

A female athlete with blonde hair in a ponytail is in a starting crouch on a blue track. She is wearing a grey and white striped sports top and grey shorts. The background shows a stadium with a bright sunset or sunrise, creating a warm, golden glow.

dyaco 岱宇國際

Stock Code : 1598

Presenter : Paul Chung
(IR manager)

Agenda

- Company overview
- Competitive advantages
- Operating results
- Future outlook



Basic Information

Date of Establishment: 1990/06/02

Head Office : Taipei, Taiwan

Factory : Changhua, Taiwan
Dongguan, Jiaxing, China

Capital : NTD 1,151 million

Main products : Fitness equipment

Chairman: LIN ING-GIN

General Manager: CHEN MING-NAN

No.of Employees: 1,500

Brands:

SOLE
FITNESS

SPIRIT

XTEERRA

UFC

fuel
FITNESS

2017~2020Q1 Sales Analysis

Main brands	SOLE FITNESS	XTEERRA	fuel FITNESS	SPIRIT FITNESS	UFC
Percentage of sales (%)	1Q20 : 46% 2019 : 40% 2018 : 39% 2017 : 41%	1Q20 : 15% 2019 : 14% 2018 : 11% 2017 : 4%	1Q20 : 1% 2019 : 1% 2018 : 2% 2017 : 3%	1Q20 : 23% 2019 : 25% 2018 : 25% 2017 : 29%	Early development
Mid range product prices	Treadmill, Elliptical and Exercise bike				Combat , Strength training, accessories, etc
Mid range product prices	Treadmill : 1,449 Elliptical : 1,374 Exercise bike : 899	Treadmill : 899 Elliptical : 999 Exercise bike : 599	Treadmill : 699 Elliptical : 499 Exercise bike : 399	Treadmill : 1,959 Elliptical : 2,032 Exercise bike : 1,399	-
Main distribution channels	Exclusive stores, department stores, retail chains, online				

註：以上各品牌營收比重以不含戶外家具收入計算。

Brand Market Position

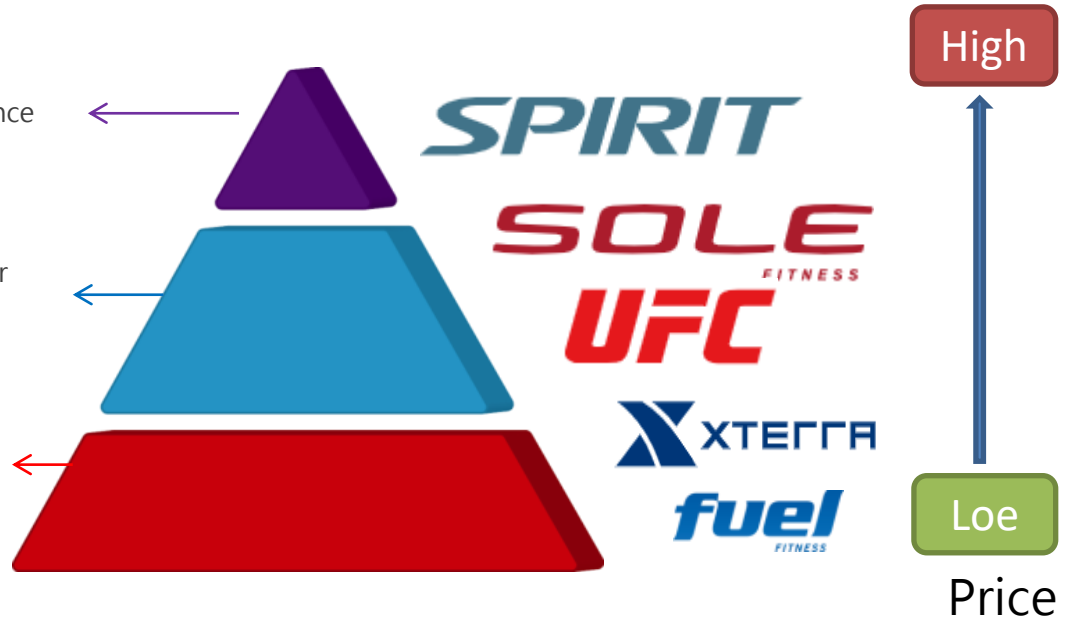


All degrees brand strategy

- ◆ Pro users/Sports mania
- ◆ Focuses on product quality and user experience
- ◆ Commercial market/Pro retail market

