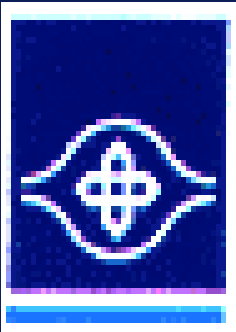

Nan Ya Plastics
1Q24
Operations & Performance

May 2024



Agenda

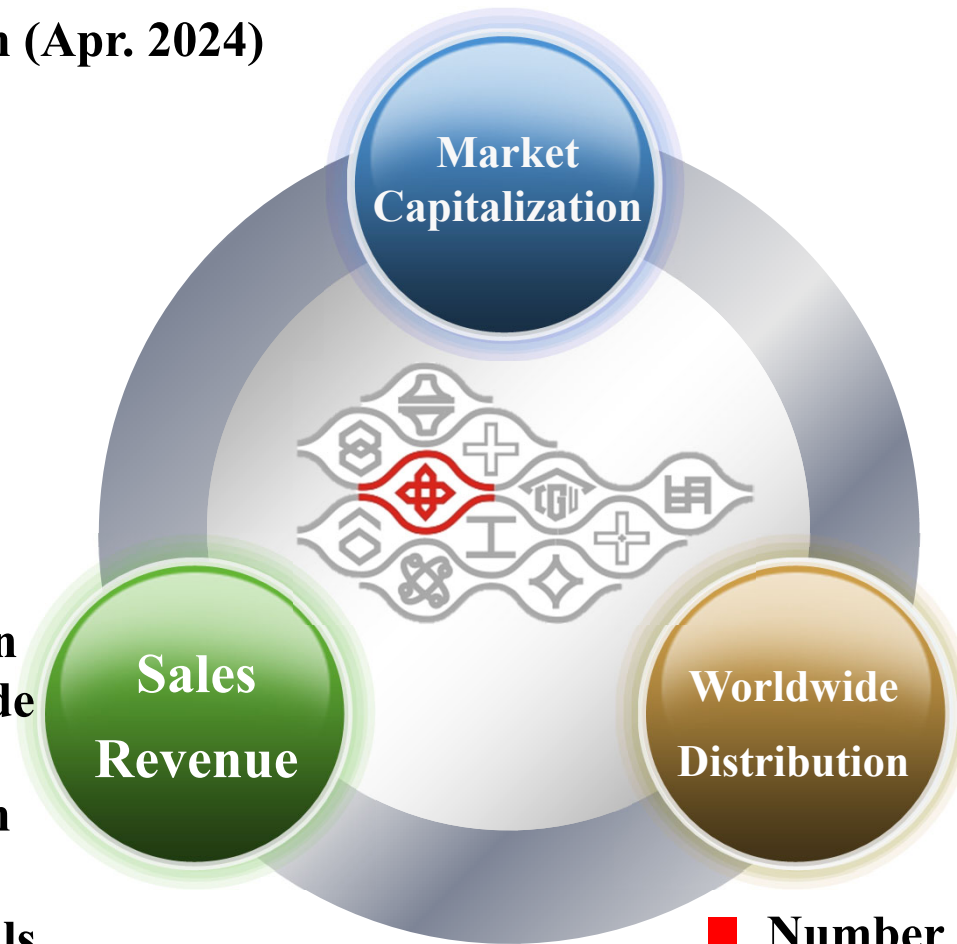
- **Overview**
- **Financial Highlights**
- **Annual Outlook**
- **Capacity Expansion Plan**
- **Q & A**



Overview

Highlights

- **Market Capitalization**
NT\$ 449.7billion (Apr. 2024)



- **NT\$ 259.8 billion**
(Y2023, not include Nanya Tech. Co.)

