



Universal Incorporation

(1325)

Investor Conference

Presented Friday, December 18, 2020
Taiwan Stock Exchange



Disclaimer

- This version is a rough English translation. In case of any discrepancy, the original Chinese version shall prevail.
- We have not released any financial forecast. Business and financial information presented here and during the Q&A session, should they concern business operation or industrial development, may differ from actual results. These discrepancies are due to such risk factors as market demand changes, price fluctuations, competitive behavior, global economic conditions, exchange rate fluctuations, supply chains, et cetera, which are out of the company's control.
- The outlook for the future presented in this briefing reflects our view of the future until now. When these views change or adjust, it is not the obligation of the company to revise or update.



Overview

1. **Company Profile**
2. **Our Products**
3. **Business Overview**
4. **Financial Overview**
5. **Major Capital Expenditures**
6. **Future Business Strategy**
7. **Q&A**



Company Profile (1 of 6)

- **Established** 1962
- **President** Ms. Mei Hui Huang
- **Capitalization** 853 million NTD
(30 million USD)
- **Employees** 374 (December 2020)
- **Culture** Teamwork, Growth,
R&D, Excellence
- **Products** Spunbond, Meltblown, SMS,
SMMS nonwoven fabrics,
Medical Face Mask



Company Profile (2 of 6)

■ Production Line

In Taiwan :

(1) Nonwovens production line :

- Spunbond nonwovens : 3 lines
- SMMS composite nonwovens : 1 line
- Meltblown nonwovens : 5 lines
- High filtration efficiency filters (HEPA) : 4 lines

(2) Face Mask's production line : 31 lines

In Xiamen :

- Spunbond nonwovens (SS) : 1 line
- SMS composite nonwovens : 1 line



Company Profile (3 of 6)



Taipei Headquarters



Tainan Plant



New Tainan plant



Xiamen Plant



Company Profile (4 of 6)

- 1962** Universal Incorporation was established by President William Huang as a manufacturer of knitted and leather gloves.
- 1990** Began mass production of nonwoven fabrics.
- 2000** Listed on the Taiwan Stock Exchange.
- 2002** Reifenhauer 4.2M SMMS nonwoven fabrics machine installed and began mass production.
- 2009** Began mass production of nonwoven fabrics in Xiamen plant.
- 2009** Began mass production of Medical Face Mask.



Company Profile (5 of 6)

- 2017** Completed transformation from SS Spunbond to SMS composite nonwovens production line at Xiamen plant in May.
- 2019** Purchased the Meltblown line and HEPA equipment for producing the high filtration efficiency filters material in May and the machine had been installed in the new Tainan plant in December.
- 2019** Finished the construction of new Tainan plant in November and acquired the building use license in December.



Company Profile (6 of 6)

- 2020** Signed conditional donation contract with the government for 10 lines of face mask equipment in February, installed the machinery and started to produce medical face masks in first quarter of the year.
- 2020** Purchased 3 Meltblown lines and HEPA equipment for producing the high filtration efficiency filters material in May and the machine had been installed in the new Tainan plant in the same year.
- 2020** Purchased additional 17 lines of face mask equipment in July and the machine had been installed and started production in the same year.



Our Products (1 of 5)

Spunbond

Meltblown

**Medical
Face Mask**

**Composite
Nonwovens**

**Post-
Treatment
Nonwovens**

Our Products (2 of 5)



Applications of Spunbond and Composite Nonwovens

- **Hygiene** Baby diapers, training pants, adult incontinence products, sanitary napkins, patient pads
- **Medical** Face mask(outer layer & inner layer), surgical gowns, caps, drapes, exam gowns, patient gowns
- **Industrial** Protective clothing, coveralls, car covers
- **Agricultural** Pest control and thermal insulation coverage for seedlings, fruits and vegetables, tea leaves



Our Products (3 of 5)

Applications of Meltblown Nonwovens

- **Filters**
 - Mask Filter material : BFE、N95、PFE、VFE、FFP2、FFP3, etc.
 - HEPA Filter for air purifier, air conditioner & clean room (H10~H14) 、Cabin Air Filter 、Respirator.
- **Insulation**
 - Thermal fillers for snow clothing, snowshoes, gloves, etc.
- **Oil absorption**
 - River pollution control, treatment for floating oil, wipers



Our Products (4 of 5)

