GlobalWafers Co., Ltd.
環球晶圓股份有限公司

Global Family,
Global Solutions!

GlobalWafers (6488TT)
Q1 2026 Earnings Call

2026/05/05

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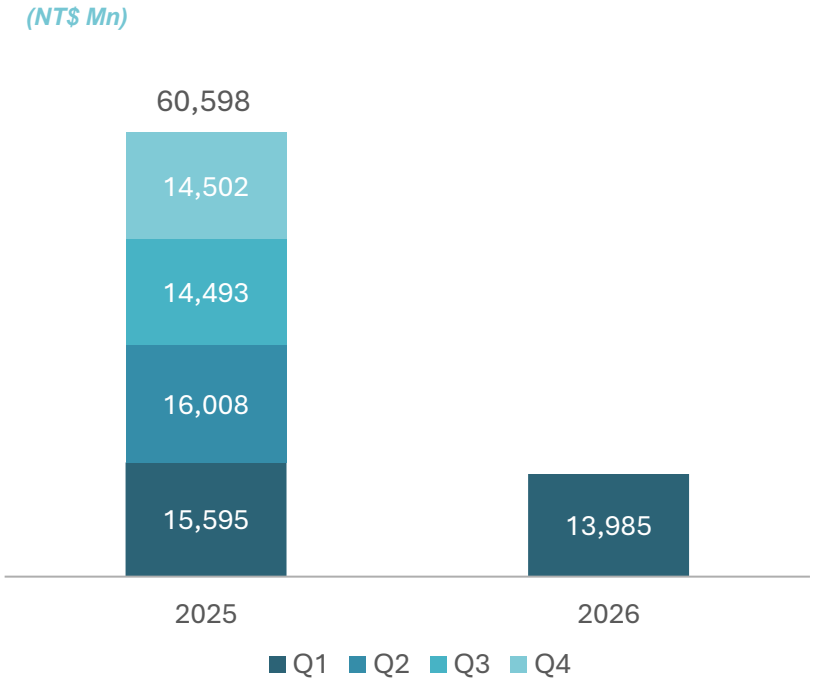
Executive Comment

Executive Comments

➢ Financial Highlights

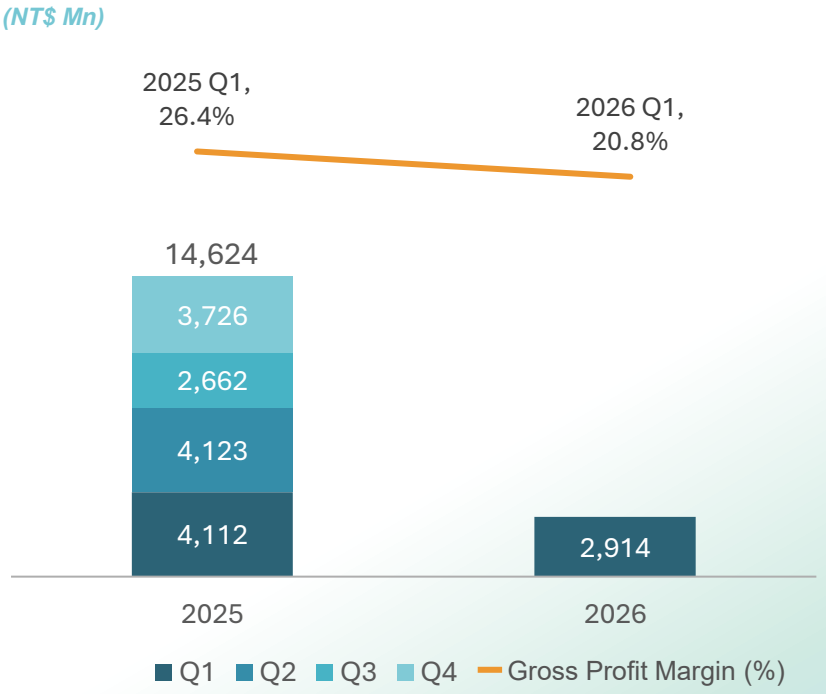
Revenue

- Q126 → NT$14 billion, -3.57% QoQ



Gross Profit Margin (%)

