



# 1H21 Investor Conference

Aug. 5<sup>th</sup>, 2021

**winbond**  
We Deliver

- 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.
- We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this conference might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.
- The information contained herein shall also not constitute an offer to sell or a solicitation of an offer to buy the company's securities nor shall there be any sale of such securities in any state or country in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or country.

## **01** Financial Results

Jessica Huang - CFO

## **02** Business Recap & Outlook

James Chen - President

## **03** Q & A

James Chen & Jessica Huang



# **Financial Results**

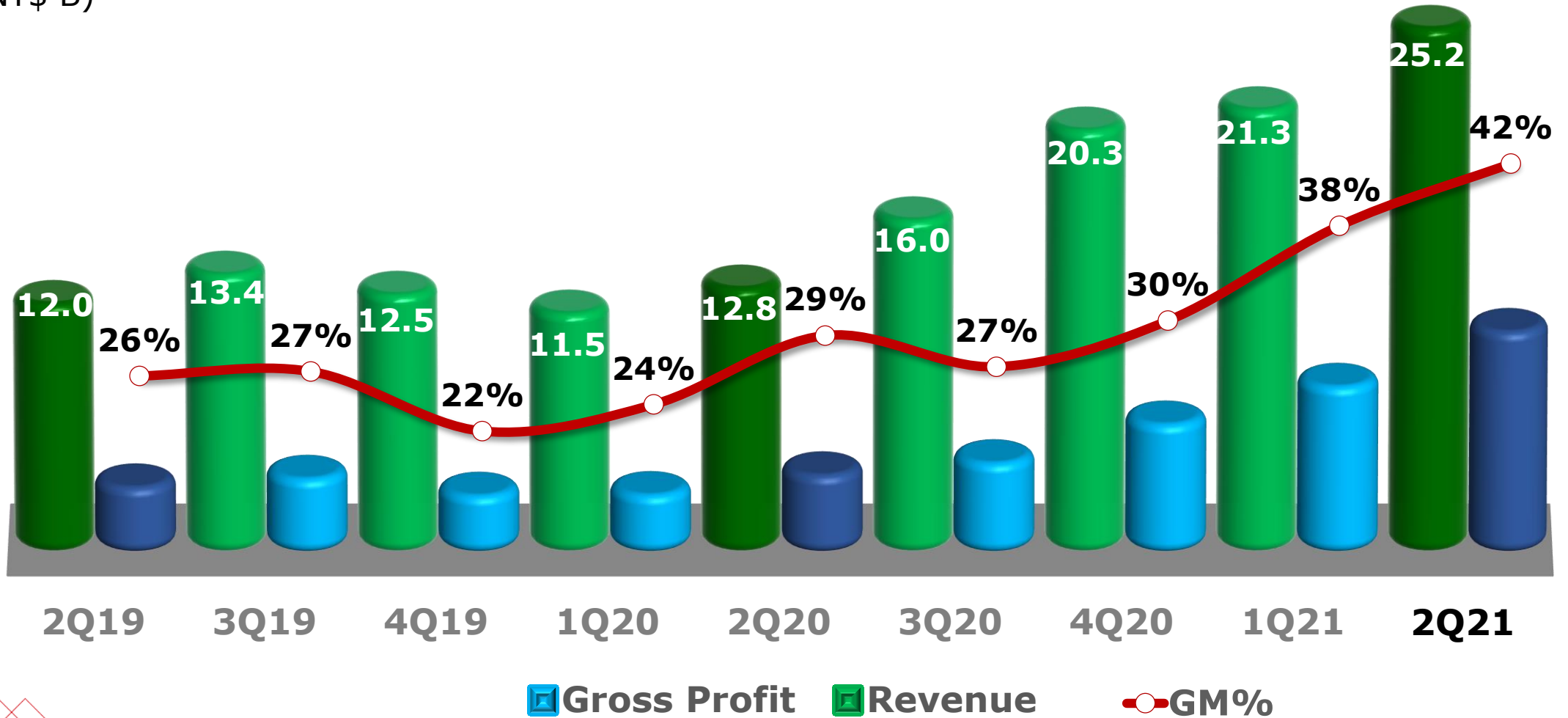
# Statement of Comprehensive Income - Consolidated

*winbond*

Unit: NT\$ M	2Q21	1Q21	QoQ	1H21	1H20	YoY
<b>Net Sales</b>	25,235	21,325	3,910	46,560	24,302	22,258
<b>Gross Profit</b>	10,653	8,011	2,642	18,664	6,525	12,139
<b>Gross Margin</b>	42%	38%	+4 pts	40%	27%	+13 pts
<b>Operating Income</b>	4,622	2,296	2,326	6,918	908	6,010
<b>Net Non-Operating Income (Loss)</b>	88	(102)	190	(14)	(91)	77
<b>Income Tax Benefit (Expense)</b>	(930)	(485)	(445)	(1,415)	(60)	(1,355)
<b>Net Income (Loss)</b>	3,780	1,709	2,071	5,489	757	4,732
<b>Earnings Per Share</b>	0.84	0.40	0.44	1.24	0.16	1.08
<b>EBITDA</b>	7,523	4,863	2,659	12,387	5,484	6,903

# Revenue and GM Trend - Consolidated

(NT\$ B)



