
2023 Operation Briefing of Nan Ya PCB Corp.

March 6th 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

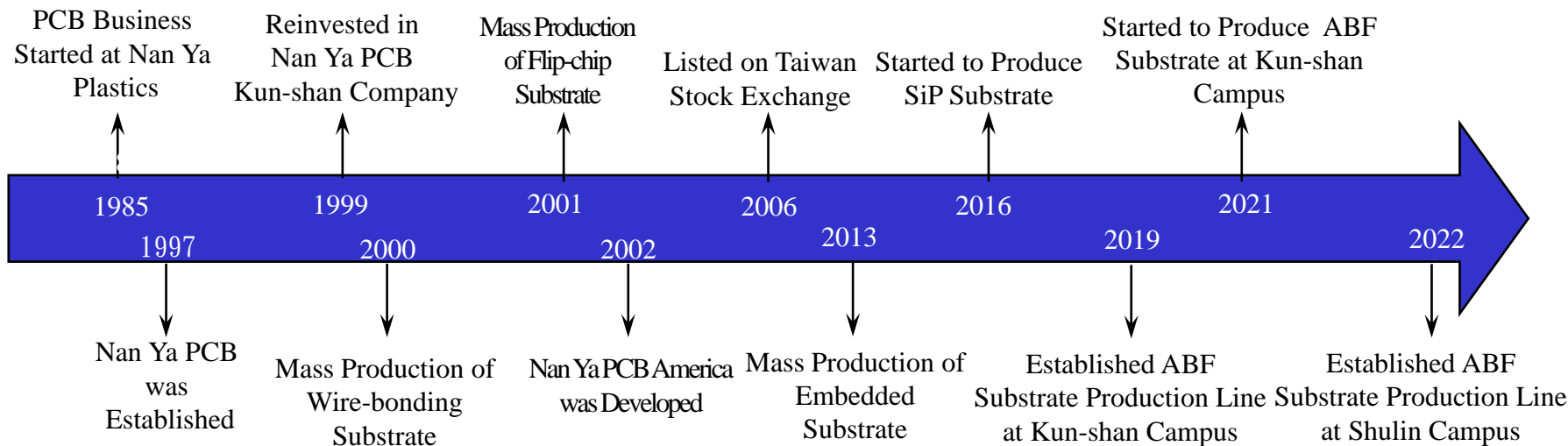
Business Overview

- **Subsidiary Company of Nan Ya Plastics Corp.**
- **Manufacture and Sell IC Substrates and PCBs**
- **2023 Consolidated Revenues: NTD 42.2 Billion**
- **Market Value: NTD 165.5 Billion(December 29th 2023)**
- **Production Locations : Taiwan and China**



