

**Quang Viet Enterprise Co., Ltd. (4438 TT)**

**Investor Presentation**

**Redefining Efficiency. Rebuilding Value.**

**Date : 2025/10**

<https://www.qve.com.tw/>

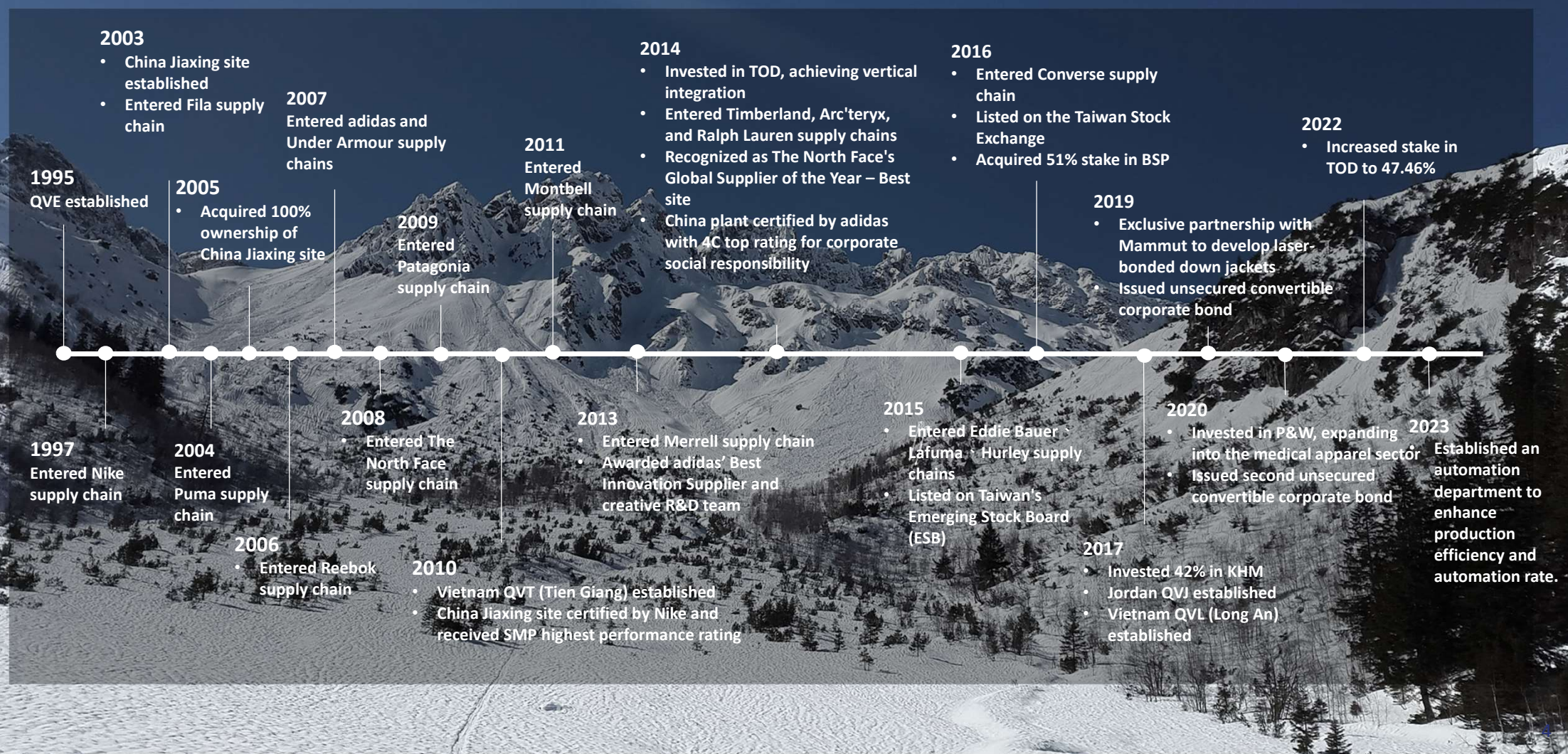
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# 1. Company Overview

# Milestone





# ABOUT



Founded in 1997, QVE is a trusted manufacturer for luxury outerwear and activewear. With deep expertise in functional garment engineering, we partner with Tier 1 brands such as Nike, adidas, North Face, Patagonia, Lululemon and Alo yoga to deliver scalable, agile, and vertically integrated solutions.

# QVE is One of the World's Top Three Luxury Functional Outerwear/Activewear Manufacturers

## Basic Information

Established	Oct-95
Stock Code	4438 TT
Chairman / CEO	Wu Chao-Pi / Tang Hsiang-Mei
Paid-in Capital	NT\$ 1.134 billion
Total Employees	Approx. 21,900 (including 211 in Taiwan)
Product Mix (2024)	Down Jackets (34.53%) 、 Fiberfill Jackets (23.26%) 、 Light Jackets and Coats (14.99%) 、 Knitwear (11.24%)

## Global Production Footprint

Region	Sites	Employees	Features
Vietnam	5	13,000	R&D base; tariff advantages from EU
China	2	2,000	R&D and sales focus on local market
Jordan	2	5,200	Duty-free to Europe; 20% US tariff advantage; key growth driver in 2025
Romania	1	455	Close to end customers in Europe; targets high-end market

