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**Nan Ya Plastics**  
**2017 1H**  
**Operations & Performance**

**Sept. 2017**



# Agenda

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



# Overview

## Highlights

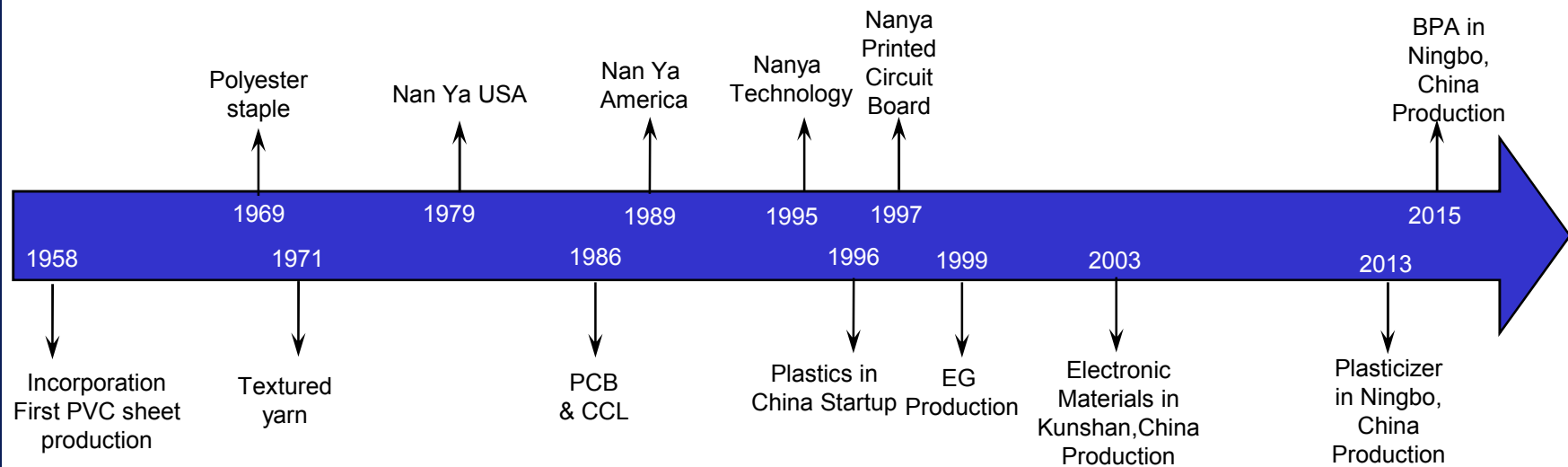
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- **Member of the Formosa Plastics Group (FPG)**
- **The 6th largest private company in Taiwan in terms of market capitalization**
- **2016 consolidated annual revenue of NT\$ 275.3 billion with 4 major businesses: sales breakdown - 17% in plastics, 26% in chemicals, 35% in electronic materials, and 19% in fibers**
- **Market capitalization of NT\$ 607 billion(Sept. 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

