



Stock Symbol:6807

# 峰源集團股份有限公司

FY Group Ltd.

› Make your life better

## Disclaimer

- ◆ The predictive information mentioned in this briefing report and related information, such as outlook of operating, financial performance and business forecasts, is the gathered information from company internal data and the existing status of external economic development.
- ◆ The actual operating outcomes, financial performance, and business achievements of the company in the future may differ from predictive information. The causes may include but are not limited to market demand, policies and regulations, the alter of total economic conditions, and other Risks and factors beyond our control.
- ◆ The information provided in this briefing reflects the company's views on the future so far, and does not express or imply express or guarantee its correctness, completeness or reliability. For the content of the briefing, the company is not responsible for updating or revising if there are any modifying or adjustments in the future.

# > CONTENTS

1

Enterprise  
Profile



P04

2

Operating  
Business



P07

3

Business  
Performance



P18

4

Competitive  
Advantage



P24

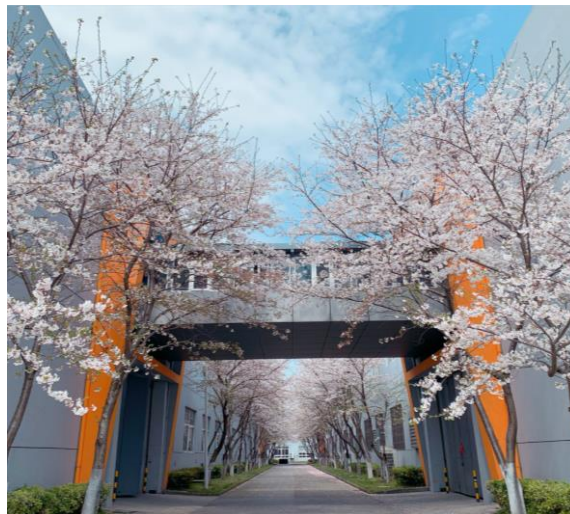
5

Development  
Strategy



P30





## › Enterprise Profile

Chairman & CEO

**Tsai, Wen-Da**

Paid-in capital

**NT\$540 Millions**

Date of Establishment

**July 12, 2019**

Factory Location

**Jiaxing, Zhejiang  
(China)  
Chon Buri(Thailand)**

Number of employees

**1,938**

(Sep. 30, 2023)

