

SuperAlloy Industrial Co. (1563 TT)

Investor Presentation



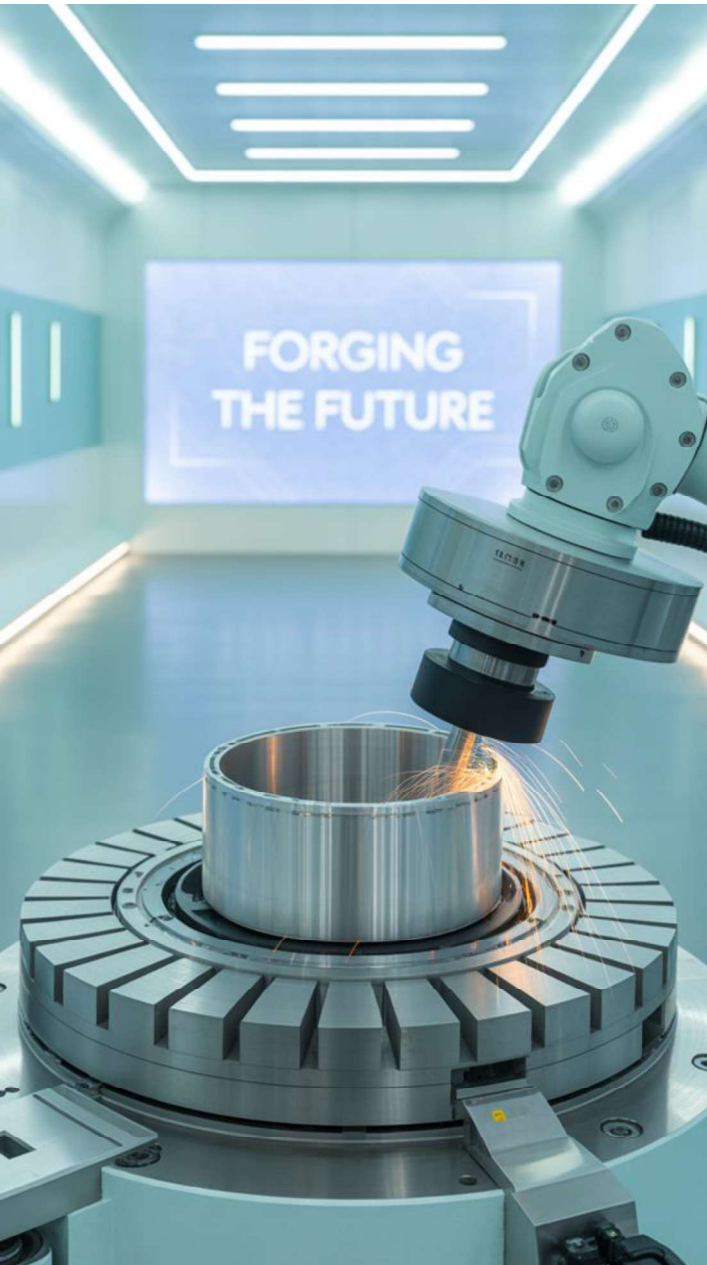


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Agenda

2Q25 Results And Guidance

SAI's Growth Strategy And Goals

Q&A

A side-profile view of a red Ferrari sports car, likely a 488 GTB, parked on a racetrack. The car is positioned in the lower half of the frame, facing left. The background features a sunset sky with orange and yellow clouds, and distant mountains. A semi-transparent dark blue rectangular box is overlaid on the lower left side of the car, containing the text "2Q25 Results And Guidance".

2Q25 Results And Guidance

2Q25 Income Statement



NT\$ million	2Q25	1Q25	2Q24	QoQ (%)	YoY (%)
Net Revenue	1,715	1,918	1,873	(10.6)	(12.3)
Gross Profit	340	545	505	(37.7)	(34.8)
Gross Margin	19.8%	28.4%	26.95%		
Operating Expenses	196	246	247	(20.3)	(21.2)
SG&A percent of Sales	11.5%	12.8%	13.20%		
Operating Income	143	299	258	(52.1)	(47.4)
Operating Margin	8.3%	15.6%	13.76%		
Net Non-Operating Income (Loss)	-229	144	-55	(259.5)	(679.0)
Pre-Tax Income	-86	443	203	(119.4)	(127.6)
Income Tax Expense	-21	89	39		
Minority Interest	0	0	0		
Net Income to Parent	-65	354	164	(118.3)	(126.0)
Net Margin	-3.8%	18.5%	8.75%		
EPS (NT\$)	-0.29	1.53	0.72	(119.0)	(124.8)

