

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

Investor Presentation

Redefining Efficiency. Rebuilding Value.

Date : 2025/11

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

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Agenda

- 3Q25 Results & Outlook
- Company Overview & Strategy

3Q25 Results & Outlook

3Q25 Income Statement

- Operating margin rose to **8.6%** in 3Q25 (up 0.2 percentage points YoY), marking the third consecutive quarter of year-on-year improvement.

	3Q25	3Q24	YOY
(NT\$m)	Amount	Amount	%
Revenue	7,271	6,584	10.4%
Gross Profit	1,093	1,000	9.4%
Operating Expenses	(470)	(447)	5.1%
Operating Profit	623	552	12.8%
Net Non-Op gain/(loss)	60	(29)	-303.4%
Pretax Income	683	523	30.7%
Tax Expense	(148)	(119)	24.8%
Minority Interest	17	14	25.1%
Net Income to Parent	518	391	32.7%
Basic EPS (NT\$)	5.05	3.78	33.6%
Key Financial Ratio (%)			
Gross Margin	15.0%	15.2%	
Operating expenses Ratio	6.5%	6.8%	
Operating Margin	8.6%	8.4%	
Net margin	7.1%	5.9%	

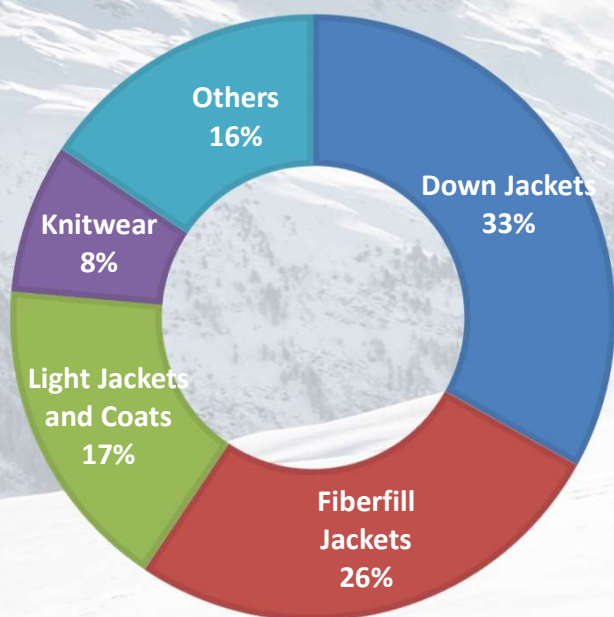
9M25 Income Statement

- Operating margin for the first nine months reached 5.9%, up 1 percentage point year over year.

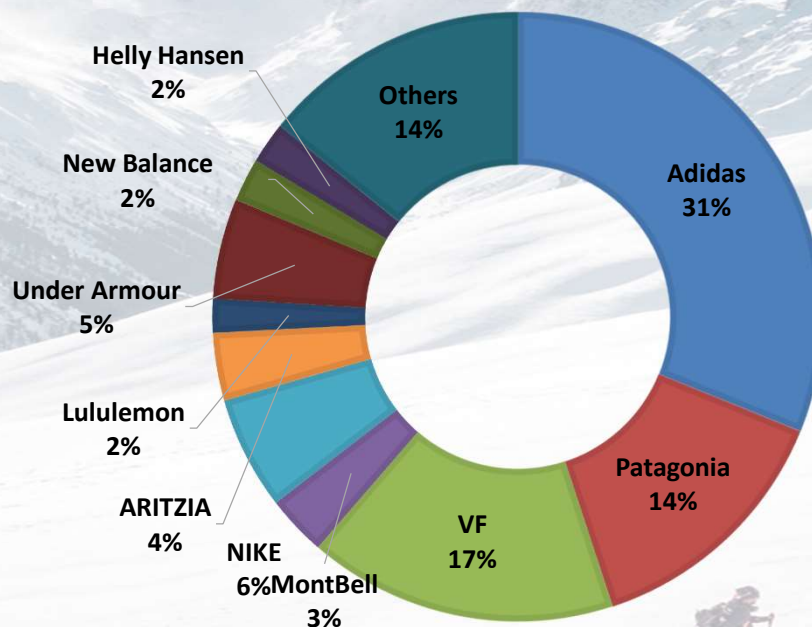
	9M25	9M24	YOY
(NT\$m)	Amount	Amount	%
Revenue	14,832	13,085	13.4%
Gross Profit	2,180	1,854	17.6%
Operating Expenses	(1,302)	(1,211)	7.6%
Operating Profit	877	644	36.3%
Net Non-Op gain/(loss)	(340)	96	-455.0%
Pretax Income	537	739	-27.4%
Tax Expense	(173)	(182)	-4.6%
Minority Interest	11	69	-84.2%
Net Income to Parent	353	489	-27.8%
Basic EPS (NT\$)	3.45	4.73	-27.1%
Key Financial Ratio (%)			
Gross Margin	14.7%	14.2%	
Operating expenses Ratio	8.8%	9.3%	
Operating Margin	5.9%	4.9%	
Net margin	2.4%	3.7%	

