



台灣百大品牌  
大田精密工業股份有限公司  
O-TA PRECISION INDUSTRY CO., LTD.



台灣百大品牌

# O-TA Precision Industry Co. Ltd.

大田精密工業股份有限公司

OTC #8924

## Investor Conference

5/21 Leisure & Sports

李忠穆協理  
鍾政義經理(報告人)

2021年5月21日



**ALLTAS** Stainless Excellence  
不銹鋼水龍頭精品



# Outlines

- ✓ Company Profile
- ✓ Operational Performance
- ✓ Industry Status
- ✓ Future Development

## O-TA Design

研發力 | 生產力 | 軟實力

WWW.O-TA.COM.TW

est. 1988





# Company Profile

- Founded : 1988. July
- Capital : NT\$ 838 Millions
- Chairman: Lee Kung-Wen,
- Vice Chairman : Bill Lin
- General Manager : Justin Hsu
- Main Business :
  - ✓ Golf Head/Shaft/club assembly
  - ✓ Carbon Bike
  - ✓ Stainless Steel Hardware
  - ✓ Creative Design of Stainless Steel



- **Top 1000 Taiwan Listed company (Common Wealth Magazine)**
- **Top 5000 Outperformed Enterprise in Taiwan by CRIF**
- **Listing date : Feb. 9, 2000 (stock symbol :8924)**
- Company Location : Ping-Tung Industrial Zone, Taiwan
- China Factories : Ganzhou, Jiangxi ; **VGT Composite: Guangdong, Huizhou**





# O-TA History



Taiwan HQ since 1988



- **OTC#8924 listed in 2000**
- The 24th of the top 100 Asian companies ranking on US Business Week in 2006
- Carbon bike brand VOLANDO created in August, 2009
- **VOLANDO** won Taiwan Excellence Awards (17 models) in consecutive year 2009~2020
- **US GOLF DIGEST HOT LIST 2020** of Gold and Silver Clubs made by OTA



2003 Composite Business  
(Inda & Dia Composite)



reddot design award



台灣精品



2011 Factory in JX



ALLTAS Stainless Excellence  
不銹鋼 水龍頭 精品

2020 Inda → Vanguard

2019~Automation Progress on Operation



Factory in Jiang-Xi, China  
Founded in 2011/12/23  
Located in Gan-zhou City,

**JX factory 2011~now**



江西大田

## Head Quarter in Taiwan



- **Founded in 1988**
- Located in Ping-Tung County
- Launched the casting titanium woods in 1995 Design、R&D、Sales、Administration
- Capital : NT\$ 838 Millions

2000~2017 Factory in Shenzhen



**Shenzhen 2000~2017**

Factory in Shenzhen, China  
Founded in 2000  
Located in Bao'an District  
2017 closed

- 2012/2/18: **VOLANDO** boutique bike store opened!
- 2011: won the "Taiwan Top 100 brands" Award & The 1st National Industrial Innovation Award – "Excellent Performing Innovative Enterprise"
- 2013, 2015, 2017, 2018 : German Red Dot Design Award (Concept Design)
- 2014: Grade A+ listed Company information disclosure
- 2015: ALLTAS Stainless Steel Faucet Brand developed
- 2016: ALLTAS was the first brand certified in compliance with the CNS8088 related faucet regulations by Standard of Metrology and Inspection Bureau, Ministry of Economic Affairs
- 2019 Product Automation Polishing successfully introduced into production.
- **2020 Inda Composite was closed and liquidated. VGT Composite Technology succeeded to the business.**
- **2020 Further progress on Automation to enhance the operation**

# O-TA Division

From Core technology expansion to **continuous Innovation**





# 我們的客戶 Our Customers

Offer variety of services (OEM/ODM/IDM) , co-design with customers , output innovative products !



**TITLEIST 、 PXG 、 Tour Edge ...**



**MIZUNO 、 HONMA 、 BRIDGESTONE 、 MITSUBISHI (shaft-Diamana) 、 TSURUYA 、 YAMAHA 、 YONEX 、 KASCO 、 AKIRA 、 ROMARO 、 JAPANA...**



*O-TA provides the Best Service for Our Customer!*

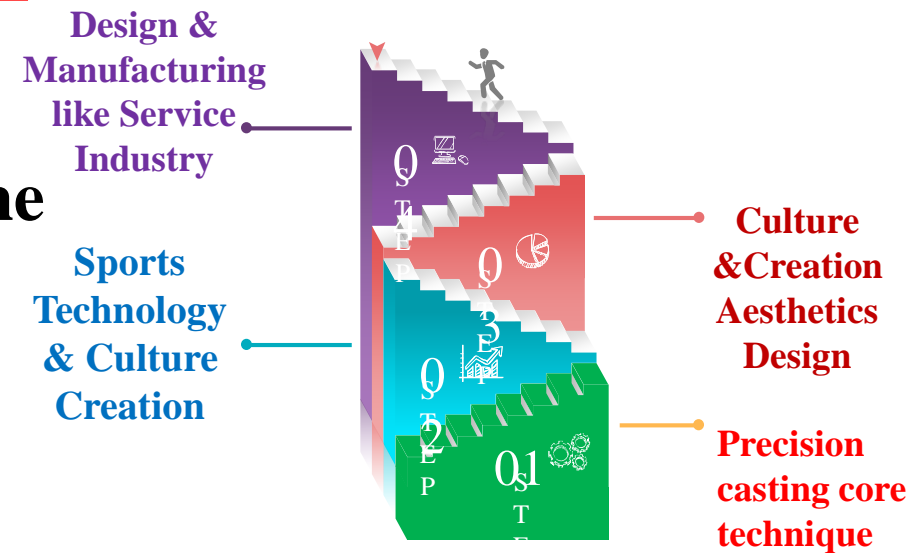
# Advantages of O-TA

**\*Continually create high value products to be irreplaceable on the market!**

**Customer-oriented , offering “custom”one stop shopping”service!**

**Serving multiple customers with flexibility!**

- ✓ Flexible EPS rapid production system.
- ✓ Providing custom production line/floor/building **One Stop shopping**
  - Custom service of golf heads, shafts, and assembled clubs with strong R&D capability.
- ✓ Strong R&D Team
- ✓ Customers comfortably place orders to O-TA!



# Product Technology Development

(Golf Head → Composite Sports Equipment → Creative Product)

Year 1973

Year 1990

Year 1993

Year 2003 · 2009 · 2015

Year 2018 ~ 2021

✓ Traditional Casting

Stainless steel replaced wooden head

✓ Forge

Ti plate applied on head and got hit  
Ti Wood launched, and replaced on  
Wood market

✓ Cast-Forge combined

✓ Innovation period of material, construction,  
and manufacturing process

Ex. 1# wood 全由Ti合金取代 ·  
Fairway 因W-Ni 介入而存活

✓ Joint Venture with Mitsubishi Rayon in Composite Material

✓ Carbon Composite Material combined with Ti and Stainless Steel  
in one head

✓ Extend the composite technology from golf head to bike

✓ Develop Creative Businesses :Stainless Steel Boutique Faucets, creative design....

Bike brand (VOLANDO) · SS Faucet  
(ALLTAS) · Creative Design...

