

Global Excellence in Providing
Kitchen & Bath Solutions

Globe Union Industrial Corp. 9934



Product Category

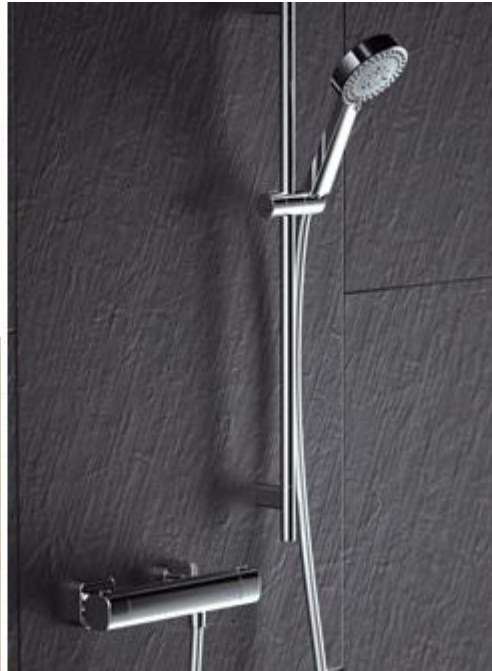
Our Portfolio Includes More Than Faucets

Faucet

Vitreous China

Bath Accessories

Showerheads



Milestone

1979

Founded in Taichung as a trading company

1999

- Listed on Taiwan Stock exchange (9934)
- Introduced own Brand "Danze" to US market



2004

Acquired European brand "Lenz"



2012

Introduced of the high-quality Kitchen & Bath Product R & D center in Taichung



2016

Restructured Company Corporate Governance Structure and adaptation of professional management for substantial company development

2018

Reorganization of Group business structures to four BUs - North American Brand, Global Private Brand, PJH and Home Boutique

Foundation

Brand Expansion

Manufacturing Expansion

Service upgrade

1990

Established Faucet Manufacture factory in Shenzhen, China



2003

Expanded product category to vitreous China Sanitary ware by acquiring "Gerber" Brand in US & "Milim" factory in China

GERBER®

2007

Acquired PJH, a leading European supplier and distributor of appliances and Bathroom products



2009

Competed Faucet Factory Integration



2015

Expanded Milim production capacity by adding fifth kiln and fourth high pressure casting line



