

Fulgent Sun (9802) Announces FY2019 1Q Financial Result

Fulgent Sun: 2019 1Q EPS of NT\$1.34 (+ YoY 97.1%).

With efficient expanding and allocation deployment on capacity, growth momentum in 2Q and 3Q are dynamic.

2019/04/16, Douliu

Fulgent Sun International (Holding) Co., Ltd. ("Fulgent Sun", TWSE: 9802) today announced its unaudited results for 1Q 2019.

- Fulgent Sun's 2019 1Q unaudited consolidated sales reached NT\$2,578million and operating income reached NT\$262 million. The net profit attributed to parent company arrived at NT\$205 million and EPS at NT\$1.34. Respectively, over the same period of last year grew 19.2%, 36.6%, 108.4% and 97.1%, and unaudited consolidated sales set a record high of the same period. If the exchange rate evaluation factor is excluded, the actual EPS after tax reaches NT\$ 1.56, reaches 7th consecutive quarter of historical high since 3Q 2017.
- Benefited from steady expansion on the production capacity and improvements both on sales and production and on productivity, the proportion of outdoor functional shoes kept a stable level of 90% at least. The gross profit margin and operating profit margin in 2019 1Q was 19.6% and 10.2%, both significant growth compared with the same period of last year. Operating Profit Margin has grown quarterly since early 2008 and stayed at high level. The operating expense ratio was 9.4%, which was 1.3% lower than same period of last year. Fulgent Sun kept making progress on operating expense management.
- While keeps expanding for years, the Group's capacity expansion plan will still be 10%~15% as the annual growth target. The proportion of revenue of non-Chinese production areas (Vietnam/Cambodia) exceeded 65% for the first time in 2019 1Q. Through actively strengthening allocation deployment by management team and improvement of the employee learning curve, there are significant outcomes on the overall profitability and economic scale as production lines are gradually mature and refined at the same time. In addition, while the Group continued building strong and stable partnerships with existing brand customers, the group added 3 to 5 new brand customers each year to extend the group's order resources. The Group expected to shine its competitive strengths on diverse order-taking and flexible allocation deployment under long-term relationships with national brand customers.
- Looking at 2019 Fall/Winter shoes, delivery between 2Q and 3Q, Fulgent Sun is optimistic that steady expansion on the capacity, increasing productivity, and continuously prosperous

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orders ,could lead to significant growth momentum on overall operating performance. Although it is off-season of seasonally mixed shipments, remarkable progress on the Group’s overall order production capacity, as well as increasing demands from brand customers’ because of global sports and leisure trend, keep overall order visibility at positive level and then help the capacity to maintain high level. The growth momentum on overall operating is dynamic and better than previous years

Fulgent Sun (9802) 1Q 2019 Financial Results :

(In NTD ‘000)

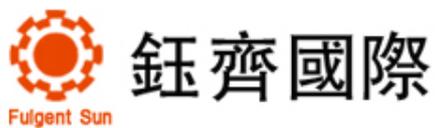
	2019/1Q	2018/1Q	YoY	2018/4Q	QoQ
Consolidated Sales	2,577,643	2,162,678	19.2	2,694,909	-4.4
Gross Profit	505,836	422,491	19.7	540,992	-6.5
Gross Profit Margin (%)	19.6%	19.5%	—	20.1%	—
Operating Expenses	243,467	230,473	5.6	267,046	-8.8
Operating Expense (%)	9.4%	10.7%	—	9.9%	—
Operating Income	262,369	192,018	36.6	273,946	-4.2
Operating Profit Margin (%)	10.2%	8.9%	—	10.2%	—
Non-operating Revenue & Expenses	-18,754	-85,146	—	-20,342	—
Net profit attributed to parent company	205,306	98,535	108.4	193,183	6.3
EPS	1.34	0.68	97.1	1.32	1.5

About Fulgent Sun

Fulgent Sun International (Holding) Co., Ltd. (“Fulgent Sun”, TWSE: 9802) was established in 1995, principally engaged in foundry production and distribution of sports shoes and outdoor shoes. There are more than 40 international well-known brand customers. Its headquarters is located at Douliu City, Yunlin County, Taiwan. There are six factories which spread throughout China, Vietnam, and Cambodia.

Forward Looking Statements

Some of the statements contained in this press release may be considered forward-looking statements. These statements identify prospective information. Forward-looking statements are based on information available at the time and/or management's good faith belief with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. These forward-looking statements are subject to a number of factors that may cause actual results to differ materially from the expectations described, which include but are not limited to economic, competitive, market, currency, governmental and financial factors. Fulgent Sun International (Holding) Co., Ltd. assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information except to the extent required by applicable securities laws.



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