Source: TEJ

1H25 Income Statement



NT\$ million	6M25	6M24	YoY%
Net Revenue	3,633	3,828	(5.1)
Gross Profit	885	1,026	(13.8)
Gross Margin	24.35%	26.80%	
Operating Expenses	443	496	(10.8)
SG&A percent of Sales	12.18%	12.96%	
Operating Income	442	530	(16.5)
Operating Margin	12.17%	13.84%	
Net Non-Operating Income (Loss)	-85	-15	464.6
Pre-Tax Income	357	515	(30.7)
Income Tax Expense	68	101	(33.4)
Minority Interest	0	0	0.0
Net Income to Parent	289	413	(30.0)
Net Margin	7.96%	10.79%	
EPS (NT\$)	1.28	1.88	(32.2)

Source: TEJ

2Q25 Balance Sheet

SAI

NT\$ million	2Q25		1Q25		2Q24		QoQ (%)	YoY (%)
	\$	%	\$	%	\$	%		
Cash and Cash Equivalents	2,452	13	1,265	7	1,994	11	93.8	23.0
Notes & Accounts Receivable, Net	992	5	1,179	7	1,044	6	(15.9)	(5.0)
Inventories	6,372	35	6,244	36	5,736	33	2.1	11.1
Other Current Assets	415	2	637	4	188	1	(35.0)	120.1
Long-term Investments	35	0	0	0	35	0	#DIV/0!	(0.3)
Fixed Assets	7,620	42	7,731	44	8,038	46	(1.4)	(5.2)
Other Long-term Assets	326	2	355	2	353	2	(8.3)	(7.8)
Total Assets	18,211	100	17,412	100	17,388	100	4.6	4.7
Current Liabilities	5,292	29	4,318	25	2,881	17	22.5	83.7
LT Debt	4,111	23	4,054	23	4,903	28	1.4	(16.2)
Other Non-Current Liabilities	24	0	35	0	39	0	(30.7)	(37.1)
Total Liabilities	9,427	52	8,408	48	7,822	45	12.1	20.5
Common Stock	2,308	13	2,378	14	2,378	14	(2.9)	(2.9)
Total Equity	8,784	48	9,004	52	9,566	55	(2.4)	(8.2)
Book Value per Share (NT\$)	38.1		37.9		40.2		0.5	(5.4)

Source: TEJ

Guidance



- **2Q25 Expected to Be the Full-Year Trough; Recovery Anticipated in the 2H25 :**

SAI expects Q2 2025 to be the low point of the year, with second-half revenue staying in line with the first half. Despite FX volatility and customer production adjustments, full-year revenue is expected to decline by around 4–6% YoY. Backed by long-term partnerships with global luxury carmakers and client support for production relocation due to tariff changes, SAI continues to strengthen its leadership in premium forged aluminum wheels.

- **Operating Profit Margin Expected to Stay in Double Digits in 2025; Return to Growth Trajectory in 2026; Long-Term Target Maintained at 15–20% :**

Operating margin is expected to bottom out in Q2, supported by broader use of recycled aluminum and improved process efficiency. SAI expects margins to stay in double digits in 2025 and return to growth in 2026. The long-term target of 15–20% remains unchanged, supported by value-added products and process optimization.

- **Semiconductor Business to Contribute Revenue Starting Next Year; Three-Year Target: 40% of Total Revenue from Non-Passenger Vehicle Segment:**

SAI is targeting high-margin front-end components for advanced semiconductor manufacturing equipment and aims to maximize return on investment by fine-tuning existing machinery for efficient mass production. The company expects this new business line to begin contributing revenue in 2026. With recycled aluminum increasingly applied in non-passenger vehicle and semiconductor sectors, SAI aims to raise the revenue contribution from non-passenger vehicle aluminum wheels to 40% within three years, driving future growth.

