NanPao Resins Chemical Group

4766 TT

Investor Presentation

2025/10

AGENDA

2Q25 RESULTS & OUTLOOK

COMPANY OVEREVIEW

SUSTAINABLE INNOVATION

GROWTH STRATEGY

HISTORICAL FINANCIALS

2Q25 RESULTS

Consolidated Income Statements – 2Q25

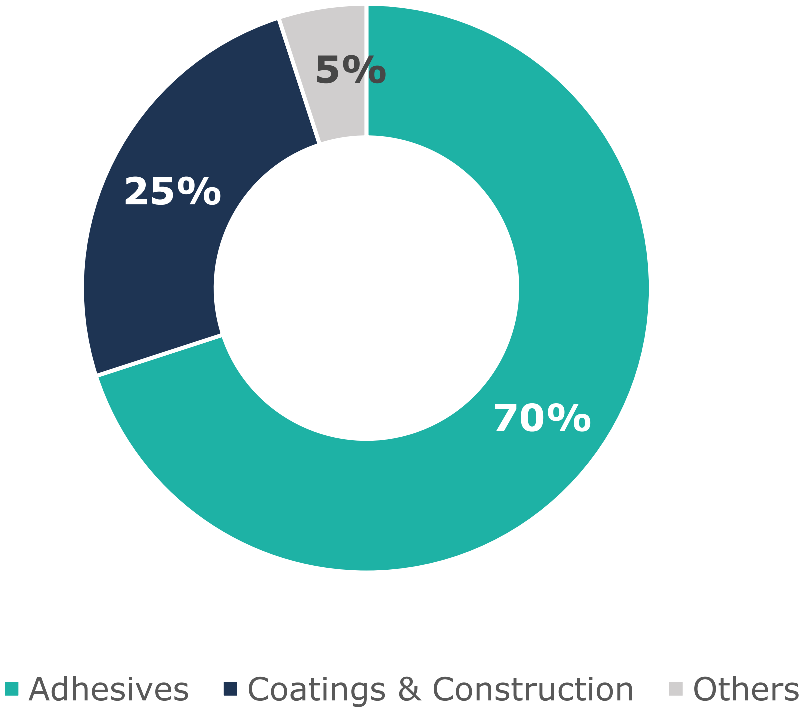
NT$ million	2Q25	1Q25	2Q24	QoQ	YoY
Net Revenue	5,805	5,554	5,783	5%	0%
Gross Profit	2,003	1,912	1,814	5%	10%
Gross Margin	34.5%	34.4%	31.4%		
Operating Expenses	1,018	1,002	963	2%	6%
SG&A percent of Sales	17.5%	18.0%	16.7%		
Operating Income	985	910	851	8%	16%
Operating Margin	17.0%	16.4%	14.7%		
Net Non-Operating Income (Loss)	-178	103	33		
Pre-Tax Income	807	1,013	884	-20%	-9%
Income Tax Expense	208	241	189		
Minority Interest	45	43	22		
Net Income to Parent	554	729	672	-24%	-18%
Net Margin	9.5%	13.1%	11.6%		
EPS (NT$)	4.59	6.05	5.58	-24%	-18%

ROE – not annualized	4.5%	5.3%	5.3%
Depreciation and Amortization	195	197	182
CAPEX	258	130	114

2Q25 Revenue Breakdown – by Segment

- Due to a high base last year and the impact of the New Taiwan Dollar appreciation, Adhesives revenue declined in 2Q25 compared to the same period last year. Coatings & Construction revenue achieved double-digit growth compared to the prior year, driven by the consolidation of Yun Teh's revenue and continued market development efforts.

2Q25 Revenue Breakdown



2Q25 Revenue Growth by Segment

	YoY	QoQ
Total Revenue	0%	5%
Adhesives	-5%	3%
Coatings & Construction	11%	5%

Consolidated Income Statements –1H25

NT$ million	1H25	1H24	YoY
Net Revenue	11,360	10,773	5%
Gross Profit	3,914	3,468	13%
Gross Margin	34.5%	32.2%	
Operating Expenses	2,020	1,848	9%
SG&A percent of Sales	17.8%	17.2%	
Operating Income	1,895	1,620	17%
Operating Margin	16.7%	15.0%	
Net Non-Operating Income (Loss)	-75	188	
Pre-Tax Income	1,819	1,808	1%
Income Tax Expense	448	382	
Minority Interest	89	48	
Net Income to Parent	1,282	1,379	-7%
Net Margin	11.3%	12.8%	
EPS (NT$)	10.64	11.43	-7%

ROE – not annualized	9.8%	10.4%
Depreciation and Amortization	391	358
CAPEX	388	207

Consolidated Balance Sheet – 2Q25

NT$ million	2025/6/30		2025/3/31		2024/6/30	
	$	%	$	%	$	%
Cash and Cash Equivalents	7,513	28%	8,235	29%	6,609	25%
Notes & Accounts Receivable, Net	5,019	19%	5,279	19%	5,355	20%
Inventories	2,843	11%	3,206	11%	2,851	11%
Other Current Assets	1,029	4%	1,255	4%	1,038	4%
Long-term Investments	1,263	5%	1,544	5%	1,940	7%
Fixed Assets	5,673	21%	5,854	21%	5,799	22%
Other Long-term Assets	3,222	12%	3,166	11%	2,759	11%
Total Assets	**26,562**	**100%**	**28,539**	**100%**	**26,351**	**100%**
Current Liabilities	9,165	35%	9,764	34%	8,235	31%
LT Debt	2,248	8%	2,269	8%	1,476	6%
Other Non-Current Liabilities	1,963	7%	2,102	8%	1,938	7%
Total Liabilities	**13,376**	**50%**	**14,135**	**50%**	**11,649**	**44%**
Common Stock	1,206		1,206		1,206	
Total Equity	**13,186**	**50%**	**14,404**	**50%**	**14,702**	**56%**
Book Value per Share (NT$)	97.6		106.3		110.0	

Current Ratio	179%		184%		193%
Net Cash (Debt) to Equity	20%		20%		22%

2H25 OUTLOOK

2H25 Outlook

❑ The target of achieving record-high revenue this year remains unchanged, with operating margin expected to stay above the industry average

- Despite challenges from the appreciation of the New Taiwan Dollar and U.S. tariff-related impacts, we remain committed to achieving record-high revenue this year, supported by ongoing development of new products and applications, successful customer expansion, and the revenue contribution from the acquired Yun Teh Industrial.
- The operating margin reached a record high in 2Q25, and we aim to maintain a strong margin that outperforms industry peers.

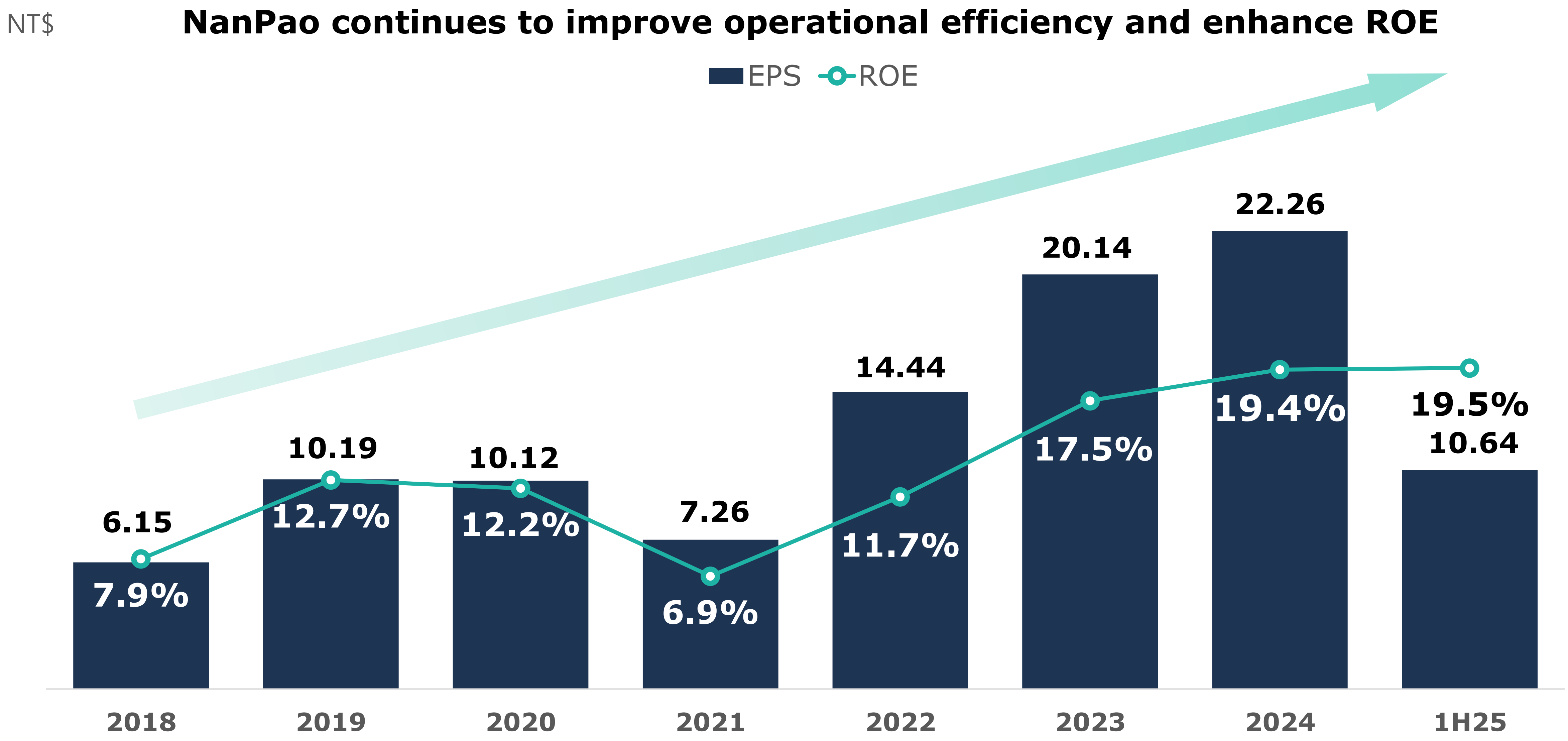
❑ Continue implementing the "NextGen" growth strategy

