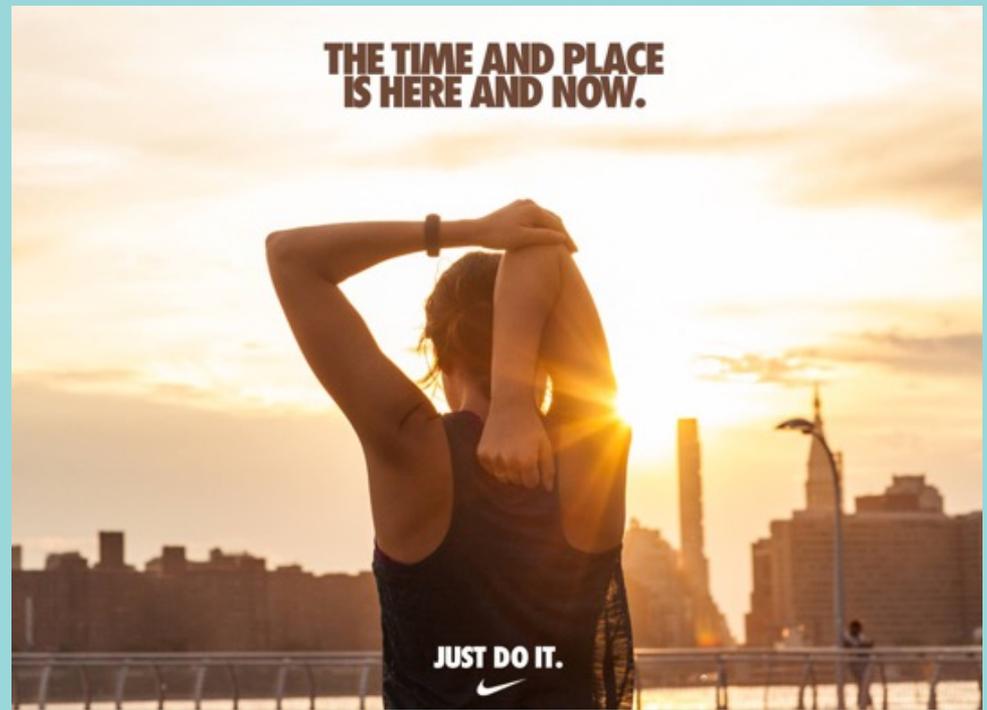




WW Holding Inc.  
(8442 TT)

*3Q22 Earnings Conference  
Dec 6 2022*



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# Who we are and why invest in us?



20Y↑

Production  
experience

6.4billion↑

1Q~3Q22  
YOY66.56%

10,000↑

Global headcount

160↑

Multinational  
Production Line

7

Multinational  
Production Base

80↑

Global well-known  
brand customers

8442

Listed on Taiwan Stock  
Exchange



# Company Milestones



## Foundation & Structuring 1998-2006

- **1998** - Formerly Honour Rich Limited in Dongguan, Wilson Group Holdings Limited has its origin in Dongguan of Guangdong Province, China, and has been engaged in the production of high-end boutique bags since 1998.



- **2003** – Nike onboarded
- **2004** - Established Dongguan Wellpower Sporting Goods, mainly for the production of sports protective gear and accessories.



- **2006** - Established a new production site in Huaian, Jiangsu Province.

## Corporate Expansion 2006-2017

- **2006** – Kipling, Tumi, Decathlon on boarded.
- **2008-09** - Under Armour and JR286 onboarded .
- **2011-13** – Nike: Best Stable Supplier Award, Best Innovative Product Award, Best Supplier Award.
- **2013-15** – JR286: Best Product Quality Award, Best Supplier Award.



- **2014** – Longchamp onboarded
- **2014** – Renamed the company to WW Holding Inc.
- **2014** – Merged with Wilson Group Holdings Limited.
- **2016** – Armani and Hugo Boss onboarded.
- **2016** – IPO in Taiwan with ticker 8442 TT.

## Rationalization of Production 2015 - 2020

- **2016** - Established Wilson Leather (Cambodia) Co.
- **2016-17** – Gradually expanded more of our production from China to Southeast Asia.
- **2017** - Established Global Worth Investment Holding and Global Vibrant Trading Limited as the holding arm for our luggage business.
- **2017** – Acquired TWT Manufacturing Co., Ltd in Thailand – a major supplier to Tumi bags and luggage.



- **2020** - Acquisition of Vietnam De Yu, which mainly produces professional sports bags and golf bags, and is the main supplier of NIKE sports bags.



