



中美矽晶製品股份有限公司
Sino-American Silicon Products Inc.



SAS (5483 TT) Q122 Results Presentation

June, 2022

- Spokesman: CW Lee, Vice President
- TEL: +886-3-577-2233 EXT: 2291
- Email: CWLee@saswafer.com



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Executive Comments

1. Financial Performance

✓ Revenue

- Q122¹ → NTD \$18.77 billion, 16.9% YoY, record high!
- Since the third quarter of 2020, SAS' revenue has increased sequentially!

Quarters	Q220	Q320	Q420	Q121	Q221	Q321	Q421	Q122
Revenue (NT\$m)	15,038	15,379	15,703	16,052	17,183	17,522	18,084	18,769

✓ Gross Margin

- Q122 → 39.8%, sequential growth since Q221 and hit record high!

Quarters	Q121	Q221	Q321	Q421	Q122
Gross Margin (%)	33.7%	34.0%	36.5%	38.0%	39.8%

✓ Operating Income Margin

- Q122 → 33.1%,

✓ EPS

- Q122 EPS → NTD 2.16
- EPS would have increased to NT\$ 6.21 (record high!) if excluding realized loss of Siltronic shares measured at fair value through profit or loss of its subsidiary, GlobalWafers.



Executive Comments

2. Planned Dividend Payout

- ✓ 2021 Dividend — NT\$ 8 (1H21: NT\$3.5 + 2H21: NT\$4.5)
- ✓ 2021 Payout Ratio — 69%
- ✓ Record Date — July 25, 2022
- ✓ Payment Date — August 12, 2022

2. Solar Industry Outlook

■ Worldwide

- ✓ Surging oil price amid the backdrop of Russia-Ukraine war reveals the criticality of building a resilient energy system which could withstand and adapt to the turbulence and instability of climate and macroeconomics.

■ Taiwan

- ✓ Underpinned by 2050 carbon neutrality resolution.

2. ESG

■ Corporate Governance

- ✓ Awarded top 5% Corporate Governance Evaluation among all Taiwan listed companies for 8 consecutive years.

Executive Comments

5. GlobalWafers

■ Financial Highlights

✓ Revenue

- Q122 → NT\$16.3 billion, 10.1% YoY, record high!
- Since the first quarter of 2020, GWC's revenue has increased sequentially!

(NT\$ mn)	Q419	Q120	Q220	Q320	Q420	Q121	Q221	Q321	Q421	Q122
Revenue	13,506	13,515	13,701	14,006	14,137	14,806	15,208	15,364	15,752	16,307

✓ Gross Margin

- Q122 → 42.6%, record high!
- Since the second quarter of 2021, GWC's gross margin has increased sequentially!

(%)	Q121	Q221	Q321	Q421	Q122
Gross Margin	35.1%	36.7%	39.1%	41.3%	42.6%

✓ Operating Profit Margin

- Q122 → 36.1%, the highest in the history!

✓ EPS

- Q122 EPS → NT\$4.01
EPS would have increased to NT\$14.68 if excluding realized loss of Siltronic shares measured at fair value through profit or loss, record high!

Executive Comments

■ Prepayment

NT\$ 33,106.8 mn (US\$ 1,156.6 mn)¹

■ Planned Dividend Payout

- ✓ 2021 Dividend — NT\$ 16 (1H21: NT\$8 + 2H21: NT\$8)
- ✓ 2021 Payout Ratio — 58.7%
- ✓ Record Date — July 18, 2022
- ✓ Payment Date — August 5, 2022

■ Industry & Overview

- ✓ **Global Economy**
 - IMF has lowered 2022 global GDP forecast nearly a full percentage point down to 3.6% growth, and 2023 down 0.2 points to also 3.6%. World economy will remain below pre-pandemic levels through 2026.

Note:

1. FX Rate: NTD:USD = 28.625



Executive Comments

✓ Semiconductor Industry

- Strong momentum is expected to last on top of a strong 2021 driven by megatrend such as 5G, EV, AI, server and cloud service, but disturbing elements such as supply chain disruption, rising energy cost, exacerbating inflation, geopolitical concerns and COVID-19 may partially diminish the growth.

✓ Potential implication of the Ukraine crisis

- Further increase the economic risk in the second half of the year, particularly in the European market due to the close proximity.
- No evidence of wafer order reductions for now, partially because the war happened recently and the supply chains have long response dynamics, and customers are stockpiling prior to the war.

✓ 5G

- The broadening adoption of 5G will drive strong demand for power management, display driver, DRAM, NAND, Wi-Fi, Bluetooth, and a wide range of other products, consequently, will consume high-volume wafers.

✓ Automotive & WBG Semiconductors

- Expect global light vehicle production to be lowered due to logistics, disruptive supply chain and shortages of critical vehicle components.
- EV is projected to grow due to government stimulus packages.
- Accelerated charging infrastructure deployment leads to wide band gap semiconductor demand.

Executive Comments

■ China Lockdown

- ✓ China subsidiary, SST, suspended production during April 2 ~ 27 due to the local government's COVID-19 control measures, and resumes production now.
- ✓ GlobalWafers takes the advantage of its global presence in flexibly adjusting production in order to minimize impact on customers.
- ✓ No material impact on finance and operation.