Item of business

**Design, Manufacture  
and Sales of Interior  
Furniture**

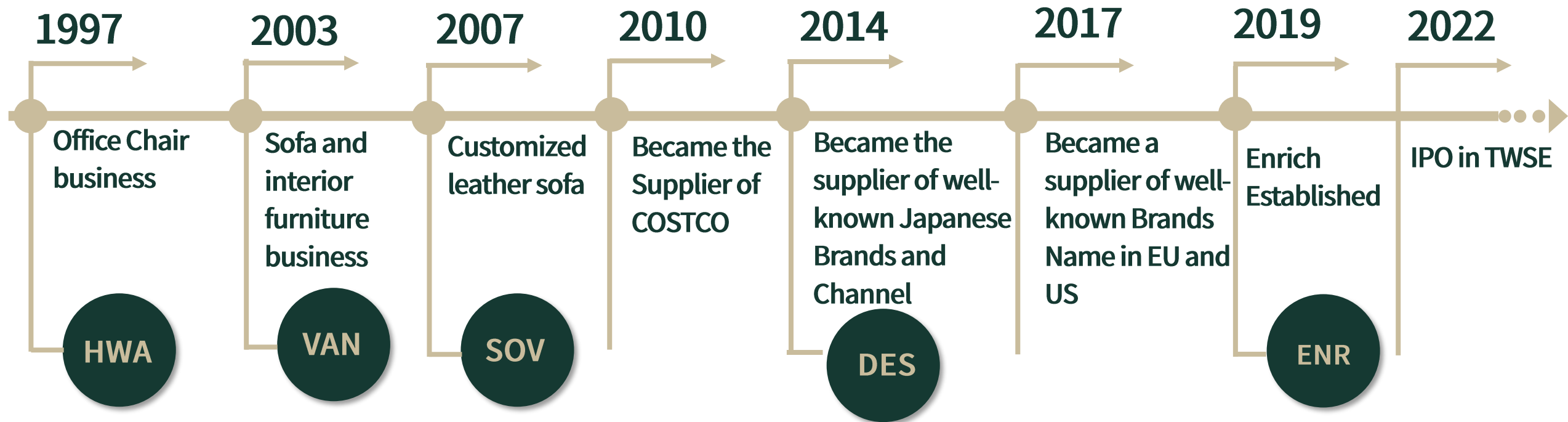
Business model

**Deliver to worldwide Top  
10 brands and the largest  
retailor**

Main Markets

**North America, Asia  
Region**

# Enterprise Profile | Road Map



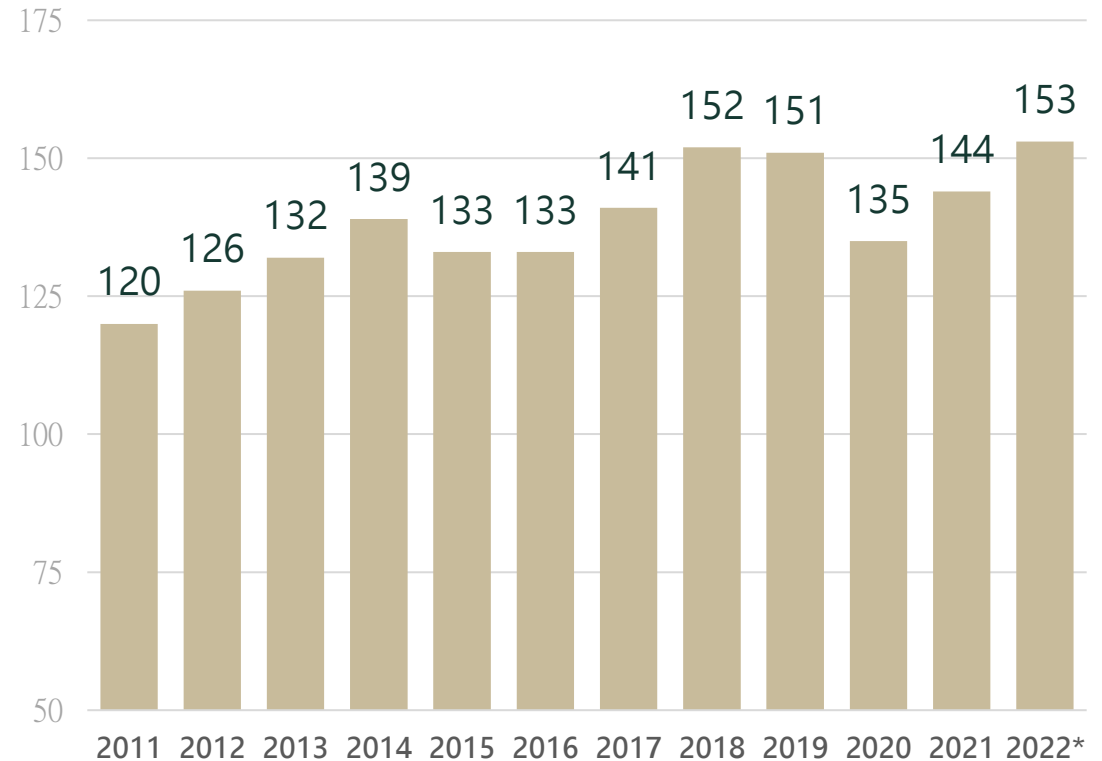


**Best Manufacturing Service Provider in Furniture Industry.**

## › Operating Business

- ◆ Benefiting from the urbanization rate and the growth of GDP, the global furniture industry has an annual growth rate of 3.9%.
- ◆ Global furniture trade volume will recover in post pandemic.
- ◆ The furniture industry will benefit from the real estate market by QE.

### Global furniture trade volume

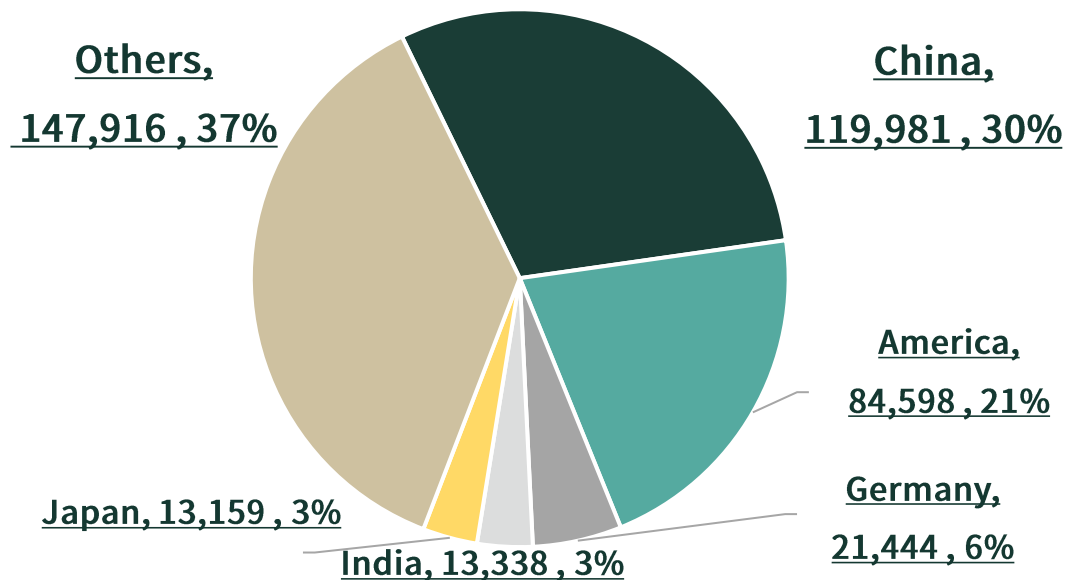


Source: World Furniture outlook 2021(CSIL 202012)

