



碳究五十·黑躍未來



3Q 2023

International CSRC Investment Holdings Co.

INVESTOR'S CONFERENCE





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Agenda

- 01 Megatrends
- 02 Business Overview
- 03 Operating Results





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01 Megatrends



Megatrends & Strategies

Sustainability



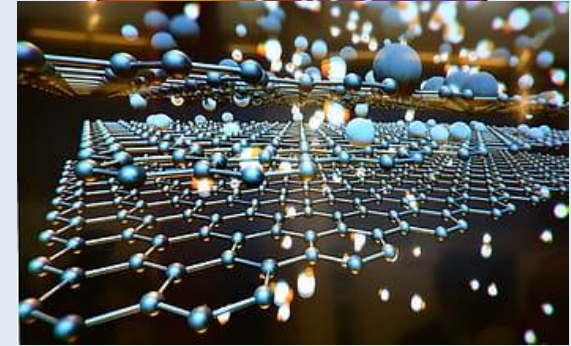
- Reduce carbon emissions
- Material Circulation
- Fossil Fuel Alternative

Electrification



- Improve energy efficiency
- lithium battery demand
- Power grid infrastructure

Technology Innovation



- New Materials Demand
- Multiple Electronic Applications

CSRC's development strategies are in line with megatrends

Sustainable CB

Introducing eco-friendly manufacturing processes(Recycled Oil /Natural gas as fuel)

CB for LRR tires

Conductive additive CB

SECB for Wire & Cable

Post-treatment SECB

Super Conductive SECB

CNT & Suspension

Sustainability

Long-term vision of tire plant : Towards 100% sustainable materials

Resource Use

Increase the resource consumption by increasing demands

Recycled material
New input of renewable material
Non-renewable material

Recycled material
New input of renewable material

Non-renewable material

Recycled material

New input of renewable material

Key actions for tire plant

Action 1. Reduce raw material consumption

- Weight-savings technologies
- Durability improving technologies

Action 2. Recycle resources and use effectively

- Recycled rubber and recovered carbon black

Action 3. Expand and diversify renewable resources

- Development of bio-derived raw materials

CSRC Solution



CB for LRR & high wear-resistance tires
-LH Series

CONTINEX

Sustainable CB
-SC Series

-Explore strategic partners of recycled oil
- RD in Biomass material

2050 and beyond

100% Sustainable material

Current status

BAU



Note : tire plant aims to increase ratio of sustainable material to 40% by 2030

Source : Bridgestone's website; CSRC



Improve tire durability

LH series applied in truck tire kicked off road test for key account

Phase one road test kicked off



- ◆ LH12 and LH70 were used in producing real truck tires
- ◆ Installed on truck fleet and kick off road testing by key account
- ◆ 100,000 kilometers of road test will be completed as of Q3 2024.



