

YFY

3Q22 Earnings Results

2022/11/14

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Profit Compositions of YFY Inc. Presented in Financial Statements

Consolidated Operating Profit

Share of Profit from Associates

Dividend Income

Consolidated Net Profit

Forest, Pulp and Paper BG



中華紙漿股份有限公司
Chung Hwa Pulp Corporation

Containerboard & Packaging BG

永豐餘工業用紙

Consumer Products BG

永豐餘消費品實業

Others Group



Share of Profit

Eink

Other Investments

永豐金控
SinoPac Holdings



YFY Inc.

永豐餘

3Q22 Financial Results

(NTD \$M)	3Q22	Y/Y	3Q22YTD	Y/Y
Sales	20,405	+3.1%	60,286	-5.3%
Gross Profit	2,720	-28.6%	8,721	-41.3%
Operating Profit	152	-88.7%	1,153	-84.1%
Profit Attributable to Owners	1,462	+12.4%	2,226	-51.1%
EPS (NTD)	0.88		1.34	
OP Margin	0.7%	-6.1%	1.9%	-9.5%

None-Operating Income/Expenses

(NTD \$M)	3Q22	3Q22YTD
Financial Costs	-250	-578
Interest Income	81	166
Share of Profit of Associates	683	1,289
FX Gains/Losses	96	-29
Dividend Income	941	990
Other Income	141	452
Total	1,692	2,290

Segment Information

The YFY Group classifies its products and services into five segments in accordance with the business characteristics, as follows :

(1.) Forest, Pulp and Fine Paper Business Groups

Including pulp, cultural papers, packaging paper, specialty paper and cardboard.

(2.) Containerboard and Packaging Business Groups

Including industrial cardboard containers, colored cases and food containers.

