



Nanya Technology Q4 2020 Investor Conference

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Safe Harbor

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01

Q4'20 REVENUE & RESULTS

Q4'20 Financial Results Summary

	Q4'20 (Unaudited)		Q3'20		QoQ	Q4'19		YoY
	Amount in Million NT\$, except for EPS & BVPS							
Net Sales	14,773	100%	15,324	100%	-3.6%	13,116	100%	12.6%
Gross Profit (Loss) <i>Gross Margin(%)</i>	3,251	22.0%	3,962	25.9%	-17.9%	3,377	25.7%	-3.7%
Operating Income (Loss) <i>Operating Margin(%)</i>	1,304	8.8%	2,069	13.5%	-37.0%	1,440	11.0%	-9.4%
EBITDA* <i>EBITDA Margin (%)</i>	4,937	33.4%	5,728	37.4%	-13.8%	5,169	39.4%	-4.5%
Non-operating Income (Expense)	-184	-1.2%	25	0.2%		111	0.8%	
Income Tax Benefit (Expense)	-209	-1.4%	-481	-3.1%		-265	-2.0%	
Net Income (Loss) <i>Net Margin (%)</i>	911	6.2%	1,613	10.5%	-43.6%	1,286	9.8%	-29.2%
Earnings Per Share (NT\$)	0.30**		0.53			0.42		
Book Value Per Share (NT\$)	50.02***		49.91			49.78		

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

*** BVPS is calculated based on 3,075M outstanding shares

** EPS is based on weighted average outstanding shares of 3,074M

Quarterly Revenue Results

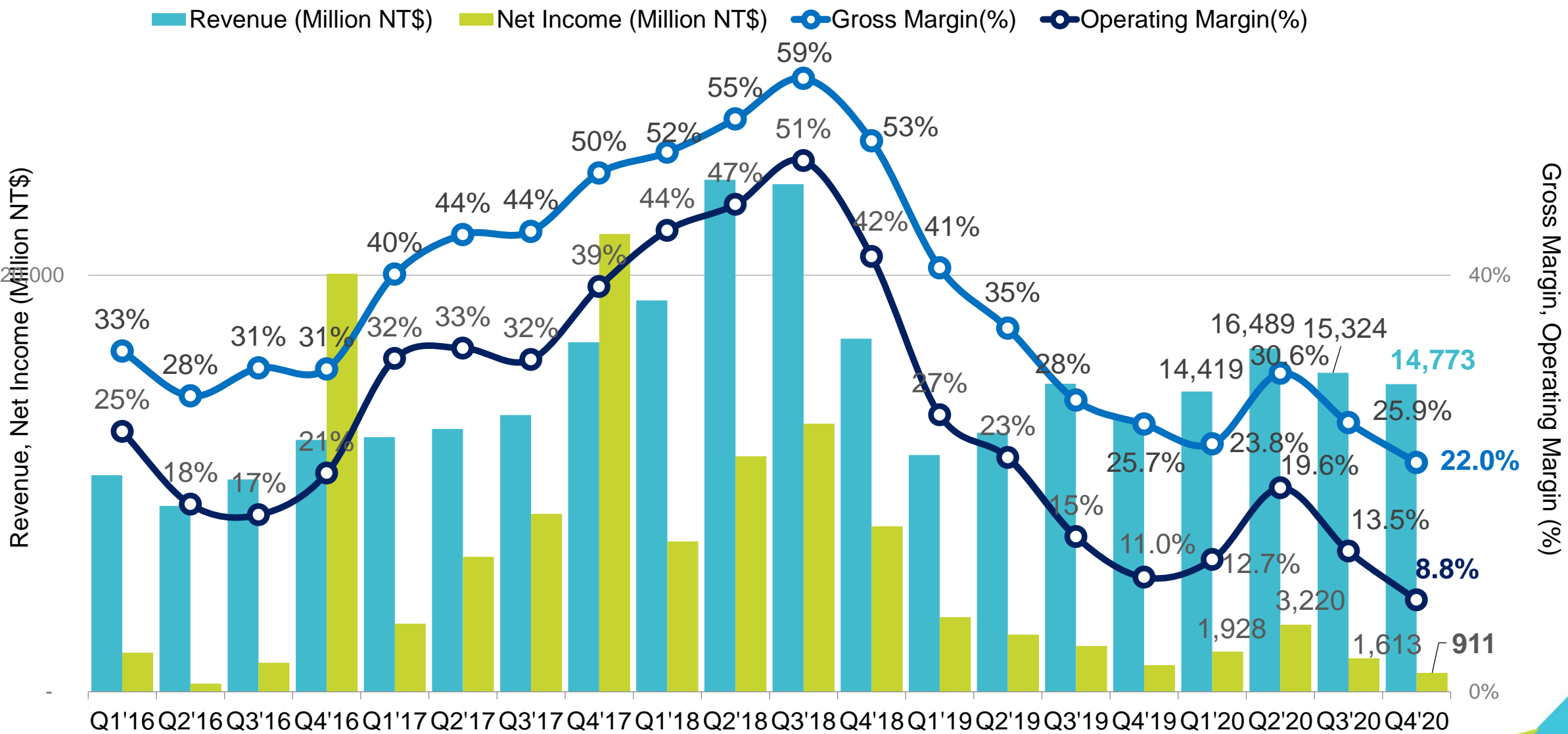
	QoQ Q4'20 vs. Q3'20	YoY Q4'20 vs. Q4'19
Revenue	-3.6%	+12.6%
Shipment	Increased low single digits%	Increased high teens%
ASP	Decreased mid single digits%	Decreased low single digits%
Exchange Rate	-2.3%	-6.4%

