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Global Family,
Global Solutions!

GlobalWafers (6488TT)
Q1 2025 Earnings Call

2025/05/06

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01

Executive Comment

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Executive Comments

➢ Financial Highlights

- **Revenue**
  - ✓ Q125 → NT$15.6 billion, 3.4% YoY, the third highest over the same period !
  - ✓ Despite the economic downturn, 2025 has seen two consecutive months of revenue growth starting from January!

2025 (NT$ mn)	Jan	MoM	Feb	MoM	Mar
Revenue	4,829	10.25%	5,324	2.19%	5,441

- **Gross Profit (%)**
  - ✓ Q125 → 26.4%

- **Operating Income (%)**
  - ✓ Q125 → 16.6%

Financial Highlights

- **Net Profit (%)**
  - ✓ Q125 → 9.3%
- **EPS**
  - ✓ Q125 → NT$3.05
- **Prepayment**
  - ✓ NT$30.90 billion (US$0.93 billion)[1]

Note:
1. FX Rate: NTD:USD = 33.2050, including guarantee

Industry & Overview

- **Global Economy**
  - ✓ Global macroeconomic conditions remain highly uncertain, with widespread downgrades in growth forecasts and trade volumes projected to decline through 2025. Abrupt shifts in U.S. policy have shaken investor and trade confidence, adding volatility to an already fragile global economic environment.

- **Semiconductor Industry**
  - ✓ **Tariff-related and policy-driven uncertainties are weighing on demand**
    The semiconductor industry is experiencing growing pressure from policy-driven cost uncertainties, softer consumer demand, and potential realignment of regional investments. Geopolitical tensions and tariff-related risks continue to dampen end-market visibility, leading to more cautious procurement behavior and delayed inventory restocking.
  - ✓ **Gradual stabilization expected**
    Despite near-term headwinds, we expect the semiconductor market to gradually stabilize, reflecting the mixed but gradually positive signals coming from some of our downstream customers. While broader momentum has yet to fully materialize, early signs of recovery are emerging, and a gradual rebound in wafer demand may follow as sector conditions improve.

➢ Industry & Overview

● Tariff Impact

✓ Potential Impact:

- Tariffs have the potential to drive up costs, soften consumer demand, and increase the likelihood of an economic slowdown. Given the global nature of supply chains, these measures may also elevate production expenses, disrupt operations, and create greater obstacles to market entry and competitiveness.

✓ Supply Chain Restructure:

- The global supply chain is being restructured toward greater regionalization and diversification. The evolving tariff environment is prompting structural changes, with companies reassessing their supply chain strategies, seeking to localize sourcing or build buffer inventory. This could accelerate the regional diversification in supply chain.
- Through strategic global expansion, GlobalWafers has transitioned from a primarily Asia-based operation to a globally integrated manufacturing network. This transformation strengthens GWC's ability to adapt to evolving tariff structures and trade dynamics, enhances supply chain flexibility, and supports long-term customer partnerships across key semiconductor markets worldwide.

➢ Responsible Growth

- **Corporate Governance Achievements**
  - ✓ In 2024, GlobalWafers was once again ranked in the **top 5% of the Taipei Exchange Corporate Governance Evaluation**, marking the **seventh consecutive year** it has received this distinction, highlighting its consistent excellence and leadership in corporate governance practices.
  - ✓ Its parent company, Sino-American Silicon Products Inc. (SAS), and affiliated companies Actron Technology Corporation (Actron) and Advanced Wireless Semiconductor Company (AWSC) were also recognized among the top 5% in the 2024 evaluation, reflecting the Group's strong and ongoing commitment to governance excellence.

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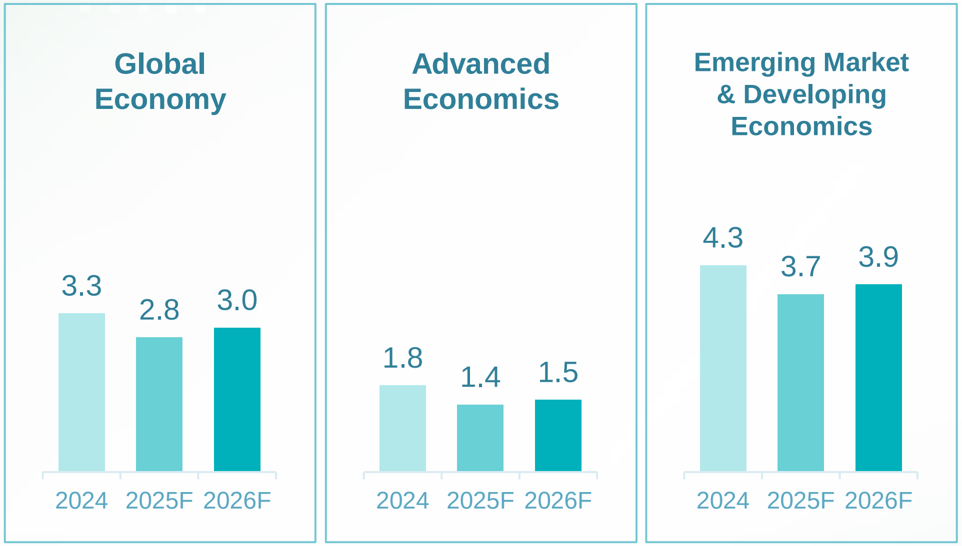
Industry Overview