# Balance Sheet - Consolidated

Unit: NT\$ M	Jun. 30, '21	%	Dec. 31, '20	%	Jun. 30, '20	%
<b>Cash</b>	17,751	13%	11,744	9%	12,559	12%
<b>Inventory(Net)</b>	14,454	10%	14,141	11%	10,583	10%
<b>Property, Plant and Equipment</b>	60,417	43%	61,453	49%	55,340	54%
<b>Total Assets</b>	139,208	<b>100%</b>	126,043	<b>100%</b>	103,541	<b>100%</b>
<b>L/T Liability</b>	21,381	15%	20,534	16%	20,868	21%
<b>Total Liabilities</b>	56,647	<b>41%</b>	55,450	<b>44%</b>	41,448	<b>40%</b>
<b>Shareholders' Equity</b>	82,561	<b>59%</b>	70,593	<b>56%</b>	62,093	<b>60%</b>
<b>Debt / Equity Ratio</b>	0.69		0.79		0.67	
<b>Current Ratio</b>	2.26		1.87		2.29	

# Statement of Cash Flow - Consolidated

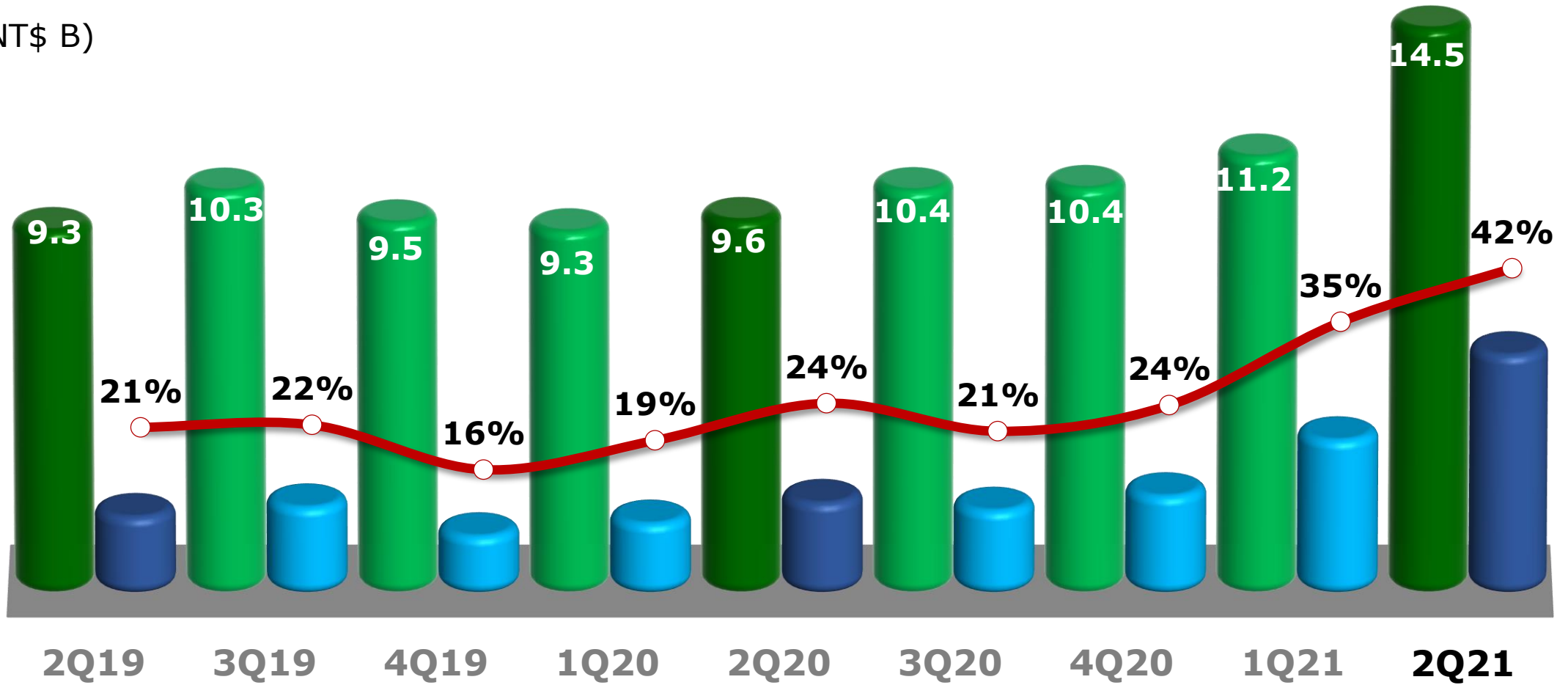
Unit: NT\$ M	2Q21	1Q21	QoQ	1H21	1H20	YoY
<b>Operating Cash Flow</b>	6,425	3,318	3,107	9,743	4,313	5,430
<b>Depreciation &amp; Amortization</b>	2,901	2,568	333	5,469	4,576	893
<b>Investing Cash Flow</b>	(1,563)	(1,254)	(309)	(2,817)	(3,528)	711
<b>CAPEX</b>	(2,818)	(1,636)	(1,182)	(4,454)	(3,108)	(1,346)
<b>Financing Cash Flow</b>	71	(560)	631	(489)	353	(842)
<b>Net change</b>	4,666	1,340	3,326	6,006	1,091	4,915
<b>Cash &amp; Equivalents</b>	17,751	13,085	4,666	17,751	12,559	5,192