9M25 Product and Customer Mix

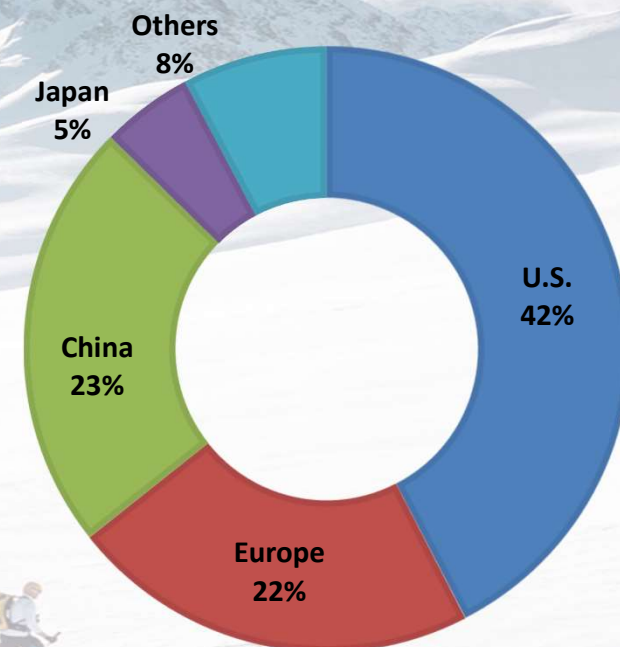
9M25 PRODUCT MIX



9M25 CUSTOMER MIX



9M25 REGION



3Q25 Balance Sheet

(NT\$m)	3Q25		3Q24		YoY (%)
	Amount	%	Amount	%	
Cash and Cash Equivalents	3,243	15	1,796	10	80.6
Notes & Accounts Receivable, Net	5,672	25	3,480	19	63.0
Inventories	4,785	22	3,821	21	25.2
Other Current Assets	2,325	10	3176	17	(26.8)
Long-term Investments	448	2	371	2	20.8
Fixed Assets	3,683	17	3,504	19	5.1
Other Long-term Assets	2,092	9	2,106	12	(0.7)
Total Assets	22,249	100	18,253	100	21.9
Current Liabilities	10,216	46	5,679	31	79.9
LT Debt	475	2	383	2	24.2
Other Non-Current Liabilities	1,323	6	2,064	11	(35.9)
Total Liabilities	12,014	54	8,126	45	47.8
Common Stock	1,601	7	1,034	6	54.8
Total Equity	10,234	46	10,127	55	1.1
Book Value per Share (NT\$)					
Key Financial Ratios (%)					
A/R Turnover Days	57.4		54.8		
Inventory Turnover Days	63.6		56.0		
A/P Turnover Days	19.5		12.3		
Cash Conversion Days	101.5		98.6		
ROE (%)	20.4		15.3		
ROA (%)	10.2		8.5		

4Q25, 2025 and 2026 Outlook

4Q25: Peak Season Momentum Sustained, Profitability to Reach New High

- Orders from Jordan and existing customers continued to rise, driving shipment recovery.
- Revenue and operating margin are expected to exceed the same period last year.

2025: Growth Driven by Existing Customers, Operational Structure Further Optimized

- Full-year revenue is expected to deliver double-digit growth, mainly supported by increased orders from key brands and production efficiency across sites.
- Ongoing efficiency reforms and stronger contribution from existing customers will further expand market share.

2026: Alo Yoga Ramp-Up to Accelerate Growth, Starting a New Cycle

- Orders from existing brand customers remain solid, supporting sustained growth momentum.
- Alo Yoga's shipment ramp-up, combined with deeper efficiency improvements, will further enhance revenue and profitability, with the operating margin targeting to surpass the 7.6% pre-pandemic peak.

