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# **2023Q1~3 Operation Briefing of Nan Ya PCB Corp.**

**November 16<sup>th</sup> 2023**



# Disclaimer

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**The description of historical events might include the information that was not reviewed by accountants. Thus, it might be insufficient to fully exhibit the financial status or operation results of Nan Ya PCB Corp.**

**The actual operation results, financial status, and sales outlook in the future might be different from what will be indicated or implied in this meeting. The reasons may be including but not limited to the market demand, price fluctuation, competition dynamic, global economy, supply-chain, foreign exchange rate, and other risks that the Company cannot control.**

**Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.**



# Agenda

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- **Company Profile**
- **Financial Status**
- **Future Product Development**
- **Operational Strategies in 2023**



# Company Profile

## Business Overview

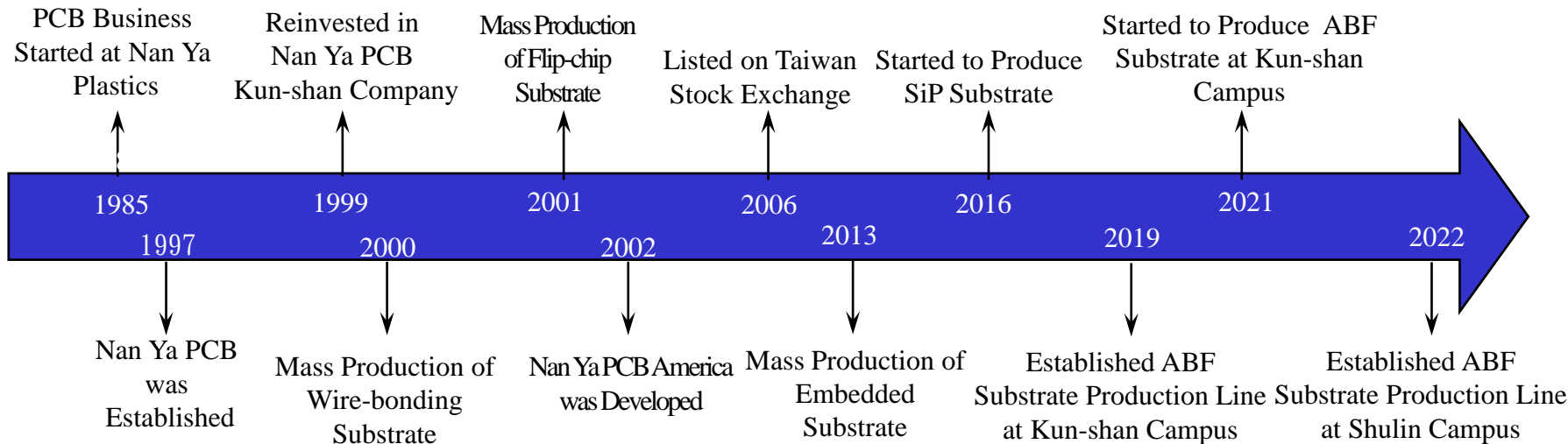
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- **Subsidiary Company of Nan Ya Plastics Corp.**
- **Manufacture and Sell IC Substrates and PCBs**
- **2023 Consolidated Revenues: NTD 32.9 Billion**
- **Market Value: NTD 172.2 Billion(September 30<sup>st</sup> 2023)**
- **Production Locations : Taiwan and China**