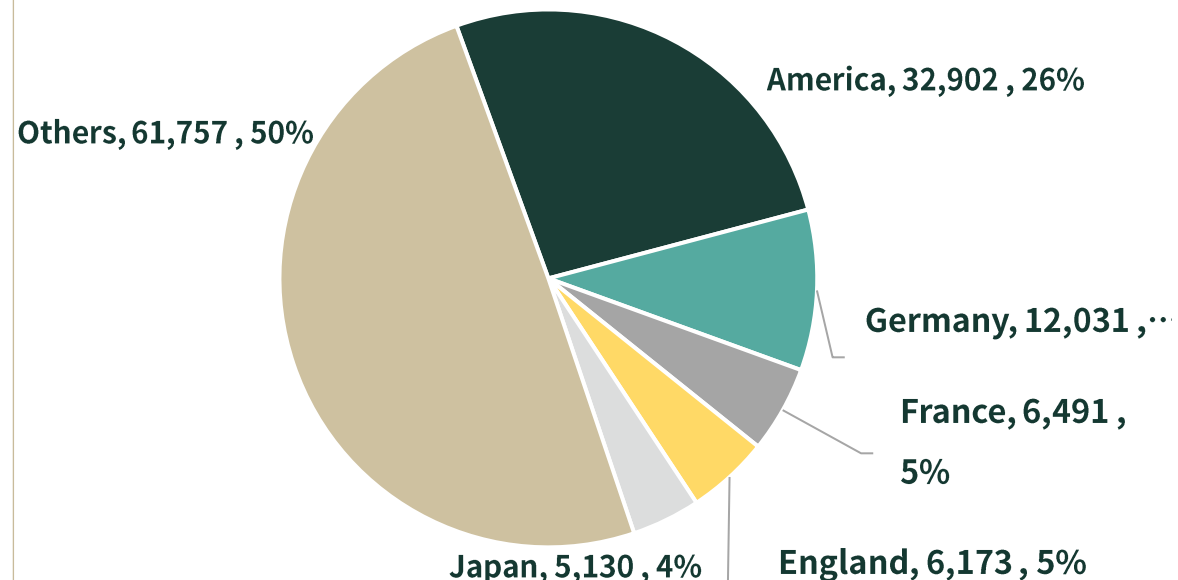
Unit: USD1 billion



### Consumption of Furniture



### Imports of Furniture

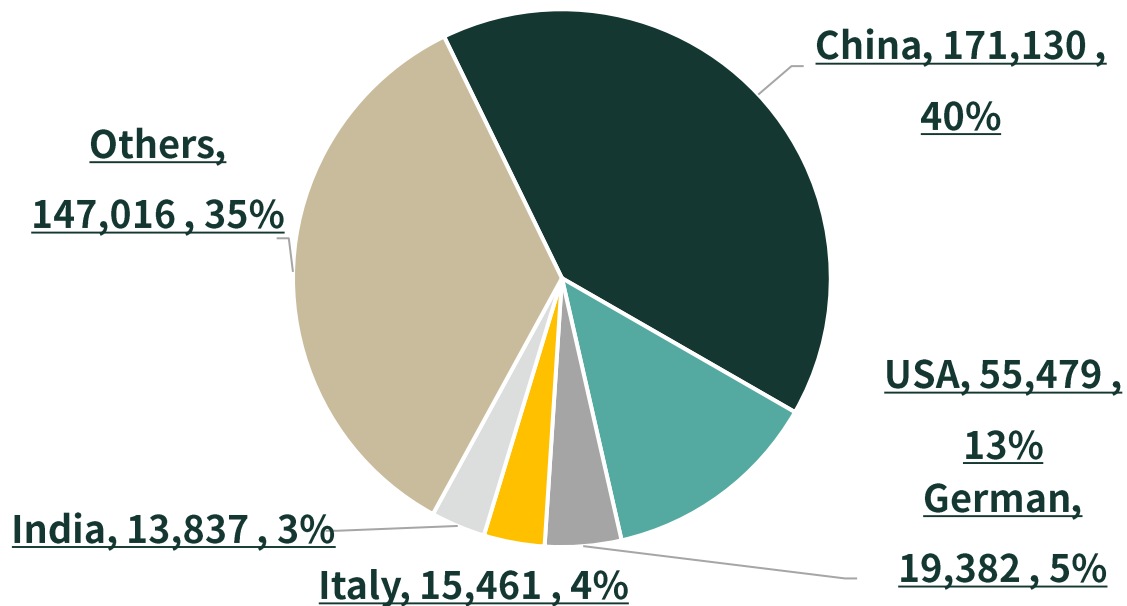


The major market is in China, North America and Europe. The major import country is America, Europe and Japan which GDP is higher than USD50,000.

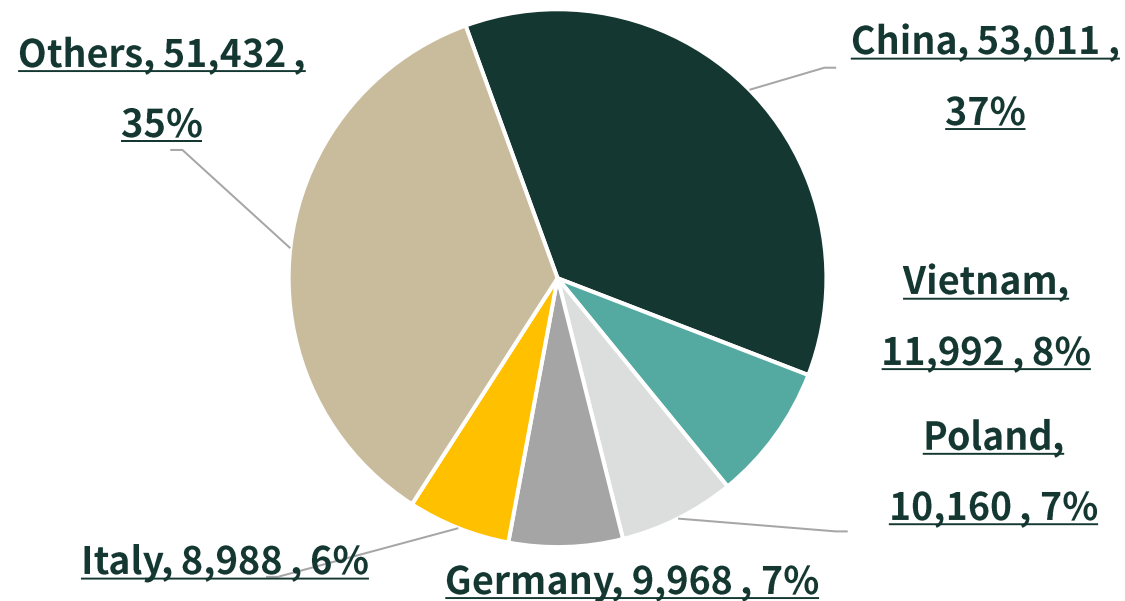
Source: CSIL 「World Furniture Outlook 2021」 (2020/12)

Unit: USD million

### Production of Furniture



### Exports of Furniture



China has become the world's most important furniture supplier and the most exporting country in recent years. Mainland China accounted for 41% of the market value. Vietnam is the second largest furniture exporter in the world and a potential emerging country due to the economic take-off in Southeast Asia, followed by Poland, Germany and Italy.

Source: CSIL 「World Furniture Outlook 2021」 (2020/12)

Unit: USD million

# Operating Business | Our Product



**Design, High Quality, Sustainability**





**Design, High Quality, Sustainability**

**Upstream**

Raw material suppliers including the cloth and leather, timber and wood, chemical industry, metal parts and package industry.

**Midstream**

Furniture manufacturers.  
UEchair(SHA:603600), Henglin(SHA:603661), Shane Global KY(TPE:8482)

