



2019 Q1

International CSRC Investment Holdings Co.
INVESTOR'S CONFERENCE



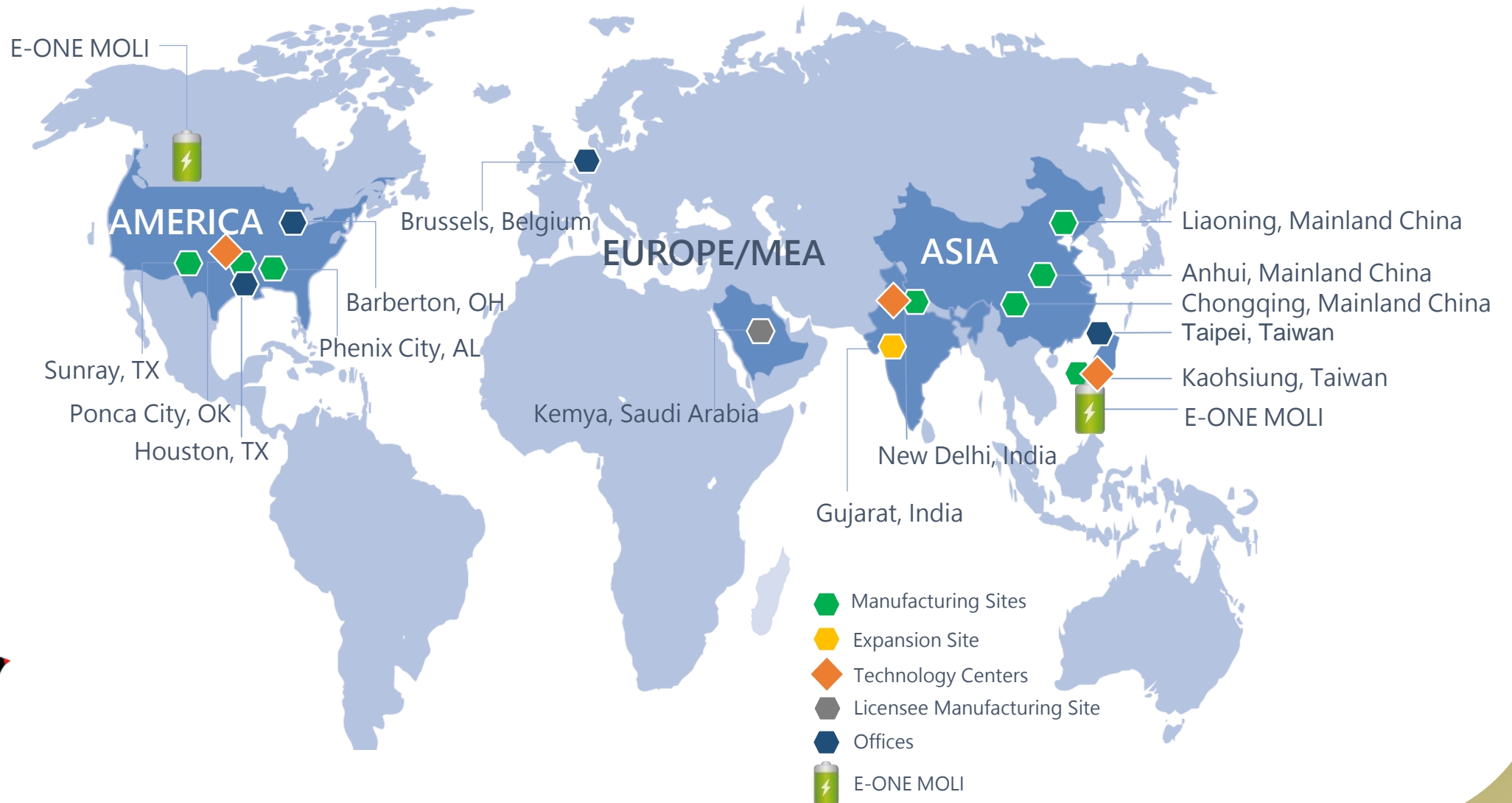
Disclaimer



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CSRC Group Business Overview