LH 12 / 70



Rolling Resistance



15 %

Wear Resistance



12 %

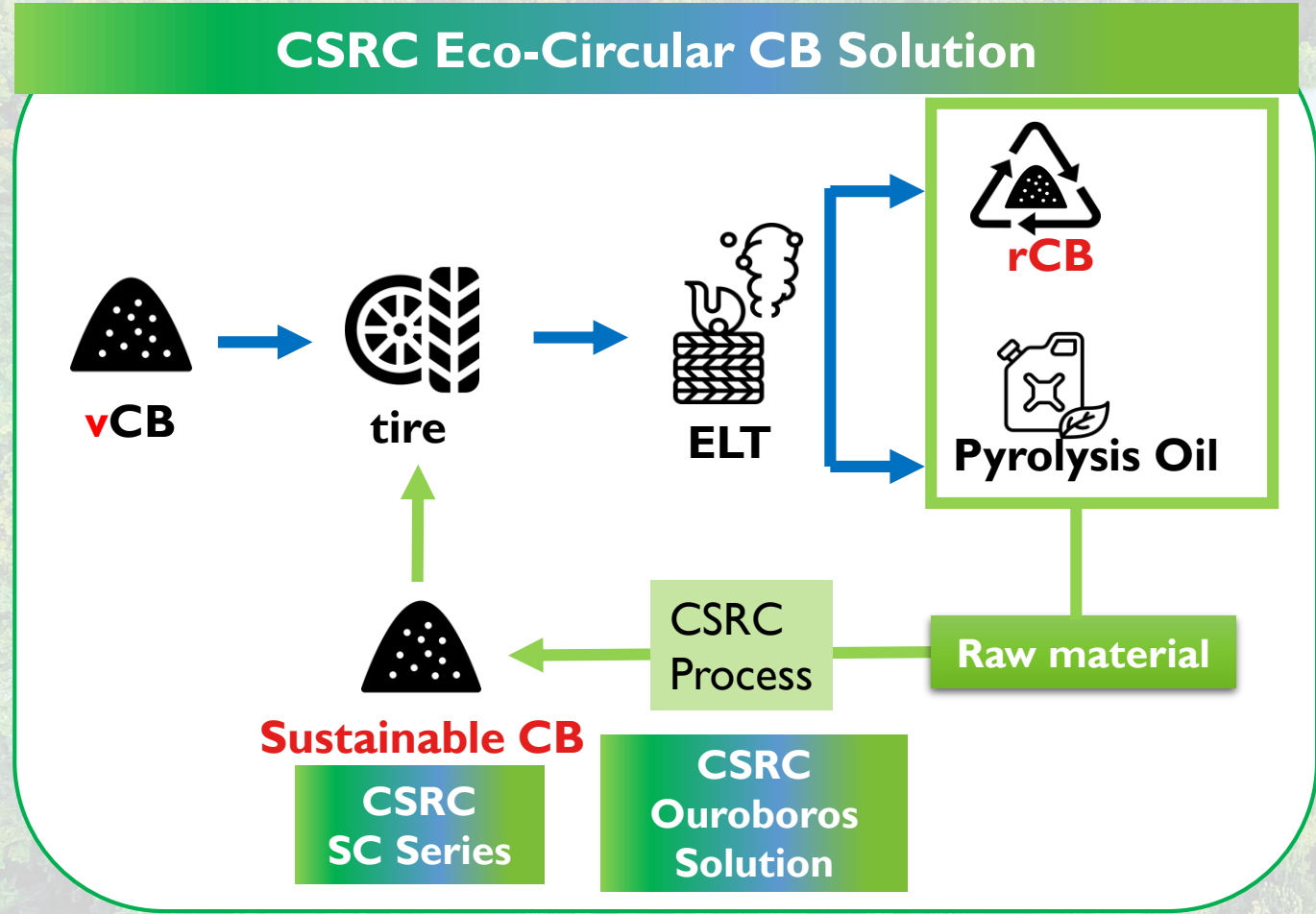
LH series projects

contInEX	Lab test	Road test	Approve/Introduce
LH12	4	3	
LH70	2	2	
LH30	2		1

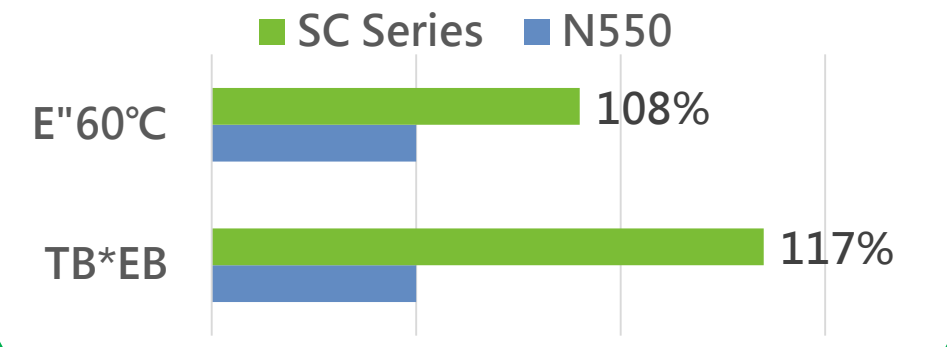
Recycle resources and use effectively

Eco-Circular Carbon Black Solution

CSRC Eco-Circular CB Solution



SC Series' Performance

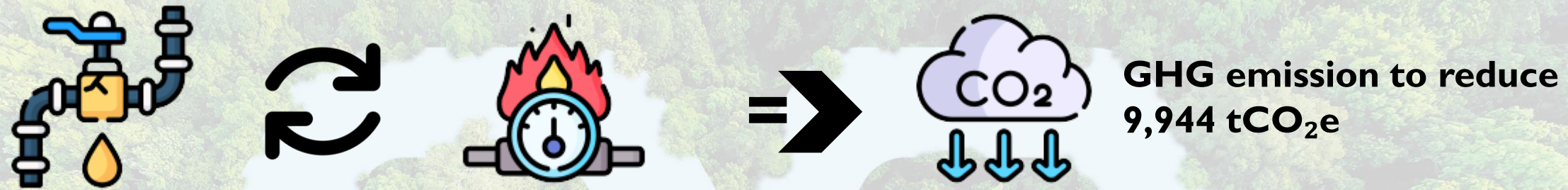


Applications

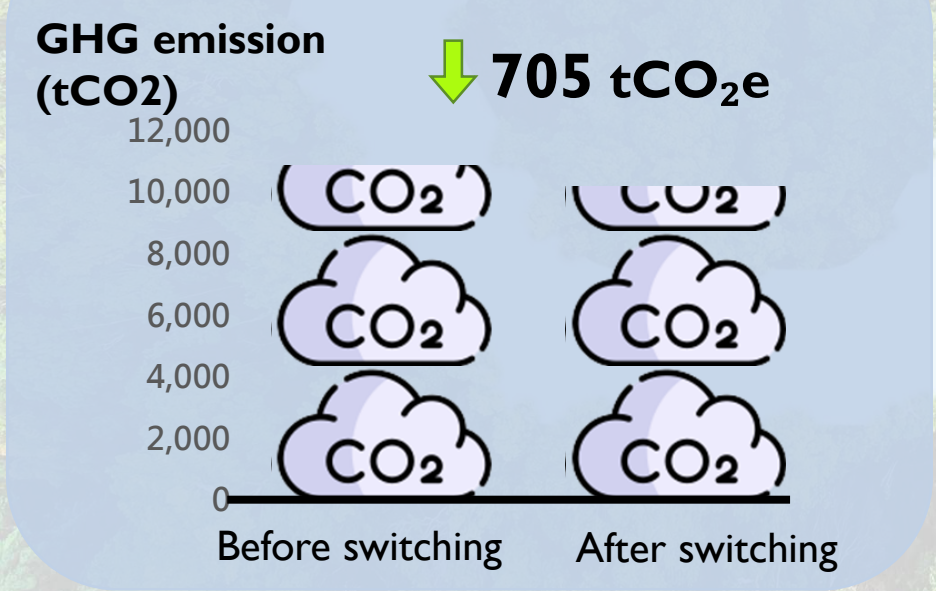


Sustainability

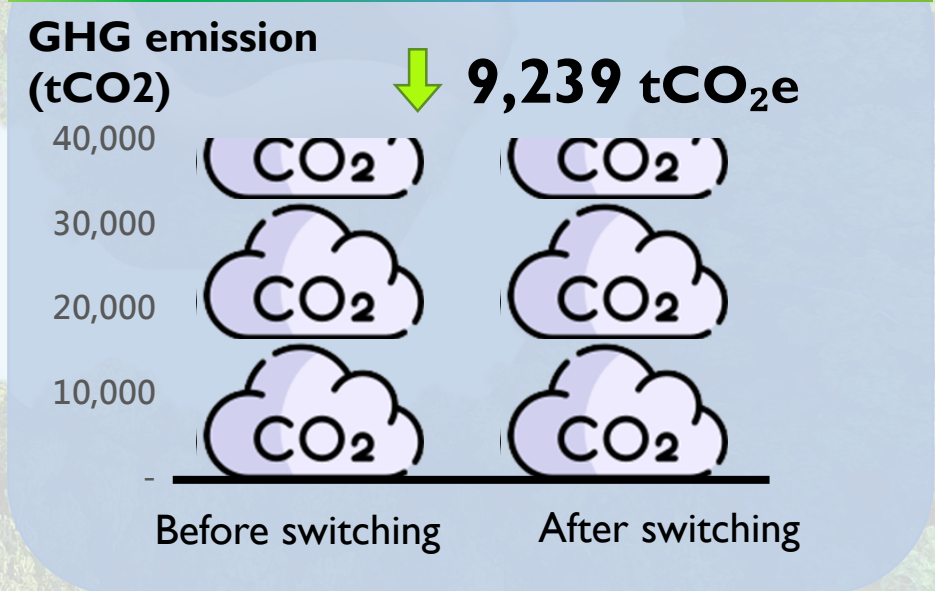
Linyuan Site completed in switching to natural gas as fuel



Chongqing Site U1



Linyuan Site U1~U3



Note1 : GHG emission of Fuel in Chongqing Site=Fuel usage*Average low heating value*Carbon content per heating value*Carbon oxidation rate*Carbon conversion coefficient
 Note2 : Linyuan Site's calculation is based on data revealed by MOE, in which natural gas's coefficient=1.880719 tCO₂e/M³ ; fuel oil's coefficient=2.9211389 tCO₂e/t
 Note3 : The above estimate is based on taking GHG emission reduction benefits of natural gas switching heavy oil as fuel oil as a sole factor.



