



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

**FATC**

# Investor Conference

*Solomon Chang*

President & Spokesman

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# Agenda

- 1 Q1~Q3'22 Financial Statements
- 2 Research & Development Plan
- 3 Business Overview & Market Outlook
- 4 Q & A

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# Q1~Q3'2022 Financial Statement





# Q1~Q3'22 Financial Results Summary

(Thousand NT\$)

Account	Items	Q1~Q3 '22		Q1~Q3 '21		Comparison	
		Amount	%	Amount	%	Amount	%
Net Sales		<b>7,932,504</b>	<b>100.0</b>	<b>7,449,895</b>	<b>100.0</b>	<b>482,609</b>	<b>6.5</b>
Gross Profit		<b>1,681,671</b>	<b>21.2</b>	<b>1,494,618</b>	<b>20.1</b>	<b>187,053</b>	<b>12.5</b>
Operating Income		<b>1,497,839</b>	<b>18.9</b>	<b>1,335,559</b>	<b>17.9</b>	<b>162,280</b>	<b>12.2</b>
EBITDA		<b>3,144,830</b>	<b>39.6</b>	<b>2,492,576</b>	<b>33.5</b>	<b>652,254</b>	<b>26.2</b>
Income before Tax		<b>2,174,407</b>	<b>27.4</b>	<b>1,394,811</b>	<b>18.7</b>	<b>779,596</b>	<b>55.9</b>
Net Income		<b>1,773,263</b>	<b>22.4</b>	<b>1,133,452</b>	<b>15.2</b>	<b>639,811</b>	<b>56.4</b>
Earnings Per Share(NT\$)		<b>4.01</b>		<b>2.56</b>		<b>1.45</b>	
Book Value Per Share		<b>28.06</b>		<b>26.88</b>		<b>1.18</b>	



# Quarterly Profit Comparison

(Thousand NT\$)

Items	Q3'22		Q2'22		Comparison	
	Amount	%	Amount	%	Amount	%
Account						
Net Sales	<b>2,670,776</b>	<b>100.0</b>	<b>2,699,094</b>	<b>100.0</b>	<b>2,562,634</b>	<b>100.0</b>
Gross Profit	<b>559,455</b>	<b>20.9</b>	<b>608,027</b>	<b>22.5</b>	<b>514,189</b>	<b>20.1</b>
Operating Income	<b>497,628</b>	<b>18.6</b>	<b>550,626</b>	<b>20.4</b>	<b>449,585</b>	<b>17.5</b>
EBITDA	<b>1,092,354</b>	<b>40.9</b>	<b>1,149,039</b>	<b>42.6</b>	<b>903,437</b>	<b>35.3</b>
Income before Tax	<b>773,095</b>	<b>28.9</b>	<b>824,888</b>	<b>30.6</b>	<b>576,424</b>	<b>22.5</b>
Net Income	<b>626,817</b>	<b>23.5</b>	<b>685,307</b>	<b>25.4</b>	<b>461,139</b>	<b>18.0</b>
Earnings Per Share (NT\$)	<b>1.42</b>		<b>1.55</b>		<b>1.04</b>	
Book Value Per Share	<b>28.06</b>		<b>27.17</b>		<b>28.74</b>	



# Q3'22 VS Q2'22 Results Comparison

(Thousand NT\$)

