

A female athlete with blonde hair in a ponytail is in a starting crouch on a blue running track. She is wearing a grey and white striped sports top and grey shorts. The background shows a bright sunrise over a stadium, with the sun low on the horizon creating a strong lens flare and illuminating the scene with a warm, golden light. The sky is a mix of blue and orange.

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 1,210 million

Main products : Fitness equipment

Chairman: LIN ING-GIN

General Manager: CHEN MING-NAN

No.of Employees: 1,500

Brands:



2017~2020Q2 Sales Analysis

Main brands	SOLE FITNESS	XTEERRA	fuel FITNESS	SPIRIT FITNESS	UFC
Percentage of sales (%)	2Q20 : 54% 2019 : 40% 2018 : 39% 2017 : 41%	2Q20 : 12% 2019 : 14% 2018 : 11% 2017 : 4%	2Q20 : 1% 2019 : 1% 2018 : 2% 2017 : 3%	2Q20 : 18% 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				

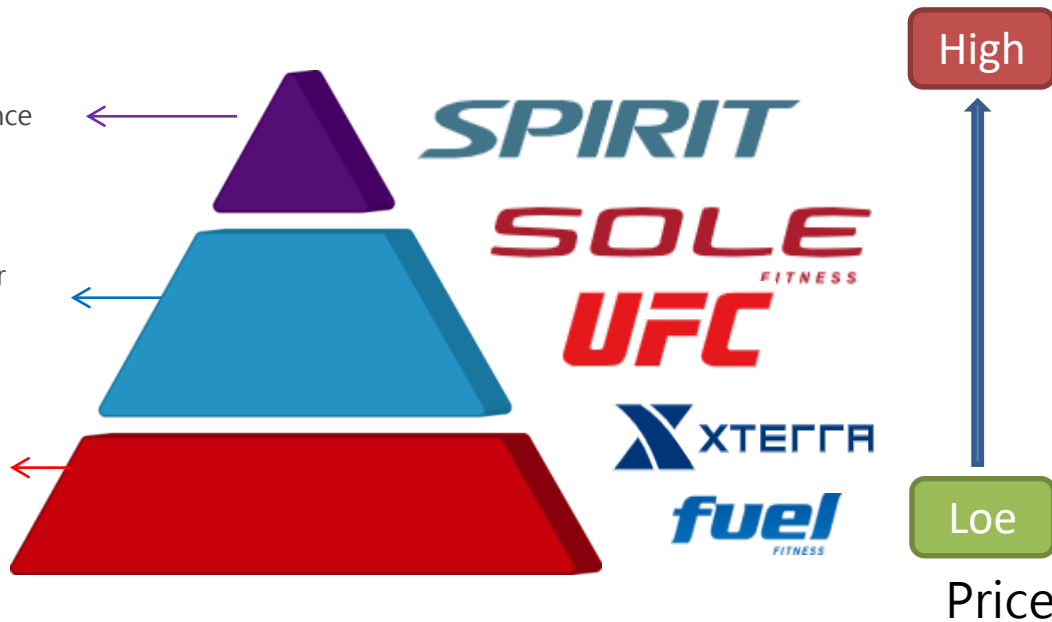
Note: The Sales proportions of the above brands are calculated without outdoor furniture revenue

