



GlobalWafers (6488 TT) 3Q21 Results Presentation

November, 2021



Disclaimer

This presentation has been prepared by GlobalWafers Co., Ltd. (the “Company”). This presentation and the materials provided herewith do not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company in any jurisdiction or an inducement to enter into investment activity, nor may it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. Any decision to purchase securities in a proposed offering should be made solely on the basis of the information contained in the offering circular published in relation to such proposed offering, if any.

The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. The information contained in this document should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date of the presentation. None of the Company nor any of its affiliates, advisors or representatives will be liable (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

Parts of this presentation summarize advice from external US and EU counsel and are therefore subject to attorney work product and attorney-client legal professional privilege



Executive Comments

➤ Financial Highlights

● Revenue

- ✓ Q321¹ → NTD \$15.4 billion, 9.7% YoY
- ✓ 3Q21² → NTD \$45.4 billion, 10.1% YoY, record high!
- ✓ 8 consecutive quarters of growth

Quarters	Q419	Q120	Q220	Q320	Q420	Q121	Q221	Q321
Revenue (NT\$m)	13,506	13,515	13,701	14,006	14,137	14,806	15,208	15,364

● Gross Margin

- ✓ 3 consecutive quarters of growth

Quarters	Q121	Q221	Q321
Gross Margin (%)	35.1%	36.7%	39.1%

● EPS

- ✓ Q321¹ EPS → NTD 7.13
- ✓ 3Q21² EPS → NTD 22.40

1. Q321: Third quarter of 2021

2. 3Q21: First three quarters of 2021 (Accumulated)



➤ Prepayment

NT\$ 22,397mn (US\$ 804.2 mn)¹

➤ Capacity

All diameters are fully loaded by 2021, high loading continues through 2022 with more LTA signing.

➤ China Power Rationing

Our Chinese subsidiary (SST) locates in Kunshan, Jiangsu, revenue contribution is rather small, with agile allocation and adjustment from other sites, the impact is minimal.

➤ Malaysia lockdown in Q3

Enhanced Movement Control Order (EMCO) was enforced in Malaysia to contain the COVID-19 spread, and GWC Malaysian site lost a lot of capacity in Q3. Starting from September, the operation resumes 100%.

➤ Siltronic Transaction

- To date, GlobalWafers has received clearance from the Germany, Austria, Korea, Taiwan, Singapore, US antitrust authorities and CFIUS in the US
- GlobalWafers is continuing to actively cooperate with the remaining regulators with the aim of closing the transaction before the end of 2021.

¹. FX Rate: NTD:USD = 27.85



➤ Industry & Overview

- **Global Economy**

IMF expects global economy to expand 6.0% in 2021, economic development of each country is deeply affected by the highly uneven global vaccination.

- **Semiconductor Industry**

Driven by robust demand in consumer electronics, outlook is anticipated to be promising, but risks remain in uneven global economy recovery, fragile global transportation system and cost/expenses surge.

- **Automotive**

The market starts to recover against a weak backdrop in 2020, and EV is scaling up with the pillars of supportive regulatory frameworks and additional incentives.

- **5G**

Communications service providers accelerate the deployment of 5G network infrastructure and spur the replacement demand.

- **SiC, GaN**

Expected to witness significant growth accredited to widescale adoption in expansive consumer electronics sector including EVs and 5G.

➤ Lower Carbon Footprint

With its global presence, GlobalWafers is capable of local supply and mitigates the environmental impact of long distance shipments, aiming to achieve 100% renewable energy usage by 2050.



Industry Overview

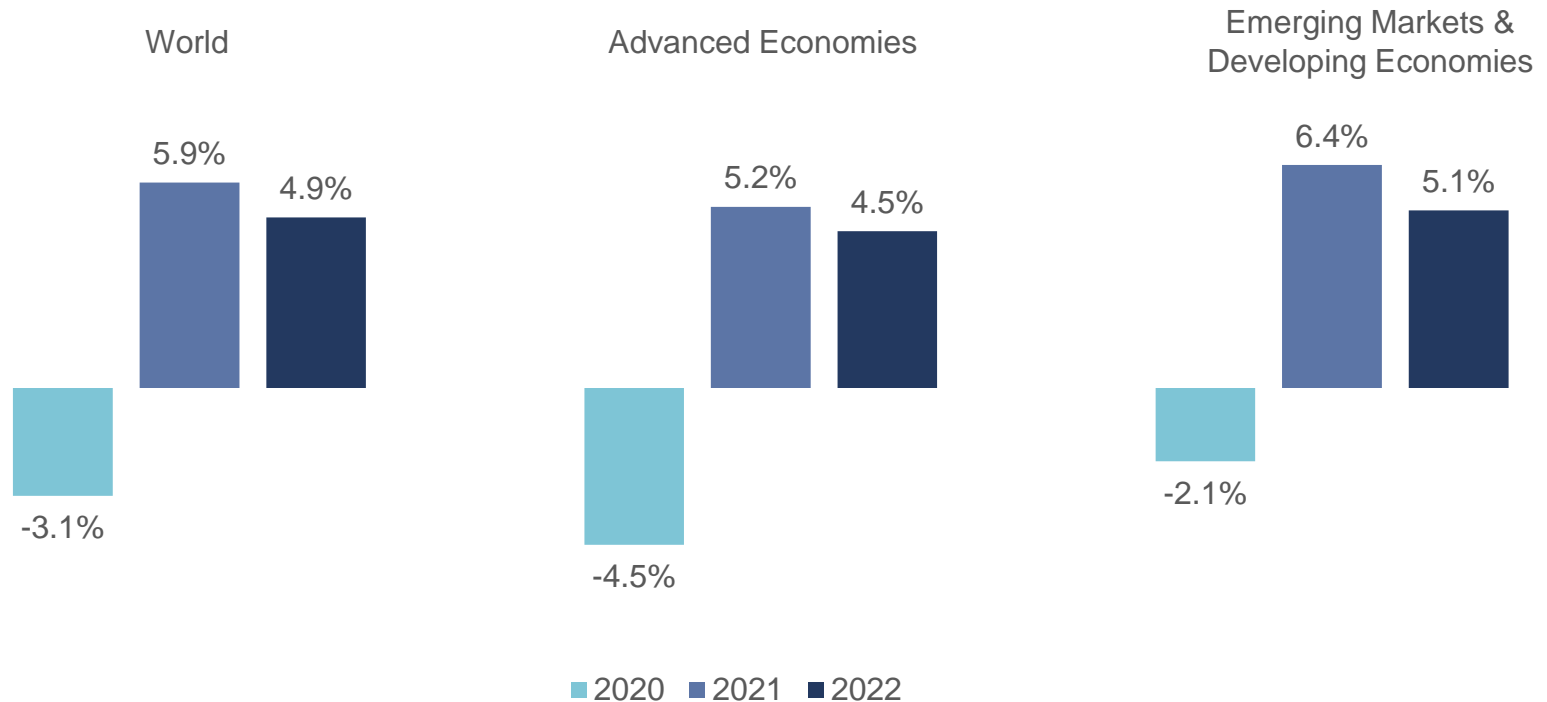


Global GDP Growth Forecast

- IMF states that following a -3.1% contraction caused by the COVID-19 pandemic in 2020, the global economy is set to expand 5.9% in 2021 and 4.9% in 2022.
- Vaccine access has caused economic fault lines and split countries into 2 blocs, the uneven distribution of vaccines is widening disparities as rich countries pick up speed and leave developing nations behind.

