

AP Memory Technology Corporation

2021 Q1 Investor Conference

2021.05.11

TWSE: 6531



Disclaimer

The forward-looking statements contained in the presentation are subject to risks and uncertainties and actual results may differ materially from those expressed or implied in these forward-looking statements.

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Outline

- 2021 Q1 Financial Results
- Business Analysis & Outlook
- Q&A

01

2021 Q1 Financial Results

2021 Q1 Consolidated Income Statements

(in NT\$K)	2021.Q1	2020.Q4	△\$	△%	2020.Q1	△\$	△%
Net Revenue	1,227,205	1,011,990	215,215	21%	898,016	329,189	37%
Cost of Revenue	685,947	612,387	73,560	12%	749,906	(63,959)	(9%)
Gross Profit	541,258	399,603	141,655	35%	148,110	393,148	265%
Gross Profit Margin (%)	44%	39%	5%		16%	28%	
Operating Expenses	147,784	145,704	2,080	1%	104,560	43,224	41%
Operating Expense Ratio	12%	14%	(2%)		12%	-	
Income from Operations	393,474	253,899	139,575	55%	43,550	349,924	803%
Operating margin(%)	32%	25%	7%		5%	27%	
Non-operating Income and Expenses	26,970	424,049	(397,079)	(94%)	11,106	15,864	143%
Income from Continuing Ope. before Income Tax	420,444	677,948	(257,504)	(38%)	54,656	365,788	669%
Income Tax Expenses	70,072	109,685	(39,613)	(36%)	5,571	64,501	1158%
Income from Continuing Operation	350,372	568,263	(217,891)	(38%)	49,085	301,287	614%
Income from Discontinued Operation	-	9,364	(9,364)	(100%)	(12,203)	12,203	100%
Net Income	350,372	577,627	(227,255)	(39%)	36,882	313,490	850%
Net Income (%)	29%	56%	(28%)		5%	23%	
Net Income attributable to Parent Company	350,372	575,438	(225,066)	(39%)	35,999	314,373	873%
EPS (NT\$)	4.73	7.79	(3.06)	(39%)	0.49	4.24	865%

2021 Q1 Consolidated Income Statements

(in NT\$K)	2021.Q1	2020.Q4*	△\$	△%	2020.Q1	△\$	△%
Net Revenue	1,227,205	1,011,990	215,215	21%	898,016	329,189	37%
Cost of Revenue	685,947	612,387	73,560	12%	749,906	(63,959)	(9%)
Gross Profit	541,258	399,603	141,655	35%	148,110	393,148	265%
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Operating Expenses	147,784	145,704	2,080	1%	104,560	43,224	41%
Operating Expense Ratio	12%	14%	(2%)		12%	-	
Income from Operations	393,474	253,899	139,575	55%	43,550	349,924	803%
Operating margin(%)	32%	25%	7%		5%	27%	
Non-operating Income and Expenses	26,970	(4,300)	31,270	727%	11,106	15,864	143%
Income from Continuing Ope. before Income Tax	420,444	249,599	170,845	68%	54,656	365,788	669%
Income Tax Expenses	70,072	27,669	42,403	153%	5,571	64,501	1158%
Income from Continuing Operation	350,372	221,930	128,442	58%	49,085	301,287	614%
Income from Discontinued Operation	-	9,364	(9,364)	(100%)	(12,203)	12,203	100%
Net Income	350,372	231,294	119,078	51%	36,882	313,490	850%
Net Income (%)	29%	22%	7%		5%	23%	
Net Income attributable to Parent Company	350,372	229,105	121,267	53%	35,999	314,373	873%
EPS (NT\$)	4.73	3.10			0.49	4.24	865%

*2020.Q4 excluded one time gains from disposal of subsidiary.

