

winbond



Winbond Electronics Corporation



Safe Harbor Notice

- This presentation contains forward-looking statements concerning, among other things, our financial condition, future expansion plans and business strategies. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are inherently subject to significant risks, uncertainties and assumptions about us and based on our current expectations and projections about future events.
- We undertake no obligation to 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.
- Except for the numbers and information included in the our financial statements, the information contained in this presentation has not been audited nor reviewed by any accountant or independent expert. We make no express or imply representations or warranties as to the fairness, accuracy, completeness, or correctness of such information or opinions. This document is provided as of the date herein and will not be updated to reflect any changes hereafter. We and our representatives do not accept any responsibility or liability for any damage caused by their negligence or any other reasons, nor do they accept responsibility or liability for any loss or damages arising from the use of this presentation or the information contained herein or anything related to this document.

winbond



Financial Results



2Q17 Statement of Comprehensive Income - Consolidated

Unit: NT\$ M	2Q'17		1Q'17		QoQ Change	
	Amount	%	Amount	%	Amount	%
Net Sales	11,411	100	10,425	100	986	9
Gross Profit	3,714	32	2,989	29	725	24
Operating Income	1,398	12	925	9	473	51
Pretax Income	1,449	13	883	8	566	64
Net Income	1,087	10	723	7	364	50
EPS (NT\$)	0.28		0.19			
EBITDA	2,849	25	2,316	22	533	23



2Q17 Balance Sheet - Consolidated

	Jun. 30 '17		Mar. 31 '17		QoQ Change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ M						
Current Assets	26,872	37	26,345	38	527	2
Net Fixed Assets	39,846	54	35,622	52	4,224	12
Total Assets	73,609	100	68,861	100	4,748	7
L/T Debt	7,984	11	6,642	10	1,342	20
Total Equity	46,210	63	47,267	69	(1,057)	(2)
Current Ratio	1.50		1.96			
Debt / Equity Ratio	0.59		0.46			



2Q17 Statement of Cash Flows - Consolidated

	2Q'17	1Q'17	QoQ Change
Unit: NT\$ M	Amount	Amount	Amount
Operating Cash Flow	2,333	2,045	288
Investing Cash Flow	(5,383)	(3,499)	(1,884)
Financing Cash Flow	2,812	(15)	2,827
Cash & Equivalents	5,903	6,124	(221)
Depreciation and Amortization	1,451	1,391	60
CAPEX	(5,400)	(3,497)	(1,903)



2Q17 Statement of Comprehensive Income - Memory

Unit: NT\$ M	2Q'17		1Q'17		QoQ Change	
	Amount	%	Amount	%	Amount	%
Net Sales	8,943	100	8,248	100	695	8
Gross Profit	2,616	29	2,099	25	517	25
Operating Income	1,127	13	781	9	346	44
Pretax Income	1,298	15	814	10	484	59
Net Income	990	11	687	8	303	44
EPS (NT\$)	0.28		0.19			
EBITDA	2,512	28	2,107	26	405	19



2Q17 Balance Sheet - Memory

	Jun. 30 '17		Mar. 31 '17		QoQ Change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ M						
Current Assets	21,047	30	20,472	31	575	3
Net Fixed Assets	39,000	56	34,832	53	4,168	12
Total Assets	69,947	100	65,333	100	4,614	7
L/T Debt	7,984	11	6,642	10	1,342	20
Total Equity	44,944	64	45,932	70	(988)	(2)
Current Ratio	1.32		1.75			
Debt / Equity Ratio	0.56		0.42			



2Q17 Statement of Cash Flows-Memory

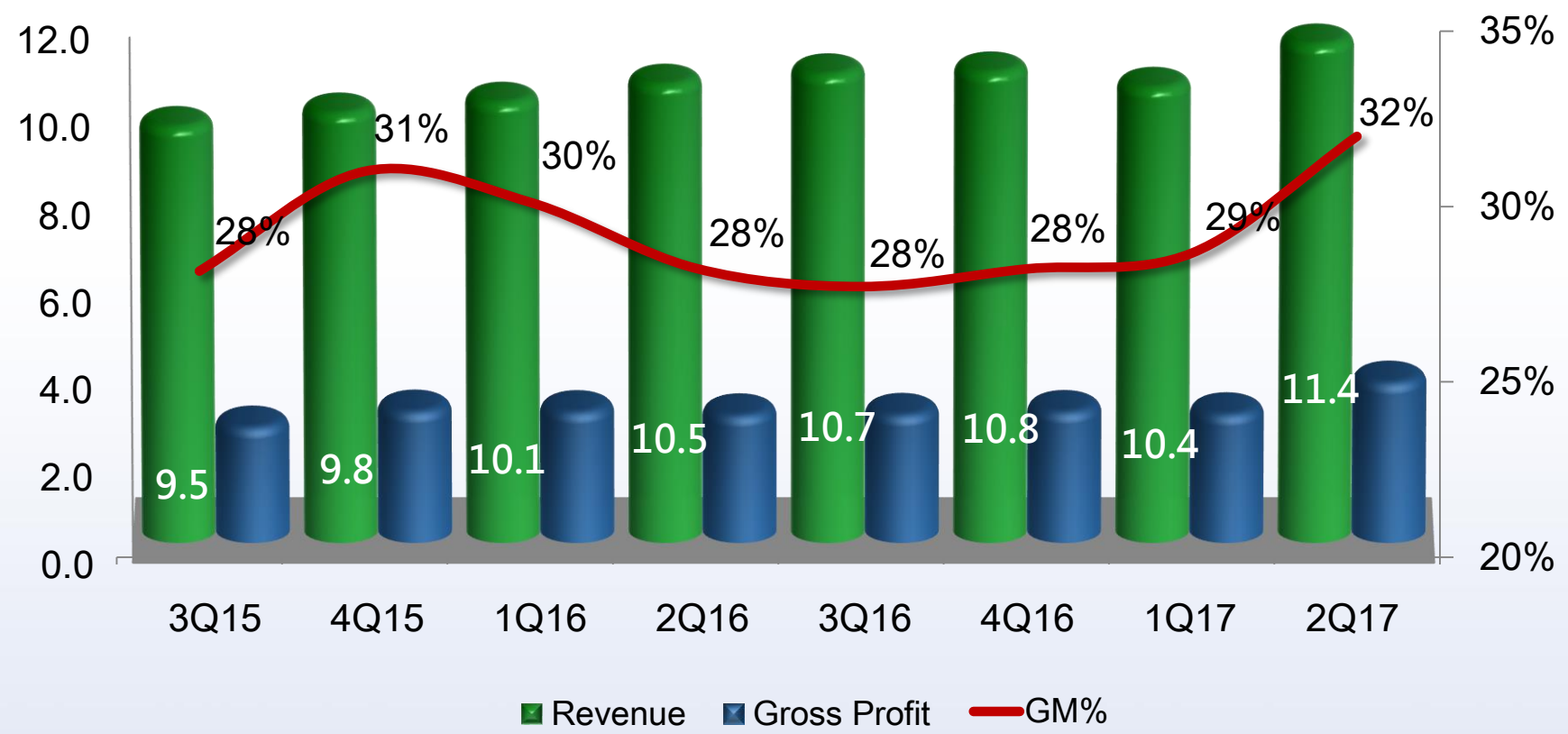
	2Q'17	1Q'17	QoQ Change
	Amount	Amount	Amount
Unit: NT\$ M			
Operating Cash Flow	2,257	2,259	(2)
Investing Cash Flow	(5,320)	(3,399)	(1,921)
Financing Cash Flow	2,805	0	2,805
Cash & Equivalents	3,476	3,734	(258)
Depreciation and Amortization	1,385	1,326	59
CAPEX	(5,320)	(3,399)	(1,921)



