



# Nanya Technology Q3 2021 Investor Conference

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08 October 2021





# Safe Harbor

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# 01

## Q3'21 REVENUE & RESULTS



# Q3'21 Financial Results Summary

Amount in Million NT\$, except for EPS & BVPS	Q3'21 (Unaudited)		Q2'21		QoQ	Q3'20		YoY
Net Sales	23,837	<b>100%</b>	22,637	<b>100%</b>	5.3%	15,324	<b>100%</b>	55.6%
Gross Profit (Loss) <i>Gross Margin(%)</i>	11,735	<b>49.2%</b>	9,583	<b>42.3%</b>	22.5%	3,962	<b>25.9%</b>	196.2%
Operating Income (Loss) <i>Operating Margin(%)</i>	9,073	<b>38.1%</b>	7,063	<b>31.2%</b>	28.5%	2,069	<b>13.5%</b>	338.4%
EBITDA* <i>EBITDA Margin (%)</i>	12,966	<b>54.4%</b>	10,896	<b>48.1%</b>	19.0%	5,728	<b>37.4%</b>	126.4%
Non-operating Income (Expense)	314	<b>1.3%</b>	-143	<b>-0.6%</b>		25	<b>0.2%</b>	
Income Tax Benefit (Expense)	-1,862	<b>-7.8%</b>	-756	<b>-3.3%</b>		-481	<b>-3.1%</b>	
Net Income (Loss) <i>Net Margin (%)</i>	7,526	<b>31.6%</b>	6,163	<b>27.2%</b>	22.1%	1,613	<b>10.5%</b>	366.5%
Earnings Per Share (NT\$)	2.44**		2.00			0.53		
Book Value Per Share (NT\$)	53.87***		51.43			49.91		

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

\*\*\* BVPS is calculated based on 3,091M outstanding shares

\*\* EPS is based on weighted average outstanding shares of 3,088M

# Quarterly Revenue Results

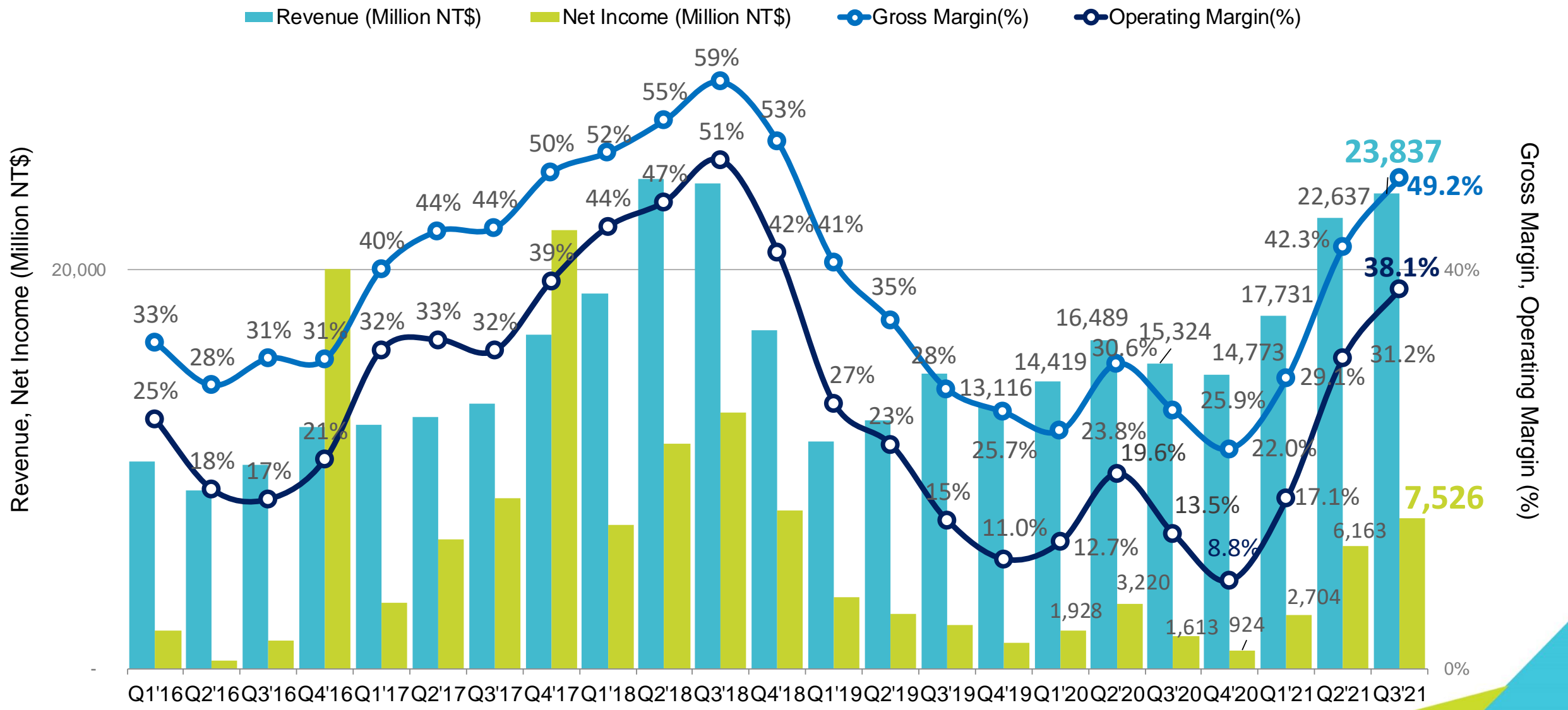
	QoQ Q3'21 vs. Q2'21	YoY Q3'21 vs. Q3'20
Revenue	+5.3%	+55.6%
Shipment	Decrease low-teens%	Decreased mid-single digits%
ASP	Increased twenties%	Increased seventies%
Exchange Rate	-0.6%	-5.6%

