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## WIN SEMI. REPORTS 3Q20 CONSOLIDATED RESULTS (UNAUDITED)

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Taiwan, Oct. 28, 2020: WIN Semiconductors Corp. (WIN Semi., TPEx: 3105), the global leader in GaAs foundry services, today reported its fiscal year 2020, third quarter (3Q20) consolidated financial results.

### 3Q20 Results Highlights

- ◆ Net revenue for the quarter finished at NT\$6,566 million, up 9% quarter on quarter and 3% year on year.
- ◆ Gross margin decreased sequentially by 1.4 percentage points to 43.4%, and operating margin decreased by 0.9 percentage points to 32.7%.
- ◆ Operating profit came in at NT\$2,146 million, up 6% quarter on quarter and 7% year on year.
- ◆ Net profit reached NT\$1,967 million, making a record high for a single quarter, up 19% quarter on quarter and 20% year on year. EPS was NT\$4.68, which also reached the highest level in the company's history, while EPS for the second quarter of 2020 was NT\$3.94.

### 4Q20 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 4Q20 revenue to grow by low-single digit QoQ.
- ◆ Due to the product mix change, we expect 4Q20 gross margin to be around the level of high-thirties.

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### 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**

*"In the third quarter of 2020, while the market has been full of uncertainty from COVID-19 and US-China trade tensions, we delivered a satisfactory performance in both revenue and profits. Our revenue for the third quarter of 2020 increased by 9% quarter-on-quarter, better than our previous expectation. Revenue for the first three quarters reached NT\$18.7 billion, increasing by 29% year-on-year. Although our capacity utilization rate declined as new capacity came online month by month, third-quarter gross margin was maintained at 43.4% given better product mix, roughly in line with our previous expectation. Net profit and net margin for the third quarter were NT\$1.97 billion and 30%, respectively, both hitting a record high level. Our third-quarter EPS reached an unprecedented level of NT\$4.68, and EPS for the first three quarters of 2020 was NT\$12.38, already exceeding our full-year EPS of last year.*

*We have always adhered to our long-term strategy of diversifying customers, maintaining R&D investments, and continuously expanding capacity. This year's capacity expansion plan of adding 5,000 wafers per month was completed at the end of the third quarter, and our current monthly capacity has reached 41,000 wafers, which is the world's largest production capacity in the GaAs industry. We believe as 5G networks become more mature in the next few years, the increase in 5G smartphone penetration will further drive the demand for 5G PA. Meanwhile, as global leading smartphone players introduce 3D sensing technology for AR applications following the facial recognition application, it is expected to drive another wave of adoption. Thus, we remain optimistic about the future demand for compound semiconductor wafer foundry. To fulfill the long-term demand from customers, we have just received approval from the Ministry of Science and Technology in mid-August and will soon enter the Southern Taiwan Science Park in Kaohsiung to establish an additional fab. It is expected to lay the foundation for the next 20 years of WIN Semi, having just reached a milestone of 20 years since WIN Semi was first established.*

*Looking ahead to the fourth quarter of 2020, we expect revenue to grow by low-single digit quarter-on-quarter. Due to the product mix change, gross margin will be around the level of high-thirties."*

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### **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.