Revenue and GM Trend- Consolidated

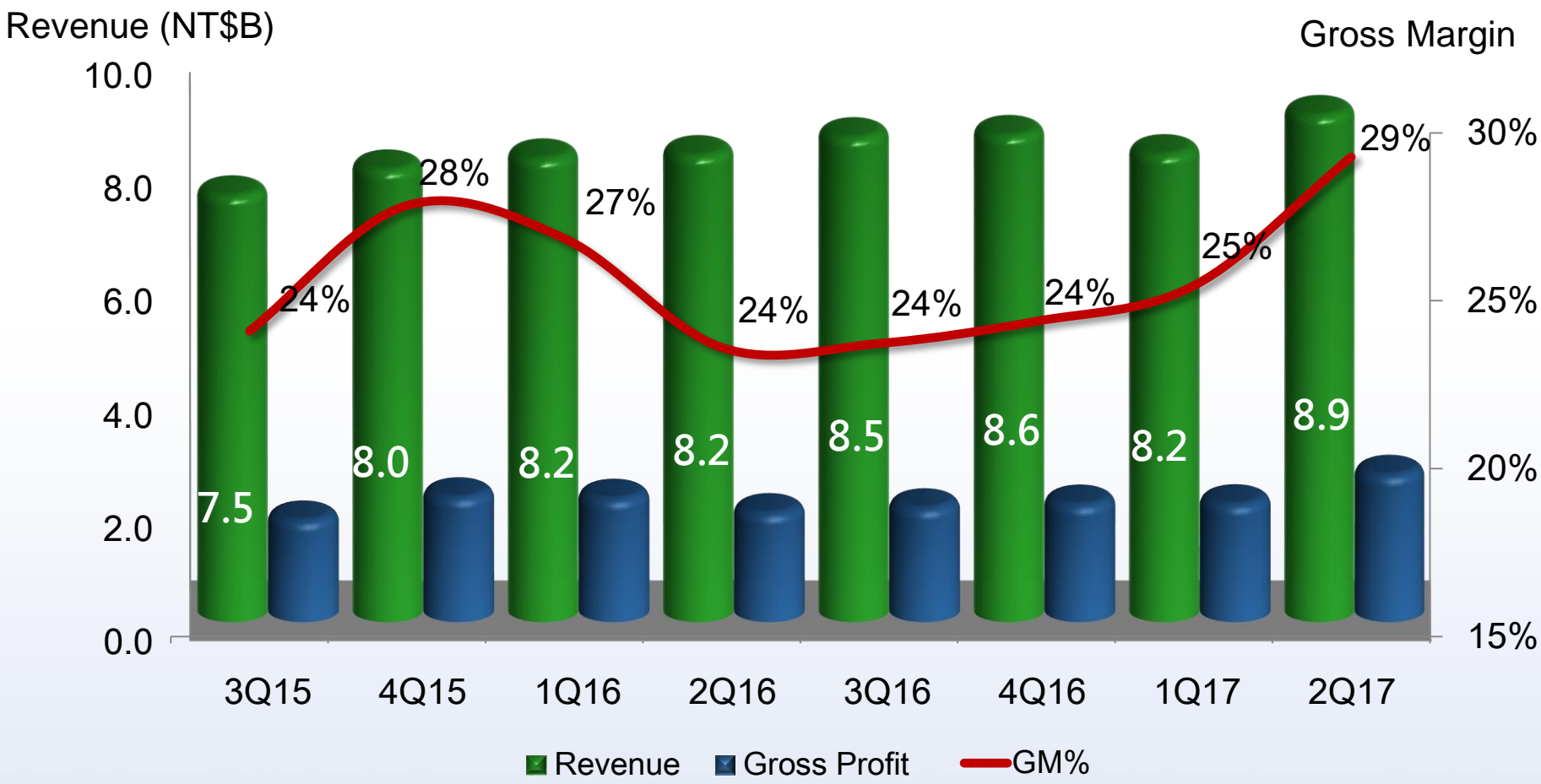
Revenue (NT\$B)