2021.03.31 Consolidated Balance Sheet

in NT\$K	2021.03.31		2020.12.31		2020.03.31	
	AMT	%	AMT	%	AMT	%
Cash and Cash Equivalents	973,297	21	662,967	17	834,218	25
Financial Assets at FVTPL-Current	931,141	20	930,536	23	-	-
Accounts Receivable	756,548	16	600,601	15	651,869	20
Inventories	719,171	16	625,055	16	962,150	29
Other Accounts Receivable	384,770	8	401,777	10	39,191	1
Other Current Assets	69,231	1	89,091	2	102,080	3
Long-term Investments	82,998	2	79,905	2	84,423	3
Property, Plant and Equipment	8,859	-	8,009	-	11,288	-
Goodwill and Other Intangible Assets	28,832	1	35,103	1	177,568	5
Refundable Deposits	218,116	5	208,547	5	206,691	6
Other Non-Current Assets	458,460	10	376,912	9	230,639	8
Total Assets	4,631,423	100	3,983,400	100	3,300,117	100
Short-Terms Loans	-	-	130,613	3	247,296	8
Accounts Payable	423,198	9	236,934	6	322,726	10
Current Tax Liabilities	184,301	4	132,617	3	-	-
Other Payables	166,328	4	137,303	4	34,964	1
Indemnities Payable	156,604	3	195,435	5	264,714	8
Other Liabilities	236,842	5	47,528	1	50,320	1
Total Liabilities	1,167,273	25	880,430	22	920,020	28
Total Shareholders' Equity	3,464,150	75	3,102,970	78	2,380,097	72
Net Worth Per Share	46.6		41.8		32.0	

