



TST Group Holding Ltd.

**TST Group -KY(4439)
May 2024**



Safe Harbor Notice

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- The prospects for the future in this briefing report reflect TST Group' s vision on the future so far. TST Group is not responsible for any notification or update with regard to any change or adjustment to these prospects in the future.

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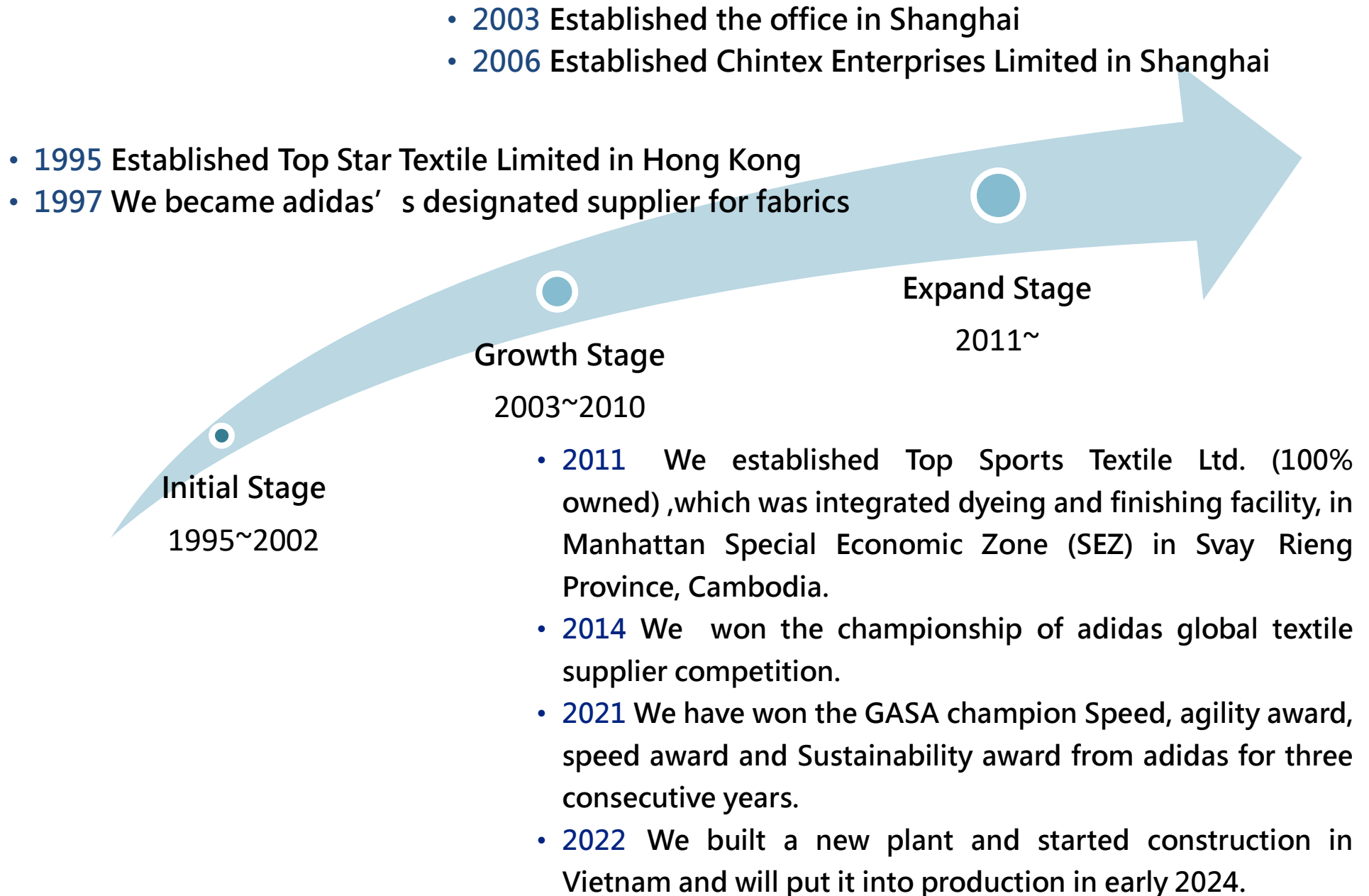


Company Profile

- Year of establishment : 1995
- Capital : TWD 382.94 million
- Chairman/CEO/COO :
LIN CHIN MAO/LIN CHING WEI/
HUNG HSIANG MING
- Main products : Sports and leisure cotton blended knitted fabric
- Place of operation : Hong Kong 、 China 、
Cambodia and Vietnam
- Group employee : About 1,750



Development History





Main Products

- High-quality cotton and cotton blend knitted sports and leisure fabrics

Spacer

Multiple fibers
Special patterns
Breathable knitting

Fleece

Fluffy hand feel
Pilling resistant

French Terry

Special grain design
Smoother knitting techniques

Dry Nit

Single Jersey



- **Joint Development** : Maintain close development activities with brand customers
- **Independent Development** : Research market demand, continue to pay attention to the application of new materials in the market, seek more environmentally friendly and efficient production methods, and focus on improving the appearance, quality and performance of products.
- **Fabric digital database**: Scan the QR Code to enter the fabric showroom, select fabrics online, and use 3D simulation technology to further apply it to garment display to assist customers in making fabric selection decisions and reduce development time.



