

2023



**Taita Chemical Co., Ltd.  
Investor Teleconference**

**NOV.17,2023**





# Taita Chemical Co., Ltd

## 2023 Investor Teleconference

<b>Agenda</b>	<b>Host</b>
<b>General Information</b>	Chunhao Huang
2022 Review & 2023 Outlook	Chunhao Huang
<b>Finance Information</b>	Devin Hsiao
<b>Q &amp; A</b>	<b>Paul Wu</b>



台聚關係企業

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## General Information

Established	April 6, 1960	<b>Main Products</b>	ABS / SAN
Capital	NT\$ 3.277 Billion (2012) NT\$ 3.976 Billion (2022)		GPS / IPS
Revenue	NT\$ 18.08 Billion (2022 Consolidated)		EPS
	NT\$12.87 Billion (2022 Individual)		GW





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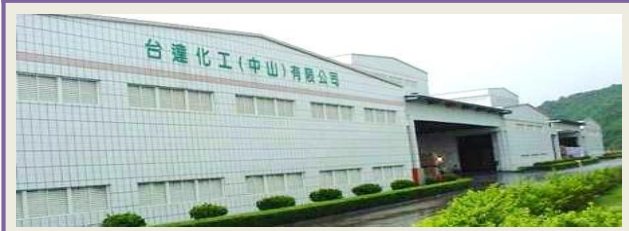
Tianjin plant (est. since Sept., 2005)



Tianjin plant

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

Zhong Shan plant (est. since May, 2000)



- EPS Capacity: 180K MTA

Tou Fen plant

• Zhangzhou Taita Chemical Co., LTD  
(Est. since Jun. 28, 2021)

Chien Chen plant

Zhong Shan plant

Lin Yuan plant

Lin Yuan plant ( 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

Taipei headquarters  
Neihu Technology Park

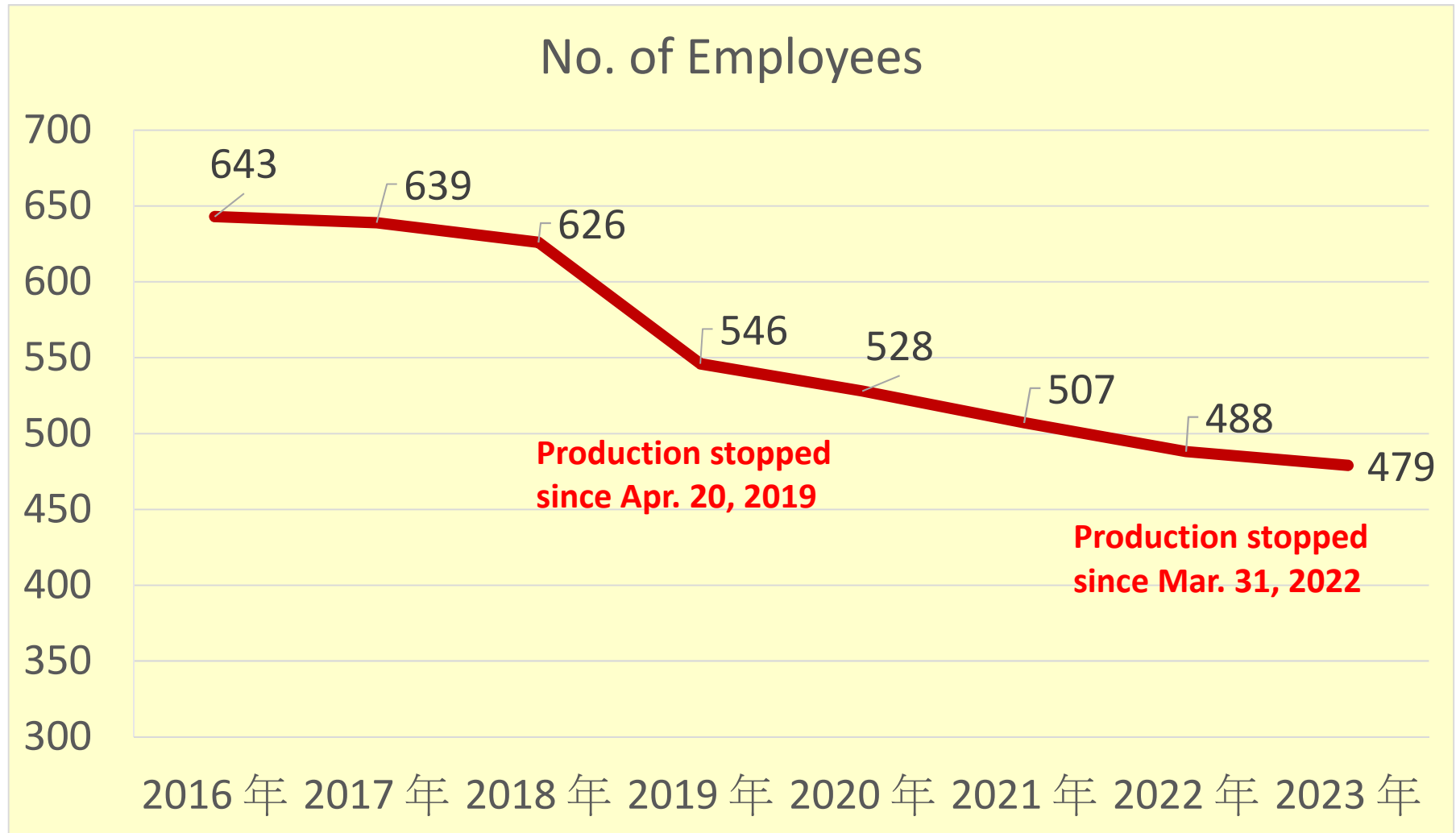


Glasswool plant (est. since Mar., 1991)  
Cubic plant (est. since Jun., 1987)



