
Nan Ya Plastics
1H24
Operations & Performance

Aug. 2024



Agenda

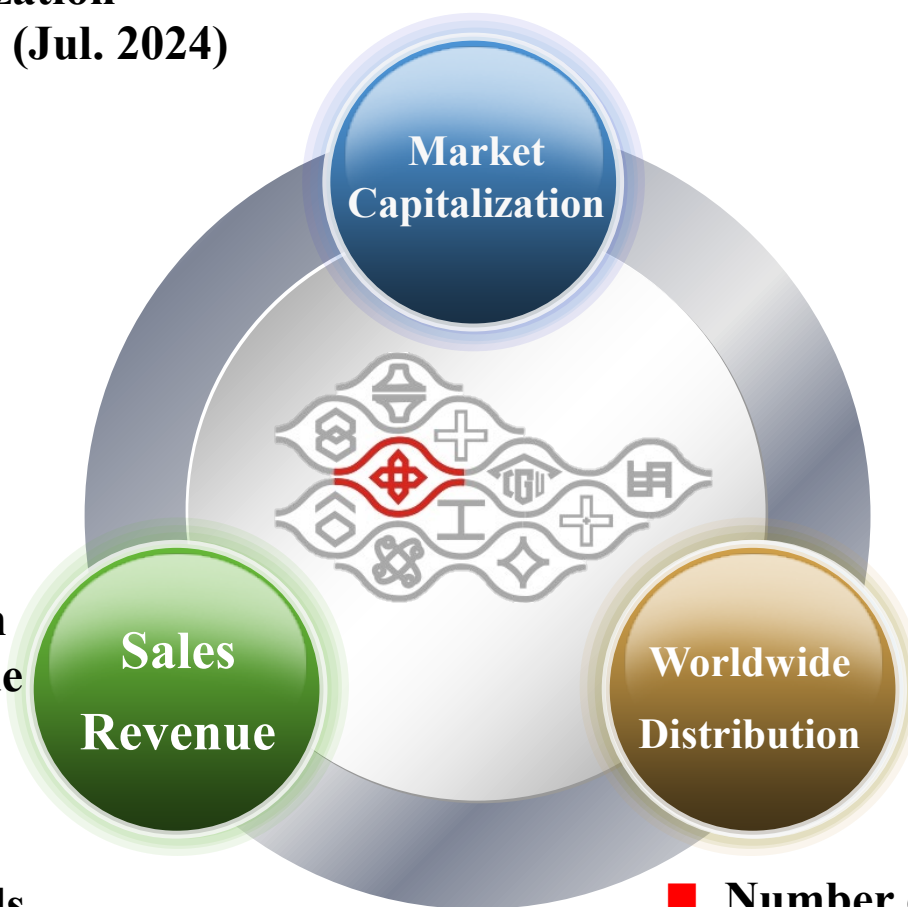
- **Overview**
- **Financial Highlights**
- **Annual Outlook**
- **Capacity Expansion Plan**
- **Q & A**



Overview

Highlights

- **Market Capitalization**
NT\$ 394.2billion (Jul. 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