- ◆ Exercise lovers
- ◆ Those who choose product appearance over performance
- ◆ Sports goods market

- ◆ Normal users/Beginners
- ◆ Those who like easy interfaces
- ◆ Mass Market



Global Distribution Channels



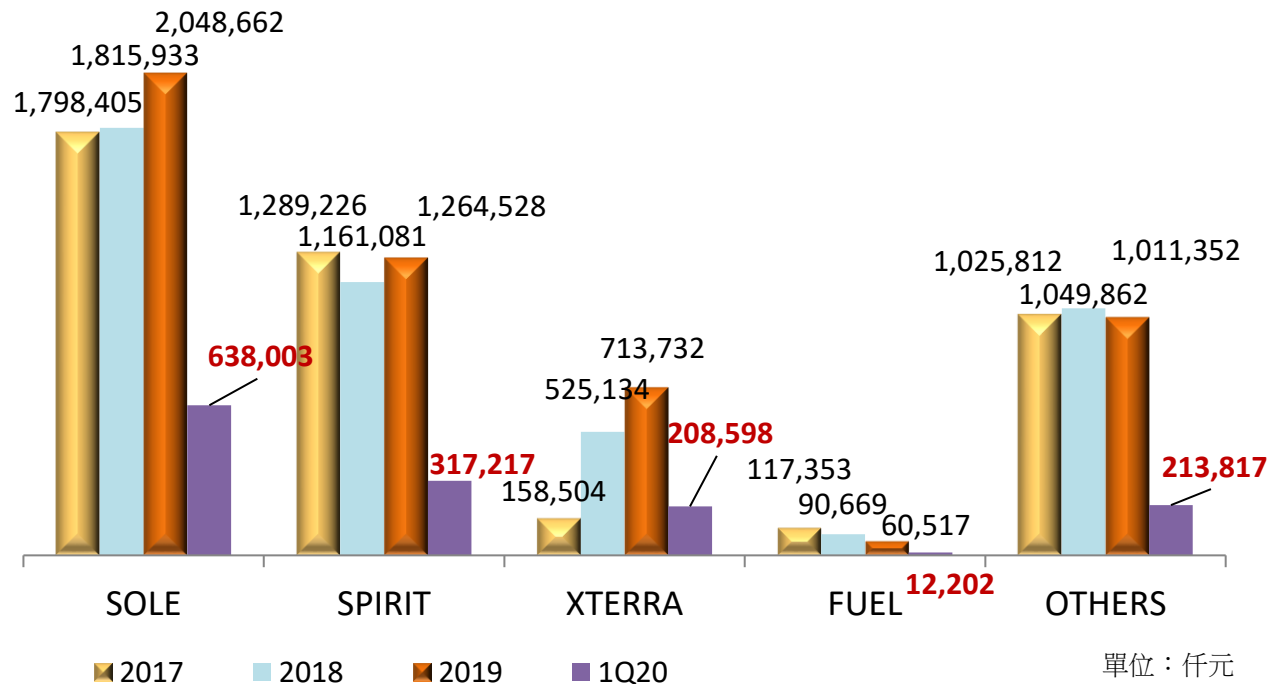
Dyaco's brands cooperate with numerous distributors (which include the largest fitness distributors of North America, Europe, China and etc.) In addition, Dyaco also thrives to expand business in the ecommerce market.



