

# 彰源企業股份有限公司

FROCH ENTERPRISE CO., LTD.



Institutional Investors Conference

Stan Shih - Spokesperson

2020/06/23<sup>1</sup>

# Disclaimer

- The predictive information provided in this presentation, including operation prospects, financial situations, and business predictions, is integrated from internal data and external economic development situations.
- The information in this presentation represents FROCH's knowledge of the future based on the data of the present time. It does not explicitly nor implicitly express or guarantee such information's accuracy or integrity or accountability. FROCH bears no responsibility for the updates or revisions of the information should any changes or adjustments are necessary in the future.
- The actual future outcome of the company in terms of operation results, financial situations, and business results may differ from the predictive information in this presentation. The reasons include, but are not limited to, the changes in market demand, regulatory policies, the integrated economic situations, and other risk factors that are not within the control of the company.

# COMPANY PROFILE

## TAIWAN PLANT

Land Size : 210,213m<sup>2</sup>

Number of Employees : 668 (as of March 31, 2020)

## CHINA PLANT

Land Size : 250,583 m<sup>2</sup>

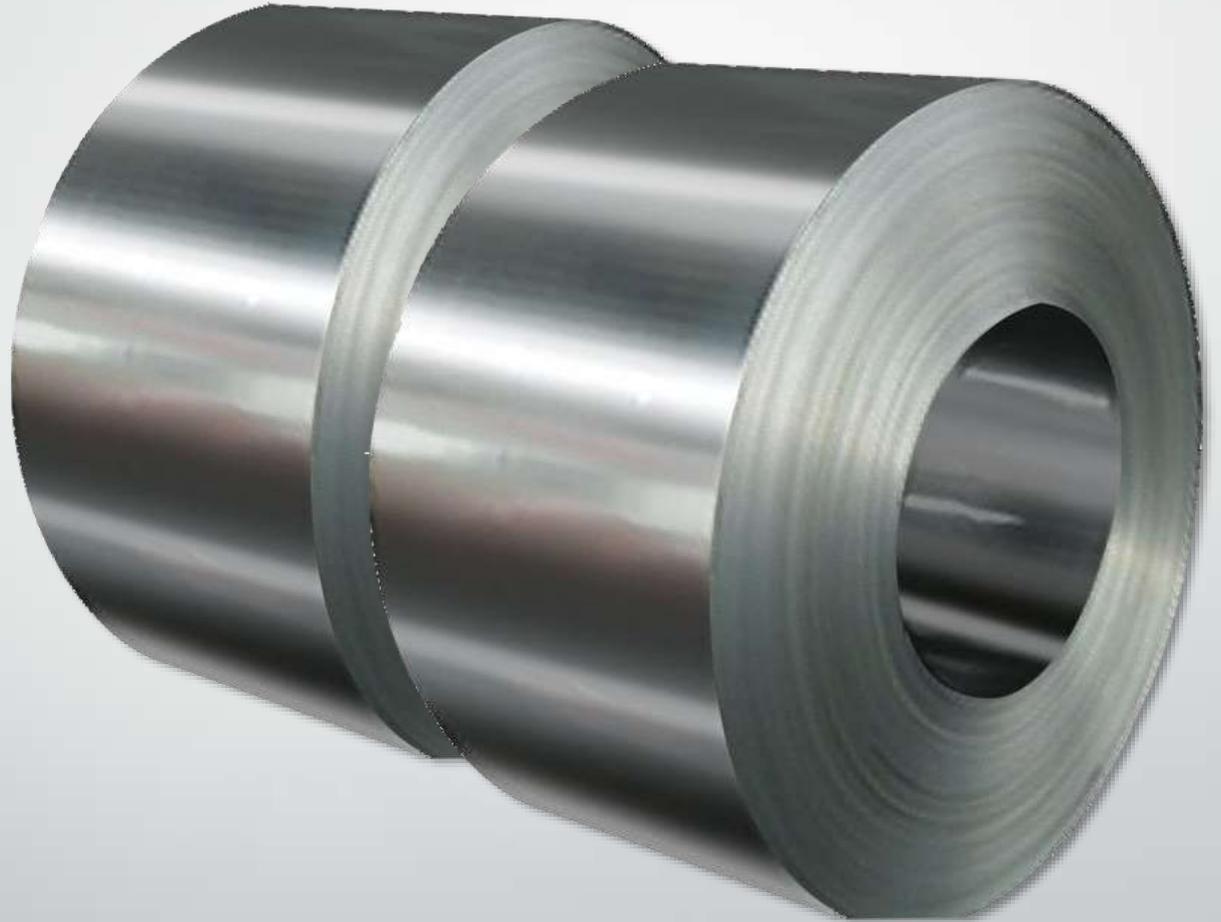
Number of Employees : 331 (as of March 31, 2020)