✓ Innovative Products → replace metal-dominated products

Entire Carbon  
Head

◆ SS Casting → Ti Casting → Forge → Cast+Forge Combined → Ti alloy · SS+Carbon Combined → **Entire Carbon Head**

◆ Shaft → Assembly → **One- Stop Shopping**

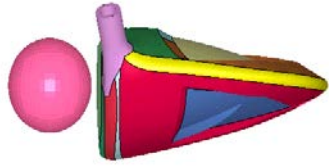
◆ Develop Composite Materials → Hockey stick · BIKE · other Composite Equipments





LS-DYNA USER INPUT  
Time = 0

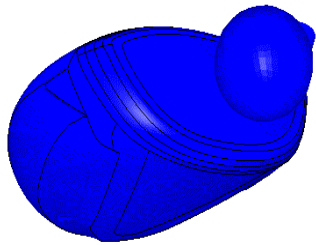
## Simulation for COR



## COR Simulation

LS-DYNA USER INPUT  
Time = 0  
Contours of Maximum Principal Stress  
max ipt. value  
min=0, at elem# 1  
max=0, at elem# 1

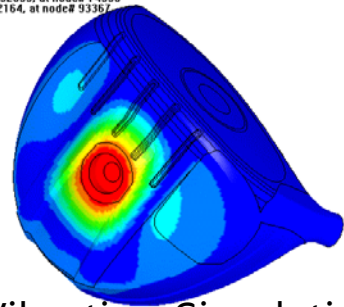
## Simulation for Stress



## Stress Simulation

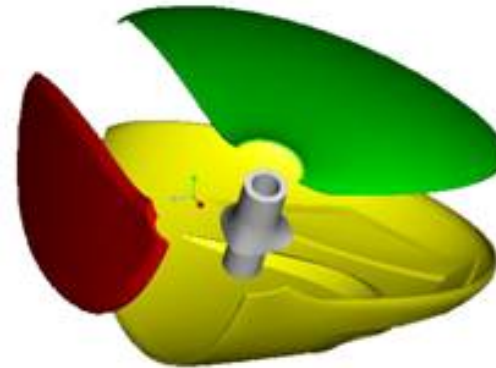
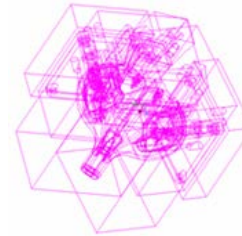
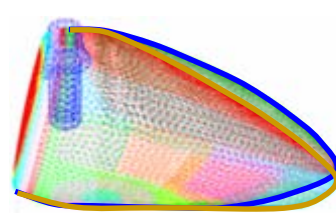
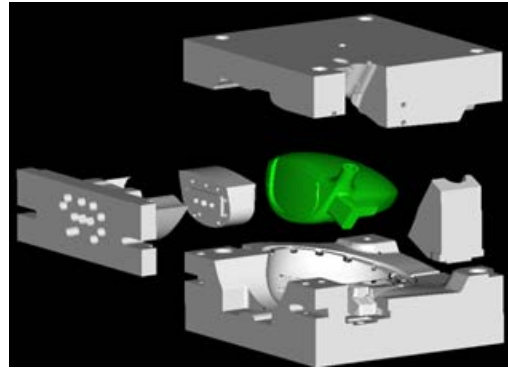
## Simulation for Vibration

LS-DYNA eigenfreqs at time 1.00000E-0  
Freq = 1003.1  
Contours of Resultant Displacement  
min=0.0232859, at node# 74938  
max=0.92164, at node# 93367



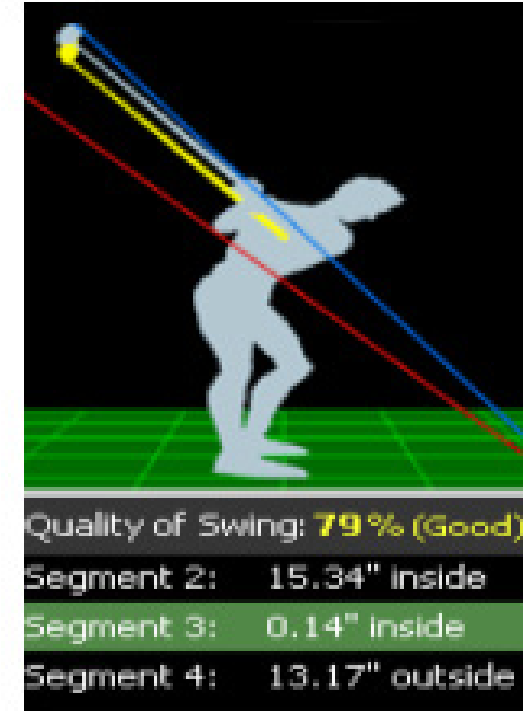
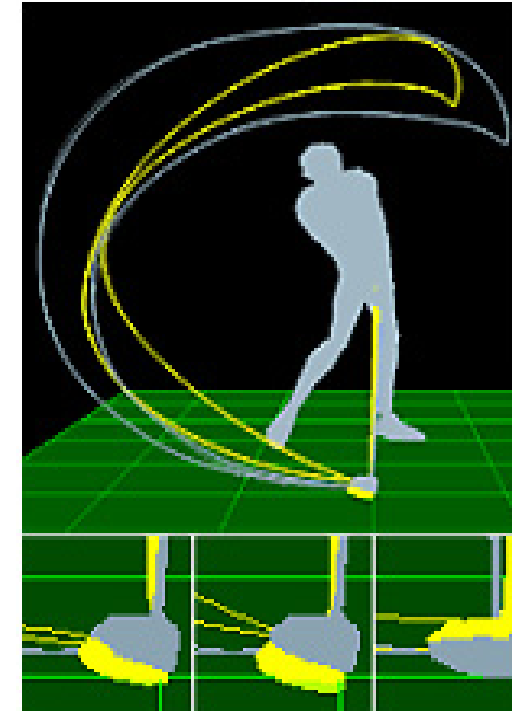
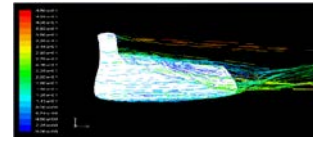
## Vibration Simulation

Fringe Levels  
0.000e+00  
0.000e+00  
0.000e+00  
0.000e+00  
0.000e+00  
0.000e+00  
0.000e+00  
0.000e+00  
0.000e+00  
0.000e+00

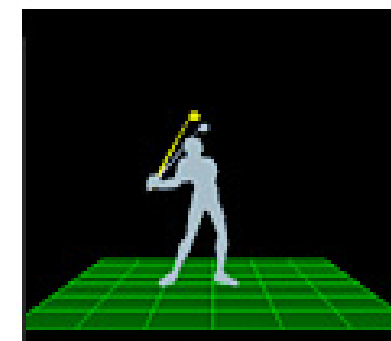


# Advanced R&D ~CAE

## Computer Aided Engineering (CAE) on Golf Head

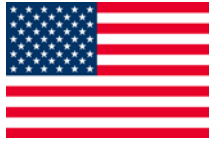


Quality of Swing: **79% (Good)**  
Segment 2: 15.34" inside  
Segment 3: 0.14" inside  
Segment 4: 13.17" outside



# Golf Digest HOT LIST 2021

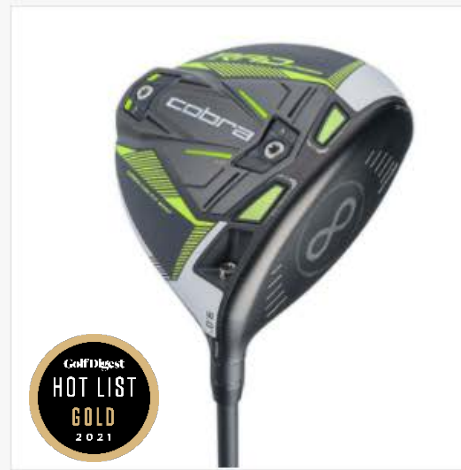
Three of nine gold medal drivers are made by O-TA



