



Fusheng Precision Co. Ltd.

TWSE : 6670

2023/Q1

Jun. 29, 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

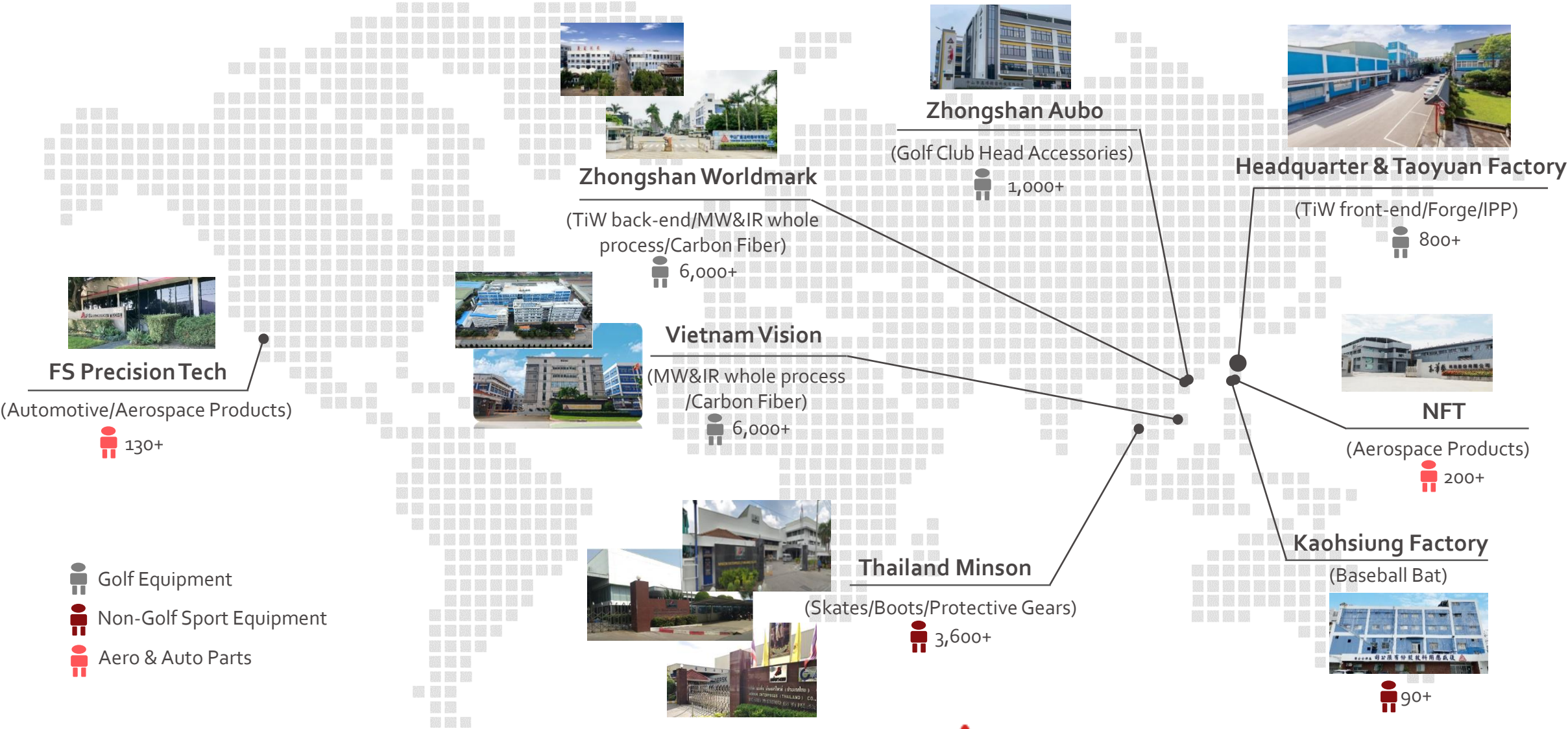


2020/11