Gross Margin





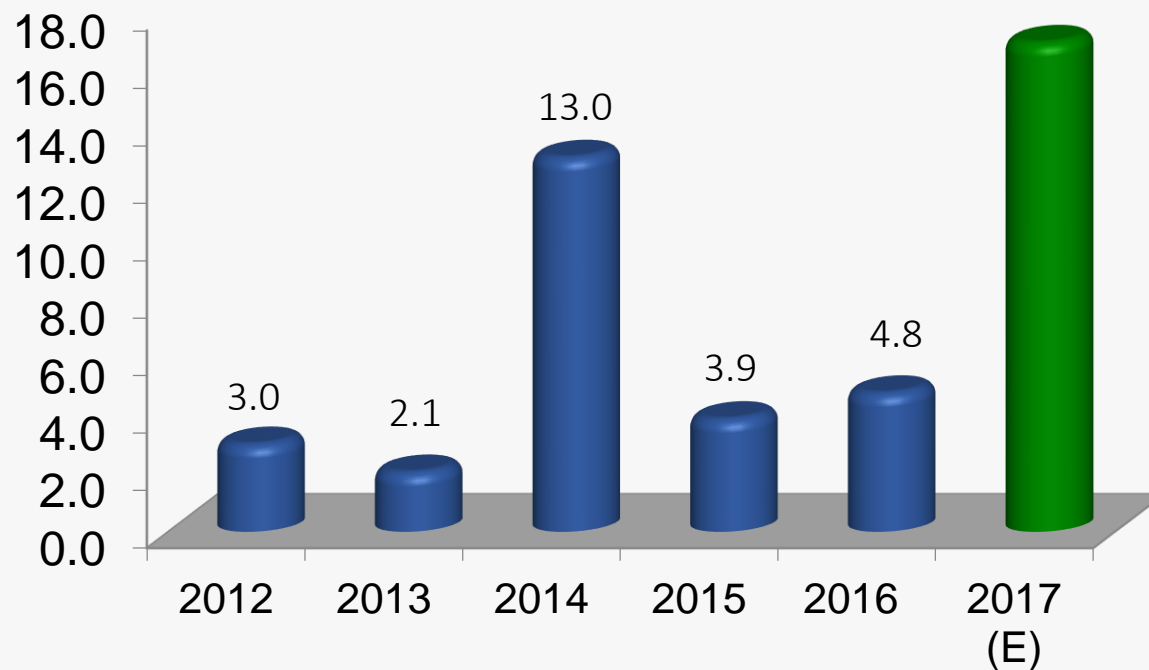
Revenue and GM Trend- Memory





Y2017 CAPEX- Memory

(NT\$ B)



Purpose	%
New capacity & process migration	57%
Fab C facility	20%
New technology	15%
Others	8%
Total	100%

CAPEX(Cash Basis) as of 07/28/2017

winbond



Winbond Business Update & Outlook



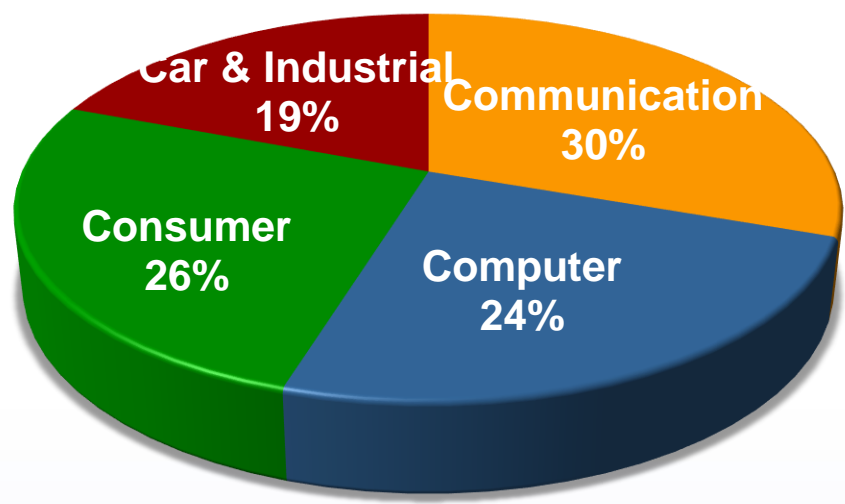
2Q17 Memory Business Recap

	QoQ	YoY
Revenue	+8%	+9%
Gross Profit	+25%	+35%

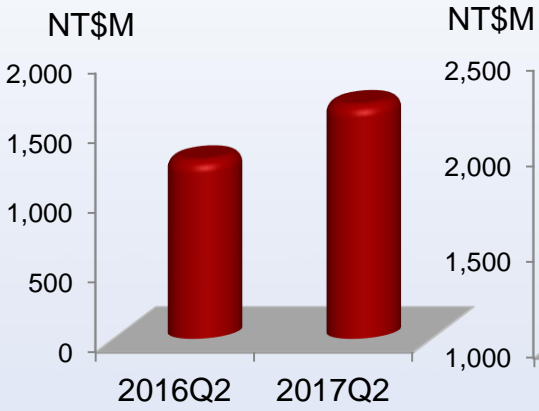
- Increasing demand in NTKW and industrial application contributed to revenue growth
- Gross margin improved significantly both QoQ and YoY due to better product mix and price increase



