



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

**FATC**

# Investor Conference

*Solomon Chang*

President & Spokesman

November 16, 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 Q3'23 Financial Statements
- 2 Research & Development Plan
- 3 Business Overview & Market Outlook
- 4 Q & A

1

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\$)

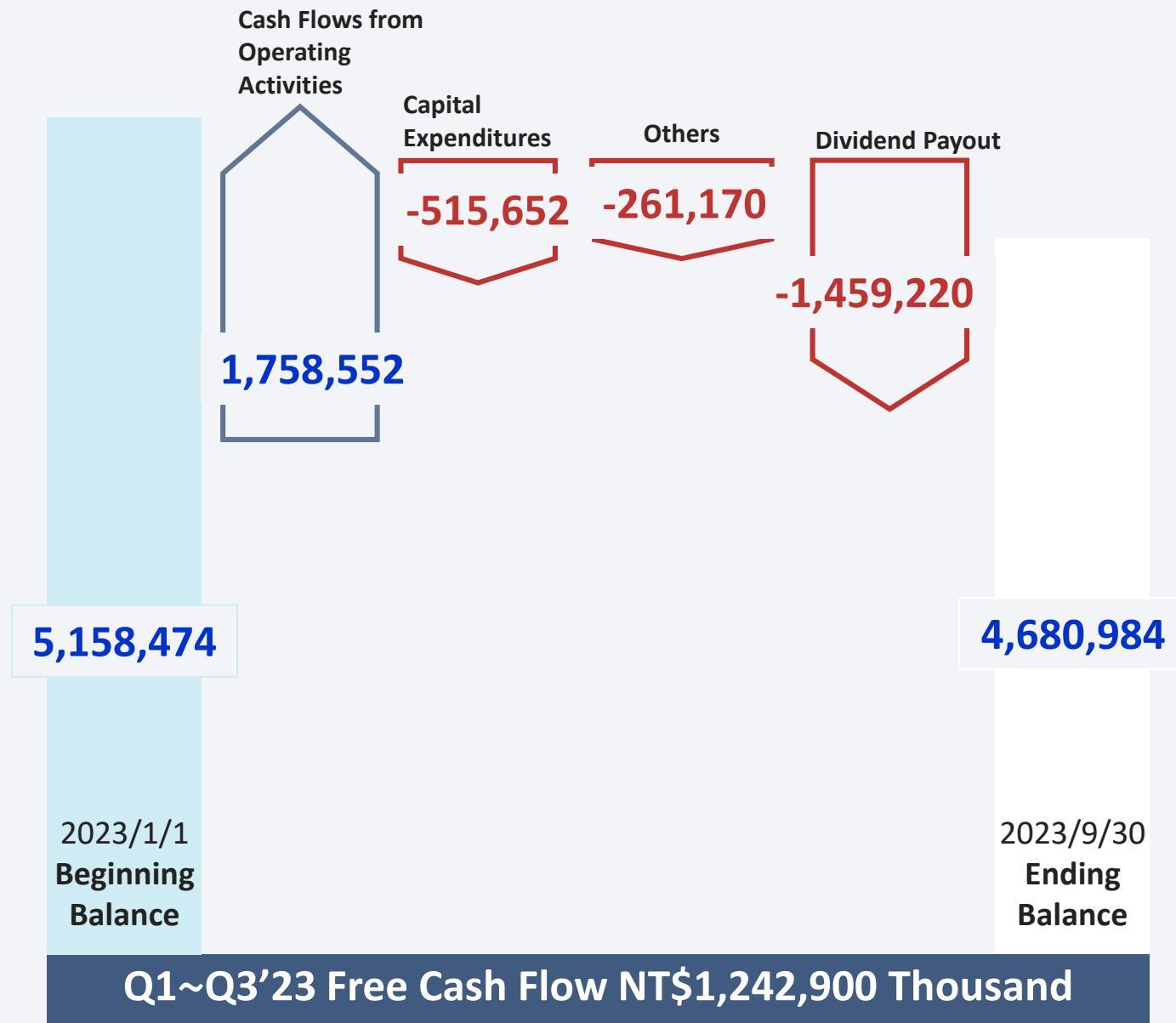
Account	Items	Q3'23		Q2'23		Comparison		Remarks
		Amount	%	Amount	%	Amount	%	
Net Sales		1,641,108	100.0	1,880,837	100.0	-239,729	-12.7	The revenue decreased due to the OP revenue and the OEM output decreased.
Gross Profit		788	0.0	132,211	7.0	-131,423	-99.4	Q3'23 gross profit decreased 99.4% mainly 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



