



# Nanya Technology Q1 2021 Investor Conference

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# Safe Harbor

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# 01

## Q1'21 REVENUE & RESULTS



# Q1'21 Financial Results Summary

Amount in Million NT\$, except for EPS & BVPS	Q1'21 (Unaudited)		Q4'20		QoQ	Q1'20		YoY
Net Sales	17,731	<b>100%</b>	14,773	<b>100%</b>	20.0%	14,419	<b>100%</b>	23.0%
Gross Profit (Loss) <i>Gross Margin(%)</i>	5,162	<b>29.1%</b>	3,251	<b>22.0%</b>	58.8%	3,436	<b>23.8%</b>	50.2%
Operating Income (Loss) <i>Operating Margin(%)</i>	3,027	<b>17.1%</b>	1,304	<b>8.8%</b>	132.2%	1,832	<b>12.7%</b>	65.2%
EBITDA* <i>EBITDA Margin (%)</i>	6,769	<b>38.2%</b>	4,937	<b>33.4%</b>	37.1%	5,437	<b>37.7%</b>	24.5%
Non-operating Income (Expense)	307	<b>1.7%</b>	-167	<b>-1.1%</b>		492	<b>3.4%</b>	
Income Tax Benefit (Expense)	-630	<b>-3.6%</b>	-213	<b>-1.4%</b>		-395	<b>-2.7%</b>	
Net Income (Loss) <i>Net Margin (%)</i>	2,705	<b>15.3%</b>	924	<b>6.3%</b>	192.7%	1,928	<b>13.4%</b>	40.3%
Earnings Per Share (NT\$)	0.88**		0.30			0.63		
Book Value Per Share (NT\$)	51.0***		50.0			50.4		

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

\*\*\* BVPS is calculated based on 3,085M outstanding shares

\*\* EPS is based on weighted average outstanding shares of 3,081M

# Quarterly Revenue Results

	QoQ Q1'21 vs. Q4'20	YoY Q1'21 vs. Q1'20
Revenue	+20.0%	+23.0%
Shipment	Increased mid-single digits%	Increased mid-teens%
ASP	Increased mid-teens%	Increased mid-teens%
Exchange Rate	-1.5%	-5.7%

