



Fusheng Precision Co. Ltd.

TWSE : 6670

2022/Q4

Apr. 12, 2023

Company Profile

Financial Performance

Key Messages

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 1st 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

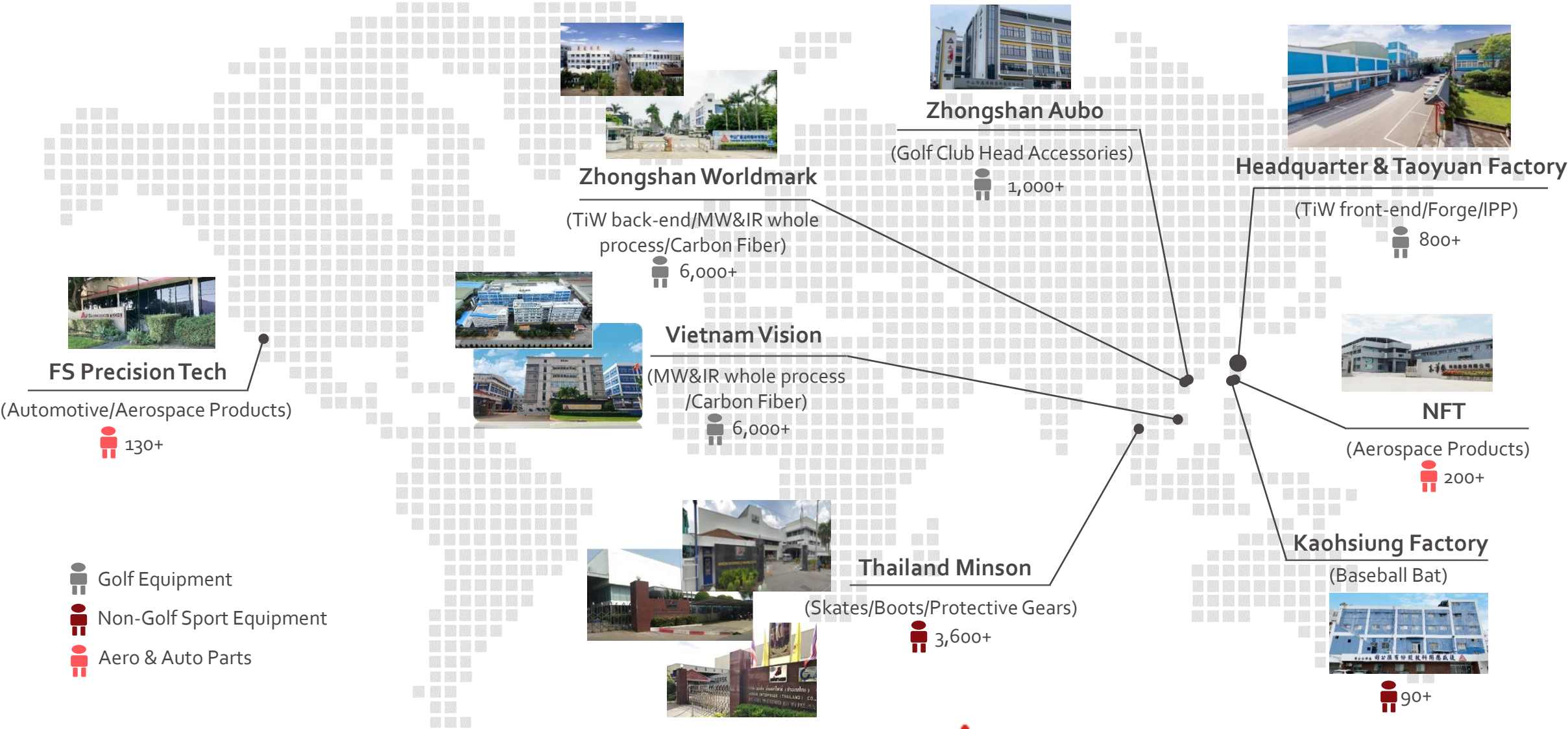


2020/11
Invested Minson

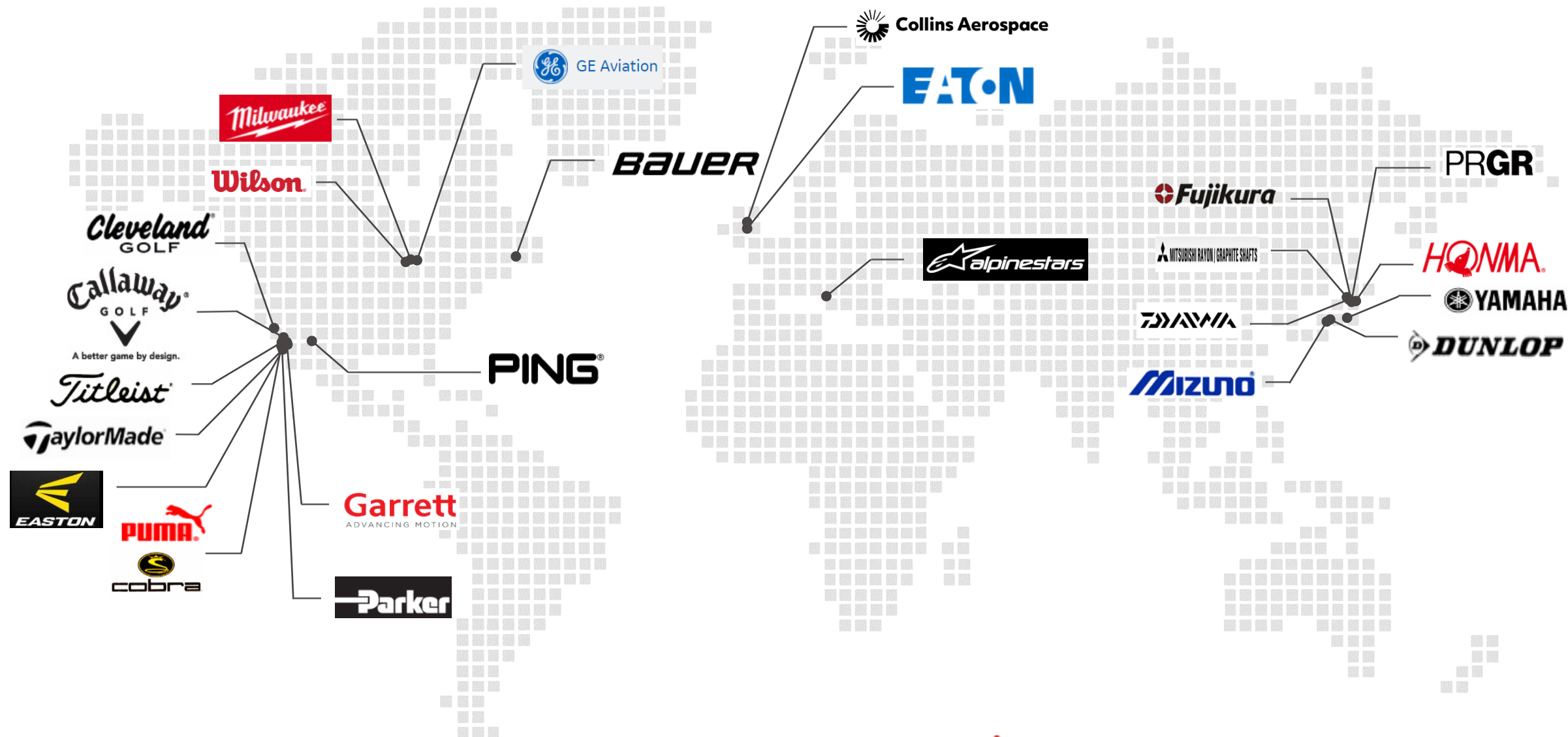
A leading manufacturer of winter and extreme sports equipment, which are niche, upscale, and high-customized products