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



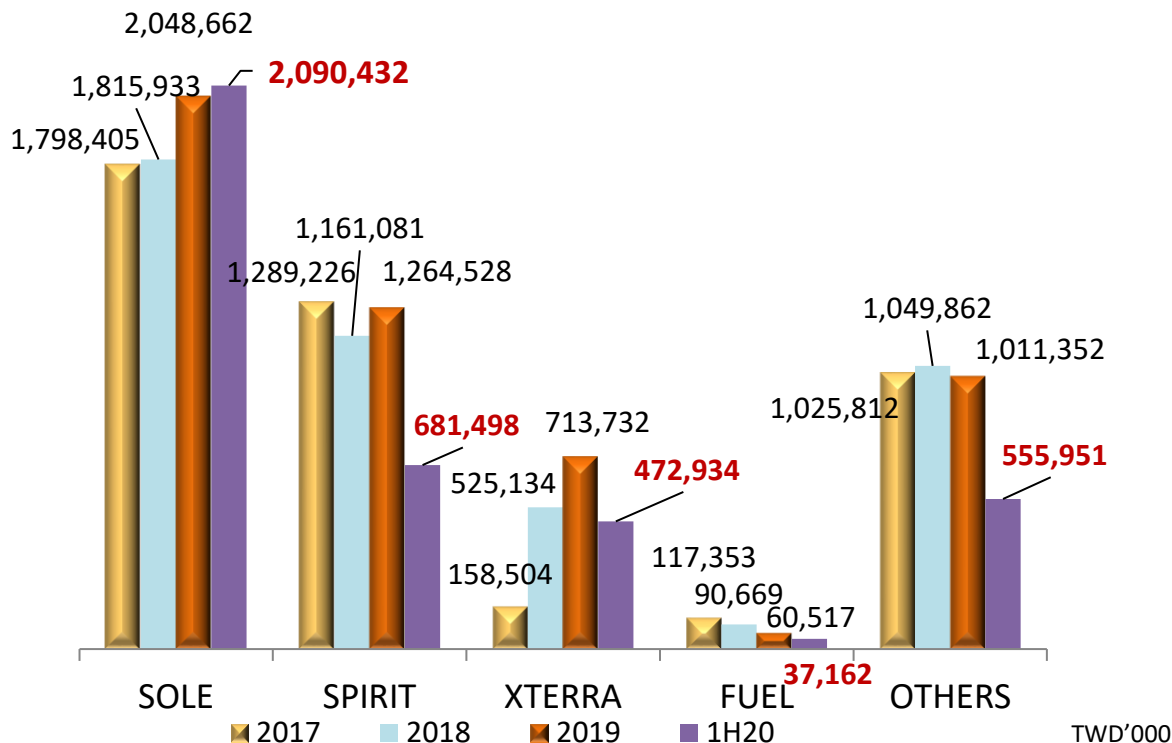
Dyaco's brands cooperates with numerous distributors (which include the largest fitness distributors of North America, Europe, China and etc.) In addition, Dyaco also thrives to expand business in the ecommerce market.



2017-2020/2Q Income Statement

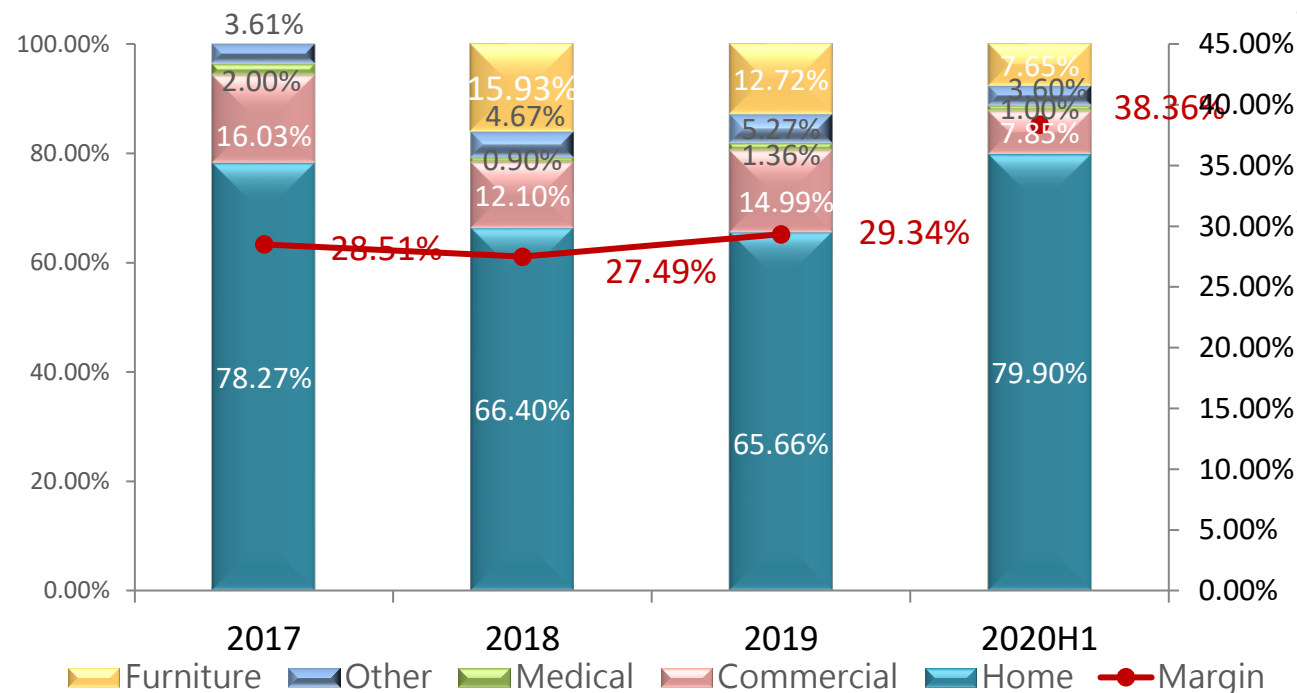
in Thousands of NTD	2020/2Q	2019/2Q	YoY	2019	2018	2017
Operating income	2,508,224	1,104,227	127%	5,850,528	5,557,150	4,457,716
COGS	1,376,202	833,650	65%	4,134,129	4,029,751	3,187,027
Gross profit	1,132,022	270,577	318%	1,716,399	1,527,399	1,270,689
Gross margin	45.13%	24.50%	-	29.34%	27.49%	28.51%
Operating expenses	837,110	316,114	165%	1,377,363	1,539,755	1,294,916
Operating profit	294,947	-45,751	-	327,705	85,090	-23,914
Operating profit Margin	11.76%	-4.14%	-	5.60%	1.53%	-0.54%
Non operating income(expense)	-29,060	16,447	-	-49,061	61,571	-177,197
Income tax expense	79,429	-14,449	-	58,549	19,205	-35,208
Income after income taxes	186,458	-14,855	-	220,095	127,456	-165,903
EPS	1.65	-0.13	-	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, and COVID-19 created a huge demand for home fitness equipment. SOLE brand sales YoY 147%.