# Company Profile

## Milestone

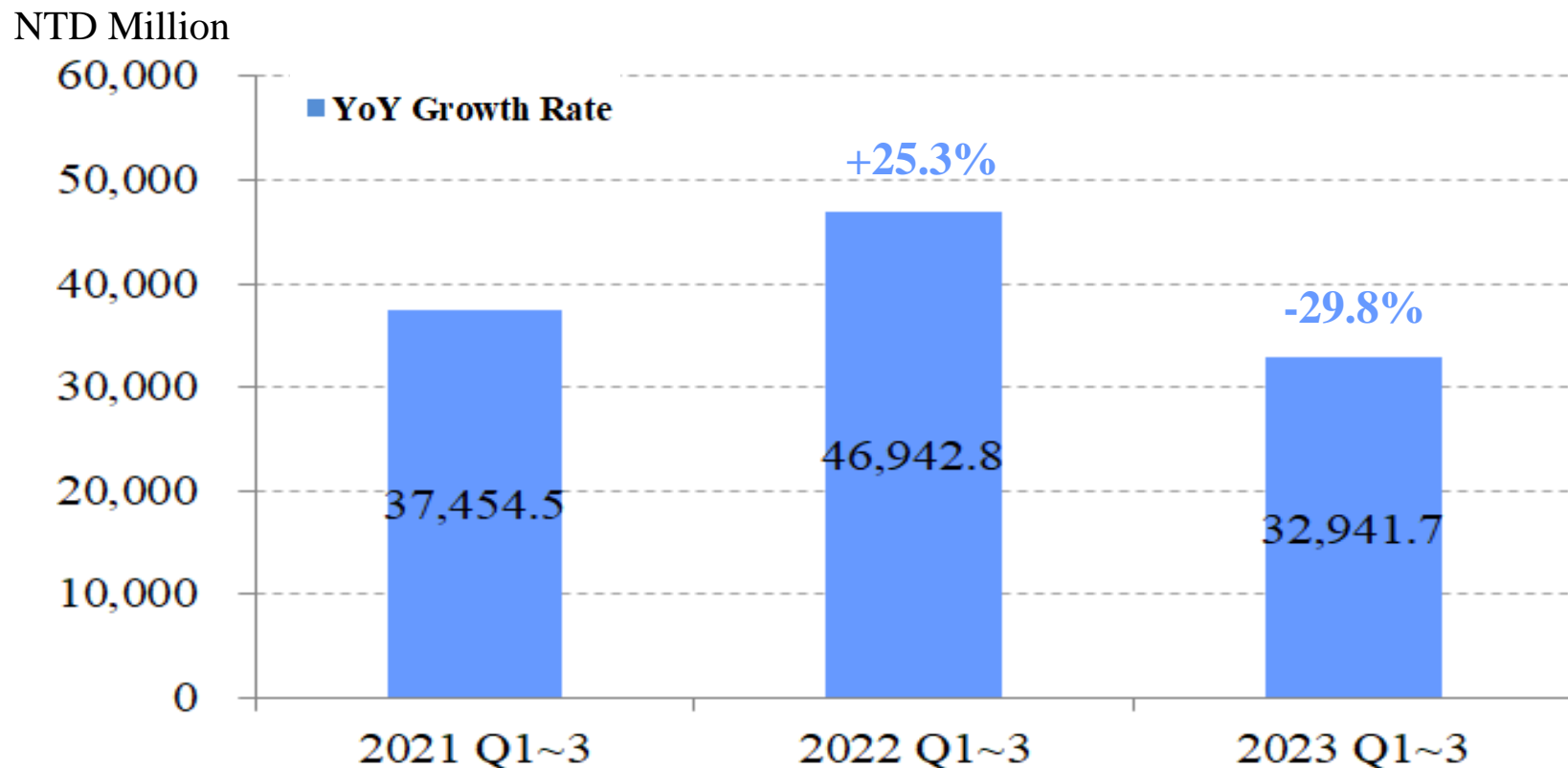


- 1985 : PCB business unit was formed at Nan Ya Plastics Corp. and started manufacturing PCBs
- 1997 : Approved by the Board of Nan Ya Plastics, Nan Ya PCB Corp. was established via reinvestment
- 1999 : Reinvested Nan Ya PCB Kun-shan Company with capital of USD29.8 million
- **2000 : Started manufacturing wire-bonding substrates**
- **2001 : Upgraded technologies and produced flip-chip substrates**
- 2002 : Established Nan Ya PCB America Corp.
- 2006 : Listed on Taiwan Stock Exchange with ticker 8046 TT
- 2013 : Upgraded technologies and produced Embedded substrates
- 2016 : Started to produce System in Package (SiP) substrates
- 2019 : In response to market demand, Nan Ya PCB Corp. started to build ABF substrate production line at Kun-shan Campus
- **2021 : Kun-shan Campus started to manufacture ABF substrates**
- **2022 : Shulin Campus started to manufacture ABF substrates**



