



Sanneng Group Holdings Co., Ltd. 2024 Q1 Earnings Conference

Based on Taiwan, Deep in Asia, and Go global !

> Reporter: CFO Chen, Liu-Yu Apr. 02, 2024





## Disclaimer

The information contained in this presentation, including all forward looking information, is subject to change without notice, whether as a result of new information, future events or otherwise, and Sanneng Group Holdings Co., Ltd. (the "Company") undertakes no obligation to update or revise the information contained in this presentation. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is the information intended to be a complete statement of the Company, markets or developments referred to in this presentation.











# **Corporate Culture**

能





# **Company Information**

San Neng - KY was established in Apr 2015

- 1982/06 San Neng Taiwan
- 2000/08 San Neng Wuxi 🚽
- 2010/08 San Neng Japan
- 2015/11 San Neng Indonesia

Chairman:張瑞榮 (Mr. Jui-Jung Chang)

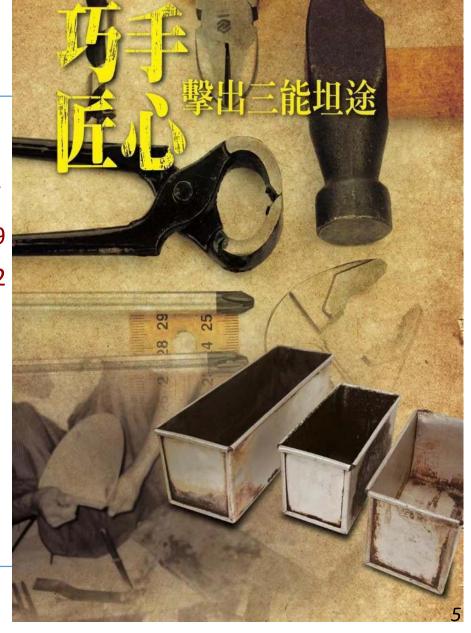
CEO: 蕭凱峰 (Mr. Kai-Feng Hsiao)

Paid in Capital : NTD\$607.5 Million

Number of Employees : 717 people (End of Feb. 2024)

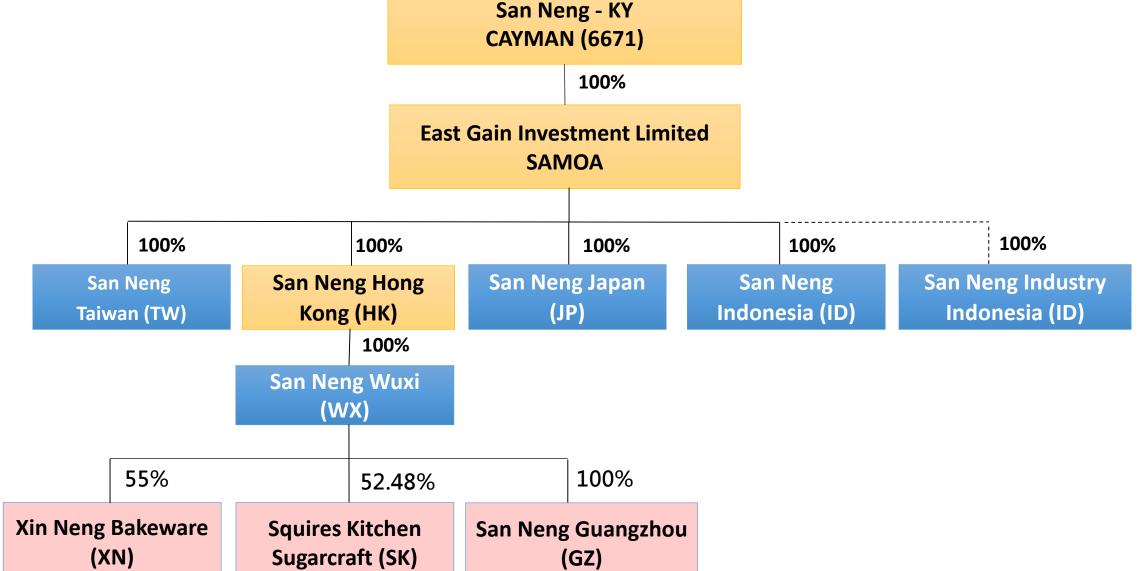
- Squires Kitchen
- Xin Neng Wuxi
  - San Neng Guangzhou Jan. 2022