- Q4'20 Revenue decreased by 3.6% QoQ
- Q4'20 Bit shipment increased by low single digits% QoQ
- Q4'20 ASP decreased by mid single digits% QoQ

Q4'20 vs. Q3'20 Results Comparison

Amount in Million NT\$	Q4'20 (Unaudited)		Q3'20		QoQ (PPT* Delta)	Remarks
Net Sales	14,773		15,324		-3.6%	<ul style="list-style-type: none"> ■ Bit shipment increased low single digits% ■ ASP decreased mid single digits% ■ FX negative impact 2.3%
Gross Profit (Loss) Gross Margin(%)	3,251	22.0%	3,962	25.9%	-3.8%	<ul style="list-style-type: none"> ■ Q4'20 Gross profit decreased NT\$ 710M, mainly due to ASP decrease and FX negative impact
Operating Expense	1,947	13.2%	1,892	12.3%	0.8%	<ul style="list-style-type: none"> ■ R&D expense slightly increased
Operating Income (Loss) Operating Margin(%)	1,304	8.8%	2,069	13.5%	-4.7%	<ul style="list-style-type: none"> ■ Q4'20 OP Income decreased NT\$ 765M
Net Income (Loss) Net Margin (%)	911	6.2%	1,613	10.5%	-4.4%	<ul style="list-style-type: none"> ■ Net Income decreased NT\$ 703M <ul style="list-style-type: none"> • OP Income decrease of NT\$ 765M • FX loss: NT\$ 173M unfavorable (Q4: NT\$ -402M; Q3: NT\$ -229M) • Income tax: NT\$ 272M favorable

Quarterly Financial Highlights

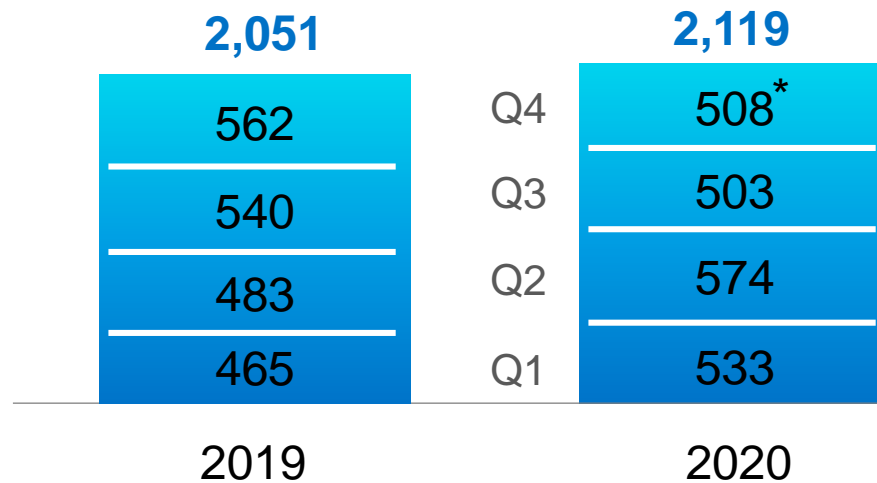


Operating Expenses

SG&A Expenses

(Million NT\$)

