



台聚關係企業

Taita Chemical Co., Ltd



2020 Investor Teleconference

2020 05 29

Tianjin FAC

Zhong Shan FAC

Head Office

Tou Fen FAC

Chien Chen FAC

Lin Yuan FAC



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Taita Chemical Co., Ltd

2020 Investor Teleconference

Agenda	Reported by
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Finance Information	Tony Lin
Q & A	Paul Wu

Company Briefing

Head Office
Taipei



Cubic FAC (Est. 1987 06)
Glasswool FAC (Est. 1991 03)



- Cubic Printing Cap: 200,000 JIG/Y
- Glass-wool Cap: 10,000 MTA

Chien Chen FAC (Est. 1960 04)

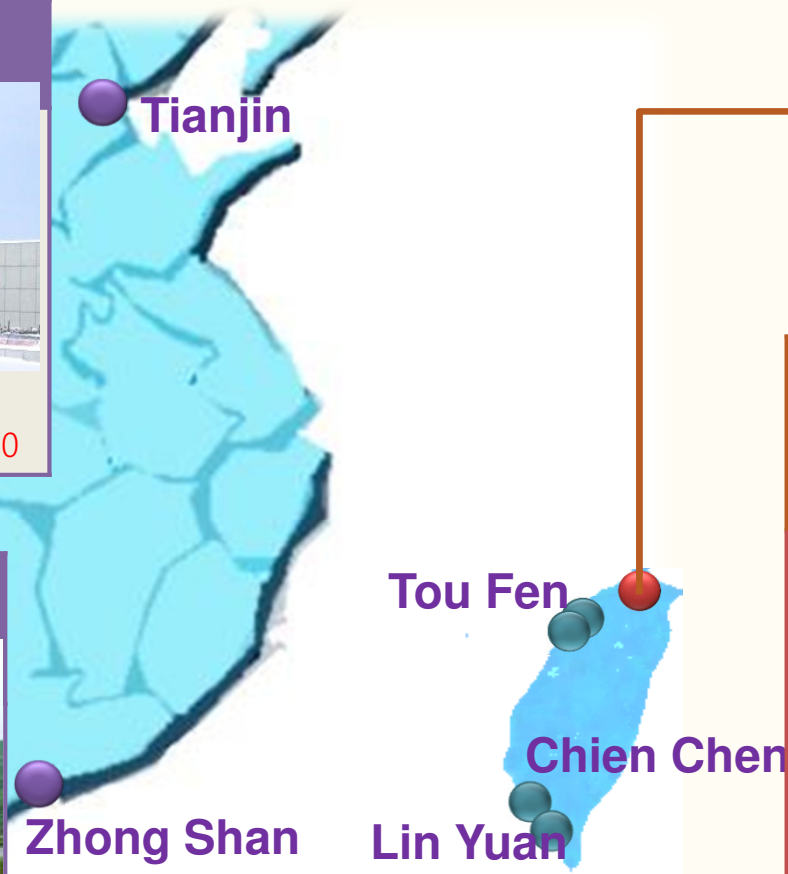


- EPS Cap: 60,000 MTA
- GPS/IPS Cap: 100,000 MTA

Lin Yuan FAC (Est. 1979 08)



- ABS/SAN Cap: 125,000 MTA



Tianjin FAC (Est. 2005 09)



- EPS Cap: 140,000 MTA
- Production suspended since 2019/4/20

Zhong Shan FAC (Est. 2000 05)