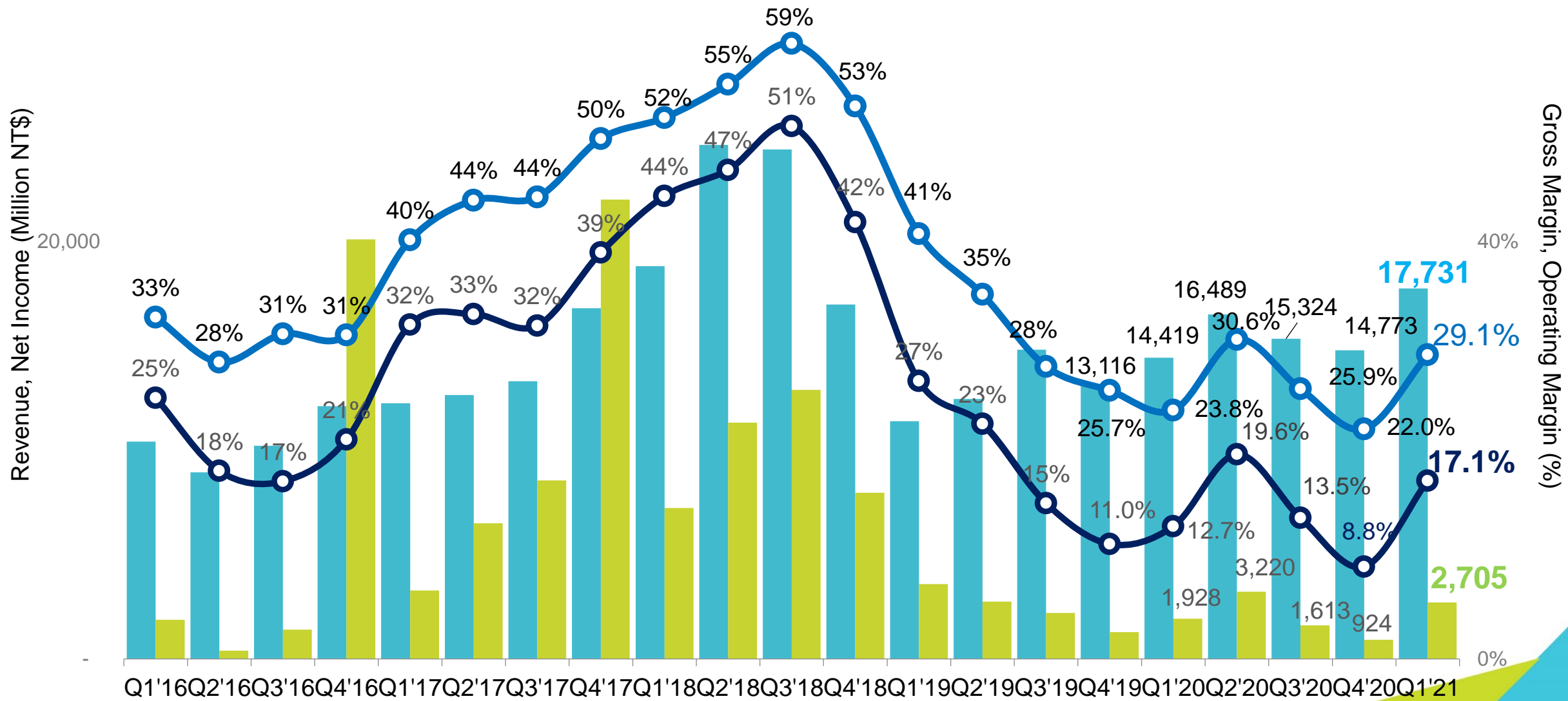
- Q1'21 Revenue increased by 20% QoQ
- Q1'21 Bit shipment increased by mid-single digits% QoQ
- Q1'21 ASP increased by mid-teens% QoQ

# Q1'21 vs. Q4'20 Results Comparison

Amount in Million NT\$	Q1'21 (Unaudited)		Q4'20		QoQ (PPT* Delta)	Remarks
<b>Net Sales</b>	17,731		14,773		+20.0%	<ul style="list-style-type: none"> <li>■ Bit shipment increased mid-single digits%</li> <li>■ ASP increased mid-teens%</li> <li>■ FX negative impact 1.5%</li> </ul>
<b>Gross Profit (Loss)</b> Gross Margin(%)	5,162	29.1%	3,251	22.0%	+7.1%	<ul style="list-style-type: none"> <li>■ Q1'21 Gross profit increased NT\$ 1,911M, mainly due to ASP increase</li> </ul>
<b>Operating Expense</b>	2,135	12.0%	1,948	13.2%	-1.2%	<ul style="list-style-type: none"> <li>■ R&amp;D expense increased NT\$ 203M</li> </ul>
<b>Operating Income (Loss)</b> Operating Margin(%)	3,027	17.1%	1,304	8.8%	+8.3%	<ul style="list-style-type: none"> <li>■ Q1'21 OP income increased NT\$ 1,723M</li> </ul>
<b>Net Income (Loss)</b> Net Margin (%)	2,705	15.3%	924	6.3%	+9.0%	<ul style="list-style-type: none"> <li>■ Net Income increased NT\$ 1,780M               <ul style="list-style-type: none"> <li>• OP Income increase of NT\$ 1,723M</li> <li>• FX gain: NT\$ 440M favorable (Q1'21: NT\$ +38M; Q4'20: NT\$ -402M)</li> <li>• Income tax: NT\$ 417M unfavorable</li> </ul> </li> </ul>

# Quarterly Financial Highlights

Revenue (Million NT\$)   Net Income (Million NT\$)   Gross Margin(%)   Operating Margin(%)



