

# YFY Inc.

## 2024 Earnings Conference

2025/03/17

# Disclaimer

This presentation is prepared according to the reviewed financial statements by CPA and the financial numbers hereby were based on IFRS, please refer to the published financial statements for full content.

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# Financial Results

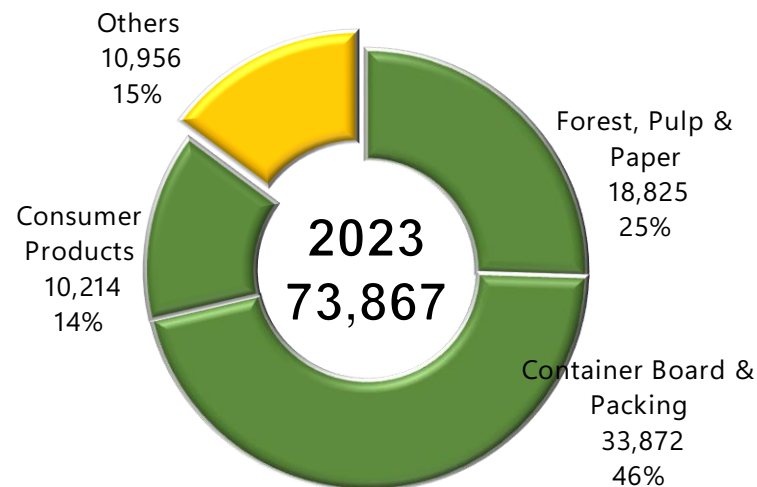
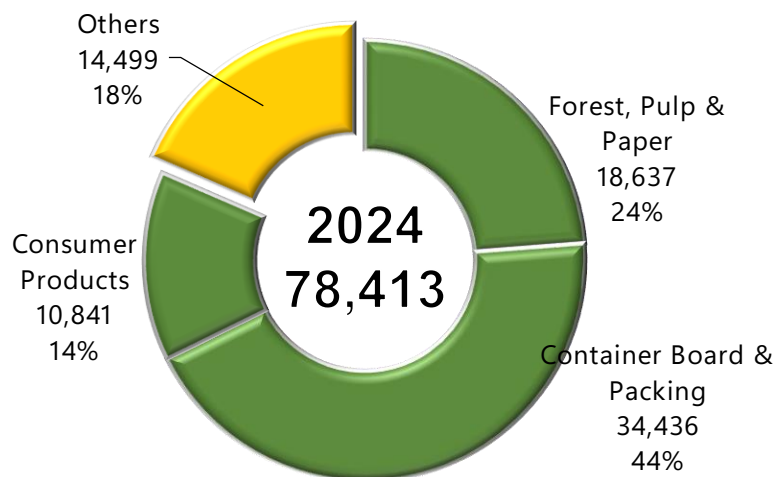
(NTD \$M)	2024	2023	Y/Y
Revenue	78,413	73,867	6.2%
Gross Profit	10,428	10,083	3.4%
Operating Profit	(153)	137	-
None-Operating Income/Expenses	2,889	2,425	19.1%
Profit Attributable to Parent Company	1,631	1,827	-10.7%
EPS (NTD)	0.98	1.10	-10.9%

## Non-Operating Income/Expenses

(NTD \$M)	2024	2023	Y/Y
Profit from Equity Method	1,430	1,256	13.8%
Financial Costs	(1,116)	(1,062)	5.0%
Interest Income	472	416	13.5%
FX Gains/Losses	471	227	107.3%
Dividend Income	1,072	857	25.1%
Other Income	560	731	-23.3%
Total	2,889	2,425	19.1%

# Revenue by Operating Segment

(NTD \$M)



## Forest, Pulp and Fine Paper Business Group:

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

## Containerboard and Packaging Business Group:

Including industrial cardboard containers, colored cases, and food containers.

## Consumer Product Business Group:

Household products including tissue paper, napkins, and cleaning products.