- EPS Cap: 180,000 MTA

- Taita's Major Products**
- . ABS/SAN
 - . GPS/IPS
 - . EPS
 - . GW/Cubic



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2019 Market Review

- ◆ Overall
- ◆ Feedstock
- ◆ Performance

2019 Review – Overall

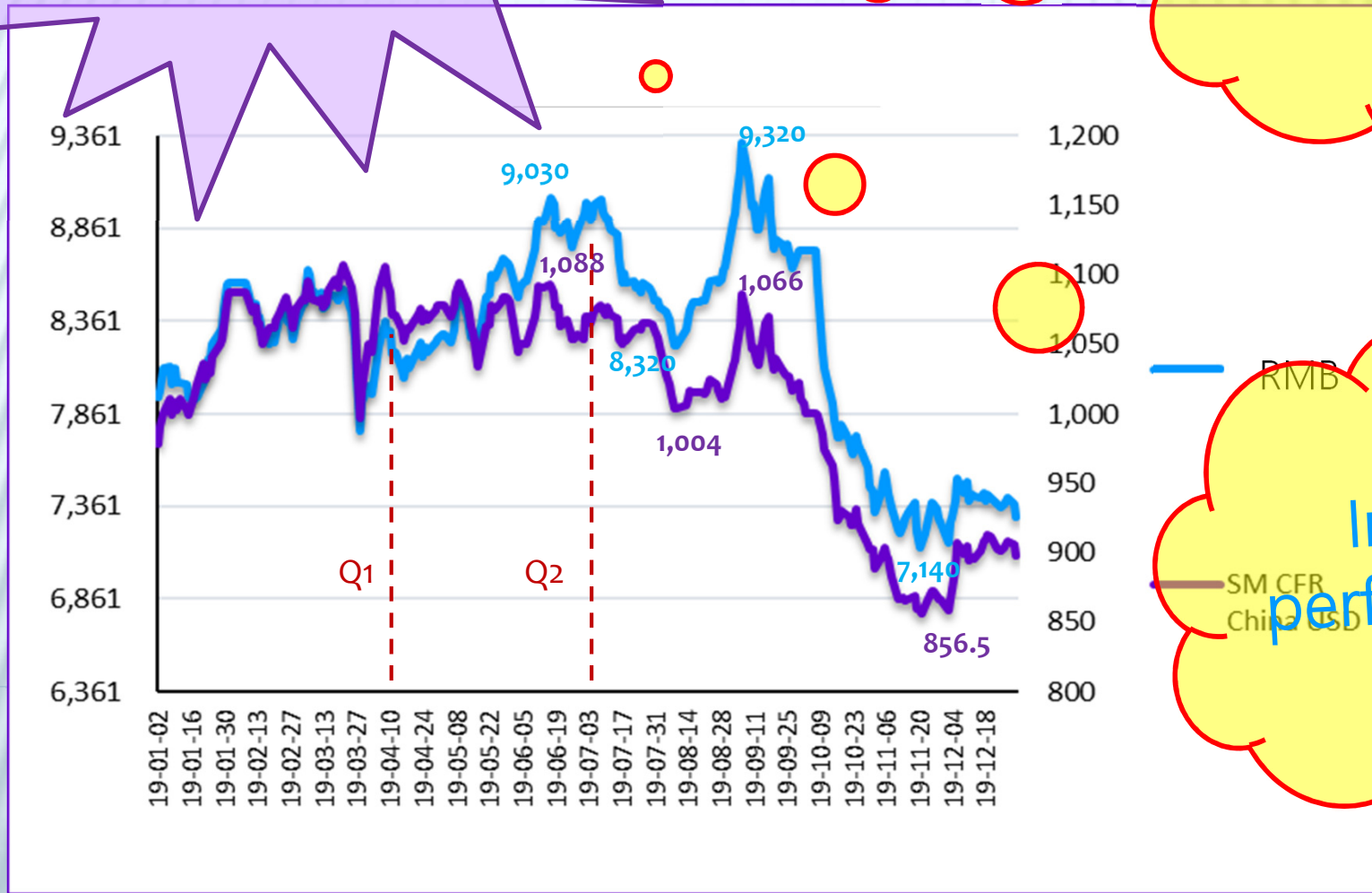
US-China Trade War

Impact Market Demand

- ◆ 2019 05 13: US increased additional tariff from 10% to 25% on \$200 billion of imports from China. This impacted on aircon, refrigerator, vacuum cleaner, TV and suitcase industries.
- ◆ 2019 08 01: Trump twitter that 10% of additional tax on the rest \$300 billion of imports from China will be imposed effective Sep 1st. Impact will be on one time use dinnerware, toy and baby carriage .
- ◆ 2019 08 23 : Trump announced another 5% of additional tariff on \$200 and 300 billion of imports from China .
- ◆ 2019 10 11: US announced to delay the increase of additional tax (from 25% to 30% that would affect on aircon, refrigerator, vacuum cleaner, TV and suitcase industries) scheduled to effect on 10/15.
- ◆ 2020 01 15: US and China signed the Economic and Trade Agreement. Trade war showed sign of easing.

2019 Review – Feedstock

SM Price



Impact market

Impact performance



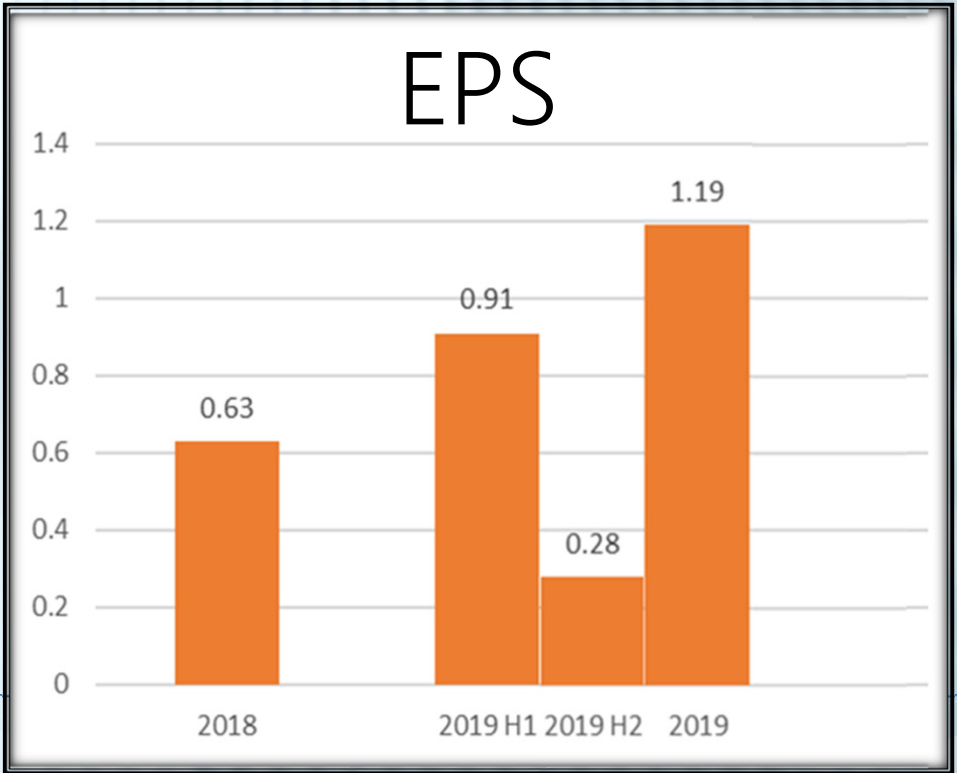
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2019 Review - Performance

Sales Q'ty

Earning per Share

unit: MT		2019 vs 2018	
ABS/SAN		+ 8%	
GPS		+ 5%	
EPS	Taiwan	- 1%	
	Zhong Shan	+ 3%	
GW		+ 2%	
CUBIC		- 36%	