## Consolidate Leadership Position 2021 - Beyond

***Consolidate leadership position***

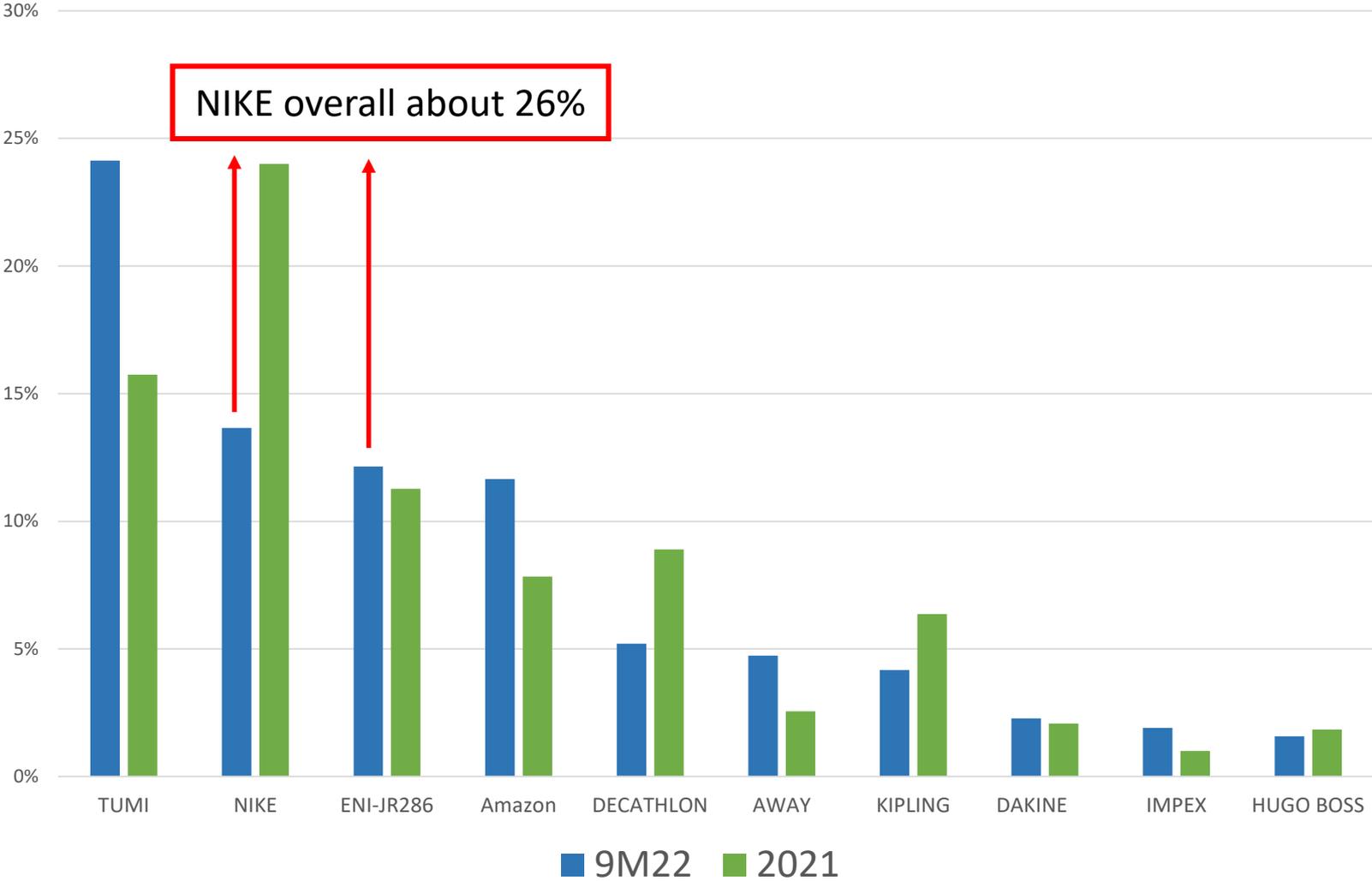
# Our Company Structure



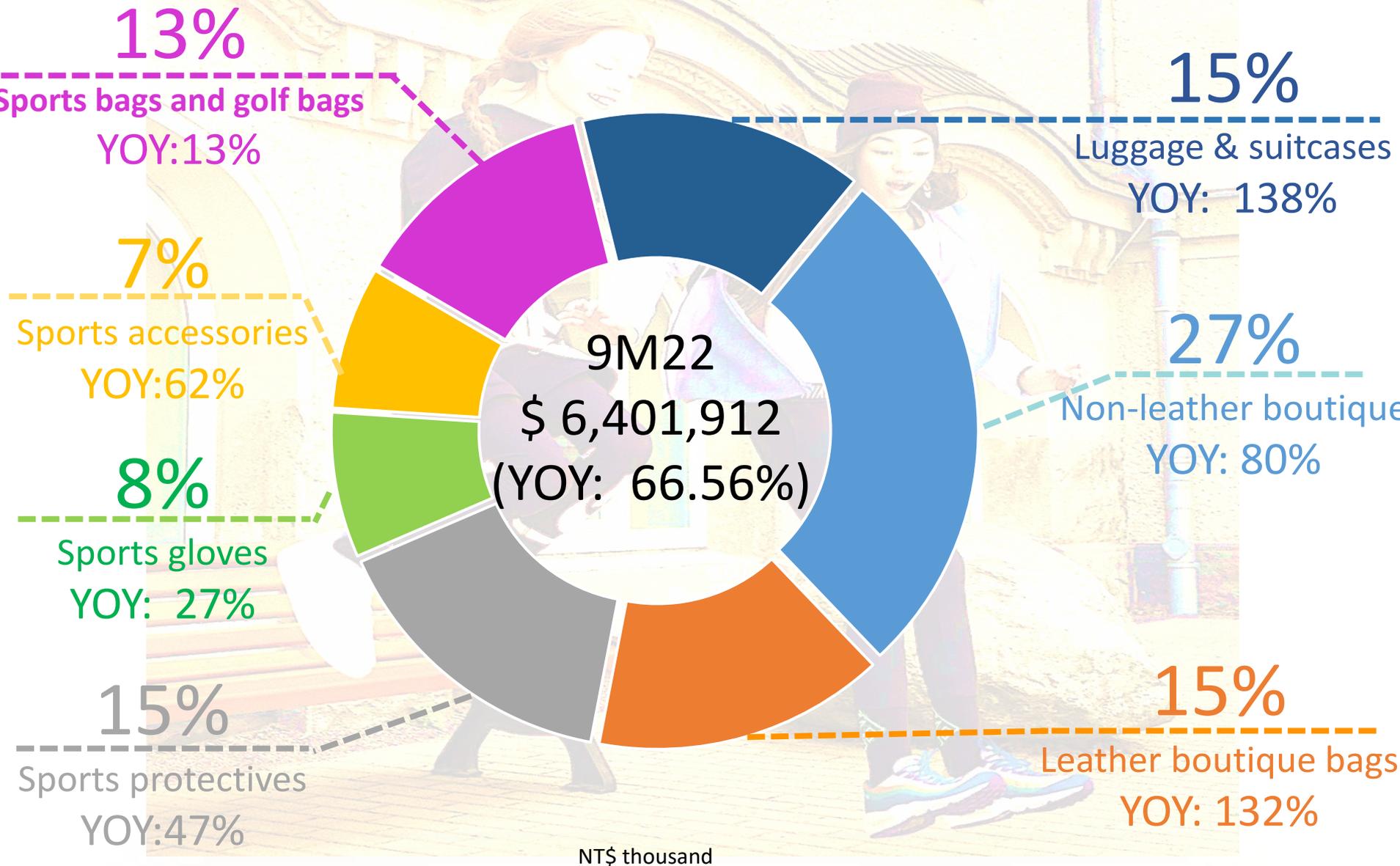