- Q126 → 20.8%

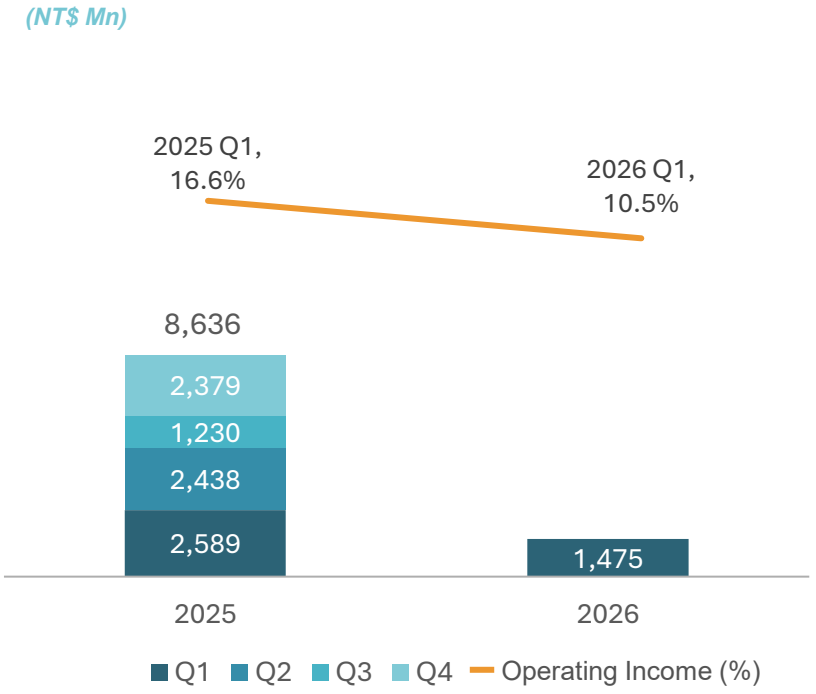


Executive Comments

➢ Financial Highlights

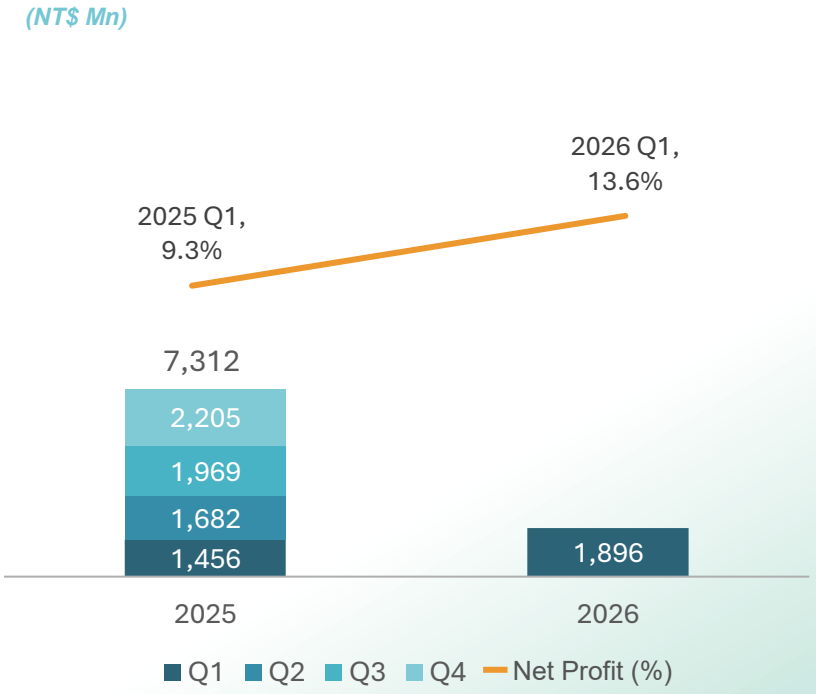
Operating Income (%)

- Q126 → 10.5%



Net Profit (%)

