



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*

August 28, 2024

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Agenda

- 1** Q2'24 Financial Statements
- 2** Research & Development Plan
- 3** Business Overview & Market Outlook
- 4** Q & A



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Q2'2024 Financial Statement

Q2'24 Financial Results Summary

Thousand NT\$

Account \ Item	Q2'24		Q1'24		Comparison		Q2'23		Comparison	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	2,337,549	100.0	2,359,653	100.0	-22,104	-0.9	1,880,837	100.0	456,712	24.3
Gross Profit	382,958	16.4	374,978	15.9	7,980	2.1	132,211	7.0	250,747	189.7
Operating Income	289,964	12.4	293,963	12.5	-3,999	-1.4	69,740	3.7	220,224	315.8
EBITDA	601,316	25.7	716,565	30.4	-115,249	-16.1	545,506	29.0	55,810	10.2
Non-Operating Income(Expenses)	54,323	2.3	140,838	6.0	-86,515	-61.4	179,404	9.5	-125,081	-69.7
Tax Benefit (Expenses)	-60,814	-2.6	-86,960	-3.7	26,146	-	-18,236	-1.0	-42,578	-
Net Income	283,473	12.1	347,841	14.7	-64,368	-18.5	230,908	12.3	52,565	22.8
Earning Per Share (NT\$)	0.64		0.79		-0.15		0.52		0.12	
Book Value Per Share	26.24		25.94		0.30		26.71		-0.47	

Quarterly Profit Comparison

Thousand NT\$

Item Account	Q2'24		Q1'24		Comparison		Q2'23		Comparison	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	2,337,549	100.0	2,359,653	100.0	-22,104	-0.9	1,880,837	100.0	456,712	24.3
Costs Of Goods Sold	1,954,591	83.6	1,984,675	84.1	-30,084	-1.5	1,748,626	93.0	205,965	11.8
Gross Profit	382,958	16.4	374,978	15.9	7,980	2.1	132,211	7.0	250,747	189.7
SG&A Expenses	27,979	1.2	23,889	1.0	4,090	17.1	21,876	1.2	6,103	27.9
R & D Expenses	65,015	2.8	57,126	2.4	7,889	13.8	40,595	2.2	24,420	60.2
Operating Income	289,964	12.4	293,963	12.5	-3,999	-1.4	69,740	3.7	220,224	315.8
Non-Operating Income(Expenses)	54,323	2.3	140,838	6.0	-86,515	-61.4	179,404	9.5	-125,081	-69.7
Income before Tax	344,287	14.7	434,801	18.4	-90,514	-20.8	249,144	13.2	95,143	38.2
Tax Benefit (Expenses)	-60,814	-2.6	-86,960	-3.7	26,146	-	-18,236	-1.0	-42,578	-
Net Income	283,473	12.1	347,841	14.7	-64,368	-18.5	230,908	12.3	52,565	22.8
Earnings Per Share(NT\$)	0.64		0.79		-0.15		0.52		0.12	
Book Value Per Share	26.24		25.94		0.30		26.71		-0.47	

Q2'24 VS Q1'24 Results Comparison

Thousand NT\$

Account	Q2'24		Q1'24		Comparison		Remarks
	Amount	%	Amount	%	Amount	%	
Net Sales	2,337,549	100.0	2,359,653	100.0	-22,104	-0.9	The revenue decreased due to quantity decreased and the OEM price increased (the favorable exchange rate and product mix).
Gross Profit	382,958	16.4	374,978	15.9	7,980	2.1	Q2'24 gross profit increased 2.1% · mainly due to the OEM price increased.
Operating Expenses	92,994	4.0	81,015	3.4	11,979	14.8	Q2'24 operating expenses increased NT\$11,979 thousand.
Operating Income	289,964	12.4	293,963	12.5	-3,999	-1.4	Q2'24 operating income decreased NT\$3,999 thousand mainly due to the gross profit increased NT\$7,980 thousand, operating expenses increased NT\$11,979 thousand.
Net Income	283,473	12.1	347,841	14.7	-64,368	-18.5	Net income decreased NT\$64,368 thousand mainly due to the OP income decreased NT\$3,999 thousand, interest revenue decreased NT\$2,558 thousand, exchange gain decreased NT\$84,502 thousand, and income tax decreased NT\$26,146 thousand.

