
2024 Q1 Operation Briefing of Nan Ya PCB Corp.

May 28th 2024



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.

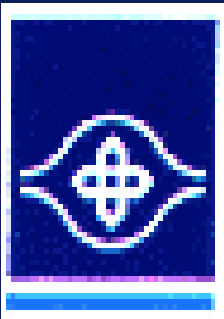
The actual operation results, financial status, and sales outlook in the future might be different from what will be indicated or implied in this meeting. The reasons may be including but not limited to the market demand, price fluctuation, competition dynamic, global economy, supply-chain, foreign exchange 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 Strategies in 2024**



Company Profile

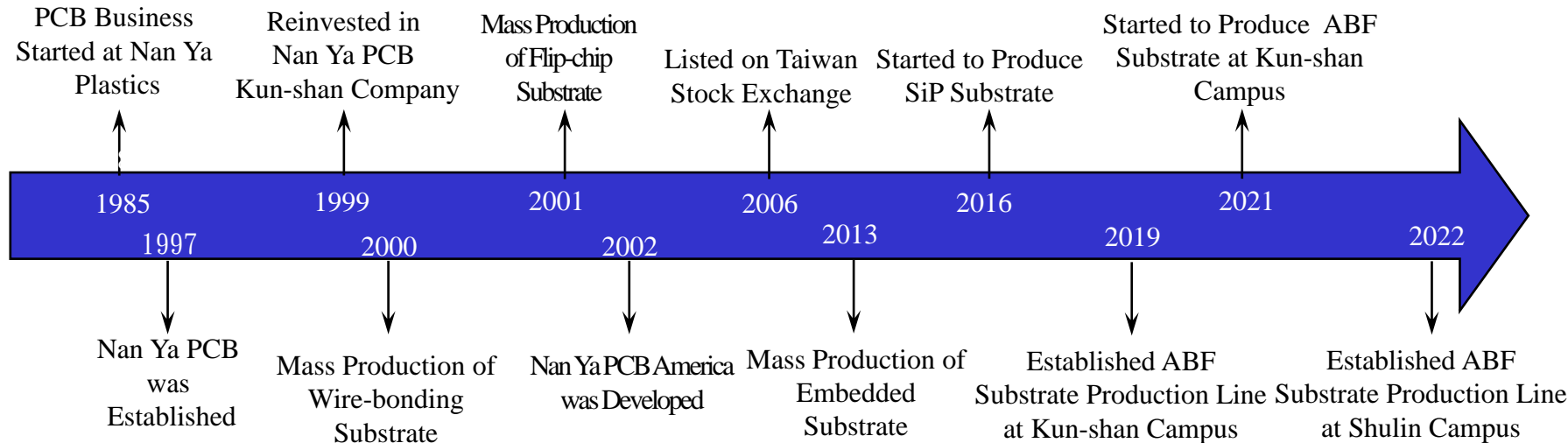
Business Overview

- **Subsidiary Company of Nan Ya Plastics Corp.**
- **Manufacture and Sell IC Substrates and PCBs**
- **2024 Q1 Consolidated Revenues: NTD 7.1 Billion**
- **Market Value: NTD 129.6 Billion(March 29th 2024)**
- **Production Locations : Taiwan and China**



