

WT MICROELECTRONICS 文晔科技



# **2021 First Quarter Investor Conference**

**April 27, 2021**

# Agenda

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



# 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).
- Except as required by law, our release of financial forecasts and forward-looking statements at any particular time does not create any duty of disclosure, and we expressly disclaim any obligation to publicly update or revise any forecasts or forward-looking statements, whether as a result of new information, future events or otherwise.



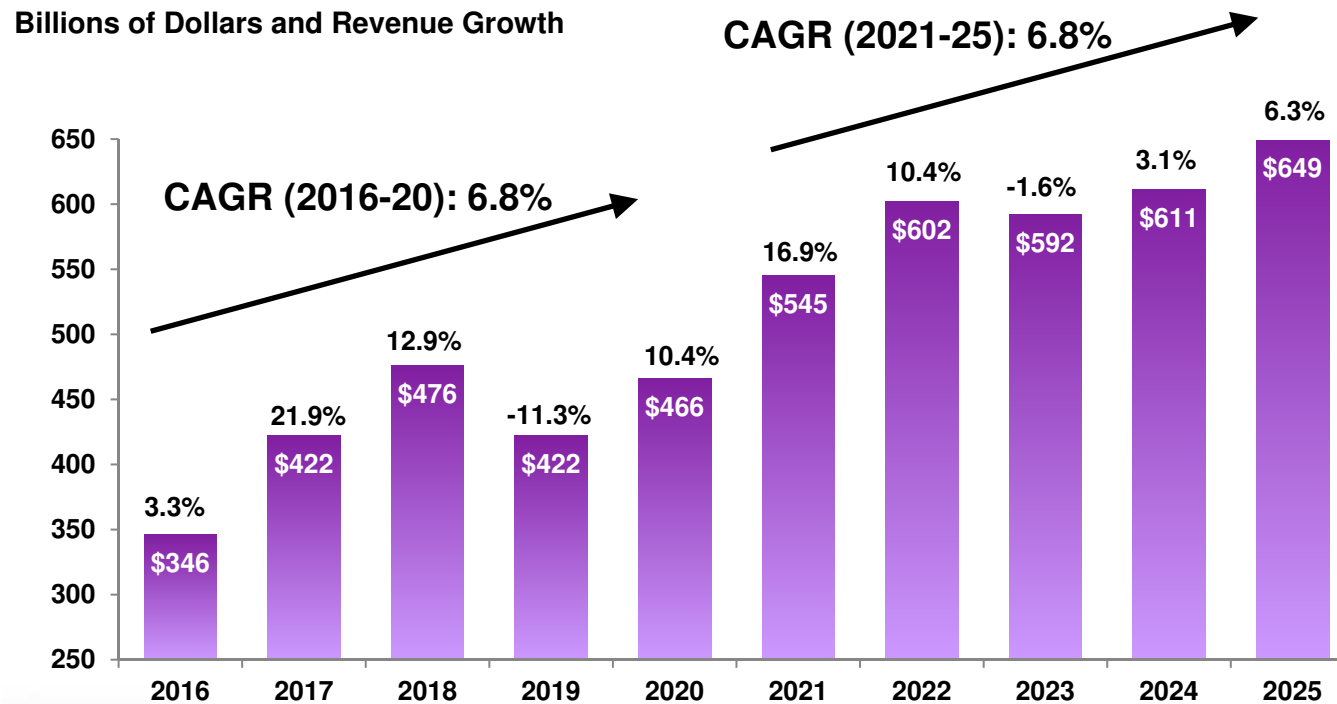
# 1. Overview

- A leading Asian semiconductor distributor, founded in 1993 and listed in 2000 (ticker: 3036 TT), providing supply chain management such as capital flow, information flow, inventory, and technical support
- Sophisticated frameworks in Asia (total 45 offices in China, Taiwan, Korea, and S.E.Asia & India; total 5 warehouses in Taiwan, HK, Shenzhen China, Korea, and Singapore) to cover over 8,000 customers
- Over 2,300 headcounts (over 650 sales, 250 PMs, and 450 FAEs)
- Digital Transformation to enhance operation efficiency and reduce expense by intelligent operation management system
- Published Sustainability Reports since 2018 (More details in [2019 WT ESG Report](#))
- 2016-2020 revenues CAGR of 25% and 2020 revenues closed to US\$12bn
- Maintaining sustainable growth by expanding value-added service and market share
- Establishment of a leading and trustworthy brand in distribution industry by core value - Integrity, Discipline and Teamwork with Respect for the Individual