## Others Business:

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

## Performance by Operation

(NTD \$M)	2024	2023
Operation		
Forest, Pulp & Paper	(551)	(859)
Containerboard & Packaging	(1,069)	100
Consumer Products	922	1,130
Others	545	(234)
Operating Profit	(153)	137
Non-operation		
Investments from Equity method	1,430	1,256
Dividend Income	1,072	857
Subtotal of Investments from Equity Method and Dividend Income	2,502	2,113

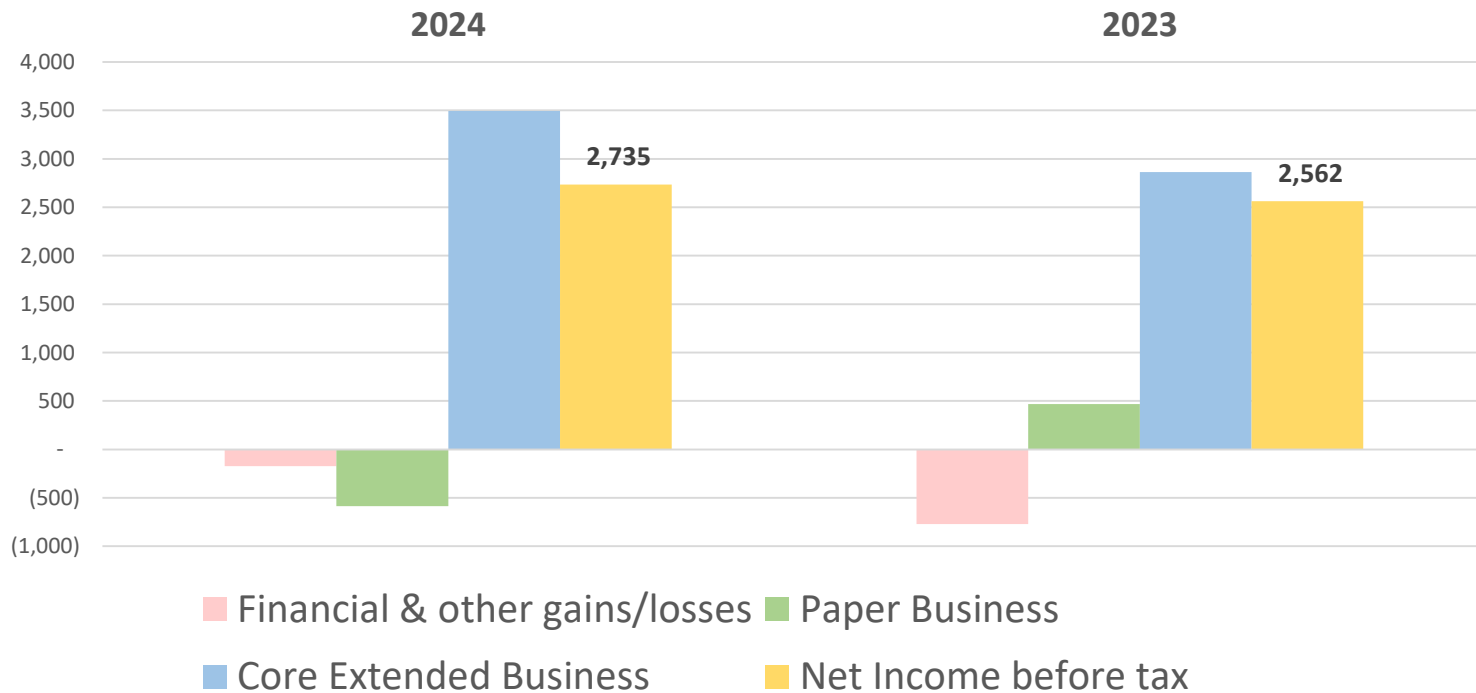
Note:

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.

## Diversified Business Profit Sources

**The profitability of diversified business development is a positive and sustainable trend, and those business are driving for profit optimization.**

