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2H19 Investor Conference

February 7, 2020



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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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Financial Results

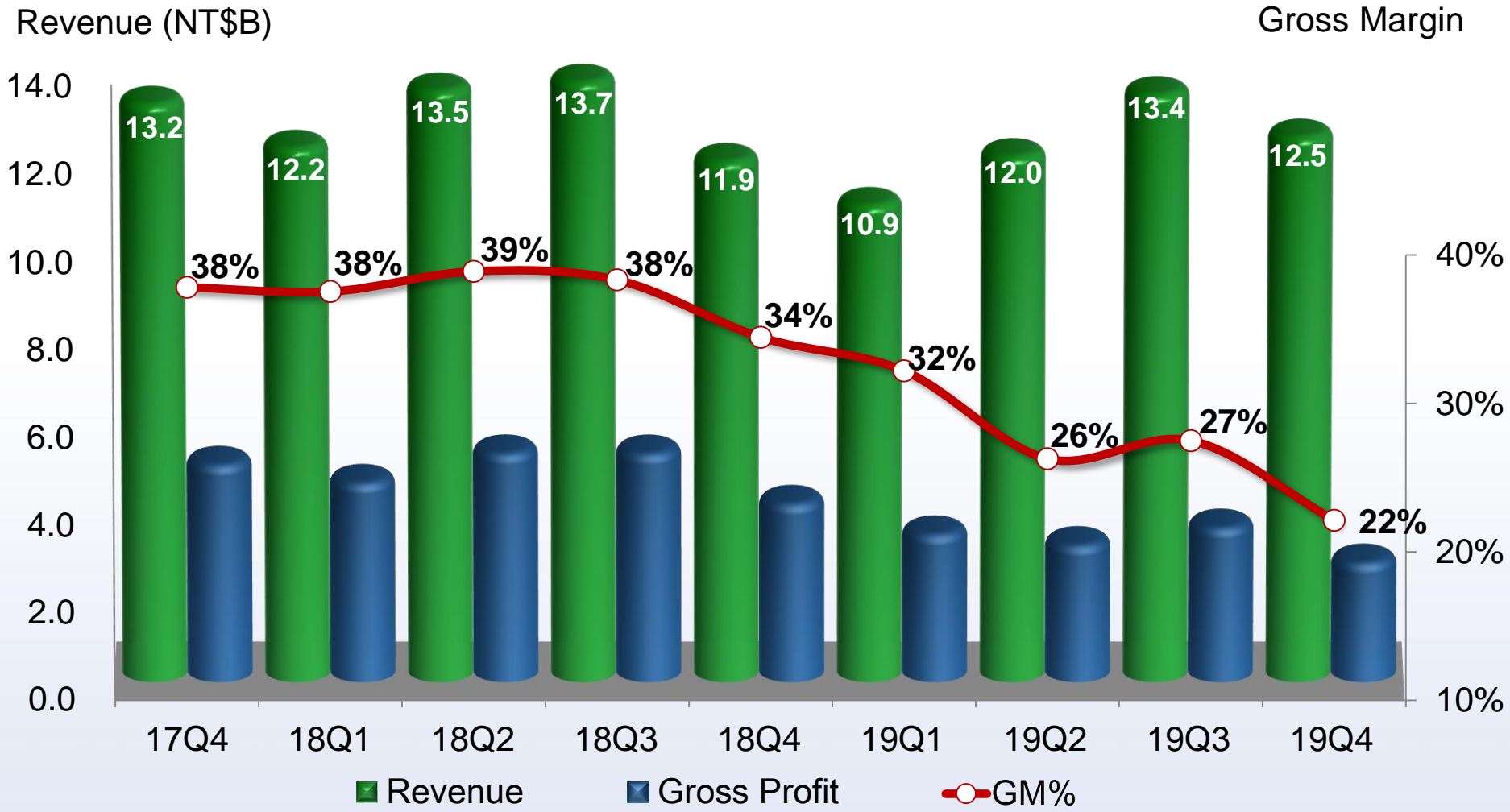


Statement of Comprehensive Income - Consolidated

Unit: NT\$ M	2019Q4	2019Q3	QoQ	2019	2018	YoY
Net Sales	12,453	13,420	(967)	48,771	51,190	(2,419)
Gross Profit	2,755	3,555	(800)	12,914	19,151	(6,237)
Gross Margin	22%	27%		27%	37%	
Operating Income	(137)	496	(633)	1,255	7,927	(6,672)
Operating Margin	-1%	4%		3%	15%	
Net Non-Operating Income (Loss)	(90)	253	(343)	497	468	29
Income Tax Benefit (Expense)	81	(88)	169	(275)	(667)	392
Net Income (Loss)	(147)	661	(808)	1,477	7,728	(6,251)
Earnings Per Share	(0.05)	0.15	(0.20)	0.32	1.87	(1.55)
EBITDA	2,134	2,715	(582)	10,033	15,510	(5,477)



