

**SWANCOR HOL. CO., LTD**  
3708.tw

# 2023 Third Quarter Financial Results

# Disclaimer

- This document may be deemed to contain forward-looking statements. These forward-looking statements include, among other things, statements regarding future events and the future financial performance of Swancor that involve risks and uncertainties. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results.
- Any projections in the document are based on limited internal and external information currently available to Swancor, which is subject to change. Actual events or results could differ materially and no reader of this document should assume later that the information provided today is still valid. Such information speaks only as of the date of this document.
- Readers shall rely on self-judgment to makes any investment decision. Readers shall not interpret the information in this document to be investment recommendations.

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# 3Q23 Financial Results

# Consolidated Balance Sheets and Financial Indexes

Balance Sheet (NT\$ Million)	2023/9/30		2023/6/30		2022/9/30	
	Amount	%	Amount	%	Amount	%
Cash and Equivalent	2,308	16%	2,473	18%	1,896	13%
Account Receivable	2,052	14%	1,900	14%	2,458	17%
Note Receivable	1,286	9%	1,794	13%	2,350	17%
Stock	754	5%	750	6%	1,198	8%
Long-Term Investment	1,407	10%	1,249	9%	1,731	12%
Real Estate, Factory, Equipment	3,759	26%	3,572	26%	3,418	24%
<b>Total Asset</b>	<b>14,329</b>	<b>100%</b>	<b>13,512</b>	<b>100%</b>	<b>14,187</b>	<b>100%</b>
Current Liability	3,456	24%	3,375	25%	4,252	30%
Long-Term Liability	431	3%	459	3%	467	3%
<b>Total Liability</b>	<b>5,516</b>	<b>38%</b>	<b>5,449</b>	<b>40%</b>	<b>6,325</b>	<b>45%</b>
<b>Shareholders' Equity</b>	<b>8,813</b>	<b>62%</b>	<b>8,062</b>	<b>60%</b>	<b>7,862</b>	<b>55%</b>
<b>Financial Index</b>						
Average Collecting Days	92		102		96	
Average Inventory Turnover Days	43		52		59	
Current Ratio	2.49		2.40		2.00	
Total Asset/Debt Ratio	37%		39%		44%	

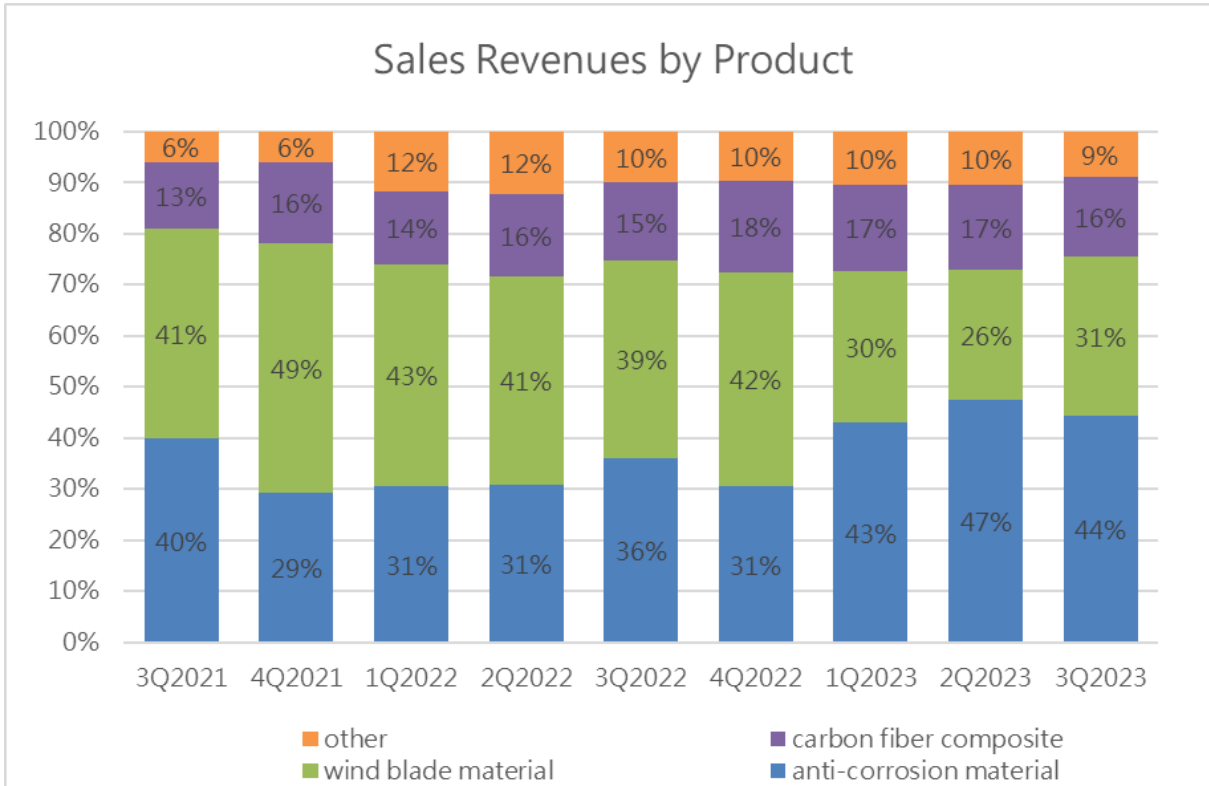
# Consolidated Statements of Income

Consolidated Income Statement <i>(NT\$ million except rates)</i>	3Q2023	2Q2023	3Q2022	QoQ	YoY
Net Revenue	1,923	1,718	2,356	12%	-18%
Gross Margin Rate	17.8%	18.0%	14.8%	-0.1%	3.0%
Operating Expense	259	276	325	-6%	-20%
Operating Income Rate	4.4%	1.9%	1.0%	2.5%	3.3%
Non-Operating Income	564	715	685	-21%	-18%
Tax Rate	11.9%	6.2%	9.6%	5.7%	2.3%
Net Income	552	693	629	-20%	-12%
Net Income Rate	28.7%	40.3%	26.7%	-11.6%	2.0%
EPS (NT\$)	5.66	7.11	6.46	- 1.45	- 0.80
ROE Rate	25.1%	34.4%	32.0%	-9.3%	-6.9%
Sales Volume (Ton)	18,818	15,738	17,116	20%	10%

