



HSIN KUANG STEEL CO., LTD.

2021年4月27日法人座談會





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新光鋼鐵股份有限公司
HSIN KUANG STEEL CO., LTD.

Introduction



新光鋼鐵股份有限公司
HSIN KUANG STEEL CO., LTD.



2020 Sales Revenue
≡ NTD 9.85 Billion



參與離岸風力發電
水下基礎設施供應鏈

TCSA Corporate
Sustainability Award
『Silver』

Established in 1965
IPO in 2000



Join Solar Power System
Supply Chain

2020 Sale Quantity
420,000mt



Sales & Production
Locations throughout
Taiwan



Guanyin Plant

Area: **95,700** m²

Steel Plate Cutting, Stainless Steel Cutting, Galvanized Steel Plate Cutting, Hot-Rolled Steel Cut Center, Vibration Isolation Bearings For Bridges And Buildings Production Center



Chiayi Plant

Area: **16,500** m²

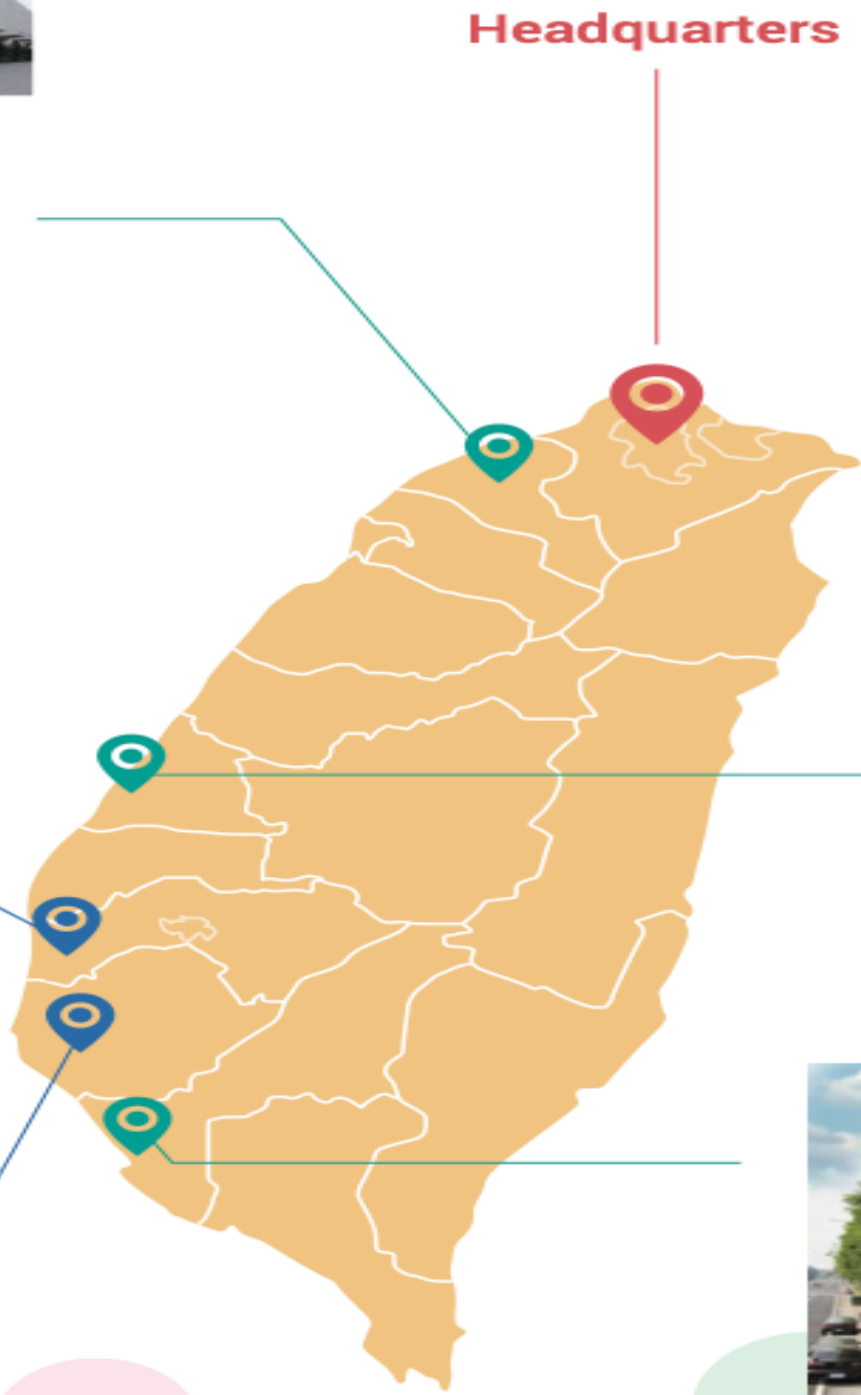
small to medium caliber pipes manufacturing center, bridge steel structure components production center



Tainan Plant

Area: **13,200** m²

special steel cutting center, logistics center



Changhua Plant

Area: **49,500** m²

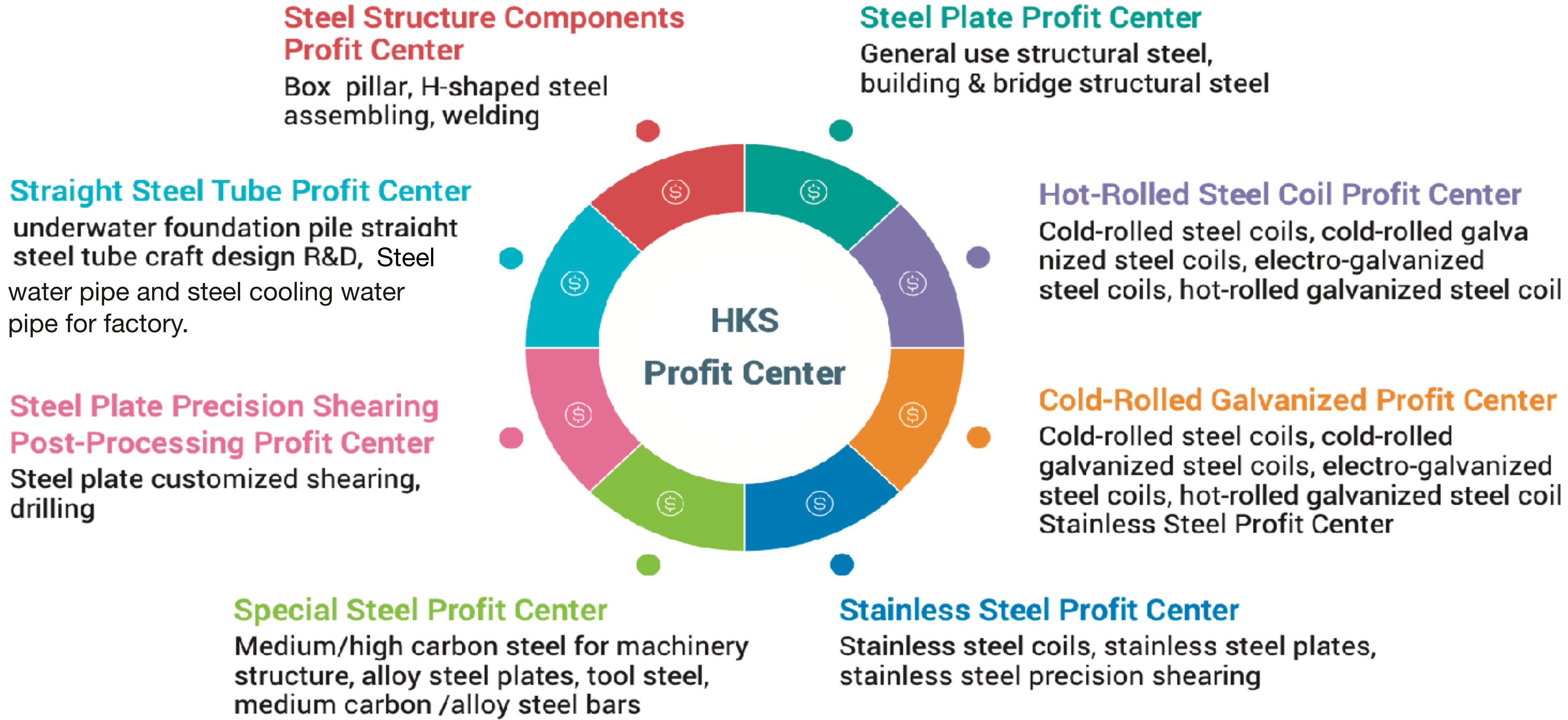
Underwater Foundation Pile Straight Steel Tube Craft Design R&D Center, Large Caliber Straight Steel Tube Production Center, Steel Coil Cutting, Logistics Center For Round Bar



