



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

**FATC**

# Investor Conference

*Solomon Chang*

President & Spokesman

November 16, 2023

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# Agenda

- 1 Q3'23 Financial Statements
- 2 Research & Development Plan
- 3 Business Overview & Market Outlook
- 4 Q & A



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Q3'2023

Financial Statement





# Q3'23 Financial Results Summary

(Thousand NT\$)

Item Account	Q3'23		Q2'23		Comparison		Q3'22		Comparison	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	1,641,108	100.0	1,880,837	100.0	-239,729	-12.7	2,670,776	100.0	-1,029,668	-38.6
Gross Profit	788	0.0	132,211	7.0	-131,423	-99.4	559,455	20.9	-558,667	-99.9
Operating Income	-73,080	-4.5	69,740	3.7	-142,820	-204.8	497,628	18.6	-570,708	-114.7
EBITDA	342,115	20.8	545,506	29.0	-203,391	-37.3	1,092,354	40.9	-750,239	-68.7
Non-Operating Expenses	127,798	7.8	179,404	9.5	-51,606	-28.8	275,467	10.3	-147,669	-53.6
Tax Benefit (Expenses)	-10,953	-0.7	-18,236	-1.0	7,283	-	-146,278	-5.5	135,325	-
Net Income	43,765	2.7	230,908	12.3	-187,143	-81.0	626,817	23.5	-583,052	-93.0
Earning Per Share (NT\$)	0.10		0.52		-0.42		1.42		-1.32	
Book Value Per Share	26.44		26.71		-0.27		28.06		-1.62	



# Quarterly Profit Comparison

(Thousand NT\$)

Item Account	Q3'23		Q2'23		Comparison		Q3'22		Comparison	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	1,641,108	100.0	1,880,837	100.0	-239,729	-12.7	2,670,776	100.0	-1,029,668	-38.6
Costs Of Goods Sold	1,640,320	100.0	1,748,626	93.0	-108,306	-6.2	2,111,321	79.1	-471,001	-22.3
Gross Profit	788	0.0	132,211	7.0	-131,423	-99.4	559,455	20.9	-558,667	-99.9
SG&A Expenses	31,353	1.9	21,876	1.2	9,477	43.3	22,259	0.8	9,094	40.9
R & D Expenses	42,515	2.6	40,595	2.2	1,920	4.7	39,568	1.5	2,947	7.4
Operating Income (Loss)	-73,080	-4.5	69,740	3.7	-142,820	-204.8	497,628	18.6	-570,708	-114.7
Non-Operating Expenses	127,798	7.8	179,404	9.54	-51,606	-28.8	275,467	10.3	-147,669	-53.6
Income before Tax	54,718	3.3	249,144	13.2	-194,426	-78.0	773,095	28.9	-718,377	-92.9
Tax Benefit (Expenses)	-10,953	-0.7	-18,236	-1.0	7,283	-	-146,278	-5.5	135,325	-
Net Income	43,765	2.7	230,908	12.3	-187,143	-81.0	626,817	23.5	-583,052	-93.0
Earnings Per Share(NT\$)	0.10		0.52		-0.42		1.42		-1.32	
Book Value Per Share	26.44		26.71		-0.27		28.06		-1.62	



# Q3'23 VS Q2'23 Results Comparison

(Thousand NT\$)

