



Nanya Technology Q1 2022 Investor Conference

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Safe Harbor



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01

Q1'22 REVENUE & RESULTS

Q1'22 Financial Results Summary

Amount in Million NT\$, except for EPS & BVPS	Q1'22 (Unaudited)		Q4'21		QoQ	Q1'21		YoY
Net Sales	19,946	100%	21,399	100%	-6.8%	17,731	100%	12.5%
Gross Profit (Loss) <i>Gross Margin(%)</i>	8,750	43.9%	10,563	49.4%	-17.2%	5,162	29.1%	69.5%
Operating Income (Loss) <i>Operating Margin(%)</i>	6,262	31.4%	8,023	37.5%	-22.0%	3,027	17.1%	106.9%
EBITDA* <i>EBITDA Margin (%)</i>	10,105	50.7%	11,850	55.4%	-14.7%	6,769	38.2%	49.3%
Non-operating Income (Expense)	1,766	8.9%	101	0.5%		307	1.7%	
Income Tax Benefit (Expense)	-1,478	-7.4%	-1,670	-7.8%		-630	-3.6%	
Net Income (Loss) <i>Net Margin (%)</i>	6,550	32.8%	6,454	30.2%	1.5%	2,704	15.3%	142.2%
Earnings Per Share (NT\$)	2.11**		2.08			0.88		
Book Value Per Share (NT\$)	58.45***		55.85			51.00		

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

*** BVPS is calculated based on 3,097M outstanding shares

** EPS is based on weighted average outstanding shares of 3,097M

Quarterly Revenue Results

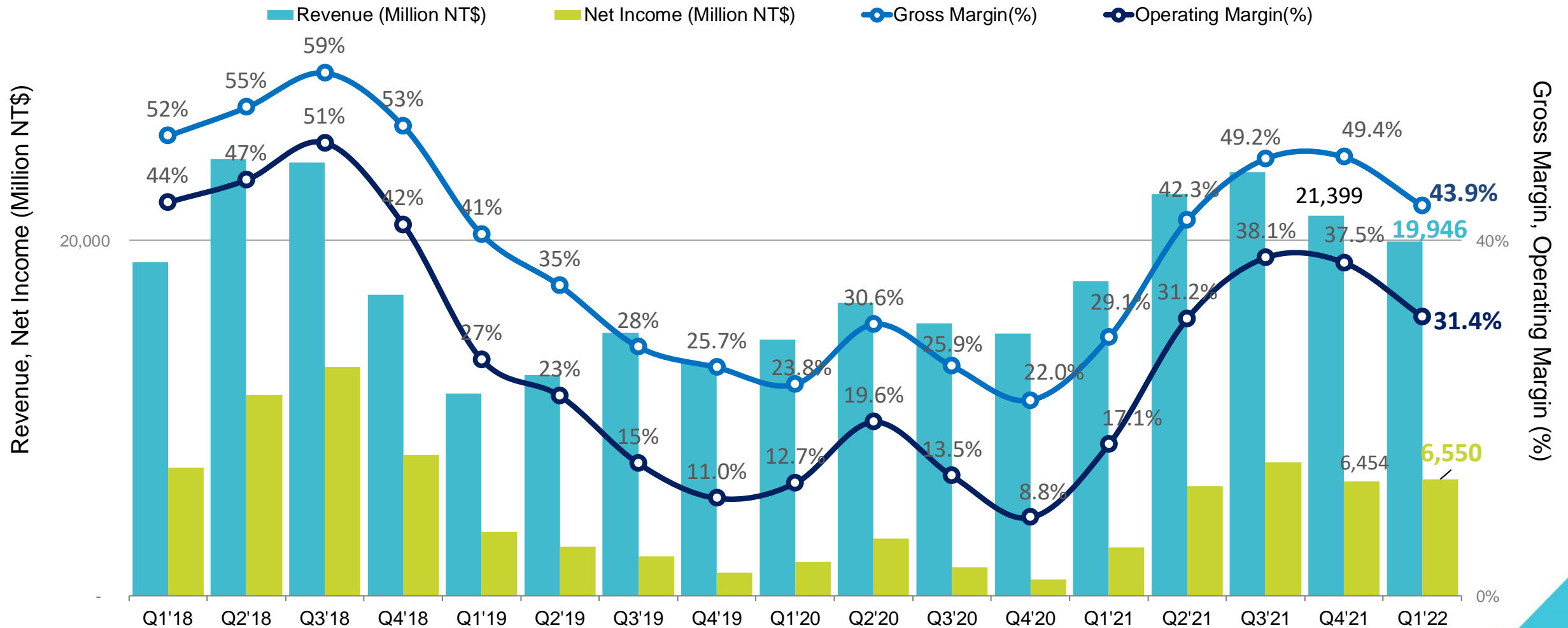
	QoQ Q1'22 vs. Q4'21	YoY Q1'22 vs. Q1'21
Revenue	-6.8%	+12.5%
Shipment	-1.0%	Decreased twenties%
ASP	Decreased mid-single digits%	Increased forties%
Exchange Rate	+0.5%	-1.3%