- **Recycled Aluminum and Semiconductor Products Driving Margin Expansion and Multi-Sector Applications :**

Recycled aluminum has been adopted by seven brand customers, with current usage at 40%. This is expected to reach 50% by end-2026, potentially lifting gross margin by about 0.25~0.375 ppt. A second 100,000-ton smelting plant is set for completion in 2026 to support growth in non-passenger vehicle and semiconductor applications. SAI aims to raise revenue from non-passenger vehicle wheels from 15% to 40% within three years.

FORGING THE FUTURE

SAI's Growth Strategy And Goals

Entering Advanced Nodes: From Wheels to Semiconductors

SAI began developing raw materials and optimizing processes for key components and consumables used in front-end equipment for advanced semiconductor processes three years ago. Backed by four core strengths, the company aims to become a vital force in the semiconductor supply chain, providing Taiwan's semiconductor ecosystem with top-tier, locally rooted support.



Four Core Strengths in Entering the Semiconductor Industry

SAI



Over 30 Years of Expertise in Aluminum Development

With over three decades of forging wheel experience, SAI possesses unique know-how in aluminum alloy R&D and manufacturing — from material selection and forging techniques to surface treatment.



Key Role in Import Substitution

By producing ultra-pure forged aluminum parts, SAI offers effective local alternatives to imported components, supporting Taiwan's semiconductor industry and reducing reliance on foreign supply chains.



Enabler of Supply Chain Decentralization

As global semiconductor supply chains decentralize, SAI provides trusted, locally rooted support for international equipment makers seeking regional partners in Taiwan.