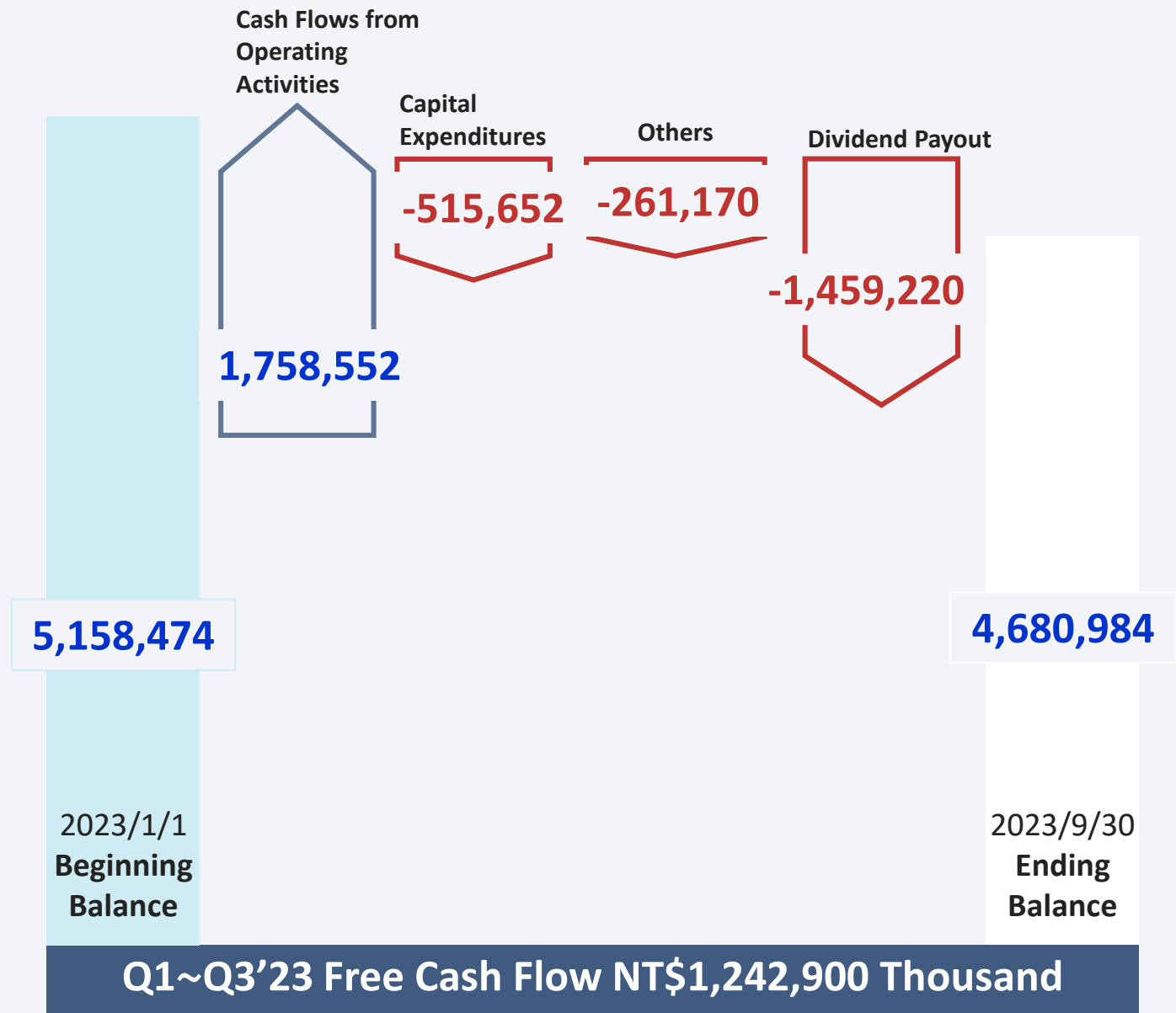
Account	Items	Q3'23		Q2'23		Comparison		Remarks
		Amount	%	Amount	%	Amount	%	
Net Sales		1,641,108	100.0	1,880,837	100.0	-239,729	-12.7	The revenue decreased due to the OP revenue and the OEM output decreased.
Gross Profit		788	0.0	132,211	7.0	-131,423	-99.4	Q3'23 gross profit decreased 99.4% mainly due to the OEM output decreased.
Operating Expenses		73,868	4.5	62,471	3.3	11,397	18.2	Q3'23 operating expenses increased NT\$11,397 thousand.
Operating Income		-73,080	-4.5	69,740	3.7	-142,820	-204.8	Q3'23 operating profit decreased NT\$142,820 thousand mainly due to the decreased gross profit NT\$131,423 thousand, SG&A increased NT\$11,397 thousand.
Net Income		43,765	2.7	230,908	12.3	-187,143	-81.0	Net income decreased NT\$187,143 thousand mainly due to the OP income decreased NT\$142,820 thousand, interest revenue decreased NT\$4,081 thousand, exchange gain increased NT\$31,109 thousand, other sales increased NT\$74,650 thousand and income tax decreased NT\$7,283 thousand.

