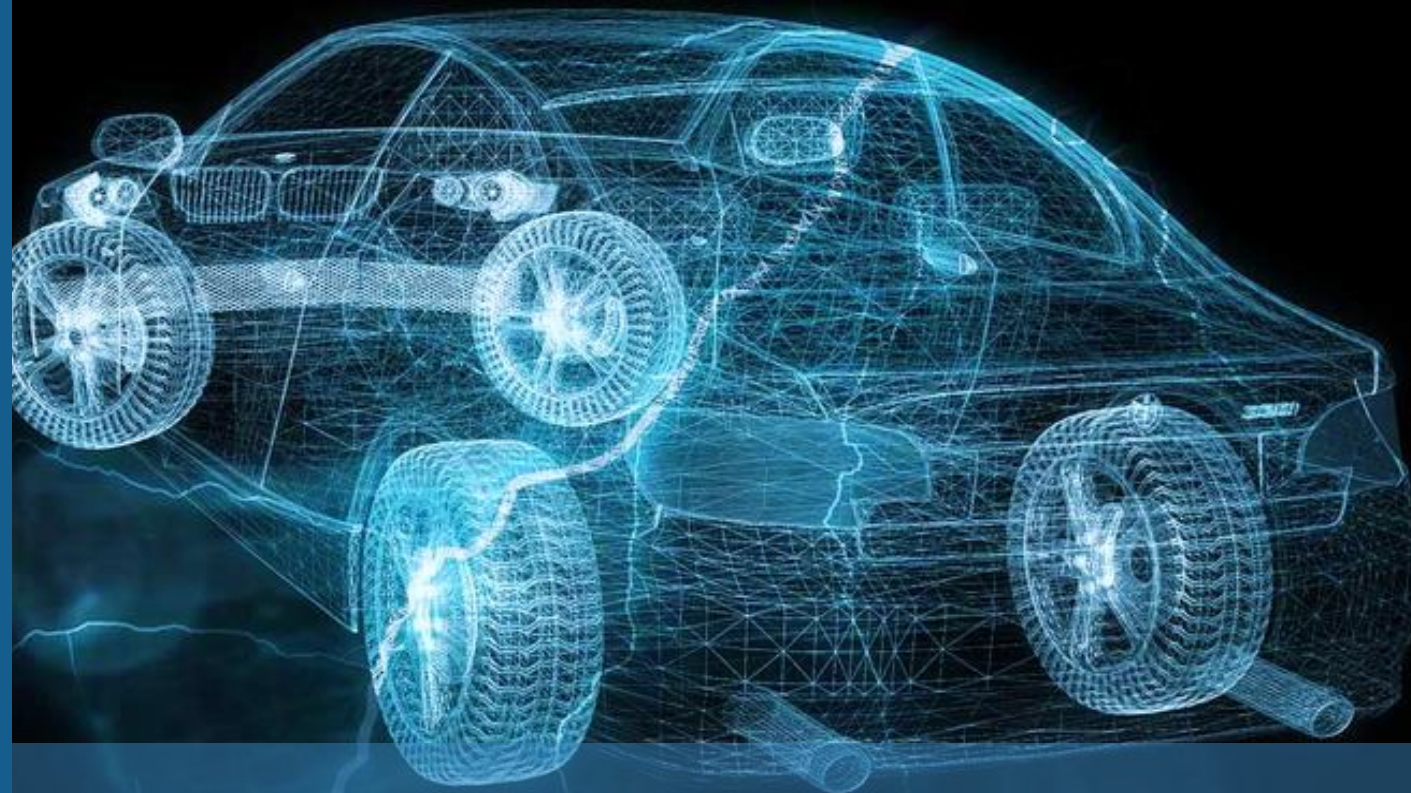


SuperAlloy  
Industrial Co.  
(1563 TT)

