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**Winbond Electronics Corporation**



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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



# 4Q14 Statement of Comprehensive Income - Consolidated

	4Q'14		3Q'14		QoQ Change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ M						
Net Sales	9,565	100	9,931	100	(366)	(4)
Gross Profit	2,959	31	2,805	28	154	5
Operating Income	1,130	12	1,112	11	18	2
Pretax Income	1,290	13	1,191	12	99	8
Net Income	1,067	11	962	10	105	11
EPS (NT\$)	0.28		0.25		0.03	
EBITDA	2,446	26	2,345	24	101	4



## 4Q14 Balance Sheet - Consolidated

Unit: NT\$ M	Dec. 31 '14		Sep. 30 '14		QoQ Change	
	Amount	%	Amount	%	Amount	%
Current Assets	22,977	35	21,956	36	1,021	5
Net Fixed Assets	33,987	52	30,729	51	3,258	11
Total Assets	64,892	100	60,797	100	4,095	7
L/T Debt	9,814	15	6,311	10	3,503	56
Total Equity	39,300	61	38,095	63	1,205	3
Current Ratio	1.59		1.45			
Debt / Equity Ratio	0.65		0.60			



# 4Q14 Statement of Cash Flows - Consolidated

	4Q'14	3Q'14	QoQ Change
Unit: NT\$ M	Amount	Amount	Amount
Operating Cash Flow	2,599	2,086	513
Investing Cash Flow	(5,227)	(1,912)	(3,315)
Financing Cash Flow	3,188	(54)	3,242
Cash & Equivalents	6,976	6,375	601
Depreciation and Amortization	1,316	1,233	83
CAPEX	5,136	2,065	3,071



# 2014 Statement of Comprehensive Income - Consolidated

Unit: NT\$ M	2014		2013		YoY Change	
	Amount	%	Amount	%	Amount	%
Net Sales	37,990	100	33,135	100	4,855	15
Gross Profit	10,790	28	6,909	21	3,881	56
Operating Income	3,658	9	765	2	2,893	378
Pretax Income	3,941	10	559	2	3,382	605
Net Income	3,211	8	287	1	2,924	1,019
EPS (NT\$)	0.83		0.06		0.77	
EBITDA	8,533	22	7,212	22	1,321	18





# 4Q14 Statement of Comprehensive Income - Memory

	4Q'14		3Q'14		QoQ Change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ M						
Net Sales	7,955	100	8,088	100	(133)	(2)
Gross Profit	2,236	28	1,997	25	239	12
Operating Income	1,064	13	986	12	78	8
Pretax Income	1,245	16	1,118	14	127	11
Net Income	1,055	13	927	11	128	14
EPS (NT\$)	0.28		0.25		0.03	
EBITDA	2,319	29	2,157	27	162	8





## 4Q14 Balance Sheet - Memory

Unit: NT\$ M	Dec. 31 '14		Sep. 30 '14		QoQ Change	
	Amount	%	Amount	%	Amount	%
Current Assets	18,129	29	17,267	30	862	5
Net Fixed Assets	33,304	54	30,063	52	3,241	11
Total Assets	62,062	100	57,954	100	4,108	7
L/T Debt	9,814	16	6,311	11	3,503	56
Total Equity	38,183	62	36,997	64	1,186	3
Current Ratio	1.37		1.25			
Debt / Equity Ratio	0.63		0.57			



# 4Q14 Statement of Cash Flows-Memory

	4Q'14	3Q'14	QoQ Change
Unit: NT\$ M	Amount	Amount	Amount
Operating Cash Flow	2,337	2,080	257
Investing Cash Flow	(5,210)	(1,895)	(3,315)
Financing Cash Flow	3,179	45	3,134
Cash & Equivalents	4,146	3,840	306
Depreciation and Amortization	1,255	1,171	84
CAPEX	5,097	2,033	3,064



# 2014 Statement of Comprehensive Income - Memory

Unit: NT\$ M	2014		2013		YoY Change	
	Amount	%	Amount	%	Amount	%
Net Sales	30,930	100	26,166	100	4,764	18
Gross Profit	7,614	25	3,940	15	3,674	93
Operating Income	3,225	11	345	1	2,880	835
Pretax Income	3,672	12	207	1	3,465	1,674
Net Income	3,076	10	207	1	2,869	1,386
EPS (NT\$)	0.83		0.06		0.77	
EBITDA	7,846	25	6,531	25	1,315	20