Applications in conductive carbon black

Shielding material

Medium and high voltage wires and cables



Conductive



Lithium battery
Conductive masterbatch



Static Electricity Dissipation

Electronics/ Semiconductor parts packaging materials

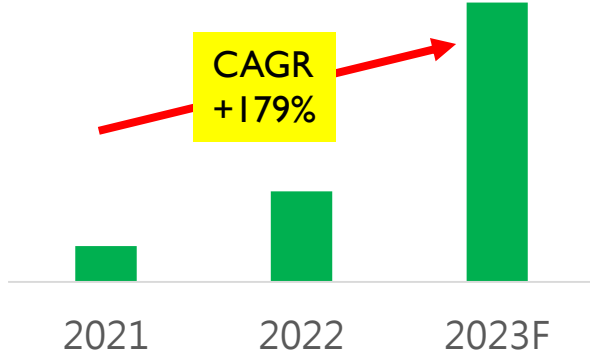


Electrification

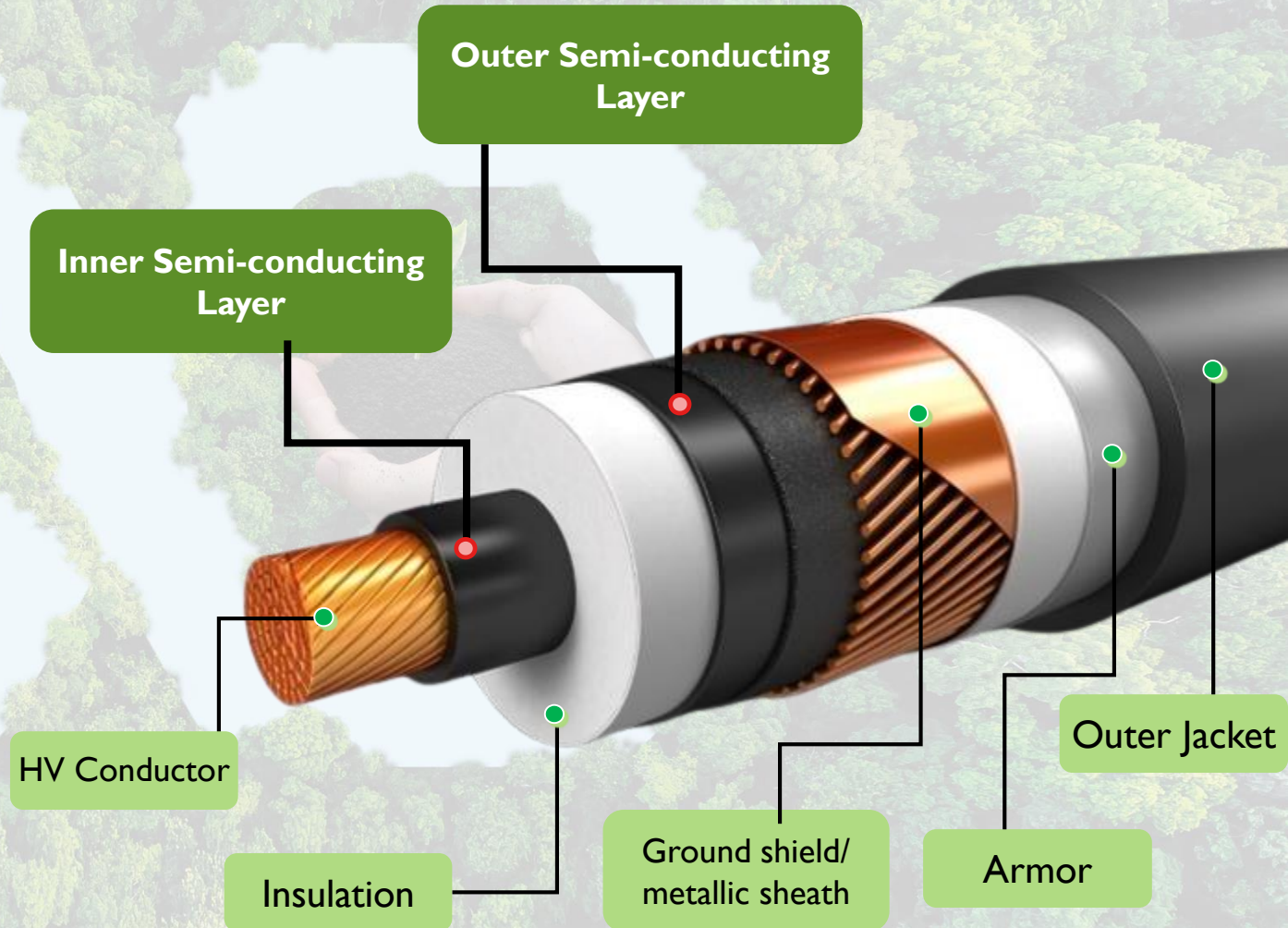
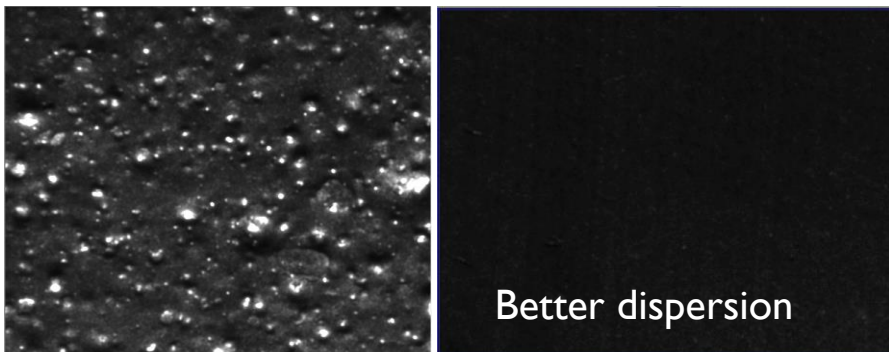
Grid construction drive up demand for carbon black in wires and cables application

