
Nan Ya Plastics
Year 2016
Operations & Performance

Mar. 2017



Agenda

- **Overview**
- **Financial Highlights**
- **Capacity Expansion Plan**
- **Q & A**



Overview

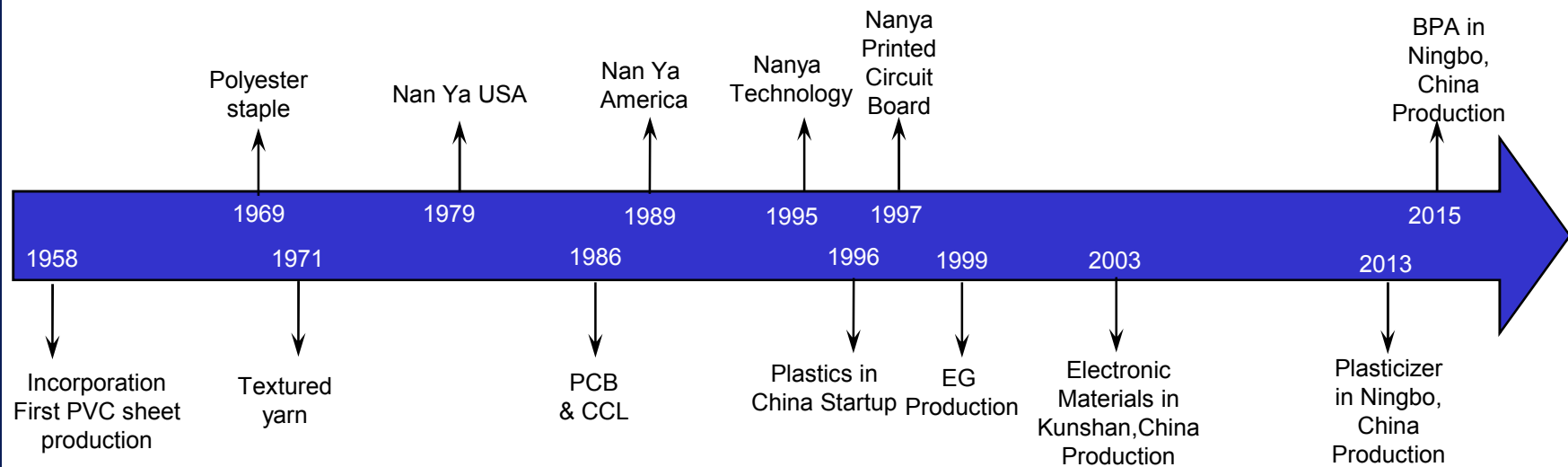
Highlights

- **Member of the Formosa Plastics Group (FPG)**
- **The 8th largest private company in Taiwan in terms of market capitalization**
- **2016 consolidated annual revenue of NT\$ 275.3 billion with 4 major businesses: sales breakdown - 17% in plastics, 26% in chemicals, 35% in electronic materials, and 19% in fibers**
- **Market capitalization of NT\$ 568 billion(Mar. 2017)**
- **Manufacturing plant numbers: 49 in Taiwan, 42 in China, and 5 in the USA.**
- **Leading market positions**
 - ❖ **World's #1 manufacturer of secondary plastics**
 - ❖ **World's #2 manufacturer of copper clad laminates**
 - ❖ **World's #4 manufacturer of Mono ethylene glycol**
 - ❖ **World's #6 manufacturer of polyester**