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CONTENTS



- 01 Carbon Black Segment
- 02 Battery Segment
- 03 IQ 2019 Operating Results

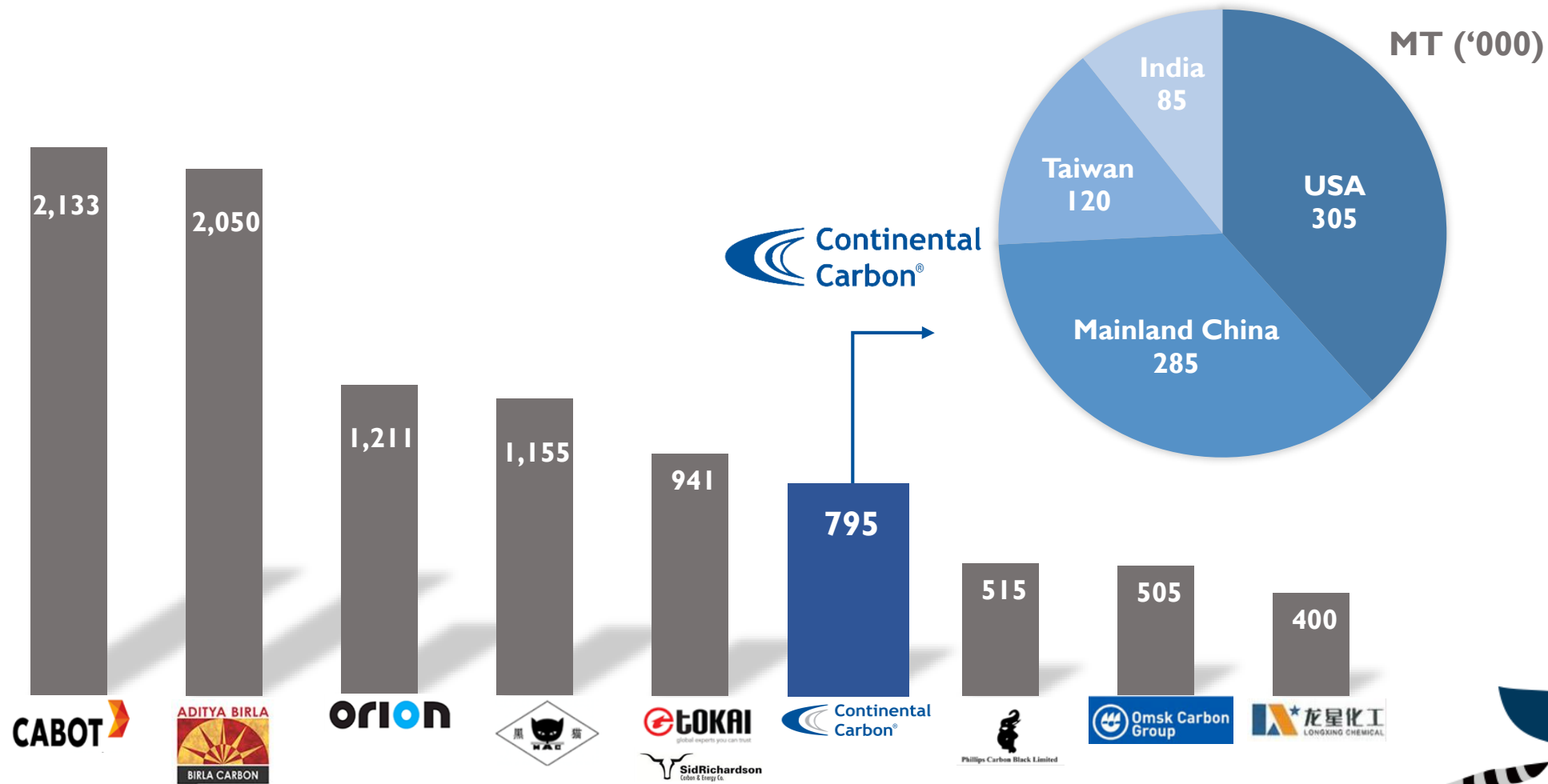




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Carbon Black Segment

Capacity of Major Carbon Black Makers



Tokai completed acquisition of Sid Richardson in Sept. 2018



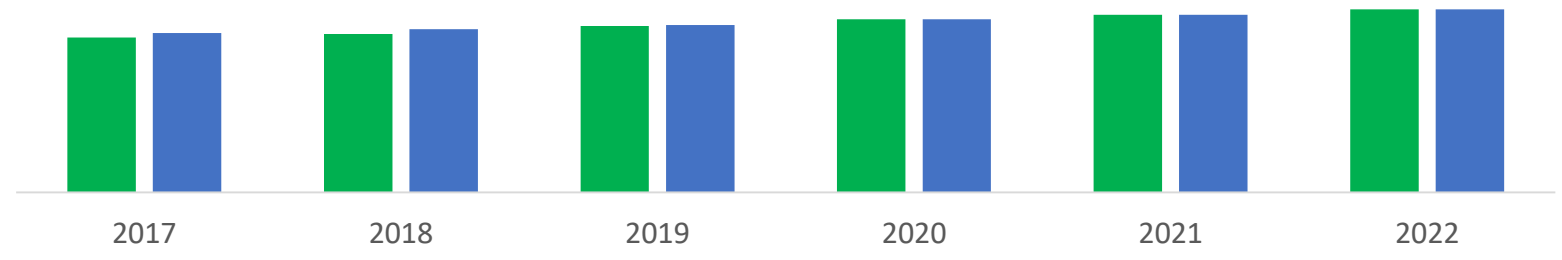


Worldwide Carbon Black Demand & Supply

Worldwide

Supply Demand CAGR

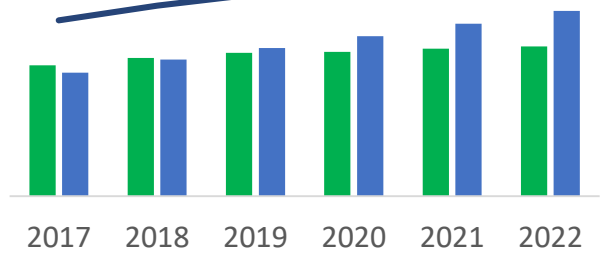
Demand CAGR = 2.8%



North America

Supply Demand CAGR

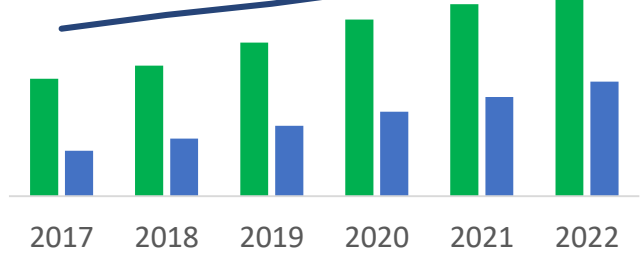
Demand CAGR = 3.1%



Mainland China

Supply Demand CAGR

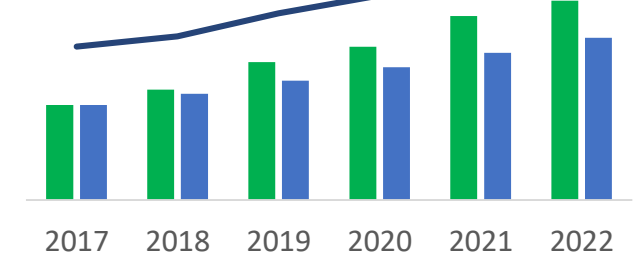
Demand CAGR = 3.6%



India

Supply Demand CAGR

Demand CAGR = 4.9%

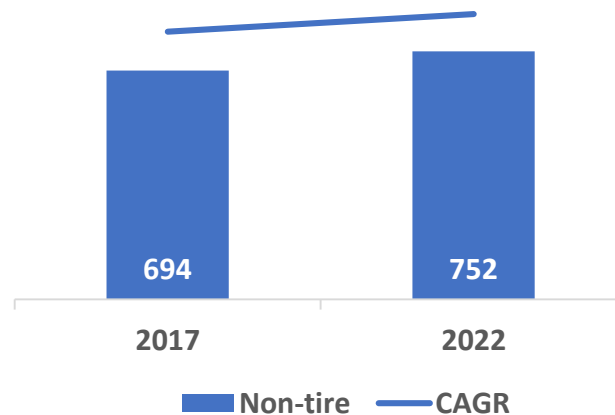


Worldwide CB Demand for Tire/Non-Tire Applications

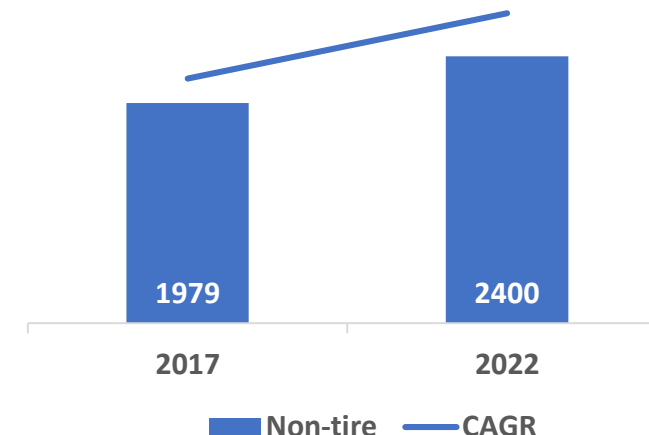


| Worldwide Demand | CAGR '14-'17 | CAGR '17-'22 |
|------------------|--------------|--------------|
| Tire | 2.9% | 2.7% |
| Non-Tire | 2.3% | 3.1% |

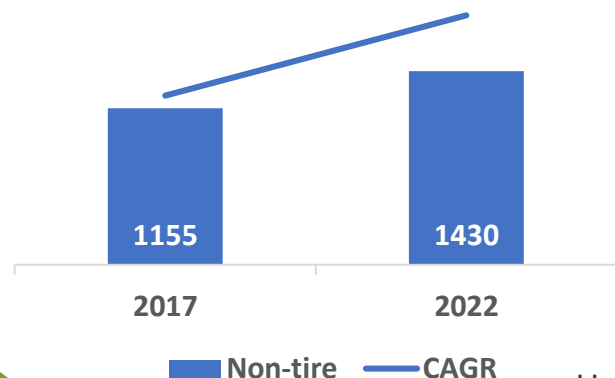
North America CAGR 1.6%



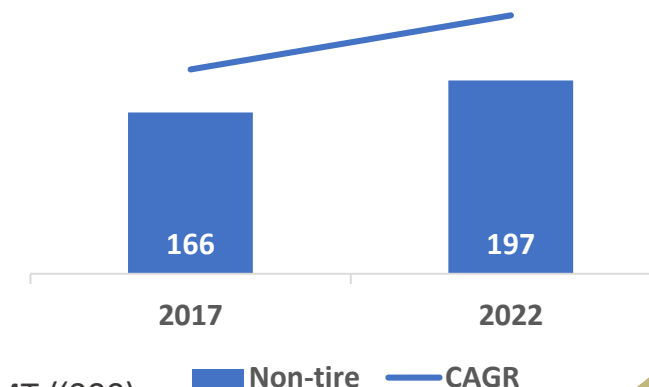
Asia CAGR 3.9%



Mainland China CAGR 4.4%



India CAGR 3.5%



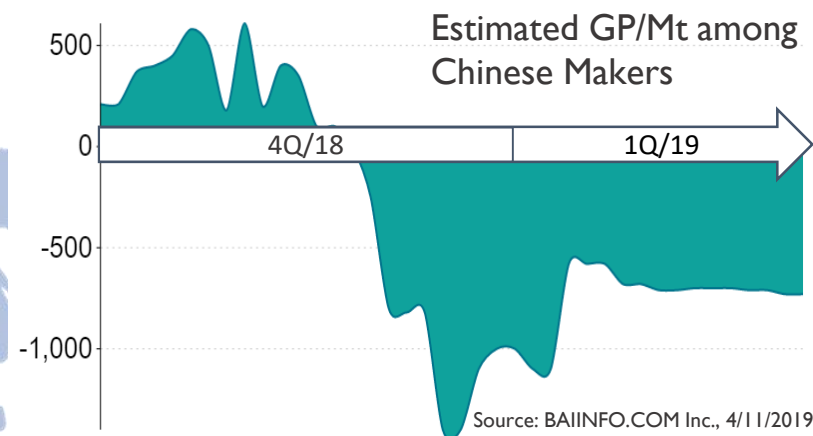
Unit: MT ('000)

Overview and Outlook



Mainland China:

- Uncertainties are expected to continue into Q2.
- Weaker demand coming from tire market.