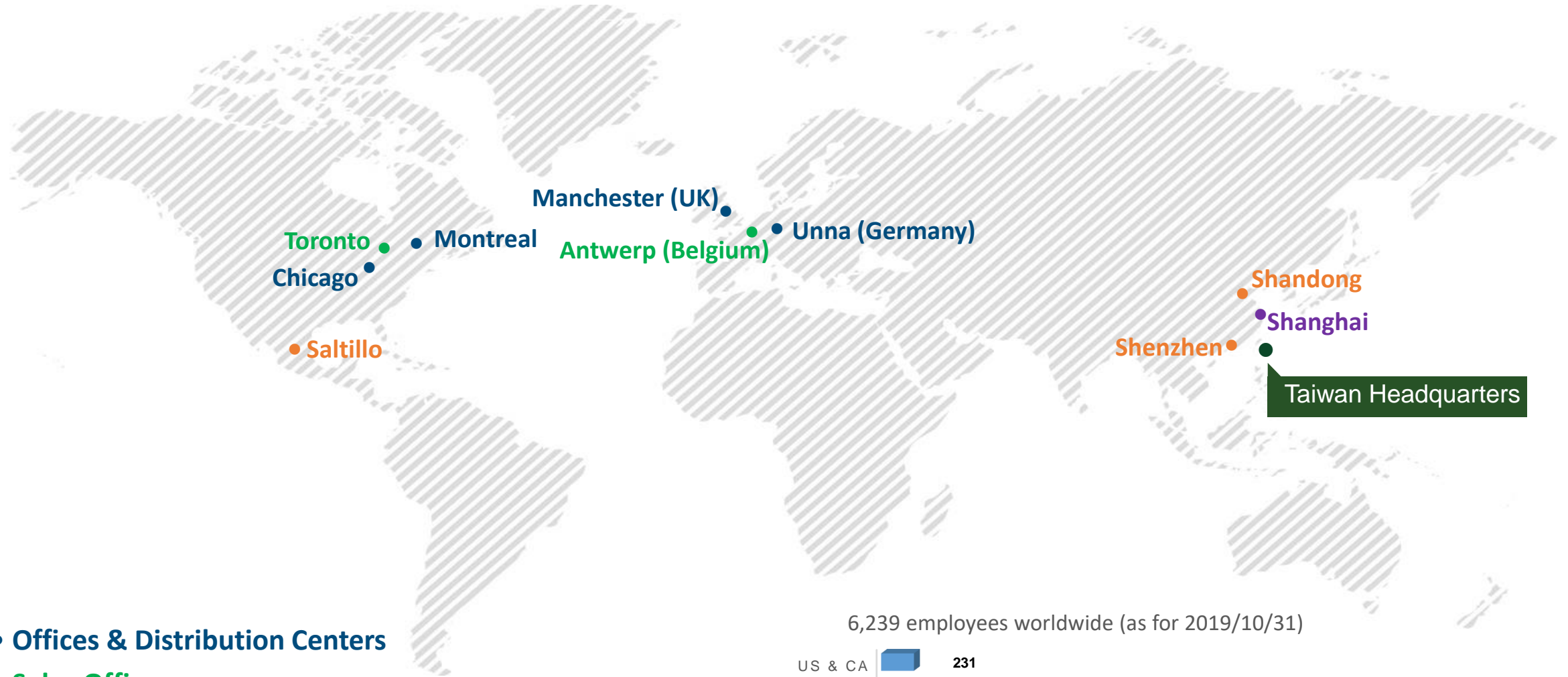
2017

On-going implementation of core manufacture process automation

2019

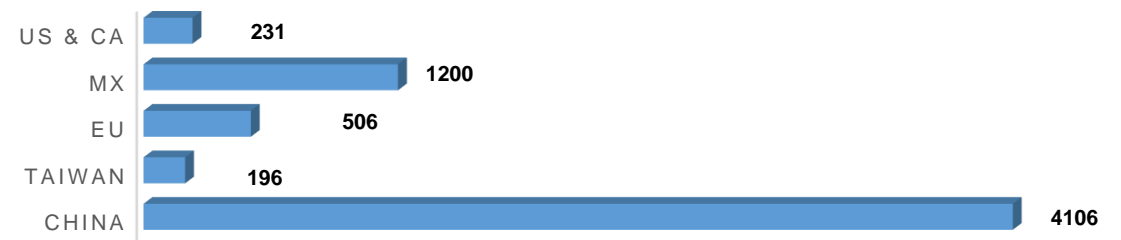
- Shane Ouyang has chosen to succeed Scott Ouyoung as Chairman of the Board.
- Appointed Todd Talbot as Company CEO
- Formation of Subsidiary GU Plumbing de Mexico S.A de C. V,
- Consolidated Business unit by product category to achieve "One family One vision"

Global Network

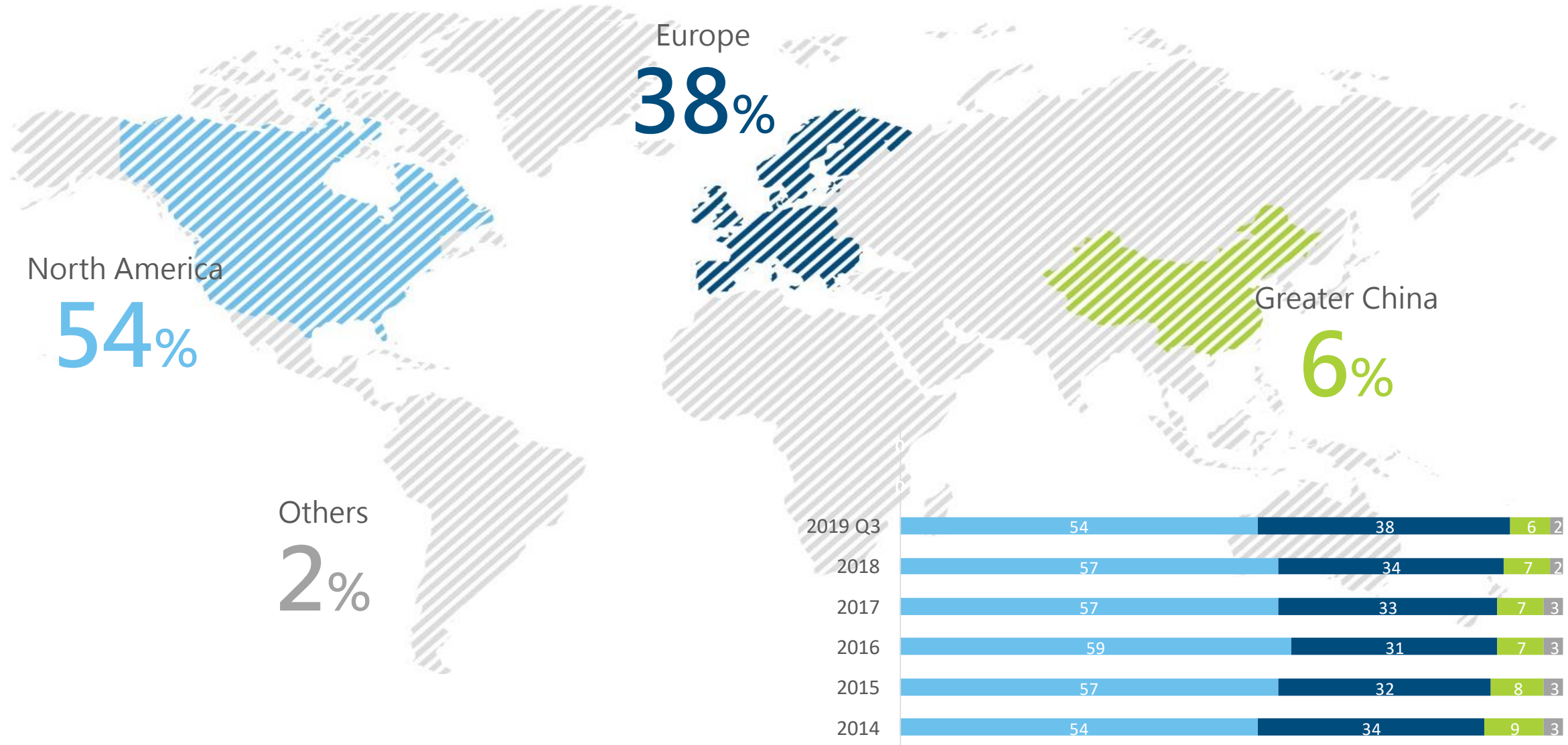


- **Offices & Distribution Centers**
- **Sales Offices**
- **Sourcing Office**
- **Factories**