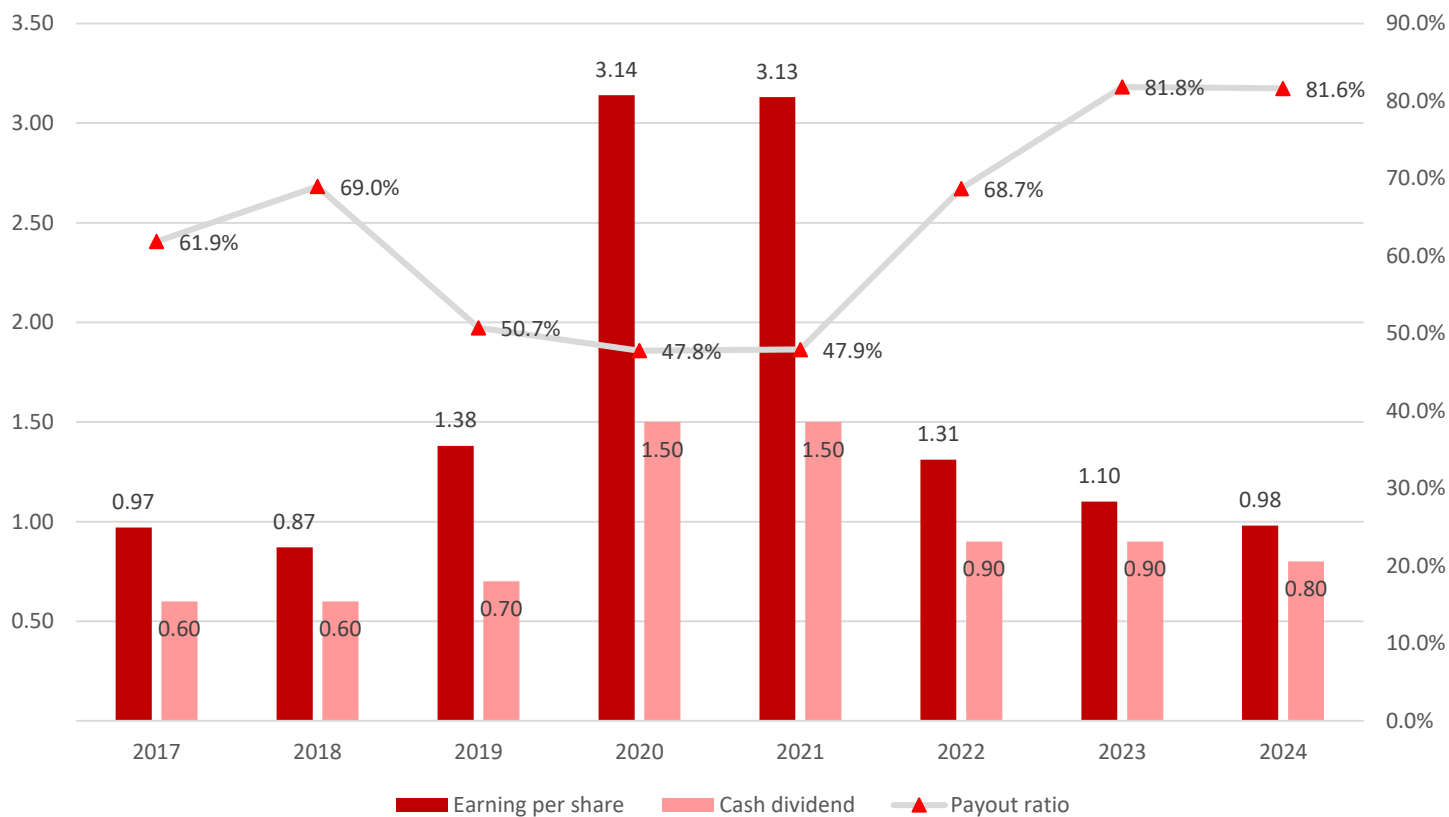
NTD M



# Cash Dividends

**NT\$0.80 cash dividend (close to 82% payout ratio) approved by Board.  
Cash dividend distribution for the 8<sup>th</sup> consecutive years.**

(Unit : NTD\$)

