

Macronix International Co., Ltd. Fourth Quarter 2013 Results

January 28, 2014



MACRONIX
INTERNATIONAL Co., LTD.

Disclaimer

The presentation and discussion contain certain forward-looking statements with respect to the results of operation, financial condition and current expectation. The forward-looking statements are subject to known and unknown uncertainties and risks that could cause actual results to differ materially from those expressed or implied by such statements.

Such risks and uncertainties include but are not limited to the impact of competitive products and pricing, timely design acceptance by our customers, timely introduction of new technologies, ability to ramp new products into volume, industry wide shifts in supply and demand for semiconductor products, industry overcapacity, availability of manufacturing capacity, financial stability in end markets, and other risks.

The forward-looking statements in this release reflect the current belief of Macronix as of the date of this release and Macronix undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.

Agenda

Welcome

C.Y. Lu

2013Q4 Financial Results

Paul Yeh

Business Update

C.Y. Lu

Remarks and Q&A

C.Y. Lu

Major Fourth Quarter Highlights

	2013Q4 Actual	2013Q3 Actual
Revenue	NT\$ 5.9 B	NT\$ 6.7 B
Gross margin %	12%	18%
Operating margin %	-25%	-14%
Capacity Utilization rate	91%	92%

- ✓ Revenue sequentially decreased by 13% because of seasonal weak demand in ROM
- ✓ Gross/OP margin decrease sequentially due to lower revenue

Agenda

Welcome

C.Y. Lu

2013Q4 Financial Results

Paul Yeh

Business Update

C.Y. Lu

Remarks and Q&A

C.Y. Lu

Quarterly Consolidated Statements of Comprehensive Income

Unit: NTD Million (except EPS)

	2013/Q4	2013/Q3	2012/Q4	QoQ Change	YoY Change
Net Sales	5,860	6,708	5,839	(13%)	0.4%
Gross Profit	680	1,231	179	(45%)	281%
Gross Margin%	12%	18%	3%	-6ppt	9ppt
Operating Expenses	(2,148)	(2,160)	(1,999)	(1%)	7%
Operating Income	(1,468)	(929)	(1,820)	58%	(19%)
Net Non-Operating Income (Loss)	(41)	22	(85)	-	(51%)
Income Before Taxes	(1,510)	(907)	(1,905)	66%	(21%)
Income Taxes	(2)	(1)	110	176%	-
Net Income	(1,512)	(908)	(1,795)	67%	(16%)
Other Comprehensive Income	141	(31)	(55)	-	-
Comprehensive Income	(1,371)	(939)	(1,850)	46%	(26%)
Net Income(Loss) Attributable to :					
Shareholders of the Parent	(1,501)	(897)	(1,775)	67%	(15%)
Noncontrolling Interests	(11)	(11)	(20)	2%	(46%)
EPS* (NT\$)	(0.42)	(0.26)	(0.51)	64%	(17%)
Weighted Average Outstanding Million Shares	3,518	3,518	3,516		

Annual Consolidated Statements of Comprehensive Income

Unit: NTD Million (except EPS)

	2013	2012	YoY Change
Net Sales	22,204	24,229	(8%)
Gross Profit	1,951	2,406	(19%)
Gross Margin%	9%	10%	(1ppt)
Operating Expenses	(8,307)	(7,868)	6%
Operating Income	(6,356)	(5,462)	16%
Net Non-Operating Income (Loss)	3	(117)	-
Income Before Taxes	(6,353)	(5,579)	14%
Income Taxes	(5)	61	-
Net Income	(6,358)	(5,518)	15%
Other Comprehensive Income	111	(55)	-
Comprehensive Income	(6,247)	(5,573)	12%
Net Income(Loss) Attributable to :			
Shareholders of the Parent	(6,306)	(5,438)	16%
Noncontrolling Interests	(52)	(80)	(34%)
EPS* (NT\$)	(1.79)	(1.55)	16%
Weighted Average Outstanding Million Shares	3,518	3,516	

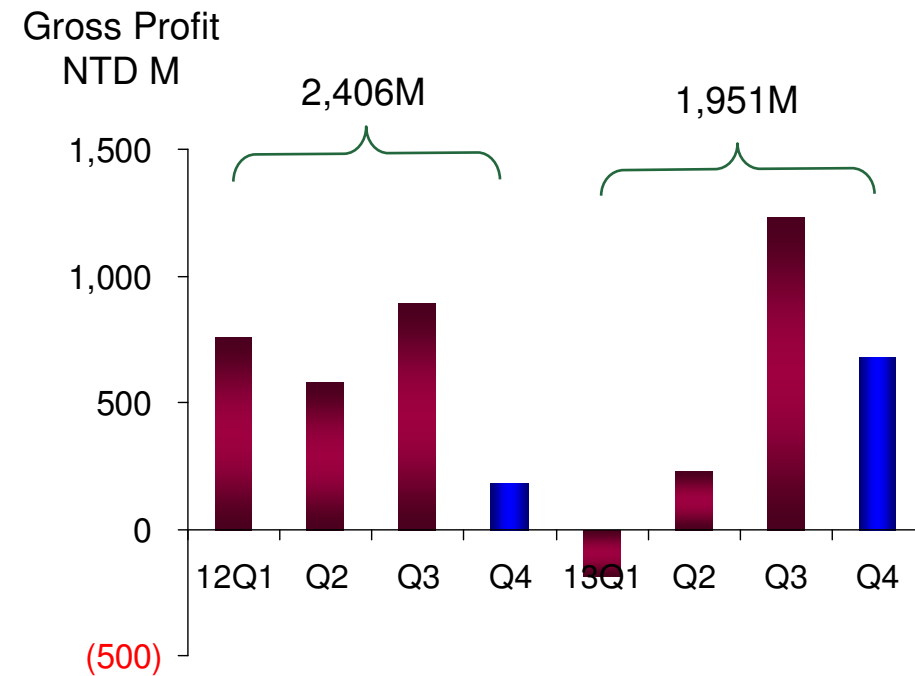
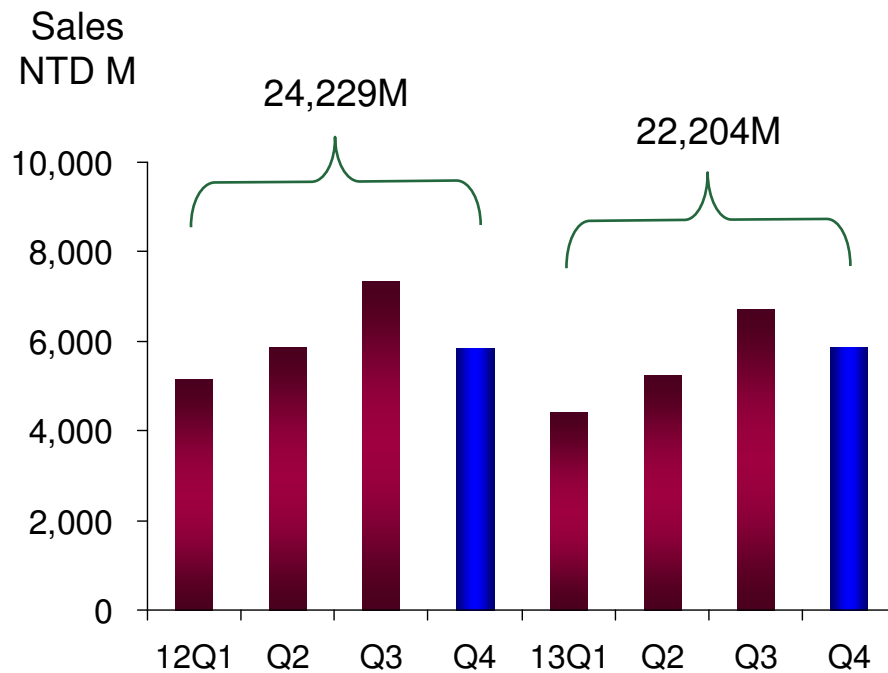
2013Q4 Financial Highlights