■ ESG

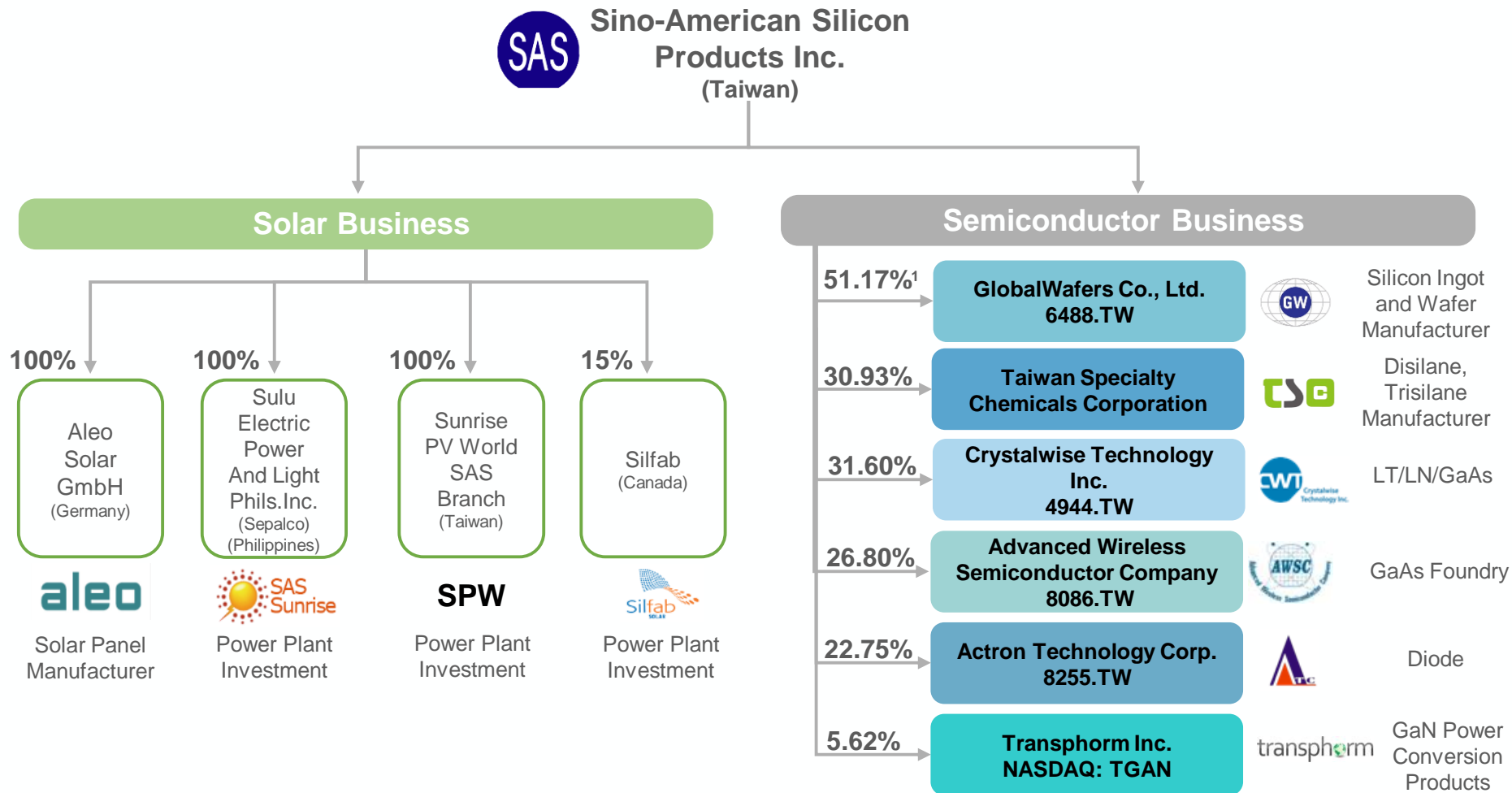
- ✓ **Corporate Governance**
 - Awarded top 5% Corporate Governance Evaluation among all Taiwan listed companies for 4 consecutive years.



Company Overview



SAS Group Structure



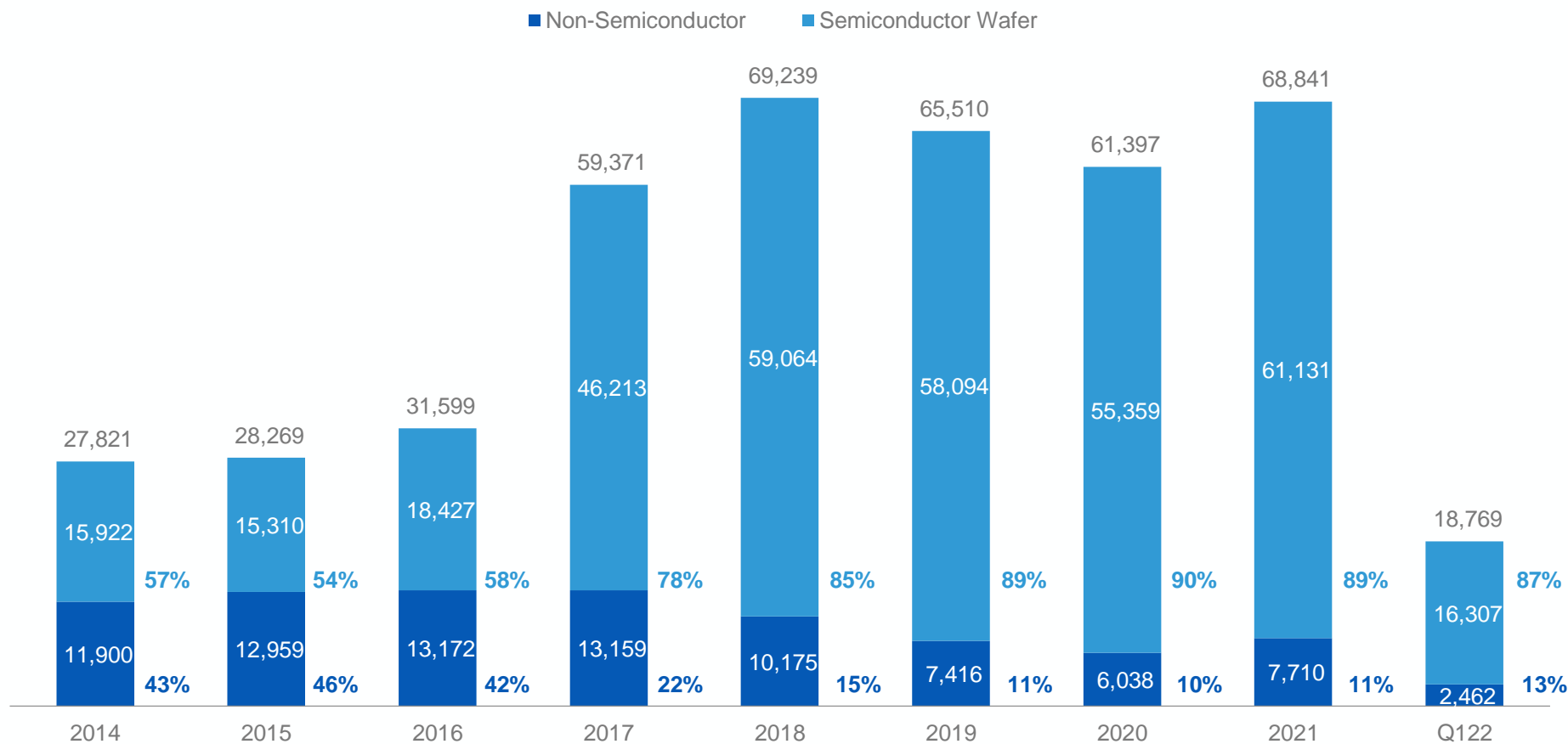
Note:
1. SAS' shareholding % of GWC : GWC shares held by SAS / GWC total outstanding shares deducting repurchased shares
2. The shareholdings % of other companies are as of the end of May, 2022.



Group Revenue by Business

Group Revenue by Business

(NT\$m)