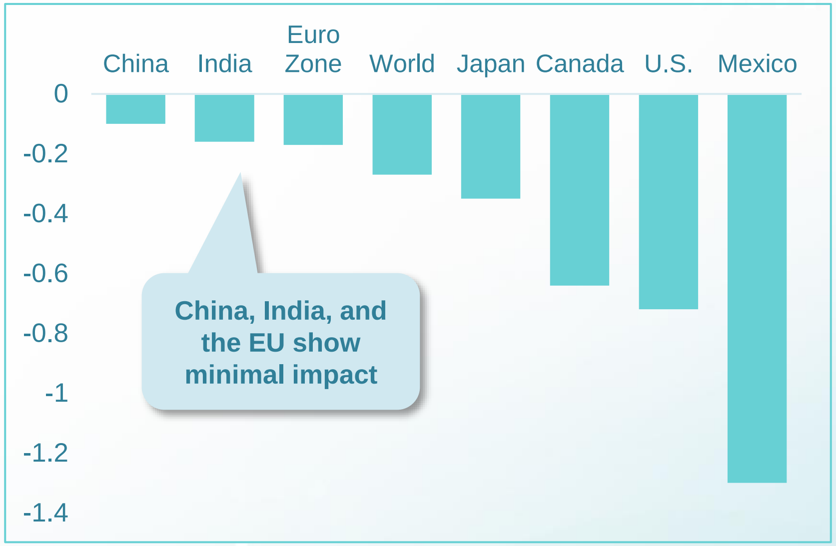
U.S. Economic Policy Effect on Global GDP

- The IMF has reduced its 2025 global growth forecast by 0.5 percentage points, attributing the revision to the economic impact of historically high U.S. tariffs, with the United States and China facing the most pronounced downward revisions.
- The OECD projects a 10% U.S. tariff will slow GDP growth globally over three years, with the greatest impact on North America and minimal effects on China, India, and the EU.

World Economic Outlook Projections



Projected 3-Year GDP Change Under 10% U.S. Tariffs

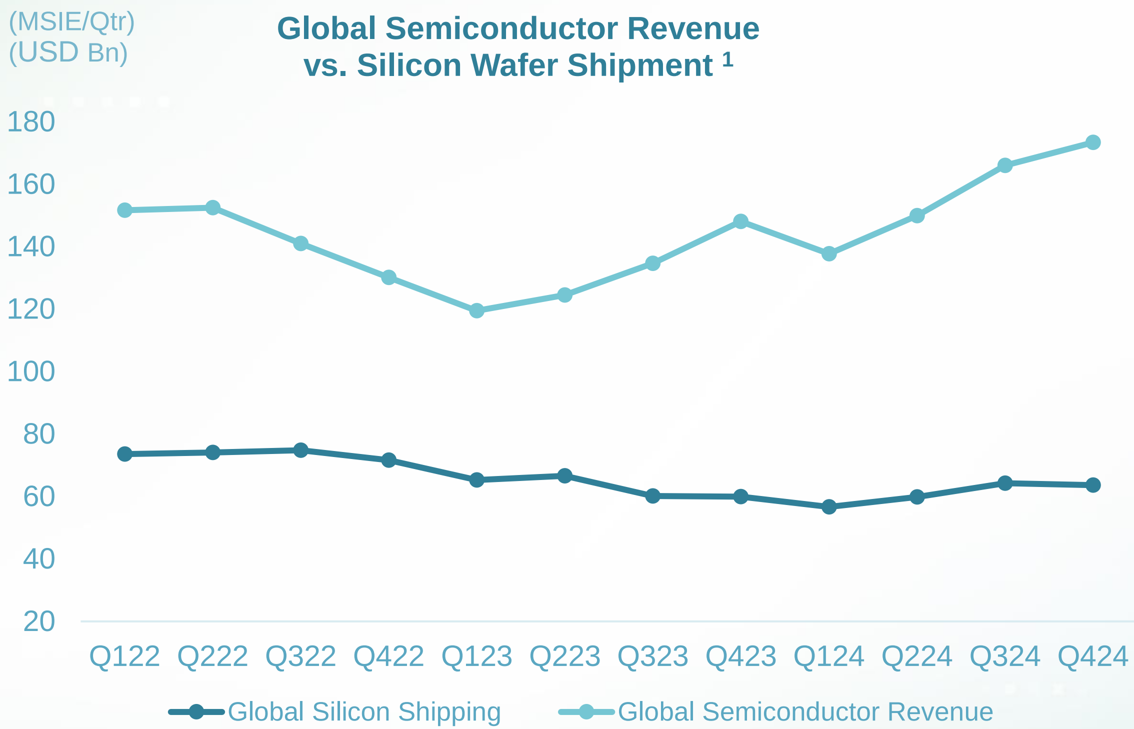


Source:
1. *International Monetary Fund (IMF), April 2025*
2. *Organisation for Economic Co-operation and Development (OECD), March 2025*