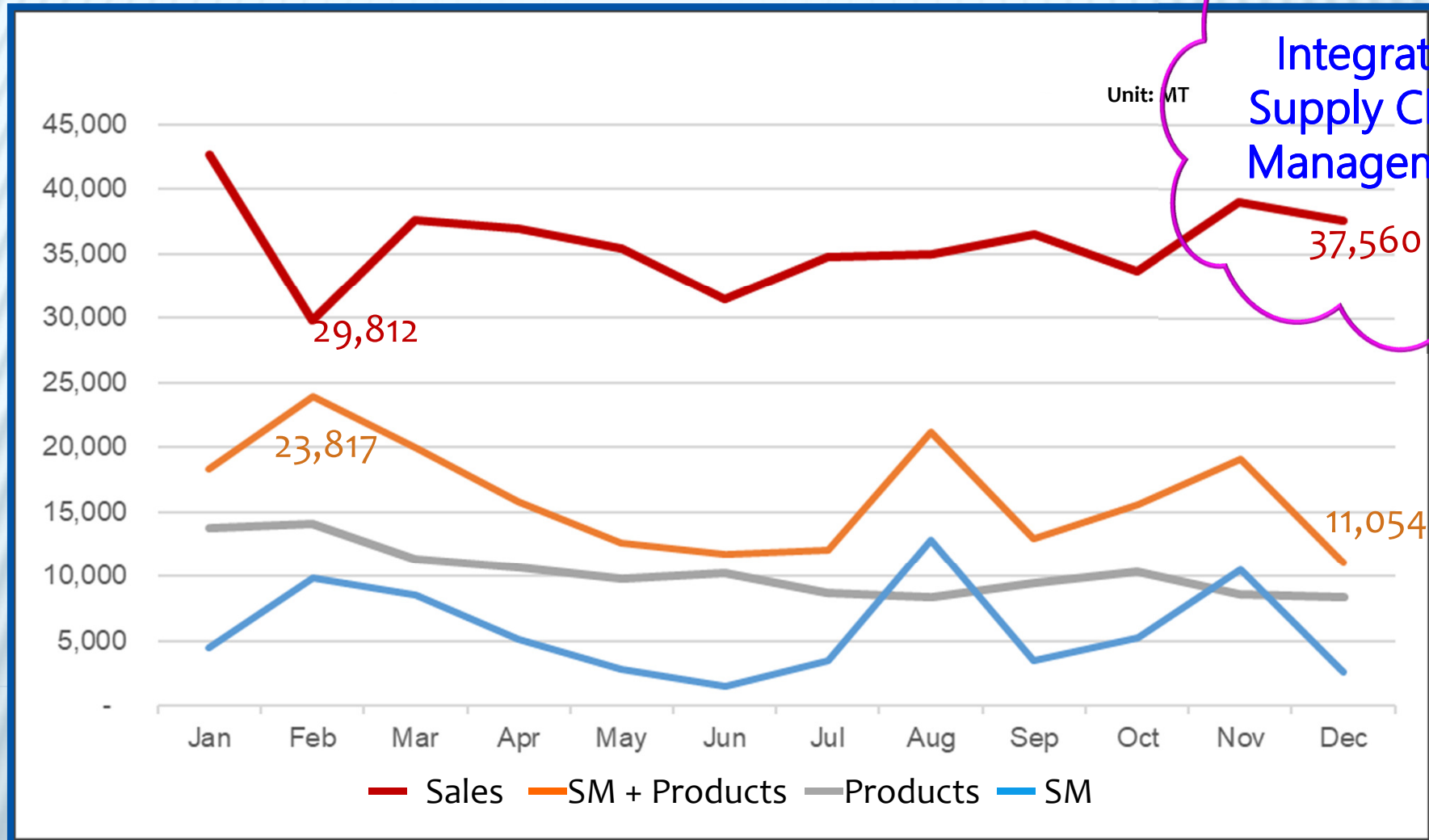




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2019 Review – Performance

Sales vs SM + Products Inventory (Taiwan + China)