- Q126 → 13.6%

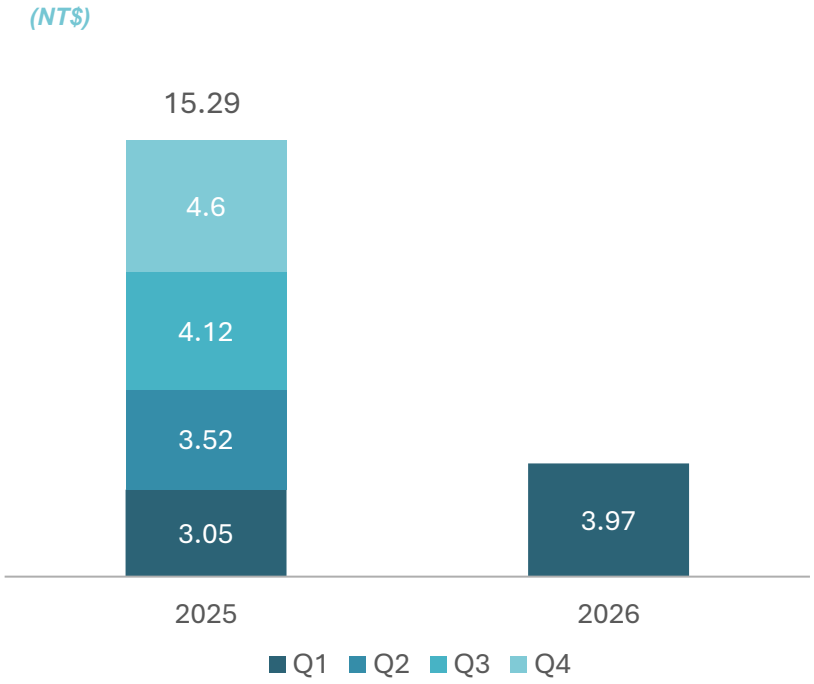


Executive Comments

➢ Financial Highlights

EPS

- Q126 → NT$3.97



Prepayment

- NT$23.5 billion (US$ 0.74 bn)[1]

Note:
1. FX Rate: NTD:USD = 32.0, including guarantee

Executive Comments

➢ Industry & Overview

■ AI-Led Structural Demand Anchors Long-Term Outlook Despite Near-Term Headwinds

- ✓ **Macro Environment Calls for Selective Optimism:** Global growth remains positive but uneven—while 2026 GDP forecasts have moderated, AI infrastructure investment provides a meaningful offset to softness in consumer-facing end-markets. Persistent input cost pressures and trade policy uncertainty continue to weigh on near-term demand, though central bank easing trajectories offer a partial counterbalance. At the same time, geopolitical tensions, trade and tariff policy shifts, volatility in energy, freight, and raw material costs, currency fluctuations, and broader macroeconomic uncertainty remain external variables that could affect the pace and visibility of recovery. We will continue to closely monitor these developments and manage with discipline and prudence.
- ✓ **Compute & Memory — AI Demand Structurally Anchored:** AI workloads are shifting from content generation toward agentic AI with expanding compute requirements, sustaining long-term demand for advanced silicon wafers across a broadening customer base. Memory demand is similarly extending beyond high-end servers into system-level and on-device applications, widening the addressable silicon market.
- ✓ **Consumer Shifting to Value Over Volume; Auto Decoupling from Cyclicality:** Amid volume contraction and rising costs, the smartphone and PC industry is pivoting toward higher-ASP, AI-enabled products — relying on value rather than volume to sustain revenue. Automotive semiconductors are increasingly decoupling from near-term vehicle sales, with electrification and software-defined architectures driving structural growth in silicon content per vehicle.
- ✓ **Advanced Packaging Tightness Underpins Wafer Demand Visibility:** Advanced packaging has become a critical enabler of semiconductor performance scaling, with key capacity remaining in tight supply as leading chip designers actively build out in-house packaging capabilities. This sustained tightness is driving steady demand for advanced and specialty silicon wafers, providing the Company with extended order visibility.

