



Nanya Technology Q2 2021 Investor Conference

Dr. Pei-Ing Lee, President & Spokesman
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Safe Harbor



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01

Q2'21 REVENUE & RESULTS

Q2'21 Financial Results Summary

Amount in Million NT\$, except for EPS & BVPS	Q2'21 (Unaudited)		Q1'21		QoQ	Q2'20		YoY
Net Sales	22,637	100%	17,731	100%	27.7%	16,489	100%	37.3%
Gross Profit (Loss) <i>Gross Margin(%)</i>	9,583	42.3%	5,162	29.1%	85.7%	5,042	30.6%	90.1%
Operating Income (Loss) <i>Operating Margin(%)</i>	7,063	31.2%	3,027	17.1%	133.3%	3,229	19.6%	118.7%
EBITDA* <i>EBITDA Margin (%)</i>	10,895	48.1%	6,769	38.2%	61.0%	6,784	41.1%	60.6%
Non-operating Income (Expense)	-145	-0.6%	307	1.7%		207	1.3%	
Income Tax Benefit (Expense)	-756	-3.3%	-630	-3.6%		-216	-1.3%	
Net Income (Loss) <i>Net Margin (%)</i>	6,162	27.2%	2,704	15.3%	127.9%	3,220	19.5%	91.3%
Earnings Per Share (NT\$)	2.00**		0.88			1.05		
Book Value Per Share (NT\$)	51.43***		51.00			49.63		

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

** EPS is based on weighted average outstanding shares of 3,085M

*** BVPS is calculated based on 3,085M outstanding shares after deduction of approx. NT\$ 1.3 cash dividend

Quarterly Revenue Results

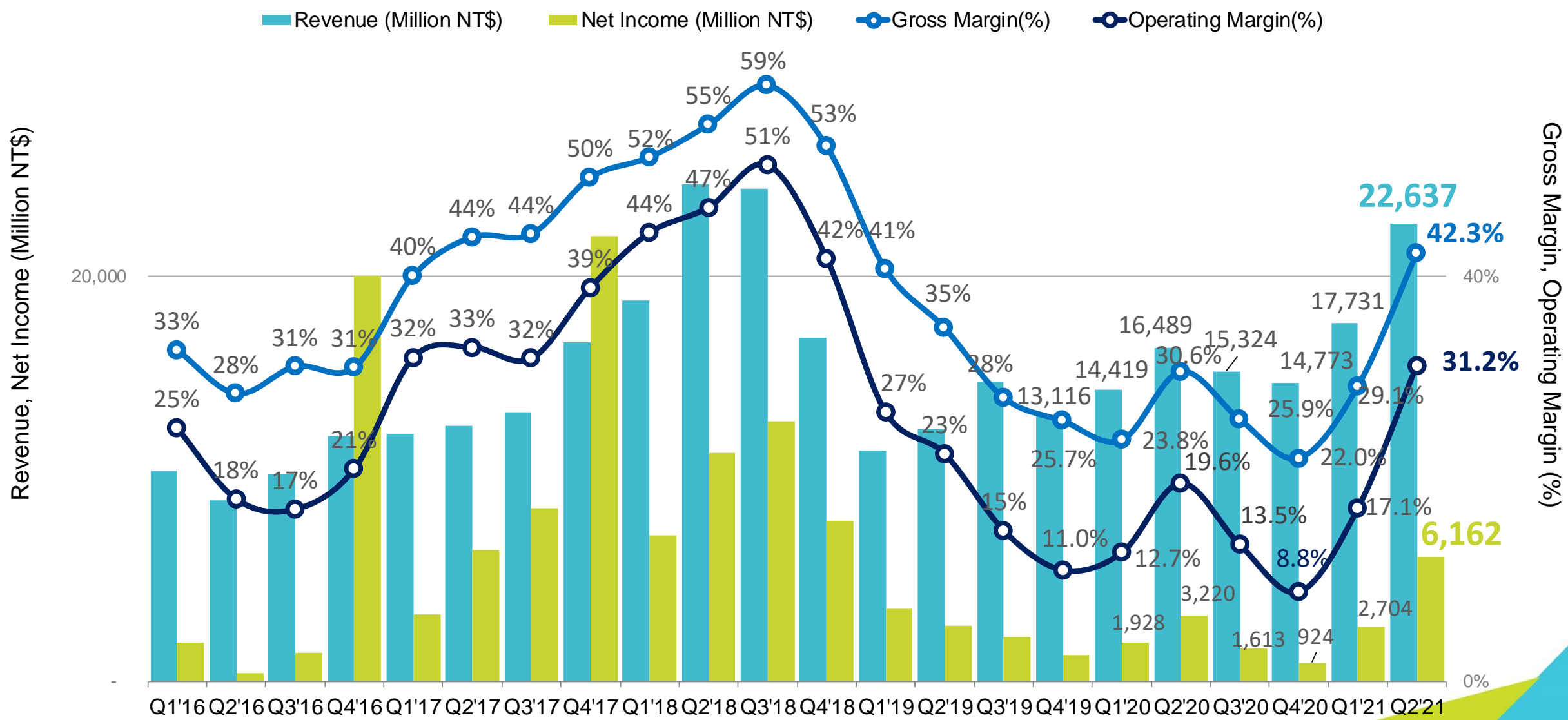
	QoQ Q2'21 vs. Q1'21	YoY Q2'21 vs. Q2'20
Revenue	+27.7%	+37.3%
Shipment	Relatively flat	Increased mid single digits%
ASP	Increased approx. thirty%	Increased high-thirties%
Exchange Rate	-1.2%	-6.4%

