



# **2021 Third Quarter Investor Conference**

**November 5, 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

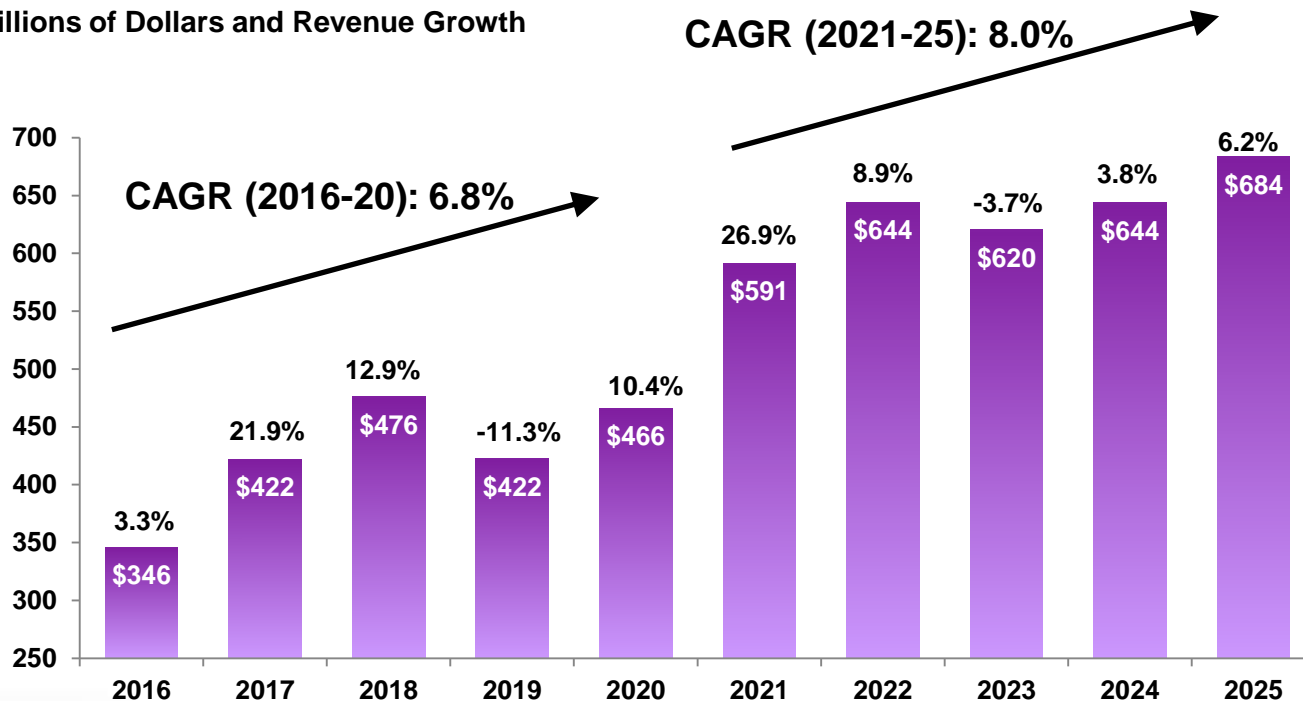
- A leading Asian semiconductor distributor, founded in 1993 and listed in 2000 (ticker: 3036 TT), providing supply chain management such as capital flow, information flow, inventory, and technical support
- Sophisticated frameworks in Asia (total 45 offices in China, Taiwan, Korea, and S.E.Asia & India; total 5 warehouses in Taiwan, HK, Shenzhen China, Korea, and Singapore) to cover over 8,000 customers
- Over 2,400 headcounts (over 700 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 [WT Sustainability Website](#))
- 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