2013Q4 Sales = NTD 5,860 M
0.4% YoY

2013 Sales = NTD 22,204 M
-8% YoY

2013Q4 GP = NTD 680 M
281% YoY

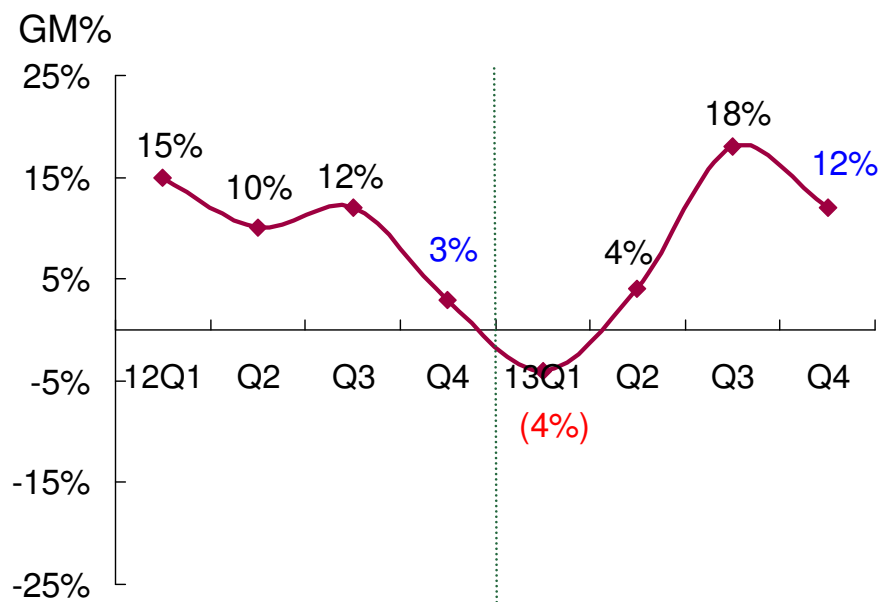
2013 GP = NTD 1,951 M
-19% YoY



2013 Financial Highlights

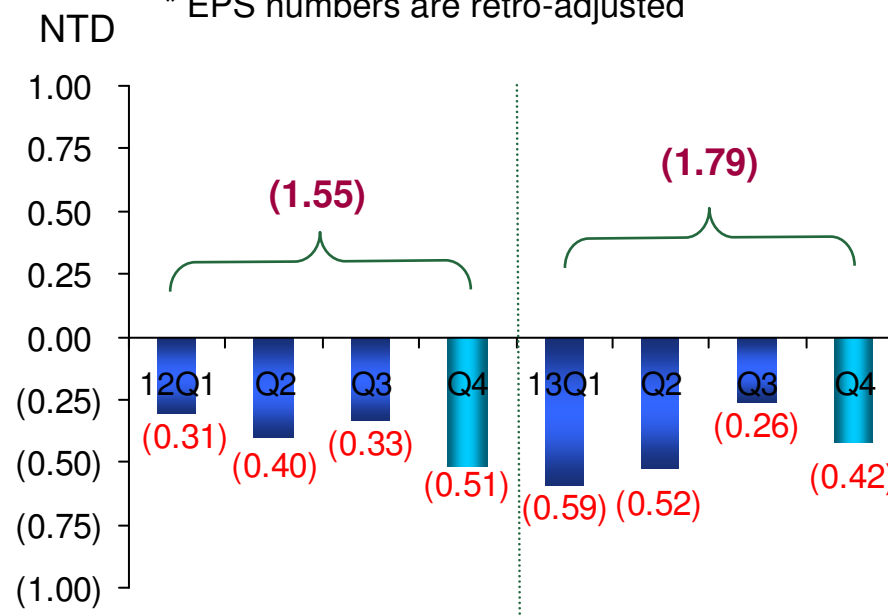
	2013	2012
Gross Margin (%)	9%	10%
EPS (NTD)	(1.79)	(1.55)

Gross Margin (%)



EPS

* EPS numbers are retro-adjusted



Quarterly Consolidated Balance Sheet / Cash Position

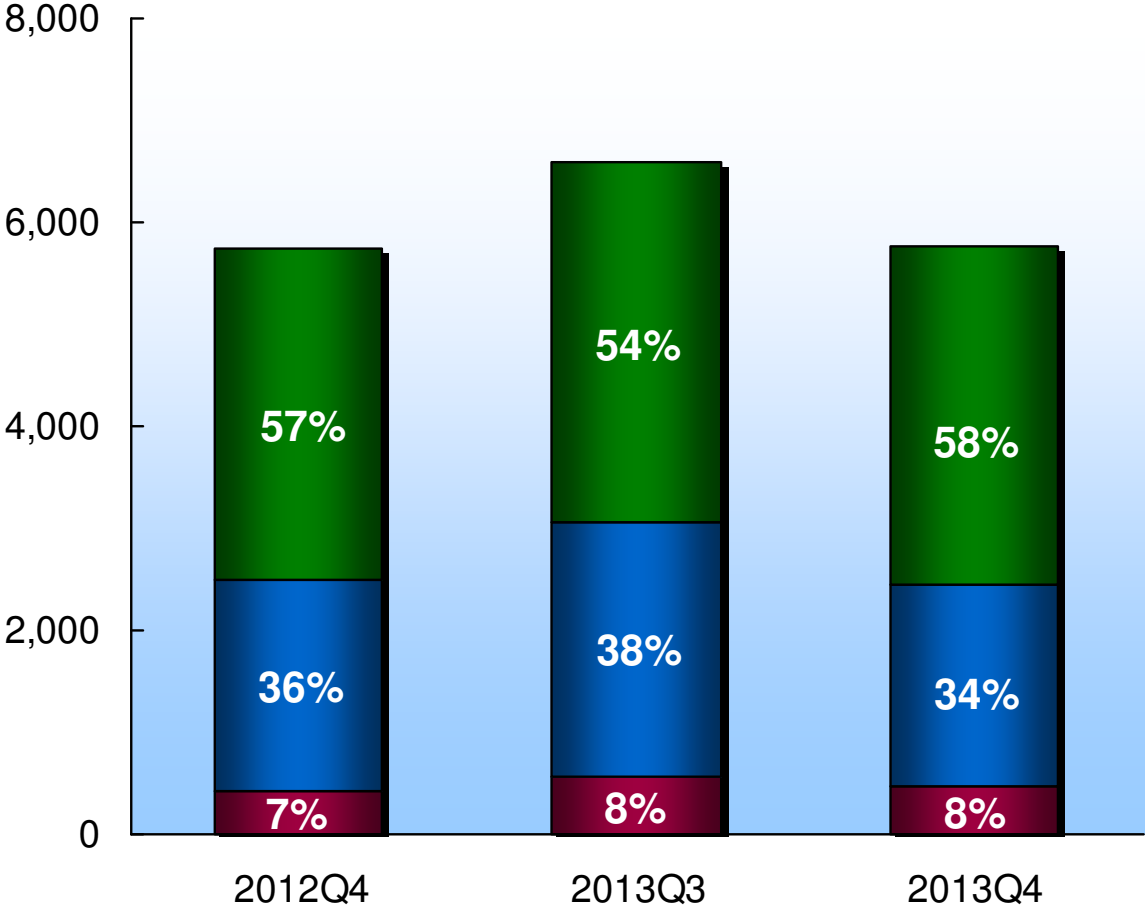
Unit: NTD Million	12/31/2013	09/30/2013
Cash	11,979	12,783
Inventory(Net)	8,795	8,709
Property, Plant and Equipment	26,728	27,534
Total Assets	54,046	56,703
Interest bearing debt - short term	8,223	7,063
Interest bearing debt - long term	10,943	13,034
Total Liabilities	25,320	26,606
Shareholders' Equity	28,726	30,097
Debt Ratio (%)	47%	47%
Book Value (NT\$)	8.15	8.54
Quarterly Highlight	2013/Q4	2013/Q3
Depreciation & Amortization	1,860	1,934
Capital Expenditures	(1,212)	(1,739)
Cash Flow from Operating	1,539	(306)
EBITDA	429	1,111

