

Macronix International Co., Ltd.
First Quarter 2017 Results
April 27, 2017



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

Miin Wu

2017Q1 Financial Results

Paul Yeh

Business Update

Miin Wu

Remarks and Q&A

Miin Wu

Financial Highlights

	2017Q1 Actual	2016Q4 Actual	2016Q1 Actual
Revenue	NT\$ 6.6B	NT\$ 6.8B	NT\$ 5.1B
Gross margin %	27%	32%	15%
Operating margin %	6%	9%	-16%

- ✓ Rev decreased by 2% QoQ; much better than historical because of strong demand for ROM
- ✓ Rev increased by 30% YoY due to strong demand for memory product lines
- ✓ Gross margin sequentially decreased by 5ppt resulted from unfavorable FX
- ✓ Gross margin YoY increased by 12ppt resulted from better cost and higher utilization rate
- ✓ OP margin sequentially declined by 3ppt due to lower gross profit
- ✓ OP margin YoY improved by 22ppt due to higher gross profit and reduced expenses

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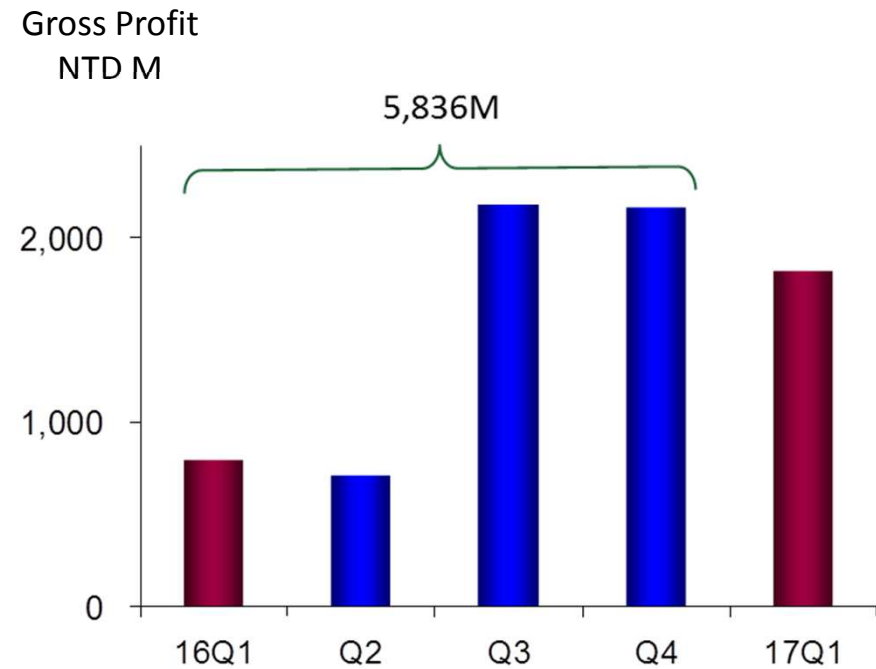
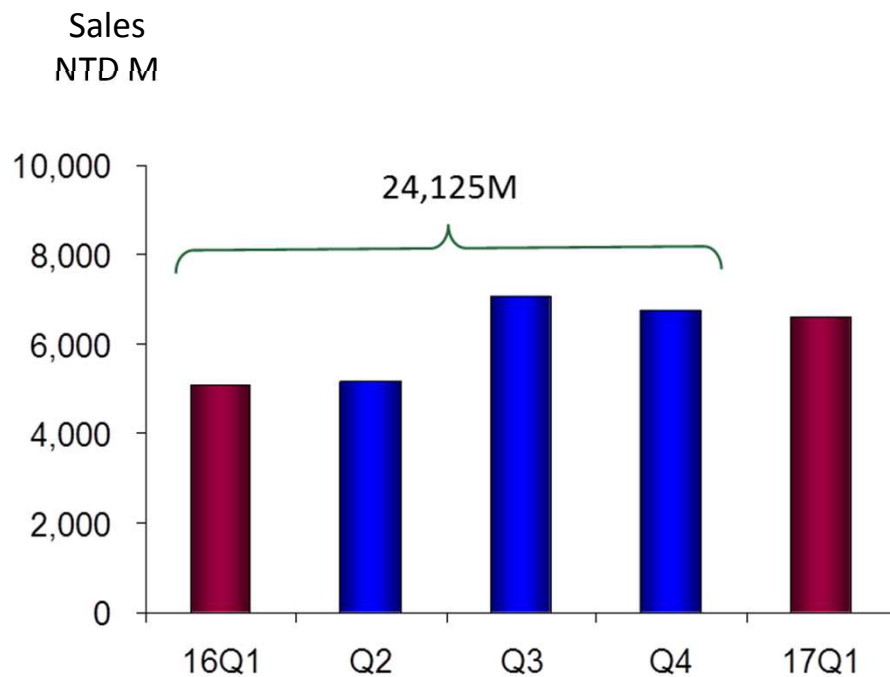
Quarterly Consolidated Statements of Comprehensive Income

