



亞洲水泥股份有限公司

**Asia Cement Corporation**

(Stock code: 1102 TT)

# Asia Cement 2023 Results

(Stock code: 1102 TT)

# Disclaimer

---



This presentation contains forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. Actual results may differ materially from those expressed or implied by these forward-looking statements. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation might not occur in the way we expect, or at all. You should not place undue reliance on any forward-looking information.

In preparing the information herein, ACC have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was provided to ACC or which was otherwise reviewed by ACC. Neither ACC nor its advisors have made any representation or warranty as to the accuracy or completeness of such information and nor do they assume any undertaking to supplement such information as further information becomes available or in light of changing circumstances. None of ACC, nor any of their respective affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. Neither this presentation nor any of its contents may be reproduced to a third party without the prior written consent of ACC.



---

## 2023 Financial Information



# Breakdown by Segments



(NT\$ mn)	4Q23		4Q22		YoY	2023		2022		YoY
<b>Operating Revenue</b>	<b>19,944</b>	<b>100%</b>	<b>24,247</b>	<b>100%</b>	<b>-18%</b>	<b>80,183</b>	<b>100%</b>	<b>90,341</b>	<b>100%</b>	<b>-11%</b>
ACC (TW)	6,420	32%	5,944	25%	8%	23,653	29%	22,181	25%	7%
ACCH	7,663	38%	11,155	46%	-31%	32,794	41%	42,406	47%	-23%
Power business	4,513	23%	5,579	23%	-19%	17,706	22%	16,877	19%	5%
Stainless Steel business	742	4%	710	3%	4%	2,909	4%	5,133	6%	-43%
Others	606	3%	858	4%	-29%	3,121	4%	3,743	4%	-17%
<b>Operating profit</b>	<b>1,467</b>	<b>100%</b>	<b>1,075</b>	<b>100%</b>	<b>37%</b>	<b>7,460</b>	<b>100%</b>	<b>8,571</b>	<b>100%</b>	<b>-13%</b>
ACC (TW)	909	62%	389	36%	134%	3,443	46%	2,735	32%	26%
ACCH	398	27%	405	38%	-2%	1,933	26%	2,730	32%	-29%
Power business	297	20%	488	45%	-39%	1,561	21%	1,971	23%	-21%
Stainless Steel business	(58)	-4%	(359)	-33%	NA	(144)	-2%	(11)	0%	NA
Others	(78)	-5%	151	14%	NA	667	9%	1,147	13%	-42%
<b>Equity Income</b>	<b>199</b>	<b>100%</b>	<b>(135)</b>	<b>100%</b>	<b>NA</b>	<b>2,493</b>	<b>100%</b>	<b>4,311</b>	<b>100%</b>	<b>-42%</b>
Far Eastern New Century Corp.	550	276%	(34)	25%	NA	1,348	54%	1,301	30%	4%
U-Ming Marine Transport Corp.	345	173%	123	-91%	181%	1,149	46%	1,729	40%	-34%
Shanshui Cement Co. Ltd.	(550)	-276%	(292)	216%	NA	(771)	-31%	396	9%	NA
Others	(146)	-74%	68	-50%	NA	766	31%	886	21%	-13%

# ACCH: Operating Data



	4Q23	4Q22	YoY	2023	2022	YoY
<b>Shipment (mt)</b>						
Cement	6.1	6.9	-13%	24.1	24.0	0%
Clinker	0.4	0.9	-52%	2.0	3.9	-48%
RMC	0.1	0.1	42%	0.5	0.5	-13%
Aggregate	2.5	1.7	43%	7.9	5.9	34%
<b>ASP (R\$/t)</b>						
Cement	240	308	-22%	265	324	-18%
Clinker	205	271	-24%	238	300	-20%
RMC	375	464	-19%	404	481	-16%
Aggregate	44	54	-18%	46	57	-19%
<b>GP /t (R\$/t)</b>						
Cement	26	28	-7%	35	39	-10%
<b>ACCH Cost Breakdown(%)</b>						
Coal	43%	51%		44%	50%	
Power	14%	12%		14%	11%	
Material	12%	11%		12%	14%	
D&A	12%	8%		12%	9%	
Others	19%	18%		19%	16%	

