
Nan Ya Plastics
1H23
Operations & Performance

Sep. 2023



Agenda

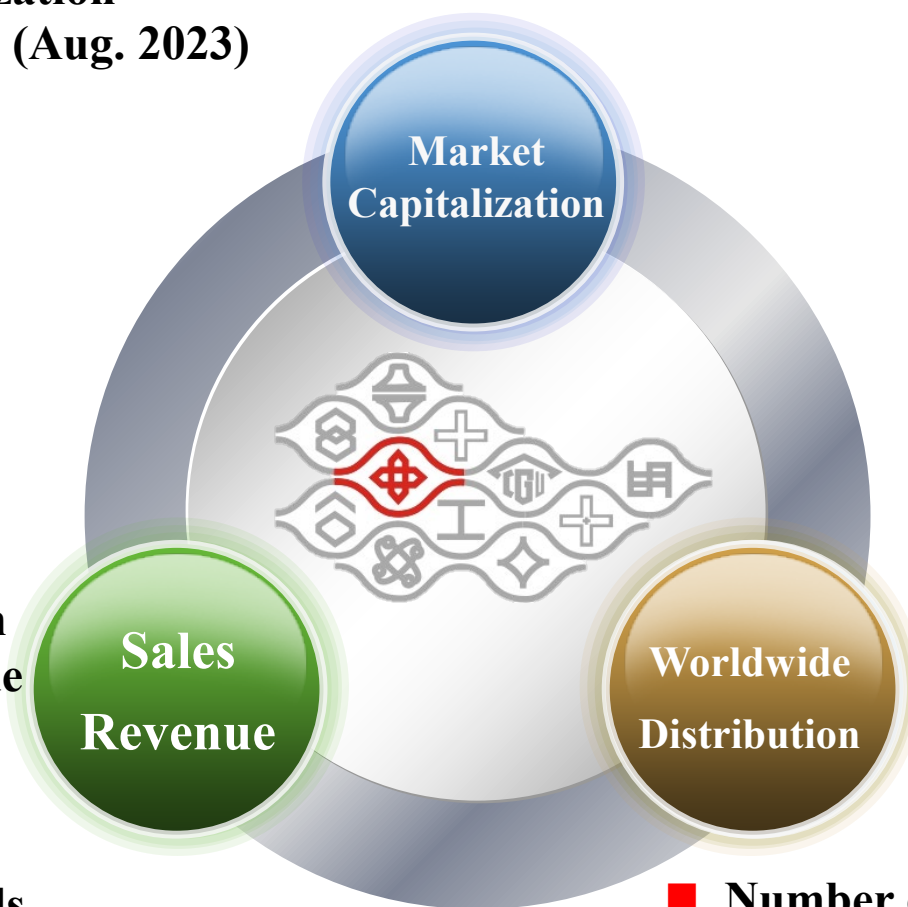
- **Overview**
- **Financial Highlights**
- **Annual Outlook**
- **Capacity Expansion Plan**
- **Q & A**



Overview

Highlights

- **Market Capitalization**
NT\$ 524.2billion (Aug. 2023)



