



# Fusheng Precision Co. Ltd.

TWSE : 6670

2022/Q4

Mar. 28, 2023

# Company Profile

Financial Performance

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Q&A



# Fusheng Group Key Milestones

**1953**

**Fusheng Group founded**

The founding business was repairing and selling used industrial air compressors



**1992**

**Set up GS in China**

Became the first off-shore site of Sporting Goods Division



**2001**

**Established Electronics Division**

Acquired two OTC companies - Sitron & Getmore



**2004**

**Acquired and set up FSPT**

Invested in US based company - Coastcast, and transform it into titanium Auto and Aero casting plant



**2010**

**Group Restructuring**

**Fusheng Precision: Golf Club Head (FSP)**

Fusheng Industrial: Air Compressor (FSI)

Fusheng Electronics: Lead Frame (FSE)

**2018/7**

**Invested NFT**

An aerospace casting parts manufacturer, with aerospace quality certificate approval and certified by 10+ global aviation customers



**2018/12**

**FSP listed in TWSE**

Code: 6670



**1978**

**Established Sporting Goods Division**

Acquired a bankrupted company in Kaohsiung, started making golf club head



**1997**

**Listed in TWSE**  
Code: 1520  
(First time)

**2003**

**Set up VS in Vietnam**

Expand overseas sites to South East Asia



**2008**

**Delisted**

Cooperated with Oaktree Capital, and become Taiwan's 1<sup>st</sup> company which go delist because of working with PE fund



