

FORMOSA OPTICAL

寶島眼鏡

Investor Conference

【Stock Code : 5312】



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# Company Profile



FORMOSA OPTICAL TECHNOLOGY CO.,LTD.

Chairman : Tsai Kuo-Chou

Vice Chairman : Tsai Kuo-Ping

Acting General Manager: Tsai Yi-Shan

Operations :Optical chain stores

Capital stock:600 Million

Total number of employees: 1,200

Number of direct sales stores: 296



# History of Formosa Optical



2018

- SOLO MAX was set up in East District Underground Stores and ATT4FUN, leading the trend of fast fashion.

2017

- Expanding La Mode business territory to catch sunglasses opportunities in the department stores.

2016

- Started selling Japanese RIONET hearing aid.

2011

- Lutein and other health foods were Launched to advance towards all-round vision care.

2004

- Acquired KING COME chain stores.

2003

- Acquired Wen Hsiung chain stores and expanded into the sub-brand pathway period.

2001

- The group appointed Tsai Kuo-chou as chairman of Formosa Optical.

1999

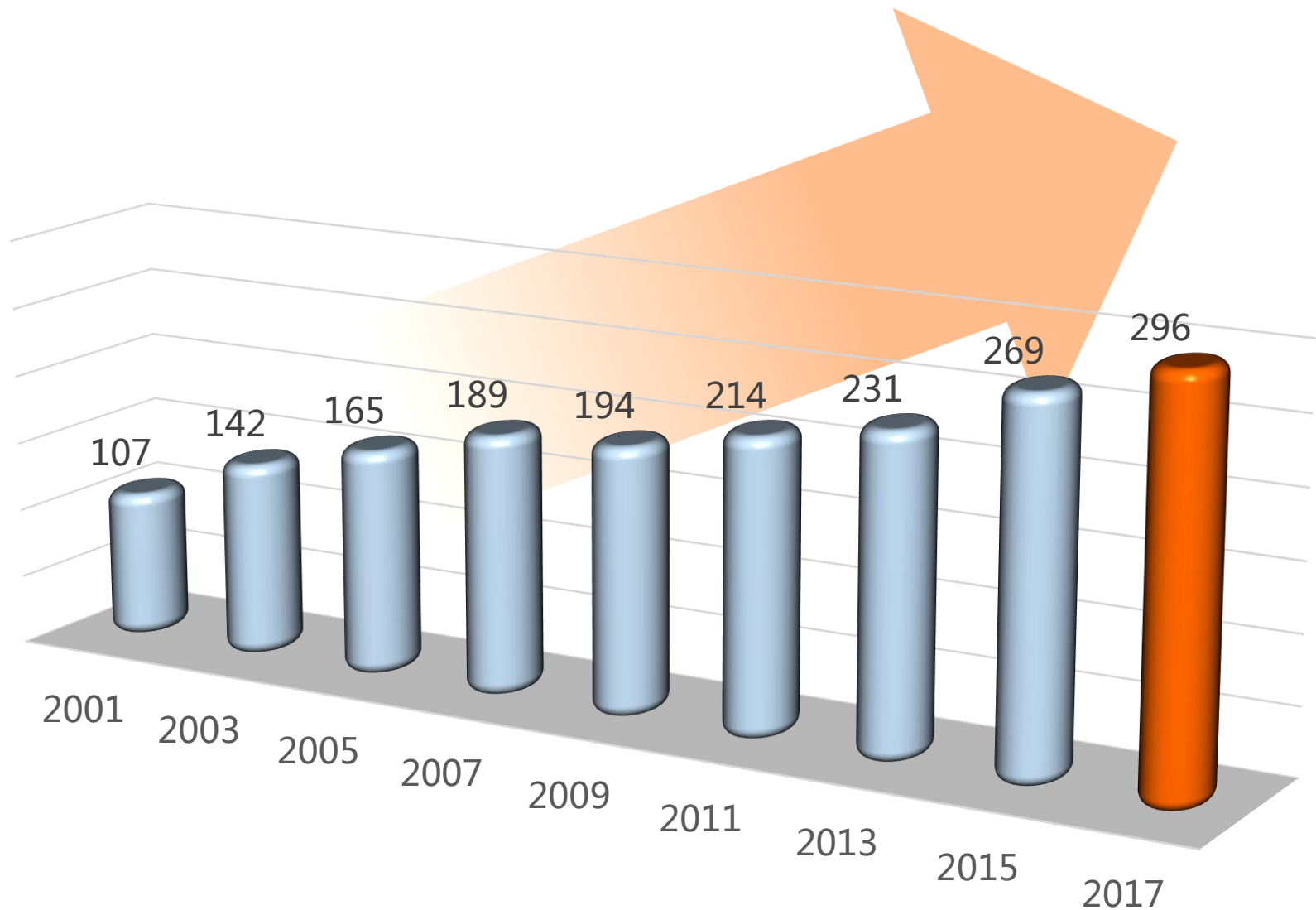
- FORMOSA OPTICAL was listing in Taiwan Exchange