## Our Clients Are All Globally Renowned Tier-1 Brands

### Luxury Outerwear



### Outerwear



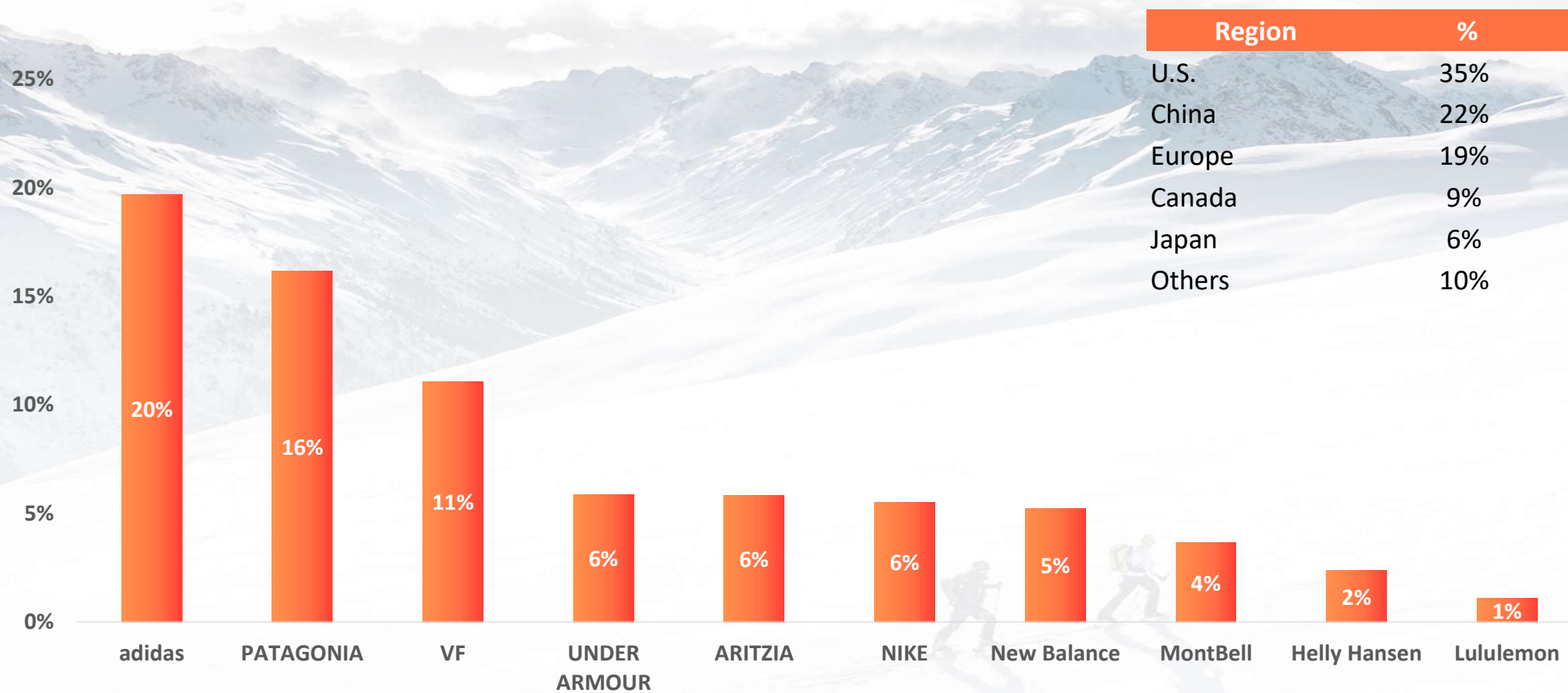
### Activewear



### Fashion wear

ARITZIA

## Consolidated Revenue by Customer and Region (2024)



## Key Drivers of Long-Term Partnerships with Global Brands

Scale

Flexibility

Speed

Quality

Delivery

Cost  
Efficiency

# Strategic Capacity Allocation for Supply Chain Stability

QVE' s Capacity Strategy: Tariff leverage, supply chain depth, and EU market proximity