USA:

- Demand growth is expected to continue into 2019.
- Peers continue to announce price increase due to strong demand.

India:

- Market demand has been strong. Supply is catching up quickly.
- Selling price is impacted by imports from China.

Taiwan:

- Higher utilization rate with co-generator revamping.
- Carbon black production is expected to increase.

High-Value Applications



Special Applications

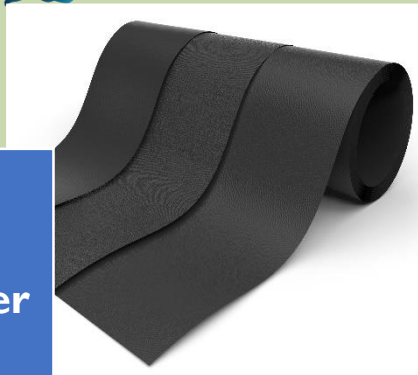
Non-Tire Rubber



CSRC Non-Tire Business



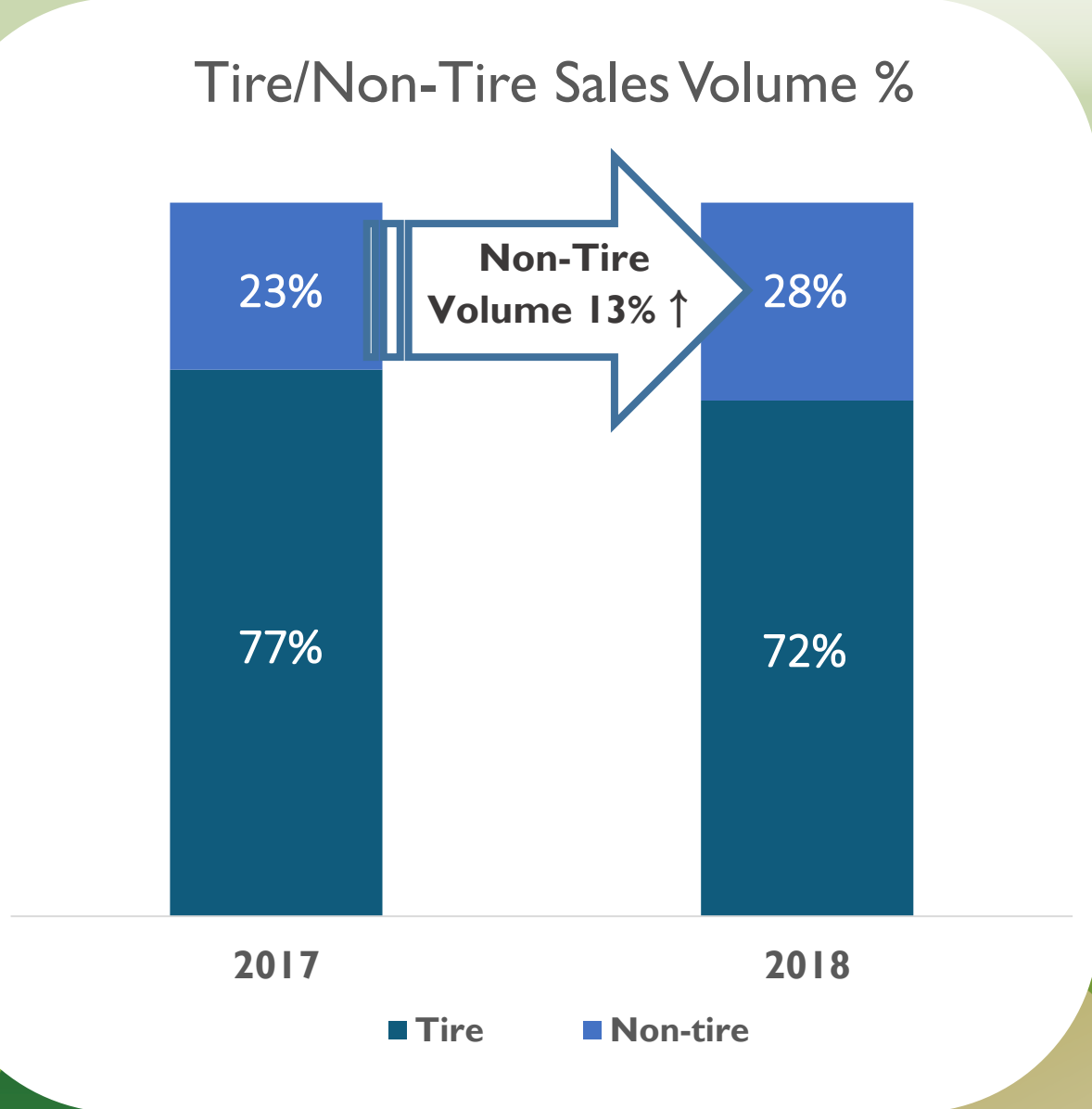
Compounder



Mechanical Rubber Goods



Plastics

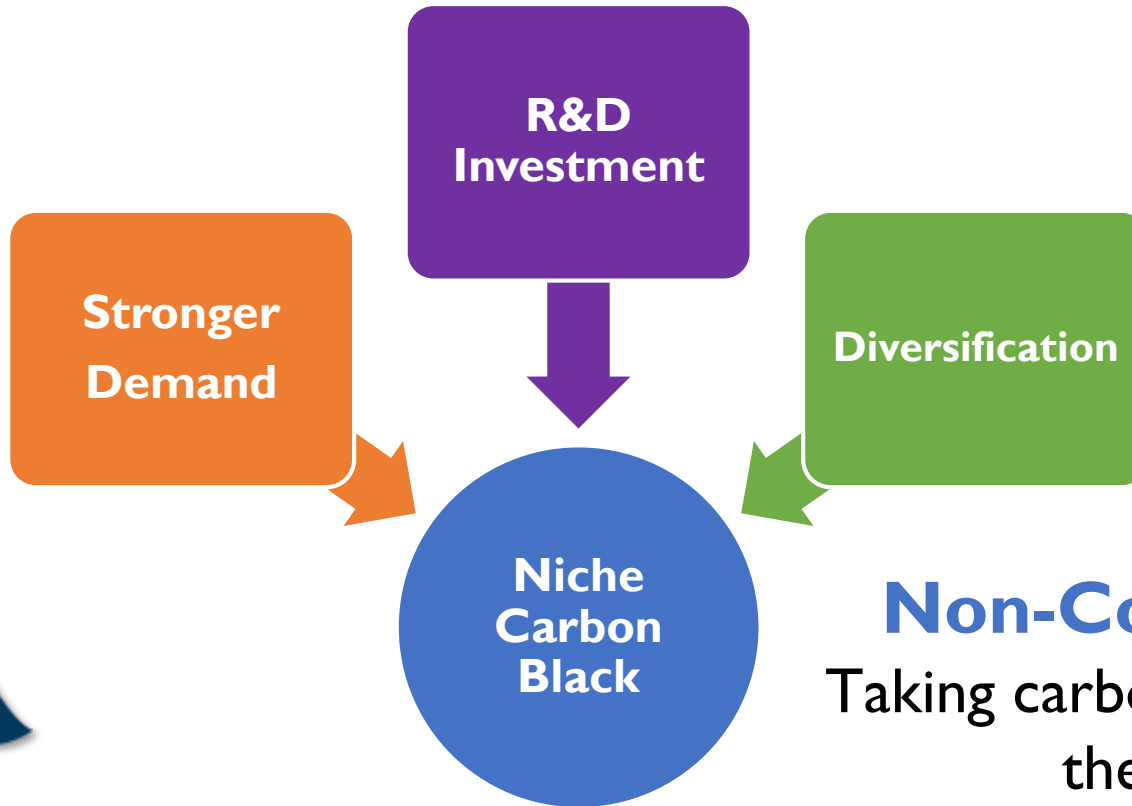


R&D Capabilities

Leverage R&D strength to develop a range of non-tire carbon black products.

Demand Growth

The demand growth of non-tire rubber is expected to be stronger than tire rubber.



Diversification

Diversify applications, product portfolio, and clientele.

Non-Commodity CB
Taking carbon black products to the next level.

