AP Memory Technology Corporation

Roadshow

2018.03.29
KGI Security Comp.
12F

apmemory

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.

AP Memory makes no representation or warranty as to the accuracy or completeness of these forward-looking statements and nor does AP Memory undertake any obligation to update any forward-looking statements, whether as a result of new information or future events.

apmemory

OUTLINES

➢ Introduction

➢ Financial Information

➢ Business Highlights

➢ Future Prospect

apmemory

Introduction

- Due to out of Nand Flash stock, 2017 revenue of LPDRAM did not increase as expected
- Hold the position and strategy consistently ; Recruit talents continuously
- Cooperate with Fab deeply
- Create new opportunity for current product
- Cook new product

apmemory

Financial Information

2017 Consolidated I/S

inNT$K	2017	2016	ΔAMT	Δ%
Revenue	4,236,815	3,161,932	1,074,883	34%
Costs	3,197,799	2,221,686	976,113	44%
Gross margin	1,039,016	940,246	98,770	11%
Gross margin %	24%	30%	6%	(20%)
Sales and marketing exp.	120,505	52,119	68,386	131%
Administration exp.	99,677	82,608	17,069	21%
Research and development exp.	386,325	281,139	105,186	37%
Operating exp.	606,507	415,866	190,641	46%
Operating income	432,509	524,380	(91,871)	(18%)
Operating income %	10%	17%	(7%)	(38%)
Non-operating G(L)	(114,708)	(18,868)	(95,840)	508%
Net income	236,389	386,897	(150,508)	(39%)
Net income %	5%	12%	(7%)	(54%)
Net income of the Company	251,315	404,909	(153,595)	(38%)
EPS(NT$)	3.58	6.07	(2.49)	(41%)

apmemory

2017 Consolidated B/S

inNT$K	2017.12.31		2016.12.31		ΔAMT	Δ%
	AMT	%	AMT	%		
現金及約當現金、貨幣基金及3個月以上定存等	1,066,354	33%	1,480,690	38%	(414,336)	(28%)
應收帳款淨額	598,575	18%	1,090,771	28%	(492,196)	(45%)
存貨淨額	942,274	29%	652,932	17%	289,342	44%
待出售流動資產	46,109	1%	-	-	46,109	-
其他流動資產	109,487	4%	94,084	3%	15,403	16%
採用權益法之投資	74,303	2%	75,465	2%	(1,162)	(2%)
不動產、廠房及設備	68,341	2%	80,507	2%	(12,166)	(15%)
商譽	76,204	3%	76,290	2%	(86)	0%
其他無形資產	102,502	3%	113,638	3%	(11,136)	(10%)
其他	159,604	5%	189,733	5%	(30,129)	(16%)
資產總計	3,243,753	100%	3,854,110	100%	(610,357)	(16%)
長、短期借款	100,000	3%	280,066	8%	(180,066)	(64%)
應付帳款	385,981	13%	442,372	11%	(56,391)	(13%)
其他應付款)	101,840	3%	144,562	4%	(42,722)	(30%)
本期所得稅負債	47,649	1%	55,183	1%	(7,534)	(14%)
其他	10,941	-	26,483	1%	(15,542)	(59%)
負債總計	646,411	20%	948,666	25%	(302,255)	(32%)
普通股股本	709,293	22%	704,503	18%	4,790	1%
資本公積總計	826,272	25%	792,513	21%	33,759	4%
保留盈餘	1,085,893	34%	1,071,407	28%	14,486	1%
其他	(24,116)	(1%)	(21,837)	(1%)	(2,279)	10%
本公司業主權益	2,597,342	80%	2,546,586	66%	50,756	2%
非控制權益	-	-	358,858	9%	(358,858)	(100%)
權益總計	2,597,342	80%	2,905,444	75%	(308,102)	(11%)

apmemory

2017 Statements of Cash Flow

	2017年	2016年
營業活動之現金流量		
營運產生之現金	556,637	492,381
收取之利息	7,395	5,213
支付之利息	(3,234)	-
支付之所得稅	(104,794)	(98,769)
營業活動之淨現金流入(出)	456,004	398,825
投資活動之現金流量		
投資活動之淨現金流入(出)	(10,808)	(77,967)
籌資活動之現金流量		
籌資活動之淨現金流入(出)	(755,828)	297,302
匯率變動對現金及約當現金之影響	(3,695)	(6,544)
現金及約當現金淨（減少）增加	(314,327)	611,616
年初現金及約當現金餘額	1,376,210	764,594
年底現金及約當現金餘額	1,061,883	1,376,210

