



**FATC** Best Partner for DRAM Turn-Key Services

**FATC**

# Investor Conference

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# Agenda

- 1 Q1'23 Financial Statements
- 2 Research & Development Plan
- 3 Business Overview & Market Outlook
- 4 Q & A

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Q1'2023

Financial Statement





# Q1'23 Financial Results Summary

(Thousand NT\$)

| Items                    | Q1' 23    |       | Q4' 22    |       | Comparison |       | Q1' 22    |       | Comparison |       |
|--------------------------|-----------|-------|-----------|-------|------------|-------|-----------|-------|------------|-------|
|                          | Amount    | %     | Amount    | %     | Amount     | %     | Amount    | %     | Amount     | %     |
| Net Sales                | 2,169,797 | 100.0 | 2,500,939 | 100.0 | -331,142   | -13.2 | 2,562,634 | 100.0 | -392,837   | -15.3 |
| Gross Profit             | 335,744   | 15.5  | 509,517   | 20.4  | -173,773   | -34.1 | 514,189   | 20.1  | -178,445   | -34.7 |
| Operating Income         | 277,690   | 12.8  | 443,970   | 17.8  | -166,280   | -37.5 | 449,585   | 17.5  | -171,895   | -38.2 |
| EBITDA                   | 593,427   | 27.3  | 661,990   | 26.5  | -68,563    | -10.4 | 903,437   | 35.3  | -310,010   | -34.3 |
| Income before Tax        | 289,491   | 13.3  | 352,533   | 14.1  | -63,042    | -17.9 | 576,424   | 22.5  | -286,933   | -49.8 |
| Net Income               | 231,593   | 10.7  | 282,026   | 11.3  | -50,433    | -17.9 | 461,139   | 18.0  | -229,546   | -49.8 |
| Earnings Per Share(NT\$) | 0.52      |       | 0.64      |       | -0.12      |       | 1.04      |       | -0.52      |       |
| Book Value Per Share     | 26.29     |       | 28.74     |       | -2.45      |       | 28.74     |       | -2.45      |       |



# Quarterly Profit Comparison

(Thousand NT\$)

| Items                    | Q1' 23    |       | Q4' 22    |       | Comparison |       | Q1' 22    |       | Comparison |       |
|--------------------------|-----------|-------|-----------|-------|------------|-------|-----------|-------|------------|-------|
|                          | Amount    | %     | Amount    | %     | Amount     | %     | Amount    | %     | Amount     | %     |
| Net Sales                | 2,169,797 | 100.0 | 2,500,939 | 100.0 | -331,142   | -13.2 | 2,562,634 | 100.0 | -392,837   | -15.3 |
| Gross Profit             | 335,744   | 15.5  | 509,517   | 20.4  | -173,773   | -34.1 | 514,189   | 20.1  | -178,445   | -34.7 |
| Operating Income         | 277,690   | 12.8  | 443,970   | 17.8  | -166,280   | -37.5 | 449,585   | 17.5  | -171,895   | -38.2 |
| Non-operating Income     | 11,801    | 0.5   | -91,437   | -3.66 | 103,238    | -     | 126,839   | 4.9   | -115,038   | -90.7 |
| Income before Tax        | 289,491   | 13.3  | 352,533   | 14.1  | -63,042    | -17.9 | 576,424   | 22.5  | -286,933   | -49.8 |
| Net Income               | 231,593   | 10.7  | 282,026   | 11.3  | -50,433    | -17.9 | 461,139   | 18.0  | -229,546   | -49.8 |
| Earnings Per Share(NT\$) | 0.52      |       | 0.64      |       | -0.12      |       | 1.04      |       | -0.52      |       |
| Book Value Per Share     | 26.29     |       | 28.74     |       | -2.45      |       | 28.74     |       | -2.45      |       |



# Q1'23 VS Q4'22 Results Comparison

(Thousand NT\$)

