



*Compound Semiconductor Solutions
from RF to Lightwave*

穩懋半導體

WIN Semiconductors 2Q2023 Investor Conference

July 2023



Safe Harbor Notice

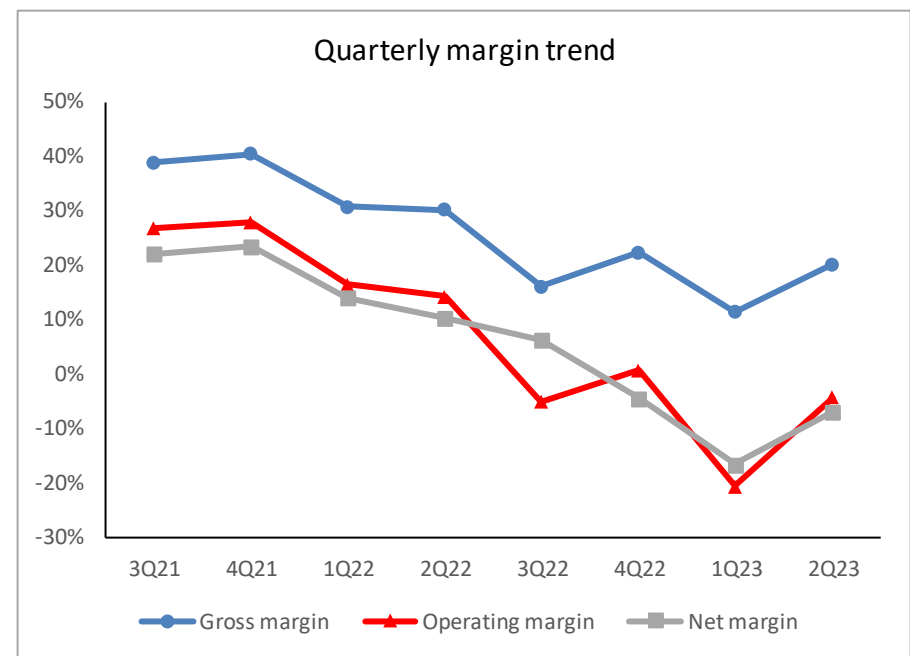
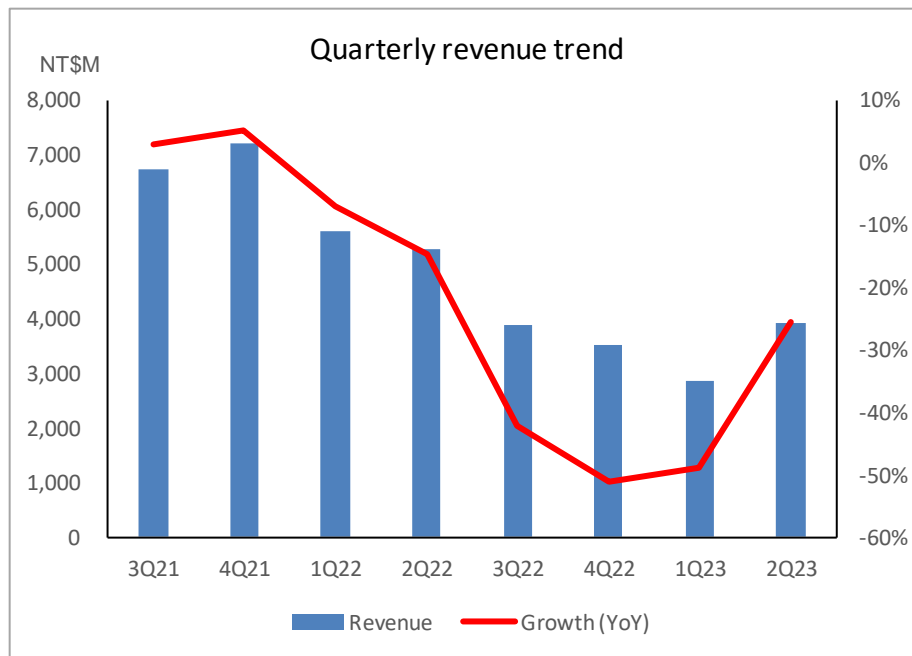


- **This presentation contains certain forward-looking statements that are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.**
- **Except as required by law, 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

