



# Hunya Foods Institutional Investors' Conference

2020.11.20

# Safe Harbor Notice

- The statements of our financial figures are presented in accordance with IFRS. All the financial figures have been reviewed by CPAs.
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- Business Outlook
- Performance and Vision
- Financial Report



## Business Outlook

# Company Brief Introduction



- Founded Date:1976/06/14
- Listed in TSE: Year 2001
- Paid-up Capital:NT\$108 Million
- Employee Amount : Around 709 staffs
- Year 2019 Consolidate Sales: NT\$187 Million
- Major Products & Service: Chocolate, Biscuits, Bride Assortment cookies, Moon Cakes and Chocolate Museum (Republic of Chocolate)

# SDG Strategic Blue Print

## Cores & Missions

### Trust

( = From Management Performance )

Create a Trusting Image through transparent and trustable management, well controlled internal management, 100% Safety Food principle, and a happy working environment.

### Passion

( = From Execution and Policy )

Linking Hunya company's passion to social, environmental and economical sides as well as taking actions to create dynamic values to the people.

### Innovation

( = From Innovative Performance )

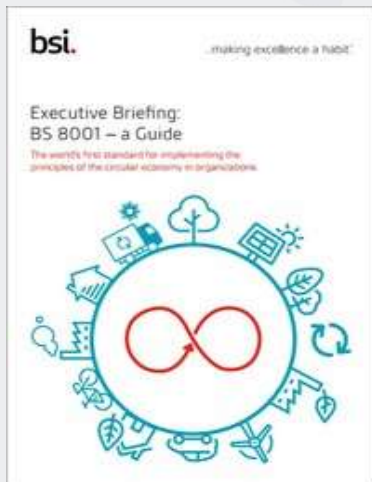
Subverting traditional commercial promotion techs by thinking of innovative ways to breakthrough all the challenges and extend the company's market.



# CSR awards and certificates

## 2020 Corporate Social Responsibility award

- BS8001 circular economy 4 star certificate
- 2020 TCSA Taiwan sustainable corporate award – Catering and food industry-silver award



- 3 Clean Labeled production line
- GMP, ISO14001, ISO22000(HACCP), OHSAS18000 certificates

# 2020 Food Taste Awards

**SUPERIOR TASTE AWARD**  
Cookies(Original Butter)

**SUPERIOR TASTE AWARD**  
Cigar Roll(Vanilla)

**SUPERIOR TASTE AWARD**  
Always Hazelnut bar

## INTERNATIONAL TASTE INSTITUTE BAKING



- Monde Selection Bronze Award : Nougat QQ ball, Dark peanut Nougat
- iTQI Superior Taste Award : Cookies(2 stars), Cigar Roll < cageless egg > (1 star), Always Hazelnut bar(1 star)



## MONDE SELECTION COHCOLATE



**Bronze Quality Award**  
77 Dark Peanut Nougat

**Bronze Quality Award**  
Nougat QQ





## Performance and Vision

# 2019~2025 Hunya BUs Visions



## Leader of Taiwan Exportation

- ① Formal trading in China
- ② Development of emerging markets
- ③ ODM and agency



RIVON 禮坊

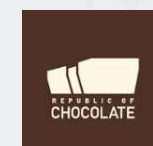
## Expert In the Sweetest Gift

- ① Expansion in bride cakes and souvenirs market
- ② Development of trading channel and service integration
- ③ Expanding in daily bakery



## Leader of Snack Industry

- ① Expansion in biscuits & chocolate markets
- ② Development of snack market
- ③ Innovating Various products

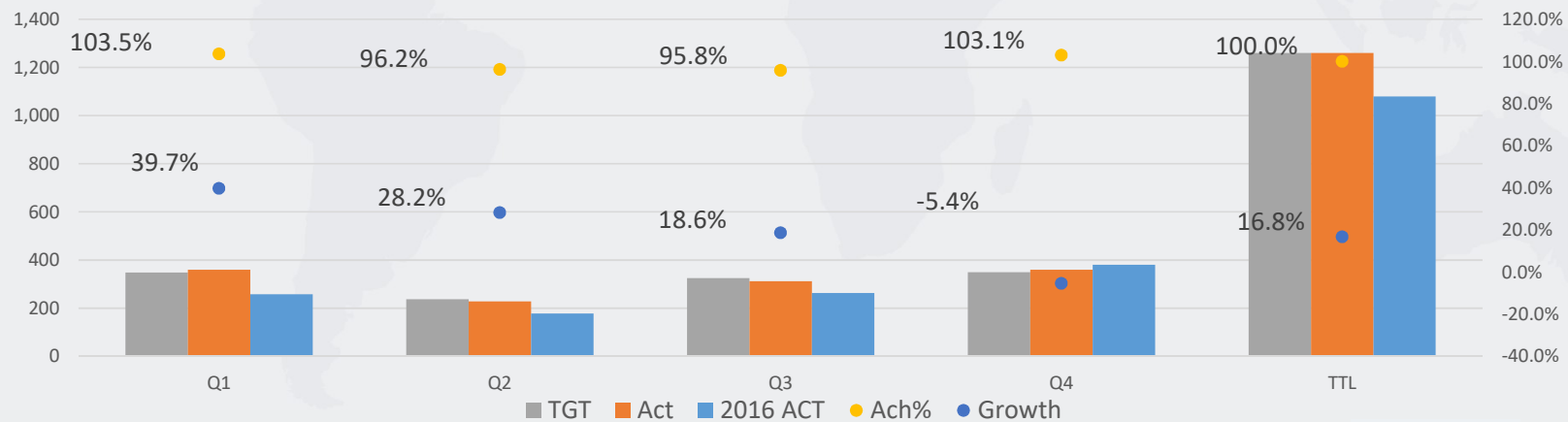


## Joyful Communicator

- ① Provide knowledge and experience of chocolate
- ② Provide an enjoyable space
- ③ A platform for food sustainable development and idea incubation center

