



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

**Global Family,  
Global Solutions!**

# **GlobalWafers (6488TT)**

## **Q1 2024 Earnings Call**

2024/05/07





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# 01

## Executive Comment



# Executive Comments

## ➤ Financial Highlights

### ● Revenue

- ✓ Q124 → NT\$15 billion, -19% YoY
- ✓ Despite the economic downturn, 2024 marks continuous monthly growth for two consecutive months since January !

2024 (NT\$ mn)	Jan	MoM	Feb	MoM	Mar
Revenue	4,396	14.40%	5,029	12.59%	5,662

### ● Gross Profit (%)

- ✓ Q124 → 34.3%

### ● Operating Income (%)

- ✓ Q124 → 26.3%



## ➤ Financial Highlights

- **Net Profit (%)**

- ✓ Q124 → 23.4%

- **EPS**

- ✓ Q124 → NT\$8.10

- **Prepayment**

- ✓ NT\$35.03 billion (US\$1.1 billion)<sup>1</sup>

- **Planned Dividend Payout**

- ✓ 2023 Dividend – NT\$19.0 (1H23: NT\$8.0 + 2H23: NT\$11.0)

- ✓ 2023 Payout Ratio – 41.8%

- ✓ Record Date – July 24, 2024

- ✓ Payment Date – August 16, 2024

Note:

1. FX Rate: NTD:USD = 32.000, including guarantee



## ➤ Industry & Overview

### ● Global Economy

- ✓ The IMF projects a consistent 3.2% growth rate for the global economy throughout 2024 and 2025, consistent with the same growth rate in 2023, highlighting the resilience of the global economy.
- ✓ Reflecting improving consumer confidence and a rising trend in global GDP, the global PMI<sup>1</sup> continues to rise, signaling a broad-based upturn, notwithstanding the looming inflationary risks.

### ● Semiconductor Industry

- ✓ With demand improving due to the growth of AI applications and memory devices emerging as the largest contributors, inventory levels are expected to gradually normalize as customers reabsorb on-hand stock, alongside moderate improvements in fab utilization rates. The second half of 2024 is expected to see recovery compared to the first half, however there are ongoing uncertainties like the pace of interest rate cuts, oil prices, and electric vehicle demand.
- ✓ GlobalWafers is well-positioned to allocate its Capex towards the current market trend in the semiconductor industry in response to the increasing demand for advanced semiconductor processes.

Source:

1. IMF, April 2024
2. OECD, March 2024

Note:

1. PMI = Purchasing Managers' Index



## ➤ Sustainable Solutions

- ✓ GlobalWafers has differentiated itself through **proximity** and **sustainability** by leveraging its global presence to reduce carbon footprint and adopts green energy initiatives from each region to counteract climate change and provide customers with sustainable solutions. This commitment is exemplified by the introduction of green energy in expansion projects :
  - **Danish site – 1st semiconductor crystal manufacturing site** to utilize its own installed **100% green electricity** during 2H of 2024
  - **Italian site – 100% green electricity** in new 12” production line during the 2025 ramp-up
  - **USA site – 100% renewable energy** at full ramp
- ✓ By sourcing locally, GlobalWafers minimizes transportation, leading to reduced carbon emissions, lower geopolitical risks, and greater environmental sustainability.

## ➤ Earthquake Impact

- ✓ Despite the April-3 earthquake in Taiwan affecting some pullers, operations have resumed after inspection with minimal impact on revenue, facilitated by ample ingot inventory prepared in advance for unforeseen events, ensuring smooth production transition and supply continuity for subsequent sites.



## ➤ Others

### ● Corporate Governance Evaluation

- ✓ For the tenth (2023) Corporate Governance Evaluation, GlobalWafers has been ranked among the **top 5% of all TPEX-listed companies** for the **sixth consecutive year**, reflecting its commitment to "responsible growth" through continuous improvements in corporate governance and sustainability to enhance competitiveness.





# 02

## Industry Overview



# Sustainable Solutions

- GlobalWafers responds to the challenges of global climate risks by dedicating to environmental sustainability in its manufacturing processes, renewable energy adoption and business strategies.

