Results for Third Quarter of FY2020

台塑勝高科技股份有限公司

FORMOSA SUMCO TECHNOLOGY CORPORATION

(Code:3532)

November 23, 2020

Notes Regarding the Forecasts

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The estimate, expectation, forecast and other future information is prepared based on the information which is available for the Company as of today and on certain assumptions and qualifications(which includes our subjective judgment) and the actual financial performance or result may be substantially different from such future information contained in the material due to risk factors including domestic and global economic conditions, trend of semiconductor market and foreign exchanges.

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本資料是依照特定的假設及目前可獲得之資訊（包含我們的主觀判斷)去評估、預測及對未來之資訊之推估而成，而實際的財務表現及營運結果可能會因為未來國內外的經濟情況、半導體市場的趨勢變化及匯率變動等風險而有顯著不同。

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Financial Overview
（財務概況）

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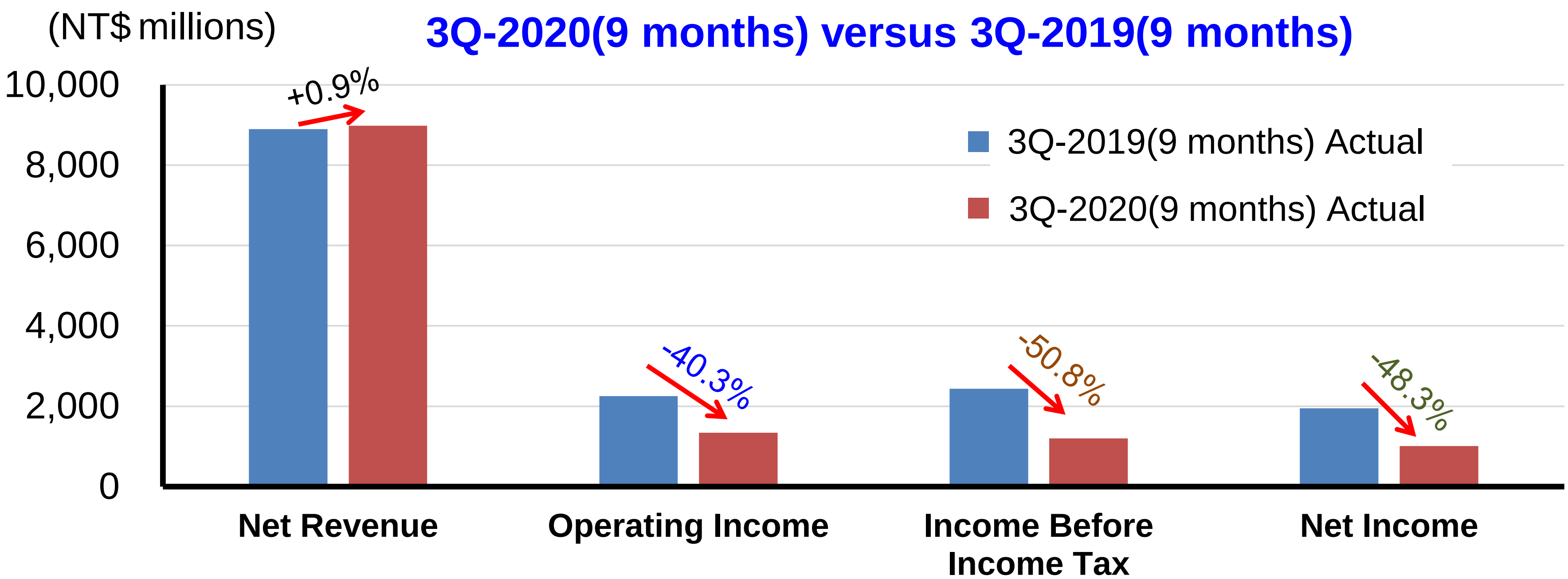


