# AP Memory Technology Corporation 2021 Q2 Investor Conference

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### Outline

- 2021 Q2 Financial Results
- Business Analysis & Outlook
- Q&A

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# 2021 Q2 Financial Results



### 2021Q2 Consolidated Income Statements

(in NT\$K)	2021.Q2	2021.Q1	△\$	△%	2020.Q2	△\$	△%
Net Revenue	1,633,506	1,227,205	406,301	33%	811,174	822,332	101%
Cost of Revenue	881,547	685,947	195,600	29%	604,343	277,204	46%
Gross Profit	751,959	541,258	210,701	39%	206,831	545,128	264%
Gross Profit Margin (%)	46%	44%	2%		25%	21%	
Operating Expenses	153,335	147,784	5,551	4%	131,035	22,300	17%
Operating Expense Ratio	10%	12% (	2%)		16% (	6%)	
Income from Operations	598,624	393,474	205,150	52%	75,796	522,828	690%
Operating margin(%)	36%	32%	4%		9%	27%	
Non-operating Income and Expenses	( 19,402)	26,970 (	46,372)(	172%)(	12,205) (	7,197 ) (	59%)
Income from Continuing Ope. before Income Tax	579,222	420,444	158,778	38%	63,591	515,631	811%
Income Tax Expenses (Benefits)	122,967	70,072	52,895	75% <mark>(</mark>	11,880)	134,847	1,135%
Income from Continuing Operation	456,255	350,372	105,883	30%	75,471	380,784	505%
Income from Discontinued Operation	-	-	-	-	4,931 (	4,931 ) (	100%)
Net Income	456,255	350,372	105,883	30%	80,402	375,853	467%
Net Income (%)	28%	29% (	1%)		10%	18%	
Net Income attributable to Parent Company	456,255	350,372	105,883	30%	75,052	381,203	508%
EPS (NT\$)	6.16	4.73	1.43	30%	1.02	5.14	504%

### 2021H1 Consolidated Income Statements

(in NT\$K)	2021.H1	2020.H1	△\$	△%
Net Revenue	2,860,711	1,709,190	1,151,521	67%
Cost of Revenue	1,567,494	1,354,249	213,245	16%
Gross Profit	1,293,217	354,941	938,276	264%
Gross Profit Margin (%)	45%	21%	24%	
Operating Expenses	301,119	235,595	65,524	28%
Operating Expense Ratio	10%	14%	( 4%)	
Income from Operations	992,098	119,346	872,752	731%
Operating margin(%)	35%	7%	28%	
Non-operating Income and Expenses	7,568	( 1,099)	8,667	789%
Income from Continuing Ope. before Income Tax	999,666	118,247	881,419	745%
Income Tax Expenses (Benefits)	193,039	( 6,309)	199,348	3,160%
Income from Continuing Operation	806,627	124,556	682,071	548%
Income from Discontinued Operation	-	( 7,272)	7,272	100%
Net Income	806,627	117,284	689,343	588%
Net Income (%)	28%	7%	21%	
Net Income attributable to Parent Company	806,627	111,051	695,576	626%
EPS (NT\$)	10.89	1.51	9.38	621%



### 2021.06.30 Consolidated Balance Sheet

	2021.06.30		2021.03.31		2020.12.31	
in NT\$K	AMT	%	AMT	%	AMT	%
Cash and Cash Equivalents	1,478,362	28	973,297	21	662,967	17
Financial Assets at FVTPL-Current	861,636	17	931,141	20	930,536	23
Notes/Accounts Receivable	779,104	15	782,633	17	600,601	15
Inventories	976,651	19	719,171	16	625,055	16
Other Accounts Receivable	333,707	6	384,770	8	401,777	10
Other Current Assets	13,453	-	43,146	1	89,091	2
Long-term Investments	79,351	2	82,998	2	79,905	2
Property, Plant and Equipment	66,162	1	8,859	-	8,009	-
Right- of-use Assets	100,571	2	108,407	2	46,096	1
Goodwill and Other Intangible Assets	21,889	-	28,832	1	35,103	1
Refundable Deposits	221,099	4	218,116	5	208,547	5
Other Non-Current Assets	318,294	6	350,053	7	295,713	8
Total Assets	5,250,279	100	4,631,423	100	3,983,400	100
Short-Terms Loans	-	_	-	-	130,613	3
Accounts Payable	527,611	10	423,198	9	236,934	6
Current Tax Liabilities	160,536	3	184,301	4	132,617	3
Other Payables	187,330	3	166,328	4	137,303	3
Cash Dividends Payable	370,373	7	-	-	-	-
Indemnities Payable	98,672	2	156,604	3	195,435	5
Contract Liabilities	238,276	5	116,209	2	88	-
Other Liabilities	112,193	2	120,633	3	47,440	2
Total Liabilities	1,694,991	32	1,167,273	25	880,430	22
Total Shareholders' Equity	3,555,288	68	3,464,150	75	3,102,970	78
Net Worth Per Share	47.8		46.6		41.8	