Annual Consolidated Balance Sheet / Cash Position

Unit: NTD Million	12/31/2013	12/31/2012
Cash	11,979	19,097
Inventory(Net)	8,795	6,860
Property, Plant and Equipment	26,728	29,884
Total Assets	54,046	62,331
Interest bearing debt - short term	8,223	5,322
Interest bearing debt - long term	10,943	15,800
Total Liabilities	25,320	27,360
Equity	28,726	34,971
Debt Ratio	47%	44%
Book Value (NT\$)	8.15	9.93
Annual Highlight	2013	2012
Depreciation & Amortization	7,744	7,912
Capital Expenditures	(4,318)	(2,806)
Cash Flow from Operating	(579)	1,870
EBITDA	1,726	2,636

Quarterly Sales Breakdown by Products (Parent Company)

Unit: NTD Million

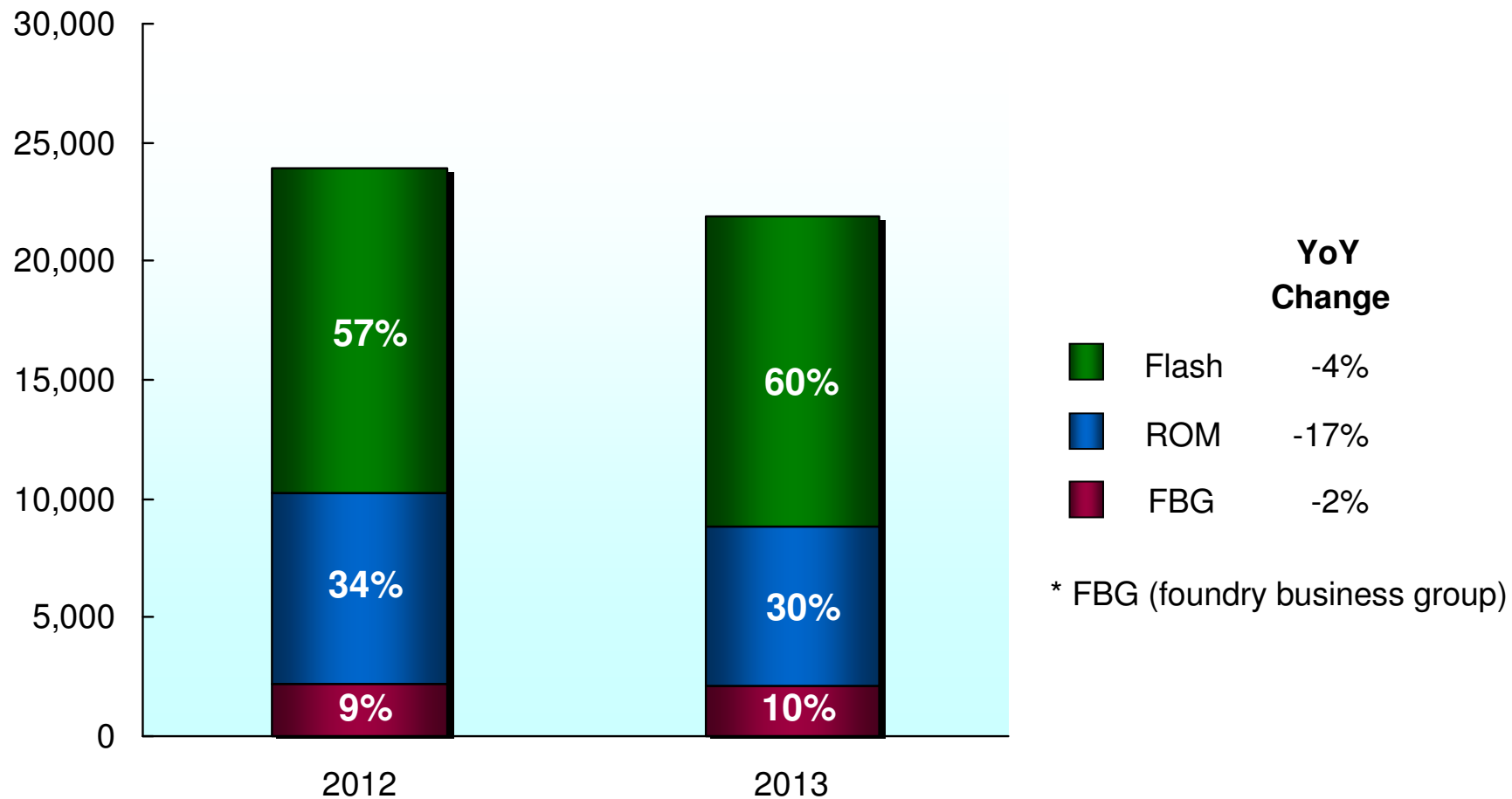


	QoQ Change	YoY Change
Flash	-6%	+3%
ROM	-21%	-4%
FBG	-17%	+8%

* FBG (foundry business group)

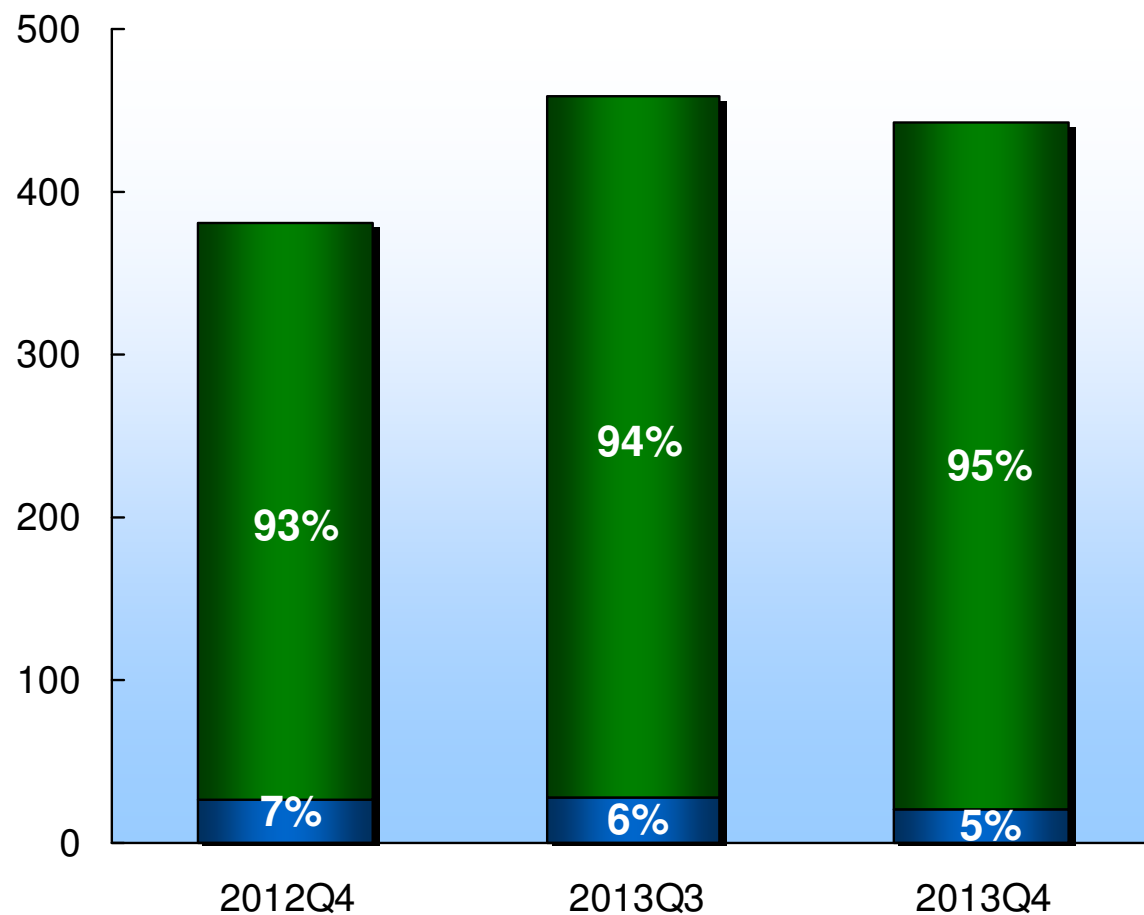
Annual Sales Breakdown by Products (Parent Company)