Revenue and GM Trend- Consolidated





Balance Sheet - Consolidated

Unit: NT\$ M	Dec. 31 '19	%	Jun. 30 '19	%	Dec. 31 '18	%
Cash	11,468	11%	14,074	13%	12,560	13%
Inventory (Net)	10,332	10%	11,068	11%	10,908	11%
Property, Plant and Equipment	56,977	54%	55,730	54%	52,484	55%
Total Assets	104,805	100%	103,280	100%	96,042	100%
L/T Liability	19,662	19%	16,955	17%	14,099	14%
Total Liabilities	40,948	39%	43,013	42%	32,151	33%
Shareholders' Equity	63,857	61%	60,267	58%	63,891	67%
Debt / Equity Ratio	0.64		0.71		0.50	
Current Ratio	2.14		1.75		2.28	



Statement of Cash Flows - Consolidated

Unit: NT\$ M	2019Q4	2019Q3	QoQ	2019	2018	YoY
Operating Cash Flow	3,896	1,834	2,062	10,576	13,533	(2,957)
Depreciation & Amortization	2,271	2,219	52	8,778	7,583	1,195
Investing Cash Flow	(2,623)	(5,223)	2,600	(14,636)	(17,062)	2,426
CAPEX	(2,524)	(4,395)	1,871	(13,431)	(16,930)	3,499
Financing Cash Flow	868	(1,241)	2,109	3,033	1,854	1,179
Net change	2,046	(4,652)	6,698	(1,092)	(1,613)	521
Cash & Equivalents	11,468	9,422	2,046	11,468	12,560	(1,092)



Statement of Comprehensive Income - Memory

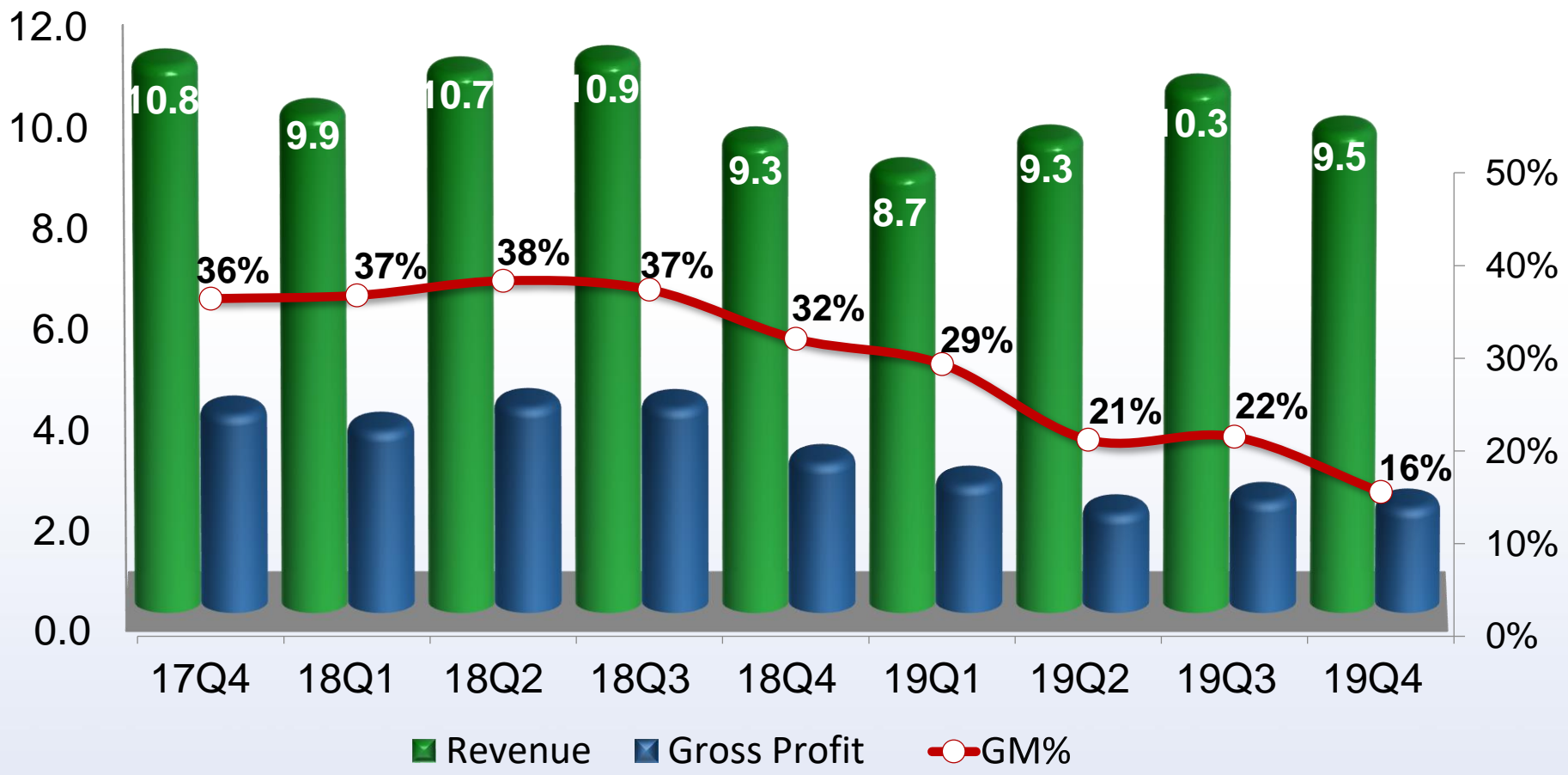
Unit: NT\$ M	2019Q4	2019Q3	QoQ	2019	2018	YoY
Net Sales	9,528	10,341	(813)	37,885	40,734	(2,849)
Gross Profit	1,484	2,226	(742)	8,239	14,781	(6,542)
Gross Margin	16%	22%		22%	36%	
Operating Income	(415)	197	(612)	379	6,944	(6,565)
Operating Margin	-4%	2%		1%	17%	
Net Non-Operating Income (Loss)	85	416	(331)	980	993	(13)
Income Tax Benefit (Expense)	118	(22)	140	(103)	(491)	388
Net Income (Loss)	(212)	591	(803)	1,256	7,446	(6,190)
Earnings Per Share	(0.05)	0.15	(0.20)	0.32	1.87	(1.55)
EBITDA	1,743	2,309	(566)	8,738	14,254	(5,516)