# Financial Status

## Consolidated Revenues(IFRS) in Last 3 Years

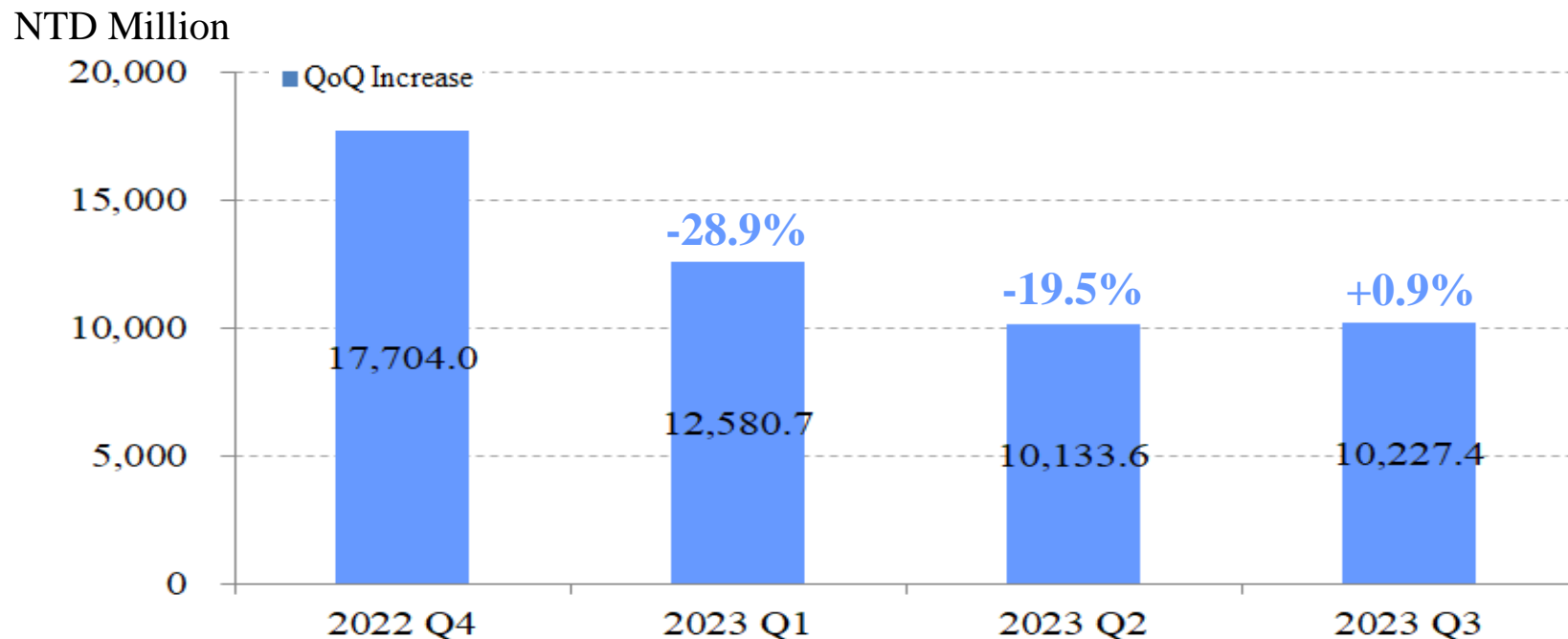


- **Revenues in 22Q1~3 were 25.3% greater than those in 21Q1~3:**  
Because of better sales in high-end PC and telecom products, the high value product sales ratio increased and lifted the 22Q1~3 revenue growth from 21Q1~3.
- **Revenues in 23Q1~3 were 29.8% lower than those in 22Q1~3:**  
Impacted by the inventory correction in CE products, 23Q1~3 revenues showed YoY decline.



# Financial Status

## Quarterly Consolidated Revenues(IFRS) in a Year



■ **Revenues in 23Q1 were 28.9% lower than those in 22Q3:**

23Q1 revenues were affected by the inventory correction in CE products, and showed QoQ decline.

■ **Revenues in 23Q2 were 19.5% lower than those in 23Q1:**

In the 23Q2, due to an extended adjustment of consumer electronics product inventory, revenue decreased further from 23Q1.