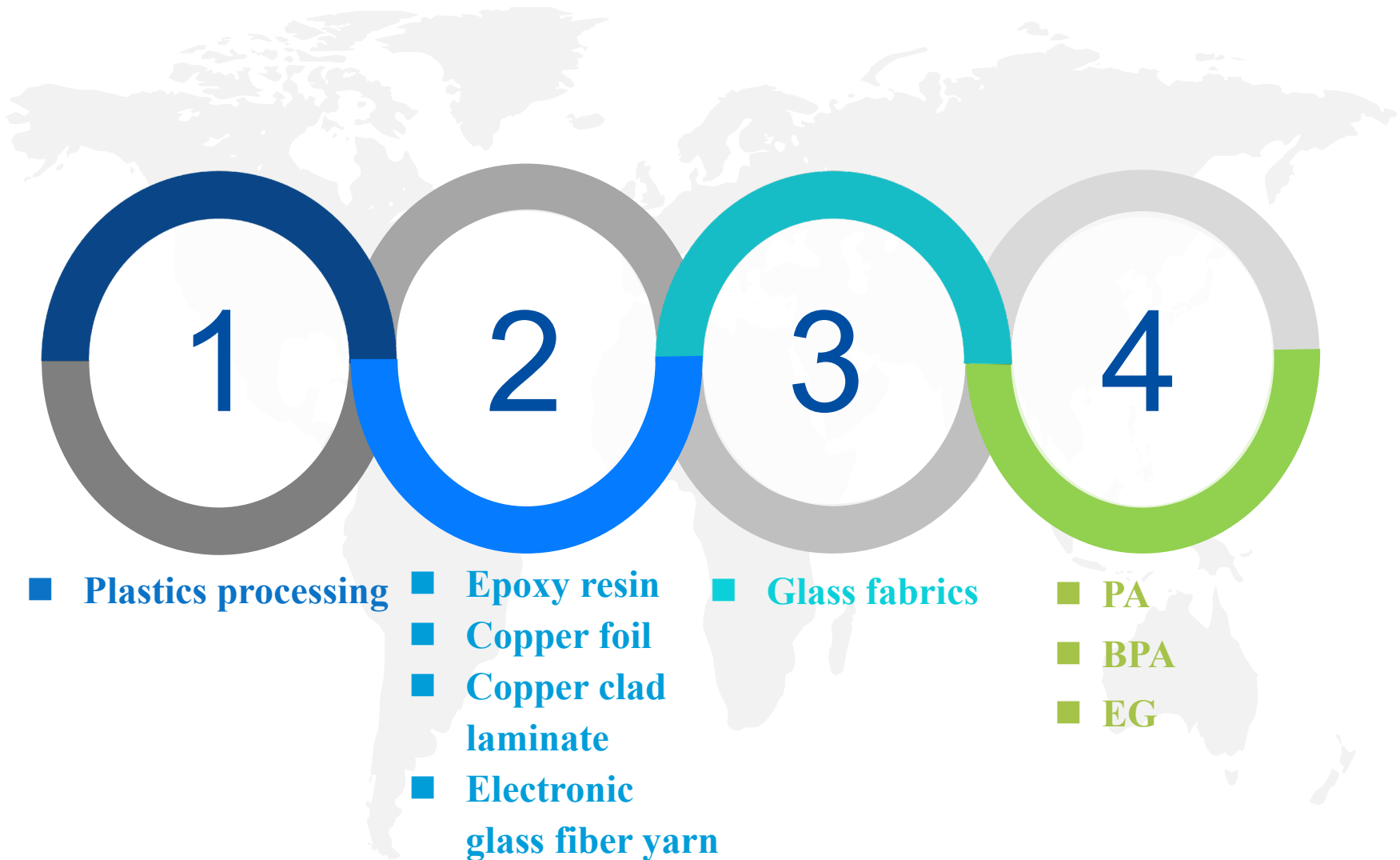
- **Total number of Plants 104**
 - 59 in Taiwan
 - 37 in China
 - 8 in US

- **Number of Employees 30,392**
(The number of Plants and Employees includes the consolidated financial reporting company)



Overview

Leading market positions for capacity



※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

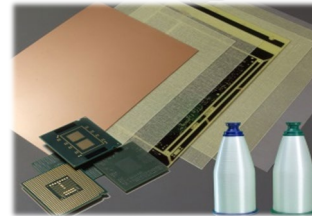
Polyesters

1969



Electronics
& Nan Ya PCB Co.

1986



Investing in
China

1994

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



Overview

Major Businesses

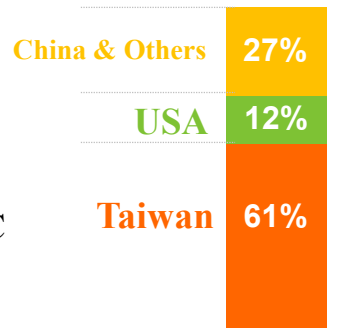
Sales breakdown in 2023



Plastics

15%

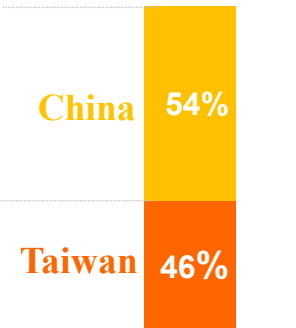
PVC Sheeting, PVC Rigid Film, PU Leather, PVC Rigid Pipe & Fittings, Window & Door Frames, Films, Engineering and PVC Compounds, PP Synthetic Paper