| Account          | Q1'23     |       | Q4'22     |       | Comparison |       | Remarks  |
|------------------|-----------|-------|-----------|-------|------------|-------|--|
|                  | Amount    | %     | Amount    | %     | Amount     | %     |  |
| Net Sales        | 2,169,797 | 100.0 | 2,500,939 | 100.0 | -331,142   | -13.2 | The revenue decreased due to the OP revenue and OEM output decreased.  |
| Gross Profit     | 335,744   | 15.5  | 509,517   | 20.4  | -173,773   | -34.1 | Q1'23 Gross profit decreased 34.1% mainly due to OEM output decreased.   |
| Operating Income | 277,690   | 12.8  | 443,970   | 17.8  | -166,280   | -37.5 | Q1'23 Operating Income decreased NT\$166,280 thousand mainly due to the decreased gross profit NT\$173,733 thousand, and R&D expense increased NT\$3,236 thousand.   |
| Net Income       | 231,593   | 10.7  | 282,026   | 11.3  | -50,433    | -17.9 | Net income decreased NT\$50,433 thousand mainly due to OP income decreased NT\$166,280, interest revenue increased NT\$19,222 thousand, exchange losses decreased NT\$114,348 thousand and income tax decreased NT\$12,609 thousand. |



# Cash Flow

## Q1'2023 Cash Flow

(Thousand NT\$)

|                                      | Q1'23            |
|--------------------------------------|------------------|
| <b>Beginning Balance</b>             | <b>5,158,474</b> |
| Cash Flows from Operating Activities | <b>703,777</b>   |
| Capital Expenditures                 | <b>-181,660</b>  |
| Financial assets and Others          | <b>-256,759</b>  |
| <b>Ending Balance</b>                | <b>5,423,832</b> |
| <b>Free Cash Flow</b>                | <b>522,117</b>   |

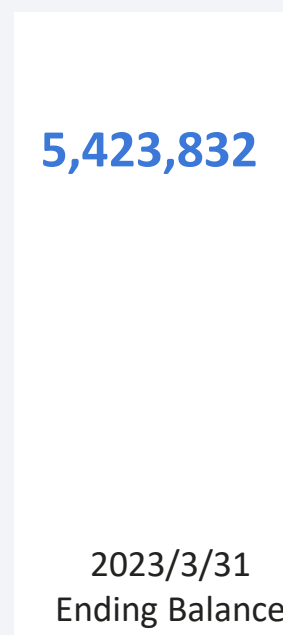
Cash Flows from Operating Activities



Capital Expenditures



Financial assets and Others



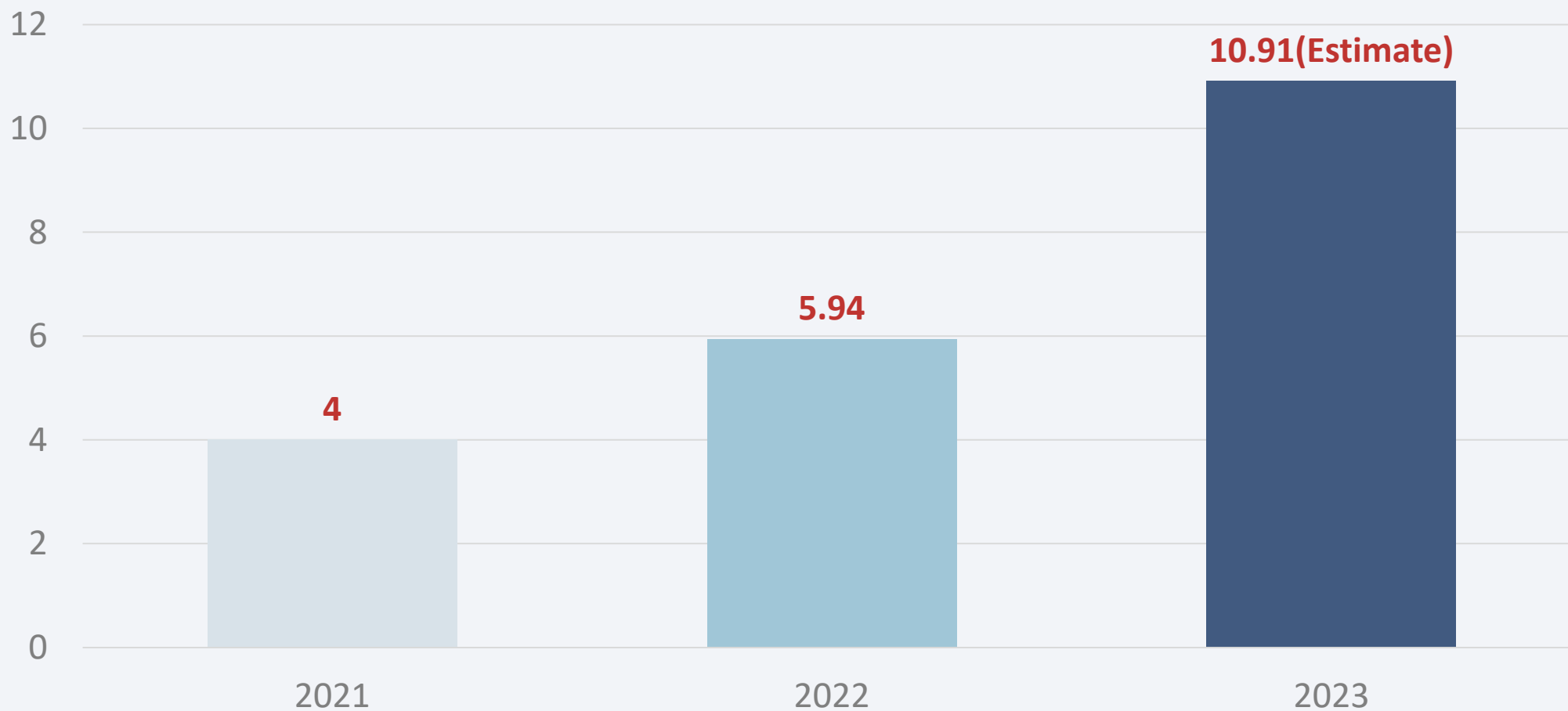
**Q1'23 Free Cash Flow NT\$ 522,117 Thousand**