## Sustainable Solutions



Denmark  
(Topsil)

### ➤ Renewable Energy Usage Commitment

GlobalWafers' **Danish site, Topsil GlobalWafers A/S**, is positioned to become the **first semiconductor crystal manufacturing site** to utilize its own installed **100% green electricity** by the **second half of 2024**.



Italy  
(S.p.A.)

### ➤ Renewable Energy Usage Commitment

GlobalWafers' **Italian site, MEMC Electronic Materials S.p.A.**, is also anticipated to achieve **100% green electricity usage** in the 12" new line during the **capacity ramp-up stage in 2025**.



USA  
(GWA)

### ➤ Renewable Energy Usage & Water Recycle Commitments

GlobalWafers' **flagship 300mm greenfield expansion, GlobalWafers America LLC**, will **recycle more than half of its water** used in production and plan to **utilize 100% renewable energy at full ramp-up** to manufacture the world's most advanced silicon wafers.



# 12” Fab Equipment Investment

- Worldwide 12” fab equipment investment is expected to increase 20% to US\$116.5 billion in 2025 and 12% to US\$130.5 billion in 2026 before hitting a record high in 2027 according to the research.
- The foundry segment is leading in growth to meet demand for generative AI, automotive, and intelligent edge devices, while the memory segment ranks second, with increased investment in 300mm fab equipment over the coming years indicating the capacity needed to meet demand driven by new AI applications.



GlobalWafers allocates its entire Capex to advanced processes

## ➤ Large-Size Wafers

- 12” PW
- 12” EPI

## ➤ Special Wafers

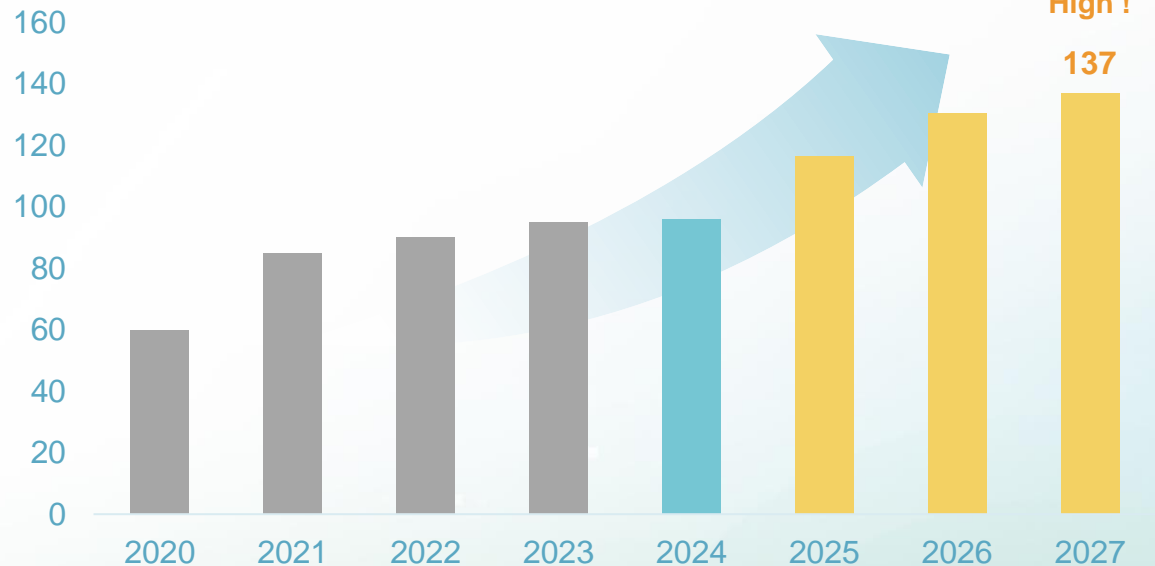
- 8” FZ
- 12” SOI

## ➤ Compound Semiconductors

- SiC
- SiC EPI
- GaN on Si

## 12” Fab Equipment Spending Forecast

(USD Bn)