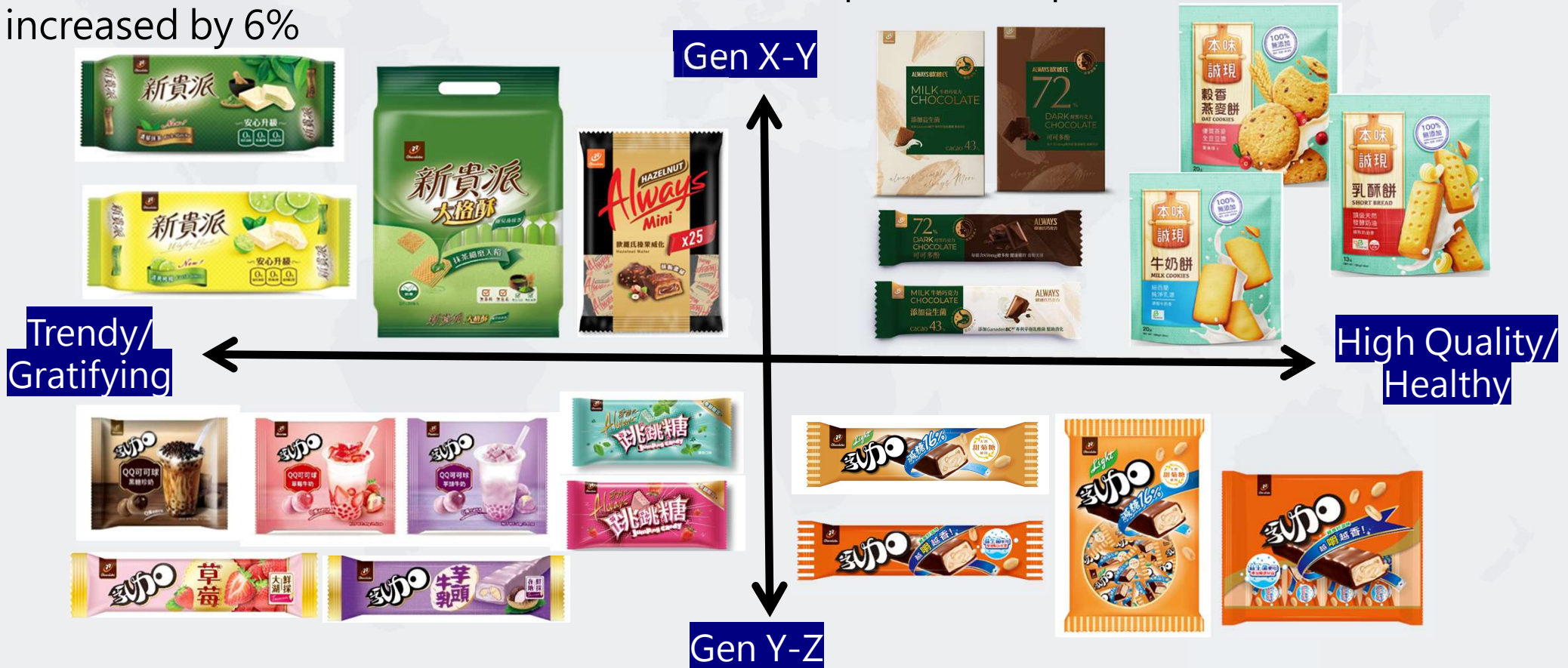
# 77 Business

- 77 business was mainly benefited from COVID-19 in Q1 and new chocolate products promotion in last Q4.
- In comparison with last year, sales in Q1 dropped 7% as the date of lunar new year shifted to earlier this year. Yet in the scope of lunar calendar, sales boosted by 17%.
- As purchase behavior transformed during COVID-19, sales momentum boosted most significantly in supermarkets and CVS. Sales in EC channels also benefited though slightly so due to the nature of snacks retail.



# Focus marketing on new products

- Chocolate Market Share+1%. (Resource: 2020 Sept YTD, Nielsen Retail Data). Nougat and Always both grew by double digits in sales this year.
- As biscuit brands like 新貴派&本味誠現 came up with new products, overall sales increased by 6%





# Rivon2.0 sensibility that crosses generations & emphasizing the value of gifting

- # Love more unshakable than boulders \_ Rivon's new flagship store (*You Are My Happiness*)
- # Eyes can't see what really matters \_ Rivon cigar roll (Bride cakes/souvenirs)
- # Non-old fashioned blessing \_ Rivon feat. Wan-SHIOU (Bride cakes marketing advertisement)
- # One kind of goodness is better together \_ Rivon feat. Auspicious Patterns Archeology (wedding cake/souvenirs artist collaboration)



