



**CHENG SHIN RUBBER IND. CO., LTD.**

**Investor Conference**

**April 07, 2017**

## Safe Harbor Notice

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This presentation is based on the information obtained from various sources which the Company believes to be reliable. But at some point in the future, there are a variety of factors which could cause actual results to differ materially from those statements. Therefore, please refer to the information on MOPS website as the main basis if any adjustment has been made. (<http://mops.twse.com.tw/mops/web/index>)



# Participants

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- Mr. Liao, Cheng Yao / Vice President
- Mr. Lo, Yung Li / Assistant Vice President



## Operating Results



# Company Introduction

- ◆ Foundation : Jan., 1967
- ◆ IPO : Dec., 1987
- ◆ Headquarter : Chunghwa, Taiwan
- ◆ Capital : NT\$32.414 billion
- ◆ Chairman : Lo, Tsai-Jen
- ◆ Global top 9 of tire makers
- ◆ Number of employees :  
5,739 (Taiwan) ; 29,905 (Global)












Base Date : 2016-12-31

# Revenues of Global Top 10 Tire Makers

## 2016 Global Tire Company Rankings

Based on 2015 sales. Includes subsidiaries.

(Figures in millions of dollars, translated at average annual currency exchange rates)

2015 Rank	2014 Rank	Company/Headquarters	2015		2014		2013		2012	
			Tire sales	% of total corp. sales	Tire sales	% of total corp. sales	Tire sales	% of total corp. sales	Tire sales	% of total corp. sales
9	9	Maxxis International/Cheng Shin Rubber Yuanlin, Taiwan	3,847.0	100.0%	4,441.3	100.0%	4,768.6	100.0%	4,630.9	100.0%
										
8	8	Yokohama Rubber Co. Ltd. <sup>55</sup> Tokyo, Japan	4,152.8	79.8%	4,703.2	79.6%	4,915.6	79.7%	5,570.0	80.0%
										
7	7	Hankook Tire Co. Ltd. Seoul, South Korea	*5,320.0	*90.0%	5,595.4	88.0%	6,868.1	99.0%	6,259.0	98.9%
										
6	6	Sumitomo Rubber Industries Ltd. <sup>44</sup> Kobe, Japan	6,051.2	86.3%	6,917.7	87.3%	6,971.3	87.3%	7,763.4	87.2%
										
5	5	Pirelli & C. S.p.A. <sup>43</sup> Milan, Italy	6,933.6	100.0%	7,992.2	100.0%	8,007.0	97.8%	7,751.9*	99.3%
										
4	4	Continental A.G. <sup>7</sup> Hanover, Germany	*10,780.0	*25.0%	*11,875.0	*24.8%	*11,150.0	*25.2%	*10,895.0	*25.9%
										
3	3	Goodyear Tire & Rubber Co. <sup>42</sup> Akron, Ohio	*14,800.0	*90.0%	*16,355.0	*90.0%	*17,586.0	*90.0%	*18,900.0	*90.0%
										
2	2	Group Michelin <sup>4</sup> Clermont-Ferrand, France	*22,130.0	*95.0%	*24,668.5	*95.0%	*25,545.0	*95.0%	*26,222.0	*95.0%
										
1	1	Bridgestone Corp. <sup>41</sup> Tokyo, Japan	*24,045.0	*75.0%	*26,045.0	*75.0%	*27,390.0	*75.0%	*28,575.0	*75.0%
										



Maxxis Revenue in 2015 : **US\$ 3.84 Billion**



## MAXXIS PREMIRA HP5 Recommended by Professional Driver Magazine

**賀** PREMIRA HP5 輪胎榮獲歐洲權威雜誌評比第三名!  
Professional Driver 2016年11月號評比.



**Professional Driver 雜誌排名**

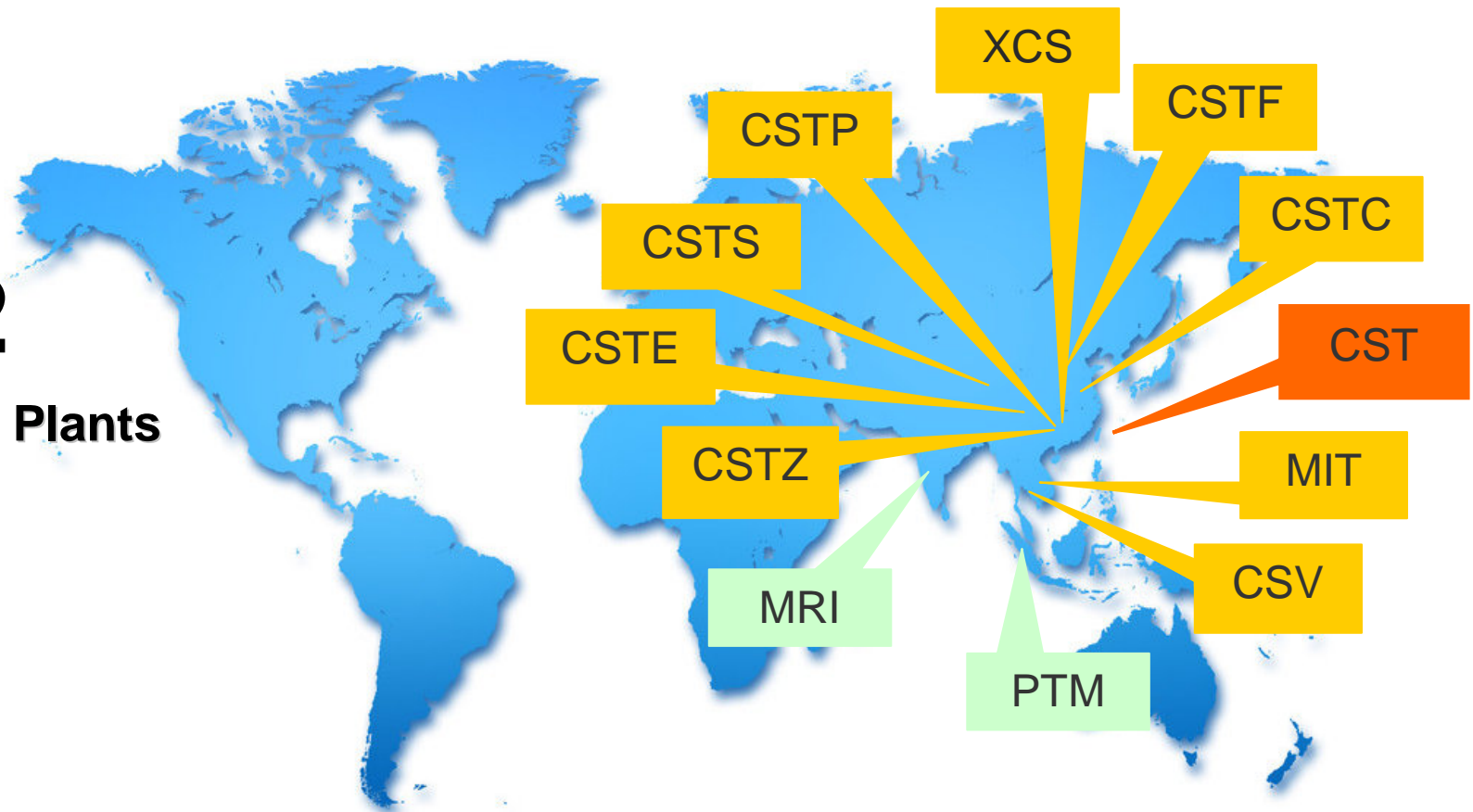
- 1 CONTINENTAL CONTIPREMIUMCONTACT 5
- 2 GOODYEAR EAGLE F1 ASYMMETRIC 3
- 3 MAXXIS PREMIRA HP5**
- 4 PIRELLI CINTURATO P7 BLUE
- 5 DUNLOP SPORT MAXX RT2
- 6 MICHELIN PRIMACY3
- 7 HANKOOK VENTUS PRIME3
- 8 DAVANTI DX640