Rapid Growth through Product Innovation



2017

2018

2019

2020 Onward



R&D centers built in Taiwan & India

Low rolling resistance tire development

Non-tire rubber applications

Moving towards special applications



Expansion in India



- Advantageous geographical location
- Customers and feedstock cluster
- Well-developed infrastructure
- Higher economic growth
- Friendly investment environment

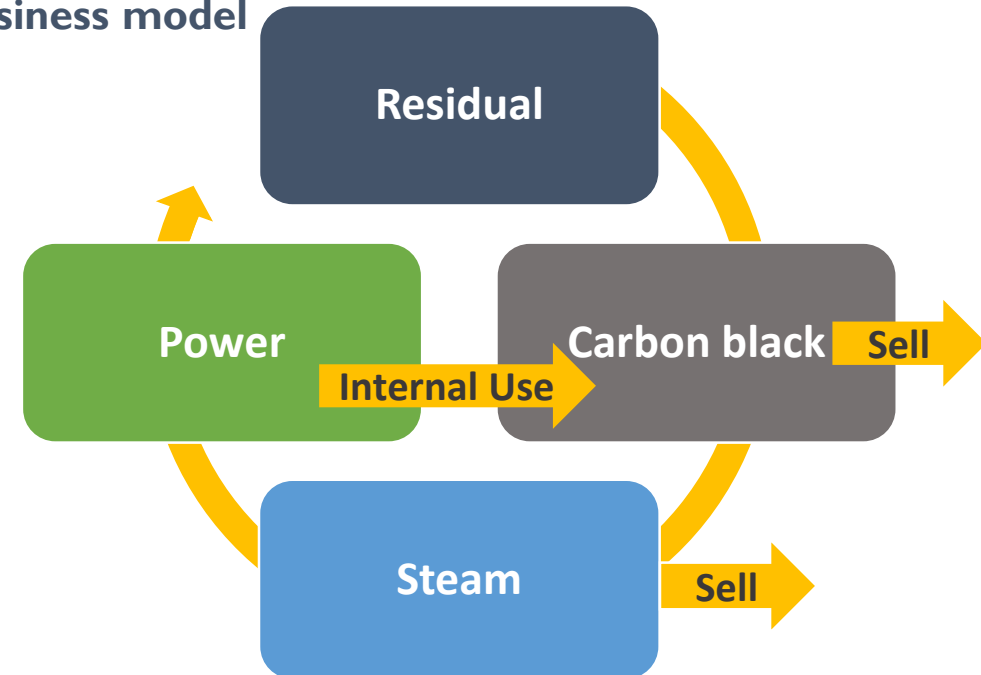
**Dahej,
Gujarat**



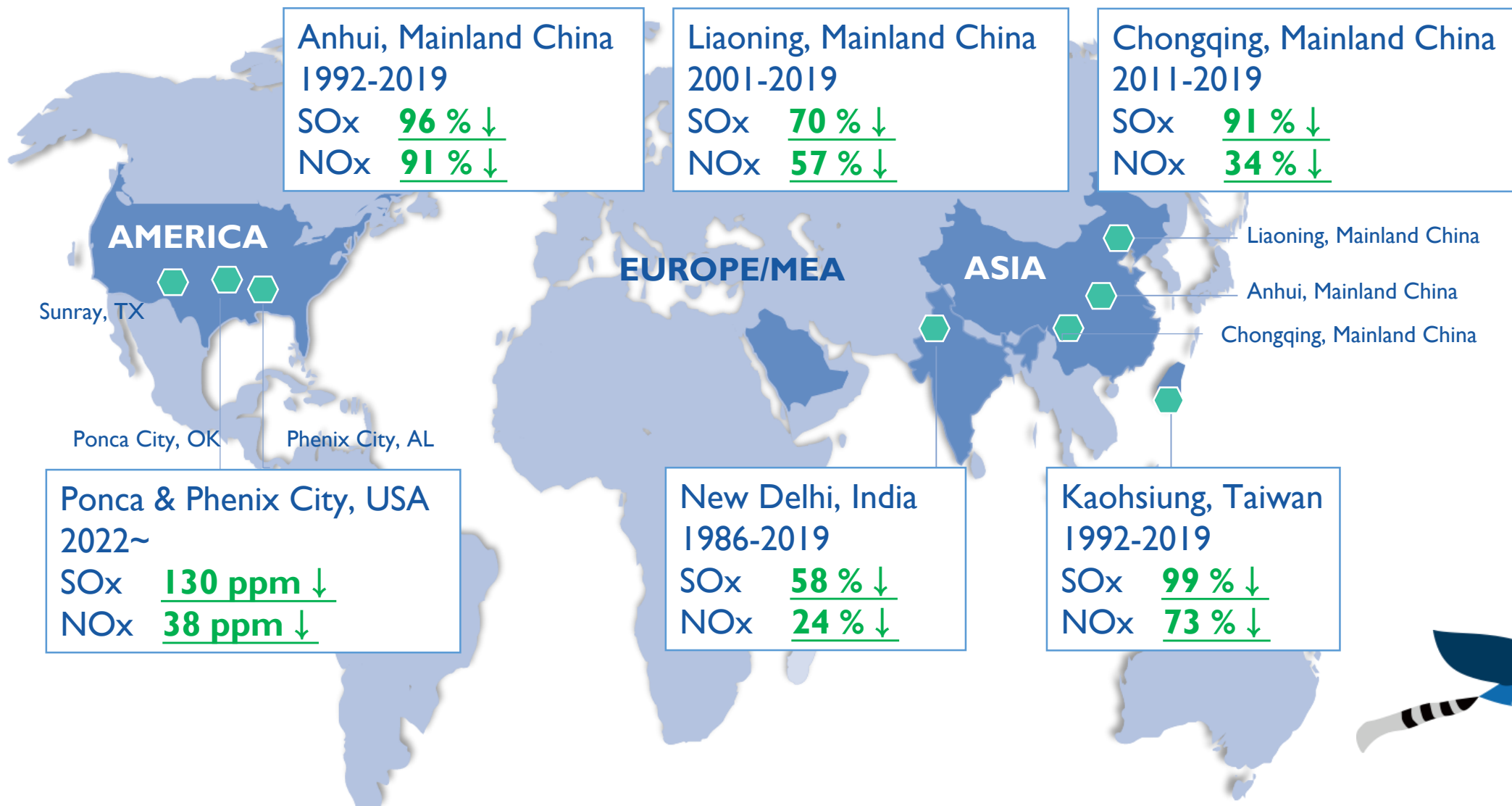
New plant CCET:

- Basic design accomplished
- Land acquired, preparation stage

Business model



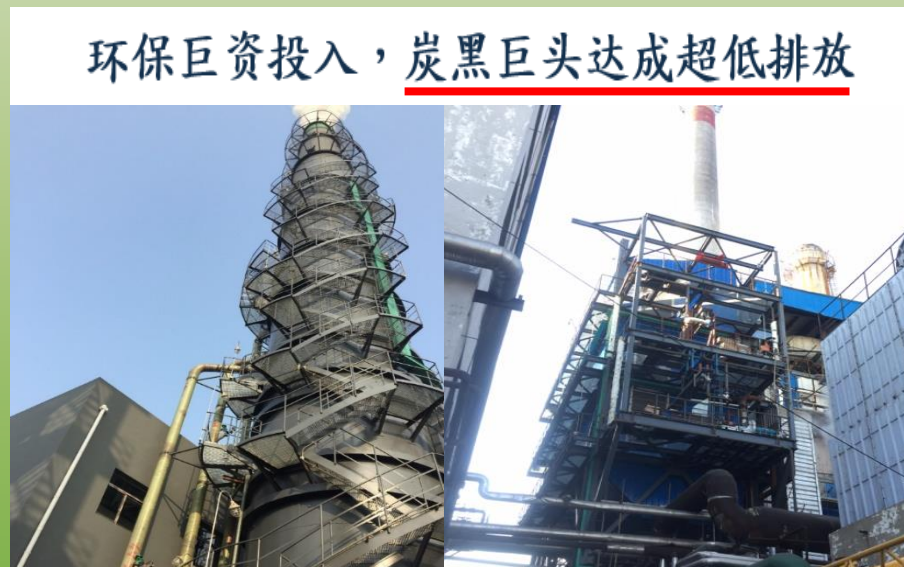
Reduction Rate



Commitment to Sustainability



Top 23%
EcoVadis 2019 Ratings



O2

Battery Segment





NCA Cathode Material

Fast Charging & Discharging

Energy Storage System

Energy Storage: Next Game Changer

Apr 25, 2019 - 06:14 pm
Panasonic considers producing 2170 cells in Japan

Global Energy Storage to Hit 158 Gigawatt-Hours by 2024, Led by US and China

Wood Mackenzie Power & Renewables projects a thirteenfold increase in grid-scale storage
Toyota to tie up with major Chinese automaker on fuel cell vehicles
電池儲能系統成本降，2050 年全球綠能發電占比將過半

