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**Nan Ya Plastics**  
**1Q23**  
**Operations & Performance**

**May 2023**



# Agenda

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

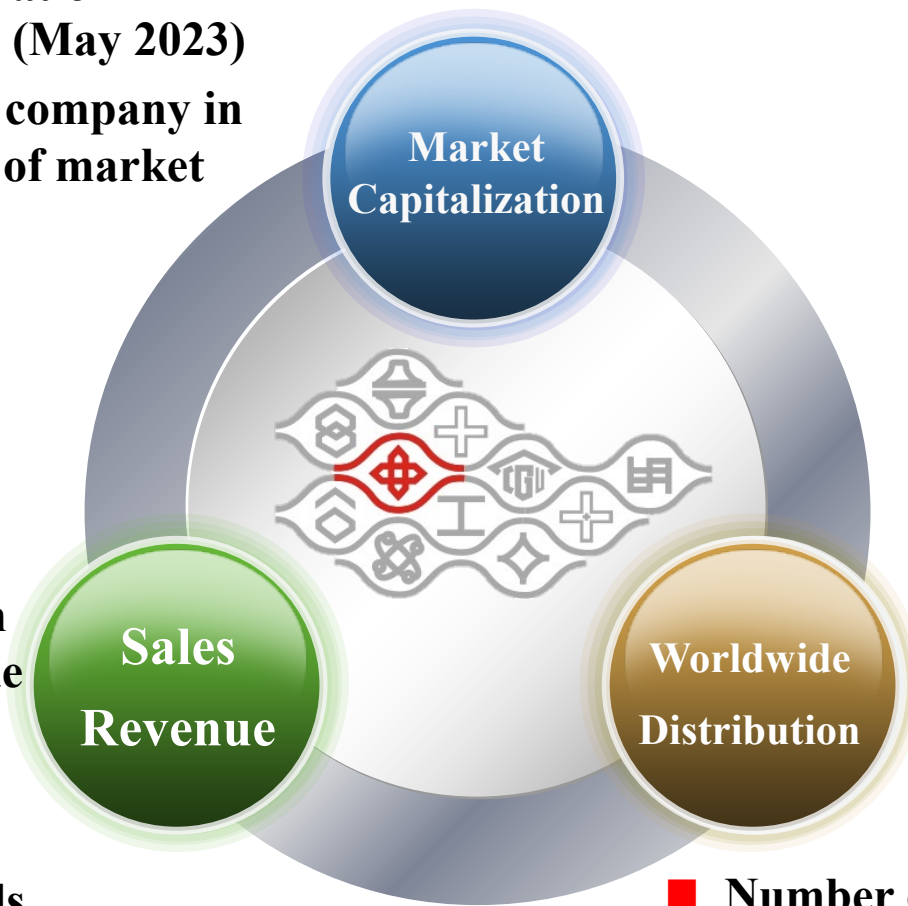


# Overview

## Highlights

- **Market Capitalization**  
NT\$ 615.4billion (May 2023)
- **The 10th largest company in Taiwan in terms of market capitalization**

- **NT\$ 355.2 billion (Y2022, not include Nanya Tech. Co.)**
- **Sales breakdown**
  - 12% in plastics
  - 23% in chemicals
  - 45% in electronics
  - 18% in polyesters