3Q2023 YTD	3Q2022 YTD	YoY
5,340	7,465	-28%
18.2%	14.2%	4.0%
801	798	0%
3.2%	3.5%	-0.3%
1,263	727	74%
10.0%	16.9%	-6.9%
1,264	790	60%
23.7%	10.6%	13.1%
12.96	8.35	4.61
19.1%	13.4%	5.7%
48,503	48,157	1%

\*Sales volume included anti-corrosion material and wind blade material. Other products are not included

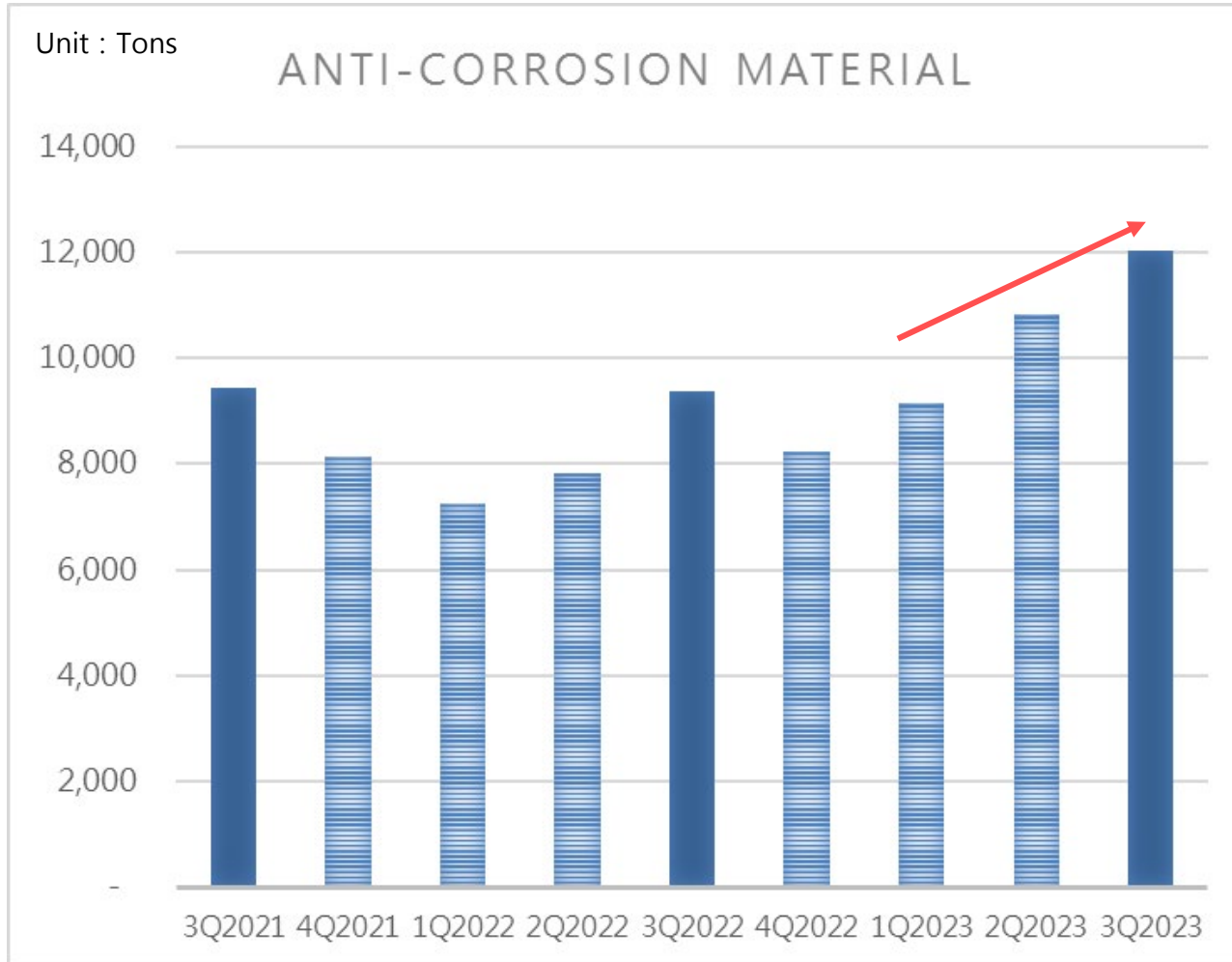
# Sales Revenues by Product



2023YTD

Anti-corrosion material	44%	YOY+12%
Wind blade material	29%	YOY -12%
Carbon fiber composite	16%	YOY+ 1%
Other	11%	YOY - 0%

# Sales volume of Anti-corrosion material



## Q1~Q3

Launch new products and expand product market application, sales volume increases quarter by quarter.

