



*Compound Semiconductor Solutions  
from RF to Lightwave*

穩懋半導體

# WIN Semiconductors 3Q2021 Investor Conference

October 2021



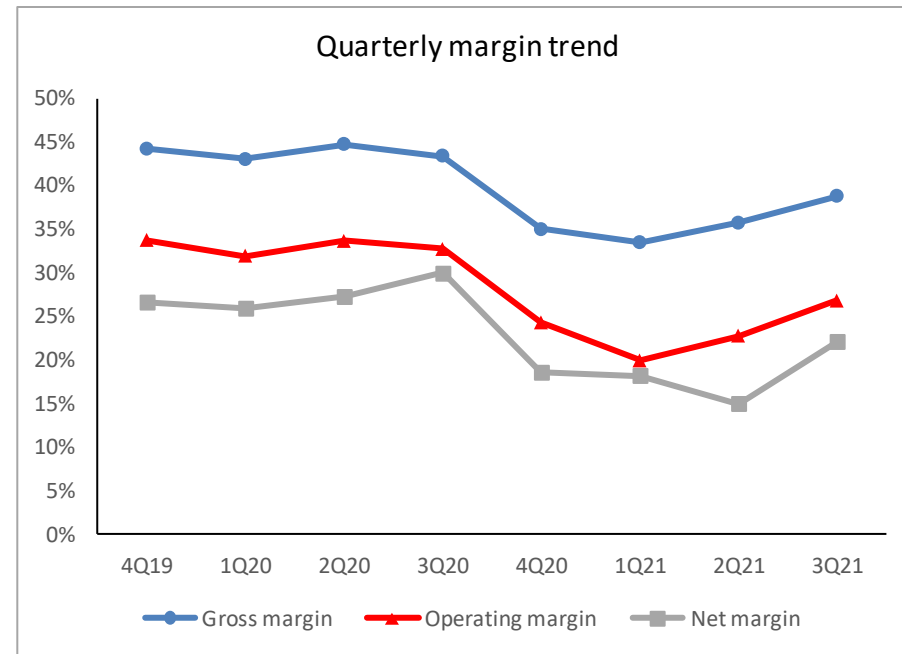
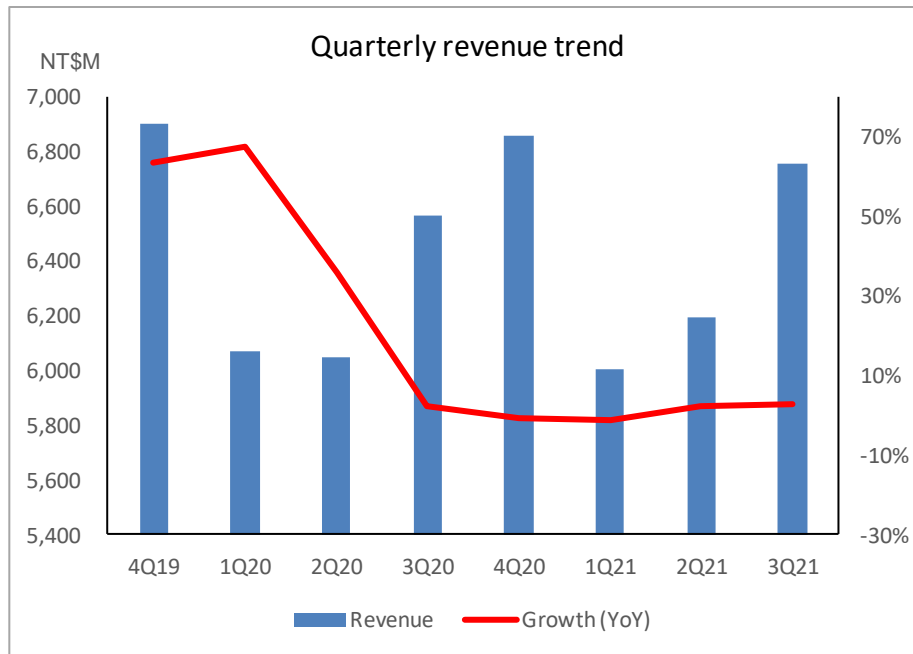
# Safe Harbor Notice