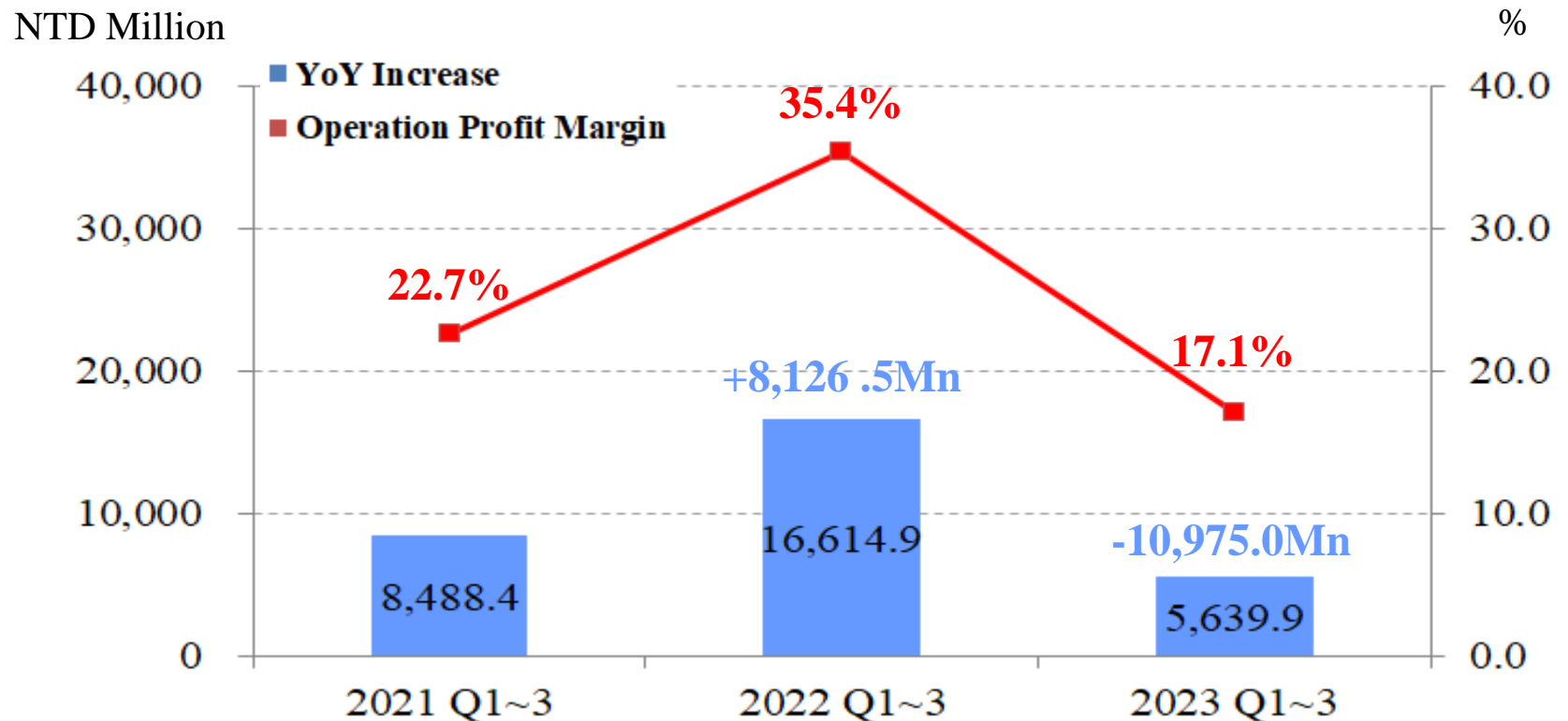
■ **Revenues in 23Q3 were 0.9% greater than those in 23Q2:**

Because of the launch of new generation products, 23Q3 sales was growing from 23Q2.



# Financial Status

## Operation Profits(Losses) in Last 3 Years



- **Operation profits in 22Q1~3 were increasing NTD 8,126.5 Mn from 21Q1~3:**

The profits growth was helped by increasing high value product sales volumes via the debottleneck of high-end IC substrate capacities.

