

WT MICROELECTRONICS 文暉科技



2021 Fourth Quarter Investor Conference

February 24, 2022

Safe Harbor Statement

- WT's forward-looking statements, which may include statements regarding its results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on WT's current expectations.
- Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical nature of our industry; our dependence on introducing new products on a timely basis; our dependence on growth in the demand for our products; our ability to compete effectively; our dependence on key personnel; general economic and political conditions; possible disruptions in commercial activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates.
- In addition, any financial information contained here within is presented in conformity with International Financial Reporting Standards (IFRSs).
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Agenda

- 1. Overview**
- 2. Financial Update**
- 3. Business Outlook**
- 4. ESG Highlights**
- 5. Questions and Answers**

1. Overview

A leading Asian semiconductor distributor (73% of global market)

- Founded in 1993
- Headquartered in TWN
- Listed in 2000
(ticker: 3036 TT)
- Top 500 Asia High Growth (FT)
- Top 5% Governance (TWSE)
- Taiwan High Salary 100 Index (TWSE)

US\$16B

NR 34% YoY

#8000

Customers

#80

Product Lines

#2500

**Employees
around Asia**

#45 / #5

**Offices /
Warehouses**

#29B

**Delivered Chips
annually**

2. Financial Update

Statement of Comprehensive Income

Unit: NT\$M

Key accounts	4Q21	3Q21	QoQ	4Q20	YoY	Y2021	Y2020	YoY
	Amount	Amount		Amount		Amount		
Net Operating revenues	129,049	119,105	8%	109,090	18%	447,896	353,152	27%
Gross profit	4,706	4,612	2%	3,031	55%	16,986	10,775	58%
Gross margin	3.65%	3.87%		2.78%		3.79%	3.05%	
Operating expenses	(1,766)	(1,696)	4%	(1,463)	21%	(6,429)	(5,458)	18%
Operating income	2,940	2,916	1%	1,568	88%	10,557	5,316	99%
Operating margin	2.28%	2.45%		1.44%		2.36%	1.51%	
Financing costs	(221)	(187)	18%	(159)	39%	(715)	(991)	-28%
Others	16	251	-94%	172	-91%	338	474	-29%
Earning before tax	2,735	2,980	-8%	1,581	73%	10,180	4,799	112%
Income tax expense	(654)	(700)	-7%	(343)	91%	(2,325)	(1,004)	132%
Profit after tax	2,108	2,304	-9%	1,238	70%	7,923	3,795	109%
EPS (in dollars)	2.66	2.85		1.57		9.96	5.22	
Weighted average shares (M shares)	793	789		788		790	727	
Pro forma EPS (in dollars)	2.63	2.82		1.57		9.80	4.81	
Outstanding shares as of period end (M shares)	803	798		788		803	788	

2. Financial Update

Balance Sheet

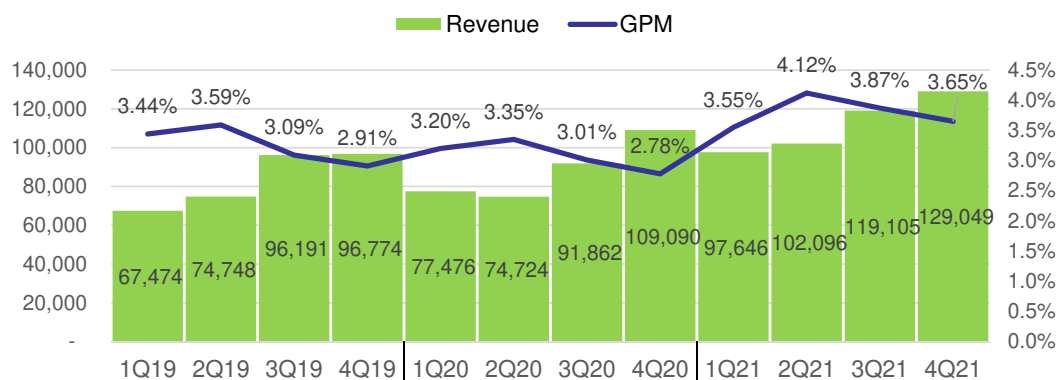
Unit: NT\$M

Key accounts	4Q21		3Q21		4Q20	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	4,680	3	4,364	3	3,627	3
Accounts receivable	75,462	44	75,437	44	60,850	46
Inventory	66,524	38	65,811	39	44,314	34
Other current assets	2,470	1	2,409	1	2,301	2
Non-current assets	24,213	14	22,041	13	19,918	15
Total Assets	173,349	100	170,062	100	131,010	100
Short-term loans	35,624	21	37,042	22	24,062	18
Accounts payable	69,809	40	72,993	43	54,946	42
Other current liabilities	5,149	3	4,072	2	3,605	3
Long-term loans	7,750	4	5,003	3	800	1
Other liabilities	1,157	1	1,147	1	1,480	1
Total Liabilities	119,489	69	120,257	71	84,893	65
Total Equity	53,860	31	49,805	29	46,116	35
Indices	4Q21		3Q21		4Q20	
Current ratio	135%		130%		134%	
Debt/Assets ratio	69%		71%		65%	
Debt/Equity ratio	222%		241%		184%	
Gearing ratio	0.72		0.76		0.46	

