
2024 Q1~Q3 Operation Briefing of Nan Ya PCB Corp.

December 23rd 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.

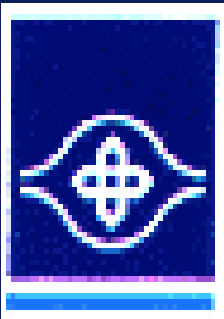
The actual operation results, financial status, and sales outlook in the future might be different from what will be indicated or implied in this meeting. The reasons may be including but not limited to the market demand, price fluctuation, competition dynamic, global economy, supply-chain, foreign exchange 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 2025**



Company Profile

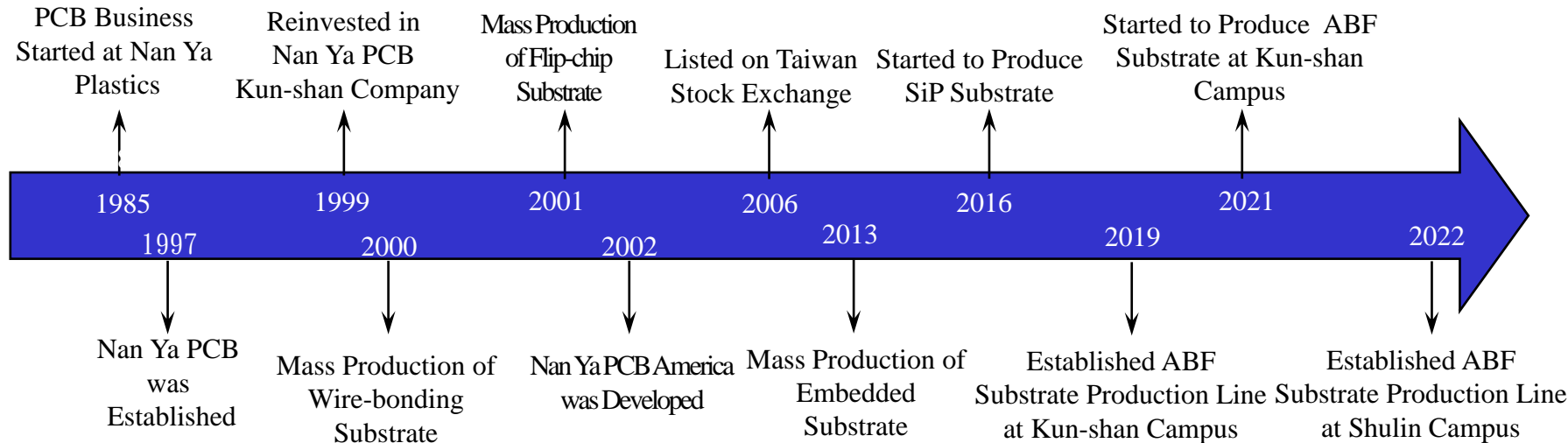
Business Overview

- **Subsidiary Company of Nan Ya Plastics Corp.**
- **Manufacture and Sell IC Substrates and PCBs**
- **2024 Q1~Q3 Consolidated Revenues: NTD 24.4 Billion**
- **Market Value: NTD 92.1 Billion(September 30th 2024)**
- **Production Locations : Taiwan and China**