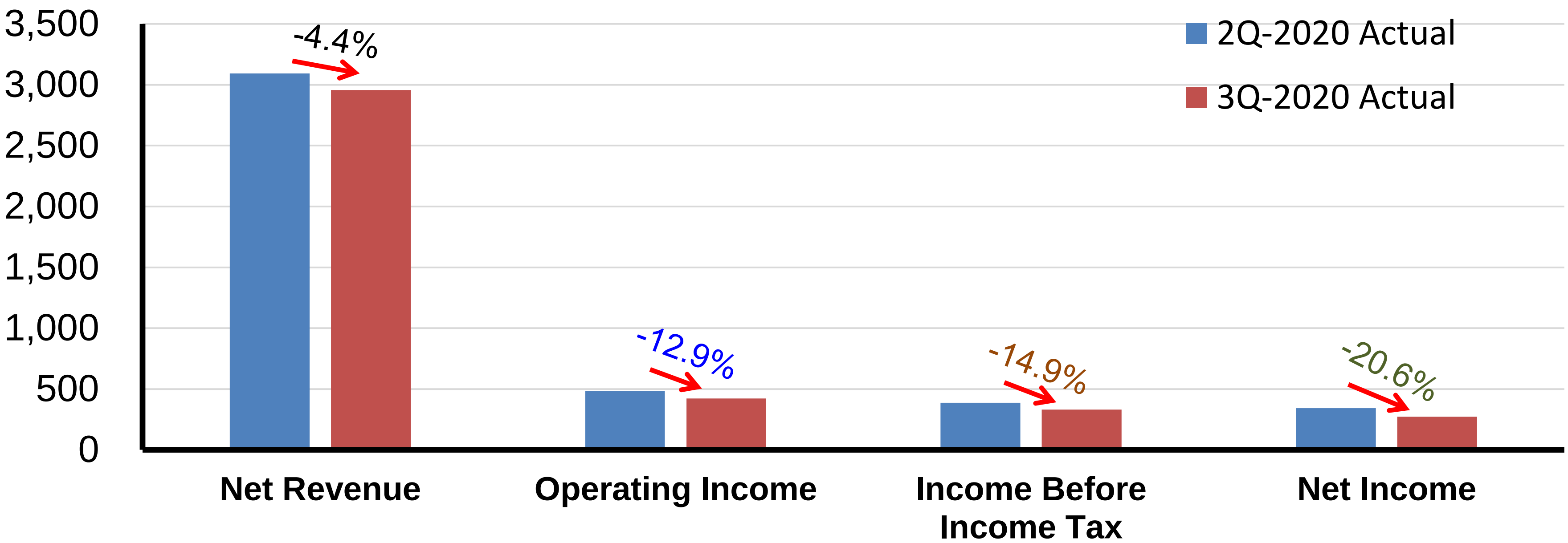
(In NT$ thousands)

3Q-2020 Consolidated Business Results (9 months)	3Q-2020 Actual (9 months)	3Q-2019 Actual (9 months)	Change
Net Revenue	8,981,646	8,899,807	+0.9%
Operating Income	1,342,522	2,249,607	-40.3%
Income Before Income Tax	1,200,358	2,437,671	-50.8%
Net Income	1,007,127	1,946,155	-48.3%

1-1 Analysis of Changes in Business Results

(NT$ millions)

3Q-2020 versus 2Q-2020



(In NT$ thousands)

3Q-2020 Consolidated Business Results	3Q-2020 Actual	2Q-2020 Actual	Change
Net Revenue	2,956,558	3,093,545	-4.4%
Operating Income	422,143	484,669	-12.9%
Income Before Income Tax	329,635	387,296	-14.9%
Net Income	271,145	341,325	-20.6%