Kaohsiung Plant

Area: **26,400** m²

steel structure components production center, weather-proof building materials cutting center





新光鋼鐵股份有限公司
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Milestone & Operatin Performance



Total Solution for Customers in Different Industries



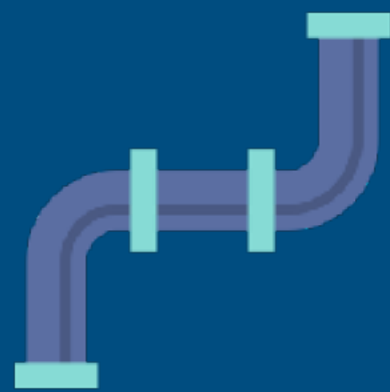
Solar Power Panel
Supporting



Public and Private Sector
Buildings and Bridges
projects



High Corrosion and High
Tensile Galvanized Steel for
Construction Sector



Steel Pipe for Water
Supply & Pin Pile for
Wharf



Offshore Wind Power
Foundation



Steel Service Center



Milestone



太陽能高耐腐蝕支撐架

- Hsin Kunag has sold over **450M.W.** solar panel steel supporting in Taiwan.
- If adding orders in hand, it would be around **1G.W.**, which is almost around a nuclear power plant.
- We have successfully & jointly designed steel structure supporting for using on Fishery and Electricity Symbiosis with our partner, and will be mass production this year.
- 2020 Market share was 15%, we expect it will grow to 20% in 2021.
- 2021 the install capacity of solar power system on our factories' roof will be **15M.W.**



Milestone

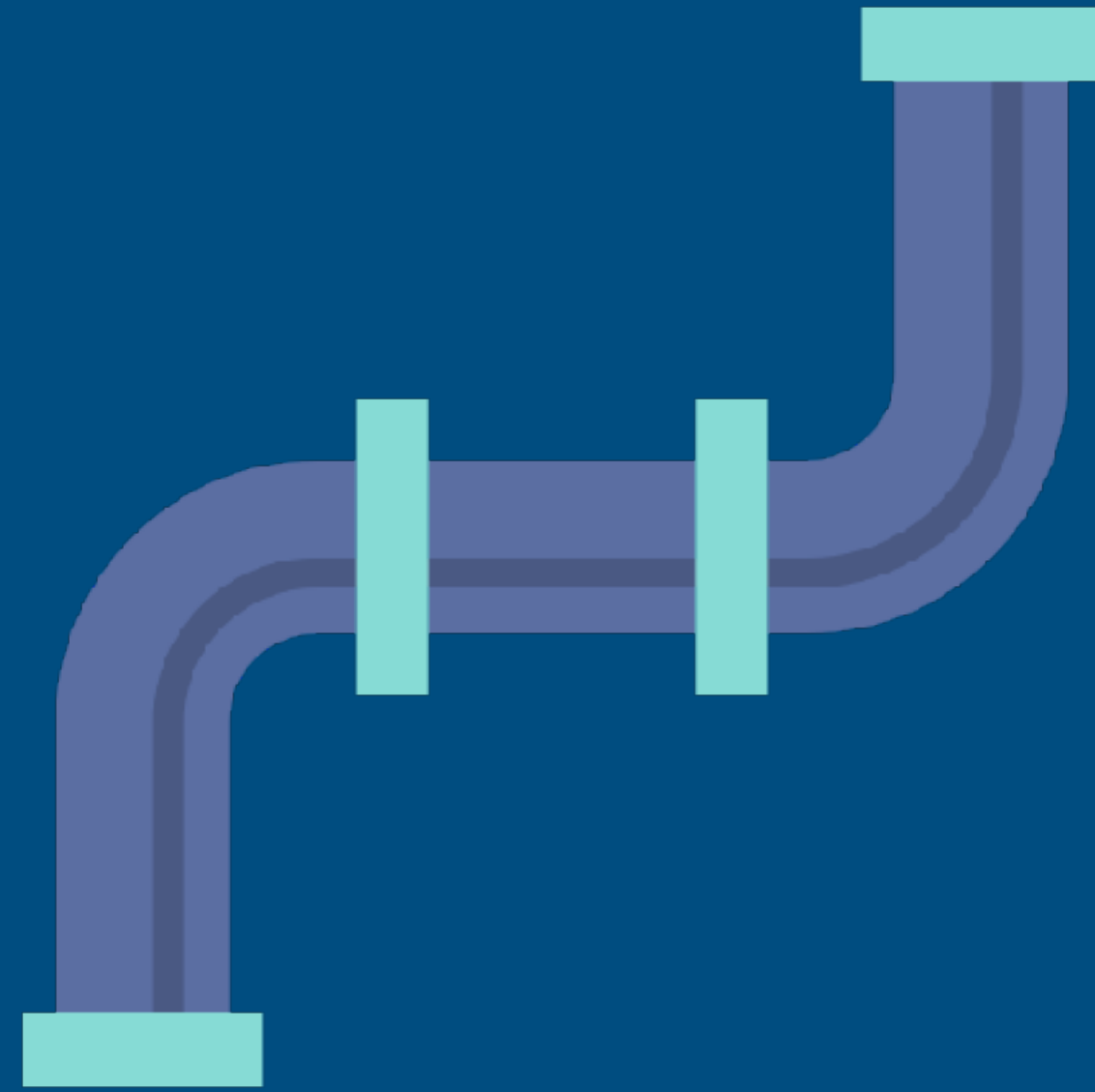


Public and Private Sector Buildings and Bridges projects

- Benefited by massive investment from Taiwanese company in Taiwan, our factory construction orders in hand & visibility are over 12 month.
- We successfully won TCB Bank Project (16,000mt) and the shipment has started from Q1 this year.
- We successfully won Tamkang Bridge Project (33,000mt) and the shipment will start from Q2 this year.



Milestone

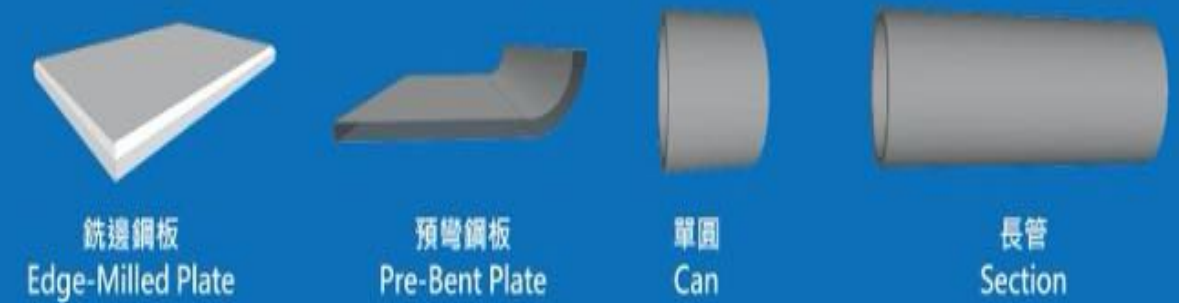


Steel Pipe for Water Supply & Pin Pile
for Wharf

- We established Hsin Hua Steel company in 2019.
- It focuses on offering customer Bridge construction projects, Steel water pipe, pin pile for wharf and steel cooling water pipe for factory..
- Last year it successfully won 曾文南化聯通管工程 A3標.