Company Profile

Milestone



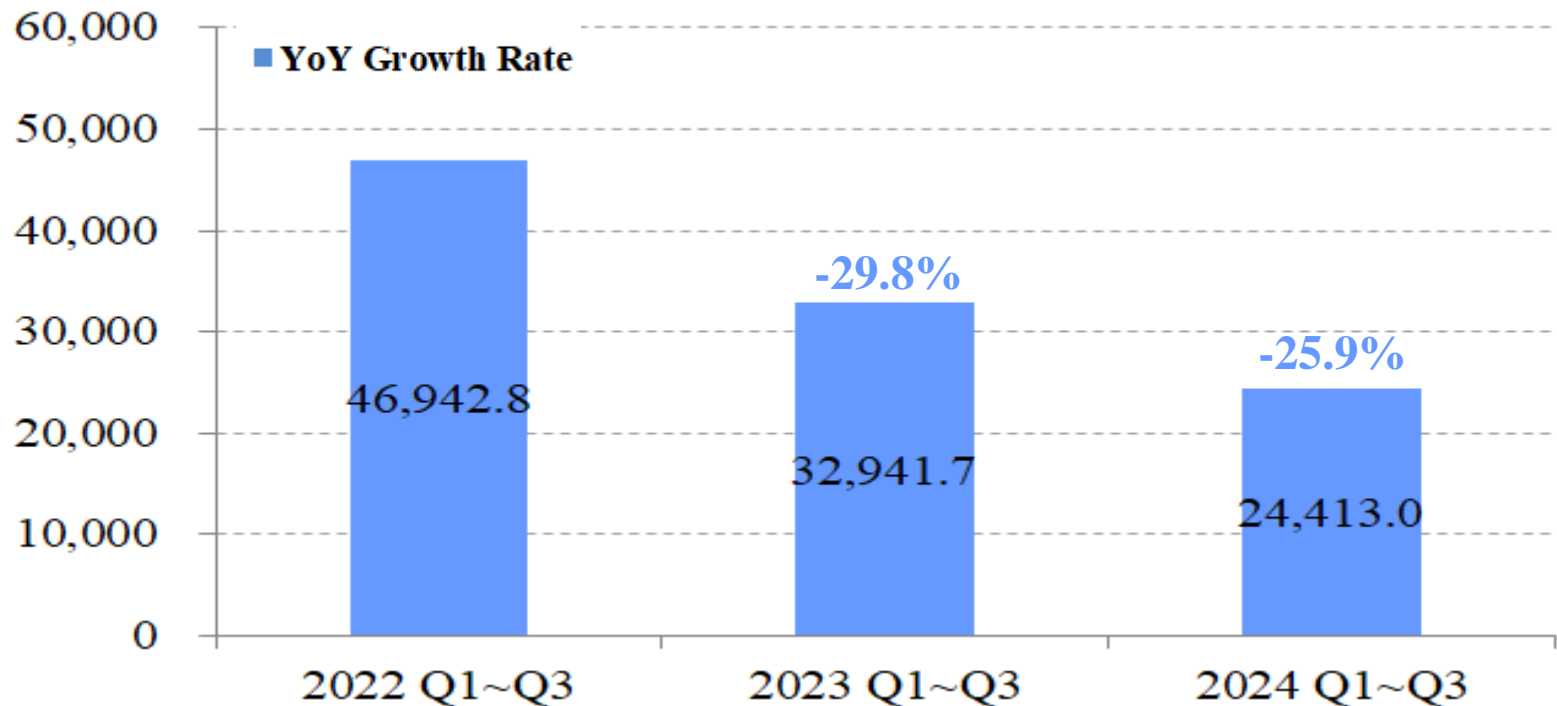
- 1985 : PCB business unit was formed at Nan Ya Plastics Corp. and started manufacturing PCBs
- 1997 : Approved by the Board of Nan Ya Plastics, Nan Ya PCB Corp. was established via reinvestment
- 1999 : Reinvested Nan Ya PCB Kun-shan Company with capital of USD29.8 million
- **2000 : Started manufacturing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



