

winbond



1Q' 17 Investor Conference

Apr 28, 2017



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- 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.
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- 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.

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Financial Results



1Q17 Statement of Comprehensive Income - Consolidated

Unit: NT\$ M	1Q'17		4Q'16		QoQ Change	
	Amount	%	Amount	%	Amount	%
Net Sales	10,425	100	10,775	100	(350)	(3)
Gross Profit	2,989	29	3,041	28	(52)	(2)
Operating Income	925	9	937	9	(12)	(1)
Pretax Income	883	8	988	9	(105)	(11)
Net Income	723	7	871	8	(148)	(17)
EPS (NT\$)	0.19		0.23			
EBITDA	2,316	22	2,326	22	(10)	(0)



1Q17 Balance Sheet - Consolidated

Unit: NT\$ M	Mar. 31 '17		Dec. 31 '16		QoQ Change	
	Amount	%	Amount	%	Amount	%
Current Assets	26,345	38	27,260	40	(915)	(3)
Net Fixed Assets	35,622	52	34,373	51	1,249	4
Total Assets	68,861	100	67,989	100	872	1
L/T Debt	6,642	10	6,638	10	4	0
Total Equity	47,267	69	45,221	67	2,046	5
Current Ratio	1.96		1.87			
Debt / Equity Ratio	0.46		0.50			



1Q17 Statement of Cash Flows - Consolidated

	1Q'17	4Q'16	QoQ Change
Unit: NT\$ M	Amount	Amount	Amount
Operating Cash Flow	2,045	3,103	(1,058)
Investing Cash Flow	(3,499)	(2,075)	(1,424)
Financing Cash Flow	(15)	(1,762)	1,747
Cash & Equivalents	6,124	7,684	(1,560)
Depreciation and Amortization	1,391	1,389	2
CAPEX	(3,497)	(2,352)	(1,145)



1Q17 Statement of Comprehensive Income - Memory

Unit: NT\$ M	1Q'17		4Q'16		QoQ Change	
	Amount	%	Amount	%	Amount	%
Net Sales	8,248	100	8,585	100	(337)	(4)
Gross Profit	2,099	25	2,094	24	5	0
Operating Income	781	9	761	9	20	3
Pretax Income	814	10	936	11	(122)	(13)
Net Income	687	8	819	10	(132)	(16)
EPS (NT\$)	0.19		0.23			
EBITDA	2,107	26	2,083	24	24	1



1Q17 Balance Sheet - Memory

	Mar. 31 '17		Dec. 31 '16		QoQ Change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ M						
Current Assets	20,472	31	21,270	33	(798)	(4)
Net Fixed Assets	34,832	53	33,608	52	1,224	4
Total Assets	65,333	100	64,399	100	934	1
L/T Debt	6,642	10	6,638	10	4	0
Total Equity	45,932	70	43,921	68	2,011	5
Current Ratio	1.75		1.67			
Debt / Equity Ratio	0.42		0.47			



