



GlobalWafers (6488 TT) 1H21 Results Presentation

August, 2021



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Executive Comments

➤ 1H21

● Revenue

- ✓ Both June and Q2 revenues hit the third highest in the history.
- ✓ 1H revenue exceeded NTD\$30 billion with 10.3% YoY!

● EBITDA

- ✓ Q2 → record high
- ✓ 1H → the third highest in the history

● Net Income

- ✓ Q2 → record high

● EPS

- ✓ Q2 EPS NTD 9.09 → record high
- ✓ 1H EPS NTD 15.27 → the third highest in the history!

- Accumulated cash flow from operations of NT\$ 10,339mn (US\$371mn)^{*1} and cash^{*2} of NT\$ 52,011mn (US\$1,867mn)^{*1} reflect our correct operation strategy and emphasize the strength of our business model and financial moats.

- Prepayment – NT\$ 18,992mn (US\$ 682 mn)^{*2}

Note:

1. FX Rate: NTD:USD = 27.86

2. Cash = cash and the equivalent + restricted cash



➤ Commitment for Sustainability

- Commit 100% renewable energy usage by 2050 in all global operations sites.
- Progressive goals
 - ✓ 20% by 2030, 35% by 2035, 50% by 2040, 100% by 2050
- Approaches:
 - ✓ Build solar power systems in the group
 - ✓ Sign Power Purchase Agreement (PPA)
 - ✓ Purchase Renewable Energy Certificates (RECs)

➤ ESG Highlight

- Treedom - Planting in Italy to aid reforestation and local community
- Eruboshi Certification in MJL (Japan site) – advancing women in the workplace for gender equality
- Water saving against drought in Taiwan sites:
 - ✓ 1H21 water withdrawal quantity decreases by 247 kilotons, down by 19%
 - ✓ 1H21 water recycle quantity increases by 62 kilotons, up by 5%

➤ Planned Financing Measures

- **ECB (Euro Convertible Bond)**
 - ✓ Due to cash dividends distribution, the ECB conversion price was adjusted from NT\$1,040.20 to NT\$1,028.46 since 2021/07/22.
- **CB (Corporate Bond)**
 - ✓ Total amount: NT\$22 billion
 - ✓ Progress:
 - The initial NT\$ 6.5 billion has been issued on May 11, 2021
 - The rest is expected to be issued in 1 year as schedule.



➤ **Siltronic Transaction**

- The regulatory approval process of GlobalWafers' acquisition of Siltronic remains on track with closing of the transaction expected in the second half of 2021.
(To date, GlobalWafers has received clearance from the German, Austrian, Korean, Taiwan, and Singapore anti-trust authorities and CFIUS in the US.)

➤ **Industry & Outlook**

● **Global Economy**

The World Bank expects global economy to expand 5.6% in 2021, underpinned by steady but highly uneven global vaccination and the associated gradual relaxation of pandemic-control measures in many countries as well as rising confidence.

● **Wafer**

While wafer fab materials market is expected to grow throughout 2022, the Si wafer portion is expected to have more growth in terms of both shipments and revenue in the next two years.

● **Automotive**

Shortages are expected to last into 1H22, leading automotive manufacturers to abandon 'just in time' inventory practices, replaced with LTA.

● **Smartphone**

Strong due to 5G rollout and undersaturated markets for cheap smartphones in developing geographies are driving growth.



Commitment for Sustainability



Commitment to 100% Renewable Energy

- GlobalWafers commits to achieving 100% renewable energy usage over all of group's global operation bases by 2050, aiming to reduce carbon emission by practical actions.

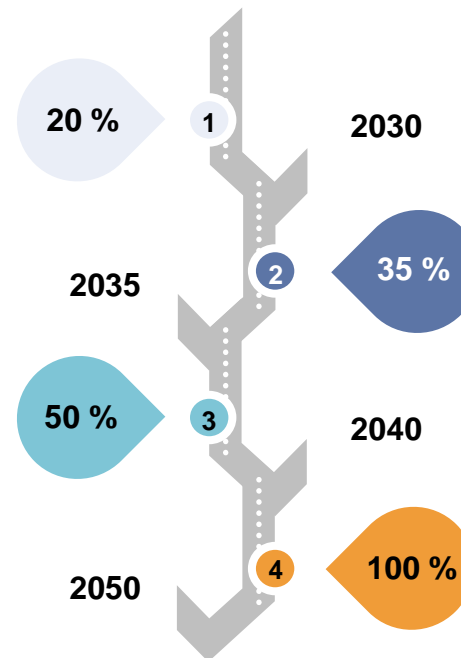
Progressive Goals and Climate Blueprint

1. Adopt renewable energy:

Increasing renewable energy usage by use self-built solar power system and buy renewable energy both in parallel (ex: PPA, RECs).

2. Improve energy efficiency:

Improvement to reduce the energy consumption of.



3. Carbon removal:

Support the promotion of tree planting projects and participate in other natural solutions and nature protection project.

4. Purchase carbon offset products:

Offset their carbon emission by purchasing carbon emissions trading credits.



Treedom – Green the Planet

- Treedom is an innovative social platform that help corporations to plant trees in Italy, Africa and South America. Via participation, GlobalWafers directly finances farmers around the world, brings environmental, social and financial benefits to their communities, supports agroforestry projects and CO₂ absorption.



CO₂ Absorption



Reforestation



**Finance
Local Farmers**

Inclusive Workplace

- GlobalWafers is committed to supporting gender equality, advancing women in the workplace globally. Our Utsunomiya Factory (MJL) received the highest level “Eruboshi” Certification from Japan government, reflecting our sustained dedication to improving female career path.

Utsunomiya Factory (MJL) Received the Highest Level “Eruboshi” Certification



The Eruboshi is based on the Act on Promotion of Women’s Participation and Advancement in the Workplace by Japanese Minister of Health, Labor and Welfare.

The five evaluation criteria are:

- (1) Recruitment
- (2) Continued Employment
- (3) Working Hours
- (4) Proportion of Women in Managerial Positions
- (5) Diversified Career Models