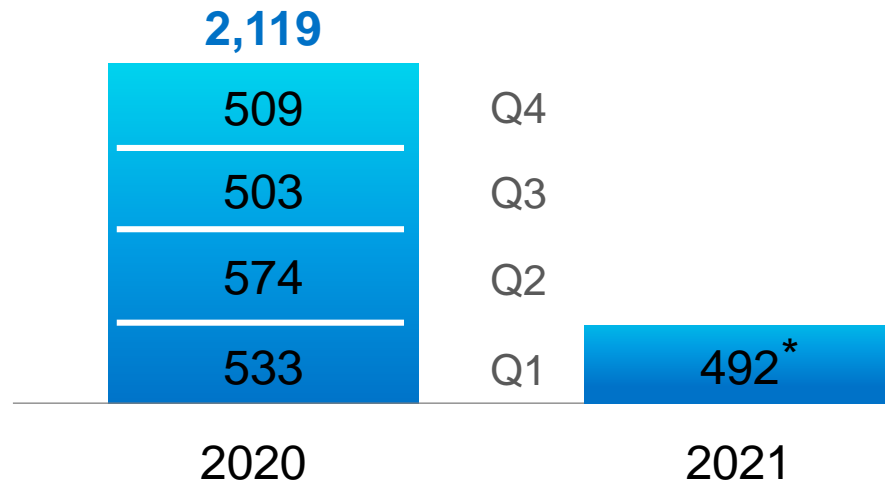


# Operating Expenses

## SG&A Expenses

(Million NT\$)

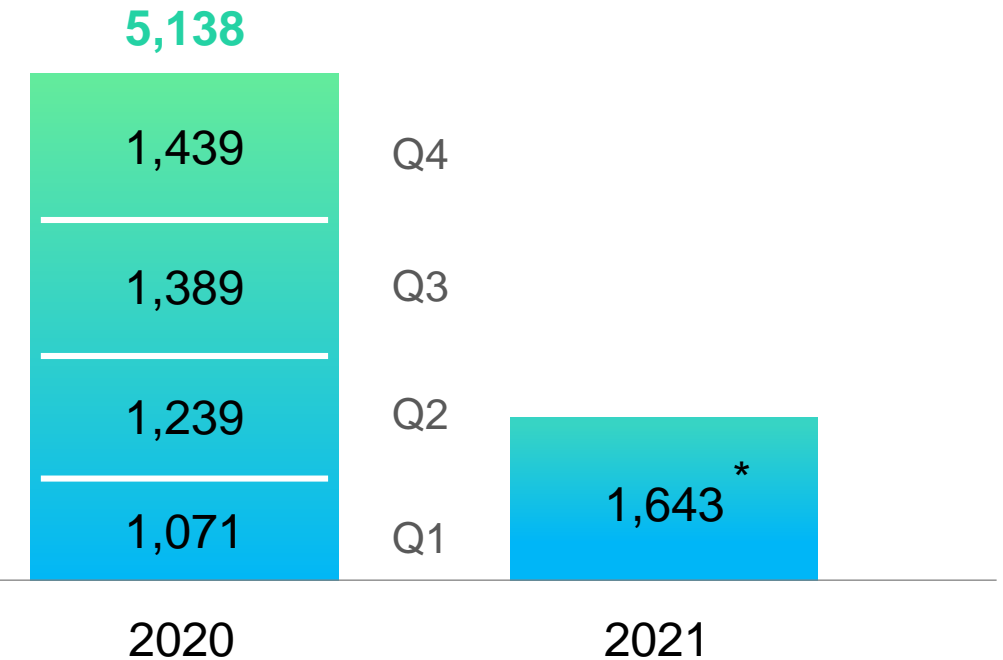
\* Unaudited number



## R&D Expenses

(Million NT\$)