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銑邊鋼板
Edge-Milled Plate

預彎鋼板
Pre-Bent Plate

單圓
Can

長管
Section



前端離岸風電設備製造股份有限公司
WIND POWER EQUIPMENT MANUFACTURING CO., LTD.

永續 品質 技術

前瞻視野建立客商間的完美橋梁
端做精準作業流程打造一流品質
建立穩健經營企業理念
實現環保先鋒理想



導角機 Edge Beveling Machine
捲圓機 Roll Bending Machine
清根機 Seam Milling Machine
潛弧焊機 Submerged Arc Welding Machine



- ISO9001 、ISO3834 、EN1090 certifications
- Qualified by FHI 、CTCIM
- Qualified by CIP 、Orsted
- Last year successfully won Taoyuan MRT Pipe column project.
- The manufacturing quantity by adding order finished and in hand is around 48,000mt
- Order visibility is over 8 months



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Operating Performance



2021 Q1 sales revenue NTD 3.23 billion , year to year growth 50.66%

Operating Performance

Year	Month	Revenue			Cumulative Revenue		
		109 Revenue	108 Revenue	%	109 Cumulative revenue	108 Cumulative revenue	%
110	1	1,267,366	666,556	90.1%	1,267,366	666,556	90.1%
110	2	875,359	716,266	22.2%	2,142,725	1,382,822	55.0%
110	3	1,091,697	834,461	30.8%	3,234,422	2,146,812	50.7%



營運績效

項目	2020	2019	2018	2017	2016
Revenue (NTD, 千)	9,852,311	8,477,785	8,836,319	8,351,912	6,411,686
Gross Profit (NTD,千)	812,114	176,779	870,821	1,113,799	916,989
Net Operating Income (NTD, 千)	469,738	-97,900	570,786	994,525	752,100
Profit before Tax (NTD,千)	913,023	124,457	1,142,227	1,209,464	811,280
Profit (NTD,千)	845,733	118,116	1,000,012	1,073,532	749,784
EPS (NTD,元)	2.69	0.39	3.17	3.49	2.67



營運績效

項目	2021 3月	2021 Q1
Revenue (NTD, 百萬)	1,092	3,234
Profit before Tax (NTD,百萬)	340	736
Profit (NTD,百萬)	229	619
EPS (NTD,元)	0.74	2



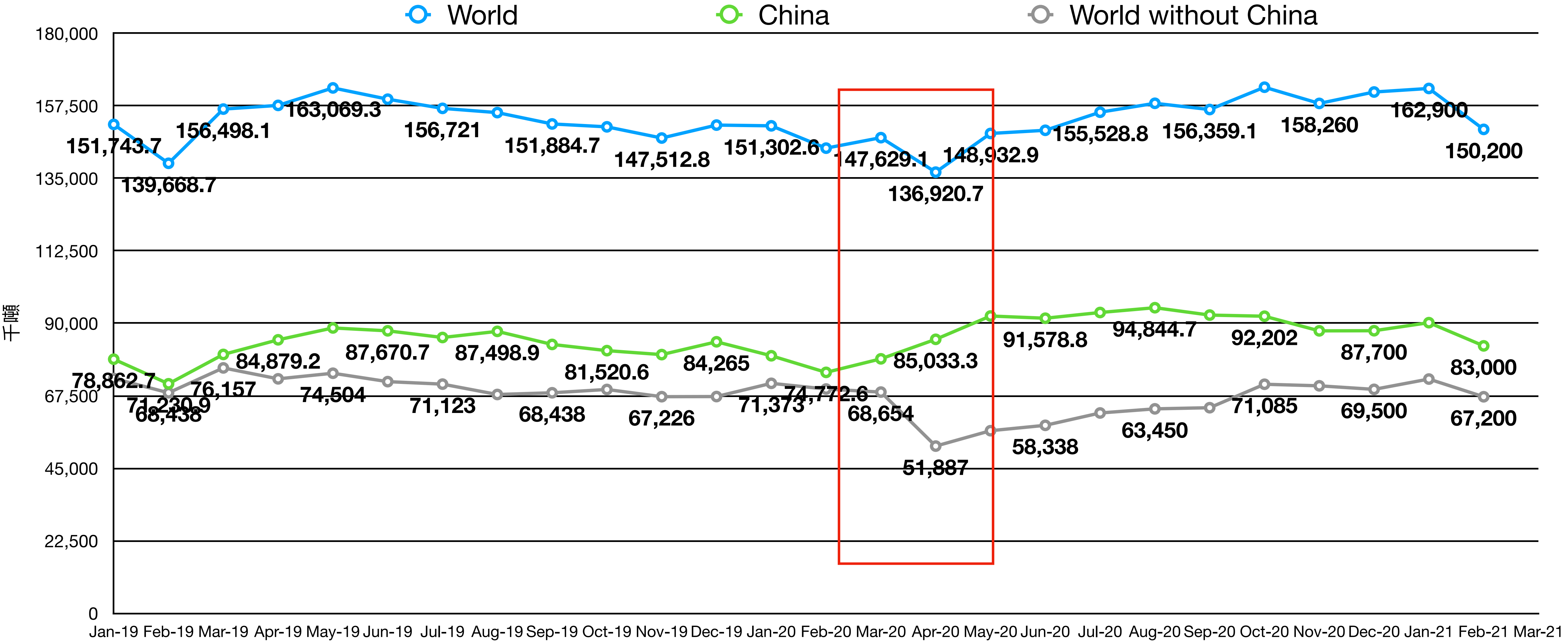
新光鋼鐵股份有限公司
HSIN KUANG STEEL CO., LTD.

The Analysis of Steel Industry

『A crooked path of recovery』



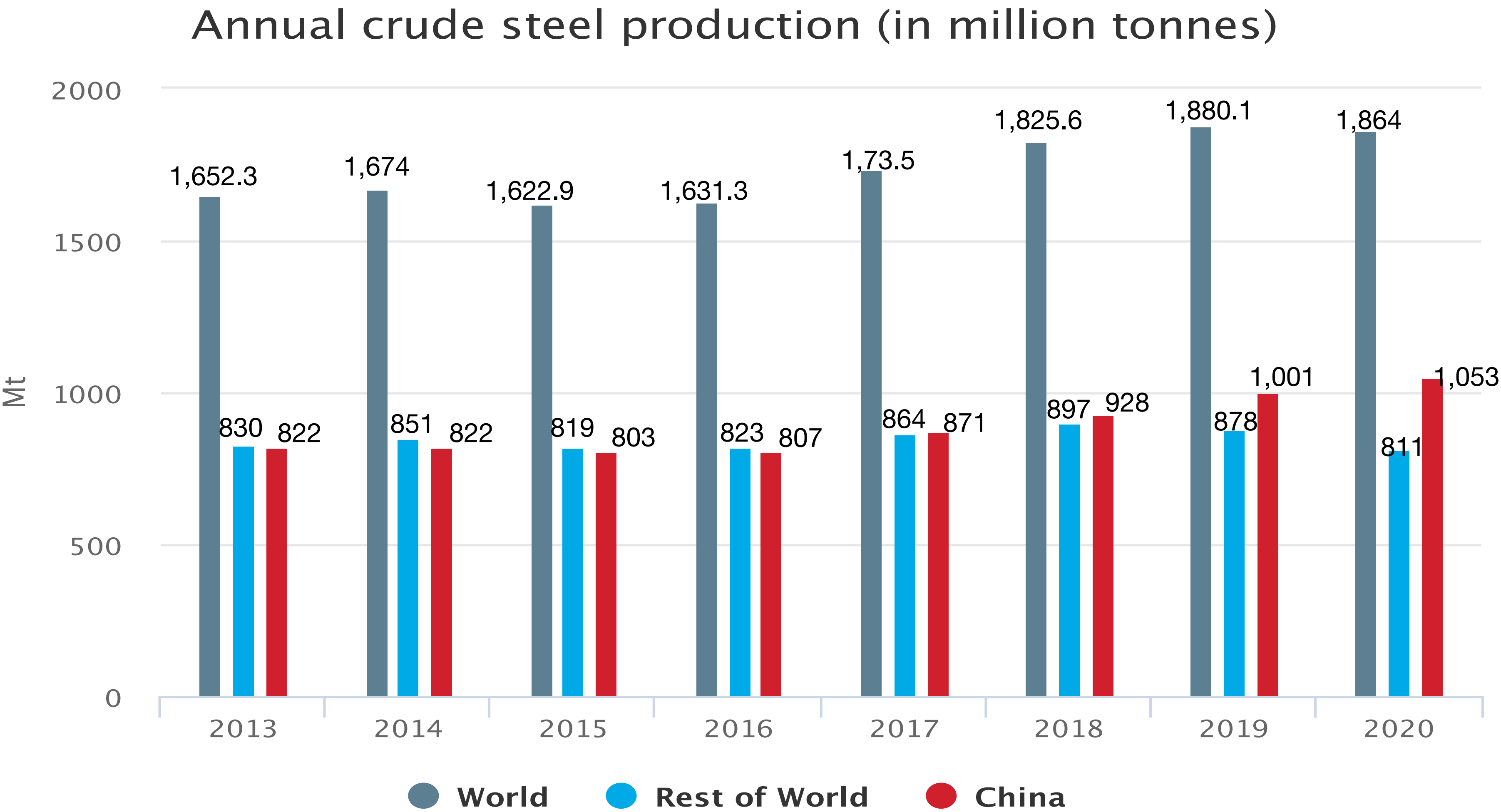
Monthly Crude Steel Production Statistics