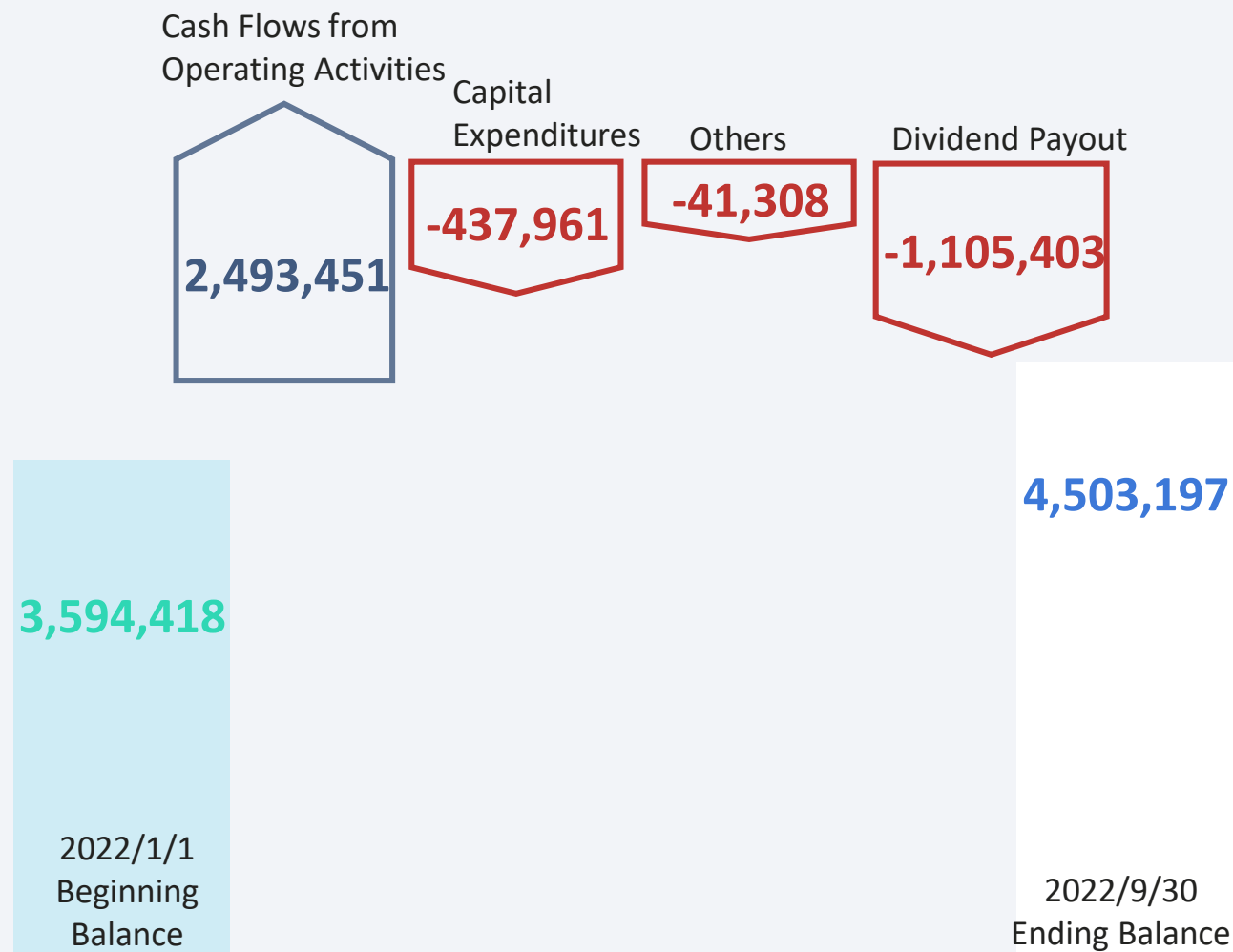
Account	Q3'22		Q2'22		Comparison		Remarks
	Amount	%	Amount	%	Amount	%	
Net Sales	2,670,776	100.0	2,699,094	100.0	-28,318	-1.0	The revenue decreased due to the OP revenue and the OEM output decreased.
Gross Profit	559,455	20.9	608,027	22.5	-48,572	-8.0	Q3'22 gross profit decreased 8.0% mainly due to the OEM output decreased.
Operating Income	497,628	18.6	550,626	20.4	-52,998	-9.6	Q3'22 operating profit decreased NT\$52,998 thousand mainly due to the decreased gross profit NT\$48,572 thousand, SG&A increased NT\$885 thousand, and R&D expense increased NT\$3,541 thousand.
Net Income	626,817	23.5	685,307	25.4	-58,490	-8.5	Net income decreased NT\$58,490 thousand mainly due to OP income decreased NT\$52,998 thousand, interest revenue increased NT\$7,043 thousand, exchange losses increased NT\$102,958 thousand, dividend decreased NT\$87,444 thousand, other losses increased NT\$19,617 thousand and income tax decreased NT\$6,697 thousand.

