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Winbond Electronics Corporation



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- We have made forward-looking statements in this presentation. Our forward-looking statements contain information regarding, among other things, our financial condition, future expansion plans and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions about us.
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Financial Results



2H16 Statement of Comprehensive Income - Consolidated

	2H'16		1H'16		2016		2015		YoY Change	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Unit: NT\$ M										
Net Sales	21,508	100	20,584	100	42,092	100	38,350	100	3,742	10
Gross Profit	6,015	28	6,003	29	12,018	29	11,822	31	196	2
Operating Income	1,820	8	1,893	9	3,713	9	4,109	11	(396)	(10)
Pretax Income	1,867	9	1,888	9	3,755	9	4,248	11	(493)	(12)
Net Income	1,588	7	1,552	8	3,140	7	3,473	9	(333)	(10)
EPS (NT\$)	0.41		0.40		0.81		0.90			
EBITDA	4,610	21	4,773	23	9,383	22	9,966	26	(583)	(6)



2H16 Balance Sheet - Consolidated

	Dec. 31 '16		Jun. 30 '16		Dec. 31 '15		YoY Change	
	Amount	%	Amount	%	Amount	%	Amount	%
Unit: NT\$ M								
Current Assets	27,260	40	26,409	42	24,713	39	2,547	10
Net Fixed Assets	34,373	51	30,608	49	31,915	51	2,458	8
Total Assets	67,989	100	63,053	100	62,598	100	5,391	9
L/T Debt	6,638	10	7,866	12	8,755	14	(2,117)	(24)
Total Equity	45,221	67	41,994	67	40,099	64	5,122	13
Current Ratio	1.87		2.25		2.00			
Debt / Equity Ratio	0.50		0.50		0.56			



2H16 Statement of Cash Flows - Consolidated

	2H'16	1H'16	2016	2015	YoY Change
Unit: NT\$ M	Amount	Amount	Amount	Amount	Amount
Operating Cash Flow	5,769	4,222	9,991	7,659	2,332
Investing Cash Flow	(3,045)	(1,702)	(4,747)	(4,431)	(316)
Financing Cash Flow	(2,313)	(1,593)	(3,906)	(3,861)	(45)
Cash & Equivalents	7,684	7,325	7,684	6,397	1,287
Depreciation and Amortization	2,791	2,880	5,671	5,857	(186)
CAPEX	(3,418)	(1,571)	(4,989)	(4,094)	(895)



2H16 Statement of Comprehensive Income - Memory

Unit: NT\$ M	2H'16		1H'16		2016		2015		YoY Change	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	17,130	100	16,404	100	33,534	100	30,844	100	2,690	9
Gross Profit	4,122	24	4,138	25	8,260	25	8,462	28	(202)	(2)
Operating Income	1,463	9	1,507	9	2,970	9	3,507	12	(537)	(15)
Pretax Income	1,709	10	1,662	10	3,371	10	3,910	13	(539)	(14)
Net Income	1,479	9	1,419	9	2,898	9	3,291	11	(393)	(12)
EPS (NT\$)	0.41		0.40		0.81		0.90			
EBITDA	4,122	24	4,260	26	8,382	25	9,117	30	(735)	(8)



2H16 Balance Sheet - Memory

	Dec. 31 '16		Jun. 30 '16		Dec. 31 '15		YoY Change	
	Amount	%	Amount	%	Amount	%	Amount	%
Unit: NT\$ M								
Current Assets	21,270	33	20,630	35	19,345	33	1,925	10
Net Fixed Assets	33,608	52	29,910	50	31,195	53	2,413	8
Total Assets	64,399	100	59,534	100	59,496	100	4,903	8
L/T Debt	6,638	10	7,866	13	8,755	15	(2,117)	(24)
Total Equity	43,921	68	40,785	69	38,902	65	5,019	13
Current Ratio	1.67		2.09		1.78			
Debt / Equity Ratio	0.47		0.46		0.53			