# Revenue and GM Trend- Consolidated

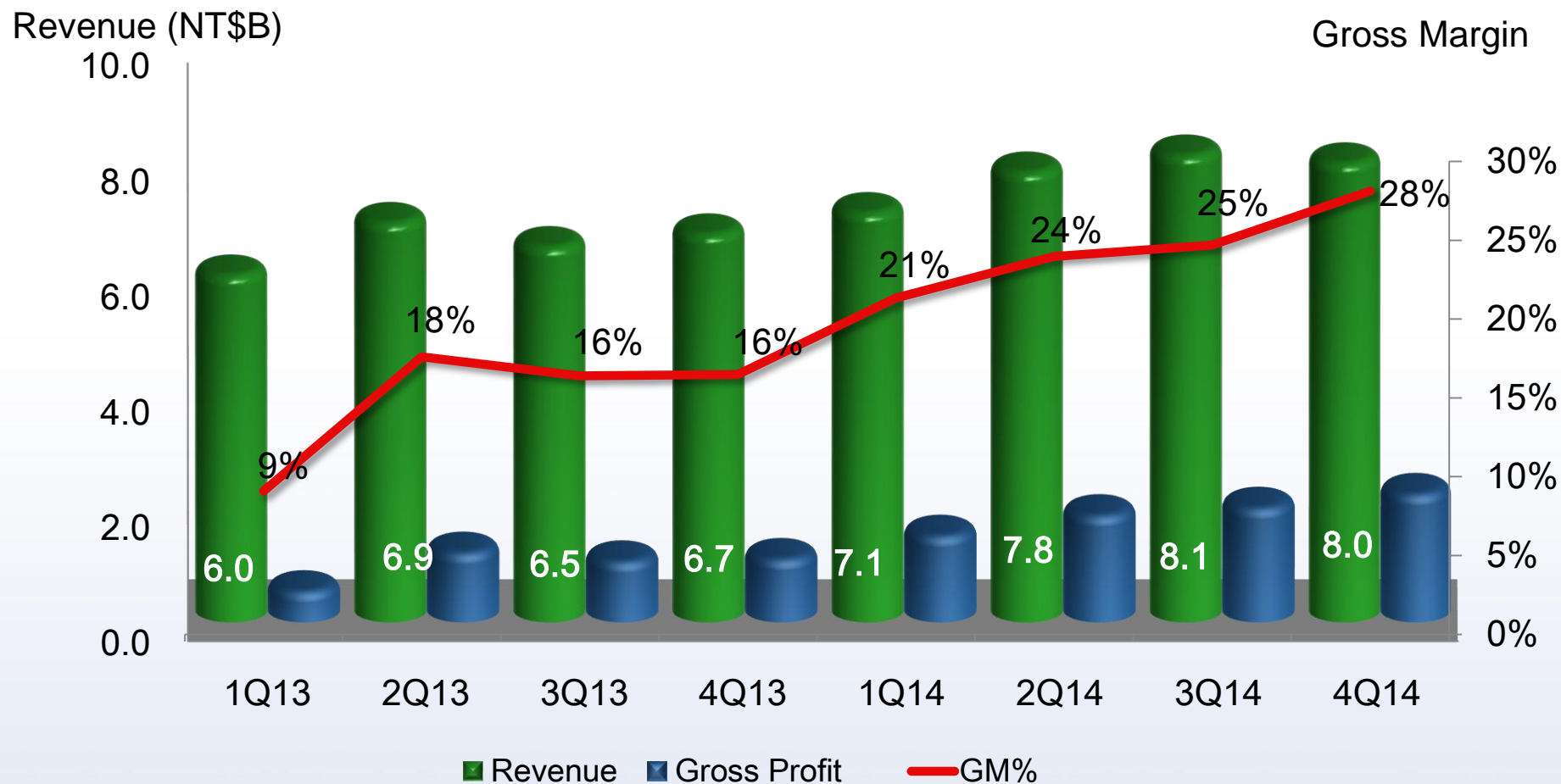
Revenue (NT\$B)