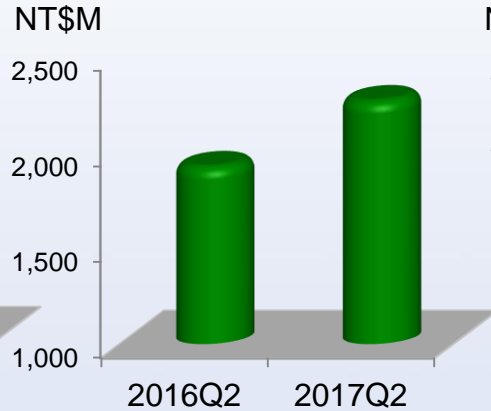
2Q17 Revenue Breakdown by Application



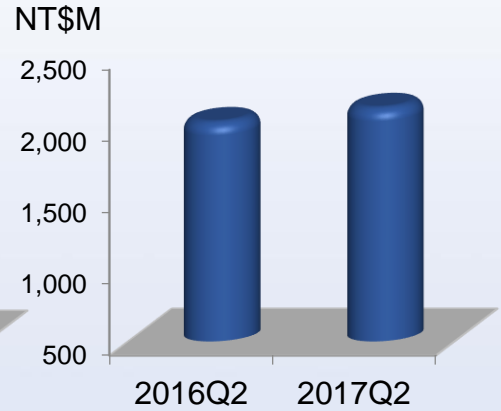
Car & Industrial
QoQ +14%
YoY +31%



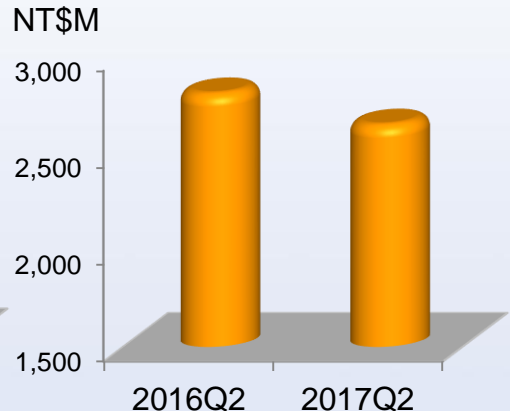
Consumer
QoQ +10%
YoY +18%



Computer
QoQ +9%
YoY +5%



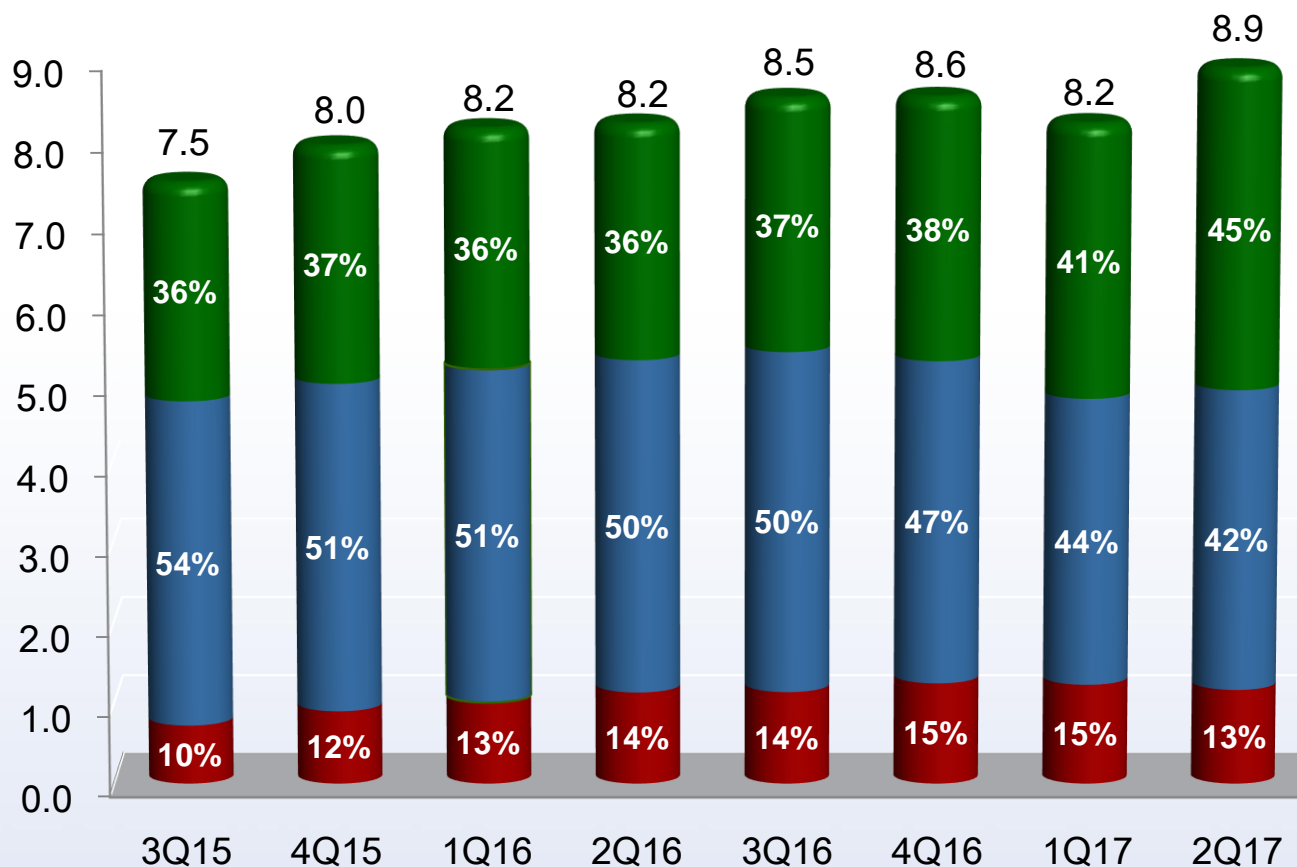
Communication
QoQ +3%
YoY -6%





2Q17 Revenue Breakdown by Product

Revenue (NT\$B)



	QoQ	YoY
Flash	+17%	+36%
Specialty	+5%	-10%
Mobile	-5%	+3%



2Q17 Specialty DRAM Business

	QoQ	YoY
Revenue	+5%	-10%

- Revenue growth was constrained by limited capacity
- Revenue declined YoY due to reduced capacity in DRAM
- Gross margin slightly increased



2Q17 Mobile DRAM Business

	QoQ	YoY
Revenue	-5%	+3%

- Demand slightly dropped QoQ due to model change in customer side
- Demand for low density Mobile DRAM increased
- Expanding business in Display application



2Q17 Flash Memory Business

	QoQ	YoY
Revenue	+17%	+36%

- Strong demand along with better product mix and price increase
- Growing demand for NOR Flash in diversified applications
- Increase in content per box drives the demand of mid-to-high density NOR Flash



Memory Market Outlook

□ DRAM

- Demand-Supply balance remains healthy
 - ❖ Increasing content per box in smart phones and servers
 - ❖ Slow technology migration & limited capacity expansion
- Low-to-mid density DRAM market remain lukewarm along with mild increase in ASP.