Invested Minson

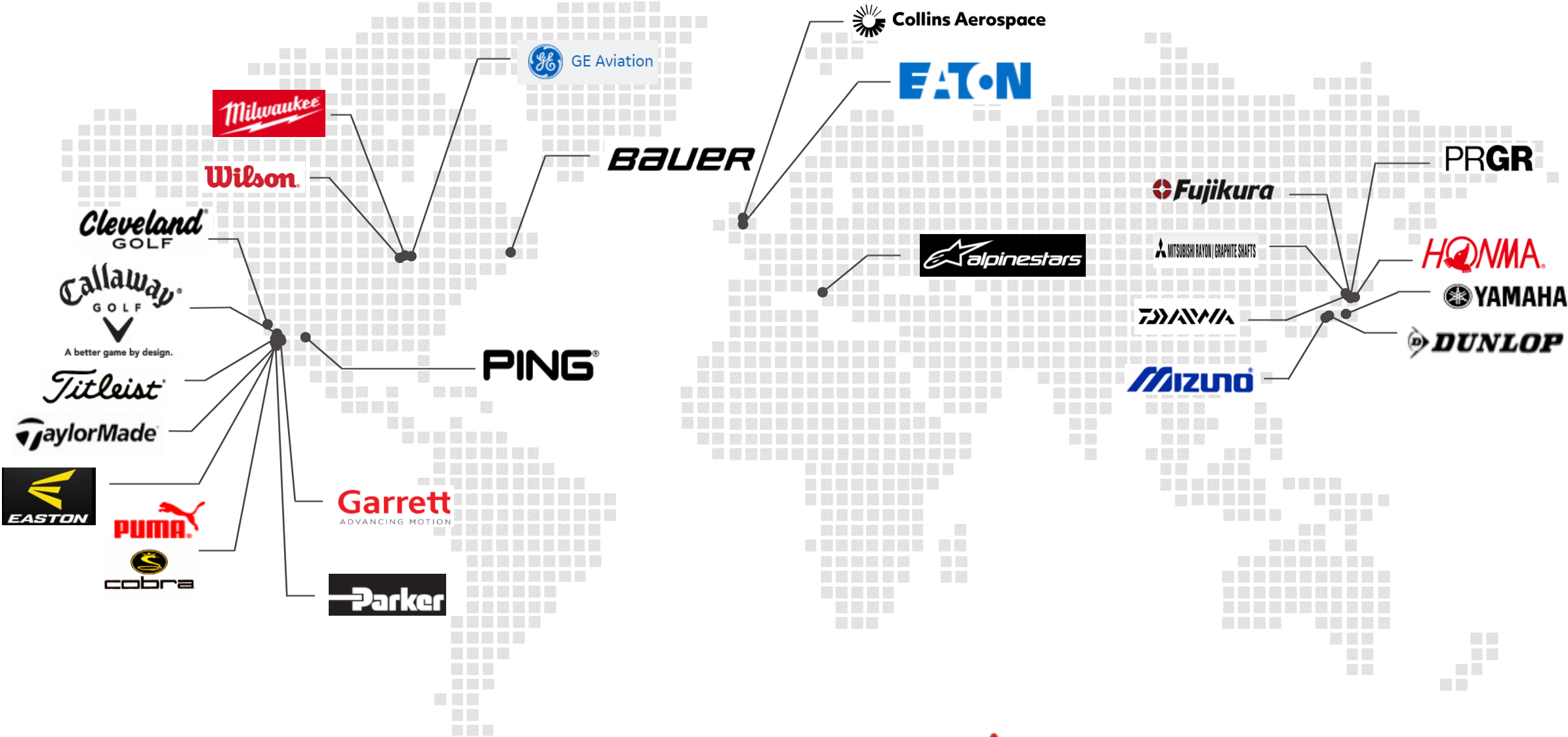
A leading manufacturer of winter and extreme sports equipment, which are niche, upscale, and high-customized products



