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WIN SEMI. REPORTS 1Q21 CONSOLIDATED RESULTS (UNAUDITED)

Taiwan, Apr. 29, 2021: WIN Semiconductors Corp. (WIN Semi., TPEX: 3105), the global leader in GaAs foundry services, today reported its fiscal year 2021, first quarter (1Q21) consolidated financial results.

1Q21 Results Highlights

- ◆ Net revenue for the quarter finished at NT\$6,009 million, down 12% quarter on quarter and down 1% year on year.
- ◆ Gross margin declined by 1.5 percentage points sequentially to 33.5%, and operating margin declined by 4.4 percentage points sequentially to 19.9%.
- ◆ Operating profit came in at NT\$1,196 million, down 28% quarter on quarter and down 38% year on year.
- ◆ Net profit reached NT\$1,095 million, down 14% quarter on quarter and down 30% year on year. EPS was NT\$2.72, compared to NT\$3.07 for the fourth quarter of 2020.

2Q21 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 2Q21 revenue to grow by low-single digit QoQ.
- ◆ We expect 2Q21 gross margin to be around the level of low-thirties.

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

“Given that the first quarter is a traditionally low season, our revenue for all product segments in the first quarter of 2021 decreased sequentially compared with the previous quarter. 5G PA shipments accounted for slightly less than 20% of the overall Cellular revenue in the quarter. Revenue of NT\$6 billion decreased 12% quarter-on-quarter, in line with our expectation. This translated into a mild decline of 1% year-on-year. Due to the impact of product mix and capacity utilization, gross margin declined sequentially to 33.5%. With a decline in revenue and an increase in operating expenses, the operating margin in the first quarter was 19.9%, declining by 4.4 percentage points sequentially. EPS was NT\$2.72.

Looking at the product mix in the first quarter, the magnitude of sequential decline in Cellular and Wi-Fi revenue was relatively mild. We attributed this mainly to the fact that working from home (WFH) and learning from home (LFH) have become the new normal since the outbreak of the COVID-19 pandemic. Driven by the demand for long time intervals and large amounts of audio and video data transmission from wireless-connected devices, devices including handhelds, Wi-Fi base stations, and IoT applications all require better and more stable connection quality. We have provided high-quality and high-performance power amplifiers for a long period of time, and our products have become the first choice for the market.

In addition, since last year, despite rapid changes in the market share of smartphone brands amid tensions of geopolitical conflict, many of our Asia-based customers have actually benefited from these changes with a continuous increase in demand. Given our diversified customer base and competitive advantages in technology and capacity, we have always played an important role in the market. We are actively planning the development of the new fab in Southern Taiwan Science Park in Kaohsiung this year, and it is expected to officially start construction in the middle of the year. This is to serve customers' long-term demand for production capacity and to lay the foundation for our continued growth in the future.

Looking ahead to the second quarter of 2021, we expect revenue to grow by low-single digit quarter-on-quarter and gross margin to be around the level of low-thirties.”

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.