



**GlobalWafers Co., Ltd.**  
**環球晶圓股份有限公司**

**Global Family,  
Global Solutions!**

# **GlobalWafers (6488TT)**

## **2023 Earnings Call**

2024/03/06





# 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.

■

■ ■ ■ ■ ■



01

# Executive Comment



# Executive Comments

## ➤ Financial Highlights

### ● Revenue

- ✓ Q423<sup>1</sup> → NT\$16.8 billion, -8.8% YoY, second highest over the same period !
- ✓ 2023 → NT\$70.7 billion, 0.5% YoY, record high !
- ✓ Despite the economic downturn, FY2023 marks three consecutive years of revenue growth since 2021 !

(NT\$ mn)	2020	2021	2022	2023
Revenue	55,359	61,131	70,287	70,652

### ● Gross Profit (%)

- ✓ Q423<sup>1</sup> → 34.5%
- ✓ 2023 → 37.4%

### ● Operating Income (%)

- ✓ Q423<sup>1</sup> → 23.4%
- ✓ 2023 → 28.4%

Note:

1. Q423: Forth quarter of 2023



## ➤ Financial Highlights

### ● Net Profit (%)

- ✓ Q423<sup>1</sup> → 26.5%
- ✓ 2023 → 28.0%, record high !

### ● EPS

- ✓ Q423<sup>1</sup> → NT\$10.19, second highest over the same period !
- ✓ 2023 → NT\$45.41, record high !

### ● Prepayment

- ✓ NT\$35.4 billion (US\$1.2 billion)<sup>2</sup>

Note:

1. Q423: Forth quarter of 2023
2. FX Rate: NTD:USD = 30.620, including guarantee



## ➤ Industry Overview

### ● Global Economy

- ✓ The IMF has raised its 2024 global GDP forecast by 0.2% to 3.1%, and despite an increasing likelihood of a soft landing, the projected levels remain below the pre-pandemic trend.
- ✓ Global consumer confidence and business activity remain below pre-pandemic levels, yet exhibit positive trends, reinforcing predictions for a rebound in the semiconductor industry in 2024.

### ● Semiconductor Industry

- ✓ The industry foresees robust YoY growth in semiconductor market revenue through 2030, driven by key factors such as the widespread adoption of IoT sensors, high-speed 5G, expanding satellite networks, data centers, and emerging AI software.
- ✓ Due to customers prioritizing the consumption of existing inventory, the wafer supplier positioned upstream in the semiconductor supply chain anticipates a healthier performance in H2 compared to H1, with a lag of one to two quarters relative to the downstream.
- ✓ AI is poised to maintain its position as the largest end-use segment by total market revenue, with the highest forecasted CAGR from 2023 to 2027.