**Sports equipment business**

**Luxury bag business**

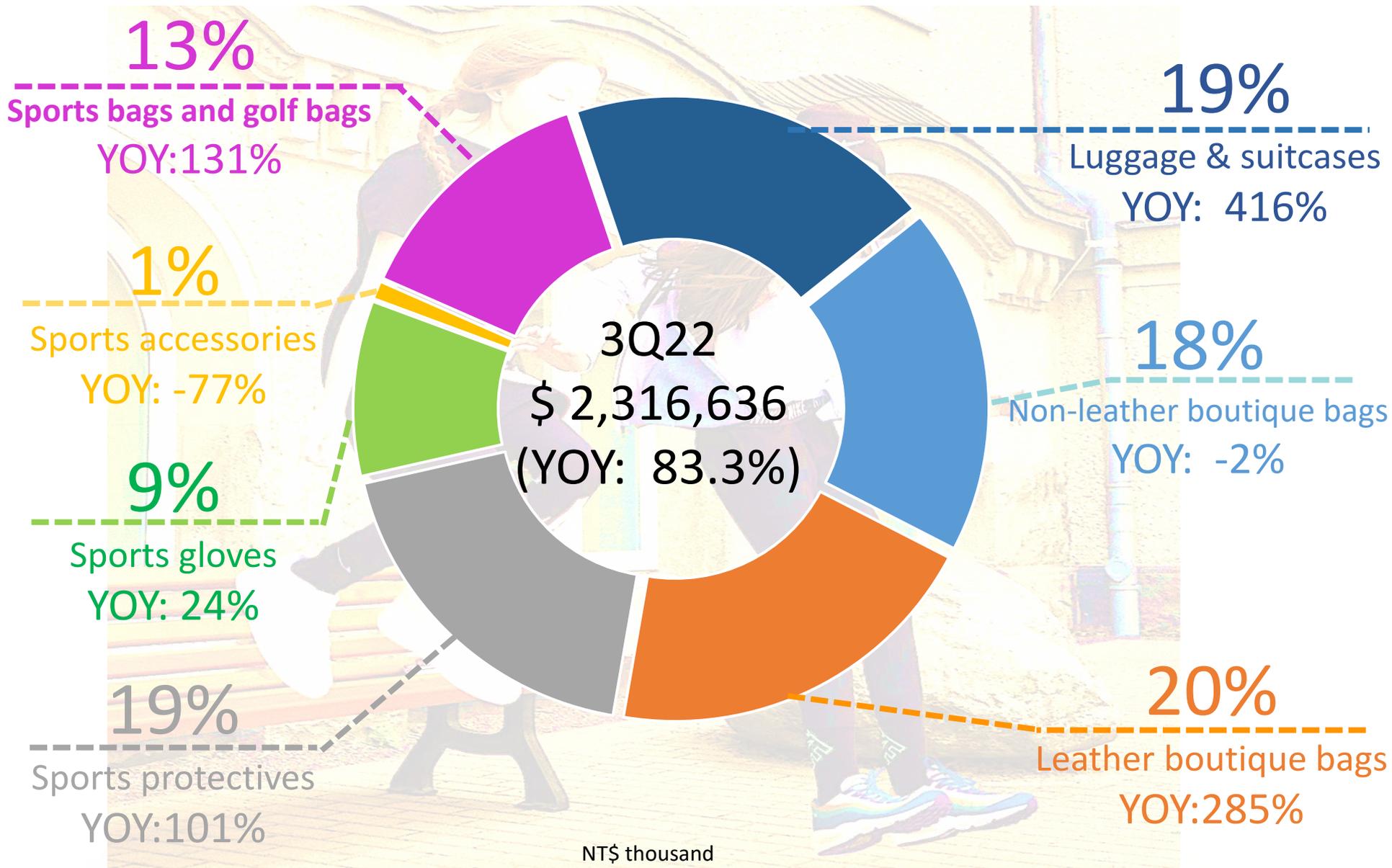
# Revenue ratio of our primary customers : 2021 vs. 9M22