Investor Presentation



Forging the  
**GREEN FUTURE** of Mobility

# Disclaimers

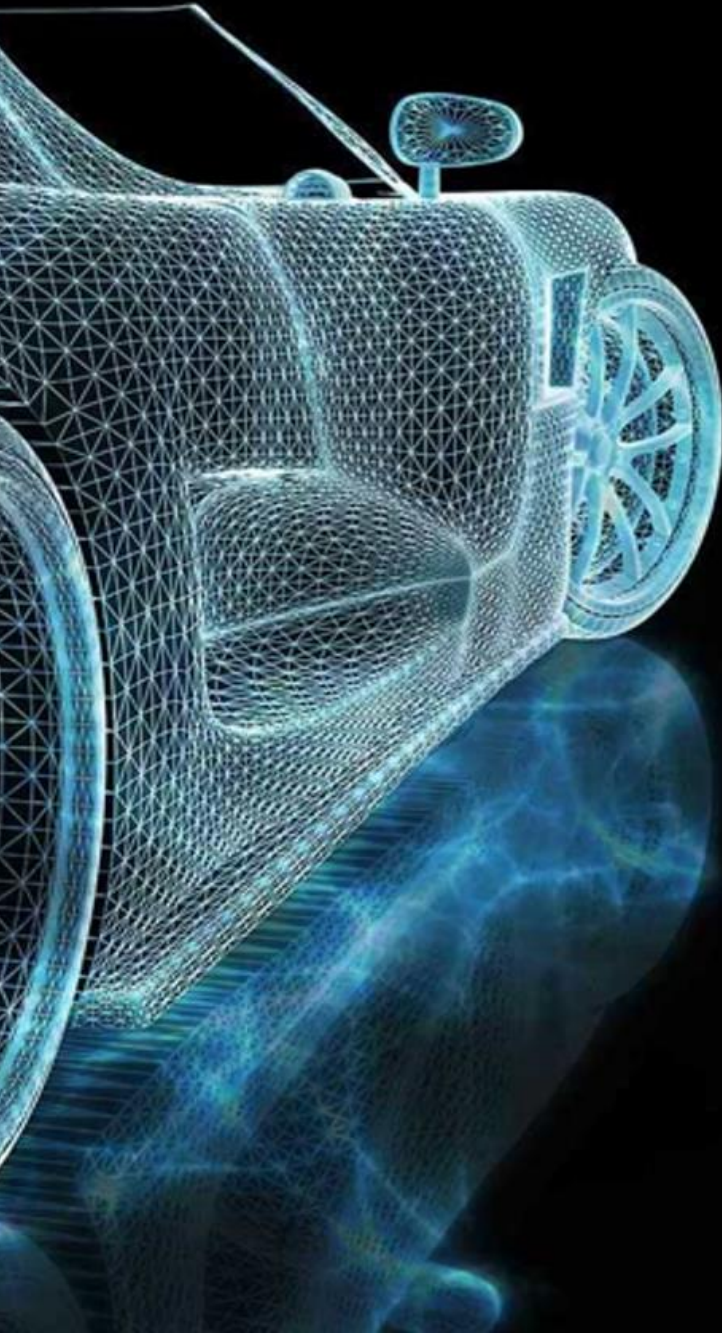
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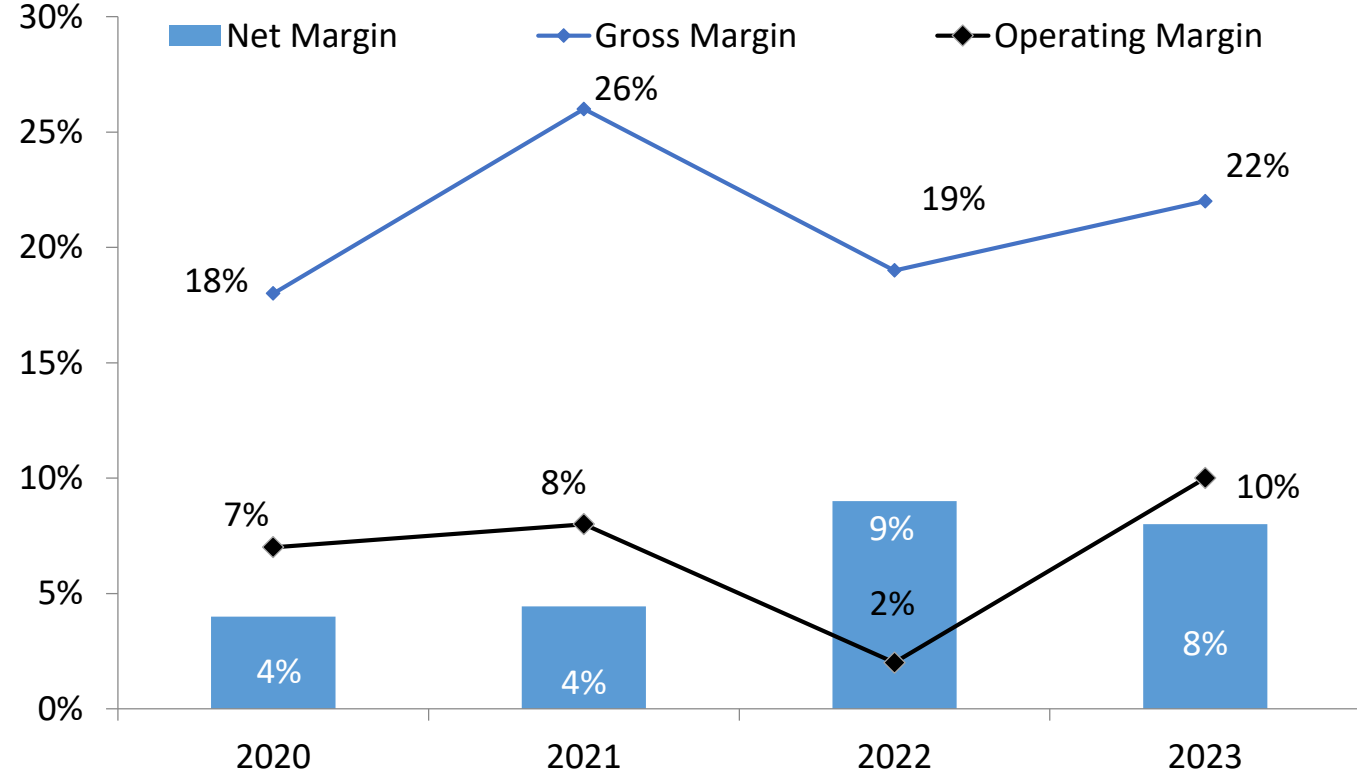
This Presentation includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, general economic, market or business conditions and other unforeseen events. Prospective Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.



# Improving Operating Margin



Shipping costs are back to pre-pandemic levels and operating margin has significantly improved. We aim to maintain double-digit operating margin.

