

Ticker Symbol : 2006



東和鋼鐵企業股份有限公司
TUNG HO STEEL ENTERPRISE CORP.

2024 Investor Conference

Mar 18, 2024

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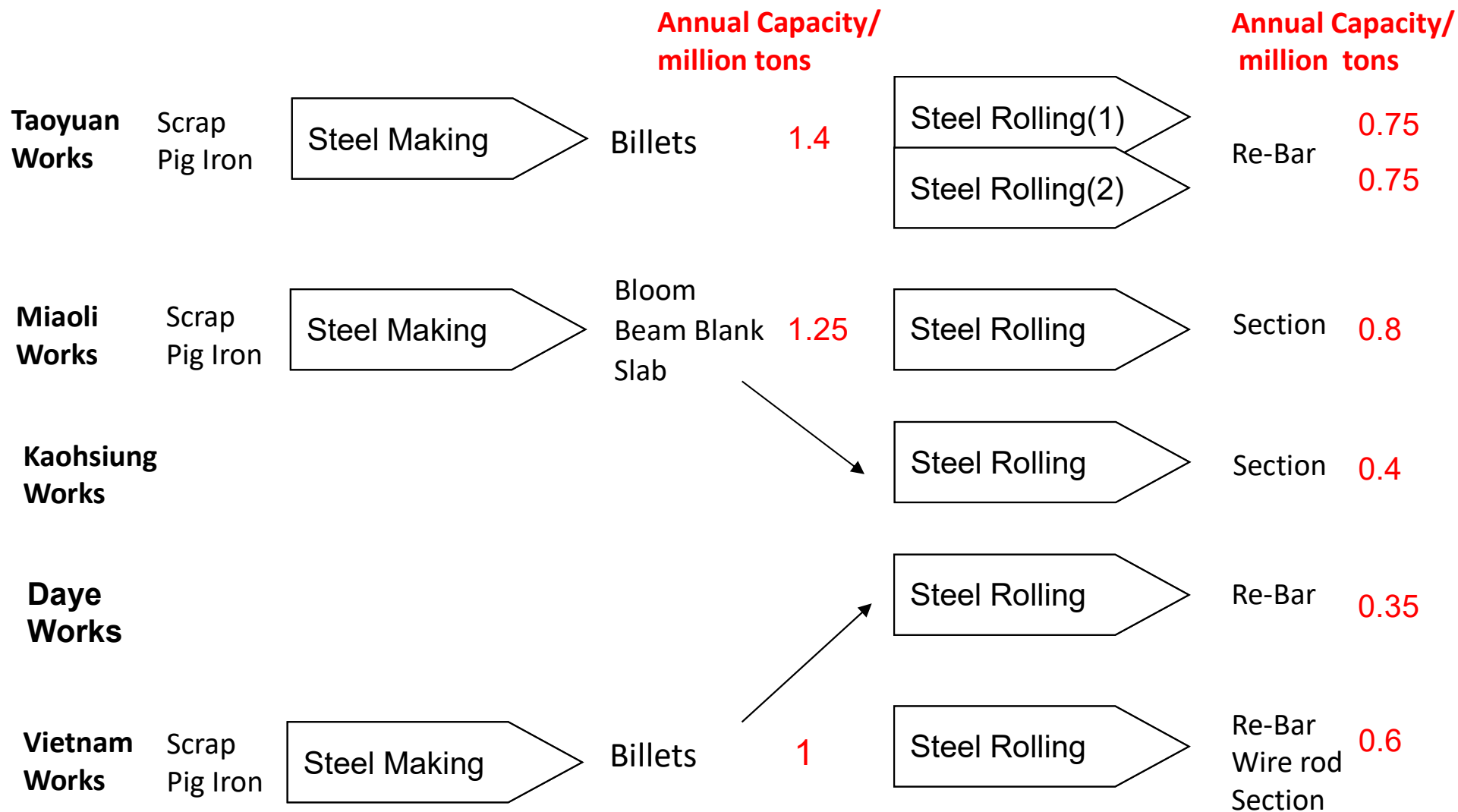
Agenda

- 1. Corporate Profile**
- 2. Financial Performance**
- 3. Key Messages**
- 4. Q&A**

Corporate Profile

- **Date of incorporation : May 30, 1962**
- **Date of IPO : July 13, 1988**
- **Issued common stock : 730,214 thousand shares**
- **Number of employees : 2,075**
- **Head Office : 6F., No.9, Sec. 1, Chang-an E. Rd., Taipei City, Taiwan**
- **Corporate culture : Self-discipline. Love of knowledge. Optimism.**