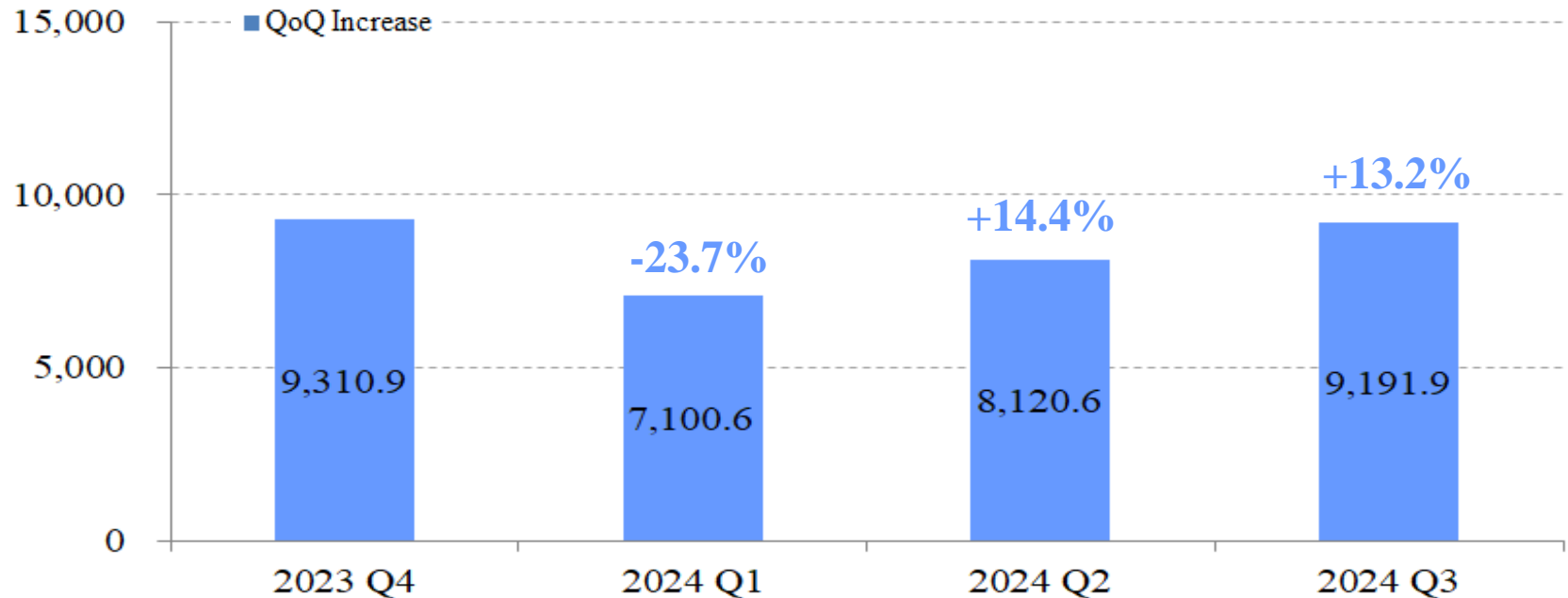
- **Revenues in 2023 Q1~Q3 were 29.8% lower than those in 2022 Q1~Q3:**
Impacted by the inventory correction in CE products, 2023 Q1~Q3 revenues showed YoY decline.
- **Revenues in 2024 Q1~Q3 were 25.9% lower than those in 2023 Q1~Q3:**
Due to ongoing inventory correction in telecom, 2024 Q1~Q3 revenues were lower than those in the same period of 2023.



Financial Status

Quarterly Consolidated Revenues(IFRS) in a Year

NTD Million



- **Revenues in 24Q1 were 23.7% 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.

- **Revenues in 24Q2 were 14.4% greater than those in 24Q1:**

AI PC and the recovery in memory lifted the 24Q2 sales from 24Q1.

