

The top section of the slide features a background image of a blue and white globe. In the upper right corner, the word "winbond" is written in a bold, red, italicized sans-serif font. On the left side, a black microchip is shown at an angle. The chip has "winbond" printed on its top surface and "We Deliver" on its bottom surface. It has several pins visible on its sides.

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2018 Q3 Investor Conference

Oct 29, 2018



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

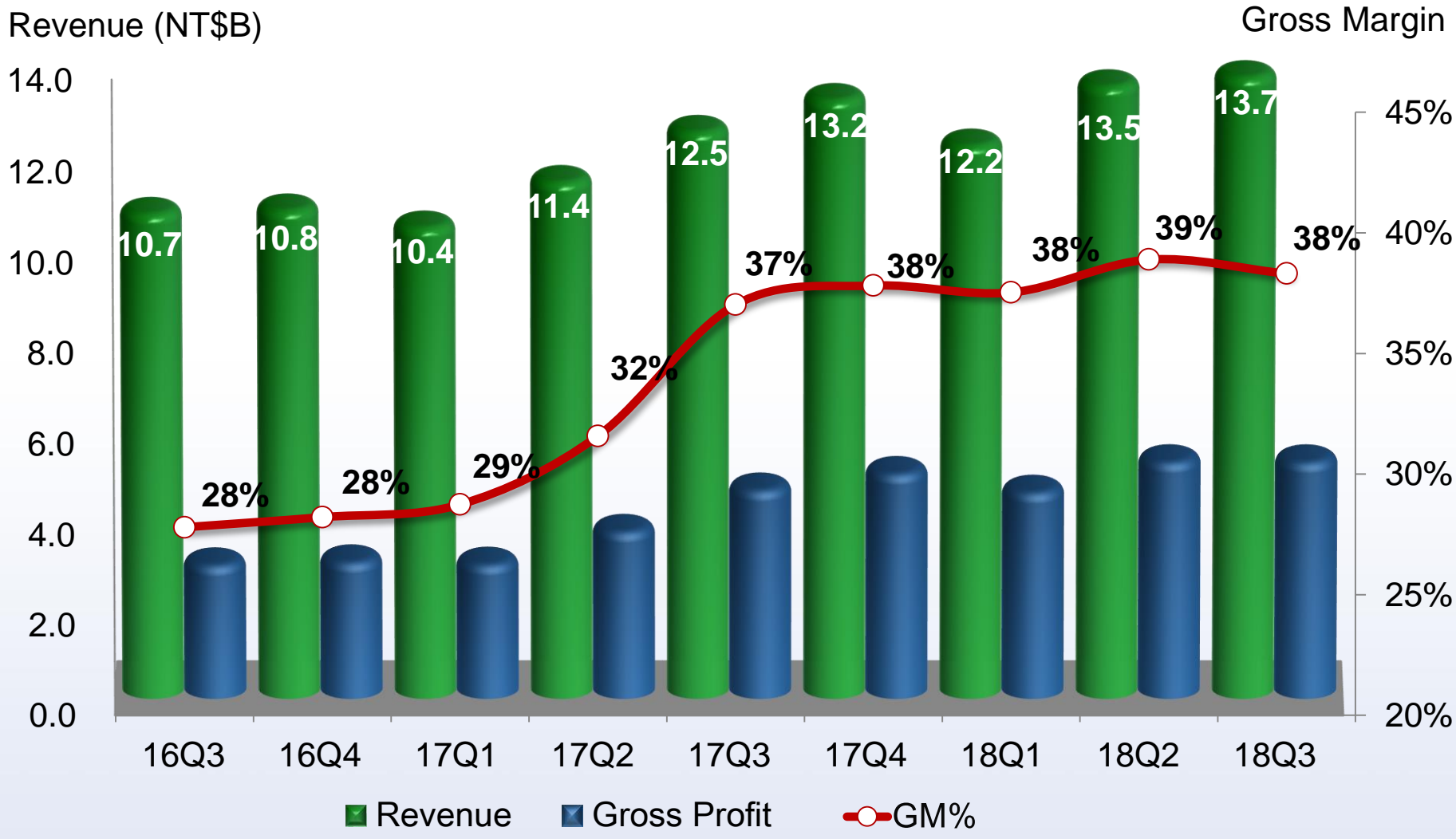


Statement of Comprehensive Income - Consolidated

Unit: NT\$ M	2018Q3	2018Q2	QoQ	2017Q3	YoY
Net Sales	13,681	13,485	1%	12,550	9%
Gross Profit	5,250	5,251	0%	4,628	13%
Gross Margin	38%	39%	n.a.	37%	n.a.
Operating Income	2,212	2,458	-10%	2,099	5%
Operating Margin	16%	18%	n.a.	17%	n.a.
Net Non-Operating Income (Loss)	206	362	-43%	430	-52%
Income Tax Benefit (Expense)	498	(562)	n.a.	(362)	n.a.
Net Income (Loss)	2,917	2,258	29%	2,166	35%