Executive Comments

➢ Industry & Overview

■ GlobalWafers Positioned for Structural Growth Amid AI Trends

- ✓ **AI-Driven Structural Shift Supporting Demand:** AI adoption across data centers, edge, and end applications is reshaping semiconductor demand, driving advanced nodes and packaging, increasing wafer usage per device, and supporting high-end wafer demand. As AI expands into broader applications, certain mature-node segments are also gradually recovering. Nevertheless, the overall pace of recovery remains uneven, and amid ongoing macroeconomic uncertainties, the outlook warrants continued monitoring.

- ✓ **Strong Utilization Across Nodes with Improving Mature Segments:** Driven by AI and high-performance computing demand, existing 12-inch wafer lines remain fully utilized, excluding newly added capacity still in the ramping stage. Utilization for 8-inch wafers remains solid, supported by power management and analog applications, and is expected to gradually extend to 6-inch wafers, contributing to a steady recovery in smaller-diameter segments.

- ✓ **High-Value Portfolio Expansion with SOI, GaN, and SiC Progress:** SOI production lines have performed strongly and, despite being in the early stage of expansion, have already generated positive gross margins, emerging as an early highlight among the Group's growth initiatives. At the same time, GaN capacity remains fully utilized, with expansion progressing (30% done; 20% ongoing), while 12-inch SiC continues advancing through customer qualification, positioning the Company for future high-value opportunities.

- ✓ **Regional Strength, Financial Discipline, and Policy Support:** Europe remains relatively resilient, with momentum expected to build gradually as capacity ramps up in Italy where major equipment installation has been largely completed. Meanwhile, GlobalWafers has begun receiving government incentives in the U.S. and Europe to support long-term development. **The Company's fundamentals are improving, with recovering demand driving revenue and cash flow growth, while leverage is past its peak and balance sheet strength continues to improve, with a meaningful reduction in bank borrowings.**

End-Market Trends Indicate Structural Support Beyond Cyclical Recovery

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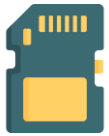
Compute & AI Infrastructure

Structurally Resilient

- The industry is undergoing a paradigm shift from generative AI to agentic AI, structurally increasing token consumption and sustaining investment in AI infrastructure, which in turn reinforces long-term demand for leading-edge semiconductor technologies, supported by ongoing technology differentiation and a broadening customer base.



Memory Market

Solid Fundamentals

- As workloads transition from simple generative prompts to autonomous agentic AI, infrastructure bottlenecks are shifting from GPU-centric compute toward multi-step logic execution and orchestration, broadening memory and storage demand beyond HBM into system-level memory and storage layers for persistent context storage, system orchestration, and on-device agentic processing.

Smartphone & PC

Value-Driven Demand

- Amid volume contraction and rising BOM costs, the market is increasingly shifting toward a premiumization strategy, focusing on higher-end AI-capable PCs and flagship devices to mitigate pressure from the low-end. While a meaningful volume recovery is likely a longer-term outcome, incremental support may come from on-device AI replacement demand, new form factors, and greater adoption of custom application processors.

End-Market Trends Indicate Structural Support Beyond Cyclical Recovery (cont'd)

Automotive & Industrial

Gradual Recovery

- Analog and power semiconductors have been gradually recovering. Rising silicon content per vehicle — propelled by software-defined architectures and electrification — is structurally decoupling revenue from unit shipment cycles.

Advanced Packaging

Primary Engine For Value Creation

- Packaging is a key driver of semiconductor scaling, underpinning AI accelerator output. Amid tight supply, leading chip designers are bringing packaging in-house, despite ongoing challenges in thermal management. Rising system complexity is also driving demand for advanced and specialty wafers, improving long-term visibility and supporting stable utilization of advanced capacity.

02

Company Overview

Near-Term Macro Headwinds, Structural Offsets

- **Global GDP Revisions:** Growth forecasts for 2026 have been downgraded to a range of 2.6% to 3.4% as the conflict in the Middle East introduces significant volatility.
- **Inflationary Pressures:** Despite easing headline inflation in major economies, input cost pressures—particularly in energy, materials, and labor—remain elevated, weighing on corporate margins and end-market demand.
- **Market Resilience Factors:** On the constructive side, sustained technology investment — particularly in AI infrastructure — combined with private sector adaptability, is expected to provide a meaningful, though partial, offset to headwinds arising from shifting trade policies.