- **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.**

# QUARTERLY RESULTS & GUIDANCE

# Revenue & Margin Trend

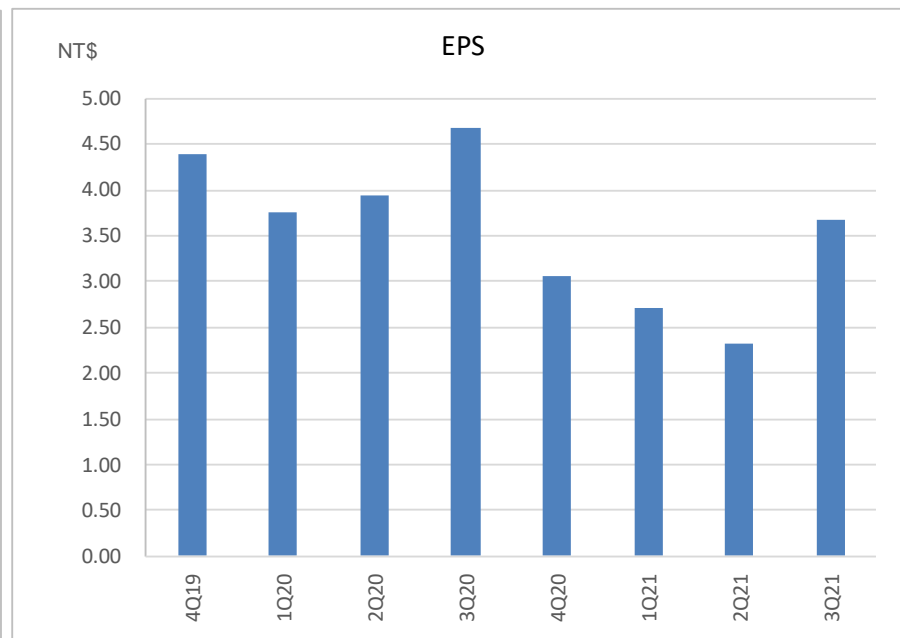
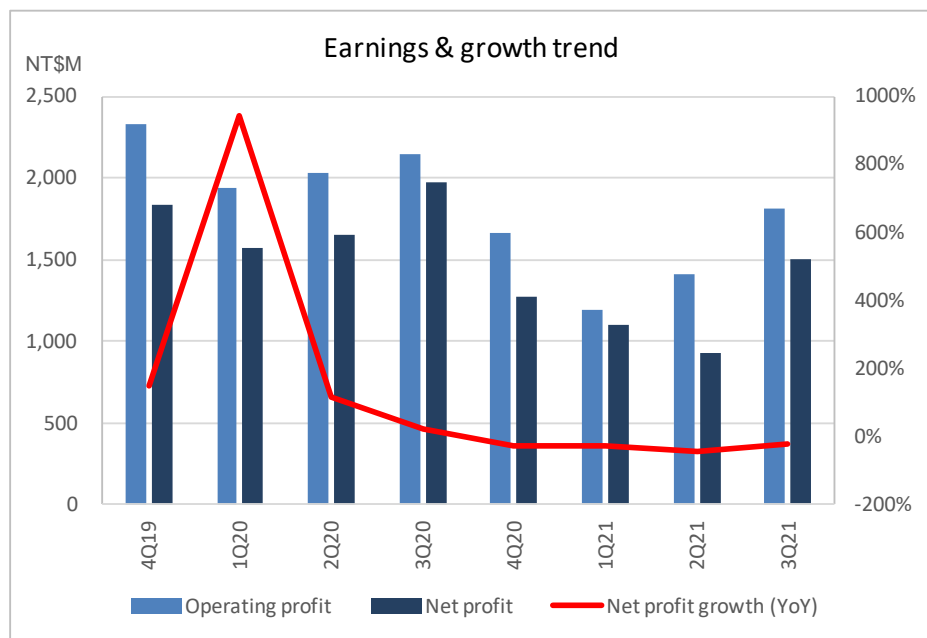
- 3Q21 revenue was NT\$6.76b, up 9% QoQ and up 3% YoY.
- In 3Q21, driven by better product mix and higher capacity utilization rate, gross margin increased by 3.1 pp sequentially to 38.8% and operating margin increased by 4.1 pp to 26.8%.



Source: company.