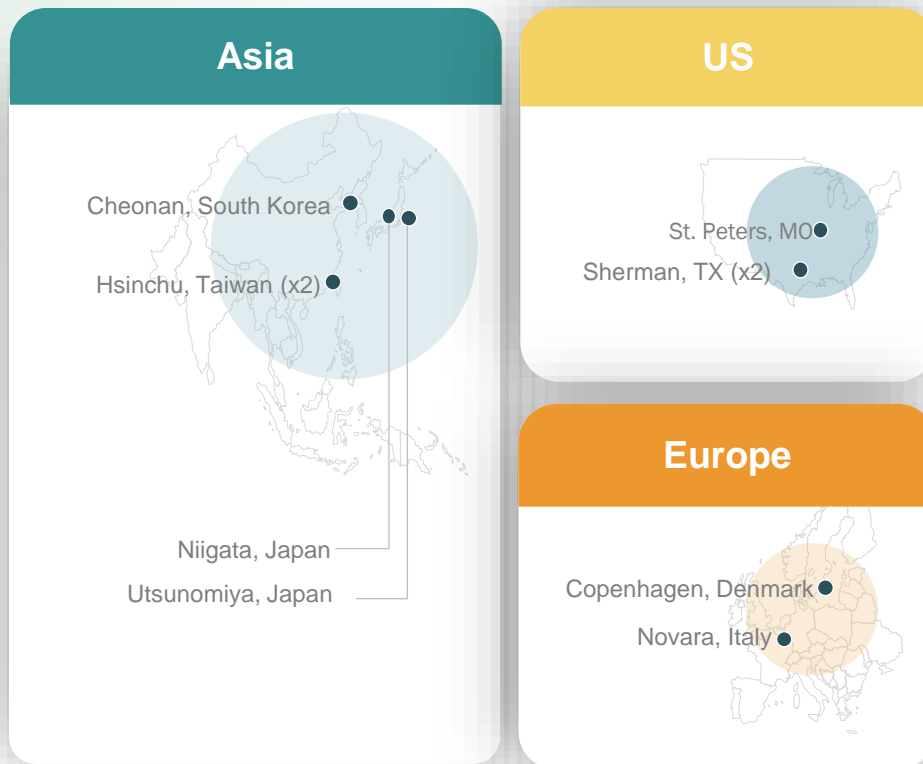




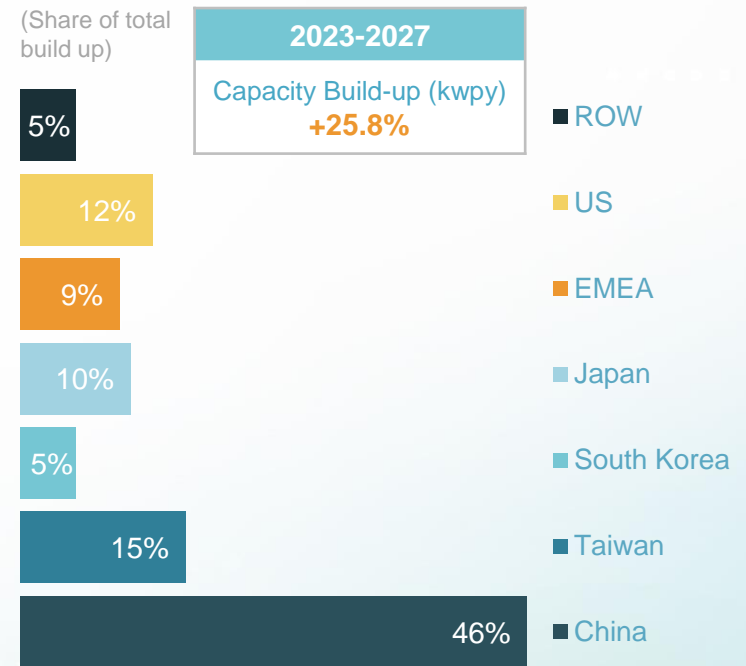
# Semiconductor Production Capacity Build-Up

- GlobalWafers' expansions in Asia, the US, and Europe well align with the semiconductor device manufacturers in various regions as they increase capacity.