Billions of Dollars and Revenue Growth

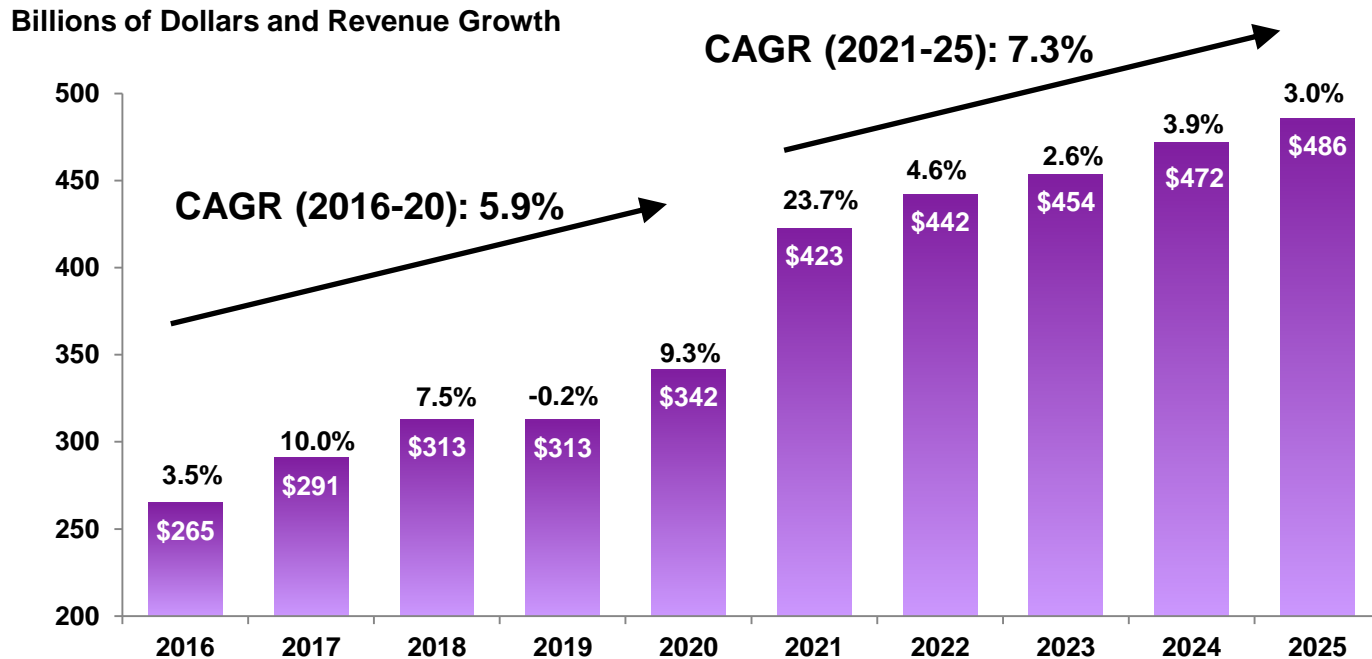


Source: Gartner, 2021/10



# 1. Overview

## Worldwide Non-Memory Semi Revenue Forecast: Strong Growth Continues to Break 400B Milestone in 2021

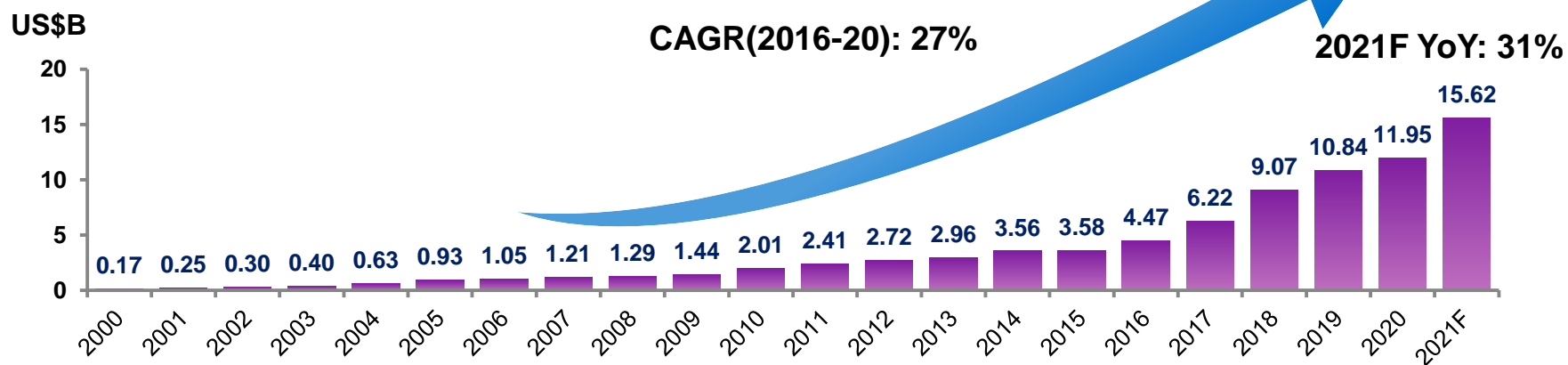
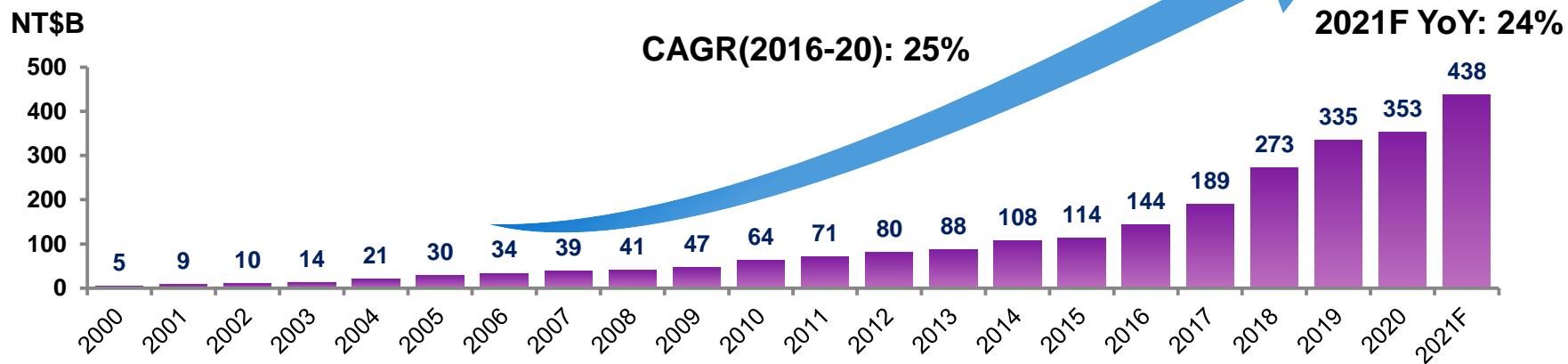