Company Profile

Milestone



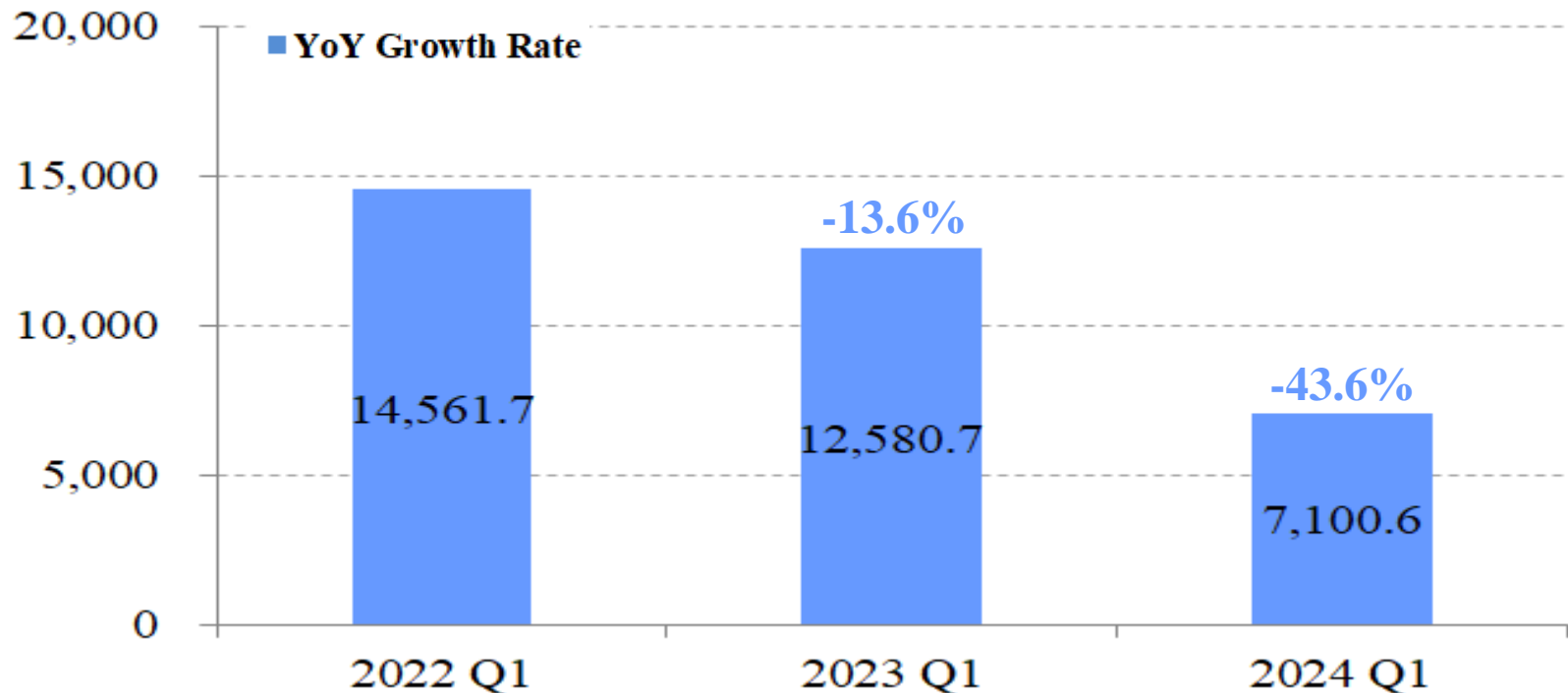
- 1985 : PCB business unit was formed at Nan Ya Plastics Corp. and started manufacturing PCBs
- 1997 : Approved by the Board of Nan Ya Plastics, Nan Ya PCB Corp. was established via reinvestment
- 1999 : Reinvested Nan Ya PCB Kun-shan Company with capital of USD29.8 million
- **2000 : Started manufacturing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

