



Nanya Technology Q4 2021 Investor Conference

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26 January 2022



Safe Harbor



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Contents

- 01 Q4'21 Revenue & Results**
- 02 2021 Revenue & Results**
- 03 CAPEX & Bit Shipment**
- 04 Market Outlook**
- 05 Business Review & Outlook**

The slide features two main decorative elements. On the left side, there is a large, abstract geometric pattern composed of overlapping triangles in various shades of blue and green. On the right side, there is a network diagram consisting of a series of grey dots connected by thin grey lines, forming a complex web-like structure. The main title is centered in the lower half of the slide, overlaid on the network diagram.

01

Q4'21 REVENUE & RESULTS

Q4'21 Financial Results Summary

Amount in Million NT\$, except for EPS & BVPS	Q4'21 (Unaudited)		Q3'21		QoQ	Q4'20		YoY
	Net Sales	21,399	100%	23,837	100%	-10.2%	14,773	100%
Gross Profit (Loss) <i>Gross Margin(%)</i>	10,563	49.4%	11,735	49.2%	-10.0%	3,251	22.0%	224.9%
Operating Income (Loss) <i>Operating Margin(%)</i>	8,023	37.5%	9,073	38.1%	-11.6%	1,304	8.8%	515.5%
EBITDA* <i>EBITDA Margin (%)</i>	11,850	55.4%	12,966	54.4%	-8.6%	4,937	33.4%	140.0%
Non-operating Income (Expense)	99	0.5%	316	1.3%		-167	-1.1%	
Income Tax Benefit (Expense)	-1,672	-7.8%	-1,862	-7.8%		-213	-1.4%	
Net Income (Loss) <i>Net Margin (%)</i>	6,450	30.1%	7,527	31.6%	-14.3%	924	6.3%	598.0%
Earnings Per Share (NT\$)	2.08**		2.44			0.30		
Book Value Per Share (NT\$)	55.85***		53.87			50.02		

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

*** BVPS is calculated based on 3,097M outstanding shares

** EPS is based on weighted average outstanding shares of 3,095M

Quarterly Revenue Results

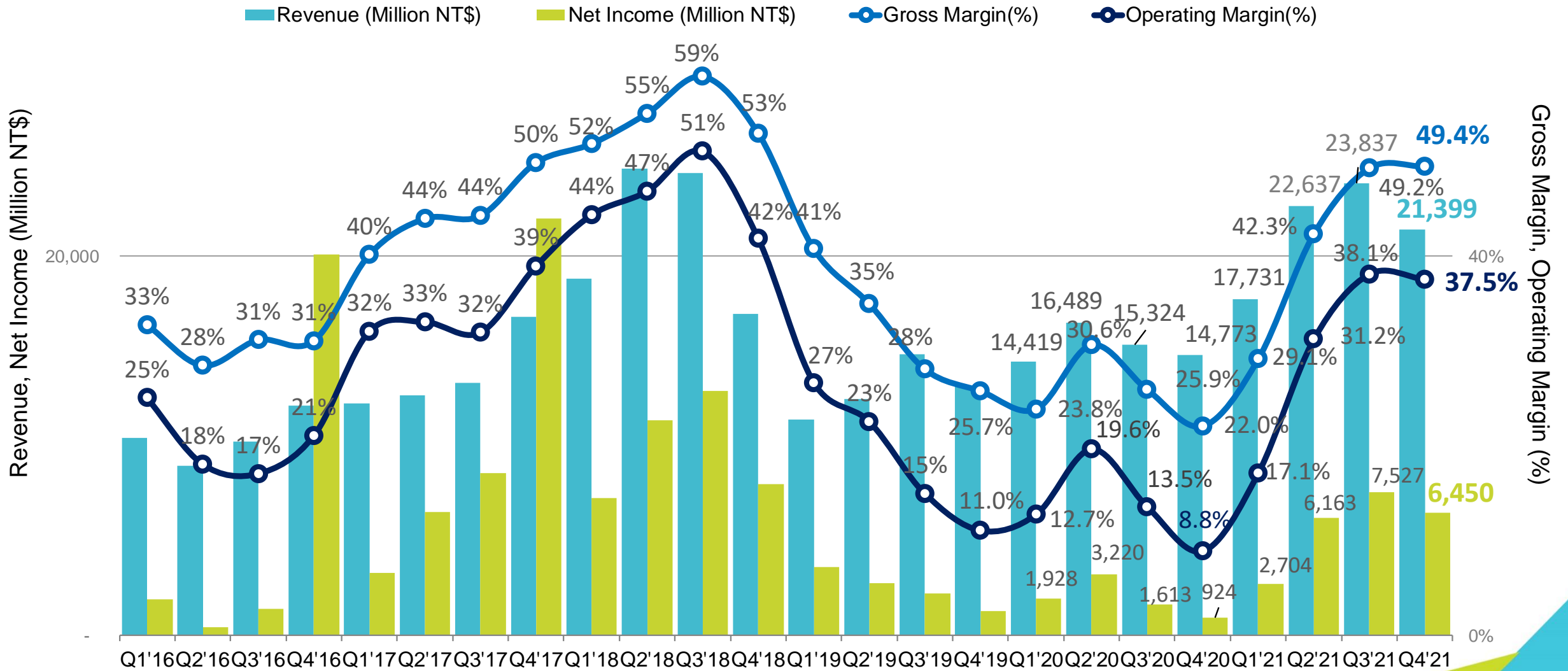
	QoQ Q4'21 vs. Q3'21	YoY Q4'21 vs. Q4'20
Revenue	-10.2%	+44.8%
Shipment	Decreased mid-single digits%	Decreased mid-teens%
ASP	Decreased low-single digits%	Increased eighties%
Exchange Rate	0%	-3.3%