- **Sales breakdown**
 - 15% in plastics
 - 21% in chemicals
 - 44% in electronics
 - 17% in polyesters

- **Total number of Plants 104**
 - 59 in Taiwan
 - 37 in China
 - 8 in US

- **Number of Employees 30,392**

(The number of Plants and Employees includes the consolidated financial reporting company)



Overview

Leading market positions for capacity



■ Plastics processing

■ Epoxy resin

■ Glass fabrics

■ PA

■ Copper foil

■ BPA

■ Copper clad laminate

■ EG

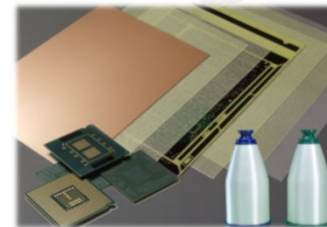
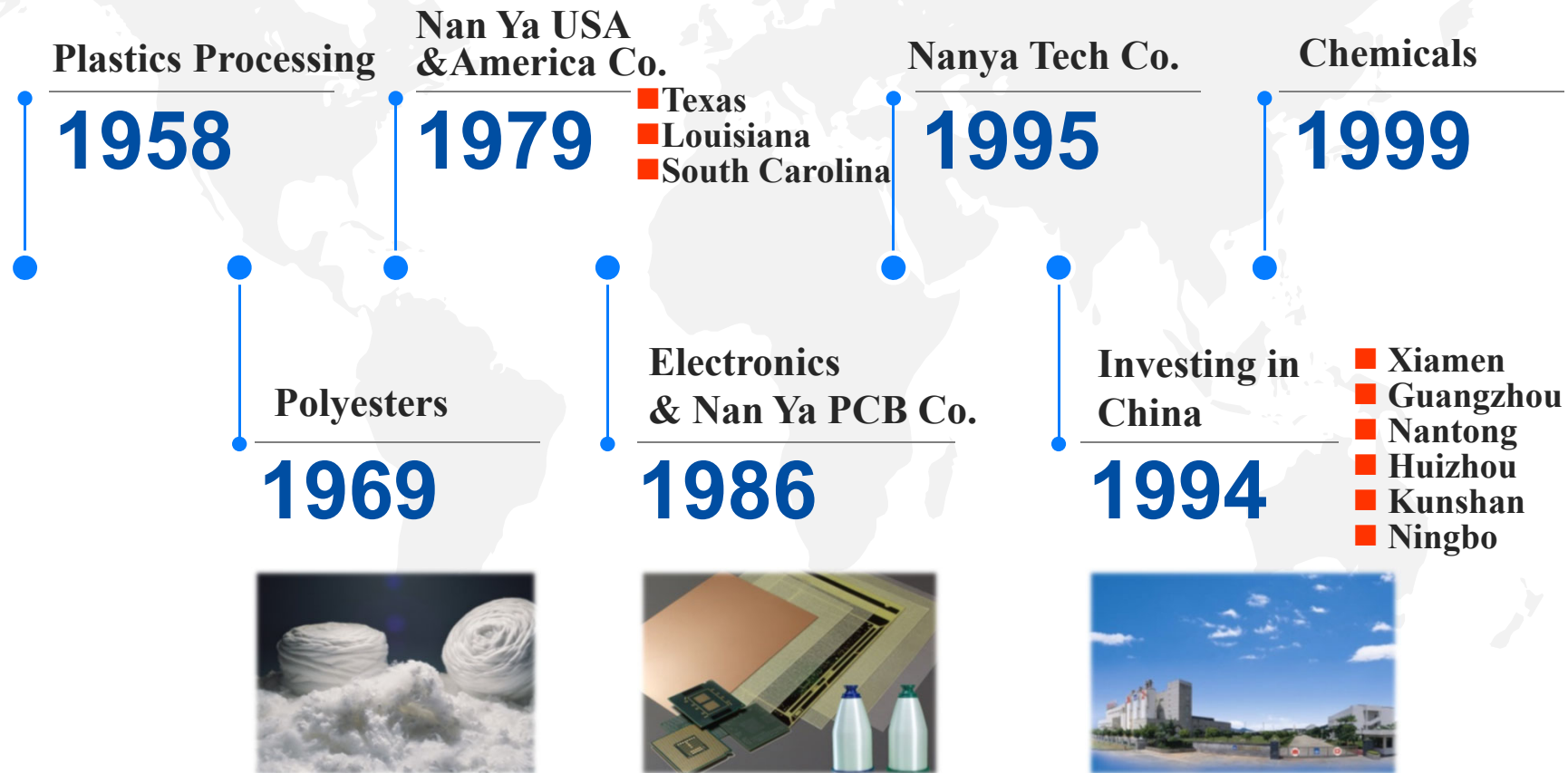
■ Electronic glass fiber yarn



