
Nan Ya Plastics
2017 1H
Operations & Performance

Aug. 2017



Agenda

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



Overview

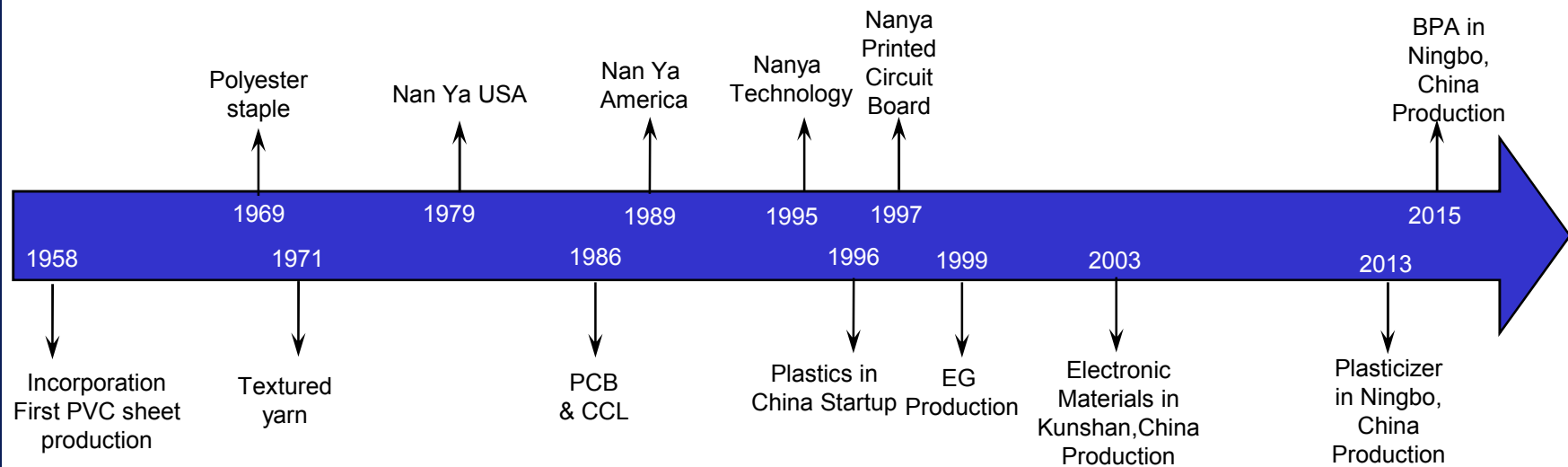
Highlights

- **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\$ 591 billion(Aug. 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