- Q4'21 Revenue decreased by 10.2% QoQ
- Q4'21 Bit shipment decreased by mid-single digits% QoQ
- Q4'21 ASP decreased by low-single digits% QoQ

Q4'21 vs. Q3'21 Results Comparison

Amount in Million NT\$	Q4'21 (Unaudited)		Q3'21		QoQ (PPT* Delta)	Remarks
Net Sales	21,399		23,837		-10.2%	<ul style="list-style-type: none"> ■ Bit shipment decreased mid-single digits% ■ ASP decreased low-single digits%
Gross Profit (Loss) Gross Margin(%)	10,563	49.4%	11,735	49.2%	+0.2%	<ul style="list-style-type: none"> ■ Q4'21 Gross profit decreased NT\$ 1,172M, mainly due to ASP and shipment decrease
Operating Expense	2,540	11.9%	2,662	11.2%	+0.7%	<ul style="list-style-type: none"> ■ SG&A and R&D expenses decreased NT\$ 122M
Operating Income (Loss) Operating Margin(%)	8,023	37.5%	9,073	38.1%	-0.6%	<ul style="list-style-type: none"> ■ Q4'21 OP income decreased NT\$ 1,050M
Net Income (Loss) Net Margin (%)	6,450	30.1%	7,527	31.6%	-1.5%	<ul style="list-style-type: none"> ■ Net Income decreased NT\$ 1,077M <ul style="list-style-type: none"> • OP Income decrease of NT\$ 1,050M • FX impact: NT\$ 193M unfavorable (Q4'21: NT\$ -92M; Q3'21: NT\$ 101M) • Income tax: NT\$ 190M favorable