2H16 Statement of Cash Flows-Memory

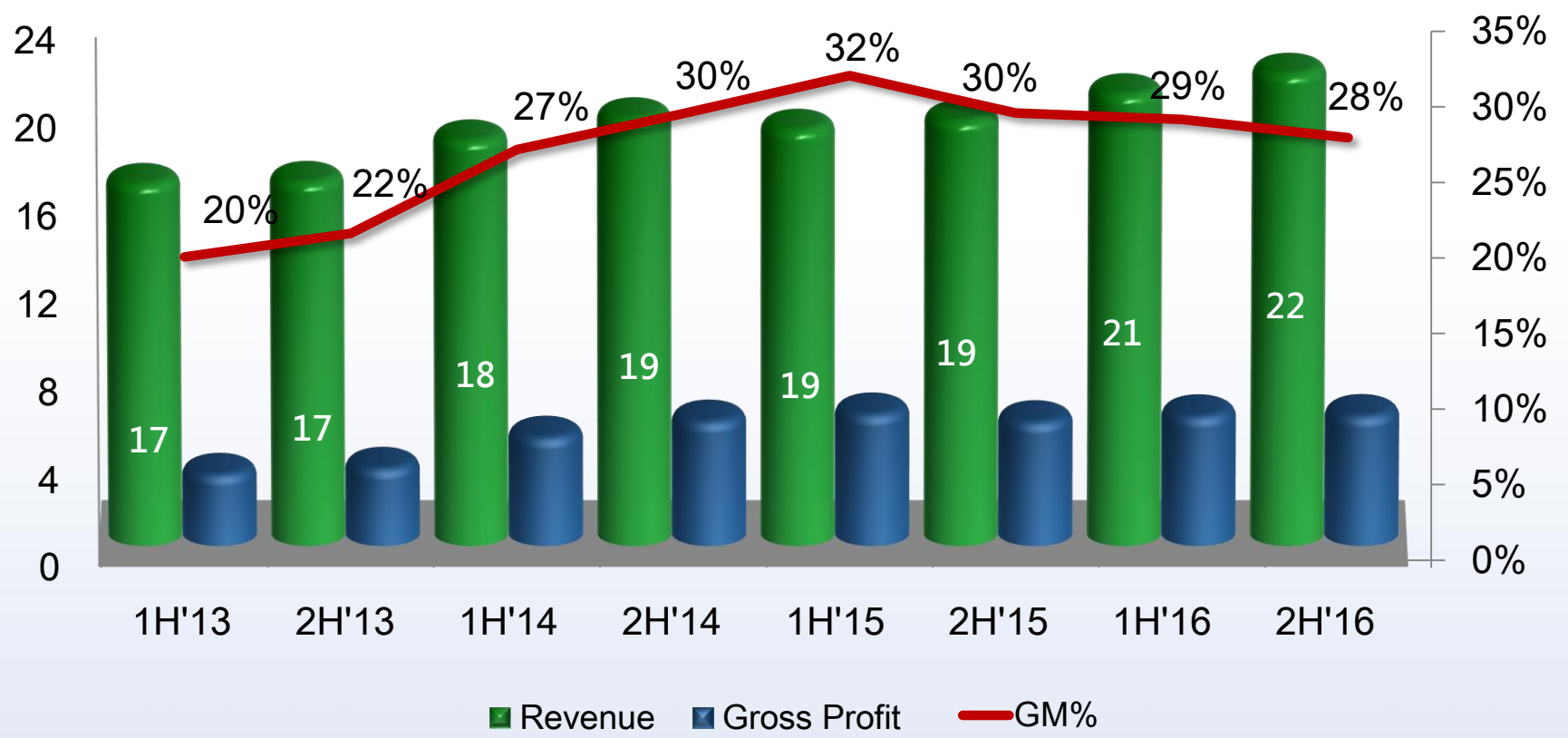
	2H'16	1H'16	2016	2015	YoY Change
Unit: NT\$ M	Amount	Amount	Amount	Amount	Amount
Operating Cash Flow	5,680	3,658	9,338	7,418	1,920
Investing Cash Flow	(2,832)	(1,517)	(4,349)	(4,159)	(190)
Financing Cash Flow	(2,163)	(1,586)	(3,749)	(3,770)	21
Cash & Equivalents	4,874	4,190	4,874	3,635	1,239
Depreciation and Amortization	2,659	2,753	5,412	5,611	(199)
CAPEX	(3,284)	(1,513)	(4,797)	(3,908)	(889)



Revenue and GM Trend- Consolidated

Revenue (NT\$B)