Facilities and Products



Agenda

1. Corporate Profile

2. Financial Performance

3. Key Messages

4. Q&A

Consolidated Statements of Comprehensive Income

	For the twelve months ended Dec. 31		
	2023	2022	%
(Expressed in Millions of New Taiwan Dollars)			
Operating revenue, net	60,961.91	59,217.01	102.95%
Operating costs	(52,315.72)	(51,767.27)	101.06%
Gross profit, net	8,646.19	7,449.74	116.06%
Operating expenses, net	(2,647.49)	(2,331.96)	113.53%
Operating profits	5,998.70	5,117.78	117.21%
Non operating income and expenses	3.32	119.15	2.79%
Income tax expense	(1,292.90)	(1,293.31)	99.97%
Income from Continuing Operation	4,709.13	3,943.62	119.41%
Income from Discontinued Department	50.70	67.15	75.50%
Net income	4,759.82	4,010.77	118.68%
attributable to owners of parent	4,729.35	3,994.00	
Non controlling interests	30.47	16.77	
Earnings per share	6.48	5.47	
Gross profit ratio (%)	14.18%	12.58%	
Operating profit ratio (%)	9.84%	8.64%	
Net profit ratio (%)	7.81%	6.77%	

Consolidated Balance Sheets

(Expressed in Millions of New Taiwan Dollars)	2023.12.31		2022.12.31	
	AMT	%	AMT	%
Current assets	32,267.66	57%	29,655.05	54%
Cash and Current financial assets	1,877.29	3%	2,289.25	4%
Receivable,net	9,059.42	16%	7,446.21	14%
Inventory	19,894.02	35%	18,821.30	34%
other current assets	1,436.93	3%	1,098.29	2%
Non current assets	24,111.22	43%	25,111.50	46%
Real properties, plants and devices	19,052.25	35%	20,038.57	37%
other non current assets	5,058.98	8%	5,072.93	9%
Total assets	56,378.88	100%	54,766.55	100%
Current liabilities	23,146.74	41%	22,605.25	41%
Short term loans	13,884.66	25%	14,594.47	27%
other current liabilities	9,262.08	16%	8,010.78	15%
Non-current liabilities	2,070.97	4%	3,246.78	6%
Total liabilities	25,217.70	45%	25,852.03	47%
Total equity	31,161.18	55%	28,914.52	53%
Total liabilities & equity	56,378.88	100%	54,766.55	100%

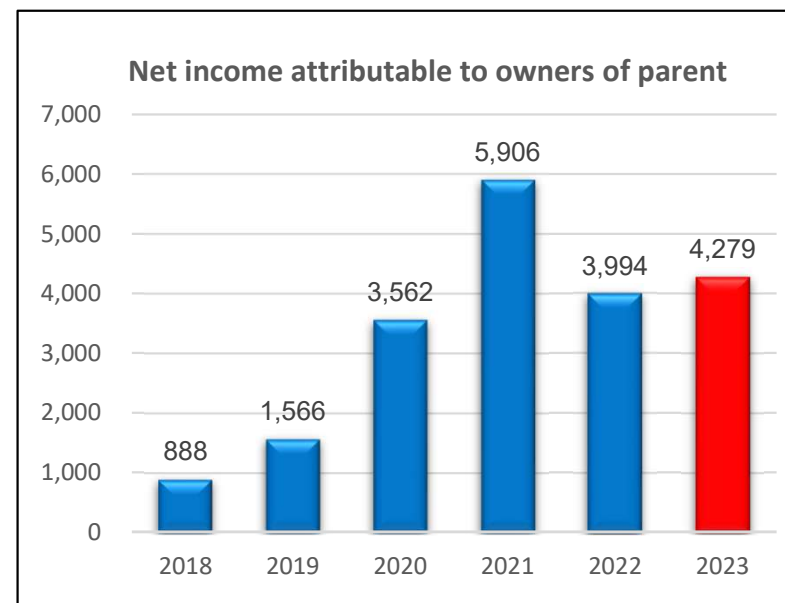
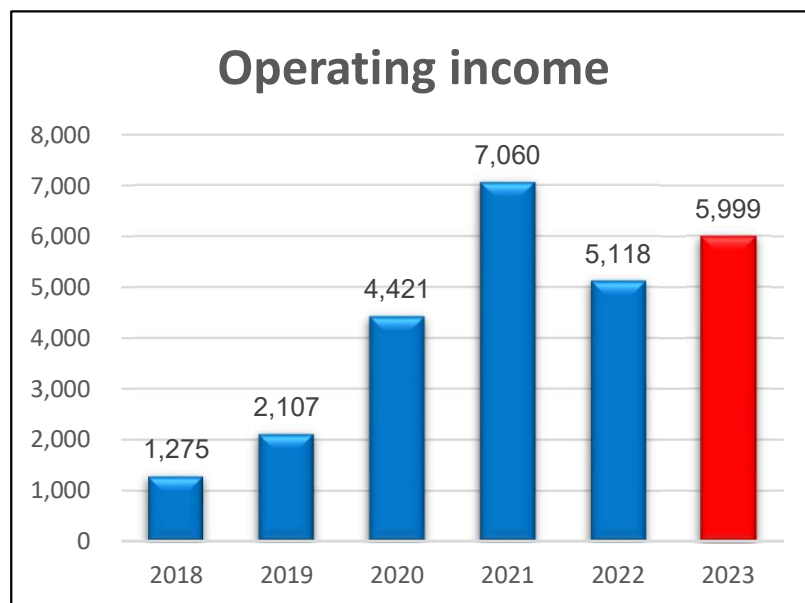
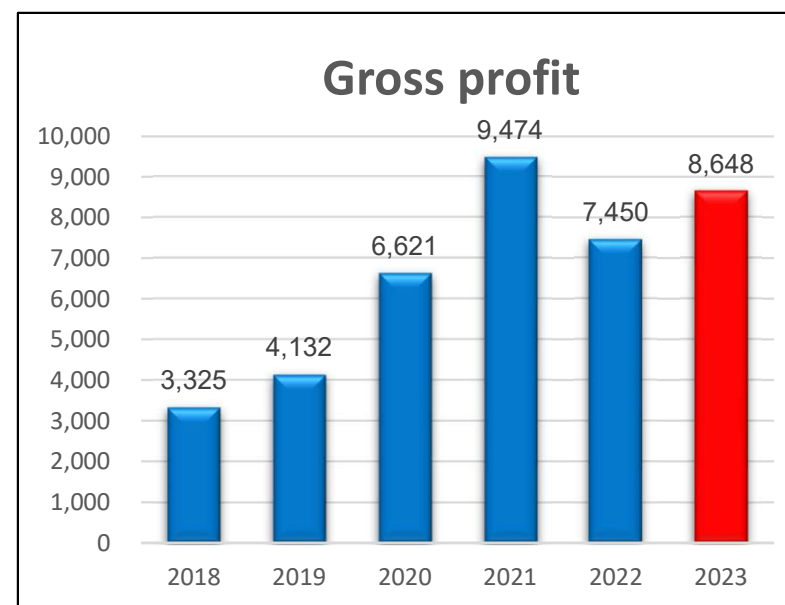
Consolidated Statements of Cash Flows