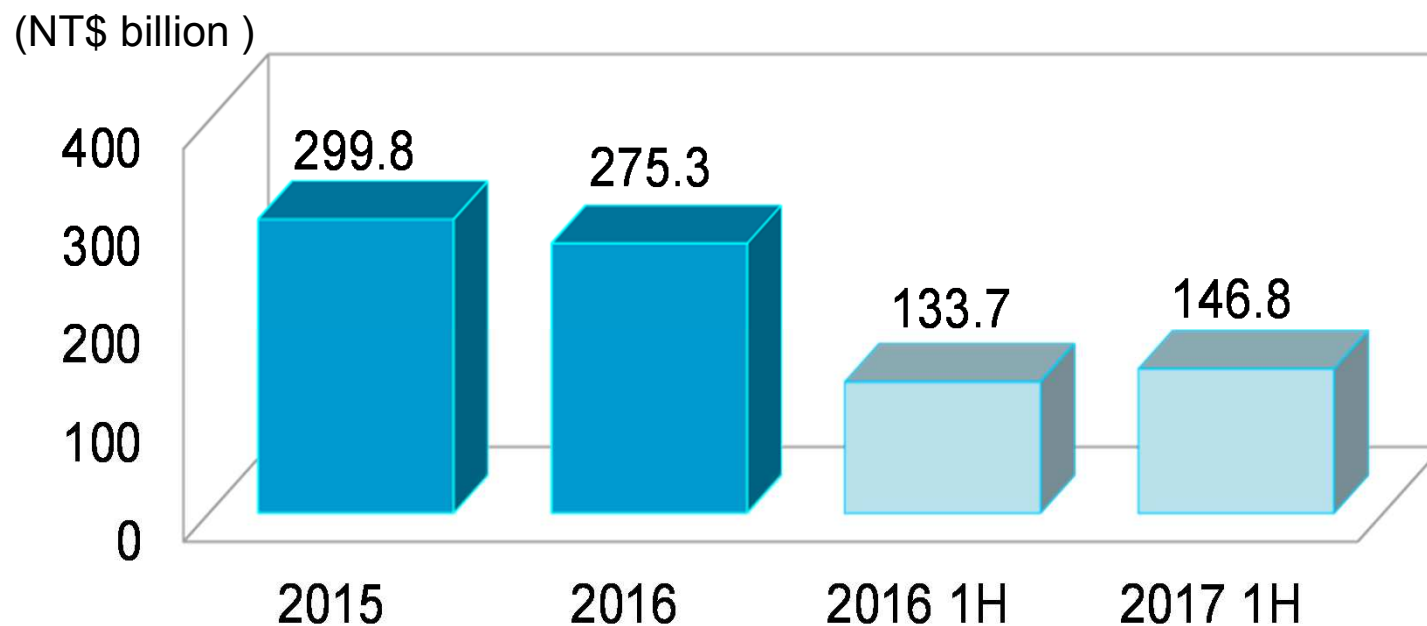


- 1958 : Company was founded, Starting production of PVC secondary plastics in Taiwan
- 1969 : Began manufacturing polyester fiber
- 1979 : Nan Ya Plastics Corp., USA established in U.S.A., starting production of plastic products
- 1986 : Entered electronics business, production of PCB & CCL
- 1989 : 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

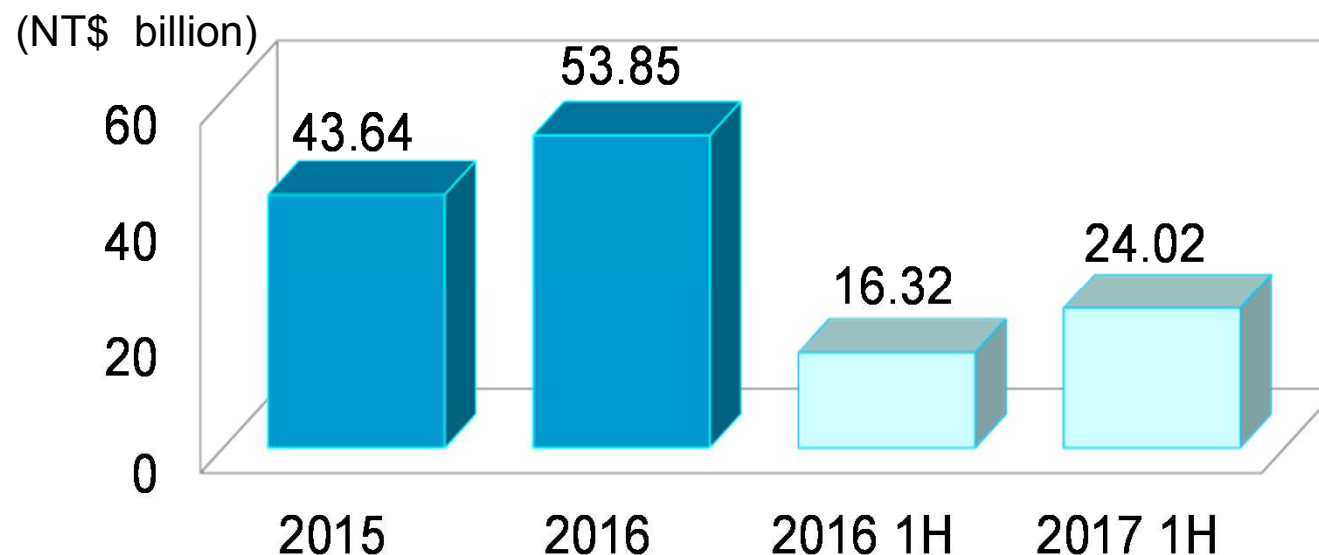
■ **Revenue in 2017 1H increased 9.8% YoY due to :**

