FORMOSA CHEMICALS & FIBRE CORPORATION

1H2026 Result Conference

FCFC

Aug 27, 2026

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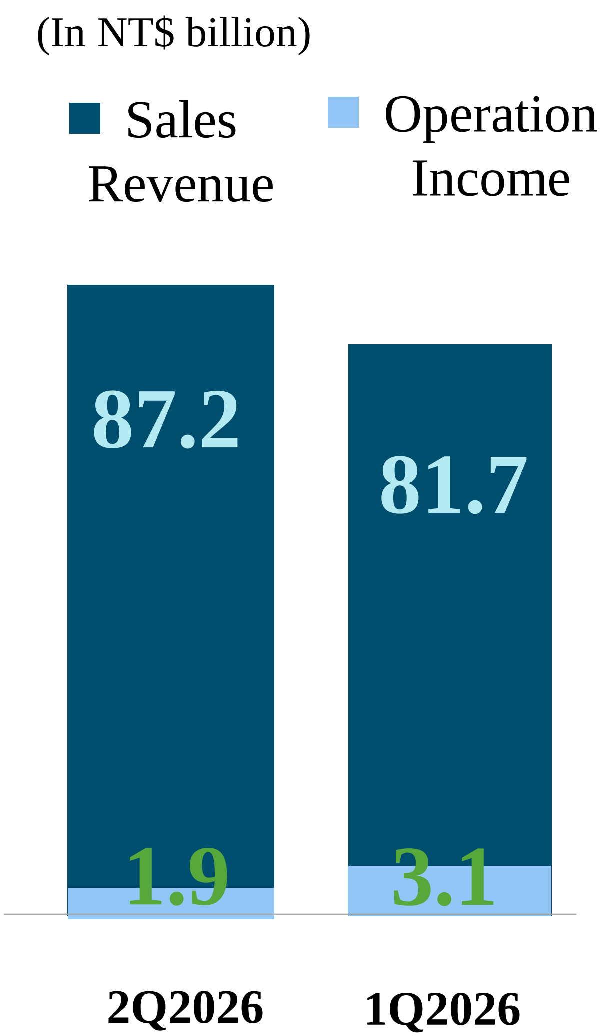
Consolidated Financial Performance

(Amount: NT$ billion)	1H2026	1H2025	YoY	2Q2026	1Q2026	QoQ
Sales Revenue	**168.9**	**152.5**	**10.8%**	**87.2**	**81.7**	**6.7%**
COGS	(157.1)	(148.8)		(81.7)	(75.4)	
Gross Profits	**11.8**	**3.7**	**218.9%**	**5.5**	**6.3**	**(12.7%)**
Gross Margin	**7%**	**2.4%**		**6.3%**	**7.1%**	
Operating Expense	(6.8)	(6.6)		(3.6)	(3.2)	
Operating Profit	**5.0**	**(2.9)**		**1.9**	**3.1**	**(38.7%)**
Operating Margin	**3.0%**	**(1.9%)**		**2.2%**	**3.8%**	
Non-Operating Profit (Loss)	9.3	(4.6)		5.1	4.2	
Profit Before Tax	**14.3**	**(7.5)**		**7.0**	**7.3**	**(4.1%)**
Net Profit	**13.0**	**(7.5)**		**6.5**	**6.5**	
Net Profit Margin	**7.7%**	**(4.9%)**		**7.5%**	**8.0%**	
EPS(NT$)	**2.11**	**(1.24)**		**1.04**	**1.07**	

Change in Consolidated Revenue -QoQ



Consolidated revenue in 2Q2026 increased by NT$5.5 billion from 1Q2026, representing a 6.7% QoQ increase.