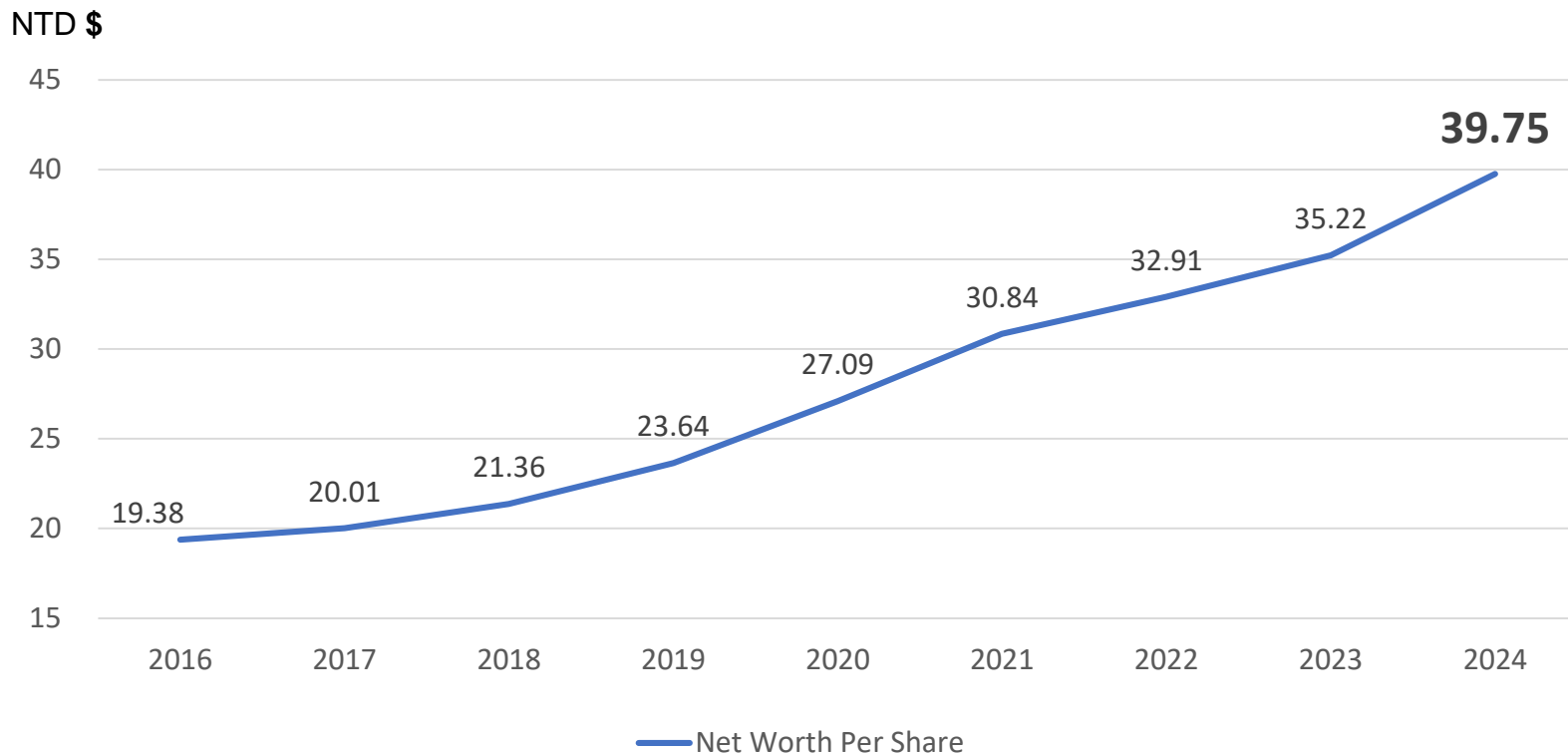




## YFY Inc. Stable Growth from Diversified Business Strategy

Growth for the 8<sup>th</sup> consecutive years, 4Q24YTD net worth per share reached NT\$39.75.

CAGR over 9%. YFY continuous expansion of diversified business as a long-term strategy to enhance the profitability stability of the product portfolio and strengthen the resilience required to face macroeconomic uncertainty.