## GlobalWafers Capacity Expansion Regions



## Semiconductor Manufacturing Capacity Build-up Capacity in 300mm (kwp), across node sizes, non-memory



Source: McKinsey & Company, April 2024



# GlobalWafers America (GWA): 300mm Greenfield Expansion

- GlobalWafers' flagship 300-mm factory, GWA<sup>1</sup>, is **on schedule** and **has submitted a full application** for the CHIPS Act and is now in discussions with the CHIPS Program Office (CPO) at the Department of Commerce to determine a targeted grant amount.



The only advanced node wafer manufacturer in the United States



Plan to utilize **100% renewable energy** at full ramp-up



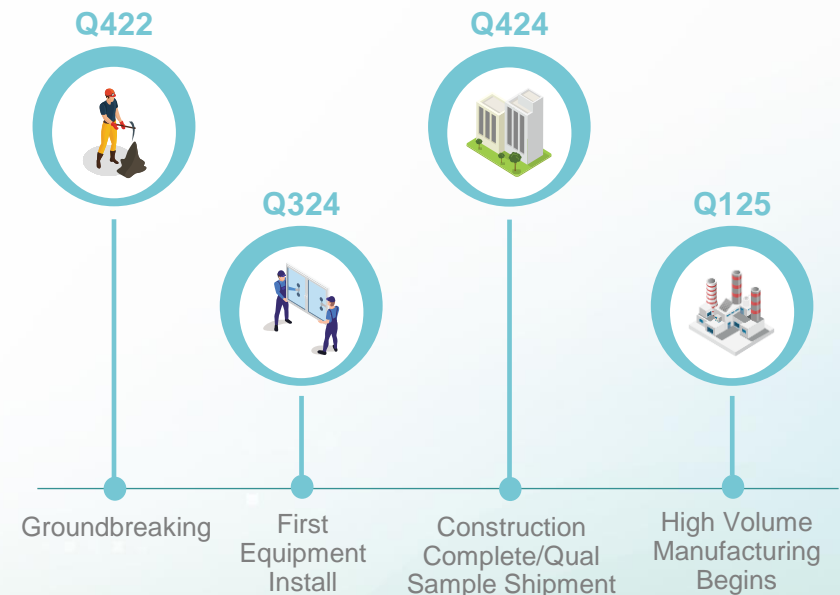
The largest wafer fab in the USA and among the largest in the world



The construction team has completed **1.2 million work hours** with **zero lost-time accidents**, making the GWA project one of **the safest large-scale commercial projects in the U.S**

## GWA Timeline

GWA is expected to become **the only source of 12" fab** in the **advanced US-manufactured** semiconductor wafer



Notes:

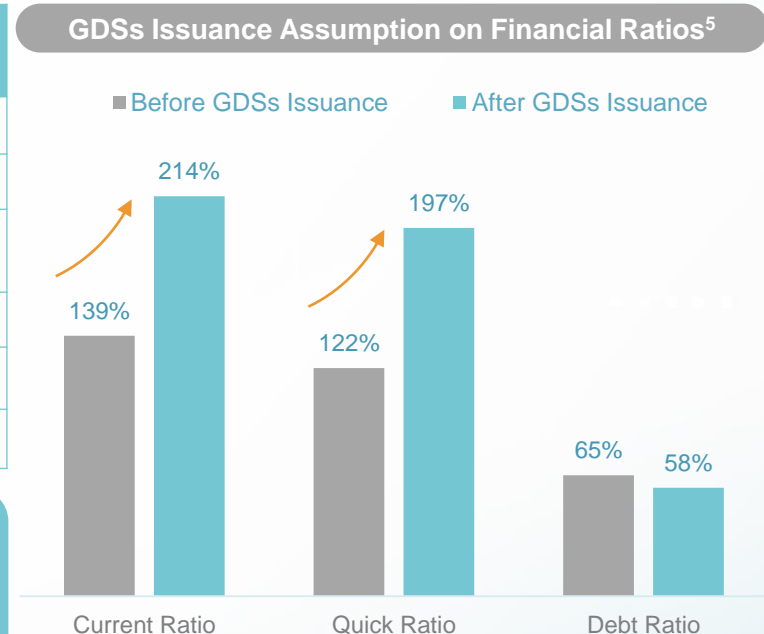
1. Refers to GlobalWafers America, our greenfield fab in Sherman, Texas



# Low Funding Cost Supporting Future Capex

➤ GlobalWafers ensures low-interest funding for its Capex through channels like CB<sup>1</sup>, ECB<sup>2</sup>, Exchangeable Unit, and GDSs<sup>3</sup>, safeguarding the company from interest rate fluctuations and fostering long-term growth.

