



台灣水泥股份有限公司

2016年第三季 法人說明會簡報資料

Nov 16, 2016

Disclaimer

The forward-looking statements contained in this presentation are subject to risks and uncertainties and actual results may differ materially from those expressed or implied in these forward-looking statements.

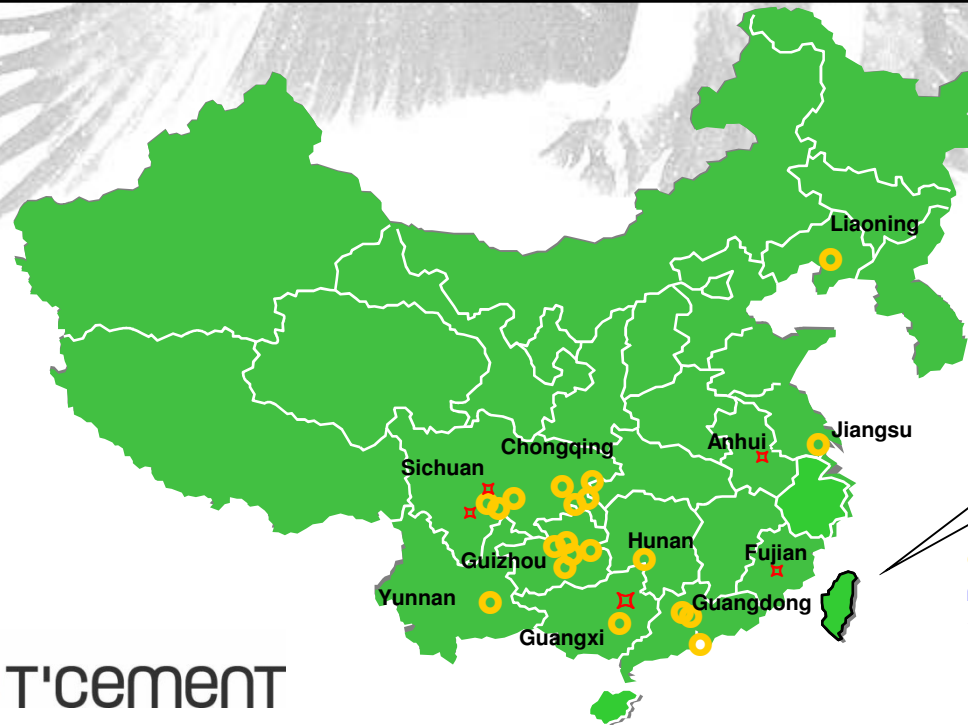
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報告內容

- **Company Snapshot**
- Key catalysts
- 3Q/2016 Financial Results
- Production Capacity in China

公司簡介

設立日期	1946年5月	2015年第四季產能			
總公司	台北 台灣	(百萬噸)	台灣	大陸	合計
上市時間	1962年2月	熟料產能	9.5	48.5	58.0
流通在外股數	3,692.2 百萬股	相當於水泥產能	10.4	58.6	69.0
收盤價(新台幣/股)	38.15	研磨產能	-	6.7	6.7
市值	新台幣1,292億元	水泥總產能	10.4	65.3	75.7
(2016年11月10日)	美金44.60億元 (USD/NTD=31.585)				
員工數	台灣: 842				
(2016年3月31日)	大陸: 8,599				



 T'cement

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2017 水泥行業主要亮點

需求面

Infrastructure for 2016, while residential property starts to kick-in since 2H16



供給面

325 product phase out plan becomes more concrete

成本面

Even with coal price rising in 2H16, our procurement advantage remains

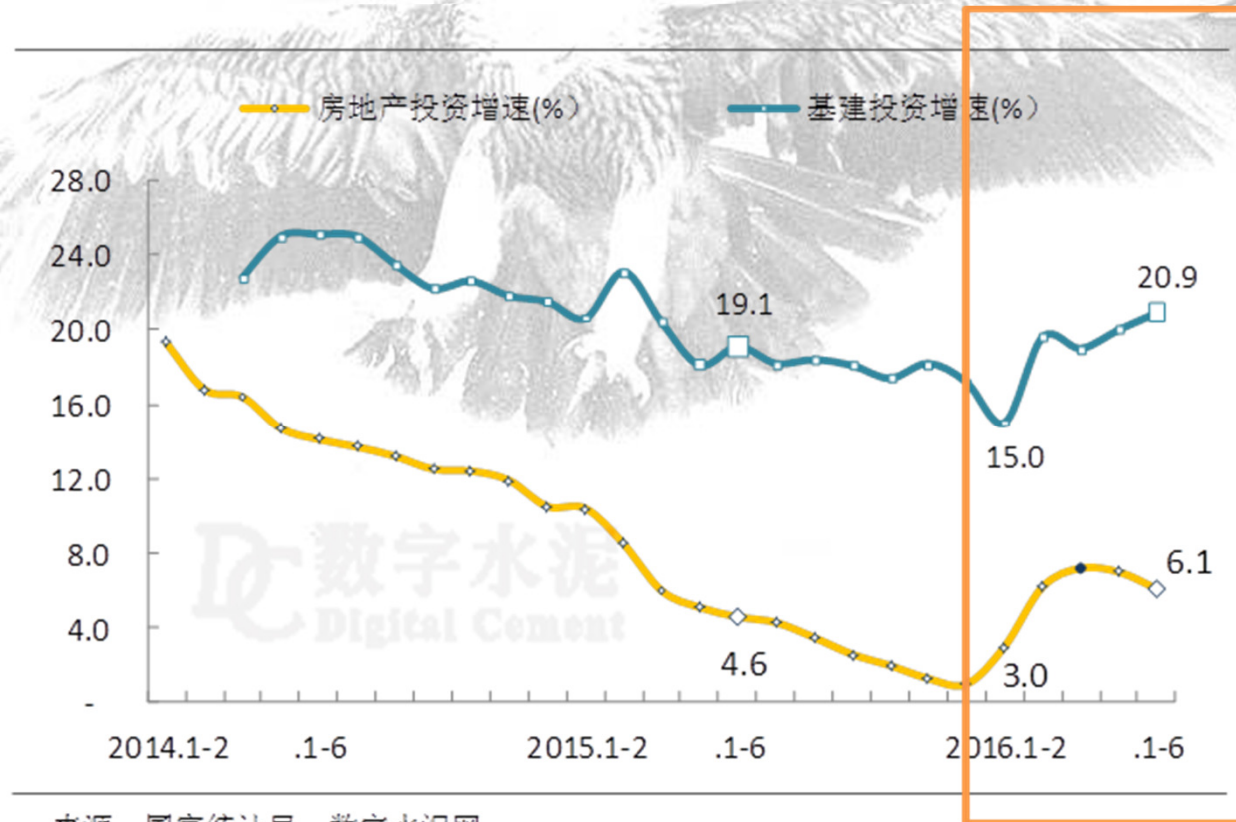
台灣

Anti-dumping clause expects to remain



強勁基礎建設支撐2016年需求

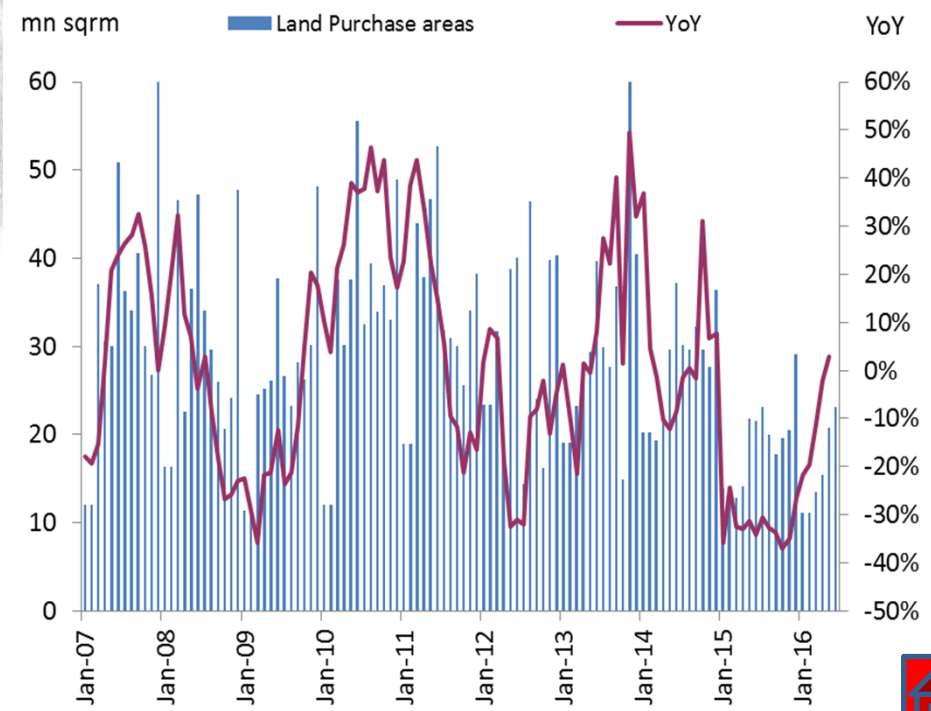
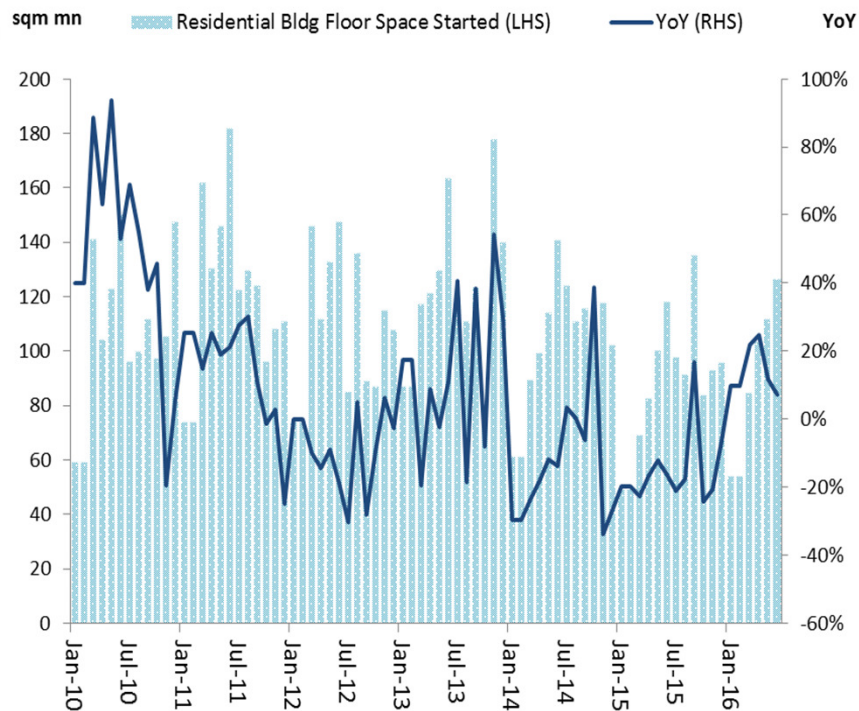
- Among this, mining investment of RMB422.5 bn is 19.7% yoy decline, while infrastructure FAI of RMB 4,908.5 bn is 20.9% yoy increase. We believe this means potential green field capacity expansion is close to the end, and demand/supply situation is moving toward a better balance.