可不可以：倉力電池又將能又快又？
Global battery storage market to hit USD 13

动力电池攻关300wh/kg! 国内NCA材料布局起底

2019-01-28 10:42:57 来源：起点锂电大数据
擠身巨頭NCA巨頭供應鏈 中國NCA電池體系正崛起
GGII：2020年國內高鎳三元材料需求將達7萬噸
來源：集微網 發佈日期：2019-01-28 09:20

成熟的NCA電池，可能是中國動力電池市場的一片新藍海

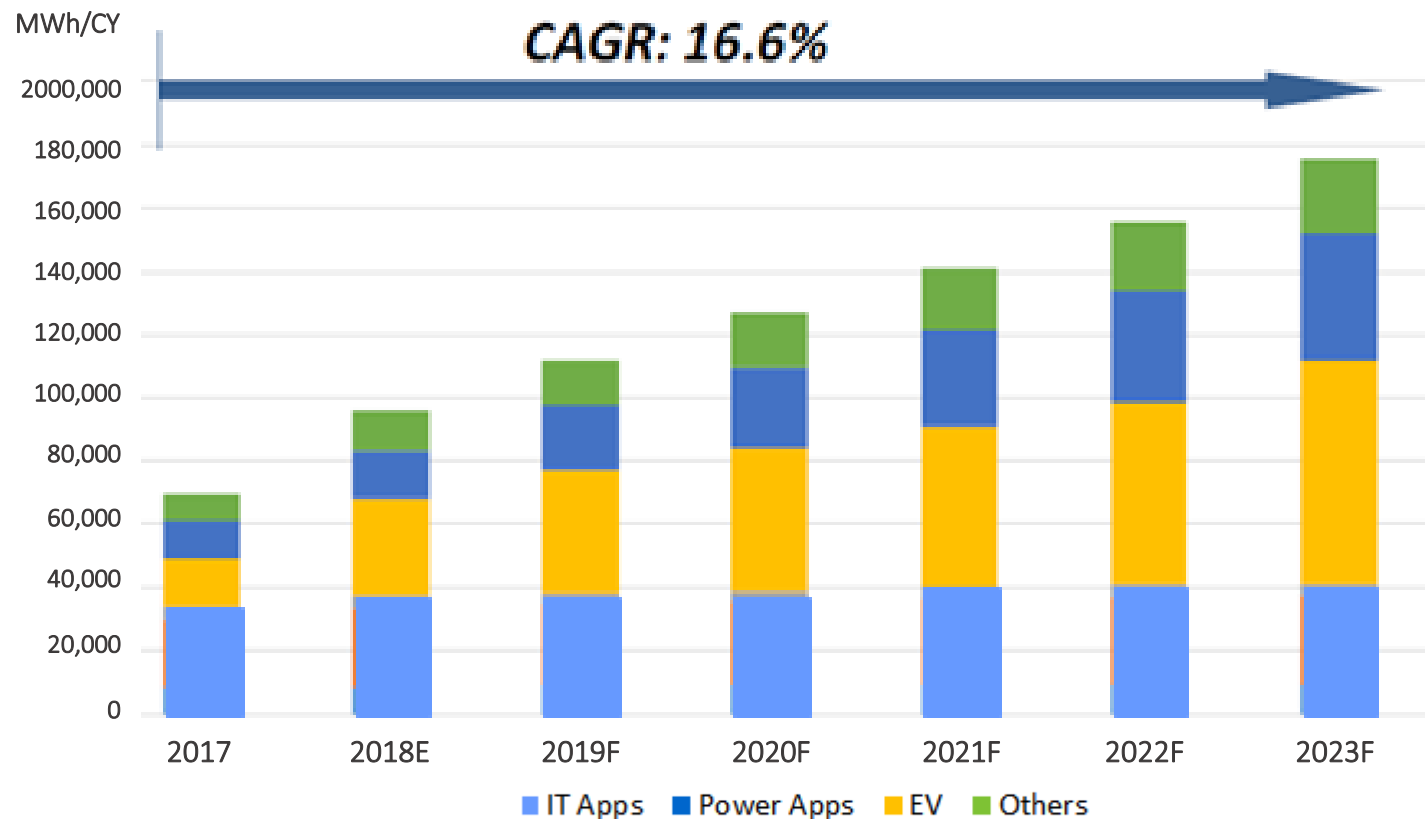
中國NCA三元電池進入高能量密度3.0時代

2019-06-12 16:00 工程師 發佈于清談

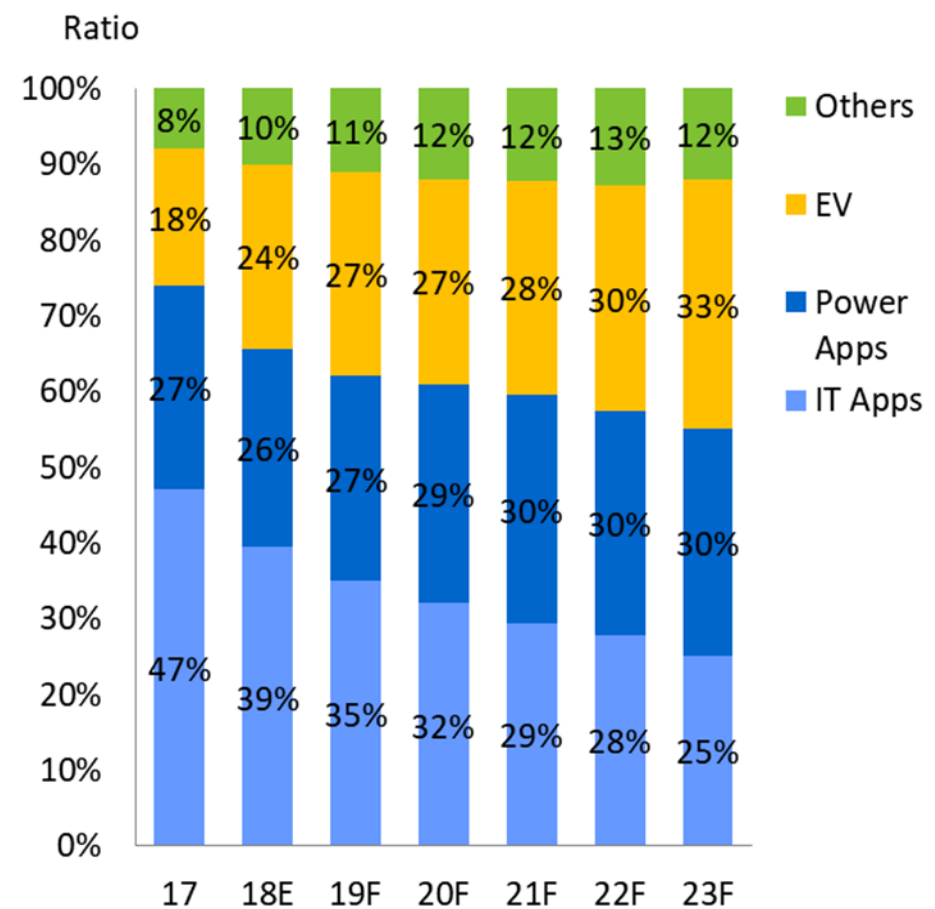
NCM811与NCA，谁将成为未来高密度电池的霸主？

2019-06-20 16:05 04 03 05 19 | 發佈于清談

Lithium Battery Market Trend (MWh Capacity Basis)