(Expressed in Millions of New Taiwan Dollars) For the twelve months ended Dec. 31

	2023	2022
Cash at the beginning of period	2,126.51	1,530.39
Cash flows from operating activities	4,621.79	6,865.44
Cash flows from investing activities	(658.86)	(2,873.00)
Cash flows from financing activities	(4,415.53)	(3,467.71)
Effect of exchange rate changes	58.76	71.39
Cash at the end of period	1,732.67	2,126.51
Free Cash flows	3,962.93	3,992.44
Cash dividends	2,555.75	4,673.37

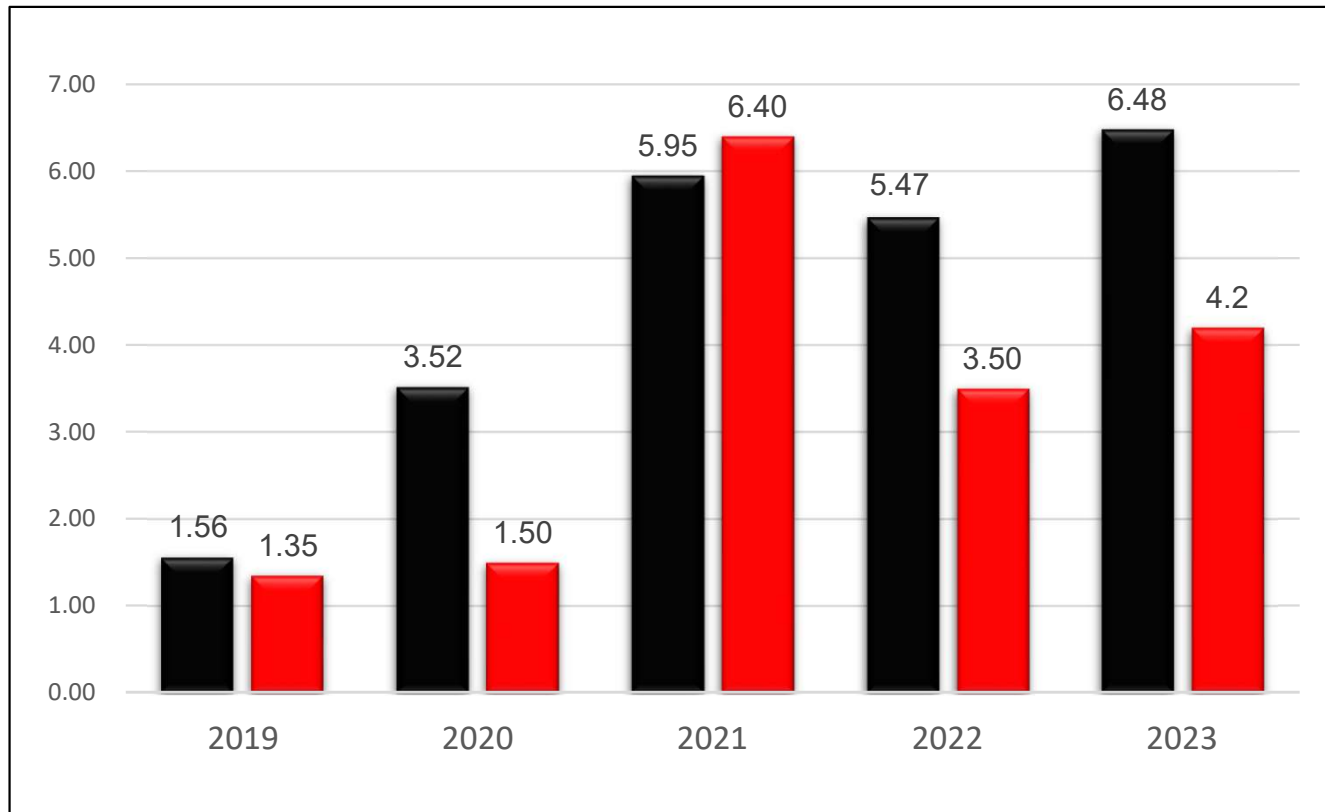
(NT\$Millions)