1976

- The first "Formosa Optical shop" was set up in Sanchong District, New Taipei City



# Stores expansion



## Formosa Group

In April, 2018 Current no. of stores-456 Current no. of employees-1,900



# Financial performance of the previous



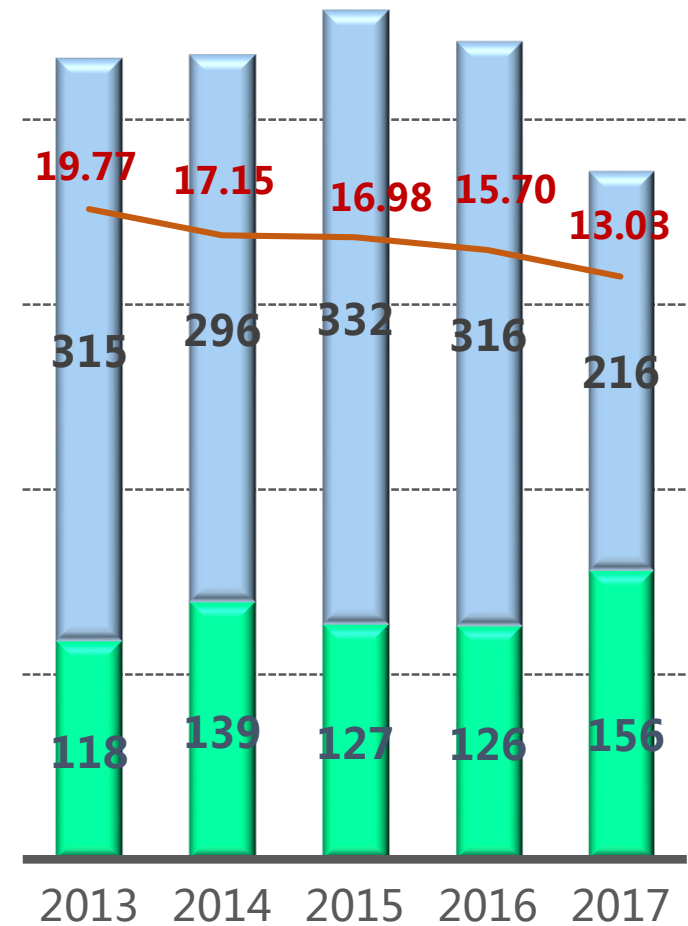
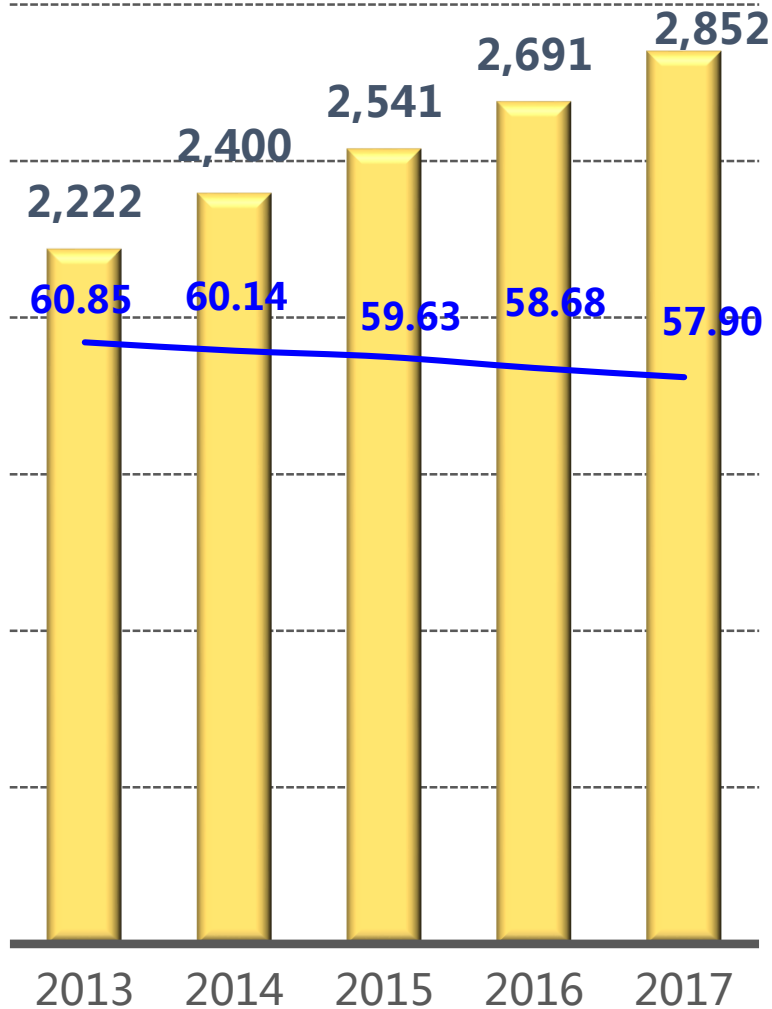
unit: million NT