2017-2020/1Q Income Statement

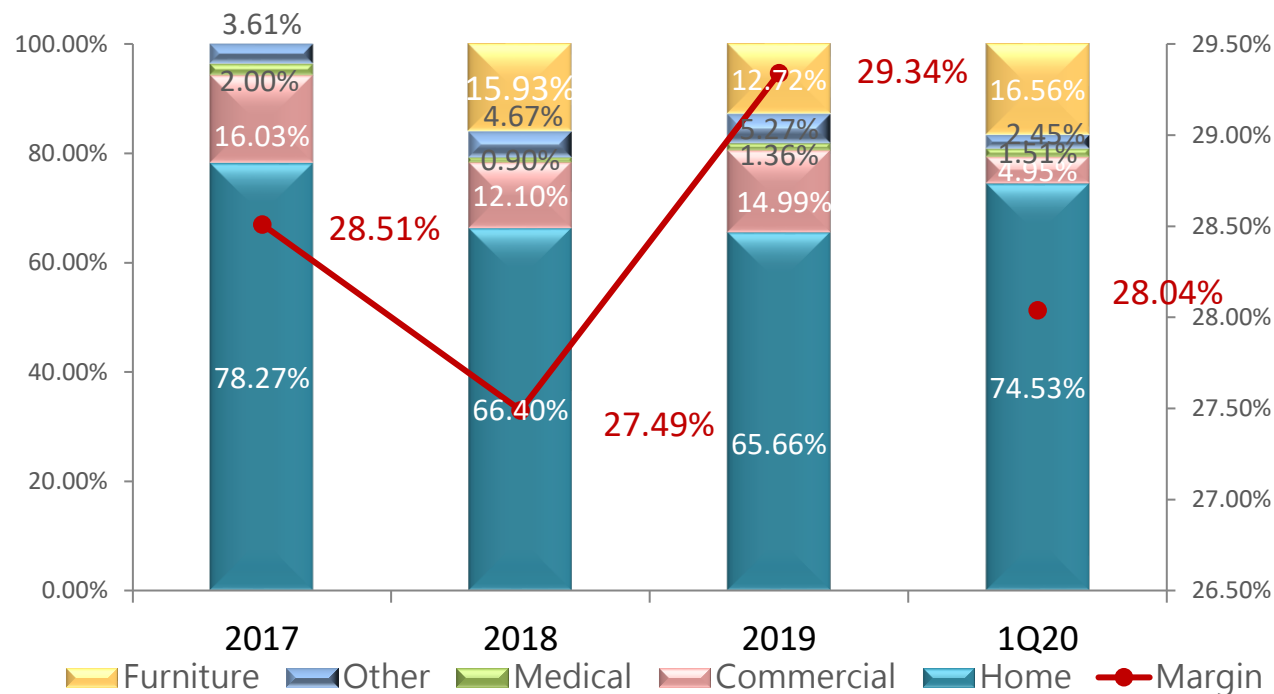
in Thousands of NTD	2020/1Q	2019/1Q	YoY	2019	2018	2017
Operating income	1,647,801	1,782,239	-7.54%	5,850,528	5,557,150	4,457,716
COGS	1,185,779	1,265,553	-6.30%	4,134,129	4,029,751	3,187,027
Gross profit	462,022	516,686	-10.58%	1,716,399	1,527,399	1,270,689
Gross margin	28.04%	28.99%	-	29.34%	27.49%	28.51%
Operating expenses	463,218	406,888	13.84%	1,377,363	1,539,755	1,294,916
Operating profit	-1,153	109,811	-	327,705	85,090	-23,914
Operating profit Margin	-0.07%	6.16%	-	5.60%	1.53%	-0.54%
Non operating income(expense)	5,474	3,126	75.11%	-49,061	61,571	-177,197
Income tax expense	-790	29,429	-	58,549	19,205	-35,208
Income after income taxes	5,111	83,508	-	220,095	127,456	-165,903
EPS	0.01	0.65	-	2.05	1.16	-1.62