Revenue and GM Trend- Memory

Revenue (NT\$B)

Gross Margin





Balance Sheet - Memory

Unit: NT\$ M	Dec. 31 '19	%	Jun. 30 '19	%	Dec. 31 '18	%
Cash	5,425	6%	11,205	11%	9,385	10%
Inventory (Net)	8,750	9%	9,554	10%	9,331	10%
Property, Plant and Equipment	55,691	57%	54,779	55%	51,578	56%
Total Assets	98,249	100%	98,814	100%	92,173	100%
L/T Liability	19,162	19%	16,955	17%	14,099	15%
Total Liabilities	37,228	38%	39,890	40%	29,729	32%
Shareholders' Equity	61,021	62%	58,924	60%	62,444	68%
Debt / Equity Ratio	0.61		0.68		0.48	
Current Ratio	1.80		1.63		2.13	



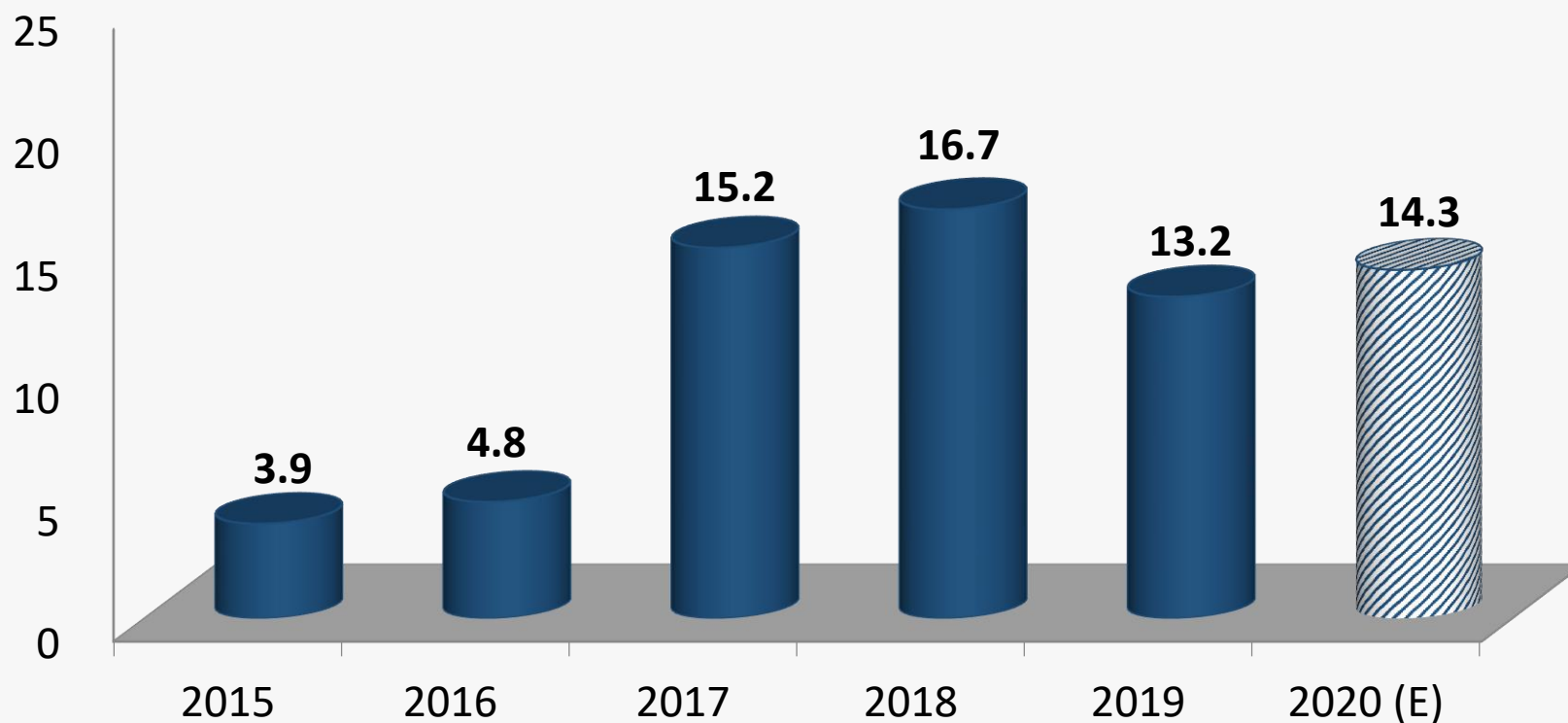
Statement of Cash Flows-Memory

Unit: NT\$ M	2019Q4	2019Q3	QoQ	2019	2018	YoY
Operating Cash Flow	3,188	1,952	1,236	10,131	12,839	(2,708)
Depreciation & Amortization	2,159	2,112	46	8,359	7,310	1,049
Investing Cash Flow	(4,459)	(4,547)	88	(15,619)	(17,170)	1,551
CAPEX	(2,404)	(4,330)	1,926	(13,159)	(16,714)	3,555
Financing Cash Flow	(254)	(1,660)	1,406	1,528	2,057	(529)
Net change	(1,525)	(4,255)	2,730	(3,960)	(2,274)	(1,686)
Cash & Equivalents	5,425	6,950	(1,525)	5,425	9,385	(3,960)



Y2019 Memory CAPEX

(NT\$ B)