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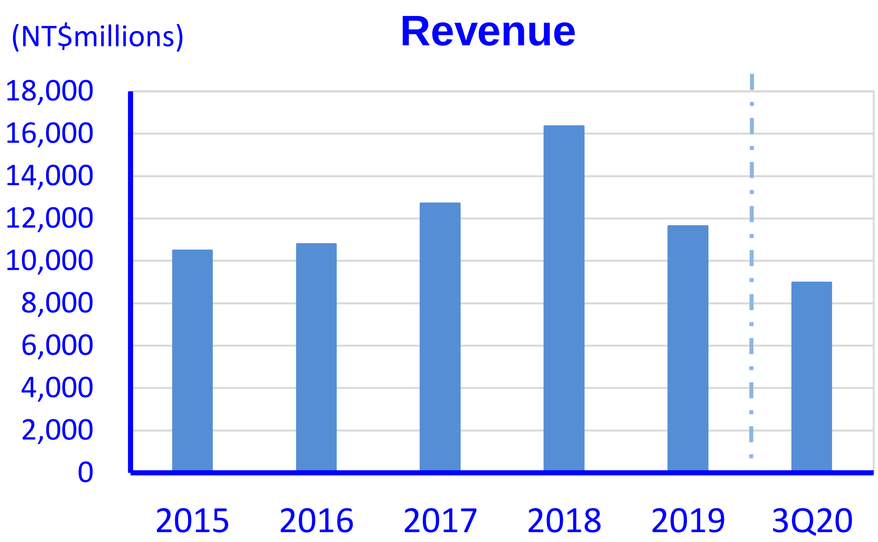
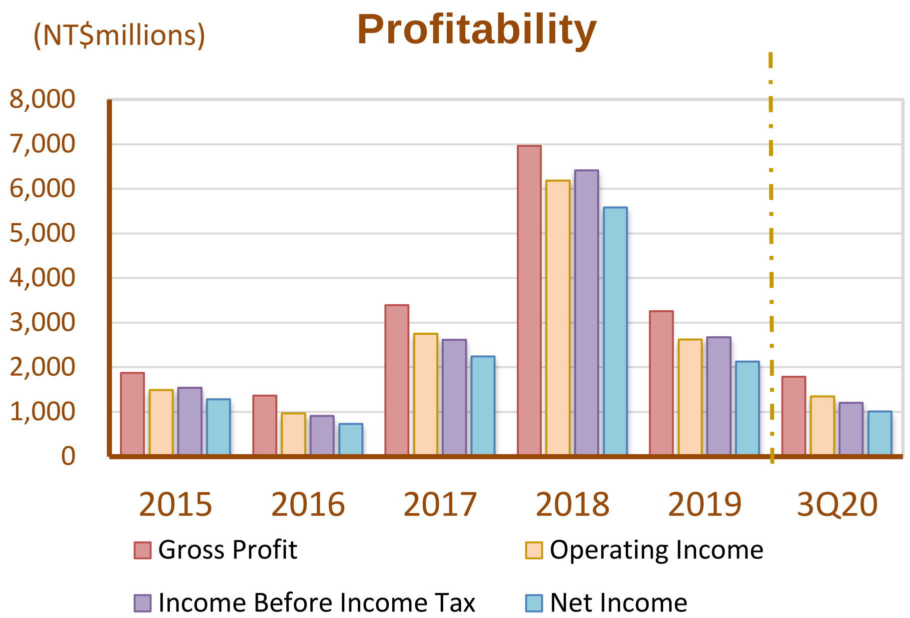
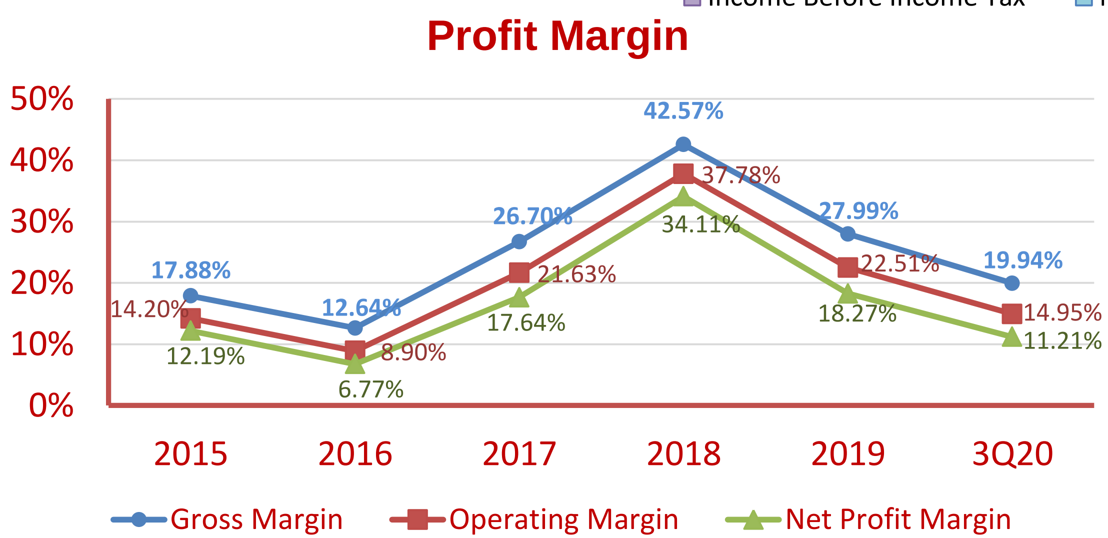
1-2 Summary of Consolidated Business Results