Jul. 2017 Apr. 2019



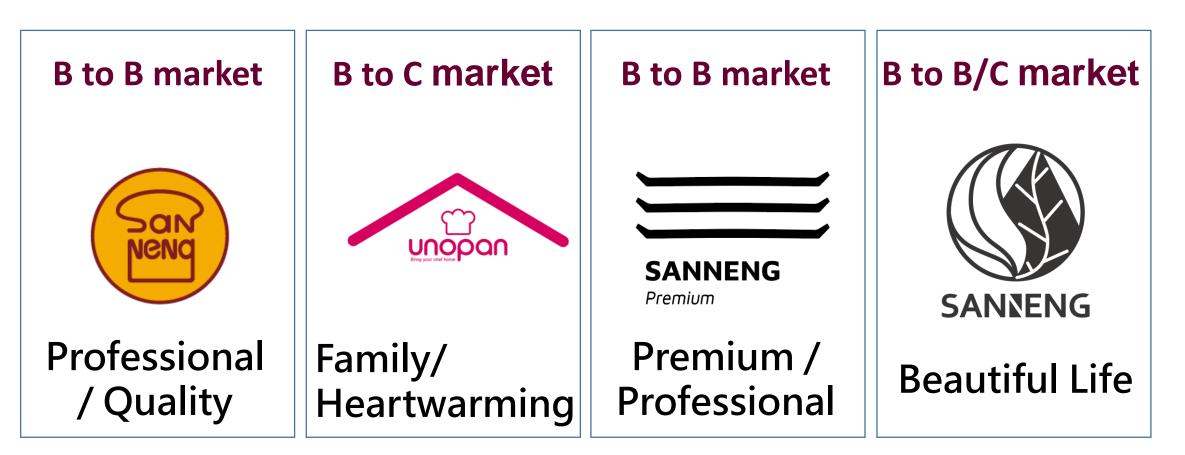
# Investment Structure

能





## **Our Brands**





## **Our Products**

能

Main products: R&D, manufacturing and sales of various baking and food utensils products





## **Our Products**

Baking Moulds Baking Trays, Loaf Pan, Cake Mould, Pie Pan, Mousse Rings....



**Baking Tools** Whisks, Bowls, Knives, Brushes, Cake Stands...





## Our Products Home Products



UNOPOOL Bring your chef home 媲美大師級的器具・家用烘焙好幫手 做自己的主廚 盡情揮灑創意



#### 繽紛的烘焙器具、親子烘焙器具、安全矽膠產品等



As of Mar. , 2024

Subsidiary	Patent type	Got	Applying	Subtotal	2024/03	2023/03	+/-
	Model patent	27	1	28			
TAIWAN	Design patent	3	0	3	39	37	2
	Invention patent	5	3	8			
	Invention patent	11	13	24			
CHINA	Utility model patent	108	11	119	151	137	14
	Appearance patent	9	0	9			
JAPAN	Utility model patent	9	0	9	9	9	0
	Invention patent	0	0	0			
-	Total	172	27	199	199	183	16

Annual	R&D achievements	R&D benefits
	Condensation Whisk Bowl	Long-lasting cold storage, easy to whip cream, and good molding effect.
	Unibody Whisk	Metal and plastic are directly injection molded and can be directly boiled and sterilized without water seepage.
	Spliced Laser Welding	Reduce mold opening costs and increase competitiveness.
	Vegetable Fiber Plastic Products	Wood fiber is recycled and reused in a circular economy, reducing the use of plastics by 25-30%.
	Outdoor product development	New product range increased
2023	Development of color management tools	It is safer for customers to use and easier to manage.
	Sherra Bowl Cover	Butterfly-shaped punching design increases the convenience of upper cover extraction
	Dragon Year Mould	In addition to taste, adding styling to toast products presents a lively and vivid visual experience
	Z-type movable aluminum alloy trolley	It can solve the problem of limited space. It can be stacked and stored to save space and increase the efficiency of the factory when free of use. 12



Annual	R&D achievements	R&D benefits
	Peripheral frame rolling forming machine applications	Improve existing production efficiency
2023- 2024	Ceramic coating applications	Increase items to diversify products and meet the market and future's demand
	Development of Industrial standard product	Increasing product sales in industrial market
	Stamping automation applications	Improve existing production efficiency and save labor
	Baking pan bending machine applications	Improve existing production efficiency
2024	Solar power	Utilize green energy to reduce electricity costs
	Hamburg automatic line receiving robot applications	Improve existing production efficiency and save labor
	Instrument reprocessing process	Product reuse to comply with ESG concepts





Sar AE				烘焙、食品器具專
2023&2022 Consolidated Balance Sheets				
Account Title\ Period	2023.12.31	2022.12.31	+/-	+/- Ratio
Cash	335,199	297,331	37,868	12.74%
Amortized cost financial asset - current	249,363	287,402	(38,039)	-13.24%
Accounts receivable	237,640	222,766	14,874	6.68%
Inventories	291,007	280,882	10,125	3.60%
Other current assets	46,629	36,942	9,687	26.22%
Total current assets	1,159,838	1,125,323	34,515	3.07%
Amortized cost financial asset - noncurrent	160,099	176,320	(16,221)	-9.20%
Property, plant and equipment	818,572	859,953	(41,381)	-4.81%
Other noncurrent assets	64,244	58,974	5,270	8.94%
Total noncurrent assets	1,042,915	1,095,247	(52,332)	-4.78%
Total assets	2,202,753	2,220,570	(17,817)	-0.80%
Current liabilities	398,049	424,547	(26,498)	-6.24%
Noncurrent liabilities	90,900	109,400	(18,500)	-16.91%
Total liabilities	488,949	533,947	(44,998)	-8.43%
Capital stock	607,500	607,500	0	0.00%
Others equity	1,106,304	1,079,123	27,181	2.52%
Total equity	1,713,804	1,686,623	27,181	1.61%