- Q1'22 Revenue decreased by 6.8% QoQ
- Q1'22 Bit shipment decreased by 1.0% QoQ
- Q1'22 ASP decreased by mid-single digits% QoQ

Q1'22 vs. Q4'21 Results Comparison

Amount in Million NT\$	Q1'22 (Unaudited)	Q4'21	QoQ (PPT* Delta)	Remarks
Net Sales	19,946	21,399	-6.8%	<ul style="list-style-type: none"> ■ Bit shipment decreased 1.0% ■ ASP decreased mid-single digits% ■ FX positive on revenue 0.5%
Gross Profit (Loss) Gross Margin(%)	8,750 43.9%	10,563 49.4%	-5.5%	<ul style="list-style-type: none"> ■ Q1'22 Gross profit decreased NT\$ 1,813M, mainly due to ASP decrease
Operating Expense	2,488 12.5%	2,540 11.9%	0.6%	<ul style="list-style-type: none"> ■ Operating expenses decreased NT\$ 52M
Operating Income (Loss) Operating Margin(%)	6,262 31.4%	8,023 37.5%	-6.1%	<ul style="list-style-type: none"> ■ Q1'22 OP income decreased NT\$ 1,761M
Net Income (Loss) Net Margin (%)	6,550 32.8%	6,454 30.2%	2.6%	<ul style="list-style-type: none"> ■ Net Income increased NT\$ 96M <ul style="list-style-type: none"> • OP Income decreased NT\$ 1,761M • FX favorable NT\$ 1,093M (Q1'22: NT\$ 1,001M; Q4'21: NT\$ -92M) • Facility expense reduction NT\$ 514M • Income tax decreased NT\$ 192M