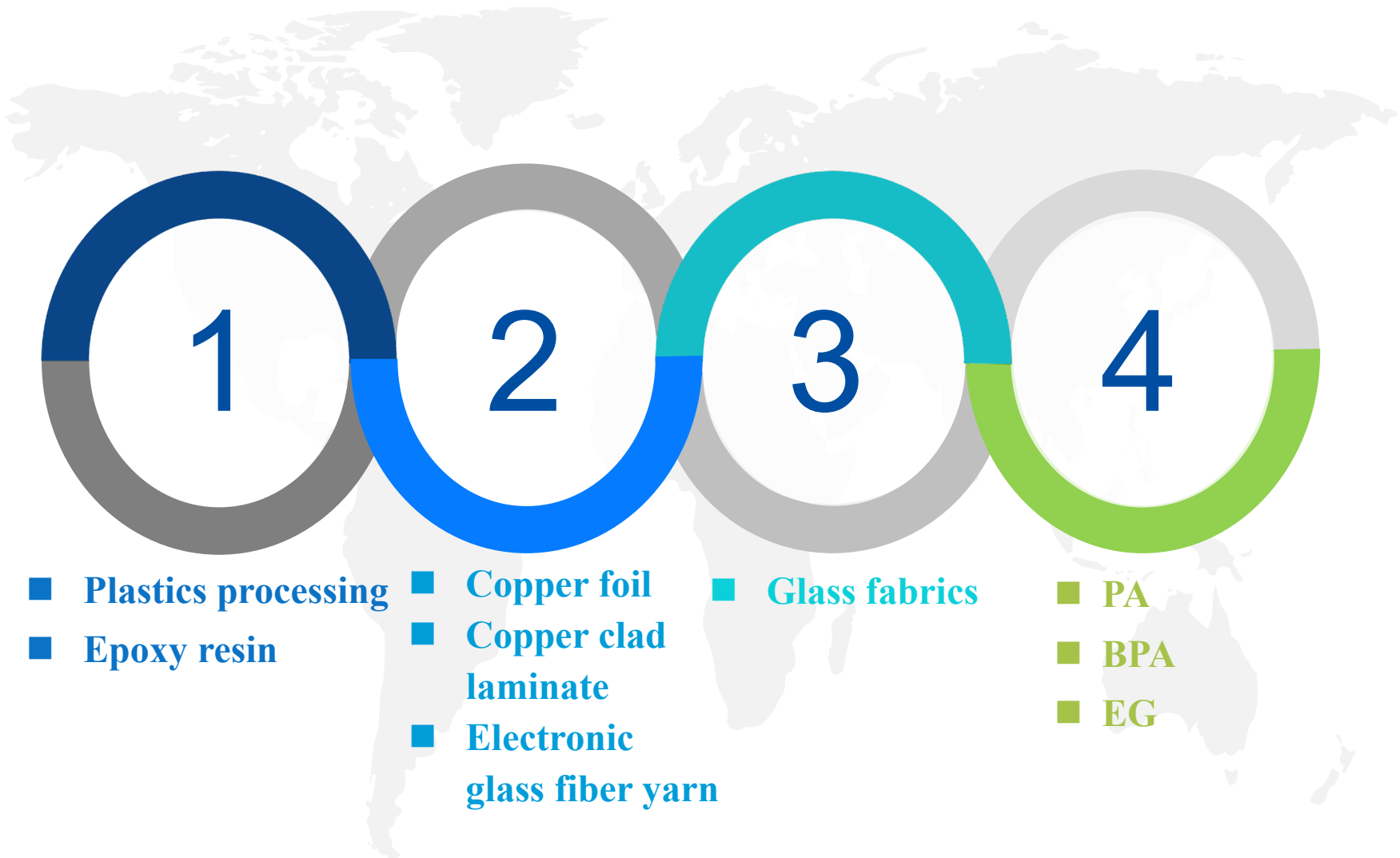
- **Total number of Plants 106**
  - 59 in Taiwan
  - 39 in China
  - 8 in US

- **Number of Employees 31,736**  
(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>  
Polyester products ranked 11<sup>th</sup>



# Overview

## History



Plastics Processing

1958



Nan Ya USA  
& America Co.

- Texas
- Louisiana
- South Carolina

1979



Nanya Tech Co.

1995



Chemicals

1999

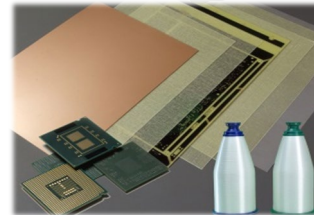
Polyesters

1969



Electronics  
& Nan Ya PCB Co.