**2017/3**

**Oaktree Capital Exited**

**2018/8**

**Invested Aubo**

A golf accessory manufacturer, with MIM & CNC capabilities



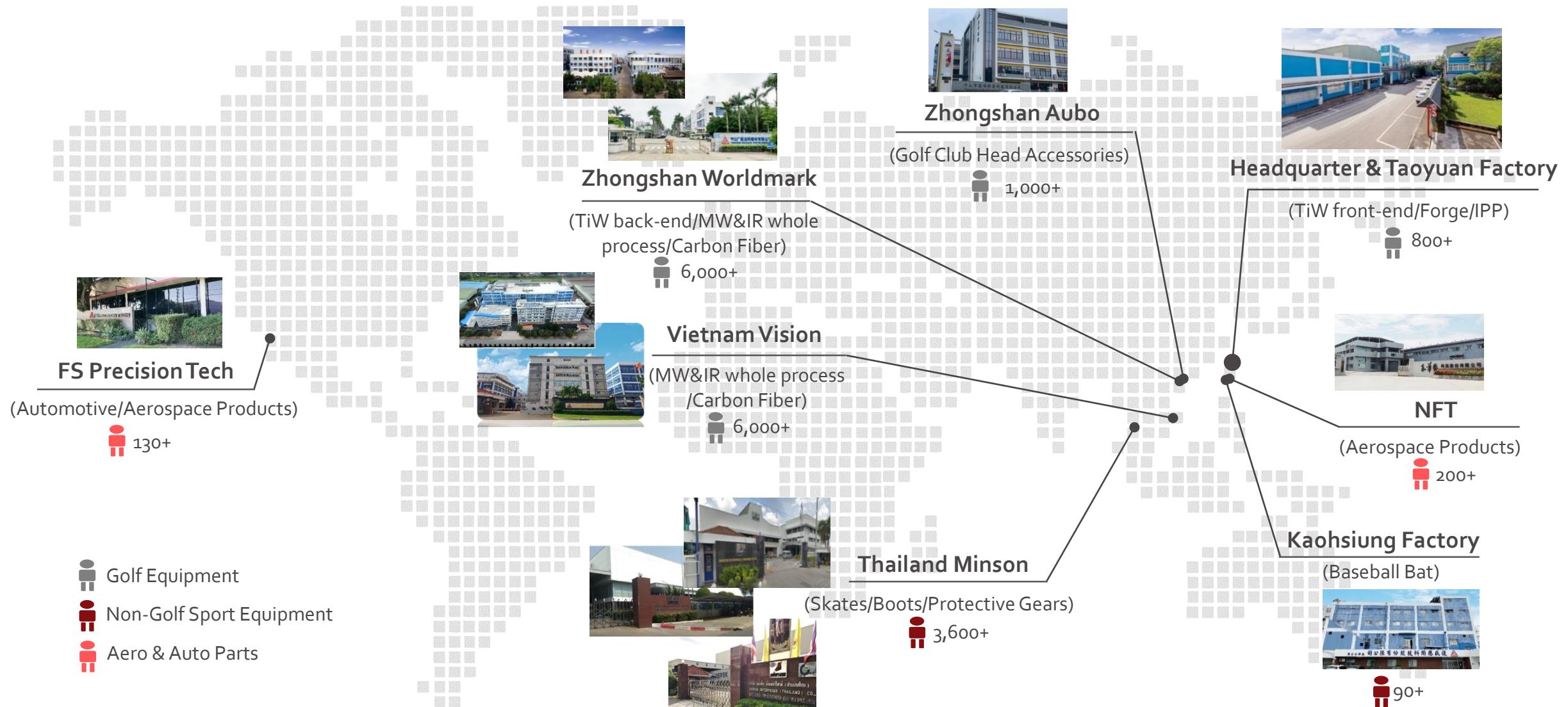
**2020/11**

**Invested Minson**

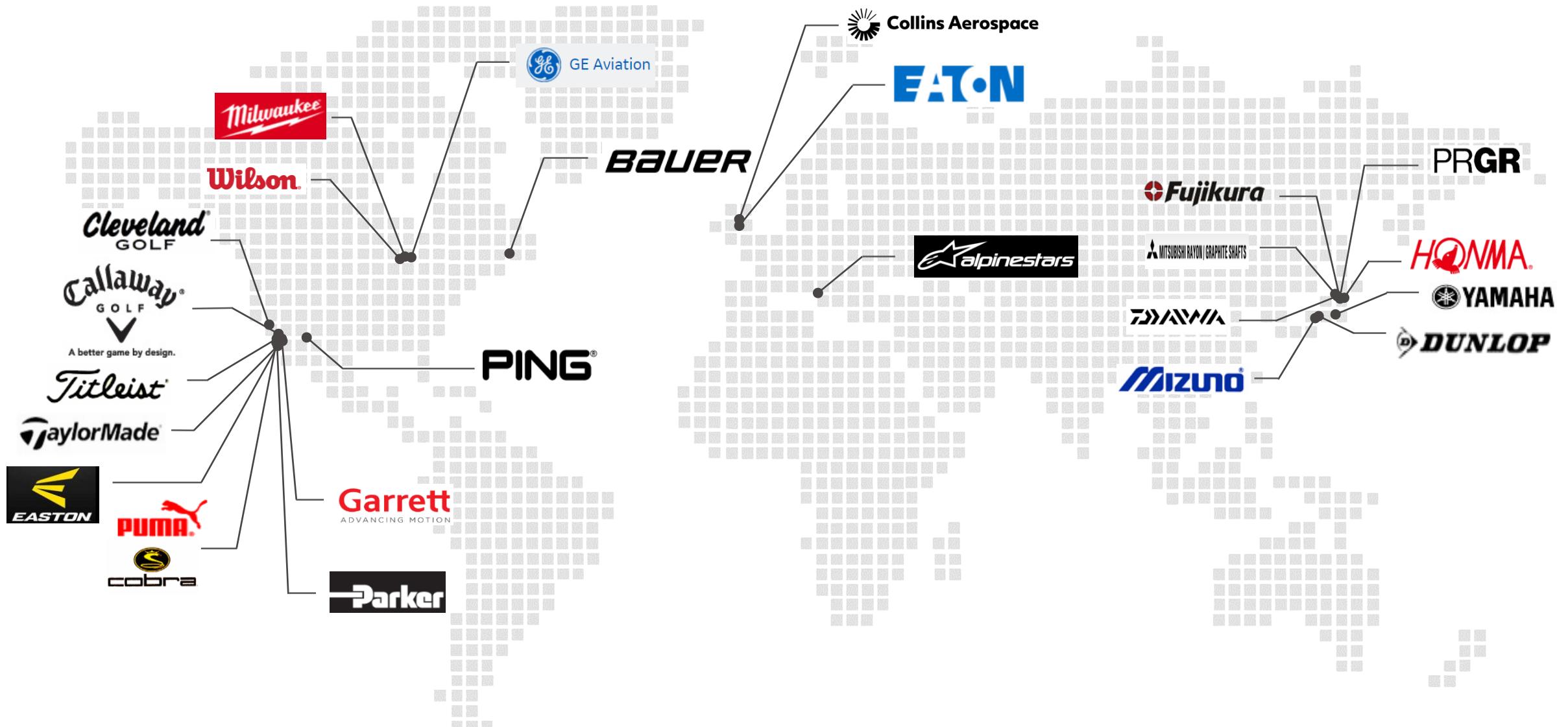
A leading manufacturer of winter and extreme sports equipment, which are niche, upscale, and high-customized products