Our Plant Sites



Major Customers



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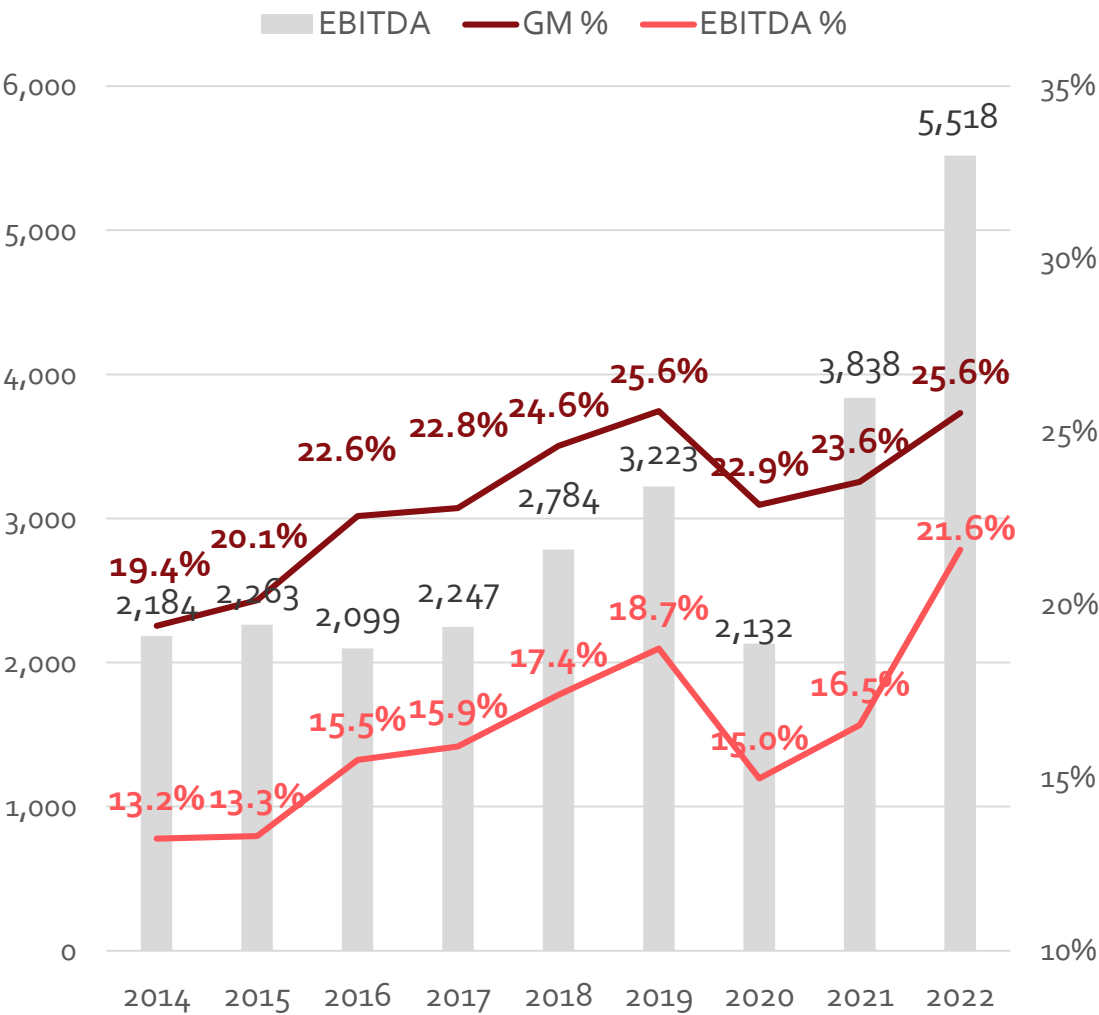
