
2021Q3 Operation Briefing of Nan Ya PCB Corp.

November 11th 2021



Disclaimer

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.

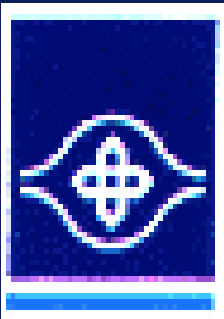
The actual operation results, financial status, and sales outlook in the future might be different from what will be indicated or implied in this meeting. The reasons may be including but not limited to the market demand, price fluctuation, competition dynamic, global economy, supply-chain, foreign exchange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

- **Company Profile**
- **Financial Status**
- **Future Product Development**
- **Operational Goals**



Company Profile

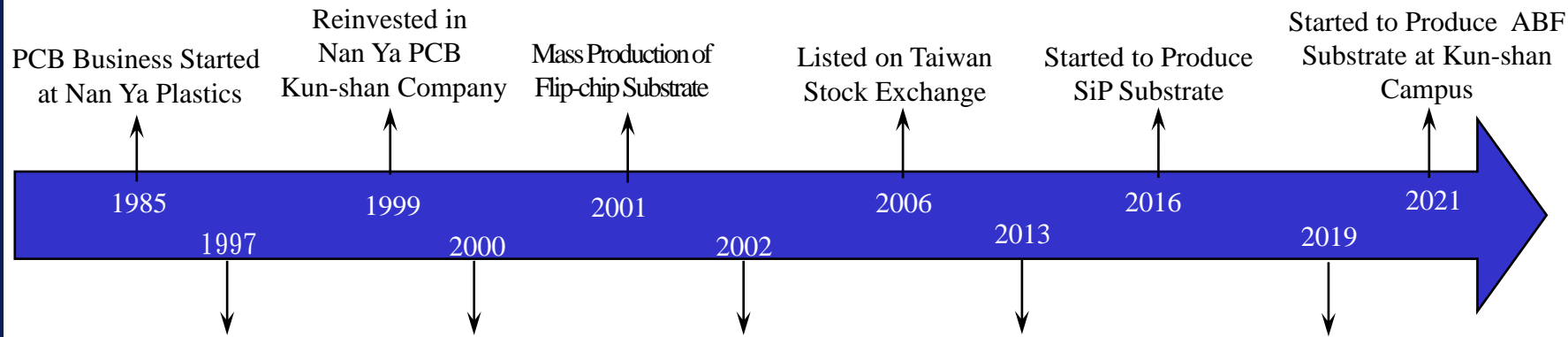
Business Overview

- **Subsidiary Company of Nan Ya Plastics Corp.**
- **Manufacture and Sell IC Substrates and PCBs**
- **2021 Q1~3 Consolidated Revenues: NTD 37.4 Billion**
- **Market Value: NTD 281.0 Billion(September 30th 2021)**
- **Production Locations : Taiwan and China**