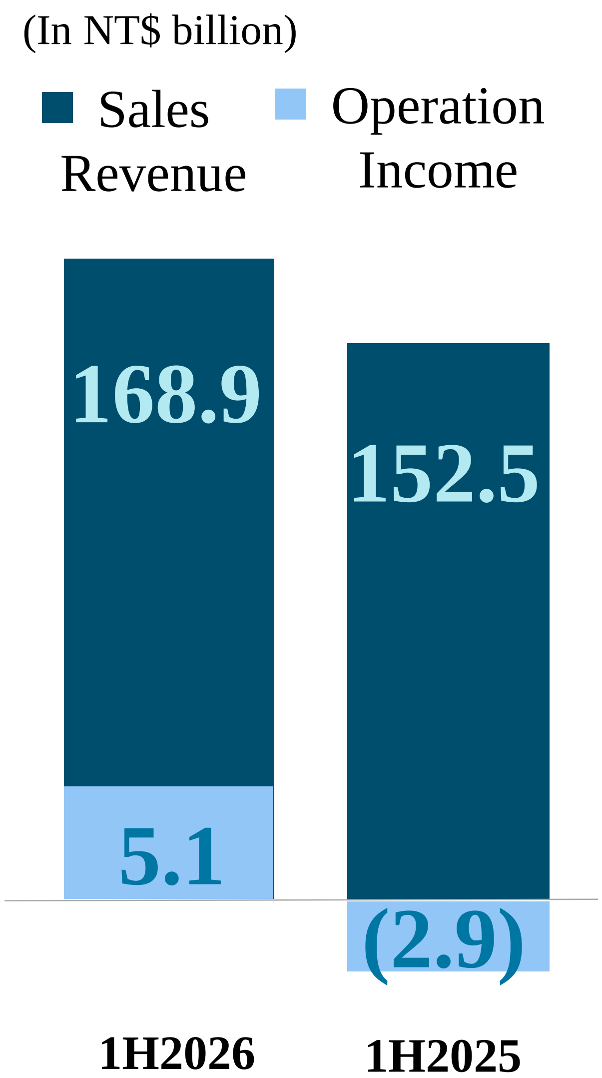
- **Volume variance +NT$15.9 billion:**

Higher Higher crude oil and petrochemical prices amid the Middle East conflict, together with product mix optimization and a higher share of differentiated products, lifted average selling prices.

- **Price variance -NT$10.4 billion:**

ARO-3 and SM-2 maintenance reduced PX and SM production and sales, as well as raffinate sales back to FPCC. Sharp price swings in PS, ABS and PP, market volatility and higher freight costs led customers to hold back purchases, reducing sales.

Change in Consolidated Revenue -YoY



Consolidated revenue in 1H2026 increased by NT$16.4 billion compared with the same period of 2025, representing a 10.8% YoY increase.

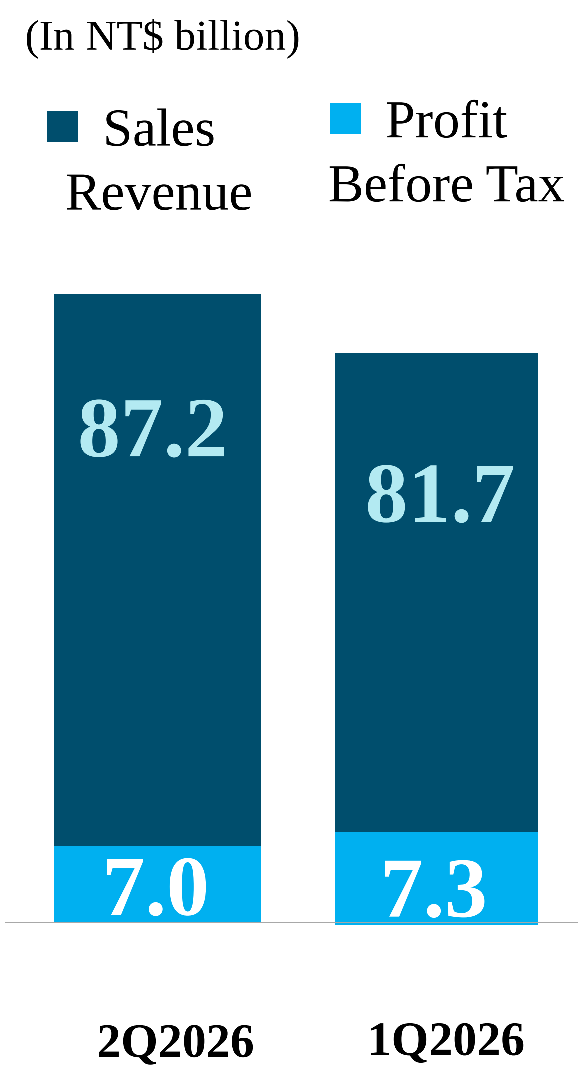
- **Price Variance: +NT$21.5 billion**

The U.S.–Iran conflict pushed up crude oil prices, lifting feedstock and product prices. A higher share of differentiated products also raised average selling prices.

