



Nanya Technology Q4 2021 Investor Conference



Safe Harbor



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Q4'21 Financial Results Summary

Amount in Million NT\$, except for EPS & BVPS		Q4'21		Q3'21		QoQ	Q4'20		YoY
Net Sales		21,399	100%	23,837	100%	-10.2%	14,773	100%	44.8%
Gross Profit (Loss)	Gross Margin(%)	10,563	49.4%	11,735	49.2%	-10.0%	3,251	22.0%	224.9%
Operating Income (Loss)	Operating Margin(%)	8,023	37.5%	9,073	38.1%	-11.6%	1,304	8.8%	515.5%
EBITDA*	EBITDA Margin (%)	11,850	55.4%	12,966	54.4%	-8.6%	4,937	33.4%	140.0%
Non-operating Income (Expense)		101	0.5%	316	1.3%		-167	-1.1%	
Income Tax Benefit (Expense)		-1,670	-7.8%	-1,862	-7.8%		-213	-1.4%	
Net Income (Loss)	Net Margin (%)	6,454	30.2%	7,527	31.6%	-14.3%	924	6.3%	598.4%
Earnings Per Share (NT\$)		2.08**		2.44			0.30		
Book Value Per Share (NT\$)		55.85***		53.87			50.02		

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

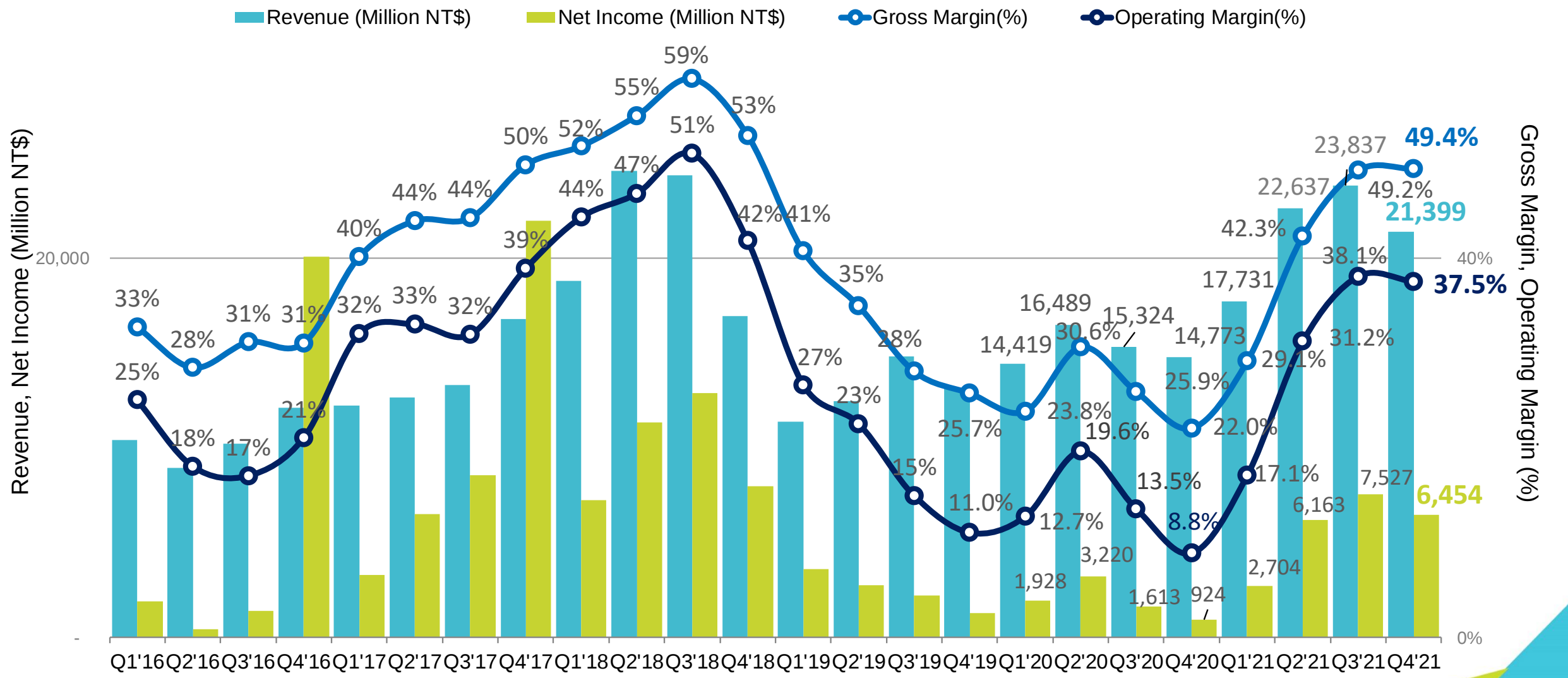
*** BVPS is calculated based on 3,097M outstanding shares

