

**Contact**

Investor Relations
+886 3397 5999 ext. 1204
ir@winfoundry.com

WIN SEMI. REPORTS 2Q21 CONSOLIDATED RESULTS (UNAUDITED)

Taiwan, Jul. 29, 2021: WIN Semiconductors Corp. (WIN Semi., TPEX: 3105), the global leader in GaAs foundry services, today reported its fiscal year 2021, second quarter (2Q21) consolidated financial results.

2Q21 Results Highlights

- ◆ Net revenue for the quarter finished at NT\$6,195 million, up 3% quarter on quarter and up 2% year on year.
- ◆ Gross margin increased by 2.2 percentage points sequentially to 35.7%, and operating margin increased by 2.8 percentage points sequentially to 22.7%.
- ◆ Operating profit came in at NT\$1,409 million, up 18% quarter on quarter but down 31% year on year.
- ◆ Net profit reached NT\$930 million, down 15% quarter on quarter and down 44% year on year. EPS was NT\$2.32, compared to NT\$2.72 for the first quarter of 2021.

3Q21 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 3Q21 revenue to grow by high-single digit QoQ.
- ◆ We expect 3Q21 gross margin to be around the level of mid-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

“After a traditionally slower season in the first quarter, we have seen a gradual pick-up of customer demand, and our revenue in the second quarter reached NT\$6.2 billion, an increase of 3% quarter-on-quarter and 2% year-on-year. This was roughly in line with our previous expectation. Driven by changes in the product mix, our gross margin in the second quarter increased by 2.2 percentage points from the previous quarter, recovering to 35.7%. This also led to a sequential increase of our operating margin by 2.8 percentage points, returning to the level of 22.7%. EPS in the second quarter was NT\$2.32, and EPS for the first half of 2021 was NT\$5.04.

Looking at the product mix in the second quarter, apart from infrastructure revenue being maintained at the level of the first quarter, the double-digit sequential growth in cellular PA revenue was the most pronounced. Specifically, the contribution of 5G PA revenue to total cellular PA revenue recovered to over 20% again, and the significant increase in the momentum of Chinese fabless customers was also one of the drivers. After the third quarter of last year, we could no longer supply to our largest Chinese customer at that time due to the US-China trade conflict. However, as we had previously expected, after the reshuffle of the smartphone end market, our strategy of diversifying customers has served us well again. Many Chinese customers who have worked with us for many years seized this opportunity to gain market share. They chose to work closely with us given our strong support in R&D and production capacity. This was a win-win for our customers and us, strengthening our confidence in delivering continued revenue growth in 2021. In response to our customers’ future growth and the long-term demand for production capacity, we will adhere to our strategy of investing R&D resources to participate in the next generation product developments of our customers and expanding production capacity. We believe our customers’ market share gains will further reinforce our leading position in the compound semiconductor foundry industry.

Looking ahead to the third quarter of 2021, we expect revenue to grow by high-single digit quarter-on-quarter and gross margin to be around the level of mid-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.