The Best Fabric Supplier In The World



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adidas

- 1997 Top Of The League
- 1998 Top Of The League
- 2005/Sep.,Oct. Top of The League
- **2005 Golden Shoes Prime**
- 2009 Performance Award
- 2011 Reliability Award
- 2012 Adidas KPI Top Player
- 2014 Adidas KPI Champion
- 2015 Leadership Award
- 2016 Manufacturing Excellence & Innovation
- 2018 Quality Award
- 2019 ME/ Leadership/ Sustainability Award
- 2020 ME Award
- 2020 Sustainability Award
- 2021 GASA champion
- 2021 Agility award
- 2021 Speed award
- 2021 Sustainability award
- 2022 Performance Award (People Award)

PUMA

- 2006 Best Fabric Supplier of R & D
- 2011 The Best Supplier



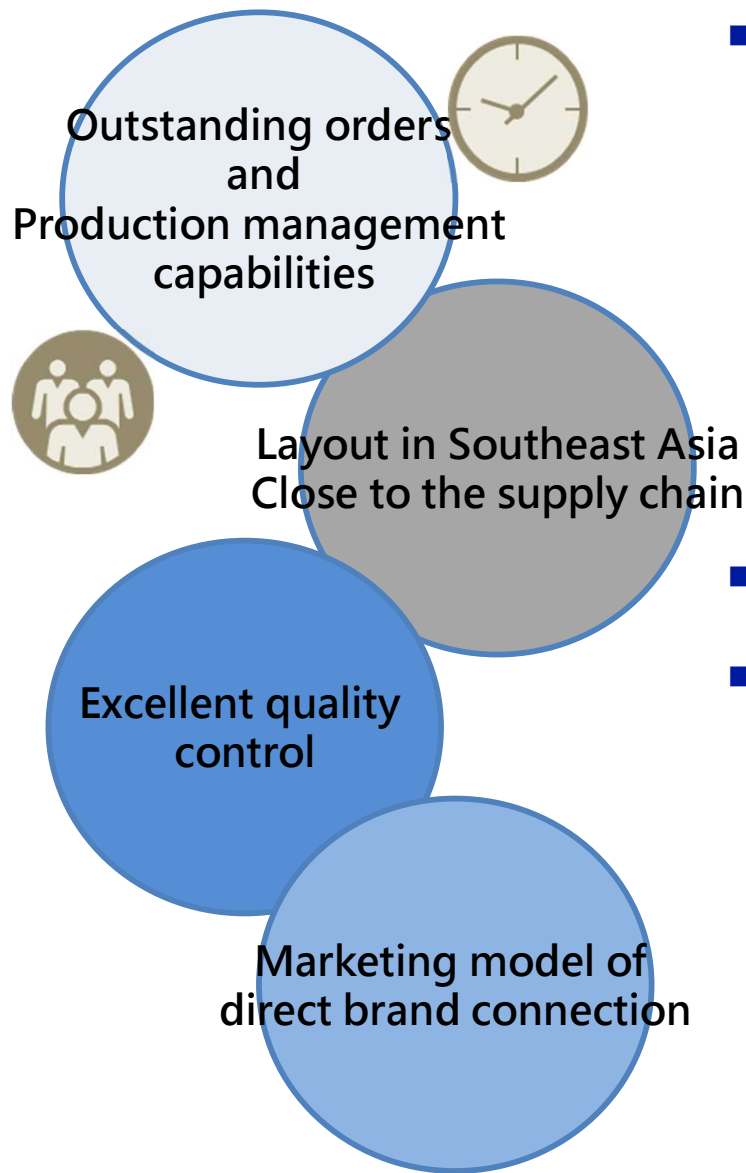
Business Partner



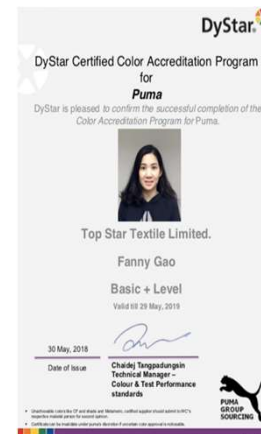
BROS



Advantages



- Flexible order distribution capacity: Flexible production base, Mainland certified long-term partners and own factory in Cambodia and Vietnam, providing advantages such as production flexibility, rapid delivery and product diversification
- Scale knitted fabric supplier in Cambodia
- Brands awarded self-test certification



- Take orders and discuss prices directly with the brand

Advantage - outstanding order and production management capabilities



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Excellent supplier and order management capabilities, docking with brands to grasp market information in time, providing advantages such as production flexibility, rapid delivery and product diversification.

