



# Nanya Technology Q2 2021 Investor Conference



# Safe Harbor

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# Q2'21 Financial Results Summary

Amount in Million NT\$, except for EPS & BVPS	Q2'21		Q1'21		QoQ	Q2'20		YoY
Net Sales	22,637	<b>100%</b>	17,731	<b>100%</b>	27.7%	16,489	<b>100%</b>	37.3%
Gross Profit (Loss) <i>Gross Margin(%)</i>	9,583	<b>42.3%</b>	5,162	<b>29.1%</b>	85.7%	5,042	<b>30.6%</b>	90.1%
Operating Income (Loss) <i>Operating Margin(%)</i>	7,063	<b>31.2%</b>	3,027	<b>17.1%</b>	133.3%	3,229	<b>19.6%</b>	118.7%
EBITDA* <i>EBITDA Margin (%)</i>	10,896	<b>48.1%</b>	6,769	<b>38.2%</b>	61.0%	6,784	<b>41.1%</b>	60.6%
Non-operating Income (Expense)	-143	<b>-0.6%</b>	307	<b>1.7%</b>		207	<b>1.3%</b>	
Income Tax Benefit (Expense)	-756	<b>-3.3%</b>	-630	<b>-3.6%</b>		-216	<b>-1.3%</b>	
Net Income (Loss) <i>Net Margin (%)</i>	6,163	<b>27.2%</b>	2,704	<b>15.3%</b>	127.9%	3,220	<b>19.5%</b>	91.4%
Earnings Per Share (NT\$)	2.00**		0.88			1.05		
Book Value Per Share (NT\$)	51.43***		51.00			49.63		

Remark: \* EBITDA = Operating income + Depreciation & Amortization Expenses

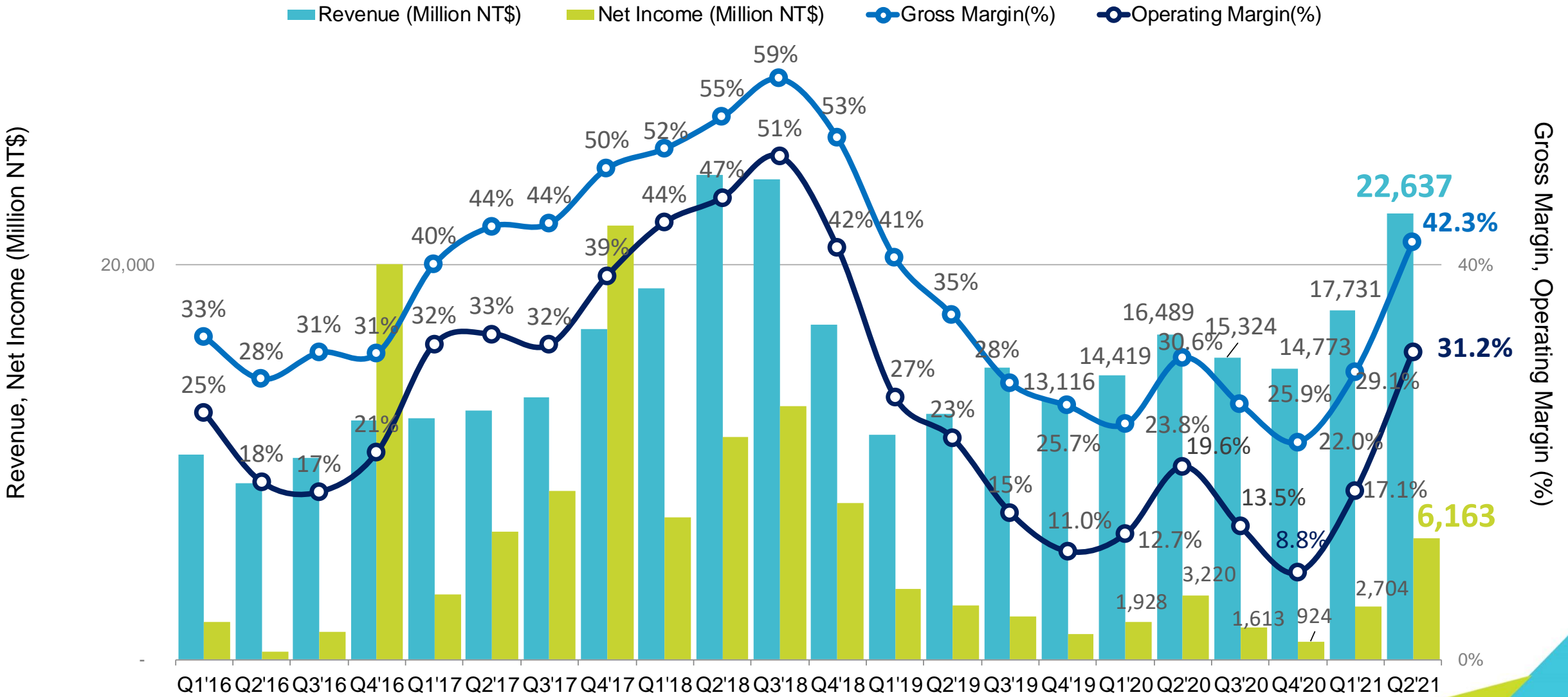
\*\* EPS is based on weighted average outstanding shares of 3,085M