# ACC: Summary of Income Statement



NT\$ mn

Income Statement	4Q23	4Q22	YoY	2023	2022	YoY
<b>Operating Revenue</b>	<b>19,944</b>	<b>24,247</b>	<b>-18%</b>	<b>80,183</b>	<b>90,341</b>	<b>-11%</b>
Operating Cost	17,647	22,408	-21%	69,746	78,585	-11%
<b>Net Gross Profit</b>	<b>2,297</b>	<b>1,838</b>	<b>25%</b>	<b>10,437</b>	<b>11,755</b>	<b>-11%</b>
SG&A expenses	830	764	9%	2,977	3,184	-7%
<b>Operating profit</b>	<b>1,467</b>	<b>1,075</b>	<b>37%</b>	<b>7,460</b>	<b>8,571</b>	<b>-13%</b>
Non-operating profit	481	(37)	NA	6,476	6,626	-2%
Equity Income	199	(135)	NA	2,493	4,311	-42%
Net Interest Income (Expense)	(71)	(121)		(420)	(349)	
Dividend Income	5	3		894	411	
Gain (loss) on FVTPL FA/FLs	568	7		3,400	1,243	
Gain (loss) on exchange	(340)	(202)		(29)	604	
Gain (loss) on Investment Property	295	430		522	327	
Pre tax Income	1,948	1,038		13,936	15,197	
<b>Net income</b>	<b>1,281</b>	<b>638</b>	<b>101%</b>	<b>11,084</b>	<b>12,597</b>	<b>-12%</b>
<b>Profit Attributable to Owners of Parent</b>	<b>1,326</b>	<b>609</b>	<b>118%</b>	<b>10,883</b>	<b>12,016</b>	<b>-9%</b>
<b>EPS (NT\$/share)</b>	<b>0.37</b>	<b>0.17</b>	<b>118%</b>	<b>3.07</b>	<b>3.39</b>	<b>-9%</b>
<b>Gross margin</b>	<b>11.5%</b>	<b>7.6%</b>		<b>13.0%</b>	<b>13.0%</b>	
<b>Operating margin</b>	<b>7.4%</b>	<b>4.4%</b>		<b>9.3%</b>	<b>9.5%</b>	
<b>Net margin</b>	<b>6.6%</b>	<b>2.5%</b>		<b>13.6%</b>	<b>13.3%</b>	

Note: EPS is calculated on outstanding shares.

# ACC: Summary of Balance Sheets & Cash Flow



NT\$ mn		
Balance Sheets	2023	2022
<b>Total Assets</b>	<b>336,727</b>	<b>324,243</b>
Cash & cash equivalents	33,230	43,486
Short-term Investments	65,712	42,783
Inventories	7,611	8,668
Account receivables	10,539	11,435
Notes receivables	2,361	2,557
Fixed assets	77,041	76,982
<b>Total Liabilities</b>	<b>144,863</b>	<b>140,010</b>
S/T loans	29,017	28,693
Commercial paper	30,329	27,060
Current portion of L/T Liabilities	10,219	1,594
Bonds payable	39,100	45,100
Bank loans	9,567	10,416
<b>Total Equity</b>	<b>191,864</b>	<b>184,233</b>
Capital stock	35,466	35,459
Equity attributable to owners	169,170	160,817
<b>Book Value(NT\$/Share)</b>	<b>47.7</b>	<b>45.4</b>
ROE	5.7%	6.5%
Net Gearing Ratio	11.4%	16.5%
Net Debt	19,291	26,593

NT\$ mn		
Cash Flow	2023	2022
<b>Operating Cash Flow</b>	<b>7,269</b>	<b>15,309</b>
Net Income	10,883	12,016
Depr&Amort	4,756	4,769
Changes of non-cash WC	4,027	3,250
(Acquisition) of FVTPL FA	(9,583)	(996)
<b>Investing Cash Flow</b>	<b>(13,656)</b>	<b>1,055</b>
CAPEX	(4,082)	(2,666)
(Acquisition) of AC FA <sup>(1)</sup>	(10,757)	4,364
<b>Financing Cash Flow</b>	<b>(3,476)</b>	<b>(7,417)</b>
Changes in Debt/Borrowings	5,231	5,574
Dividends Paid	(8,156)	(12,055)
Effect of FX	(394)	1,089
<b>Net Changes in Cash</b>	<b>(10,257)</b>	<b>10,036</b>
<b>Free Cash Flow</b>	<b>3,187</b>	<b>12,642</b>

Note1: Mainly over 3 months time deposit.

Note1: 2018 ECB has been fully converted in 2Q23, therefore the capital stock gains.