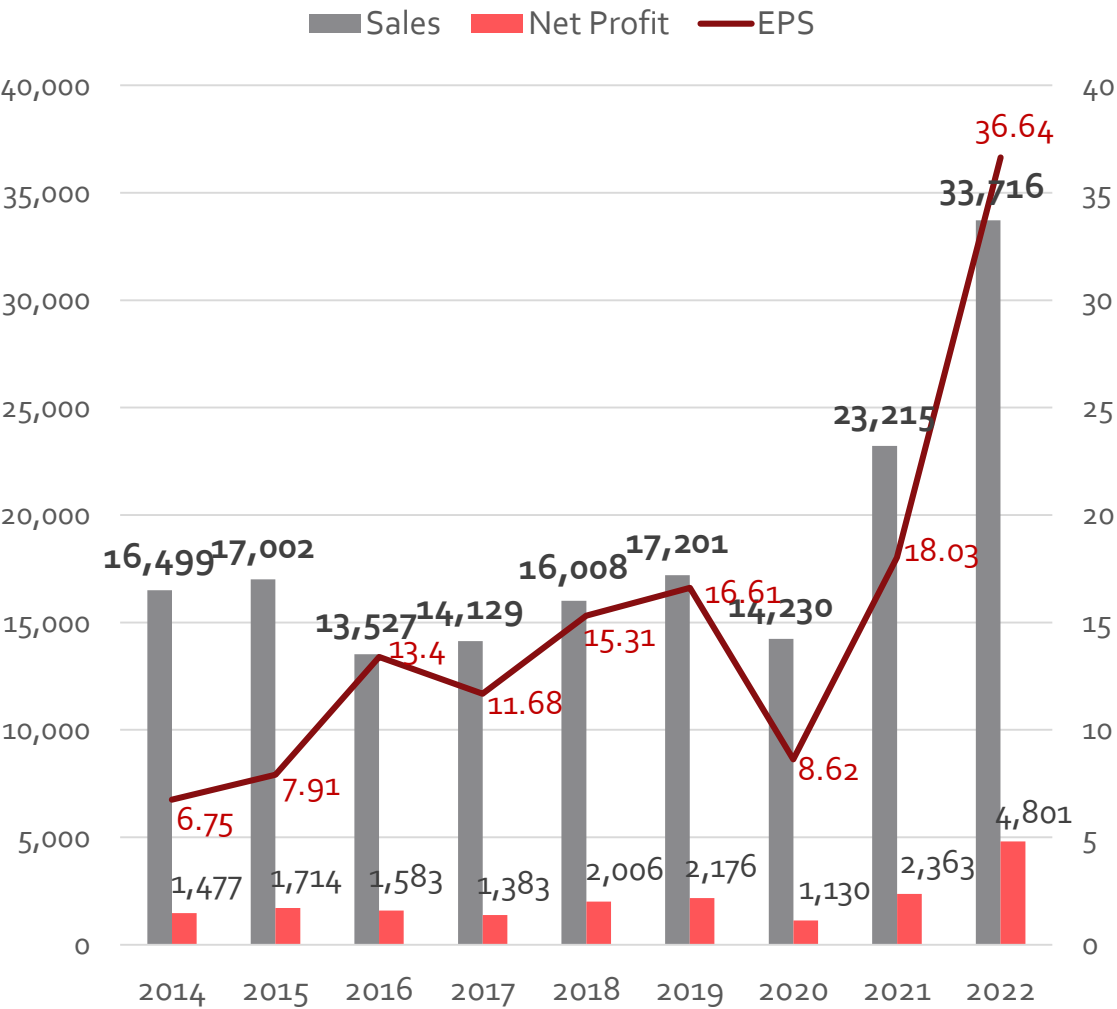
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Statement of Comprehensive Income