# Earnings Trend

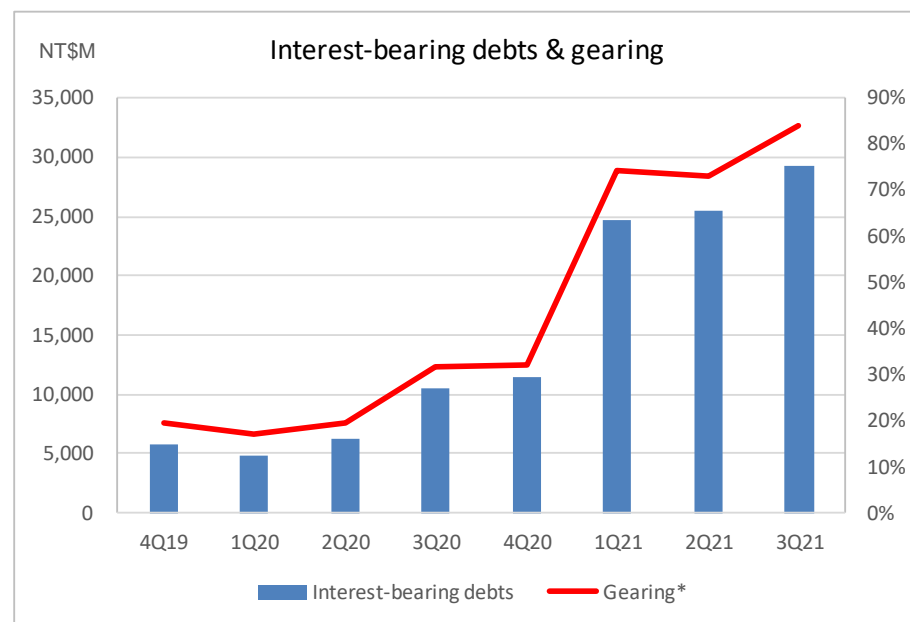
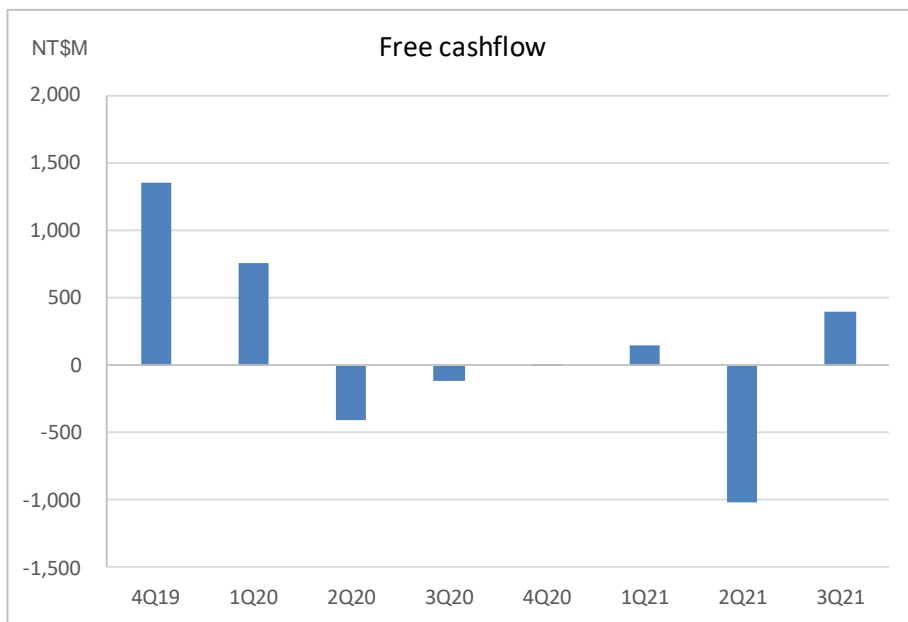
- **3Q21 net profit was NT\$1.5b, up 61% QoQ but down 24% YoY.**  
**EPS came in at NT\$3.67, compared to NT\$2.32 in 2Q21.**



Source: company.

# FCF & Gearing Trend

- In 3Q21, as our capex was lower than the previous quarter, we had a net inflow of free cash flow.
- In 3Q21, both our interest-bearing debts and gearing ratio were increased compared to the previous quarter.