- Q3'21 Revenue increased by 5.3% QoQ
- Q3'21 Bit shipment decreased by low-teens% QoQ
- Q3'21 ASP increased by twenties% QoQ

# Q3'21 vs. Q2'21 Results Comparison

Amount in Million NT\$	Q3'21 (Unaudited)	Q2'21	QoQ (PPT* Delta)	Remarks
<b>Net Sales</b>	23,837	22,637	+5.3%	<ul style="list-style-type: none"> <li>■ Bit shipment decreased by low-teens%</li> <li>■ ASP increased approx. twenties%</li> <li>■ FX negative impact 0.6%</li> </ul>
<b>Gross Profit (Loss)</b> Gross Margin(%)	11,735 <b>49.2%</b>	9,583 <b>42.3%</b>	+6.9%	<ul style="list-style-type: none"> <li>■ Q3'21 Gross profit increased NT\$ 2,152M, mainly due to ASP increase</li> </ul>
<b>Operating Expense</b>	2,662 <b>11.2%</b>	2,520 <b>11.1%</b>	+0.1%	<ul style="list-style-type: none"> <li>■ SG&amp;A expense relatively flat</li> <li>■ R&amp;D expense increased NT\$ 138M</li> </ul>
<b>Operating Income (Loss)</b> Operating Margin(%)	9,073 <b>38.1%</b>	7,063 <b>31.2%</b>	+6.9%	<ul style="list-style-type: none"> <li>■ Q3'21 OP income increased NT\$ 2,010M</li> </ul>
<b>Net Income (Loss)</b> Net Margin (%)	7,526 <b>31.6%</b>	6,163 <b>27.2%</b>	+4.4%	<ul style="list-style-type: none"> <li>■ Net Income increased NT\$ 1,362M               <ul style="list-style-type: none"> <li>• OP Income increase of NT\$ 2,010M</li> <li>• FX impact: NT\$ 472M favorable (Q3'21: NT\$ 101M; Q2'21: NT\$ -370M)</li> <li>• Income tax: NT\$ 1,105M unfavorable</li> </ul> </li> </ul>