Our Plant Sites



Major Customers



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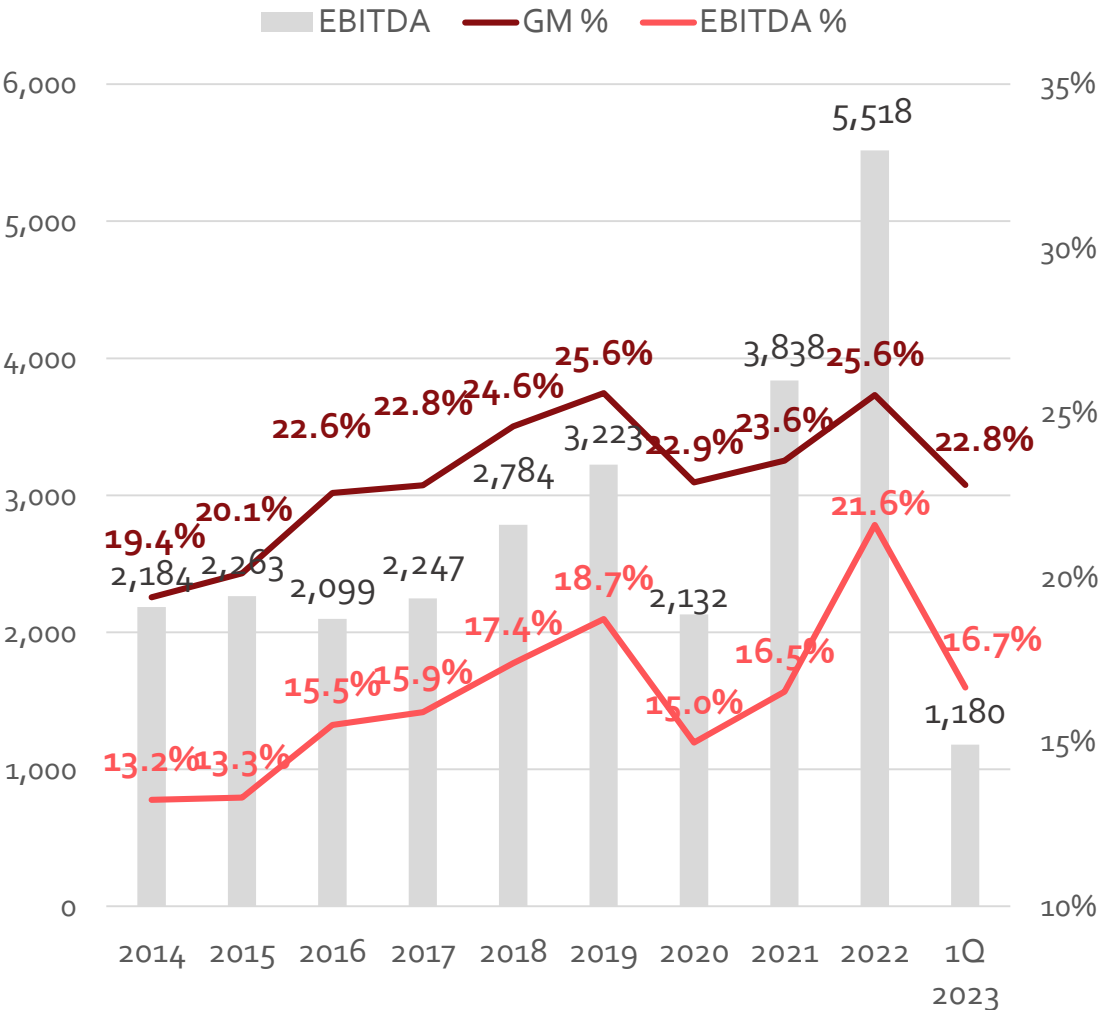