Electronics

44%

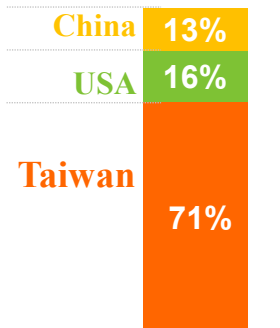
Glass Yarn, Glass Fabrics, Epoxy Resin, Copper Foil, Copper Clad Laminate, Printed Circuit Board



Chemicals

21%

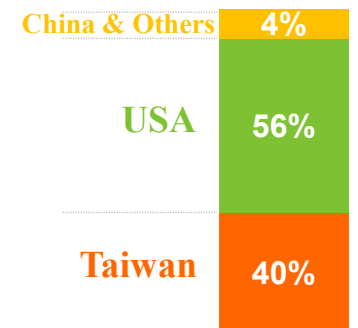
EG, BPA, 1,4BG, Plasticizer, PA, 2EH, INA, MA



Polyesters

17%

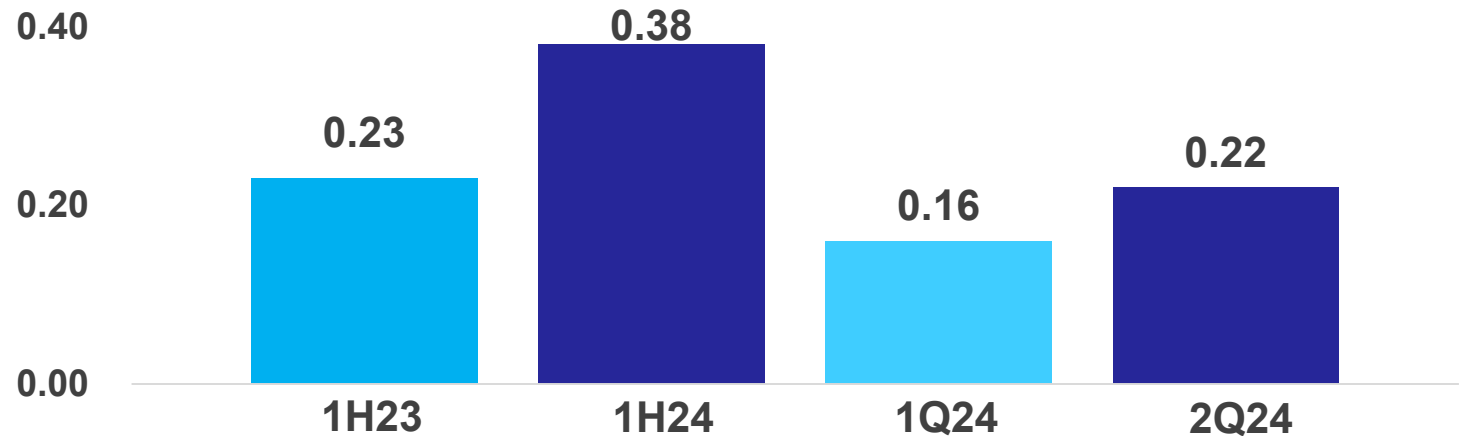
Polyester Staple Fiber, PET Resin, Filament, PET Film



Financial Highlights

EPS (IFRS)

(NT\$ dollar)



- **EPS in 1H24 increased YoY due to :**

Except for the profits of PCB, which were relatively lower this year because of the higher base in the same period last year, the operating performance of all other products such as electronic materials, chemicals, plastics processing, and polyester had exceeded the same period last year. In addition, with the increase in investment income, making the EPS higher than 1H23.