NTD Million

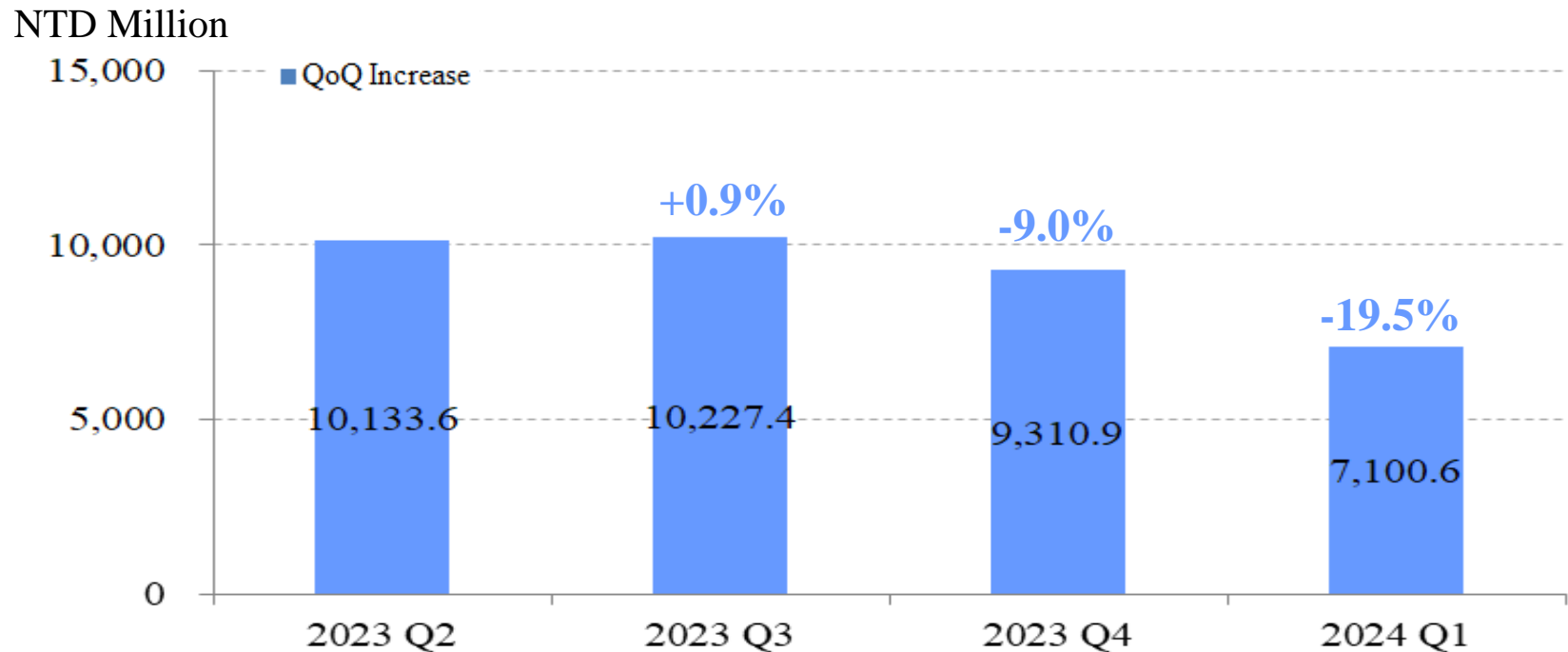


- **Revenues in 2023 Q1 were 13.6% lower than those in 2022 Q1:**
Impacted by the inventory correction in CE products, 2023 Q1 revenues showed YoY decline.
- **Revenues in 2024 Q1 were 43.6% lower than those in 2023 Q1:**
Due to weak PC demands and ongoing inventory correction in telecom, 2024 Q1 revenues were lower than those in the same period of 2023.



Financial Status

Quarterly Consolidated Revenues(IFRS) in a Year



■ **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.

■ **Revenues in 23Q4 were 9.0% lower than those in 23Q3:**

23Q4 revenues were affected by the slow season of CE product restocking and declining from 23Q3.

