

Taita Chemical Co., Ltd

2022 Investor Teleconference

Tianjin



Gu Lei



Zhong Shan



Taipei HQ



Tou Fen



Chien Chen



Lin Yuan



2022.05.18



台聚關係企業

Taita Chemical Co., Ltd

2022 Investor Teleconference

Agenda	Reported by
General Information	T.M. Yen
2021 Business Review	T.M. Yen
2022 Business Outlook	T.M. Yen
Finance Information	Tony Lin
Q & A	Paul Wu



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General Information

Established Date	April 6, 1960	Main products	ABS / SAN
Capital	NT\$3,787M (Dec.31, 2021)		GPS / IPS
Revenue (2021)	Consolidated: NT\$ 20,770M		EPS
	Individual: NT\$15,730M		GW

2022 Investor Conference General Information

Tianjin plant (Est. since Sept. 2005)



- EPS Capacity: 140K MTA
- ** Production suspended since Apr. 20, 2019

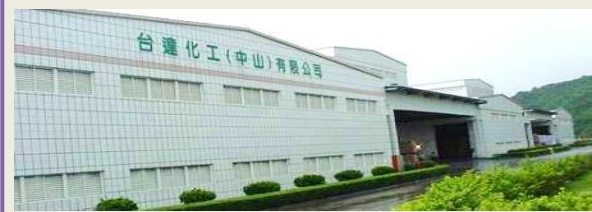
Tianjin plant

Zhang Zhou Co.

Est. since Jun. 28, 2021

Zhong Shan plant

Zhong Shan plant (est. since May, 2000)



- EPS Capacity: 180K MTA

Tou Fen plant

Chien Chen plant

Lin Yuan plant

Taipei head office
Neihu Technology Park



Glasswool plant (Est. since Mar., 1991)
Cubic plant (Est. since Jun., 1987)



- Glasswool Capacity: 10K MTA
- Cubic printing: 200K JIG Annual
- ** Production suspended since Mar. 31, 2022

Lin Yuan plan (est. since Aug., 1979)



- ABS/SAN Capacity: 120K MTA

Chien Chen plant (est. since Apr.,1960)

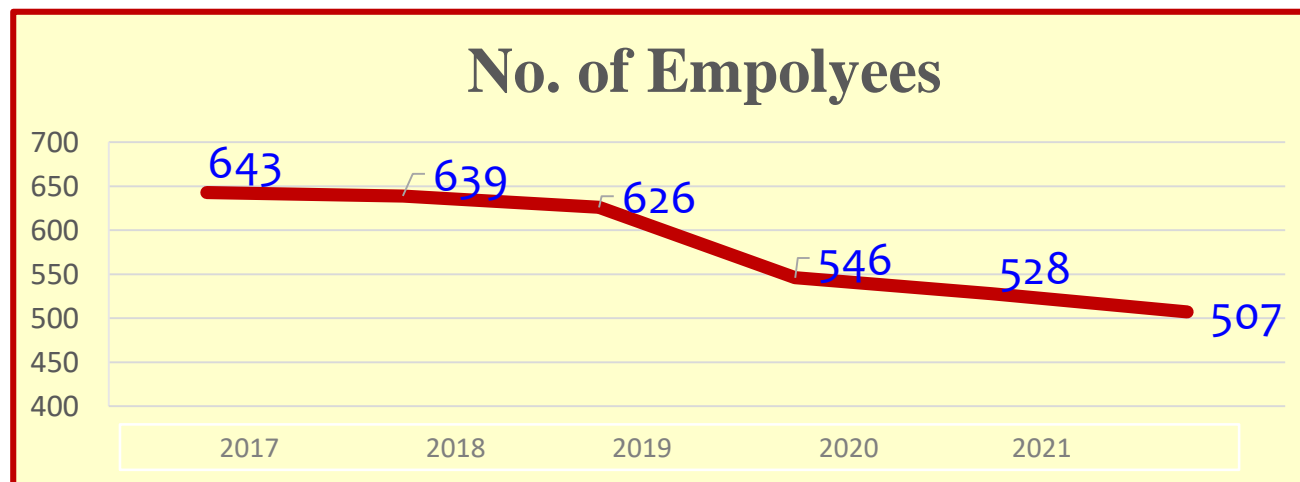
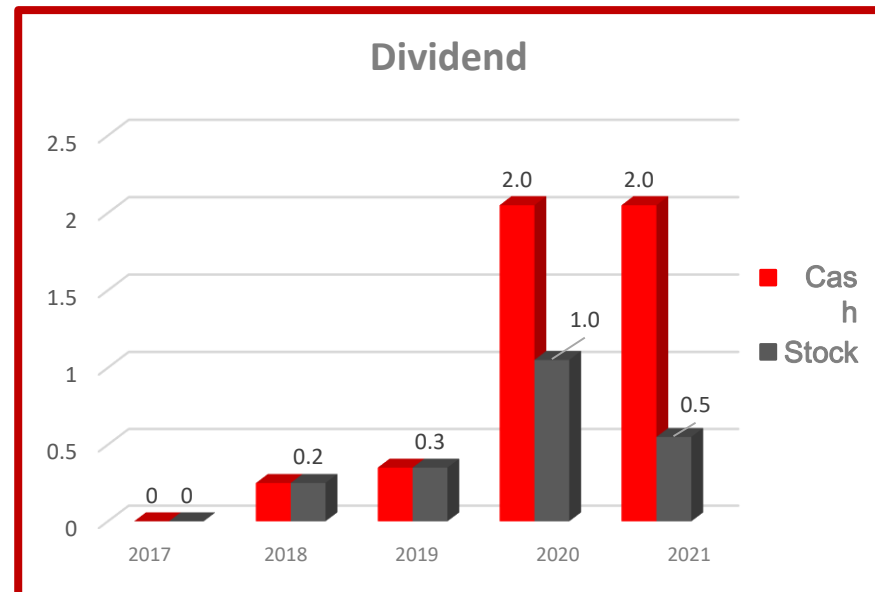
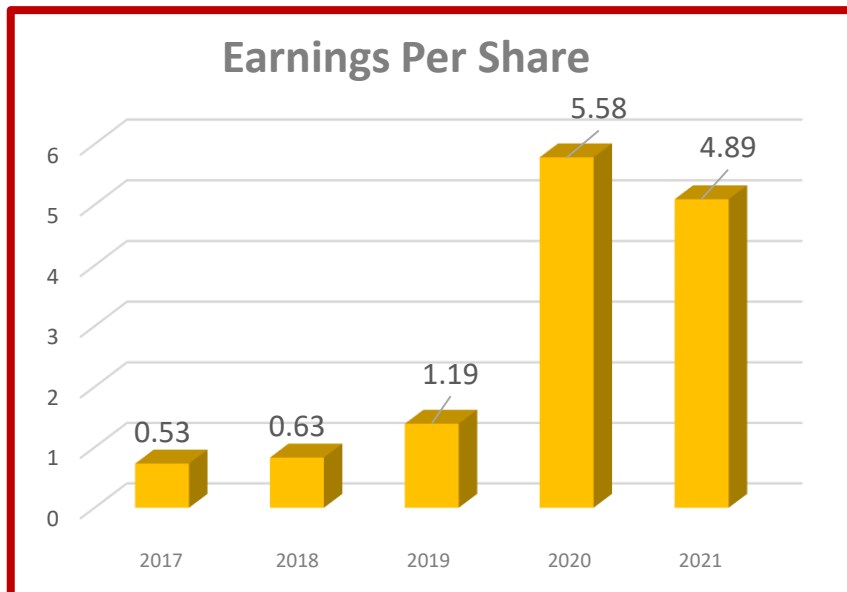


