



Eurocharm Group

誠信創新 顧客滿意

www.eurocharm.com.tw

Eurocharm Holdings Co., Ltd.

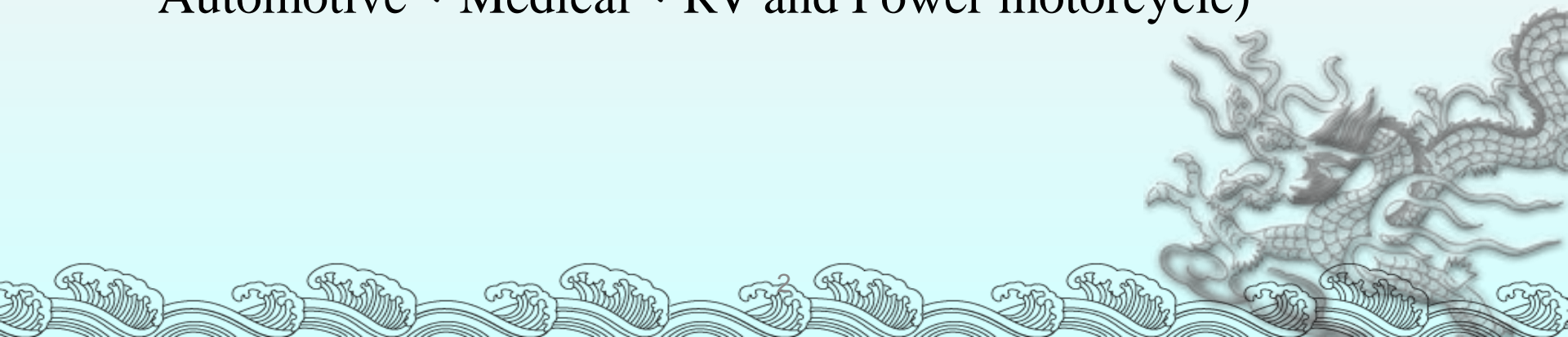
~A global leading supplier in automotive, motorcycle, and medical equipment industries

Jerry Kao Manager



Company Profile

- **Stock Code** : 5288 TT
- **Founded** : 2011/07/18
- **Paid-in Capital** : 657,991,530
- **Number of Employees** : Total 3,500
- **Headquarter** : New Taipei City, Taiwan
- **IPO Date** : 2014/09/25
- **Operations Sites** : Taiwan (1974) 、 Vietnam (2001)
- **Main Product** : Precision Metal Parts (Motorcycle 、 Automotive 、 Medical 、 RV and Power motorcycle)



Group History

1974~1993

Building Foundation
in Taiwan

- 1974: Eurocharm Taiwan was established and became a professional manufacturer of motorcycle parts .
- 1988: started production of healthcare equipment parts and products

1994~2010

Setting Roots in
Vietnam

- 1994 : Vietnam Precision Industrial Joint Stock Company was established (8.17%)
- 2001 : Vietnam Precision Industrial No.1 Co., Ltd. (VPIC1) was established (100%)
- 2006 : jointed venture with EXEDY Japan to establish EXEDY Vietnam, whose main products are motorcycle clutch parts (20%)
- 2007 : ISO/TS16949 and ISO14001 certification
- 2010 : jointed venture to establish Hsieh Yuan Technology Vietnam Co., Ltd., specialized in zinc, nickel, chromium and hard chrome plating certification (45%). Passed ISO13485

2011~Now

Marching towards the
World

- 2011: restructured group organization to establish Eurocharm Holdings Co., Ltd.
- 2012: started production of heavy Motorcycle parts to Polaris
- 2014: installed 3D laser cutting machine 、Ford Q1 Award
- 2015:OHSAS 18001certification
- 2017:fifth plant completed

Vietnam Factory



Major Clients

HONDA
The Power of Dreams

EXEDY

 **POLARIS**


ARCTIC CAT
SHARE OUR PASSION.™

 **YAMAHA**


Yes, you can.™




TOYOTA


PIAGGIO®

FranceBed

Reliable quality enables us to
partner with global-leading
brands around the world.

