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# **Nan Ya Plastics**

## **3Q 2022**

### **Operations & Performance**

**Nov. 2022**



# Agenda

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

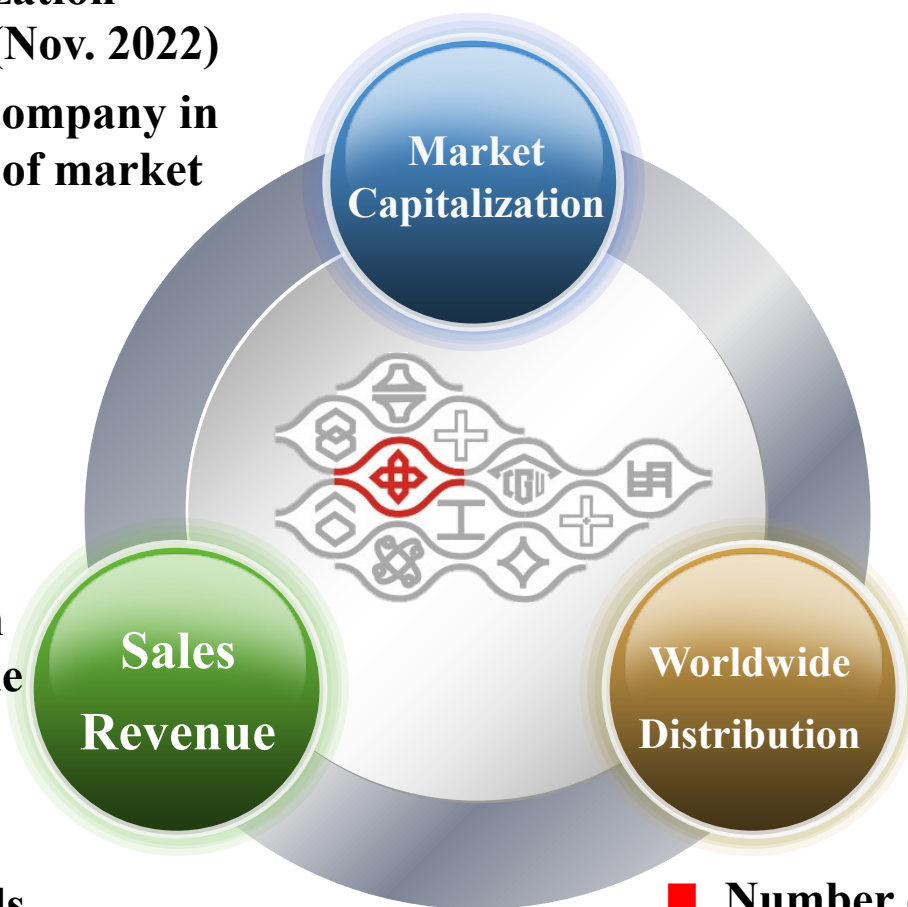


# Overview

## Highlights

- **Market Capitalization**  
NT\$ 58.6billion (Nov. 2022)
- **The 8th largest company in Taiwan in terms of market capitalization**

- **NT\$ 411.7 billion**  
(Y2021, not include Nanya Tech. Co.)
- **Sales breakdown**
  - 12% in plastics
  - 29% in chemicals
  - 44% in electronics
  - 14% in polyesters