Quarterly Financial Highlights

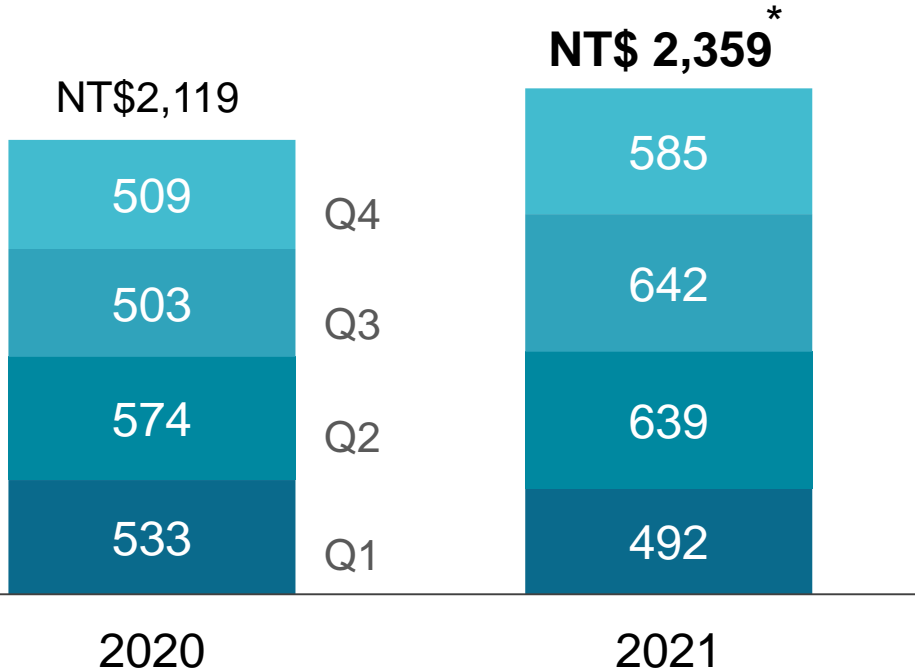


Operating Expenses

SG&A Expenses

(Million NT\$)

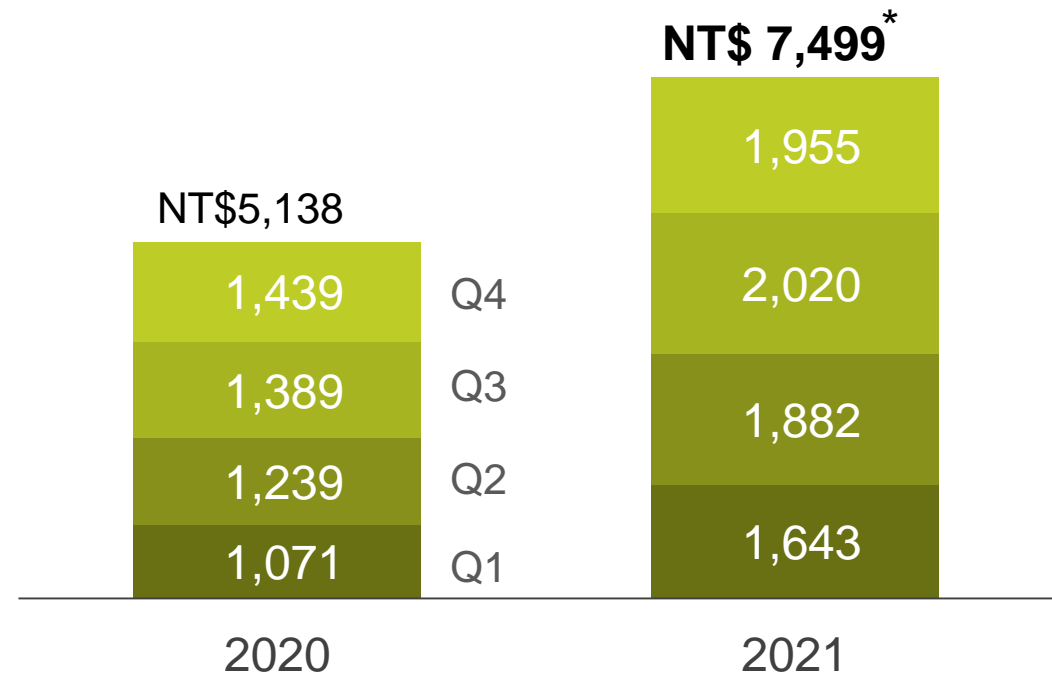
* Unaudited number



R&D Expenses

(Million NT\$)