# Cash Flow

## Q1~Q3'2022 Cash Flow

(Thousand NT\$)

	Q3'22	Q2'22
<b>Beginning Balance</b>	<b>4,769,275</b>	<b>4,118,337</b>
Cash Flows from Operating Activities	<b>1,068,951</b>	<b>716,433</b>
Capital Expenditures	<b>-214,783</b>	<b>-37,941</b>
Others	<b>-14,843</b>	<b>-27,554</b>
Dividend Payout	<b>-1,105,403</b>	<b>0</b>
<b>Ending Balance</b>	<b>4,503,197</b>	<b>4,769,275</b>
<b>Free Cash Flow</b>	<b>854,168</b>	<b>678,492</b>



**Q1~Q3'22 Free Cash Flow NT\$2,055,490 Thousand**

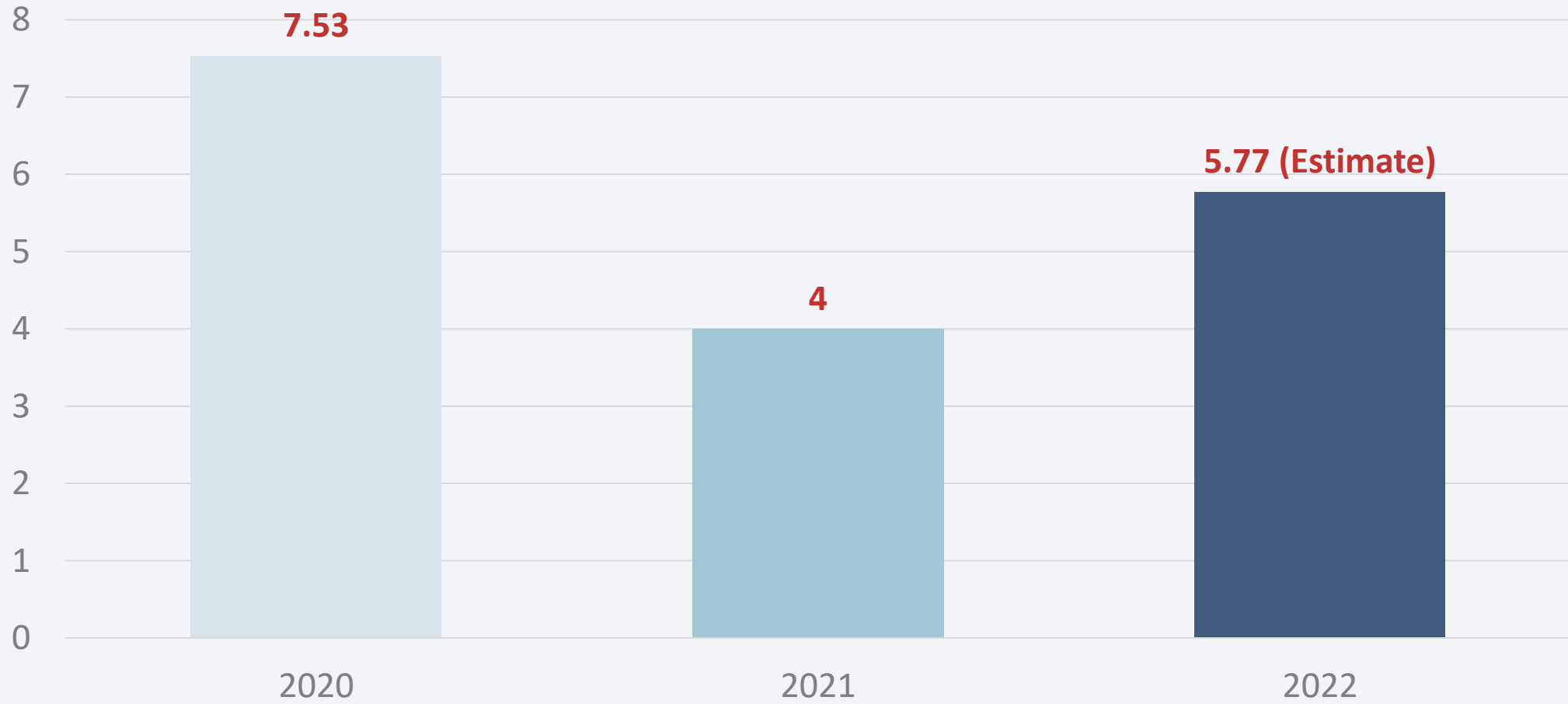




# CAPEX

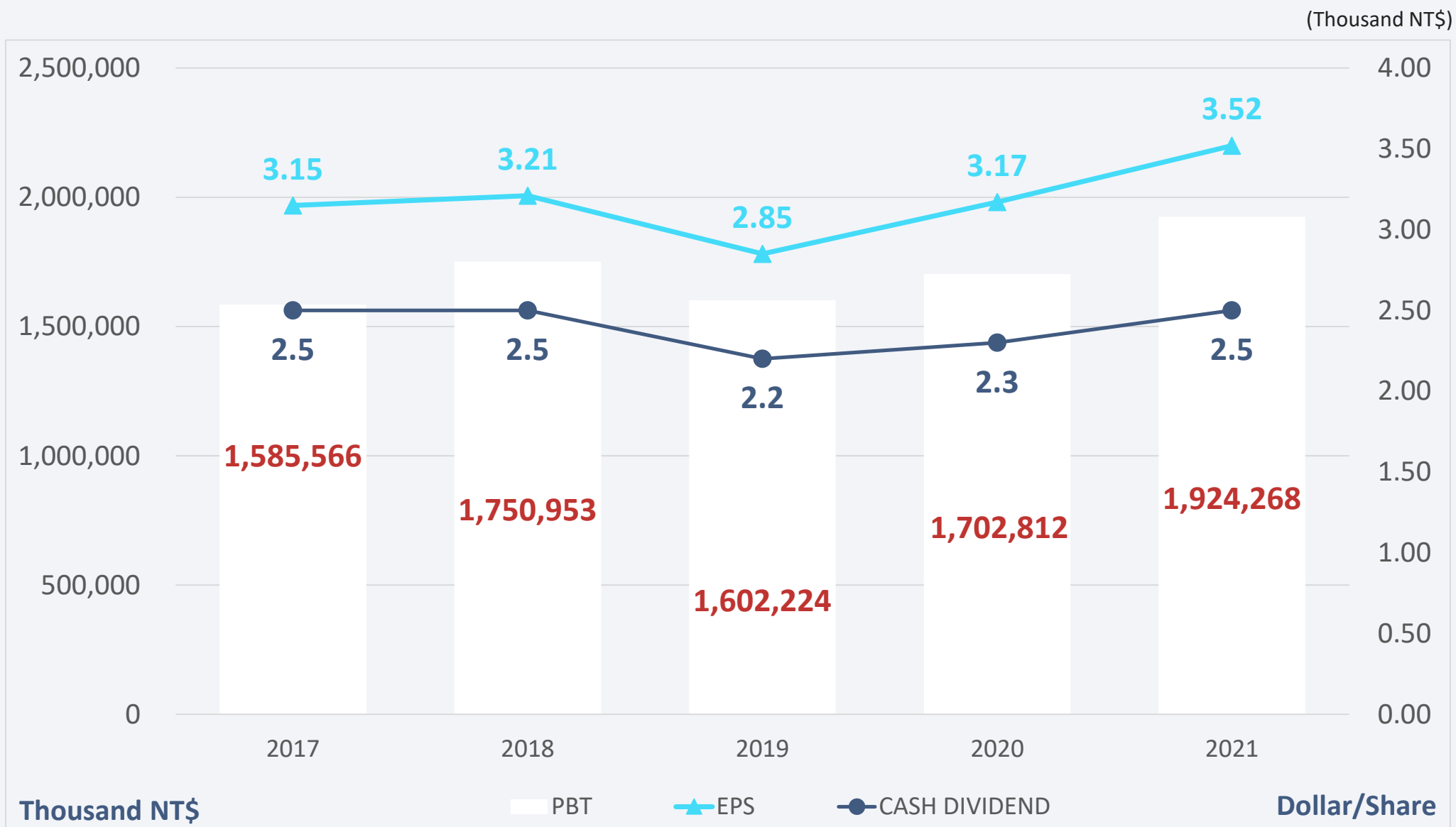
NTD 100 million

(Thousand NT\$)