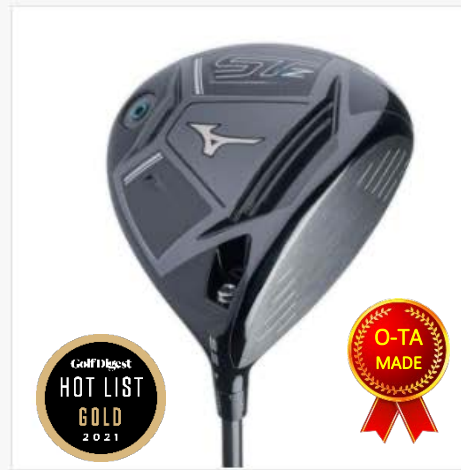
USA



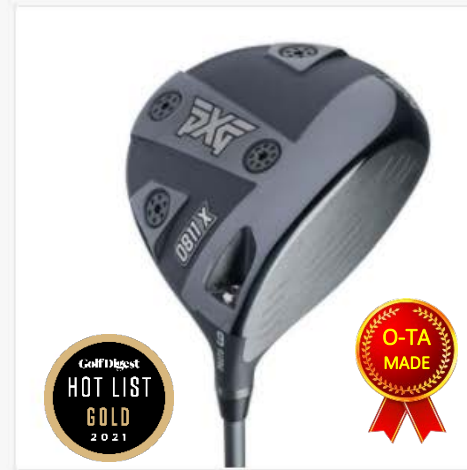
Callaway Epic Max/Max LS/Speed



Cobra Radspeed/XB/XD



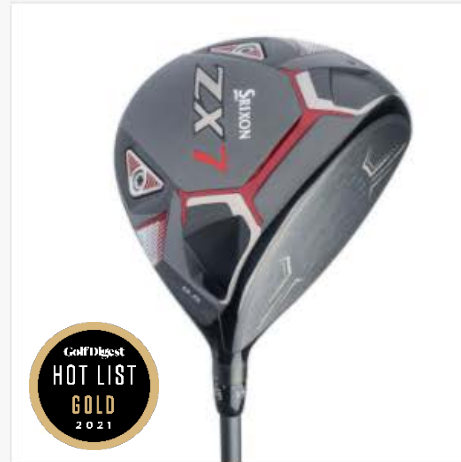
Mizuno ST-Z/ST-X



PXG 0811 X Proto/0811 X+ Proto



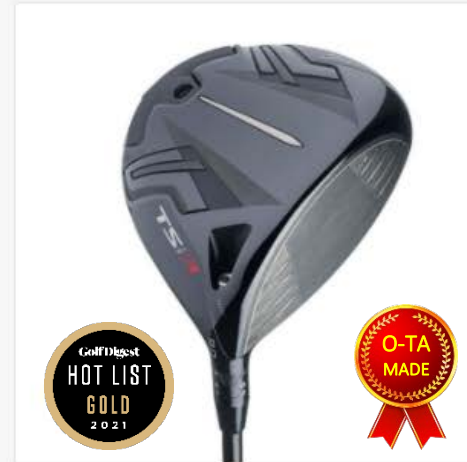
Ping G425 Max/SFT/LST



Srixon ZX7/ZX5



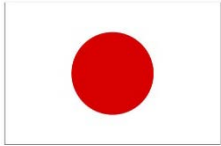
TaylorMade Sim2/Sim2 Max/Sim2 Max+D



Titleist TSi3/TSi2

# 原英莉花プロ、JPX 921 HOT METALでメジャー制覇！

<https://www.mizuno.jp/golf/news/players/2020/20201005.aspx>



JAPAN





**O-TA MADE**

原英莉花プロ (日本通運)  
JPX 921 HOT METALで、  
国内メジャー制覇。

NEW 10月9日発売

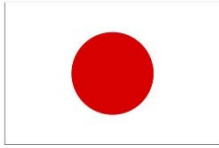
FASTER FORGED FIRST  
THE FIRST FULL BODY CARMONY FORGED IRON

詳細はこちら >



# 原 英莉花プロ、国内メジャー2連勝！

<https://www.mizuno.jp/golf/news/players/2020/20201130.aspx>



JAPAN





## O-TA Jiangxi Factory (Ganzhou, Jiangxi)

Core Technology Control · Process Enhancement / Practicability · Automation · Technology · Efficiency

- Optimize China factory for production
- Build smart factory (AI Automation)
- the 2<sup>nd</sup> term land acquisition for future production expansion
- Source management · speed · competitiveness





# Cultivating Jiangxi O-TA\_Ganzhou- **already built long-term competition advantages**

- Stable Human Resource

- ➔ **Integrated Surrounding Supply Chain**

**including plating area without hazardous waste**

- Enterprise Privilege under China Policy :

- ✓ Reduce the impact of US-China trade war on exporting companies (ex. Ganzhou Enterprise Income Tax 15%, Export Rebate rate, Social Security Payment...etc.)

- ➔ **Focus on Cost & Technology Management**



# Smart Automation Performance

- Polishing Automation
- Automation of Dipping 、 Cutting 、 Gating 、 Welding 、 Polishing 、 Painting...





# Operational Performance





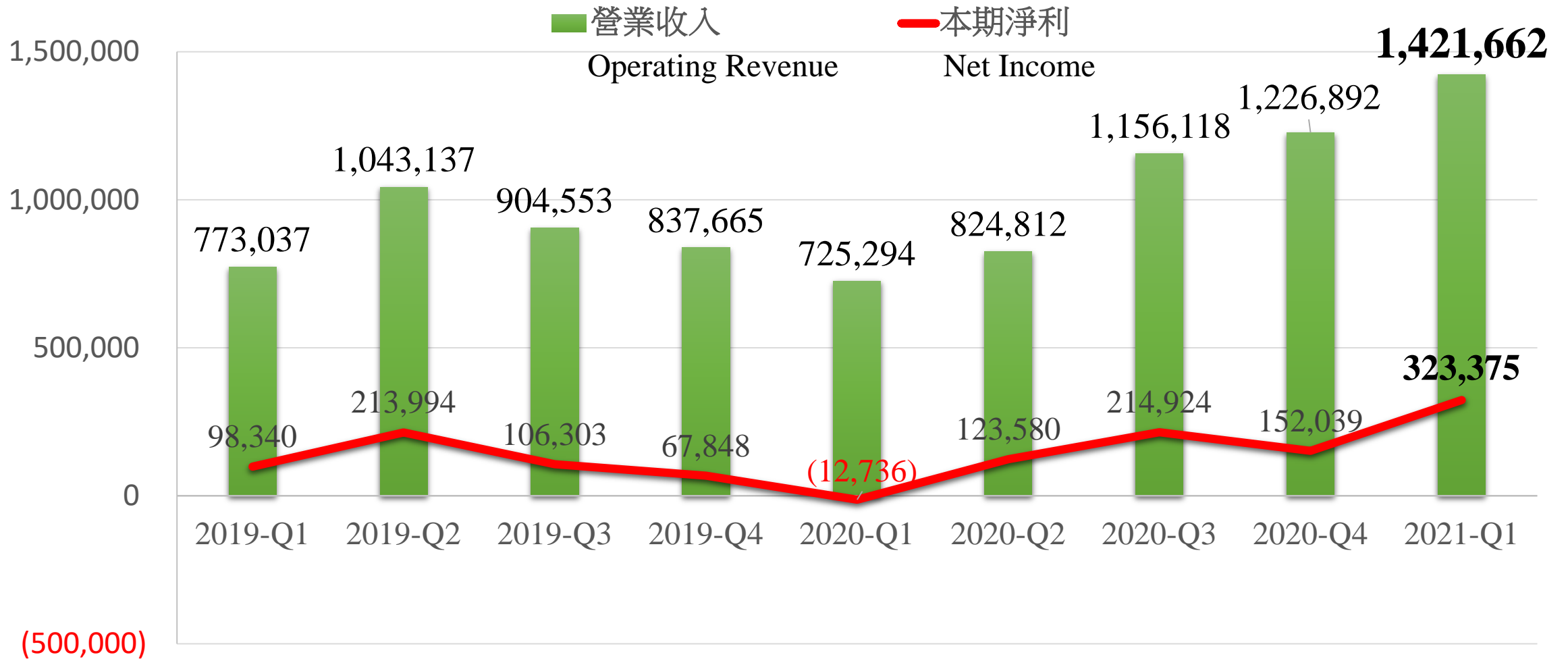
# Graph 1 : Consolidated Income Statement