Source: Gartner, 2021/10



# 1. Overview

## NR (Net Revenue)



Note: 2021 NR and YoY forecast based on 4Q21 NR guidance mid-point



# 2. Financial Update

## Statement of Comprehensive Income

Unit: NT\$M

Key accounts	3Q21		2Q21		QoQ	3Q20		YoY
	Amount	%	Amount	%		Amount	%	
<b>Net Operating revenues</b>	<b>119,105</b>	<b>100.00%</b>	<b>102,096</b>	<b>100.00%</b>	<b>17%</b>	<b>91,862</b>	<b>100.00%</b>	<b>30%</b>
<b>Gross profit</b>	<b>4,612</b>	<b>3.87%</b>	<b>4,203</b>	<b>4.12%</b>	<b>10%</b>	<b>2,761</b>	<b>3.01%</b>	<b>67%</b>
Operating expenses	(1,696)	-1.42%	(1,517)	-1.49%	12%	(1,354)	-1.47%	25%
<b>Operating income</b>	<b>2,916</b>	<b>2.45%</b>	<b>2,686</b>	<b>2.63%</b>	<b>9%</b>	<b>1,407</b>	<b>1.53%</b>	<b>107%</b>
Financing costs	(187)	-0.16%	(158)	-0.15%	18%	(180)	-0.20%	4%
Others	251	0.22%	39	0.04%	544%	220	0.25%	14%
Earning before tax	2,980	2.50%	2,567	2.51%	16%	1,447	1.58%	106%
Income tax expense	(700)	-0.59%	(569)	-0.56%	23%	(295)	-0.32%	137%
<b>Profit after tax</b>	<b>2,304</b>	<b>1.93%</b>	<b>2,001</b>	<b>1.96%</b>	<b>15%</b>	<b>1,152</b>	<b>1.25%</b>	<b>100%</b>
<b>EPS (in dollars)</b>	<b>2.85</b>		<b>2.54</b>			<b>1.46</b>		
Weighted average shares (M shares)	789		788			787		
<b>Pro forma EPS (in dollars)</b>	<b>2.82</b>		<b>2.53</b>			<b>1.46</b>		
Outstanding shares as of period end (M shares)	798		792			788		

Note: 3Q21 EPS calculation based on profit after tax deducting NT\$57.5mn preferred stock dividend





# 2. Financial Update

## Statement of Comprehensive Income

Unit: NT\$M

Key accounts	YTD 2021		YTD 2020		YoY
	Amount	%	Amount	%	
<b>Net Operating revenues</b>	<b>318,847</b>	<b>100.00%</b>	<b>244,062</b>	<b>100.00%</b>	<b>31%</b>
<b>Gross profit</b>	<b>12,280</b>	<b>3.85%</b>	<b>7,743</b>	<b>3.17%</b>	<b>59%</b>
Operating expenses	(4,663)	-1.45%	(3,995)	-1.63%	17%
<b>Operating income</b>	<b>7,617</b>	<b>2.39%</b>	<b>3,748</b>	<b>1.54%</b>	<b>103%</b>
Financing costs	(494)	-0.15%	(833)	-0.34%	-41%
Others	322	0.10%	303	0.12%	6%
Earning before tax	7,445	2.33%	3,218	1.32%	131%
Income tax expense	(1,671)	-0.52%	(661)	-0.27%	153%
<b>Profit after tax</b>	<b>5,815</b>	<b>1.82%</b>	<b>2,557</b>	<b>1.05%</b>	<b>127%</b>
<b>EPS (in dollars)</b>	<b>7.30</b>		<b>3.62</b>		
Weighted average shares (M shares)	789		706		
<b>Pro forma EPS (in dollars)</b>	<b>7.22</b>		<b>3.24</b>		
Outstanding shares as of period end (M shares)	798		788		