資料來源：<https://www.worldsteel.org> 資料整理：新光鋼鐵股份有限公司



Annual Crude Steel Production (in Million tonnes)



worldsteel.org

資料來源： <https://www.worldsteel.org>



2015-2020 China Crude Steel Supply & Demand Statistics

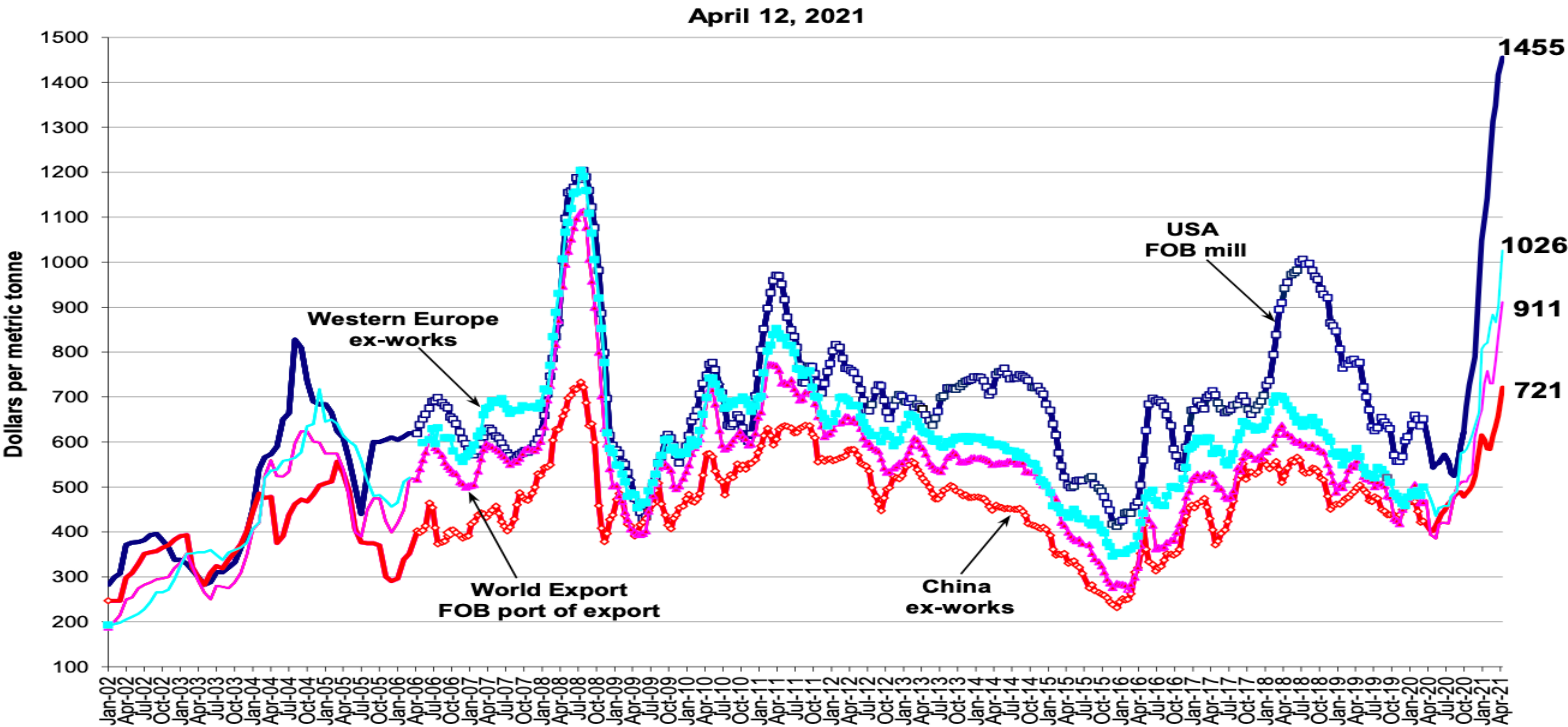
	2015	2016	2017	2018	2019	2020E
Domestic Demand. (million mt)	77,957	79,455	83,158	85,885	89,251	90,507
Foreign Demand. (million mt)	9,559	9,416	6,779	6,955	6,538	6,538
Total (million mt)	87,516	88,871	89,937	92,840	95,789	97,045
Crude steel production (million mt)	85,700	88,791	89,421	92,500	95,689	96,945
Effective Capacity. (Billion mt)	11.57	10.83	10.04	9.94	10.41	10.76
Capacity Utilization	74.1%	82.0%	89.1%	93.1%	91.9%	90.1%

資料來源：國金證券, 資料整理：金屬中心陳建任



HRB Price

SteelBenchmarker™ HRB Price
USA, China, Western Europe and World Export
(WSD's PriceTrack data, Jan. 2002 - March 2006; SteelBenchmarker data begins April 2006)

