



# 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.



# Agenda

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## **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

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

# Statement of Cash Flow - Consolidated

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



# Balance Sheet - Memory

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

# Statement of Cash Flow - Memory

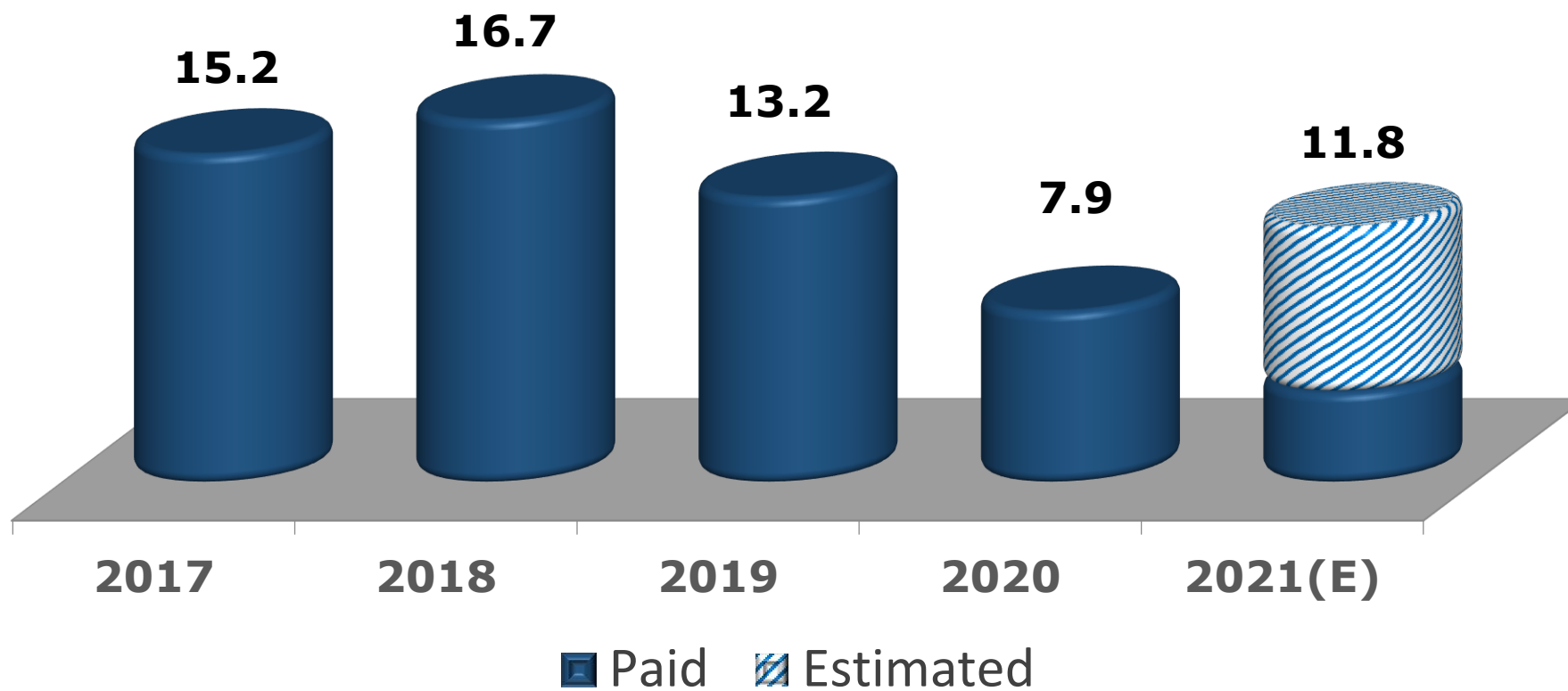
| Unit: NT\$ M                | 2Q21    | 1Q21    | QoQ     | 1H21    | 1H20    | YoY     |
|-----------------------------|---------|---------|---------|---------|---------|---------|
| Operating Cash Flow         | 5,390   | 3,093   | 2,297   | 8,483   | 4,139   | 4,344   |
| Depreciation & Amortization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



# Memory CAPEX

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(NT\$ B)



