Macronix International Co., Ltd.
Fourth Quarter 2019 Results

February 18, 2020

MACRONIX
INTERNATIONAL CO., LTD.

Safe Harbor Statement

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**
2019Q4 Financial Results	Paul Yeh
Business Update	C.Y. Lu
Remarks and Q&A	C.Y. Lu

Financial Highlights

	2019Q4 Unaudited	2019Q3 Audited	2018Q4 Audited
Revenue	NT$ 9,581 million	NT$ 11,906 million	NT$ 8,981 million
Gross margin	26%	30%	28%
Operating margin	8%	15%	7%

Financial Highlights

	2019 Unaudited	2018 Audited
Revenue	NT$ 34,995 million	NT$ 36,953 million
Gross margin	28%	38%
Operating margin	9%	18%

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Quarterly Consolidated Statements of Comprehensive Income

Unit：NT$ Million	2019/Q4 Unaudited	2019/Q3 Audited	2018/Q4 Audited	QoQ Change	YoY Change
Net Sales	9,581	11,906	8,981	(20%)	7%
Gross Profit	2,506	3,576	2,535	(30%)	(1%)
Gross Margin	26%	30%	28%	(4ppt*)	(2ppt)
Operating Expenses	(1,744)	(1,797)	(1,921)	(3%)	(9%)
Operating Income	762	1,778	614	(57%)	24%
Operating Margin	8%	15%	7%	(7ppt)	1ppt
Net Non-Operating Income (Loss)	(168)	79	2,504	-	-
Income Before Taxes	594	1,857	3,118	(68%)	(81%)
Income Taxes Expense (benefit)	(160)	4	250	-	-
Net Income	754	1,853	2,867	(59%)	(74%)
Other Comprehensive Income	50	(17)	(596)	-	-
Comprehensive Income	803	1,836	2,271	(56%)	(65%)
Net Income(Loss) Attributable to :					
Shareholders of the Parent	754	1,853	2,867	(59%)	(74%)
Noncontrolling Interests	0	0	(0)		
Basic EPS -- NT$	0.41	1.01	1.57	(59%)	(74%)
EBITDA	1,405	2,604	3,730		
Weighted avg outstanding million shares	*1,836*	*1,830*	*1,822*		

* ppt: percentage points

Annual Consolidated Statements of Comprehensive Income

Unit: NT$ Million	2019 Unaudited	2018 Audited	YoY Change
Net Sales	34,995	36,953	(5%)
Gross Profit	9,615	13,926	(31%)
Gross Margin	28%	38%	(10ppt*)
Operating Expenses	(6,517)	(7,417)	(12%)
Operating Income	3,099	6,509	(52%)
Operating Margin	9%	18%	(9ppt)
Net Non-Operating Income (Loss)	(73)	2,755	-
Income Before Taxes	3,026	9,264	(67%)
Income Taxes Expense (benefit)	13	272	-
Net Income	3,013	8,993	(66%)
Other Comprehensive Income	241	(943)	-
Comprehensive Income	3,254	8,050	(60%)
Net Income(Loss) Attributable to :			
Shareholders of the Parent	3,012	8,993	(67%)
Noncontrolling Interests	1	(0)	-
Basic EPS -- NT$	1.64	4.94	(67%)
EBITDA	5,954	11,528	
Weighted average outstanding million shares	*1,832*	*1,822*	