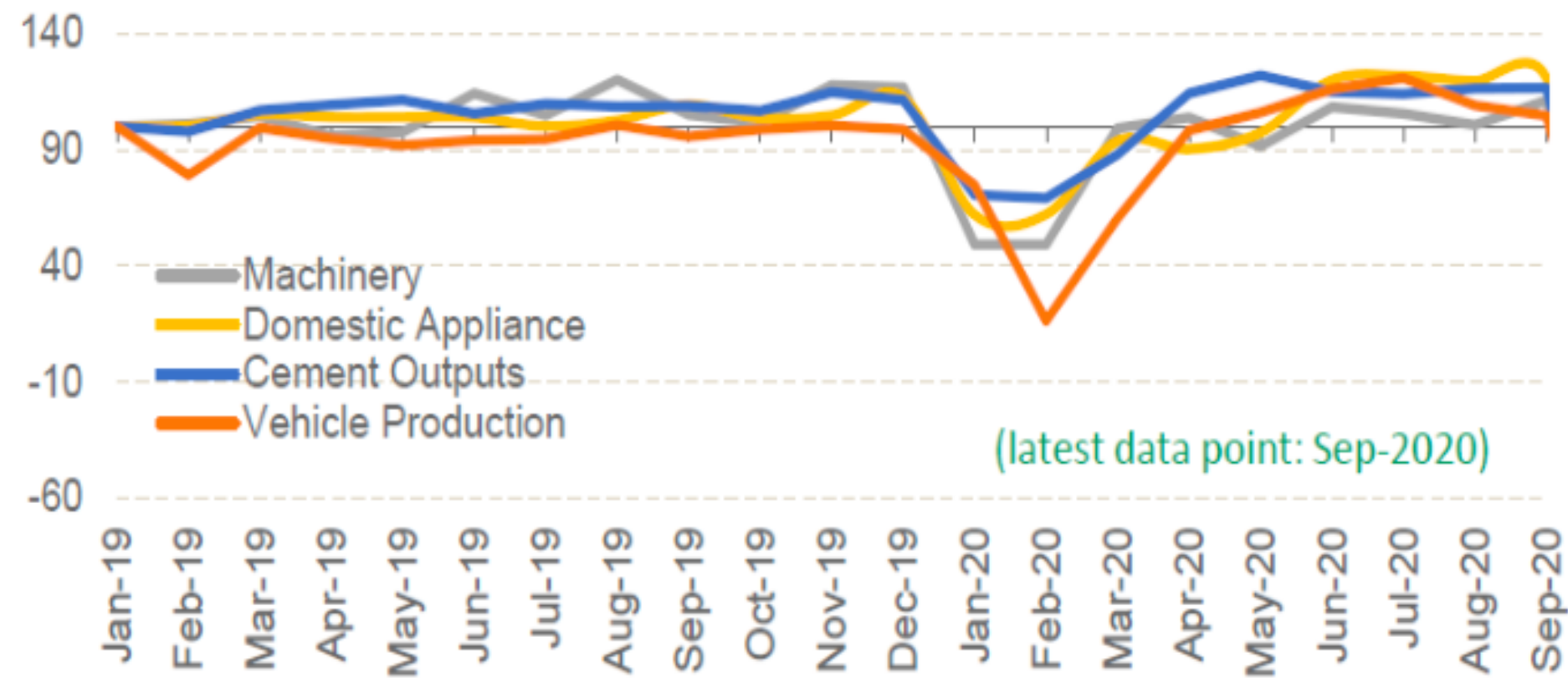


資料來源：http://steelbenchmarker.com/files/history.pdf

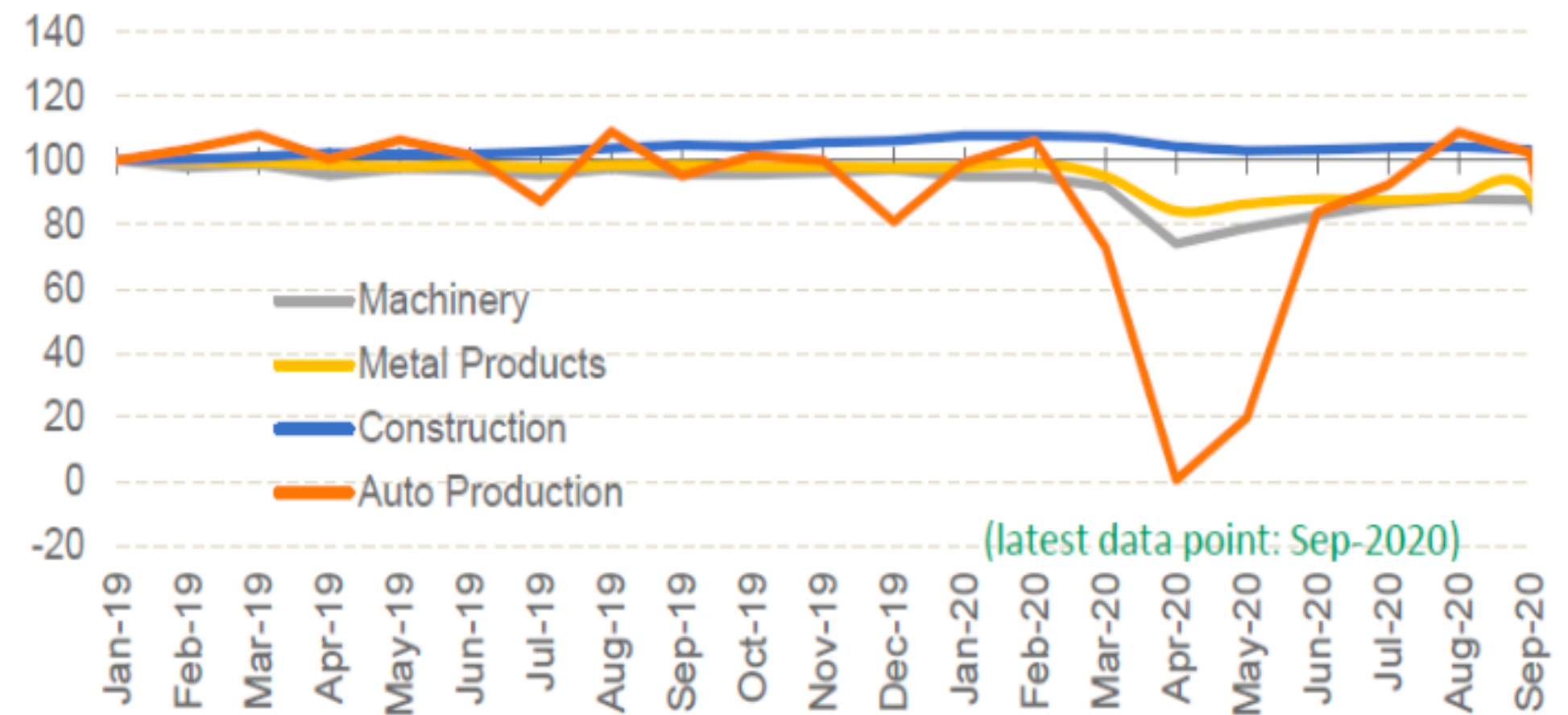


Major Market Demand For Using Steels in China, Europe, US and Brazil

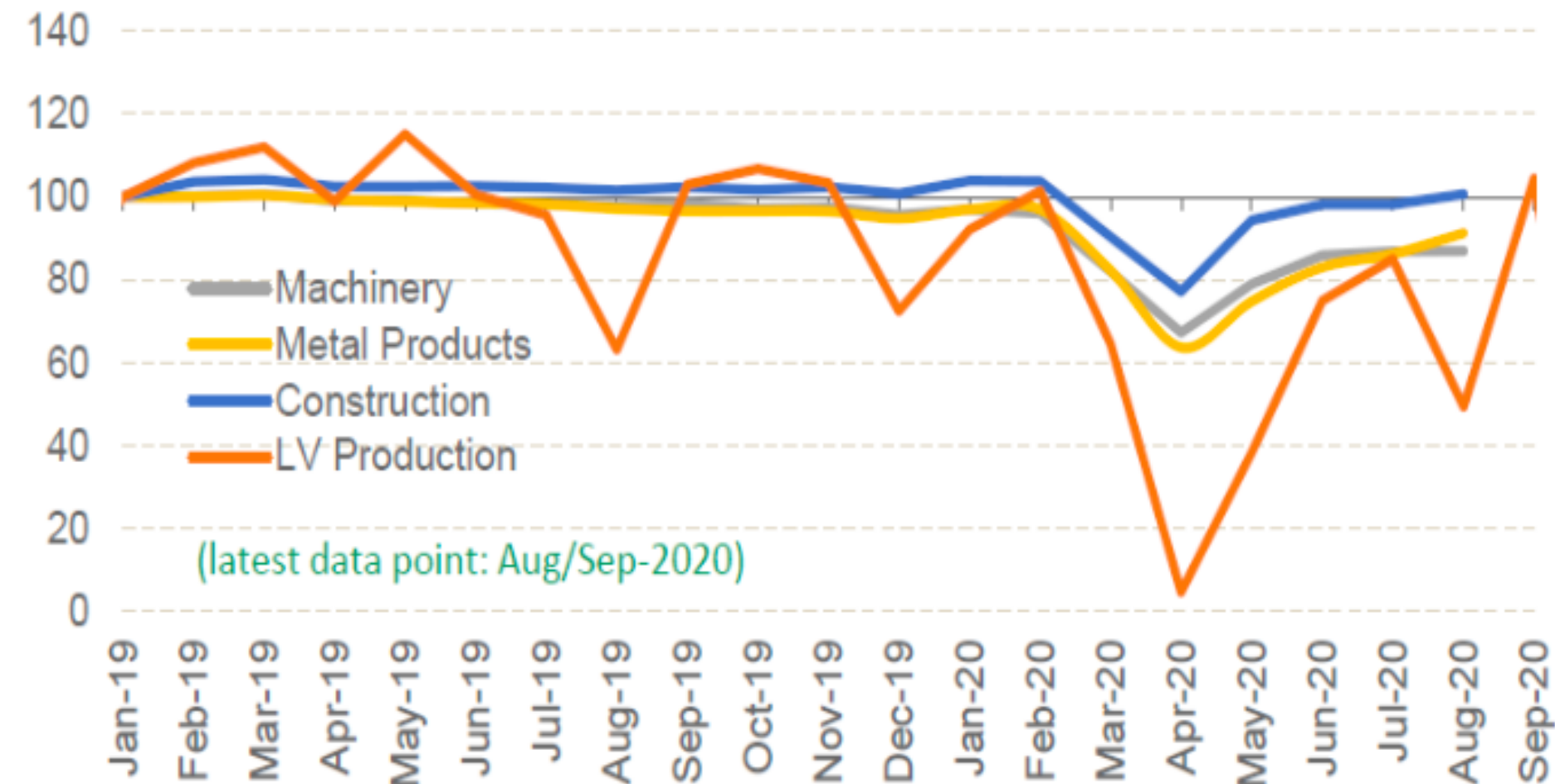
China end market demand Jan 2019=base 100*