Semiconductor Market and GlobalWafers' Resilience

- Global semiconductor revenues have risen in recent quarters, though recovery remains uneven. **Softening wafer shipments suggest limited downstream momentum,** with trade-related uncertainties likely weighing on end-market demand and restocking.
- In response to recent tariff adjustments, GlobalWafers has experienced **higher utilization** driven by **urgent and redirected orders**. With a global footprint now spanning Asia, the Americas, and Europe, GlobalWafers is well-positioned to flexibly manage market shifts and strengthen supply chain resilience.

Global Semiconductor Revenue vs. Silicon Wafer Shipment [1]



Source: World Semiconductor Trade Statistics (WSTS), Silicon Manufacturers' Group (SMG)
Note: 1. Based on GWC's existing customers as of December 2024.

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Tariff Risks and Response

Tariff Impact

- Tariffs may **heighten inflation**, **weaken consumer demand,** and **increase recession risks.** Given the global interconnectedness of supply chains, such measures could **raise production costs, intensify disruptions,** and **create higher barriers to market entry.**
- According to TrendForce's latest analysis, the absence of notable macroeconomic improvement since 2024, combined with risks arising from the newly imposed tariffs, has contributed to a **downward revision of the 2025 shipment forecast for several end-device markets.**
- Despite potential downward revisions due to tariffs, market participants remain cautiously optimistic about the medium- to long-term outlook. Signs point to a gradual recovery, with demand expected to gradually normalize and rebound.

Estimated YoY Shipment Growth Rates for End-Products in 2025

2025 YoY	AI Server	Server	Smartphone	Notebook
Previous Forecast[1]	28.3%	6.9%	1.5%	5.0%
Base Case[2]	24.5%	5.4%	0.0%	3.0%
Worst Case[3]	18.0%	2.0%	-5.0%	2.0%

Source: TrendForce, April 2025.
Note: 1. No clear restrictions from tariffs.
2. Reflects a drop in demand from tariffs.
3. Reflects a further reduction in demand from the expansion of tariffs and strict adoption of territorial principles

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Key Actions in Response to Tariff Risks

- To mitigate potential tariff impacts, GlobalWafers has **accelerated product qualification, formed a cross-functional taskforce,** and **continued to advance mitigation plans** during the tariff adjustment period.
- In parallel, GWC is **increasing local sourcing, optimizing resource allocation,** and **improving cost efficiency** to enhance supply chain agility and resilience, ensuring operational continuity and delivery reliability in the face of evolving trade conditions.

Accelerate product qualification
Strengthen local capacity and customer partnerships

Establish a tariff response taskforce
Monitor trade trends and simulate impacts under scenarios

Continue advancing solutions during the tariff period
Share results with Tariff Taskforce for timely planning

Maintain strong cost competitiveness
Minimize tariff-related pressure on profit margins

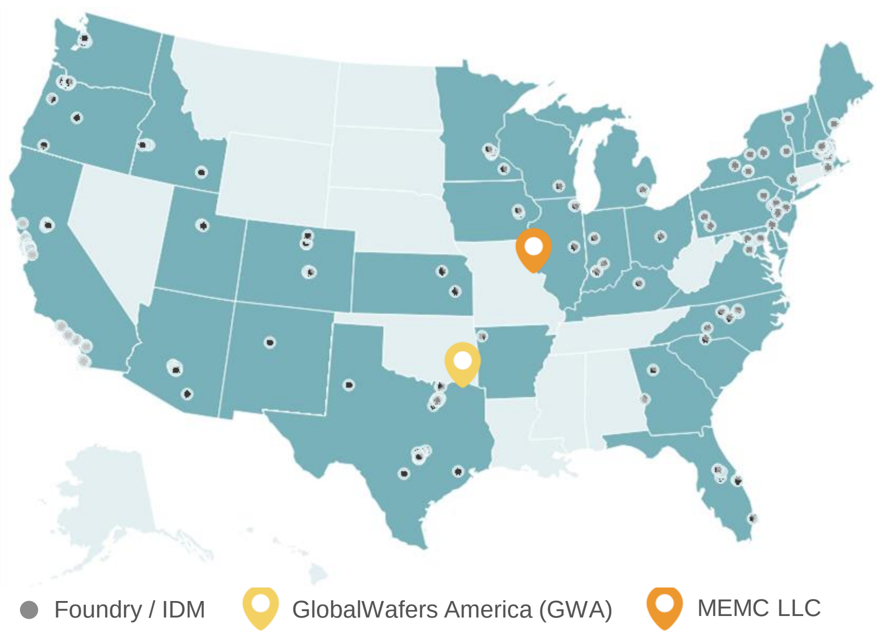
Increase local sourcing
Leverage cost-competitive local substitutes to reduce import reliance