* ppt: percentage points

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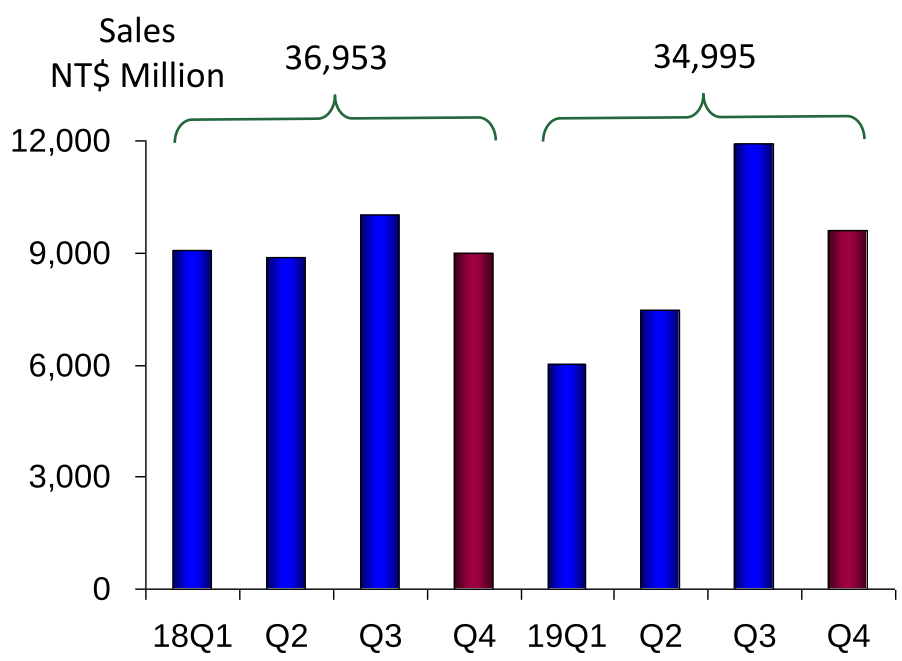
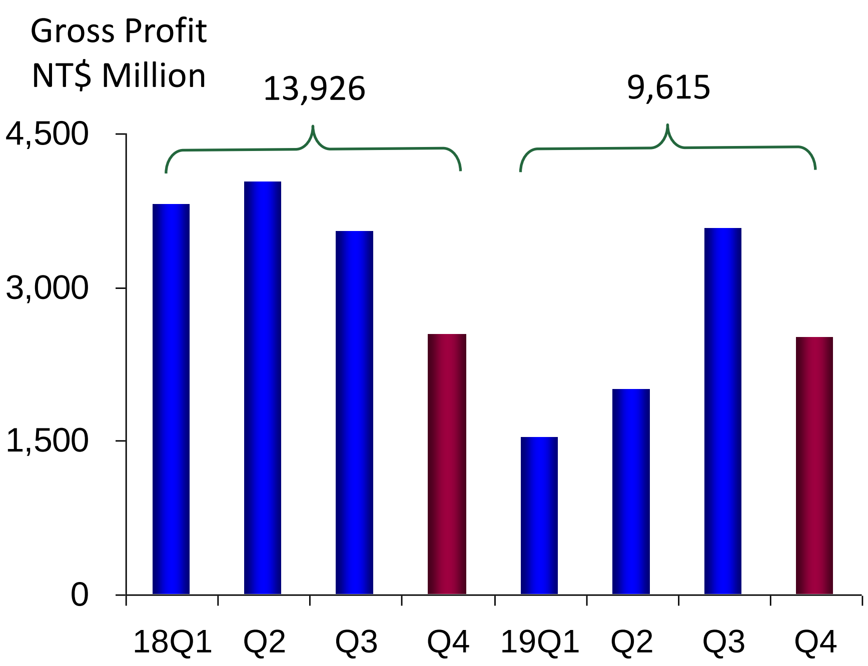
2019Q4 Financial Highlights

2019Q4 Sales = NT$ 9,581Million
-20% QoQ
+7% YoY

2019Q4 Gross Profit = NT$ 2,506Million
-30% QoQ
-1% YoY





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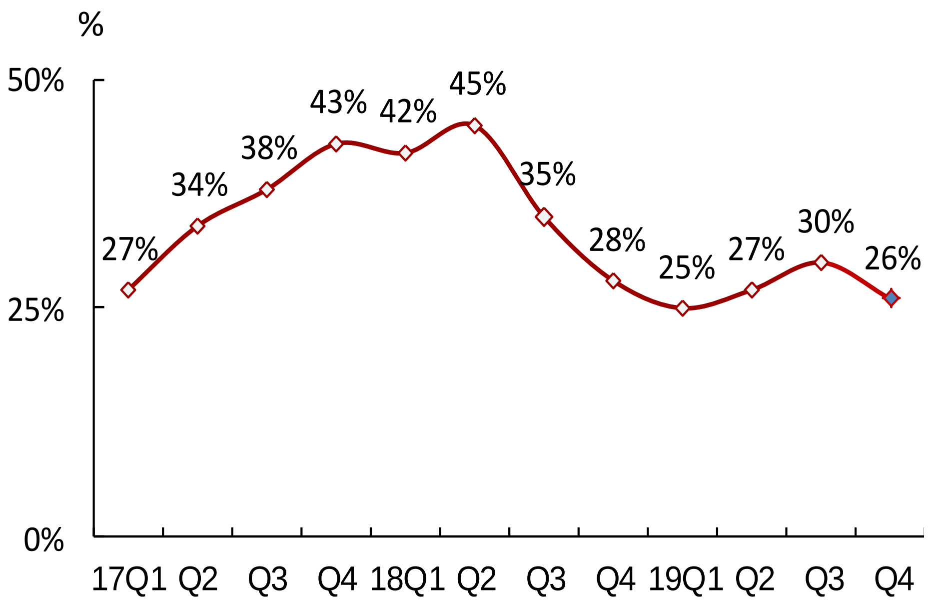
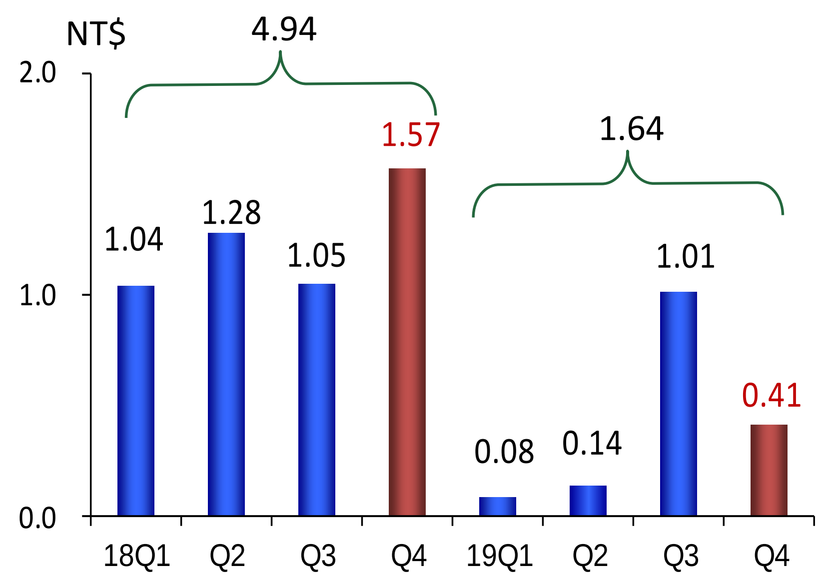
2019Q4 Financial Highlights