承襲法式百年經典手藝  
捲捲手工。捲捲心意

法式奶油雪茄捲

丹麥天然頂級奶油、非農甜友等精製糖區，  
180度高速出爐瞬間，職人手工2秒捲製，最完美的閉圈半，  
成就鬆脆細緻口感，入口餘韻香濃不膩。

Butter Cigar

榮獲2020 TASTE AWARDS  
風味最佳大獎

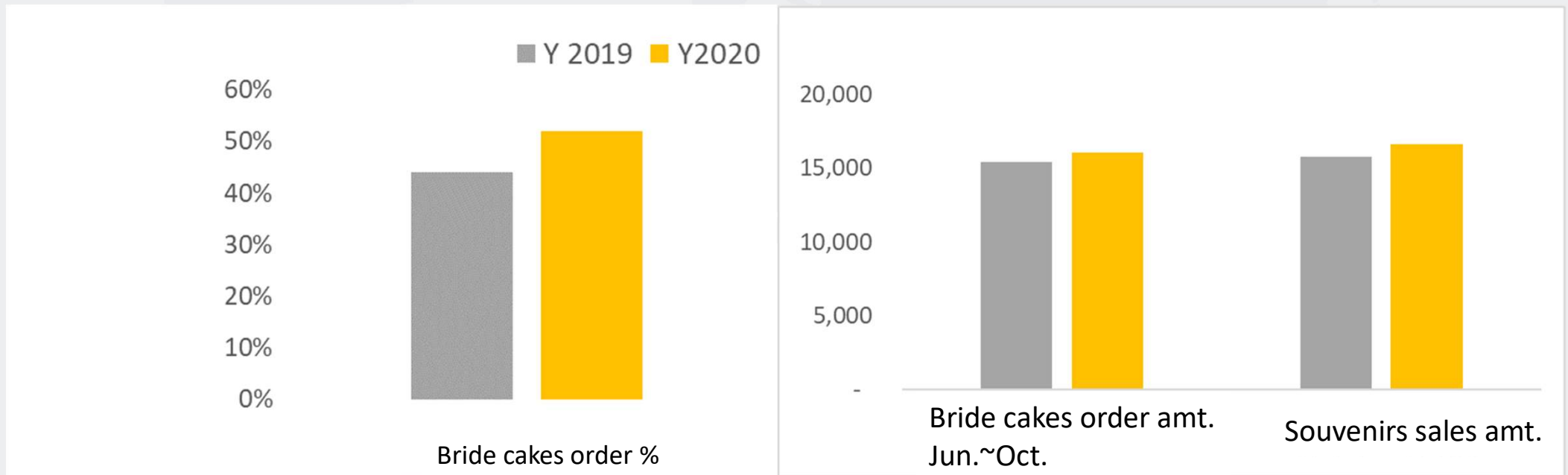
RIVON

台北總經銷電話：0800-060-515  
營業時間：週一至週五AM09:00-PM05:30  
零售專線：www.rivon.com.tw



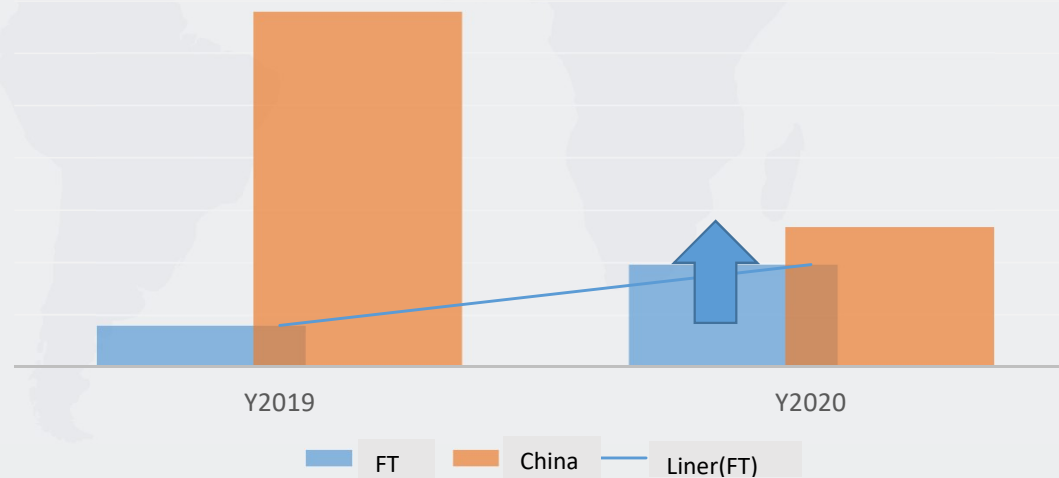
# As pandemic eases, sales of Rivon souvenirs increased. Turnover rate and order price both improved than in 2019

- Bride cake market share and souvenir sales in store both increased compared to FY19 as customers visit Rivon stores more regularly.



# Pandemic affects expansion of foreign market

- The attempt to switch to a regular trade process(from the “Green Channel”) to expand Chinese market was blocked by the pandemic
- Established EC department in China to develop our presence in EC channels and further reach our sales goals.
- New products launched on schedule in other countries. We developed EC channels especially in Thailand and Korea.