- **EPS in 2Q24 increased QoQ due to :**

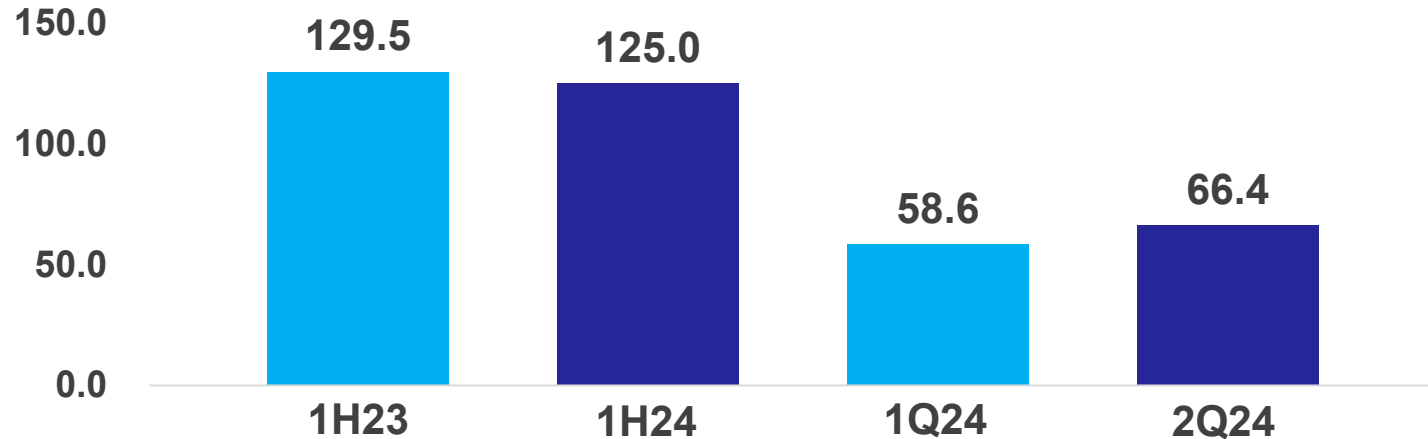
Benefited from the development of AI applications, increased demand for home appliances, and rising copper prices, the profit of electronic materials products increased significantly compared to the previous quarter. Coupled with the market for polyester and plastic processing products also gradually recovered, leading to an increase in EPS.



Financial Highlights

Consolidated Revenue by Quarter (IFRS)

(NT\$ billion)



- **Revenue in 1H24 decreased YOY due to:**

AI technology innovations boosting demand for electronic materials and a mild economic recovery driving orders for plastic processing and polyester products, but last year's high PCB revenue created a strong comparative base, causing this year's revenue to decrease relatively.

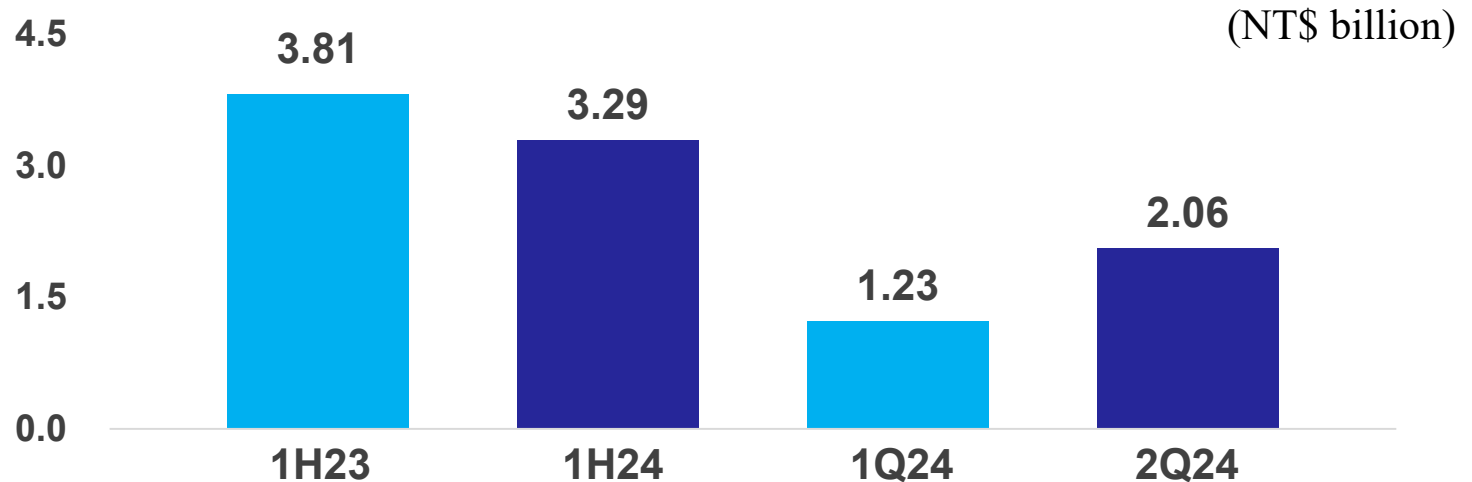
- **Revenue in 2Q24 increased QoQ due to:**