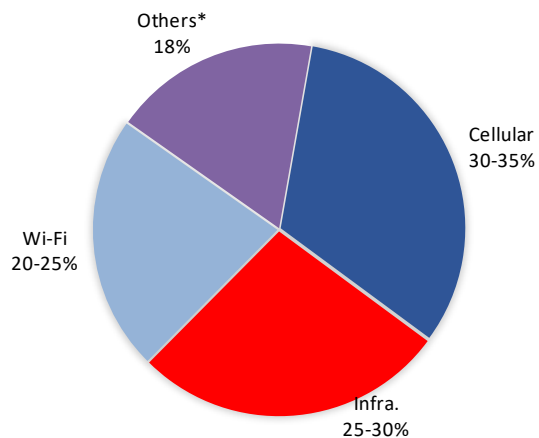


\* Gearing = interest-bearing debts / equity

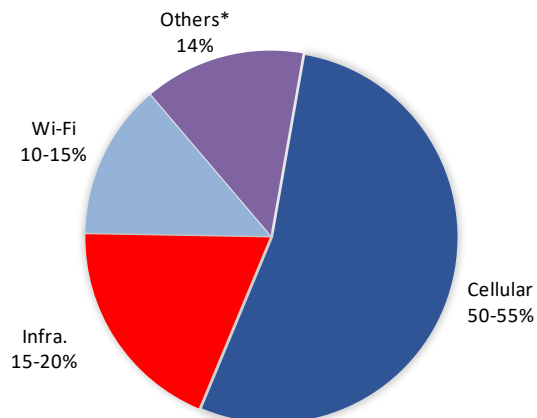
Source: company.

# Product Mix

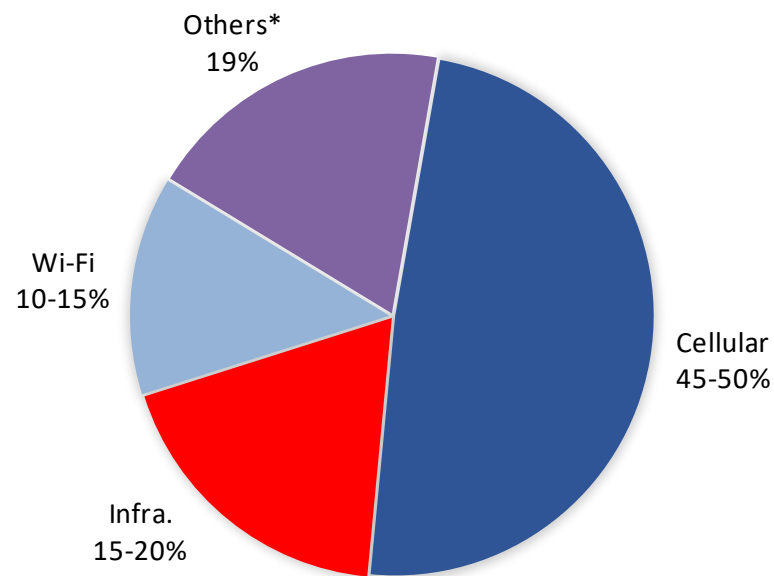
**3Q20**



**2Q21**



**3Q21**



\* Others: Revenue not attributable to main product segments and additional revenue being consolidated in accordance with IFRS.

Source: company.

# 4Q21 Guidance



- We expect 4Q21 revenue to grow by mid-single digit QoQ.
- We expect 4Q21 gross margin to be around the level of high-thirties.



# FINANCIAL SUMMARY

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# Consolidated Statements of Comprehensive Income - Quarterly

Unit: NTD Million	3Q'20	2Q'21	3Q'21 (unaudited)	QoQ	YoY
<b>Net revenue</b>	<b>6,566</b>	<b>6,195</b>	<b>6,761</b>	<b>+9%</b>	<b>+3%</b>
Gross profit	2,851	2,212	2,623	+19%	-8%
<i>Gross margin (%)</i>	<i>43.4%</i>	<i>35.7%</i>	<i>38.8%</i>		
Operating expenses	(705)	(803)	(814)	+1%	+15%
<i>Operating expenses rate (%)</i>	<i>-11%</i>	<i>-13%</i>	<i>-12%</i>		
<b>Operating income</b>	<b>2,146</b>	<b>1,409</b>	<b>1,810</b>	<b>+28%</b>	<b>-16%</b>
<i>Operating margin (%)</i>	<i>32.7%</i>	<i>22.7%</i>	<i>26.8%</i>		
Non-operating incomes and expenses	244	(283)	28		
Income before income tax	2,391	1,126	1,838	+63%	-23%
Income tax expense	(423)	(197)	(342)		
<b>Net income</b>	<b>1,967</b>	<b>930</b>	<b>1,496</b>	<b>+61%</b>	<b>-24%</b>
<i>Net margin (%)</i>	<i>30.0%</i>	<i>15.0%</i>	<i>22.1%</i>		
<b>EPS (NT\$)</b>	<b>4.68</b>	<b>2.32</b>	<b>3.67</b>	<b>+58%</b>	<b>-22%</b>
Other comprehensive income, net	(590)	69	(192)		
<b>Comprehensive income</b>	<b>1,377</b>	<b>998</b>	<b>1,304</b>	<b>+31%</b>	<b>-5%</b>
ROE(%)	25%	12%	19%		
Approx. Utilization (%)	75%	90%	95%		
Depreciation	935	1,028	990		
CAPEX	2,291	2,702	1,289		