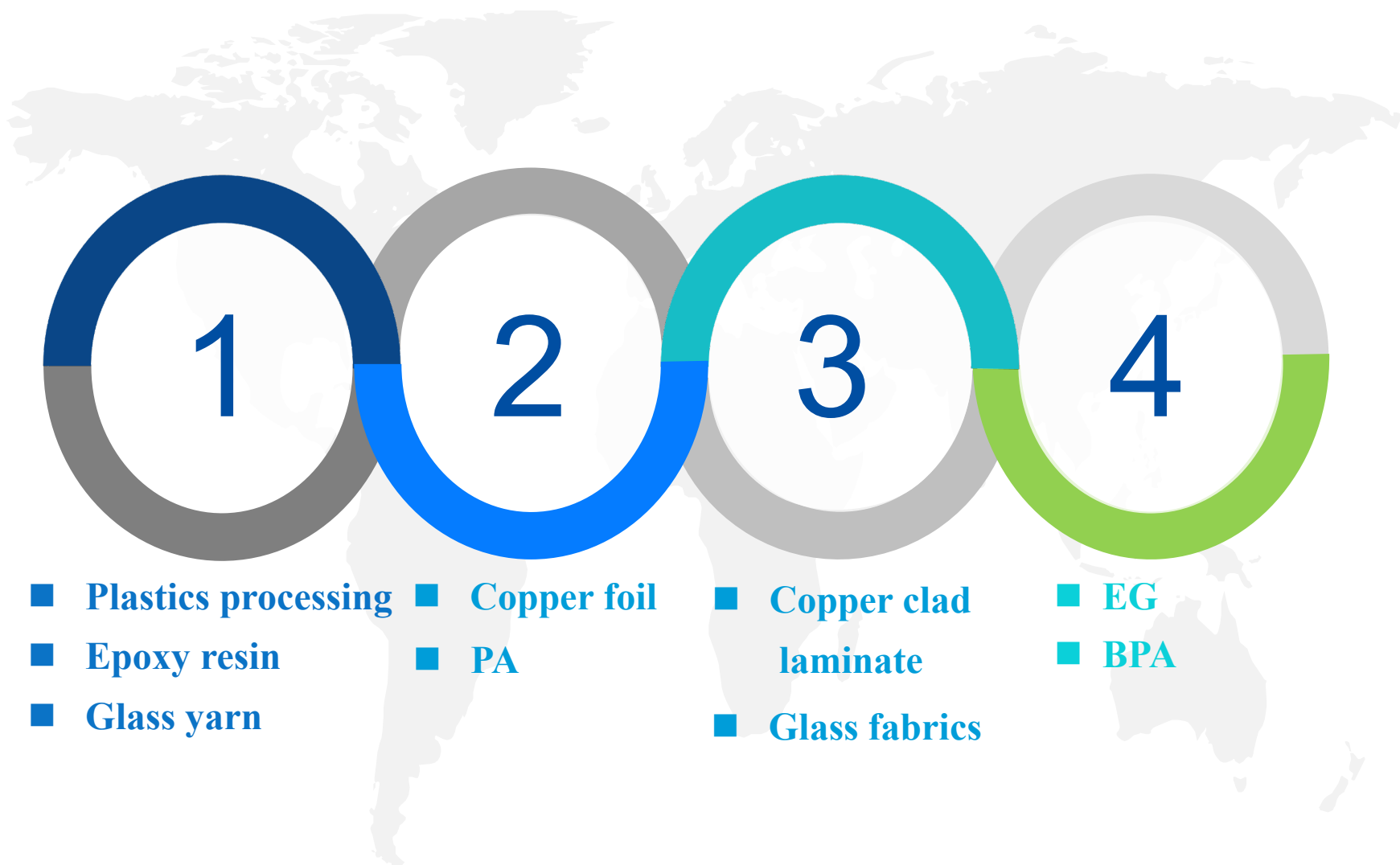
- **Total number of Plants 102**
  - 59 in Taiwan
  - 36 in China
  - 7 in US

- **Number of Employees 32,812**  
(The number of Plants and Employees includes the consolidated financial reporting company)



# Overview

## Leading market positions for capacity



※Plasticizer products ranked 5<sup>th</sup>  
PET ranked 10<sup>th</sup>

# Overview

## History



Plastics Processing

1958



Nan Ya USA  
& America Co.

1979

- Texas
- Louisiana
- South Carolina



Nanya Tech Co.

1995



Chemicals

1999

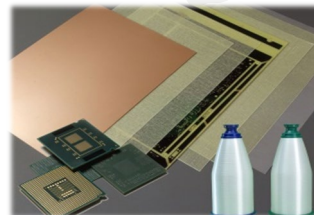
Polyesters

1969



Electronics  
& Nan Ya PCB Co.