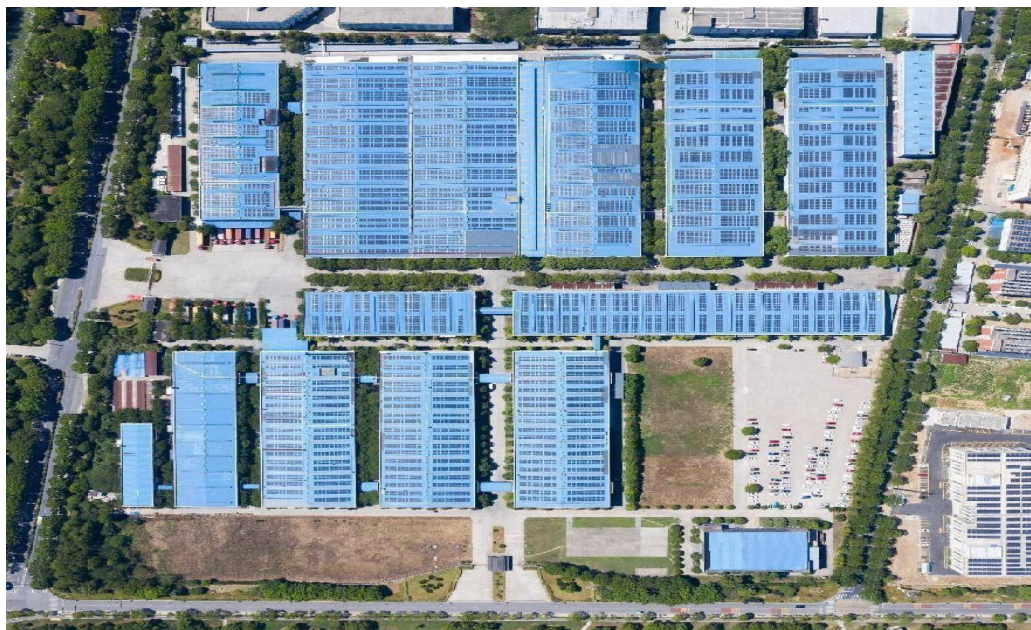
**Downstream**

Furniture Channel and including global chain furniture brands, international chain retailer brands and furniture retail stores.  
IKEA、NITORI、WILLIAMS SONOMA、COSTCO



## China Plant : Vanguard (CN)

- ◆ Location: : Jiaxing, Zhejiang, China
- ◆ COMPLETION: 2003/08
- ◆ AREA: 215,000 m<sup>2</sup>
- ◆ EMPLOYEE: 1,300+
- ◆ CAPACITY: 1,550K/PCS/YR

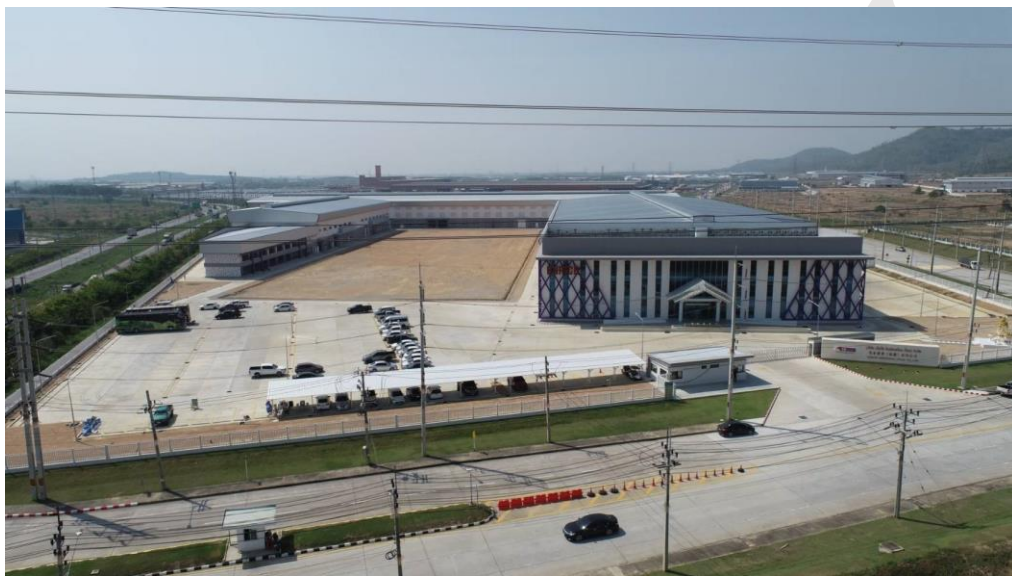


### Mass Production, Efficient Assembly Line

- ◆ Integrated production
- ◆ Foam, Metal, Sewing, Board Cutting, Pocket Spring, Painting, Assembly Line and Test Lab

## Thailand Plant Completion

- ◆ LOCATION: Chunburi, Thailand.
- ◆ COMPLETION: 2023/03
- ◆ AREA: 120,000 m<sup>2</sup>
- ◆ EMPLOYEE: 350+
- ◆ CAPACITY: 780K/PCS/YR



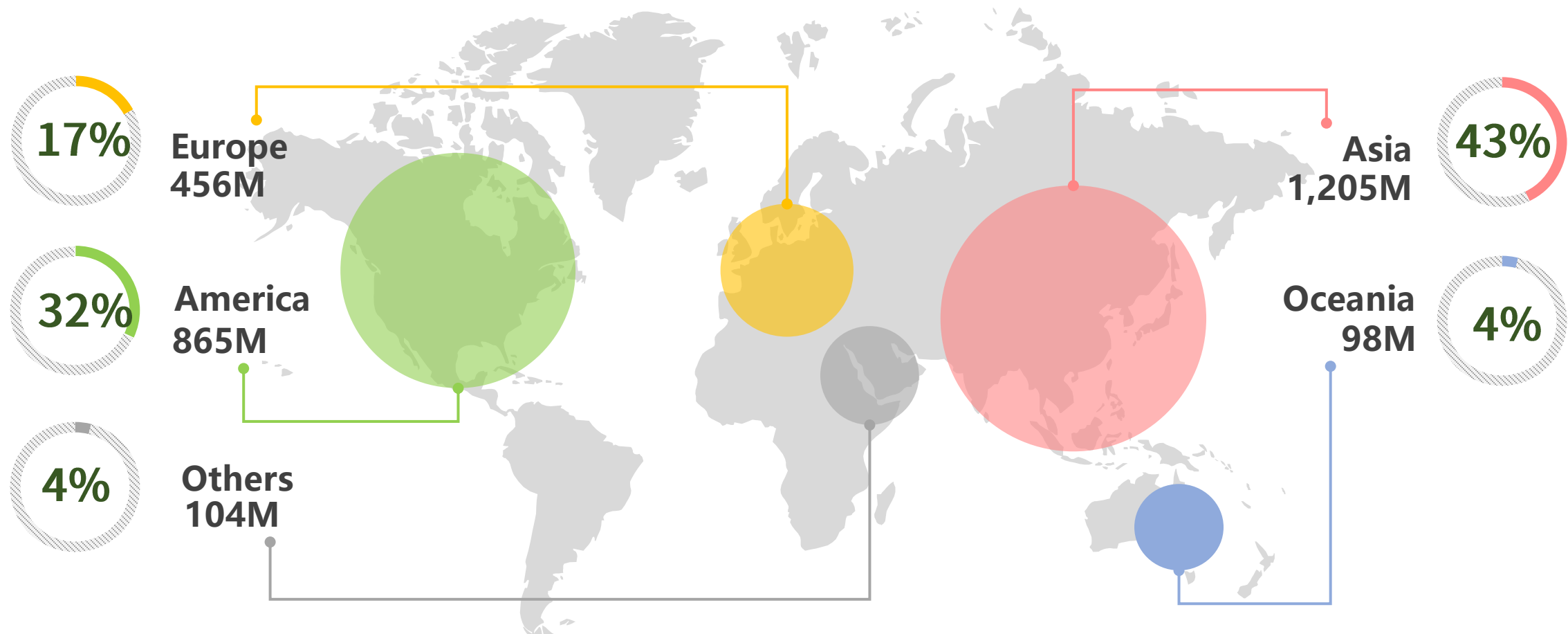
### Production planning comply with the global business strategy

