



**Inspired by Customers.
Evolving with Technology.**



龍燈環球農業科技有限公司

股票代號：4141

2018年第3季法人說明會

2018.11.27

Global Market And Rotam Business



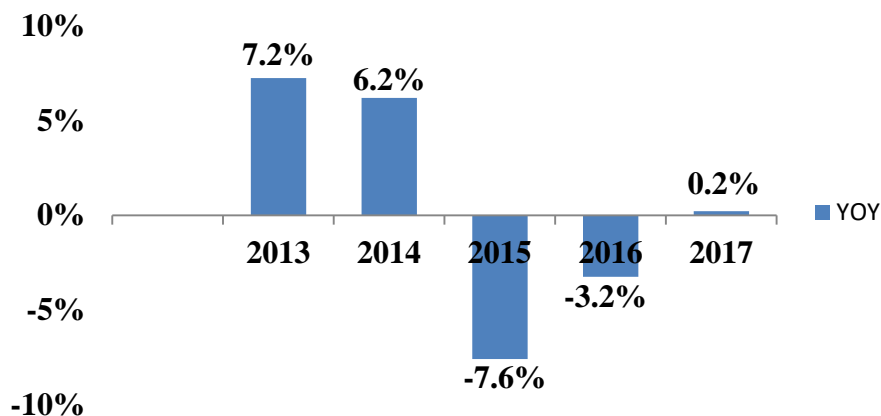
CCP Market

Conventional Crop Protection Market: 2012-2017 (Distributor Level, \$m.)

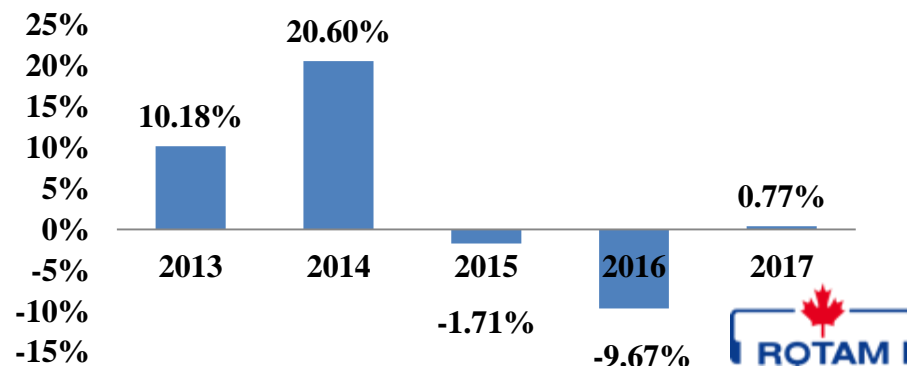
	2012	2013	2014	2015	2016	2017
World Crop Protection Market (\$m.)	51,796	54,075	58,764	56,160	52,882	54,219
Nominal change on previous year (%)	n.a.	+4.4	+8.6	-4.4	-5.8	+2.5
Real change on previous year (%)	n.a.	+3.1	+16.7	+8.1	-6.4	-3.7

2016/2017	
Nutrichem	32.4
Rainbow	33.9
Red Sun	34.9
Chinese market	6.2
Industry Average	2.5