Historical Operating Results



Historical Dividend

(NT\$)



■ Earnings per share

■ Dividend per share

Agenda

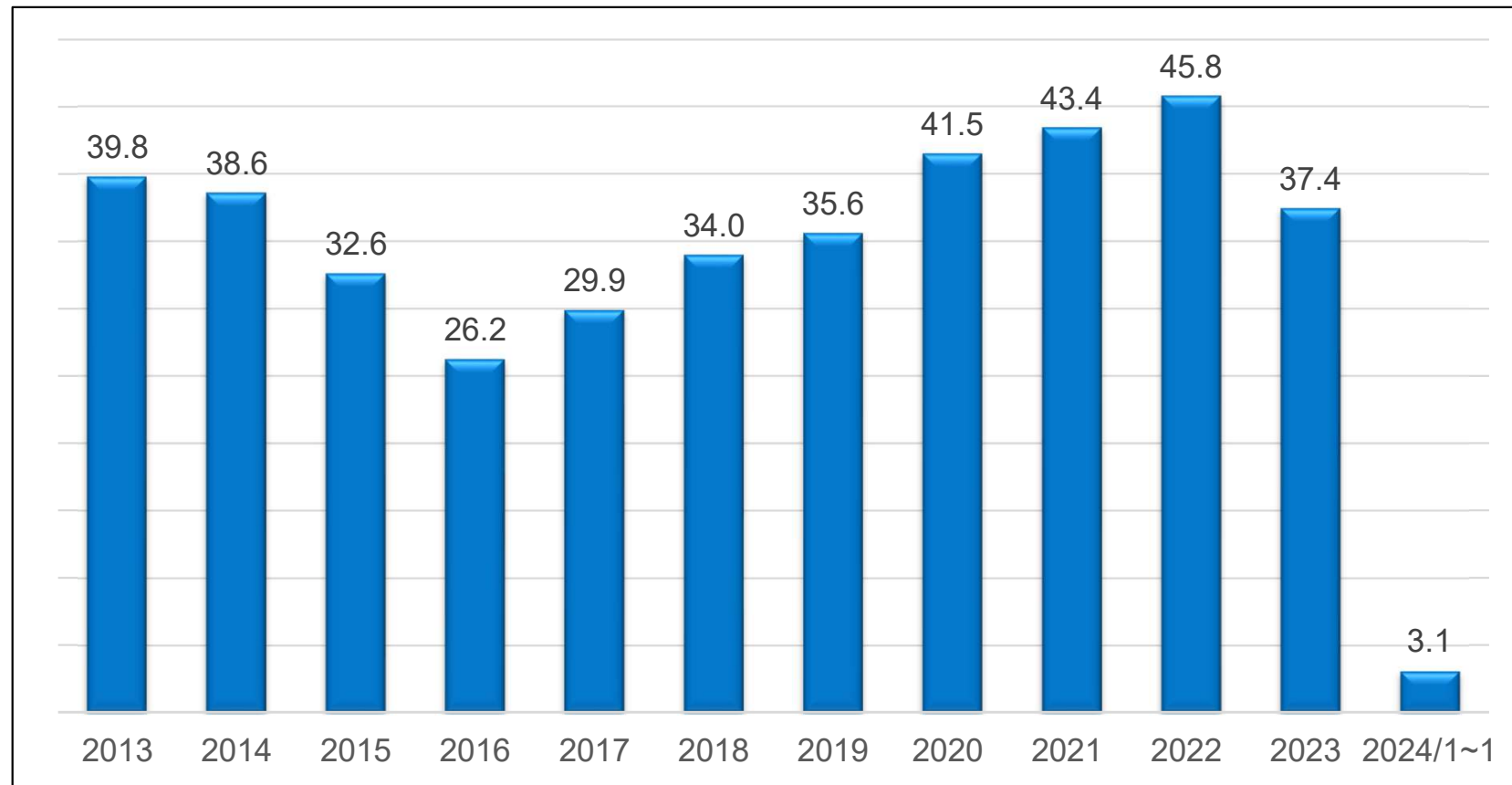
1. Corporate Profile
2. Financial Performance
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Key Messages