# MATERIAL

## SOURCE OF MATERIAL

TAIWAN PLANT:  
69% DOMESTIC  
31% IMPORTED

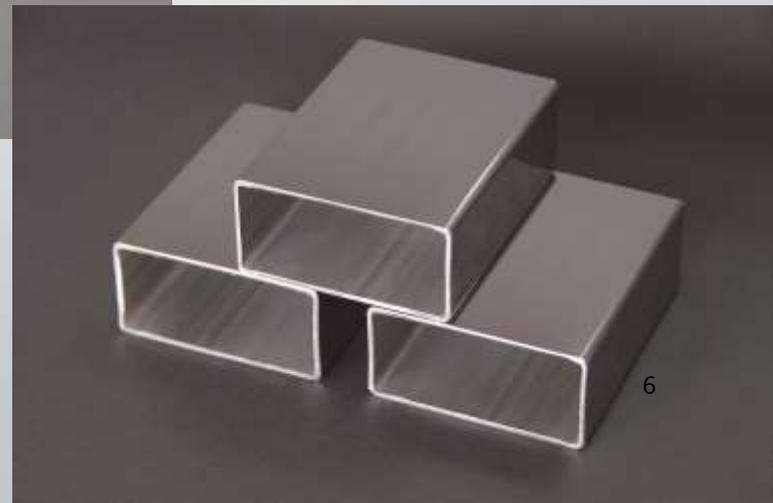
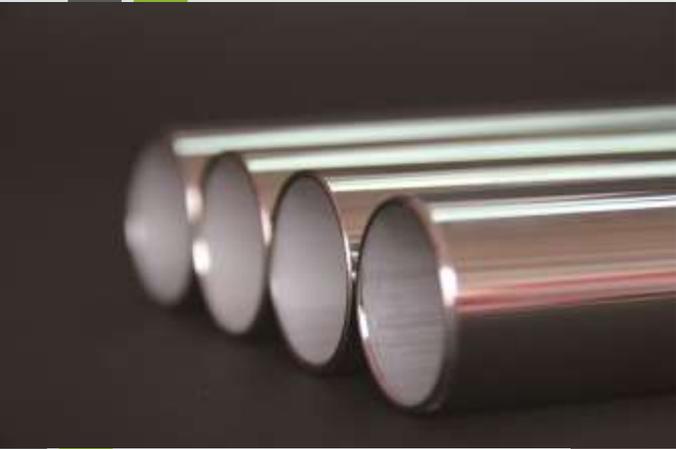
CHINA PLANT:  
100% DOMESTIC