- We are optimistic about the growth potential of semiconductor adhesives and other electronic sectors, and will continue to increase resource investment in these areas.
- NanPao continues to co-develop new products and applications proactively to accelerate growth, aiming to create greater value for customers, and strengthen long-term competitiveness, thereby mitigating external risks. We focus on adhesives for the semiconductor, electronics, woodworking, and textile industries, continually enhancing performance and expanding applications.

➢ Continue to strengthen ROE, with a long-term target of achieving over 20%.

- The annualized ROE for 1H25 reached 19.5%, exceeding last year's full-year figure of 19.4%. We remain committed to improving operational efficiency.

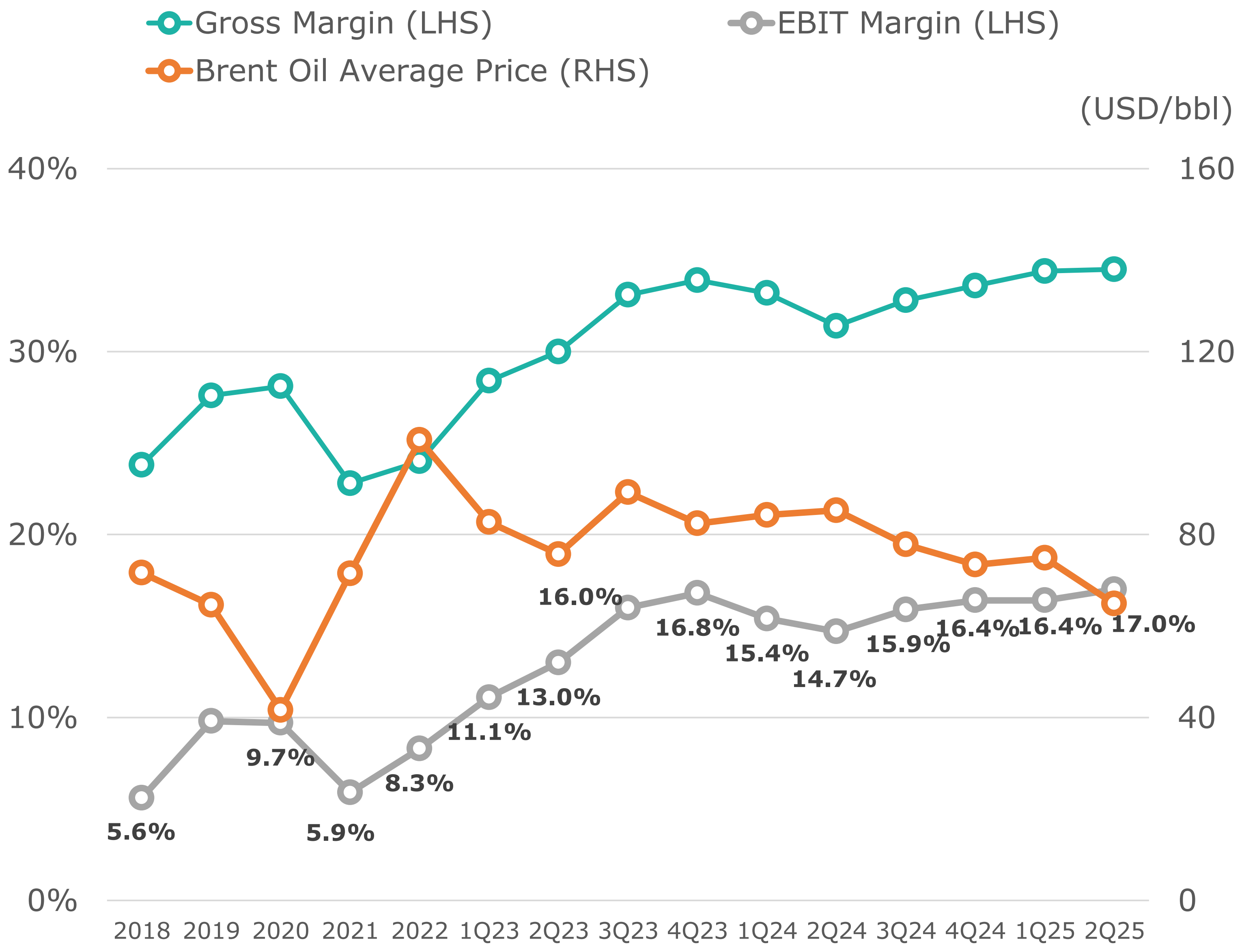
Focusing on Increasing ROE as a Core Strategy, with a Long-term Goal of Achieving ROE above 20%



*Note: The ROE for 1H25 is an annualized figure, calculated by multiplying the 1H25 ROE by 2.

Structurally Improving Margins: Operating Margin Reached a Historic High in 2Q25

- Strengthening our **core advantages**
- Focusing on **high margin** product lines
- Reducing impact from the **raw material prices** by shortening the price adjustment time lags
- Aiming to **reduce operating expense ratio** with a long-term target of **lower than 15%**



Advanced Echem Materials, NanPao, and Trusval Form JV to Enter High-End Adhesive Market for Advanced Semiconductor Packaging

In late August 2025, the three companies announced the establishment of Advanced Pao Trusval Technology Co., Ltd., a joint venture dedicated to developing and promoting high-end tapes for advanced semiconductor packaging.

Advanced Echem Materials

Extensive **industry networks and know-how** in advanced specialty chemicals and materials for semiconductors

X

NanPao

Core technology in adhesive synthesis

X

Trusval

Capabilities in high-tech **system integration** and experience in **R&D and coating process** technologies

Semiconductors and electronic related applications are NanPao's key development focus areas.

Adhesives for semiconductor and electronic applications currently contribute about **1–2%** of Nan Pao's total revenue. we see this segment as a new growth driver.

- **Strong Demand for Semiconductor Process Tapes:** The global semiconductor process tape market is forecasted to grow at a CAGR of 9.7% from 2024 to 2033*.
- **Advanced Packaging as a Strong Growth Area:** Driven by robust demand from AI, HPC, and mobile communications, requirements for chip size, power consumption, and performance continue to rise. Beyond process technology innovation, highly integrated and high-performance advanced packaging technologies have become a major area of growth.
- **Key Materials:** These types of adhesives have a critical impact on yield rate and production efficiency.
- **Strengthening the local supply chain:** Relied mainly on overseas suppliers in the past.

