



Nanya Technology

Q1 2024 Investor Conference

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Safe Harbor

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01.

Q1'24 Revenue & Results

Q1'24 Financial Results Summary

Amount in Million NT\$, except for EPS & BVPS	Q1'24 (Unaudited)		Q4'23		QoQ	Q1'23		YoY
Net Sales	9,503	100%	8,704	100.0%	9.2%	6,425	100%	47.9%
Gross Profit (Loss) <i>Gross Margin(%)</i>	** -277	-2.9%	-1,188	-13.6%	-	-554	-8.6%	-
Operating Income (Loss) <i>Operating Margin(%)</i>	-2,918	-30.7%	-4,050	-46.5%	-	-2,885	-44.9%	-
EBITDA* <i>EBITDA Margin(%)</i>	1,156	12.2%	-196	-2.2%	690.3%	873	13.6%	32.3%
Non-operating Income (Expense)	1,375	14.5%	521	6.0%		773	12.0%	
Income Tax Benefit (Expense)	335	3.5%	1,050	12.1%		428	6.7%	
Net Income (Loss) <i>Net Margin(%)</i>	-1,209	-12.7%	-2,480	-28.5%	-	-1,685	-26.2%	-
Earnings Per Share (NT\$)	*** -0.39		-0.80			-0.54		
Book Value Per Share (NT\$)	**** 54.16		53.88			55.62		

Remark: * EBITDA = Operating income + Depreciation & Amortization Expenses

** Idle cost included

*** EPS is based on weighted average outstanding shares of 3,098M

**** BVPS is calculated based on 3,099M outstanding shares

Quarterly Revenue Results

	QoQ Q1'24 vs. Q4'23	YoY Q1'24 vs. Q1'23
Revenue	+9.2%	+47.9%
Shipment	Increased low-single digit%	Increased low fifties%
ASP	Increased high-single digit%	Decreased high-single digit%
Exchange Rate	Decreased low-single digit%	Increased low-single digit%

Q1'24 vs. Q4'23 Results Comparison

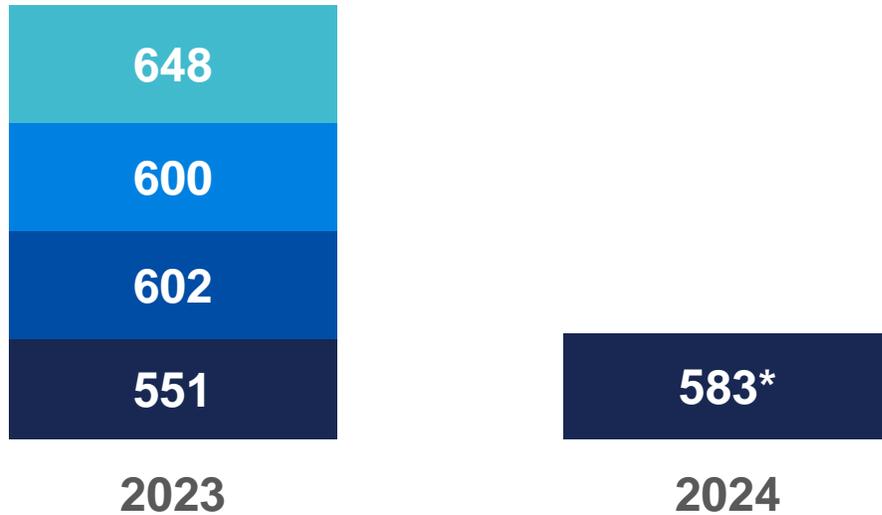
Amount in Million NT\$	Q1'24 (Unaudited)		Q4'23		QoQ (PPT* Delta)	Remarks
Net Sales	9,503		8,704		9.2%	<ul style="list-style-type: none"> ■ Bit shipment increased low-single digit% ■ ASP increased high-single digit% ■ FX rate unfavorable low-single digit%
Gross Profit (Loss) Gross Margin(%)	-277	-2.9%	-1,188	-13.6%	10.7%	<ul style="list-style-type: none"> ■ Gross loss decreased NT\$ 911M, mainly due to higher ASP and lower idle costs
Operating Expenses	2,642	27.8%	2,863	32.9%	-5.1%	<ul style="list-style-type: none"> ■ Operating expenses decreased NT\$ 221M with lower R&D expenses
Operating Income (Loss) Operating Margin(%)	-2,918	-30.7%	-4,050	-46.5%	15.8%	<ul style="list-style-type: none"> ■ OP loss decreased NT\$ 1,132M
Net Income (Loss) Net Margin (%)	-1,209	-12.7%	-2,480	-28.5%	15.8%	<ul style="list-style-type: none"> ■ Net loss decreased NT\$ 1,271M <ul style="list-style-type: none"> • FX favorable NT\$ 810M • Income tax unfavorable NT\$ 715M