6,239 employees worldwide (as for 2019/10/31)



Sales by Region



Business Segmentation

BRAND

Our brands include Gerber in North America and Lenz in Europe



GERBER®

Globe Private OEM & Brand

Global OEM and Private Brand serves our strategic Retail, Trade, OEM and ODM partners



Lenz®
Perfekt in Design und Funktion.

**PJH
(UK Distribution)**

PJH specializes in providing logistic, distribution service solutions for sanitary ware and appliances in UK.



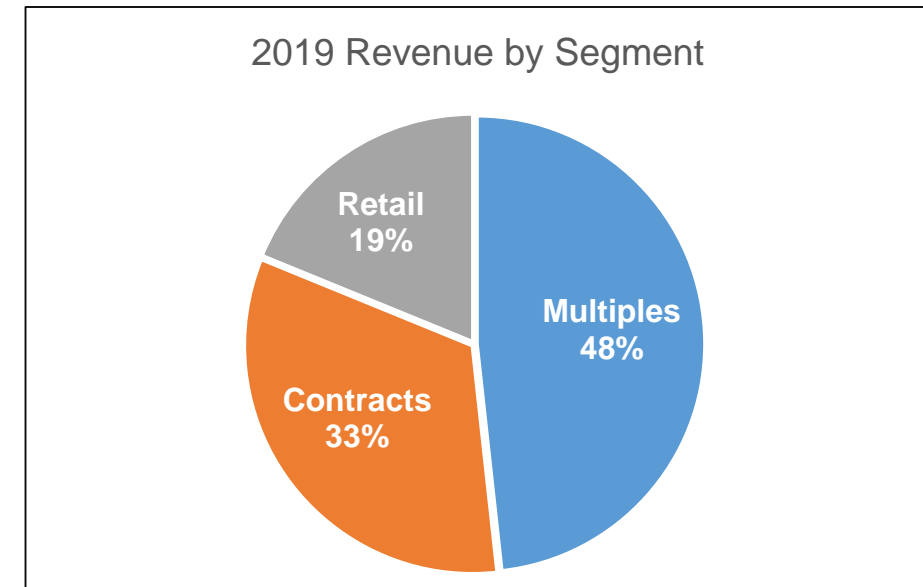
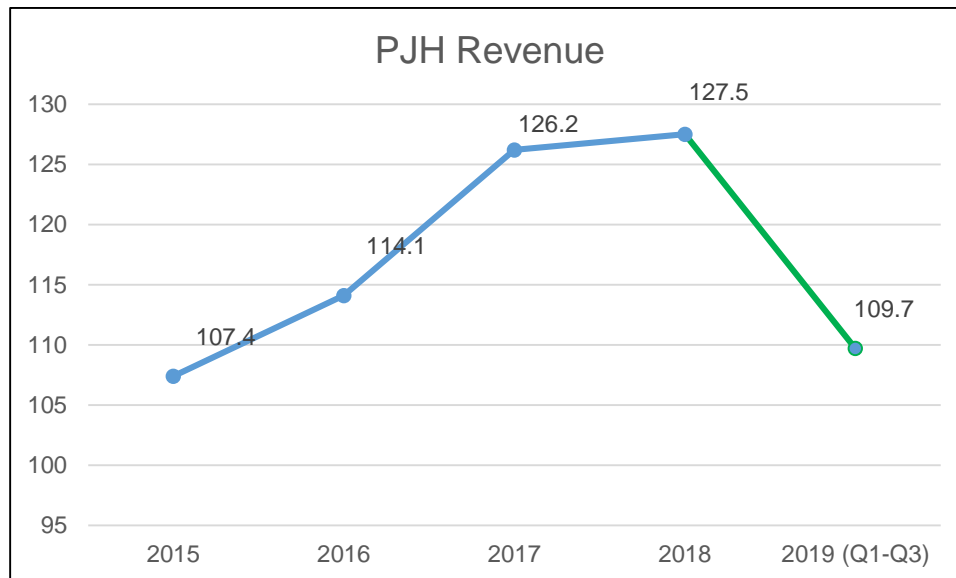
pjh
together we're better

Business Segmentation

PJH is a UK based distributor of bathrooms, appliances, sinks & taps and kitchens