# Statement of Comprehensive Income - Memory

Unit: NT\$ M	2Q21	1Q21	QoQ	1H21	1H20	YoY
<b>Net Sales</b>	14,486	11,215	3,271	25,701	18,888	6,813
<b>Gross Profit</b>	6,141	3,954	2,187	10,095	4,152	5,943
<b>Gross Margin</b>	42%	35%	+7 pts	39%	22%	+17 pts
<b>Operating Income</b>	3,606	1,829	1,777	5,435	383	5,052
<b>Net Non-Operating Income (Loss)</b>	453	88	365	541	183	358
<b>Income Tax Benefit (Expense)</b>	(723)	(331)	(392)	(1,054)	56	(1,110)
<b>Net Income (Loss)</b>	3,336	1,586	1,750	4,922	622	4,300
<b>Earnings Per Share</b>	0.84	0.40	0.44	1.24	0.16	1.08
<b>EBITDA</b>	6,176	4,038	2,138	10,214	4,707	5,507

# Revenue and GM Trend - Memory

(NT\$ B)



■ Gross Profit ■ Revenue ● GM%

# Balance Sheet - Memory

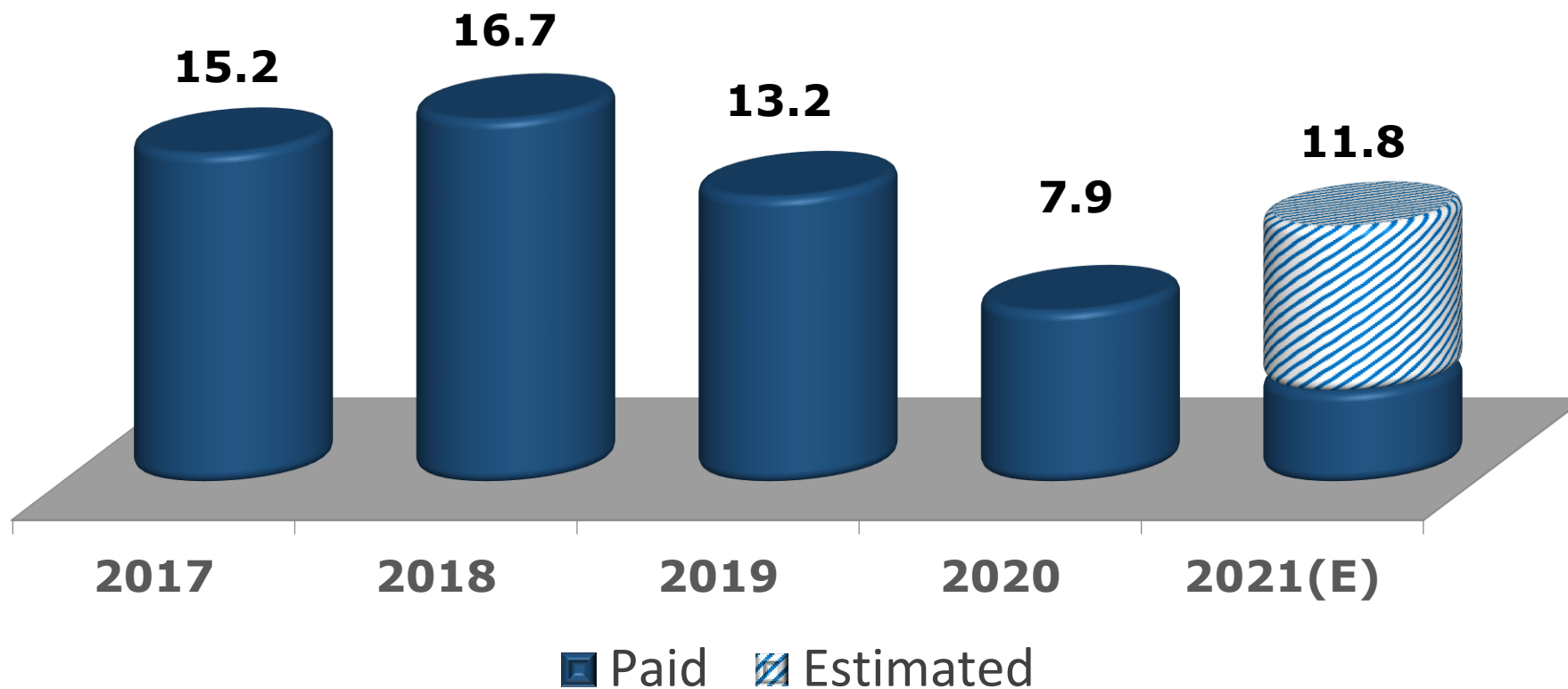
Unit: NT\$ M	Jun. 30, '21	%	Dec. 31, '20	%	Jun. 30, '20	%
<b>Cash</b>	10,527	9%	4,818	5%	4,824	5%
<b>Inventory(Net)</b>	8,230	7%	7,920	8%	8,705	9%
<b>Property, Plant and Equipment</b>	54,303	47%	54,399	54%	54,083	57%
<b>Total Assets</b>	115,229	<b>100%</b>	100,053	<b>100%</b>	94,564	<b>100%</b>
<b>L/T Liability</b>	19,506	17%	17,826	18%	18,362	18%
<b>Total Liabilities</b>	39,040	<b>34%</b>	34,604	<b>35%</b>	35,285	<b>37%</b>
<b>Shareholders' Equity</b>	76,189	<b>66%</b>	65,449	<b>65%</b>	59,279	<b>63%</b>
<b>Debt / Equity Ratio</b>	0.51		0.53		0.60	
<b>Current Ratio</b>	2.37		1.96		1.86	