01

Complicated
Sample List
24,000 cylinders / year

02

Strict Testing
Procedures

- Quality inspection
50 tracks / type
- Defect inspection
40 items / section



03

Diversified Order Modes
1,200 models / year



04

Fast Delivery
Demand

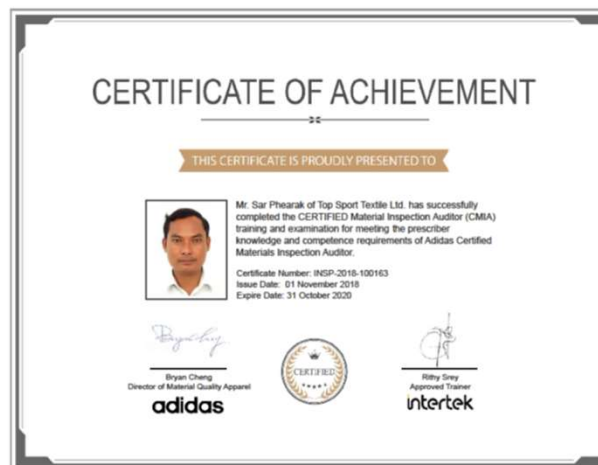
- 21 days delivery
- One order in 15
days



We can effectively control the quality of weaving, dyeing and finishing to provide customers with the best quality products.

■ Brands awarded self-test certification

- Color Control : Brand authorization and self-examination (adidas, PUMA, GAP and Li Ning)
- Examination : Third-party certification (adidas, PUMA, GAP and Decathlon)
- Certified Materials Inspection Auditor : adidas authorized certification



Advantages - the marketing model of direct brand connection



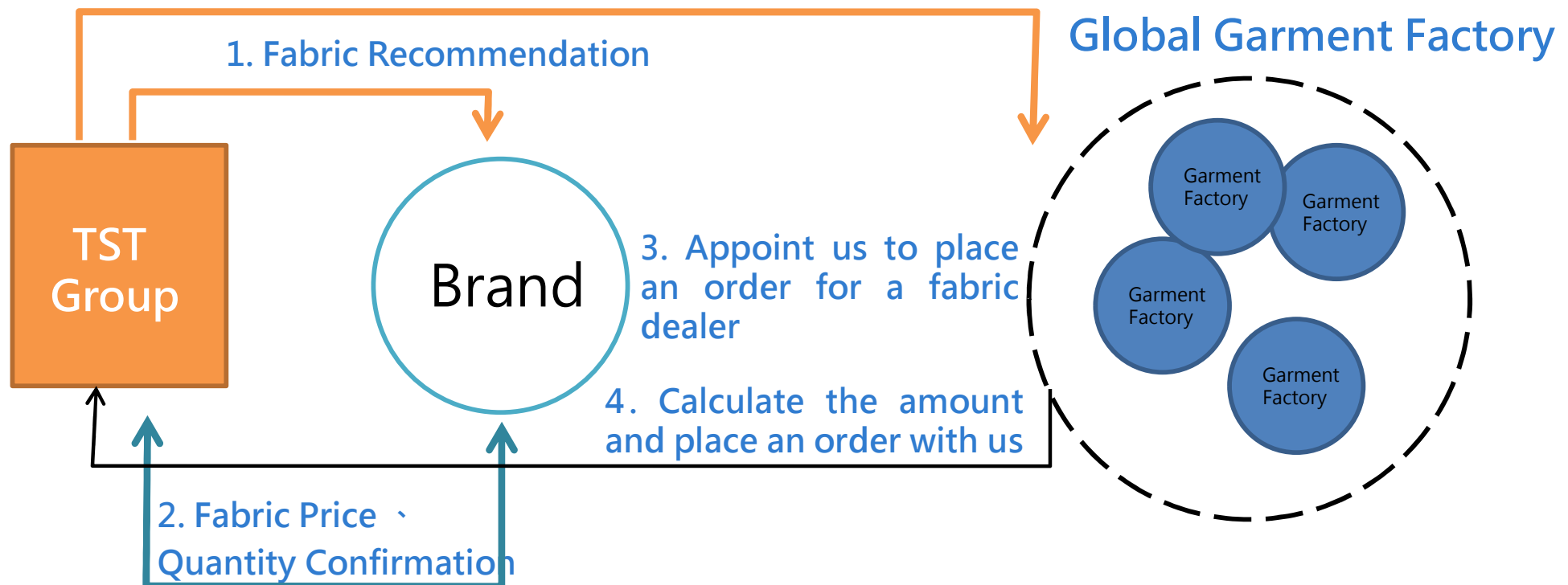
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We directly connect with the brand in terms of price and quality of cloth, and make production after agreement with the brand. The main control is controlled within the company, and the garment factory does not directly place orders to the company.

■ An operating model that is closely related to the brand

- Confirm with the brand the direction of fabric development quarterly.
- Frequently recommend our newly developed recommended fabrics to brands directly.
- The price and quantity are confirmed with the brand in the price meeting every year.
- When there is a problem with the fabric, we directly solve it face-to-face with the brand.

5. Shipment of fabric to garment factory



- International customers with brand value : International famous brand such as adidas, NIKE , PUMA, and GAP etc.
- Steady business : For the past years (2017 to 2023), TST Group has a stable profitability. During this period, annual profitability of the Group was one share capital.
- Stable dividend payout rate: TST Group promises to return profits to shareholders. The annual dividend is more than 50%.

