

FORMOSA CHEMICALS & FIBRE CORPORATION

2021 Result Conference

FCFC



APR 27, 2022

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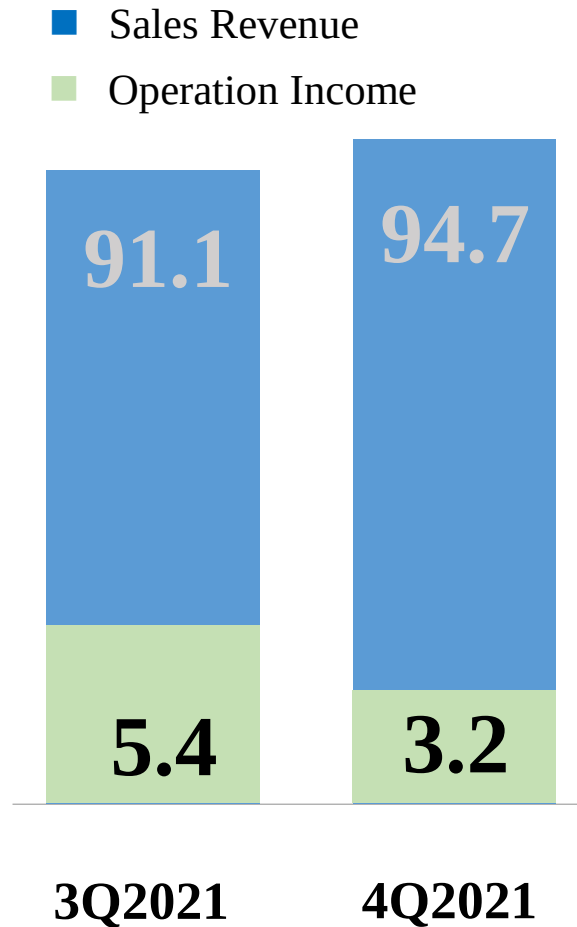
Consolidated Financial Performance

(Amount: NT\$ billion)	<u>2021</u>	<u>2020</u>	YoY	<u>4Q2021</u>	<u>3Q2021</u>	QoQ
Sales Revenue	365.8	253.3	44.4%	94.7	91.1	4.0%
COGS	(312.4)	(223.8)		(86.2)	(80.7)	
Gross Profits	53.4	29.5	81.0%	8.5	10.4	(18.3%)
Gross Margin	14.6%	11.6%		9.0%	11.4%	
Operating Expense	(19.0)	(14.2)		(5.3)	(5.0)	
Operating Profit	34.4	15.3	124.8%	3.2	5.4	(40.7%)
Operating Margin	9.4%	6.0%		3.4%	5.9%	
Non-Operating Profit (Loss)	15.8	9.5	66.3%	2.0	6.3	(68.3%)
Profit Before Tax	50.2	24.8	102.4%	5.2	11.7	(55.6%)
Net Profit	42.7	21.6	97.7%	4.4	10.4	(57.7%)
Net Profit Margin	11.7%	8.5%		4.6%	11.4%	
EPS(NTD)	6.56	3.34		0.61	1.63	



Change in Consolidated Revenue –QoQ

(In NT\$ billion)



Consolidated revenue increased 3.6bn in 4Q2021, up 4.0% compared to 3Q2021.

■ Volume variance+2.9bn:

In terms of petrochemical plastic products, PTA, PIA, HAC, PP and PC Plant have completed their regular inspections, and production and sales are normal in Q4. As for textile and fibers products, overall benefit from the increased demand in A/W peak season as well as the relaxation of epidemic prevention control in Vietnam.

