



GlobalWafers (6488 TT) 2020 Results Presentation

March, 2021



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Executive Comments

➤ 2020

- Sequential growth regardless of headwind
- Revenue
In NTD, YoY is - 4.71%. If calculated in USD YoY is merely -0.26%.
- Our 3rd best year in history
 - ✓ Revenue, GM &GM%, EBITDA, OP, PBT, Net Profit, EPS
- EBITDA % & Net Profit % – Best Ever!

➤ About Siltronic Transaction

- Final acceptance rate of 70.27%
- Settlement in 2H21, following receipt of required regulatory clearance.
- Expected to have the added scale and the breadth in product portfolio to better service our customers across the world.

1. 2020 dividend payout is subject to AGM approval on June 22, 2021



➤ Outlook

- Government stimulus and vaccination deployment may bring surge in consumer device spending in developed countries from pent up demand of consumers that have been in lock down.
- Digital transformation - still in its early stages. Remote-working/learning and migration to online activities and cloud services will continue post COVID-19.
- 5G - Trade disputes between the US and China and the COVID-19 have had a negative impact on the world's progress to 5G, but deployment is expected to accelerate in 2021.
- Smartphone - Sentiment in the industry is positive, expected to rebound in 2021.
- Automotive – average semiconductor value per car is expected to increase, bringing strong recovery in 2021.



Industry Overview

Global GDP Forecast

- The World Bank forecasts 4% Global GDP growth in 2021, however also cites “exceptional” uncertainty about near-term outlook, where new outbreaks or delayed virus deployment could derail 2021 forecasts.

World GDP Rebound

Economic growth is forecasted to rebound

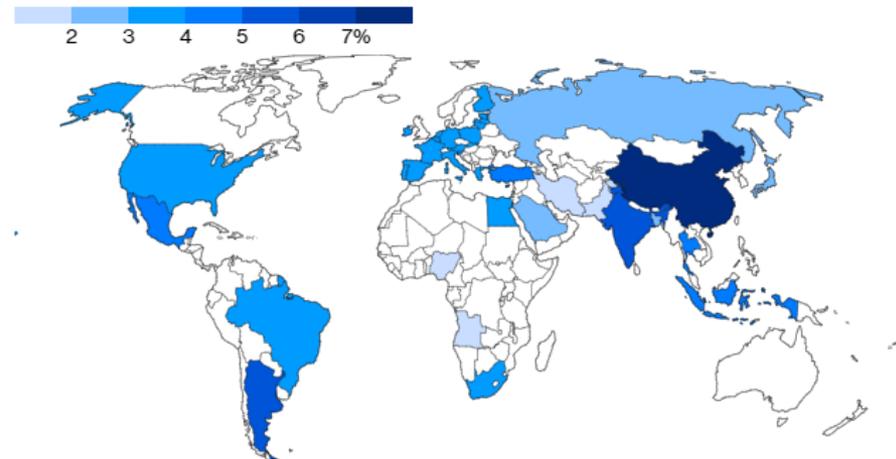


Source: World Bank

Source: World Bank

2021 GDP Forecast

The World Bank predicts the global economy will grow 4% this year.



Source: World Bank

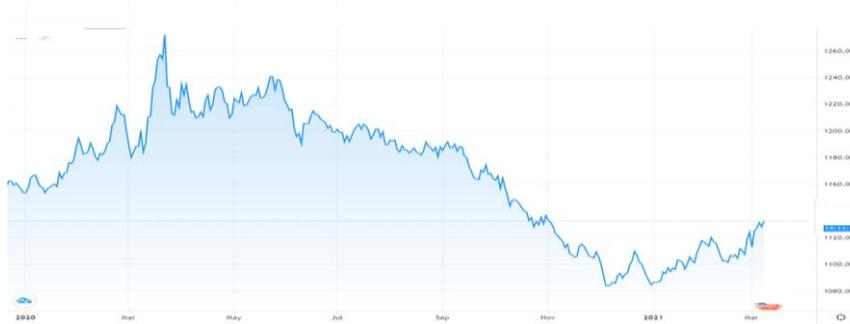


COVID-19 Heightens FX Volatility

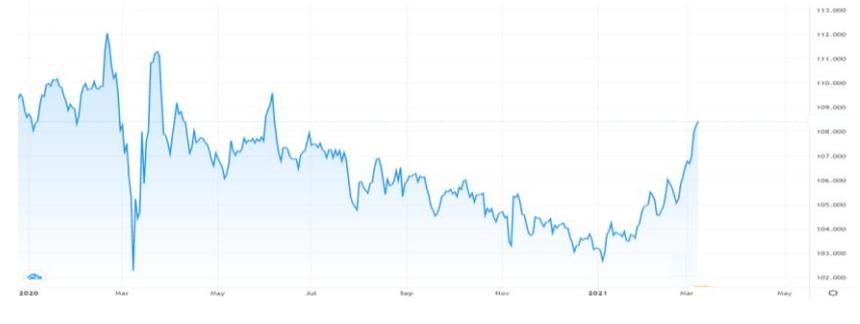
- Amid a global crisis caused by COVID-19, the FX market is experiencing heightened levels of volatility.
- Overseas demand for chips used in smartphones, artificial intelligence and high-performance computing has helped fuel an appreciation of New Taiwan Dollars, which negatively reduces GlobalWafers' US dollar-denominated revenues