1986



Investing in  
China

1994

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



# Overview

## Major Businesses

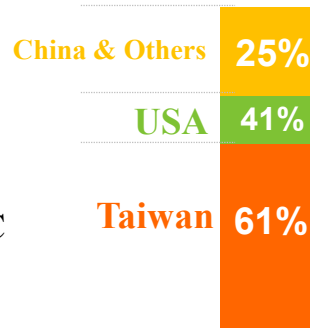
Sales breakdown in 2022



### Plastics

12%

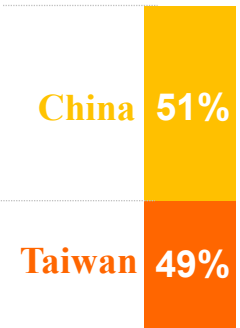
PVC Sheeting, PVC Rigid Film, PU Leather, PVC Rigid Pipe & Fittings, Window & Door Frames, Films, Engineering and PVC Compounds, PP Synthetic Paper



### Electronics

45%

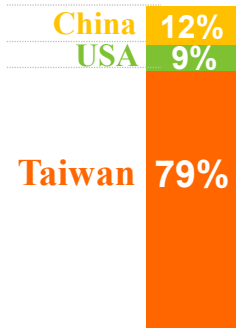
Glass Yarn, Glass Fabrics, Epoxy Resin, Copper Foil, Copper Clad Laminate, Printed Circuit Board



### Chemicals

23%

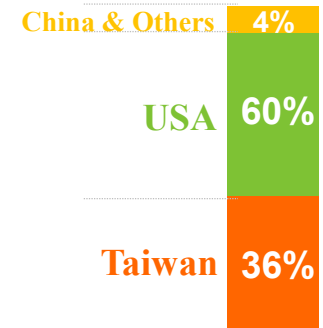
EG, BPA, 1,4BG, Plasticizer, PA, 2EH, INA, MA



### Polyesters

18%

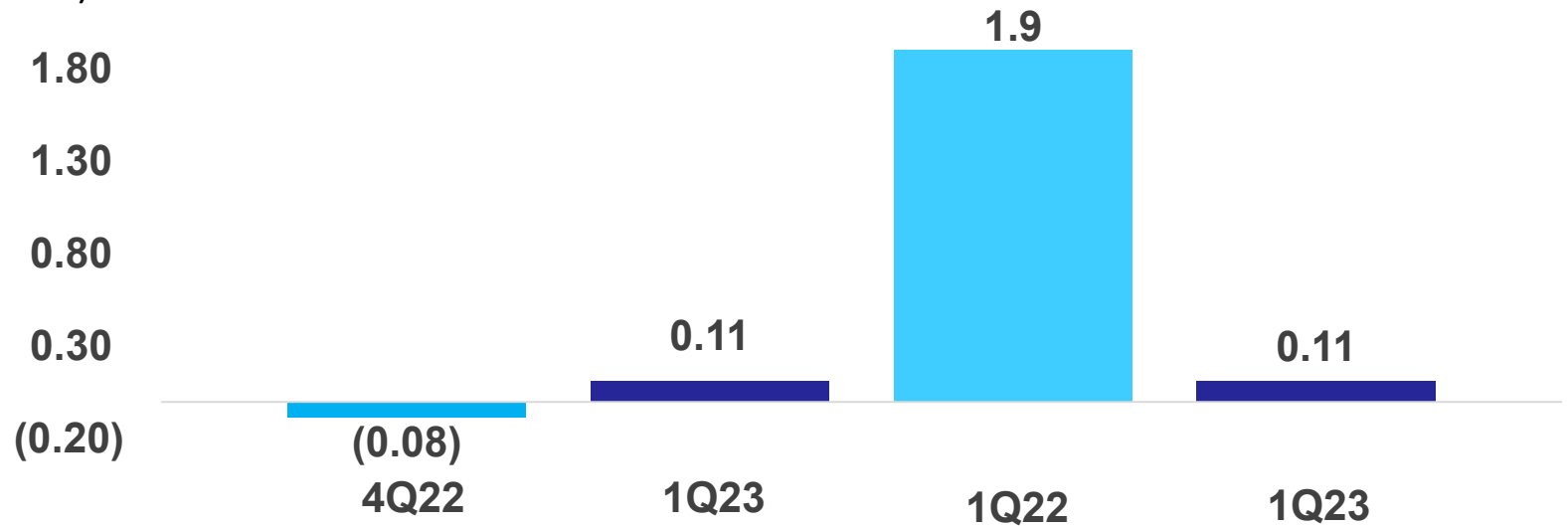
Polyester Staple Fiber, PET Resin, Filament, PET Film



