



TSEC Corporation

Stock Code: 6443

Investor Conference



2020.12.18



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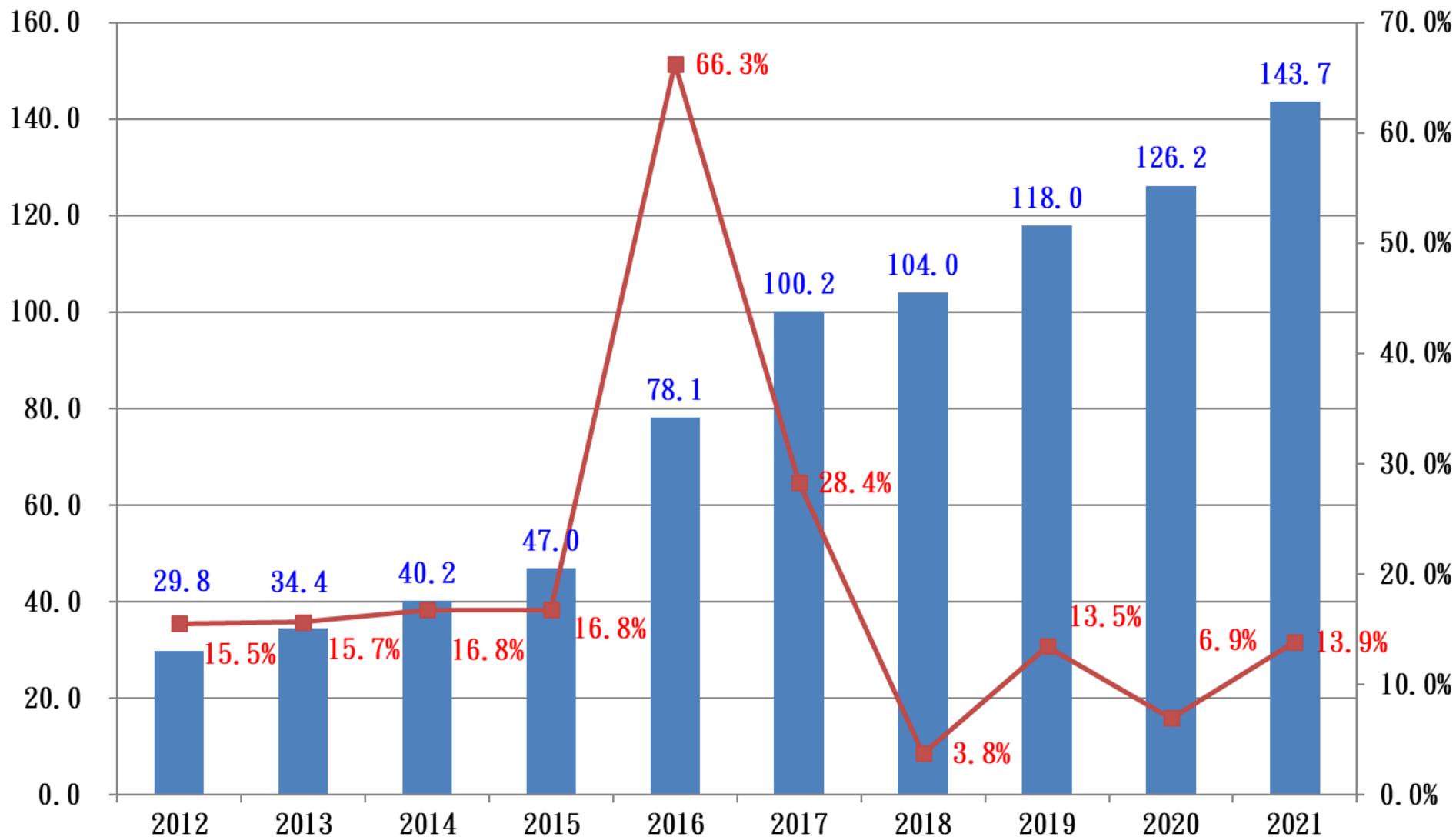
Agenda