# 1. Overview

## World Semi Revenue Forecast: Strong Growth Continues to Break 600B Milestone in 2022

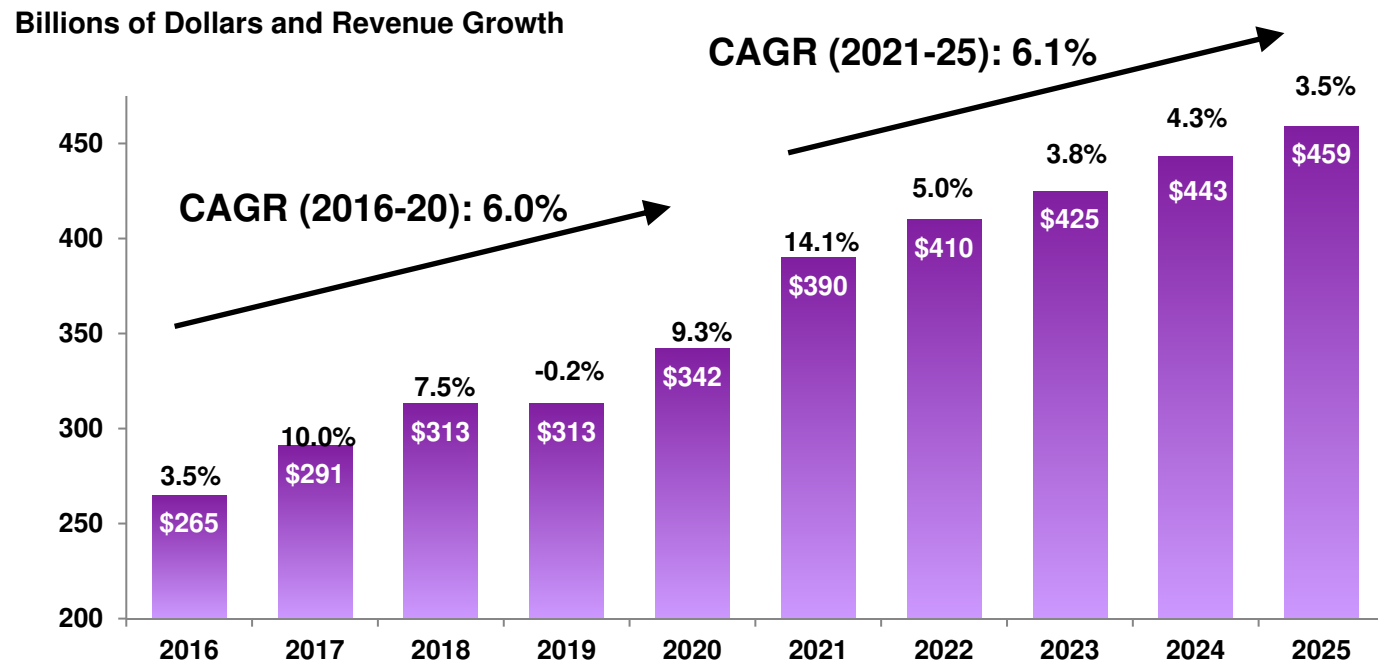


Source : Gartner, 2021/3



# 1. Overview

## Worldwide Non-Memory Semi Revenue Forecast: Strong Growth Continues to Break 400B Milestone in 2022



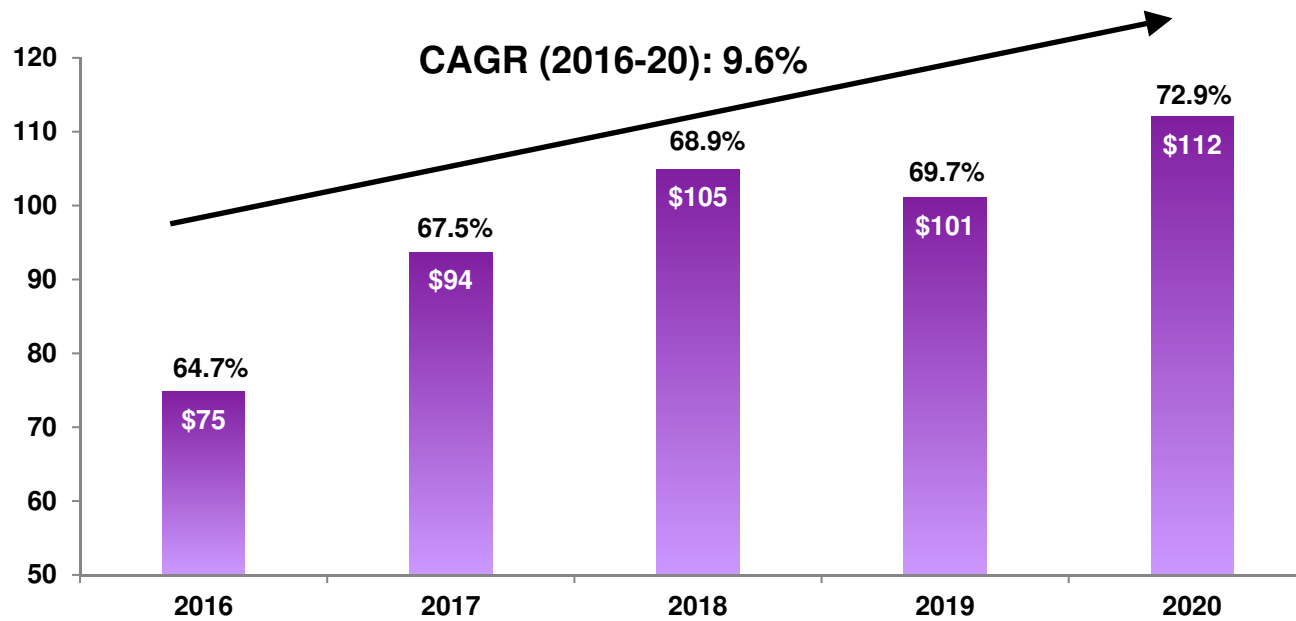
Source : Gartner, 2021/3



# 1. Overview

## Asia (ex-Japan) Semi Distribution Market Continues Outgrowing Global Semi & Semi Distribution Market

Asia/Pacific Distribution Market Revenue and Share of Global Semi Distribution Market