Note2: Net gearing = Net debt / Equity attribute to owners

# ACCH: Summary of P&L



RMB\$ mn

Income Statement	4Q23	4Q22	YoY	2023	2022	YoY
Operating revenue	1,711	2,527	-32%	7,427	9,614	-23%
Operating cost	1,487	2,264	-34%	6,357	8,325	-24%
<b>Gross Profit</b>	<b>225</b>	<b>263</b>	<b>-15%</b>	<b>1,070</b>	<b>1,289</b>	<b>-17%</b>
Other net income	138	91		289	211	
Selling&marketing costs	114	121		447	437	
Administrative expenses	84	85		338	319	
<b>Operating income</b>	<b>133</b>	<b>126</b>	<b>6%</b>	<b>574</b>	<b>744</b>	<b>-23%</b>
Finance costs	23	26		78	57	
Share of results of jointly controlled entities	(23)	(2)		(25)	2	
Pre tax Income	92	99		472	689	
Tax	103	58		360	265	
<b>Net Income</b>	<b>(10)</b>	<b>41</b>	<b>NA</b>	<b>111</b>	<b>424</b>	<b>-74%</b>
<b>Profit Attributable to Owners of Parent</b>	<b>(10)</b>	<b>49</b>	<b>NA</b>	<b>106</b>	<b>420</b>	<b>-75%</b>
Minority interests	(0)	(8)		5	4	
<b>EPS (RMB\$/share)</b>	<b>(0.01)</b>	<b>0.03</b>	<b>NA</b>	<b>0.07</b>	<b>0.27</b>	<b>-75%</b>