Mainland China market -

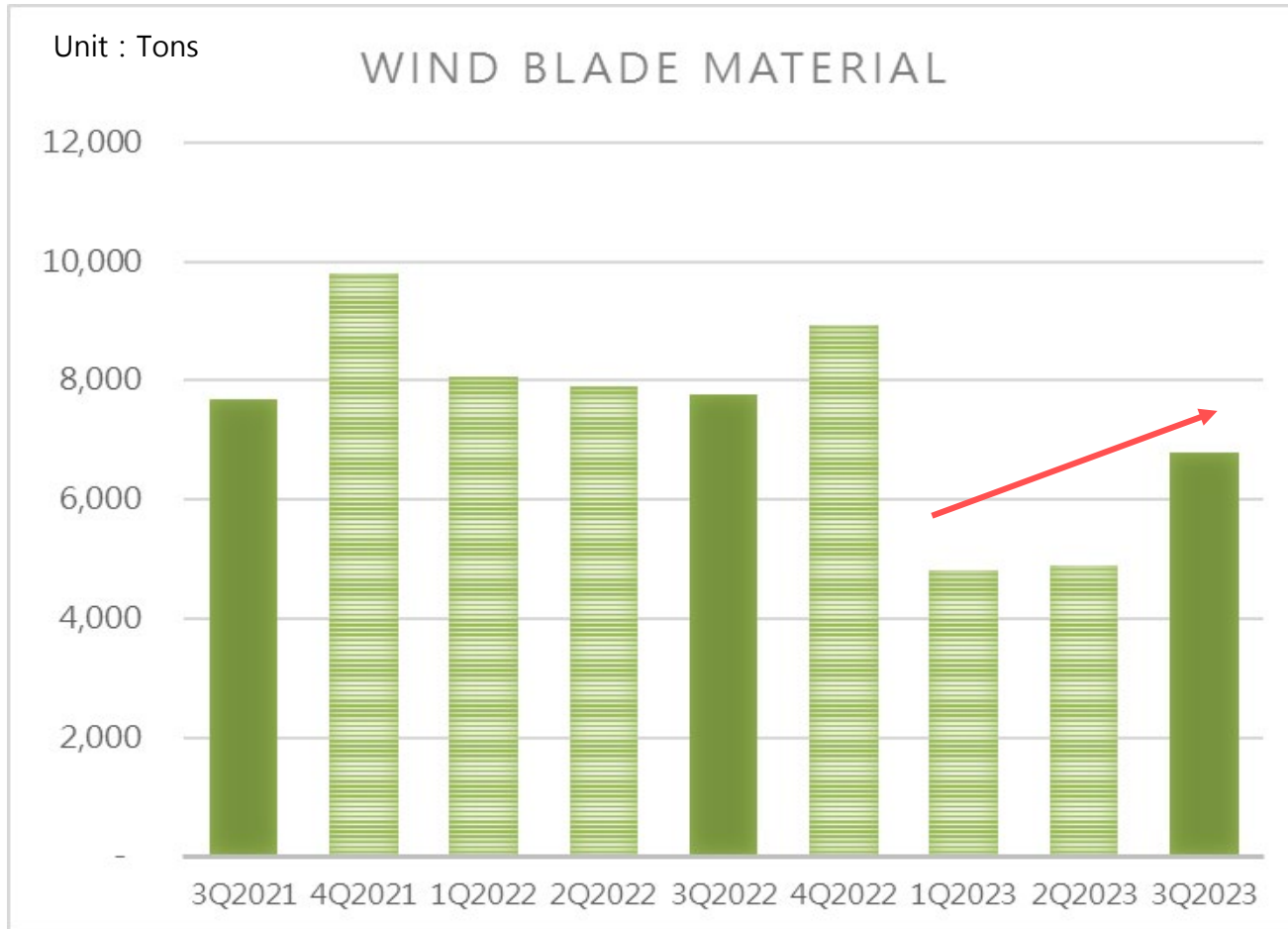
Design institute specified material strategy works , leverage market leadership to increase market share by pricing strategy.

## Q4

Expect to keep flat vs Q3 in Mainland China Market due to slow construction considering the cold climate ; Light business in Europe and US market , focus on Middle East market.



# Sales volume of Wind blade material



## Q1~Q3

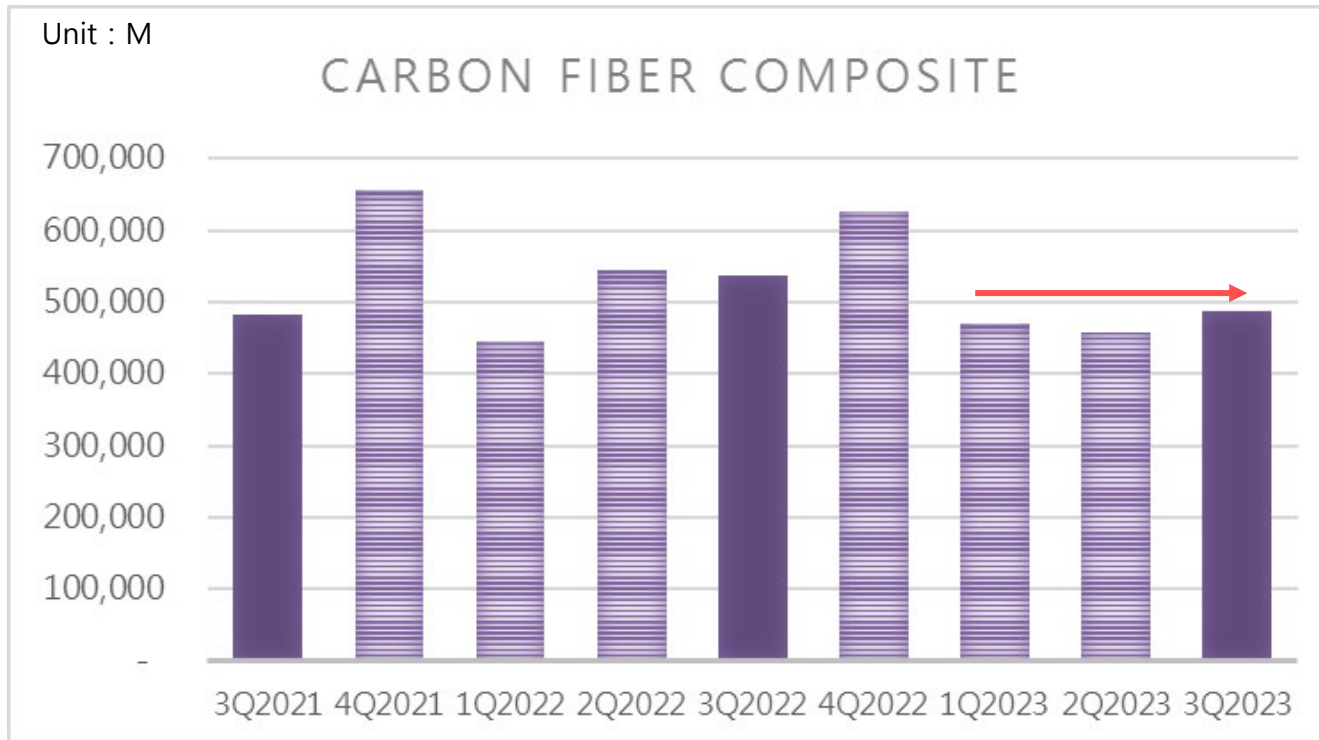
Recovery in Mainland China market is not as expected. Less order leads to higher blade inventory due to price competition ; Peak season in Q3 and strategy adjustment works.