Gross Margin





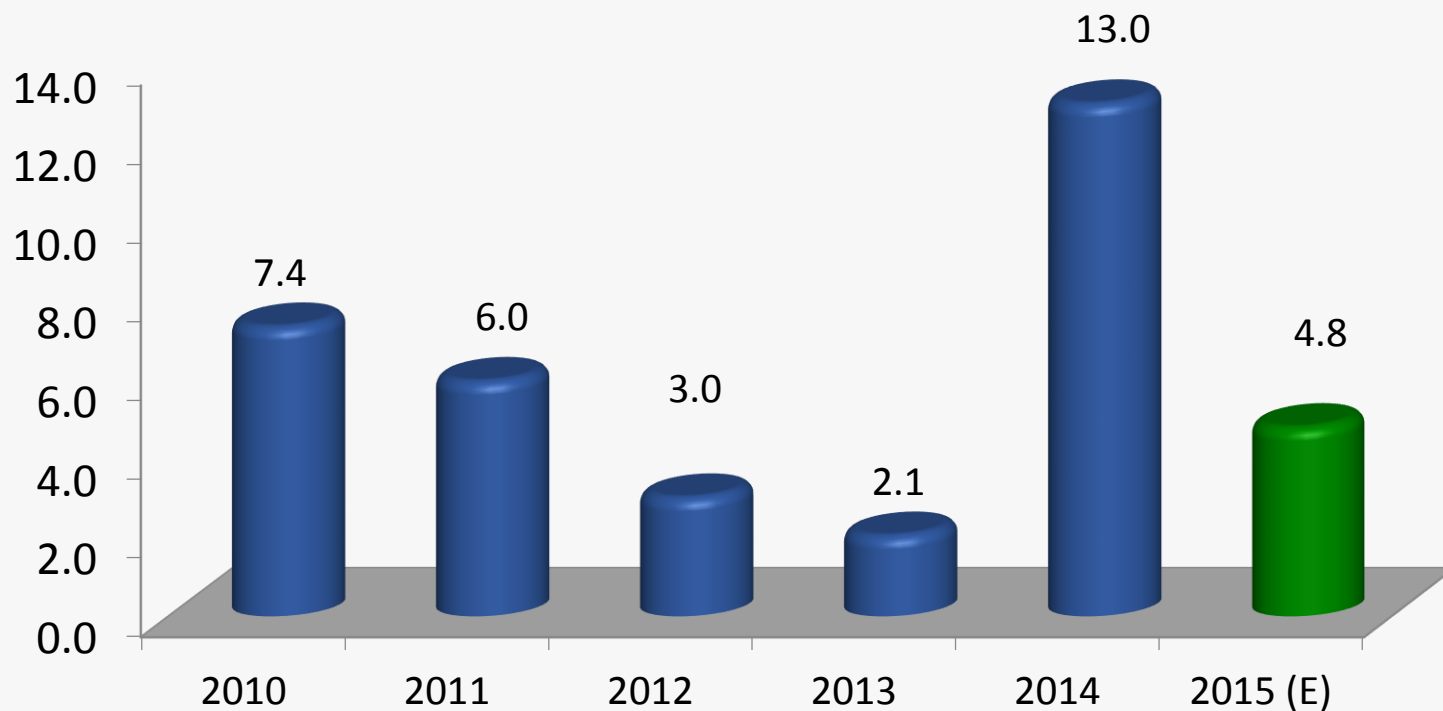
# Revenue and GM Trend- Memory





# Y2014 Memory CAPEX

(NT\$ B)



CAPEX(Cash Basis) as of 02/03/2015

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# **Winbond Business Update & Outlook**





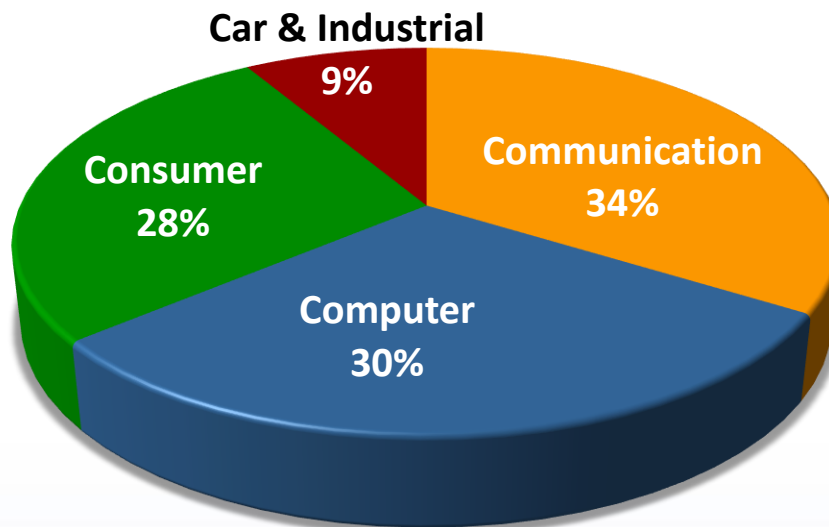
## 4Q14 Memory Business Recap

	QoQ	YoY
Revenue	(2%)	18%
Gross Profit	12%	102%

- Revenue slightly dropped due to seasonality.
- Gross profit increased due to better product mix and stable market conditions.
- 46nm DRAM and 58nm Flash products accounted for 63% of total wafer shipments (vs. 58% in 3Q14)