 **SYM**
Engine of Life

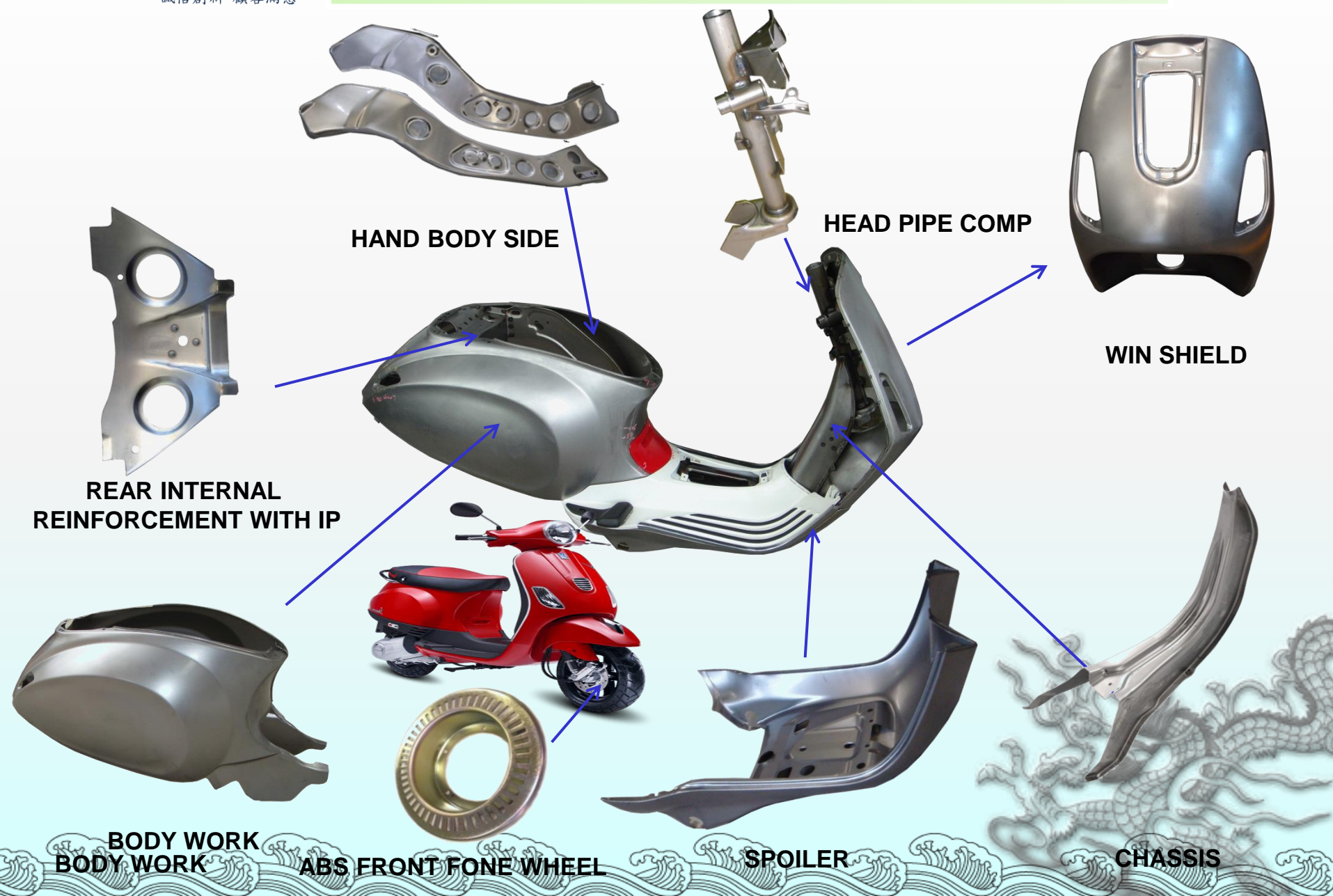
 **DUPONT**


 **SUZUKI**

Panasonic
ideas for life

- ✓ reduce time for product launch
- ✓ exceptional quality reliability
- ✓ excellent quality service

Motorcycle Parts (1)



Motorcycle Parts (2)



STAY FR COVER



PIPE SUB COMP



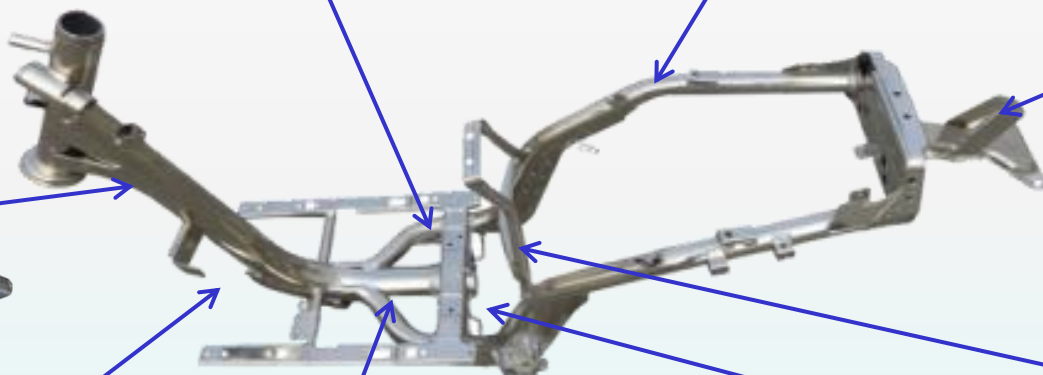
PIPE, SIDE



PLATE, RR CROSS COM



MAIN PIPE COMP



FRAME COMP



PLATE, PIVOT COMP



MAIN PIPE COMP



PIPE, LOWER CROSS
COMP



PIPE RR CROSS COMP

Motorcycle Parts (3)



RAIL REAR GRAB



CARRIER LUGGAGE



HUB



CLUTCH CENTER SUB



CLUTCH PLATE



CRANK CASE



ENGINE BLOCK



STEP ASSY. PILLION



STEP ASSY. PILLION



SWINGARM, REAR

Motorcycle Parts (4)