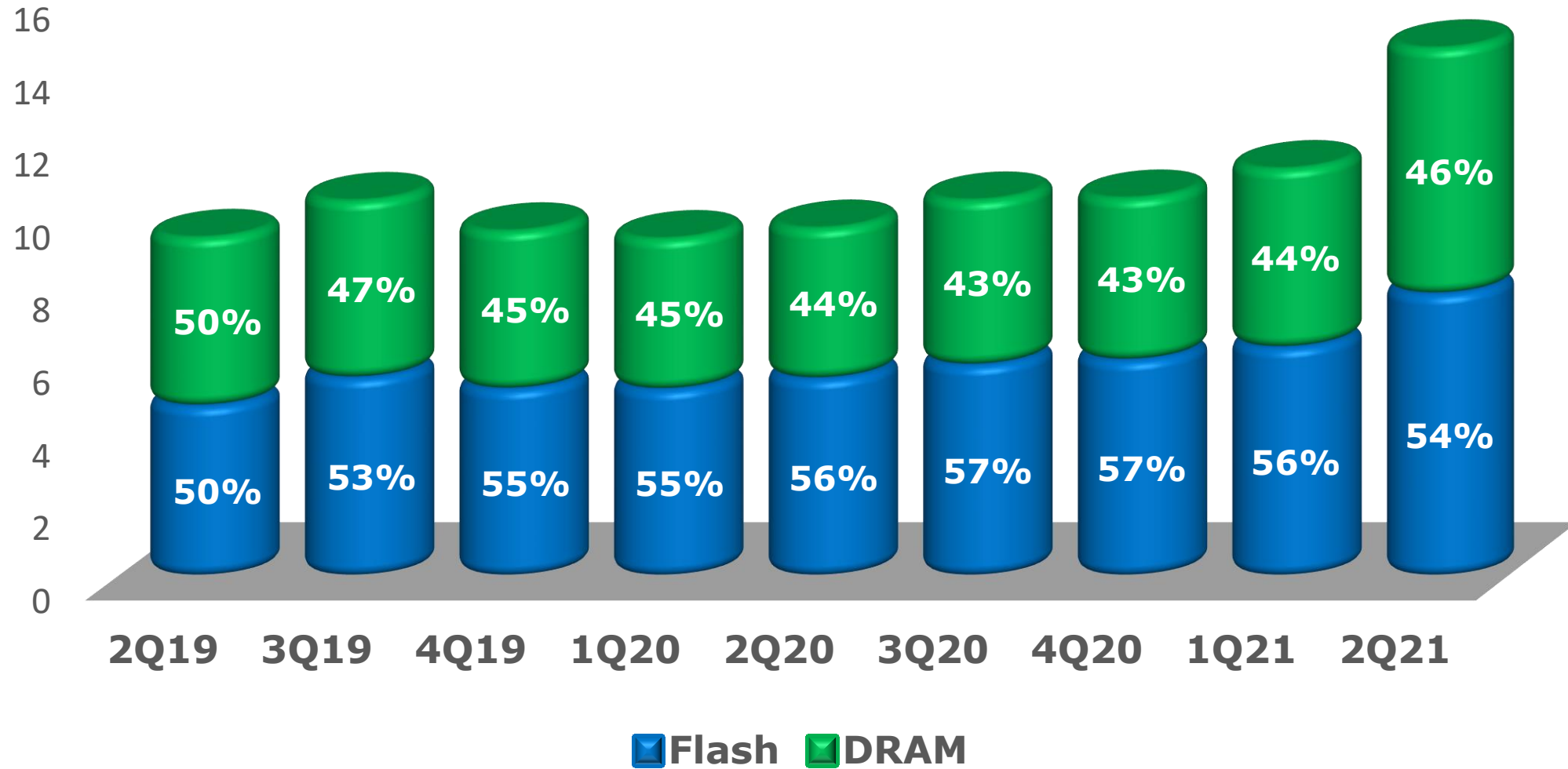
Cash Basis, as of Aug. 5<sup>th</sup> , 2021

A decorative graphic in the bottom left corner of the slide, featuring several overlapping, outlined diamond shapes in a light red or pink color.