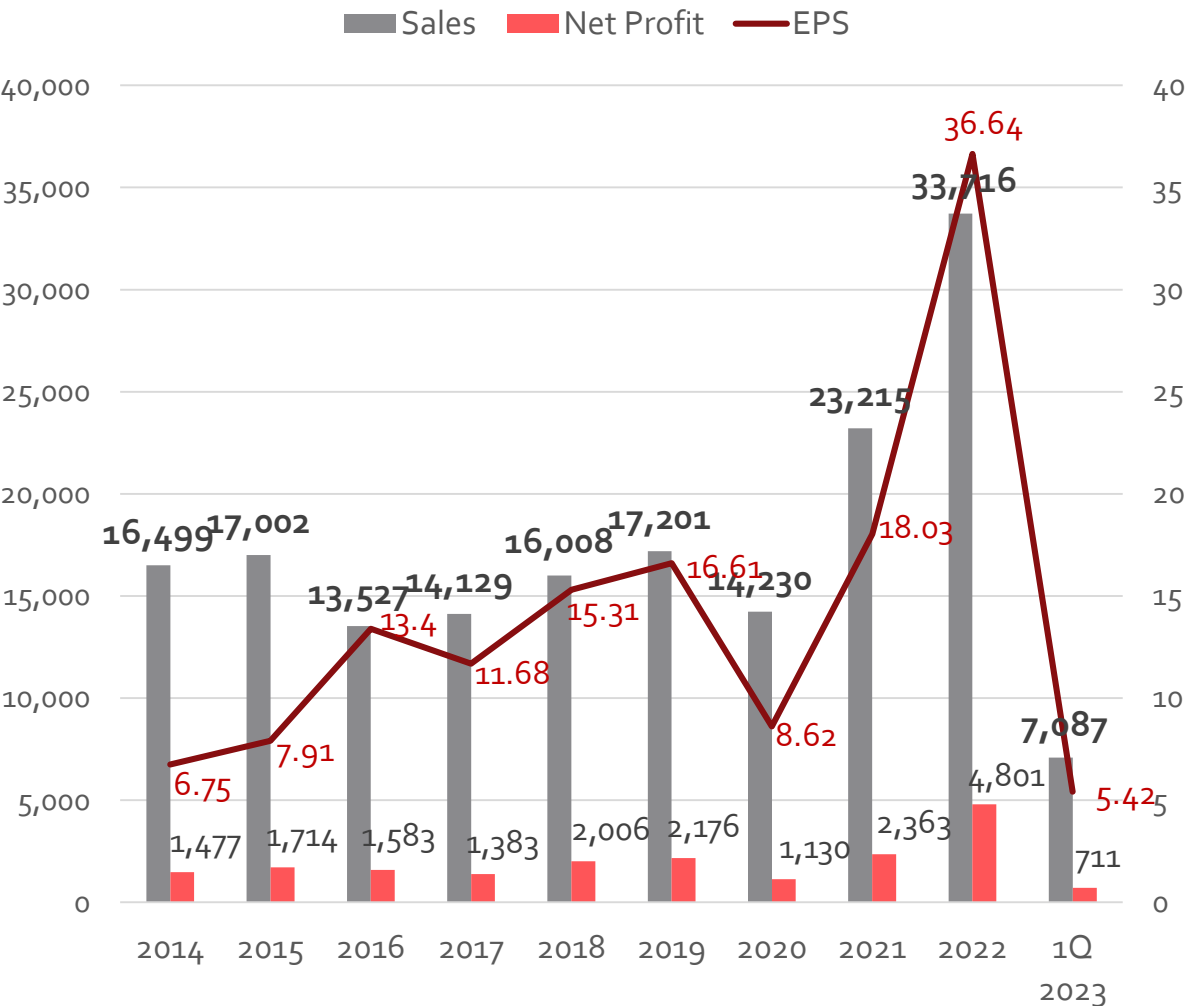
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Statement of Comprehensive Income