- **Operation profits in 23Q1~3 were decreasing NTD 10,975.0 Mn from 22Q1~3:**

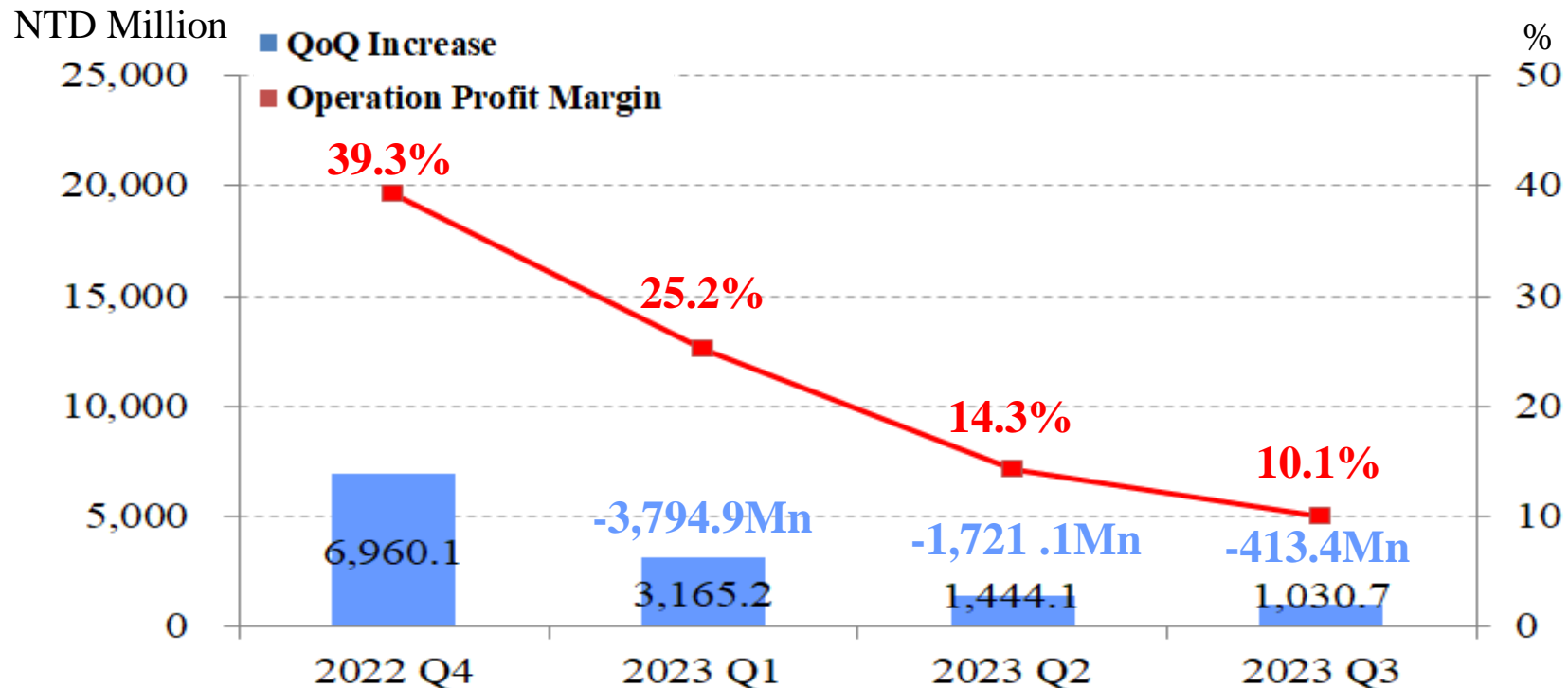
Impacted by the inventory correction in CE products, the sales volumes declined and so did the profits