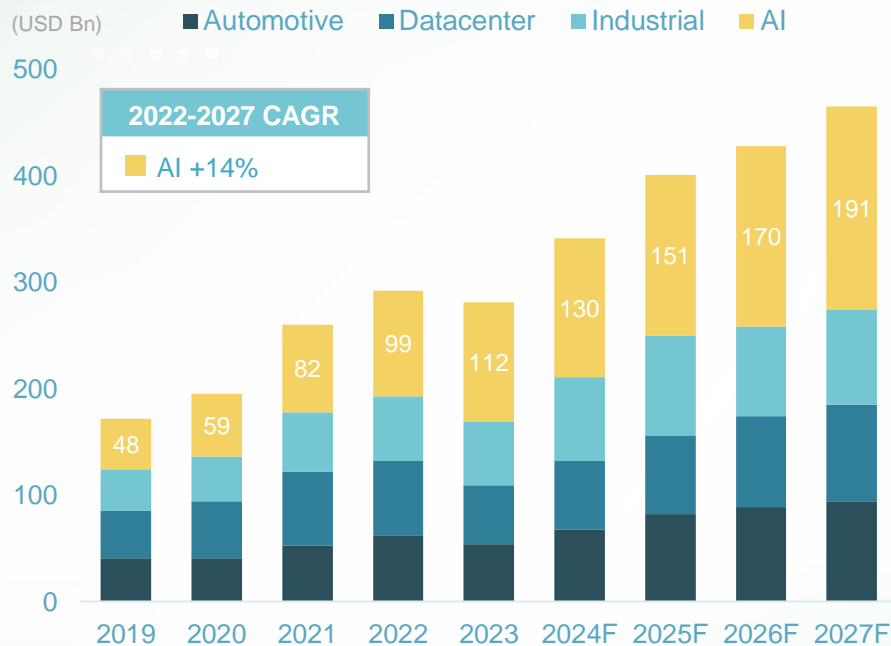
# 02

## Industry Overview

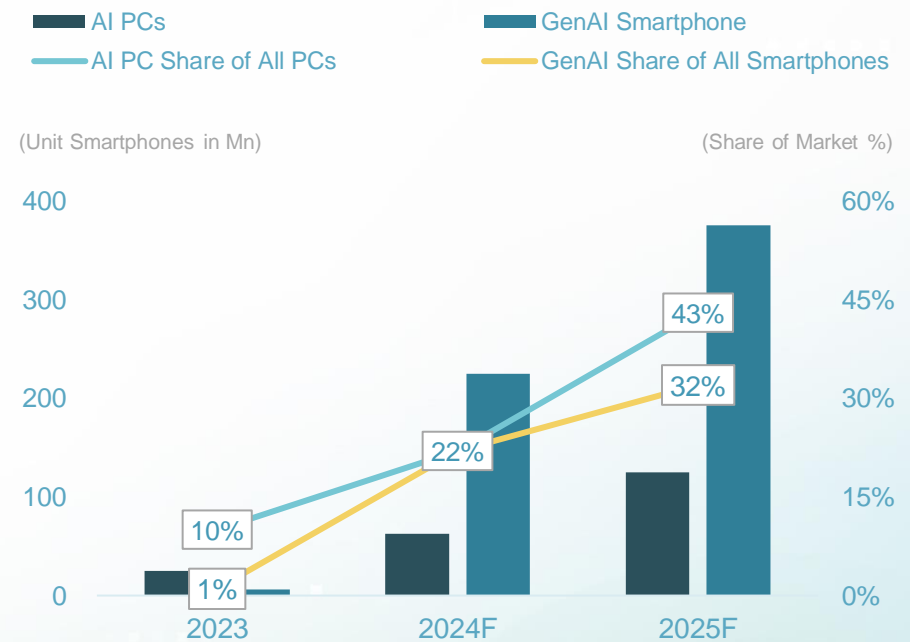
# Artificial Intelligence (AI)

- AI will remain the largest end use segment by total market revenue and have the highest CAGR in the forecast period from 2023 to 2027.
- Gartner projects a rise in market share for AI PCs from 10% to 43%, and GenAI smartphone from 1% to 32% from 2023 to 2025.

Semiconductor Market Outlook by Application



AIPCs & GenAI Smartphones Worldwide Market Share Outlook 2023-2025



Source:

1. IDC, November 2023
2. Gartner, February 2024



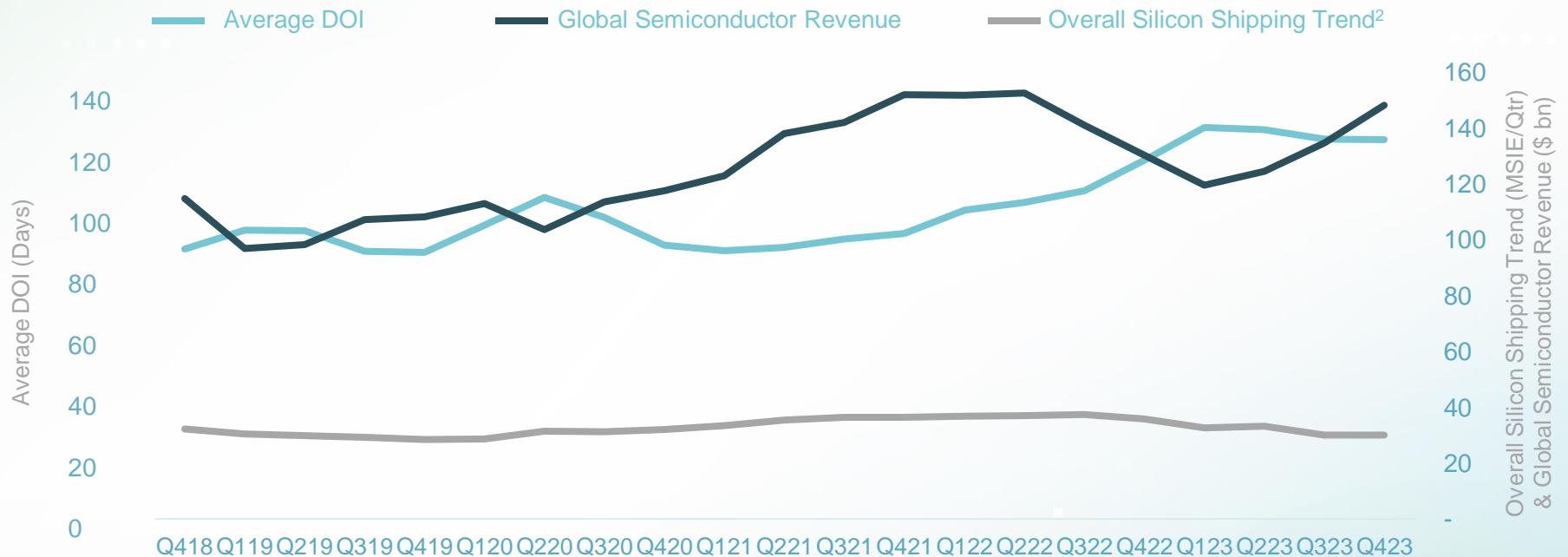
# WW Semiconductor Revenue vs. Customers' Inventory Level