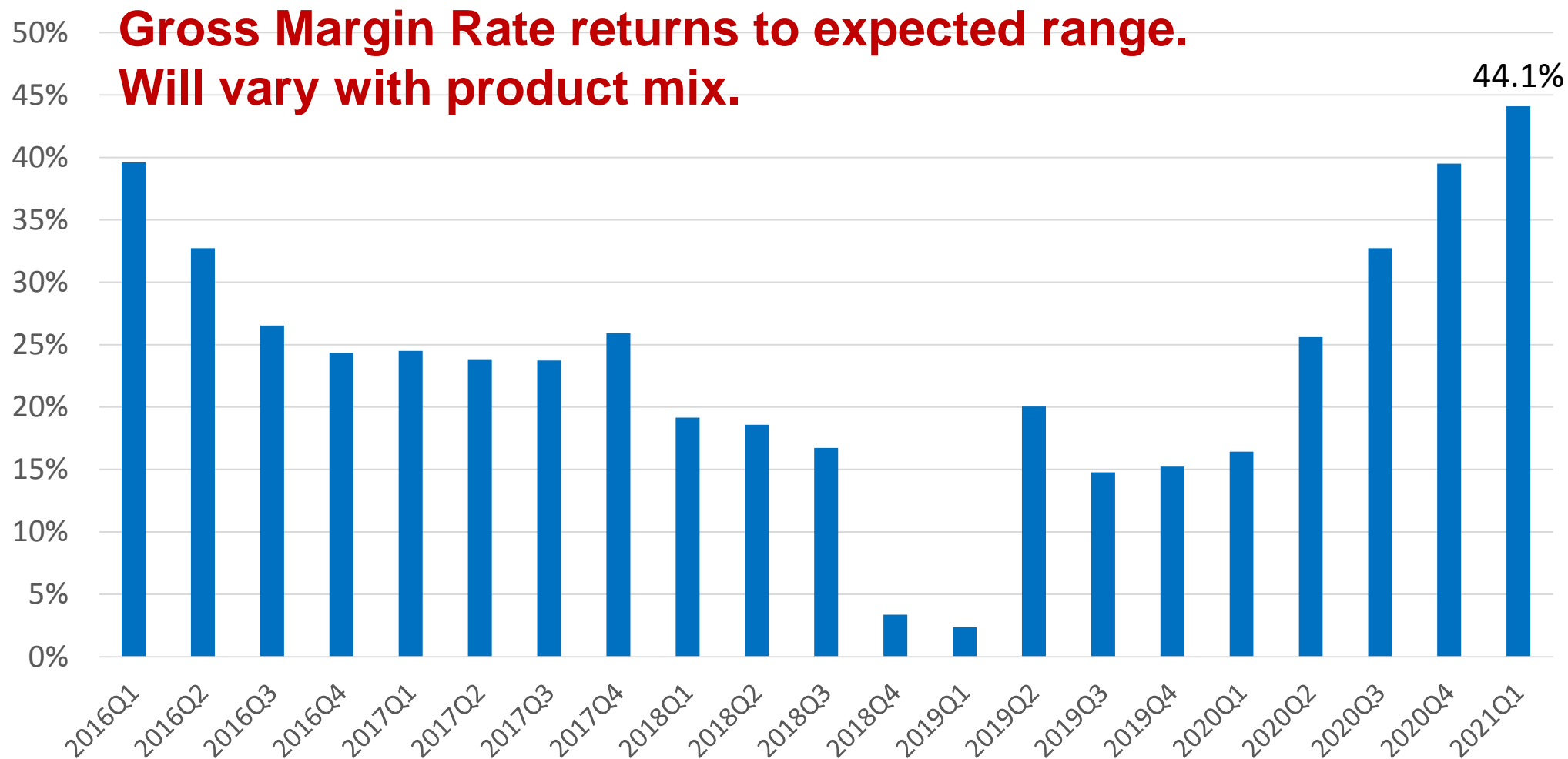
2021 Q1 Financial Ratios

	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1
Current Ratio	352%	387%	357%	318%	349%
Quick Ratio	284%	313%	277%	202%	214%
Average A/R collection days	52 days	49 days	66 days	77 days	63 days
Days sales of inventory	109 days	119 days	156 days	169 days	151 days
Net income(%)	29%	22%*	15%	9%	5%
ROA	33%	25%*	15%	10%	5%
ROE	43%	33%*	21%	13%	6%

*2020.Q4 excluded one time gains from disposal of subsidiary.