Unit: NTD Million



Quarterly Quantity Breakdown by Products (Parent Company)

Unit : Million

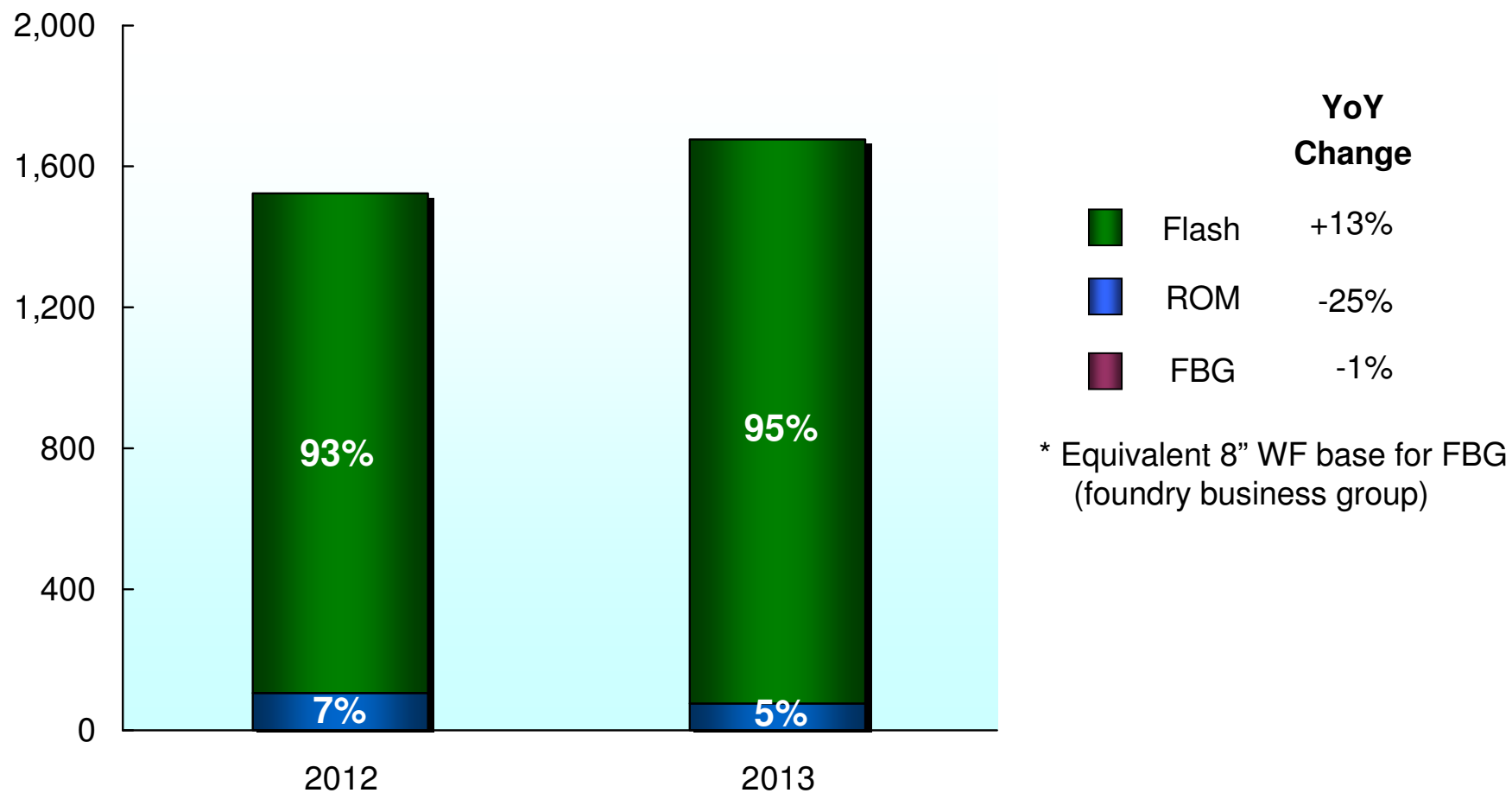


	QoQ Change	YoY Change
Flash	-2%	+19%
ROM	-29%	-24%
FBG	-11%	+11%

* Equivalent 8" WF base for FBG (foundry business group)

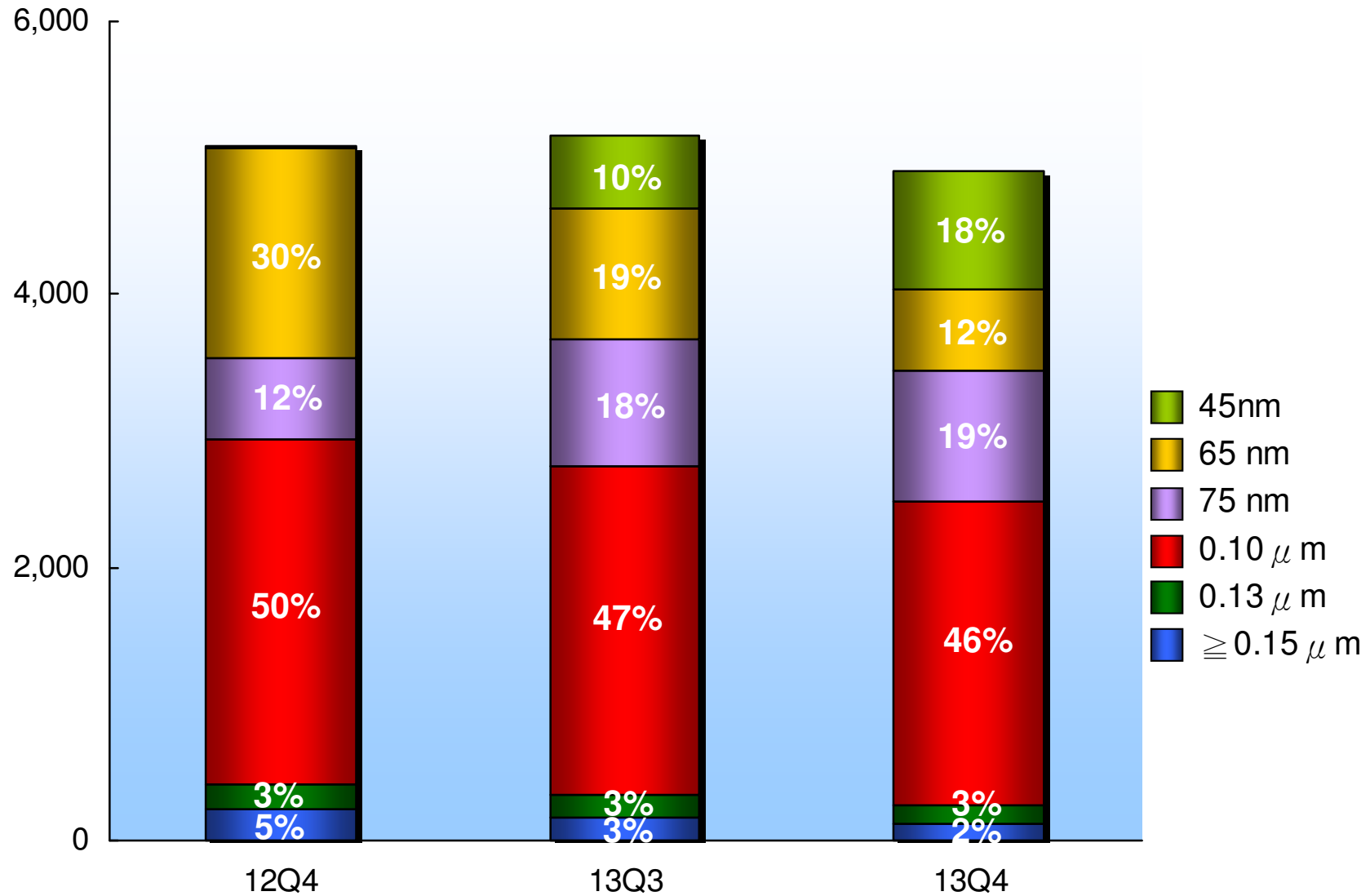
Annual Quantity Breakdown by Products (Parent Company)

