Macronix International Co., Ltd.
Fourth Quarter 2017 Results

January 31, 2018

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
2017Q4 Financial Results	Paul Yeh
Business Update	C.Y. Lu
Remarks and Q&A	C.Y. Lu

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Financial Highlights

	2017Q4 Actual	2017Q3 Actual	2017 Actual	2016 Actual
Revenue	NT$10.6B	NT$ 10.5B	NT$ 34.2B	NT$ 24.1B
Gross margin %	43%	38%	37%	24%
Operating margin %	25%	20%	17%	-2%

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Quarterly Consolidated Statements of Comprehensive Income

Unit: NTD Million (except EPS)	2017/Q4	2017/Q3	2016/Q4	QoQ Change	YoY Change
Net Sales	10,557	10,467	6,766	1%	56%
Gross Profit	4,582	4,022	2,163	14%	112%
Gross Margin%	43%	38%	32%	5ppt	11ppt
Operating Expenses	(1,926)	(1,923)	(1,545)	0%	25%
Operating Income	2,656	2,098	618	27%	330%
Operating Margin%	25%	20%	9%	5ppt	16ppt
Net Non-Operating Income (Loss)	(74)	30	1	-	-
Income Before Taxes	2,582	2,128	619	21%	317%
Income Taxes Expense (benefit)	7	5	(83)	38%	(108%)
Net Income	2,576	2,123	702	21%	267%
Other Comprehensive Income	343	138	(22)	149%	-
Comprehensive Income	2,919	2,261	680	29%	329%
Net Income(Loss) Attributable to :					
Shareholders of the Parent	2,576	2,123	703	21%	267%
Noncontrolling Interests	(0)	(0)	(1)		
Basic EPS* (NT$)	1.45	1.20	0.40	21%	263%
EBITDA	3,126	2,667	1,189		
Weighted avg outstanding million shares	*1,777*	*1,766*	*1,754*		

* EPS are retro-adjusted because of capital reduction

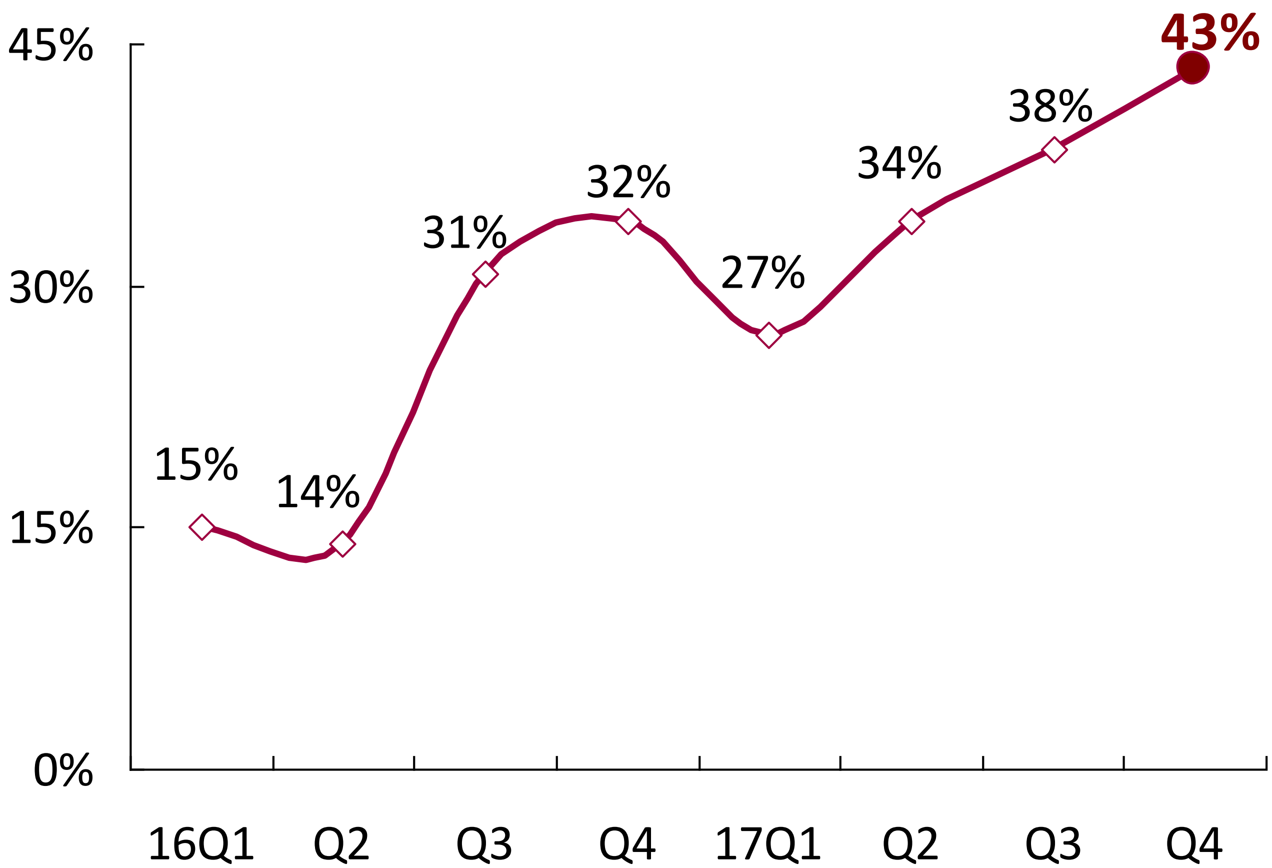
Annual Consolidated Statements of Comprehensive Income