# Consolidated Statements of Comprehensive Income - YTD

Unit: NTD Million	2020Q1-3	2021Q1-3 (unaudited)	YoY
<b>Net revenue</b>	<b>18,685</b>	<b>18,965</b>	+1%
Gross profit	8,169	6,847	-16%
<i>Gross margin (%)</i>	<i>43.7%</i>	<i>36.1%</i>	
Operating expenses	(2,052)	(2,433)	+19%
<i>Operating expenses rate (%)</i>	<i>-11%</i>	<i>-13%</i>	
<b>Operating income</b>	<b>6,118</b>	<b>4,414</b>	-28%
<i>Operating margin (%)</i>	<i>32.7%</i>	<i>23.3%</i>	
Non-operating incomes and expenses	268	(64)	
Income before income tax	6,385	4,351	-32%
Income tax expense	(1,192)	(830)	
<b>Net income</b>	<b>5,193</b>	<b>3,521</b>	-32%
<i>Net margin (%)</i>	<i>27.8%</i>	<i>18.6%</i>	
<b>EPS (NT\$)</b>	<b>12.38</b>	<b>8.71</b>	-30%
Other comprehensive income, net	13	(137)	
<b>Comprehensive income</b>	<b>5,206</b>	<b>3,384</b>	-35%
ROE(%)	23%	15%	
Approx. Utilization (%)	85%	90%	
Depreciation	2,645	3,017	
CAPEX	5,551	5,825	

# Non-operating Items

Unit: NTD Million	3Q'20	3Q'21 (unaudited)	2020Q1-3	2021Q1-3 (unaudited)
Foreign exchange gains (losses)	(31)	10	(33)	(147)
Gains (losses) on disposals of property, plant and equipment	(3)	1	(4)	(4)
Gains on financial assets (liabilities) at fair value through profit or loss, net	48	(2)	(19)	220
Share of gains (losses) of associates and joint ventures accounted for using equity method	77	99	92	38
Others	153	(80)	231	(171)
<b>Total</b>	<b>244</b>	<b>28</b>	<b>268</b>	<b>(64)</b>

# Consolidated Balance Sheets

(Unit: NTD Million)	Major Item	2020/9/30		2021/6/30		2021/9/30 (unaudited)	
		\$	%	\$	%	\$	%
	Cash and cash equivalents	6,709	13%	19,899	27%	16,482	23%
	Current financial assets at fair value through profit or loss	1,098	2%	258	0.4%	56	0.1%
	Notes and accounts receivable, net	1,762	4%	2,107	3%	2,088	3%
	Inventories	5,549	11%	6,065	8%	6,594	9%
	Long-term investments	7,359	15%	11,767	16%	13,575	19%
	Net property, plant and equipment	24,514	49%	29,111	40%	29,512	41%
	<b>Total Assets</b>	<b>49,701</b>	<b>100%</b>	<b>72,576</b>	<b>100%</b>	<b>71,999</b>	<b>100%</b>
	Current portion of long-term liabilities	-		-		5,549	
	Current liabilities	5,749		10,862		11,930	
	Bonds payable	-		13,202		13,244	
	Long-term borrowings	10,433		12,341		10,520	
	<b>Total Liabilities</b>	<b>16,763</b>	<b>34%</b>	<b>37,634</b>	<b>52%</b>	<b>37,021</b>	<b>51%</b>
	Common stock	4,241		4,240		4,240	
	Total equity attributable to owners of parent	32,000		32,727		32,792	
	<b>Total Equity</b>	<b>32,938</b>	<b>66%</b>	<b>34,942</b>	<b>48%</b>	<b>34,978</b>	<b>49%</b>
	Book value per share (NT\$) <sup>1</sup>	75.46		77.18		77.33	
	<b>Key Indices</b>						
	Current ratio ( <i>Current assets / Current liabilities</i> )	279%		266%		218%	
	Debt ratio ( <i>Total liabilities / Total assets</i> )	34%		52%		51%	

<sup>1</sup> Book value per share = total equity attributable to owners of parent / number of common shares

# Q & A

For more information regarding WIN  
[www.winfoundry.com](http://www.winfoundry.com)

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