Medical Face Mask

- Type : Flat ear loop Face Mask
- Function : Prevent of spit infection, bacteria & dust effectively.
- Protection Effects : Filtration Efficiency is over 99%.(SGS Test Report)
- Materials : Non-woven Fabrics
- Outer layer : Water Repellency, prevent penetration of vapor & mist.
- Filter layer : Micro fiber, filter fine dust and bacteria
- Inner layer : Soft, comfort, cloth-like
- Registration No. : DOH-MD-(I)No.002548.
- ISO 9001 & ISO 13485 Certificate/ Made in Taiwan
- CNS 14774



Our Products (5 of 5)

Tainan Plant ISO Certifications

- **ISO 9001 (2015)**
- **EN ISO 13485 (2016)**
- **ISO 14001 (2015)**

Xiamen Plant ISO Certifications

- **ISO 9001 (2015)**



Business Overview

Sales Revenue Share by Region (%)

Region	2020 Q1-Q3	2019 Q1-Q3	Change rate	2019	2018	2017
Taiwan	77	60	28	62	63	61
Mainland China	16	13	23	11	13	15
Southeast Asia	4	19	-79	15	14	13
Northeast Asia	2	6	-67	7	5	6
Europe & America	1	2	-50	5	5	5
Total	100	100	-	100	100	100



Financial Overview (1 of 5)

Consolidated Balance Sheets

(Unit: in thousands of New Taiwan Dollars)

Item	Sept. 30, 2020	Sept. 30, 2019	Change rate (%)	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Current Assets	2,765,198	918,324	201	887,376	1,034,739	1,035,490
Non-current Assets	1,306,968	941,613	39	987,075	874,402	862,184
Total Assets	4,072,166	1,859,937	119	1,874,451	1,909,141	1,897,674
Current Liabilities	694,637	35,089	1,880	47,176	59,231	64,021
Non-current Liabilities	62,946	64,015	-2	63,558	64,365	65,230
Total liabilities	757,583	99,104	664	110,734	123,596	129,251
Equity Attributable to Shareholders of the Parent	3,218,846	1,698,136	90	1,703,411	1,717,531	1,695,561
Capital stock	852,812	852,812	-	852,812	852,812	852,812
Non-controlling interests	95,737	62,697	53	60,306	68,014	72,862
Total equity	3,314,583	1,760,833	88	1,763,717	1,785,545	1,768,423
Current ratio (%)	398	2,617	-85	1,881	1,747	1,617
Equity ratio (%)	81	95	-15	94	94	93
Net worth per share(NTD)	37.74	19.91	90	19.97	20.14	19.88

Note : The par value per share is 10 NT dollars .



Financial Overview (2 of 5)

Consolidated profit and loss performance

(Unit: in thousands of New Taiwan Dollars)

Item	2020 Q1-Q3	2019 Q1-Q3	Change rate (%)	2019	2018	2017
Sales revenue	2, 992, 928	597,407	401	772,775	914,449	865,210
Gross profit	1, 969, 806	58,997	3,239	83,679	101,597	118,147
Operating income	1, 824, 642	19,944	9,049	33,574	48,815	65,450
Net income before tax	1, 830, 494	34,005	5,283	43,967	73,335	52,858
Net income	1, 459, 826	27,597	5,190	34,691	59,922	39,677
Net income attributable to owners	1, 424, 165	28,056	4,976	36,247	59,853	43,512
EPS (New Taiwan Dollars)	16. 70	0.33	4,961	0.43	0.70	0.51
Gross profit (%)	66	10	560	11	11	14
Operating income (%)	61	3	1,933	4	5	8



Financial Overview (3 of 5)

Consolidated cash flows

(Unit: in thousands of New Taiwan Dollars)

Item	2020 Q1-Q3	2019 Q1-Q3	Change rate (%)	2019	2018	2017
Operating	1,858,678	77,322	2,304	100,846	88,054	136,963
Investment	(1,330,259)	(54,039)	2,362	(37,528)	34,510	(64,240)
Financing	(25,546)	(46,412)	-45	(46,421)	(33,557)	(72,269)
Exchange rate effects	555	(1,523)	136	(3,216)	(1,250)	(1,161)
Increases (decreases) in cash	503,428	(24,652)	2,142	13,681	87,757	(707)
Beginning Balance	176,524	162,843	8	162,843	75,086	75,793
Ending Balance	679,952	138,191	392	176,524	162,843	75,086



Financial Overview (4 of 5)