# **Business Recap & Outlook**

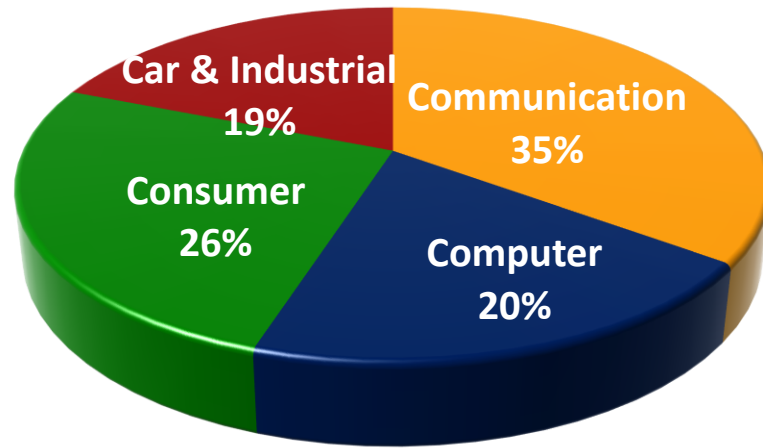
# Revenue Breakdown by Product

(NT\$ B)

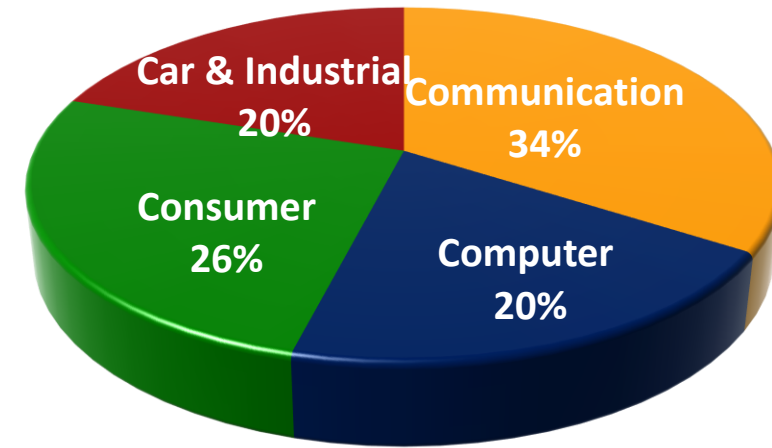


# Revenue Breakdown by Application

1Q21



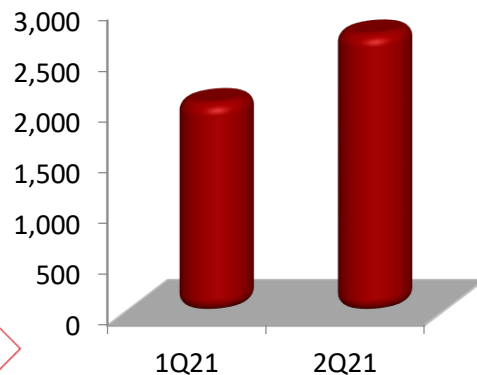
2Q21



Note: Rev excluded foundry and others

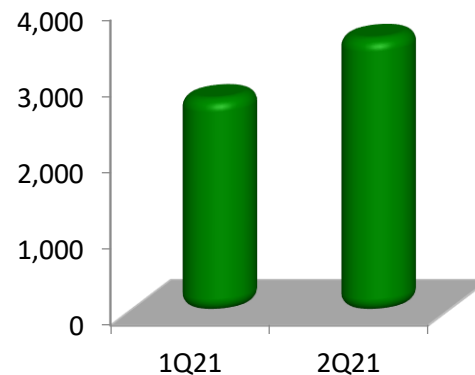