1. Q122: First quarter of 2022

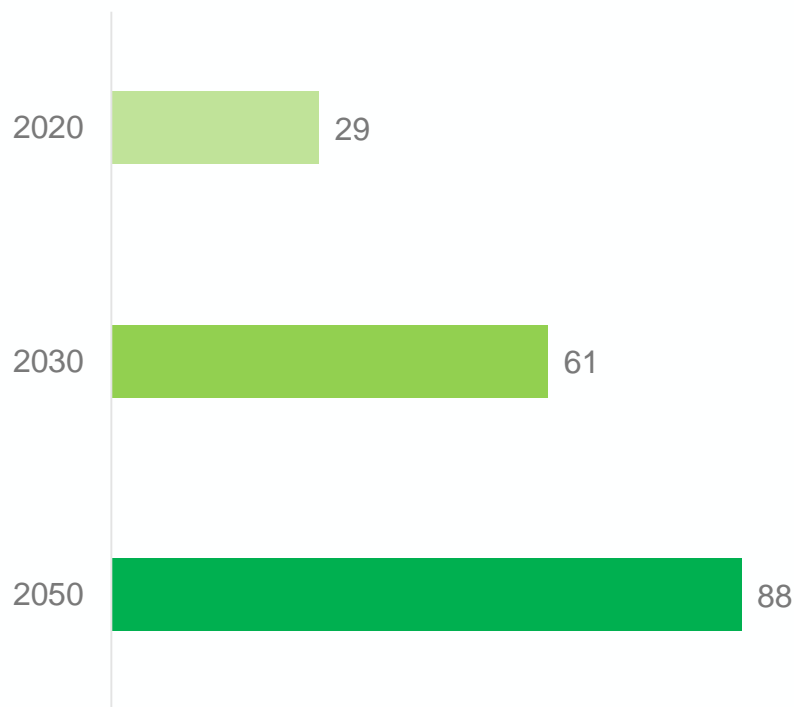


Industry Overview

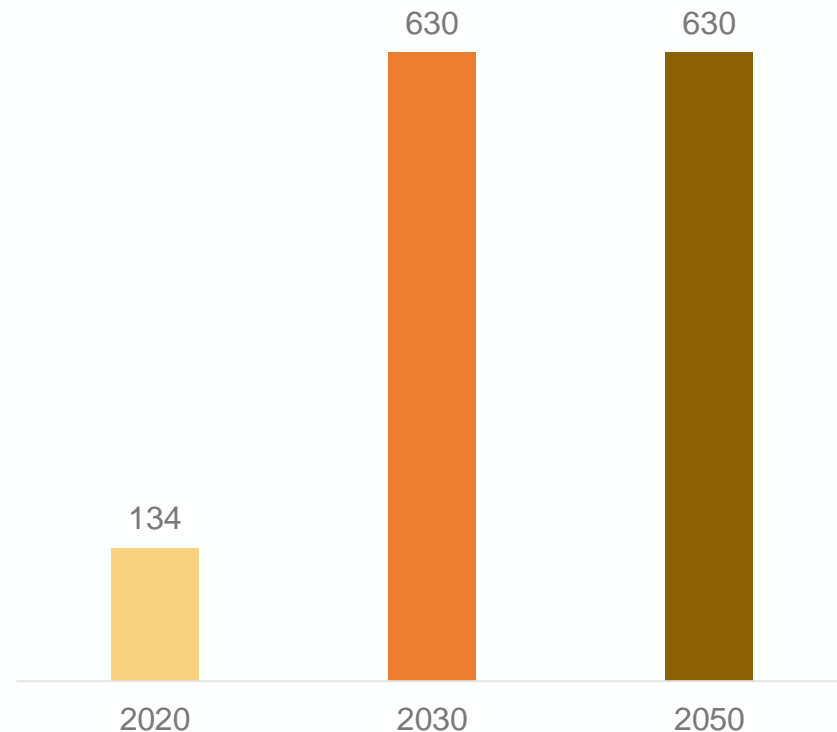
Renewables – Key Solution to Reduce CO₂ Emission

- Renewable energy technologies like solar and wind are the key to reducing emissions in the electricity sector, which is today the single largest source of CO₂ emissions.
- In the pathway to net zero, almost 90% of global electricity generation in 2050 comes from renewable sources, with solar PV and wind together accounting for nearly 70%.

Renewable Share in Generation (%)



Solar Annual Capacity Addition (GW)



Source: Net Zero by 2050, IEA, 2021

An Unparalleled Clean Energy Investment Boom Lifts Global Economic Growth

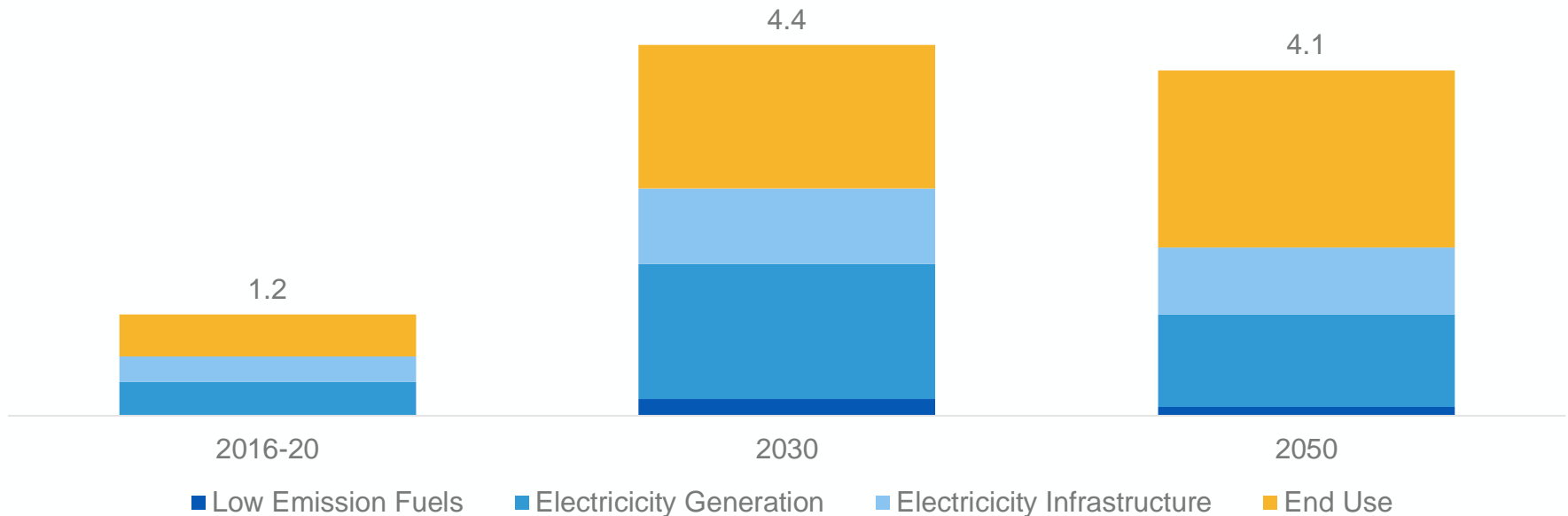


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- According to research, total annual energy investment surges to nearly USD 5 trillion by 2030, adding an extra 0.4 percentage point a year to annual global GDP growth.