HANDLE COMP



METAL FUEL FILLER



HINGE FUEL LID



HINGE ASSY SEAT



SEAT CATCH COMP



RAIL RR GRAB



SWING ARM ASSY



CAM RR BRAKE



ARM RR BRAKE



STEERING COLUMN



GEAR, FINE BLANKING



RETAINER, KICK SPRING



STAND SIDE



STAND COMP MAIN



LINK ASSY ENG HANGER



STEP ASSY, PILLION



Power Motorcycle Parts

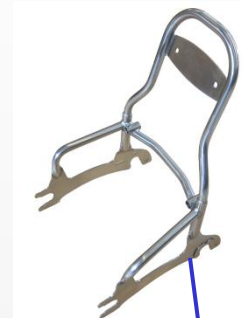
UPPER TRIPLE CLAMP



LOWER TRIPLE CLAMP



HOUSING-SPEEDOMNT, IND WELD-BACKREST



COVER-WIRE, FRONT, N



HANDLE BAR



FOOT CONTROL



STAND SIDE



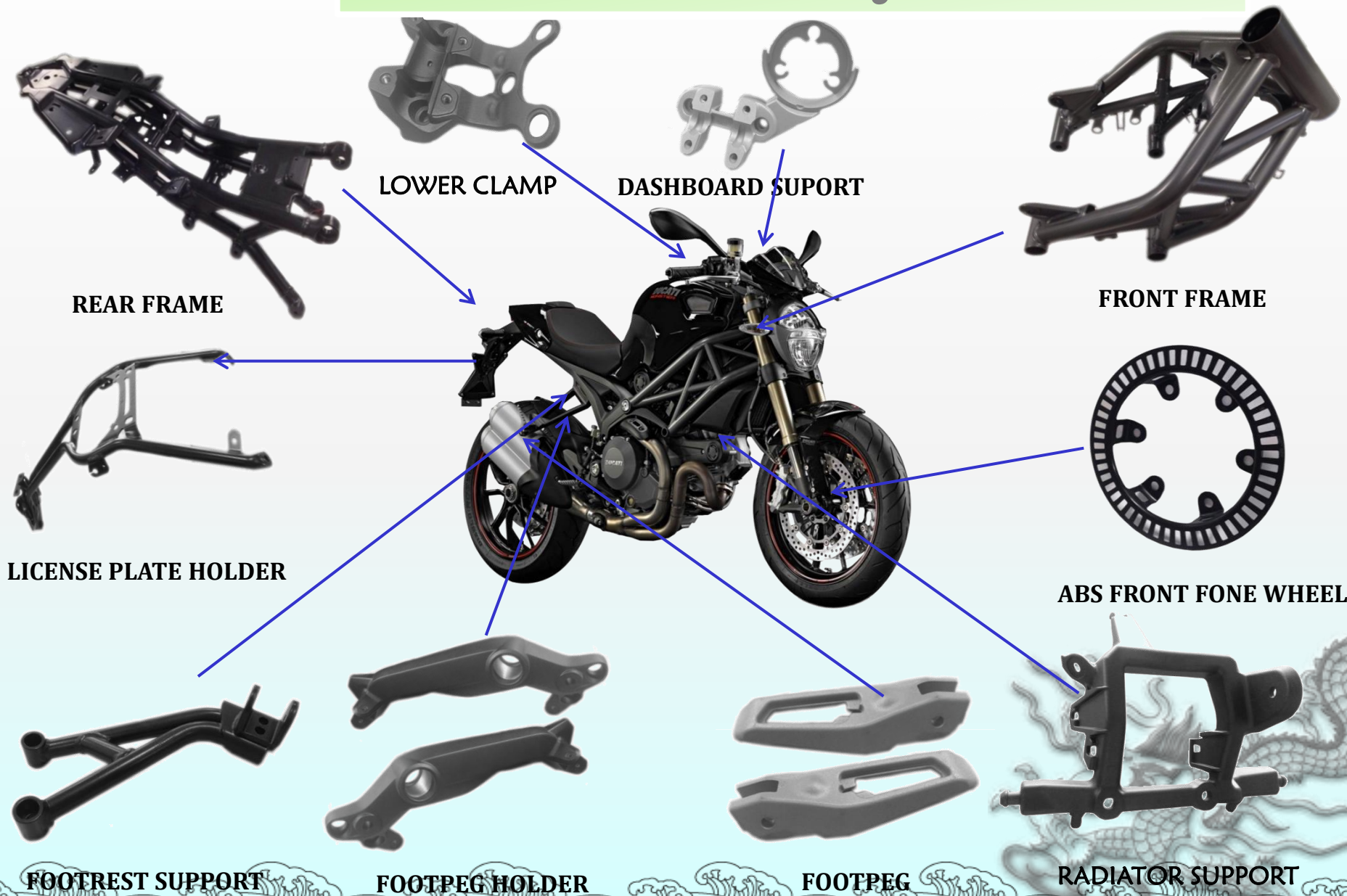
FENDER



SWINGARM



Power Motorcycle Parts



Snowmobile Parts



Seat Rail



Handle Bar



Front Torque Arm



Bumper



Upper Control Arm



Front Torque Arm



Lower Control Arm



Recreational Vehicle Parts--ATV



WELD-SKID, FRONT, BOLTED



SUPPORT-STEERING



BRKT-POD MOUNTING



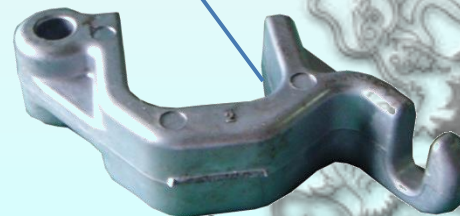
BRKT AXLE BRACE



BRKT-FUSE BLOCK



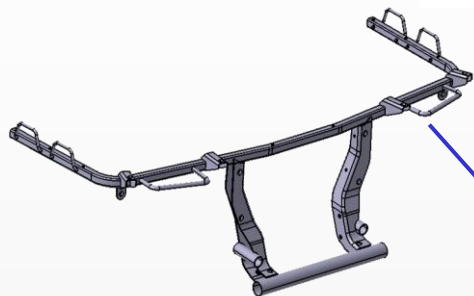
PLATE-MOUNT, PIN



BRKT CAST SWAY BAR



Recreational Vehicle Parts--sxs..