Unit: NTD Million (except EPS)	2017/Q1	2016/Q4	2016/Q1	QoQ	YoY
				Change	Change
Net Sales	6,610	6,766	5,086	(2%)	30%
Gross Profit	1,815	2,163	791	(16%)	130%
Gross Margin%	27%	32%	15%	(5ppt)	12ppt
Operating Expenses	(1,401)	(1,545)	(1,596)	(9%)	(12%)
Operating Income	414	618	(805)	(33%)	-
Operating Margin%	6%	9%	(16%)	(3ppt)	22ppt
Net Non-Operating Income (Loss)	(210)	1	(85)		
Income Before Taxes	204	619	(890)	(67%)	-
Income Taxes Expense (benefit)	1	(83)	1	-	55%
Net Income	203	702	(891)	(71%)	-
Other Comprehensive Income	19	(22)	(108)	-	-
Comprehensive Income	222	680	(999)	(67%)	-
Net Income(Loss) Attributable to :					
Shareholders of the Parent	203	703	(890)	(71%)	-
Noncontrolling Interests	(0)	(1)	(1)		
EPS* (NT\$)	0.06	0.20	(0.25)	(70%)	-
EBITDA	761	1,189	(296)		
Weighted Avg Outstanding Million Shares	3,569	3,554	3,536		

2017Q1 Financial Highlights

2017Q1 Sales = NTD 6,610M
+30% YoY

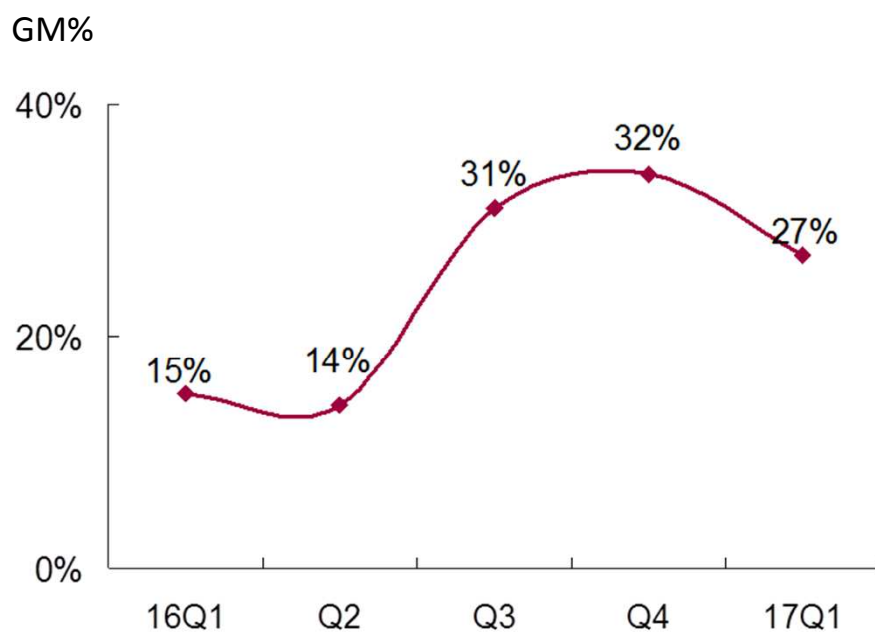
2017 Q1 GP = NTD 1,815M
+130% YoY



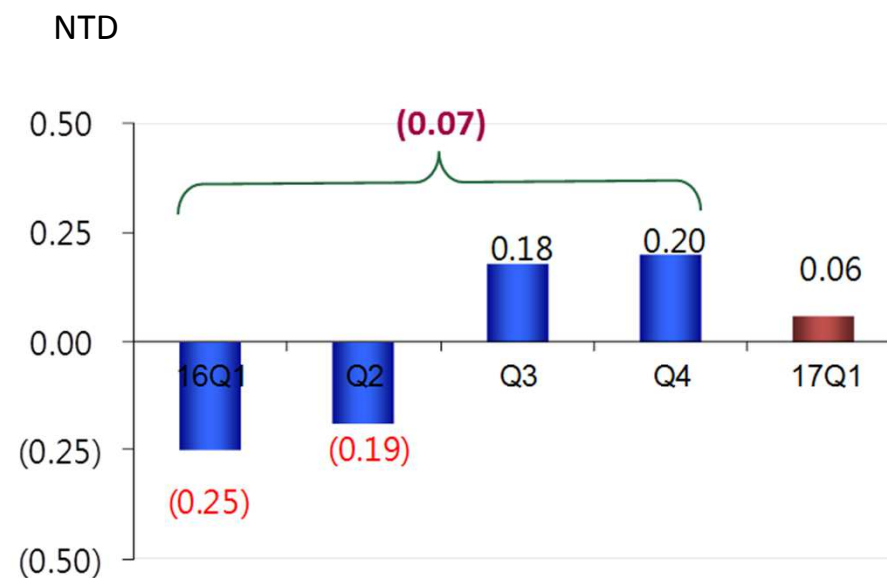
2017Q1 Financial Highlights

	2017Q1	2016Q1
Gross Margin (%)	27%	15%
EPS -- NT\$	0.06	(0.25)

Gross Margin (%)