# 2. Financial Update

## Balance Sheet

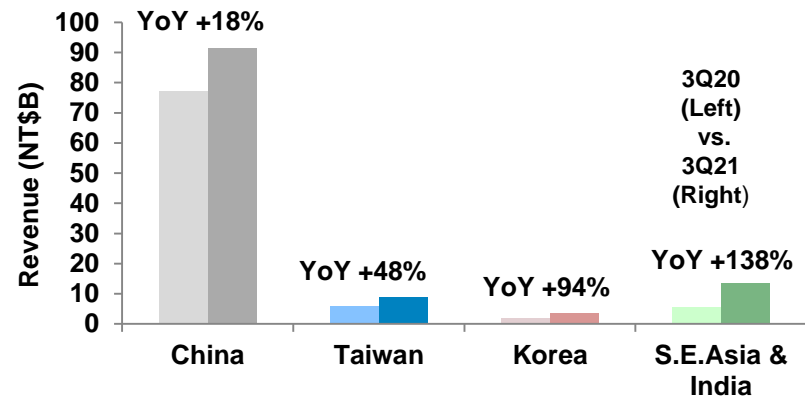
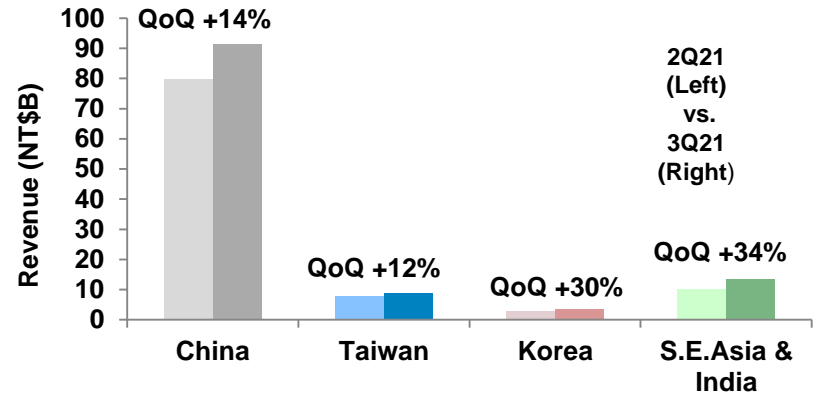
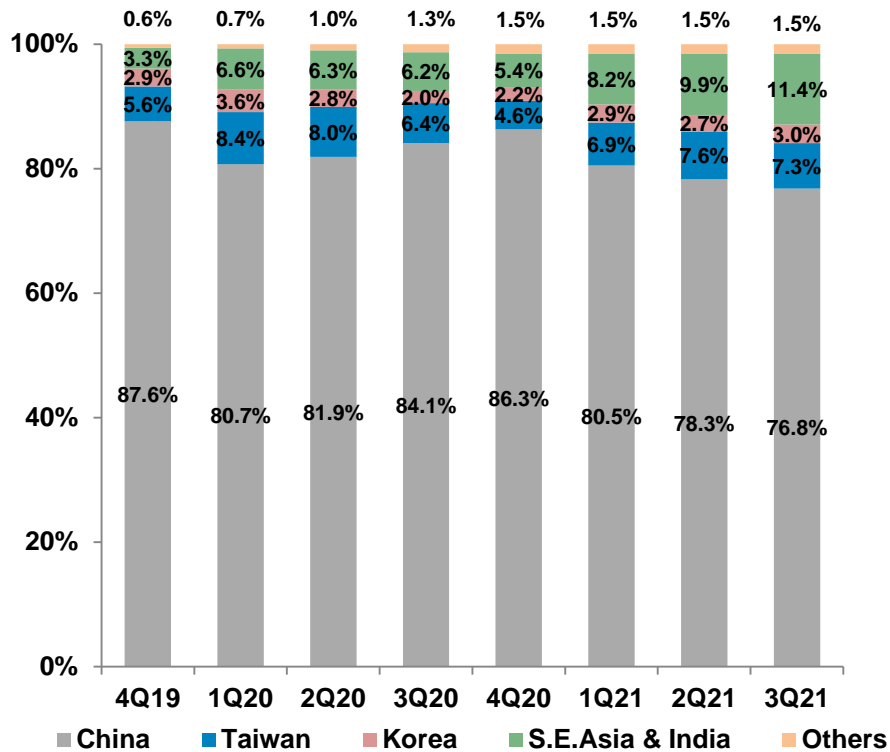
Unit: NT\$M

Key accounts	3Q21		2Q21		3Q20	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	4,364	3	5,062	4	4,675	4
Accounts receivable	75,437	44	61,920	44	49,840	42
Inventory	65,811	39	53,985	38	41,881	36
Other current assets	2,409	1	2,134	1	2,388	2
Non-current assets	22,041	13	19,201	13	18,580	16
<b>Total Assets</b>	<b>170,062</b>	<b>100</b>	<b>142,302</b>	<b>100</b>	<b>117,364</b>	<b>100</b>
Short-term loans	37,042	22	36,281	25	27,891	24
Accounts payable	72,993	43	53,214	37	45,633	39
Other current liabilities	4,072	2	3,690	3	2,951	2
Long-term loans	5,003	3	200	-	800	1
Other liabilities	1,147	1	1,526	1	1,445	1
<b>Total Liabilities</b>	<b>120,257</b>	<b>71</b>	<b>94,911</b>	<b>67</b>	<b>78,720</b>	<b>67</b>
<b>Total Equity</b>	<b>49,805</b>	<b>29</b>	<b>47,391</b>	<b>33</b>	<b>38,644</b>	<b>33</b>
Indices	3Q21		2Q21		3Q20	
Current ratio	130%		132%		129%	
Debt/Assets ratio	71%		67%		67%	
Debt/Equity ratio	241%		200%		204%	
Gearing ratio	0.76		0.66		0.62	