WELD-REAR RACK,SUPPORT,SPMN



BRKT - REAR TRANS MNT



**TRAILING ARM,
WELD**



BRKT-MOUNT,RADIATOR,LH



**BRKT-MOUNT,
SUPPORT,OUTER,PASS**



BRKT-SKID PLATE, REAR



WELD-SHIFT LEVER



Recreational Vehicle Parts-- others



**TRIM-RADIO
DISPLAY BEZEL**



HOOP-ROLL



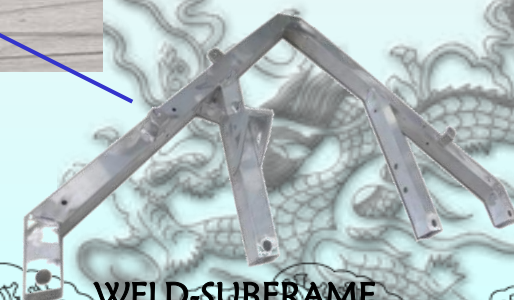
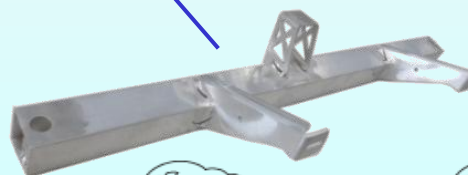
BRACKET-IGNITION



CENTER HEADLIGHT



WELD MNT, RADIATOR



WELD-SUBFRAME

Automobile Parts



CHASSIS FRAME ASSY



FRAME FR
SEAT CUSHION
SIDE NO 1



PANEL RR
SEAT BACK



HINGER SEAT ASSY



FRAME SUB ASSY FR
SEAT CUSHION



SIDE STEP



SIDE STEP



Medical & Healthcare Parts



MEDICAL BED



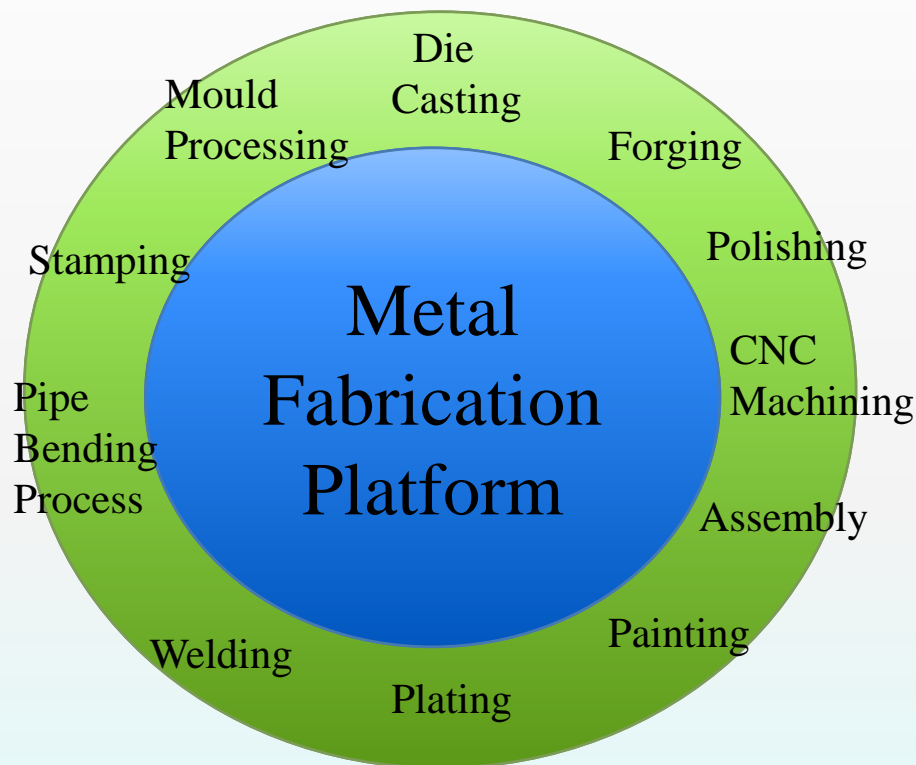
PATIENT LIFTER



SHOWER CHAIR



Competitive advantages



Vertical and Horizontal Production Integration



Tooling Design



Tooling Development



Product Verification



sheet
fabrication



tube
fabrication



aluminum
die casting



CNC
machining



robotic
welding



surface
treatment



zinc &
nickel-
chrome
plating



final
assembly

Provide One-Stop-Shopping for Customers

Consolidated Statements of Comprehensive Income

(2018.Q2 & 2017.Q2)

In million of New Taiwan dollars

Period	2018.06	%	2017.06	%	YoY (%)
Net revenue	2,071	100.00%	1,981	100.00%	4.54%
Cost of revenue	(1,697)	-81.94%	(1,620)	-81.78%	4.75%
Gross profit	374	18.06%	361	18.22%	3.60%
Operating Expenses	(125)	-6.04%	(111)	-5.60%	12.61%
Income from Operatings	249	12.02%	250	12.62%	-0.40%
Non-operating income and expenses	59	2.85%	33	1.67%	78.79%
Income before income tax	308	14.87%	283	14.29%	8.83%
Income tax expense	(71)	-3.43%	(74)	-3.74%	-4.05%
Net income	237	11.44%	209	10.55%	13.40%