\*\*\* BVPS is calculated based on 3,085M outstanding shares after deduction of approx. NT\$ 1.3 cash dividend

# Q2'21 vs. Q1'21 Results Comparison

Amount in Million NT\$	Q2'21		Q1'21		QoQ (PPT* Delta)	Remarks
<b>Net Sales</b>	22,637		17,731		+27.7%	<ul style="list-style-type: none"> <li>■ Bit shipment relatively flat</li> <li>■ ASP increased approx. thirty%</li> <li>■ FX negative impact 1.2%</li> </ul>
<b>Gross Profit (Loss)</b> Gross Margin(%)	9,583	<b>42.3%</b>	5,162	<b>29.1%</b>	+13.2%	<ul style="list-style-type: none"> <li>■ Q2'21 Gross profit increased NT\$ 4,421M, mainly due to ASP increase</li> </ul>
<b>Operating Expense</b>	2,520	<b>11.1%</b>	2,135	<b>12.0%</b>	-0.9%	<ul style="list-style-type: none"> <li>■ SG&amp;A expense increased NT\$ 146M</li> <li>■ R&amp;D expense increased NT\$ 239M</li> </ul>
<b>Operating Income (Loss)</b> Operating Margin(%)	7,063	<b>31.2%</b>	3,027	<b>17.1%</b>	+14.1%	<ul style="list-style-type: none"> <li>■ Q2'21 OP income increased NT\$ 4,036M</li> </ul>
<b>Net Income (Loss)</b> Net Margin (%)	6,163	<b>27.2%</b>	2,704	<b>15.3%</b>	+11.9%	<ul style="list-style-type: none"> <li>■ Net Income increased NT\$ 3,459M               <ul style="list-style-type: none"> <li>• OP Income increase of NT\$ 4,036M</li> <li>• FX impact: NT\$ 408M unfavorable (Q2'21: NT\$ -370M; Q1'21: NT\$ +38M )</li> <li>• Income tax: NT\$ 127M unfavorable</li> </ul> </li> </ul>