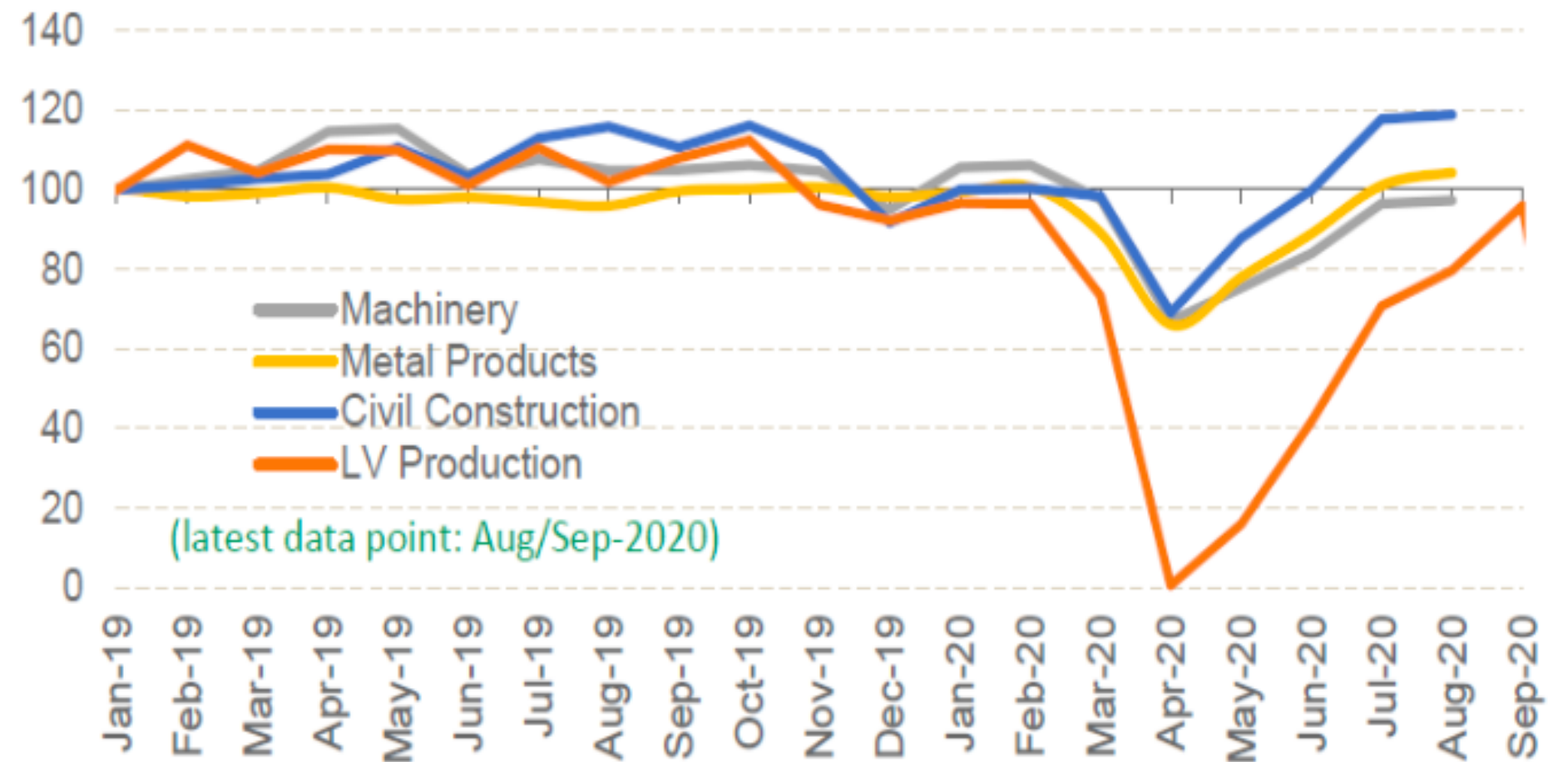
US end market demand Jan 2019=base 100



Europe end market demand Jan 2019=base 100

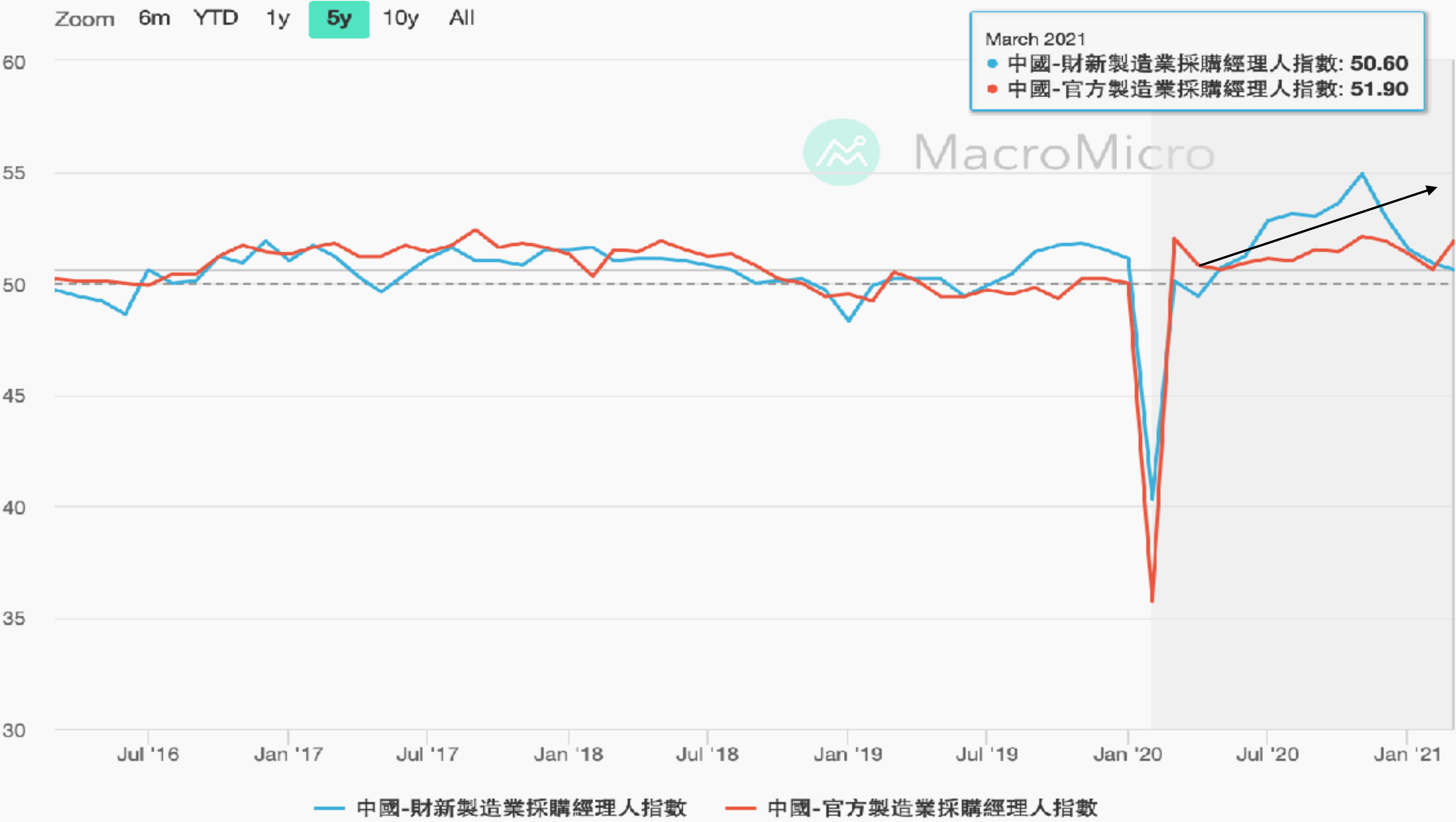


Brazil end market demand Jan 2019=base 100





China PMI



資料來源：<https://www.macromicro.me/charts/232/cn-pmi-caixin> 資料整理：新光鋼鐵股份有限公司



China's Economy Condition

『....The Chinese economy benefited from the government's implementation of various measures to stimulate the economy. From several new infrastructure projects and accelerating existing projects, to relaxing control over the real estate sector and tax reduction to boost household consumption.

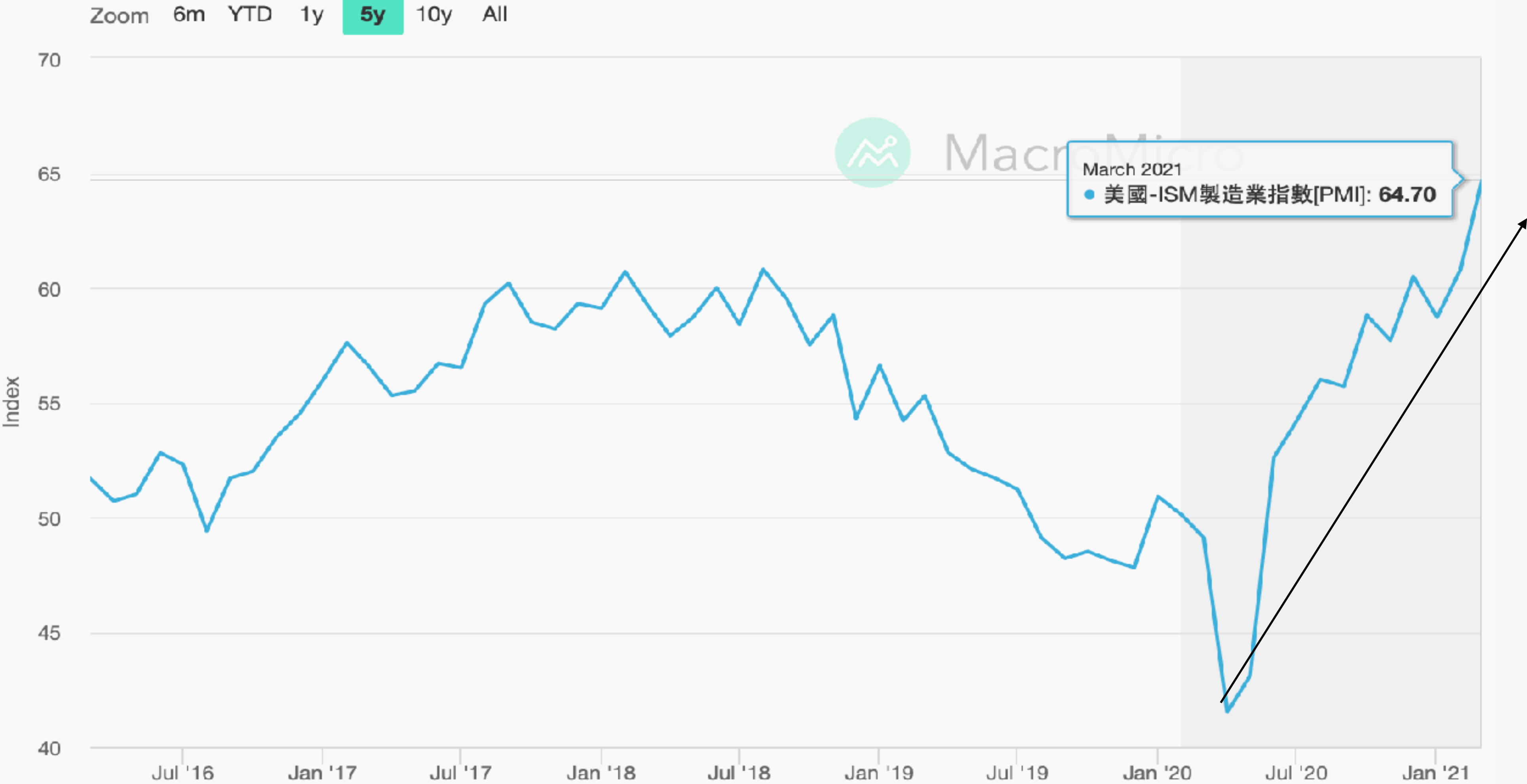
On top of this the economy benefitted from strong exports as the rest of the world was affected by the pandemic.

