



**台硝股份有限公司**  
**T.N.C. INDUSTRIAL CO., LTD.**

# **Investor Conference**

**December 17, 2019**

**Speaker: Ken Lin, General Manager**

**Stock Code:1724**

# Agenda

- 1 Company Profile
- 2 Products and Applications
- 3 Industry Overview
- 4 Operational Overview
- 5 Prospects

# Disclaimer

The figures of briefing consolidated financial statements are compiled in accordance with the guidelines of the International Financial Reporting Standards (IFRSs) approved by the securities issuer's financial statements and prepared in accordance with the International accounting standards, interpretation and interpretation bulletins, and the verification by certified accountants.

The Company has not issued any financial forecast. The financial statements, the business descriptions and the Company's future business prospects in this Briefing may differ from those of actual operations in the future. Such differences may include changes in market demand, price fluctuations, International economic conditions and fluctuations of exchange rate, and other risks that the Company cannot grasp.

The information gathered in this Briefing is from various sources within and outside the Company. If there is any change in the future, please refer to the information announced by the Public Information Observatory.

# Company basic information

Date of Establishment	1954
Date of Listing	1995
Number of Employees	240
Capital Amount	NT\$ 12.7 billion
Chairman	Eric Lin
Products	Coating Chemicals, Electronic Chemicals
Locations	Taoyuan Headquarter, Taoyuan Plant
Transfer-Invested Enterprises	China Nitrocellulose Company Limited