apmemory

2017 Financial Structures

	2017	2016
Current Ratio	427.29%	355.92%
Quick Ratio	267.63%	280.43%
Average A/R collection days	74天	119天
Days sales of inventory	108天	81天
Net income %	5.58%	12.24%
ROA	6.73%	13.11%

apmemory

Business Highlights

Operating Performance

	2015	2016	2017
Revenue	2,602,510	3,161,932	4,236,815
GM %	36%	30%	24%
Operating Income	517,211	524,380	432,509

* Consolidated financial information, ZTL included since 2016.11

apmemory

Product Mix
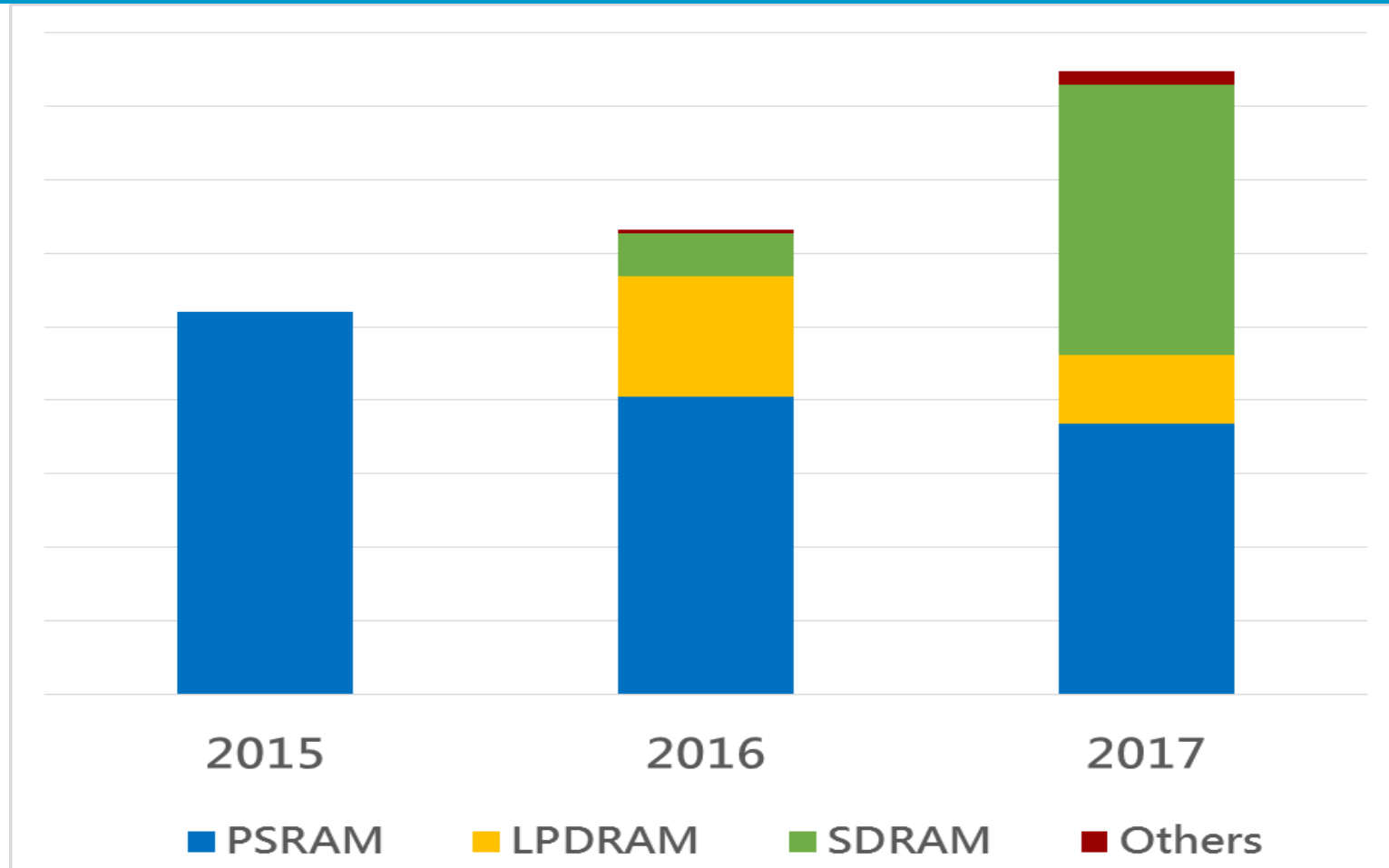
* Consolidated financial information, ZTL included since 2016.11