1986



Investing in  
China

1994

- Xiamen
- Guangzhou
- Nantong
- Huizhou
- Kunshan
- Ningbo



# Overview

## Major Businesses

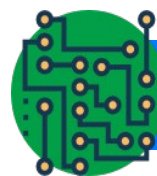
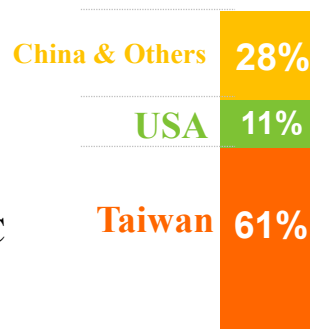
Sales breakdown in 2021



### Plastics

12%

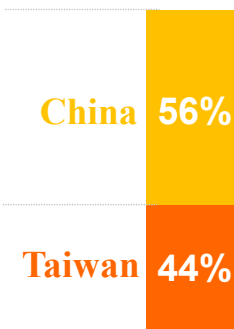
PVC Sheeting, PVC Rigid Film, PU Leather, PVC Rigid Pipe & Fittings, Window & Door Frames, Films, Engineering and PVC Compounds, PP Synthetic Paper



### Electronics

44%

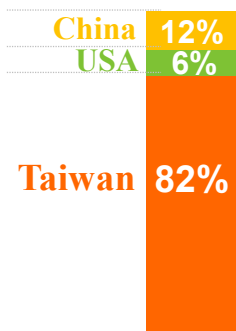
Glass Yarn, Glass Fabrics, Epoxy Resin, Copper Foil, Copper Clad Laminate, Printed Circuit Board



### Chemicals

29%

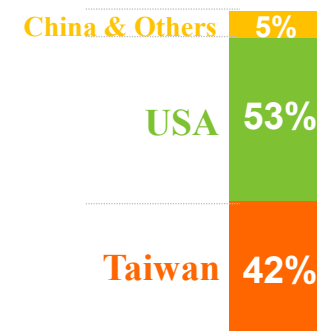
EG, BPA, 1,4BG, Plasticizer, PA, 2EH, INA, MA