Gross Margin

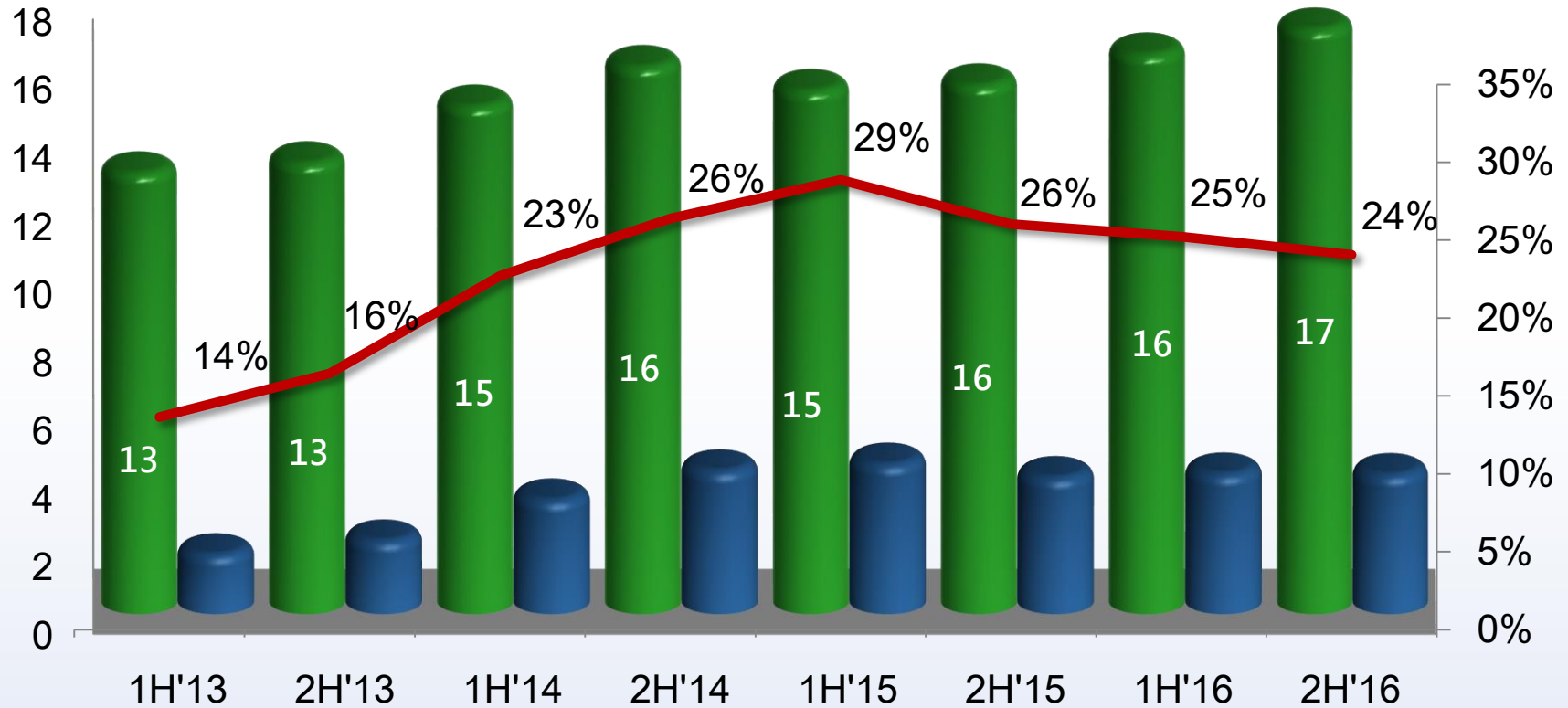




Revenue and GM Trend- Memory

Revenue (NT\$B)