# Consolidated sales breakdown 9M2022



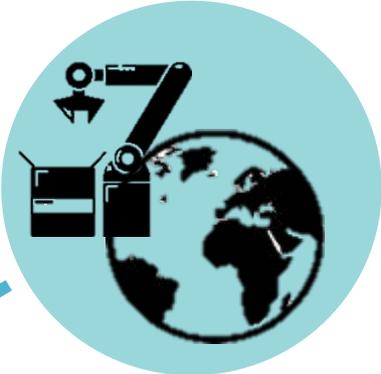
# Consolidated sales breakdown 3Q2022



# Our Competitive Strengths



**Strong R&D Capability**



**Regional layout of production bases**



**Diversified Customer Base with Prime Vendor Position**



**Providing customers with one-stop shopping service**

# Complex process and high entry barriers



## Why we are chosen – TUMI as an example

	TUMI	vs.	Other Brands
Production Steps	150 or more	vs.	40-60
Number of Parts	120 or more	vs.	50
Accuracy Tolerance	1 millimeter	vs.	5 millimeters
Length of training for skilled labor	18-24 months	vs.	3 months



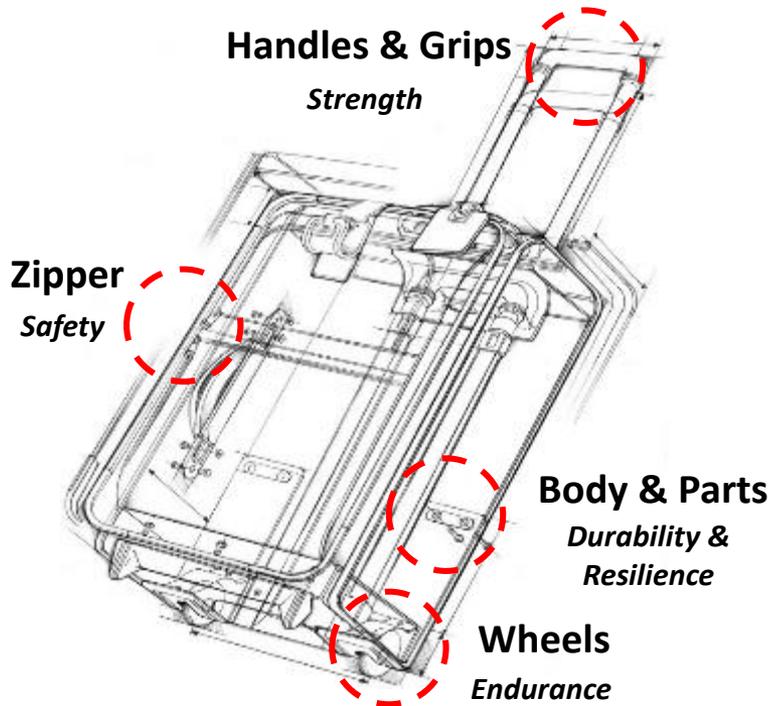
Environmental Cycle Test Machine



Drop and Tumble Test Machine



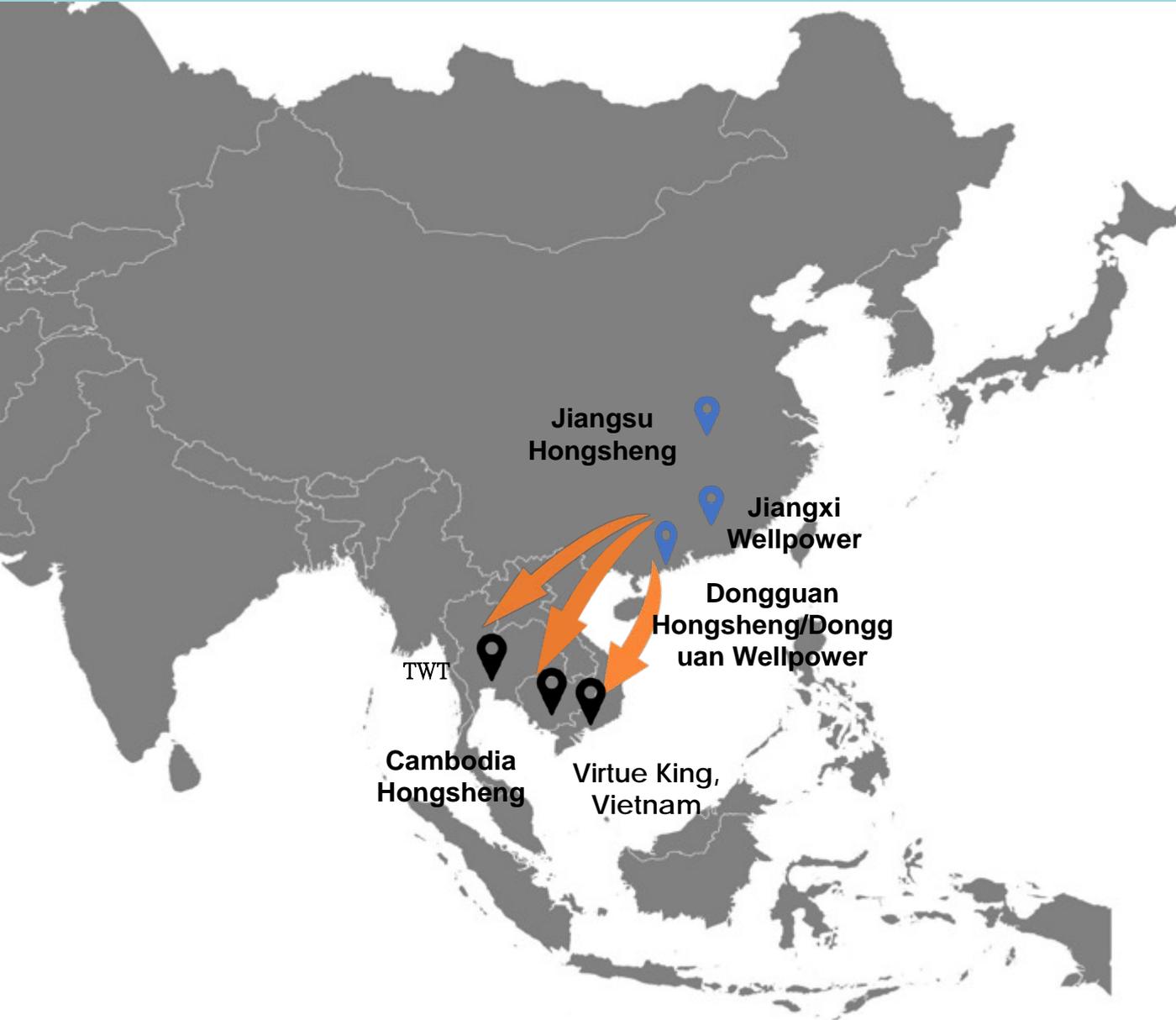
Salt Spray Test Machine



## For TUMI, products are put through 30 unique tests

1. Product Safety
2. Colorfastness to Crocking
3. Colorfastness to Water/Water Repellency
4. Colorfastness to Perspiration
5. Colorfastness to UV Fading
6. Oil Resistance
7. Clean Ability
8. Finish Adhesion
9. Abrasion Resistance
10. Bally Flex
11. Stiffness
12. Tensile Strength
13. Tear Strength
14. Seam Strength
15. Break/Pipiness
16. Shrinkage
17. Dimensional Stability
18. Salt Spray
19. Mini-Tumble
20. Operational Forces
21. Zipper Crosswise Strength
22. Zipper Puller Tensile Strength
23. Environmental Cycle
24. Handle Jerk/Strap Jerk
25. Drop Test
26. Tumble Test
27. Telescoping Handle Free Fall/Impact
28. Telescoping Handle Cycling
29. Mileage Cycle
30. Customized tests as required

# Regional layout of production bases



- We have multiple production bases in China and Southeast Asia, enabling us to support different customers faster than our peers in order for them to meet their domestic market needs, and at the same time obtain higher profits.
- Our regional layout allows us to diversify such risks as government trade policy changes or currency fluctuation.