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

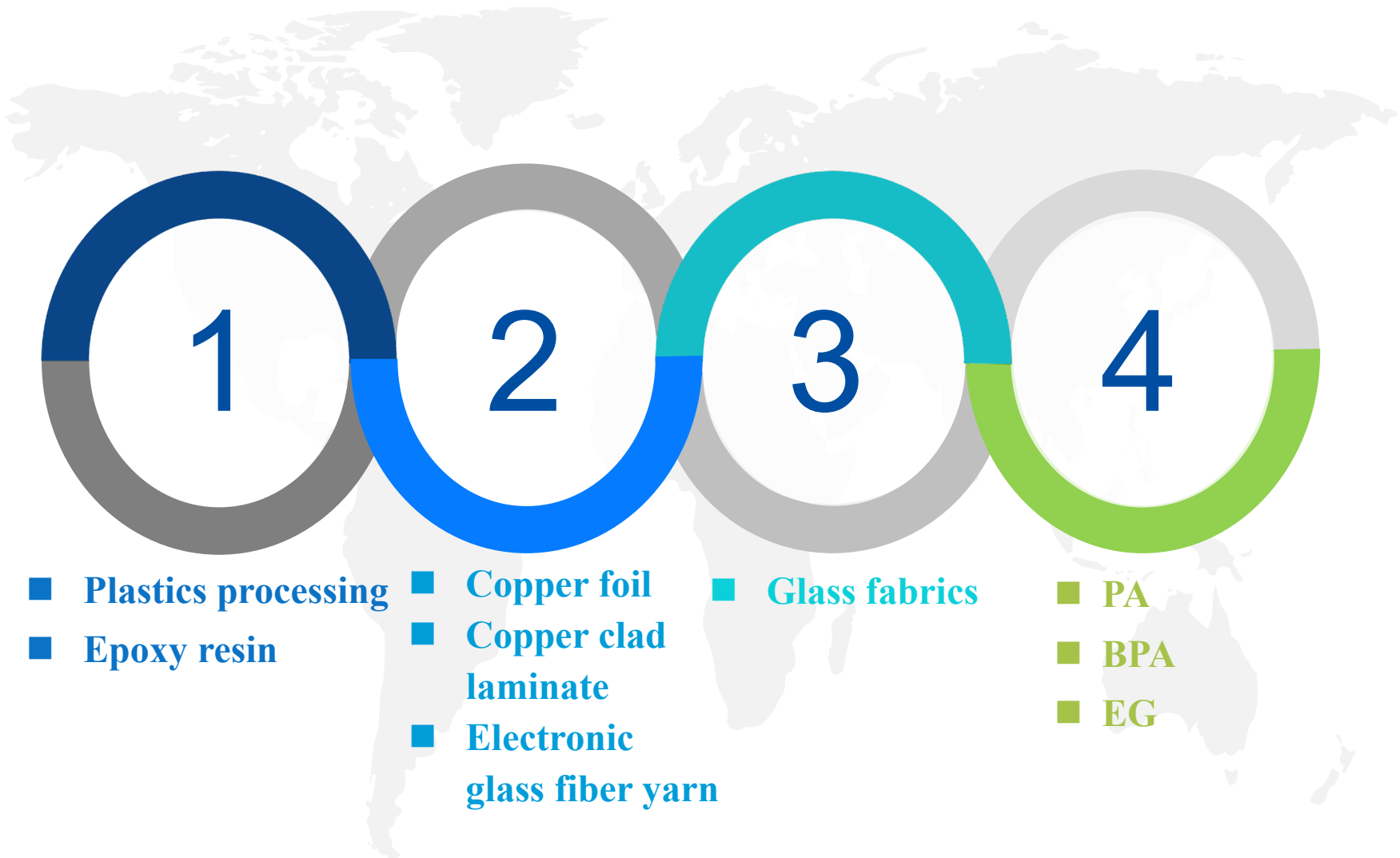
- **Total number of Plants 106**
 - 59 in Taiwan
 - 39 in China
 - 8 in US

- **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 5th



Overview

History



Plastics Processing

1958



Nan Ya USA
& America Co.

- Texas
- Louisiana
- South Carolina

1979



Nanya Tech Co.

1995



Chemicals

1999

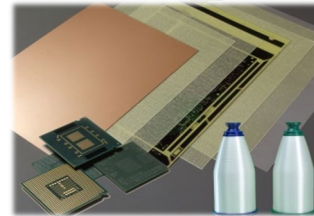
Polyesters

1969



Electronics
& Nan Ya PCB Co.

1986



Investing in
China

1994

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



Overview

Major Businesses

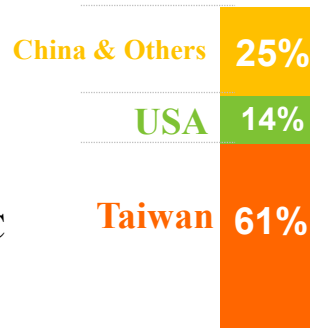
Sales breakdown in 2022



Plastics

12%

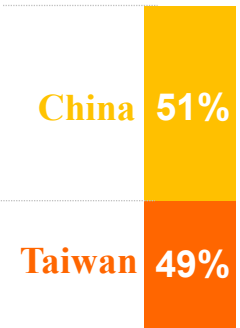
PVC Sheeting, PVC Rigid Film, PU Leather, PVC Rigid Pipe & Fittings, Window & Door Frames, Films, Engineering and PVC Compounds, PP Synthetic Paper



Electronics

45%

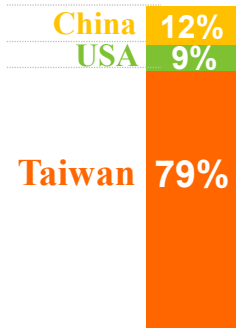
Glass Yarn, Glass Fabrics, Epoxy Resin, Copper Foil, Copper Clad Laminate, Printed Circuit Board