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%
Jordan	0%	15%

資料來源：美國國際貿易委員會 (2025/3) (印尼對等關稅前成衣輸美平均稅率為2023年平均), The White House

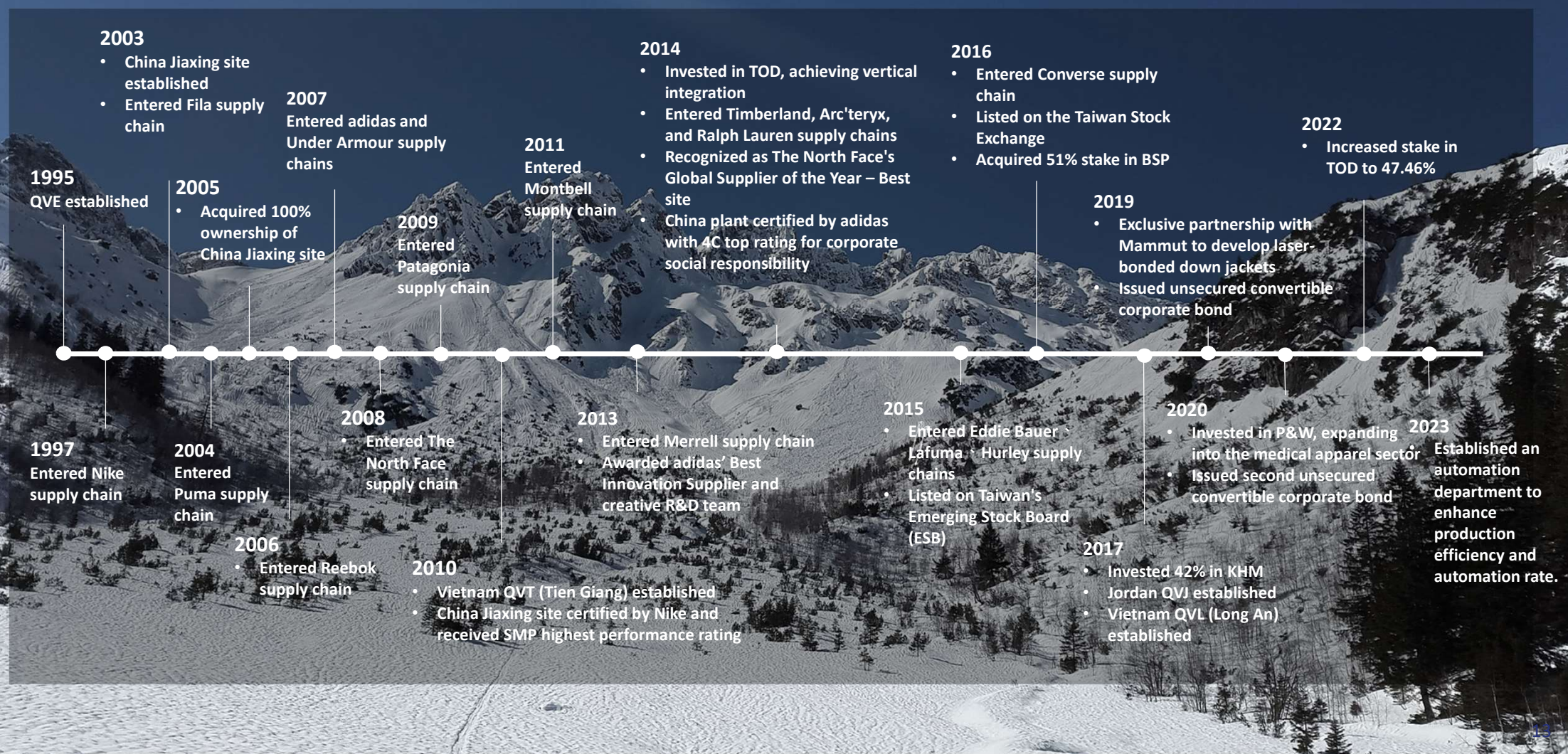
1. Company Overview



Chairman Charles Wu

“Over the past five years, global sportswear suppliers have declined by 20%. Only about 15 now exceed USD 500 million in annual revenue — QVE among them. Entry barriers are rising, and existing players are gaining more orders.”

Milestone





ABOUT QVE

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; 15% 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