Unit: NTD Million (except EPS)	2017	2016	YoY Change
Net Sales	34,197	24,125	42%
Gross Profit	12,635	5,836	116%
Gross Margin%	37%	24%	13ppt
Operating Expenses	(6,882)	(6,194)	11%
Operating Income	5,753	(358)	-
Net Non-Operating Income (Loss)	(217)	(113)	-
Income Before Taxes	5,536	(471)	-
Income Taxes Expense (benefit)	19	(224)	-
Net Income	5,517	(247)	-
Other Comprehensive Income	607	(77)	-
Comprehensive Income	6,124	(324)	-
Net Income(Loss) Attributable to :			
Shareholders of the Parent	5,518	(243)	-
Noncontrolling Interests	(1)	(4)	-
Basic EPS* -- NT$	3.12	(0.14)	-
EBITDA	7,724	1,875	
Weighted average outstanding million shares	*1,766*	*1,748*	

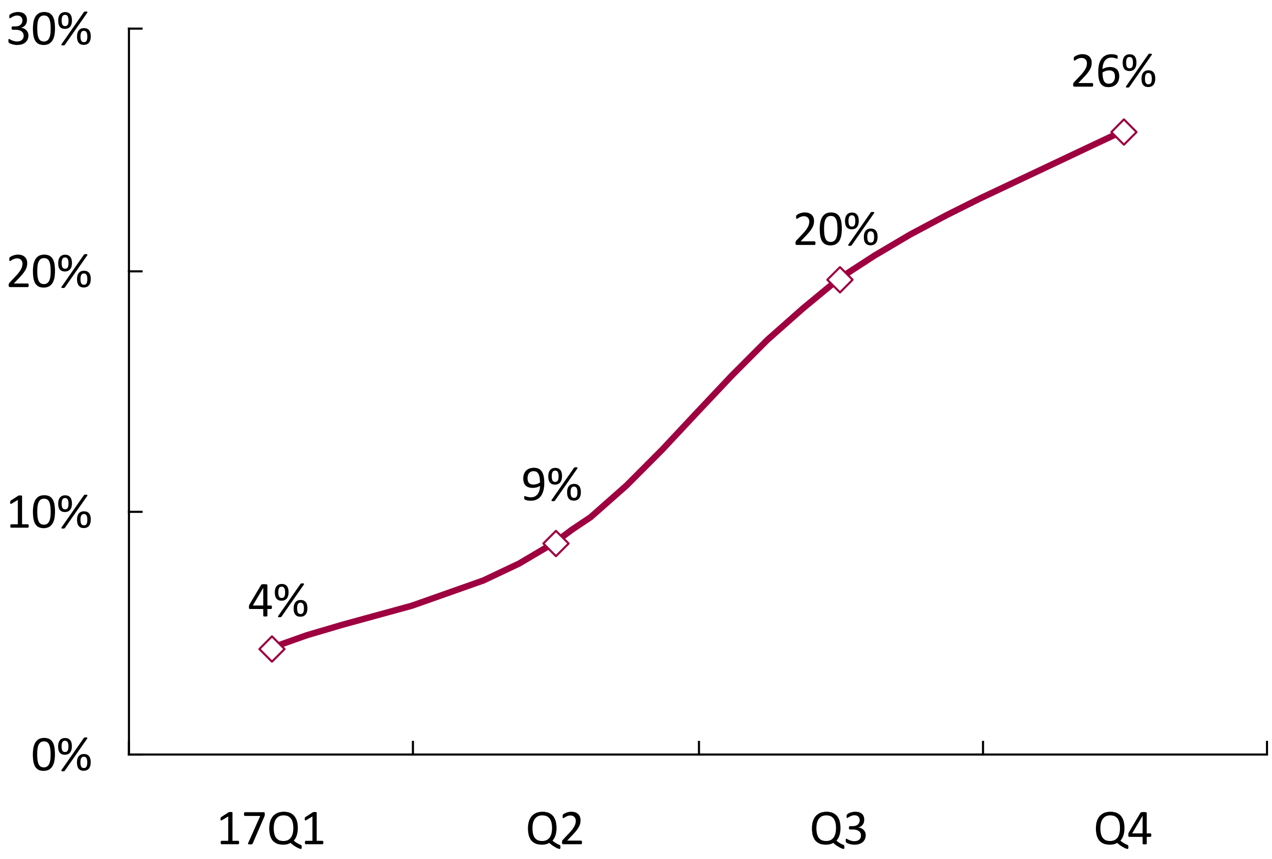
* EPS are retro-adjusted because of capital reduction

2017 Financial Highlights

Gross Margin (%)



Improved Annualized Return on Equity



Quarterly Consolidated Balance Sheet / Cash Position

Unit: NTD Million (except BV)	2017/12/31	2017/09/30
Cash	8,633	6,883
Inventory(Net)	9,872	9,389
Property, Plant and Equipment	16,259	15,490
Total Assets	44,194	41,361
Interest bearing debt - short term	3,179	8,233
Interest bearing debt - long term	4,860	963
Total Liabilities	19,538	19,656
Shareholders' Equity	24,656	21,705
Debt Ratio (%)	44.2%	47.5%
Book Value -- NT$	13.68	12.04