来源：国家统计局、数字水泥网

住宅不動產也許是2017年需求的催化因子

- According to NBS, 1H2016 residential building floor space started increased 13.9% yoy to 534 mn sqm.
- Meanwhile, monthly land purchase areas also stopped its 16 months decline and started to show yoy increase since March 2016.



台泥主要亮點

黃金交叉

GPT, Sales volume, ASP all have exceeded last year's level



碳捕捉

Green business opportunities



善用科技 改善管理效能

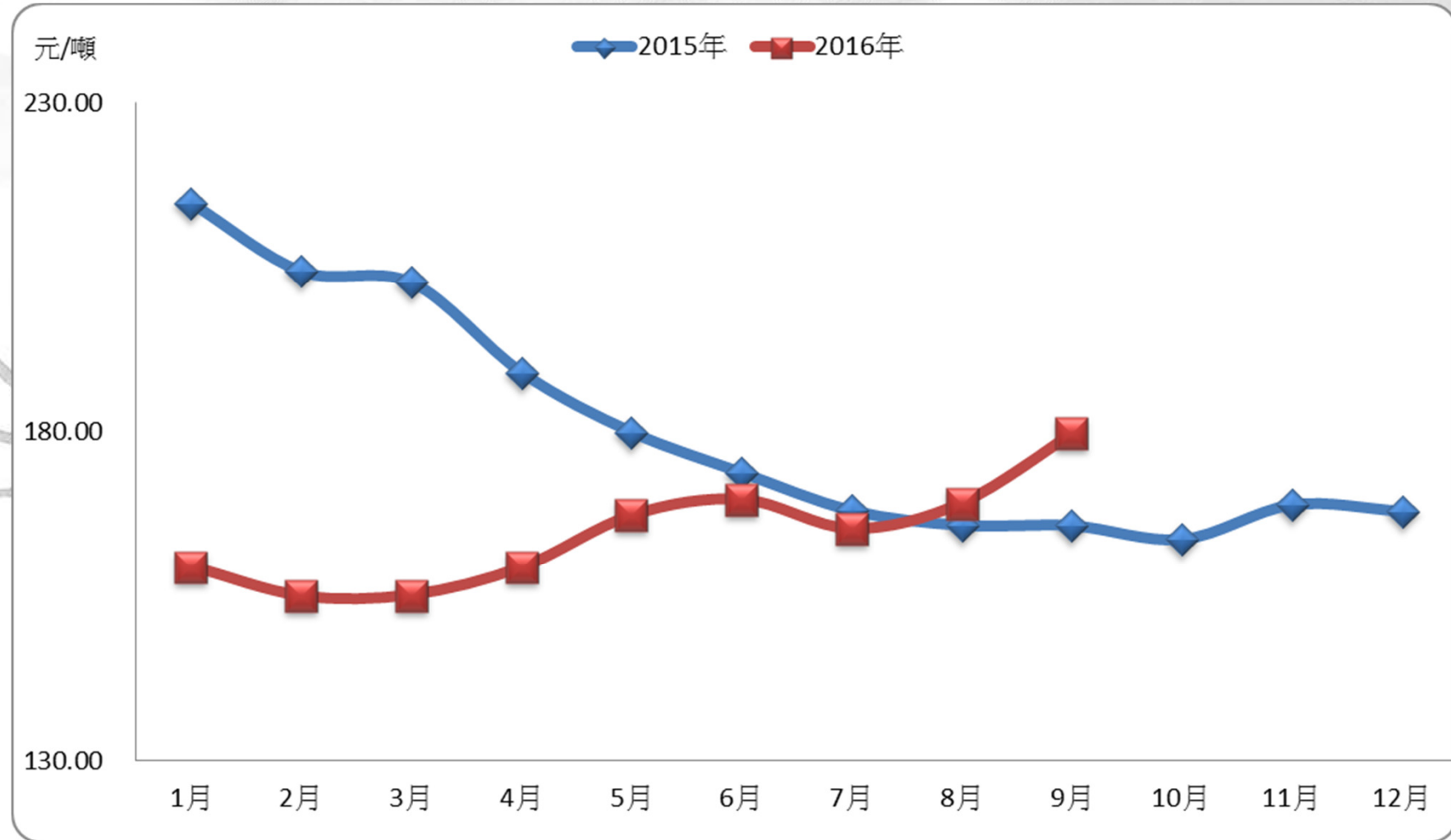


城市垃圾協同處理

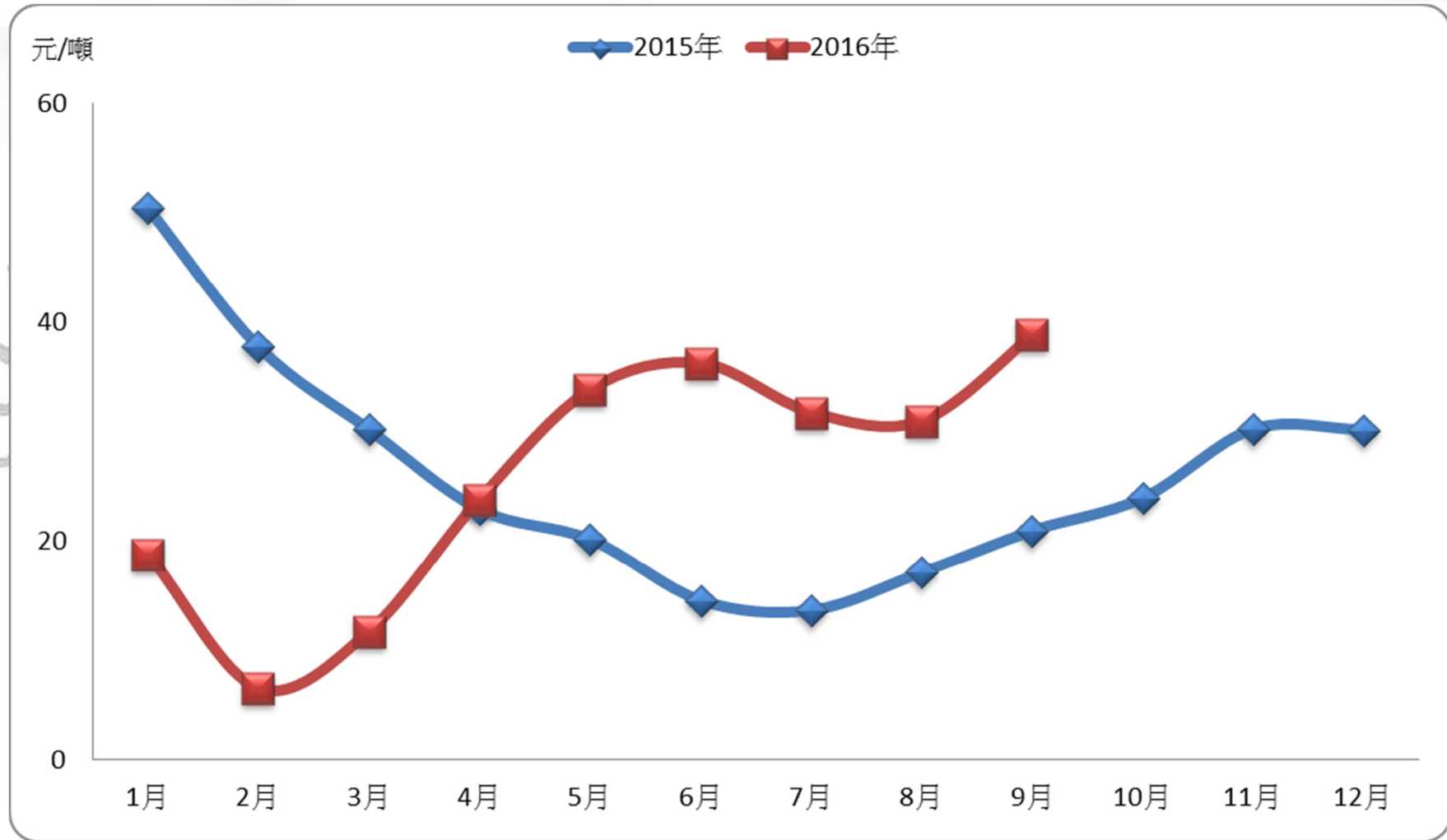
This is not only a value added service, but also a future trend.