■ Price variance+0.7bn:

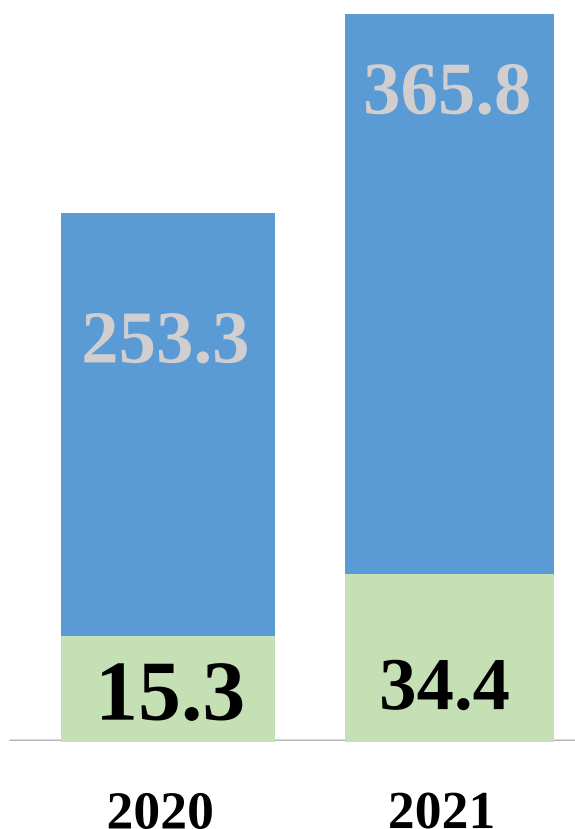
Price of PTA, ABS, PP and PC were weak because of weak demand and competitors' new production line. Other than that, most of the petrochemical and plastic products performed better as a result of the rising prices of crude oil and raw materials.



Change in Consolidated Revenue –YoY

(In NT\$ billion)

- Sales Revenue
- Operation Income



Consolidated revenue increased 112.5bn in 2021 compared to in 2020, representing 44.4% growth rate.

■ Price variance +92.5bn

Quotations were much affected last year by the pandemic. This year, climate anomalies and the facility failure made the supply tighter bringing the quotations of petro products high.

■ Volume variance +20.0bn

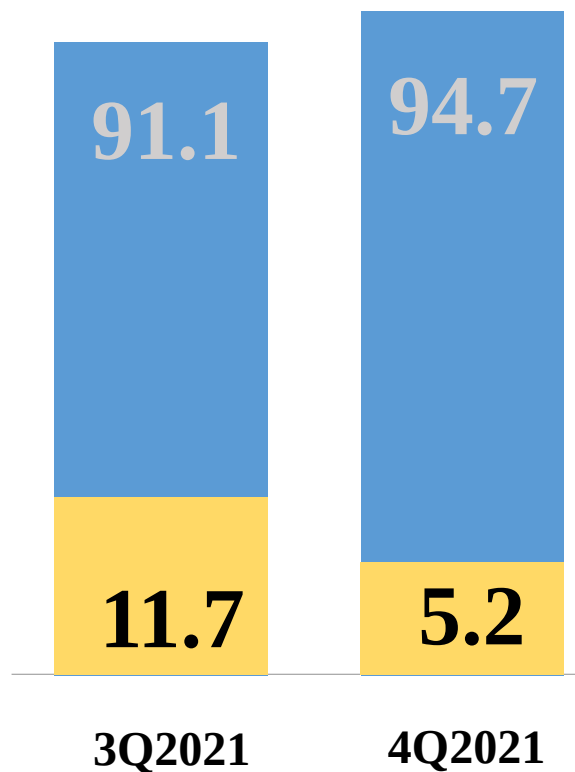
Market demand recovered from the COVID pandemic, increasing the sales of aroma, SM, phenol, PTA and ABS. In addition, expansion of plant phenol and PIA in Ningbo had come to complete and started production .



Change in Profit Before Tax - QoQ

(In NT\$ billion)

- Sales Revenue
- Profit Before Tax



Profit Before Tax decreased 6.5bn(-55.6%) in 4Q2021 compared to 3Q2021.

■ Operating income -2.2bn

Production cost went up as a result of rising price of oil and coal. Additionally, clients tend to purchase in a conservative way because of the uncertainty resulting from China's “dual-control” implementation. Thus, some of the product's price and the processing spread went down, affecting the quarterly income.