Company Profile

Milestone

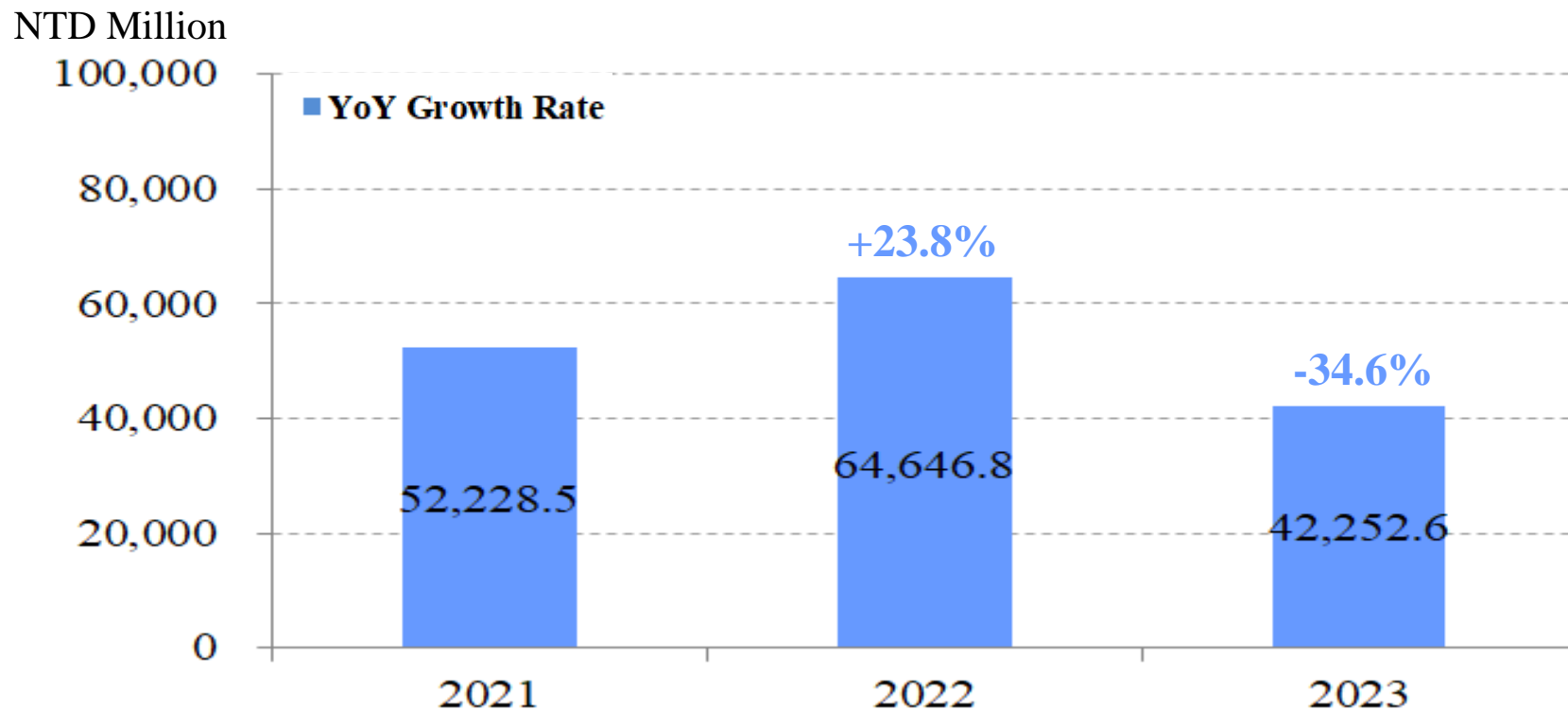


- 1985 : PCB business unit was formed at Nan Ya Plastics Corp. and started manufacturing PCBs
- 1997 : Approved by the Board of Nan Ya Plastics, Nan Ya PCB Corp. was established via reinvestment
- 1999 : Reinvested Nan Ya PCB Kun-shan Company with capital of USD29.8 million
- **2000 : Started manufacturing 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 2022 were 23.8% greater than those in 2021:**

Because of better sales in high-end PC and telecom products, the high value product sales ratio increased and lifted the 2022 revenue growth from 2021.