Shipment delay in overseas market due to internal adjustment from customers and solve now.

## Q4

Expect slight growth vs Q3 and more than 50% growth in H2 vs H1.

# Sales volume of Carbon fiber composite



Note : Pultruded Carbon Fiber Plates

Q1~Q3

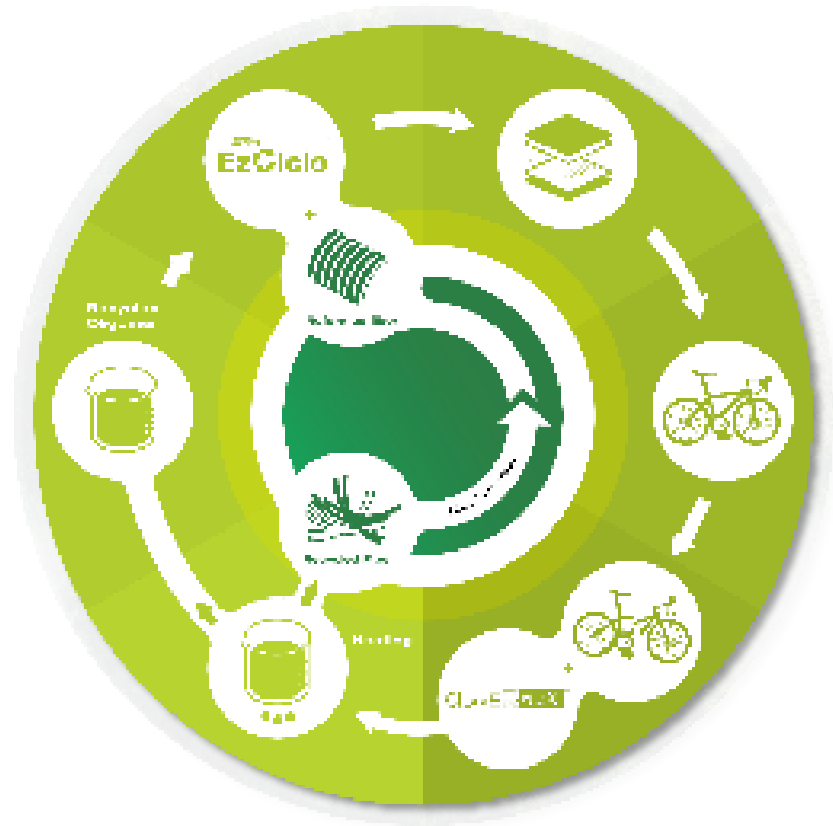
Pultruded Carbon Fiber Plates mainly based on overseas market, slow demand due to higher wind farms construction cost.

Market application in Mainland China is not pervasive due to cost consideration.

Q4

Expect to keep flat vs Q3.

# Recycled material



Q1~Q3

Smooth progress in footwear material application.

Wind blade application verification progress on track.

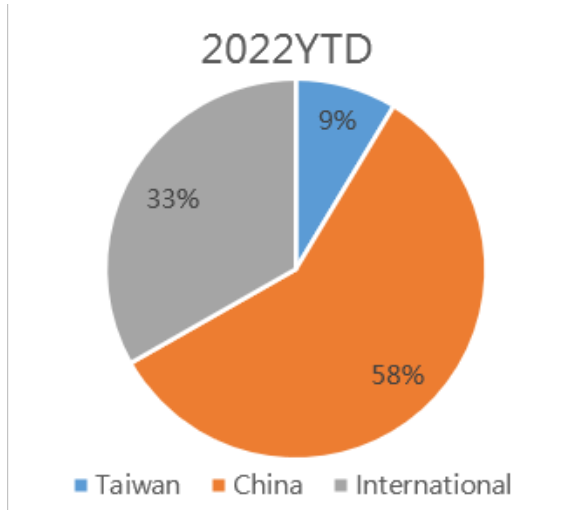
Q4

Item	Unit	Qty
EzCiclo	Tons	329.0
Recyclable material	Tons	0.5
Recycled material	M	111.0

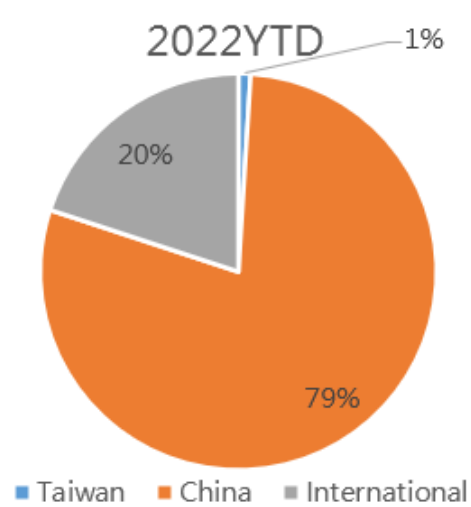
Note : Recycled material means recycled carbon fiber or veil, mat or masterbatch made from recycled carbon fiber.