# Quarterly Financial Highlights



# Cash Flows

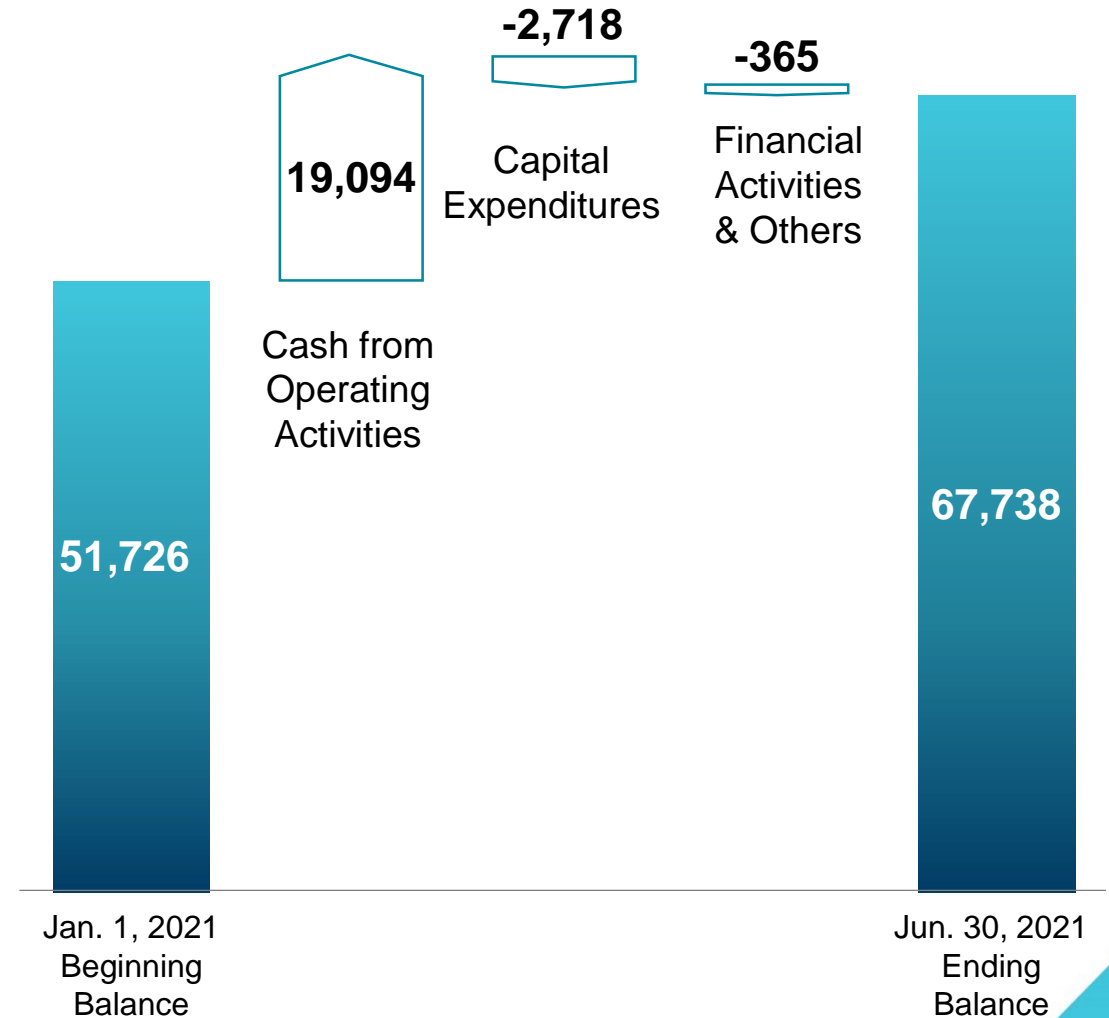
	Q2'21	Q1'21
Unit: Million NT\$		
<b>Beginning Balance</b>	<b>59,113</b>	<b>51,726</b>
Cash from Operating Activities	10,707	8,388
Capital Expenditures	-1,233	-1,485
Financial Activities & Others	-848*	484
<b>Ending Balance</b>	<b>67,738</b>	<b>59,113</b>
Free Cash Flow <sup>(1)</sup>	<b>9,473</b>	<b>6,903</b>