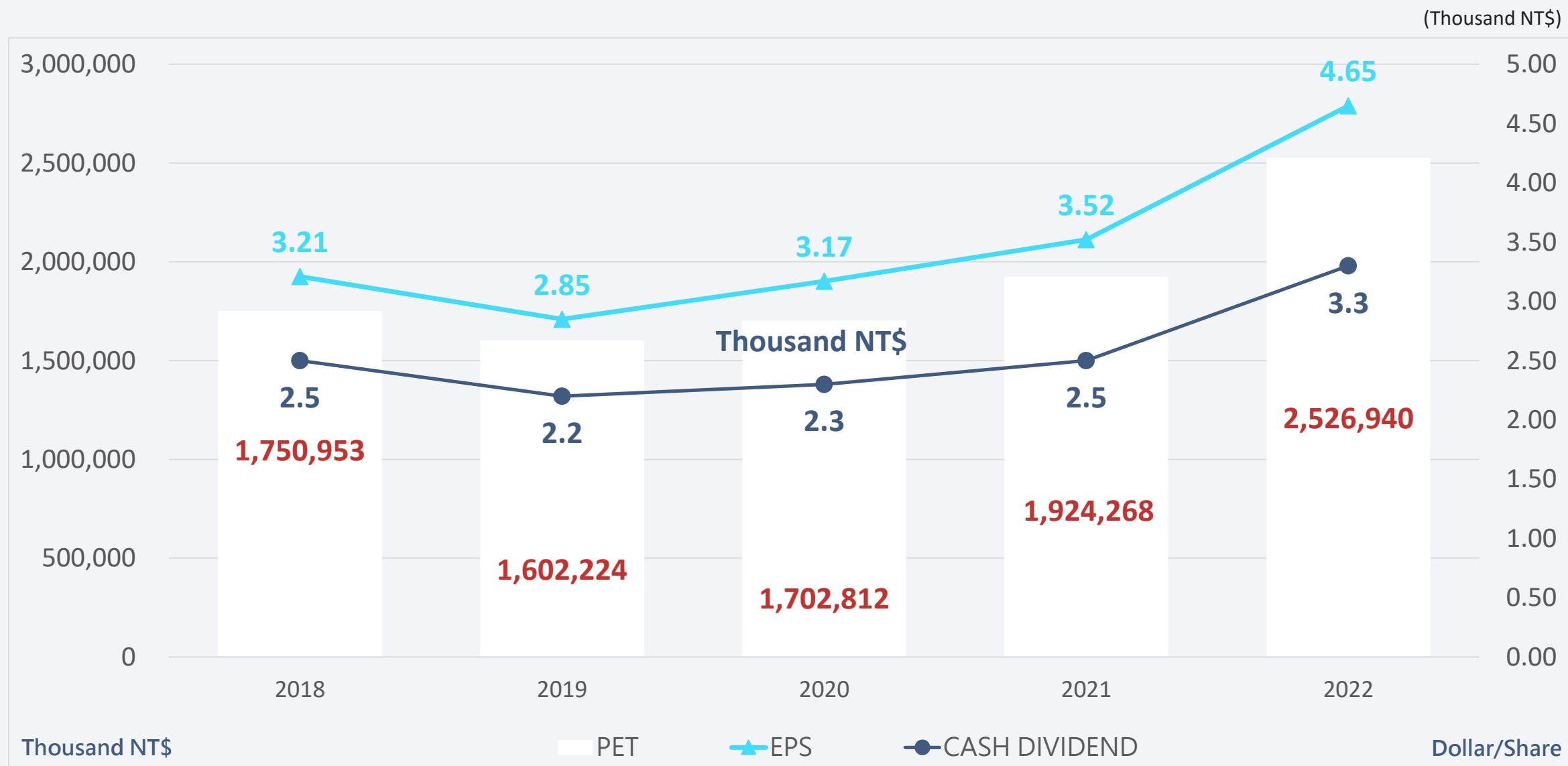
# CAPEX

NTD 100 million

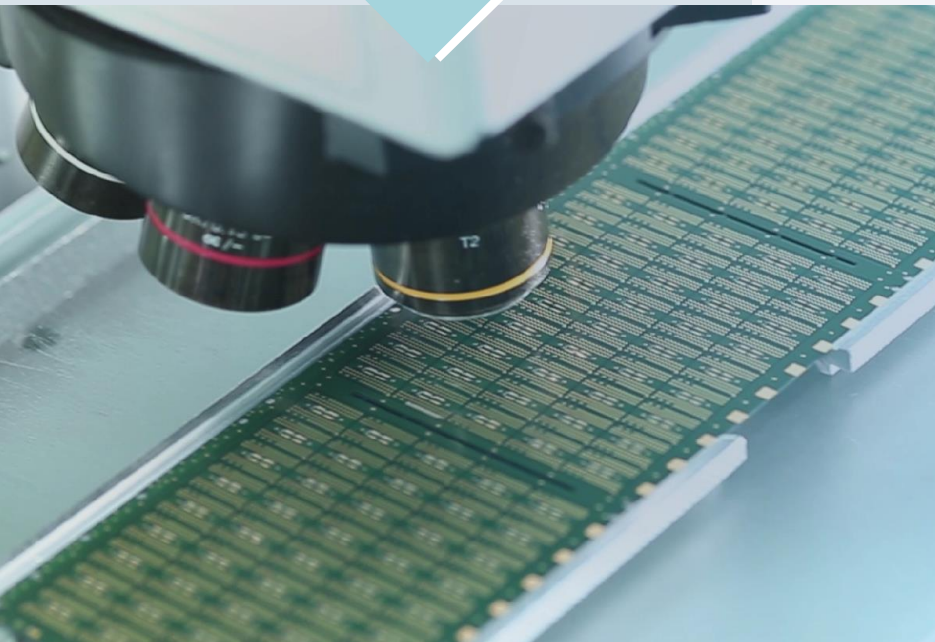




# PET, EPS and CASH DIVIDEND 2018-2022



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# Research & Development Plan

# Research & Development Plan

**Under the unfavorable environment of high global memory inventory and slowing demand for end products, FATC continues to develop new products and new technologies to accumulate momentum for future growth.**

1

Focusing on the development of next generation DDR5 products, FATC has currently achieved the completion of the first generation DDR5 flip chip packaging and high-speed testing product validation at 10 nm level.

2

To meet the future demand by high speed and high bandwidth memory products, FATC is actively developing wafer bumping and flip chip packaging technologies .

3

# Business Overview & Market Outlook



# Business Overview



1

Affected by high inflation, interest rate hikes and Russia Ukraine War, the demand for electronic products has decreased and the inventory level of customers' still need to be consumed.

2

The wafer inventory control of customers which decreased the OEM output. The company will flexibly adjust production capacity and shorten production lead time to satisfy customers' request.

3

Thought the short-term demand is weak, DRAM is widely used in electronic products. The demands for AI, IOT, 5G, VR, auto-machine are still growing up. Therefore FATC will continuity arrange Flip-Chip techniques and DDR5 products. The construction of 5th plant also continued.

# Market Outlook



1

The negative factors in global economic has been gradually slowed down, it is estimated that after next year Q2, the demands for server memory, mobile phone, consumer electronics will recover.

2

The inventory control of customers and the increased seasonal demand will help decline the inventory level which gives the OEM output an opportunity to increase.

3

Although it is not a comprehensive recovery, the situation of DRAM market has improved slightly. The supply will meet the demand in memory marker due to the product inventory gradually be consumed and the OEM output will recover also.

4

Q & A

