

YFY

3Q23 Earnings Results

2023/11/14

Disclaimer

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Five Future Directions

➤ Renewable Energy and Energy Management
Intelligent Projects and establish the
Carbontech & Management Group



➤ Industry 4.1 and Upstream/ Downstream Industrial Ecosystems
Smart Manufacturing Industry Program



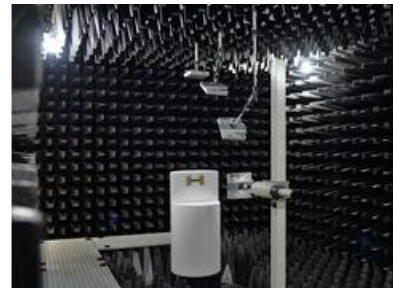
➤ Continuous Development of the Circular Economy
Waste-to-resource tech



➤ The Saccharide Economy and Development of New Materials
Developing specialized chemical materials from Saccharide



➤ Investment in new innovation business
Sustainable value creation model



3Q23 and 3Q23YTD Financial Results

(NTD \$M)	3Q23	Y/Y	YTD	Y/Y
Revenue	18,486	-9.4%	54,142	-10.2%
Gross Profit	2,479	-8.9%	6,883	-21.1%
Operating Profit	-94	-162.0%	-462	-140.1%
None-Operating Income/Expenses	1,502	-11.3%	2,293	0.1%
Profit Attributable to Parent Company	1,134	-22.4%	1,327	-40.4%
EPS (NTD)	0.68	-22.7%	0.80	-40.3%
Net Profit Margin	6.1%		2.5%	

None-Operating Income/Expenses

(NTD \$M)	3Q23	YTD
Share of Profit of Associates	388	1,060
Financial Costs	-273	-819
Interest Income	115	310
FX Gains/Losses	262	348
Dividend Income	786	842
Other Income	224	552
Total	1,502	2,293

Segment Information

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

(1) Forest, Pulp and Fine Paper Business Groups

Including pulp, cultural paper, 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, and deteratives.

(4) Others Business

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

Note:

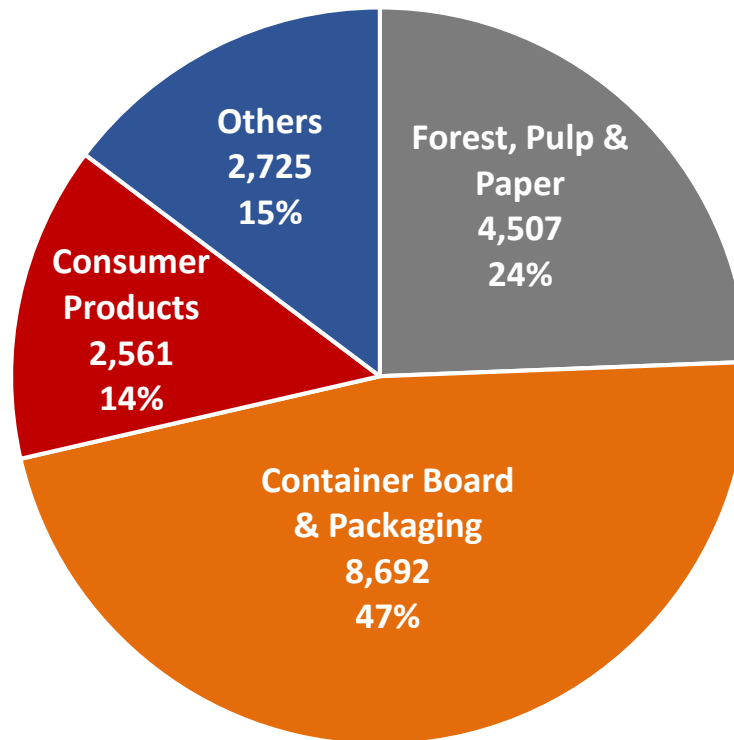
The performance of each segment was measured by operating profits of each business.