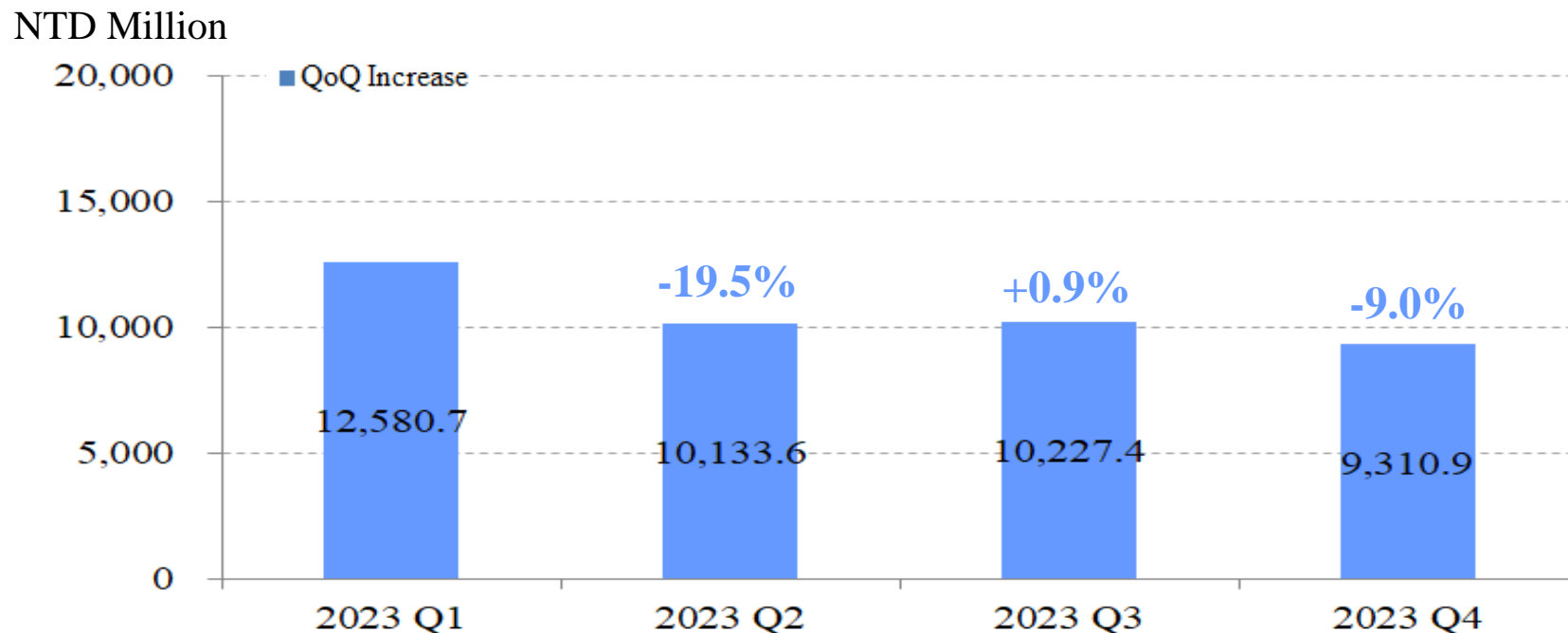
- **Revenues in 2023 were 34.6% lower than those in 2022:**

Impacted by the inventory correction in CE products, 2023 revenues showed YoY decline.



Financial Status

Quarterly Consolidated Revenues(IFRS) in a Year



■ **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.