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# Production Plants

**12**  
**Production Plants**



Note1 : CST is the Headquarter

Note2 : MRI and PTM are under construction



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## Statements of Comprehensive Income Overview (Consolidated)

Unit : NT\$ million

	2016		2015	
	Amount	%	Amount	%
Net revenue	117,387	100	116,726	100
Cost of good sold	(81,098)	(69)	(81,168)	(70)
Gross profit	36,289	31	35,558	30
Operating expenses	(17,617)	(15)	(16,937)	(14)
Operating profit	18,672	16	18,621	16
Non-operating gains & losses	(777)	(1)	(1,144)	(1)
Income before tax	17,895	15	17,477	15
Net income	13,346	11	12,839	11
EPS in NT dollar	4.09		3.94	

Source : CSTG Financial Report

## Balance Sheet Overview (Consolidated)

Unit : NT\$ million

	2016		2015	
	Amount	%	Amount	%
Cash and cash equivalents	28,894	17	22,321	14
Inventories	13,850	9	13,213	8
Net property, plant and equipment	103,156	61	106,477	64
<b>Total assets</b>	<b>168,165</b>	<b>100</b>	<b>165,958</b>	<b>100</b>
Current liabilities	39,787	24	37,390	23
Long-term debts	22,889	14	23,459	14
Total shareholder's equity	88,269	52	89,953	54
<b>Total liabilities and shareholder's equity</b>	<b>168,165</b>	<b>100</b>	<b>165,958</b>	<b>100</b>



Source : CSTG Financial Report

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# Statement of Cash Flow Overview (Consolidated)

Unit : NT\$ million

	2016 Amount	2015 Amount
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>27,265</b>	<b>27,439</b>
Net income before tax	17,895	17,477
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(14,079)</b>	<b>(13,170)</b>
Acquisitions of property, plant and equipment	(14,044)	(11,350)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(5,676)</b>	<b>(13,079)</b>
Increase (decrease) in loans	4,017	(3,194)
Increase in cash and cash equivalents	6,572	1,155
Cash and cash equivalents at the end of year	28,894	22,321

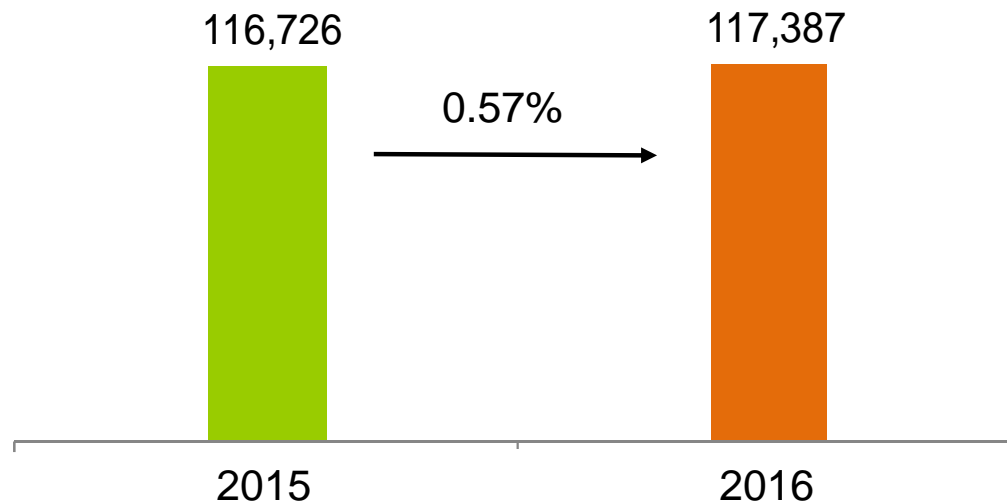


Source : CSTG Financial Report

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## Revenues (Consolidated)

Unit : NT\$ million



【 Reasons of revenues increase 0.57%) 】

YoY :

- Price & exchange rate effect : -11.25%
- Quantity effect : 10.86%
- Other effect : 0.96%

資料來源: 正新橡膠合併財報

Source : CSTG Financial Report



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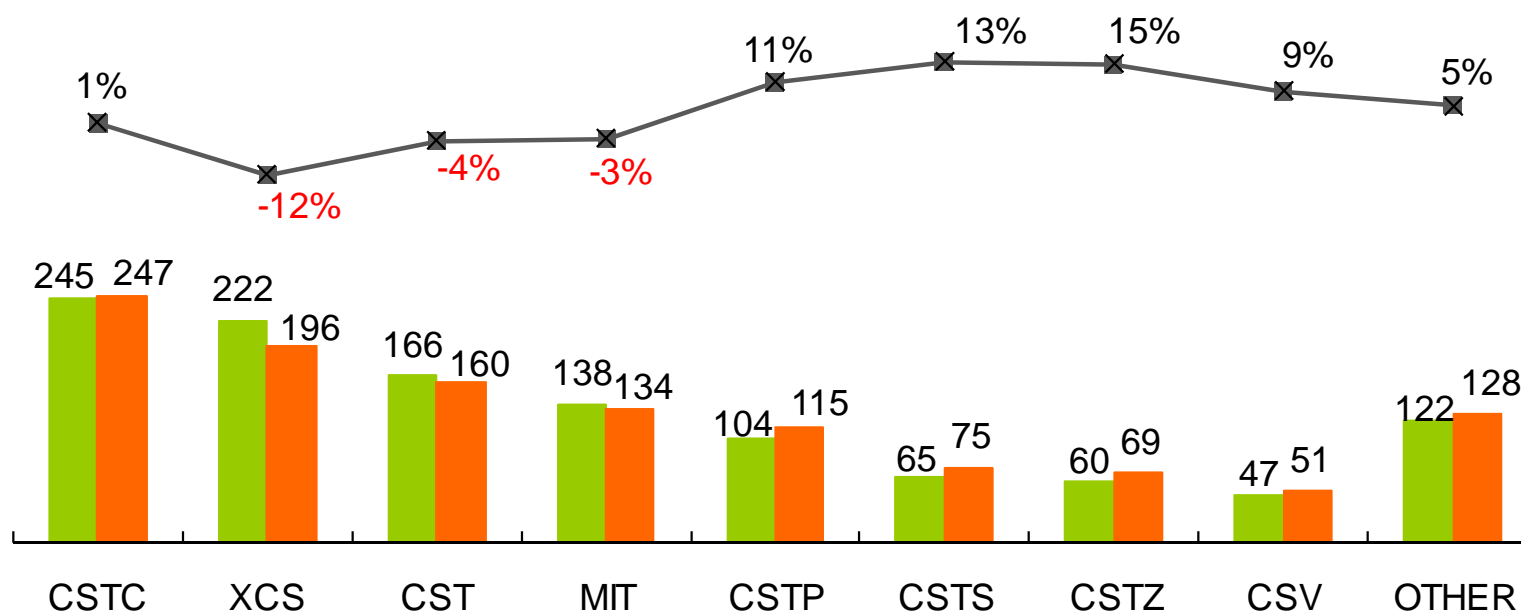