Foreign Currency Trend since 2020

USD v.s. KRW



USD v.s. JPY



USD v.s. NTD



USD v.s. EUR



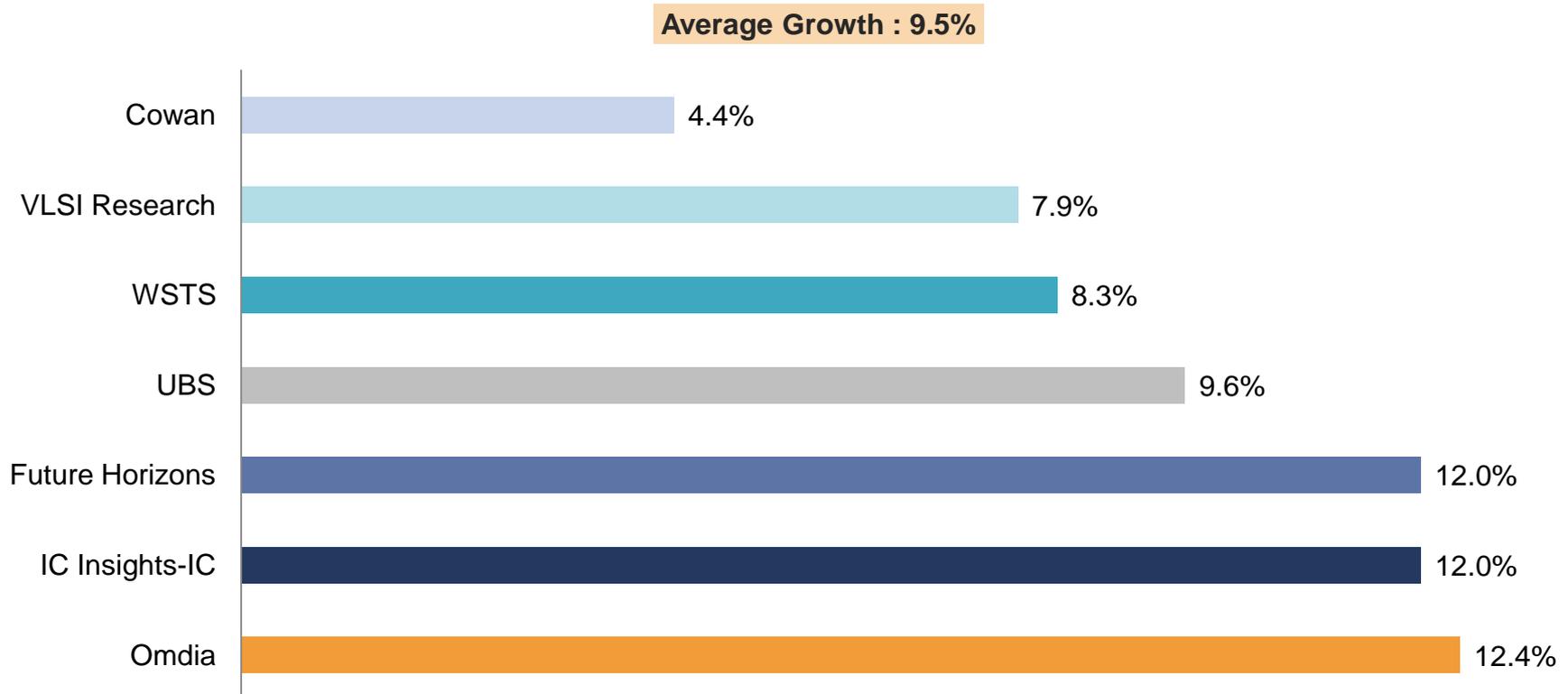
Note: Foreign currencies since January, 2020



Semiconductor Industry Forecast

- Analysts predict strong growth for semiconductor industry in 2021 with average forecast is at 9.5%, the surge is attributed to double-digit growth of the memory and optoelectronics and growth in all other categories.

2021 Semiconductor Industry Forecast



Source: Compiled by SEMI, November 2020.

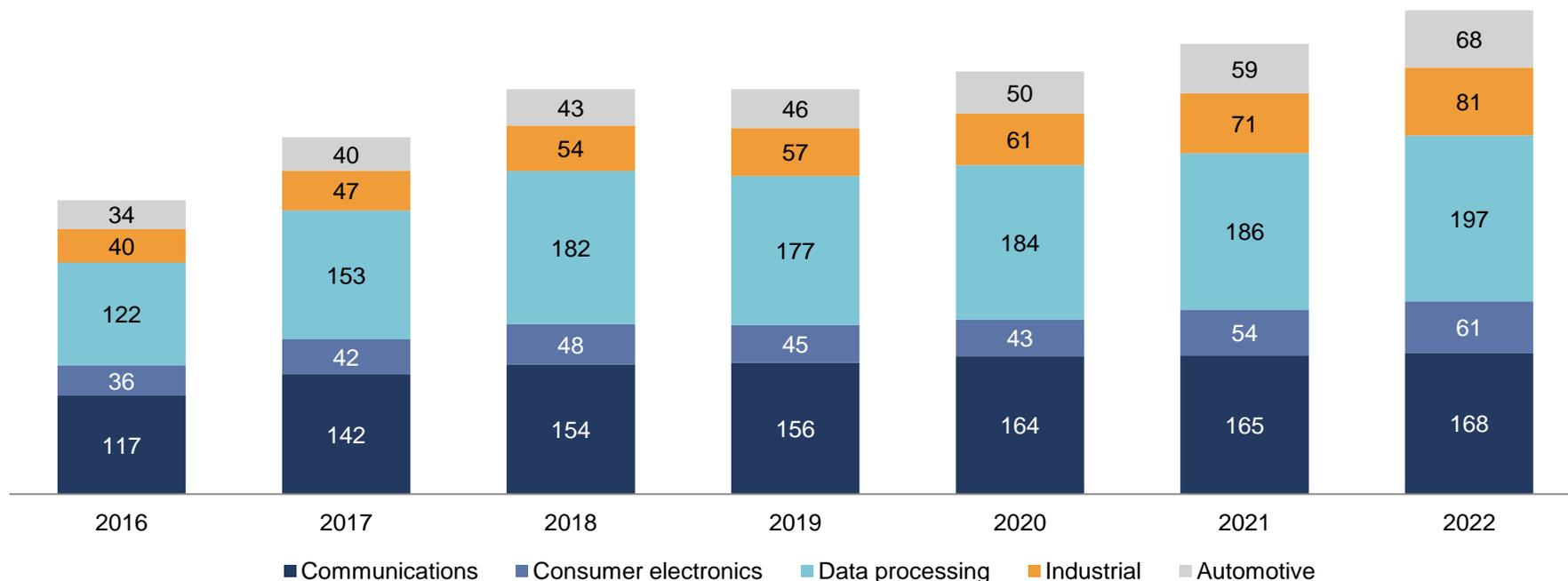


Semiconductor Forecast by End Application

- Data processing and communications will take up the largest share of the 2021 overall semi market.
- Consumer electronics are expected to have the highest growth in 2021 at 26% YoY. Automotive and Industrial also expected to have strong growth at 18% and 16% YoY respectively.