CAPEX (Cash Basis) as of 1/31/2020

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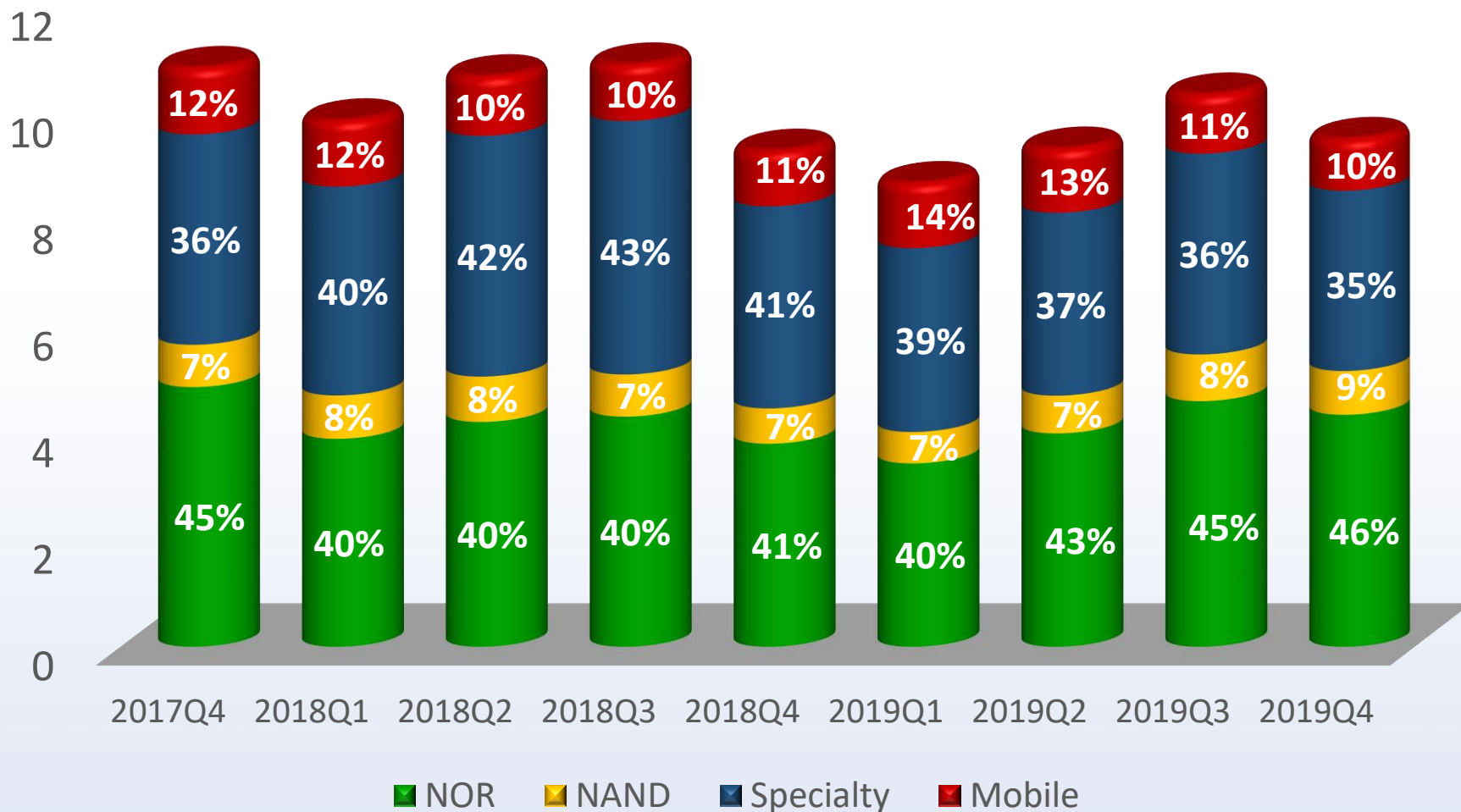


Winbond Business Recap & Outlook



4Q19 Revenue Breakdown by Product

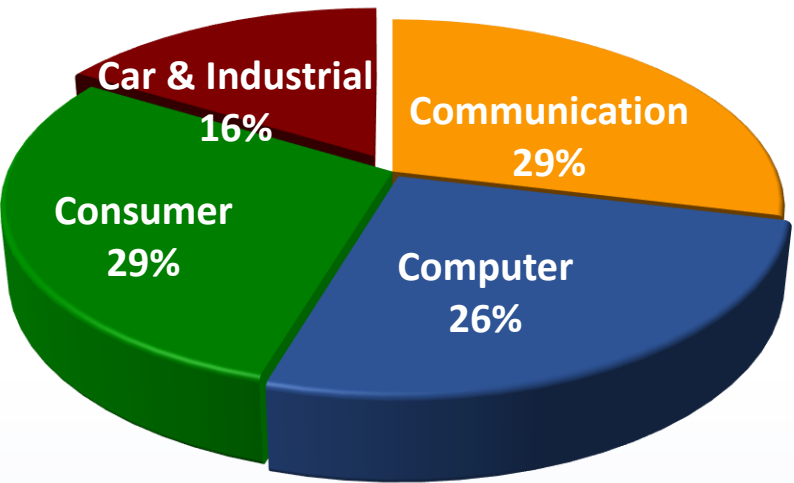
Revenue (NT\$B)