Real GDP Growth Forecasts (%)

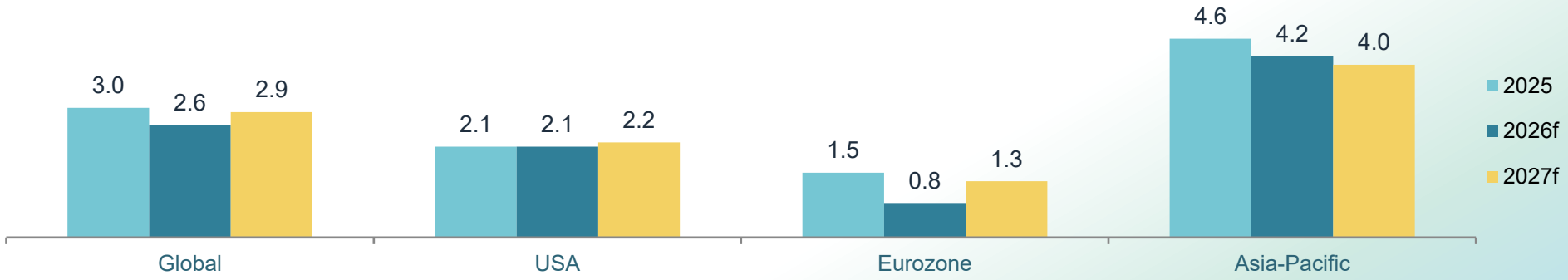
GDP Growth Trajectory: 2025 → 2026f → 2027f

Global
3.0 → 2.6 → 2.9
dip then recovery

USA
2.1 → 2.1 → 2.2
stable

Eurozone
1.5 → 0.8 → 1.3
gradual pickup

Asia-Pacific
4.6 → 4.2 → 4.0
slowdown

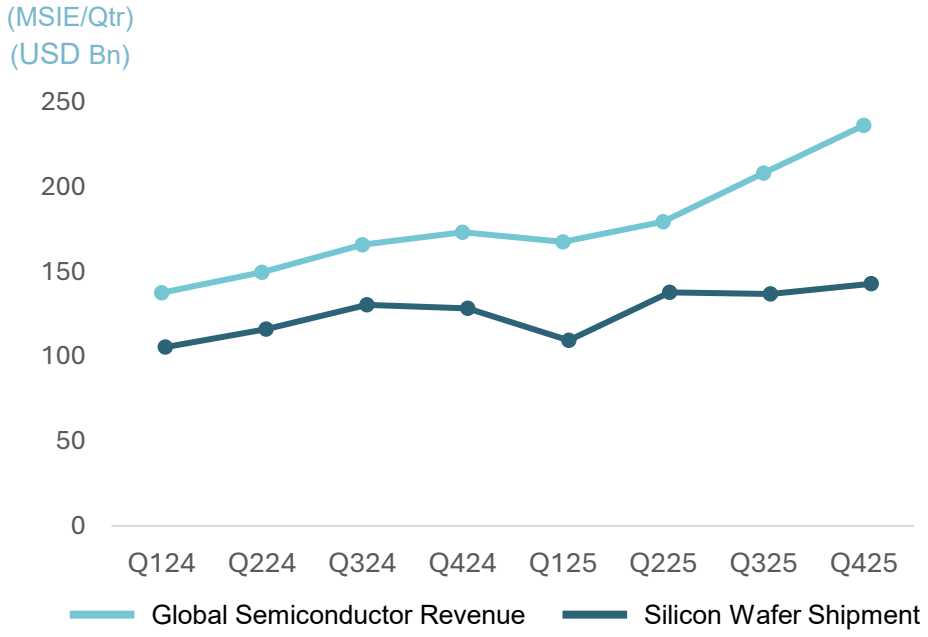


Source: Allianz Research (Mar 2026)