Company Profile

Milestone

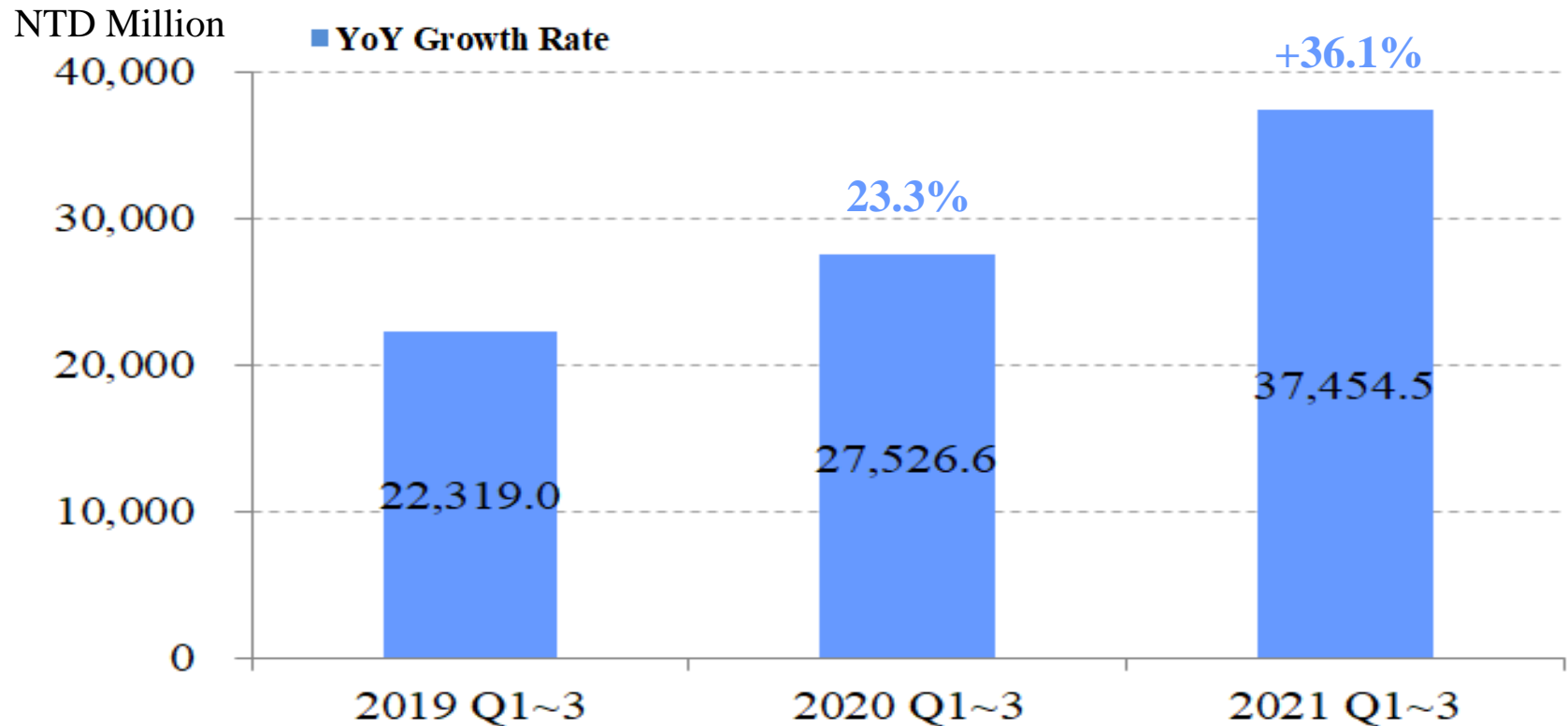


- **1985 : PCB business unit was formed at Nan Ya Plastics Corp. and started manufacturing PCBs**
- **1997 : Approved by the Board of Nan Ya Plastics, Nan Ya PCB Corp. was established via reinvestment**
- **1999 : Reinvested Nan Ya PCB Kun-shan Company with capital of USD29.8 million**
- **2000 : Started 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**



Financial Status

Q1~3 Consolidated Revenues(IFRS) in Last 3 Years



- **Revenues in 2020 Q1~3 were 23.3% greater than those in 2019 Q1~3:**

Nan Ya PCB was an early entrant in high-end telecom and SiP substrate fields and benefited from the increase in customer demands, and the 2020 Q1~3 revenues grew significantly from the same period in 2019.