Chemicals

23%

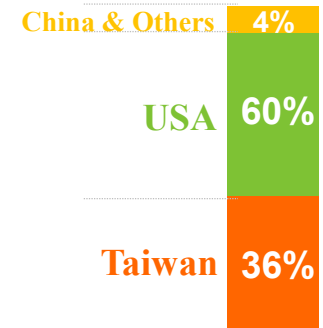
EG, BPA, 1,4BG, Plasticizer, PA, 2EH, INA, MA



Polyesters

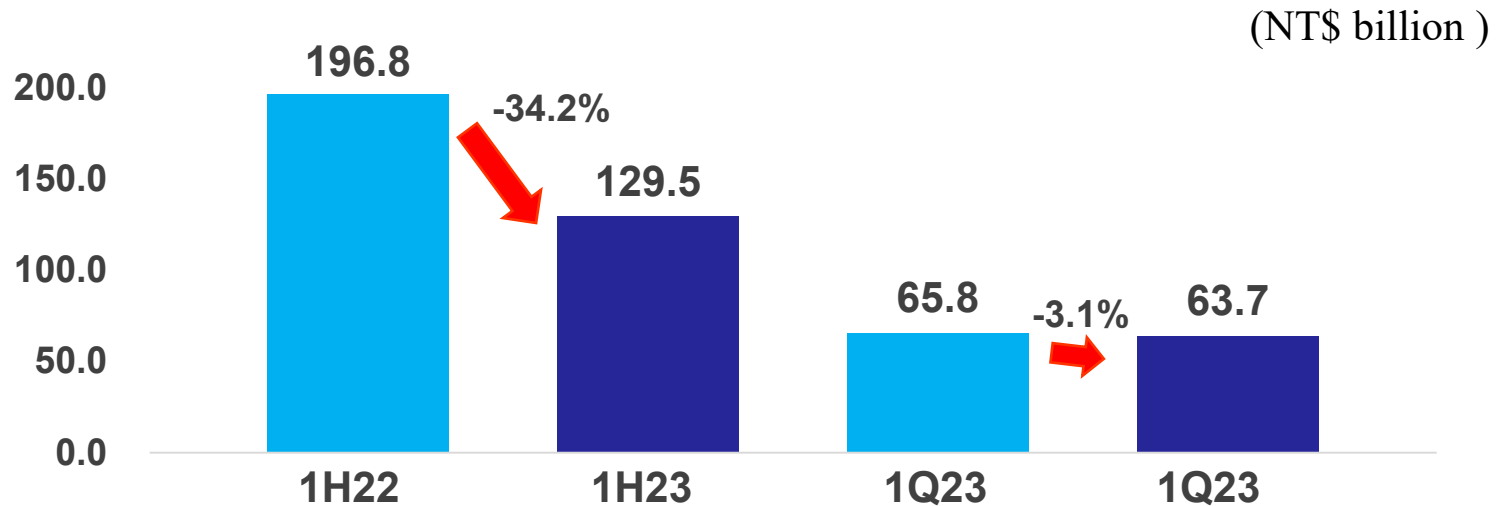
18%

Polyester Staple Fiber, PET Resin, Filament, PET Film



Financial Highlights

Consolidated Revenue (IFRS)



- **Revenue in 2023 1H decreased 34.2% YOY due to:**

The planned shutdown of certain production lines in EG plants and the decline in prices of other chemical products, adding up the reduced market demand of electronic material, polyester, and plastic processing products, leading the revenue declined.