apmemory

Main Product Line

- Differentiated Memory Product Line

  - PSRAM mainly

- Specialty Standard Memory Product Line

  - SDRAM mainly

- Mid-to-high Density Mobile Memory Product Line

  - LPDRAM mainly

apmemory

Differentiated Memory Product Line

- ## Main product -PSRAM

  - Best selection for MCU memory

  - Expanding IoT application

  - New application market

PSRAM shipping volume

In kk units

PSRAM
IoT RAM

Parallel Interface

Serial Interface

Headphones

Speech Recognition

Speakerphone

NB-IoT

LoRa

Feature Phone

Wearable Device

INTERNET of THINGS
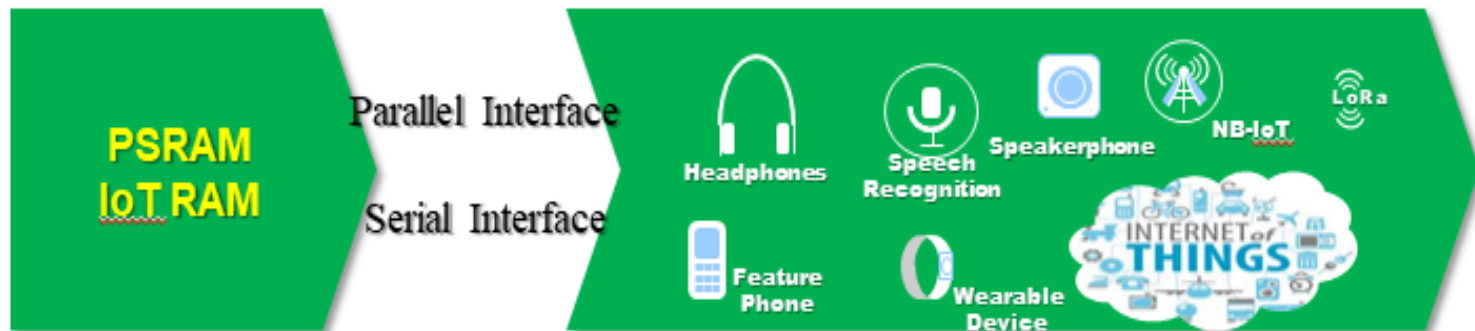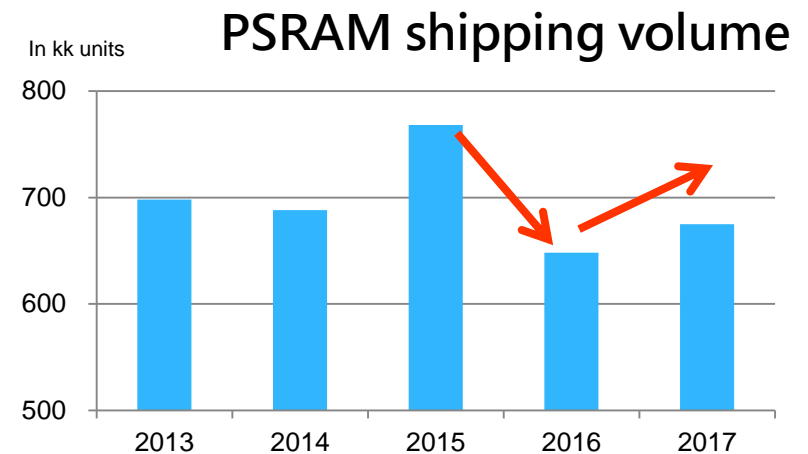
apmemory