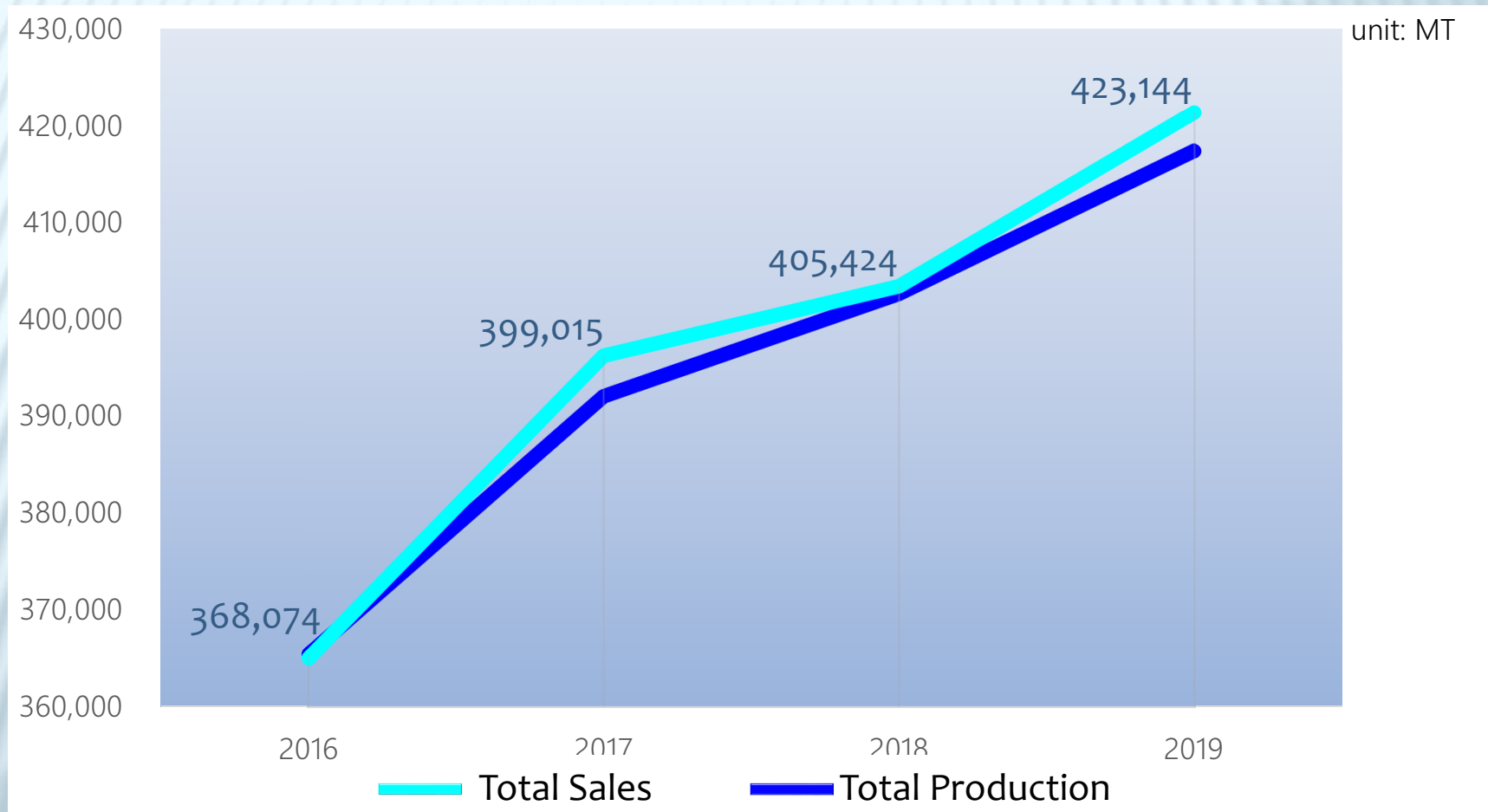


Integrated Supply Chain Management



2019 Review - Performance

2016 ~ 2019 Production & Sales Q'ty





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2020 Market outlook

- ◆ Overall
- ◆ Industry
- ◆ Feedstock
- ◆ Performance

2020 Market Outlook – Overall

Covid-19 Pandemic

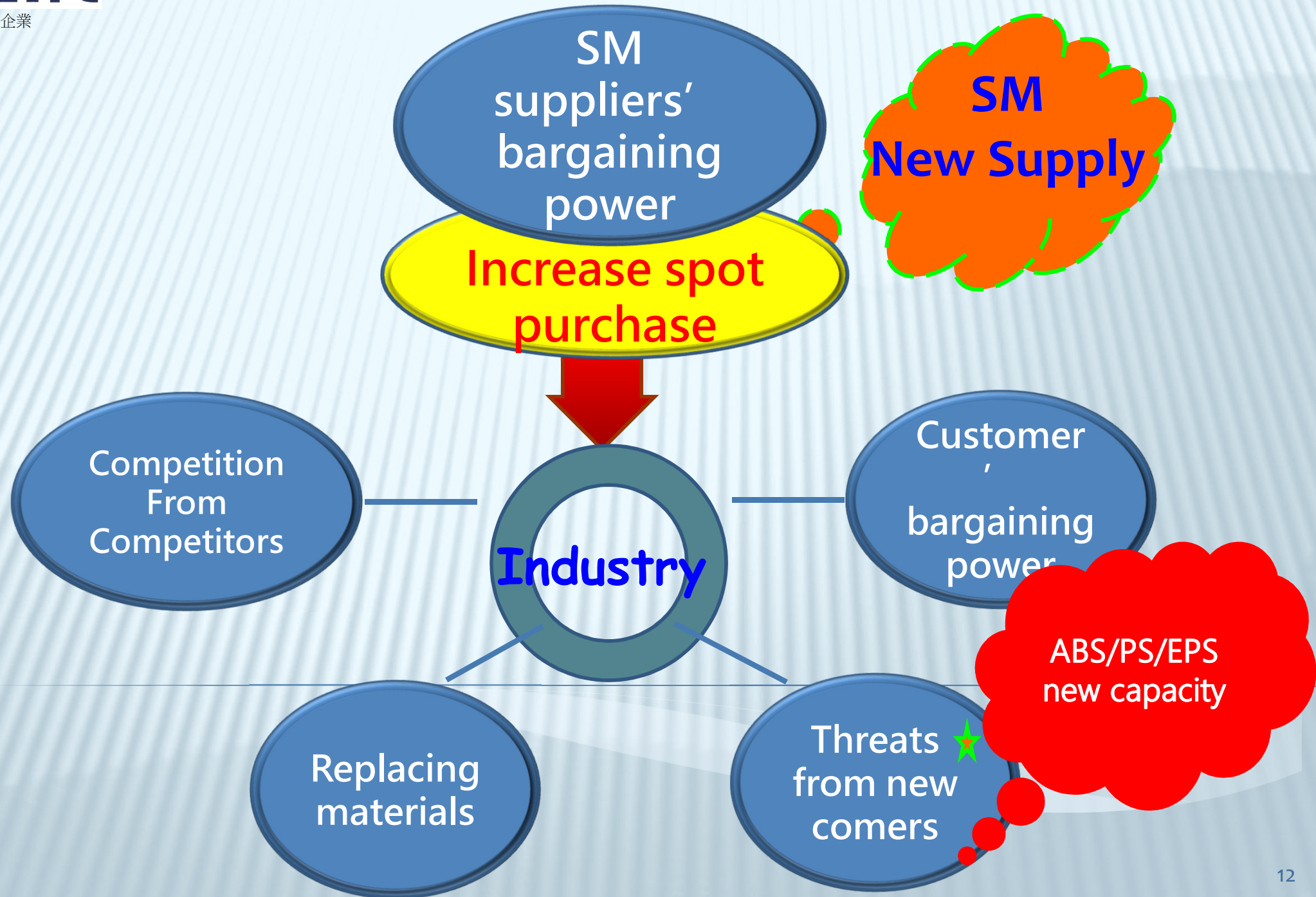
- 2020/1/23: Wu-Han city lockdown due to Covid-19.
- Mid of Feb: Large-scale infection in a Church in Daegu, S. Korea.
- 2nd half of Feb: New cases in Italy and Iran continue to rise.
- 2/26: First case in Brazil. 4/3 find in all S. American countries.
- 3/4 : In Italy and then spread gradually to all Europe.
- 3/10: Confirm over 1,000 cases in the US. In late April, more than 800,000 people were diagnosed.
- 2nd half of May: Over 5 million confirmed around the world.

Impact Market

US-China Trade War?

One Helmet One Belt Policy

2020 Market Outlook – Industry





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Market Outlook – Industry (China)

Unit: x 10,000 MT

New Capacity		ABS	GPS	EPS	SM
Current Capacity ^(*1)		421	354	638	1,055
New Capacity ^(*2)	2020	10	10	62	312
	2021	40	62	80	555