Cash Flow



1H'24 Cash Flow

Thousand NT\$

Item

Q2'24

Q1'24

Cash Flows from Operating Activities

Capital Expenditures

Financial Activities & Others

-309,354

-47,505

869,203

4,623,193

4,559,135

643,010

226,193

-167,701

-141,653

4,559,135

-27,023

-20,482

5,071,479

5,071,479

4,623,193

475,309

84,540

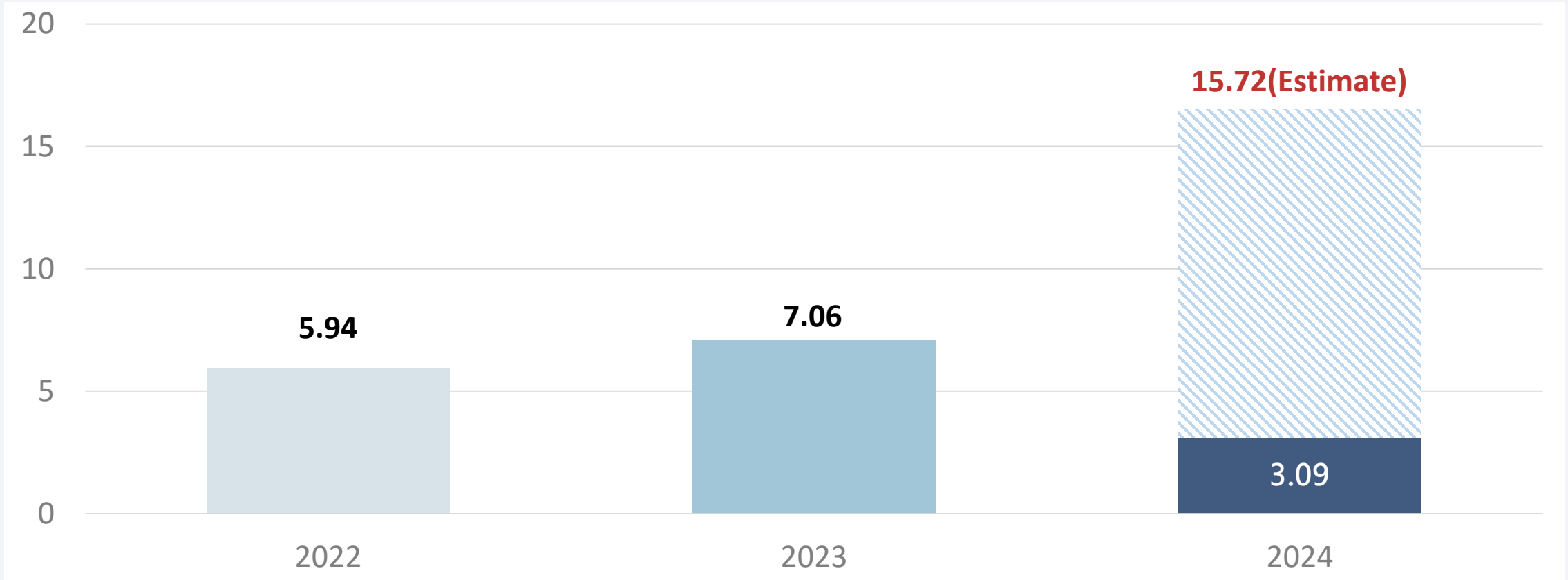
2024/1/1
Beginning
Balance

2024/6/30
Ending
Balance

1H'24 Free Cash Flow NT\$559,849 Thousand

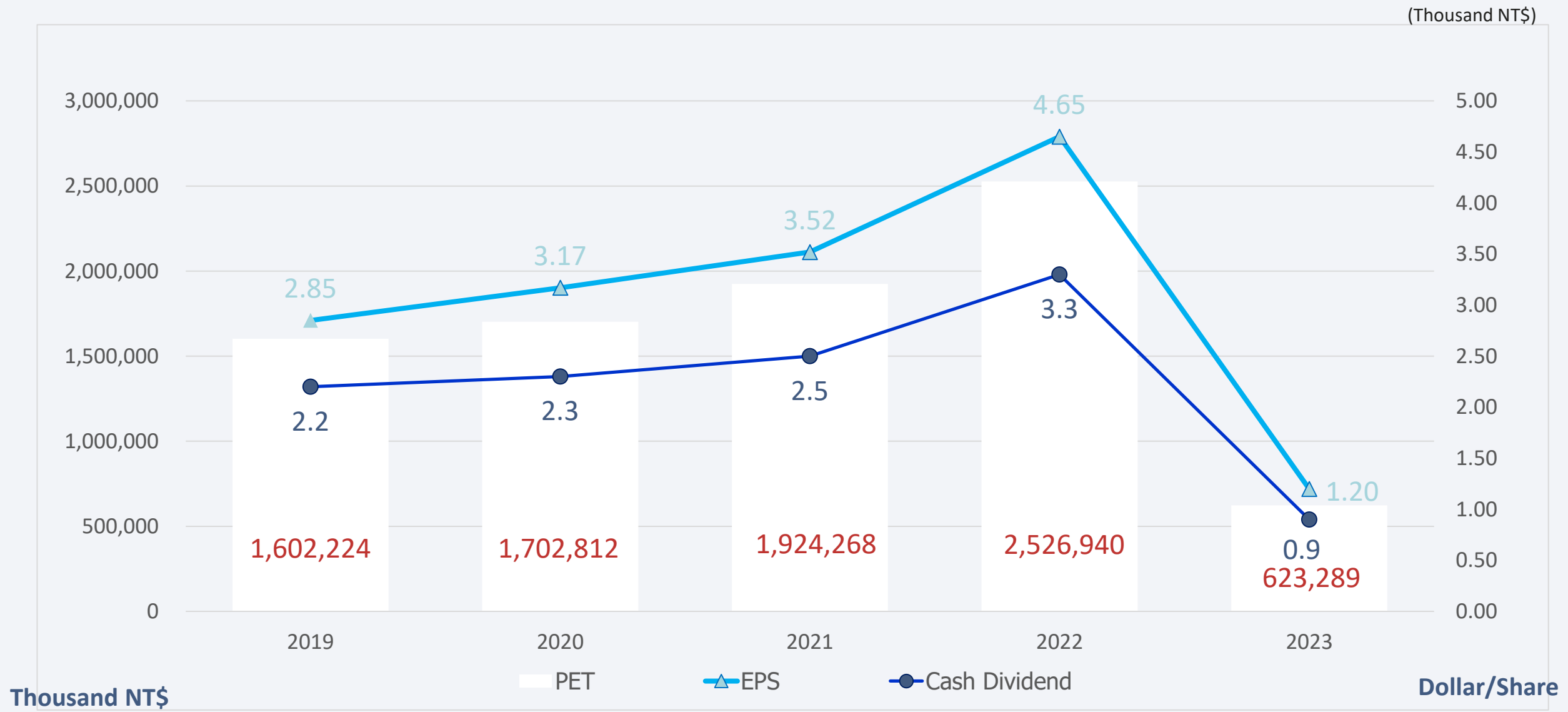
CAPEX

NTD 100 million



- The estimated CAPEX for 2024 will be NT\$ 1.572 billion.
- The actual CAPEX for 1H'24 was NT\$ 0.309 billion.

PET, EPS and CASH DIVIDEND 2019-2023





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*Research
&
Development Plan*

Research & Development Plan

Development of Wafer Bumping and TSV Reveal Technologies:

1

In response to the trend of terminal products becoming lighter, thinner, energy-saving and versatile in applications. We will extend to Bumping, Redistribution Layer (RDL) and TSV Reveal technologies to enhance competitiveness.

2

In response to the trend of memory becoming higher capacity and higher speed, we are actively developing TSV Reveal process and stacking packaging technology toward high density DDR5 server products.



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*Business Overview
&
Market Outlook*

Business Overview

1

Major suppliers have adjusted capacity to prioritize the expansion of HBM and DDR5, which is beneficial to the normalization of market inventory. The application of AI is gradually introduced and the memory capacity is increased, which will drive the demand for high-end memory to grow. The memory industry has slightly recovered in the first half of 2024. However, affected by consumer electronics market, IC assembly and test OEM demand remain conservative in the short term.

2

The traditional PC and NB market have matured, and the OEM demand for standard memory modules is relatively stable.

In the first half of 2024, affected by the overall economic unfavorable, the OEM demand for RGB DIMM has slowed down.