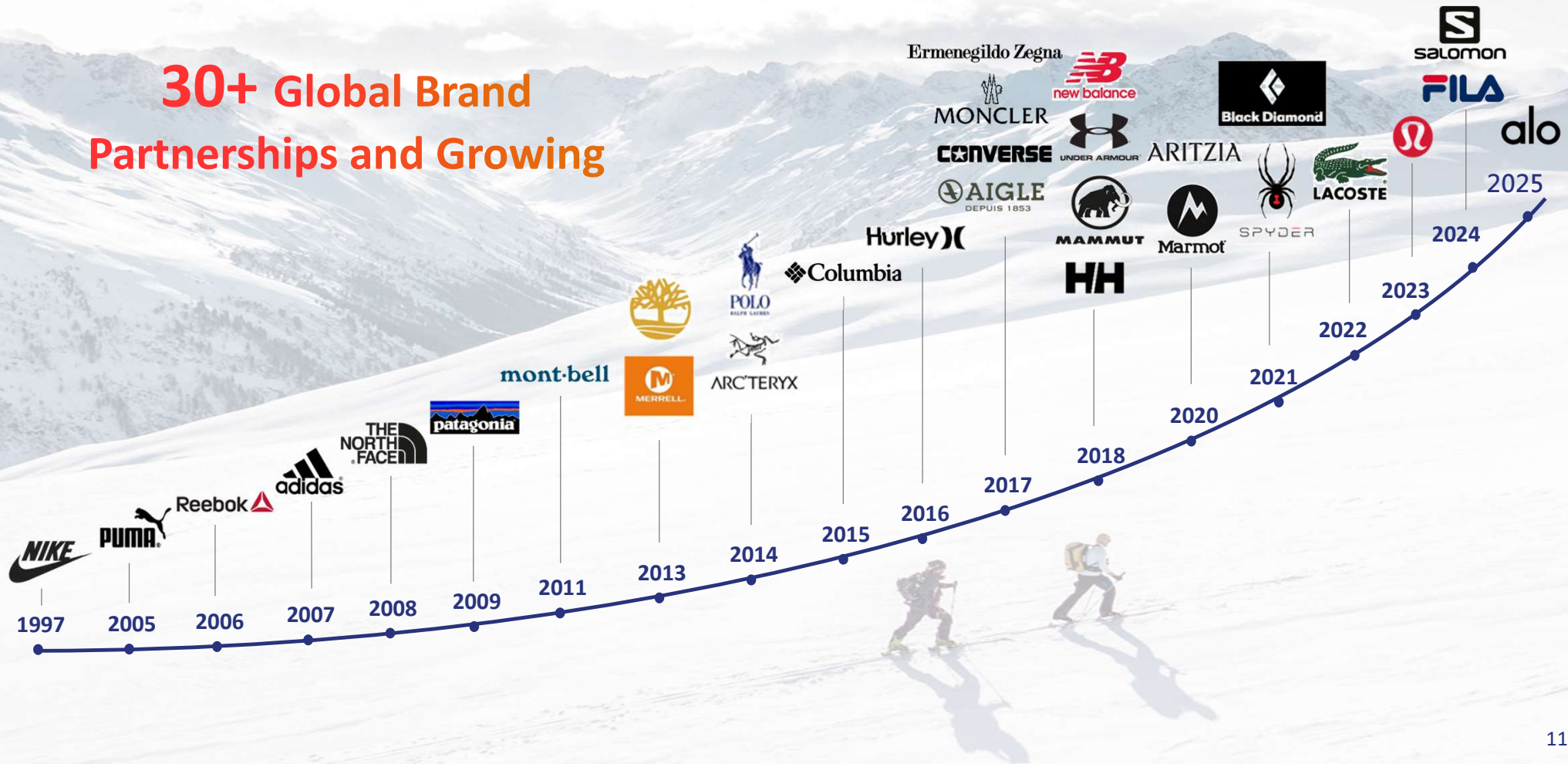


# Integrated & Flexible Production to Strengthen Supply Chain Resilience



# Proven Track Record & Strategic Pillars Earn Long-Term Brand Trust

**30+ Global Brand Partnerships and Growing**



## 2. Industry Overview

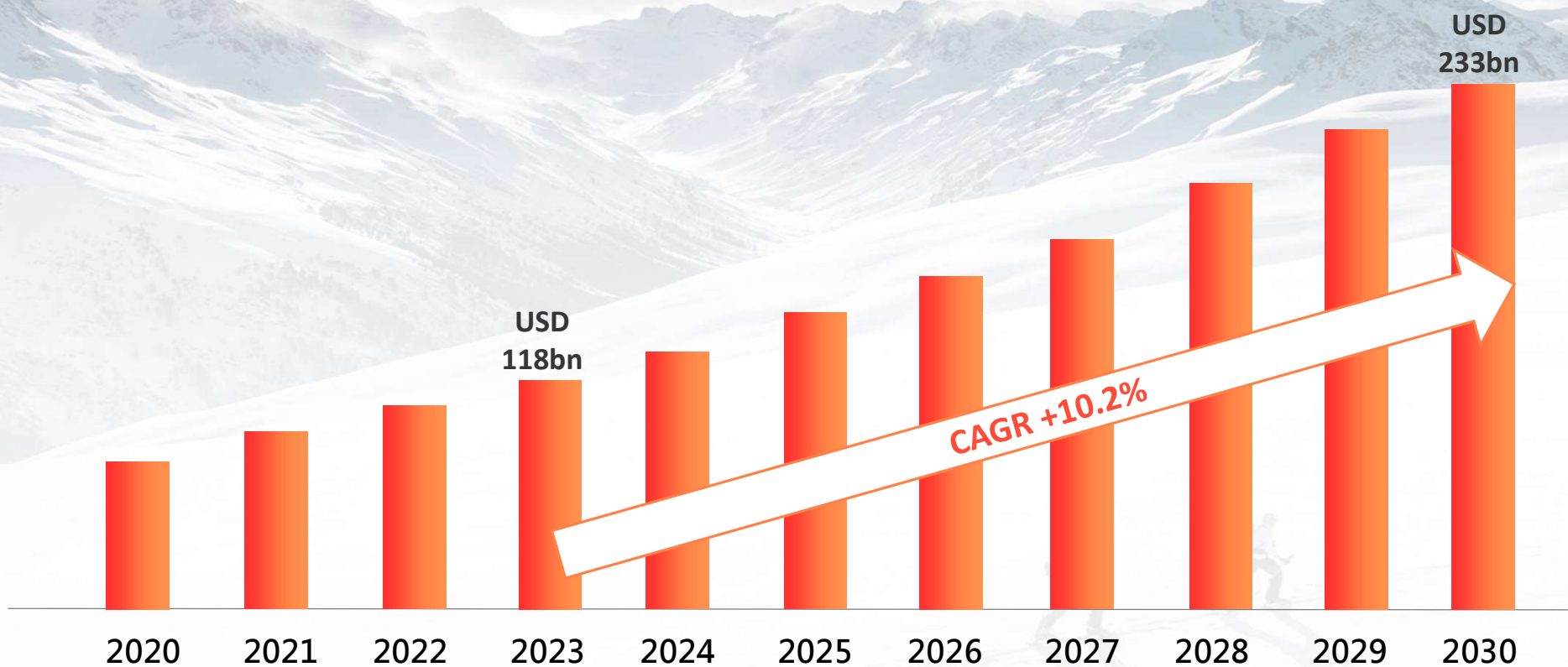


## Chairman Charles Wu

“Over the past five years, global sportswear suppliers have undergone consolidation and restructuring. Only about 15 now exceed USD 500 million in revenue — QVE among them. Entry barriers are rising, and existing players are gaining more orders.”