**Car & Industrial**  
QoQ +33%

NT\$M



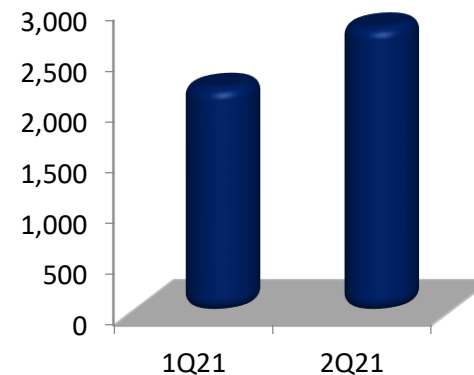
**Consumer**  
QoQ +28%

NT\$M



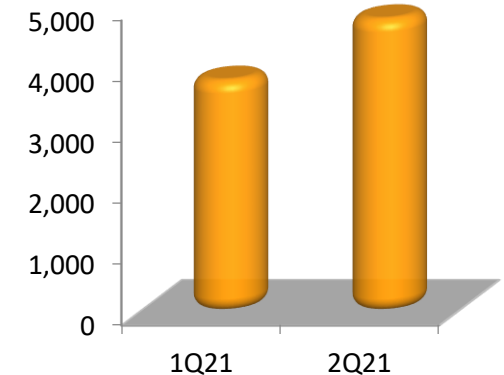
**Computer**  
QoQ +27%

NT\$M



**Communication**  
QoQ +27%

NT\$M

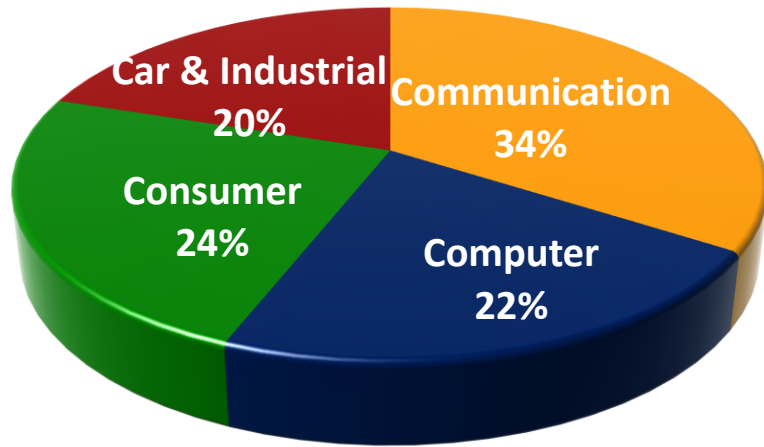




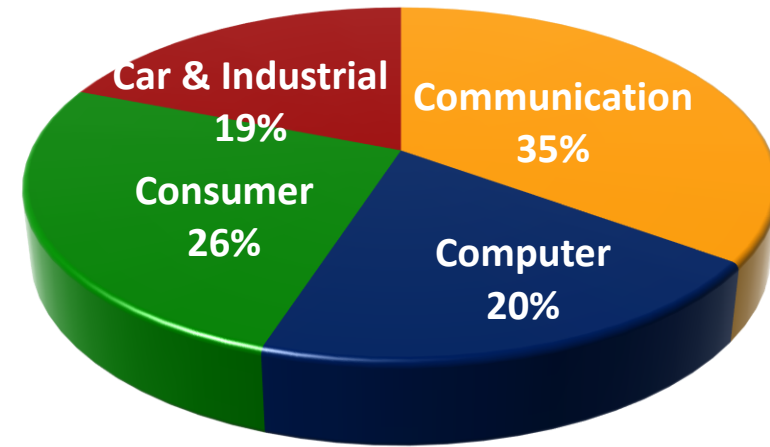