# Product Introduction



Nitrocellulose, plasticized chips,  
customized nitrocellulose  
solution

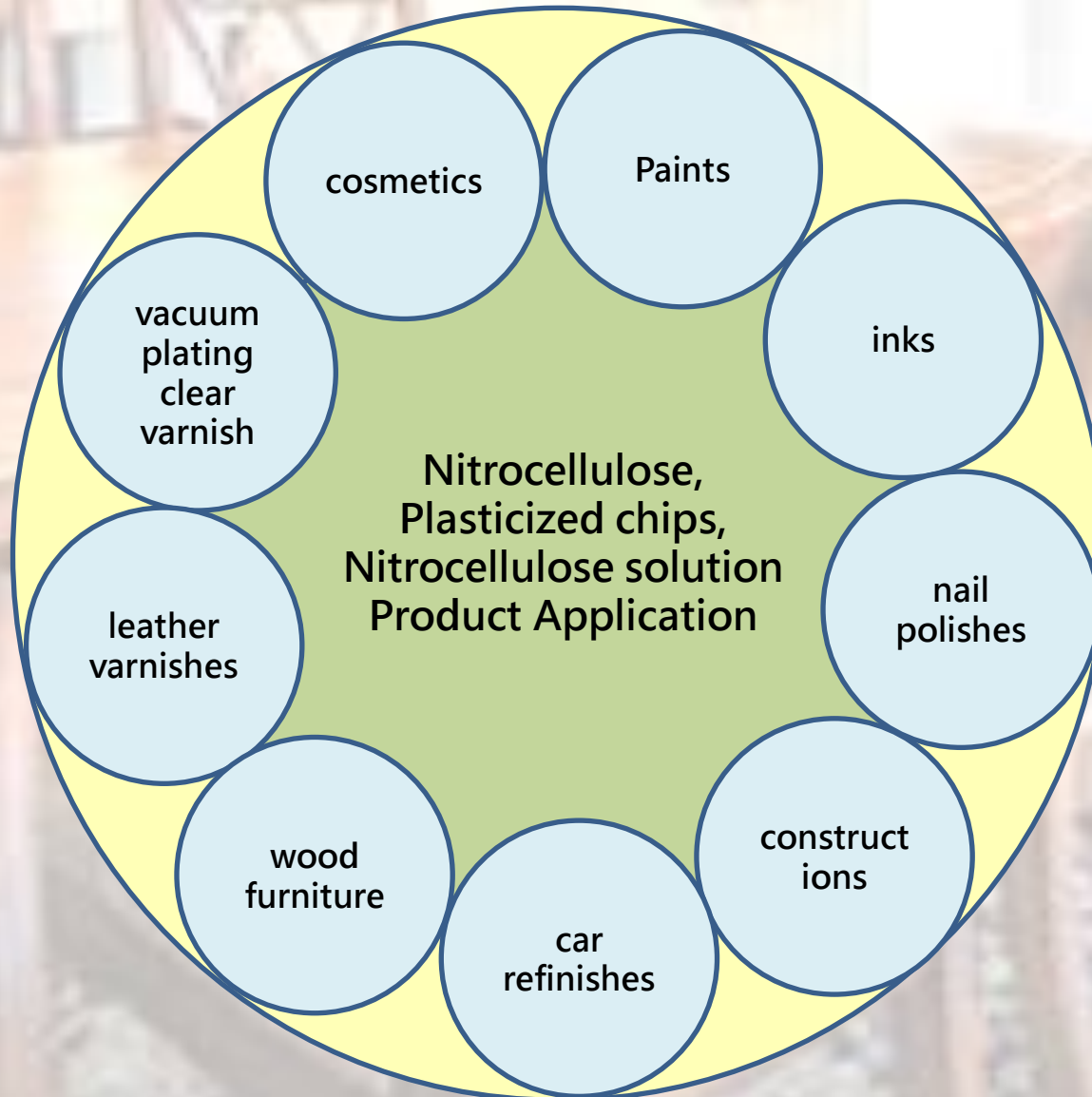
Coating Chemicals



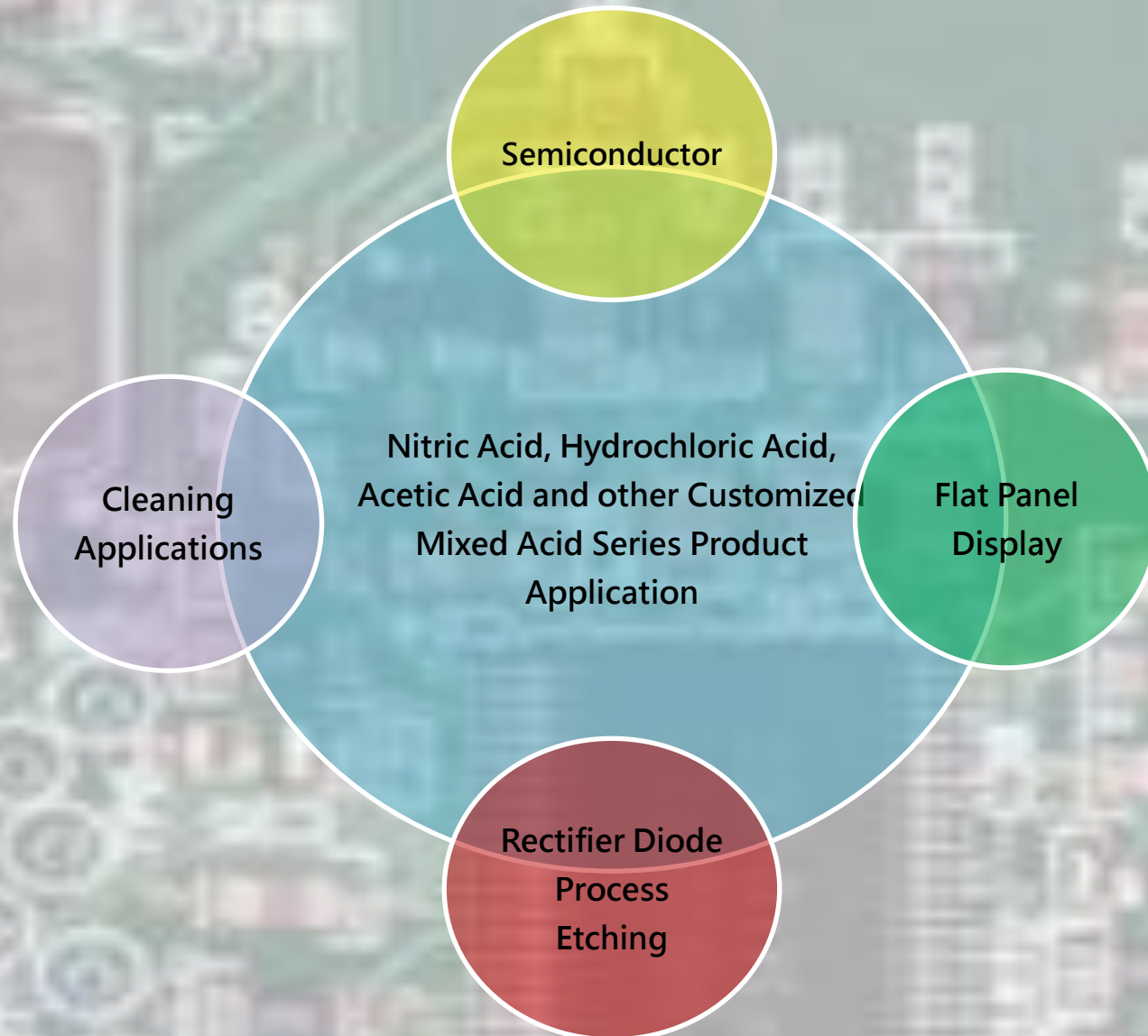
Nitric Acid, Hydrochloric Acid,  
Acetic Acid and other  
Customized Mixed Acid Series

Electronic Chemicals

# Coating Chemicals Product Application



# Electronic Chemicals Product Application



# The Relevance of industry upstream, mid-stream and downstream(I)



## Coating Chemicals

Upstream

- Wood pulp · NA · SA · IPA industry.