A 、 Global Overview on PV Market

B 、 Taiwan Market Analysis

C 、 TSEC Company Overview and Strategy

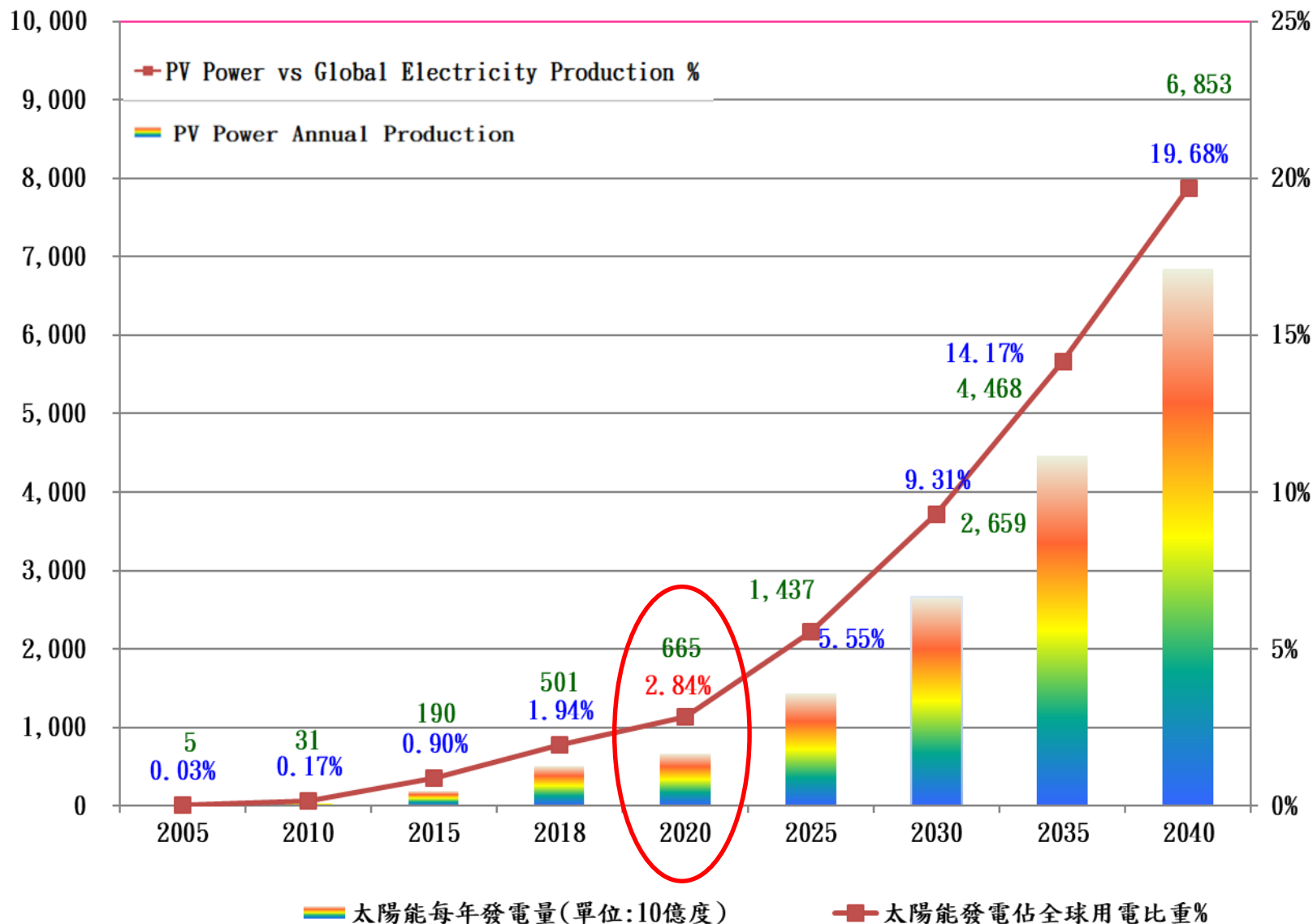
Global PV Market Review



Source: Pvinfolink、TSEC Marketing Dept.