# Revenue Breakdown by Application

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**1H20**



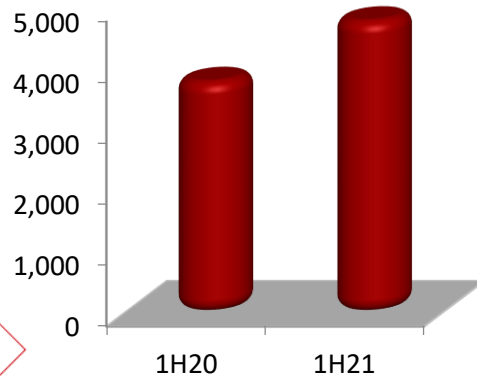
**1H21**



Note: Rev excluded foundry and others

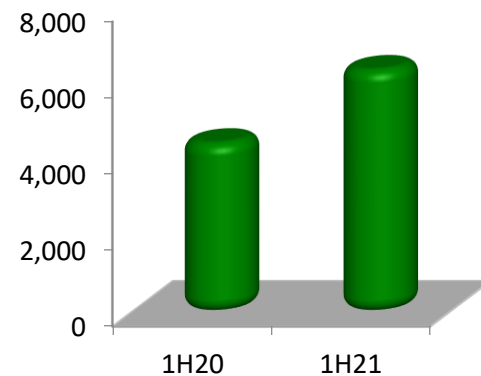
**Car & Industrial**  
YoY +26%

NT\$M



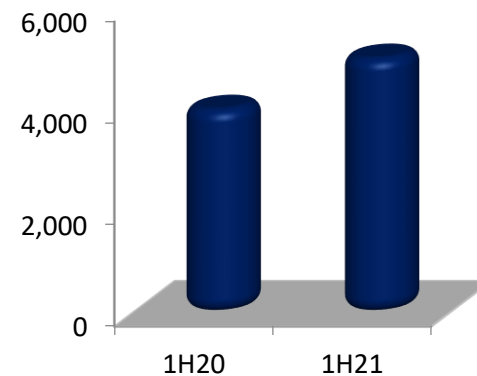
**Consumer**  
YoY +42%