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

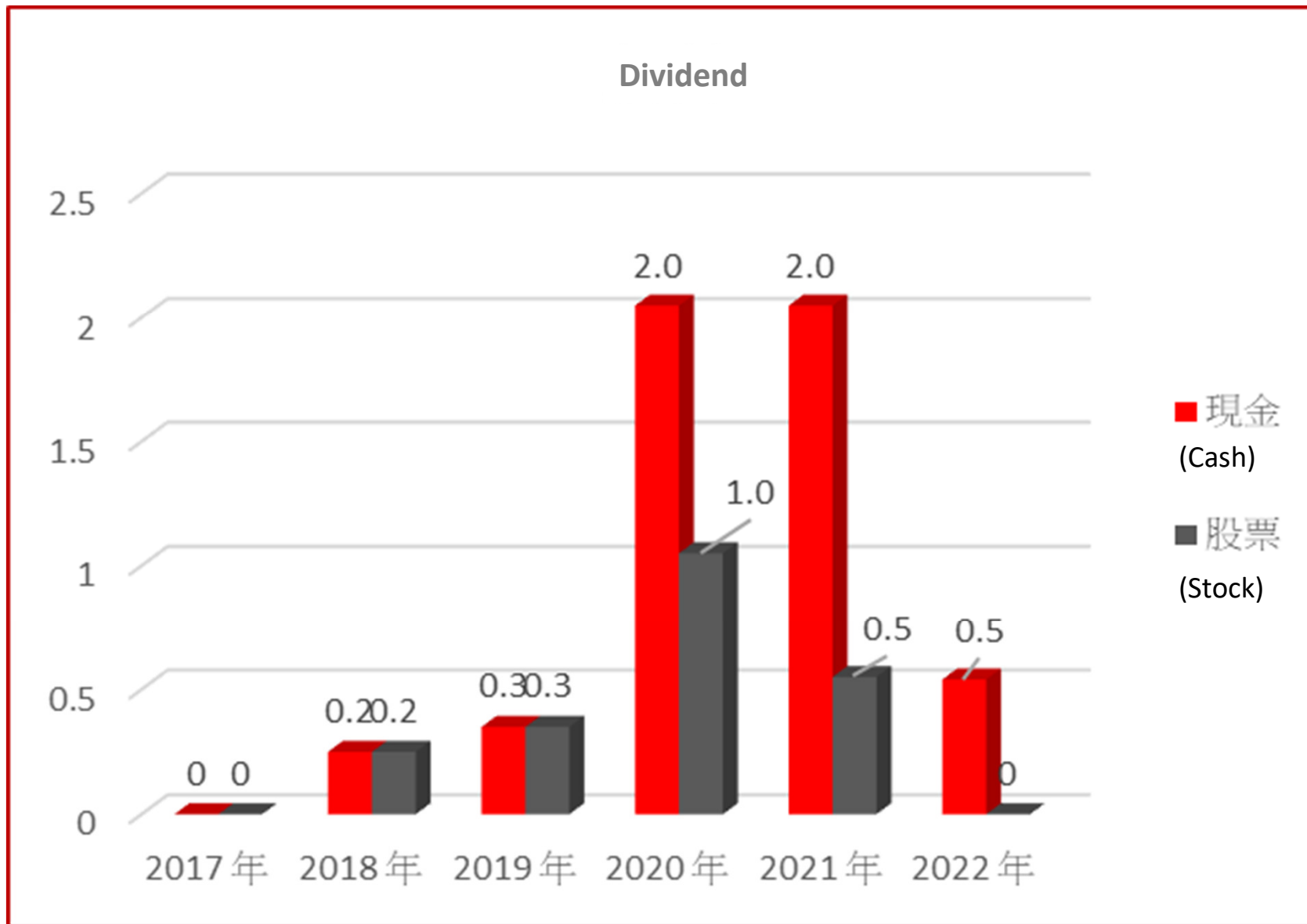
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## 2023 Investor Teleconference

### 2023 Q1~Q3 Business Review

- Overall
- Industry
- Spread
- Performance



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# 2023 Q1~Q3 Business Review-Overall



**Diversify to new market  
Increase sales volume**





# TTC 2023 Q1~Q3 Business Review-Industry

Unit: 10KT

	ABS	GPS	EPS	SM
New capacity in 2023 Q1~Q3	210	250	90	350
Total capacity in 2023 Q1~Q3	840	750	870	2360
Total demand In 2023 Q1~Q3	500	350	280	1250