Applied in inner and outer shielding materials

Sales volume

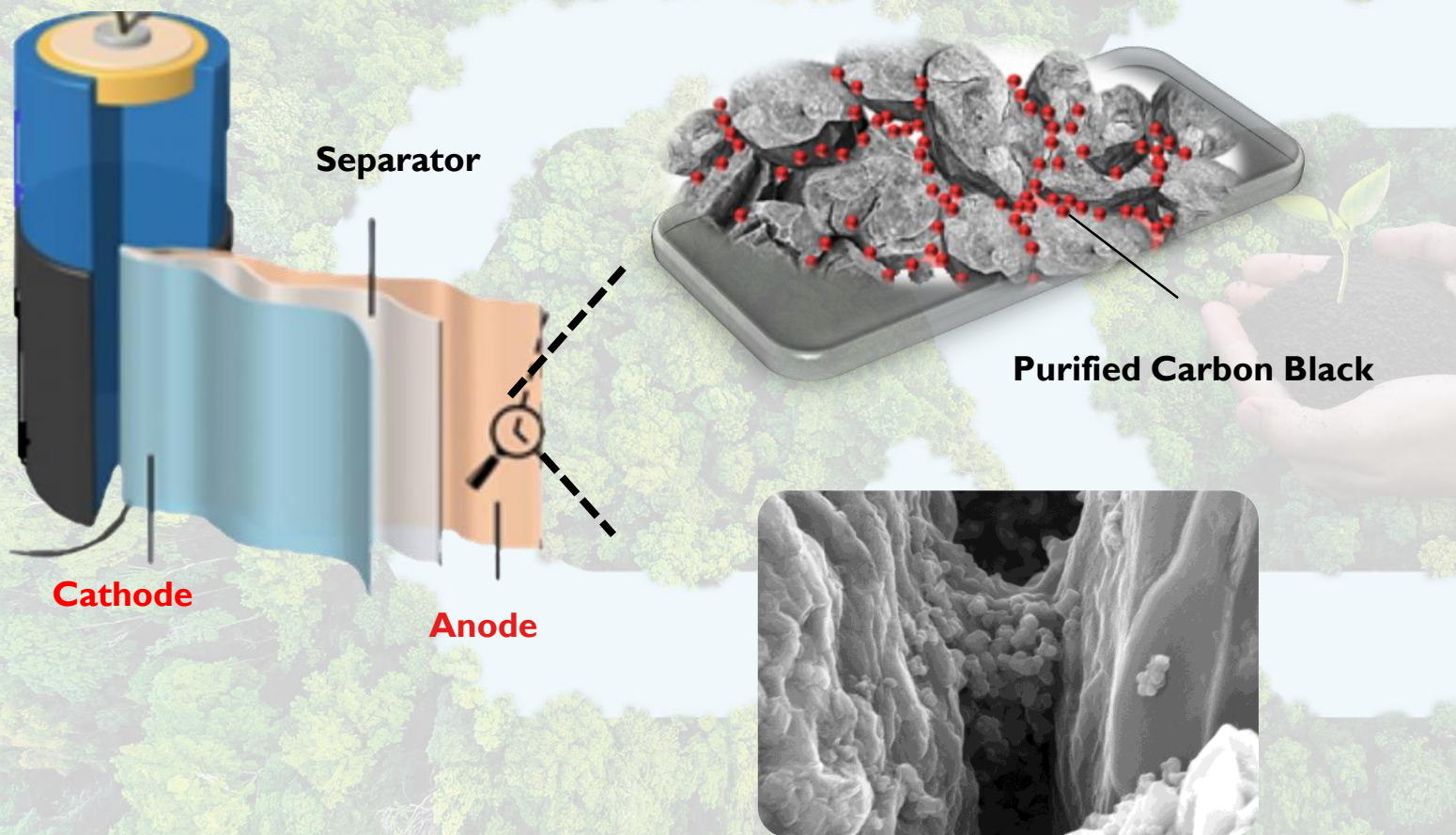


Dispersion in CSRC's conductive CB significantly improve



Electrification

Lithium battery grade conductive CB became mainstream of conductive agent



Conductive carbon black forms conductive networks

CSRC's conductive CB special design for lithium battery

Features :

- ◆ High level structure
- ◆ Low impurity
- ◆ Moderate in SSA

Performance :

- ◆ Well dispersion
- ◆ High conductivity
- ◆ Stable in charge & discharge

Technology Innovation

Expanding R&D patents

1955~2019



188 carbon black patent granted

2021



Patent for refractory mortar formula

2022



Method for quickly measuring content of polycyclic aromatic hydrocarbon in carbon black



Patent for surface modified CB to simultaneously improve rolling resistance, wet traction, and wear resistance

2023 & Onward



Patent for post-modification reactor of EREBOS processing technology

Patent for post-modification applied to high dispersion of ink coating

Patent for high insulation carbon black applied to electronic potting glue and encapsulating glue

————— Acquired
- - - - - Applying



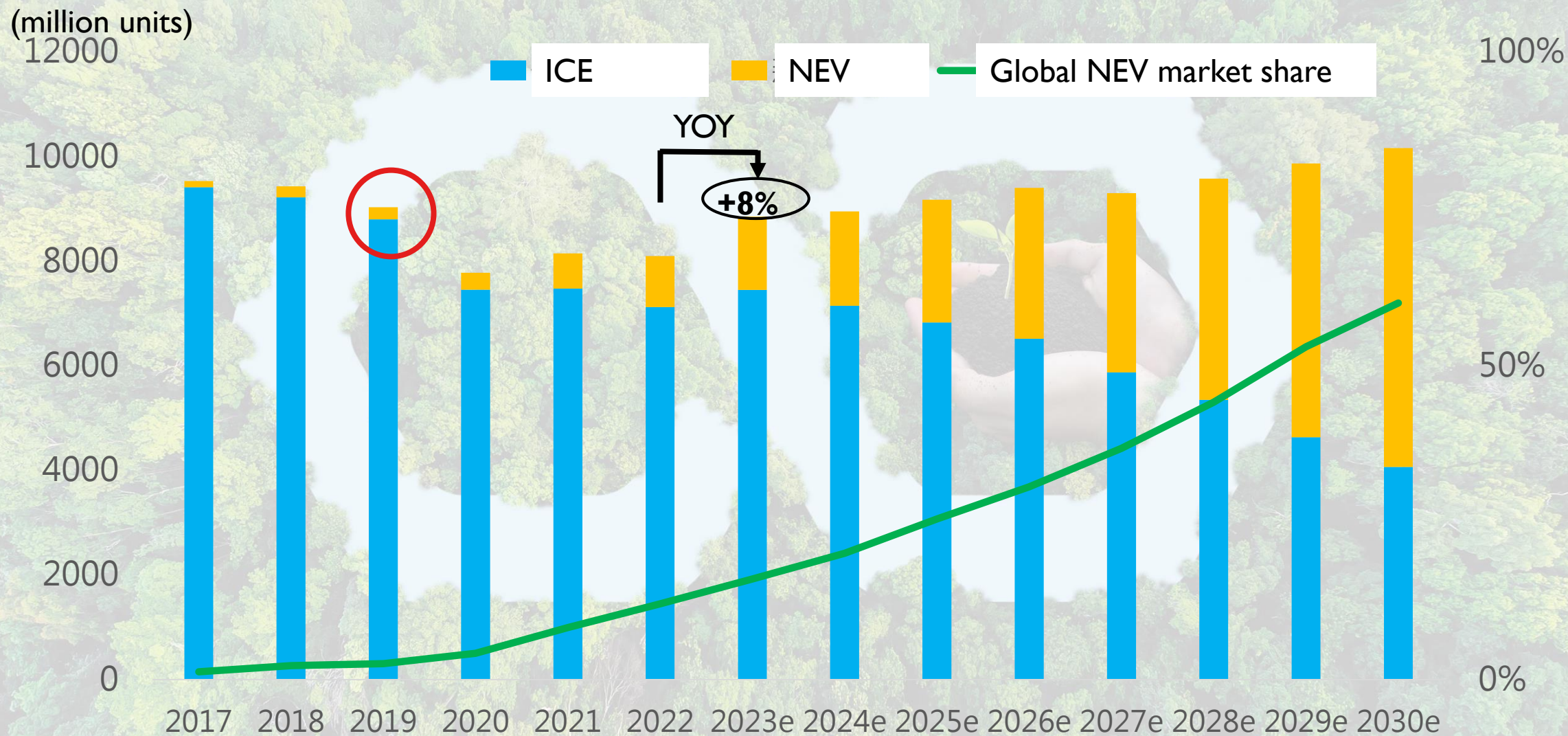
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02 Business Overview