# 4Q14 Revenue Breakdown by Application

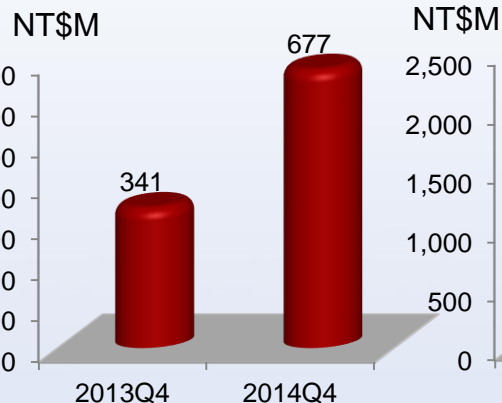


Note: Revenue excluded foundry and others

## Car & Industrial

QoQ + 6%

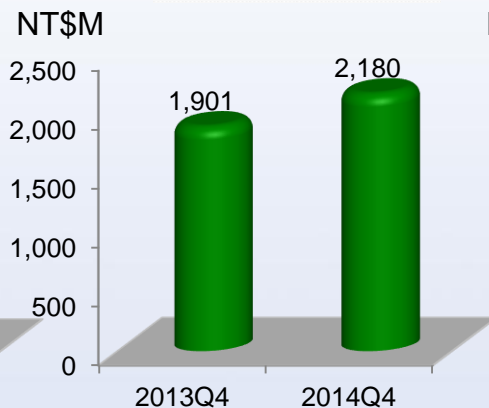
YoY + 99%



## Consumer

QoQ - 9%