AI development increased hardware demand, the global energy transition raised copper prices, and the Paris Olympics and China's subsidies boosted home appliance replacements, significantly increasing the revenue of electronic materials. Adding up the plastic processing, chemical, and polyester markets also improved from the previous quarter, leading to revenue growth.



Financial Highlights

Pre-tax Income by Quarter (IFRS)



■ 1H24 pre-tax income decreased YoY due to :

1. Operating profit decreased mainly due to the higher profit of PCB last year. However, the operation in the second quarter has improved.
2. Equity income increased NT\$1.54bn YoY :
 - (1) FPCC +NT\$1.04bn
 - (2) Mailiao Power Corp. +NT\$0.39bn
 - (3) Nanya Tech +NT\$0.13bn

■ 2Q24 pre-tax income increased QoQ due to :

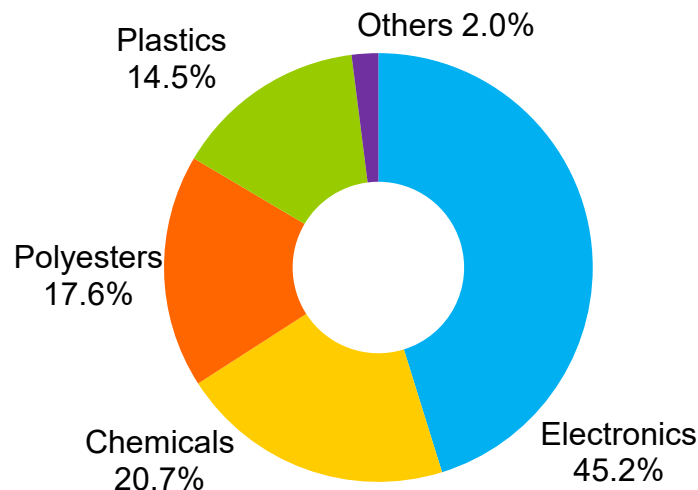
1. Operating profit increased mainly due to the significant growth in electronic materials. Coupled with stable contribution of plastic processing and increasing orders of polyester.
2. Equity income decreased NT\$0.35bn QoQ :
 - (1) FPCC -NT\$0.53bn
 - (2) Nanya Tech +NT\$0.12bn



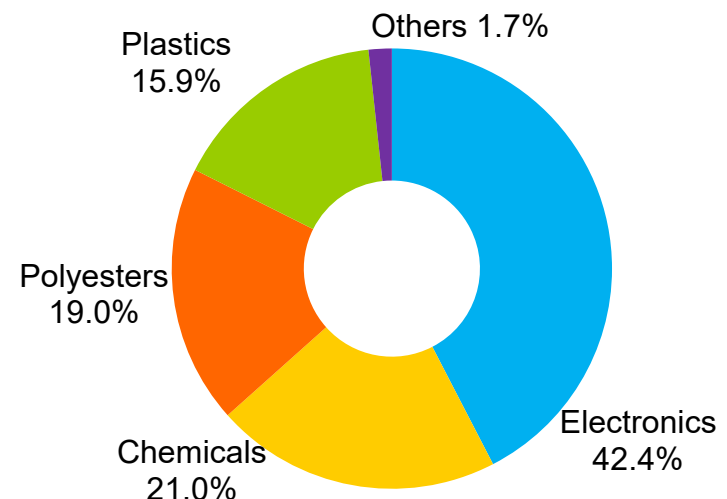
Financial Highlights

Revenue Breakdown (Quarter)