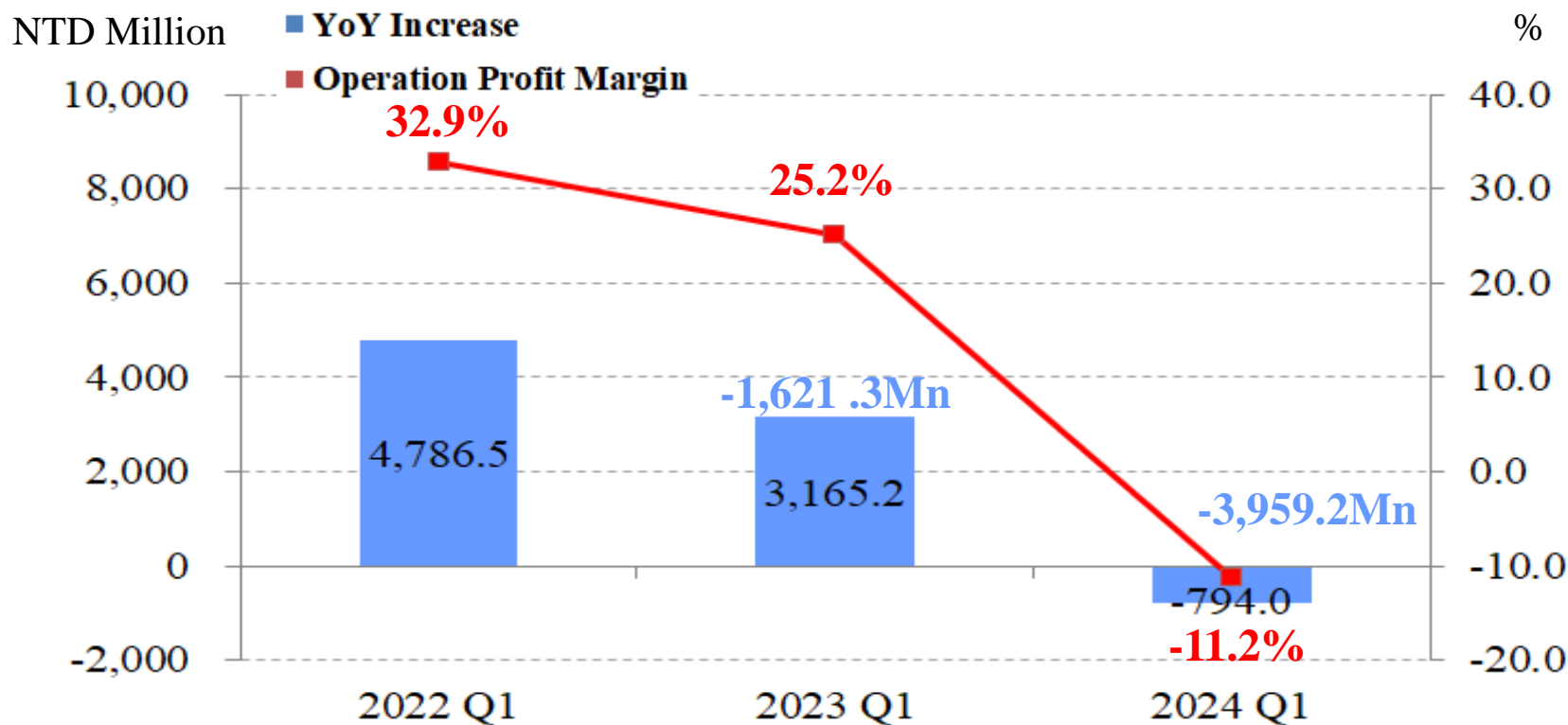
■ **Revenues in 24Q1 were 19.5% lower than those in 23Q4:**

Affected by the Lunar New Year and weak demand in PCs and telecom products, revenues in 24Q1 decreased from 23Q4.