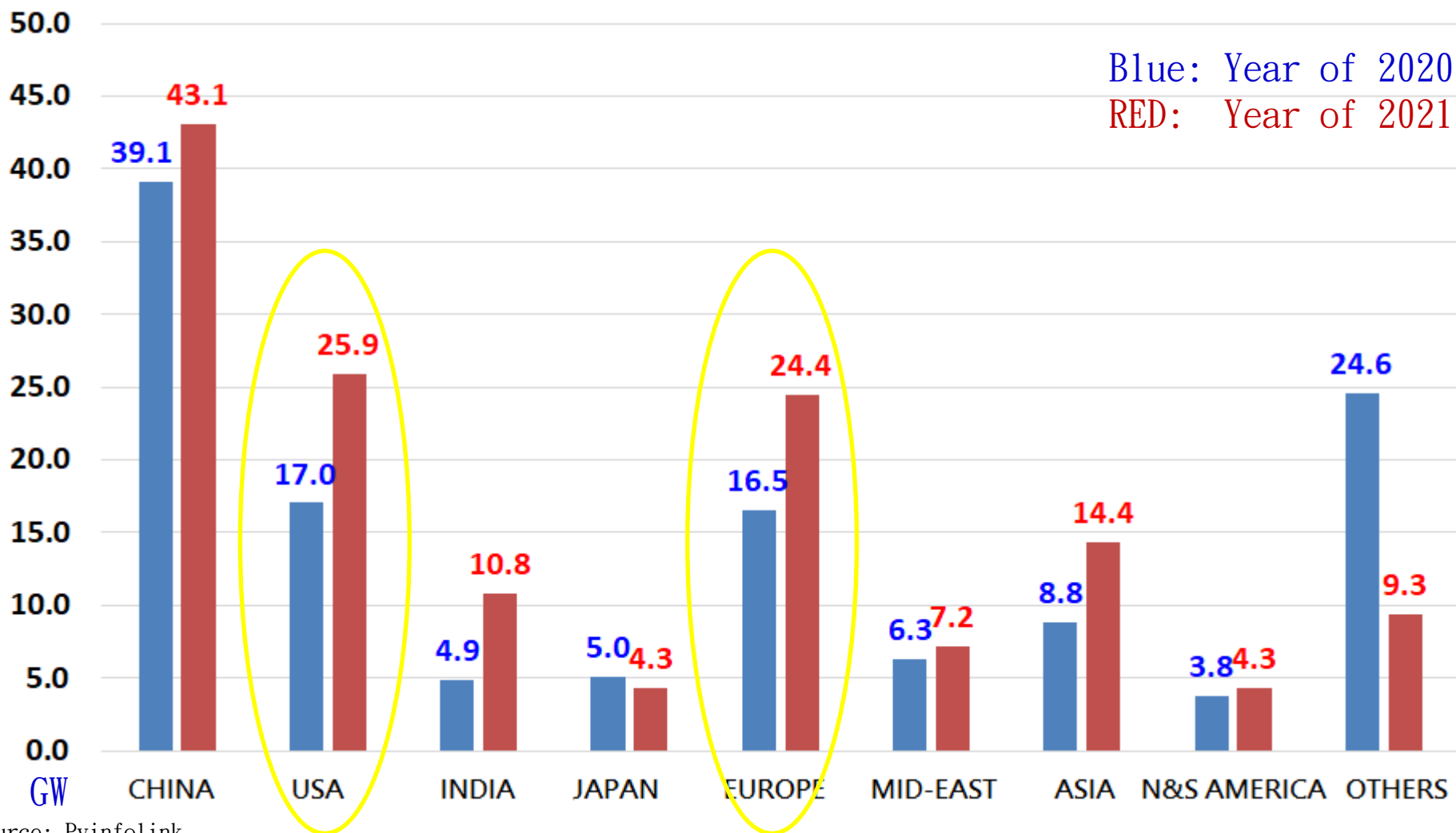


PV Power vs Global Electricity Needs



Source: Pvinfolink、TSEC Marketing Dept.

Global Installation Forecast



Source: Pvinfolink

<https://www.pv-magazine.com/2020/11/10/world-could-add-more-than-900-gw-of-solar-by-2025-if-politicians-grasp-the-nettle-iea/>
<https://pv-magazine-usa.com/2020/04/30/the-world-added-115-terawatts-of-solar-power-in-2019-for-a-cumulative-629-terawatts/>



