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**Winbond Electronics Corporation**



# Safe Harbor Notice

- 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



# 3Q15 Statement of Comprehensive Income - Consolidated

Unit: NT\$ M	3Q'15		2Q'15		QoQ Change	
	Amount	%	Amount	%	Amount	%
Net Sales	9,534	100	9,252	100	282	3
Gross Profit	2,685	28	2,954	32	(269)	(9)
Operating Income	820	9	993	11	(173)	(17)
Pretax Income	898	10	1,055	11	(157)	(15)
Net Income	731	8	863	9	(132)	(15)
EPS (NT\$)	0.18		0.22		(0.04)	
EBITDA	2,300	24	2,490	27	(190)	(8)



## 3Q15 Balance Sheet - Consolidated

	Sep. 30 '15		Jun. 30 '15		QoQ Change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ M						
Current Assets	24,737	39	23,997	38	740	3
Net Fixed Assets	32,485	51	32,869	52	(384)	(1)
Total Assets	63,637	100	63,625	100	12	0
L/T Debt	10,017	16	10,012	16	5	0
Total Equity	39,474	62	39,637	62	(163)	0
Current Ratio	1.93		1.90			
Debt / Equity Ratio	0.61		0.61			



# 3Q15 Statement of Cash Flows - Consolidated

	3Q'15	2Q'15	QoQ Change
Unit: NT\$ M	Amount	Amount	Amount
Operating Cash Flow	1,746	1,696	50
Investing Cash Flow	(1,022)	(1,776)	754
Financing Cash Flow	(781)	(658)	(123)
Cash & Equivalents	6,969	6,915	54
Depreciation and Amortization	1,480	1,497	(17)
CAPEX	1,019	1,257	(238)



## 3Q15 Statement of Comprehensive Income - Memory

Unit: NT\$ M	3Q'15		2Q'15		QoQ Change	
	Amount	%	Amount	%	Amount	%
Net Sales	7,525	100	7,304	100	221	3
Gross Profit	1,792	24	2,085	29	(293)	(14)
Operating Income	635	8	815	11	(180)	(22)
Pretax Income	796	11	940	13	(144)	(15)
Net Income	673	9	801	11	(128)	(16)
EPS (NT\$)	0.18		0.22		(0.04)	
EBITDA	2,053	27	2,251	31	(198)	(9)





## 3Q15 Balance Sheet - Memory

	Sep. 30 '15		Jun. 30 '15		QoQ Change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ M						
Current Assets	19,308	32	18,752	31	556	3
Net Fixed Assets	31,793	53	32,197	53	(404)	(1)
Total Assets	60,472	100	60,426	100	46	0
L/T Debt	10,017	17	10,012	17	5	0
Total Equity	38,286	63	38,525	64	(239)	(1)
Current Ratio	1.71		1.70			
Debt / Equity Ratio	0.58		0.57			