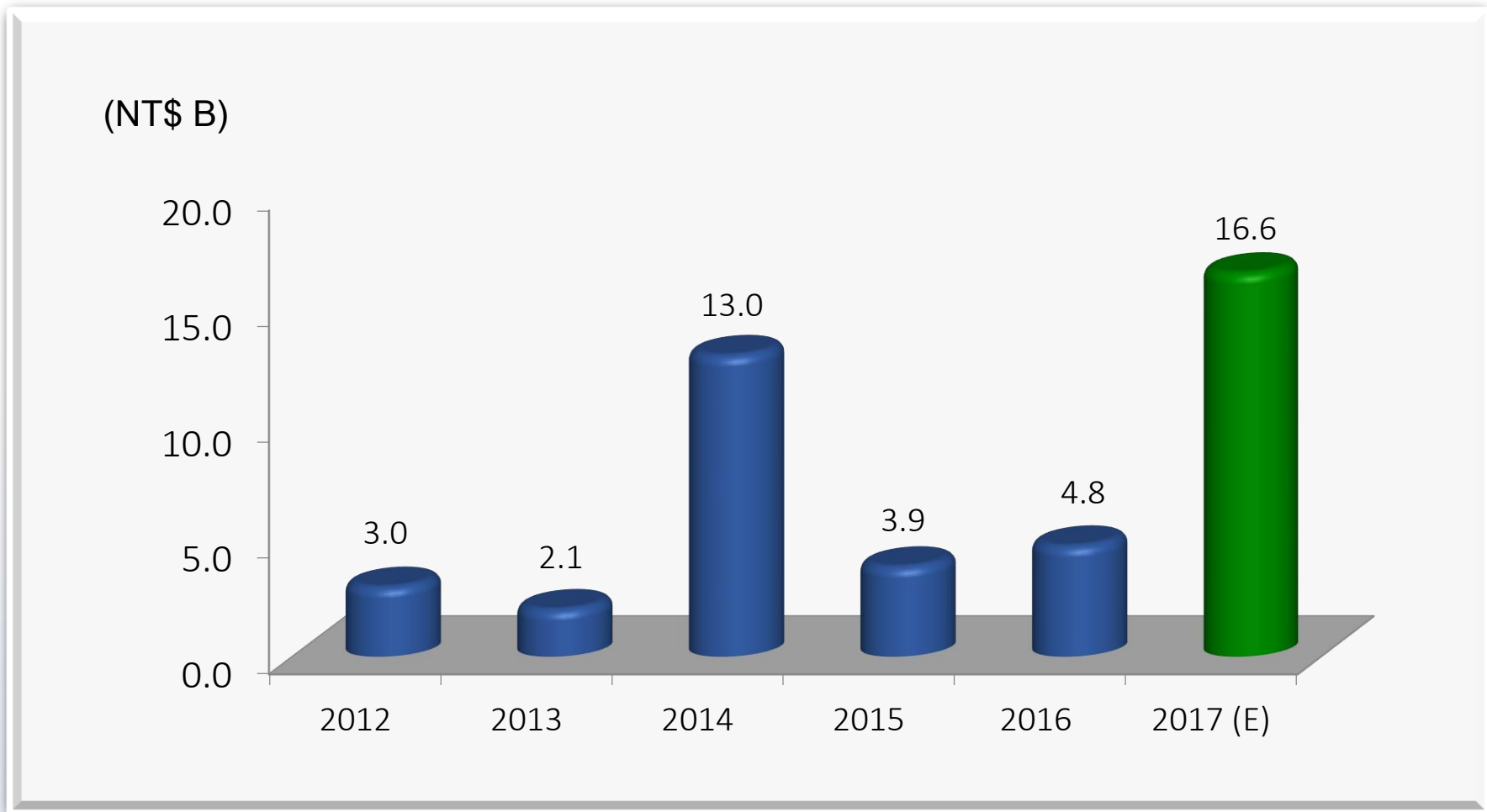
Gross Margin



■ Revenue ■ Gross Profit — GM%



Y2016 Memory CAPEX



CAPEX(Cash Basis) as of 02/07/2017

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Winbond Business Update & Outlook



Y2016 vs Y2015

NT\$B	Y2016	Y2015	YoY
Specialty	16.6	16.2	3%
Mobile	4.6	3.5	30%
Flash	12.3	11.1	11%
Total Revenue	33.5	30.8	9%
Total Net Income	2.9	3.3	(12%)

- Stable business growth due to improved product/customer mix
- Increasing R&D expense balanced out some net income
- Price erosion impacted the gross margin, but turned stable in Q4.
- Significant growth in automotive and industrial
- Mobile DRAM business gained momentum with penetration into tier-1 customers in handheld
- Stable business in NOR Flash and expanding business in SLC NAND Flash

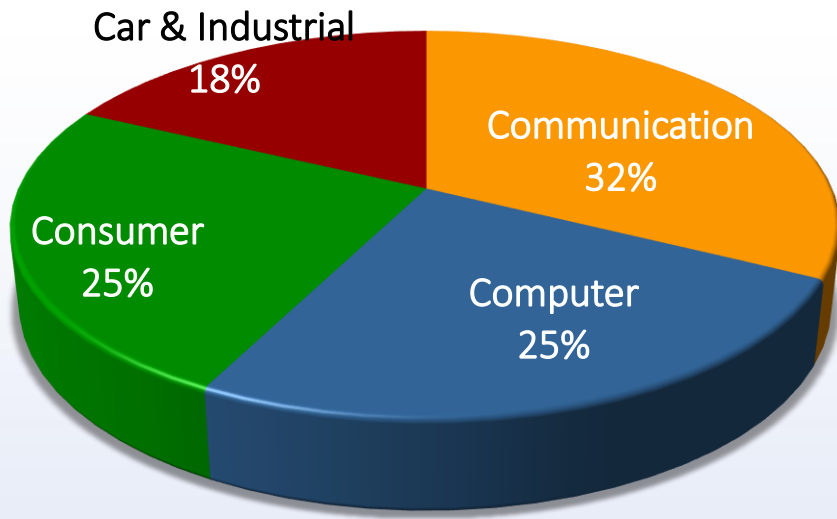
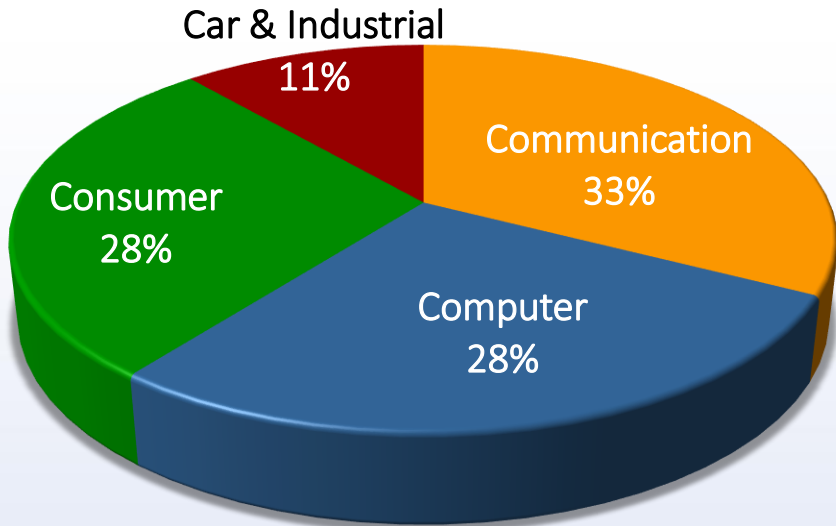