Unit : Million



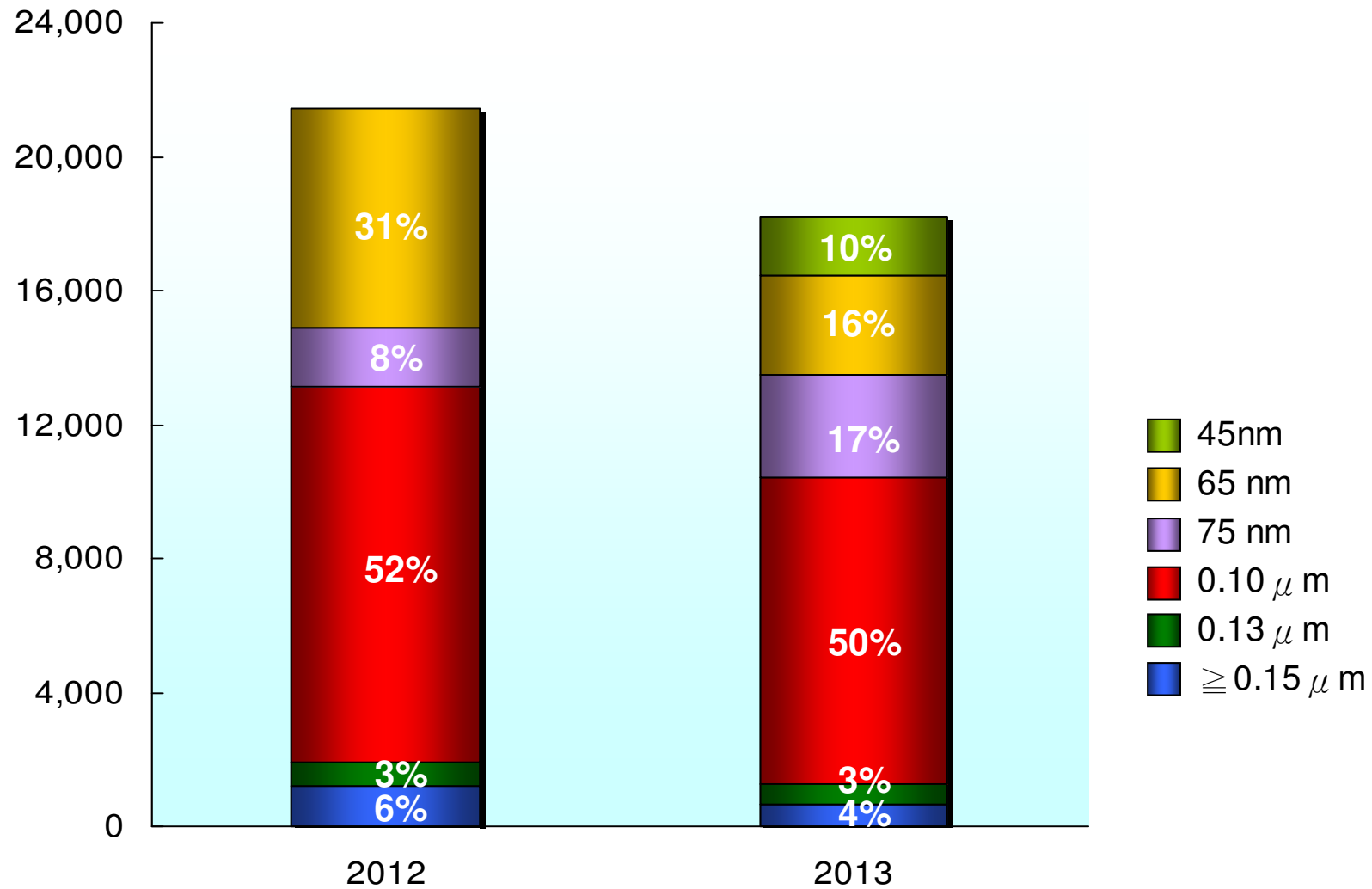
Quarterly Memory Sales Breakdown by Technology