Clean Energy Investment in the Net Zero Pathway (2016-2050)

(USD Trillion)



Source: Net Zero by 2050, IEA, 2021

Ever-cheaper Renewable Energy

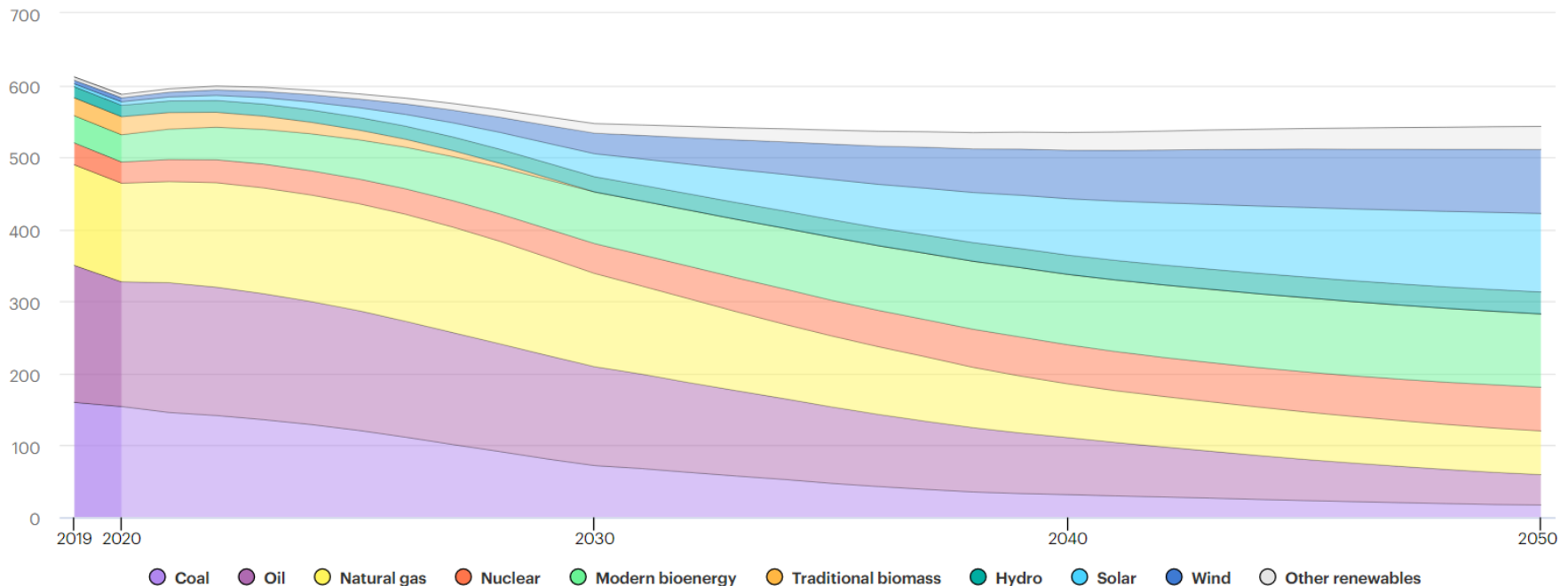


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Technologies Give Electricity The Edge In The Race To Zero

- The net-zero pathway calls for scaling up solar and wind rapidly this decade, reaching annual additions of 630GW of solar PV and 390 GW of wind by 2030, four-times the record levels set in 2020. For solar PV, this is equivalent to installing the world's current largest solar park roughly every day.

Total Energy Supply (2019-2050)



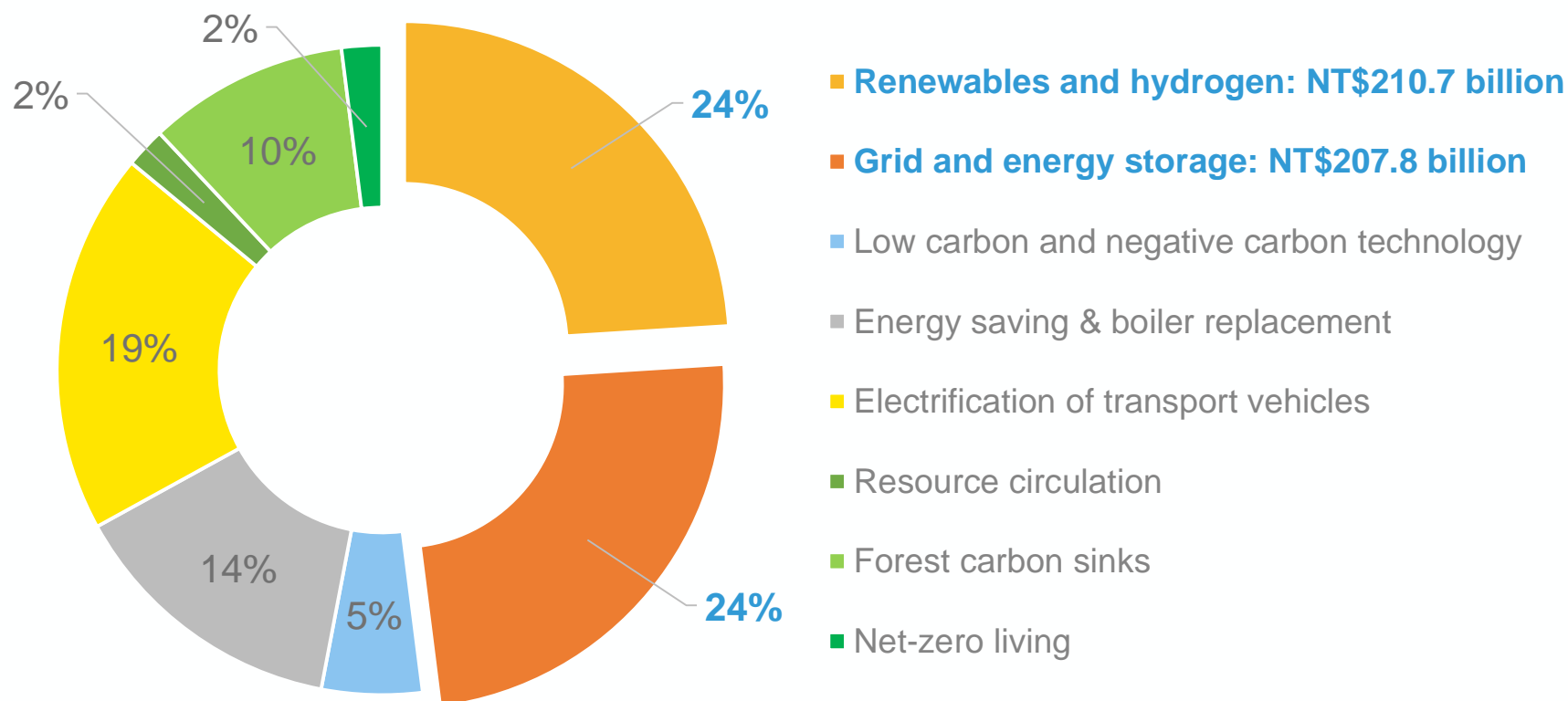
Note: For industry sector energy demand, "Hydrogen" refers to imported hydrogen and excludes captive hydrogen generation. For CO₂ emissions by sector, "other energy sector" includes direct air capture of CO₂ with storage.