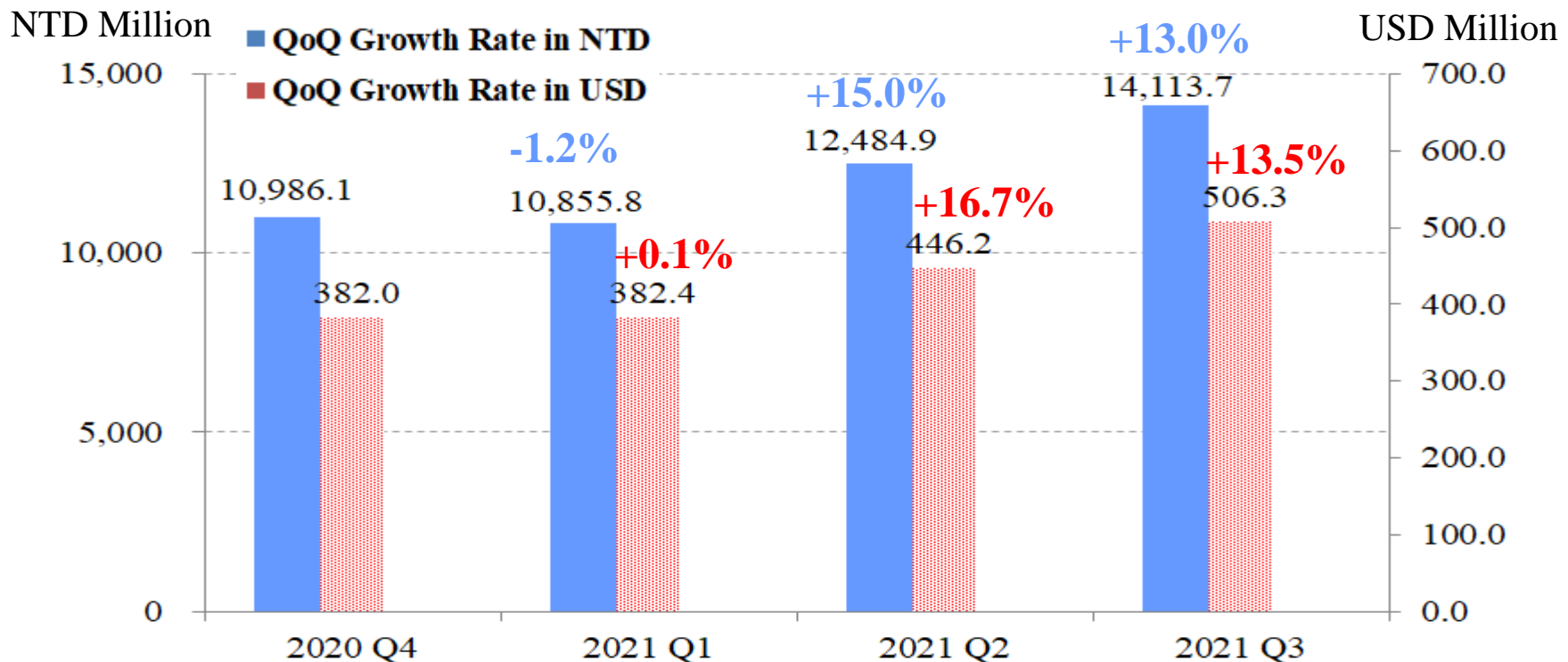
- **Revenues in 2021 Q1~3 were 36.1% greater than those in 2020 Q1~3**

Nan Ya PCB was helped by the better IC substrate sales in high-end PC, telecom, AI, and HPC products, and the 2021 Q1~3 performance was better than that in 2020 Q1~3.



Financial Status

Quarterly Consolidated Revenues(IFRS) in a Year



- **Revenues in 21Q1 were 1.2% lower than those in 20Q4:**

Because of fewer working days, revenues in 21Q1 slightly decreased from 20Q4. If it was on the original currency basis, USD, the growth rate was 0.1%.

- **Revenues in 21Q2 were 15.0% greater than those in 21Q1:**

Due to the contribution from better product mix and the new IC substrate capacities at Kunshan Campus, revenues in 21Q2 increased from 21Q1.