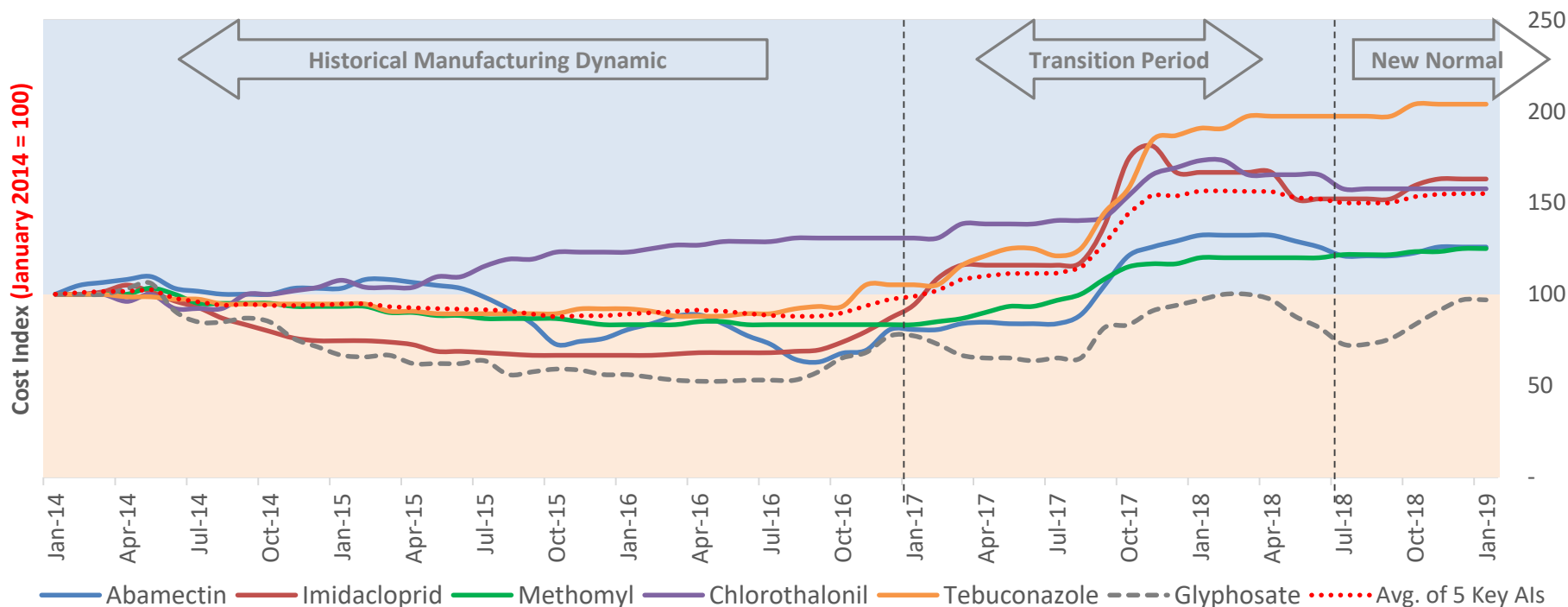
Market Value YOY



Rotam Sales YoY

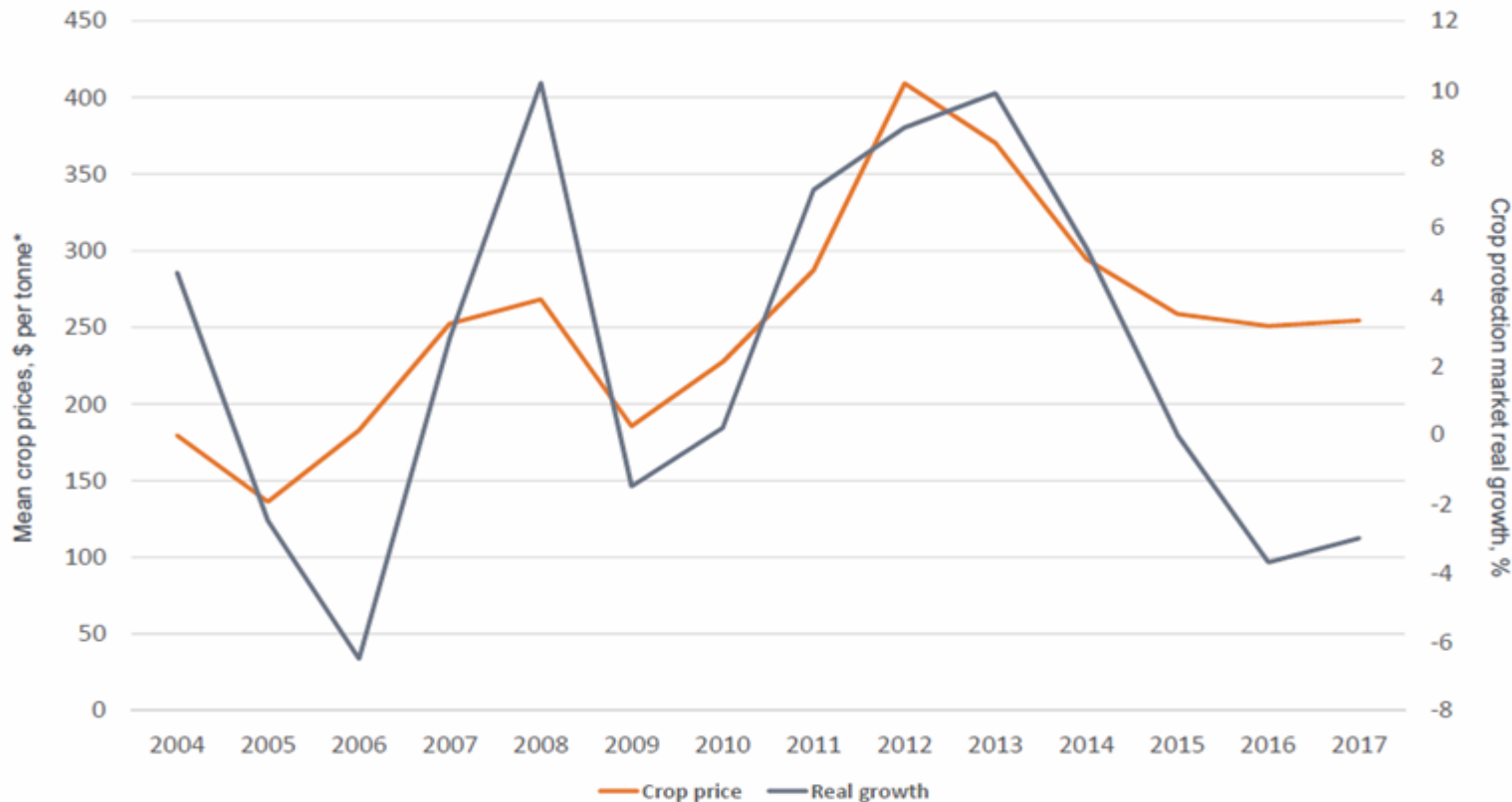


RAW MATERIAL COST INDEX: 2014 - 2018



Historical China Manufacturing Dynamic for last 15 yrs	Transition Period	New Normal
<ul style="list-style-type: none"> Oversupply Widely Non Compliant HSE Inefficient capacity design & use Spot Business mentality. Continuous Price Drop for TGAI & Intermediates due to competitive pressure HSE Compliant Manufacturers put at disadvantage of Cost V Non Compliant 	<ul style="list-style-type: none"> Severe Supply Disruption of TGAI & intermediates caused by HSE inspection & shutdown by Central Government Teams. Manufacturers rush to make Huge Investment to upgrade facilities to be HSE compliant Rapid Price Increases across TGAI intermediates to packaging Even Complaint Manufacturers face Production Disruption due to Non Complaint parties in same Zone or region. 	<ul style="list-style-type: none"> Supply will be less than demand across a range of Chemistry, stabilizing at small shortage level Price reflects HSE Complaint manufacturing cost. Professional Manufacturers of Scale are winners Manufactures are geared to make Profit from planned stable demand

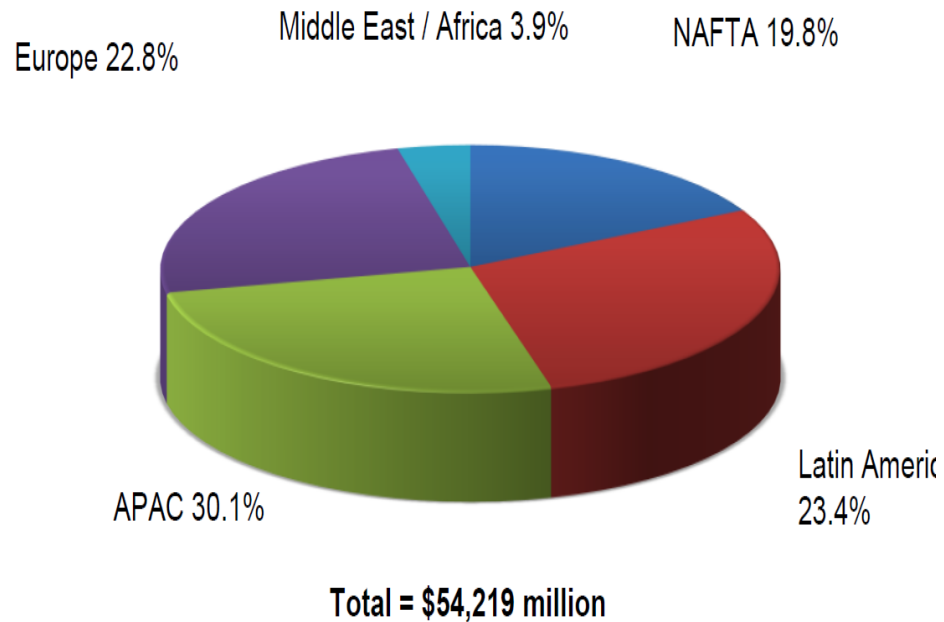
CCP Market Real Growth vs Commodity Prices