EPS



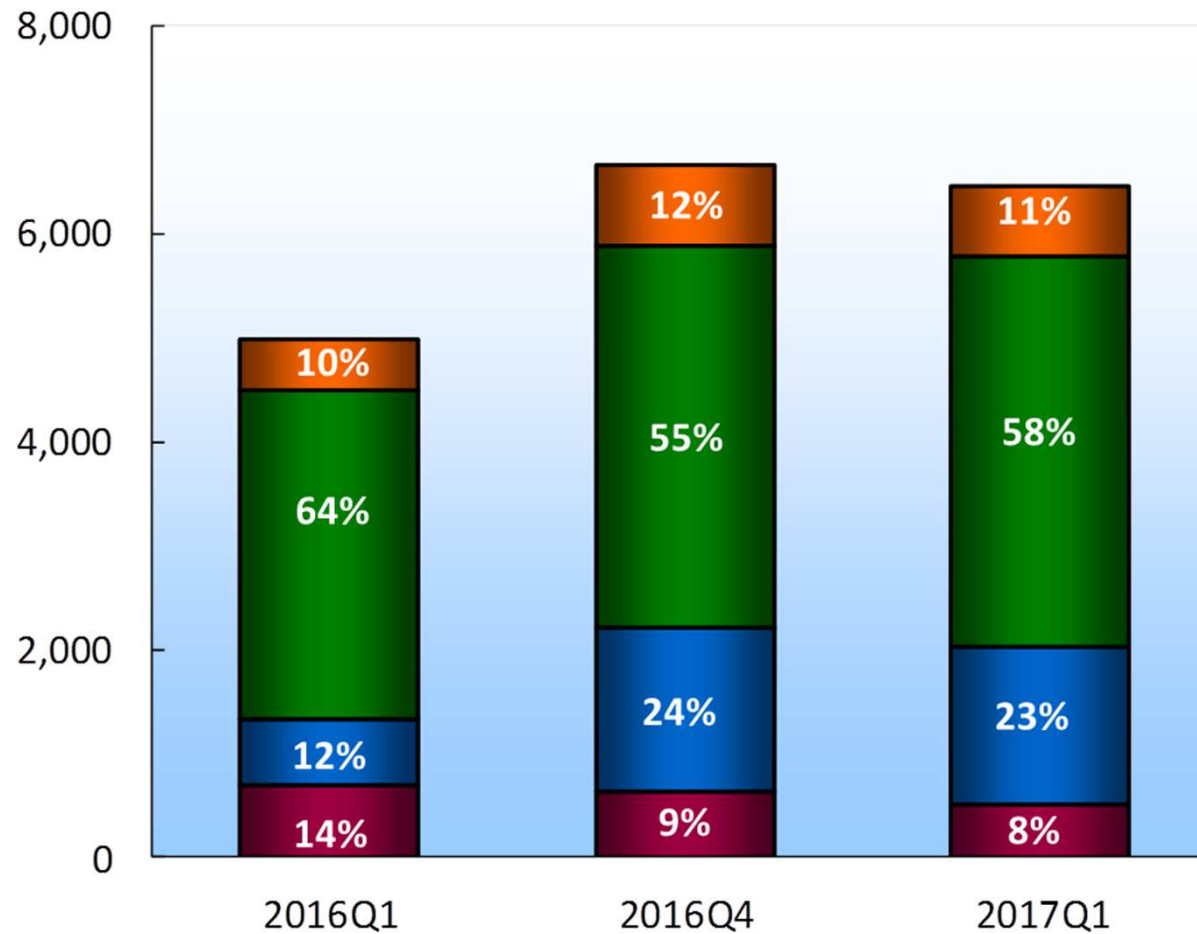
Quarterly Consolidated Balance Sheet / Cash Position

Unit: NTD Million

	2017/03/31	2016/12/31
Cash	6,062	6,368
Inventory(Net)	7,384	7,087
Property, Plant and Equipment	15,574	15,500
Total Assets	35,851	35,545
Interest bearing debt - short term	4,119	4,681
Interest bearing debt - long term	6,058	5,636
Total Liabilities	17,243	17,225
Shareholders' Equity	18,608	18,320
Debt Ratio (%)	48.1%	48.5%
Book Value -- NT\$	5.07	5.07
Quarterly Highlight	2017/Q1	2016/Q4
Depreciation & Amortization	499	506
Capital Expenditures	(563)	(115)
Cash Flow from Operating	487	2,988

Quarterly Sales Breakdown by Products (Parent Company)