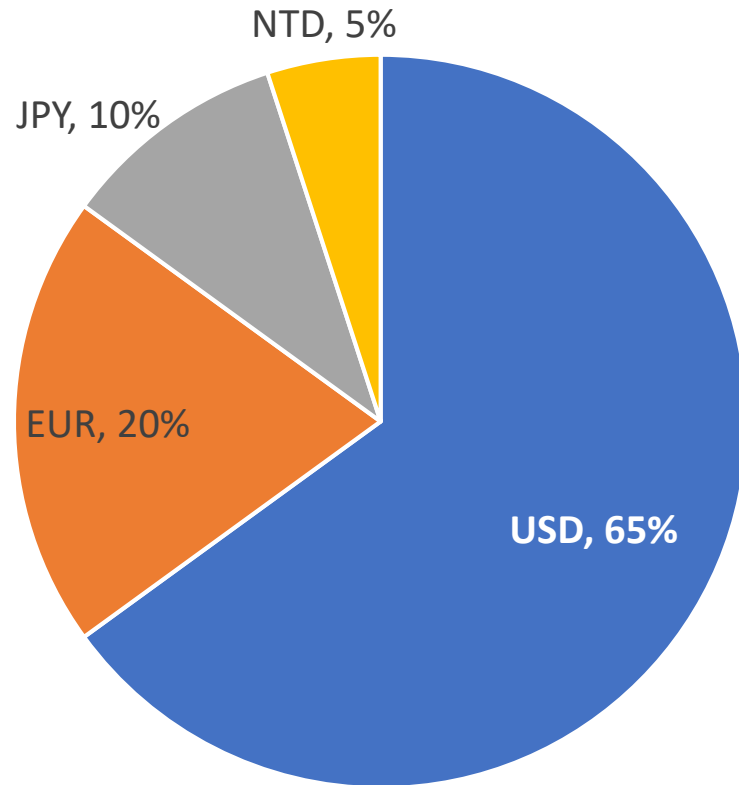


# The Fluctuation of the US dollar and Aluminum Prices



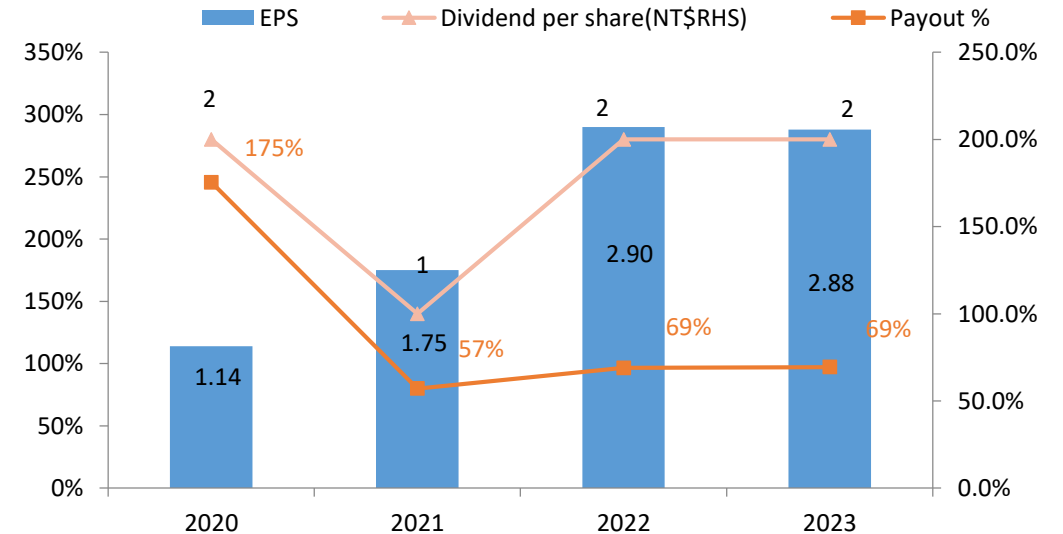
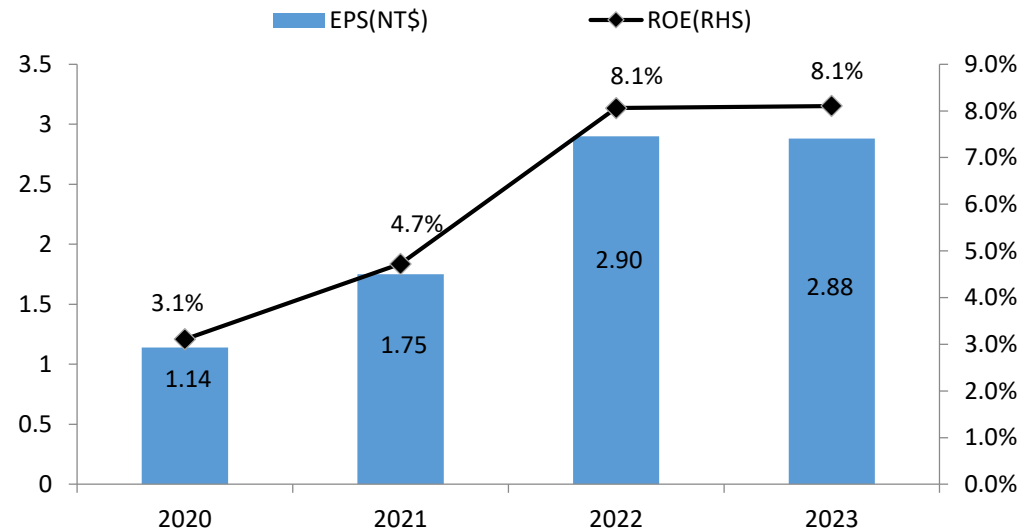
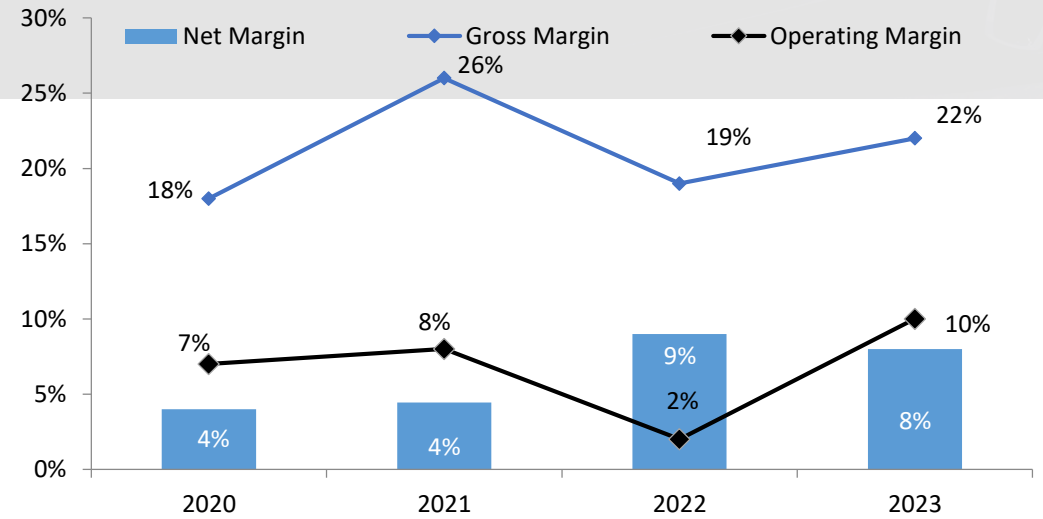
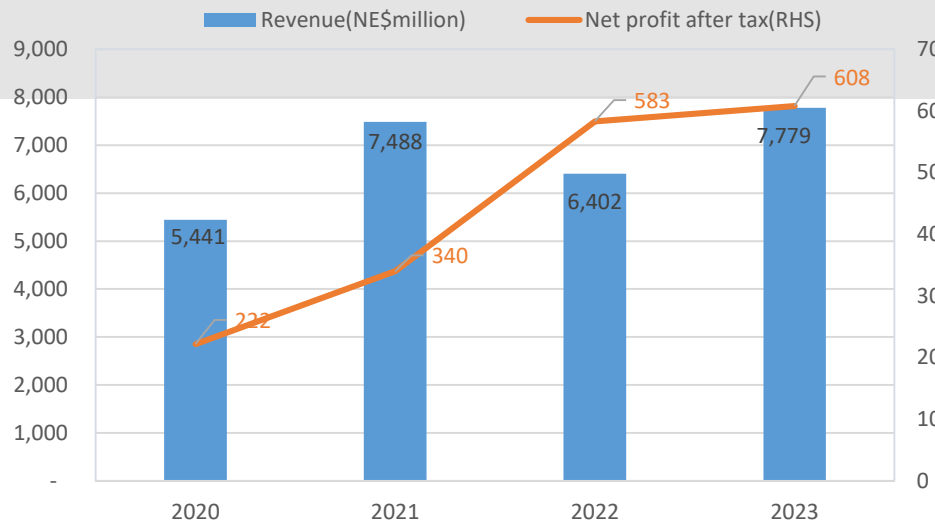
Reducing US dollar holdings has minimized the impact of exchange rate fluctuations on non-operating gains and losses. We are implementing a natural-hedge strategy.