** EPS is based on weighted average outstanding shares of 3,095M

Q4'21 vs. Q3'21 Results Comparison

Amount in Million NT\$	Q4'21	Q3'21	QoQ (PPT* Delta)	Remarks
Net Sales	21,399	23,837	-10.2%	■ Bit shipment decreased mid-single digits% ■ ASP decreased low-single digits%
Gross Profit (Loss) Gross Margin(%)	10,563 49.4%	11,735 49.2%	0.2%	■ Q4'21 Gross profit decreased NT\$ 1,172M, mainly due to ASP and shipment decrease
Operating Expense	2,540 11.9%	2,662 11.2%	0.7%	■ SG&A and R&D expenses decreased NT\$ 122M
Operating Income (Loss) Operating Margin(%)	8,023 37.5%	9,073 38.1%	-0.6%	■ Q4'21 OP income decreased NT\$ 1,050M
Net Income (Loss) Net Margin (%)	6,454 30.2%	7,527 31.6%	-1.4%	■ Net Income decreased NT\$ 1,073M • OP Income decrease of NT\$ 1,050M • FX impact: NT\$ 193M unfavorable (Q4'21: NT\$ -92M; Q3'21: NT\$ 101M) • Income tax: NT\$ 192M favorable

Quarterly Financial Highlights



Cash Flows

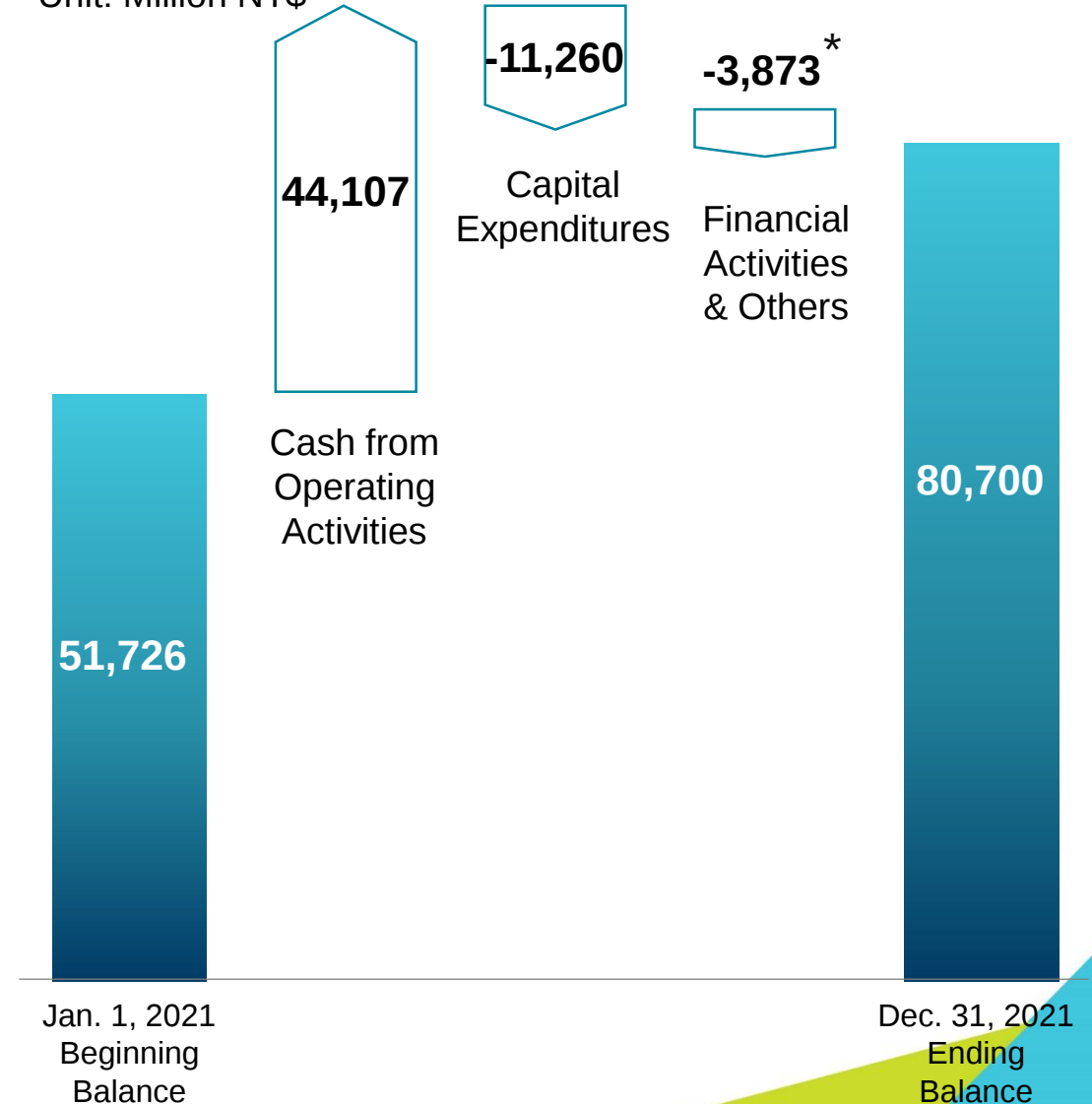
Unit: Million NT\$	Q4'21	Q3'21
Beginning Balance	71,558	67,738
Cash from Operating Activities	13,972	11,041
Capital Expenditures	-4,741	-3,801
Financial Activities & Others	-89	-3,420
Ending Balance	80,700	71,558
Free Cash Flow ⁽¹⁾	9,231	7,240