# Financial Highlights

## EPS (IFRS)

(NT\$ dollar)



- **EPS in 1Q23 increased NT\$0.19 QoQ due to :**

The EPS in 1Q23 got out of the red compared to 4Q22. After several months of low demand and industries destocking, coupled with the lifting of pandemic control measures in China, the Company's operation had got out of deterioration in the first quarter.

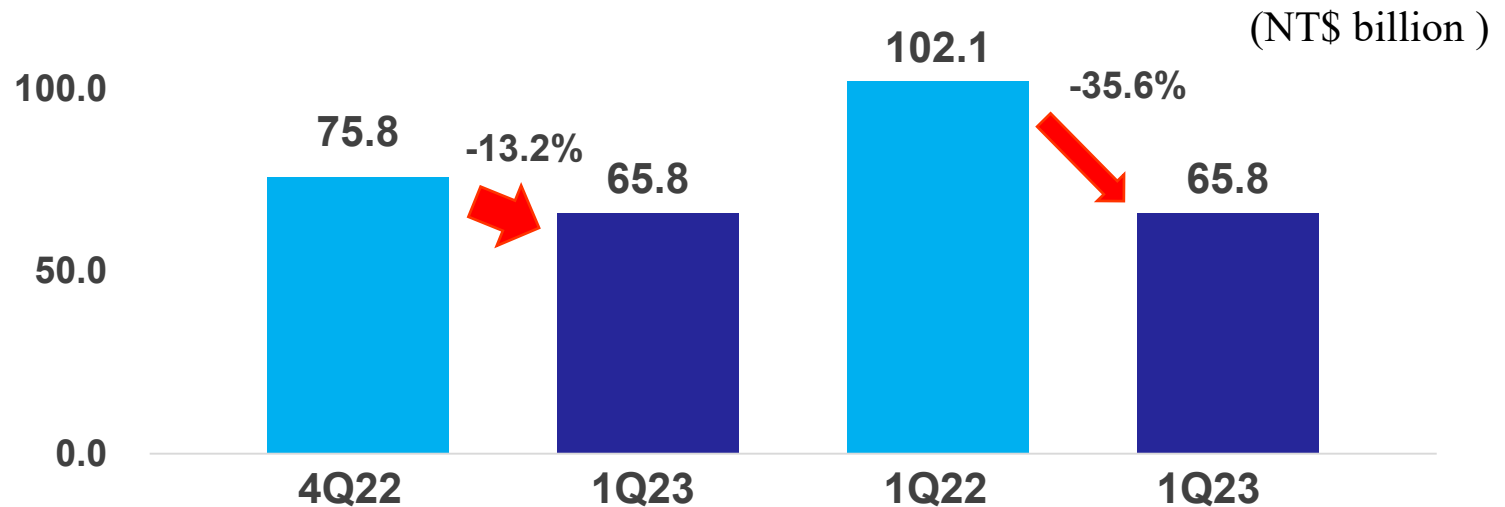
- **EPS in 1Q23 decreased NT\$1.79 YoY due to :**

The EPS in 1Q23 decreased by NT\$1.79 compared with 1Q22, due to the operating performance just improved from the low profit of in 4Q22, while it didn't yet recover to the level of last year.