Semiconductor Market Size (by application)

(USD Billions)



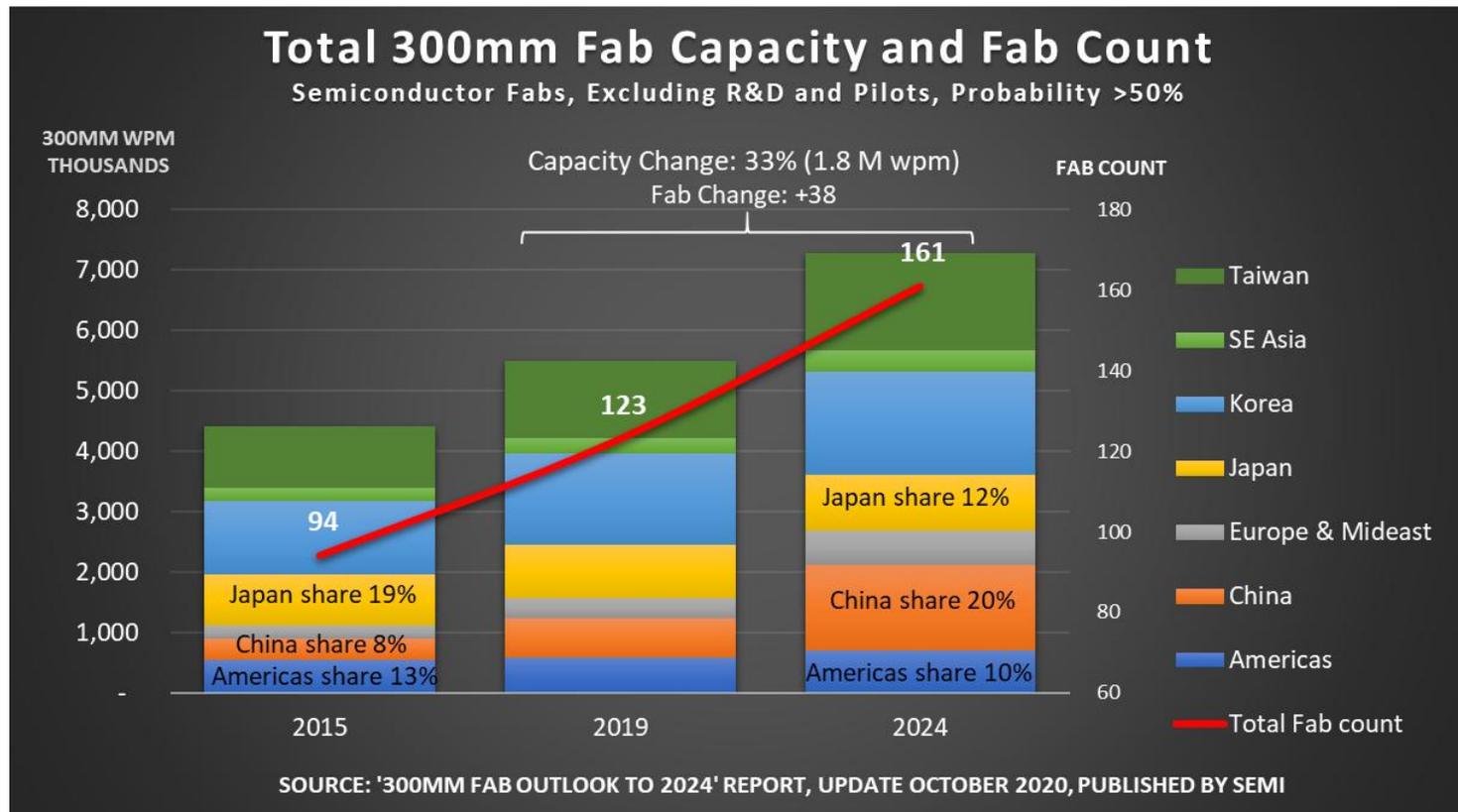
Source: Statista, January, 2021



New 300mm Fabs

- According to SEMI, the industry will add at least 38 new 300mm volume fabs from 2019 to 2024. During the same period, per-month fab capacity will grow by about 1.8 million wafers to reach over 7 million.

Total 300mm Fab Capacity and Fab Count

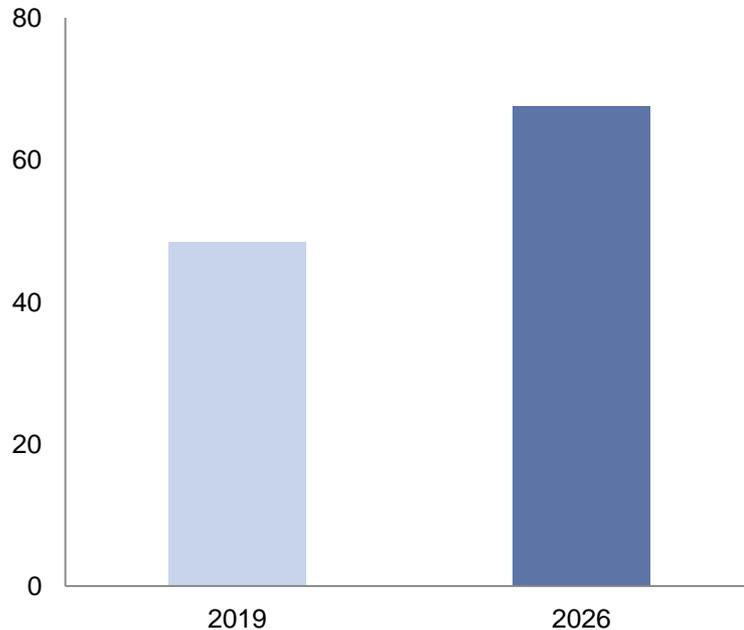


Global Automotive Semiconductor

- Robust growth in 2021 is expected due to notably low automotive inventory and stimulus packages favoring the switch to electric and hybrid cars.
- Research forecasts the global automotive semiconductors market to reach \$67.6 billion, a healthy compound annual growth rate of 7% from 2019 to 2026.