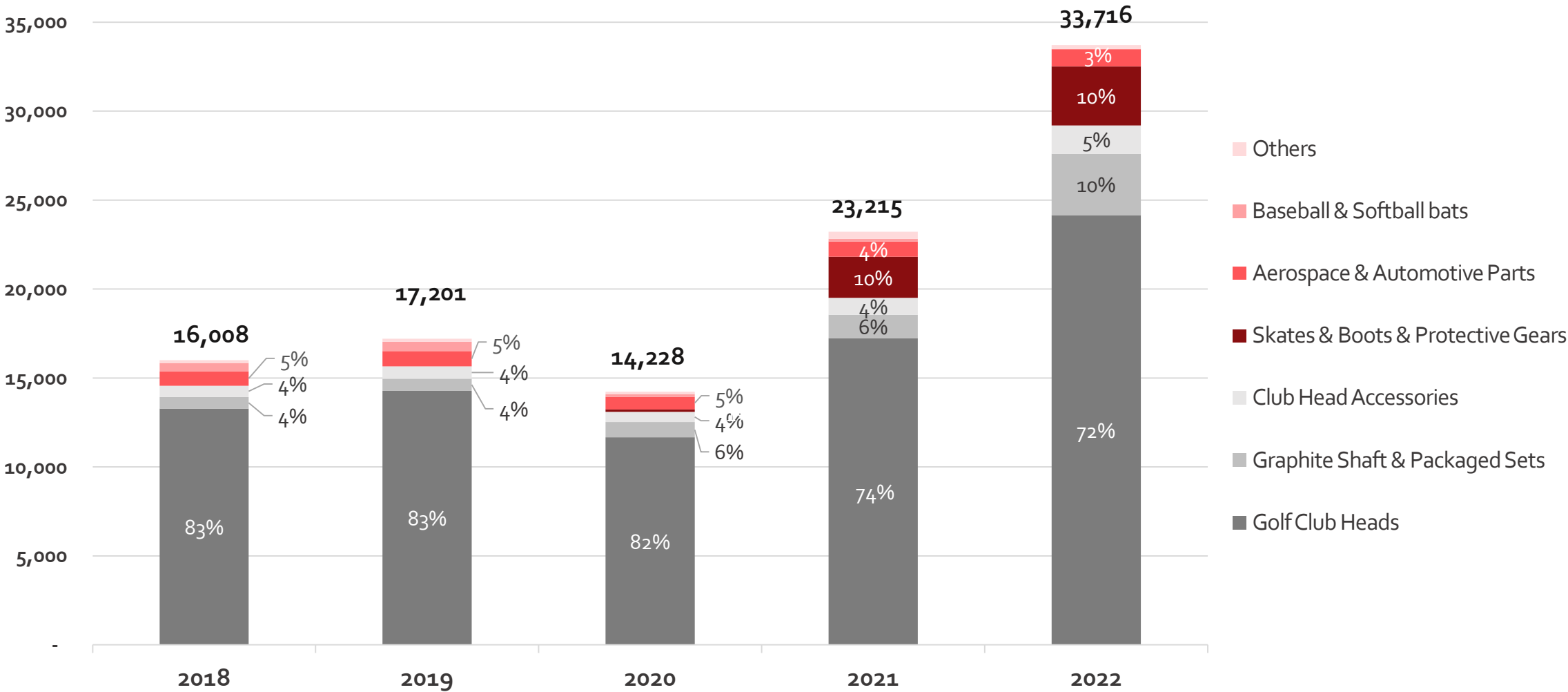
(In NT\$ millions)	4Q 2022	3Q 2022	QoQ	2022	2021	YoY
Net Revenue	9,216.7	8,044.1	14.6%	33,716.3	23,215.0	45.2%
Gross Margin	2,621.0	2,037.3	28.7%	8,615.2	5,469.0	57.5%
Operating Margin	1,765.8	1,329.5	32.8%	5,761.4	3,140.2	83.5%
Profit before Tax	1,523.0	1,781.5	-14.5%	6,457.4	3,196.3	102.0%
Net income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