Operating Expenses

SG&A Expenses (*Unaudited)

(Million NT\$)

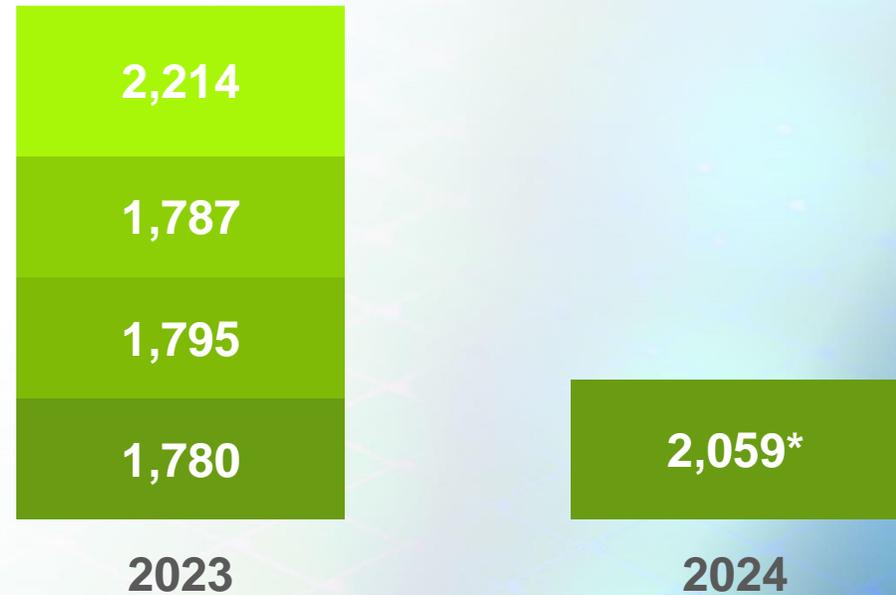
Total: 2,401



R&D Expenses (*Unaudited)

(Million NT\$)