- EPS Capacity: 60K MTA
- GPS/IPS Capacity: 100K MTA



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2022 Investor Teleconference General Information



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2021 Business Review

- Overall
- Products
- Performance

2021 Business Review--Overall

COVID-19
PANDEMIC

Container
Congestion

⇒ Diversified
Market Portfolio

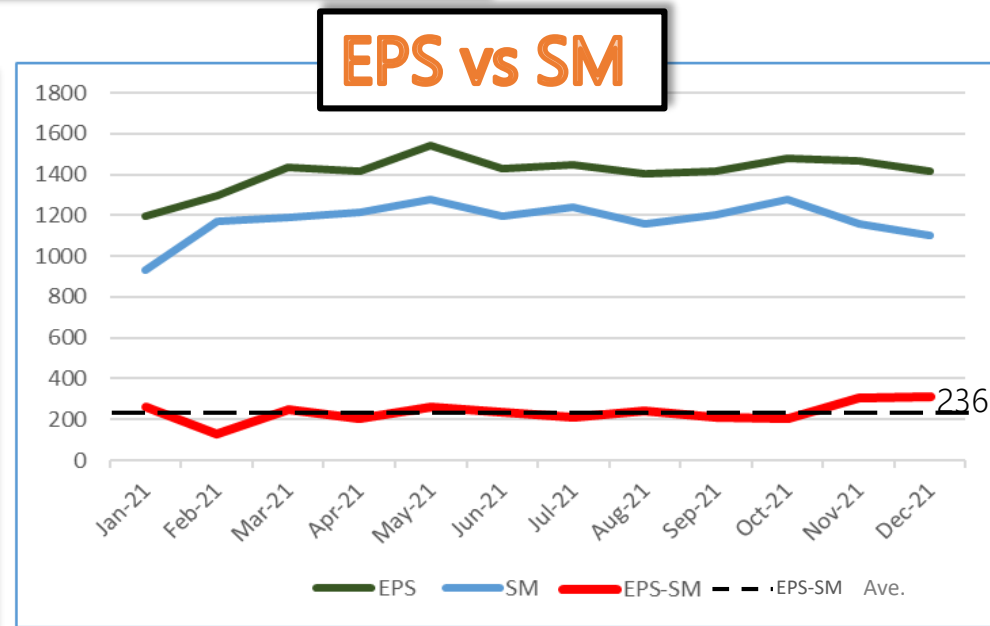
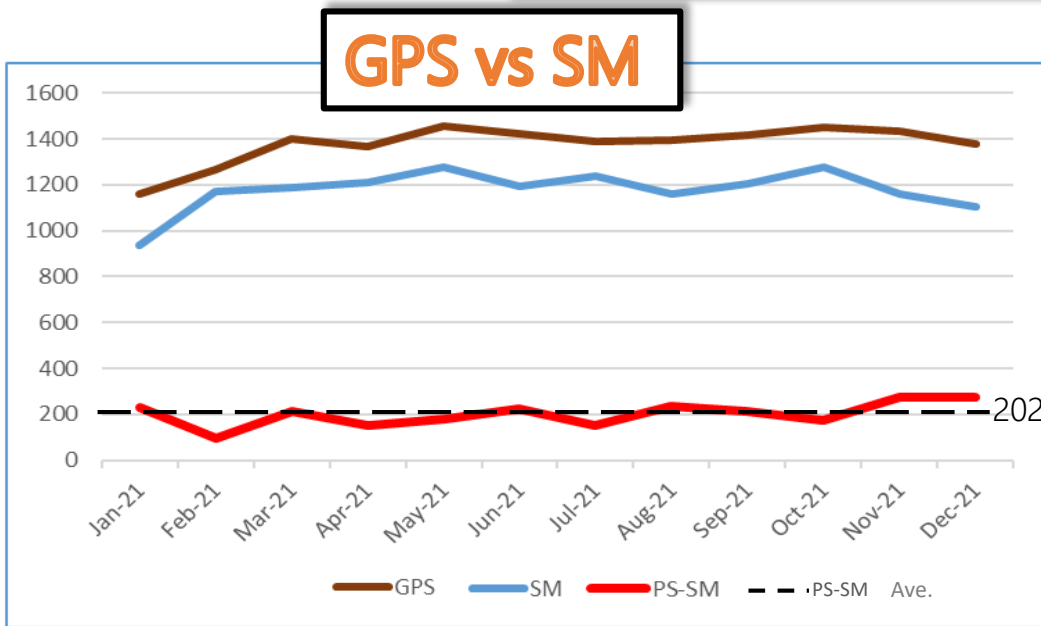
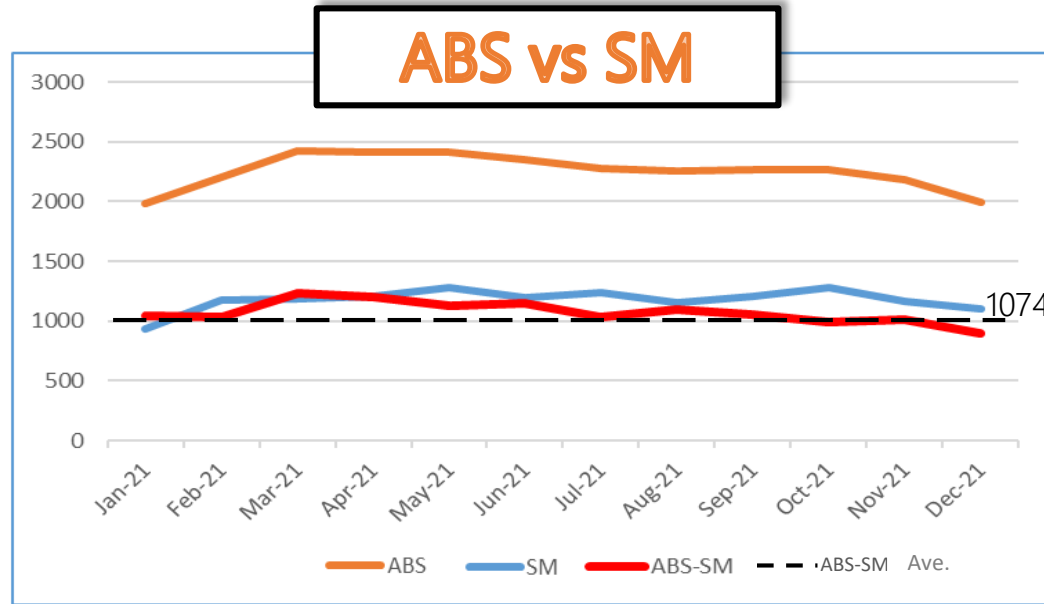
IMPACT

- ⇒ Expand loading platform,
improve efficiency
- ⇒ Include shipping
Forwarders, improve
export volume