# Quarterly Financial Highlights



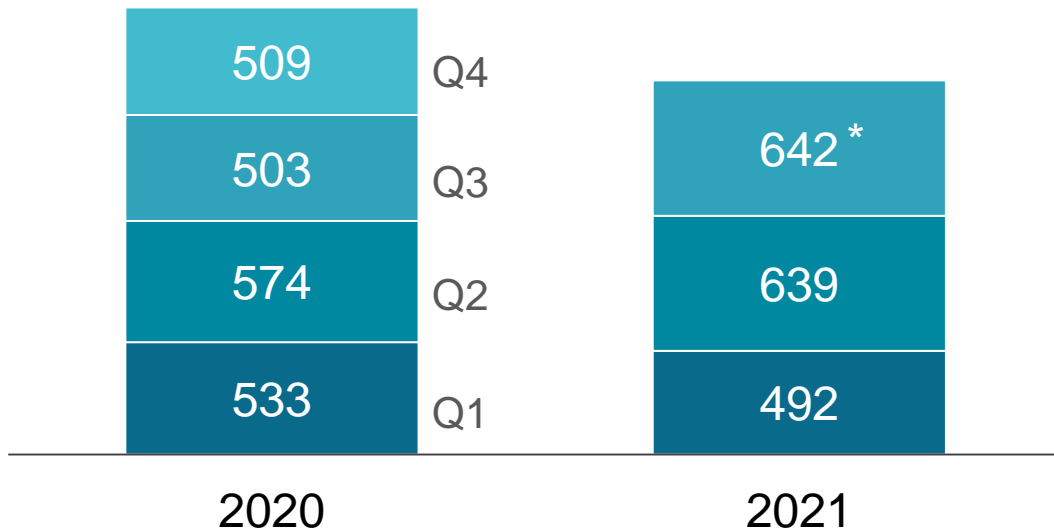


# Operating Expenses

## SG&A Expenses

(Million NT\$)

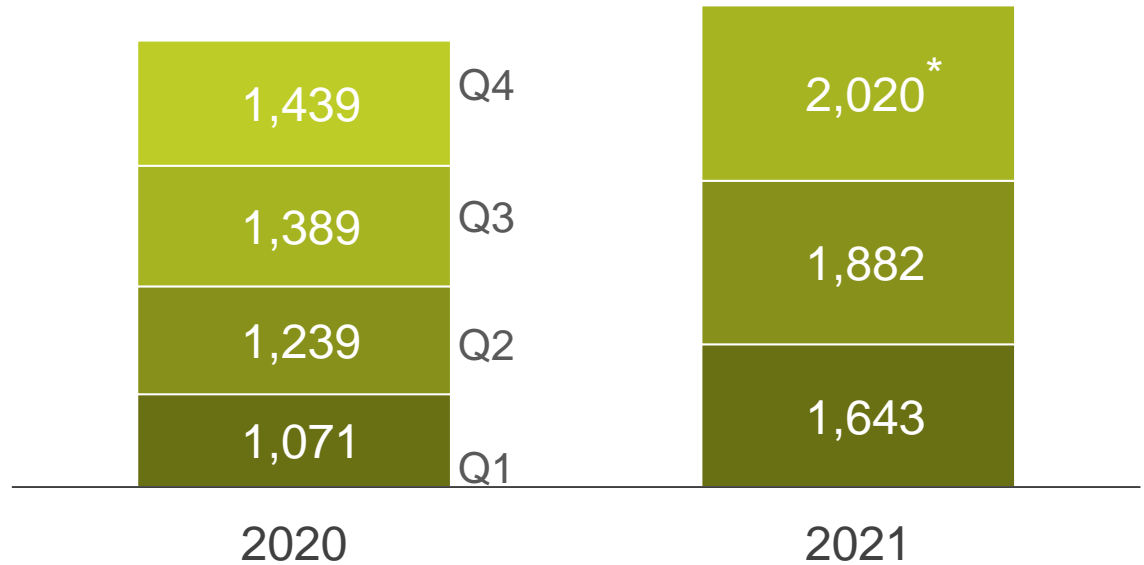
\* Unaudited number



## R&D Expenses

(Million NT\$)

\* Unaudited number



Note: 2021 R&D expenses to grow YoY due to the increase of 10nm-class technology & product development

