



Nanya Technology

Q2 2024 Investor Conference

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Safe Harbor

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01.

Q2'24 Revenue & Results

Q2'24 Financial Results Summary

Amount in Million NT\$, except for EPS & BVPS	Q2'24 (Unaudited)		Q1'24		QoQ	Q2'23		YoY
Net Sales	9,921	100%	9,503	100%	4.4%	7,027	100.0%	41.2%
Gross Profit (Loss) <i>Gross Margin(%)</i>	**287	2.9%	-277	-2.9%	-	-788	-11.2%	-
Operating Income (Loss) <i>Operating Margin(%)</i>	-2,319	-23.4%	-2,918	-30.7%	-	-3,185	-45.3%	-
EBITDA* <i>EBITDA Margin(%)</i>	1,734	17.5%	1,156	12.2%	50.1%	663	9.4%	161.7%
Non-operating Income (Expense)	1,047	10.6%	1,375	14.5%		1,264	18.0%	
Income Tax Benefit (Expense)	459	4.6%	335	3.5%		1,150	16.4%	
Net Income (Loss) <i>Net Margin(%)</i>	** -813	-8.2%	-1,208	-12.7%	-	-771	-11.0%	-
Earnings Per Share (NT\$)	*** -0.26		-0.39			-0.25		
Book Value Per Share (NT\$)	**** 54.14		54.16			55.72		

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

** Recognized NT\$ 657M in earthquake related loss

*** EPS is based on weighted average outstanding shares of 3,099M

**** BVPS is calculated based on 3,099M outstanding shares

Quarterly Revenue Results

	QoQ Q2'24 vs. Q1'24	YoY Q2'24 vs. Q2'23
Revenue	+4.4%	+41.2%
Shipment	Decreased mid-single digit%	Increased low-twenties%
ASP	Increased low-teens%	Increased low-teens%
Exchange Rate	Increased low-single digit%	Increased mid-single digit%

Q2'24 vs. Q1'24 Results Comparison

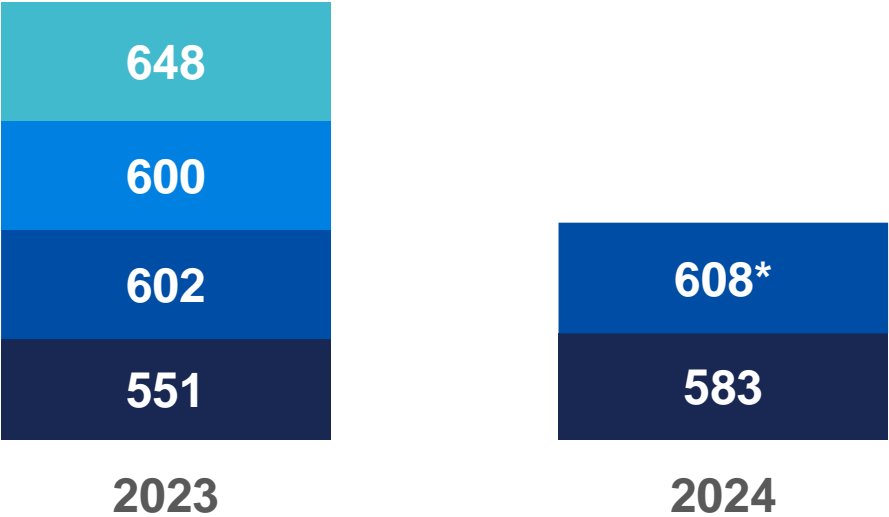
Amount in Million NT\$	Q2'24 (Unaudited)	Q1'24	QoQ (PPT* Delta)	Remarks
Net Sales	9,921	9,503	4.4%	<ul style="list-style-type: none"> ■ ASP increased low-teens% ■ Bit shipment decreased mid-single digit% ■ FX favorable low-single digit%
Gross Profit (Loss) Gross Margin(%)	287 2.9%	-277 -2.9%	5.8%	<ul style="list-style-type: none"> ■ Gross profit increased NT\$ 564M, mainly due to increased ASP ■ NT\$ 657M earthquake related loss
Operating Expense	2,606 26.3%	2,642 27.8%	-1.5%	<ul style="list-style-type: none"> ■ Operating expenses approximately flat
Operating Income (Loss) Operating Margin(%)	-2,319 -23.4%	-2,918 -30.7%	7.3%	<ul style="list-style-type: none"> ■ OP loss decreased NT\$ 599M
Net Income (Loss) Net Margin (%)	-813 -8.2%	-1,208 -12.7%	4.5%	<ul style="list-style-type: none"> ■ Net loss decreased NT\$ 395M <ul style="list-style-type: none"> • FX gain decrease NT\$ 207M (Q2'24: NT\$197M vs. Q1'24: NT\$404M) • Including NT\$ 657M earthquake loss