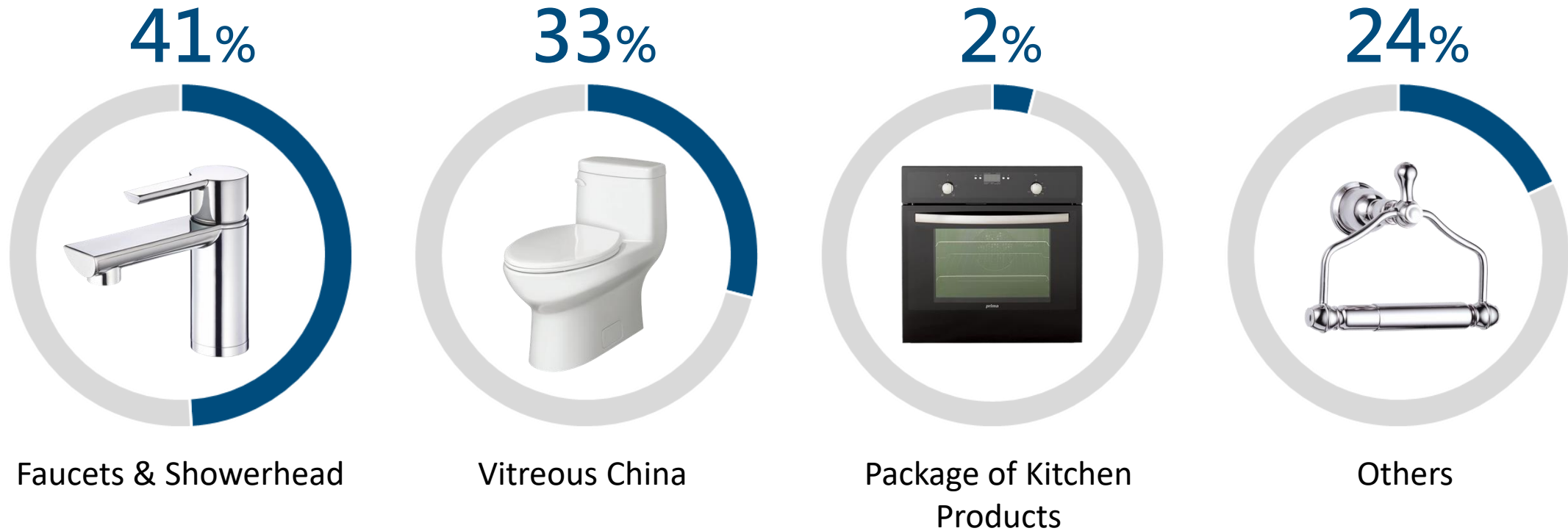
1. PJH is recovering **STRONG** from 2018 fire incident – Encourage by customer’s support with increasing sales
2. In Final stage of renewing a logistic contract with key customer
3. Strong growth in all three segments - Multiples, Contracts, Retail

GBP : Million



*2016 –Goodwill Impairment (NTD 679 Million)

Product Category



[Note]

1. As of 2019/09/30

2. Package of Kitchen Products includes package sales of the kitchen products and equipment.

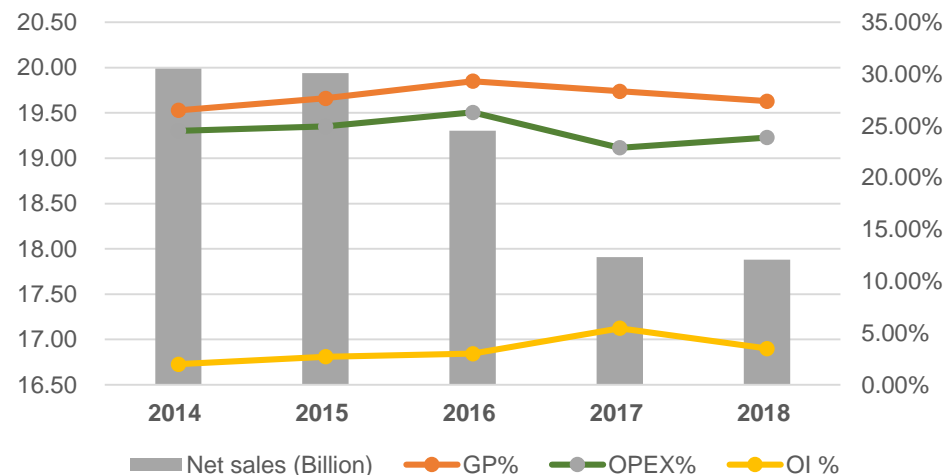
3. Others is including bathroom accessories , cabinet and distribution services fee