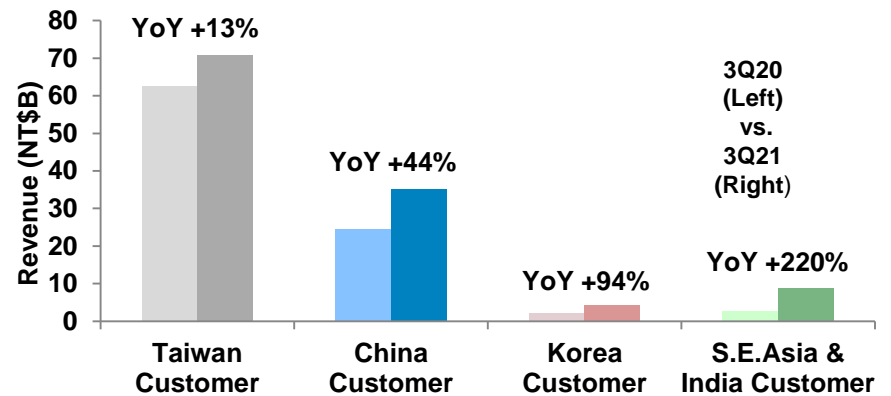
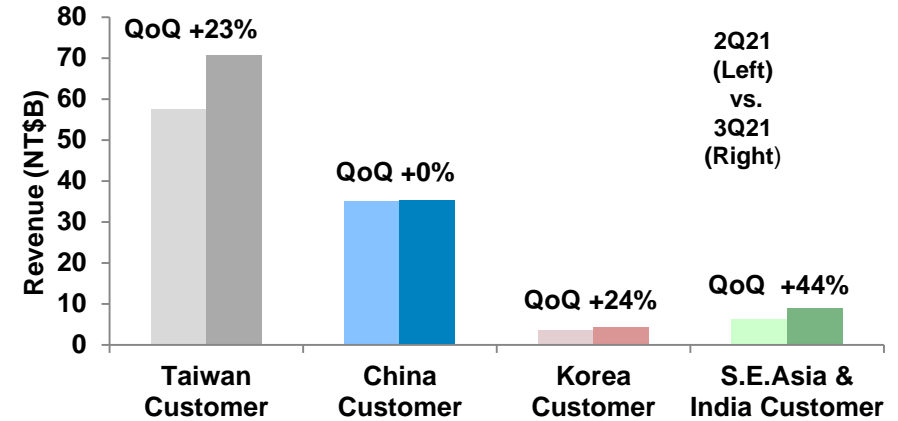
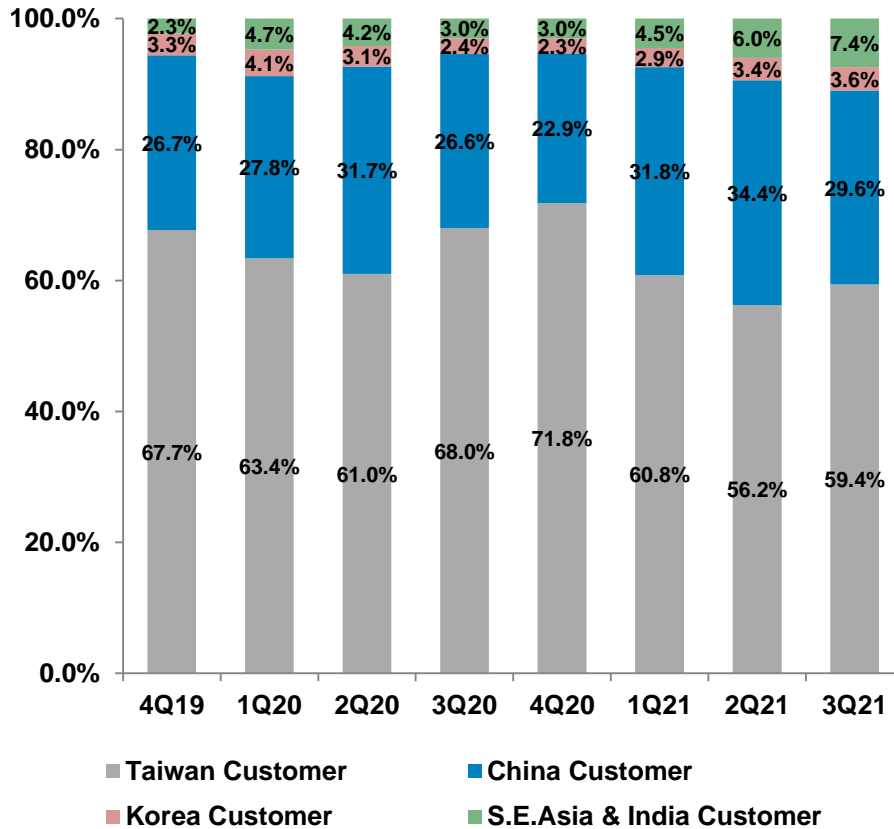
# 2. Financial Update