## 3Q15 Statement of Cash Flows-Memory

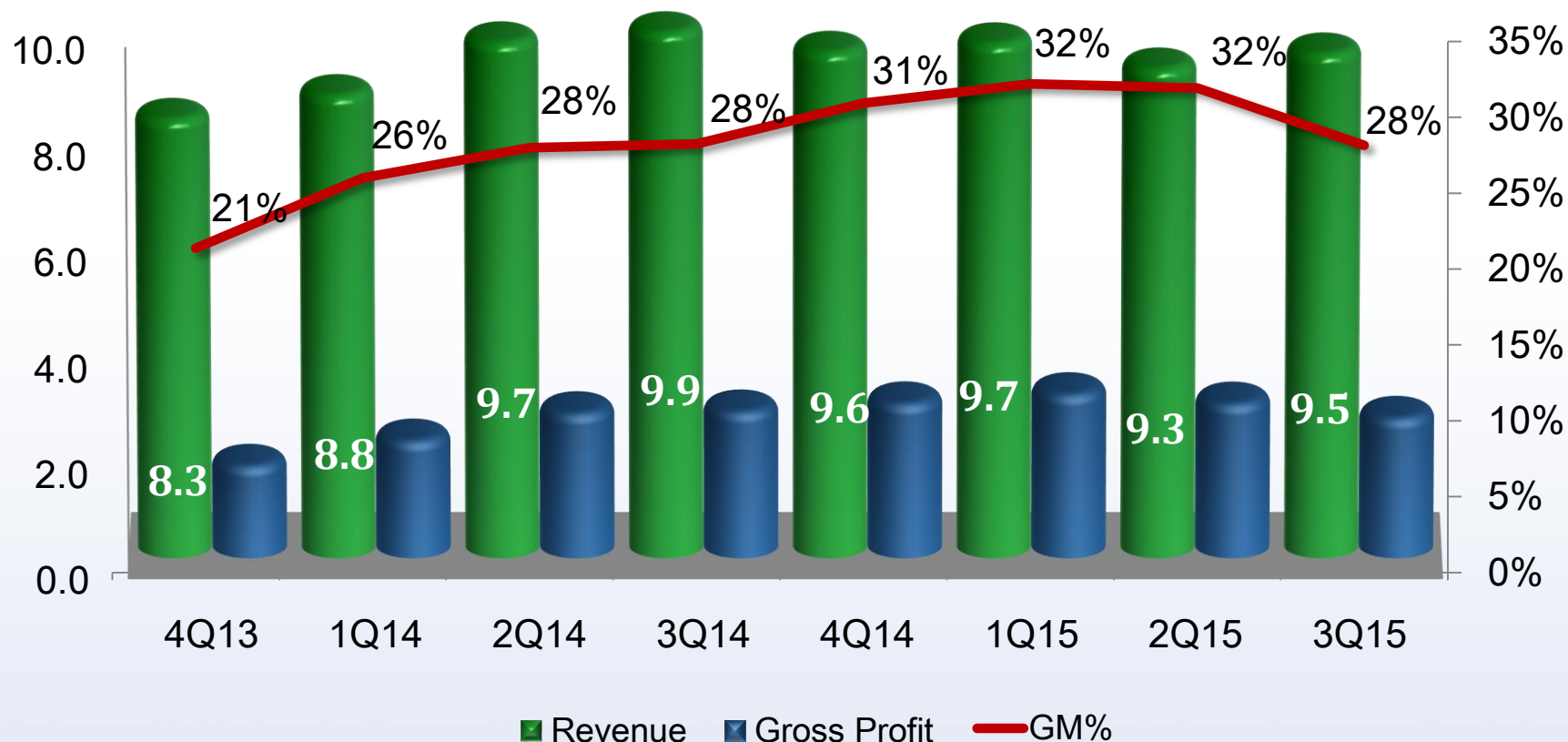
	3Q'15	2Q'15	QoQ Change
Unit: NT\$ M	Amount	Amount	Amount
Operating Cash Flow	2,046	1,469	577
Investing Cash Flow	(986)	(1,742)	756
Financing Cash Flow	(701)	(658)	(43)
Cash & Equivalents	4,314	3,955	359
Depreciation and Amortization	1,418	1,436	(18)
CAPEX	985	1,214	(229)