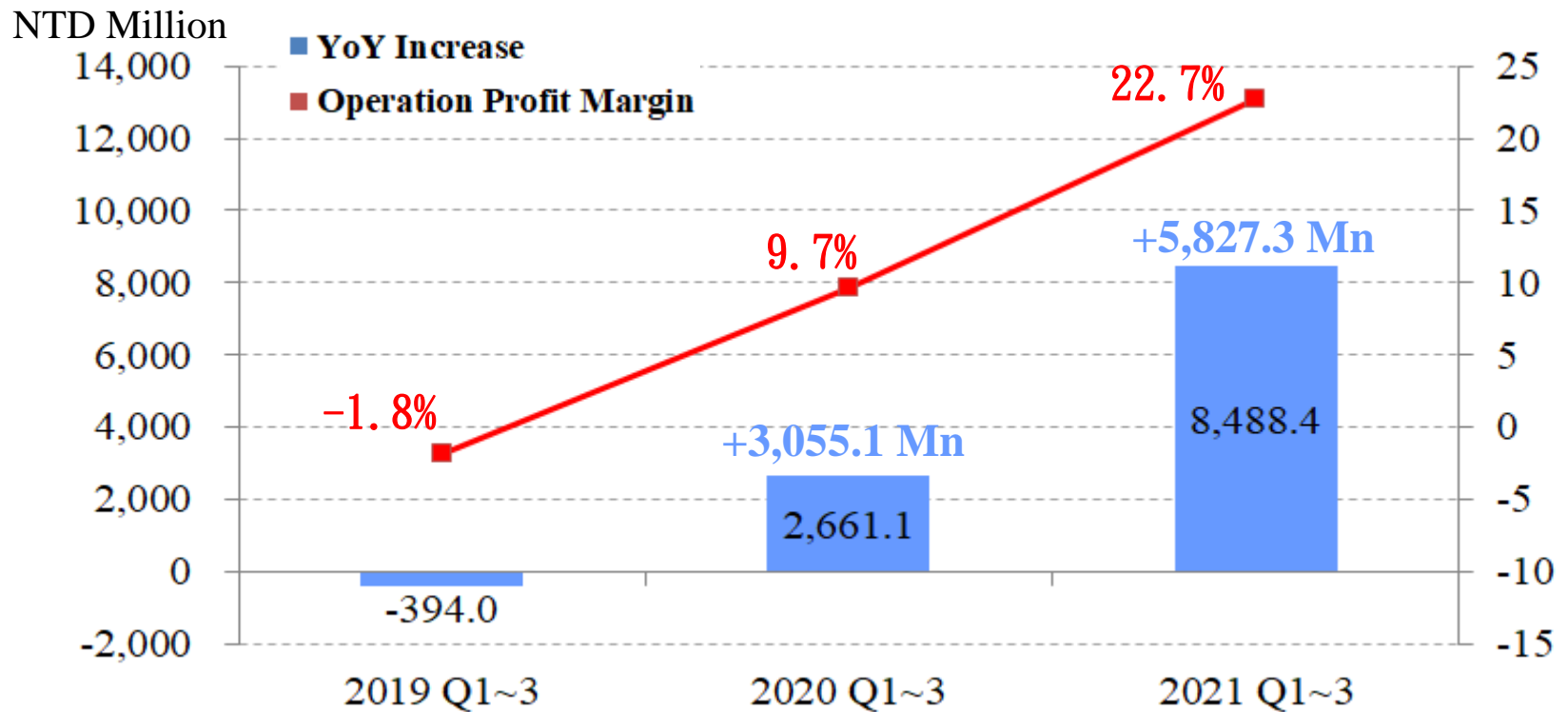
- **Revenues in 21Q3 were 13.0% greater than those in 21Q2:**

Due to rising high value product sales ratio and the traditional sales peak season, revenues in 21Q3 continued to grow from 21Q2.