**Develop market in addition to China & H.K.**

Source: Purchasing Dept., USI Group



# Develop market in addition to China & H.K.

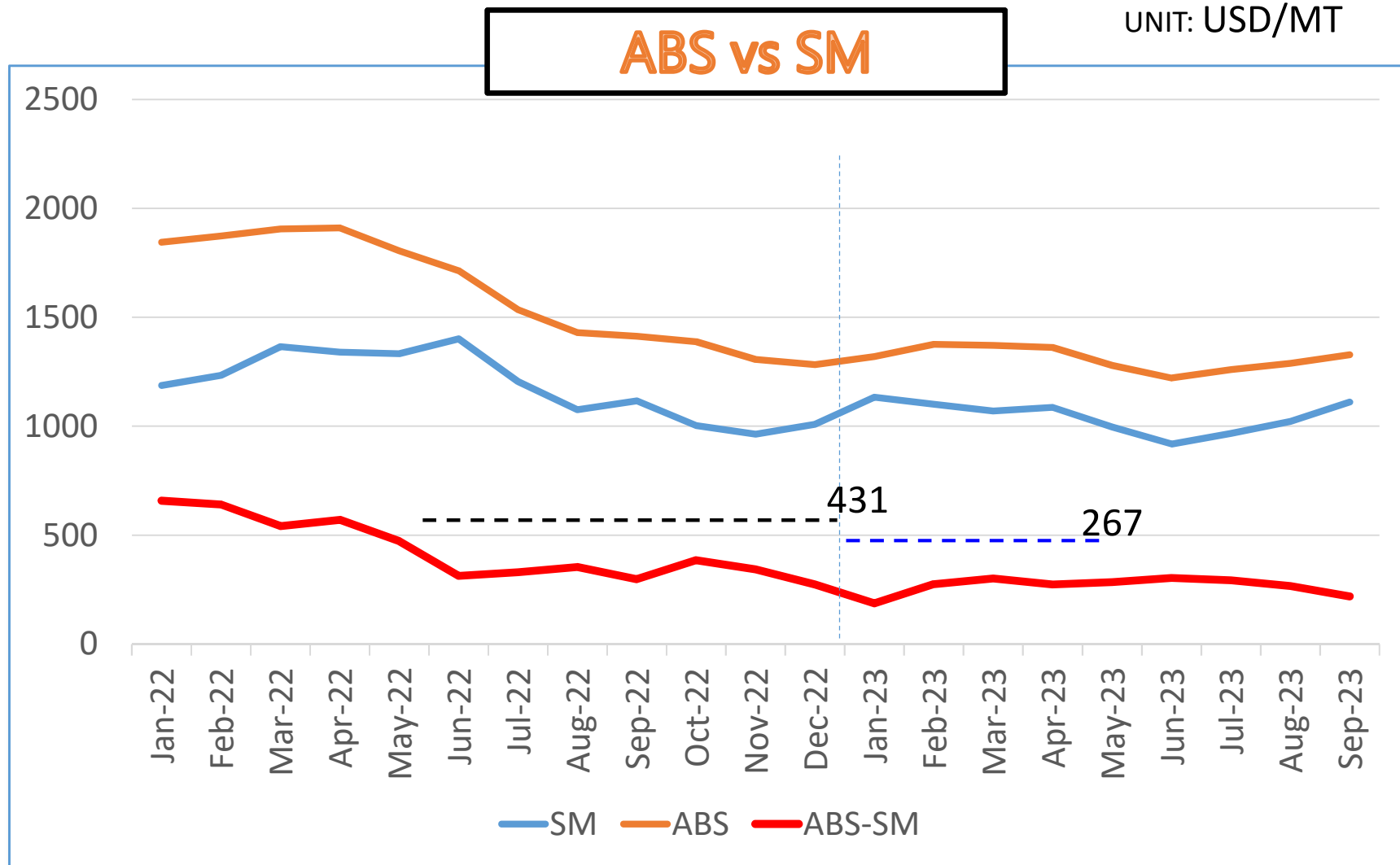
<b>ABS</b>	2021	2022	2023 Q3
China & H.K.	67%	49%	23%
Area other than China & H.K.	33%	51%	77%

Target market:  
India, Egypt, and S.E. Asia

<b>GPS</b>	2021	2022	2023 Q3
China & H.K.	52%	17%	11%
Area other than China & H.K.	48%	83%	89%