Optimize capacity and resource allocation
Improve delivery stability and enhance flexibility

Strategic Deployment to Strengthen U.S. Supply Chain

- GlobalWafers operates the **first fully integrated 12-inch advanced silicon wafer facility in the U.S. (GWA, Texas)** and the **nation's only 12-inch SOI volume production site (MEMC, Missouri).** Strategically located within key semiconductor hubs, both sites enhance supply chain efficiency and support U.S. domestic manufacturing resilience.
- **GWA reached first commercial shipment in just two years** by conducting facility construction and workforce training concurrently, demonstrating exceptional execution.

U.S. Semiconductor Ecosystem Map



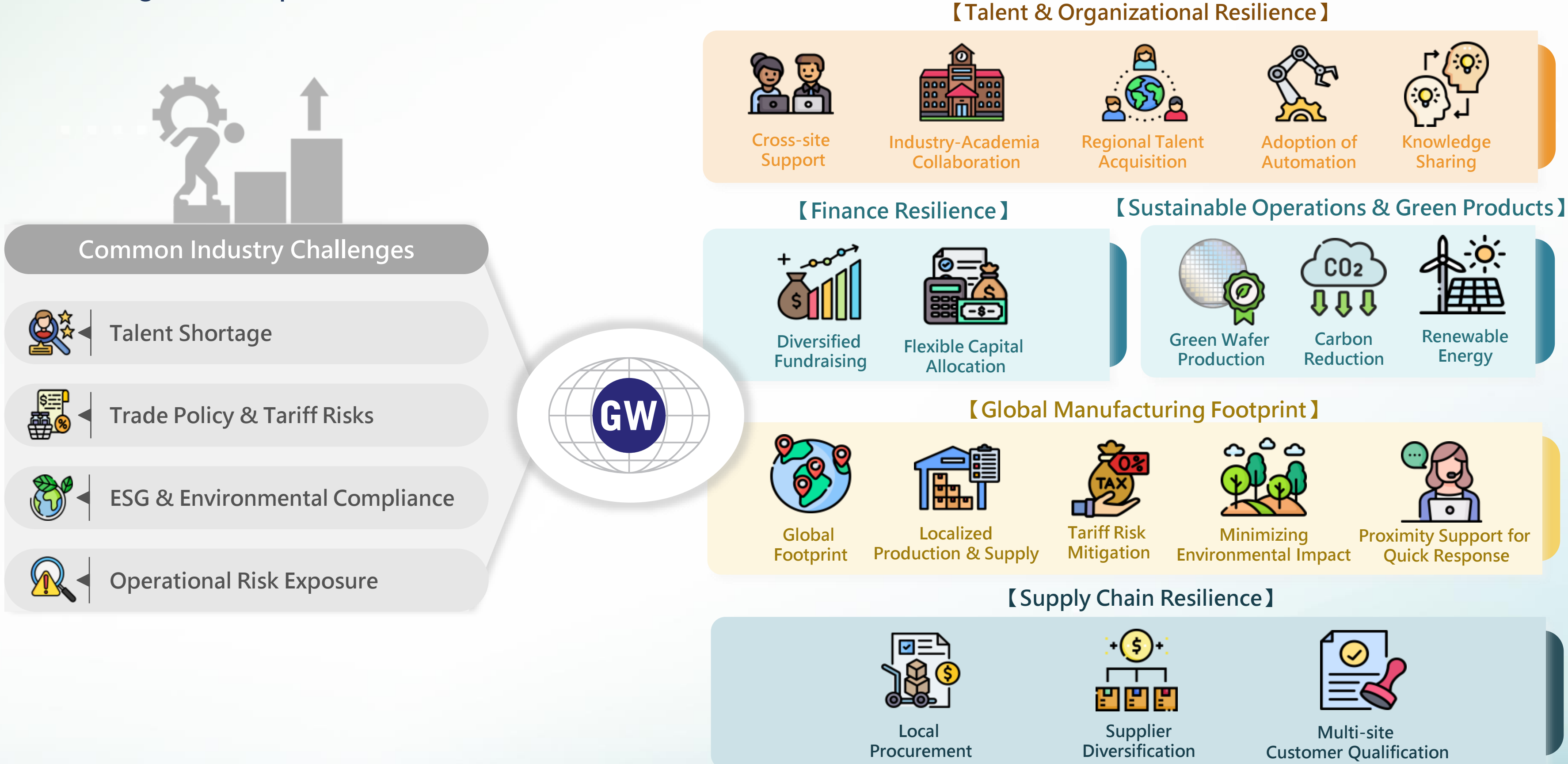
GWA Timeline

- **Q422** Groundbreaking
- **Q324** First Equipment Install
- **Q424** Construction Complete / Qual Sample Shipment
- **Q125** Gradually ramp up
- **Q125** First shipment / Obtained Certificate of Occupancy
- **Q225** Received a $5.5 million grant from SEDCO[1]