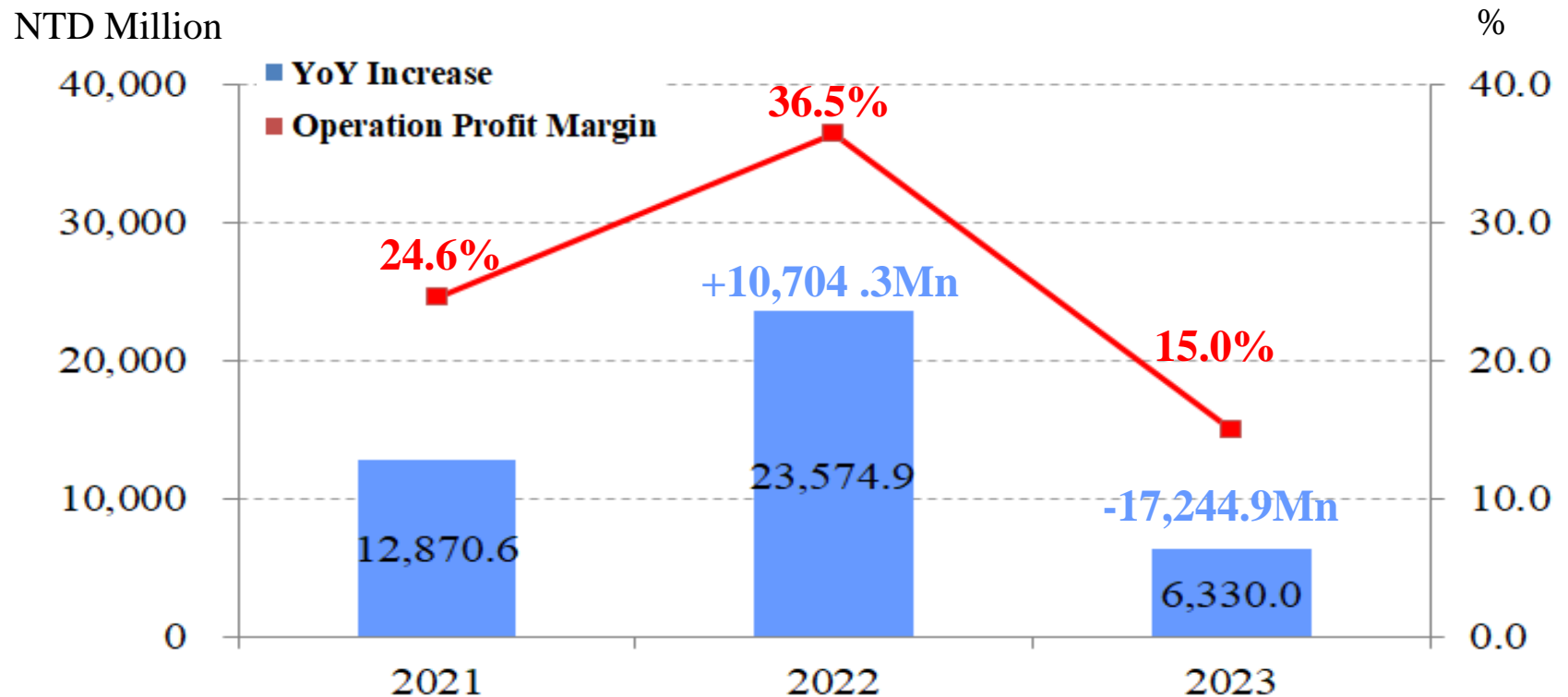
■ **Revenues in 23Q4 were 9.0% lower than those in 23Q3:**