# Cash Flows

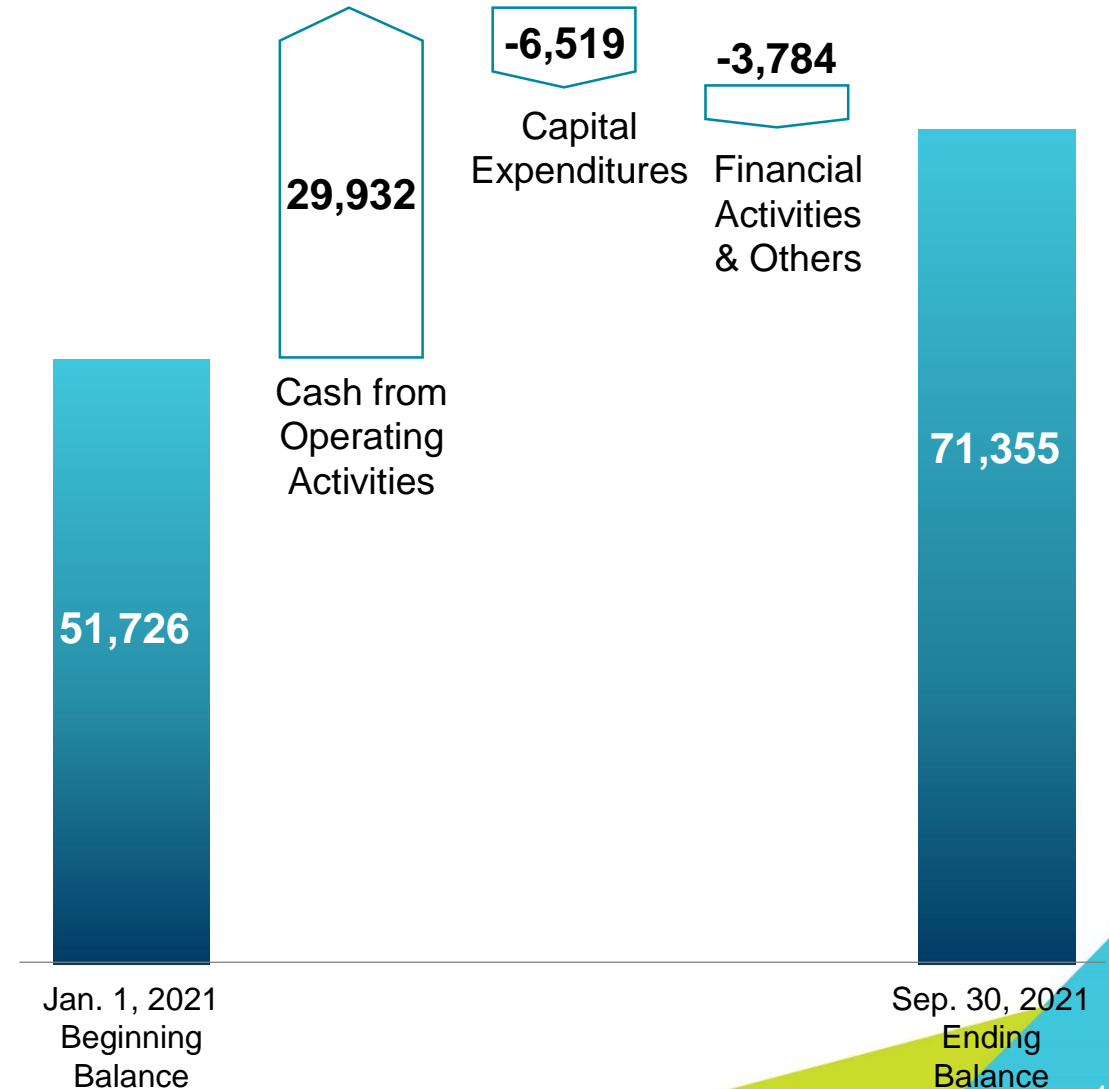
Unit: Million NT\$	Q3'21 (Unaudited)	Q2'21
<b>Beginning Balance</b>	<b>67,738</b>	<b>59,113</b>
Cash from Operating Activities	10,838	10,707
Capital Expenditures	-3,801	-1,233
Financial Activities & Others	-3,420 *	-848
<b>Ending Balance</b>	<b>71,355</b>	<b>67,738</b>
Free Cash Flow <sup>(1)</sup>	<b>7,037</b>	<b>9,473</b>