*Source: Market Growth Report

Outlook – By Business

Adhesives: Sportswear	❑ Despite the uncertainty brought by U.S. reciprocal tariffs, shipments remain on track at present, and we are closely monitoring order trends and future developments. ❑ In response to external challenges, we are optimizing our product mix and strengthening our market position. By jointly developing bonding technology for new materials with our brand partners, we are making steady progress in securing new orders. We have successfully entered our targeted non-Taiwanese shoe manufacturers, and our revenue is expected to continue growing.
Adhesives: Industrial & Other Consumers Goods	❑ Adhesives for semiconductors and optical applications are expected to maintain strong growth. The end-market share for woodworking and textile adhesives is relatively high in the U.S., and we will continue to monitor developments closely. End-use applications across adhesive segments remain relatively small and highly diversified. We aim to continue to deliver growth this year. ❑ We are optimistic about the growth potential of semiconductor adhesives and other electronic sectors, and will continue to increase resource investment in these areas. At the same time, we are developing new growth opportunities across various fields and aiming to increase the proportion of high-margin products. Strategically, we seek to enhance performance through innovative adhesive solutions, with a focus on applications for the semiconductor, electronics, woodworking, and textile industries.
Coatings & Construction	❑ Construction revenue is mainly from Australia, with a target of continued growth. Additionally, we aim to expand our construction materials business through continued acquisitions. ❑ As for Coatings, we primarily serve the local markets in Taiwan and Asia, with a continued focus on improving profitability.

Achievements

2024
TWSE Corporate Governance Evaluation

In 2024, NanPao **was ranked in the Top 5% for the first time**.

2024

TWSE Corporate Governance Evaluation

Top 5%

TWSE-Listed Companies

Top 10%

Non Financial and Non Electronics Companies with a market cap over NT$10 bn

2023

TWSE Corporate Governance Evaluation

6%-20%

TWSE-Listed Companies

11%-20%

Non Financial and Non Electronics Companies with a market cap over NT$10 bn

2024
FTSE Russell ESG Rating

Scores 3.7/5

(0-5, best score: 5)

Outperformed the average score of 2.7 for the global specialty chemical industry

Achievements – Global ESG Ratings

2024
S&P Global ESG Scores

Scores 75/100

(0-100, best score: 100)

Ranked in the top 2% of the global chemical industry

Selected for the first time in the S&P Global Sustainability Yearbook

2023
Sustainalytics ESG Risk Rating

Scores 26.7/100

(0-100, best score: 0)

Ranked in the top 26% of the global chemical industry

NanPao's Progress and Goal on Sustainability - Environment

Green Products

2024

Green products accounted for **71%** of total sales

Note: Company preliminary estimate

Greenhouse Gas Emission and Management

- In 2024, all chemical factories obtained ISO 14064-1 certification for Scope 1 and Scope 2 GHG emissions. We target to complete Scopes 1, 2, and 3 GHG inventory for all factories by 2027.
- NanPao is one of the first buyers on the Taiwan Carbon Solution Exchange, purchasing 2,000 tons of carbon credits.

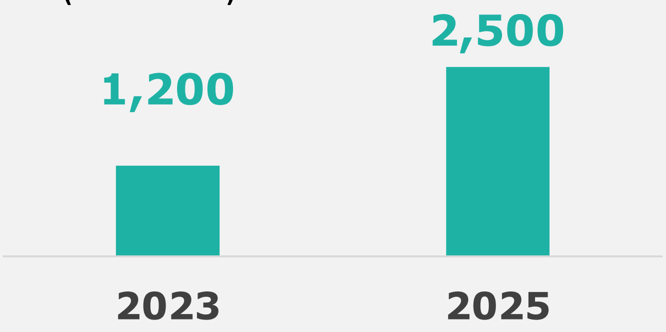
2021: Officially committed to achieve carbon neutrality by 2050.

2025: **Curtail carbon intensity by 10%** compared to 2023 for NanPao in Taiwan.

2050: **Achieve carbon neutrality**

Energy management

Power generation capacity of renewable energy equipment installed at factory sites (Unit: kW)



Chemical Management

Reduce the number of high concerned-chemical types and volume used by **50%** by 2030. Furthermore, we are proactively seeking other alternatives, and achieved a **50%** reduction in volume in 2023, surpassing our goal ahead of schedule

NanPao pledged as a Contributor to the **Zero Discharge of Hazardous Chemicals (ZDHC)** program. 100% of shipments to one of the world's largest sportswear brands acquired ZDHC Level 3 certification (the highest level of certification).

NanPao’s Progress and Goal on Sustainability – Social & Governance

Friendly Workplace & Talent Management

- 48% of employees at NanPao in Taiwan are members of the labor union.
- The employee stock trust has achieved a participation rate exceeding 70%.

Sustainable Supply Chain

- 96.3% of suppliers sign on “Supplier ESG Commitment Declaration”
- Over 70% of our raw materials are supplied by local suppliers, achieving a performance rate of 82% in 2024.

Board Diversity

- **Independence:** Out of the 7 directors on the board, 3 are independent directors, accounting for 42.86%
- **Gender Diversity:** Nan Pao strives to improve the gender equality of the board composition and has **added one female Director to the Board.**

Customer Management

- In 2023, Nan Pao won the “Best Adhesives Vendor” award from a Tier-1 customer

Community Engagement

- We pay close attention to the ecosystem protection, environmental impact, and physical and property safety of local communities where we operate. Furthermore, we also proactively take part in the educational development of local communities, as well as care for the underprivileged.

NanPao Community Visit

Nan Pao Sample Shoes Donation to the Intellectual Disabilities Foundation

Service Vehicle of the Eden Social Welfare Foundation

COMPANY OVEREVIEW

Executive Summary

NanPao is a leading **chemical** and **materials** company focusing on **innovative** and **sustainable** solutions. We are globally the **No. 1 producer of adhesives for athletic footwear** and have a strong position in specialty adhesive, coating, and construction material markets in Asia.

World-class **technology** accumulated over the past six decades, outstanding localized and custom-made **services**, and strong cash-flow which supports our **reinvestment in innovation and sustainability projects** give us advantages to outgrow the industry, where **sustainability** has been a main growth driver.

NanPao enjoys **multiple growth vectors** as we serve a broad range of industries. We target to broaden our offerings to chemicals used in the **footwear supply chain** and seek to leverage our existing advantages to **build our leadership** beyond footwear adhesives.

NanPao is dedicated to be the **global leader in innovation and green products**, aiming to increase **green product sales to over 80%** in 5 years. We also target to maintain a **double-digit long-term ROE** and offer **stable or growing cash dividends**.