Midstream

- Nitrocellulose

Downstream

- Paints, inks, nail polishes, constructions, car refinishes, wood furniture, leather varnishes, vacuum plating clear varnishes, cosmetics, etc.



## Electronic Chemicals

Upstream

- Chemical raw material manufacturers

Midstream

- Chemical refining, purification, mixed acid manufacturers

Downstream

- Semiconductor, Flat Panel Display, Diode, PCB, etc.

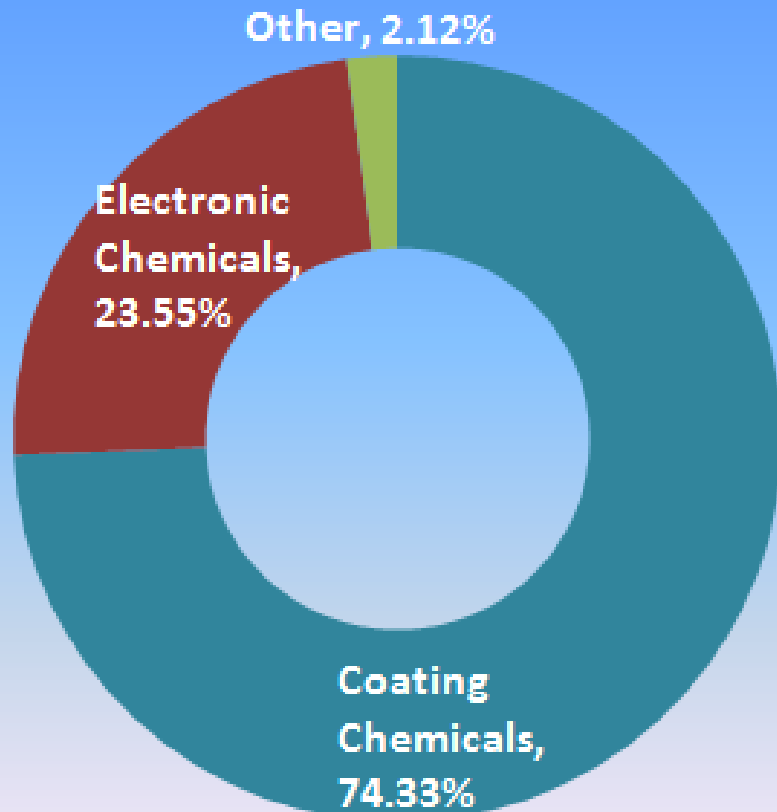


# Sales analysis

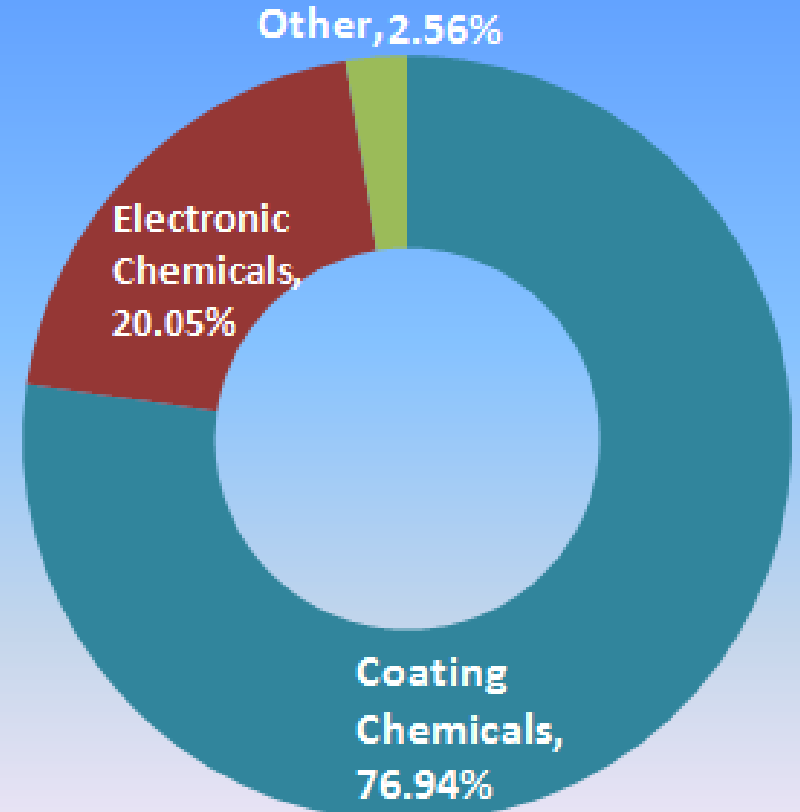
Unit: tons, NT\$ thousand dollars

Item	January-September 2019		January-September 2018	
	Sales Volume	Operating Revenue	Sales Volume	Operating Revenue
Coating Chemicals	13,918	1,078,761	14,210	1,094,782
Electronic Chemicals	10,429	287,377	12,572	346,864
Other	8,002	35,930	5,257	31,178
Total	32,349	1,402,068	32,039	1,472,824