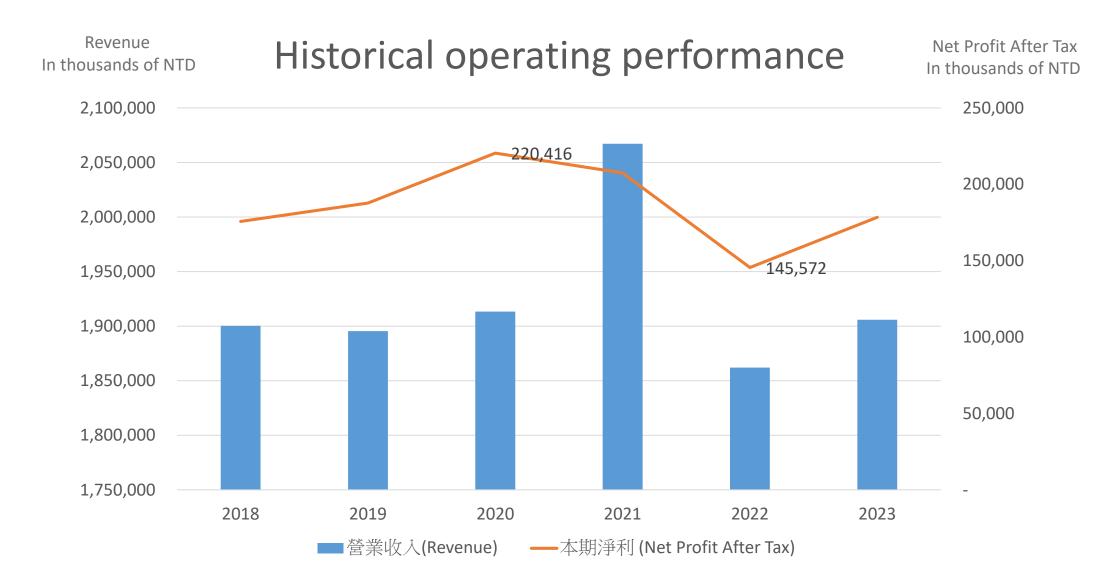


## 2023&2022 Consolidated Income Statement

In thousands	of	NTD
--------------	----	-----

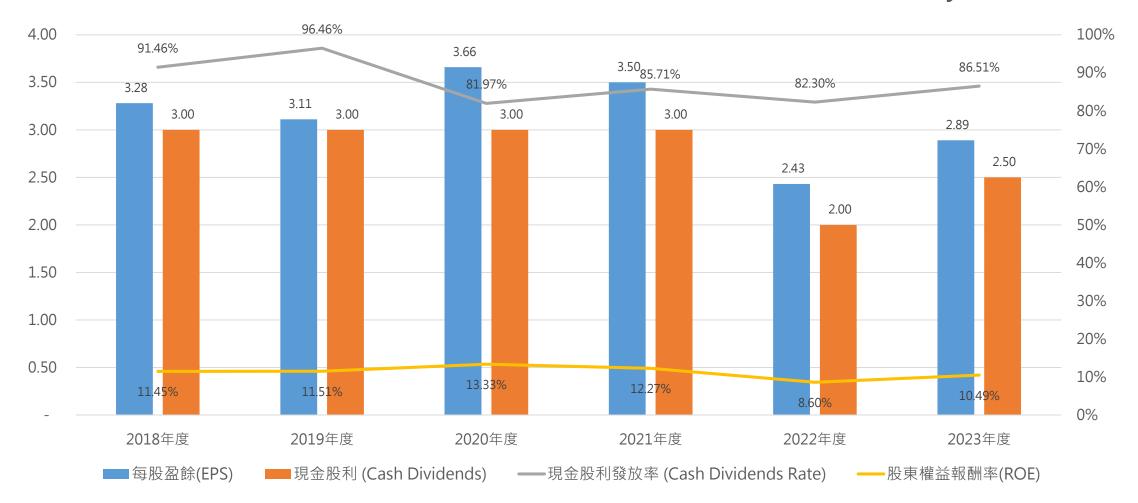
Account Title \ Period	2023	2022	+/-	+/- Ratio
<b>Operation Revenue</b>	1,905,839	1,861,962	43,877	2.36%
Gross Profit	737,004	675,102	61,902	9.17%
Gross Margin	38.67%	36.26%	2.41%	6.65%
<b>Operation Expense</b>	516,487	479,965	36,522	7.61%
Net Income	220,517	195,137	25,380	13.01%
Net Income Rate	11.57%	10.48%	1.09%	10.40%
Non-operating Income	34,644	9,471	25,173	265.79%
Pre Tax Income	255,161	204,608	50,553	24.71%
Pre Tax Income Rate	13.39%	10.99%	2.40%	21.84%
Tax Expense	76,684	59,036	17,648	29.89%
Net Profit After Tax	178,477	145,572	32,905	22.60%
Net Profit Margin	9.36%	7.82%	1.54%	19.69%
EPS(NTD dollar)	2.89	2.43	0.46	18.93%