# Cash Flow

## Q1~Q3'2023 Cash Flow

(Thousand NT\$)

	Q3'23	Q2'23
<b>Beginning Balance</b>	5,710,753	5,423,832
Cash Flows from Operating Activities	536,101	518,674
Capital Expenditures	-95,330	-238,662
Others	-11,320	6,909
Dividend Payout	-1,459,220	0
<b>Ending Balance</b>	4,680,984	5,710,753
<b>Free Cash Flow</b>	440,771	280,012



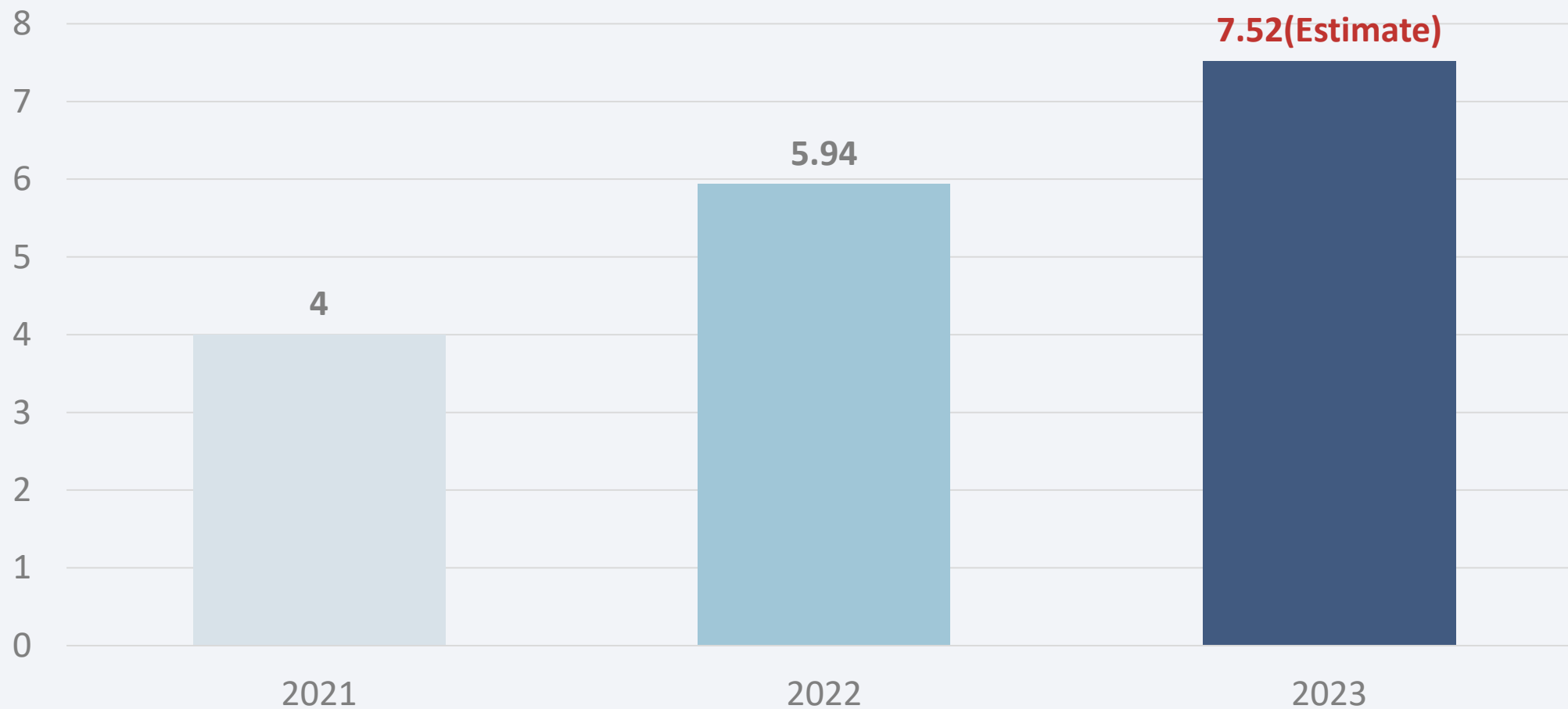




# CAPEX

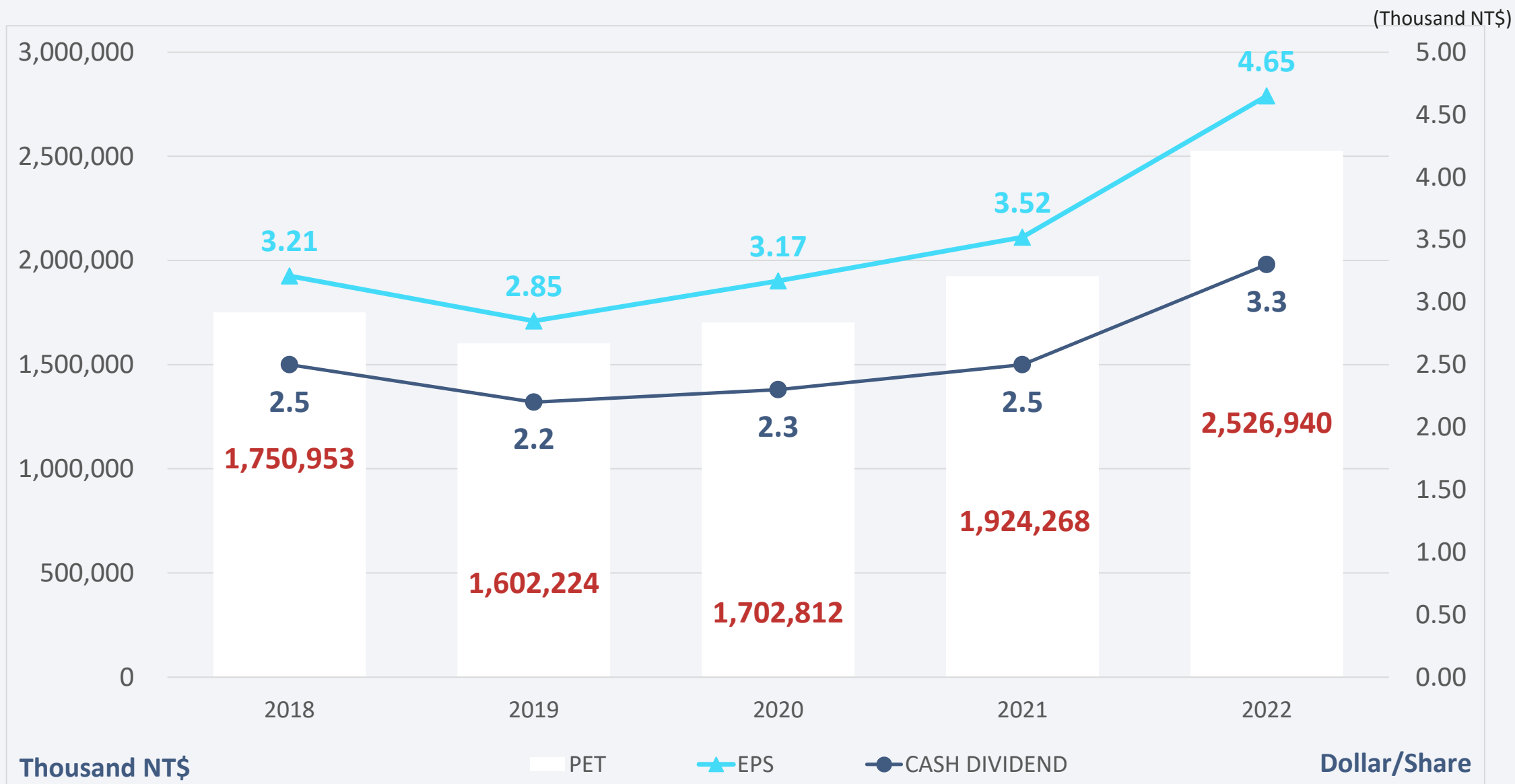
NTD 100 million

(Thousand NT\$)