Operating Expenses

SG&A Expenses (*Unaudited)

(Million NT\$)

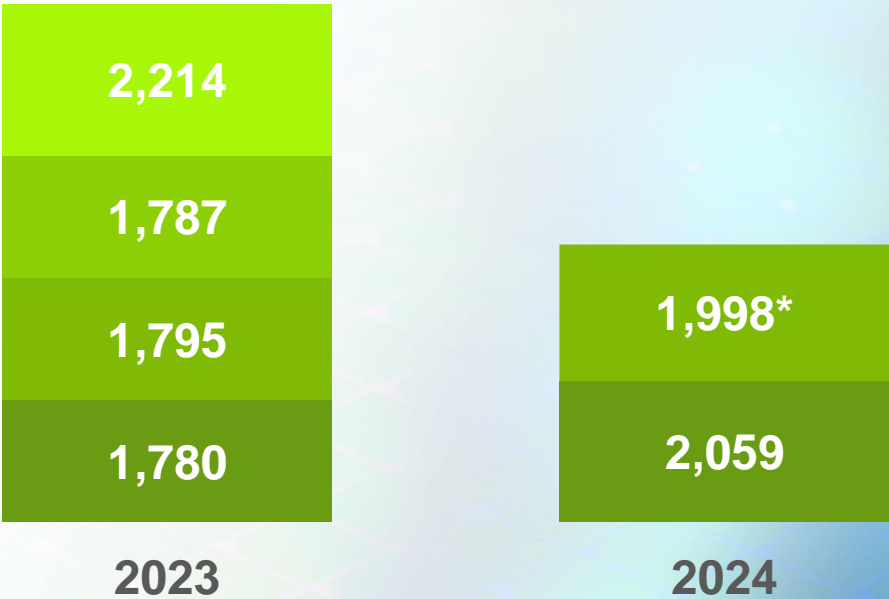
Total: 2,401



R&D Expenses (*Unaudited)

(Million NT\$)

Total: 7,576



Cash Flows

Unit: Million NT\$	Q2'24 (Unaudited)	Q1'24
Beginning Balance	62,356	58,812
Cash from Operating Activities	*-354	2,401
Capital Expenditures	-2,587	-2,851
Financial Activities & Others	5,913	3,994
Ending Balance	**65,329	62,356
Free Cash Flow ⁽¹⁾	-2,940	-450