World Economic Outlook

(Unit: %)



Source: IMF, October 2021



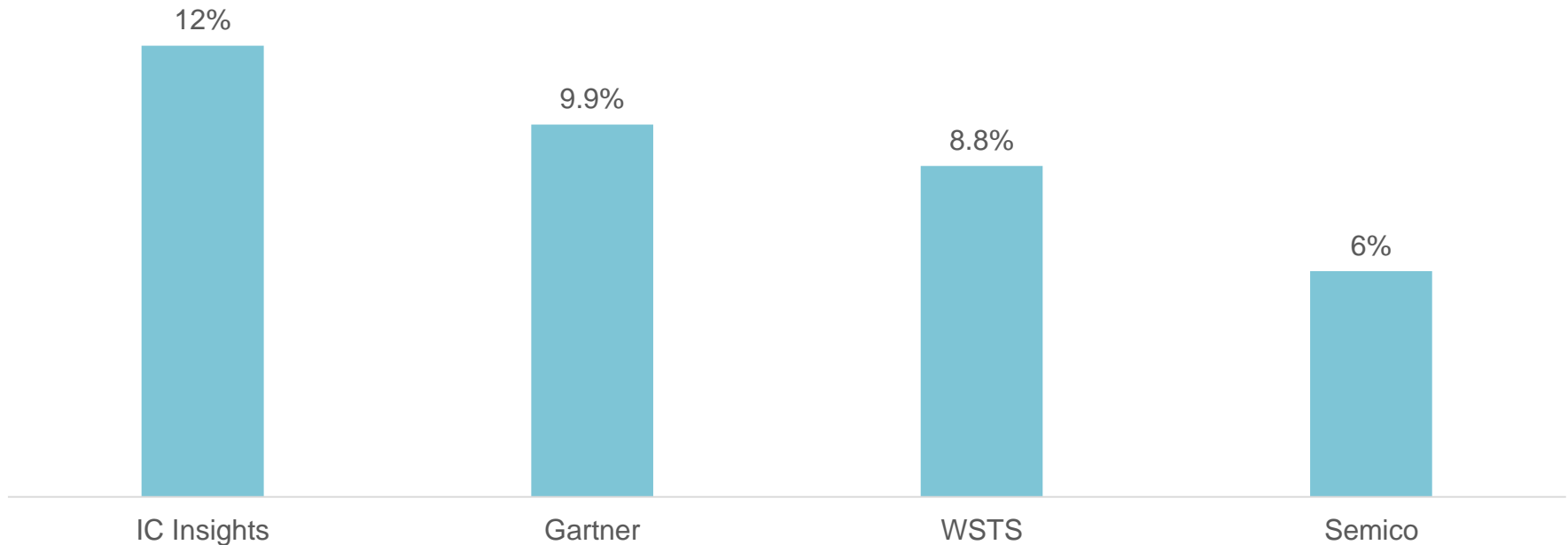
2022 Semiconductor Revenue Forecast

- Average semi market growth forecast is 9.2% in 2022, anticipating another year of robust growth on top of a surging 2021.
- Once the semiconductor supply catches up with demand, growth in 2022 will be dependent on demand for end equipment, which in turn will be dependent on the health of the global economy.

2022 Semiconductor Revenue Growth Forecast

(Unit: %)

2022 Average Market Growth: 9.2%



Source: IC Insights / Gartner / WSTS / Semico

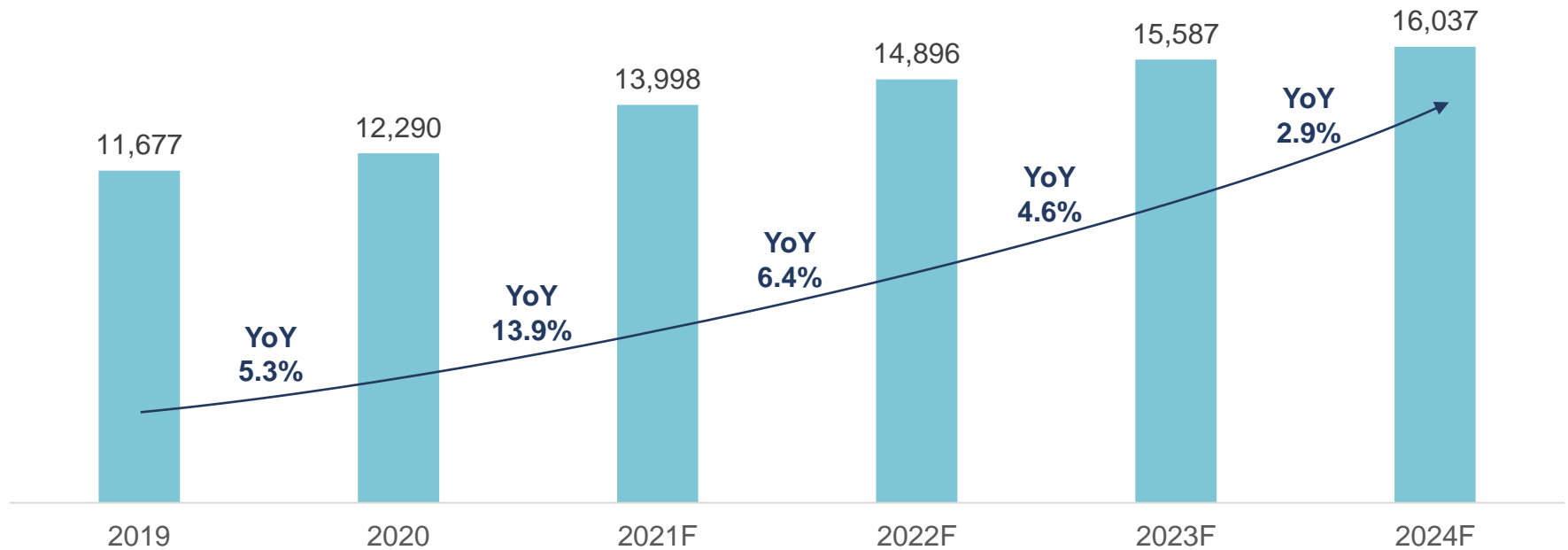


Global Silicon Wafer Shipments Forecast

- Global silicon wafer shipments are projected to reach a record high of nearly 14,000 millions of square inches (MSI) with 13.9% growth rate in 2021 and the rising tendency will continue till 2024.
- Future shipments of silicon wafer will be tempered by macroeconomic and deployment time of the wafer manufacturers to meet growing demand.

Global Silicon Wafer Shipments Forecast ^{1&2}

(Unit: millions of square inches)



Source: SEMI, October 2021

Note: 1. Excludes Non-Polished and Reclaimed Wafers / 2. Shipments are for semiconductor applications only and do not include solar applications