1Q17 Statement of Cash Flows-Memory

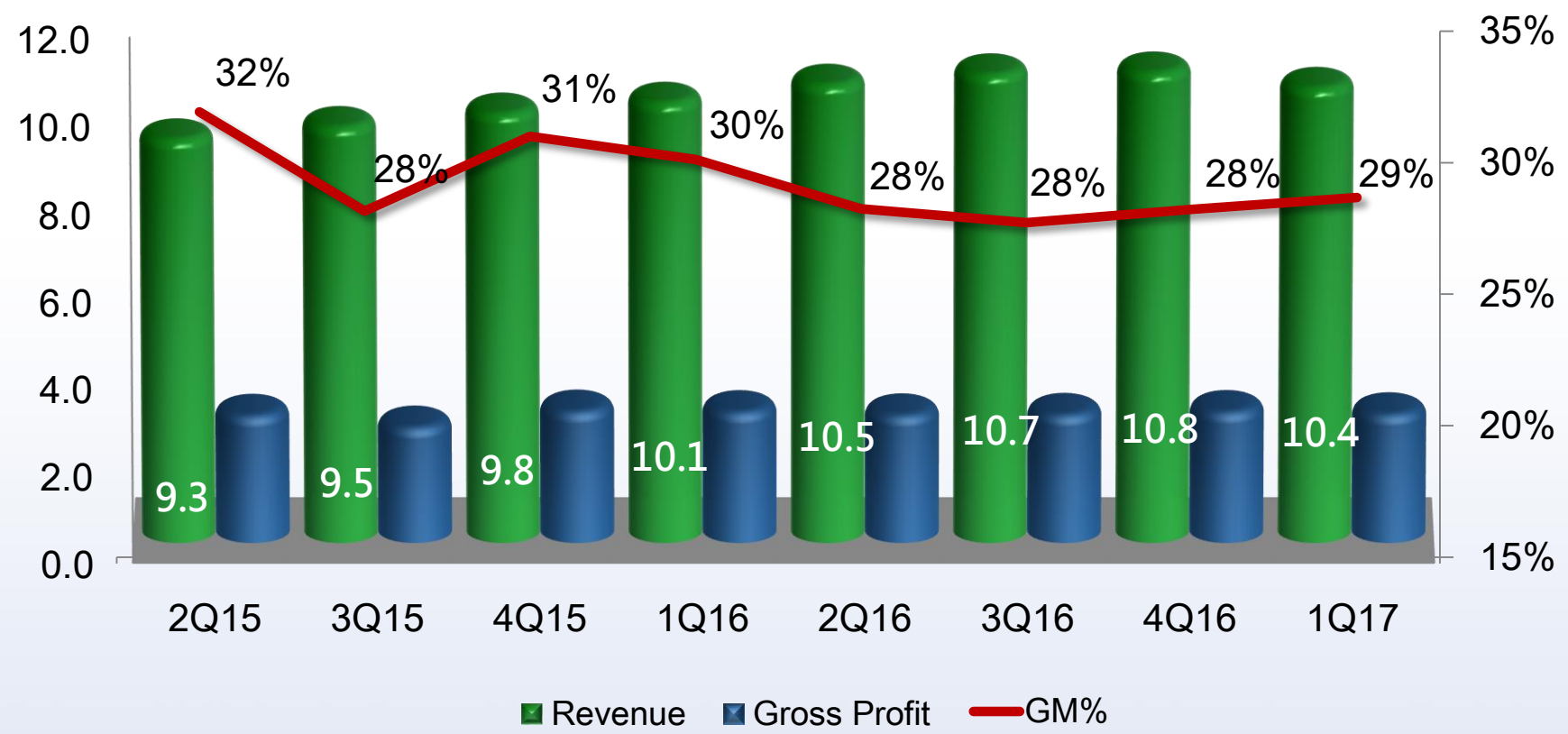
	1Q'17	4Q'16	QoQ Change
Unit: NT\$ M	Amount	Amount	Amount
Operating Cash Flow	2,259	2,792	(533)
Investing Cash Flow	(3,399)	(1,895)	(1,504)
Financing Cash Flow	0	(1,766)	1,766
Cash & Equivalents	3,734	4,874	(1,140)
Depreciation and Amortization	1,326	1,322	4
CAPEX	(3,399)	(2,255)	(1,144)