# Sales Revenues by Business Unit

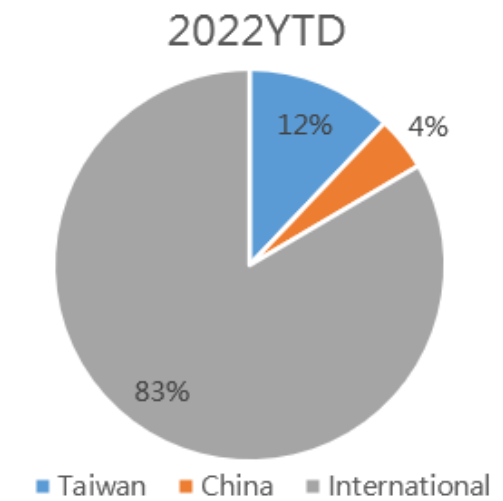
## Anti-corrosion material



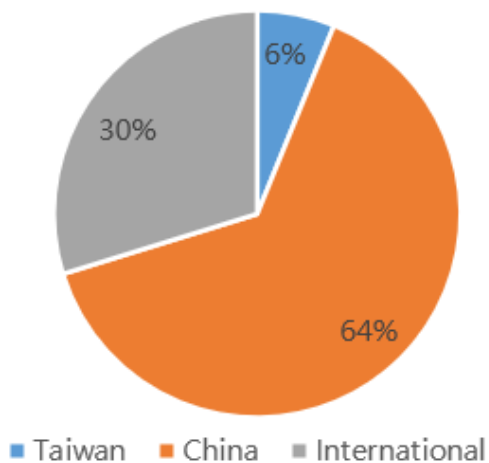
## Wind blade material



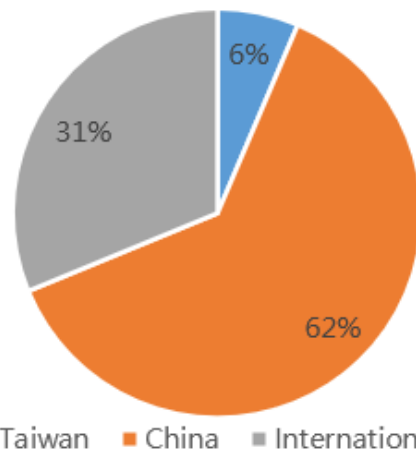
## Carbon fiber composite



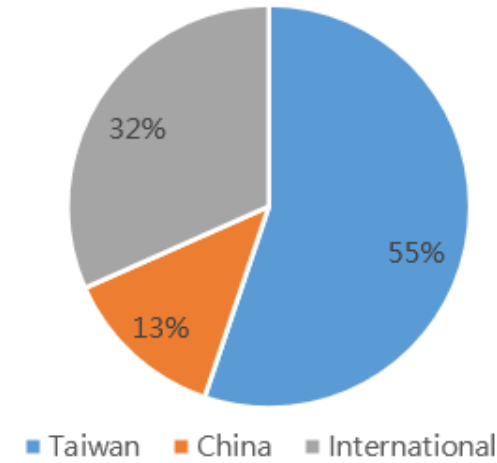
## 2023YTD



## 2023YTD



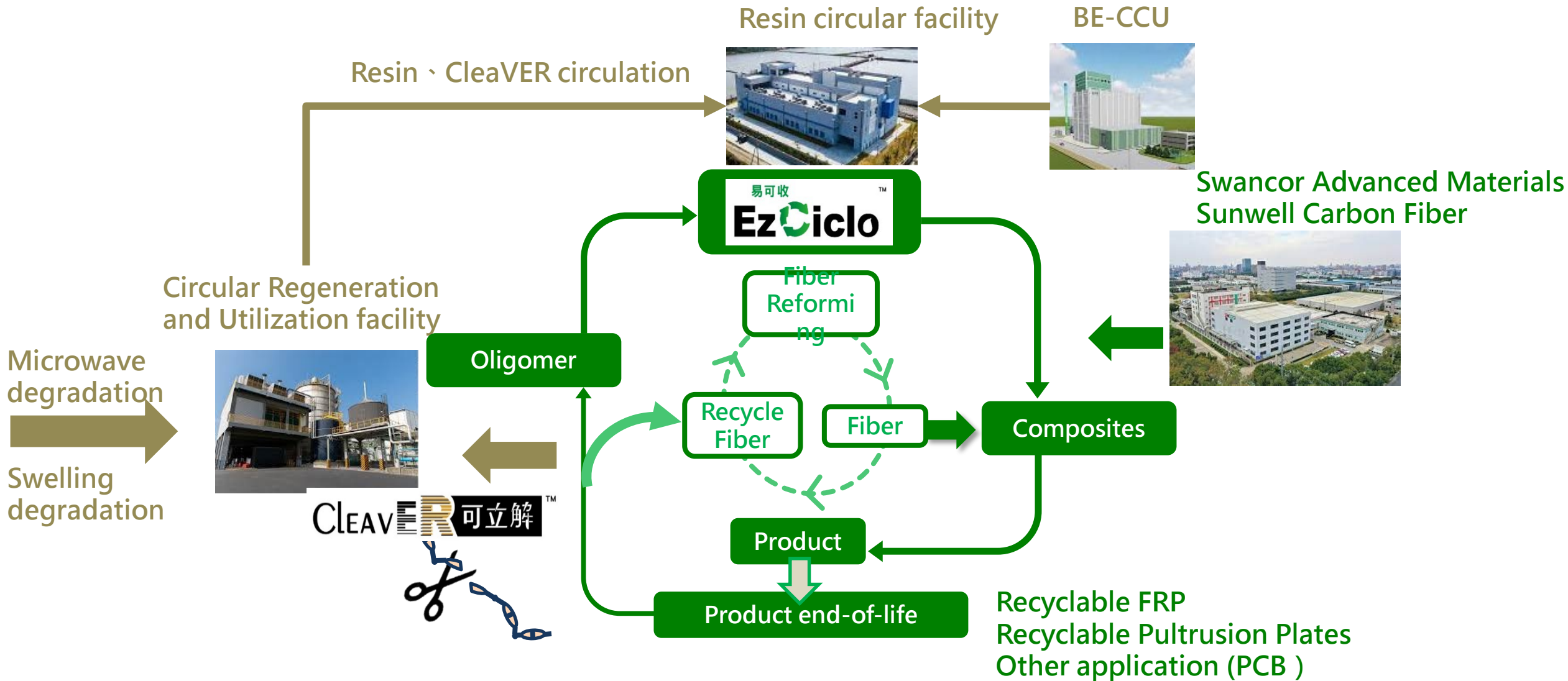
## 2023YTD



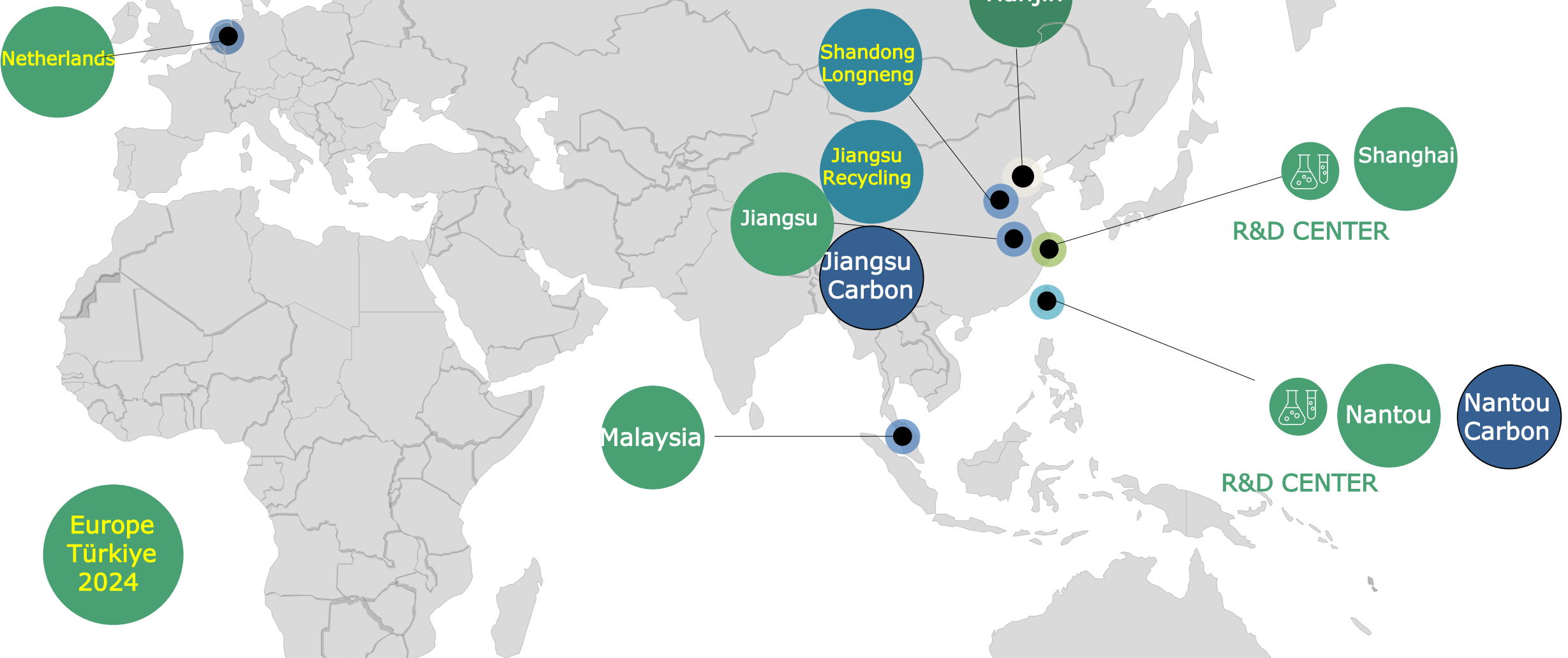


# Recap of Recent Major Events

# Closed-loop Circular Regeneration and Utilization



# PRODUCTION SITE RESEARCH & DEVELOPMENT CENTER



# New investment projects

## Swancor Holding

Area : Mainland China  
Company : Swancor Recycling Technology (Jiangsu) Ltd.  