2021 Business Review--Products

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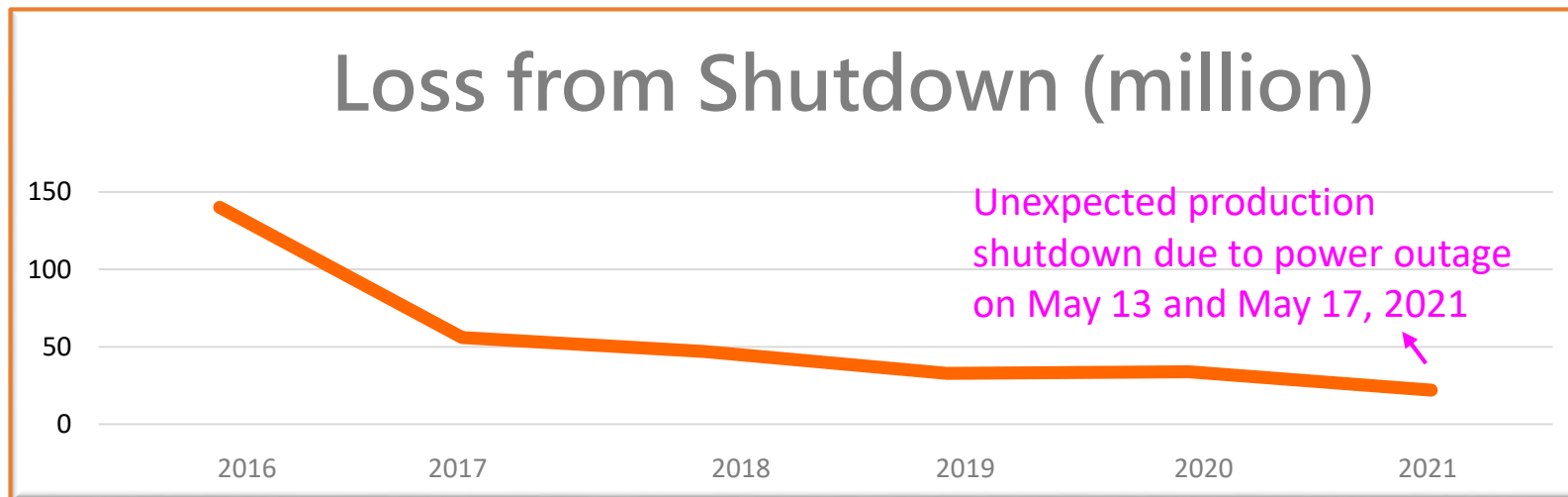
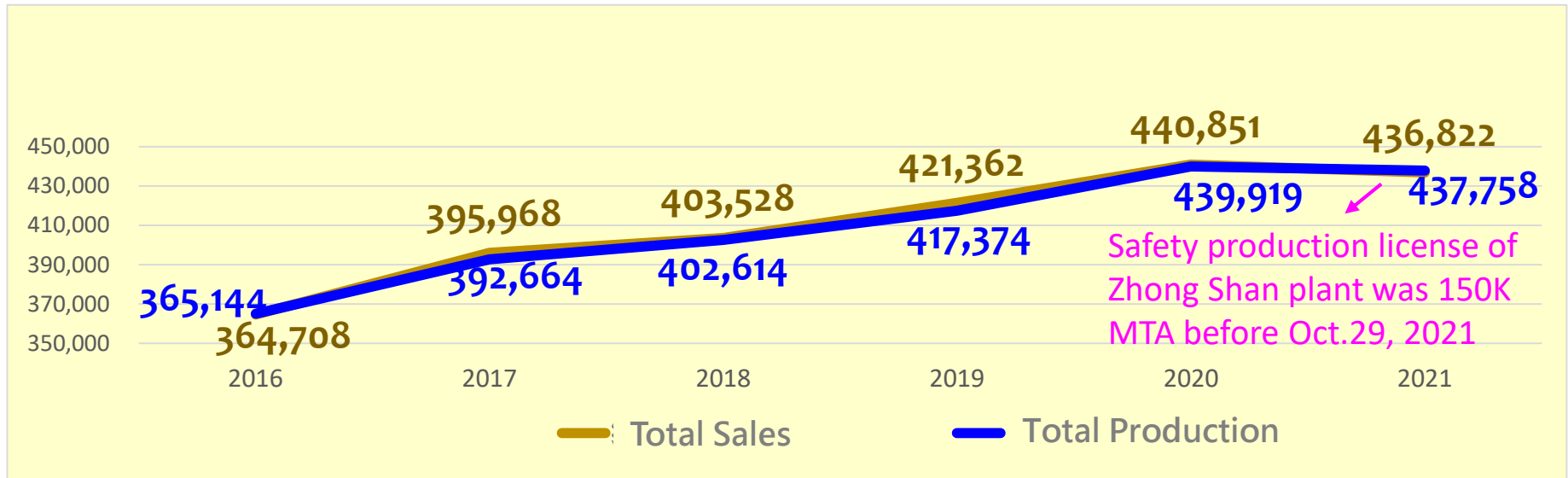




2021 Business Review--Performance

Full Capacity Sales

Unit: MT





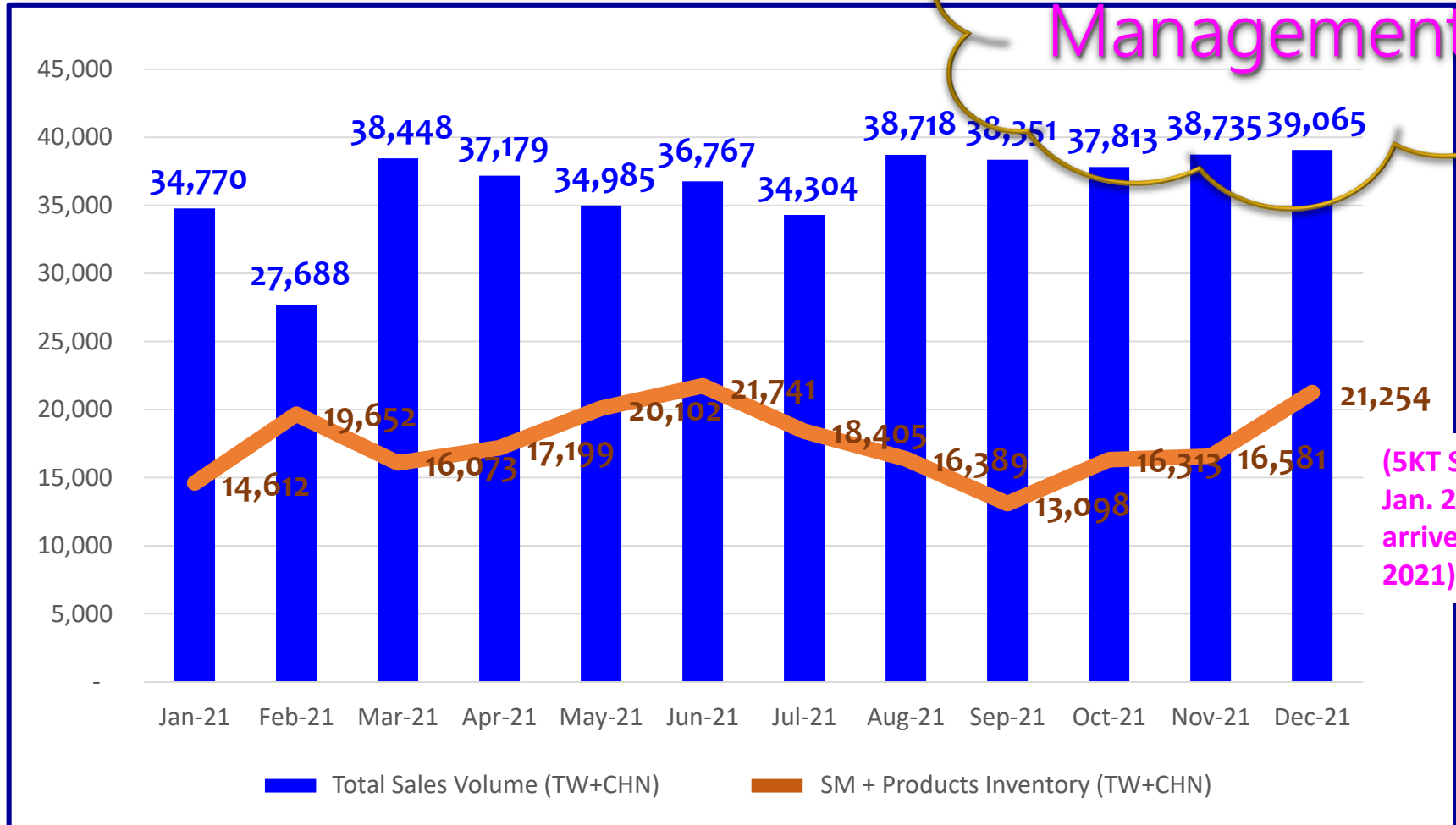
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2021 Business Review--Performance