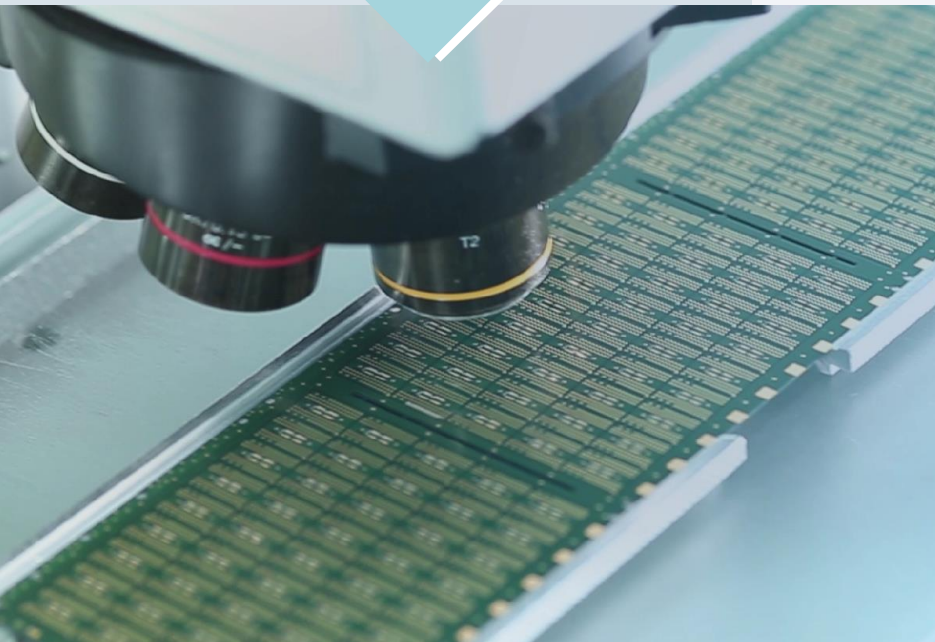




# PET, EPS and CASH DIVIDEND 2018-2022



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# Research & Development Plan

# Research & Development Plan

The demand for end products has recovered. The development of memory chips is going to high proficiency, FATC follows the trend to draw up R&D plan as described below:

- 1** To meet the demand of memory for end product, FATC have entered in to the stage of mass production and will focus on techniques developing on Bumping and RDL.
- 2** FATC have completed the developing of 1<sup>st</sup> 10nm-class 8Gb DDR5 product in 2023 and will continue focus on developing on 2<sup>nd</sup> 10nm-class 16GB DDR5 products.
- 3** FATC are actively developing the advanced techniques to arrange the demands in memory industry.

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# Business Overview & Market Outlook





# Business Overview



**1** Affected by high inflation, Russia-Ukraine War and the US-China trade conflict, FATC still flexibly adjust production capacity and shorten production lead time to satisfy customer's request.

**2** Due to the production cuts, the product inventory gradually destock and there are some improvements on market demand.

**3** It is estimated that memory market is growing with the widely used in auto-machine, cloud center and AI computing. FATC will continue focus on developing DDR5 products. The construction of 5<sup>th</sup> plant also continued.

# Market Outlook



1

Affected by Russia-Ukraine War, Israeli-Palestinian conflict and the US-China trade conflict, the geopolitical risks remain high and are key to the recovery of global economy. The company will flexibly adjust production capacity to satisfy the increased seasonal demand.

2

The inventory has started to decrease and the demand for network communication and industrial control is relatively stable. The demand is improving gradually by cloud center and AI computing.

3

The supply is expected to remain conservative in 2024, the production cuts will help to restore market balance.

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# Q & A