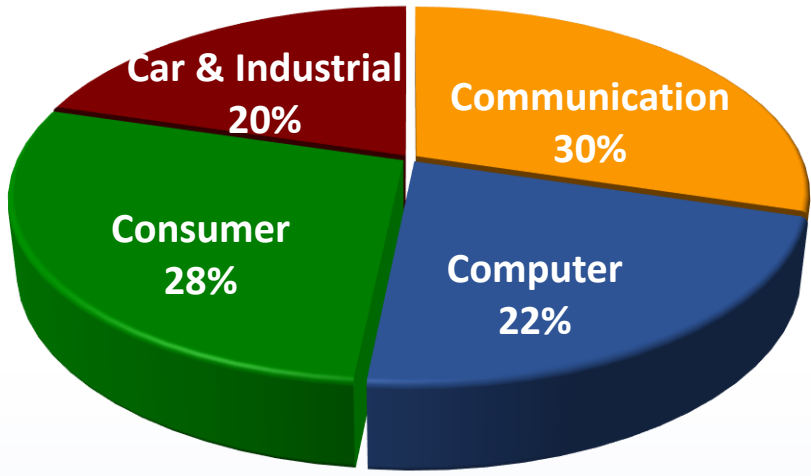


Revenue Breakdown by Application

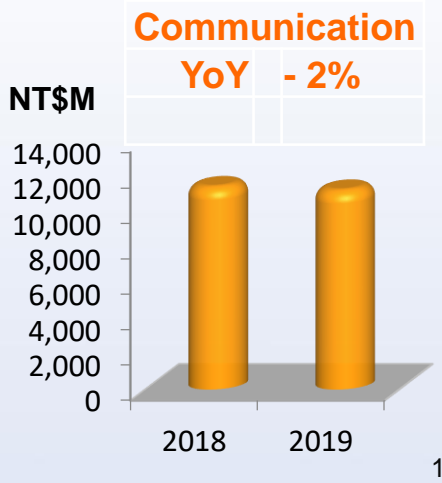
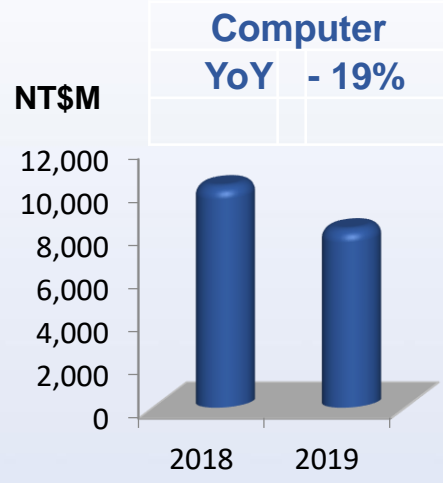
2018



2019



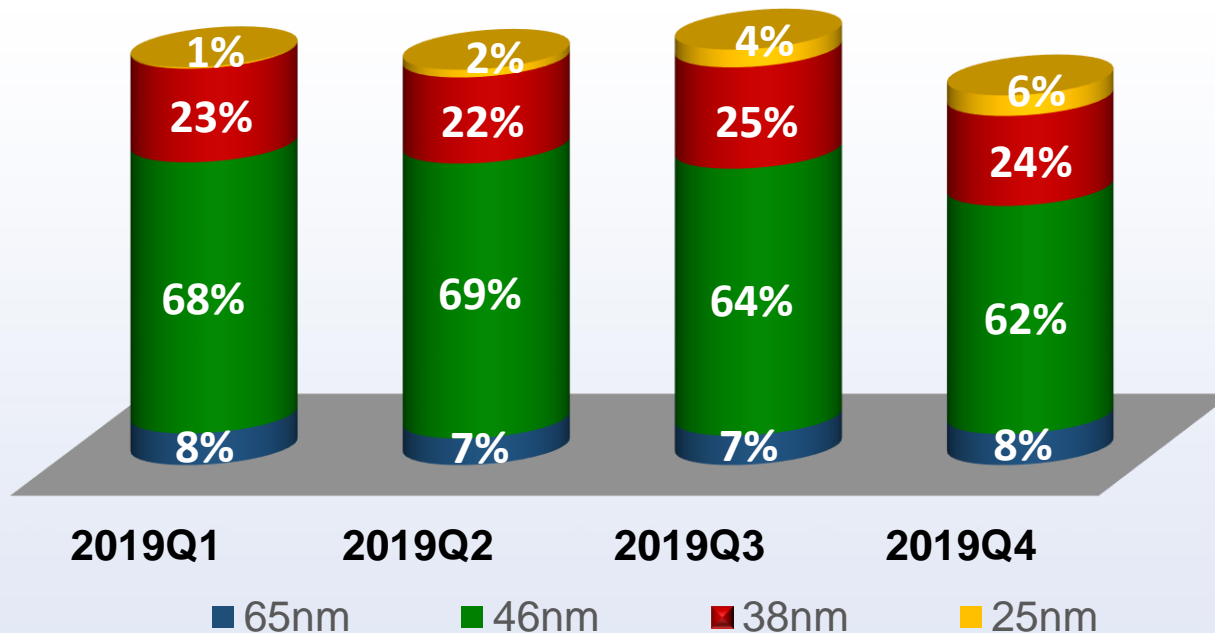
Note: Revenue excluded foundry and others