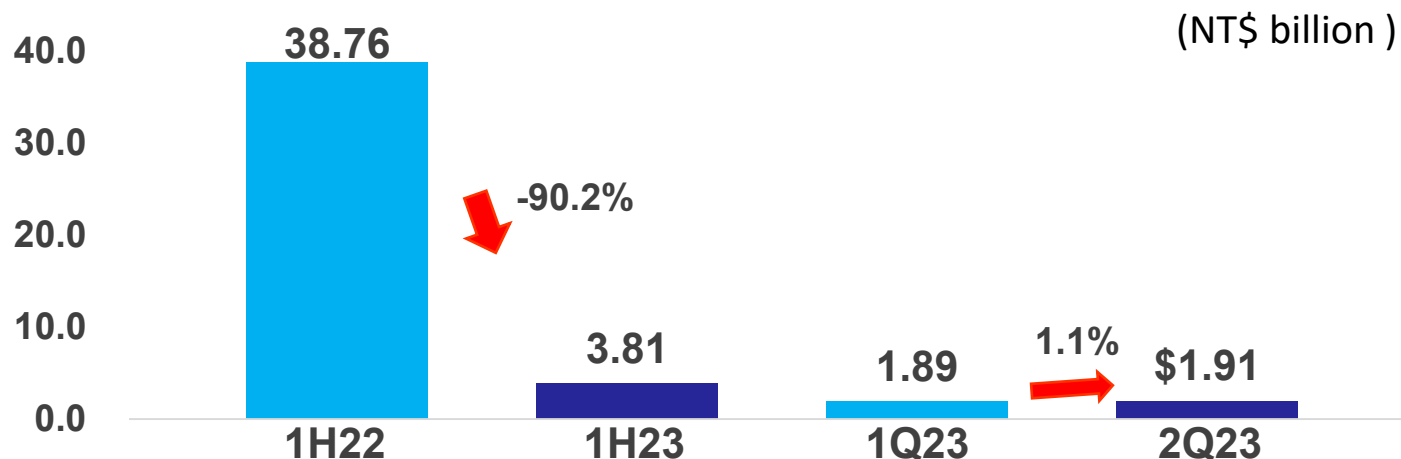
- **Revenue in 2023 2Q decreased 3.1% QoQ due to:**

Better operation of plastic processing and polyester products, and the restart of certain chemical production lines. However, the revenue of electronic material products decreased due to being traditional slack season, causing the overall revenue slightly declined.



Financial Highlights

Pre-tax Income by (IFRS)



■ 2023 1H pre-tax income decreased 90.2% YoY due to :

1. Operating profit decreased NT\$22.87bn. Mainly due to electronic material and chemical products.
2. Equity income decreased NT\$9.08bn YoY :
(1) FPCC -NT\$6.31bn (2) Nanya Tech -NT\$4.56bn (3) Mai Liao Power +NT\$2.30bn

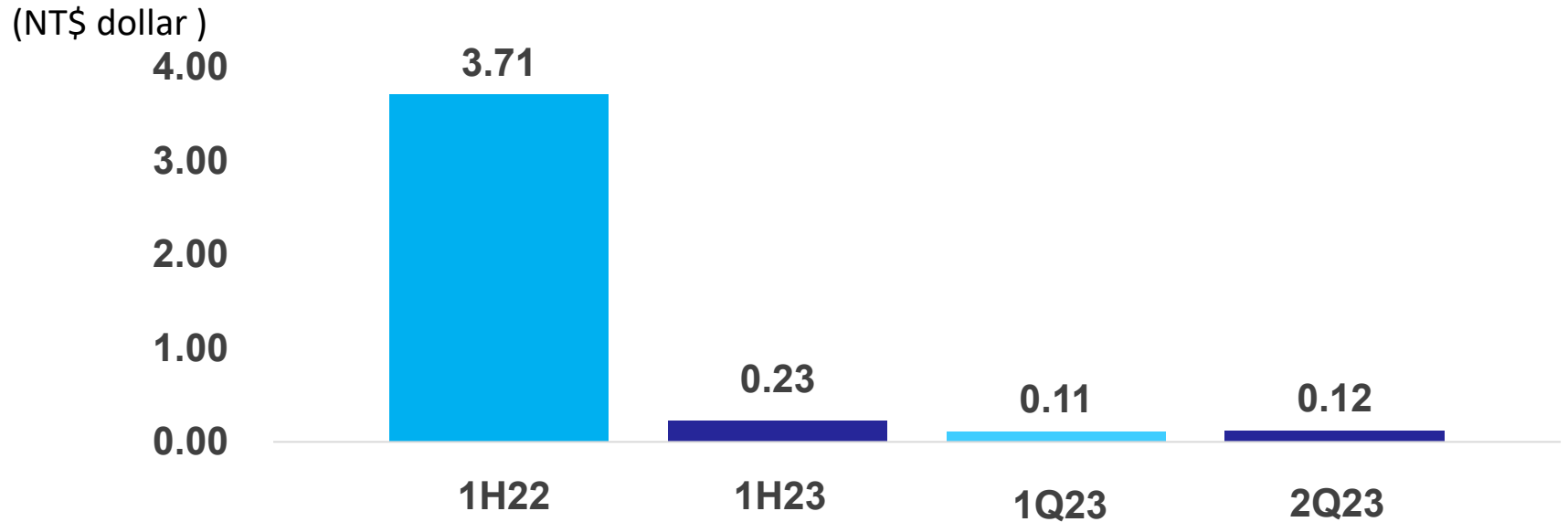
■ 2023 2Q pre-tax income increased 1.1 % QoQ due to :

