

Gourmet Master Co. Ltd.

Ticker : 2723 TT

The logo for 85°C Daily Cafe is a red circle with a white border. Inside the circle, the text "85°C" is written in a large, white, sans-serif font. Below "85°C", the words "Daily Cafe" are written in a smaller, white, cursive font. The logo is centered within a large, light gray, stylized graphic that resembles a coffee cup or a stylized letter 'G'. This graphic is composed of several concentric, curved lines that create a sense of depth and movement.

85°C
*Daily
Cafe*

2014.02.18



Company Overview



◆ Brand Name :



◆ Founder/Chairman : Wu, Cheng-Hsueh

◆ Paid-in Capital : NT\$1.411 billion (as of 2013.12.31)

◆ Focusing on chain stores of fresh bread, cakes and beverages



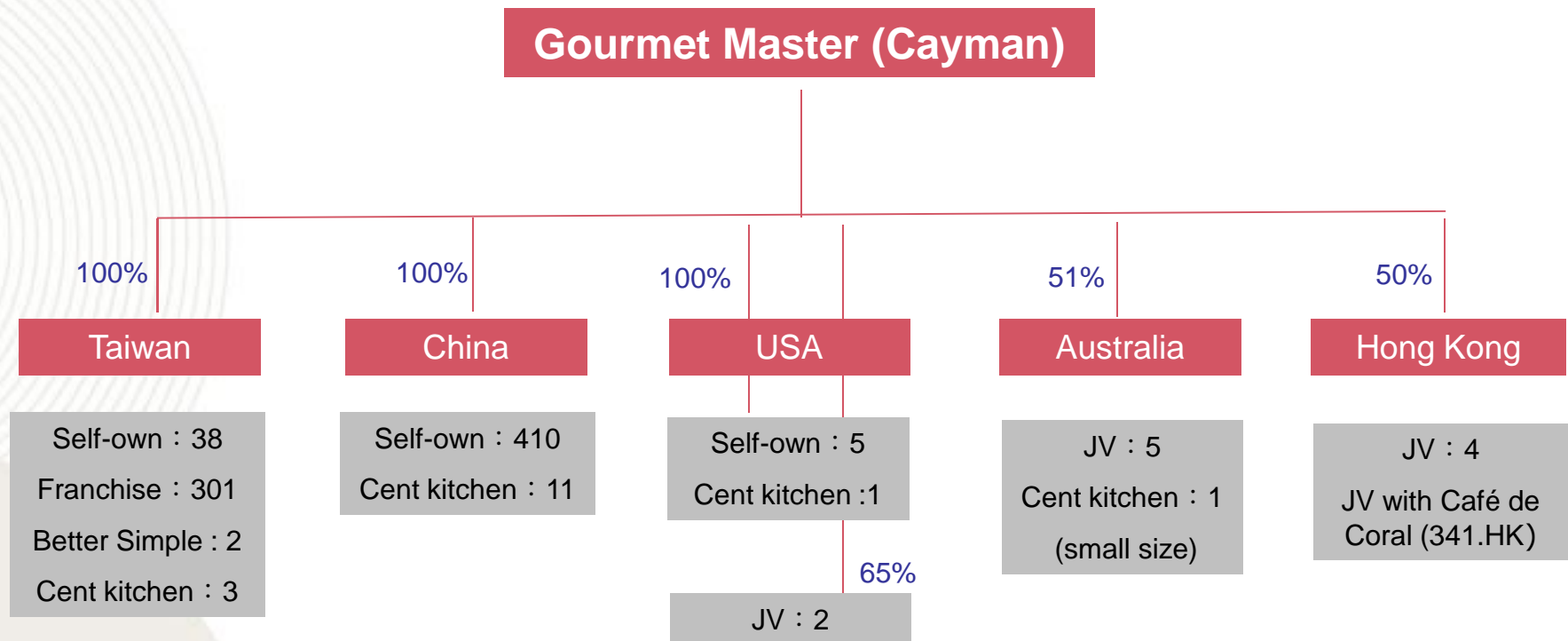
Company History



- 2004 – Opened the 1st store in Taiwan
- 2005/02 – Established company in Taiwan
- 2005/12 – Established the central kitchen and R&D center in central Taiwan
- 2006/09 – Established Golden 85 Investments, Inc. (US company)
- 2006 – Opened the 1st store in Sydney
- 2007/12 – Opened the 1st store in Shanghai
- 2008/09 – Opened the 1st store in Irvine, LA in US
- 2010/11 – Listed on TWSE
- 2012/07 – Opened the 1st store in Hong Kong
- 2013/09 – US central kitchen in operation