Consolidated Balance Sheet

In million of New Taiwan dollars

Period	2018.06.30	%	2017.12.31	%	2017.06.30	%
Assets	3,710	100.00%	3,344	100.00%	3,259	100.00%
Cash and cash equivalents	639	17.22%	671	20.07%	927	28.44%
Financial assets measured at amortized cost	660	17.79%	0	0.00%	0	0.00%
Investments in Debt Securities with No Active Market	0	0.00%	653	19.53%	587	18.01%
Notes and accounts receivable, net	700	18.87%	590	17.64%	562	17.24%
Inventories	497	13.40%	417	12.47%	347	10.65%
Property, plant and equipment	862	25.93%	748	22.37%	605	18.56%
Other assets	1,012	27.28%	265	7.92%	231	7.09%
Liabilities	1,134	34.12%	774	23.15%	897	27.52%
Short-term loans	101	2.72%	57	1.70%	54	1.66%
Accounts payable	409	12.30%	362	10.83%	265	8.13%
Other payable	435	11.73%	180	5.38%	406	12.46%
Other liabilities	189	5.69%	175	5.23%	172	5.28%
Equity attributable to the parent company	2,576	69.43%	2,570	76.85%	2,362	72.48%
Capital stock	658	19.80%	658	19.68%	658	20.19%
Capital surplus	837	22.56%	836	25.00%	835	25.62%
Retained earnings	1,298	39.05%	1,325	39.62%	1,074	32.95%
Other components of equity	(217)	-5.85%	(249)	-7.45%	(205)	-6.29%

In million of New Taiwan dollars ; %

Net Revenue



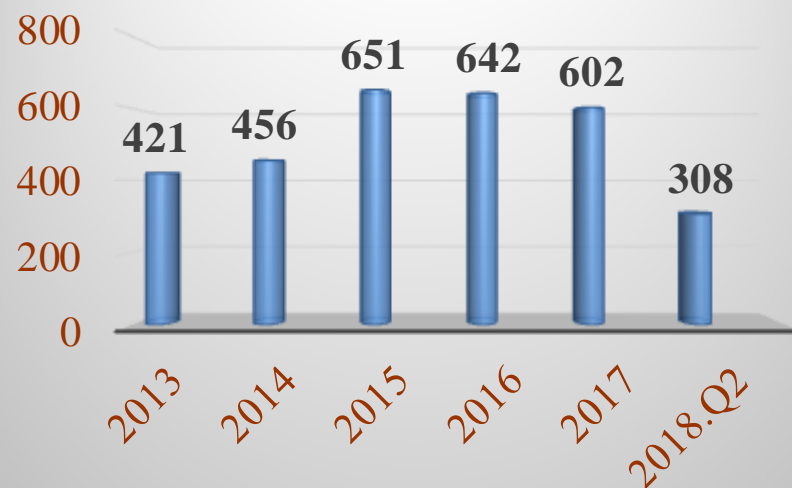
Gross profit margins



Operating expenses margins

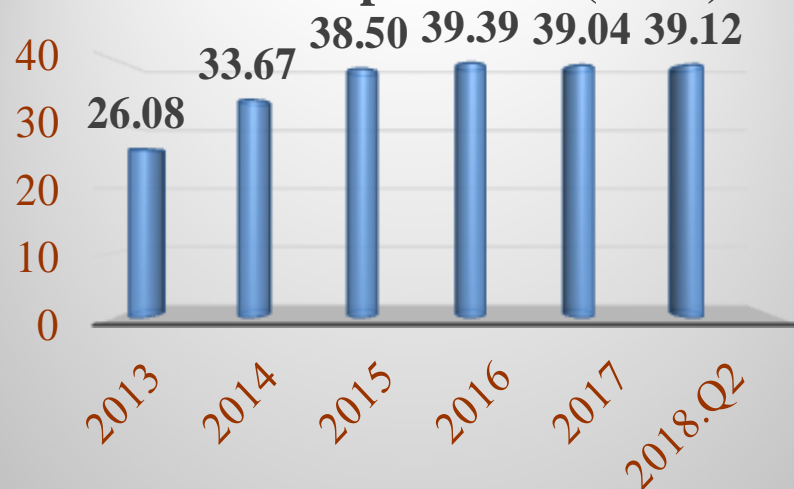


Income before income tax

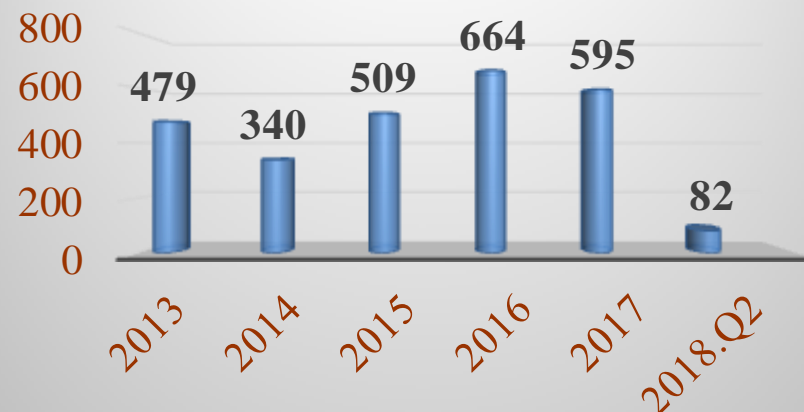


In million of New Taiwan dollars ; %

Book value per share (NTD)