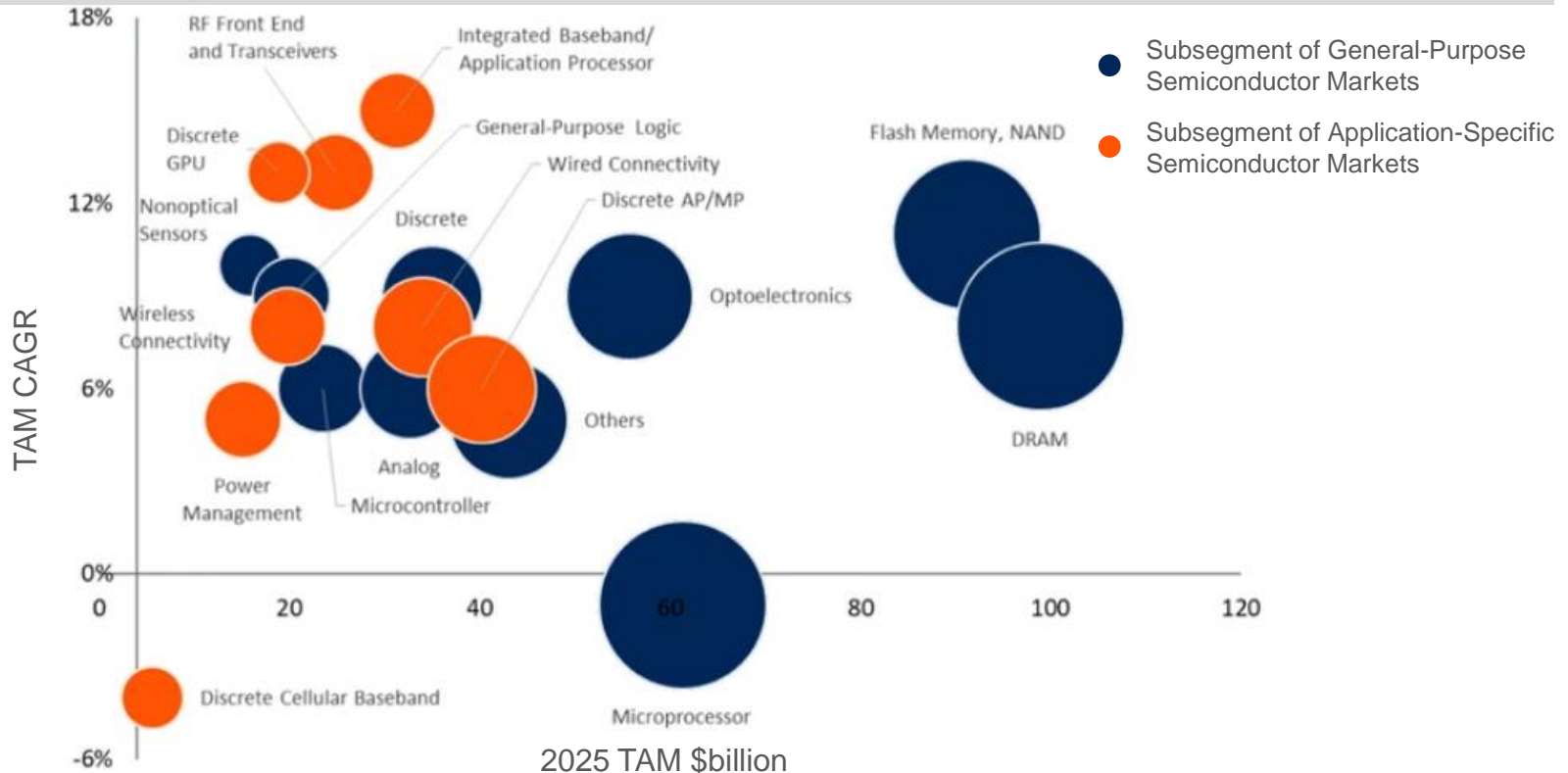


Semiconductor Revenue Forecast - Estimated by Device Type through 2025

- NAND and DRAM are predicted to be largest semiconductor segment markets in 2025, growing to \$90 billion with 10% CAGR and \$100 billion with 6% CAGR respectively.
- RF Front End devices, communication infrastructure and discrete GPU predicted to have the highest CAGR, but remaining smaller segments of the industry.

Semiconductor Revenue Forecast by Device Type Through 2025

(Unit: %, \$bn)



Source: Gartner, July 2021

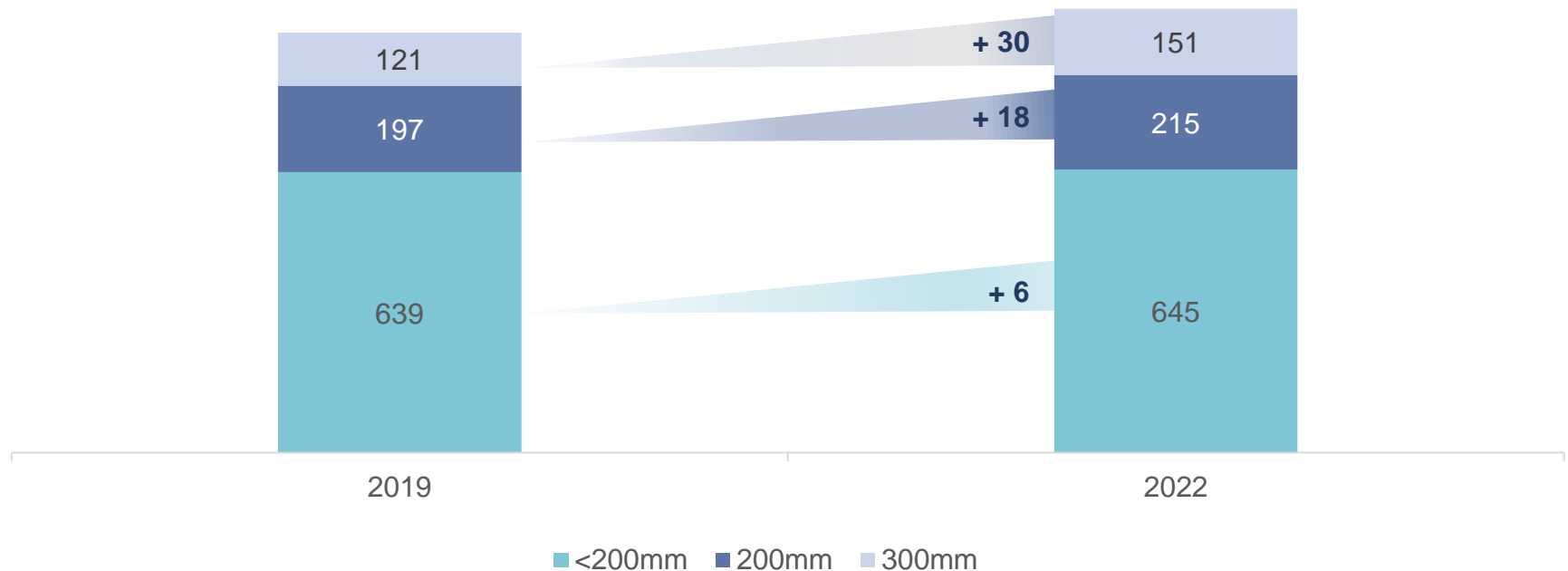


Semi Fab Count by Diameter Forecast

- Analysts show total quantity of semi fabs will increase from 957 in 2019 to 1,011 in 2022, with 6 new fabs less than 200mm, 18 new fabs in 200mm and 30 new fabs in 300mm.
- Benefitted from technology advancement, such as 5G, AI and High Performance Computing, 300mm wafer will be the mainstream in the future.