# ROC

- The pandemic shocked the tourism industry
- As a manpower-dense service we changed our operation to appointment based
- Assessing the performance of each museum activity with marginal contribution
- Since the reopening in July, revenue has increased to even as last year

## Farm to Bar

- ✓ Experiment process from cocoa to chocolate
- ✓ Industry-University Cooperation
- ✓ Collab partners: Hunya R&D

## Shared Kitchen

- ✓ Set collaboration rules
- ✓ List work environment requirements
- ✓ Business co-op strategy plan

## Food Ed. Platform

- ✓ R&D of unconventional ingredients
- ✓ Cooperative partners





# Digitalization strategy: customer centric



- Understand customer preference
- Satisfy customer expectations

## Customer Insight

- Activate sales and production energy
- Perfect consumer's purchasing process
- Zero contact service

## Service Advancement

- **Connect Hunya corporate values**
- **Create great customer experience**
- **Promote sustainable operation relationship**

## O2O



- Optimize channel touch points
- Digitalization Ecosystem
- Layout cross border businesses

## Product Positioning



- Product focus plan
- Create competitive advantage

# Digitalization Progression

Past customer insights

2020 Q3 O2O implementation

New products for new opportunities

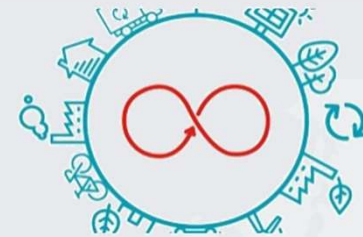
Upgrade customer experience



# ESG in practice and results

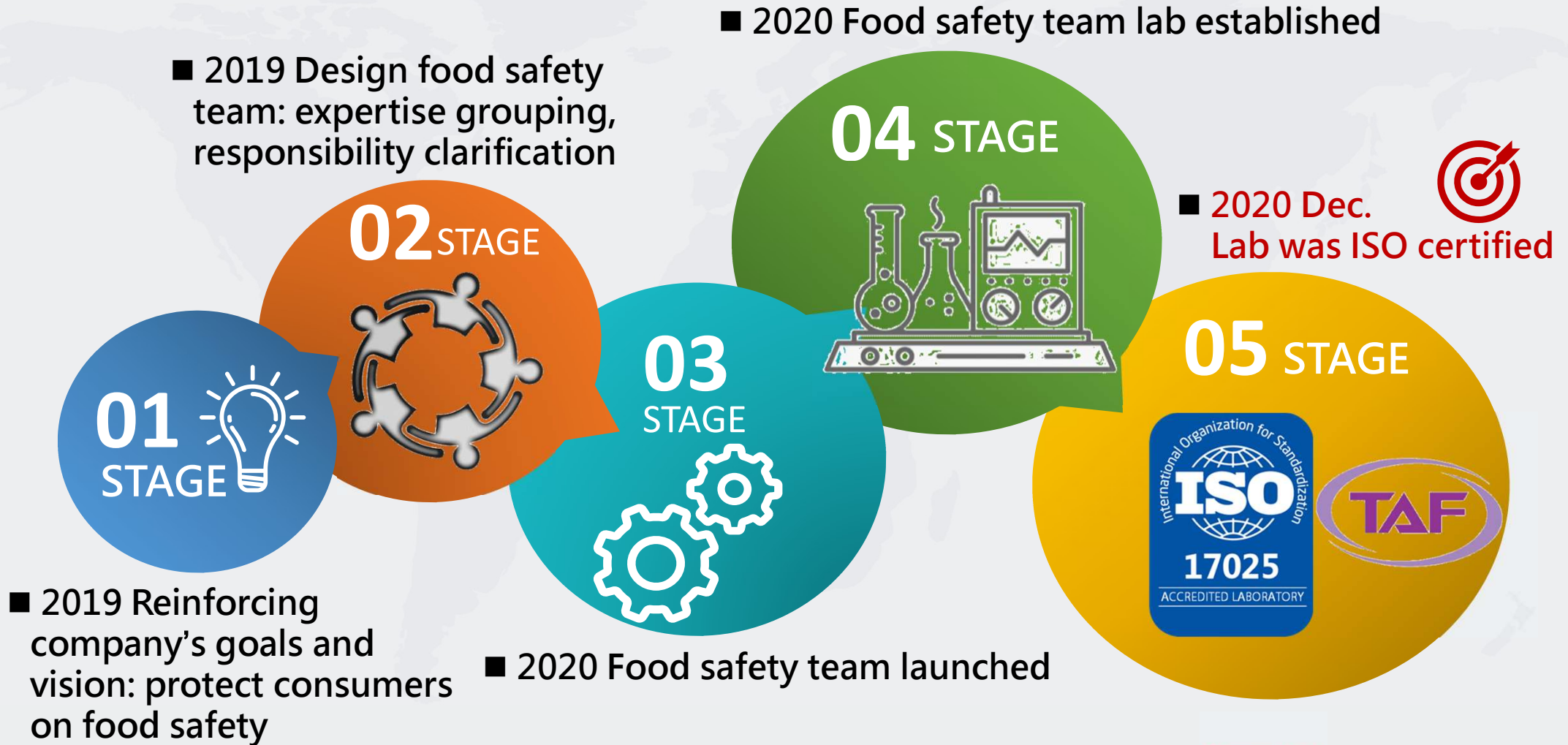
<p><b>1</b></p> <p><b>Less additive</b></p> <p>Clean Label applied to 3 product lines / 10 product groups</p>	<p><b>2</b></p> <p><b>Renewable Energy</b></p> <p>Saved \$5.04M TWD</p> <p>26.3% green energy</p> <p>490t carbon reduction</p>	<p><b>3</b></p> <p><b>Circular Economy</b></p> <p>BS8001 4 star certified</p> <p>Sustainable Peanut Project</p>
<p><b>4</b></p> <p><b>Pollution Prevention</b></p> <p>Heat Recycle + Ice saving + Rain Recycle + Solar Energy</p> <p>\$55M (TWD)</p>	<p><b>5</b></p> <p><b>Carbon Reduction</b></p> <p>Compared with 2017:</p> <p>2018(-0.03%)</p> <p>2019(-0.05%)</p>	<p><b>6</b></p> <p><b>Less Trash Waste</b></p> <p>Plastic waste reduced by 25.08t in 2019 than in 2018</p>
<p><b>7</b></p> <p><b>Friendly Workplace</b></p> <p><b>fitwel</b></p> <p>Prevent Workplace Accidents</p> <p>Strengthen Workplace Safety Training and Assessment</p>	<p><b>8</b></p> <p><b>Society Give Back</b></p> <p>Promoted Food Ed.</p> <p>Cared for the Needy</p> <p>Charity collaboration</p>	<p><b>9</b></p> <p><b>Local Produce Used</b></p> <p>Ratio of local product used reached 78.33%</p>