# Revenue and GM Trend- Consolidated

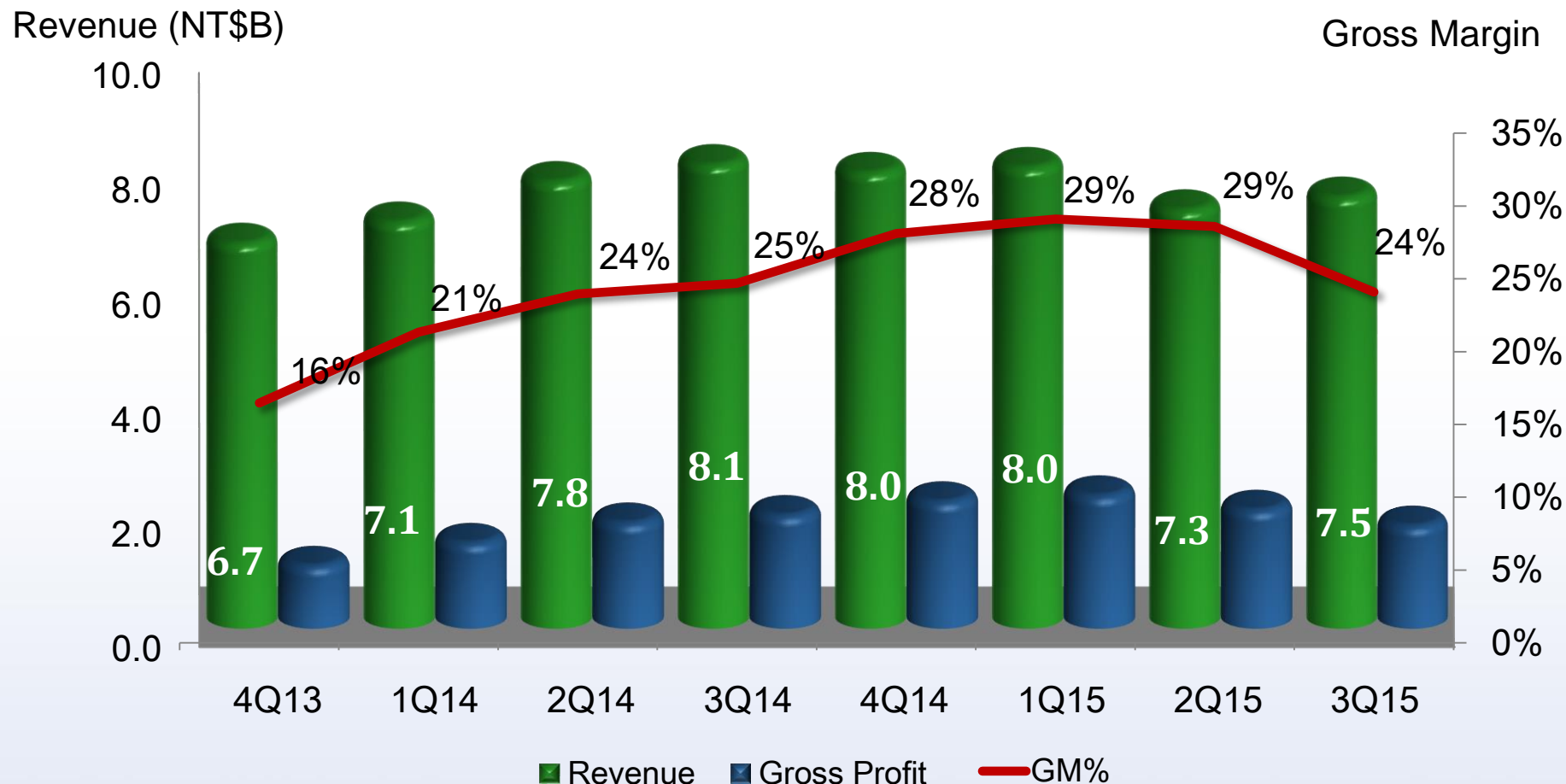
Revenue (NT\$B)