Earnings Per Share	0.71	0.54	31%	0.58	22%
EBITDA	4,186	4,295	-3%	3,646	15%



Revenue and GM Trend- Consolidated





Balance Sheet - Consolidated

Unit: NT\$ M

	Sep. 30 '18	%	Jun. 30 '18	%	Sep. 30 '17	%
Cash	16,571	17%	9,345	10%	5,278	7%
Inventory(Net)	9,906	10%	9,339	10%	7,950	10%
Property, Plant and Equipment	49,131	50%	48,392	52%	42,180	55%
Total Assets	98,760	100%	92,782	100%	77,106	100%
L/T Liabilities	16,694	17%	6,774	7%	9,687	13%
Total Liabilities	33,595	34%	27,424	30%	26,913	35%
Shareholders' Equity	65,165	66%	65,358	70%	50,193	65%
Debt / Equity Ratio	0.52		0.42		0.54	
Current Ratio	2.77		1.95		1.74	



Statement of Cash Flows - Consolidated

Unit: NT\$ M	2018Q3	2018Q2	QoQ	2017Q3	YoY
Operating Cash Flow	3,178	3,410	-7%	3,056	4%
Depreciation & Amortization	1,974	1,837	7%	1,547	28%
Investing Cash Flow	(1,682)	(4,015)	-58%	(3,072)	-45%
CAPEX	(1,656)	(3,858)	-57%	(3,579)	-54%
Financing Cash Flow	5,728	(1,356)	n.a	(637)	n.a
Net change	7,226	(1,909)	n.a	(625)	n.a
Cash & Equivalents	16,571	9,345	77%	5,278	214%