# Possess a major supplier status and provide diverse products



Customer	Product	Estimated market share
TUMI	Business bag	40%
	Suitcase	50%
	Ladies bag	70%
Nike	Sports gloves	80%
	Sports protective gear	70%
	Sports bags	30%
Decathlon	Shin guard	60%
	Ski protective gear	70%
AWAY	Nylon bag	40%
Longchamp	Nylon bag	40%
Kipling	Nylon bag	30%

## Diversified customer base and major supplier status

- In addition to strong research and development capabilities, we can provide comprehensive standardized and customized services to meet customer needs, and help solve all the problems that the products will face when they are commercialized. This allows us to gain the status of a major supplier in the supply chain of many customers.
- According to our estimates, we account for 70% and 80% of Nike's global purchases of sports protective gear and sports gloves, respectively. In addition, we also account for 40% of TUMI's global purchases of bags and suitcases.

## Providing customers with one-stop shopping service

- We provide up to 90% of bags and suitcases as well as sports protective gear and peripheral products for customers to choose from. In total, we produce up to 22,000 product items.
- We have set up firewalls for customers' showrooms, and will never sell any of our customer's product design to other customers.
- The credit we have established allows us to provide services to major global brand customers.

6.4 billion

The latest high in revenue  
since listing  
YOY 66.56%

EPS 8.09

The latest high in EPS  
since listing

22%

Gross Profit Margin  
record high  
YOY + 10 PPT

9%

Operating Profit  
Margin record high  
YOY + 10 PPT

9%

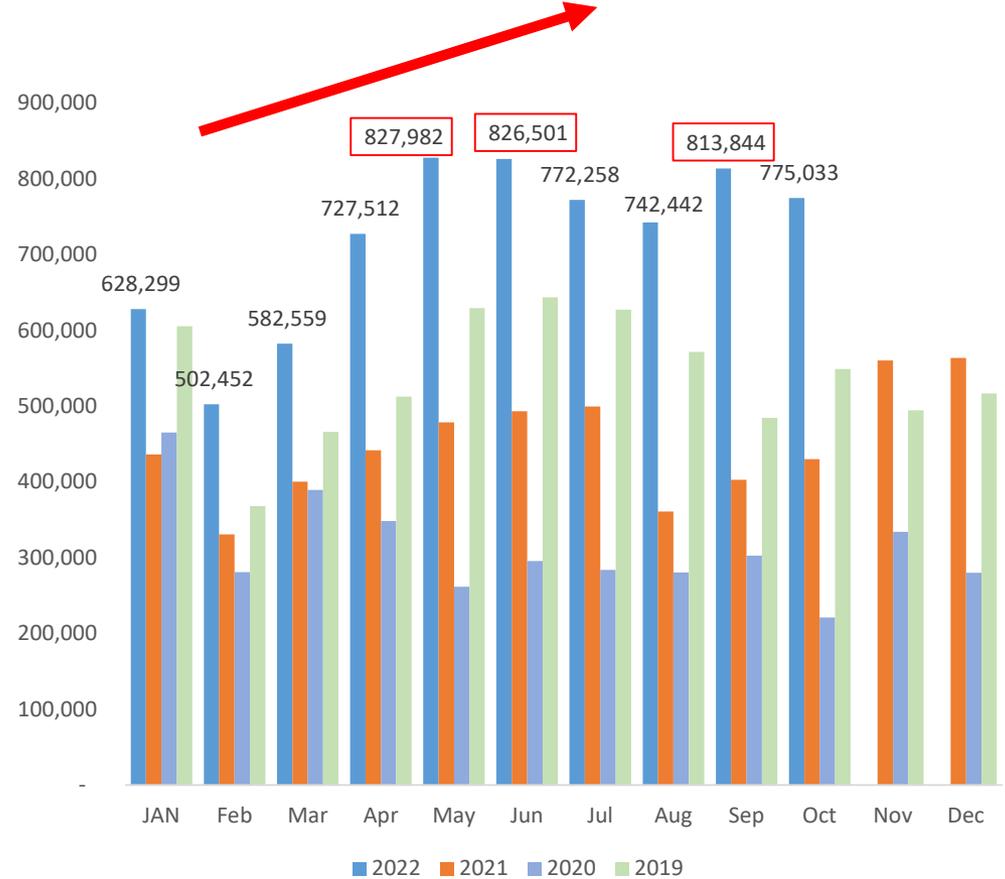
Profit rate record high  
YOY + 9 PPT



# Consolidated Monthly Revenue



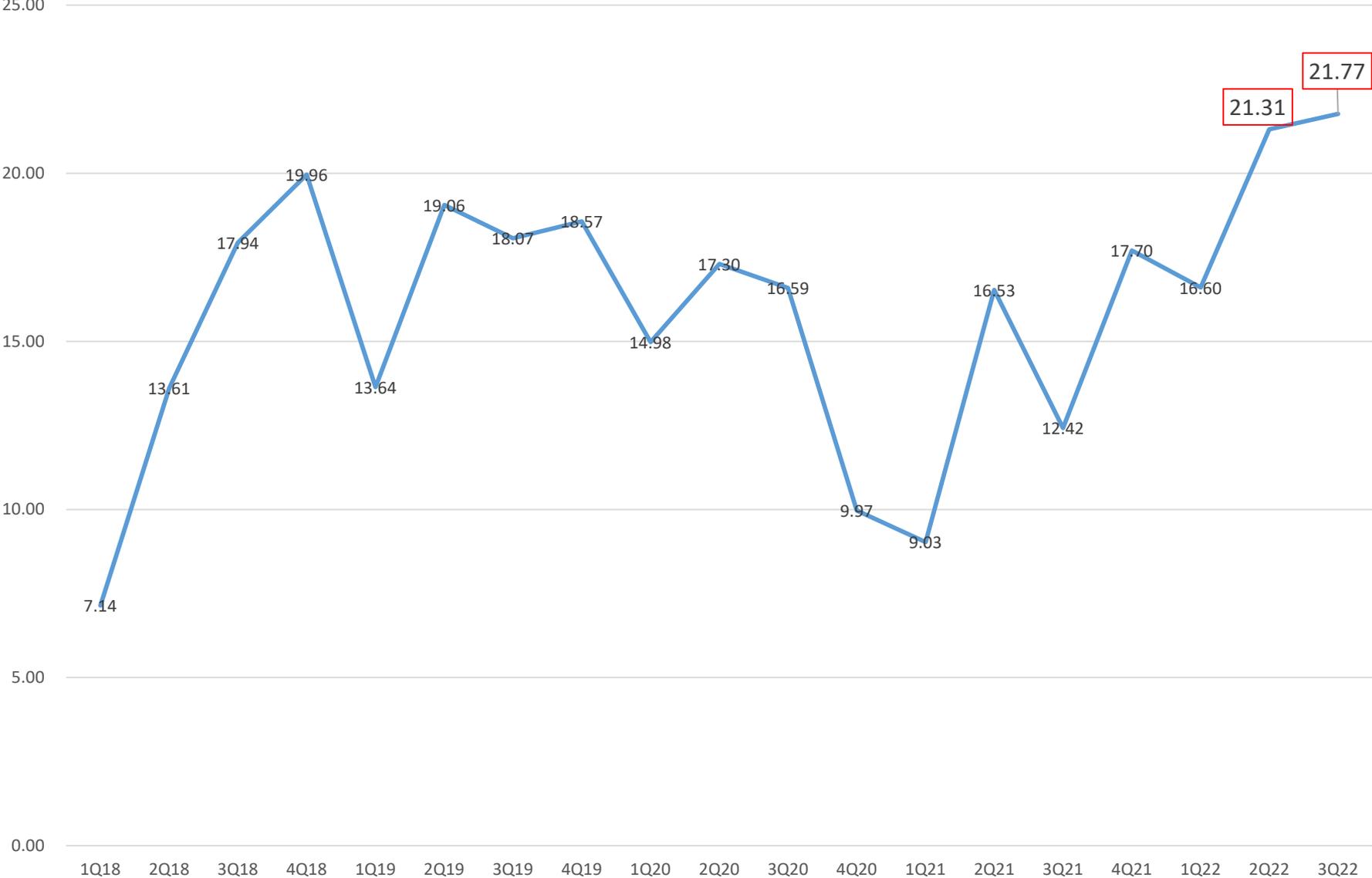
	2022	2021	2020	2019
JAN	628,299	436,365	465,309	605,470
Feb	502,452	331,062	280,843	368,173
Mar	582,559	400,487	389,326	466,198
Apr	727,512	442,003	348,470	512,553
May	827,982	478,925	261,707	629,445
Jun	826,501	493,224	295,751	643,766
Jul	772,258	499,506	284,144	627,520
Aug	742,442	361,070	280,645	571,893
Sep	813,844	402,938	302,801	484,683
Oct	775,033	430,275	221,301	549,242
Nov		560,352	334,076	494,757
Dec		563,944	280,186	516,752
<b>TOTAL</b>	<b>7,186,079</b>	<b>5,401,151</b>	<b>3,744,559</b>	<b>6,470,452</b>