2019 DRAM Memory Business

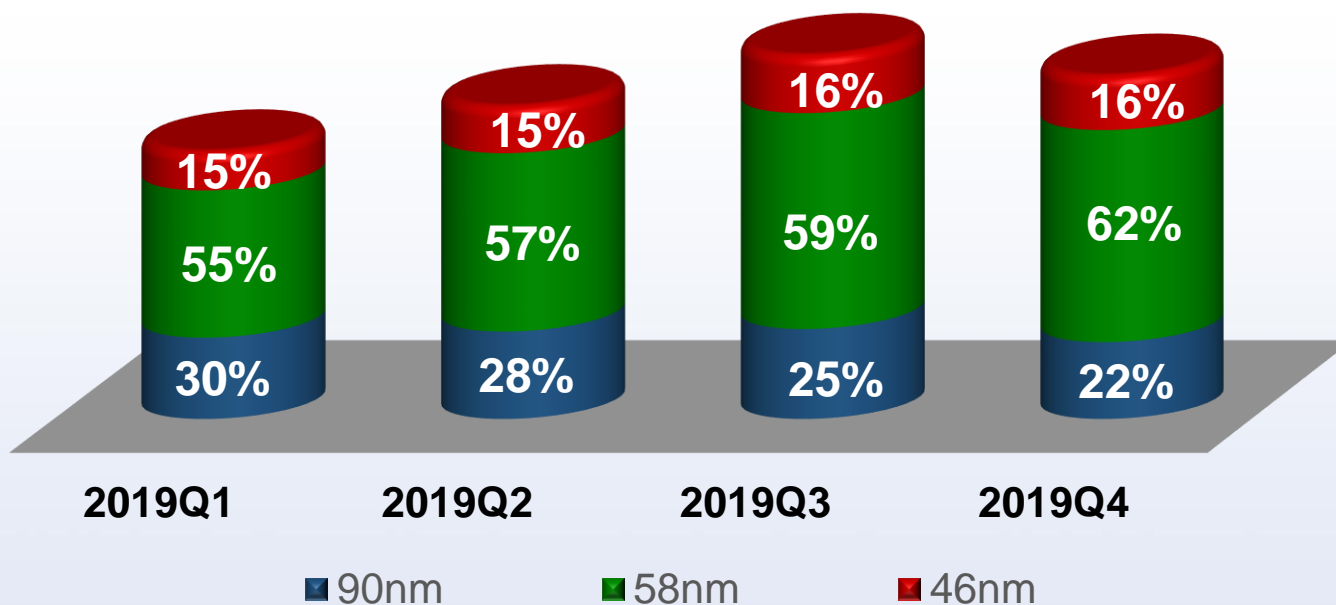
- ❑ Revenue decreased by 14% YoY; shipment quantity roughly kept the same; ASP dropped low teens%.
- ❑ 25nm DRAM revenue increased gradually