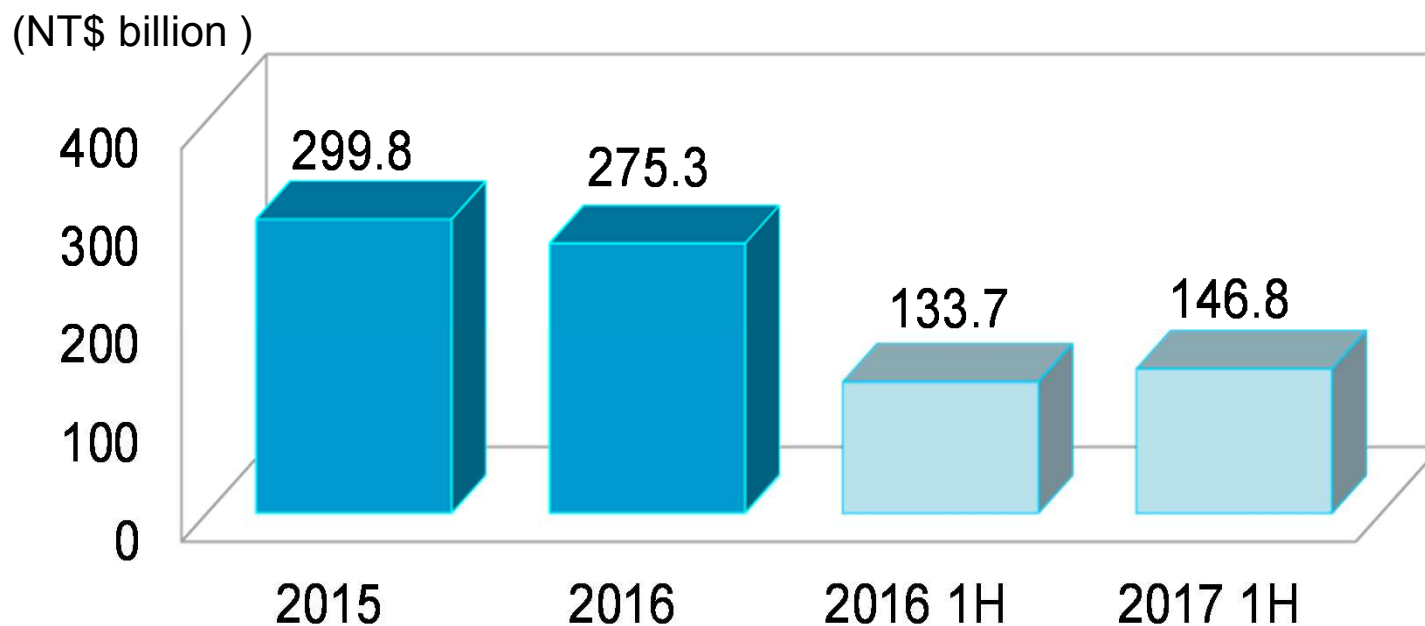


- **1958 :** Company was founded, Starting production of PVC secondary plastics in Taiwan
- **1969 :** Began manufacturing polyester fiber
- **1979 :** Nan Ya Plastics Corp., USA established in U.S.A., starting production of plastic products
- **1986 :** Entered electronics business, production of PCB & 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

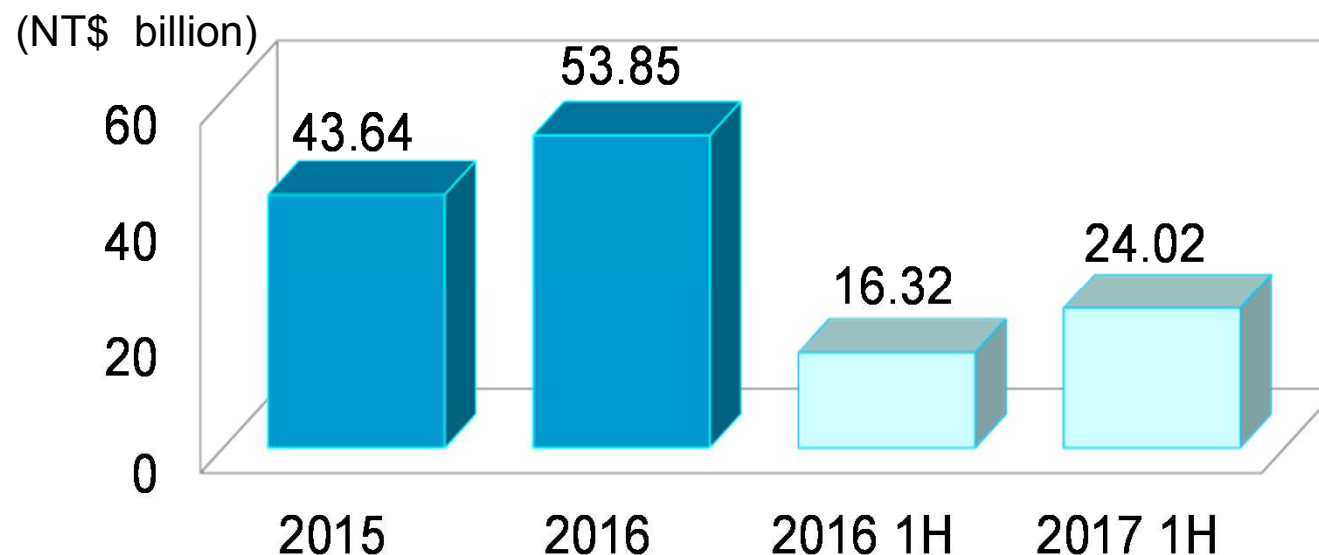
■ **Revenue in 2017 1H increased 9.8% YoY due to :**

Electronic materials increased demand, and chemicals products prices improved driven by the rising of oil price