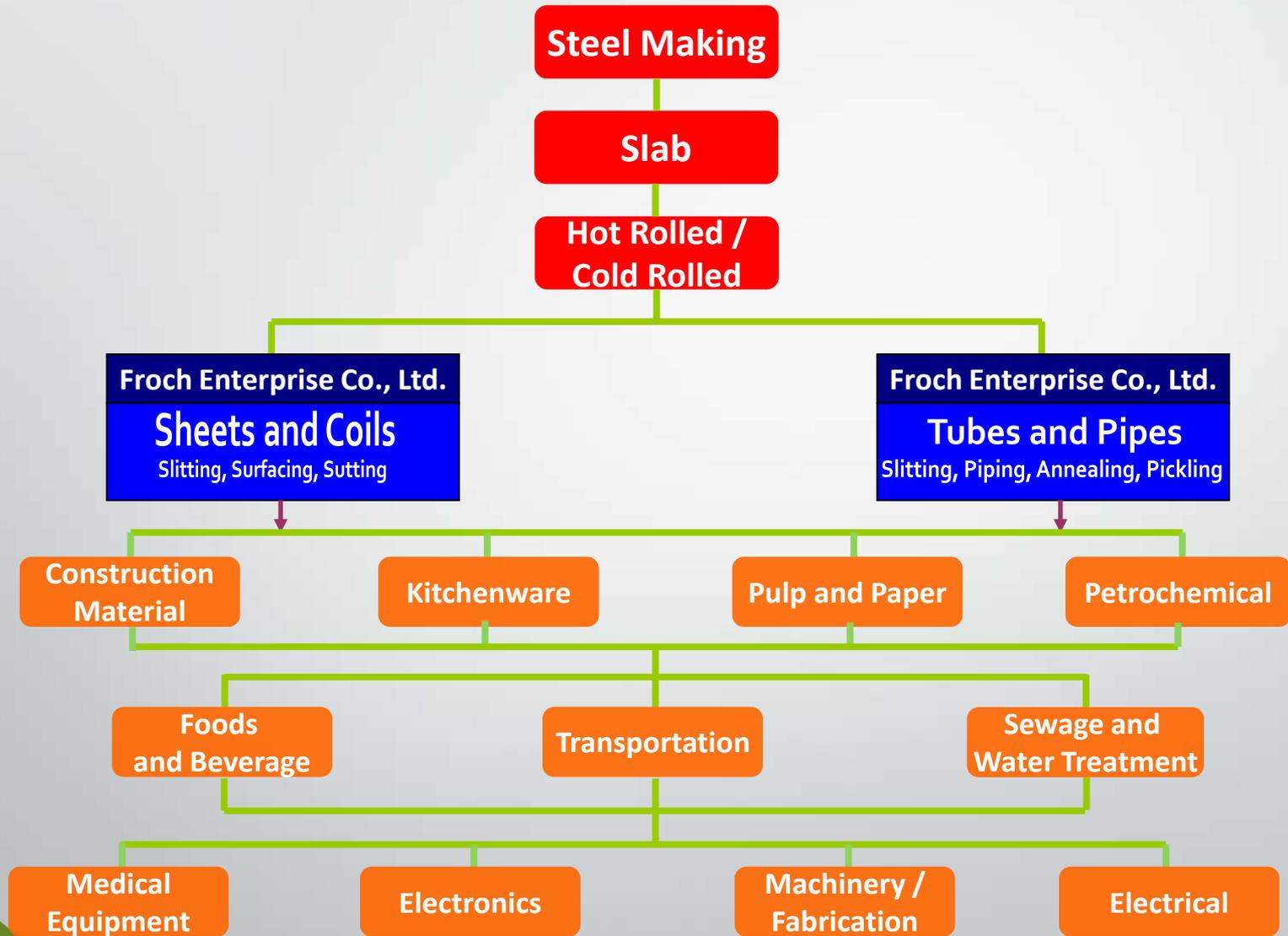
# INDUSTRIAL PIPES



# MECHANICAL TUBES



# INDUSTRY PROPERTIES



# INDUSTRIAL PIPES APPLICATIONS



Pulp and Paper



Petrochemical



Food Processing

# MECHANICAL TUBES APPLICATIONS



Hand Railing



Fencing



Escalators

# STAINLESS STEEL SHEETS APPLICATIONS




**彰源不銹鋼**  
**FROCH STAINLESS**

SECTORS	DESTINATIONS	USERS
OIL & GAS	SAUDI ARABIA	ARAMCO
OIL & GAS	CHINA	CNOOC
SHIP BUILDING	JAPAN	MITSUBISHI
OFFSHORE	NORWAY	BP
CONSTRUCTION	TAIWAN	TAIPEI AIRPORT
ENERGY	OMAN	ALSTOM
ENERGY	MALAYSIA	TOSHIBA
PETROCHEMICAL	THAILAND	BAYER
PETROCHEMICAL	TAIWAN	FORMOSA
PULP & PAPER	INDONESIA	ASAP

**Tubes and Pipes**  
 Range: 1/4" - 60" in Outside Diameter  
 5.0mm - 32.0mm in Thickness  
 Grades: A304, 304L, 316, 316L, and other special grades upon request  
 Specifications: ASTM A312, A318, A307, A249, A268, A270, A264  
 EN 10217-7, TCT, ISO 9001, ISO 14001, ISO 45001