Gross Margin



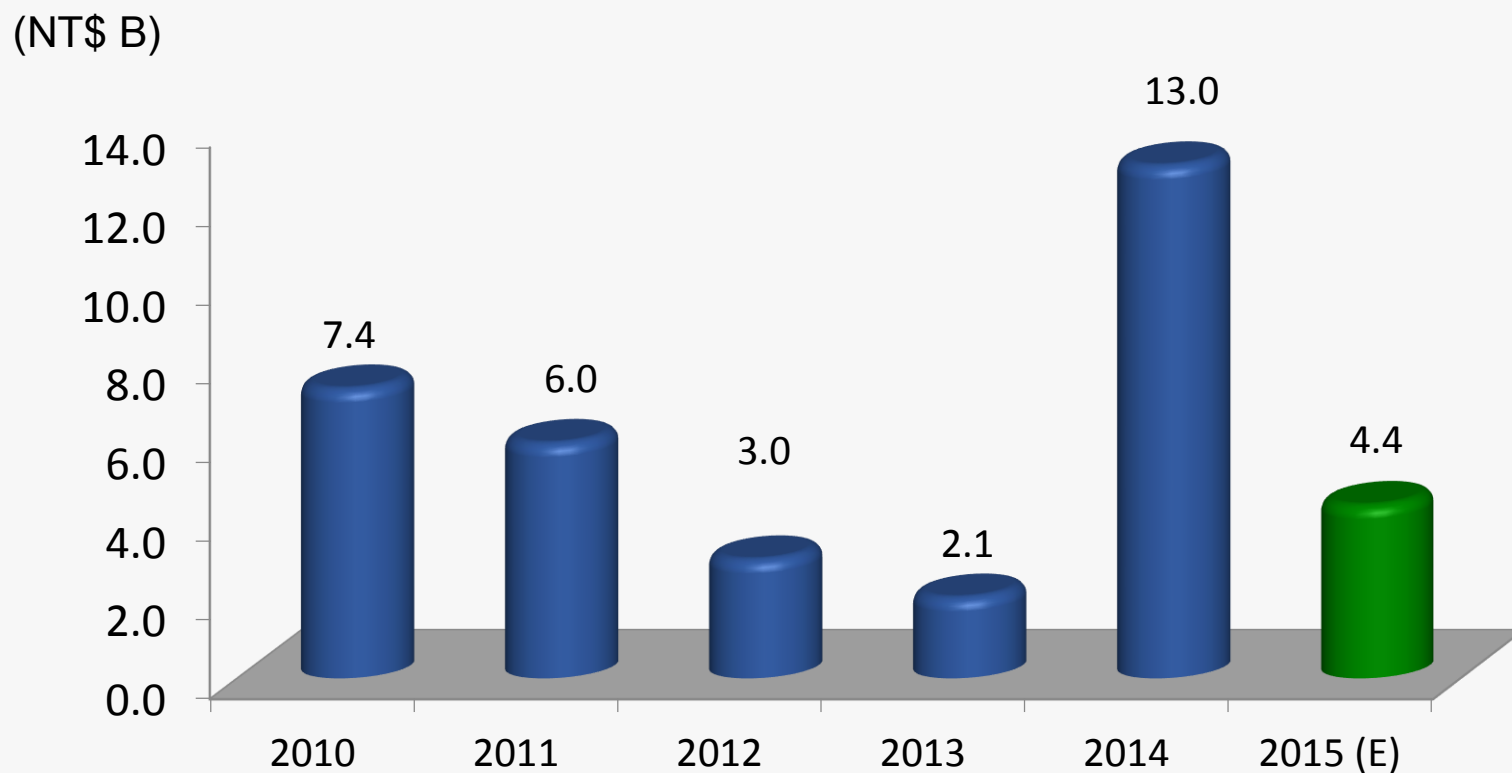


# Revenue and GM Trend- Memory





# Y2015 Memory CAPEX



CAPEX(Cash Basis) as of 10/27/2015

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# **Winbond Business Update & Outlook**



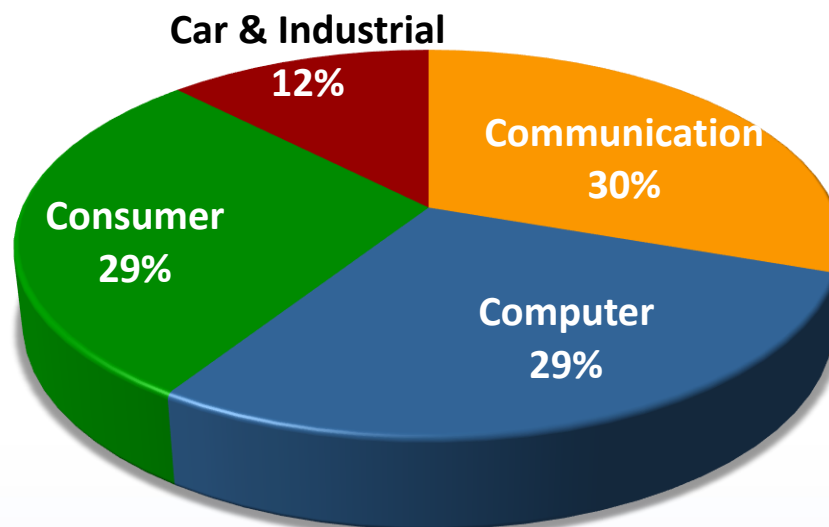
## 3Q15 Memory Business Recap

	QoQ	YoY
Revenue	+3%	-7%
Gross Profit	-14%	-10%

- Revenue slightly increased due to demand in HDD and TV
- Gross margin suffered a loss from scrap of defective products