### Polyesters

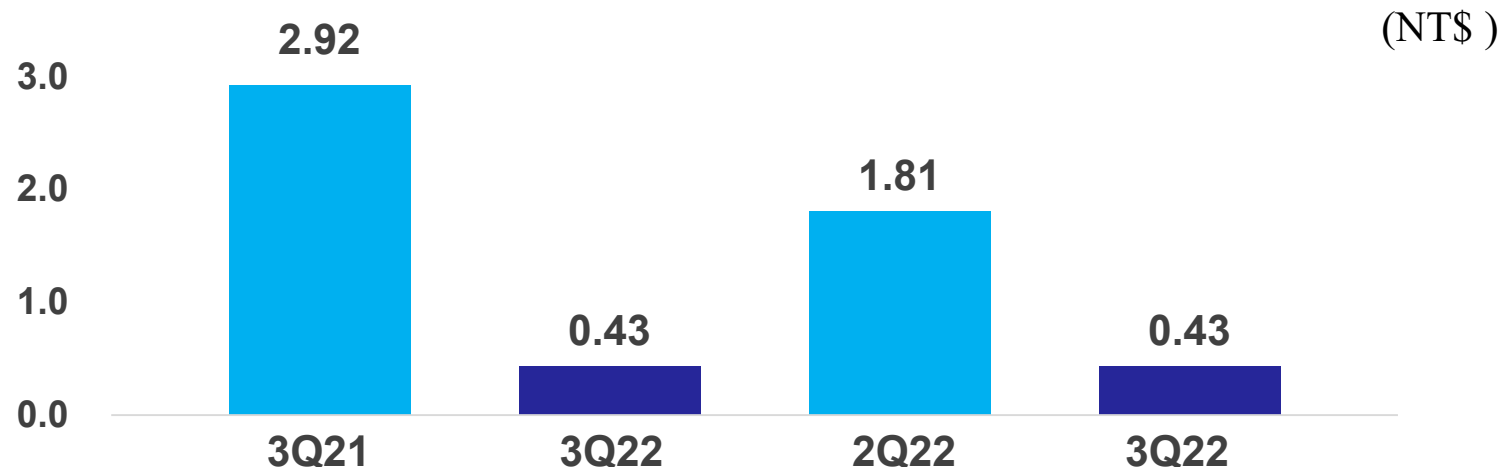
14%

Polyester Staple Fiber, PET Resin, Filament, PET Film



# Financial Highlights

## Consolidated Revenue (IFRS)



### ■ Revenue in 2022 3Q decreased NT\$ 2.49 YoY due to:

Apart from the revenue of PCB significantly increased due to high demands for electric vehicles, servers, other substrates, etc., the profit of other products declined relatively, compared with the operating performance peak last year. Adding up the recognition of investment income from FPCC decreased, the profit was worse than last year.

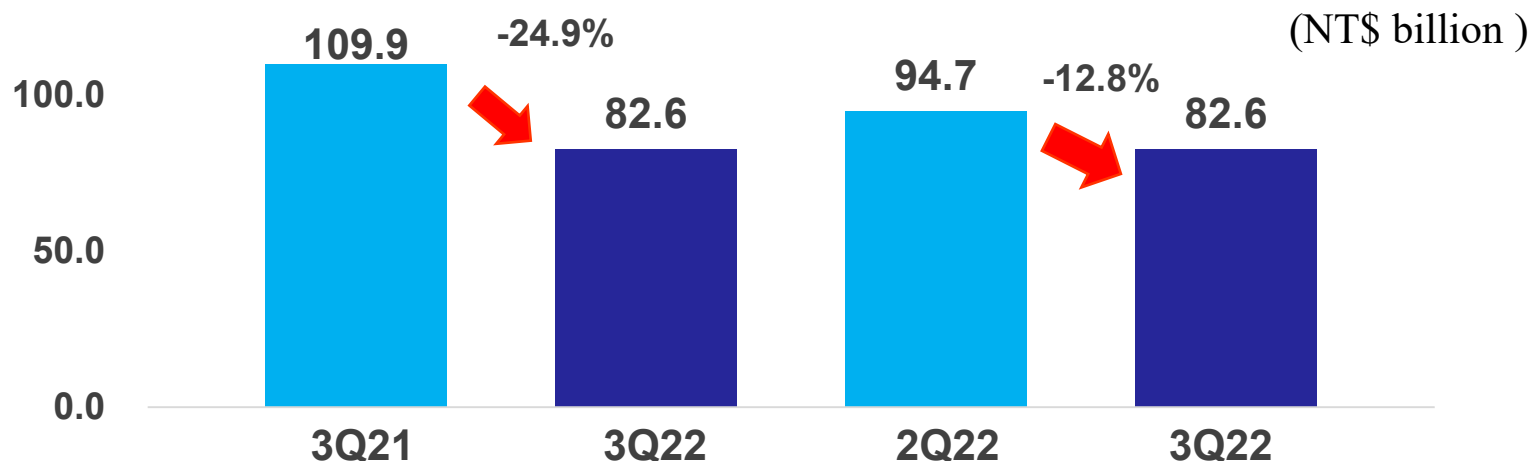
### ■ Revenue in 2022 3Q decreased NT\$ 1.38 QoQ due to:

Mainly due to inflation, rising interest rates, the Russian-Ukrainian war, etc., leading to lower global consumption. Expect for PCB, the operating performance of other products was not as good as last quarter. In addition, the company recognized an investment loss from FPCC, resulting in a lower profit in this quarter.



# Financial Highlights

## Consolidated Revenue (IFRS)



### ■ Revenue in 2022 3Q decreased 24.9% YoY due to:

Except for the strong demand of PCB and the rising prices of polyester products resulted from the cost increased of raw material pushing up the revenue. The revenue of chemical products decreased owing to the planned cut in part of production line and the decline in the prices, plus the revenue of other products decreased, compared with the historical peak last year.