3

In response to the development of memory products towards high speed and high capacity, we continue to develop technologies such as flip chip, bumping, RDL, and TSV.

Market Outlook

1

The non-HBM/DDR5 market demand was slightly sluggish in Q3. However, driven by the capacity constraints of suppliers and the application of AI, it is expected that the overall market supply and demand will gradually normalize in 2024. However, the overall market demand is still conservative, and the demand for assembly and test OEM is not likely to increase significantly in the short term. Factors such as geopolitical risks, US-China technology competition and regional economic weakness continue to affect the recovery of market demand.

2

The widespread application of AI has encouraged cloud companies to expand capital expenditures, and demand for high-end servers continue to grow. The successive launch of AI application such as AI mobile phone and AI PC is expected to drive increased demand for memory. The market demand for DDR5 is growing, and with customers promoting high-end memory products, the demand for assembly and test OEM just little change in the short term, but is expected to gradually increase in the future.

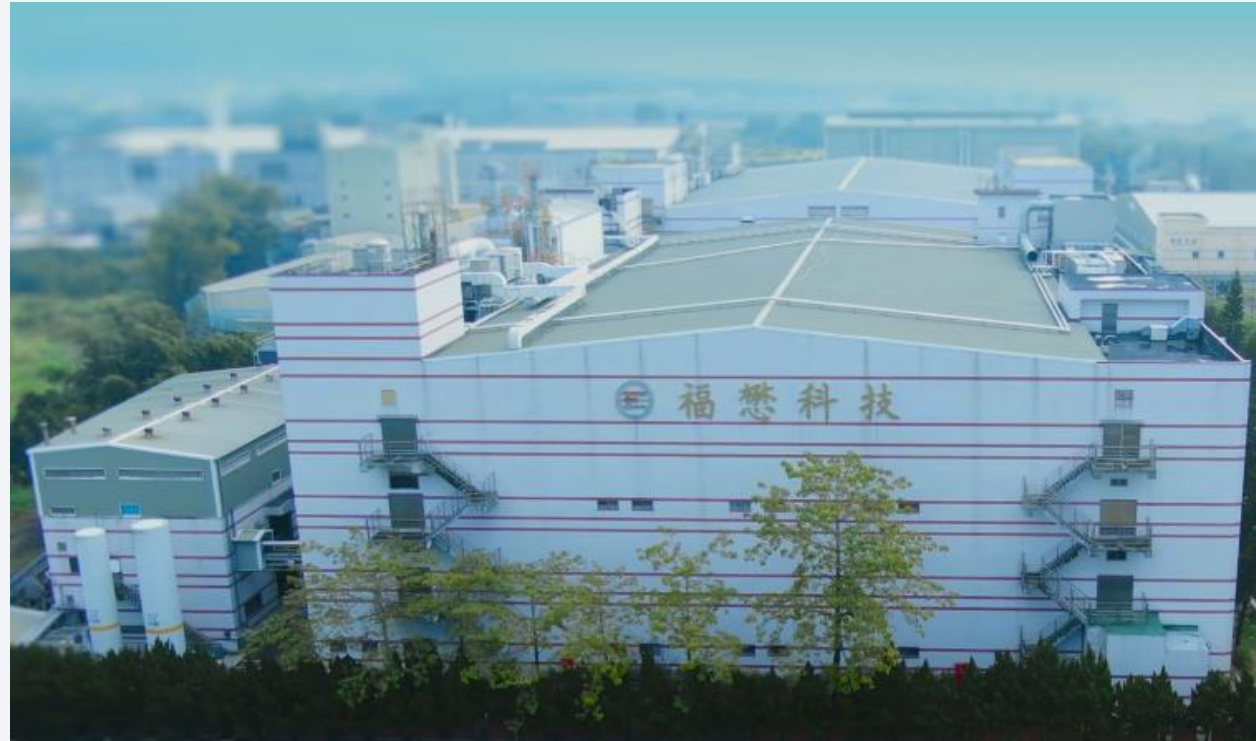
3

The market demand for RGB DIMM is still weak, but the proportion of DDR5 is gradually increasing. Q4 has entered the traditional peak season. Driven by the promotion of e-commerce sales and equipment replacement, module OEM demand is expected to grow moderately.



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Q & A