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 :**

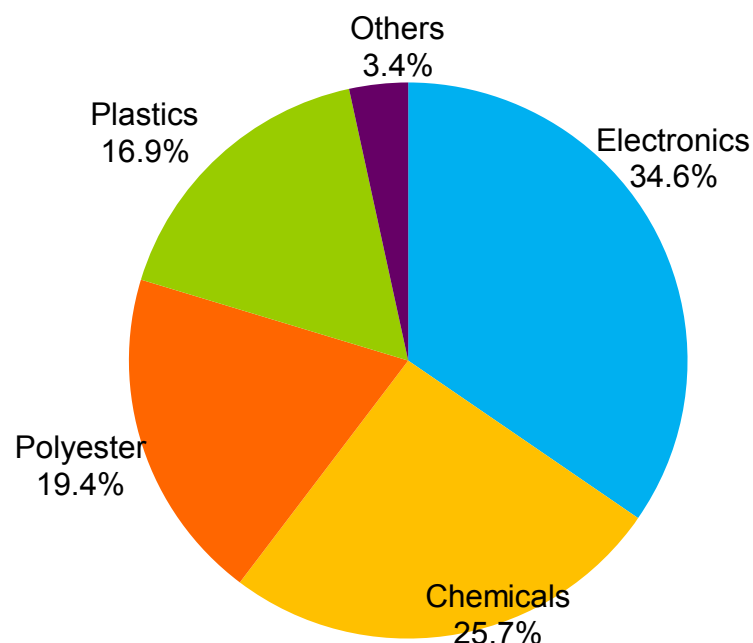
1. Core business income increased by 62.3% YoY mainly from higher prices of chemicals and electronics
2. Equity income increased by NT\$0.8bn YoY :  
(1) Nanya Tech +NT\$2.5bn    (2) MLP -NT\$0.5bn  
(3) FPCC -NT\$0.4bn          (4) FIC -NT\$0.3bn



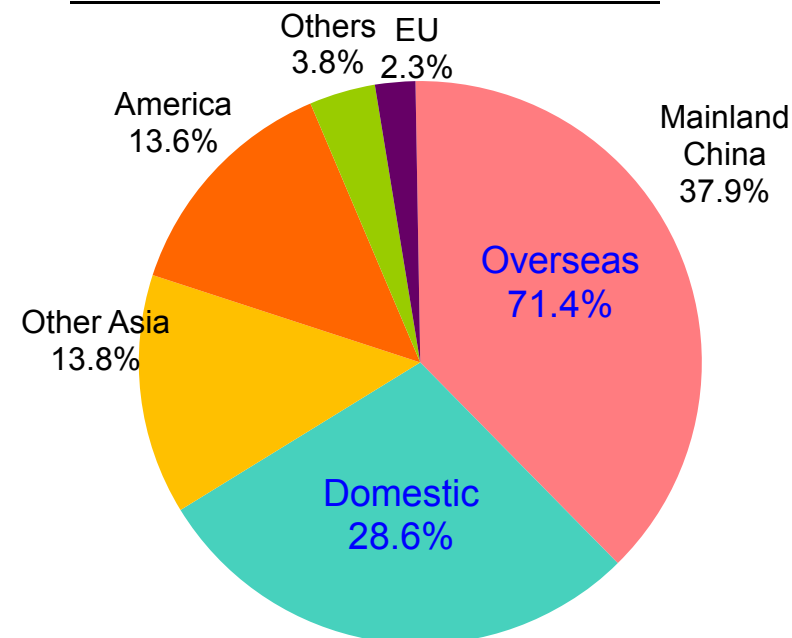
# Financial Highlights

## Revenue Breakdown

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



**2016 Sales Breakdown  
by Geography**



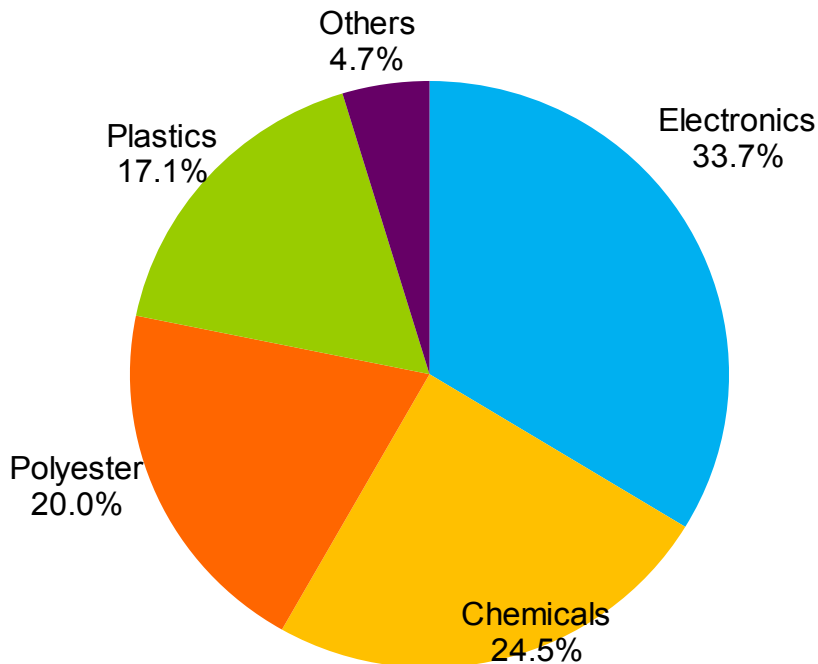
- Revenue of chemicals decreased 12% YoY in 2016 due to sales price fell affected by global oil average price dropped
- Main revenue contribution in the next few years is still driven by chemicals and electronic materials
- Mainland China remains the most important market, accounting for 53% of total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