	2019Q4	2018Q4
Gross Margin	26%	28%
Basic EPS -- NT$	0.41	1.57

Gross Margin



Basic EPS
(retro-adjusted)



Quarterly Consolidated Condensed Balance Sheet / Cash Flow

Unit: NT$ Million	2019/12/31 Unaudited	2019/09/30 Audited
Cash	8,725	7,957
Inventory(Net)	12,810	15,126
Property, Plant and Equipment	29,366	28,353
Total Assets	60,657	63,662
Interest bearing debt - short term	4,817	5,418
Interest bearing debt - long term	9,774	9,491
Total Liabilities	28,164	32,040
Shareholders' Equity	32,493	31,623
Debt Ratio	46.4%	50.3%
Book Value -- NT$	17.68	17.20

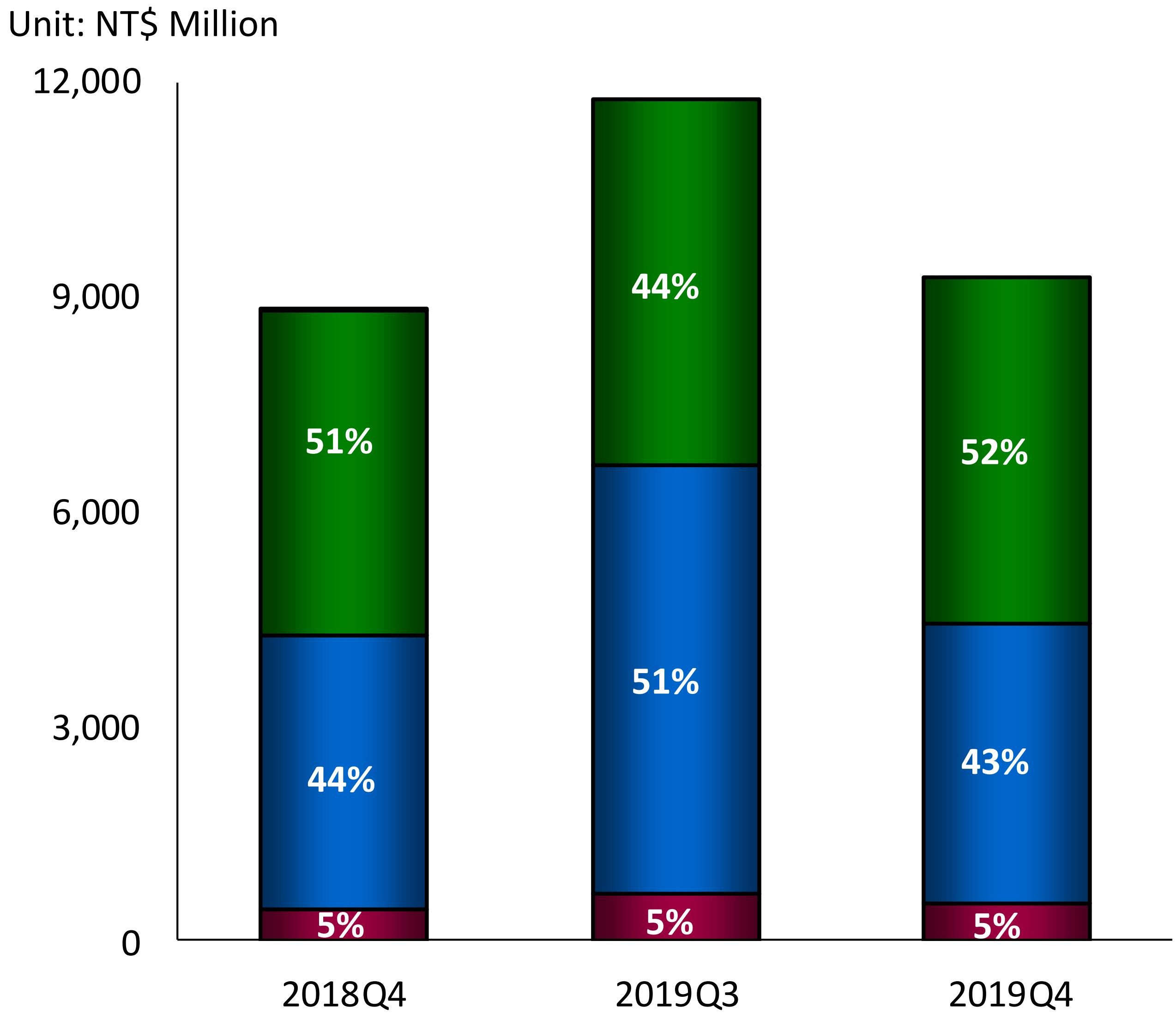
Quarterly Highlight	2019/Q4	2019/Q3
Depreciation & Amortization	755	695
Capital Expenditures	(1,722)	(4,247)
Cash Flow from Operating	3,017	881