GlobalWafers Co., Ltd.  
環球晶圓股份有限公司

- Global semiconductor revenue experienced a steady increase quarter by quarter throughout 2023. As inventory adjustment measures were implemented, customers' average DOI<sup>1</sup> in the end of 2023 decreased by 3% from its peak in Q123.

Global Semiconductor Revenue & GlobalWafers' Observation of Customer Average DOI, Q418-Q423



Source: GWC collection of public data, February 2024

Note:

1. DOI = Days of Inventory

2. Overall silicon shipping trend in MSIE/Qtr



03

## Financial Performance



## Financial Highlight : Q423 vs. Q323 vs. Q422

(NT\$ mn)	Q423	Q323	Q422	QoQ	YoY
Revenue	16,763	17,376	18,388	-3.5%	-8.8%
Gross Profit %	34.5%	36.6%	42.7%	-2.1%	-8.2%
Operating Income	3,921	4,825	6,362	-18.7%	-38.4%
Operating Income %	23.4%	27.8%	34.6%	-4.4%	-11.2%
Net Profit	4,442	5,538	5,794	-19.8%	-23.3%
Net Profit %	26.5%	31.9%	31.5%	-5.4%	-5.0%
EPS <sup>1</sup>	NT\$10.19	NT\$12.73	NT\$13.31	-NT\$2.54	-NT\$3.12
EBITDA <sup>*2</sup>	6,808	8,224	9,910	-17.2%	-31.3%
EBITDA %	40.6%	47.3%	53.9%	-6.7%	-13.3%
EBIT <sup>3</sup>	5,028	6,510	8,311	-22.8%	-39.5%
ROE <sup>*4</sup> (annualized)	26.8%	35.4%	44.4%	-8.6%	-17.6%
ROA <sup>*5</sup> (annualized)	9.8%	12.7%	14.4%	-2.9%	-4.6%
Capex <sup>6</sup>	12,573	10,074	4,536	-	-
Depreciation	1,774	1,709	1,550	-	-

1. EPS = Net Profit Attributable To The Shareholders of The Company / Weighted-average Number of Ordinary Shares Outstanding During The Period

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

3. EBIT = Net Profit + Tax + Interests

4. ROE = Net Profit / Average Shareholders Equity

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

6. Capex = Ending Property, Plant & Equipment - Beginning Property, Plant & Equipment + Depreciation



## Financial Highlight : 2023 vs. 2022

(NT\$ mn)	2023	2022	YoY
Revenue	70,652	70,287	0.5%
Gross Profit %	37.4%	43.2%	-5.8%
Operating Income	20,059	24,983	-19.7%
Operating Income %	28.4%	35.5%	-7.1%
Net Profit	19,770	15,367	28.6%
Net Profit %	28.0%	21.9%	6.1%
EPS <sup>1</sup>	NT\$45.41	NT\$35.31	NT\$10.1
EBITDA <sup>*2</sup>	30,630	25,526	20.0%
EBITDA %	43.4%	36.3%	7.1%
EBIT <sup>3</sup>	23,897	19,445	22.9%
ROE <sup>*4</sup> (annualized)	32.7%	30.7%	2.0%
ROA <sup>*5</sup> (annualized)	11.3%	9.8%	1.5%
Capex <sup>6</sup>	36,757	12,358	-
Depreciation	6,714	5,883	-