Financial Data

FINANCIAL DATA

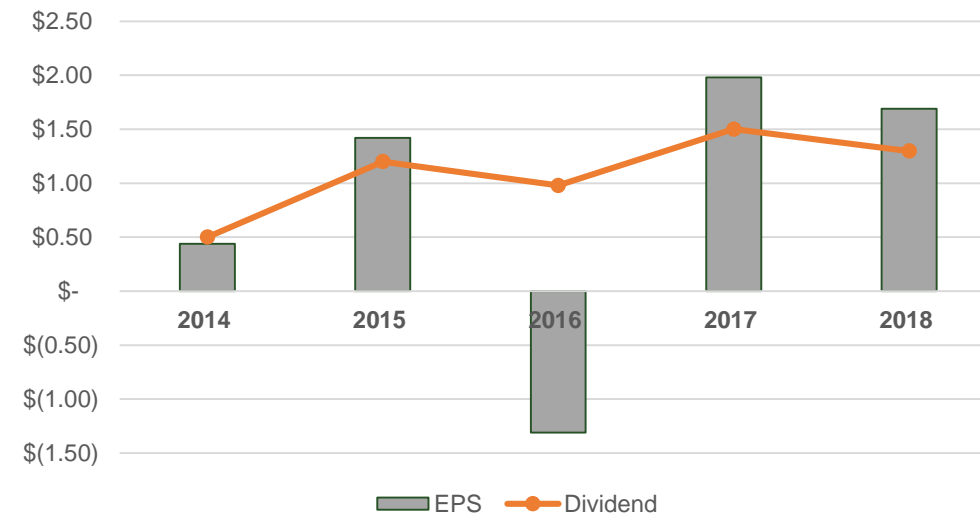
NTD : Billion

Revenue



NTD : Dollar

Dividend Payout



Year	2014	2015	2016	2017	2018	2019 (Q1-Q3)
Net Sales (billion)	19.99	19.94	19.30	17.91	17.88	12.99
GP%	26.50%	27.66%	29.31%	28.34%	27.37%	28.42%
OPEX%	24.52%	24.94%	26.29%	22.89%	23.87%	24.56%
OI%	1.98%	2.72%	3.01%	5.46%	3.50%	3.87%

Year	2014	2015	2016	2017	2018	2019 (1-Q3)
EPS (dollar)	0.40	1.42	(1.31)	1.98	1.69	1.29
Dividend (dollar)	0.55	1.20	0.98	1.50	1.30	-
Payout ratio	137%	85%	-	76%	77%	-

Financial Data

COSOLIDATED INCOME STATEMENT (simplified) data

NTD ('000)	2014	2015	2016	2017	2018	2019 (Q1-Q3)
Net Sales	19,987,526	19,937,099	19,304,125	17,910,124	17,879,120	12,985,506
Gross Profit	5,296,485	5,513,701	5,657,522	5,076,134	4,894,358	3,690,755
Operating expenses	4,900,585	4,971,442	5,075,584	4,098,787	4,268,243	3,188,794
Operating income	395,900	542,259	581,938	977,347	626,115	501,961
Non operating income	(93,300)	204,996	(860,537)	10,210	177,277	87,197
Income before tax	302,600	747,255	(278,599)	987,557	803,392	589,158
Income Tax	145,463	240,467	203,958	280,828	184,476	132,054
Net income after tax	157,137	506,788	(482,557)	706,729	618,916	457,104
Net income Attributable to stockholder of the parent company	154,471	502,913	(463,027)	698,342	618,220	456,222

Financial Data

CONSOLIDATED BALANCE SHEET (simplified) DATA

NTD (' 000)	2014	2015	2016	2017	2018	2019 (Q1-Q3)
Current Asset	11,772,970	11,226,041	10,035,597	10,249,528	9,975,744	9,790,806
Non-Current Asset	4,918,450	4,769,845	3,316,748	3,031,748	2,837,437	3,900,433
Total Asset	16,691,420	15,995,886	13,352,345	13,281,276	12,813,181	13,691,239
Current liabilities	6,976,688	6,149,226	5,805,197	5,761,721	5,225,531	5,305,693
Non-Current Liabilities	2,811,703	2,534,993	1,893,916	1,420,317	1,612,835	2,587,347
Total Liabilities	9,788,391	8,684,219	7,699,113	7,182,038	6,838,366	7,893,040
Total Capital	3,543,042	3,543,042	3,553,042	3,675,889	3,682,235	3,572,976
Additional paid-in capital	916,938	920,265	940,467	1,026,759	1,032,019	998,368
Total retained earnings	2,111,138	2,407,658	1,408,570	1,791,536	1,895,790	1,856,101
Total other components of equity	231,737	338,120	(285,914)	(470,533)	(526,207)	(629,246)
Treasury stock	-	-	(44,868)	-	(186,207)	-
Non- controlling interest	100,174	102,582	81,935	75,587	77,185	-
Total Equality	6,903,029	7,311,667	5,653,232	6,099,238	5,974,815	5,798,199
Debt to Equity ratio	142%	119%	136%	118%	114%	136%
Net Cash*	(1,515,600)	(712,637)	400,558	162,501	598,366	150,978

* Net Cash = Cash and Cash Equivalents + financial asset measured at amortized cost- Loan (Short term, Long term and current portion of long-term loan)