Consolidated Condensed Balance Sheet / Cash Flow

Unit: NT$ Million	2019/12/31 Unaudited	2018/12/31 Audited
Cash	8,725	13,589
Inventory(Net)	12,810	17,949
Property, Plant and Equipment	29,366	19,309
Total Assets	60,657	59,049
Interest bearing debt - short term	4,817	3,335
Interest bearing debt - long term	9,774	5,885
Total Liabilities	28,164	27,688
Shareholders' Equity	32,493	31,360
Debt Ratio	46.4%	46.9%
Book Value -- NT$	17.68	17.06

Annually Highlight	2019	2018
Depreciation & Amortization	2,731	2,120
Capital Expenditures	(12,788)	(4,889)
Cash Flow from Operating	4,543	10,093

Quarterly Sales Breakdown by Products (Parent Company)



	QoQ Change	YoY Change
Flash	-6%	+6%
ROM	-34%	+2%
FBG	-24%	+12%

* FBG (foundry business group)

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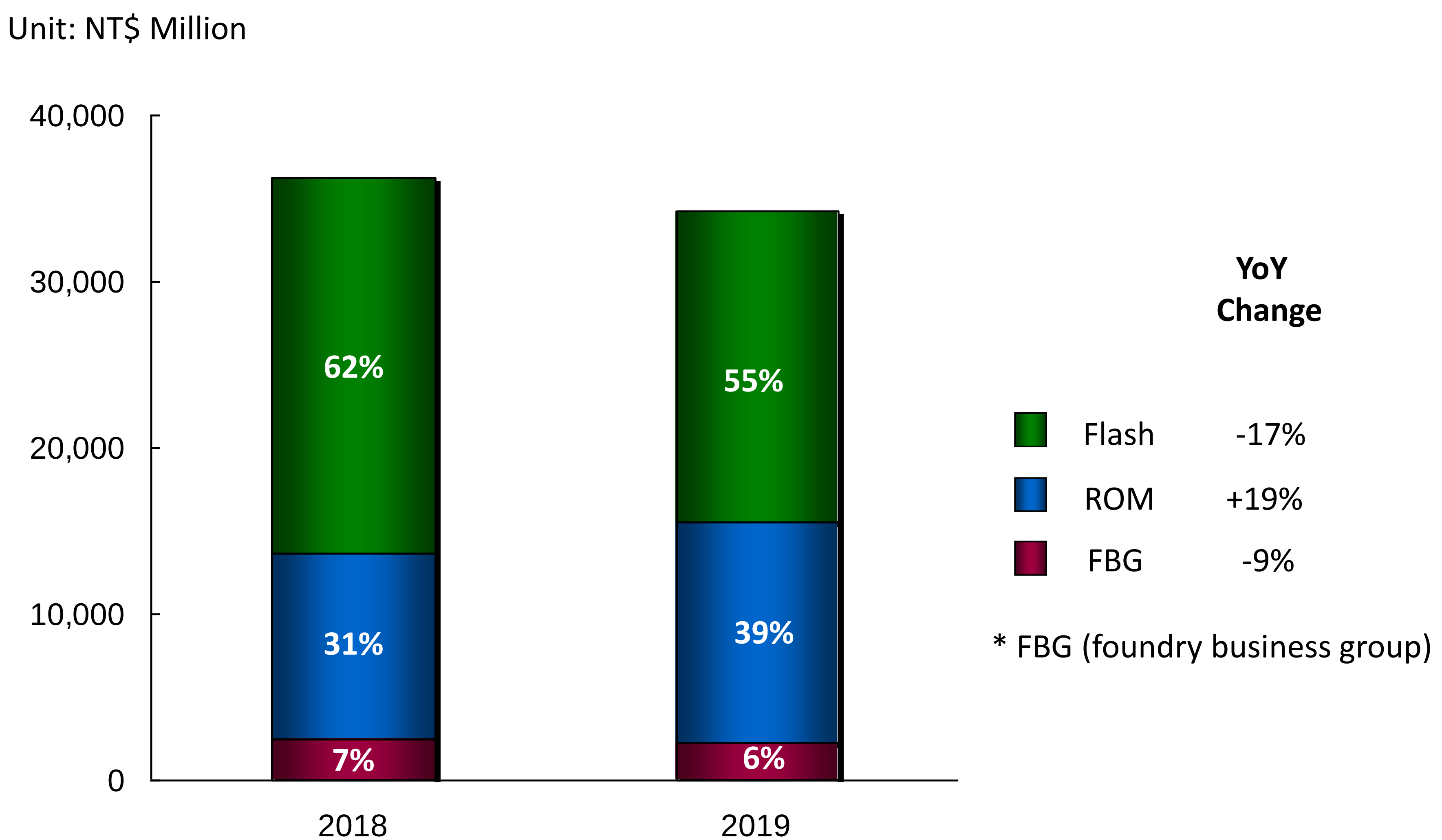
Annual Sales Breakdown by Products (Parent Company)