Financial Status

Operation Profits(Losses) in Last 3 Years

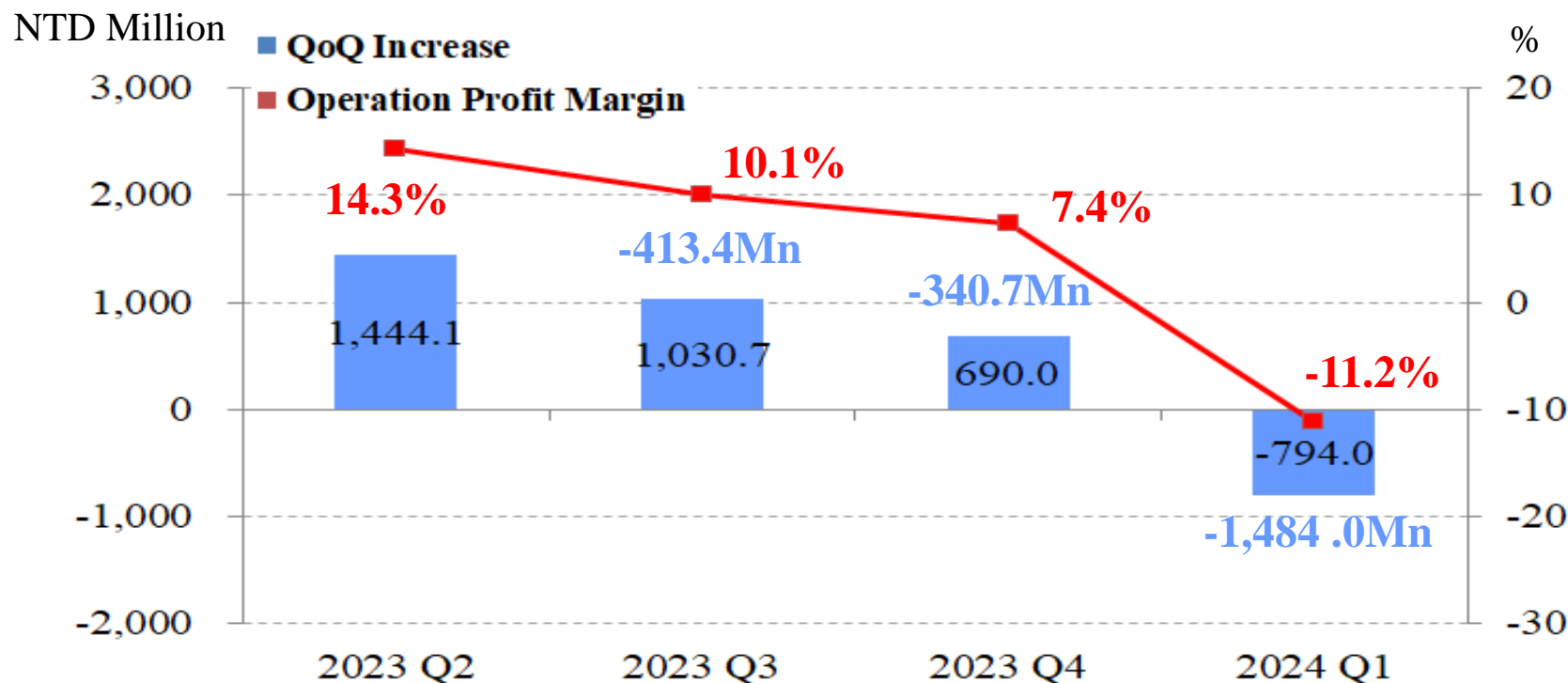


- **Operation profits in 2023 Q1 were decreasing NTD 1,621.3 Mn from 2022 Q1:**
Impacted by the inventory correction in CE products, the sales volumes declined and so did the profits.
- **Operation profits in 2024 Q1 were decreasing NTD 3,959.2 Mn from 2023 Q1:**
Due to weak demand in PC and telecom products, as well as increased depreciation expenses, operating profit decreased.