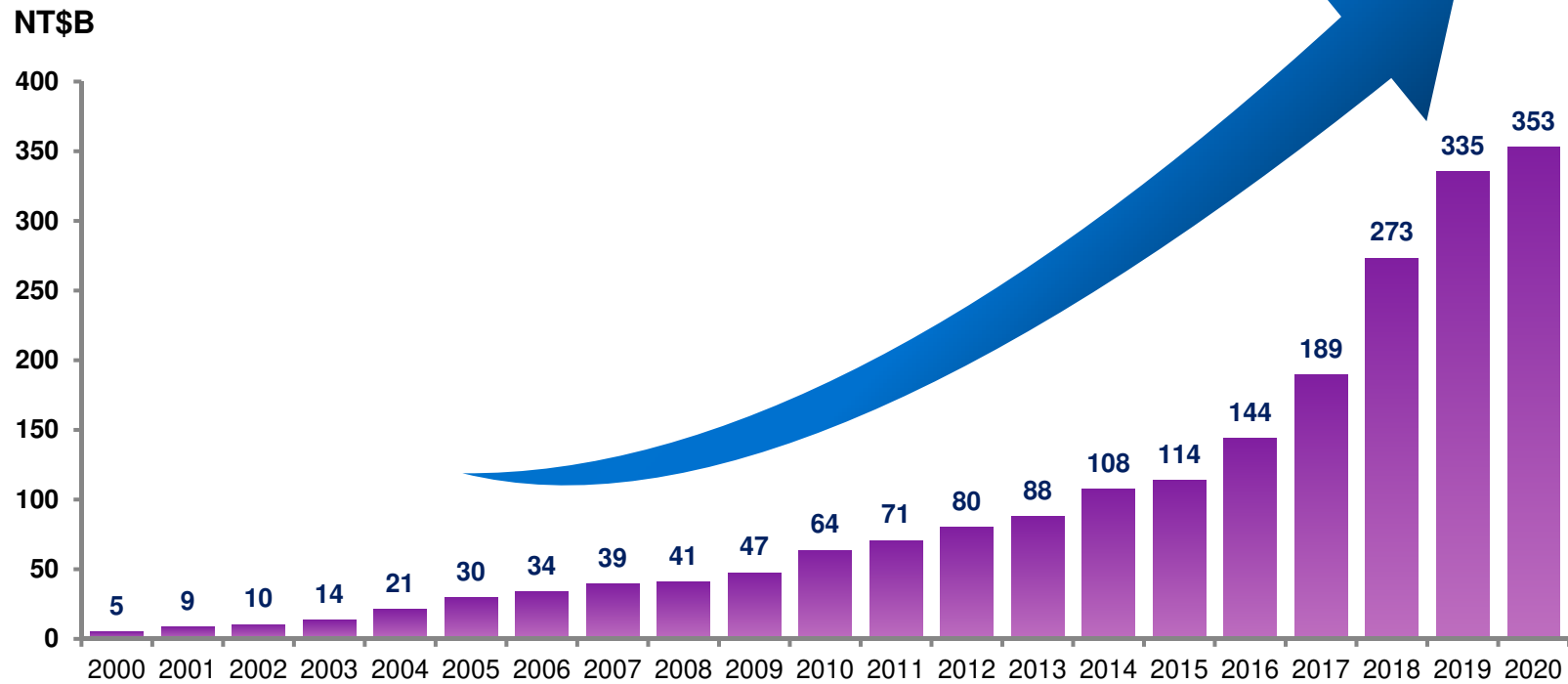


Source : Gartner, 2021/3

# 1. Overview

## NR (Net Revenue)

CAGR(2016-20): 25%

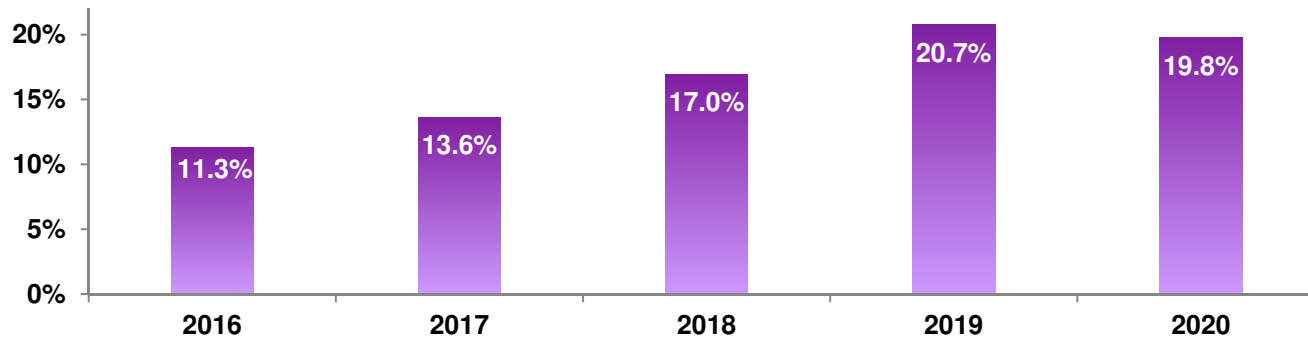




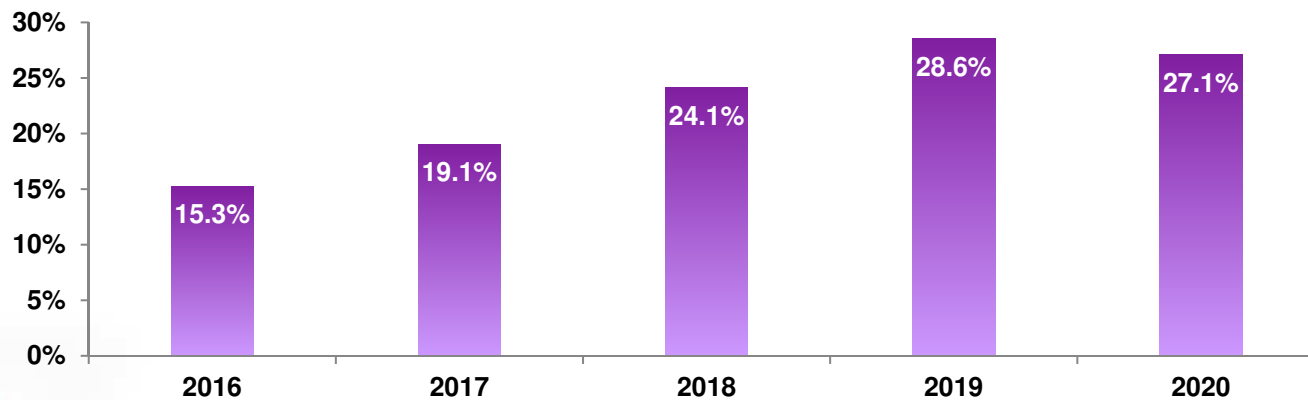
# 1. Overview

## WT Continues Expanding Market Share in Target Competitive Market

WT's Market Share of Top 10 Distributors, Asia/Pacific



WT's Market Share of Top 4 Distributors, Asia/Pacific



Source : Gartner, 2021/3



## 2. Financial Update

### Statement of Comprehensive Income

Unit: NT\$M

Key accounts	1Q21		4Q20		QoQ	1Q20		YoY
	Amount	%	Amount	%		Amount	%	
<b>Net Operating revenues</b>	<b>97,646</b>	<b>100.00%</b>	<b>109,090</b>	<b>100.00%</b>	<b>-10%</b>	<b>77,476</b>	<b>100.00%</b>	<b>26%</b>
<b>Gross profit</b>	<b>3,465</b>	<b>3.55%</b>	<b>3,031</b>	<b>2.78%</b>	<b>14%</b>	<b>2,480</b>	<b>3.20%</b>	<b>40%</b>
Operating expenses	(1,450)	-1.48%	(1,463)	-1.34%	-1%	(1,325)	-1.71%	9%