Unit: NTD Million

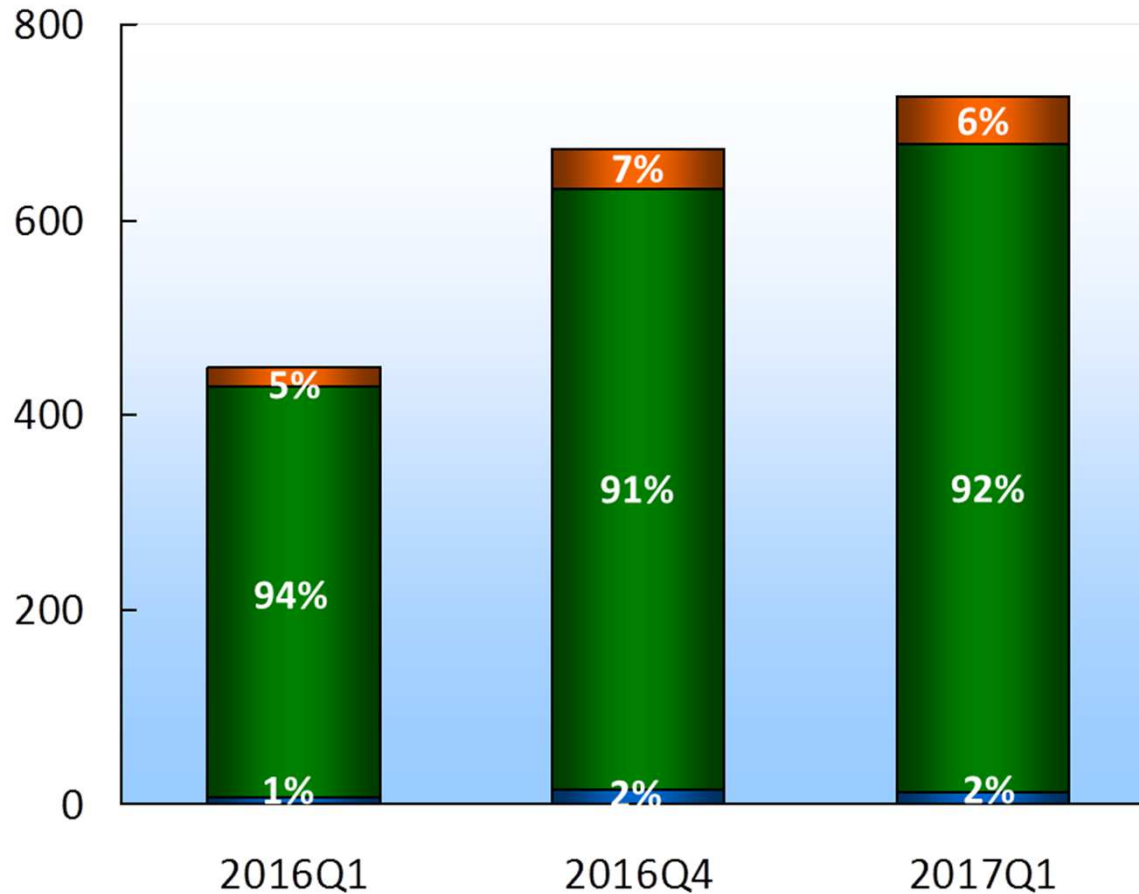


	QoQ Change	YoY Change
NAND	-13%	+41%
NOR	+2%	+18%
ROM	-4%	+145%
FBG	-17%	-26%

* FBG (foundry business group)

Quarterly Quantity Breakdown by Products (Parent Company)

Unit : Million



	QoQ Change	YoY Change
NAND	+9%	+123%