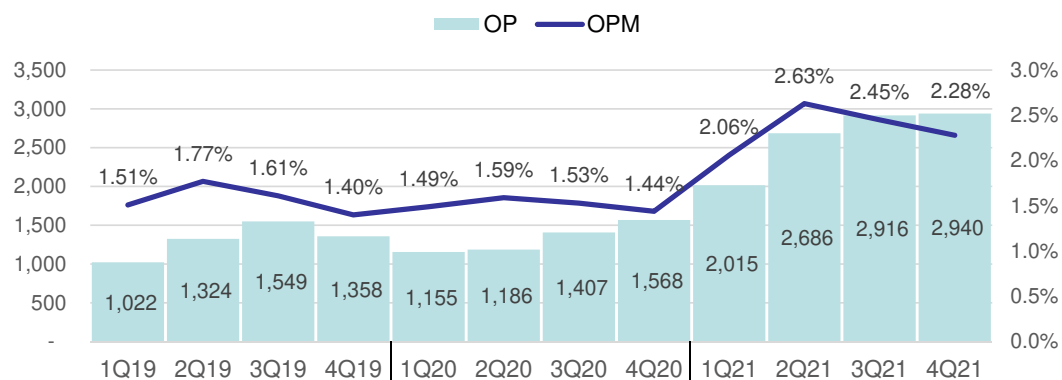
2. Financial Update

Unit: NT\$M

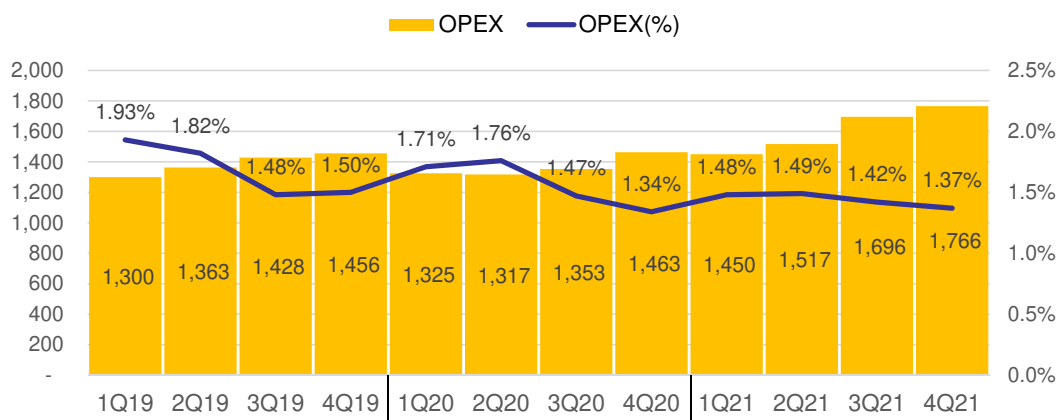
Revenue vs. GPM