Revenue Breakdown by Application

Growing business in Car and Industrial

2015

2016

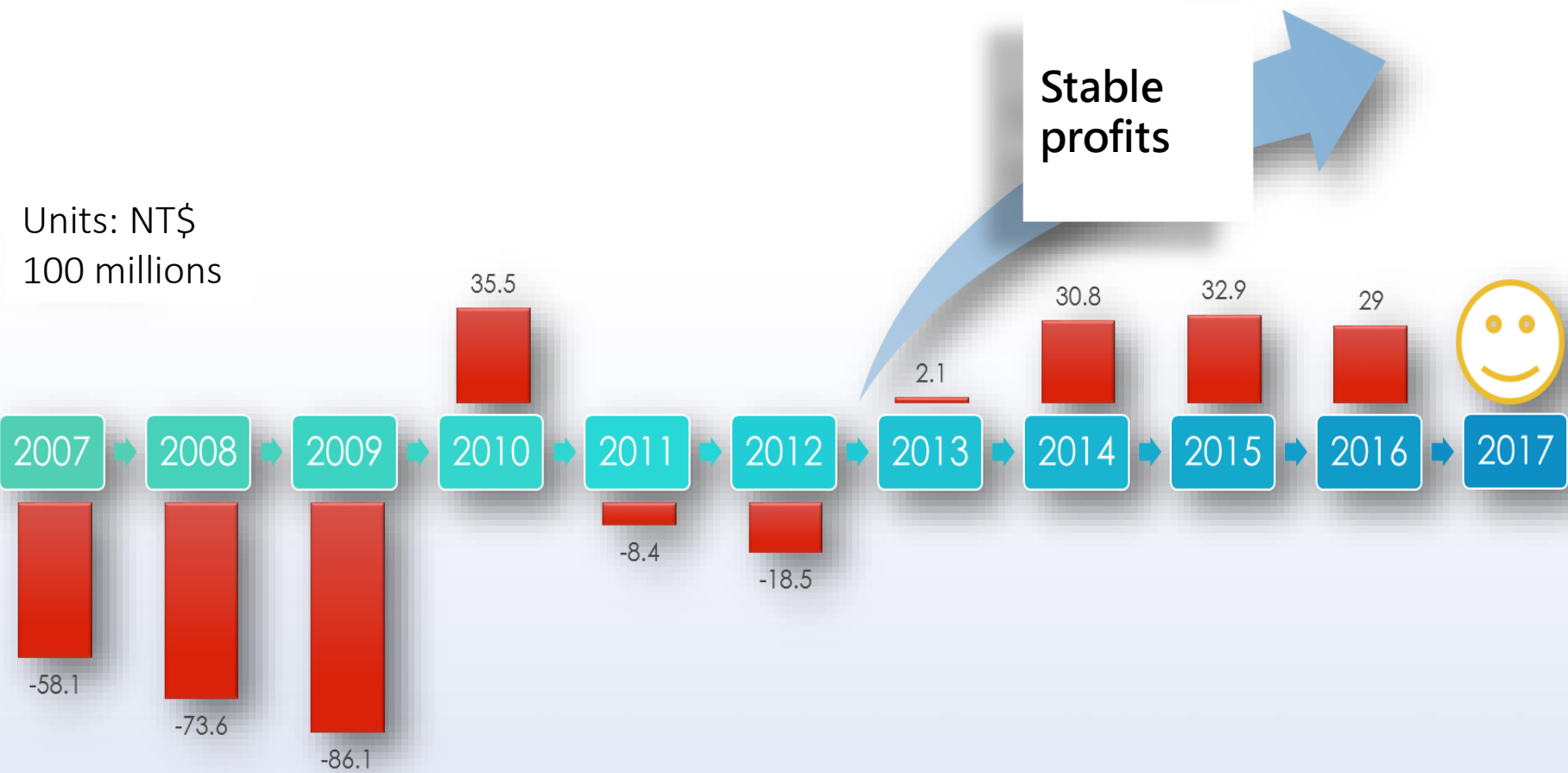


Note: Revenue excluded foundry and others



Net Income Trend

Units: NT\$
100 millions

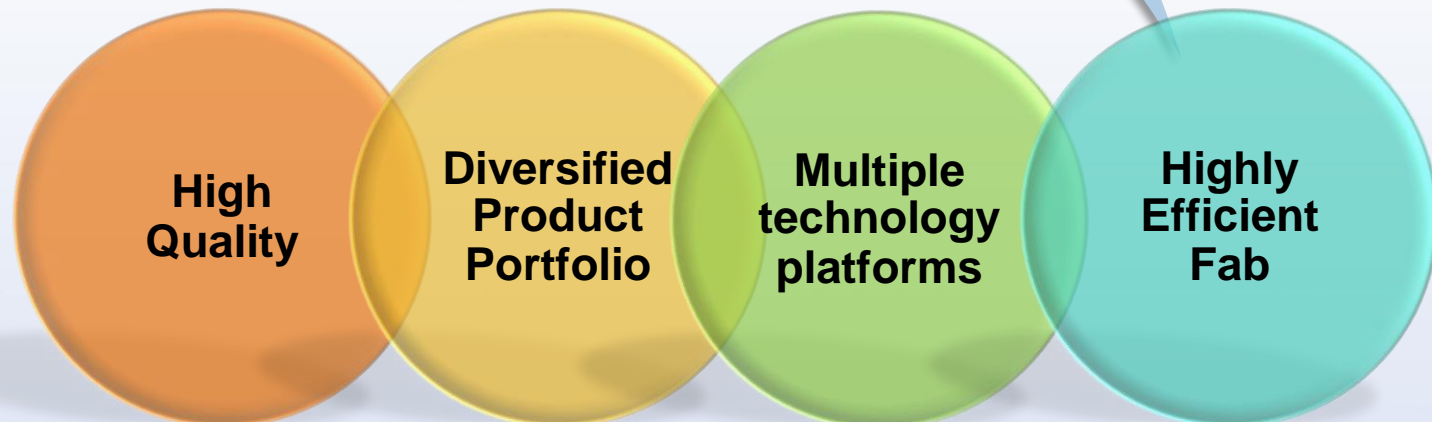




Drivers for Stable Growth



Differentiating Core Competences





Product Portfolio For Diversified Applications

Automotive



- ADAS
- Cluster
- Infotainment

Industrial



- Human Machine Interface (HMI)
- Smart Meter
- Industrial Networking

Mobile/NTWK



- Smart phone