NOR	+8%	+58%
ROM	-17%	+87%
FBG	-18%	-20%

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

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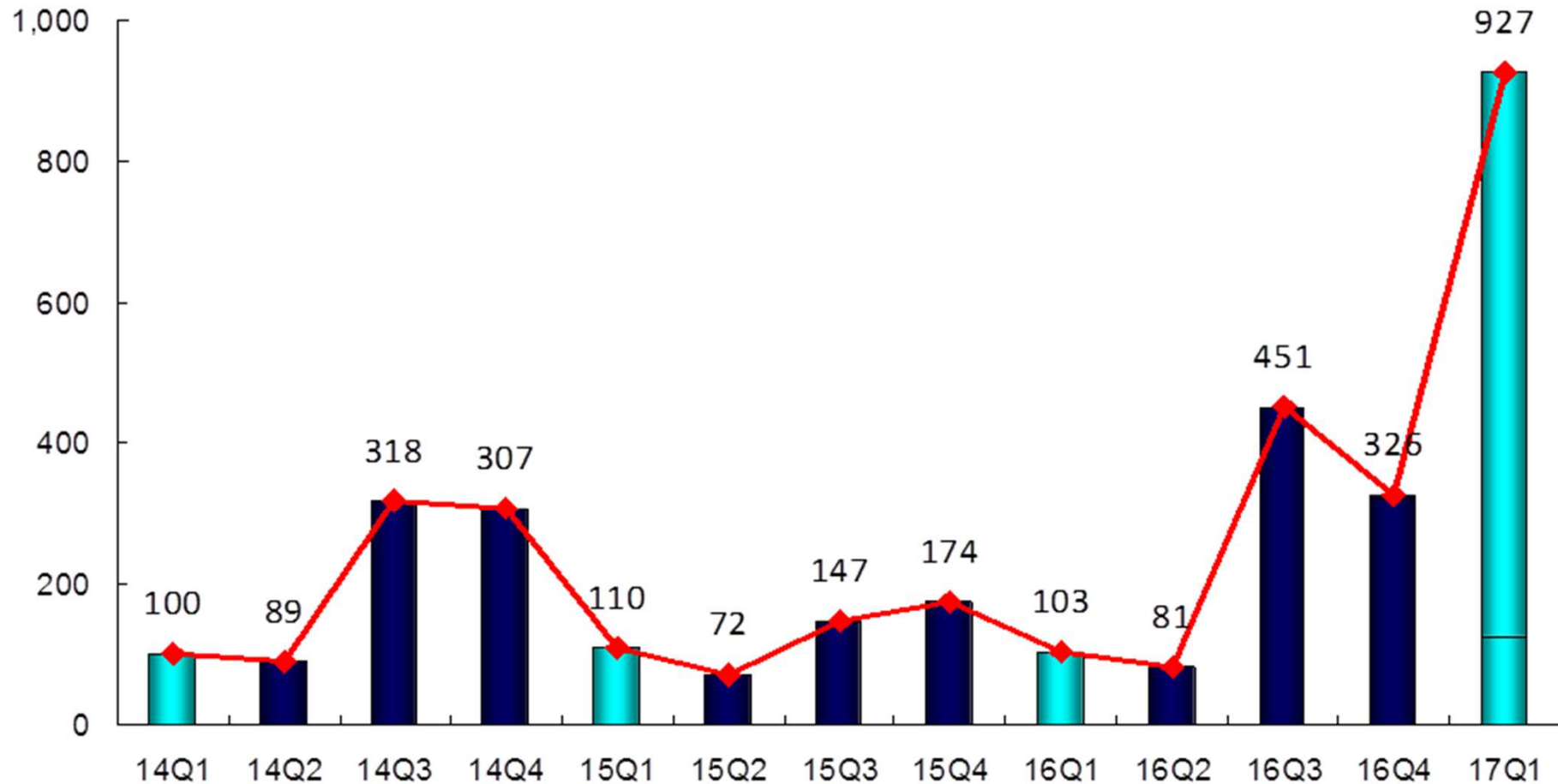
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Business update - ROM equivalent density shipment