**Sheets and Coils**  
 Thickness: 0.2mm - 3.0mm  
 Grades: A304, 304L, 316, 316L, 201  
 Specifications: ASTM A240, EN 10088-2, Train  
 30, No. 1, No. 4, H, BA, No. 8

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 Tel: 886-7-537-1222 Fax: 886-7-537-1229  
 E-mail: sales@froch.com.tw  
 We Provide Industry and Environment a Better Future

Bulletin Boards



Elevators



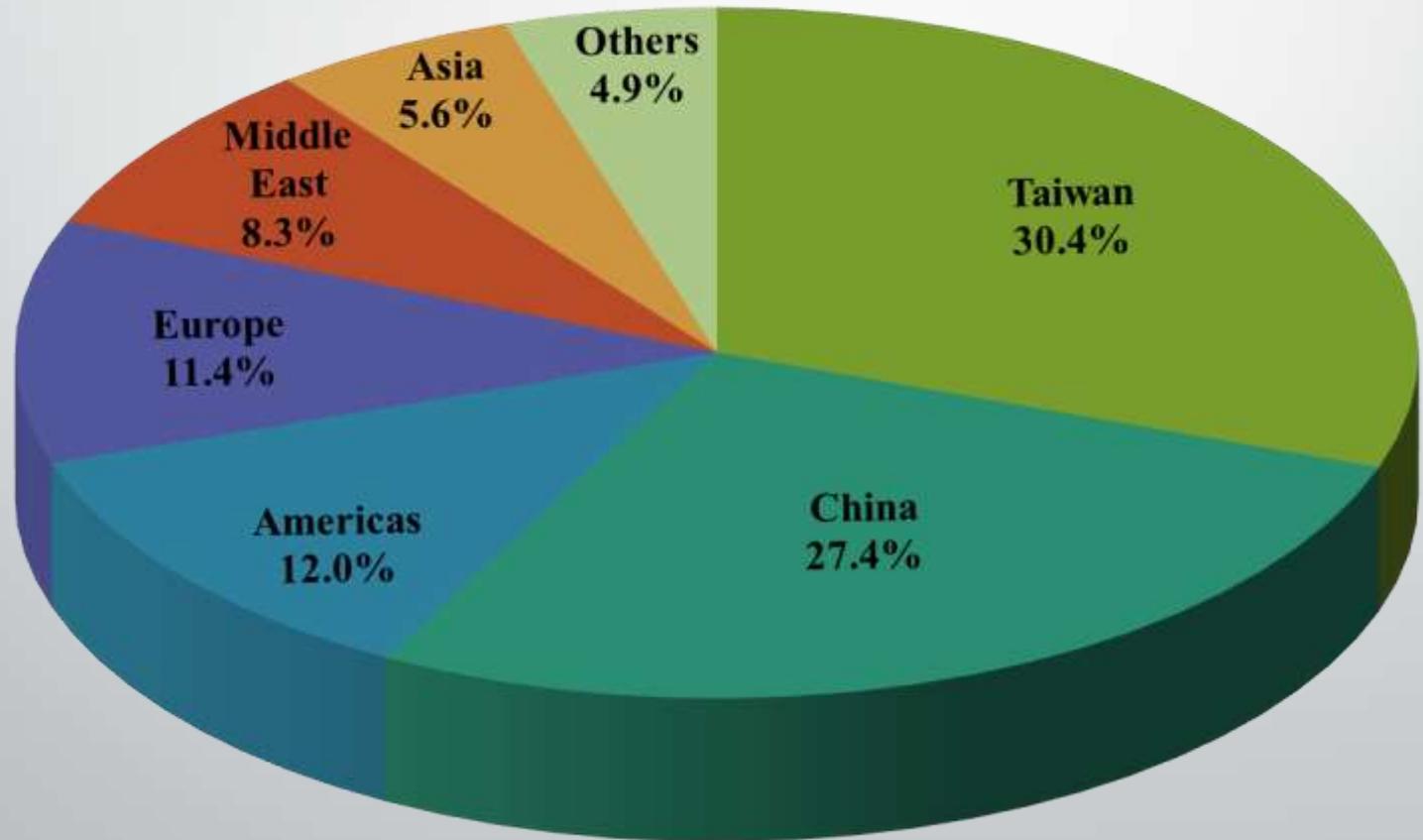
Escalators

# OPERATIONAL BRIEFING – PRODUCT MIX SALES PERCENTAGE

	<b>Tubes and Pipes</b>	<b>Sheets and Coils</b>	<b>Consolidated Turnover (NT\$ million)</b>
2017	76.4%	23.6%	12,640
2018	80.5%	19.5%	13,400
2019	79.9%	20.1%	11,980
2020 Q1	79.7%	18.2%	2,340