- ◆ De-globalizaiton and international Trade
- ◆ Risk diversification
- ◆ Reduce the trade tariffs and labor costs
- ◆ Advantage of Logistics



- ◆ Global chain retailers, global brands, like IKEA, NITORI, WILLIAMS SONOMA, COSTCO.
- ◆ Deliver to the consumers through global brand customers.





Source: Operating income as of Sep. 30, 2023  
Unit: NT\$ million

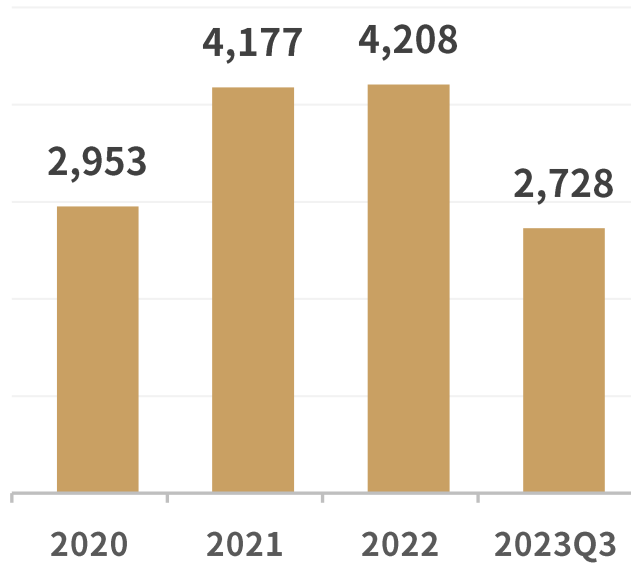


**More Friendly Workplace**

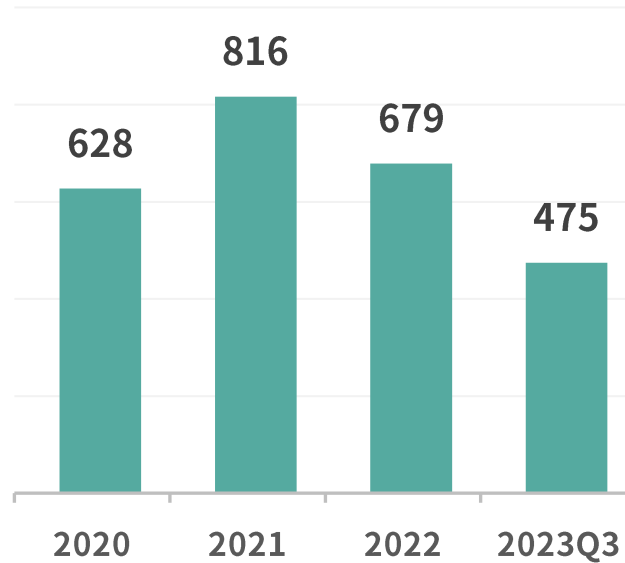
## › Business Performance



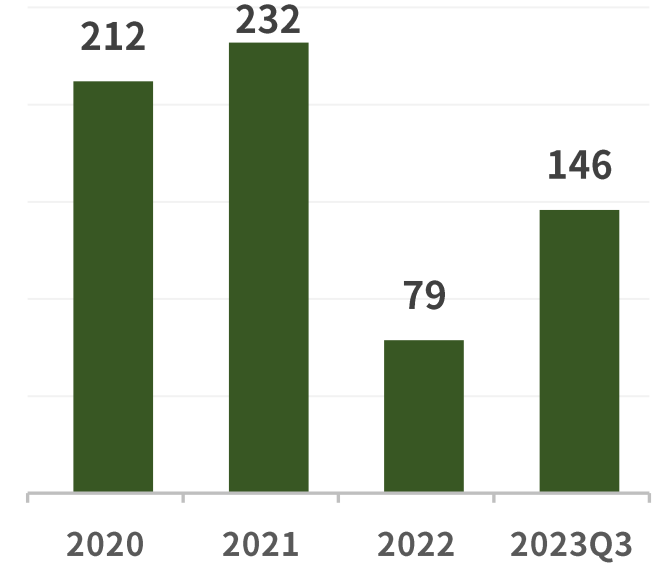
### SALES REVENUES



### GROSS PROFIT



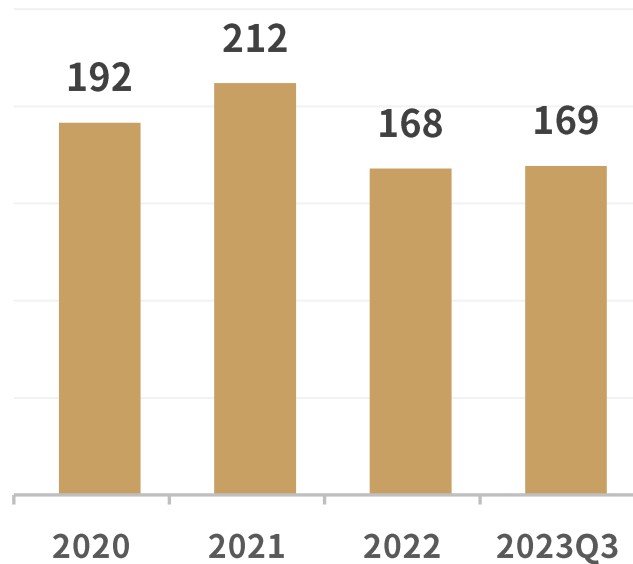
### OPERATING INCOME



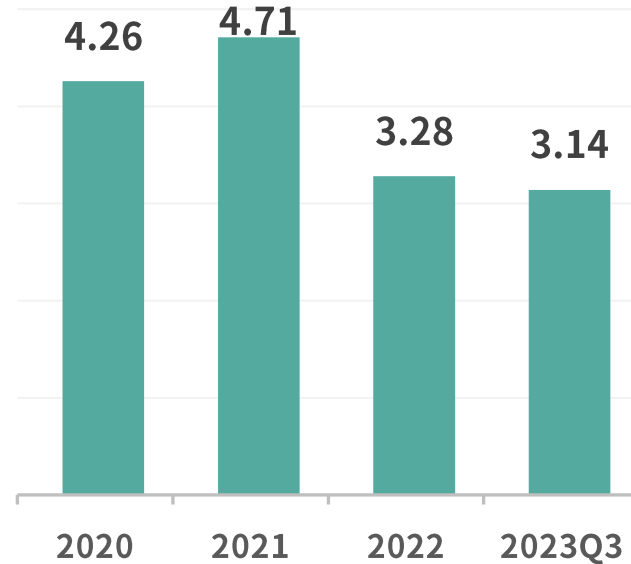
Source: Audited and certified consolidated financial statements

Unit: NT\$ million

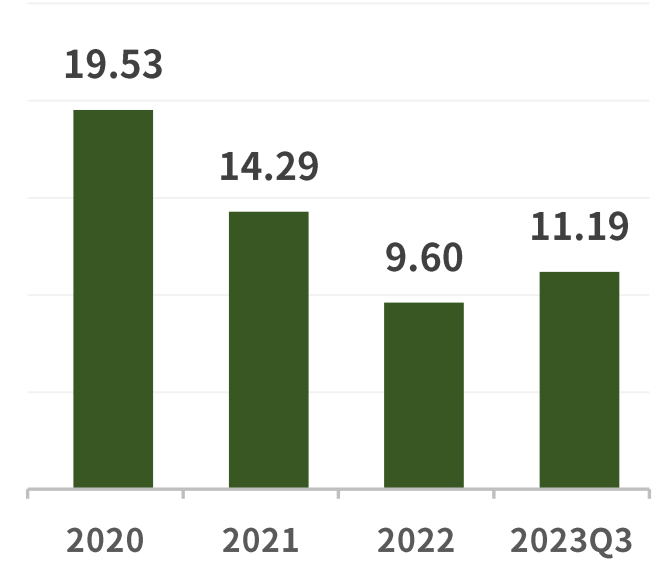
### NET INCOME



### EPS



### ROE



Source: Audited and certified consolidated financial statements

Unit: NT\$ million

Unit: %

## Comprehensive Income Statement

Unit : NT\$ thousand

Item \ Year	Y2020		Y2021		Y2022		2023Q1~Q3	
	AMT	%	AMT	%	AMT	%	AMT	%
Sales Revenue	2,953,477	100.00	4,176,181	100.00	4,208,191	100.00	2,727,931	100.00
Cost of Good Sold	2,325,836	78.75	3,360,534	80.47	3,529,561	83.87	2,253,229	82.60
Gross Profit	627,641	21.25	816,247	19.53	678,630	16.13	474,702	17.40
Operating Expenses	415,659	14.07	584,319	13.98	599,794	14.26	328,911	12.06
Operating Income	211,982	7.18	231,928	5.55	78,836	1.87	145,791	5.34