Group structure



As of December 31, 2013

Investment Highlights

- Well-established brand image
- Fully integrated value chain
- Product innovation capability

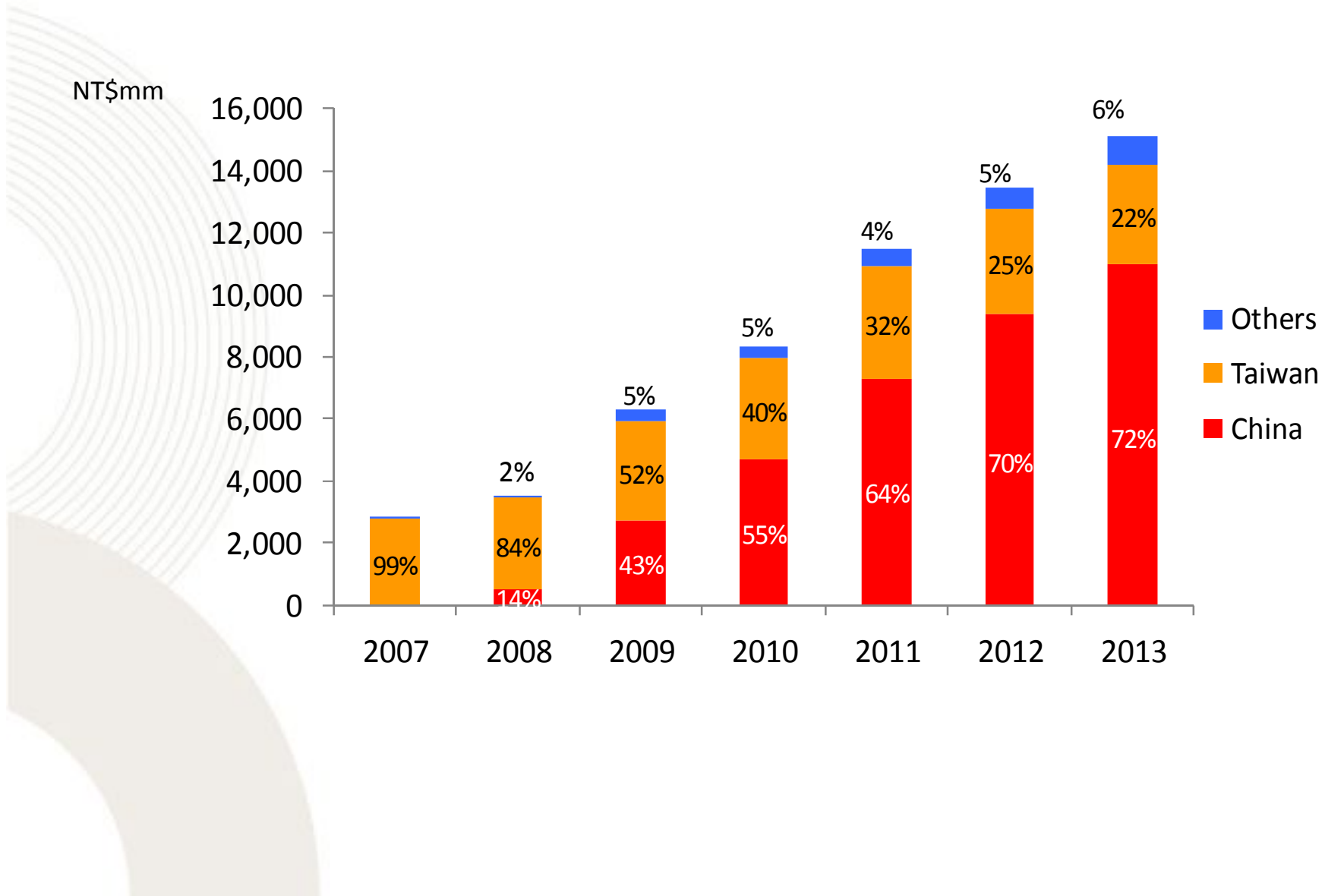
- Turnaround in China / Taiwan
- New growth engine in the US