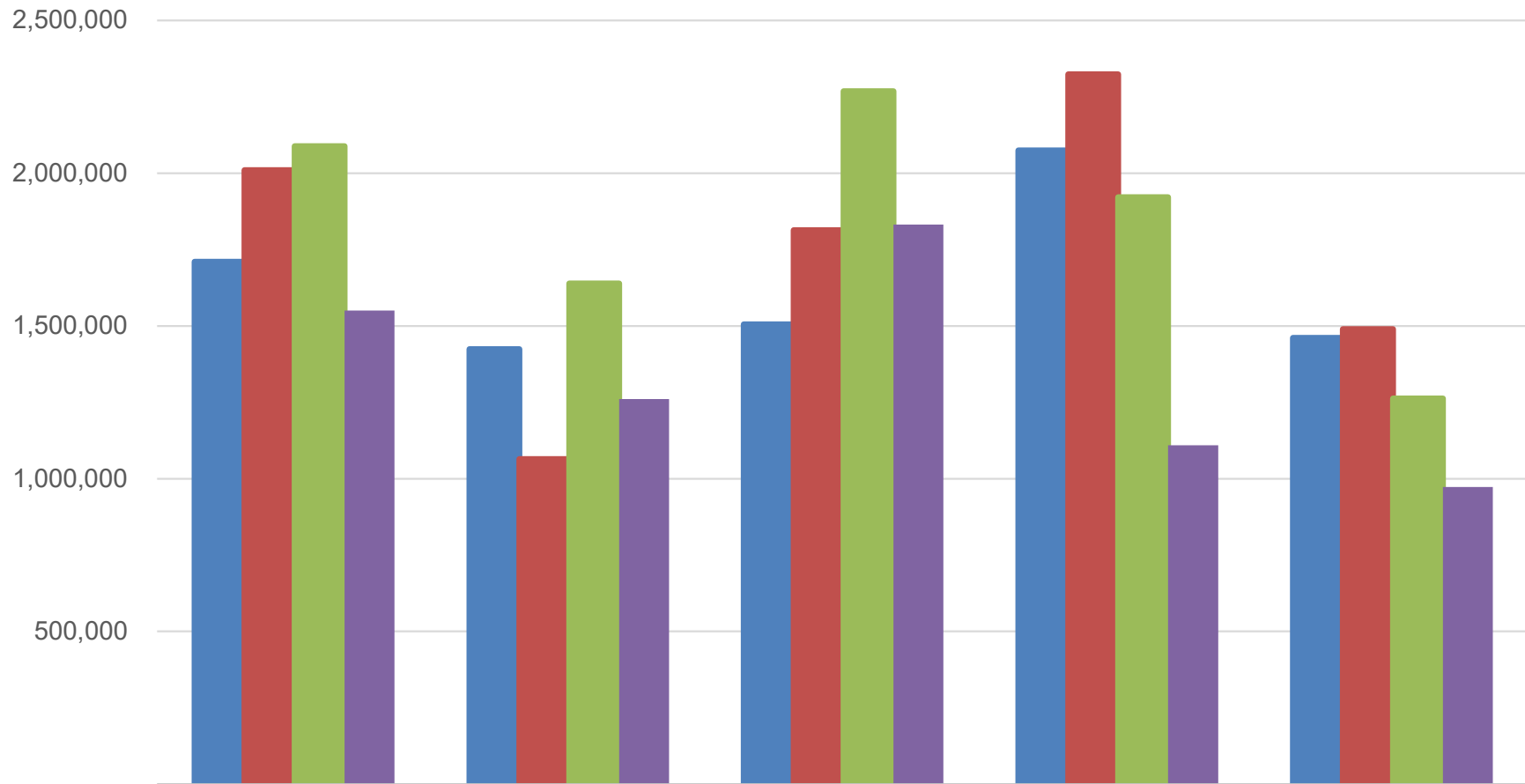


Financial Overview-Quarterly Revenue



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NT\$ Thousand



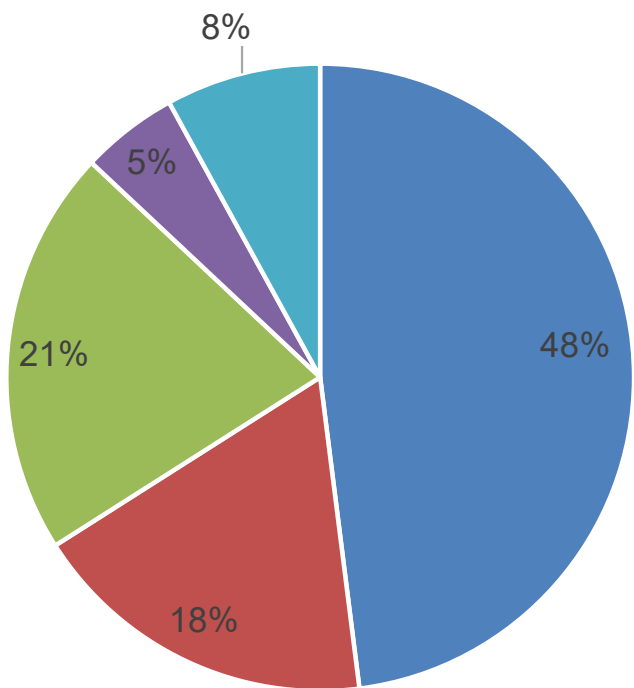
	2019	2020	2021	2022	2023
■ Q1	1,710,465	1,424,316	1,505,177	2,074,450	1,461,352
■ Q2	2,009,559	1,064,440	1,813,118	2,323,832	1,489,779
■ Q3	2,088,174	1,639,350	2,268,018	1,921,341	1,262,929
■ Q4	1,550,240	1,261,088	1,832,061	1,109,491	973,053