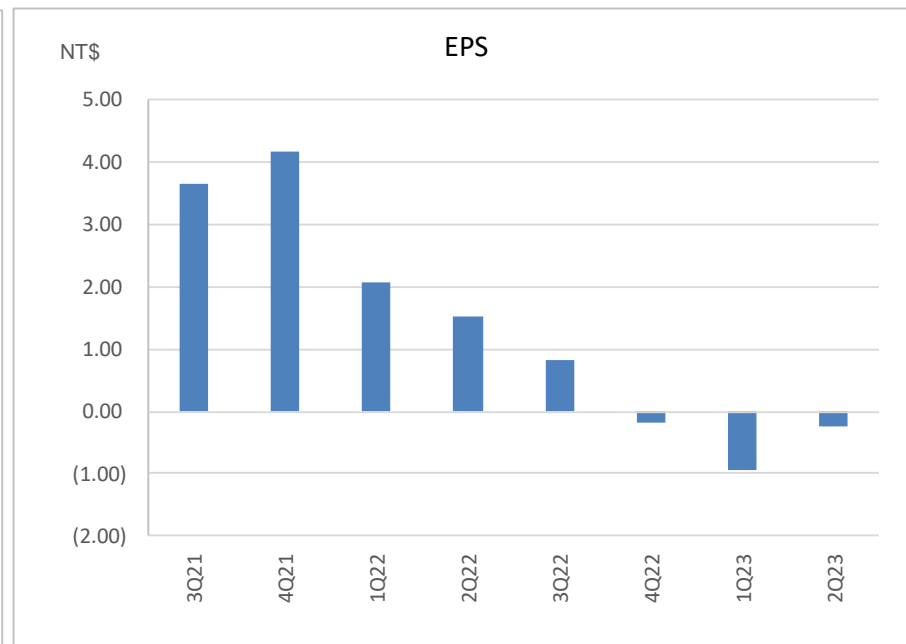
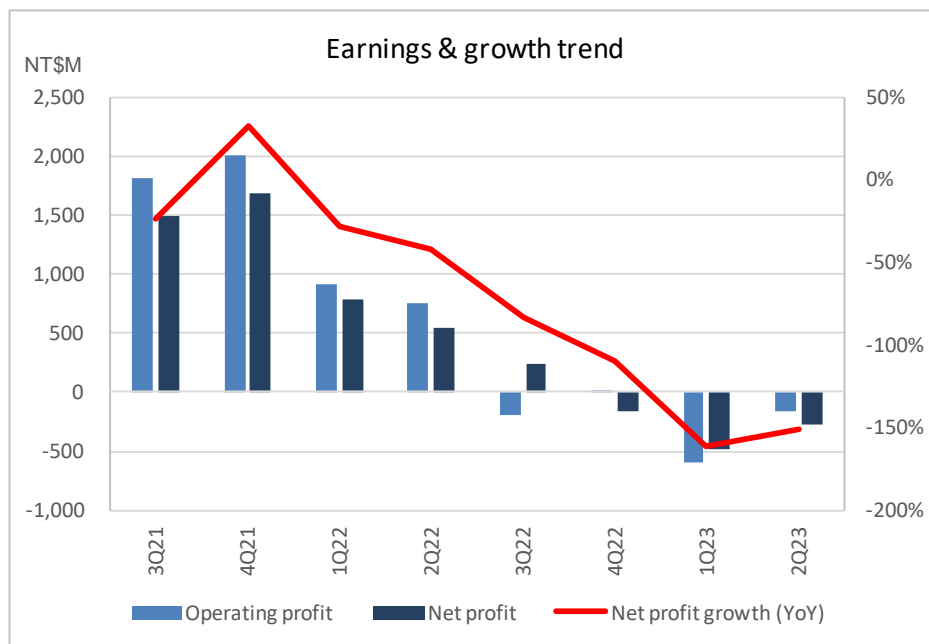
- 2Q23 revenue was NT\$3.9b, up 38% QoQ and down 26% YoY.
- In 2Q23, benefiting from the recovery in capacity utilization to 40%. Gross margin increased to 20.1% from 11.4% in 1Q23 and operating margin significantly increased to -4.3% from -20.8% in 1Q23.



Source: company.