Dividend Payouts, Last Three Years

(Unit: New Taiwan Dollars)

Item	2019	2018	2017
Earnings per share (EPS)	0.43	0.70	0.51
Dividend payouts			
Cash	0.30	0.50	0.35
Stock	—	—	—
Payout ratio (%)	70	71	69



Financial Overview (5 of 5)

Consolidated Capital Expenditures

(Unit: in thousands of New Taiwan Dollars)

Item	2020 Q1-Q3	2019 Q1-Q3	Change rate (%)	2019	2018	2017
Acquisitions for property, plant and equipment :						
Building	8,695	-	-	-	-	255
Machinery & equipment	69,260	11,928	481	16,238	15,556	14,610
Transportation equipment	-	-	-	-	1,188	-
Miscellaneous equipment	15,402	201	7,563	3,795	2,324	-
Construction in progress and prepayments of equipment	154,578	97,187	59	147,374	59,752	7,829
TOTAL	247,935	109,316	127	167,407	78,820	22,694

Note : the major capital expenditures in 2018、2019 and 2020, included the construction of new Tainan plant, purchased equipment of high filtration efficiency filters and face mask etc.



Major Capital Expenditures (1 of 4)

Factory and Warehouse Construction

- Floor area about 18,000 sq. m.
- Cost about 250 million NTD
- Construction began to erect in May, 2018 and finished in November, 2019, and acquired the building use licence in December.



Major Capital Expenditures (2 of 4)

Purchased the equipment of high filtration efficiency filters

- Purchased one appliance of high filtration efficiency filters including the Meltblown line and HEPA equipment in May, 2019 , and the machine had been installed in the new Tainan plant in December, 2019.
- Purchased three appliances of high filtration efficiency filters including the Meltblown line and HEPA equipment in May, 2020 , and the machine had been installed in the new Tainan plant in the same year.



Major Capital Expenditures (3 of 4)

Purchased the equipment of high filtration efficiency filters

- Applications of filters product
 1. Meltblown : BFE 、 N95 、 VFE99 、 PFE99 、 FFP2 ect, for the application of face mask's filter.
 2. High filtration efficiency filters of MB & HEPA : FFP3 、 Cabin Air 、 H10 ~ H14 etc.



Major Capital Expenditures (4 of 4)

Purchased the equipment of face mask

- Signed conditional donation contract with the government in February 2020, for 10 lines of the face mask equipment, installed the machine and started to produce medical face mask in first quarter of the year.
- Purchased additional 17 lines of face mask equipment in July 2020 and the machine had been installed and started production in the same year.



Future Business Strategy (1 of 5)

**Product
Development**

**Market
Expansion**

**Quality
Control**

**Cost
Reduction**



Future Business Strategy (2 of 5)

Product Development (1)

A. Short-term

- Developed colored medical face mask.
- Utilize the new Meltblown line and HEPA equipment to develop high filtration efficiency filters including Meltblown nonwoven and composite fabrics.
- Utilize the spunbund and composite nonwovens equipment to develop new products, such as ultra soft nonwovens 、 skincare zoned coated hydrophilic nonwovens 、 coarse denier nonwovens etc.



Future Business Strategy (3 of 5)

Product Development (2)

B. Medium term and Long-term

- To take the strategies of diversified product development, depending on the situation of market demand to increase the production line of the related nonwovens machinery and equipment at the right time, for developing different and functional high value-added products.



Future Business Strategy (4 of 5)

Market Expansion

- Actively promote and compete for orders, so as to increase utilization rate of production capacity
- Develop long-term relationships with customers
- Actively expand in Taiwan, Southeast Asia, mainland China, and global markets
- Cooperate with leading global manufacturers to raise technical level and expand sales channels



Future Business Strategy (5 of 5)

Quality Control

- Manufacture products in line with customer needs
- Apply for annual ISO certification
- Emphasize quality, cost, and delivery times

Cost Reduction

- Develop long-term relationships with major suppliers
- Control effectively costs of major raw materials and expenses
- Improve product yields
- Strengthen overall operation efficiency



Q & A

Thank you for listening!



Universal Incorporation

(1325)

Spokesperson: Mr. Shou-lu Chou

Address: 10F, No. 372, Linsen N. Rd., Taipei City 104, Taiwan (R.O.C.)

Tel: +886-2-2511-9161 Fax: +886-2-2537-4473

Website: <http://www.uk.com.tw/>