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%
Assets	22,571	100.0%	21,619	100.0%	17,326	100.0%
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%
Liabilities	9,813	43.5%	10,104	46.7%	8,753	50.5%
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%
Equity	12,758	56.5%	11,515	53.3%	8,573	49.5%

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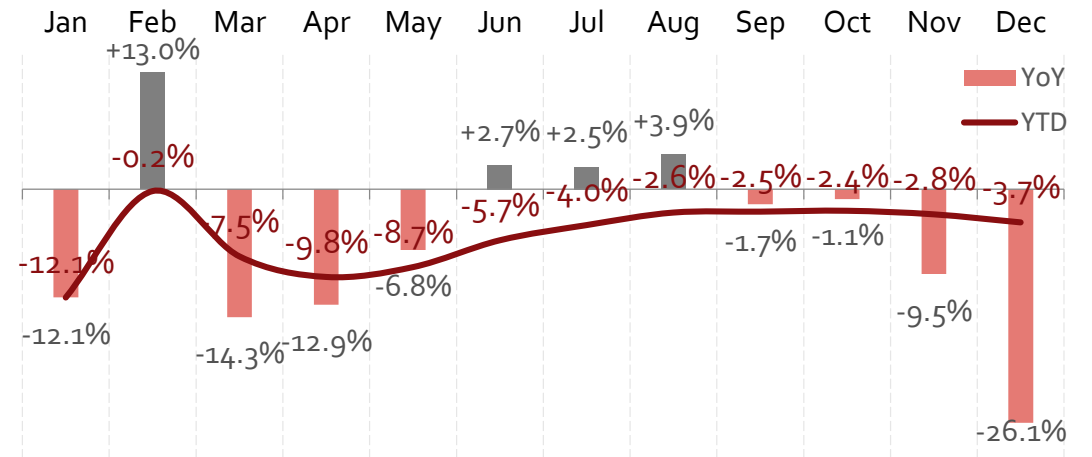


Key Massage(1/2) - Golf Industry

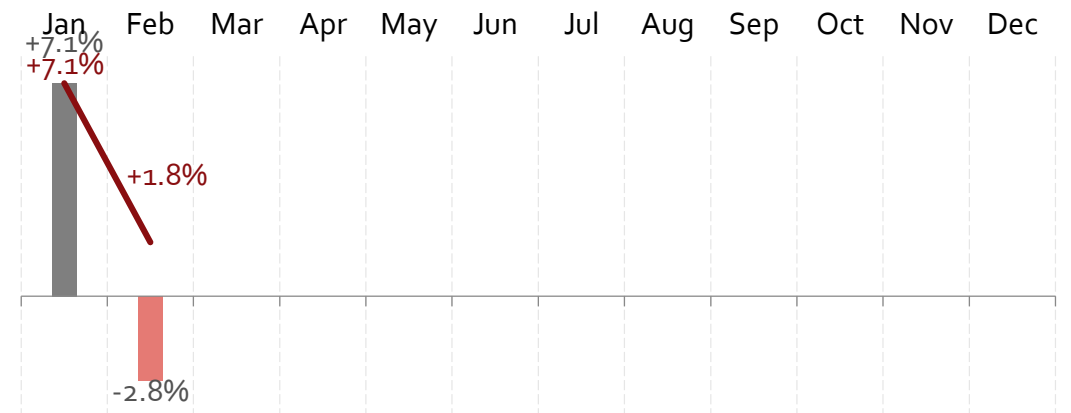
- As of February '23, US rounds played YTD +1.8%.
- Total US Golf Equipment Retail Market (On-Off Course)
 - On-Off Course February '23 vs '22: Dollars -3.2%
 - On-Off Course February '23 vs '19: Dollars +35.2%
 - On-Off Course YTD '23 vs '22: Dollars -7.7%
 - On-Off Course YTD '23 vs '19: Dollars +41.8%
- 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

US Rounds Played – 2022 vs. 2021



US Rounds Played – 2023 vs. 2022



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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