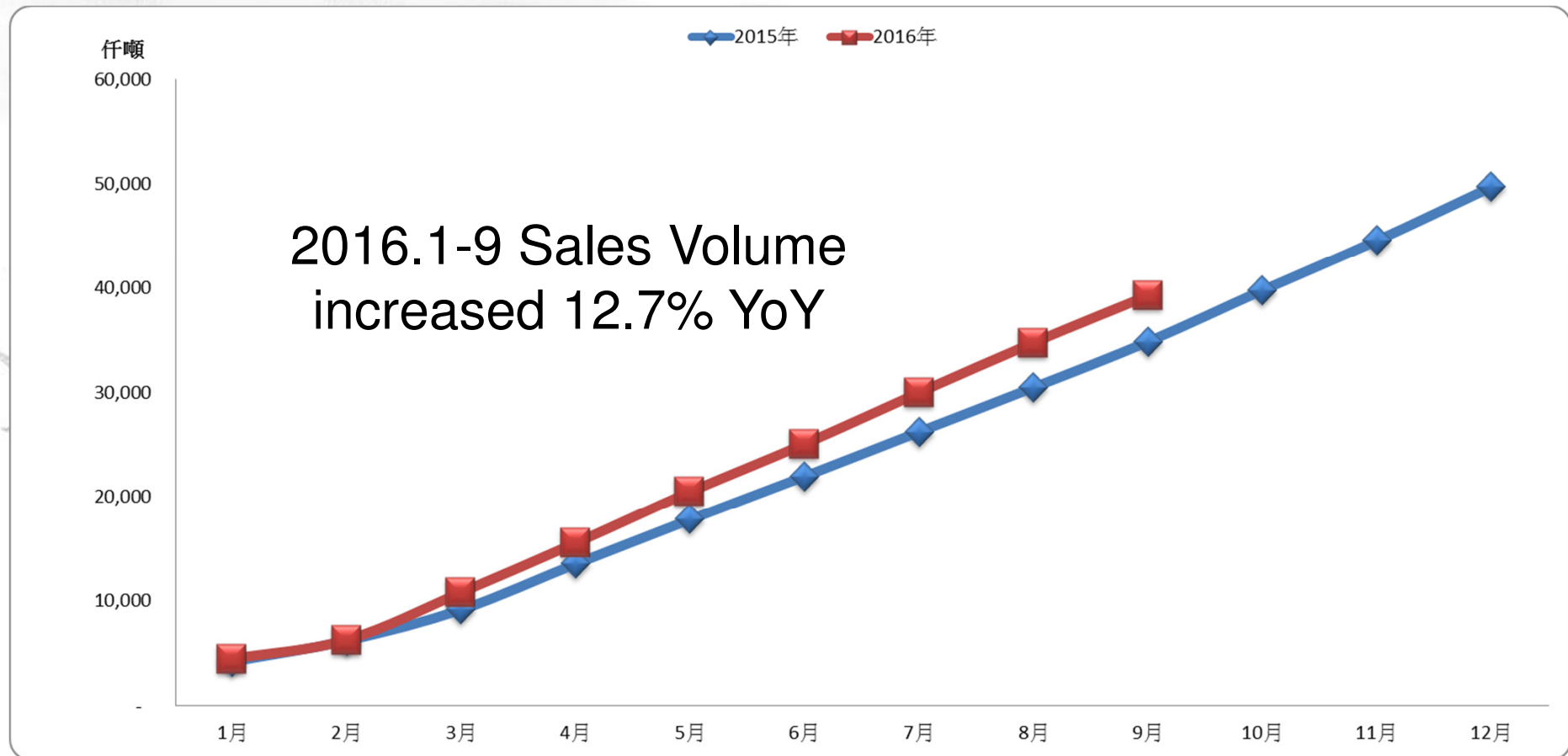
Golden Cross-GPT



Golden Cross-ASP



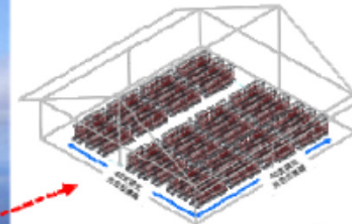
Golden Cross-Sales Volume



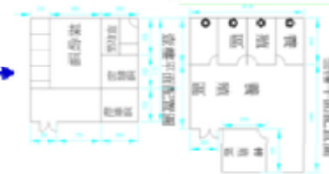
綠色商機

- TCC worked with ITRI to not only further reduce the carbon emission through calcium looping system, but also use the captured CO₂ to develop chlorella, especially high value added ones, i.e. **haematococcus pluvialis (雨生紅球藻)**
- Haematococcus pluvialis is a freshwater species, which is well known for its high content of the strong antioxidant **astaxanthin (蝦紅素)**, which is important in aquaculture, and cosmetics. In April 2009, the United States FDA approved astaxanthin as an additive for fish feed as a component of a stabilized color additive mixture.
- The primary use of astaxanthin for humans is as a food supplement. Research shows that, due to astaxanthin's potent antioxidant activity, it may be beneficial in cardiovascular, immune, inflammatory and neurodegenerative diseases. In addition to the compound's powerful anti-inflammatory and anti-oxidative capabilities, evidence indicates that astaxanthin has the potential to modulate aging.
- **TCC is working with ITRI for potential business opportunities to commercialize this research, while total investment is small (i.e. NTD100-200mn), the potential benefit could be significant.**

綠色商機

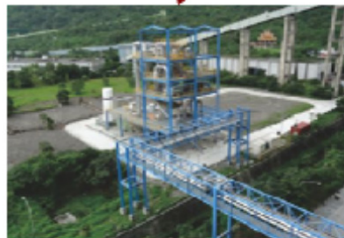


公頃級兩生紅球藻
養殖示範系統
(50 m x 200 m)



室內兩生紅球藻生
產養殖系統
(1~3樓)

CCS 示範廠
(40 m x 70 m)



微藻養殖示範場
(20 m x 30 m)





台泥2015年企業社會責任報告書

- All the information regarding our energy consumption, carbon emission...etc, and all the measures we take to maintain our sustainable growth and to protect the environment/community we live in, are available on line now! Please feel free to visit our website and download.

(<http://www.taiwancement.com/csr/>)