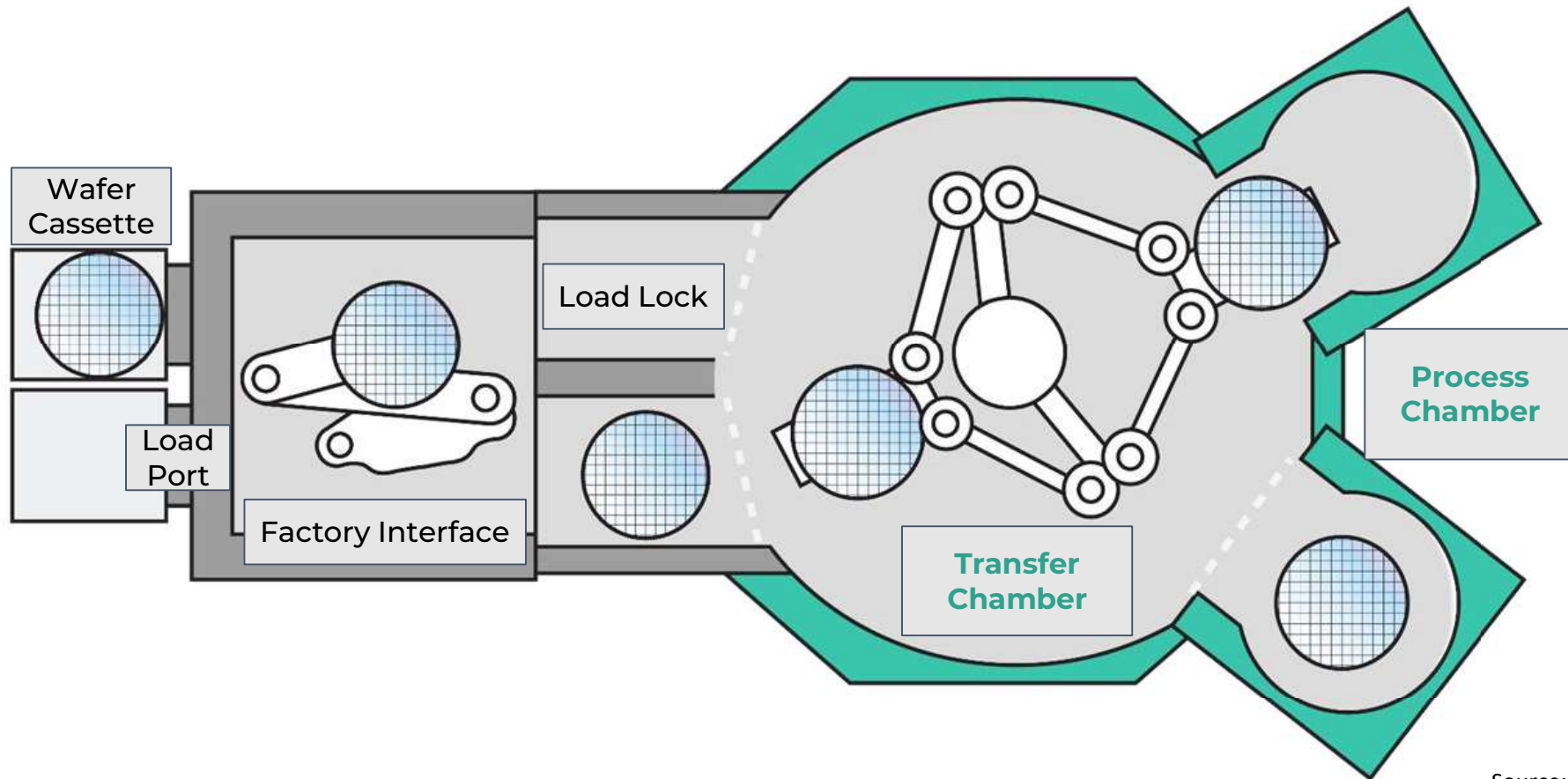
Advantages in Efficiency and Cost

Through efficient production line setups, SAI ensures shorter lead times, stable quality, and stronger cost competitiveness compared to imported products.

Semi Front-End Equipment Component Deployment

Collaborating with Domestic and International semiconductor equipment makers

SAI



Source: ResearchGate

SAI's Strategic Role and Outlook in the Semi Supply Chain

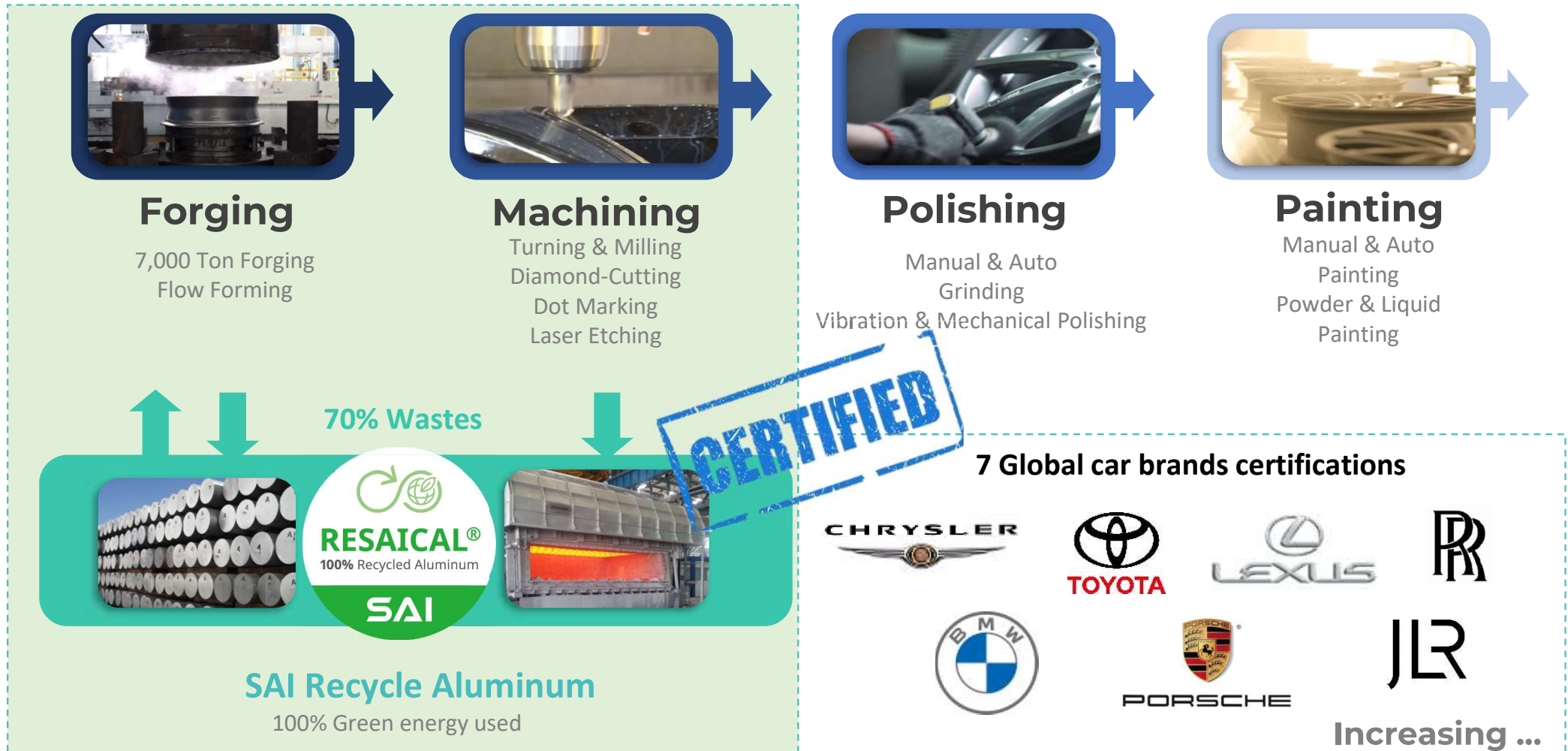
Growth Blueprint: Building a Scalable Semiconductor Business