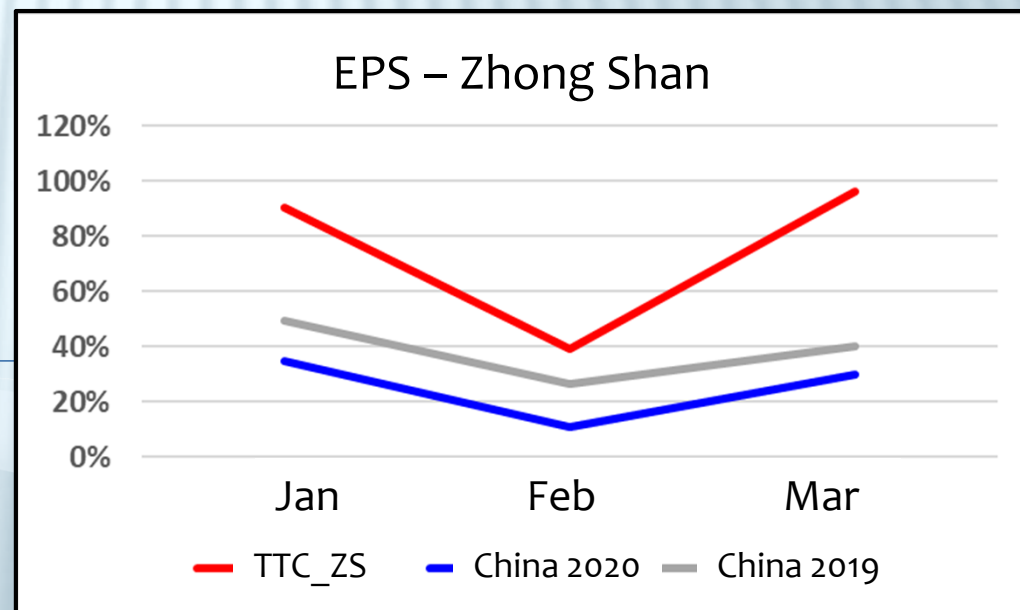
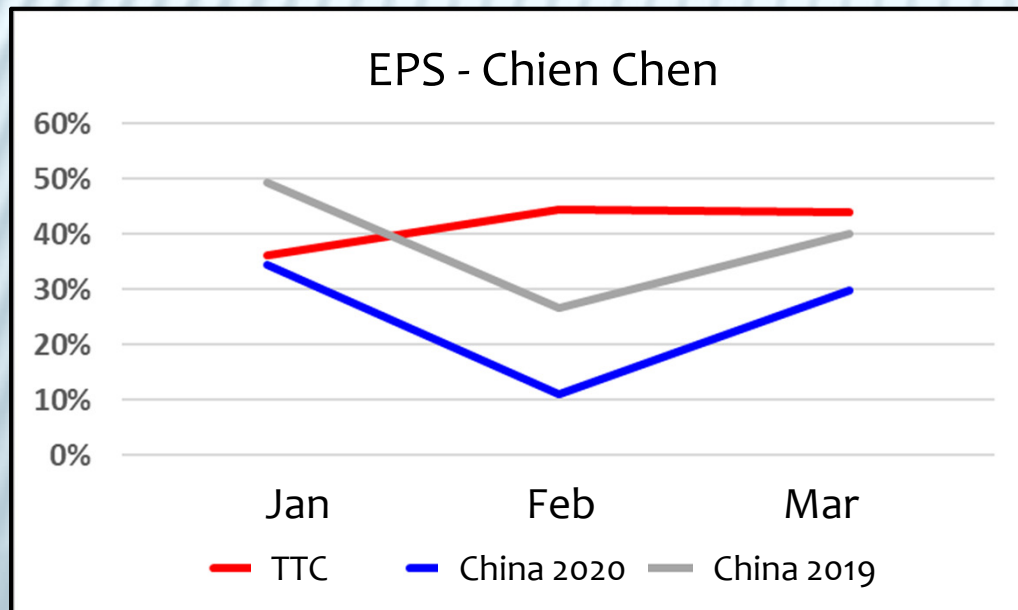
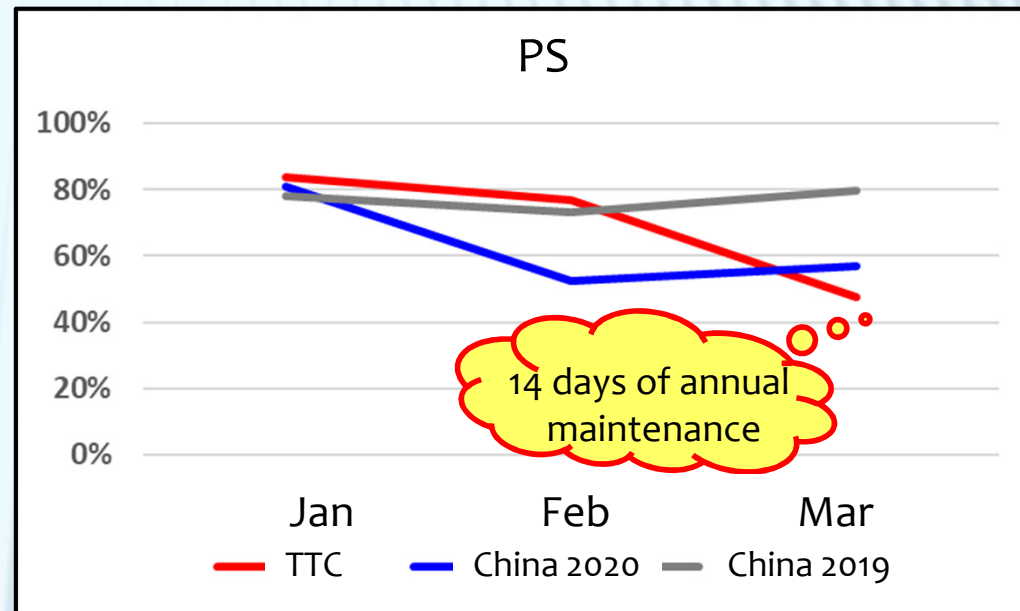
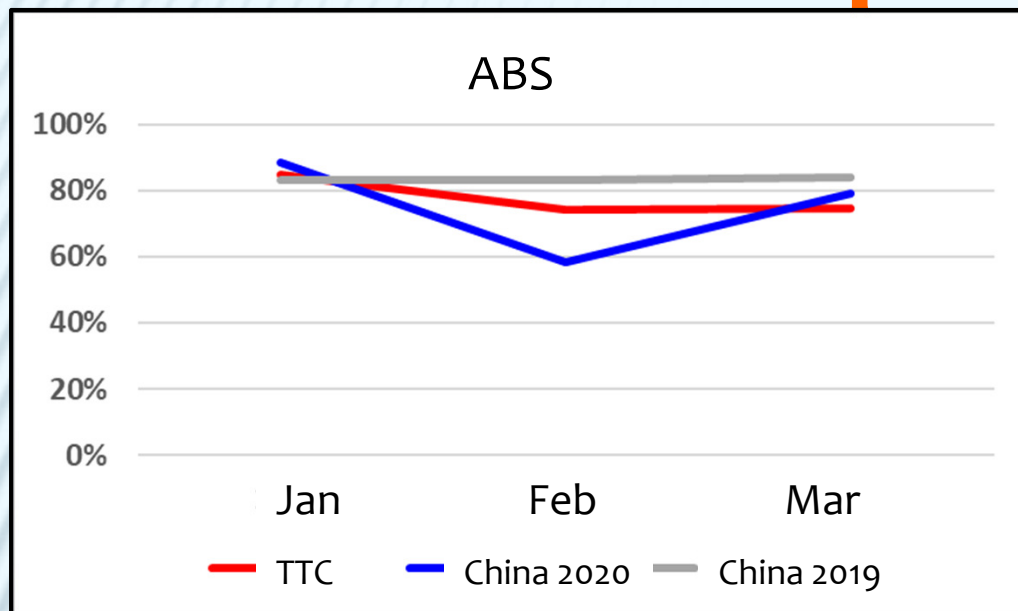
(*1): ICIS report

(*2): Grand-Energy & Chisage Marketing Dept.



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2020 Outlook – Industry Operation Rate