1. Operating profit decreased by NT\$1.32bn. The main reason was that the revenue of electronic material products declined as experiencing the traditional slack season
2. Equity income decreased NT\$0.99bn QoQ :
(1) FPCC -NT\$1.29bn (2) Nanya Tech +NT\$0.27bn
3. Received dividends NT\$1.40bn



Financial Highlights

EPS (IFRS)



■ **EPS in 1H23 decreased NT\$3.48 YoY due to :**

The global economic climate started to decline in 2H22. The overall industry environment in 1H23 didn't obviously recover yet and was still worse than the same period last year.

■ **EPS in 2Q23 increased NT\$0.01 QoQ due to :**

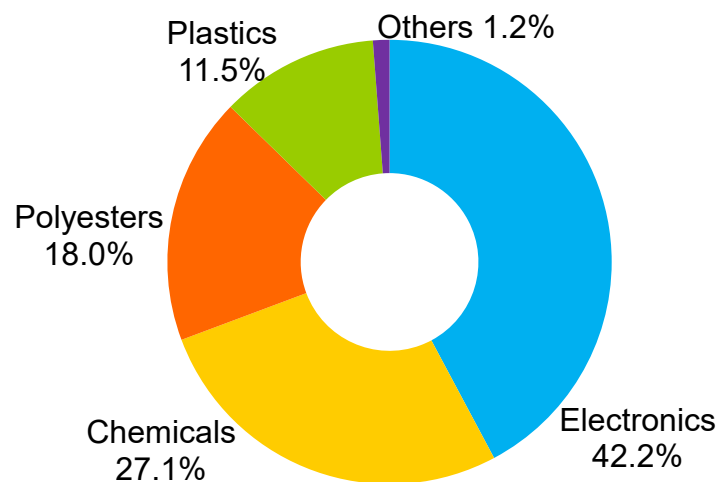
The recognition of dividend income and foreign exchange gains, the overall income slightly exceeded 1Q23.