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



Financial Status

Operation Profits(Losses) in Last 3 Years



- **Operation profits in 2022 were increasing NTD 10,704.3 Mn from 2021:**

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

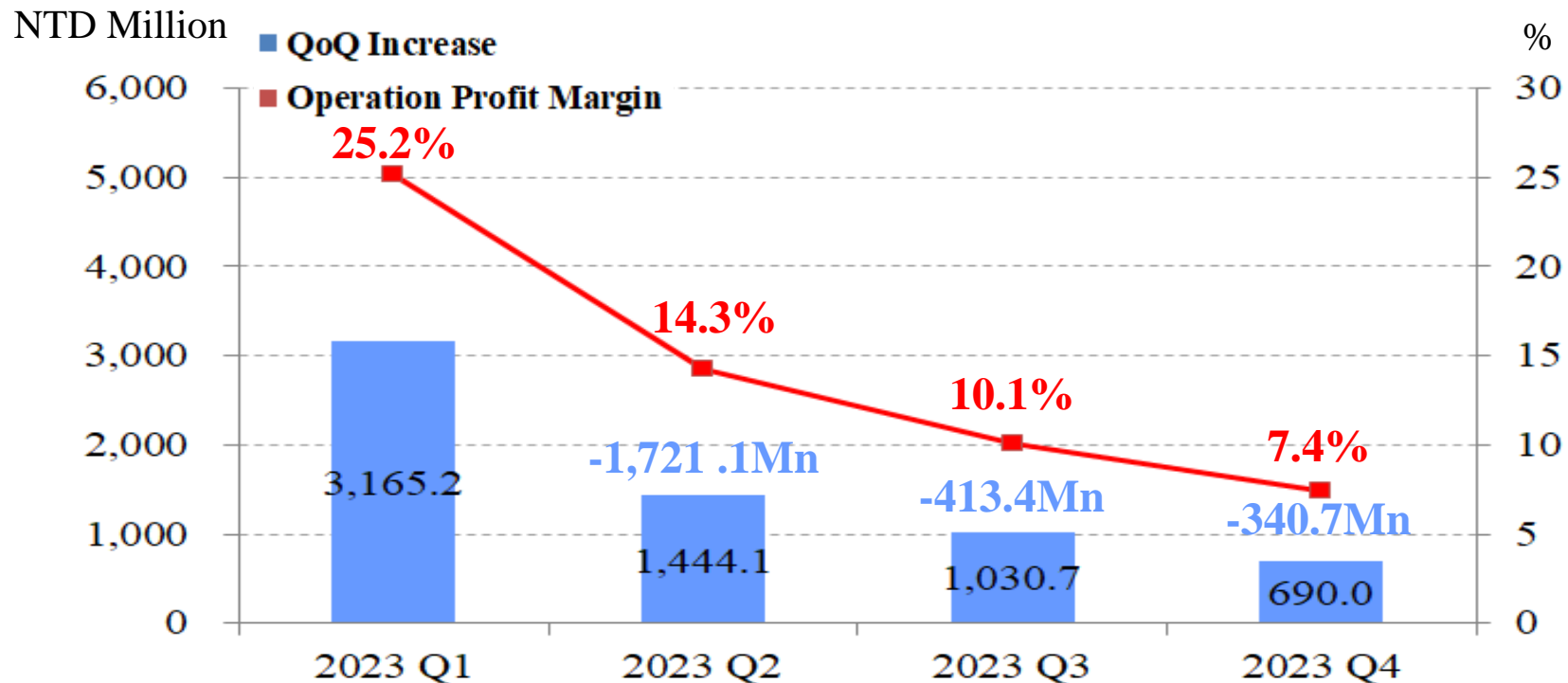
- **Operation profits in 2023 were decreasing NTD 17,244.9 Mn from 2022:**