# YoY Revenues (Consolidated)

Unit : NT\$ 100 million

2015

2016

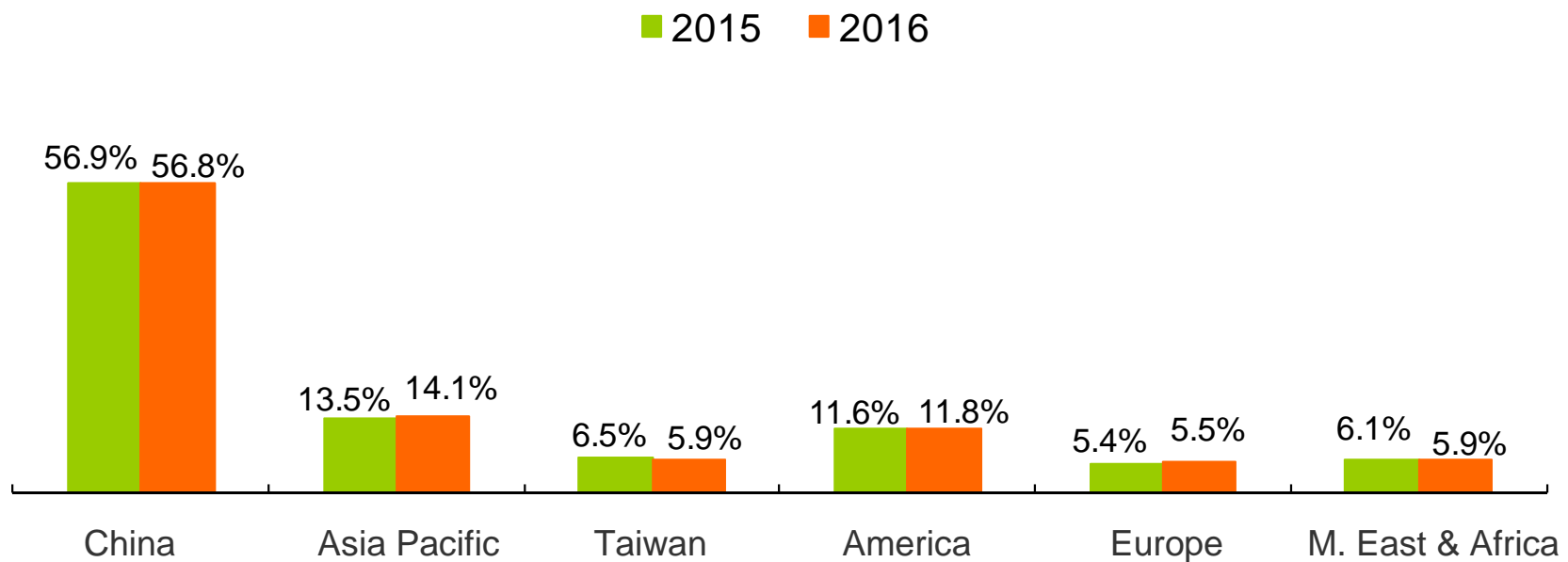


Source : CSTG Financial Report

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# YoY Revenues by Region (Consolidated)

Unit : % of sales



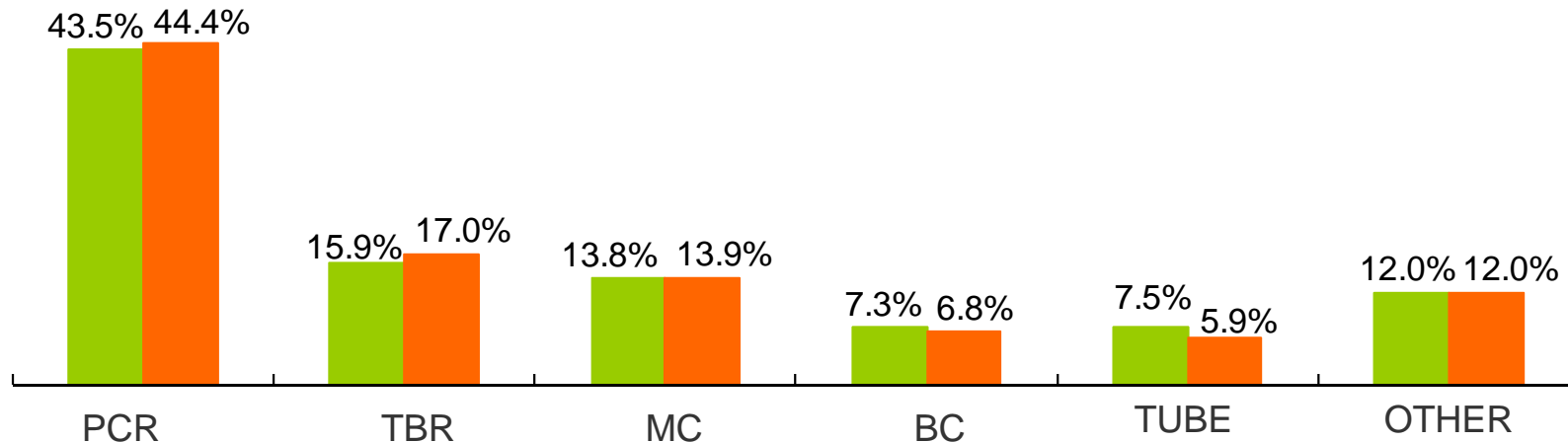
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Source : CSTG Non-audited Financial Report

## YoY Revenues by Products (Consolidated)

Unit : % of sales

■ 2015 ■ 2016



Source : CSTG Non-audited Financial Report

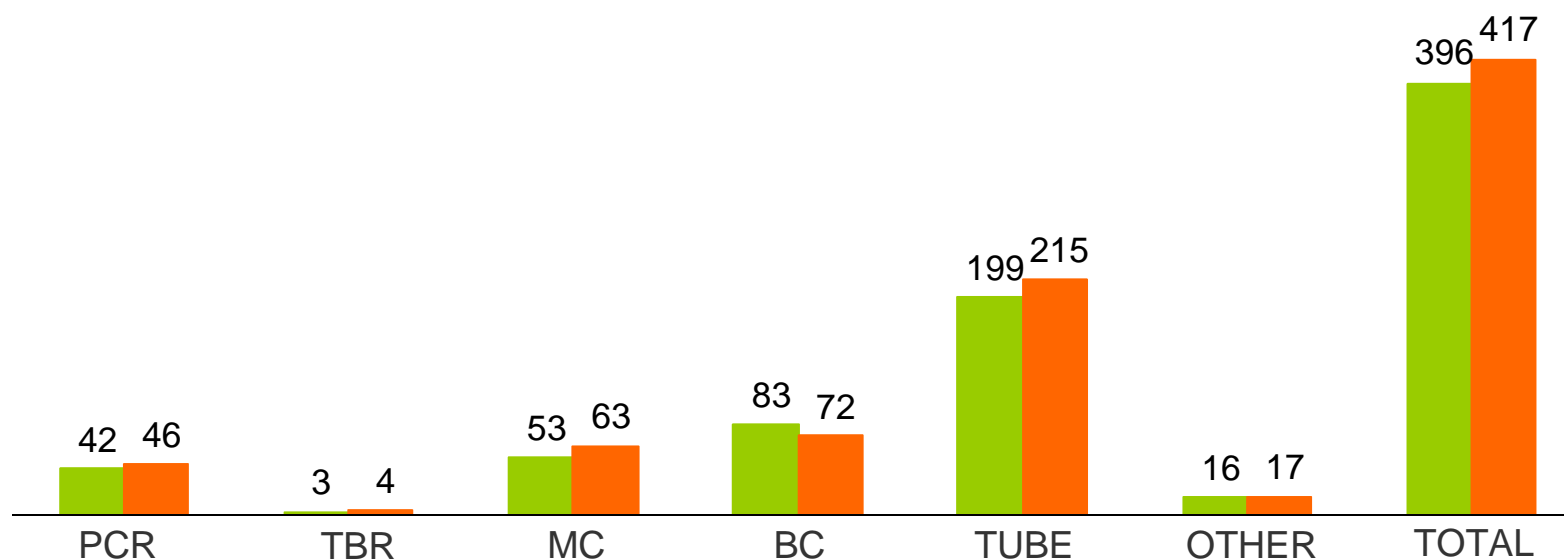


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## YoY Quantities by Products (Consolidated)