Source: Net Zero by 2050, IEA, 2021

Taiwan 2050 Net-zero Transition Budget

- Taiwan government plans a budget of nearly NTD 900 billions by 2030 for major plans of 2050 net-zero transition, among which, renewables as well as grid and energy storage occupy almost 50%

Budget for Taiwan 2050 Net-zero Transition



Source: Taiwan's Pathway to Net-Zero Emissions in 2050, March, 2022



SAS Consolidated Performance Update



Financial Highlight : Q122 vs. Q421 vs. Q121

(NT\$mnn)	Q122	Q421	Q121	QoQ	YoY
Revenue	18,769	18,084	16,052	3.8%	16.9%
Gross Profit Margin %	39.8%	38.0%	33.7%	1.8%	6.1%
Operating Profit	6,205	4,982	3,961	24.6%	56.7%
Operating Profit %	33.1%	27.6%	24.7%	5.5%	8.4%
Net Profit	2,149	2,442	2,769	-12.0%	-22.4%
Net Profit %	11.4%	13.5%	17.2%	-2.1%	-5.8%
EPS	NT\$2.16	NT\$2.40	NT\$2.49	-NT\$0.24	-NT\$0.33
EBITDA* ¹	2,387	5,666	5,276	-57.9%	-54.8%
EBITDA %	12.7%	31.3%	32.9%	-18.6%	-20.2%
EBIT	742	4,026	3,630	-81.6%	-79.6%
ROE* ² (annualized)	16.2%	18.5%	22.2%	-2.3%	-6.0%
ROA* ³ (annualized)	5.4%	6.3%	10.1%	-0.9%	-4.7%

1. EBITDA = Net Profit + Tax + Interests + Depreciation + Amortization.

2. ROE = Net Profit / Average Shareholders Equity.

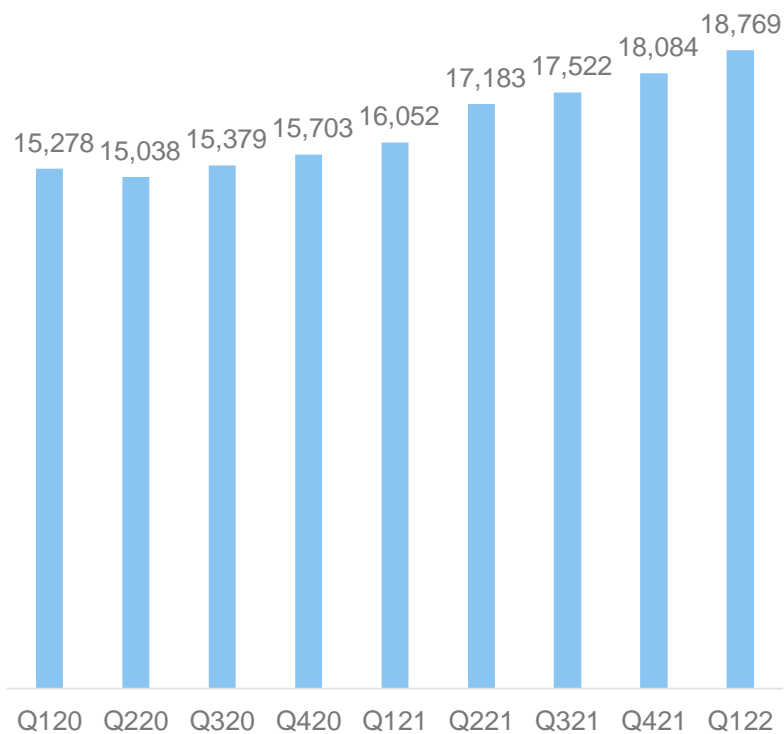
3. ROA = (Net Profit + Interest*(1- Effective Tax Rate))/Average Asset



Revenue

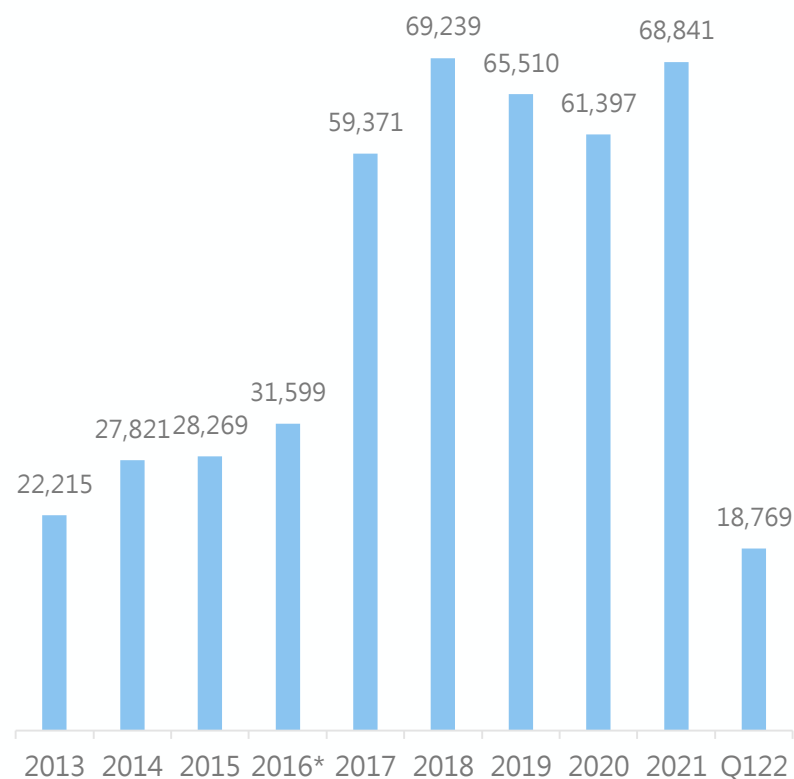
Quarterly

(NT\$mn)



Annual

(NT\$mn)



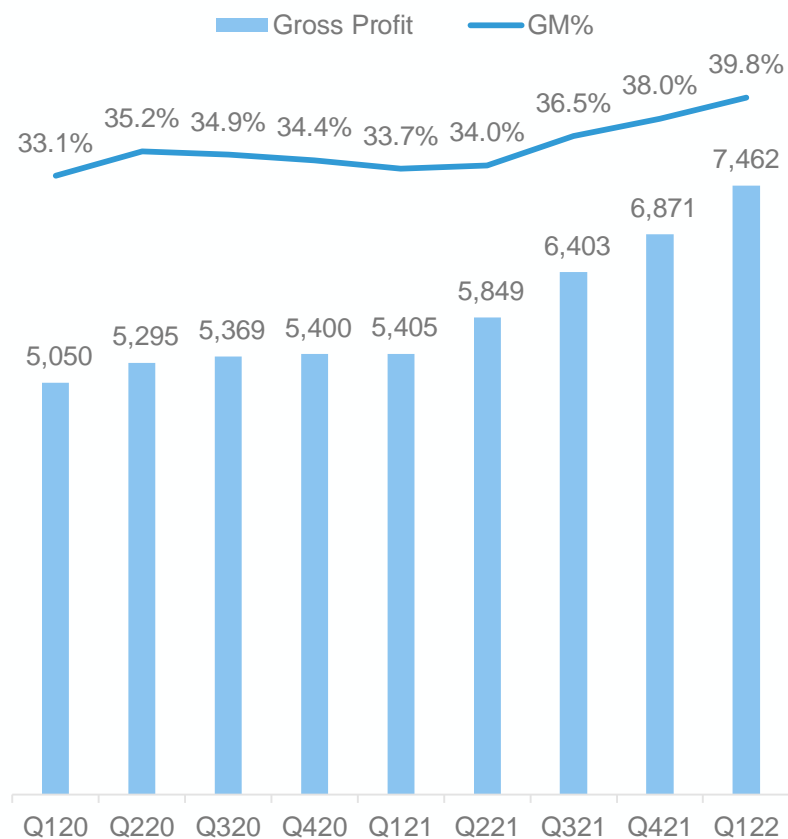
1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.



