

TSRC Corporation

Key Highlights of 2023 2nd Investor Conference Presentation

TSRC Corporation is a leading company in synthetic rubber and elastomers with the objective of becoming a global specialty chemical enterprise. In the 2nd Investor Conference this year, TSRC shared its 2023 performance, 2024 outlook, and ESG updates.

In contrast to 2022, 2023 has been a challenging year where most of the chemical value chain was hit by reduced demand and compressed margin, driven by the weakened economies, destocking, and heightened competition. YTD Sep. 2023 TSRC financial results reflected strong SRD performance but weakened AMD result. Its YTD Sep. 2023 consolidated operating profit was NTD 572 million, and net income was NTD 455 million with an EPS of NTD 0.55. Despite the significant headwinds of price erosion and volume reduction experienced in several product lines, the destocking actions in the industry seemed to have stabilized.

The 2024 growth outlook remains challenged and uncertain with stagnated recovery in key economies with industry over-supply gradually improving in 2024 amidst persistent competitive intensity. At the same time, there may be pocket of growth potentially in Southeast Asia and certain level of demand recovery from thermoplastic elastomer. TSRC is committed to navigating through these short-term headwinds by optimizing production plan, product performance upgrade, and cost discipline, while continuing to enhance its competitiveness via strategic initiatives, such as SSBR solution for EV Tire and Shenhua & ARL-TSRC relocation projects.

In 2023, TSRC made tangible progress in its ESG initiatives including onsite solar panel Installation, ISCC+ certification for its Kaohsiung plant, ISO certification for product carbon footprint (PCF), new product commercialization for EV tire & medical applications, and "ChemCamp" program for community engagement and education. In addition, TSRC was recognized by several external agencies for its ESG performance, including "Best Companies to Work For" Award by HR Asia, Sustainability Report Award by SGS, and TWSE Taiwan Corporate Governance Rating at top 6-20%. TSRC remains vigilant in its ESG execution toward business transformation and enterprises sustainability.