Unit : million pcs

■ 2015 ■ 2016



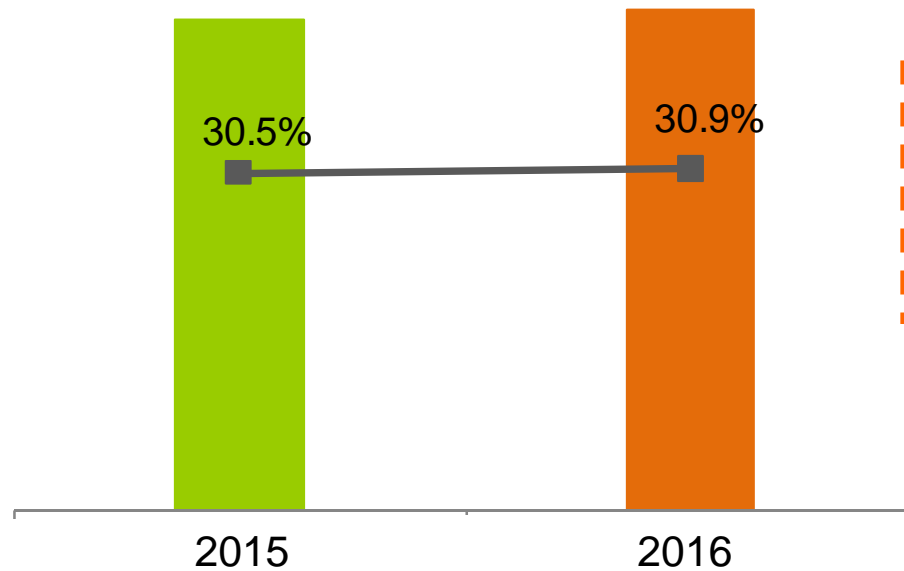
Source : CSTG Non-audited Financial Report



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## Gross Profit Rate (Consolidated)



【 Reasons of gross profit rate increase 0.4% 】

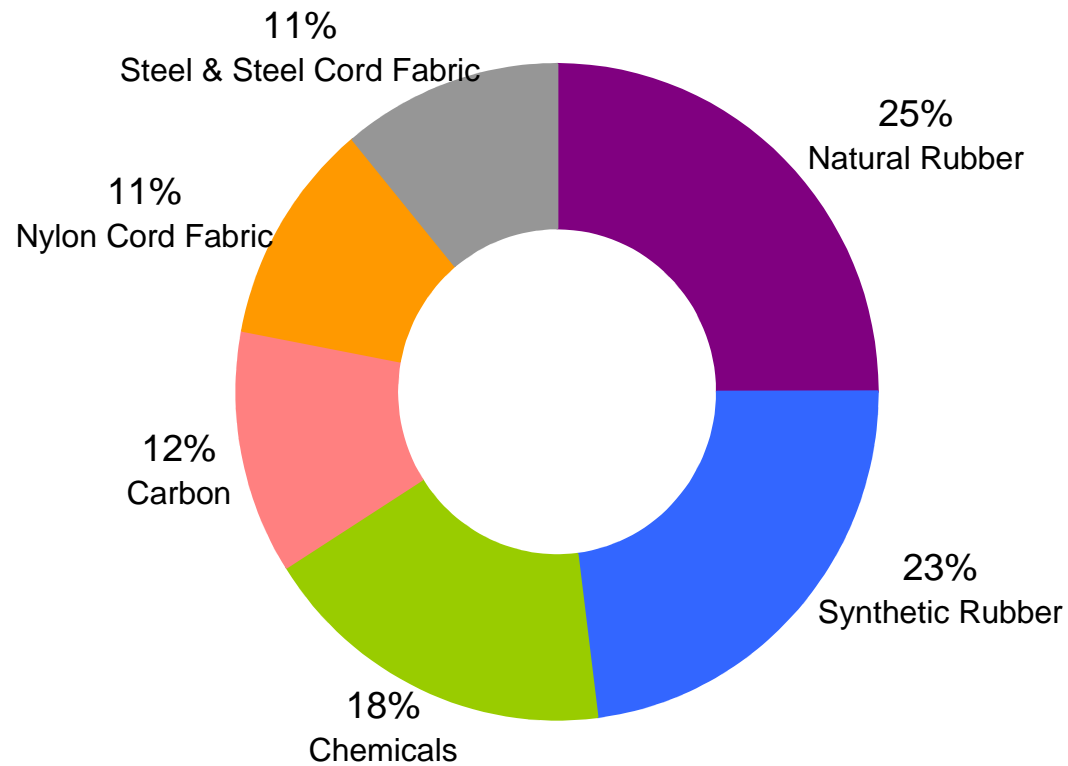
YoY :

➤ Material cost effect : +0.2%



# Material Cost

Unit : % of total material cost



Source : CSTG Non-audited Financial Report (2016)



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# Material Price Trend – 2015~2016

Units :