\* Unaudited number



Note: R&D expense increased NT\$ 203M

# Cash Flows

Unit: Million NT\$	Q1'21 (Unaudited)	Q4'20	Q1'20
<b>Beginning Balance</b>	<b>51,726</b>	<b>47,126</b>	<b>44,149</b>
Cash from Operating Activities	8,352	7,986	4,080
Capital expenditures	-1,485	-3,549	-838
Financial Activities & others	488*	164	141
<b>Ending Balance</b>	<b>59,080</b>	<b>51,726</b>	<b>47,532</b>
<b>Free Cash Flow <sup>(1)</sup></b>	<b>6,867</b>	<b>4,436</b>	<b>3,242</b>

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

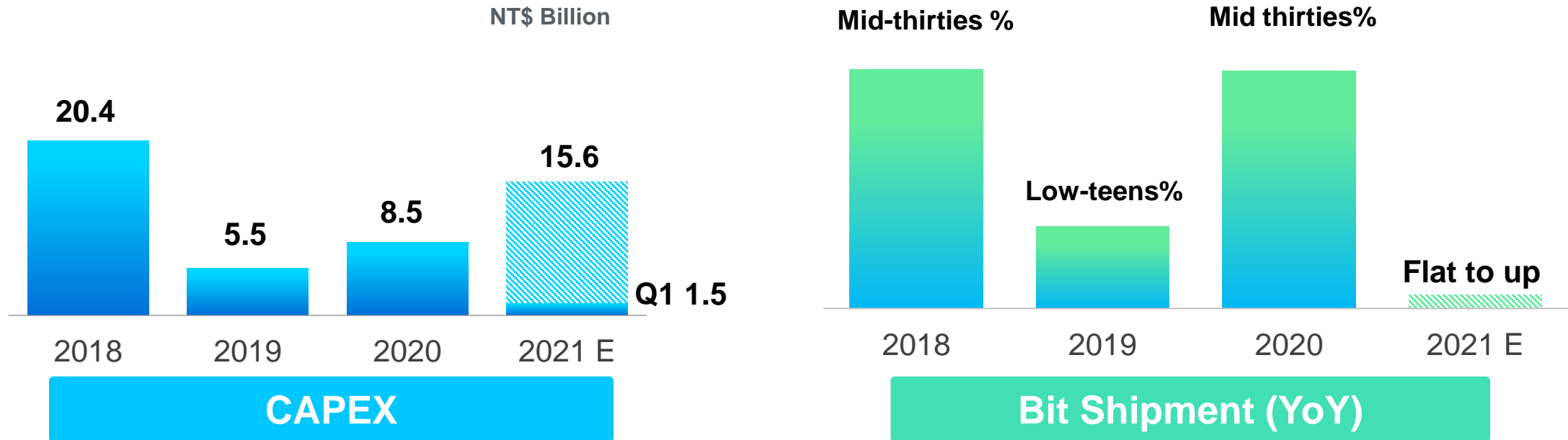
\* mainly from treasury stock sold to employees

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 grey lines, forming a complex web-like structure.

# 02

## CAPEX & BIT SHIPMENT

# CAPEX & Bit Shipment



## Capital

### Expenditure (CAPEX)

- Q1'21 CAPEX NT\$ 1.5 billion (B)
- 2021 CAPEX plan is up to NT\$ 15.6B

## Bit Shipment

- Q1'21 bit shipment increased by mid single digits% QoQ
- Q2'21 bit shipment estimated to be relatively flat
- 2021 YoY bit shipment expected to be flat to marginally increase

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 triangles highlighted in a lighter yellow-green. On the right, there is a network diagram consisting of numerous small grey dots connected by thin grey lines, forming a web-like structure. The title "03 MARKET OUTLOOK" is positioned in the lower right area, overlaid on the network diagram.