Financial Overview-Customer Ratio

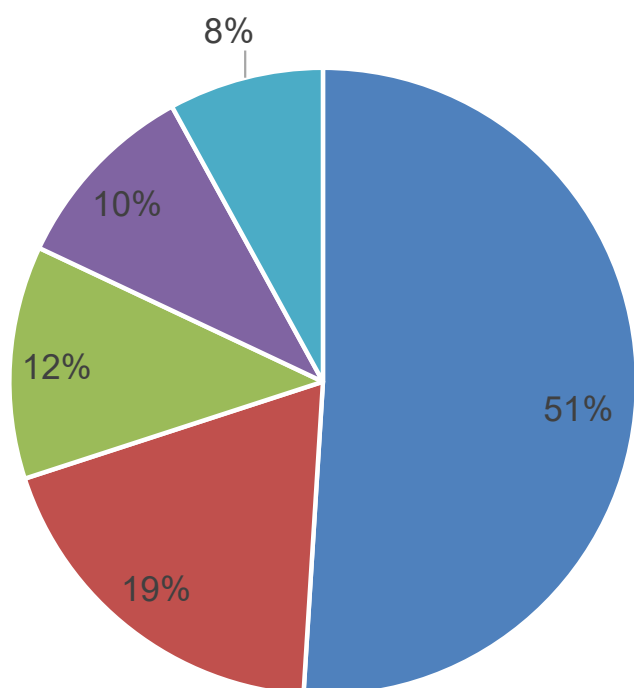


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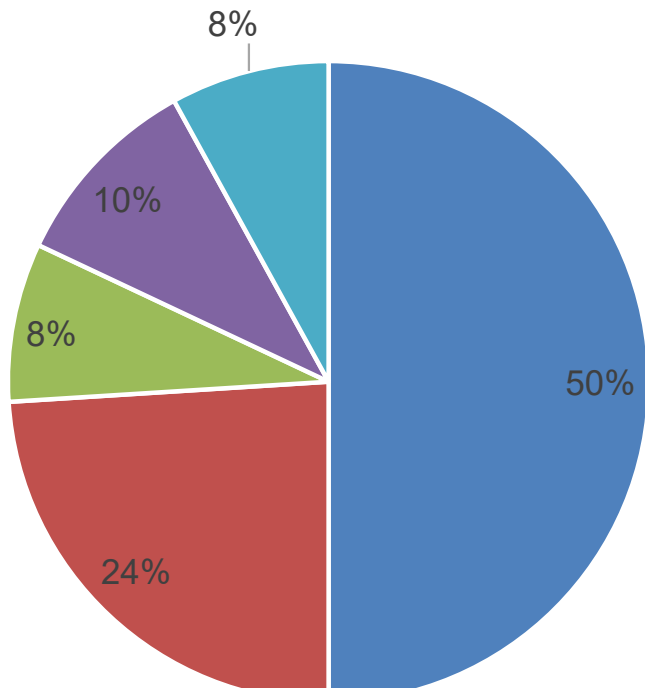
1Q 2024