<b>Gross margin</b>	<b>13.1%</b>	<b>10.4%</b>		<b>14.4%</b>	<b>13.4%</b>	
Operating margin	7.8%	5.0%		7.7%	7.7%	
<b>Net margin</b>	<b>-0.6%</b>	<b>1.9%</b>		<b>1.5%</b>	<b>4.4%</b>	

# ACCH: Balance Sheets & Cash flow



RMB\$ mn

Balance Sheets	2023	2022
<b>Total Assets</b>	<b>20,283</b>	<b>21,146</b>
Cash and short-term investments	9,257	8,900
Inventories	607	906
Trade and other receivables	894	1,253
Fixed assets	6,113	6,583
<b>Total Liabilities</b>	<b>3,076</b>	<b>3,755</b>
Borrowings- due within one year	1,148	1,014
Trade and other payables	825	948
Borrowings- due after one year	625	1,362
<b>Total Equity</b>	<b>17,207</b>	<b>17,391</b>
Equity Attributable to Parent	16,843	16,987
<b>Book Value(RMB/Share)</b>	<b>10.7</b>	<b>10.8</b>

<b>ROE</b>	<b>0.6%</b>	<b>2.5%</b>
<b>ROA</b>	<b>0.5%</b>	<b>2.0%</b>

RMB\$ mn

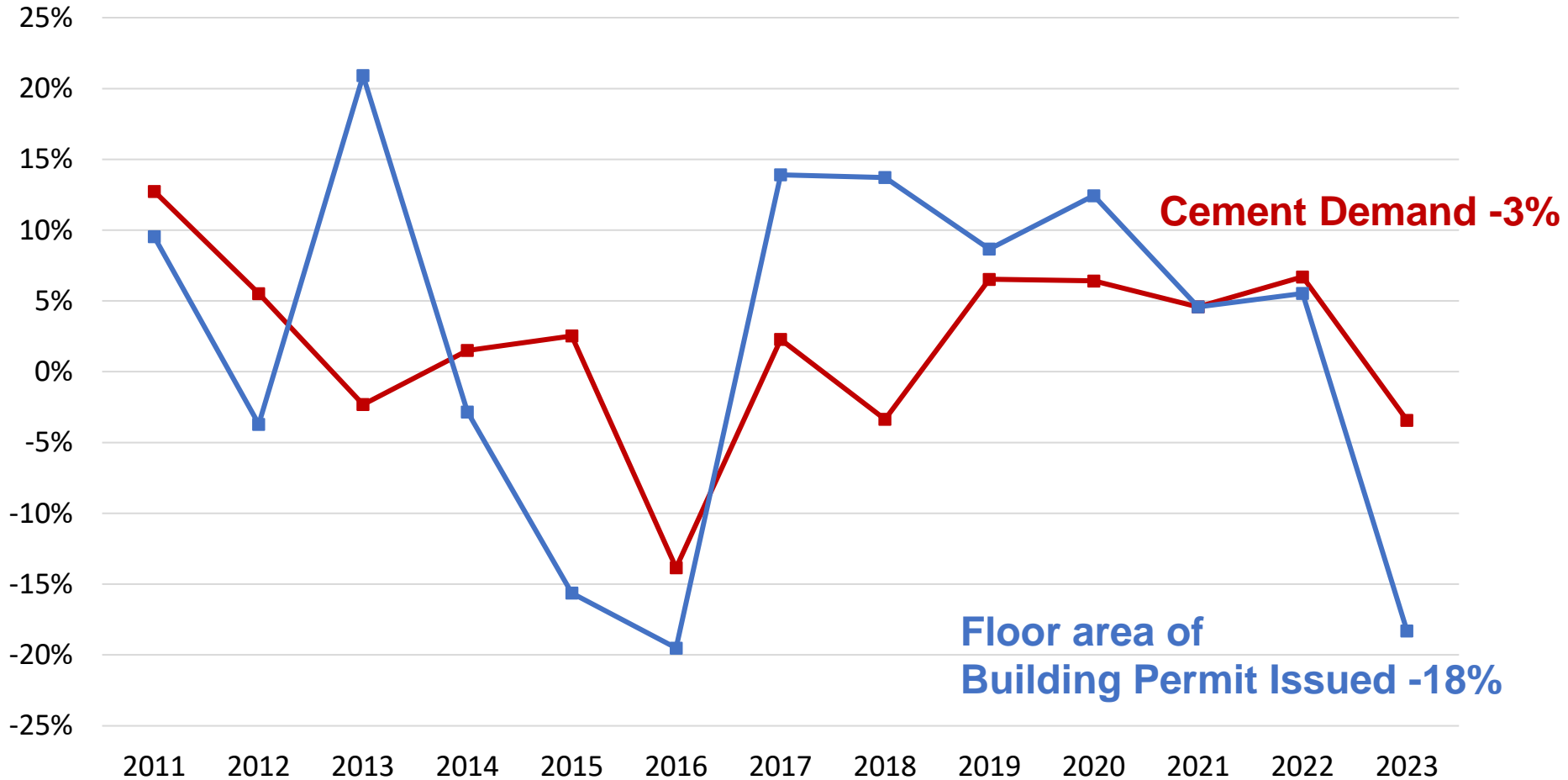
Cash Flow	2023	2022
<b>Operating Cash Flow</b>	<b>1,532</b>	<b>1,615</b>
<b>Investing Cash Flow</b>	<b>(2,815)</b>	<b>257</b>
<b>Financing Cash Flow</b>	<b>(974)</b>	<b>139</b>
Net Changes in Cash	(2,257)	2,011