Gross Profit

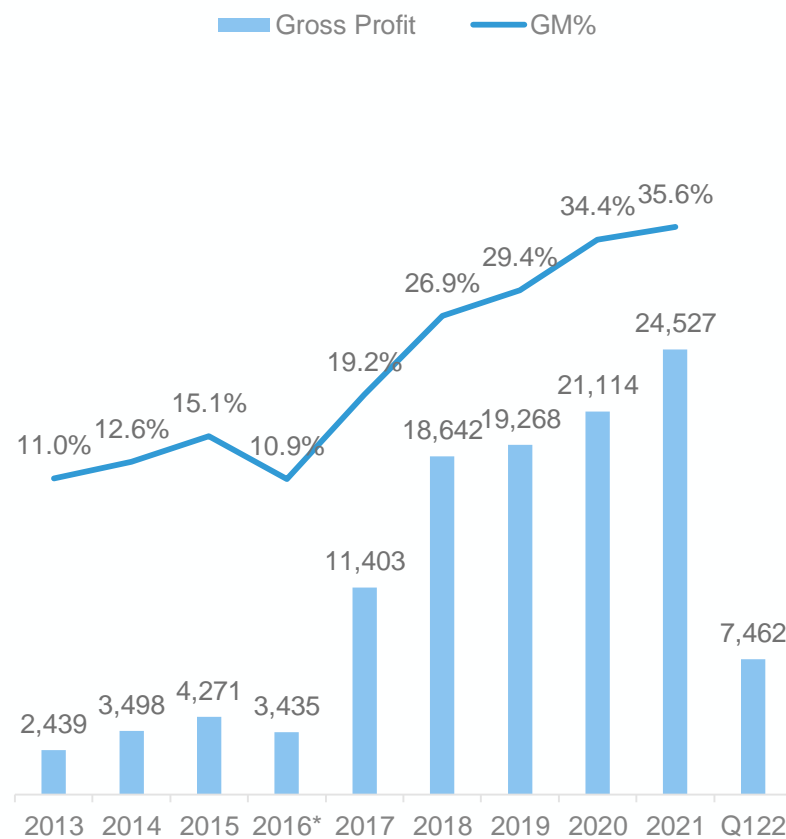
Quarterly

(NT\$m)



Annual

(NT\$m)



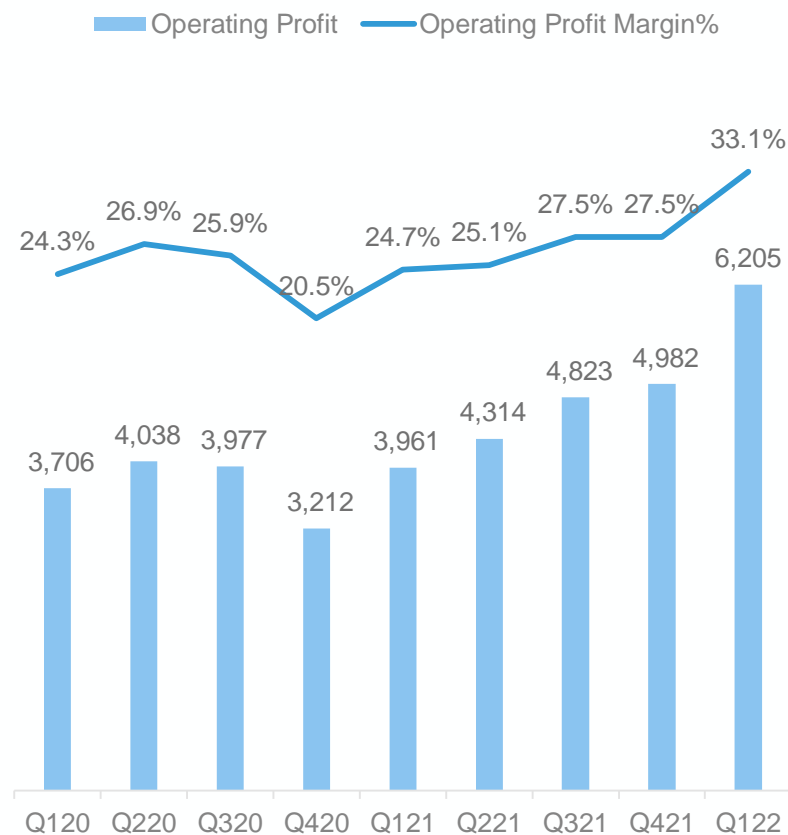
1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.



Operating Profit

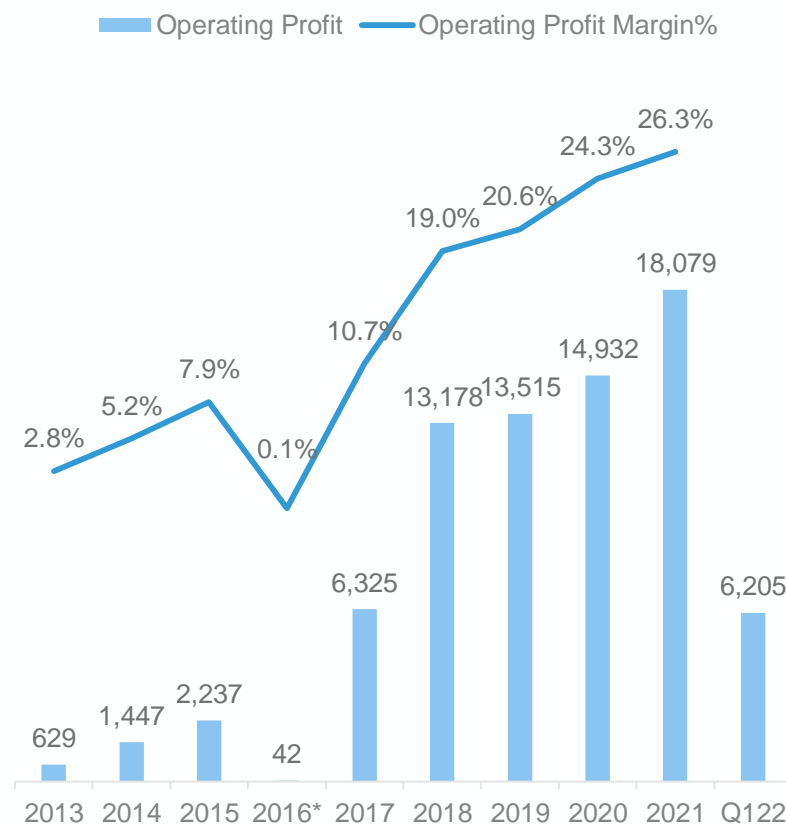
Quarterly

(NT\$mn)



Annual

(NT\$mn)