Inventory management

Supply Chain Management

Unit: MT

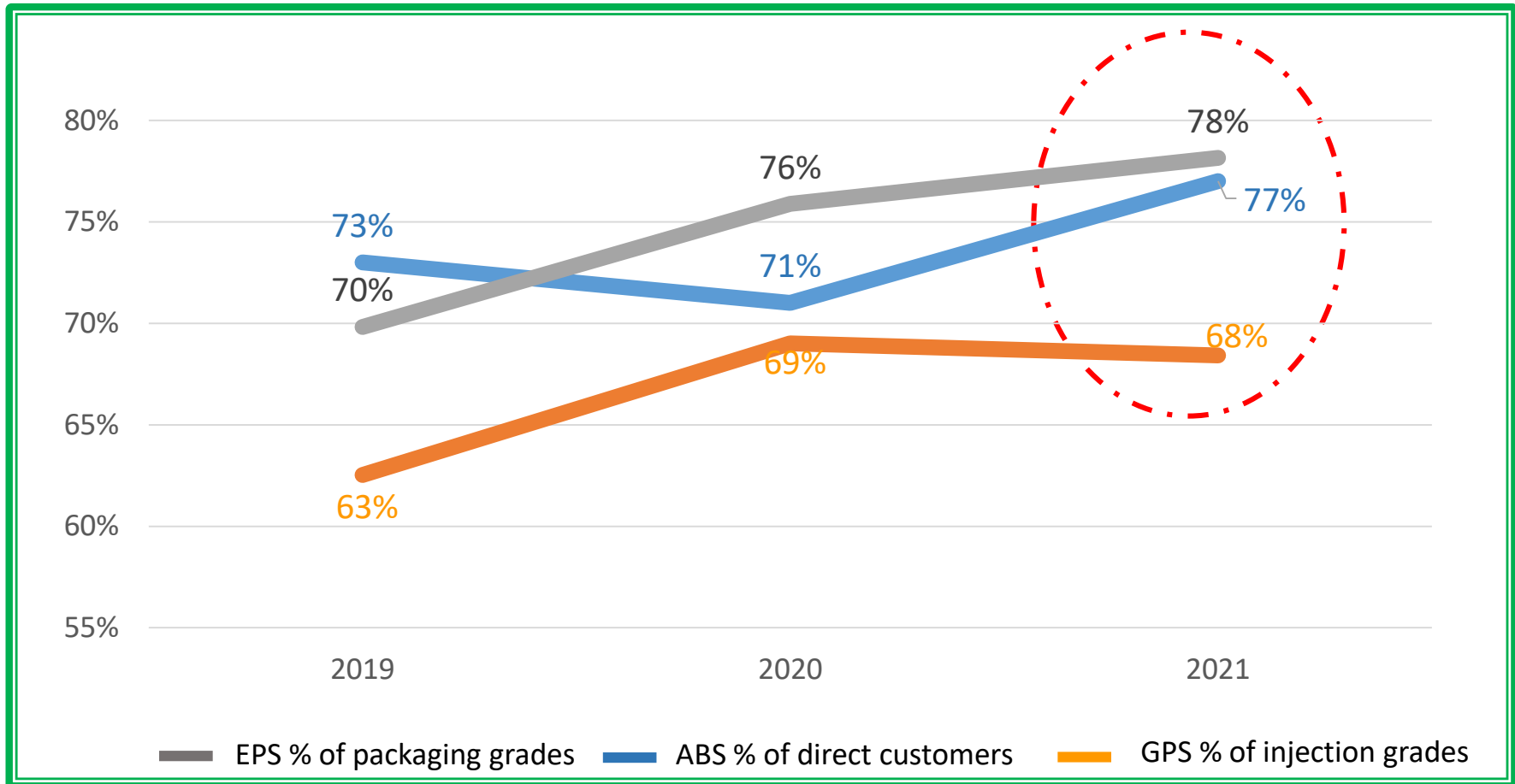









2021 Business Review--Performance

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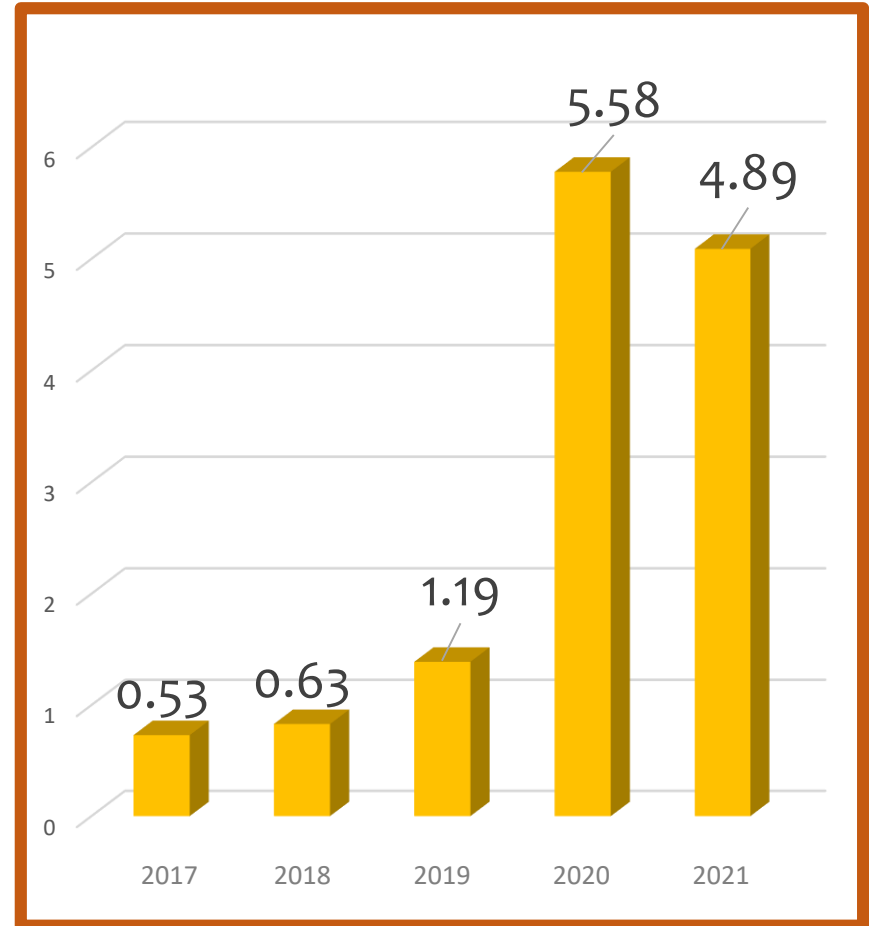
Optimize products & customers' portfolio



