



美喆國際(股)公司

M.J. International Co., Ltd.

2021.04.28



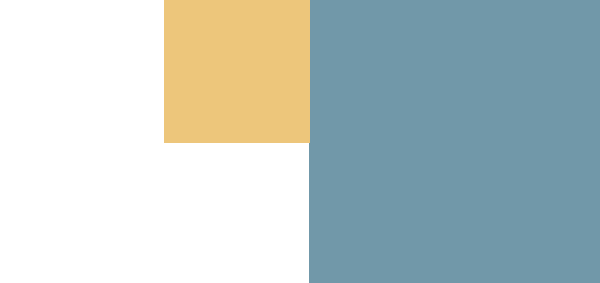
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This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of M.J. International CO., Ltd. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management' s current expectations, assumptions, involve known, unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.



CONTENTS

- 1 Company Profile
- 2 Competitive Advantage
- 3 Market Outlook
- 4 Financial Results
- 5 Future Prospects
- 6 Tainan New Factory



1

Company Profile



M.J. International Co., Ltd.



Chairman: B.Y. Chen



Established: May 1982
Listed: Nov. 2016



Employee
833person



Capital
660,590,000



Major Product
PVC Flooring(LVT)



Own Brand



Plants

Dongguan Prolong

Dongguan MeiJer

Production Lines

Hot-Press machine: 32 sets

Hot-Press machine: 24 sets
Auto-Lamination: 3 lines

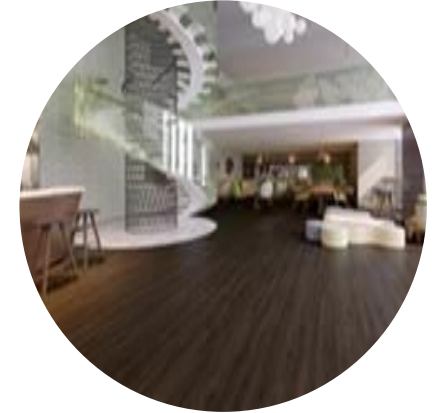
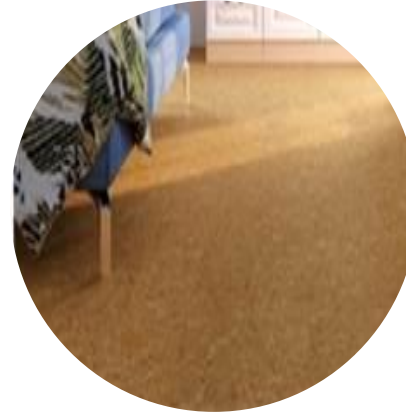
Automatic warehouse and logistics center was established in Dongguan in Sep. 2018. The entire project has been completed & operated in Sep. 2019. The growing own brand sales will improve the efficiency of logistics & synergy with auto-lamination lines.

1 Major Products



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The Key opportunity of MeiJER's standing firm in the commercial market and entering the residential market is the multi-products R&D capability of multi-printing method & unique 3D-registered embossing technology、advantage of mass production and high production yield up to nearly 100%.



Unit : %

| Product | PVC Flooring (LVT) | SPC Flooring(rigid core) | PP Flooring |
|------------------|--|---|---|
| Feature | High market share and penetration rate, various specifications & installation options, registered embossing, can be restore after slight deformation and impact. | No plasticizer formula, more environmentally friendly; With the new process, the dimension are more stable; easy to install with the lock | Healthy and environmentally friendly material |
| Revenue % (2020) | 90.7% | 9.3% | Not yet mass production |

1 Major Products-LVT



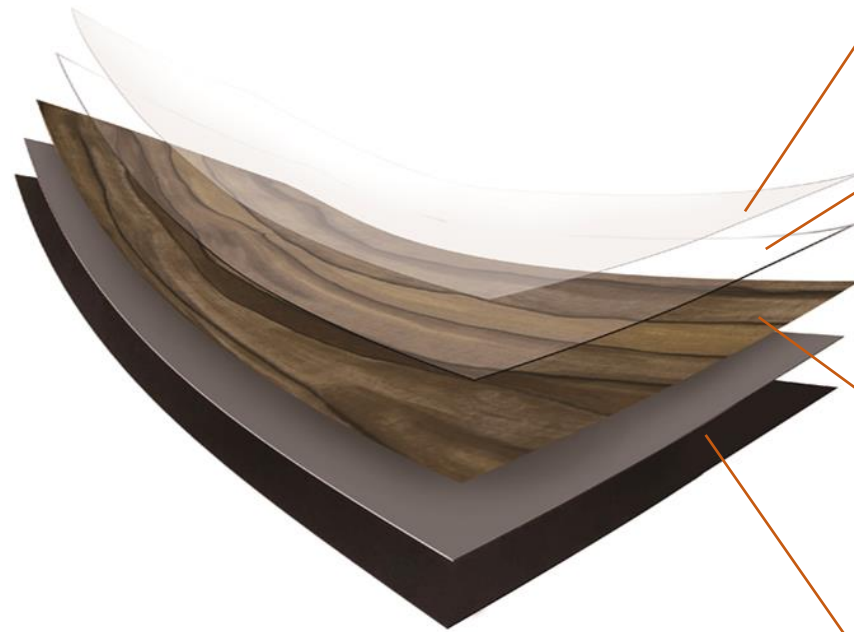
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➤ **LVT (Luxury Vinyl Tile)** Luxury Vinyl Tile, the main raw materials are PVC, calcium carbonate (stone powder), stabilizers, and other processing aids, which are made by hot pressing.

