



福懋科技股份有限公司
FORMOSA ADVANCED THCHNOLOGIES CO., LTD

FATC Best Partner for DRAM Turn-Key Services

Investor Conference



President & Spokesman || *Solomon Chang*

March 27, 2024

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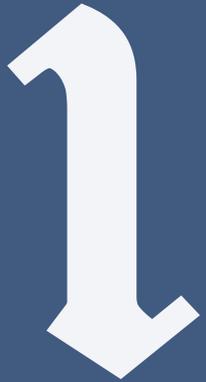


Agenda

- 1** Q4'23 Financial Statements
- 2** Research & Development Plan
- 3** Business Overview & Market Outlook
- 4** Q & A



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Q4'2023 Financial Statement

Q4'23 Financial Results Summary

Thousand NT\$

Account \ Item	Q4'23		Q3'23		Comparison		Q4'22		Comparison	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	1,956,852	100.0	1,641,108	100.0	315,744	19.2	2,500,939	100.0	-544,087	-21.8
Gross Profit	134,158	6.9	788	0.0	133,370	16,925.1	509,517	20.4	-375,359	-73.7
Operating Income	63,031	3.2	-73,080	-4.5	136,111	-	443,970	17.8	-380,939	-85.8
EBITDA	317,664	16.2	342,115	20.8	-24,451	-7.1	661,990	26.5	-344,326	-52.0
Non-Operating Income(Expenses)	-33,095	-1.7	127,798	7.8	-160,893	-125.9	-91,437	-3.7	58,342	-
Tax Benefit (Expenses)	-5,987	-0.3	-10,953	-0.7	4,966	-	-70,507	-2.8	64,520	-
Net Income	23,949	1.2	43,765	2.7	-19,816	-45.3	282,026	11.3	-258,077	-91.5
Earning Per Share (NT\$)	0.06		0.10		-0.04		0.64		-0.58	
Book Value Per Share	26.70		26.44		0.26		28.74		-2.04	

Quarterly Profit Comparison

Thousand NT\$

Account \ Item	Q4'23		Q3'23		Comparison		Q4'22		Comparison	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	1,956,852	100.0	1,641,108	100.0	315,744	19.2	2,500,939	100.0	-544,087	-21.8
Costs Of Goods Sold	1,822,694	93.1	1,640,320	100.0	182,374	11.1	1,991,442	79.6	-168,748	-8.5
Gross Profit	134,158	6.9	788	0.0	133,370	16,925.1	509,517	20.4	-375,359	-73.7
SG&A Expenses	28,164	1.4	31,353	1.9	-3,189	-10.2	24,509	1.0	3,655	14.9
R & D Expenses	42,963	2.2	42,515	2.6	448	1.1	41,038	1.6	1,925	4.7
Operating Income (Loss)	63,031	3.2	-73,080	-4.5	136,111	-	443,970	17.8	-380,939	-85.8
Non-Operating Income(Expenses)	-33,095	-1.7	127,798	7.8	-160,893	-125.9	-91,437	-3.7	58,342	-
Income before Tax	29,936	1.5	54,718	3.3	-24,782	-45.3	352,533	14.1	-322,597	-91.5
Tax Benefit (Expenses)	-5,987	-0.3	-10,953	-0.7	4,966	-	-70,507	-2.8	64,520	-
Net Income	23,949	1.2	43,765	2.7	-19,816	-45.3	282,026	11.3	-258,077	-91.5
Earnings Per Share(NT\$)	0.06		0.10		-0.04		0.64		-0.58	
Book Value Per Share	26.70		26.44		0.26		28.74		-2.04	

Q4'23 VS Q3'23 Results Comparison

Thousand NT\$

Account	Q4'23		Q3'23		Comparison		Remarks
	Amount	%	Amount	%	Amount	%	
Net Sales	1,956,852	100.0	1,641,108	100.0	315,744	19.2	The revenue increased due to the OEM output increased.
Gross Profit	134,158	6.9	788	0.0	133,370	16,925.1	Q4'23 gross profit increased 16,925.1% , mainly due to the OEM output increased.
Operating Expenses	71,127	3.6	73,868	4.5	-2,741	-3.7	Q4'23 operating expenses decreased NT\$2,741 thousand.
Operating Income	63,031	3.2	-73,080	-4.5	136,111	-	Q4'23 operating income increased NT\$136,111 thousand mainly due to the gross profit increased NT\$133,370 thousand, operating expenses decreased NT\$2,741 thousand.
Net Income	23,949	1.2	43,765	2.7	-19,816	-45.3	Net income decreased NT\$19,816 thousand mainly due to the OP income increased NT\$136,111 thousand, exchange loss increased NT\$211,790 thousand, other sales increased NT\$51,658 thousand and income tax decreased NT\$4,966 thousand.