1Q 2023

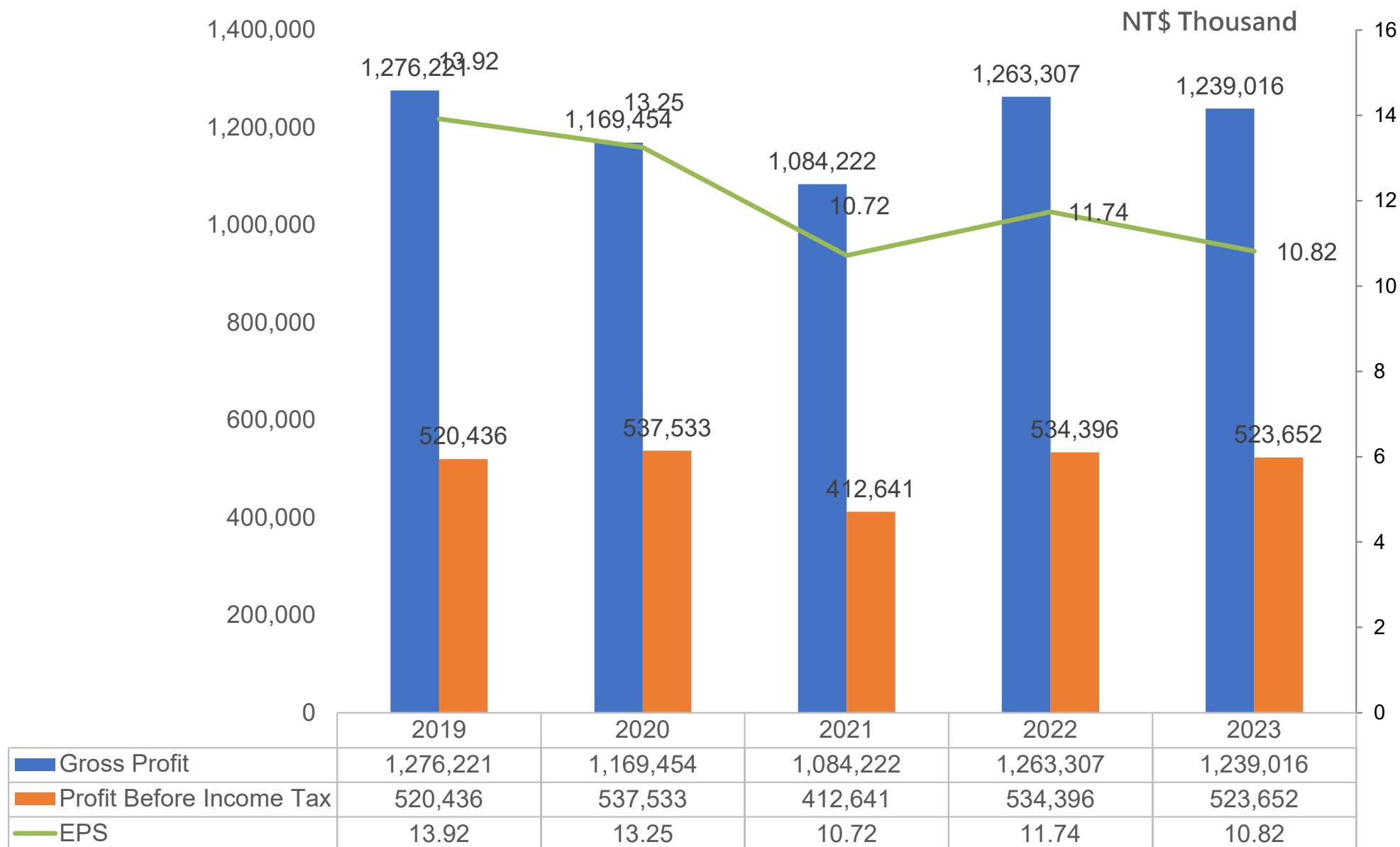


2023



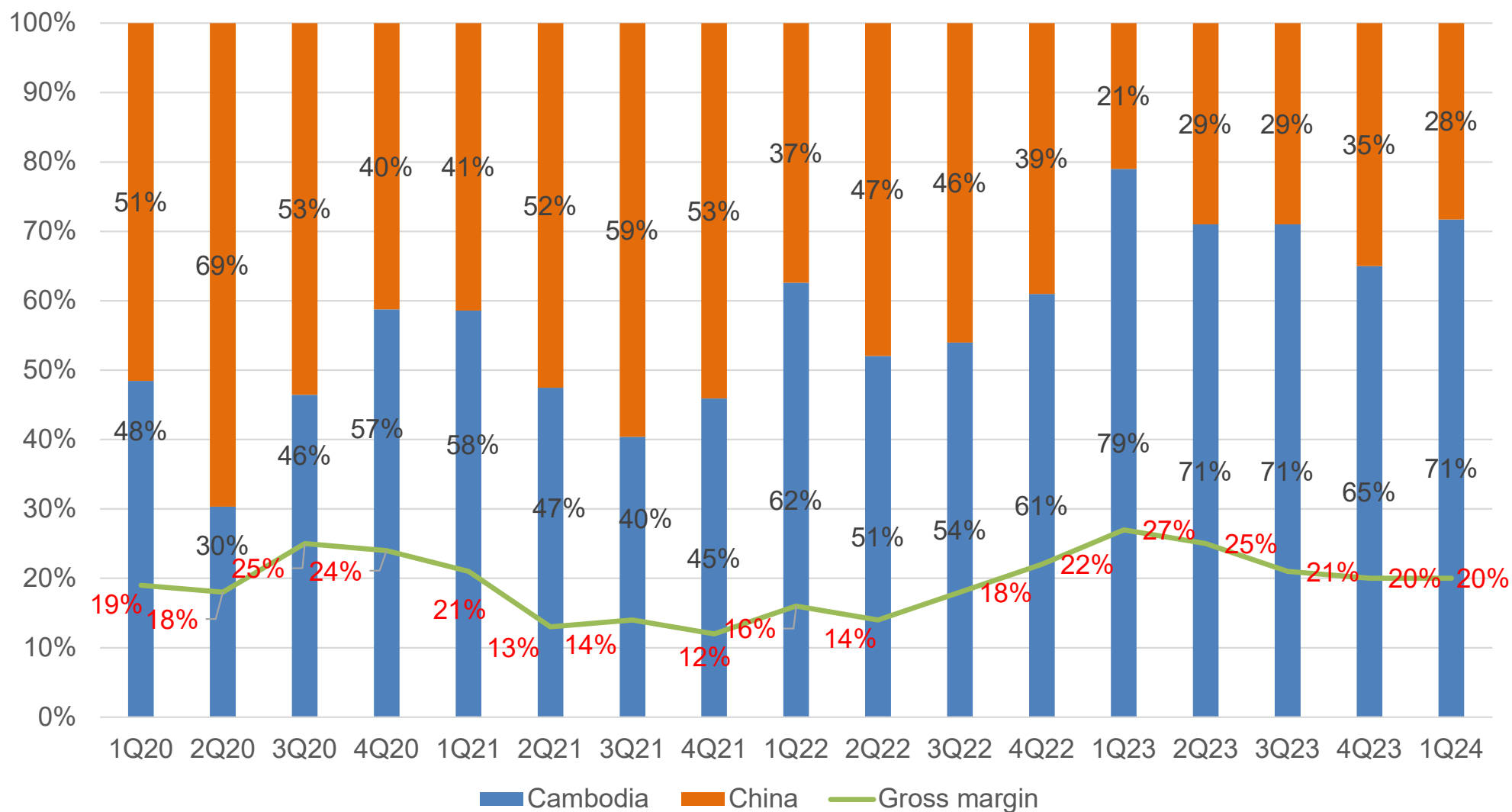
■ ADIDAS ■ GAP ■ PUMA ■ NIKE ■ OTHERS ■ ADIDAS ■ GAP ■ PUMA ■ NIKE ■ OTHERS ■ ADIDAS ■ GAP ■ PUMA ■ NIKE ■ OTHERS