- **Optimizing Profit Structure:** Targeting semiconductor product lines with **higher gross margins** than forged automotive wheels, with the core goal of maximizing profitability.
- **Efficient and Flexible Production:** Achieving high-efficiency mass production and faster time-to-market through fine-tuning of existing equipment, **without additional capital expenditure**.
- **Revenue Growth Engine:** Aiming to begin **contributing to revenue starting in 2026**, driving stable growth momentum.



Increase Profitability by Using Recycled Aluminum

Achieve diversification of supply sources, reduce inventory and cost

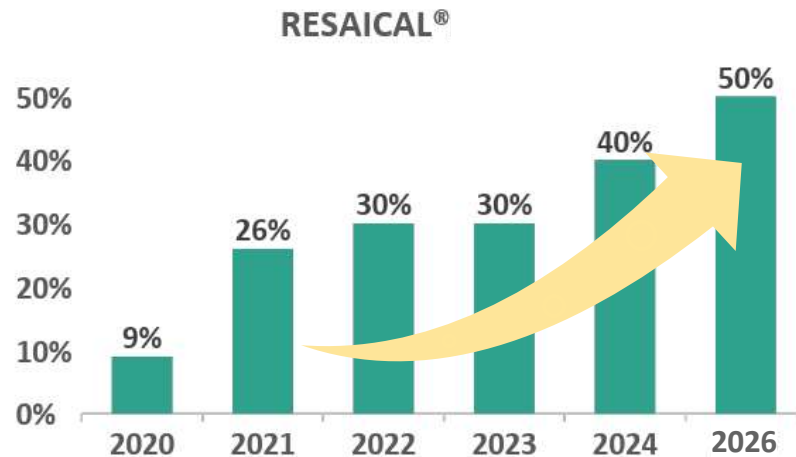


MOVING INTO GREEN



Green Milestone

- The yield rate of RESAICAL® recycled aluminum increased from 69% in 2020 to 97% in 2023.
- Our current recycled aluminum annual capacity is **40k** tons. Usage of rate of RESAICAL® recycled aluminum in forged wheels reached **40%** in 2024, with an expected increase to **50%** in 2026.



- An additional **100,000** tons of aluminum smelting capacity is expected to be added in 2026 for non-forged wheel products.



SAI is certified as a **Performance Standard ASI** supplier in 2024.