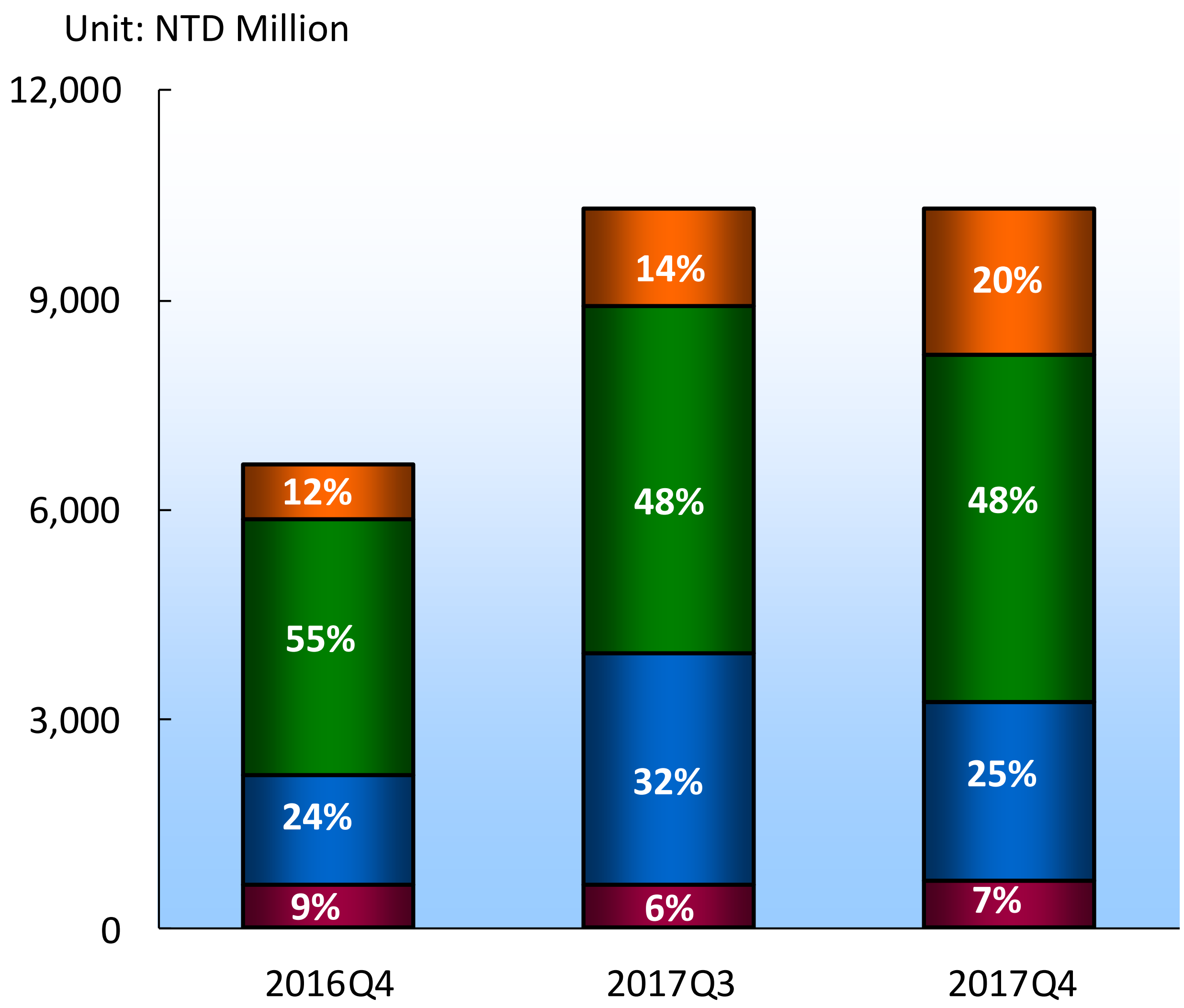
Quarterly Highlight	2017/Q4	2017/Q3
Depreciation & Amortization	493	488
Capital Expenditures	(879)	(657)
Cash Flow from Operating	3,969	1,970

Consolidated Balance Sheet / Cash Position

Unit: NTD Million (except BV)	2017/12/31	2016/12/31
Cash	8,633	6,368
Inventory(Net)	9,872	7,087
Property, Plant and Equipment	16,259	15,500
Total Assets	44,194	35,545
Interest bearing debt - short term	3,179	4,681
Interest bearing debt - long term	4,860	5,636
Total Liabilities	19,538	17,225
Shareholders' Equity	24,656	18,320
Debt Ratio (%)	44.2%	48.5%
Book Value -- NT$	13.68	10.31

Annually Highlight	2017	2016
Depreciation & Amortization	1,972	2,041
Capital Expenditures	(2,220)	(923)
Cash Flow from Operating	7,034	5,421

Quarterly Sales Breakdown by Products (Parent Company)



	QoQ Change	YoY Change
NAND	+48%	+165%
NOR	+0%	+36%
ROM	-23%	+63%
FBG	+7%	+10%

* FBG (foundry business group)