Taiwan Market Outlook

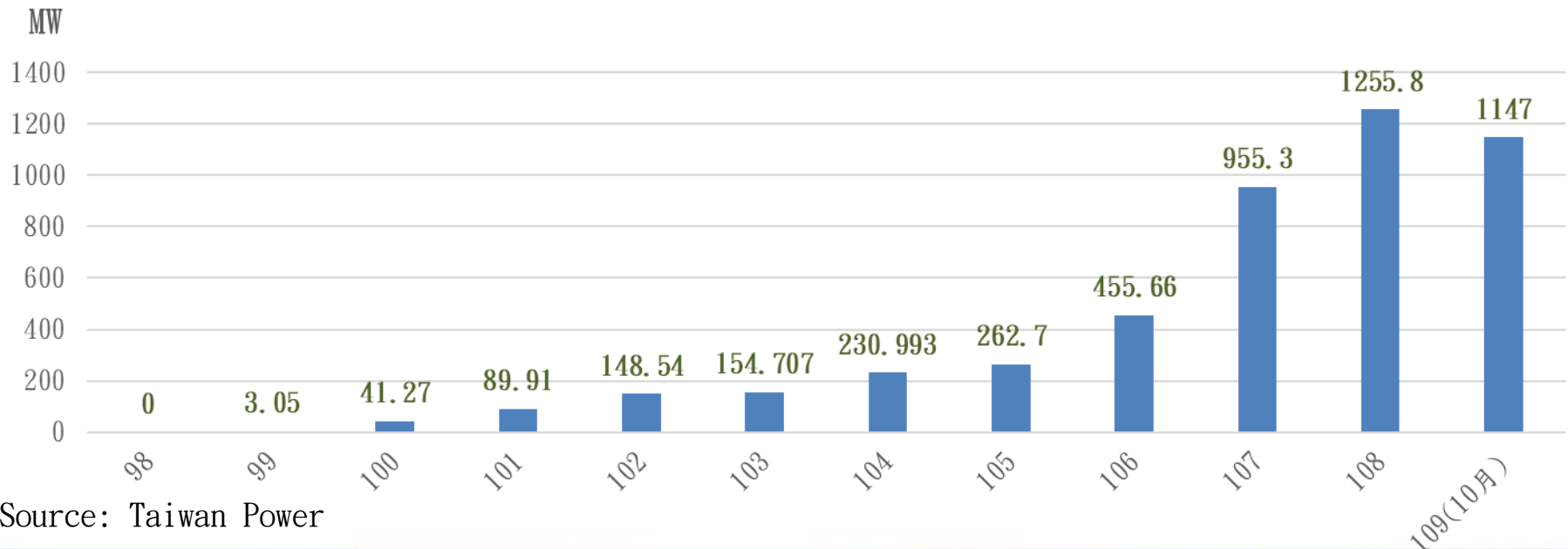
The Government expects to complete 20GW by year 2025 including 14GW in Ground Units and 6GW on the Rooftops.

According to Bureau of Energy, cumulative rooftop PV capacity in the country stood at 3.88 GW.

- Industrial 1.36GW
- Agricultural 1.18GW
- Public 0.7GW
- Others 0.64GW

The total cumulative volume in Taiwan as of 2020 OCT is 4.74GW.

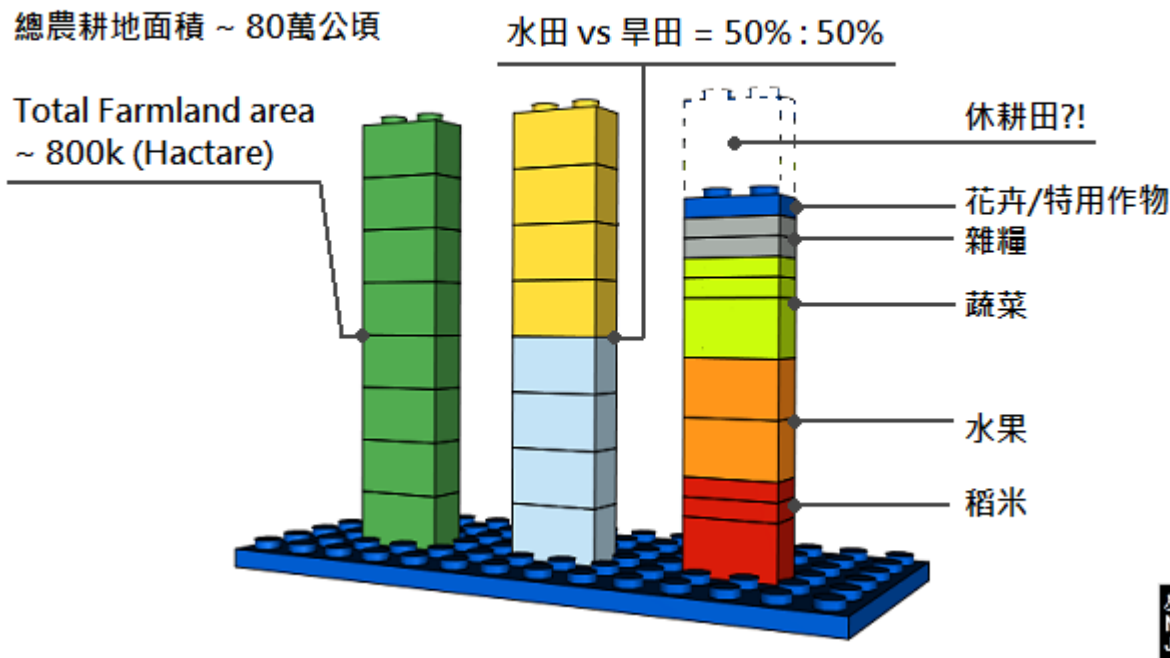
To complete 6.5GW by year end seems intangible.