OUR VISION

Enable everyone to live a more sustainable lifestyle

NanPao at a Glance

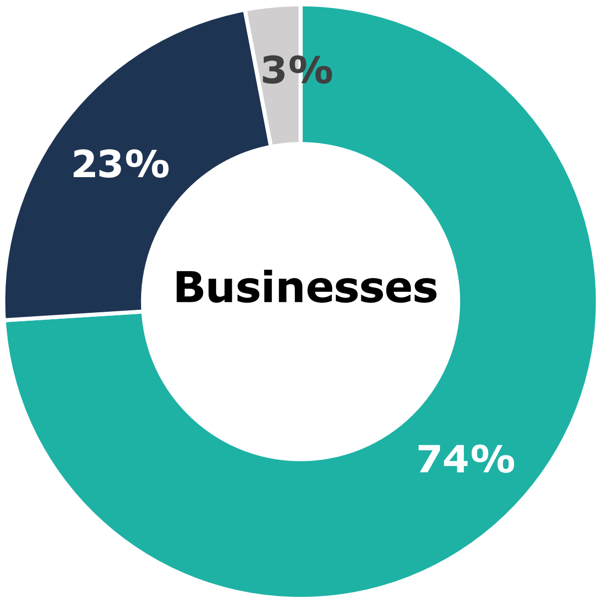
NT$23.0bn
2024 global sales

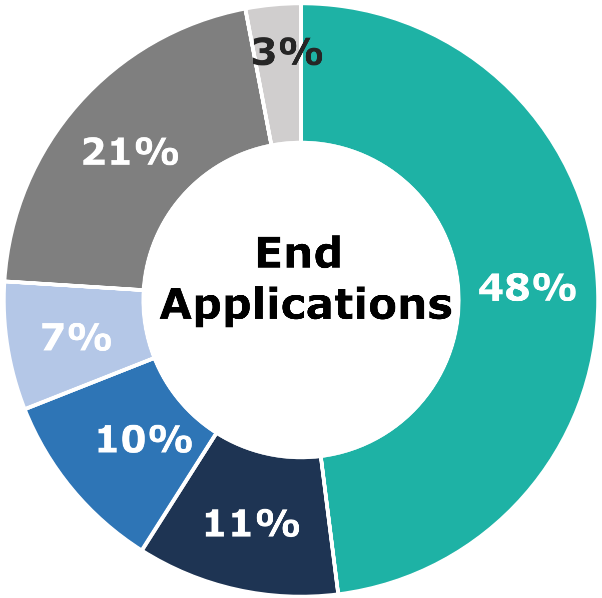
NT$47.4bn
2025/9 market cap

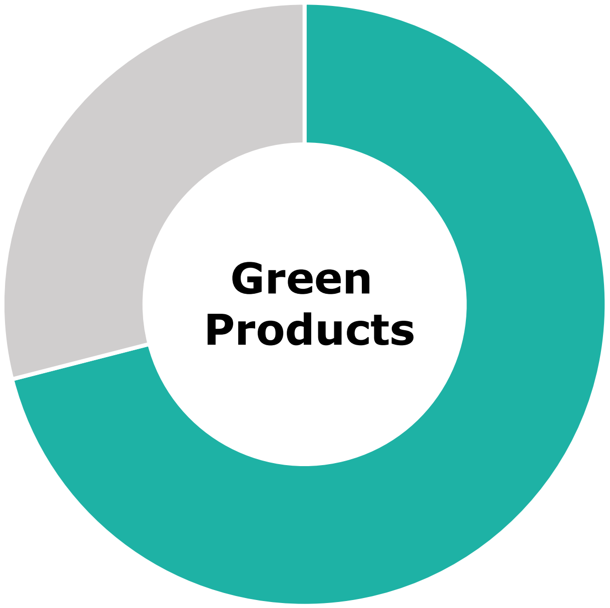
3,000+
employees

28
factories

2.4% of sales
invested in R&D







71% of revenue from green products

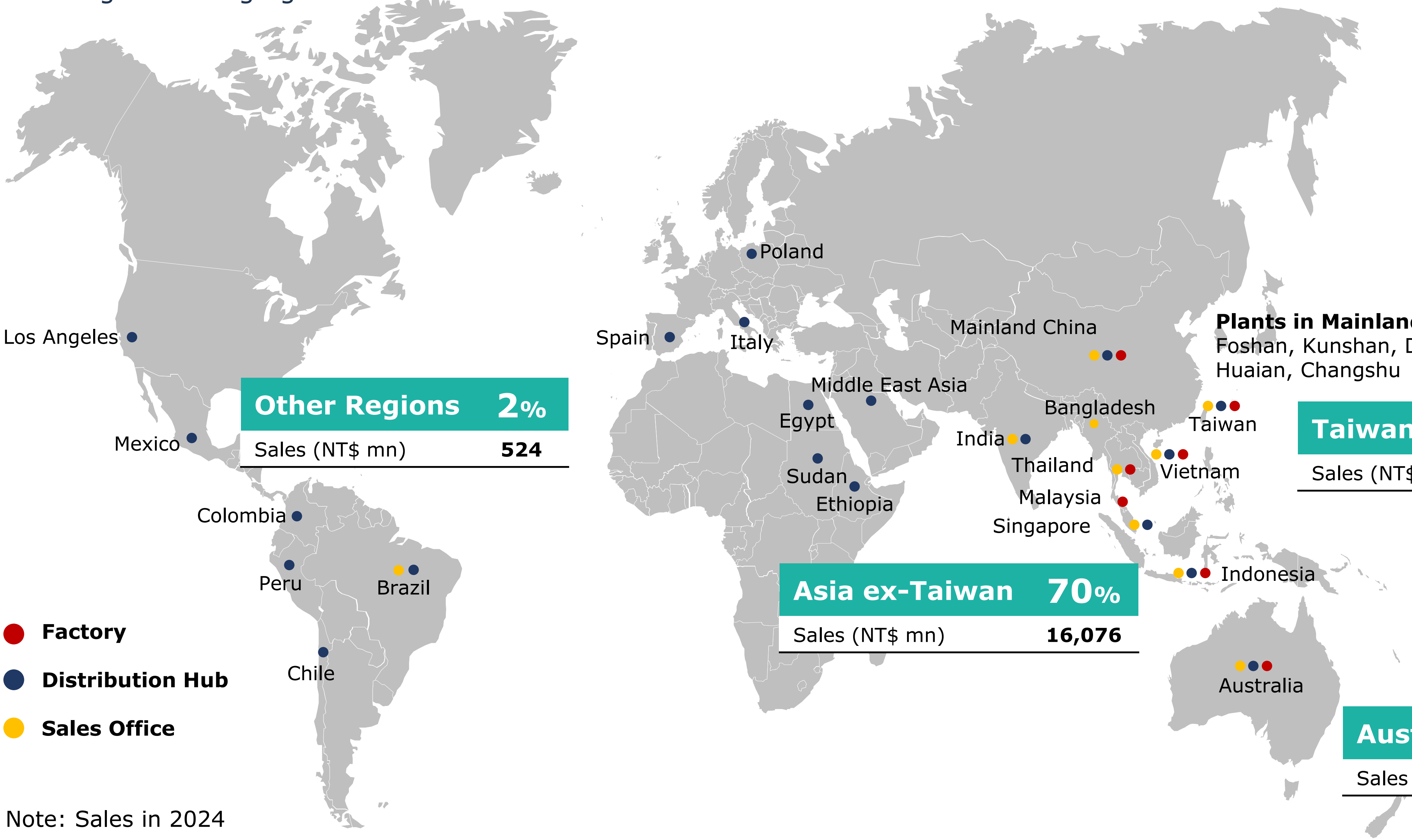
Note: The number is the company's preliminary estimate.

Company Milestones

Building Foundations			Innovation Focused	Global Expansion	Major Market Share Gain	Core Technologies Extension	Mgmt Succession & Talent Retention
1963	**1964**	**1965**	**1971**	**1987**	**1997**	**2008**	**2018**
Founded in 1963	First company in Taiwan to produce Cement Paint	Production of Footwear Adhesives	Establishment of NanPao Research Institute	Establishment of the First Overseas Plant in Thailand	The First Green Product for Footwear	Entered the Construction Market	Stock listed on TWSE (4766 TT)

We Operate Close to Our Customers

Focusing on the high growth Asian markets



Plants in Mainland China:
Foshan, Kunshan, Dongguan, Fuqing, Huaian, Changshu

Other Regions	2%
Sales (NT$ mn)	**524**

Taiwan	14%
Sales (NT$ mn)	**3,211**

Asia ex-Taiwan	70%
Sales (NT$ mn)	**16,076**

Australia	14%
Sales (NT$ mn)	**3,172**

Note: Sales in 2024

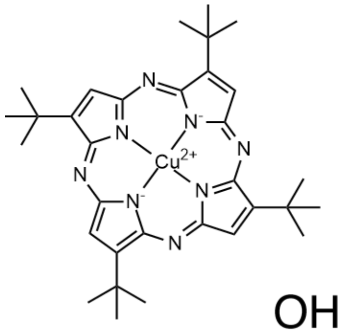
Nan Pao's Key Position in the Supply Chain

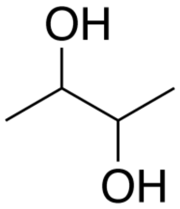
Small cost proportion but significant impact on end-product quality

Upstream	Midstream	Downstream

Raw Materials:

- Adipic acid
- Butanediol
- Butanone
- Toluene
- Hydrogenated petroleum resin
- Chloroprene rubber, etc.