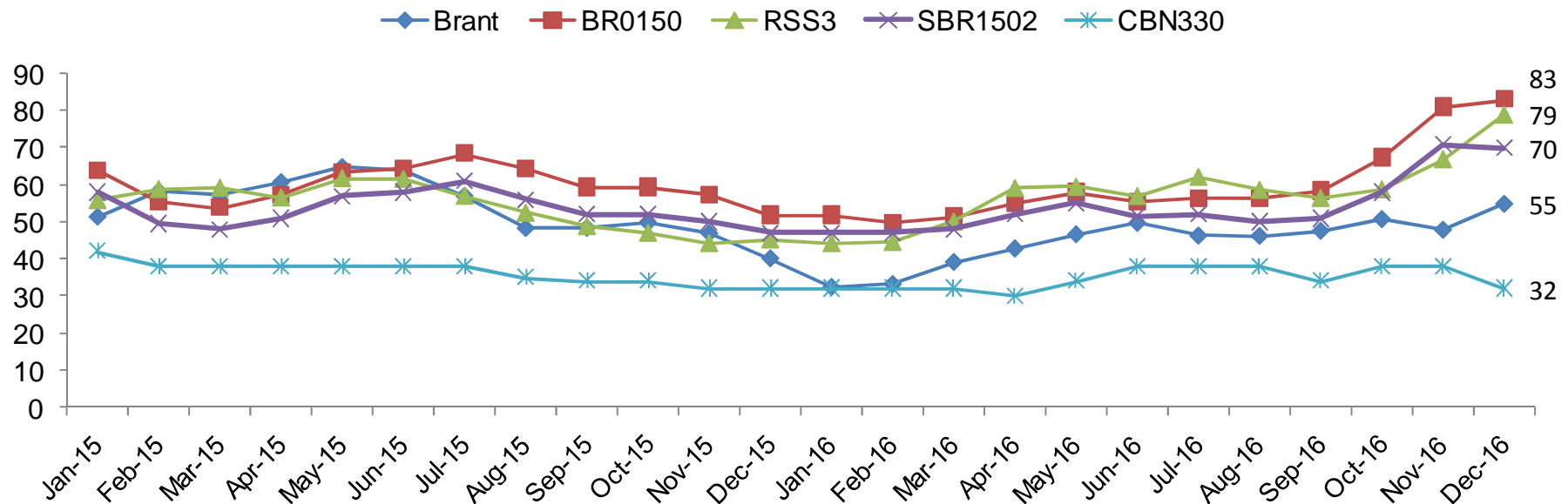
Brent : USD/barrel

BR0150 : NTD/kg

RSS3 : THB/kg

SBR1502 : NTD/kg

CBN330 : NTD/kg

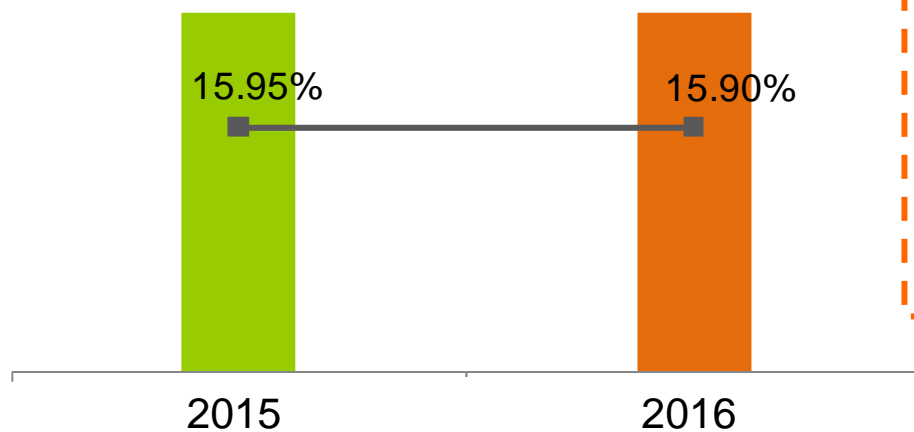


Source : <http://cip.chinatimes.com/>



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## Operating Income Rate (Consolidated)



【 Reasons of operating income rate decrease 0.05% ) 】

YoY :

- Operating expense rate effect : -0.50%
- Gross profit rate effect : +0.45%

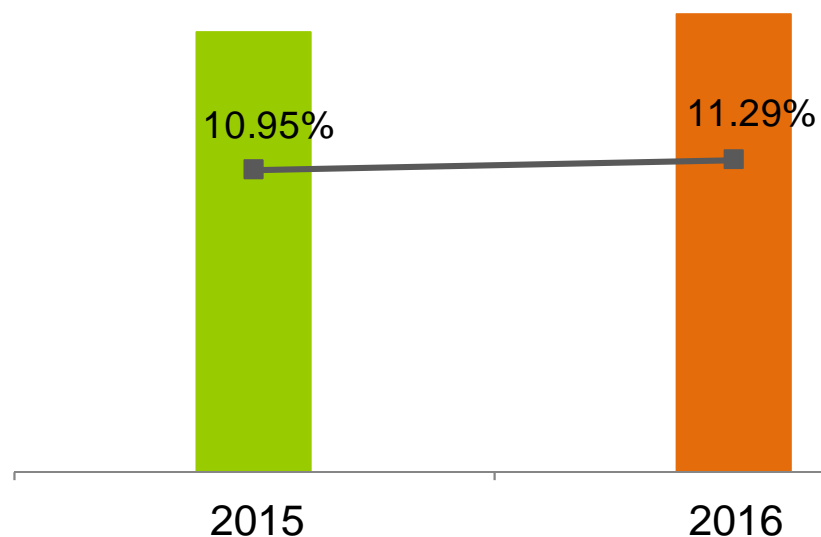
Source : CSTG Financial Report



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## Net Income Rate – Attributable to shareholders of the parent (Consolidated)



【 Reasons of net income rate increase 0.34%) 】

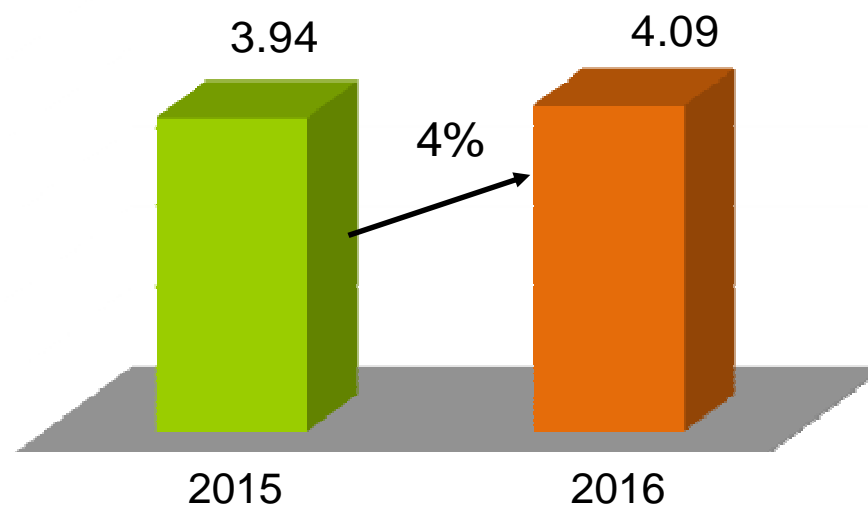
YoY :

- Income tax rate effect : +0.10%
- Non-operating rate effect : +0.29%
- Operating expense rate effect : -0.50%
- Gross profit rate effect : +0.45%