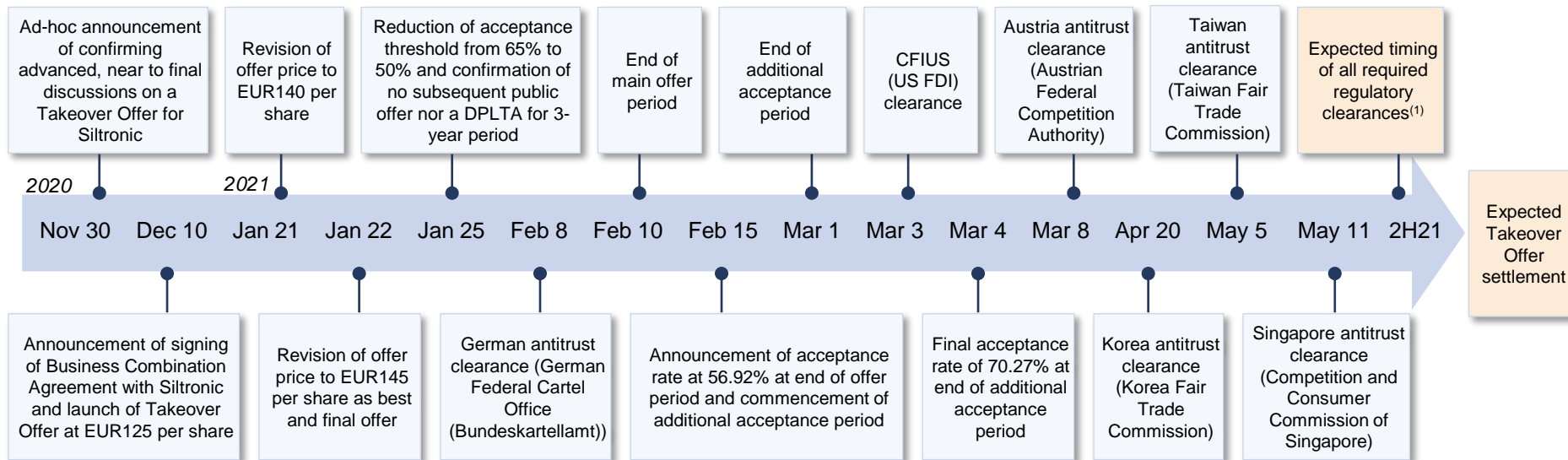
About Siltronic Transaction



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

Past events
 Future events



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



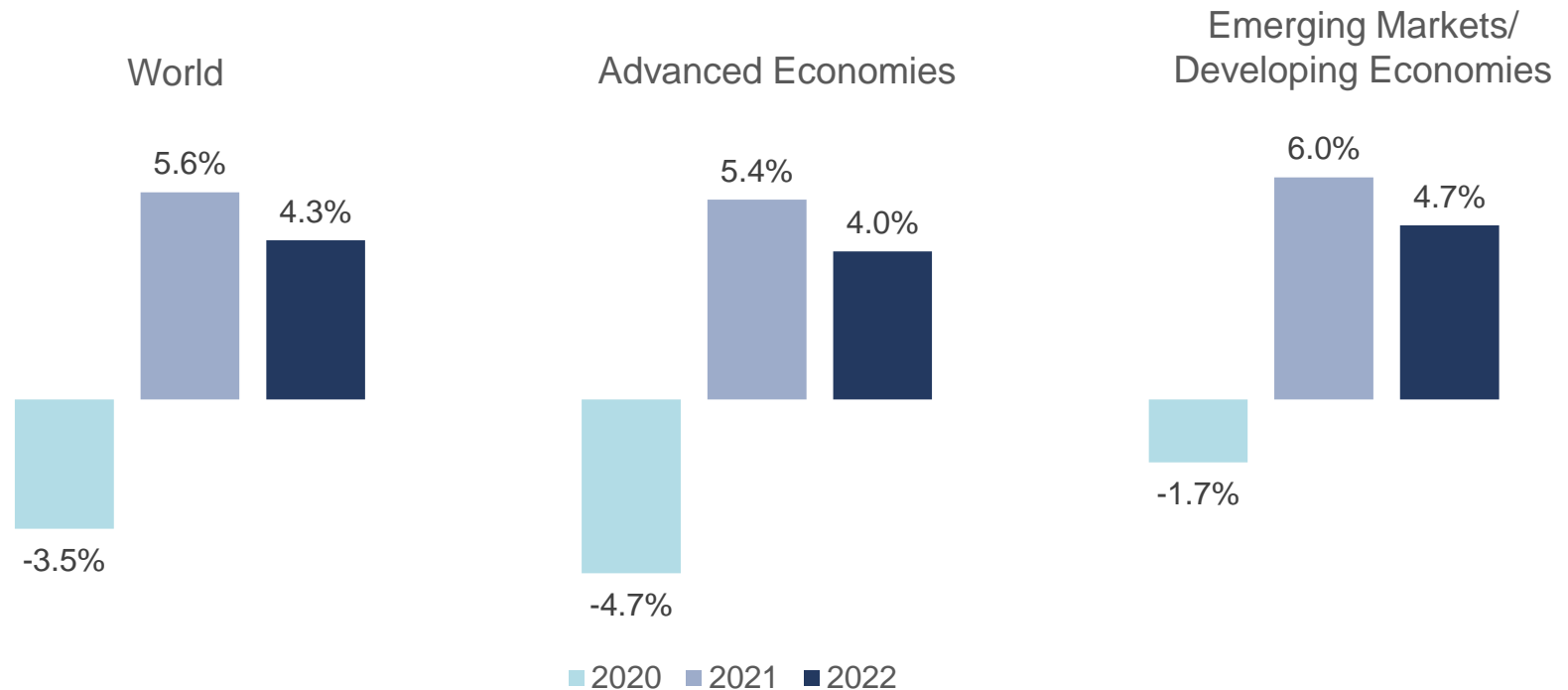
Industry Overview



Global GDP Growth Forecast

- The World Bank states that following a -3.5% contraction caused by the COVID-19 pandemic in 2020, the global economy is set to expand 5.6% in 2021—its strongest post-recession pace in 80 years.
- The recovery is underpinned by steady but highly uneven global vaccination and the associated gradual relaxation of pandemic-control measures in many countries, as well as rising confidence.

World Economic Outlook (June 2021)



Source: World Bank, June 2021

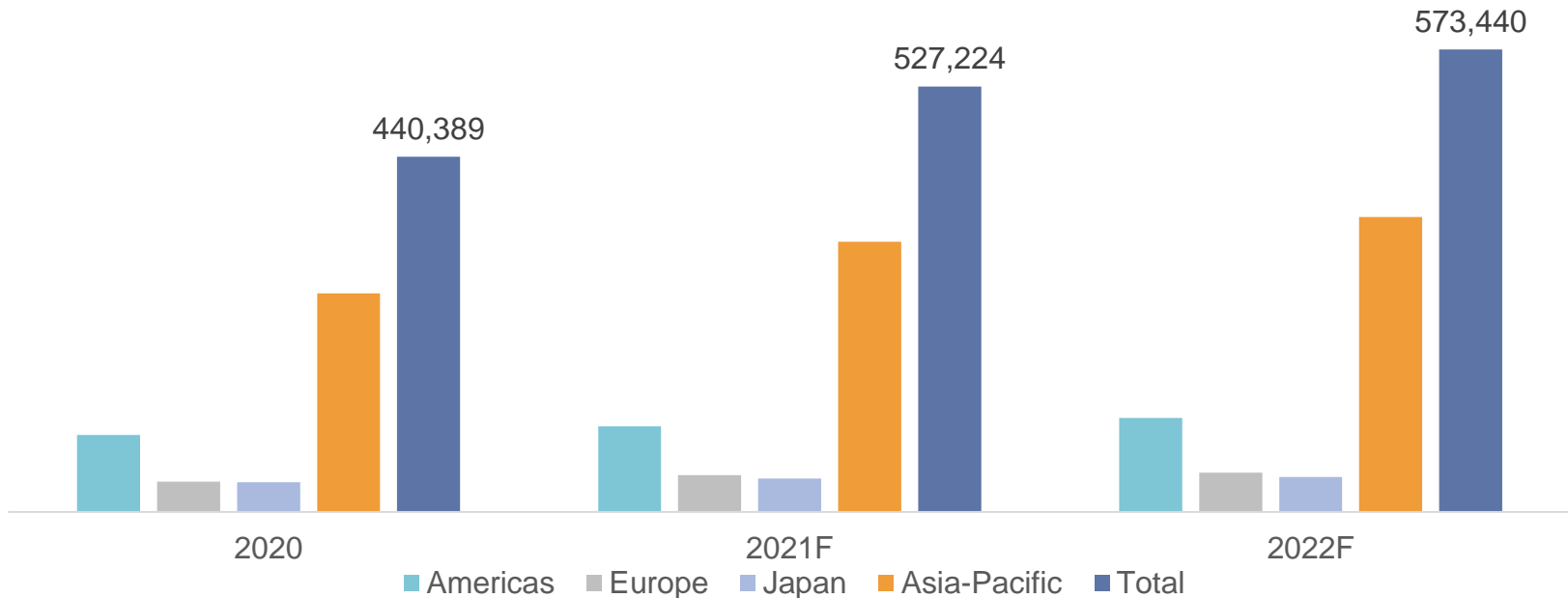
Worldwide Semiconductor Market Forecast (By Region)



- WSTS expects the worldwide semiconductor market growth to rise from 6.8% in 2020 to outstanding 19.7% in the year 2021, which corresponds to a market size of US\$ 527 billion, and further to US\$ 573 billion with 8.8% YoY in 2022. All regions are expected to show positive growth rates.