NANPAO

Adhesives

Footwear → **Shoe Factories** → **Global Brands**

Coatings & Construction

Specialty Adhesives

Distributors

Partners

Customers

Competitive Advantages: Why We Can Outgrow the Industry

Strong Cash-Flow Supports Reinvestment

Widening the edge in **innovation and sustainability** over smaller, cost-focused players

World-Class Technology

Strong **technology knowledge** and customer insight with leading position and relationship with Tier 1 athletic shoe producers

Customized & Localised Total Solutions

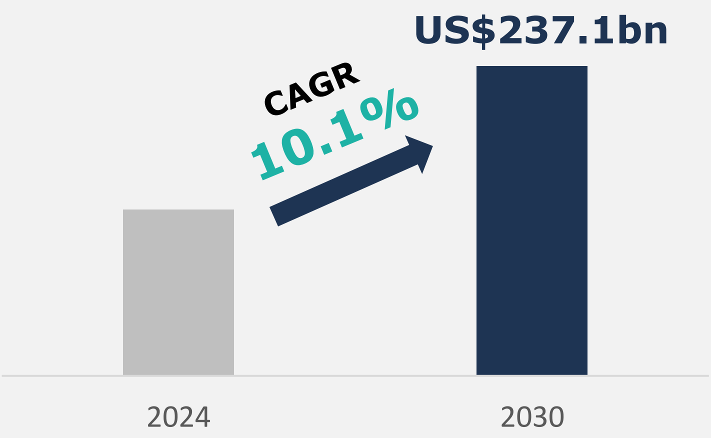
Offering customized and timely **service** that larger, global peers may not provide

SUSTAINABLE INNOVATION

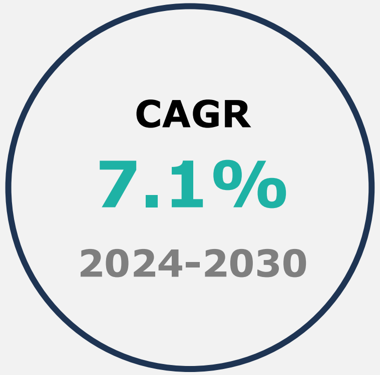
Macro Trends and Growth Drivers towards Sustainability

ADHESIVES INDUSTRY GROWTH

Global Adhesives & Sealants Market



Water-based Technology Segment



*Source: ResearchAndMarkets.com, Market.us

MACRO TRENDS & GROWTH DRIVERS

Sustainability

- Increasing demand in green products.

  Climate Change | Care for Society | Circular Economy

- Opportunities in alternative energy industries and environmental segments.

  Solar | Water | Waste Management

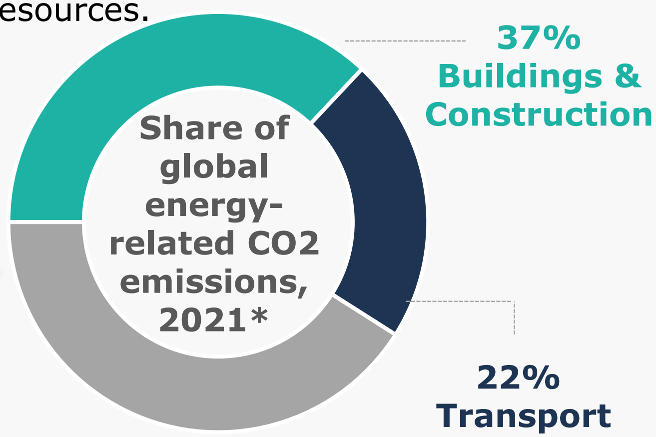
Consumer Growth in Asia

- Asian consumers are expected to account for half of global consumption growth in the next decade*.
- Average shoe ownership per person in the US/EU is 6 pairs. It is only 3 in Asia.

* According to McKinsey Global Institute, June 2021

Urbanization

- Improving living comfort and home efficiency, and more sustainable resources.



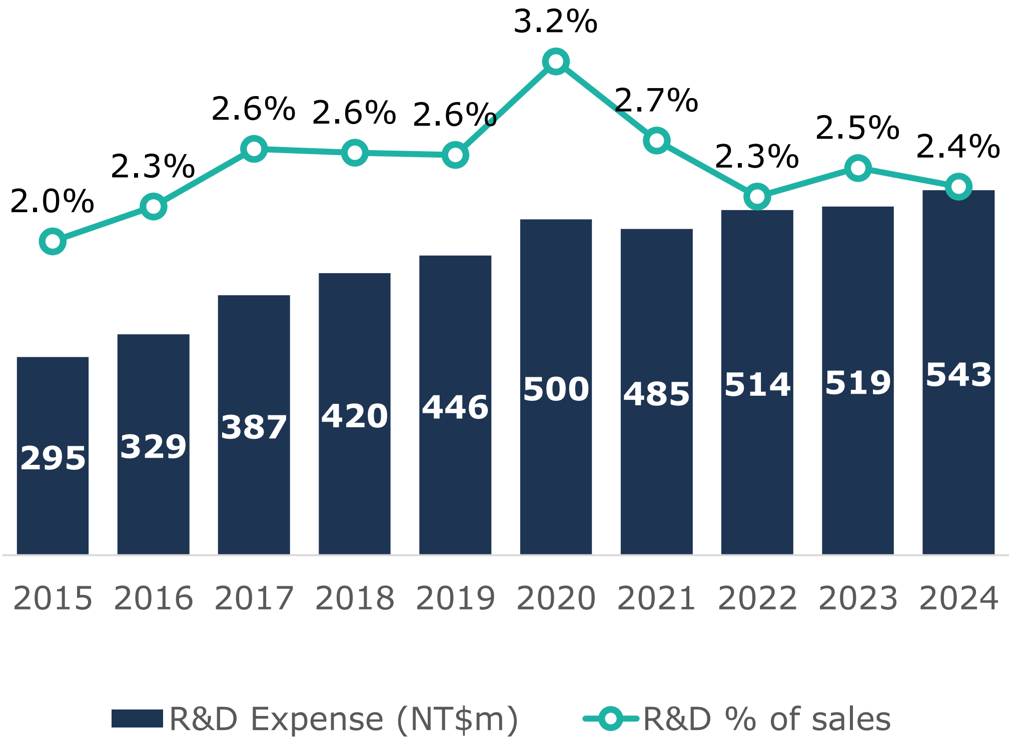
Advanced Manufacturing & Future Cars

- High performance products for Tech sector and improving manufacturing process.
- Eco-friendly products for future cars.

*Source: UN 2022 Global Status Report For Buildings And Construction, IEA 2022f Tracking Clean Energy Progress

Innovating for Sustainability

- NanPao has been increasing R&D investment over the years.
- Brands requires innovative, sustainable solutions.



Reduce **operational carbon emissions by 65%** and **supply chain carbon emissions by 30%** by 2030, using 2015 as the baseline.

100% of all products purchased will use preferred materials by 2030, gradually transitioning to recycled and renewable materials.

Reduce greenhouse gas emissions by 50% by 2030 and achieve net-zero emissions by 2050.

The first global flooring manufacturer to sell **all products as carbon neutral** across their full life cycle. We target to be a **Carbon negative company by 2040**.

We continue to explore **bio-based glue alternatives** for our **wood-based** products**.** We aim to only use **renewable** or **recycled materials** sourced in a **responsible** way by 2030.

NanPao's Innovative Green Products

Raw materials account for 70% of GHG Emissions during product life cycle. NanPao has invested substantial R&D and technical resources into developing innovative green products.

Low /Zero VOC

- **Water-based** products contain low or no volatile organic compounds (VOC).
- **50% reduction of GHG emissions** after converting adhesive products from solvent to water-based.

Bio-based materials

Recyclable materials

- Help reduce reliance on fossil fuel based raw materials and **lower carbon emissions**.
- The penetration rate is still low with long-term growth opportunities.

High Performance Products

Eco-Friendly/ Low Pollution products

- The positive effects of value-added products take place at our customers' side, supporting our customers **achieve sustainability goals**.

Bio-Based Recyclable Low/Zero VOC

Sportswear

Opportunities in Bio-based and Recyclable Products

PU Foam Insoles

First bio-based PU Foam Insoles

NanPao has developed **biomass materials** with lignin extract from liquid waste produced during paper manufacturing. The biomass materials provide high support and low elasticity.

Footwear Additives

We are developing eco-friendly, **carbon-negative** footwear additives, replacing fossil-based materials with **nature-based materials**.

Textile Adhesives

NanPao has **recycled** derivatives of carbon dioxide as raw materials. The materials provide great softness and breathability.

Footwear Adhesives

Currently, **75% to 80%** of NanPao footwear adhesives products are **low-VOC or zero-VOC**.

Bio-Based Low/Zero VOC High Performance

Consumer Goods

High Performance and Bio-based for Sustainable Life

Non-Woven Adhesives

Leading Supplier of local Tier-1 Diaper Brands in Mainland China

We have developed high wet-strength adhesives to extend diaper **durability** even after wetting.

NanPao ultra-soft adhesives for the elastic band and diaper outer surface provide greater comfort, remaining **soft** to the touch in both **cold and warm weather**.

Paper Coating

Plastic free paper coating can make paper cups and paper containers completely recyclable and reusable.

Paper Labels Lamination

Bio-based hot melt adhesives used for paper labels lamination of metal cans.

Woodpow® - Woodworking Adhesives

Our woodworking PUR adhesives are **solvent-free**, with **great heat and moisture resistance** and **high bonding strength**, which enables safer and more sustainable furniture.