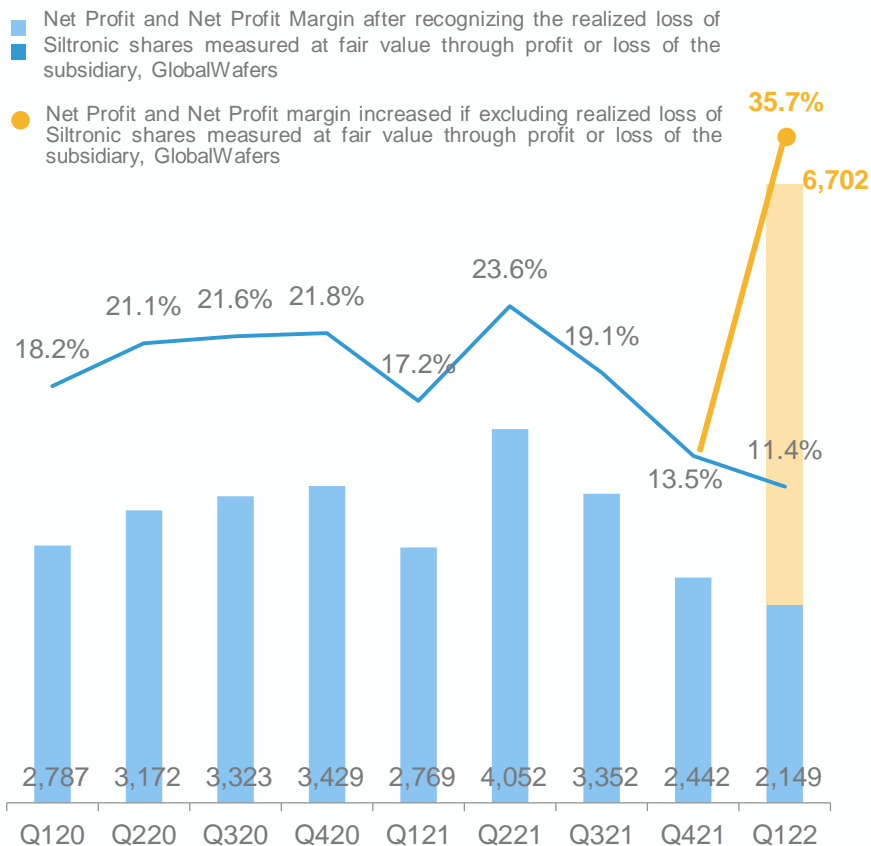


1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.

Net Profit

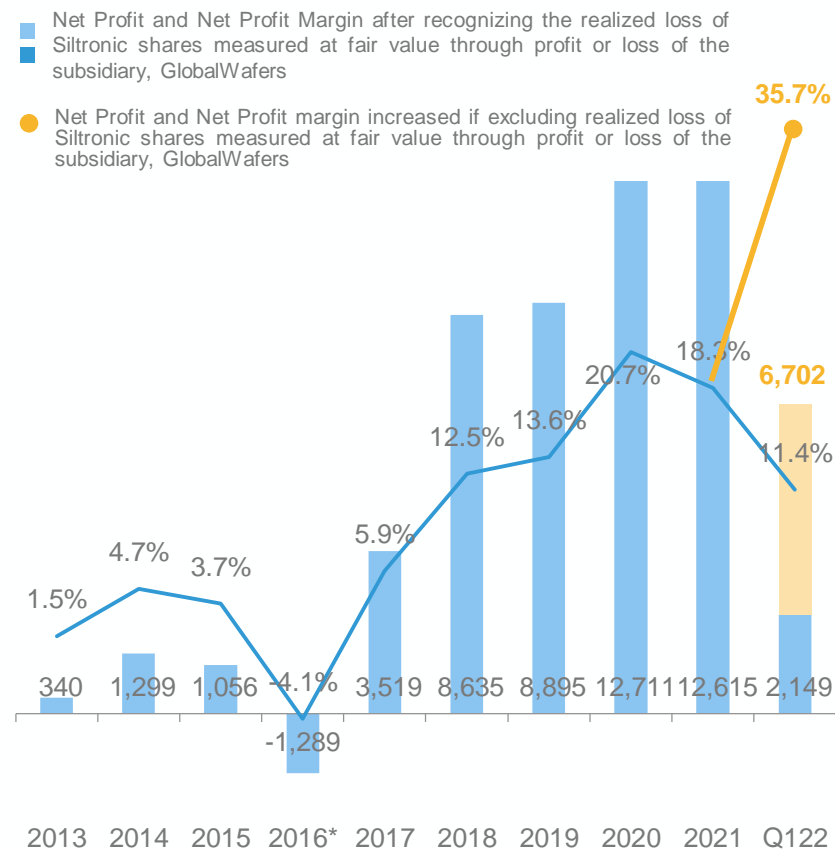
Quarterly

(NT\$mn)



Annual

(NT\$mn)



1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.

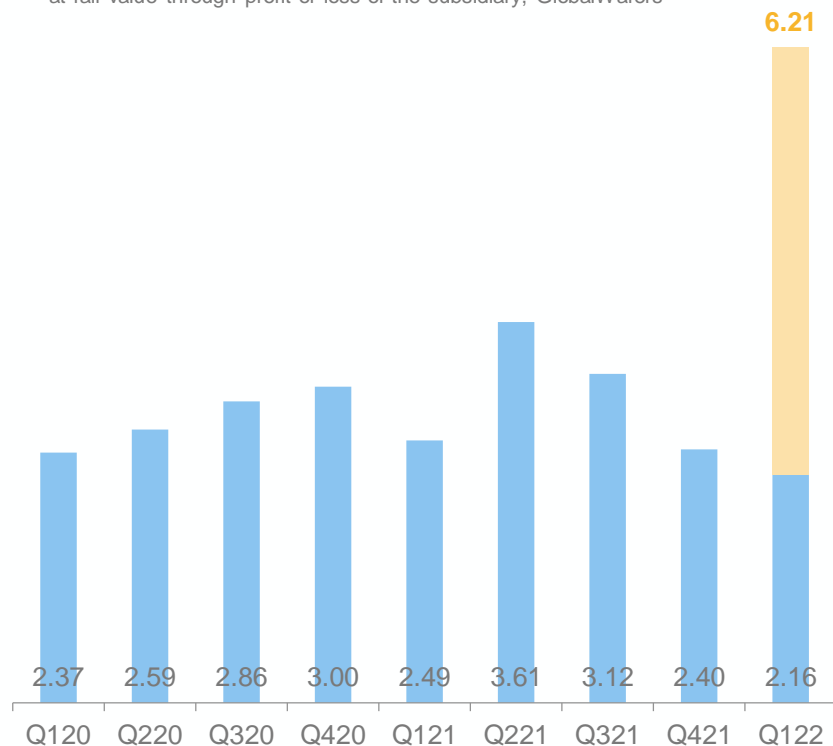


EPS

Quarterly

(NT\$)