Revenue and profit among segments have been adjusted with intra-segment elimination to reconcile with consolidated financial statements.

Quarterly Revenue by Operating Segment

3Q23 Revenue by Operating Segment (NTD \$M)

3Q23 Consolidated Revenue 18.5 Billions



Investment Incomes

(NTD \$M)	3Q23	3Q23YTD
Operating Segment		
Forest, Pulp & Paper	-358	-906
Containerboard & Packaging	36	-98
Consumer Products	354	750
Others	-126	-208
Operating Profit	-94	-462
Non-operating Incomes		
Investments from equity method (E Ink)	388	1,060
Dividend Income (SinoPac Holdings)	786	842
Subtotal of Investments from equity method and Dividend Income	1,174	1,902

Profit Composition of YFY Inc. Presented in Financial Statements

Consolidated Operating 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



Investments from equity method

Share of Profit

Eink

Dividend Income

Other Investments

永豐金控
SinoPac Holdings

Consolidated Net Profit

YFY Inc.



永豐餘



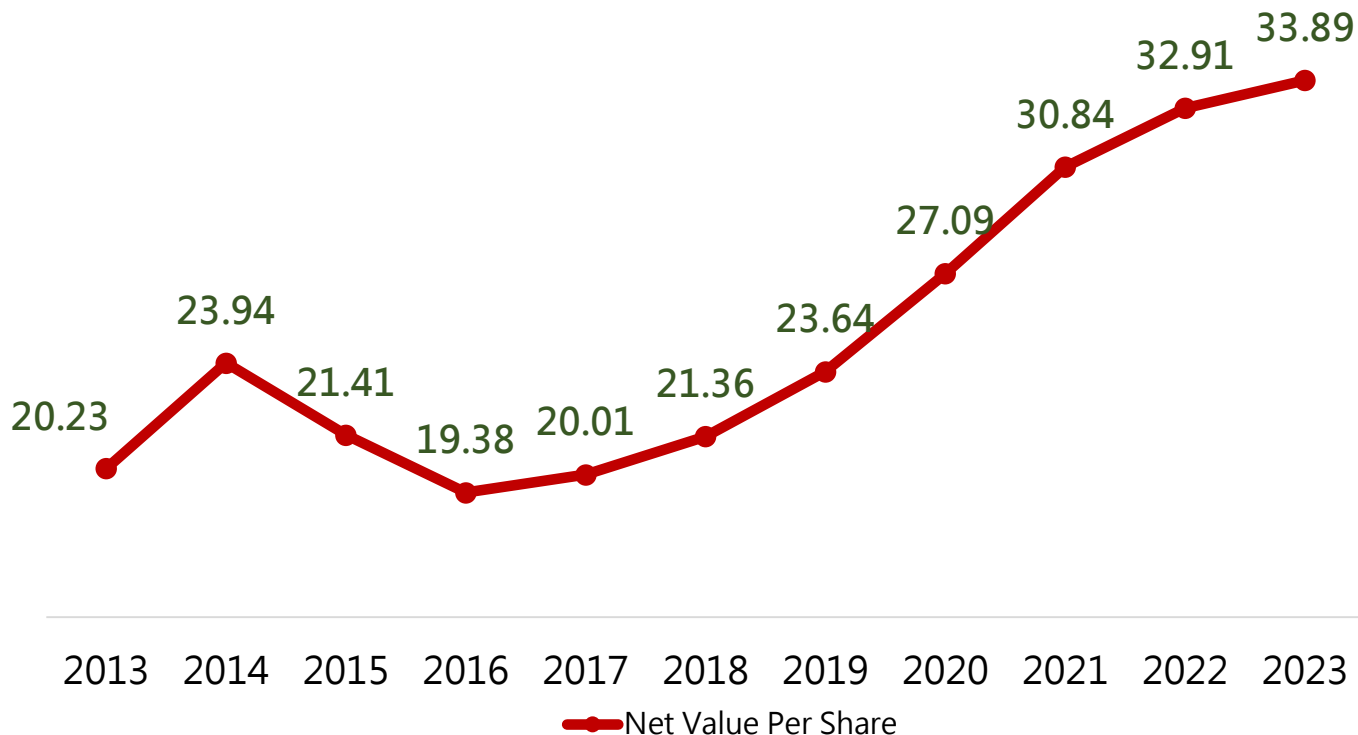
YFY Inc.' s Diversified Investment Portfolio