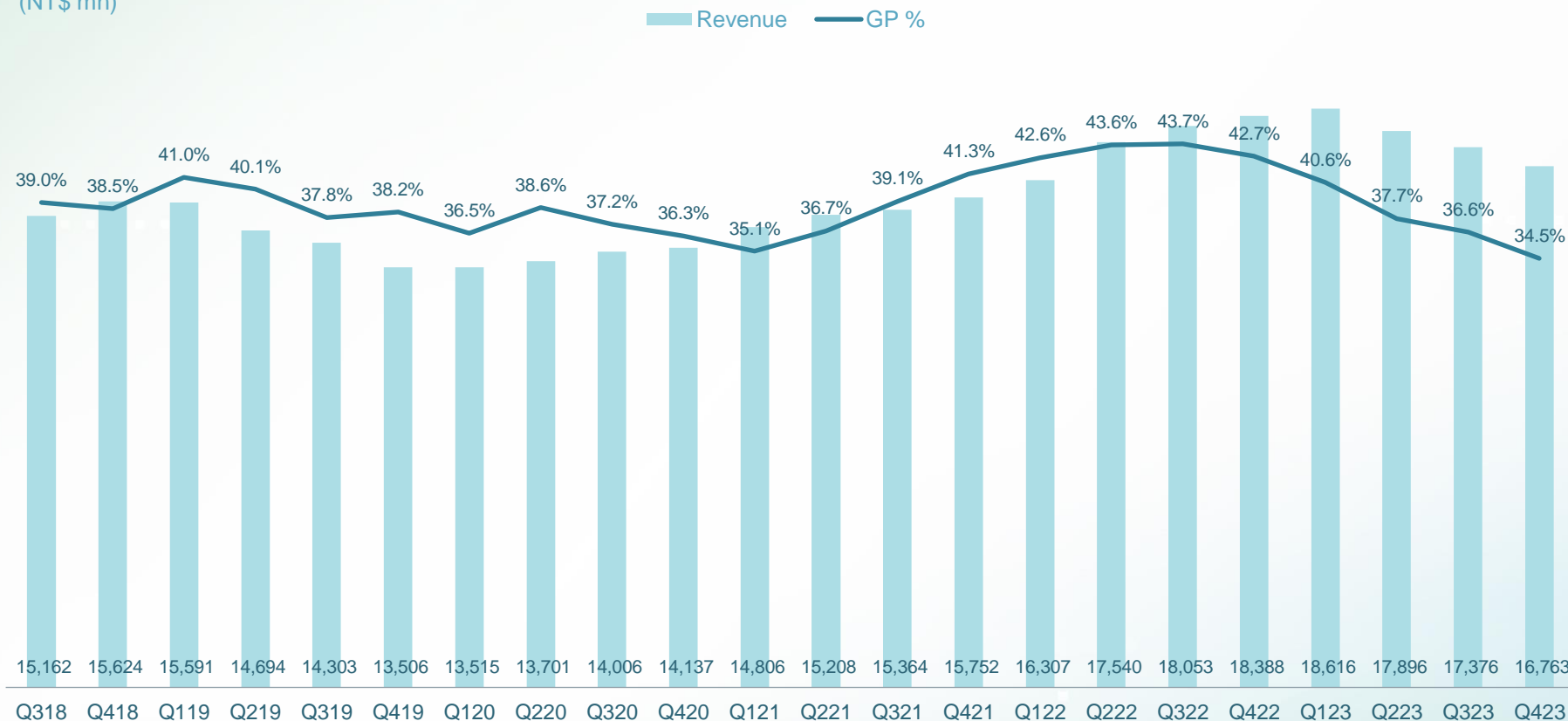
1. EPS = Net Profit Attributable To The Shareholders of The Company / Weighted-average Number of Ordinary Shares Outstanding During The Period
2. EBITDA = Net Profit + Tax + Interests + Depreciation + Amortization
3. EBIT = Net Profit + Tax + interests
4. ROE = Net Profit / Average Shareholders Equity
5. ROA = (Net Profit + Interest \* (1 - Effective Tax Rate)) / Average Asset
6. Capex = Ending Property, Plant & Equipment - Beginning Property, Plant & Equipment + Depreciation



# Revenue & Gross Profit (%)

## Revenue & Gross Profit (%)

(NT\$ mn)