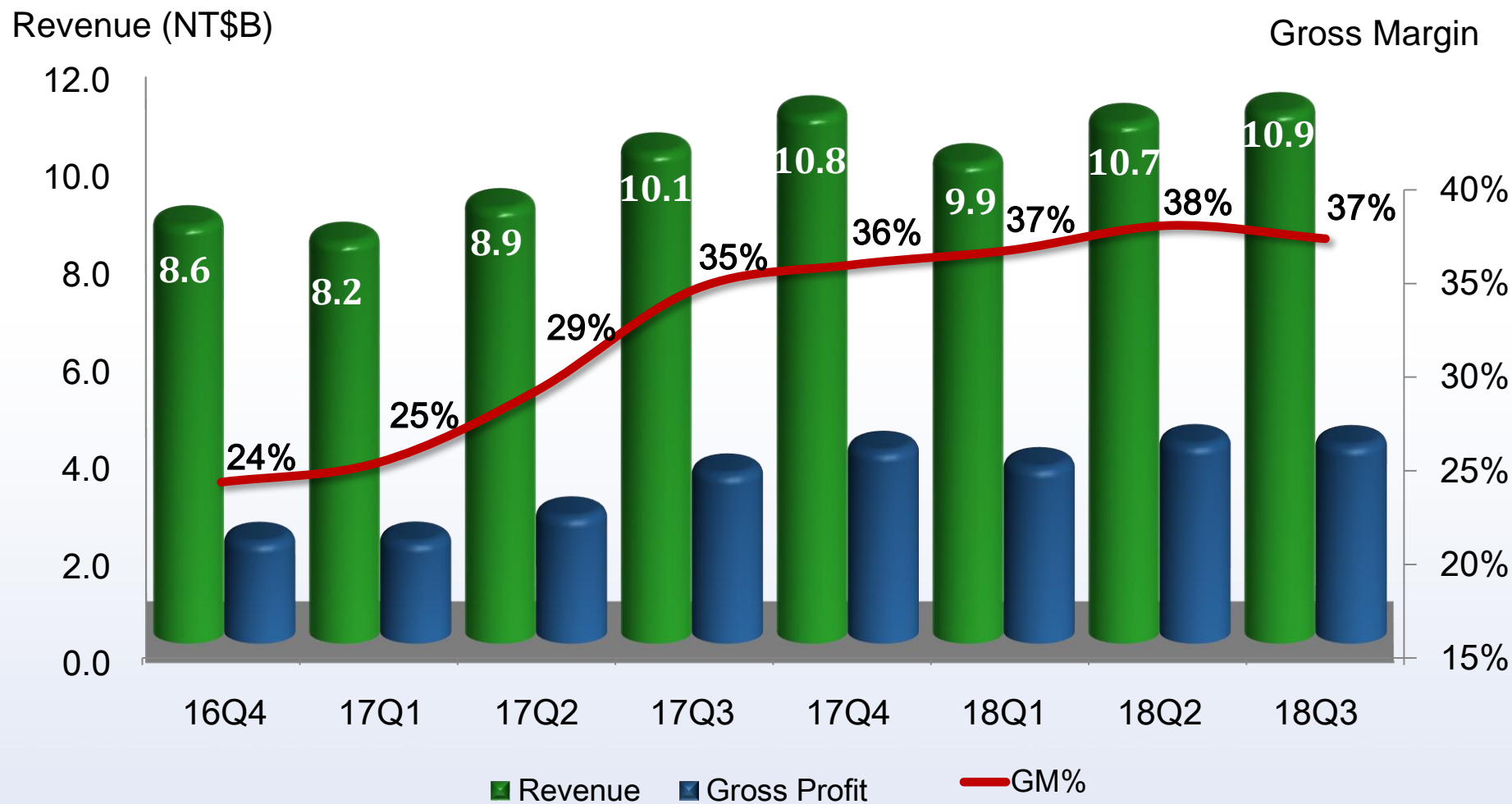


Statement of Comprehensive Income - Memory

Unit: NT\$ M	2018Q3	2018Q2	QoQ	2017Q3	YoY
Net Sales	10,903	10,681	2%	10,077	8%
Gross Profit	4,077	4,097	0%	3,495	17%
Gross Margin	37%	38%	n.a.	35%	n.a.
Operating Income	1,932	2,174	-11%	1,801	7%
Operating Margin	18%	20%	n.a.	18%	n.a.
Net Non-Operating Income (Loss)	362	479	-24%	591	-39%
Income Tax Benefit (Expense)	546	(497)	n.a.	(307)	n.a.
Net Income (Loss)	2,840	2,155	32%	2,085	36%
Earnings Per Share	0.71	0.54	31%	0.58	22%
EBITDA	3,836	3,945	-3%	3,281	17%



Revenue and GM Trend- Memory





Balance Sheet - Memory

Unit: NT\$ M	Sep. 30 '18	%	Jun. 30 '18	%	Sep. 30 '17	%
Cash	13,898	15%	6,746	8%	3,049	4%
Inventory(Net)	8,327	9%	7,659	9%	6,410	9%
Property, Plant and Equipment	48,220	51%	47,516	54%	41,330	56%
Total Assets	95,000	100%	88,653	100%	73,487	100%
L/T Liabilities	16,694	18%	6,774	8%	9,687	13%
Total Liabilities	31,258	33%	24,646	28%	24,674	34%
Shareholders' Equity	63,742	67%	64,006	72%	48,813	66%
Debt / Equity Ratio	0.49		0.39		0.51	
Current Ratio	2.67		1.84		1.54	