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

- * 1. - NT\$ 4.0 billion of dividend payout
- 2. +NT\$ 320 million proceeds from treasury stocks

2021 Cash Flow

Unit: Million NT\$



2021 Consolidated Income Statement

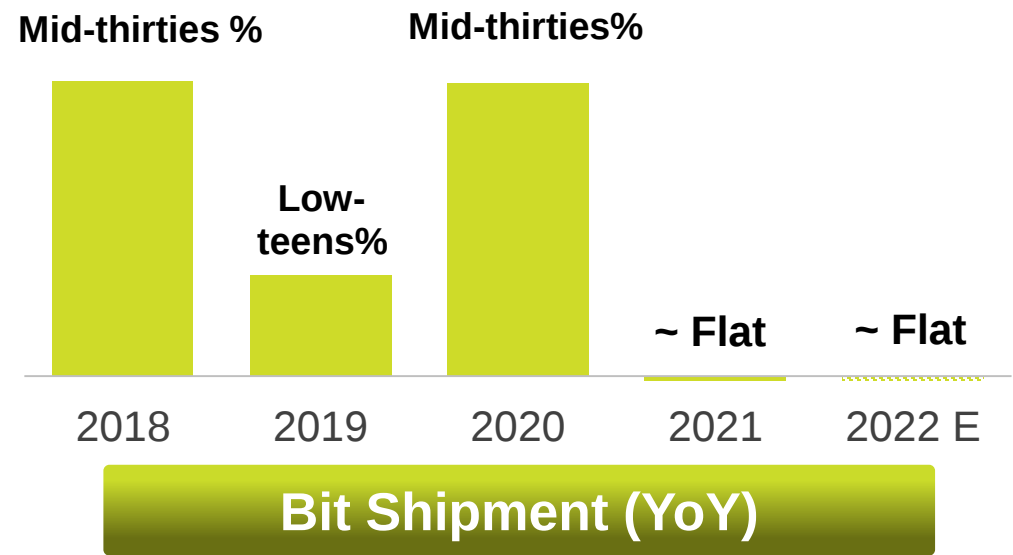
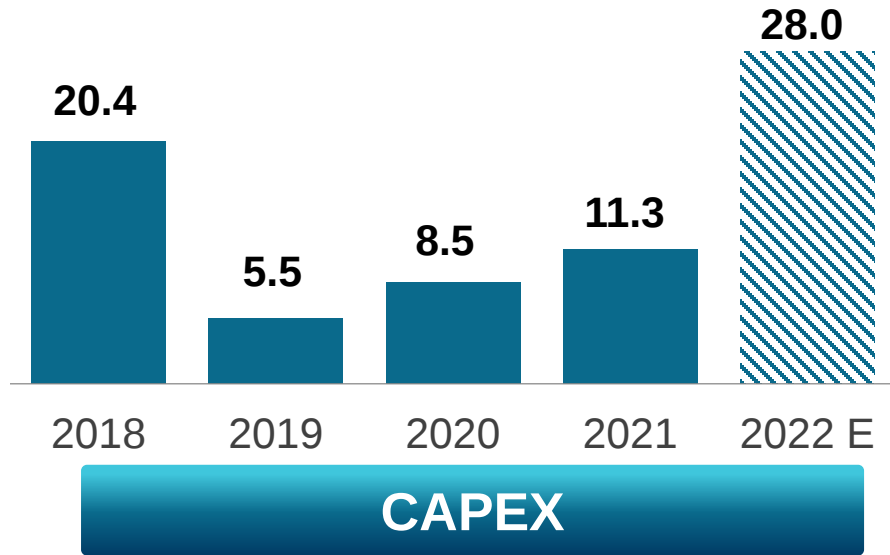
	2021		2020		YoY
Amount: Million NT\$					
Net Sales	85,604	100.0%	61,006	100.0%	40.3%
Cost of Goods Sold	48,560	56.7%	45,314	74.3%	
Gross Margin	37,044	43.3%	15,692	25.7%	136.1%
SG&A Expenses	2,358	2.8%	2,119	3.5%	
R&D Expenses	7,500	8.8%	5,138	8.4%	
Operating Income	27,186	31.8%	8,434	13.8%	222.3%
Non-operating Income (Exp.)	581	0.7%	557	0.9%	
Income before Tax	27,767	32.4%	8,991	14.7%	208.8%
Income Tax Benefit (Expense)	-4,918	-5.7%	-1,305	-2.1%	
Net Income	22,849	26.7%	7,686	12.6%	
EPS(NT\$)	7.40		2.51		
Book Value Per Share(NT\$)	55.85		50.02		

2021 vs. 2020 Results Comparison

Amount in Million NT\$	2021	2020	YoY (PPT* Delta)	Remarks
Net Sales	85,604	61,006	40.3%	■ Bit shipment relatively flat YoY ■ ASP increased by >40% YoY ■ FX negative impact 5.3%