# Our Plant Sites



# Major Customers



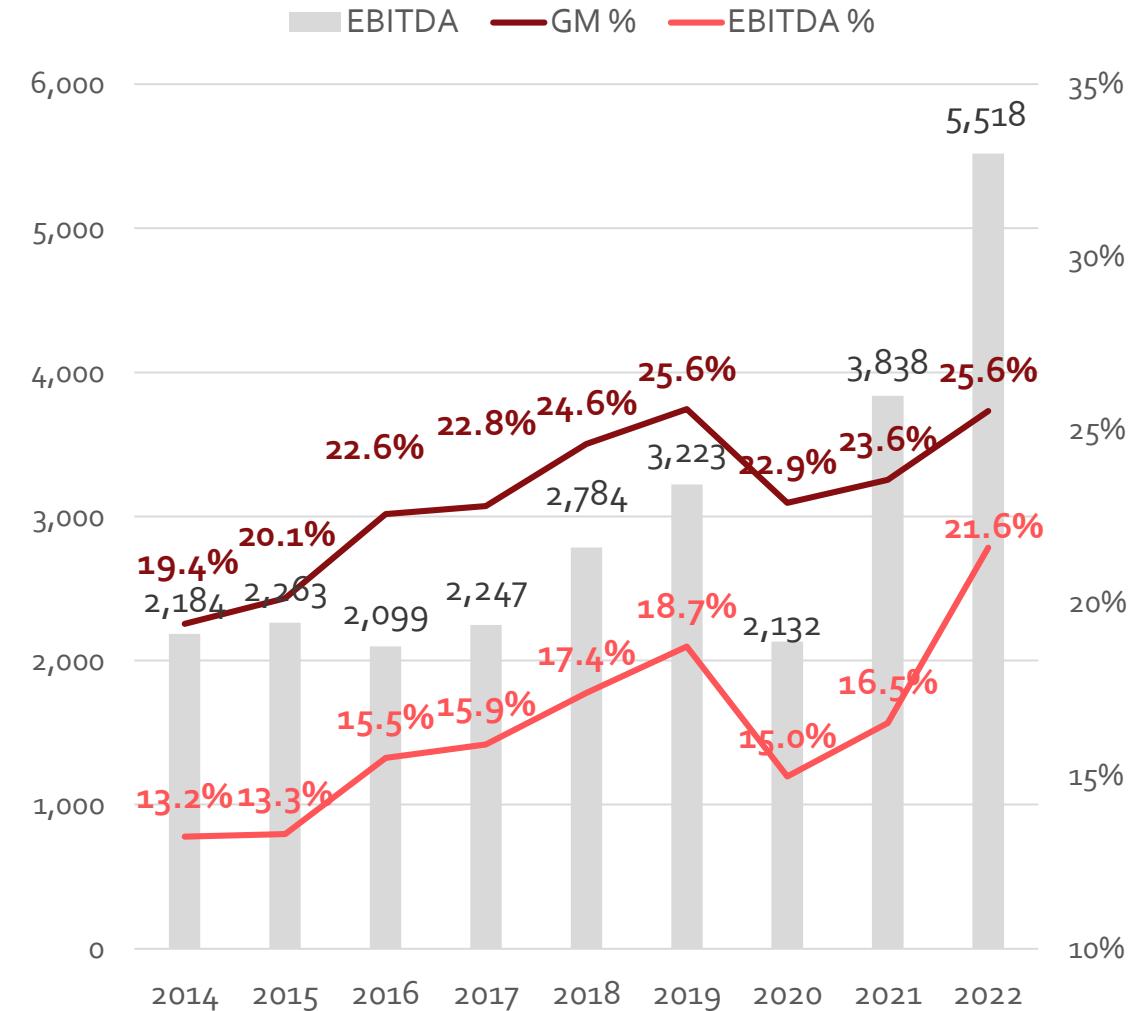
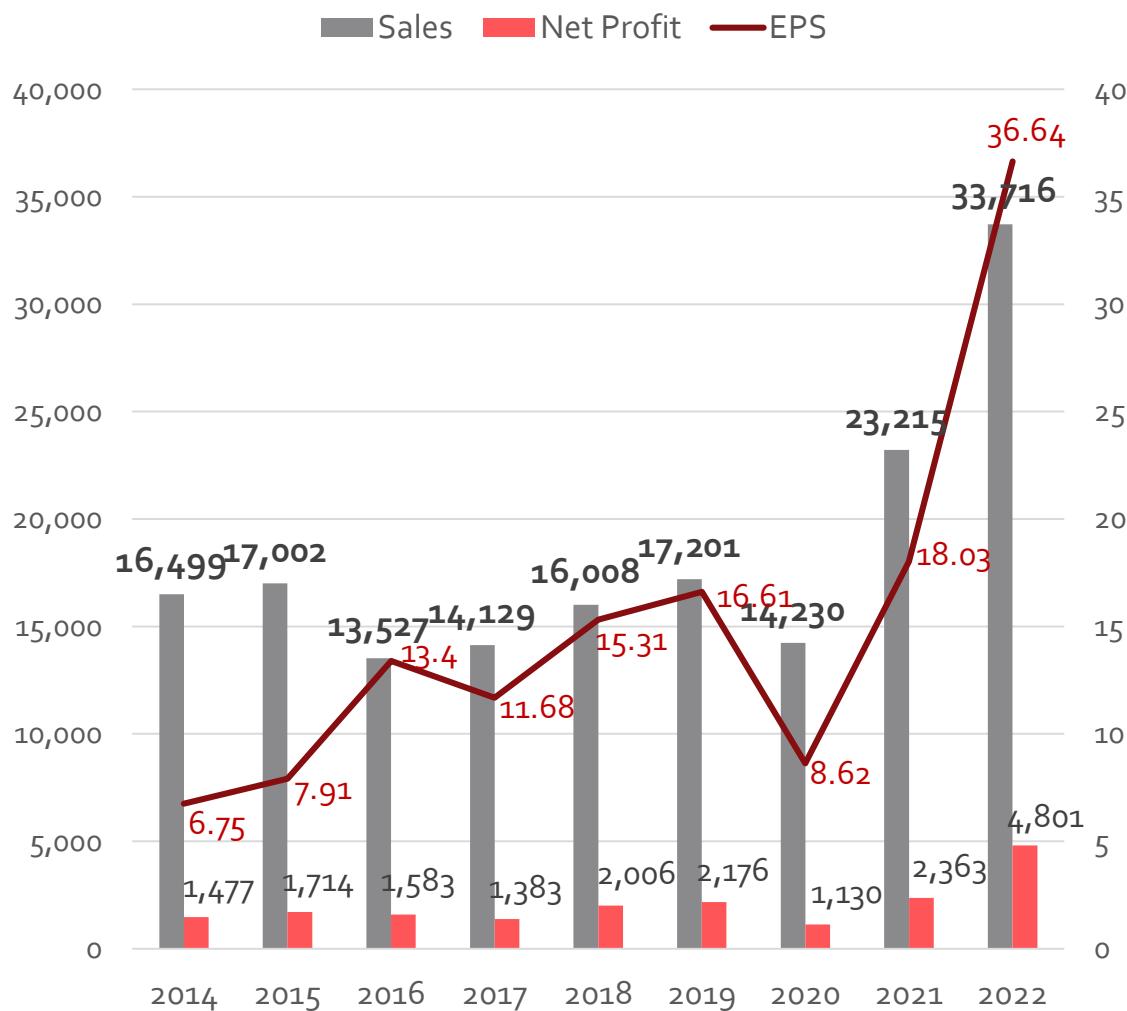
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# Statement of Comprehensive Income