1. Q423 Gross Profit decreased: Mainly due to the increase of depreciation and ramp-up costs



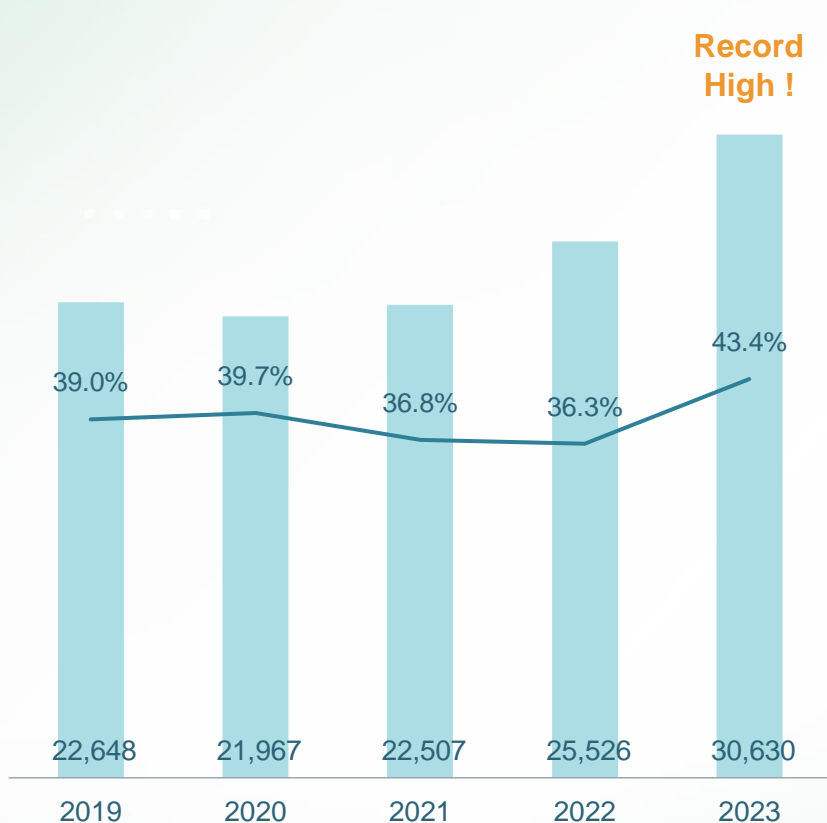
# EBITDA & EPS

## EBITDA

(NT\$ Mn)

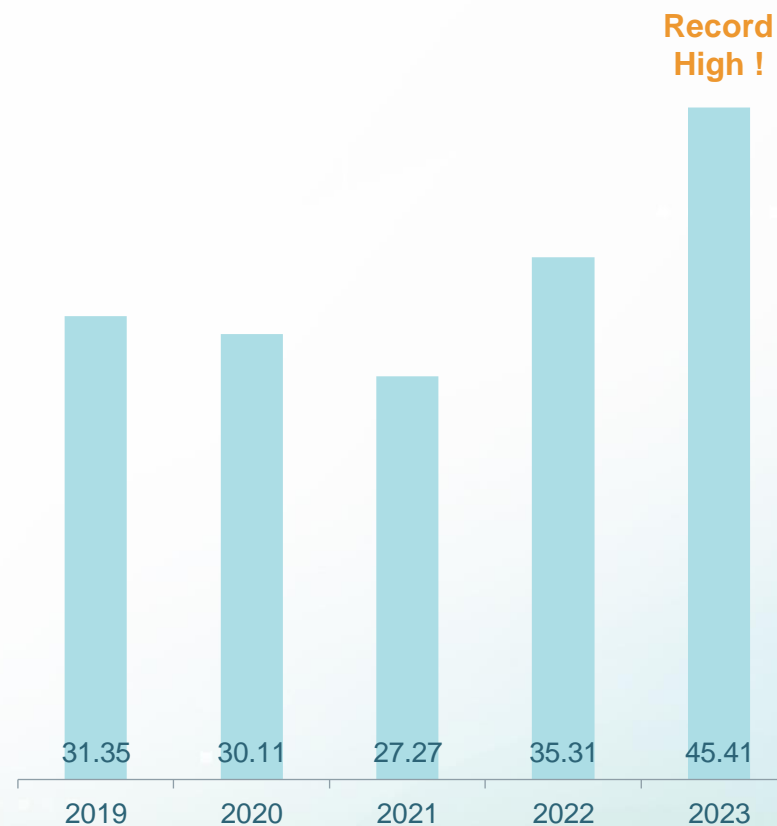
■ EBITDA

— EBITDA to Revenue



## EPS

(NT\$)