* Unaudited number



Note: 2021 R&D expenses increased by 46% mainly for the increase of 10nm-class technology & product development

Cash Flows

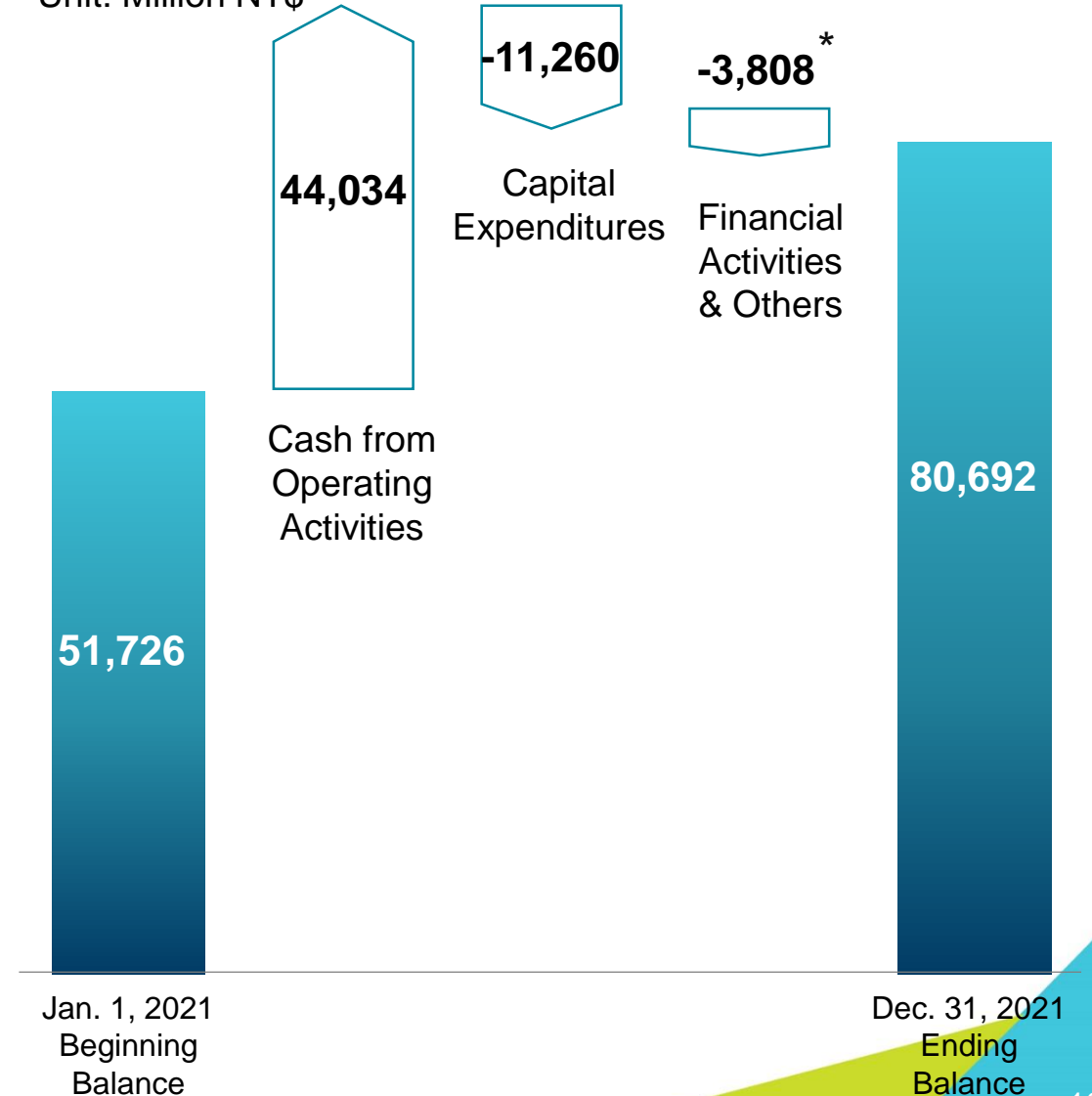
Unit: Million NT\$	Q4'21 (Unaudited)	Q3'21
Beginning Balance	71,558	67,738
Cash from Operating Activities	13,899	11,041
Capital Expenditures	-4,741	-3,801
Financial Activities & Others	-24	-3,420*
Ending Balance	80,692	71,558
Free Cash Flow ⁽¹⁾	9,157	7,240