□ NOR Flash

- Supply shortage will continue in 2H'17
- New applications and content per box drive the growth
- Need to cautiously monitor new capacity in China in 2018
 - ❖ Impact subject to its quality

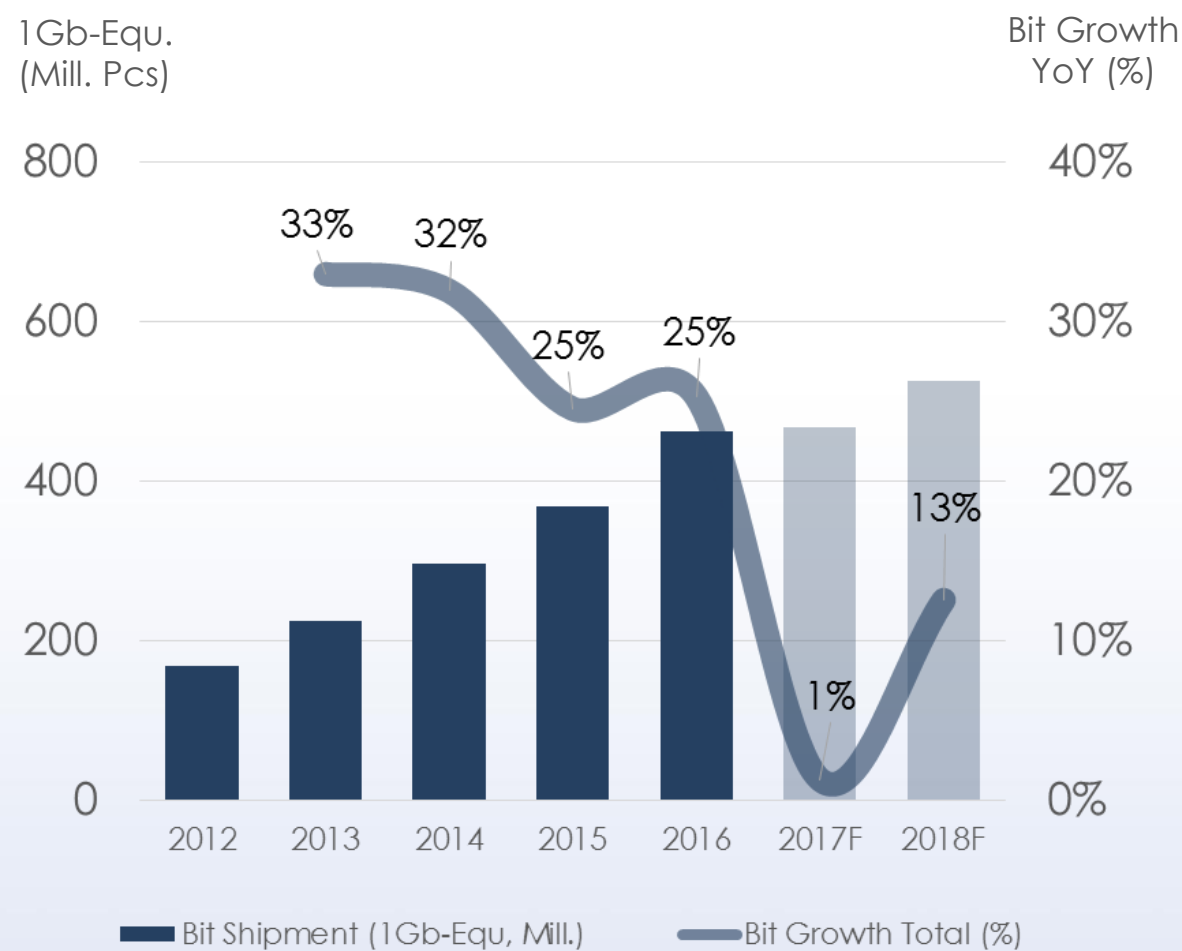


Winbond Business Outlook

- ❑ All wafer capacity is fully utilized due to strong demand from diversified applications and customers.
- ❑ Wafer capacity will be expanded from 44K to 48K WPM in Q4'17 (26K DRAM + 22K Flash).
- ❑ DRAM revenue in 2H'17 will be constrained by limited capacity, while 3x nm products will be into mass production in Q3.
- ❑ Increasing business in new applications and new products
- ❑ Growing business in SLC NAND, especially in Serial NAND