Financial Results

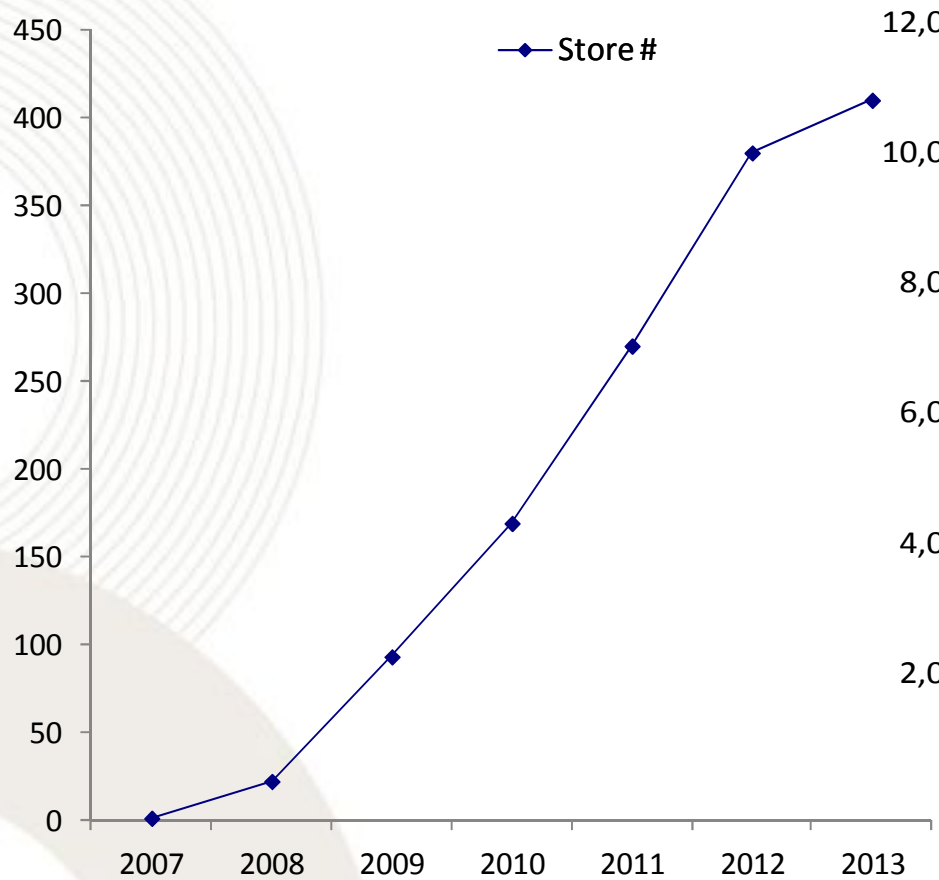


Sales Breakdown by Region

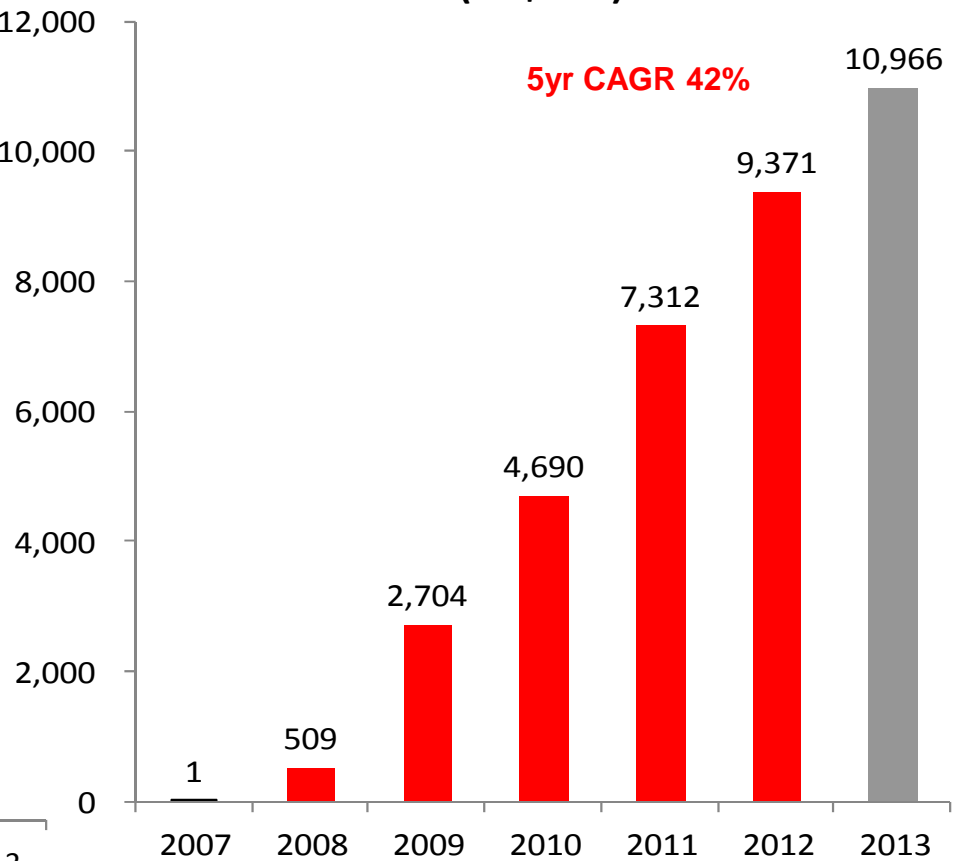