Specialty Standard Memory Product Line

- ## Main product -SDRAM

  - For use with multiple MPU applications

  - Increase 1st tier customer penetration

  - Focus on the application market of industrial control and automation system

apmemory

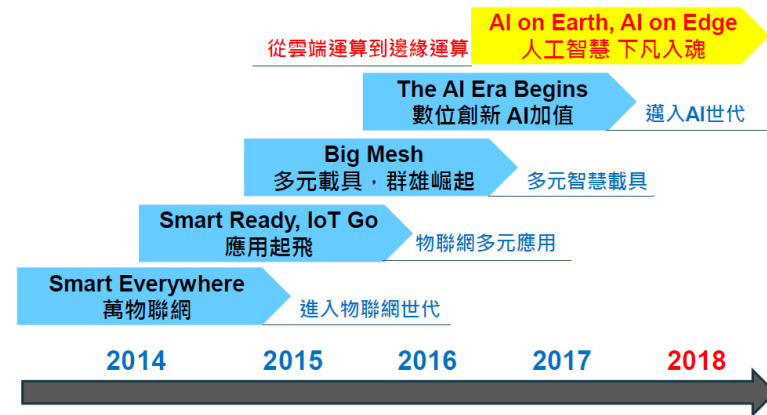# Mid-to-high Density Mobile Memory Product Line

- ## Main product -LPDRAM

  - Complete mobile memory product line

  - Fully support the memory demand of the mobile devices
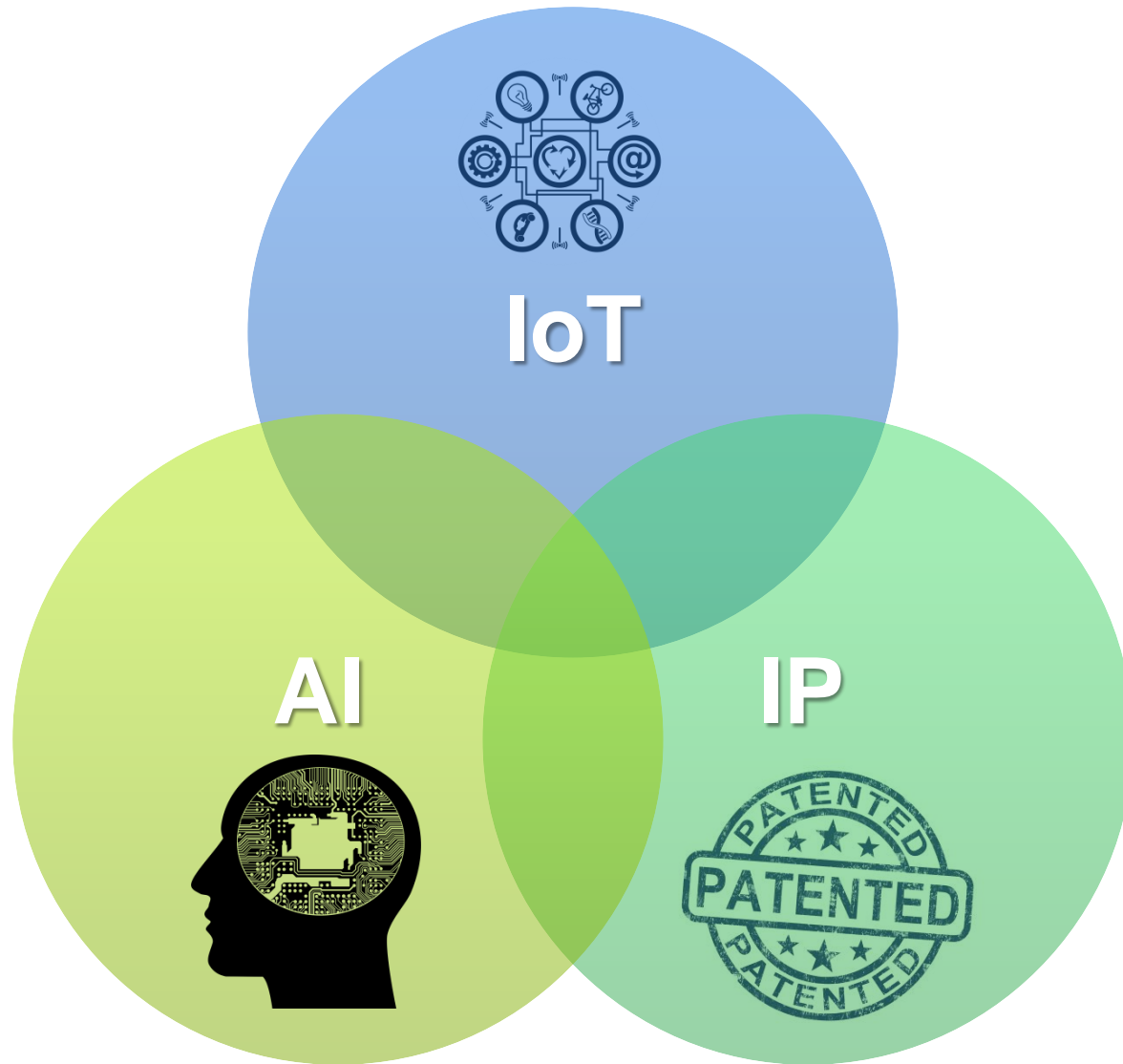
  - Strong demand for low density LTE phone market