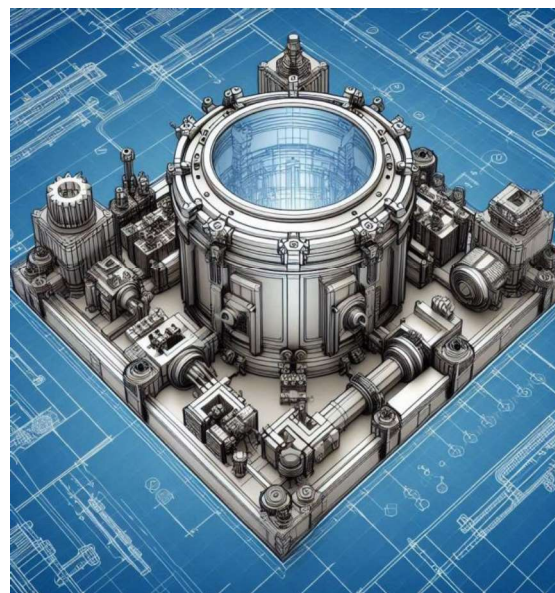
1.5MW

self-consumption solar power plant (since 2023/3/31)

Promoting diverse aluminum applications to boost long-term profitability

With aluminum's lightweight, strength, and corrosion resistance, SAI aims to raise non-passenger vehicle aluminum wheel revenue to over 40% in three years

SAI



Semiconductor equipment
(Front-end Equipment Components)



Mobility
(Electric Vehicles /Commercial Trucks /Hydrogen Vehicles)



Heavy electrical equipment
(Substation Gas Storage Components)



Others
(Aerospace/Medical Materials/Raw materials & Contract Manufacturing)

SAI and Luxury Brands Outgrew The Global Market

Continuing to Grow Alongside Global Supercar, Luxury, and Premium Brand Customers



- From 2018 to 2024, the CAGR of shipments for supercars, luxury, and premium automotive brands has been in the mid-to-high single digits—outpacing the global auto market, which has seen low single-digit declines.

	2018	2019	2020	2021	2022	2023	2024	2018-24 CAGR
Global Cars Shipment (mn)	94	90	76	79	78	87	89	-1%
Luxury and Premium Cars Shipment								
Rolls-Royce 	4,194	5,100	3,756	5,586	6,021	6,032	5,712	6%
Ferrari 	9,251	10,131	9,119	11,155	13,221	13,663	13,752	8%
Porsche	256,255	280,800	272,162	301,915	309,884	320,221	310,718	4%
SAI Revenue (NT\$m)	6,587	5,892	5,442	7,488	6,402	7,779	7,474	2%
Mercedes	2,382,791	2,385,432	2,087,200	1,943,900	2,040,700	2,044,100	1,983,400	-3%
Mercedes - Maybach, AMG, G & S	-	-	-	283,300	328,200	328,300	281,500	-0.2%**
BMW 	2,486,150	2,537,500	2,325,180	2,521,510	2,399,630	2,554,180	2,450,804	-1%
BMW - M Performance	-	-	-	163,542	177,257	202,530	206,582	9%**
Lexus	698,300	765,330	718,715	760,012	625,365	824,258	851,214	4%
JLR	578,915	508,659	439,588	431,733	354,662	431,733	430,812	-4%

*Green highlights are SAI's main customers. **Mercedes and BMW high-end shipment CAGR is based on 2021-24 data. Source: Company data

Top-Tier Automakers Continue to Drive Growth in High-End Models

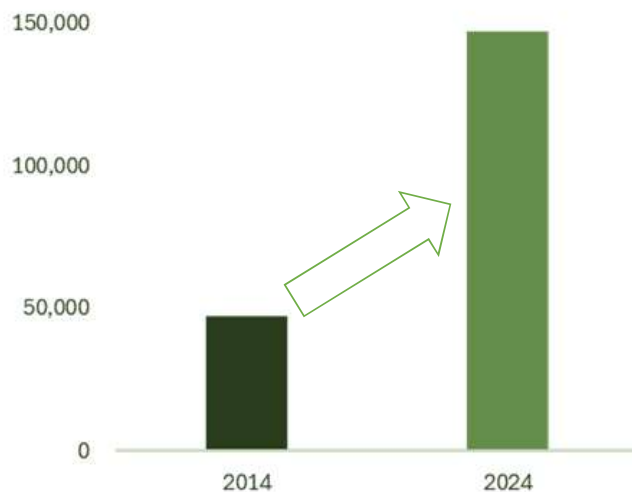
German automakers have delivered a 10–11% CAGR in premium vehicle shipments over the past decade, reflecting sustained demand for high-performance forged aluminum wheels.