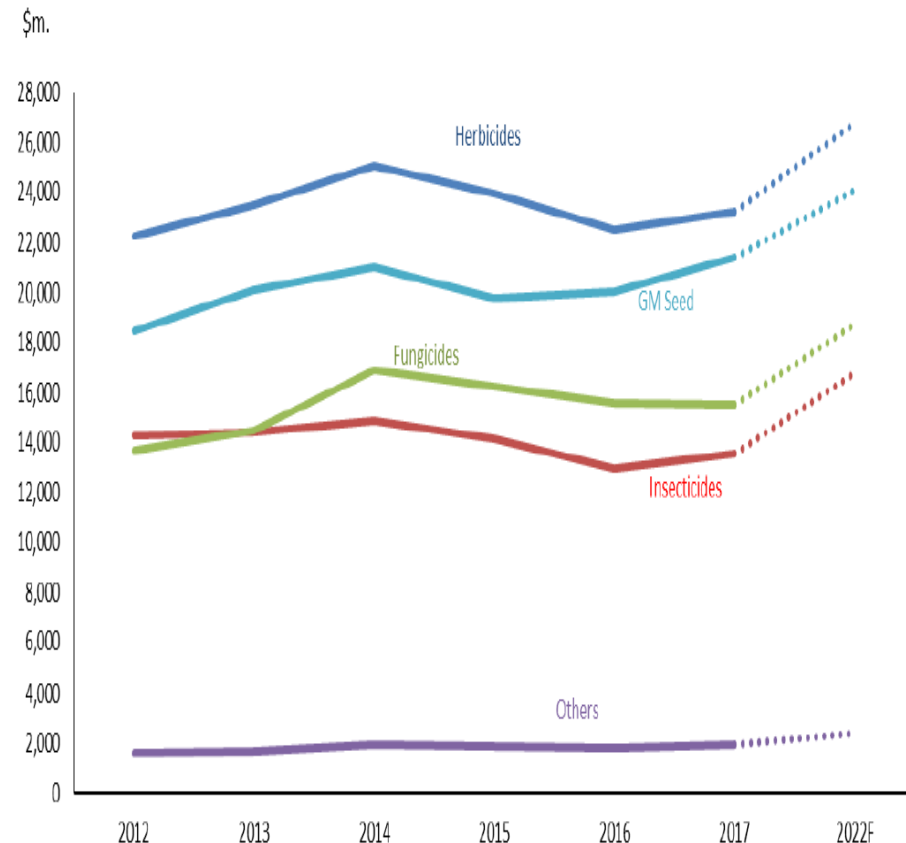
- High Correlation between Crop price and Crop protection market value.
作物價格與作物保護市場價值存在高度相關
- We saw the crop price drop has slowed down and we feel the crop protection market start recovering.
作物價格下跌已經放緩，我們認為作物保護市場正開始復蘇。

CCP Pattern and Trend

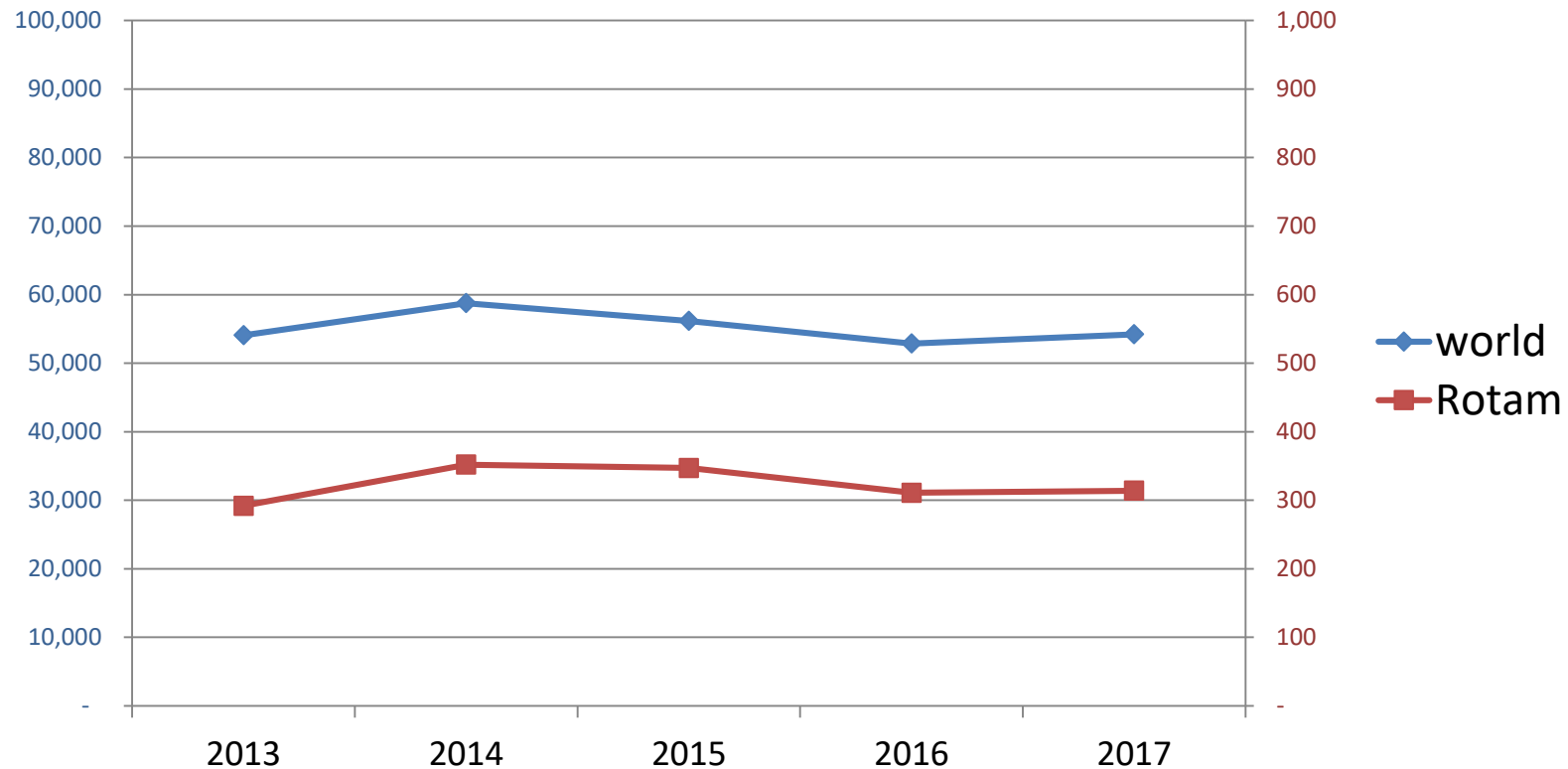
Crop Protection Market by Region 2017



Data Source : Phillips McDougall 2018.07.23



CCP Market



USD \$M	2013	2014	2015	2016	2017
World	54,075	58,764	56,160	52,882	54,219
Rotam	292	352	347	311	314