Unit : NT thousand dollars

	2021-Q1	%	2020-Q1	%	與2020-Q1比較差異		2020-Q4	%	與2020-Q4比較差異	
<b>Operating Revenue</b>	1,421,662	100.0%	725,294	100.0%	696,368	96.0%	1,226,892	100.0%	194,770	15.9%
<b>Operating Cost</b>	979,826	68.9%	573,683	79.1%	406,143	70.8%	931,489	75.9%	48,337	5.2%
<b>Gross Margin</b>	441,836	31.1%	151,611	20.9%	290,225	191.4%	295,403	24.1%	146,433	49.6%
<b>Operating Expenses</b>	96,892	6.8%	75,007	10.3%	21,885	29.2%	96,491	7.9%	401	0.4%
<b>Operating Income</b>	344,944	24.3%	76,604	10.6%	268,340	350.3%	198,912	16.2%	146,032	73.4%
<b>Income on continued operations</b>	327,093	23.0%	85,697	11.8%	241,396	281.7%	156,008	12.7%	171,085	109.7%
<b>Income on discontinued operations</b>	-3,718	-0.3%	-98,433	-13.6%	94,715	96%	-3,968	-0.3%	250	6%
<b>Net Income</b>	323,375	22.7%	-12,736	-1.8%	336,111	2,639.1%	152,040	12.4%	171,335	112.7%
<b>Parent Co. Income (Loss)</b>	325,197	22.9%	35,496	4.9%	289,701	816.2%	153,984	12.6%	171,213	111.2%
<b>EPS on continued operations (dollar)</b>	3.90		1.02		2.88		1.87		2.03	
<b>EPS on discontinued operations (dollar)</b>	-0.02		-0.60		0.58		-0.03		0.01	
<b>Earning Per Share (dollar)</b>	3.88		0.42		3.46		1.84		2.04	

# Graph2 : Operating Revenue VS Net Income

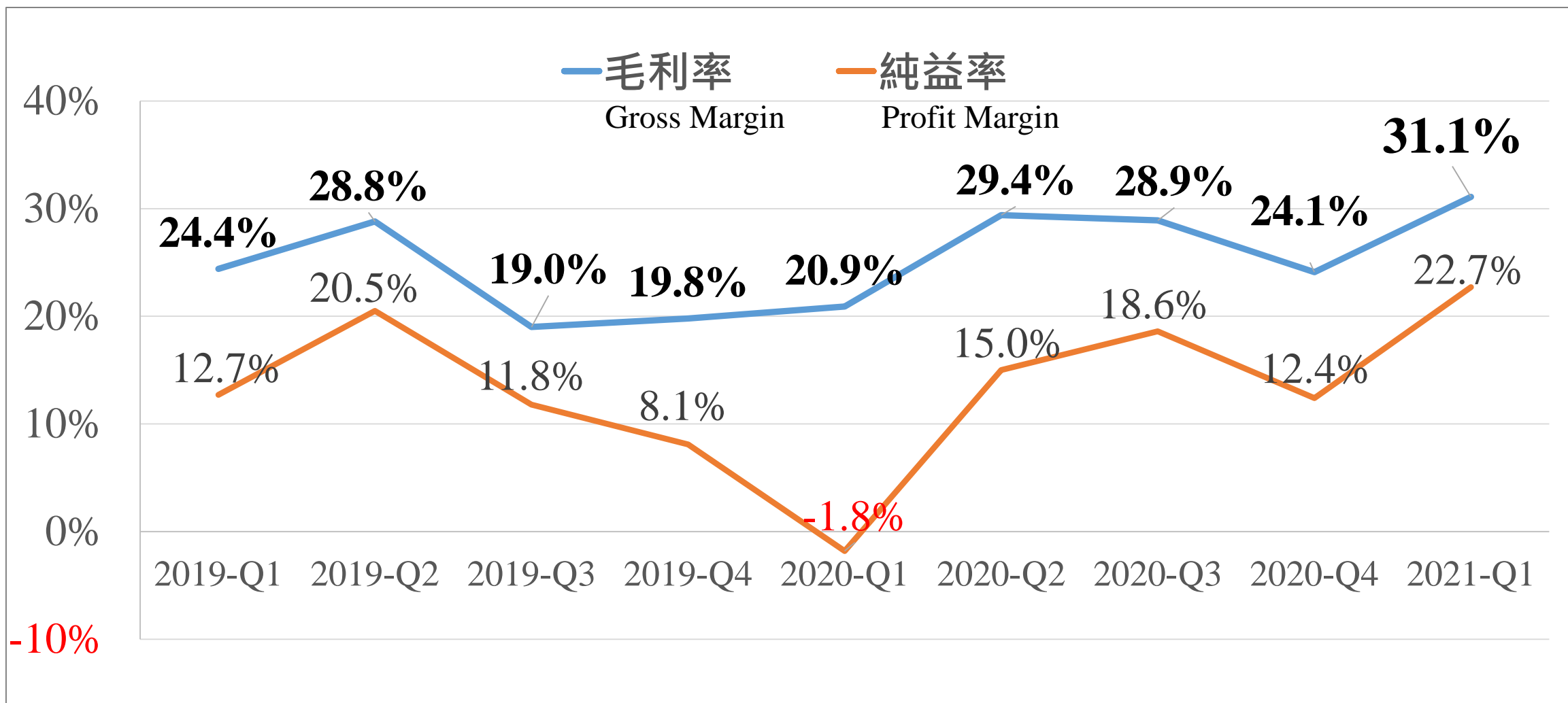
Unit : NT thousand dollars



(500,000)