## The Global Sportswear Market Continues to Grow

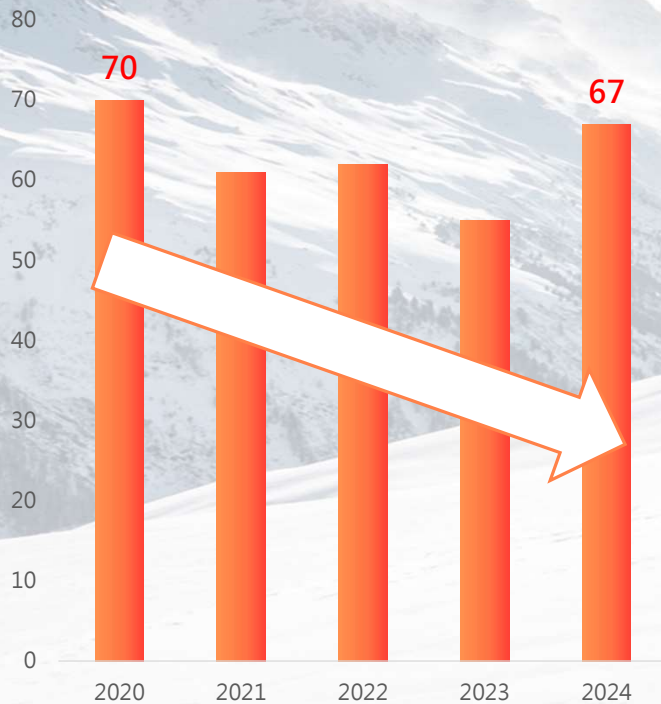
### Global Sportswear Market Size



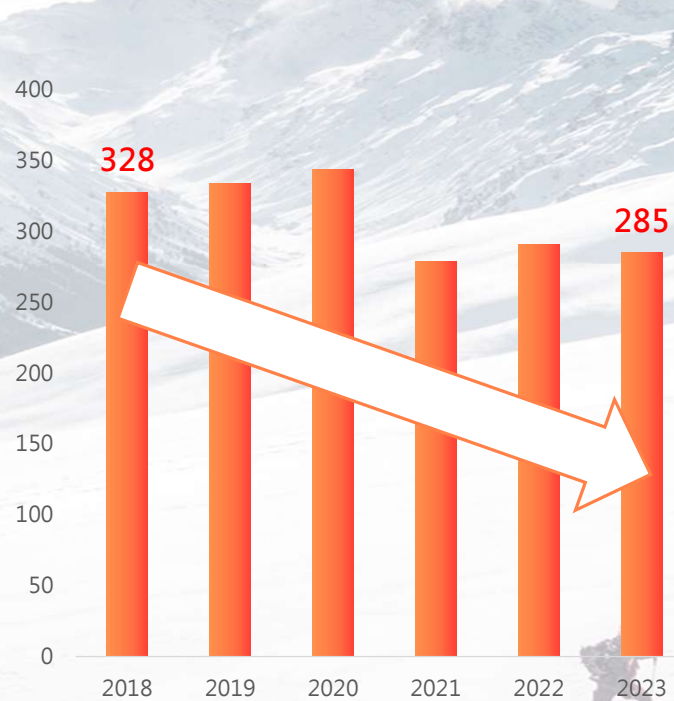
Source : Grand View Research

## Global Brands Continue to Streamline Supply Chains, Strengthening QVE's Competitive Moat

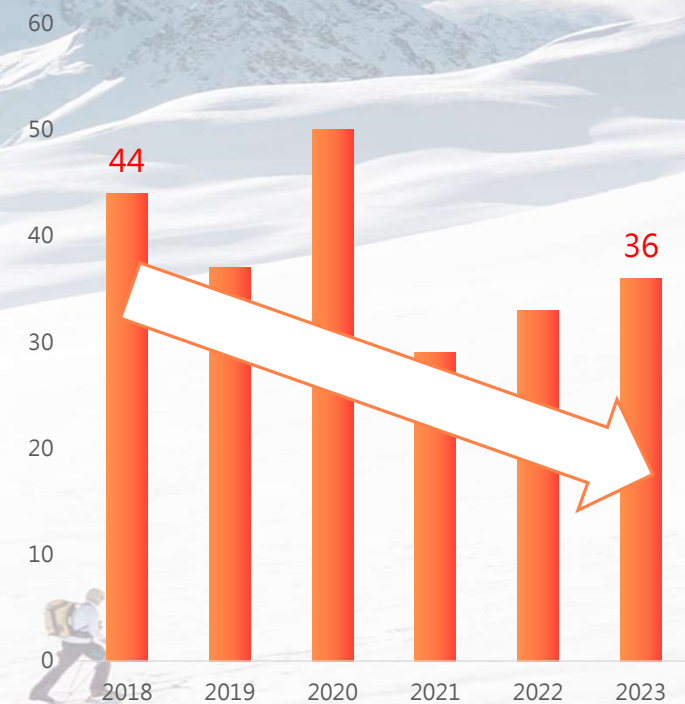
Number of Adidas Apparel Suppliers



Number of Nike Apparel Suppliers



Number of Under Armour Suppliers



Source: Brand's website

### 3. 2025-2026 Outlook

## 2025-2026 Outlook

### 2025 Revenue to Grow Double Digits; USD Sales to Reach Record High

- Benefiting from tariff advantages and new customer orders, full-year USD revenue in 2025 is expected to increase about 20% YoY, hitting a new record.
- As scale expands and efficiency reforms progress, operating margin has improved by 2 percentage points in the first half of 2025 and is expected to continue rising in the second half.

### 2026 Outlook

- Brand order momentum to continue, and Alo Yoga's shipment ramp-up.
- Profitability is expected to approach 2022 levels.

## Jordan Retains Significant Tariff Advantage — Becoming a Key Driver

- The U.S. tariff on apparel imported from Jordan is only 15%, significantly lower than other production bases, attracting global brands such as Alo Yoga to designate production lines there.