## Historical Financial Performance and Dividend Policy



	•	<b>D</b>	
Finan		<b>D</b> ati	
ГПан	LIAI	nau	US.

から 金色

Ξ

	Projects	2021	2022	2023
	Debt-to-asset ratio (%)	27.32	24.04	22.19
Financial Structure	Long-term capital accounts for real estate, plant and equipment ratio (%) Current ratio (%)	201.30	208.85	220.46
Debt-paying	Current ratio (%)	234.37	265.06	291.38
Ability	Quick ratio (%)	162.26	193.55	206.55
	Interest earned ratio (times)	85.62	53.59	61.02
	Accounts receivable turnover (times)	7.71	7.36	8.44
	Average collection period	47.34	49.59	43.24
Days'sales in	Inventory turnover (times)	3.57	3.23	3.44
inventory	Days sales in inventory	102	113	106
	Property, plant and equipment turnover (times)	2.22	2.10	2.27
	Projects	0.89	0.81	0.86



## **Financial Ratios (Continued)**

能

	Projects	2021	2022	2023
	Return on assets (%)	9.09	6.52	8.22
Ratio of operating profit capital (%)	Return on shareholders' equity (%)	12.27	8.60	10.49
	Ratio of operating profit to paid-in capital (%)	40.98	32.12	36.29
Profitability	Ratio of pre-tax profit to paid-in capital (%)	42.05	33.68	42.00
Net profit rate(%)	10.03	7.81	9.36	
	EPS	3.50	2.43	2.89

## **Six Major Categories**

能

Nend

#### Analysis of the revenue structure

Year Category	2021	2022	2023
Customized	28.88%	33.29%	29.64%
Baking mold	38.35%	36.39%	41.24%
Baking tools	23.93%	21.79%	22.30%
Household	1.77%	2.08%	1.42%
Food	2.27%	2.44%	1.66%
Others	4.80%	4.01%	3.74%
Total	100.00%	100.00%	100.00%

#### Analysis of the gross profit structure

Year Category	2021	2022	2023
Customized	30.99%	28.21%	32.06%
Baking mold	39.80%	39.80%	39.88%
Baking tools	42.10%	42.10%	44.76%
Household	35.84%	35.84%	37.10%
Food	30.28%	30.28%	45.30%
Others	31.93%	31.93%	31.26%
Total	37.14%	36.26%	3 <b>8.67</b> %





## **Brands**

そう うち

#### Analysis of the revenue structure

Year Brands	2021	2022	2023
SN	91.16%	91.47%	93.18%
UN	1.77%	2.08%	1.42%
Agent Brands	7.07%	6.45%	5.40%
Total	100.00%	100.00%	100.00%

### Analysis of the gross profit structure

Year Brands	2021	2022	2023
SN	37.62%	36.48%	38.56%
UN	35.84%	37.51%	37.10%
Agent Brands	31.40%	32.71%	40.98%
Total	37.14%	36.26%	38.67%











## Areas

 $\equiv$ 

を 余を

#### Analysis of the revenue structure

Year Areas	2021	2022	2023
China	66.23%	65.60%	69.01%
Taiwan	19.76%	19.39%	16.00%
Asia	11.79%	12.77%	12.92%
Europe, America and others	2.22%	2.24%	2.07%
Total	100.00%	100.00%	100.00%

### Analysis of the gross profit structure

Year Areas	2021	2022	2023
China	38.02%	34.40%	35.98%
Taiwan	34.85%	37.70%	38.94%
Asia	37.18%	43.43%	52.28%
Europe, America and others	31.32%	37.29%	41.43%
Total	37.14%	36.26%	38.67%











# Competitive Advantage Analysis



Comprehensive and stable distribution system

Industrial resource ntegration capability

## Competitive Advantage Analysis

New product development leads the market

Provide a complete solution

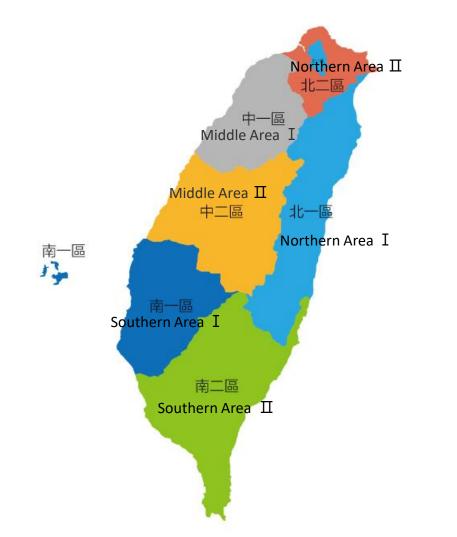
Customized research and Development capabilities

