

SUNKO INK CO., LTD

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Investor Conference

Disclaimer

The information in this presentation and the contents under discussion are based on existing information, in which we stated with regard to financial and relevant information may include some of Company's forward-looking statements. Such statements involved may be easily affected by significant risks and uncertainties which lead to different consequences from those statements.

The Company does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise.

The purpose of the contents as presented is for information circulation only, not for investment proposal.

Company Profile

Product: Fine Chemicals, Agrochemicals, Polymer, Synthetic Resin

Start up: Year 1974

Employees: 472 (as at 30 Sep 2024)

Capital: NT \$1,849 millions

Revenues: NT \$2,186 millions for FY2023

Snapshot - Supply Chain

Upstream

- Petrochemical raw materials
- Ethylene 、 Propylene 、 Butadiene 、 Benzene 、 Phenol...



Mid stream

- Petrochemical intermediate
- PTA 、 Surfactant 、 Synthetic resin 、 Polymer additive..



Downstream

- Plastic product 、 Detergent 、 Dye 、 Agrochemicals 、 Rubber 、 Artificial fiber 、 Adhesive 、 Cosmetic...

Main Products

- ◆ Agrochemicals
- ◆ Fine Chemicals
- ◆ Polymer
- ◆ Synthetic Resin

Agrochemicals

- ◆ Bendiocarb
- ◆ Formetanate
- ◆ Methomyl
- ◆ Carbaryl
- ◆ Carbofuran
- ◆ Carbosulfan
- ◆ Oxamyl



Fine Chemicals Antioxidant

Prevents thermal oxidative degradation of plastics and rubbers.

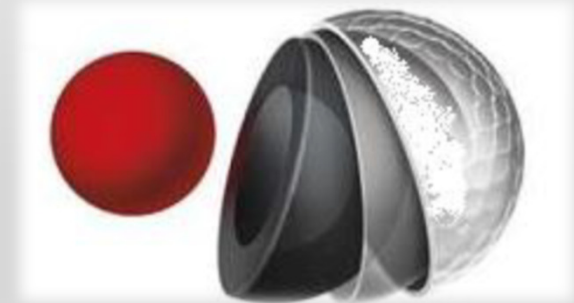
- ◆ K-NOX 168
- ◆ K-NOX 148
- ◆ K-NOX 230
- ◆ K-NOX 57
- ◆ K-NOX 1520
- ◆ K-NOX 1726



Fine Chemicals Curing Agent

A raw material for golf ball core.

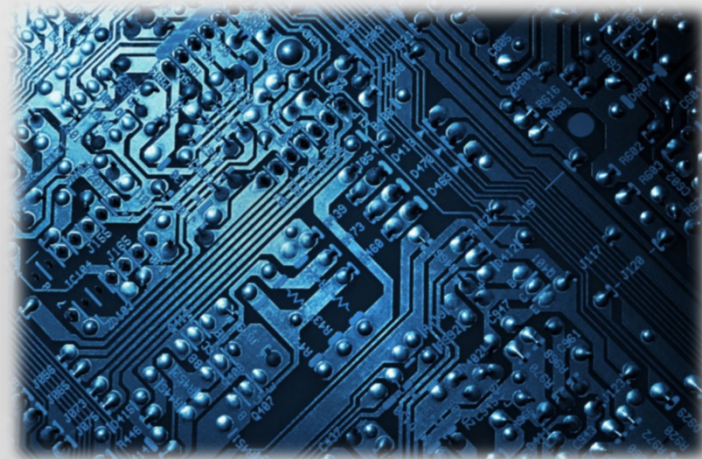
◆ K-CURE 339



Fine Chemicals Reducing Agent

In Black Oxide process, DMAB prevents “pink ring” defects in later-stage acid treatment by reducing CuO layer to Cu₂O, while enhancing the resin bonding of surface texture.