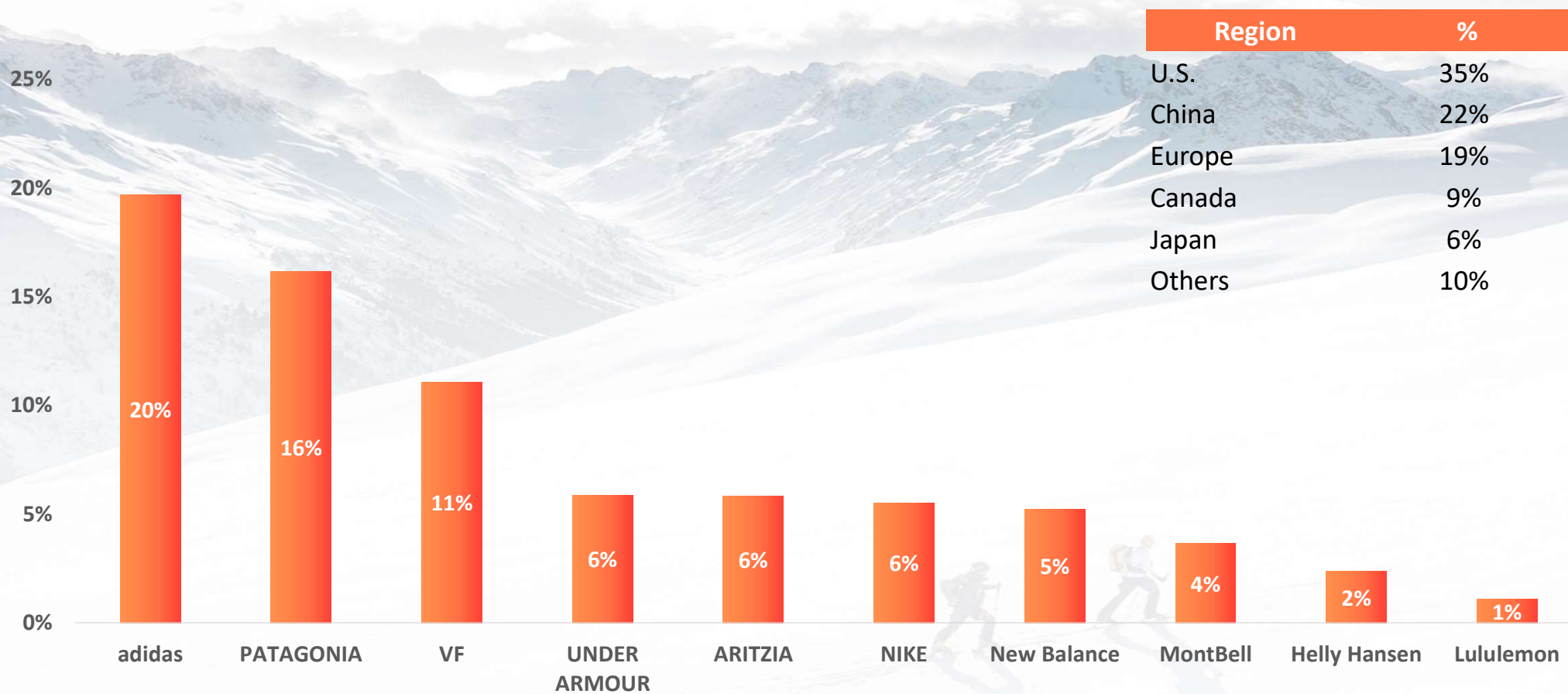
Activewear



Fashion wear

ARITZIA

Consolidated Revenue by Customer and Region (2024)