2023 Income Currency Mix



- A 1% fluctuation in the US dollar exchange rate results in a 0.35% impact on gross profit.
- The fluctuation in aluminum price can be passed on to customers, with a relatively minor long-term impact on gross profit.

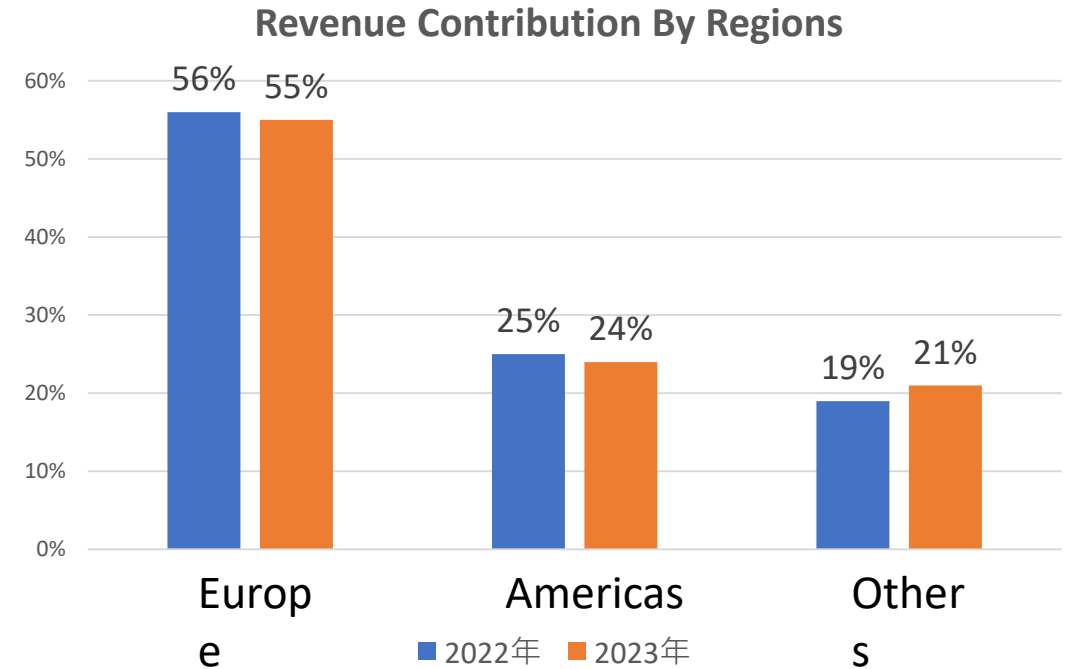
# Key Financial Performance



# Our Revenue Distribution Based On The Top Five Customers and Regions



2022		2023	
Jaguar Land Rover Limited	12%	Jaguar Land Rover Limited	13%
Dr. Ing. h.c. F. Porsche AG	11%	台灣豐田通商股份有限公司	10%
Mercedes Benz U.S. International	10%	Dr. Ing. h.c. F. Porsche AG	9%
永在國際股份有限公司	8%	FCA US LLC	7%
BMW Group	6%	Mercedes Benz U.S. International	6%
<b>Top 5 Clients Sales Contribution</b>	<b>47%</b>	<b>Top 5 Clients Sales Contribution</b>	<b>45%</b>



# Balance Sheet



NT\$ million	2020	2021	2022	2023	Y-Y (%)		
					2021	2022	2023
<b>TOTAL ASSETS</b>	<b>16,820</b>	<b>16,444</b>	<b>17,376</b>	<b>17,562</b>	<b>(2.2)</b>	<b>5.7</b>	<b>1.1</b>
Cash	1,247	1,135	994	1,237	(9.0)	(12.4)	24.4
NR & AR	795	875	827	1,017	10.1	(5.5)	23.0
Inventory	5,072	4,972	6,413	6,241	(2.0)	29.0	(2.7)
PP&E	9,274	8,678	8,736	8,339	(6.4)	0.7	(4.5)
Others	432	784	406	728	81.5	(48.2)	79.3
<b>TOTAL LIABILITIES</b>	<b>9,580</b>	<b>9,264</b>	<b>10,280</b>	9,641	<b>(3.3)</b>	<b>11.0</b>	<b>(6.2)</b>
Bank Loans	8,238	7,827	8,445	8,091	(5.0)	7.9	(4.2)
AP	120	66	74	99	(45.0)	12.1	33.8
Others	1,222	1,371	1,761	1,451	12.2	28.4	(17.6)
<b>TOTAL EQUITY</b>	<b>7,240</b>	<b>7,179</b>	<b>7,096</b>	<b>7,921</b>	<b>(0.8)</b>	<b>(1.2)</b>	<b>11.6</b>