Statement of Operating Revenue

Thousand NT\$

Month	Operating Revenue			Accumulated Operating Revenue		
	2024	2023	Increase (Decrease)(%)	As of the end of this month in 2024	The corresponding period in 2023	Increase (Decrease)(%)
12	-	670,211	-	-	7,648,594	-
11	-	649,779	-	-	6,978,383	-
10	-	636,862	-	-	6,328,604	-
09	-	596,727	-	-	5,691,742	-
08	-	505,467	-	-	5,095,015	-
07	-	538,914	-	-	4,589,548	-
06	-	639,840	-	-	4,050,634	-
05	-	623,174	-	-	3,410,794	-
04	-	617,823	-	-	2,787,620	-
03	-	692,063	-	-	2,169,,797	-
02	732,089	734,275	-0.30	1,534,601	1,477,734	3.85
01	802,512	743,459	7.94	802,512	743,459	7.94

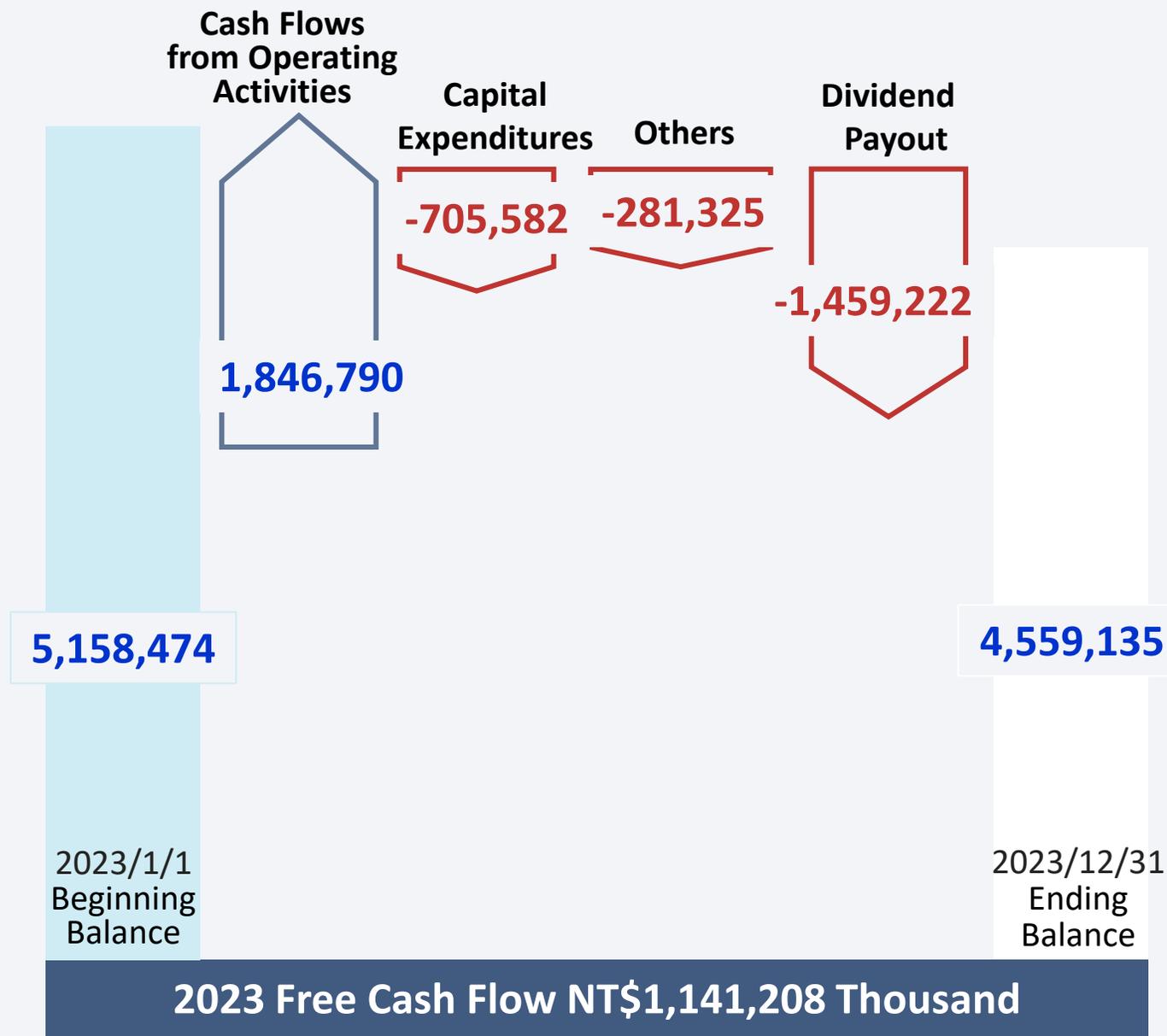
Cash Flow



2023 Cash Flow

Thousand NT\$

Account	Q4'23	Q3'23
Beginning Balance	4,680,984	5,710,753
Cash Flows from Operating Activities	88,238	536,101
Capital Expenditures	-189,930	-95,330
Others	-20,155	-11,320
Dividend Payout	-2	-1,459,220
Ending Balance	4,559,135	4,680,984
Free Cash Flow	-101,692	440,771



2023 Financial Results Summary

Thousand NT\$

Account \ Item	2023		2022		Comparison	
Net Sales	7,648,594	100.0	10,433,443	100.0	-2,784,849	-26.7
Gross Profit	602,901	7.9	2,191,188	21.0	-1,588,287	-72.5
Operating Income	337,381	4.4	1,941,809	18.6	-1,604,428	-82.6
Non-Operating Income(Expenses)	285,908	3.7	585,131	5.6	-299,223	-51.1
Tax Benefit (Expenses)	-93,074	-1.2	-471,651	-4.5	378,577	-
Net Income	530,215	6.9	2,055,289	19.7	-1,525,074	-74.2
Earning Per Share (NT\$)	1.20		4.65		-3.45	
Book Value Per Share	26.70		28.74		-2.04	

