4,768	6,250	5,699	7,131	5,962	0.8	-4.1	31.1	-8.8	19.6
Bank Loans	619	612	4,584	3,858	3,517	4,105	23.8	-1.1	6.49	-15.8	-14.3
NP&AP	1,098	1,136	1,050	990	1,292	1,104	-3.2	3.5	-7.6	-5.7	1.7
TOTAL EQUITY	10,078	9,715	8,281	7,822	8,005	7,866	-5.4	-3.6	-14.8	-5.5	1.8
Common Stock	1,188	1,188	1,116	1,056	1,056	1,056	0.7	0	-6.1	-5.4	0
Book value per share	82.3	79.3	72.9	72.5	74.4	72.9					
A/R turnover days	116	121	123	117	157	123					
Inventory turnover days	98	99	97	78	80	87					
A/P turnover days	82	82	74	57	69	62					
ROE(%)*	9.8	2.8	-3.2	2.1	3.7	-0.1					

* ROE Parent company Net income / average common equity

Quarterly Income Statement





Thank you for your consideration!



www.ygget.com

