



FATC Best Partner for DRAM Turn-Key Services

FATC

Investor Conference

Solomon Chang

President & Spokesman

May 26, 2023

Safe Harbor Statement

The information herein and the presentation made during the conference contain forward-looking statements and are provided for information purpose only.

Neither Formosa Advanced Technologies Co., Ltd. nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements or undertakes duty to update the statements.

You are urged to review the information provided herein carefully, and please don't distribute, reproduce or disclosed the information in whole or in part without prior written permission of Formosa Advanced Technologies Co., Ltd.

Agenda

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

1

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	



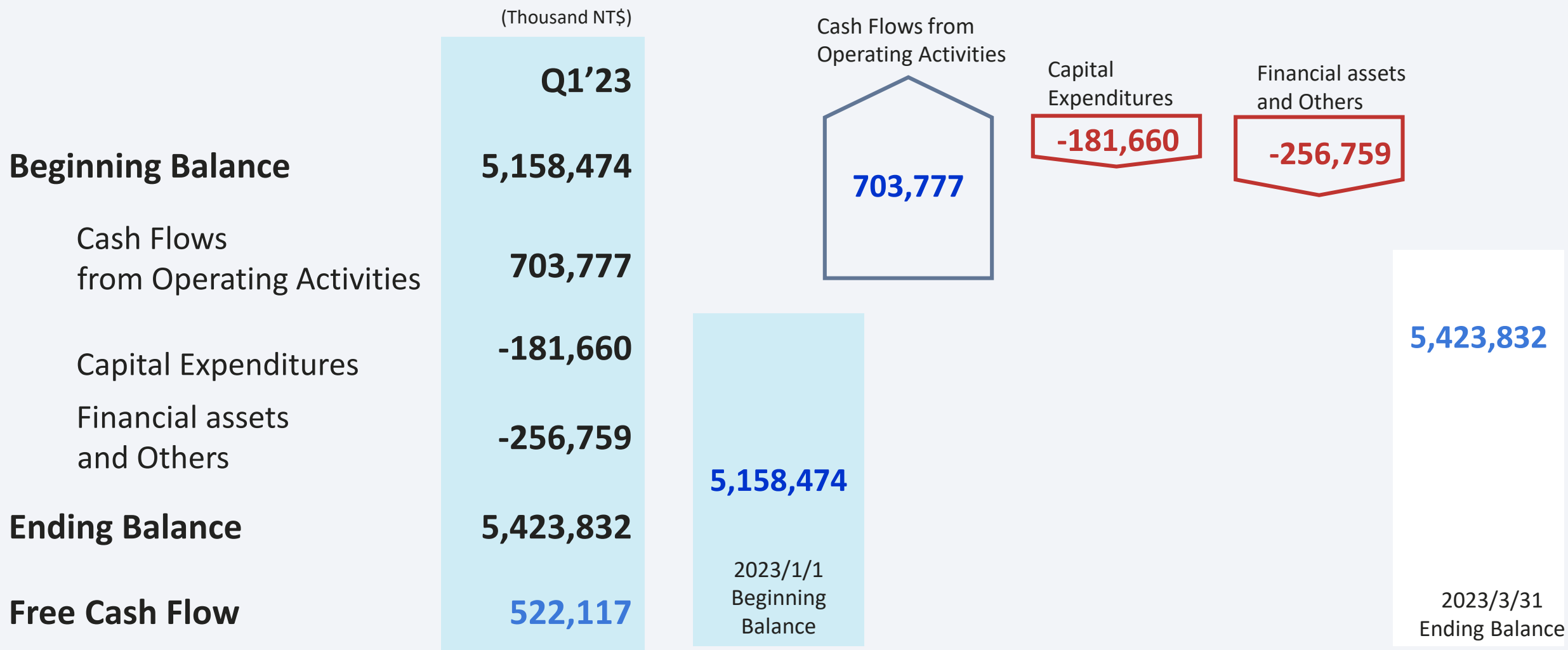
Q1'23 VS Q4'22 Results Comparison

(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

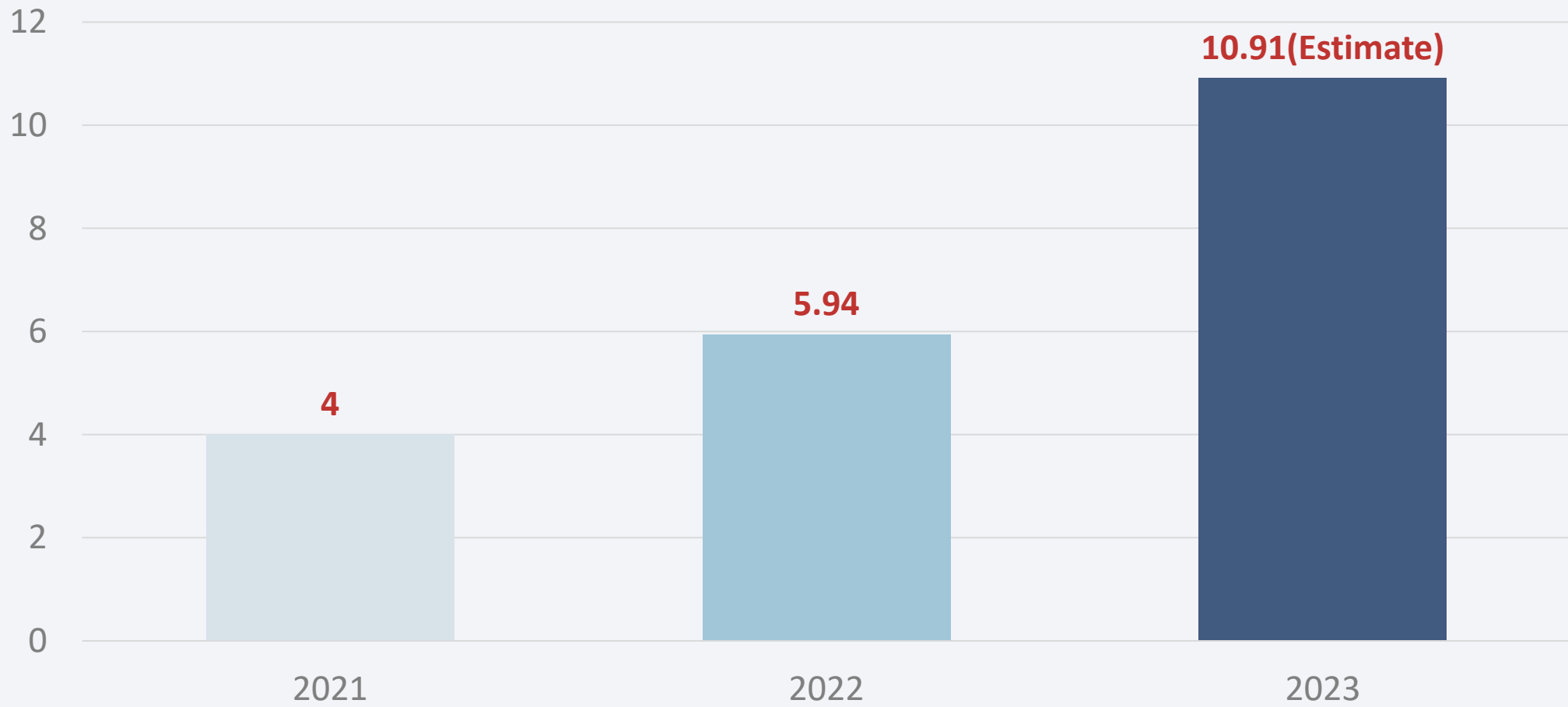
Q1'2023 Cash Flow



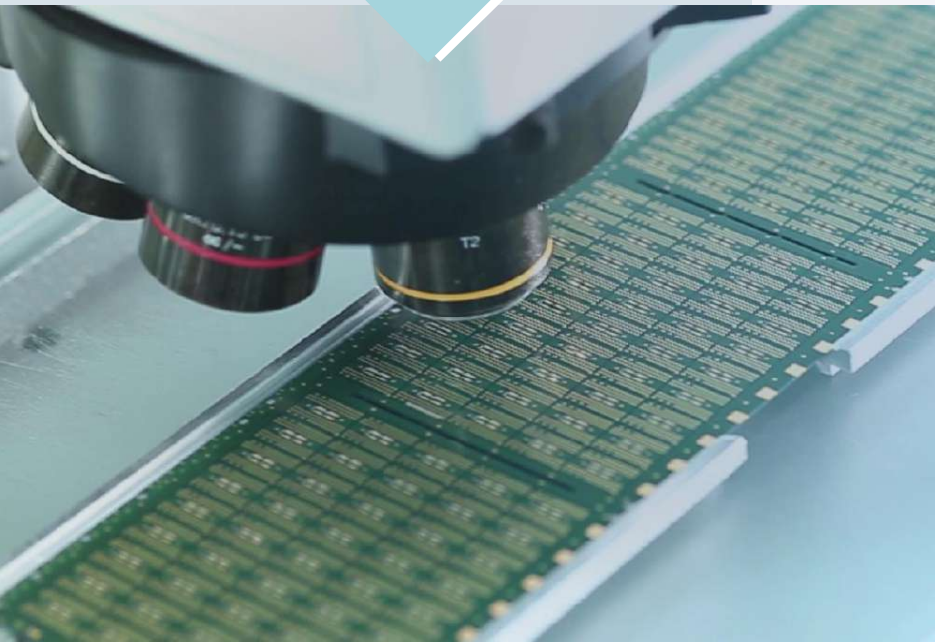
Q1'23 Free Cash Flow NT\$ 522,117 Thousand

CAPEX

NTD 100 million



2



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