# Statement of Cash Flow - Memory

Unit: NT\$ M	2Q21	1Q21	QoQ	1H21	1H20	YoY
<b>Operating Cash Flow</b>	5,390	3,093	2,297	8,483	4,139	4,344
<b>Depreciation &amp; Amortization</b>	2,570	2,209	361	4,779	4,324	455
<b>Investing Cash Flow</b>	(2,701)	(1,180)	(1,521)	(3,881)	(3,132)	(749)
<b>CAPEX</b>	(2,757)	(1,454)	(1,303)	(4,211)	(2,992)	(1,219)
<b>Financing Cash Flow</b>	1,127	(20)	1,147	1,107	(1,608)	2,715
<b>Net change</b>	3,816	1,893	1,923	5,709	(601)	6,310
<b>Cash &amp; Equivalents</b>	10,527	6,711	3,816	10,527	4,824	5,703

# Memory CAPEX

(NT\$ B)



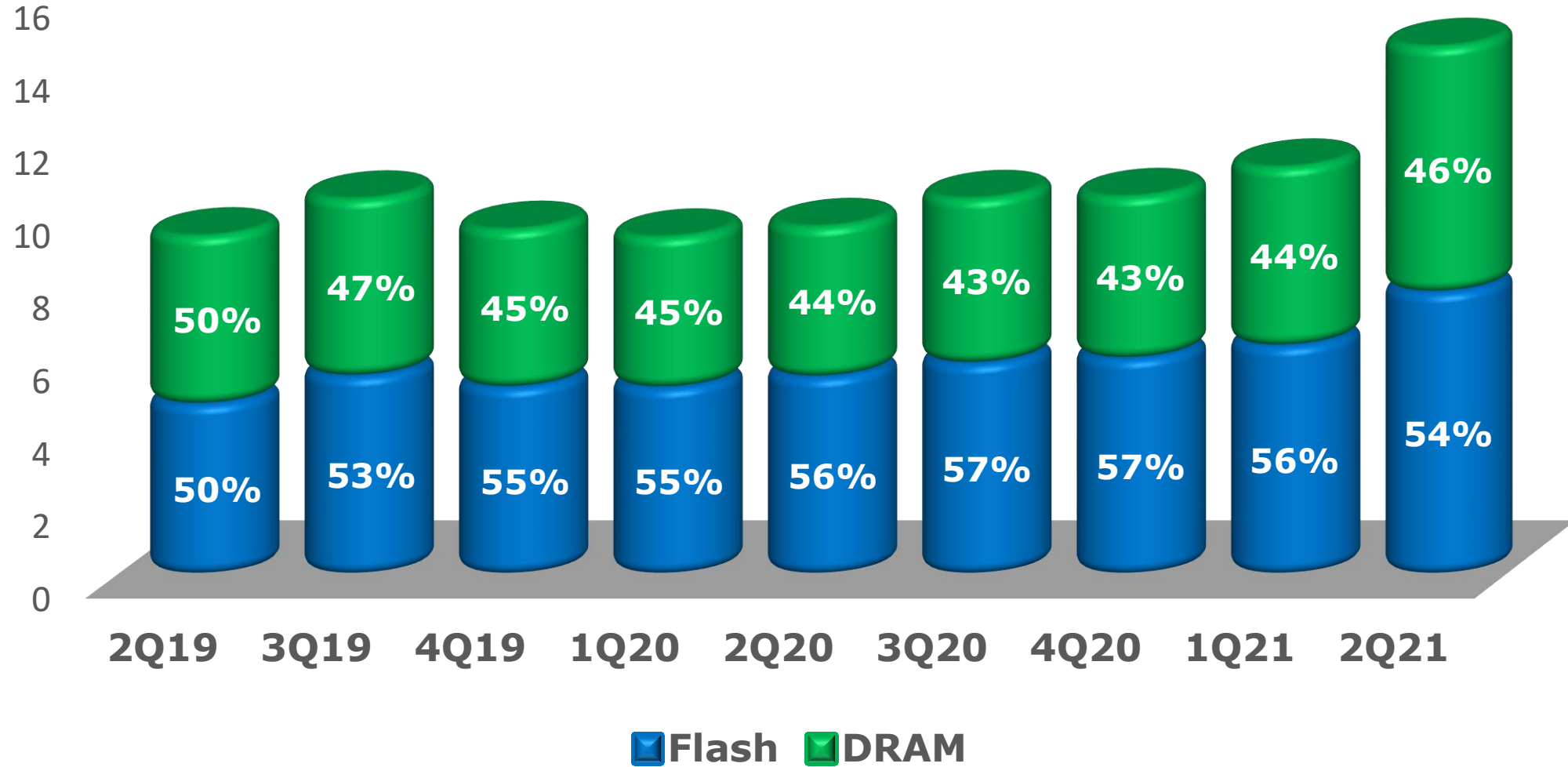
Cash Basis, as of Aug. 5<sup>th</sup>, 2021