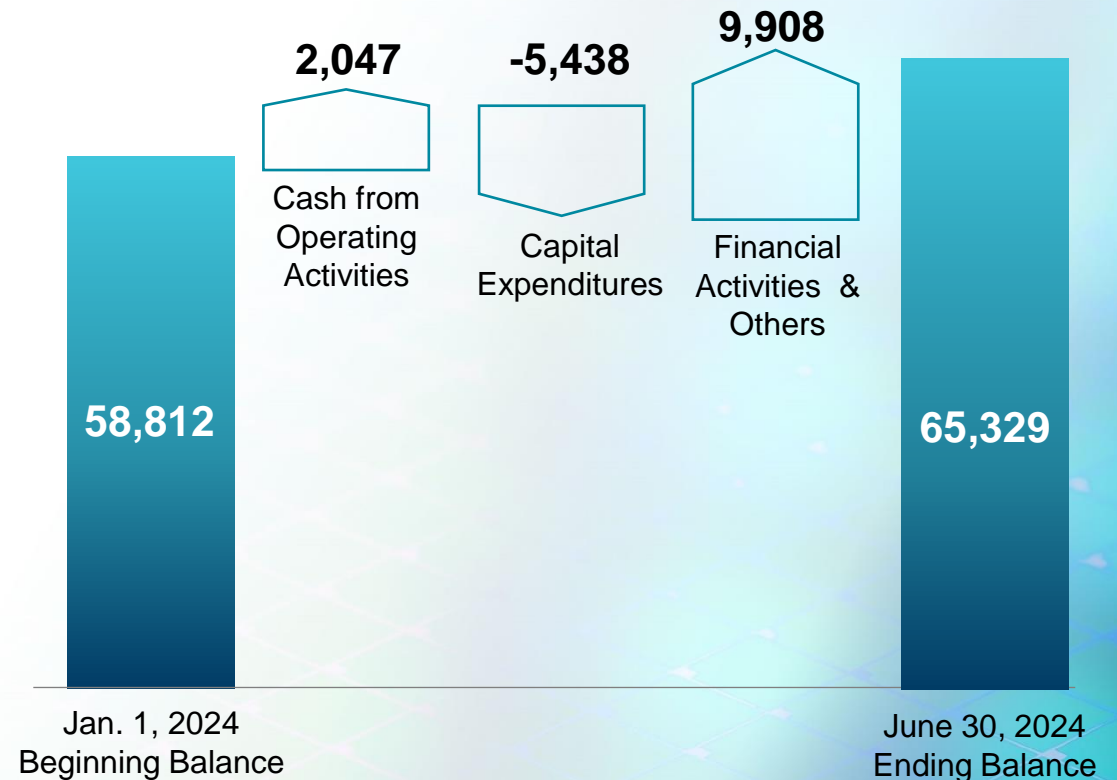
(1) Free Cash Flow = Cash from operating activities – Capital expenditures

*Includes increase of account receivable & inventories

** Net cash and equivalents (NT\$ 46.9B) = Cash and equivalents (NT\$ 65.3B) – Short-term debt (NT\$ 14.4B) - Long-term debt (NT\$ 4.0B)