Gross Income (Loss) Gross Margin(%)	37,044 43.3%	15,692 25.7%	17.6%	■ Gross Income increased by NT\$ 21,352M mainly due to ASP increase
Operating Expense	9,858 11.5%	7,257 11.9%	-0.4%	■ SG&A expense increased NT\$ 239M, R&D expense increased NT\$ 2,362M
Operating Income (Loss) Operating Margin(%)	27,186 31.8%	8,434 13.8%	18.0%	■ Operating Income increased NT\$ 18,752M
Net Income (Loss) Net Margin (%)	22,849 26.7%	7,686 12.6%	14.1%	■ Net Income increased by NT\$ 15,163M mainly due to: • Operating Income increased NT\$ 18,752M • FX loss favorable NT\$ 432M (2021: NT\$ -323M, 2020: NT\$ -755M) • Interest income unfavorable NT\$ 407M • Income tax unfavorable NT\$ 3,613M

CAPEX & Bit Shipment

NT\$ Billion



Capital Expenditure(CAPEX)

- Q4'21 CAPEX NT\$ 4.7 billion (B)
- 2021 CAPEX NT\$ 11.26B
- BoD approved 2022 CAPEX plan up to NT\$ 28.4B

Bit Shipment

- Q4'21 bit shipment decreased mid-single digits% QoQ
- 2021 YoY bit shipment relatively flat
- 2022 YoY bit shipment expected to be relatively flat

Market Outlook(2022)

