



Nanya Technology Q1 2022 Investor Conference



Safe Harbor



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Q1'22 Financial Results Summary

Amount in Million NT\$, except for EPS & BVPS	Q1'22		Q4'21		QoQ	Q1'21		YoY
Net Sales	19,946	100%	21,399	100%	-6.8%	17,731	100%	12.5%
Gross Profit (Loss) <i>Gross Margin(%)</i>	8,750	43.9%	10,563	49.4%	-17.2%	5,162	29.1%	69.5%
Operating Income (Loss) <i>Operating Margin(%)</i>	6,262	31.4%	8,023	37.5%	-22.0%	3,027	17.1%	106.9%
EBITDA* <i>EBITDA Margin (%)</i>	10,105	50.7%	11,850	55.4%	-14.7%	6,769	38.2%	49.3%
Non-operating Income (Expense)	1,766	8.9%	101	0.5%		307	1.7%	
Income Tax Benefit (Expense)	-1,478	-7.4%	-1,670	-7.8%		-630	-3.6%	
Net Income (Loss) <i>Net Margin (%)</i>	6,550	32.8%	6,454	30.2%	1.5%	2,704	15.3%	142.2%
Earnings Per Share (NT\$)	2.11**		2.08			0.88		
Book Value Per Share (NT\$)	58.45***		55.85			51.00		

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

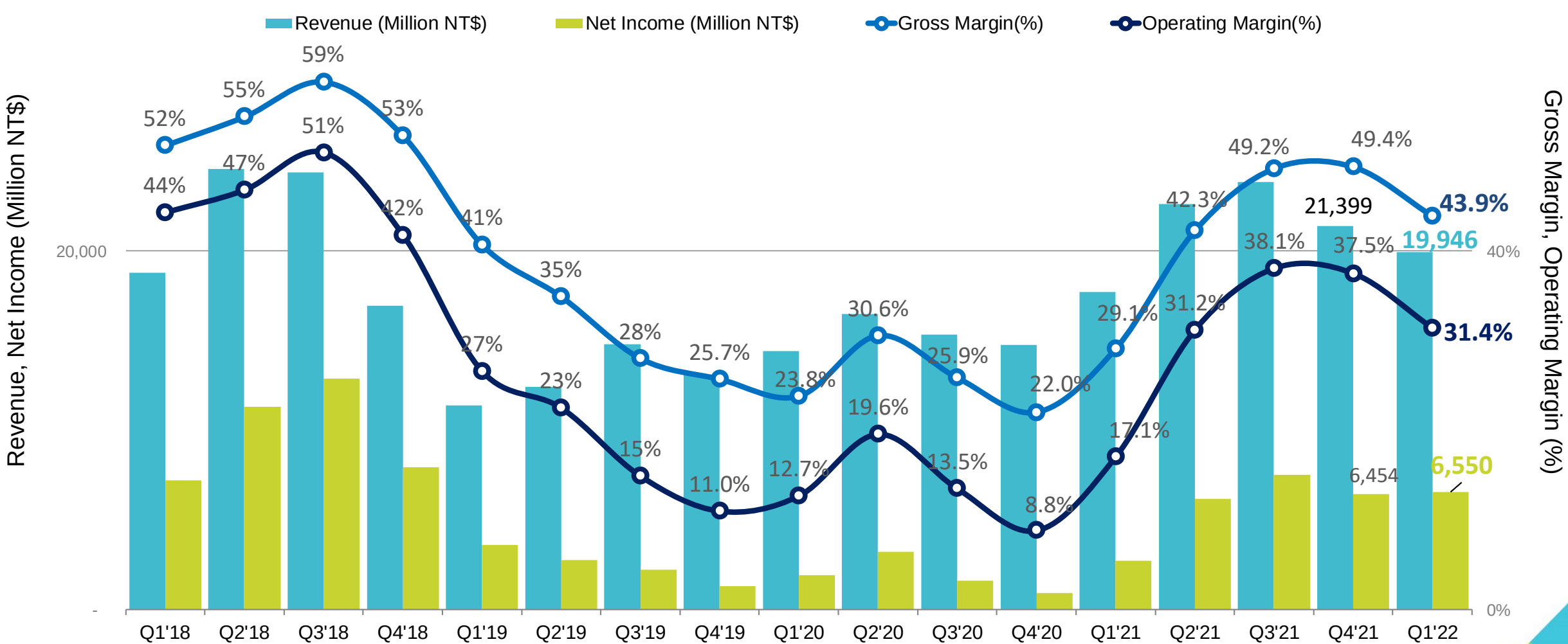
*** BVPS is calculated based on 3,097M outstanding shares