**YOY 68%**      **YOY 44%**

NT\$ thousand

# Quarterly Gross Profit Trend



# Balance Sheet



NT\$m	2019	2020	2021	2021.9.30	2022.9.30	YoY (%)		
						2020	2021	3Q22
<b>Total Assets</b>	<b>4,522</b>	<b>3,632</b>	<b>5,026</b>	<b>4,629</b>	<b>6,719</b>	<b>(19.7)</b>	<b>38.4</b>	<b>45.2</b>
Cash	481	572	518	686	847	19.0	(9.5)	23.6
AR & NR	1,236	700	1,493	1,129	2,211	(43.3)	113.1	95.8
Inventories	841	699	1,048	921	1,240	(16.9)	50.0	34.7
Fixed Assets	889	817	802	785	846	(8.1)	(1.9)	7.7
<b>Total Liabilities</b>	<b>2,663</b>	<b>1,957</b>	<b>3,342</b>	<b>3,014</b>	<b>4,467</b>	<b>(26.5)</b>	<b>70.7</b>	<b>48.2</b>
AP & NP	567	368	943	810	1,022	(35.1)	156.5	26.1
<b>Total Equity</b>	<b>1,858</b>	<b>1,675</b>	<b>1,684</b>	<b>1,615</b>	<b>2,252</b>	<b>(9.9)</b>	<b>0.6</b>	<b>39.4</b>
<b>Key Financial Ratios (%)</b>								
A/R Turnover Days	63.8	93.1	73.1	65.2	79.2			
Inventory Turnover Days	58.5	86.9	67.9	66.2	61.3			
A/P Turnover Days	36.7	52.7	51.0	48.2	52.7			
Cash Conversion Days	85.6	127.3	90.0	83.2	87.8			
ROE (%)	13.6	(8.7)	4.5	1.4	32.9			
ROA (%)	4.9	(3.8)	1.7	0.6	11.0			
Net debt (cash)/Equity (%)	29.8	16.6	43.2	31.9	28.7			

# Income Statement



NT\$m	2019	2020	2021	3Q21	1Q22	2Q22	3Q22	YoY (%)			
								2020	2021	3Q22	9M22
<b>Revenue</b>	<b>6,458</b>	<b>3,742</b>	<b>5,400</b>	<b>1,262</b>	<b>1,716</b>	<b>2,372</b>	<b>2,314</b>	<b>(42.1)</b>	<b>44.3</b>	<b>83.3</b>	<b>66.6</b>
COGS	5,329	3,189	4,627	1,105	1,431	1,867	<b>1,810</b>	<b>(40.1)</b>	45.1	63.7	52.6
Gross Profit	1,129	552	773	157	286	505	<b>504</b>	<b>(51.1)</b>	39.9	221.4	160.7
Operating Expenses	<b>(878)</b>	<b>(665)</b>	<b>(699)</b>	(167)	<b>(207)</b>	<b>(290)</b>	<b>(296)</b>	<b>(24.3)</b>	5.2	77.0	59.6
<b>Operating Profit</b>	<b>251</b>	<b>(112)</b>	<b>73</b>	<b>(11)</b>	<b>79</b>	<b>215</b>	<b>207</b>	<b>(144.9)</b>	-	-	-
Non Operating Income/(Loss)	<b>(24)</b>	<b>(43)</b>	11	12	<b>(7)</b>	17	<b>23</b>	<b>76.0</b>	-	94.3	34.4
Pretax Income	226	<b>(155)</b>	84	1	72	232	<b>230</b>	<b>(168.7)</b>	-	21,401	2,134.3
Tax Expenses	<b>(14)</b>	2	(9)	1	<b>(7)</b>	<b>(17)</b>	<b>(25)</b>	-	-	(2,353.0)	650.4
<b>Net Income to Parent</b>	<b>212</b>	<b>(153)</b>	<b>75</b>	<b>2</b>	<b>65</b>	<b>215</b>	<b>205</b>	<b>(172.2)</b>	-	<b>9,317.0</b>	<b>2,686.6</b>
<b>Basic EPS (NT\$)</b>	<b>4.20</b>	<b>(2.56)</b>	<b>1.26</b>	<b>0.04</b>	<b>1.08</b>	<b>3.59</b>	<b>3.42</b>	<b>(161.0)</b>	-	<b>8,450.0</b>	<b>2,689.7</b>
<b>Key Financial Ratios (%)</b>											
Gross Margin	17.5	14.8	14.8	12.4	16.6	21.3	21.8				
Operating Expense Ratio	13.6	17.8	17.8	13.3	12.1	12.2	12.8				
Operating Margin	3.9	<b>(3.0)</b>	<b>(3.0)</b>	(0.8)	4.6	9.1	9.0				
Tax Rate	6.1	1.3	1.3	(103.5)	9.7	7.2	10.9				
Net Margin	3.3	<b>(4.1)</b>	<b>(4.1)</b>	0.2	3.8	9.1	8.9				

# Dividend Payout and Capex



(NT\$m)	2018	2019	2020	2021
Net profit	91	212	(153)	75
Dividend Paid	75	18	-	60
DPS (NT\$)	1.5	0.3	-	1
Payout ratio(%)	82.0%	7.1%	-	80%
Dividend yield	2.8%	0.7%	-	1.7%
Capex	143	86	50	85
Capex/Sales	2.3%	1.3%	1.3%	1.57%

## Notes:

1. WW Holding became listed on TAIEX on Nov 8, 2016.
2. Cash yield is calculated based on WW Holding's closing share price on Dec 9, 2020 and Jun 20, 2021.