Source: Taiwan Power

20GW needs only 20,000 h.a.

台灣農地 / 用途 / 休耕田

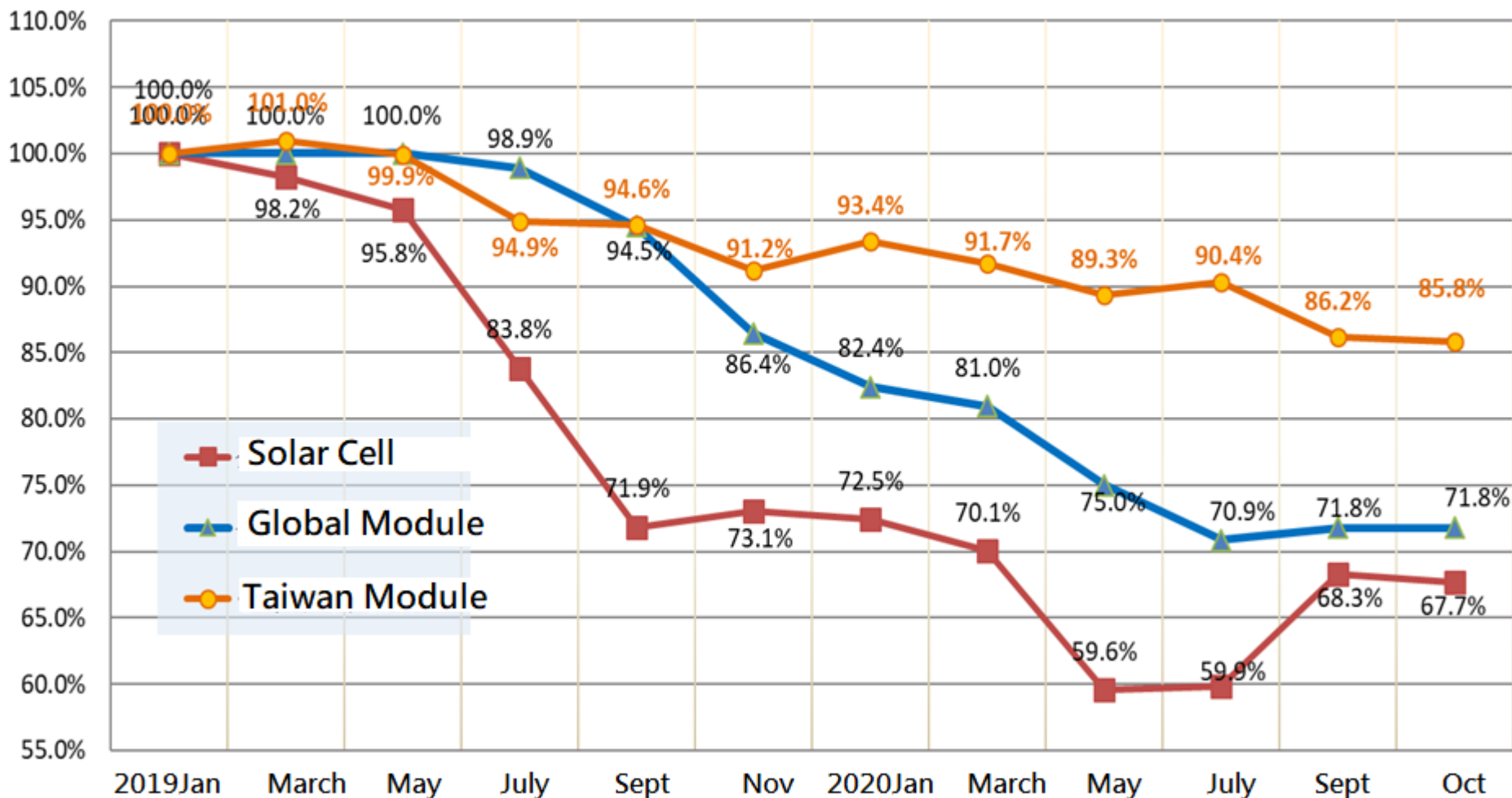


Sources: Morris JFWONG and Agriculture and Food Agency, Council of Agriculture

- The Fallow Land is more than 220,000 hectares in Taiwan.
- Taiwan has lots of land but the regulations seem unfriendly.

PV Manufacturing Sectors Stabilizing

Based on 2019Jan (100%)



Source: TSEC Marketing Dept

2020 Taiwan Module Makers Ranking

Ranking	Company	Capacity in Taiwan (MW)
1	TSEC	1000
2	A	400
3	B	300
4	C	200
5	D	200
6	E	200
8	F	120
9	G	100
TOTAL		2, 520

- So far, there is around 2.6GW big projects in Taiwan.
- Most of the sizable project are more than 60MW. Therefore, only module makers with larger capacity is capable of servicing their needs.
- The trend of “The Size Matters” remains unchanged.



Global wafer/cell implementation schedule

<u>2019~2021 :</u>	M2 / 156.75mm and G1 / 158.75mm (Present Mainstream)
<u>2021~2023 :</u>	M6 / 166mm (Smaller CAPEX in production upgrades)
<u>2022~ _____ :</u>	M10 / 182 mm and M12 / 210mm (Heavy CAPEX in brand new production line)



Company Overview

3rd Quarter

- The Board approved the order of new cell and module production for M6, M10 and M12.
- Net profit of NT\$130million in this quarter ◦

4th Quarter

- Implementing LINE3 module capacity 350~400MW/yr
- Orders been placed for new cell production line with capacity 350MW/yr
- Currently, TSEC has obtained roughly 433MW of module business in hand for 2021 and adding more.
- The company is in talks with multinational companies for solar cell collaboration and possible module business as well.