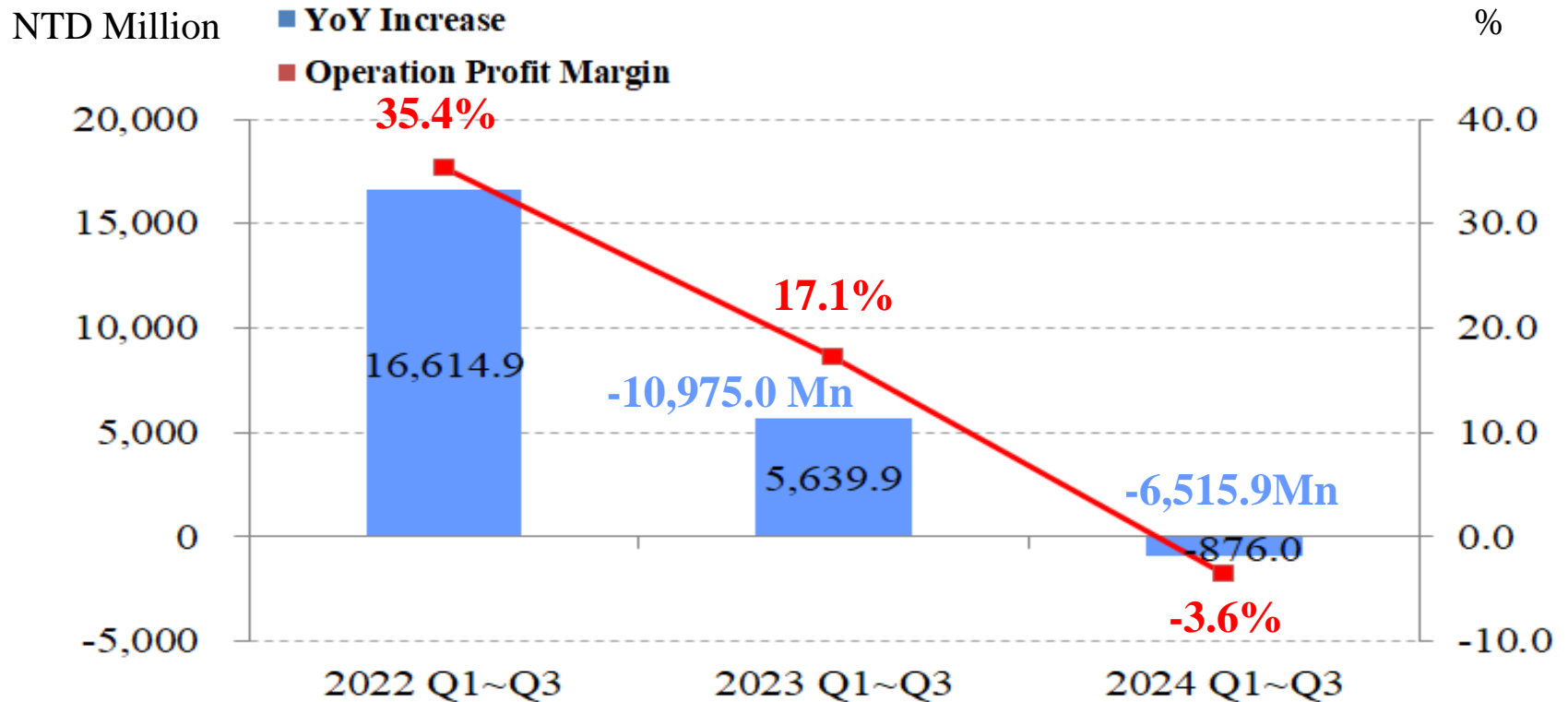
- **Revenues in 24Q3 were 13.2% greater than those in 24Q2:**

In Q3, high-end products such as 800G switch substrates entered mass production, with revenue growing compared to Q2.



Financial Status

Operation Profits(Losses) in Last 3 Years



- Operation profits in 2023 Q1~Q3 were decreasing NTD 10,975.0 Mn from 2022 Q1~Q3:

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

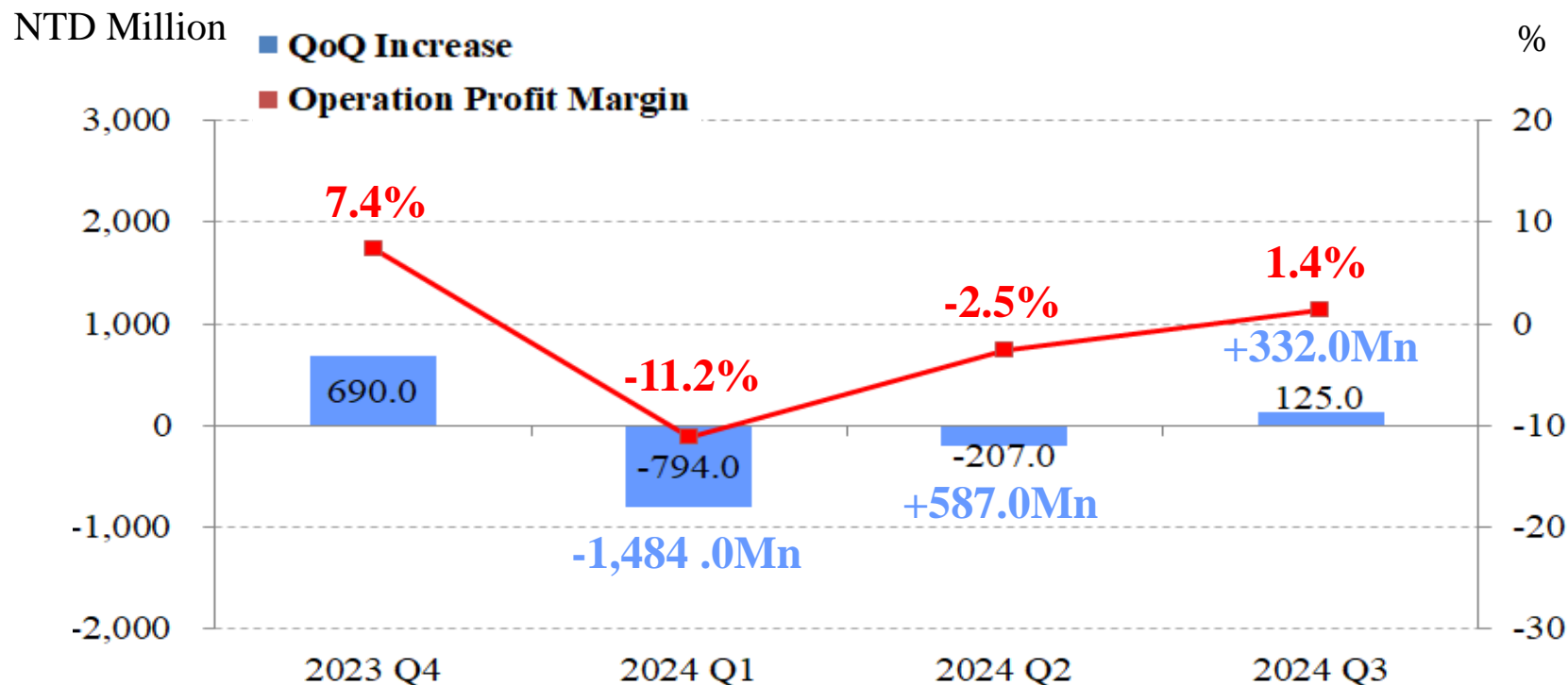
- Operation profits in 2024 Q1~Q3 were decreasing NTD 6,515.9 Mn from 2023 Q1~Q3:

Due to weak demand in telecom products, the operating profit decreased.