Count of Semiconductor Fab Forecast ¹

(Unit: volume)



Source: SEMI, September 2021

Note: 1. Including EPI, but excluding low probability fabs

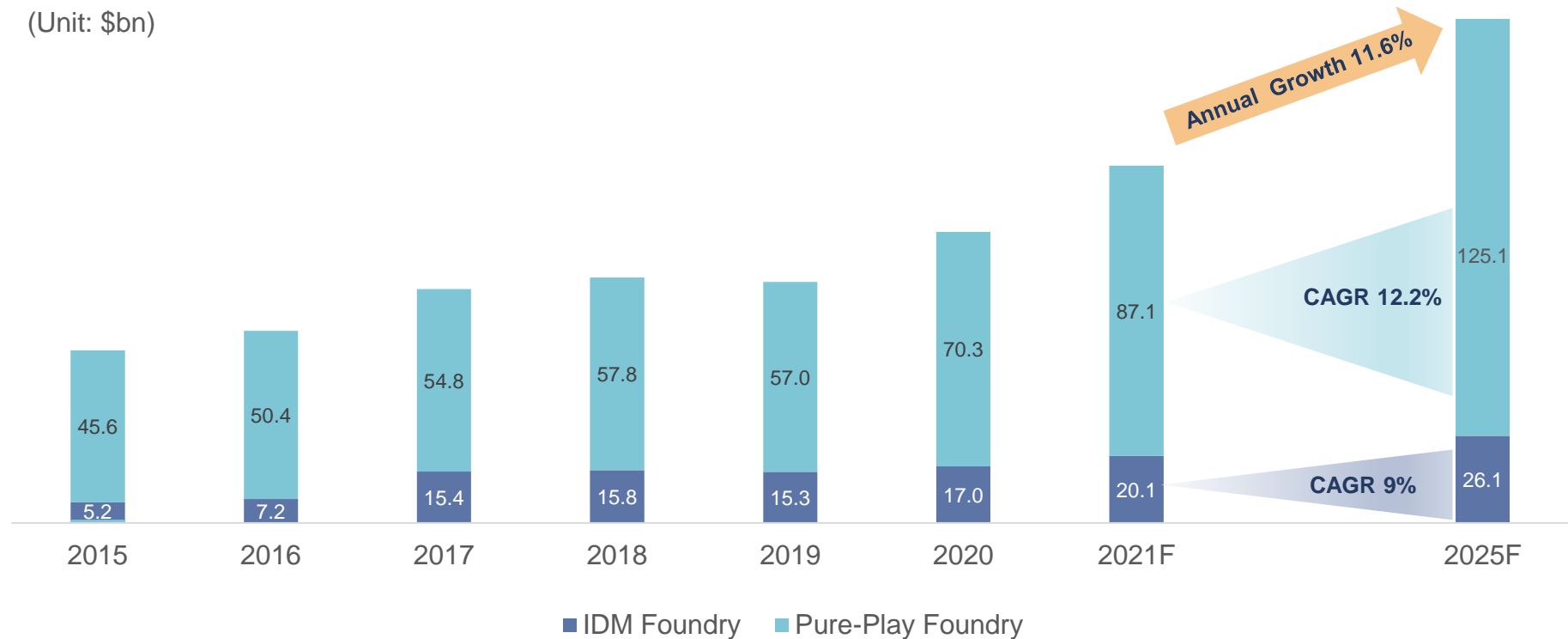


IC Foundry Sales - Reach \$100 Billion Milestone in 2021

- Analysts state that total foundry sales will surpass \$100 billion for the first time in 2021 and the growth trend will continue to 2025 at \$151.2 billion with rapid average annual growth rate of 11.6%.
- In 2025, the Pure-Play Foundry market expects to expand by a strong CAGR 12.2% to \$125.1 billion and the IDM Foundry market shows a 9% CAGR and increases to \$26.1 billion.

IC Foundry Sales Forecast

(Unit: \$bn)



Source: IC Insights, September 2021

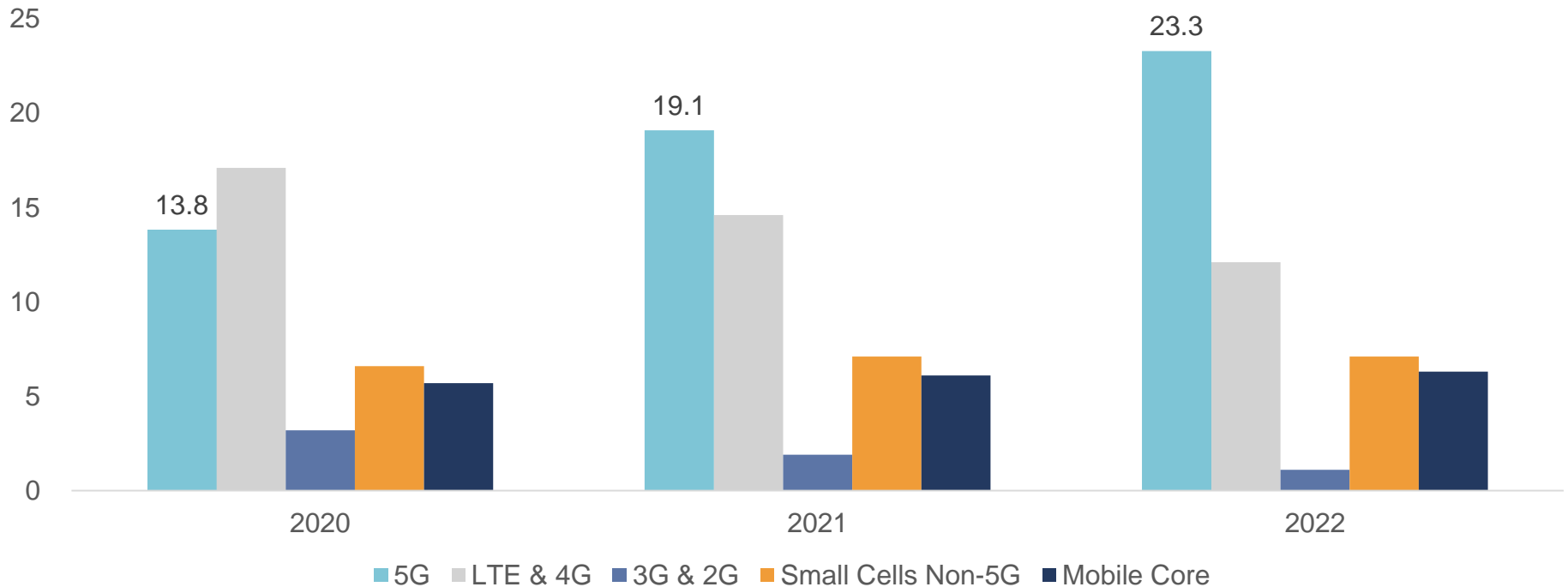


5G Coverage in Tier-1 Cities Will Reach 60% in 2024

- Gartner estimates that worldwide 5G network infrastructure revenue will grow 39% to \$19.1 billion in 2021 and will maintain an upward trend with 21.6% growth rate to \$23.3 billion in 2022.
- In 2020, only 10% of Communications Service Providers (CSPs) offered commercializable 5G services, and it is estimated that 60% of CSPs will cover tier-1 cities at the end of 2024.

Worldwide Wireless Network Infrastructure Revenue Forecast

(Unit: \$bn)