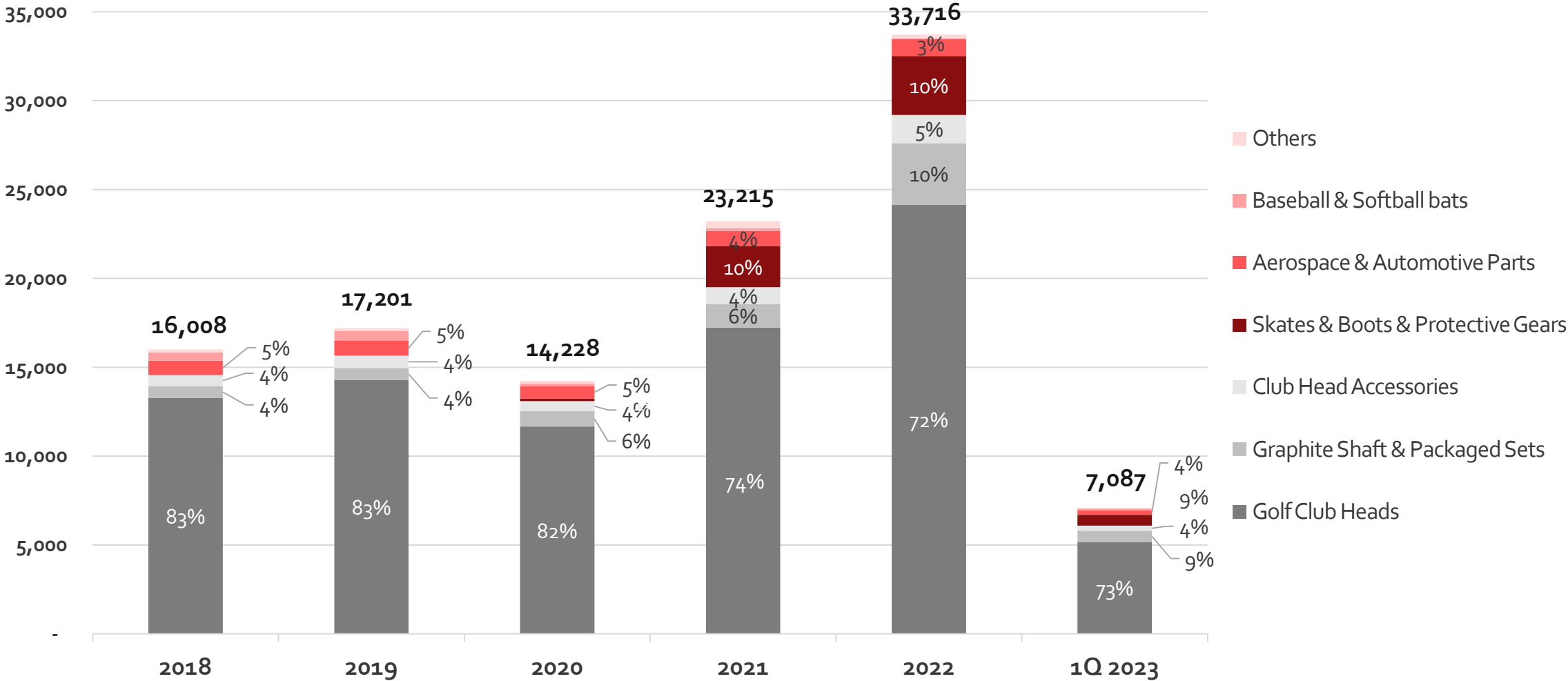
(In NT\$ millions)	1Q 2023	4Q 2022	QoQ	1Q 2023	1Q 2022	YoY
Net Revenue	7,086.8	9,216.7	-23.1%	7,086.8	8,088.7	-12.4%
Gross Margin	1,616.7	2,621.0	-38.3%	1,616.7	1,858.0	-13.0%
Operating Margin	979.0	1,765.8	-44.6%	979.0	1,214.3	-19.4%
Profit before Tax	944.0	1,523.0	-38.0%	944.0	1,336.5	-29.4%
Net income to Shareholders of the Parent Company	710.8	1,104.5	-35.6%	710.8	994.2	-28.5%
EPS	5.42	8.43	-35.7%	5.42	7.59	-28.6%
EBITDA	1,180.1	1,774.9	-33.5%	1,180.1	1,514.6	-22.1%
GM (%)	22.8%	28.4%	-5.6%	22.8%	23.0%	-0.2%
OM (%)	13.8%	19.2%	-5.3%	13.8%	15.0%	-1.2%
PBT (%)	13.3%	16.5%	-3.2%	13.3%	16.5%	-3.2%
EBITDA (%)	16.7%	19.3%	-2.6%	16.7%	18.7%	-2.1%