# Proportion of Product Revenue

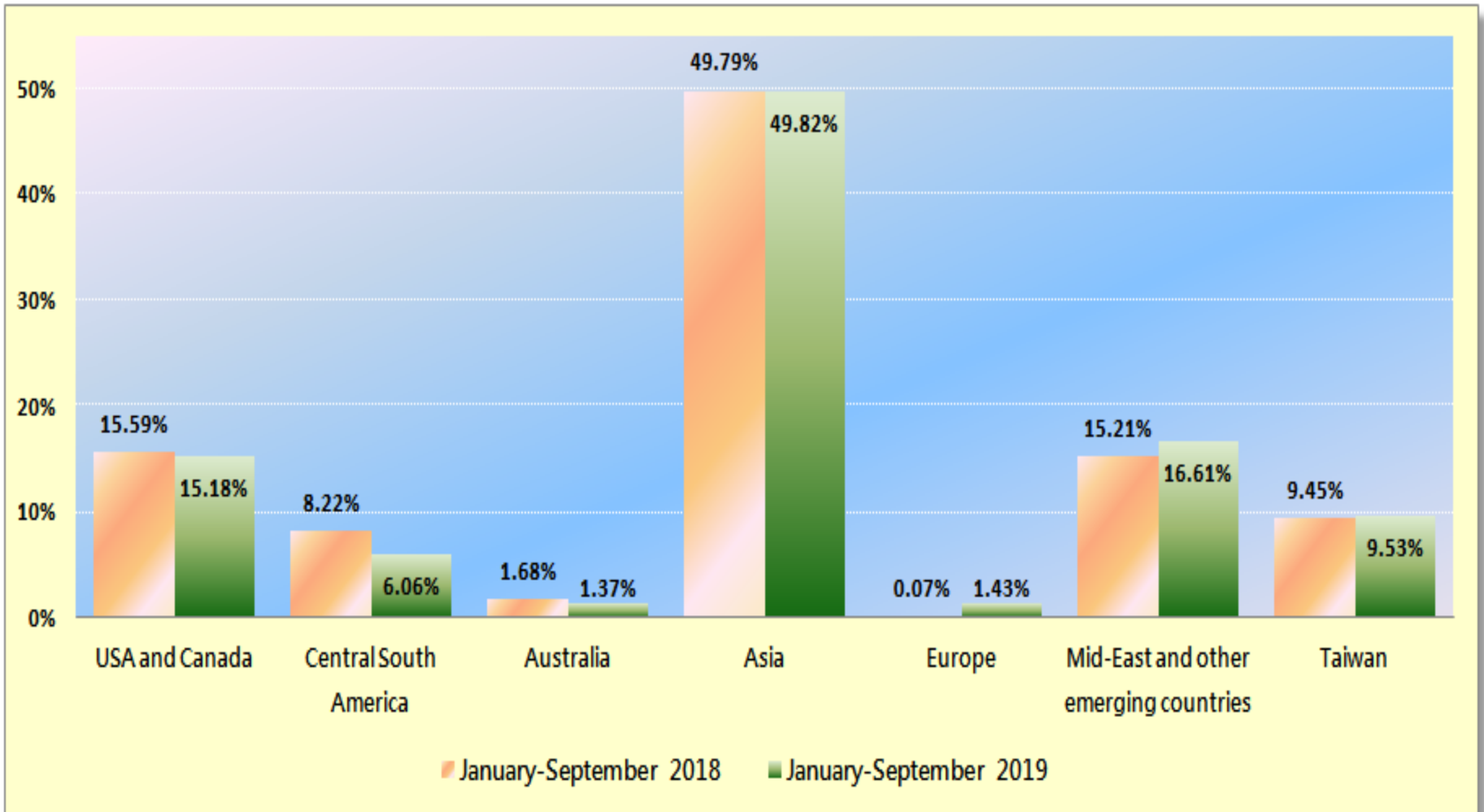


**January-September 2018**

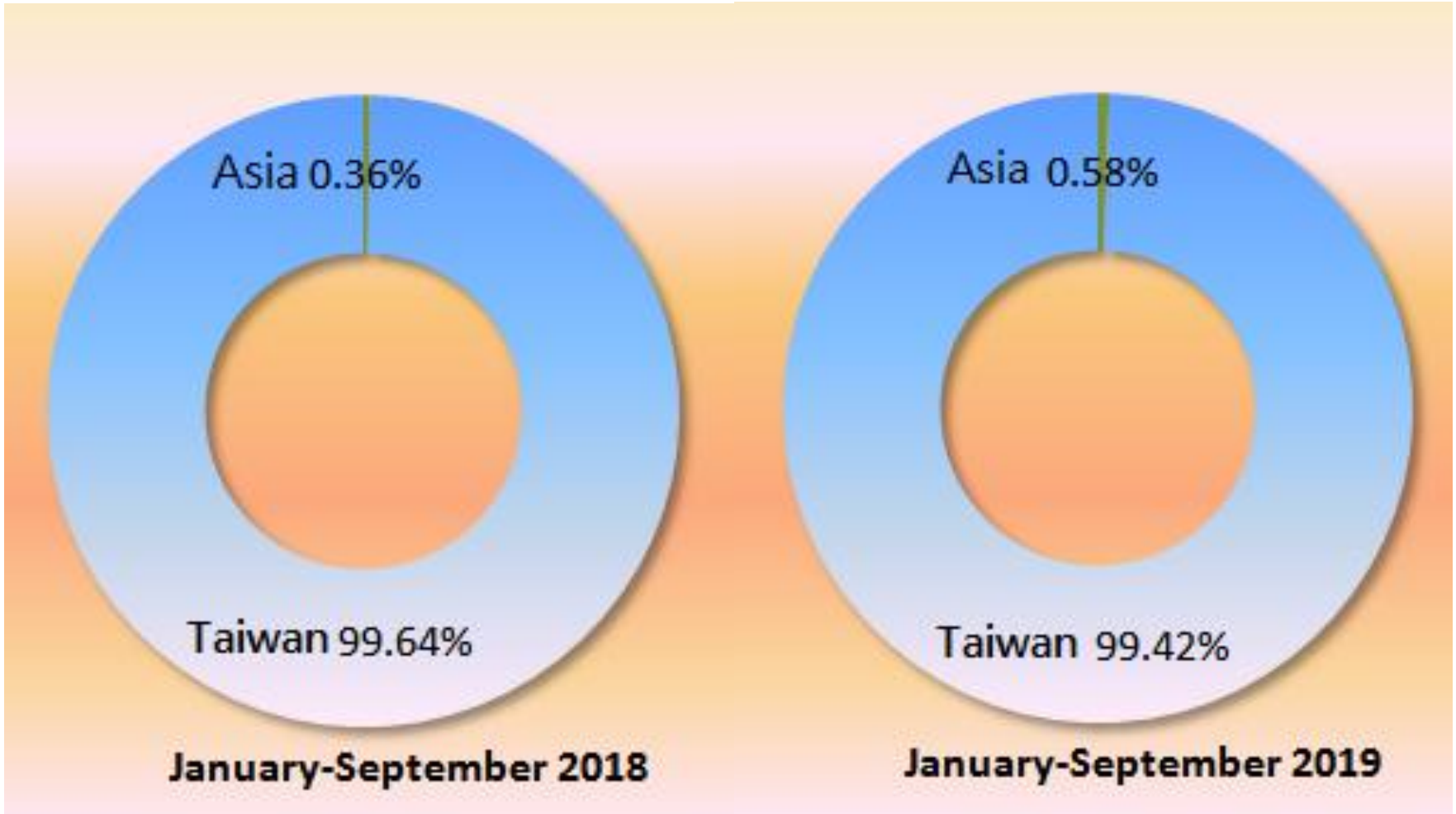


**January-September 2019**

# Revenue Area Ratio of Coating Chemicals



# Revenue Area Ratio of Electronic Chemicals



# Financial Performance Report



Unit: NT \$ thousand

Item\Year	January-September 2019	January-September 2018	Increase (decrease) Amount	Ratio of Change %
Operating Revenue	1,402,068	1,472,824	(70,756)	(4.80)
Operating Cost	(1,218,855)	(1,300,986)	(82,131)	(6.31)
Operating Margin	183,213	171,838	11,375	6.62
Operating Profit	74,977	47,267	27,710	58.62
Net profit before tax	80,473	56,544	23,929	42.32
Net profit after tax	61,358	54,639	6,719	12.30
Gross profit margin(%)	13.07%	11.67%	-	12.00
Net profit margin(%)	4.38%	3.71%	-	18.06