---

## Market Overview

# Taiwan Market Overview



Source: Ministry of the Interior 、Taiwan Cement Manufacturer' s Association

# TW Carbon Policy



## Carbon Fee

## Carbon Trading

### Participants

Large emitters

Not specific

### Operation time

1. 2024Q1: Confirmation of fee rate
2. 2024: Starting to implement
3. 2025: collect 2024's carbon fee

1. 2023Q4: Amendment of <Climate Change Adaptation Act>
2. 2024: Launch of domestic trading

### Practice

Charged by emission volume

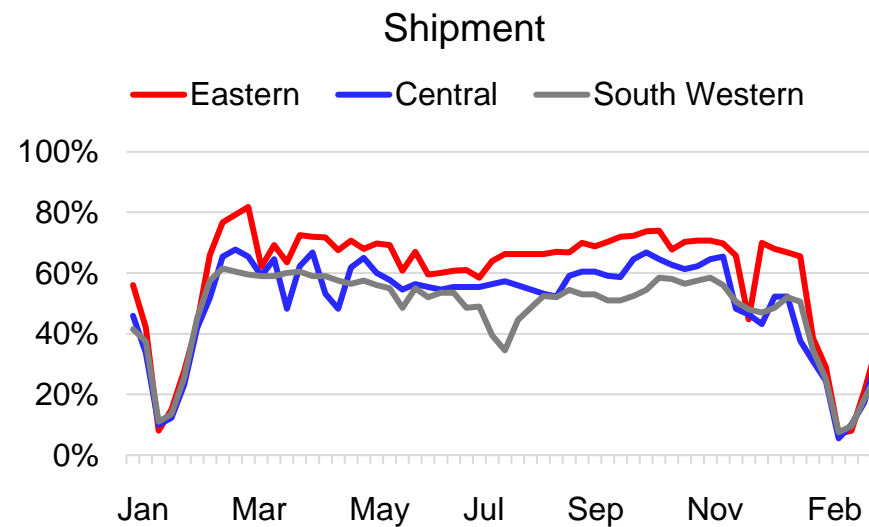
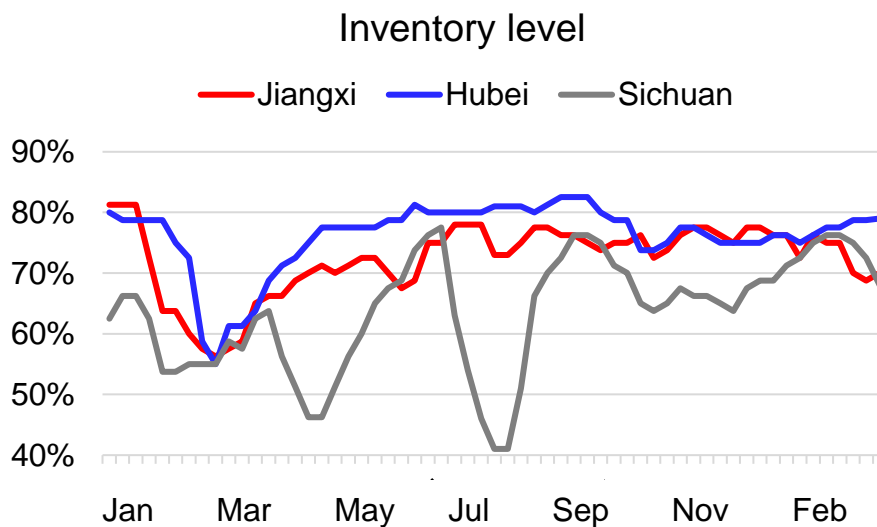
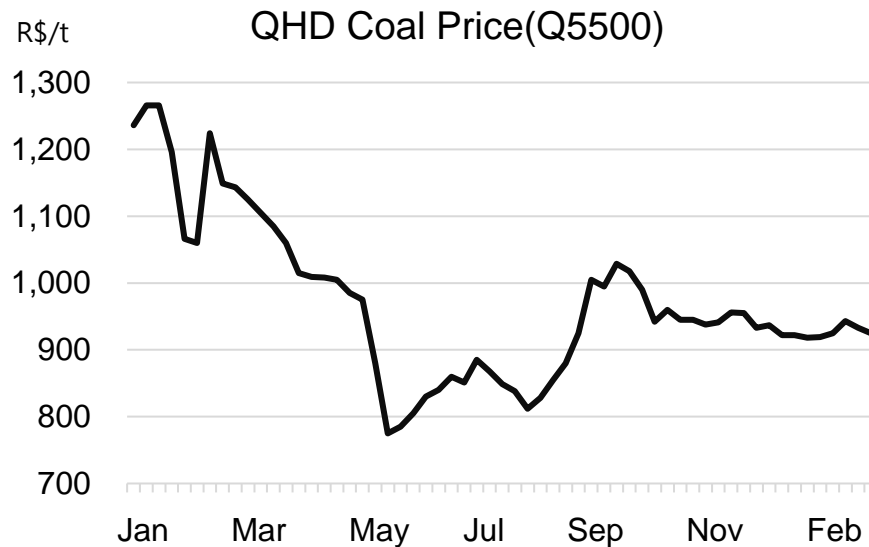
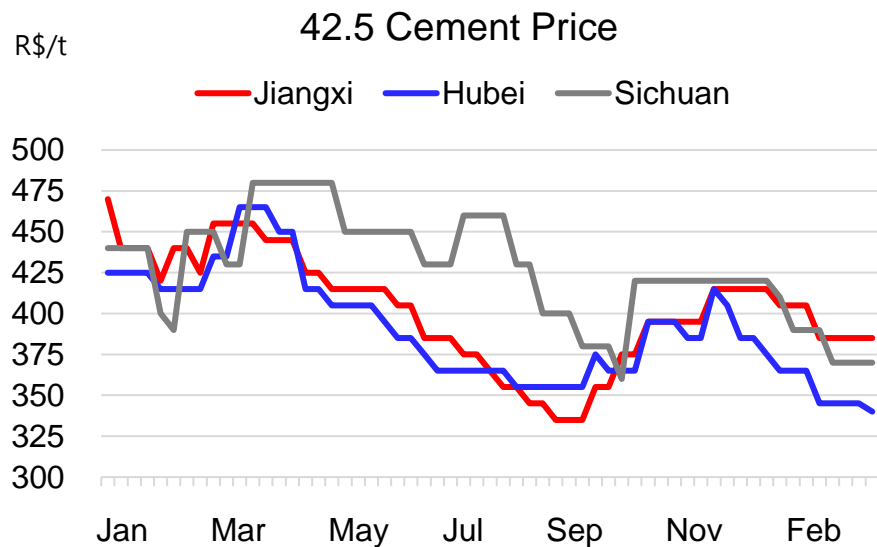
1. Companies conduct voluntary reduction plan can earn credits
2. Companies who need to meet ESG requests can buy credits

### ACC's Status

1. ACC's emission reduction targets is approved by the SBTi, which may obtain a discount rate
2. ACC has attended Environmental Protection Agency's Preliminary reduction project in 2014, which can partly offset emission volume