- Jordan’s shipment contribution is expected to rise from 8% in 2024 to 17% in 2025, and exceed 20% next year.
- Jordan is becoming QVE’s core hub for stable order fulfillment. Capacity has expanded 50% this year and turned profitable, with an additional 30% expansion planned for next year.

### U.S. Import Tariff Comparison – Textile-Producing Countries

Country	Avg. U.S. Import Tariffs by Country	Reciprocal tariff (7/31) (Signed or Negotiation)
Cambodia	17.8%	19%
Vietnam	18.5%	20%
Bangladesh	16.6%	20%
Indonesia	18.3%	19%
India	13.5%	25%
<b>Jordan</b>	0%	15%

Source: United States International Trade Commission (March 2025) (The average U.S. import tariff rate on garments from Indonesia before reciprocal tariffs is based on the 2023 average) ,The White House

## 4. Strategy & Targets

- Ice breaking Plan
- Operating Margin Target
- ROE Target

# QVE Icebreaking Plan: Driving Efficiency Through Management Upgrade



## **Operational Excellence Program**

- Accelerate smart manufacturing upgrades
- Build an integrated data system for analysis and response
- Standardize shift and workforce management

## **Order Profitability Optimization**

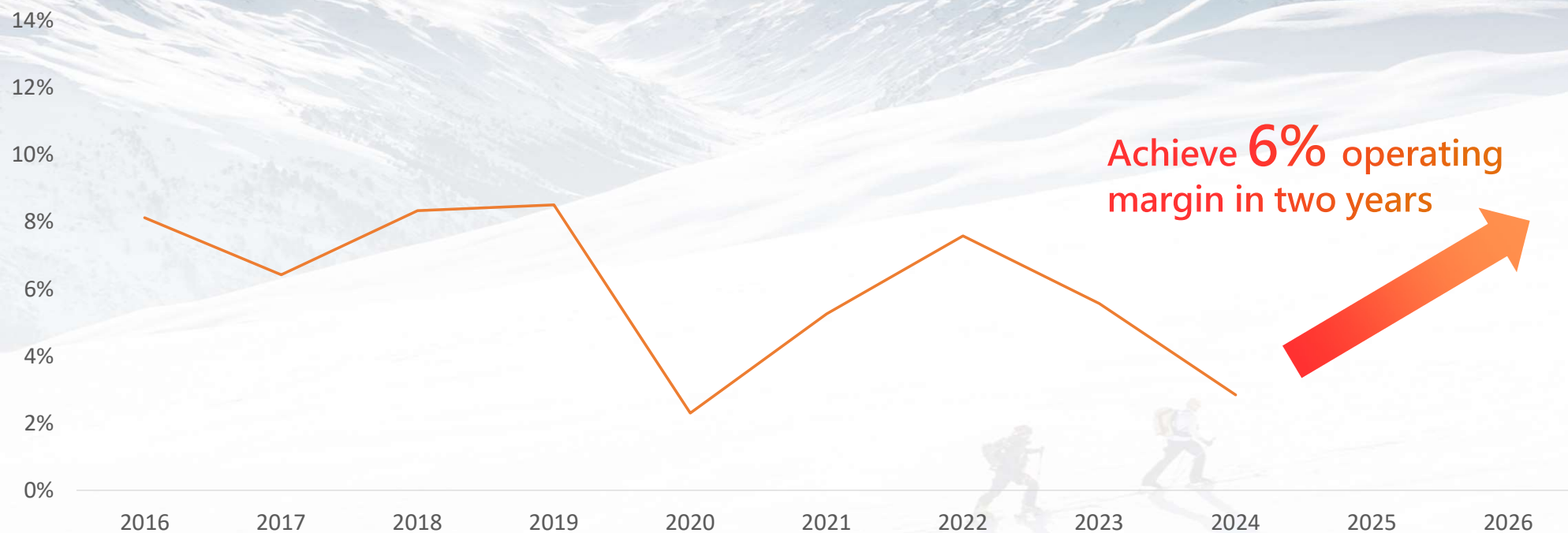
- Maximize site utilization and order margin
- Prioritize long-term customer value over volume