Profit before Income Tax	260,271	8.81	265,510	6.36	191,805	4.56	213,010	7.81
Net Income	191,504	6.48	211,965	5.08	168,063	3.99	169,368	6.21

Source : CPA audited and certified consolidated financial statements.

## Balance Sheet

Unit : NT\$ thousand

Item \ Year	Y2020		Y2021		Y2022		Sep. 30, 2023	
	AMT	%	AMT	%	AMT	%	AMT	%
Current assets	1,935,628	75.50	2,354,884	78.68	1,835,471	60.61	1,784,367	55.87
Non-current assets	628,283	24.50	638,227	21.32	1,192,986	39.39	1,409,497	44.13
<b>Total assets</b>	<b>2,563,911</b>	<b>100.00</b>	<b>2,993,111</b>	<b>100.00</b>	<b>3,028,457</b>	<b>100.00</b>	<b>3,193,864</b>	<b>100.00</b>
Current liabilities	1,073,767	41.88	1,163,713	38.88	1,014,041	33.48	1,084,495	33.96
Non-current liabilities	47,087	1.84	306,530	10.24	36,357	1.20	52,040	1.63
<b>Total liabilities</b>	<b>1,120,854</b>	<b>43.72</b>	<b>1,470,243</b>	<b>49.12</b>	<b>1,050,398</b>	<b>34.68</b>	<b>1,136,535</b>	<b>35.59</b>
Share capital	450,000	17.55	450,000	15.03	540,000	17.83	540,000	16.91
Capital reserve	731,612	28.53	731,612	24.44	1,001,612	33.07	1,001,612	31.36
Retained earnings	191,504	7.47	319,904	10.69	359,987	11.89	427,295	13.38
Other equity	69,941	2.73	21,352	0.72	76,460	2.53	88,422	2.76
<b>Total equity</b>	<b>1,443,057</b>	<b>56.28</b>	<b>1,522,868</b>	<b>50.88</b>	<b>1,978,059</b>	<b>65.32</b>	<b>2,057,329</b>	

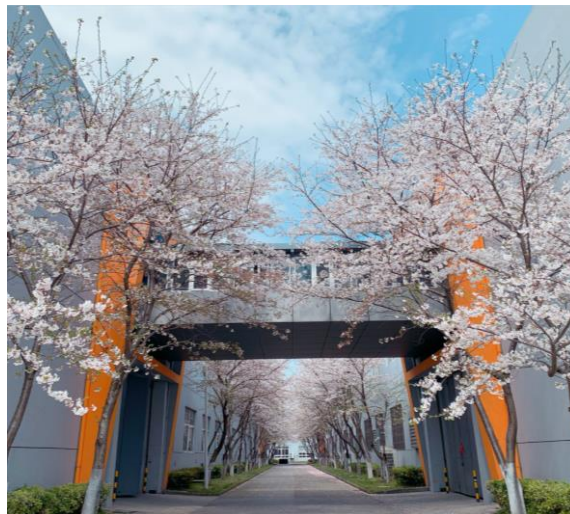
Source : CPA audited and certified consolidated financial statements.