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

- * 1. - NT\$ 4.0 billion of dividend payout
- 2. +NT\$ 320 million proceeds from treasury stocks

2021 Cash Flow

Unit: Million NT\$



The section header is centered on the right side of the slide. It features a large, teal-colored number "02" above the text "2021 REVENUE & RESULTS". The text "2021 REVENUE & RESULTS" is in a blue, sans-serif font, with "RESULTS" being a slightly lighter shade of blue. The background of the slide is a light blue and white geometric pattern of interconnected lines and dots, resembling a network or a stylized globe.

2021 Consolidated Income Statement

Amount: Million NT\$	2021 (Unaudited)		2020		YoY
	Net Sales	85,604	100.0%	61,006	100.0%
Cost of Goods Sold	48,560	56.7%	45,314	74.3%	
Gross Margin	37,044	43.3%	15,692	25.7%	136.1%
SG&A Expenses	2,359	2.8%	2,119	3.5%	
R&D Expenses	7,499	8.8%	5,138	8.4%	
Operating Income	27,186	31.8%	8,434	13.8%	222.3%
Non-operating Income (Exp.)	579	0.7%	557	0.9%	
Income before Tax	27,766	32.4%	8,991	14.7%	208.8%
Income Tax Benefit (Expense)	-4,920	-5.7%	-1,305	-2.1%	
Net Income	22,845	26.7%	7,686	12.6%	
EPS(NT\$)	7.40		2.51		
Book Value Per Share(NT\$)	55.85		50.02		

2021 vs. 2020 Results Comparison

Amount in Million NT\$	2021 (Unaudited)	2020	YoY (PPT* Delta)	Remarks
Net Sales	85,604	61,006	40.3%	<ul style="list-style-type: none"> ■ Bit shipment relatively flat YoY ■ ASP increased by >40% YoY ■ FX negative impact 5.3%
Gross Income (Loss) Gross Margin(%)	37,044 43.3%	15,692 25.7%	17.6%	<ul style="list-style-type: none"> ■ Gross Income increased by NT\$ 21,352M mainly due to ASP increase
Operating Expense	9,858 11.5%	7,257 11.9%	-0.4%	<ul style="list-style-type: none"> ■ SG&A expense increased NT\$ 240M, R&D expense increased NT\$ 2,361M
Operating Income (Loss) Operating Margin(%)	27,186 31.8%	8,434 13.8%	18.0%	<ul style="list-style-type: none"> ■ Operating Income increased NT\$ 18,752M
Net Income (Loss) Net Margin (%)	22,845 26.7%	7,686 12.6%	14.1%	<ul style="list-style-type: none"> ■ Net Income increased by NT\$ 15,159M mainly due to: <ul style="list-style-type: none"> • Operating Income increased NT\$ 18,752M • FX loss favorable NT\$ 432M (2021: NT\$ -323M, 2020: NT\$ -755M) • Interest income unfavorable NT\$ 409M • Income tax unfavorable NT\$ 3,615M