Overview

History

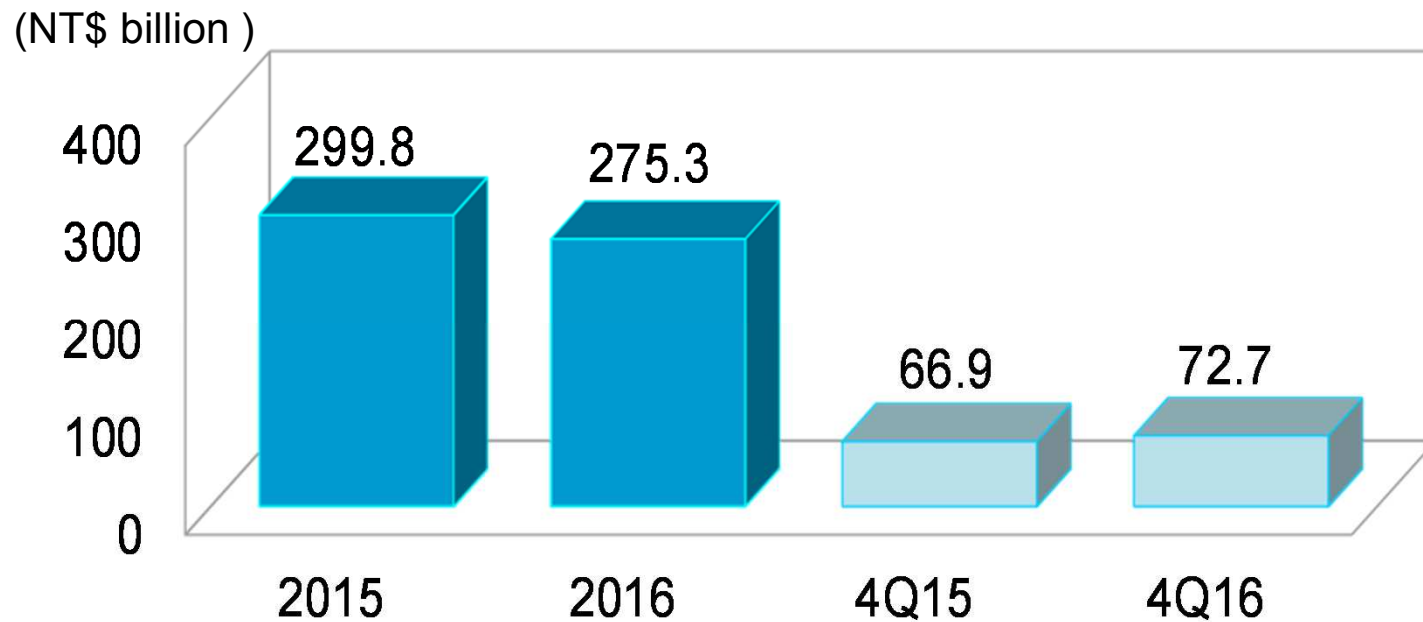


- 1958 : Company was founded, Starting production of PVC secondary plastics in Taiwan
- 1969 : Began manufacturing polyester fiber
- 1979 : Nan Ya Plastics Corp., USA established in U.S.A., starting production of plastic products
- 1986 : Entered electronics business, production of PCB & CCL
- 1989 : Nan Ya Plastics Corp., America established in U.S.A, production of polyester products
- 1995 : Invested Nanya Technology Corp. starting production of DRAM
- 1996 - 1998 : Starting production of plastics Products in Xiamen, Guangzhou, Nantong, China
- 1997 : Subsidiary Nanya Printed Circuit Board Corp. established
- 1999 : Starting production of EG
- 2003 : Starting production of Electronic Materials in Kunshan, China
- 2013 - 2015 : Starting production of Plasticizer & BPA in Ningbo, China



Financial Highlights

Consolidated Revenue (IFRS)



■ **Revenue in 2016 decreased 8.2% YoY due to:**

Sales price of chemicals and polyesters fell , mainly affected by global oil average price dropped