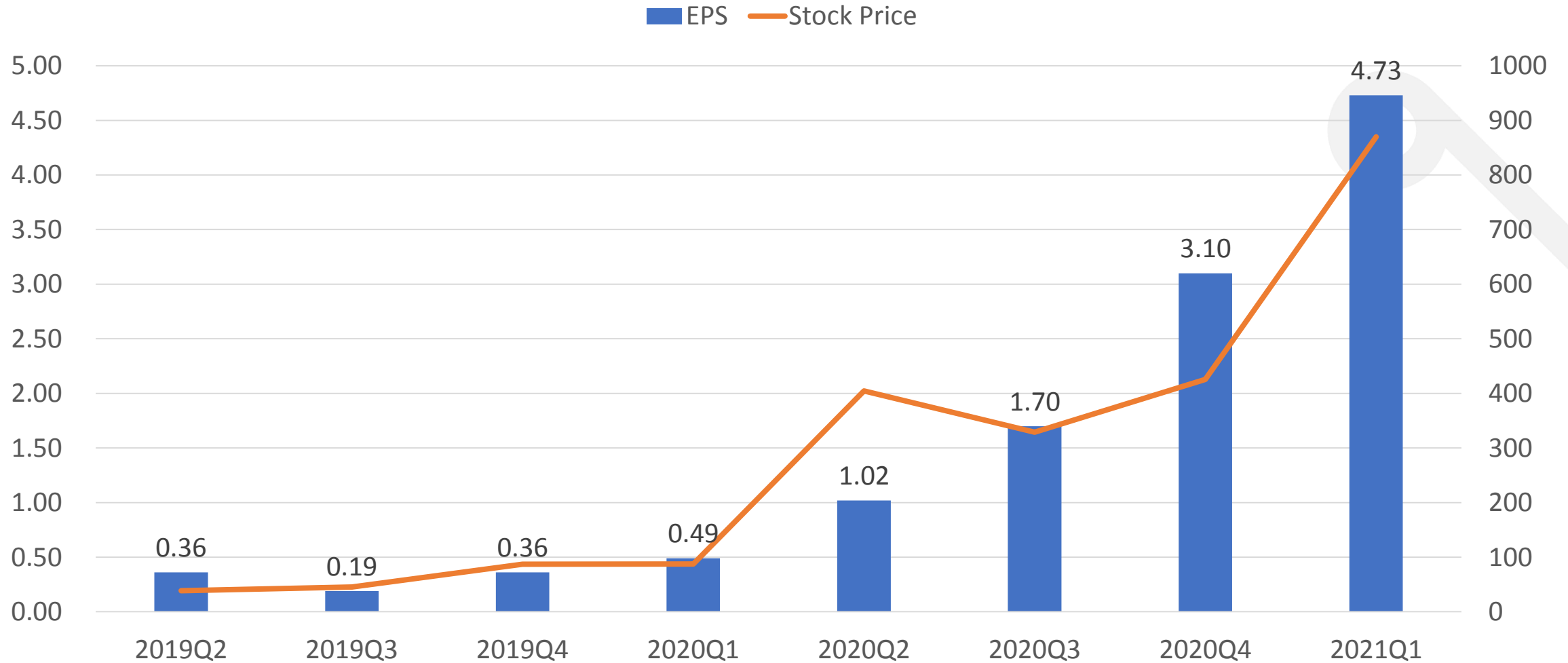
** Exclude the discontinuing operation

Gross Margin Trend



* Excluded the discontinuing operation

EPS & Stock Price Trend



* Excluded the discontinuing operation

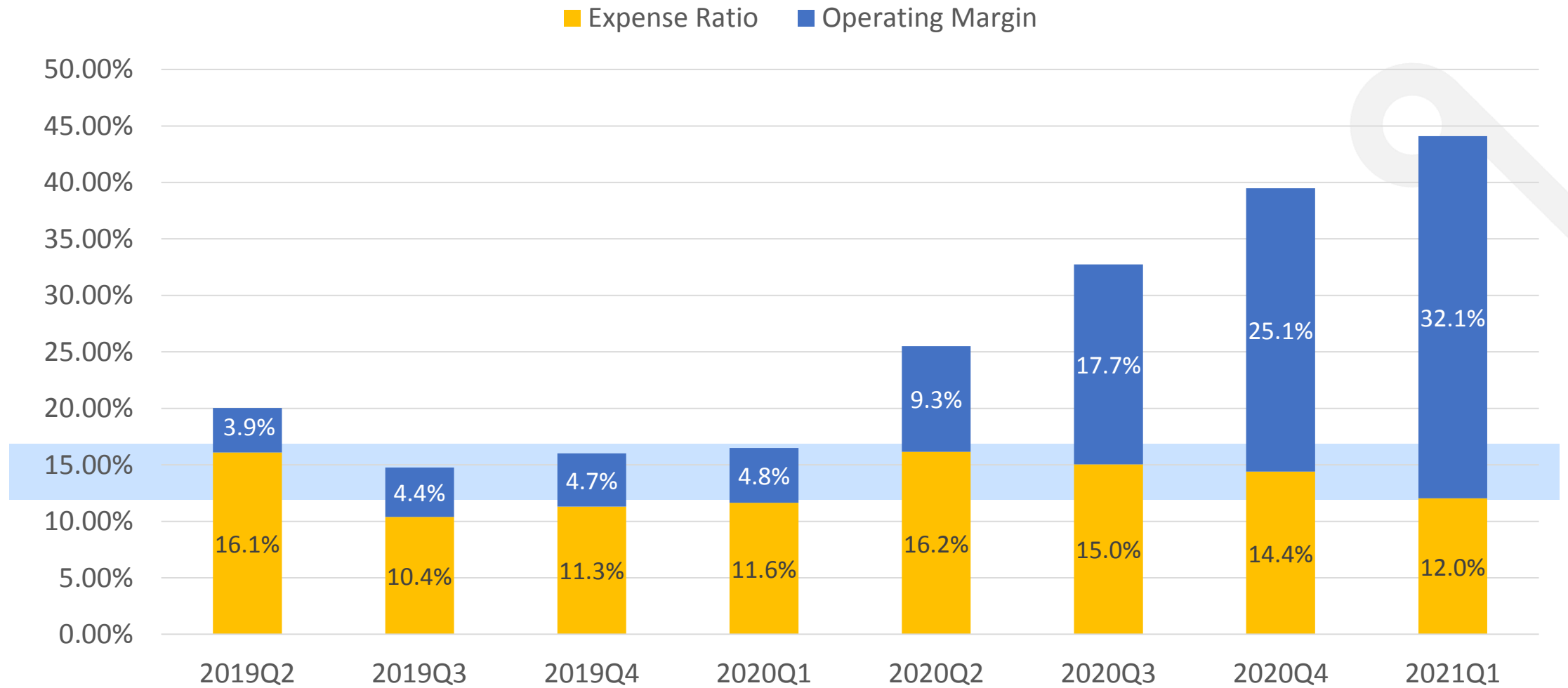
2-for-1 Stock Split - Approved by Board of Directors