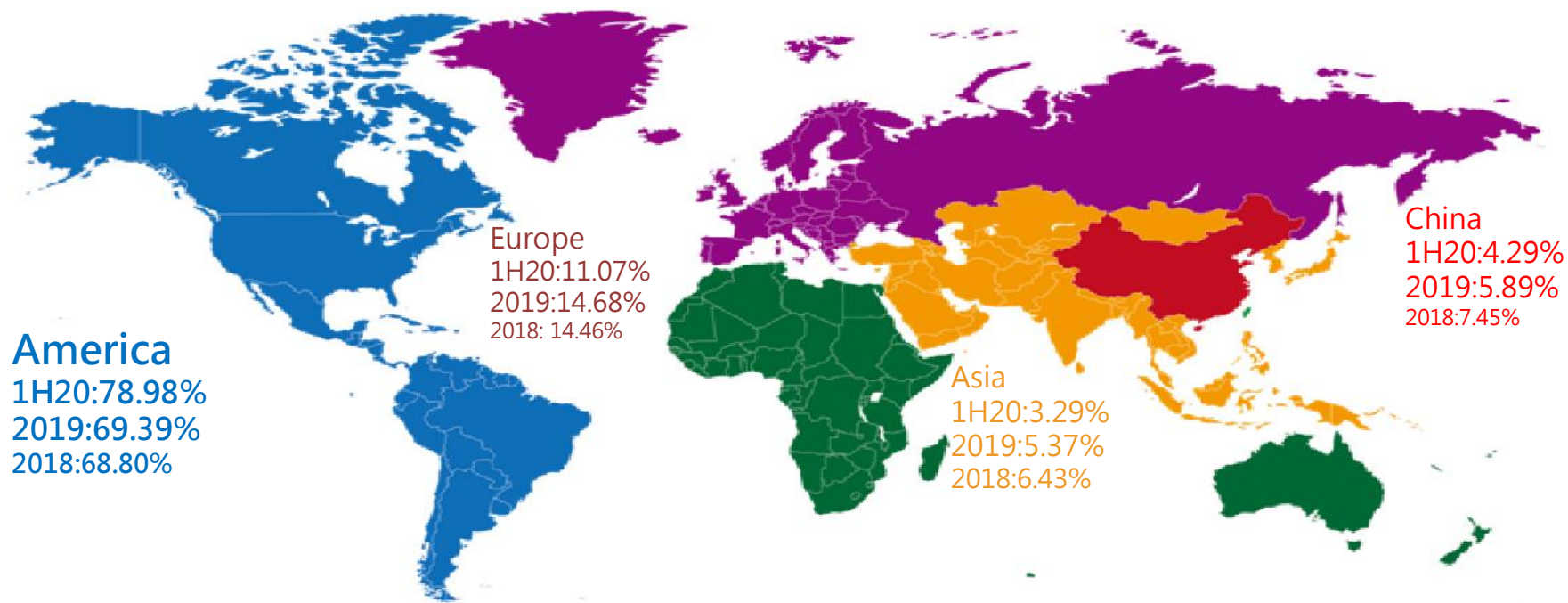
Product Mix & Margin



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 79.99% from 65.66%, the margin rate to 38.36% from 29.34%