Global Automotive Semiconductor Market

(USD Billions)



Automotive Semiconductor Market – Growth % by Region (2019—2024)



Source: IHS Markit, November, 2020

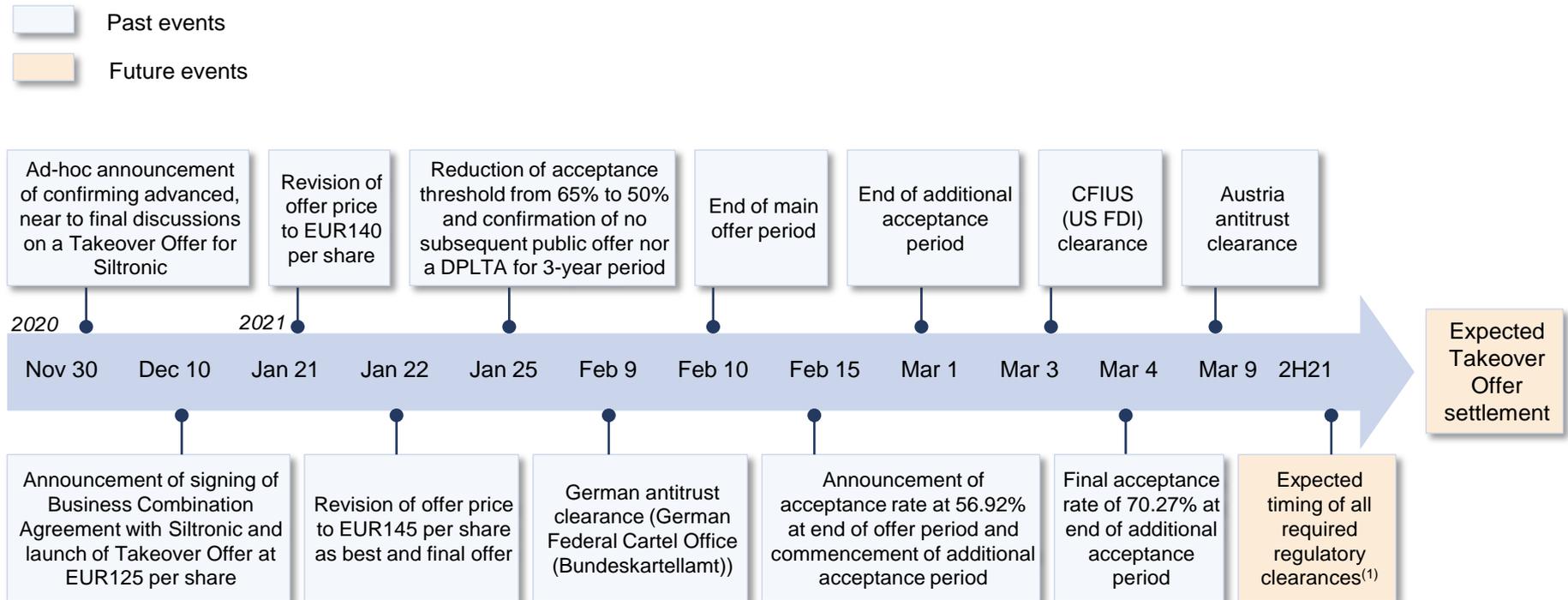


About Siltronic Transaction



Development of Takeover Offer for Siltronic

- GlobalWafers achieved a final acceptance rate of 70.27%
- Settlement of the Takeover Offer is expected in the second half of 2021, following receipt of required regulatory approvals



1. Further anti-trust approvals required in USA, China, Taiwan, Japan, Singapore and South Korea; foreign direct investment ("FDI") approvals in Germany and UK (if required).



2020 Performance Update



Financial Highlights

➤ 2020

● Sequential improvement despite of COVID-19

	Q420	Q320	Q220	Q120
Revenue(NT\$mn)	14,137	14,006	13,701	13,515
QoQ	0.9%	2.2%	1.4%	-
EPS(NT\$)	7.90	7.78	7.81	6.62

● Our 3rd best year in history

✓ Revenue, GM &GM%, EBITDA, OP, PBT, Net Profit, EPS

● EBITDA % & Net Profit % – Best Ever!

➤ Financial Leverage

● Sufficient cash*¹ position – NT\$ 28,165 mn (US\$ 989 mn)*²

● Prepayment – NT\$ 16,763 mn (US\$ 589 mn)*²

Note:

1. Cash = cash and the equivalent + restricted cash

2. FX Rate: NTD:USD = 28.48



Financial Highlight : 2020 vs. 2019

(NT\$m)	2020	2019	YoY
Revenue	55,359	58,094	-4.7%
EBITDA* ¹	21,967	22,648	-3.0%
EBITDA %	39.7%	39.0%	0.7%
EBIT	16,445	17,902	-8.1%
Operating Profit	15,287	17,897	-14.6%
Operating Profit %	27.6%	30.8%	-3.2%
Net Profit	13,104	13,636	-3.9%
Net Profit %	23.7%	23.5%	0.2%
EPS	NT\$30.11	NT\$31.35	-NT\$1.24
ROE* ² (annualized)	29.4%	30.9%	-1.5%
ROA* ³ (annualized)	13.8%	14.7%	-0.9%