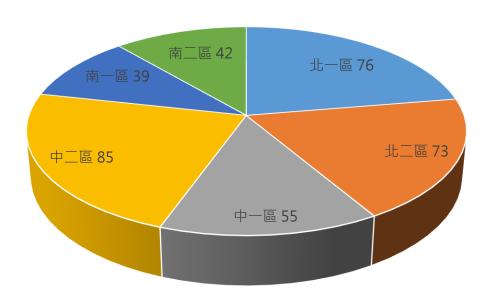


## 1. Comprehensive and stable distribution

Taiwan's domestic market base

能





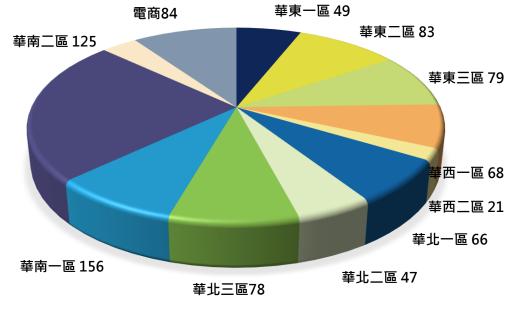
370 distributors across Taiwan

As of Mar. , 2024



### China's domestic market base





856 distributors across China

As of Mar. , 2024



# 2. Industrial resource integration capability

Well-known brands in the baking industry



## Co-branded with chain store / famous bakers











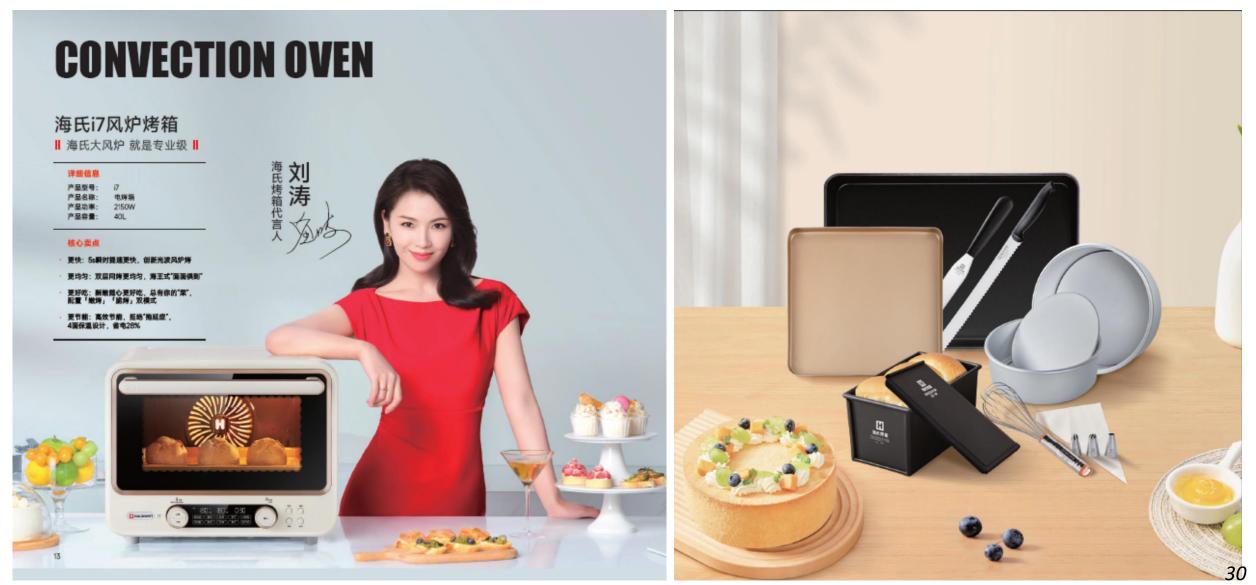
生食パン







## Industrial alliance co-branding



#### 能 $\equiv$

Champion

Alliance

#### Professional Manufacturer of Bakery Equipment



# Customized research and development capabilities

Ø

3.