# 3Q15 Revenue Breakdown by Application



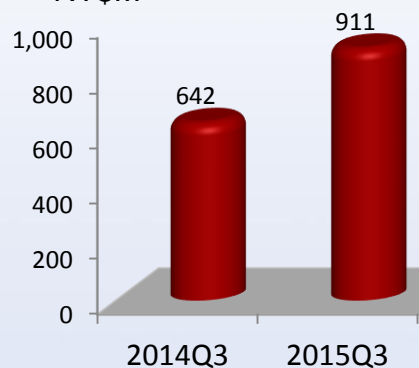
Note: Revenue excluded foundry and others

## Car & Industrial

QoQ + 15%

YoY + 42%

NT\$M

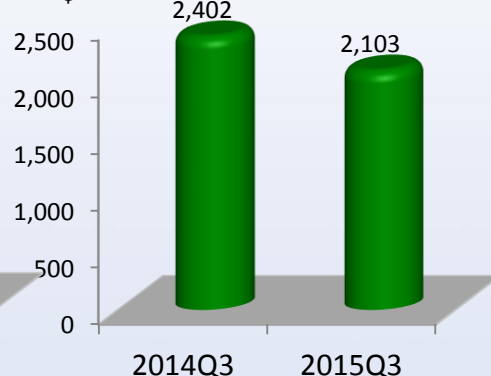


## Consumer

QoQ + 8%

YoY - 12%

NT\$M

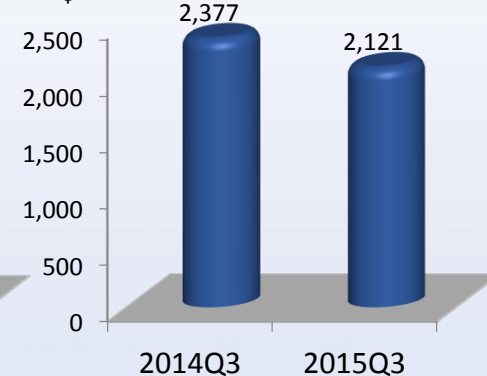


## Computer

QoQ + 7%