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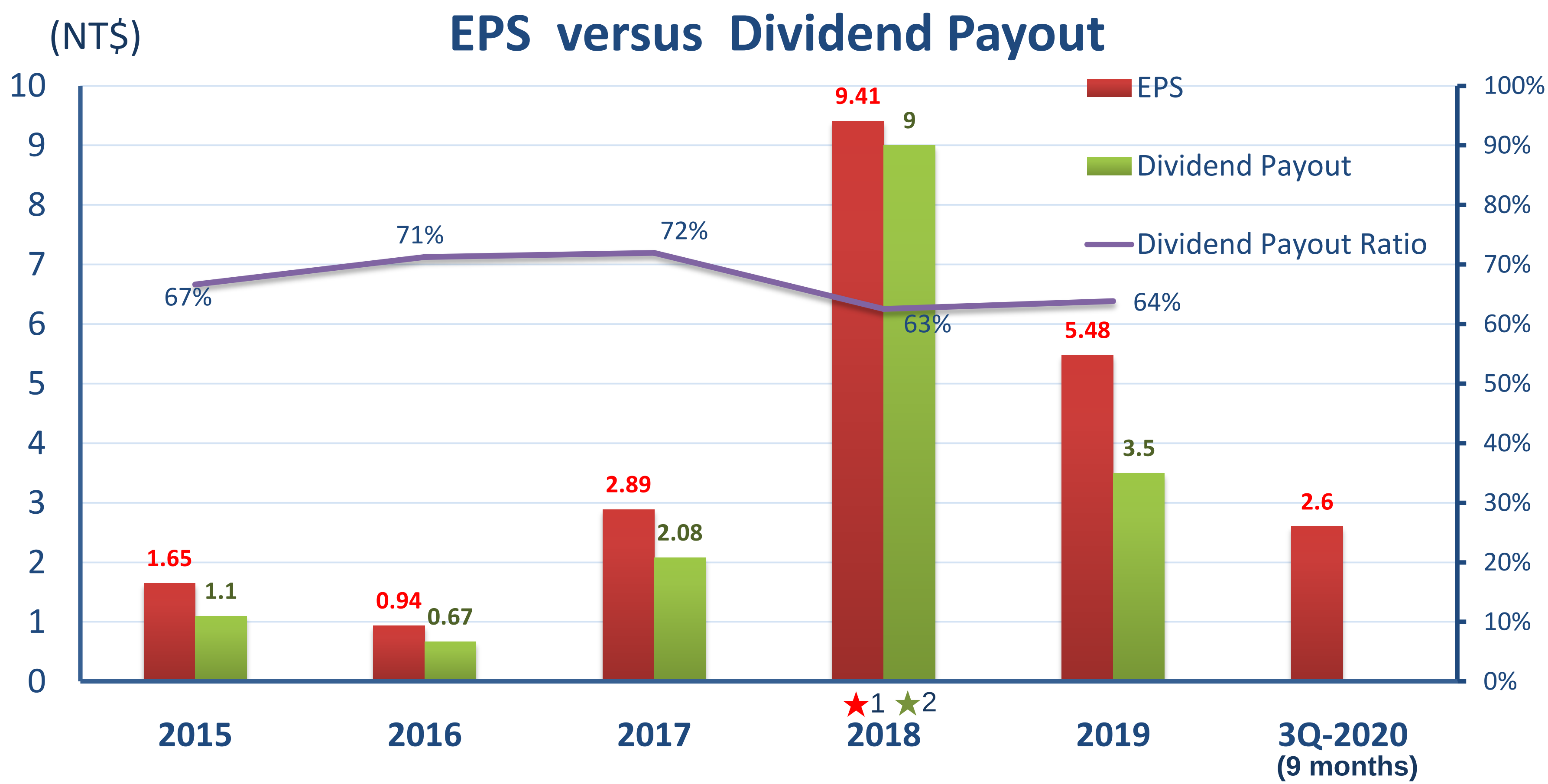
1-3 EPS & Dividend Payout



1.EPS calculated based on weighted average number of ordinary shares(**593,163**k).

2.Dividend Payout & Payout Ratio are calculated based on new ordinary shares data(**387,848**k).