Worldwide Semiconductor Market Forecast (by Region)

(Unit: \$mn)



Source: WSTS, June 2021

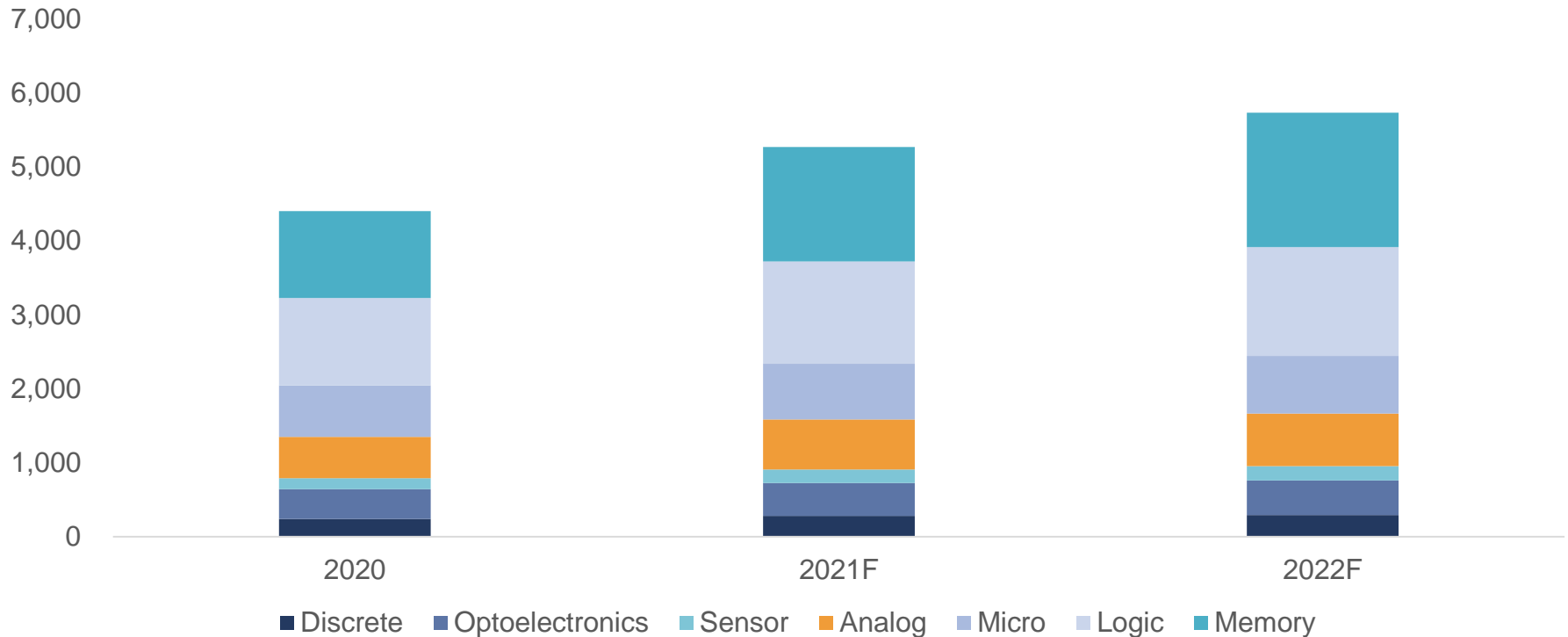
Worldwide Semiconductor Market Forecast (By Product)



- The largest growth contributors are Memory with 31.7%, followed by Sensors with 22.4% and Analog with 21.7% in 2021. All other major product categories are also expected to show double-digit growth-rates, with the exceptions of Optoelectronics with 9.8% and MOS Micro with 8.1%.

Worldwide Semiconductor Market Forecast (by Product)

(Unit: \$mn)



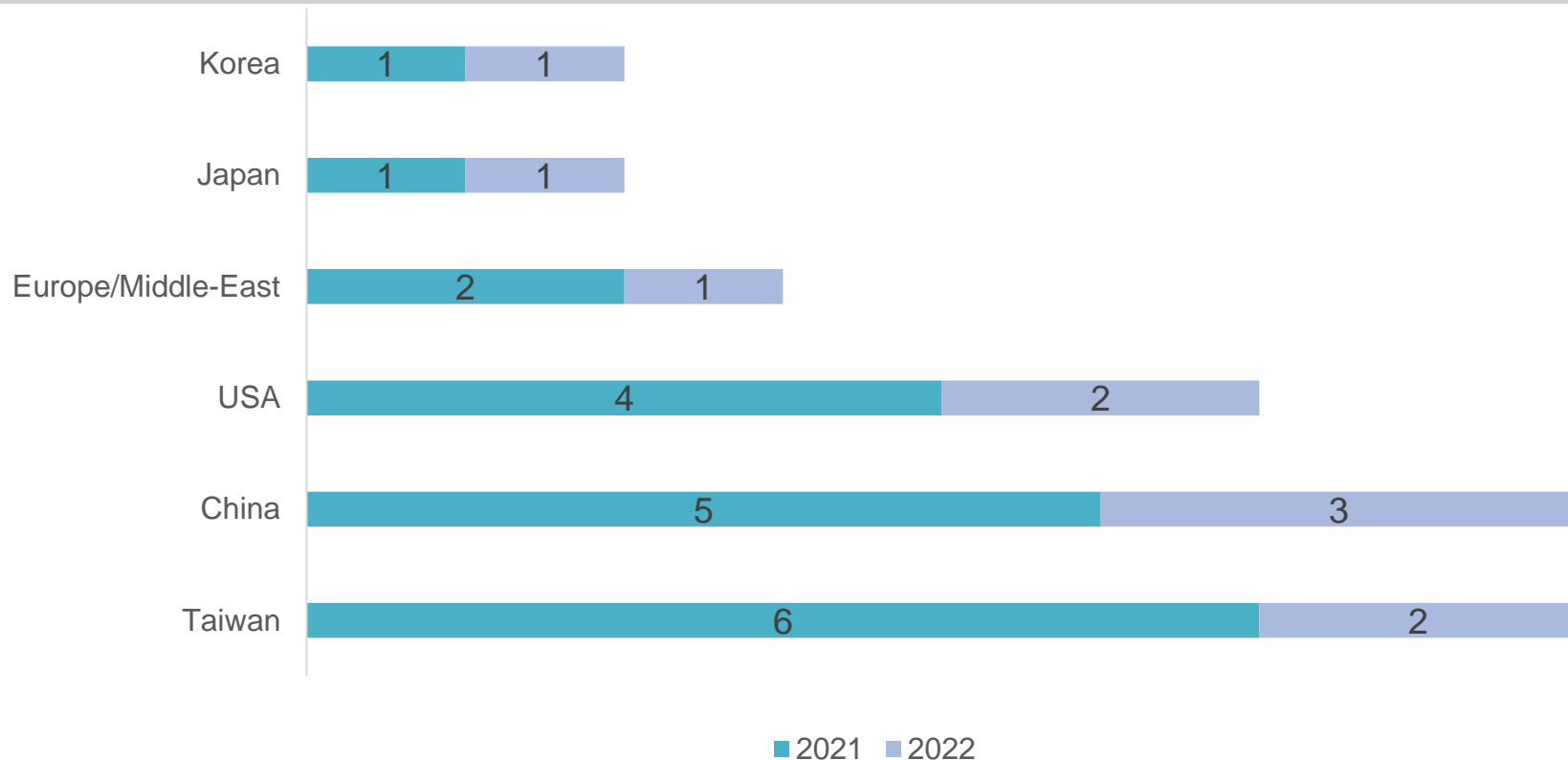
Source: WSTS, June 2021



High-Volume Fabs Start Construction

- Semiconductor manufacturers worldwide will have started construction on 19 new high-volume fabs by the end of this year and break ground on another 10 in 2022 to meet accelerating demand for chips across a wide range of markets including communications, computing, healthcare, online services and automotive.