Eco-Friendly Low/Zero VOC High Performance

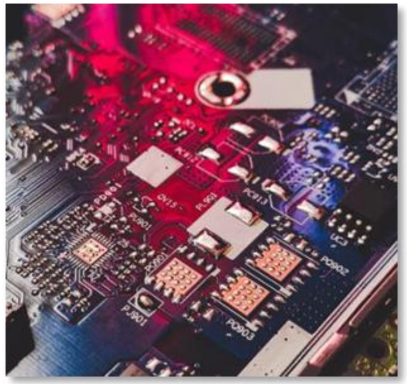
Industrial & Tech

Efficient and Eco-Friendly Solutions in High Demand

PSA for LCD Polarizer Plate and Touch Panel

High temperature and high humidity resistance.

Acid free design which enables **low corrosion and low pollution** design for ITO film.



UV Tape for Semiconductor

Breaking into semiconductor supply chain

UV Tape is for semiconductor process to protect surface of wafer during backgrinding process and to hold wafer with ring frame during dicing process.

With UV irradiation, the tape can be easily peeled from the wafers, which help **improve production efficiency**.

Automotive Adhesives

NanPao has developed **water-based** adhesives products (**low/zero-VOC**) for car interior such as carpets, leather seats etc.

Eco-Friendly Low/Zero VOC High Performance

Coatings & Construction

Pursuing Home Efficiency and Living Comfort

Powder Coatings for Tap Water Pipes

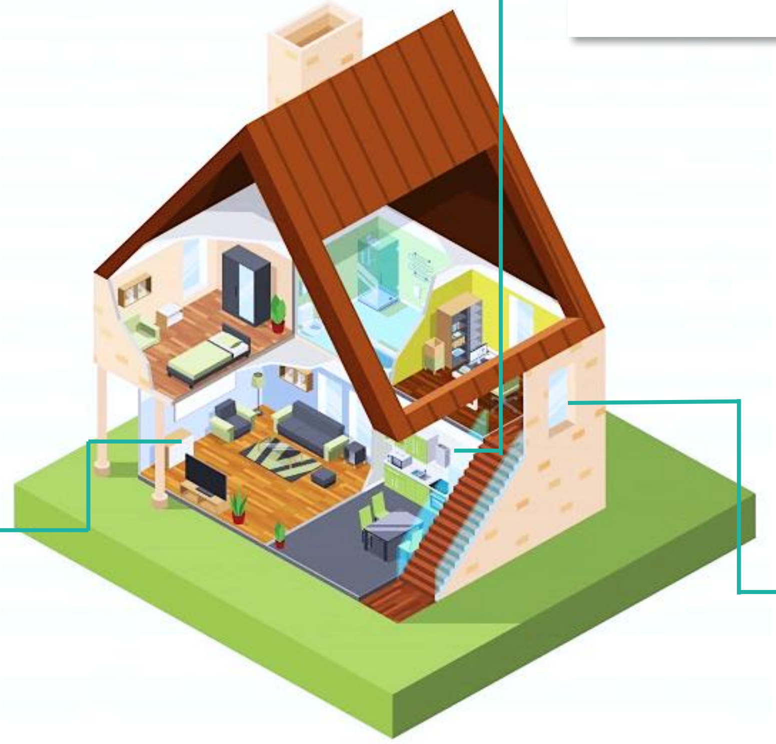
The First Solution Provider in Taiwan

Preventing the pipes from leaching chemical substances into tap water. Making drinking tap water safer and provide **better quality and more sustainable water** in Taiwan .

Recycle Toner into Water-based Coating

Global Recycled Standard (GRS) Certified

In partnership with ITRI and Fujifilm, we transform non-hydrophobic waste toner into eco-friendly water-based coating for indoor decoration, outdoor buildings, and furniture.



Insulating Glass Sealant

Resistant to sunlight, extreme weather and moisture, improving **energy efficiency** for buildings.

GROWTH STRATEGY

Strengthening Our Positions in Existing Businesses through Innovation

Footwear Adhesives: Joint Development of Bonding Technology for New Materials with Brands

- Increasing current market share of 40-50% to 50-60% amongst Tier 1 athletic footwear brands through offering innovative products and outstanding services.
- Developing chemicals used in the footwear manufacturing process, such as footwear cleaner, primer and hardener for footwear.

Specialty Adhesives: Focusing on Five Key Areas

- Focusing on five key areas—Textile, Technology, Flexible Packaging, Woodworking and Hygiene segments—We leverage our expertise and efficiency to tap into large, high-growth markets through our customer base and Taiwan’s industrial network.
- Strategically pursuing innovative adhesive solutions to enhance product performance and production efficiency, while continuously developing eco-friendly products.

Coatings & Construction: Streamline operations

- Construction revenue is mainly from Australia and around 80% are green products. We will continue to grow the market.
- As for Coatings, we continue to organize offerings to provide better and more complete solutions.
- The government promotes “transform to net-zero buildings by 2050”. We will seize the opportunity and focus on developing and promoting sustainable, low-carbon building materials.

Focus on Innovation - "NextGen" Growth Strategy

We focus on industry-leading clients in selected segments and co-develop innovative bonding solutions. As we are well informed early, we can provide customers with the best solutions in a timelier fashion.

Strategic Actions

- **Select Strategic Partners**

Target industry-leading clients and increase the share of high-margin products.

- **Develop Innovative Solutions**

Share information early to respond quickly to customer needs.

- **Become a Global Leader in Innovation**

Expand product applications, increase market share and ROE, and establish a preferred Innovation Platform.

Case Studies

Shoe Adhesives

An international brand decide to develop new high-performance running shoes with **innovative materials**.

Nan Pao was the first to develop **innovative** adhesive solutions that met **high-performance standards**.

Semiconductor Adhesives

UV tape in semiconductor manufacturing must have high adhesion and fast de-bonding characteristics.

Nan Pao developed a **high-adhesion** yet **fast-release** UV tape that **leaves no adhesive residue**, improving manufacturing efficiency and yield rate.

Woodworking Adhesives

New flooring materials were **difficult to bond**.

Nan Pao developed an efficient adhesive solution that **increased production speed by 10 times** while also offering reduced shrinkage, improved heat resistance, noise reduction, and enhanced comfort.

Innovation and Acquisitions as Dual Growth Pillars

Promoting Carbon Fiber Composite Material Development

Acquired a 70% stake in Yubo, with consolidation beginning in May 2023.

- Focus on producing epoxy resins, primarily for use in carbon fiber composite materials.
- End-use applications focus on sports equipment and niche markets such as industrial fuel tanks, oxygen bottles, and electrical insulation.

Strategic Objectives

- Able to share technology and resources as the application fields differ.
- Enter the high-performance carbon fiber epoxy market, capturing opportunities in replacement, lightweighting, and new energy.
- Initial contributions to revenue are expected to be limited, but long-term growth potential remains promising.

Strengthen the Product Line of Core Business

Acquired a 70% stake in Yun Teh, with consolidation beginning in January 2025.

- Accumulated over 40 years of experience in hardener manufacturing technology for epoxy resins.
- The end markets include industrial adhesives, flooring material coatings, coatings, and civil engineering.

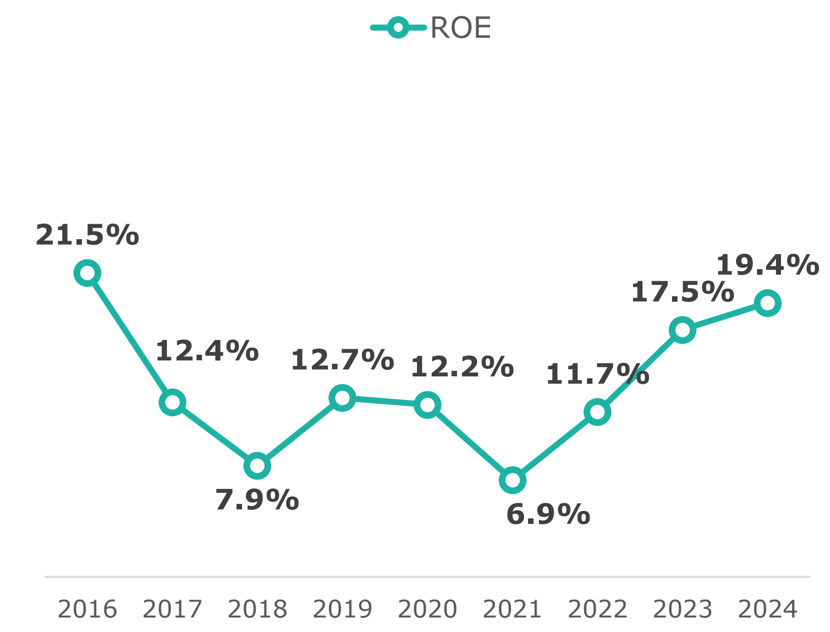
Strategic Objectives

- Strengthen core business product lines, particularly in epoxy resin applications, to provide customers with more comprehensive solutions.
- Achieve cost synergies through joint procurement and integrate distribution resources to increase market share and competitiveness.
- Share technology and resources to gradually realize synergies that will accelerate revenue growth and profitability.