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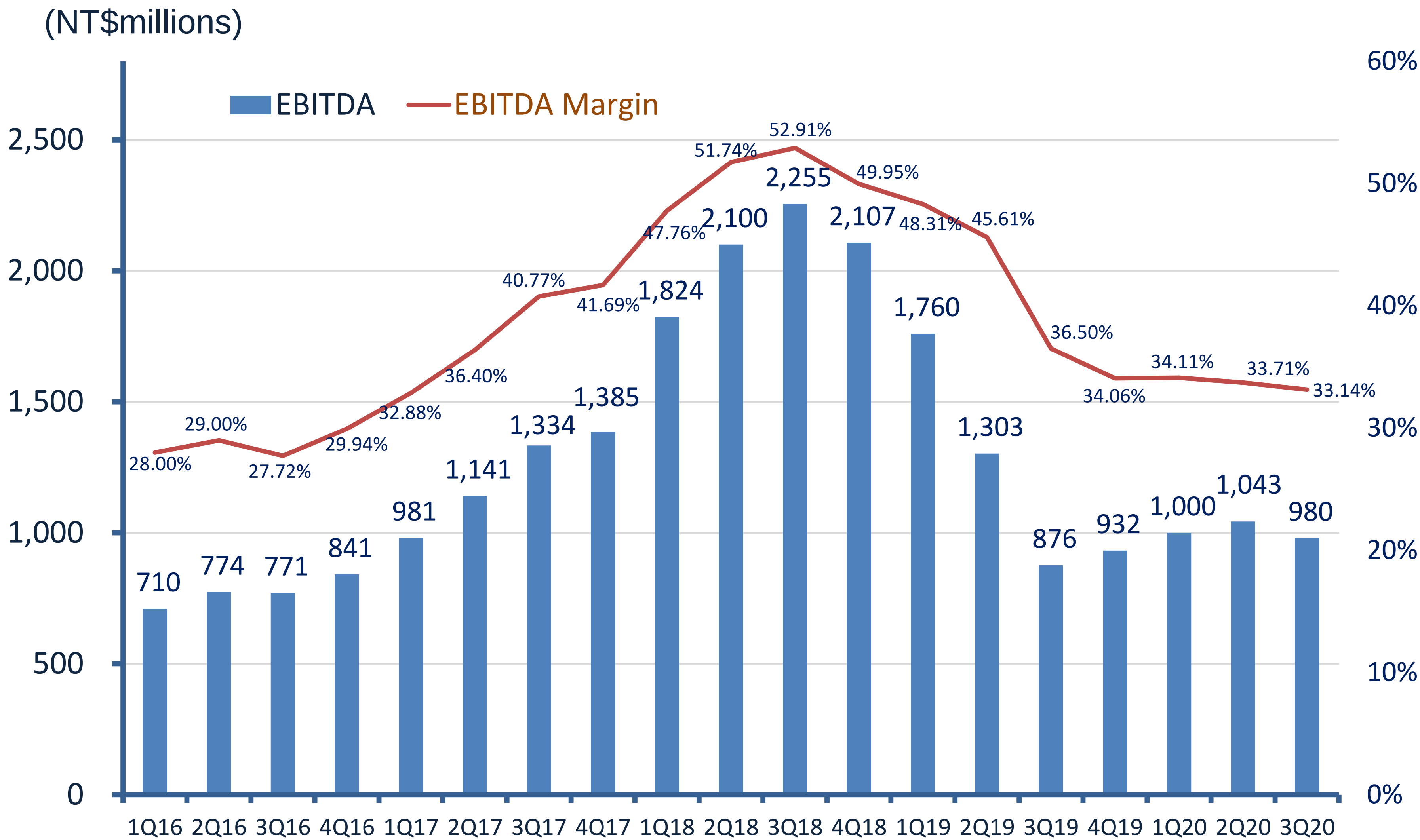
1-4 Quarterly Trend-EBITDA



Note：EBITDA=Operating Income + Depreciation + Amortization

EBITDA Margin=EBITDA/Net Revenue

1-5 Summary of Consolidated Business Results

(In NT$ thousands)

	2016	2017	2018	2019	3Q20 (9 months)
Net Revenue	10,794,340	12,713,025	16,358,126	11,636,040	8,981,646
Gross Profit	1,364,550	3,394,509	6,963,797	3,257,055	1,790,967
Gross Margin	12.64%	26.70%	42.57%	27.99%	19.94%
Operating Income	961,122	2,749,810	6,179,888	2,619,363	1,342,522
Operating Margin	8.90%	21.63%	37.78%	22.51%	14.95%
Non-Operating Income and Expenses	(55,795)	(134,618)	227,894	49,595	(142,164)
Income Before Income Tax	905,327	2,615,192	6,407,782	2,668,958	1,200,358
Net Income	730,390	2,242,774	5,580,459	2,125,798	1,007,127
Net Profit Margin	6.77%	17.64%	34.11%	18.27%	11.21%
EPS(NT Dollar)	0.94	2.89	9.41	5.48	2.60
ROE(Annualized)	3.64%	10.76%	25.69%	10.08%	6.64%
Depreciation	2,092,538	2,079,783	2,101,655	2,249,977	1,679,017
EBITDA	3,095,790	4,840,619	8,284,626	4,870,912	3,023,509

Note: EBITDA=Operating Income + Depreciation + Amortization

1-6 Consolidated Balance Sheet

(In NT$ thousands)

	2016	2017	2018	2019	3Q20
Cash and cash equivalents	4,400,895	7,609,722	7,350,286	6,624,751	6,912,103
Trade receivable	1,602,346	2,128,776	2,858,159	1,973,598	2,041,678
Inventories	2,065,542	2,344,785	2,759,706	2,891,305	2,876,978
Property, plant and equipment	13,225,806	11,812,997	10,892,981	10,871,889	9,577,841
Other assets	431,105	338,687	911,456	454,571	774,237
Total assets	**21,725,694**	**24,234,967**	**24,772,588**	**22,816,114**	**22,182,837**
Short-term borrowings	-	-	-	-	-
Trade payables	623,138	542,620	691,542	513,717	421,146
Long-term borrowings	-	-	-	-	-
Other payables	608,040	1,320,721	1,236,218	1,147,603	771,462
Other liabilities	493,275	699,618	1,071,689	760,025	948,602
Total liabilities	**1,724,453**	**2,562,959**	**2,999,449**	**2,421,345**	**2,141,210**
Share capital	7,756,966	7,756,966	3,878,483	3,878,483	3,878,483
Capital surplus	5,739,080	5,739,082	5,739,151	5,739,217	5,739,263
Retained earnings	6,479,624	8,164,521	12,128,438	10,750,979	10,400,637
Other equity	25,571	11,439	27,067	26,090	23,244
Total equity	**20,001,241**	**21,672,008**	**21,773,139**	**20,394,769**	**20,041,627**