■ Non-Operating income -4.3bn

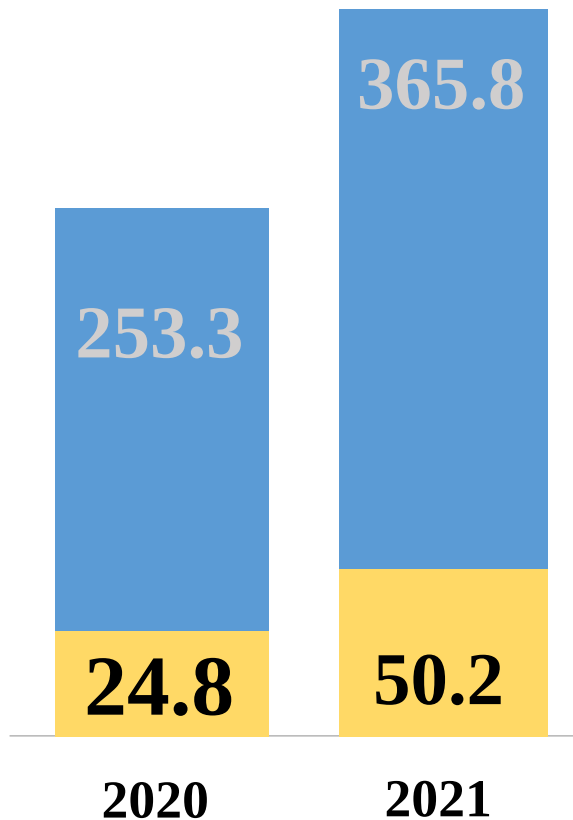
- 1.Cash dividend decreased 3.1bn.
- 2.Equity income decreased 1 bn.
(EI from FIPC and Mai-Liao Power corp. decreased 0.71bn and 0.23bn respectively.)



Change in Profit Before Tax - YoY

(In NT\$ billion)

- Sales Revenue
- Profit Before Tax



Profit Before Tax increased 25.4bn in 2021 compared with 2020, representing 102.4% growth rate.

■ Operating income +19.1bn

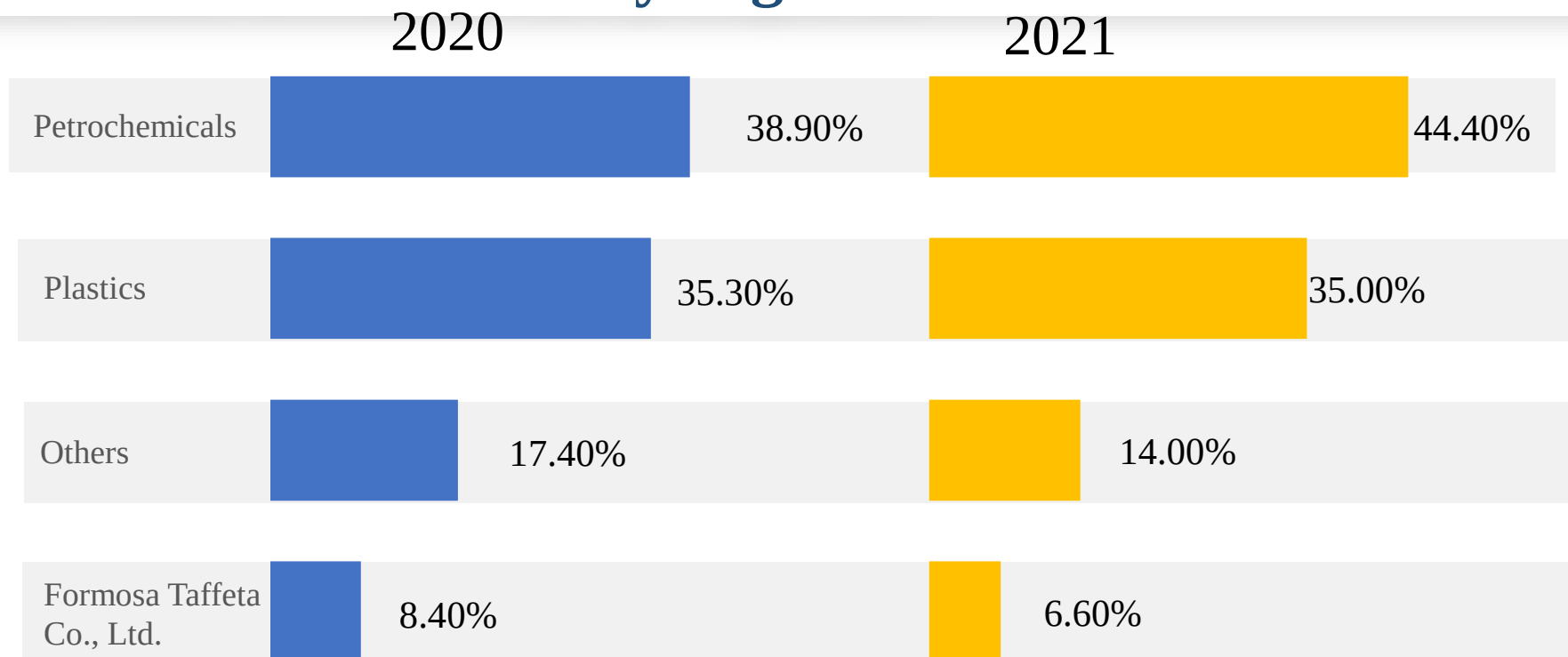
This year, the economies have recovered from the trough although the epidemic still caused imbalances in supply chain. Demands remained conservative, even it had rebounded. The prices of raw materials and products fluctuated, and the processing spread went narrower. Even so, the operating profit was better than last year.