Statement of Cash Flows-Memory

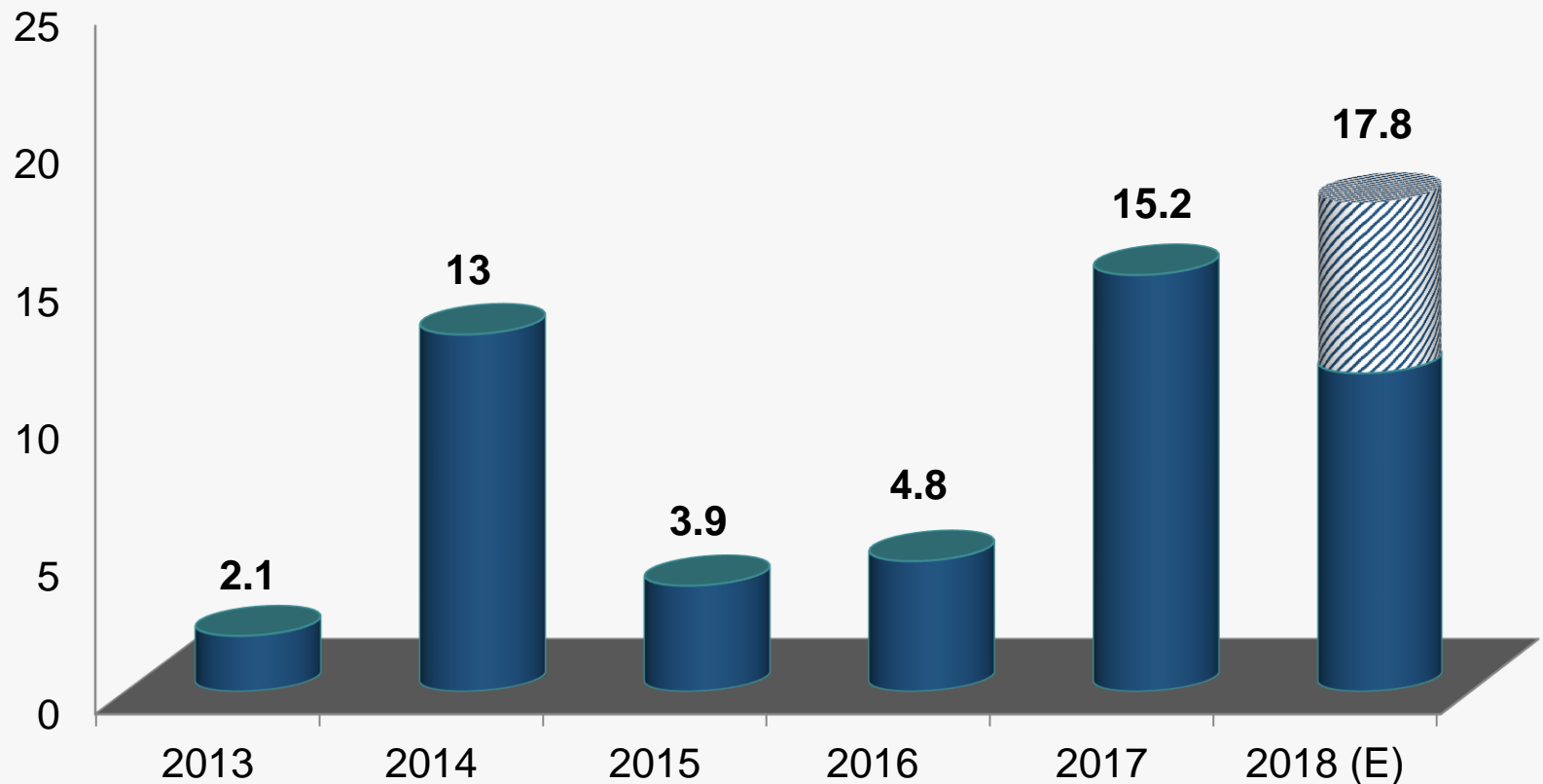
Unit: NT\$ M	2018Q3	2018Q2	QoQ	2017Q3	YoY
Operating Cash Flow	3,260	2,903	12%	3,136	4%
Depreciation & Amortization	1,904	1,771	8%	1,480	29%
Investing Cash Flow	(2,042)	(3,778)	-46%	(2,971)	-31%
CAPEX	(1,609)	(3,817)	-58%	(3,538)	-55%
Financing Cash Flow	5,934	(1,361)	n.a	(592)	n.a
Net change	7,152	(2,236)	n.a	(427)	n.a
Cash & Equivalents	13,898	6,746	106%	3,049	356%



