

Nanya Technology Reports Results for the Second Quarter 2020

July 10th, 2020 – Nanya Technology Corporation, (TWSE: 2408), today announced its results of operations for the second quarter, ended June 30th, 2020. Nanya's quarterly sales revenue was NT\$ 16,489 million, a 14.4 percent increase compared to the first quarter, 2020. In the second quarter of 2020, average selling prices (ASP) and bit shipment increased by low-to-mid single digits percent respectively quarter over quarter. Exchange rate negative impact 0.5 percent.

Gross profit of the quarter was NT\$ 5,042 million; gross margin was 30.6 percent; a 6.8 percentage points increase from that in the previous quarter. Operating Income of the quarter was NT\$ 3,229 million; operating margin was 19.6 percent; a 6.9 percentage points increase from that in the last quarter. Non-operating income of the quarter was NT\$ 198 million primarily due to interest incomes, investment income under equity method and foreign exchange loss. Income tax for this quarter was NT\$ 216 million. The Company had net profit of NT\$ 3,211 million, with net margin of 19.5 percent, a 6.1 percentage points increase from that in the previous quarter. Earnings per share (EPS) was NT\$ 1.05 in the second quarter (based on weighted average outstanding shares of 3,061 million).

In the first half of 2020, the company's sales revenue was NT\$ 30,908 million, 29.8 percent increase compared with the same period last year. Gross profit was NT\$ 8,478 million, gross margin was 27.4 percent. Operating Income of first half was NT\$ 5,061 million, operating margin was 16.4 percent. Net income attributable to Nanya Technology shareholders of NT\$ 5,139 million, with net margin of 16.6 percent, EPS of NT\$ 1.68 (EPS is based on weighted average outstanding shares of 3,057 million). Book value per share was NT\$ 49.62 (after deduction of NT\$ 1.5 cash dividend payable) at the second quarter end. All numbers are unaudited.

Cash dividend of NT\$ 4.6 billion (NT\$ 1.5 per common share) was scheduled to be distributed on July 24, 2020.

In the near term, remote work, online learning and e-commerce are expected to enable demand from enterprise datacenters to remain stable. Demand momentum from PC, SSDs and networking devices are to continue in the third quarter, whereas demand from smartphones and consumer electronics are expected to recover from the third quarter and onward. However, COVID-19, macro economy and trade disputes may slow down short term demand growth. Longer term, applications such as A.I., 5G, cloud computing, edge computing, autonomous car and IoT, etc are expected to drive the healthy development of DRAM industry.

Q2 2020 Consolidated Income Statement

Amount in Million NT\$, except for EPS	Q2'20		Q1'20		QoQ	Q2'19		YoY
	Unaudited		Audited			Audited		
Net Sales	16,489	100%	14,419	100%	14.4%	12,441	100%	32.5%
Gross Profit (Loss)	5,042	30.6%	3,436	23.8%	46.7%	4,348	34.9%	16.0%
Gross Margin(%)								
Operating Income (Loss)	3,229	19.6%	1,832	12.7%	76.2%	2,805	22.5%	15.1%
Operating Margin(%)								
EBITDA*	6,784	41.1%	5,437	37.7%	24.8%	6,427	51.7%	5.6%
EBITDA Margin (%)								
Non-operating Income (Exp.)	198	1.2%	492	3.4%		600	4.8%	
Income Tax Benefit (Exp.)	-216	-1.3%	-395	-2.7%		-657	-5.3%	
Net Income (Loss)	3,211	19.5%	1,928	13.4%	66.5%	2,748	22.1%	16.9%
Net Margin (%)								
Earnings Per Share	1.05**		0.63			0.90		
Book Value Per Share	49.62***		50.40			49.01		

* EBITDA = Operating income + Depreciation & Amortization Expenses

** EPS is based on weighted average outstanding shares of 3,061million

*** BVPS is calculated based on 3,072million outstanding shares after deduction of NT\$ 1.5 cash dividend payable



Press Release

Disclaimer

This press release contains forward-looking statements. These statements relate to future events or our future financial performance. These statements are only predictions. Actual events or results may differ materially.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no duty to update any of the forward-looking statements after the date of this press release to conform such statements to actual results or to changes in our expectations.

Readers are also urged to carefully review and consider the various disclosures made by us which attempt to advise interested parties of the factors which affect our business.

About Nanya

Nanya Technology Corporation ("NTC"), a member of the Formosa Plastics Group, provides key components DRAM to electronic industry, focusing on research and development, design, manufacturing, and sales of consumer and Low Power DRAM products. In addition, NTC continues to enlarge its share of high value-added DRAM market, increases manufacturing efficiency, and strengthens product quality and customer services in respond to market demand. NTC's common stock is traded on the Taiwan Stock Exchange Corporation (TWSE) under the symbol 2408. For more information, please visit <http://www.nanya.com>.

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