# **Business Recap & Outlook**

# Revenue Breakdown by Product

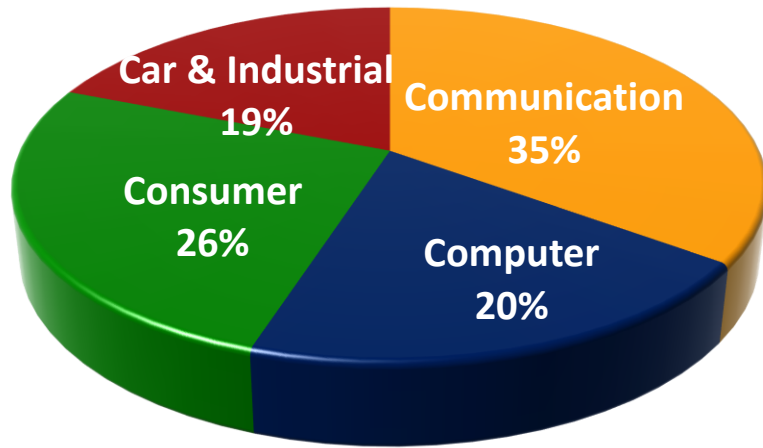
(NT\$ B)



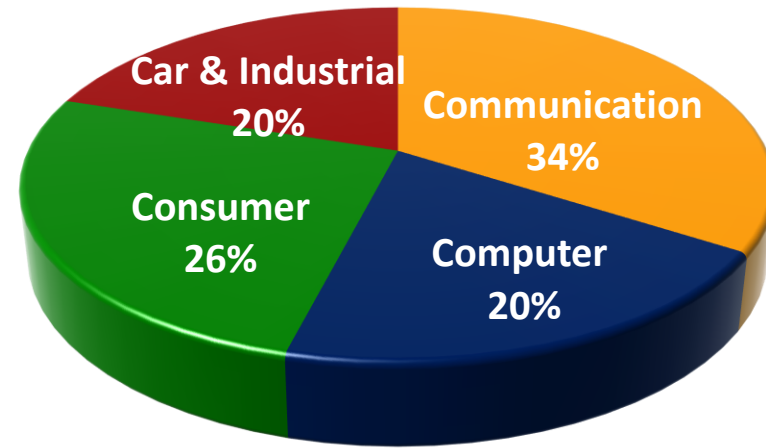
Flash DRAM

# Revenue Breakdown by Application

1Q21

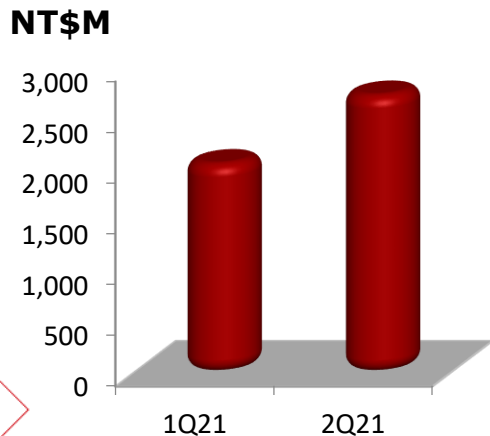


2Q21

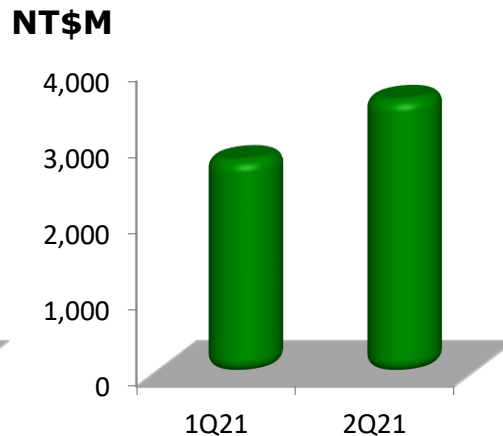


Note: Rev excluded foundry and others

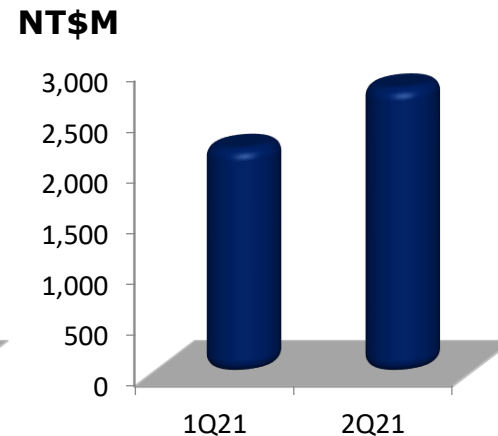
**Car & Industrial**  
QoQ +33%



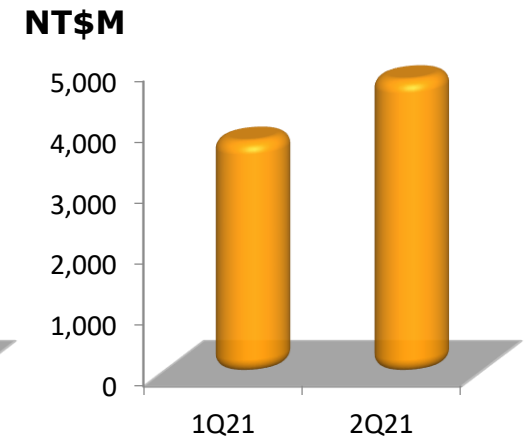
**Consumer**  
QoQ +28%



**Computer**  
QoQ +27%

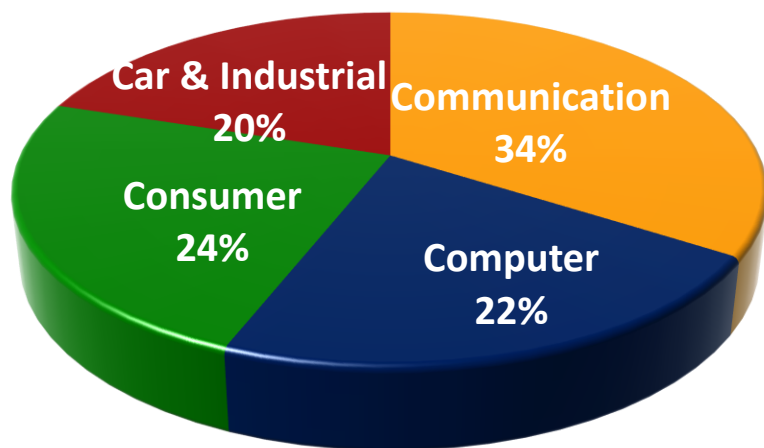


**Communication**  
QoQ +27%