- Q2'21 Revenue increased by 27.7% QoQ
- Q2'21 Bit shipment relatively flat QoQ
- Q2'21 ASP increased by approximately thirty% QoQ

Q2'21 vs. Q1'21 Results Comparison

Amount in Million NT\$	Q2'21 (Unaudited)	Q1'21	QoQ (PPT* Delta)	Remarks
Net Sales	22,637	17,731	+27.7%	<ul style="list-style-type: none"> ■ Bit shipment relatively flat ■ ASP increased approx. thirty% ■ FX negative impact 1.2%
Gross Profit (Loss) Gross Margin(%)	9,583 42.3%	5,162 29.1%	+13.2%	<ul style="list-style-type: none"> ■ Q2'21 Gross profit increased NT\$ 4,421M, mainly due to ASP increase
Operating Expense	2,520 11.1%	2,135 12.0%	-0.9%	<ul style="list-style-type: none"> ■ SG&A expense increased NT\$ 146M ■ R&D expense increased NT\$ 239M
Operating Income (Loss) Operating Margin(%)	7,063 31.2%	3,027 17.1%	+14.1%	<ul style="list-style-type: none"> ■ Q2'21 OP income increased NT\$ 4,036M
Net Income (Loss) Net Margin (%)	6,162 27.2%	2,704 15.3%	+11.9%	<ul style="list-style-type: none"> ■ Net Income increased NT\$ 3,458M <ul style="list-style-type: none"> • OP Income increase of NT\$ 4,036M • FX impact: NT\$ 408M unfavorable (Q2'21: NT\$ -370M; Q1'21: NT\$ +38M) • Income tax: NT\$ 127M unfavorable

Quarterly Financial Highlights

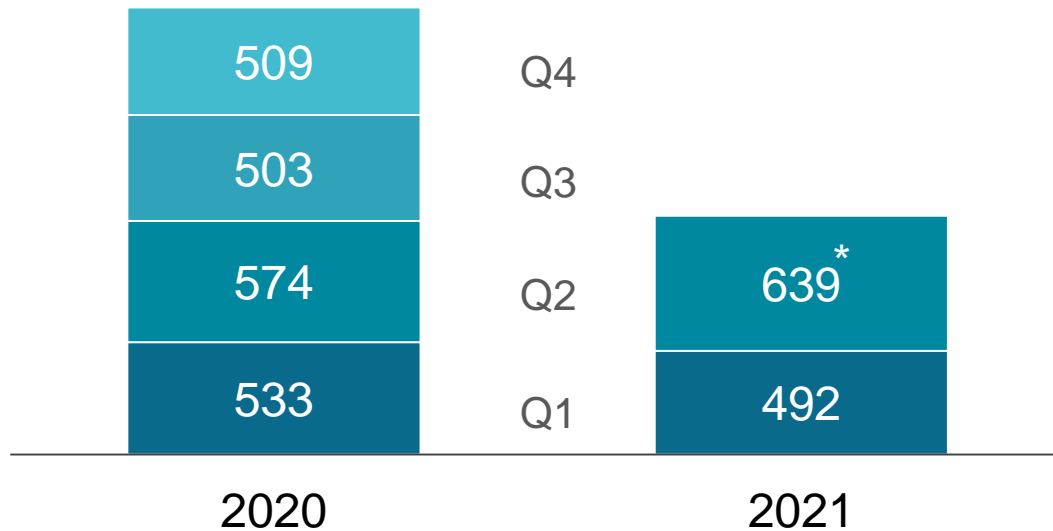


Operating Expenses

SG&A Expenses

(Million NT\$)