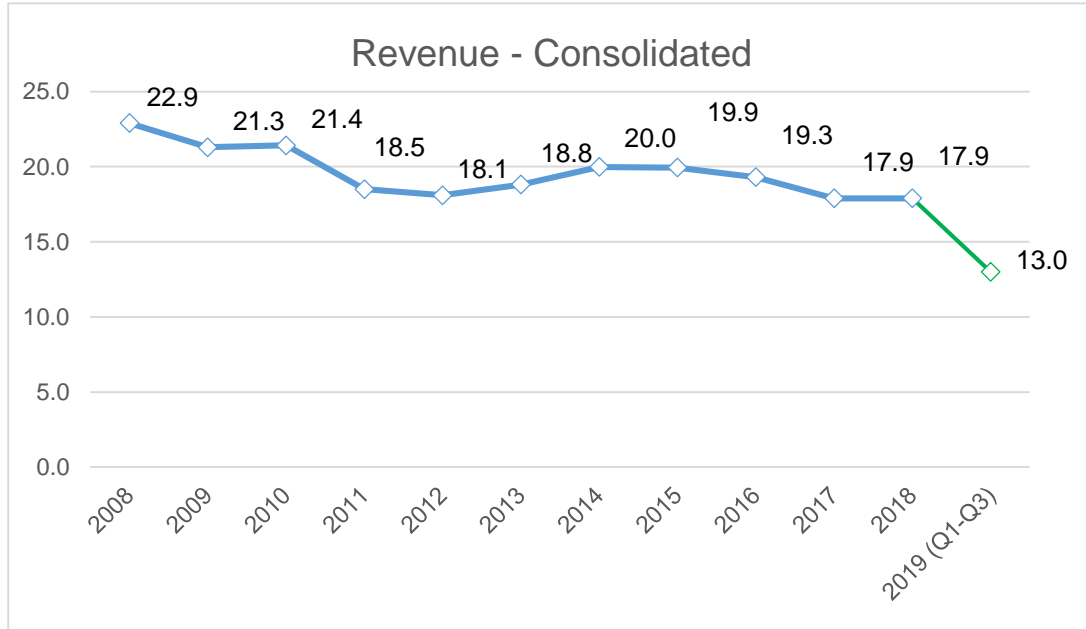
Going Forward...



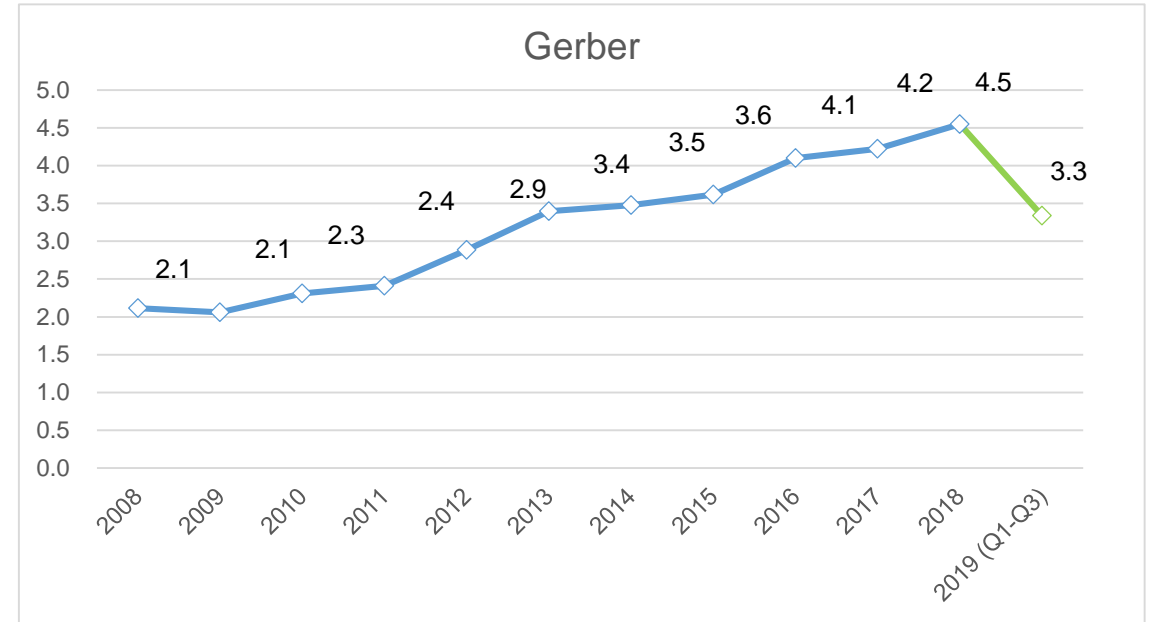
Business Strategy

STRONG REVENUE GENERATION from BRAND

NT: Billion



NT: Billion



NT(Billion)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 (Q1-Q3)
Revenue - Consolidated	22.9	21.3	21.4	18.5	18.1	18.8	20.0	19.9	19.3	17.9	17.9	13.0
Revenue - Gerber	2.1	2.1	2.3	2.4	2.9	3.4	3.5	3.6	4.1	4.2	4.5	3.3
Weight %	9%	10%	11%	13%	16%	18%	17%	18%	21%	24%	25%	26%

Business Strategy

GLOBAL MARKETING and MANUFACTURING

DIVERSIFIED MANUFACTURE BASE (China plus 1)



Milim -VC (QD, CN)



GU Mexico -VC (MX)



GUFY-Brass (SZ, CN)