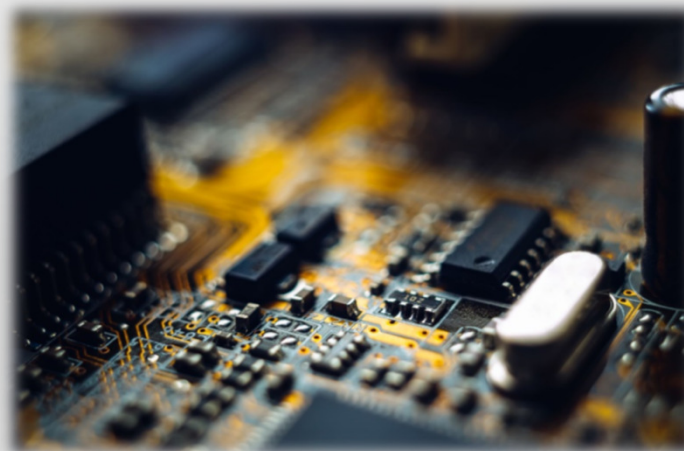
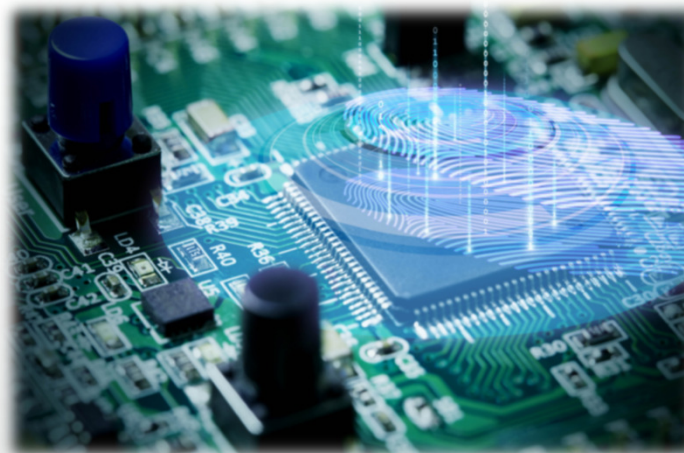
◆ K-MARS 110



Fine Chemicals Non-halogenated Flame Retardant

Reaction with flame retardant, the epoxy resin has relatively high glass transition temperature, good flame retardancy, and thermal stability

- ◆ DOPO & derivatives
- ◆ Polyphosphazene Flame Retardant



Fine Chemicals Clarifying Agent

An additive to polypropylene (PP), Clarifying Agent can increase transparency and rigidity of polypropylene products.

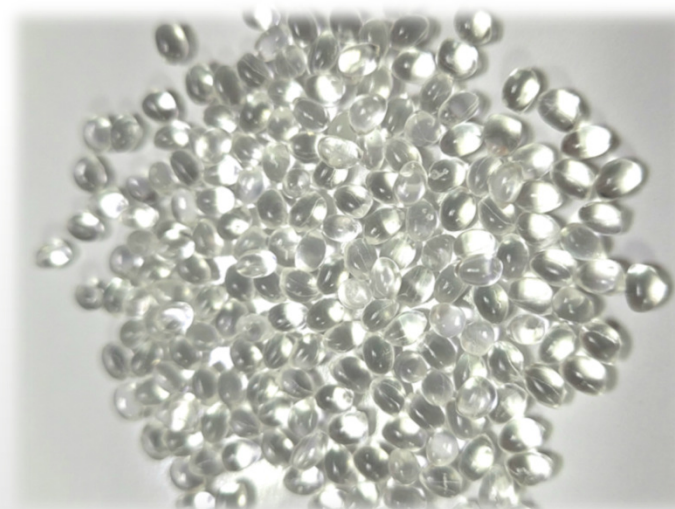
- ◆ K-CLEAR 34
- ◆ K-CLEAR 34i
- ◆ K-CLEAR 34N1
- ◆ K-CLEAR 40



