



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

**FATC**

# Investor Conference

*Solomon Chang*

President & Spokesman

August 24, 2022

# 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 1H'22 Financial Statements
- 2 Research & Development Plan
- 3 Business Overview & Market Outlook
- 4 Q & A



1

1H 2022

Financial Statement





# 1H'22 Financial Results Summary

(Thousand NT\$)

Items	1H'22		1H'21		Comparison	
	Amount	%	Amount	%	Amount	%
Account						
Net Sales	5,261,728	100.0	5,001,263	100.0	260,465	5.2
Gross Profit	1,122,216	21.3	1,018,548	20.4	103,668	10.2
Operating Income	1,000,211	19.0	914,612	18.3	85,599	9.4
EBITDA	2,052,476	39.0	1,636,148	32.7	416,328	25.4
Income before Tax	1,401,312	26.6	896,217	17.9	505,095	56.4
Net Income	1,146,446	21.8	719,751	14.4	426,695	59.3
Earnings Per Share(NT\$)	2.59		1.63		0.96	
Book Value Per Share	27.17		26.16		1.01	



# Quarterly Profit Comparison

(Thousand NT\$)

Items	Q2'22		Q1'22		Comparison	
	Amount	%	Amount	%	Amount	%
Account						
Net Sales	<b>2,699,094</b>	<b>100.0</b>	<b>2,562,634</b>	<b>100.0</b>	<b>136,460</b>	<b>5.3</b>
Gross Profit	<b>608,027</b>	<b>22.5</b>	<b>514,189</b>	<b>20.1</b>	<b>93,838</b>	<b>18.2</b>
Operating Income	<b>550,626</b>	<b>20.4</b>	<b>449,585</b>	<b>17.5</b>	<b>101,041</b>	<b>22.5</b>
EBITDA	<b>1,149,039</b>	<b>42.6</b>	<b>903,437</b>	<b>35.3</b>	<b>245,602</b>	<b>27.2</b>
Income before Tax	<b>824,888</b>	<b>30.6</b>	<b>576,424</b>	<b>22.5</b>	<b>248,464</b>	<b>43.1</b>
Net Income	<b>685,307</b>	<b>25.4</b>	<b>461,139</b>	<b>18.0</b>	<b>224,168</b>	<b>48.6</b>
Earnings Per Share (NT\$)	<b>1.55</b>		<b>1.04</b>		<b>0.51</b>	
Book Value Per Share	<b>27.17</b>		<b>28.74</b>		<b>-1.57</b>	



# Q2'22 VS Q1'22 Results Comparison

(Thousand NT\$)