Number of Stores V.S. Sales -China

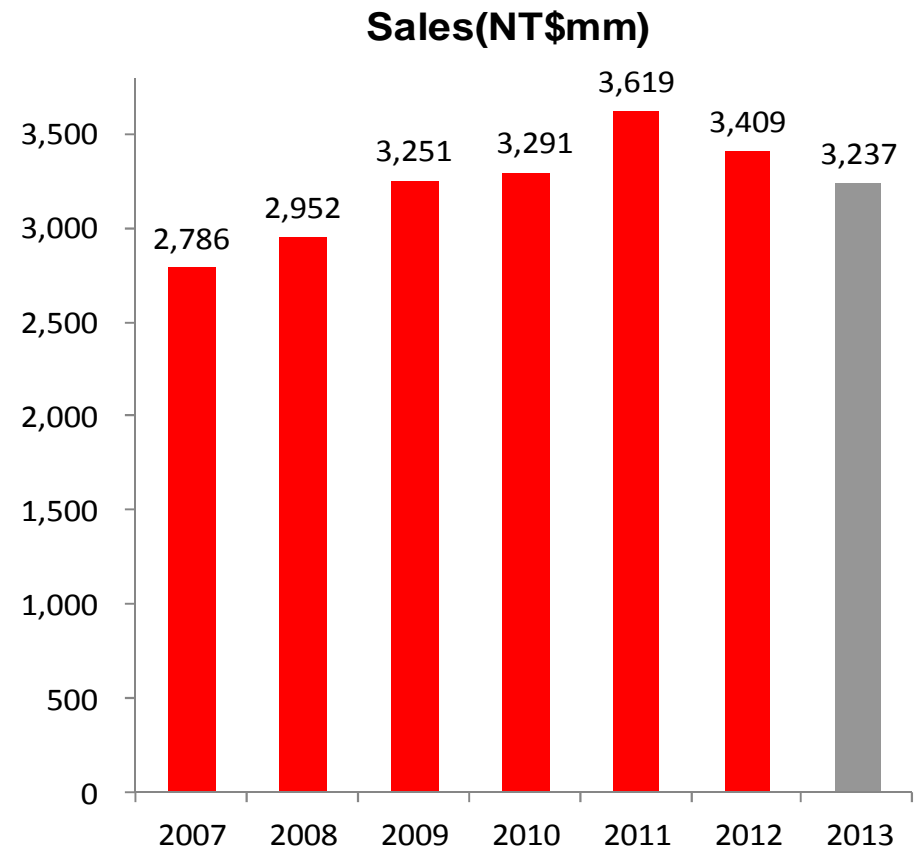
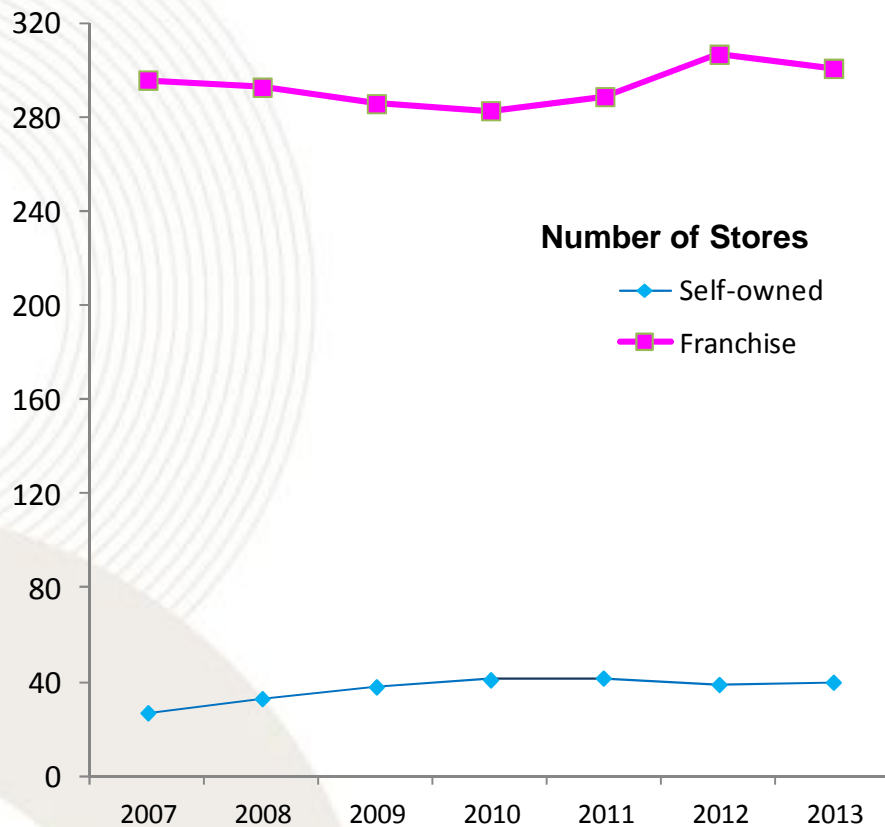