HsinChiu & PingTung Factories Production Implementing Progress

HsinChiu Cell Fab



Module Fab





Income Statement

Income statement

Q1~Q3,2020

	In Thousands of New Taiwan Dollars							
	Q1		Q2		Q3		Q1-Q3	
OPERATING REVENUE	1,004,537	100%	1,224,678	100%	1,350,389	100%	3,579,604	100%
OPERATING COSTS	997,032	99%	1,085,142	89%	1,129,271	84%	3,211,445	90%
GROSS PROFIT	7,505	1%	139,536	11%	221,118	16%	368,159	10%
TOTAL OPERATING EXPENSES	61,110	6%	73,132	6%	90,710	7%	224,952	6%
OTHER OPERATING INCOME AND EXPENSES	(383,509)	-38%	8	0%	0	0%	(383,501)	-11%
INCOME FROM OPERATIONS	(437,114)	-44%	66,412	5%	130,408	10%	(240,294)	-7%
TOTAL NON-OPERATING INCOME AND EXPENSES	(28,004)	-3%	(9,143)	-1%	(4,146)	0%	(41,293)	-1%
INCOME BEFORE INCOME TAX	(465,118)	-46%	57,269	5%	126,262	9%	(281,587)	-8%
INCOME TAX EXPENSE	(2,992)	0%	(317)	0%	(4,921)	0%	(8,230)	0%
NET INCOME	(462,126)	-46%	57,586	5%	131,183	10%	(273,357)	-8%

The following has been completed in 2020:

- Capital Injection NT\$1.72Billion
- Bank Loan Syndication NT\$2Billion

Both debt ratio and current ratio will be greatly improved.

- **Implementing M6 product and differentiating from other Taiwan makers.**

Product differentiation is the key for profit making. We aim to introduce 355~365w solar panels to Taiwan market in 2021Q2.

- **Upgrading product quality & efficiency and improving bargaining power with suppliers.**
- **Initiating the collaboration with multinational companies in Solar Cell and Module business.**



thank
you