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

2. ROE = Net Profit / Average Shareholders Equity

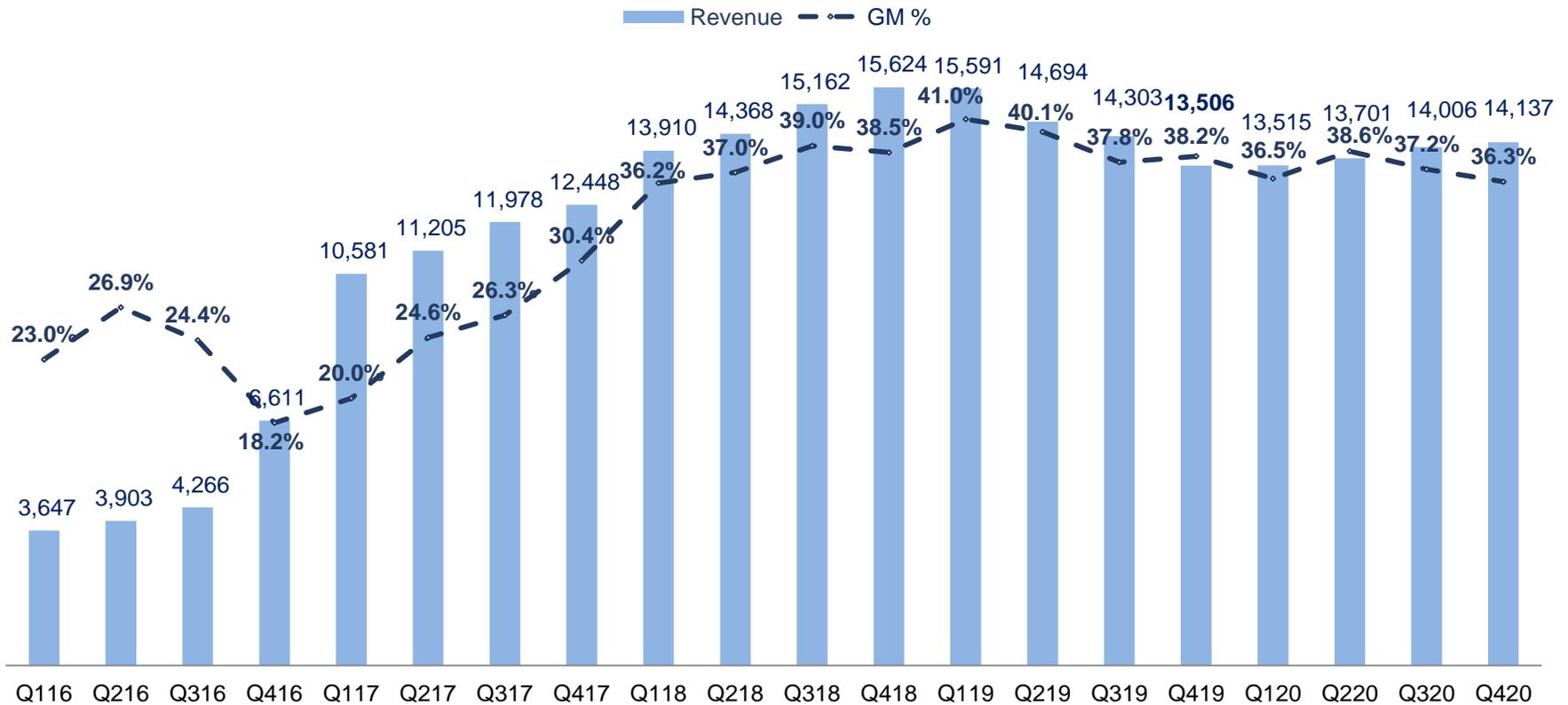
3. ROA = (Net Profit + Interest*(1- Effective Tax Rate))/Average Asset



Revenue & Gross Margin

Revenue & Gross Margin

(NT\$mn)