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

■ **2017 1H pre-tax income increased by 47.1% YoY due to :**

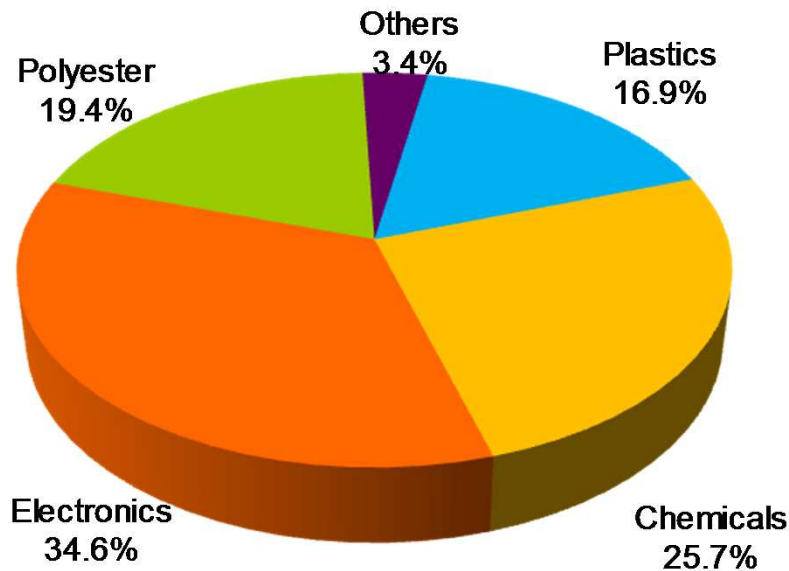
1. Core business income increased by 62.3% YoY mainly from higher prices of chemicals and electronics
2. Equity income increased by NT\$0.8bn YoY :
(1) Nanya Tech +NT\$2.5bn (2) MLP -NT\$0.5bn
(3) FPCC -NT\$0.4bn (4) FIC -NT\$0.3bn



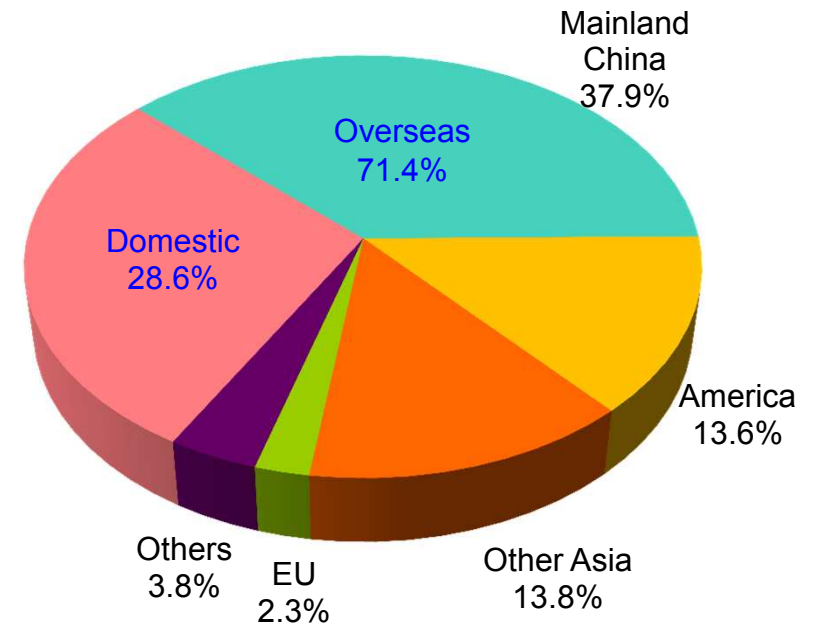
Financial Highlights

Revenue Breakdown

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



**2016 Sales Breakdown
by Geography**



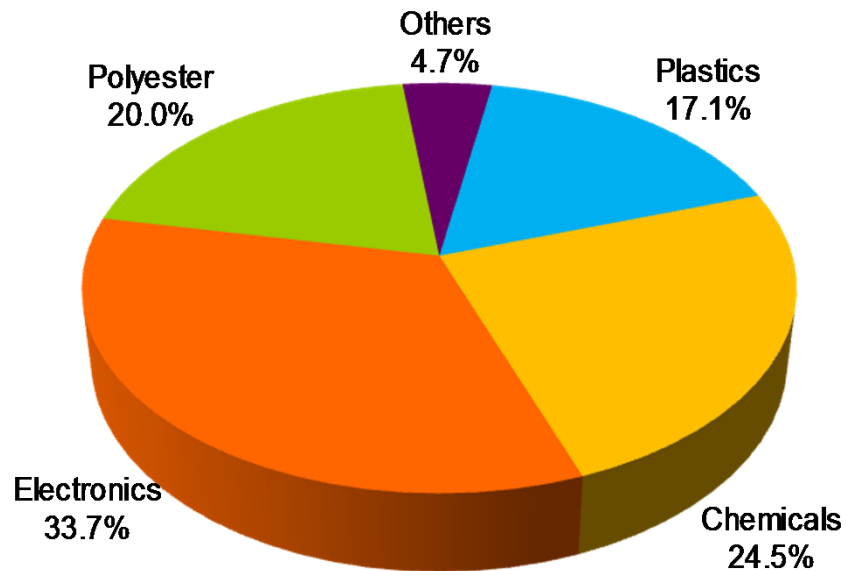
- Revenue of chemicals decreased 12% YoY in 2016 due to sales price fell affected by global oil average price dropped
- Main revenue contribution in the next few years is still driven by chemicals and electronic materials
- Mainland China remains the most important market, accounting for 53% of total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