Financial Status

H1 Operation Profits(Losses) in Last 3 Years

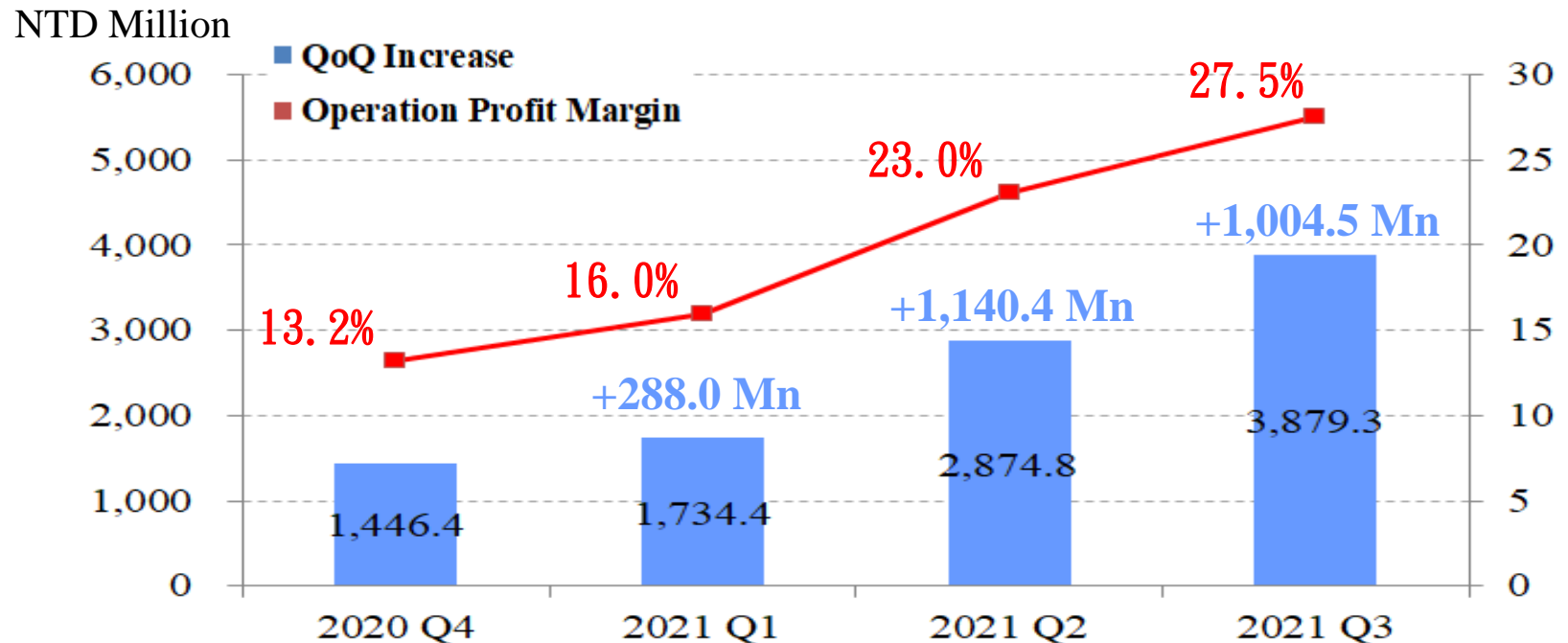


- **Operation profits in 2020 Q1~3 were increasing NTD 3,055.1 Mn from 2019 Q1~3:**
The 2020 Q1~3 operation profits and margin grew every season because of yield rate improvement and better product mix due to more high-end telecom products.
- **Operation profits in 2021 Q1~3 were increasing NTD 5,827.3 Mn from 2020 Q1~3:**
In addition to the contribution from the better product mix and the new IC substrate capacities at Kunshan Campus, we applied AI to manufacturing management to improve the yield rate and efficiencies to boost operation profits and margin.