■ Non-Operating income +6.3bn

1. Equity income increased 8.8bn.
2. Dividends income decreased 2bn.
3. Gain on disposal of asset decreased 0.7bn.



Revenue Breakdown by Segment



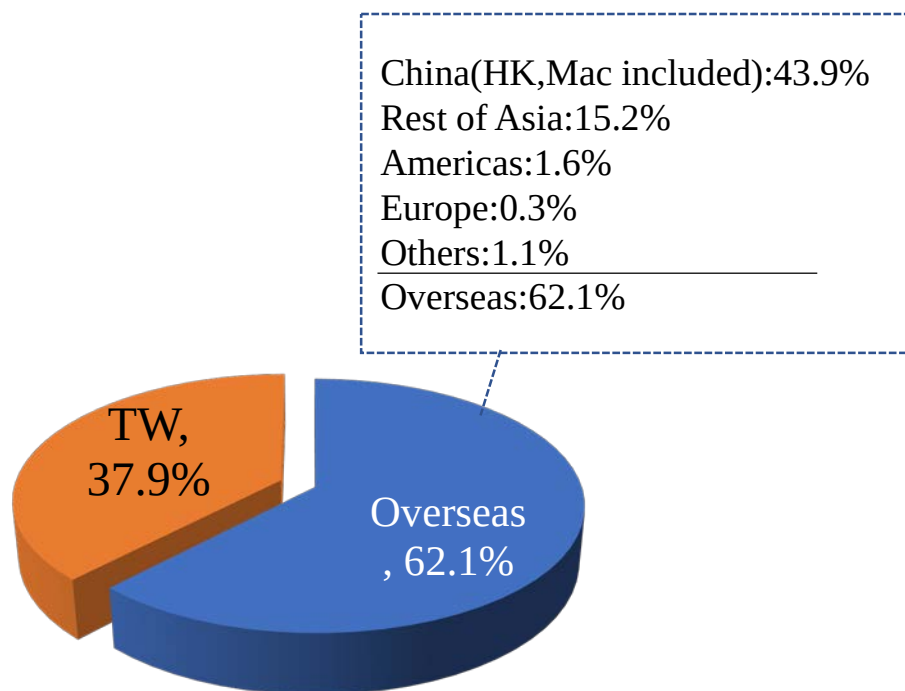
- **Petrochemical** :Sales of petrochemical products is 162.5bn, an increase of 64bn or 65% over the same period in 2020. This year is due to the impact of post-epidemic demand recovery, monetary easing, and rising oil prices, resulting in both price and volume rising; accounting for 44.4% , an increase of 38.9% from 2020.
- **Plastics**: Sales of plastic products in 2021 is 127.8bn, an increase of 38.4bn compared with 2020 with a growth rate of 43%. The increase is mainly due price rises in its raw materials. Its percentage of total sales is 35.0%, which is down slightly compared to last year.
- **Sales of petrochemical and plastics products accounted for 79.4%, represented the largest contributor to Company's consolidated revenue in 2021.**



