



*Compound Semiconductor Solutions  
from RF to Lightwave*

穩懋半導體

# WIN Semiconductors 2Q2022 Investor Conference

July 2022



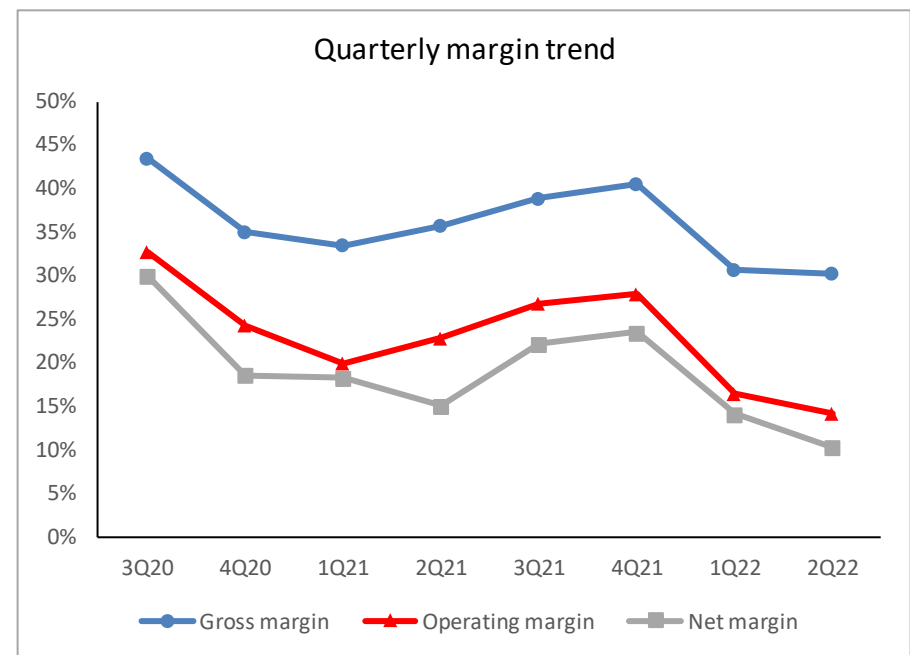
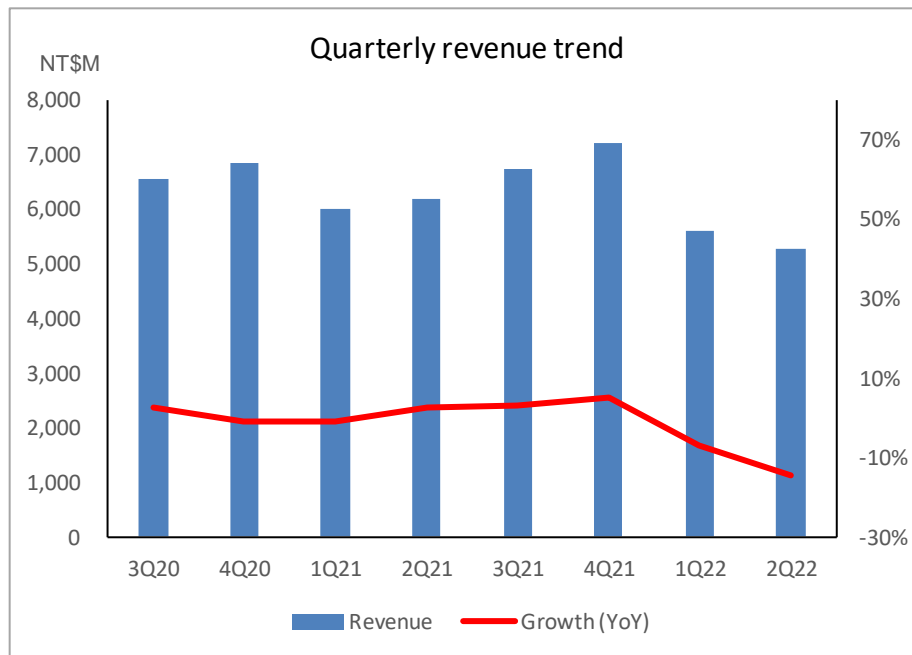
# Safe Harbor Notice