Sales(NT\$mm)



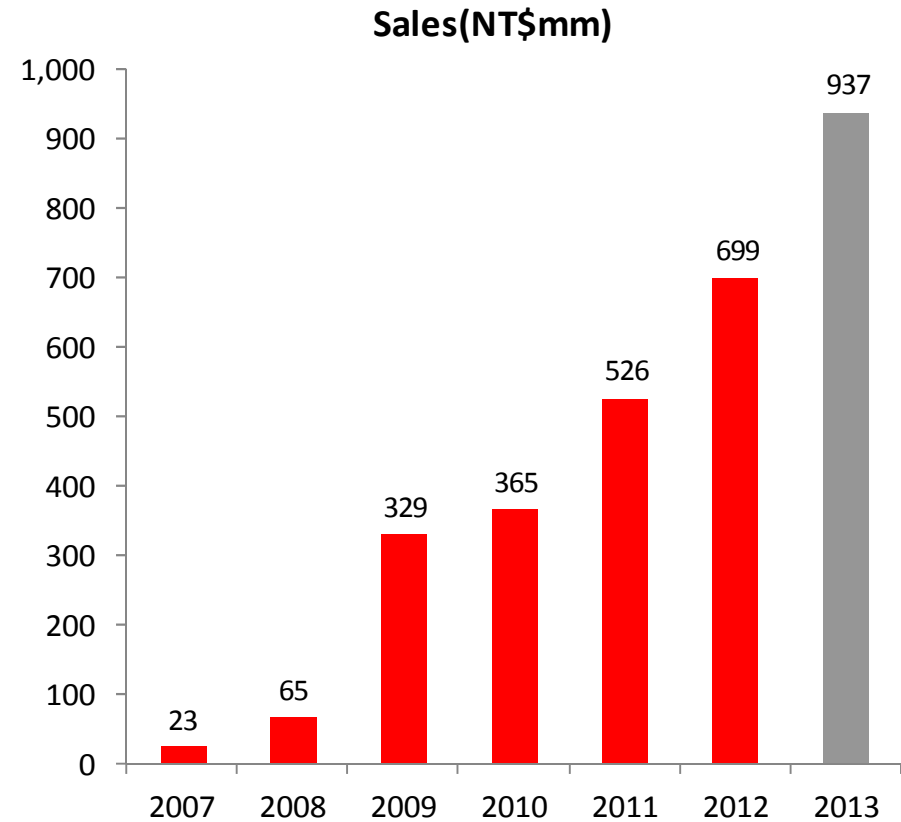
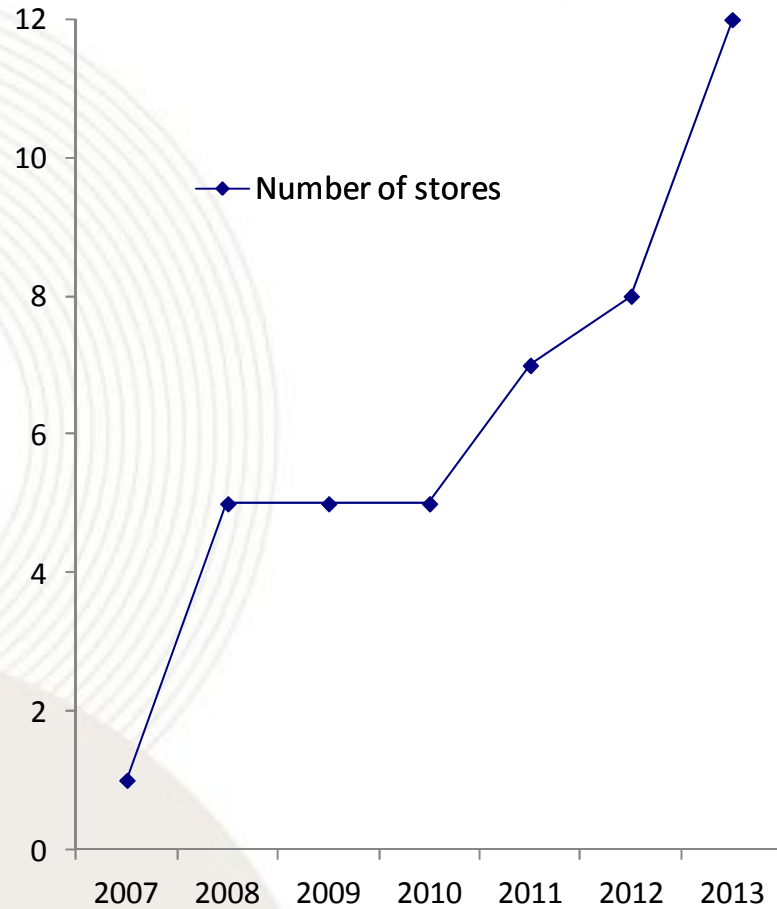