Financial Overview



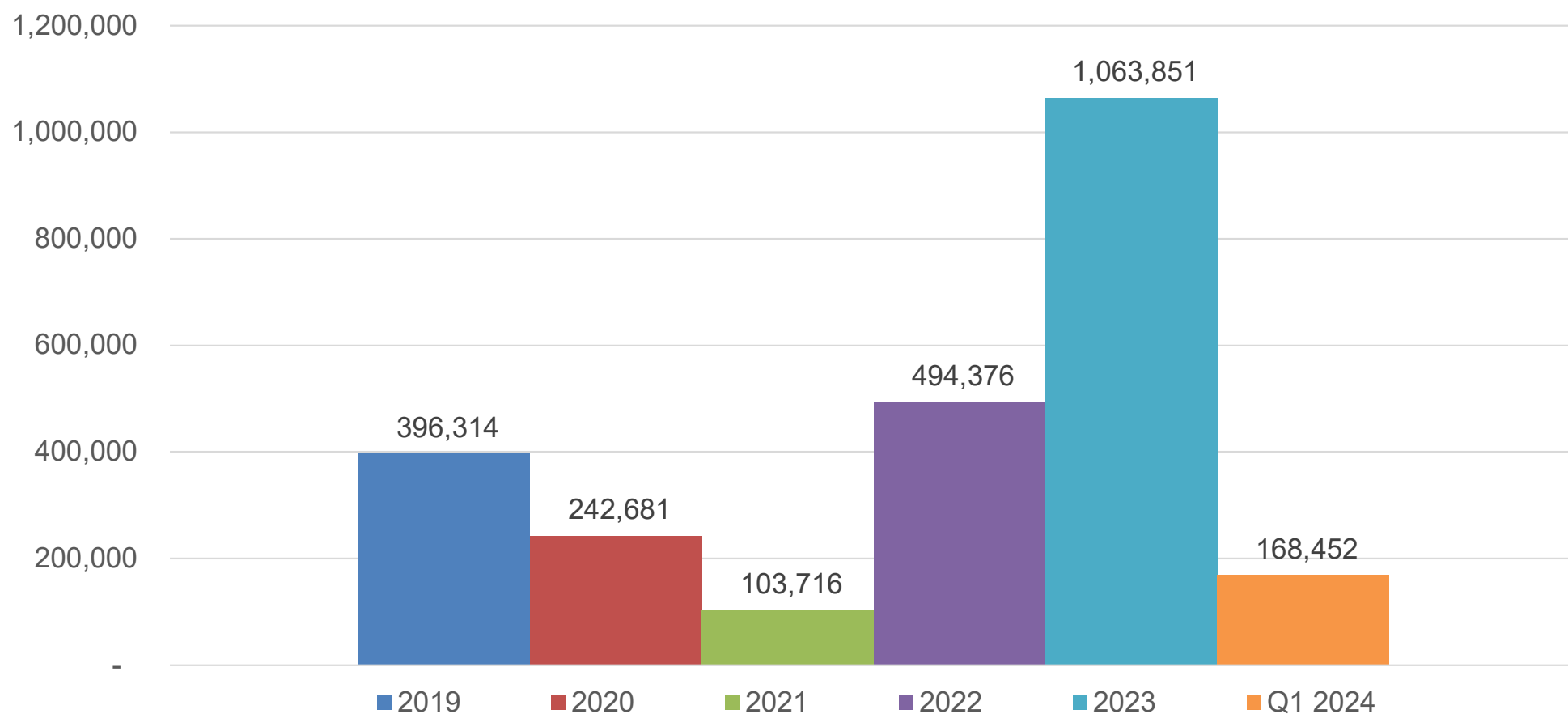
Financial Overview

Relationship between regional sales volume and gross margin changes in each quarter



