



NAN YA PLASTICS CORPORATION

Press Release

2021/4/9

Nan Ya Plastics Corporation March 2021 non-audited Consolidated Operating Revenue Announcement

I. MoM Comparison:

Units: NT\$ thousands

2021/3	2021/2	Diff.	Growth rate (%)
34,372,304	25,991,621	8,380,683	32.24

The consolidated operating revenue of 2021/3 was 34,372 million, the highest record in history, increased by 8,381 million (32.24% growth) compared to 2021/2, which included 5,762 million increasing in sales volume variance, and 2,619 million increasing in sales price variance. With the gradual recovery of the economy in various countries, trade activities had become more active, and the continuous vaccination had also stimulated market confidence, boosted global consumption momentum, and encouraged stocking and procurement in various industries. Besides, the recent snowstorm in Texas affected the supply of petrochemicals and chemical raw materials, which pushed up the prices and revenues of raw materials and various products. At the same time, the trend of continuous development of the information and communication industry, remote connection business, and the stay-at-home economy remain unchanged, accompanied by the technological innovation and market expansion of the automotive electronics and electric vehicle industries. With the influence of all the above favorable factors, monthly and quarterly consolidated revenue both broke the record, furthermore, the Q1 profit and EPS also achieved the highest Q1 record.

Among the consolidated revenues in March, the parent company in Taiwan accounted for 49.9%, the subsidiaries in China accounted for 28.3%, the subsidiaries in the US accounted for 8.9%, and other subsidiaries (Nanya PCB, etc.) accounted for 12.9%. In terms of products, electronic material products accounted for 42.5%, chemical products accounted for 28.5%, polyester products accounted for 14.6%, and plastic products accounted for 12.9%.

1. Analysis by region:

(1) Taiwan: increased by 5,285 million (35.81% growth).

Due to the strong market demand, revenue of various products increased.

(2) China: increased by 2,498 million (28.45% growth).

The stay-put Chinese New Year policy enabled the downstream industry to quickly put in place after the new year, driving the revenue growth of various products.

(3) U.S.: increased by 598 million (24.35% growth).

Since one-third of the population in the United States were vaccinated with the first dose of vaccine, the market consumption momentum had increased significantly. Coupled with the tight supply of raw materials, the sales price and volume of polyester and plastic products had increased, resulting in higher revenue.

2. Analysis by product:

(1) Electronic material products: increased by 3,394 million (sales volume +2,322, sales price +1,072).

The demand for 5G, computers, servers, game consoles, and automotive electronics remained robust, coupled with the

increasing price of epoxy resins driven by chemical raw materials, resulting in substantial growth in the revenue of electronic materials products.

(2) Chemical products: increased by 2,548 million (sales volume +1,316, sales price +1,232).

a. Phthalate plasticizers: increased by 836 million (sales volume +554, sales price +282).

The downstream processing industry promptly resumed business after the Spring Festival holiday. Under the condition of strong demand for people's livelihood, orders for material preparation increased sharply, leading to an increase in product sales. Also, product prices increased in response to costs, resulting in revenue growth.

b. BPA: increased by 807 million (sales volume +68, sales price +739).

The production capacity of raw materials phenol and acetone had not been restored due to the shutdown of some factories in Asia and the climate in Texas, causing the tight supply, leading to the higher price of BPA. Besides, since the demand for BPA in China was still strong and the competitors' upcoming turnaround, the average selling price of BPA increased by 33.7%, resulting in a revenue increase.

c. EG: increased by 677 million (sales volume +612, sales price +65).

The Mailiao EG2 plant was scheduled to stop the activities of production and sales in February (2/1~2/18), while the production in March was under full operation, resulting in

higher sales volumes. The price increase was due to competitors' shut down caused by the extreme cold storm in Texas, which affected the market supply.

(3)Plastic products: increased by 1,216 million (sales volume +1,106, sales price +110).

Since the better control of the Covid-19 pandemic, consumer demand for people's livelihood had become stronger, and the market demand for construction and automobile had gradually increased, resulting in greater sales of various plastic products, revenue increased.

(4)Polyester products: increased by 1,112 million (sales volume +907, sales price +205).

Demand for polyester pellets, yarn, and staple fiber all increased significantly, leading to revenue growth.

II. YoY Comparison:

Units: NT\$ thousands

2021/3	2020/3	Diff.	Growth rate (%)
34,372,304	23,244,809	11,127,495	47.87

Compared to 2020/3, revenue increased by 11,127 million (47.87% growth), which included 4,358 million increasing in sales volume variance and 6,770 million increasing in sales price variance. It was mainly due to the spread of the Covid-19 last March, which impacted global economic activities, while in this March since the vaccine was gradually being used globally, the economy had been recovering.

1. Analysis by region

(1)Taiwan: increased by 6,462 million (47.59% growth).

As the Covid-19 pandemic was gradually under better control, people's longing for a normal life was directly reflected in the strong consumption momentum, which had greatly increased the revenue of various products.

(2)China: increased by 4,145 million (58.13% growth).

Compared with last year, the contrast in the economic condition and the application of emerging technologies such as 5G and IoT had led to significant growth in the revenue of electronic materials and other products.

(3)U.S.: increased by 520 million (20.52% growth).

Since the demand for polyester products rebounded strongly compared with last year, revenue had increased.

2. Analysis by product:

(1)Chemical products: increased by 4,591 million (sales volume +828, sales price +3,763).

a. BPA: increased by 1,761 million (sales volume +26, sales price +1,735).

The strong demand from downstream PC and Epoxy resins caused the price of BPA to rise substantially by 152.2% compared with last year, leading to revenue growth.

b. Phthalate plasticizers: increased by 1,354 million (sales volume +628, sales price +726).

The recovery of the downstream processing industry had increased the sales price and volume of plasticizers, PA, 2EH, and other products.

c. EG: increased by 978 million (sales volume -37, sales price

+1,015).

The turnaround of EG1 in Texas resulted in a decrease in sales compared to last March. In terms of the sales price, since the utilization rate of downstream polyester increased significantly compared with last March, the average price of EG was 58% higher, resulting in revenue growth.

(2)Electronic material products: increased by 4,448 million (sales volume +1,895, sales price +2,553).

The rapid growth in the market of 5G, AI, and the IoT, and the rapid development of the AI in the automotive industry, self-driving, and electric motor technology, had been forming an emerging supply chain in the automotive industry, bringing further growth to revenue and profitability in electronic materials products by integration of the next wave of industrial innovation, in addition to the remote connection business opportunities driven by the Covid-19 pandemic.

(3)Plastic products: increased by 1,037 million (sales volume +834, sales price +203).

Since the global economy rebounded from the bottom, the revenue of various plastic products had increased.

(4)Polyester: increased by 921 million (sales volume +671, sales price +250).

Since the market demand increased, overall polyester product revenue had enhanced.