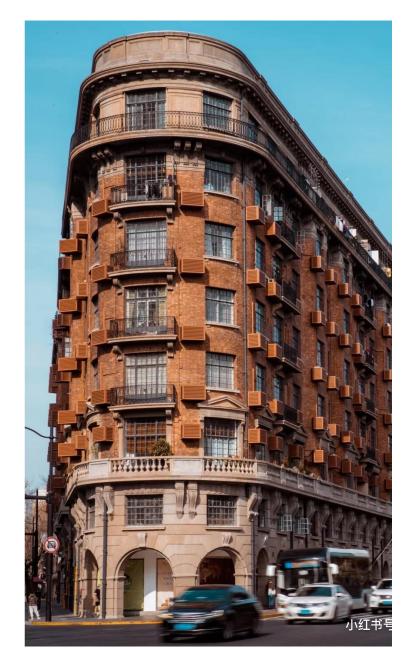


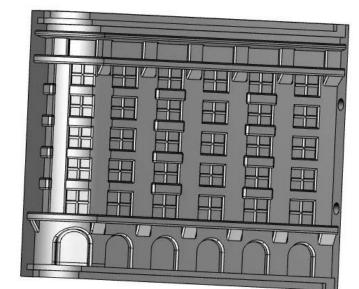






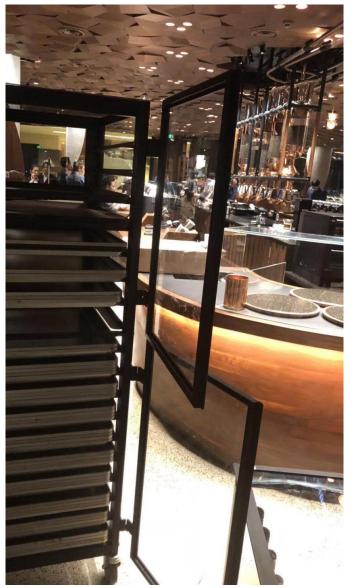








## 三 圖 能 > Starbucks customized products









#### > JBCW Customized-Grilled Fish Plate

#### 烘焙、食品器具專業設計製造

Professional Manufacturer of Bakery Equipment



#### 能 4. New product development leads the market Professional Manufacturer of Bakery Equipment









# 美國能 4. New product development leads the market > Carving knife/paring knife







一體式鍛造
採用420高碳不銹鋼製,耐腐蝕性好,
特殊熱處理刀刃韌性提升,不易彎折

完美的刃與刀柄比例 運用三角幾何造型設計,線條元素, 增加現代科技感並符合人體工學

品 質保 證 堅持在地生產,100%台灣製造, 符合食品衛生安全器具

**環保減碳愛地球** 採用單一材質,可拋棄與回收 降低地球的負擔並減少碳排量



CARVING KNIFE 食品料理雕刻運用

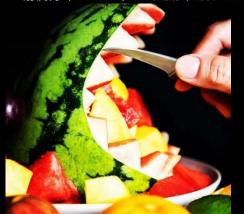


刻花刀 | SN4862 | 420不銹鋼 | 總長:170mm

#### PARING KNIFE 食品料理削皮運用



削皮刀 | SN4863 | 420不銹鋼 | 總長:157mm



## 三 @ 能 4. New product development leads the market

#### Transformers Burger Mould







## 三 圖 能 4. New product development leads the market > Clould Shape Loaf Pan



#### 5. Provide complete solutions - diagnostic services

Baguette Stacking Problem -Rimless Baguette

> No borders, easy to stack, save space; Reduce weight and save costs; Reduce the accumulation of dirt and evil; Easy to clean and better demolding

烘焙、食品器具專業設計製造



#### The labor-intensive problem of product removal -Slant baking pan







三阶能

Professional Manufacturer of Bakery Equipment

## Future Outlook

- 1. R&D aspect comply with legal regulations/trend of the times
- 2. Industry aspect Catering/Outdoor Products
- 3. Channel aspect Live broadcast (course) /we media/ operating Agency
- 4. Product aspect products and processes are in line with ESG trends
  - 5. Market aspect expanding the Southeast Asian market



## 1. R&D aspect-future R&D plan

- Development of next-generation anti-stick coating technology for surface of food utensils
- PVD titanium plating process application development
- Replace sandblasting process development
- Surface hydrophobic treatment technology of steel plates and aluminum plates
- Plastic reduction products/heat-resistant plastic product development
  - Research of biomass material
- Development of heat-resistance plastics application
  - R&D of more energy-saving baking equipment



# *2.* Industry Aspect--Catering/Outdoor Products > Catering Market



爱祝志















то понарта лико маке, а состава и села та та та та та села за ексента за бази словонавато, која деле за на сел На понарта на при селата на понарта се се су 2004 года се се се се селата на настава селат се селата се се села На понарта селата на понарта селата селата селата селата селата на настава на настава селата селата се селата н