# Financial Status

## Quarterly Operation Profits in a Year

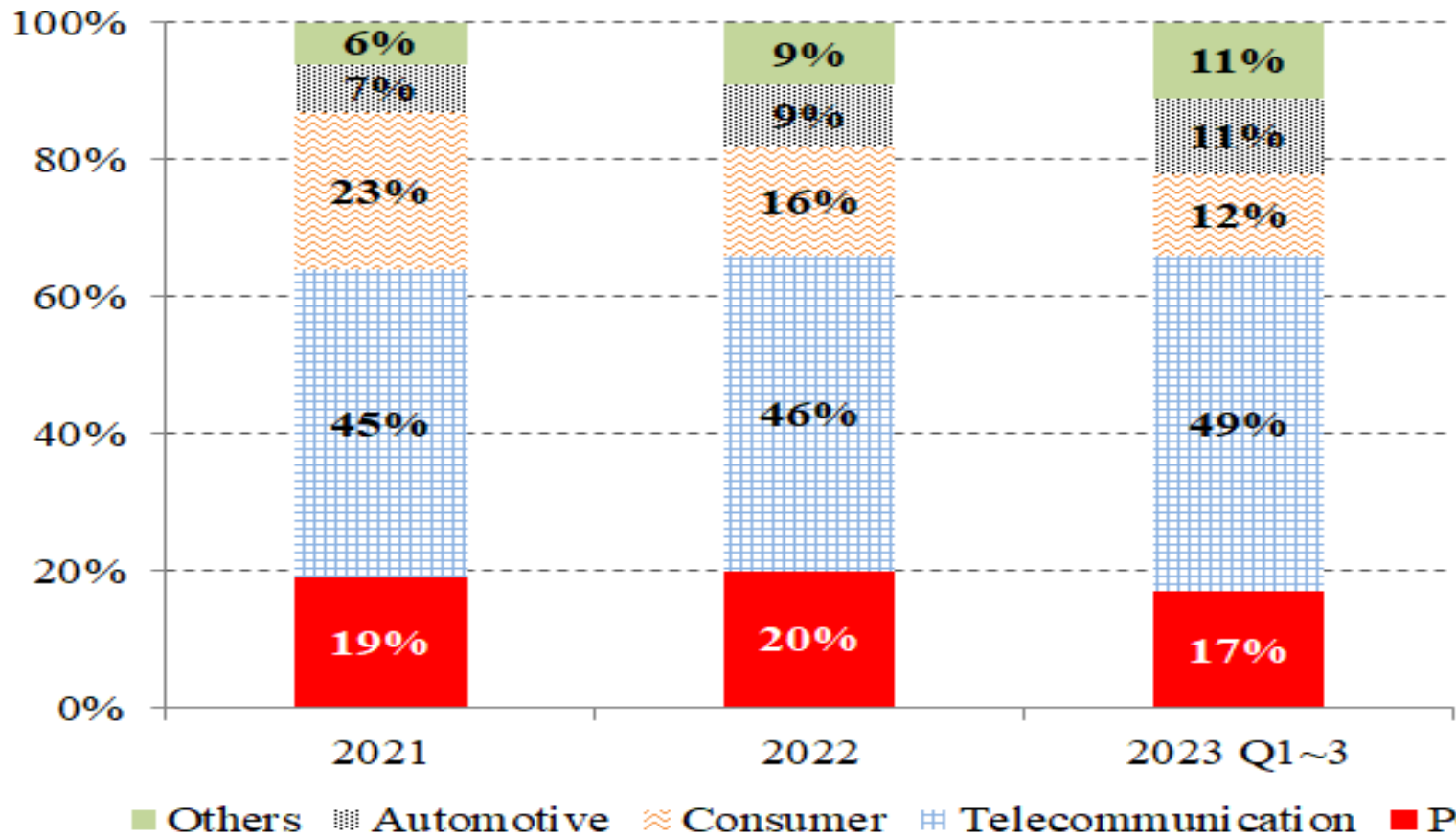


- **Operation profits in 23Q1 were decreasing NTD 3,794.9 Mn from 22Q4:**  
Due to inventory correction in CE products and traditional slow season, the 23Q1 profits dropped from 22Q4.
- **Operation profits in 23Q2 were decreasing NTD 1,721.1 Mn from 23Q1:**  
PC products continue to undergo inventory adjustments, and 23Q2 profits decreased from 23Q1.
- **Operation profits in 23Q3 were decreasing NTD 413.4 Mn from 23Q2:**  
23Q3 profits was affected by greater depreciation from the new Shulin plant.