Financial Status

Quarterly Operation Profits in a Year

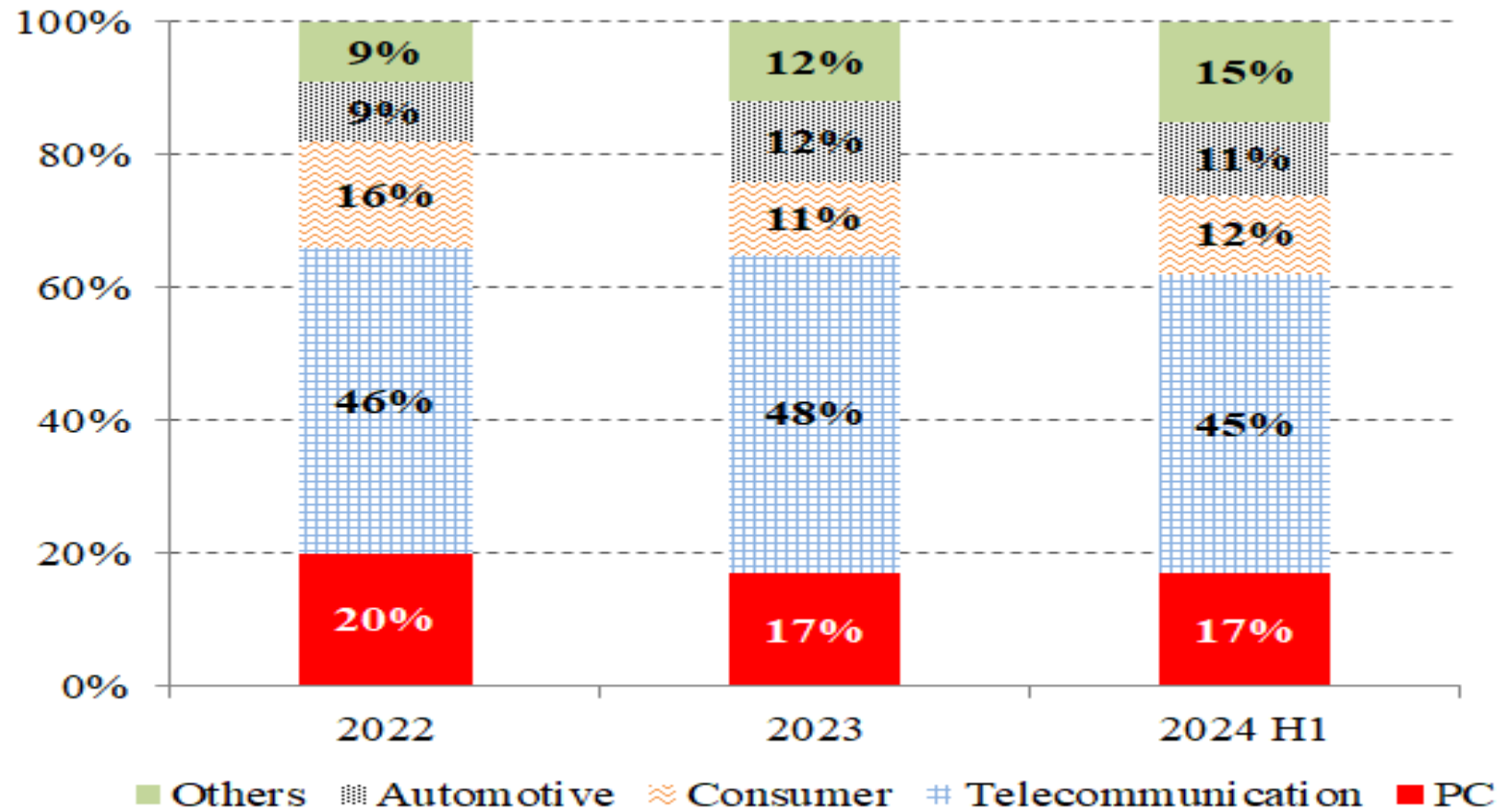


- **Operation profits in 24Q1 were decreasing NTD 1,484.0 Mn from 23Q4:**
Affected by the Lunar New Year and decreasing revenue scale, 24Q1 profits decreased compared to 23Q4.
- **Operation profits in 24Q2 were increasing NTD 587.0 Mn from 24Q1:**
Helped by growing demands in AI PC and memory, the 24Q2 losses narrowed.
- **Operation profits in 24Q3 were increasing NTD 332.7 Mn from 24Q2:**
Due to the better product mix, 23Q4 profits increased from 23Q3.



Financial Status

Revenue Structure(By Applications)