- **Volume Variance: -NT$5.1 billion**

Lower downstream production reduced demand for OX, PTA and PIA. Oversupply and competition in PS, ABS and PP led to lean production and inventory reduction, lowering production and sales volumes. Formosa Taffeta was also affected by weak end demand, while higher external sales of PX and SM partly offset the decline.

Change in Loss Before Tax - QoQ



Consolidated pre-tax profit in 2Q2026 was NT$7.0 billion, a decrease of NT$0.3 billion from 1Q2026, representing a 4.1% QoQ decline.

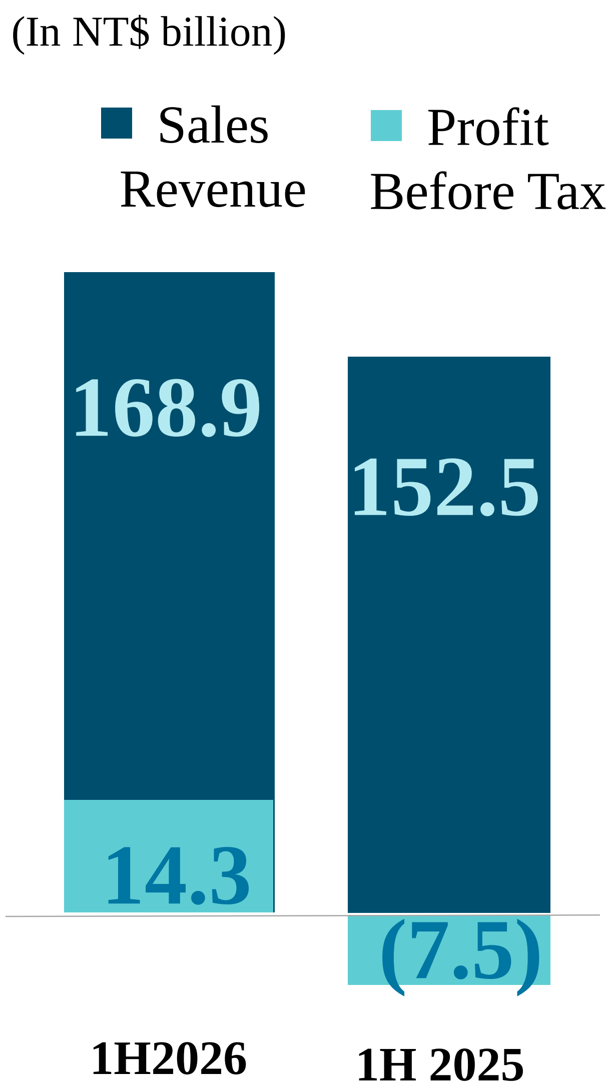
- **Operating Profit: -NT$1.2 billion**

Following the U.S.–Iran peace agreement, crude oil and petrochemical prices retreated from their highs, leading to cautious downstream purchasing. Scheduled maintenance at major plants also reduced production and sales volumes QoQ, weighing on operating profit.

- Non-operating Income: +NT$0.9 billion

1. Cash dividends +NT$0.8 billion (FPCC +NT$0.44bn; FPC +NT$0.24bn)
2. Equity-method income +NT$0.7 billion (FPCC +NT$0.42bn; Mai-Liao Power +NT$0.31bn)
3. FX gains -NT$0.4 billion QoQ

Change in Profit Before Tax - YoY



Consolidated pre-tax profit in 1H2026 was NT$14.3 billion, representing an improvement of NT$21.8 billion compared with 1H2025.

