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WIN SEMI. REPORTS 3Q19 CONSOLIDATED RESULTS (UNAUDITED)

Taiwan, Oct. 25, 2019: WIN Semiconductors Corp. (WIN Semi., TPEX: 3105), the global leader in GaAs foundry services, today reported its fiscal year 2019, third quarter (3Q19) consolidated financial results.

3Q19 Results Highlights

- ◆ Net revenue for the quarter finished at NT\$6,404 million, reaching a record high, up 44% quarter on quarter and 58% year on year.
- ◆ Gross margin increased sequentially by 8.1 percentage points to 42.1%, beating historical highs, while operating margin increased 10.8 percentage points to 31.4% reaching the second highest level in our company's history.
- ◆ Operating profit came in at NT\$2,012 million, up 119% quarter on quarter and 369% year on year.
- ◆ Net profit of NT\$1,637 million reached a record high, up 112% quarter on quarter and 135% year on year. EPS also reached an unprecedented level of NT\$3.90, compared to NT\$1.87 for the second quarter of 2019.

4Q19 Outlook & Guidance

The following statements are forward-looking which are based on our current expectations of market demand and may involve risks and uncertainties, some of which are set forth under "Safe Harbor Notice" below.

- ◆ We expect 4Q19 revenue to grow by mid-single digit QoQ.
- ◆ We expect 4Q19 gross margin to be around the same level as 3Q19.

Safe Harbor Notice

This presentation contains certain forward-looking statements that are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Except as required by law, we undertake no obligation to update any forward – looking statements, whether as a result of new information, future events or otherwise.

Management Comments

“We are pleased to see that our financial results for the third quarter of 2019 have once again set several historical records. Revenue for the third quarter was NT\$6.4 billion, increasing by 44% quarter-on-quarter and 58% year-on-year, respectively, reaching another record high after the fourth quarter of 2017. Revenue for the first three quarters was NT\$14.47 billion, increasing by 11% year-on-year. Our new capacity which became ready at the end of the second quarter was able to fulfill the strong customer demand in the third quarter in a timely manner. Given an increasing capacity utilization rate, our gross margin increased to a record high level of 42.1%, and operating margin of 31.4% also reached the second highest level in our company’s history. Our net profit and EPS reached an unprecedented level of NT\$1.64 billion and NT\$3.9, respectively.

Given third quarter is traditionally a stronger season for smartphones, our overall revenue has started to reflect the demand for the stronger season since July, and reached a record high for a single month for three consecutive months. Compared to the previous quarter, third quarter shipments for Cellular, Wi-Fi, and VCSEL, which applied to smartphones, all delivered significant growth. In addition, even the demand for infrastructure which typically has less clear seasonality also showed continued growth momentum from the first half, leading to tight capacity again. In response to the end demand for 5G next year, we have recently announced that we will initiate a new round of capacity expansion, with monthly capacity to be expanded from current 36,000 wafers to 41,000. New capacity is expected to come online in the second quarter of next year, in order to prepare for the demand in peak season.

2019 is the first year of 5G. Although current 5G network is still not widely available, telecom operators and smartphone manufacturers in all countries are all geared up, expecting to take the lead. We are pleased to see that 5G has contributed over 10% of our cellular PAs revenue currently, and firmly believe that with the prevalence of 5G communication in the next few years, 5G will become our mid-to long term growth driver.

Looking ahead to the fourth quarter of 2019, given continued strong customer demand, we expect revenue to grow by mid-single digit quarter-on-quarter, and for gross margin to be around the same level with third quarter of 2019. Meanwhile, we expect revenue for the full year of 2019 to increase by over 20% year-on-year, outperforming the expected growth of 0.1% for the Taiwan semiconductor industry and the expected decline of 13.3% for the global semiconductor industry.”

About WIN Semi.

WIN Semiconductors Corp. was founded in October of 1999, and has become the first pure-play 6-inch GaAs foundry in the world. In recognition of the growing demand, three advanced GaAs wafer fabs were established to manufacture cost-effective, high speed, and high quality GaAs MMIC's (monolithic microwave ICs) and RFIC's (radio frequency ICs).

WIN provides dedicated foundry services to design houses and integrated device manufacturers. Using state of the art GaAs technology, WIN supplies HBT and pHEMT MMIC fabrication services to worldwide IC corporations. With MMIC technique as basis, WIN also provides optoelectronic device fabrication services for optical communication and 3D sensing applications.