<b>Operating income</b>	<b>2,015</b>	<b>2.06%</b>	<b>1,568</b>	<b>1.44%</b>	<b>29%</b>	<b>1,155</b>	<b>1.49%</b>	<b>74%</b>
Financing costs	(149)	-0.15%	(159)	-0.15%	-6%	(403)	-0.52%	-63%
Others	32	0.04%	172	0.16%	-81%	34	0.04%	-6%
Earning before tax	1,898	1.94%	1,581	1.45%	20%	786	1.01%	141%
Income tax expense	(402)	-0.41%	(343)	-0.31%	17%	(170)	-0.22%	136%
<b>Profit after tax</b>	<b>1,510</b>	<b>1.55%</b>	<b>1,238</b>	<b>1.13%</b>	<b>22%</b>	<b>616</b>	<b>0.80%</b>	<b>145%</b>
<b>EPS (in dollars)</b>	<b>1.92</b>		<b>1.57</b>			<b>1.04</b>		
<b>Weighted average shares (M shares)</b>	<b>788</b>		<b>787</b>			<b>592</b>		
<b>Pro forma EPS (in dollars)</b>	<b>1.91</b>		<b>1.57</b>			<b>1.04</b>		
<b>Outstanding shares as of 3/31 (M shares)</b>	<b>791</b>		<b>788</b>			<b>593</b>		



## 2. Financial Update

### Balance Sheet

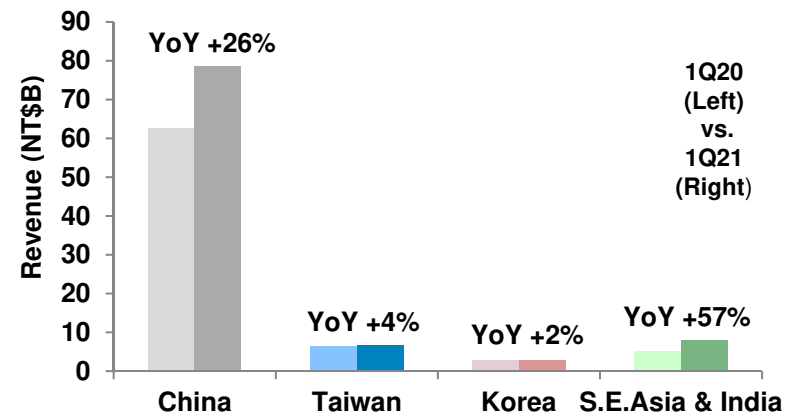
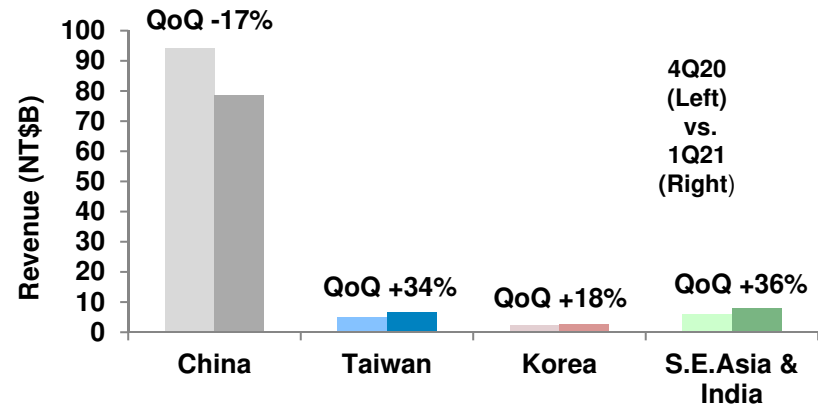
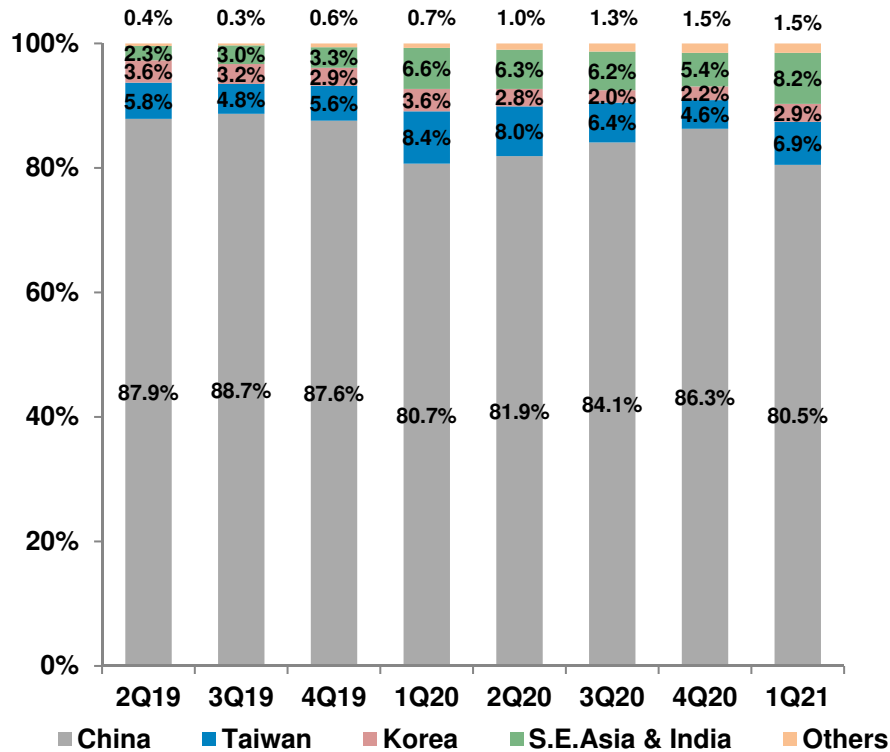
Unit: NT\$M