The pattern is changeable, the texture is clear, the design is rich, and the construction is fast, which is suitable for the market demand of commercial spaces and office buildings.

➤ Product feature :

1. Waterproof, moisture-proof, insect-proof and termite-proof,
2. Good flexibility, simple daily cleaning and maintenance
3. No HCHO 、 green & recycling.
4. Good fire resistance: It can effectively flame retard, the fire level reaches B1 level, it will self-extinguish in case of fire, and it will not produce any toxic gas.
5. Convenient construction .



UV Coating -
Protect surface

Wear Layer -
Guarantee resistant function

Print Film
Attractive and various
patterns express unique
style

LVT Core -
Guarantee high quality tiles
with stable size

1 Major Products-LVT Real Scene



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1 Major Products-SPC



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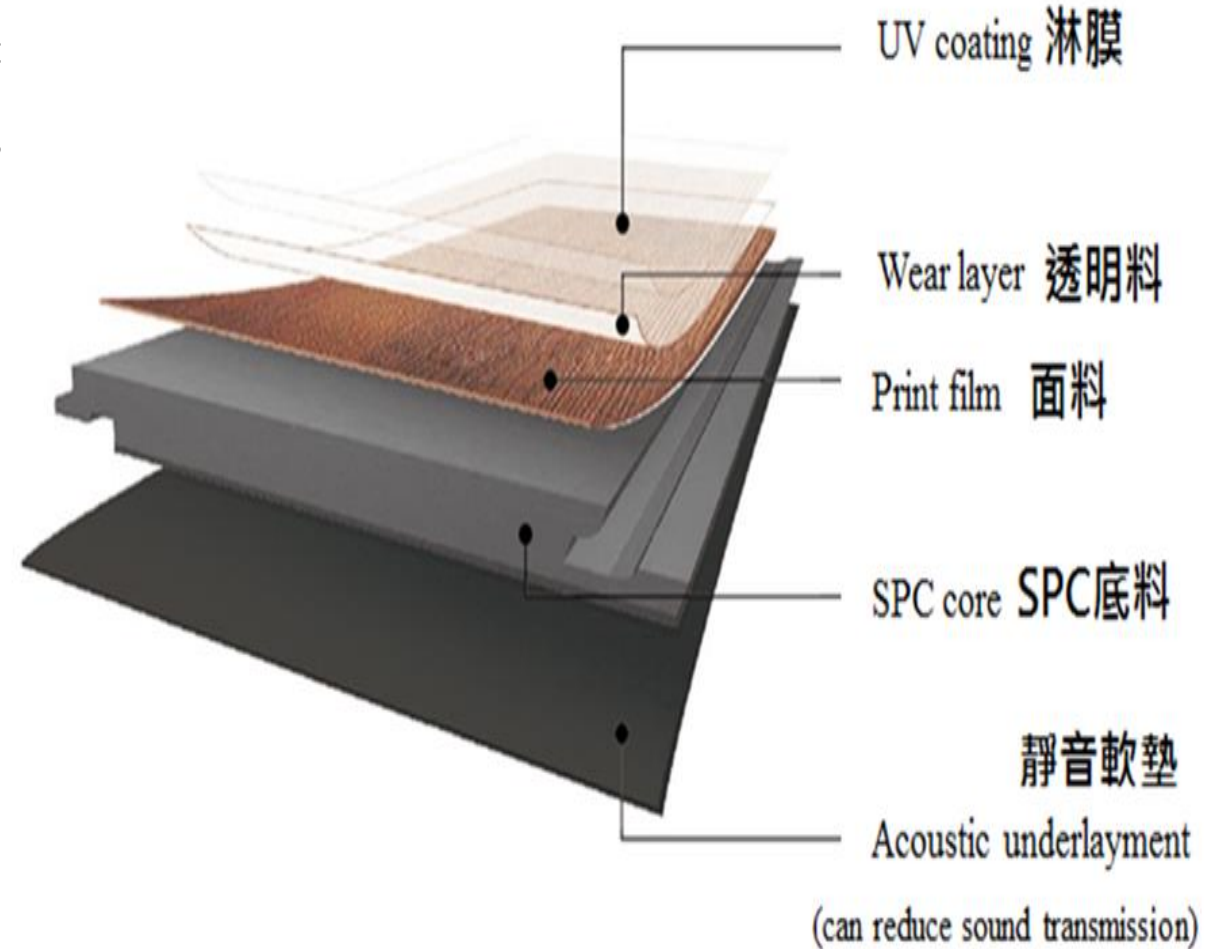
➤ **SPC (Stone Plastic Composite)** Stone-plastic flooring, the main raw materials are PVC, calcium carbonate (stone powder), stabilizers, and other processing aids, with the MJ-KY patented lock design, and usually put a mute cushion on the bottom to reduce noise, to meet the needs of household. The market demand has been positioned as a high-end LVT product in the global housing market. The retail price is also on the edge of the price of the traditional LVT product, highlighting the market potential of SPC products in the future.