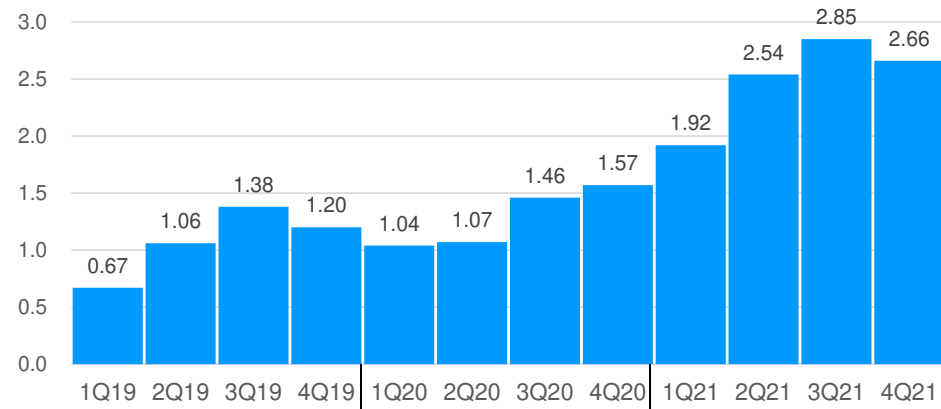
OP vs. OPM



OPEX vs. OPEX ratio



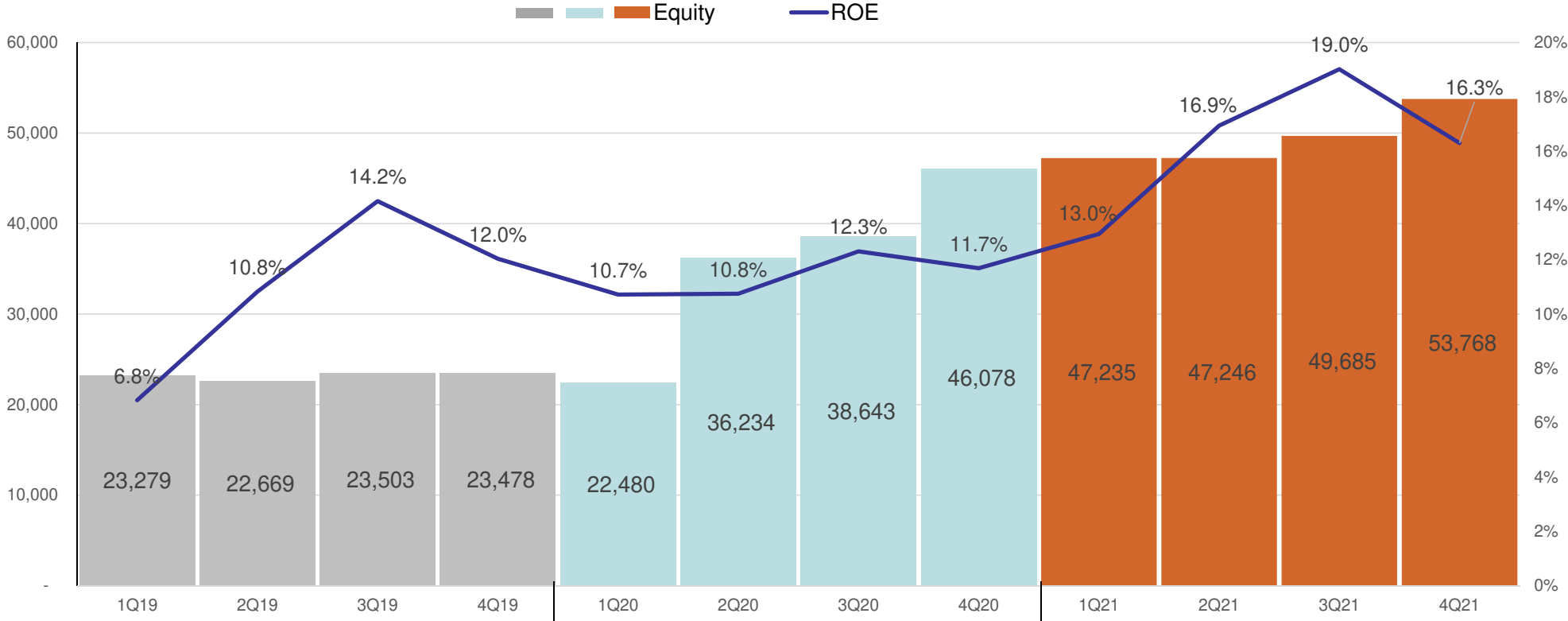
EPS (NTD)