Earnings Trend

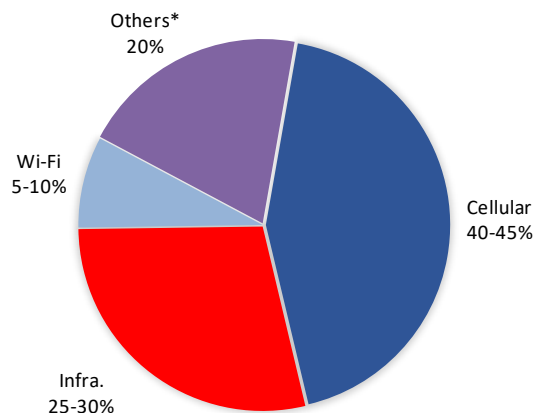
- With the order recovery from customers, the losses have narrowed sharply. 2Q23 net loss was NT\$ 276m, down 42% QoQ. EPS was NT\$-0.23, compared to NT\$-0.95 in 1Q23.



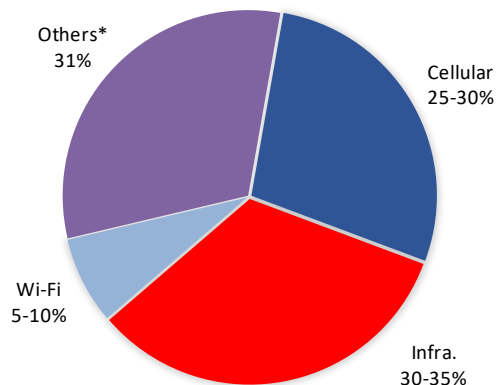
Source: company.

Product Mix

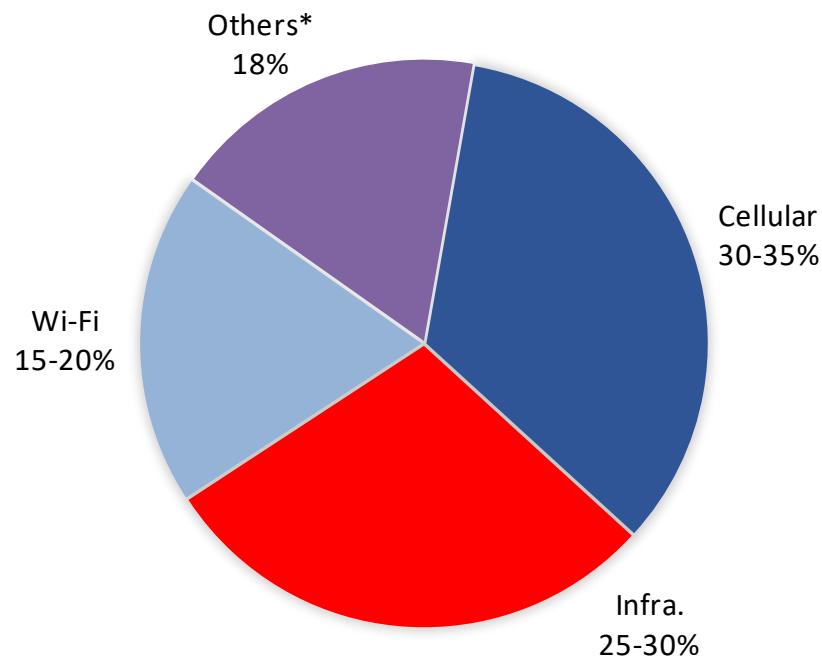
2Q22



1Q23



2Q23



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

Source: company.

3Q23 Guidance



- We expect 3Q23 revenue to increase low single digit QoQ.
- We expect 3Q23 gross margin will be around the level of mid-teens.