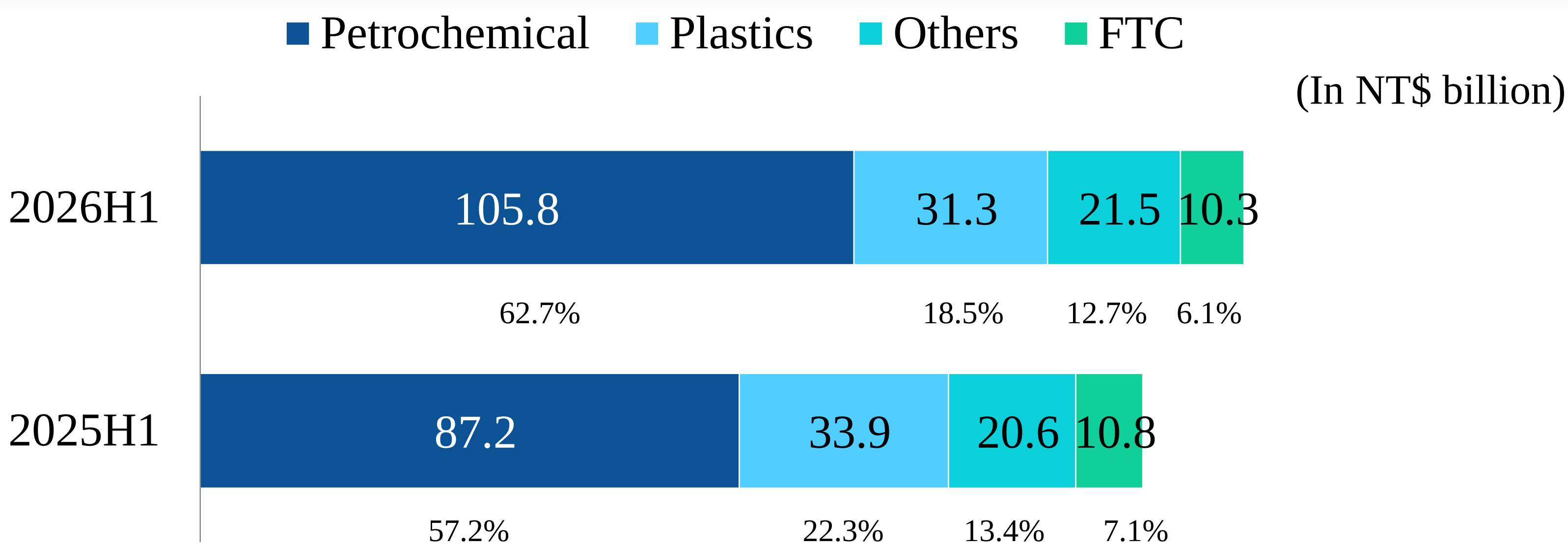
- **Operating Profit: +NT$8.0 billion**

Product mix optimization, lean production and flexible production and sales adjustments improved profitability. The U.S.–Iran conflict also lifted oil and product prices, widening product-to-feedstock spreads.

- **Non-operating Income: +NT$13.8 billion**

1. Equity-method income +NT$10.9 billion (FPCC +NT$10.6bn; FAT +NT$0.29bn)
2. FX losses decreased by NT$2.6 billion
3. Cash dividends +NT$0.3 billion(FPC's earlier dividend payment in 2Q: +NT$0.24bn)