- **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

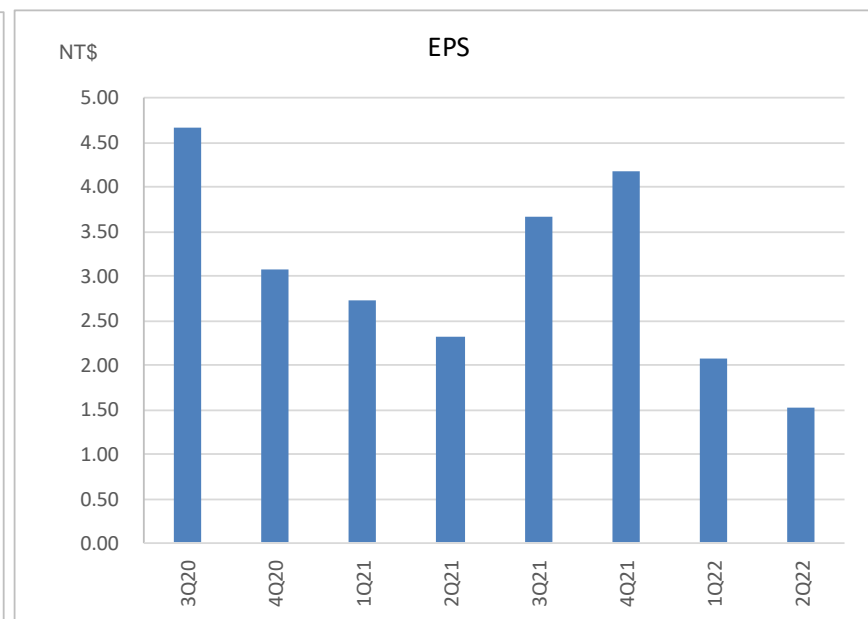
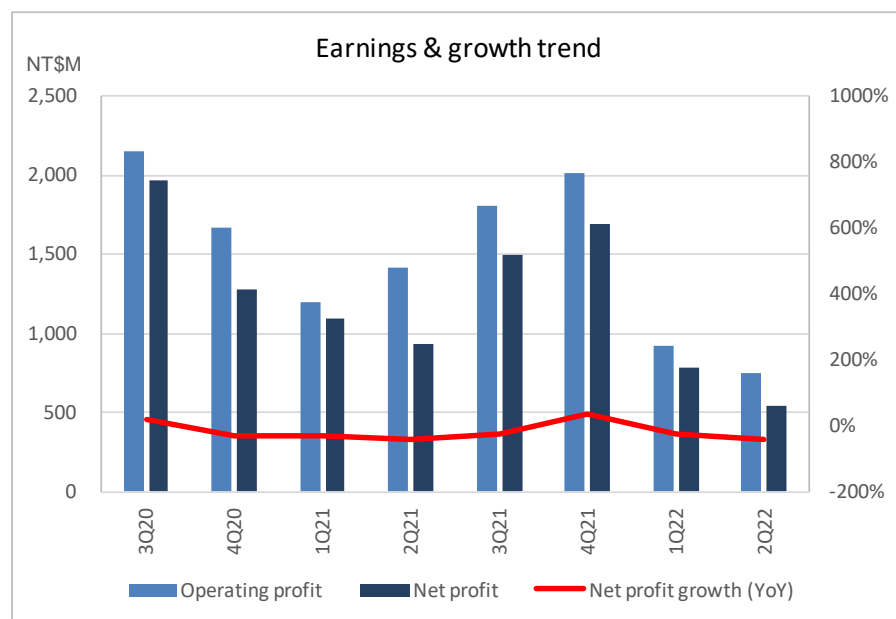
- 2Q22 revenue was NT\$ 5.3b, down 5% QoQ and down 14% YoY.
- 2Q22 gross margin declined by 0.4pp sequentially to 30.2% and operating margin declined by 2.3pp to 14.1%. The declines were mainly caused by a decline in capacity utilization rate.



Source: company.

# Earnings Trend

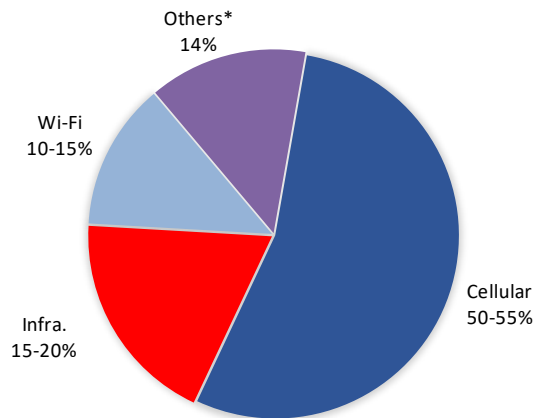
- **2Q22 net profit was NT\$ 544m, down 31% QoQ and down 41% YoY.**  
**EPS came in at NT\$1.52, compared to NT\$2.08 in 1Q22.**