## **Disciplined Capital Expenditure**

- Prudent expansion strategy focused on maximizing capital utilization efficiency

## Focused on Enhancing Operating Margin

Operating margin



# China Site Icebreaking Delivers — Efficiency Up Nearly 25%

## How China Site Led the Efficiency Breakthrough

### Organizational Restructuring :

- Flattened and rejuvenated management layers to boost agility and communication.
- Introduced international management talent to deepen global client engagement.

### Cost Efficiency :

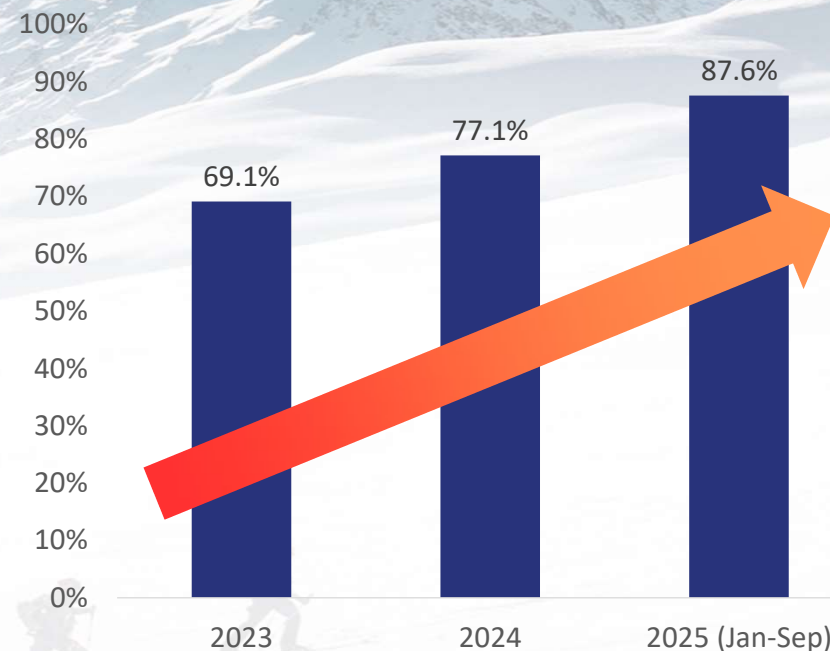
- Conducted detailed site-level cost breakdowns to optimize resource use and reduce waste.
- Implemented cost accountability to preserve contribution margins.

### Productivity Enhancement :

- Upgraded automation systems and extended automation to select manual steps (e.g., bundling) to improve process efficiency.

## Efficiency Up Nearly 25%

### Factory Efficiency



- Factory Efficiency = Standard Output Time ÷ Actual Input Time
- Source: Company data