	2020	2021	2022	2023
A/R turnover days	51	42	49	44
Inventory turnover days	184	209	262	260
A/P turnover days	82	71	80	63
Cash conversion cycle	153	180	230	241

Source: TEJ

# Income Statement

NT\$ million	2020	2021	2022	2023	Y-Y (%)		
					2021	2022	2023
<b>Sales Revenue</b>	5,442	7,488	6,402	7,779	37.6	(14.5)	21.5
Gross Profit	992	1,922	1,213	1,734	93.8	(36.9)	43.0
<b>Operating Profit</b>	<b>381</b>	<b>596</b>	<b>119</b>	<b>755</b>	56.4	(80.0)	534.5
Income before tax	260	418	700	762	60.8	67.5	8.9
<b>Net Income</b>	<b>222</b>	<b>340</b>	<b>583</b>	<b>608</b>	53.2	71.5	4.3
<b>EPS (NT\$)</b>	<b>1.14</b>	<b>1.75</b>	<b>2.90</b>	<b>2.88</b>	53.5	65.7	(0.7)
<b>Key Financial Ratios (%)</b>							
Gross Margin	18.2	25.7	18.9	22.3			
Operating Expense Ratio	11.2	17.7	17.1	12.6			
Operating Margin	7.0	8.0	1.9	9.7			
<b>Net Income</b>	4.1	4.5	9.1	7.8			

Source: TEJ



# Our Long-term Dividend Policy

SAI

We aim to distribute a minimum of **NT\$2** cash dividend per share annually with a minimum dividend payout ratio of **50%**.





# Robust Order Momentum With Visibility Extending To 2030

The growth of the luxury car market and the expanding adoption of aluminum components in electric vehicles will benefit our sustained growth and maintain our industry-leading position.



- According to IMARC’s market research, the global luxury car market is projected to reach **US\$565.6 billion by 2028, with a 2023-28 CAGR of 4.9%**. As the demand for luxury cars worldwide continues to rise, there will be an increased demand for aluminum forged wheels that offer high performance and superior driving quality.
- In 2023, new orders from electric vehicles **doubled** compared to 2022.
- Components dedicated to electric vehicles, such as battery enclosures, motor casings, inverter casings, BMS enclosures, etc., will also expand the use of aluminum to offset weight increases. Mid-sized and large sedans, SUVs, and sports cars utilize more aluminum components than standard models for lightweight design while maintaining safety and handling.
- We’re negotiating with customers requesting recycled aluminum and we anticipate that more international automotive manufacturers will adopt our recycled aluminum solution.



# Sustainable Operation and Growth



**Profitability Improvement and Sustainable Revenue Growth**



**Target to list on TWSE during 2Q24**

**Green Factory**

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

**Growing TAM**

- Full-Machining, Net-Shape Forged Wheels & Others to increase market share
- Increase brand penetration rate
- **Expanding into the semiconductor industry** *NEW!*

**Profitability Improvement**

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

**Sustainable Return**

- Generating a sustainable double-digit ROE
- Maintain at least 50% payout ratio



# Company Introduction

# SuperAlloy Industrial (SAI) Is The Top Investment Choice In Tier-1 Supplier of Mobility Industry



SAI's Triple-Arrow Strategy to maximize sustainable profitability and shareholder return

**01**

Reinforce the  
Leading Position  
in the Global  
Luxury/Premium  
Car  
Forging Industry

**02**

Enhance Operational Efficiency  
and Profitability

2-1

Expand Net Shape  
Forged Aluminum  
Wheels

2-2

Green Economy  
Recycled Aluminum

**03**

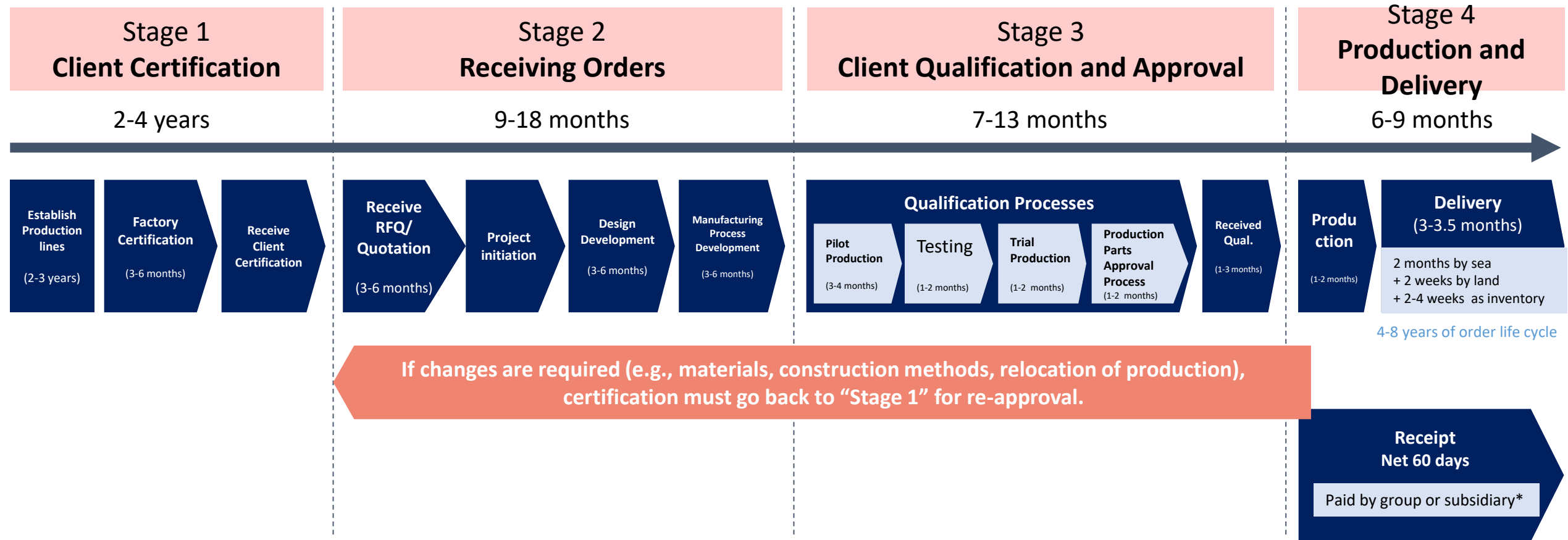
Sustainability  
And  
Corporate  
Governance

A red Ferrari sports car is shown in profile, facing left. It is parked on a racetrack with a blurred background of mountains and a cloudy sky. The car has a black roof and a yellow Ferrari logo on the front fender and the center of the wheel.