Strategic Capacity Allocation for Supply Chain Stability

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

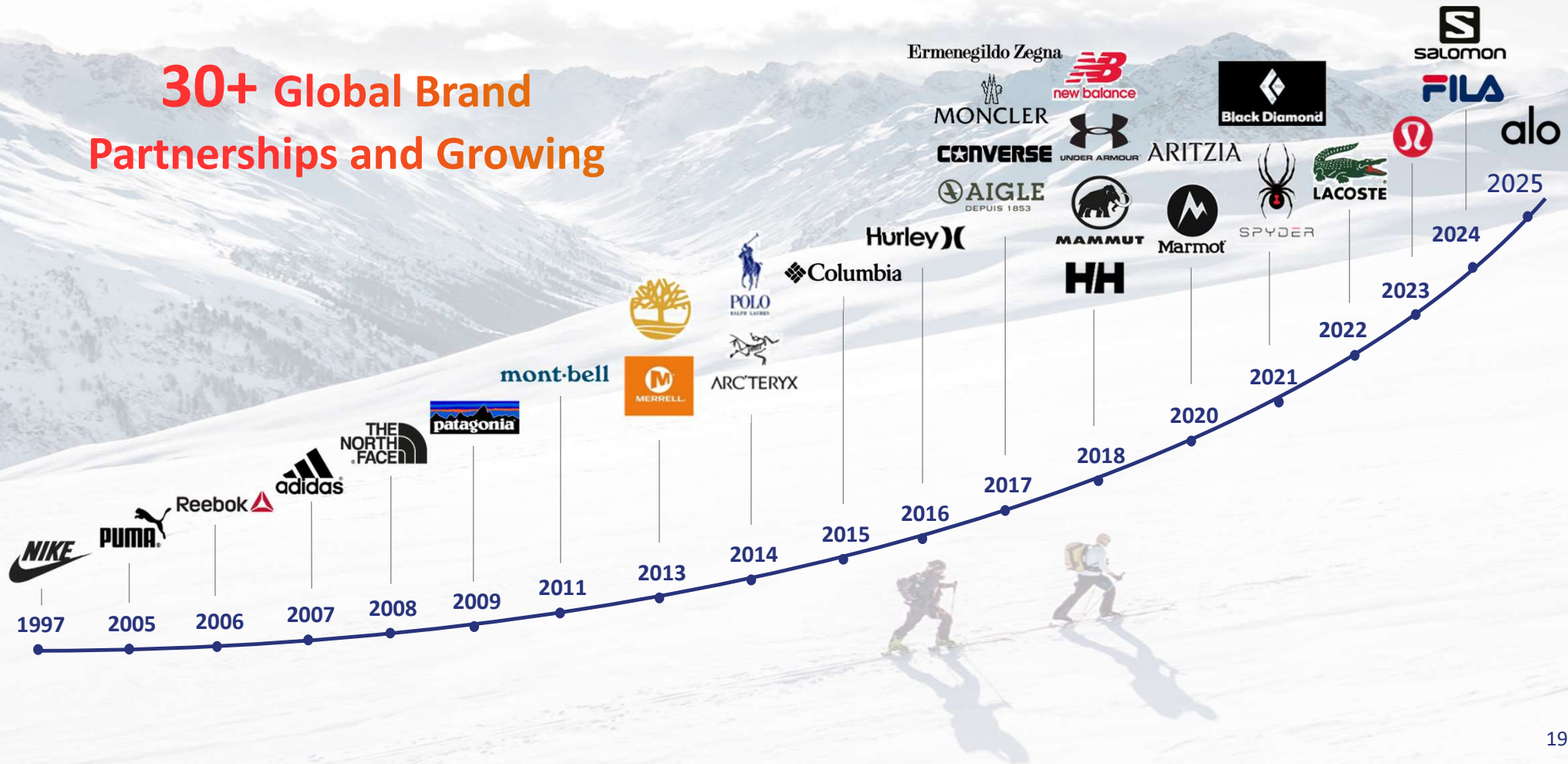


Integrated & Flexible Production to Strengthen Supply Chain Resilience



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

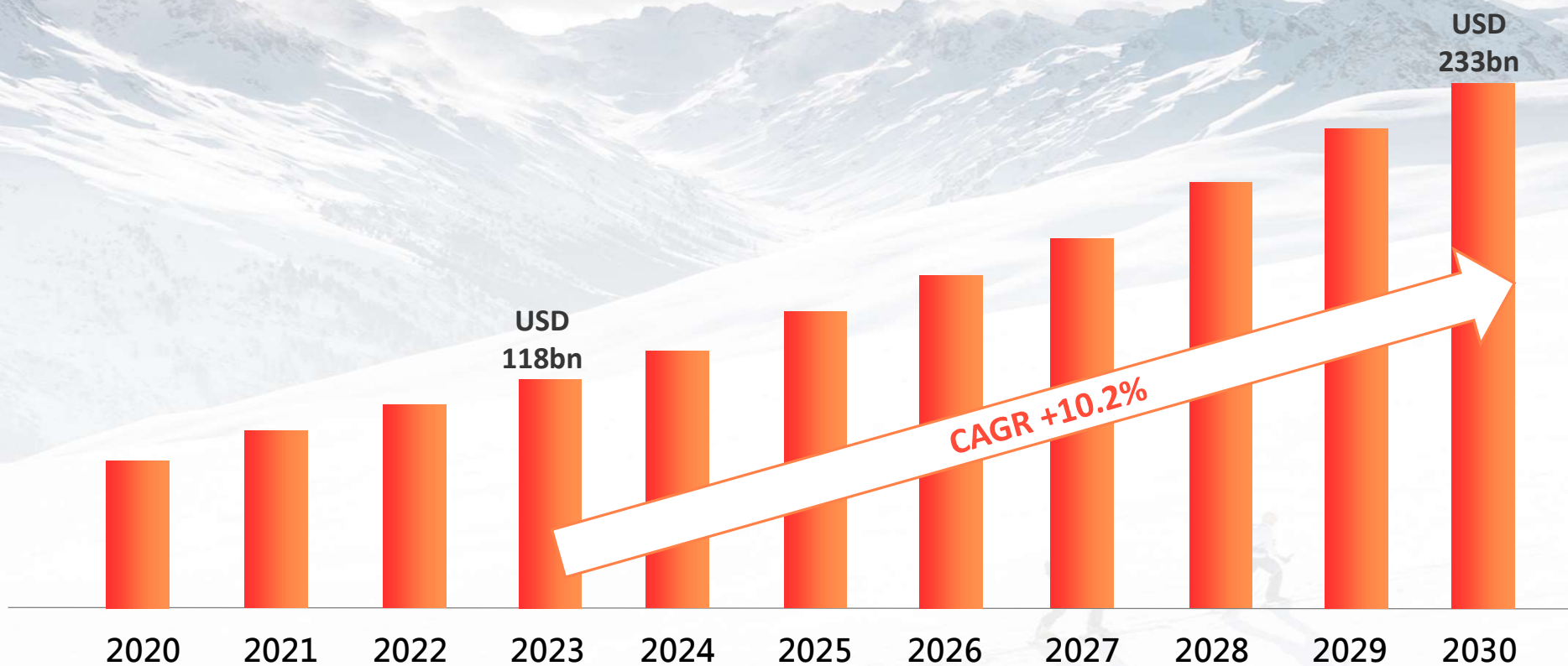
30+ Global Brand Partnerships and Growing