**2025 China Site Revenue +60% YoY. Group revenue contribution rising from 13% → 18%**

## This is Just the Beginning...

### Proven Model Now Scaling Globally – Blueprint for Future Growth

2024

#### China Site

Efficiency model validated —  
foundation laid for global rollout

- ✓ Rolled out with continuous improvement underway

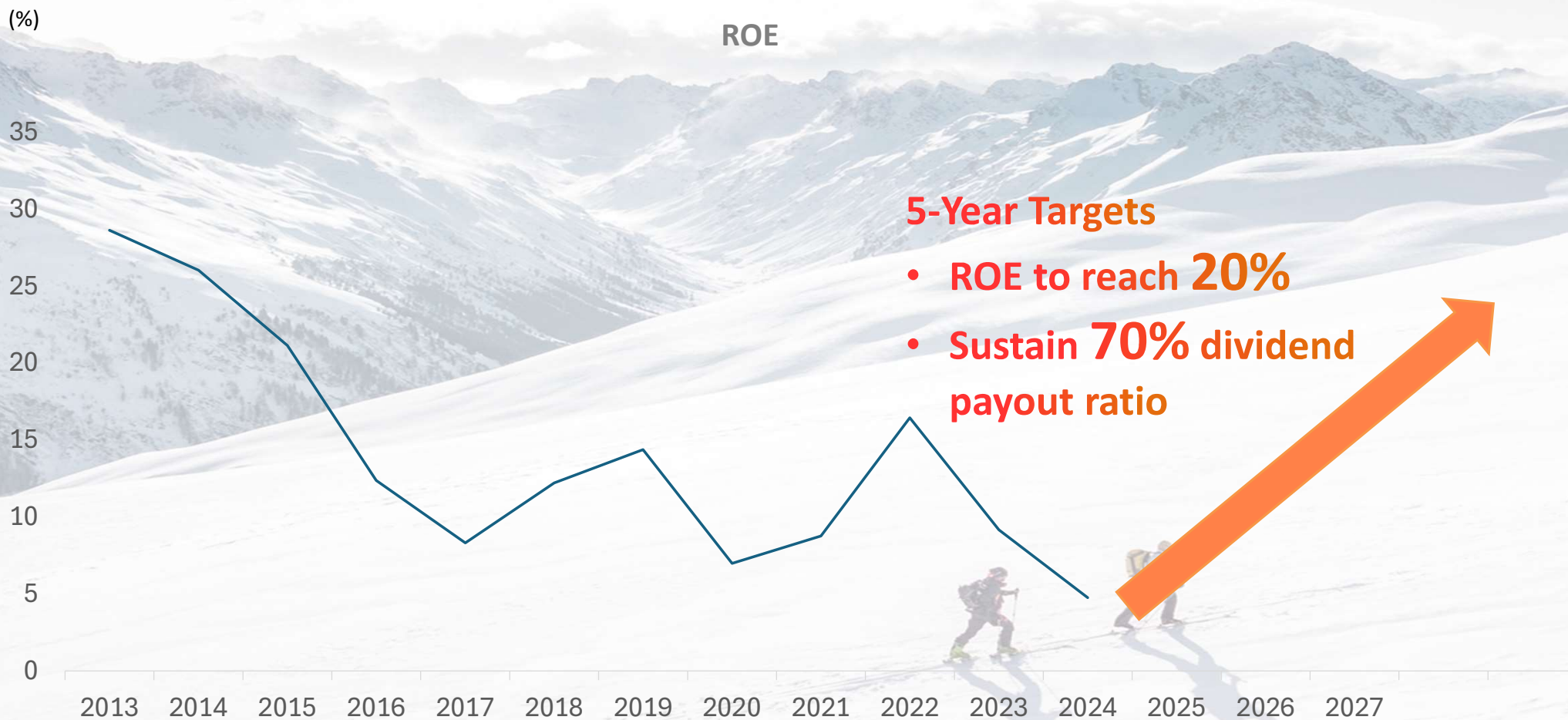
2025

#### Vietnam & Jordan Sites

Replicating proven success to boost  
efficiency across overseas sites

- ⌚ Deployment in progress

## Efficiency-Driven ROE Rebuild



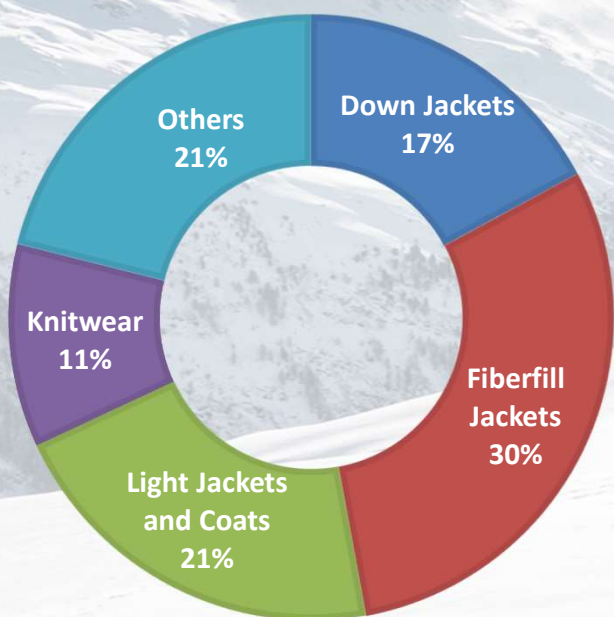
# 2Q25 Results

## 2Q25 Income Statement

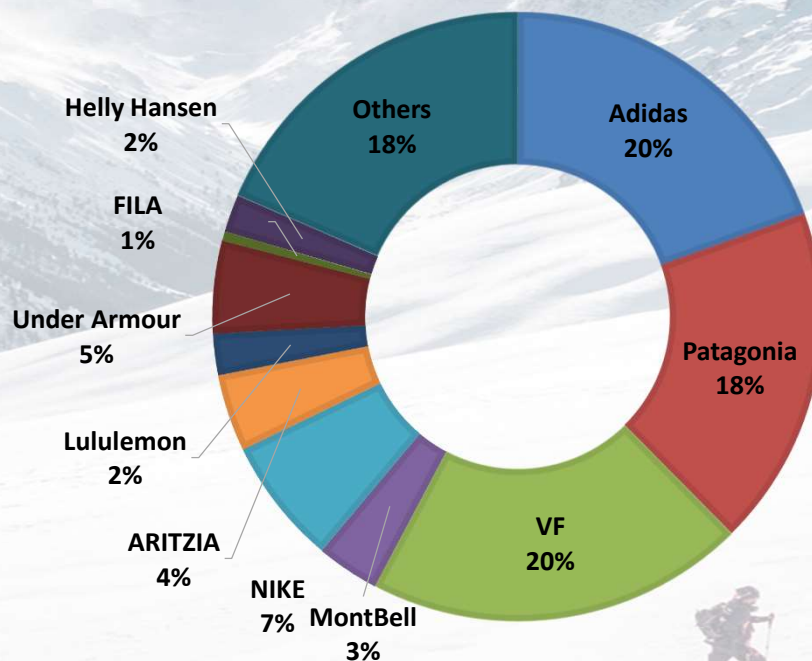
	2Q25	2Q24	YOY
(NT\$m)	Amount	Amount	%
<b>Revenue</b>	<b>4,805</b>	<b>4,133</b>	<b>16.3%</b>
Gross Profit	805	681	18.3%
Operating Expenses	(434)	(396)	9.6%
<b>Operating Profit</b>	<b>372</b>	<b>285</b>	<b>30.3%</b>
Net Non-Op gain/(loss)	(379)	39	-1075.6%
Pretax Income	(7)	324	-102.2%
Tax Expense	(25)	(80)	-68.5%
Minority Interest	3	30	-89.9%
<b>Net Income to Parent</b>	<b>(35)</b>	<b>214</b>	<b>-116.6%</b>
<b>Basic EPS (NT\$)</b>	<b>(0.34)</b>	<b>2.07</b>	<b>-116.4%</b>
<b>Key Financial Ratio (%)</b>			
Gross Margin	16.8%	16.5%	
Operating expenses Ratio	9.0%	9.6%	
Operating Margin	7.7%	6.9%	
Net margin	-0.7%	5.2%	