- 1. Improvement of Taoyuan Works' capabilities and efficiency**
- 2. Daye Works' rolling mill production**
- 3. THSVC rolling mill put into production**
- 4. Domestic H-beam demand and production**
- 5. Corporate Governance Performance**

Improvement of Taoyuan Works' capabilities and efficiency

Floor area of building permit(Million m2)

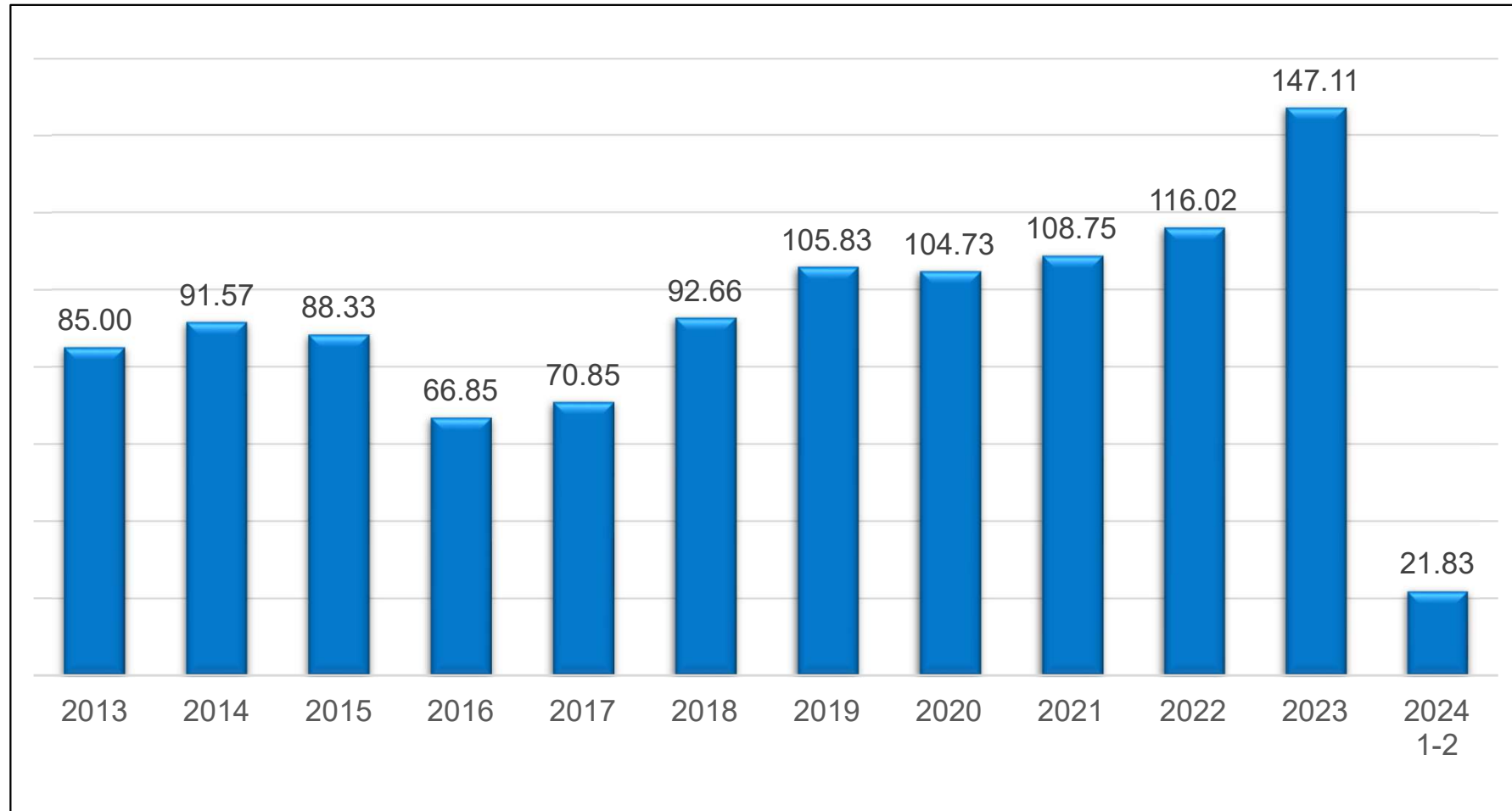


5.79 6.06 5.65 4.77 4.71 5.23 5.49 5.96 6.06 6.22 6.56

Taiwan Annual Steel Demand (Million tons)