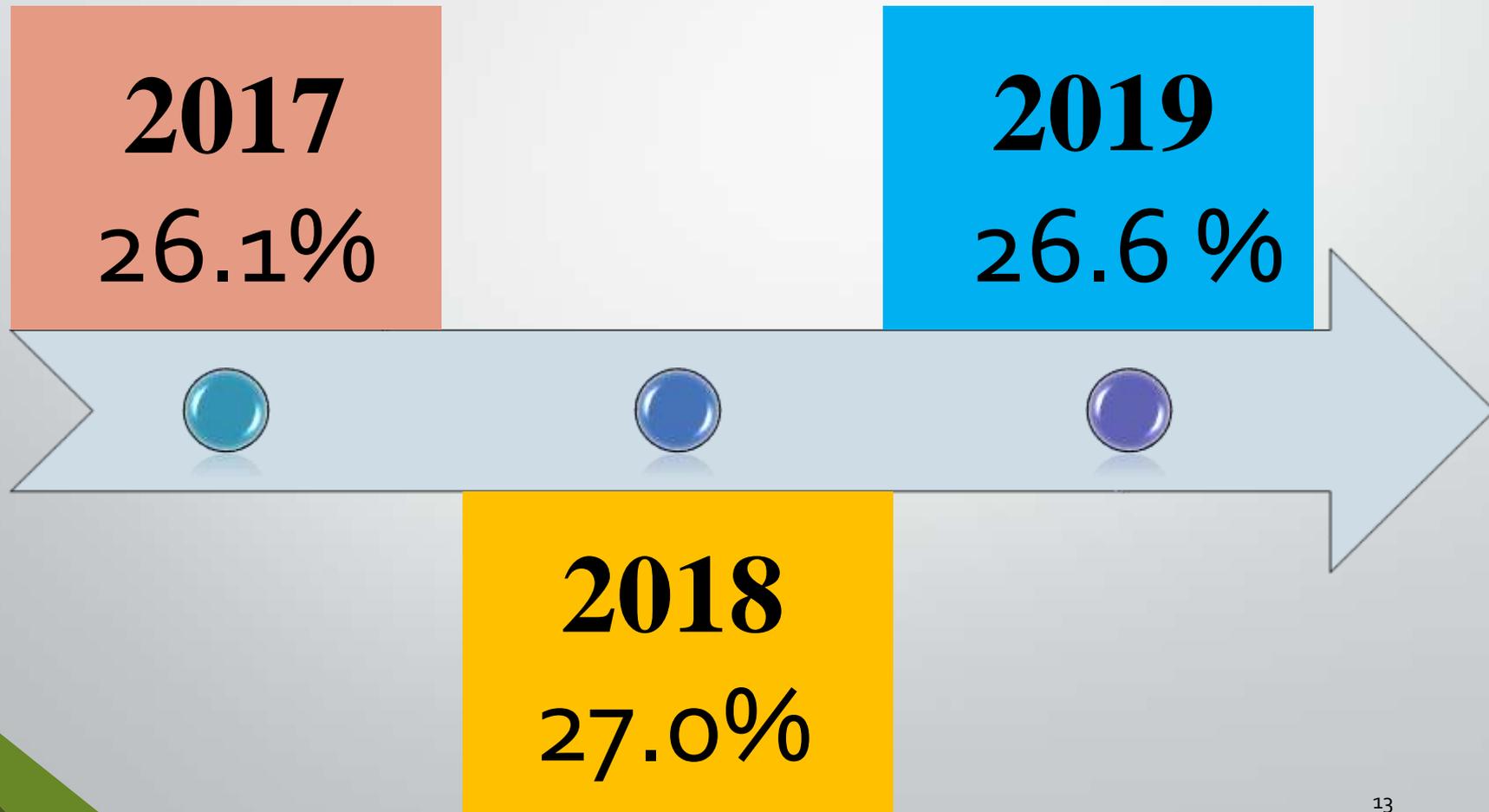
# OPERATIONAL BRIEFING – SALES REGIONS PERCENTAGE

2019



# OPERATIONAL BRIEFING – STAINLESS STEEL TUBES AND PIPES

Taiwan's Stainless Steel Tubes and Pipes Consumption



# OPERATIONAL BRIEFING – STAINLESS STEEL TUBES AND PIPES

Taiwan's Stainless Steel Tubes and Pipes Export Quantity

2017 • 31.2%