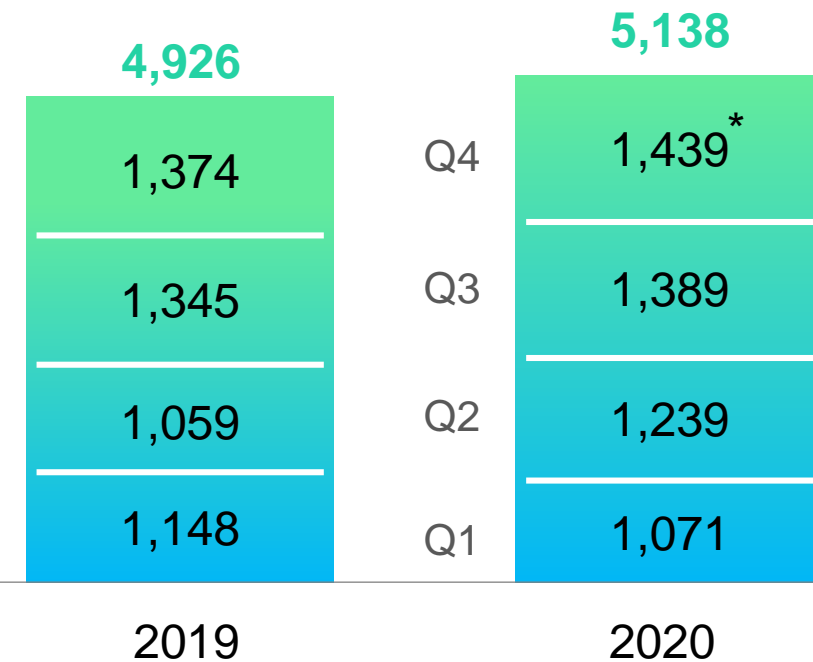
* Unaudited number



R&D Expenses

(Million NT\$)

* Unaudited number



Cash Flows

Unit: Million NT\$	Q4'20 (Unaudited)	Q3'20
Beginning Balance	47,126	51,335
Cash from Operating Activities	7,880*	5,476
Capital Expenditures	-3,543	-3,069
Dividend & Others	157	-6,617 **
Ending Balance	51,619	47,126
Free Cash Flow ⁽¹⁾	4,337	2,407