Projected High-Volume Fabs Starting Construction



Source: World Fab Forecast Report, SEMI, June 2021

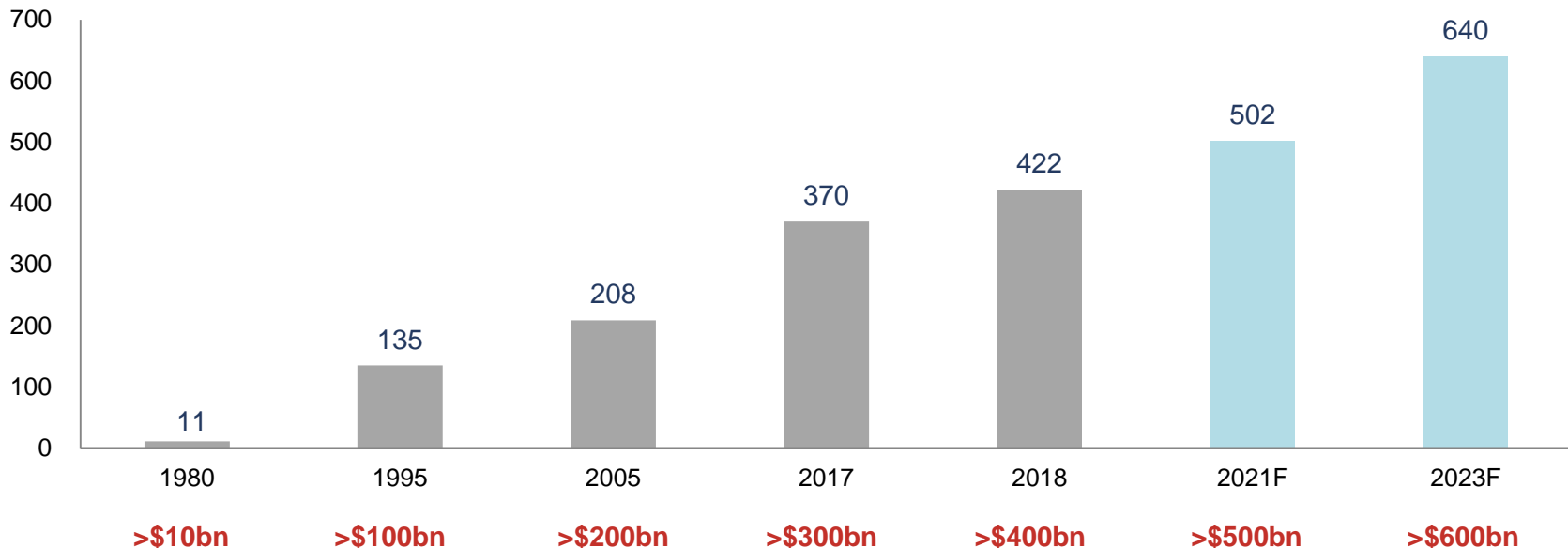


Worldwide IC Market Forecast to Top \$500 Billion in 2021

- Strong demand across the entire IC market this year is projected to lift sales for the total IC market 24% and break through the \$500 billion plateau for the first time in history.
- It is forecast to see continued growth next year and again in 2023 when worldwide IC revenues are projected to exceed \$600 billion for the first time.

Tracking Semiconductor Unit Growth

(Unit: \$bn)



Source: IC Insights, June 2021



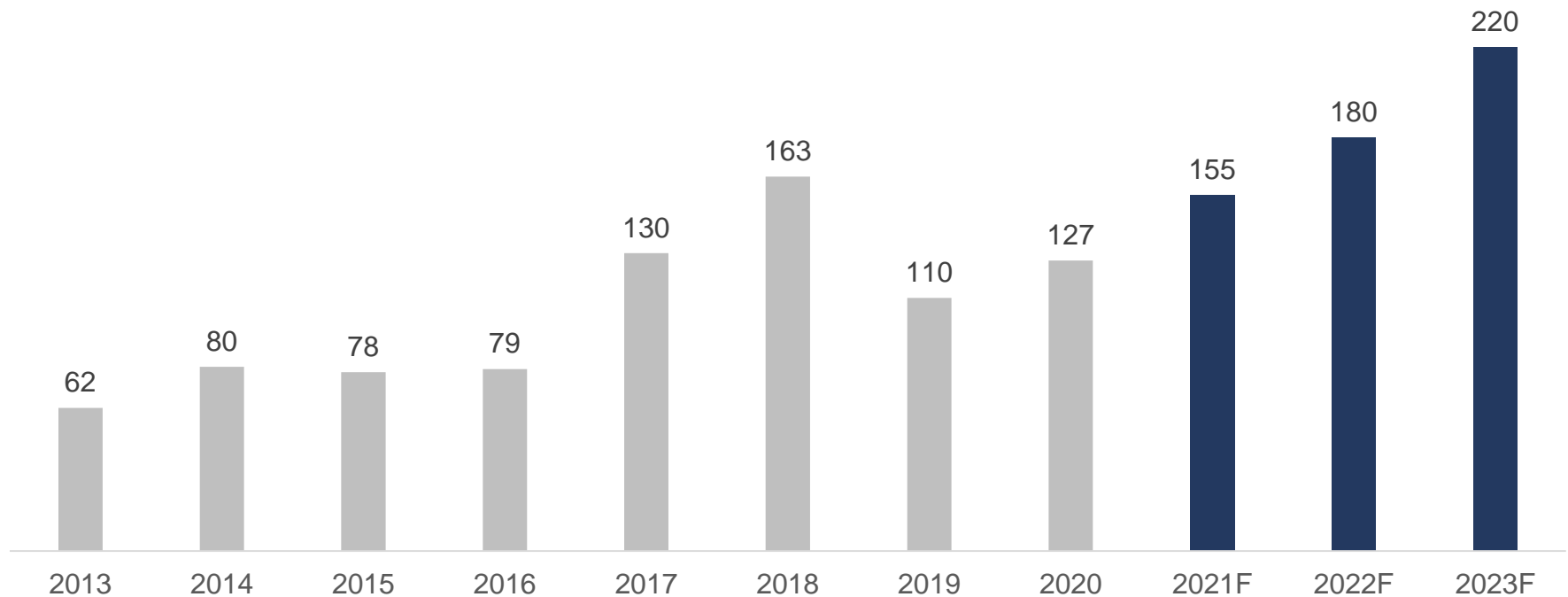
Memory Upswing Returns

New Record High Expected in 2022

- Fueled by economic recovery and the transition to a digital economy, memory IC sales are forecast to reach \$180.4 billion in 2022, exceeding the previous record high set in 2018.

Total Memory IC Market

(Unit: \$bn)