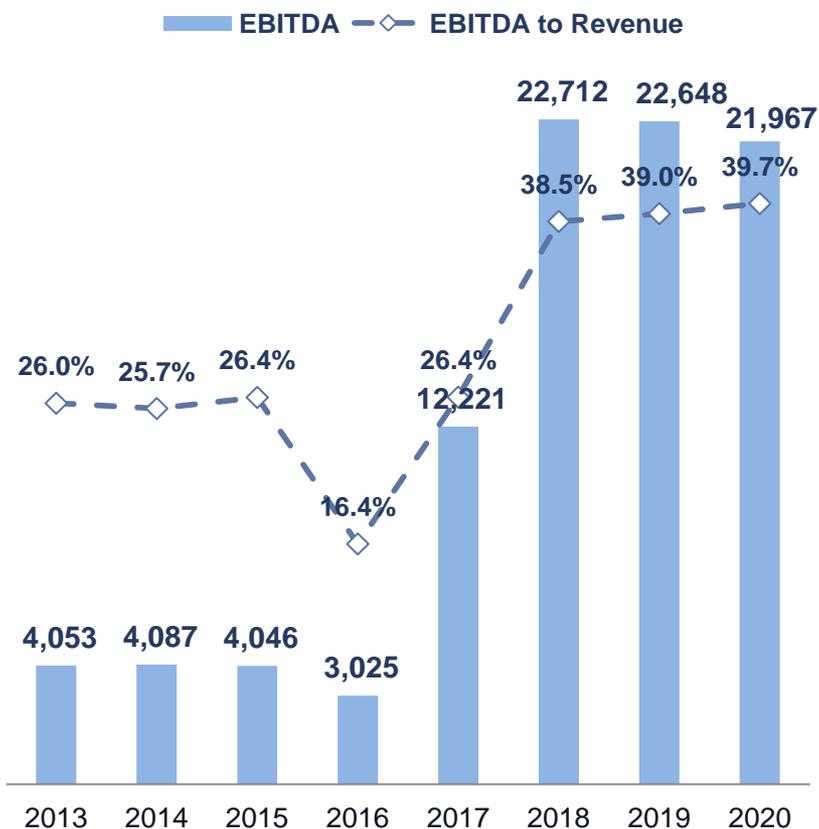




EBITDA & EPS

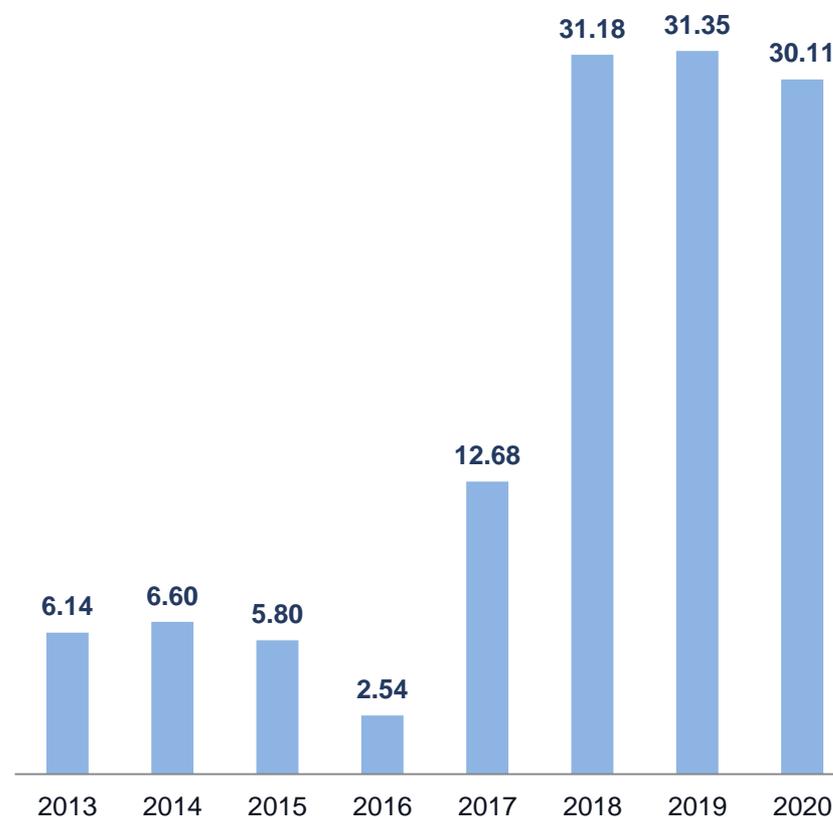
EBITDA

(NT\$mn)



EPS

(NT\$)

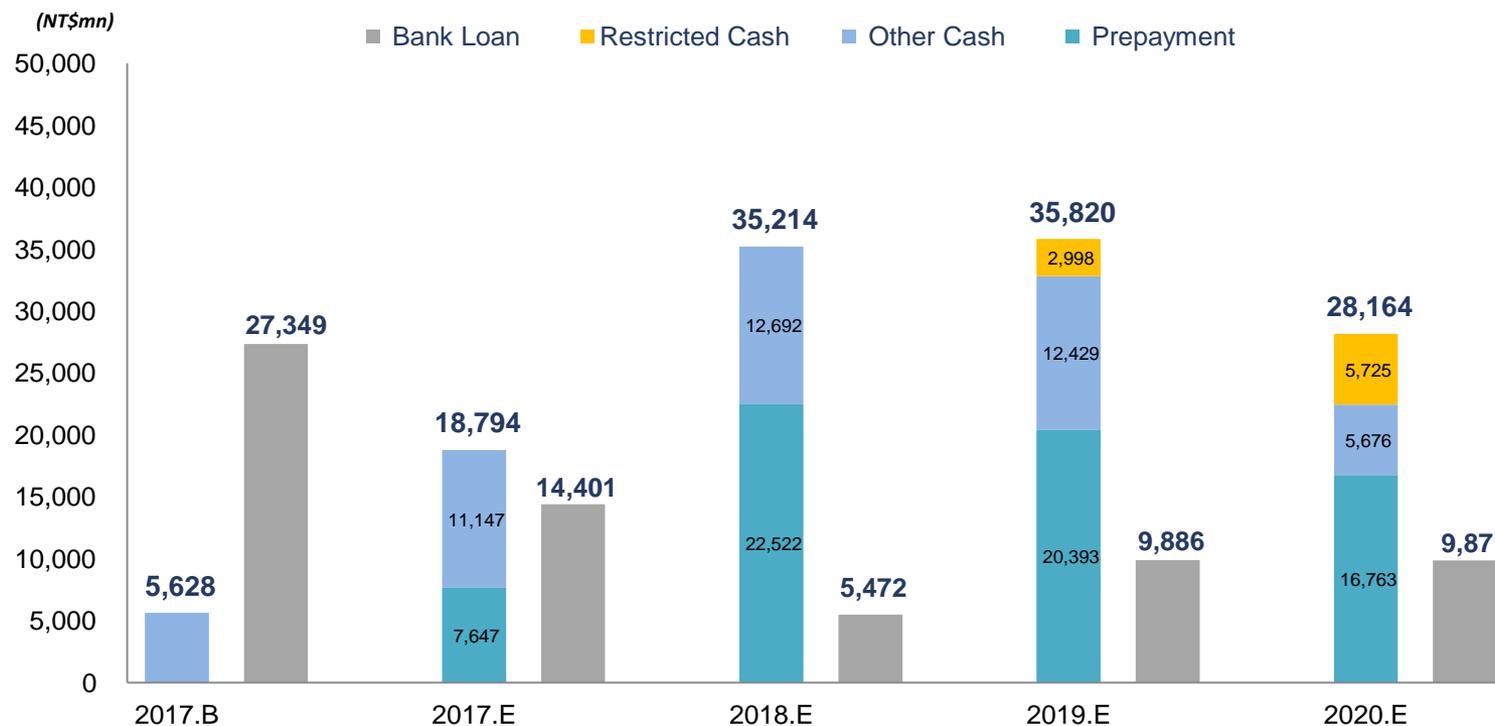




Financial Leverage

- Sufficient cash makes GlobalWafers capable of sustainable development.
- Cash decreased because of take over offer for Siltronic

Cash Structure and Bank Loan



Cash = cash and the equivalent + restricted cash



Income Statement

Income Statement

(NT\$mn)	2013	2014	2015	2016	2017	2018	2019	2020
Revenue	15,570	15,922	15,310	18,427	46,213	59,064	58,094	55,359
<i>Growth (%)</i>	-	2.3%	-3.8%	20.4%	150.8%	27.8%	-1.6%	-4.7%
Gross Profit	3,663	3,728	4,073	4,130	11,808	22,299	22,847	20,568
<i>Gross Profit Margin (%)</i>	23.5%	23.4%	26.6%	22.4%	25.6%	37.8%	39.3%	37.2%
EBITDA	4,053	4,087	4,046	3,025	12,221	22,712	22,648	21,967
<i>EBITDA Margin (%)</i>	26.0%	25.7%	26.4%	16.4%	26.4%	38.5%	39.0%	39.7%
Operating Profit	2,194	2,336	2,685	1,378	7,414	17,578	17,897	15,287
<i>Operating Profit Margin (%)</i>	14.1%	14.7%	17.5%	7.5%	16.0%	29.8%	30.8%	27.6%
Profit before Tax	2,204	2,679	2,808	1,344	6,875	18,253	18,554	16,615
<i>Profit before Tax Margin (%)</i>	14.2%	16.8%	18.3%	7.3%	14.9%	30.9%	31.9%	30.0%
Net Profit	1,948	2,095	2,044	939	5,278	13,634	13,636	13,104
<i>Net Profit Margin (%)</i>	12.5%	13.2%	13.4%	5.1%	11.4%	23.1%	23.5%	23.7%
EPS (NT\$)	6.14	6.60	5.80	2.54	12.68	31.18	31.35	30.11