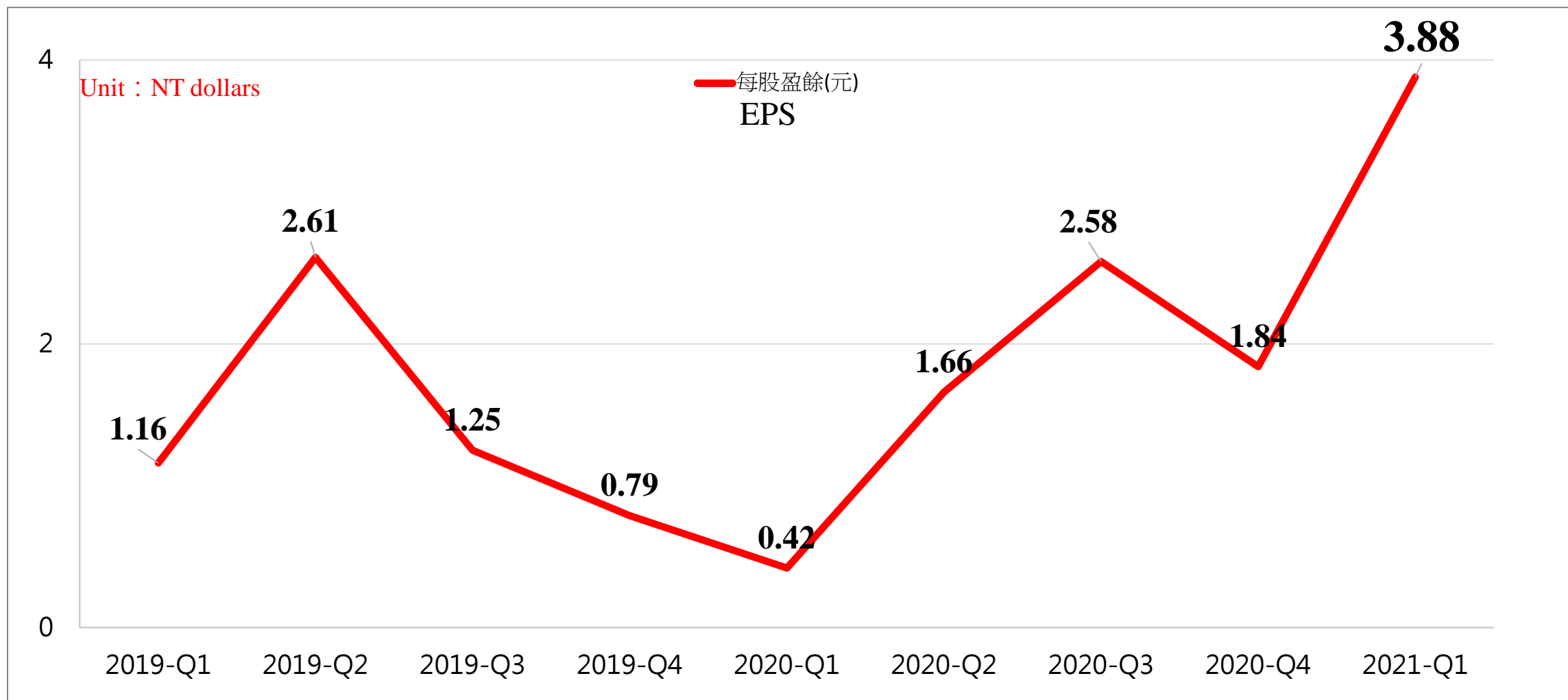


# Graph3 : Gross Margin VS Profit Margin





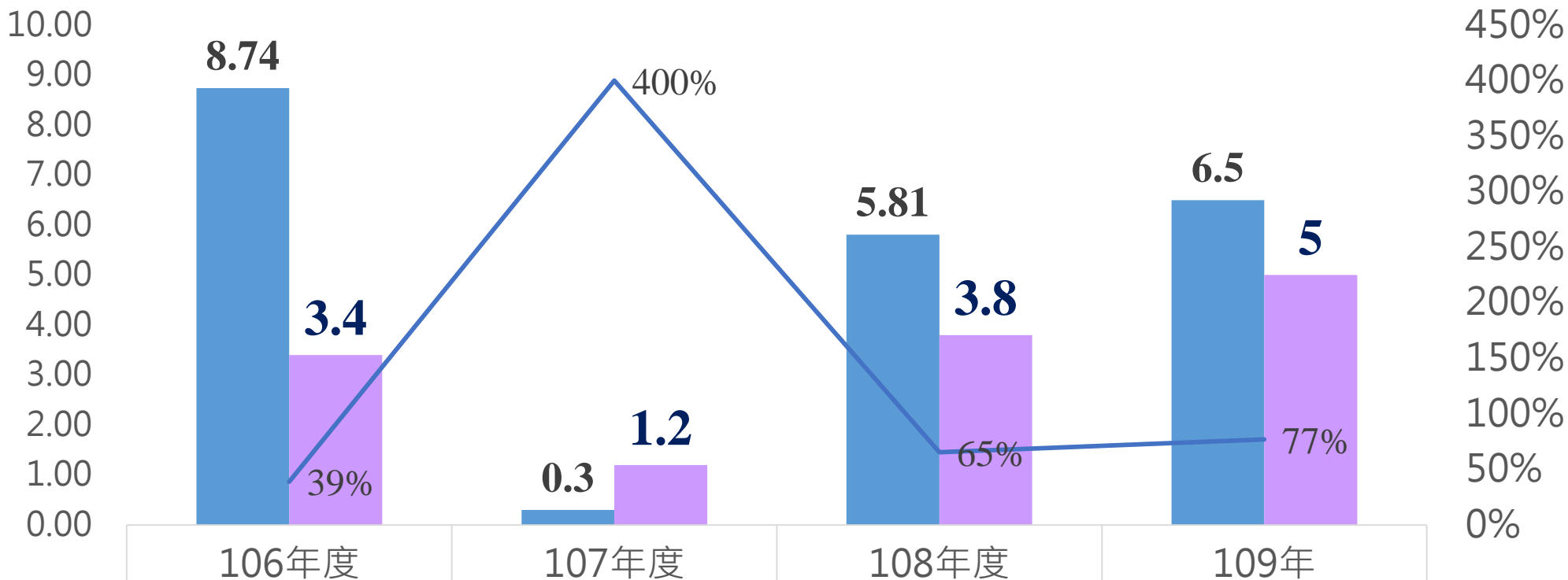
# Graph4 : Earing Per Share





# Graph5 : 2017-2021 EPS and Dividends

Unit : NT dollars



基本每股盈餘(元) EPS(dollar)	8.74 註1	0.3 註2	5.81	6.5
次年股利分派(元) The Next-Year Dividend(Dollar)	3.4	1.2	3.8	5
配息率% Payout Ratio%	39%	400%	65%	77%

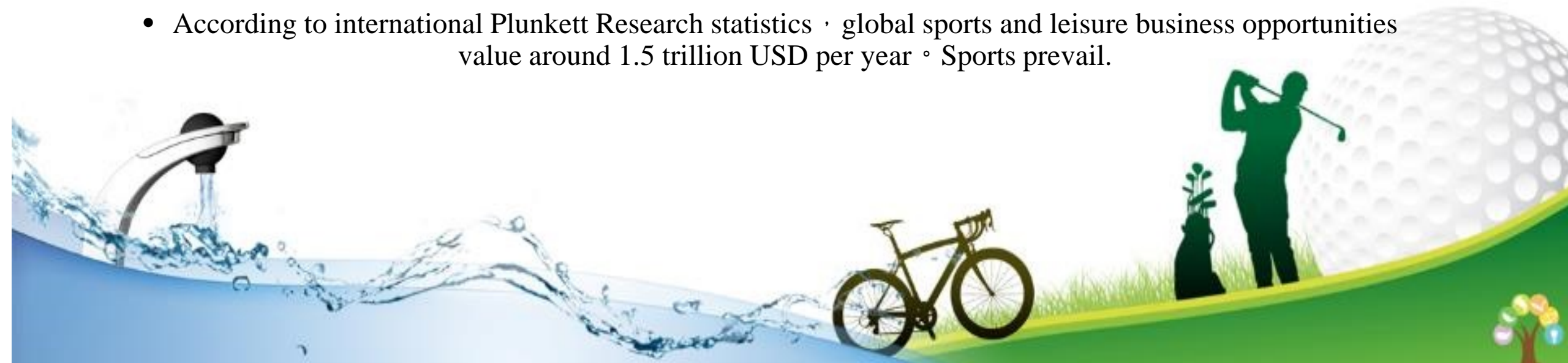
Remark 1. discontinued operations in 2017 ; Remark 2: Non-operating Profit (0.15 billion) in 2018



# Industry Overview

## • Health topics increase business opportunities

- According to international Plunkett Research statistics · global sports and leisure business opportunities value around 1.5 trillion USD per year ° Sports prevail.





# Golf Industry Status

## ➔ Post-epidemic life style change !Go Go golfing!

✓ **GOLF is a safe outdoor activity**

✓ **According to the NGF statistics ,**

**the construction of golf population**

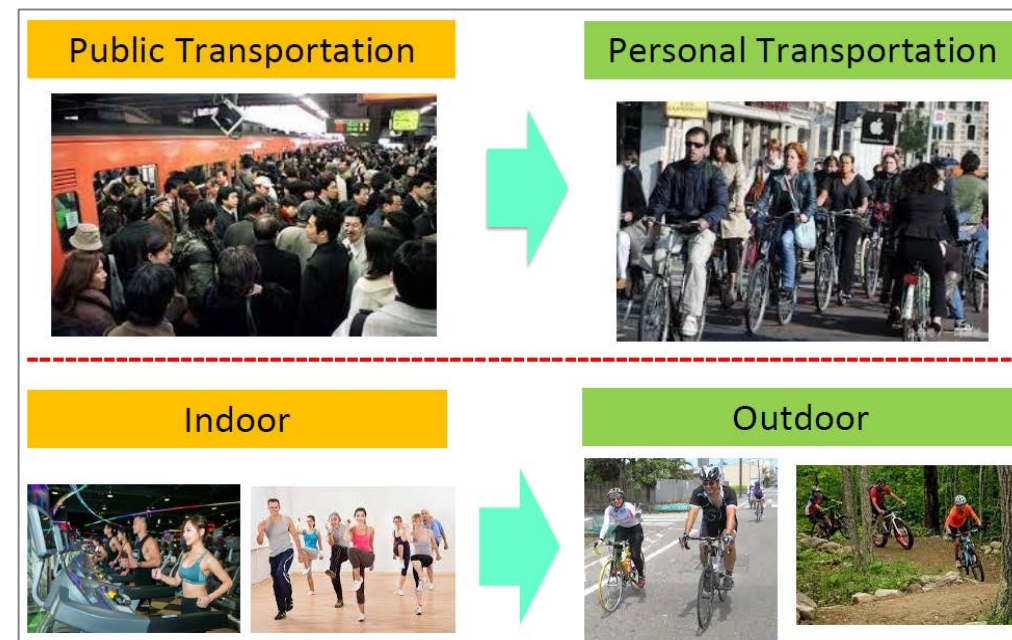
**changed in the second quarter of 2020.**