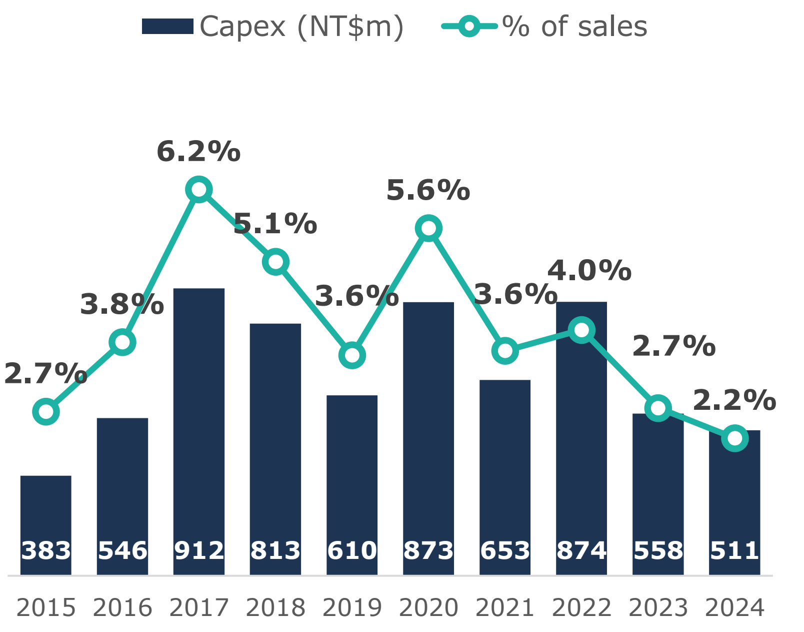
Improving Capital Efficiency

R&D	Increasing investment in R&D to accelerate growth	**CASH DIVIDEND**	Paying stable or growing cash dividends
CAPEX	No large capex plan required, but may need some capex investment to serve customers locally	**BOLT-ON ACQUISITIONS**	Enabling us to grow globally and expand product applications

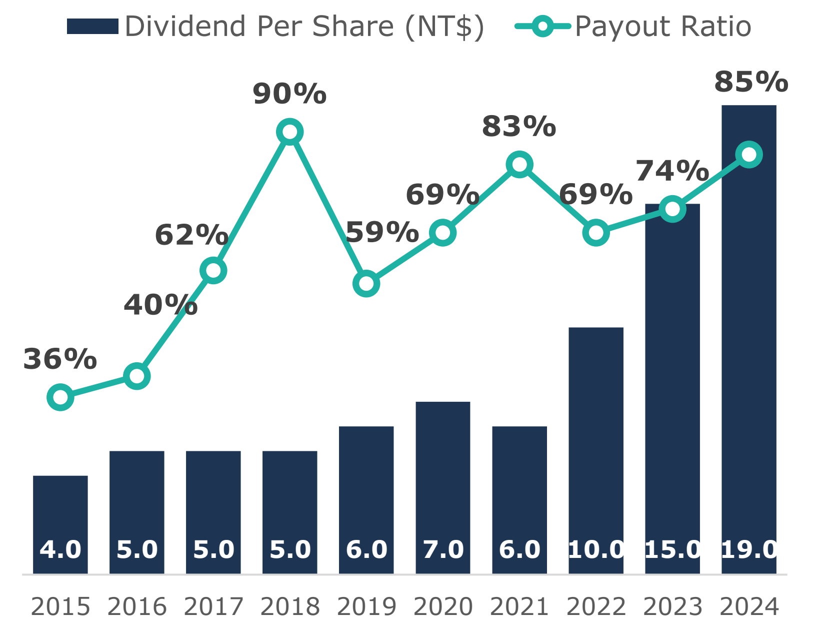
ROE



Capex/Sales is relatively low



Stable and Growing Cash Dividends



NanPao's 5 Year Targets

Being a global leader in **innovative & green** chemical products

Increasing **green** product sales to **80%**

Investing in R&D and leveraging existing products for broader applications

Maintaining **double-digit** long-term ROE

Pursuing sustainable profit growth and improving capital efficiency

Growing **above** industry average

Through organic growth and M&A

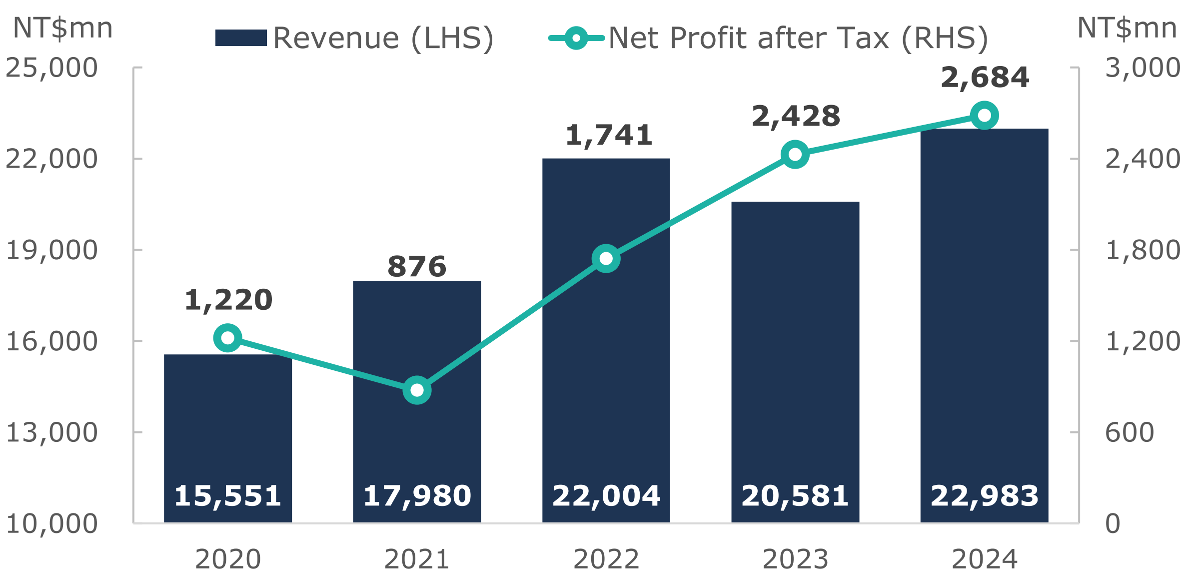
Providing **stable** or **growing** annual cash dividend per share

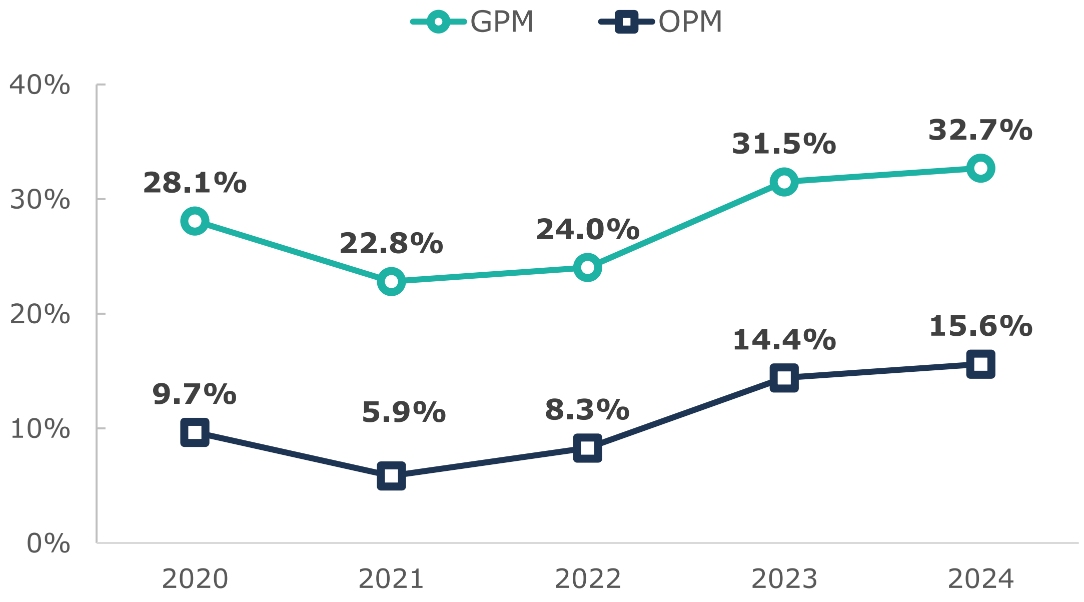
Continue to generate strong cash-flow, and target to maintain a payout ratio of at least 65%