1-7 Consolidated Cash Flow

(In NT$ thousands)

	2016	2017	2018	2019	3Q20
Income before income tax	905,327	2,615,192	6,407,782	2,668,958	1,200,358
Total adjustments to reconcile profit (loss)	2,096,663	2,130,012	2,121,259	2,199,747	1,685,713
Changes in operating assets and liabilities	162,974	(630,826)	(893,656)	400,236	(342,415)
Other cash inflow and outflow	(181,423)	(107,374)	(434,727)	(905,400)	(75,142)
Net cash generated from operating activities	2,983,541	4,007,004	7,200,658	4,363,541	2,468,514
Net cash used in investing activities	(572,789)	(330,628)	(1,934,693)	(1,597,714)	(826,201)
Net cash used in financing activities	(845,284)	(511,709)	(5,483,044)	(3,492,754)	(1,358,653)
Effects of exchange rate	47,915	44,160	(42,357)	1,392	3,692
Net increase(decrease) in cash and cash equivalents	1,613,383	3,208,827	(259,436)	(725,535)	287,352

Silicon Wafer Market Environment
（矽晶圓市場環境）

2-1 FST Sales Trend

■3Q-2020

- ✓ Volume -Solid demand for memory customers and foundry customers became almost full operation both for 300mm and 200mm.

- ✓ Pricing -Long-term agreement prices held firm, and spot prices also were flat.