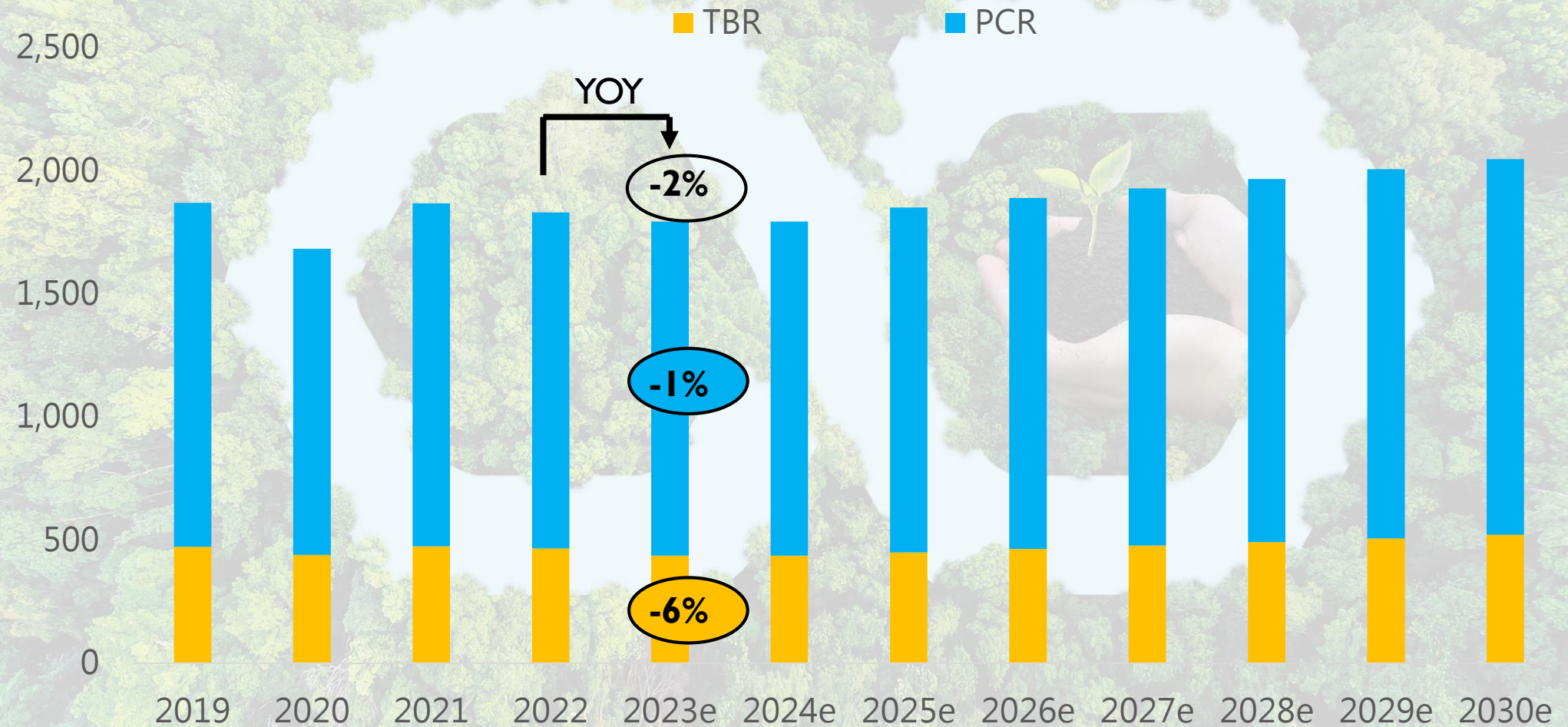


Global Car Sales Rebound After the Pandemic



World Tire Production

million units



World Carbon Black Demand

(KMT)

20,000

15,000

10,000

5,000

0

World CB Demand

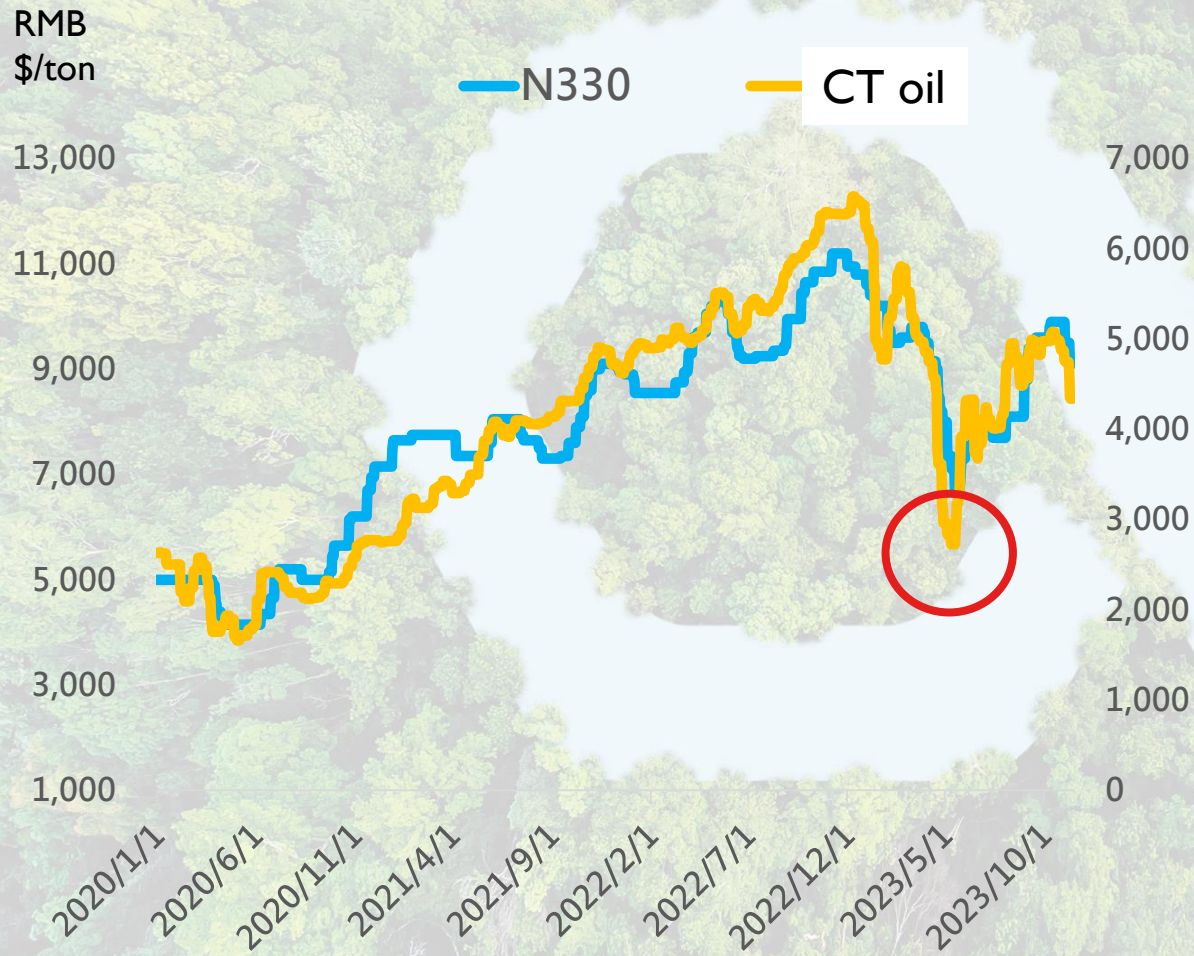
YOY

Flat

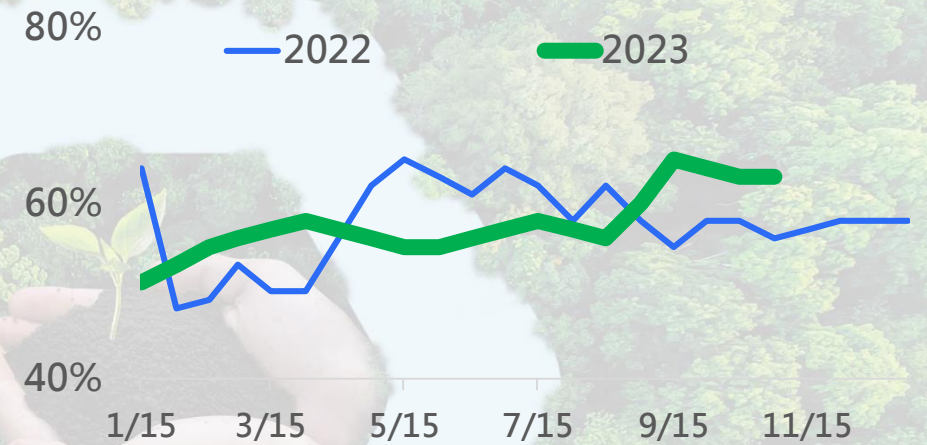
2019 2020 2021 2022 2023f 2024f 2025f 2026f 2027f 2028f 2029f 2030f