- Par value per share NT\$10 → NT\$5.
- Purposes:
 - To make our shares more affordable to investors (improve liquidity)
 - To improve flexibility in stock incentive plans
- Effects to shareholders:
 - Total value of your shares will remain the same.
 - The number of shares will double.
 - Price per share will be halved.
- Next Steps:
 - Shareholder approval is required.(2021.06.17)
 - New share trading date: TBD

02

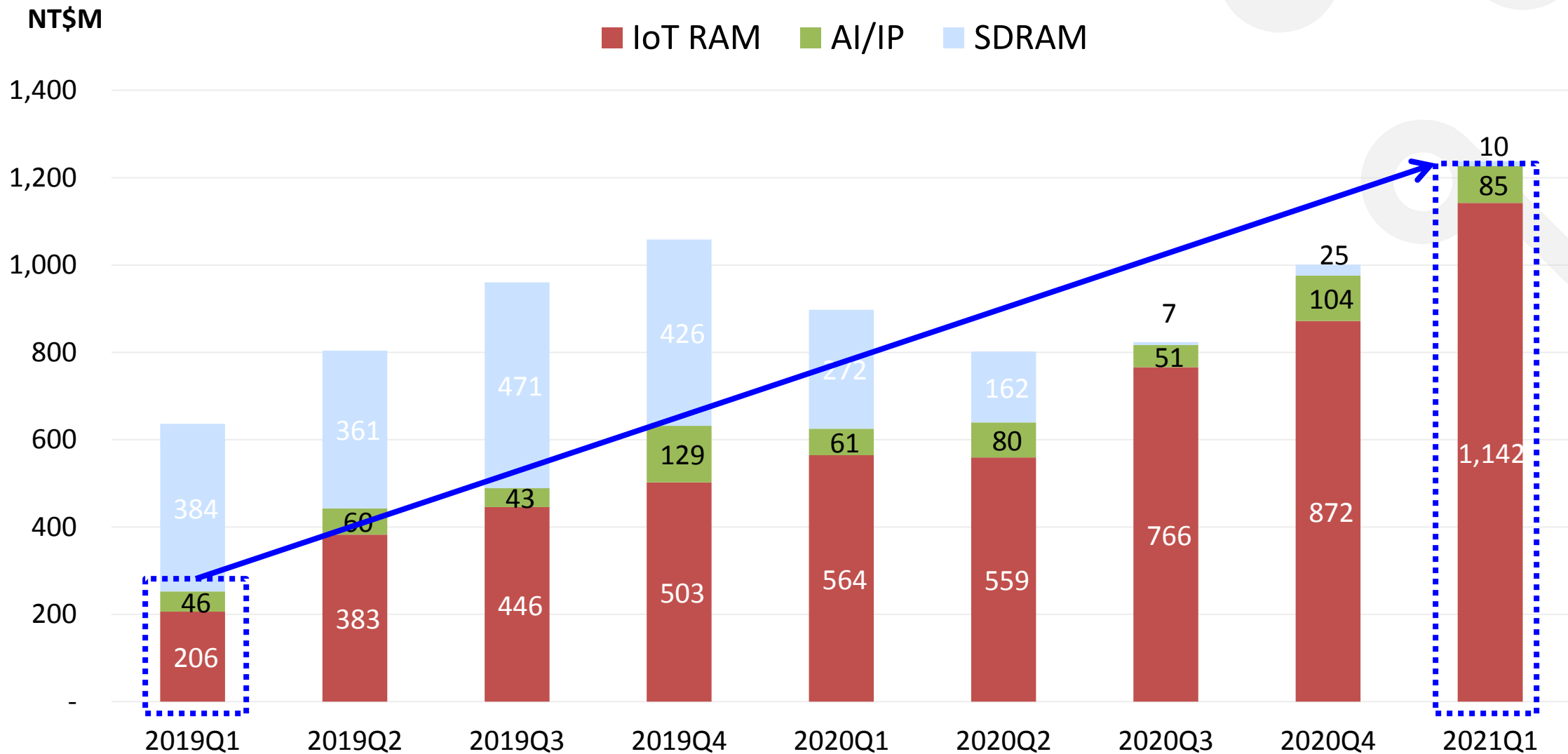
Business Analysis & Outlook