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

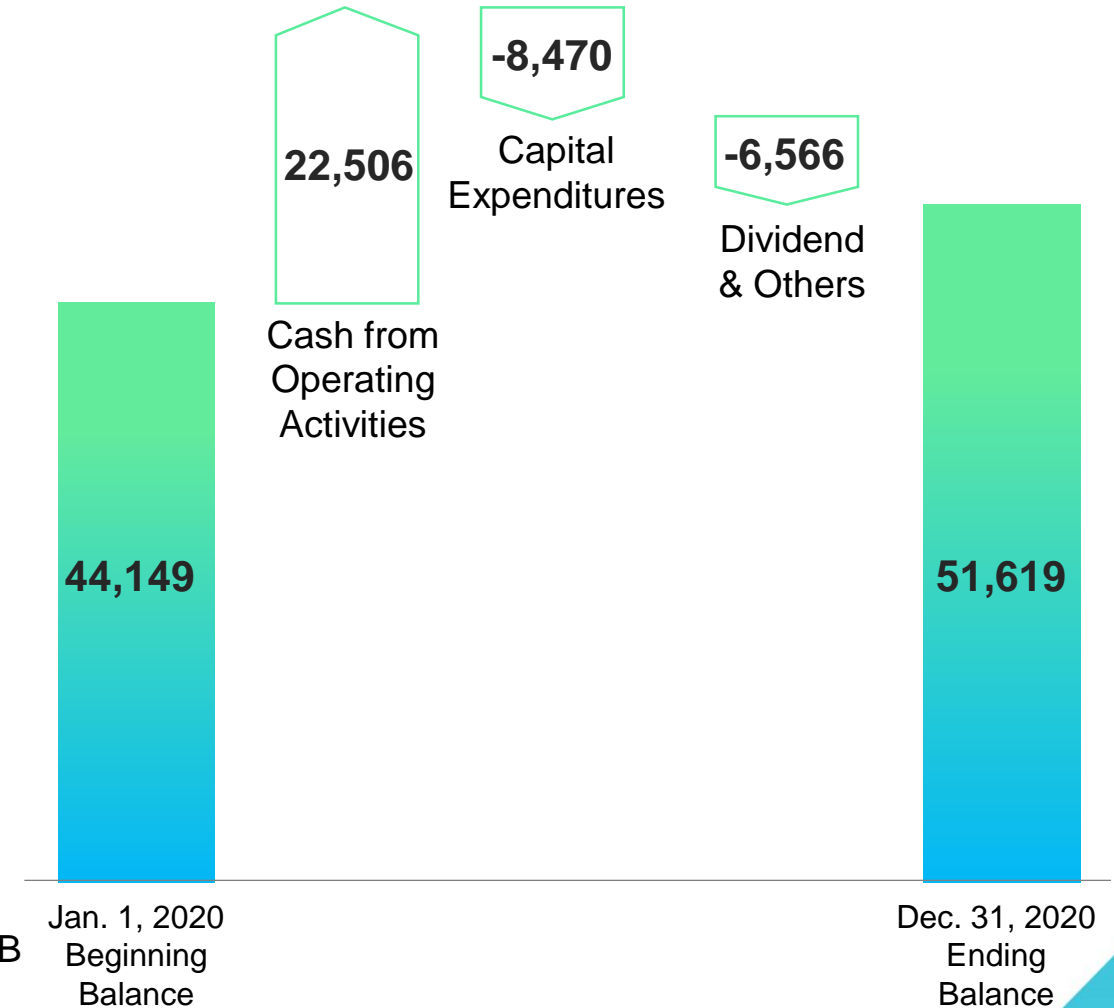
* Includes Inventory decrease and account receivable collection of approx. NT\$ 3B

** - NT\$ 4.6 billion of dividend payout ;

- NT\$ 0.7 billion from exchange differences on translation of foreign F/S

2020 Cash Flow

Unit: Million NT\$



02

2020 REVENUE & RESULTS

2020 Consolidated Income Statement

Amount: Million NT\$	2020 (Unaudited)		2019		YoY
Net Sales	61,006	100.0%	51,727	100.0%	17.9%
Cost of Goods Sold	45,314	74.3%	35,233	68.1%	
Gross Margin	15,692	25.7%	16,494	31.9%	-4.9%
SG&A Expenses	2,119	3.5%	2,051	4.0%	
R&D Expenses	5,138	8.4%	4,926	9.5%	
Operating Income	8,435	13.8%	9,517	18.4%	-11.4%
Non-operating Income (Exp.)	539	0.9%	1,708	3.3%	
Income before Tax	8,974	14.7%	11,225	21.7%	-20.1%
Income Tax Benefit (Expense)	-1,302	-2.1%	-1,401	-2.7%	
Net Income	7,672	12.6%	9,825	19.0%	
EPS(NT\$)	2.50		3.23		
Book Value Per Share	50.02		49.78		