Performance Car : **11.3%** CAGR

Driven by motorsports heritage and strong export demand.

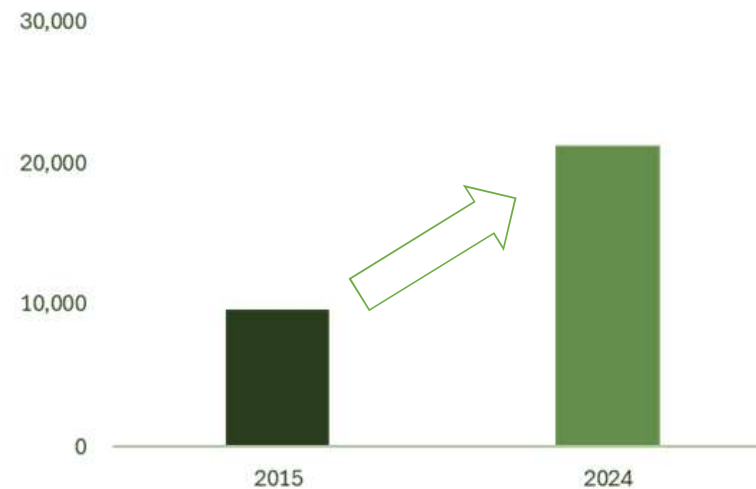
Performance Car Shipment



Top-End Sedan : **9.9%** CAGR

Supported by demand for executive and long-wheelbase sedans in key markets.

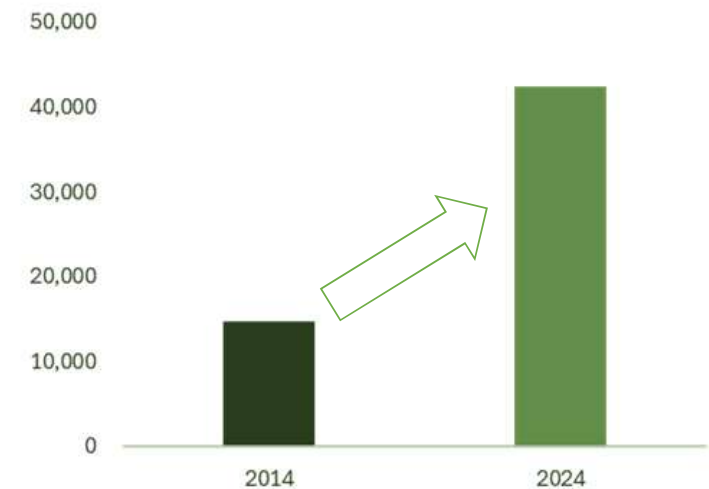
Top-End Sedan Shipment



Top-End SUV : **11.2%** CAGR

Benefiting from new model launches and rising global luxury SUV demand.

Top-End SUV Shipment



Source: Company Data

Improve Operational Efficiency through Expanding Net Shape Forged Wheels



Advantages of Net Shape Forged Wheels

- ◆ Our Net Shape Forged Wheels utilize precision forging to shorten post-forging processes, simplify the production process, which leading to less production time and lower cost.
- ◆ It is suitable for bulk orders of premium car brands, which increases our utilization rate and higher asset turnover.

	Fully-Machined Forging	Net & Near Net Shape Forging
Rim type	Super and luxury car (i.e.: Ferrari, McLaren, Rolls Royce, Bentley)	Premium car (i.e.: BMW, Mercedes-Benz, Porsche, Lexus)
Forging process	Shorter, cheaper and less exact mold	More exact mold with higher tooling costs
CNC machining time	Longest and requires the most plant floor area for CNC machines	Reduced need for machining
Design process	High machining complexity and long toolpath design time	Three passes of forging, and the mold flow analysis time is long
Material costs	High	Less
Advantages	Enhanced design options Best Appearance and precision Small volume orders	Lower production costs Stable quality with high automation Large volume orders

More Net Shape Forged Wheel Projects Are Coming

14 net shape forged wheels are in mass production. **71** are under development.