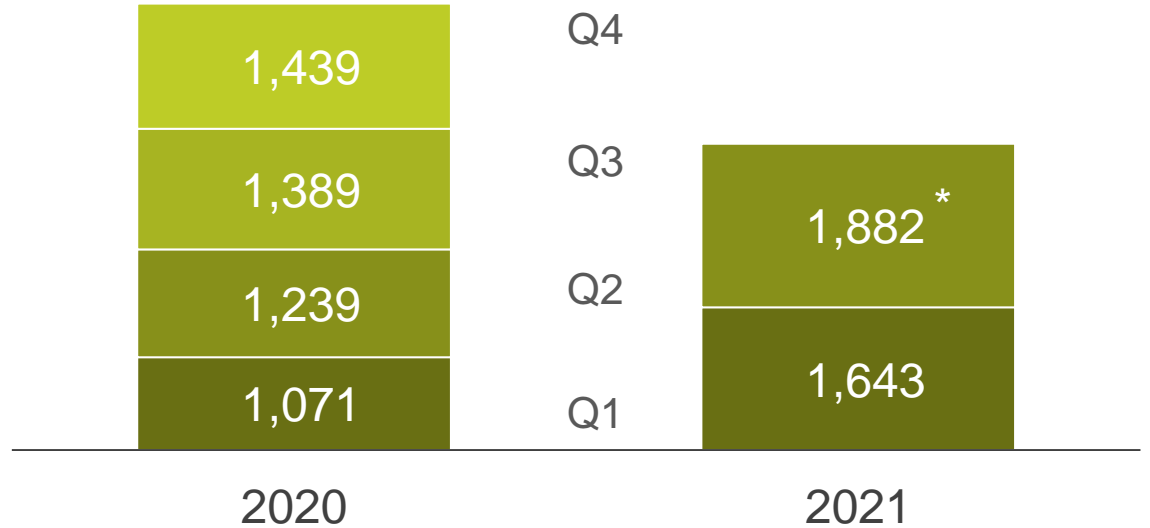
* Unaudited number



R&D Expenses

(Million NT\$)

* Unaudited number



Note: 2021 R&D expense grow YoY mainly for the increase of 10nm-class technology & product development expense

Cash Flows

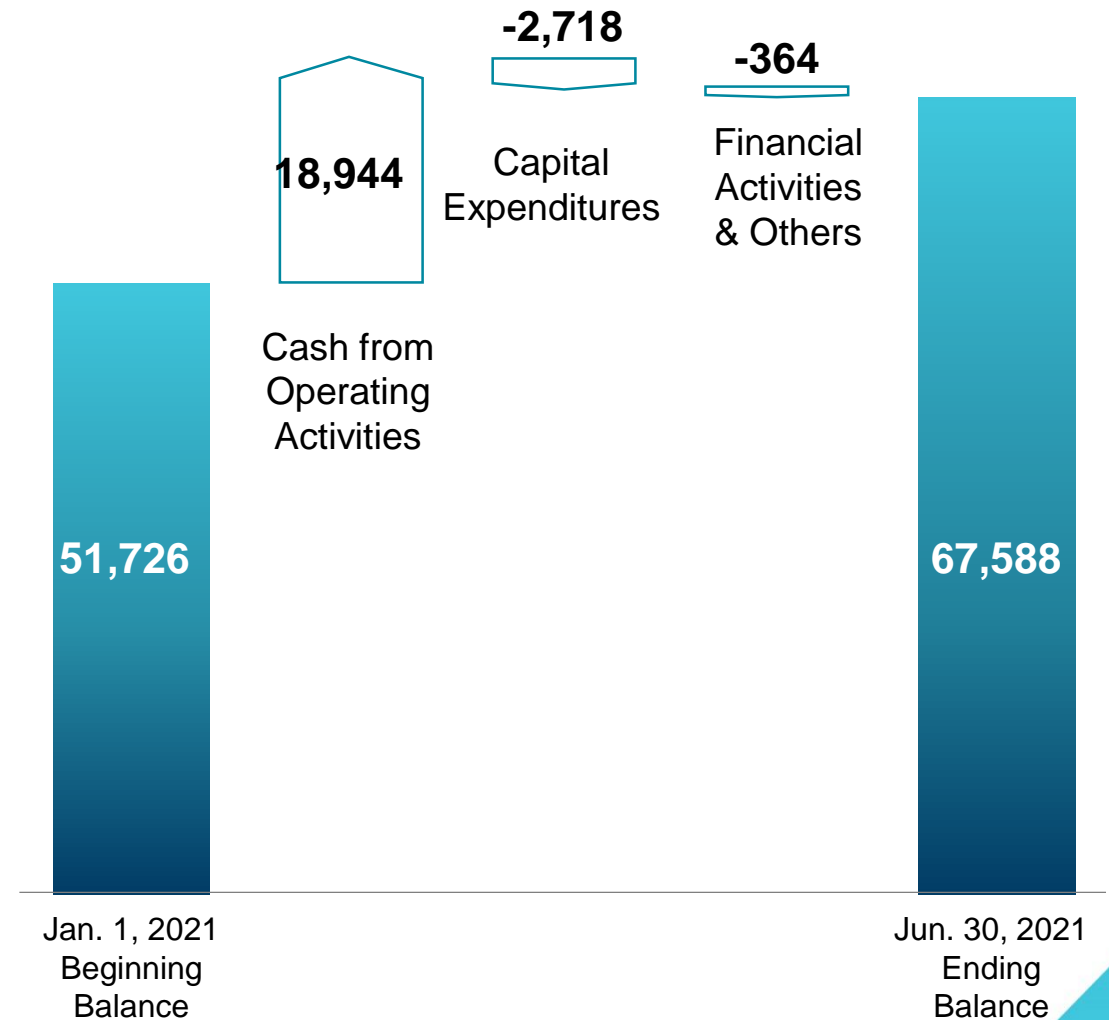
Unit: Million NT\$	Q2'21 (Unaudited)	Q1'21
Beginning Balance	59,113	51,726
Cash from Operating Activities	10,556	8,388
Capital Expenditures	-1,233	-1,485
Financial Activities & Others	-847 *	484
Ending Balance	67,588	59,113
Free Cash Flow ⁽¹⁾	9,323	6,903