GWC Funding Source	Amount	Interest Rate	Maturity
Corporate Bond #1	NT\$ 6.5 bn	0.62%	2026
Corporate Bond #2	NT\$ 12.5 bn	0.5% / 0.6%	2024 / 2026
Euro Convertible Bond	US\$ 1 bn	-0.25%	2026
Exchangeable Unit	EUR\$ 345.2 mn	1.50%	2029
Corporate Bond #3	NT\$ 50 bn	1.7% / 1.75%	2029 / 2031
GDSs	US\$ 688.8 mn	-	-



**> US\$1bn**

GWC raised **over US\$1 billion** in low-interest funding in Q124<sup>4</sup> to support the company's sustainable growth

**75%**

Undrawn Loan Commitment\* Rate  
(As of 2024.3)

➤ GlobalWafers is strategically positioned with abundant undrawn loan commitments, providing sufficient funds for upcoming Capex needs in the coming years.

\*Committed Loan: Including bank guarantee.

Note:  
 1. CB = Corporate Bond  
 2. ECB = Euro Convertible Bond  
 3. GDSs = Global Depository Shares  
 4. GWC raised funding in Q124, which includes Exchangeable Units, Corporate Bond #3, and GDSs  
 5. GDSs proceeds are received in April 2024, simulating if the proceeds were received in Q124.



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## Financial Performance



## Financial Highlight : Q124 vs. Q423 vs. Q123

(NT\$ mn)	Q124	Q423	Q123	QoQ	YoY
Revenue	15,087	16,763	18,616	-10.0%	-19.0%
Gross Profit %	34.3%	34.5%	40.6%	-0.2 ppt	-6.3 ppts
Operating Income	3,968	3,921	6,103	1.2%	-35.0%
Operating Income %	26.3%	23.4%	32.8%	2.9 ppts	-6.5 ppts
Net Profit	3,533	4,442	5,000	-20.5%	-29.3%
Net Profit %	23.4%	26.5%	26.9%	-3.1 ppts	-3.5 ppts
EPS <sup>1</sup>	NT\$8.10	NT\$10.19	NT\$11.49	-NT\$2.09	-NT\$3.39
EBITDA <sup>*2</sup>	5,882	6,808	7,907	-13.6%	-25.6%
EBITDA %	39.0%	40.6%	42.5%	-1.6 ppts	-3.5 ppts
EBIT <sup>3</sup>	4,025	5,028	6,302	-19.9%	-36.1%
ROE <sup>*4</sup> (annualized)	20.5%	26.8%	35.6%	-6.3 ppts	-15.1 ppts
ROA <sup>*5</sup> (annualized)	7.5%	9.8%	11.8%	-2.3 ppts	-4.3 ppts
Capex <sup>6</sup>	10,438	12,573	5,116	-	-
Depreciation	1,852	1,774	1,601	-	-

