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WIN SEMI. REPORTS 3Q24 CONSOLIDATED RESULTS (UNAUDITED)

Taiwan, October. 30, 2024: WIN Semiconductors Corp. (WIN Semi., TPEX: 3105), the global leader in GaAs foundry services, today reported its fiscal year 2024, third quarter (3Q24) consolidated financial results.

3Q24 Results Highlights

- ◆ Net revenue for the quarter finished at NT\$4,348 million, down 12% quarter on quarter and up 4% year on year.
- ◆ Gross margin decreased by 5.6 percentage points to 21.6%, and operating margin decreased by 7.2 percentage point to 2.9%.
- ◆ Operating profit came in at NT\$125 million, down 75% quarter on quarter and up 79% year on year.
- ◆ Net profit attributable to the parent company was NT\$228 million, compared to NT\$485 million for the second quarter of 2024. EPS was NT\$0.54, compared to NT\$1.14 for the second quarter of 2024.

4Q24 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 4Q24 revenue to decline mid-teens QoQ.
- ◆ We expect 4Q24 gross margin to be around the level of high-teens.

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 2024, our consolidated revenue was NT\$4,348 million, up 4% year-on-year and down 12% quarter-on-quarter, which was slightly softer than our previous expectation. As the capacity utilization rate declined from 65% in the previous quarter to 50%, our gross margin dropped from 27.2% in the previous quarter to 21.6%, and operating margin fell from 10.1% to 2.9%. Net profit attributable to the parent company for the third quarter was NT\$228 million, with an EPS of NT\$0.54. For the first three quarters of 2024, cumulative revenue increased by 25% year-on-year, with an EPS of NT\$2.64.

While the third quarter is typically the traditional peak season for US-based iOS smartphones, we had previously anticipated that due to the soft demand in the Chinese Android smartphone market, the third quarter this year would be below-seasonality in the peak season. It now appears that the decline in demand was greater than we previously expected, and thus Cellular PA revenue had the most significant quarter-on-quarter decline in the third quarter. Wi-Fi PA revenue also declined from the previous quarter, as the peak season of inventory preparation for new models launched in the second half of this year had passed. However, driven by the introduction of Wi-Fi 7, Wi-Fi revenue in the third quarter and the first three quarters increased by 50% and 70% year-on-year, respectively. In addition, revenue of infrastructure was better-than-expected in the second quarter due to customer inventory restocking and the revenue in the third quarter was also better-than-expected even though it was slightly lower than the second quarter. Finally, Optical revenue entered the peak season as expected with the launch of new iOS models, making it the best-performing segment in the third quarter.

The current inventory levels of smartphone customers are much healthier than the first half of last year, but the end market demand has fluctuated since the beginning of this year due to factors such as geopolitical tensions and the economic downturn in China. These fluctuations continue to test the adaptability of both upstream and downstream suppliers in the supply chain. In response to market changes, in addition to maintaining our existing business, we are investing heavily in R&D, focusing on the vast high value-added products' business opportunities in the coming years. Take low Earth orbit (LEO) satellites as an example, we not only continue to develop high-power semiconductor devices for signal transmission and reception between satellites, but also provide customers with data transmission solutions between satellites and gateways. Meanwhile, to meet the future demand for AI data centers, we not only participate in industry alliances to deepen cooperation with upstream and downstream suppliers, but also collaborate with several customers to develop related optical data transmission, reception, and modulation components, as well as optical driver ICs. We aim for these developments to become another mid- to long-term growth driver on top of mobile wireless communication.

Looking ahead to the fourth quarter of 2024, as the demand in China's smartphone market remains weak and the peak season of Wi-Fi PA inventory build for new models launched in the second half of this year has passed, we expect revenue to decline by mid-teens quarter-on-

quarter, with gross margin at around high-teens levels. Overall, for the full year of 2024, we still expect revenue to increase from last year.”

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.