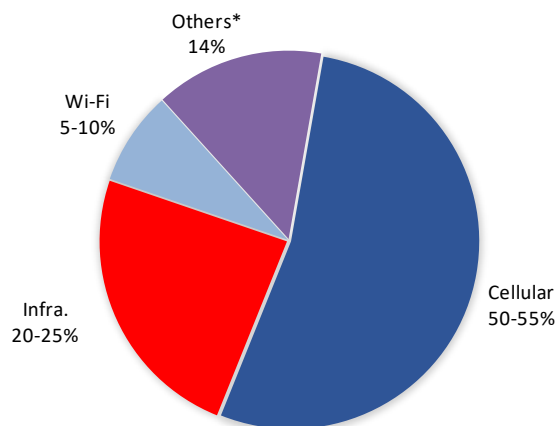
Source: company.

# Product Mix

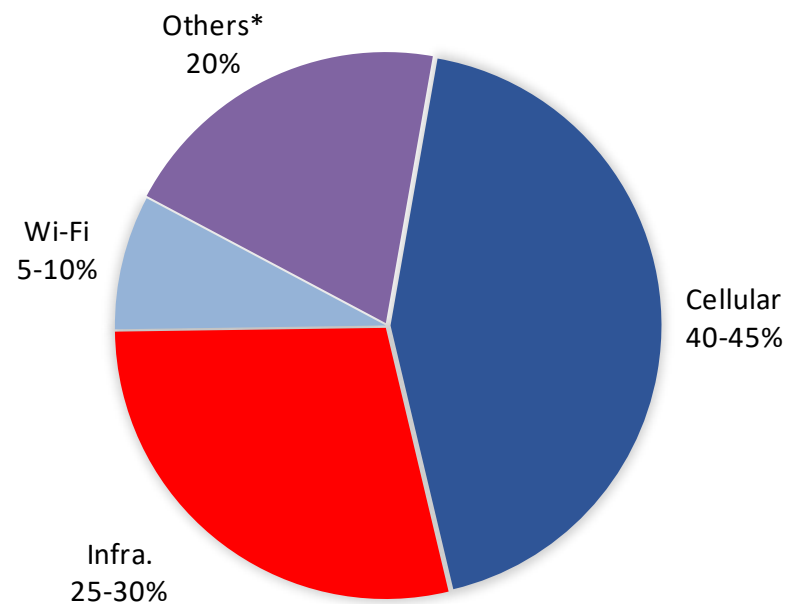
**2Q21**



**1Q22**



**2Q22**



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

Source: company.

# 3Q22 Guidance



- We expect 3Q22 revenue to decline mid-twenties QoQ.
- We expect 3Q22 gross margin will be around the level of low-twenties.

# FINANCIAL SUMMARY

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# Consolidated Statements of Comprehensive Income - Quarterly

Unit: NTD Million	2Q'21	1Q'21	2Q'22 (unaudited)	QoQ	YoY
<b>Net revenue</b>	<b>6,195</b>	<b>5,597</b>	<b>5,297</b>	-5%	-14%
Gross profit	2,212	1,714	1,601	-7%	-28%
<i>Gross margin (%)</i>	<i>35.7%</i>	<i>30.6%</i>	<i>30.2%</i>		
Operating expenses	(803)	(798)	(853)	+7%	+6%
<i>Operating expenses rate (%)</i>	<i>-13%</i>	<i>-14%</i>	<i>-16%</i>		
<b>Operating income</b>	<b>1,409</b>	<b>916</b>	<b>747</b>	-18%	-47%
<i>Operating margin (%)</i>	<i>22.7%</i>	<i>16.4%</i>	<i>14.1%</i>		
Non-operating incomes and expenses	(283)	75	(79)		
Income before income tax	1,126	991	669	-33%	-41%
Income tax expense	(197)	(205)	(125)		
<b>Net income</b>	<b>930</b>	<b>786</b>	<b>544</b>	-31%	-41%
<i>Net margin (%)</i>	<i>15.0%</i>	<i>14.0%</i>	<i>10.3%</i>		
<b>EPS (NT\$)</b>	<b>2.32</b>	<b>2.08</b>	<b>1.52</b>	-27%	-34%
Other comprehensive income, net	69	374	(472)		
<b>Comprehensive income</b>	<b>998</b>	<b>1,160</b>	<b>72</b>	-94%	-93%
ROE(%)	12%	10%	8%		
Approx. Utilization (%)	90%	70%	60%		
Depreciation	1,028	1,058	1,051		
CAPEX	2,702	1,320	3,136		