YoY - 11%

NT\$M

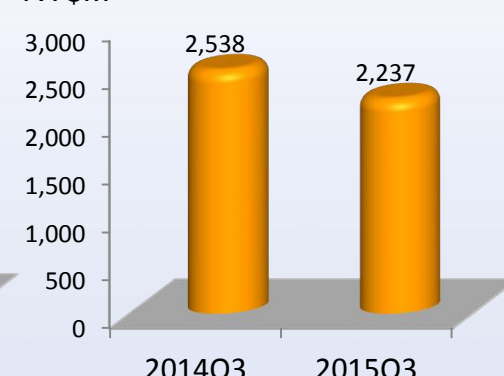


## Communication

QoQ - 8%

YoY - 12%

NT\$M

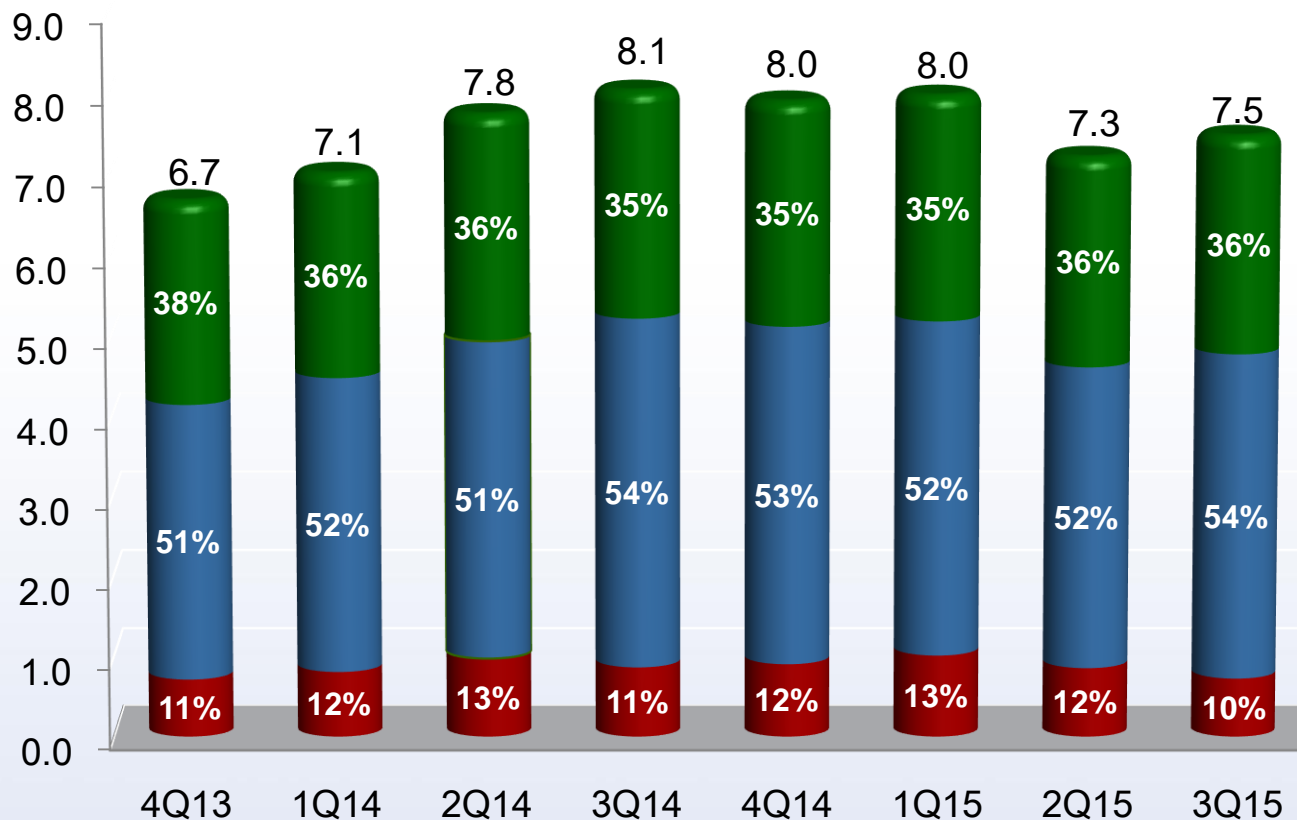






# 3Q15 Revenue Breakdown by Product

Revenue (NT\$B)



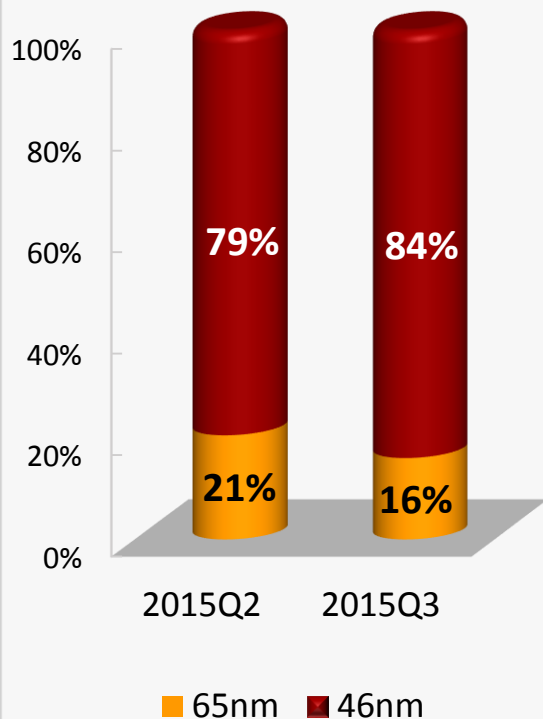
	QoQ	YoY
Flash	+4%	-4%
Specialty	+8%	-7%
Mobile	-15%	-16%