As a result, after contracting by 6.8% in the first quarter of 2020, **China's economy recorded annual growth of 2.3% in 2020. China's GDP growth is expected to accelerate to 7.5% or higher in 2021,** followed by moderate growth of 5.5% in 2022.』

World Steel Association (WSA), *Worldsteel Short Range Outlook April 2021, April, 2021.*



U.S. PMI



資料來源：<https://www.macromicro.me/charts/232/cn-pmi-caixin> 資料整理：新光鋼鐵股份有限公司



WSA Steel Demand Forecast

2020—2022 TABLE

Steel Demand Forecasts

y-o-y growth rates (%) ☒ million tonnes

Regions	2020	2021 (f)	2022 (f)
European Union (28) ¹	-11.4	10.2	4.8
Other Europe	9.4	17.4	5.5
CIS	-0.1	3.4	3.2
USMCA	-15.7	7.6	4.6
Central & South America	-7.9	10.6	4.2
Africa	-9.4	8.3	5.9
Middle East	-8.6	5.4	3.3
Asia and Oceania	3.5	4.7	2.0
World	-0.2	5.8	2.7
World excl. China	-10.0	9.3	4.7
Developed Economies	-12.7	8.2	4.2
China	9.1	3.0	1.0
Em. and Dev. Economies excl. China	-7.8	10.2	5.2
ASEAN (5) ²	-11.9	6.2	6.5
MENA	-9.5	6.1	4.1