# Income Statement

## Income Statement

(NT\$ Mn)	2020	2021	2022	2023
<b>Revenue</b>	<b>55,359</b>	<b>61,131</b>	<b>70,287</b>	<b>70,651</b>
<i>Growth (%)</i>	<i>-4.7%</i>	<i>10.4%</i>	<i>15.0%</i>	<i>0.5%</i>
<b>Gross Profit</b>	<b>20,568</b>	<b>23,286</b>	<b>30,342</b>	<b>26,441<sup>2</sup></b>
<i>Gross Profit (%)</i>	<i>37.2%</i>	<i>38.1%</i>	<i>43.2%</i>	<i>37.4%</i>
<b>EBITDA</b>	<b>21,967</b>	<b>22,507</b>	<b>25,526<sup>1</sup></b>	<b>30,630</b>
<i>EBITDA (%)</i>	<i>39.7%</i>	<i>36.8%</i>	<i>36.3%</i>	<i>43.4%</i>
<b>Operating Income</b>	<b>15,287</b>	<b>17,693</b>	<b>24,983</b>	<b>20,059</b>
<i>Operating Income (%)</i>	<i>27.6%</i>	<i>28.9%</i>	<i>35.5%</i>	<i>28.4%</i>
<b>Profit before Tax</b>	<b>16,615</b>	<b>16,445</b>	<b>20,107<sup>1</sup></b>	<b>26,496</b>
<i>Profit before Tax Margin (%)</i>	<i>30.0%</i>	<i>26.9%</i>	<i>28.6%</i>	<i>37.5%</i>
<b>Net Profit</b>	<b>13,104</b>	<b>11,870</b>	<b>15,367<sup>1</sup></b>	<b>19,770</b>
<i>Net Profit (%)</i>	<i>23.7%</i>	<i>19.4%</i>	<i>21.9%</i>	<i>28.0%</i>
<b>EPS (NT\$)</b>	<b>30.11</b>	<b>27.27</b>	<b>35.31<sup>1</sup></b>	<b>45.41</b>

1. Due to the valuation of realized gains/loss on Siltronic shares measured at fair value through profit or loss and impacts from other factors

2. 2023 Gross Profit decreased: Mainly due to the increase of depreciation and power costs



# Balance Sheet

## Balance Sheet

(NT\$ Mn)	2020	2021	2022	2023
<b>Assets</b>				
Cash and cash equivalents	65,894	65,894	83,458	26,165 <sup>1</sup>
Account receivable	9,118	9,118	10,160	10,116
Inventories	7,295	7,295	8,535	9,359 <sup>2</sup>
Property, plant and equipment	33,943	33,943	39,487	72,251 <sup>3</sup>
Other assets	34,395	34,395	30,823	71,097
<b>Total assets</b>	<b>150,645</b>	<b>150,645</b>	<b>169,496</b>	<b>188,988</b>

## Cash-related other assets include:

(NT\$ Mn)	2023
Deposits in banks held for three months or more	31,098
Restricted cash	10,806

<b>Liabilities</b>				
Short-term loan	6,264	6,264	6,544	40,000 <sup>4</sup>
Account payable	4,340	4,340	4,176	5,027
Long-term loan	45,125	45,125	42,780	14,542 <sup>5</sup>
Other liabilities	49,284	49,284	61,672	62,966 <sup>6</sup>
<b>Total liabilities</b>	<b>105,013</b>	<b>105,013</b>	<b>115,172</b>	<b>122,534</b>

<b>Shareholder equity</b>	<b>45,632</b>	<b>45,632</b>	<b>54,324</b>	<b>66,454<sup>7</sup></b>
---------------------------	---------------	---------------	---------------	---------------------------

- 2023 Cash and cash equivalents decreased: Reclassification of deposits in banks for over three months to other assets, an increase in capex, and the repurchase of ECB
- 2023 Inventories increased: Mainly due to the increase in finished goods and raw materials
- 2023 Property, plant and equipment increased: Mainly due to the expansion of both greenfield and brownfield facilities
- 2023 Short-term loan increased: Mainly due to the increase in bank loans and the reclassification of CB and ECB based on IFRS principles from long-term loan to short-term loan
- 2023 Long-term loan decreased: Mainly due to the reclassification of CB and ECB based on IFRS principles from long-term loan to short-term loan
- 2023 Other liabilities increased: Mainly due to the increase in payables related to equipment
- 2023 Shareholder equity increased: Mainly due to the valuation of realized gains on Siltronic shares measured at fair value through profit or loss