Source: IC Insights, May 2021

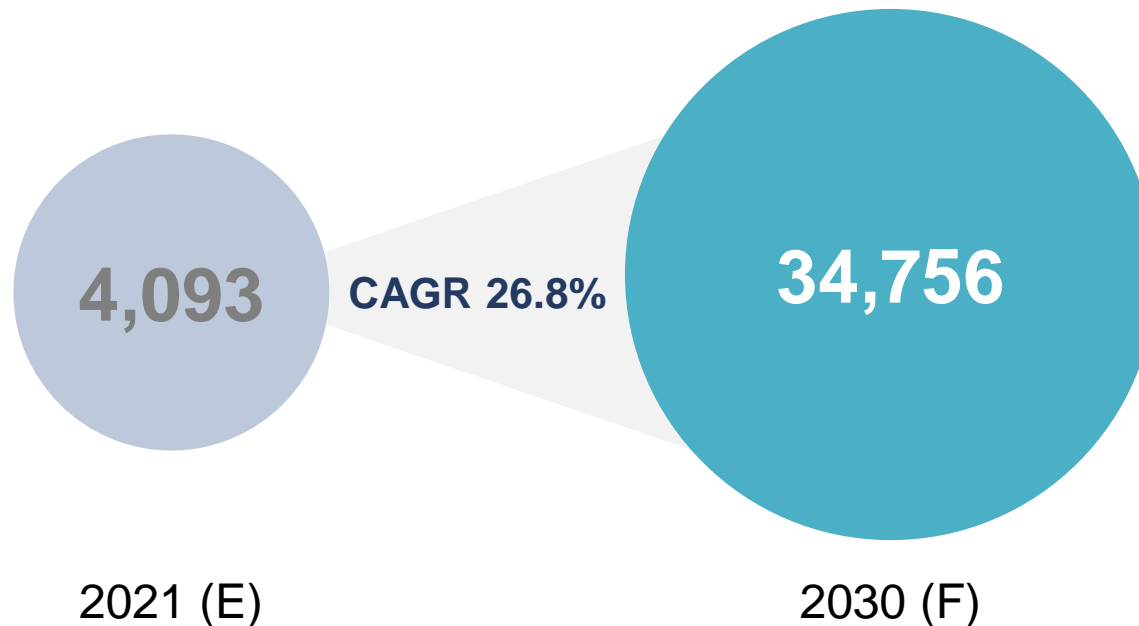


Global Electric Vehicle Market

- The global electric vehicle market size is projected to grow from 4,093 thousand units in 2021 to 34,756 thousand units by 2030, at a CAGR of 26.8% underpinned by growing demand for low emission commuting and governments supports.

Global Electric Vehicle Market

(Thousand units)



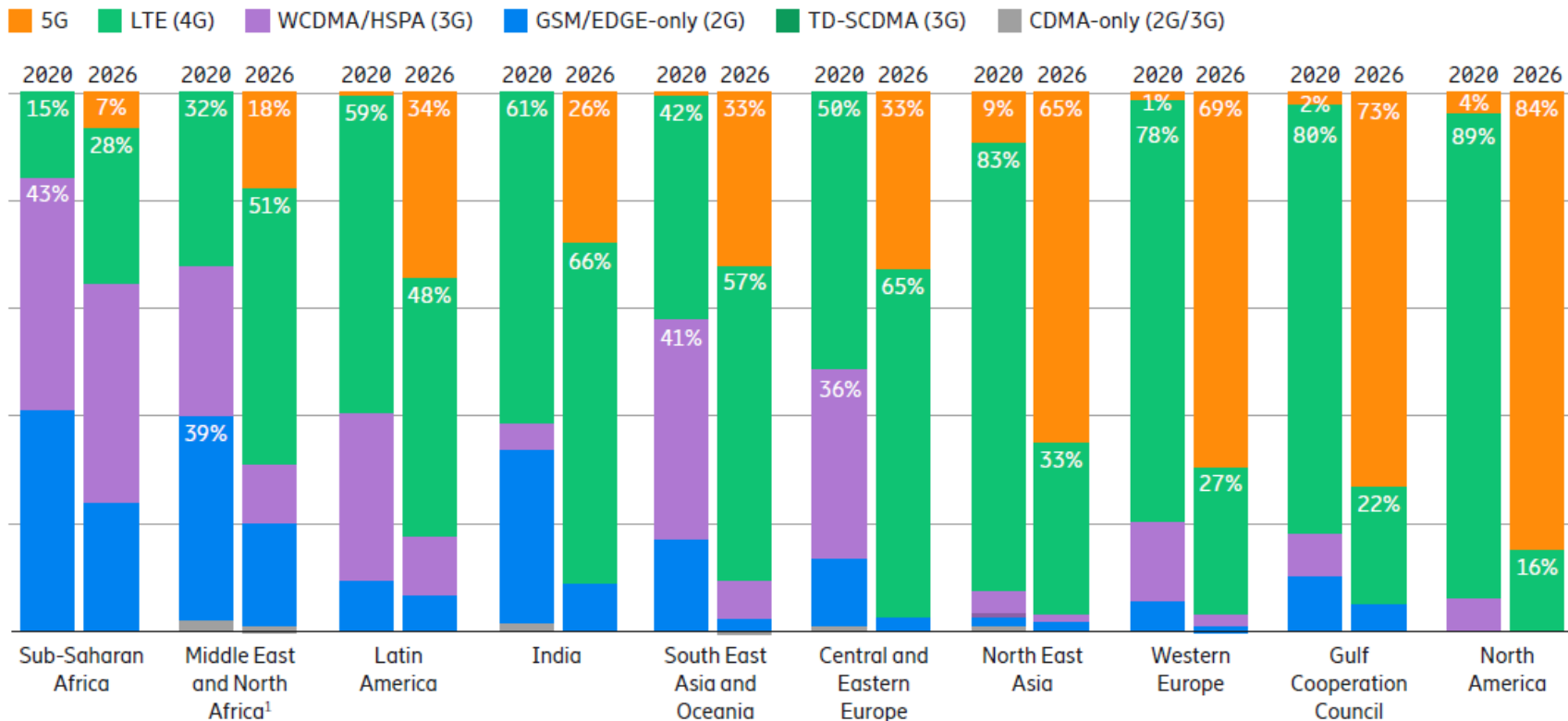
Source: Markets and Markets,



5G Set to Penetrate Every Region by 2026

- 5G commercialization is moving at a rapid pace, service providers continue to invest in 5G deployments to further fuel 5G subscription growth. 5G will account for 65%, 69% and 84% of North East Asian, West European and North American mobile subscriptions in 2026.

Mobile Subscriptions by Region and Technology



Note: Except for 5G, technologies with less than 1 percent of subscriptions are not shown on the graph.

Source: Ericsson Mobility Report, June 2021



Performance Update



Financial Highlights

➤ 1H21

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Financial Highlight : Q221 vs. Q121

(NT\$m)	Q221	Q121	QoQ
Revenue	15,208	14,806	2.7%
EBITDA* ¹	6,919	5,051	37.0%
EBITDA %	45.5%	34.1%	11.4%
EBIT	5,438	3,544	53.5%
Operating Profit	4,259	3,952	7.8%
Operating Profit %	28.0%	26.7%	1.3%
Net Profit	3,955	2,690	47.0%
Net Profit %	26.0%	18.2%	7.8%
EPS	NT\$9.09	NT\$6.18	NT\$2.91
ROE* ² (annualized)	35.1%	24.2%	10.8%
ROA* ³ (annualized)	14.0%	11.3%	2.7%

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 : Q221 vs. Q220

(NT\$m)	Q221	Q220	YoY
Revenue	15,208	13,701	11.0%
EBITDA* ¹	6,919	5,609	23.4%
EBITDA %	45.5%	40.9%	4.6%
EBIT	5,438	4,344	25.2%
Operating Profit	4,259	4,229	0.7%
Operating Profit %	28.0%	30.9%	-2.9%
Net Profit	3,955	3,397	16.4%
Net Profit %	26.0%	24.8%	1.2%
EPS	NT\$9.09	NT\$7.81	NT\$1.28
ROE* ² (annualized)	35.1%	29.6%	5.4%
ROA* ³ (annualized)	14.0%	13.2%	0.8%

1. EBITDA = Net Profit + Tax + Interests + Depreciation + Amortization.
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Financial Highlight : 1H21 vs. 1H20

(NT\$m)	1H21	1H20	YoY
Revenue	30,014	27,216	10.3%
EBITDA* ¹	11,970	10,624	12.7%
EBITDA %	39.9%	39.0%	0.8%
EBIT	8,982	8,189	9.7%
Operating Profit	8,211	8,034	2.2%
Operating Profit %	27.4%	29.5%	-2.2%
Net Profit	6,645	6,278	5.8%
Net Profit %	22.1%	23.1%	-0.9%
EPS	NT\$15.27	NT\$14.42	NT\$0.85
ROE* ² (annualized)	29.6%	29.6%	0.0%
ROA* ³ (annualized)	11.8%	13.2%	-1.4%