Revenue Breakdown by Geography

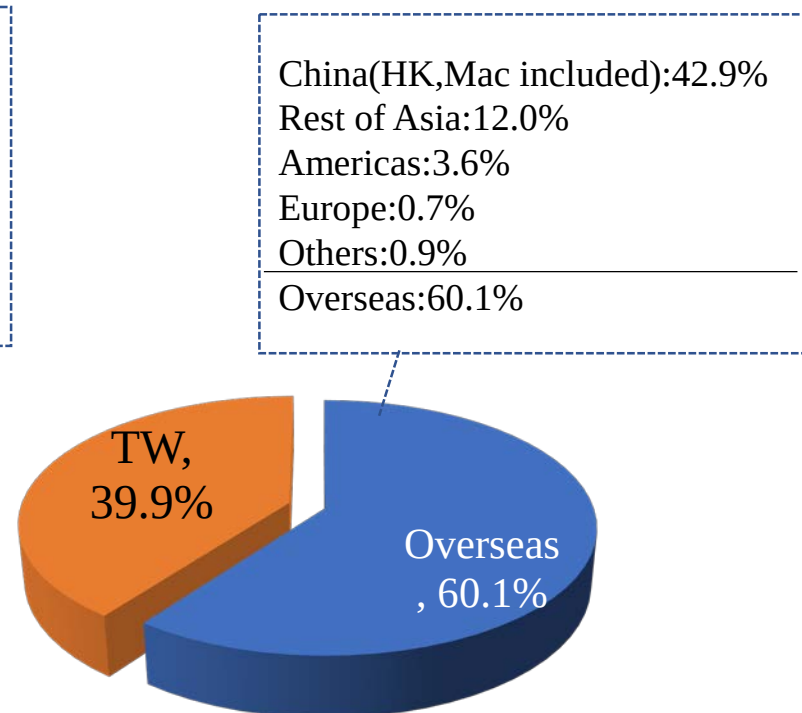
2020

Sales Revenue: NT\$253.3billion



2021

Sales Revenue: NT\$365.8billion

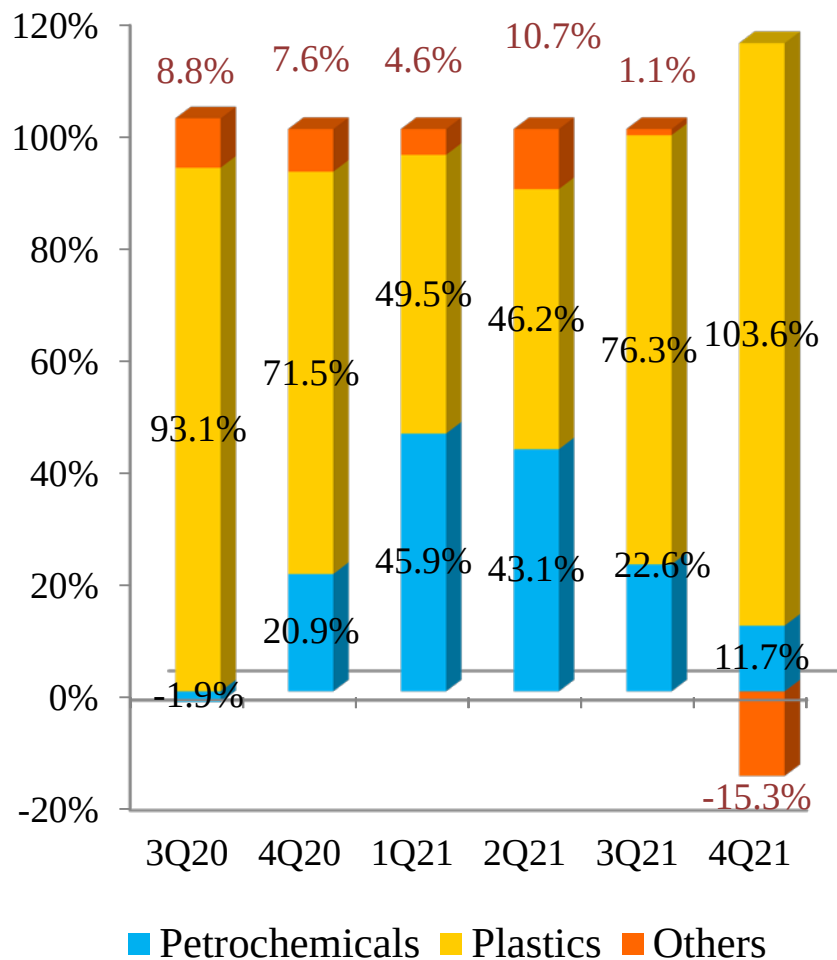


- China (including Hong Kong and Macau) is still our main market, accounting for 42.9% of revenue in 2021, down from 45.3% and 43.9% in 2019 and 2020, while the Americas and Europe both increased slightly.