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

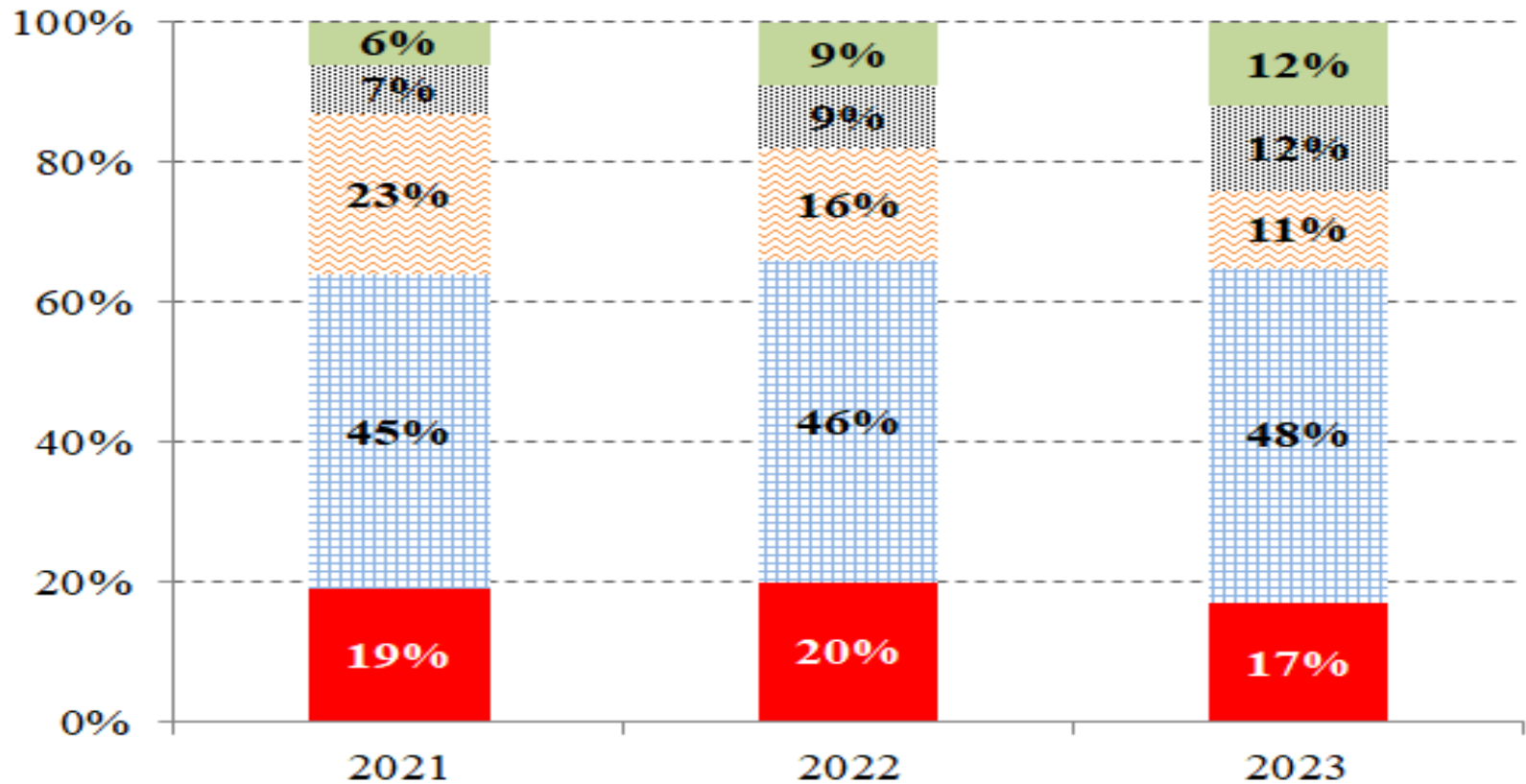


- **Operation profits in 23Q2 were decreasing NTD 1,721.1 Mn from 23Q1:**
PC products continue to undergo inventory adjustments, and 23Q2 profits decreased from 23Q1.
- **Operation profits in 23Q3 were decreasing NTD 413.4 Mn from 23Q2:**
23Q3 profits was affected by greater depreciation from the new Shulin plant.
- **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.



Financial Status

Revenue Structure(By Applications)