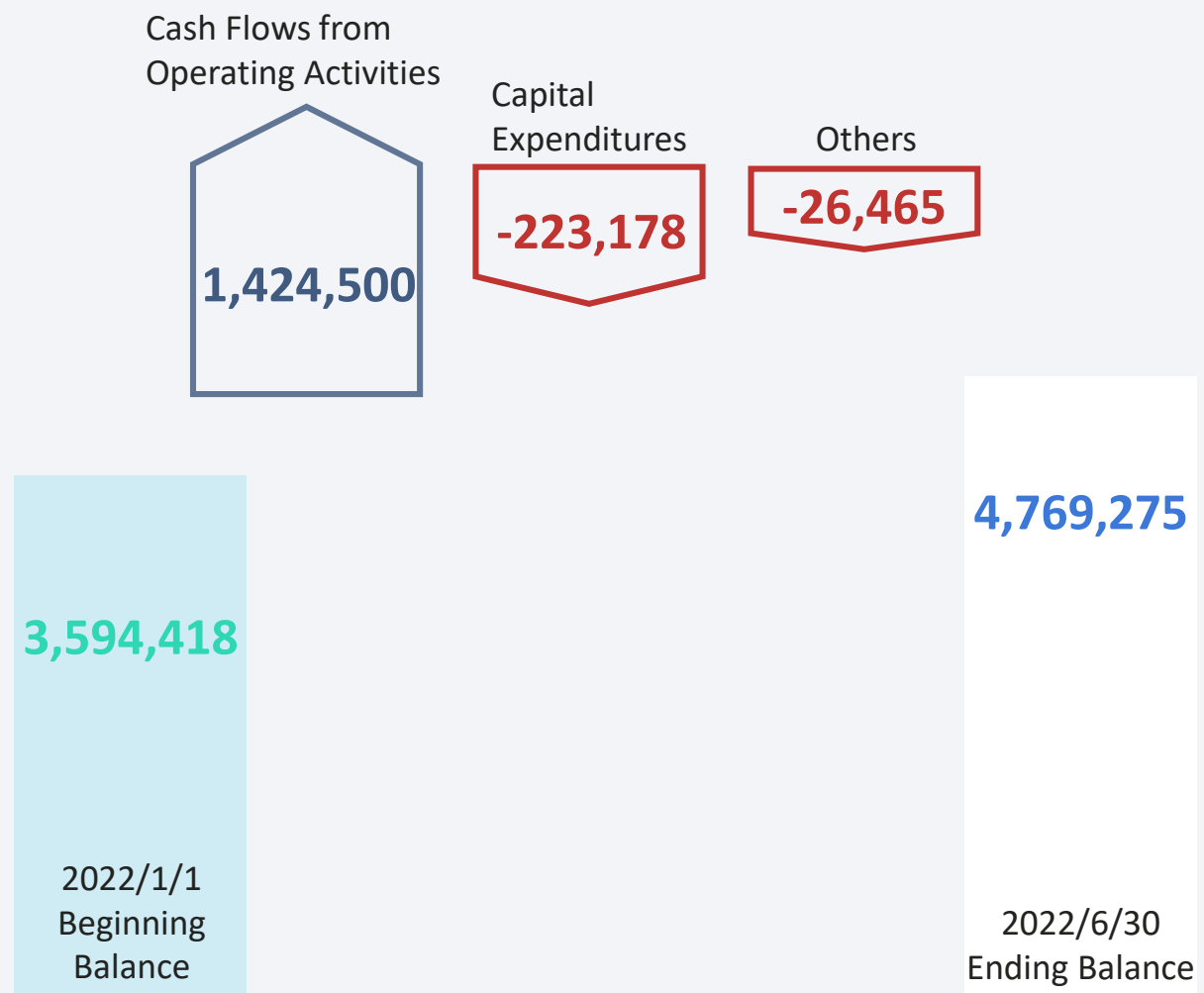
Account	Items	Q2'22		Q1'22		Comparison		Remarks
		Amount	%	Amount	%	Amount	%	
Net Sales		2,699,094	100.0	2,562,634	100.0	136,460	5.3	The revenue increased due to the OP revenue and the OEM output increased.
Gross Profit		608,027	22.5	514,189	20.1	93,838	18.2	Q2'22 gross profit increased 8.2% mainly due to the OEM output increased.
Operating Income		550,626	20.4	449,585	17.5	101,041	22.5	Q2'22 operating profit increased NT\$101,041 thousand mainly due to the increased gross profit NT\$93,838 thousand, SG&A increased NT\$3,067 thousand, and R&D expense decreased NT\$10,270 thousand.
Net Income		685,307	25.4	461,139	18.0	224,168	48.6	Net income increased NT\$224,168 thousand mainly due to OP income increased NT\$101,041 thousand, interest revenue increased NT\$4,545 thousand, exchanged losses increased NT\$19,895 thousand, dividend increased NT\$129,147 thousand and income tax increased NT\$24,296 thousand.

# Cash Flow

## 1H 2022 Cash Flow

(Thousand NT\$)

	Q2'22	Q1'22
<b>Beginning Balance</b>	<b>4,118,337</b>	<b>3,594,418</b>
Cash Flows from Operating Activities	<b>716,433</b>	<b>708,067</b>
Capital Expenditures	<b>-37,941</b>	<b>-185,237</b>
Others	<b>-27,554</b>	<b>1,089</b>
<b>Ending Balance</b>	<b>4,769,275</b>	<b>4,118,337</b>
<b>Free Cash Flow</b>	<b>678,492</b>	<b>522,830</b>