China Carbon Black Market

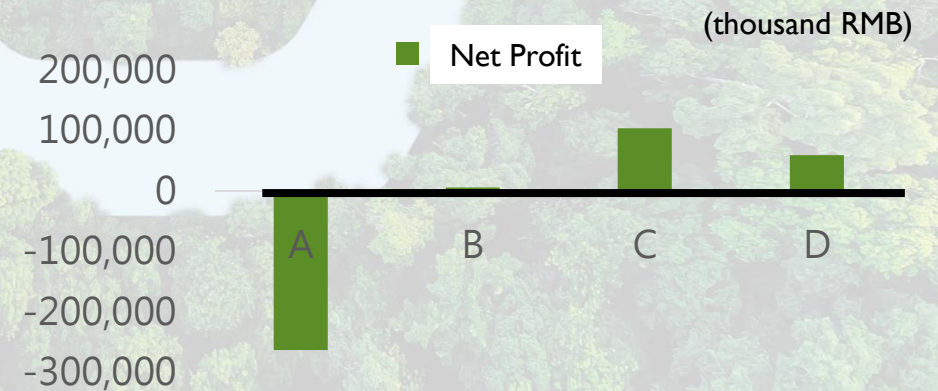
Feedstock oil



China CB Utilization Rate

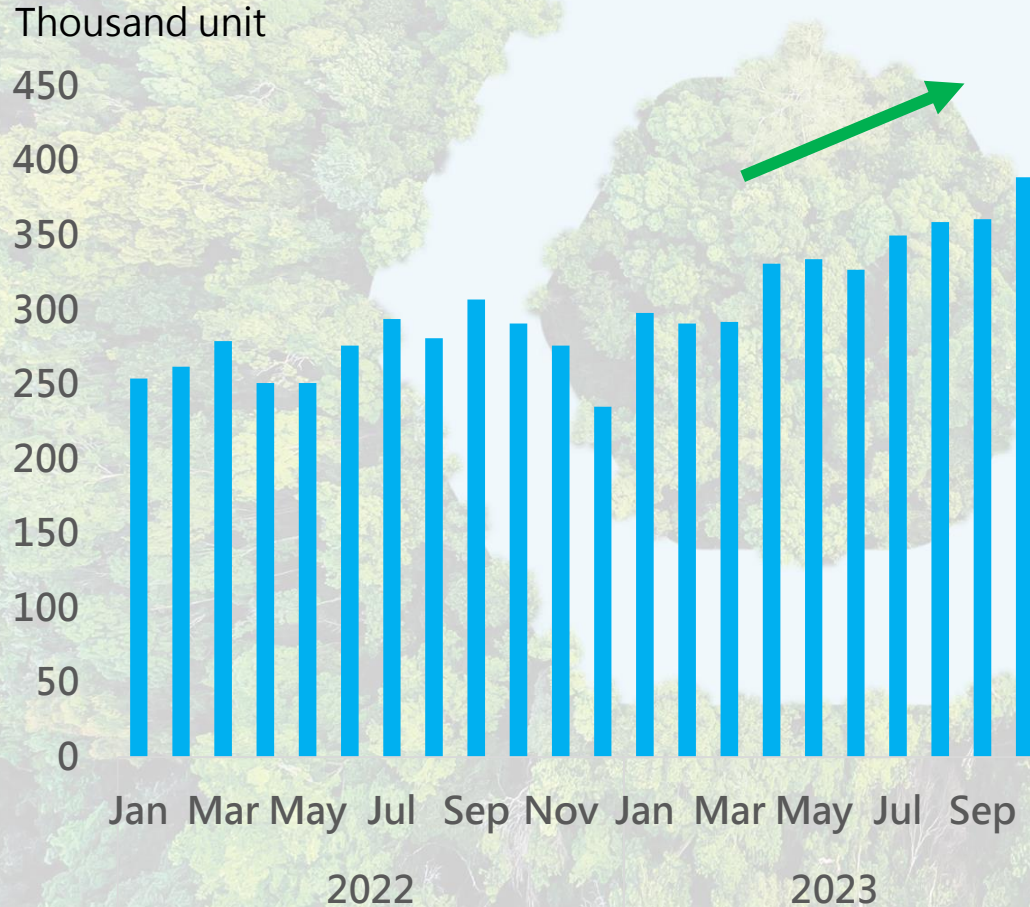


Top 4 CB Players 1-3Q23 Net Income

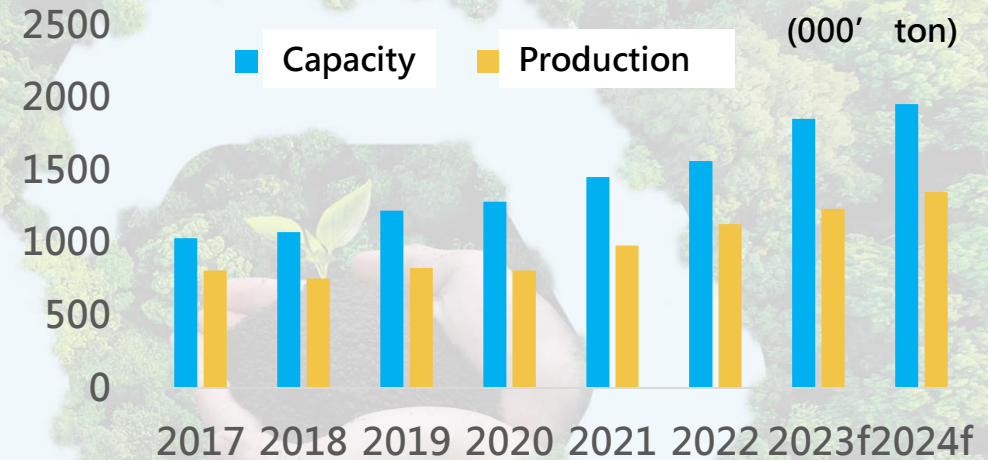


India Carbon Black Market

India Passenger car sales



CB demand/supply in India



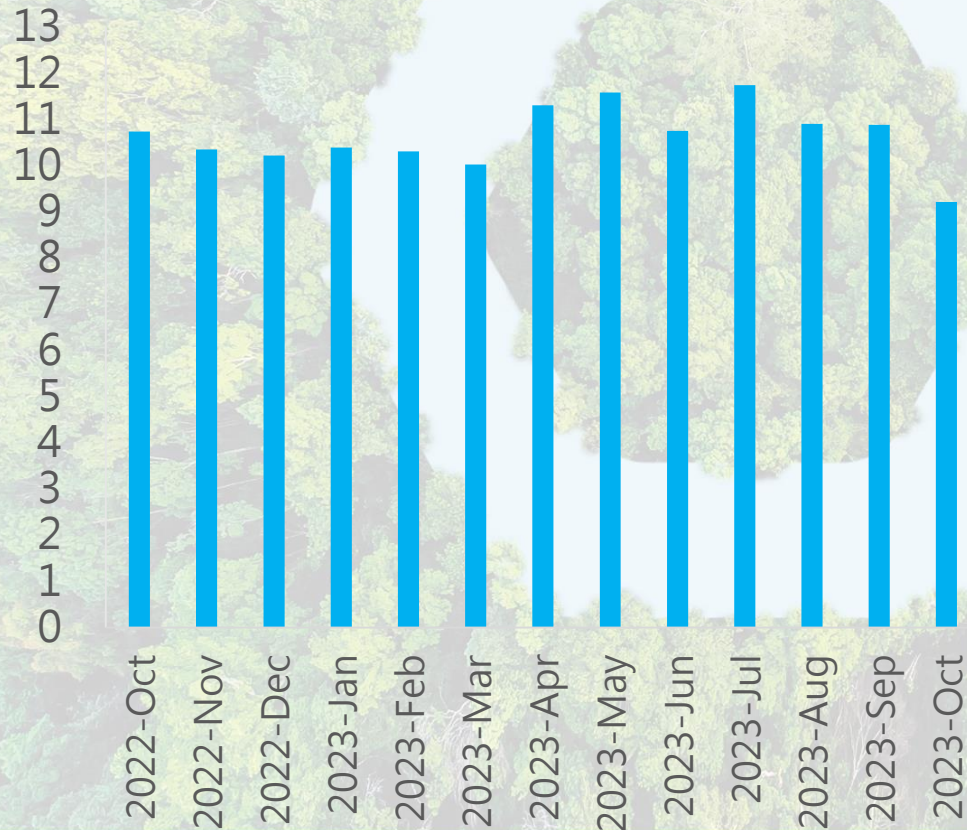
Impact of European and American sanctions on Russian carbon black

- EU to ban on Russian CB imports in 1st July 2024;
- US impose a 35% import tariff on Russian CB