2. Financial Update

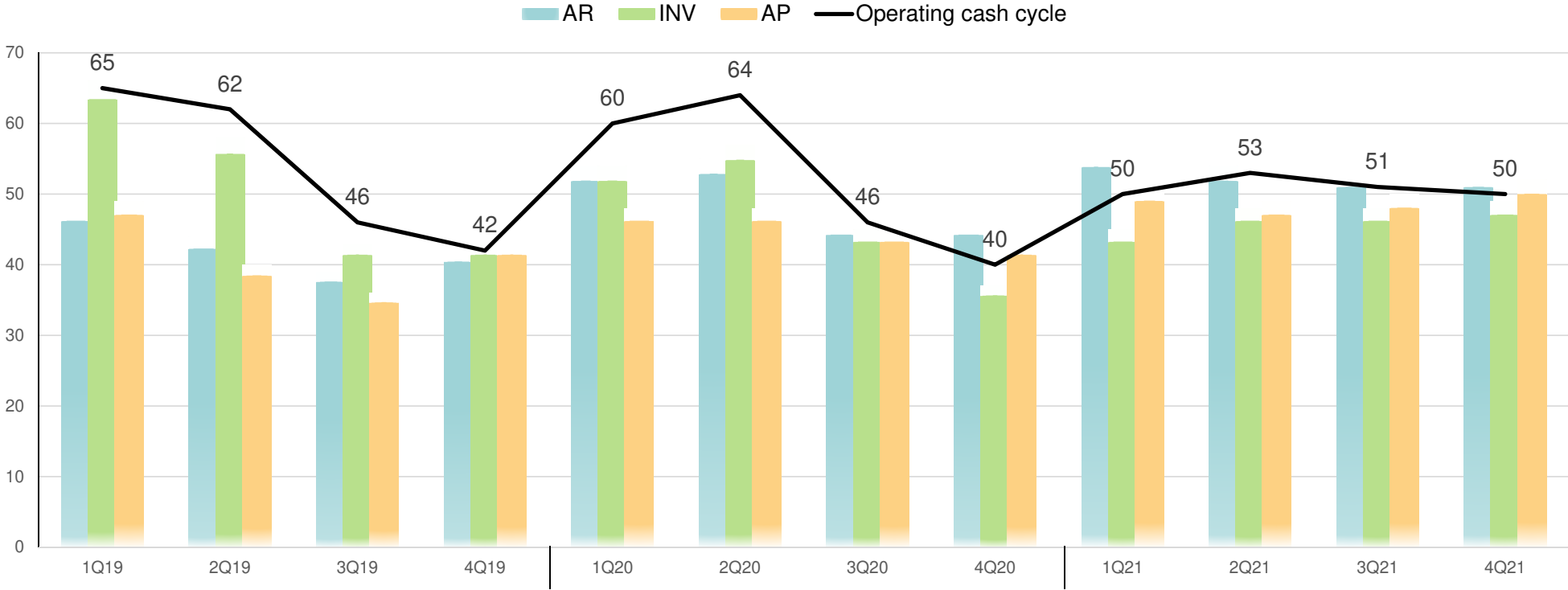
ROE vs. Equity

Unit: NT\$M



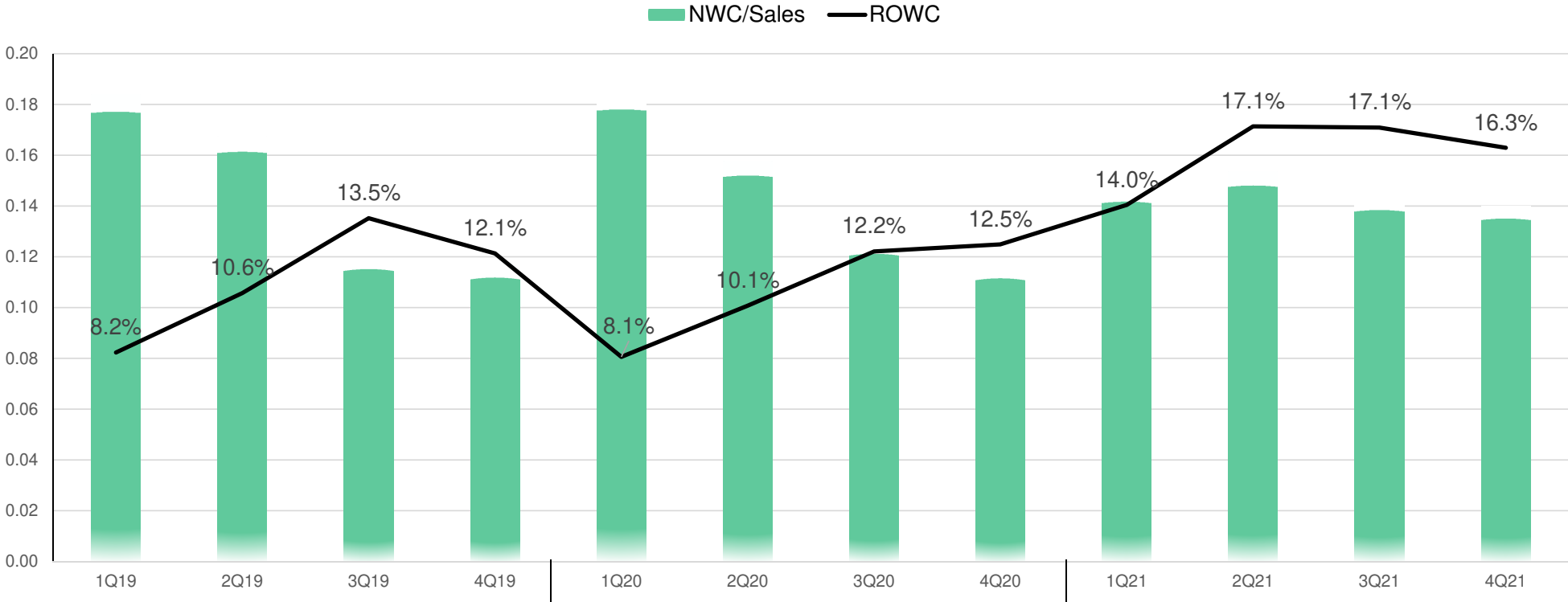
2. Financial Update

Operating Cash Cycle



2. Financial Update

ROWC vs. NWC/Sales



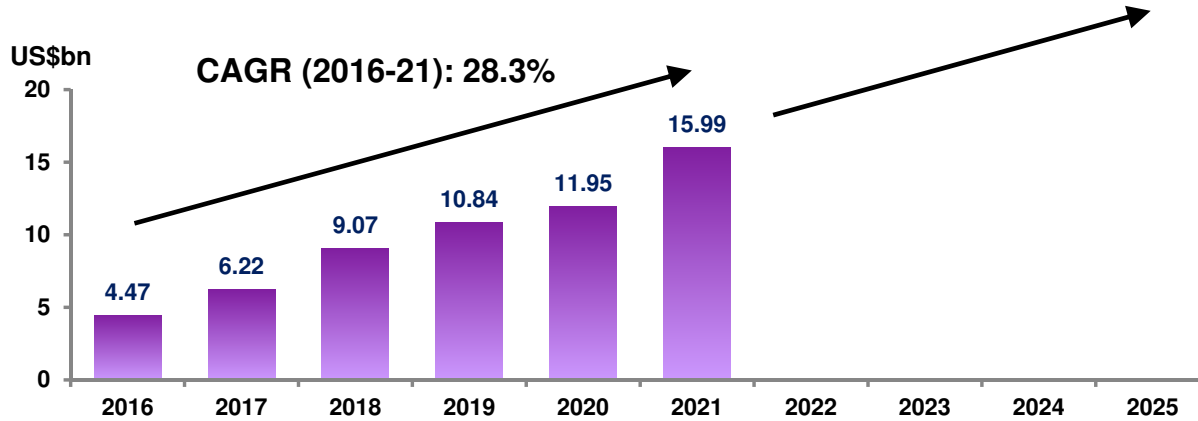
3. Business Outlook

We currently expect 1Q22 :