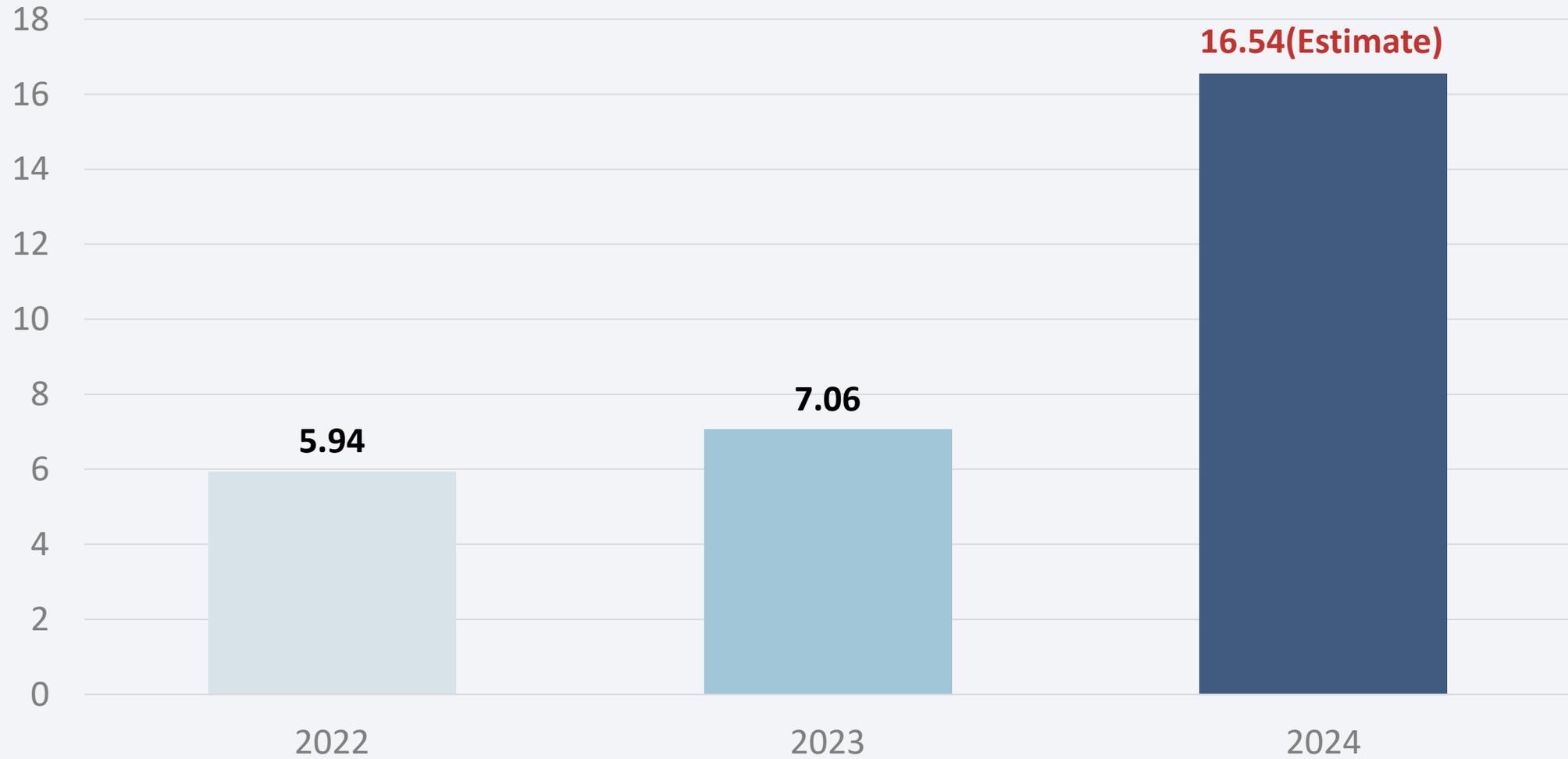
2023 VS 2022 Results Comparison

Thousand NT\$

Item	2023		2022		Comparison		Remarks
	Amount	%	Amount	%	Amount	%	
Account							
Net Sales	7,648,594	100.0	10,433,443	100.0	-2,784,849	-26.7	The revenue decreased due to the OEM price and the OEM output decreased.
Gross Profit	602,901	7.9	2,191,188	21.0	-1,588,287	-72.5	2023 gross profit decreased 72.5% · mainly due to the OEM price and the OEM output decreased.
Operating Expenses	265,520	3.5	249,379	2.4	16,141	6.5	2023 operating expenses increased NT\$16,141 thousand.
Operating Income	337,381	4.4	1,941,809	18.6	-1,604,428	-82.6	2023 operating income decreased NT\$1,604,428 thousand mainly due to the gross profit decreased NT\$1,588,287 thousand, operating expenses increased NT\$16,141 thousand.
Net Income	530,215	6.9	2,055,289	19.7	-1,525,074	-74.2	Net income decreased NT\$1,525,074 thousand mainly due to the OP income decreased NT\$1,604,428 thousand, interest revenue increased NT\$98,707 thousand, exchange gain decreased NT\$312,244 thousand, other sales decreased NT\$83,397 thousand and income tax decreased NT\$378,577 thousand.

CAPEX

NTD 100 million



PET, EPS and CASH DIVIDEND 2019-2023





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*Research
&
Development Plan*

Research & Development Plan

The packaging technology is advancing towards miniaturization with focus on precision, and R&D directions are as follows :

1

To align with the diversifying applications of end of products, we have completed the Flip Chip packaging for memory products. In 2024, there will be a stronger focus on Bumping and redistribution layer(RDL) technologies to enhance packaging capabilities and expand product offerings, thus improving competitiveness.

2

In response to the growing trends of high-speed and High-capacity memory, we are actively investing in the development of TSV (Through-Silicon Via) process technology, FATC are actively developing the advanced techniques to arrange the demands in memory industry.



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3



*Business Overview
&
Market Outlook*

Business Overview

1

The memory market show a recovery trend in Q1'24, the market inventory are gradually digested. The market demand has recovered, driving the IC assembly and test demand to normal levels gradually.