(3.) Consumer Product Business Groups

Household products including tissue paper, napkins, deteratives and cosmetics

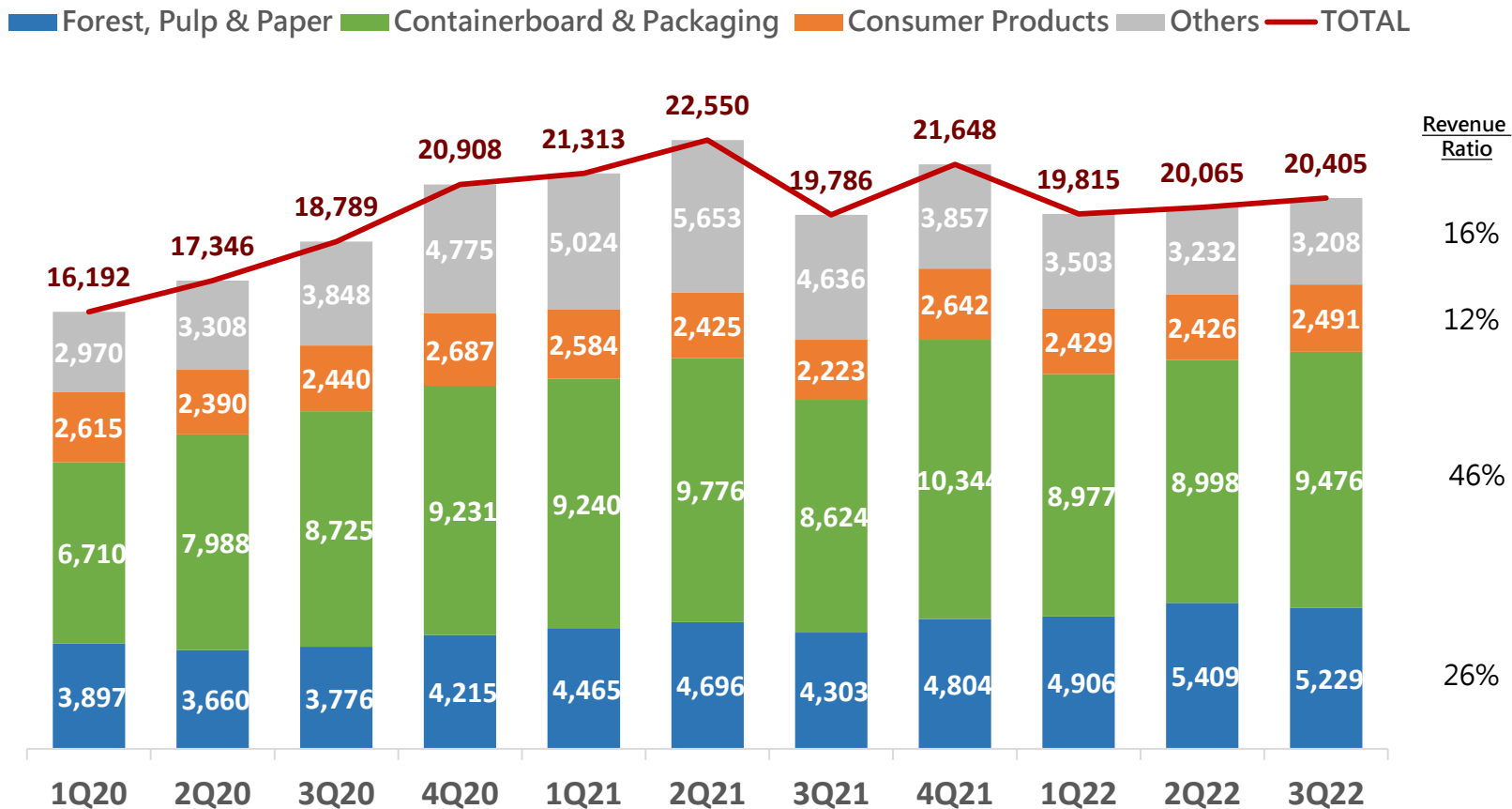
(4.) Others Business

Products other than paper including specialty materials, RFID, packaging designs and other services.

(The performance of segments is measured at operating profits of the business. Revenue and profit between segments have been adjusted; these adjustments include the elimination of intra-segment transactions to reconcile the segment information with that reported for the Group as a whole.

Quarterly Revenue Trends by Operating Segments

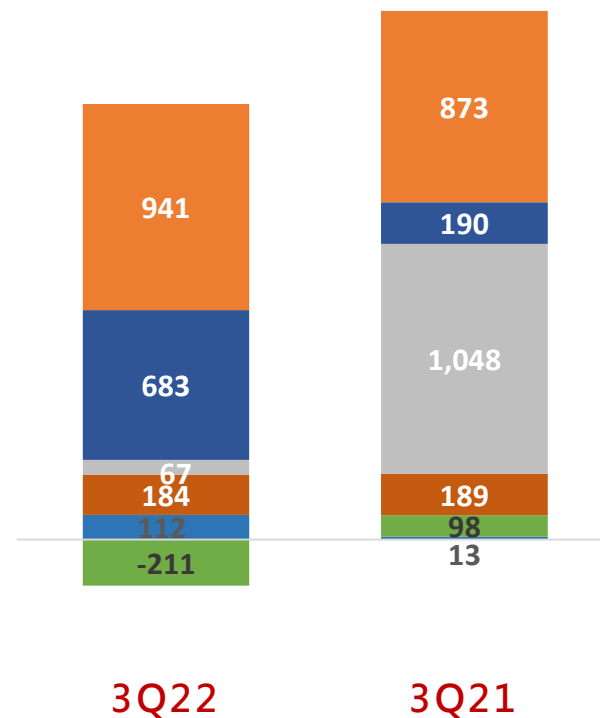
Revenue of Operating Segments (NTD\$ M)