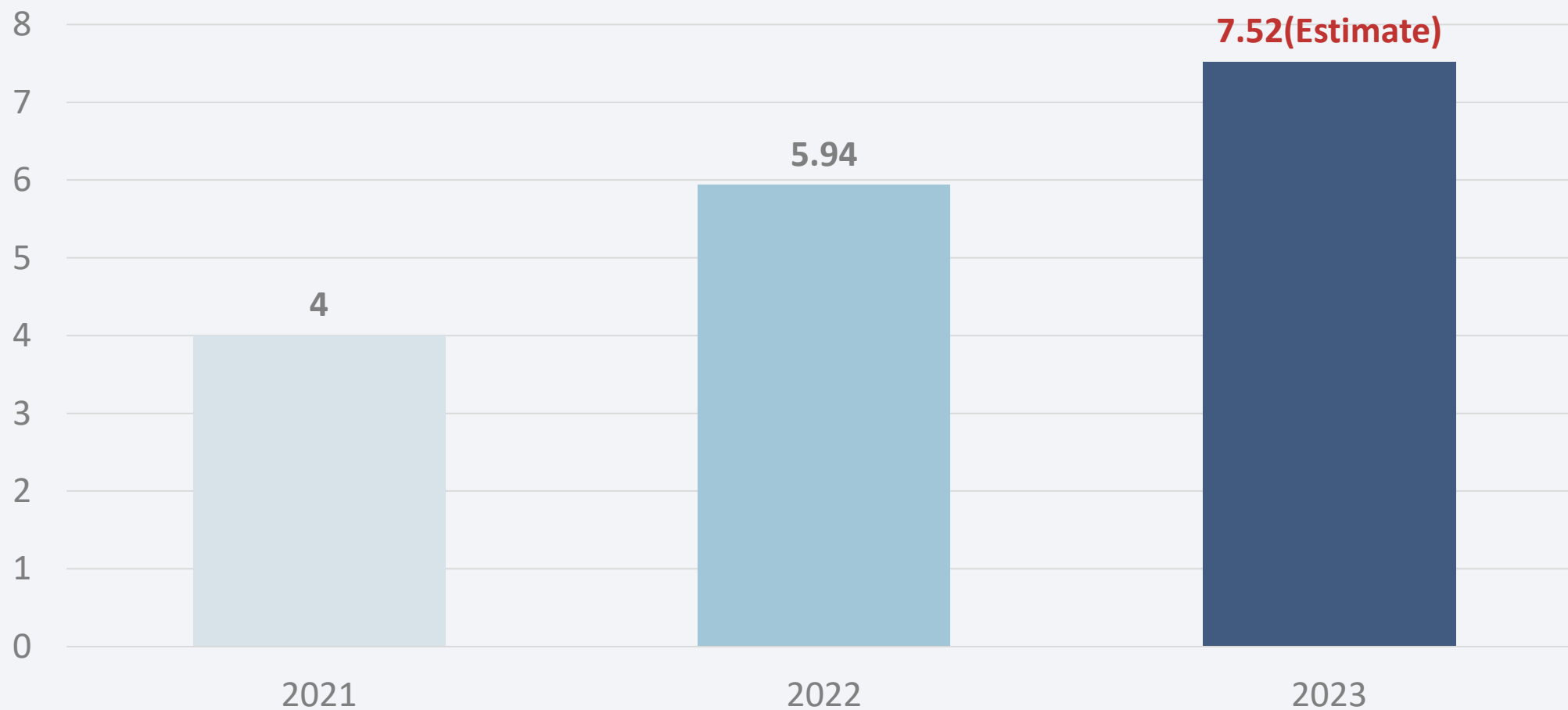




# CAPEX

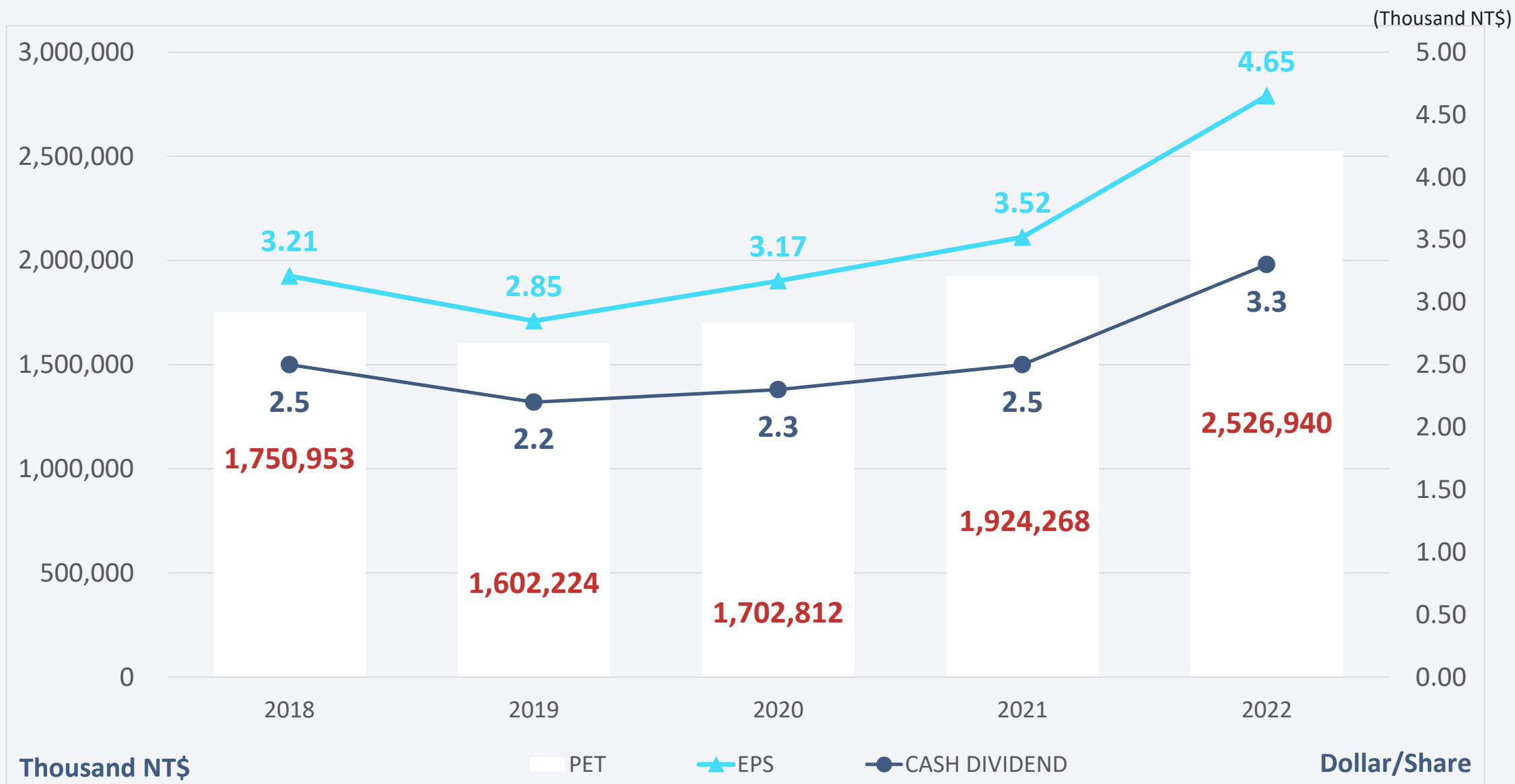
NTD 100 million

(Thousand NT\$)

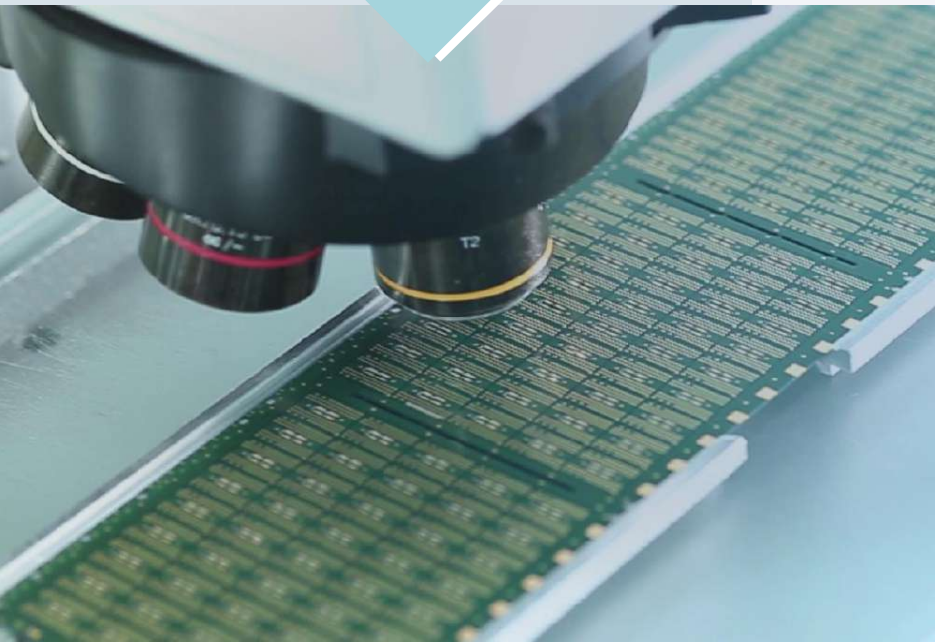




# PET, EPS and CASH DIVIDEND 2018-2022



2



# 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.

3

# 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.

4

# Q & A