Total: 7,576

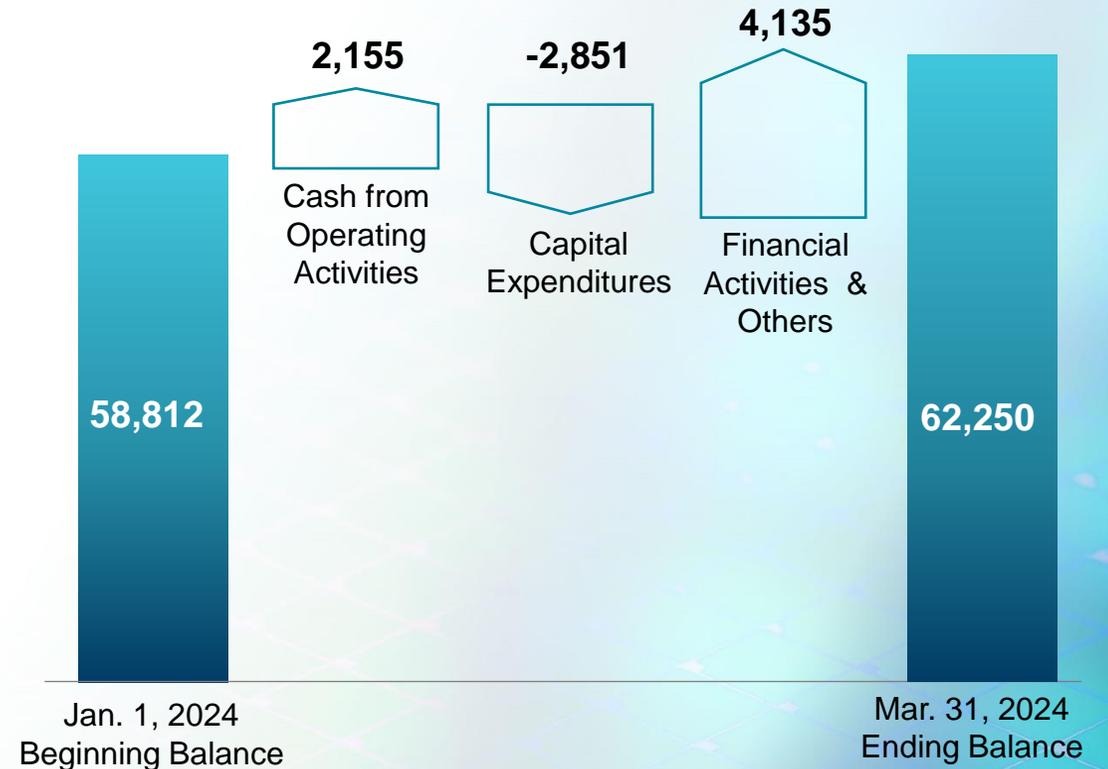


Cash Flow

Unit: Million NT\$	Q1'24 (Unaudited)	Q4'23
Beginning Balance	58,812	60,474
Cash from Operating Activities	2,155	577
Capital Expenditures	-2,851	-2,189
Financial Activities & Others	4,135	-50
Ending Balance	*62,250	58,812
Free Cash Flow ⁽¹⁾	-696	-1,612

2024 Q1 Cash Flow

Unit: Million NT\$



(1) Free Cash Flow = Cash from operating activities – Capital expenditures

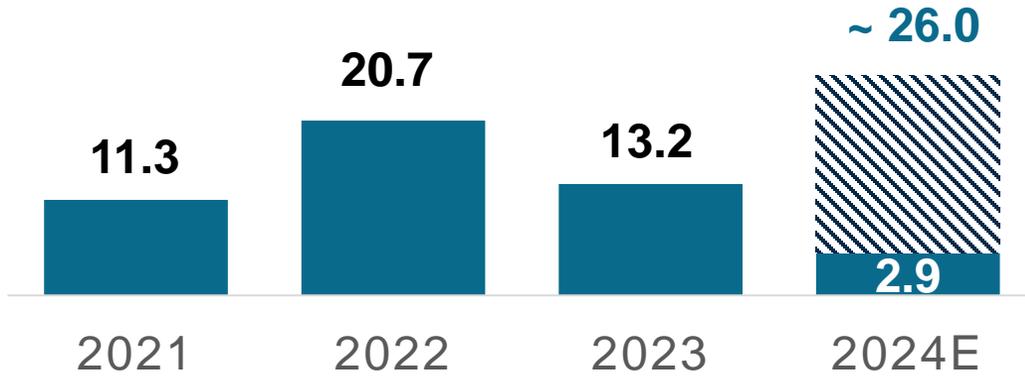
* Net cash and equivalents (NT\$ 49.3B) = Cash and equivalents (NT\$ 62.3B) – Short-term debt (NT\$ 13B)

02.