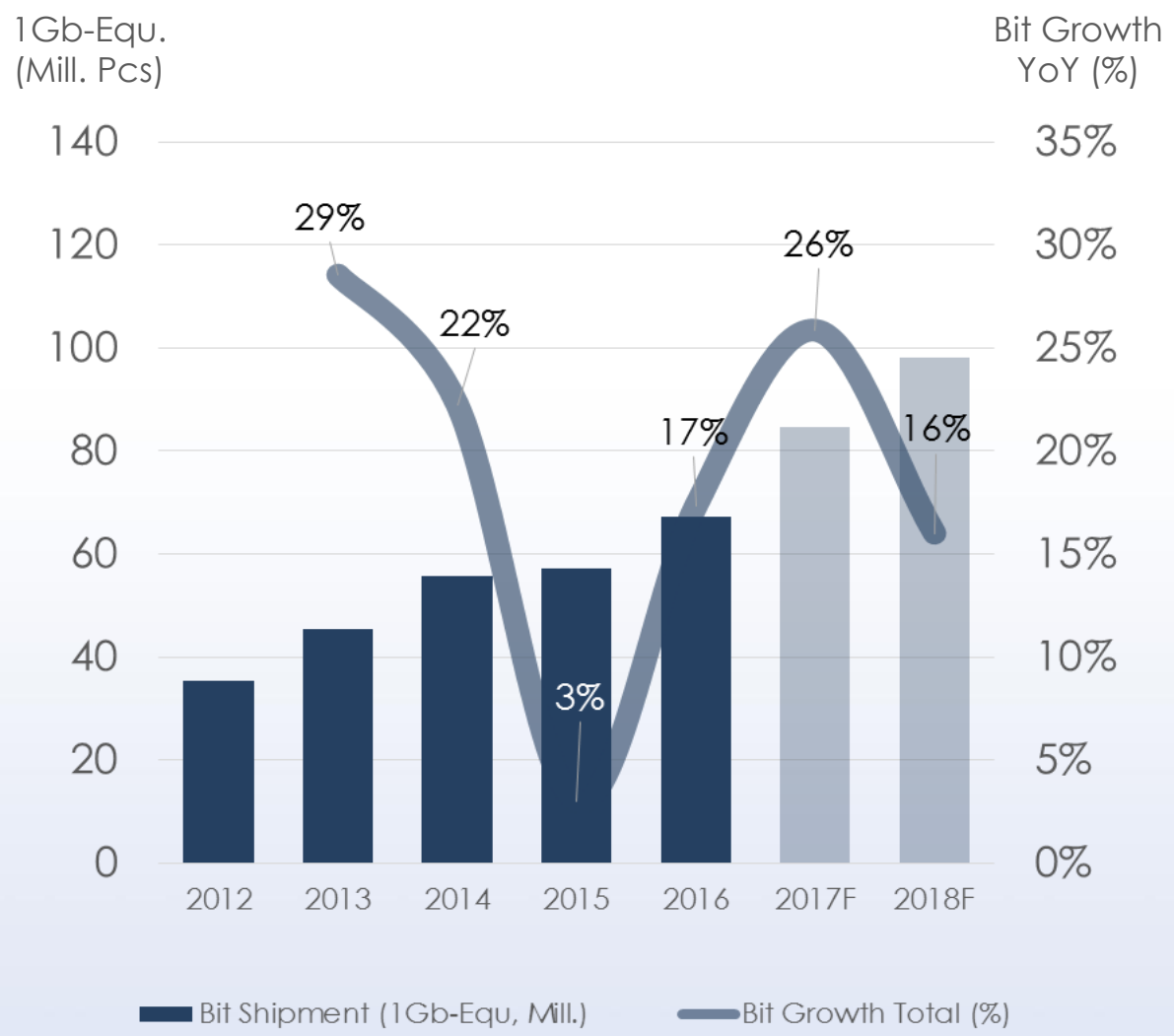


Winbond DRAM Bit Growth (2012~2018)



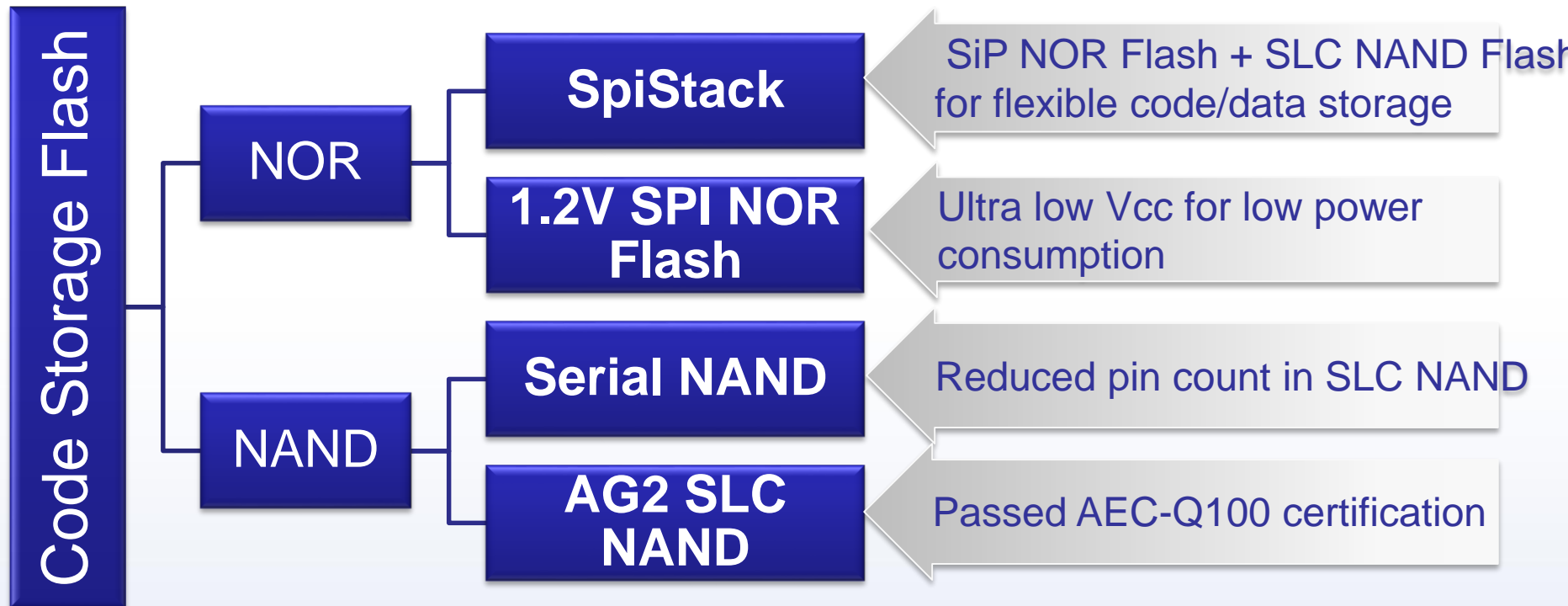


Winbond NOR Flash Bit Growth (2012~2018)