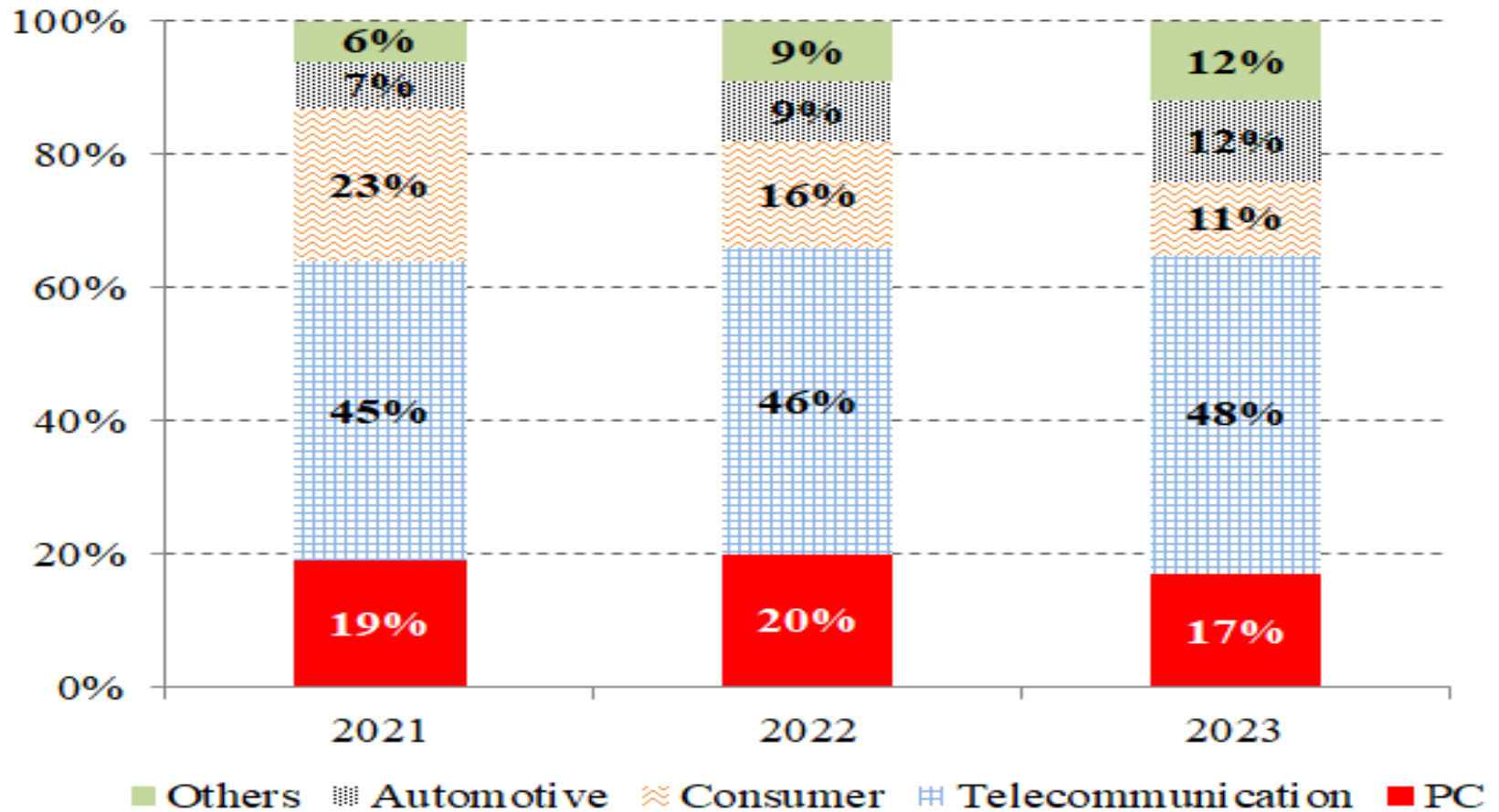
■ Others ■ Automotive ■ Consumer ■ Telecommunication ■ PC

- The destocking of PC and CE has impacted sales, leading to a decrease in the revenue contribution in 2023.
- A steady demand from telecom customers, resulting in an increase in the relevant revenue share for the company in 2023.



Financial Status

Revenue Structure(By Applications)



■ Evs and the better penetration rate of automotive electronics drove the demands in automotive PCBs. The related sales ratio grew in 2023.

■ We actively accessed the business opportunities in datacenters and edge computing. With incremental high-end IC substrate capacities, the sales ratio increased in 2023.



Future Product Development

Continue to Expand High Value Products

■ ABF Substrate

We will closely collaborate with customers to continue developing 5nm artificial intelligence (AI) personal computer (PC) central processing units, 4nm high-end PC processors, AI transceiver chip modules, datacenter switches, network processors, high-end server processors, and WiFi-7 wireless network chips. This effort aims to increase the production volume of high-value products, further enhancing profitability.

■ BT Substrate

In response to the trends in heterogeneous packaging, we will develop next-generation system in package substrates for mobile devices, including mainboards, camera modules, and optical sensors. We will proactively address the demands of 5G communication by mass-producing 5G base stations and optoelectronic transceiver modules. Additionally, we will collaborate with customers to develop automotive electronic, such as automotive processor substrates to diversify our product offerings.

■ Conventional PCB

The demand driven by data center servers for HDI and multilayer boards has prompted our Company to develop and mass-produce AI server graphics cards, next-generation server network cards, and server SSD application products. We are actively pursuing opportunities in the recovering PC market by mass-producing HDI/PCB for high-end PC motherboards, keyboard, and battery, with the aim of improving profitability.



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