TOP 15 MAJOR MARKET

Rank	Country	Sales 2012 (\$m)	Sales 2016 (\$m)	Sales 2017 (\$m)	Growth 2017/16 (%)	Growth 2017/12 (% p.a.)	Forecast 2022 (2017 \$m)	Growth 2022/17 (% p.a.)
1	Brazil	10,101	9,557	8,763	-8.3	-2.8	11,131	+4.9
2	USA	7,035	7,993	8,191	2.5	3.1	8,839	+1.5
3	China	3,669	5,649	5,999	6.2	10.3	6,944	+3.0
4	Japan	4,067	3,061	3,140	2.6	-5.0	3,642	+3.0
5	India	2,346	2,410	2,708	12.4	2.9	3,148	+3.1
6	France	2,660	2,402	2,375	-1.1	-2.2	3,006	+4.8
7	Germany	1,928	1,892	1,845	-2.5	-0.9	2,220	+3.8
8	Canada	1,623	1,770	1,828	3.3	2.4	2,108	+2.9
9	Argentina	1,450	1,649	1,748	6.0	3.8	1,849	+1.1
10	Italy	1,213	1,185	1,209	2.0	-0.1	1,574	+5.4
11	Russia	839	902	956	6.0	2.6	1,105	2.9
12	Australia	1,350	908	951	4.7	-6.8	1,078	2.5
13	Spain	838	917	916	-0.1	1.8	1,196	5.5
14	Mexico	583	675	742	9.9	4.9	810	+1.8
15	UK	783	642	670	4.4	-3.1	885	+5.7
World		51,796	52,882	54,219	2.5	0.9	64,626	+3.6

We Modify the Structure

USD	2017 FY		2016 FY		Rotam YOY	World YOY
亞太區	16,007,757	5.11%	11,702,056	3.75%	37%	8%
中國區	105,825,999	33.75%	106,865,372	34.27%	-1%	
北美區NAFTA	48,226,289	15.38%	45,914,042	14.73%	5%	3%
中東非洲	9,597,200	3.06%	12,447,733	3.99%	-23%	8%
巴西	52,014,915	16.59%	61,121,495	19.60%	-15%	-5%
阿根廷	26,243,578	8.37%	24,209,687	7.76%	8%	
拉丁美洲	25,303,790	8.07%	22,928,554	7.35%	10%	
歐洲	30,323,369	9.67%	26,614,126	8.54%	14%	3%
合計	313,542,895	100%	311,803,063	100%	1%	3%

Historical Financial Ratio

NT\$ 000	2014	2015	2016	2017	2017 1-9M	2018 1-9 M
Sales	10,659,866	10,973,860	10,062,314 (311)	9,567,730 (313)	6,412,753	6,251,026
Gross Profit	4,203,082	4,467,334	4,280,204	3,849,413	2,504,800	2,556,105
GP Margin	39.4%	40.7%	42.5%	40.1%	39.1%	40.9%
SG&A	-3,013,996	-3,586,679	-3,741,846	-3,474,282	-2,617,764	-2,345,491
Expense rate	-28.3%	-32.7%	-37.2%	-36.0%	-40.8%	-37.5%
Operating Profit (EBIT)	1,189,086	880,655	538,358	375,131	(112,964)	210,614
OP Margin	11.15%	8.03%	5.35%	4.10%	-1.76%	3.37%
Latin America share of Sales	44%	35%	35%	33%	33%	27%

- We have stable GP margin.
我們有穩定的毛利率
- We reduce the portion of Latin American from 44% to 33% during 2014-2017.
我們在2014 - 2017年期間，將拉丁美洲的比例從44%減少到33%。
- The Operating Profit (EBIT) margin had recovered this year.
營業利潤（EBIT）率已在今年恢復。

Top 50 Global CCP Companies

Sales (\$m.)	2017	2016	% Change 2017/2016
Syngenta	9,731	10,041	-3.1
Bayer	9,103	9,478	-4.0
BASF	6,421	6,167	+4.1
DowDuPont†	6,127	6,161	-0.6
Monsanto*	3,813	3,496	+9.1
Adama	3,275	3,067	+6.8
FMC	2,531	2,275	+11.3
Nufarm**	2,498	2,131	+17.2
Sumitomo Chemical****	2,492	2,372	+5.1
UPL	2,172	2,020	+7.5
Arysta LifeScience‡	1,897	1,816	+4.5
Albaugh†	1,279	1,053	+21.5
Nutrichem	900	685	+31.3
Rainbow Chemical	767	565	+35.7
Fuhua Group	640	532	+20.2

Rank	Company	Region	Sales (\$ m.)
16	Jiangsu Yangnong Chemical	China	658
17	Sichuan Leshan Fuhua Agro-Chemical	China	640
18	Gowan	ROW	541
19	Sipcam	ROW	538
20	Kumiai	Japan	537
21	Lianyungang Liben Agro-chemical	China	528
22	Nissan	Japan	525
23	Jiangsu Huifeng Agrochemical	China	506
24	Sinochem International	China	502
25	Nihon Nohyaku	Japan	466
26	Lier Chemical	China	456
27	Wynca	China	447
28	ISK	Japan	432
29	Mitsui Chemicals	Japan	398
30	Belchim	ROW	389
31	Lianhe Chemical Technology	China	388
32	Nippon Soda	Japan	385
33	Shenzhen Noposion Agrochemicals	China	384
34	Shandong Binnong Technology	China	383
35	Hubei Xingfa	China	370
36	Hubei Taisheng Chemical	China	370
37	Jiangsu Sevencontinent Green Chemical	China	359
38	Amvac	ROW	355
39	Anhui Guangxin Agrochemical	China	347
40	Zhejiang Yongnong Chemical Industry	China	346
41	Zhejiang Zhongshan Chemical Industry Group	China	346
42	Nantong Jiangshan Agrochemical & Chemicals	China	339
43	Jiangsu Changqing Agrochemical	China	330
44	Rotam	ROW	314
45	Helm	ROW	295
46	Jiangsu Tianrong Group	China	258
47	Hokko	Japan	242
48	Sinon	ROW	236
49	Rallis	ROW	231
50	Yifan Biotechnology Group	China	230

Business DYNAMICS as we come out of Down cycle into Recovery cycle.