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

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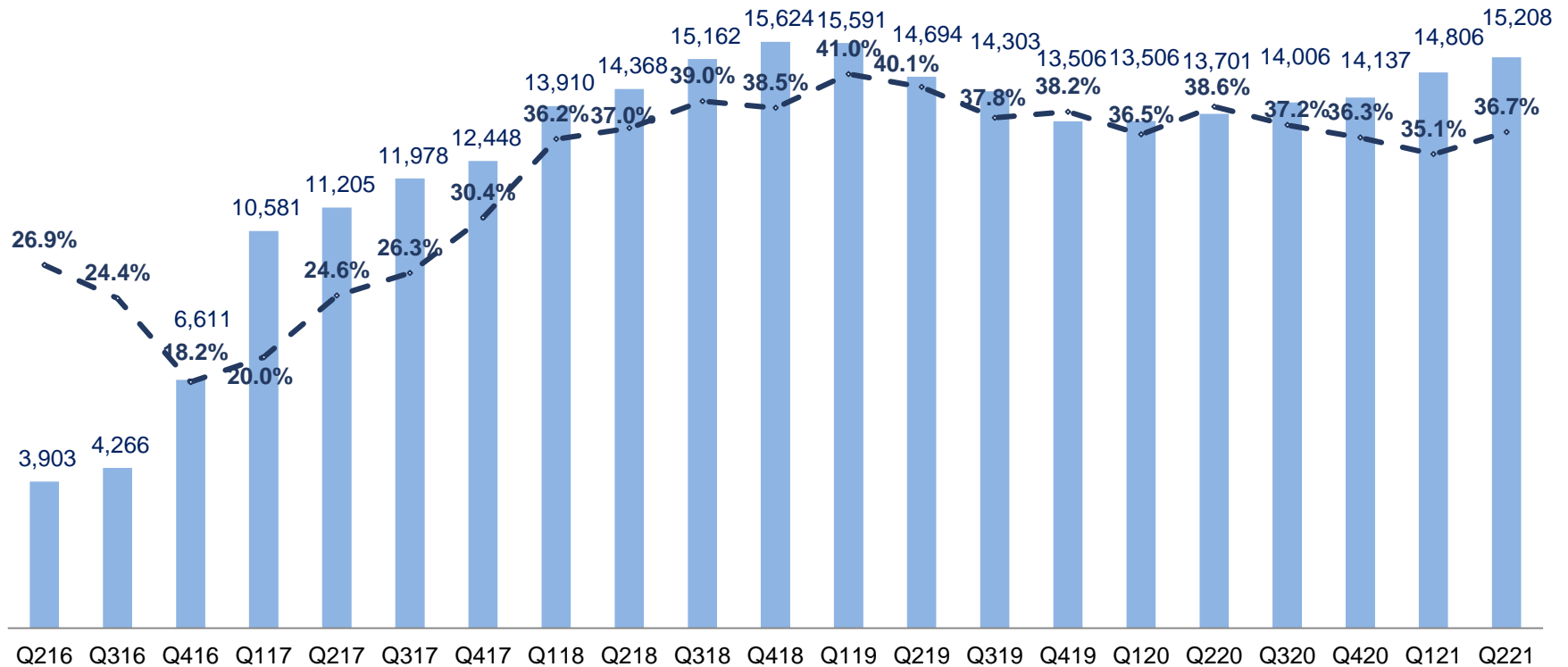


Revenue & Gross Margin

Revenue & Gross Margin

(NT\$mn)

Revenue GM %

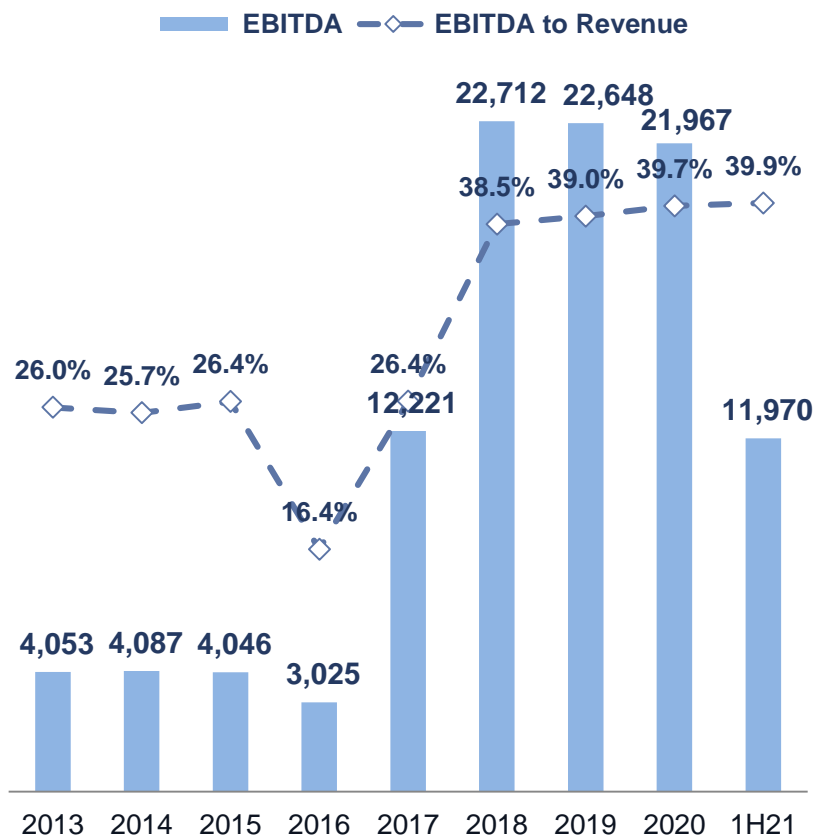




EBITDA & EPS

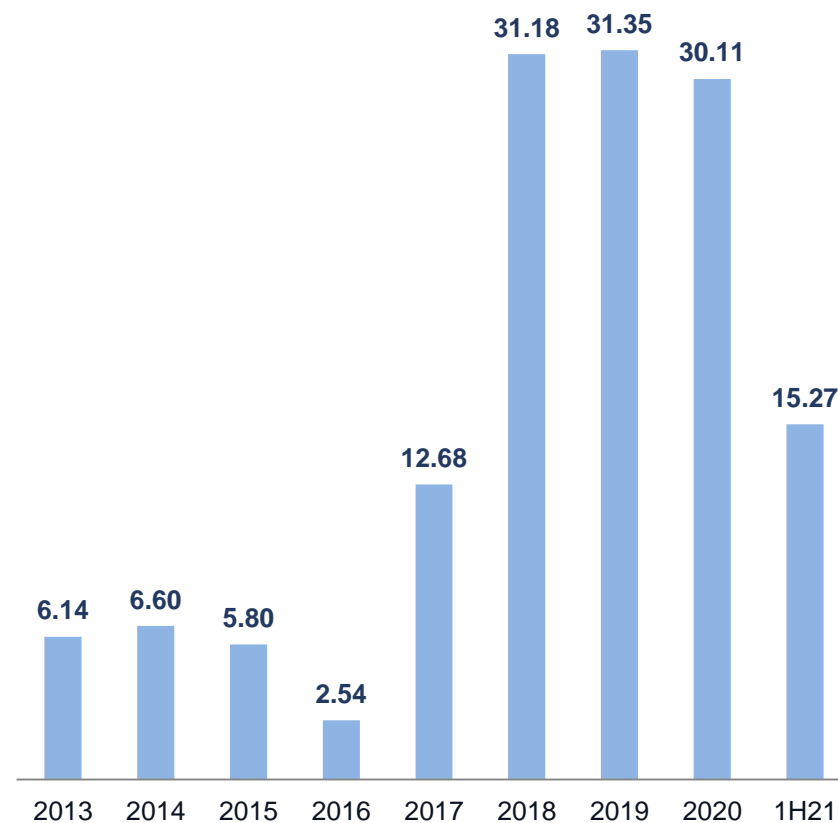
EBITDA

(NT\$mn)



EPS

(NT\$)