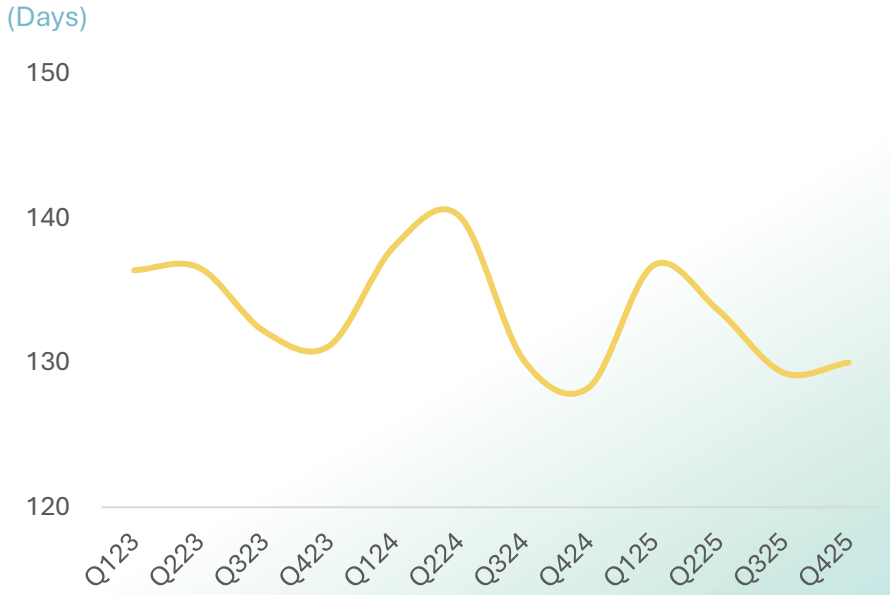
Global Semiconductor Trends

- **Structural Demand Growth with Gradual Recovery in Wafer Shipments:** Global semiconductor revenue continues to trend upward, supported by structural demand from AI and high-performance computing. While silicon wafer shipments experienced short-term fluctuations, they have stabilized and resumed a gradual recovery since early 2025, with the overall trajectory continuing to improve.
- **Inventory Normalization Ongoing:** While customer revenues have rebounded, inventory normalization remains ongoing, with average inventory days declining at a measured pace. As inventory levels gradually return to healthier ranges, wafer demand is expected to recover further, supporting a gradual and more stable industry recovery.

Global Semiconductor Revenue vs. Silicon Wafer Shipment[1]



GlobalWafers' Worldwide Customers' Average Days of Inventory[2]



Source: 1. Global semiconductor revenue is based on WSTS data; silicon wafer shipment data is based on SEMI SMG.;
2. Based on GWC's existing customers as of December 2025, the inventory consists solely of finished goods.

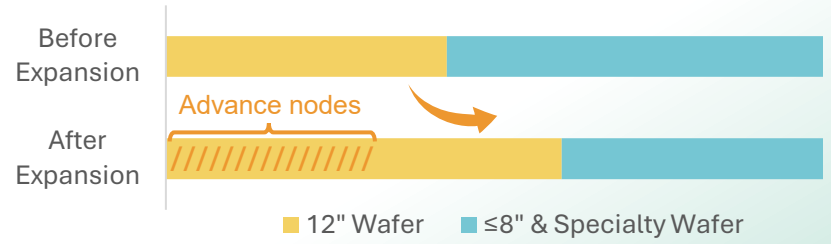
AI-driven Demand Sustains 12-inch Wafer Visibility