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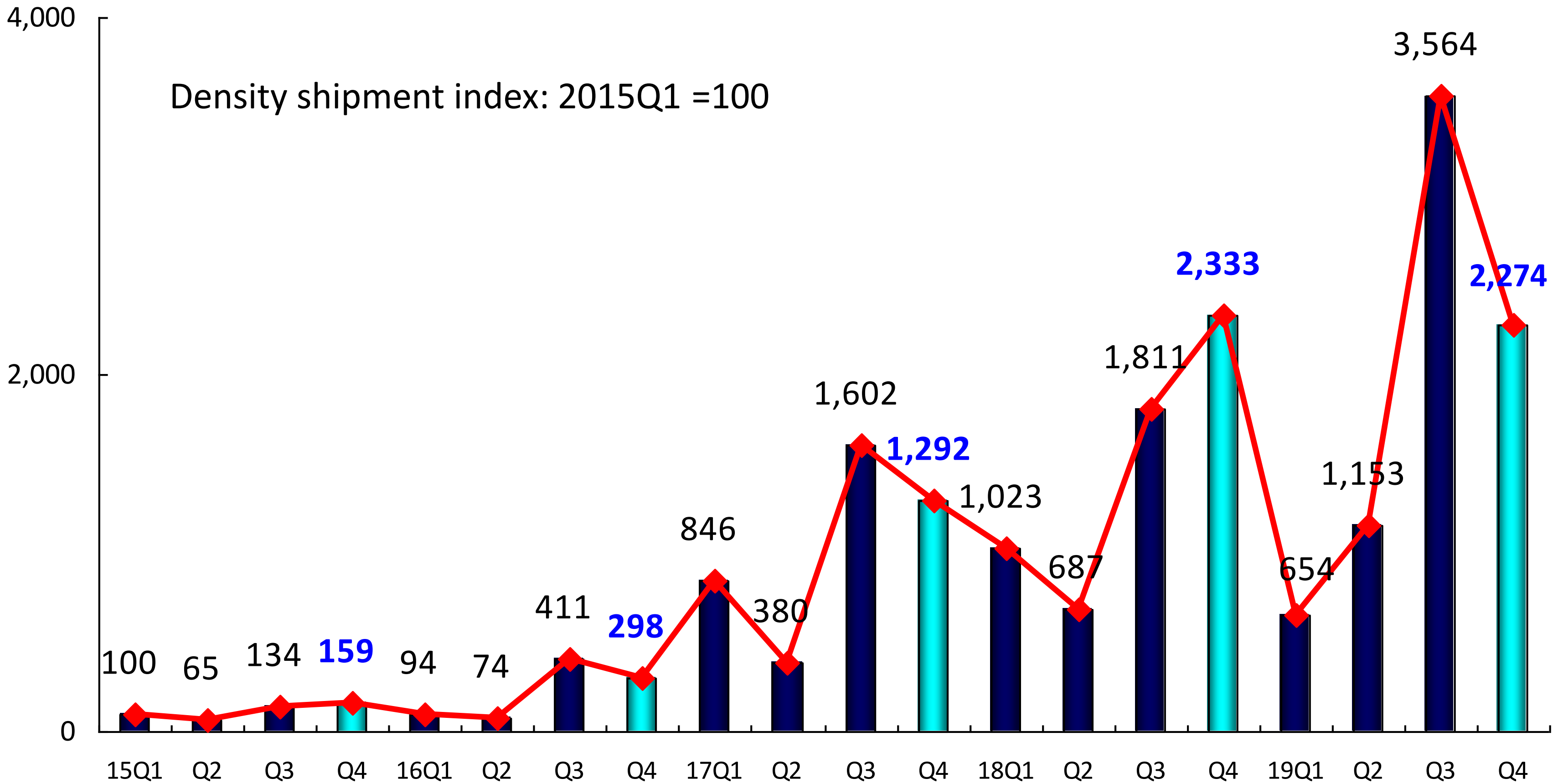
Business update - ROM