# 01 Reinforce SAI's Leading Position

# The High-Entry Barrier of Automotive Supply Chain

Strict Certification Is The Foundation of Strong Partnership With Clients



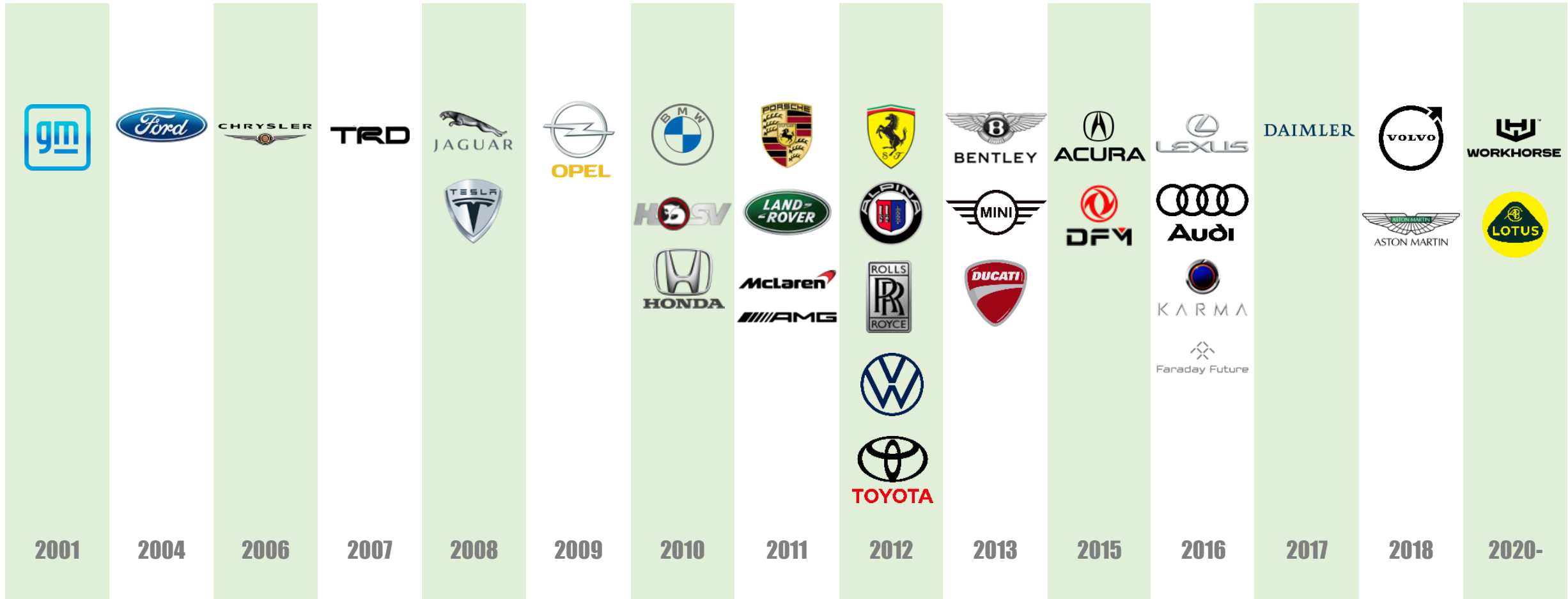
\*Note: Some customers place orders, receive goods or make payments on behalf of the group. For example, Mercedes-AMG GmbH is the client and Mercedes Benz Group AG pays the bill.

# Tier-One Supplier For Top Global Brands



SAI is the world's top 1 aluminum forged wheel maker for Premium / Luxury cars.  
 We will continue to develop various projects to enhance customer penetration rate.

Top 5 Clients: Lexus(Toyota) 、JLR 、 Porsche 、 BMW and Mercedes-Benz





# SAI Realizes Product Design Through a Thousand Trials



With nearly three decades of experience and collaborations with international brands, we have accumulated a wealth of craftsmanship.

Since 2000, we've produced **2,225** wheel models, with a cumulative sales volume of **12** million units.