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

* Mainly from exchange differences on translation of foreign F/S

2021 1H Cash Flow

Unit: Million NT\$

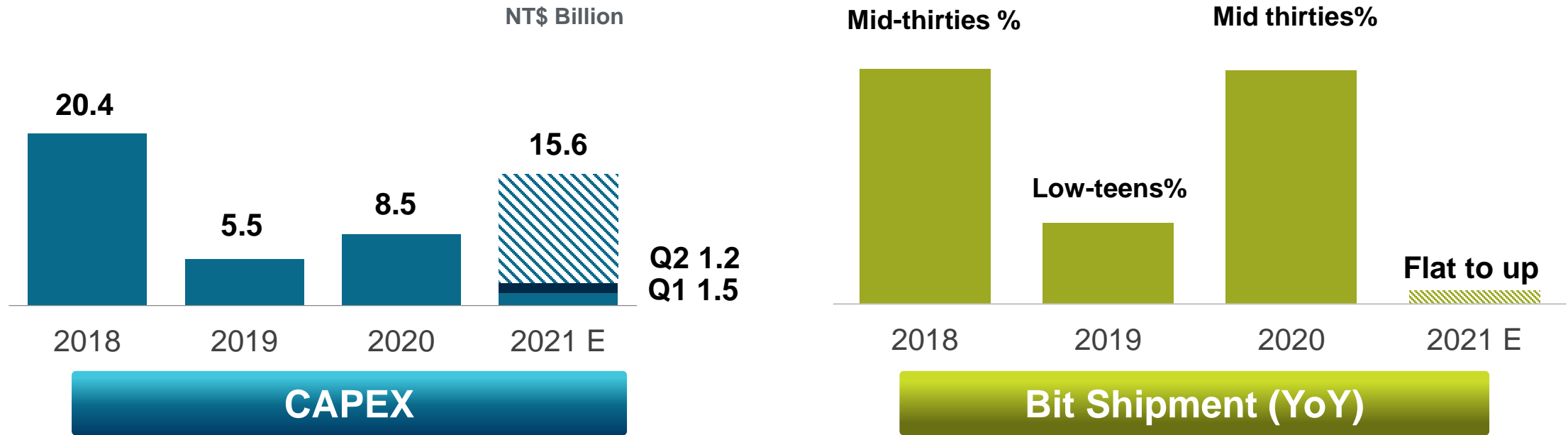


The background features abstract geometric patterns. On the left, there are overlapping triangles in shades of blue and yellow-green. On the right, there is a network diagram with grey dots connected by thin grey lines, forming a complex web-like structure.