➢ROM business

- ≥ 64Gb products represented 73% of ROM business in 2019Q4



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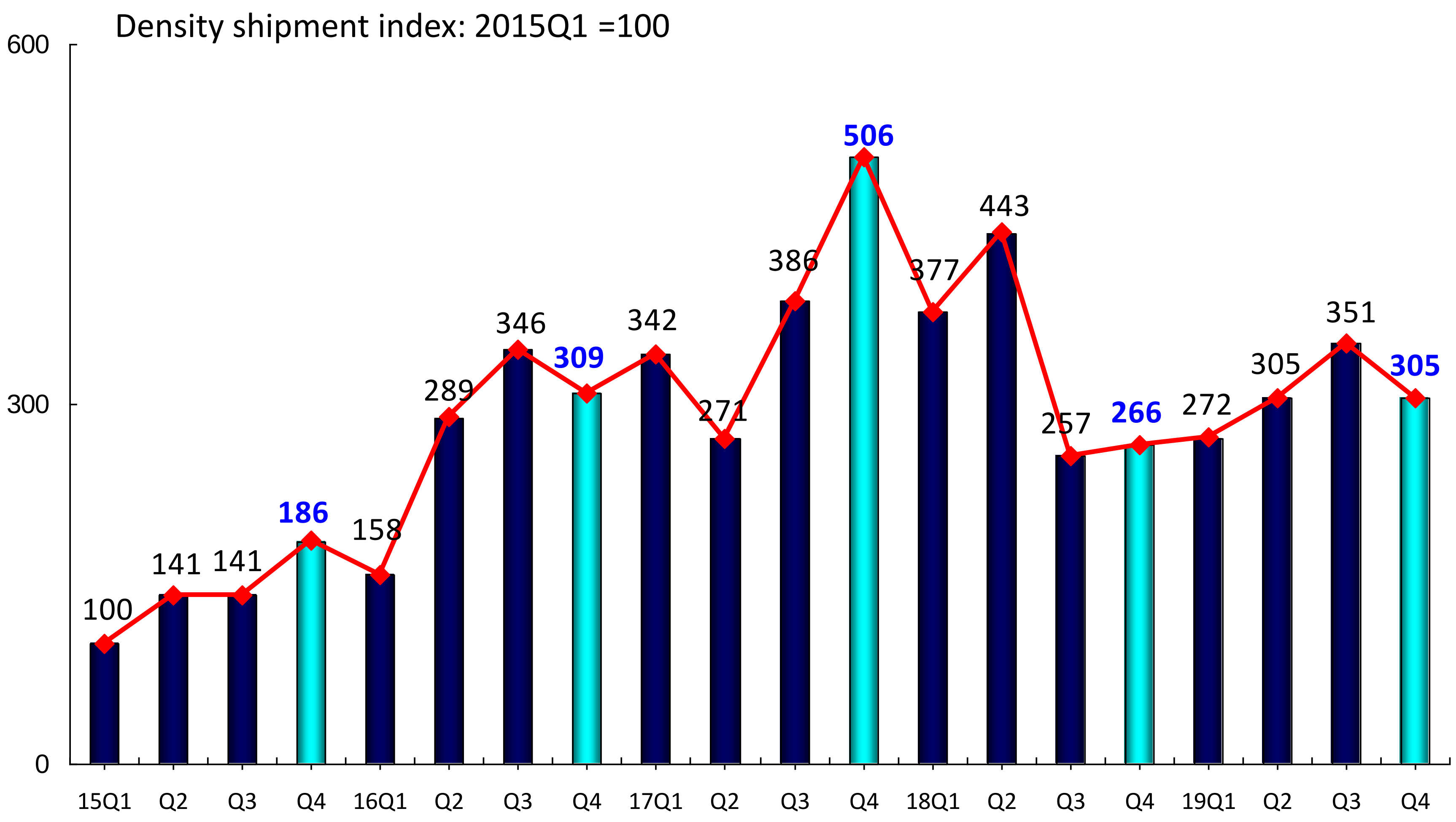
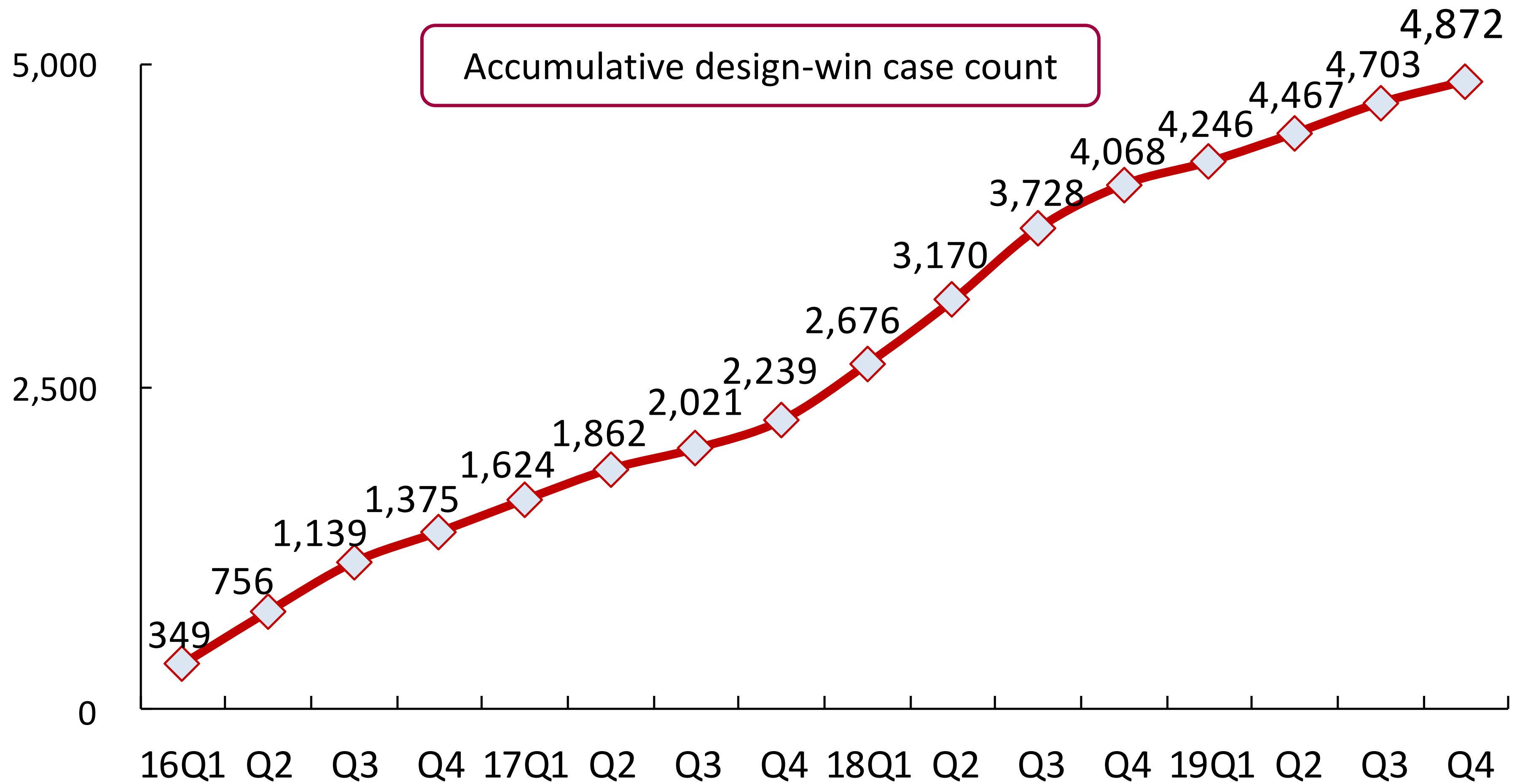
Business update – Flash