1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.
2. 3Q20: Accumulated number



Balance Sheet

Balance Sheet

(NT\$mn)	2013	2014	2015	2016	2017	2018	2019	2020
Assets								
Cash and cash equivalents	1,536	2,685	3,662	5,628	18,794	35,214	32,822	22,439
Account receivable	3,165	3,694	4,538	7,642	7,869	9,226	8,140	8,037
Inventories	3,291	2,829	3,262	7,307	7,347	7,040	6,849	7,208
Property, plant and equipment	9,796	8,972	9,361	31,036	28,202	30,887	34,697	37,111
Other assets	3,286	3,204	2,994	8,948	8,020	7,455	14,078	20,056
Total assets	21,074	21,385	23,816	60,560	70,232	89,822	96,586	94,852
Liabilities								
Short-term loan	1,302	2,069	696	12,982	10,738	5,042	9,886	9,871
Account payable	1,816	1,789	1,383	5,126	4,269	4,870	3,837	3,895
Long term loan	--	--	--	14,367	3,663	430	--	--
Other liabilities	4,821	4,325	5,012	12,267	17,508	36,324	37,790	36,930
Total liabilities	7,939	8,184	7,091	44,742	36,178	46,666	51,513	50,697
Shareholder equity	13,135	13,201	16,725	15,819	34,054	43,156	45,073	44,155

1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.
2. Account receivables include account receivables from related parties.
3. Account payables include account payables from related parties.



ESG Highlights

- Responsible Growth is our principle in business practices.
- GlobalWafers aims at being at the forefront of global responsibility in the aspects of environment, health & safety and corporate governance.

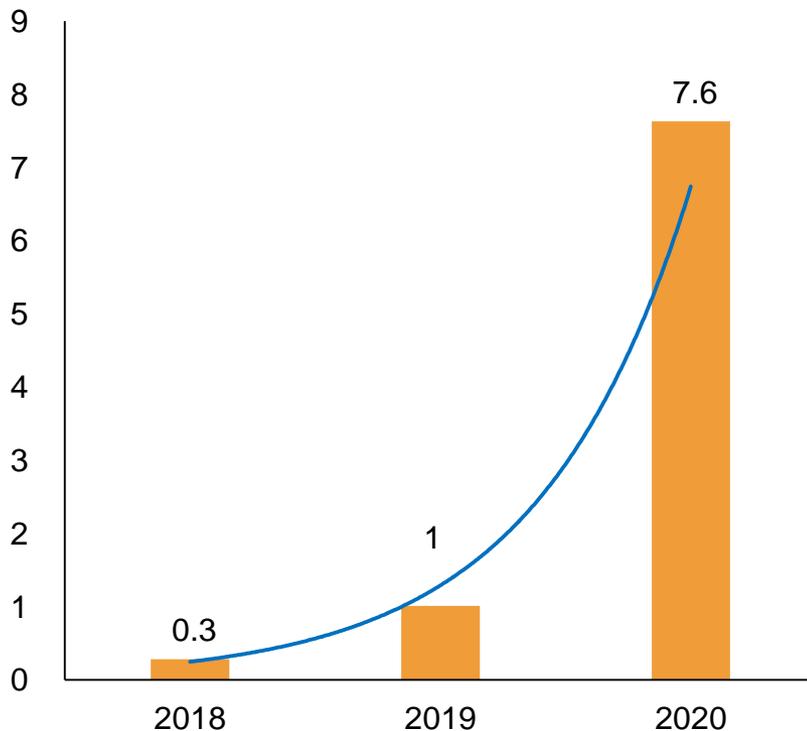


Committed to Green Energy

- Through construction of solar power plants, GlobalWafers tries to fulfill its social responsibility to make the world greener.
- The cumulative solar capacity reaches 7.6 MW, which could generate 8.71 million kWh electricity and equals to reducing 4,433 tons of CO₂ emissions and planting 402,956 trees per year.

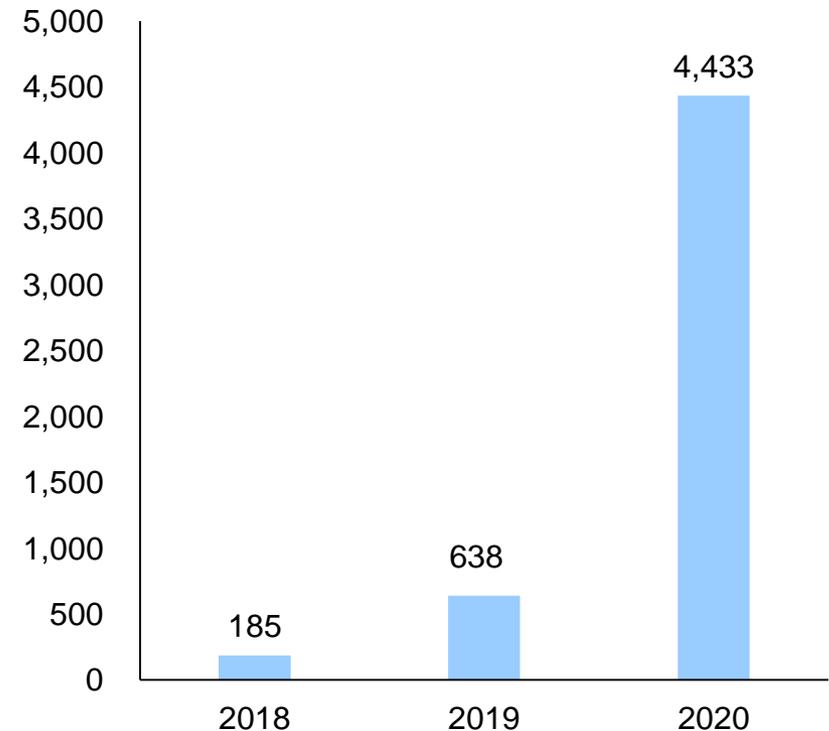
GWC Solar PV Capacity (Accumulated)

Unit: MW



CO₂ Emission Reduction (Accumulated)