台泥官網



台泥CSR專區

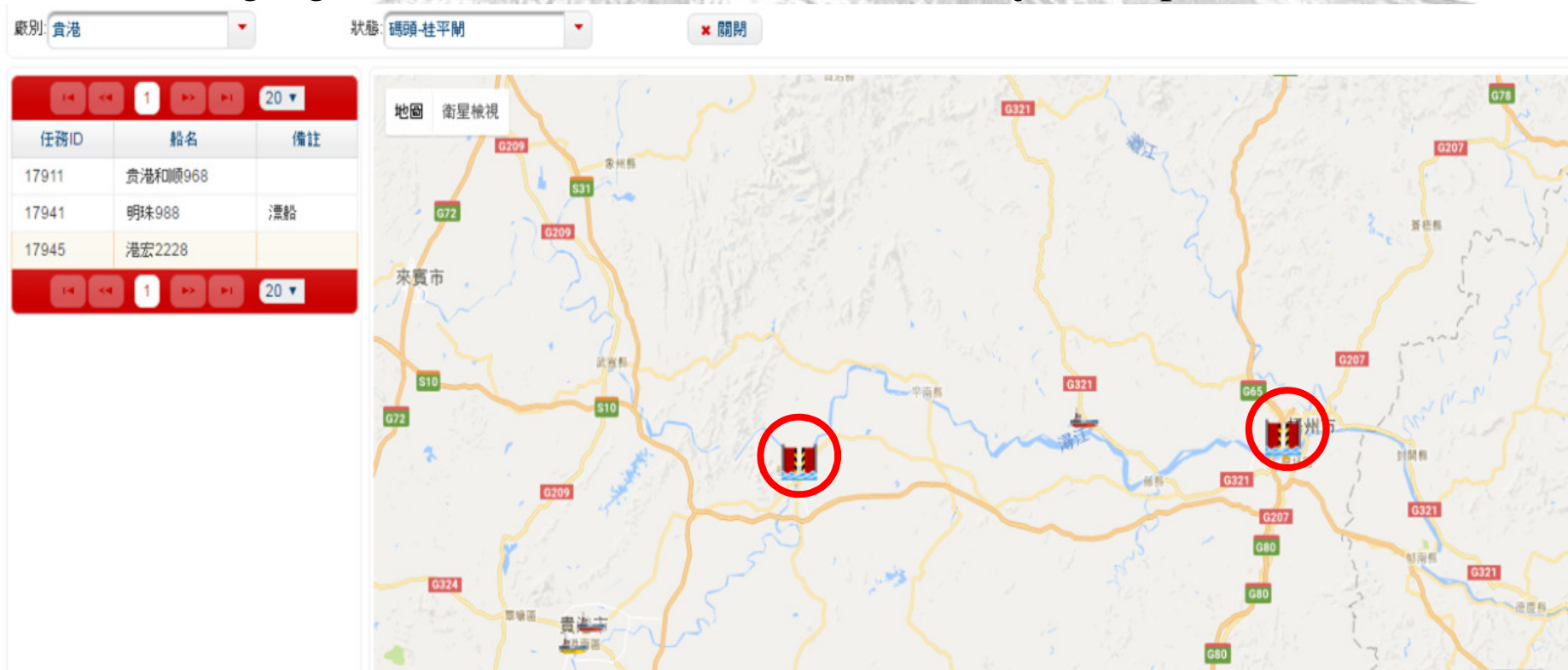


台泥CSR報告書下載

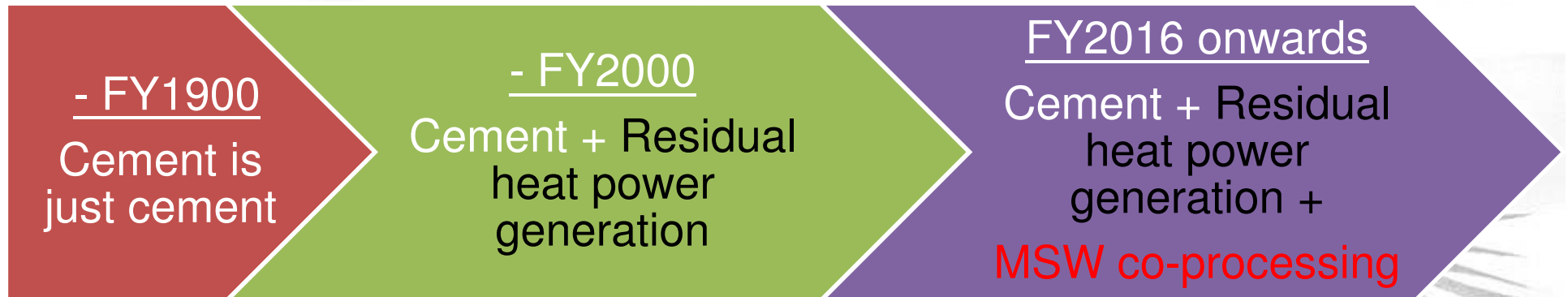


創新的APP及大數據運用以改善管理效能

- For example, our GPS on each ship is not only help to track the routes, but also can apply to a flexible shipping tariff, in order to increase the turnover.
- Our hourly sales volume tracking system in each plant can also help to better gauge the market D/S situation, so as to adjust the price mechanism.



更多附加價值的服務 – 城市垃圾協同處理



- Taiwan Cement's Anshun plant is ramping up our first waste management project in China by 2015 year-end, to work with local government to help handle the household refuse.
- Not only this project itself is a positive IRR project, but also we believe this would lead to the next step for all the cement plants – incinerators.
- Our experience in Taiwan - Suao plant has 10% of its earnings contributed from handling the industrial wastes. We see this would also be the trend in China in the next decade.

報告內容

- Company Snapshot
- Key catalysts
- **3Q/2016 Financial Results**
- Production Capacity in China

2016年第三季營運表現

(In NT millions except otherwise noted)

	3Q/16	2Q/16	3Q/15	QoQ/%	YoY/%
Net Sales_Cement (Taiwan + China)	15,309	15,808	15,579	(3.2)	(1.7)
EBITDA Cement (Taiwan + China)	2,637	2,841	1,686	(7.2)	56.4
Gross Margin (%) (Taiwan + China)	13.9%	14.4%	8.5%	(0.5)	5.5
Net Income ⁽¹⁾	2,321	2,004	949	15.8	144.6
EPS (NT\$)	0.63	0.54	0.26	0.09	0.37
ROE (%)	2.2%	1.9%	3.4%	0.3	(1.3)
ROA (%)	1.2%	1.0%	1.4%	0.2	(0.2)
Total Assets	265,078	268,777	296,749	(1.4)	(10.7)
Total Liabilities	119,620	122,004	139,109	(2.0)	(14.0)
Total Shareholders' Equity	145,458	146,773	157,640	(0.9)	(7.7)
Free Cash Flow ⁽²⁾	3,544	3,041	1,981	16.5	78.9

(1) Attributable to shareholders of the parent company

(2) Free Cash Flow = Operating Cash Flow - CAPEX - L/T Investment

2016年前三季營運表現

(In NT millions except otherwise noted)

	1~3Q/16	1~3Q/15	YoY/%
Net Sales_Cement (Taiwan + China)	43,685	46,099	(5.2)
EBITDA Cement (Taiwan + China)	6,698	6,022	11.2
Gross Margin (%) (Taiwan + China)	14.0%	10.8%	3.2
Net Income ⁽¹⁾	4,546	4,001	13.6
Basic EPS (NT\$)	1.23	1.08	13.6
ROE (%)	4.2%	3.6%	0.6
ROA (%)	2.2%	1.6%	0.6
Total Assets	265,078	296,749	(10.7)
Total Liabilities	119,620	139,109	(14.0)
Total Shareholders' Equity	145,458	157,640	(7.7)
Free Cash Flow ⁽²⁾	11,356	8,468	34.1

(1) Attributable to shareholders of the parent company

(2) Free Cash Flow = Operating Cash Flow - CAPEX - L/T Investment

2016年第三季營運表現(合併綜合損益)

<i>(In NT millions except otherwise noted)</i>	<u>3Q/16</u>	<u>2Q/16</u>	<u>3Q/15</u>	<u>QoQ/%</u>	<u>YoY/%</u>
Net Sales	22,350	22,942	22,684	(2.6)	(1.5)
COGS	17,391	17,881	19,378	(2.7)	(10.3)
Gross Profit	4,959	5,061	3,306	(2.0)	50.0
Gross Margin	22.2%	22.1%	14.6%	0.1	7.6
Operating Expense	1,179	1,291	1,310	(8.7)	(10.0)
Operating Income	3,780	3,770	1,996	0.3	89.4
Operating Margin	16.9%	16.4%	8.8%	0.5	8.1
Non-operating Income	245	(302)	(825)	181.1	129.7
Income before Tax	4,025	3,468	1,171	16.1	243.7
Income Tax Expense	(742)	(759)	(182)	2.2	307.7
Net Income	3,283	2,709	989	21.2	232.0
Net Margin	14.7%	11.8%	4.4%	2.90	10.30

2016年第三季營運表現(合併綜合損益)

<i>(In NT millions except otherwise noted)</i>	<u>3Q/16</u>	<u>2Q/16</u>	<u>3Q/15</u>	<u>QoQ/%</u>	<u>YoY/%</u>
Net Income	3,283	2,709	989	21.2	232.0
Other comprehensive income	(1,868)	(3,473)	(290)	46.2	544.1
Total comprehensive income	1,415	(764)	699	285.2	102.4
Net Income attributable to					
Owners of the Company	2,321	2,004	949	15.8	144.6
Non-Controlling Interests	962	705	40	36.5	2,305.0
Total	3,283	2,709	989	21.2	232.0
Total Comprehensive Income					
Owners of the Company	1,617	(464)	(255)	448.5	734.1
Non-Controlling Interests	(202)	(300)	954	32.7	(121.2)
Total	1,415	(764)	699	285.2	102.4
Basic EPS (NT\$)	0.63	0.54	0.26	15.8	144.7

1.Consolidated Statement of Comprehensive Income

2016年前三季營運表現(合併綜合損益)

(In NT millions except otherwise noted)

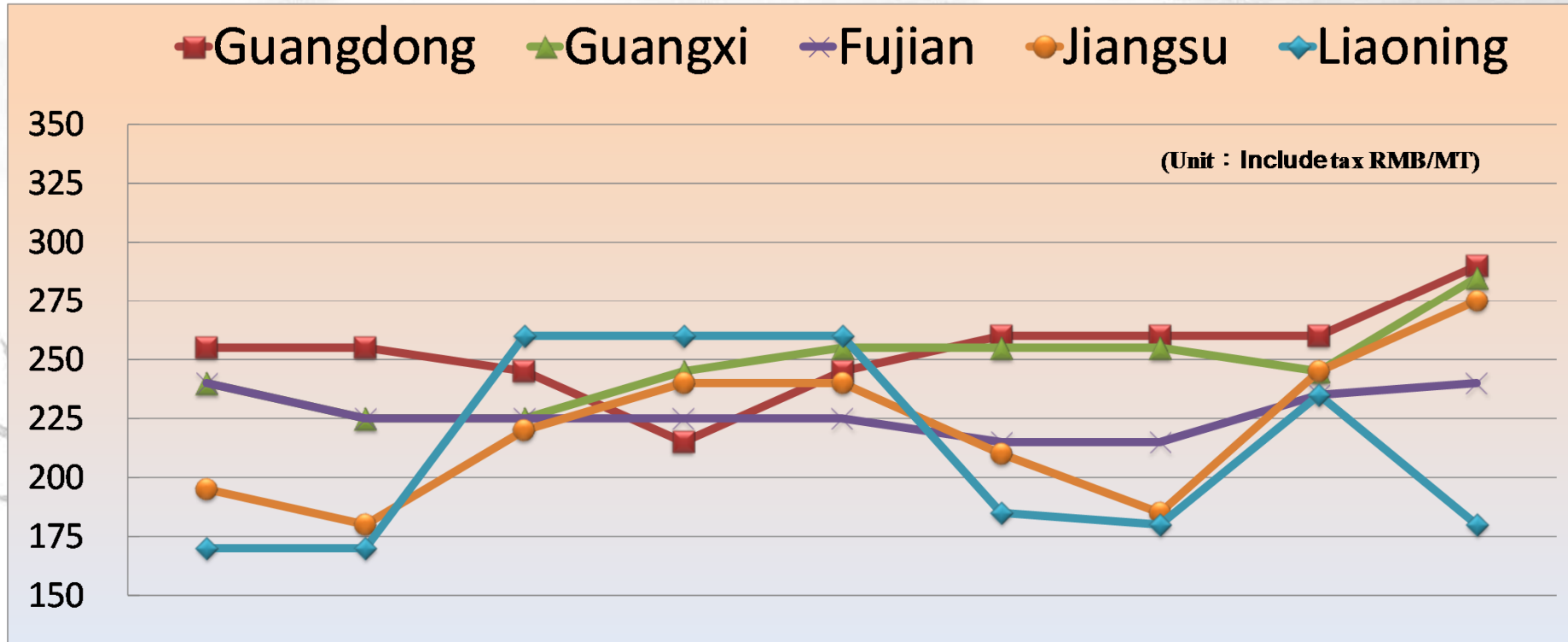
	1~3Q/2016	1~3Q/2015	YoY/%
Net Sales	63,016	69,118	(8.8)
COGS	51,410	59,034	(12.9)
Gross Profit	11,606	10,084	15.1
Gross Margin	18.4%	14.6%	3.8
Operating Expense	3,571	3,476	2.7
Operating Income	8,035	6,608	21.6
Operating Margin	12.8%	9.6%	3.2
Non-operating Income/(Expense)	(264)	(724)	63.5
Income before Tax	7,771	5,884	32.1
Income Tax Expense	(1,684)	(1,192)	41.3
Net Income	6,087	4,692	29.7
Net Margin	9.7%	6.8%	2.9