## ➔ **Back to the growing trend & benign competitiveness**

## ➔ **Golf Back to Olympic Games - Demand Increase**

## ➔ **Product in custom differentiation, light weight, and small-volume with variety to satisfy customers' needs**

## ➔ **New products with short life cycles , Brand customers launch in different time.**



資料來源:宏遠投顧洪國峰先生



# The construction of golf population changes

- Base on NGF research, junior golfers swells (age 6~17) by 20% in Q2, about 3 millions (2.5 millions in 2Q19)
- In the past the inflow of new golfers (youths) will be offset by the outflow (elders). As Coronavirus rages on, Golf is a safe and healthy outdoor activity. It could

## New faces on the course: Projecting significant jumps in junior (and overall beginner) participation

Based on NGF research at the midway point of the year, there's evidence the number of junior golfers (ages 6-17) could swell by as much as 20% this year. With approximately 2.5 million kids having teed it up on a golf course last year, that's a potential Covid-related bump of half a million junior golfers by year's end.

If we had used the first quarter of 2020 (January, February and March) as any indication, we'd have seen no real change in the junior ranks, as the numbers were relatively normal. But in Q2, the rise has been significant from a directional standpoint.

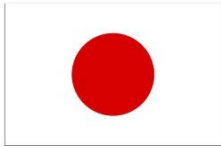
It makes sense, with golf celebrated as a safe and healthy outdoor activity for all ages as the coronavirus rages on. With many youth sports on hold or slowly coming back, and families seeking activities they can do together, especially as schools were out, golf has emerged as a terrific alternative. Our data also suggests that these newbies may actually be a little bit younger than usual, with an increase in the number of girls and about the same racial/ethnic diversity (~25% non-Caucasian) that we're now accustomed to seeing among the junior set.

The number of overall beginning and returning golfers during the Q2 stretch appears equally significant – both about 20% higher than in recent years.

The question, as always, is whether the industry will be able to convert these golfers into committed customers. That will depend on the experience they have at the golf course, which can no doubt be managed in a way that enhances satisfaction, fosters loyalty and improves retention.

Bear in mind, this inflow of new golfers will be offset, to some extent, by a natural churn that occurs every year. This may end up even more pronounced in 2020 due to Covid, as some golfers will elect not to play this year because of financial hardship or health and safety concerns.



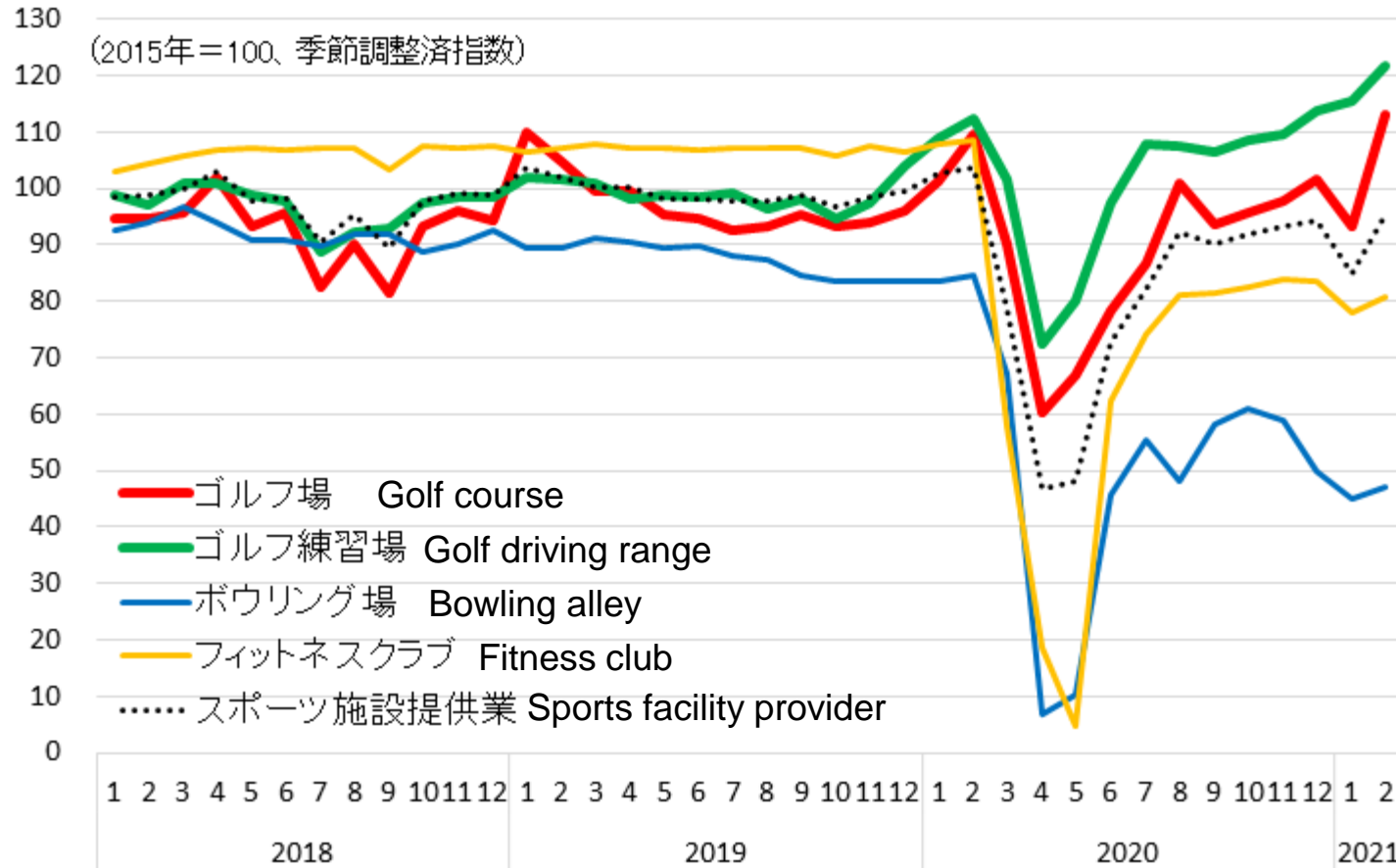


JAPAN

コロナ禍のなかでも好調なゴルフ練習場・ゴルフ場。屋内スポーツとは対照的な動き  
甚至在新冠疫情(covid-19)之中也生意不錯的練習場/高爾夫球場。與室內運動呈現對比的反向趨勢

[https://www.meti.go.jp/statistics/toppage/report/minikaisetsu/hitokoto\\_kako/20210422hitokoto.html#cont0](https://www.meti.go.jp/statistics/toppage/report/minikaisetsu/hitokoto_kako/20210422hitokoto.html#cont0)

第3次産業活動指数の動向



資料: 第3次産業活動指数(経済産業省)

(月/年)



# Golf Sports gain more attention (Anti-corruption and luxury spending affected the golf sports)

China General Administration of Sports  
news release · (2021.04.19)

14<sup>th</sup> National Games of PRC added:

**Golf Tournament:**

**1. Men's Individual**

**2. Women's Individual**

国家体育总局  
General Administration of Sport of China

首页 信息公开 新闻资讯 全民健身 竞技体育 青少年体育 体育产业 体育标准化 体育宣传文化 政务服务 网络问政

首页 > 竞技体育 > 通知公告 > 正文

体育总局办公厅关于第十四届全国运动会增设项目的通知

发布时间: 2021-04-19 来源: 竞技体育司 字体: 大 中 小

体竞字〔2021〕83号

各省、自治区、直辖市、新疆生产建设兵团体育行政部门,有关直属单位,有关全国性体育社会组织,有关体育院校:

为加强后备人才培养,着眼巴黎奥运会备战,经研究,决定第十四届全国运动会增设部分小项。具体如下:

一、增设项目

(一) 跳水 (4小项):

- 1.男子 (2007年1月1日至2010年12月31日出生): 10米跳台、双人10米跳台;
- 2.女子 (2007年1月1日至2010年12月31日出生): 10米跳台、双人10米跳台。

(二) 体操 (2小项):

- 1.男子 (2004年1月1日至2006年12月31日出生): 团体;
- 2.女子 (2007年1月1日至2008年12月31日出生): 团体。

(三) 攀岩 (2小项):

- 1.男子 (2006年1月1日至2007年12月31日出生): 攀岩+难度;
- 2.女子 (2006年1月1日至2007年12月31日出生): 攀岩+难度。

(四) 高尔夫球 (2小项):

- 1.男子个人;
- 2.女子个人。

二、注册工作

为做好参赛工作,请各单位抓紧于5月10日前完成跳水、体操、攀岩项目小年龄运动员注册工作;逾期将不予受理。

三、决赛规模

要统筹做好疫情防控和竞赛组织工作,严格控制新增小项决赛录取规模,决赛人数不超过全国单项比赛相应小项运动员人数的60%。

体育总局办公厅  
2021年4月19日



# ~ Global GOLF Market is growing optimistically ~



GLOBAL



## Global Golf Equipment Market to Reach \$9.4 Billion by 2027

<https://www.marketresearch.com/Global-Industry-Analysts-v1039/Golf-Equipment-14447499/>

### Global Golf Equipment Market to Reach \$9.4 Billion by 2027

Amid the COVID-19 crisis, the global market for Golf Equipment estimated at US\$8.5 Billion in the year 2020, is projected to reach a revised size of US\$9.4 Billion by 2027, growing at a CAGR of 1.4% over the analysis period 2020-2027. Golf Balls, one of the segments analyzed in the report, is projected to record a 1.4% CAGR and reach US\$4.1 Billion by the end of the analysis period. After an early analysis of the business implications of the pandemic and its induced economic crisis, growth in the Golf Clubs segment is readjusted to a revised 1.3% CAGR for the next 7-year period.

The U.S. Market is Estimated at \$2.3 Billion, While China is Forecast to Grow at 2.8% CAGR

The Golf Equipment market in the U.S. is estimated at US\$2.3 Billion in the year 2020. China, the world's second largest economy, is forecast to reach a projected market size of US\$1.8 Billion by the year 2027 trailing a CAGR of 2.8% over the analysis period 2020 to 2027. Among the other noteworthy geographic markets are Japan and Canada, each forecast to grow at 0.1% and 0.9% respectively over the 2020-2027 period. Within Europe, Germany is forecast to grow at approximately 0.4% CAGR.



台灣百大品牌  
大田精密工業股份有限公司  
O-TA PRECISION INDUSTRY CO., LTD.