資料來源：https://www.worldsteel.org



Taiwan Economy Condntion

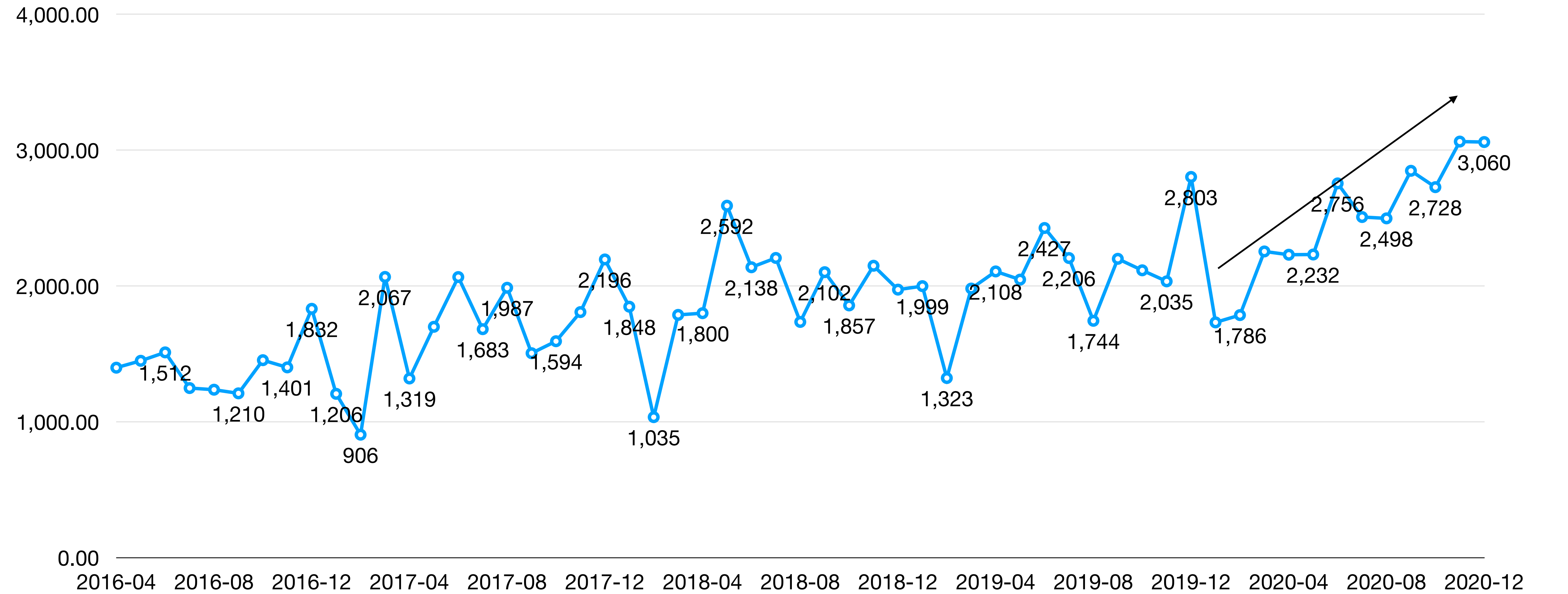


資料來源：https://index.ndc.gov.tw/n/zh_tw/data/eco/index#/，資料整理：新光鋼鐵



Taiwan Economy Condntion

○ 建築物開工樓地板面積(千平方公尺)



資料來源： https://index.ndc.gov.tw/n/zh_tw/data/eco/index#/ 資料整理：新光鋼鐵



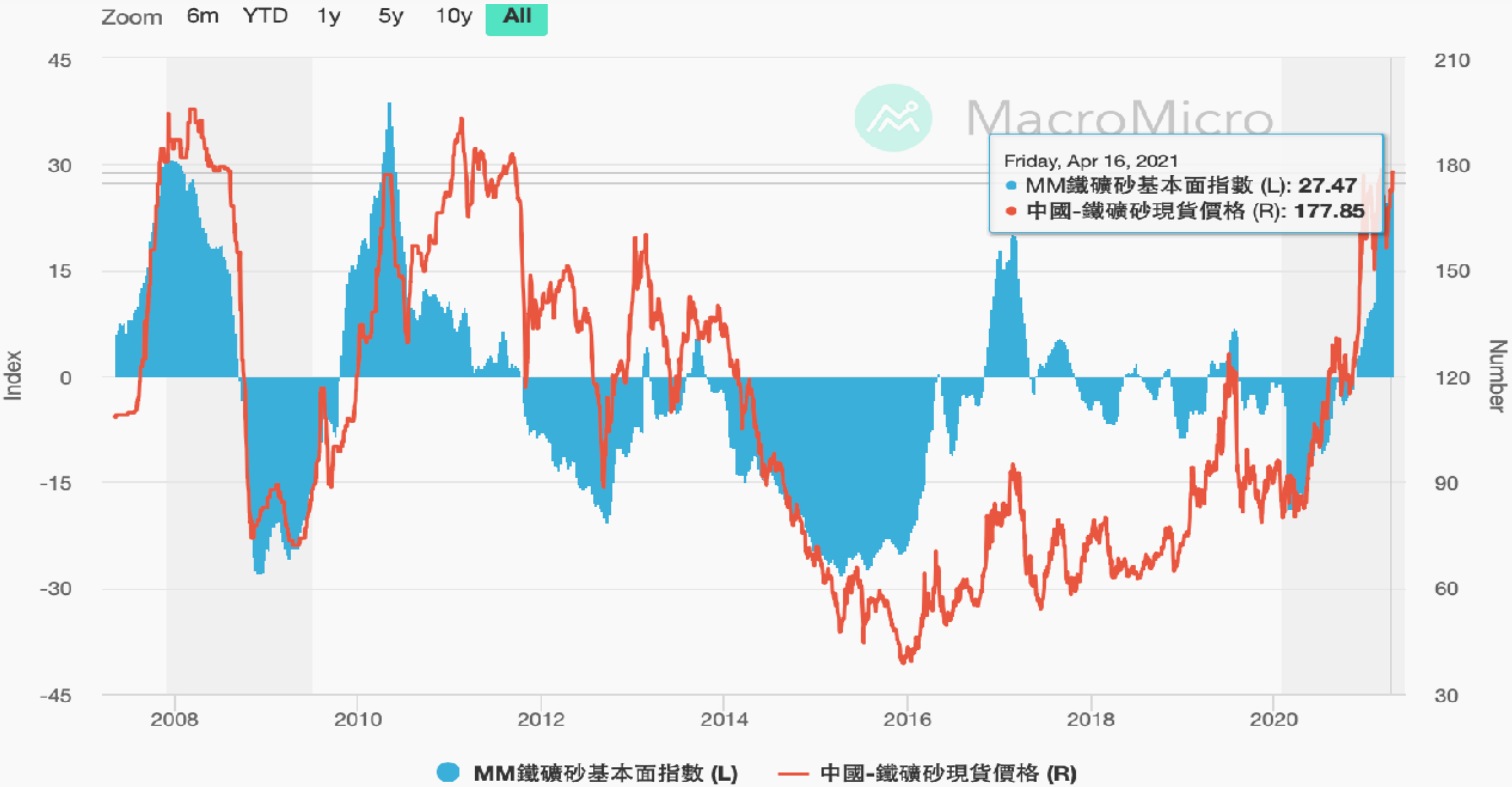
Trading Data of Iron Ore in the World

	百萬噸				年增率(%)		
	2019	2020	2021	2022	2020	2021	2022
世界鐵礦貿易總量	1,554	1,616	1,741	1,824	4	7.8	4.8
鐵礦進口							
中國大陸	1,071	1,157	1,288	1,371	8.1	11.4	6.4
歐盟 27	137	128	125	125	-7	-2.2	0
日本	120	117	116	115	-2	-1	-0.9
南韓	74	71	72	73	-4.2	1.6	1.5
印度	5	5	5	5	-6.5	-2.1	0
鐵礦出口							
澳洲	836	874	896	922	4.6	2.5	3
巴西	336	366	372	382	8.9	1.6	2.7
烏克蘭	45	45	57	60	0.9	25.7	6.2
印度	41	38	48	52	-6.2	27.1	7.6

資料來源：澳洲產業科學能源及資源部 資料整理：金屬中心陳建任



The Iron Ore Index



資料來源：<https://www.macromicro.me/charts/232/cn-pmi-caixin>

Conclusion

Supply

- 2020 & 2021 crude steel supply is at almost the same level.
- 2020 crude steel supply was still on the growth path.
- The world excl. China's crude steel supply Has not recovered yet.
- China's export quantity of steel products dramatically reduced starting from 2015 to now.
- China call steel scrap 『resource』 .
- Tax Refund.
- China government strongly restrict steel production capacity.
- Steel making cost will increase under green issue,
- Iron supply is constrained by bad weather & covid-19 in Brazil.

Result

- Steel price increase
- Raw material price increase
- Pig iron supply increase
- End user's bargain power decrease
- Steel making cost increase
- Steel price is difficult to drop
- The condition's now will last for a while.

Demand

- China has announced new infrastructure projects.
- Biden's project is expected to be successful.
- Monetary Easing.
- World Economy conditions is recovering.
- Taiwan's Economy is strong.



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Q & A