2016年前三季營運表現(合併綜合損益)

(In NT millions except otherwise noted)

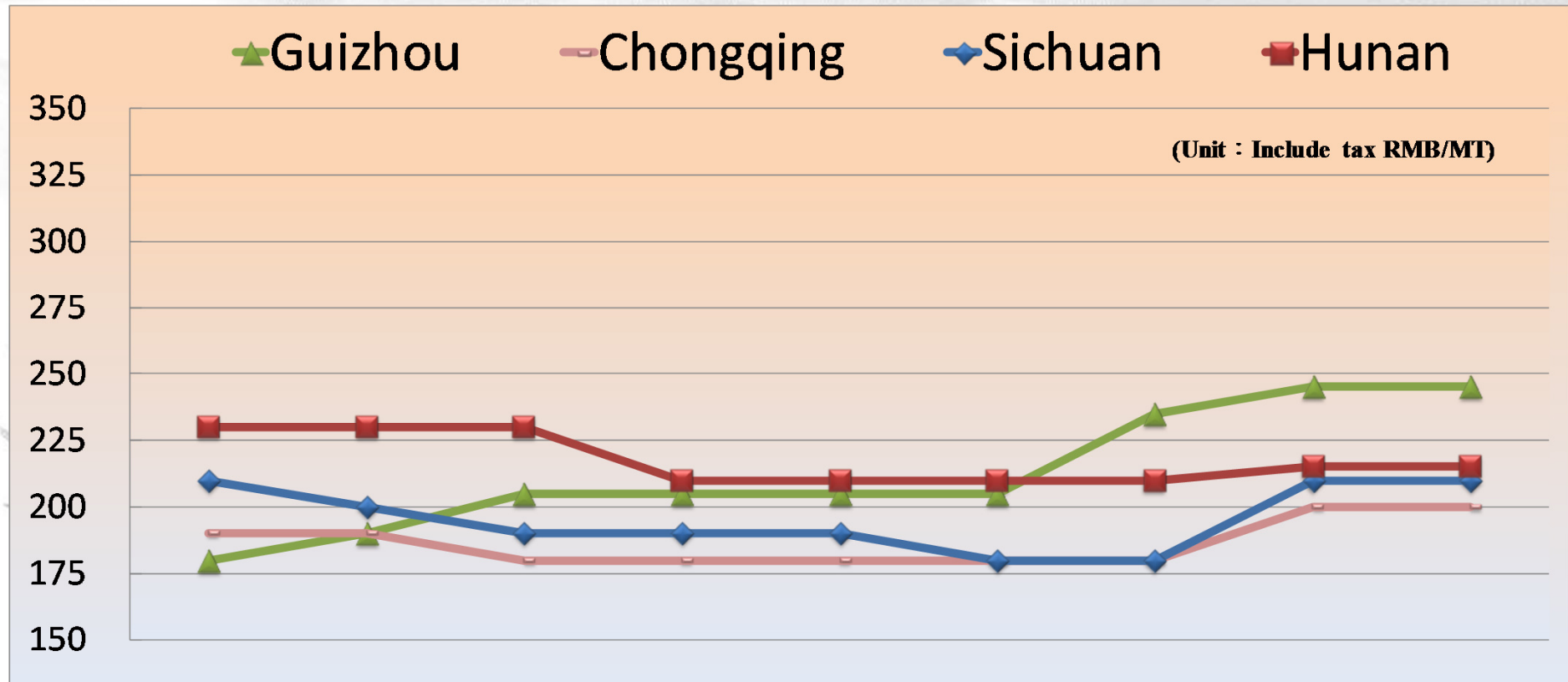
	1~3Q/2016	1~3Q/2015	YoY/%
Net Income	6,087	4,692	29.7
Other comprehensive income(loss)	(6,170)	(3,202)	92.7
Total comprehensive income	(83)	1,490	(105.6)
Net Income attributable to			
Owners of the Company	4,546	4,001	13.6
Non-Controlling Interests	1,541	691	123.0
Total	6,087	4,692	29.7
Total Comprehensive Income			
Owners of the Company	819	606	35.1
Non-Controlling Interests	(902)	884	(202.0)
Total	(83)	1,490	(105.6)
Basic EPS (NT\$)	1.23	1.08	13.6

China PO.42.5 Cement Price by District



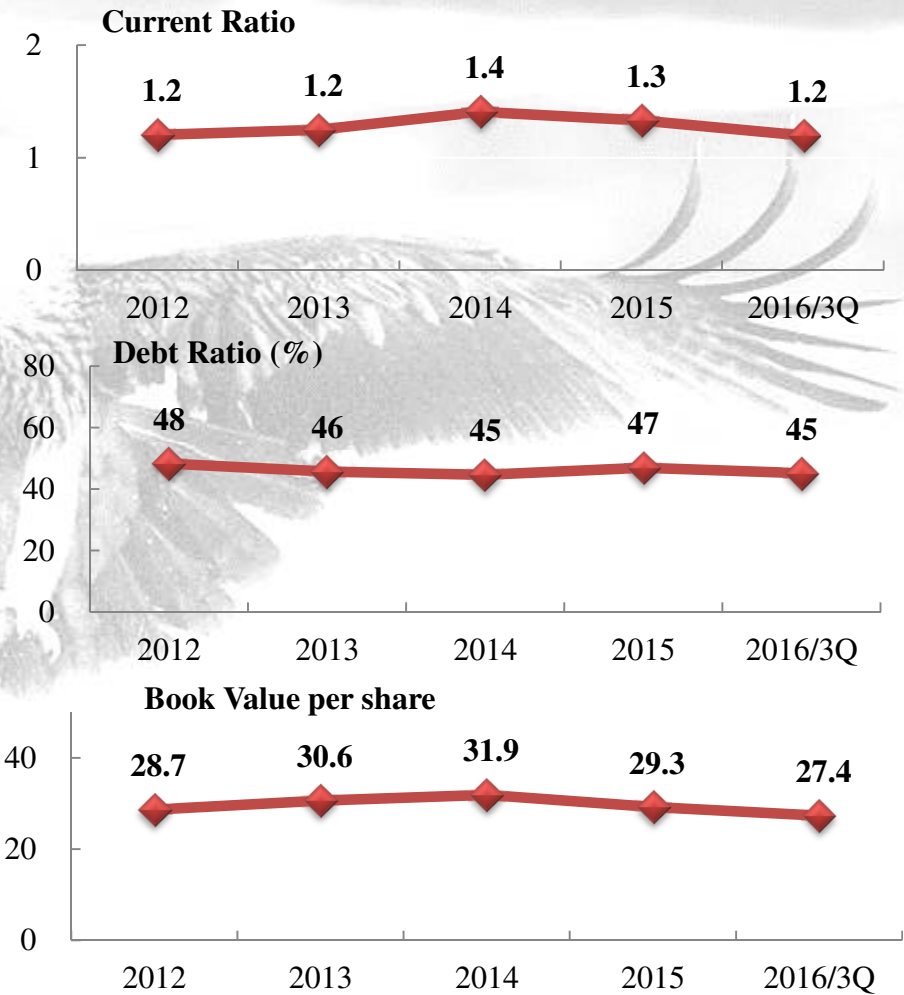
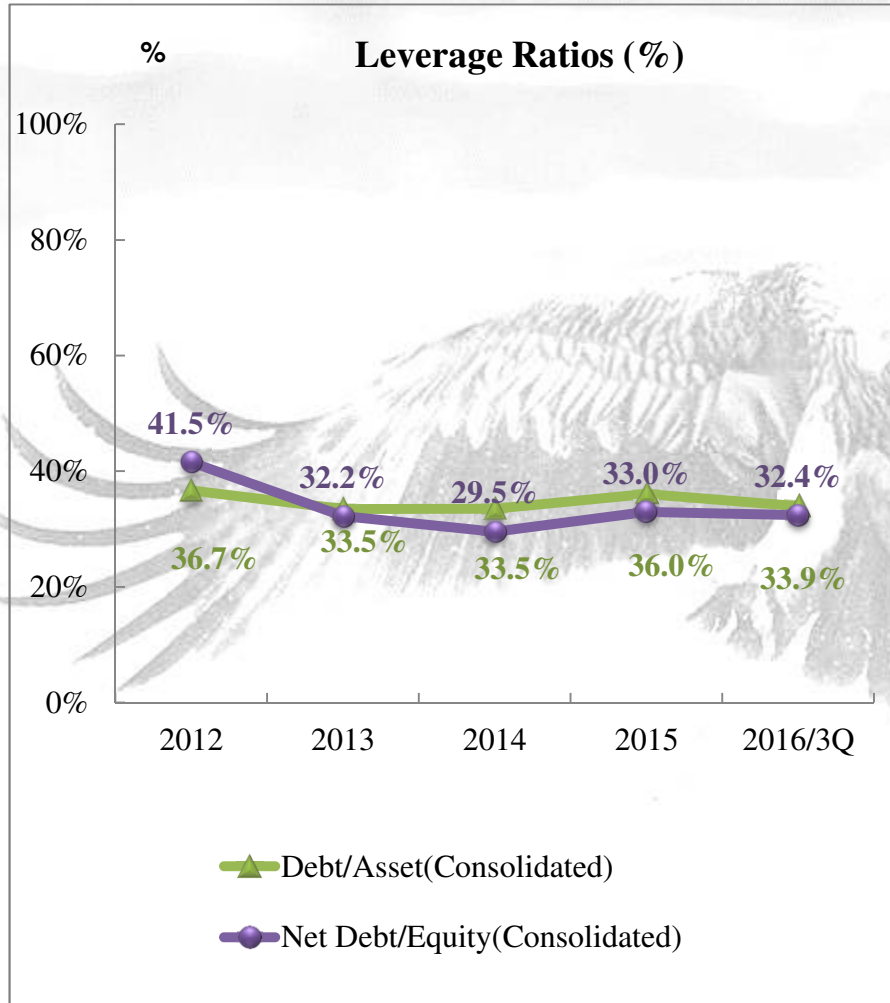
District \ Period	2016								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Guangdong	255	255	245	215	245	260	260	260	290
Guangxi	240	225	225	245	255	255	255	245	285
Fujian	240	225	225	225	225	215	215	235	240
Jiangsu	195	180	220	240	240	210	185	245	275
Liaoning	170	170	260	260	260	185	180	235	180