(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 Q1~Q3 Cash Flow

Unit: Million NT\$



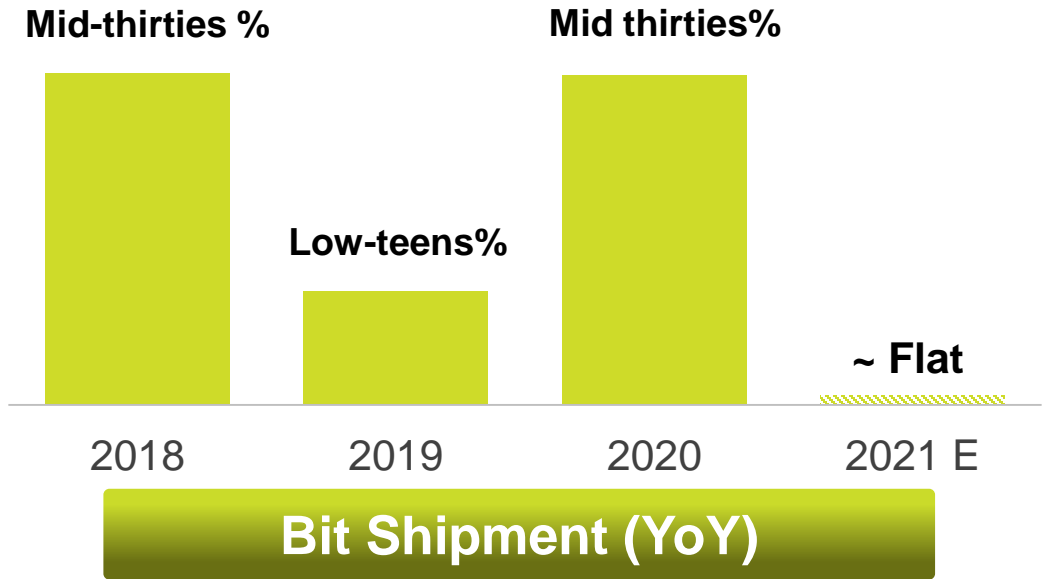
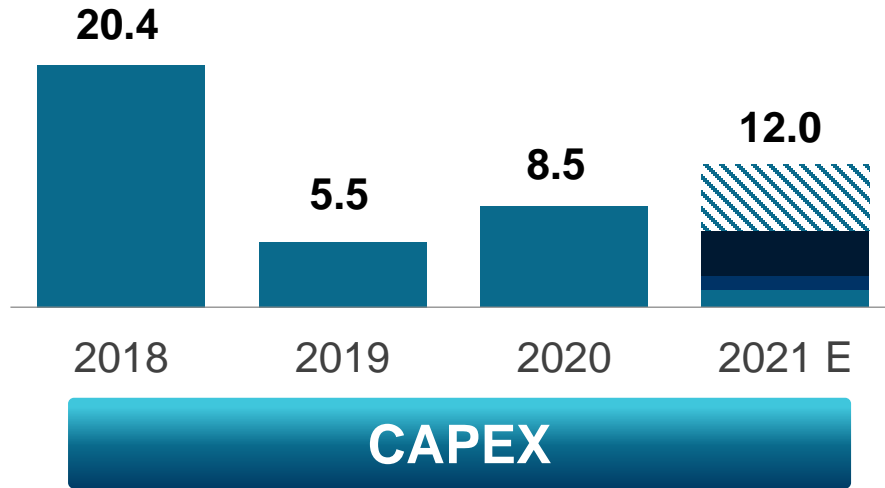
The background of the slide features abstract geometric patterns. On the left side, there are overlapping triangles in shades of blue and yellow-green, some with white dots at their vertices. On the right side, there is a network of grey dots connected by thin grey lines, forming a web-like structure.

# 02

## CAPEX & BIT SHIPMENT

# CAPEX & Bit Shipment

NT\$ Billion



## Capital Expenditure(CAPEX)

- Q3'21 CAPEX NT\$ 3.8 billion (B)
- 2021 CAPEX plan adjusted to NT\$ 12B due to defer payment

## Bit Shipment

- Q3'21 bit shipment decreased low-teens% QoQ
- Q4'21 bit shipment estimated to be relatively flat
- 2021 YoY bit shipment expected to be relatively flat



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.