Operating Profit Margin Rates & Expense Ratios



* Excluded the discontinuing operation

Revenue by Product Line

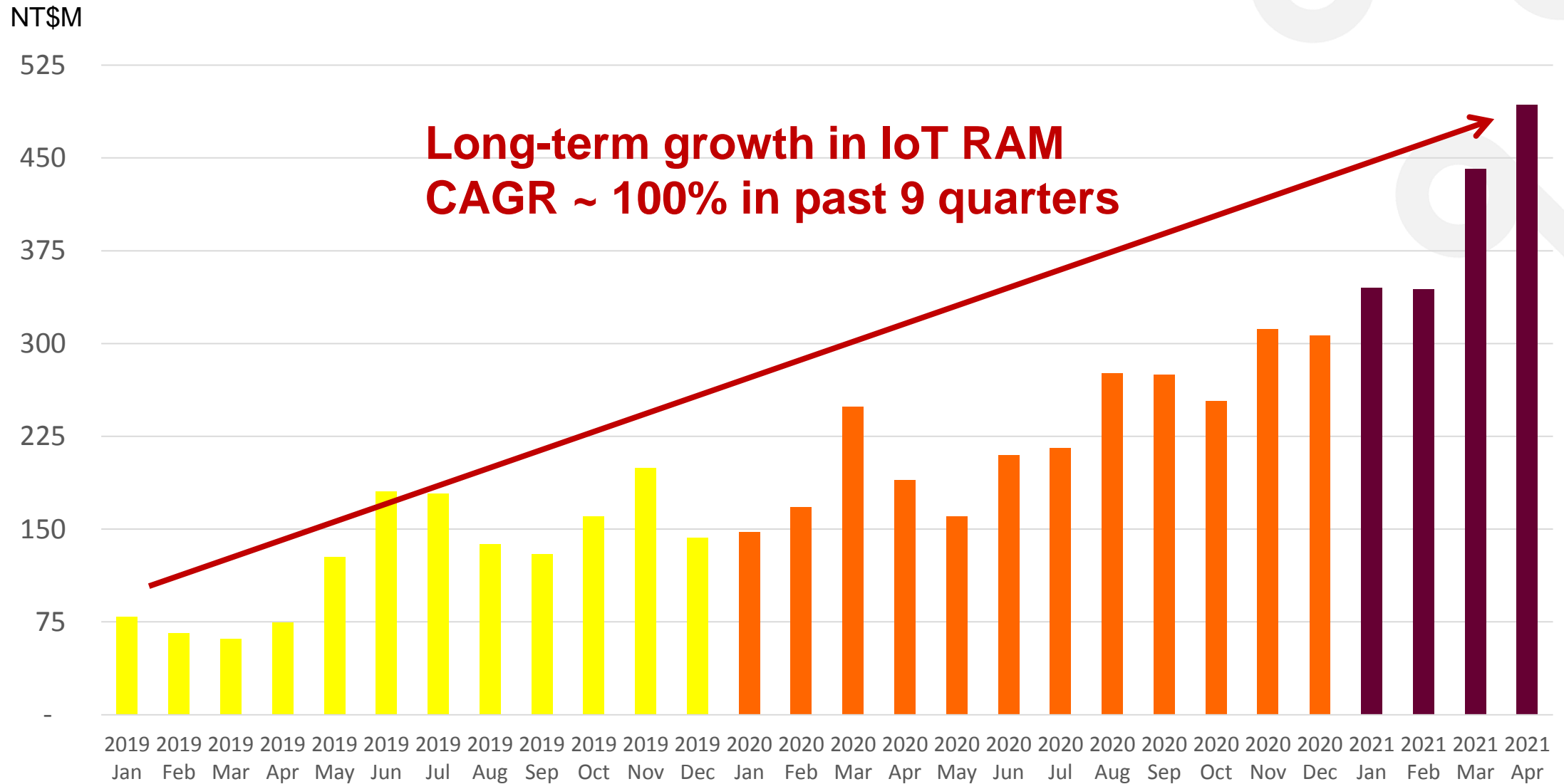


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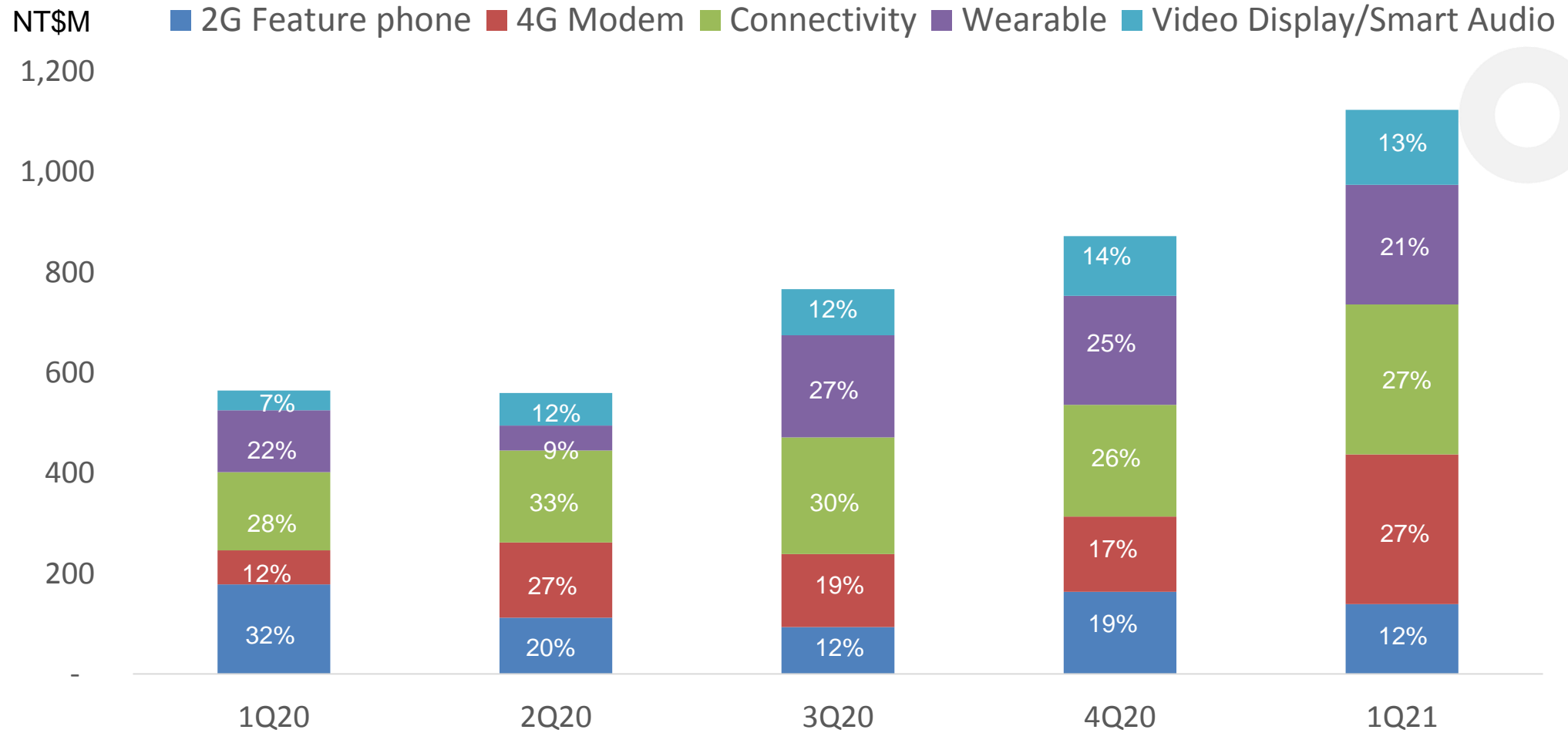
Q1'21 Gross Margin by BU