**315** wheel models are in development

# Made in Taiwan For the Global Market



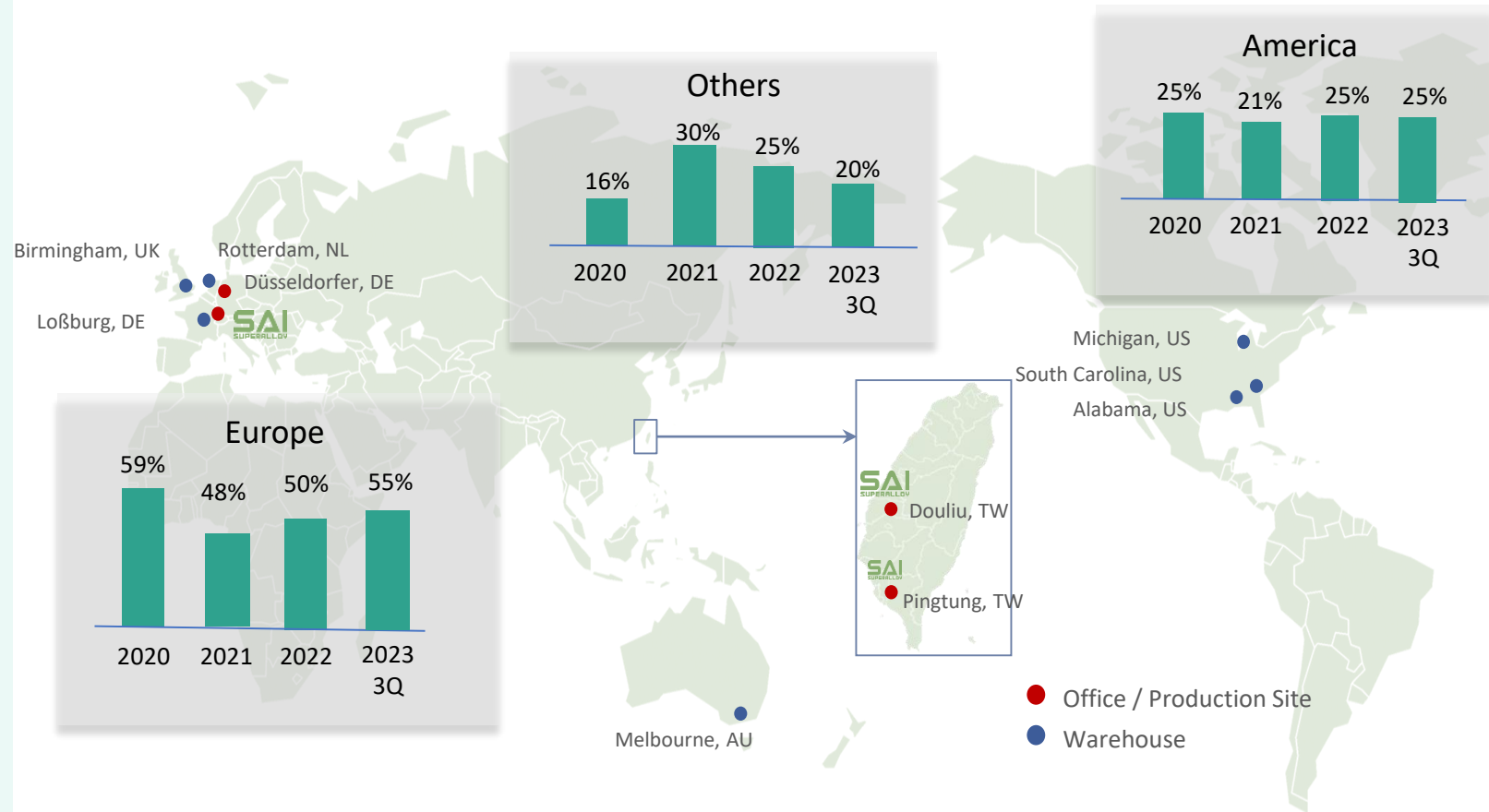
The clientele for Premium/luxury cars spans across regions such as Europe, the Americas, and Japan.

## 3 Production Sites

	Douliu	Pingtung P1	Germany
Forging	✓	✓	
Machining	✓	✓	
Polishing	✓	✓	
Painting	✓	✓	✓
Testing	✓		
Melting		✓	
Capacity(pcs)	600,000	300,000	500,000

**1,585**  
Global Employees

## Global footprint and revenue distribution



# The Forged Wheels continue to drive upward sales for Global Premium/luxury car manufacturers



Forged wheel performs better than cast wheel in various indicators. It can also highlight the status and taste of the car owner.

Forged Wheel	Indicator	Cast Wheel
★★★★★	Strength	★★★
★★★★★	Durability	★★
★★★★★	Elongation	★★
★★★★★	Impact Resistance	★★★
★★★★★	Fuel Economic	★★★
★★★★★	Unsprung Weight	★★★
★★★★★	Vehicle Handling	★★★
★★	Price	★★★★

Wheel Size	Forged Wheel	Cast Wheel	Weight Reduction Ratio
19x9.5	11.77kg	15.70kg	-25%
20x11	13.01kg	18.08kg	-28%
21x10	14.91kg	21.30kg	-30%

Source: SAI Lab. Differences in weight are also influenced by design and load restrictions. The tested wheels are of a similar design and size.

# SAI Supplies 32 EV Models (9 BEV : 23 PHEV)

Forged aluminum wheels can simultaneously meet the high torque acceleration, lightweight, handling and safety requirements of electric vehicles



# Spectre – Rolls Royce's First EV



Joining hands with SAI to pioneer a new category of automobiles: Ultra-Luxury Electric Super Coupé