2018 • 33.7%

2019 • 34.7%



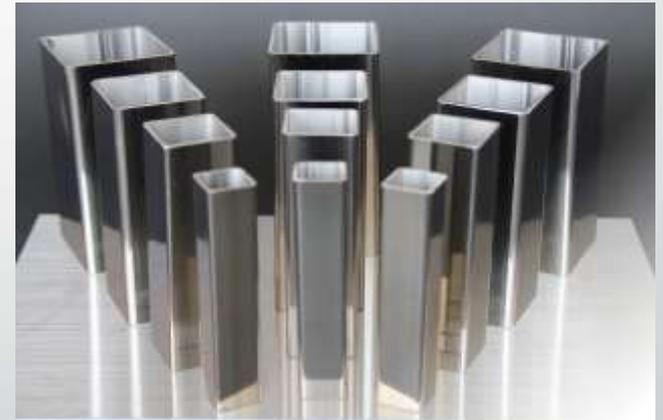
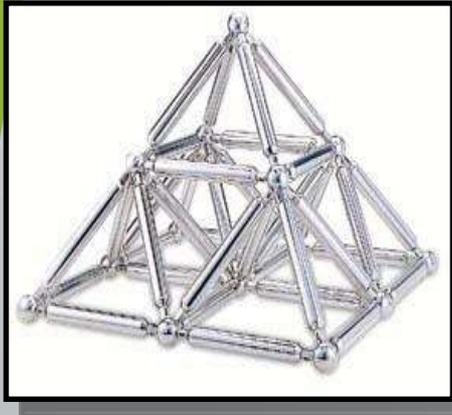
# CONSOLIDATED FINANCIAL NUMBERS – LAST 3 YEARS

NT\$ million

ITEMS	YEAR 2017	2018	2019	2020 Q1
Sales	12,640	13,400	11,980	2,340
Gross Margin	1,610	1,780	1,220	150
Net Operating Income	840	940	490	-10
EPS	NT\$1.97	NT\$1.97	NT\$0.94	NT\$-0.17