Revenue and GM Trend- Consolidated

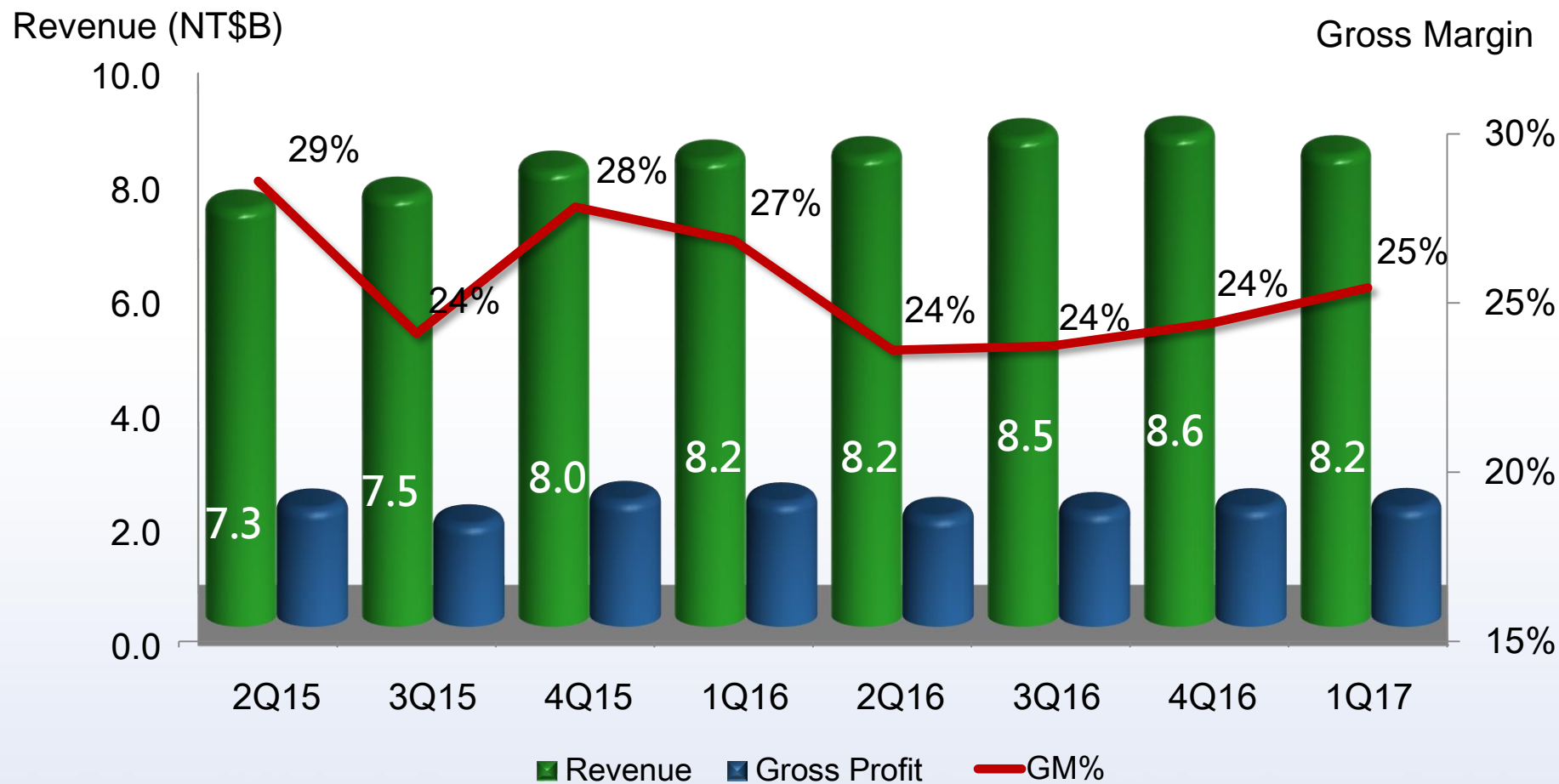
Revenue (NT\$B)