QUALITY DESIGN PRODUCTS and STRONG BRAND POSITIONING



GLOBAL PRESENCE of PRODUCTS and BRANDS

WHOLE SALES

PLUMBER/ BUILDER

RETAIL

CLUB/BIG BOX



↑

End to End

↓

Business Strategy

BRAND GROWTH
SALES CHANNEL EXPANSION



GERBER®



GROWTH in existing sales channel

EXPANSION to new retail market

WHOLESALES

BUILDER / PLUMBER

RETAIL

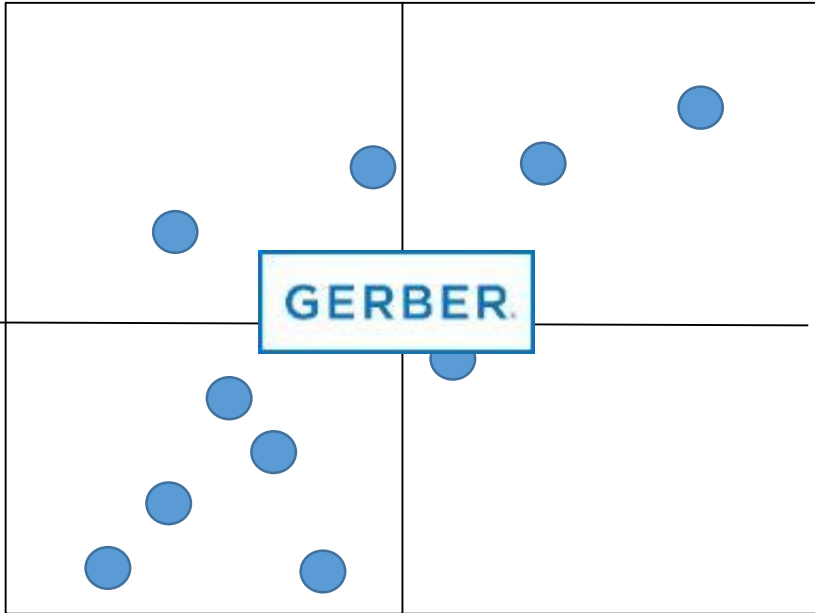
BIG BOX STORES

Business Strategy

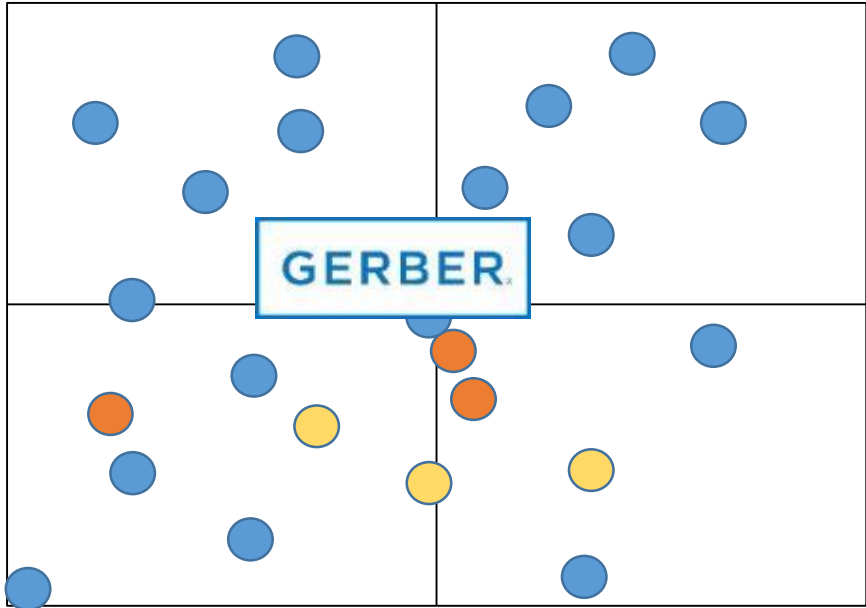
MARKET ANALYSIS
LEAD with VC ; DIFFERENTIATE with FAUCET