2024 1H Cash Flow

Unit: Million NT\$

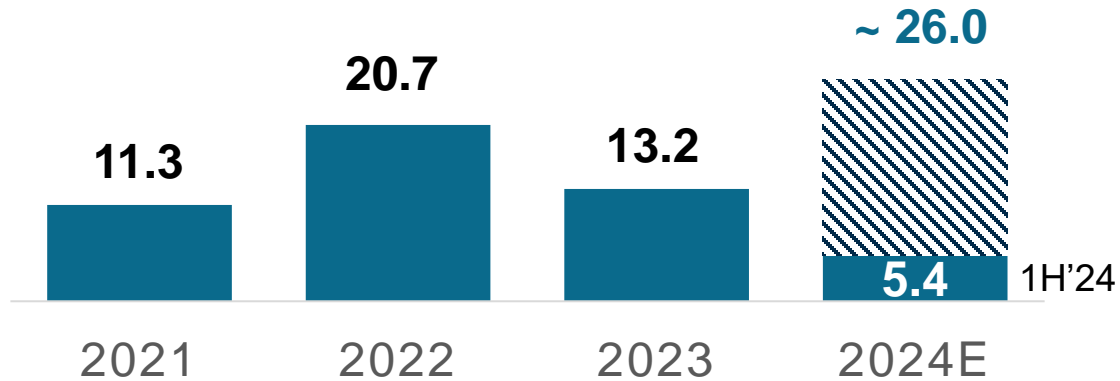


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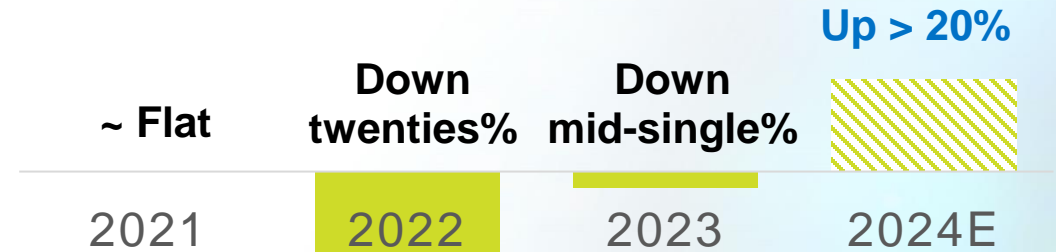
CAPEX & Bit Shipment

CAPEX & Bit Shipment

NT\$ Billion



CAPEX



Bit Shipment (YoY)

Capital Expenditure

(CAPEX)

- 1H'24 CAPEX was NT\$ 5.4B
- 2024 CAPEX up to NT\$26B, WFE CAPEX accounts for ~50%

Bit Shipment

- Q2'24 bit shipment decreased mid-single digit% QoQ
- 2024 bit shipment expected to increase more than twenties% YoY

03.

Market Outlook

DRAM Market Outlook (Q3'24)

Outlook

- HBM/DDR5 momentum expected to assist market recovery in 2H'24.
- Introduction of AI/PC, AI/phone may drive new DRAM demand.
- Unfavorable geopolitical and regional economics continue to influence non-HBM DRAM demand.

Supply

- Major suppliers focused on HBM capacity expansion, which helps DRAM inventories adjustment.
- Major suppliers resume full production, which may lead to supply increase in 2025.

Demand

- **Server:** Increased capex from cloud providers and AI infrastructure continue to drive demand for AI and high-end servers.
- **Mobile:** Smartphone sales in China improve. The AI smartphones may stimulate the demand for replacement.
- **PC:** The demand for traditional PC remains flat. New AI PC may increase demand for edge computing demands and DRAM content.
- **Consumer:** Slower regional economic recovery and seasonality led to flat sales in Q2. Demand is expected to improve in Q3.

04.

Business Review & Outlook

Nanya Business Review & Outlook

- Nanya Q2'24 net loss NT\$ 813 million (including earthquake loss NT\$ 657 million), EPS NT\$ -0.26
- Target to ship 2nd generation of 10nm-class (1B) 8Gb DDR4 and 16Gb DDR5 in 2H'24 as scheduled
- Received platinum certification from the Alliance for Water Stewardship (AWS)
- Ranked Top 5% in Corporate Governance by Taiwan Stock Exchange
- Released first TNFD-TCFD (Taskforce on Nature & Climate-related Financial Disclosures)



Thanks & Questions

Q2'24 Consolidated Income Statement

Amount: Million NT\$	Q2'24 (Unaudited)		Q1'24		QoQ	Q2'23		YoY
Net Sales	9,921	100.0%	9,503	100.0%	4.4%	7,027	100.0%	41.2%
Cost of Goods Sold	9,634	97.1%	9,780	102.9%		7,815	111.2%	
Gross Profit (Loss)	*287	2.9%	-277	-2.9%	-	-788	-11.2%	-
SG&A Expenses	608	6.1%	583	6.1%		602	8.6%	
R&D Expenses	1,998	20.1%	2,059	21.7%		1,795	25.5%	
Operating Income (Loss)	-2,319	-23.4%	-2,918	-30.7%	-	-3,185	-45.3%	-
Non-operating Income (Exp.)	1,047	10.6%	1,375	14.5%		1,264	18.0%	
Income before Tax (Loss)	-1,272	-12.8%	-1,543	-16.2%	-	-1,920	-27.3%	-
Income Tax Benefit (Expense)	459	4.6%	335	3.5%		1,150	16.4%	
Net Income (Loss)	*-813	-8.2%	-1,208	-12.7%	-	-771	-11.0%	-
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