Y2018 Memory CAPEX

CAPEX (Cash Basis) as of 09/30/2018

(NT\$ B)



Note: Deferred project payment resulted in reduced CAPEX from NT\$ 19.2 to 17.8 billion in 2018

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Winbond Business Recap & Outlook



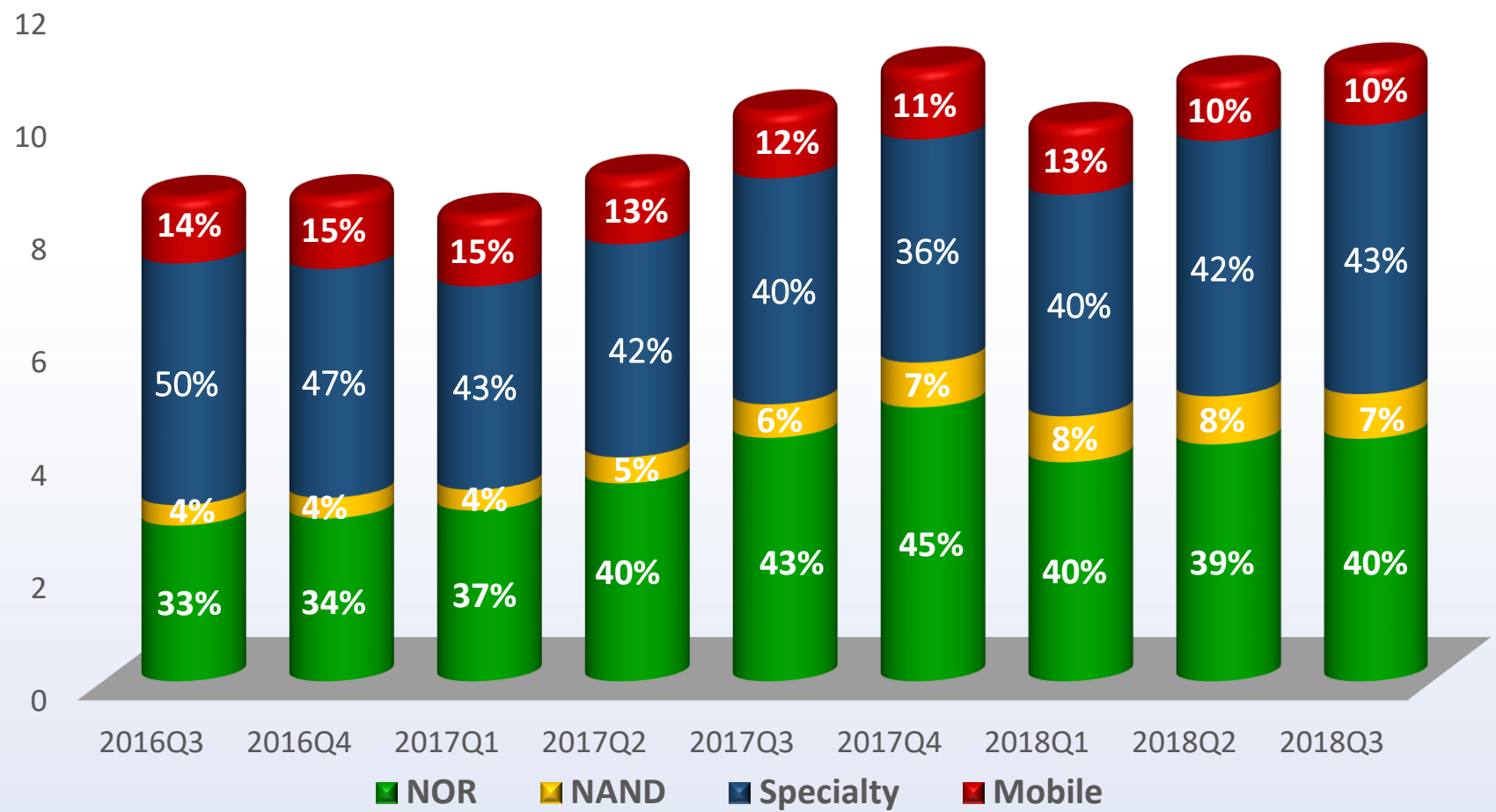
2018 Q3 Winbond Business Recap

- ❑ Revenue reached record high. Wafer ASP kept flat QoQ.
- ❑ Stable DRAM business in 3Q18.
- ❑ NOR Flash had price pressure from China spot market while other segments/territories remained healthy.
- ❑ SLC NAND was under price competition.
- ❑ BoD approved NT\$19.5 billion CAPEX for new 12" inch Kaohsiung fab with 28.5K/wpm capacity in phase one.