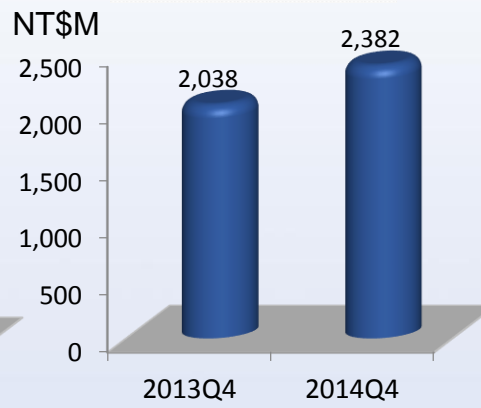
YoY + 15%



## Computer

QoQ + 0%

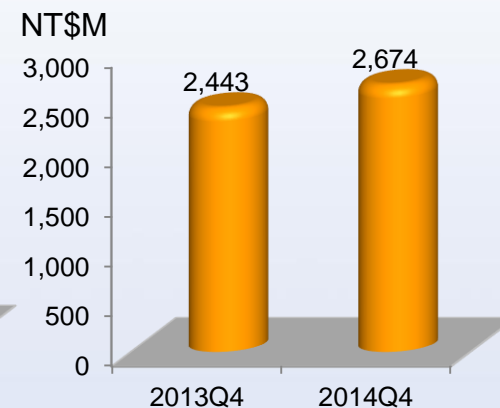
YoY + 17%



## Communication

QoQ + 5%

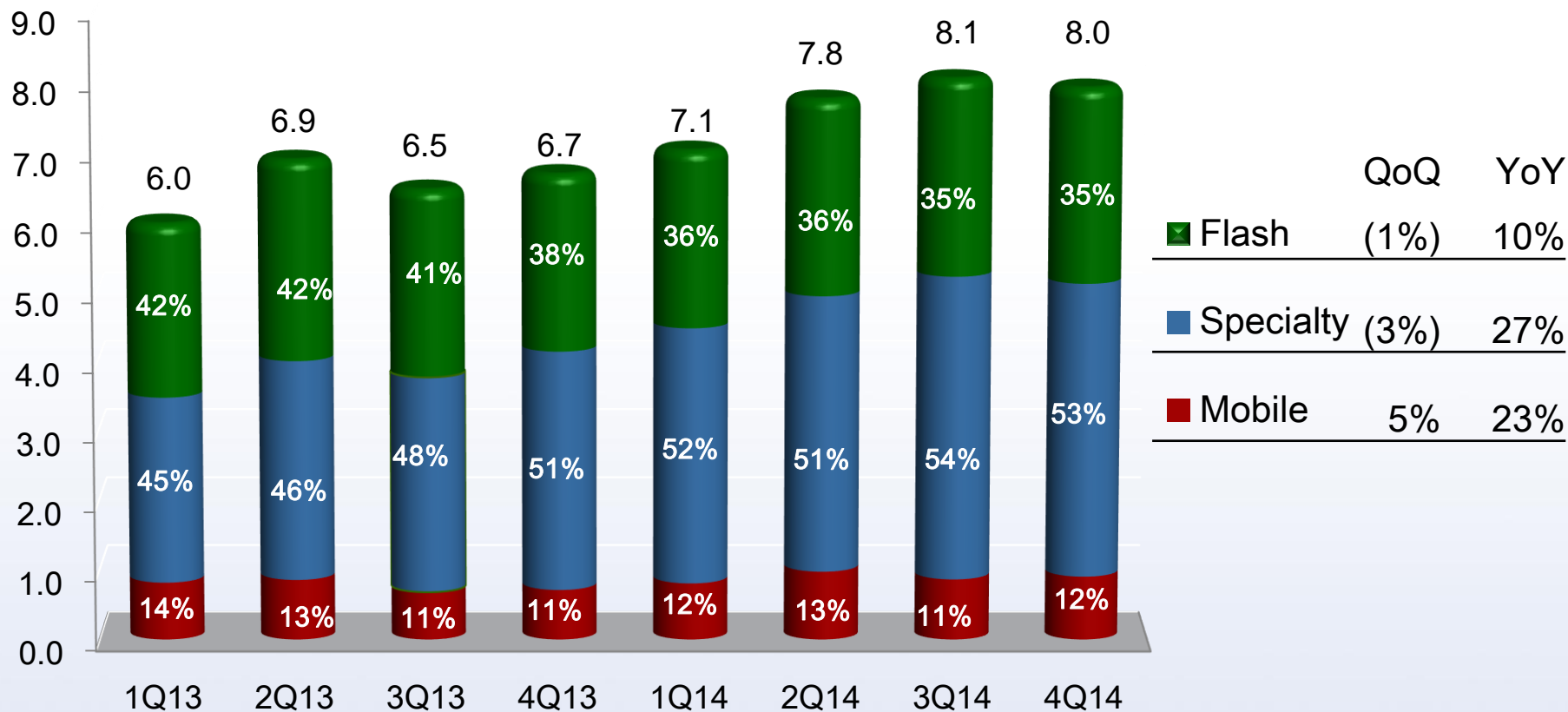
YoY + 9%





# 4Q14 Revenue Breakdown by Product

Revenue (NT\$B)