1H23 Net Sales
NT\$ 129.5 billion



1H24 Net Sales
NT\$ 125.0 billion



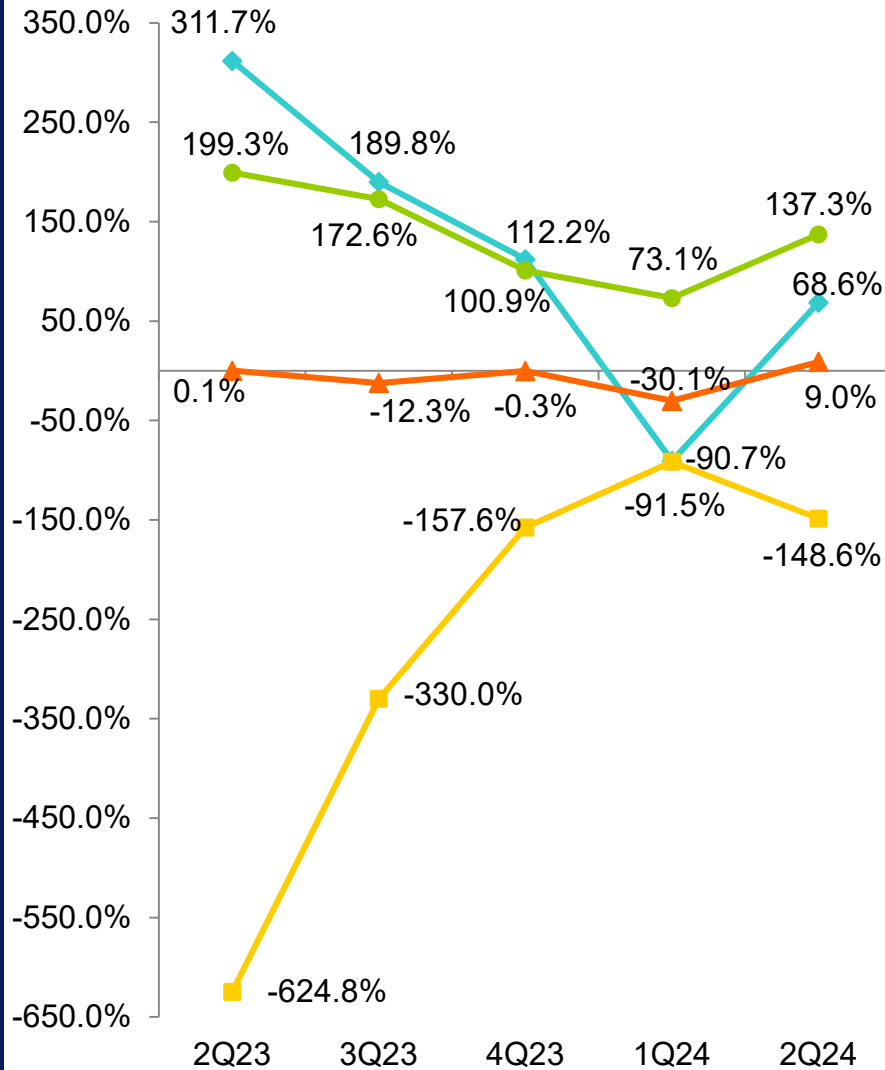
- Compared with 1H23, the revenue proportion of electronic material products decreased due to the weak market consumption momentum and impact from U.S.-China tech war.
- Due to the shipping tensions on the East Coast, the customers in United States are more willing to replace imports with local procurement, therefore the revenue proportion of polyester products increased compared to 1H23.
- Due to moderate demand growth and stable orders, the revenue proportion of plastic processing products increased compared to 1H23.