Source: Semiconductor Industry Association (SIA). "U.S. Semiconductor Ecosystem Map.
Note: 1. SEDCO: Sherman Economic Development Corporation

GWC's Strategic Response to Industry Challenges

- Amid geopolitical tensions, volatile trade conditions, and escalating climate disruptions, the global market faces heightened uncertainty, while the semiconductor industry faces mounting pressures from talent shortages, tariffs and trade policy, ESG compliance, and supply chain risks.
- In response, GlobalWafers utilizes its **global footprint and regional integration strategies** to proactively address these risks, demonstrating strong adaptability and maintaining a competitive edge in a rapidly evolving landscape.



Transforming Global Footprint into Supply Chain Strength

- GlobalWafers leverages its **global manufacturing footprint and flexible supply chain** — spanning 18 sites in 9 countries across 3 continents— to strengthen its competitive edge as part of its resilience strategy.
- GlobalWafers supports customer **multi-site qualification** to ensure operational continuity and supply flexibility, while securing upstream stability through **local sourcing** and **a diversified supplier base**. This approach aims to help GlobalWafers and its customers manage geopolitical and tariff-related risks more effectively.

Global Manufacturing and Sustainability Footprint

- ✓ 18 sites in 9 countries across 3 continents, **strengthening ecosystem resilience** while **minimizing environmental impact**
- ✓ Offers **localized solutions** and **green wafer options**, with GWA, MEMC, and SPA producing 100% renewable energy wafers
- ✓ Supports **RE100 alignment** and, at the same time, **leverages local energy conditions**

Supply Chain Resilience

- ✓ Strengthens end-to-end supply chain resilience through **local sourcing**, reducing logistics risks, controlling cost volatility, and enhancing continuity
- ✓ Supports **cross-site qualification** to help customers navigate geopolitical risks and ensure reliable, flexible supply

Local Sourcing
Reduces logistics and tariff risks while ensuring cost stability

Regional Manufacturing
Enhances resilience and minimizes environmental impact

Multi-site Qualification
Enables flexible supply and enhances risk resilience

Customer Fulfillment
Ensures reliable delivery and builds long-term trust

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Empowering Growth through Talent and Financial Strength

- In strengthening its global positioning under uncertain market conditions, GlobalWafers reinforces operational resilience through a comprehensive strategy, with **talent development and financial flexibility** serving as key enablers of business continuity and long-term value creation.
- GlobalWafers builds a **globally responsive talent pipeline** and **maintains a resilient capital structure** through diversified funding sources, a robust financial foundation, and strong banking relationships, ensuring the company remains well-equipped to address future uncertainties.

Talent Strategy

- ✓ The new GWA site in the Texas–Oklahoma region draws on a **diverse, skilled talent pool**, **creating 2,000+ jobs** and reinforcing GWC's U.S. job creation commitment
- ✓ Standardized training programs enhance **cross-site deployment readiness** and facilitate **global knowledge exchange** and **technical collaboration**

2000+ Jobs Creation

Cross-site Support

Financial Resilience

- ✓ Maintains **high cash reserves** to support business continuity, stable operations, and long-term investment
- ✓ Leverages **diversified funding instruments** (e.g., GDRs, bonds) to balance equity and debt, supporting global capacity expansion.
- ✓ **Manages financial risk exposure** through multi-bank partnerships

Strategic Banking Network

Diversified Funding | High Cash Level

Robust Financial Resilience

Strong Financial Flexibility Supports Growth and Stability

➢ GlobalWafers maintains a solid financial base with conservative leverage and disciplined interest management. Strong liquidity and access to ample credit facilities enhance its ability to navigate market cycles and support long-term growth.

Interest-Bearing Debt

(NT$ billion)

72.7

Interest-Bearing Debt

(NT$ billion)

23.3

Net Interest-Bearing Debt[1]

10%

Net Interest Bearing Debt to Total Assets Ratio

➢ Disciplined leverage enhances financial flexibility and supports future growth

Interest Outstanding

(NT$ billion)

0.36

Net Interest Income[2]

14.4

Interest Coverage Ratio[3]

➢ Flexible capital management and moderate interest costs support sustainable growth

Liquidity

(NT$ billion)

53

Total Cash and Cash-related Other Assets[4]

70%

Available Bank Credit Facilities

➢ Strong liquidity underpins robust debt-servicing ability and supports expansion and operations

Note:

1. *Net Interest Bearing Debt = Interest Bearing Debt - Cash - Short-term Investments*
2. *Net Interest Income = Interest income - Finance costs (income statement)*
3. *Interest Coverage Ratio = (Operating Income + Expected Credit Impairment Loss (Reversal Gain) + Interest Income) / Interest Expense*
4. *Total cash and cash-related other assets = Cash and cash equivalents + Deposits in banks held for three months or more + Restricted cash + Note*

04

Financial Performance

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Financial Highlight : Q125 vs. Q424 vs. Q124

(NT$ mn)	Q125	Q424	Q124	QoQ	YoY
Revenue	15,595	16,343	15,087	-4.6%	3.4%
Gross Profit %	26.4%	30.1%	34.3%	-3.7 ppts	-7.9 ppts
Operating Income	2,589	3,584	3,968	-27.8%	-34.7%
Operating Income %	16.6%	21.9%	26.3%	-5.3 ppts	-9.7 ppts
Net Profit	1,456	475	3,533	206.5%	-58.8%
Net Profit %	9.3%	2.9%	23.4%	6.4 ppts	-14.1 ppts
EPS[1]	NT$3.05	NT$0.99	NT$8.10	NT$2.06	-NT$5.05
EBITDA*[2]	4,033	2,504	5,882	61.1%	-31.4%
EBITDA %	25.9%	15.3%	39.0%	10.6 ppts	-13.1 ppts
EBIT[3]	1,778	271	4,025	555.2%	-55.8%
ROE*[4] (annualized)	6.4%	2.0%	20.5%	4.4 ppts	-14.1 ppts
ROA*[5] (annualized)	2.6%	1.1%	7.5%	1.5 ppts	-4.9 ppts
Capex[6]	11,557	10,484	10,438	-	-
Depreciation	2,250	2,119	1,852	-	-

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 Acquisition of property, plant and equipment, and prepayments of equipment - Beginning Acquisition of property, plant and equipment, and prepayments of equipment

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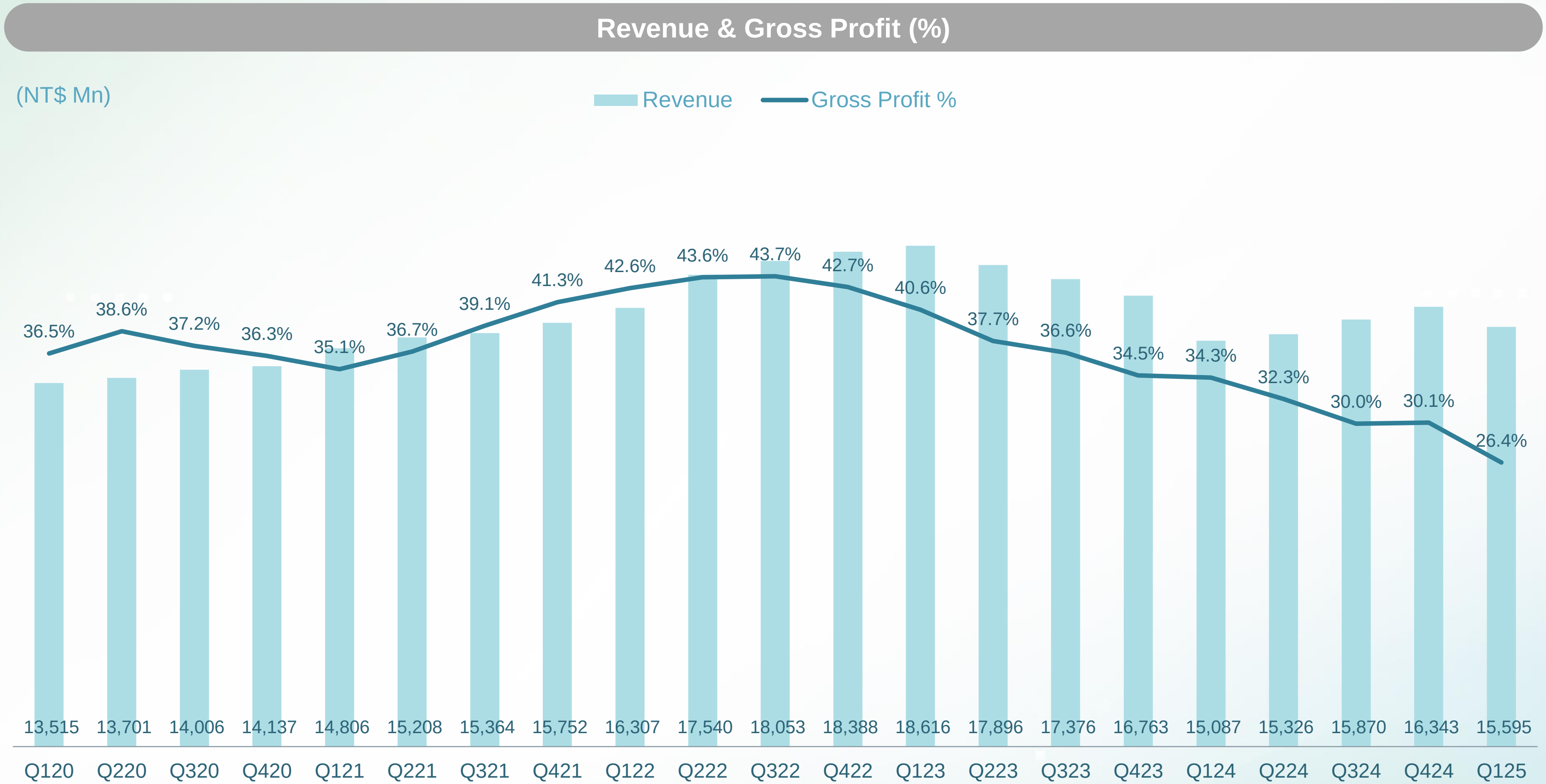
Revenue & Gross Profit (%)