# 04

## ESG

# GlobalWafers is Included in TPExchange Sustainability Index



GlobalWafers Co., Ltd.  
環球晶圓股份有限公司

- TaipeiExchange (TPEX) actively innovates ESG-focused investing products to guide both companies and investors to pay attention to sustainability. **The TPEX Sustainability Indices select companies that demonstrate both sustainability and stock portfolio performance.** Through market mechanisms, this initiative guides businesses and investors to collectively prioritize sustainability issues.
- **GlobalWafers, with its outstanding financial and ESG performance, has been included as a constituent stock in the Sustainability Indices.** Its robust operations and exceptional practices in ESG offer investors a choice for sustainable development.



## TIP TPEX ESG Index (Code : IX0134)

The index selects companies exhibiting comprehensive performance in E, S and G, and meeting the financial criteria. This serves as the optimal indicator for assessing the overall ESG performance.

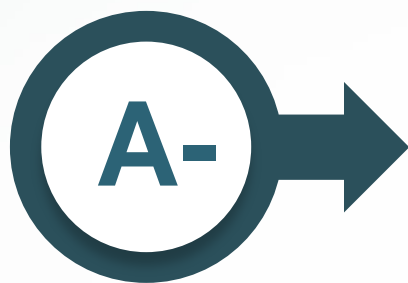


## TIP TPEX ESG 30 Index (Code : IX0177)

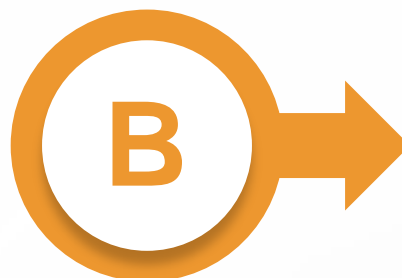
The index focuses on ESG performance and financial indicators, which excludes high-polluting and high-energy-consuming industries, selects companies with good investment capacity and sustainable development performance.

## Exemplary CDP Performance

- GlobalWafers has earned acclaim for its outstanding performance in the CDP (Carbon Disclosure Project) with **an A- in Climate Change (Leadership band) and a B in Water Security (Management band)**, surpassing the global average of C. This underscores the company's continuous implementation of effective stewardship and its commitment to sustainability.