2. Industry Overview

The Global Sportswear Market Continues to Grow

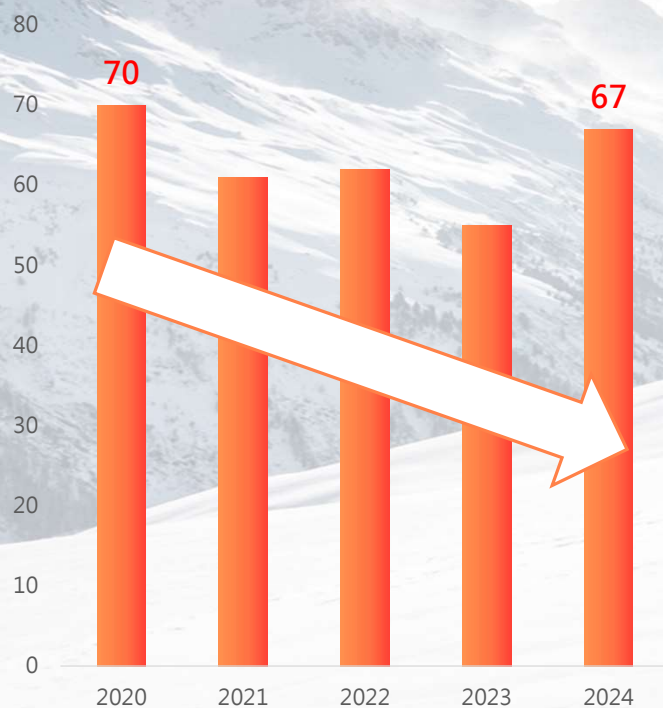
Global Sportswear Market Size



Source : Grand View Research

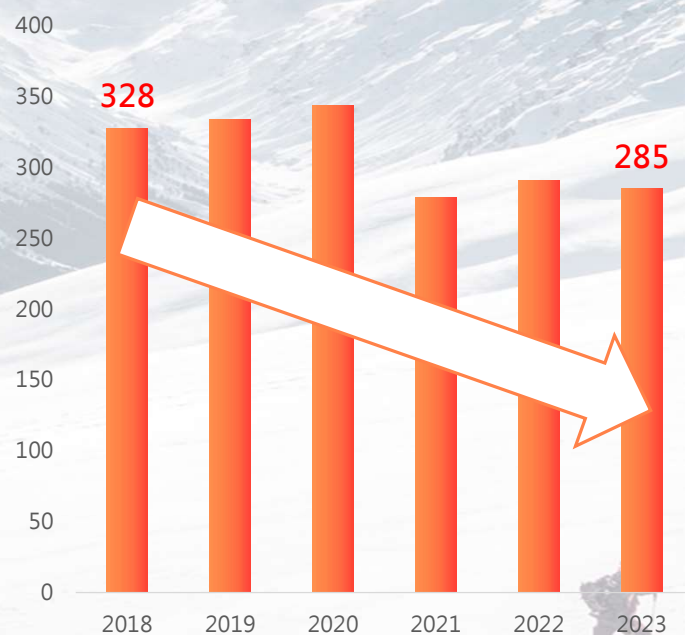
Global Brands Continue to Streamline Supply Chains, Strengthening QVE's Competitive Moat

Number of Adidas Apparel Suppliers

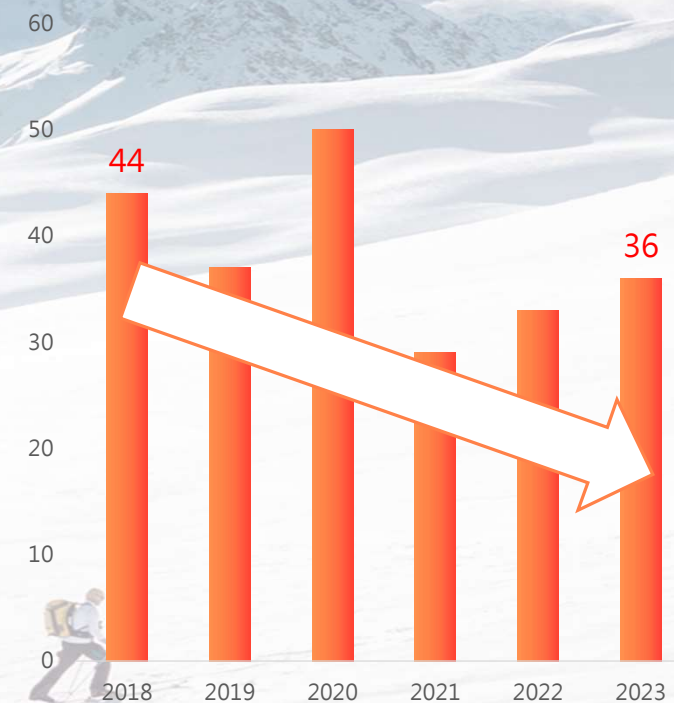


Source: Brand's website

Number of Nike Apparel Suppliers



Number of Under Armour Suppliers



3. 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

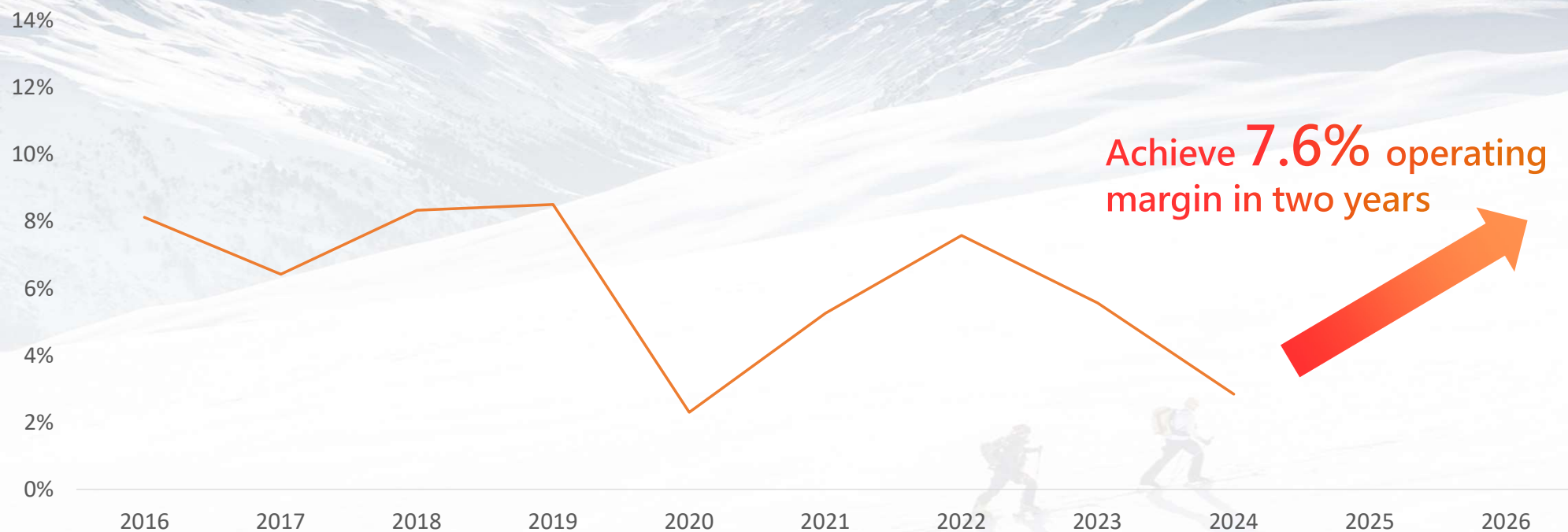
- Maximize site utilization and order margin
- Prioritize long-term customer value over volume