1



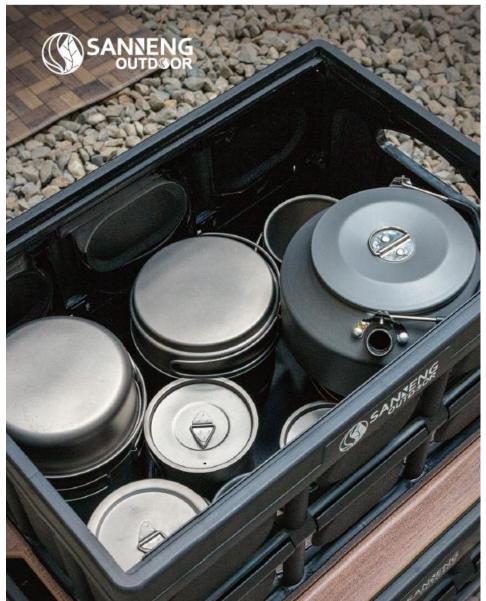


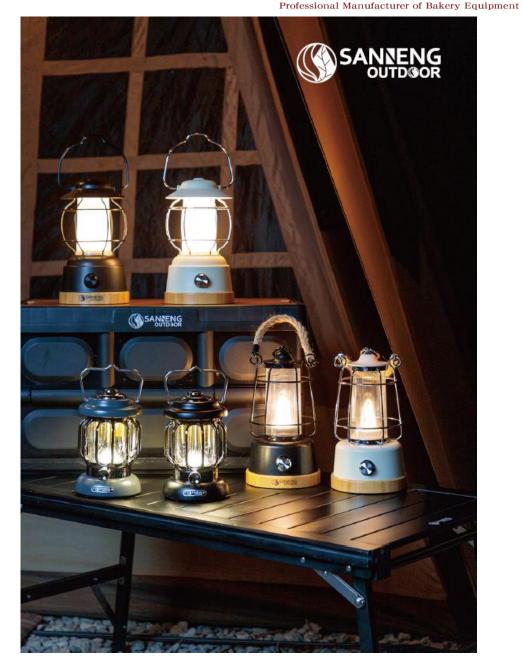
# 從心出發 到哪裡都是家

From the heart, everywhere is home.



#### Products sale in the outdoor market





#### Products sale in the outdoor market

1000 角色

三













## 3. Channel aspect—Live broadcast (course) /we media/ Operating Agency

能

- Sanneng actively participates in and executes the live broadcast (such as Tmall and Tiktok etc.) and we media (such as wechat, Tiktok Xiaohongshu etc.) through SK Company.
- Currently, we also develop and provide live broadcast solutions for many alliance companies.



#### こう 余色 **3. Channel aspect—Live broadcast (course)** /we media/ Operating Agency



视频

#三能器具 #烘焙 #好物分享









复活节 | 🥕 胡萝卜蛋糕

(會) 三能器具

〇贊





2163 获赞 61 关注 834 粉丝

<sup>33</sup> Ta 是你的朋友

愿景:成为亚洲食品器具,专业,服务,信赖的领导品牌; 使命:食品器具安全环保与节能低碳的推手; 宗旨:提升亚洲烘焙技术水准,创建烘焙生态圈;

⊗ 官方电话 ⊙ 查看地址



#### 作品 91 ▼



### 3. Channel aspect—Live broadcast (course) /we media/ Operating Agency

Professional Manufacturer of Bakery Equipment











#### > Operating Agency by SK Company

## SINMAG











#### 4. Product aspect—products and processes are in line with ESG trends



#### 循環經濟解決方案 <sup>不沾塗層 | 環保清潔劑 | 環保重處理 | 製造服務化</sup>



不沾違用

環保清潔剤



環保重点理

製造服務化

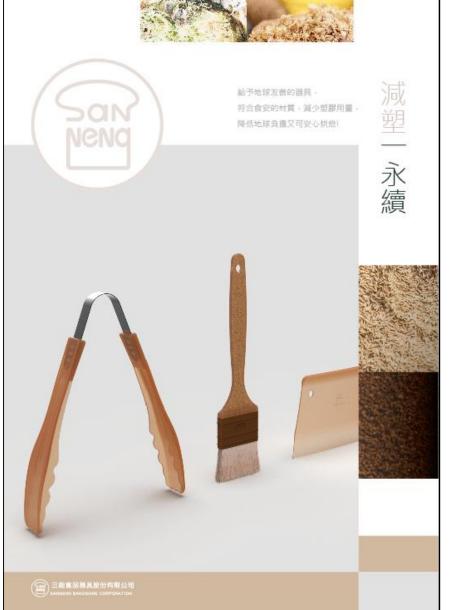
57

# 三 圖 能 4. Product aspect—products and processes are in line with ESG trends

San Neng Wuxi-Solar PV installation



# 三 圖 能 4. Product aspect—products and processes are in line with ESG trends







flocked fiber products

wood fiber powder Oyster shell powder coffee grounds

Annual plastic use of 222 metric tons of plastic produces approximately 600 tons of carbon dioxide