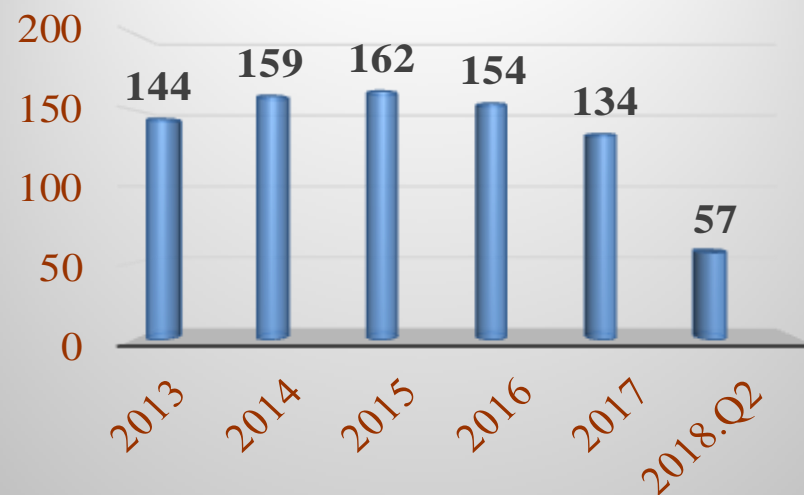
Net cash provided by operating activities



Debt Ratio



Depreciation



Client Structure

	Client	2011	2012	2013	2014	2015	2016	2017	2018.Q2
1	HONDA	42%	39%	50%	50%	51%	50%	48%	44%
2	YAMAHA	26%	24%	16%	11%	9%	9%	8%	5%
3	POLARIS	0%	0%	0%	4%	8%	8%	11%	14%
4	EXEDY	5%	6%	5%	5%	5%	5%	4%	3%
5	PIAGGIO	4%	5%	4%	5%	6%	6%	6%	6%
6	INVACARE	7%	8%	7%	5%	4%	5%	4%	5%
7	Others	16%	18%	18%	24%	25%	17%	19%	23%
	Total	100%	100%	100%	100%	100%	100%	100%	100%

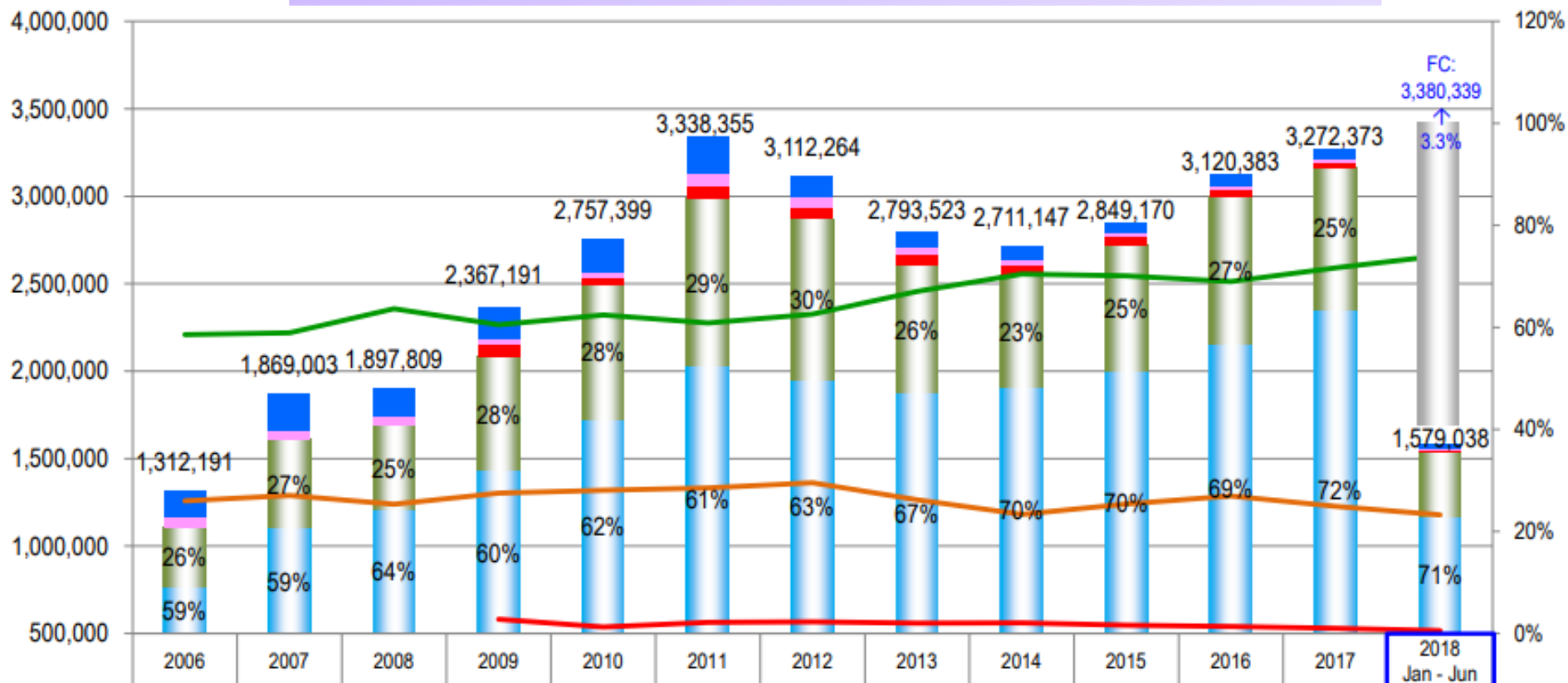
	Regions	2011	2012	2013	2014	2015	2016	2017	2018.Q2
1	Vietnam	89%	85%	83%	76%	74%	74%	68%	61%
2	Taiwan	1%	1%	1%	1%	1%	1%	1%	1%
3	others	10%	14%	16%	23%	25%	25%	31%	38%