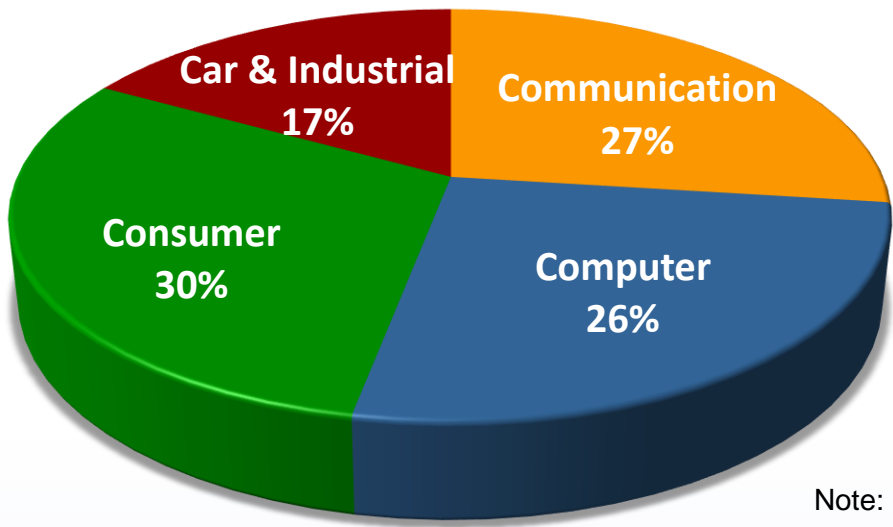
3Q18 Revenue Breakdown by Product

Revenue (NT\$B)





3Q18 Revenue Breakdown by Application



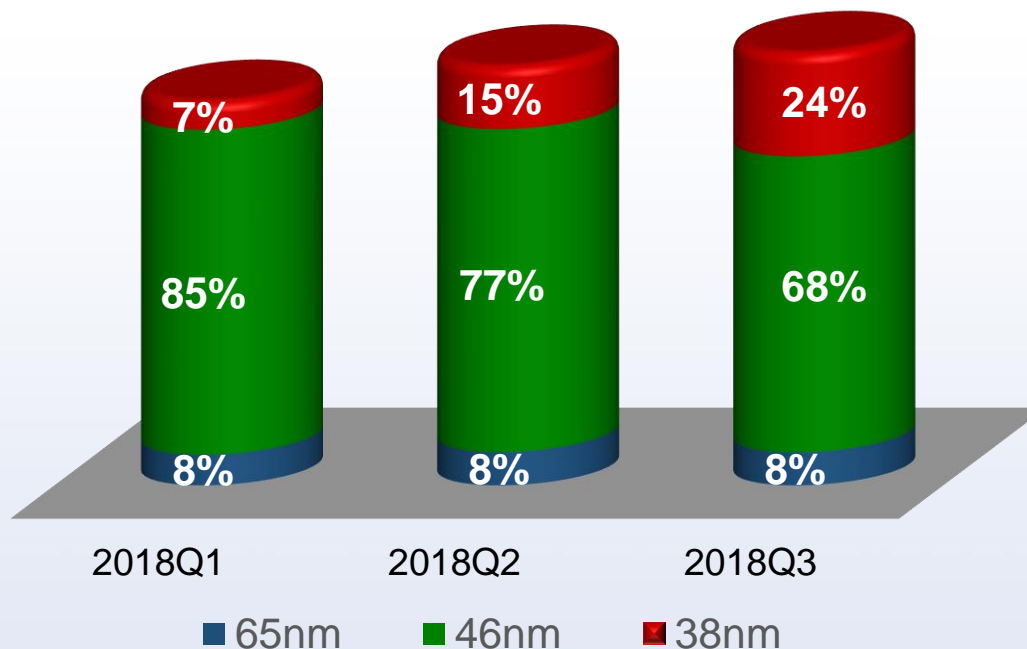
Note: Revenue excluded foundry and others