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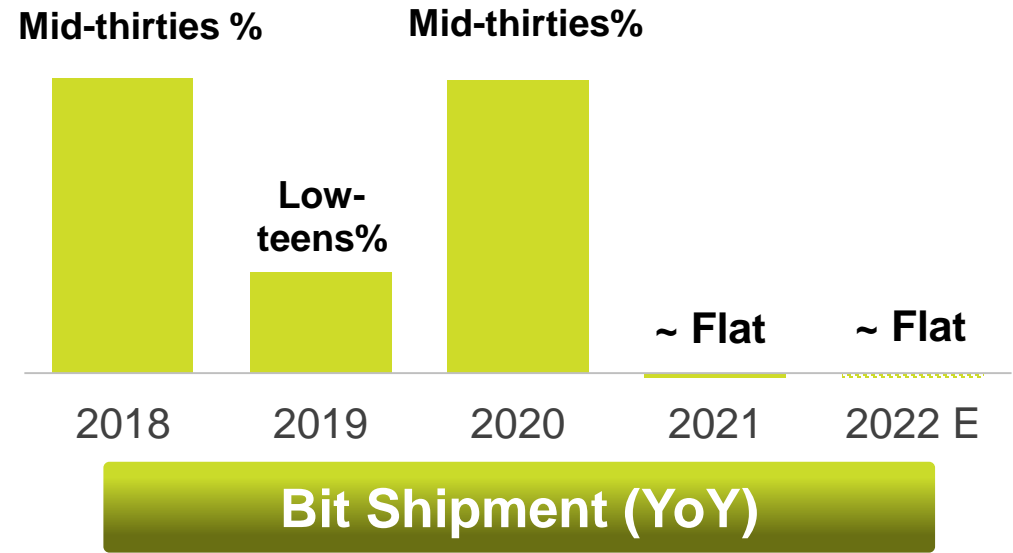
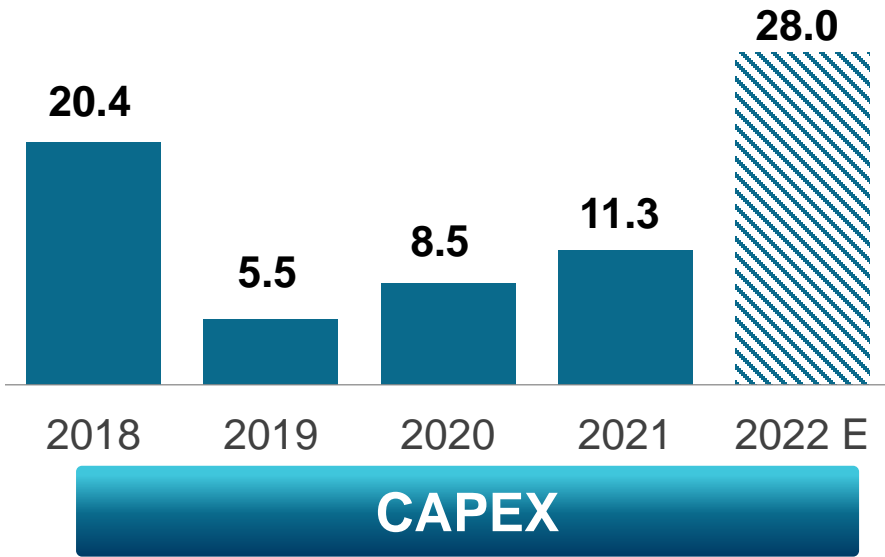
03

CAPEX & BIT SHIPMENT

A decorative network pattern on the right side of the slide, consisting of a series of grey dots connected by thin grey lines, forming a complex web-like structure.

CAPEX & Bit Shipment

NT\$ Billion



Capital Expenditure_(CAPEX)

- Q4'21 CAPEX NT\$ 4.7 billion (B)
- 2021 CAPEX NT\$ 11.26B
- 2022 CAPEX plan estimated NT\$ 28B subject to BoD approval

Bit Shipment

- Q4'21 bit shipment decreased mid-single digits% QoQ
- 2021 YoY bit shipment relatively flat
- 2022 YoY bit shipment expected to be relatively flat

A network diagram background is positioned on the right side of the page. It features a series of grey dots connected by thin grey lines, forming a complex web-like structure. The dots are arranged in a roughly circular pattern, with some lines extending outwards.