** EPS is based on weighted average outstanding shares of 3,097M

Q1'22 vs. Q4'21 Results Comparison

Amount in Million NT\$	Q1'22	Q4'21	QoQ (PPT* Delta)	Remarks
Net Sales	19,946	21,399	-6.8%	■ Bit shipment decreased 1.0% ■ ASP decreased mid-single digits% ■ FX positive on revenue 0.5%
Gross Profit (Loss) Gross Margin(%)	8,750 43.9%	10,563 49.4%	-5.5%	■ Q1'22 Gross profit decreased NT\$ 1,813M, mainly due to ASP decrease
Operating Expense	2,488 12.5%	2,540 11.9%	0.6%	■ Operating expenses decreased NT\$ 52M
Operating Income (Loss) Operating Margin(%)	6,262 31.4%	8,023 37.5%	-6.1%	■ Q1'22 OP income decreased NT\$ 1,761M
Net Income (Loss) Net Margin (%)	6,550 32.8%	6,454 30.2%	2.6%	■ Net Income increased NT\$ 96M • OP Income decreased NT\$ 1,761M • FX favorable NT\$ 1,093M (Q1'22: NT\$ 1,001M; Q4'21: NT\$ -92M) • Facility expense reduction NT\$ 514M • Income tax decreased NT\$ 192M

Quarterly Financial Highlights



Cash Flows

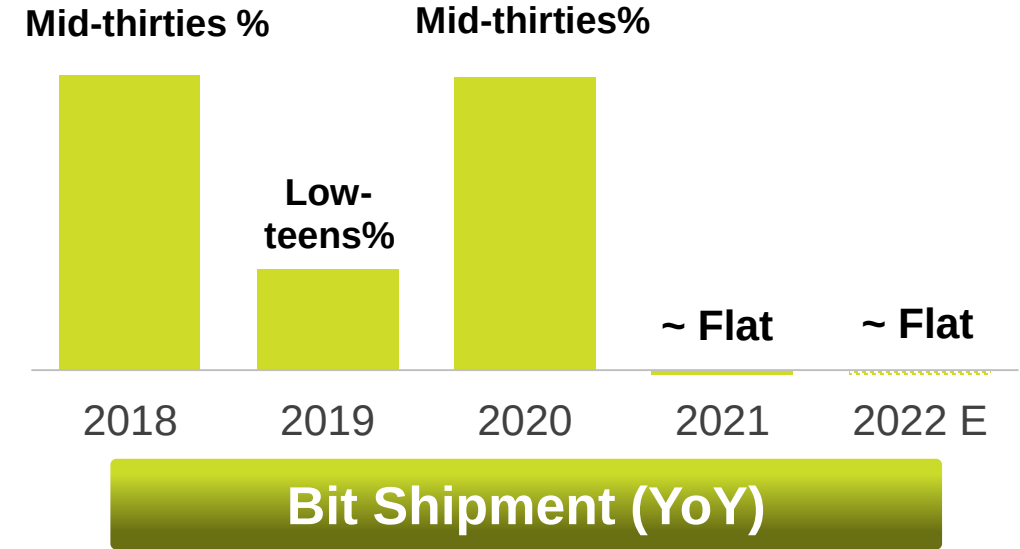
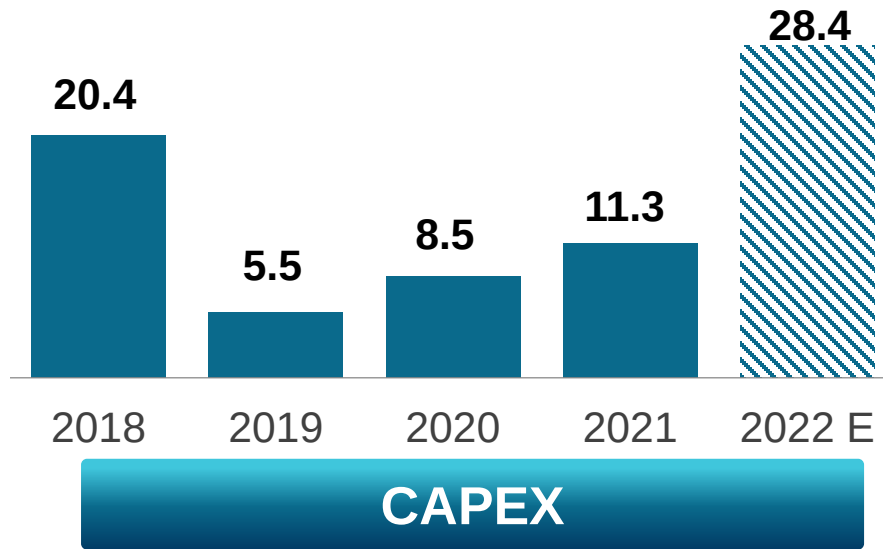
Unit: Million NT\$	Q1'22	Q4'21	Q1'21
Beginning Balance	80,700	71,558	51,726
Cash from Operating Activities	11,318	13,972	8,388
Capital expenditures	-1,165	-4,741	-1,485
Financial Activities & others	*1,684	-89	484
Ending Balance	92,537	80,700	59,113
Free Cash Flow ⁽¹⁾	10,153	9,231	6,903