# Business Groups are Transitioning Towards Renewable Energy Development

## Forest, Pulp and Paper BG



**Forest, Pulp and Paper BG:**  
Refining lignin to increase renewable energy concentration.

## Containerboard & Packaging BG



**Containerboard & Packaging BG:**  
Transition to renewable energy by increasing biomass energy source.

## Consumer Products BG



**Consumer Products BG:**  
Reduce carbon emissions by replacing energy source and equipment.


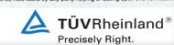


Renewable  
Energy

# Establish Corporate Standards for Carbon Emissions of Paper Products

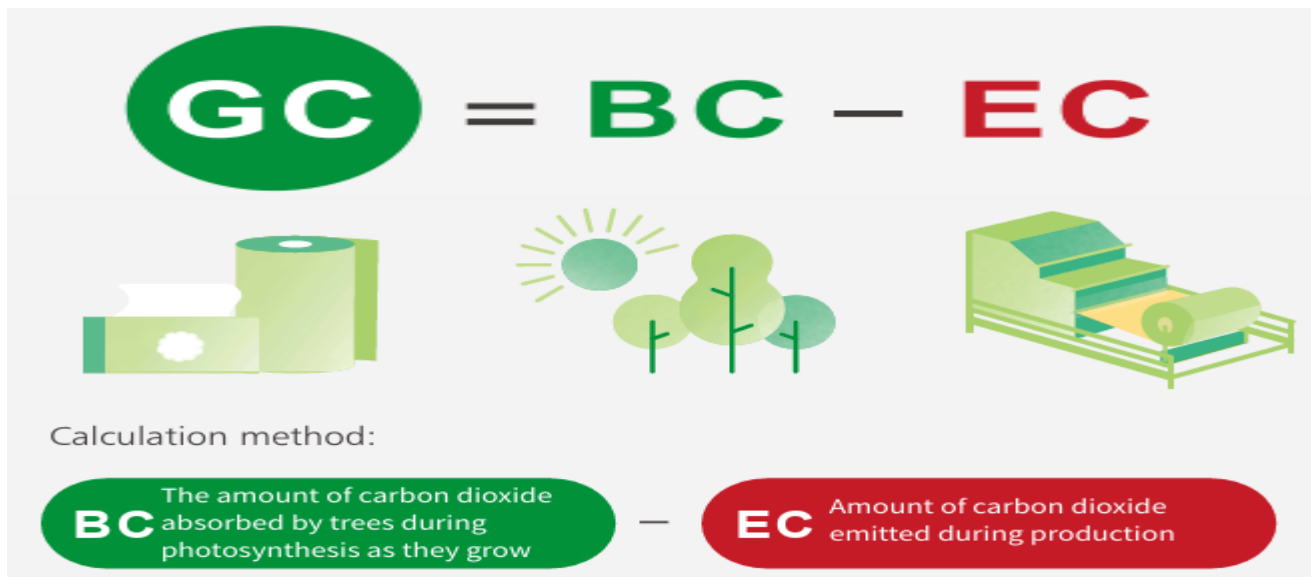
- ✓ Referencing the Confederation of European Paper Industries (CEPI) Paper Product Calculation Framework:2017and ISO 14067:2018, the “YFY Corporate Standard for Carbon Emissions of Paper Products” has been established.
- ✓ The first-ever methodology in Taiwan serves as a pioneer in quantifying carbon emissions of paper products.
- ✓ This achievement has been certified by TÜV Rheinland, a 3<sup>rd</sup> verification party.

GHG type \ Life cycle	GWP100 – Fossil	GWP100 – Biogenic	GWP100 – Land transformation	GWP100 – CO <sub>2</sub> Uptake	GWP 100 – All
<b>Raw material</b> [kg CO <sub>2</sub> e]	390.86	106.64	32.78	-2980.32	-2450.05
<b>Production</b> [kg CO <sub>2</sub> e]	726.32	1481.20	0.01	-0.09	2207.44
<b>Total</b> [kg CO <sub>2</sub> e]	1117.17	1587.83	32.79	-2980.41	-242.61

Verification Statement	
Inventory Standard	The Corporate Standard for Carbon Emissions of Paper Products: YFY Inc.
Statement Registr. No.	CO 50623572 0001
Report No.	70386239 001
Statement Holder:	YFY Inc. No. 14, Jiutang Rd., Dasha Dist., Kaohsiung City, Taiwan 840001
Verification Site:	Chung Hwa Pulp Corporation No.100, Guanghua St., Guanghua V., J'an Township Hualien County, Taiwan 973056
Verification Method:	Verification Body: TÜV Rheinland Hongkong Ltd. - Process: Document review, interview, site visit and recalculation - Verification Standard: ISO 14064-3:2019
Verification Scope:	Based on the information we have received and evaluated that: - Programme: Voluntary scheme on Carbon Emissions of Paper Products - Product Category Rules: NA - Organizational Boundary: Operational Control - Level of Assurance: Reasonable - Materiality: 5% - Global warming potential (GWP): IPCC 2021 - Analysis method: IPCC 2021 GWP100 (incl. CO <sub>2</sub> uptake) V1.03 - LCA software and database: SimaPro 9.6.0.1 / Ecoinvent 3.10 - Product: Paper Star Photocopy Paper - Life cycle: Cradle to Gate - Time period: 2023.01.01-2023.12.31 - Declared unit: one metric ton / one packet - Model No. / Carbon emissions: one metric ton A4 Paper Star Photocopy Paper (package not included): 242.61 kg CO <sub>2</sub> e one packet A4 Paper Star Photocopy Paper (210×297, 70gsm <sup>2</sup> , 500 sheets, package included): 0.51 kg CO <sub>2</sub> e - Data and information - Historical in nature: raw materials / production - Historical in nature with scenario models: NA
Validity:	This verification only verified the target Paper Product's Carbon Emissions, this verification does not include review of external communication. If conditions within the system boundary change to the extent that the actual situation deviates from the result by more than 5%, a reverification shall be performed to maintain the validity of the statement.
2024-10-29	
 TÜV Rheinland Hong Kong Ltd. 3/F-4/F Fou Wah Industrial Building 10-16 Pun Shan ST Tsuen Wan N.T., Hong Kong	
<small>This verification and validation is based on the information made available to TÜV Rheinland and the engagement conditions attached above. However, TÜV Rheinland cannot guarantee the accuracy or correctness of this information. TÜV Rheinland cannot be held liable by any party relying or acting upon this verification and validation.</small>	
www.tuv.com  Precisely Right.	