- Rotam Technology Solutions Continued to Develop and Be Ready despite the challenging period 2015 to 2017: Pipeline Strong supporting New Product Launches 2018 to 2022.
儘管2015年至2017年充滿挑戰，但Rotam技術解決方案仍在不斷發展和準備，生產線也強力支持2018年至2022年的新產品發布。
- Market Reposition: Long Cycle Latin American markets business size rebalanced verses shorter cycle credit markets: Brazil , Argentina v China , US , EU.
市場重新定位：拉丁美洲的長周期市場：巴西，阿根廷，和短週期信貸市場：中國，美國，歐盟，兩部分業務重新規劃平衡。
- Regional Structure Transformation complete or well advanced in major Rotam Markets; China , US , Brazil
區域結構轉型主要在中國，美國，巴西市場完成。
- Manufacturing & Supply Chain Transformation complete with full completion of HSE at Rotam sites and TGA Strategic Partnership alignment to China new normal.
在Rotam工廠--HSE全面完成，和TGA戰略合作夥伴關係與中國新常態保持一致性之下，製造和供應鏈轉型順利。

Business DYNAMICS as we come out of Down cycle into Recovery cycle.

- Realignment of Pricing in Markets to China New Normal on raw material cost.
Agrochemical market has a Time lag on elasticity. Traditional Rotam products significantly impacted by COGS increases show recovery in margin as prestorm market channel inventories consumed and resupply costs widely reflected over Spring in South and Northern hemispheres.
針對中國新原則，原物料市場的重新定價調整，對於農用化學品市場價格反映有所延遲。Rotam既有產品受銷貨成本增加影響，利潤率隨時間逐漸恢復，隨著南北半球早期市場渠道庫存的消耗，再供給成本廣泛反映在春季。
- Mergers driving concerns at Dealer and Farmer level on decrease in supplier choice , driving increased partnership and predictability in channel
合併造成了經銷商和農民面對供應商選擇減少的擔憂，也使合作夥伴關係和渠道的可預測性增加。
- Rotam focusing on PAT growth and Cash Cycle Management in 2018 while we complete Rebalancing.
Rotam在2018年完成財務在平衡，同時專注於稅後淨利增長和現金使用效率提升。
- New Portfolio & Technology , Brand Strength and Market Access are ready to support a strong return to top line growth
新的產品組合和技術，品牌優勢和市場准入，都已準備好支持強勁的回歸增長。



財務及營運概況

FINANCIAL & OPERATING RESULTS

第三季合併損益表

CONSOLIDATED P/L (Q3)

龍燈環球農業科技有限公司 Rotam Global AgroSciences Limited
合併損益表 Consolidated Profit and loss account

	2018 Q3		2017 Q3		Q3 18 over Q3 17	
	USD	NTD	USD	NTD	USD	NTD
單位：仟元 ('000)						
營業收入 Turnover	55,352	1,707,765	68,176	2,063,306	-18.8%	-17.2%
營業毛利 Gross profit	23,700	729,855	29,866	905,635	-20.6%	-19.4%
	42.82%	42.74%	43.81%	43.89%		
營業費用 Operating expenses	(24,445)	(749,152)	(31,608)	(958,650)	-22.7%	-21.9%
	44.16%	43.87%	46.36%	46.46%		
營業利益 Operating profit	(745)	(19,297)	(1,742)	(53,015)	-57.2%	-63.6%
	-1.35%	-1.13%	-2.56%	-2.57%		
營業外收入及支出 Other income/ expenses	1,347	36,621	(2,779)	(84,169)	-148.5%	-143.5%
稅前淨利 Profit before tax	602	17,324	(4,521)	(137,184)	-113.3%	-112.6%
所得稅 Income tax	(379)	(11,233)	4,881	149,921		
稅後淨利 Profit after tax	223	6,091	360	12,737	-38.1%	-52.2%
	0.40%	0.36%	0.53%	0.62%		
基本每股盈餘 Basic EPS		0.04		0.08		
稀釋後每股盈餘 Duiluted EPS		0.04		0.08		

前三季合併損益表

CONSOLIDATED P/L (Q1-Q3)

龍燈環球農業科技有限公司 Rotam Global AgroSciences Limited

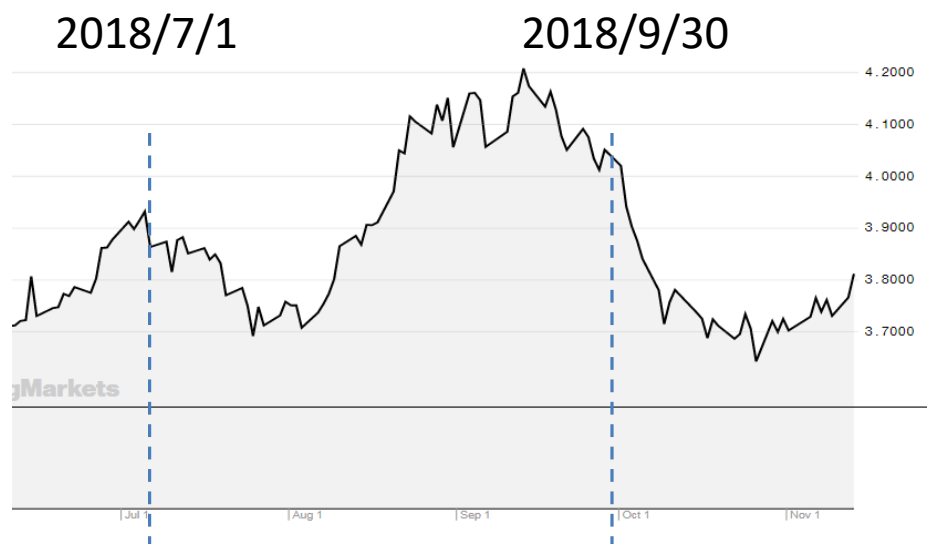
合併損益表 Consolidated Profit and loss account