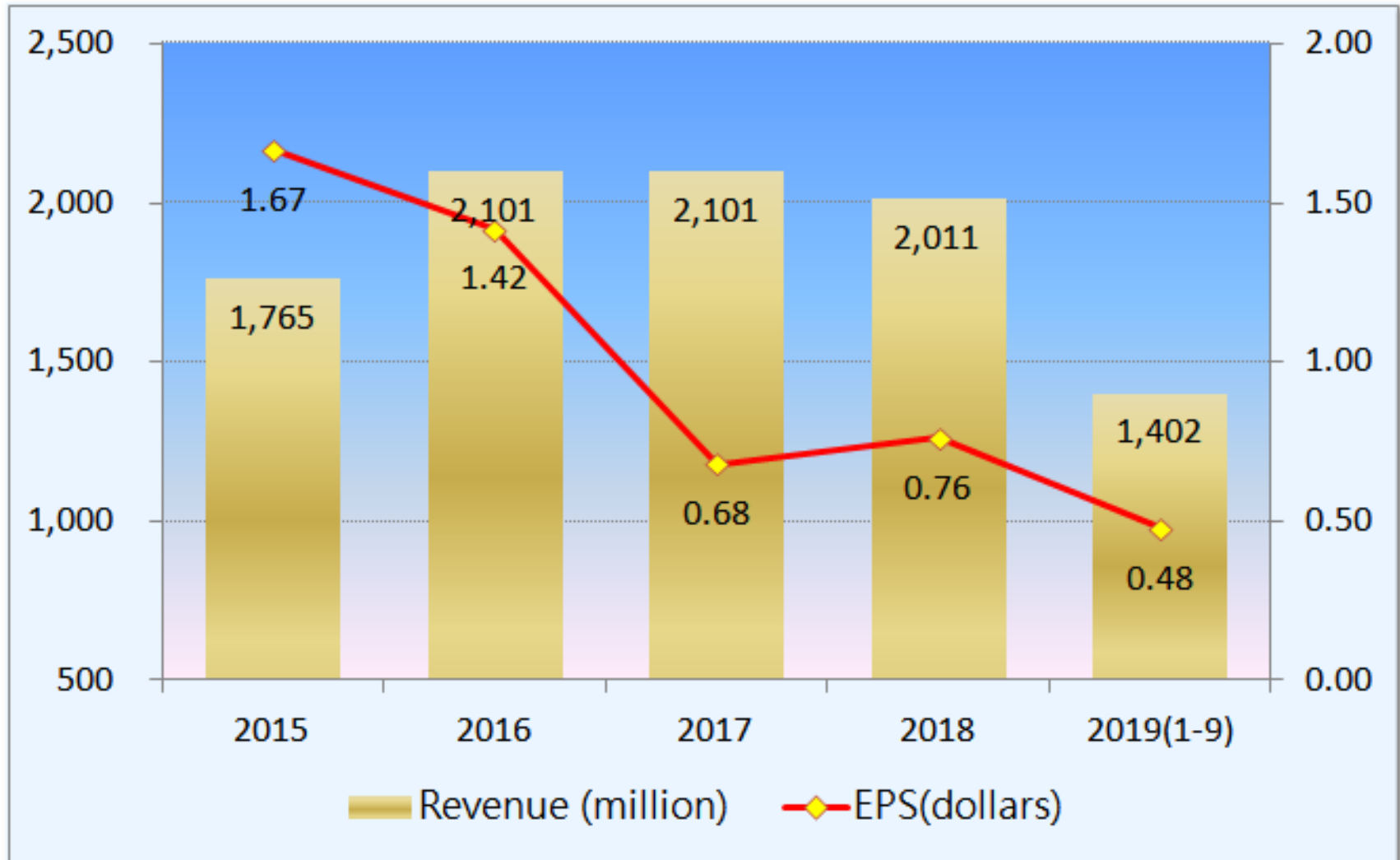
# Financial Status Report



Unit: NT \$ thousand

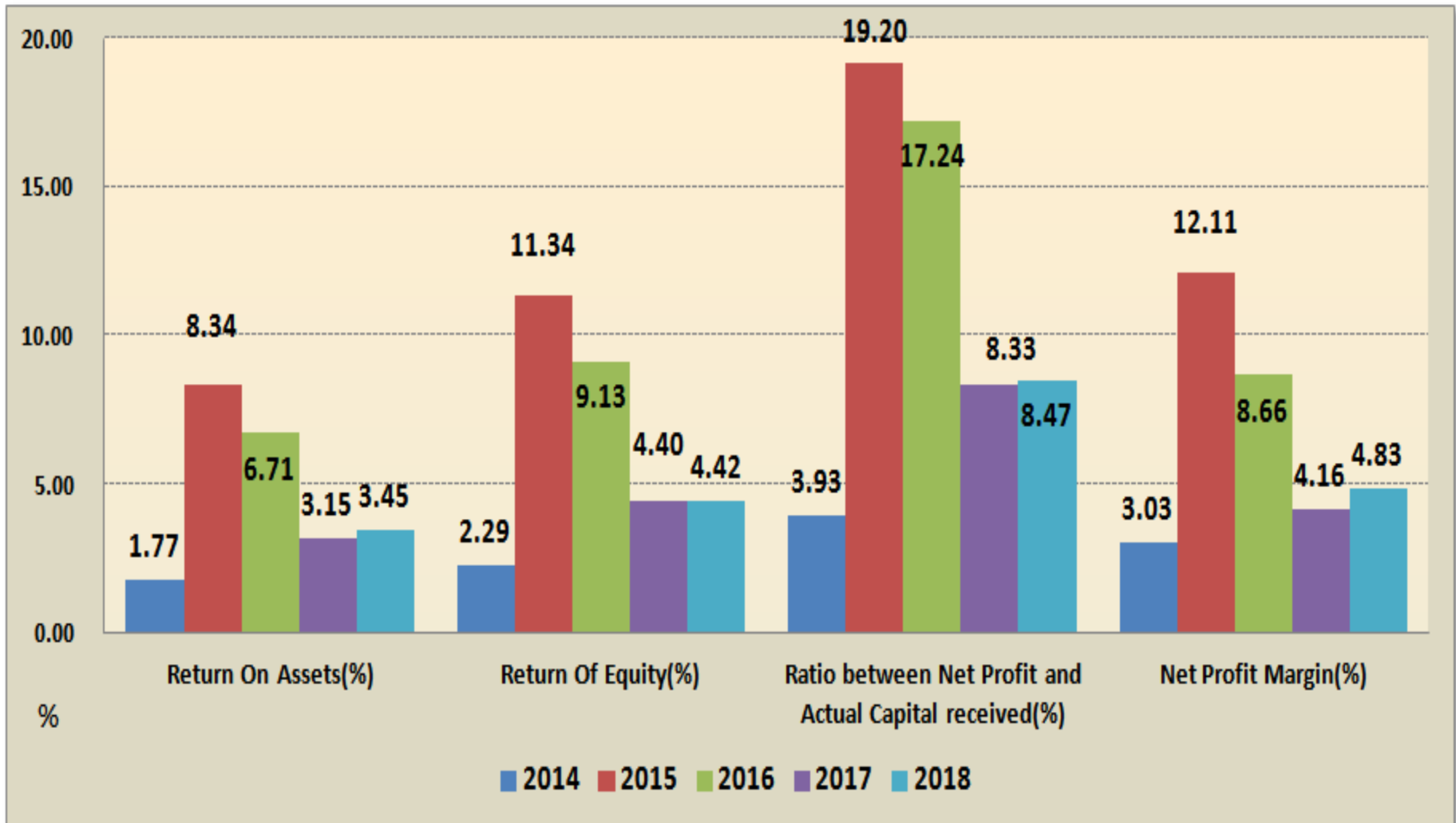
Item\Year	September 30, 2019	September 30, 2018	Increase (decrease) Amount	Ratio of Change %
Current Assets	917,952	874,392	43,560	4.98
Property, Plant and Equipmen	1,458,542	1,480,800	(22,258)	(1.50)
Other Non-current Assets	396,301	498,861	(102,560)	(20.56)
<b>Total Assets</b>	<b>2,772,795</b>	<b>2,854,053</b>	<b>(81,258)</b>	<b>(2.85)</b>
Current Liabilities	703,848	819,750	(115,902)	(14.14)
Other Non-current Liabilities	88,157	87,523	634	0.72
<b>Total Liabilities</b>	<b>792,005</b>	<b>907,273</b>	<b>(115,268)</b>	<b>(12.70)</b>
Capital Stock	1,278,139	1,278,139	0	0.00
Capital Surplus	12,418	9,826	2,592	26.38
Retained Earnings	721,748	681,969	39,779	5.83
Other Equity	(31,515)	(23,154)	8,361	36.11
<b>Total Equity</b>	<b>1,980,790</b>	<b>1,946,780</b>	<b>34,010</b>	<b>1.75</b>
<b>Total Liabilities &amp; Equity</b>	<b>2,772,795</b>	<b>2,854,053</b>	<b>(81,258)</b>	<b>(2.85)</b>