## Green Carbon for Economic Value: Carbon Removal Greater than Emissions

The A4 Paper Star copy paper produced by Chung Hwa Pulp Corporation's Hualien mill was certified in a greenhouse gas net emission of **-242.61 kg CO<sub>2</sub>e per ton**, meaning that the greenhouse gases removed by this product exceed the emissions generated during its manufacturing process. This result has been verified by TÜV Rheinland, highlighting the product's biogenic carbon characteristics. It helps manufacturers reduce supply chain carbon emissions by select bio materials and enables consumers to identify eco-friendly products in the market.



## Conclusion – 2024 Operating Performance

1. Revenue reached NT\$78.41 billion and 6.2% increased from 2023. Growth contributed from Vietnam corrugated container, consumer goods demand, specialty materials, and RFID labels.
2. Non-operating income was approximately NT\$2.89 billion, mainly from E Ink Holdings under equity method and dividend income from SinoPac Holdings.
3. Consolidated net profit attributable to the parent company was NT\$1.63 billion. EPS of NT\$0.98.
4. NT\$0.80 cash dividend approved by Board. Cash dividends distribution for the 8th consecutive years.
5. Net worth reached NT\$39.75 with diversified business profit sources for optimized and positive contribution.

## Conclusion – Outlook for Business Group

1. Forest, Pulp and Paper Group: Significantly enhance the capacity of renewable energy, and increase lignin concentration to multiply the efficiency of green energy generation. Continue expanding the application of paper fibers to implement solutions for the Saccharide Economy.
2. Container board and Packaging Group: Energy transition planning will evolve from replacing coal to biomass. The growth strategy will be on increasing product added value through vertical integration of research and development, production, and market collaboration.
3. Consumer Product Group: Continues to innovate, optimize product portfolios, and enhance cooperation with strategic partners.
4. Others Business: Create value-added benefits for green electricity; The easy adaption of RFID labels will lead to new operational models.
5. Equity Method & FVOCI: Demand increase from the new generation e-paper technology; dividend income will benefit from strong performance of the invested companies.

YFY Inc. will lead the group transforming into climate-tech industry on the foundation of existing operations synergy. Converting climate and environmental challenges into new business models incorporated with modern technology to ensure sustainable growth of the company, and continuously creating reasonable investment value for shareholders.

# App. 1 Profit Composition of YFY Inc. Presented in Financial Statements

## Consolidated Operating Profit

## Investments from equity method

## 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



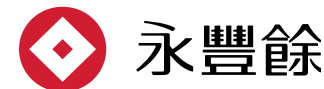
### Share of Profit

Eink

### Other Investments

永豐金控  
SinoPac Holdings

### YFY Inc.



## App.2 YFY Inc.'s Diversified Investment Portfolio

Classification	Investment Portfolio	Profit and Loss Recognition Method	
		Investment Gain/Loss	Valuation Gain/Loss
Equity-method investments-subsidiary corporation	CHP、YFY Packaging、YFYCPG Shingfoong Arizon RFID Other：YFY Jupiter	Operating Profit ↓ Net Profit Net Profit of Subsidiary Company x percentage of shareholding	Other Comprehensive Income (Loss) Subsidiary's FVOCI Valuation Gain/Loss x percentage of shareholding
Equity-method investments-Affiliated Companies	E Ink.	Non-operating Income ↓ Net Profit Affiliated Companies's net profit x percentage of shareholding	Other Comprehensive Income (Loss) Affiliate's FVOCI Valuation Gain/Loss x percentage of shareholding
FVOCI Current financial assets at fair value through other comprehensive income	SinoPac Holdings	Non-operating Income ↓ Net Profit Dividends	Other Comprehensive Income (Loss) FVOCI Valuation gain/loss

Blue : Included in EPS calculation.

Green : Included in the net value calculation.  
Not included in EPS.



# Q&A



**Thank you**

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