Income Statement

Income Statement

(NT\$m)	2013	2014	2015	2016	2017	2018	2019	2020	1H21
Revenue	15,570	15,922	15,310	18,427	46,213	59,064	58,094	55,359	30,014
<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	10,777
<i>Gross Profit Margin (%)</i>	23.5%	23.4%	26.6%	22.4%	25.6%	37.8%	39.3%	37.2%	35.9%
EBITDA	4,053	4,087	4,046	3,025	12,221	22,712	22,648	21,967	11,970
<i>EBITDA Margin (%)</i>	26.0%	25.7%	26.4%	16.4%	26.4%	38.5%	39.0%	39.7%	39.9%
Operating Profit	2,194	2,336	2,685	1,378	7,414	17,578	17,897	15,287	8,211
<i>Operating Profit Margin (%)</i>	14.1%	14.7%	17.5%	7.5%	16.0%	29.8%	30.8%	27.6%	27.4%
Profit before Tax	2,204	2,679	2,808	1,344	6,875	18,253	18,554	16,615	8,937
<i>Profit before Tax Margin (%)</i>	14.2%	16.8%	18.3%	7.3%	14.9%	30.9%	31.9%	30.0%	29.8%
Net Profit	1,948	2,095	2,044	939	5,278	13,634	13,636	13,104	6,645
<i>Net Profit Margin (%)</i>	12.5%	13.2%	13.4%	5.1%	11.4%	23.1%	23.5%	23.7%	22.1%
EPS (NT\$)	6.14	6.60	5.80	2.54	12.68	31.18	31.35	30.11	15.27

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	1H21
Assets									
Cash and cash equivalents	1,536	2,685	3,662	5,628	18,794	35,214	32,822	22,439	46,768
Account receivable	3,165	3,694	4,538	7,642	7,869	9,226	8,140	8,037	8,874
Inventories	3,291	2,829	3,262	7,307	7,347	7,040	6,849	7,208	6,974
Property, plant and equipment	9,796	8,972	9,361	31,036	28,202	30,887	34,697	37,111	34,163
Other assets	3,286	3,204	2,994	8,948	8,020	7,455	14,078	20,056	34,723
Total assets	21,074	21,385	23,816	60,560	70,232	89,822	96,586	94,852	131,502
Liabilities									
Short-term loan	1,302	2,069	696	12,982	10,738	5,042	9,886	9,871	10,543
Account payable	1,816	1,789	1,383	5,126	4,269	4,870	3,837	3,895	4,027
Long term loan	--	--	--	14,367	3,663	430	--	--	32,479
Other liabilities	4,821	4,325	5,012	12,267	17,508	36,324	37,790	36,930	38,955
Total liabilities	7,939	8,184	7,091	44,742	36,178	46,666	51,513	50,697	86,004
Shareholder equity	13,135	13,201	16,725	15,819	34,054	43,156	45,073	44,155	45,497

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

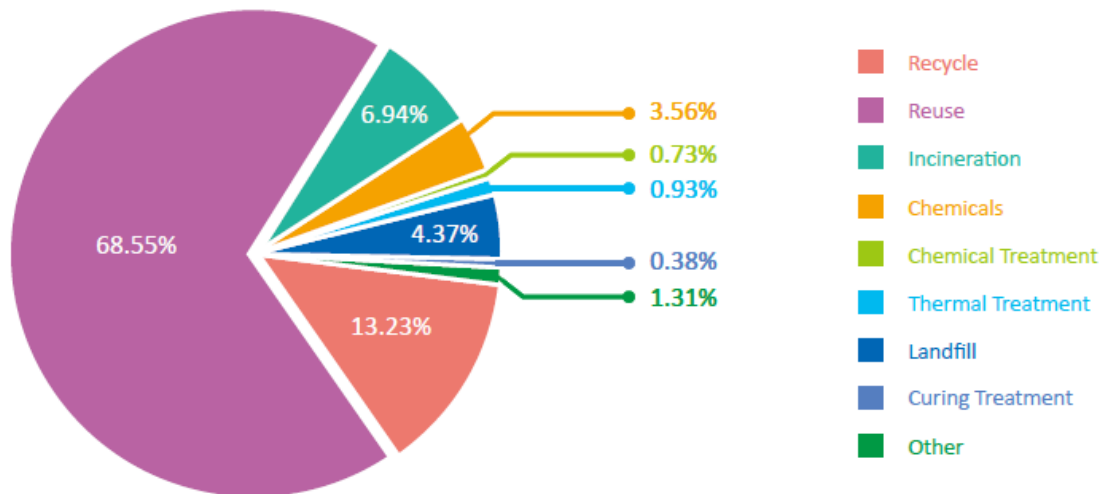
- Responsible Growth is our principle in business practices.
- GlobalWafers aims at being at the forefront of global responsibility in the aspects of environment, health & safety and corporate governance.



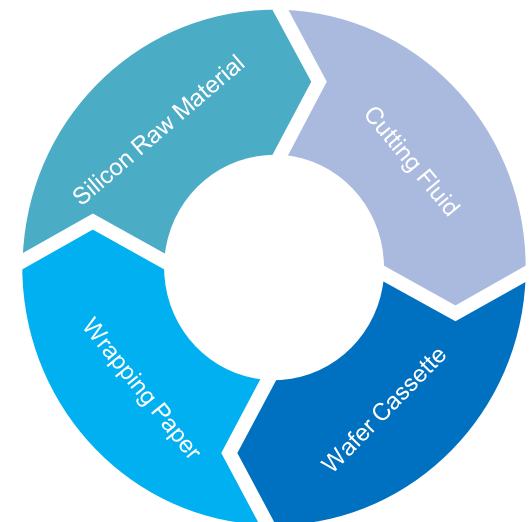
Sustainable Environment - Waste

- GlobalWafers continuously improves its waste management by advancing manufacturing process to reduce waste generated as well as recycle and reuse.
- More than 80% of our industrial waste from our global factories could be recycled and reused.

Recycle & Reuse Rate of Industrial Waste in GWC Group



Reuse of Materials



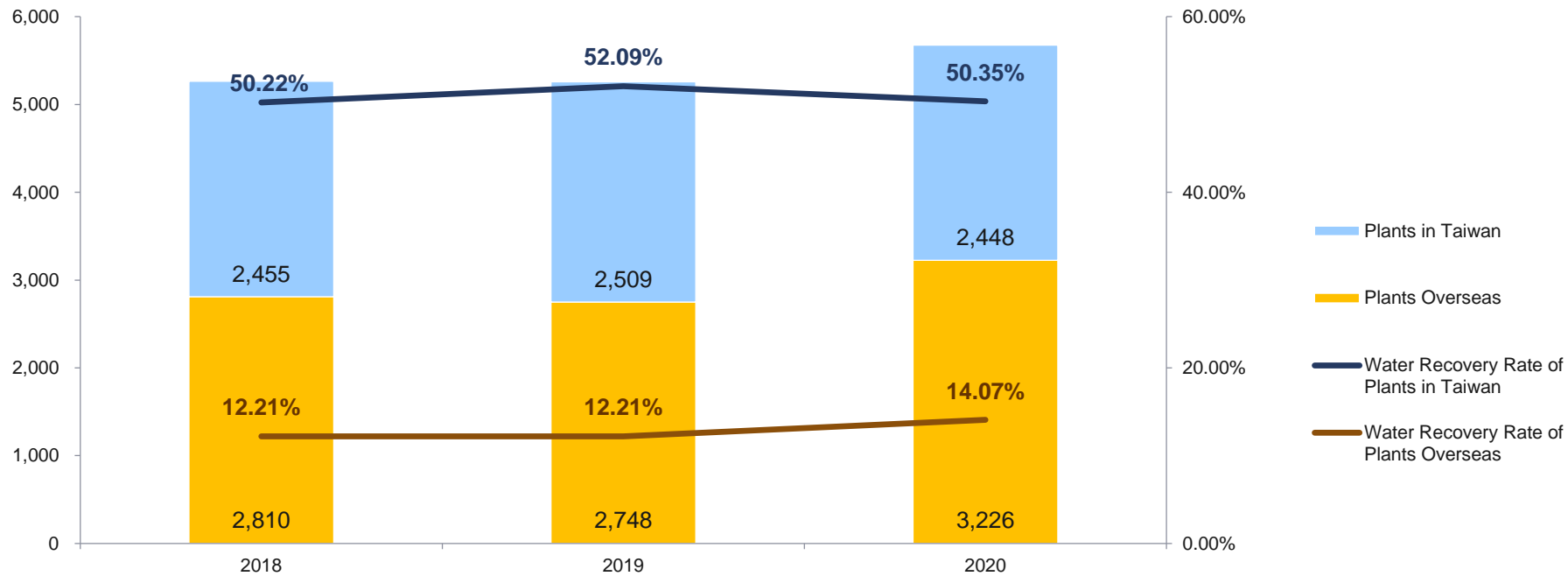


Sustainable Environment - Water

- GlobalWafers is fully committed to recycling (including rainwater and process water) and reuse.
- Our total water recovery quantity in 2020 was 5,674 Km³, gradually increased over year mainly because of the effective water recycling measures.