- **AI Demand Tightening 12-Inch Wafers Capacity:** Rapid growth in AI applications is driving advanced nodes and more complex packaging, increasing wafer usage per device and structurally strengthening demand for 12-inch wafers. As a result, GWC is seeing the highest utilization in its 12-inch wafer capacity, particularly in advanced process nodes.
- **12-Inch Wafer Offer Visibility Upside:** Demand for 12-inch wafers remains strong, with solid visibility. Against this backdrop, GWC continues to expand 12-inch capacity, with the segment's contribution expected to rise from around 50% to nearly two-thirds. In the U.S., based on customer announcements, 12-inch wafer capacity could potentially increase by approximately 50% from 2026 to 2030 to support medium- to long-term demand.
- **Small-Diameter Wafer Demand Gradually Recovering:** The 8-inch segment continues to operate at high utilization, supported by resilient demand in power management and analog applications. With flexible capacity allocation to meet diverse customer needs, GWC maintains strong shipment momentum. As inventory normalization advances, the robust performance of the 8-inch segment is expected to further drive a recovery in the 6-inch wafer market.

GlobalWafers' Latest Global Expansion Progress

Japan	Has quickly moved past expansion-related pressure, contributing to profitability, gross margin improvement and positive cash flow.
Italy	New lines certified with IATF 16949 and progressing through customer qualifications.
U.S. (Texas)	Equipment installation and line setup advancing, with key customer qualifications driving capacity ramp.
U.S. (Missouri)	Selected RF and silicon photonics products began mass production in 1Q26.

GlobalWafers' Product Portfolio Forecast



High-ASP Specialty Mix

Long-Term Demand Visibility

Capturing Structural Growth in Compound Semiconductors

- **High-Value Shift Drives Growth:** According to Yole Group, the compound semiconductor market is expected to more than double from 2025 to 2031, with a CAGR of approximately 14%. This growth is driven by its superior efficiency and high-frequency performance, reflecting a structural shift toward higher-value applications.
- **GaN Strategy Targets High-Performance Power:** GWC continues to expand GaN solutions for high-efficiency power applications across data center, charging infrastructure, and smart-device markets, with strong visibility. Deep expertise in lattice mismatch management and a growing patent portfolio underpin our competitive positioning. GaN capacity is fully utilized, with ~30% expansion completed and an additional ~20% capacity increase underway.
- **SiC Strategy Shifts to Higher-Value Applications:** GWC is shifting its SiC roadmap toward higher-value applications while maintaining support for existing products. New development areas include 12-inch SiC for heat dissipation, advanced packaging, and selected optical applications, leveraging proprietary crystal growth and advanced wafer-processing expertise to differentiate beyond standard power markets.

Scaling GaN & Advancing SiC for Next-Generation Power Applications

GaN

1. **At Full Utilization**
2. **Capacity Expansion**
   - ~30% Completed
   - ~20% Underway
3. **Potential Applications**
   - AI Power Efficiency
   - Advanced Wearables

SiC

1. **12” SiC**
2. **In Sampling Phase**
3. **Potential Applications**
   - Thermal Solutions
   - Advanced Packaging
   - Advanced Wearables

03

Financial Performance

Financial Highlight : Q126 vs. Q425 vs. Q125

(NT$Mn, except EPS)	Q126	Q425	Q125	QoQ	YoY
Revenue	13,985	14,502	15,595	-3.6%	-10.3%
Gross Profit %	20.8%	25.7%	26.4%	-4.9p.p.	-5.6p.p.
Operating Income	1,475	2,379	2,589	-38.0%	-43.0%
Operating Income %	10.5%	16.4%	16.6%	-5.9p.p.	-6.1p.p.
Net Profit	1,896	2,205	1,456	-14.0%	30.2%
Net Profit %	13.6%	15.2%	9.3%	-1.6p.p.	4.3p.p.
EPS[1]	NT$3.97	NT$4.60	NT$3.05	-NT$0.63	NT$0.92
EBITDA[2]	4,060	4,460	4,033	-9.0%	0.7%
EBITDA %	29.0%	30.8%	25.9%	-1.8p.p.	3.1p.p.
EBIT[3]	1,855	2,575	1,778	-27.9%	4.4%
ROE[4] (annualized)	8.1%	9.6%	6.4%	-1.5p.p.	1.7p.p.
ROA[5] (annualized)	4.17%	4.61%	2.6%	-0.4p.p.	1.4p.p.
Capex[6]	3,460	5,826	11,557	-	-
Depreciation	2,199	1,880	2,250	-	-