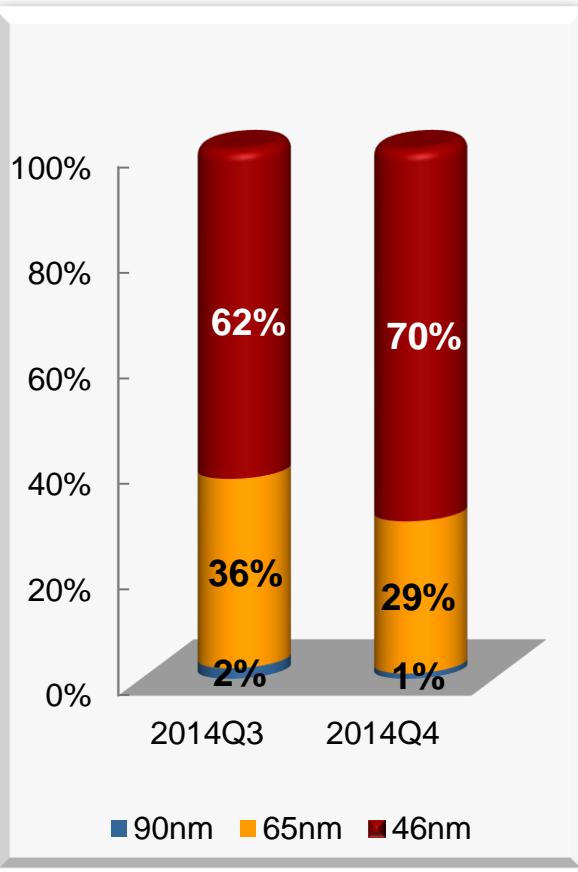


Note: Specialty included Graphic

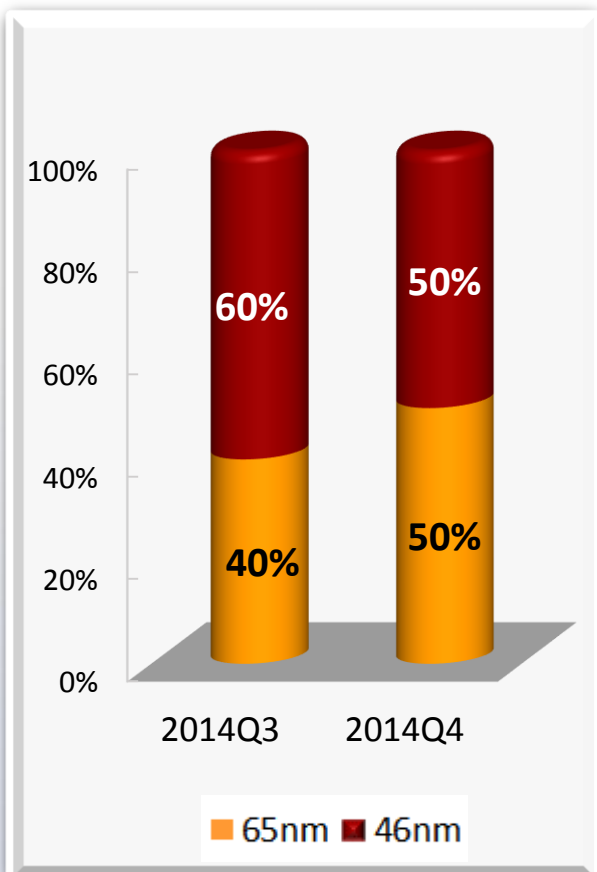


# 4Q14 Revenue Breakdown by Geometry

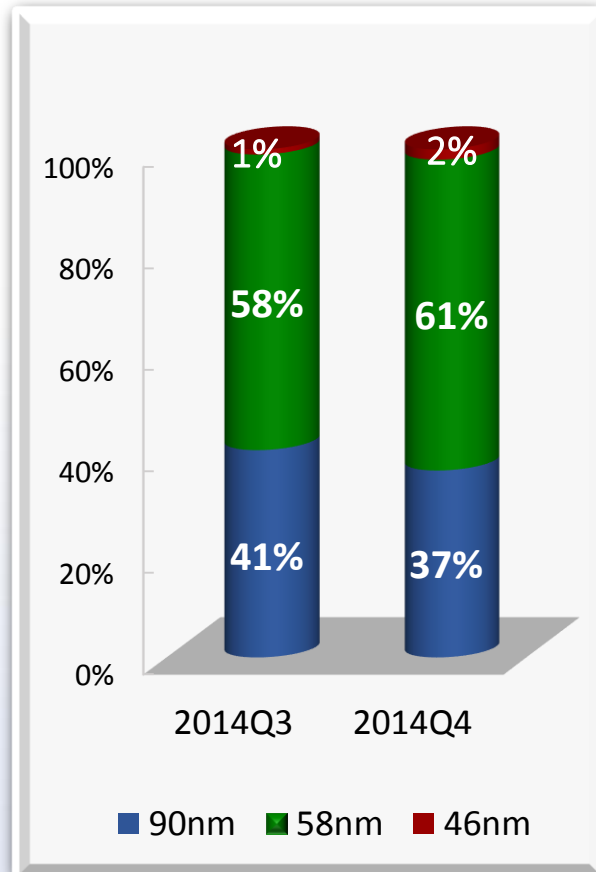
**Specialty DRAM**



**Mobile DRAM**



**Flash Memory**



Note: Specialty including Graphic



## 4Q14 Specialty DRAM Business

	QoQ	YoY
Revenue	(3%)	27%

- Revenue slightly dropped due to seasonality.
- Gross margin continued improving due to product mix
- Shipment to automotive customers continued to increase.
- 46nm products accounted for 70% of Specialty DRAM revenue (vs. 62% in 3Q14)



## 4Q14 Mobile DRAM Business

	QoQ	YoY
Revenue	5%	23%

- Demand back to normal after inventory adjustment in Q3.