Water Recovery in GWC Group

Unit: Km³



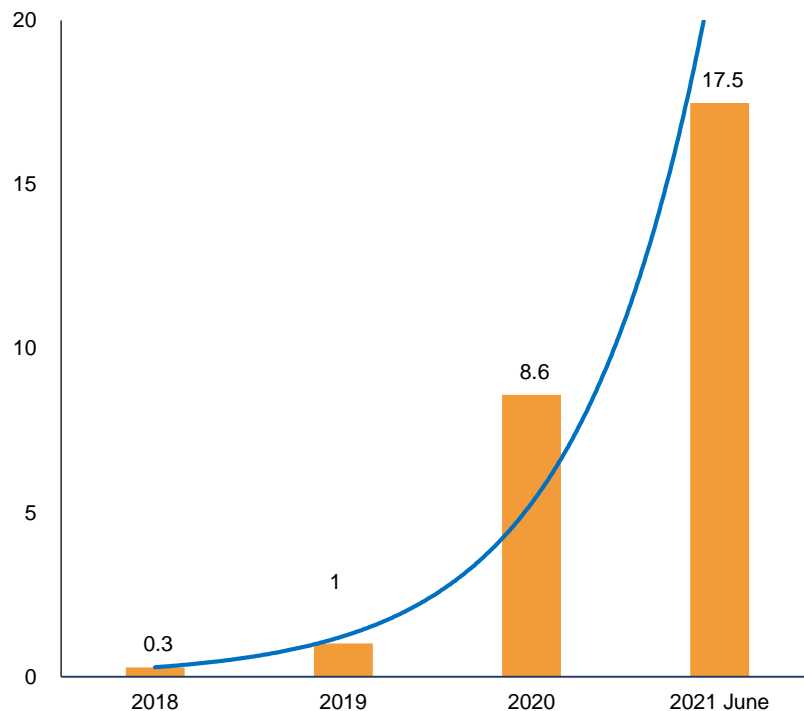


Committed to Green Energy

- Through construction of solar power plants, GlobalWafers devotes to fulfilling its social responsibility to make the world greener.
- As of 1H21, the cumulative solar capacity reaches 17.5 MW, which could generate 21.14 million kWh electricity and equals to reducing 10,760 tons of CO₂ emissions and planting 978,185 trees per year.

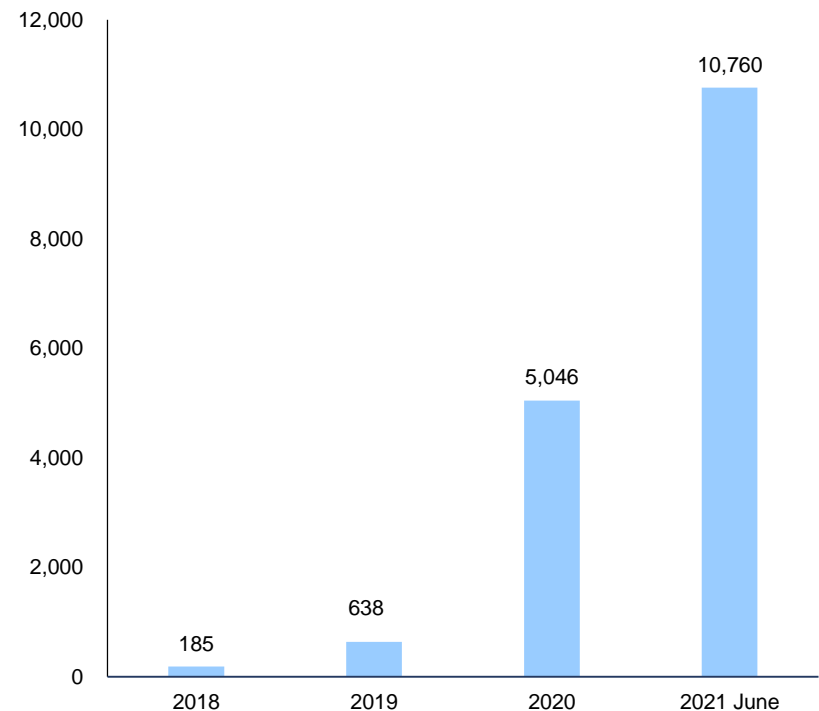
GWC Solar PV Capacity (Accumulated)

Unit: MW



CO₂ Emission Reduction (Accumulated)

Unit: ton CO₂e



Ethical Business Practice

Legal Compliance

Achieve compliance with local legal requirements and international standards



Grievance System

Set up grievance system to prevent dishonesty and protect whistleblower to the fullest extent possible



Codes of Ethical Conduct

Formulate guidelines to be observed by all directors, managers and staff members.

Risk Assessment

Establish risk assessment mechanism, analyze and evaluate periodically.





Corporate Governance

- GlobalWafers is dedicated to achieving corporate governance and fulfills its social responsibility. With the determination, GlobalWafers has been awarded top 5% among all listed companies for 3 consecutive years.
- The gender, tenure, and expertise diversity as well as the independence of the board directors are the guidance for GlobalWafers to nimbly navigate in the competitive industry.

TOP 5% Corporate Governance

Awarded Top 5% corporate governance among all listed companies in Taiwan.
(for 3 consecutive years)

3 Independent Directors

Among 7 directors, 3 seats are independent directors, bringing balance and new perspective to the board.

Functional Committees

Audit Committee, Remuneration Committee, Nominating Committee, and Sustainability Development Committee are established to enhance independence and CSR responsibility.

Board & CPA Evaluation

GlobalWafers annually evaluates independence and performance of the board and CPA and discloses publicly on the company website.

Volunteering - Kindness Matters

- Kindness matters. GlobalWafers hopes to contribute a better tomorrow by fostering a common goal among colleagues to volunteer and share.
- Our community services include Christmas gifts for underprivileged children and fund raising for the elderly living alone, assisting rural schools renovation, beach cleaning and ecological tours to encourage colleagues as well as their families and friends to practice environmental protection and arouse employees' awareness of protecting the environment.



Sharing - Make a Difference

- GlobalWafers encourages employees to spread their love by giving back to society, caring for disadvantaged groups so as to fulfill corporate social responsibility.
- In Taiwan, our activities include “Disable Elders Home Showering”, “Daycare for Children After School”, “Charitable Breakfast for Children”, etc. These social welfare activities embody our wish to respond to people in need to pursue a better world.





Caring - Employee Welfare

- Happy employees stay. By fostering a genuinely caring atmosphere that focuses on employee welfare, GlobalWafers not only motivates employees but also raises the productivity levels.
- GlobalWafers enhance overall employee benefits through developing a holistic plan with programs in four aspects: workplace, health, life resources and welfare. By integration and reorganization of resources, we believe that we are deepening team bonding and improving team spirits.





Q&A



Thank You