Financial Status

Quarterly Operation Profits in a Year

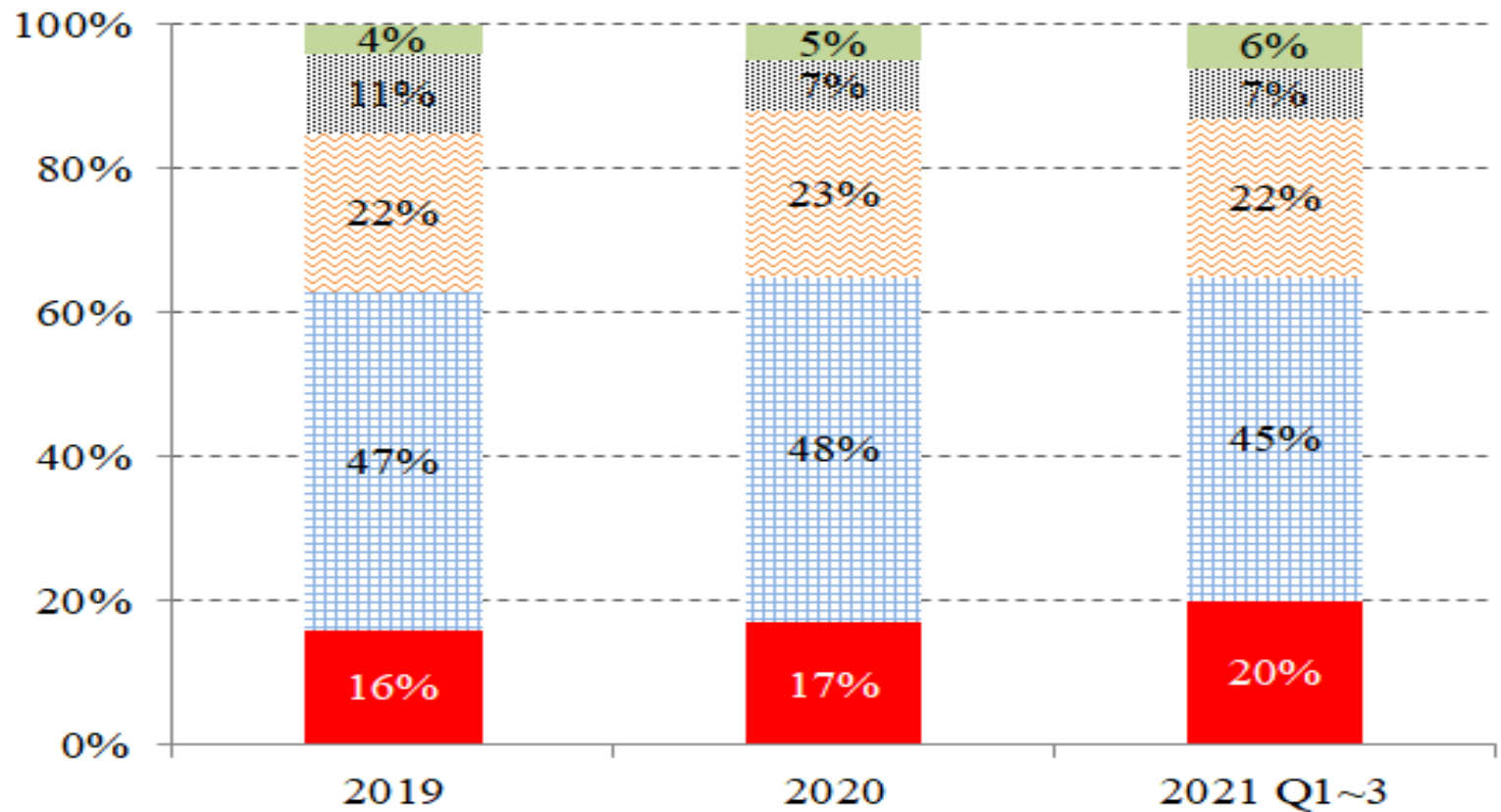


- **Operation profits in 21Q1 were increasing NTD 288.0 Mn from 20Q4:**
Because of better sales in high value products, such as high-end CPU and GPU substrates, 2021 Q1 operation profits continued to grow.
- **Operation profits in 21Q2 were increasing NTD 1,140.4 Mn from 21Q1:**
Growing Profits can be attributed to the new IC substrate capacities at Kunshan Campus and the better product mix.
- **Operation profits in 21Q3 were increasing NTD 1,004.5 Mn from 21Q2:**
The rising utilization rate and better high-value product sales ration have driven 21Q3 profits increasing.



Financial Status

Revenue Structure(By Applications)



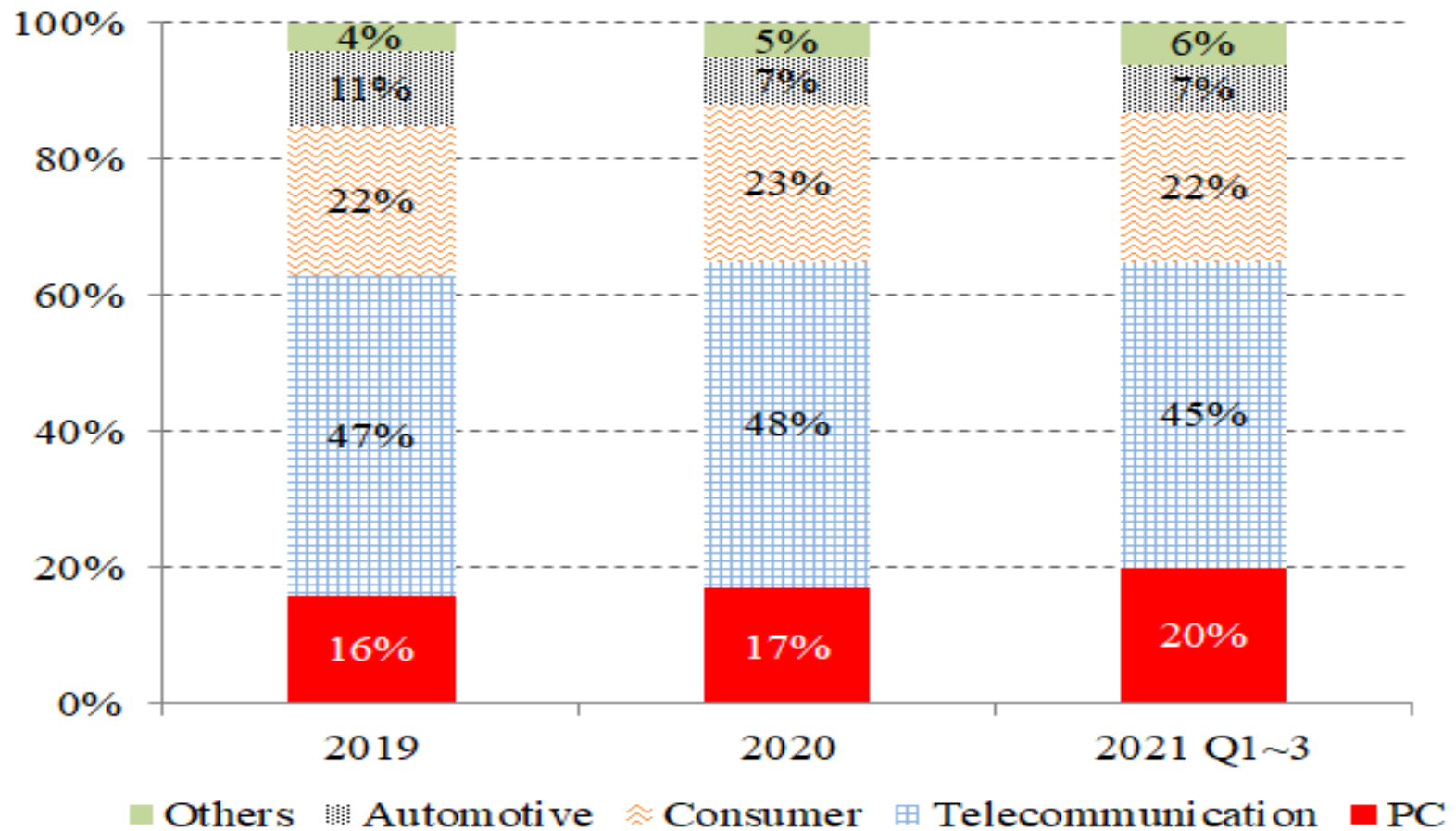
■ Others ■ Automotive ■ Consumer ■ Telecommunication ■ PC