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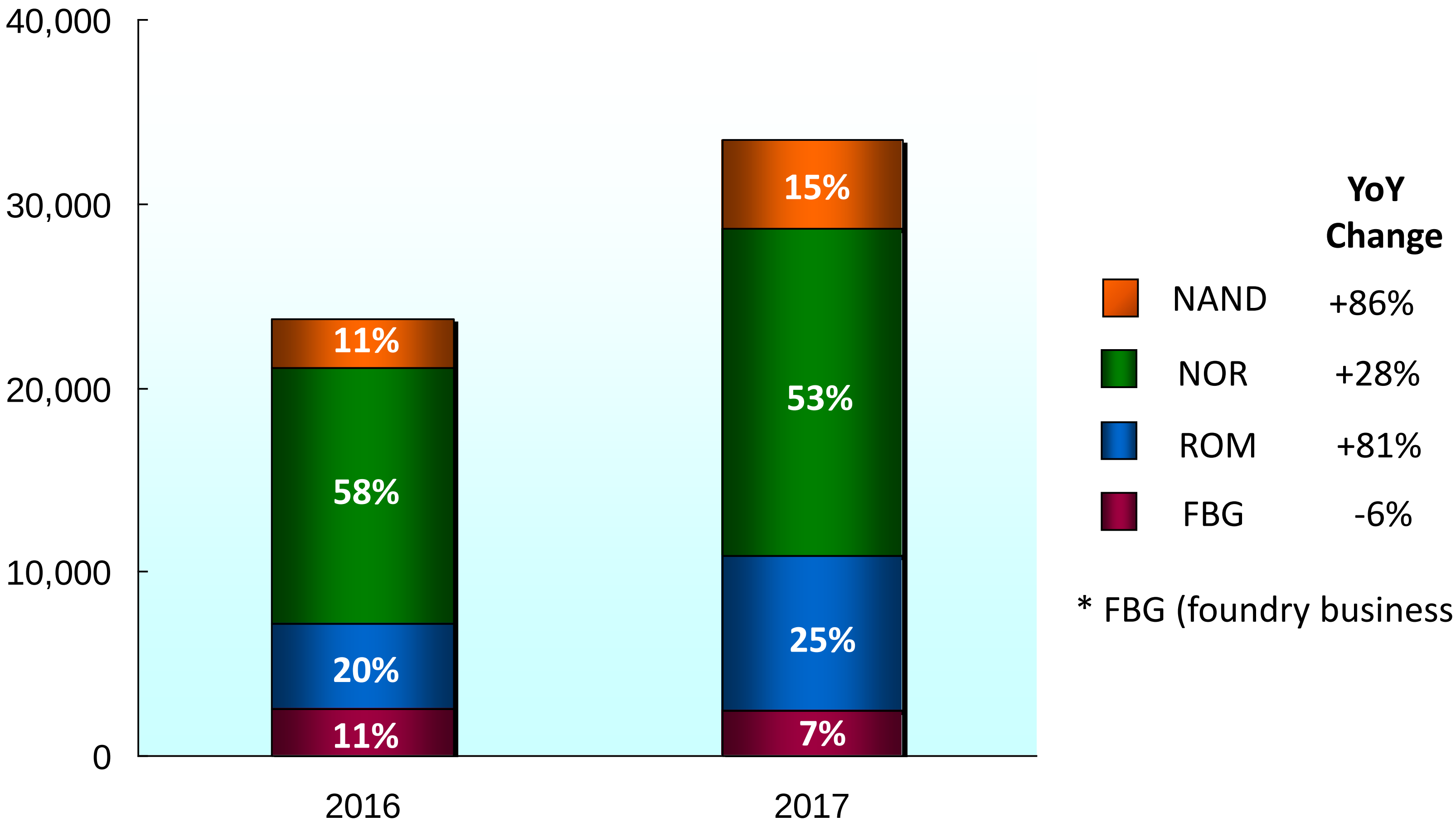
Annual Sales Breakdown by Products (Parent Company)

Unit: NTD Million



* FBG (foundry business group)