### ■ Revenue in 2022 3Q decreased 12.8% QoQ due to:

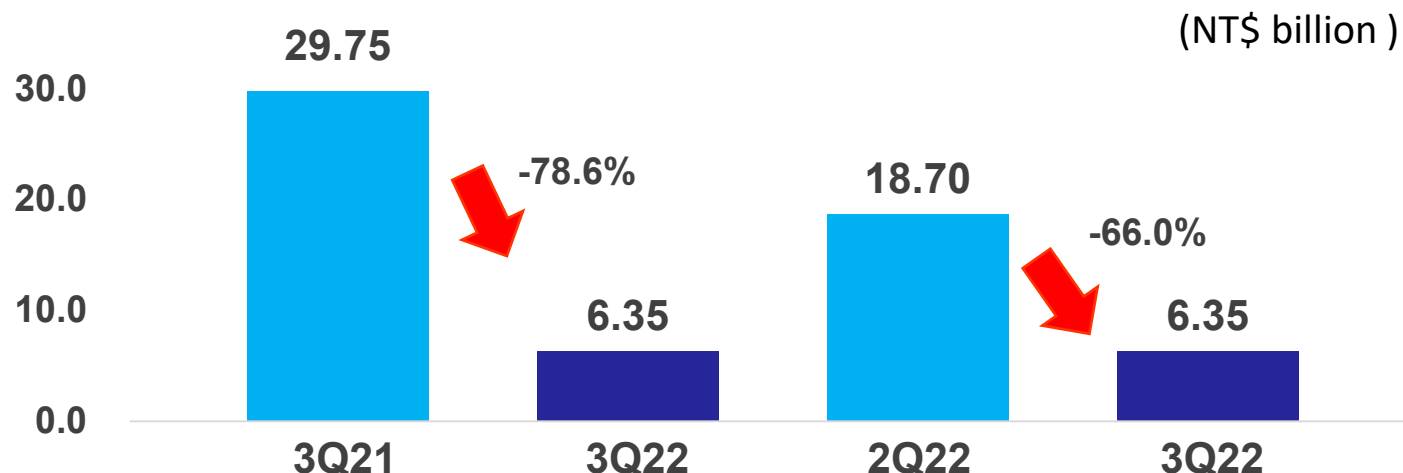
Other than the revenue of PCB increased resulted from booming demand for vehicles, high-end products, servers, etc. The revenue of chemical products decreased due to the planned cut in part of production line and the decline in the prices. In addition, the revenue of other products decreased, owing to the slowing global economy, leading the revenue of 3Q22 is lower than 2Q22.





# Financial Highlights

## Pre-tax Income (IFRS)



■ **2022 3Q pre-tax income decreased 78.6% YoY due to :**

1. Operating profit decreased NT\$19.5bn mainly due to the decline in profit of chemical products and other electronic material products.
2. Equity income decreased NT\$6.9bn YoY :
  - (1) FPCC -NT\$3.8bn
  - (2) Nanya Tech -NT\$1.4bn
  - (3) Formosa Olefins, L.L.C in U.S. -NT\$0.8bn

■ **2022 3Q pre-tax income decreased 66.0 % QoQ due to :**

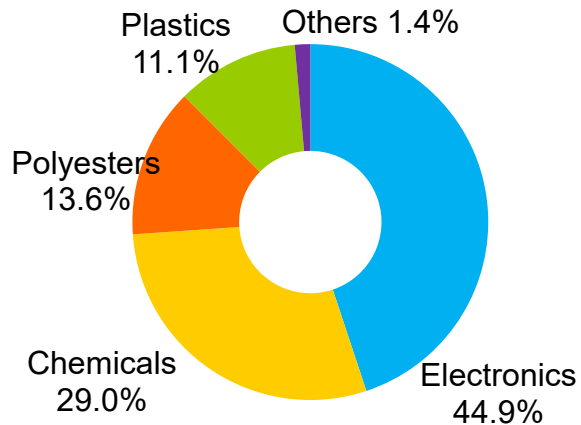
1. Operating profit decreased by NT\$7.0bn mainly due to the decline in profit of chemical products, polyester products and other electronic material products.
2. Equity income decreased NT\$ 6.2bn QoQ :
  - (1) FPCC -NT\$5.4bn
  - (2) Nanya Tech -NT\$1.2bn
  - (3) Mai Liao Power +NT\$0.8bn