## 4Q14 Flash Memory Business

	QoQ	YoY
Revenue	(1%)	10%

- Both revenue and gross margin maintained stable
- Significant bit growth resulted from increasing sales in 1Gb SLC NAND Flash
- 58nm products accounted for 61% of NOR Flash revenue (vs. 58% in 3Q14)





## Y2014 vs Y2013

NT\$B	Y2014	Y2013	YoY
Specialty	16.3	12.5	30%
Mobile	3.6	3.0	21%
Flash	11.0	10.6	4%
<b>Total Revenue</b>	<b>30.9</b>	<b>26.2</b>	<b>18%</b>
<b>Total Net Income</b>	<b>3.1</b>	<b>0.2</b>	<b>1,386%</b>

- **Specialty DRAM**

- Strong demand due to increasing share in tier-1 customers
- 46nm migration improves gross margin

- **Mobile DRAM**

- Strong demand of low power DRAM in mobile devices

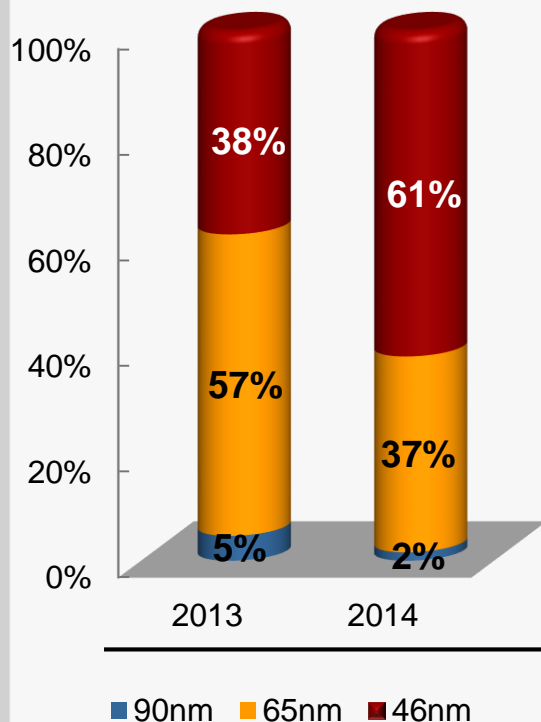
- **Flash**

- Growing business offsets price erosion
- Effective cost down offsets price erosion.