Target market:  
Latin America, Africa and  
S.E. Asia

# 2023 Q1~Q3 Business Review-Spread



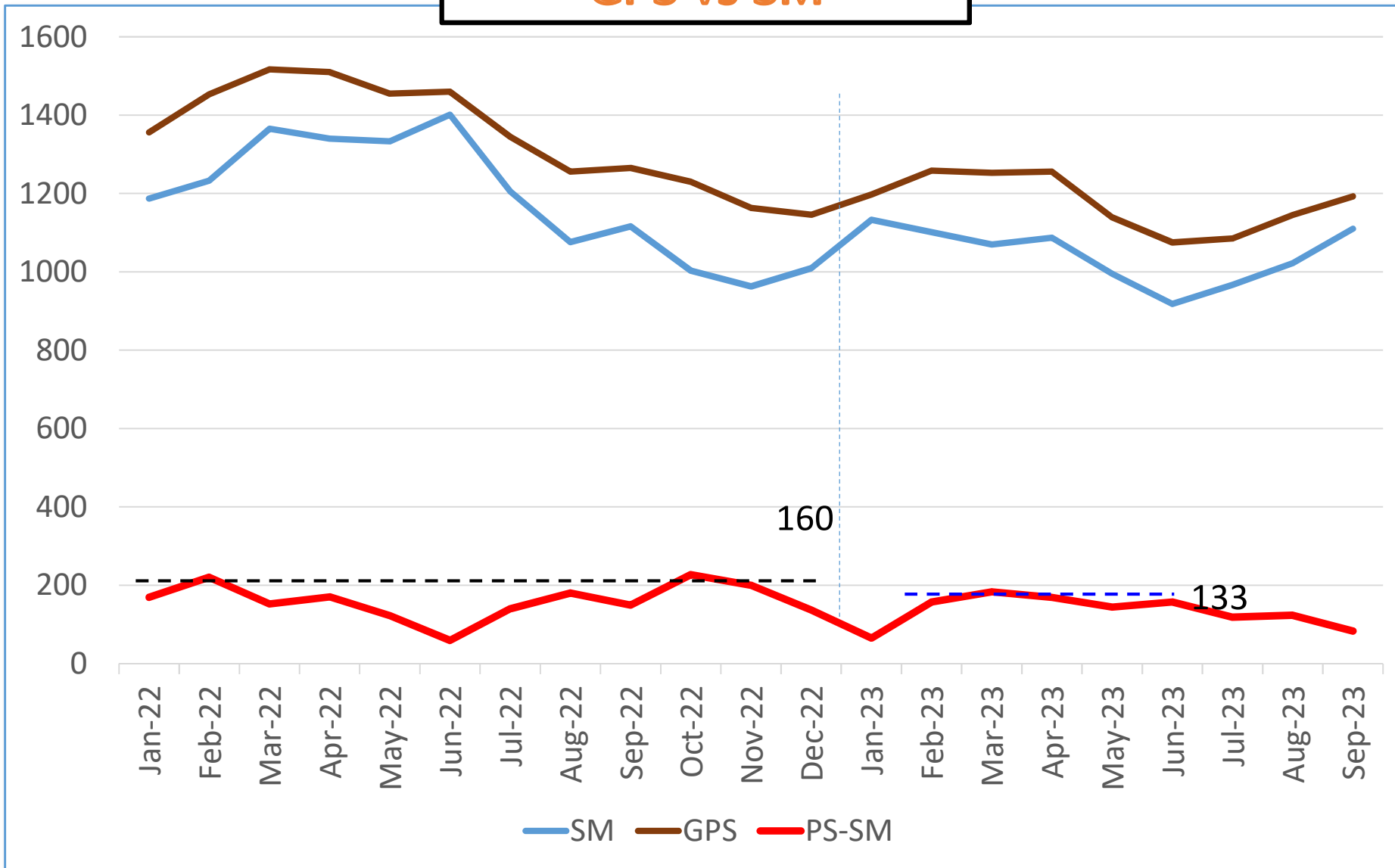


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# 2023 Q1~Q3 Business Review-Spread

## GPS vs SM

UNIT: USD/MT

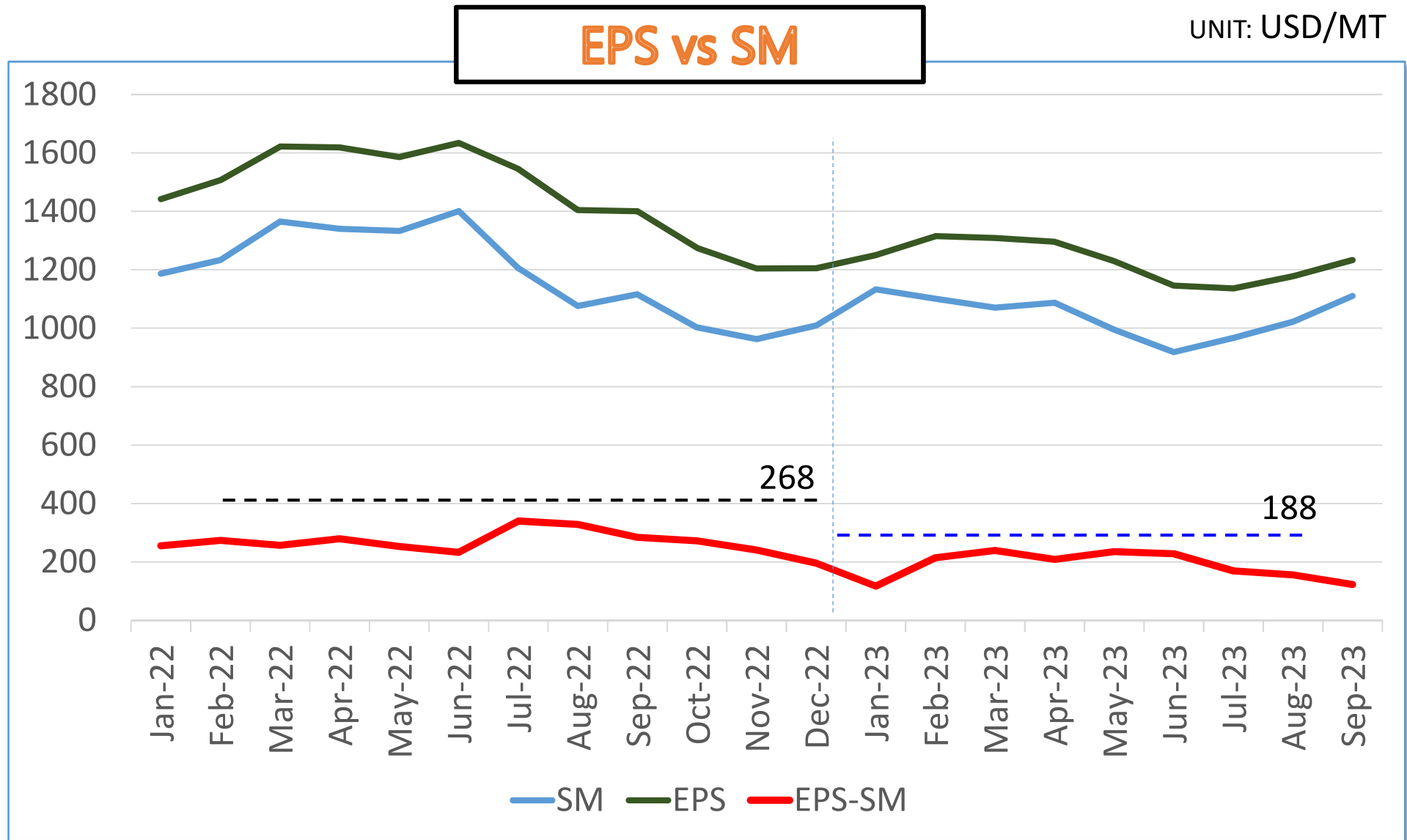






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# 2023 Q1~Q3 Business Review-Spread