- Wearable
- xDSL & PON
- Switch

IoT



- Wearable Device
- Smart Home

Consumer



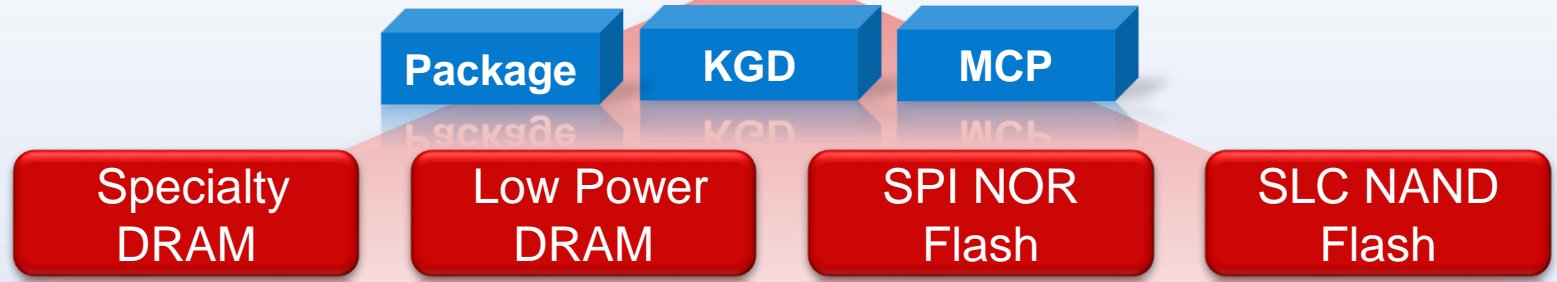
- Television
- Set-Top Box

Computing



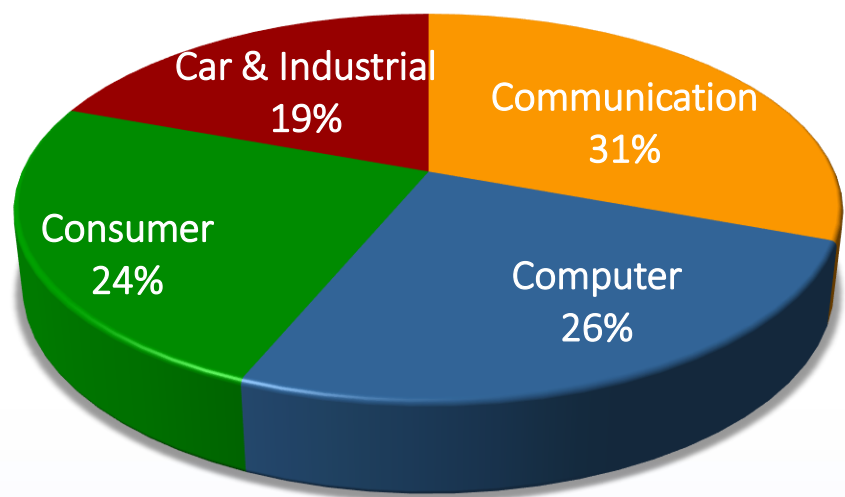
- PC
- PC Peripheral
- Cloud computing (Servers/Data Center)

* Source : Winbond Website





2H16 Revenue Breakdown by Application



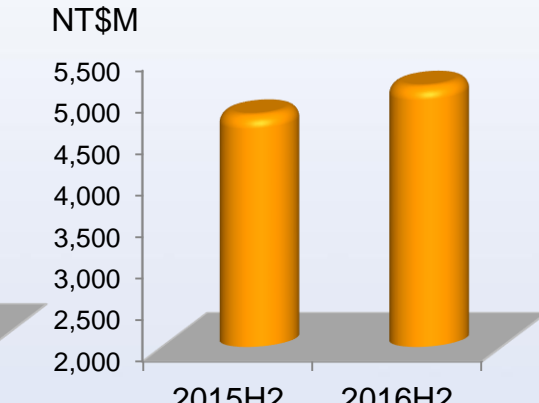
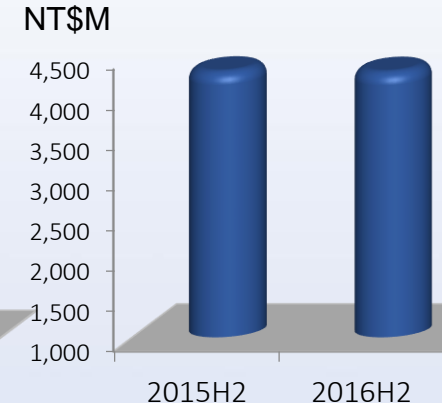
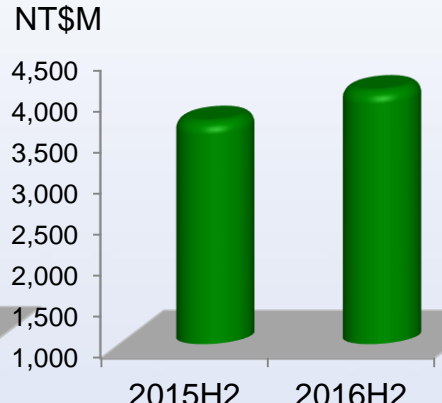
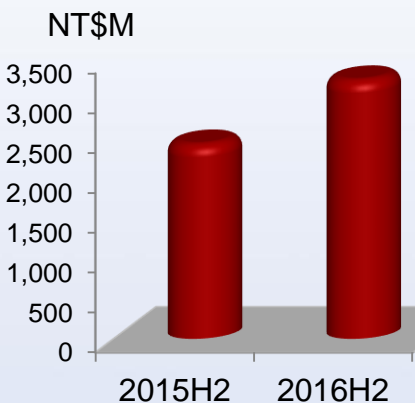
Note: Revenue excluded foundry and others