DRAM Memory Business

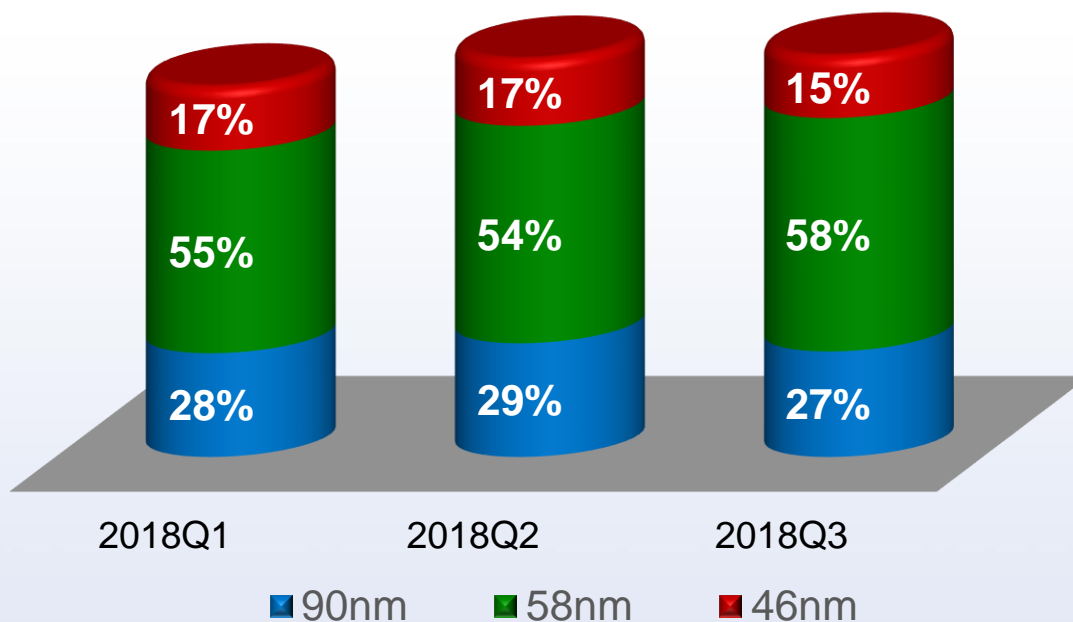
- ❑ 38nm DDR3 DRAM revenue continued to rise in Q3
- ❑ Revenue and Bit growth both increased due to stable demand and migration.





Flash Memory Business

- ❑ Flat performance QoQ
 - Weak China market offset the seasonal growth





Market and Business Outlook

❑ Overall market

- ❖ Uncertainty on global economy.
- ❖ Overall demands exist, not pessimistic, closely monitoring.

❑ Winbond Business

- ❖ Strengths on R&D, delivery, and channels promised longevity to customers, which favor Winbond maintaining solid customers relationship and stable business.



Market and Business Outlook

❑ DRAM

- ❖ Industrial cycle driven by emerging multiple applications will stimulate demand and maintain relatively stable pricing pattern than the past.
- ❖ 25nm 2G DDR3 into mass production in 4Q18.

❑ Code Storage Flash

- ❖ Diversifying sales territories and product mix to grow values
- ❖ High Speed & high quality SLC NAND for automotive solutions
- ❖ Growing opportunities on wireless earbuds, smart speaker, and automotive ... etc.



Future Development & Opportunities

- ❖ High Speed and High Quality Serial NAND in Automotive
- ❖ Transforming High-Density Code Storage with Serial Flash Memory
- ❖ Ultra-Low-Power DRAM: A “Green” Memory in IoT Devices
- ❖ 1.2V Ultra-Low-Voltage Flash and High Speed Flash Optimizing the Edge Node Performance
- ❖ Winbond TrustMe Secure Flash – A Robust and Common-Criteria Certified Secure Storage Solutions



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Thank You

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