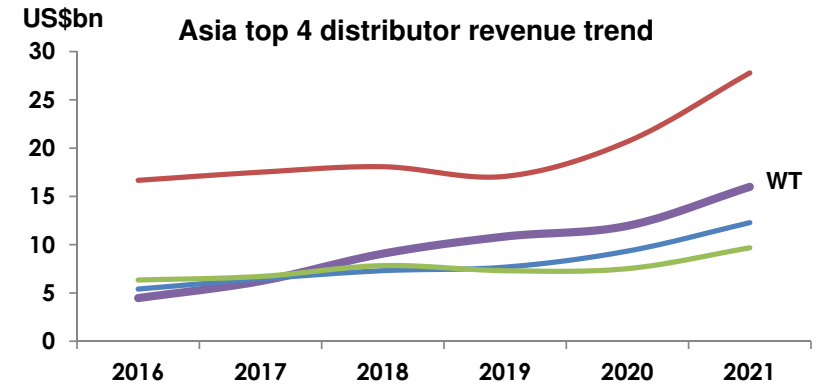
- Revenue : between NT\$115 billion ~ NT\$121 billion, at a forecast exchange rate of 27.8 NT Dollars to 1 US Dollar
- Revenue mid-point guidance: 9% QoQ decrease and 21% YoY growth
- Gross profit margin : between 3.75% ~ 3.95%
- Operating profit margin : between 2.25% ~ 2.45%