Revenue Breakdown by Segment



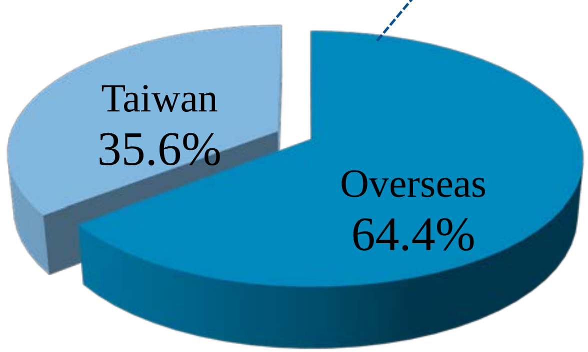
- **Petrochemical Products** Revenue Drivers: Revenue growth was fueled by higher crude oil and petrochemical prices due to the US-Iran conflict, proactive expansion of PX export sales, and the recovery of phenol/acetone production and sales. However, this growth was partially offset by soft downstream demand for PTA, PIA, and OX.1H26 Financials: Revenue reached NT$105.8 billion, up NT$18.6 billion from NT$87.2 billion in 1H25. Revenue share increased from 57.2% to 62.7%.
- **Plastics Products** Market & Operations: Due to ample market supply and cautious customer procurement, production and sales volumes of PS, ABS, and PP declined YoY, aligned with the company's lean production and low-inventory strategies. However, rising crude oil and raw material prices lifted selling prices, partially offsetting the impact of lower sales volume.1H26 Financials: Revenue decreased by NT$2.6 billion YoY to NT$31.3 billion (from NT$33.9 billion in 1H25). Revenue share dropped from 22.3% to 18.5%.

Revenue Breakdown by Region

1H2026

Sales Revenue:NT$168.9 billion

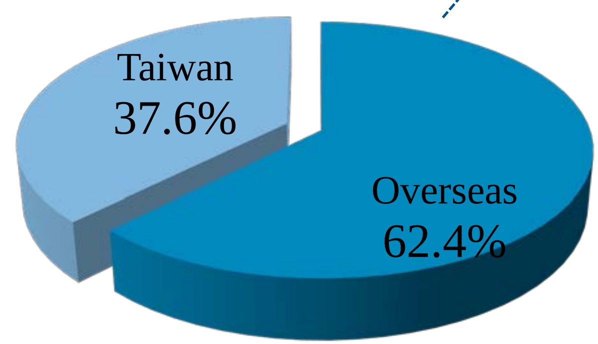
China(HK,MAC included):44.3%
Rest of Asia:15.3%
Americas: 3.8%
Europe:0.9%
Others:0.1%
Overseas:64.4%



1H2025

Sales Revenue:NT$152.5 billion

China(HK,MAC included):44.7%
Rest of Asia: 12.7%
Americas: 2.8%
Europe:1.5%
Others:0.7%
Overseas:62.4%



- **China (including Hong Kong and Macau) remained the primary market, accounting for 44.3% of revenue in 1H2026 (with domestic sales from China subsidiaries at 31.3%), compared with 44.7% in 1H2025 (domestic sales at 33.8%).**

ESG 2025 – Carbon Reduction Results

Annual carbon reduction
139.7 kt
CO_2e

Energy Efficiency Improvements

- **Implement AI for process optimization, recover waste heat, and enhance energy utilization efficiency.**
- Invested NT$**0.39** billion and completed **198** projects in 2025.
- Saved **46.9** tons of thermal energy per hour, **7** MWh of electricity per hour, and **0.1** tons of fuel per hour. Total carbon reduction for the year was **139.7** kt CO_2e..

Annual carbon reduction
92.7 kt
CO_2e

Energy Transition Strategy

- **Green Power:** Generated **98,777** MWh of solar and hydro power, resulting in a reduction of **55.1** kt CO_2e for the year.
- **Low-Carbon** Converted **2** more oil-fired boilers to natural gas in 2025 (26 in total), reducing **37.3** kt CO_2e annually.

Annual carbon reduction
33 kt
CO_2e

Circular Economy Strategy

- **Waste Nylon Recycling:** Recycled discarded fishing nets and oyster ropes into eco-friendly nylon, reducing **15** kt CO_2e annually.
- **Waste Plastic Recycling:** Developed 100% PCR recycled resins with third-party certification, reducing **7** kt CO_2e annually.
- **CO_2 Capture and Utilization**: Converted process-generated CO_2 into CO without increasing naphtha feed, reducing **6** kt CO_2e annually.
- **Eco-friendly Yarn**: Recycled PET bottles into polyester fibers for downstream textile production, reducing **5**kt CO_2e annually.

Q&A

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