2020 vs. 2019 Results Comparison

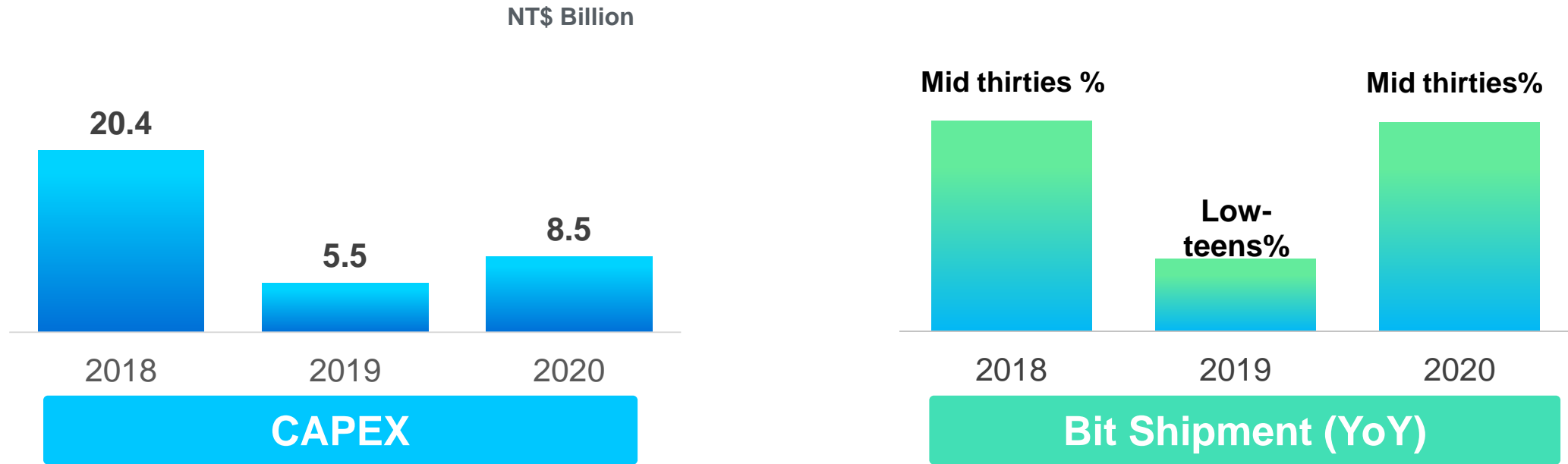
Amount in Million NT\$	2020 (Unaudited)		2019		YoY (PPT* Delta)	Remarks
Net Sales	61,006		51,727		17.9%	<ul style="list-style-type: none"> ■ Bit shipment increased by mid thirties YoY ■ ASP decreased by high single digits % YoY ■ FX negative impact 4.4%
Gross Income (Loss) Gross Margin(%)	15,692	25.7%	16,494	31.9%	-6.2%	<ul style="list-style-type: none"> ■ Gross Income decreased by NT\$ 803M mainly due to ASP decrease and FX negative impact
Operating Expense	7,257	11.9%	6,977	13.5%	-1.6%	<ul style="list-style-type: none"> ■ SG&A expense increased NT\$ 68M, R&D expense increased NT\$ 211M
Operating Income (Loss) Operating Margin(%)	8,435	13.8%	9,517	18.4%	-4.6%	<ul style="list-style-type: none"> ■ Operating Income decreased NT\$ 1,082M
Net Income (Loss) Net Margin (%)	7,672	12.6%	9,825	19.0%	-6.4%	<ul style="list-style-type: none"> ■ Net Income decreased by NT\$ 2,152M mainly due to: <ul style="list-style-type: none"> • Operating Income decreased NT\$ 1,082M • FX loss unfavorable NT\$ 569M (2020: NT\$ -755M, 2019: NT\$ -186M) • Interest income unfavorable NT\$ 623M

The background of the slide features abstract geometric patterns. On the left side, there are overlapping triangles in shades of blue and yellow-green, some with white dots at their vertices. On the right side, there is a network of grey dots connected by thin grey lines, forming a web-like structure.

03

CAPEX & BIT SHIPMENT

CAPEX & Bit Shipment



Capital Expenditure (CAPEX)

- Q4'20 CAPEX NT\$ 3.54 billion (B)
- 2020 CAPEX at NT\$ 8.5B
- 2021 CAPEX estimate at NT\$ 15B, subject to BoD approval

Bit Shipment

- Q4'20 Bit shipment increased by low single digits% QoQ
- 2020 YoY bit shipment growth in mid thirties%
- 2021 YoY bit shipment expected to be relatively flat

The background of the slide is composed of two main abstract geometric patterns. On the left, there is a complex, overlapping pattern of triangles in various shades of blue and green, with some white dots at the vertices. On the right, there is a network diagram consisting of a series of grey dots connected by thin grey lines, forming a web-like structure. The text "04 MARKET OUTLOOK" is overlaid on the right side of the slide, with "04" in a large, teal font and "MARKET OUTLOOK" in a smaller, blue and green font.