Gross Margin





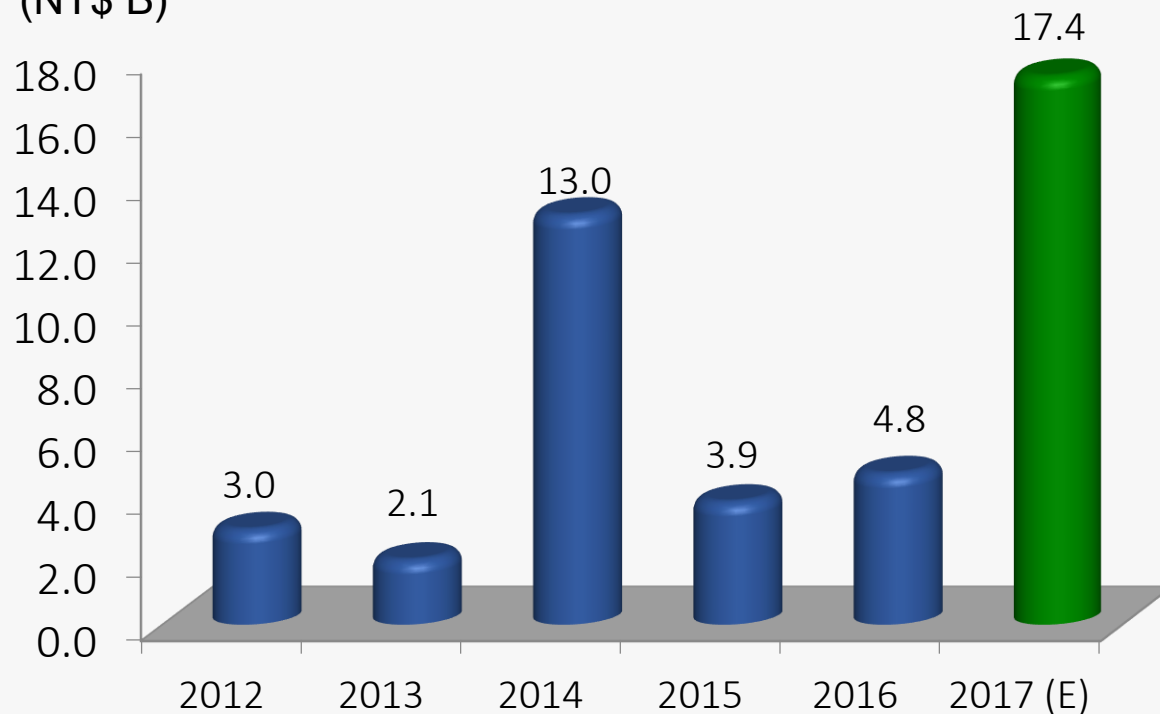
Revenue and GM Trend- Memory





Y2017 CAPEX- Memory

(NT\$ B)



Purpose	%
New capacity & process migration	53%
Fab C facility	25%
New technology	17%
Others	5%
Total	100%

CAPEX(Cash Basis) as of 04/28/2017

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Winbond Business Update & Outlook



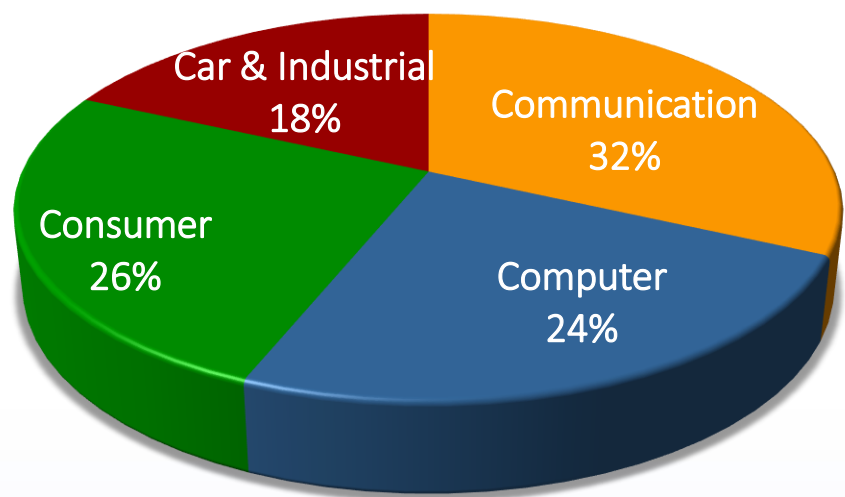
1Q17 Memory Business Recap

	QoQ	YoY
Revenue	-4%	+1%
Gross Profit	+0%	-4%

- ❑ Revenue slightly decreased due to unfavorable exchange rate and capacity limitation
- ❑ Exchange rate impacted gross margin
- ❑ Business performance was stabilized by price increase, better product mix and cost down.