2

In response to market product development and changes in OEM product mix, we works closely with customers to meet the portfolio change. Continue to develop flip-chip technology, 3D TSV process, and new-generation DDR5 products.

3

The increased proportion of DDR5 is conducive to the sales. Driven by the increasing demand for NB and PC and the stimulation of AI servers, the demand for module OEM is gradually increasing.

4

It is expected that the memory market to continue to develop and grow. The construction of 5th plant also continued.

Market Outlook

1

The market expect to restore balance. It is predicted that the demand for assembly and test will progressively increase. However, geopolitical risks including the Russia-Ukraine war, incompatibilities in the Middle East, and USA-China conflict may affect the strength of the global market recovery.

2

The memory content in smartphone and PC is growing, the prevalence of DDR5 is increasing, and AI mobile and AI PC will drive high-end memory applications. The demand for the IC assembly and test is expected to recovery.

3

The demand for RGB DIMM modules is stable, while for memory modules, driven by the recovery in PC and NB sales, the memory module demand is expected to gradually increase.

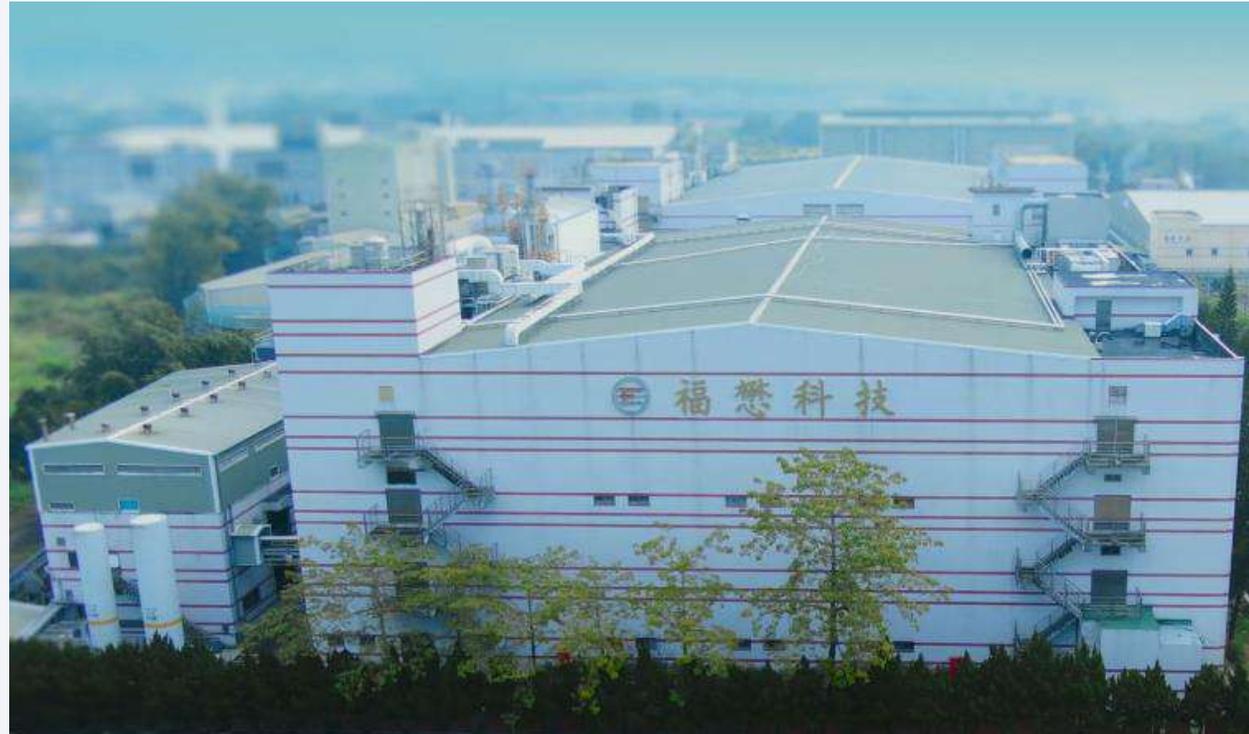
4

It is expected that the market will recover in 2024, driven by AI applications and increasing applications in mobile , data centers, automotive, 5G, industrial control and other fields.



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Q & A