Sales — Gross margin

Non-Operating Income

Operating Income

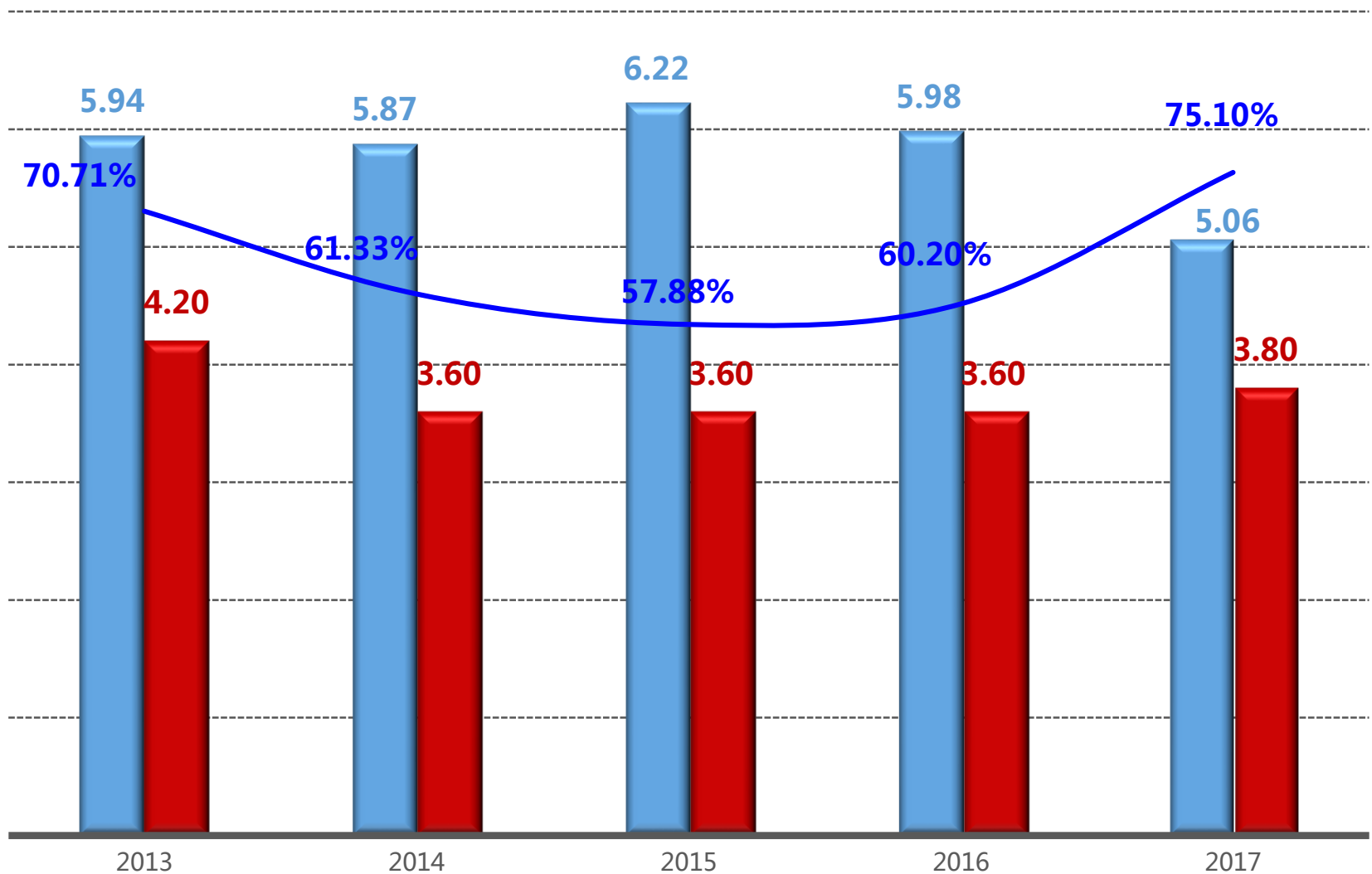
ROE



# Financial performance of the previous



■ EPS   ■ Cash Dividends   — Dividend distribution rate

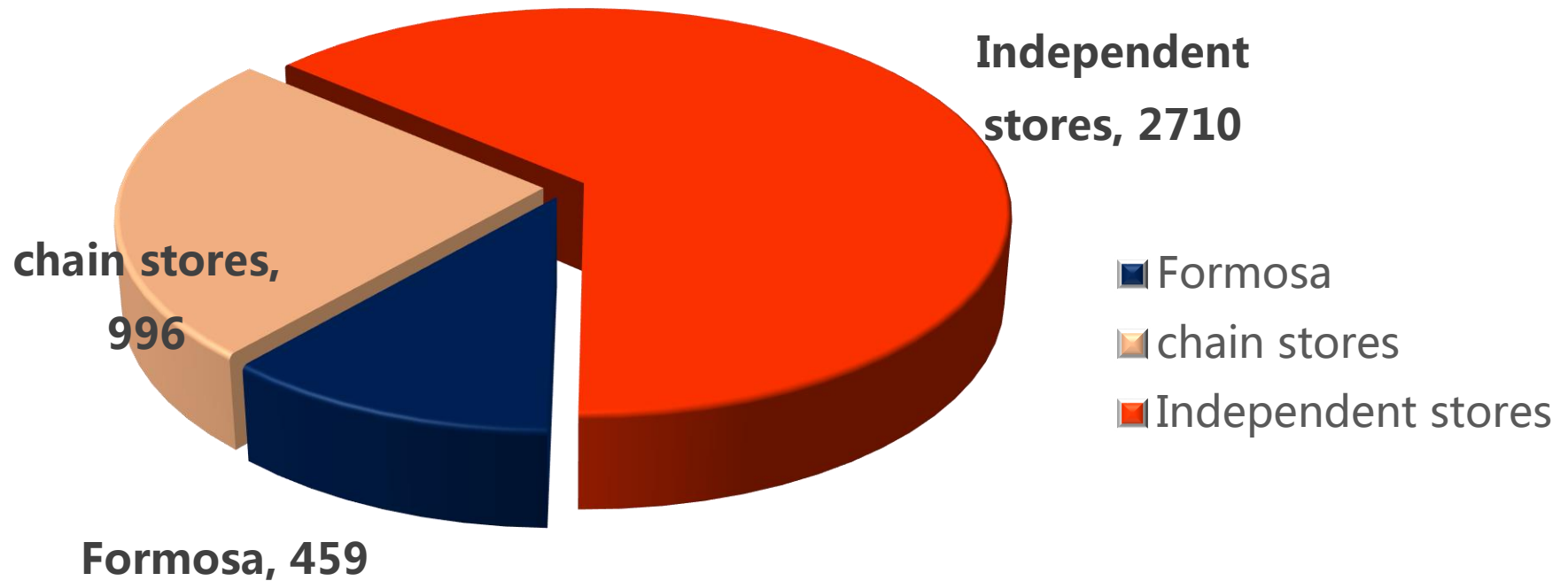




# Consolidated Financial Statement



Unit: NT\$k	107Q2	106Q2	107 1~6	106 1~6	107.1~6 Difference