Capital : USD 15 million · Invest in batches  
Main business : Recycled carbon fiber, Fiberglass Raw Material and other Manufactures.

## Swancor Holding

Area : Europe Netherlands  
Company : Swancor NL(tentative)  
Capital : EUR 2 million  
Main business : Business promotion and technical services

## Swancor Advanced Materials

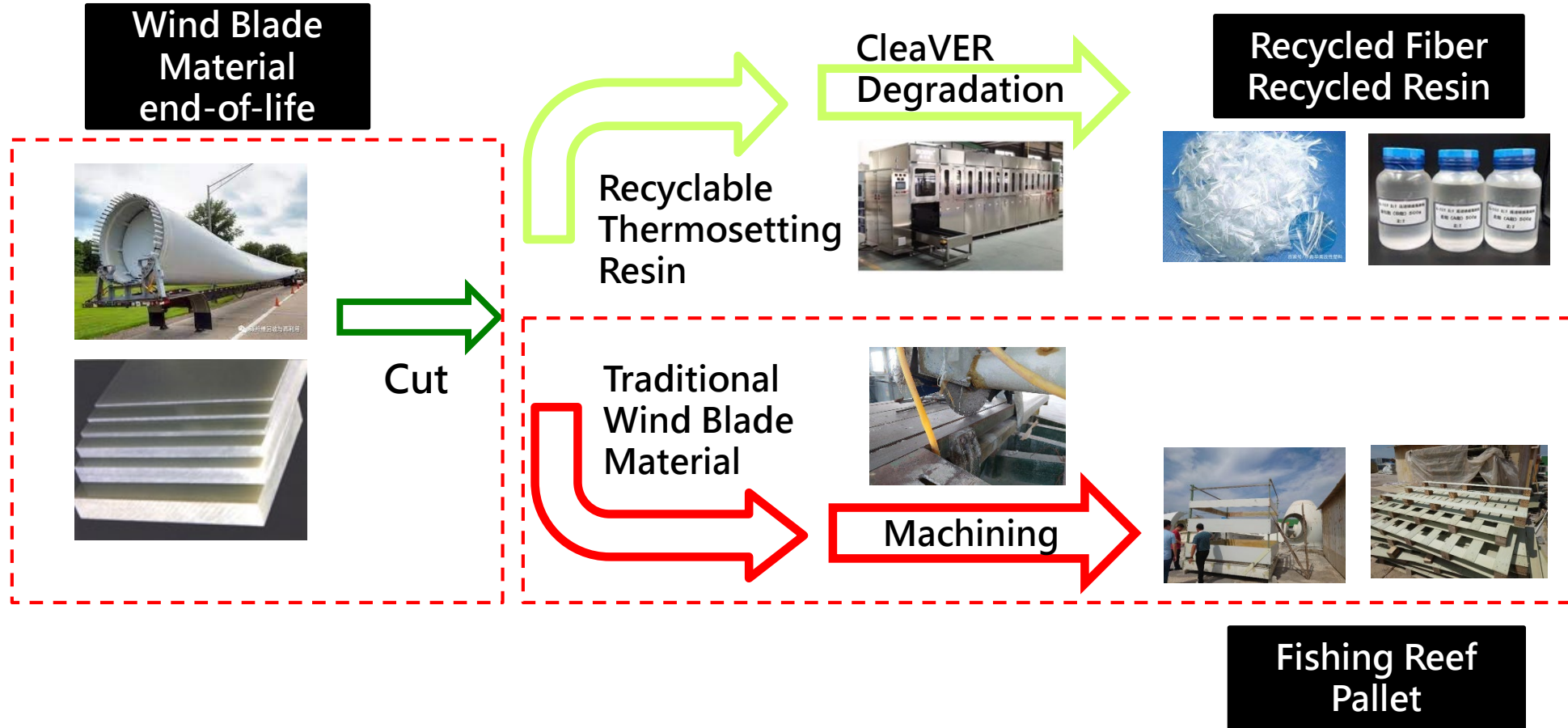
Area : Mainland China  
Company : Shandong Longneng Renewable Resources Utilization Co., Ltd.  
Capital : RMB 11 million  
Main business : Recycling of wind turbine blades and wind turbine units, reprocessing, sales and trading of composite materials after recycling