## NR by Geography (Ship-to Destination)



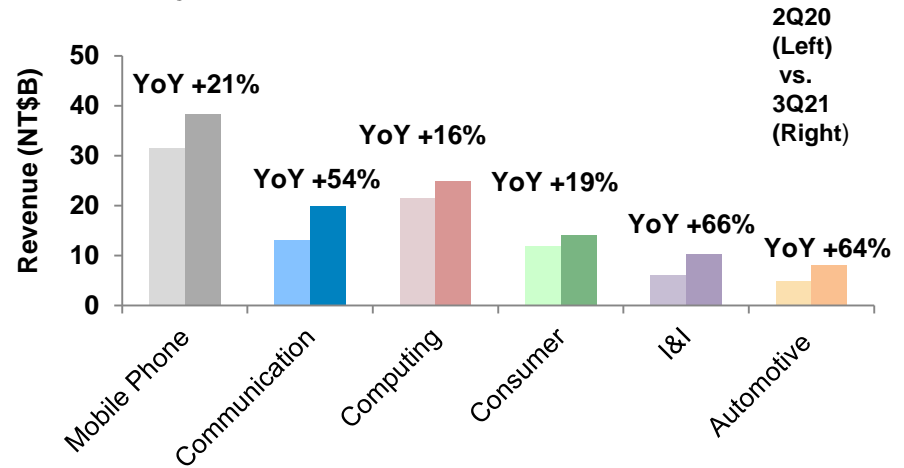
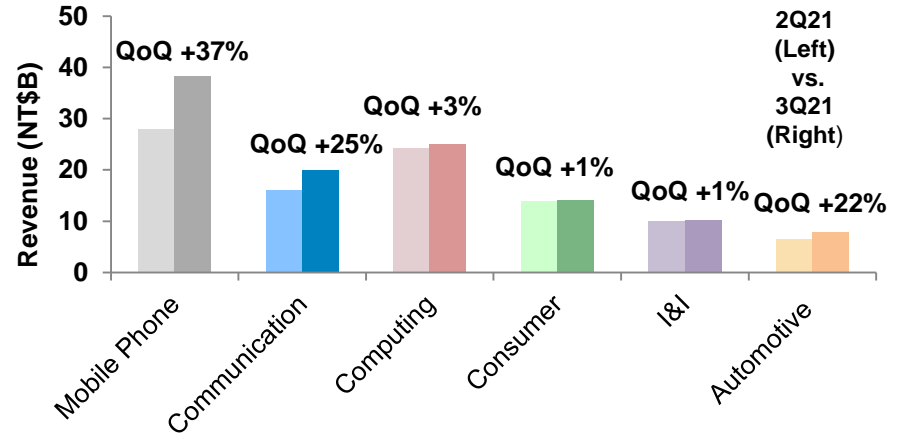
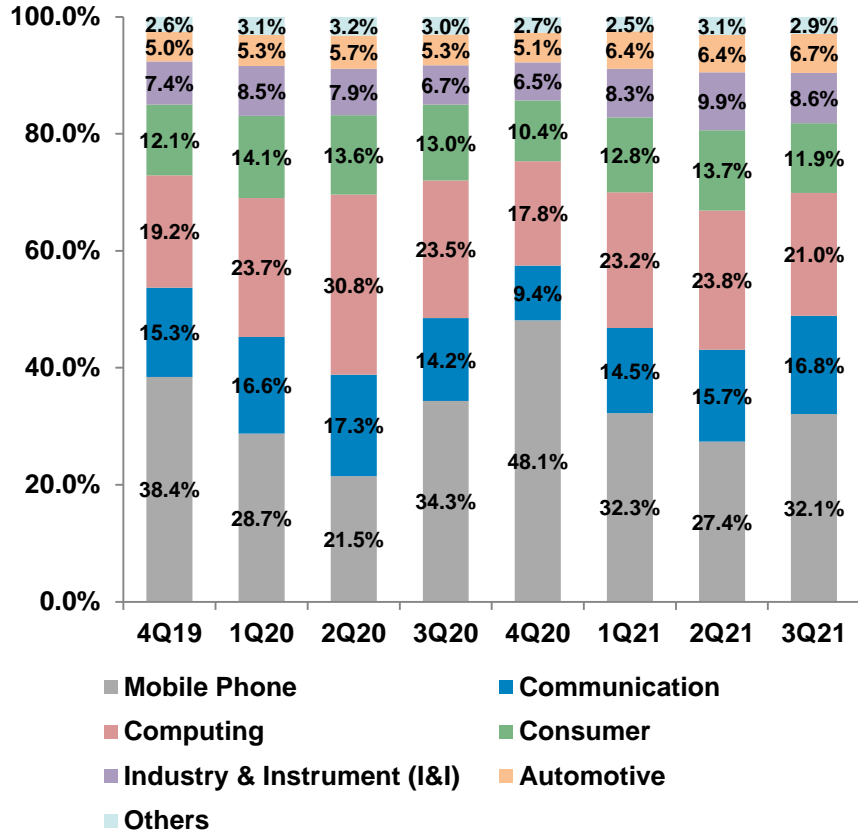
# 2. Financial Update