BS 8001: 2017  
A new standard for the Circular Economy





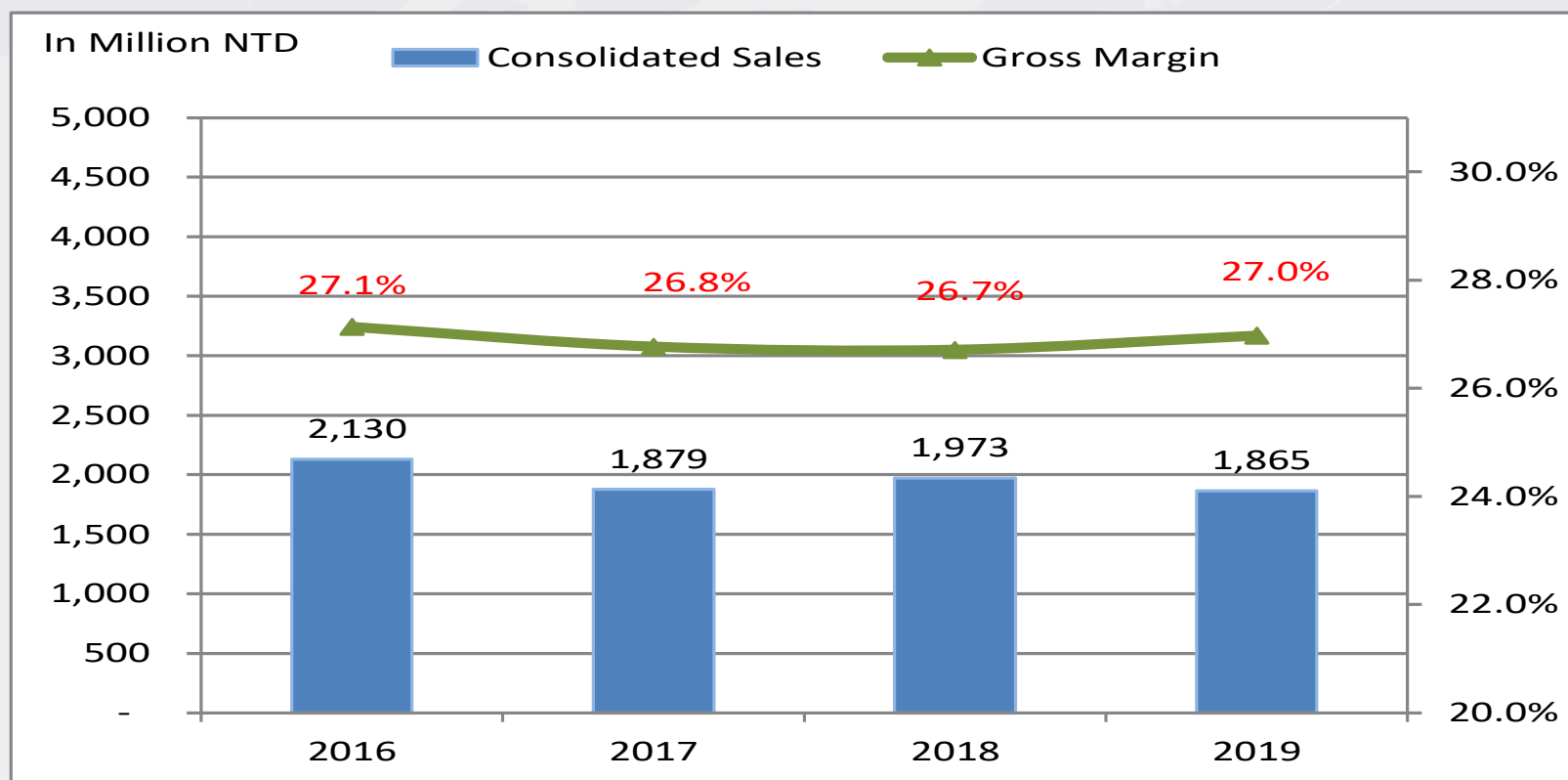
# Food safety lab certified / ISO upgrade