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 :

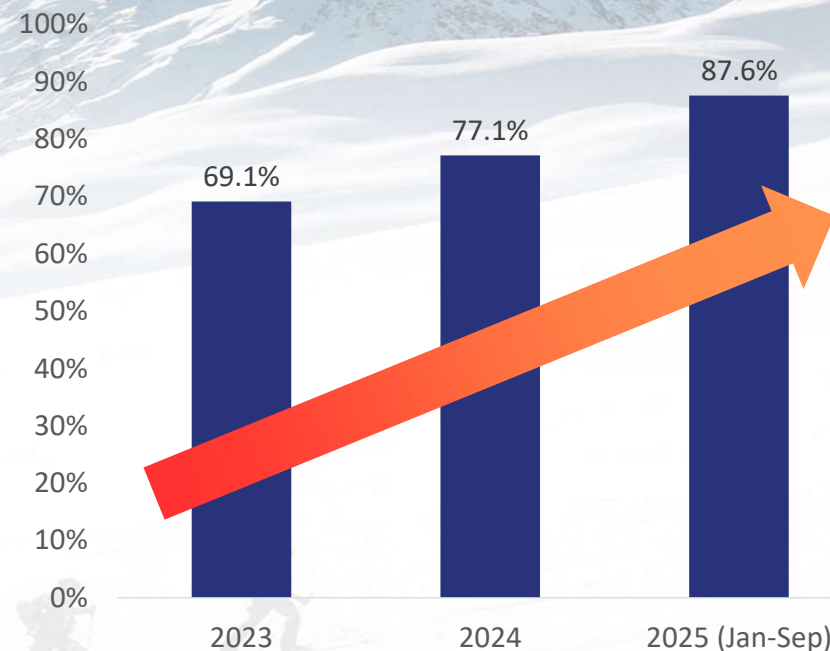
- Conducted detailed site-level cost breakdowns to optimize resource use and reduce waste.
- Implemented cost accountability to preserve contribution margins.