➤ Product feature :

1. Waterproof, moisture-proof, insect-proof and termite-proof, effectively eliminate insect harassment and prolong product life.
2. Super wear resistant and stable in physical properties.
3. No HCHO 、 green & recycling.
4. Good fire resistance: It can effectively flame retard, the fire level reaches B1 level, it will self-extinguish in case of fire, and it will not produce any toxic gas.
5. Designed with patented locks for easy installation, to increase foot feel, reduce noise, and IXPE mute soft bottom with environmentally friendly materials, making the product feel more comfortable and quieter.



patented locks Schematic



1 Major Products-SPC Real Scene



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Advantages of PVC Flooring



| | Laminate | Carpet | Linoleum | Rubber | Marble | Ceramic |
|---|----------|--------|----------|--------|--------|---------|
| Fire/Water resistance | Win | Win | | Win | | |
| Moisture resistance | Win | Win | | | | |
| Slip resistance | | | | | Win | Win |
| Stain resistance | | Win | | | | |
| Low noise | Win | | | | | |
| Good visual effect | | | Win | | | |
| Various patterns | | | | Win | | |
| Easy to clean | | Win | | | | |
| Scratch resistance | | | | Win | | |
| Comfortable standing | | | | | Win | Win |
| Good to the joints and fall protection | | | | | Win | Win |
| Easy to install/Low transportation cost | | | Win | | | |
| No VOC emission | | | Win | | | Win |

2 Global Certification



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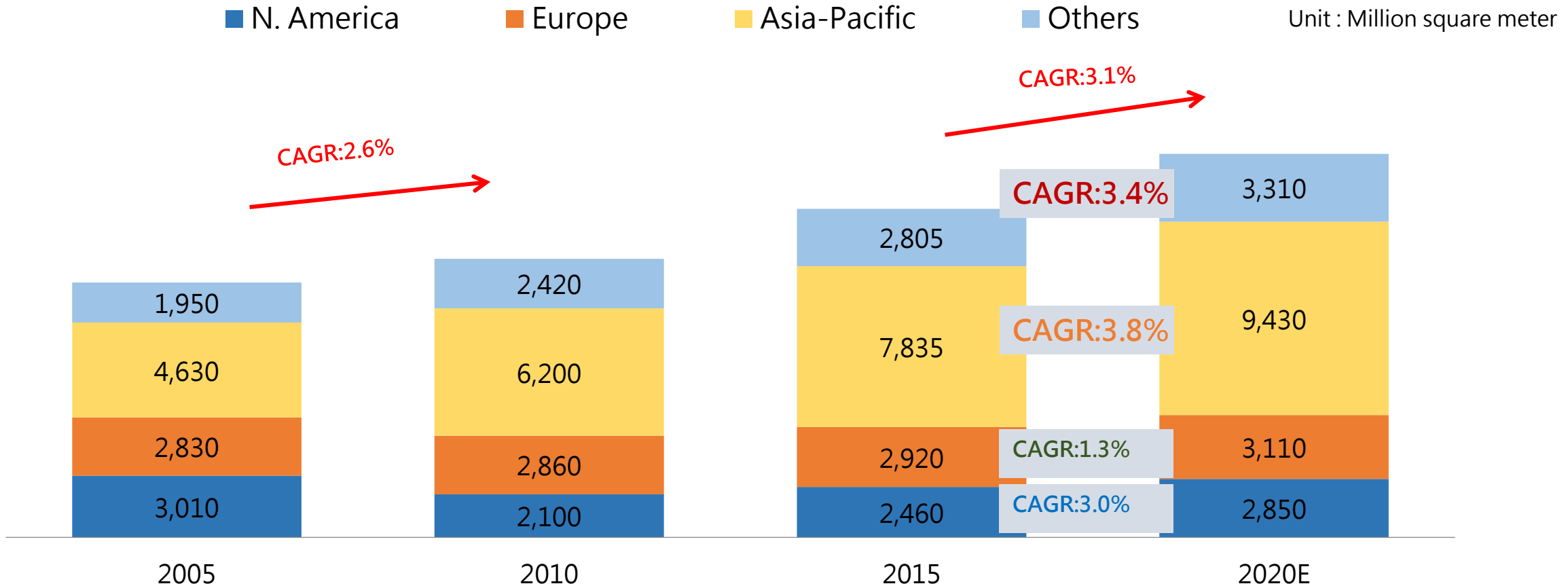
| | | | | | | | | |
|-------------------------|--|--|--|--|--|--|--|--|
| SYSTEM | | | | | | | | |
| Certification authority | | | | | | | |  內政部防焰性能 認証合格證書 |
| Product | | | | | | | | |
| International standard | | | | | | | | |

3 Global Flooring Market Capacity



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It is expected that the global flooring market demand will grow steadily with a compound annual growth rate of 3.1% from 2015 to 2020. The Asia-Pacific region is expected to have a compound annual growth rate of 3.8%, which is superior to North America and Europe.