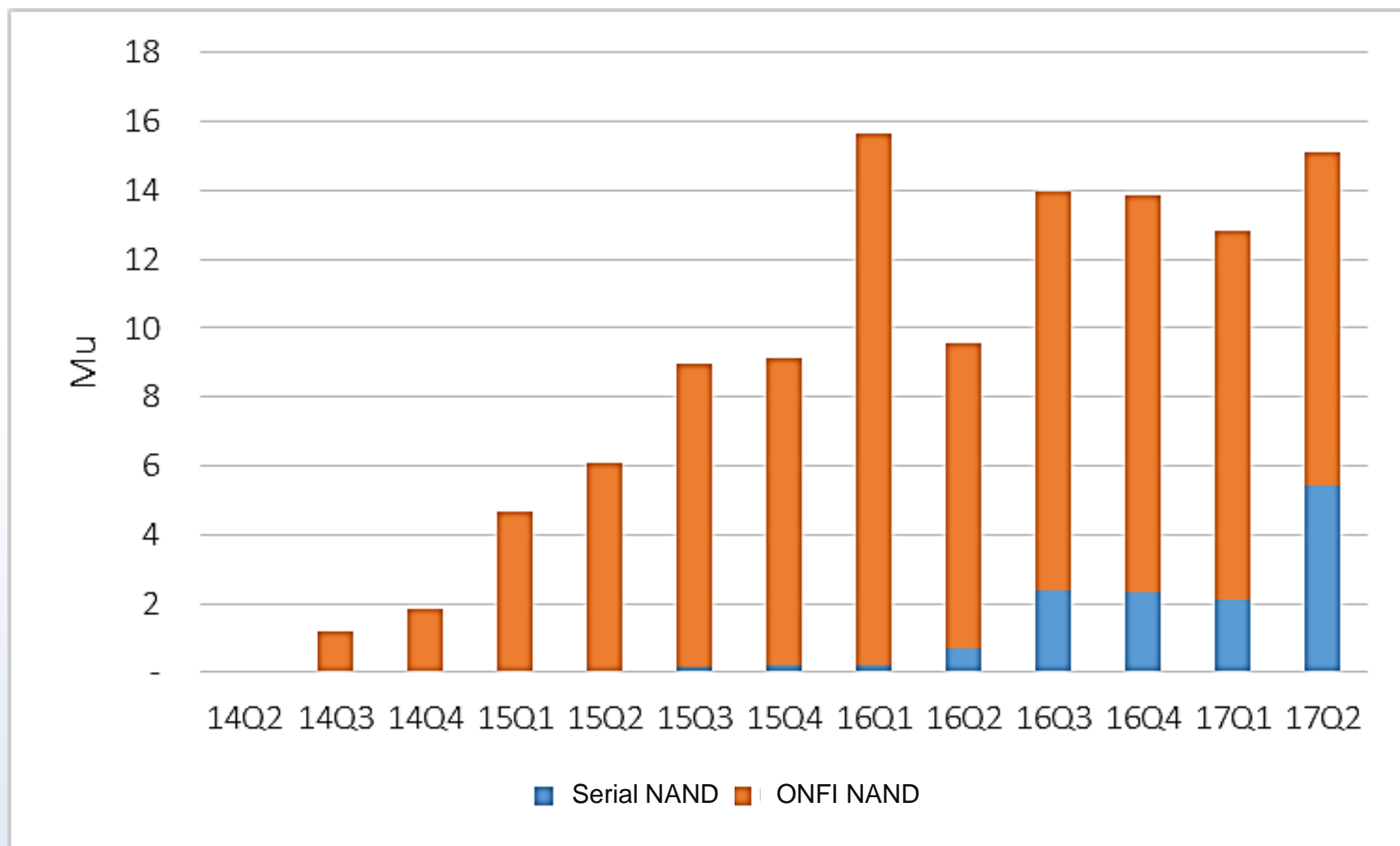


Expanding Product Portfolio in Code Storage Flash





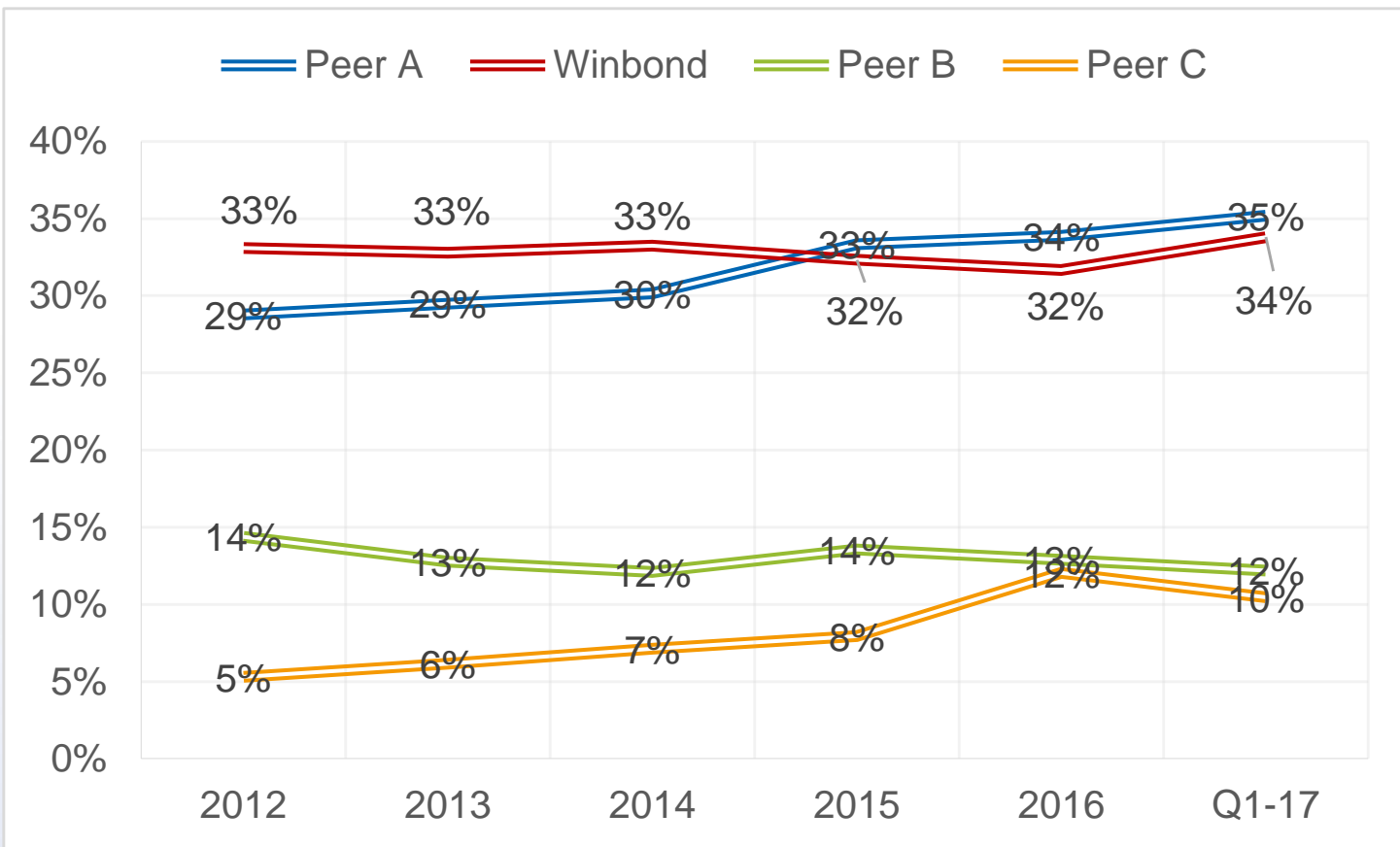
Winbond Business Growth in SLC NAND





Worldwide Serial Flash Market Share