02

CAPEX & BIT SHIPMENT

CAPEX & Bit Shipment



Capital Expenditure(CAPEX)

- Q2'21 CAPEX NT\$ 1.2 billion (B)
- 2021 CAPEX plan is up to NT\$ 15.6B

Bit Shipment

- Q2'21 bit shipment relatively flat QoQ
- Q3'21 bit shipment estimated to down single digits%
- 2021 YoY bit shipment expected to be flat to marginally increase

New FAB Investment Plan



Construction

- 12-inch DRAM FAB
- Located New Taipei City, Taiwan



Investment

- Total investment is approximate NTD 300 billion
- The investment plan will take 3 phases within 7 years



Process Technology

- 10nm-class process technologies



Total Capacity

- Approximately 45,000 wafers / month



Schedule

- First phase production start 2024

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03

MARKET OUTLOOK

Market Outlook(Q3'21)

Outlook

- Global economic recovering, favoring DRAM demand growth
- Q3'21 consumer electronics, server and PC demand healthy, 5G smartphone penetration increasing
- Component supply shortage may slow down PC and Server shipment, and COVID-19 situations may defer economic recovery

Supply

- 2H'21 DRAM suppliers' CAPEX increased, mainly for New FABs constructions and EUV equipment. Shipment increasing for high density DRAM products
- Q2'21 DRAM suppliers' inventory at relatively low

Demand

- **Mobile Market:** Smart phone regaining annual growth, 5G penetration reaches 40%, high-end shipment improved, while mid-to-low-end sluggish in developing countries
- **Server Market:** Expansion of corporate IT spending and new platforms with high DRAM content contributing to strong server DRAM demand in 2H'21
- **PC market:** Enterprise PC/NB demand strong YOY growth, however, components shortage issues may delay shipments in 2H'21
- **Consumer Market:** Positive outlook for DTV, networking, wearables, HDD, SSD, IP camera, game consoles and automotive electronics

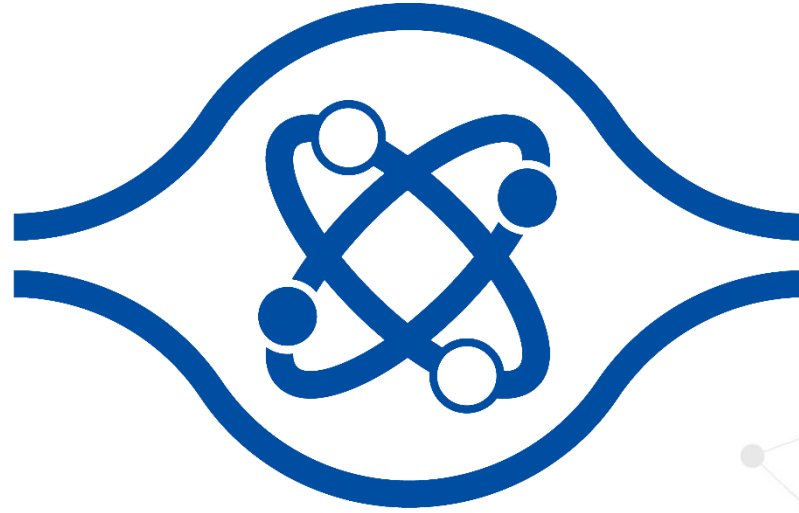
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04

BUSINESS REVIEW & OUTLOOK

Nanya Business Review & Outlook

- Improved Q2'21 results, positive Q3'21 DRAM market outlook
- 1st 10nm-class 8Gb DDR4, DDR5 start to piloting
- 2nd 10nm-class product development on track
- Announced a new DRAM fab construction and plan production by 2024
- No impact on business operations by COVID-19
- 2021 AGM date reschedule to August 4th due to governmental authority order
- BOD approved dividend distribution NT\$ 4 billion, subject to AGM approval



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Thanks & Questions

Q2'21 Consolidated Income Statement

Amount: Million NT\$

	Q2'21 (Unaudited)		Q1'21		QoQ	Q2'20		YoY
Net Sales	22,637	100.0%	17,731	100.0%	27.7%	16,489	100.0%	37.3%
Cost of Goods Sold	13,054	57.7%	12,569	70.9%		11,447	69.4%	
Gross Margin	9,583	42.3%	5,162	29.1%	85.7%	5,042	30.6%	90.1%
SG&A Expenses	639	2.8%	492	2.8%		574	3.5%	
R&D Expenses	1,882	8.3%	1,643	9.3%		1,239	7.5%	
Operating Income	7,063	31.2%	3,027	17.1%	133.3%	3,229	19.6%	118.7%
Non-operating Income (Exp.)	-145	-0.6%	307	1.7%		207	1.3%	
Income before Tax	6,918	30.6%	3,334	18.8%	107.5%	3,436	20.8%	101.3%
Income Tax Benefit (Expense)	-756	-3.3%	-630	-3.6%		-216	-1.3%	
Net Income	6,162	27.2%	2,704	15.3%		3,220	19.5%	
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