apmemory

Mid-to-Long Term Operation Point

- **Flexibility in product mix**
  - Stress on relatively high margin product
  - Focus on the value of the product
- **Strengthen Current product portfolio**
  - Tech：SiP for 2Gb and below
  - Cost：Yield rate improvement
- **Expand future application market**
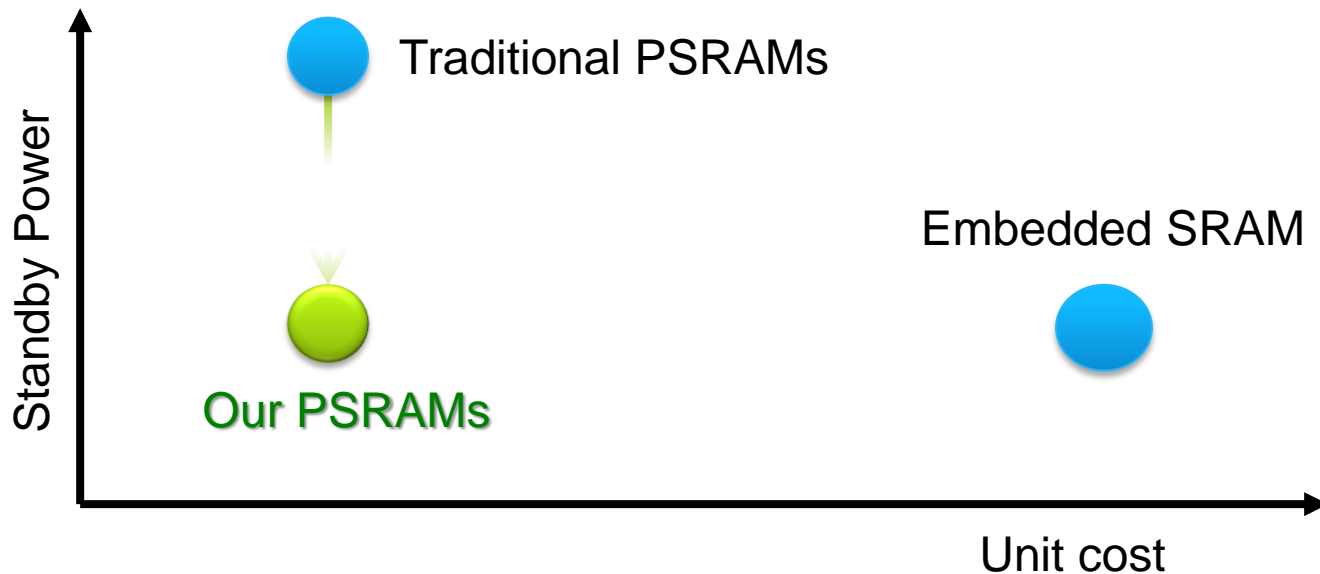 - IoT application
  - Edge AI