Operating Performance



Sales by Products

In NT\$ Millions



Balance Sheet

(In NT\$ millions)

	2023/3/31	%	2022/12/31	%	2022/3/31	%
Cash	5,902	27.8%	4,508	20.0%	2,423	12.9%
Account Receivables	4,675	22.0%	5,648	25.0%	5,056	26.8%
Inventories	2,936	13.8%	4,338	19.2%	4,294	22.8%
Current Assets	14,208	67.0%	15,462	68.5%	12,492	66.3%
PPE	4,963	23.4%	5,015	22.2%	4,581	24.3%
Intangible Assets	678	3.2%	688	3.0%	707	3.8%
Non-current Assets	7,011	33.0%	7,109	31.5%	6,357	33.7%
Assets	21,219	100.0%	22,571	100.0%	18,849	100.0%
Bank Loan	1,192	5.6%	1,429	6.3%	2,996	15.9%
Account Payables	2,121	10.0%	3,454	15.3%	3,112	16.5%
Other Payables	1,179	5.6%	1,747	7.7%	1,379	7.3%
Current Liabilities	5,828	27.5%	7,845	34.8%	8,535	45.3%
Bonds payables	1,162	5.5%	1,448	6.4%	-	0.0%
Lease Liabilities	284	1.3%	336	1.5%	117	0.6%
Defined benefit Liabilities	84	0.4%	83	0.4%	204	1.1%
Non-current Liabilities	1,633	7.7%	1,968	8.7%	450	2.4%
Liabilities	7,461	35.2%	9,813	43.5%	8,985	47.7%
Common Stock	1,326	6.2%	1,311	5.8%	1,310	7.0%
Addition Paid in Capital	2,212	10.4%	1,933	8.6%	1,667	8.8%
Retained Earnings	9,435	44.5%	8,724	38.7%	6,458	34.3%
Other Equities	(444)	-2.1%	(422)	-1.9%	(419)	-2.2%
Non-controlling interests	1,229	5.8%	1,212	5.4%	848	4.5%
Equity	13,758	64.8%	12,758	56.5%	9,864	52.3%

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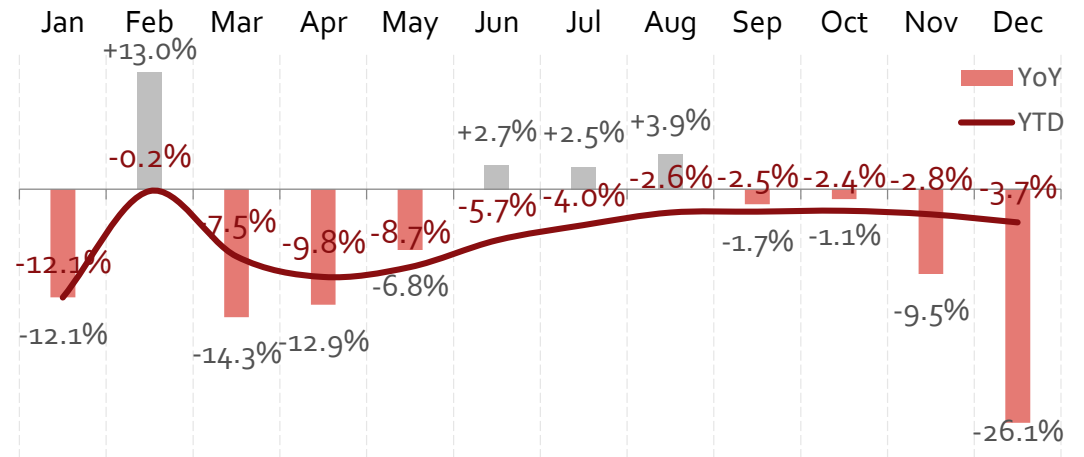