FINANCIAL SUMMARY

Consolidated Statements of Comprehensive Income - Quarterly

Unit: NTD Million	2Q'22	1Q'23	2Q'23 (unaudited)	QoQ	YoY
Net revenue	5,297	2,860	3,944	+38%	-26%
Gross profit	1,601	326	791	+143%	-51%
<i>Gross margin (%)</i>	<i>30.2%</i>	<i>11.4%</i>	<i>20.1%</i>		
Operating expenses	(853)	(921)	(961)	+4%	+13%
<i>Operating expenses rate (%)</i>	<i>-16%</i>	<i>-32%</i>	<i>-24%</i>		
Operating income (loss)	747	(595)	(170)	+71%	—
<i>Operating margin (%)</i>	<i>14.1%</i>	<i>-20.8%</i>	<i>-4.3%</i>		
Non-operating incomes and expenses	(79)	39	(191)		
Income (Loss) before income tax	669	(556)	(362)	+35%	—
Income tax (expense) income	(125)	77	86		
Net income (loss)	544	(479)	(276)	+42%	—
<i>Net margin (%)</i>	<i>10.3%</i>	<i>-16.7%</i>	<i>-7.0%</i>		
EPS (NT\$)	1.52	(0.95)	(0.23)	+76%	—
Other comprehensive income, net	(472)	431	249		
Comprehensive income	72	(48)	(27)	+43%	—
ROE(%)	8%	-5%	-1%		
Approx. Utilization (%)	60%	20%	40%		
Depreciation	1,051	1,077	1,172		
CAPEX	2,980	536	540		

Consolidated Statements of Comprehensive Income - YTD

Unit: NTD Million	2022H1	2023H1 (unaudited)	YoY
Net revenue	10,894	6,803	-38%
Gross profit	3,315	1,117	-66%
<i>Gross margin (%)</i>	<i>30.4%</i>	<i>16.4%</i>	
Operating expenses	(1,651)	(1,882)	+14%
<i>Operating expenses rate (%)</i>	<i>-15%</i>	<i>-28%</i>	
Operating income (loss)	1,663	(765)	-
<i>Operating margin (%)</i>	<i>15.3%</i>	<i>-11.2%</i>	
Non-operating incomes and expenses	(4)	(152)	
Income (Loss) before income tax	1,659	(917)	-
Income tax (expense) income	(329)	163	
Net income (loss)	1,330	(755)	-
<i>Net margin (%)</i>	<i>12.2%</i>	<i>-11.1%</i>	
EPS (NT\$)	3.60	(1.18)	-
Other comprehensive income, net	(98)	680	
Comprehensive income	1,233	(75)	-
ROE(%)	9%	-3%	
Approx. Utilization (%)	65%	30%	
Depreciation	2,109	2,249	
CAPEX	4,300	1,076	

Non-operating Items

Unit: NTD Million	2Q'22	2Q'23 (unaudited)	2022H1	2023H1 (unaudited)
Foreign exchange gains (losses)	100	(650)	439	(656)
Gains (losses) on disposals of property, plant and equipment	7	-	7	(23)
Gains on repurchase of bonds payable	-	540	-	555
Gains on financial assets (liabilities) at fair value through profit or loss, net	(300)	(8)	(579)	148
Share of gains (losses) of associates and joint ventures accounted for using equity method	99	(18)	161	(34)
Others	15	(56)	(31)	(143)
Total	(79)	(191)	(4)	(152)

Consolidated Balance Sheets

(Unit: NTD Million)	Major Item	2022/6/30		2023/3/31		2023/6/30 (unaudited)	
		\$	%	\$	%	\$	%
	Cash and cash equivalents	12,960	18%	10,406	15%	7,054	11%
	Current financial assets at fair value through profit or loss	53	0.1%	122	0.2%	103	0.2%
	Notes and accounts receivable, net	1,826	3%	778	1%	971	1%
	Inventories	5,960	8%	5,297	8%	4,996	8%
	Long-term investments	14,036	19%	14,975	22%	15,494	24%
	Net property, plant and equipment	33,996	47%	33,870	49%	32,843	50%
	Total Assets	72,767	100%	69,115	100%	65,110	100%
	Current liabilities	10,252		17,738		14,586	
	Current portion of bonds payable	-		10,569		6,214	
	Current portion of long-term borrowings	247		2,473		3,518	
	Bonds payable	13,372		-		-	
	Long-term borrowings	12,914		16,168		15,366	
	Total Liabilities	37,796	52%	35,026	51%	31,045	48%
	Common stock	4,240		4,239		4,239	
	Total equity attributable to owners of parent	32,929		32,288		32,477	
	Total Equity	34,971	48%	34,089	49%	34,064	52%
	Book value per share (NT\$) ¹	77.67		76.16		76.61	
	Key Indices						
	Current ratio (<i>Current assets / Current liabilities</i>)	210%		96%		92%	
	Debt ratio (<i>Total liabilities / Total assets</i>)	52%		51%		48%	

¹ Book value per share = total equity attributable to owners of parent / number of common shares

Q & A

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