Source: Gartner, August 2021

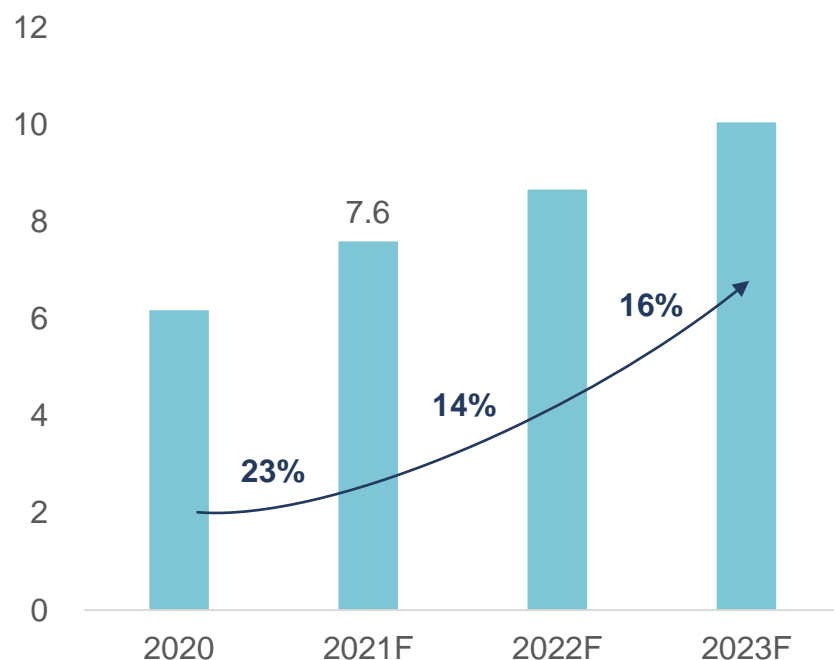


Automotive MCU Sales Forecast – Break the Record to \$7.6 billion in 2021

- Despite of chip shortage, automotive MCU sales are forecast to surge 23% in the economic recovery of 2021 to a record-high level of \$7.6 billion, followed by strong increase of 14% in 2022 and 16% in 2023.
- Research report points out that in addition to direct Si content in 2030 vehicles, there will also be an large increase of data transfer and AI processing of that data, which will give additional semi market growth.

Automotive MCU Sales Forecast

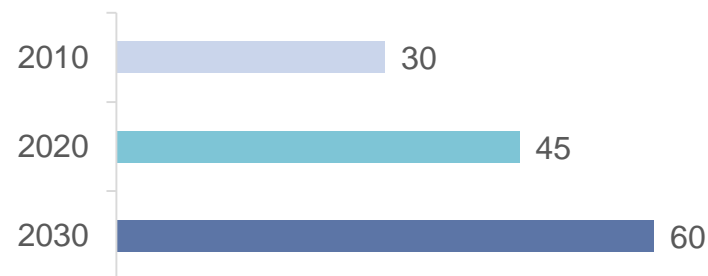
(Unit: \$bn)



Source: IC Insights, August 2021
NXP

Total Processors Per Car Usage Forecast

(Unit: pcs)



Automotive Per Day Data Usage Forecast

	2010	2020	2030
Data Generated per Day	2~3GB	50GB	10~12TB
Data Transferred per Day	50MB	1~2GB	40~50GB



Electric Vehicles - Become the Mainstream of the Future

- Significant fiscal incentives and gradual tightening of fuel economy have spurred the uptake of EV and underpinned the scale up in EV manufacturing.

Government Efforts

Number of areas have announced to phase out sales of internal combustion vehicles

31 | Cities & Regions

15 | Countries

Measures of different countries to achieve net zero emission

2035

EU / Japan / Canada

Prohibit to sell fuel vehicles by 2035

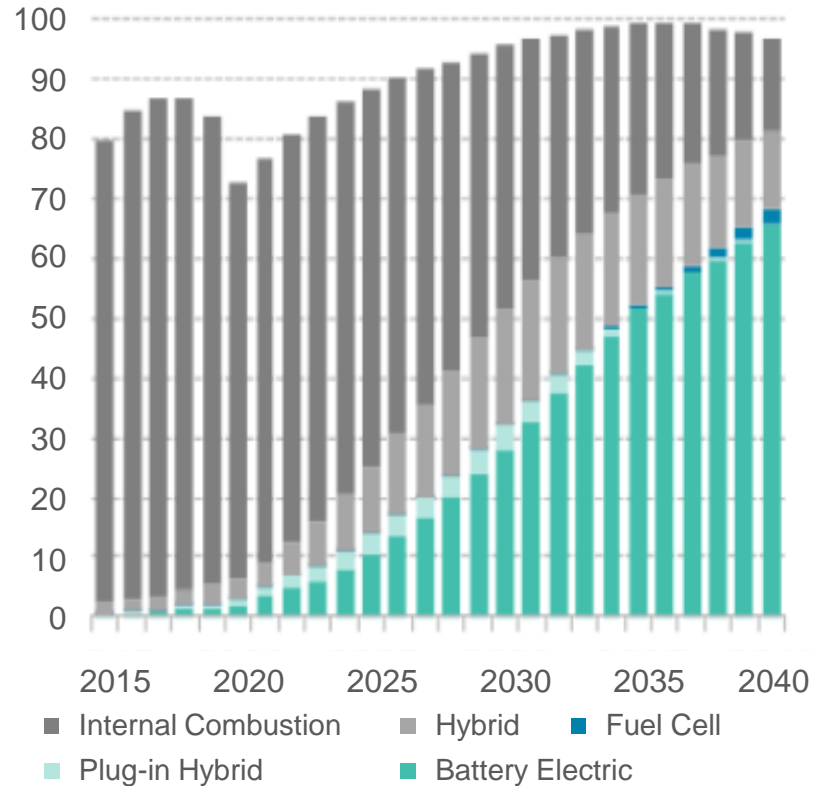
\$100 bn

United States

Offer \$100 billion EV purchase subsidy and \$31.6 billion tax credit

Global Sales Forecast for Electric Vehicles

(Unit: \$mn)



Source: DIGITIMES, August 2021
BloombergNEF, 2021



SiC & GaN – Key Driver for Electric Vehicles

- Analysts forecast that GaN power devices market will grow to \$850 million in 2025 with 78% CAGR, and for the SiC power market, it will reach \$3,390 million with 38% CAGR in 2025.
- Third-generation semiconductors are very suitable for EVs and 5G related products since they can withstand high voltage and high temperature. TrendForce expects that 20% of GaN and 61% of SiC will be used in the fields of New Energy Vehicles in 2025.

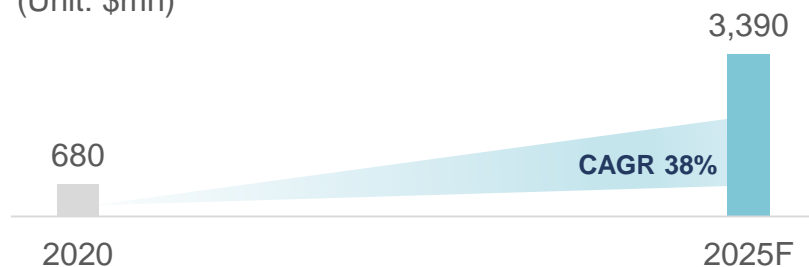
Global GaN Power Devices Revenue

(Unit: \$mn)



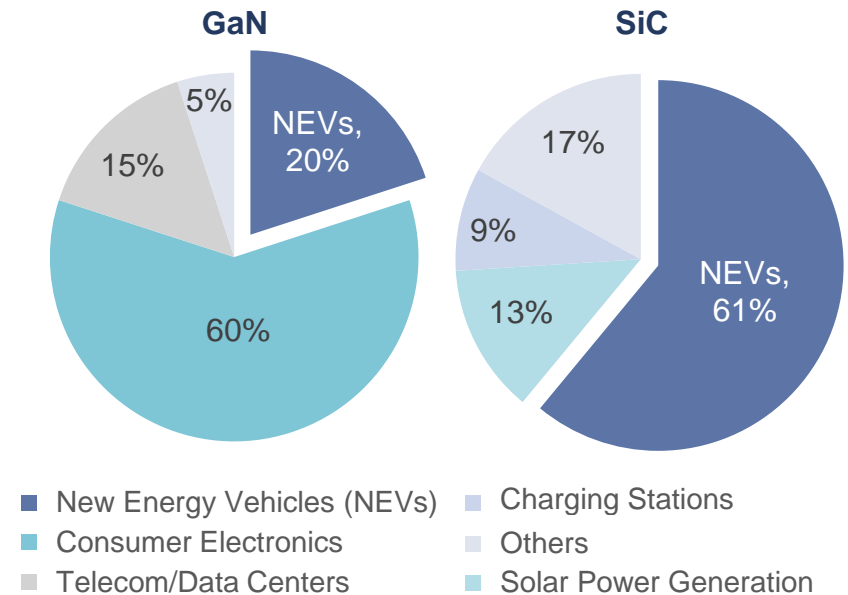
Global SiC Power Devices Revenue

(Unit: \$mn)