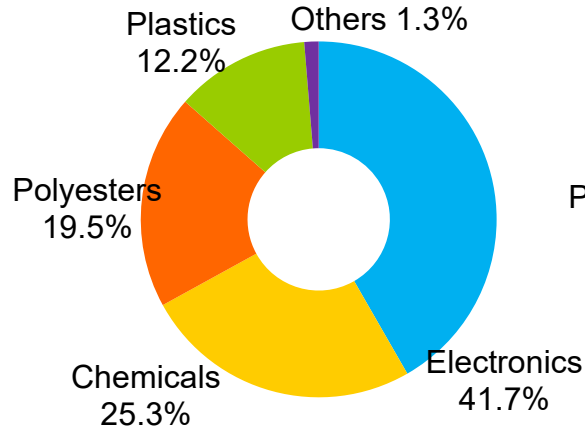
# Financial Highlights

## Revenue Breakdown (Quarter)

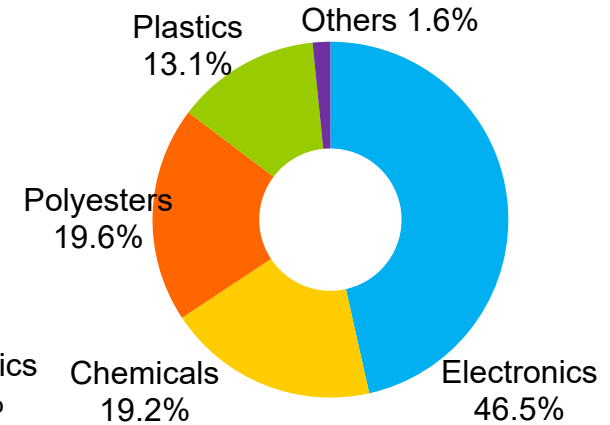
**2021 3Q Net Sales**  
**NT\$ 109.9 billion**