- ◆ Russia material entered in India market causing price fluctuations in first half of 2023.
- ◆ India material will temporarily fill Russia's market share in Europe and the United States.

US Carbon Black Market

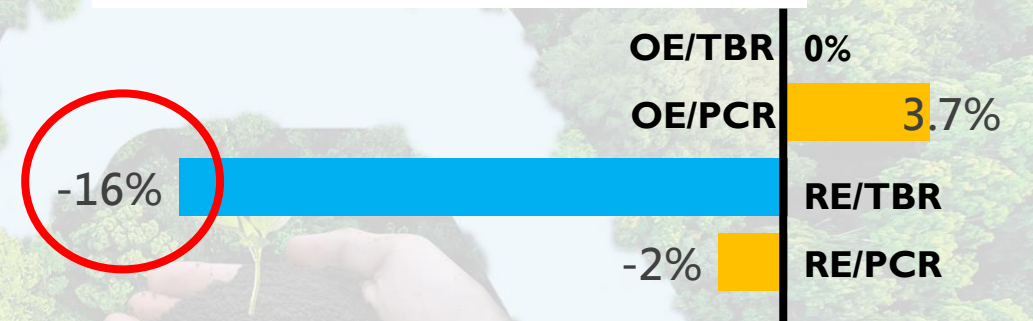
US auto assemblies affected by UAW strike

Million units

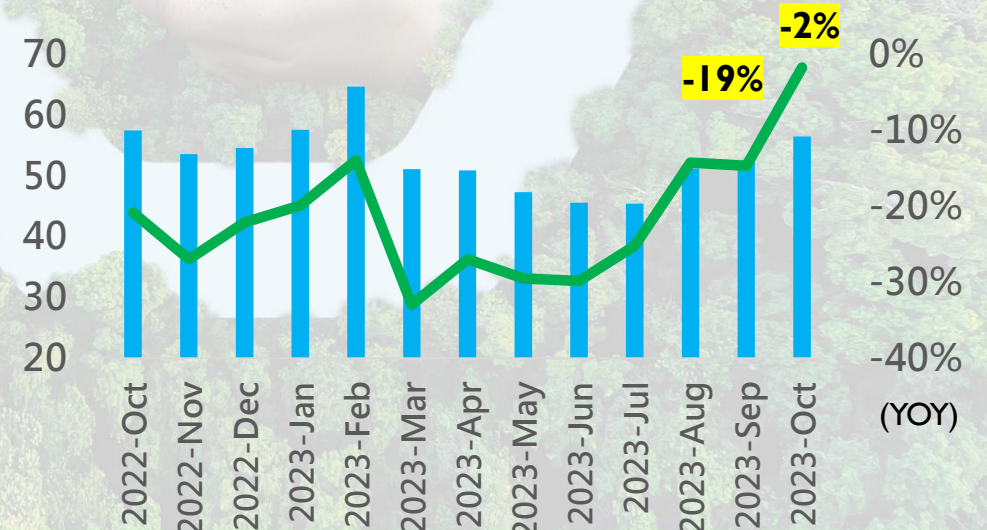


US Tire Market

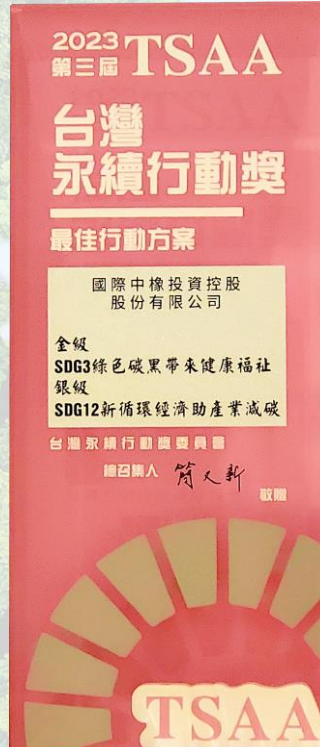
US tire shipment forecast in 2023 (YOY)



Logistic Managers' Index



Social Contribution





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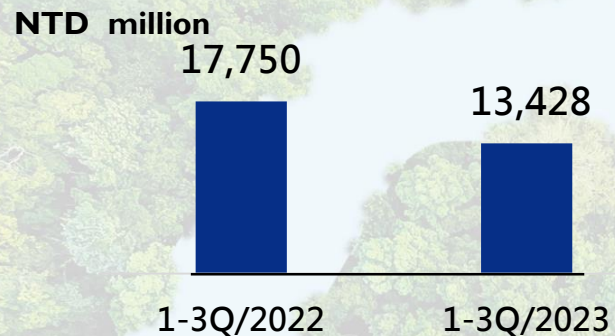