Unit: NTD Million

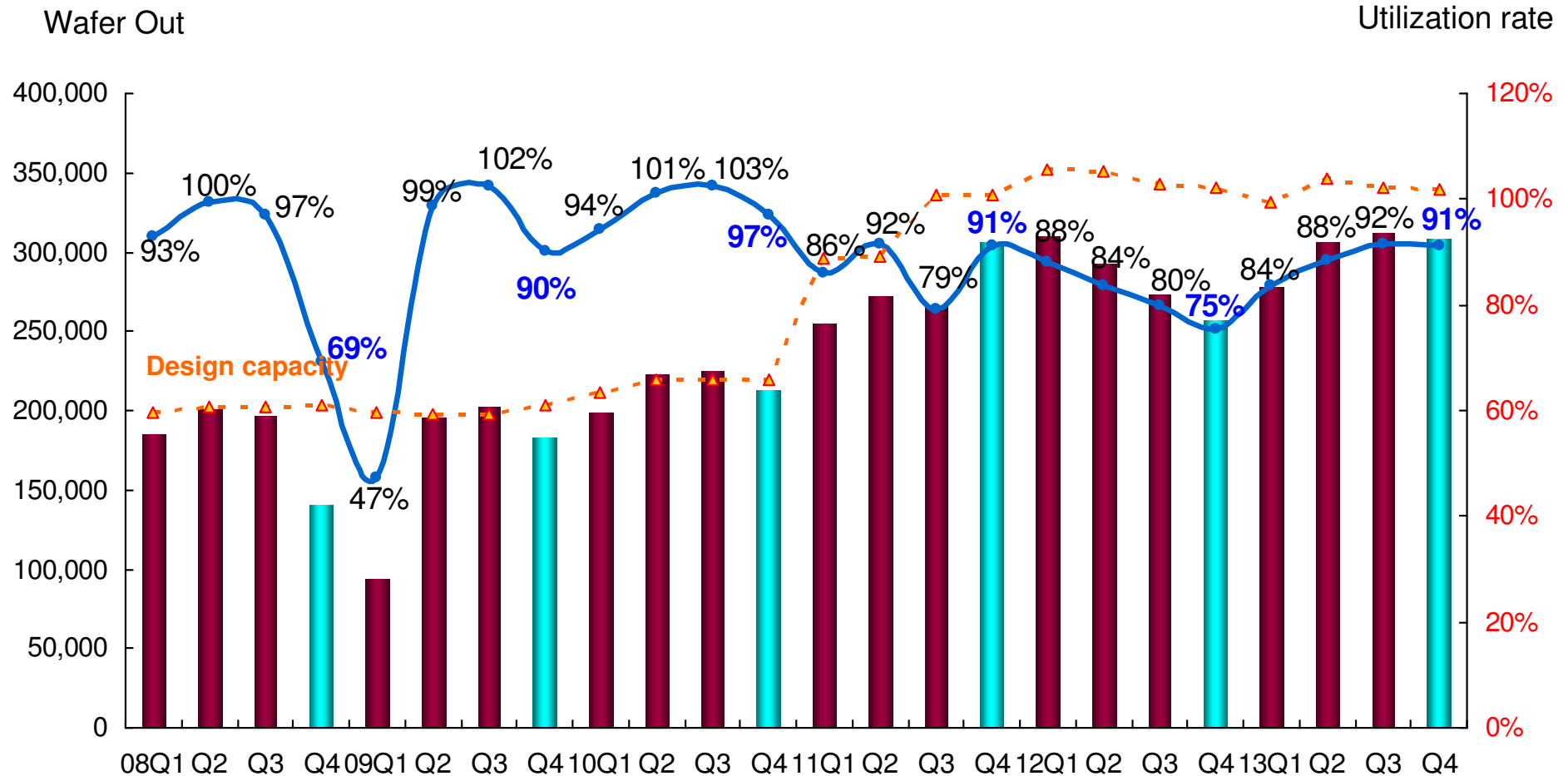


Annual Memory Sales Breakdown by Technology

Unit: NTD Million



8" Equivalent Wafer Out & Utilization Rate



*LHS: Amount of Wafer Out ; RHS: Utilization rate

Agenda

Welcome

C.Y. Lu

2013Q4 Financial Results

Paul Yeh

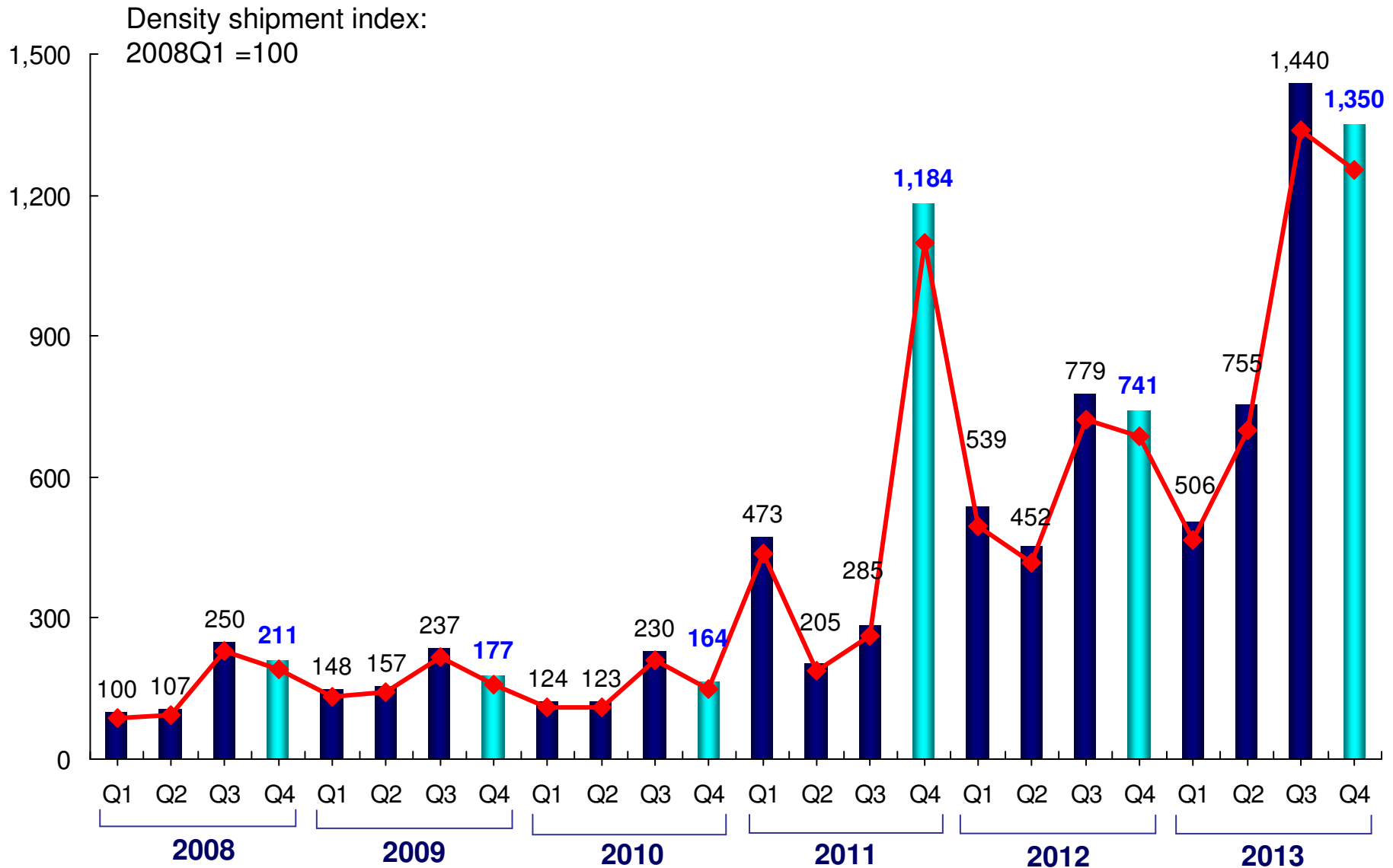
Business Update

C.Y. Lu

Remarks and Q&A

C.Y. Lu

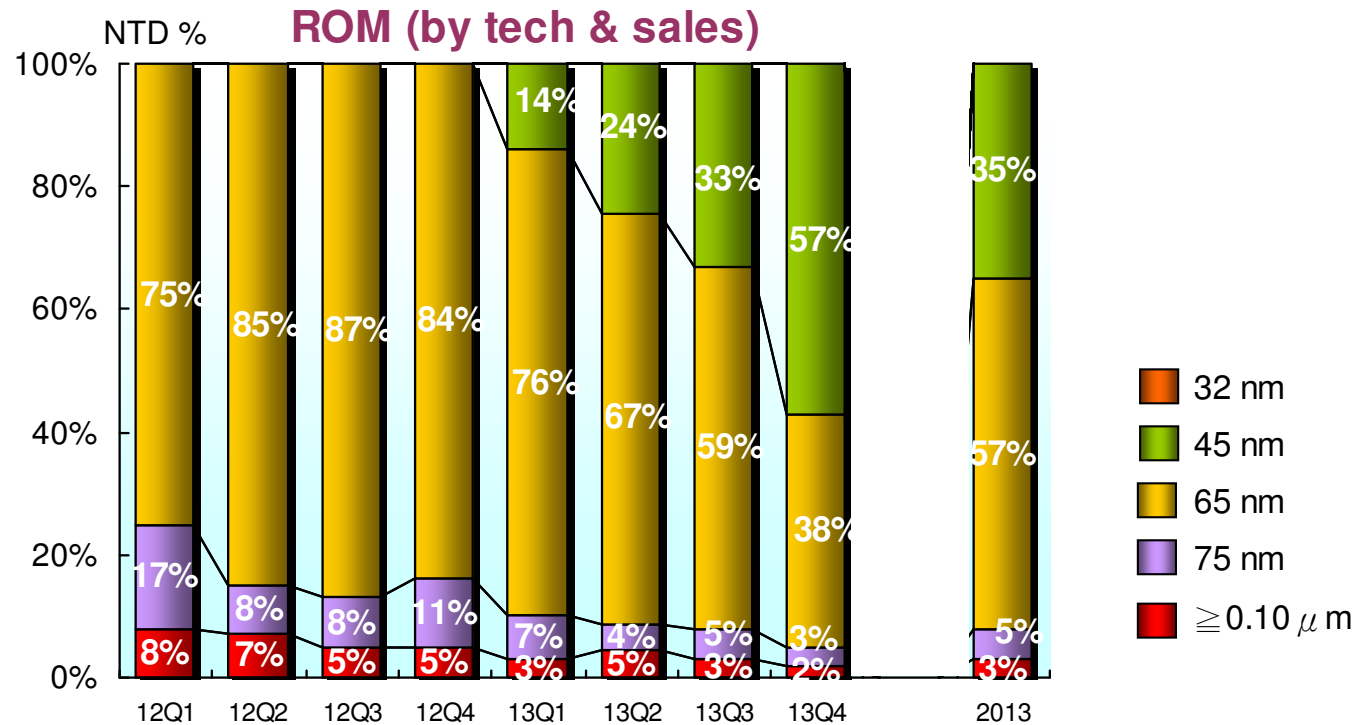
Business update - ROM equivalent density shipment