# Financial Status

## Revenue Structure(By Applications)

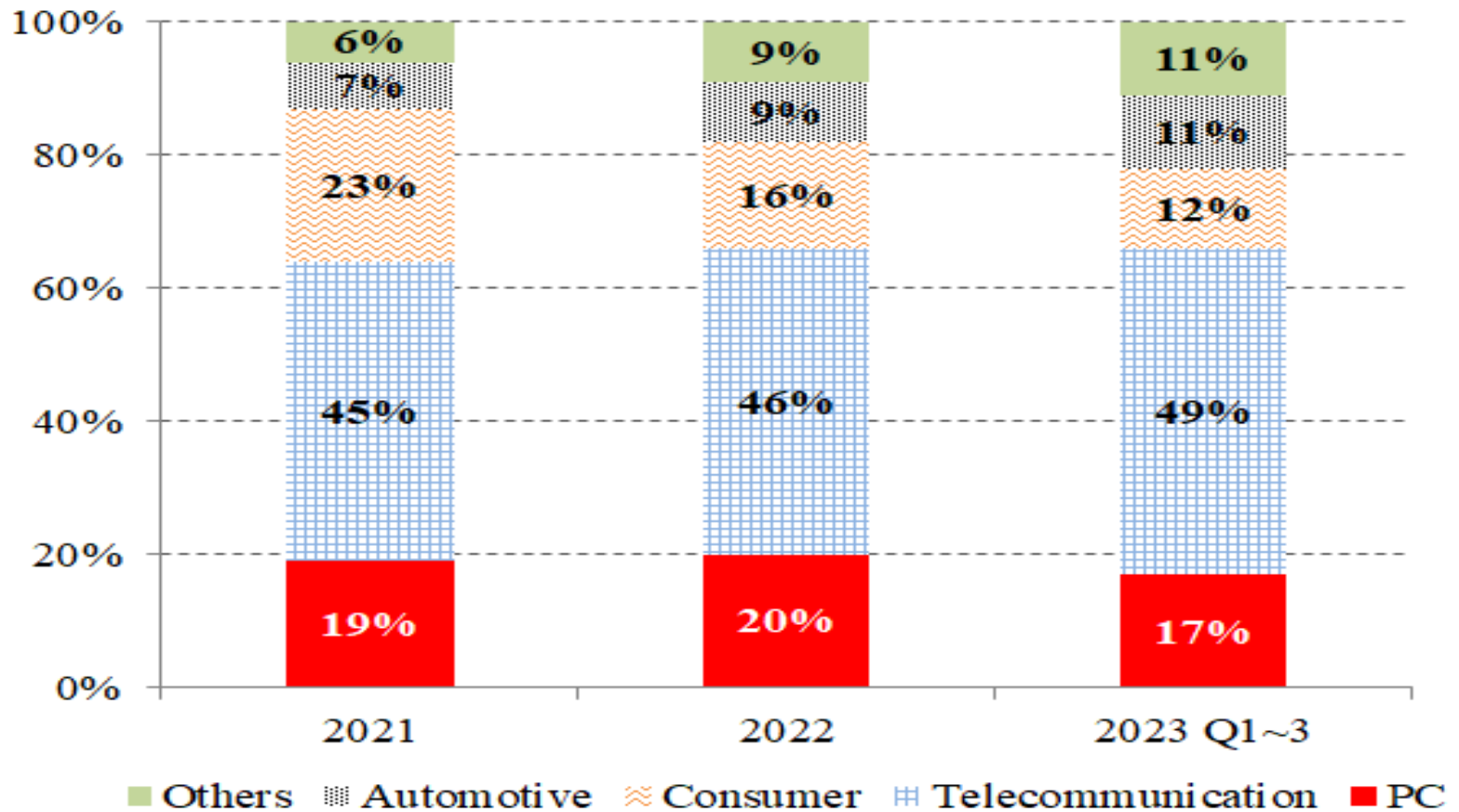


- Because of inventory correction in PC and CE, the sales ratios of those application products declined in 23Q1~3.
- The demands in telecom products remained stable, the sales ration of the application products increased in 23Q1~3.



# Financial Status

## Revenue Structure(By Applications)



- Evs and better penetration rate of automotive electronics drove the demands in automotive PCBs. The related sales ratio grew in 23Q1~3.
- We actively accessed the business opportunities in datacenters and edge computing. With incremental high-end IC substrate capacities, the sales ratio increased in 23Q1~3.



# Future Product Development

## Continue to Expand High Value Products

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### ■ ABF Substrate

We will closely collaborate with customers to develop products for 5nm GPUs, server processors, data center switches, network control chips, and AI server ASICs. Also, we are committed to upgrading the Jinxing Campus and advancing the Shulin phase 2 expansion in order to increase the production of high-value products and further enhance profitability.

### ■ BT Substrate

Given the trend of heterogeneous integration remains, we will develop new generation all sorts of SiP substrates for mobile device. Also to meet the growing demands in the 5G, we will produce 5G optical communication modules. In addition, we will collaborate with clients to develop automotive control chip substrates to diversify the product line.

### ■ Conventional PCB

The data center server drives demand in HDI and multilayer PCB. Our company will develop and mass-produce the next-generation server networking card and server SSD application products, while continuing to expand sales of automotive application products. We will also mass-produce power module boards to improve our product mix.



# Operational Strategies in 2023

## Corporate Remains Strong Competitiveness

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- Recruit and develop talents as well as lift the spirit of employees via rewarding schemes to enhance the competitiveness of the Company.
- Improve the product mix and reach new business opportunities to optimize the capacity usage and create the best values.
- Utilize AI to accelerate Digital Transformation processes and improve efficiency.
- Achieve the goal of sustainability by going beyond the governance indicators and strengthening operation performances.



Thank You