Operating Revenue	757,462	674,935	1,498,006	1,397,061	100,945
Gross Profit	439,287	389,928	862,553	813,639	48,914
Gross margin	57.99%	57.77%	57.58%	58.24%	-0.66%
Operating Expenses	397,178	367,786	782,964	747,620	35,344
Operating Income	42,109	22,142	79,589	66,019	13,570
Non-Operating Income	44,424	41,039	102,723	121,086	-18,363
Income before Tax	86,533	63,181	182,312	187,105	-4,793
Tax Expense	17,170	16,836	80,788	38,629	42,159
Net Income	69,363	46,345	101,524	148,476	-46,952
EPS	1.16	0.78	1.72	2.50	-0.78



# Location of the store



# Market Position



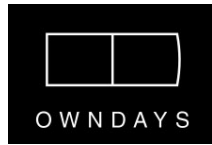
High-end consumers at the top of the pyramid



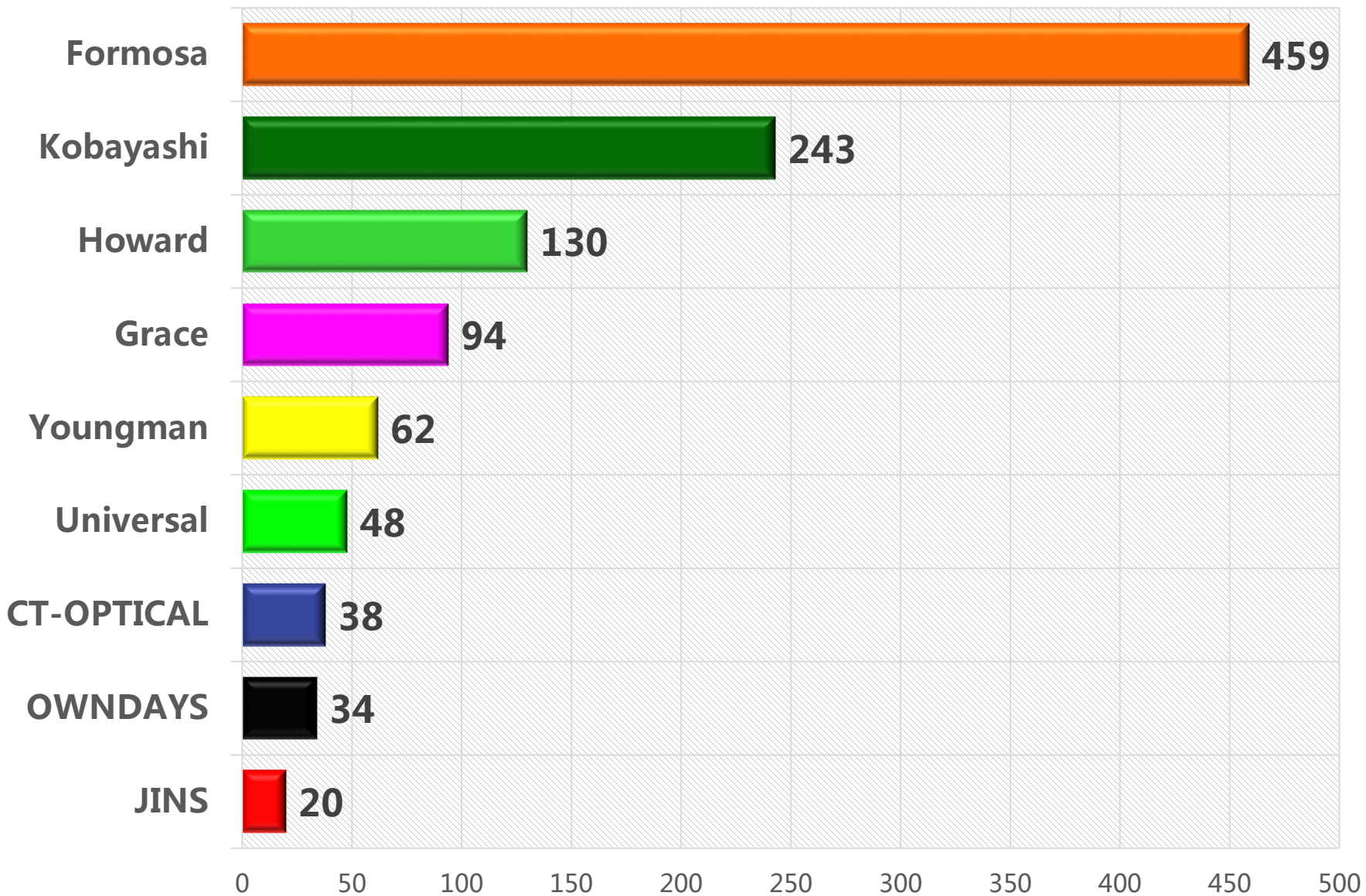
Average working class and mid- to high-end groups