GaN and SiC Application (2025)

(Unit: %)



Source: TrendForce, September 2021



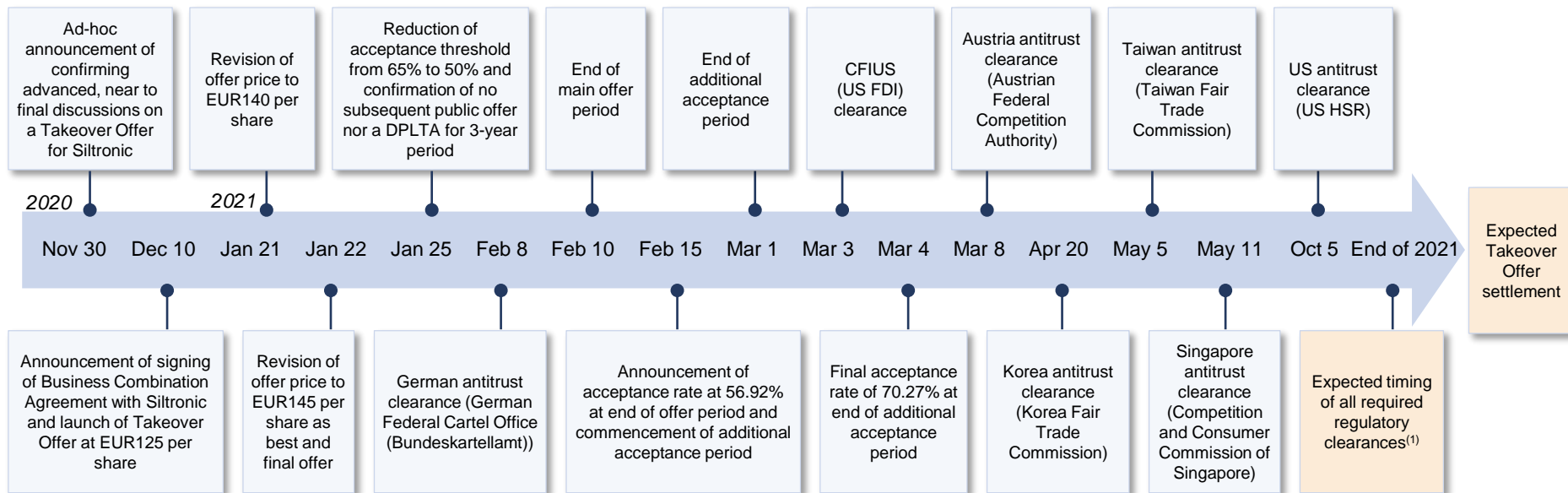
About Siltronic Transaction



Development of Takeover Offer for Siltronic

➤ GlobalWafers achieved a final acceptance rate of 70.27%

□ Past events
□ Future events



1. Further anti-trust approvals required in China and Japan; foreign direct investment ("FDI") approvals in Germany and UK (if required).



Lower Carbon Footprint

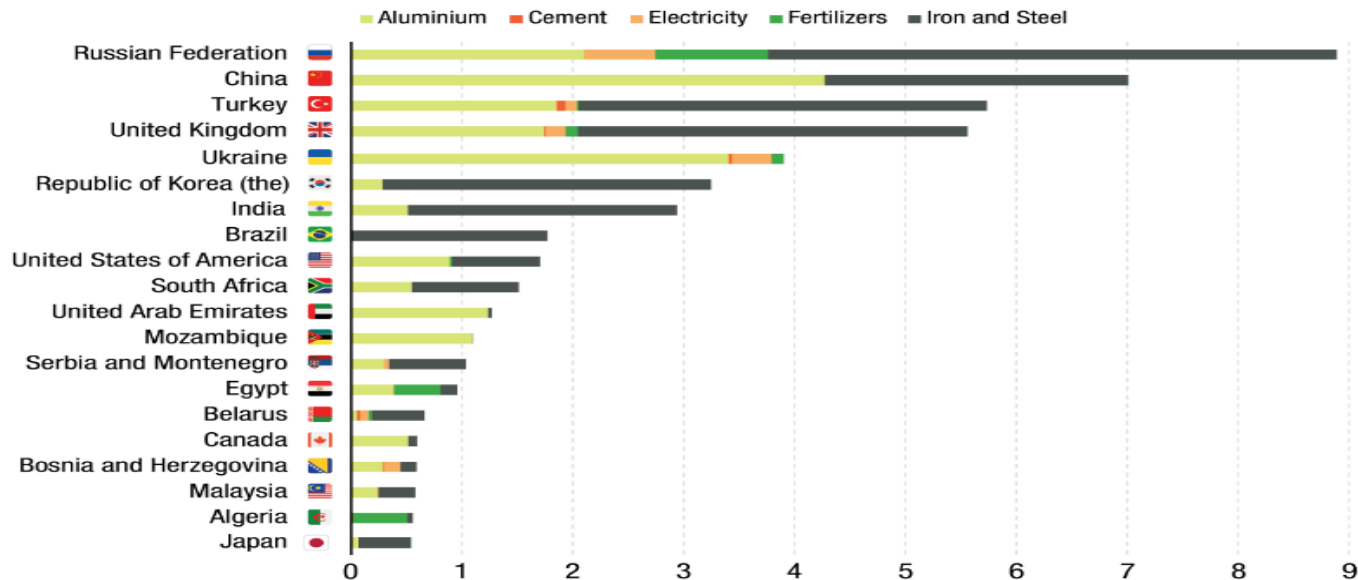


Ready to Respond to Carbon Tariffs

- European Union (Carbon Border Adjustment Mechanism, CBAM) and United States (Carbon Border Tax) plan to implement carbon tax policies, which will put a carbon price on imports of a targeted selection of products.
- GlobalWafers as a global solution provider with global footprint will try to minimize carbon leakage by supplying locally, and implement the profound experiences of its parent company, Sino-American Silicon Products Inc., in the field of solar energy to achieve net carbon emission.

Top 20 Countries affected by EU CBAM

Exports to the European Union 2019 in selected sectors to be considered in the CBAM.
20 most-exposed countries in terms of aggregated value of exports (billion \$)



Source: UNCTAD, July 2021



Performance Update



Financial Highlights

➤ 3Q21

● Revenue

- ✓ Q321¹ → NTD \$15.4 billion, 9.7% YoY
- ✓ 3Q21² → NTD \$45.4 billion, 10.1% YoY, record high!
- ✓ 8 consecutive quarters of growth

Quarters	Q419	Q120	Q220	Q320	Q420	Q121	Q221	Q321
Revenue (NT\$m)	13,506	13,515	13,701	14,006	14,137	14,806	15,208	15,364

● Gross Margin

- ✓ 3 consecutive quarters of growth

Quarters	Q121	Q221	Q321
Gross Margin (%)	35.1%	36.7%	39.1%

● EPS

- ✓ Q321¹ EPS → NTD 7.13
- ✓ 3Q21² EPS → NTD 22.40

1. Q321: Third quarter of 2021

2. 3Q21: First three quarters of 2021 (Accumulated)