Key accounts	1Q21		4Q20		1Q20	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	5,297	4	3,627	3	11,800	11
Accounts receivable	58,936	44	60,850	46	46,695	43
Inventory	49,477	37	44,314	34	43,566	40
Other current assets	1,960	-	2,301	2	2,347	1
Non-current assets	19,771	15	19,918	15	5,040	5
<b>Total Assets</b>	<b>135,441</b>	<b>100</b>	<b>131,010</b>	<b>100</b>	<b>109,448</b>	<b>100</b>
Short-term loans	31,662	23	24,062	18	47,059	43
Accounts payable	51,017	38	54,946	42	32,940	30
Other current liabilities	3,608	3	3,605	3	4,783	4
Long-term loans	400	-	800	1	-	-
Other liabilities	1,494	1	1,480	1	2,185	2
<b>Total Liabilities</b>	<b>88,181</b>	<b>65</b>	<b>84,893</b>	<b>65</b>	<b>86,967</b>	<b>79</b>
<b>Total Equity</b>	<b>47,260</b>	<b>35</b>	<b>46,116</b>	<b>35</b>	<b>22,481</b>	<b>21</b>
Indices	1Q21		4Q20		1Q20	
Current ratio	134%		134%		123%	
Debt/Assets ratio	65%		65%		79%	
Debt/Equity ratio	187%		184%		387%	
Gearing ratio	0.57		0.46		1.57	



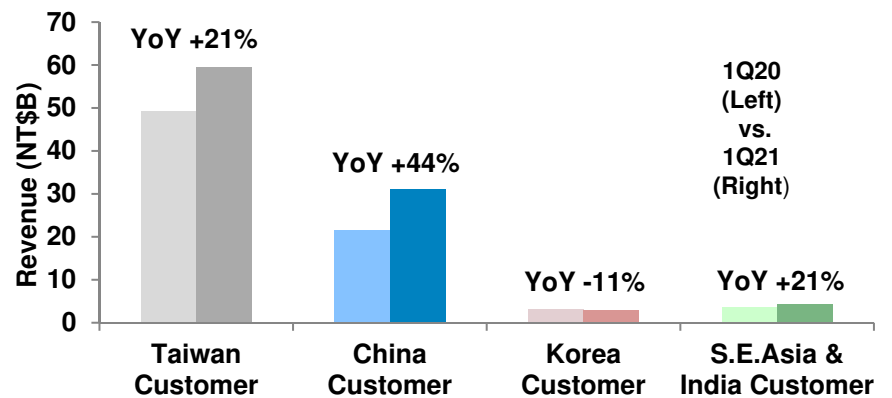
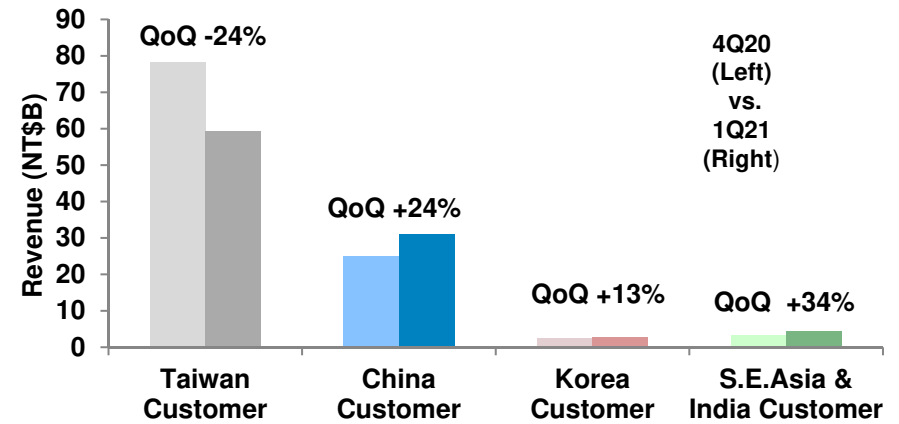
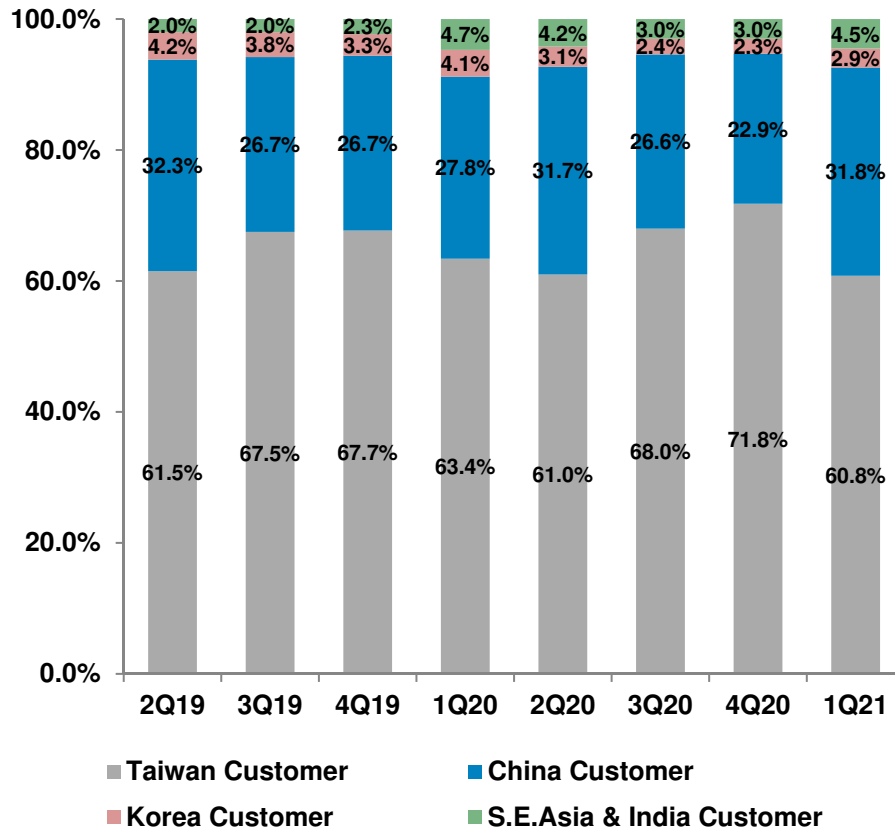
# 2. Financial Update