※Plasticizer products ranked 5th

Overview

History



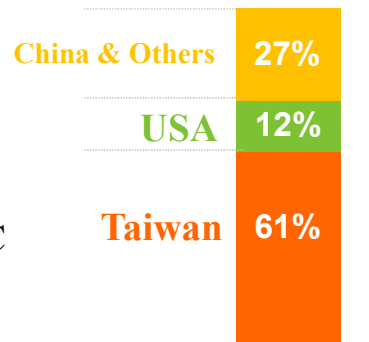
Overview

Major Businesses

Sales breakdown in 2023

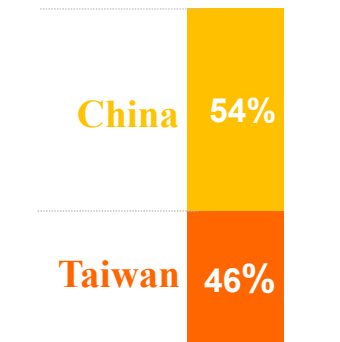
Plastics 15%

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



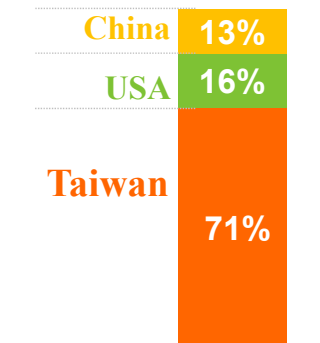
Electronics 44%

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



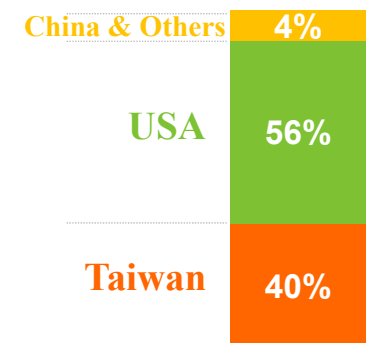
Chemicals 21%

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



Polyesters 17%

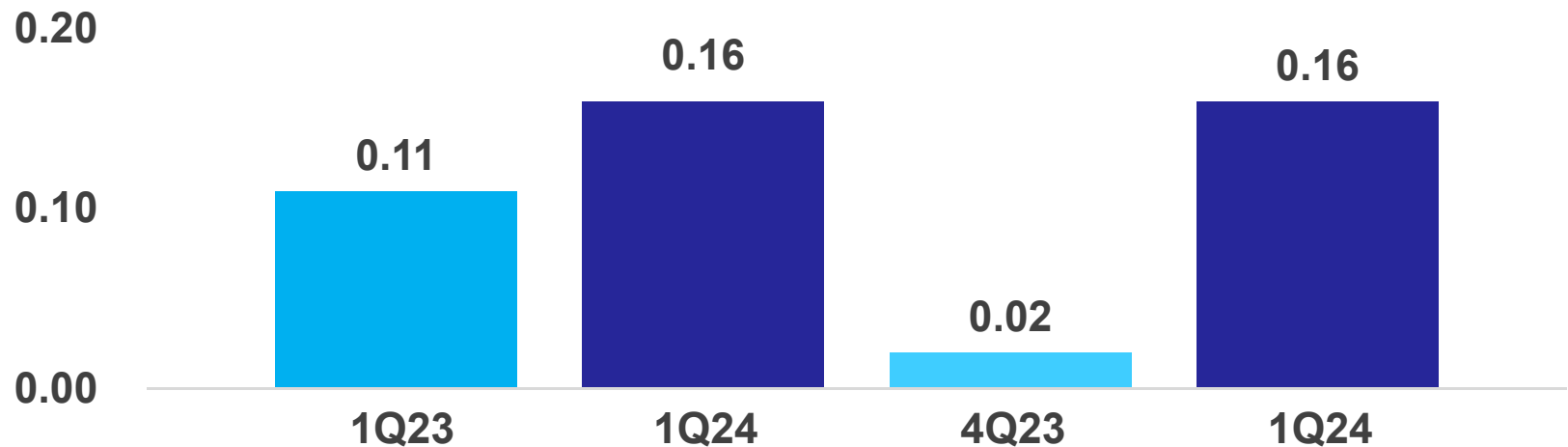
Polyester Staple Fiber, PET Resin, Filament, PET Film