China PO.42.5 Cement Price by District



District \ Period	2016									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Guizhou	180	190	205	205	205	205	235	245	245	
Chongqing	190	190	180	180	180	180	180	200	200	
Sichuan	210	200	190	190	190	180	180	210	210	
Hunan	230	230	230	210	210	210	210	215	215	

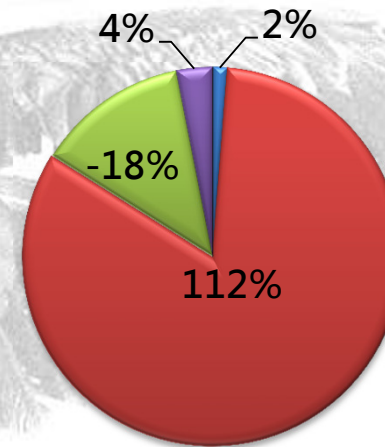
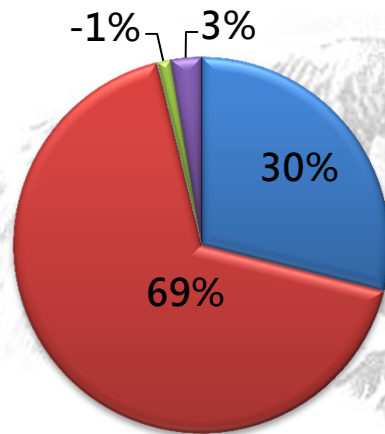
健全財務結構