# COMPETITIVE ADVANTAGE

1. Comprehensive Product Range –  
Satisfy Customers' One-stop Shopping Needs

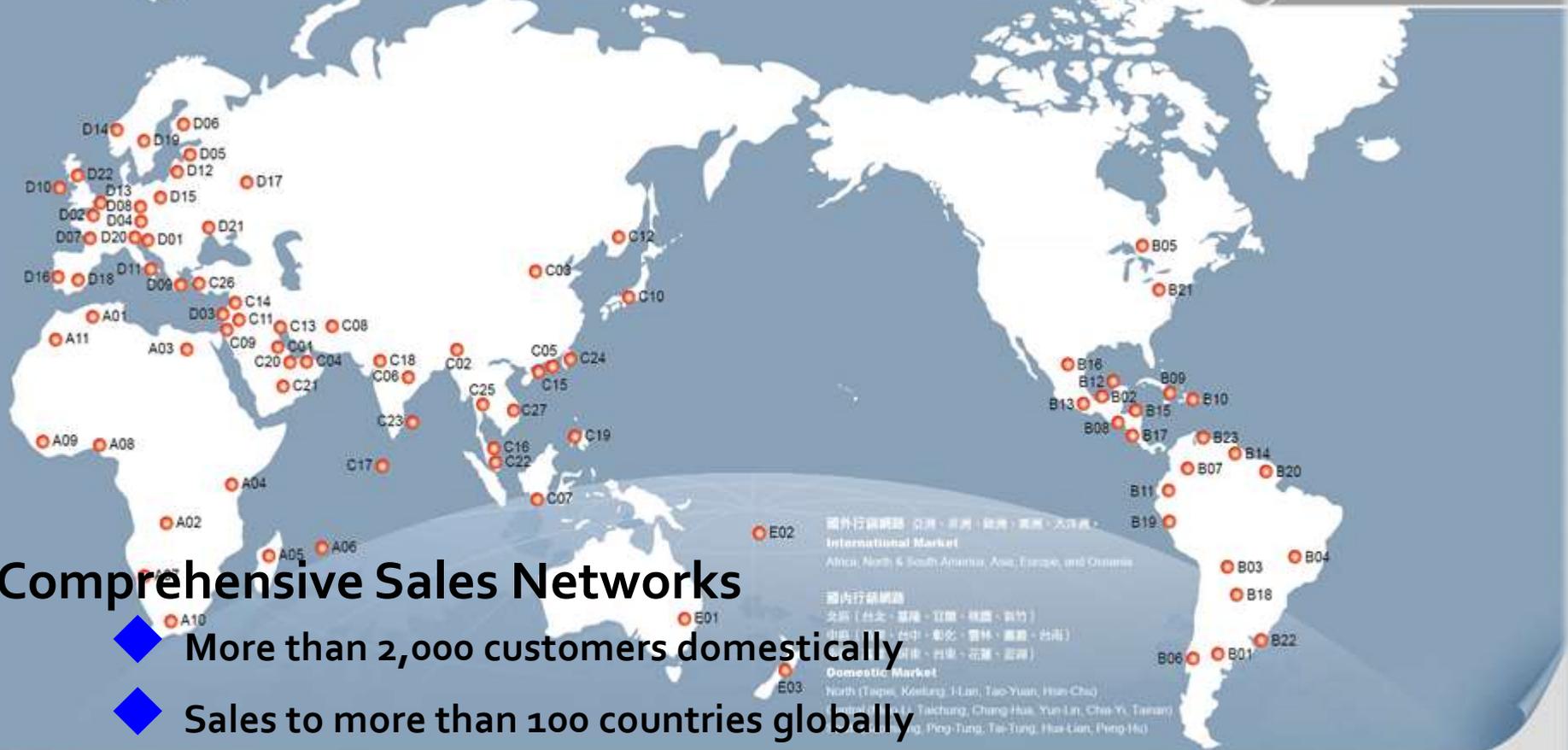


# COMPETITIVE ADVANTAGE - QUALITY CERTIFICATIONS

## 2. Advanced Technology among Competitors

- 1993 : Froch was accredited with ISO-9001 by Lloyd's Register Quality Assurance.
- 1996 : Froch was accredited with ISO-9001 by Bureau of Standards, Metrology, and Inspections, Ministry of Economic Affairs.
- 1999 : Froch was accredited with ISO-14001 by Lloyd's Register Quality Assurance.
- 2001 : Quality Assurance Laboratory was accredited with ISO 17020 and ISO 17025
- 2005 : Froch was accredited with LR Ship Building Approval.
- 2009 : Froch was accredited with JIS by Japan Quality Assurance Organization (JQA).
- 2018 : Developing ISO-45001 Occupational Safety and Health System.

# COMPETITIVE ADVANTAGE



## 3. Comprehensive Sales Networks

- ◆ More than 2,000 customers domestically
- ◆ Sales to more than 100 countries globally

**海外行銷網路** 亞洲、非洲、歐洲、美洲、大洋洲  
**International Market**  
 Africa, North & South America, Asia, Europe, and Oceania

**國內行銷網路**  
 台灣 (台北、基隆、宜蘭、桃園、新竹)  
 中國 (上海、北京、鄭州、青島、瀋陽、濟南)  
 香港、台灣、苗栗、花蓮、高雄

**Domestic Market**  
 North (Taipei, Keelung, Hsinchu, Taoyuan, Hsinchu)  
 China (Shanghai, Beijing, Zhengzhou, Qingdao, Shenyang, Jinan)  
 Hong Kong, Taiwan, Miaoli, Hualien, Kaohsiung

**非洲 Africa**

A01 阿爾及利亞	Algeria
A02 剛果	Congo
A03 埃及	Egypt
A04 肯亞	Kenya
A05 馬達加斯加	Madagascar
A06 毛里求斯	Mauritius
A07 納米比亞	Namibia
A08 奈及利亞	Nigeria
A09 加納	Republic of Ghana
A10 南非	South Africa
A11 摩洛哥	Kingdom of Morocco