Polymer TPU 、TPV

Applications :
Footwear, Textile, Adhesive
Construction Materials, Car
Materials, Plastics Processing

- ◆ URELON® TPU
- ◆ KUOTANE® TPU
- ◆ Elastoplas® TPV
- ◆ ETPU (Expanded TPU)
- ◆ ETPV (Expanded TPV)



Synthetic Resin

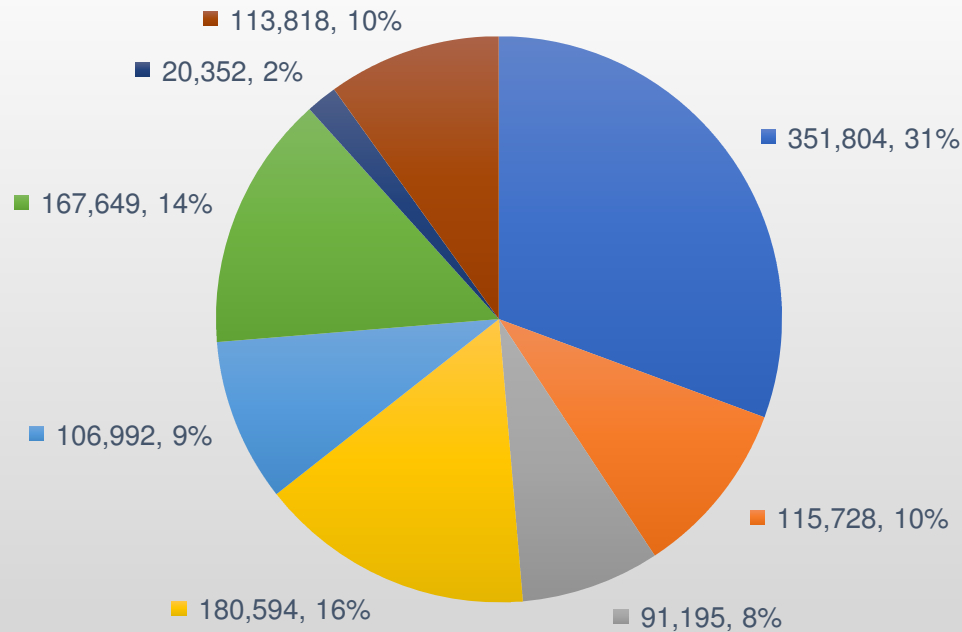
- ◆ PU Adhesives
- ◆ PU Glazing Agent
- ◆ PU Matting Agent