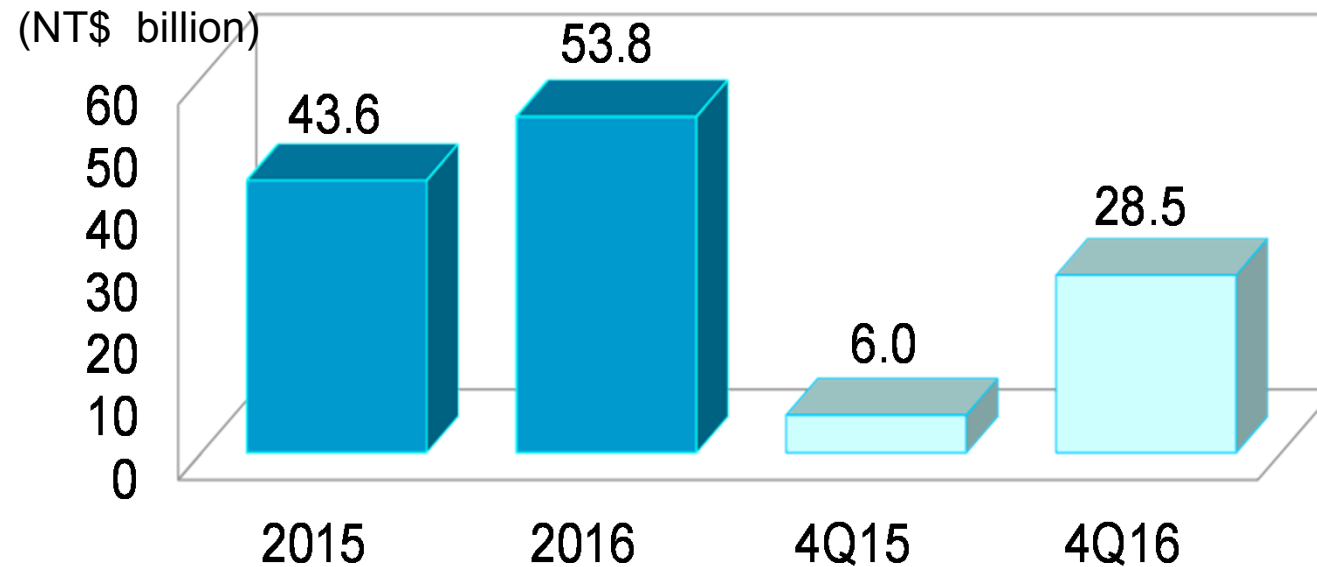
■ **Revenue in 2016 4Q increased 8.6% YoY due to :**

Increasing of products prices driven by the rising of oil and materials prices



Financial Highlights

Pre-tax Income



■ **23.4% YoY increase in 2016 pre-tax income due to:**

1. Sales volume increase of electronics, gain on disposal of investment shares
2. Equity income increased by NT\$8.0bn YoY :
(1) FPCC +NT\$6.5bn (2) Nanya Tech +NT\$1.5bn

■ **2016 4Q pre-tax income increased by 374.1% YoY due to :**

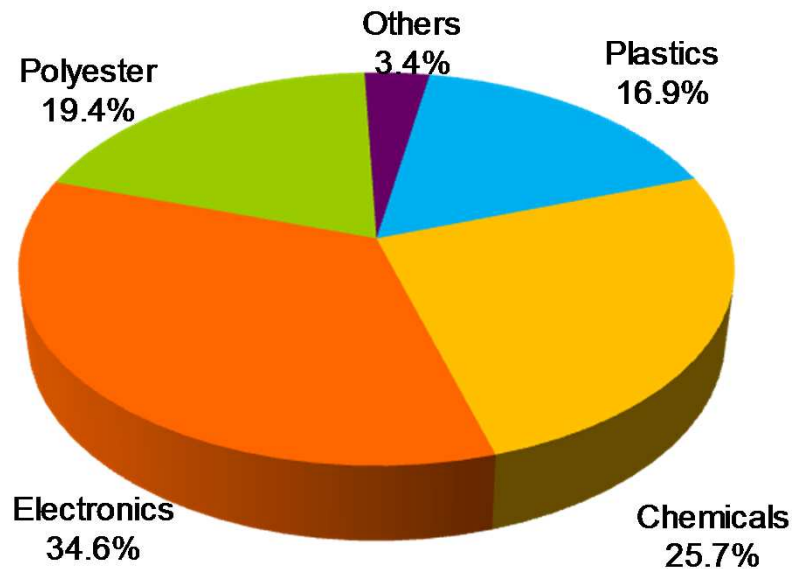
1. Sales prices increase of chemicals and electronics, gain on disposal of investment shares
2. Equity income increased by NT\$8.7bn YoY :
(1) FPCC +NT\$2.3bn (2) Nanya Tech +NT\$6.0bn