## NR by Geography (Ship-to Destination)



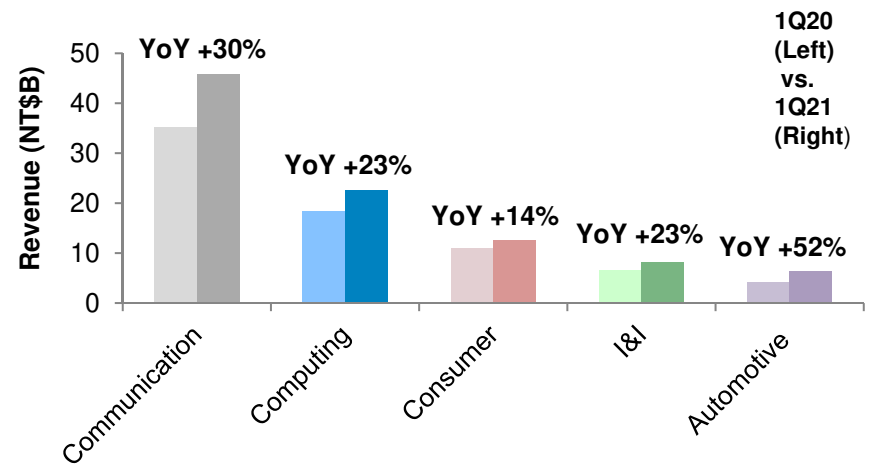
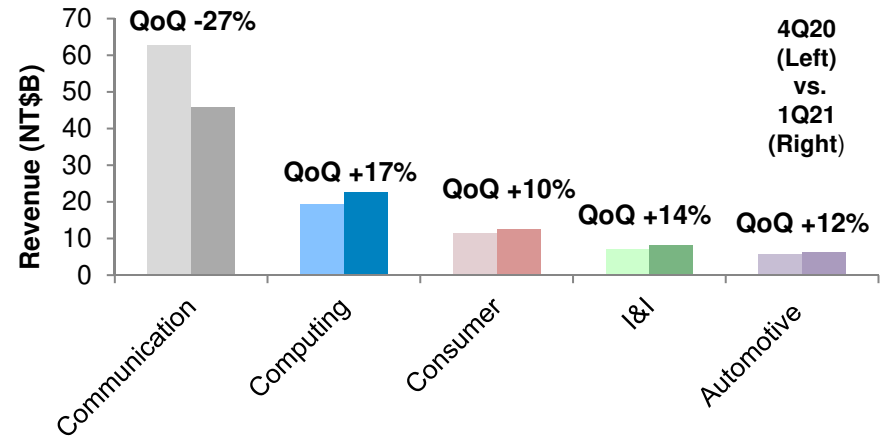
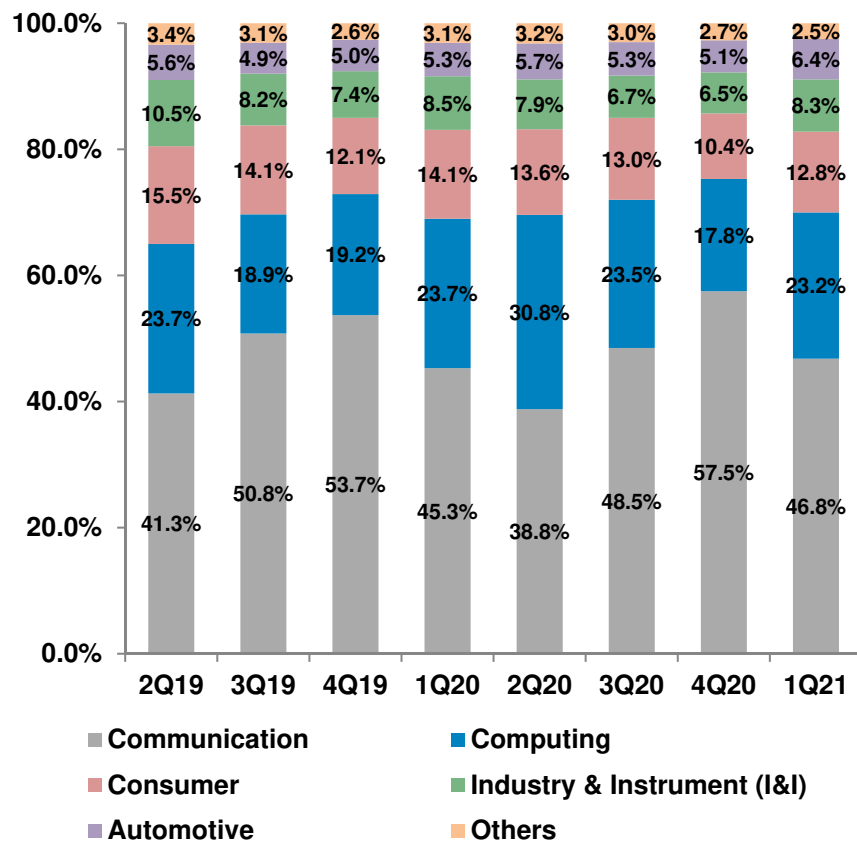
# 2. Financial Update