# Financial Highlights

## Consolidated Revenue by Quarter (IFRS)



- **Revenue in 2023 1Q decreased 13.2% QoQ due to:**

Mainly due to the electronic material products affected by the Lunar New Year holidays in the first quarter, the shipment volume decreased significantly. Besides, the revenue of PCB decreased owing to the stock adjustments made by the industry chain.

- **Revenue in 2023 1Q decreased 35.6% YoY due to:**

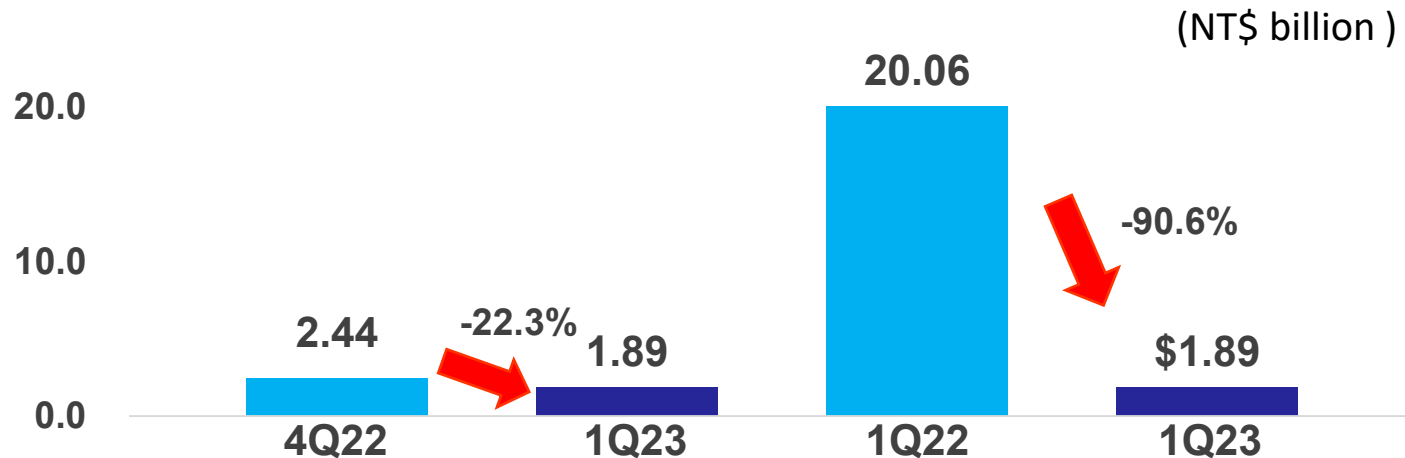
The revenue of chemical products decreased, due to the planned shutdown of EG plants and the decreasing selling prices. Adding up the weakened consumer momentum in 1Q23, while the demand had been strong in 1Q22, the revenue of electronic material products decreased either. Coupled with the global inflation and rising interest rates, the terminal demand was not recovered, leading to a decreased in the revenue of polyester and plastic processing products.





# Financial Highlights

## Pre-tax Income by Quarter (IFRS)



### ■ 2023 1Q pre-tax income decreased 22.3% QoQ due to :

1. Operating profit increased NT\$4.17bn. Since the PCB market condition reached its peak and had a little downward trend after continuous growth, the income of electronic material products decreased. Despite the gradual equilibrium of the PCB supply and demand, the profit remained well.
2. Equity income increased NT\$4.27bn QoQ :  
(1) FPCC +NT\$3.31bn (2) Mai Liao Power +NT\$0.75bn