# Revenue and EPS

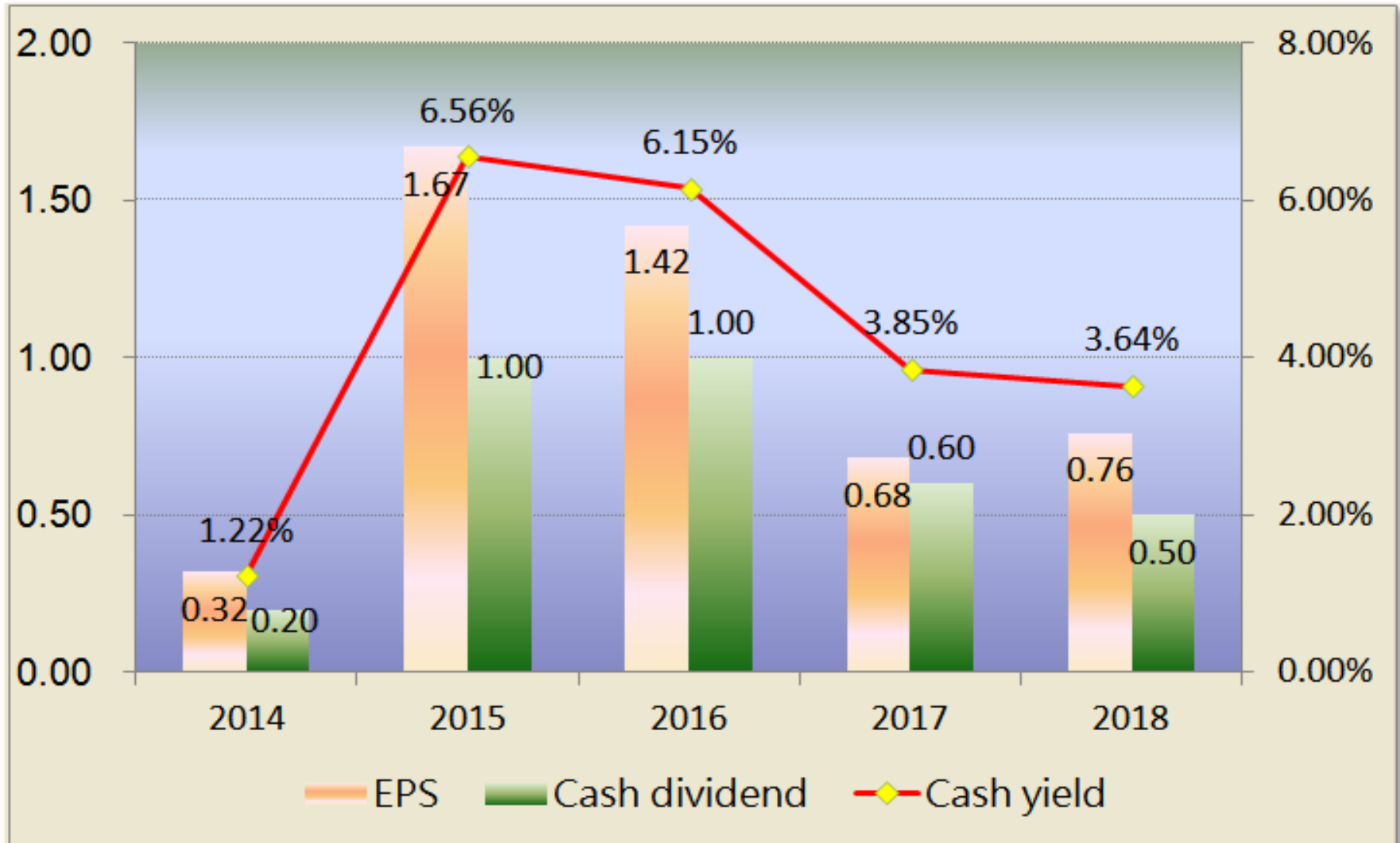




# Latest Annual Financial Analysis(Profitability)



# Dividend and Cash yield



## ■ Coating chemicals

- 1. Enhance the expansion of a stable ink market and R&D of high value-added products.**
- 2. Expand the scope of sales in emerging markets.**

## ■ Electronic chemicals

- 1. To cope with industrial demand, increase our manufacturing refining capability.**
- 2. Strengthen R&D of electronic chemicals formula by working closely with customers.**

# Q & A

A white sign with a logo on the left and the text '台灣股份有限公司' and 'T.N.C. INDUSTRIAL CO., LTD.' in black on the right. The sign is mounted on a wall in front of a factory building.

台灣股份有限公司  
T.N.C. INDUSTRIAL CO., LTD.