(1) Free Cash Flow = Cash from operating activities – Capital expenditures

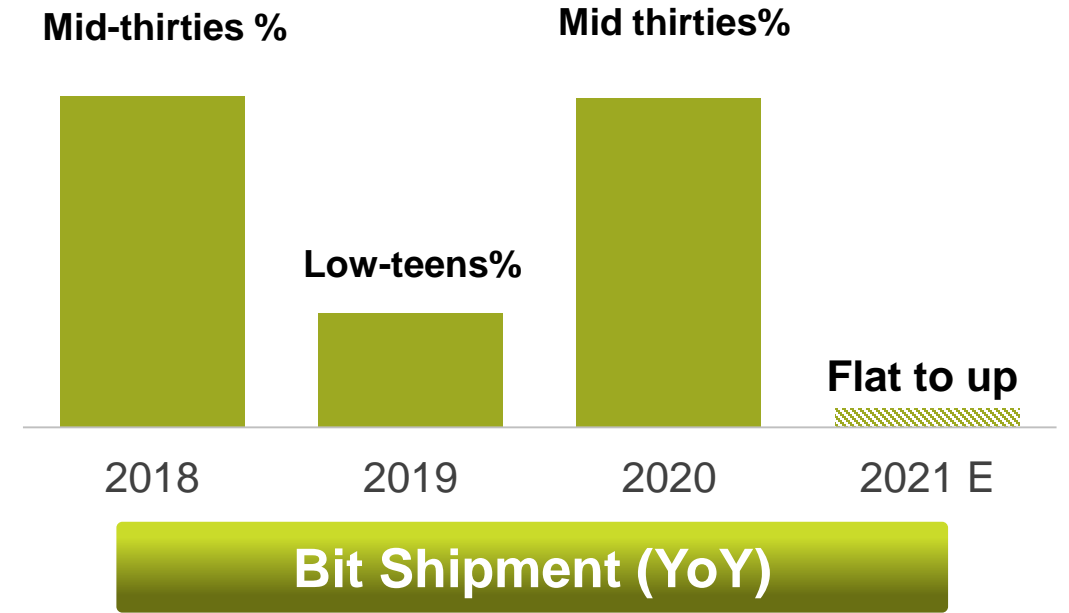
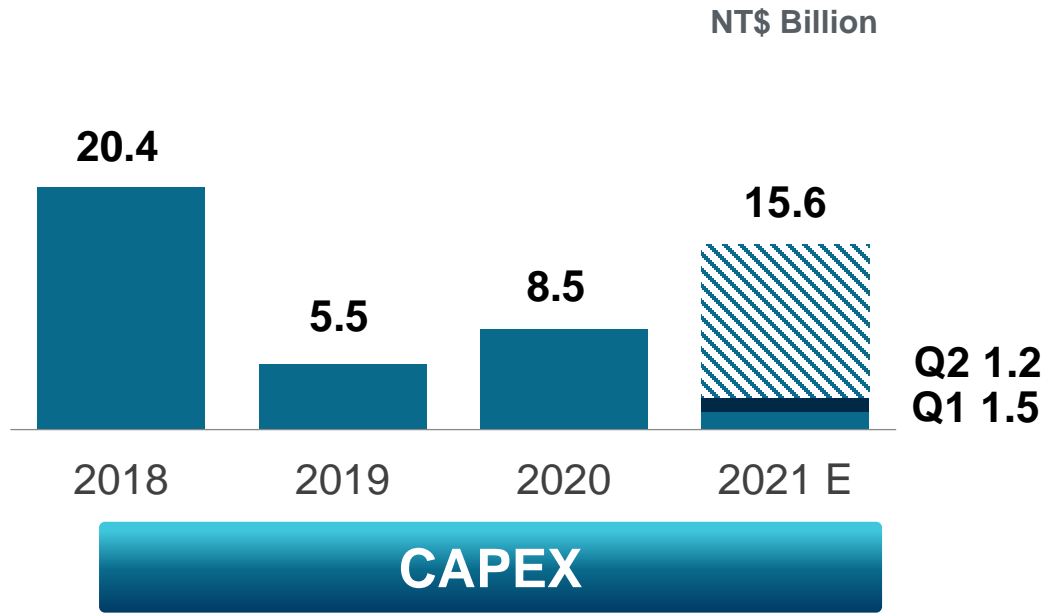
\* Mainly from exchange differences on translation of foreign F/S

## 2021 1H Cash Flow

Unit: Million NT\$



# CAPEX & Bit Shipment



## Capital Expenditure(CAPEX)

- Q2'21 CAPEX NT\$ 1.2 billion (B)
- 2021 CAPEX plan is up to NT\$ 15.6B

## Bit Shipment

- Q2'21 bit shipment relatively flat QoQ
- Q3'21 bit shipment estimated to down single digits%
- 2021 YoY bit shipment expected to be flat to marginally increase

# New FAB Investment Plan



## Construction

- 12-inch DRAM FAB
- Located New Taipei City, Taiwan



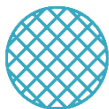
## Investment

- Total investment is approximate NTD 300 billion
- The investment plan will take 3 phases within 7 years