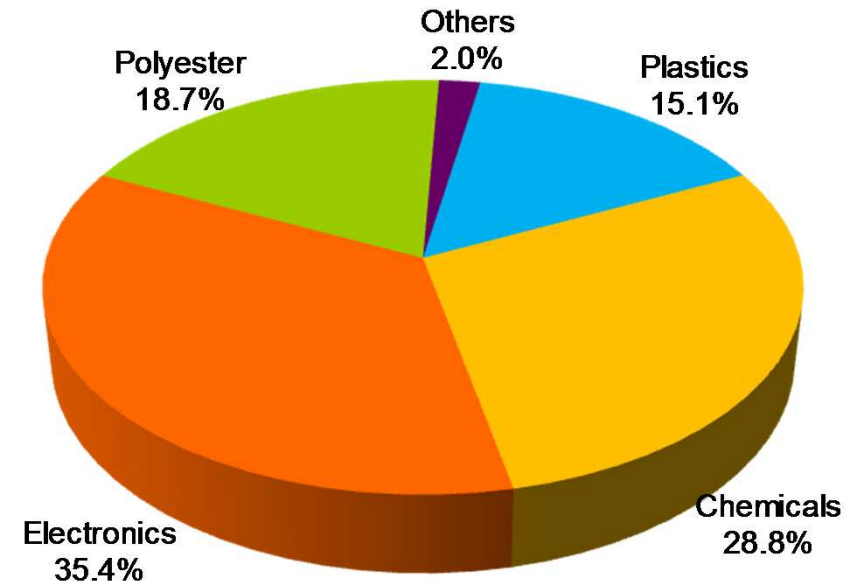
Financial Highlights

Revenue Breakdown by Product Segment

**2016 1H Net Sales
NT\$ 133.7 billion**



**2017 1H Net Sales
NT\$ 146.8 billion**



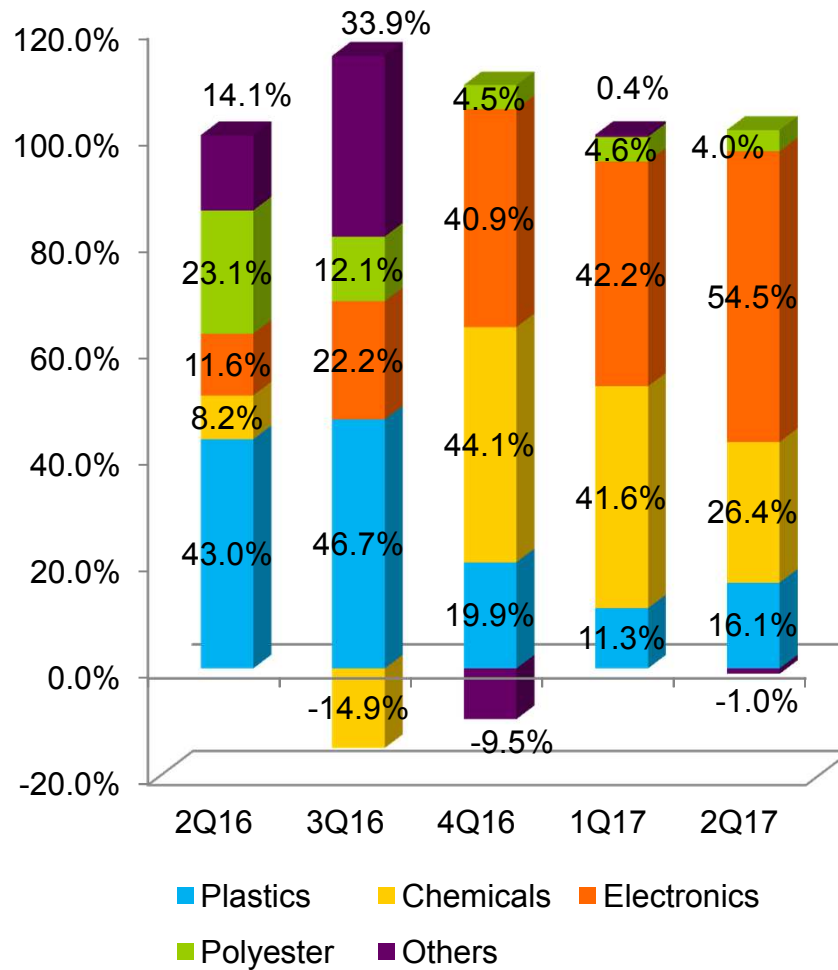
- Revenue in 2017 1H increased 9.8% YoY
- Prices of chemicals and electronics increased mainly from oil price raised up and increased demand for electronic products
- Revenue of others decreased due to engineering services in Vietnam have been completed