Sales Volume

Unit: MT		2021 vs 2020	
ABS/SAN		+ 0%	
GPS		+ 0%	
EPS	Taiwan	+ 12.1%	
	Zhong Shan	- 5.6%	
GW		+5%	

Earnings Per Share





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2021 Business Review--Performance

* Tianjin plant shutdown reduced the negative impact on performance

Year	Amount (million NTD)
2021	-27
2020	-47
2019	-155
2018	-100
2017	-94

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2022 Outlook

- Overall
- Industry
- Strategy
- Performance

2022 Outlook--Overall

COVID-19 epidemic worsen the supply chain

Ukraine-Russia war raises inflation pressure

Company Operations

Optimize market portfolio

The depreciation of NT dollar will be beneficial to exports

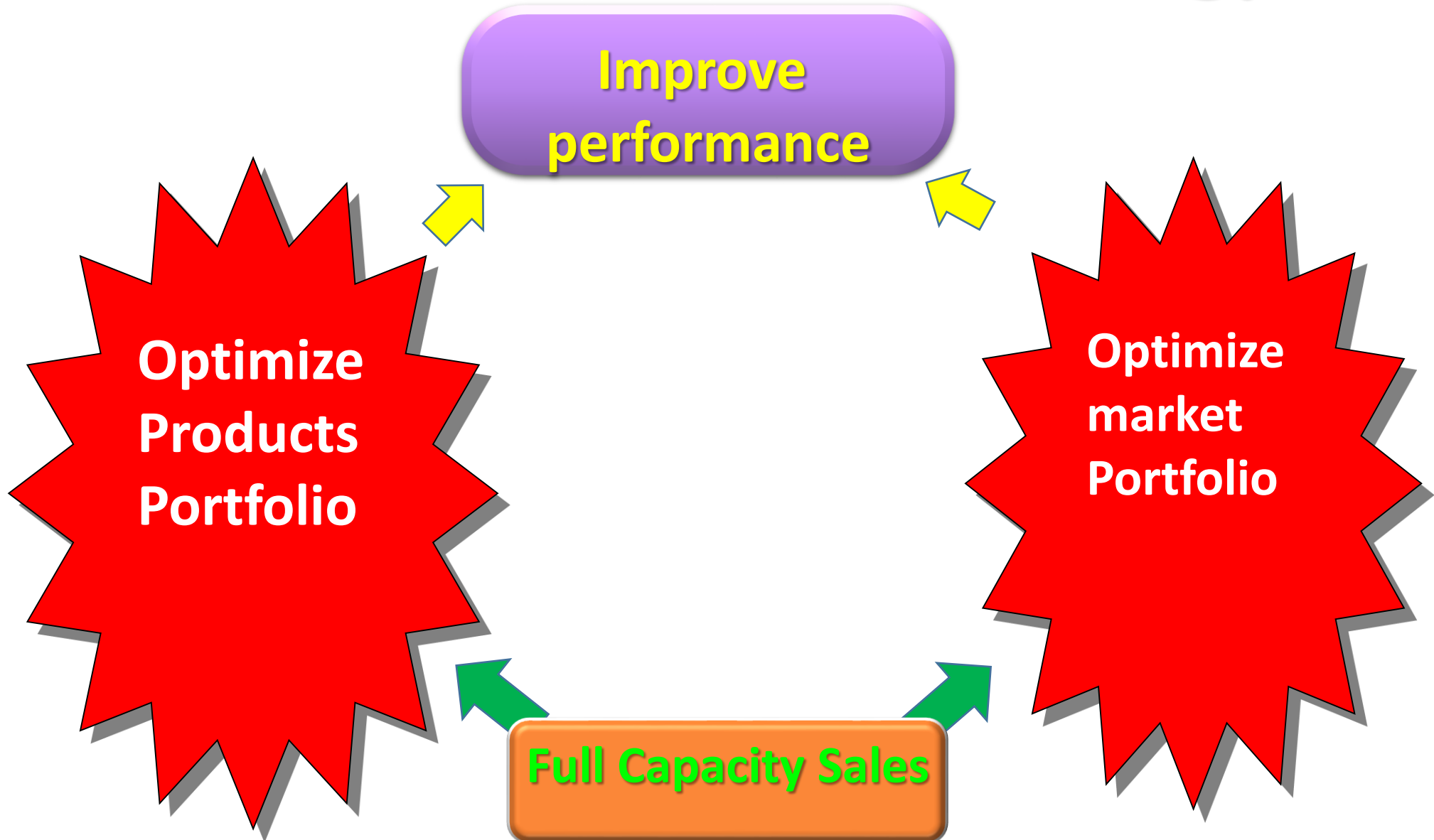
Increase the sales to factories directly to grasp their rigid demand

2022 Outlook--Industry (China)

Unit: 10KT		ABS	PS	EPS	SM
Expected new capacity (2022)	2021	45	105	60	470
	2022	330	230	125	550

Sources: USI Procurement Dept.

2022 Outlook--Strategy



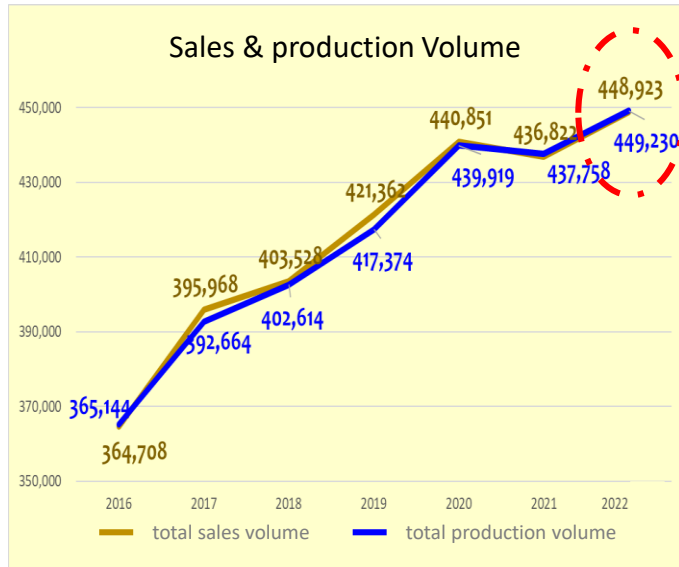
2022 Outlook--Strategy

First Stage: ➡➡➡ Get things done before making it perfect

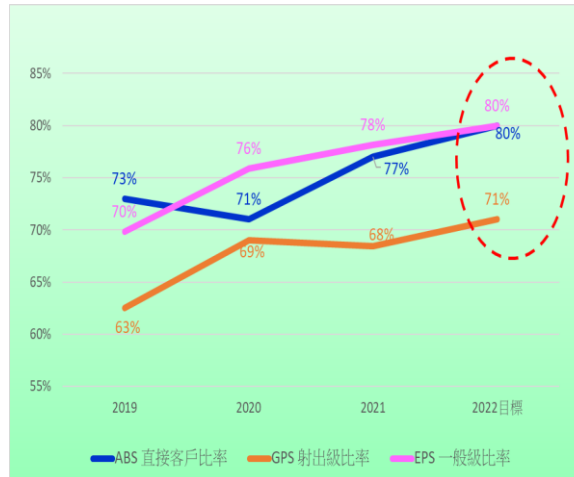
Persist optimizing products & market portfolio based on full capacity sales