## Process Technology

- 10nm-class process technologies



## Total Capacity

- Approximately 45,000 wafers / month



## Schedule

- First phase production start 2024

# Market Outlook(Q3'21 - Update)

## Outlook

- 2H'21 consumer electronics demand solid, smartphone momentum improving, components shortage may impact server and PC shipment
- The DELTA epidemic and geopolitical risks may defer global economic recovery
- Maintain cautiously optimistic outlook on 2H'21 DRAM market

## Supply

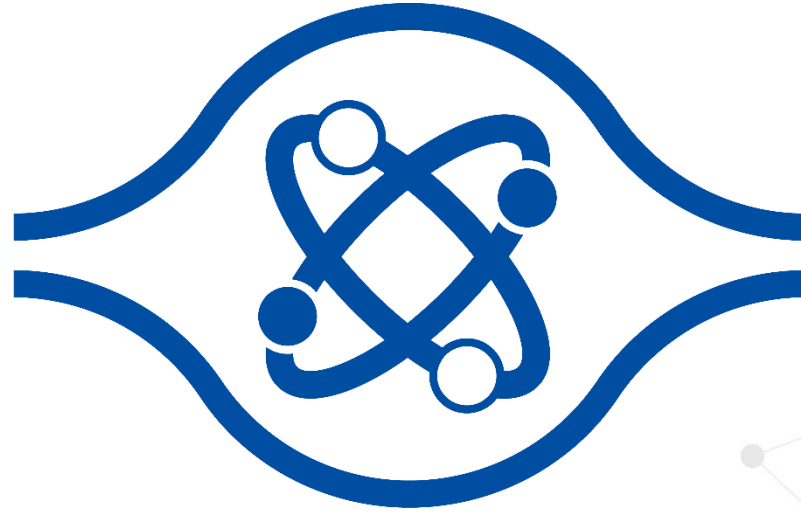
- 2H'21 DRAM suppliers' CAPEX increased, mainly for New FABs constructions and EUV equipment. Shipment increasing for high density DRAM products
- DRAM suppliers' inventory remaining low

## Demand

- **Mobile Market:** Smart phone regaining annual growth, new 5G models and China market recovering, while mid-to-low-end sluggish in developing countries
- **Server Market:** Expansion of corporate IT spending and new platforms with high DRAM content contributing to strong server DRAM demand in 2H'21, however, components shortage may impact shipments
- **PC Market:** Enterprise PC/NB demand resilient, components shortage issues may delay shipments in 2H'21
- **Consumer Market:** Positive outlook for networking, wearables, HDD, SSD, IP camera, game consoles and automotive electronics

# Nanya Business Review & Outlook

- Improved Q2'21 results, positive Q3'21 DRAM market outlook
- 1st 10nm-class 8Gb DDR4, DDR5 start to piloting
- 2nd 10nm-class product development on track
- Announced a new DRAM fab construction and plan production by 2024
- No impact on business operations by COVID-19
- 2021 AGM approved dividend distribution NT\$ 4 billion



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Thanks & Questions

# Q2'21 Consolidated Income Statement

Amount: Million NT\$

	Q2'21		Q1'21		QoQ	Q2'20		YoY
Net Sales	22,637	100.0%	17,731	100.0%	27.7%	16,489	100.0%	37.3%
Cost of Goods Sold	13,054	57.7%	12,569	70.9%		11,447	69.4%	
Gross Margin	9,583	42.3%	5,162	29.1%	85.7%	5,042	30.6%	90.1%
SG&A Expenses	639	2.8%	492	2.8%		574	3.5%	
R&D Expenses	1,882	8.3%	1,643	9.3%		1,239	7.5%	
Operating Income	7,063	31.2%	3,027	17.1%	133.3%	3,229	19.6%	118.7%
Non-operating Income (Exp.)	-143	-0.6%	307	1.7%		207	1.3%	
Income before Tax	6,920	30.6%	3,334	18.8%	107.6%	3,436	20.8%	101.4%
Income Tax Benefit (Expense)	-756	-3.3%	-630	-3.6%		-216	-1.3%	
Net Income	6,163	27.2%	2,704	15.3%		3,220	19.5%	
Earnings Per Share (NT\$)	2.00		0.88			1.05		
Book Value Per Share(NT\$)	51.43		51.00			49.63		