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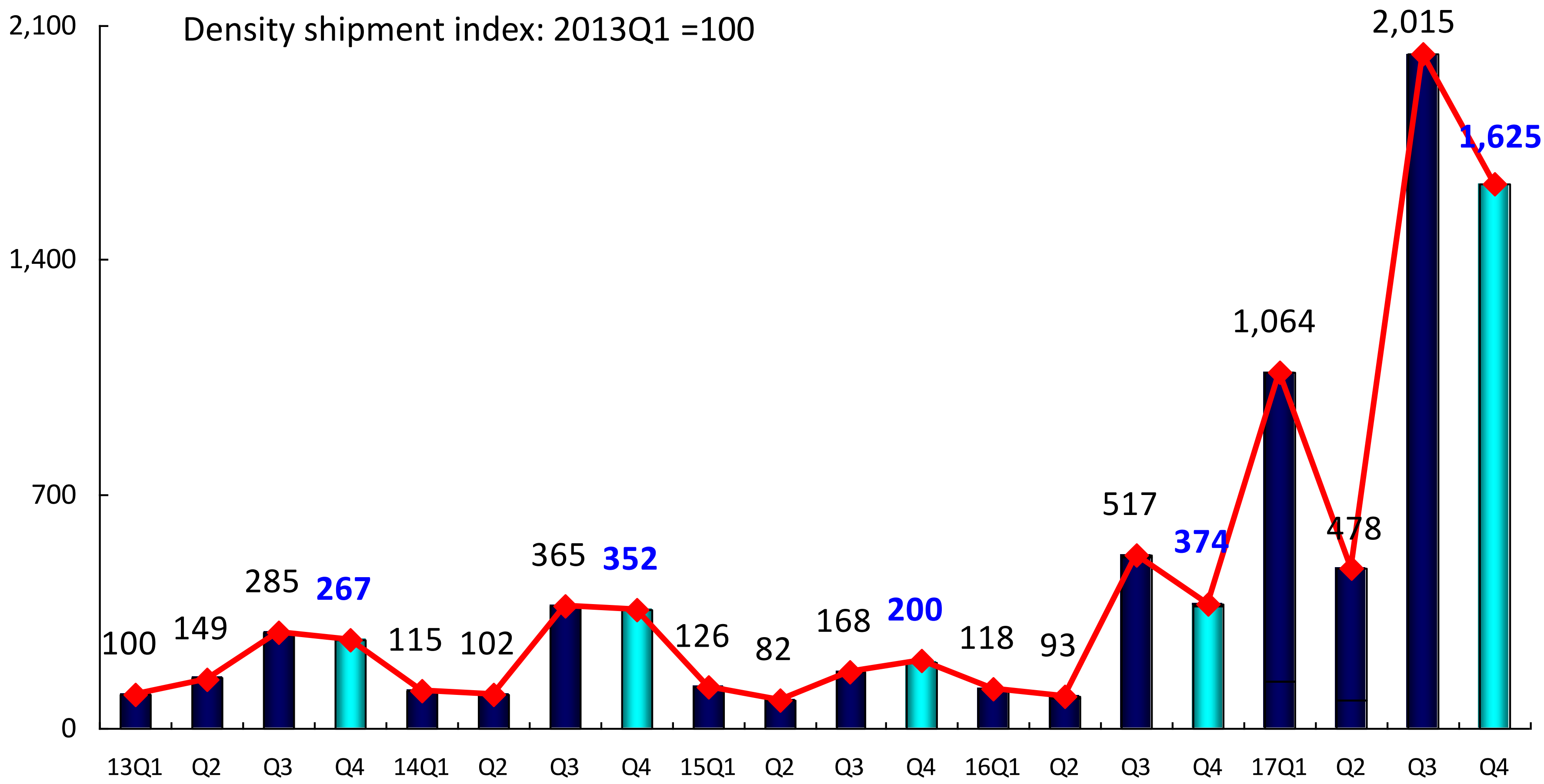
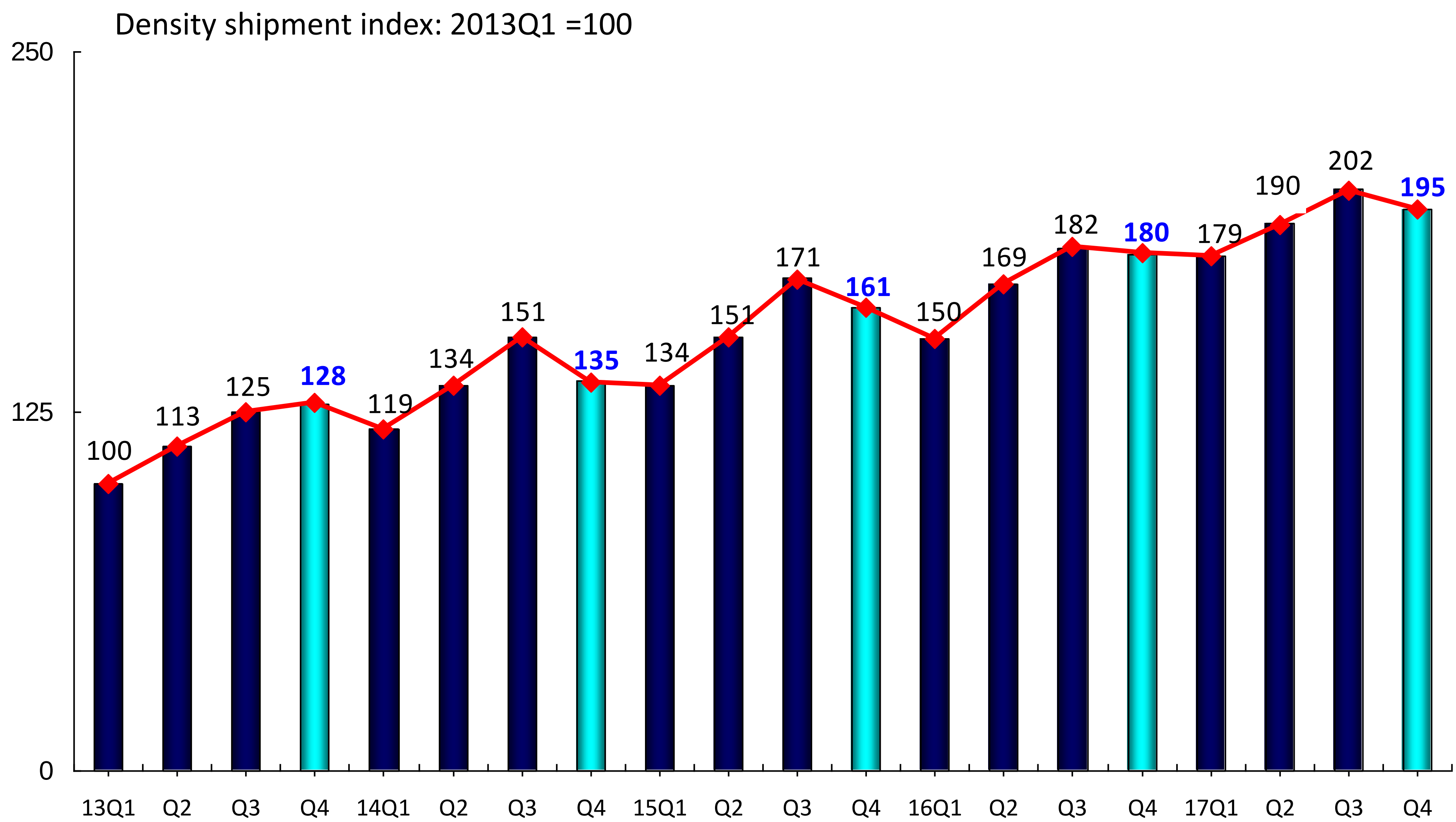
Business update - ROM equivalent density shipment