- Increase sales portion on ABS direct customers
- Increase sales portion on GPPS injection grades
- Increase sales portion on EPS packaging grades

Sales/production target



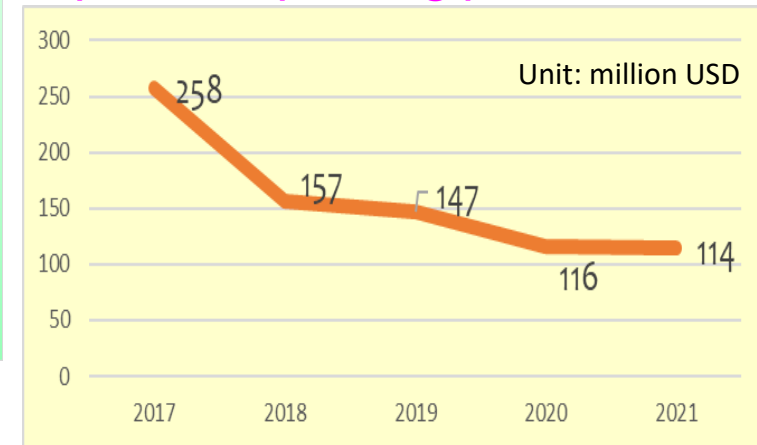
Optimize target



** Increase operation profit by terminating contract price into market price

Optimize payment term

Paying raw material by USD to avoid exchange rate fluctuation to impact on operating performance



2022 Outlook--Strategy

Second Stage: ⇒⇒⇒ Level Up (1/2)

Break current business model in view of technology, process, applications, products, investment aspects

1. Increase new capacity

⇒ Gu Lei plant (Est. start productions in Q3 2024)

2. Breaking production bottleneck

⇒ ABS + 12,000 MT (Est. implementation in Q4 2023)

⇒ EPS + 4,200 MT (Est. implementation in Q4 2023)

≡ 、 ESG Performance

Environment Aspect

- ⇒ Environmental expenditure was about NT\$168 million
- ⇒ Regulator electricity saved 1%, actual electricity saved 1.05%
- ⇒ Water consumption per product reduced 38% comparing to year 2017
- ⇒ Greenhouse gas emissions reduced 3.16% comparing to year 2017
- ⇒ Recycling and reuse water volume was 609,610 ton
- ⇒ Put efforts into controlling carbon emission and put ISO140641-1 GHG inventory and external certification into effect.

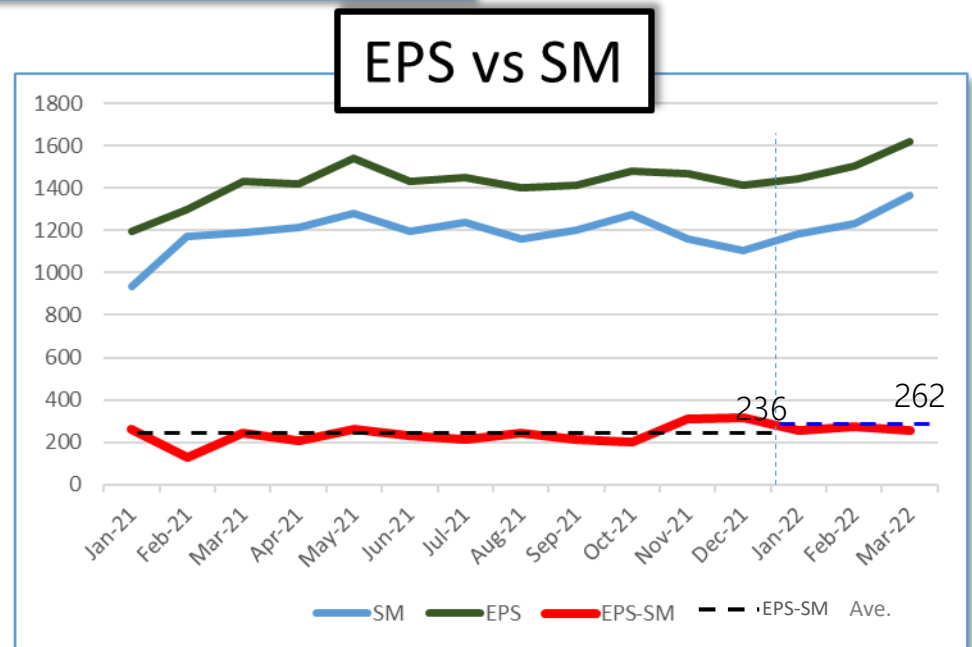
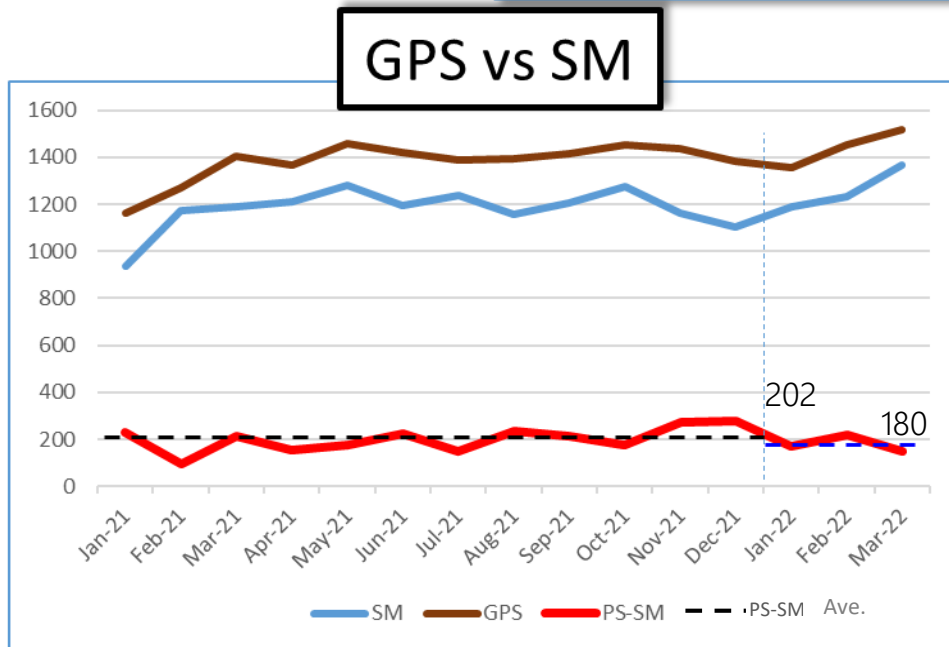
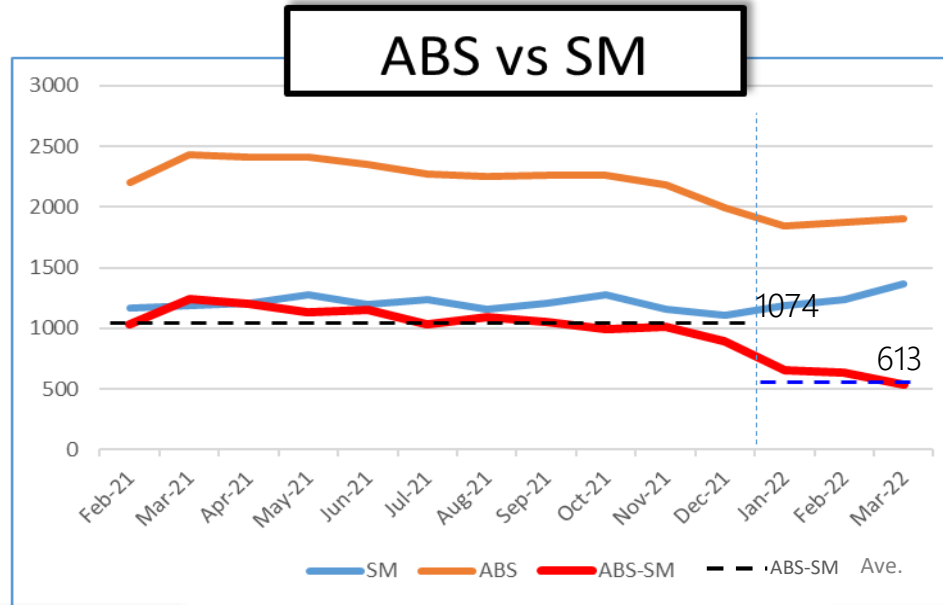
Social Aspect