### ■ 2023 1Q pre-tax income decreased 90.6 % YoY due to :

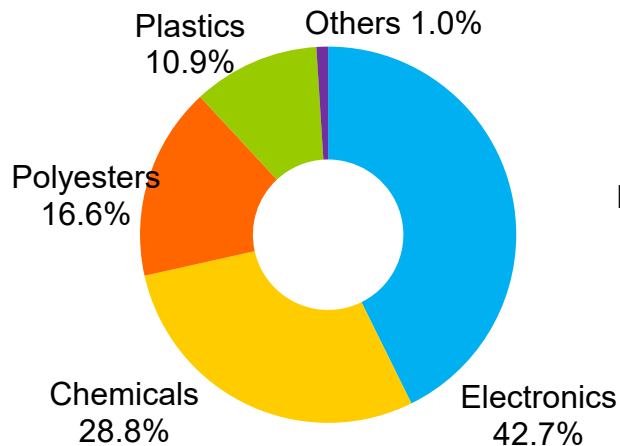
1. Operating profit decreased by NT\$12.43bn, market consumption willingness decreased due to the rising interest rates and inflation, leading to a decrease in income of various products.
2. Equity income decreased NT\$4.04bn YoY :  
(1) FPCC -NT\$2.13bn (2) Nanya Tech -NT\$2.41bn (3) Mai Liao Power +NT\$0.96bn



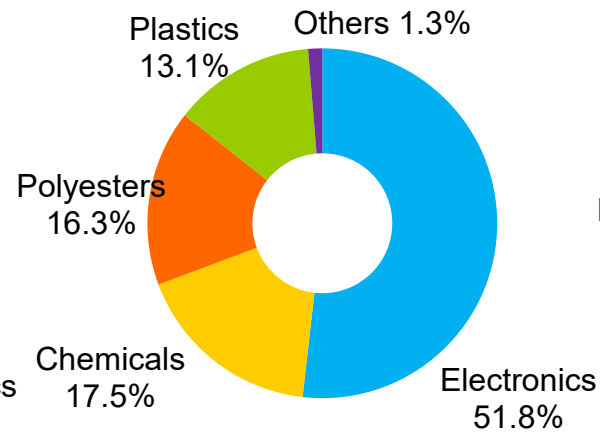
# Financial Highlights

## Revenue Breakdown (Quarter)

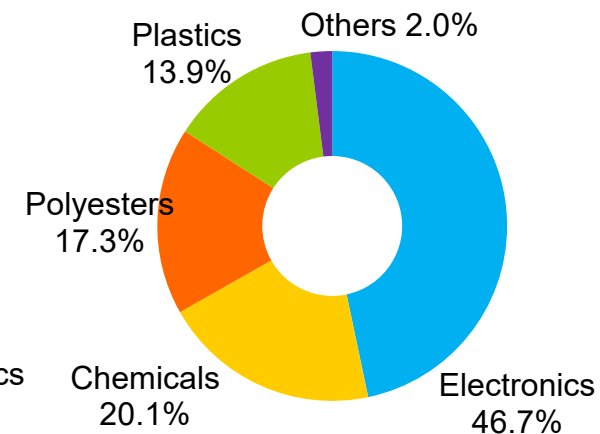
**2022 1Q Net Sales**  
NT\$ 102.1 billion



**2022 4Q Net Sales**  
NT\$ 75.8 billion



**2023 1Q Net Sales**  
NT\$ 65.8 billion



- Compared with 4Q22, the revenue proportion of electronic material products in 1Q23 decreased due to Lunar New Year holidays in the first quarter, the shipment volume decreased significantly.
- The planned shutdown of EG plants and the decreasing selling prices of products causing the proportion of chemical products decreased in 1Q23 compared with 1Q22.
- In the future, the revenue still will mainly be driven by chemicals product and electronic materials products.