Financial Highlights

EPS (IFRS)

(NT\$ dollar)



■ EPS in 1Q24 increased YoY due to :

The improvement in the market conditions of chemical products such as 2EH and plasticizers, adding up the increase in overall market demand of polyester and plastic processing products, coupled with investment income and foreign exchange gain, the EPS is higher than the same period last year.

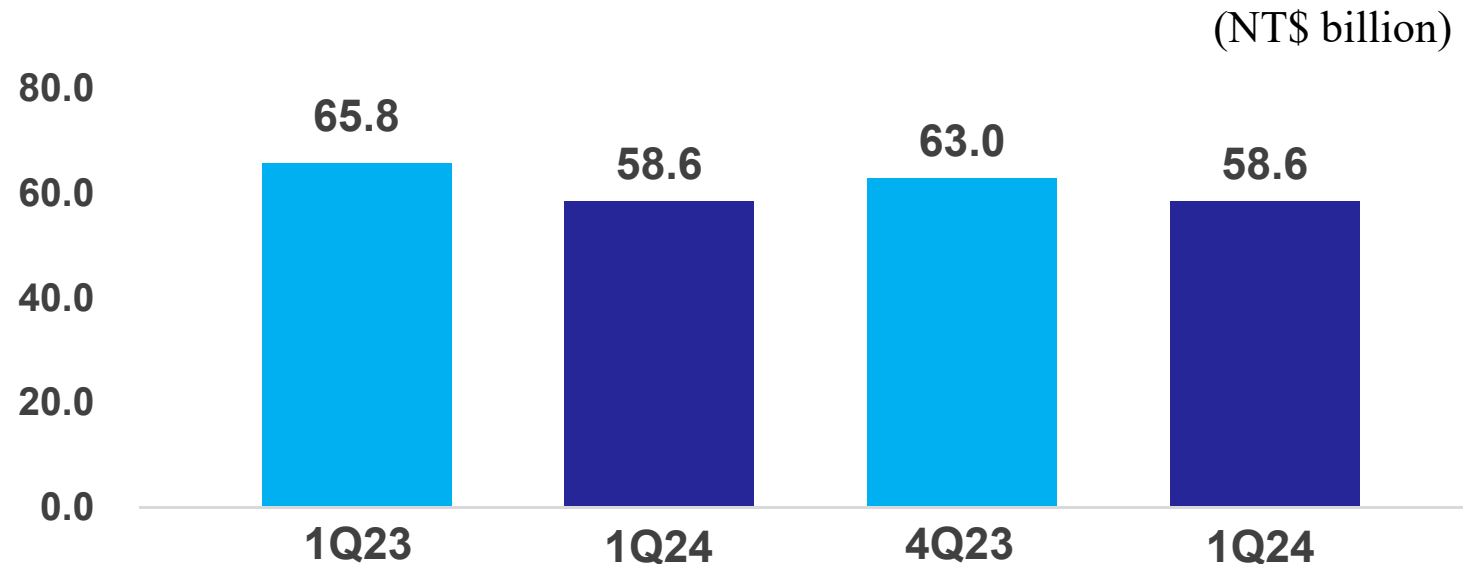
■ EPS in 1Q24 increased QoQ due to :

Besides the margins of EG improved, the profits of polyester and plastic processing products grew due to U.S. customers are more willing to replace imports with local procurement, leading the overall profits increased in United States. In addition, the investment income was better and foreign exchange gain was more favorable, resulting in a higher EPS than the previous quarter.



Financial Highlights

Consolidated Revenue by Quarter (IFRS)



- **Revenue in 1Q24 decreased YOY due to:**

The main reason is that PCB is still stuck in the unfavorable environment of the U.S.-China tech war, and its performance is not as good as the same period last year. The revenues of other products mostly remain unchanged.