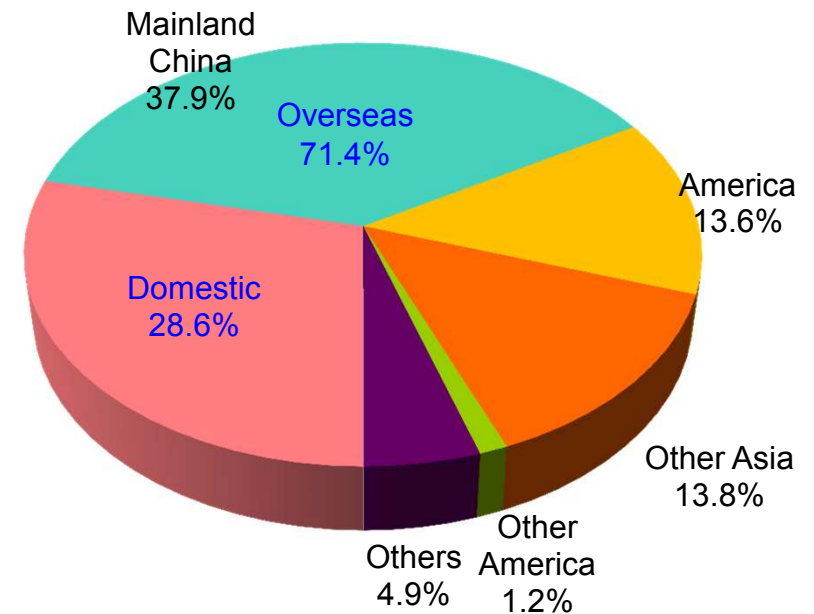
Financial Highlights

Revenue Breakdown

**2016 Net Sales
NT\$ 275.3 billion**



**2016 Sales Breakdown
by Geography**



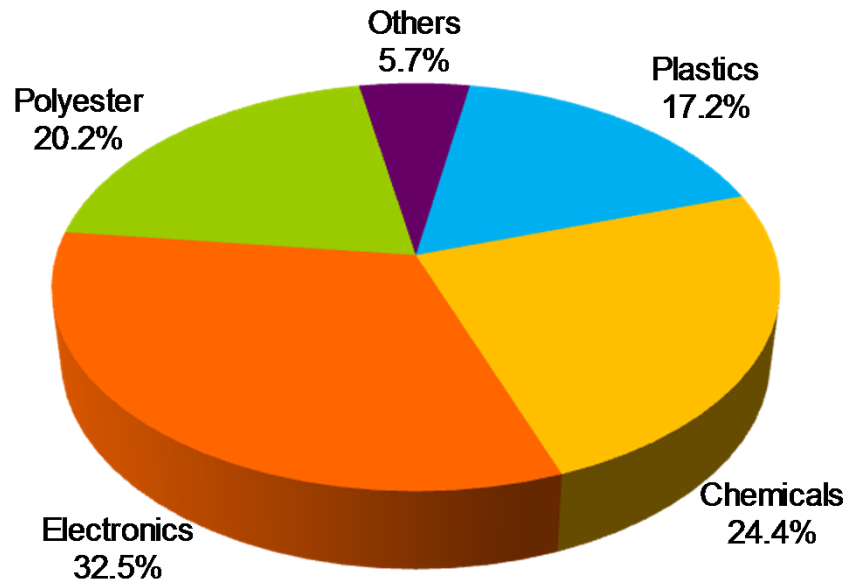
- Revenue of chemicals decreased 12% YoY in 2016 due to sales price fell affected by global oil average price dropped
- Main revenue contribution in the next few years is still driven by chemicals and electronic materials
- Mainland China remains the most important market, accounting for 53% of total overseas in 2016