SAI

DODGE



Charger, Challenger, Durango SRT series
10 wheels are in mass production
1 wheel is under development



2021MY M3 M4 Competition
4 wheels are in mass production



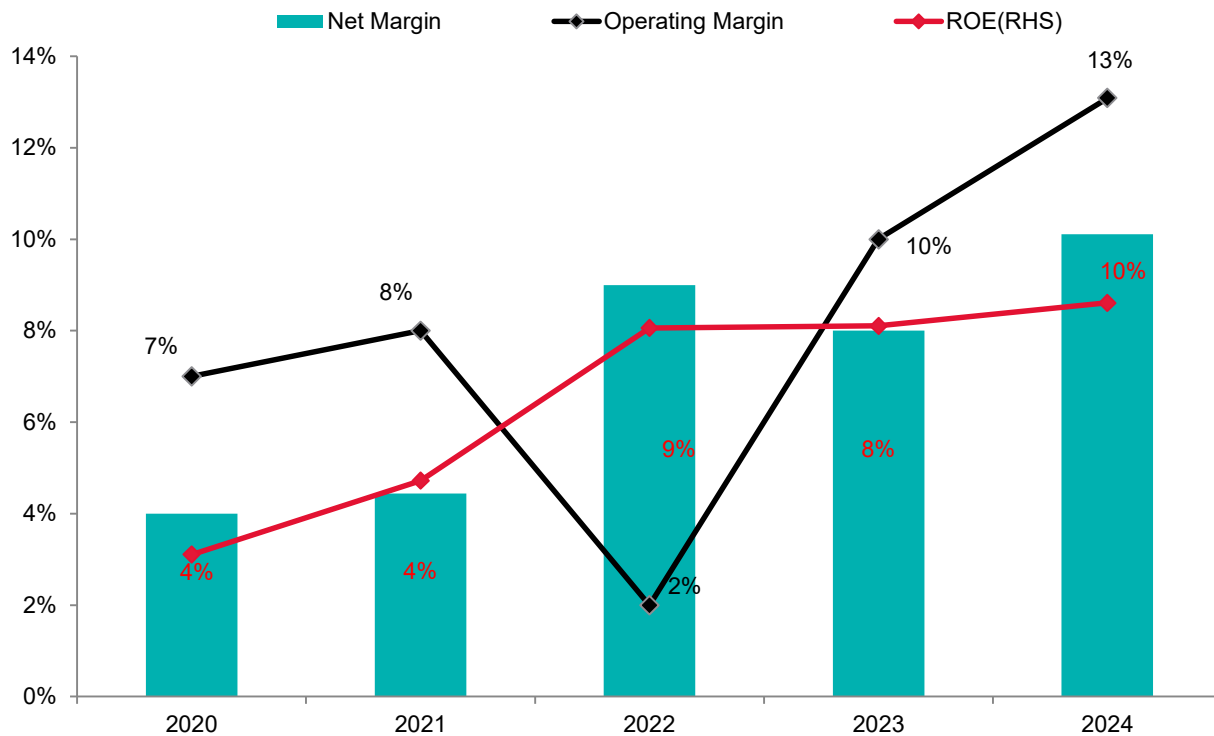
2024MY Macan and 2025MY 911
62 wheels are under development

DAIMLER



2025 EQ
8 wheels are under development

SAI Aims to Deliver Sustainable Long-term Shareholders Returns through the Enhancement of Operational Efficiency and Profitability



Long-term operational goals :
15-20% Operating Margin
Double-Digit ROE

Sustainable Operation and Growth



Profitability Improvement and Sustainable Revenue Growth



**Listed on TWSE on May 13th
TW No.3 Machining Tier-1 supplier**

**Green
Factory**

- Increase the proportion of recycled aluminum used
- Increase utilization rate

**Growing
TAM**

- Full-Machining, Net-Shape Forged Wheels
- Increase brand penetration rate
- Expanding into the semiconductor industry

**Profitability
Improvement**

- Optimize operational efficiency
- Long-term operating margin target: **15-20%**

**Sustainable
Return**

- Generating a sustainable double-digit ROE
- Maintain at least **60%** payout ratio



Q&A