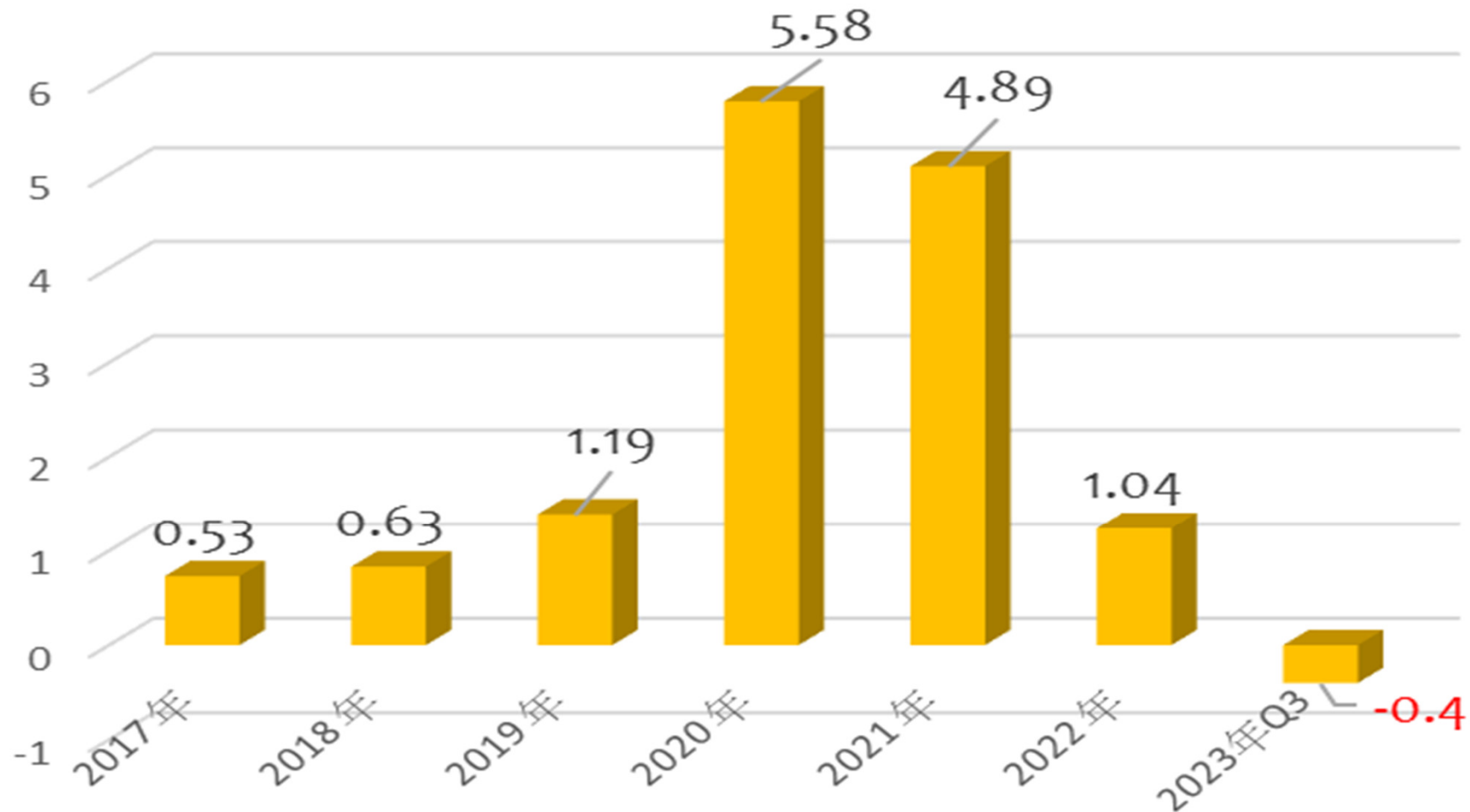
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# 2023 Q1~Q3 Business Review

## Performance

### Earning Per Share

UNIT: NTD





# 2023 Q1~Q3 Business Review

## Performance

### □ Upgrading ESG Performance

#### Environment Aspect

- ⇒ Honored with the prestigious 2023 Net Zero Industry Competitiveness Award
- ⇒ Selected top 100 Low-Carbon Competitiveness Corporation by Business Weekly in 2023
- ⇒ Put efforts into controlling carbon emission and put ISO14064-1 GHG inventory and external certification into effect.

#### Social Aspect

- ⇒ Put PSM(Process Safety Management) training and development into effect.
- ⇒ 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.
- ⇒ Zero job-related injuries (including contractor) and lasted 7.68million hours
- ⇒ 100% health examination among all our employees.