Source : Freedonia

3 Global LVT Flooring Market



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Because of the attribution of the rise in the demand for the environmentally friendly construction material and the advantages of LVT, Good visual effect, Various patterns, Scratch resistance and And Fire/Water resistance. The Luxury Vinyl Tiles(LVT) flooring market is projected to grow from USD 18.0 billion in 2019 to USD 31.4 billion by 2024,at CAGR of 11.7% ° The LVT CAGR rate is even better than the global flooring market °

Attractive Opportunities in the Luxury Vinyl Tiles (LVT) Flooring Market



4 The 2020 P&L



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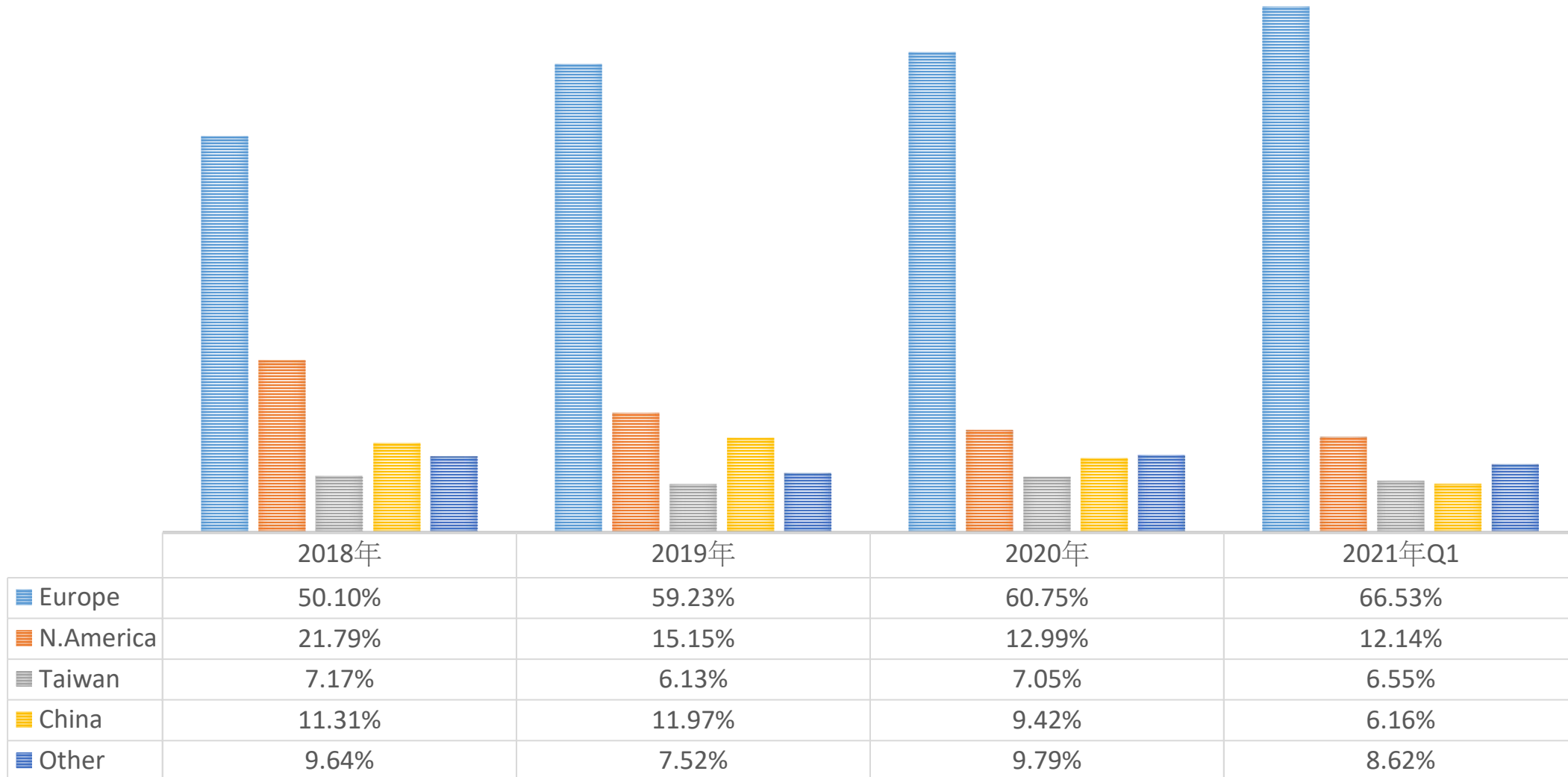
Unit : NT thousands dollars;%

| 項目 | 2020年 | 2019年 | YoY (%) | 差異說明 |
|---------------------|-----------|-----------|-----------|--|
| Revenue | 2,882,490 | 3,468,163 | (16.89%) | 2020Q1: the output of mainland factories was affected by the covid 19. 2020Q4:revenue decline due to global container shortages |
| Gross Margin | 785,648 | 891,547 | (11.88%) | |
| Gross Margin % | 27.30% | 25.70% | | 2020Q2:Oil prices fell sharply, pulling up gross margins |
| Operation Expense | 380,524 | 452,765 | (15.96%) | 2020: The operating expense ratio was 13.25%, which was an increase from 13.05% in 2019. |
| Operation profit | 405,124 | 438,782 | (7.67%) | |
| Operation Profit % | 15.44% | 14.06% | | |
| Non-operation Items | (43,317) | 18,902 | (143.64%) | 2020: 6,760 million exchange losses 2019: 1,816 million exchange losses |
| Income Tax | 84,236 | 55,350 | | |
| Net Income | 278,985 | 402,465 | (30.68%) | |
| Net Income % | 9.68% | 11.60% | | |
| EPS(NT dollar) | 4.22 | 6.09 | | |