Car & Industrial
HoH + 29%
YoY + 33%

Consumer
HoH + 2%
YoY + 10%

Computer
HoH + 7%
YoY - 0%

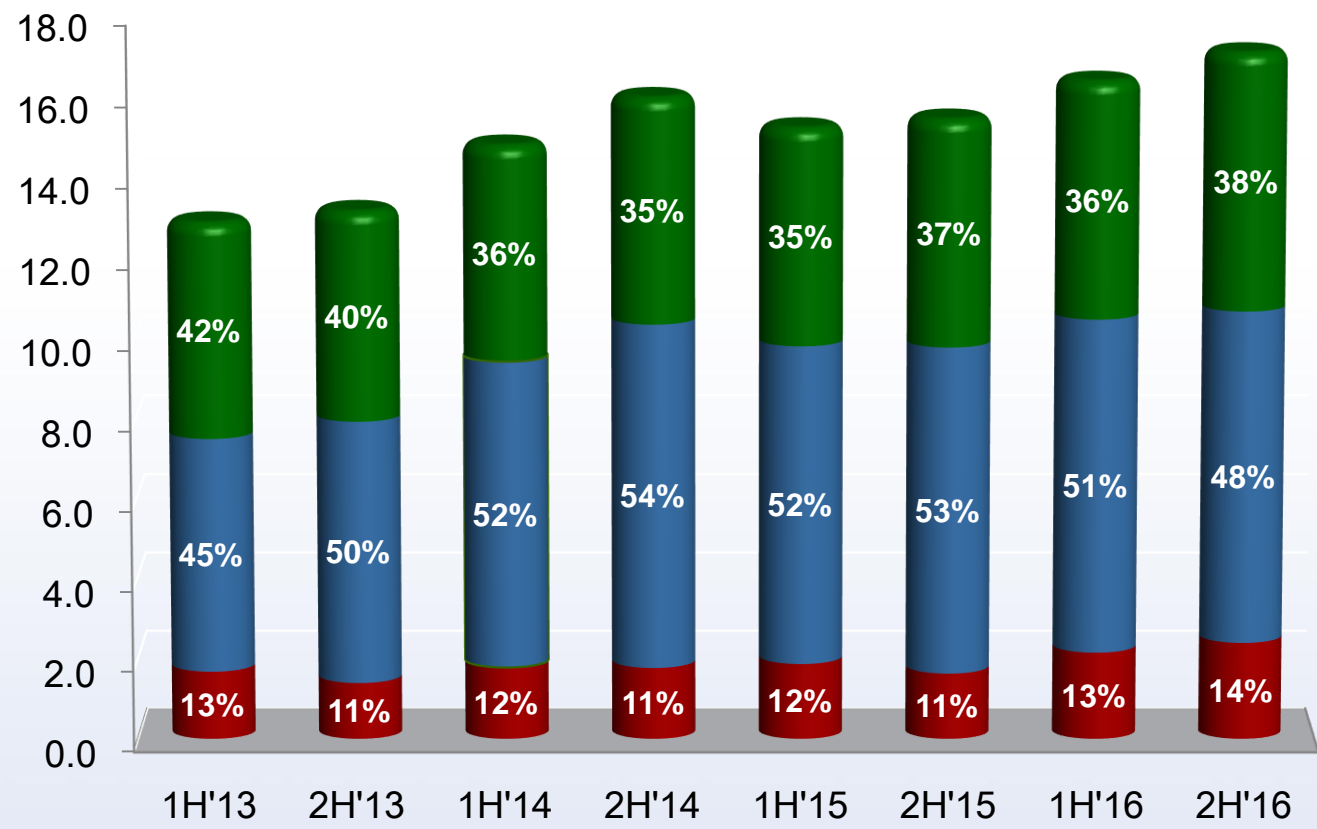
Communication
HoH - 7%
YoY + 7%





2H16 Revenue Breakdown by Product

Revenue (NT\$B)