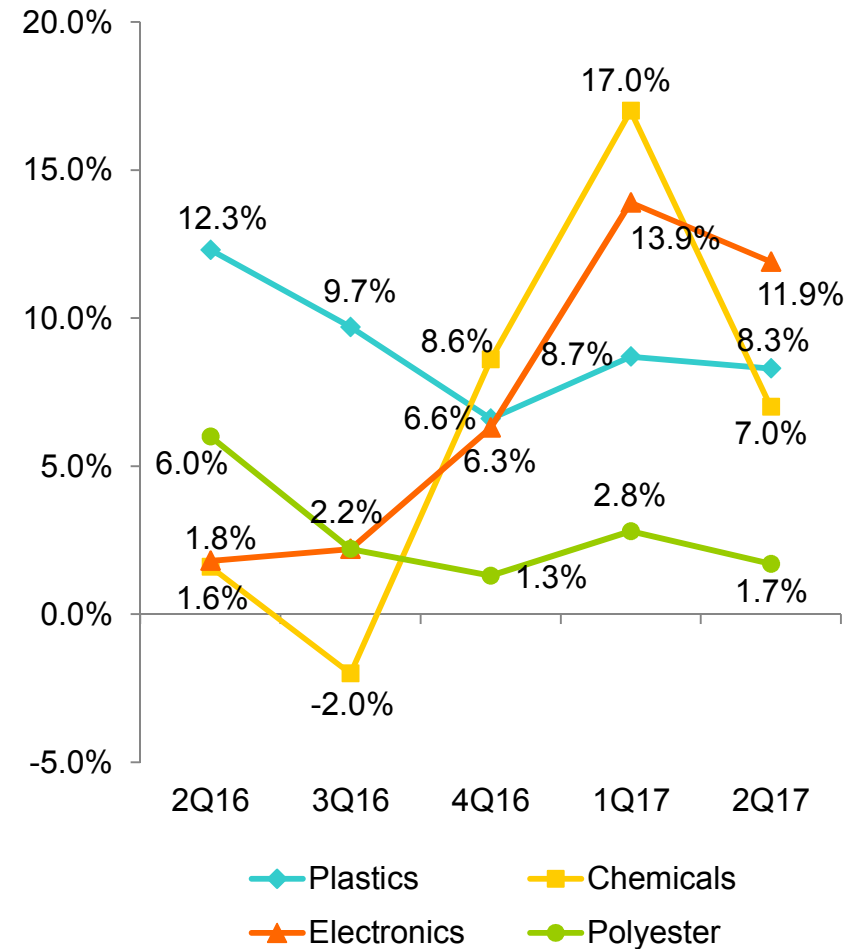
Financial Highlights

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%
Aluminium Laminated Foil				
Nantong	—	12,456 KM ²	03/2019	100%
EG				
USA	360,000 MT	828,000 MT	12/2019	230%
Composite PVC Door Frame				
USA	—	4,300 MT	02/2018	100%
Pepa Synthetic Paper				
Taiwan	65,000 MT	22,000 MT	06/2018	34%
Copper Foil				
Taiwan	32,000 MT	18,000 MT	06/2019	56%



THE END