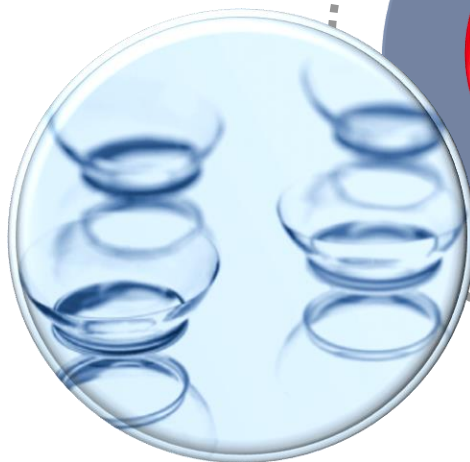
Young students, low-end groups



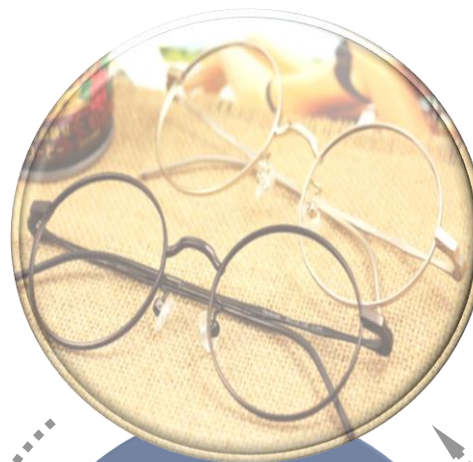
# Comparison of chain stores in Taiwan



✓ Contact lens grow quickly.



✓ The fashion function of glasses has been improved.



✓ The law of optometrists was implemented, and the quality of personnel required to rise.



# Future development -SWOT analysis



- Advantage of channel of scale
- Good company system and transparency
- Value of brand image
- Advantage of supply chain integration
- Complete education, training system and facilities
- Strong marketing and merchandising ability
- Standardized operation

## Strengths

- Insist on providing high qualities of goods, so it cost more than other trades
- Spend more cost than other trades because we pay attention to the education of staff

## Weaknesses

- satisfy the needs of customers at all levels
- Strengthen regional marketing to enhance competitiveness
- Strengthen the member management and the network marketing, achieve the virtual reality integration
- Commodity benefit development, stimulate consumption
- Implementation of the law of optometrist
- The development of Asia
- Combination of production and marketing

## Opportunities

## Threats

- Laser surgery is increasingly mature and convenient
- Trade poaching
- Consumer demand changing the product portfolio
- The development and future prospect of business circle in Taiwan

# Future development -Business strategy



## Strengthen the management

1. Enhance Brand value
2. Strength the value of services
3. Improve product quality
4. Fulfill technical training

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## virtual reality integration

Integrate various social tools to guide members to the offline stores and promote loyalty of members.