**1H 22 Free Cash Flow NT\$1,201,322 Thousand**

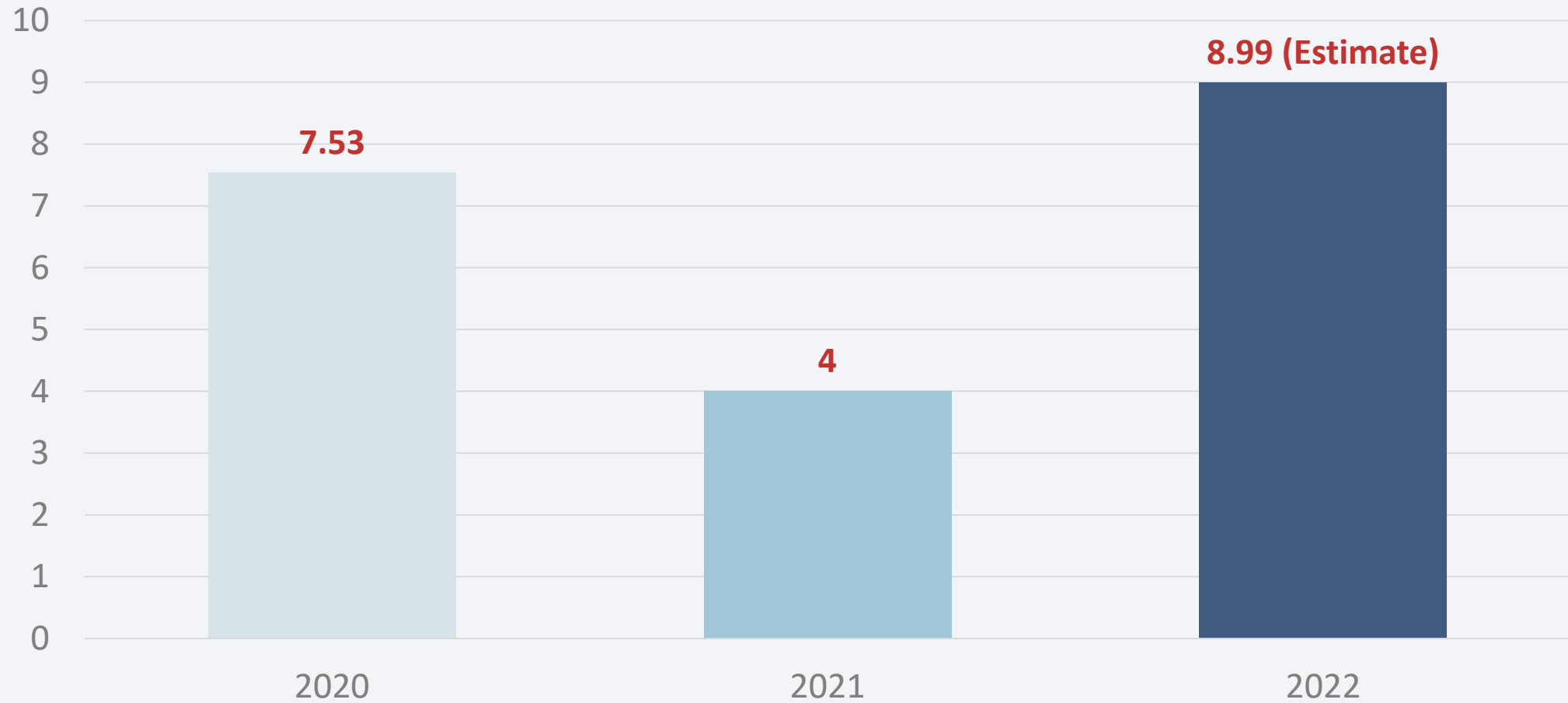




# CAPEX

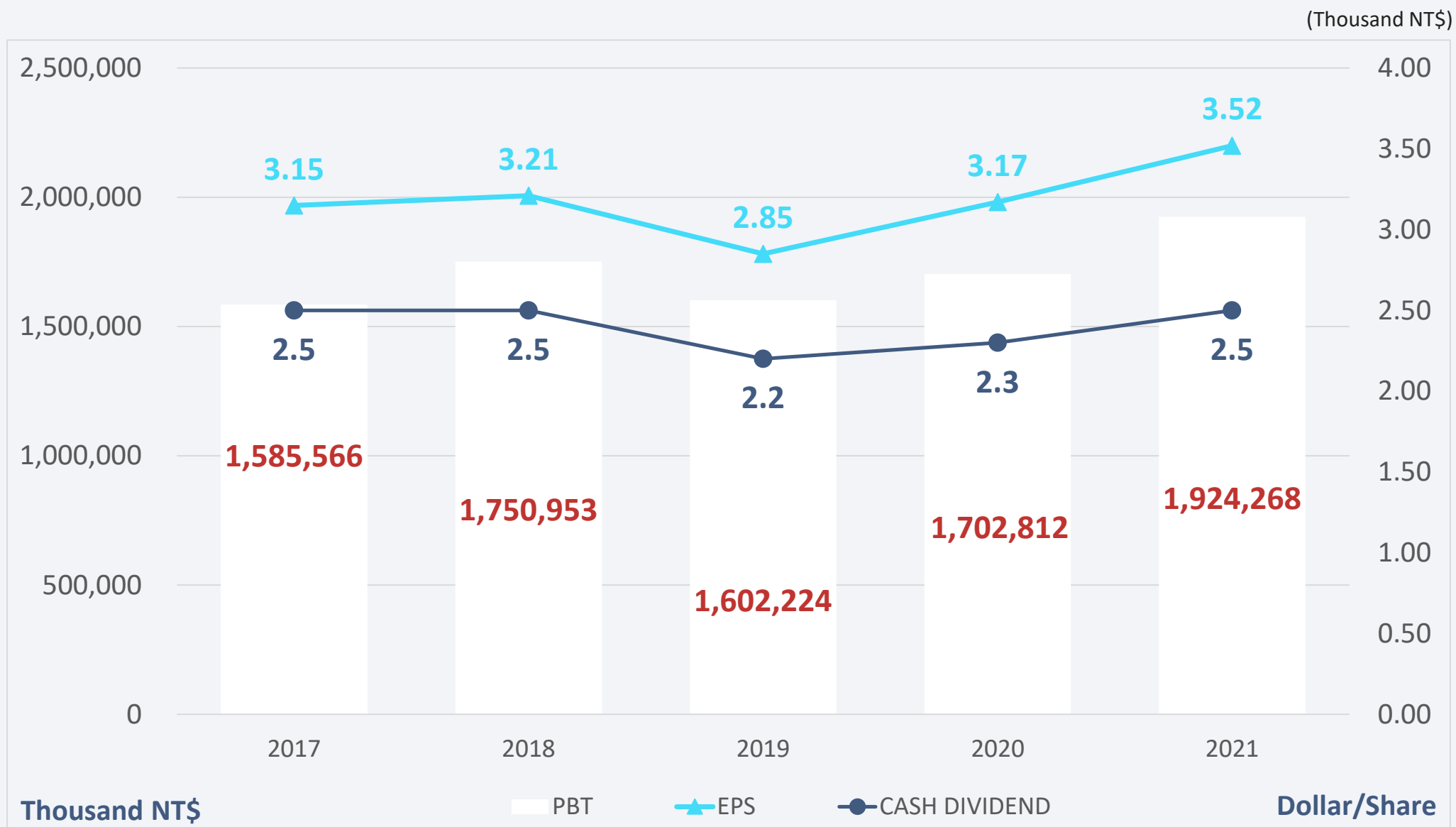
NTD 100 million

(Thousand NT\$)

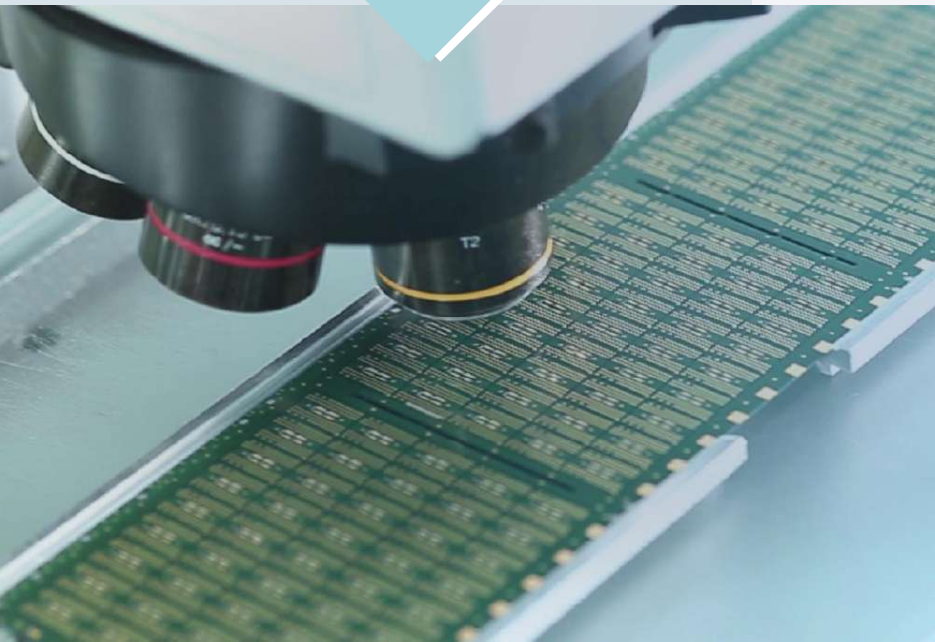




# PET, EPS and CASH DIVIDEND 2017-2021



2



# 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

For memory high speed, We use PCB layout, copper pillar structure & small bump space assembly techniques to introduced Flip-Chip, and this Flip-Chip technique is used in DDR5 products.

2

Beside continuously used Flip-Chip assembly technique in memory assembly customers, FATC also extends to Logic field.

3

# Business Overview & Market Outlook





# Business Overview



1

FATC has distributed 2021 cash dividends on August 19, NT\$2.5 per share.

2

EPS in the second quarter is NT\$1.55;  
EPS for the first half is NT\$2.59.

3

The 5th plant of FATC is expected to be built in September.

4

The 5th plant will use the flip-chip assembly process and high-speed testing function.

Arrange new generation for DDR5 products.

# Market Outlook



1

Affected by high inflation, wars and COVID-19, consumers' purchasing power for electronic products has weakened, and the demand for memory has also decreased.

2

The demand for PCs, phones, servers, and consumer electronics devices is weak, and the memory demand for those products has also slowed down. The visibility of demand is low, but the demand for urgent orders has increased.

The company will flexibly adjust production capacity and shorten production lead time to assist customers in securing orders.

4

Q & A