Key Massage(1/3) - Golf Industry

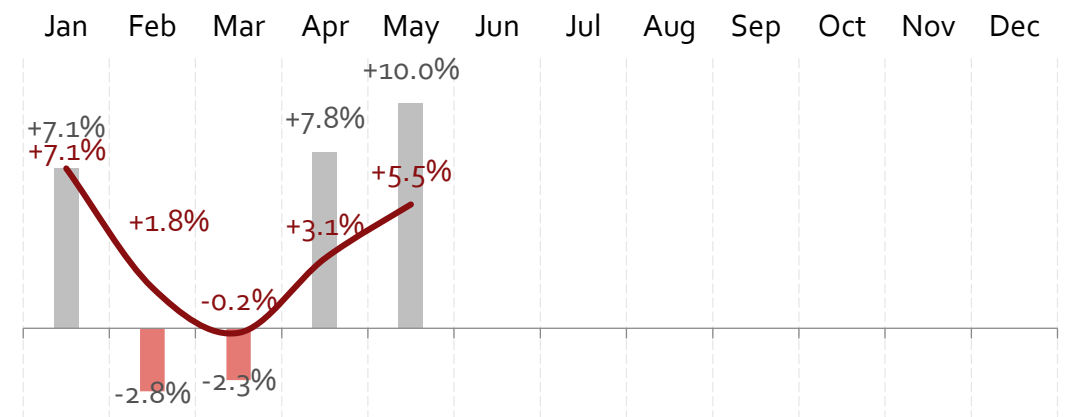
- As of May '23, US rounds played YTD +5.5%.
- Total US Golf Equipment Retail Market
YTD(thru May) '23 vs '22: Dollars +2%
YTD(thru May) '23 vs '19: Dollars +51%
- Entering June, golf club dollar shipments are down about 4% compared to the same mid-year stretch in 2022, while golf balls are up almost 18%.
- Consumers across the United States are trading down, given higher inflation and the persistent threat of an economic recession.

Source: National Golf Foundation, Golf Datatech

US Rounds Played – 2022 vs. 2021



US Rounds Played – 2023 vs. 2022



Source: National Golf Foundation

Key Massage(2/3) – Business Outlook by Product

Golf Club Head (73% 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
- Revenue pattern goes back to pre-pandemic pattern, 1Q and 4Q are peak seasons and 2Q and 3Q are low seasons

Golf Shaft/ Package Set/ Accessory (13% of sales)

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

Skate & Boots (9% of sales)

- Similar to the situation with golf, there is pressure on customer and channel inventory levels
- Minson's top 3 customers (hockey, baseball and motocross) ranked No.7, No.9 and No.10, in the consolidated customer base for 1Q 2023

Baseball (<1% of sales)

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

Aerospace /Automobile (4% 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

Key Massage(2/3) – Ex-dividend Schedule

2022 Dividend : Cash dividend NT\$22 per share

(The actual distribution amount per share is calculated based on the actual number of outstanding shares on the ex-dividend date.)

The last purchase date for dividend : 2023/07/20

Ex-dividend trading date : 2023/07/21

Ex-dividend record date : 2023/07/29

Payment date of cash dividend : 2023/08/18

The deadline for applying the conversion of the convertible bonds : 2023/06/30

The beginning date of the closure period for the conversion : 2023/07/04

The ending date of the closure period for the conversion : 2023/07/29

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