Unit: ton CO₂e



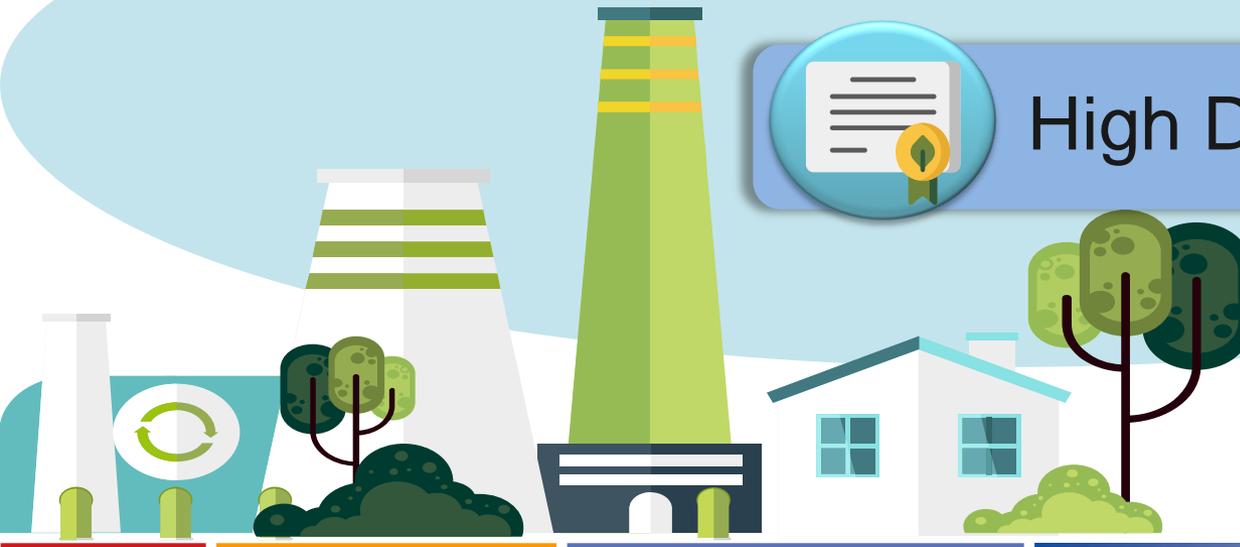
Sustainable Environment – Waste

- GlobalWafers adopts circular economy solutions to reduce costs and environmental impact.
- Almost 80% of the waste could be reused and regenerated as ingredients by other industries.
- Our relentless efforts make us outshining in the industry and are awarded the High Distinction Award from Year 2020 Outstanding Enterprise for Waste Reduction and Circular Economy.

*2020 Outstanding Enterprise Award
for Waste Reduction and Circular Economy*



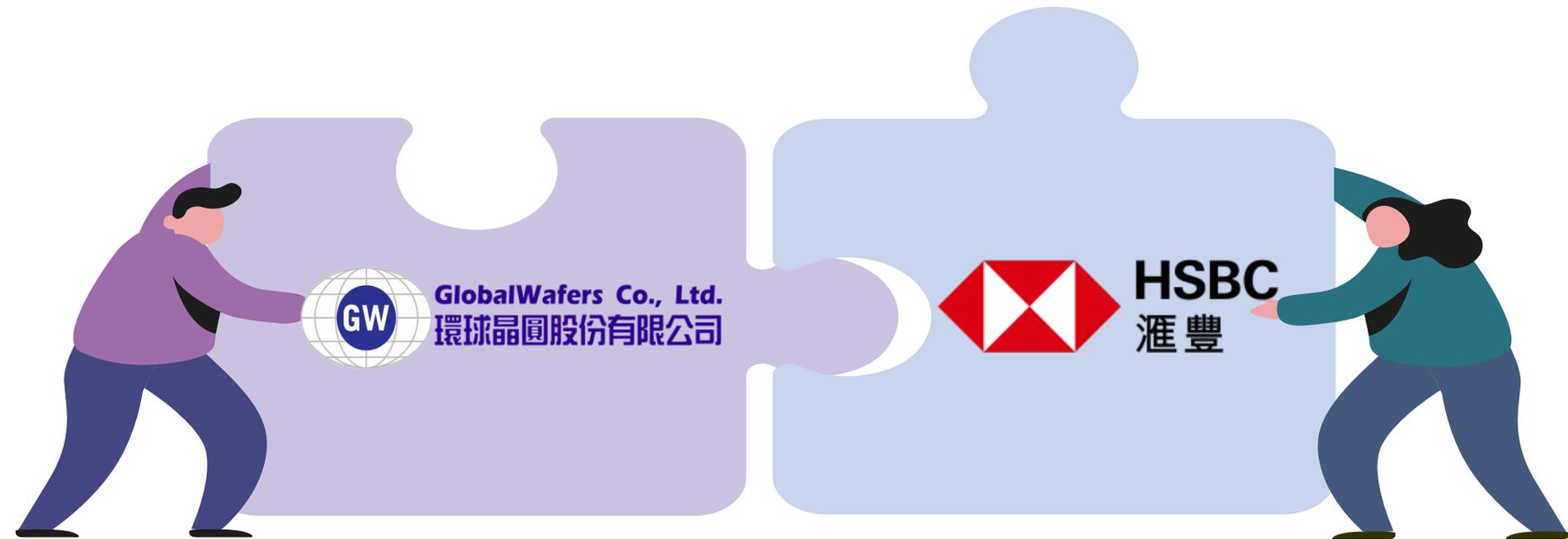
High Distinction Award





Sustainable Finance

- GlobalWafers signed the USD20 millions Sustainability Linked Loan(SLL) with HSBC which will provide the preferential interest rate once GlobalWafers achieves the sustainability linked targets during the next year.
- GlobalWafers cooperates with HSBC to build up Zero-Carbon Economy, aiming to open a new chapter for sustainable development.





Charity and Environment Protection

- GlobalWafers devotes our love to the ones that in need via donations. We also extend our care to environment through corporate volunteers by a series of activities like beach cleaning.



**2020 Aug. & Nov.
Beach Cleaning**



**2020 Sep.
Donation to Rural Tribe**



**2020 Oct.
Ambulance Donation to Italian Red Cross (CRI)**



Q&A



Thank You