# 03

## MARKET OUTLOOK

# Market Outlook(Q4'21)

## Outlook

- Q4'21: Consumer electronics, Server, and Smartphone remain solid, with Chromebook and spot market decline. Supply chains unbalanced and components shortage have impacted many market sectors.
- COVID-19 interruption on South East Asia factories, and High inflation and Geopolitical tensions have slowed down global economy recovery
- DRAM market entering a short term correction from Q4'21

## Supply

- More supply and Capex been introduced, expecting global economic recovery
- Market confidence declined due to low-quality products shipments to spot market in Q3

## Demand

- **Mobile Market:** 5G new models launched for Q4 hot season, Mobile market resumes marginal growth in 2021
- **Server Market:** Strong server DRAM demand, for new platforms with high DRAM content (8-channel, 64GB RDIMMs)
- **PC Market:** Enterprise PC demand stable, Chromebook slowing down, and components shortage issues not resolved(e.g. PMIC)
- **Consumer Market:** Positive outlook for networking, wearables, smart speaker, SSD. While DTV, and automotive, demand marred by component shortages

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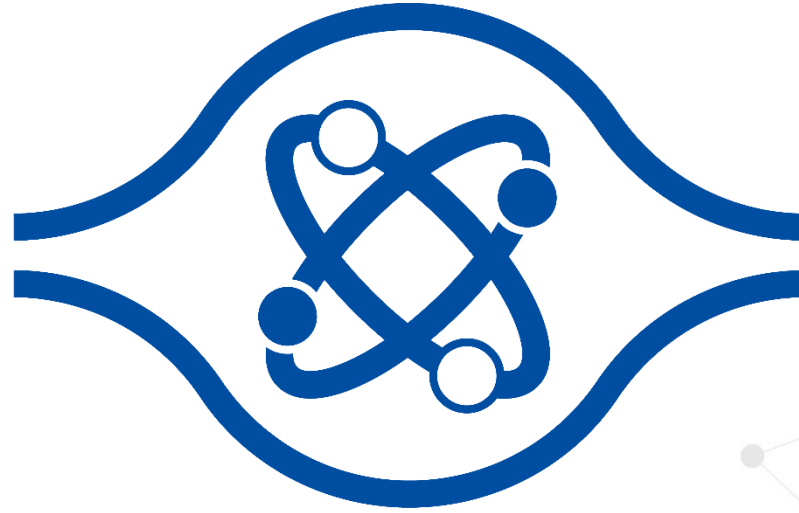
# 04

## BUSINESS REVIEW & OUTLOOK

# Nanya Business Review & Outlook

- Q3'21 result improved, GM 49%, OPM 38%
- Q4'21 DRAM market entering a short term correction
- 1st 10nm-class 8Gb DDR4, DDR5 piloting on schedule
- 2nd 10nm-class product development on schedule
- New fab ground-breaking postponed to Q1'22 due to longer approval process  
(COVID-19 & document preparation)





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# Thanks & Questions

# Q3'21 Consolidated Income Statement

Amount: Million NT\$

	Q3'21 (Unaudited)		Q2'21		QoQ	Q3'20		YoY
Net Sales	23,837	100.0%	22,637	100.0%	5.3%	15,324	100.0%	55.6%
Cost of Goods Sold	12,102	50.8%	13,054	57.7%		11,362	74.1%	
Gross Margin	11,735	49.2%	9,583	42.3%	22.5%	3,962	25.9%	196.2%
SG&A Expenses	642	2.7%	639	2.8%		503	3.3%	
R&D Expenses	2,020	8.5%	1,882	8.3%		1,389	9.1%	
Operating Income	9,073	38.1%	7,063	31.2%	28.5%	2,069	13.5%	338.4%
Non-operating Income (Exp.)	314	1.3%	-143	-0.6%		25	0.2%	
Income before Tax	9,387	39.4%	6,920	30.6%	35.7%	2,095	13.7%	348.2%
Income Tax Benefit (Expense)	-1,862	-7.8%	-756	-3.3%		-481	-3.1%	
Net Income	7,526	31.6%	6,163	27.2%	22.1%	1,613	10.5%	366.5%
Earnings Per Share (NT\$)	2.44		2.00			0.53		
Book Value Per Share(NT\$)	53.87		51.43			49.91		