- ⇒ Put PSM(process safety management) training and development into effect.
- ⇒ Zero job-related injuries (including contractor) and lasted 60.6million hours (calculated till Mar. 31, 2022)
- ⇒ Donation for epidemic rapid test kits and taking care of communities, adoption of air purification zones, joining the patrol system of industry area, subscribe organic fruit from local farmers, and sponsoring USI Education Foundation.
- ⇒ 100% health examination among all our employees.

Governance Aspect

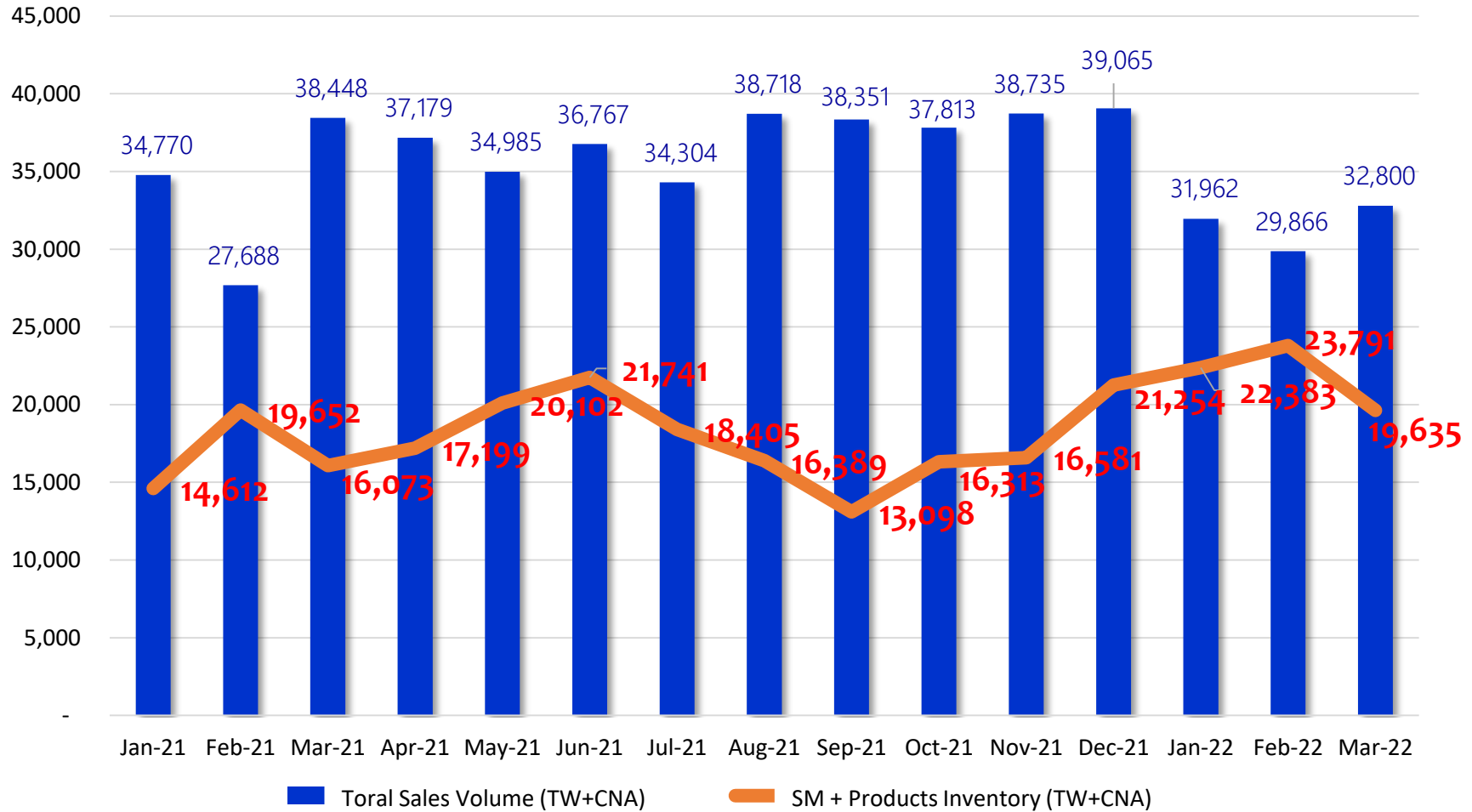
- ⇒ Top 6%~20% in the 8th (2021) Corporation Governance Evaluation
- ⇒ “Platinum Corporate Sustainability Report Award” at the Taiwan Corporate Sustainability Awards (TCSA).