Product Portfolio

In Thousands of TWD

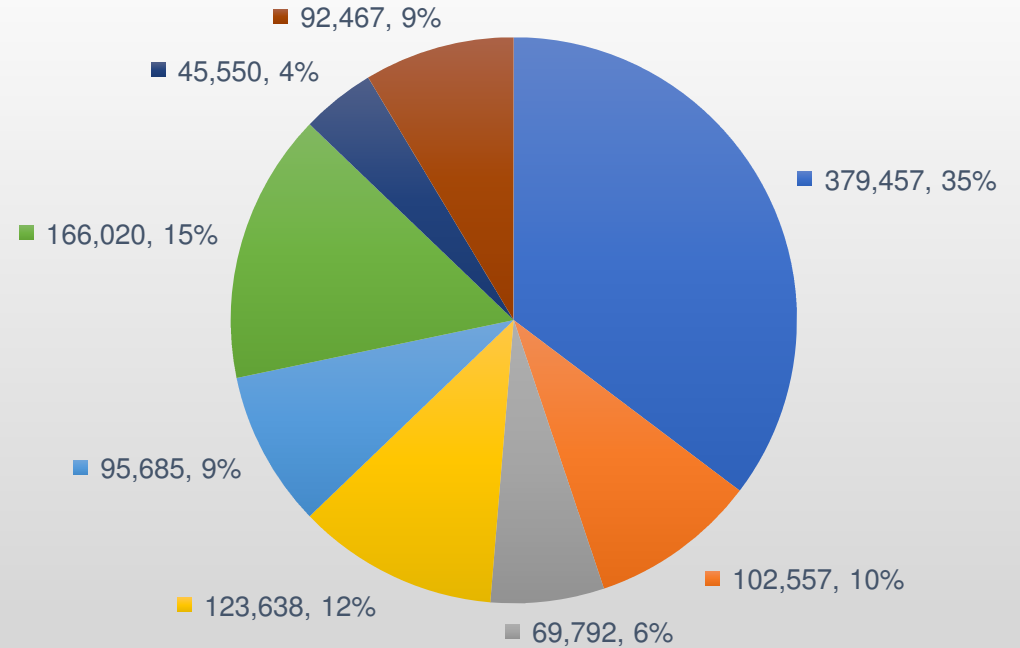
First Half of 2024



■ Antioxidant
 ■ Non-halogenated Flame Retardant
 ■ Reducing Agent
 ■ Clarifying Agent
 ■ Polymer
 ■ Agrochemicals
 ■ Curing Agent
 ■ Others

2024/10/14

First Half of 2023



■ Antioxidant
 ■ Non-halogenated Flame Retardant
 ■ Reducing Agent
 ■ Clarifying Agent
 ■ Polymer
 ■ Agrochemicals
 ■ Curing Agent
 ■ Others

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Operating income analysis

- ❑ The Petrochemical and Plastics Industries have been in slump, and sales dumping from China makers significantly hit the global market of plastic additives (Antioxidant 、 Flame Retardant 、 Clarifying Agent).
- ❑ Antioxidant: Demand for hindered phenolic antioxidants remains stable, but competition has caused selling prices to drop slightly. The selling price of phosphite ester antioxidants is low due to overcapacity.
- ❑ Polymer: Revenues are equivalent to the volume in the last year. Pricing competition from China competitors to expend market shares intensively hit subsequent market quotes.
- ❑ Flame Retardant: Revenue grows due to downstream restocking. Production and sales of DOPO domestically are disadvantageous in cost as extreme over-supply from China.
- ❑ Agrochemicals: Revenue grows as our customer gets permission in Brazil.
- ❑ Curing Agent & Reducing Agent: Revenue remains stable.
- ❑ Clarifying Agent: Low volumes are due from limited production capacity.