Financial Status

Quarterly Operation Profits in a Year

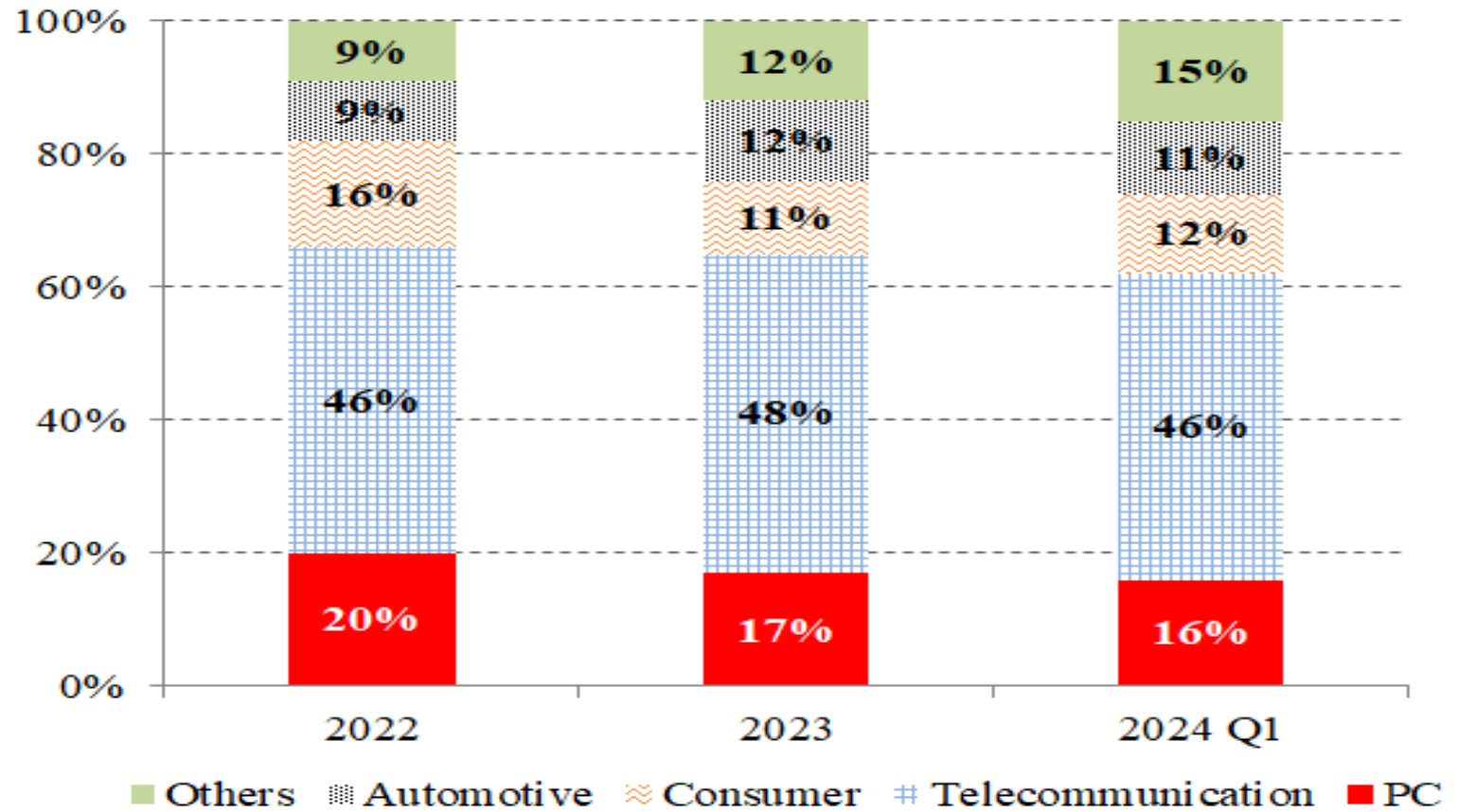


- **Operation profits in 23Q3 were decreasing NTD 413.4 Mn from 23Q2:**
23Q3 profits were affected by greater depreciation from the new Shulin plant.
- **Operation profits in 23Q4 were decreasing NTD 340.7 Mn from 23Q3:**
Due to the impact of the slow season for electronic product sales, 23Q4 profits decreased from 23Q3.
- **Operation profits in 24Q1 were decreasing NTD 1,484.0 Mn from 23Q4:**
Affected by the Lunar New Year and increased depreciation expenses, 24Q1 profits decreased compared to 23Q4.



Financial Status

Revenue Structure(By Applications)