Quarterly Financial Highlights



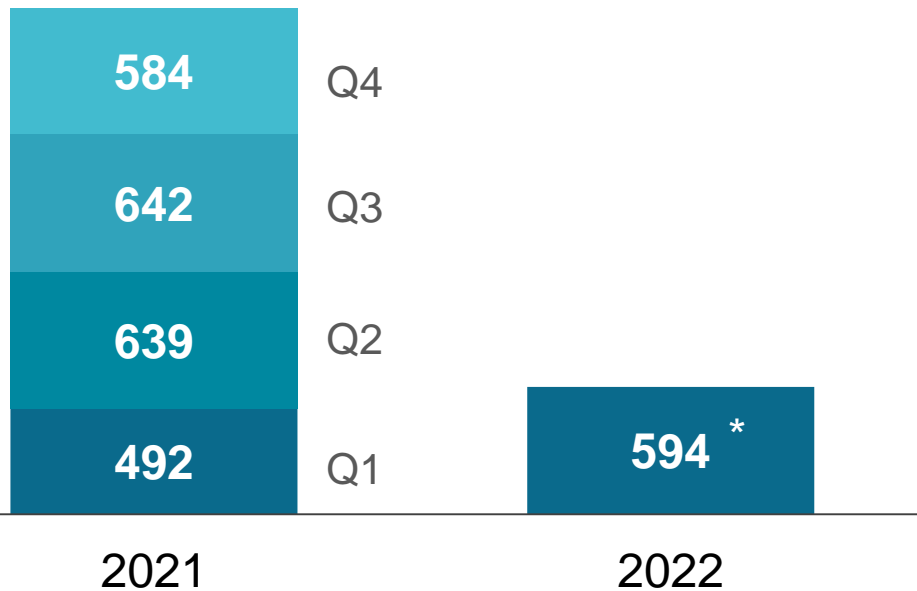
Operating Expenses

SG&A Expenses

(Million NT\$)

* Unaudited number

NT\$ 2,358

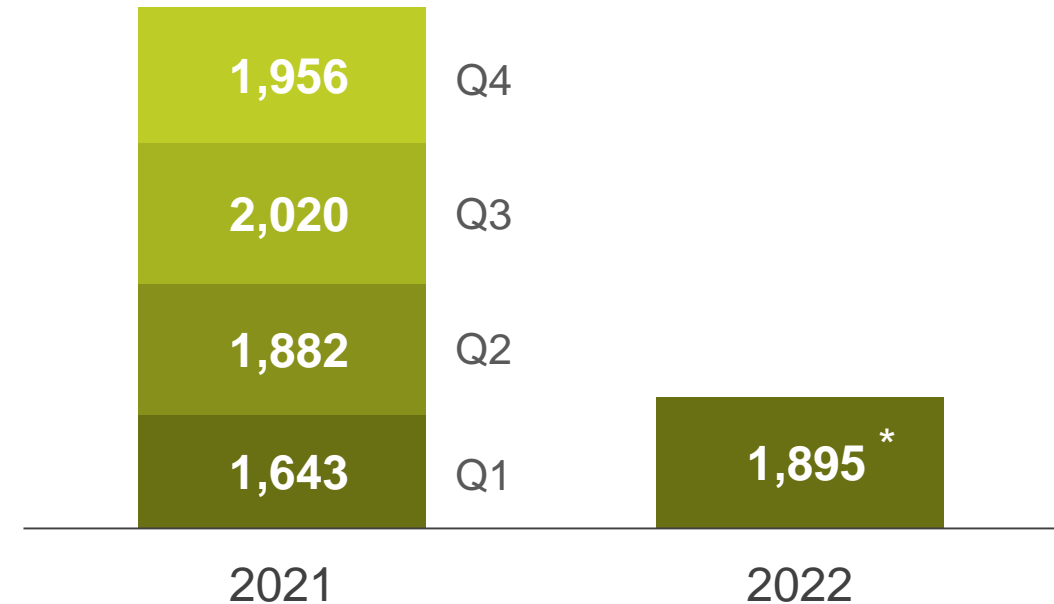


R&D Expenses

(Million NT\$)

* Unaudited number

NT\$ 7,500



Cash Flows

Unit: Million NT\$	Q1'22 (Unaudited)	Q4'21	Q1'21
Beginning Balance	80,700	71,558	51,726
Cash from Operating Activities	11,191	13,972	8,388
Capital expenditures	-1,165	-4,741	-1,485
Financial Activities & others	*1,683	-89	484
Ending Balance	92,409	80,700	59,113
Free Cash Flow ⁽¹⁾	10,026	9,231	6,903