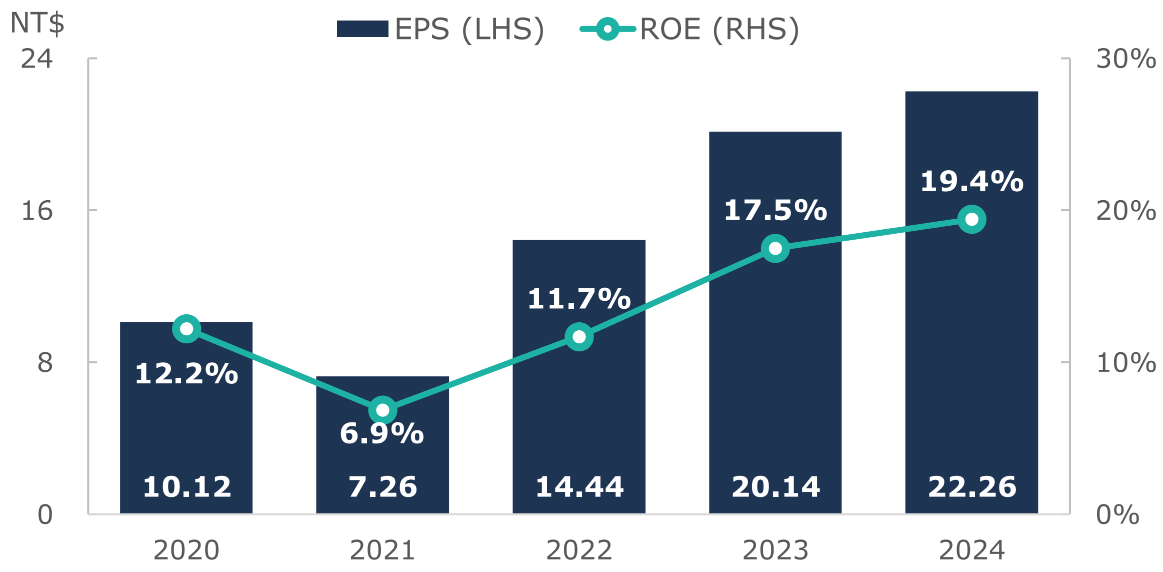
Q&A

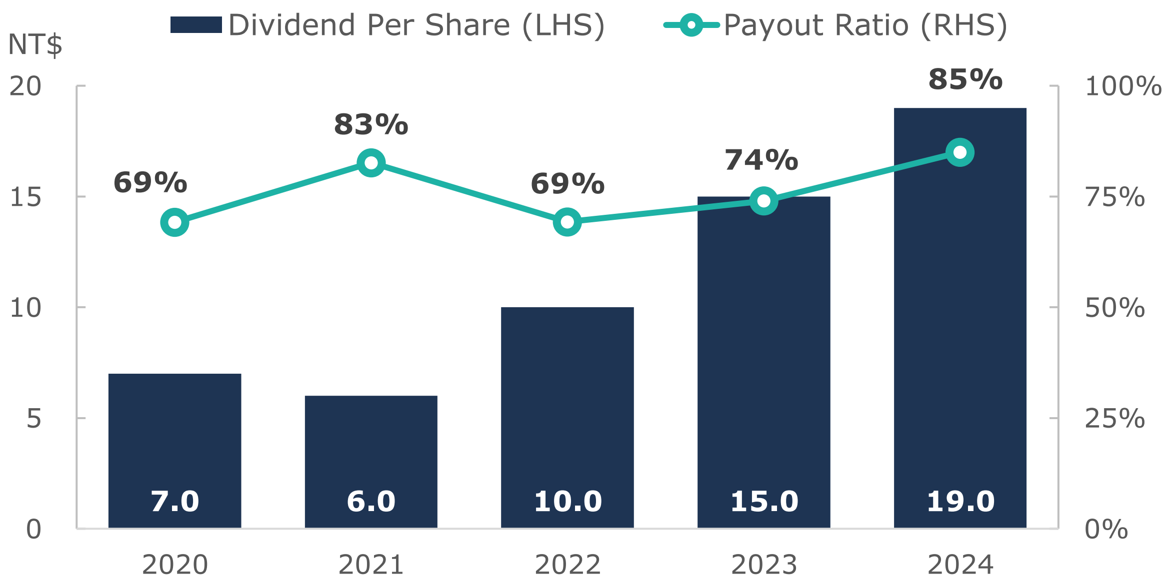
ANNUAL HISTORICAL FINANCIALS 2020-2024

Key Financial Performance









Income Statement Highlights

NT$ million	2020	2021	2022	2023	2024
Sales Revenue	15,551	17,980	22,004	20,581	22,983
Cost of Goods Sold	11,181	13,878	16,716	14,091	15,461
Gross Profit	4,370	4,102	5,288	6,490	7,522
Operating Expense	2,869	3,050	3,464	3,526	3,929
Operating Profit	1,502	1,052	1,824	2,964	3,593
Income before tax	1,606	1,203	2,385	3,394	3,757
Net Income	1,220	876	1,741	2,428	2,684
EPS (NT$)	$10.12	$7.26	$14.44	$20.14	22.26
Gross Margin	28.1%	22.8%	24.0%	31.5%	32.7%
Opex/Sales	18.4%	17.0%	15.7%	17.1%	17.1%
Operating Margin	9.7%	5.9%	8.3%	14.4%	15.6%
Net Margin	7.8%	4.9%	7.9%	11.8%	11.7%
ROE	12.2%	6.9%	11.7%	17.5%	19.4%

YoY (%)				
2020	2021	2022	2023	2024
-9%	16%	22%	-6%	12%
-10%	24%	20%	-16%	10%
-7%	-6%	29%	23%	16%
-5%	6%	14%	2%	11%
-11%	-30%	73%	62%	21%
-10%	-25%	98%	42%	11%
-1%	-28%	99%	39%	11%
-1%	-28%	99%	39%	11%

Balance Sheet Highlights

NT$ million	2020	2021	2022	2023	2024
TOTAL ASSETS	**19,346**	**25,928**	**24,746**	**23,664**	**27,266**
Cash	4,614	4,296	4,348	5,202	7,491
NR & AR	3,915	4,377	4,879	4,751	5,522
Inventory	2,177	2,949	2,825	2,663	2,855
Fixed Asset	4,515	4,932	5,508	5,808	5,840
TOTAL LIABILITIES	**8,150**	**9,658**	**9,103**	**9,118**	**11,330**
Long-Term Debt	1,669	1,935	1,224	895	1,735
AP & NP	2,302	2,591	2,659	2,177	2,292
TOTAL EQUITY	**11,196**	**16,270**	**15,643**	**14,546**	**15,936**

% of Total Assets				
2020	2021	2022	2023	2024
100%	**100%**	**100%**	**100%**	**100%**
24%	17%	18%	22%	27%
20%	17%	20%	20%	20%
11%	11%	11%	11%	10%
23%	19%	22%	25%	21%
42%	**37%**	**37%**	**39%**	**42%**
9%	7%	5%	4%	6%
12%	10%	11%	9%	8%
58%	**63%**	**63%**	**61%**	**58%**

A/R turnover days	91	84	77	85	84
Inv turnover days	72	67	63	71	65
A/P turnover days	69	64	57	63	53
Cash conversion cycle	94	87	83	93	96

Cash Dividend Payout

(NT$m)	2019	2020	2021	2022	2023	2024
Net profit	1,228	1,220	876	1,741	2,428	2,684
Dividends Paid	723	844	723	1,206	1,809	2,291
DPS (NT$)	6.0	7.0	6.0	10.0	15.0	19.0
Payout ratio	59%	69%	83%	69%	74%	85%
Dividend yield[1]	4.3%	4.6%	4.4%	5.7%	3.9%	5.6%

Notes:
1. Yield calculated using market cap on the day prior to ex-dividend date for 2019-2024.

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