## NR by Customer Base



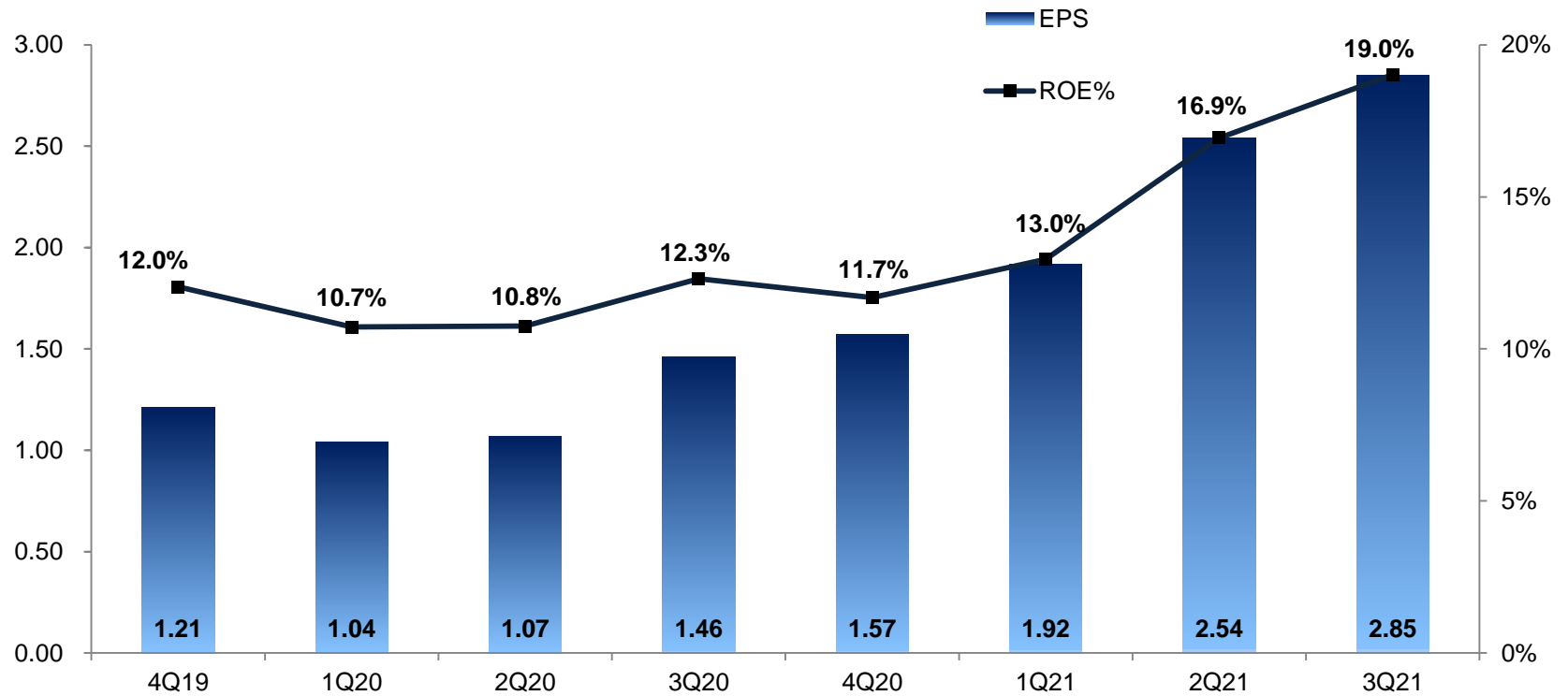
# 2. Financial Update

## NR by Application



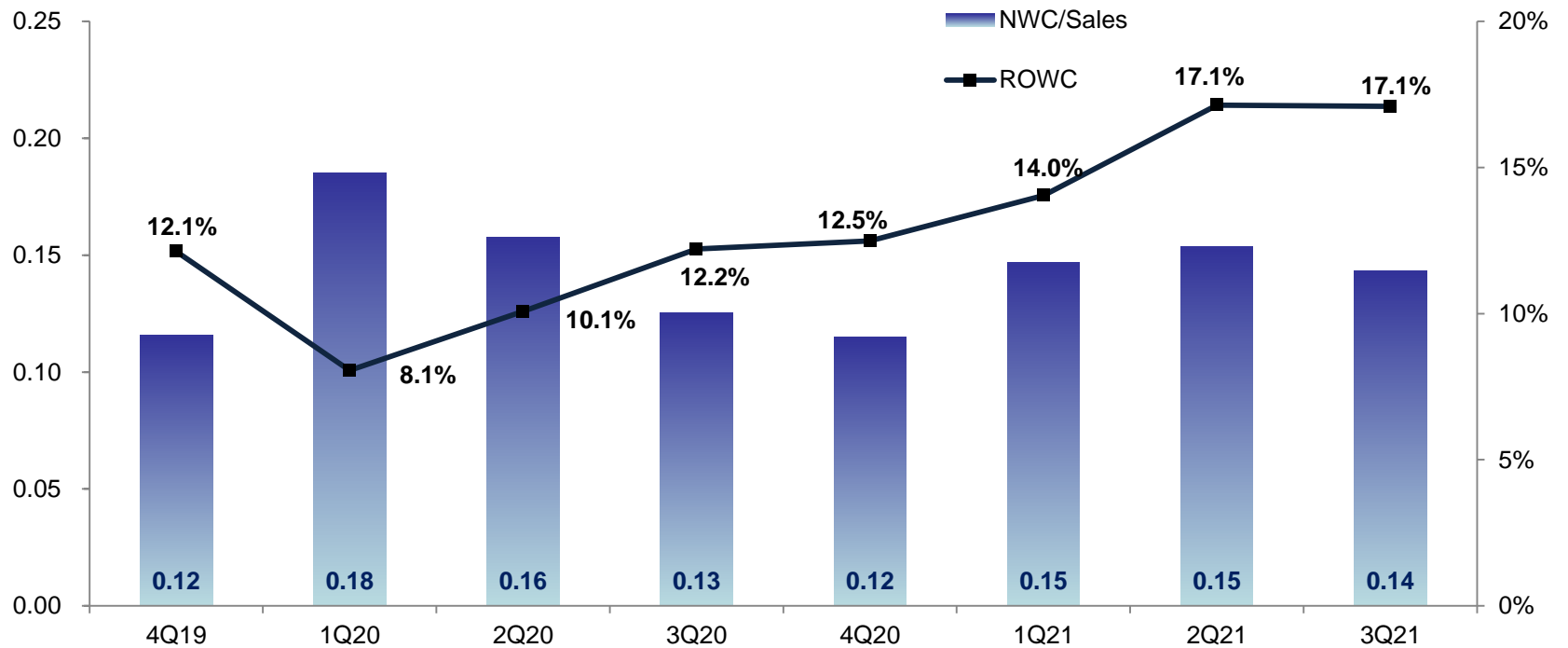
# 2. Financial Update

## ROE vs. EPS



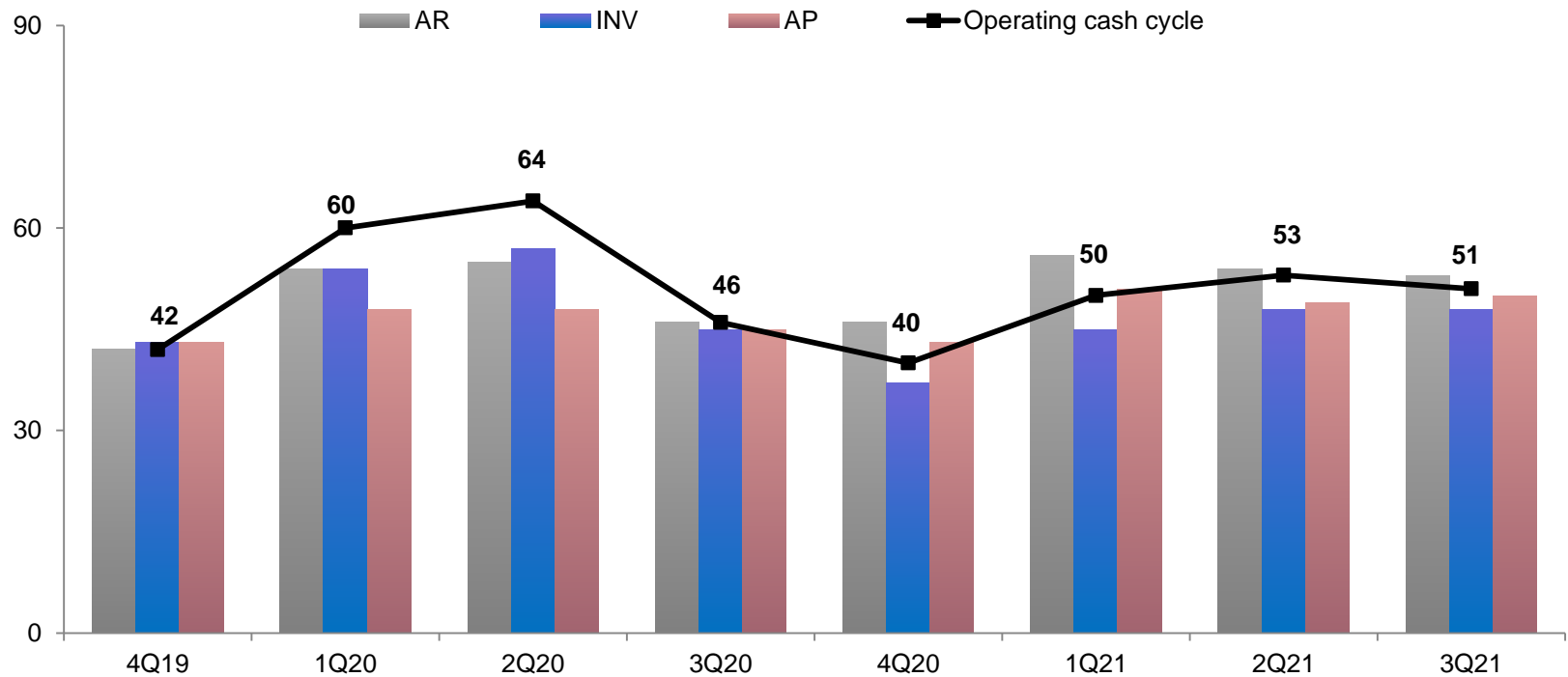
# 2. Financial Update

## ROWC vs. NWC/Sales



# 2. Financial Update

## Operating Cash Cycle





# 3. Business Outlook

## **We currently expect 4Q21 :**

- Revenue : between NT\$116 billion ~ NT\$122 billion, at a forecast exchange rate of 27.9 NT Dollars to 1 US Dollar
- Revenue mid-point guidance: flattish QoQ and 9% YoY growth
- Gross profit margin : between 3.65% ~ 3.85%
- Operating profit margin : between 2.25% ~ 2.45%





# **Thank You !**

**WT Microelectronics Co., Ltd.**

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