# Consolidated Statements of Comprehensive Income - YTD

Unit: NTD Million	2021H1	2022H1 (unaudited)	YoY
<b>Net revenue</b>	<b>12,204</b>	<b>10,894</b>	<b>-11%</b>
Gross profit	4,224	3,315	-22%
<i>Gross margin (%)</i>	<i>34.6%</i>	<i>30.4%</i>	
Operating expenses	(1,619)	(1,651)	+2%
<i>Operating expenses rate (%)</i>	<i>-13%</i>	<i>-15%</i>	
<b>Operating income</b>	<b>2,605</b>	<b>1,663</b>	<b>-36%</b>
<i>Operating margin (%)</i>	<i>21.3%</i>	<i>15.3%</i>	
Non-operating incomes and expenses	(92)	(4)	
Income before income tax	2,513	1,659	-34%
Income tax expense	(488)	(329)	
<b>Net income</b>	<b>2,025</b>	<b>1,330</b>	<b>-34%</b>
<i>Net margin (%)</i>	<i>16.6%</i>	<i>12.2%</i>	
<b>EPS (NT\$)</b>	<b>5.04</b>	<b>3.60</b>	<b>-29%</b>
Other comprehensive income, net	55	(98)	
<b>Comprehensive income</b>	<b>2,080</b>	<b>1,233</b>	<b>-41%</b>
ROE(%)	13%	9%	
Approx. Utilization (%)	85%	65%	
Depreciation	2,027	2,109	
CAPEX	4,536	4,456	

# Non-operating Items

Unit: NTD Million	2Q'21	2Q'22 (unaudited)	2021H1	2022H1 (unaudited)
Foreign exchange gains (losses)	(348)	100	(157)	439
Gains (losses) on disposals of property, plant and equipment	0.7	7	(5)	7
Gains on financial assets (liabilities) at fair value through profit or loss, net	144	(300)	222	(579)
Share of gains (losses) of associates and joint ventures accounted for using equity method	(22)	99	(61)	161
Others	(57)	15	(91)	(31)
<b>Total</b>	<b>(283)</b>	<b>(79)</b>	<b>(92)</b>	<b>(4)</b>

# Consolidated Balance Sheets

(Unit: NTD Million)	Major Item	2021/6/30		2022/3/31		2022/6/30 (unaudited)	
		\$	%	\$	%	\$	%
	Cash and cash equivalents	19,899	27%	14,207	19%	12,960	18%
	Current financial assets at fair value through profit or loss	258	0.4%	57	0.1%	53	0.1%
	Notes and accounts receivable, net	2,107	3%	2,020	3%	1,826	3%
	Inventories	6,065	8%	6,295	8%	5,960	8%
	Long-term investments	11,767	16%	14,621	20%	14,036	19%
	Net property, plant and equipment	29,111	40%	33,003	45%	33,996	47%
	<b>Total Assets</b>	<b>72,576</b>	<b>100%</b>	<b>74,073</b>	<b>100%</b>	<b>72,767</b>	<b>100%</b>
	Current portion of long-term liabilities	-		-		247	
	Current liabilities	10,862		11,036		10,252	
	Bonds payable	13,202		13,329		13,372	
	Long-term borrowings	12,341		13,520		12,914	
	<b>Total Liabilities</b>	<b>37,634</b>	<b>52%</b>	<b>39,177</b>	<b>53%</b>	<b>37,796</b>	<b>52%</b>
	Common stock	4,240		4,240		4,240	
	Total equity attributable to owners of parent	32,727		32,739		32,929	
	<b>Total Equity</b>	<b>34,942</b>	<b>48%</b>	<b>34,896</b>	<b>47%</b>	<b>34,971</b>	<b>48%</b>
	Book value per share (NT\$) <sup>1</sup>	77.18		77.22		77.67	
	<b>Key Indices</b>						
	Current ratio ( <i>Current assets / Current liabilities</i> )	266%		210%		210%	
	Debt ratio ( <i>Total liabilities / Total assets</i> )	52%		53%		52%	

<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  
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*Compound Semiconductor Solutions  
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