Winbond is Top 2 (34% Share)

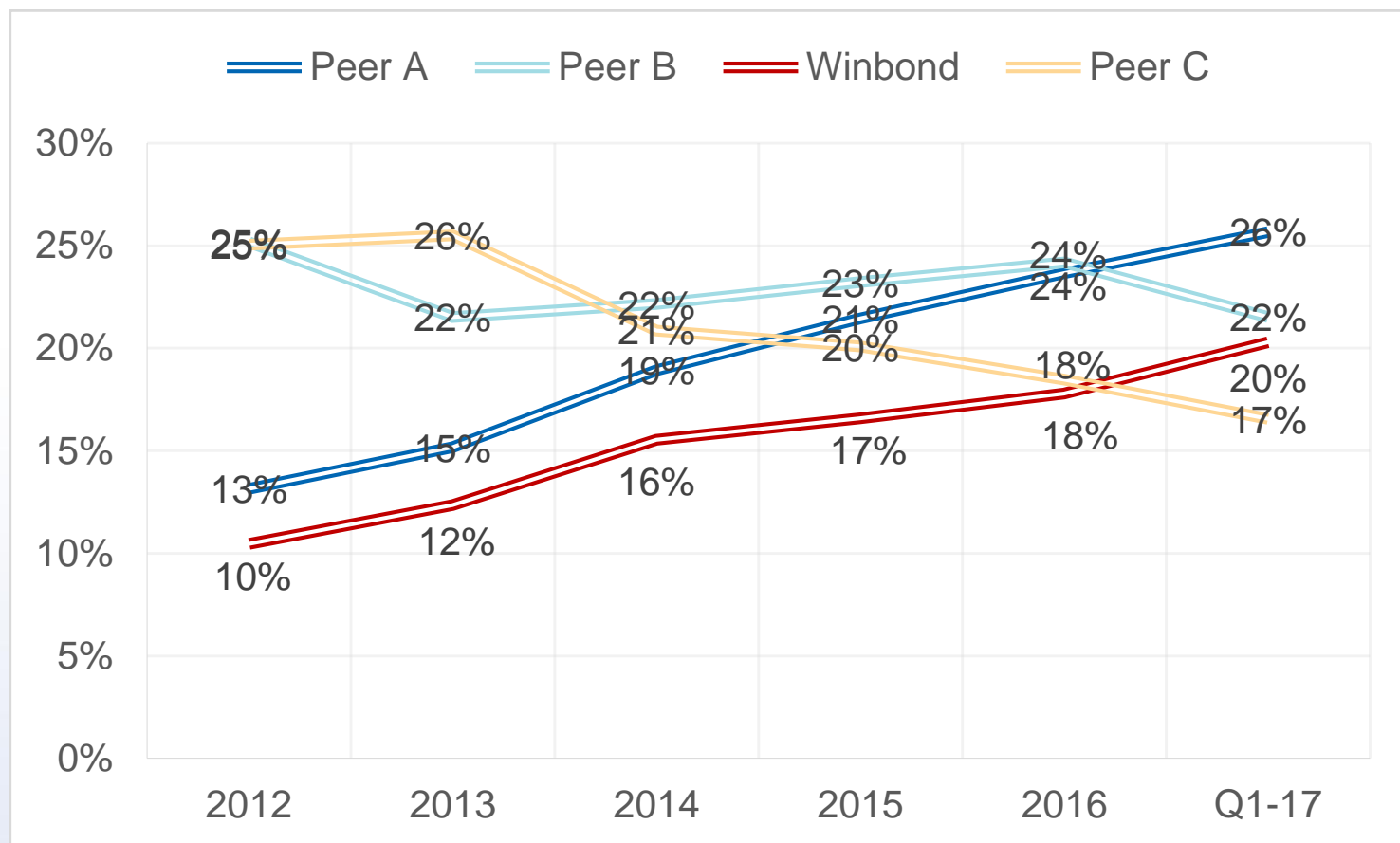


Source from iHS 2017/July



Worldwide NOR Flash Market Share

Winbond is Top 3 (20% Share)



Source from iHS 2017/July