2016年第三季部門別獲利

3Q 2016

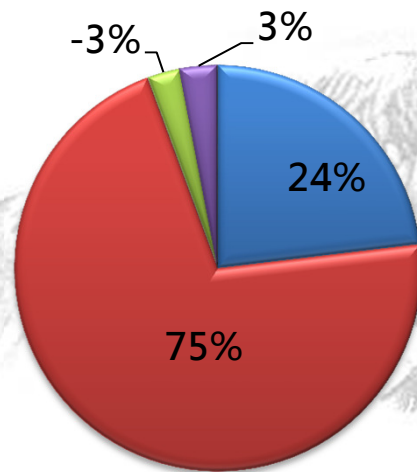
3Q 2015



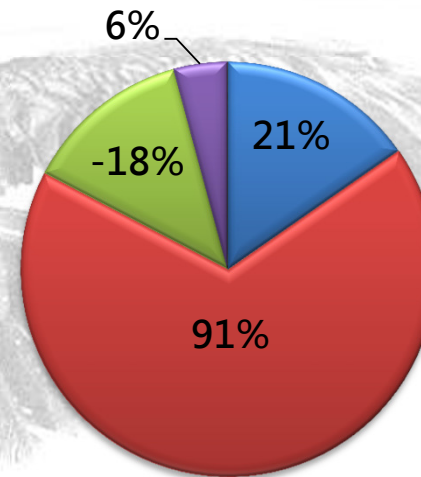
■ cement ■ power ■ chemical ■ others

2016年前三季部門別獲利

1~3Q 2016



1~3Q 2015

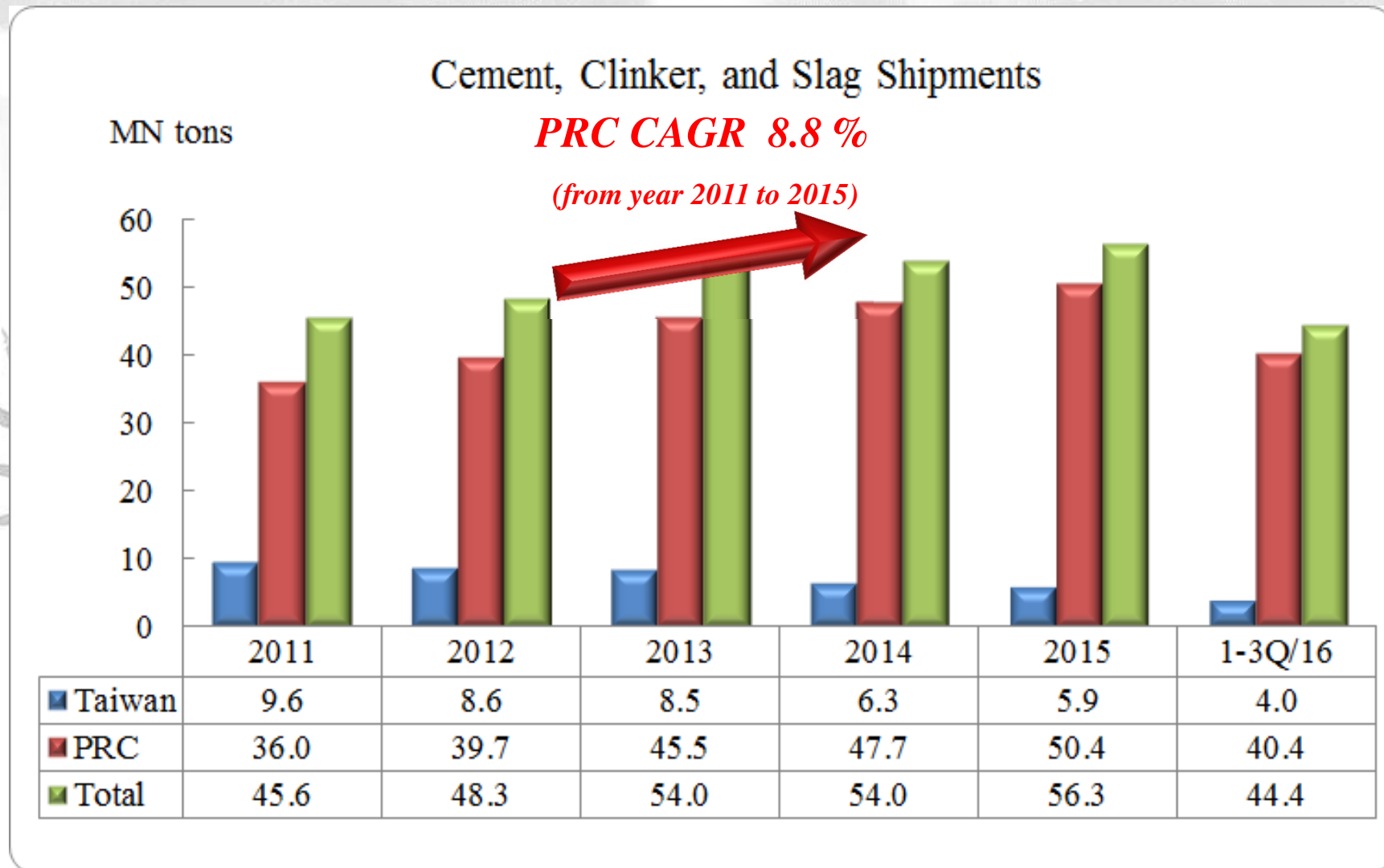


■ cement ■ power ■ chemical ■ others

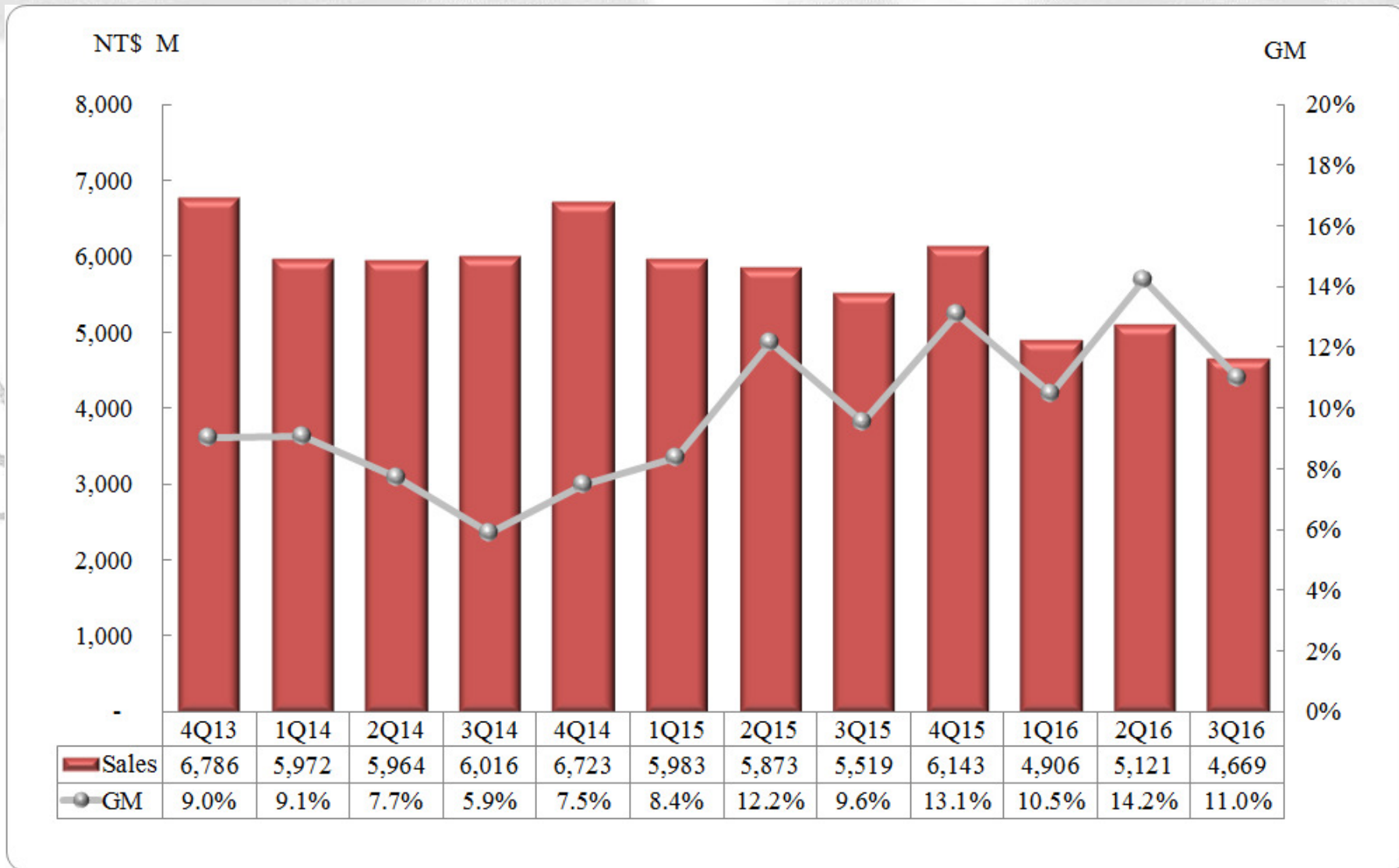
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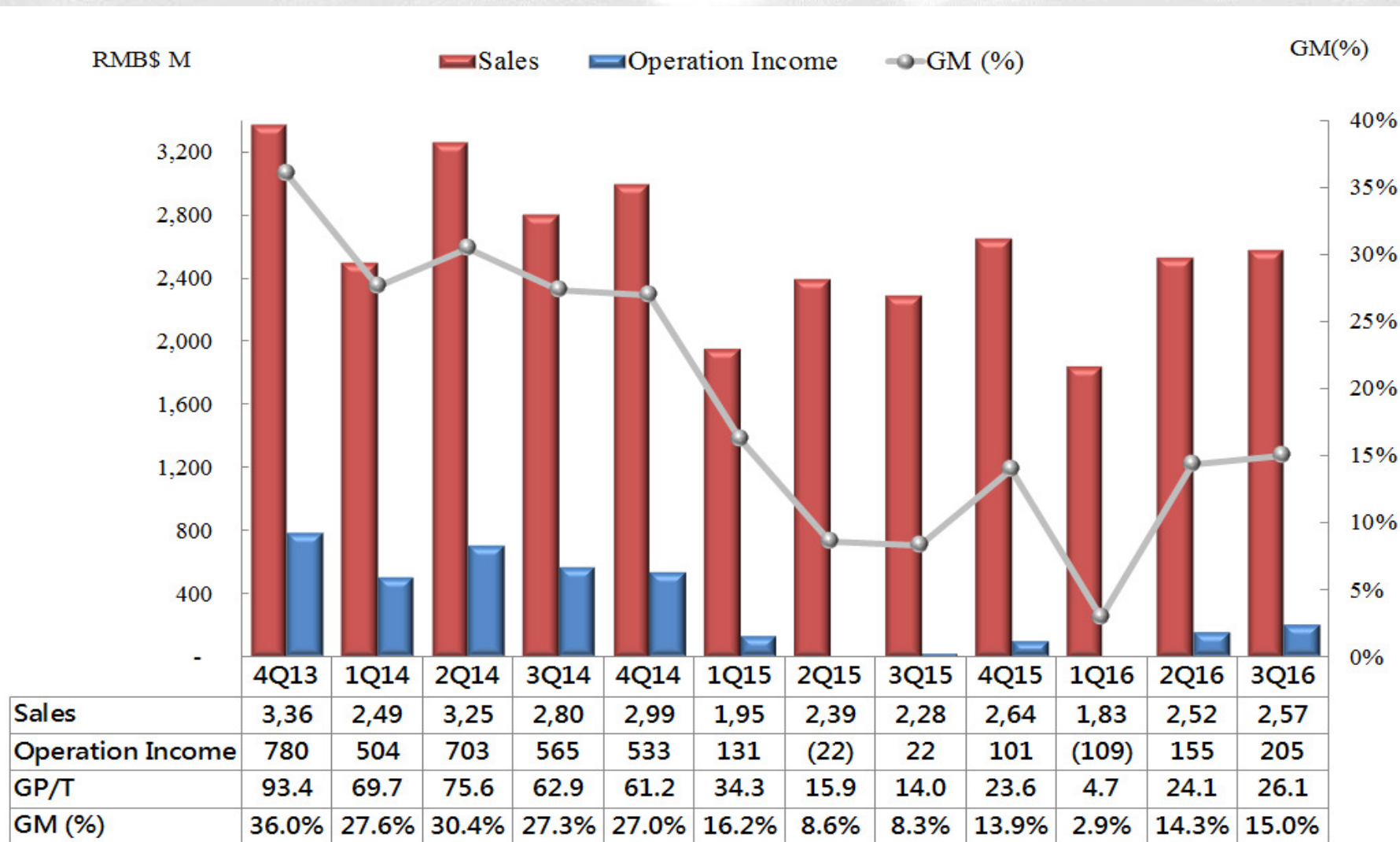
Sales Volume in Recent 5 Years