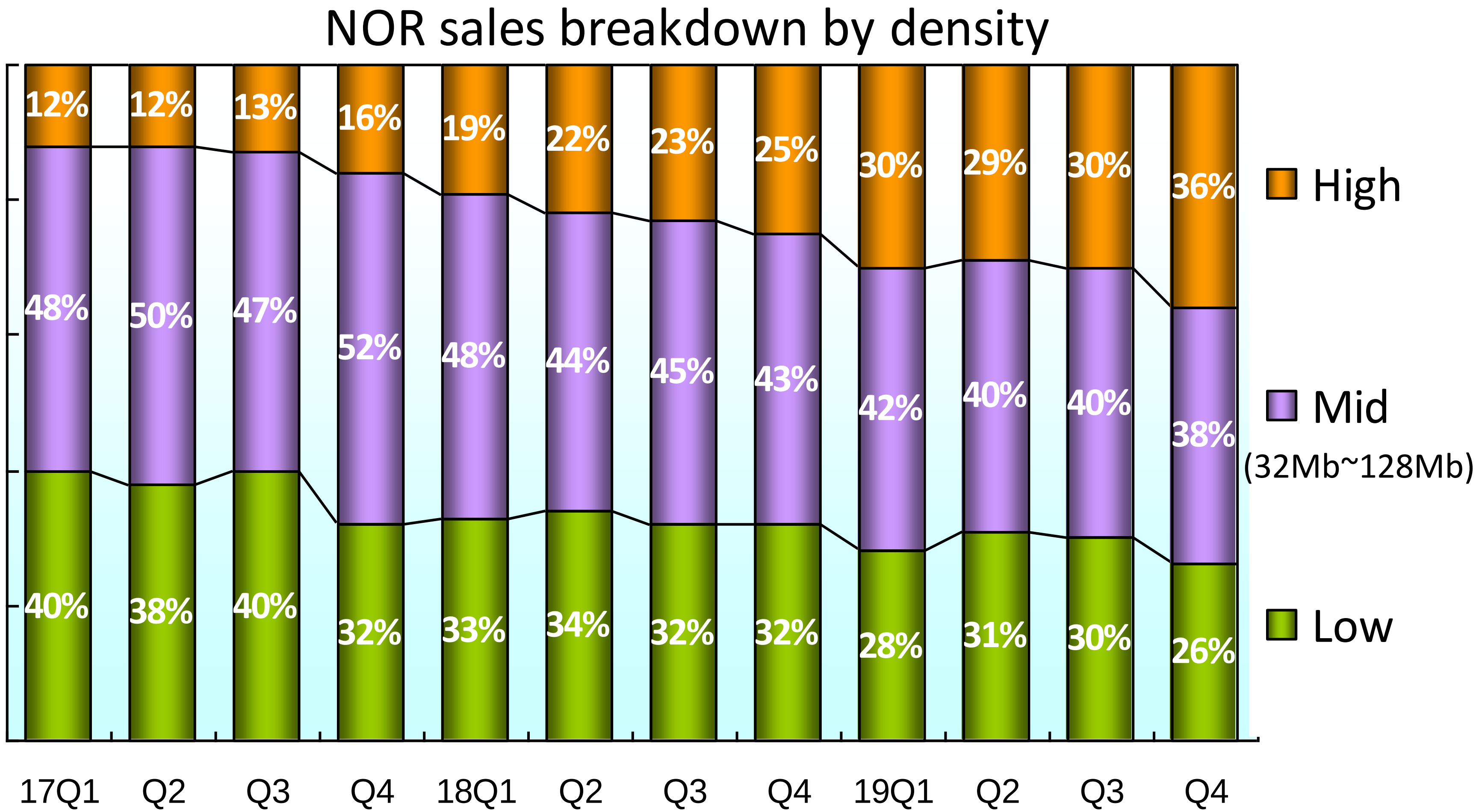


Current status of Flash memory business

➢ **Flash business**
- ≤75nm products increased to 74% of NOR sales in 19Q4

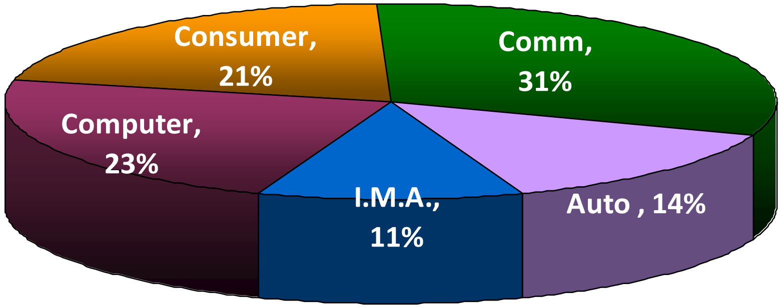


Business update – NOR sales breakdown (Parent Company)

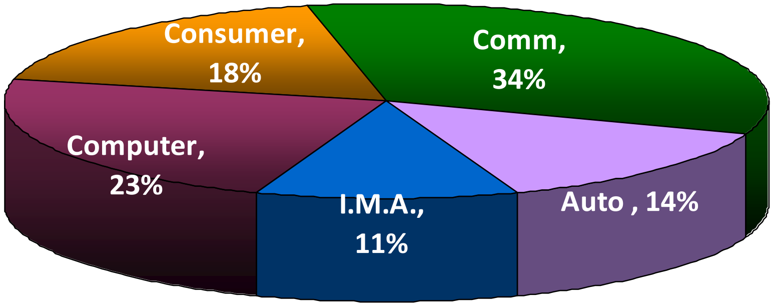


Business update – NOR sales breakdown (Parent Company)

2019Q3 NOR sales breakdown



2019Q4 NOR sales breakdown



* **Comm:** communication; including handsets
* **Auto:** automotive
* **I:** Industrial, **M:** Medical, **A:** Aerospace-defense

2019Q4 NOR sales comparison

Computer	Consumer	Communication	Automotive	I.M.A
+1% QoQ	-14% QoQ	+14% QoQ	-3% QoQ	-6% QoQ