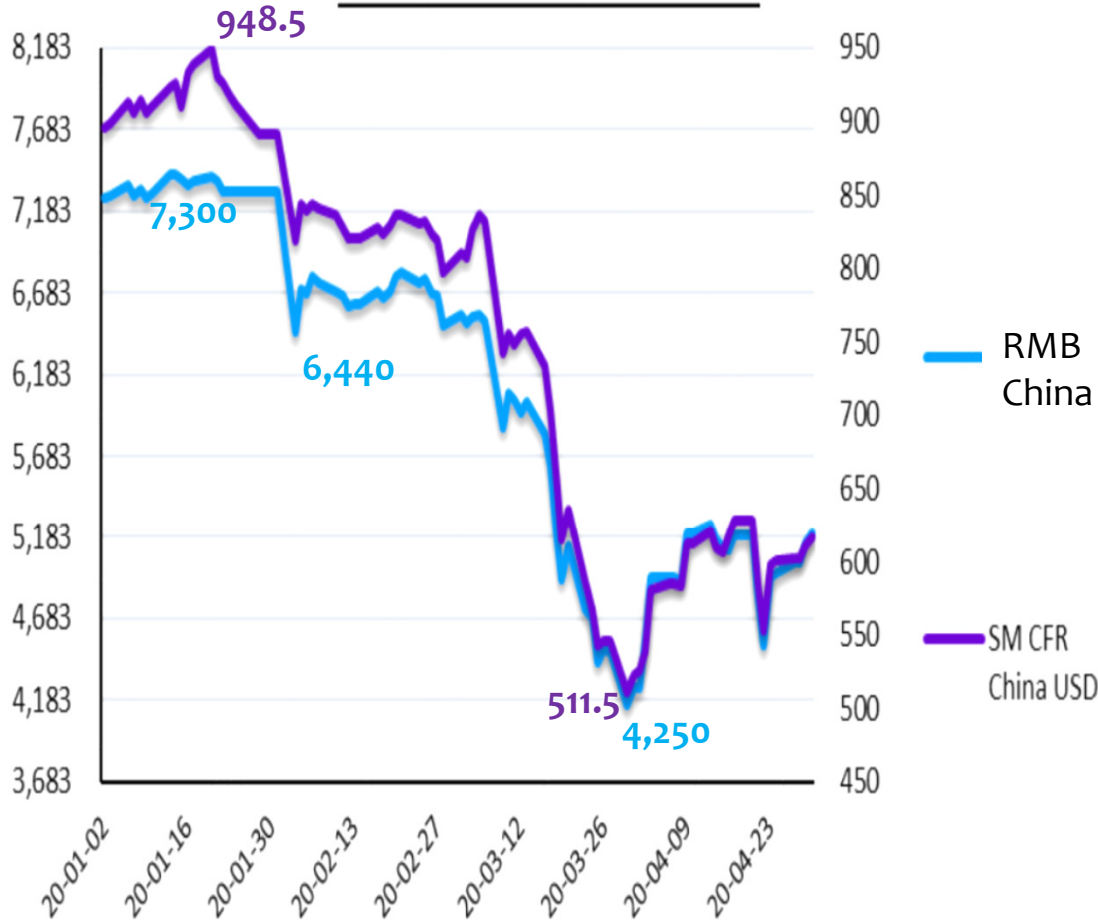
Source: ICIS



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2020 Outlook – Feedstock

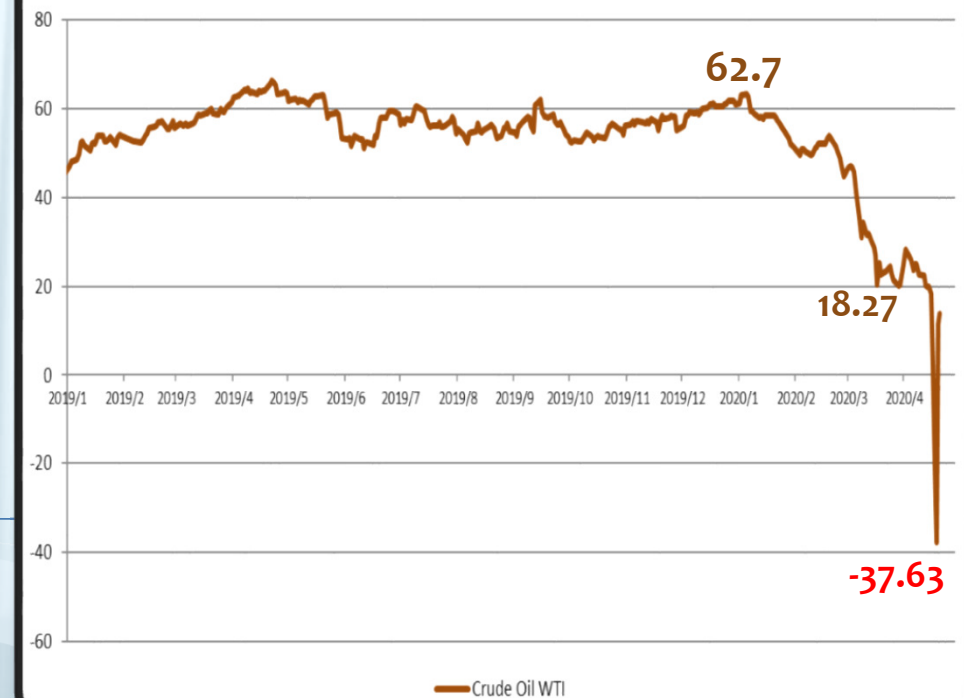
SM Price



Source: PLATTS

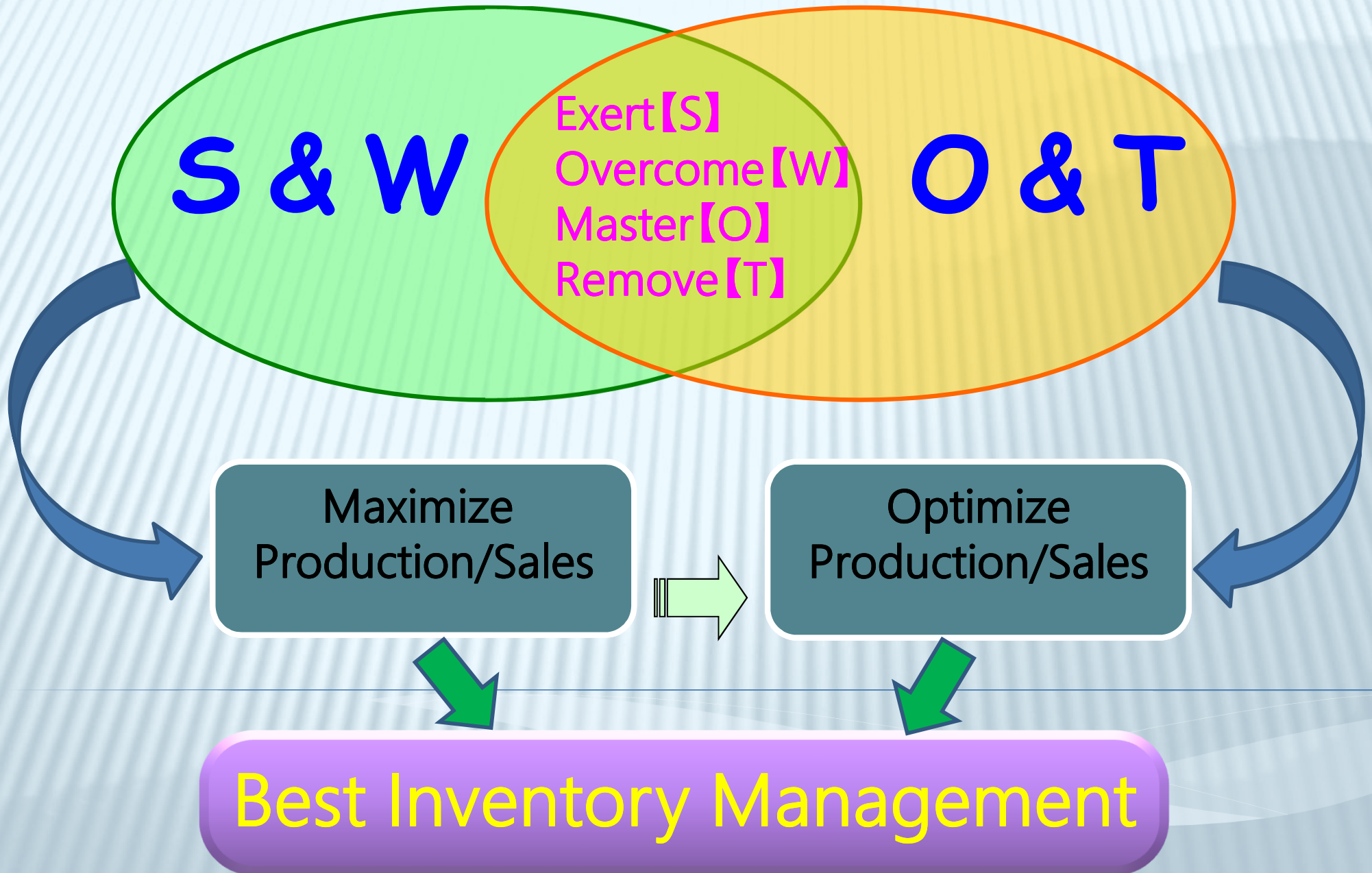


Crude Oil WTI



Source: CME/BARCHART

2020 Outlook – Performance