#### 三 岡 能 4. Product aspect—products and processes are 供培、食品器具專業設計製造 in line with ESG trends





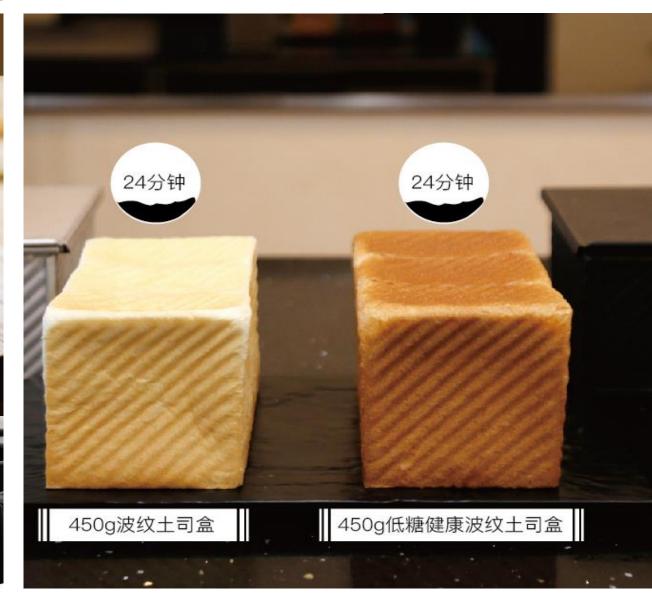
新品快讯

NEW PRODUCT BULLETIN

#### 三 愛 金 4. Product aspect—products and processes are 供培、食品器具專業設計製造 in line with ESG trends Foressional Manufacturer of Bakery Equipment Foressional Manufacturer of Bakery Equipment

#### 克服糖份降低致上色不佳的問題

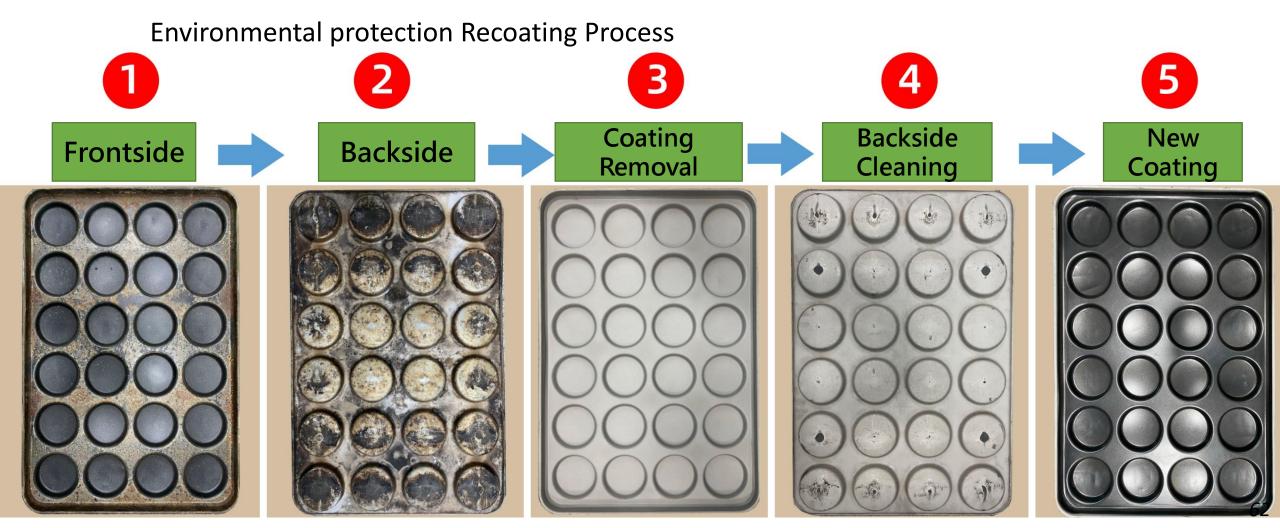




#### 4. Product aspect—products and processes are in line with ESG trends

Non-stick treatment process

能





>an Nend

SINCE 197

Professional Manufacturer of Bakery Equipment

#### SANNENG

Professional in Bakeware

#### **Chinese Grill Fish Pan**

#### Korean BBQ grid



# 5. Market aspect – expanding the Southeast Asian market

Korea

韓國

Philippines

菲律賓

Indonesia

Japan

日本

能

China

中國

Thai**land** 

泰國

Malaysia

Based on Taiwan, deep in Asia, and go global!

Asia Layout

Westward : Strengthen industrial resource cooperation and jointly serve major customers

Southward : Gradually expand ASEAN market based on Sanneng Indonesia

Northward : Explore Korea market at the right time, in addition to Sanneng Japan



#### 5. Market aspect – expanding the Southeast Asian market

#### > Location :

Rent an existing factory in Solo, Jawa Tengah, Indonesia. Factory area is approximately 1,800<sup>m<sup>2</sup></sup> = 545square meters.













## Thank You