Stay tuned for opportunities to earn carbon credit

# 2023~2024/3 China Cement Market

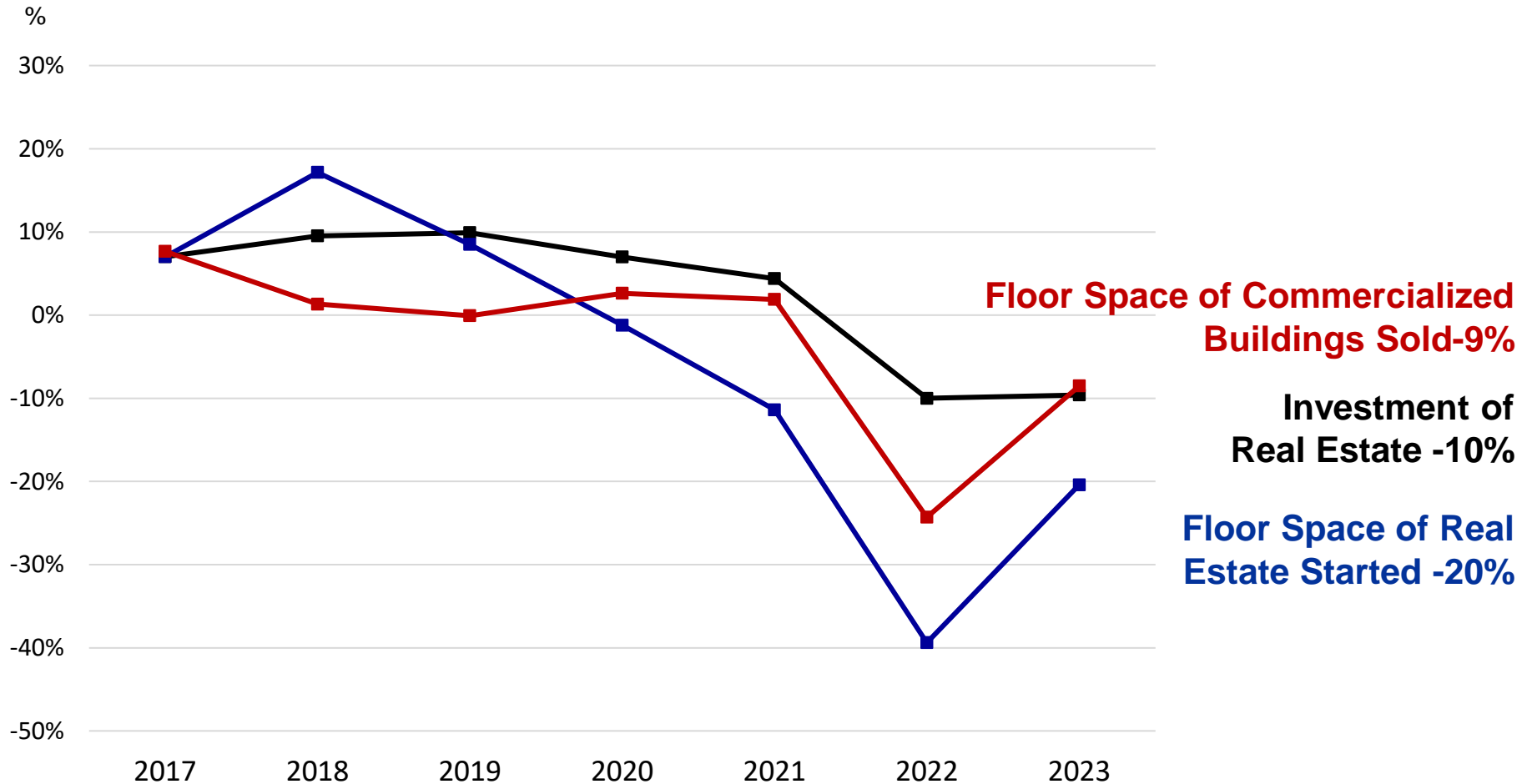


# Production Halt Plans



	FY 2024	FY 2023	Change
Jiangxi	110	100	<b>+10</b>
Hubei	70	60	<b>+10</b>
Sichuan	140+	130+	<b>+10</b>
Jiangsu	80	80	-

