

TSRC Corporation

Key Highlights of 2024 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 reviewed its 2024 Sep. YTD financial performance, 2025 business outlook, and key project updates.

In 2024, TSRC delivered good business performance over the past year. In the face of operating cost inflation and volatile feedstock, its SRD business delivered strong operating profit by having successfully leveraged the favorable factors of stable Asian automotive market and industry supply constraint opportunities. TSRC's AMD business also achieved substantial improvement over 2023. While TPE's demand recovered, industry oversupply, competitive pressure, and logistic disruptions continue to weigh on business performance. Its 2024 Sep YTD consolidated operating profit was NTD 1,146 million, and net income was NTD 939 million with an EPS of NTD 1.14.

TSRC expects 2025 market outlook to remain moderate with uncertainties caused by worsened supply-demand imbalance for Petrochemical value chain, muted growth in mainland China, geopolitical conflicts, and further operating cost inflation. It also indicated that climate change continues to pose opportunities and challenges in its ESG transition. For 2025 business focus, TSRC plans to address cost increase through pricing and productivity initiatives, expand market penetration in medical and film applications, commercialize Shenhua and ARL-TSRC new plants safely, and take firm improvement actions on underperforming business segments and assets.

As for key project updates, TSRC's Shenhua relocation project achieved mechanical completion as planned and is scheduled to complete full transition around mid-2025. In addition, TSRC shared its plan to build a 60KTA functionalized SBR (F-SBR) new line. This is to support its global tire brands customers with differentiated ESG material solutions to capture the growth momentum of EV and green tire applications. Lastly, TSRC shared the steady progress of its ESG plan execution in 2024, including 2.5% carbon reduction annually since 2021, Global Recycled Standard (GRS) certification for recycled TPE compound materials, and commercialization of bio-based synthetic rubber products. TSRC was recognized by several external agencies for its ESG performance, such as "Silver Medal" in EcoVadis sustainability rating and top 6-20% in Taiwan Stock Exchange (TWSE) Corporate Governance Evaluation.