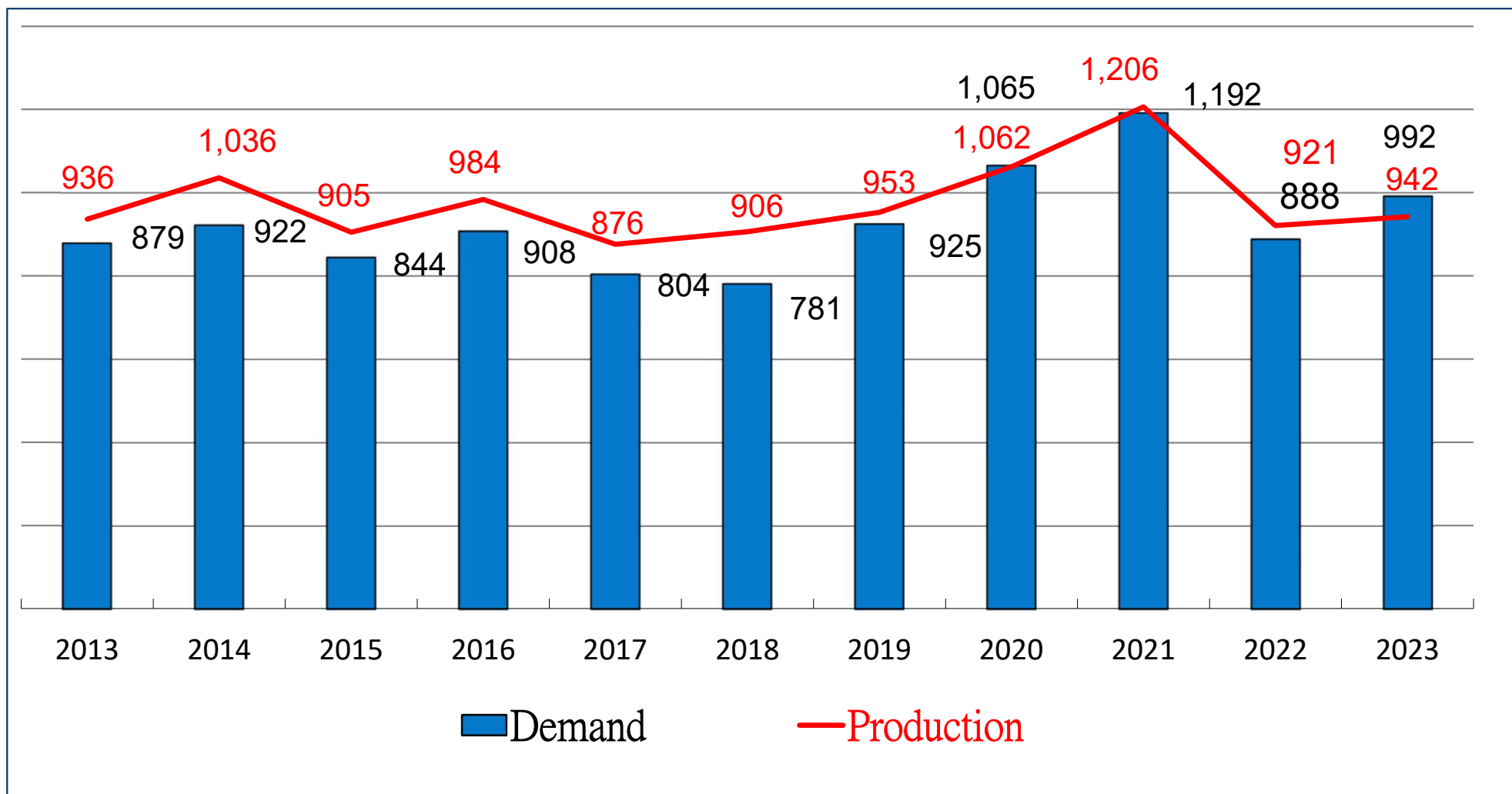
Tung Ho Steel' annual rebar production

10K metric tons



Domestic H-beam demand and production

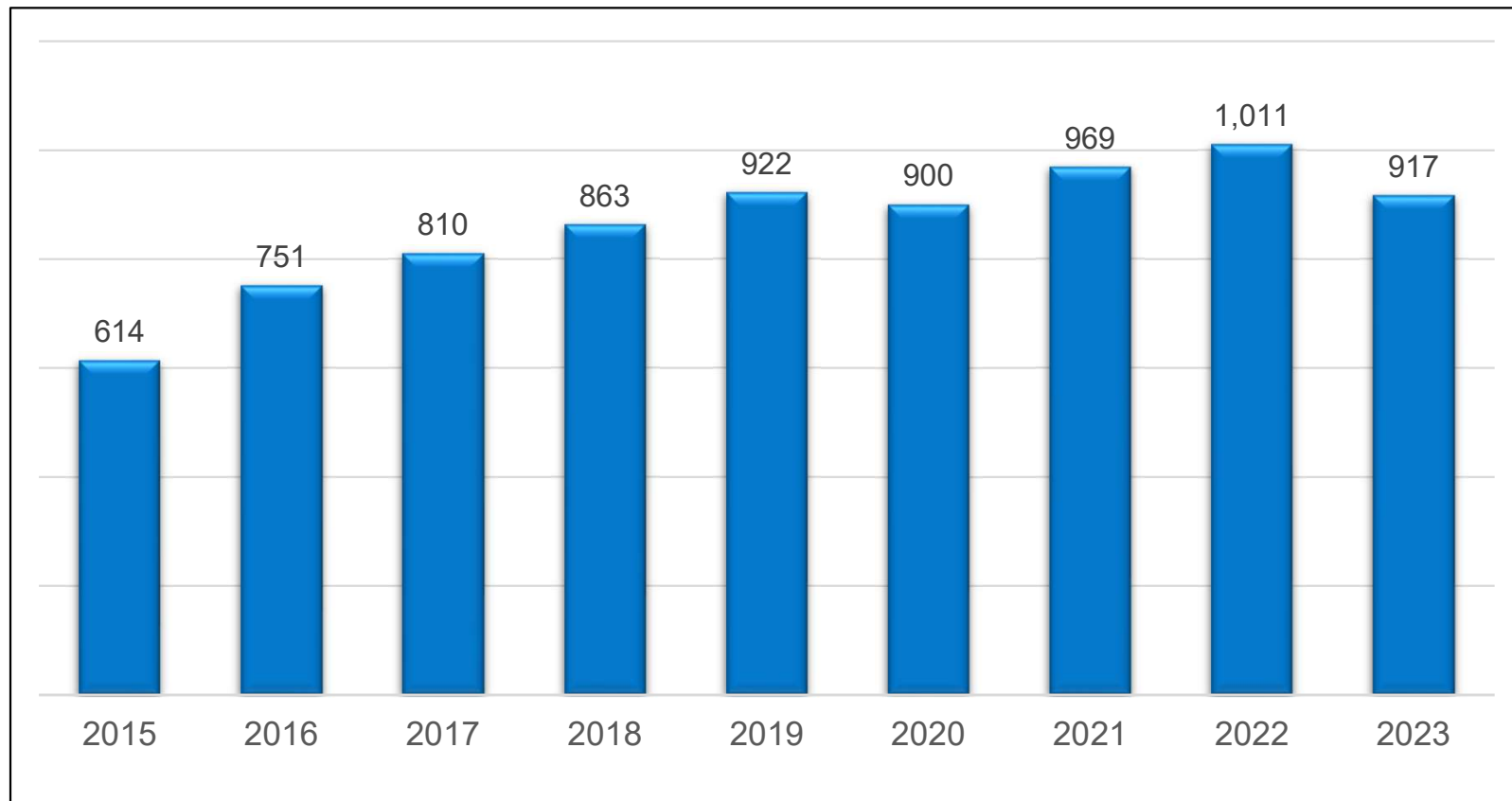
TSIIA、000mt



THSVC new rolling mill put into production

Annual Demand of long steel products in Vietnam domestic market

10K metric tons

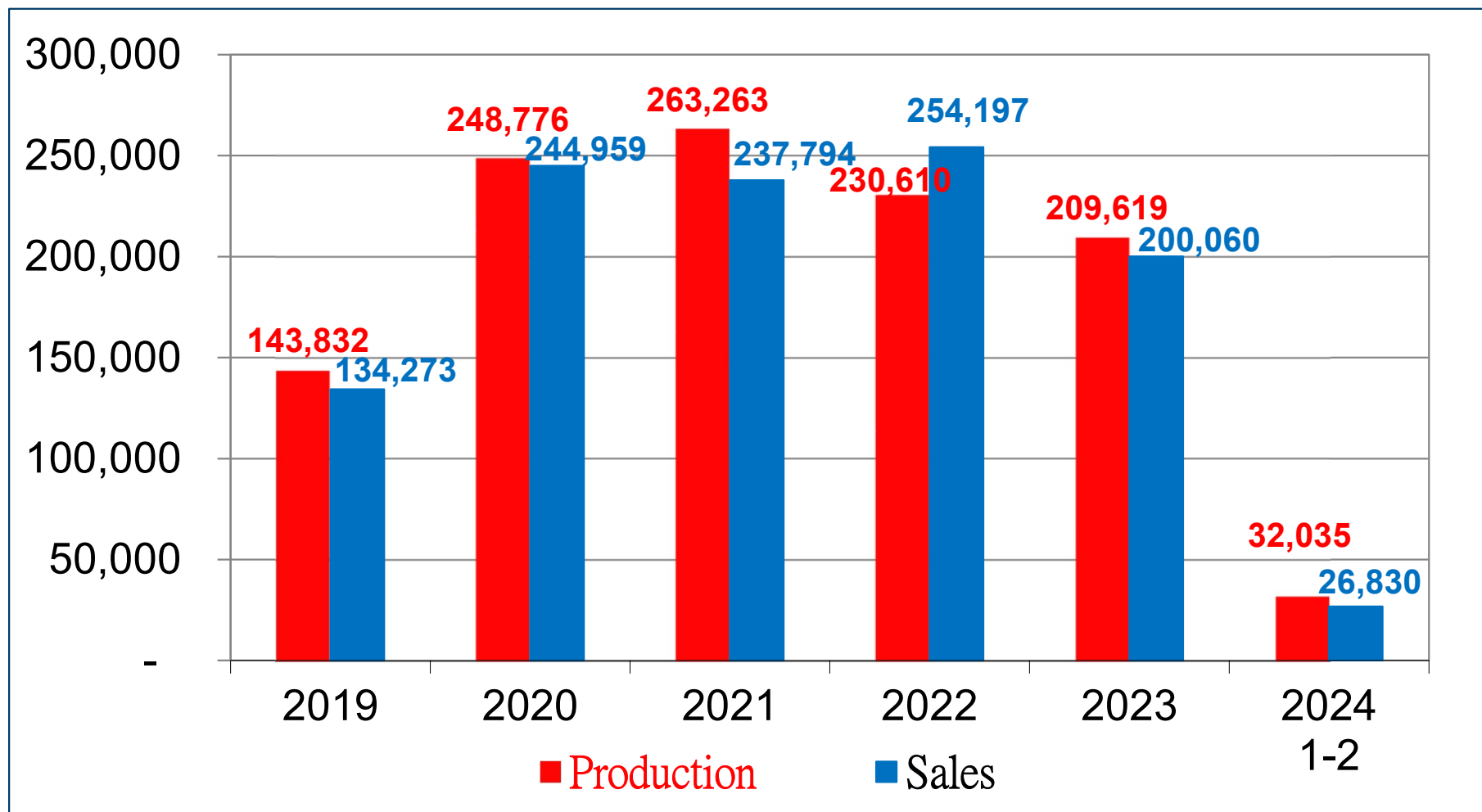


2015~2020 Annual demand for construction steel-Members

2021~2023 Annual demand for construction steel- Members & Non-Members

THSVC new rolling mill put into production

THSVC 、 mt



- 2021/5 Highest Production 45,161mt
- 2020/12 Highest Sales 40,530 mt

Corporate Governance Performance

- **First Domestic Steel Manufacturer Obtaining EPD for All Steel Products**
- **Tung Ho Steel is a member of the World Steel Association's Climate Action program**
- **In 2021, we signed on as a supporter of TCFD (Task Force on Climate-related Financial Disclosures). The company plans to disclose climate-related financial reports in accordance with IFRS S1&S2 starting from 2025.**