3. Business Outlook

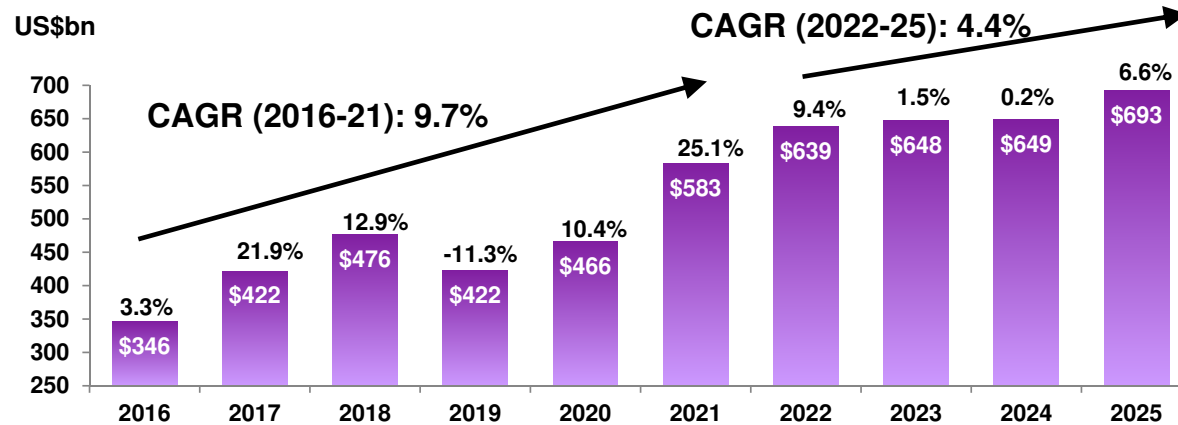
WT Revenue Trend



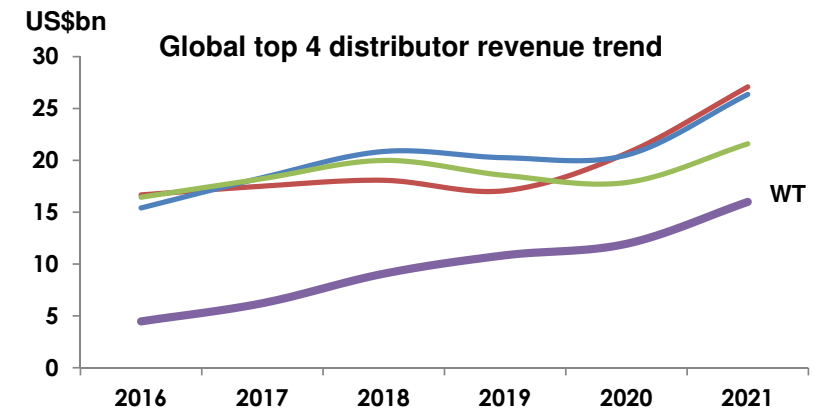
WT ranks Asia No. 2



World Semi Revenue Forecast