# 2Q25 Product and Customer Mix

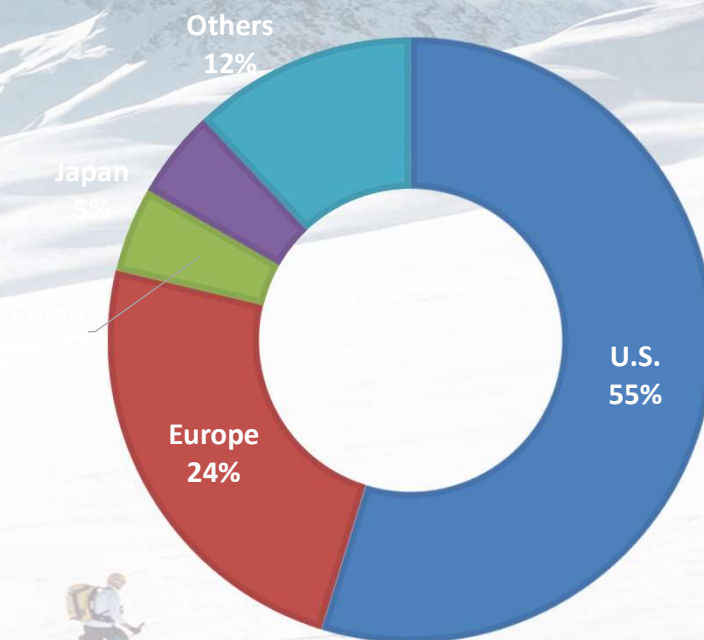
2Q25 PRODUCT MIX



2Q25 CUSTOMER MIX



2Q25 REGION



## 1H25 Income Statement

	1H25	1H24	YOY
(NT\$m)	Amount	Amount	%
<b>Revenue</b>	<b>7,561</b>	<b>6,500</b>	<b>16.3%</b>
Gross Profit	1,086	854	27.1%
Operating Expenses	(832)	(763)	9.0%
<b>Operating Profit</b>	<b>254</b>	<b>91</b>	<b>178.6%</b>
Net Non-Op gain/(loss)	(400)	125	-419.4%
Pretax Income	(146)	217	-167.5%
Tax Expense	(25)	(63)	-59.9%
Minority Interest	(6)	55	-111.3%
<b>Net Income to Parent</b>	<b>(165)</b>	<b>98</b>	<b>-268.3%</b>
<b>Basic EPS (NT\$)</b>	<b>(1.60)</b>	<b>0.95</b>	<b>-268.4%</b>
<b>Key Financial Ratio (%)</b>			
Gross Margin	14.4%	13.1%	
Operating expenses Ratio	11.0%	11.7%	
Operating Margin	3.4%	1.4%	
Net margin	-2.2%	1.5%	

## 2Q25 Balance Sheet

(NT\$m)	2Q25		2Q24		YoY (%)
	Amount	%	Amount	%	
Cash and Cash Equivalents	1,926	10	2,067	11	(6.8)
Notes & Accounts Receivable, Net	2,607	13	2,710	14	(3.8)
Inventories	7,122	35	5,461	29	30.4
Other Current Assets	2,309	11	2,964	15	(22.1)
Long-term Investments	470	2	319	2	47.5
Fixed Assets	3,607	18	3,535	18	2.0
Other Long-term Assets	2,047	10	2,098	11	(2.4)
<b>Total Assets</b>	<b>20,088</b>	<b>100</b>	<b>19,154</b>	<b>100</b>	<b>4.9</b>
Current Liabilities	10,206	51	6,873	36	48.5
LT Debt	546	3	460	2	18.6
Other Non-Current Liabilities	500	2	2,093	11	(76.1)
<b>Total Liabilities</b>	<b>11,252</b>	<b>56</b>	<b>9,426</b>	<b>49</b>	<b>19.4</b>
Common Stock	1,034	5	1,034	5	0.0
<b>Total Equity</b>	<b>8,836</b>	<b>44</b>	<b>9,727</b>	<b>51</b>	<b>(9.2)</b>
Book Value per Share (NT\$)	85.4		94.1		
<b>Key Financial Ratios (%)</b>					
A/R Turnover Days	50.5		65.1		
Inventory Turnover Days	143.5		146.5		
A/P Turnover Days	32.0		30.1		
Cash Conversion Days	162.0		181.5		
ROE (%)	-1.5		8.9		
ROA (%)	-0.7		4.5		

# Q&A