### 2021Q2 Financial Ratios

	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2
Current Ratio	274%	352%	387%	357%	318%
Quick Ratio	213%	284%	313%	277%	202%
Average A/R collection days	44 days	52 days	49 days	66 days	77 days
Days sales of inventory	98 days	109 days	119 days	156 days	169 days
Net income(%)	28%	29%	22%*	15%	9%
ROA	37%	33%	25%*	15%	10%
ROE	52%	43%	33%*	21%	13%

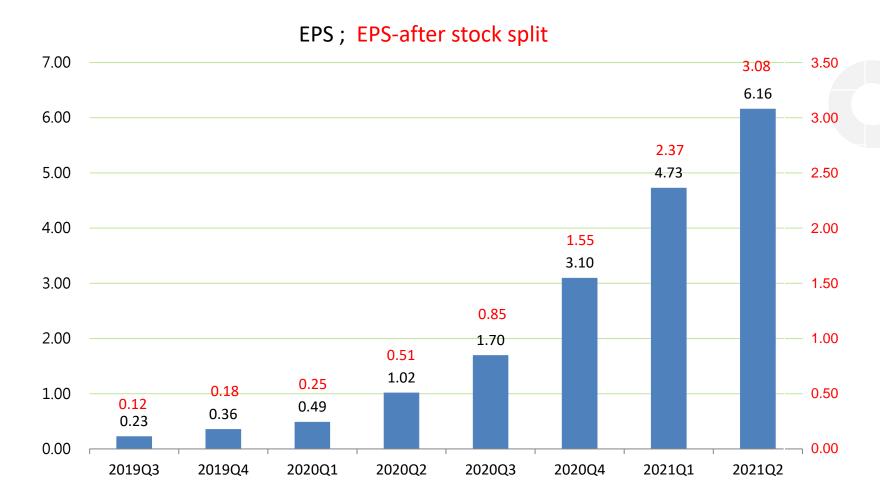
<sup>\*2020.</sup>Q4 excluded one time gains from disposal of subsidiary.



<sup>\*\*</sup> Exclude the discontinuing operation

<sup>\*\*\*</sup> W/O cash dividends payable, Current Ratio and Quick Ratio will be 355% and 276%, respectively.