Financial Highlight : Q321 vs. Q221

(NT\$m)	Q321	Q221	QoQ
Revenue	15,364	15,208	1.0%
Gross Profit Margin %	39.1%	36.7%	2.4%
Operating Profit	4,664	4,259	9.5%
Operating Profit %	30.4%	28.0%	2.3%
Net Profit	3,105	3,955	-21.5%
Net Profit %	20.2%	26.0%	-5.8%
EPS	NT\$7.13	NT\$9.09	-NT\$1.96
EBITDA* ¹	5,393	6,919	-22.0%
EBITDA %	35.1%	45.5%	-10.4%
EBIT	3,939	5,438	-27.6%
ROE* ² (annualized)	26.7%	35.1%	-8.3%
ROA* ³ (annualized)	9.4%	14.0%	-4.6%

1. EBITDA = Net Profit + Tax + Interests + Depreciation + Amortization.

2. ROE = Net Profit / Average Shareholders Equity

3. ROA = (Net Profit + Interest*(1- Effective Tax Rate))/Average Asset



Financial Highlight : Q321 vs. Q320

(NT\$m)	Q321	Q320	YoY
Revenue	15,364	14,006	9.7%
Gross Profit Margin %	39.1%	37.2%	1.9%
Operating Profit	4,664	4,078	14.4%
Operating Profit %	30.4%	29.1%	1.2%
Net Profit	3,105	3,388	-8.4%
Net Profit %	20.2%	24.2%	-4.0%
EPS	NT\$7.13	NT\$7.78	-NT\$0.65
EBITDA* ¹	5,393	5,602	-3.7%
EBITDA %	35.1%	40.0%	-4.9%
EBIT	3,939	4,062	-3.0%
ROE* ² (annualized)	26.7%	32.7%	-6.0%
ROA* ³ (annualized)	9.4%	14.6%	-5.2%

1. EBITDA = Net Profit + Tax + Interests + Depreciation + Amortization.

2. ROE = Net Profit / Average Shareholders Equity

3. ROA = (Net Profit + Interest*(1- Effective Tax Rate))/Average Asset



Financial Highlight : 3Q21 vs. 3Q20 (Accumulated)

(NT\$m)	3Q21	3Q20	YoY
Revenue	45,378	41,222	10.1%
Gross Profit Margin %	37.0%	37.4%	-0.45%
Operating Profit	12,874	12,112	6.3%
Operating Profit %	28.4%	29.4%	-1.0%
Net Profit	9,750	9,666	0.9%
Net Profit %	21.5%	23.4%	-2.0%
EPS	NT\$22.40	NT\$22.21	NT\$0.19
EBITDA* ¹	17,364	16,226	7.0%
EBITDA %	38.3%	39.4%	-1.1%
EBIT	12,921	12,251	5.5%
ROE* ² (annualized)	28.4%	29.2%	-0.8%
ROA* ³ (annualized)	11.2%	13.7%	-2.4%

1. EBITDA = Net Profit + Tax + Interests + Depreciation + Amortization.

2. ROE = Net Profit / Average Shareholders Equity

3. ROA = (Net Profit + Interest*(1- Effective Tax Rate))/Average Asset

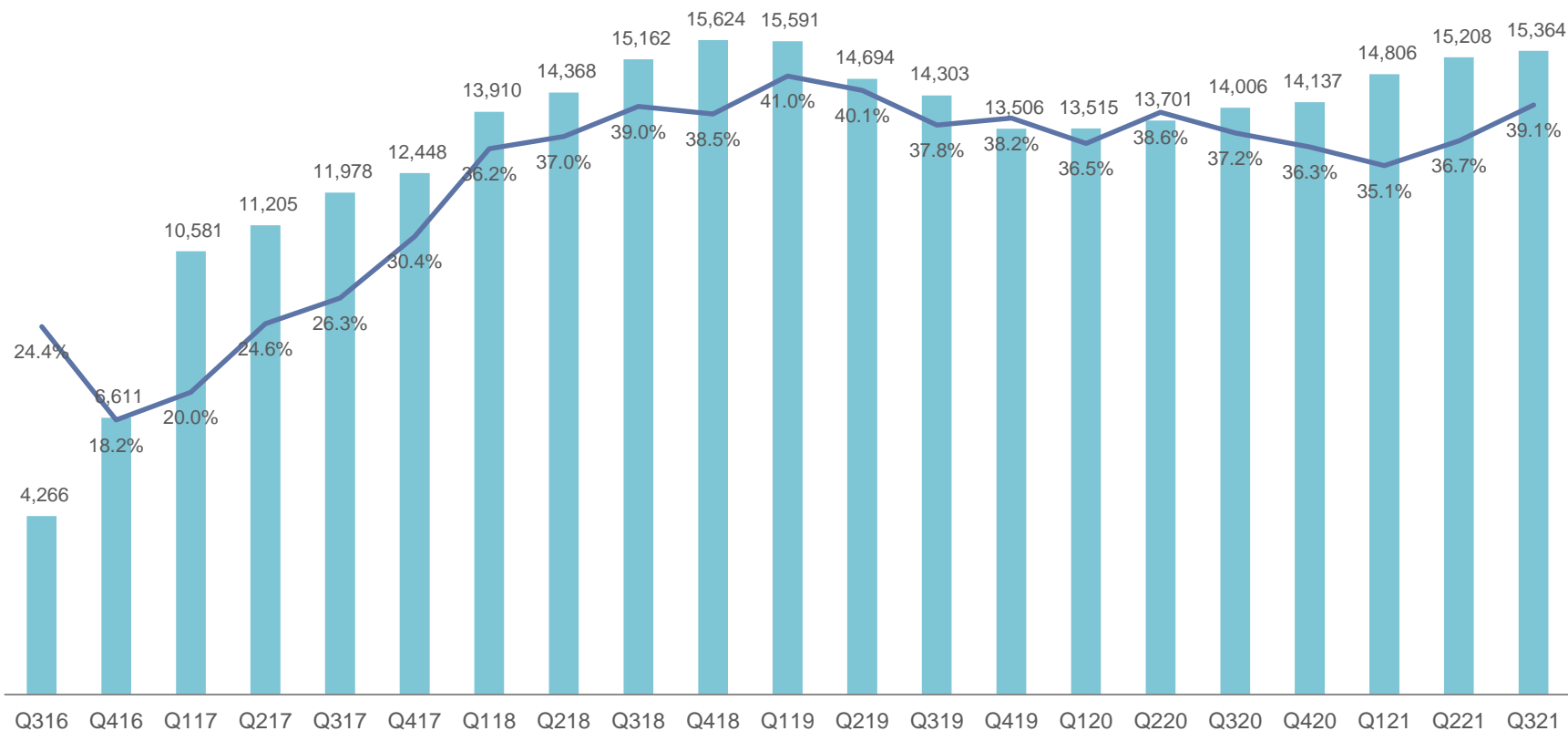


Revenue & Gross Margin

Revenue & Gross Margin

(Unit: NT\$mn)