NT\$K	Sales	Sales%	Gross Profit	GM(%)
IoT BU	1,141,761	93%	455,865	39.9%
AI BU	85,444	7%	85,393	99.9%
Consolidated	1,227,205	100%	541,258	44.1%

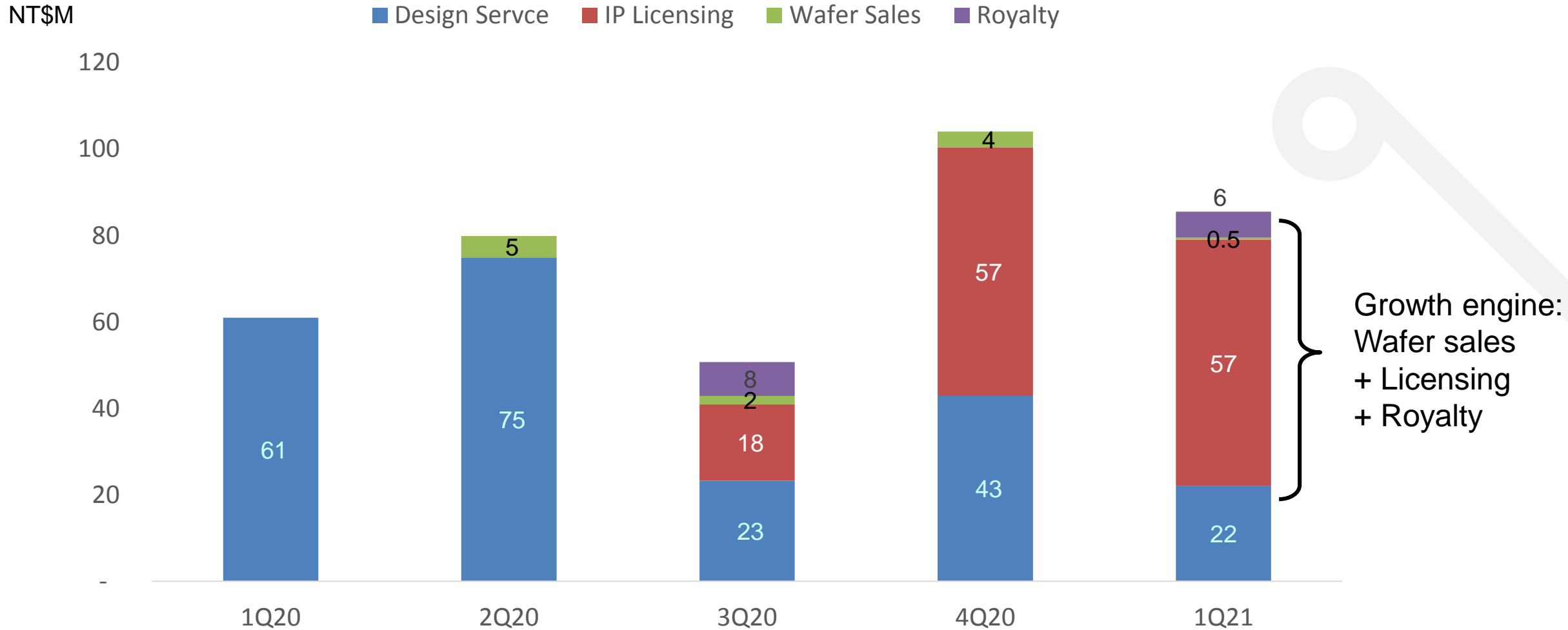
IoT RAM Monthly Revenue Trend



IoT RAM Revenue by Application



AI/IP Revenue by Type



- **Business Environment**

- Extreme capacity shortage continues.

- **2021 Outlook**

- IOT

- Strong demand extends into Q2/Q3. Limited visibility for Q4.

- AI

- VHM[®] to enter production in 2H21. On Schedule.
- Wafer sales revenue will start contributing in Q3.

Q&A

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