# An L-shaped recovery expected in Property Market



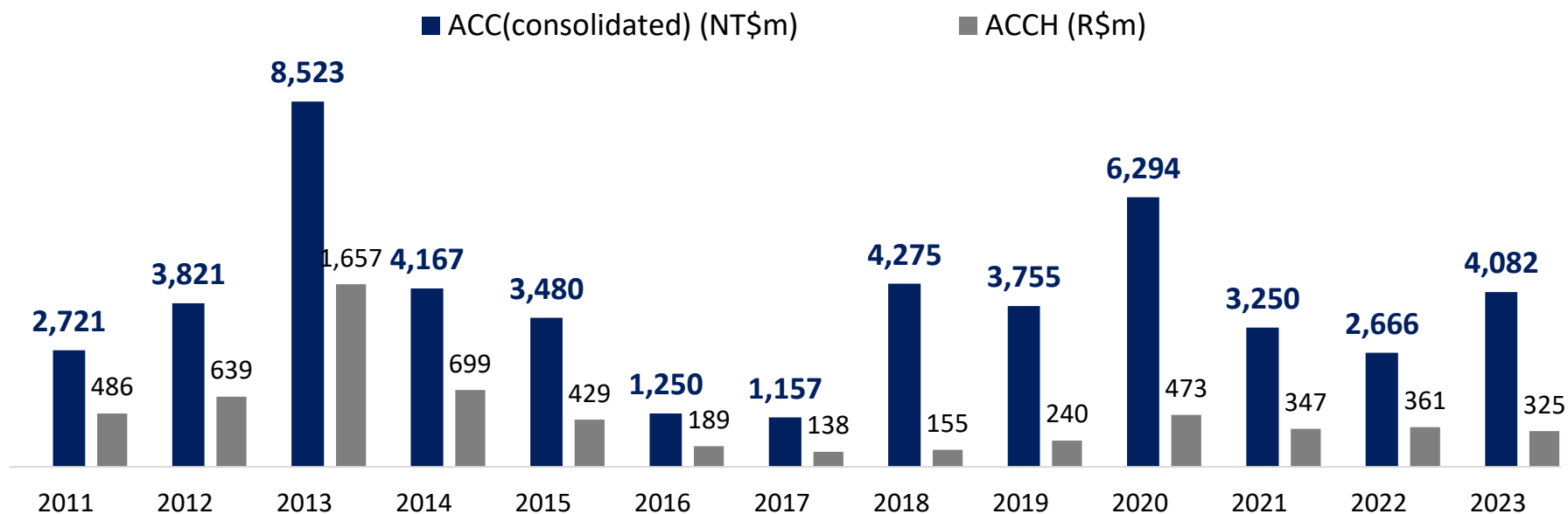
Source: National Bureau of Statistics of China



---

# Appendix

# CAPEX



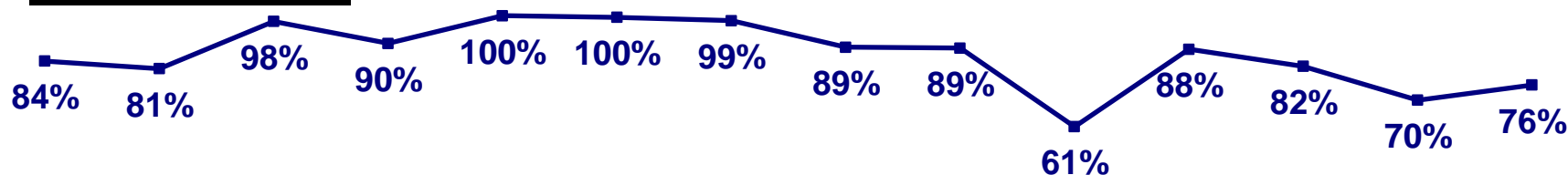
## 2023-2025 Investment Focus Areas

<b>Capacity Expansion</b>	Build grinding station, conduct capacity swap and debottlenecking
<b>Low Carbon</b>	Replace outdated equipment to improve emission and energy consumption
<b>Circular Economy</b>	Increase the use of alternative fuel and materials
<b>Green Energy</b>	Construct Roof PV Systems in cement plant