Investment Incomes

(NTD \$M)	3Q22	3Q21
Forest, Pulp & Paper	112	13
Containerboard & Packaging	-211	98
Consumer Products	184	189
Others	67	1,048
Non-operating Incomes:		
Eink and Others	683	190
Dividend Income from Others	941	873
Total Investment Returns	1,776	2,411

- Dividend Income
- Dividend Income
- Other Investments
- Consumer Products Group
- Containerboard & Packaging Group
- Forest,Pulp & Paper Group



YFY Inc. 3Q22 ESG Achievements

Awarded for “Outstanding Enterprise Prize” in the 3rd Taiwan Circular Economy Awards

YFY Inc. was recognized for its excellent results in the areas of corporate circular economy management, corporate circularity, and green achievements.

- YFY has installed green energy facilities such as solar power, biogas, and biomass fuel in each production and operation sites
- Reduced carbon emissions from fossil fuel extraction and reduced external energy dependence
- Reached and used 31% of renewable energy in 2021
- By replacing fossil fuels with alternative fuels in all YFY plants in Taiwan, the reduction of fossil fuel carbon emissions is about 608,833 tons of carbon dioxide equivalent, which is equivalent to the carbon absorption of about 1,565 Daan Forest Park in one year.
- Under the importance of water resource management, each drop of water can be reused 5 times on average at some of YFY’s main operating locations.
- The reuse rate of processed water in Taiwan will reach up to 98% in 2021.



Performance Summary

3Q22YTD

1. The accumulated consolidated revenue of YFY in 3Q22YTD was NT\$60.286 billion, decreased 5.3% Y/Y. This was mainly affected by the geopolitical disputes and epidemic control that has resulted in a softer demand in customers. Moreover, the consolidated operating profit income was NT\$1.153 billion which has resulted in the operating profit margin to be 1.9%, due to the increasing cost in raw materials and energy usage.
2. In terms of non-operating incomes and expenses, the Share of Profit from Associates recorded NT\$1.289 billion, which was attributed by the outstanding performance of E Ink Holdings Inc. In addition, the dividend income from SinoPac and other investments were NT\$0.99 billion that also resulted in significant increases in non-operating incomes to grow 53.9% Y/Y. The consolidated net profit after-tax attributable to the parent company in 3Q22YTD was NT\$2.26 billion. The EPS recorded NT\$ 1.34.

Outlook

1. Forest, Pulp and Fine Paper Business' s market demand remains steady and will continuously strengthen its sustainable operating development by promoting green manufacturing, green products, and green energy.
2. Containerboard and Packaging Business group has impacted by the geopolitical disputes and the ongoing regional epidemic control that led to the disruptions in supply chain and weaken the market demand. In response to the rapid changes in Taiwan, Vietnam, and China' s market demands, the group has been optimizing its product mix, improving resources efficiency, and increasing the coal replacement portions in order to strengthen its operation strategies.
3. Consumer Product Business group has been continuously optimizing its product structures while developing diversified customers. It is expected to see its future growth as the equipment completes its upgrade next year.
4. YFY Inc. has also been incubating and focusing on one of its subsidiaries, Arizon KY , whom has the specialty in manufacturing and designing RFID chips. It has submitted application for listing to TWSE on 10/20 and ready to inject new blood into YFY Inc. diversified investment blueprint.

Facing the impacts of geopolitical conflicts, energy and raw materials price fluctuations, significant climate change, and pandemic, the uncertainties and challenges have increased company' s operating conditions and market demand. In response to all, YFY Inc. will continue to enhance its resource efficiency with the ideas of circular economy under the pressure of rising energy costs; continue to develop various renewable energy applications such as biogas and SRF, while planning for energy transformation by increasing coal replacement into green electricity, as to achieve sustainable development of all undertakings.

In addition to stabilize operations of its various business groups, YFY Inc. to develop reasonable long-term investment value by diversifying its investment portfolio and enhancing its ROA through share of profit from associates and dividend income from other investments.



Thank You