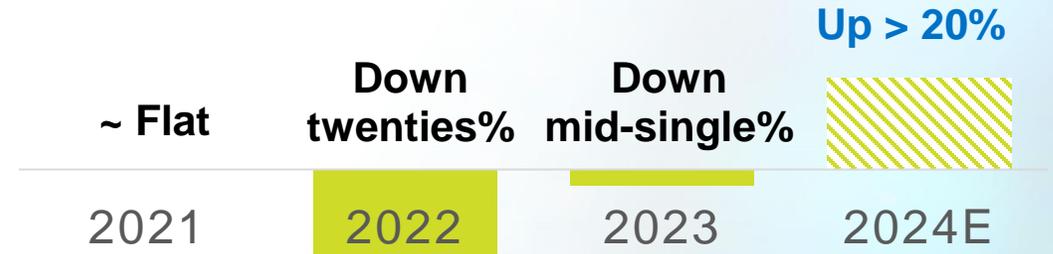
CAPEX & Bit Shipment

CAPEX & Bit Shipment

NT\$ Billion



CAPEX



Bit Shipment (YoY)

Capital Expenditure (CAPEX)

- Q1'24 CAPEX was NT\$ 2.9B
- 2024 CAPEX to be up to NT\$26B, in which WFE CAPEX accounts for ~50%

Bit Shipment

- Q1'24 bit shipment increased low-single digit% QoQ
- 2024 bit shipment expected to increase more than twenties% YoY

03.

Market Outlook

DRAM Market Outlook (Q2'24)

Outlook

- DRAM price expected to grow in 2024 as demands for AI servers, HBM and DDR5 increase.
- Suppliers accelerate migrating to high-end products, which may lead to overall output constraint.
- Market recovery momentum subjects to geopolitical conflicts and regional economy uncertainty.

Supply

- Prioritized production of HBM & TSV products may cause constrained supply of standard DRAMs.
- Suppliers increase capex mainly for HBM products.

Demand

- **Server Market:** Overall shipment expected to increase significantly as AI and high-end servers drive demands for DDR5 and high-density products.
- **Mobile Market:** Smartphone sales recovered in China, share of high-end models also increased.
- **PC Market:** AI PC launch may contribute to DRAM shipment and content growth.
- **Consumer Market:** Demands for IP CAM, TV, industrial and automotive remain stable.

04. Business Review & Outlook

Nanya Business Review & Outlook

- Nanya Q1'24 net loss NT\$ 1,209 million, EPS NT\$ -0.39
- DRAM market recovery expected to continue in 2024
- Nanya's 2nd generation of 10nm-class (1B) products 8Gb DDR4 and 16Gb DDR5 to enter mass production in 2H'24
- Selected for CDP's A lists in Climate Change and Water Security
- Selected as the Top 100 Innovator by Clarivate
- Received the National Quality Management Award by the Ministry of Economic Affairs, Taiwan



Thanks & Questions

Q1'24 Consolidated Income Statement

Amount: Million NT\$	Q1'24 (Unaudited)		Q4'23		QoQ	Q1'23		YoY
Net Sales	9,503	100.0%	8,704	100.0%	9.2%	6,425	100.0%	47.9%
Cost of Goods Sold	9,780	102.9%	9,892	113.6%		6,979	108.6%	
Gross Profit (Loss)	-277	-2.9%	-1,188	-13.6%	-	-554	-8.6%	-
SG&A Expenses	583	6.1%	648	7.4%		551	8.6%	
R&D Expenses	2,059	21.7%	2,214	25.4%		1,780	27.7%	
Operating Income (Loss)	-2,918	-30.7%	-4,050	-46.5%	-	-2,885	-44.9%	-
Non-operating Income (Exp.)	1,375	14.5%	521	6.0%		773	12.0%	
Income before Tax (Loss)	-1,543	-16.2%	-3,530	-40.6%	-	-2,112	-32.9%	-
Income Tax Benefit (Expense)	335	3.5%	1,050	12.1%		428	6.7%	
Net Income (Loss)	-1,209	-12.7%	-2,480	-28.5%	-	-1,685	-26.2%	-
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