Outlook

- 2022: Demand from Cloud computing, Smartphone, PC and Consumer remain healthy
- Component shortage alleviated in 2H'22, and DDR5 and new CPU gradually increase
- Cautions on high inflation and geopolitical tensions may impact on demand growth
- In general, cautiously optimistic outlook for 2022 DRAM market

Supply

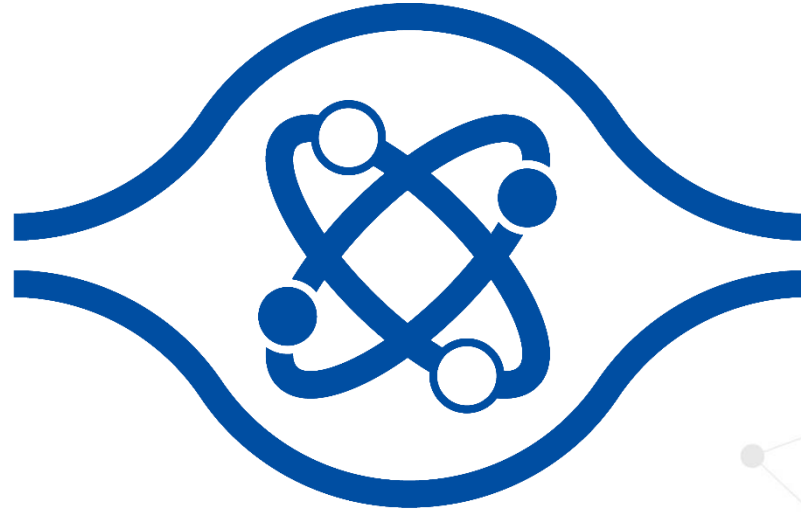
- Q4'21 Suppliers and channel inventory remained low
- 2022 Supplier's dynamic CAPEX increase could change DRAM supply outlook

Demand

- **Server Market:** Datacenter continuously driving demand growth, components shortage issue lingering, expect easing in 2H'22, and DDR5 and new CPU start shipment
- **Mobile Market:** 2022 shipment growth led by both 5G and 4G segments, with 5G leading in flagship, and 4G driven by emerging markets, and average DRAM content growing
- **PC Market:** NB demand remaining healthy, component shortages and international shipping continue to impact delivery, expect easing in 2H'22
- **Consumer Market:** Positive outlook for networking, wearables, smart speaker, SSD and TV, VR and new game consoles. Automotive chip shortage expect eased by year end

Nanya Business Review & Outlook

- Named to the Dow Jones Sustainability (DJSI) World Index
- 2021 financial result, revenue NT\$ 85.6B, GM 43%, OPM 32%, EPS 7.40
- 2022 DRAM market outlook cautiously optimistic
- 1st 10nm-class technology small volume production expected in Q3'22
- 2nd 10nm-class product development on schedule
- New fab ground-breaking scheduled in 1H'22



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Thanks & Questions

Q4'21 Consolidated Income Statement

Amount: Million NT\$

	Q4'21		Q3'21		QoQ	Q4'20		YoY
Net Sales	21,399	100.0%	23,837	100.0%	-10.2%	14,773	100.0%	44.8%
Cost of Goods Sold	10,836	50.6%	12,102	50.8%		11,522	78.0%	
Gross Margin	10,563	49.4%	11,735	49.2%	-10.0%	3,251	22.0%	224.9%
SG&A Expenses	584	2.7%	642	2.7%		509	3.4%	
R&D Expenses	1,956	9.1%	2,020	8.5%		1,439	9.7%	
Operating Income	8,023	37.5%	9,073	38.1%	-11.6%	1,304	8.8%	515.5%
Non-operating Income (Exp.)	101	0.5%	316	1.3%		-167	-1.1%	
Income before Tax	8,125	38.0%	9,389	39.4%	-13.5%	1,137	7.7%	614.7%
Income Tax Benefit (Expense)	-1,670	-7.8%	-1,862	-7.8%		-213	-1.4%	
Net Income	6,454	30.2%	7,527	31.6%	-14.3%	924	6.3%	
Earnings Per Share (NT\$)	2.08		2.44			0.30		
Book Value Per Share(NT\$)	55.85		53.87			50.02		