## NR by Customer Base



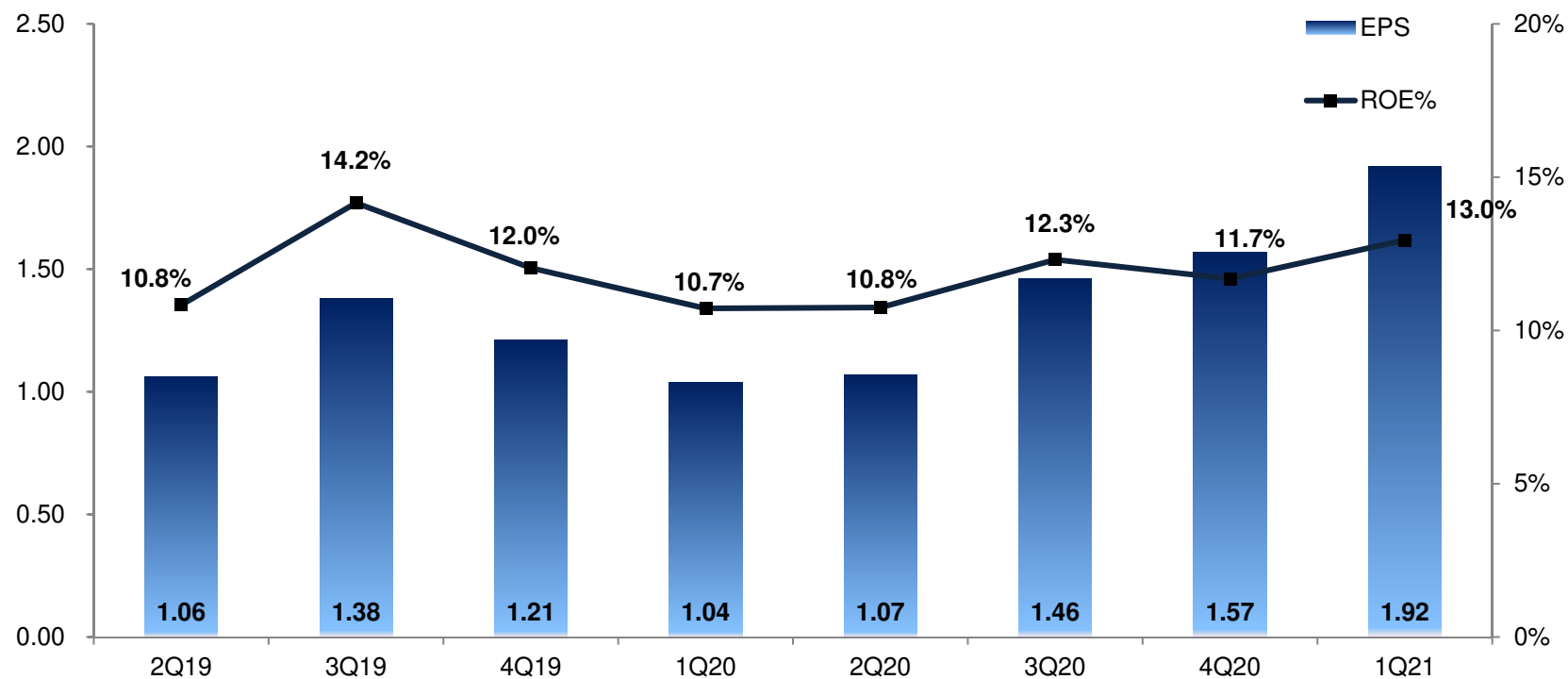
# 2. Financial Update

## NR by Application



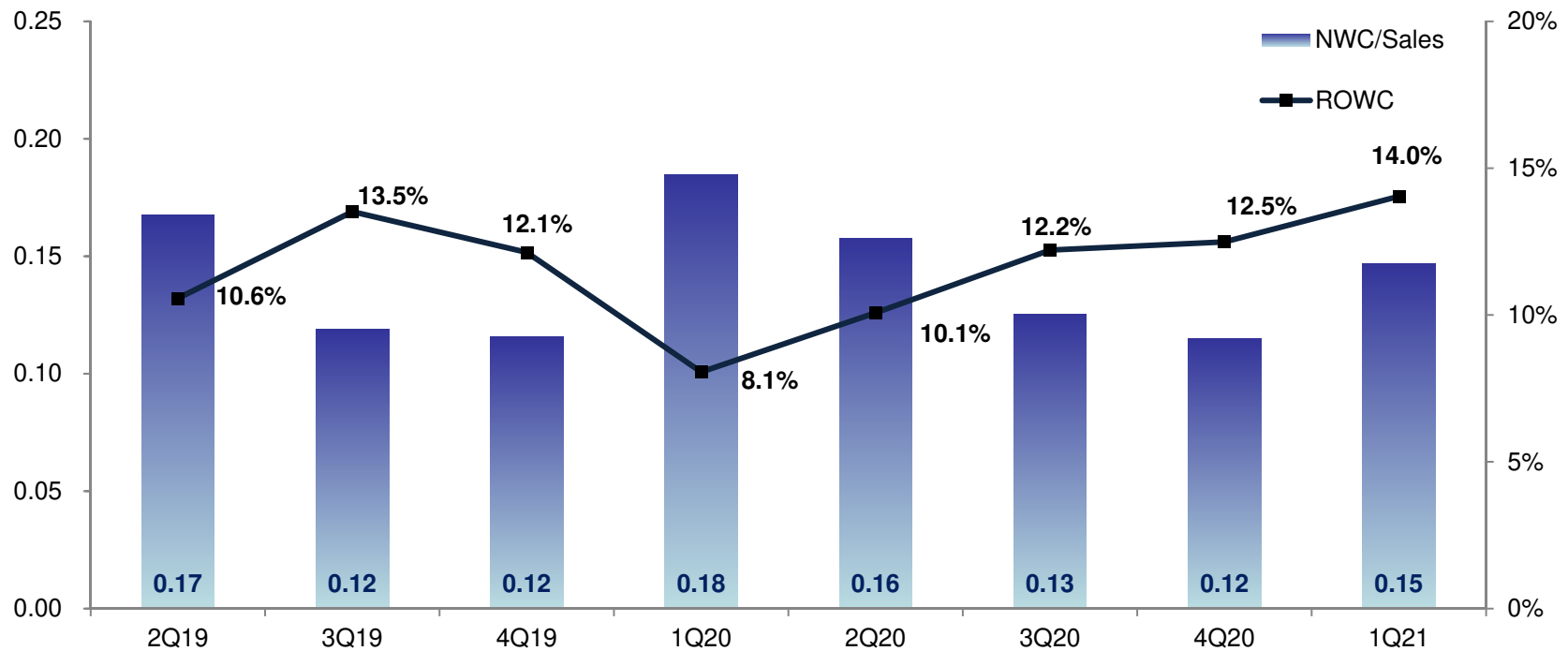
## 2. Financial Update

### ROE vs. EPS



## 2. Financial Update

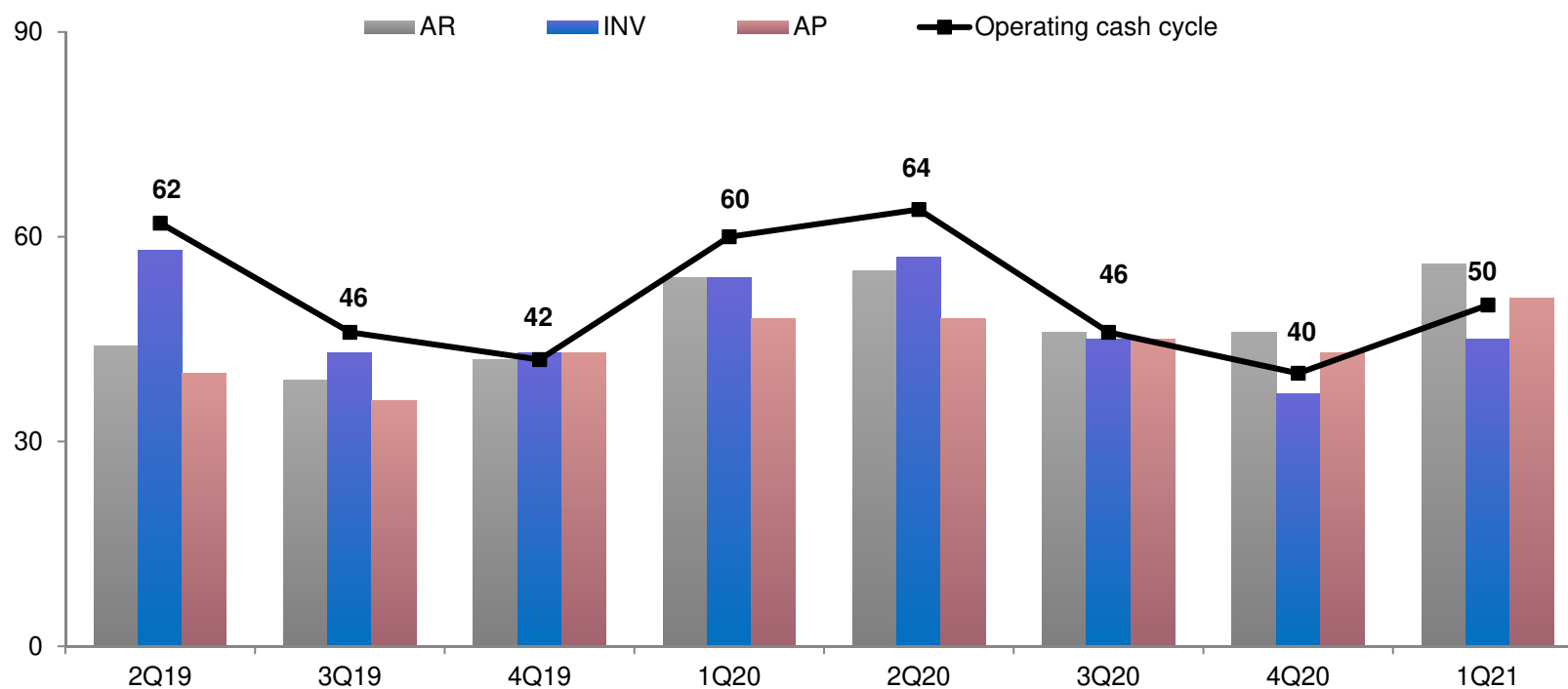
### ROWC vs. NWC/Sales





## 2. Financial Update

### Operating Cash Cycle



## 3. Business Outlook

### **We currently expect 2Q21 :**

- Revenue : between NT\$92 billion ~ NT\$98 billion, at a forecast exchange rate of 28.1 NT Dollars to 1 US Dollar
- Revenue guidance between 0% ~ 6% QoQ decrease and 23% ~ 31% YoY growth
- Gross profit margin : between 3.65% ~ 3.85%
- Operating profit margin : between 2.05% ~ 2.25%





**Thank You !**

**WT Microelectronics Co., Ltd.**

**Website : [www.wtmec.com](http://www.wtmec.com)**