#### Governance Aspect

- ⇒ Awarded the 2023 Gold Trade Award - Emerging Market Sales Contribution Award (Africa Market)
- ⇒ Recognized as one of the top 10% in proactive comparison of occupational health and safety indicators in the 2023 Annual Corporate Sustainability Reporting
- ⇒ Achieved the Gold Level in the 16th Taiwan Corporate Sustainability Awards (TCSA) 2023 - Sustainability Reporting in the Traditional Manufacturing industry
- ⇒ Received the Taiwan 100 Sustainable Exemplary Enterprise Award in the Comprehensive Performance category at the 16th Taiwan Corporate Sustainability Awards (TCSA) 2023

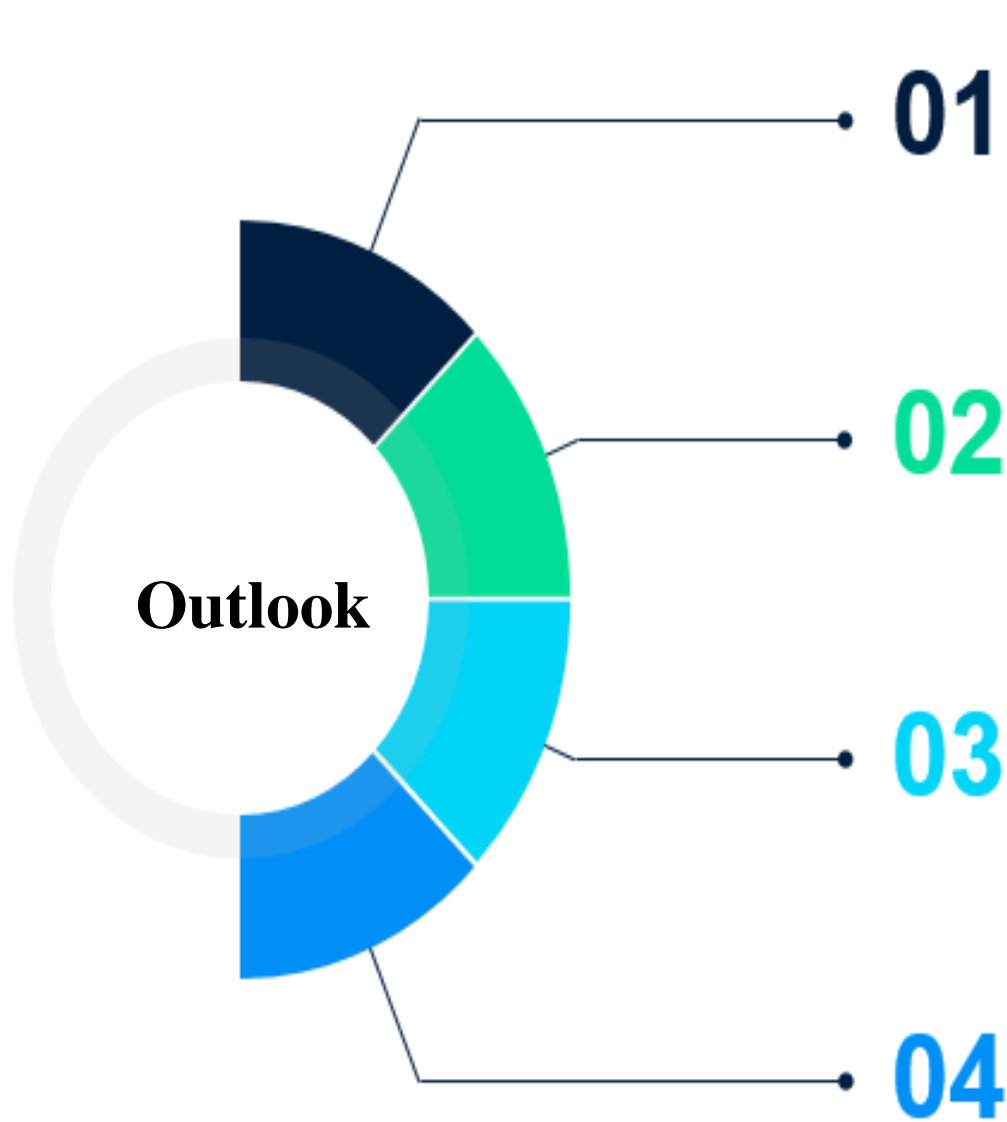
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### 2023 Q4 Outlook



# 2023 Q4 Outlook – Styrene Monomer



## Supply

- New Capacity: 550,000 tons
- Operation: reduced operating rate due to financial loss
- Inventory: low inventory this Q4, might carry over to C.N.Y

## Demand

- Soft compared with previous years
- Sluggish through year end

## Cost

- High demand of benzene causes high cost for SM makers
- The upstream makes money rather than SM makers

## Macro (China futures market is influential on SM prices)

- Crude Oil: fluctuating at high level, Israel-Palestine conflict is the key factor
- Economy: Improving relationship between China and the US might be welcome



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# 2023 Q4 Outlook – Industry (China)

Unit: 10KT

	<b>ABS</b>	<b>GPS</b>	<b>EPS</b>	<b>SM</b>
New capacity Est. in 2023	331	304	163	405
Total capacity Est. in 2023	957	798	937	2,415
Total demand Est. In 2023	650	460	370	1,600