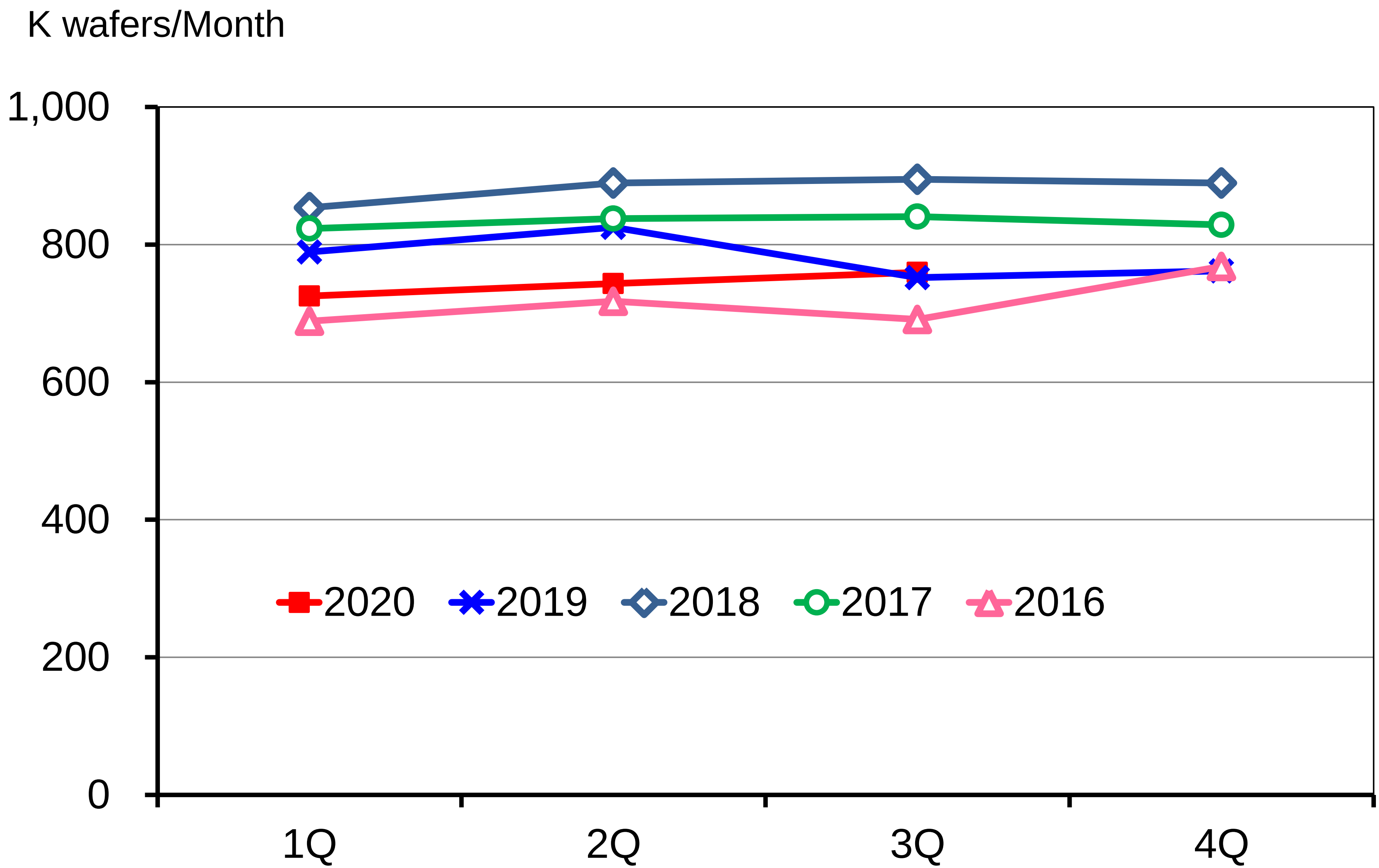
■4Q-2020 Forecast

- ✓ Volume -Strong demand for 300mm logic and solid demand for memory.
  -For 200mm, keep strong demand for power management IC, LCD Driver IC and etc. toward year end.
- ✓ Pricing -Long-term contract prices to hold firm; spot prices at same level as 3Q.

■ Outlook(Effects of COVID-19)

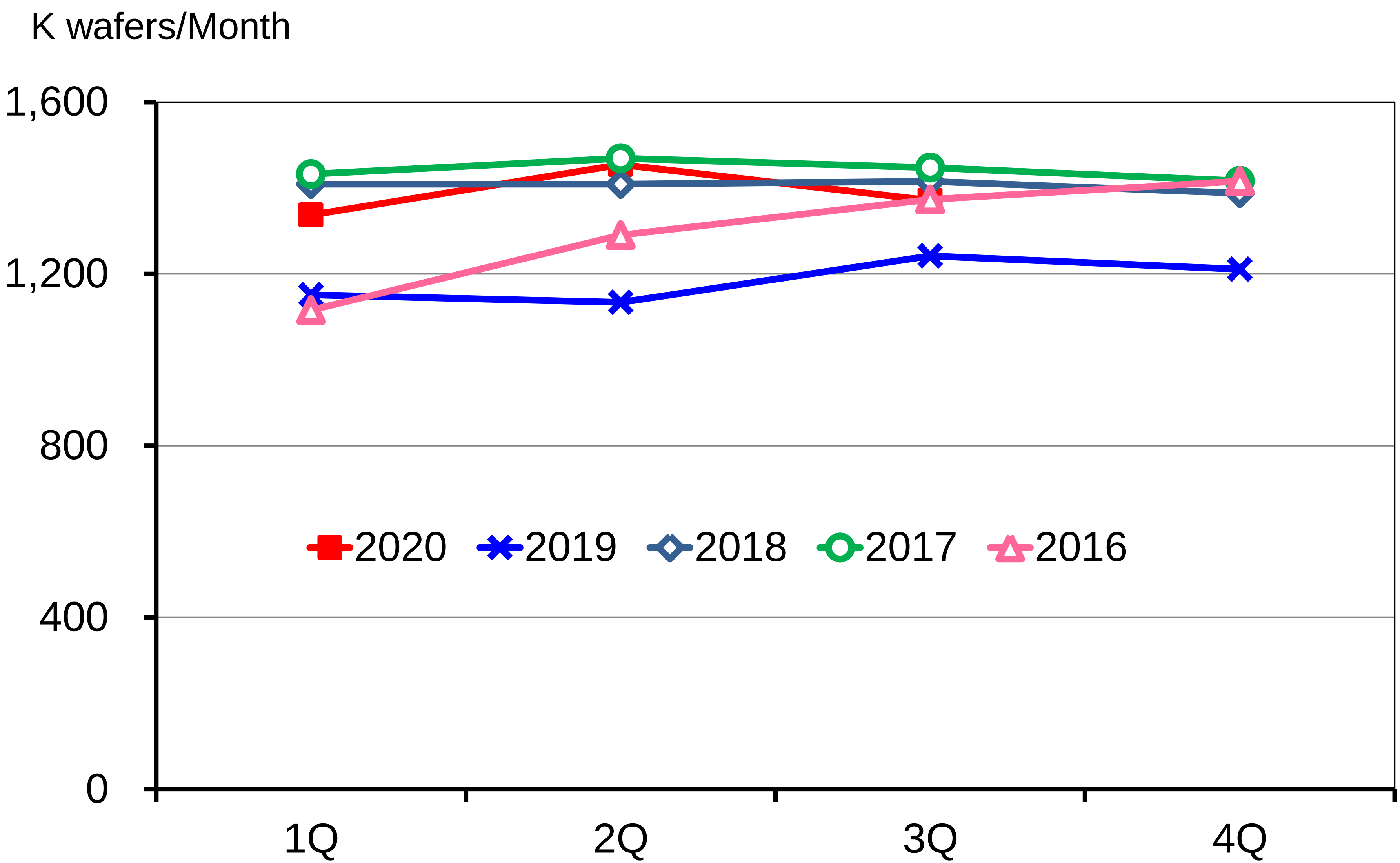
- ✓ The global economy suffered a decline with the spread of COVID-19, however damage for Taiwan and China semiconductor market was not so obvious.
- ✓ Stable demand growth is expected to continue, especially for PC, Tablet and data centers, with the spread of teleworking and 5G communications service.
- ✓ We put keen eyes on the affection from the trade war between United State and Mainland China such as punishment for Huawei and others.