04

MARKET OUTLOOK

Market Outlook(2022)

Outlook

- 2022: Demand from Cloud computing, Smartphone, PC and Consumer remain healthy
- Component shortage alleviated in 2H'22, and DDR5 and new CPU gradually increase
- Cautions on high inflation and geopolitical tensions may impact on demand growth
- In general, cautiously optimistic outlook for 2022 DRAM market

Supply

- Q4'21 Suppliers and channel inventory remained low
- 2022 Supplier's dynamic CAPEX increase could change DRAM supply outlook

Demand

- **Server Market:** Datacenter continuously driving demand growth, components shortage issue lingering, expect easing in 2H'22, and DDR5 and new CPU start shipment
- **Mobile Market:** 2022 shipment growth led by both 5G and 4G segments, with 5G leading in flagship, and 4G driven by emerging markets, and average DRAM content growing
- **PC Market:** NB demand remaining healthy, component shortages and international shipping continue to impact delivery, expect easing in 2H'22
- **Consumer Market:** Positive outlook for networking, wearables, smart speaker, SSD and TV, VR and new game consoles. Automotive chip shortage expect eased by year end

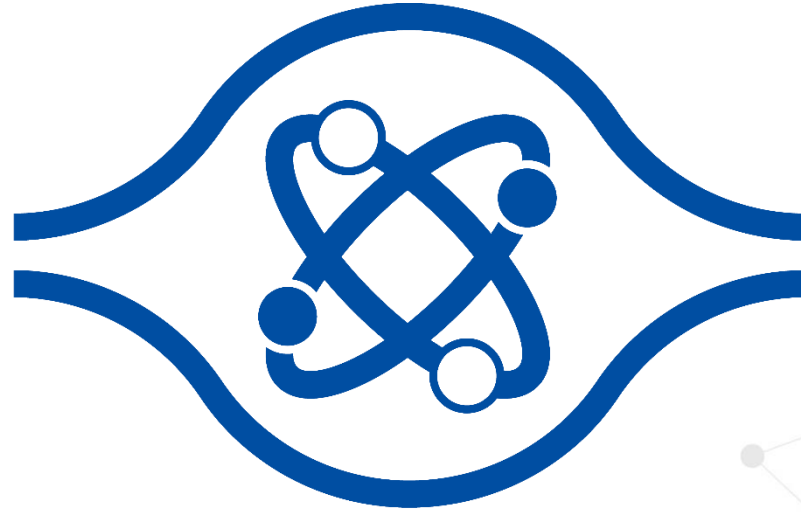
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05

BUSINESS REVIEW & OUTLOOK

Nanya Business Review & Outlook

- Named to the Dow Jones Sustainability (DJSI) World Index
- 2021 financial result, revenue NT\$ 85.6B, GM 43%, OPM 32%, EPS 7.40
- 2022 DRAM market outlook cautiously optimistic
- 1st 10nm-class technology small volume production expected in Q3'22
- 2nd 10nm-class product development on schedule
- New fab ground-breaking scheduled in 1H'22



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Thanks & Questions

Q4'21 Consolidated Income Statement

Amount: Million NT\$

	Q4'21 (Unaudited)		Q3'21		QoQ	Q4'20		YoY
Net Sales	21,399	100.0%	23,837	100.0%	-10.2%	14,773	100.0%	44.8%
Cost of Goods Sold	10,836	50.6%	12,102	50.8%		11,522	78.0%	
Gross Margin	10,563	49.4%	11,735	49.2%	-10.0%	3,251	22.0%	224.9%
SG&A Expenses	585	2.7%	642	2.7%		509	3.4%	
R&D Expenses	1,955	9.1%	2,020	8.5%		1,439	9.7%	
Operating Income	8,023	37.5%	9,073	38.1%	-11.6%	1,304	8.8%	515.5%
Non-operating Income (Exp.)	99	0.5%	316	1.3%		-167	-1.1%	
Income before Tax	8,123	38.0%	9,389	39.4%	-13.5%	1,137	7.7%	614.5%
Income Tax Benefit (Expense)	-1,672	-7.8%	-1,862	-7.8%		-213	-1.4%	
Net Income	6,450	30.1%	7,527	31.6%	-14.3%	924	6.3%	
Earnings Per Share (NT\$)	2.08		2.44			0.30		
Book Value Per Share(NT\$)	55.85		53.87			50.02		