LiB market trend by major applications

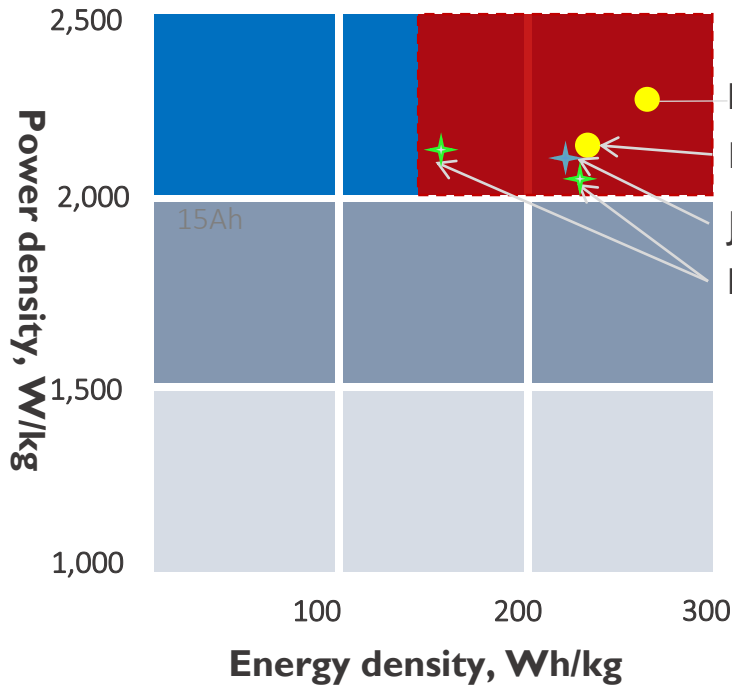


Other portables: tablet, DSC, cam corder, PMP, game & peripherals
 Other power Apps: power tools, shaver & toothbrush, e-bicycle, cleaner
 Others: power banks, ESS, etc

Source: TSR report, 2018Q4



Market Position and Application



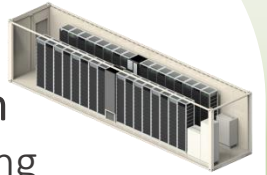
E-mobility

- EV
- E-bus/E-truck
- E-motorcycle
- E-scooter
- E-bike
- UAV/Drone
- E-boat
- Start-stop system



Energy storage system

- Frequency balancing
- Super charger
- Auxiliary service (1MW, discharge within 15min)
- Demand response
- BBU for data center



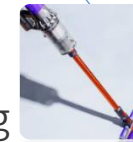
Telecom 5G

- Base station energy storage



Home & personal device

- Shaver & T-brush
- Vacuum cleaner
- Patient monitoring



Power applications

- Garden tools
- Backpack harness





Application - High Power



E-Mobility



Uber Jump



E-motorcycle



1MWh ESS (Longjing)



1MWh ESS (ITRI)



Drones



Uber Elevate



Exo-skeleton technology



Life support system



Dyson vacuum cleaner



Garden tools



Continuing Momentum in 2019 and Beyond

The Cells Drive Great Power

Leveraging technology for competitive advantage

-Cathode: Ni rich NCA

-Anode: C+Si/SiO

-High Safety Separator

-Functional E/L



- Cooperate with suppliers to develop next-generation materials
- Enhance R&D capabilities & double R&D talents
- Advanced production lines provide accuracy & capacity

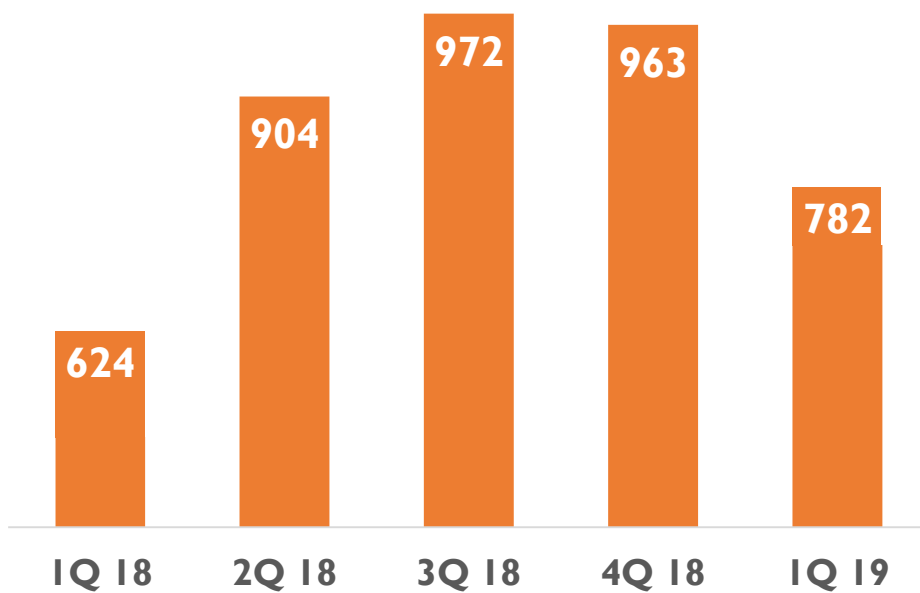


Operating Results



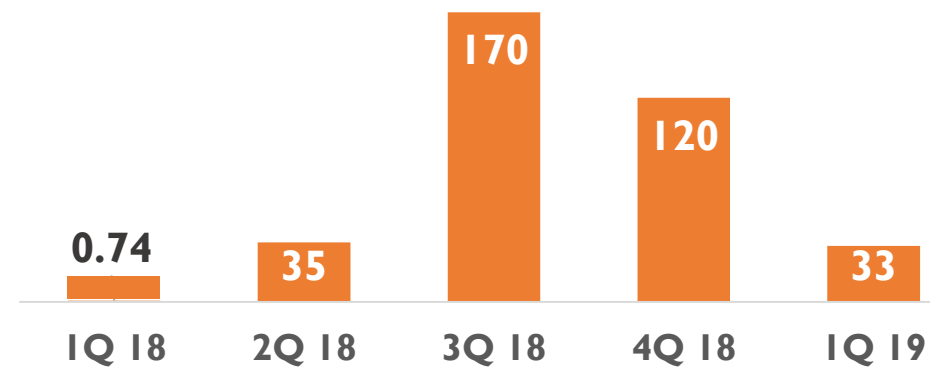
Revenue

NTD million



Net Income

NTD million





O3

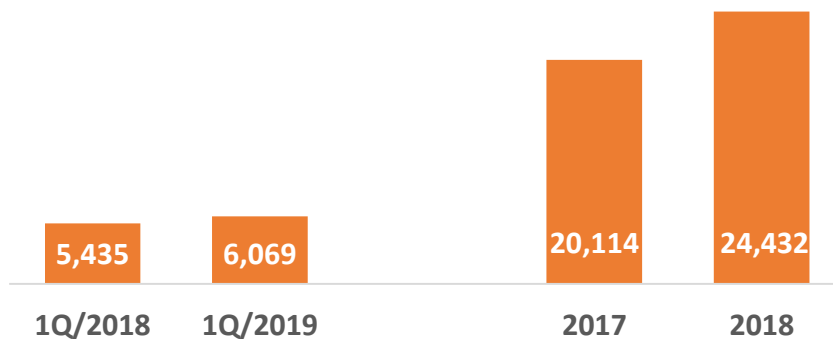
IQ 2019 Operating Results

IQ 2019 Operating Results



Revenue

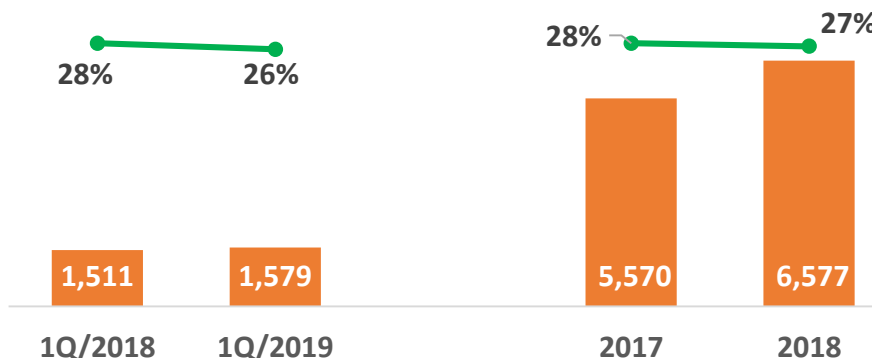
NTD million



Gross Profit & %

NTD million

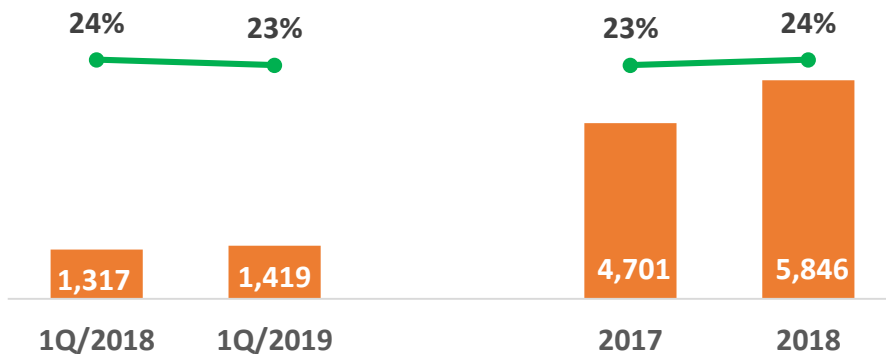
Legend: Gross Margin (Bar), Gross Margin % (Line)