Number of Stores V.S. Sales -Taiwan





Number of Stores v.s. Sales -Others (USA and Australia)



- Monthly sales in US is US\$500 – 700K/store, 5-7 times of average monthly sales per store in Shanghai
- The major client base has extended from Asian to Non-Asian



Income Statement

NT\$ mm

	2009	2010	2011	YoY	2012	YoY	9M13	YoY
Sales	6,283	8,347	11,456	37.3%	13,479	17.7%	11,182	11.7%
Gross Profit	3,173	4,411	6,133	39.1%	7,446	21.4%	6,244	12.6%
Operating Expense	2130	3,320	4,729	42.5%	6,145	29.9%	5,493	22.1%
Operating Income	1043	1,091	1,404	28.7%	1,301	-7.3%	751	-28.0%
NI before tax	1054	1,156	1,526	32.0%	1,422	-6.8%	767	-34.2%
NI after tax	758	837	1138	36.0%	1,006	-11.6%	500	-40.6%
GP Margin %	50.50%	52.80%	53.50%		55.24%		55.84%	
Operating Margin %	16.60%	13.10%	12.30%		9.65%		6.72%	
Net Margin %	12.10%	10.00%	9.90%		7.46%		4.47%	



Balance Sheet

NT\$ mm

	2011.12.31	%	2012.12.31	%	2013.09.30	%
Cash and Bank Deposit	4,144	52%	3,284	38%	2,773	32%
Inventory	371	5%	389	5%	466	5%
Current Assets	5,444	68%	4,612	54%	3,958	45%
Fixed Assets	2,552	32%	3,951	46%	4,783	55%
Total Assets	7,996	100%	8,563	100%	8,741	100%
Current Liabilities	2,016	25%	2,258	26%	2,580	30%
L/T Liabilities	1	0%	0	0%	68	1%
Total Liabilities	2,085	26%	2,329	27%	2,648	30%
Equity	5,911	74%	6,234	73%	6,093	70%



Outlook



China-
To gradually launch new format stores and test new operating model



Other Regions-
To accelerate store openings in the US following the operation of new central kitchen



Taiwan-
To roll out store format upgrades to enhance brand image





Q&A