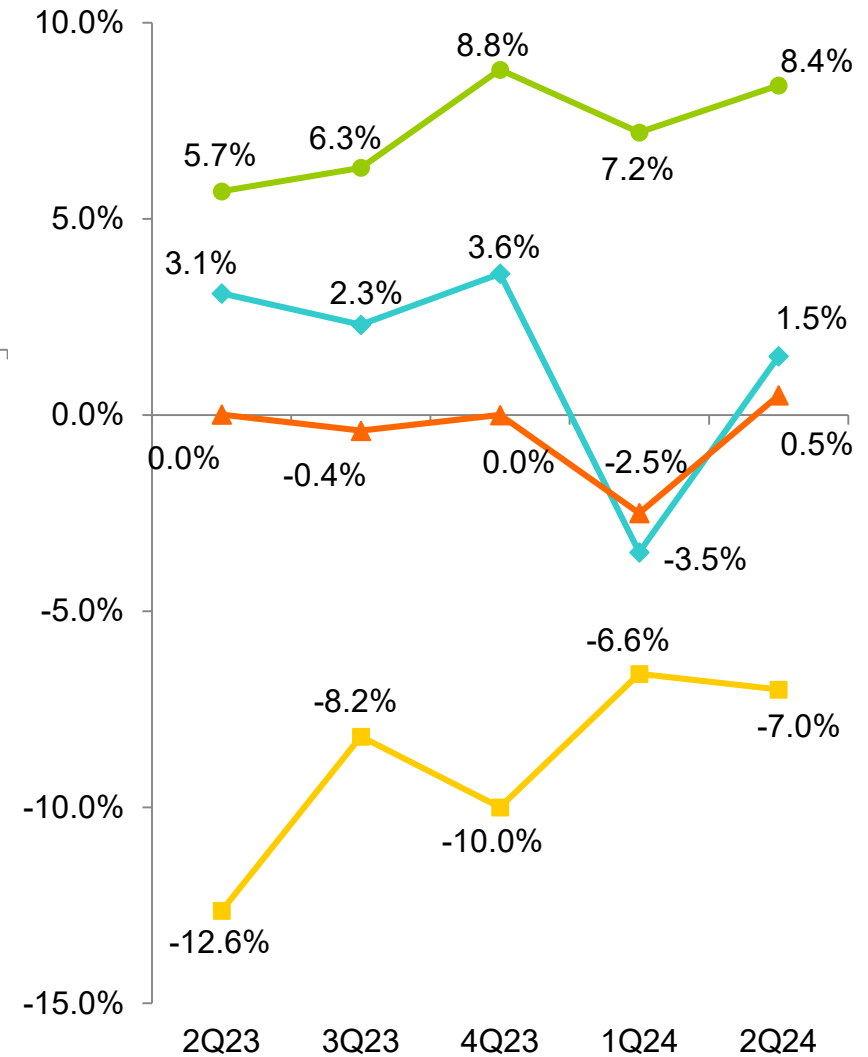
Financial Highlights

Operating Profits Breakdown by Product Segment

Operating Profits



Operating Margins



◆ Electronics
 ■ Chemicals
 ▲ Polyesters
 ● Plastics
 ◆ Electronics
 ■ Chemicals
 ▲ Polyesters
 ● Plastics



2Q24 Overlook and Annual Operating Strategies

■ 3Q24 Overlook

- ◆ The electronics industry is entering its traditional peak season, and with the launch of new brand models driving a wave of upgrades, consumer electronics demand is heating up. Additionally, the stable market conditions for high-speed materials used in networking, servers, and automotive applications are expected to boost revenue growth for electronic materials products.
- ◆ In the chemical products sector, the supply of EG from China has decreased due to industry maintenance and the impact of typhoons, which helps support market prices.
- ◆ For polyester products, the summer season has brought about peak demand for bottle-grade pellets and general pellets. Additionally, the ongoing shortage of shipping space from Asia to the U.S. East Coast is advantageous for attracting U.S. import customers to shift their orders to our South Carolina plant.

■ 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	2024/6
	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	2025/4
	Polyester Release Film (6 th set)	KM ²	360,000	144,000	40	2025/4
	Solar Photovoltaic System (Note2)	KW	-	54,663	100	2024/12
Mainland China	Copper Foil	KM	60,000	23,400	39	2025/6
USA	Flexible PVC Sheeting	KMT	48	14	29	2024/10

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

Note2: Successively completed from Nov. 2022 to Dec. 2024.



THE END