	2018 Q1-Q3		2017 Q1-Q3		YOY	
	USD	NTD	USD	NTD	USD	NTD
單位：仟元 ('000)						
營業收入 Turnover	201,646	6,021,943	206,863	6,335,880	-2.5%	-5.0%
營業毛利 Gross profit	82,674	2,468,977	80,800	2,474,767	2.3%	-0.2%
	41.00%	41.00%	39.06%	39.06%		
營業費用 Operating expenses	(75,599)	(2,257,664)	(84,444)	(2,586,348)	-10.5%	-12.7%
	37.49%	37.49%	40.82%	40.82%		
營業利益 Operating profit	7,075	211,313	(3,644)	(111,581)	294.2%	289.4%
	3.51%	3.51%	-1.76%	-1.76%		
營業外收入及支出 Other income/ expenses	(8,193)	(244,699)	(8,051)	(246,605)	-1.8%	0.8%
稅前淨利 Profit before tax	(1,118)	(33,386)	(11,695)	(358,186)	90.4%	90.7%
所得稅 Income tax	(196)	(5,845)	2,420	74,110		
稅後淨利 Profit after tax	(1,314)	(39,231)	(9,275)	(284,076)	85.8%	86.2%
	-0.65%	-0.65%	-4.48%	-4.48%		
基本每股盈餘 Basic EPS		-0.26		-1.87		
稀釋後每股盈餘 Duiltuted EPS		-0.26		-1.87		

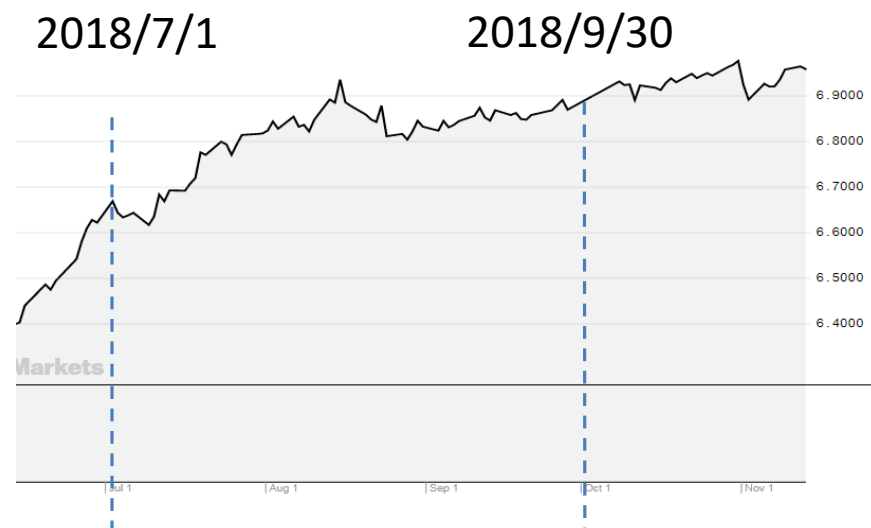
美元兌巴西幣及人民幣匯率走勢

Exchange Rate Trend about USD : BRL and USD : RMB

USD/BRL



USD/RMB



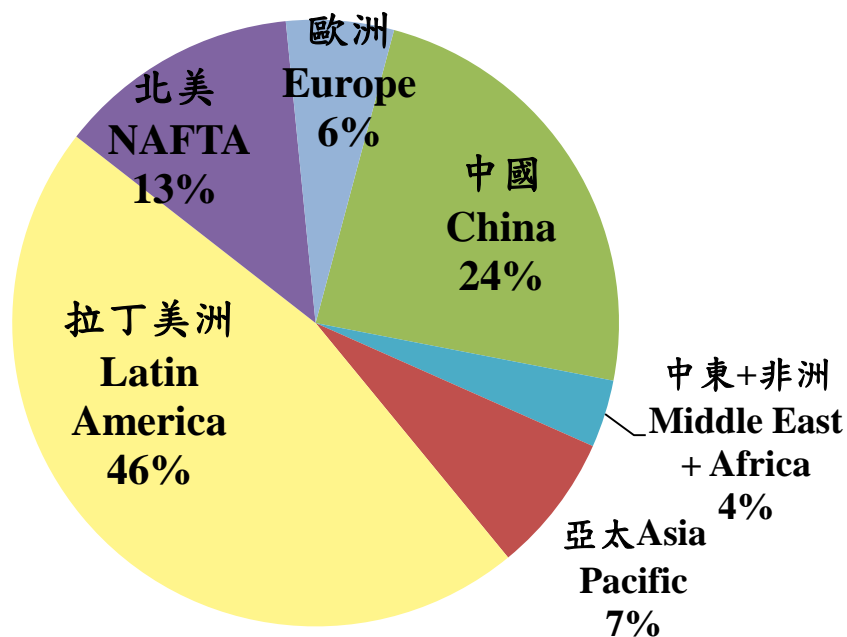
- 第三季度雖受巴西幣匯率貶值影響，但在降低巴西銷售比重與人民幣貶值的雙重因素，抵銷了巴西幣貶值所帶來的負面影響，單季匯兌利益124,610元。
- In the third quarter, mainly affected by the fluctuation of BRL. However we compensate by depreciation of RMB and downsize Brazil Potion. We got the foreign exchange gain NTD124,610 in Q3.