**2022 2Q Net Sales**  
**NT\$ 94.7 billion**



**2022 3Q Net Sales**  
**NT\$ 82.6 billion**

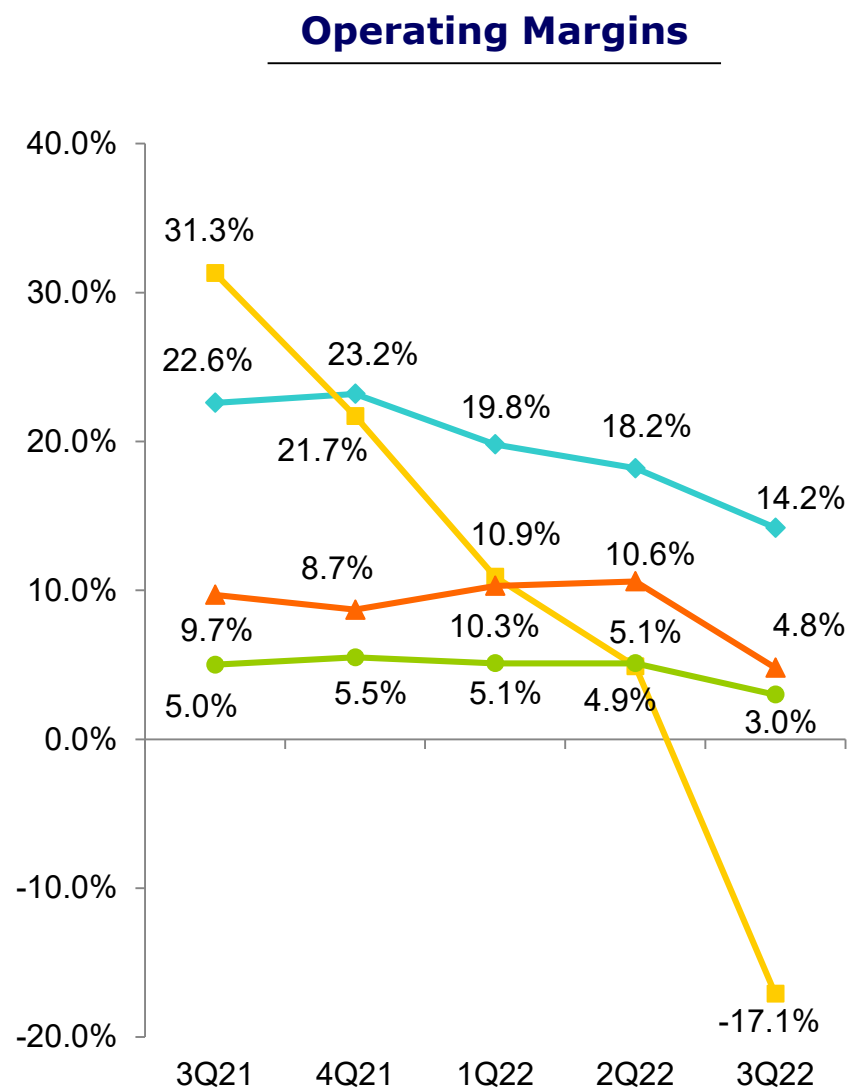


- Due to the planned cut in part of production line and the decline in the prices of products and other products, the revenue of chemical products decreased.
- Due to the booming demand for communication, vehicle and continuous development in high-end products, the gap between supply and demand had widened, the revenue and profit of PCB products reached a peak again. Nevertheless, other electronic materials products were affected by the Covid-19 control measures in China and global inflation, leading to the revenue decline in electronic material products.
- Due to the high selling prices pushed by rising raw material prices, leading to an increase in revenue of polyester products.



# Financial Highlights

## Operating Profits Breakdown by Product Segment



■ Electronics 
 ■ Chemicals 
 ■ Polyesters 
 ■ Plastics 
 ■ Others 
 ◆ Electronics 
 ◆ Chemicals 
 ◆ Polyesters 
 ◆ Plastics

# Business Overview

## Capacity Expansion Plan

Area	Product	Unit	Annual Capacity			Estimated Commissioning Date
			Current (Note1)	Expansion	Increase%	
Taiwan	Wide Semi-Rigid Film	KMT	0	12	100	2022/12
	Blood bag and Leukocyte reduction filter system	Thousand Set	0	2,970	100	2023/7
	PBAT CHIP	KMT	0	36	100	2023/6
	Polyester Release Film (5 <sup>th</sup> set)	KM <sup>2</sup>	360,000	144,000	40	2023/6
	Polyester Release Film (6 <sup>th</sup> set)	KM <sup>2</sup>	360,000	144,000	40	2024/10
	ABF Substrate Phase I	Million Unit	-	-	13	2023/1
	ABF Substrate Phase II	Million Unit	-	-	13	2024/1
	Solar System (Note2)	KW	-	51,625	100	2022/11
Mainland China	Copper Clad Laminate(Note3)	KSH	44,400	13,200	30	2022/9
	Prepreg(Note3)	KM	81,600	28,800	35	2022/9
	Copper Foil	KM	-	23,400	100	2025/6
	BPA	KMT	186	170	91	2023/2
	ABF Substrate	Million Unit	-	-	100	2023/1
USA	Flexible PVC Sheeting	KMT	48	14	29	2023/05

Note1: Annual capacity is the total product production capacity by region.

Note2: Successively completed from the end of Nov. 2022.

Note3: Small volume production has started in Sep. 2022.



THE END