Statements of Comprehensive Income

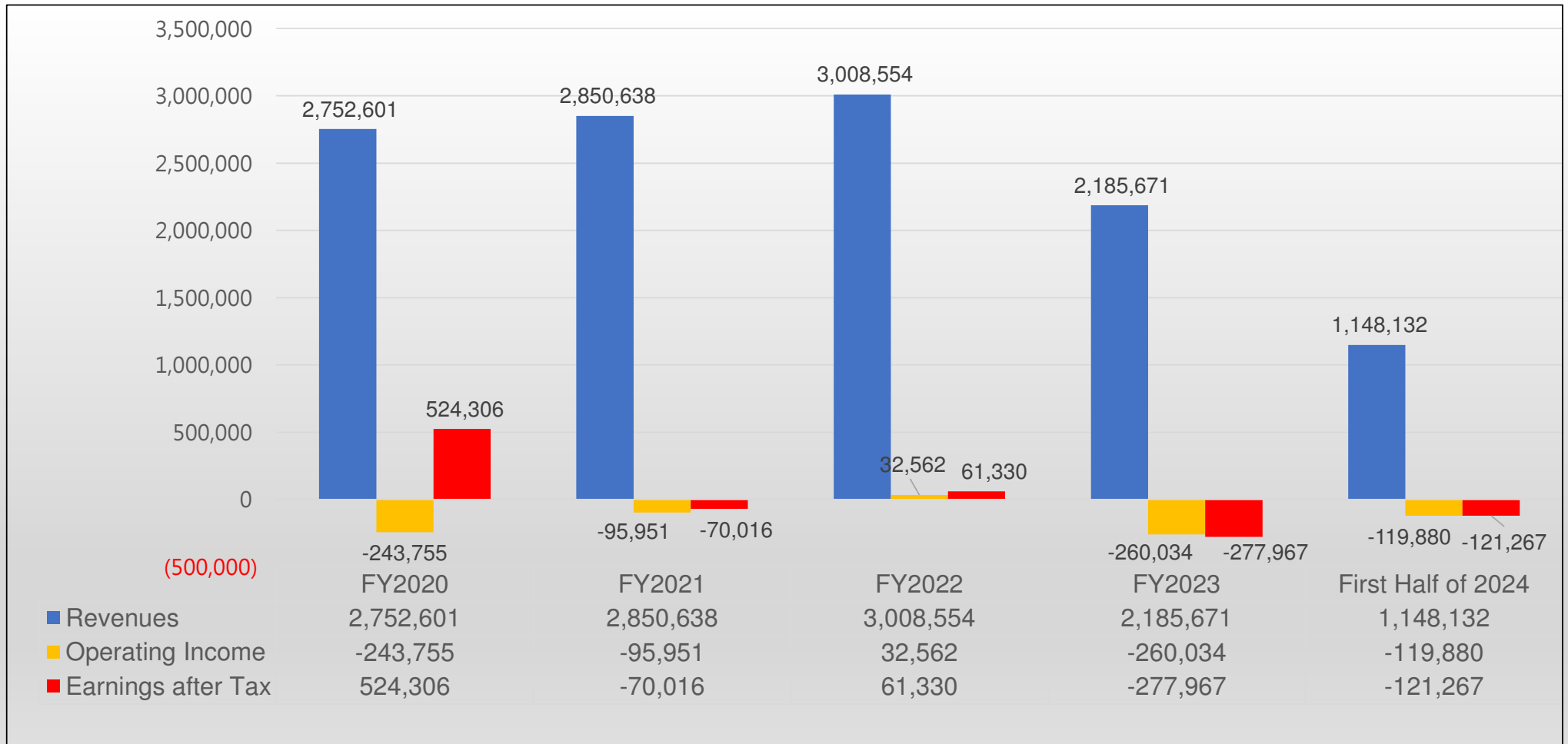
In Thousands of TWD or Otherwise stated

	2023	First Half of 2023	First Half of 2024	YOY Variance
Revenues	2,185,671	1,075,170	1,148,132	6.79%
Cost of Goods Sold	2,247,941	1,133,846	1,170,267	
Gross Margin (Loss)	(62,270)	(58,676)	(22,135)	62.28%
Margin %	-2.85%	-5.46%	-1.93%	
Operating Expenses	197,764	95,875	97,745	(1.95%)
Operating Loss	(260,034)	(154,551)	(119,880)	
Non-operating Profit	(36,116)	(2,197)	542	
Loss Before Tax	(296,150)	(156,748)	(119,338)	
Loss After Tax	(277,967)	(135,107)	(121,267)	
Loss Per share(in Dollar)	(1.5)	(0.73)	(0.66)	