Financial Overview-Capex

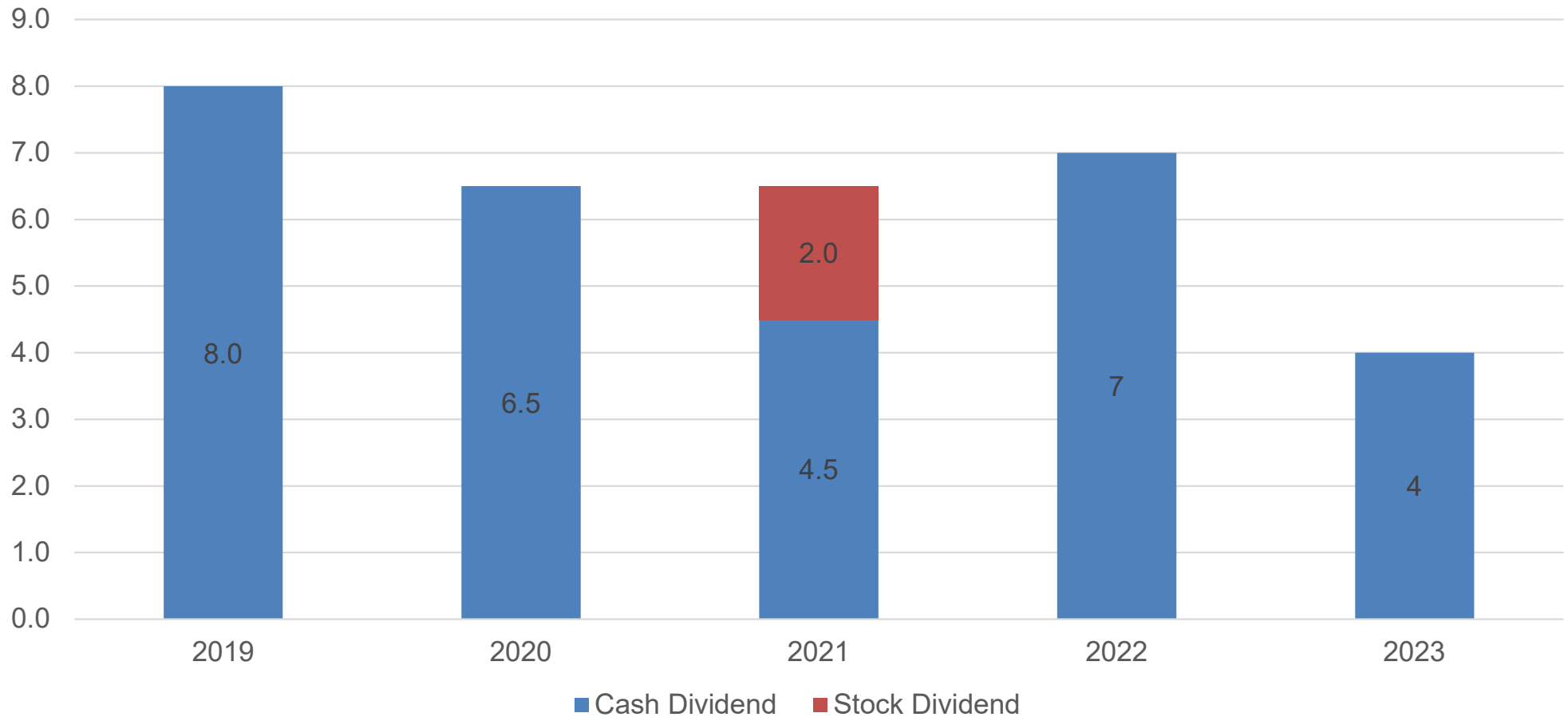
NT\$ Thousand



Financial Overview-Dividend Policy



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Financial Overview- Operating Results



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Expressed in thousands of NT dollars	2023 1Q	2023 2Q	2023 3Q	2023 4Q	2024 1Q
(except for earnings per share amount)	Amount	Amount	Amount	Amount	Amount
Sales revenue	\$ 1,461,352	\$ 1,489,779	\$ 1,262,929	\$ 973,053	\$ 1,390,913
Operating costs	(1,064,080)	(1,115,967)	(990,975)	(777,075)	(1,113,174)
Net operating margin	397,272	373,812	271,954	195,978	277,739
Operating expenses	(198,334)	(186,779)	(181,452)	(173,291)	(172,841)
Operating profit	198,938	187,033	90,502	22,687	104,898
Non-operating income and expenses					
Interest income	5,705	5,454	4,690	3,383	2,461
Other income	6,111	16,146	6,461	6,530	233
Other gains and losses	(6,294)	9,765	(17,489)	(3,897)	(15,732)
Finance costs	(2,014)	(1,795)	(2,864)	(5,400)	(10,316)
Total non-operating income and expenses	3,508	29,570	(9,202)	616	(23,354)
Profit before income tax	202,446	216,603	81,300	23,303	81,544
Income tax expense	(43,836)	(34,951)	(26,030)	(10,637)	(16,986)
Profit for current	158,610	181,652	55,270	12,666	64,558
EPS	4.21	4.82	1.47	0.33	1.70
Gross margin	27.19%	25.09%	21.53%	20.14%	19.97%
Operating margin	13.61%	12.55%	7.17%	2.33%	7.54%
Net margin	10.85%	12.19%	4.34%	1.30%	4.64%



Q&A

THANK YOU FOR
YOUR ATTENTION