➢ROM business

- ≥ 64Gb products represented 68% of ROM business in 2017Q4
- Decreased Q4 ROM business due to seasonal weak demand



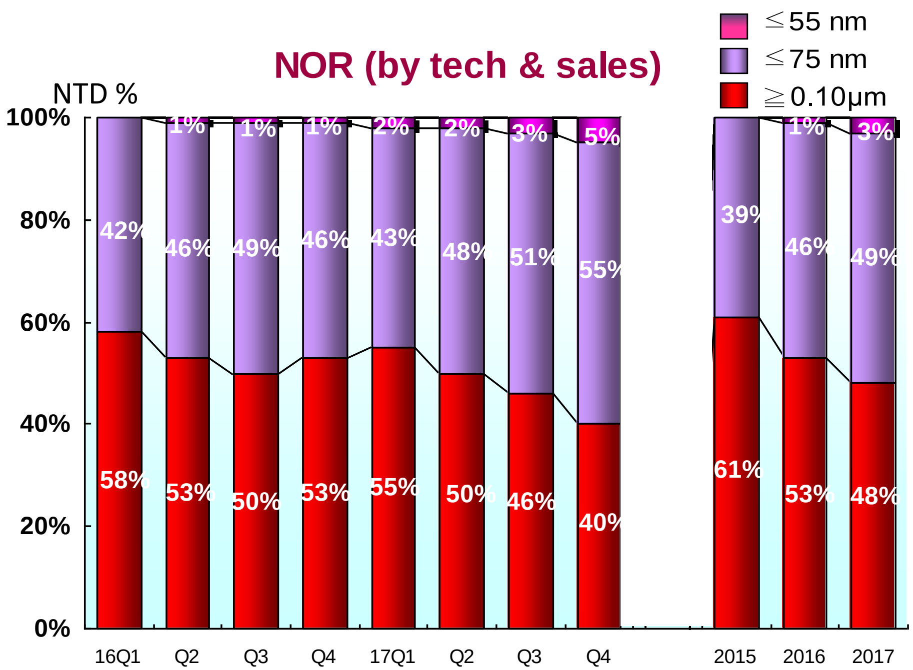
Business update – NOR equivalent density shipment

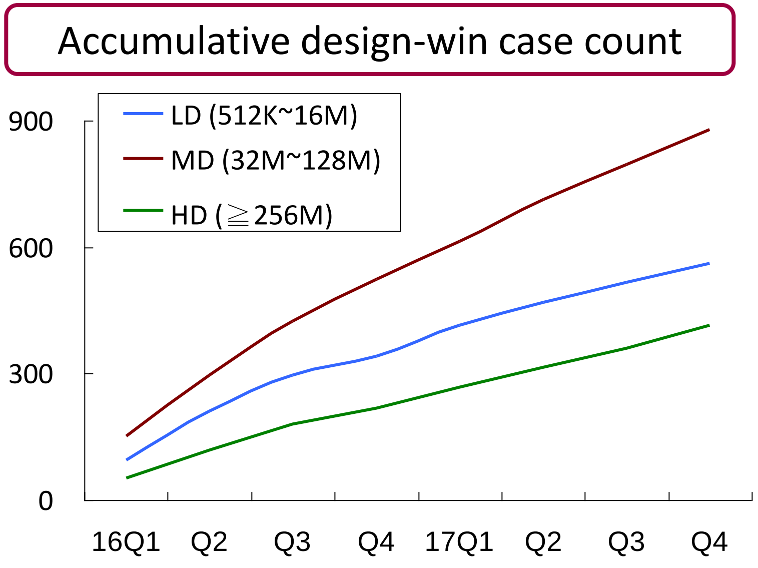


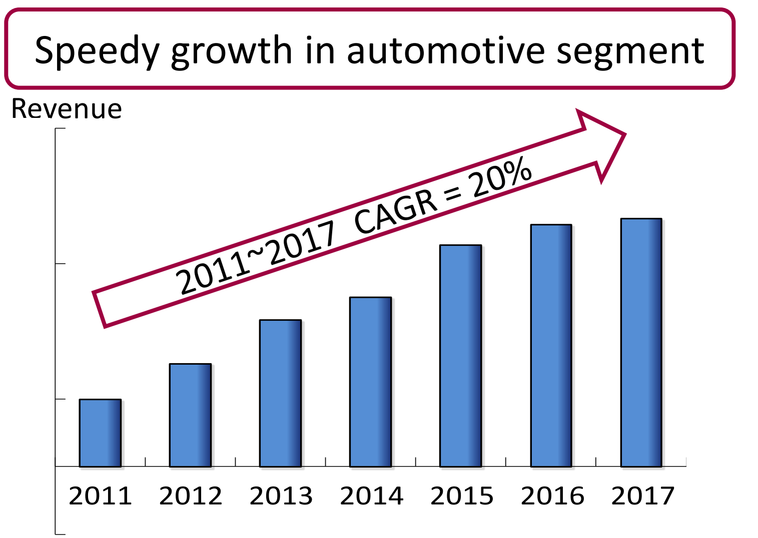
Current status of NOR memory business

➢NOR flash business

- ≤75nm products increased to 60% of NOR sales in 17Q4
- With the best-in-class product quality and performance, Macronix is focusing on high quality and/or high density segments
- 2018 growth drivers include applications of Data center, Telecommunications, Automotive, etc.