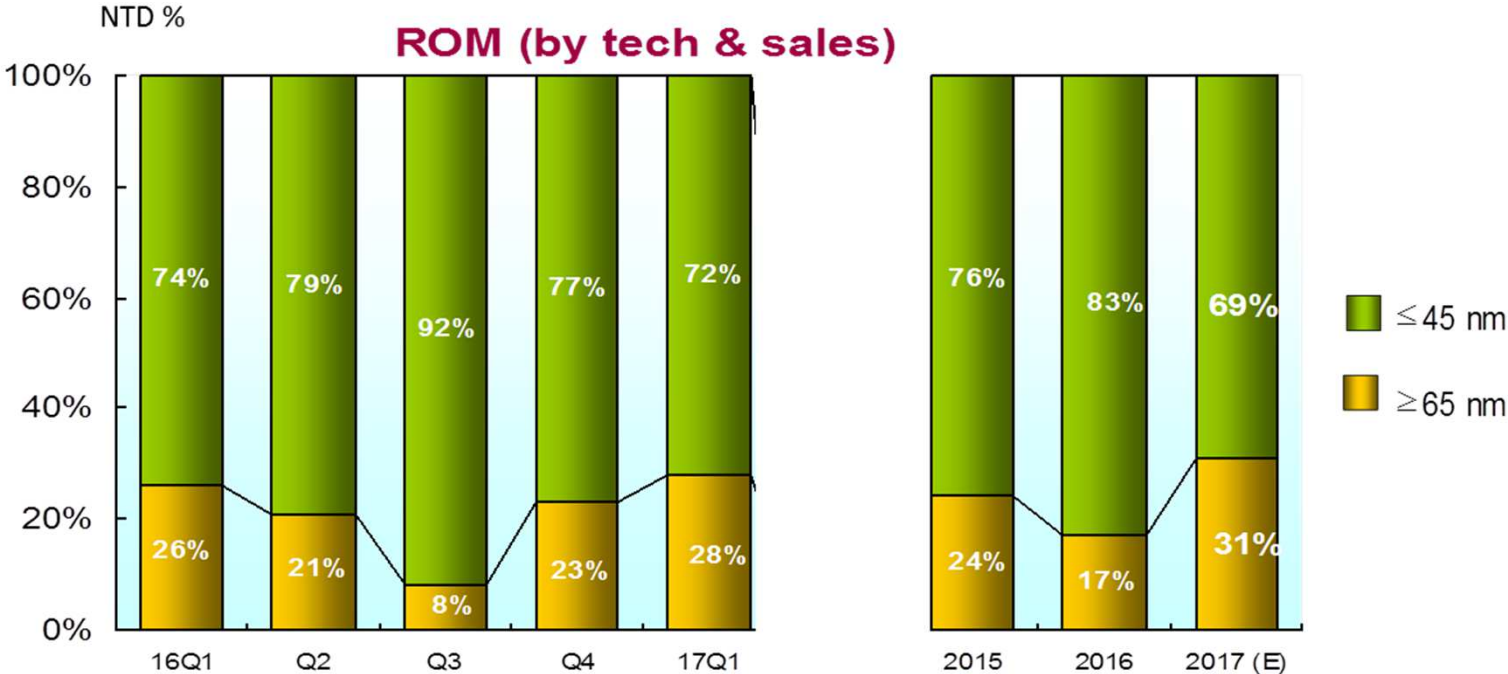
Density shipment index: 2014Q1 =100



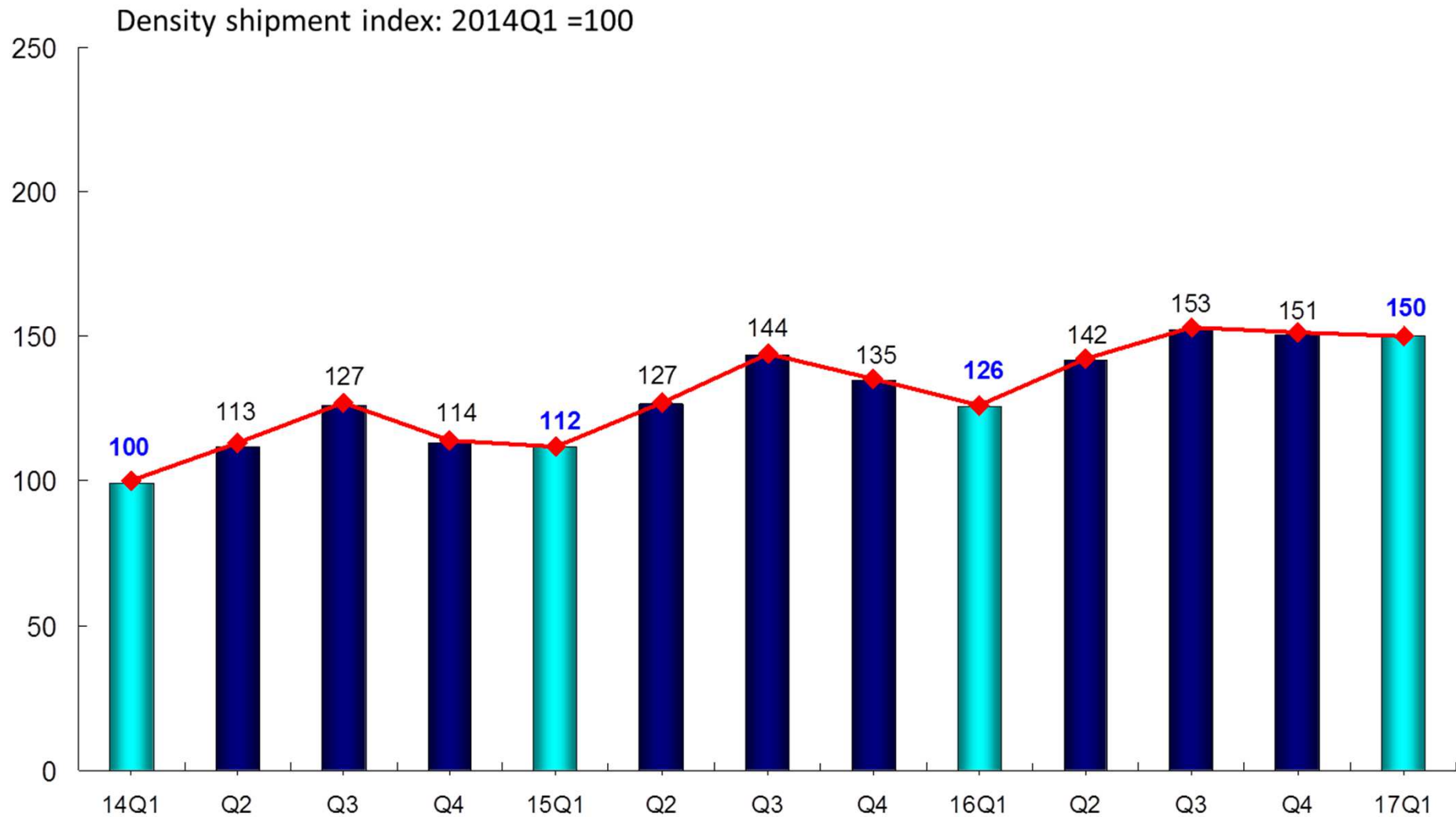
Current status of ROM memory business

➤ ROM business

- ≤45nm products represented 72% of ROM business in 2017Q1
- Key customer just launched new platform and the demand for new products is strong