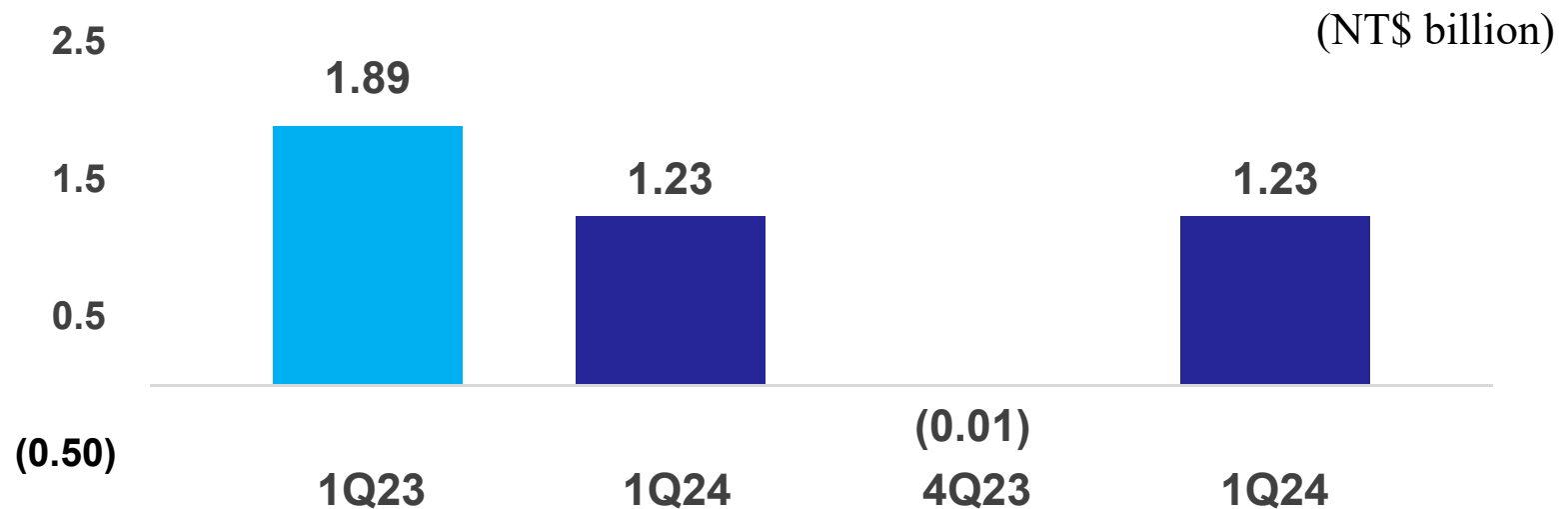
- **Revenue in 1Q24 decreased QoQ due to:**

The volume of product shipments in Taiwan and China decreased due to the Chinese New Year holiday, and revenue declined. However, market demand has shown signs of improvement after the Chinese New Year holiday, and the monthly consolidated operating revenue in March has reached the highest level within recent 5 months, gradually warming up.



Financial Highlights

Pre-tax Income by Quarter (IFRS)



■ 1Q24 pre-tax income decreased YoY due to :

1. Operating profit decreased mainly due to the profits of PCB have not yet recovered to last year's level.
2. Equity income increased NT\$0.44bn YoY :
 - (1) Formosa Heavy Industries Corp. +NT\$0.22bn
 - (2) FPCC +NT\$0.14bn
 - (3) Nanya Tech +NT\$0.14bn

■ 1Q24 pre-tax income increased QoQ due to :

1. Due to the Chinese New Year holiday, the operating profit in Taiwan and mainland China decreased.
2. Equity income increased NT\$1.65bn QoQ :
 - (1) FPCC +NT\$0.82bn
 - (2) Formosa Heavy Industries Corp. +NT\$0.47bn
 - (3) Nanya Tech +NT\$0.37bn