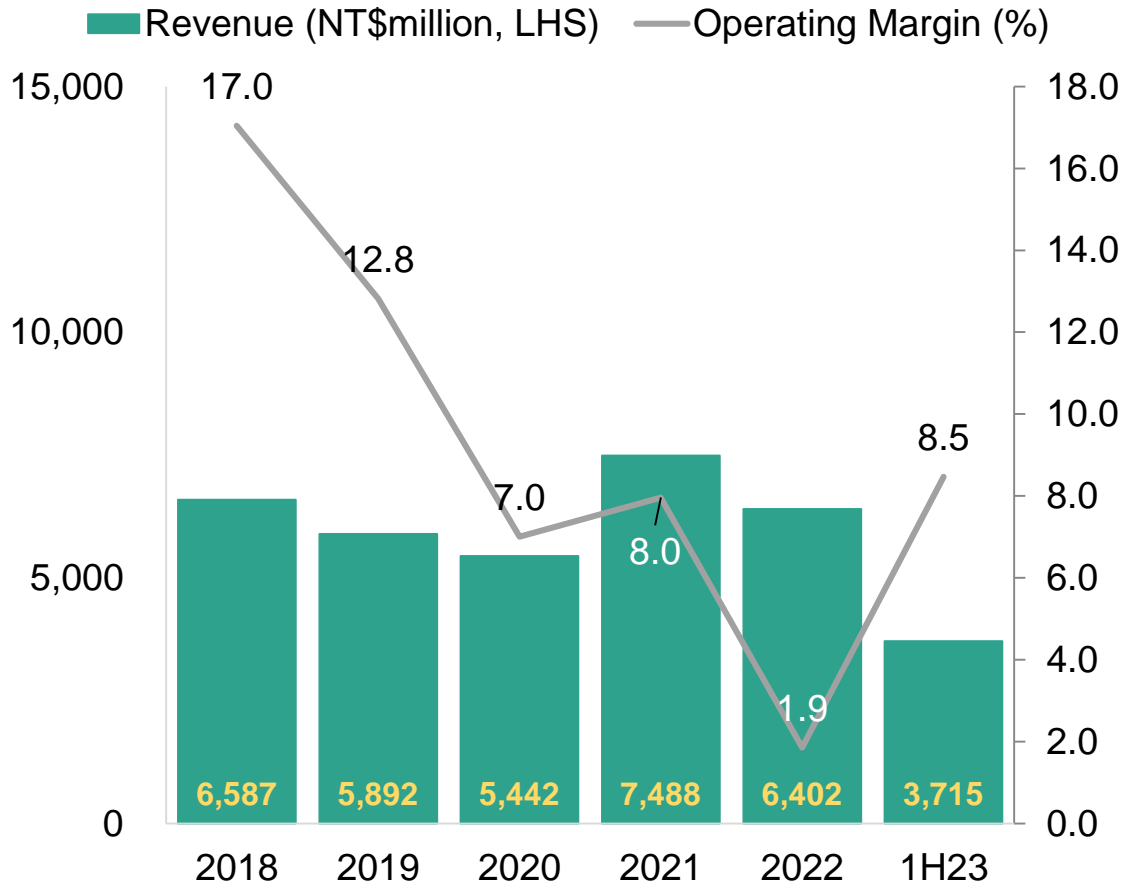




## 02 Enhance Operational Efficiency and Profitability



# 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**

Source: TEJ

# 2-1 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. 63 are under development.



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

# 2-2 Increase Profitability by Using Recycled Aluminum

Achieve diversification of supply sources, reduce inventory and cost



# We Help Automakers Accelerate Their Carbon Neutrality Goals

The use of recycle aluminum can reduce emissions by up to 95% compared to primary aluminum

- Automakers apply more recycled aluminum**

BMW requires suppliers to use more than 50% of recycled aluminum by 2025; JLR increases the proportion of recycled aluminum used, which can reduce the carbon emissions of the production process by 26% within a few years. Audi, Toyota, and VW have all launched plans to use recycled aluminum.

Year of Caron Neutrality	Automakers
2030	Porsche, Bentley
2035	Toyota
2039	Daimler, JLR
2040	GM, Volvo
2045	Hyundai
2050	VW, Audi, Ford, RR, Nissan

- The carbon emissions of SAI's recycle aluminum are much lower than those of Emirates Global Aluminium (EGA) primary aluminum**



Carbon emissions generated in aluminum production per ton

↓ **95%**



SAI recycle aluminum :  
0.32 (kg CO2e/kg of Al)



EGA's primary aluminum:  
11.9 (kg CO2e/kg of Al)

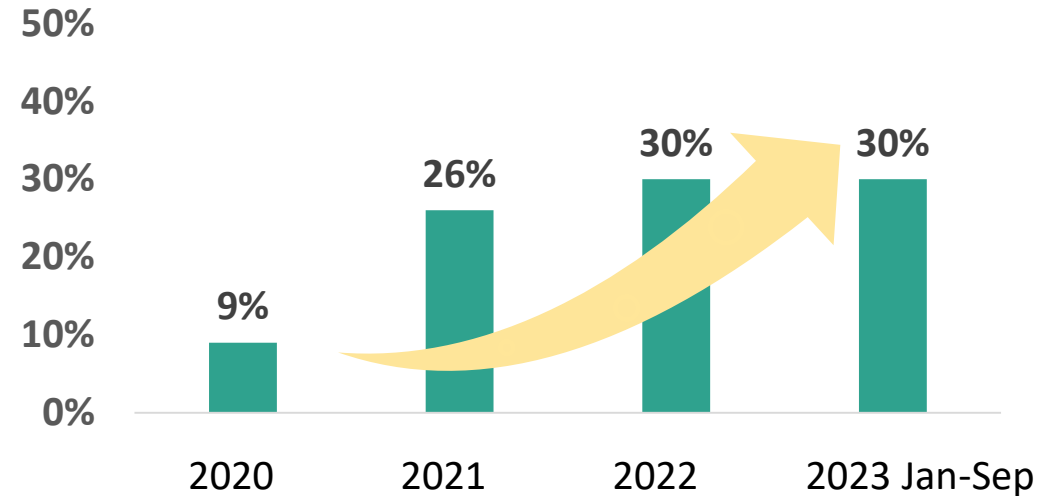
# MOVING INTO GREEN



## 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 and new production capacity will continue to be built.
- Usage of RESAICAL® recycled aluminum is currently maintained at **30%** of total production, with a target of **50%** in 2024.

Usage of RESAICAL®



SAI is in the process of being certified as a [Performance Standard ASI supplier](#) and will be certified by 2024.

# 1.5MW

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



**03**  
**Sustainability And**  
**Corporate Governance**

# Independent Directors Reached 40% of Board Seats; Two Female Directors In The Board

Diverse board members to continuously optimize operation and corporate governance



## Independent directors



Cheng, Ming-Siou

Specialty: Law

- Independent director, Celxpert Energy
- Distinguished Professor, Department of Law, Soochow University



Liou, Wan-Yu

Specialty: Carbon credit, Sustainability

- Independent Director, Lion Travel
- Distinguished Professor, College of Agriculture and Natural Resource, National Chung Hsing University
- Review Committee Member, Ministry of Science and Technology, Executive Yuan



Cheng, Ting-Wang

Specialty: Accounting & Taxation

- Member of the Auditing Standards Board, Accounting Research and Development Foundation
- Chair Professor, Department of Accounting, National Chengchi University



Chen, Wun-Zong

Specialty: Finance

- VP, China Bills Finance Corporation

# Sustainable Operation and Growth



Profitability Improvement and Sustainable Revenue Growth



Target to list on TWSE during 2Q24

Green Factory

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

Growing TAM

- Full-Machining, Net-Shape Forged Wheels & Others to increase market share
- Increase brand penetration rate
- **Expanding into the semiconductor industry** *NEW!*

Profitability Improvement

- Optimize operational efficiency
- Long-term operating margin

Sustainable Return

- Generating a sustainable double-digit ROE
- Maintain payout ratio



Q&A