4 Major Sales Areas



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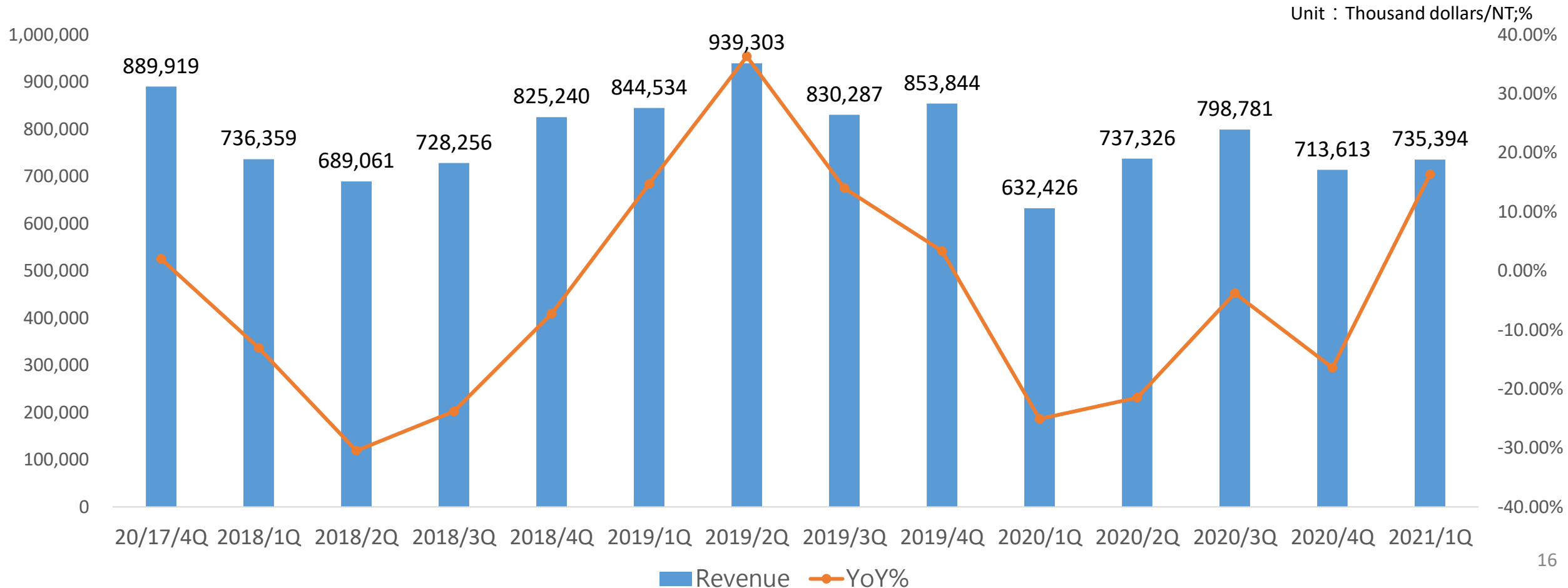