- Because of better demands in PCs products driven by data centers, work from home, and stay at home entertainment related revenue ratios in 2021 Q1~3 grew from 2020.
- Base stations were impacted by the COVID-19 and the next generation wearable device has not been launched, causing lower telecom and consumer sales ratio in 2021 Q1~3.



Financial Status

Revenue Structure(By Applications)



- The sales ratio of automotive remained flat in 2021 Q1~3. However, due to the penetration rate of automotive electronics increased, our related revenues grew from 2020.
- Nan Ya PCB has won more AI and HPC product orders. Thus, the revenue ratio of others continued to grow in 2021 Q1~3.



Future Product Development

Continue to Expand High Value Products

■ High-end ABF Substrate

In 2022, we will continue to collaborate with clients to develop high-end substrates for PC, telecom, AI, and HPC. Also, we will keep enhancing advanced manufacturing processes in Taiwan to produce more larger body size, high layer count, and fine line ABF substrates. While in Kunshan, we are aiming to manufacture more matured products and gain market share through cost structure advantages

■ SiP(System in Package) Substrate

Given the trend of heterogeneous integration remains, SiP technologies will be applied to all sorts of mobile devices. We will continue to produce SiP substrates for new generation wearable devices, camera modules in high-end smartphones, AiP, and optical sensors, as well as AR and VR applications. Our SiP substrate sales are expected to grow.

■ HDI

As the designs of handset, consumer electronics, and automotive electronics are becoming sophisticated, the consumption of high value HDI is increasing. Thus, we will enlarge the high end HDI product ratio to meet the growing demands.



Operational Goals

Management Guidelines

- Cultivating R&D and manufacturing technology talents to enhance R&D power and add values in products.
- Participating in clients' product design, co-developing products, offering raw data, and sharing manufacturing information to shorten the delivery time.
- Launching substrates for CPUs, GPUs, high-end telecom equipment, and HPC products to lift the sales ratio of high-end products.
- Continuing to apply AI to operation and management, implementing intelligent production, and optimizing manufacturing conditions to improve the yield rate and efficiency.
- Will continue to increase IC substrate capacities and complete the expansion on time.
 - BT Substrate Expansion: Expected to operate in 2022Q1
 - Jinshing Campus ABF Substrate Debottleneck: Expected to operate in 2022Q1
 - Shulin Campus ABF Substrate Expansion Phase 1: Expected to operate in 2023Q1
 - Kunshan Campus ABF Substrate Expansion Phase 2: Expected to operate in 2023Q1
 - Shulin Campus ABF Substrate Expansion Phase 2: Expected to operate in 2024Q1
- Will depend on the supply and demand situation to further expand capacities to increase the revenues and profits.



Thank You