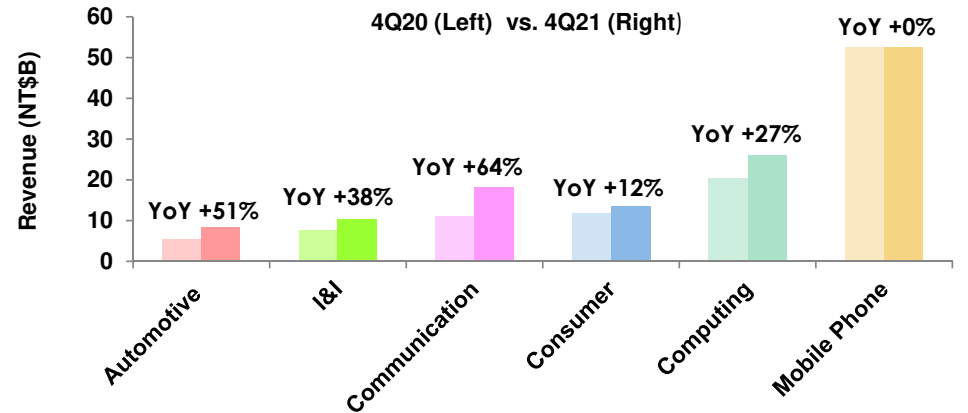
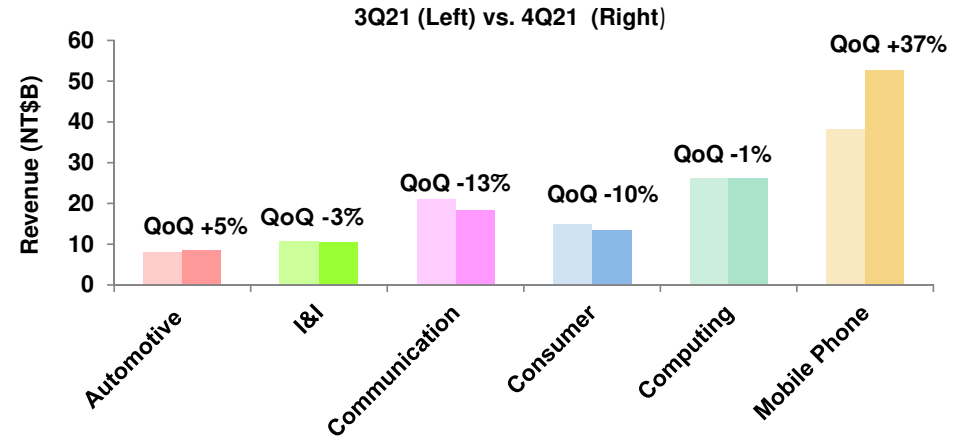
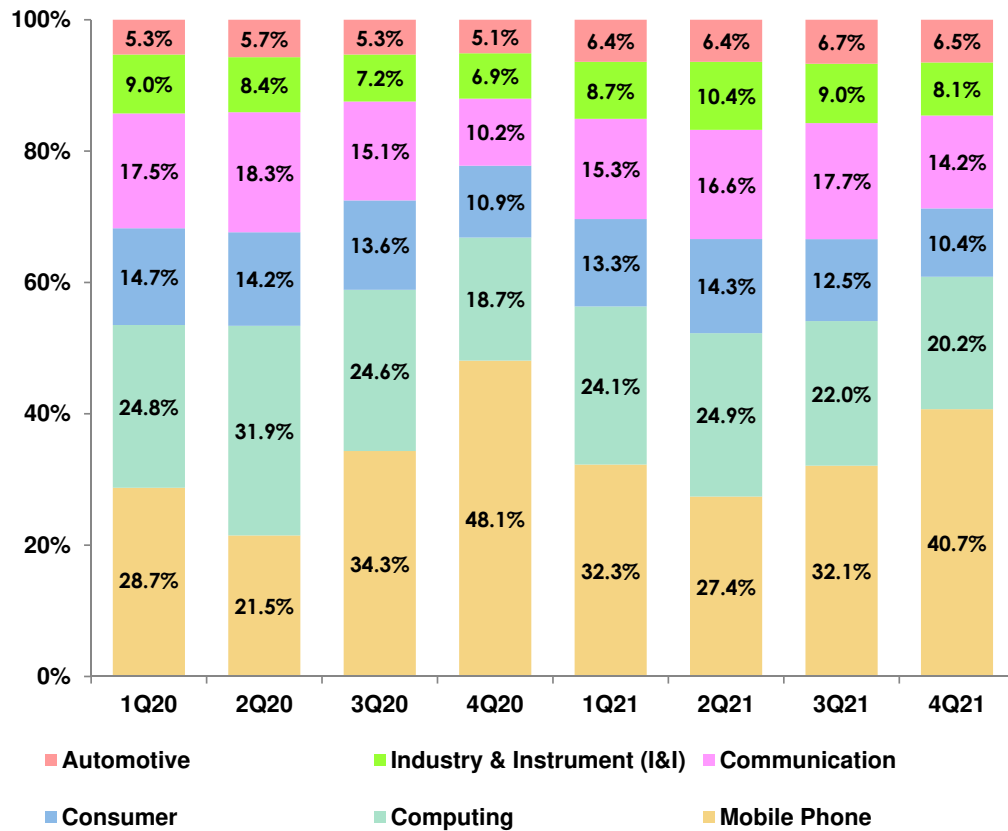
WT ranks Global No. 4