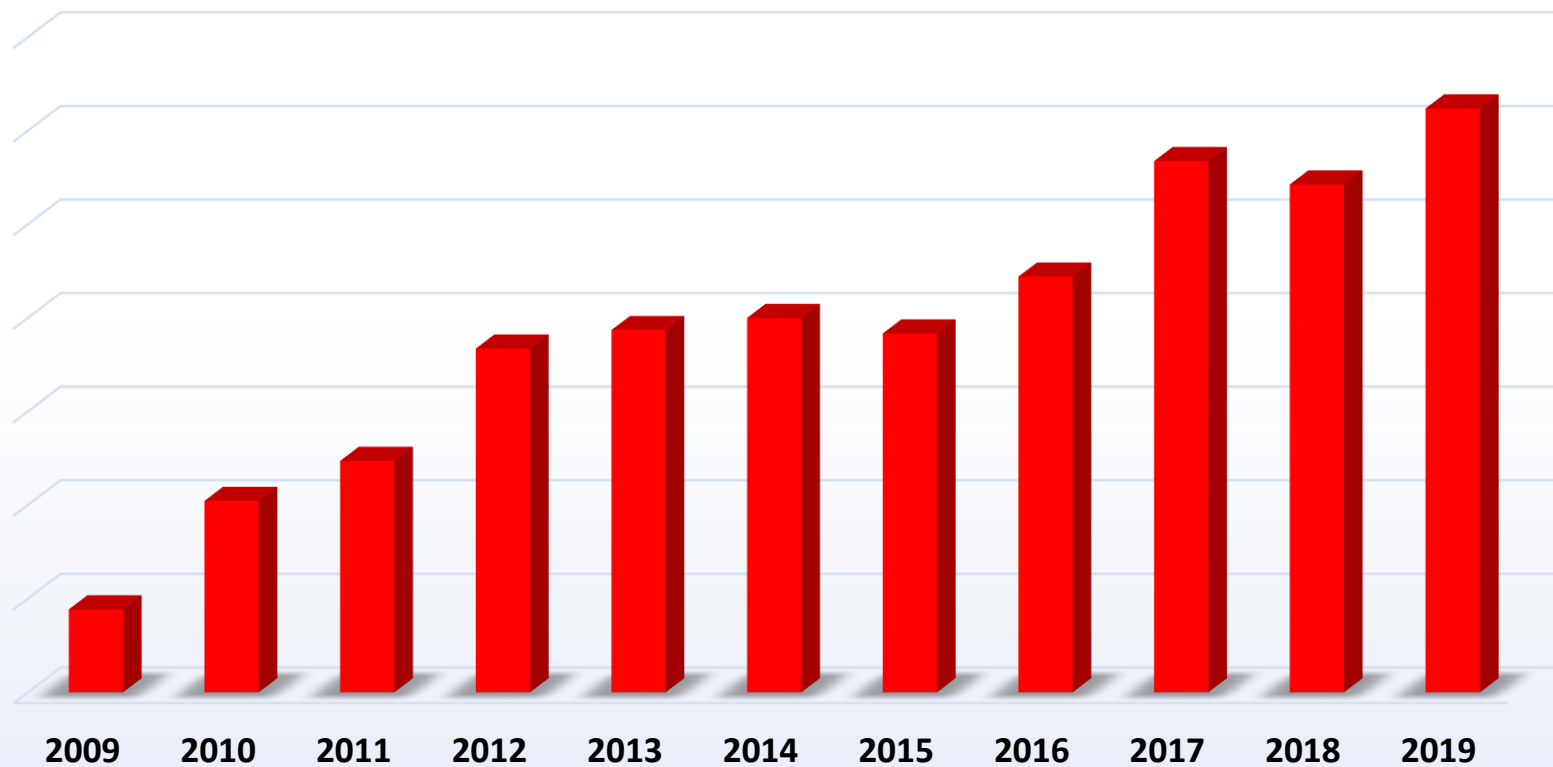
2019 Flash Memory Business

- ❑ Revenue roughly kept the same YoY
- ❑ Record high shipment quantity
- ❑ Price of SLC NAND slowly recovered since Q4'19





Winbond Flash Memory Shipment Quantity





2019 Key Achievement

- ❖ Record high shipment quantity in Flash memory
- ❖ Increasing business in SLC NAND Flash and increasing opportunities in high speed/high quality applications
- ❖ Introduced 2Gb LP DDR4 product
- ❖ Offered low pin-count/low power HyperRAM for AIoT applications
- ❖ Launched 2Gb+2Gb NAND+LPDDR4x MCP for 5G applications
- ❖ Expanded Fab capacity from 52K to 54K wafers per month.
- ❖ Development of 20 nm DRAM technology on track
- ❖ First Taiwan memory company to receive ISO 26262 certificate



Market and Business Outlook (1)

❑ DRAM

- ❖ Demand-supply balance or slight supply shortage is expected in 2H'20.
- ❖ Market is expected to pick-up in 2020 with 5G ecosystem build-up.
- ❖ Applications of IP Cam, PON, Smart speaker, 4K/8K TV, ADAS, IoT, AI etc. will drive more demand.

❑ Code Storage Flash

- ❖ Supply vs. Demand for NOR and SLC NAND will be balanced in 1H'20 with potential supply tight in 2H'20.
- ❖ Continue to expand the customers shares of 256Mb and above products.
- ❖ Emerging applications such as TWS, narrow-band IoT, 5G (base station/ M2M), WiFi-6 and wearable device etc. will grow steadily in 2020 due to enhanced ecosystem.



Market and Business Outlook (2)

❑ Overall Market

- ❖ Recent coronavirus outbreak escalation puts uncertainties for the global economy.
- ❖ Disciplined Capex with inventory adjustment coming to an end will contribute a balanced supply/ demand in 2020.

❑ Winbond Business

- ❖ Expand customer base through cross sale of DRAM and Flash to maintain market position.
- ❖ Continue to invest in additional capacity & new process technology for Flash and DRAM.

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Thank You

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