Note: Specialty including Graphic

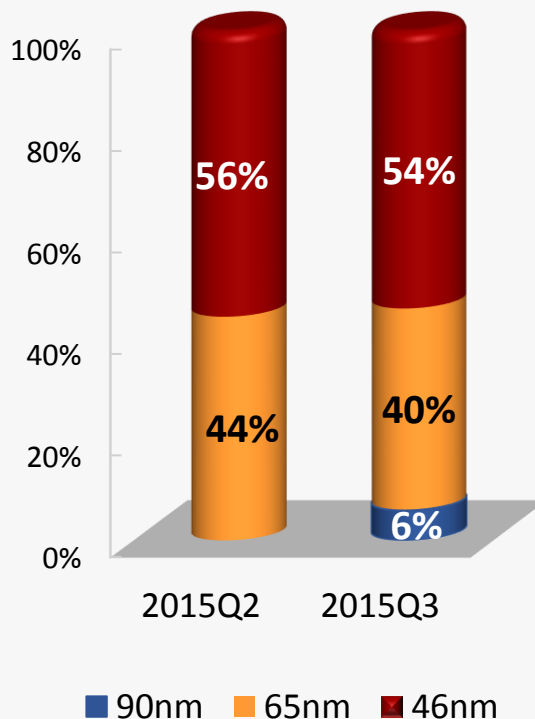


# 3Q15 Revenue Breakdown by Geometry

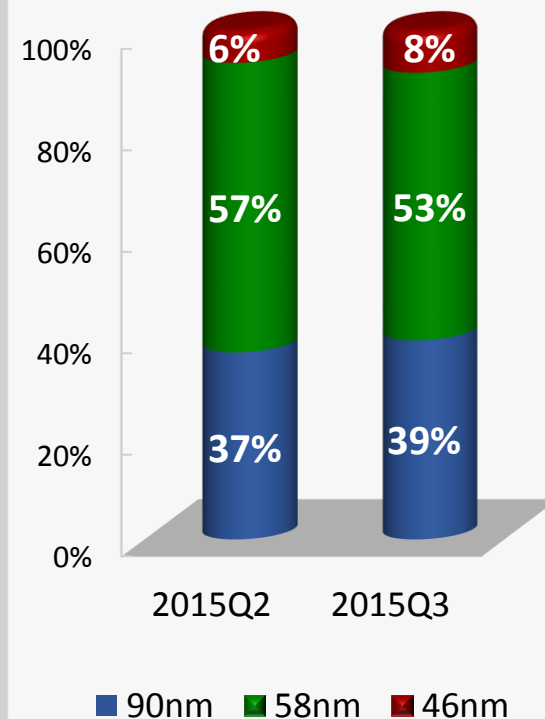
## Specialty DRAM



## Mobile DRAM



## Flash Memory





## 3Q15 Specialty DRAM Business

	QoQ	YoY
Revenue	+8%	-7%

- Revenue increased due to growth in automotive electronics
- 46nm products accounted for 84% Specialty DRAM revenue (vs. 79% in 2Q15)



## 3Q15 Mobile DRAM Business

	QoQ	YoY
Revenue	-15%	-16%

- Suffered decreasing demand from existing mobile device customers
- Demand from new tier-1 customer is delayed to Q4 due to longer-than-expected system qualification



## 3Q15 Flash Memory Business

	QoQ	YoY
Revenue	+4%	-4%

- Revenue increased due to surging demand in networking
- 1Gb Code Storage Flash accounted for 8% Flash revenue (vs. 6% in 2Q15)



# Applications Demand Forecast

Application	2013	2014	2015	2016
Smartphone	38%	13%	10%	8%
PC	-10%	-2%	-8%	-7%
Tablet	75%	7%	-10%	10%
TV	-1%	3%	0%	0%
STB	8%	7%	-5%	-5%
HDD	-4%	1%	-14%	-13%
Wearable			188%	66%



# Market and Business Outlook

## ❑ Overall market

- ❖ The uncertainty of global economy and lack of new killer products influence consumption of electronic products

## ❑ Winbond business

- ❖ Relatively stable due to diversifications in products, markets and customers, and focus on tier-1 customers in each segment.

## ❑ Specialty DRAM

- ❖ Traditional slow season in Q4
- ❖ ASP fluctuation will be more stable than other DRAM players

## ❑ Code Storage Flash

- ❖ Stable business in Mb Flash business
- ❖ Gb Flash business grows with increasing demand in Flash+DRAM MCP