Note:
1. *Q125 Gross profit decreased - Primarily due to higher depreciation expenses and increased labor costs associated with expansion projects.*

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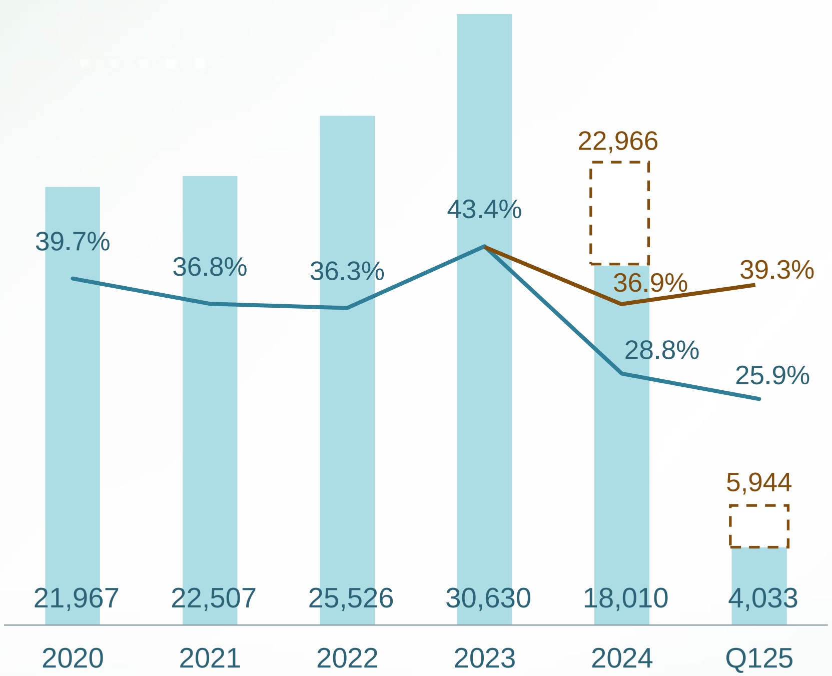
EBITDA & EPS

EBITDA

(NT$ Mn)

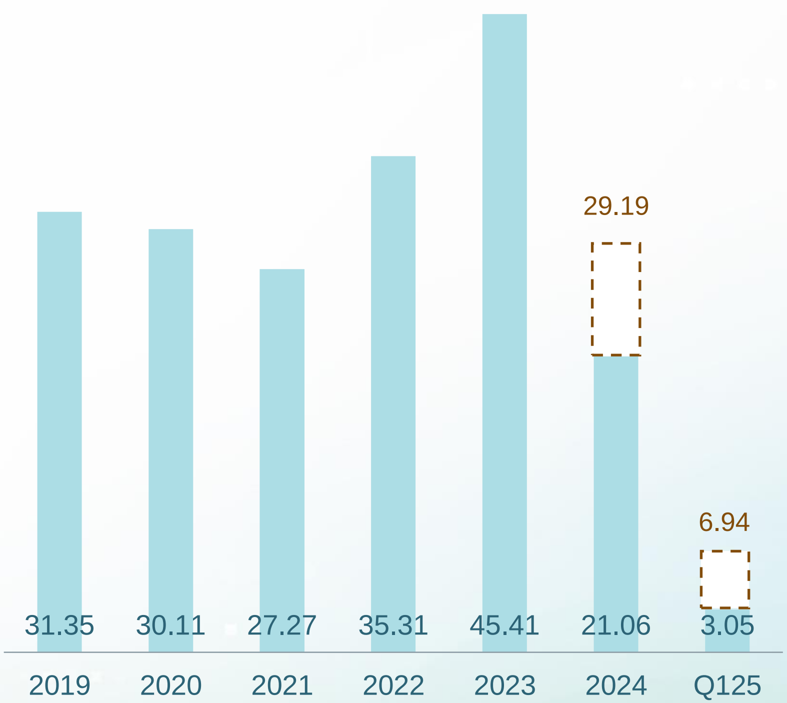
EBITDA increased if excluding the mark-to-market valuation changes on its holdings of Siltronic shares and assuming no major expansion projects were undertaken.