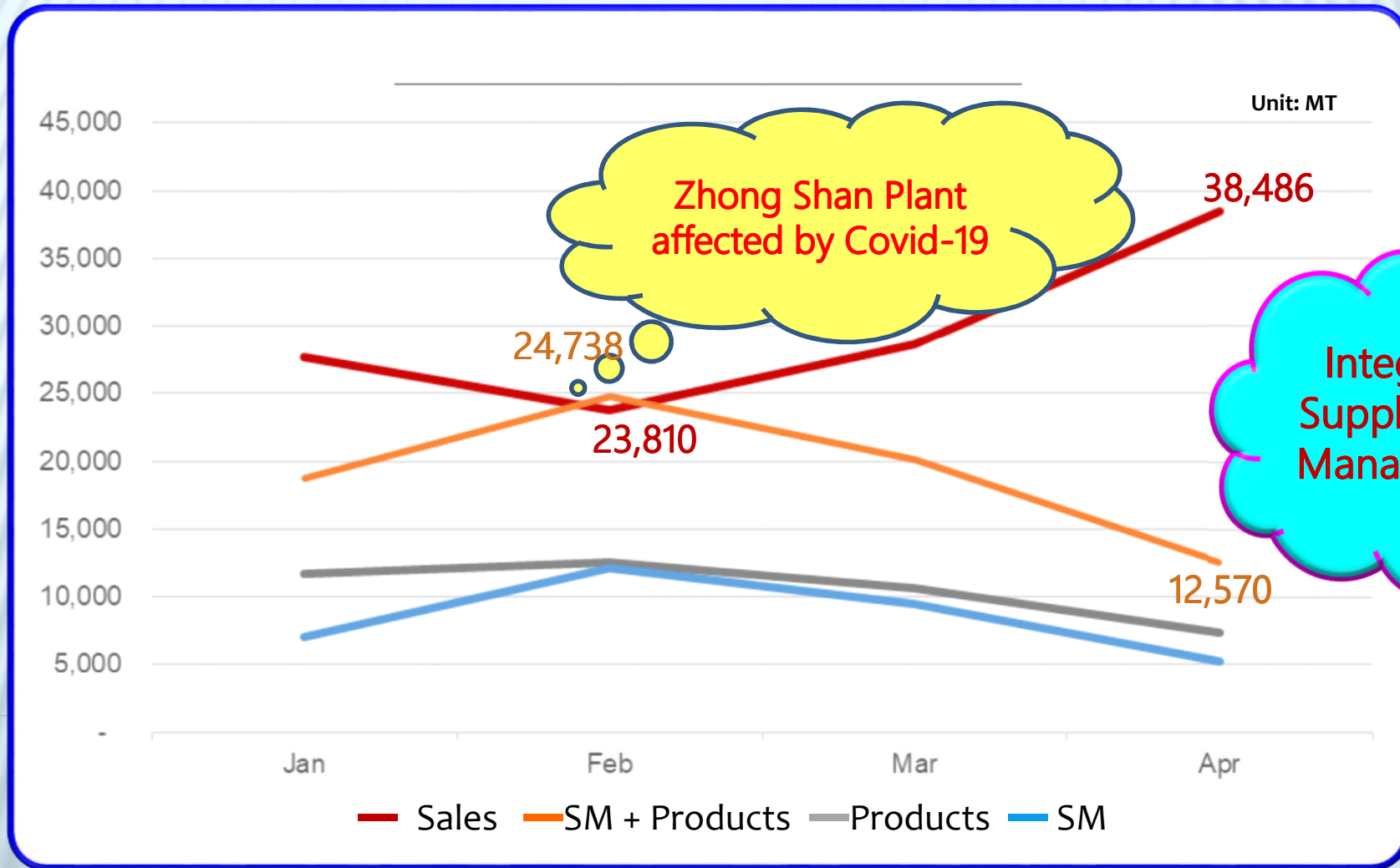




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2020 Outlook - Management

Sales vs SM + Products Inventory (Taiwan + China)



Sales SM + Products Products SM

Jan Feb Mar Apr



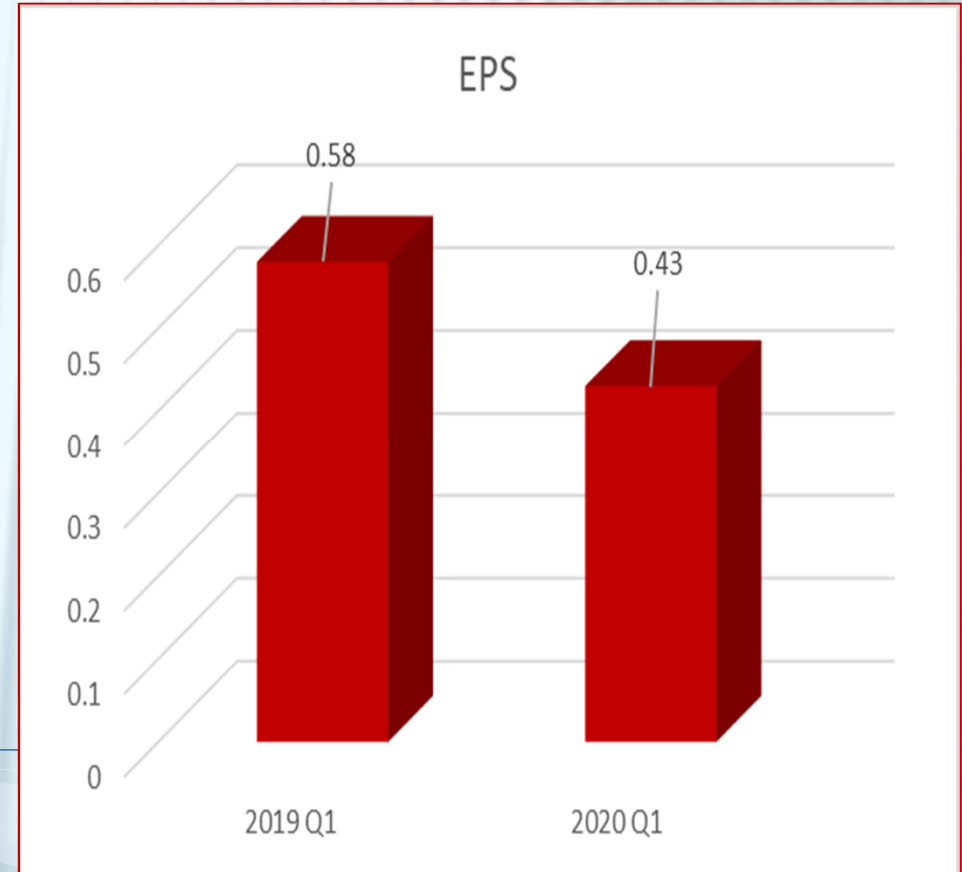
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2020 Outlook - Performance