Brand marketing mix



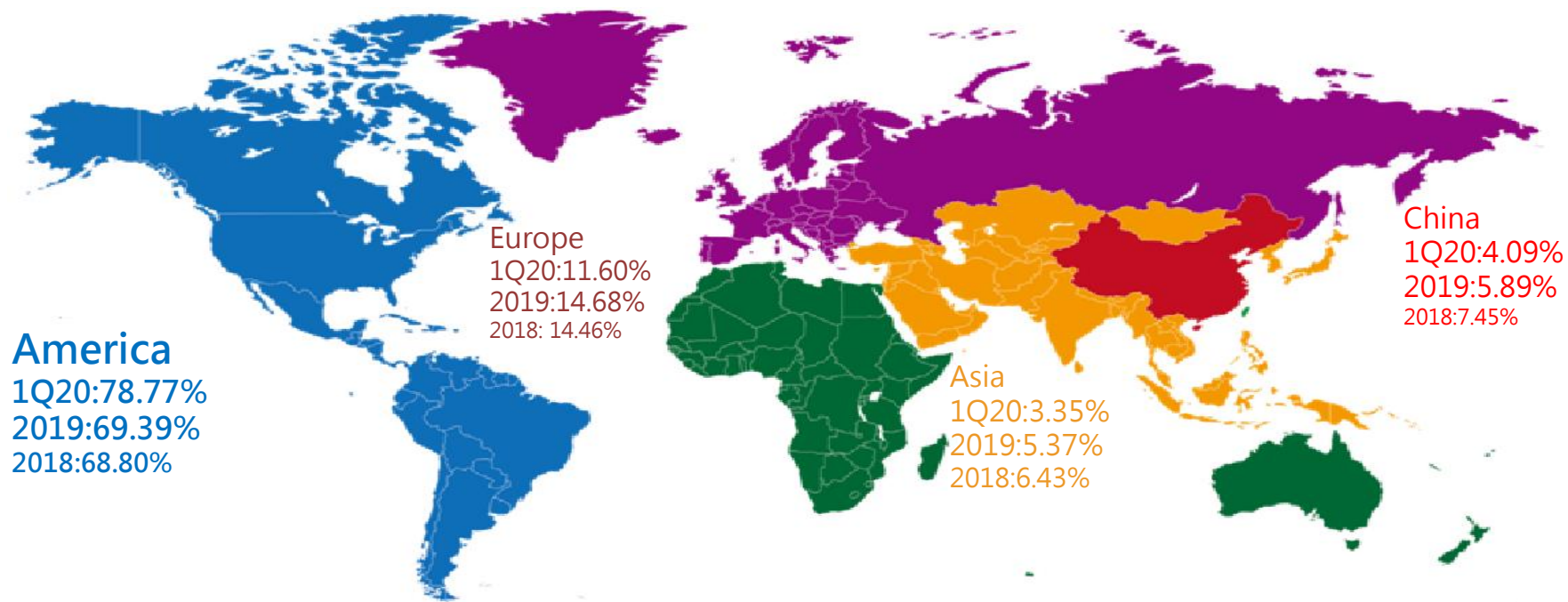
- XTERRA aggressively expands the market of the mid-to-low-end home fitness equipment. Benefiting from Amazon.com., the Sales continue to grow.
- Dyaco officially completed the acquisition of Sole Fitness in Feb 2020, except for the first quarter of 2020, SOLE brand sales YoY 13%, and the epidemic situation in Europe and US in March spread, driving online home fitness orders.

Product Mix & Margin



- After merged Shelton in 2018, the newly added income contribution of outdoor furniture has reduced the overall gross profit margin to 27.49%.
- The fitness trend prevails, coupled with the epidemic driving the home fitness boom, creating a good sales environment for the home fitness equipment products. SOLE brand is the niche competition for the largest e-commerce fitness equipment brand in North America. The revenue from home fitness in the first quarter increased to 74% from 57%.

Revenue by Region



SOLE M & A benefits



In Feb 2020, it has officially obtained SOLE, the largest e-commerce fitness equipment brand in North America, completely transforming its own brand business, and more importantly, it is expected that the two parties will integrate resources and improve the overall competitiveness of the global fitness equipment industry.

As the SOLE brand maintains good stock demand in North America's major channel customers, and online e-commerce sales momentum is strong, it is currently planning to expand the SOLE brand in home fitness equipment and light commercial product lines. It is expected that new products will be launched in the third quarter of this year. It is expected to increase the momentum of future sales growth.