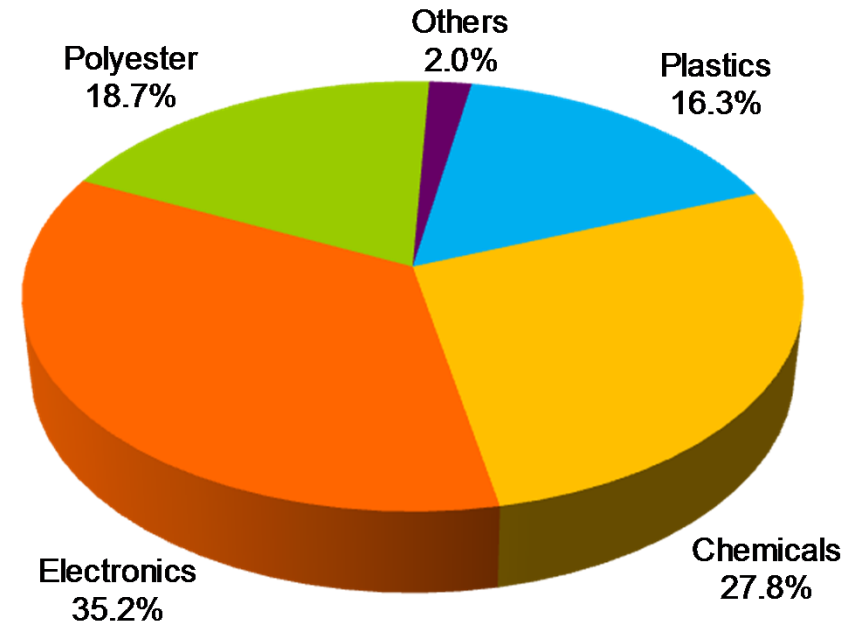
Financial Highlights

Revenue Breakdown by Product Segment

2015 4Q Net Sales
NT\$ 66.9 billion



2016 4Q Net Sales
NT\$ 72.7 billion



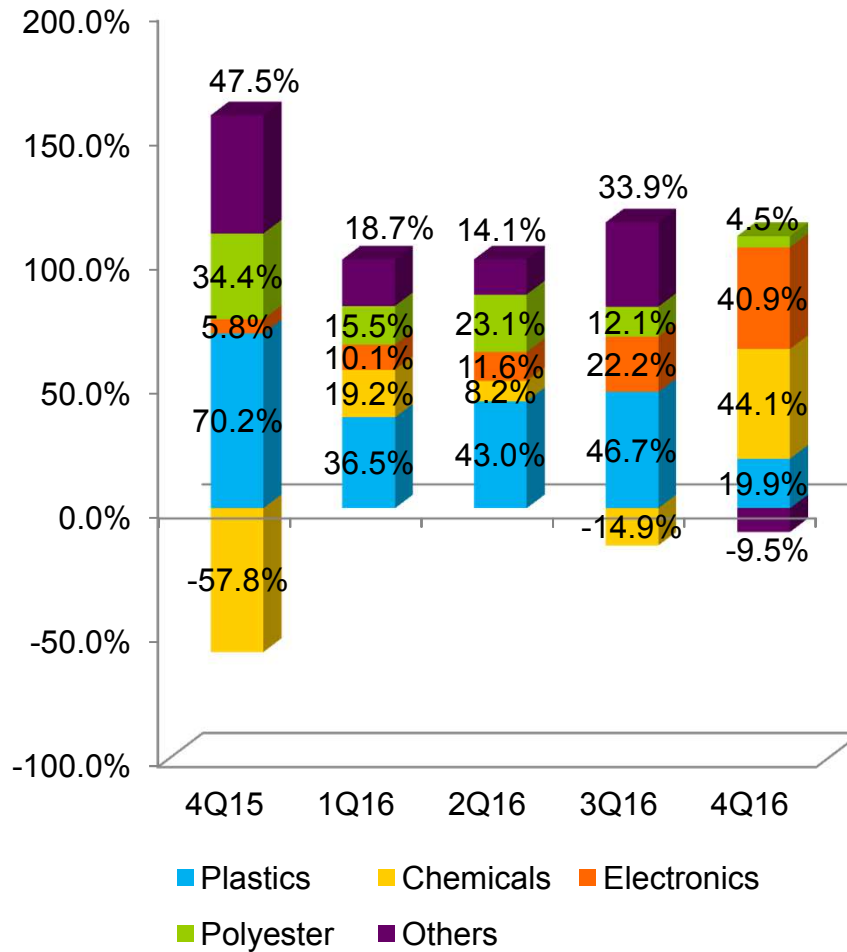
- Revenue in 2016 4Q increased 8.6% YoY
- Prices of chemicals and electronics increased because of oil and feedstock price raised up
- Revenue of others decreased due to engineering services in Vietnam have been completed