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

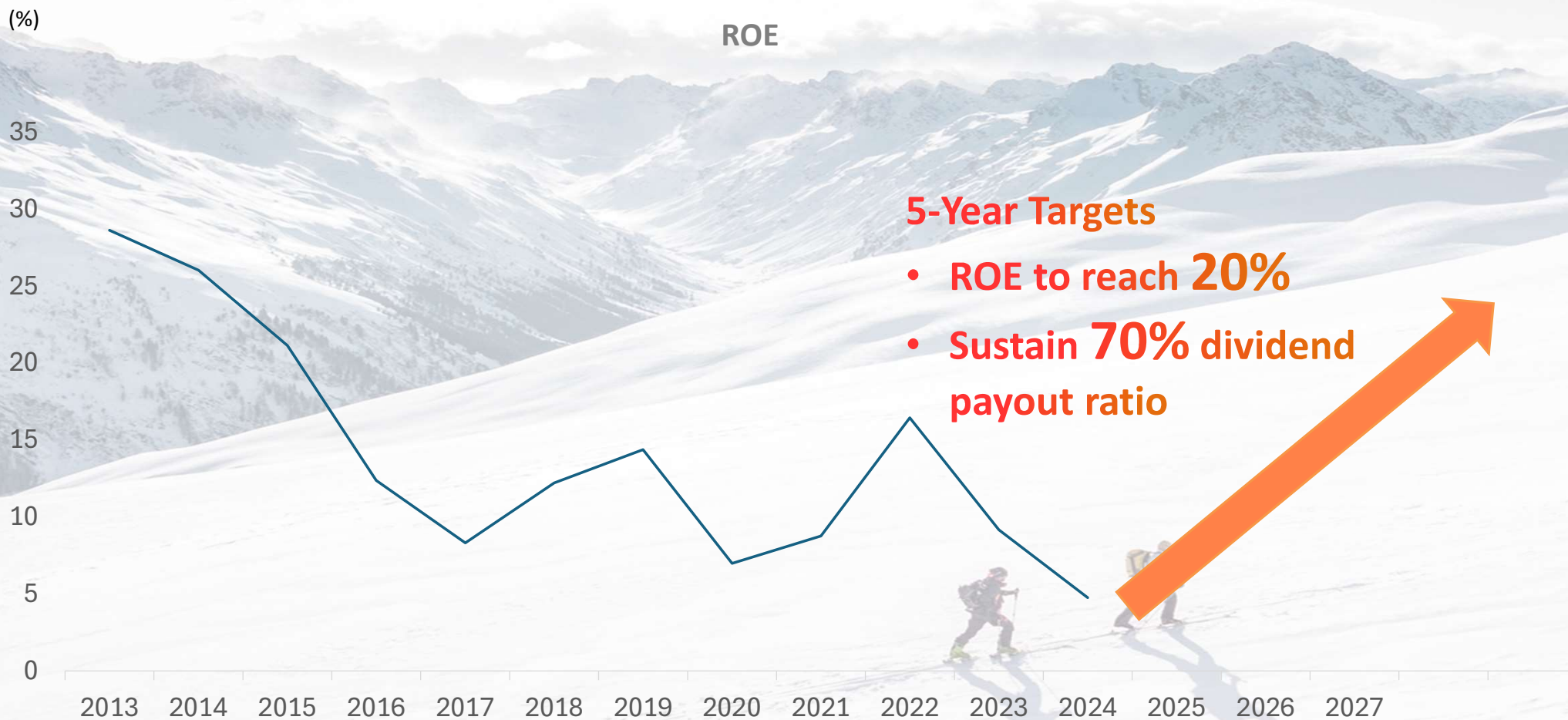
2025

Vietnam & Jordan Sites

Replicating proven success to boost
efficiency across overseas sites

- ⌚ Deployment in progress

Efficiency-Driven ROE Rebuild



Appendix

Income Statement

NT\$m	2020	2021	2022	2023	2024	YoY				
						2020	2021	2022	2023	2024
Revenue	12,189	13,022	20,066	16,553	16,473	-25.0	6.8	54.1	-17.5	-0.5
Gross Profit	1,286	1,872	3,266	2,486	2,095	-49.5	45.6	74.5	-23.9	-15.7
Operating Expenses	-1,005	-1,187	-1,744	-1,565	-1,626	-13.6	18.1	47.0	-10.3	3.9
Operating Profit	280	685	1,522	921	469	-79.7	144.2	122.3	-39.4	-49.1
Pretax Income	686	974	1,957	1,191	682	-50.5	41.9	100.9	-39.2	-42.7
Tax Expenses	-129	-248	-462	-286	-203	-55.3	92.8	86.5	-38.1	-29.1
Minority Interest	-21	-96	-318	-170	-77	-77.6	366.3	232.4	-46.5	-54.6
Net Income to Parent	537	631	1,176	734	402	-46.6	17.3	86.5	-37.6	-45.2
Basic EPS (NT\$)	5.20	6.10	11.38	7.10	3.89	-46.6	17.3	86.6	-37.6	-45.2
Key Financial Ratios (%)										
Gross Margin	10.5	14.4	16.3	15.0	12.7					
Operating Expense Ratio	8.2	9.1	8.7	9.5	9.9					
Operating Margin	2.3	5.3	7.6	5.6	2.8					
Effect Tax Rate	18.7	25.4	23.6	24.0	29.7					
Net Margin	4.6	5.6	7.4	5.5	2.9					

Balance Sheet

NT\$m	2020	2021	2022	2023	2024	YoY				
						2020	2021	2022	2023	2024
Total Assets	12,870	14,839	16,486	15,692	17,198	10.4	15.3	11.1	-4.8	9.6
Cash	2,346	1,819	3,765	3,227	2,337	5.1	-22.4	107.0	-14.3	-27.6
AR & NR	973	2,035	1,816	1,320	1,570	-11.9	109.1	-10.8	-27.3	18.9
Inventories	3,006	4,201	4,238	3,226	4,213	-12.1	39.8	0.9	-23.9	30.6
Fixed Assets	2,765	2,938	3,098	3,387	3,534	19.1	6.3	5.5	9.3	4.4
Total Liabilities	4,717	6,448	6,718	5,750	7,043	22.2	36.7	4.2	-14.4	22.5
AP & NP	710	852	984	703	1,154	21.1	20.0	15.5	-28.5	64.2
Total Borrowings	2,102	3,598	3,203	2,863	3,915	6.2	71.2	-11.0	-10.6	36.8
Total Equity	8,153	8,392	9,768	9,942	10,155	4.6	2.9	16.4	1.8	2.1
Key Financial Ratios										
A/R Turnover Days	30.7	41.6	34.5	34.1	31.6					
Inventory Turnover Days	106.1	116.3	90.4	95.5	93.1					
A/P Turnover Days	21.4	25.2	19.7	21.6	23.3					
Cash Conversion Days	115.4	132.7	105.3	108.0	101.5					
ROE (%)	7.0	8.8	16.5	9.2	4.8					
ROA (%)	4.5	5.2	9.5	5.6	2.9					
Net Debt/equity	(20.9)	21.2	(20.3)	(18.2)	15.5					

Historical Cash Dividend Distribution

	2020	2021	2022	2023	2024	2025
EPS (NT\$)	9.73	5.20	6.10	11.38	7.10	3.89
Cash Dividend per Share (NT\$)	7.5	3.2	4.2	6.8	5.2	3.20
Dividend Yield	6.14%	2.64%	3.50%	5.79%	5.17%	4.67%

Customer-Aligned Growth with Disciplined Capital Investment

Site	2023	2024	2025	2025 vs 2024	2026	2026 vs 2025
QVN (Vietnam)	105	100	100	-	100	-
QVT (Vietnam)	150	145	157	+12	157	-
QVL (Vietnam)	52	47	59	+12	71	+12
QVC (China)	80	75	87	+12	95	+8
BSP (Romania)	16	16	16	-	16	-
Middle East Jordan	50	45	65	+20	80	+15
KHM (Vietnam-1)	22	22	22	-	22	-
KHM (Vietnam-2)	28	28	28	-	28	-
Total	503	478	534	+56	569	+35