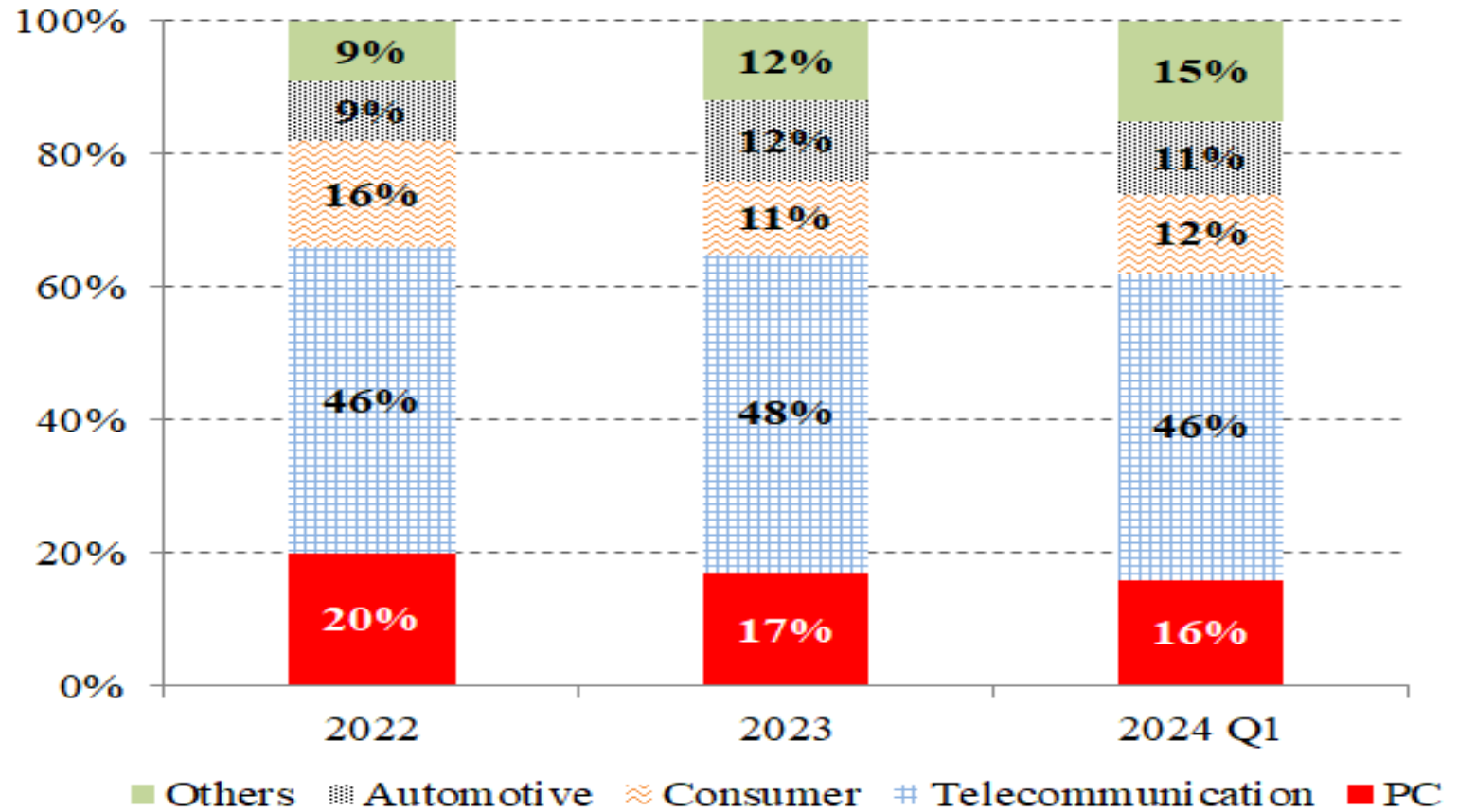


- Weak demand in PC and ongoing inventory correction in telecom products have led to a decrease in the respective revenue contributions in 24Q1.
- The memory market has been gradually improving, leading to an increase in the revenue contribution from consumer electronics in 24Q1.



Financial Status

Revenue Structure(By Applications)



- Intense price competition in the automotive sector, along with supply chain disruptions, has resulted in a decrease in revenue contribution in 24Q1.
- Demands in AI and HPC products have been relatively robust, leading to an increase in revenue contribution in 24Q1.



Future Product Development

Continue to Expand High Value Products

■ ABF Substrate

We will closely collaborate with customers to continue developing high-value ABF substrates, including 4nm AI PC processors, AI GPU, AI transceiver chip modules, 800G switches, high-speed computing chips, high-end servers, routers, and next-generation game console processors. This will increase production of high-value products and further enhance profitability.

■ BT Substrate

In response to the trend of heterogeneous chip packaging, we will develop high-end BT substrates for the next generation of mobile devices, including motherboards, camera modules, optical sensors, and volume touch control devices. We will also proactively address the demand for 5G communication and launch 5G base stations and optical communication transceiver modules. Additionally, we will collaborate with customers to develop automotive processors and network system boards to diversify our portfolio.

■ Conventional PCB

The demand for HDI and multilayer boards is driven by data center server growth. we will develop application products such as AI server display cards, next-generation server network cards, and server SSD. We will also strive to seize the opportunity presented by the recovery in the consumer market by making high-end PC, game console motherboards, and TWS boards, thereby improving our product mix.



Operational Strategies in 2024

Corporate Remains Strong Competitiveness

- Recruit and develop talents as well as lift the spirit of employees via rewarding schemes to enhance the competitiveness of the Company.
- In response to the market recovery, we aim to mass-produce high-end products and pursue full production and sales capacity.
- Utilize AI to accelerate Digital Transformation processes and improve efficiency.
- Expanding the use of green energy, responding to net-zero carbon emissions, and advancing towards the Company's sustainable development.



Thank You