Source : Gartner, 2021/12

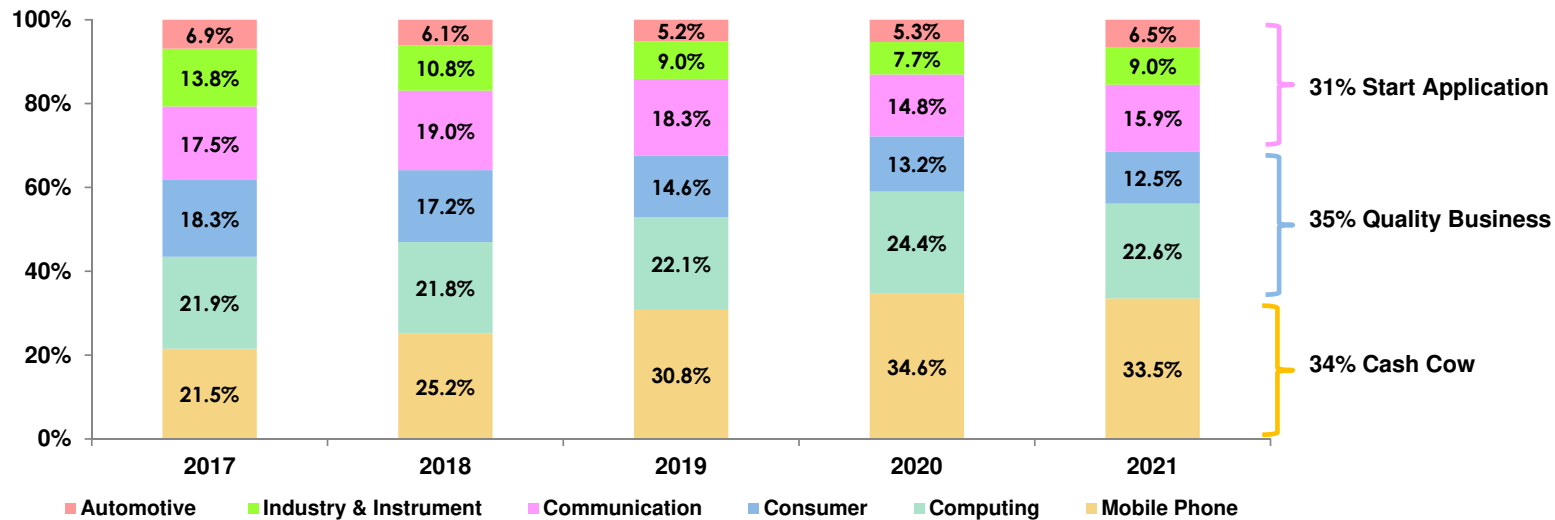
3. Business Outlook

Revenue breakdown by application



3. Business Outlook

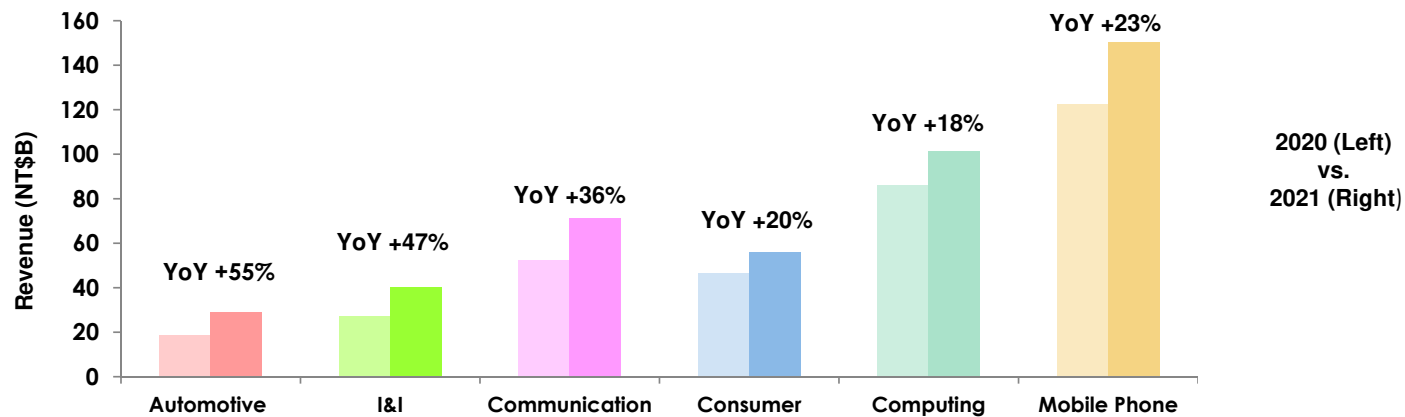
Revenue breakdown by application



Semiconductor Market

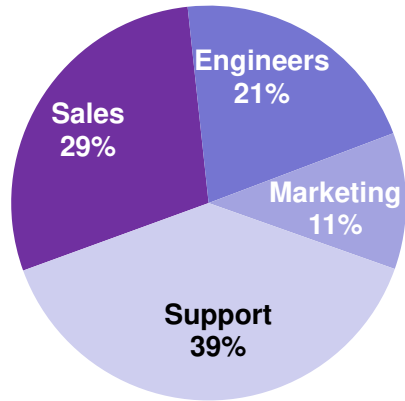
2022-25F semiconductor segment revenue CAGR (Gartner forecast, December 2021):

- ✓ Automotive: +12.5%
- ✓ Industrial: +8.3%
- ✓ Communication: +4.4%
- ✓ Consumer: +4.0%
- ✓ Computing: +2.6%
- ✓ Mobile Phone: +2.3%



3. Business Outlook

Unrivalled Technical Service



Dedicated, technical-driven approach to drive demand creation & business growth



Superior engineering team to provide Total solution, system level design services with broad technology

Experienced, dedicated engineers to support component level suggesting and consulting

Board level debugging service, prototype validation and manufacturing assistance

3. Business Outlook

Digitize Supply Chain Management

Extensive use of Digital Technology to optimize Supply Chain Management and drive down Opex ratio (2019: 1.66% → 2020: 1.55% → 2021: 1.44%)



Better Customer Services

- Expand B2B/EDI services to customers
- On-line supply chain & technical services

Improve Operational Efficiencies

- Introduce new automatic tools & processes to eliminate manual tasks

Support Business Decisions

- Big database for business trend analysis
- Visualize data into dashboard & reports for better visibility

4. ESG Highlights

➤ ESG Performance

- ✓ Sustainability – 10.45 score (Rank No. 4 of 416 TW listed corporates)
- ✓ FTSE Russell – 3.2 score (Rank No. 62 of 440 TW listed corporates)

➤ Environmental Sustainability

- ✓ Greenhouse Gas (GHG) Emissions data certificated by third independent party
- ✓ Advocacy for the Paris Agreement

➤ Social Significance

- ✓ Ability of WFH during pandemic and donation for the community
- ✓ WT Education Foundation for rural children

➤ Corporate Governance

- ✓ Awarded the top 5% in governance ranking by TWSE
- ✓ Board member diversity: 43% female and 43% independent director



GHG certification



Pandemic prevention materials donation



Top 5% governance award



Q & A



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