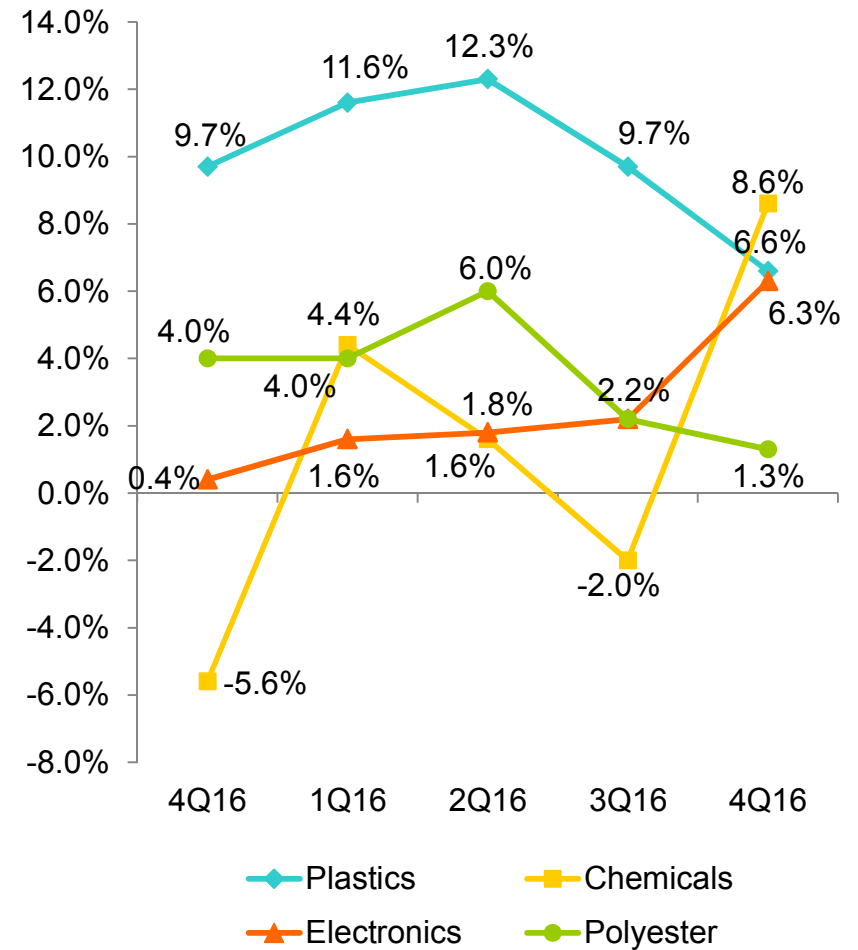
Financial Highlights

Operating Profits Breakdown by Product Segment

Operating Profits



Operating Margins



Business Overview

Capacity Expansion Plan

Main Products	Capacity (p.a.)	Expansion (p.a.)	Completion Date	Capacity Increase (%)
PVC Leather				
Nantong	32,400 KYD	7,200 KYD	08/2018	22%
EG				
USA	360,000 MT	828,000 MT	07/2018	230%
Composite PVC Door Frame				
USA	—	4,300 MT	05/2017	100%



THE END