從雲端運算到邊緣運算 　AI on Earth, AI on Edge
人工智慧 下凡入魂

The AI Era Begins
數位創新 AI加值　　邁入AI世代

Big Mesh
多元載具，群雄崛起　　多元智慧載具

Smart Ready, IoT Go
應用起飛　　物聯網多元應用

Smart Everywhere
萬物聯網　　進入物聯網世代

2014　2015　2016　2017　2018
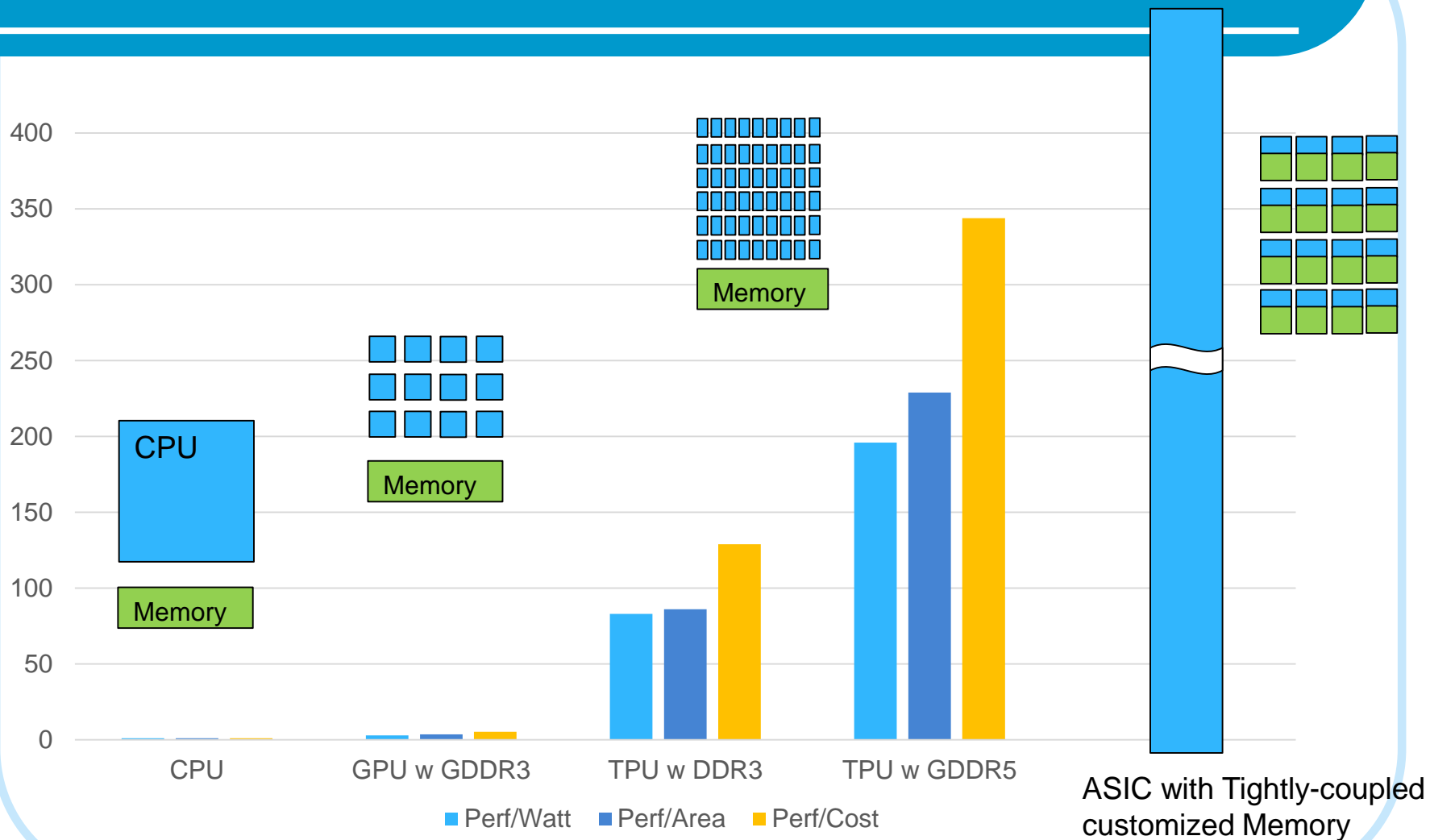
apmemory

Future Prospect

IoT is here

- Our position in IoT: best memory partner
  - Lowest power
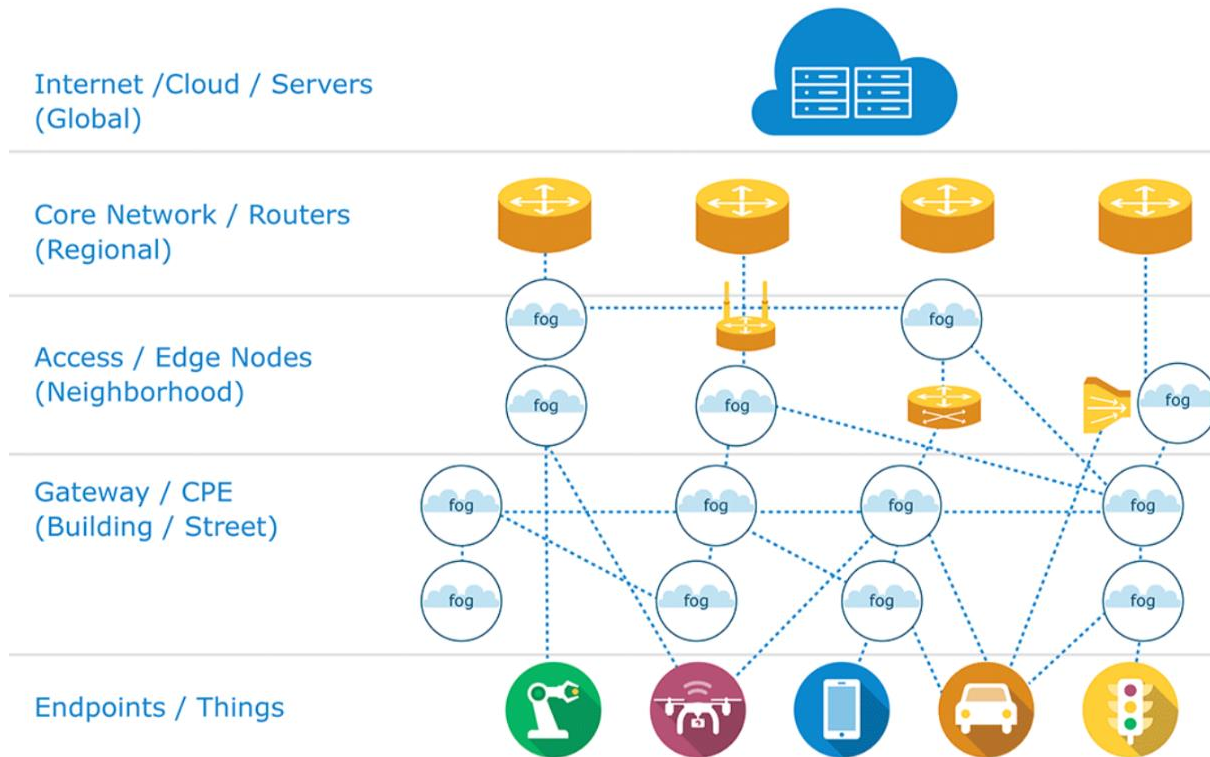 - Lowest cost
  - Volume shipping now!
- Example: NBIoT

apmemory

Memory is bottleneck for AI

Chart with Y-axis from 0 to 400 (in increments of 50). X-axis categories: CPU, GPU w GDDR3, TPU w DDR3, TPU w GDDR5, ASIC with Tightly-coupled customized Memory.

Legend: ■ Perf/Watt ■ Perf/Area ■ Perf/Cost

Diagram labels: CPU, Memory (CPU group); Memory (GPU w GDDR3 group); Memory (TPU w DDR3 group)

Source: Google, Bernstein Research, AP Memory Research

apmemory

21

AI+IoT=Edge Computing

Internet /Cloud / Servers (Global)

Core Network / Routers (Regional)

Access / Edge Nodes (Neighborhood)

Gateway / CPE (Building / Street)

Endpoints / Things

IOT & AI meet at Edge Computing
We are positioning our memory for it.

apmemory

IP for the future

- Ongoing long-range memory architecture research
- Disclosing two IP projects today