EPS

(NT$)

EPS increased if excluding the mark-to-market valuation changes on its holdings of Siltronic shares and assuming no major expansion projects were undertaken.



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Income Statement

Income Statement

(NT$ Mn)	2022	2023	2024	2024 (simulated)[1]	Q125	Q125 (simulated)[1]
Revenue	**70,287**	**70,651**	**62,626**	**62,190**	**15,595**	**15,136**
Growth (%)	*15.0%*	*0.5%*	*-11.4%*	*-12.0%*	*-4.6%*[2]	*-7.4%*[3]
Gross Profit	**30,342**	**26,441**	**19,804**[4]	**20,151**	**4,112**[4]	**4,861**
Gross Profit (%)	*43.2%*	*37.4%*	*31.6%*[4]	*32.4%*	*26.4%*[4]	*32.1%*
EBITDA	**25,526**	**30,630**	**18,010**[5]	**22,966**	**4,033**[5]	**5,944**
EBITDA (%)	*36.3%*	*43.4%*	*28.8%*[5]	*36.9%*	*25.9%*[5]	*39.3%*
Operating Income	**24,983**	**20,059**	**14,118**	**14,480**	**2,589**	**3,511**
Operating Income (%)	*35.5%*	*28.4%*	*22.5%*	*23.3%*	*16.6%*	*23.2%*
Profit before Tax	**20,107**	**26,496**	**12,429**[5]	**17,415**	**2,133**[5]	**4,009**
Profit before Tax Margin (%)	*28.6%*	*37.5%*	*19.8%*[5]	*28.0%*	*13.7%*[5]	*26.5%*
Net Profit	**15,367**	**19,770**	**9,839**[5]	**13,649**	**1,456**[5]	**3,316**
Net Profit (%)	*21.9%*	*28.0%*	*15.7%*[5]	*22.0%*	*9.3%*[5]	*21.9%*
EPS (NT$)	**35.31**	**45.41**	**21.06**[5]	**29.19**	**3.05**[5]	**6.94**

Note:
1. *Simulated figure, excluding the impact of major expansion projects and mark-to-market valuation changes on the company's holdings of Siltronic shares.*
2. *QoQ growth compared to Q424.*
3. *QoQ growth compared to Q424. Q125 Simulated revenue declined – Primarily due to the exclusion of contributions from major expansion project already in production.*
4. *Q125 Gross Profit decreased - Primarily due to higher depreciation expenses and increased labor costs associated with expansion projects.*
5. *Q125 EBITDA & Profit before Tax & Net Profit & EPS decreased – Primarily due to the impact of major expansion projects and mark-to-market valuation changes on the company's holdings of Siltronic shares.*

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Balance Sheet

Balance Sheet

(NT$ Mn)	2022	2023	2024	Q125
Assets				
Cash and cash equivalents	80,491	26,165	38,929	28,846[1]
Account receivable	10,160	10,116	10,265	10,845
Inventories	8,535	9,359	11,238	11,953[2]
Property, plant and equipment	39,487	72,251	119,074	128,495[3]
Other assets	30,823	71,097	45,074	47,987[4]
Total assets	**169,496**	**188,988**	**224,581**	**228,126**
Liabilities				
Short-term loan	6,544	40,000	28,797	32,275[5]
Account payable	4,176	5,027	5,371	4,433
Long-term loan	42,780	14,542	37,648	39,699[6]
Other liabilities	61,672	62,966	61,706	60,043[7]
Total liabilities	**115,172**	**122,534**	**133,553**	**136,449**
Shareholder equity	**54,324**	**66,454**	**91,028**	**91,677[8]**

Cash-related other assets include:

(NT$ Mn)	Q125
Deposits in banks held for three months or more	5,774
Guarantee for bank financing projects	11,788
Note	6,608

Note:
1. *Q125 Cash and cash equivalents decreased: Primarily due to repayments of bank loans*
2. *Q125 Inventories increased: Primarily due to preemptive production and stockpiling in preparation for anticipated summer electricity rate hikes.*
3. *Q125 Property, plant, and equipment increased – Attributable to CAPEX investments in both brownfield and greenfield expansions*
4. *Q125 Other assets increased – Primarily due to an increase in restricted bank deposits*
5. *Q125 Short-term loan increase - Primarily due to the increase in short-term borrowings related to capacity expansion*
6. *Q125 Long-term loan increase - Primarily due to the increase in long-term borrowings related to capacity expansion*
7. *Q125 Other liabilities decreased – Primarily due to a decline in payables related to property, plant and equipment acquisitions*
8. *Q125 Shareholder equity increased – Primarily due to the appreciation of the USD and the reversal of cumulative translation adjustments*

05

Q&A

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