### **EPS Trend**

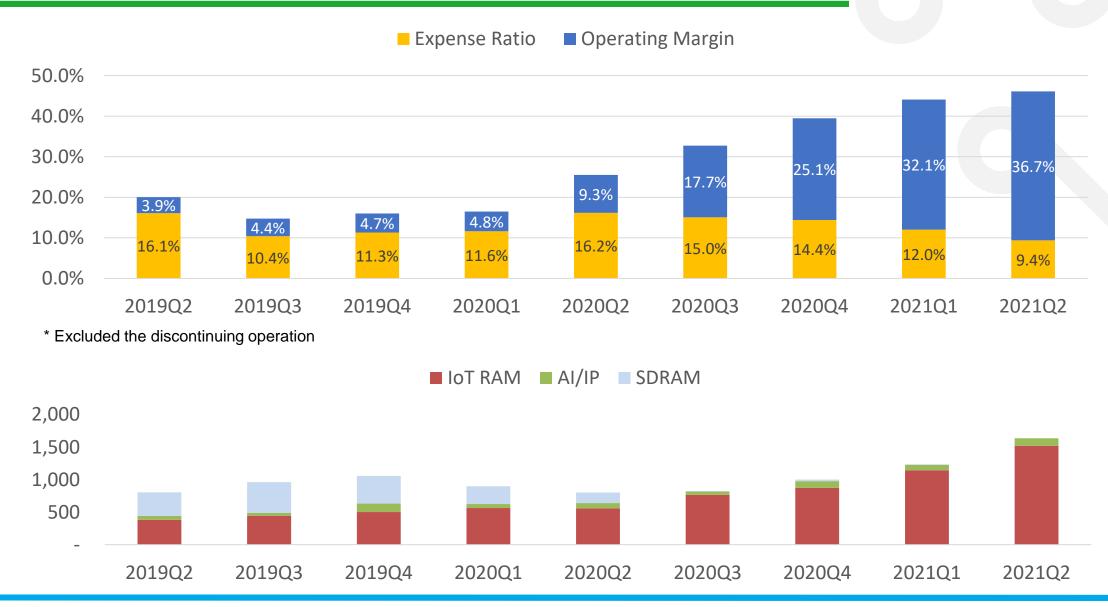


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# Business Analysis & Outlook



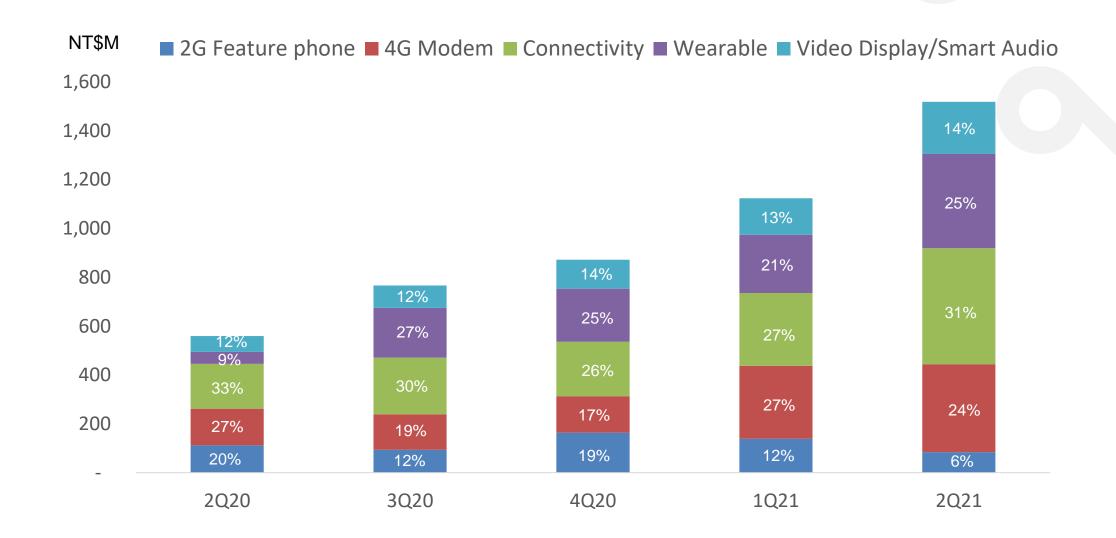
## Operating Profit Margin Rates & Expense Ratios



# 21H1 Gross Margin by BU

	Q2		Q1		H1	
Revenue	Sales	%	Sales	%	Sales	%
IoT BU	1,518,704	93%	1,141,761	93%	2,660,465	93%
AI BU	114,802	7%	85,444	7%	200,246	7%
	1,633,506	100%	1,227,205	100%	2,860,711	100%
	Q2		Q1		H1	
Gross Profit	Gross Profit	GM%	Gross Profit	GM%	Gross Profit	GM%
IoT BU	669,553	44%	455,865	40%	1,125,418	42%
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AI BU	82,406	72%	85,393	100%	167,799	84%
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### IoT RAM Revenue by Application



### AI/IP Revenue by Type



#### **Business Outlook**

#### Business Environment

Capacity remains tight in 2021.

#### 2021 Outlook

- IOT
  - Demand remains strong in Q3/Q4.
  - Logic wafer shortage impacting some of our customers, but it has not impacted our overall revenue growth.
- Al
  - VHM<sup>®</sup> Mass Production expected to continue to ramp.

# Q&A

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