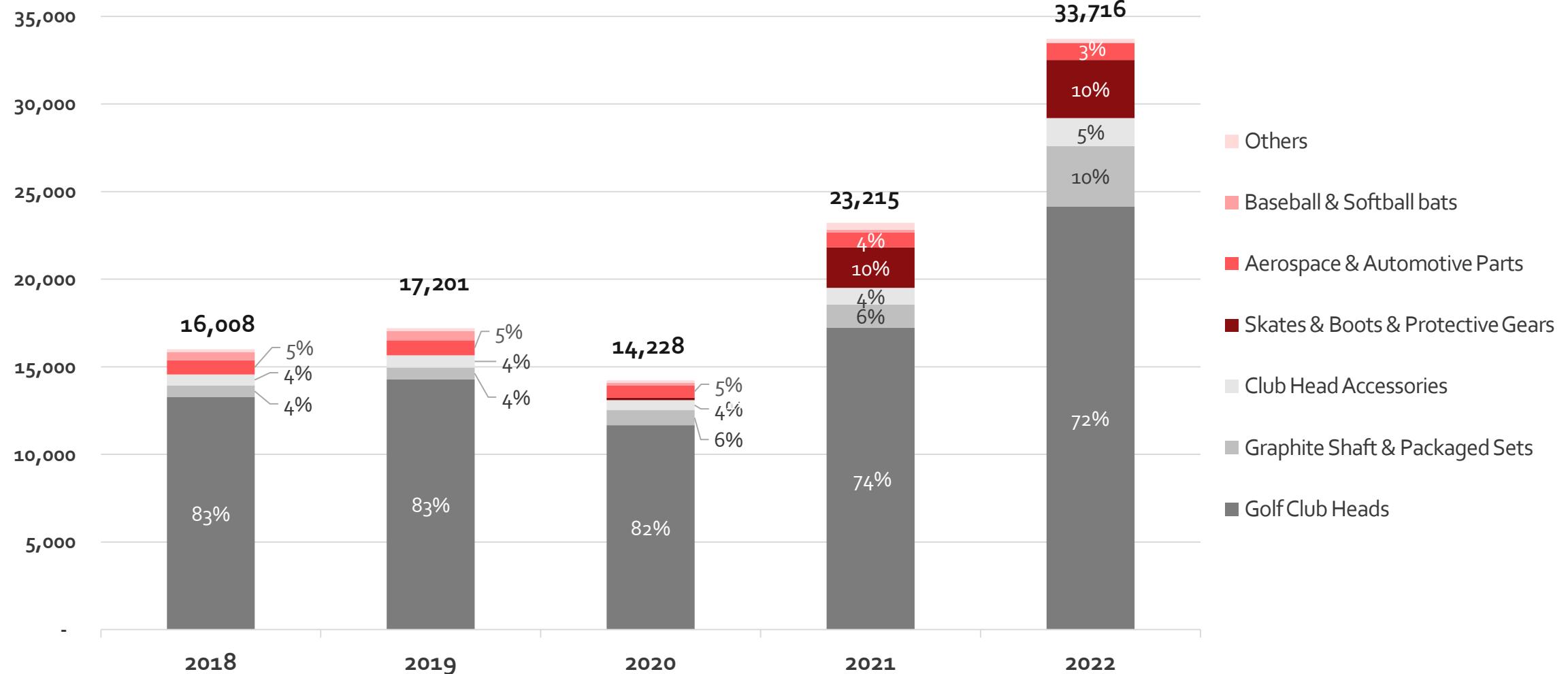
(In NT\$ millions)	4Q 2022	3Q 2022	QoQ	2022	2021	YoY
Net Revenue	9,216.7	8,044.1	<b>14.6%</b>	33,716.3	23,215.0	<b>45.2%</b>
Gross Margin	2,621.0	2,037.3	<b>28.7%</b>	8,615.2	5,469.0	<b>57.5%</b>
Operating Margin	1,765.8	1,329.5	<b>32.8%</b>	5,761.4	3,140.2	<b>83.5%</b>
Profit before Tax	1,523.0	1,781.5	<b>-14.5%</b>	6,457.4	3,196.3	<b>102.0%</b>
Net income to Shareholders of the Parent Company	1,104.5	1,354.4	<b>-18.5%</b>	4,801.2	2,363.0	<b>103.2%</b>
EPS	8.43	10.34	<b>-18.5%</b>	36.64	18.03	<b>103.2%</b>
EBITDA	1,774.9	1,997.5	<b>-11.1%</b>	7,271.6	3,864.1	<b>88.2%</b>
GM (%)	28.4%	25.3%	<b>3.1%</b>	25.6%	23.6%	<b>2.0%</b>
OM (%)	19.2%	16.5%	<b>2.6%</b>	17.1%	13.5%	<b>3.6%</b>
PBT (%)	16.5%	22.1%	<b>-5.6%</b>	19.2%	13.8%	<b>5.4%</b>
EBITDA (%)	19.3%	24.8%	<b>-5.6%</b>	21.6%	16.6%	<b>4.9%</b>