Source : CSTG Financial Report

## EPS (Consolidated)

Unit : NT\$



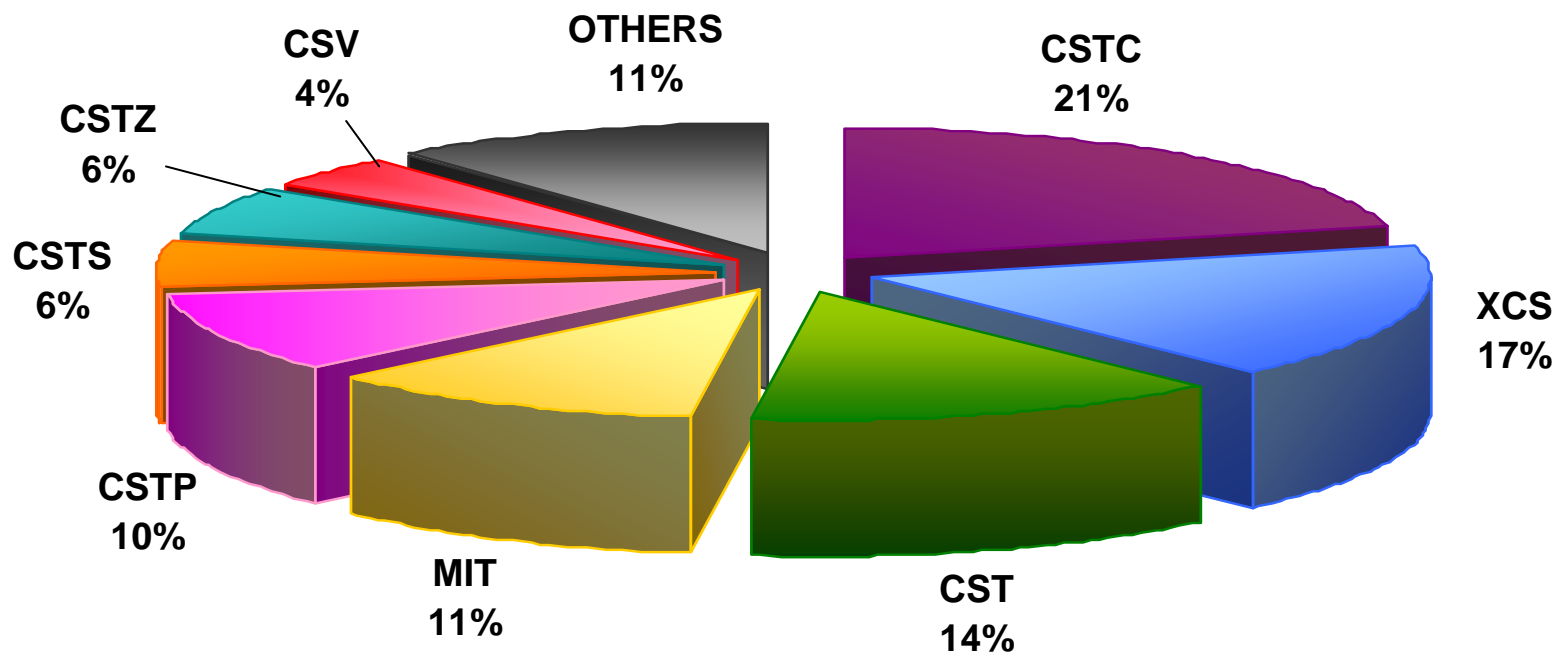
Shares : 3.2414 billion shares



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Source : CSTG Financial Report

# Revenues by Subsidiary

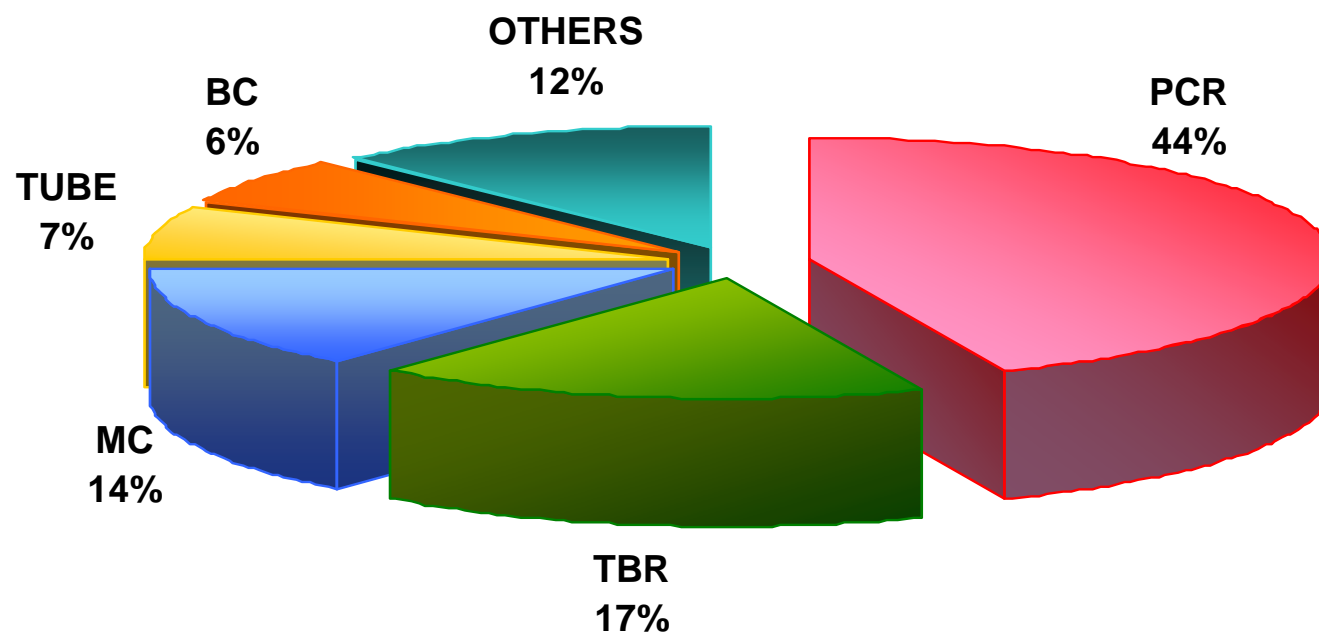


Source : CSTG Financial Report (2016)



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# Revenues by Product

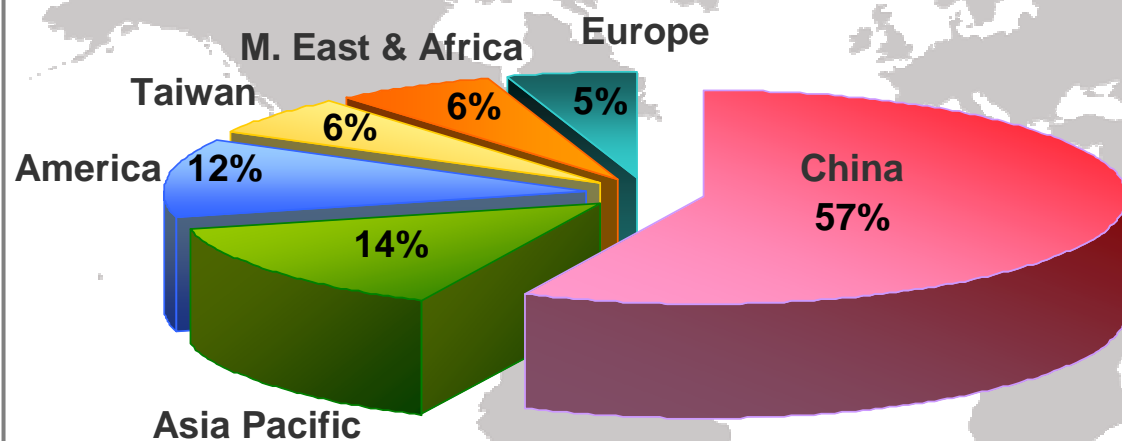


Source : CSTG Non-audited Financial Report (2016)