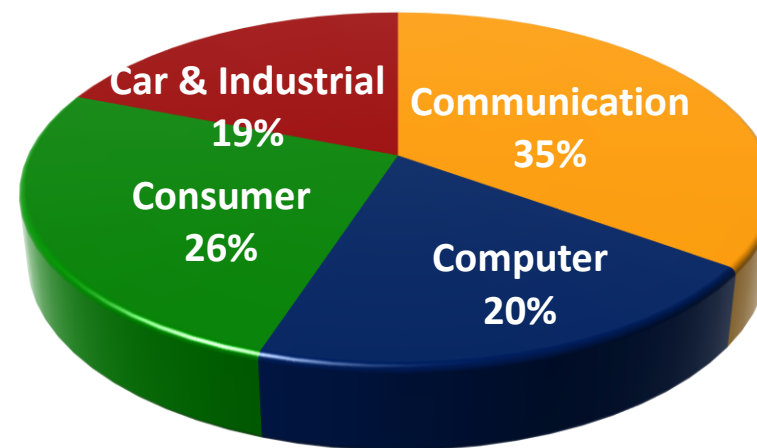


# Revenue Breakdown by Application

1H20

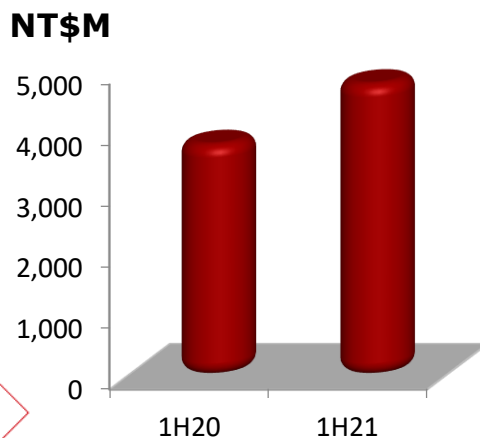


1H21

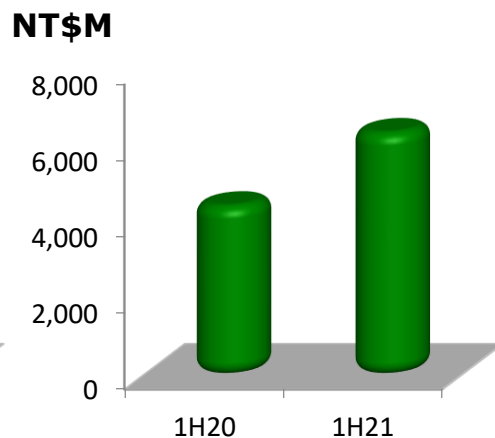


Note: Rev excluded foundry and others

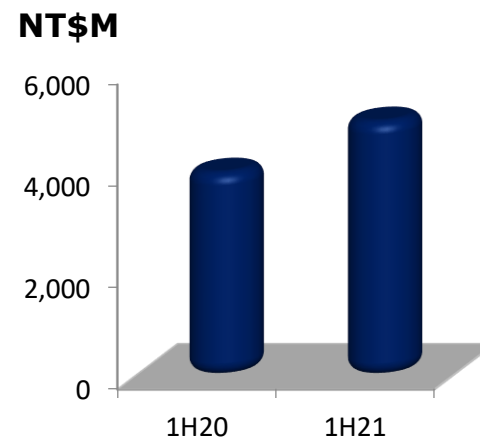
**Car & Industrial**  
YoY +26%



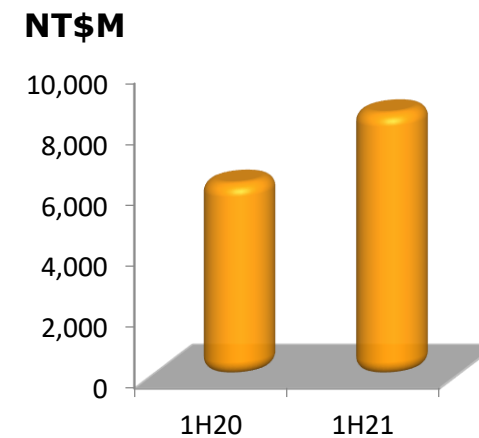
**Consumer**  
YoY +42%



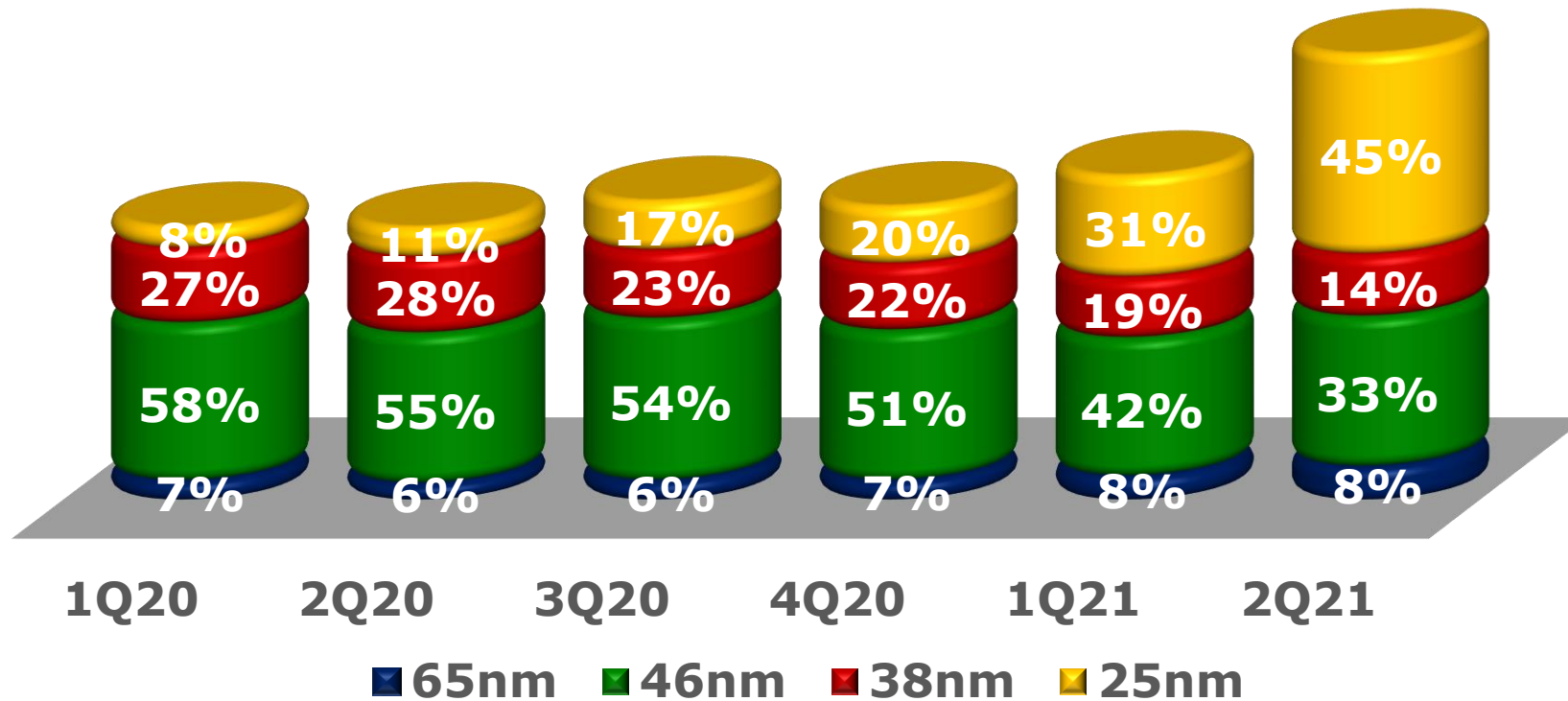
**Computer**  
YoY +25%



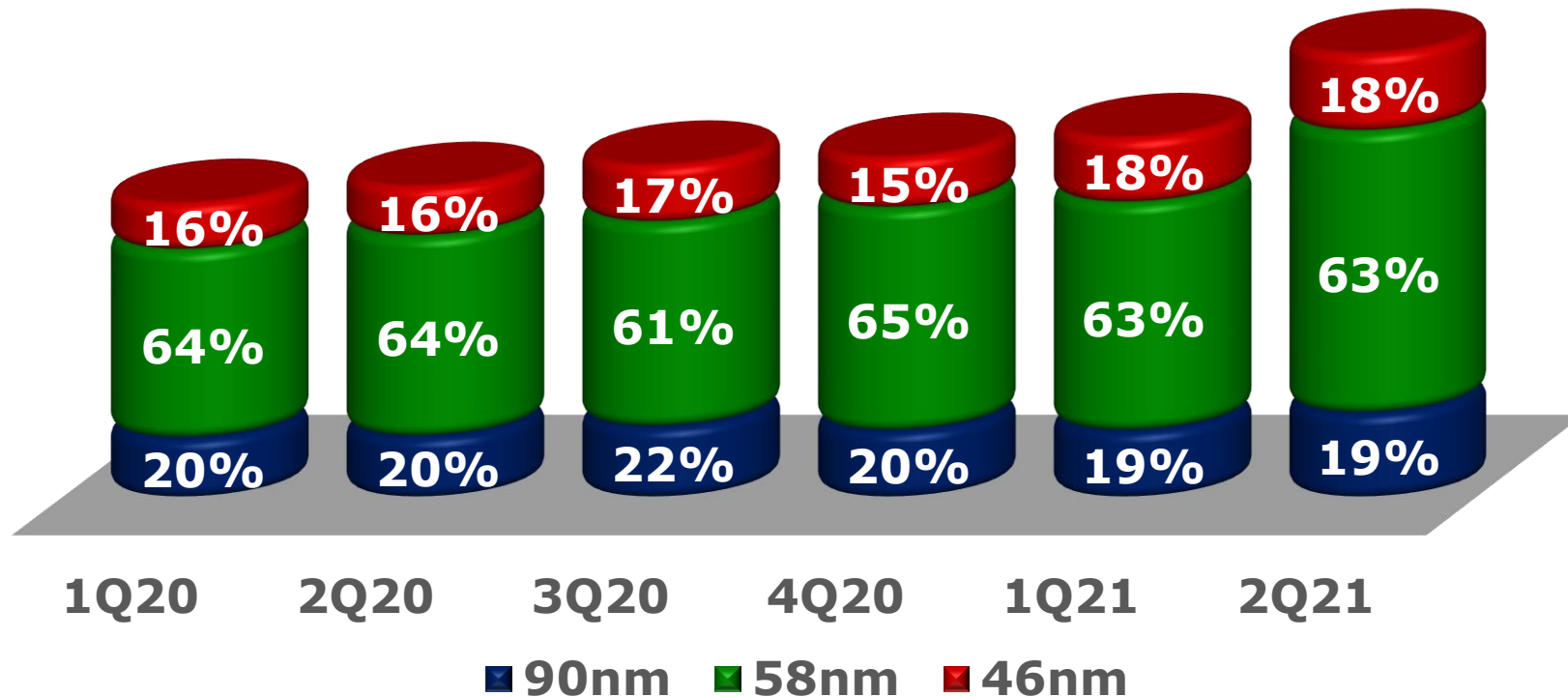
**Communication**  
YoY +37%



- ❑ 1H21 revenue was up by nearly 40% YoY