Note: 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

Income Statement

(NT$ Mn)	2023	2024	2025	Q126	Q126 (simulated)[1]
Revenue	**70,651**	**62,626**	**60,598**	**13,985**	**13,204**
Growth (%)[2]	*0.5%*	*-11.4%*	*-3.2%*	*-3.6%*	-
Gross Profit	**26,441**	**19,804**	**14,624**	**2,914**	**4,083**
Gross Profit Margin (%)	*37.4%*	*31.6%*	*24.1%*	*20.8%[3]*	*30.9%*
EBITDA	**30,630**	**18,010**	**17,340**	**4,060**	**4,730**
EBITDA Margin (%)	*43.4%*	*28.8%*	*28.6%*	*29.0%*	*35.8%*
Operating Income	**20,059**	**14,118**	**8,636**	**1,475[3]**	**2,824**
Operating Profit Margin (%)	*28.4%*	*22.5%*	*14.3%*	*10.5%*	*21.4%*
Profit before Tax	**26,496**	**12,429**	**9,516**	**2,347**	**3,073**
Profit before Tax Margin (%)	*37.5%*	*19.8%*	*15.7%*	*16.8%[4]*	*23.3%*
Net Profit	**19,770**	**9,839**	**7,312**	**1,896[4]**	**2,373**
Net Profit Margin (%)	*28.0%*	*15.7%*	*12.1%*	*13.6%*	*18.0%*
EPS (NT$)	**45.41**	**21.06**	**15.29**	**3.97[4]**	**4.96**

Note: 1. Simulated figures exclude impacts from major expansions in the U.S., Italy, and Japan, as well as mark-to-market changes on Siltronic shares
2. Growth figures represent year-over-year (YoY) changes
3. Q126 Gross Profit Margin declined QoQ, primarily reflected the fade-out of one-off factors recognized in 4Q25, including a one-time uplift from government subsidies at the Italian subsidiary upon meeting accounting recognition criteria, as well as the impact of higher operating costs driven by increases in energy, raw material, and logistics expenses, together with the capacity ramp-up cost in the new expansion sites.
4. Q126 EPS & Net Profit increased YoY, mainly due to mark-to-market gains on Siltronic shares.

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Balance Sheet

(NT$ Mn)	2023	2024	2025	Q126
Assets				
Cash and cash equivalents	26,165	38,929	19,484	24,128
Account receivable	10,116	10,265	10,113	10,138
Inventories	9,359	11,238	10,399	11,000[6]
Property, plant and equipment	72,251	119,074	107,241	108,861
Other assets	71,097	45,074	71,105	56,910[4]
Total assets	**188,988**	**224,581**	**218,343**	**211,037**
Liabilities				
Short-term loan[1]	40,000	28,797	31,010	33,887
Account payable	5,027	5,371	4,161	3,867
Long term loan[2]	14,542	37,678	43,244	29,221[3]
Other liabilities	62,966	61,706	46,632	50,683[5]
Total liabilities	**122,534**	**133,553**	**125,048**	**117,657**
Shareholder equity	**66,454**	**91,028**	**93,295**	**93,379**

Cash-related other assets include:	
(NT$ Mn)	**Q126**
Deposits in banks held for three months or more	9,208
Restricted Cash	8,865
Note	6,367

Note: 1. The balance of short-term loans comprises short-term borrowings, commercial paper payable, and the current portions of long-term borrowings, corporate bonds payable, and convertible bonds payable
2. The balance of long-term loans includes long-term borrowings, corporate bonds payable, and exchangeable bonds payable
3. Q126 Long-term loan declined QoQ, mainly due to the reclassification of EB and FRCP into current liabilities upon maturity
4. Q126 Other Assets declined QoQ, mainly due to the collection of AMIC subsidy receivables
5. Q126 Other liabilities increased QoQ, mainly due to the issuance of commercial paper
6. Q126 Inventories increased QoQ, mainly due to production schedule adjustments in anticipation of upcoming order demand, as well as precautionary inventory stocking in response to geopolitical uncertainties

04

Q&A