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

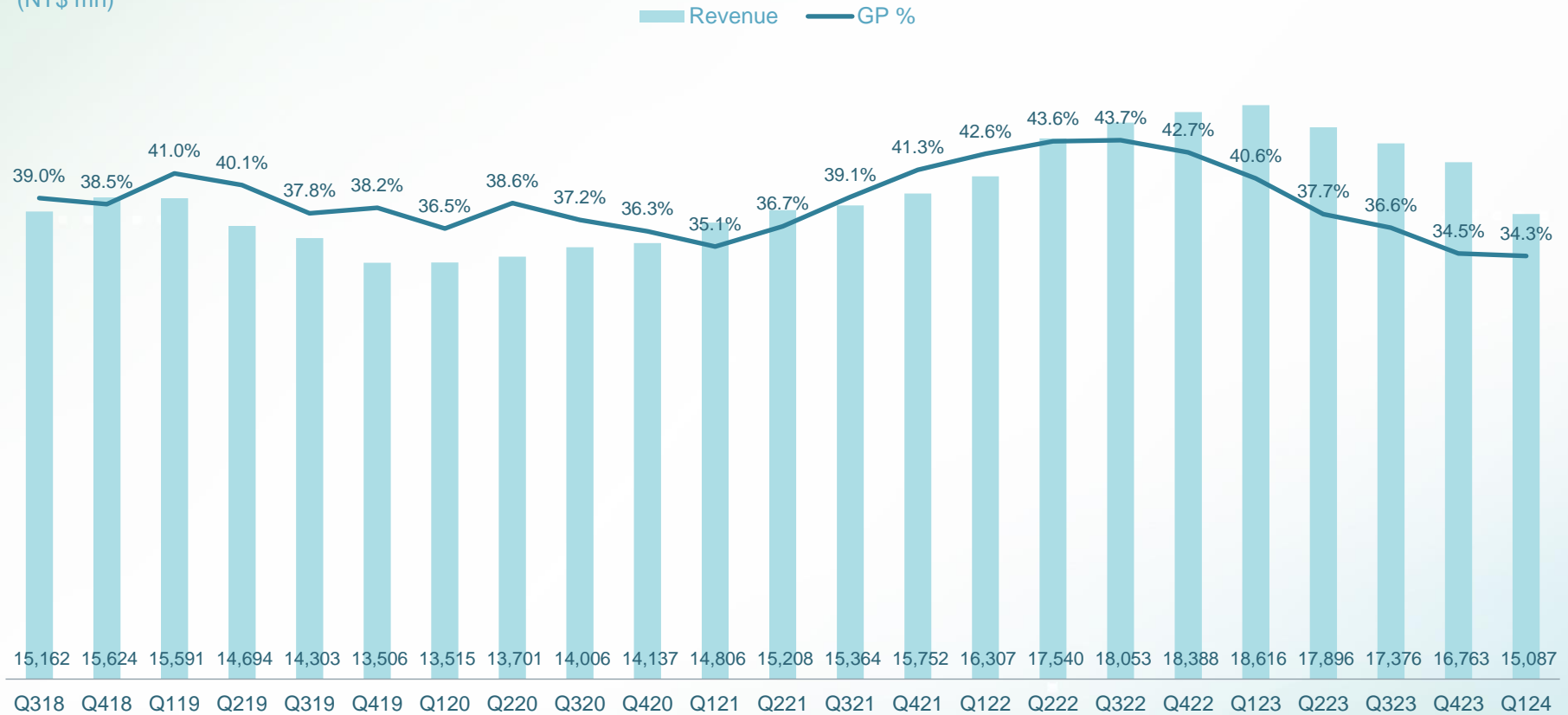




# Revenue & Gross Profit (%)

## Revenue & Gross Profit (%)

(NT\$ mn)