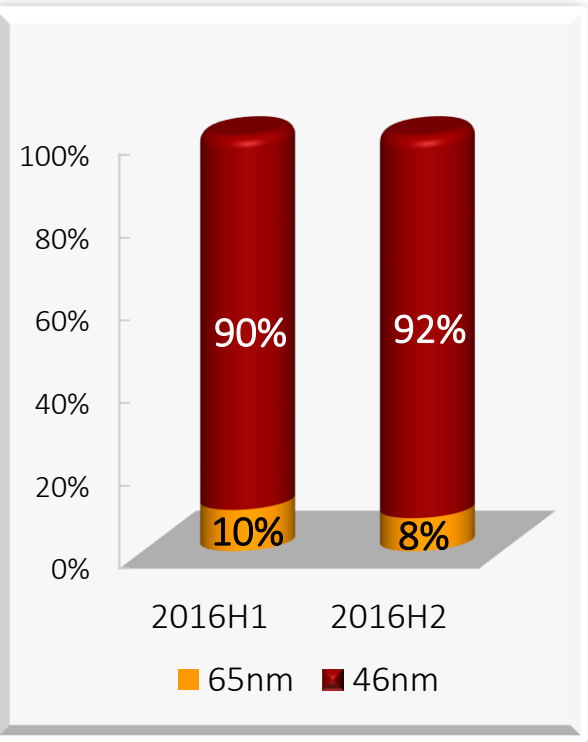


	HoH	YoY
Flash	+9%	+13%
Specialty	-1%	+1%
Mobile	+11%	+47%

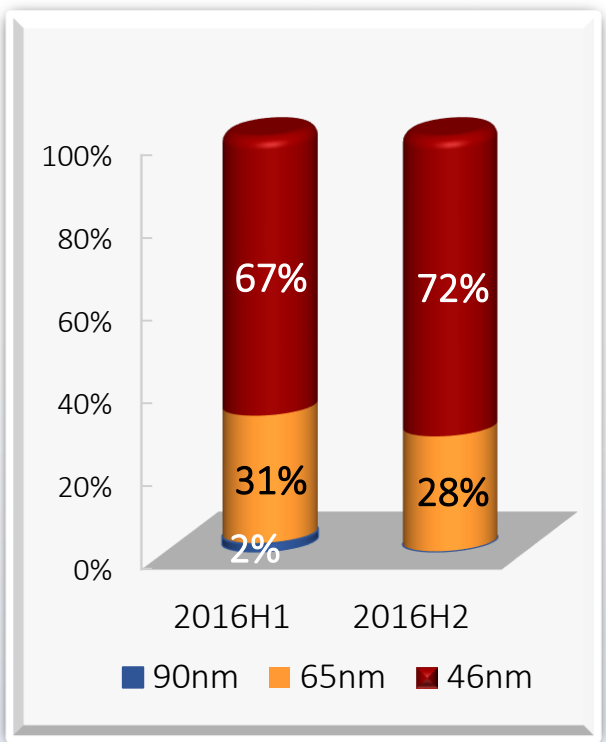


2H16 Revenue Breakdown by Geometry

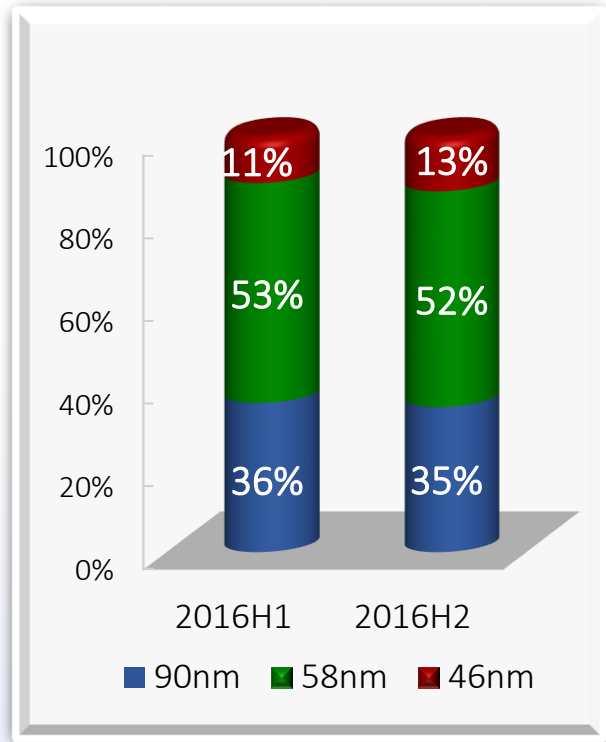
Specialty DRAM



Mobile DRAM



Flash Memory



2017

- 3x nm DRAM products into volume shipment in Q3/2017

2018

- 2x nm DRAM to be released in 1H/2018
- 3x nm SLC NAND to be released in 1H/2018



2017 Winbond Business Outlook

- ❑ Limited revenue growth because of Fab capacity constraint
 - New Fab capacity will contribute to revenue growth in Q4 2017
- ❑ Profit margin will improve with better product/customer mix
 - Focus on automotive, industry, IoT, Mobile and KGD
- ❑ Self-developed 3x nm DRAM technology into volume shipment in 2H17
- ❑ Significant Capex for Fab capacity and advanced technologies
- ❑ Increasing R&D expense for advanced technology and new products