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

* NT\$ 1.76 billion effect of exchange rate changes on cash and cash equivalents

CAPEX & Bit Shipment

NT\$ Billion



Capital Expenditure(CAPEX)

- Q1'22 CAPEX NT\$ 1.2 billion (B)
- BoD approved 2022 CAPEX plan up to NT\$ 28.4B

Bit Shipment

- Q1'22 bit shipment decreased by 1.0% QoQ
- 2022 YoY bit shipment expected to be relatively flat

Market Outlook(Q2'2022)

Outlook

- Q2'22: Continuously strong Cloud demand, Consumer remain healthy, as Smartphone and PC softening due to seasonality and global uncertainty
- 2H'22: Component shortage alleviating and DDR5 supply increasing
- 2H'22: Russia-Ukraine Conflict, high inflations and China lockdowns may impact overall demand

Supply

- Suppliers' inventory remaining low; Suppliers' CAPEX dynamic adjustments may affect supply growth

Demand

- **Server Market:** Datacenter leading demand growth and DDR5 shipment start 2H'22
- **Mobile Market:** 5G models penetration growing, and average DRAM content increasing, however shipment momentum tapering
- **PC Market:** Enterprise and gaming demand remain solid, while consumer demand soften
- **Consumer Market:** Positive outlook for networking, wearables, and smart home devices. Automotive still dragged by supply chain issue

Nanya Business Review & Outlook

Finance

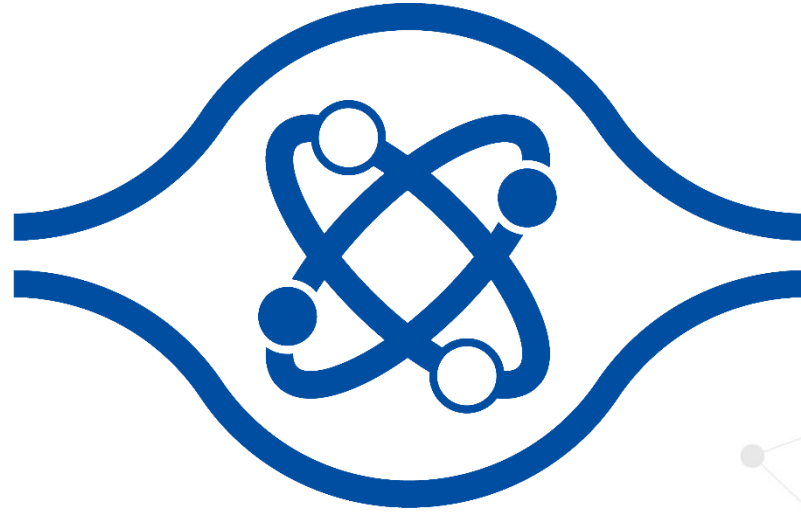
- Cash dividend NT\$ 3.7/share approximately
- Q1'22 EPS NT\$ 2.11/share

Operation

- 1st and 2nd 10nm-class product development on schedule
- 2022 CAPEX plan up to NT\$ 28.4B
- Signed 250 Million kWh Renewable energy purchase agreement
- Maintain appropriate inventories of Laser Gas Mixtures

Market Outlook

- Russia-Ukraine conflict, high inflations and China lockdowns may impact overall demand



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Thanks & Questions

Q1'22 Consolidated Income Statement

Amount: Million NT\$

	Q1'22		Q4'21		QoQ	Q1'21		YoY
Net Sales	19,946	100.0%	21,399	100.0%	-6.8%	17,731	100.0%	12.5%
Cost of Goods Sold	11,196	56.1%	10,836	50.6%		12,569	70.9%	
Gross Margin	8,750	43.9%	10,563	49.4%	-17.2%	5,162	29.1%	69.5%
SG&A Expenses	594	3.0%	584	2.7%		492	2.8%	
R&D Expenses	1,895	9.5%	1,956	9.1%		1,643	9.3%	
Operating Income	6,262	31.4%	8,023	37.5%	-22.0%	3,027	17.1%	106.9%
Non-operating Income (Exp.)	1,766	8.9%	101	0.5%		307	1.7%	
Income before Tax	8,028	40.2%	8,125	38.0%	-1.2%	3,334	18.8%	140.8%
Income Tax Benefit (Expense)	-1,478	-7.4%	-1,670	-7.8%		-630	-3.6%	
Net Income	6,550	32.8%	6,454	30.2%	1.5%	2,704	15.3%	
Earnings Per Share (NT\$)	2.11		2.08			0.88		
Book Value Per Share(NT\$)	58.45		55.85			51.00		