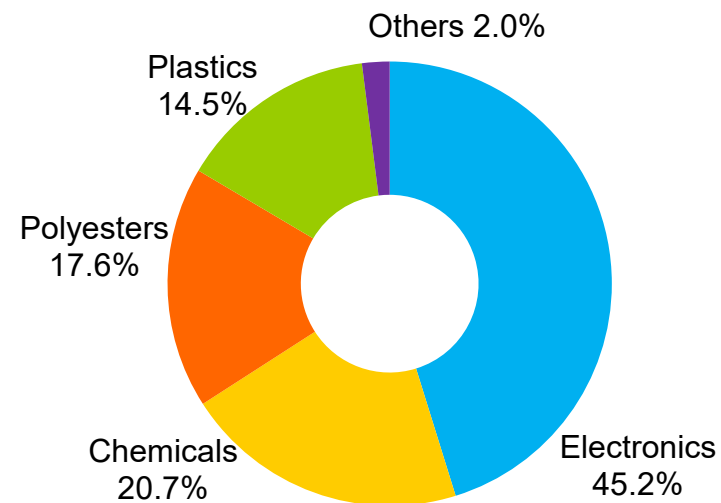
Financial Highlights

Revenue Breakdown

2022 1H Net Sales
NT\$ 196.8 billion



2023 1H Net Sales
NT\$ 129.5 billion

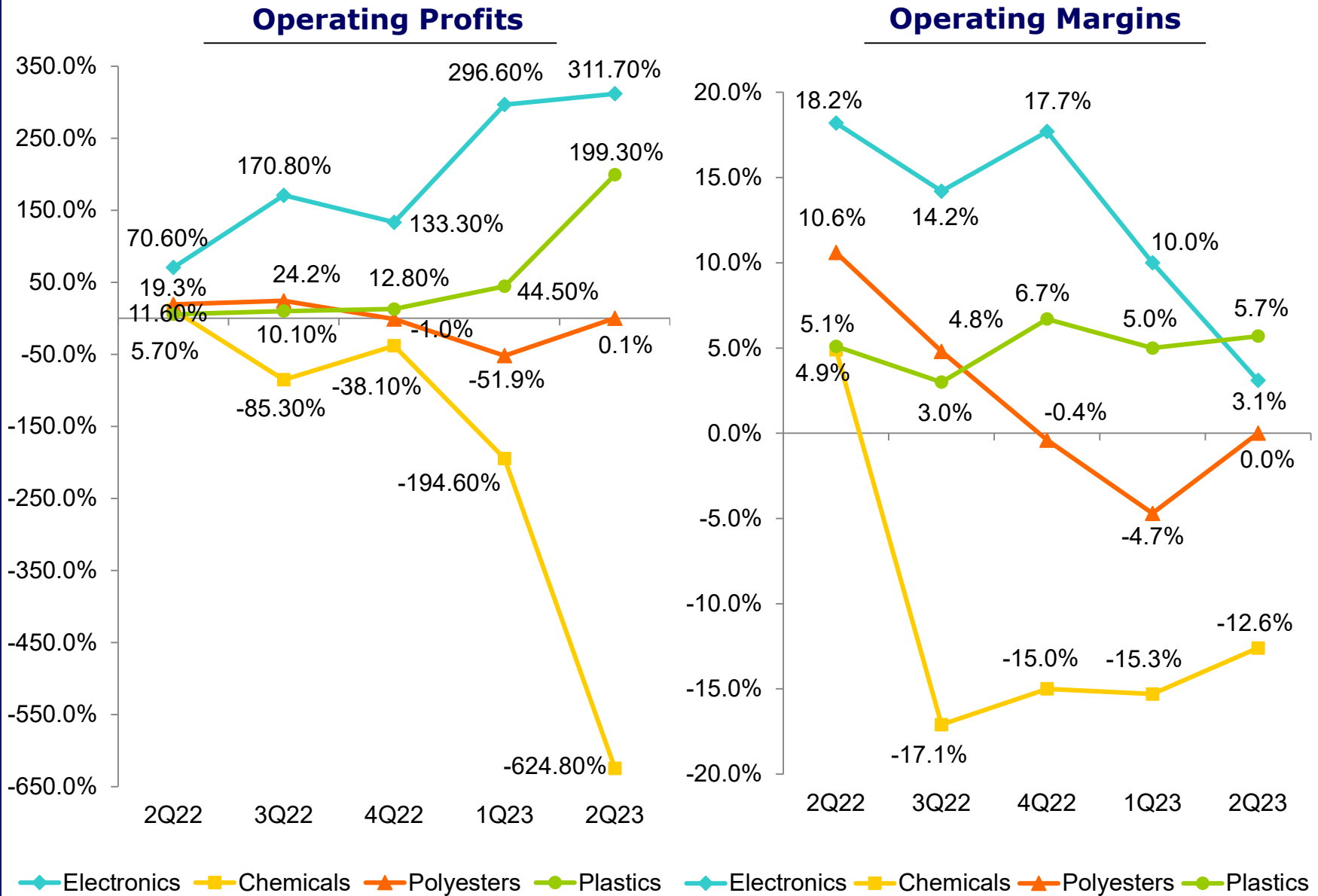


- The planned shutdown of EG plants and the decreasing selling prices of BPA, 1,4BG and other products causing the proportion of chemical products decreased in 1H23 compared with 1H22.
- In the future, the revenue still will mainly be driven by chemicals product and electronic materials products.



Financial Highlights

Operating Profits Breakdown by Product Segment



Annual Overlook

■ 2H23 Overlook

Anticipated for the latter half of 2023, customer inventory adjustments are nearing completion. Orders for networking, gaming consoles, and TV chips are rebounding. There is strong demand for servers and automotive applications. Furthermore, with the onset of the third quarter, the traditional peak season begins, along with the introduction of new consumer electronics products, which is expected to boost demand for electronic materials. The plastic processing sector is benefiting from the reopening of dining and the revival of tourism. Additionally, China is promoting policies to stimulate consumer spending, leading to a gradual increase in demand.

■ Annual Operating Strategies

- ◆ 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	2023/12
	Blood bag and Leukocyte reduction filter system	Thousand Set	0	2,970	100	2023/7
	PBAT CHIP	KMT	0	36	100	2024/6
	Polyester Release Film (5 th set)	KM ²	360,000	144,000	40	2024/7
	Polyester Release Film (6 th set)	KM ²	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	2023/11
USA	Flexible PVC Sheeting	KMT	48	14	29	2024/5

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

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



THE END