  - 2T-SRAM for OLED Display Driver

  - Ferroelectric Memory for 3D Cross-Point Memory
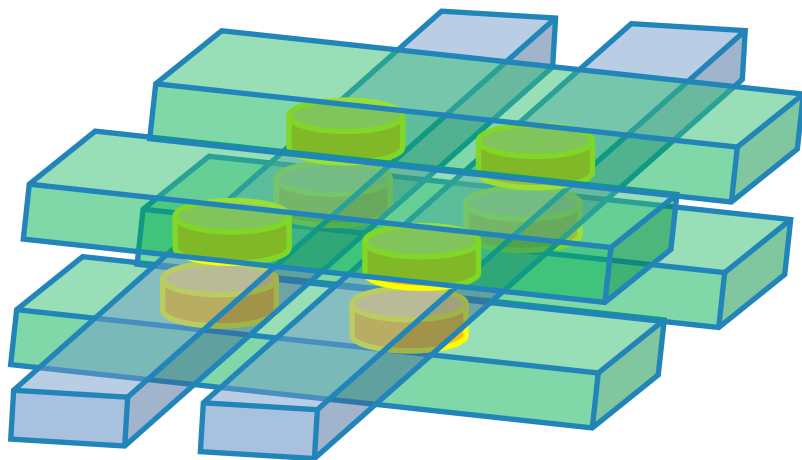
apmemory

2T-SRAM for OLED Driver

- ~3X smaller than 6T-SRAM
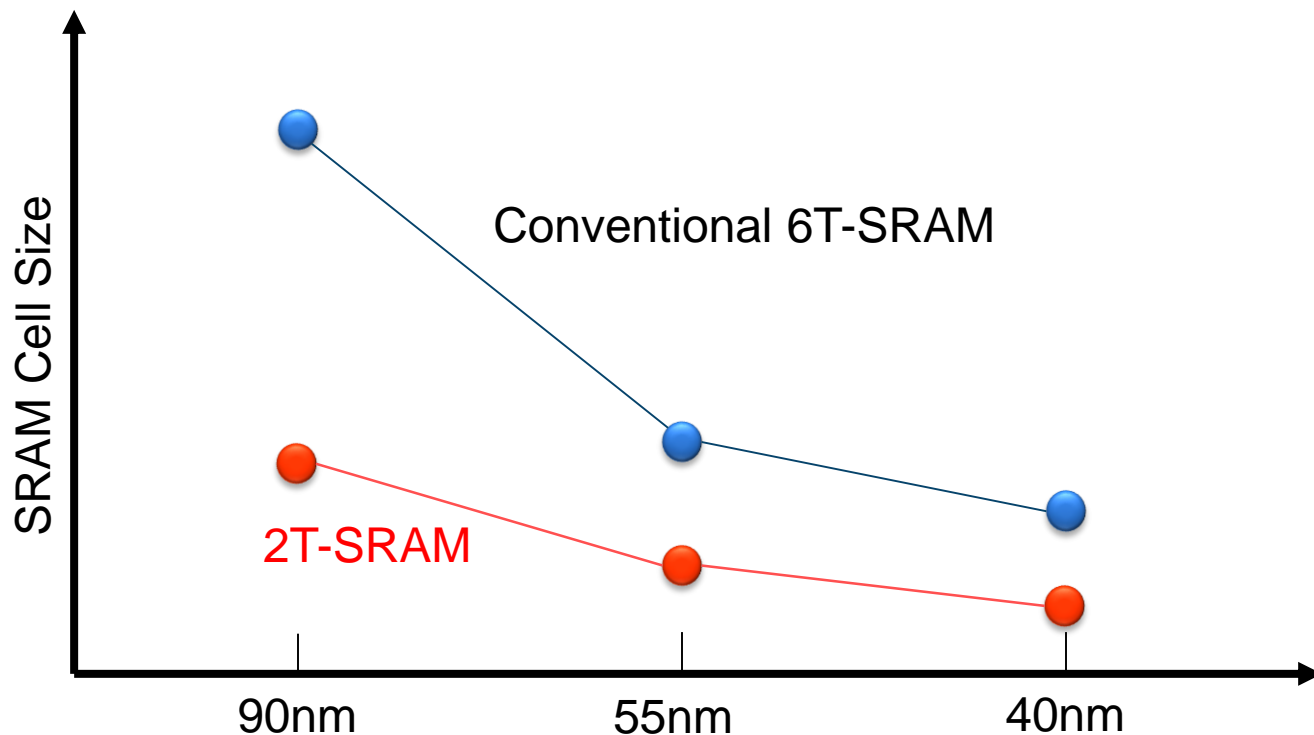
apmemory

Ferroelectric Memory Architecture

- 3D Cross-Point Memory

Q & A

Mailbox : ir@apmemory.com
Landline : (03)5601651
Cellphone:0965-816531