1. Q124 Gross Profit decreased: Mainly due to the increase of depreciation and power cost

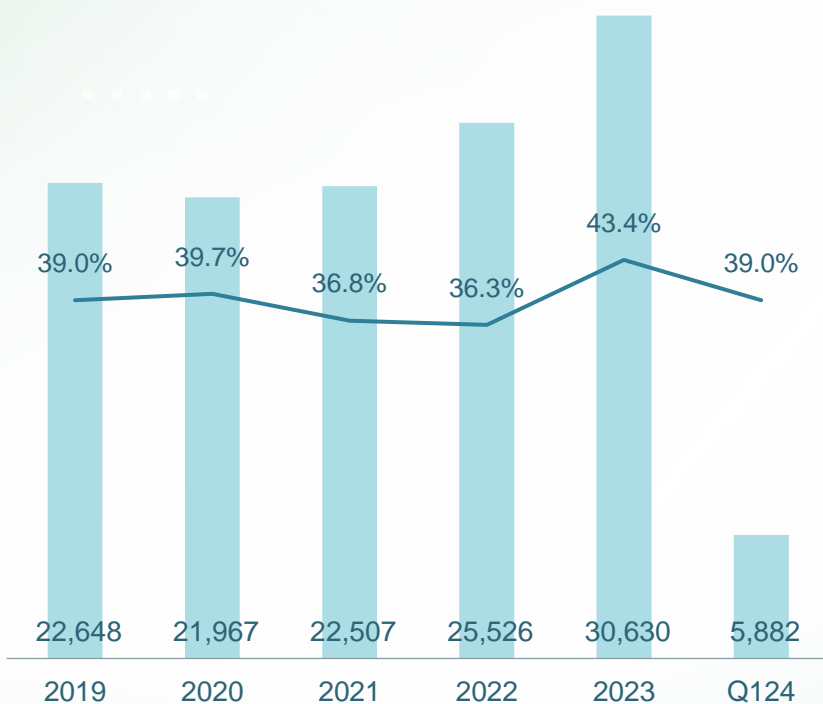


# EBITDA & EPS

## EBITDA

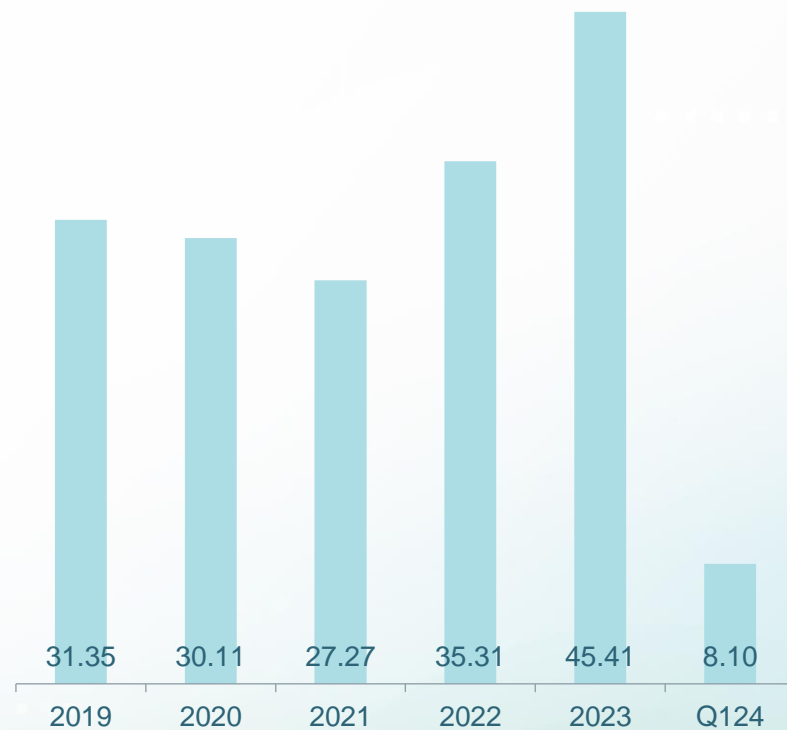
(NT\$ Mn)

■ EBITDA    — EBITDA to Revenue



## EPS

(NT\$)