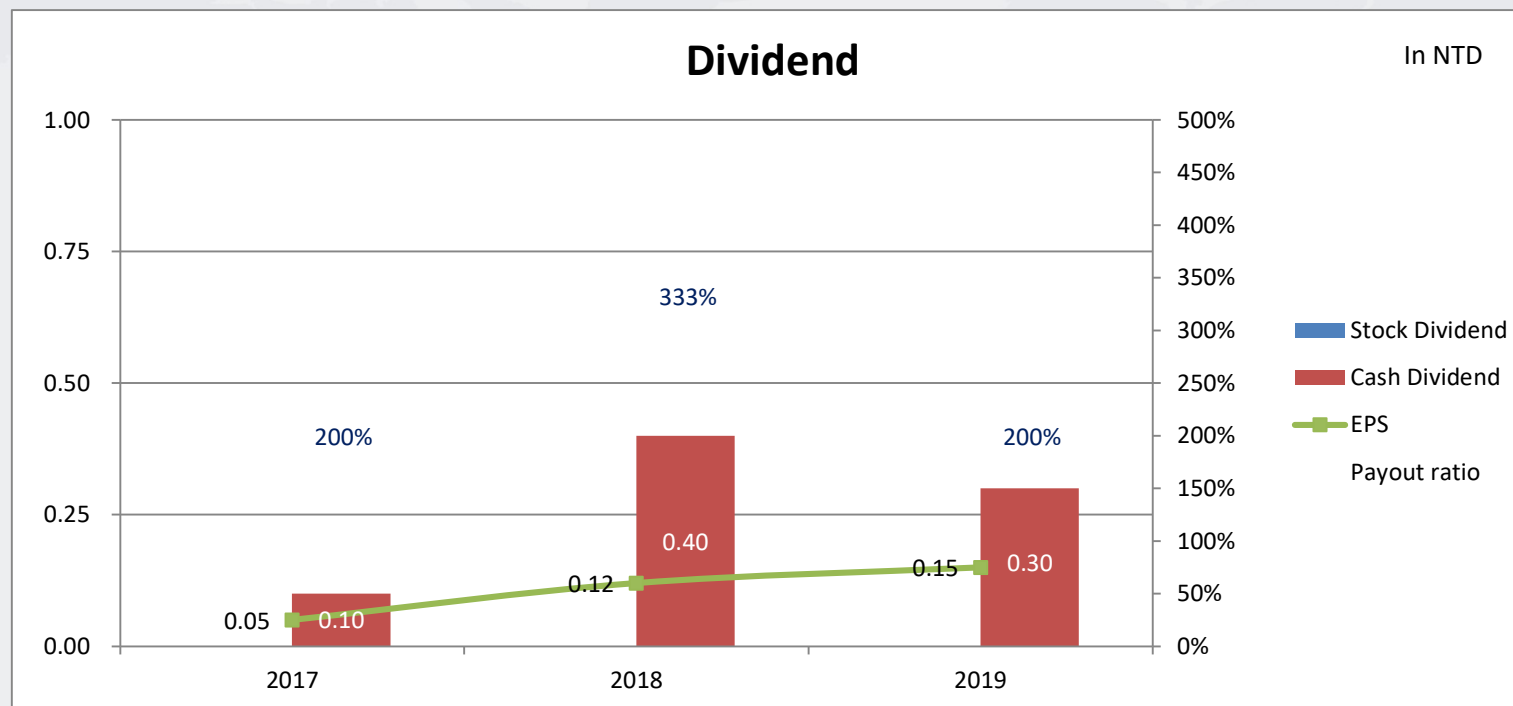


# Financial Report

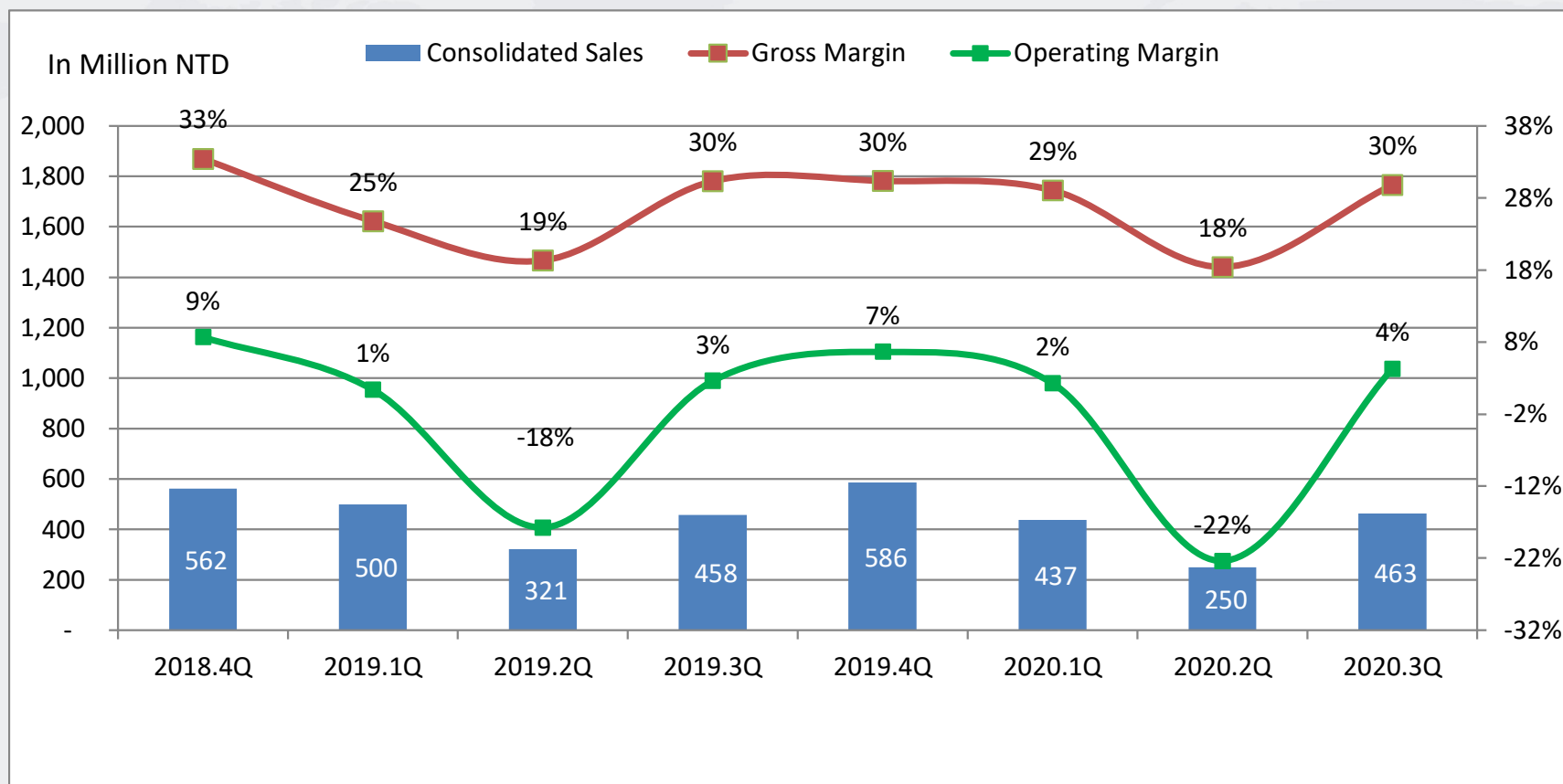
# Operating Revenue & Gross Profit Margin