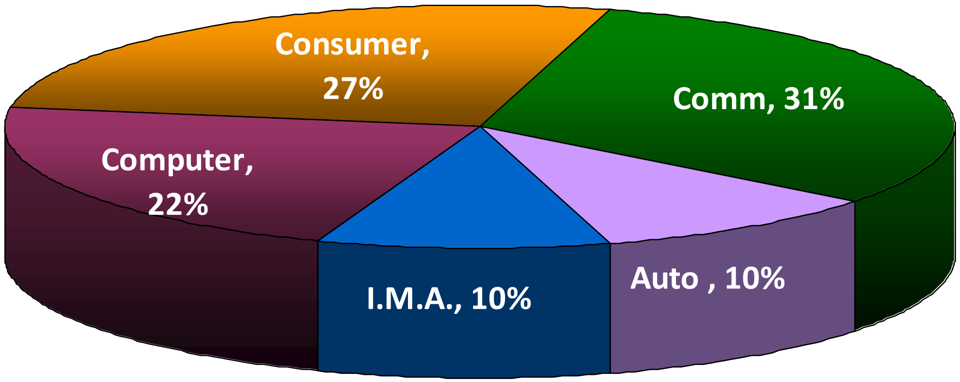




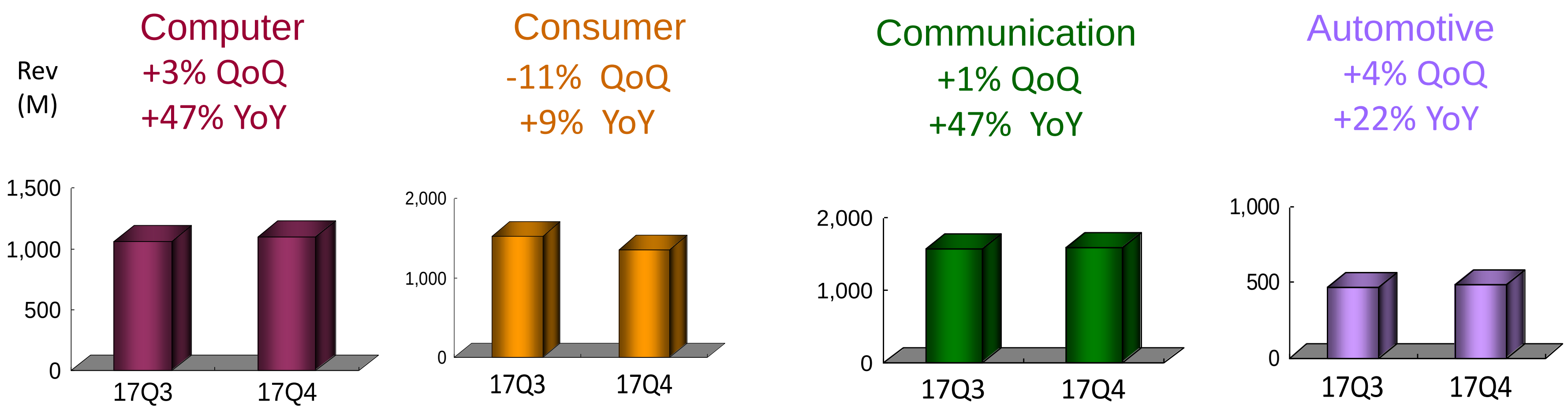


Business update – NOR flash breakdown

2017Q4 NOR Revenue breakdown



* **Comm:** including handsets
* **I**(Industrial), **M**(Medical), **A**(Aerospace-defense)



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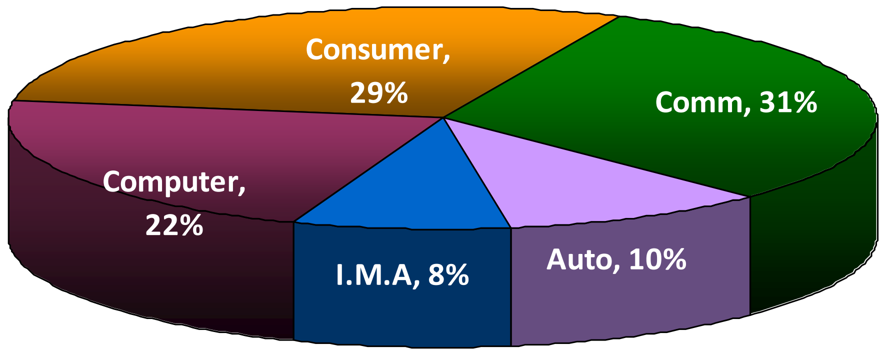
Business update – NOR flash breakdown

2017 NOR Revenue breakdown

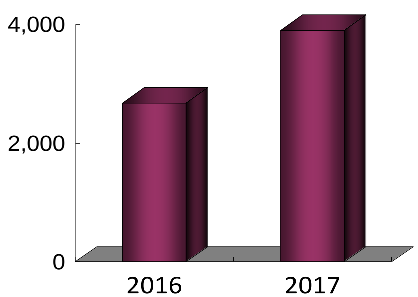


* **Comm:** including handsets
* **I**(Industrial), **M**(Medical), **A**(Aerospace-defense)

Computer

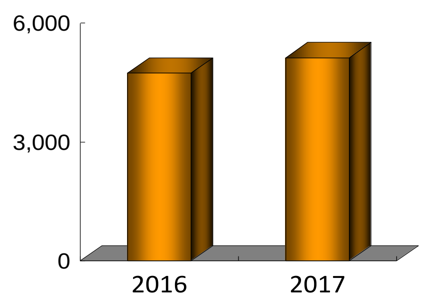
Rev (M)