2022 Outlook--Performance



2022 Outlook--Performance

2021-2022 Mar. Sales Volume & Inventory



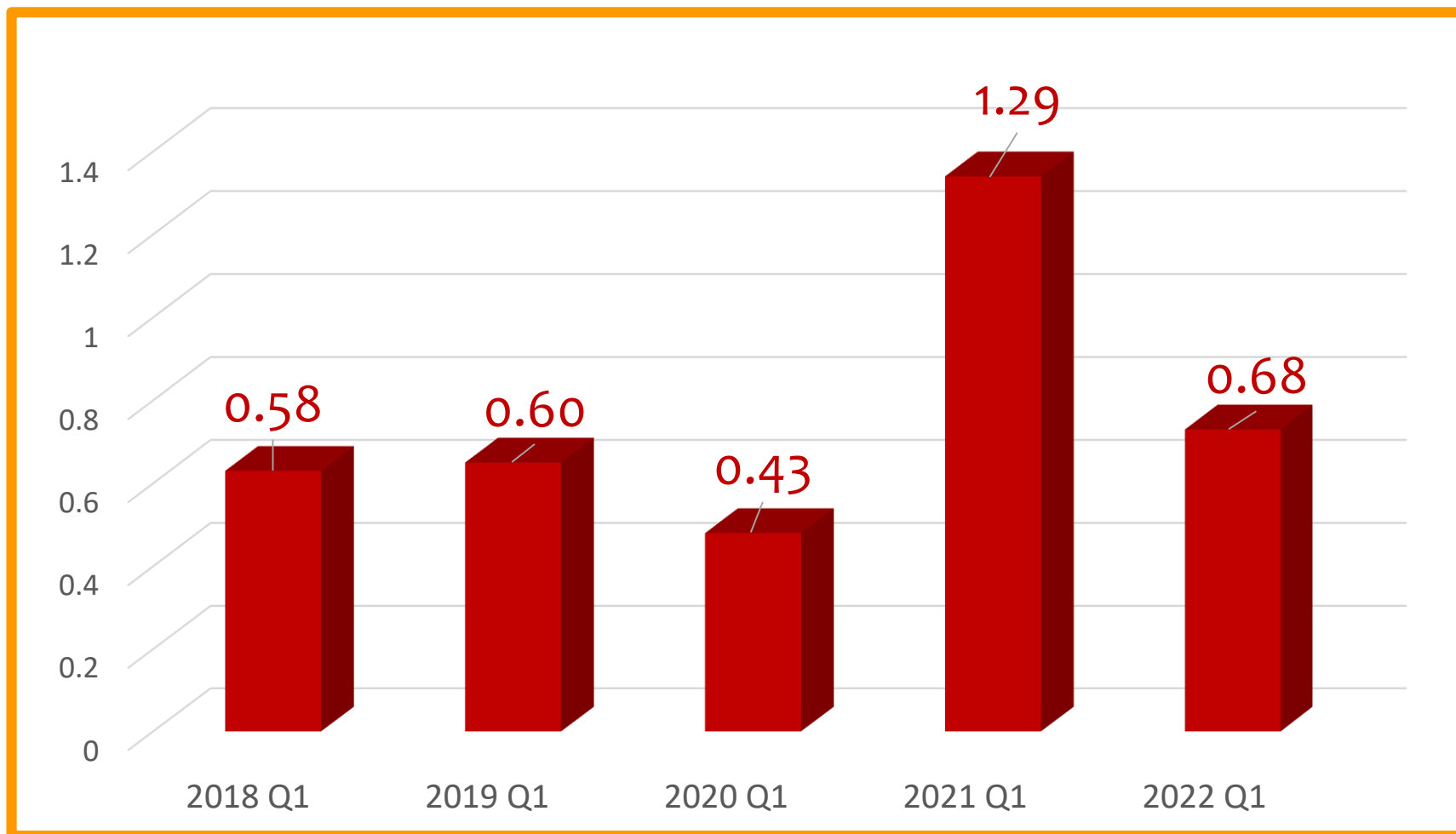


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2022 Outlook--Performance

Earnings Per Shares

unit: NTD



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Finance Information

- * Consolidated I/S
- * Sales by Product
- * Financial Ratio Analysis

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Consolidated Statements of Income

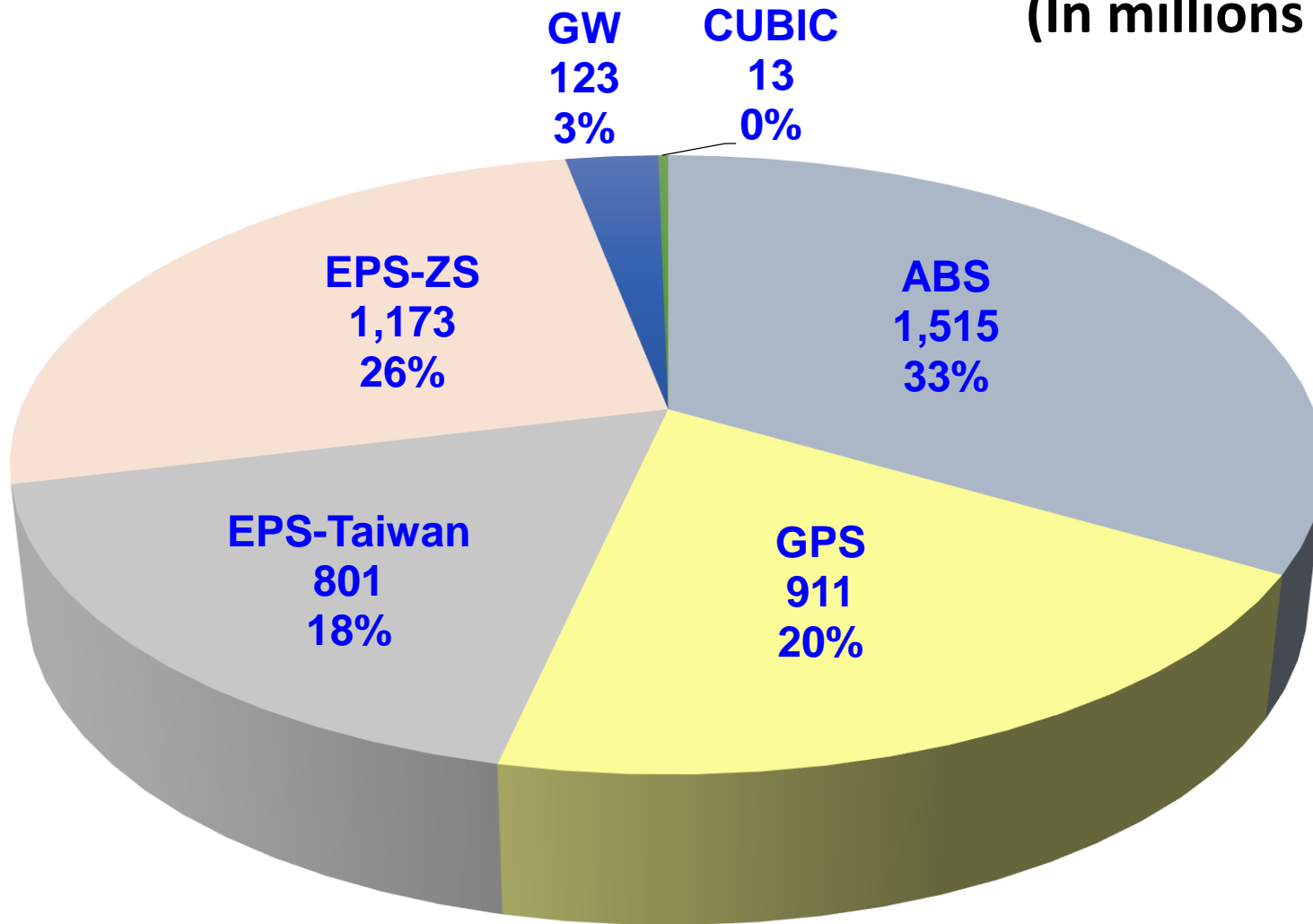
(In millions of NTD, except per share data)

	2022Q1	2021Q1	YoY%	2021	2020	2019
Sales Volume(MT)	94,590	100,800	(6.16%)	436,618	441,029	430,482
Sales	4,536	4,536	0.00%	20,771	15,498	17,672
Cost of goods sold	3,926	3,703	6.02%	17,385	12,375	16,426
Gross profit	610	833	(26.77%)	3,386	3,123	1,246
gross profit ratio	14%	18%		16%	20%	7%
Operating expenses	394	243	62.14%	1,139	702	731
Operating income	216	590	(63.39%)	2,247	2,421	515
operating income ratio	5%	13%		11%	16%	3%
Non-operating income	105	43	144.19%	160	61	43
Income before income taxes	321	633	(49.29%)	2,407	2,482	558
Income taxes	62	144	(56.94%)	557	562	160
Net income	259	489	(47.03%)	1,850	1,920	398
net income ratio	6%	11%		9%	12%	2%
Earnings per share(NTD)	0.68	1.29	(47.29%)	4.89	5.07	1.16

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Product-specific revenue (2022 /Q1)

(In millions of NTD)



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Financial ratio analysis(Consolidated Statement)

	2021	2020
Operating income margin(%)	10.82	15.62
Net income margin(%)	8.91	12.39
Debt ratio(%)	28.69	31.26
Current ratio(%)	311.13	273.81
Quick ratio(%)	251.07	235.39
Accounts receivable turnover days	41	52
Inventory turnover days	20	22

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The information in this presentation is not for investment advices.

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