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WIN SEMI. REPORTS 3Q21 CONSOLIDATED RESULTS (UNAUDITED)

Taiwan, Oct. 28, 2021: WIN Semiconductors Corp. (WIN Semi., TPEX: 3105), the global leader in GaAs foundry services, today reported its fiscal year 2021, third quarter (3Q21) consolidated financial results.

3Q21 Results Highlights

- ◆ Net revenue for the quarter finished at NT\$6,761 million, up 9% quarter on quarter and up 3% year on year.
- ◆ Gross margin increased by 3.1 percentage points sequentially to 38.8%, and operating margin increased by 4.1 percentage points sequentially to 26.8%.
- ◆ Operating profit came in at NT\$1,810 million, up 28% quarter on quarter but down 16% year on year.
- ◆ Net profit reached NT\$1,496 million, up 61% quarter on quarter but down 24% year on year. EPS was NT\$3.67, compared to NT\$2.32 for the second quarter of 2021.

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

“In the third quarter of 2021, driven by the robust customer demand, our consolidated revenue was NT\$6.76 billion, an increase of 9% quarter-on-quarter, which was roughly in line with our previous expectation. Given better product mix and higher capacity utilization rate, our gross margin was better than our previous expectation, with a sequential increase of 3.1 percentage points to 38.8%, which was the highest level this year. Our operating margin also increased by 4.1 percentage points sequentially to the level of 26.8%. EPS in the third quarter was NT\$3.67, and EPS for the first three quarters of 2021 was NT\$8.71.

Third-quarter is traditionally a higher season for smartphones. Taking a closer look at the individual performance of each product segment, thanks to the debut of high-end smartphones, our Optical revenue, which was primarily for 3D sensing, delivered the highest quarter-on-quarter growth. Although the die size shrink of the new generation 3D sensing chips may affect the overall demand for wafers, it will increase the difficulty of wafer production technology and entry barriers for peers at the same time. This is evidenced by our customer demand for optical wafers in the third quarter, which was as strong as in previous years and was not affected by smaller die size. In addition, 5G Cellular PA and Infrastructure-related revenue both increased single-digit quarter-on-quarter. Overall, the growth from Cellular PA customers remains the most prominent among all product segments this year. Specifically, the contribution of 5G PA revenue to total Cellular PA revenue maintained at over 20% in the third quarter, which was similar to the previous quarter. This reaffirmed that the momentum of 5G smartphones has sustained. Although we will not add new production capacity this year, we have adopted a strategy of maximizing existing production capacity through improving efficiency to fulfill customer demand. While our utilization rate in the third quarter has reached 95%, we continue executing our scheduled capacity expansion plan, preparing for the new capacity next year as well as the new facility for longer-term expansion.

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