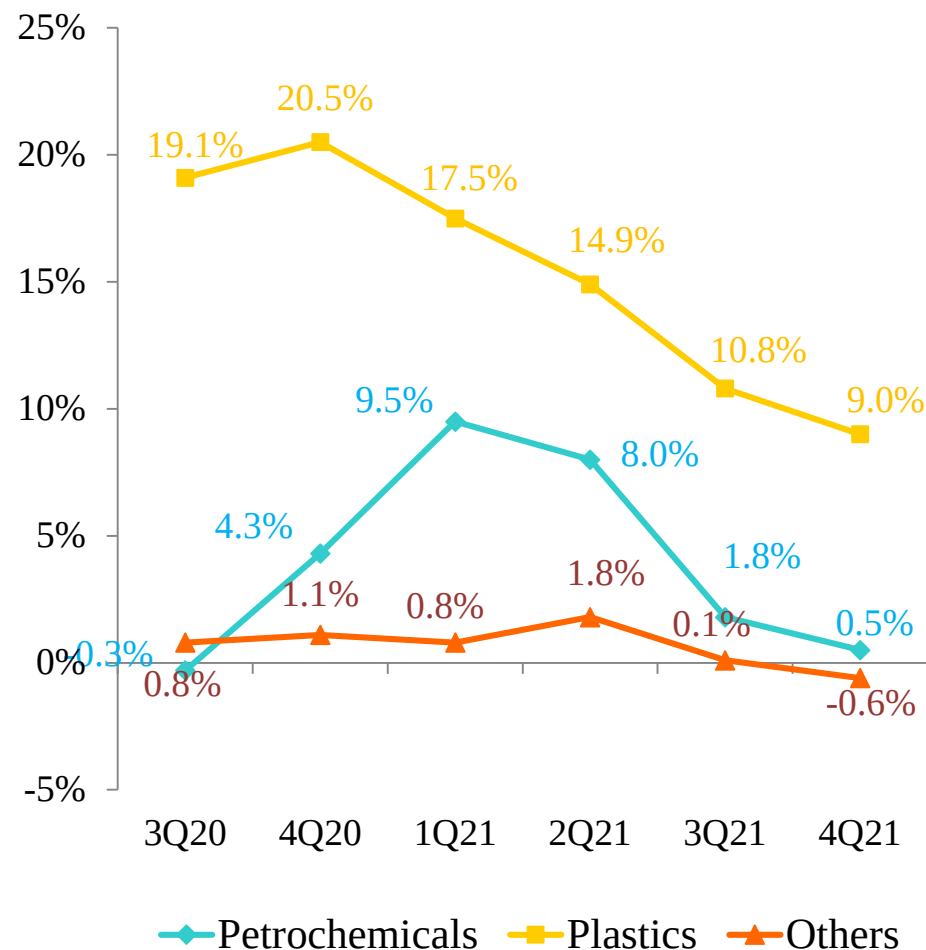


Operating Profits Breakdown by Division

Operating Profit %



% change in Operating Margin





Capacity Expansion Plans

► China(Ningbo)

PTA

Capacity:

Current 1,200 KT

Addition 1,500 KT

Completion date:2023/Q2

ABS

Capacity:

Current 500 KT

Addition 250 KT

Completion date:2022/Q2



Q&A

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