**美洲 North & South America**

B01 阿根廷	Argentina
B02 貝里斯	Belize
B03 玻利維亞	Bolivia
B04 巴西	Brazil
B05 加拿大	Canada
B06 智利	Chile
B07 哥倫比亞	Colombia
B08 哥斯大黎加	Costa Rica
B09 古巴	Cuba
B10 多明尼加	Dominican Rep.
B11 厄瓜多	Ecuador
B12 薩爾瓦多	El Salvador

B13 瓜地馬拉	Guatemala
B14 蓋亞納	Guinea
B15 宏都拉斯	Honduras
B16 墨西哥	Mexico
B17 巴拿馬	Panama
B18 巴拉圭	Paraguay
B19 秘魯	Peru
B20 蘇利南	Surinam Rep.
B21 美國	United States
B22 烏拉圭	Uruguay
B23 委內瑞拉	Venezuela

**亞洲 Asia**

C01 巴林	Bahrain
C02 孟加拉	Bangladesh
C03 中國大陸	China
C04 中國	China
C05 香港	Hong Kong
C06 印度	India
C07 印尼	Indonesia
C08 伊朗	Iran
C09 以色列	Israel
C10 日本	Japan
C11 約旦	Jordan
C12 韓國	Korea
C13 科威特	Kuwait
C14 黎巴嫩	Lebanon

C15 澳門	Macao
C16 馬來西亞	Malaysia
C17 馬爾地夫	Maldives
C18 巴基斯坦	Pakistan
C19 菲律賓	Philippines
C20 卡達	Qatar
C21 沙烏地阿拉伯	Saudi
C22 新加坡	Singapore
C23 斯里蘭卡	Sri Lanka
C24 台灣	Taiwan
C25 泰國	Thailand
C26 土耳其	Turkey
C27 越南	Viet Nam

**歐洲 Europe**

D01 奧地利	Austria
D02 比利時	Belgium
D03 賽普勒斯	Cyprus
D04 捷克	Czech
D05 愛沙尼亞	Estonia
D06 芬蘭	Finland
D07 法國	France
D08 德國	Germany
D09 希臘	Greece
D10 愛爾蘭	Ireland
D11 義大利	Italy
D12 立陶宛	Lithuania

D13 荷蘭	Netherlands
D14 挪威	Norway
D15 波蘭	Poland
D16 葡萄牙	Portugal
D17 俄羅斯	Russia
D18 西班牙	Spain
D19 瑞典	Sweden
D20 瑞士	Switzerland
D21 烏克蘭	Ukraine
D22 英國	United Kingdom

**大洋洲 Oceania**

E01 澳大利亞	Australia
E02 斐濟	Fiji
E03 紐西蘭	New Zealand

# FROCH ENTERPRISE CO., LTD.- DEVOTED TO SOCIAL WELFARE ACTIVITIES

- Provided the Douliu Precinct of Yunlin Police Bureau with the Gun Clearing Tube to help protect the safety of the police force.
- Purchased the holiday gifts made by the social groups of the underprivileged of Yunlin County.
- Donated New Year's Eve Dishes to Huashan Welfare Foundation.
- Sponsored the 30<sup>th</sup> "Yearend Banquet for the Underprivileged" and volunteered in serving.
- Donated Fire-fighting equipment.
- Assisted in the activities held by the Philanthropic Library of Taiwan Reading and Culture Foundation.
- Donated to Yunlin Child Welfare Development Association.





不銹鋼管在現代的社會中早已是和人類生活息息相關、不可或缺的民生用品。舉凡所有的建築、水電、瓦斯、運輸工具與遍佈於各地的輸油管路和各項工業的儲槽管路，都與不銹鋼管緊密相連。本公司生產最優良的產品，來服務各行各業。

Stainless steel pipe is necessary to be used in everywhere in our modern life. In applications for construction, plumbing, household hydro & gas, oil pipeline, process pipe line, storage tank pipeline, and automotive industry, stainless steel pipe is the best choice. We produce the highest quality products to satisfy the needs of all industries.



石油 Petroleum



水處理 Water disposal



核能 Nuclear energy



造船 Shipbuilding



造紙 Paper



電力 Electric power



# Thank you!