地區別銷售 SALES BY REGION

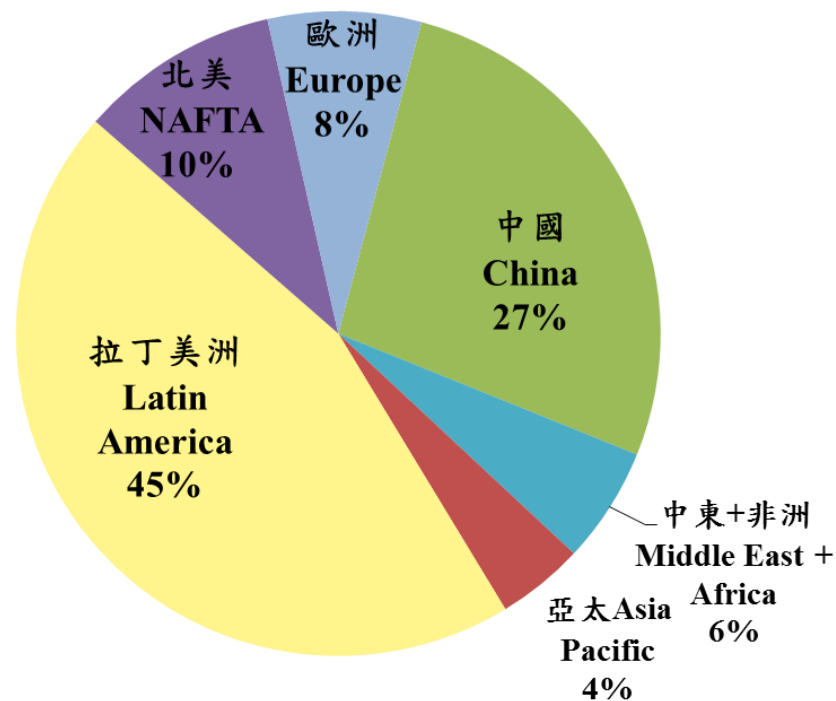
2017 Q3 Sales
USD 68 M NTD 2.06 Bn

2018 Q3 Sales
USD 55 M NTD 1.71 Bn

2017Q3



2018Q3

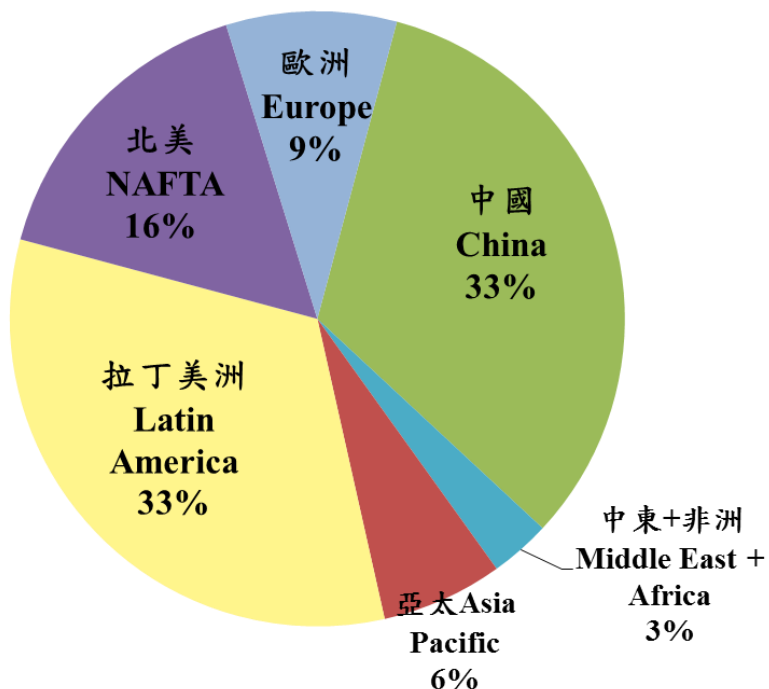


地區別銷售 SALES BY REGION

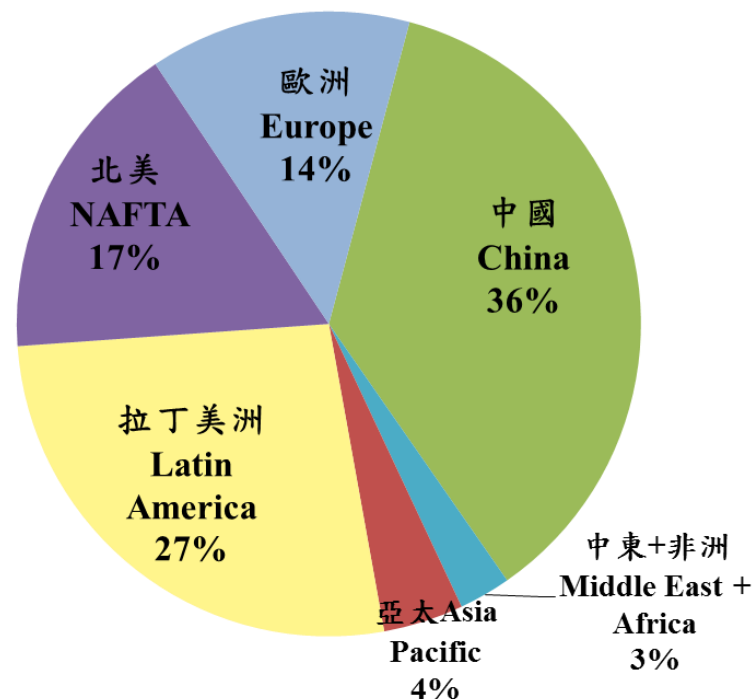
2017 Q1-Q3 Sales
USD 207 M NTD 6.34 Bn

2018 Q1-Q3 Sales
USD 202 M NTD 6.02 Bn

2017 Q1-Q3



2018 Q1-Q3



地區別銷售成長

Growth on Sales by Region

2018Q1-Q3 over 2017Q1-Q3

北美 NAFTA
+2%

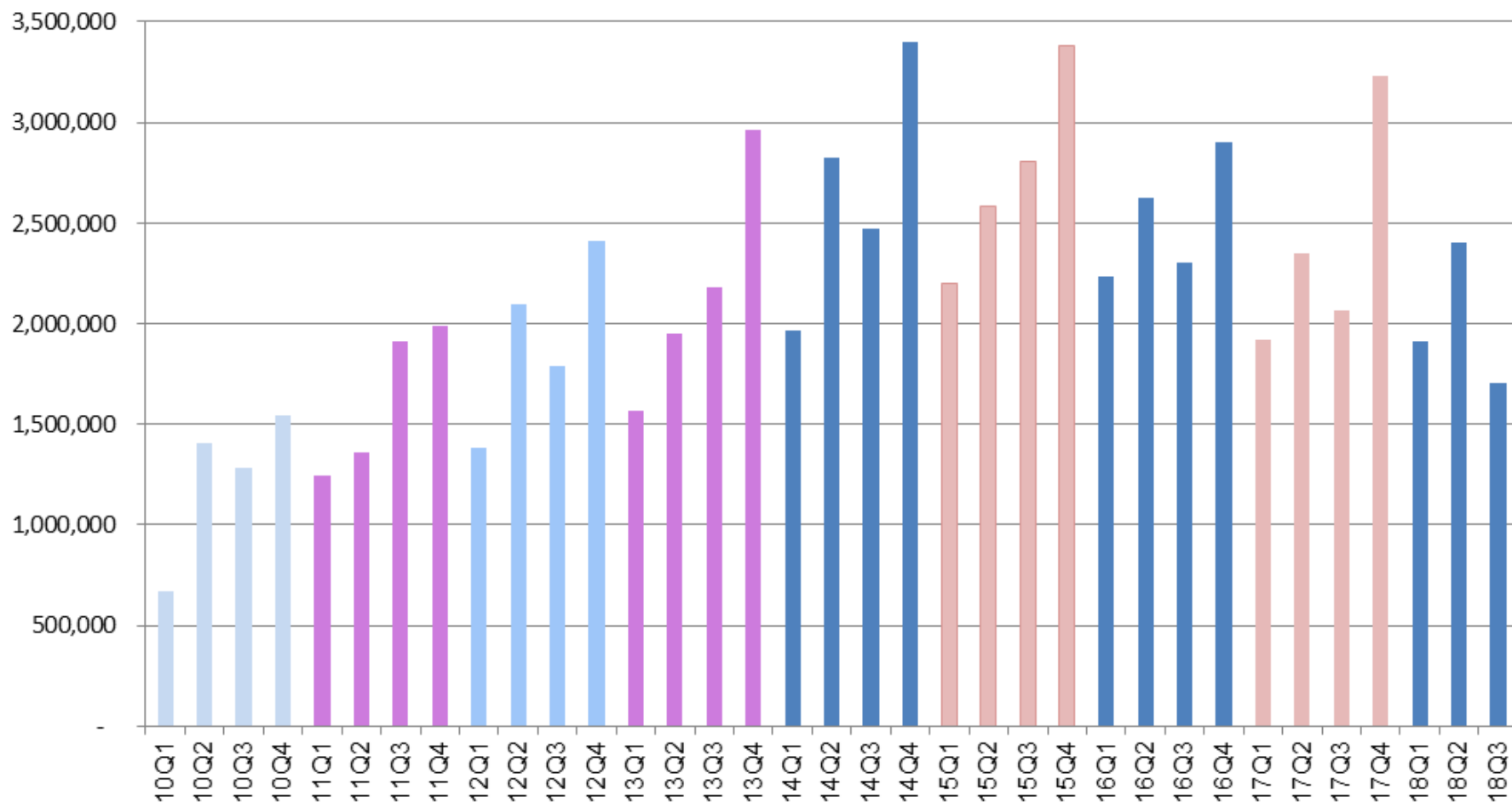
拉丁美洲
Latin America
-20%

歐洲 Europe
+47%

中國 China
+8%

季度營收 QUARTERLY SALES

Sales (NTD'000)



毛利率 GROSS PROFIT MARGIN

	2018 Q3		2017 Q3	
	USD	NTD	USD	NTD
Unit : '000				
營業收入 Turnover	55,352	1,707,765	68,176	2,063,306
Sales YoY growth %	-19%	-17%		
營業毛利 Gross profit	23,700	729,855	29,866	905,635
GP YoY growth %	-21%	-19%		
毛利率 GP%	42.8%	42.7%	40.9%	40.9%

費用比率 EXPENSE RATIO

龍燈環球農業科技有限公司 Rotam Global AgroSciences Limited

單位：仟元（'000）

	2018 Q3		2017 Q3		Q3 2018 over Q3 2017	
	USD	NTD	USD	NTD	USD	NTD
銷售費用						
Selling Exp.	12,796	392,561	18,603	564,368	-31.2%	-30.4%
佔營收比	23.1%	23.0%	27.3%	27.4%		
Selling Exp./Sales						
管理費用						
General and Admin. Exp.	7,838	240,270	8,709	263,956	-10.0%	-9.0%