# 03

## MARKET OUTLOOK



# Market Outlook(Q2'21)

## Outlook

- Global economics recovery forecasted, favoring DRAM demand growth
- Q2'21 robust consumer electronics demand, NB remains strong, server recovery, smartphone demand improved
- COVID-19 Pandemic control and vaccinations, US-China trade tension, supply chain unbalanced issues may impact long term market outlook

## Supply

- DRAM suppliers' inventory level low, 1H21 industry bit supply growth limited.
- Supplier's capacity deployment in 2H'21 determine 2022 market balance

## Demand

- **Mobile Market:** Smart phone shipment resume growth 2021, low power DRAM demand improve YoY
- **Server Market:** Stay-at-Home economy and new server platform launch driving up datacenter capex, DRAM content/system continue to grow
- **PC market:** E-learnings and new platform launch stimulate NB, Chromebooks, SSD, HDD and video conference modules demand throughout the year
- **Consumer Market:** Promising outlook for DTV, STB, 5G networking, new-gen game consoles, 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 of grey dots connected by thin lines, forming a web-like structure.

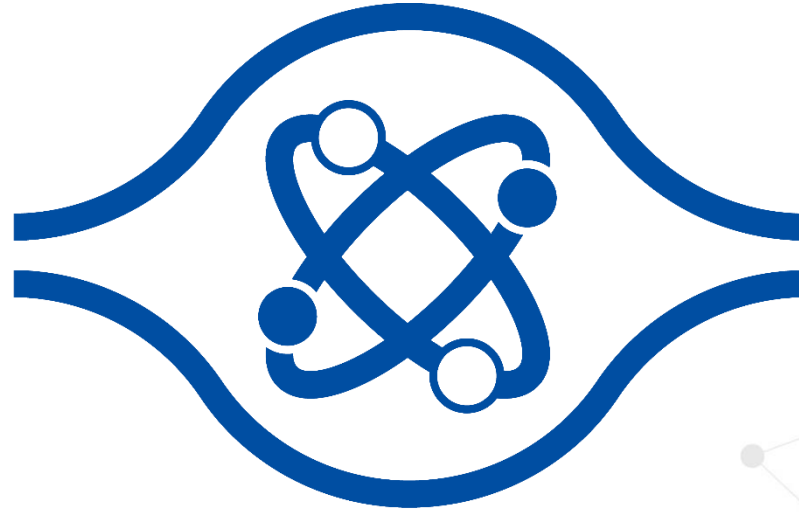
# 04

## BUSINESS REVIEW & OUTLOOK

# Nanya Business Review & Outlook

- Improved Q1'21 results driven by strong demand from various applications
- Q2'21 DRAM market outlook optimistic with strong demand
- Cash dividend of NT\$ 4.0B (Approx. NT \$ 1.3 /share ) proposed to the AGM on May 27, 2021
- DDR4 3200Mbps and LPDDR4X 4267Mbps validated by major chipset vendors
- Sampling 1st 10nm-class 8Gb DDR4 2H'21, DDR5 development ongoing
- Piloting 2nd 10nm-class product Q3'21
- Received Green Factory Label certificate by M.O.E.A\*

\*M.O.E.A: Ministry of Economic Affairs, R.O.C



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# Thanks & Questions

# Q1'21 Consolidated Income Statement

Amount: Million NT\$

	Q1'21 (Unaudited)		Q4'20		QoQ	Q1'20		YoY
Net Sales	17,731	100.0%	14,773	100.0%	20.0%	14,419	100.0%	23.0%
Cost of Goods Sold	12,569	70.9%	11,522	78.0%		10,983	76.2%	
Gross Margin	5,162	29.1%	3,251	22.0%	58.8%	3,436	23.8%	50.2%
SG&A Expenses	492	2.8%	509	3.4%		533	3.7%	
R&D Expenses	1,643	9.3%	1,439	9.7%		1,071	7.4%	
Operating Income	3,027	17.1%	1,304	8.8%	132.2%	1,832	12.7%	65.2%
Non-operating Income (Exp.)	307	1.7%	-167	-1.1%		492	3.4%	
Income before Tax	3,334	18.8%	1,137	7.7%	193.3%	2,324	16.1%	43.5%
Income Tax Benefit (Expense)	-630	-3.6%	-213	-1.4%		-395	-2.7%	
Net Income	2,705	15.3%	924	6.3%		1,928	13.4%	
EPS(NT\$)	0.88		0.30			0.63		
Book Value Per Share(NT\$)	51.00		50.02			50.40		