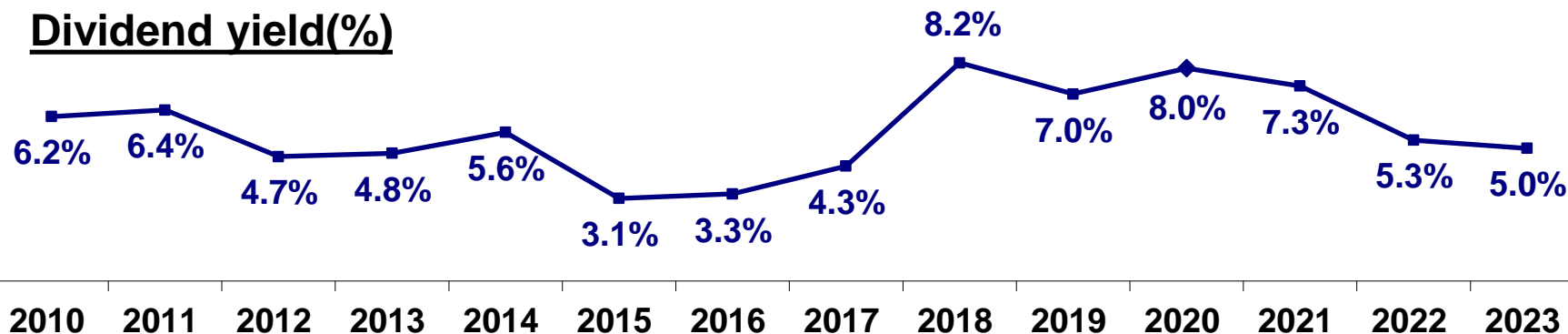
# ACC Payout Policy



## Payout ratio(%)



## Dividend yield(%)



## Cash dividend per share (NT\$ /share)

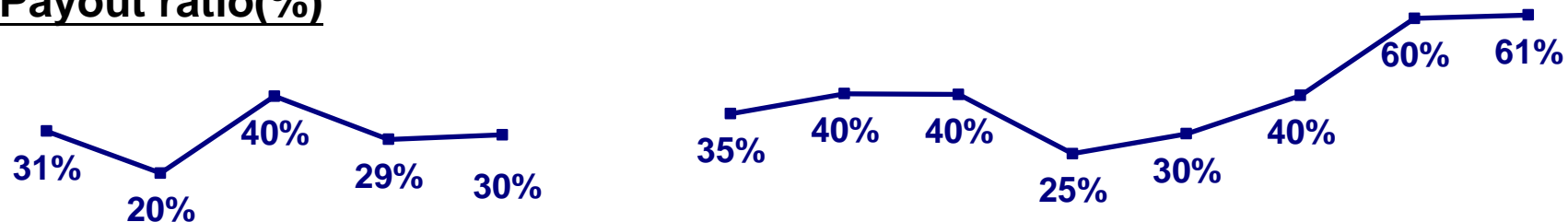
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1.90	2.30	1.70	1.80	2.20	1.10	0.90	1.20	2.80	3.00	3.46	3.40	2.30	2.10

Note : Payout ratio=Cash dividend/(Net income - Investment property adjustment).

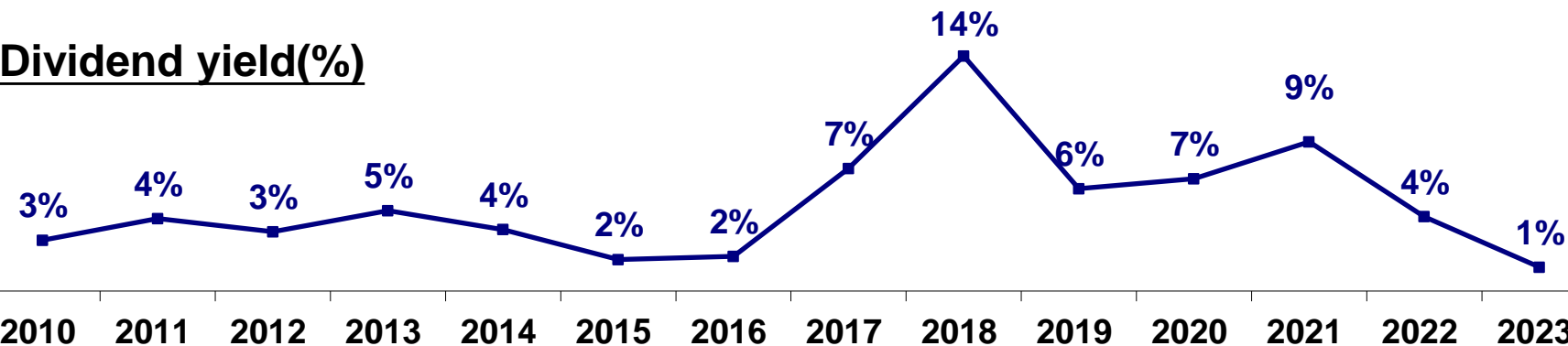
# ACCH Payout Policy



## Payout ratio(%)



## Dividend yield(%)



## Cash dividend per share (R\$ /share)

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
0.10	0.17	0.10	0.15	0.15	0.05	0.03	0.16	0.62	0.50	0.51	0.45	0.16	0.04

Note : AC(China) reported net loss but still pay R\$0.05/share dividend in 2015.



**Thank you**

[ir@acc.com.tw](mailto:ir@acc.com.tw)

[http:// www.acc.com.tw](http://www.acc.com.tw)



**Q&A: Mining Concerns**



**ACC Eco-friendly  
Achievements**



**Download: ACC Financials**