# Dividend Policy



# Consolidate Income Sheet – QoQ Chart





# Consolidated Income -YoY

Condensed Consolidated P&L (In Million NTD, except for EPS in NTD)	2019	%	2018	%	Y o Y
<b>Net Sales</b>	<b>1,865</b>	<b>100%</b>	<b>1,973</b>	<b>100%</b>	<b>(5%)</b>
Cost of Good Sold	(1,362)	(73%)	(1,446)	(73%)	(6%)
<b>Gross Profit</b>	<b>503</b>	<b>27%</b>	<b>527</b>	<b>27%</b>	<b>(5%)</b>
Operating Expenses					
Selling expenses	(440)		(465)		(5%)
Admin expenses	(63)		(58)		9%
Operating Expenses sub-total	(502)	(27%)	(520)	(26%)	(3%)
<b>Operating Income</b>	<b>1</b>	<b>%</b>	<b>7</b>	<b>%</b>	<b>(86%)</b>
Non-Operating Income (Expenses), net	17	1%	11	1%	55%
<b>Income (Loss) Before Tax</b>	<b>18</b>	<b>1%</b>	<b>18</b>	<b>1%</b>	<b>%</b>
Income Tax	(2)	(%)	(5)	(%)	(60%)
<b>Net Income</b>	<b>16</b>	<b>1%</b>	<b>13</b>	<b>1%</b>	<b>23%</b>
EPS(Basic)	<b>0.15</b>		<b>0.12</b>		<b>25%</b>
ROE	0.90%		0.74%		

# Consolidated Income Statement -QoQ

Condensed Consolidated P&L (In Million NTD, except for EPS in NTD)	<u>2020.3Q</u>	%	<u>2020.2Q</u>	%	<u>2019.3Q</u>	%	Q o Q	Y o Y
<b>Net Sales</b>	<b>464</b>	<b>100%</b>	<b>251</b>	<b>100%</b>	<b>458</b>	<b>100%</b>	<b>85%</b>	<b>1%</b>
Cost of Good Sold	(324)	(70%)	(203)	(81%)	(319)	(70%)	60%	2%
<b>Gross Profit</b>	<b>138</b>	<b>30%</b>	<b>46</b>	<b>18%</b>	<b>139</b>	<b>30%</b>	<b>200%</b>	<b>(1%)</b>
Operating Expenses								
Selling expenses	(90)		(80)		(98)		13%	(8%)
Admin expenses	(19)		(22)		(29)		(14%)	(34%)
Operating Expenses Sub total	(119)	(25%)	(102)	(41%)	(127)	(28%)	17%	(6%)
<b>Operating Income</b>	<b>20</b>	<b>4%</b>	<b>(56)</b>	<b>(22%)</b>	<b>12</b>	<b>3%</b>	<b>(136%)</b>	<b>67%</b>
	5		4		4			
	(1)	(%)	(1)	(%)	(1)	(%)	%	%
Non-Operating Income (Expenses), net	4	1%	3	1%	3	1%	33%	33%
<b>Income (Loss) Before Tax</b>	<b>24</b>	<b>5%</b>	<b>(53)</b>	<b>(21%)</b>	<b>15</b>	<b>3%</b>	<b>(145%)</b>	<b>60%</b>
Income Tax	0	%	0	%	(3)	(1%)		(100%)
<b>Net Income</b>	<b>24</b>	<b>5%</b>	<b>(53)</b>	<b>(21%)</b>	<b>11</b>	<b>2%</b>	<b>(145%)</b>	<b>118%</b>
EPS(Basic)	0.22		(0.49)		0.1		(145%)	120%
ROE/Q	1.5%		-3.3%		0.7%			

# Consolidated Balance Sheets and Financial Ratios

Consolidated Balance Sheet  
(In Million NTD)