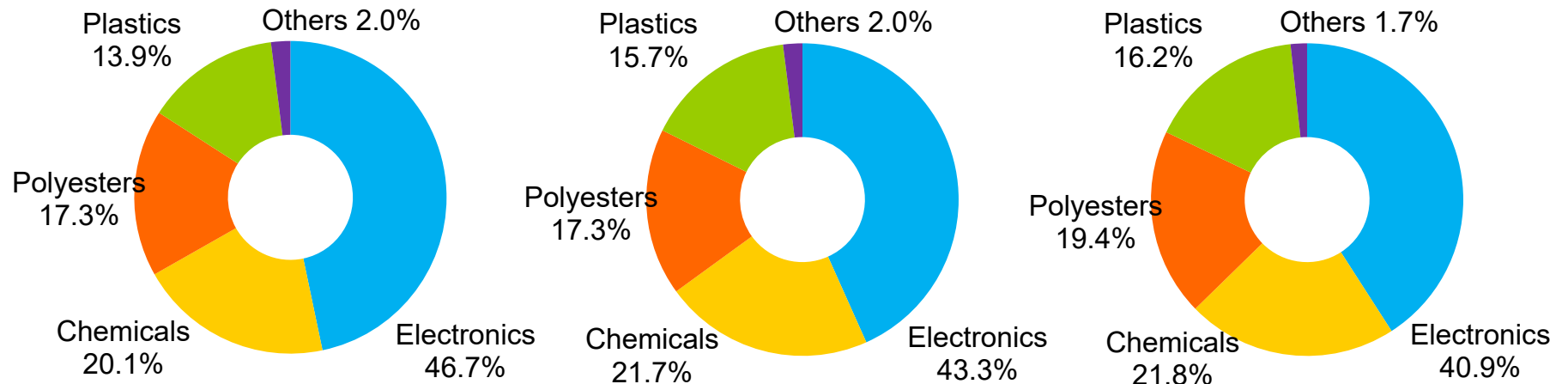
Financial Highlights

Revenue Breakdown (Quarter)

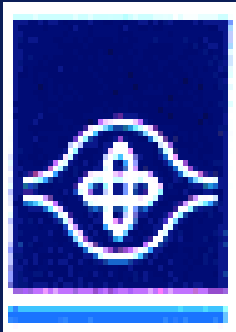
1Q23 Net Sales
NT\$ 65.8 billion

4Q23 Net Sales
NT\$ 63.0 billion

1Q24 Net Sales
NT\$ 58.6 billion



- Compared with 1Q23 and 4Q23, the revenue proportion of electronic material products decreased due to the weak market consumption momentum and impact from U.S.-China tech war.
- The United States was not affected by the Chinese New Year holiday, coupled with shipping tensions on the East Coast leading the customers in United States are more willing to replace imports with local procurement, therefore the revenue proportion of polyester and plastic processing products increased compared to 4Q23.
- Due to moderate demand growth and stable orders, the revenue proportion of plastic processing products increased compared to 1Q23.



2Q24 Overlook and Annual Operating Strategies

■ 2Q24 Overlook

- ◆ The demand for high-frequency copper foils applied in networking and server experiencing stable growth due to strong demand for AI-related products. Coupled with international copper prices maintaining an upward trend recently, customers have become more proactive in building up their inventories, driving revenue of electronic material products growth.
- ◆ The recent increase in oil prices is expected to provide support to the market for chemical products on the cost side. Additionally, BPA successfully filled the market gap after the cessation of production by Japanese manufacturers, along with Ningbo Plant operating at full capacity, the shipping volumes will increase, leading to growth in overall revenue.

■ Annual Operating Strategies

- ◆ Aim to capture market development trends by focusing on core areas such as high-speed communications, innovative AI applications, new energy vehicles, and automotive electronic substrates to pioneer materials in the technology industry .
- ◆ Develop health-related medical materials, as well as recycling and green technology products. This initiative will drive the development of a series of upstream and downstream industries.



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	2024/5
	Copolymers with high PIA and PETG	KMT	0	36	100	2024/12
	Polyester Release Film (5 th set)	KM ²	360,000	144,000	40	2025/2
	Polyester Release Film (6 th set)	KM ²	360,000	144,000	40	2025/2
	Solar Photovoltaic System (Note2)	KW	-	54,663	100	2024/11
Mainland China	Copper Foil	KM	60,000	23,400	39	2025/6
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 Nov. 2024.



THE END