Source: Purchasing Dept., USI Group

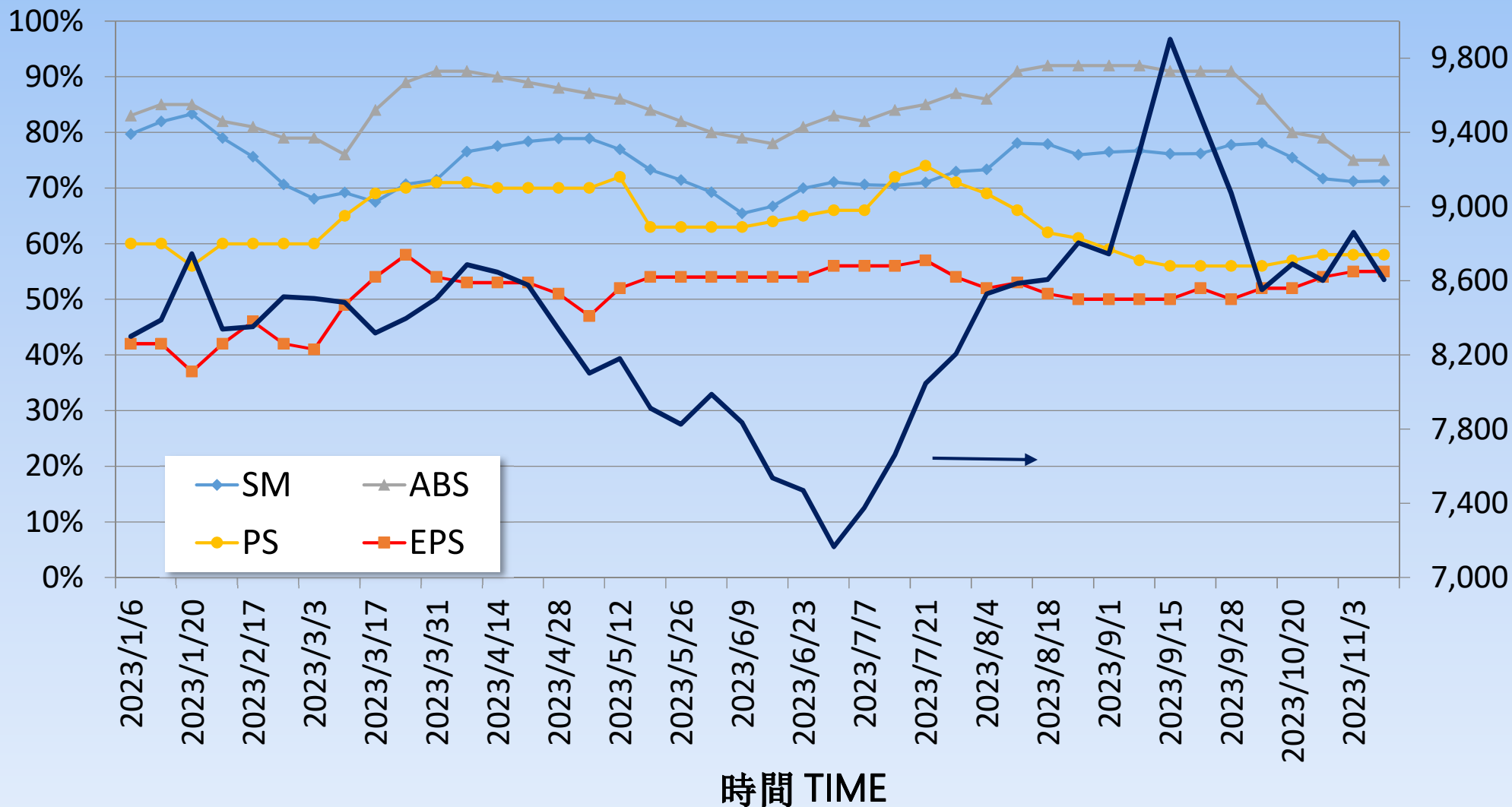


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# 2023 Q4 Outlook – Industry (China)

## Operating rate

## East China ex-tank weekly



Source: ICIS CHINA

# 2023 Q4 Outlook – ABS

ABS industry is in a peak of capacity expansion in 2023, with an estimated new production capacity of over 1.2 million tons in Q4. Due to the low profitability, makers have slowed down or postponed the production.

In Q4, due to low point of the ABS business cycle , ABS makers might further reduce operating rate. With low spread and oversupply of ABS, it is anticipated that the ABS buyers will remain cautious. However, there might be some additional demand as year-end (traditional high season) is approaching.



# 2023 Q4 Outlook – GPS

GPS market is expected to be better with the demand of Chinese Singles' Day, Double Twelve, and Christmas in Q4. Looking from styrene side, the low inventory and low operating rate among styrene suppliers give support on its price. Overall, under cost pressure and with stable demand, GPS product in Q4 can be still profitable.

# 2023 Q4 Outlook – EPS

Due to the impact of China's Singles' Day, Double Twelve, and export orders, some downstream appliances, such as the refrigerator industry, are in high season. Due to some buyer increases inventory in advance, the operating rate in September to November for home appliance industries are expect to decline.

Additionally, the demand in the building insulation and vegetable/fruit boxes turn to off-season from middle October. With lower demand, EPS prices are hardly healthy. Regarding overseas sales to Southeast Asia, Central and South America, and Africa are expected to remain the optimistic situation.