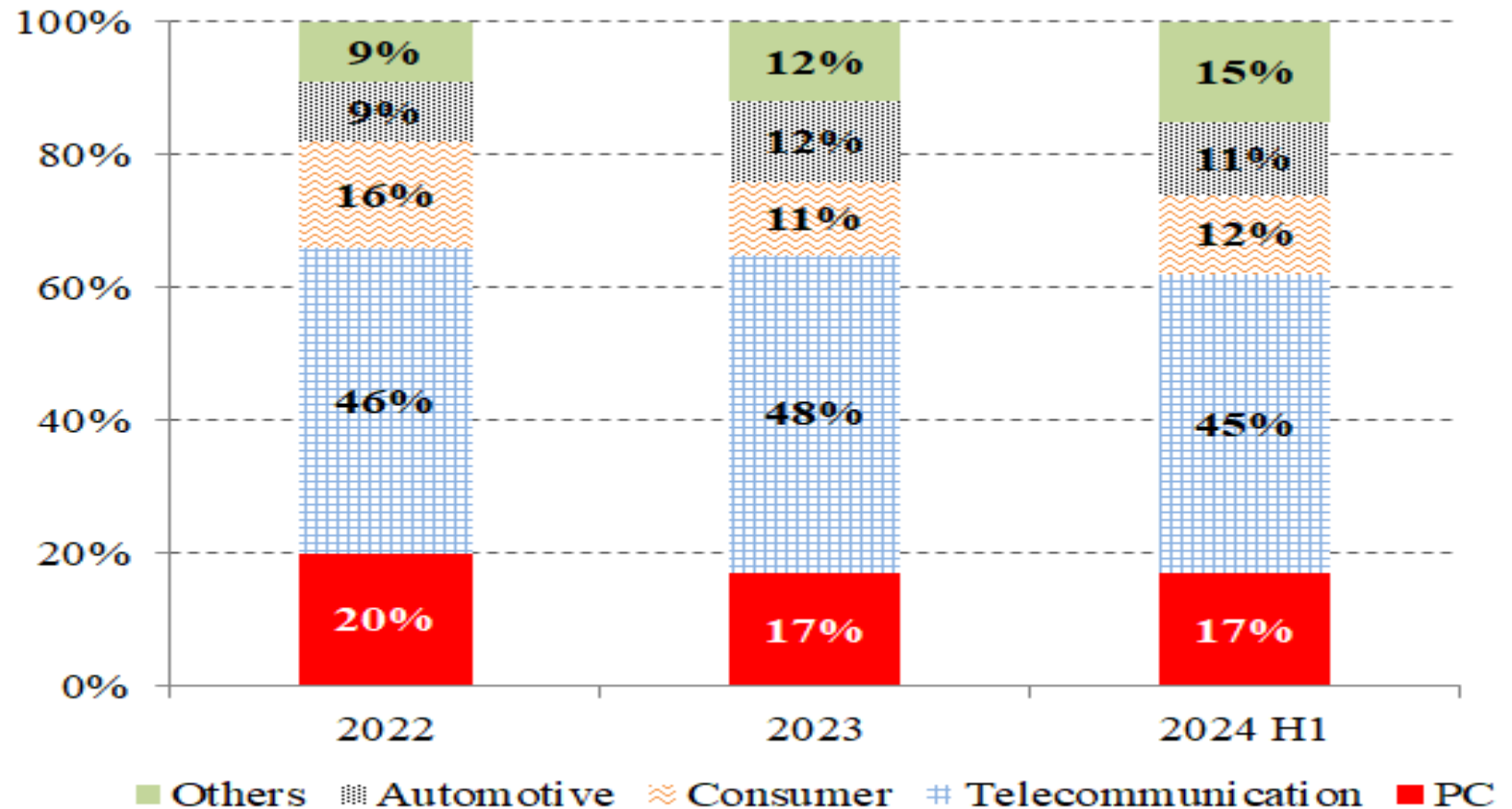


- Overall PC recovery was limited, the sales ratio in 24Q1~Q3 remained flat.
- Due the budget cannibalization of AI, customers delayed the purchase for telecom products, causing a declining sales ratio in 24Q1~Q3.
- The CE inventory correction came to an end and the demands were improving, leading to a greater sales ratio in 24Q1~Q3.



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~Q3.
- Demands in AI and HPC products have been relatively robust, leading to an increase in revenue contribution in 24Q1~Q3.



Future Product Development

Continue to Expand High Value Products

■ ABF Substrate

We will closely collaborate with customers to continue developing high-value ABF substrates for various applications, including AI PC processors, 4nm GPUs, high-end switch of new generation, and AI server GPUs. Also we will develop new technologies such as embedded passive component and laser drilling to gain an early foothold in the 3nm product market

■ BT Substrate

In response to the trend of heterogeneous chip packaging, we will develop SiP substrates for mother board and camera sensor of mobile devices as well as WiFi substrates. We will also proactively address the demand for automotive computing and 5G by mass-producing automotive processors, network systems, and 5G optical communication transceiver modules.

■ Conventional PCB

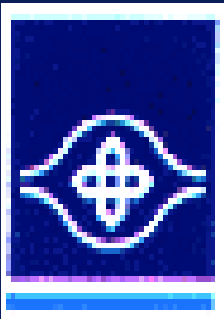
The demand for HDI and multilayer boards is driven by data center server growth. we will develop application products such as AI server graphic cards and accelerator cards, next-generation server network cards, and server SSD. We will also develop and certify high-frequency materials for advanced servers to expand the share of data center applications and improve the product mix



Operational Strategies in 2025

Implementing 4 Major Transformations

- **Product Transformation:** Increase the proportion of high-value and differentiated products, and expand into new applications and markets..
- **Business Transformation:** Develop new materials, technologies, and products to strengthen the Company's capabilities.
- **Digital Transformation:** Leverage digital technologies to enhance AI and digital transformation, achieving intelligent operations.
- **Low-Carbon Transformation:** Expand the use of green energy, commit to energy conservation and carbon reduction, and implement the promotion of a circular economy.



Thank You