- **Publishing voluntary "Task Force on Climate-related Financial Disclosures reports" for three consecutive years. Tung Ho Steel's Task Force on Climate-related Financial Disclosures Report 2023 has been verified by BSI. According to BSI, the maturity model for Climate-related Financial Disclosures is Level 5+: Excellence grade.**
- **Honored with the Gold Award in the Traditional Manufacturing Category in Taiwan Corporate Sustainability Awards (TCSA) Corporate Sustainability Report Award.**
- **2023 "Net Zero Industry Competitiveness" Steel Industry's Highest Honor Excellence Award**

Corporate Governance Performance

- **4th Taiwan Circular Economy Award "Corporate Award - Outstanding Award"**
- **Ranked in the 6%-20% among the listed companies in the 8th TWSE Corporate Governance Evaluation.**
- **Being continuously included as a constituent stock of the " TWSE Corporate Governance 100 Index" for five consecutive years.**
- **The 2023 CDP survey was awarded the "Leadership Level (A-)" in climate change and the "Management Level (B)" in Water Security.**
- **To respond to the global trend and the national net zero emissions target by 2050, the Company incorporated climate change into the material topic for sustainable development and passed the 2030 phased goal of net zero emission.**
 - 1. 30% Carbon Reduction: the total carbon emissions in 2030 is aimed to be reduced by 30% compared with the 2005 level.**
 - 2.RE 30: By 2030, 30% of the total electricity consumption will come from renewable energy.**

Corporate Governance Performance

- Our company's sustainability report has adopted the Sustainable Accounting Standards Board (SASB) indicators for the steel manufacturing industry.
- Sustainable Fitch Assigns Tung Ho Steel Enterprise Corporation an ESG Entity Rating of '2'.



東和鋼鐵企業股份有限公司
TUNG HO STEEL ENTERPRISE CORP.

www.tunghosteel.com