## Compound goods

1. lutein
2. facial mask
3. Hearing AIDS
4. Soda water



## Overseas development

1. Asian market



# Future development -Second generation store(Before)

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# Future development -Second generation store(After)



Future development  
-Department store counter

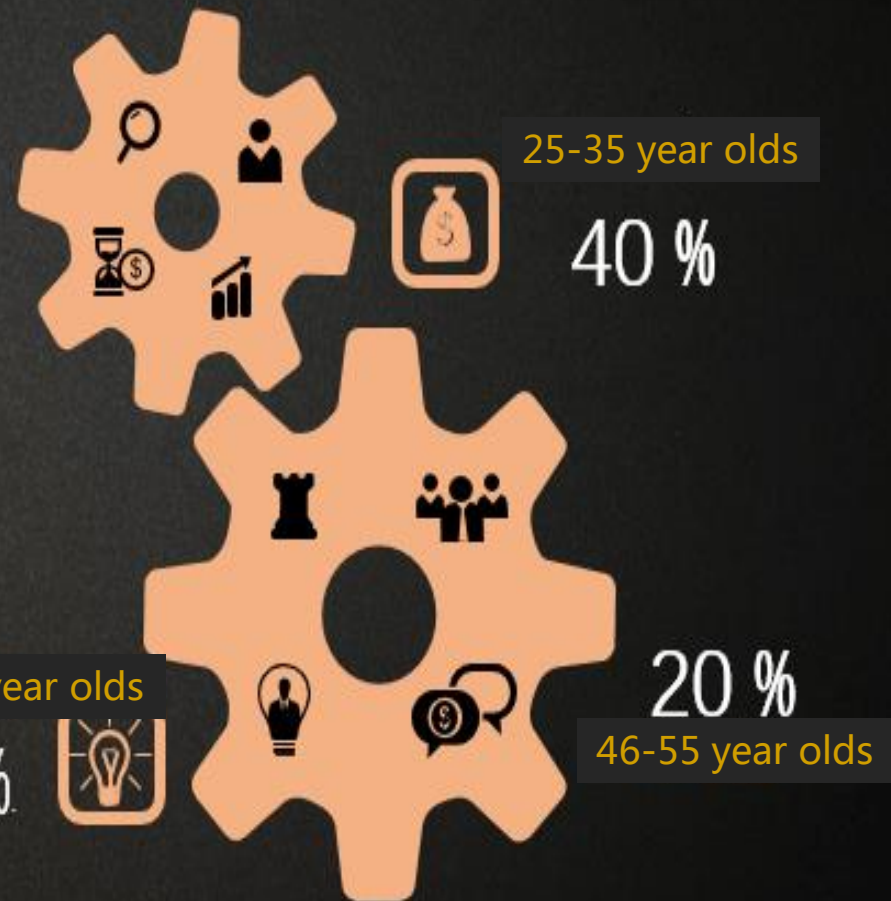


*La Mode*



# Future development -Department store counter

## Customer Age Analysis



# Future development -Department store counter

## TIGER CITY



Future development  
-Department store counter

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Taipei Living Mall

New counter



# Future development -Fast Fashion



SOLOMAX

2

0

1

8

# Future development -Fast Fashion



The first fast fashion optical store was introduced by Japanese brands in 2014. There are more than 60 fast fashion optical stores have been opened in the department stores in Taiwan since January 2017. Fast fashion optical store is estimated to share 20% of glasses market in Taiwan, which has 20 billion market value, in 5 years.

The Advantages of fast fashion optical store:

- ① Open display
- ② Price transparency
- ③ get your glasses in 30 mins
- ④ fashion commodity

The fast fashion optical store is the advantageous business type in the future.





# Future development -Fast Fashion



Not only sell glasses, but also emphasize the fashion of personal wear.

Everyone can get a glasses in the optical store, but it is not enough. People want a glasses which can show their special style and personality.

**SOLOMAX** helping customers to pick out a outstanding glasses by matching the frame and customer' s face.

# Future development -Fast Fashion



Eastern District Underground Shop

# Future development -Fast Fashion



# Thank You

## Q&A

專注細節 成就完美