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

* NT\$ 1.76 billion effect of exchange rate changes on cash and cash equivalents

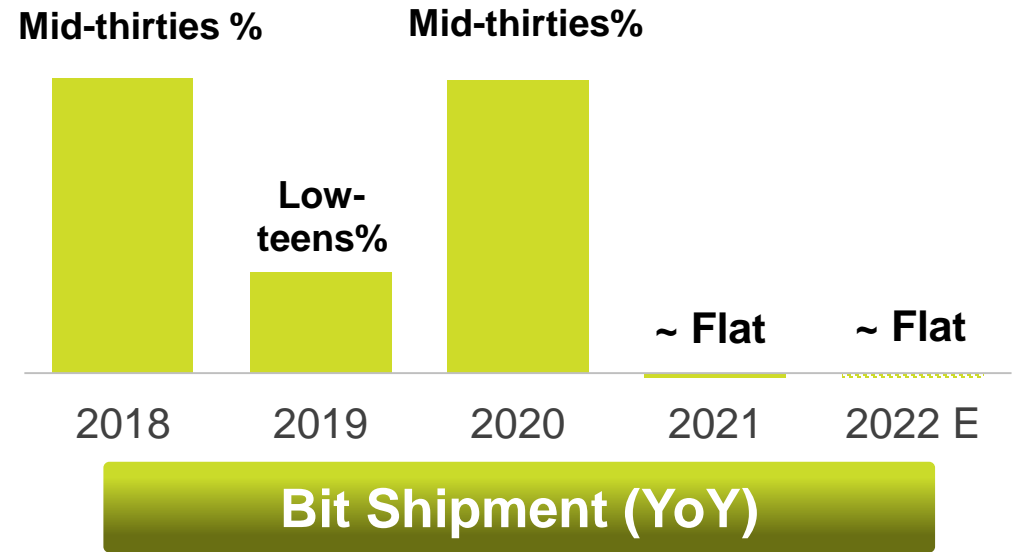
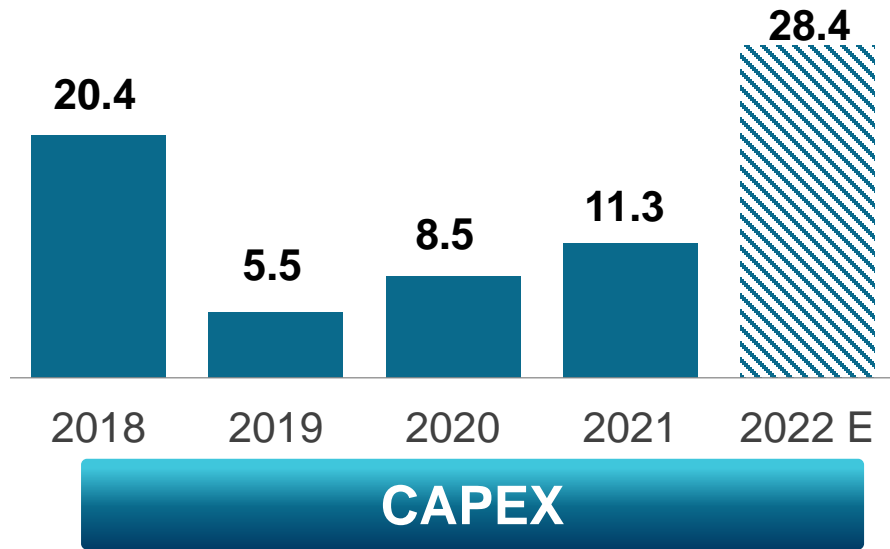
The background features abstract geometric patterns. On the left, there are overlapping triangles in shades of blue and yellow. On the right, there is a network diagram with grey dots connected by thin grey lines, forming a complex web-like structure.

02

CAPEX & BIT SHIPMENT

CAPEX & Bit Shipment

NT\$ Billion



Capital Expenditure(CAPEX)

- Q1'22 CAPEX NT\$ 1.2 billion (B)
- BoD approved 2022 CAPEX plan up to NT\$ 28.4B

Bit Shipment

- Q1'22 bit shipment decreased by 1.0% QoQ
- 2022 YoY bit shipment expected to be relatively flat

An abstract geometric design on the left side of the slide, composed of various shades of blue and yellow triangles and polygons connected by thin white lines.

03

MARKET OUTLOOK

A faint, light gray network diagram in the background of the right side of the slide, featuring a central node connected to several other nodes, which are further connected to a larger, more complex network of nodes and lines.