03 Operating Results

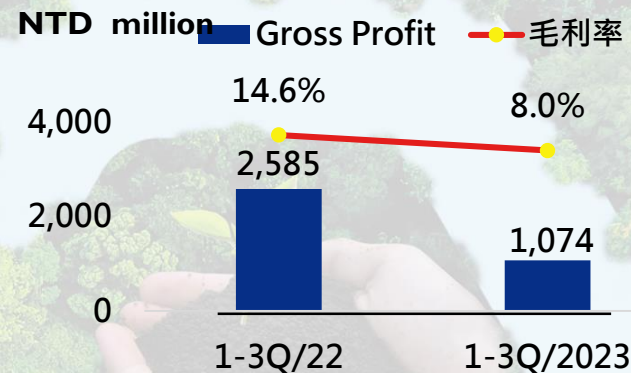


Operating Results

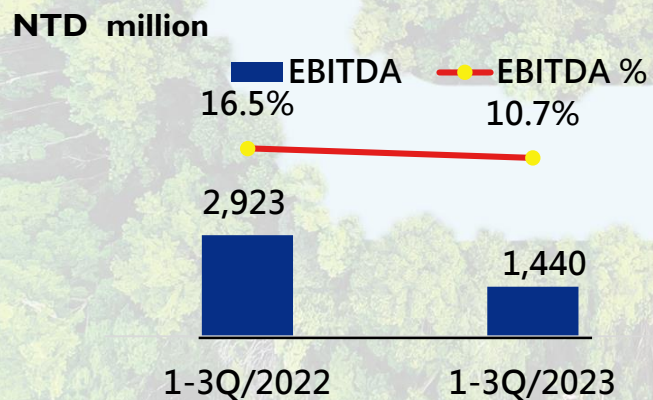
Revenue



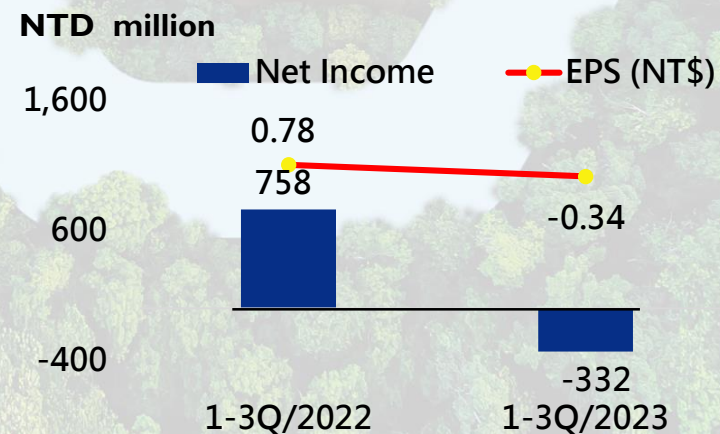
Gross Profit & %



EBITDA & %

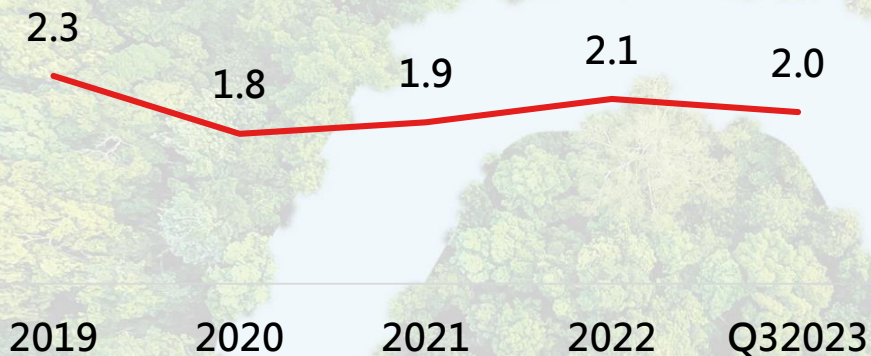


Net Income & EPS

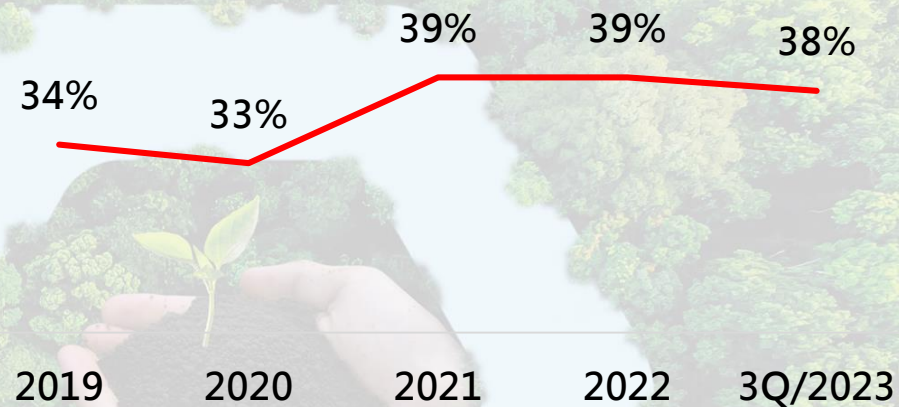


Financial Structure

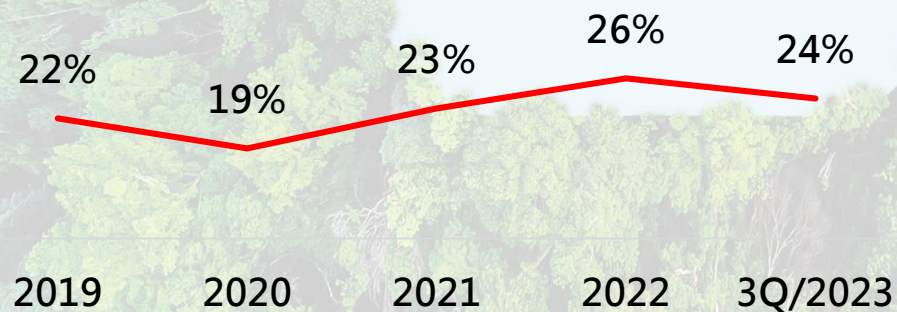
Current Ratio



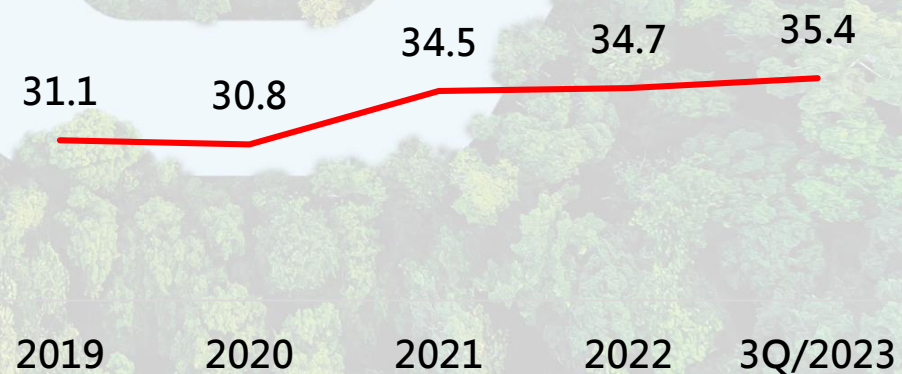
L/A



Interest bearing debt/Assets



Book value/Share



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