Future overlook

SOLE new style and upgrade on market

SOLE

FITNESS

- Modified upgrade 18 model products
- Import SOLE Fitness APP
- Full models to upgrade Bluetooth transmission function



New smart fitness equipment

DYACO

X

GOMORE

Dyaco continues to expand its investment in smart fitness layout, and cooperates with Gomore to develop new smart fitness equipment products, initially creating a personalized artificial intelligence coach for a single product item of the treadmill, and tracking the user's exercise status, providing a customized exclusive The fitness program and real-time guidance teaching can help reduce the occurrence of sports injuries and optimize fitness results. In addition, through the introduction of community interactions in online events, user usage and stickiness can be increased.

Future outlook

Expand the market share of home fitness

Sales targets for locking in a cost-effective, more popular home fitness equipment market demand
Amazon delivery sets over ten thousand levels, expand Xterra brand in home fitness equipment market share.

Amazon delivery sets



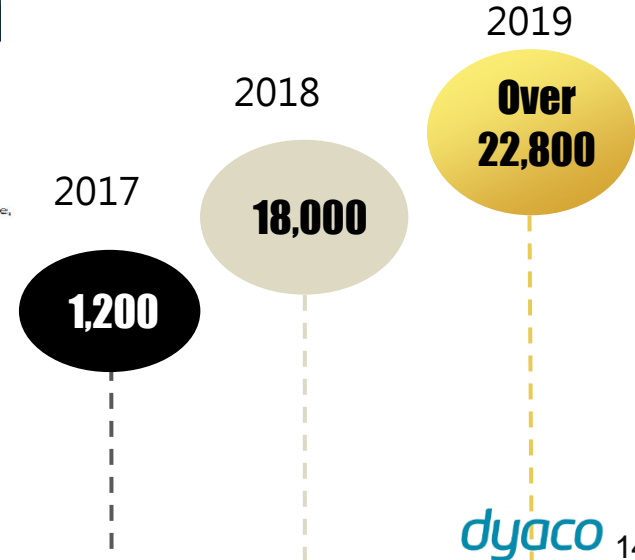
XTERRA Fitness TR150 Folding Treadmill Black by XTERRA Fitness

★★★★☆ 210 customer reviews | 135 answered questions

Available from these sellers.

- Large 16" x 50" walking/running surface
- Large 5 inch LCD display is easy to read and keeps you updated on speed, incline, time, distance, calories, and Pulse
- Speed range 0.5 - 10 MPH allows for users of all fitness levels
- 12 preset programs offer unmatched variety for your workouts
- 3 manual incline settings allow for maximum variety

New (4) from \$749.99



Improve the commercial fitness equipment line layout



UFC brand is the world's largest comprehensive fighting brand, has the world's largest pay-per-view TV customer base, accumulated a global fan base of 300 million.

Dyaco has completed the research and development and launched more than 200 kinds of fitness equipment products in total. It integrates the commercial fitness equipment of Gym 80, SPIRIT and other brands, provides customers with a complete set of commercial Gym equipment planning, and improves the competitive conditions of Dyaco in the market of commercial fitness equipment.

UFC brand has successfully launched the sales layout of amazon e-commerce platform and Dicks online mall in North America.

Application of polygonal products - deepening the market of medical rehabilitation and fitness equipment(1-1)

Dyaco further cooperated with Philips, the health science and technology life factory with a history of one hundred years. Dyaco obtained the authorization of Philips brand and provided complete cardiopulmonary exercise equipment solutions from home to business for the physical therapy and rehabilitation of the elderly and other equipment needed by Dyaco in the field of medical science and technology.



Cardiovascular care



Monitoring



Imaging



Healthcare
informatics



Clinical
applications



Consulting &
services



Diagnostic
technologies



Population health

*飛利浦2017年年報指出，其醫療相關產品及服務截至目前已改善了13億人的生活。

Application of polygonal products - deepening the market of medical rehabilitation and fitness equipment(1-2)

Consumer (Home)



Recumbent



Upright



Recumbent Total Body Stepper



Treadmill

Commercial Medical



Recumbent



Upright



Recumbent Total Body Stepper



Recumbent Total Body Stepper



Treadmill



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Thank You!