# Operating Performance



# Sales by Products

In NT\$ Millions



# Balance Sheet

(In NT\$ millions)	2022/12/31	%	2022/9/30	%	2021/12/31	%
Cash	4,508	20.0%	3,641	16.8%	1,454	8.4%
Account Receivables	5,648	25.0%	5,121	23.7%	3,934	22.7%
Inventories	4,338	19.2%	4,796	22.2%	4,715	27.2%
Current Assets	15,462	68.5%	14,681	67.9%	11,197	64.6%
PPE	5,015	22.2%	5,028	23.3%	4,349	25.1%
Intangible Assets	688	3.0%	690	3.2%	712	4.1%
Non-current Assets	7,109	31.5%	6,938	32.1%	6,129	35.4%
<b>Assets</b>	<b>22,571</b>	<b>100.0%</b>	<b>21,619</b>	<b>100.0%</b>	<b>17,326</b>	<b>100.0%</b>
Bank Loan	1,429	6.3%	1,827	8.5%	2,630	15.2%
Account Payables	3,454	15.3%	3,563	16.5%	3,299	19.0%
Other Payables	1,747	7.7%	1,518	7.0%	1,411	8.1%
Current Liabilities	7,845	34.8%	8,061	37.3%	8,267	47.7%
Bonds payables	1,448	6.4%	1,449	6.7%	-	0.0%
Lease Liabilities	336	1.5%	288	1.3%	147	0.8%
Defined benefit Liabilities	83	0.4%	197	0.9%	204	1.2%
Non-current Liabilities	1,968	8.7%	2,043	9.4%	486	2.8%
<b>Liabilities</b>	<b>9,813</b>	<b>43.5%</b>	<b>10,104</b>	<b>46.7%</b>	<b>8,753</b>	<b>50.5%</b>
Common Stock	1,311	5.8%	1,310	6.1%	1,310	7.6%
Addition Paid in Capital	1,933	8.6%	1,924	8.9%	1,665	9.6%
Retained Earnings	8,724	38.7%	7,589	35.1%	5,464	31.5%
Other Equities	(422)	-1.9%	(426)	-2.0%	(630)	-3.6%
Non-controlling interests	1,212	5.4%	1,118	5.2%	764	4.4%
<b>Equity</b>	<b>12,758</b>	<b>56.5%</b>	<b>11,515</b>	<b>53.3%</b>	<b>8,573</b>	<b>49.5%</b>