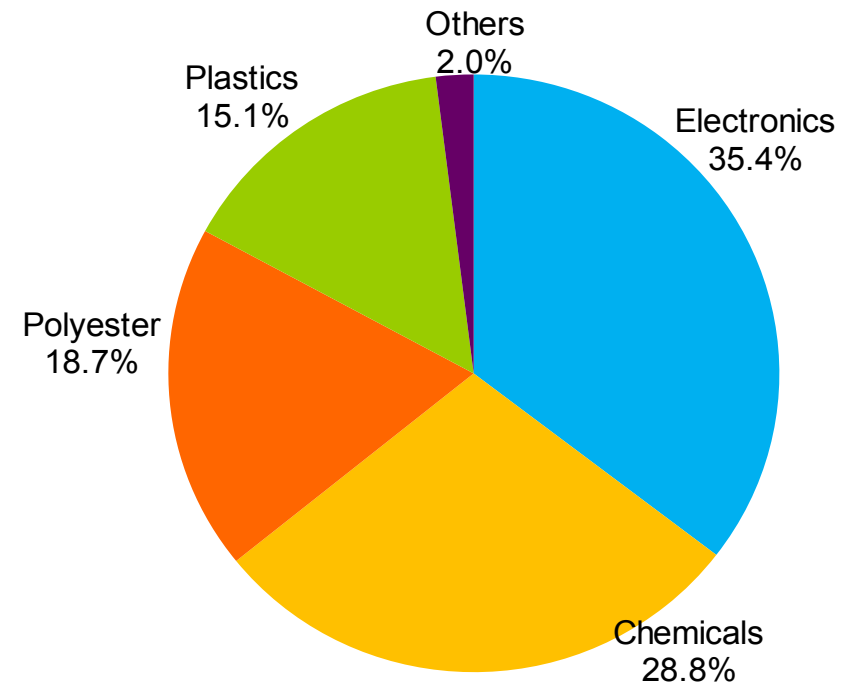
# Financial Highlights

## 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

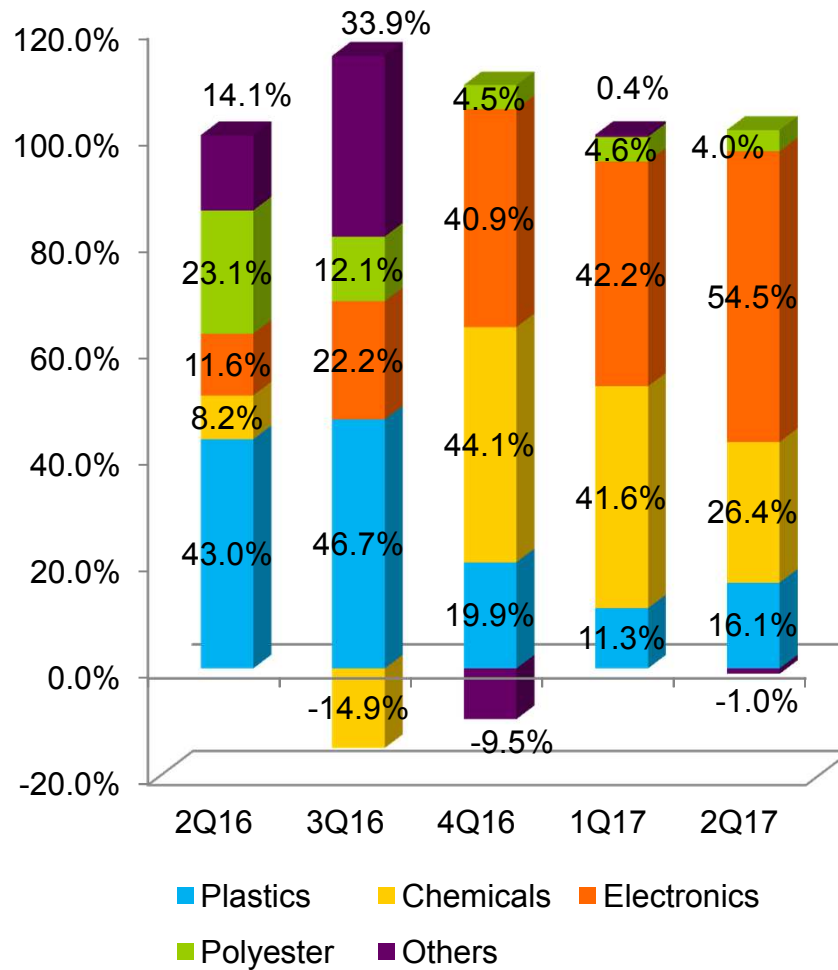




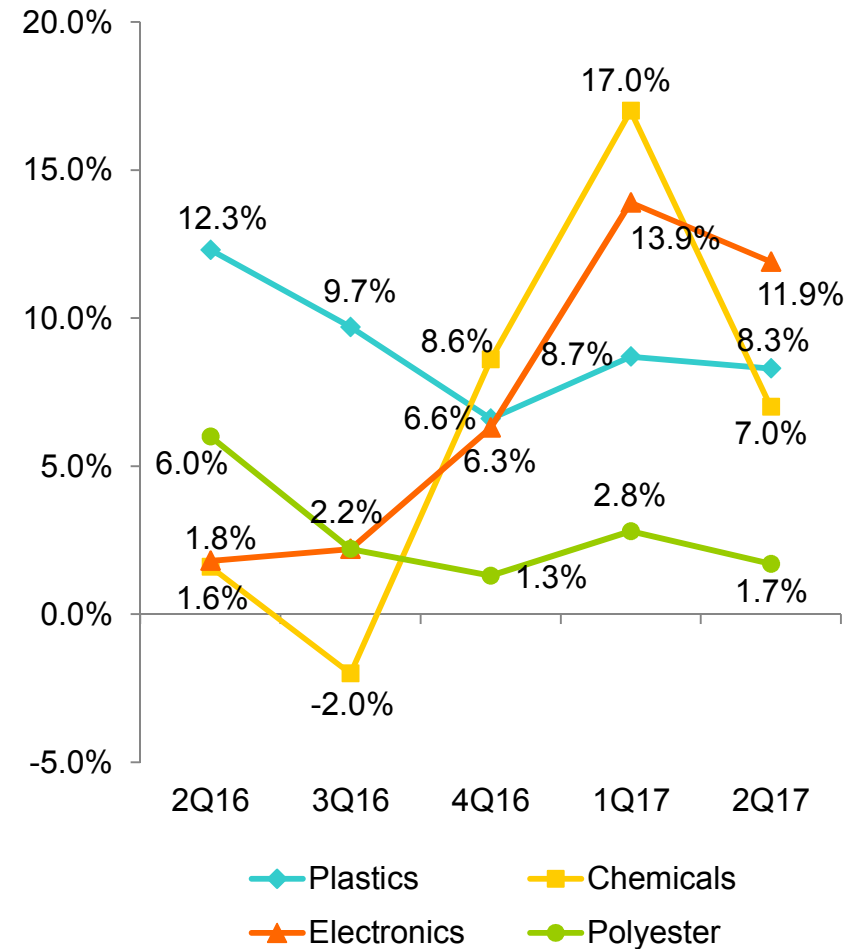
# Financial Highlights

## 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 (%)
<b>PVC Leather</b>				
Nantong	32,400 KYD	7,200 KYD	08/2018	22%
<b>Aluminium Laminated Foil</b>				
Nantong	—	12,456 KM <sup>2</sup>	03/2019	100%
<b>EG</b>				
USA	360,000 MT	828,000 MT	12/2019	230%
<b>Composite PVC Door Frame</b>				
USA	—	4,300 MT	02/2018	100%
<b>Pepa Synthetic Paper</b>				
Taiwan	65,000 MT	22,000 MT	06/2018	34%
<b>Copper Foil</b>				
Taiwan	33,600 MT	18,000 MT	06/2019	54%



THE END