Sales Q'ty

unit: MT		2020 Q1 vs 2019 Q1	
ABS/SAN		-26%	
GPS		-2%	
EPS	Taiwan	-5%	
	Zhong Shan	-36%	
GW		10%	
CUBIC		-21%	

Earning per share





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2020 Outlook - Performance

* Tianjin production is suspended to minimize the negative performance

Year	Amount (NTD Million)
2020 Q1	-11
2019	-155
2018	-100
2017	-94



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Finance Information

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



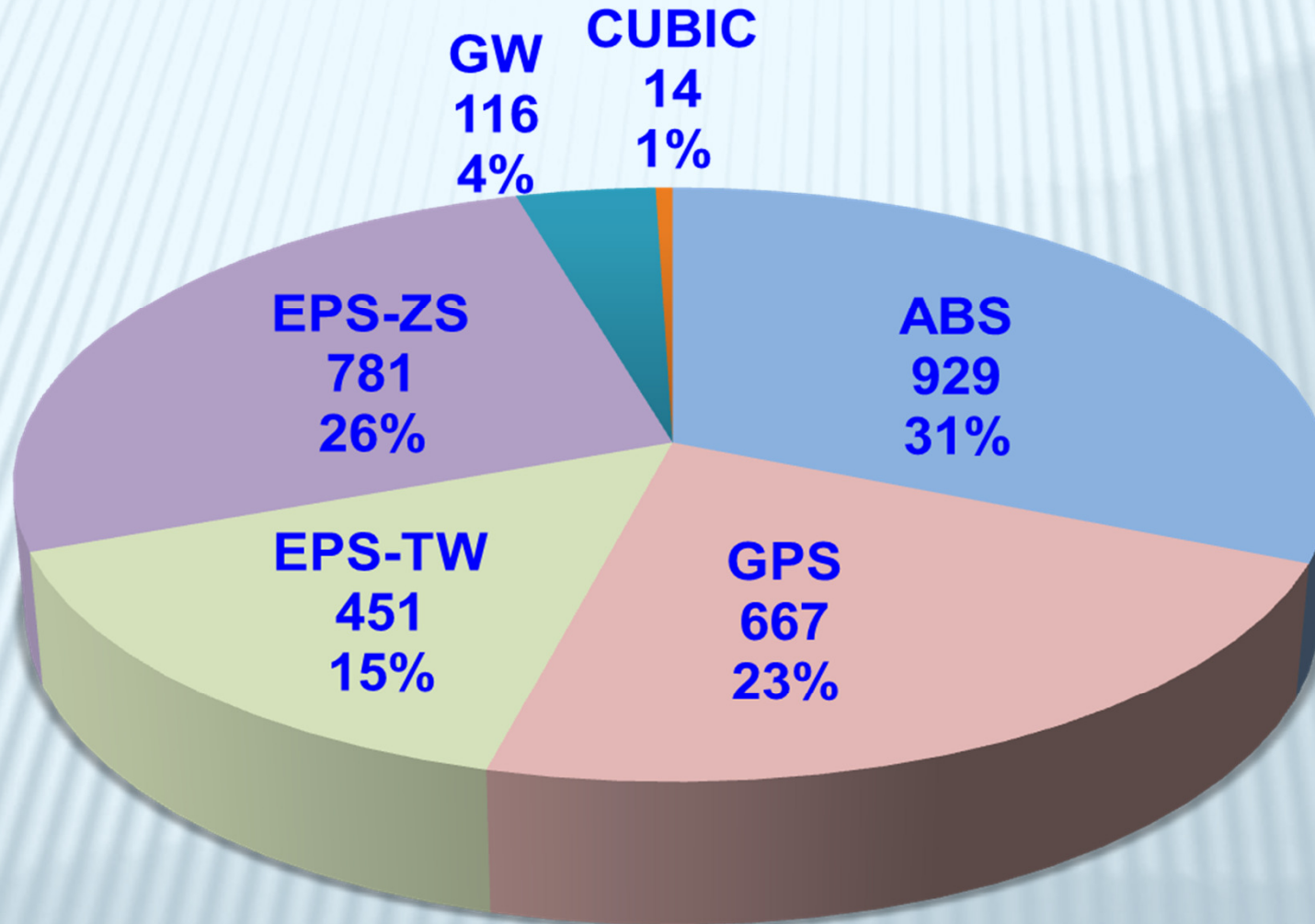
Consolidated Statements of Income

(In millions of NTD,
except per share data)

	2020Q1	2019Q1	YoY%	2019	2018	2017
Sales Volume(MT)	80,183	110,148	(27%)	430,340	433,401	414,678
Sales	2,958	4,600	(36%)	17,672	21,684	19,821
Cost of goods sold	2,643	4,207	(37%)	16,426	20,640	18,387
Gross profit	315	393	(20%)	1,246	1,044	1,434
gross profit ratio	11%	9%		7%	5%	7%
Operating expenses	158	183	(14%)	731	766	758
Operating income	157	210	(25%)	515	278	676
operating income ratio	5%	5%		3%	1%	3%
Non-operating income(loss)	30	40	(25%)	43	53	2
Income before income taxes	187	250	(25%)	558	331	678
Income taxes	42	55	(24%)	160	123	176
Net income	145	195	(26%)	398	208	502
net income ratio	5%	4%		2%	1%	3%
Earnings per share(NTD)	0.43	0.58	(26%)	1.19	0.62	1.50

Sales by Product – 2020 Q1

In millions of NTD





Financial Ratio Analysis (Consolidated Statement)

	2019	2018
Operating income margin(%)	2.91	1.28
Net income margin(%)	2.25	0.96
Debt ratio(%)	46.28	54.26
Current ratio(%)	210.71	162.56
Quick ratio(%)	172.37	125.07
Accounts receivable turnover days	53	49
Inventory turnover days	21	21



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