4 Quarterly Revenue in 3 years



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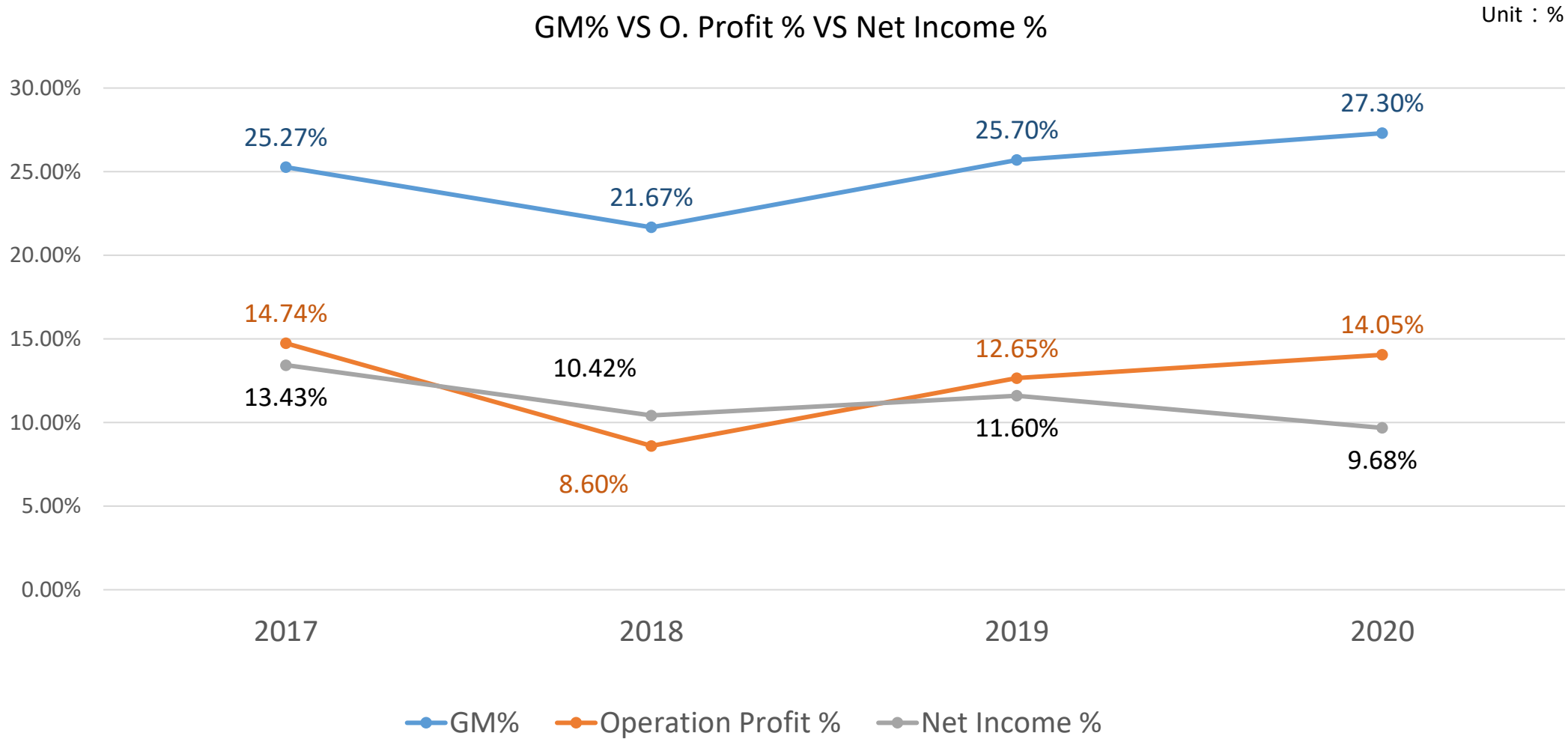
- Due to the adjustment of the inventory level of European customers, the quarterly revenue of the first half of 2018 decreased compared with previous year. As the adjustment of major European customers has gradually returned to normal order level in 2019.
- Because of Covid 19 issue to delay the mainland china factories return to work, the revenue of 2020 1Q failed 25.13%.The gradual growth of Q3 revenue in 2020 ◦
- From 2020Q4 to 2021Q1, due to the shortage of global containers and the few working days in the Chinese New Year, revenue decrease.



4 Business & Profit Analysis



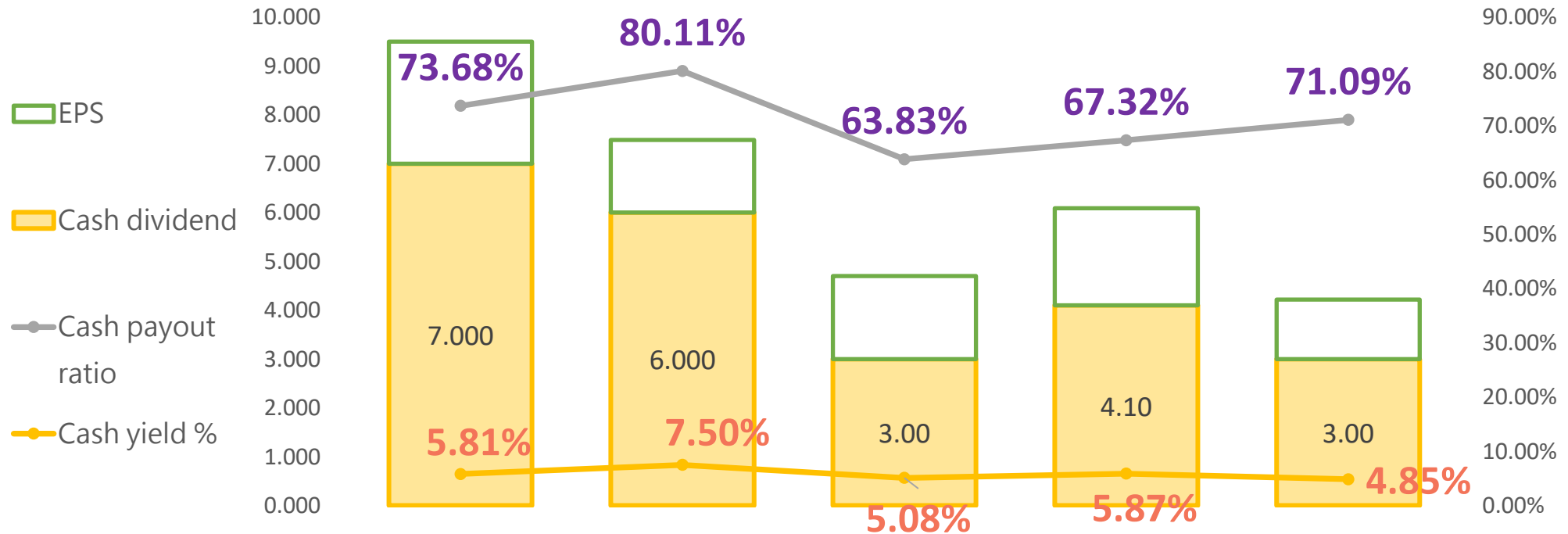
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Dividend Policy



In order to scatter the production and the sales market, M.J. has decided to setup the new factory in TW. To keep a good growth momentum for the Group's long-term operations, the surplus is retained as a group investment in TW. In the past years, the cash yield has remained above 5%.