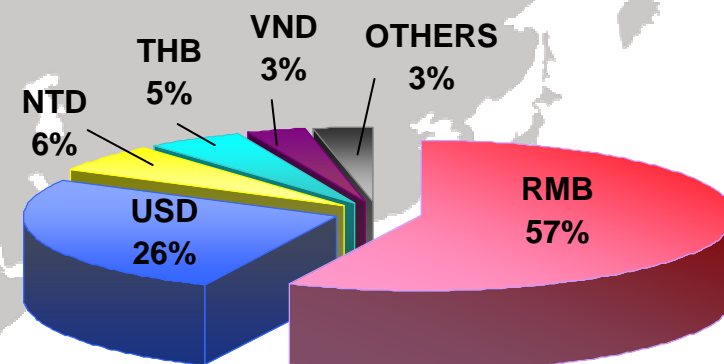


# Revenues Analysis

## Revenues by Region



## Revenues by Currency



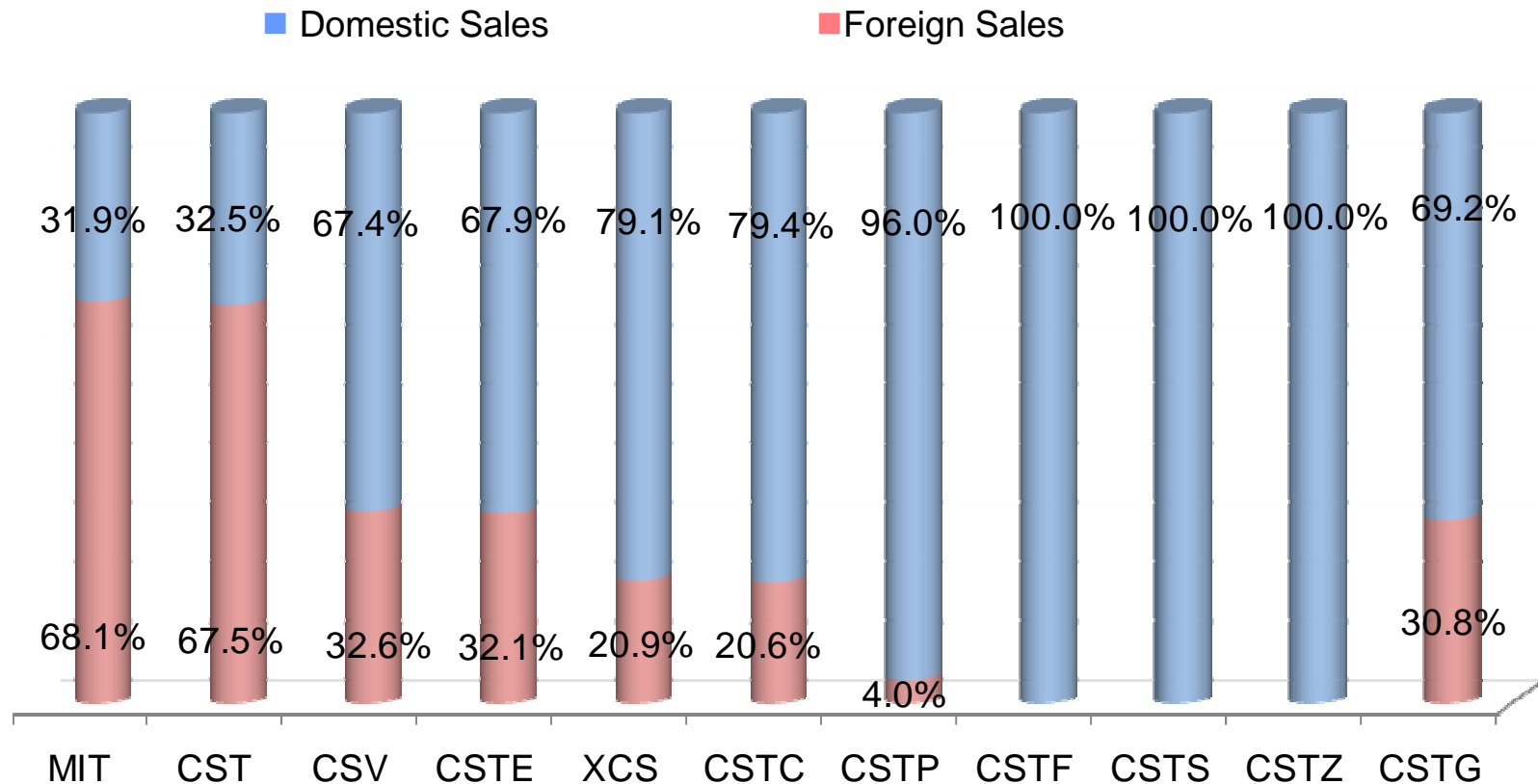
Sales more than 180 countries



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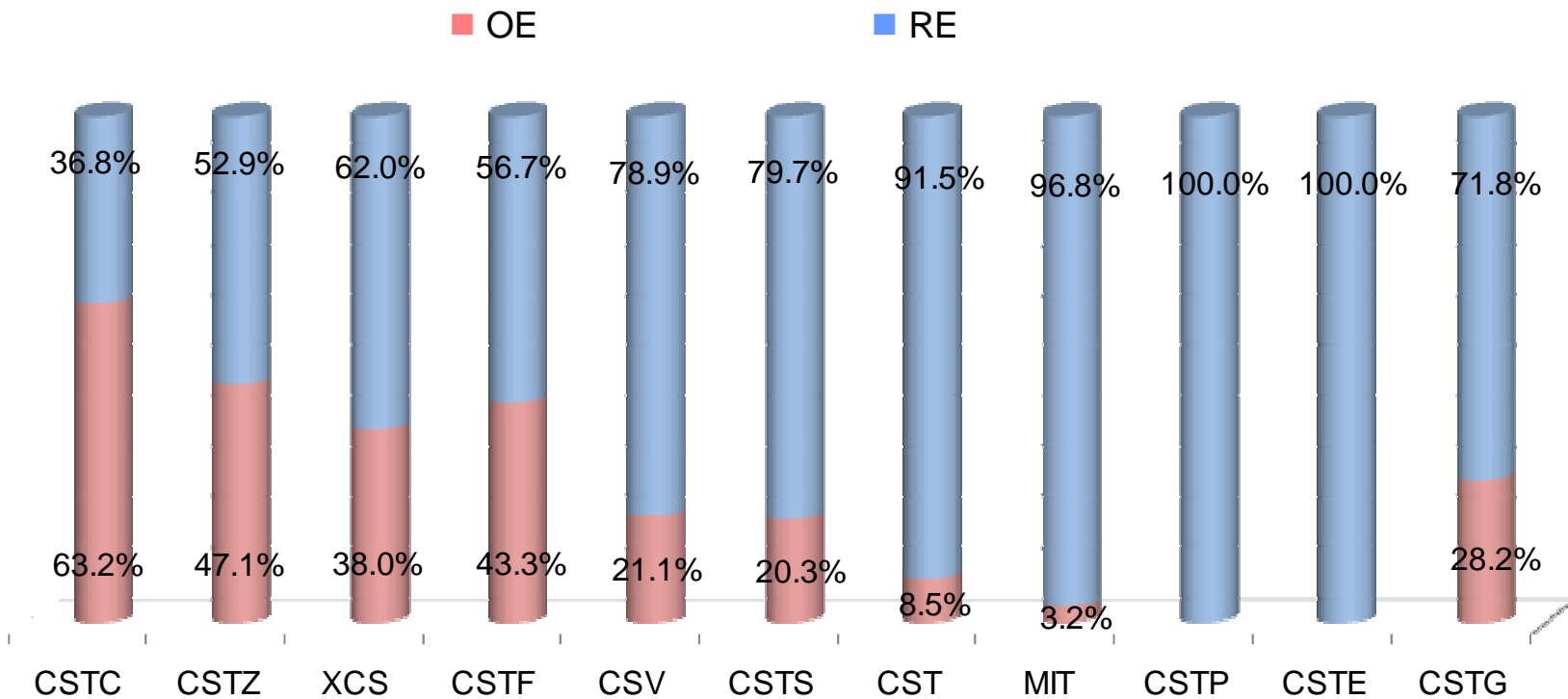
Source : CSTG Non-audited Financial Report (2016)

# Revenues by Domestic & Foreign Sales



Source : CSTG Non-audited Financial Report (2016)

## Revenues by OE & RE Customer



Source : CSTG Non-audited Financial Report (2016)