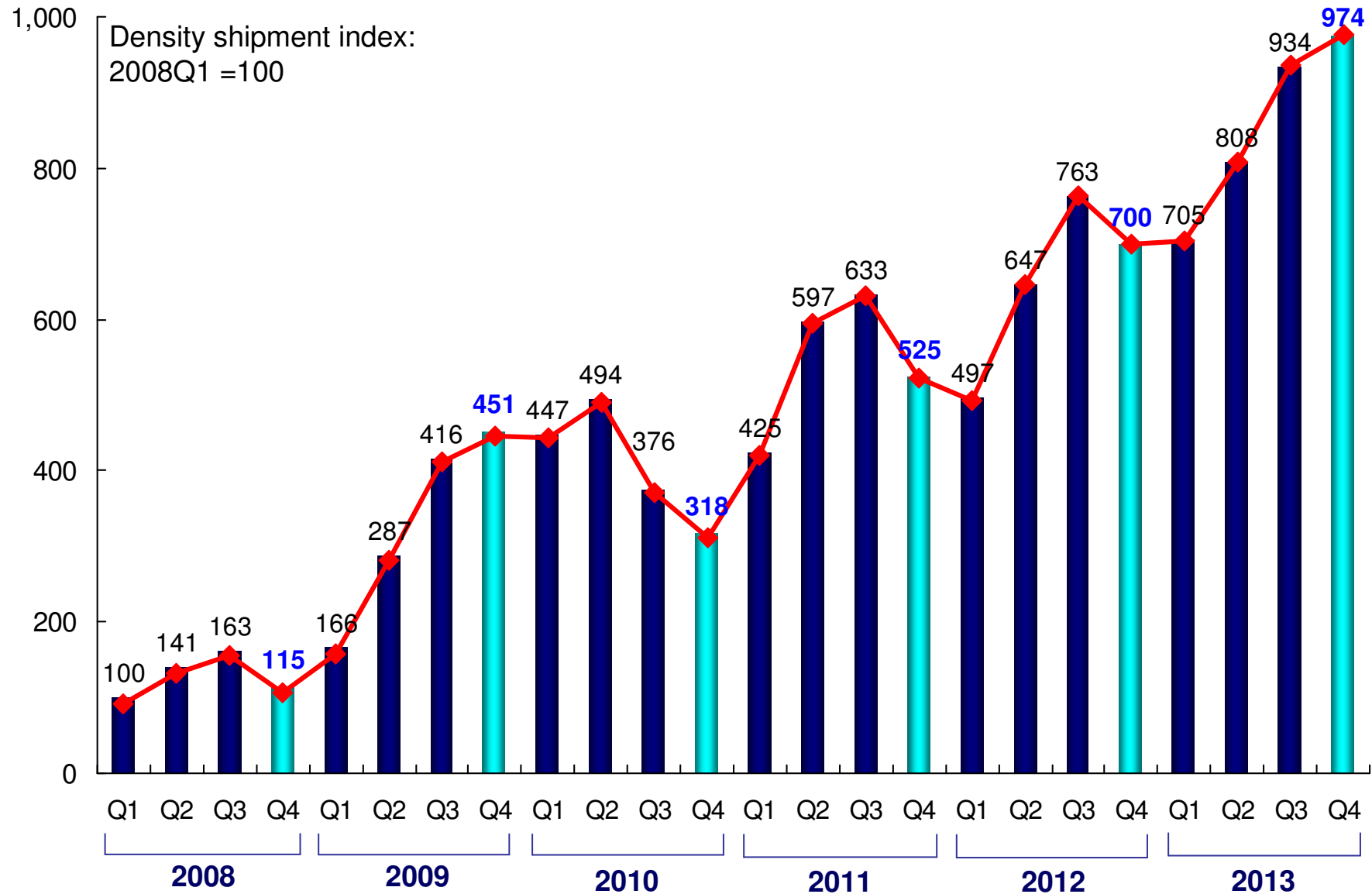
Current status of memory business

➤ ROM business

- ≤45nm products represented 57% of ROM business in 13Q4
- 32nm/45nm 32Gb Hybrid memory ES samples were sent for qualification in 13Q4
- 45nm 4G/8G Hybrid memory ES samples were sent for qualification in 13Q4 and will be in pilot-run production in 14Q1
- Average density per unit was 5Gb in 13Q2, 6.4Gb in 13Q3 and 8.5Gb in 13Q4



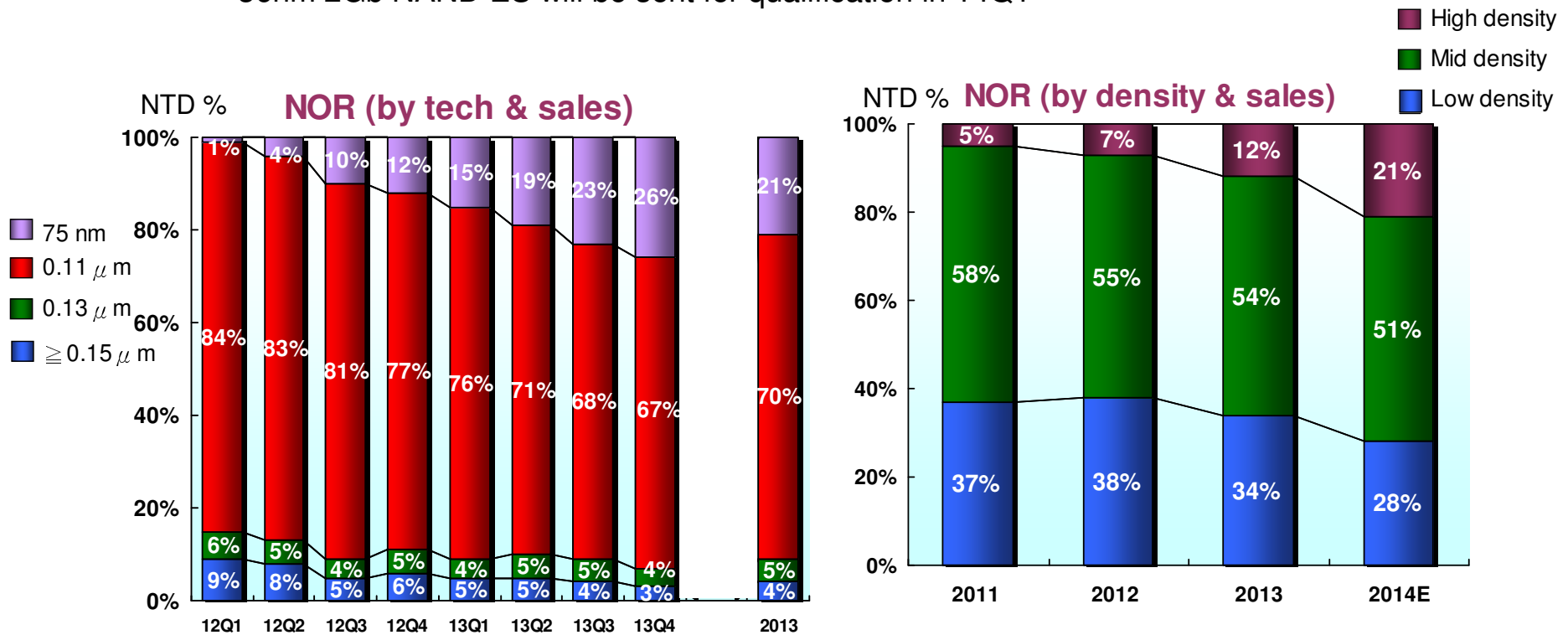
Business update - NOR Flash equivalent density shipment