Unit : dollar/NT;%

| 項目 | Year 2016 | Year 2017 | Year 2018 | Year 2019 | Year 2020 |
|---------------|-----------|-----------|-----------|-----------|-----------|
| EPS | 9.50 | 7.49 | 4.70 | 6.09 | 4.22 |
| Cash dividend | 7.0 | 6.0 | 3.0 | 4.1 | 3.0 |

PS : The stock price of cash yield % is the closing price of the BOD day which announced the dividend policy.

5 Prospect of the 2021 half year

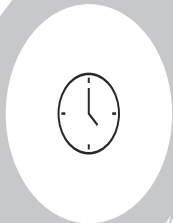


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European customers shipment momentum increases

Major customers in Europe have new product launch plans for LVT and SPC products in 2021. Except for the initial inventory orders, the overall European market outlook is positive and there is a chance to increase the overall order performance.



China's private label demand is picking up

The Chinese government continues to increase its efforts to promote expansionary fiscal and monetary policies, stimulating domestic consumption, and stabilizing employment policies to boost overall economic performance, which has the opportunity to drive the demand for M.J.-KY private label business in China to rebound.



SPC New product launch

M.J.-KY's SPC wood grain series has an average monthly sales of 750,000 US dollars in 2020, and an average monthly average of 850,000 US dollars in the 2020Q4. We are optimistic that SPC is expected to launch two models with imitation stone grain and light weight in 2021. The new series of products will help create sales momentum.

6 Automation 、 Spec simplification and Mass scale production



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Automation 、 Spec simplification and mass scale production are the three major Tainan SPC factory strategies .The goal is to setup the factory at the end of 2021 Q3 and to take the pilot run and mass production at the 2021 Q3-Q4 ◦

The total Tainan factory investment is about 2.513 billion NT dollar ◦ We have get the welcome Taiwan corporation investment certificate and can get investment loan interest subsidy ◦



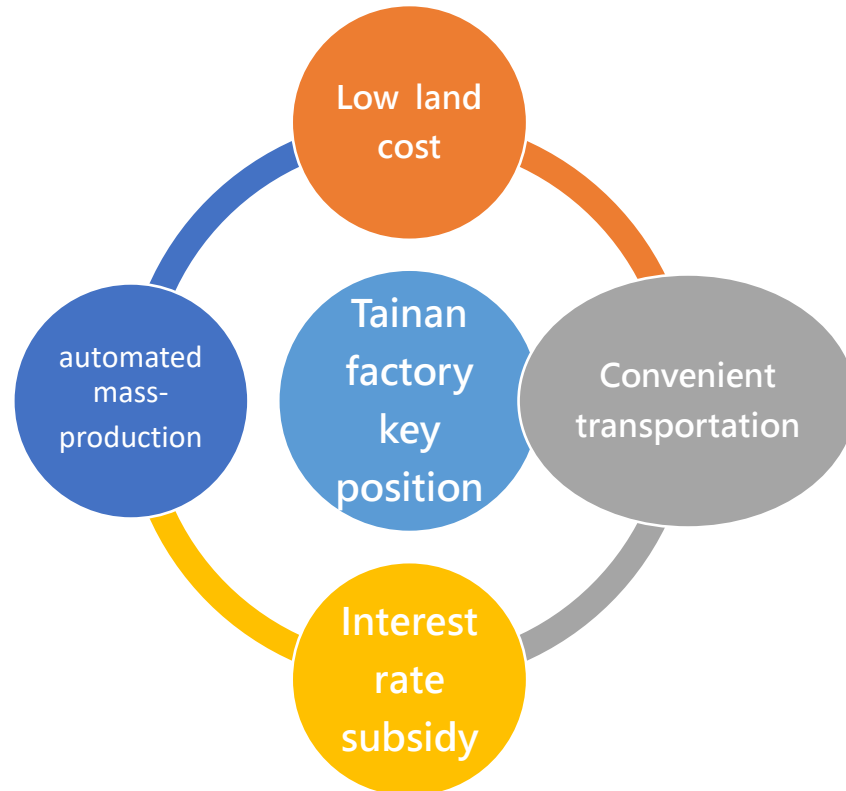
6 Tainan factory key position



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Right now, the whole world face the trade conflict between USA and China ° Under the dechinalization trend and uncertainty on supply chain , the global major manufacturers speed up the production base diversification and global brand owner revised the purchase strategy °

M.J.-KY production diversification plan:Tainan factory with high competitiveness can focus the USA market and also help USA clients to reduce the political risk ° With the complete industry chain supply support, M.J.Tainan factory can meet quality ,service and the delivery goal from clients.