EBITDA & %

NTD million

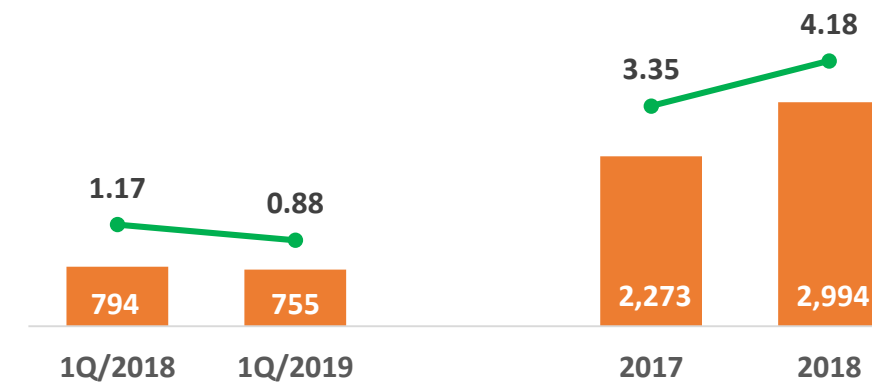
Legend: EBITDA (Bar), EBITDA % (Line)



Net Income & EPS

NTD million

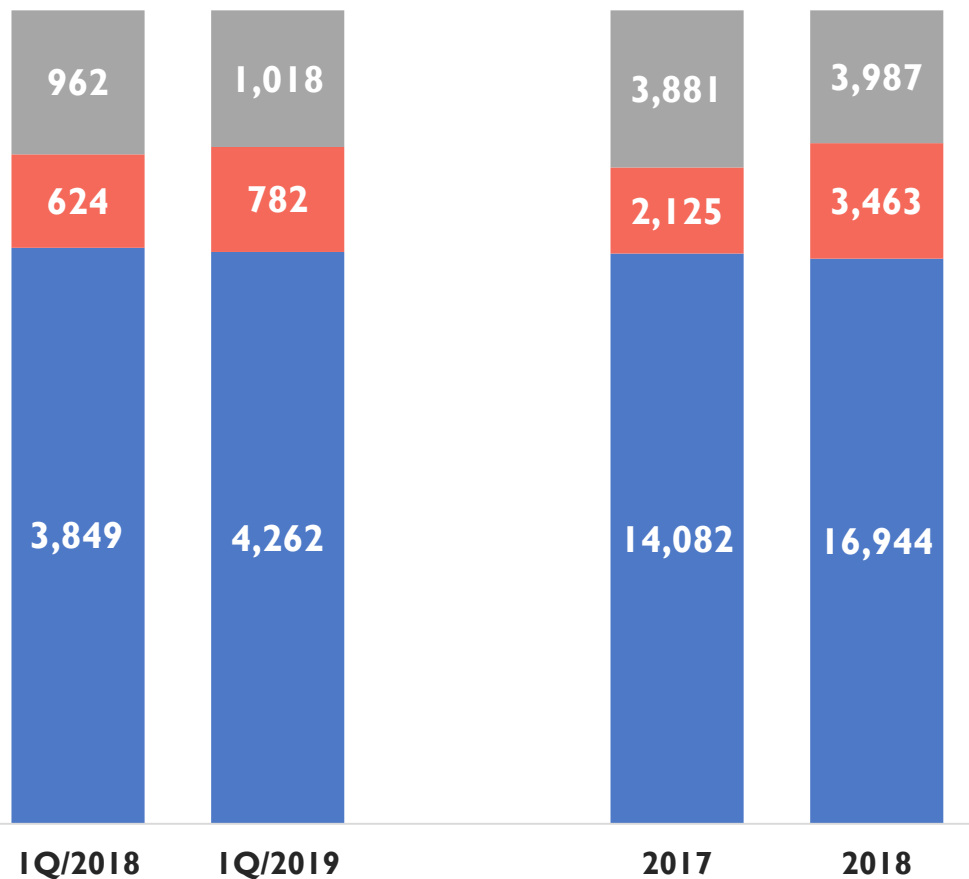
Legend: Net Income (Bar), Basic EPS (NT\$) (Line)