2-2 Taiwan 200mm Wafer Trend



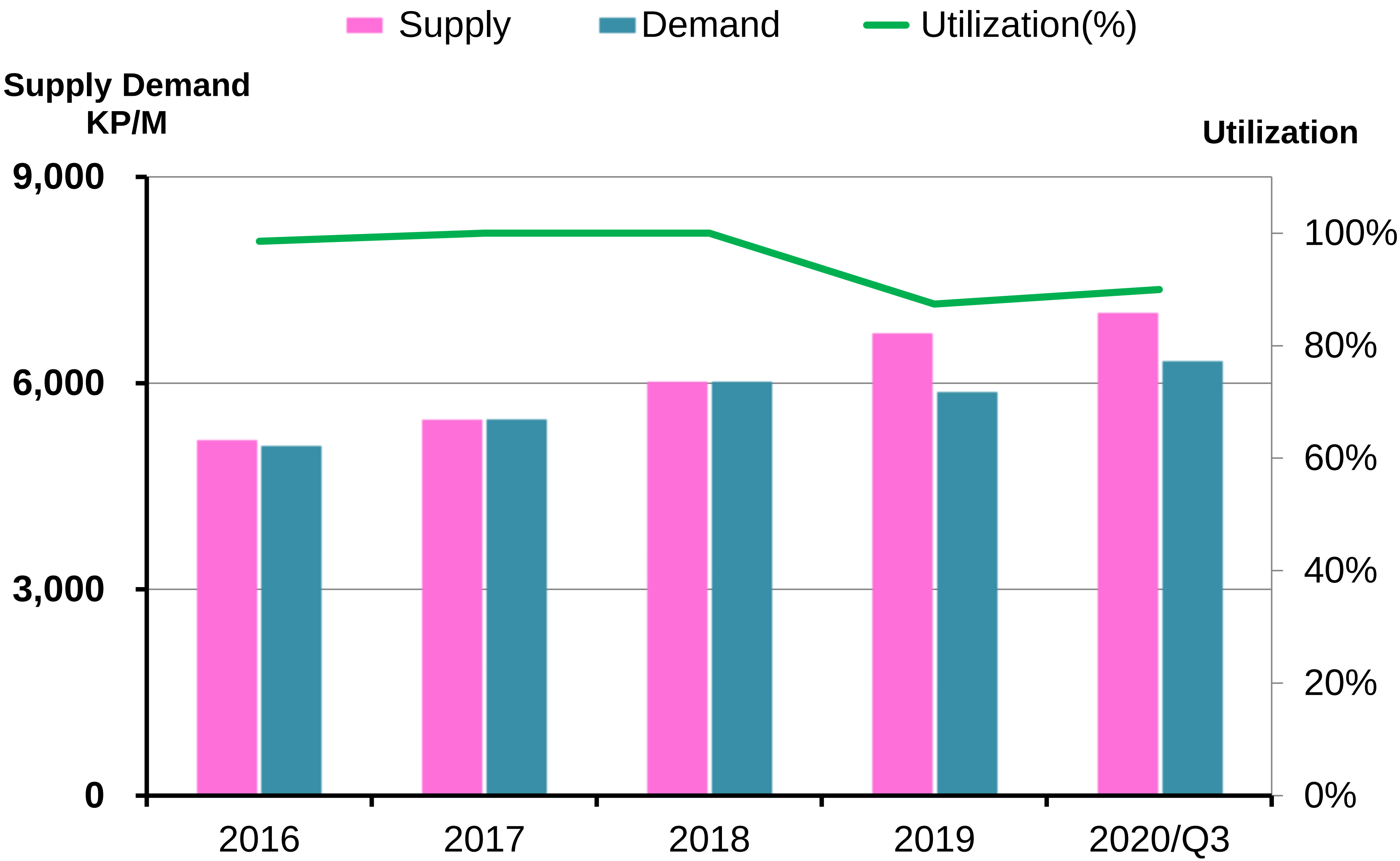
(Source: FST estimation)

2-3 Taiwan 300mm Wafer Trend



(Source: FST estimation)

2-4 300mm Wafer Global Supply and Demand



(Source: FST estimation)

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Thank you

Have a nice day