Product Diversification

	2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	1,095,998	989,722	1,041,066	1,037,993	1,004,521	976,300	1,037,015	1,044,330	1,011,344	1,059,638
Motorcycle	74.79%	76.17%	77.98%	83.42%	73.35%	74.44%	73.13%	73.91%	67.87%	68.79%
Automobile	2.25%	1.79%	1.95%	2.01%	0.72%	0.65%	0.56%	0.79%	0.85%	1.58%
Medical & Healthcare	12.42%	11.62%	9.98%	10.08%	12.92%	12.02%	11.43%	12.87%	13.48%	10.41%
Heavy Motor & Recreational Vehicle	10.53%	10.42%	10.09%	4.49%	13.01%	12.89%	14.88%	12.43%	17.80%	19.22%

Vietnam big 5 motorcycle's FDI statistics

Unit / M



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 Jan - Jun
SYM	149,032	210,005	158,703	180,008	193,554	215,009	119,597	82,384	74,135	59,499	65,316	55,798	23,707
SUZUKI	53,634	51,852	50,066	38,348	33,784	66,088	55,862	50,525	37,047	23,167	18,953	20,989	10,043
PIAGGIO				65,316	34,068	72,487	70,055	55,736	56,443	46,554	41,754	33,211	8,420
YAMAHA	340,955	505,536	480,685	651,500	774,313	953,047	919,037	731,238	633,622	722,883	840,743	815,789	367,267
HONDA	768,570	1,101,610	1,208,355	1,432,019	1,721,680	2,031,724	1,947,713	1,873,640	1,909,900	1,997,067	2,153,617	2,346,586	1,169,601
Total	1,312,191	1,869,003	1,897,809	2,367,191	2,757,399	3,338,355	3,112,264	2,793,523	2,711,147	2,849,170	3,120,383	3,272,373	1,579,038
Total YOY		42%	2%	25%	16%	21%	-7%	-10%	-3%	5%	10%	5%	100%
Honda %	59%	59%	64%	60%	62%	61%	63%	67%	70%	70%	69%	72%	74%
Yamaha %	26%	27%	25%	28%	28%	29%	30%	26%	23%	25%	27%	25%	23%

Future Outlook

- Team up with motorcycle companies' market globalization to expand more into export markets.

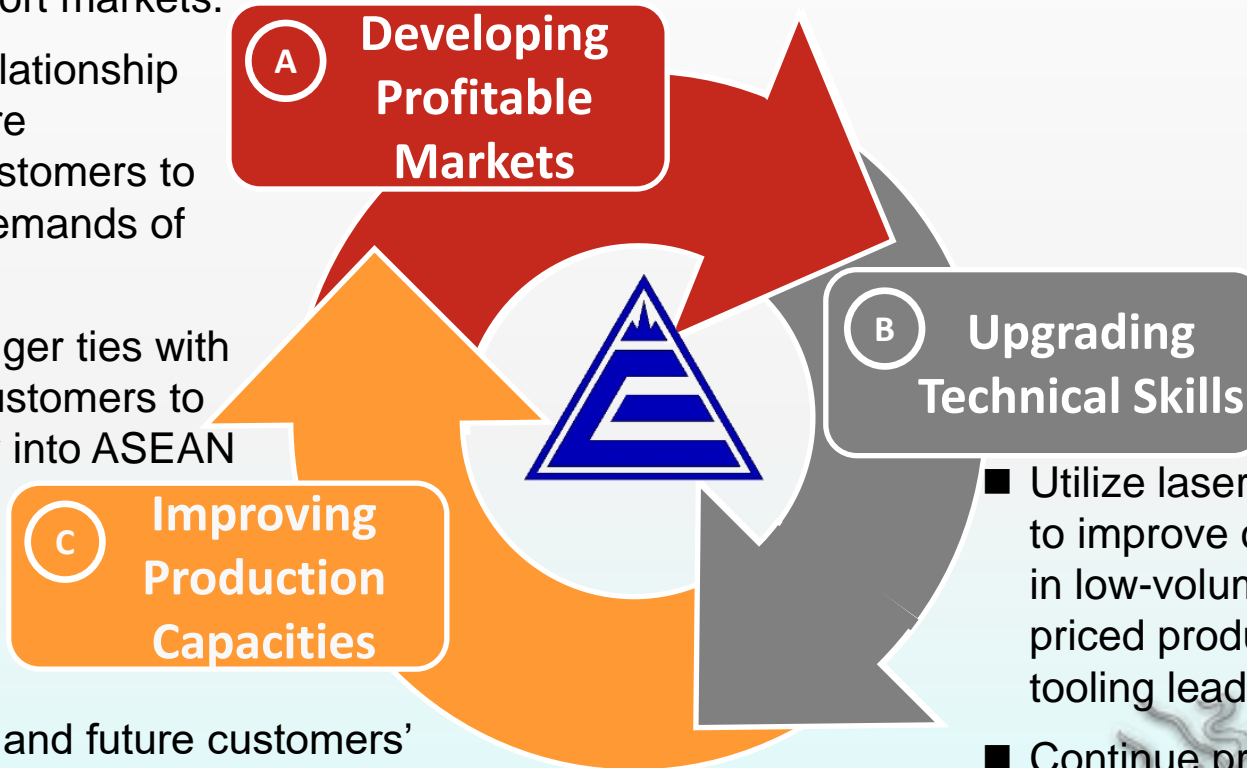
- Strengthen relationship with healthcare equipment customers to face higher demands of aging society.