Market Outlook(Q2'2022)

Outlook

- Q2'22: Continuously strong Cloud demand, Consumer remain healthy, as Smartphone and PC softening due to seasonality and global uncertainty
- 2H'22: Component shortage alleviating and DDR5 supply increasing
- 2H'22: Russia-Ukraine Conflict, high inflations and China lockdowns may impact overall demand

Supply

- Suppliers' inventory remaining low; Suppliers' CAPEX dynamic adjustments may affect supply growth

Demand

- **Server Market:** Datacenter leading demand growth and DDR5 shipment start 2H'22
- **Mobile Market:** 5G models penetration growing, and average DRAM content increasing, however shipment momentum tapering
- **PC Market:** Enterprise and gaming demand remain solid, while consumer demand soften
- **Consumer Market:** Positive outlook for networking, wearables, and smart home devices. Automotive still dragged by supply chain issue

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.

04

BUSINESS REVIEW & OUTLOOK

Nanya Business Review & Outlook

Finance

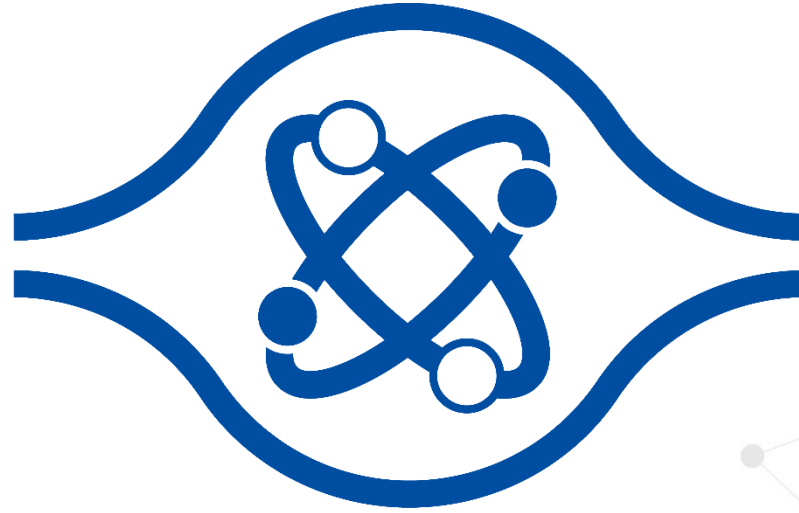
- Cash dividend NT\$ 3.7/share approximately, proposed to AGM, May 26, 2022
- Q1'22 EPS NT\$ 2.11/share

Operation

- 1st and 2nd 10nm-class product development on schedule
- 2022 CAPEX plan up to NT\$ 28.4B
- Signed 250 Million kWh Renewable energy purchase agreement
- Maintain appropriate inventories of Laser Gas Mixtures

Market Outlook

- Russia-Ukraine conflict, high inflations and China lockdowns may impact overall demand



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Thanks & Questions

Q1'22 Consolidated Income Statement

Amount: Million NT\$

	Q1'22 (Unaudited)		Q4'21		QoQ	Q1'21		YoY
Net Sales	19,946	100.0%	21,399	100.0%	-6.8%	17,731	100.0%	12.5%
Cost of Goods Sold	11,196	56.1%	10,836	50.6%		12,569	70.9%	
Gross Margin	8,750	43.9%	10,563	49.4%	-17.2%	5,162	29.1%	69.5%
SG&A Expenses	594	3.0%	584	2.7%		492	2.8%	
R&D Expenses	1,895	9.5%	1,956	9.1%		1,643	9.3%	
Operating Income	6,262	31.4%	8,023	37.5%	-22.0%	3,027	17.1%	106.9%
Non-operating Income (Exp.)	1,766	8.9%	101	0.5%		307	1.7%	
Income before Tax	8,028	40.2%	8,125	38.0%	-1.2%	3,334	18.8%	140.8%
Income Tax Benefit (Expense)	-1,478	-7.4%	-1,670	-7.8%		-630	-3.6%	
Net Income	6,550	32.8%	6,454	30.2%	1.5%	2,704	15.3%	
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