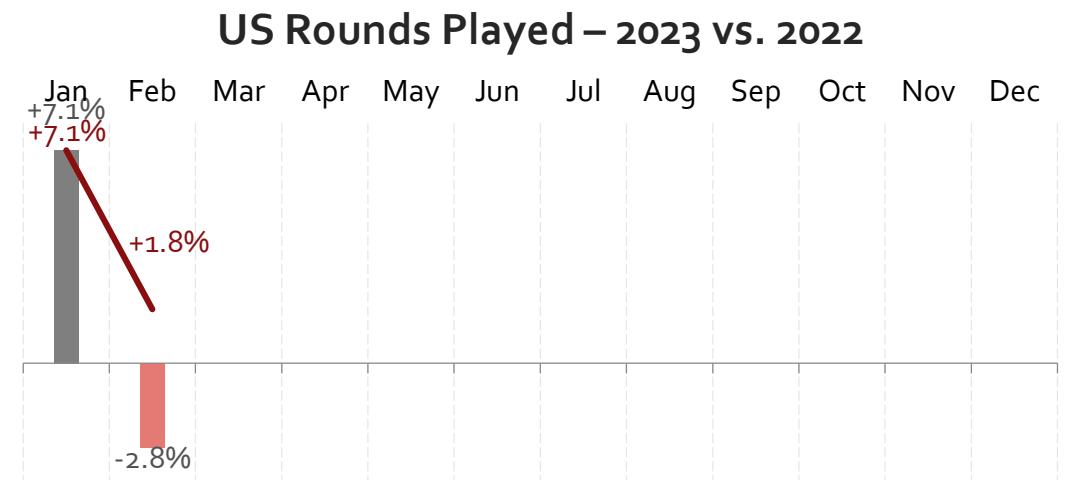
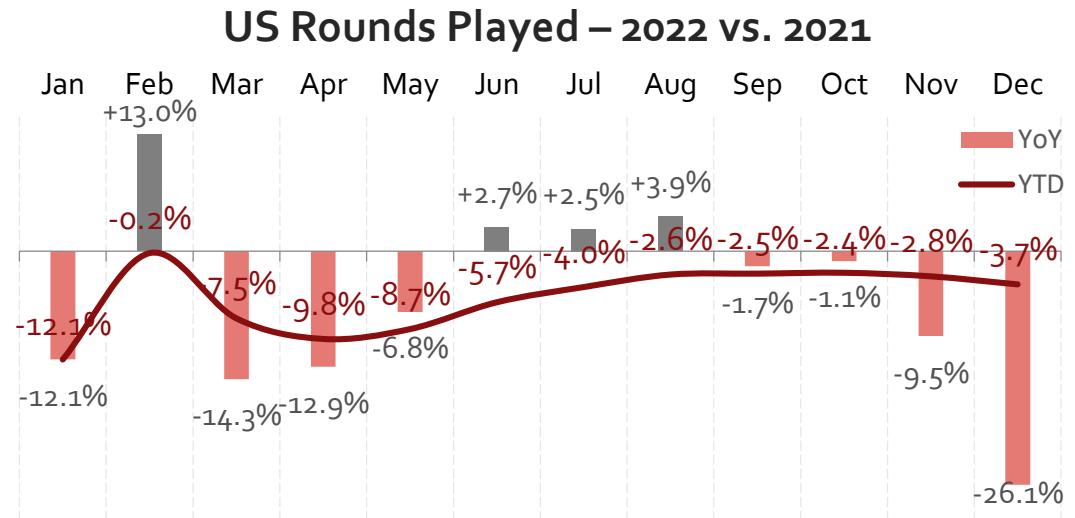
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# Key Message(1/2) - Golf Industry

- As of February '23, US rounds played YTD +1.8%.
- Total US Golf Equipment Retail Market (On-Off Course)
  - On-Off Course February '23 vs '22: Dollars -3.2%
  - On-Off Course February '23 vs '19: Dollars +35.2%
  - On-Off Course YTD '23 vs '22: Dollars -7.7%
  - On-Off Course YTD '23 vs '19: Dollars +41.8%
- The January/February time frame average out to be less than 10% of total annual sales, so the drop is less problematic than if it were to happen in the peak buying season.

Source: National Golf Foundation, Golf Datatech



Source: National Golf Foundation

# Key Message(2/2) – Business Outlook by Product

## Golf Club Head (72% of sales)

- At this stage, there has not been a significant correction in the end market, but customers and channels have high inventory levels, which will take some time to digest
- The Korean market is rising, and Japanese brands are performing well in Korea, making up for the stagnant growth in the Japanese market

## Golf Shaft/ Package Set/ Accessory (15% of sales)

- Similar to the situation with golf, there is pressure on customer and channel inventory levels

## Skate & Boots (10% of sales)

- Similar to the situation with golf, there is pressure on customer and channel inventory levels
- Minson's top 2 customers (hockey and motocross) ranked No.6 and 8, in the consolidated customer base for 2022

## Baseball (<1% of sales)

- The baseball and softball bat business has recovered, but it has not returned to pre-pandemic levels yet

## Aerospace /Automobile (3% of sales)

- Aerospace orders has been back to the level of 2019, but the profitability are still under pressure because of completely different cost structure after COVID

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