佔營收比	14.2%	14.1%	12.8%	12.8%		
General and Admin. Exp./Sales						
研發費用						
Research and development Exp.	3,774	115,675	4,296	130,326	-12.2%	-11.2%
佔營收比	6.8%	6.8%	6.3%	6.3%		
Research and development Exp./Sales						
銷售管理研發總費用						
Total SG&A	24,408	748,506	31,608	958,650	-22.8%	-21.9%
佔營收比	44.1%	43.8%	46.4%	46.5%		
Research and development Exp./Sales						
總營業費用						
Operating expenses	24,445	749,152	31,608	958,650	-22.7%	-21.9%
佔營收比	44.2%	43.9%	46.4%	46.5%		
Total Exp/Sales						

負債比率 GEARING RATIO

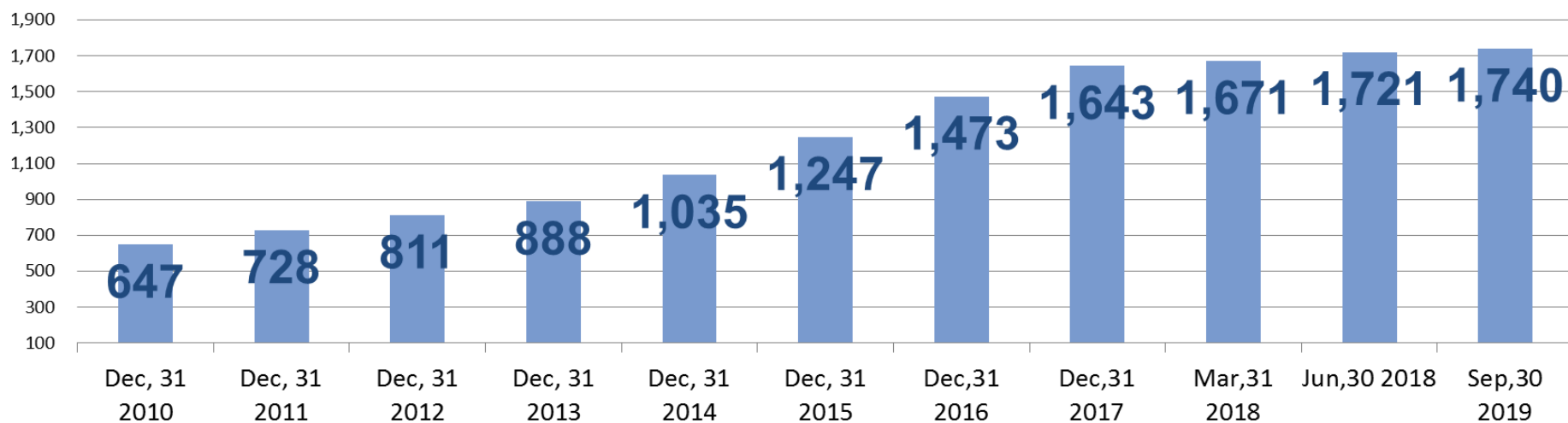
負債比率 Gearing ratio

Unit : '000

	Sep. 30, 2018		Sep. 30, 2017		Variance	
	USD	NTD	USD	NTD	USD	NTD
負債總額						
Total liabilities	379,306	11,585,337	389,385	11,824,731	-3%	-2%
資產總額						
Total assets	562,936	17,194,041	585,704	17,786,485	-4%	-3%
銀行借款(含公司債)						
Bank borrowing balance	264,060	8,065,323	255,476	7,758,238	3%	4%
負債比率 Gearing ratio	67.38%	67.38%	66.48%	66.48%		

藥證 REGISTRATIONS

藥證數量 Quantity of registrations



單位：仟元（'000）

藥證相關的無形資產

Intangible assets relating to Registration

Jun,30 2018		Sep,30 2018	
USD	NTD	USD	NTD
198,352	6,061,464	199,038	6,079,324



THANK YOU!