## Swancor Advanced Materials

Area : Europe Türkiye  
Company : Swancor Turkey (tentative)  
Capital : EUR 4.2 million  
Main business : manufacturing and trading business of anti-corrosion material and wind blade material

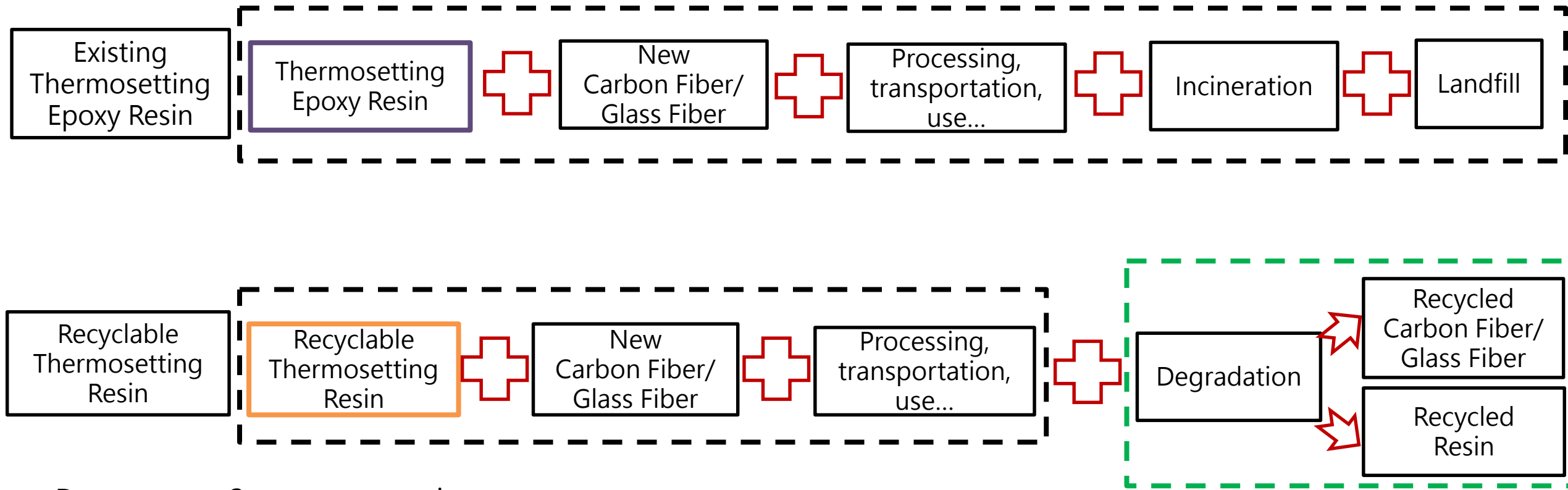


# Circular Regeneration and Utilization



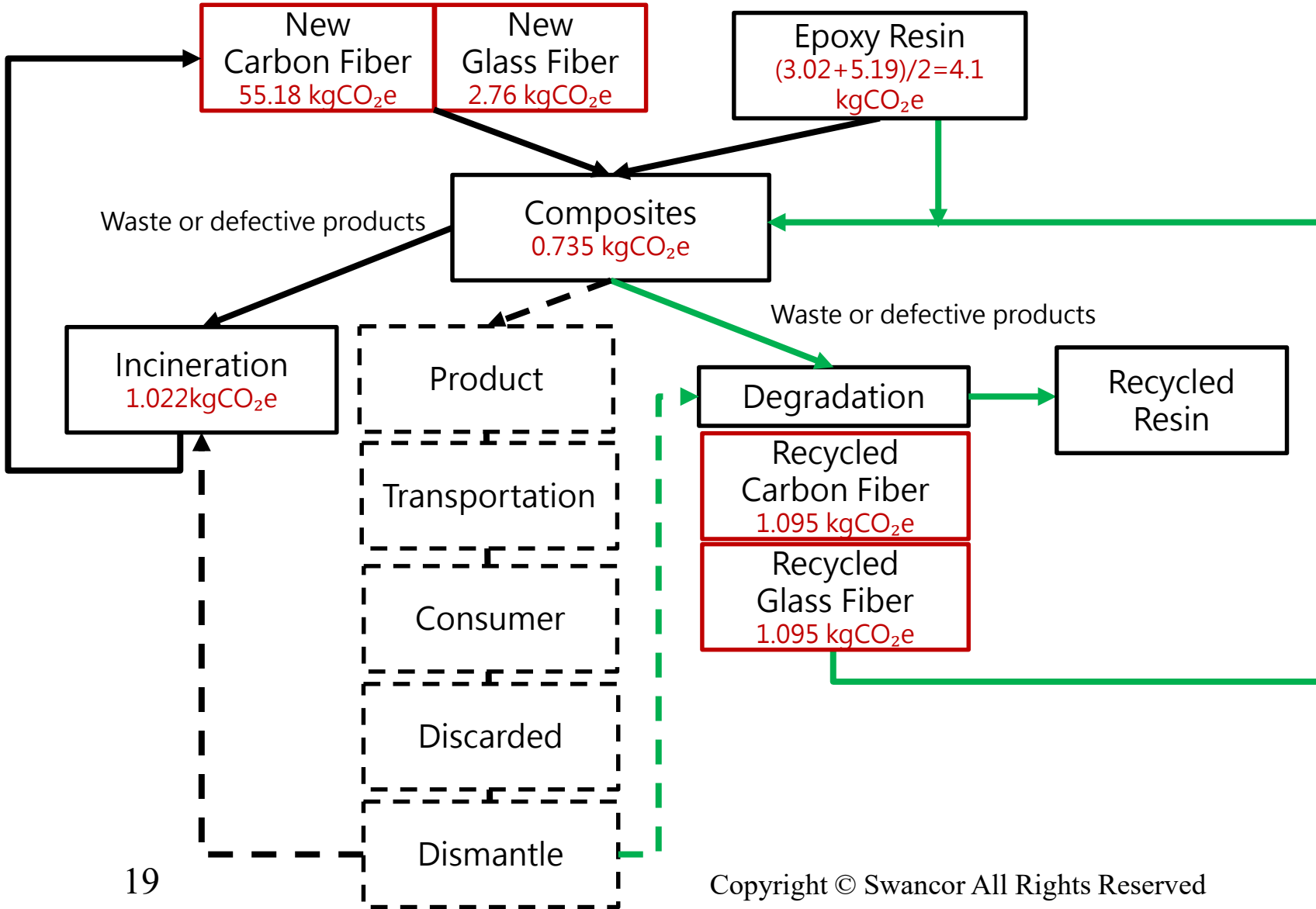
# Carbon Foot-print Comparison

The carbon emission/kg of product is only 1/10 of that of incineration.



Data source : Swancor own estimate

# Carbon Foot-print of Recycled Fiber



Carbon Foot-print kg-CO <sub>2</sub> e		
Carbon Fiber Composites	General	61.037
	Recycling	5.93
Glass Fiber Composites	General	8.617
	Recycling	5.93

Data source : Swancor own estimate

General processing mode

Recycling mode

# International Certification

SGS—ISO 14021

Recycle rate of composites made of SWANCOR EzCiclo could be  $\geq 95\%$



Statement of Conformity CN23/0000701  
The processes and procedures of

**SWANCOR ADVANCED MATERIALS CO.,LTD.**  
No.618 Songsheng Road, Songjiang District, Shanghai, P.R. China

has been assessed by SGS as meeting the requirements of

**ISO 14021:2016**  
Environmental labels and declarations — Self-declared environmental claims (Type II environmental labelling)

for the following products:  
Recyclable thermoset resin contained in packages marked with SWANCOR specific Mobius loop i.e.



when conducting Self-declared Environmental Claims, which claims recyclable rate of composites made of EzCiclo thermosetting resin RB519-A/BS、RB511-A/BS、RB507-A/B contained in packages marked with SWANCOR specific Mobius loop achieve  $\geq 95\%$  with SWANCOR CleaVER degradation formulation.

This statement is valid from 19 Feb 2023 until 18 Feb 2026 and remains valid subject to satisfactory surveillance audits.  
Issue 1. Assessed by SGS since 19 Feb 2023

Authorized by  
David Xin  
Sr. Director - Knowledge  
Date: 19 Feb 2023

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Recycle rate of composites made of SWANCOR EzCiclo recyclable thermoset resin RB519-A/BS、RB511-A/BS、RB507-A/B could be higher than 95%.