+8% YoY	+7% YoY	+21% YoY	+20% YoY	+2% YoY

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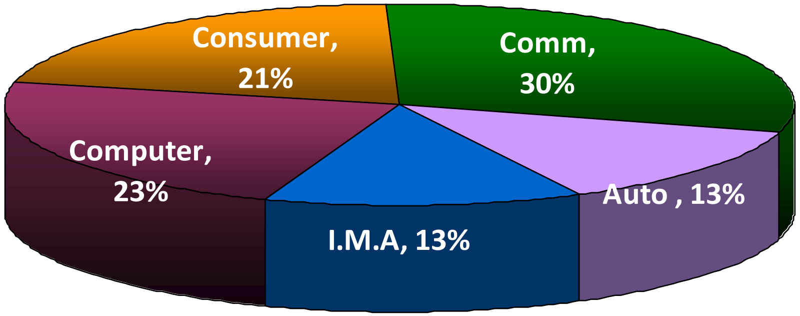
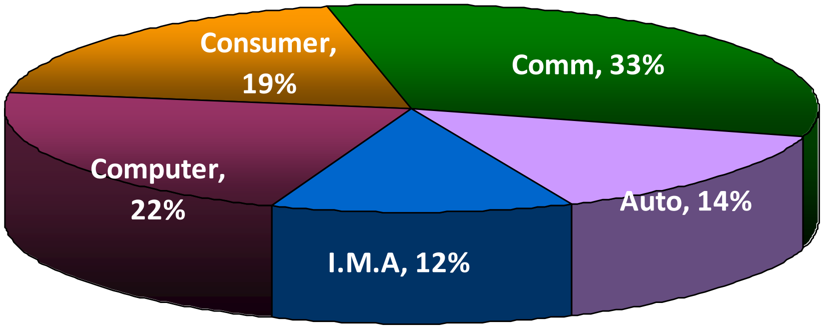
Business update – NOR sales breakdown (Parent Company)

2018 NOR sales breakdown



2019 NOR sales breakdown



* **Comm:** communication; including handsets
* **Auto:** automotive
* **I:** Industrial, **M:** Medical, **A:** Aerospace-defense

2019 NOR sales comparison

Computer	Consumer	Communication	Automotive	I.M.A
-6% YoY	-14% YoY	+5% YoY	+4% YoY	-14% YoY

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

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