+46% YoY



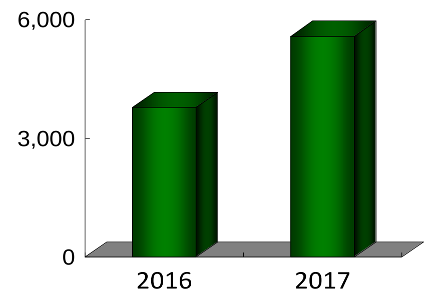
Consumer

+8% YoY



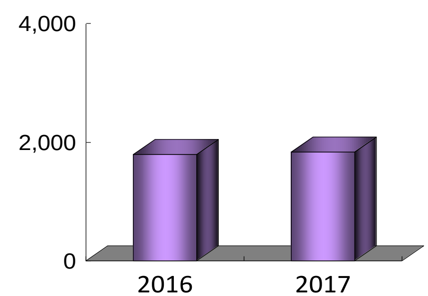
Communication

+48% YoY



Automotive

+2% YoY



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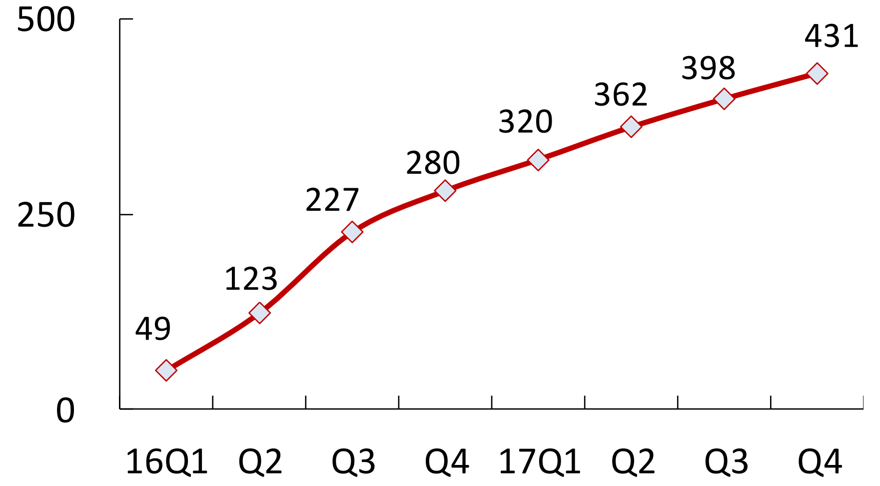
Business update – SLC NAND breakdown & outlook

SLC NAND flash business

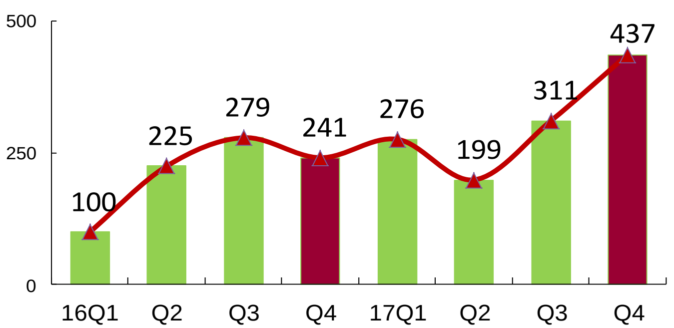
- Because of more wafer-out and recovered pricing, NAND business sequentially increased 48% in Q4
- Demand is still strong and will be the key growth driver in 2018

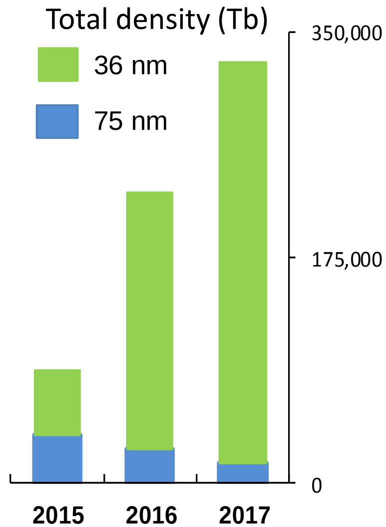
Accumulative design-win case count of 36nm



SLC NAND Flash equivalent density shipment

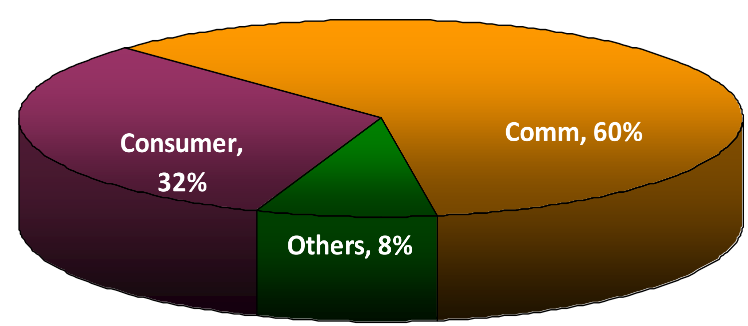
Density shipment index:
2016Q1 =100





2017Q4 NAND

Revenue breakdown



2018 capex plan

➢Prudent investment in production

- Capex budget of NTD3.89B in 2018 for advanced technology and productivity improvement
- High fab utilization and expect to be full in 2018

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For more information regarding Macronix
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