GRS certified  
100% recycled carbon fiber



TAIWAN IDFL LABORATORY AND INSTITUTE LIMITED  
8F., No. 312, Sec. 2, New Taipei Blvd., Xinzhuang Dist., New Taipei City 242032 Taiwan

**SCOPE CERTIFICATE**  
Scope Certificate Number: IDF-23-488743

IDFL certifies that

**S-WANLAI CO., LTD.**  
旺來企業股份有限公司  
LICENSE NUMBER 16949  
No. 11, Gongye S, 6th Rd.,  
Nantou City,  
Nantou County, 540028  
Nantou, Taiwan

has been audited and found to be in conformity with the

**Global Recycled Standard (GRS) (Version 4.0)**

Products categories mentioned below (and further specified in the product appendix) conform with the standard(s):  
**Processed Pre-Consumer Materials (PC0041)**

Process categories carried out under responsibility of the above mentioned organization for the certified products cover:  
**Chemical Recycling (PR0004)**

This certificate is valid until: 2024-06-25  
Audit criteria: Global Recycled Standard V4.0; Content Claim Standard V3.1; Textile Exchange Standards Claim Policy V1.1

Place and Date of Issue (YYYY-MM-DD)	Certification Body	Standard
TAIWAN IDFL LABORATORY AND INSTITUTE LIMITED, 2023-06-26 Last Updated: 2023-06-26	IDFL License No: CB-IDF	

Wilford Lieber, CEO




This scope certificate provides no proof that any goods delivered by its holder are Global Recycled Standard (GRS) certified. Proof of Global Recycled Standard (GRS) certification of goods delivered is provided by a valid transaction certificate (TC) or equivalent covering them. The issuing body may withdraw this certificate before it expires if the declared conformity is no longer guaranteed. To authenticate this certificate, please visit [www.TextileExchange.org/Certificates](http://www.TextileExchange.org/Certificates).

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# 致力碳中和 創生新材料

Devoted to Carbon Neutrality And New Materials Innovation

Swancor is changing the composites industry.



Thank You!

Q&A

**SW**wancor