- Develop stronger ties with automotive customers to grow together into ASEAN markets.

- Meet existing and future customers' demand to increase capacity in die-casting, CNC machining, and painting.

- Meet customers' growth need by planning 5th factory in Vietnam.

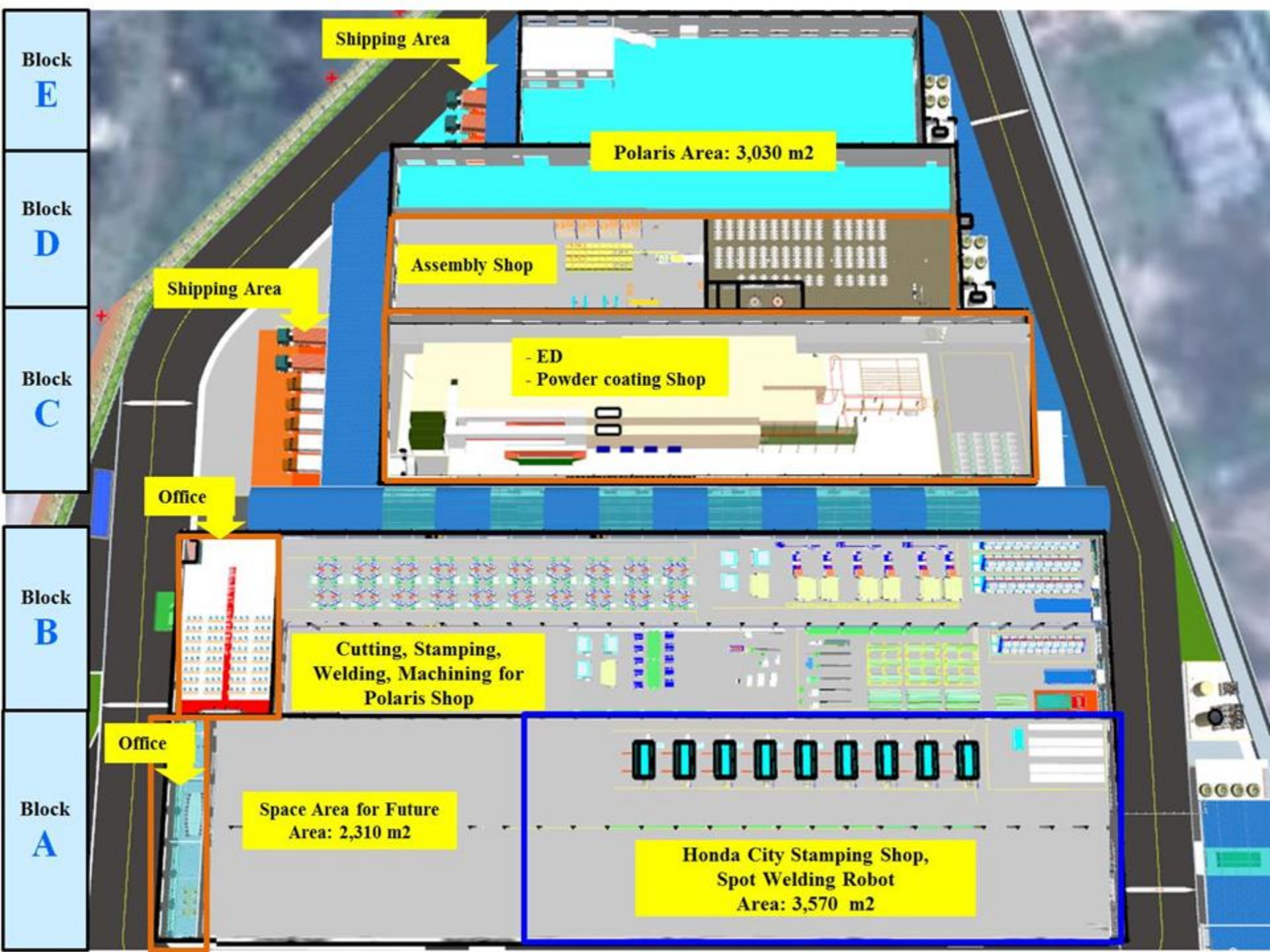
- Maintain relationship with main suppliers.



- Utilize laser cutting machine to improve competitiveness in low-volume but high-priced products, and reduce tooling lead time.

- Continue production atomization to raise competition barriers.

- Implement robotic aluminum welding used on high-end product markets.



Block
E

Shipping Area

Polaris Area: 3,030 m²

Block
D

Assembly Shop

Shipping Area

Block
C

- ED
- Powder coating Shop

Office

Block
B

Cutting, Stamping,
Welding, Machining for
Polaris Shop

Block
A

Office

Space Area for Future
Area: 2,310 m²

Honda City Stamping Shop,
Spot Welding Robot
Area: 3,570 m²



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Thanks for your kind attention

~ Q&A