Classification	Percentage of shareholding	Investment Portfolio	Profit and Loss Recognition Method		
			Investment Gain/Loss	Gain/loss on disposal	Valuation gain/loss
Equity-method investments-subsidiary corporation	$\geq 50\%$ *have control over	CHP、YFY Packaging、YFYCPG Shingfoong Arizon RFID Other：YFY Jupiter	Operating Profit ↓ Net Profit Net Profit of Subsidiary Company* percentage of shareholding	Status unchanged : Capital Reserve Selling Price-Carrying Amount Status changed : Net Profit Selling Price-Carrying Amount	Other Comprehensive Income (Loss) Subsidiary's FVOCI Valuation gain/loss *percentage of shareholding
Equity-method investments-Affiliated Companies	20~50% *Have Significant influence	E Ink.	Non-operating income ↓ Net Profit Affiliated Companies' s net profit*percentage of shareholding	Net Profit Selling Price-Carrying Amount	Other Comprehensive Income (Loss) Affiliate's FVOCI Valuation gain/loss *percentage of shareholding
FVOCI Current financial assets at fair value through other comprehensive income	$\leq 20\%$ *No Significant Influence	SinoPac Holdings	Non-operating income ↓ Net Profit Dividends	Other Comprehensive Income (Loss) Selling Price-Carrying Amount	Other Comprehensive Income (Loss) FVOCI Valuation gain/loss

Blue : Take into account the EPS Green : Not taking into account the EPS, but in the net value

YFY Inc. Net Value Per Share Grows Steadily

NTD \$



Net worth per share has increased for 7 consecutive years since 2016. Current value at \$33.89 per share from \$20.23 in 2013. Confirming YFY Inc. long-term strategy of diversifying its investment portfolio to enhance the stability of the portfolio's profitability and strengthen its resilience of macro economic uncertainties.



Conclusion

3Q23 Financial Results

1. 3Q23 Consolidated revenue NT\$18.5 billion with 2% sequential improvement. 3Q23 demand improved from Containerboard & Packaging, Consumer Products and others segments. Revenue was stabilizing for Forest, Pulp & Paper segment. 3Q23 YTD revenue NT\$54.14 billion (down 10.2% YoY) was due to overall slow macro recovery and conservative consumer spending.
2. 3Q23 operating lost NT\$94 million which had been improved from 2Q23. 3Q23 YTD operating lost NT\$462 million was impacted by macro uncertainty and lower than normal demand.
3. YTD 3Q23 non-op income NT\$1.06 billion majority from E Ink using equity method and dividend income NT\$842 million majority from SinoPac Holding. 3Q23 YTD profit attributable to parent company was NT\$1.3 billion and EPS NT\$0.80.

Outlook

Traditionally 4Q can benefit from year-end holiday demand and currently no sign of significant pick up yet. YFY maintains a positive with cautious view for 4Q23.

Five key focused areas for YFY future development:

1. Renewable energy and energy management
2. Industry 4.1 and upstream/ downstream industrial ecosystems
3. Continuous development of the circular economy
4. The saccharide economy and development of new materials
5. Investment in new innovation business

YFY continues to transform core business, develop new business, improve product mix, and strengthen operations advantages to thrive in the ever changing environment. In addition to the stable dividend income from SinoPac, investment income using equity method (such as E Ink) will further improve portfolio performance. YFY commits to create stable value for investors with solutions of reducing carbon & energy, and replacing petrochemicals with saccharide.



Thank you