MJ-KY long-term goal

- ✓ complete industry chain –material supply ,tech support, flexible purchase ,to downsize the uncertainty of supply chain °
- ✓ automated mass-production to raise the production benefit and set to reach the china production base low cost level.
- ✓ TW high quality manpower, to cultivate the international human resource.
- ✓ keep processing the R&D to upgrade product design, profitable product portfolio, economic production scale °

6

Product Diversification-N. America SPC Market



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- Cause of Cov19 virus effect, in the first 2020 half year ,the total flooring market sales amount declined to 5% , but the SPC market is totally unaffected ◦ On the contrary ,the SPC market is running at the high speed !
- According to Catalina Research2020 report:
 - 2020 year→ LVT product sales amount is estimated to reach 4.902 billion USD dollars , and estimated the sales amount of SPC related rigid code can reach to 69% of LVT ,3.4 billion USD dollars ◦
 - 2019 year→ LVT product sales amount reached to 4.804 billion USD dollars , and the sales amount of SPC related rigid code reached to 64% of LVT,3.1 USD dollars ◦
 - In the next five years, LVT market will grow at 6.5-7% annually, and the sales market can reach 6.8 billion USD dollar ◦

Unit:billion USD dollar

| year | Floor item | LVT | LVT% in floor item | LVT growth rate |
|------|------------|-------|--------------------|-----------------|
| 2018 | 27.17 | 3.43 | 12.65% | 43.1% |
| 2017 | 25.39 | 2.397 | 9.44% | 28.30% |
| 2016 | 24.47 | 1.87 | 7.6% | 33% |
| 2015 | 23.14 | 1.412 | 6.1% | 26.7% |

6 客戶市場分散-中美貿易戰



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Faced with the risk of the Sino-US trade war in the second half of 2020, Meizhe-KY will take this opportunity to gain access to the US market with the advantage of its Tainan plant. This will not only diversify the risk of over-concentration in the customer market, but also expand the group's global market of stone-plastic floor tiles.

The main strategy of decentralization in the customer market is that the two factories in China (Meijer and Prolong) support the production of orders in Europe and China, and the new factory in Tainan, Taiwan focuses on the production of customers in the United States, Taiwan, and Southeast Asia. In the U.S. market, more than 90% of the stone-plastic floor tiles are mainly supplied from China. Therefore, M.J.-KY's new Tainan plant will provide a very high incentive for large-scale customers in the United States to transfer production capacity, especially M.J.-KY's operational turnover. Capital, financial transparency, and physical integrity are better than other peers. In terms of the scale of the top ten brands in the United States, Meizhe-KY has conditions such as product quality, stable delivery, good service, and a certain scale of operation. , Are in line with the first choice of important partners for long-term stable cooperation.

6 Tainan factory Prospect

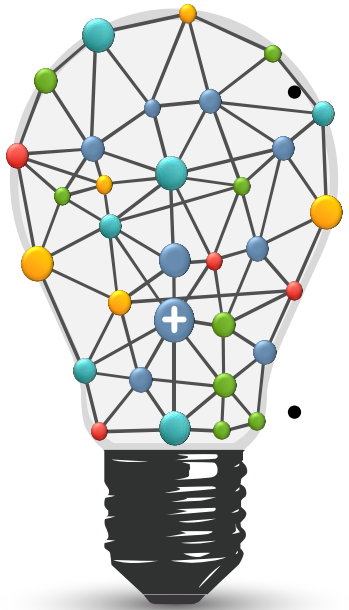


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- **Product Diversification** - With M.J, original main LVT product ,the launch of SPC product and multi-product diversification can let M.J. meet all kind of clients ◦ Especially the SPC growth rate is the top one among all floors material, the SPC annual growth rate is almost about 30% superior than the rest of the floor material.

- **Product base Diversification** - Tainan factory base with material supply 、tech support 、convenient transportation and flexible purchase can help USA client reduce political risk and meet client requirement ,including quality 、service and deliver time ◦

- **Client market Diversification** - Under the client diversification main strategy, in the future, M.J. china production base will support Europe and China market ,Tainan new production base will meet the requirement from USA,TW and the Southeast ASIA ◦ 90% of USA LVT import suppliers are from China ◦ M.J. Tainan production base will give the USA clients incentive to transfer the production base, especially M.J. corporation is a price-listed company with better financial transparency and working capital than other competitors ◦



A collage of interior design images. The top row shows a wall with three spotlights and framed art, a modern living area with a glass partition, a wall with a wood plank pattern, a colorful deer sculpture, and a blue sofa. The middle row features a living room with a white coffee table, a dining area with a white table and chairs, a menu board, a dining table with a white tablecloth, and a living room with a blue sofa. The bottom row displays various flooring styles: a herringbone pattern, a dark wood plank pattern, a black office chair on a light floor, a rustic wood plank pattern, and a dark stone pattern.

Make, Join Flooring from Here.

THANK YOU !

Taiwan since 1982