04 MARKET OUTLOOK

2021 Market Outlook

Outlook

- For 2021 outlook, DRAM demand is stabilizing in 1H21, DRAM industry enters a new upcycle
- 1H21 Stay-at-Home economy to remain, favoring notebook, networking and Digital TV applications
- 2H21 COVID-19 vaccines coverage level to gradually increase, enabling global economies growth. Various applications of 5G, A.I. smartphone, datacenters, automotive and consumer electronics to stimulate DRAM demand

Supply

- DRAM suppliers' inventory level to further decrease, 1H21 industry bit supply growth limited

Demand

- **Mobile Market:** Smartphone shipments to recover, 5G handset shipment percentage increasing
- **Server Market:** Server DRAM inventory level normalized. New server CPUs & platform (8 DIMM channels) to drive DRAM content growth
- **PC Market:** Visibility of notebook and Chromebook demand throughout 1H21, due to remote work and e-learning demand from ongoing Pandemic
- **Consumer Market:** Promising demand growth in 4K/8K DTV and STB, new-gen game consoles, 5G networking, wearable devices and automotive electronics

The background features abstract geometric patterns. On the left, there are overlapping triangles in shades of blue and yellow. On the right, there is a network diagram with grey dots connected by thin lines, forming a web-like structure.

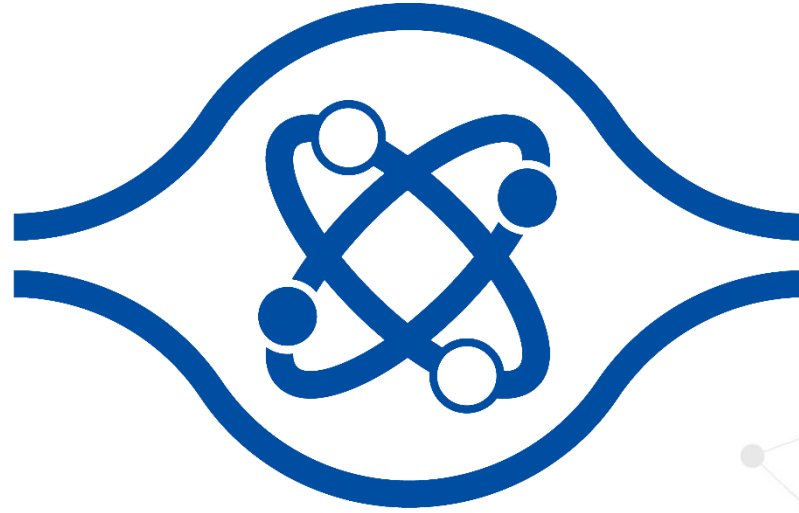
05

BUSINESS REVIEW & OUTLOOK

Nanya Business Review & Outlook

- Q4'20 DRAM contract price bottom out and DRAM demand improved
- DRAM demand is stabilizing in 1H21, DRAM industry enters a new upcycle
- 10nm-class 1st generation node piloting on schedule, and 2nd generation node development accelerated
- Received 2020 National Sustainable Development Award
- Received “A List” rating, CDP's highest honor in response to climate change

* CDP(formerly the "Carbon Disclosure Project")



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Thanks & Questions

Q4'20 Consolidated Income Statement

Amount: Million NT\$

	Q4'20 (Unaudited)		Q3'20		QoQ	Q4'19		YoY
Net Sales	14,773	100.0%	15,324	100.0%	-3.6%	13,116	100.0%	12.6%
Cost of Goods Sold	11,522	78.0%	11,362	74.1%		9,739	74.3%	
Gross Margin	3,251	22.0%	3,962	25.9%	-17.9%	3,377	25.7%	-3.7%
SG&A Expenses	508	3.4%	503	3.3%		562	4.3%	
R&D Expenses	1,439	9.7%	1,389	9.1%		1,374	10.5%	
Operating Income	1,304	8.8%	2,069	13.5%	-37.0%	1,440	11.0%	-9.4%
Non-operating Income (Exp.)	-184	-1.2%	25	0.2%		111	0.8%	
Income before Tax	1,120	7.6%	2,095	13.7%	-46.5%	1,550	11.8%	-27.8%
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Net Income	911	6.2%	1,613	10.5%		1,286	9.8%	
EPS(NT\$)	0.30		0.53			0.42		
Book Value Per Share(NT\$)	50.02		49.91			49.78		