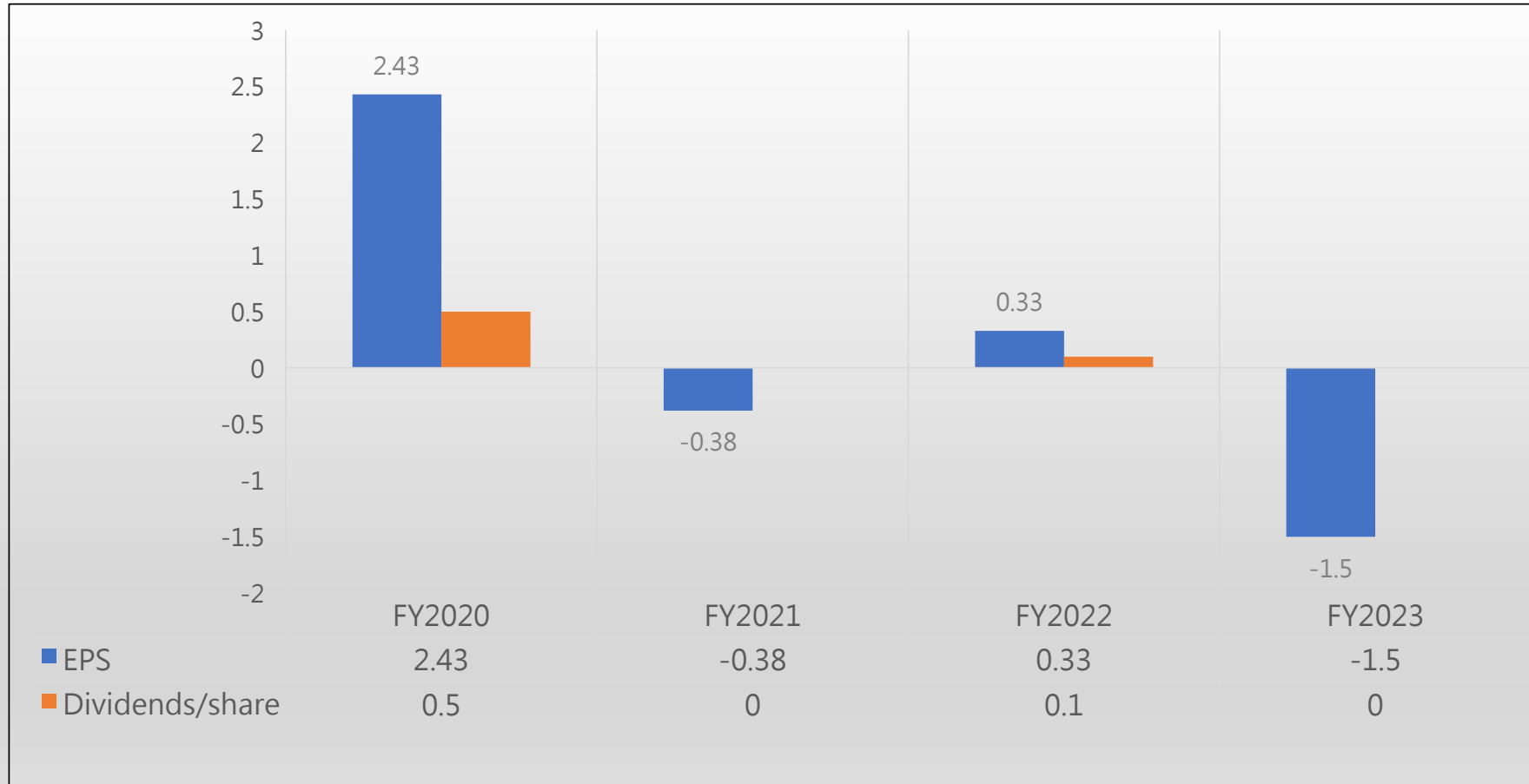
Overview First Half of 2024

- ❑ Gross Margin (Loss) improved
 - Agrochemicals revenue growth with stable Curing Agent & Reducing Agent sales
 - High-cost inventory gradually reduced. Raw material prices are stable.
- ❑ Products hit by China's overcapacity:
 - Phosphite ester antioxidants.
 - Flame Retardant: DOPO.
 - Polymer: TPU.
- ❑ Geopolitics and new technologies lead to new product development:
 - Triazine UV Absorber.
 - New BMI material and better heat-resisted flame retardant in the CCL process.
 - PU material for Puncture Resistant Fabrics.
 - Special specification TPU for shoe material.

Con Revenues, Operating Income(Loss)& Earnings(Loss) after Tax



Basic EPS & Dividends Policy



Thank You!

Q & A

Corp. Website :
www.sunko.com.tw