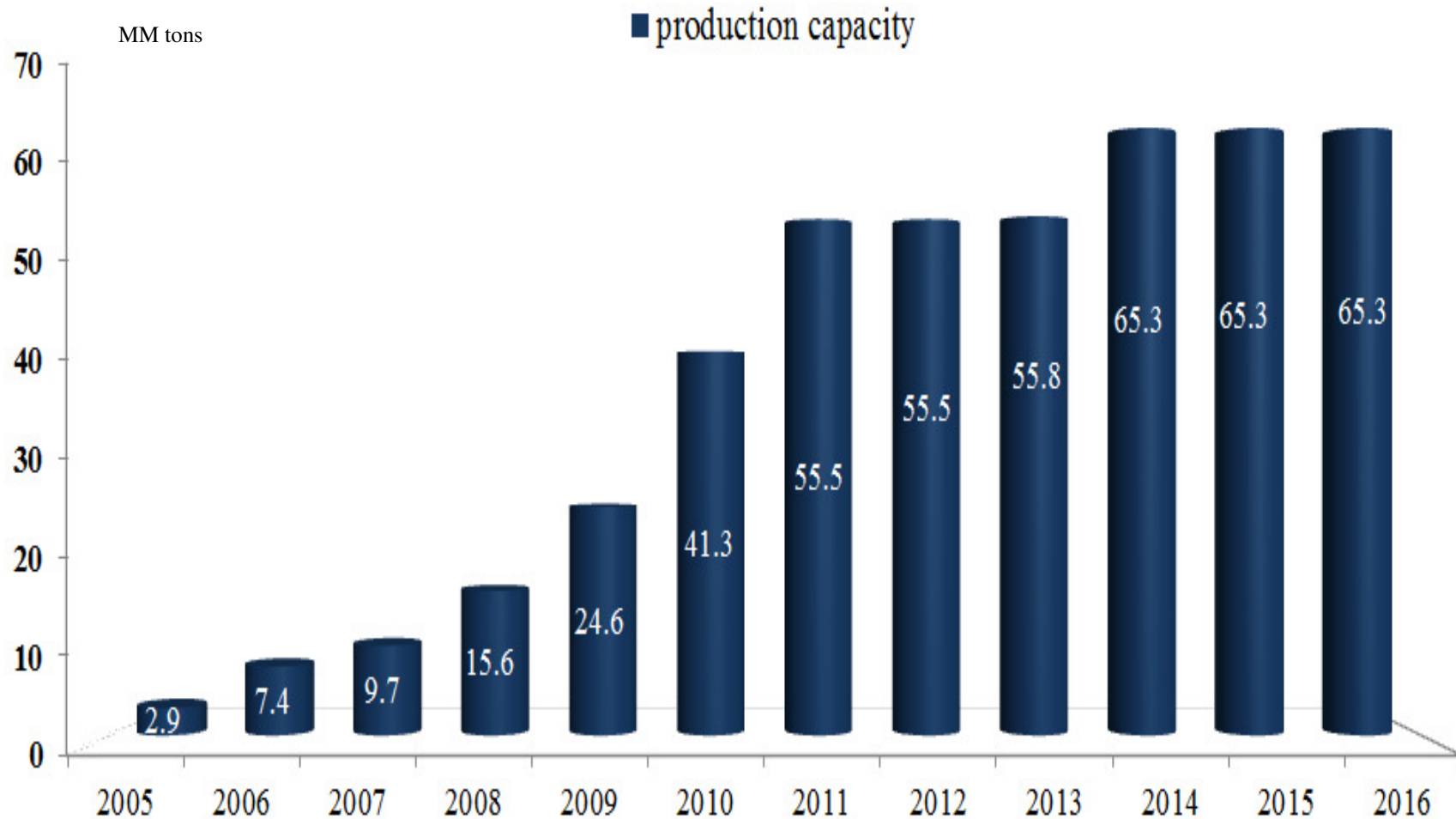
Sales / GM – Taiwan Cement Division



Sales / GM – China Cement Division



中國大陸產能擴充

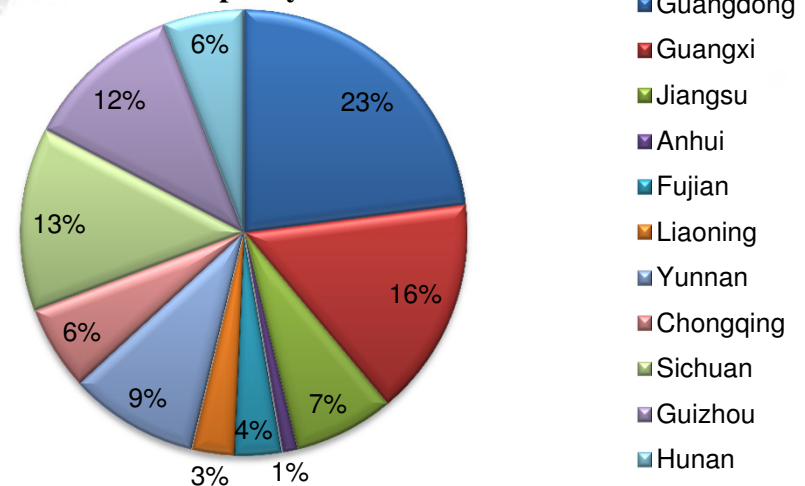


產能分佈區域

MM tons

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Guangdong	0.0	4.5	4.5	9.0	9.0	15.3	15.0	15.0	15.0	15.0	15.0	15.0
Guangxi	0.7	0.7	0.7	1.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4
Jiangsu	0.0	0.0	2.3	2.3	2.3	4.5	4.5	4.5	4.8	4.8	4.8	4.8
Anhui	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Fujian	1.5	1.5	1.5	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3
Liaoning	0.0	0.0	0.0	0.0	0.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Yunnan	0.0	0.0	0.0	0.0	0.0	4.2	4.2	4.2	4.2	6.2	6.2	6.2
Chongqing	0.0	0.0	0.0	0.0	0.0	2.0	4.0	4.0	4.0	4.0	4.0	4.0
Sichuan	0.0	0.0	0.0	0.0	0.0	0.0	6.3	6.3	6.3	8.7	8.7	8.7
Guizhou	0.0	0.0	0.0	0.0	0.0	0.0	6.2	6.2	6.2	7.5	7.5	7.5
Hunan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8	3.8	3.8
total	2.9	7.4	9.7	15.6	24.6	41.3	55.5	55.5	55.8	65.3	65.3	65.3

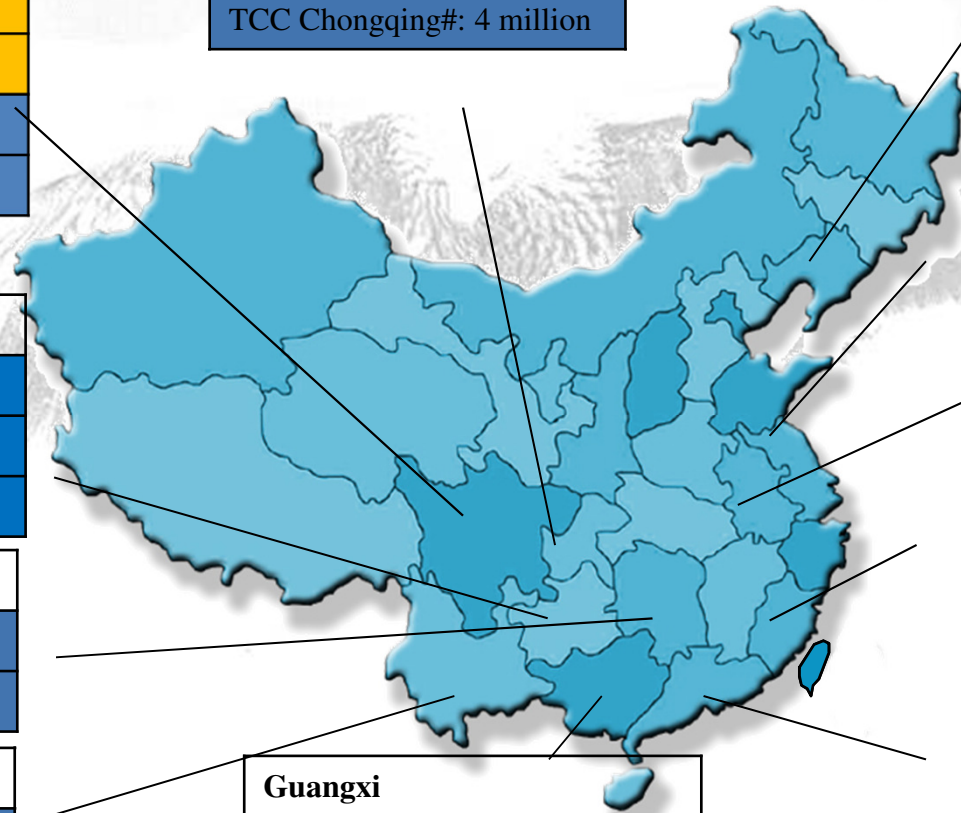
2016 capacity allocation



2016年 產能分布

Now: 65.3 million tons

Unit: tons



Sichuan
Guangan #: 2.0 million
Naxi Scitus #: 2.0 million
HoJiang Scitus #: 0.3 million
Luzhou Scitus #: 2.0 million
Hua Ying #: 2.4 million

Chongqing
TCC Chongqing #: 4 million

Liaoning
TCC Liaoyang #: 2 million

Jiangsu
TCC Jurong #: 4.75 million

Guizhou
TCC Anshun #: 4 million
Kong On *: 1.2 million
Kaili #: 2.33 million

Anhui
AKB #: 0.7 million

Hunan
TCC Huaihua #: 2.45 million
TCC Jingzhou #: 1.35 million

Fujian
TCC Fuzhou #: 2.25 million

Yunnan
Anning *: 2.64 million
Baoshan *: 3.52 million

Guangxi
TCC (Guigang) #: 9.0 million
TCC Liuzhou *: 1.4 million

Guangdong
TCC Yingde #: 9.0 million
YDM #: 6.0 million



#Subsidiary

*Associate

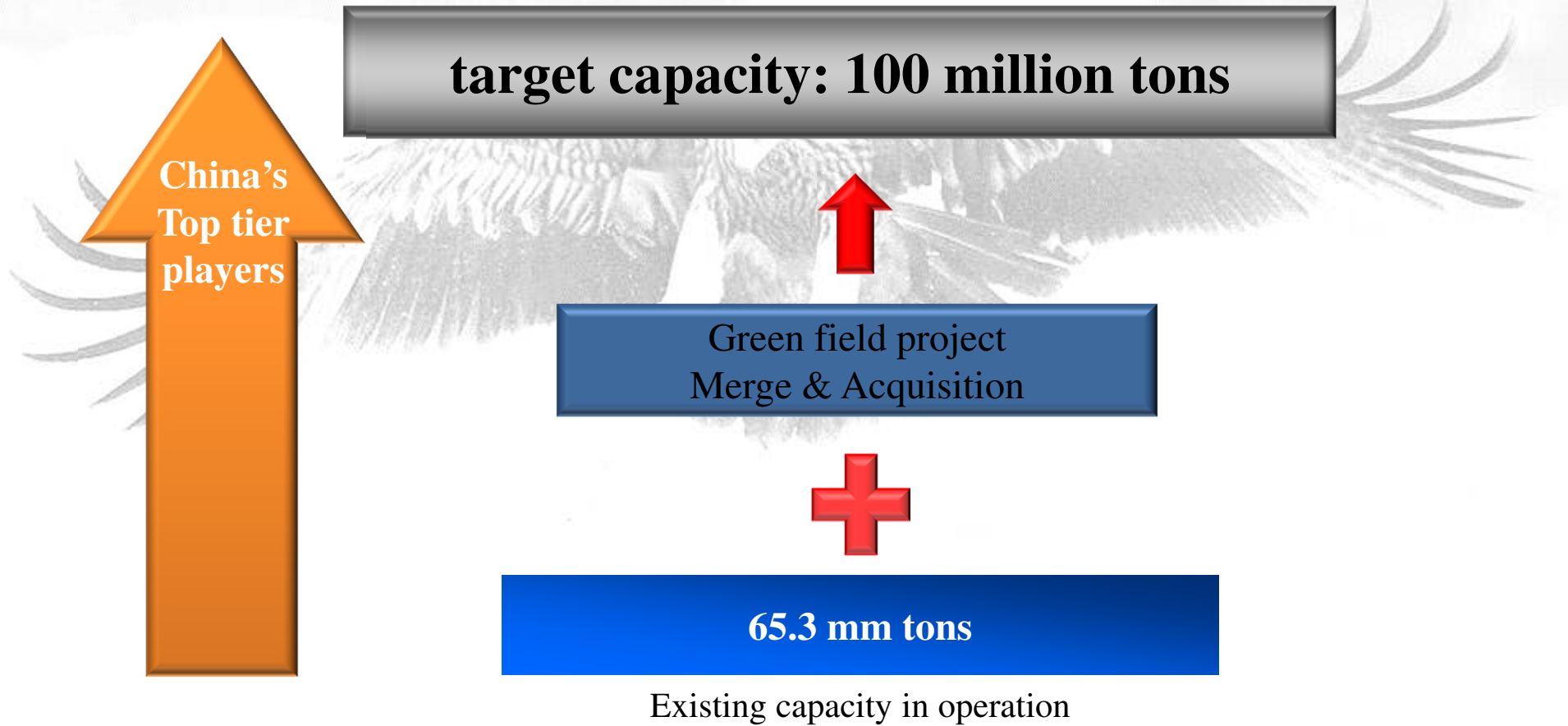
■ Cement Capacity

■ Grinding Capacity

中國大陸地區產能排名第七



中國大陸地區產能目標



Accountability, Teamwork and Execution





Thank You

ir@taiwancement.com

 T'cement