NT\$M



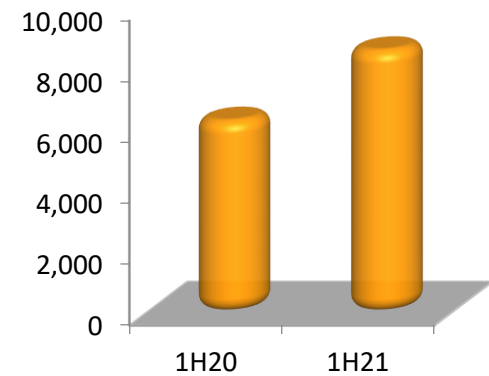
**Computer**  
YoY +25%

NT\$M

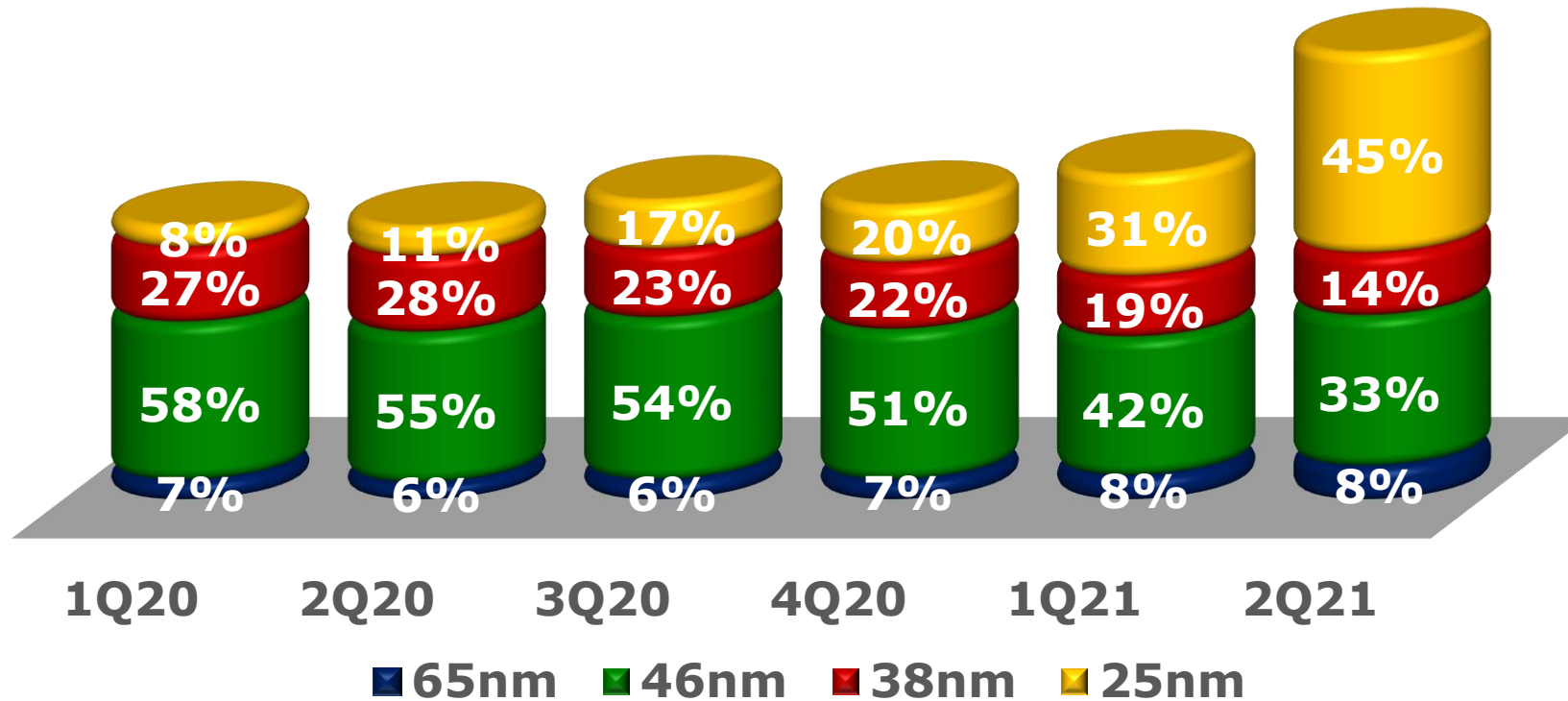


**Communication**  
YoY +37%

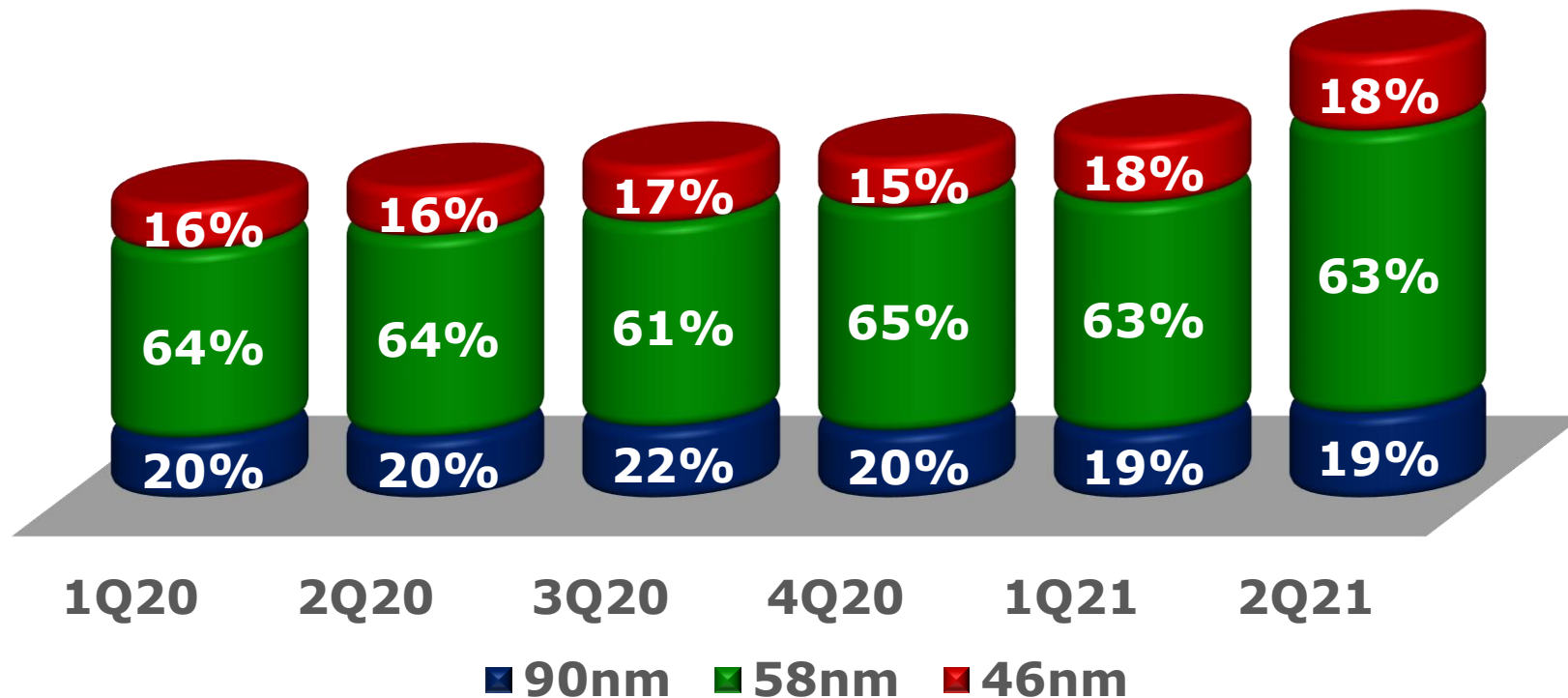
NT\$M



- ❑ 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 5G, 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***