- ❑ 1H21 bit shipment increased by mid teens % YoY
- ❑ 25nm revenue contributed 45% of total DRAM revenue in 2Q21



- ❑ 1H21 revenue was up by over 30% YoY
- ❑ 1H21 bit shipment increased by low-to-mid teens % YoY
- ❑ Global market share leader in NOR Flash



## ❑ Specialty DRAM

- ❖ Tight Supply: No significant capacity increase from DRAM suppliers before Y2022
- ❖ Strong Demand: Wi-Fi 5/6, Surveillance, IoT, and Industrial

## ❑ Code Storage Flash

- ❖ Tight Supply: Supply shortage may continue to Y2022 for both NOR and SLC NAND
- ❖ Strong Demand: Wearable, Wi-Fi 5/6, GPON, and Automotive

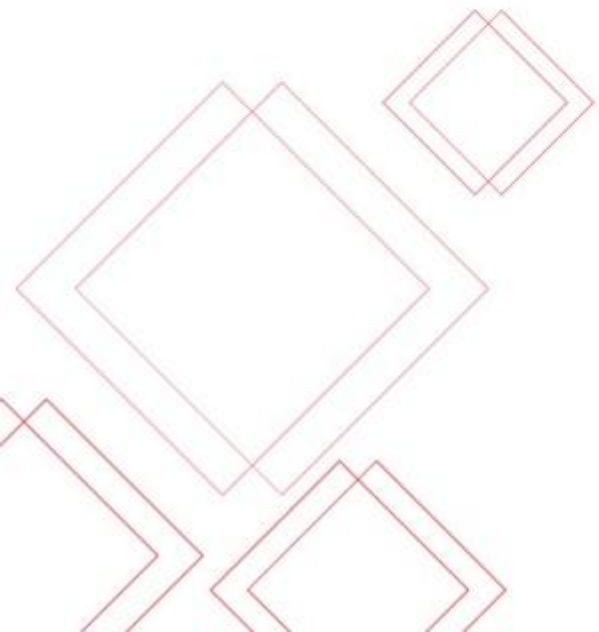
## ❑ Overall Market

- ❖ Strong demand from Networking, Edge AI, IoT, Electric Vehicle, Gaming and Data Center
- ❖ Memory up-cycle is continuing
- ❖ Covid-19, inflation, and climate change may cause more business uncertainties

## ❑ Winbond Business

- ❖ Taking advantage as an IDM company with in-house capacity and stable supply
- ❖ KH fab: Equipment move-in on track in 1H'22 and production ramp-up in 2H'22
- ❖ Continue to enhance product mix and build long-term customer relationship

# Q & A





***Thank you***