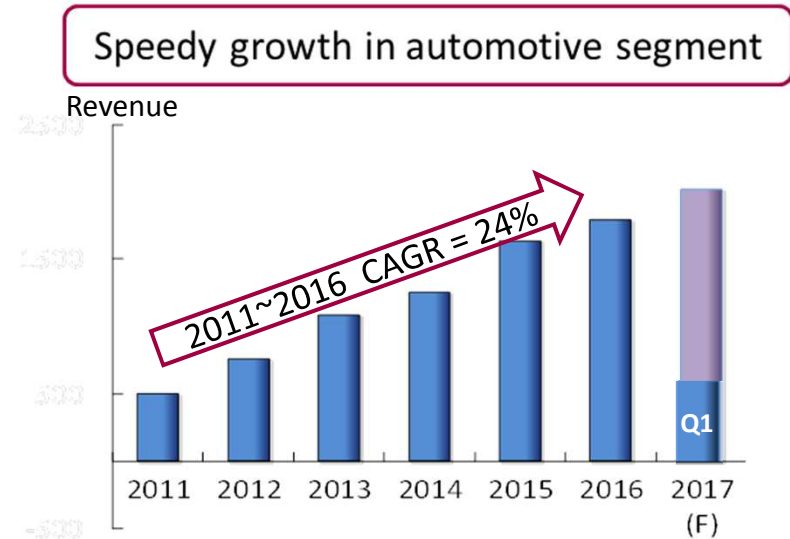
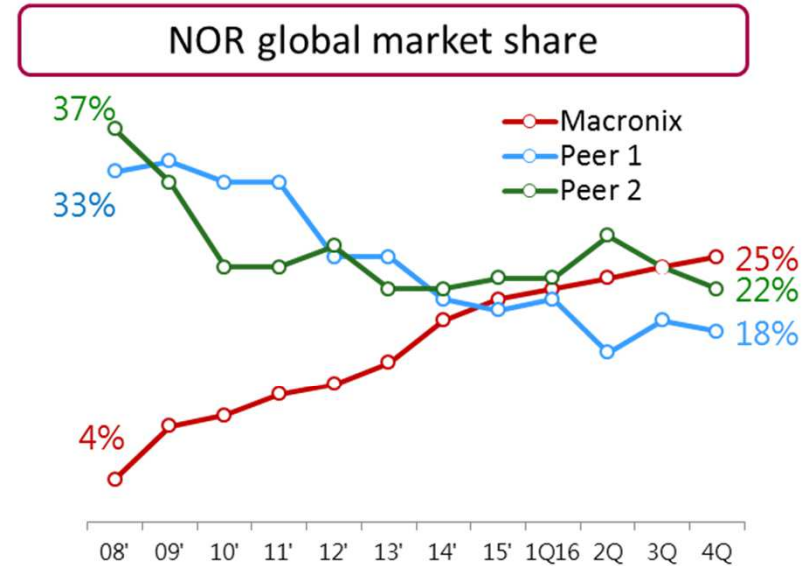
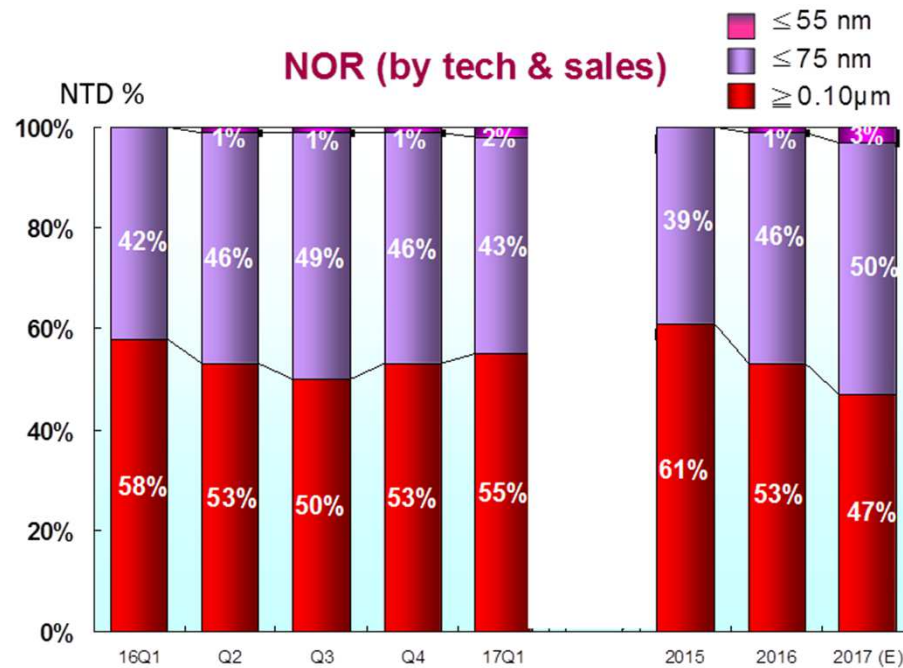
Business update – NOR equivalent density shipment



Current status of NOR memory business

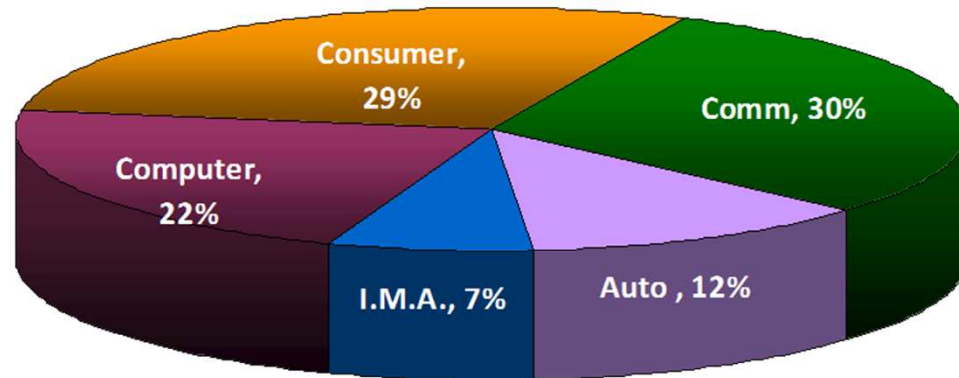
➤ NOR flash business

- Increasing demand for all density and applications
- Due to strong demand and limited supply, NOR business is in allocation mode. Pricing is on upward trend



Business update – NOR flash breakdown

2017Q1 NOR Revenue breakdown

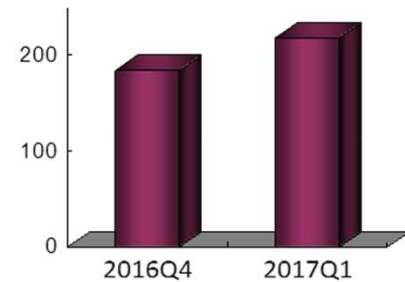


* **Comm**: including handsets

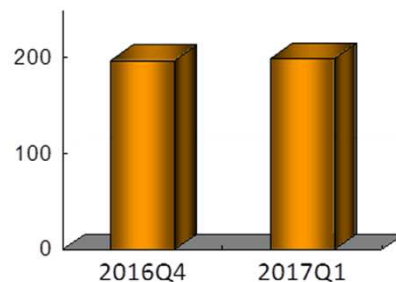
* **I**(Industrial), **M**(Medical), **A**(Aerospace-defense)