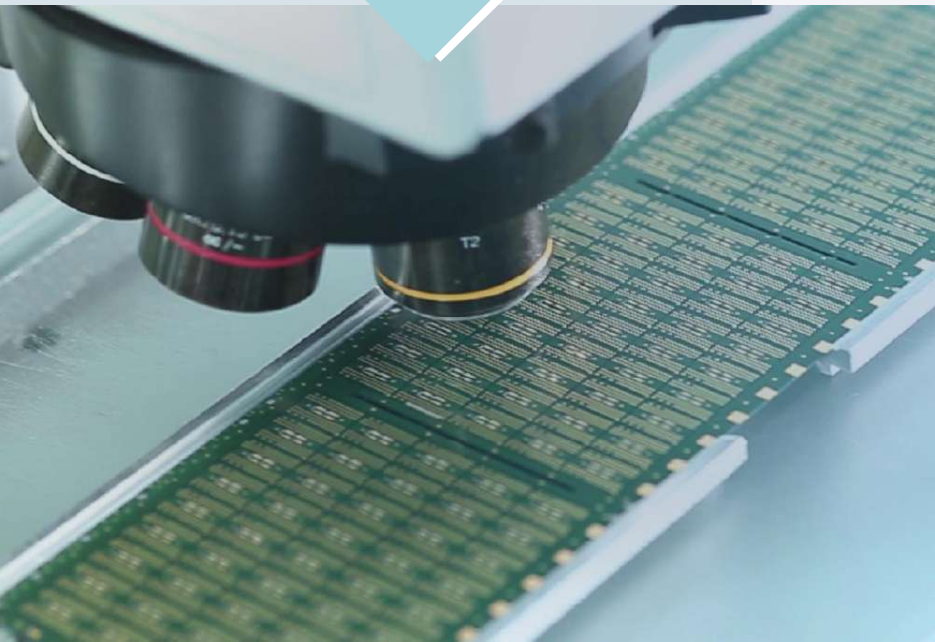




# PET, EPS and CASH DIVIDEND 2017-2021



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# Research & Development Plan

# Research & Development Plan

The development of memory chips is going to process scaling, and high proficiency, FATC follows the trend to draw up below R&D plan as described below:

- 1** To meet the high speed demand of memory for end product, We will focus on developing DDR5 products, enhance substrate circuit design, high-ball copper pillar bump structure & small space assembly, developing of low latency and low energy consumption, to enhance Flip-Chip techniques.
- 2** Extending the techniques of memory products to logic products field.

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# Business Overview & Market Outlook



# Business Overview



1

Affected by high inflation and the slowdown of global economic situation, the demand for electronic products has weakened and the inventory level of customers' has increased which decreased the OEM output. The company will flexibly adjust production capacity and shorten production lead time to satisfy customers' request.

2

Thought there're fluctuations in memory industry in short-term, but long-term demands for AI, IOT, 5G,VR, auto-machine are still growing up. Therefore FATC remains the construction of 5th plant, which started 11/9 this year, and it was estimated to create mass production capacity in 2025, arranging Flip-Chip techniques and DDR5 products

# Market Outlook



1

In 2022 H2, the memory market demand is weak, mainly due to factors such as war, inflation, interest rate hikes, and geopolitics, which will lead to consumption tightening and affect the demand for electronic products. The demand for mobile phones, laptops, and consumer electronics is weak, which also affects electronic products manufacturer of decreasing stock.

2

Besides, due to the downturn in the overall global economic, the construction of data centers has been slowed down, which affects the demand for server memory. Demand for network communication and industrial control is relatively stable.

3

Facing the situation of low demand and high inventory, customers reduce wafer production and control wafer inventory to adjust product inventory. It is estimated that after next year Q2, inventory will gradually be consumed and demand will recover.

4

Q & A