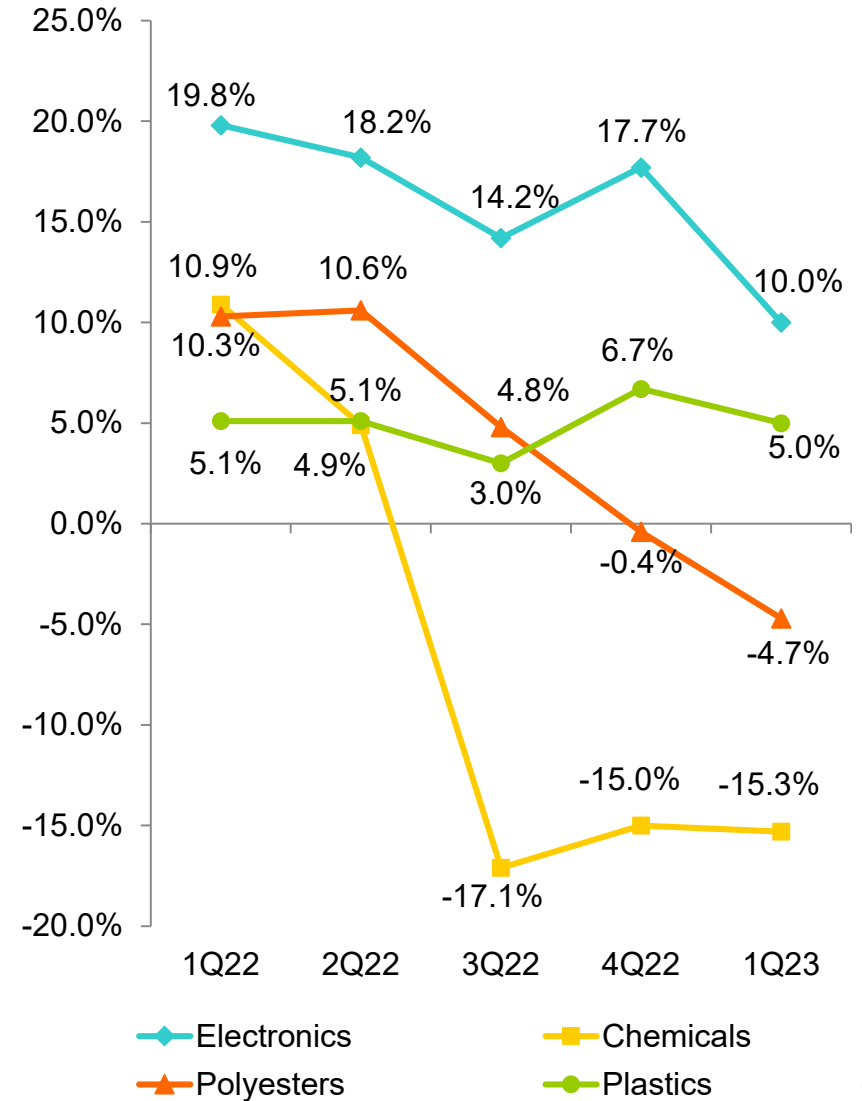
# Financial Highlights

## Operating Profits Breakdown by Product Segment

### Operating Profits



### Operating Margins



# Annual Overlook

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- The war between Russia and Ukraine has not stopped in 2023 1Q and the inflation in Europe and the United States has not yet bottomed out, thus the overall economy is still weak.
- Although China has unlocked, the domestic demand is waiting to pick up, it is expected that some negative factors will ease from 2023 2Q gradually. With the reopening of eastern economies dominated by China, market conditions are expected to pick up quarter by quarter.
- Continue to focus on new materials such as 5G high frequency and high speed, new energy vehicles and automotive electronic substrates, and actively develop high-value and differentiated high-end applications of electronic materials.
- Grasp the opportunity of green environmental protection and circular economy, research and develop environmentally friendly high-value green products, and provide consumers with more choices.
- Diversify production layouts in Taiwan, China, the United States, and Vietnam to build a regional supply system in response to market demand, supply chain transfer, and localization of high-end materials
- Strengthen the autonomy of the supply chain not only to grasp the emerging markets in India and Southeast Asia, but business opportunities with economic recovery in the European region.



# 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	2023/11
	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 II	Million Unit	-	-	13	2024/1
	Solar System Phase I (Note2)	KW	-	51,625	100	2022/11
	Solar System Phase II	KW	-	7,074	100	2024/11
Mainland China	Copper Foil	KM	60,000	23,400	39	2025/6
	BPA	KMT	186	170	91	2023/9
USA	Flexible PVC Sheeting	KMT	48	14	29	2023/10

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

Note2: Successively completed from Nov. 2022 to Dec. 2023.



THE END