## Key Ratios

Item \ Year		Y2020	Y2021	Y2022	Sep. 30, 2023
<b>Financial structure</b>	Debt to assets ratio	43.72	49.12	34.68	35.58
<b>Solvency</b>	Current ratio	180.27	202.36	181.01	164.53
	Quick ratio	148.78	169.38	145.79	136.20
<b>Operational ability</b>	Average collection days	58	49	39	39
	Average days of sales	36	33	34	38
	Total asset turnover rate(times)	1.22	1.50	1.40	1.17
<b>Profitability</b>	Return on assets(%)	7.96	7.66	5.65	7.26
	Return on equity(%)	19.53	14.29	9.6	11.19
	Net profit rate(%)	6.48	5.08	3.99	6.21
	Earnings per share(NT\$)	4.26	4.71	3.25	3.14
<b>Cash flow</b>	Cash flow ratio(%)	-16.07	40.73	10.36	38.53
	Cash reinvestment ratio(%)	-12.48	15.99	-0.87	11.37

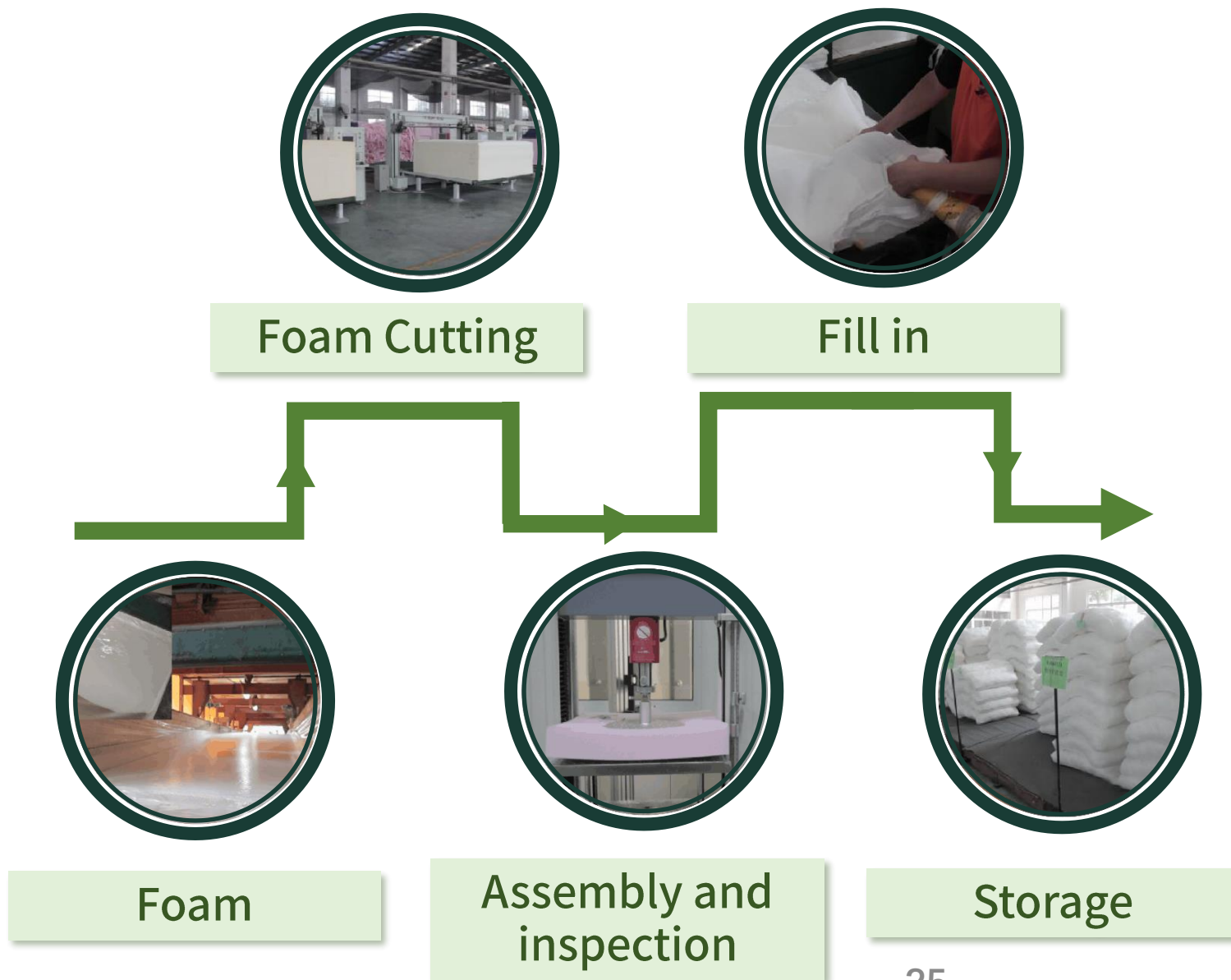
Source : CPA audited and certified consolidated financial statements.





## › Competitive Advantage

# Competitive Advantages | Foam Production Line



- ◆ Lower Cost 3%
- ◆ Better Material Management
- ◆ On time delivery
- ◆ Logistics advantages
- ◆ Faster inventory turnover

# Competitive Advantages | Product Design

With excellent R&D and design capabilities, we provide customers with furniture with a sense of design, quality, cost-effectiveness, and environmental sustainability.