Revenue GM %

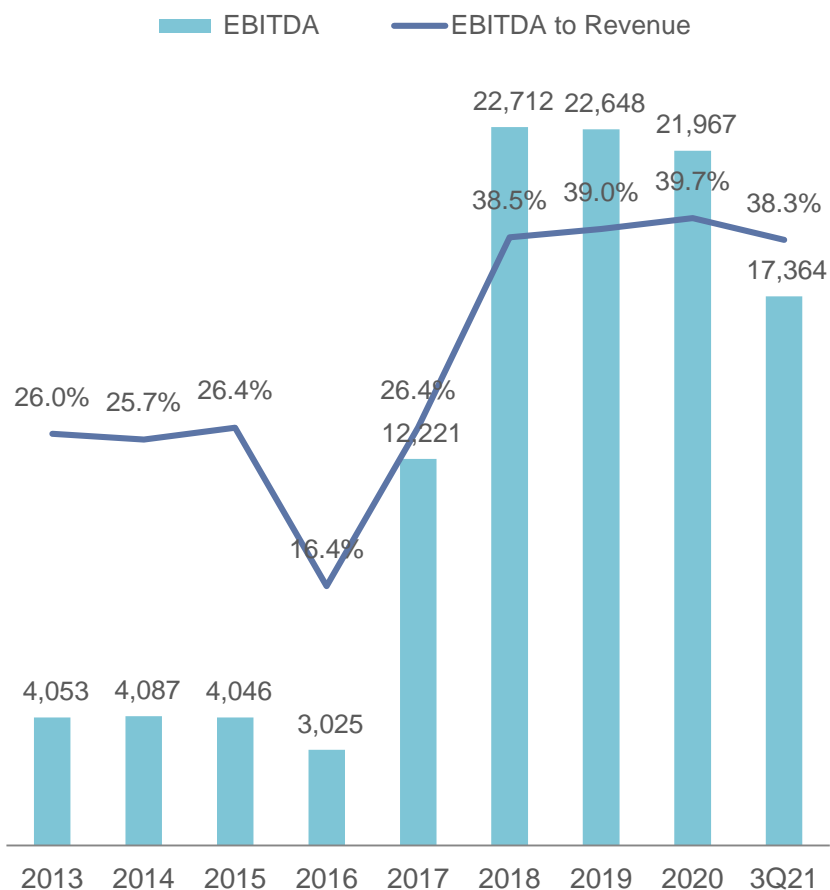




EBITDA & EPS

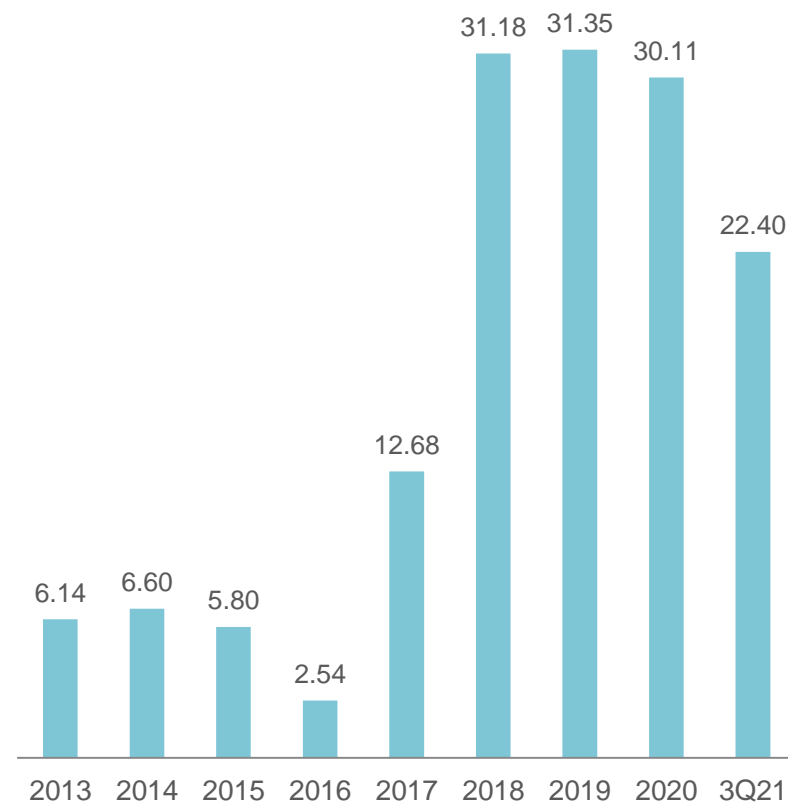
EBITDA

(Unit: NT\$mn)



EPS

(Unit: NT\$)





Income Statement

Income Statement

(NT\$m)	2018	2019	Q120	Q220	Q320	Q420	Q121	Q221	Q321
Revenue	59,064	58,094	13,515	13,701	14,006	14,137	14,806	15,208	15,364
<i>Growth (%)</i>	27.8%	-1.6%	0.1%	1.4%	2.2%	0.9%	4.7%	2.7%	1.0%
Gross Profit	22,299	22,847	4,938	5,284	5,215	5,132	5,193	5,584	6,010²
<i>Gross Profit Margin (%)</i>	37.8%	39.3%	36.5%	38.6%	37.2%	36.3%	35.1%	36.7%	39.1%
EBITDA	22,712	22,648	5,015	5,609	5,602	5,740	5,051	6,919¹	5,393³
<i>EBITDA Margin (%)</i>	38.5%	39.0%	37.1%	40.9%	40.0%	40.6%	34.1%	45.5%	35.1%
Operating Profit	17,578	17,897	3,805	4,229	4,078	3,175	3,952	4,259	4,664
<i>Operating Profit Margin (%)</i>	29.8%	30.8%	28.2%	30.9%	29.1%	22.5%	26.7%	28.0%	30.4%
Profit before Tax	18,253	18,554	3,922	4,424	4,070	4,198	3,529	5,408¹	3,881³
<i>Profit before Tax Margin (%)</i>	30.9%	31.9%	29.0%	32.3%	29.1%	29.7%	23.8%	35.6%	25.3%
Net Profit	13,634	13,636	2,880	3,397	3,388	3,438	2,690	3,955	3,105
<i>Net Profit Margin (%)</i>	23.1%	23.5%	21.3%	24.8%	24.2%	24.3%	18.2%	26.0%	20.2%
EPS (NT\$)	31.18	31.35	6.62	7.81	7.78	7.90	6.18	9.09	7.13

1&3. Due to Siltronic share evaluation at fair value.

2. Due to higher ASP and production mix.



Balance Sheet

Balance Sheet

(NT\$mn)	2018	2019	Q120	Q220	Q320	Q420	Q121	Q221	Q321
Assets									
Cash and cash equivalents	35,214	32,822	28,285	26,013	26,930	22,439	12,700 ¹	46,768 ⁴	56,919 ⁵
Account receivable	9,226	8,140	8,574	8,337	8,313	8,037	9,094	8,874	9,176
Inventories	7,040	6,849	6,416	6,985	7,369	7,208	6,772	6,974	7,036
Property, plant and equipment	30,887	34,697	35,747	36,392	36,727	37,111	35,331	34,163	33,210
Other assets	7,455	14,078	17,691	16,308	13,502	20,056	32,684 ²	34,723	33,407
Total assets	89,822	96,586	96,713	94,035	92,842	94,852	96,581	131,502	139,747
Liabilities									
Short-term loan	5,042	9,886	9,582	5,162	12,912	9,871	15,445 ³	10,543	6,464
Account payable	4,870	3,837	3,746	4,053	3,841	3,895	4,075	4,027	3,918
Long term loan	430	--	--	--	--	--	--	32,479 ⁴	45,045 ⁵
Other liabilities	36,324	37,790	46,812	45,122	32,997	36,930	32,314	38,955	36,909
Total liabilities	46,666	51,513	60,140	54,337	49,749	50,697	51,834	86,004	92,336
Shareholder equity	43,156	45,073	36,573	39,698	43,093	44,155	44,747	45,497	47,411

1. Due to Siltronic shares acquisition and cash dividends distribution

2. Due to Siltronic shares acquisition

3. Due to increasing bank loan for acquiring Siltronic shares

4. Due to issuance of ECB & corporate bond

5. Due to issuance of corporate bond



Q&A



Thank You