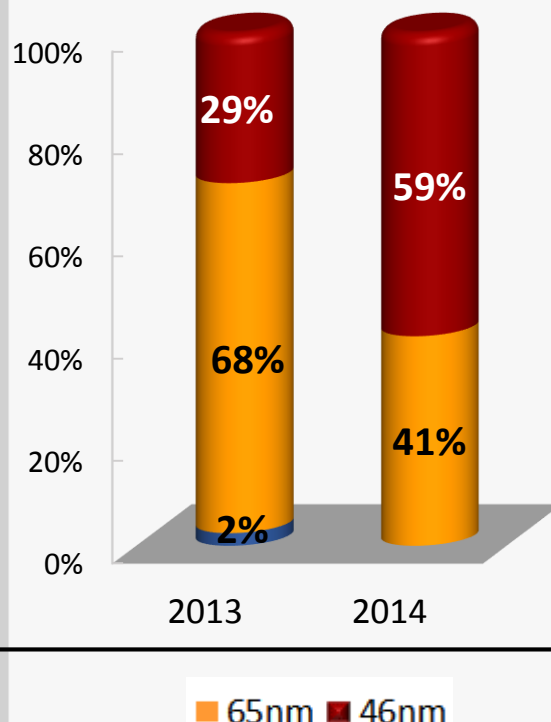


# YoY Revenue Breakdown by Geometry

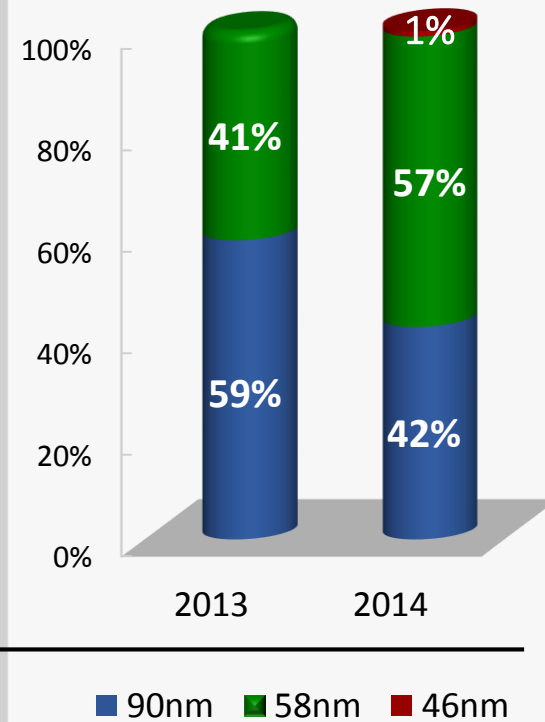
## Specialty DRAM



## Mobile DRAM



## Flash Memory

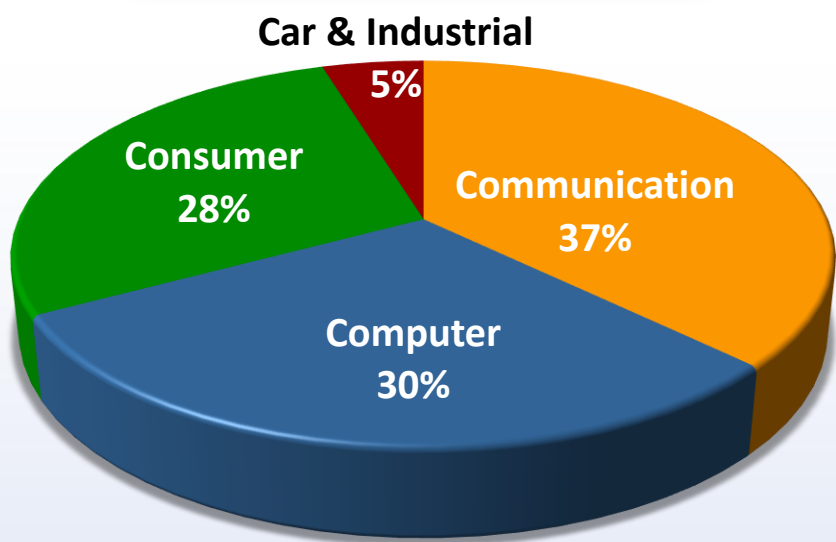




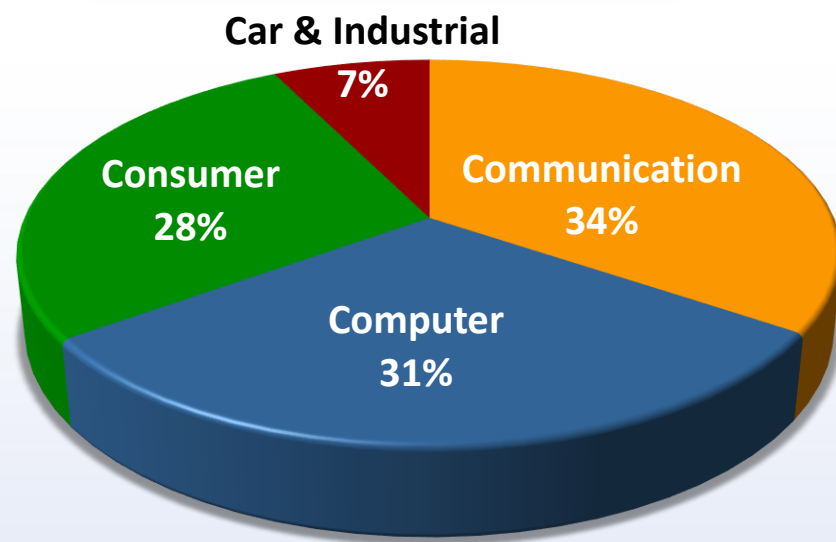
# Revenue Breakdown by Application

*Growing business in Car and Industrial*

2013



2014



Note: Revenue excluded foundry and others



# Market and Business Outlook (I)

- **Overall memory market**

- Diversified new products in smart phones, IoT, wearable and automotive boost the demand in memory
- “Smart” devices drive the need of more memory content

- **DRAM market**

- Expect healthy balance in supply and demand in 2015
- SiP is the trend

- **Code storage Flash market**

- Increasing demand in low density and high density
- SLC NAND Flash drives the market growth in code storage
- Expect the supply/demand in code storage Flash market will gradually turn healthy



## Market and Business Outlook (II)

- **Winbond business**

- Specialty DRAM will focus on tier-1 customers and automotive/industrial
- Chipsets with SiP memory drive business growth in low power DRAM
- SLC NAND Flash becomes a new business driver
- Increasing Fab capacity (44,000 wafers/mo in 2H15) supports the business growth