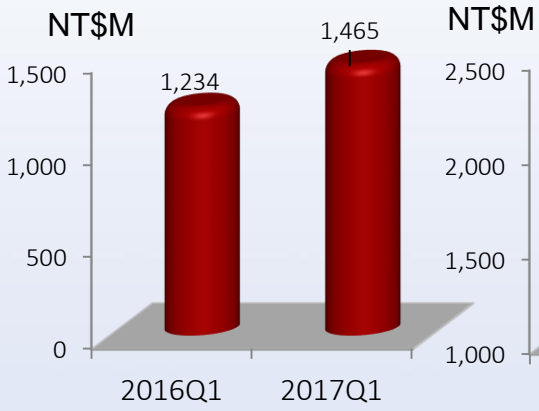


1Q17 Revenue Breakdown by Application

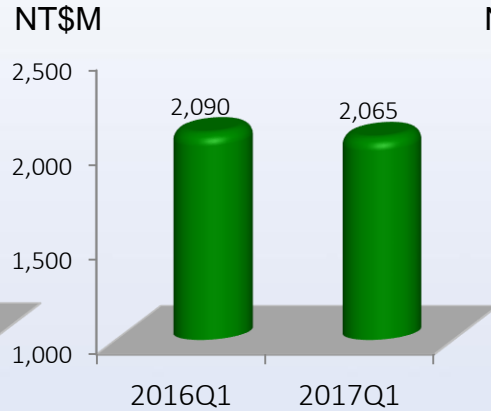


Note: Revenue excluded foundry and others

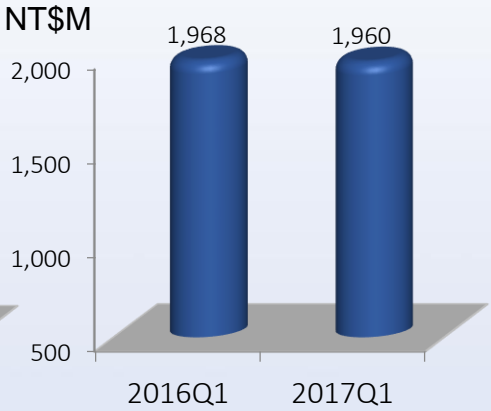
Car & Industrial
QoQ - 10%
YoY + 19%



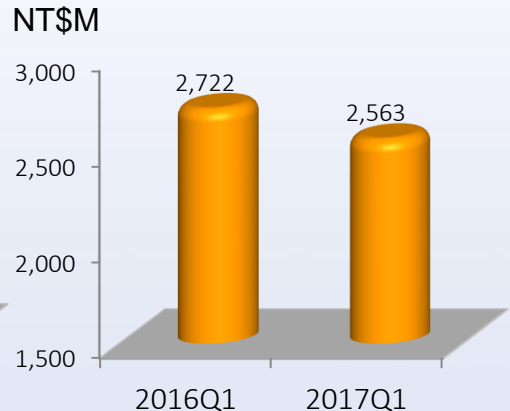
Consumer
QoQ - 9%
YoY - 1%



Computer
QoQ - 6%
YoY - 0%



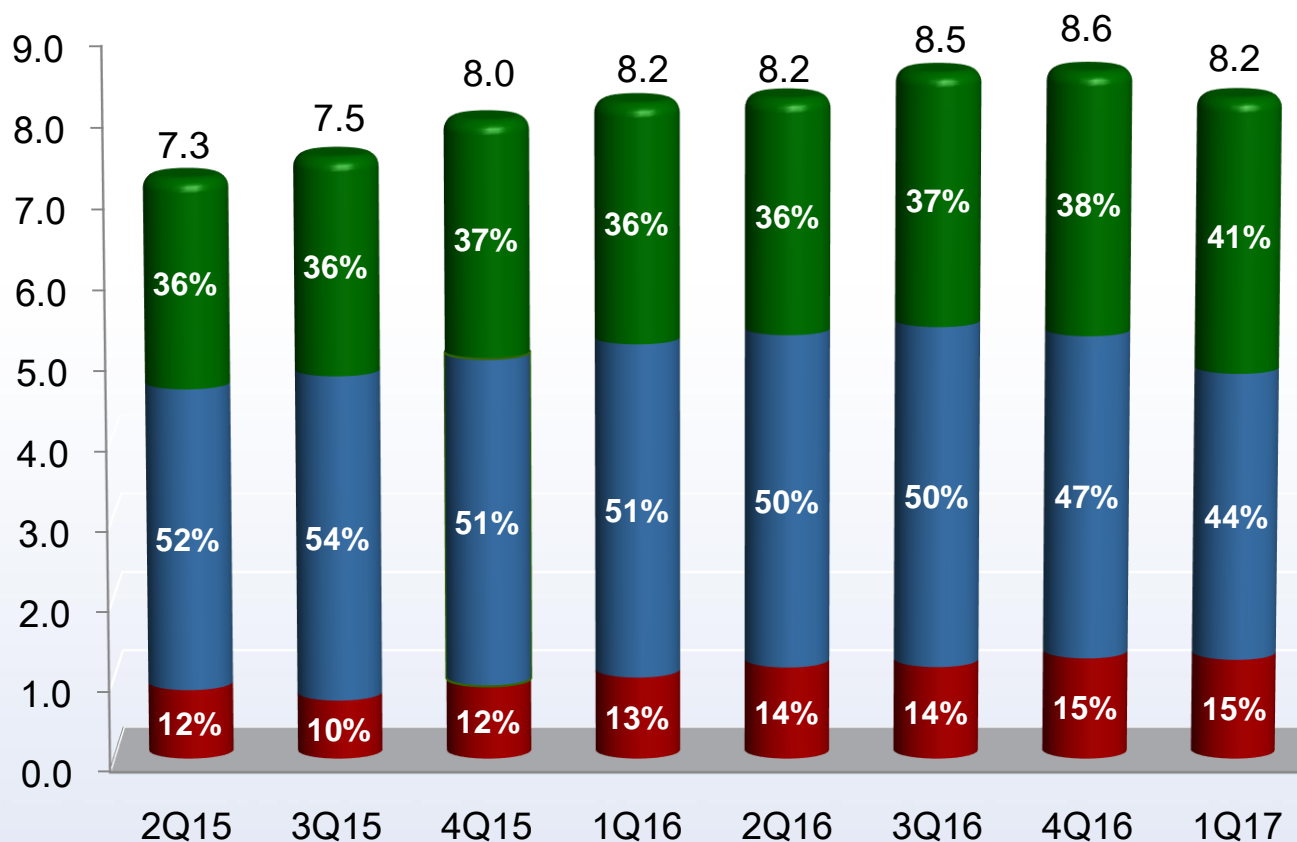
Communication
QoQ + 7%
YoY - 6%





1Q17 Revenue Breakdown by Product

Revenue (NT\$B)



	QoQ	YoY
Flash	+4%	+14%
Specialty	-11%	-14%
Mobile	-1%	+22%



1Q17 Specialty DRAM Business

	QoQ	YoY
Revenue	-11%	-14%

- ❑ Revenue decreased due to reduced capacity (relocated to Flash)
- ❑ Reduced demand in TV and STB due to model change in customers
- ❑ Improved gross margin with better product mix



1Q17 Mobile DRAM Business

	QoQ	YoY
Revenue	-1%	+22%

- ❑ Significant YoY revenue growth driven by business in Handheld and Display
- ❑ Relative flat revenue QoQ due to seasonality



1Q17 Flash Memory Business

	QoQ	YoY
Revenue	+4%	+14%

- ❑ Demand increased in multiple applications, especially in display and handheld devices
- ❑ Content per box in various devices continued increasing



Memory Market Outlook

❑ DRAM

- Content increase and upcoming hot season drive strong demand in high density DRAM, consuming significant portion of DRAM capacity.
- Supply-demand situation in medium and low density DRAM is relatively stable with slight price increase

❑ NOR Flash

- Limited supply from all NOR Flash suppliers
- Demand for NOR Flash in diversified applications continues to increase along with content increase
- Supply shortage drives price hike
- Need to cautiously monitor new capacity to be added in Taiwan and China in 2018



Winbond Business Outlook

- Optimizing customer/product mix in value-add applications for **“stable business and profit growth”**
- **Continue to increase wafer capacity and upgrade technologies** in the coming years to support business growth
- Focus on DRAM and code-Storage Flash products with special product performance and features (**more than “Moore”**) to establish **“unique competitiveness”**
- 3x nm DRAM will be into mass production from Q3
- Technology development of 2x nm DRAM is on track.

Questions & Answers

Company website

- Winbond: www.winbond.com