Current status of memory business

➤ NOR flash business

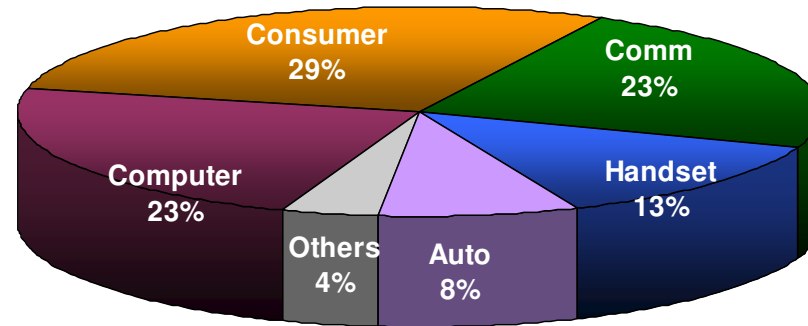
- 75nm products represented 26% of NOR business in 13Q4
- 55nm serial 1Gb 3V NOR ES will be sent for qualification in 14Q1
- 55nm parallel 1Gb NOR ES will be sent for qualification in 14Q1
- 36nm 4Gb NAND ES already sent for qualification in 13Q4
- 36nm 2Gb NAND ES will be sent for qualification in 14Q1



Business update - NOR Flash breakdown & outlook

2013Q4 NOR

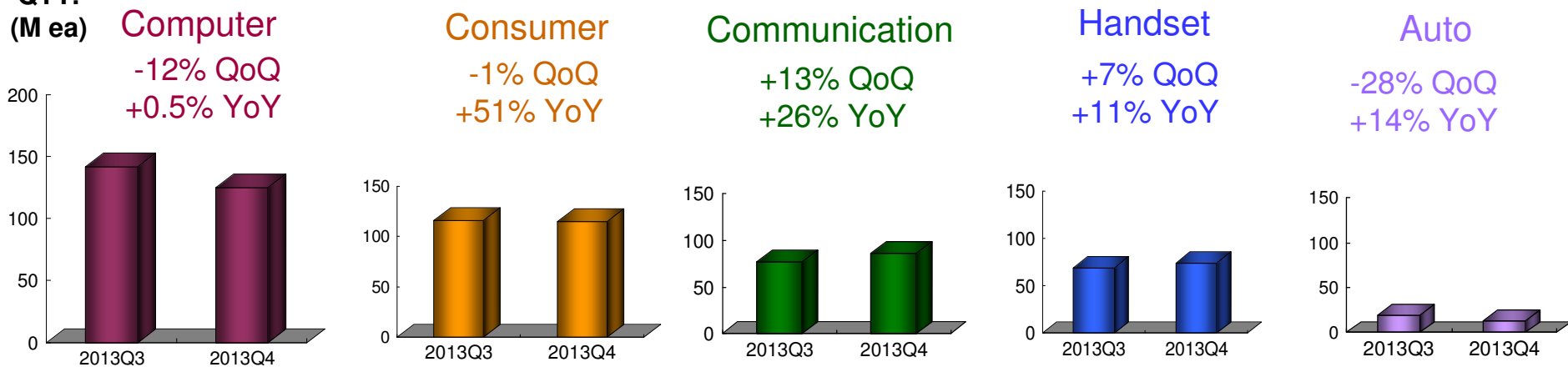
Revenue breakdown



•OTHERS includes Industrials and others

2013Q4 QTY breakdown

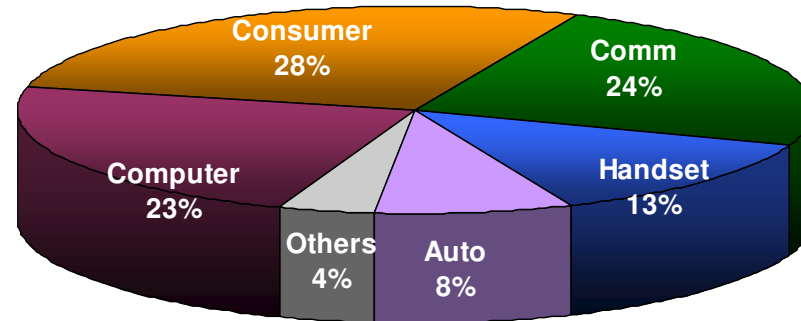
QTY.
(M ea)



Business update - NOR Flash breakdown & outlook

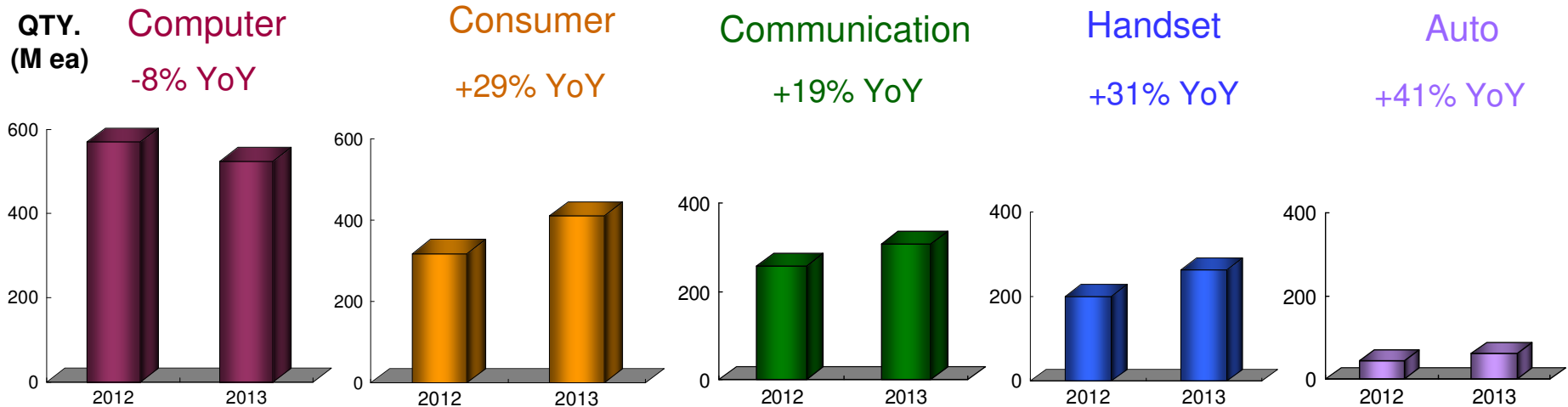
2013 NOR

Revenue breakdown



•OTHERS includes Industrials and others

2013 QTY breakdown



Agenda

Welcome

C.Y. Lu

2013Q4 Financial Results

Paul Yeh

Business Update

C.Y. Lu

Remarks and Q&A

C.Y. Lu

For more information regarding Macronix
<http://www.macronix.com>



MACRONIX
INTERNATIONAL Co., LTD.

For all inquiries, suggestions and comments
ir@mxic.com.tw