Revenue by Region



2020-2021 Global fitness industry trends

11 LATEST FITNESS TRENDS: 2020/2021 DATA

1. [Wearable Technology](#)
2. [Wellness Programs In and Out of the Gym](#)
3. [Catering to Generational Needs](#)
4. [Accessibility and Inclusivity](#)
5. [Fitness Clusters in Malls](#)
6. [Increased Focus on High-Intensity Interval Training](#)
7. [Group Training](#)
8. [Free Weight Training](#)
9. [Exercise Is Medicine Movement](#)
10. [Health and Wellness Coaching](#)
11. [Employment During and After COVID-19](#)

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



Available on the
App Store

Available on the
Google play

SOLE market share increased

- ◆ Fitness Equipment Sales Grow by 170% During Coronavirus Lockdown ◦
- ◆ The SOLE brand has the status of the largest e-commerce fitness equipment brand in North America. Except for online sales on its own official website, the orders received by DICK'S major channels have doubled compared with last year. SOLE brand strength equipment launched in the second half of the year will help expand the market share of the SOLE brand.

Retail sales at US sporting goods stores rose above pre-pandemic levels



Quartz | qz.com | Data: US Census Bureau



Best Rated Treadmill In Its Class Sole F80 Treadmill

Due to high demand, est. arrival after purchase is 30 days

MSRP
\$2,799.99

Today's Sale Price
\$1,599.99

★★★★★ 4.5/5

Read all 11 reviews

Free Shipping

30 Day Money Back

[ADD TO CART](#)

Awards



Future outlook

Strong demand for online home fitness equipment

XTERRA sales grow on Amazon



XTERRA Fitness TR150 Folding Treadmill Black

by XTERRA Fitness

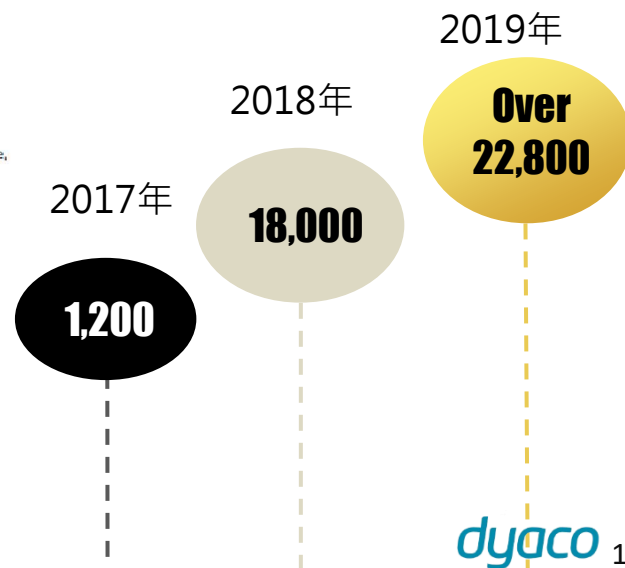
★★★★★ 210 customer reviews | 139 answered questions

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

Amazon sales QTY



New smart fitness equipment

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.

dyaco

X

Gomore



● 通過岱宇藍芽協定
溝通電跑與橢圓機



● iOS手機版
● Android手機版



● 訂製手環
● 開放藍芽



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

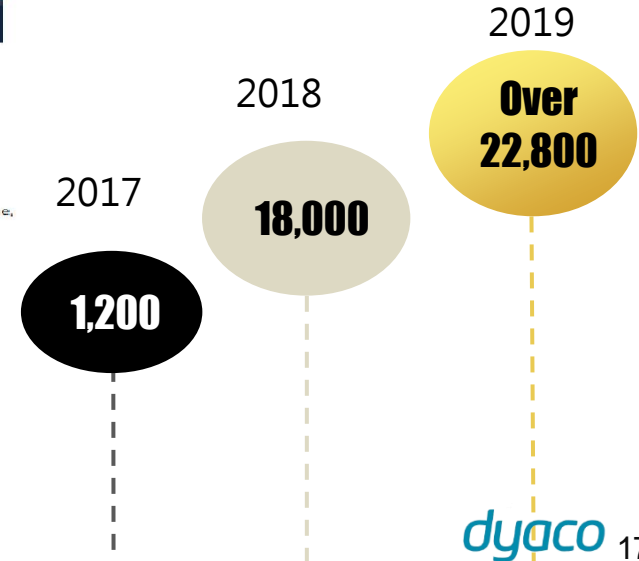


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Improve the commercial fitness equipment line layout



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.



*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

Expand global market share and start plant expansion plan

Dyaco acquired about 8,000 square meters of land in Taichung area and planned to build the factory in accordance with the GMP factory specifications to build production lines for fitness equipment and medical rehabilitation.



dyaco 岱宇國際

Thank You!