- Eco-friendly
- Non-toxic
- High resilience foam
- Recyclable



- Design with fashion
- Italian Style
- American style
- Cottage style
- Modern style
- Loft Style



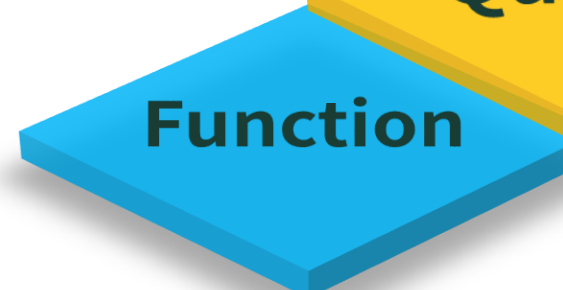
- Shared modular
- Automated Production
- Flat design on packaging



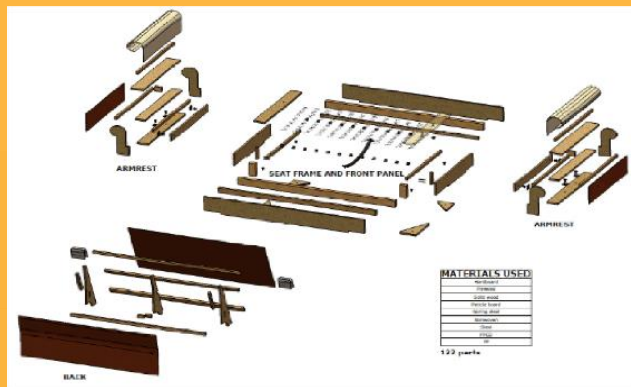
- Process design
- AI Visual inspection
- Standardization



- Motion Sofa
- Sectional Combination
- Sofa-beds

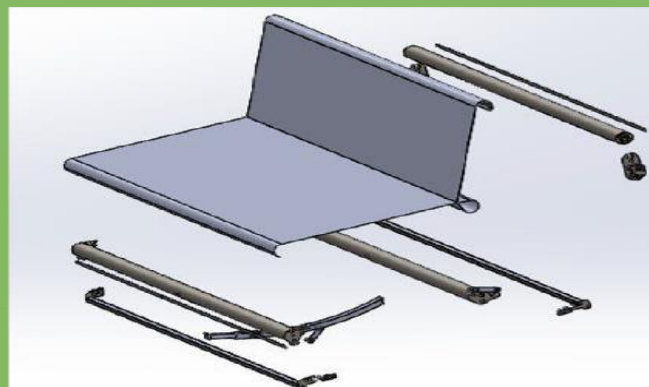


## Automated Production



### Tradition

- ◆ 100+ parts
- ◆ Retain by Glue and Nail
- ◆ Higher Shipping Cost
- ◆ Assemble in FTY



### Innovation

- ◆ 50- parts
- ◆ Retain by Screws
- ◆ Lower Shipping Cost
- ◆ Assemble by Consumers



## Advantages

- 💡 Shared modular
- 💡 Automated Production
- 💡 Lower Shipping Cost
- 💡 More Energy Saving

Operating Business | **Partnership**

- ◆ On Time Delivery 98%+
- ◆ Equipment Utilization(EQU) 90%+



**Customers**

- ◆ Waste Reduce
- ◆ Efficiency Improve
- ◆ Competitive price

- ◆ Quality Well Developed Supplier (QWDS)
- ◆ Defect free 99.5%+

- ◆ Collaborate in Design
- ◆ Shared Modular
- ◆ Fireproof & Non-toxic Materials
- ◆ Sustainable Materials

- ◆ Corporate Social Responsibility
- ◆ Stable Customer Relationship
- ◆ Supply Chain Partnership



# Competitive Advantages | Corporate Social Responsibility (CSR)



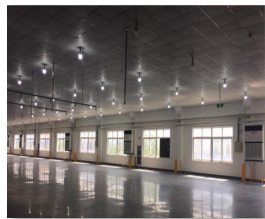
## Alternative Energy Proportion

- Achieved at 61 % in 2021
- Solar energy installed capacity achieved 3.6 KW in 2023



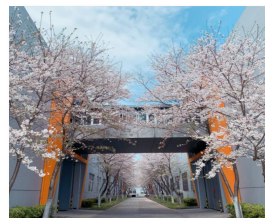
## Eco-materials

- Eco-friendly
- Non-toxic
- High resilience foam
- Recyclable



## Friendly Workplace

- Safety Management System Certification
- Air conditioning covered



## Greening

- Greenery Coverage 25 %
- 70% of the factory area is planted with trees
- Trails planted with sakura and ginkgo trees



## SDGs in 2030

- Recyclable materials => 100%
- Production carbon emission => reduce 80%
- Material carbon emission => reduce 15%

## Global Green Tag

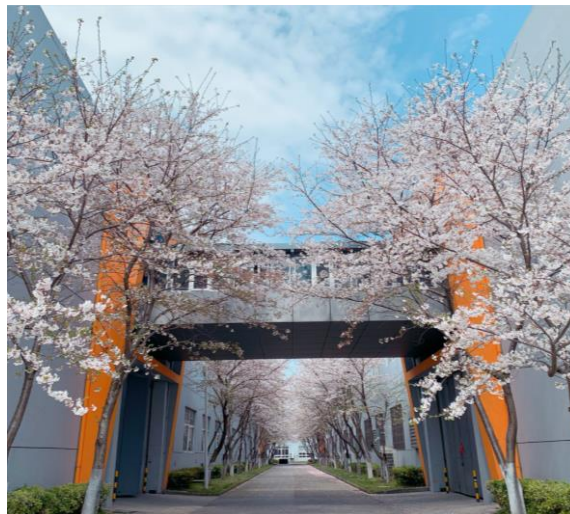
- FSC Accreditation
- EMS Certification
- EnMS Certification ISO 50001

## Water Resources Management

- Unit waste 0.06 Metric tons of water
- Recycle 24 Metric tons annually

## Supply Chain Management

- ISO 28000 Accreditation
- Supplier Compliance
- CMSS/rPET/FSC Accreditation



## › Development Strategy

## Efficiency

- Shared modular
- Materials Standardized
- Automated Production
- Shorten Design Cycle

## ECommerce

- Modular Production
- E commerce
- Lightweight Design
- Lower Cost in transportation

## Ecology

- Renew resources.
- Recycle materials
- Environmental Protection
- Sustainable

## Product

- Disperse non-sofa proportion
- Functional furniture
- Sectional Sofa

## Market

- North America
- China
- Asia except China
- Europe

## Facility

- Build to order
- Product capacity
- Automatization
- ODM





峰源集團  
FY-group

Stock code:6807

Thank you



Make your life better