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### Finance Information

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



# Consolidated Statements of Income

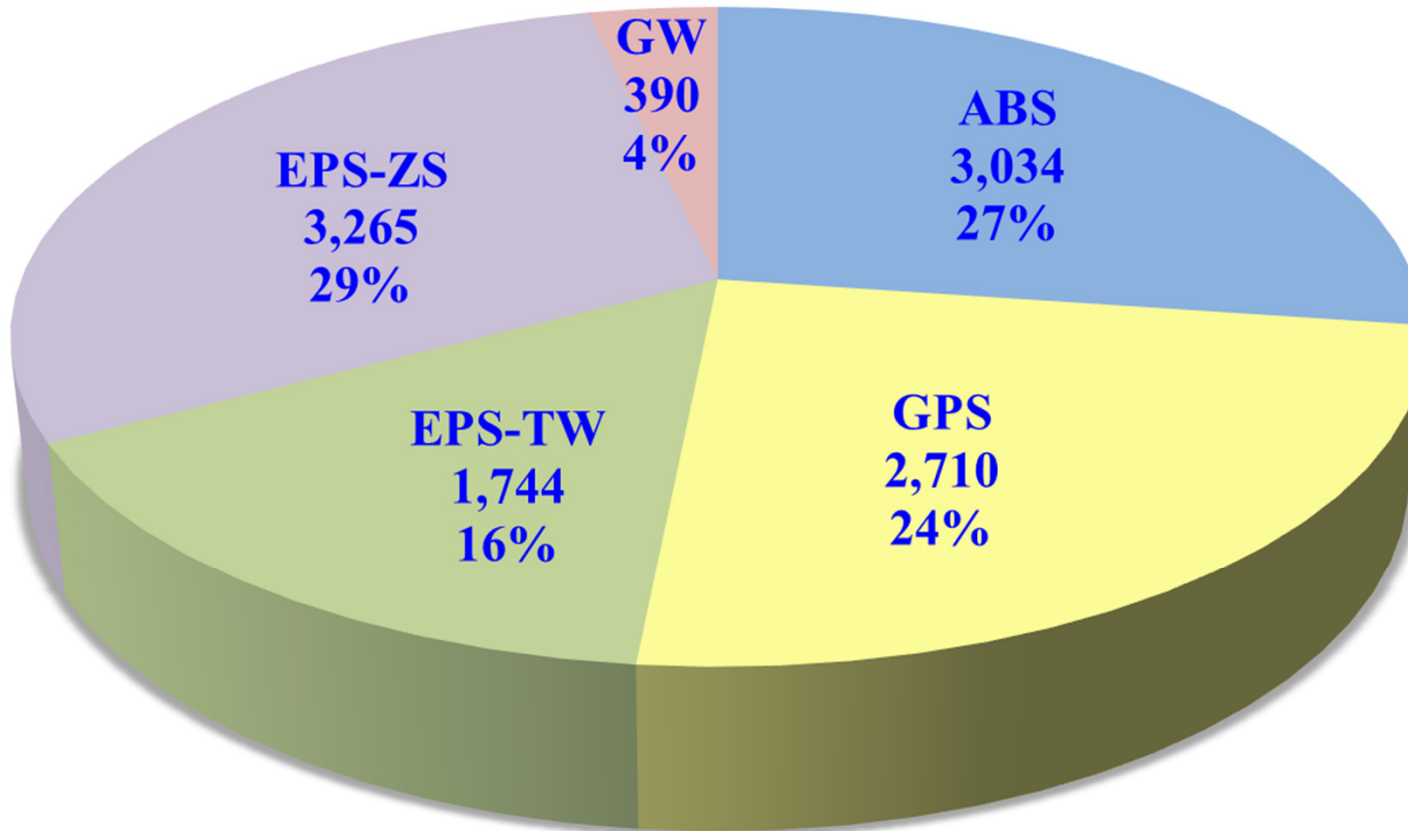
In millions of NTD, except per share data

	2023Q3	2022Q3	YoY %	2022	2021	2020
<b>Sales Volume(MT)</b>	275,584	286,074	(4%)	373,888	432,546	441,029
<b>Sales</b>	11,143	14,239	(22%)	18,084	20,771	15,498
<b>Cost of goods sold</b>	10,837	12,718	(15%)	16,324	17,385	12,375
<b>Gross profit</b>	306	1,521	(80%)	1,760	3,386	3,123
<b>gross profit ratio</b>	3%	11%		10%	16%	20%
<b>Operating expenses</b>	665	1,245	(47%)	1,535	1,139	702
<b>Operating income(loss)</b>	(359)	276	(230%)	225	2,247	2,421
<b>operating income(loss) ratio</b>	(3%)	2%		1%	11%	16%
<b>Non-operating income</b>	156	331	(53%)	319	160	61
<b>Income(loss) before income taxes</b>	(203)	607	(133%)	544	2,407	2,482
<b>Income taxes</b>	(43)	152	(128%)	132	557	562
<b>Net income(loss)</b>	(160)	455	(135%)	412	1,850	1,920
<b>net income(loss) ratio</b>	(1%)	3%		2%	9%	12%
<b>Earnings(loss) per share(NTD)</b>	(0.40)	1.14	(135%)	1.04	4.65	5.07



# Product-specific revenue( 2023 Q3 )

UNIT: millions of NTD



# TAITA CHEMICAL CO.,LTD.

## Financial ratio analysis(Consolidated Statement)

	2023Q3	2022
<b>Operating income(loss) margin(%)</b>	<b>(3.2)</b>	<b>1.2</b>
<b>Net income(loss) margin(%)</b>	<b>(1.4)</b>	<b>2.3</b>
<b>Debt ratio(%)</b>	<b>23.7</b>	<b>22.0</b>
<b>Current ratio(%)</b>	<b>317</b>	<b>442</b>
<b>Quick ratio(%)</b>	<b>253</b>	<b>355</b>
<b>Accounts receivable turnover days</b>	<b>44</b>	<b>41</b>
<b>Inventory turnover days</b>	<b>24</b>	<b>24</b>

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