2017Q1 NOR Qty breakdown

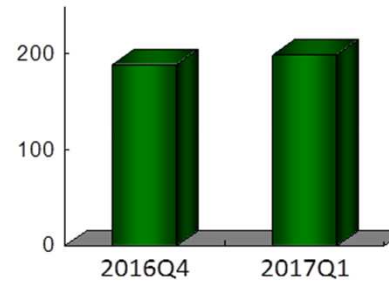
Computer
+19% QoQ
+78% YoY



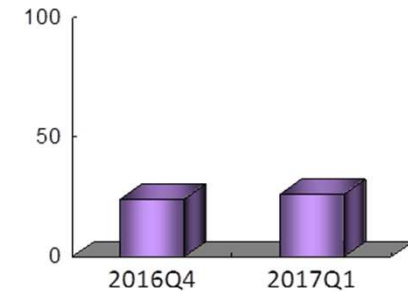
Consumer
+1% QoQ
+42% YoY



Communication
+5% QoQ
+67% YoY



Automotive
+10% QoQ
+23% YoY

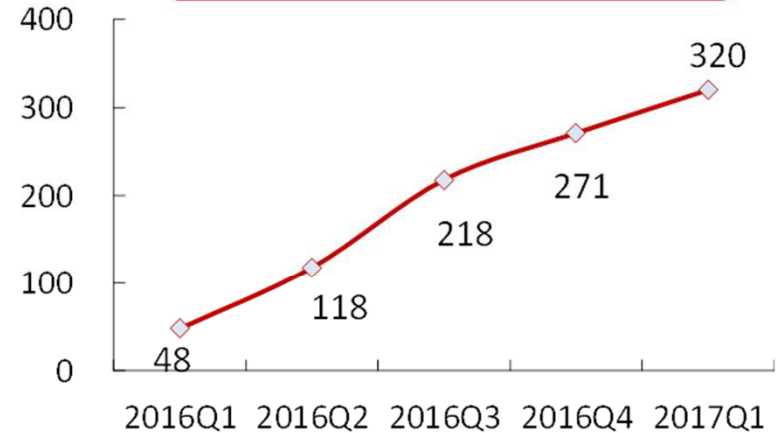


Business update – SLC NAND breakdown & outlook

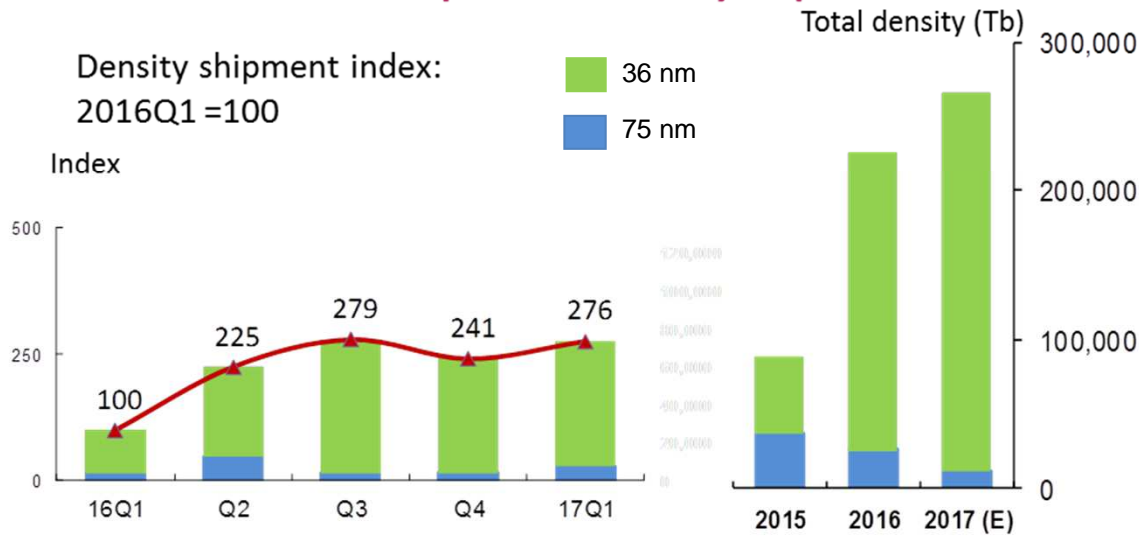
➤ SLC NAND flash business

- Because of increase demand and limited supply, the pricing is on upward trend
- BB ratio is 1.9 in Q1

Accumulative design-win case count of 36nm

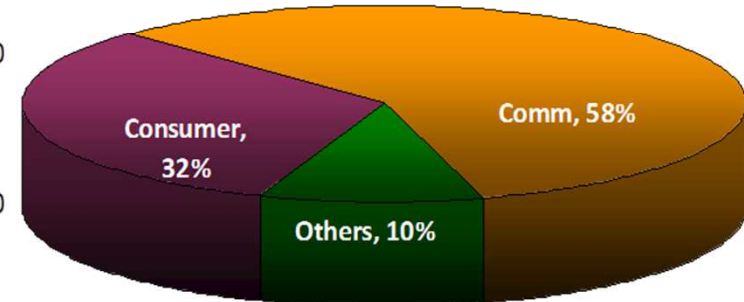


SLC NAND Flash equivalent density shipment



2017Q1 NAND

Revenue breakdown



2017 capex plan

➤ Prudent investment in production capacity

- Full fab utilization; strong demand for all memory product lines and BB ratio is over 1 for seven consecutive months
- With just approved of 667M capex, total projected capex is ~NTD3B in 2017 for advanced technology and productivity improvement

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



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