	2020.3Q		2020.2Q		2019.3Q	
Balance Sheet Highlights	Amount	%	Amount	%	Amount	%
cash & Short Term Investm	668	25%	542	21%	613	24%
Accounts Receivable	281	11%	194	8%	328	13%
Inventory	226	8%	229	9%	208	8%
Net PP&E	1,463	55%	1,472	58%	1,534	61%
Current Liabilities	481	18%	392	15%	431	18%
Non Current Liabilities	571	21%	537	21%	450	18%
Shareholders' Equity	1,616	61%	1,630	64%	1,634	65%
Total Asset	2,668	100%	2,559	100%	2,515	100%
Inventory Turnover (Day)	64		95		60	
AR Turnover (Day)	47		105		53	
Current Ratio	139%		138%		142%	
Quick Ratio	85%		73%		90%	
Debt Ratio	39%		36%		35%	
Inventory turnover Ratio	143%		96%		152%	
A/R turnover Ratio	195%		86%		171%	

# Statements of Cash Flows

Cash Flows (In Million NTD)	<u>2020.3Q</u>	<u>2019.3Q</u>	YoY
Beginning Balance	51	40	25%
Cash inflow generated from operations	144	138	4%
Capital expenditures	(132)	(43)	208%
Proceeds from disposal PP&E	1	5	(79%)
Proceeds from disposal Stocks	(80)	(13)	--
Proceeds from disposal Stocks	34	0	--
Proceeds from short-term/long-term debt	150	23	552%
Repayments of preference share liabilities	0	0	
Cash dividend paid	(33)	(43)	--
Payments to acquire treasury shares	0	0	
Others	(33)	(55)	(40%)
Ending Balance	<u>102</u>	<u>53</u>	92%

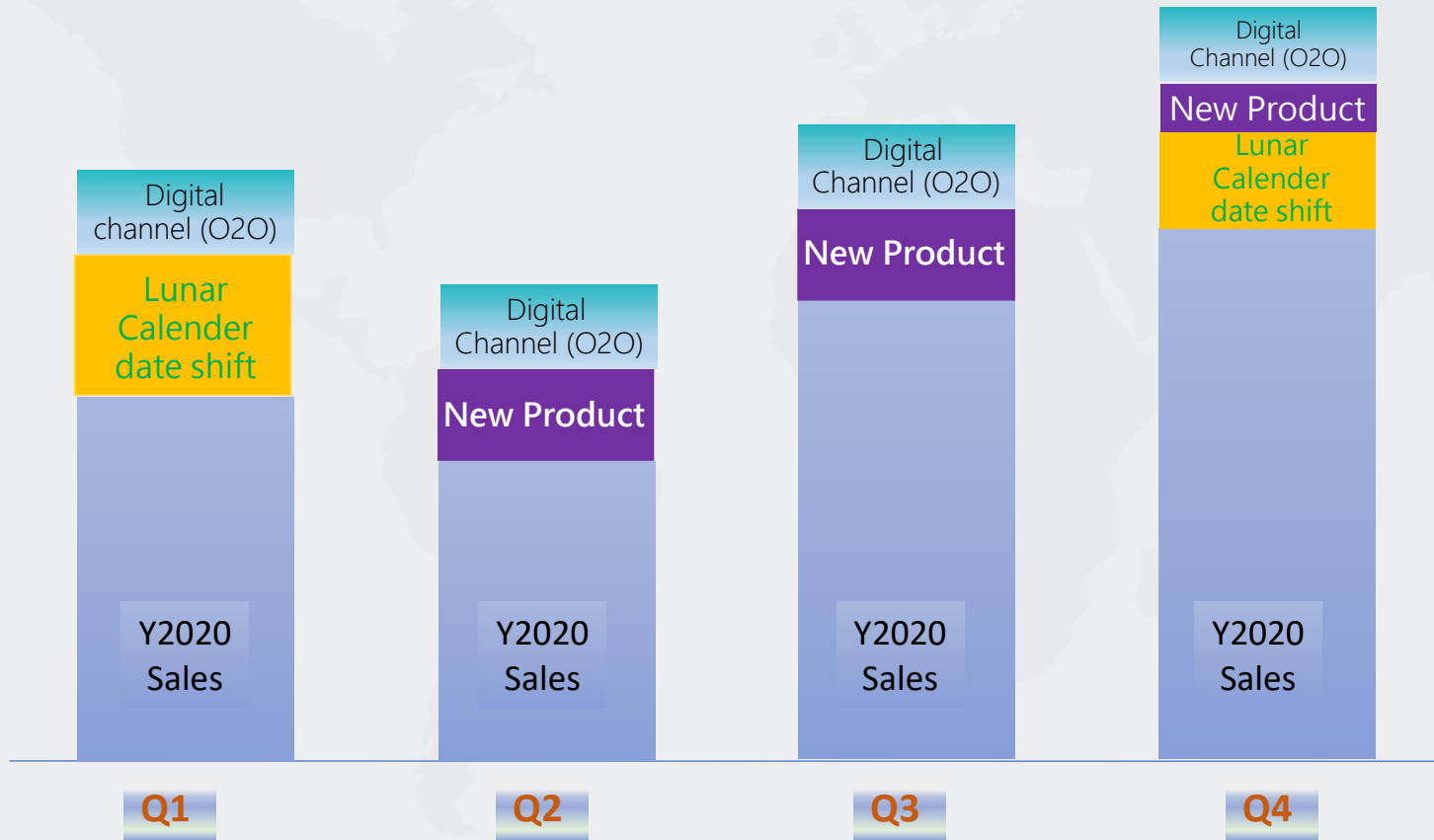
# Operation Outlook 2021

New Year eve  
2/11

Qingming 4/4

Zhongyuan 8/22 ·  
Moon Festival 9/21

New Year eve 1/31



Thanks.

Adaptable × Proactive × People Oriental × Yes, I say OK.

在地永續 幸福延續。

**Happy**  
Happy