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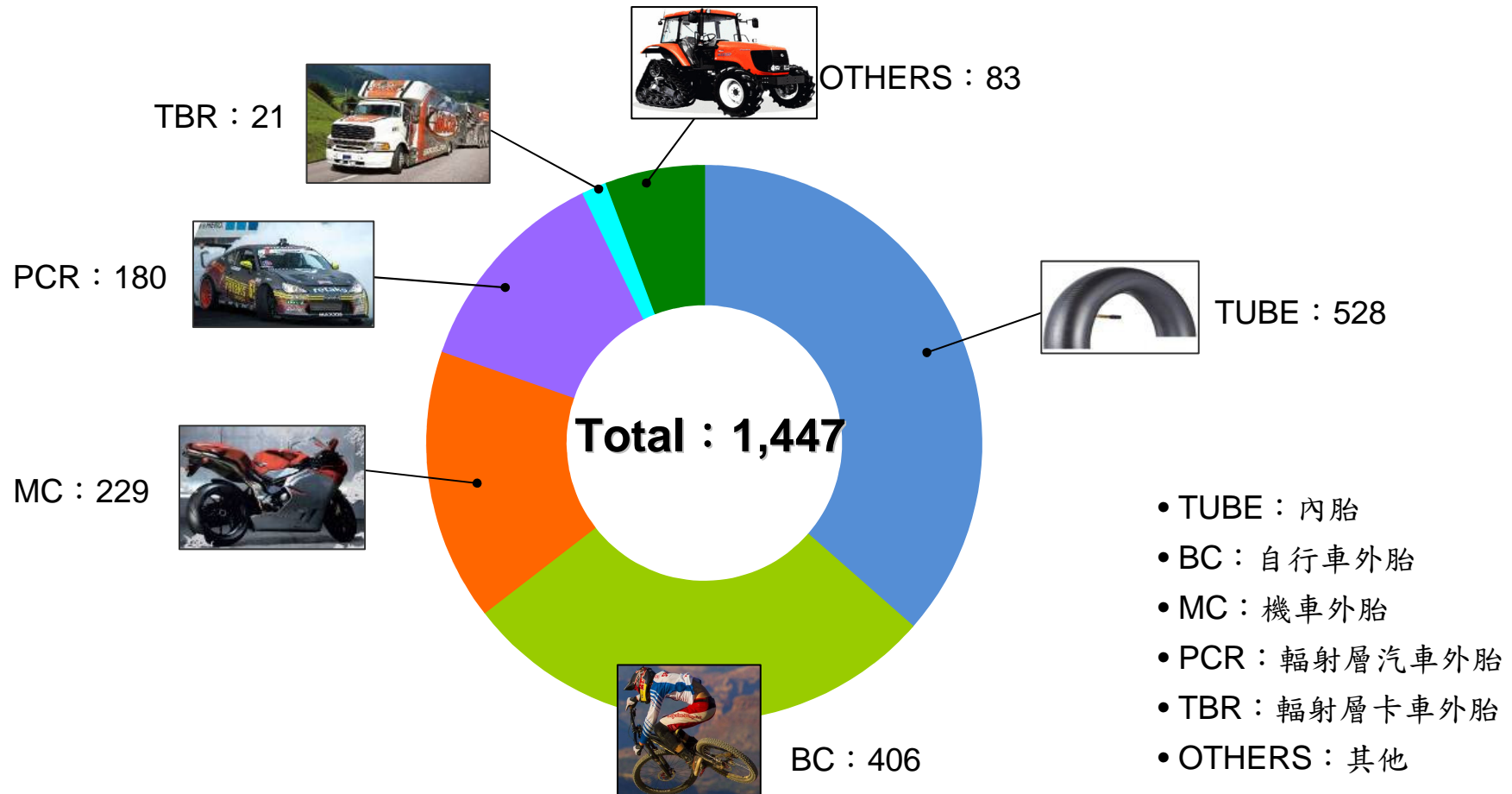
# Production Configuration

	CST	XCS	CSTC	CSTP	CSTF	MIT	CSTE	CSV	CSTS	CSTZ
PCR	⊙	⊙	⊙			⊙			⊙	
TBR	⊙		⊙	⊙		⊙				
MC	⊙	⊙			⊙			⊙		⊙
BC	⊙	⊙			⊙					⊙
TUBE	⊙						⊙	⊙		
OTHERS	⊙	⊙			⊙		⊙	⊙		⊙



# Production Capacity

Unit : thousand pcs / day



Base Date : 2016-12-31



# P.T Maxxis International Indonesia Plant



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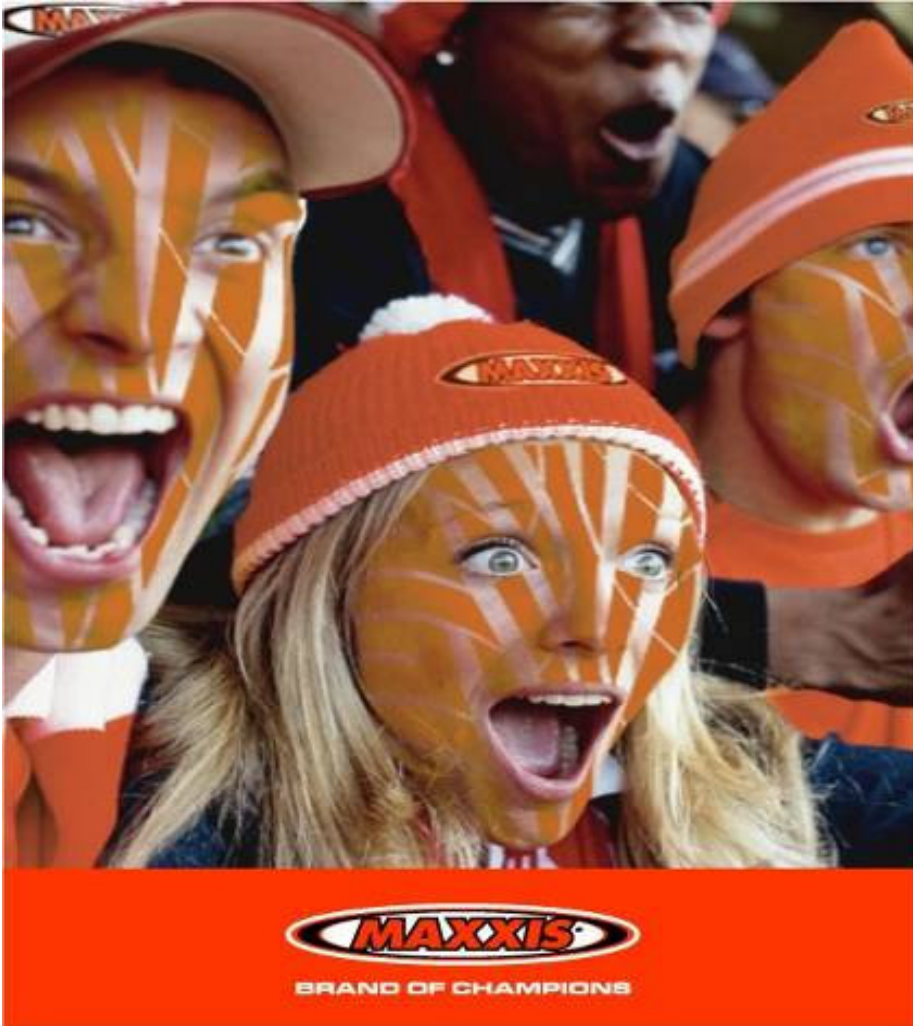


# Maxxis Rubber India Plant



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Thanks for coming and kindly appreciate your support.

 CST website : <http://www.cst.com.tw/>



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