IQ 2019 Operating Results by Segments

Revenue

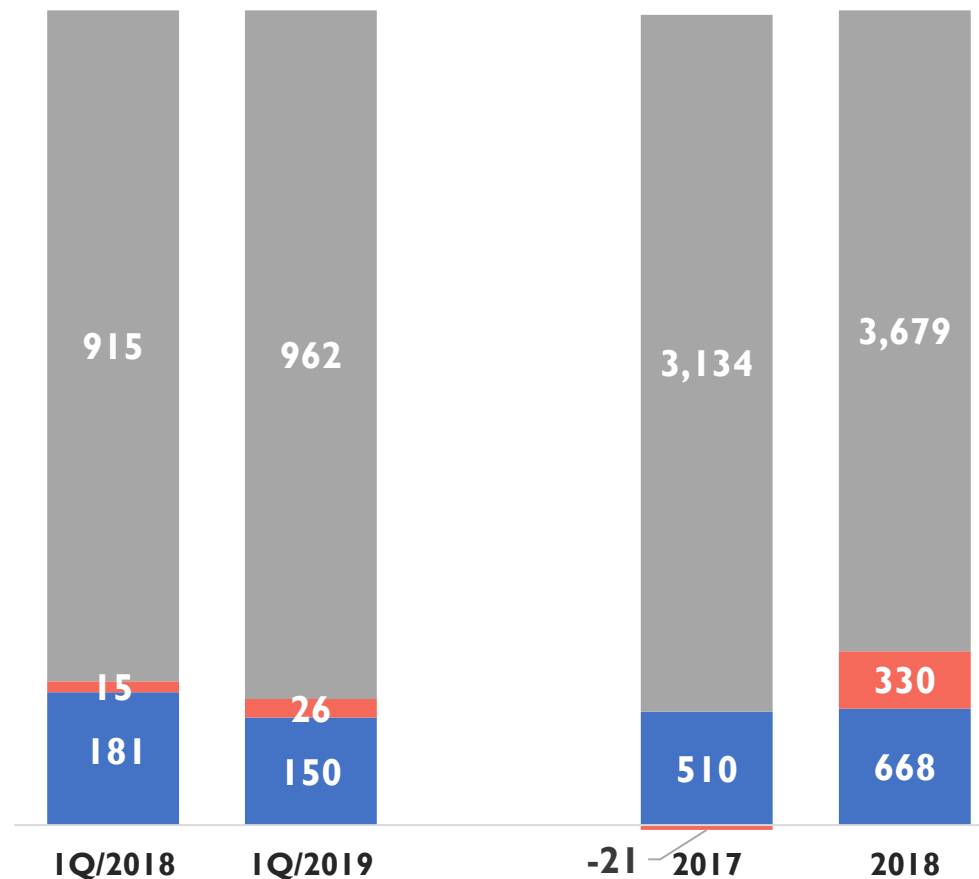
NTD Million



■ Carbon Black ■ Battery ■ Biotech

Operating Income

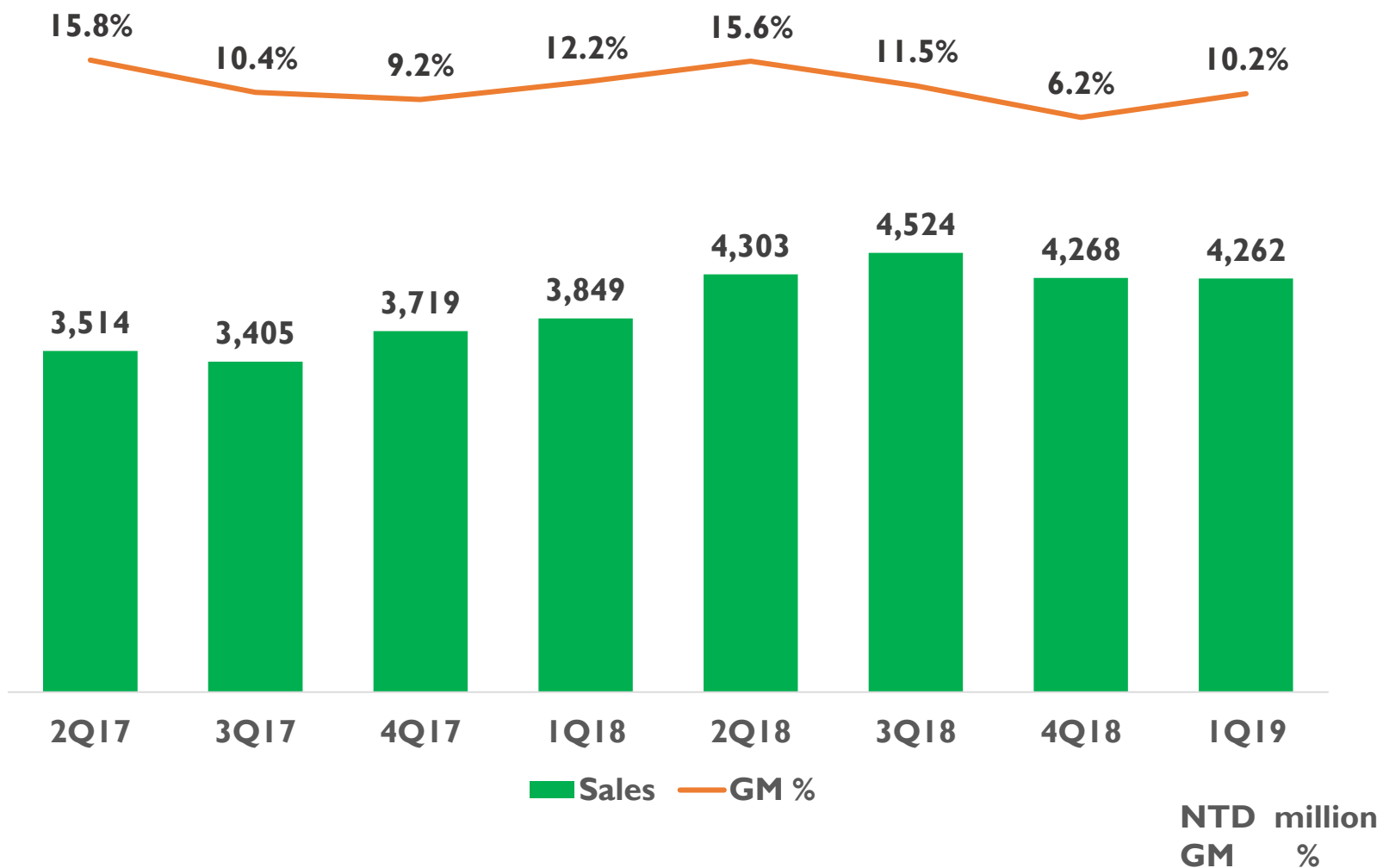
NTD Million



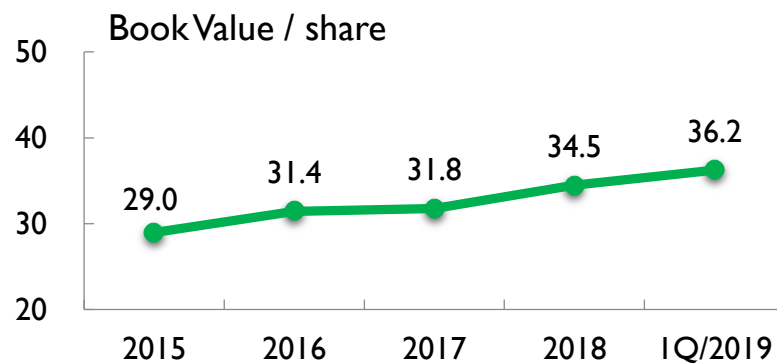
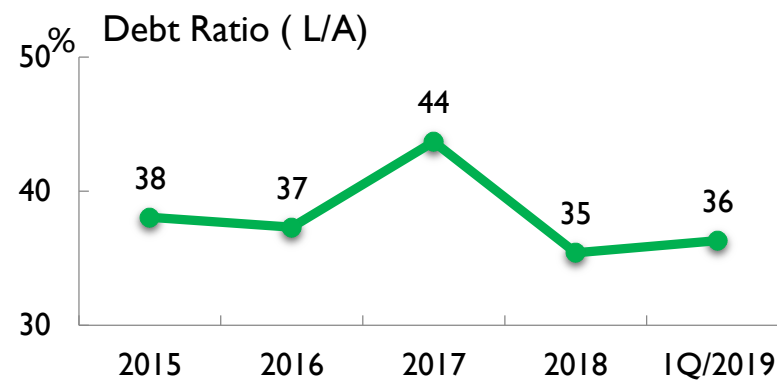
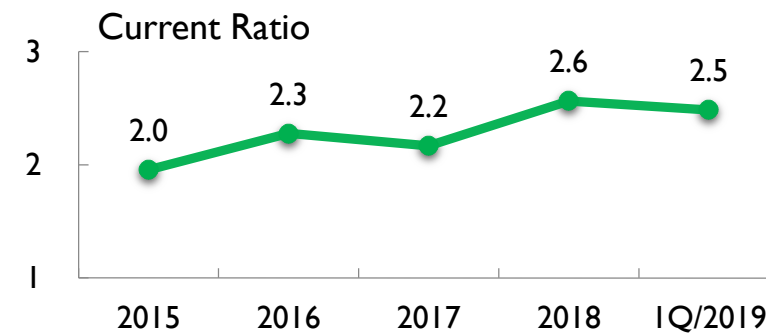
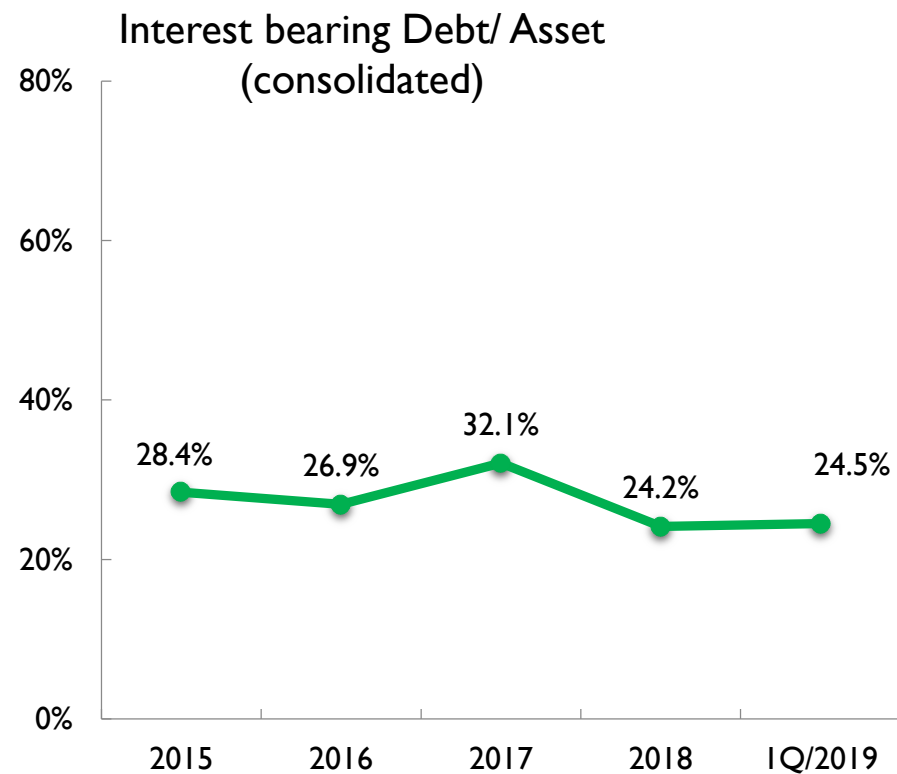
■ Carbon Black ■ Battery ■ Biotech



Carbon Black Sales & Gross Profit Margin



Financial Structure





We Appreciate Your Listening!

csrcir@csrcgroup.com