Climate Change

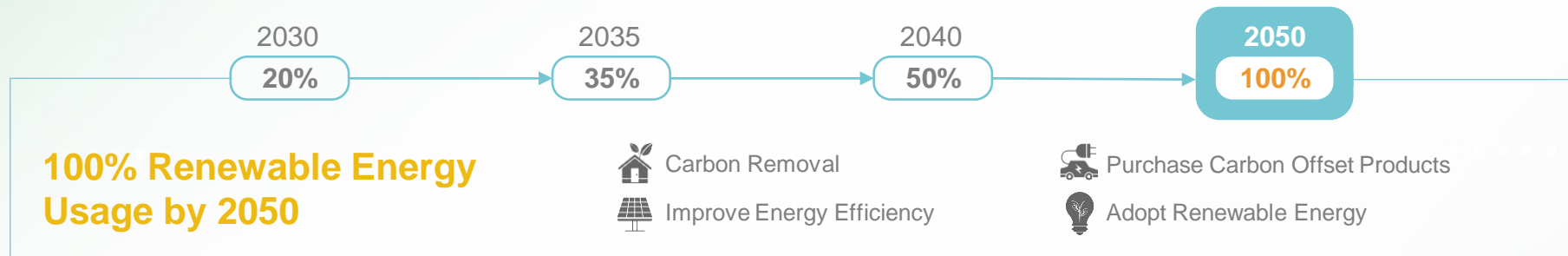


Water Security

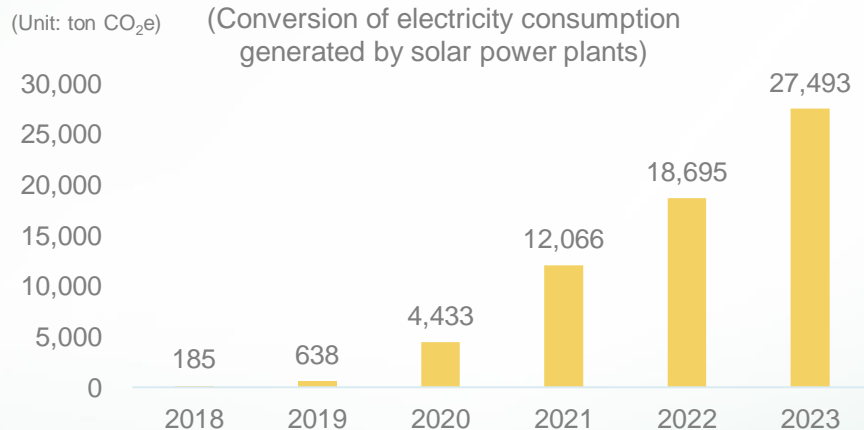


# Green Energy Approach

- By formally joining **RE100 initiative**, GlobalWafers strengthens its green promise to achieve the long-term goal of 100% renewable energy usage by 2050.
- As of December 2023, GlobalWafers has cumulatively generated solar capacity equivalent to reducing **27,493 tons of CO<sub>2</sub> emissions**, which is akin to **planting 2,291,074 trees**.

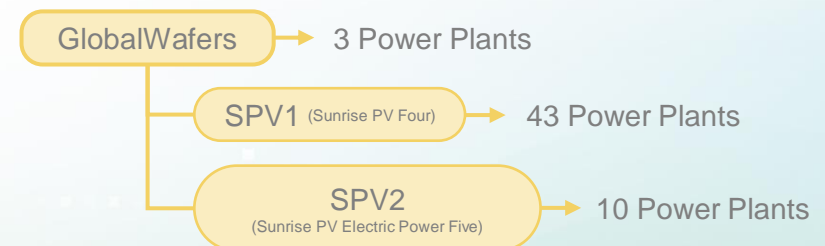


## CO<sub>2</sub> Emission Reduction (Accumulated)



## Solar Power Plant( (as of 2023)

With **2 Solar Power Related SPVs** and **56\* Solar Power Plants**, GlobalWafers secures power supply and expands green energy weight.



# Recognitions on GlobalWafers' Healthy Workplace & Sustainability



GlobalWafers Co., Ltd.  
環球晶圓股份有限公司

- GlobalWafers has garnered a series of awards, showcasing its outstanding commitment to workplace equality, prevention of health hazards, environmental protection, and corporate sustainability.

01

Best Equality  
Workplace -  
Excellence Award

02

Best Practice  
Competition on  
Prevention of  
Ergonomic  
Hazards in the  
Workplace-  
Excellence Award

03

National  
Enterprise  
Environmental  
Protection Award

04

Taiwan  
Corporate  
Sustainability  
Award

05

Taiwan  
Best-in-Class 100



# Comprehensive ESG Policies

- GlobalWafers has formulated comprehensive ESG policies to ensure a balance between economic benefits, social well-being, and environmental sustainability in its business activities.

## Human Rights Policy

GlobalWafers follows international human rights conventions, fostering a workplace that is equal, secure, and dignified.

## Water Resources Management Policy

GlobalWafers addresses climate change impact and maximizing water resource efficiency through sustainable management.



## Corporate Sustainability Policy

GlobalWafers integrates environmental, social, and corporate governance factors into its structure, policies, and plans, striving for responsible growth and societal sustainability.

## Biodiversity Policy

GlobalWafers supports the UN Biodiversity Convention and Sustainable Development Goals, collaborating with supply chain partners to enhance awareness and promote ecological conservation, ensuring biodiversity integrity.



# Social Welfare

- GlobalWafers actively engages in social welfare, dedicating itself to caring for others through practical actions and educational initiatives, fostering a societal ethos of love and responsibility.

## Art Promotion

Sponsoring Taiwan Kaohsiung Art Museum's "Paul Chiang Solo Exhibition" to support cultural development.

## Local Community Caring

Fundraising for vegetative care institutions to enhance the caregiving environment

## Turkey Earthquake Relief Donation

Fundraising to support both immediate emergency relief and long-term recovery efforts for the severe earthquakes in Turkey and Syria

## Environment Caring

Organizing an Ecological Journey in the local community to promote citizen education for sustainable development

## Early Child Intervention

Fundraising for the specialized resources needed to support the early intervention for children with developmental delays.





05

Q&A





**GlobalWafers Co., Ltd.**  
**環球晶圓股份有限公司**



# Thank You



Learn More on  
Our Website