# Income Statement

## Income Statement

(NT\$ Mn)	2020	2021	2022	2023	Q124
<b>Revenue</b>	<b>55,359</b>	<b>61,131</b>	<b>70,287</b>	<b>70,651</b>	<b>15,087</b>
<i>Growth (%)</i>	<i>-4.7%</i>	<i>10.4%</i>	<i>15.0%</i>	<i>0.5%</i>	<i>-10.0%<sup>2</sup></i>
<b>Gross Profit</b>	<b>20,568</b>	<b>23,286</b>	<b>30,342</b>	<b>26,441</b>	<b>5,168</b>
<i>Gross Profit (%)</i>	<i>37.2%</i>	<i>38.1%</i>	<i>43.2%</i>	<i>37.4%</i>	<i>34.3%<sup>3</sup></i>
<b>EBITDA</b>	<b>21,967</b>	<b>22,507</b>	<b>25,526<sup>1</sup></b>	<b>30,630<sup>1</sup></b>	<b>5,882<sup>1</sup></b>
<i>EBITDA (%)</i>	<i>39.7%</i>	<i>36.8%</i>	<i>36.3%</i>	<i>43.4%</i>	<i>39.0%</i>
<b>Operating Income</b>	<b>15,287</b>	<b>17,693</b>	<b>24,983</b>	<b>20,059</b>	<b>3,968</b>
<i>Operating Income (%)</i>	<i>27.6%</i>	<i>28.9%</i>	<i>35.5%</i>	<i>28.4%</i>	<i>26.3%</i>
<b>Profit before Tax</b>	<b>16,615</b>	<b>16,445</b>	<b>20,107<sup>1</sup></b>	<b>26,496<sup>1</sup></b>	<b>4,558<sup>1</sup></b>
<i>Profit before Tax Margin (%)</i>	<i>30.0%</i>	<i>26.9%</i>	<i>28.6%</i>	<i>37.5%</i>	<i>30.2%</i>
<b>Net Profit</b>	<b>13,104</b>	<b>11,870</b>	<b>15,367<sup>1</sup></b>	<b>19,770<sup>1</sup></b>	<b>3,533<sup>1</sup></b>
<i>Net Profit (%)</i>	<i>23.7%</i>	<i>19.4%</i>	<i>21.9%</i>	<i>28.0%</i>	<i>23.4%</i>
<b>EPS (NT\$)</b>	<b>30.11</b>	<b>27.27</b>	<b>35.31<sup>1</sup></b>	<b>45.41</b>	<b>8.10</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. QoQ growth compared to Q423  
3. Q124 Gross Profit decreased: Mainly due to the increase of depreciation and power costs



# Balance Sheet

## Balance Sheet

(NT\$ Mn)

	2020	2021	2022	2023	Q124
<b>Assets</b>					
Cash and cash equivalents	22,439	65,894	83,458	26,165	35,672 <sup>1</sup>
Account receivable	8,037	9,118	10,160	10,116	10,061
Inventories	7,208	7,295	8,535	9,359	10,737 <sup>2</sup>
Property, plant and equipment	37,111	33,943	39,487	72,251	82,399 <sup>3</sup>
Other assets	20,056	34,395	30,823	71,097	63,914
<b>Total assets</b>	<b>94,852</b>	<b>150,645</b>	<b>169,496</b>	<b>188,988</b>	<b>202,783</b>

## Cash-related other assets include:

(NT\$ Mn)	Q124
Deposits in banks held for three months or more	23,665
Restricted cash	11,259

## Liabilities

Short-term loan	9,871	6,264	6,544	40,000	36,630 <sup>4</sup>
Account payable	3,895	4,340	4,176	5,027	5,189
Long-term loan	-	45,125	42,780	14,542	29,007 <sup>5</sup>
Other liabilities	36,930	49,284	61,672	62,966	60,436
<b>Total liabilities</b>	<b>50,697</b>	<b>105,013</b>	<b>115,172</b>	<b>122,534</b>	<b>131,262<sup>6</sup></b>

## Shareholder equity

<b>44,155</b>	<b>45,632</b>	<b>54,324</b>	<b>66,454<sup>7</sup></b>	<b>71,521<sup>7</sup></b>
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1. Q124 Cash and cash equivalents increased: Mainly due to the issuance of Exchangeable Unit
2. Q124 Inventories increased: Mainly due to the increase in raw materials
3. Q124 Property, plant and equipment increased: Mainly due to the expansion of both greenfield and brownfield facilities
4. Q124 Short-term loan decreased: Mainly due to the repayment of Short-term loan
5. Q124 Long-term loan increased: Mainly due to the issuance of Exchangeable Unit and Corporate Bond
6. Q124 Total liabilities increased: Mainly due to the issuance of Exchangeable Unit and Corporate Bond
7. Q124 Shareholder equity increased: Mainly due to the increase in Retained earnings and the effect of Cumulative translation adjustments



# 04

## Q&A



**GlobalWafers Co., Ltd.**  
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**Thank You**



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