VC



Brass



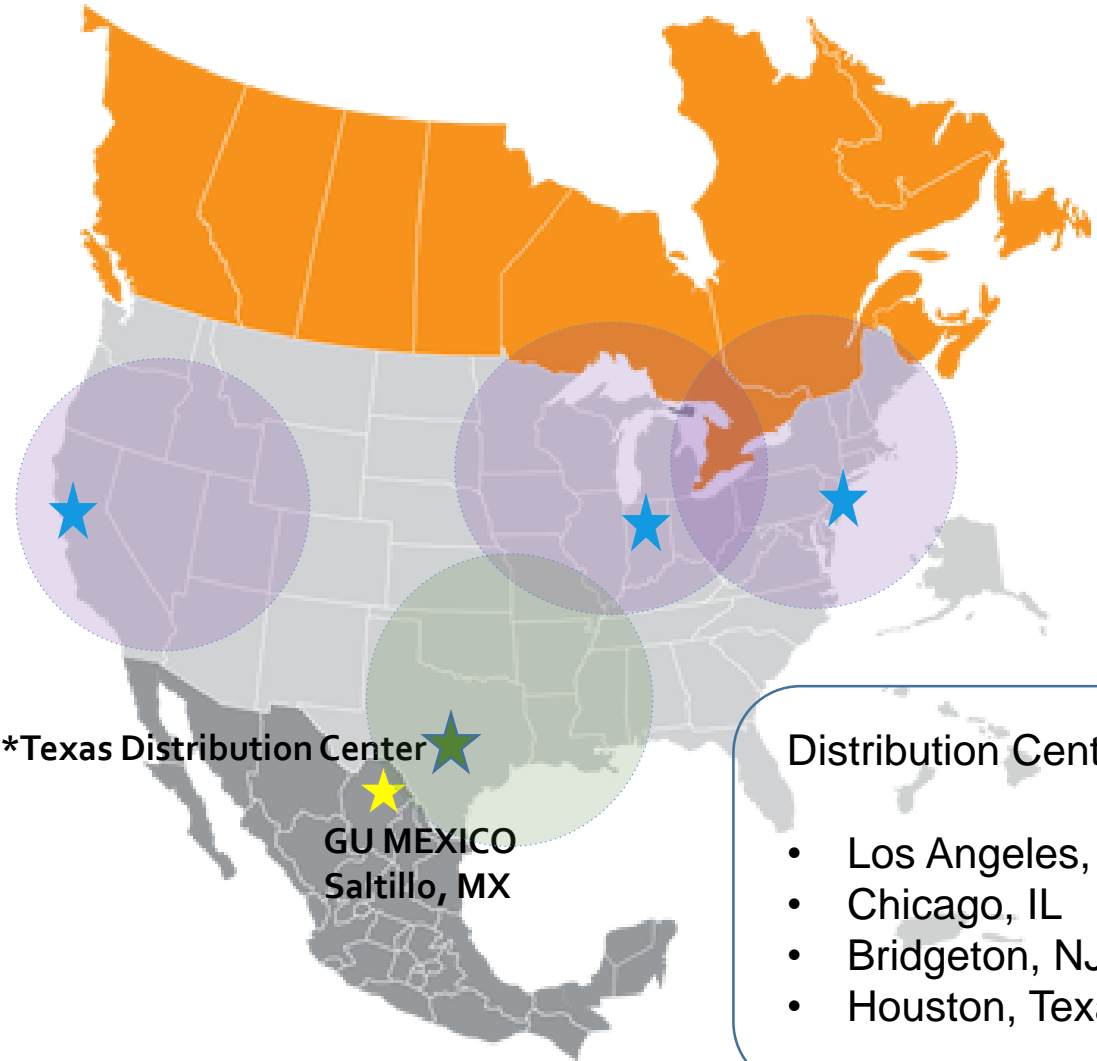
Together, reach full growth potential



- Competitor
- Competitor /OEM Customer
- Competitor /Private Brand Customer

Business Strategy

LEADTIME AND TRANSPORTATION COST REDUCTION for CORE MARKET



- ✓ Completed asset acquisition and set up a Mexican subsidiary "GU Plumbing de Mexico S.A. de C.V. " on Oct 2019 for Vitreous China products
- ✓ Addition to Global supply chain for diversifying the supply base
- ✓ Significant reduction on transportation cost and lead time
- ✓ Flexible use of the Texas distribution center for efficient logistic in North America

Distribution Centers:

- Los Angeles, CA
- Chicago, IL
- Bridgeton, NJ
- Houston, Texas * New addition Oct 2019

Business Strategy

INCREASED MANUFACTURE CAPACITY
TO SUPPORT POTENTIAL GROWTH

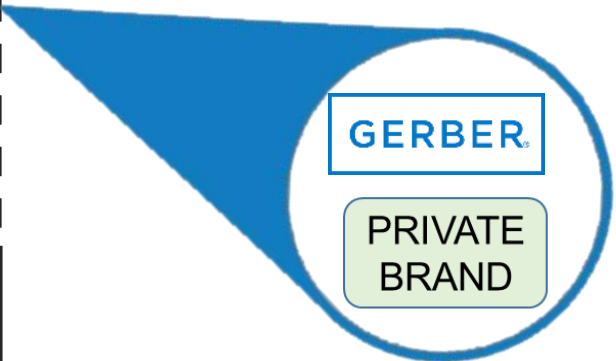
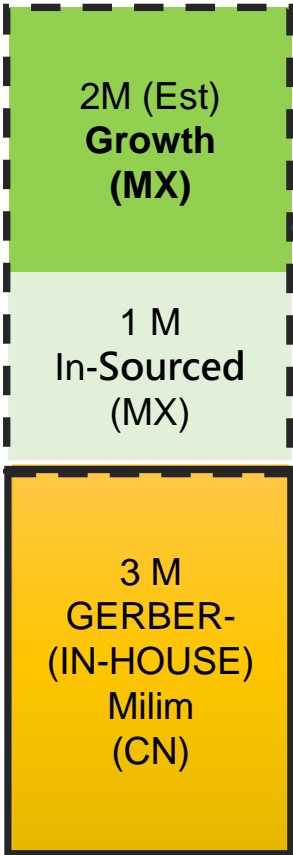
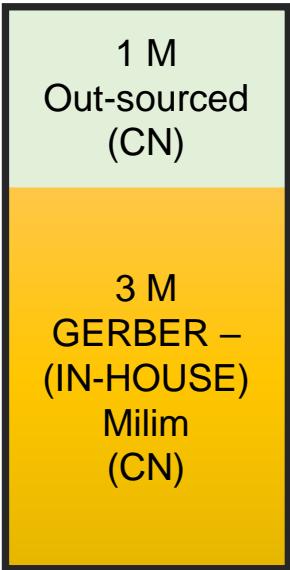
BEFORE

VC capacity
4M Pieces



NOW

With GUMX
6M Pieces *



* Estimated Maximum capacity

Q & A



GERBER