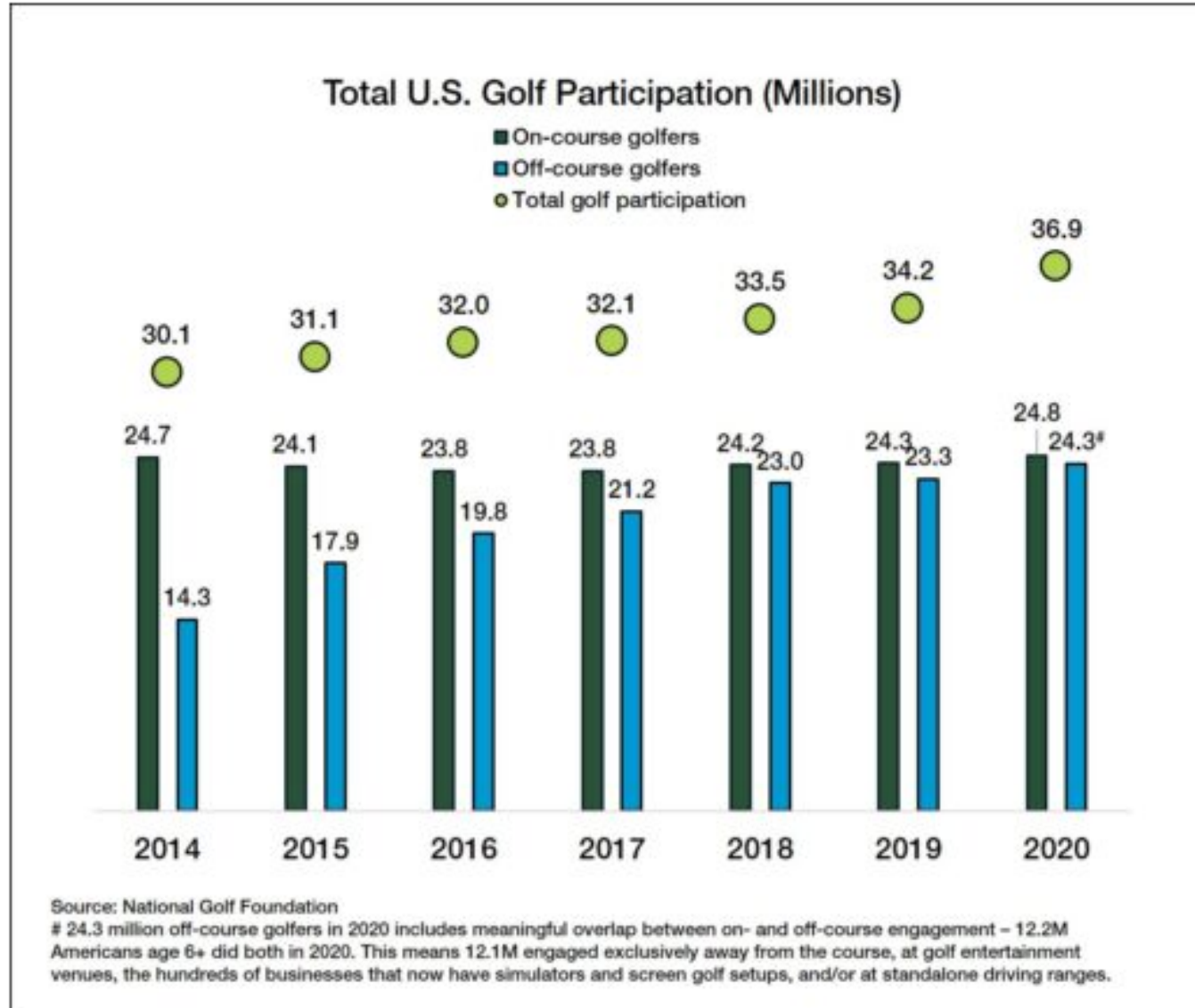


USA



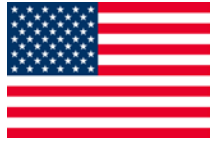
# ~ 美國GOLF市場樂觀成長中 ~ Golf Industry Facts

<https://www.ngf.org/golf-industry-research/>





# ~ US GOLF Market is growing Optimistically ~

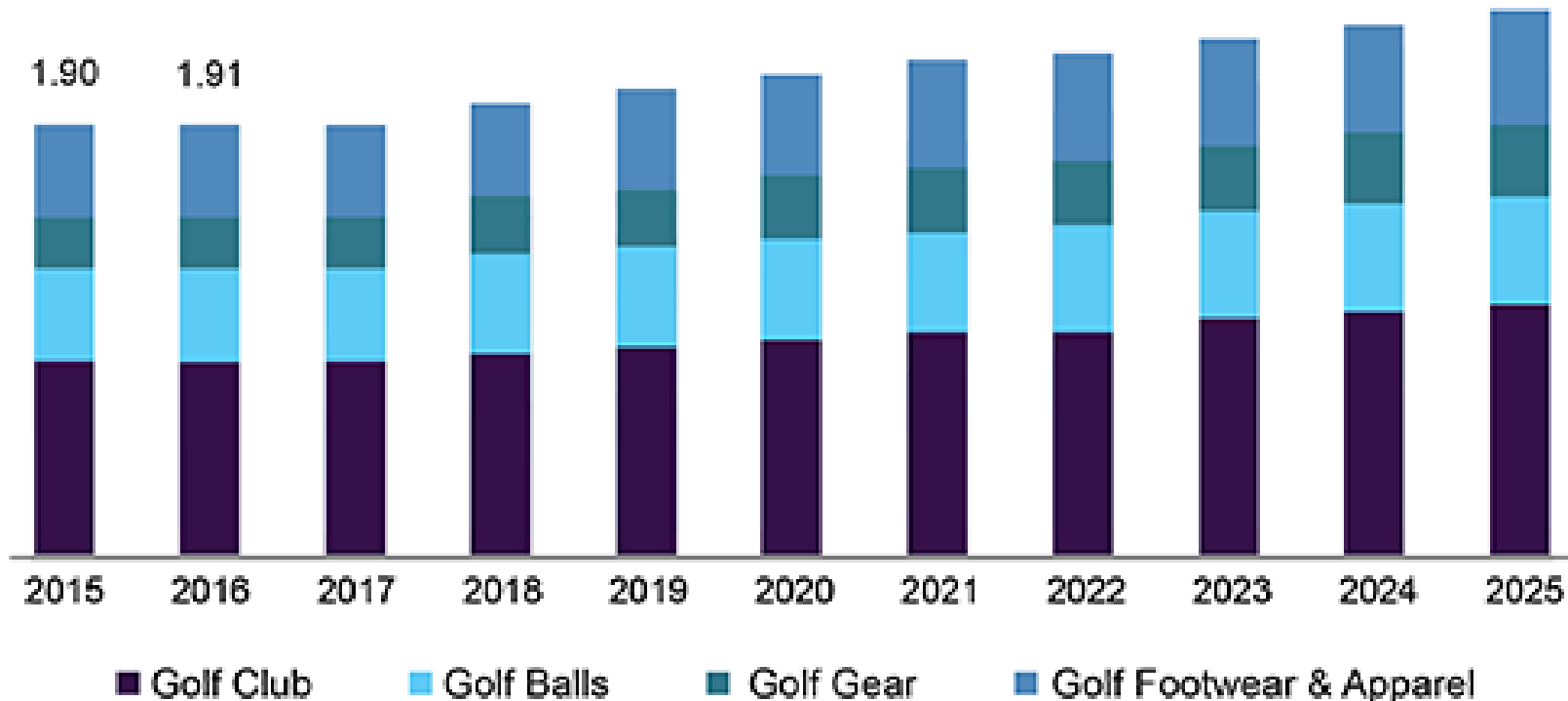


USA

Golf Equipment Market Size, Share & Trends Analysis Report By Product (Clubs, Gears, Footwear & Apparel, Balls), By Distribution Channel (Sports Goods Retailers, Online, Department & Discount Stores), And Segment Forecasts, 2019 - 2025

<https://www.grandviewresearch.com/industry-analysis/golf-equipment-market>

## U.S. golf equipment market size, by product, 2015 - 2025 (USD Billion)



Source: [www.grandviewresearch.com](http://www.grandviewresearch.com)



# ~ US Sales of Golf Equipment in Jan. 2021 increase 43% ~



USA

\*Wedge ↑ 60% ; 鐵桿和球袋 ↑ 57% ; 木桿頭 ↑ 45% ; 推桿 ↑ 29%...



<https://jkgolfdatatech.com/2021/02/19/us-golf-equipment-sales-surge-continues-in-january-2021-43/>

## US Golf Equipment Sales Surge Continues in January 2021, +43%

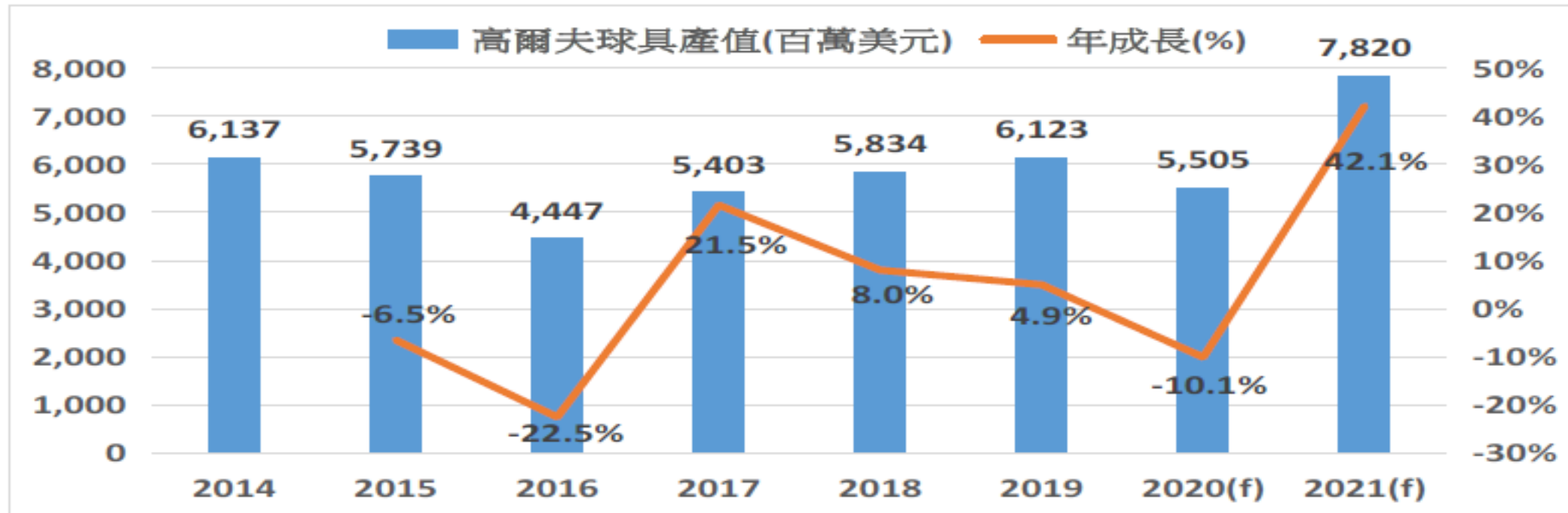
January was another big month for Golf Equipment Sales in the United States according to Golf Datatech's latest data which was released on February 18, with total sales improving by 43%. Wedges surged over 60%, while irons and bags both jumped 57%, distance devices were up 51%, woods +45%, and golf balls +39%. Even categories that grew significantly slower than total equipment enjoyed substantial improvements, with putters (+29%), gloves +22% and footwear (+17%) all improving at levels that would normally be headline material.

Total Golf Equipment Sales\* in the United States improved in 15 of the last 19 months, however the months with declines were severe, falling by as much as 75% in April of 2020, when most of the US was in a lockdown, golf courses were shut, and very few retail options other than online, existed. Once the momentum flipped in July of 2020, sales surged, improving by more than 30% in 5 of the past 7 months.



## The forecast of Global 2021 golf clubs yield value in 2021 grow 42%

- 2020 Golf equipments sales amount of North America is 2.81 billion USD, YoY+14%
- 2020 Sales revenue of Callaway and Titleist is 1.27 billion USD, YoT-2.6%
- 宏遠 estimated the output values of golf industry in 2021 is 7.82-billion USD, YoY +42.1%, as the band customers replenish inventory with enlarged market scale (golfers' age goes down and golf population increases)



資料來源：宏遠投顧推估



# Future Development







# Future Development

- Will launch innovative new product to replace current gold heads on the market (**patented technology**)
- Continuous collaboration with customers 、 performance simulation 、 high added value custom fitting **design and manufacturing service.**
- Lean management, low cost, high efficiency, and automation introduction of production to **ensure high gross margin !**



*Thanks for your attention*

簡報完畢，恭請指教