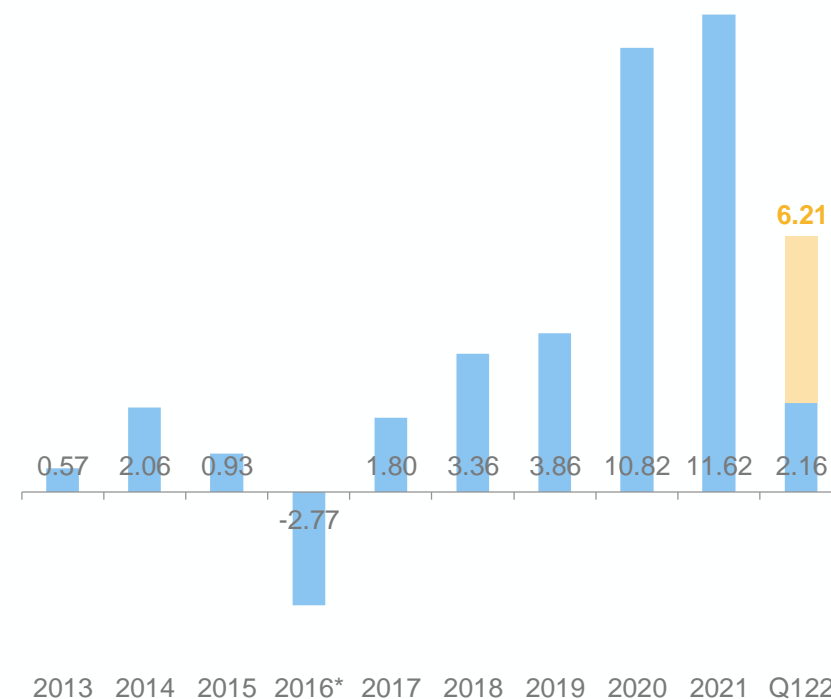
- EPS after recognizing the realized loss of Siltronic shares measured at fair value through profit or loss of the subsidiary, GlobalWafers
- EPS increased if excluding realized loss of Siltronic shares measured at fair value through profit or loss of the subsidiary, GlobalWafers



Annual

(NT\$)

- EPS after recognizing the realized loss of Siltronic shares measured at fair value through profit or loss of the subsidiary, GlobalWafers
- EPS increased if excluding realized loss of Siltronic shares measured at fair value through profit or loss of the subsidiary, GlobalWafers



1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.



Income Statement

Income Statement

(NT\$m)	2019	2020	2021	Q121	Q221	Q321	Q421	Q122
Revenue	65,510	61,397	68,841	16,052	17,183	17,522	18,084	18,769
<i>Growth (%)</i>	<i>-5.4%</i>	<i>-6.3%</i>	<i>12.1%</i>	<i>2.2%</i>	<i>7.0%</i>	<i>2.0%</i>	<i>3.2%</i>	<i>3.8%</i>
Gross Profit	19,268	21,114	24,527	5,405	5,849	6,403	6,871	7,462
<i>Gross Profit Margin (%)</i>	<i>29.4%</i>	<i>34.4%</i>	<i>35.6%</i>	<i>33.7%</i>	<i>34.0%</i>	<i>36.5%</i>	<i>38.0%</i>	<i>39.8%</i>
EBITDA	18,712	22,232	23,901	5,276	7,159	5,800	5,666	2,387⁴
<i>EBITDA Margin (%)</i>	<i>28.6%</i>	<i>36.2%</i>	<i>34.7%</i>	<i>32.9%</i>	<i>41.7%</i>	<i>33.1%</i>	<i>31.3%</i>	<i>12.7%</i>
Operating Profit	13,515	14,932	18,080	3,961	4,314	4,823	4,982	6,205
<i>Operating Profit Margin (%)</i>	<i>20.6%</i>	<i>24.3%</i>	<i>26.3%</i>	<i>24.7%</i>	<i>25.1%</i>	<i>27.5%</i>	<i>27.6%</i>	<i>33.1%</i>
Profit before Tax	13,924	16,238	17,206³	3,613	5,506	4,131	3,956	703⁵
<i>Profit before Tax Margin (%)</i>	<i>21.3%</i>	<i>26.4%</i>	<i>25.0%</i>	<i>22.5%</i>	<i>32.0%</i>	<i>23.6%</i>	<i>21.9%</i>	<i>3.7%</i>
Net Profit	8,895	12,711	12,615	2,769	4,052	3,352	2,442	2,149^{4&5}
<i>Net Profit Margin (%)</i>	<i>13.6%</i>	<i>20.7%</i>	<i>18.3%</i>	<i>17.2%</i>	<i>23.6%</i>	<i>19.1%</i>	<i>13.5%</i>	<i>11.4%</i>
EPS (NT\$)	3.86	10.82	11.62	2.49	3.61	3.12	2.40	2.16^{4&5}

1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.

2. Impairment of assets and onerous contract provision were recognized in 4Q18 & 2Q19 respectively

3. Due to NT\$1.6 billion (EUR 50 million) of termination fee from Siltronic M&A recognized by the subsidiary, GlobalWafers.

4. Due to realized loss of Siltronic shares measured at fair value through profit or loss recognized by the subsidiary, GlobalWafers.

5. Reversing the deferred tax liability based on no dividend distribution of offshore earning recognized by the subsidiary, GlobalWafers.



Balance Sheet

Balance Sheet

(NT\$m)	2019	2020	2021	Q121	Q221	Q321	Q421	Q122
Assets								
Cash and cash equivalents	34,901	23,813	67,118	13,485	49,571	59,163	67,118	71,312
Account receivable	8,507	8,407	9,889	9,788	9,968	9,996	9,889	10,724
Inventories	7,398	7,929	8,646	7,766	7,945	8,088	8,646	9,144
Property, plant and equipment	40,277	42,455	40,428	40,607	39,310	39,673	40,428	41,596
Other assets	18,300	27,349	41,170	39,963	40,632	39,070	41,170	34,428
Total assets	109,383	109,953	167,251	111,608	147,426	155,989	167,251	167,204
Liabilities								
Short-term loan	11,465	10,804	7,791	16,683	12,610	8,419	7,791	8,493
Account payable	4,180	4,204	4,586	4,354	4,334	4,063	4,586	4,498
Long term loan	0	1,048	46,124	1,050	33,489	46,194	46,124	46,143
Other liabilities	45,123	44,227	56,588	39,285	46,929	43,838	56,588	54,170
Total liabilities	60,767	60,283	115,088	61,372	97,362	102,514	115,088	113,304
Shareholder equity	48,616	49,669	52,163	50,236	50,064	53,475	52,163	53,900

1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.

2. Impairment of assets and onerous contract provision were recognized in Q418 & Q219 respectively

3. Account receivables include account receivables from related.

4. Account payables include account payables from related parties.



GlobalWafers Performance Update



Financial Highlight : Q122 vs. Q421 vs. Q121

(NT\$m)	Q122	Q421	Q121	QoQ	YoY
Revenue	16,307	15,752	14,806	3.5%	10.1%
Gross Profit Margin %	42.6%	41.3%	35.1%	1.3%	7.5%
Operating Profit	5,891	4,819	3,952	22.3%	49.1%
Operating Profit %	36.1%	30.6%	26.7%	5.5%	9.4%
Net Profit	1,746	2,120	2,690	-17.7%	-35.1%
Net Profit %	10.7%	13.5%	18.2%	-2.8%	-7.5%
EPS	NT\$4.01	NT\$4.87	NT\$6.18	-NT\$0.86	-NT\$2.17
EBITDA* ¹	1,802	5,144	5,051	-65.0%	-64.3%
EBITDA %	11.1%	32.7%	34.1%	-21.6%	-23.0%
EBIT	338	3,689	3,544	-90.8%	-90.5%
ROE* ² (annualized)	15.0%	18.2%	24.2%	-3.2%	-9.2%
ROA* ³ (annualized)	3.5%	6.0%	11.3%	-2.5%	-7.8%

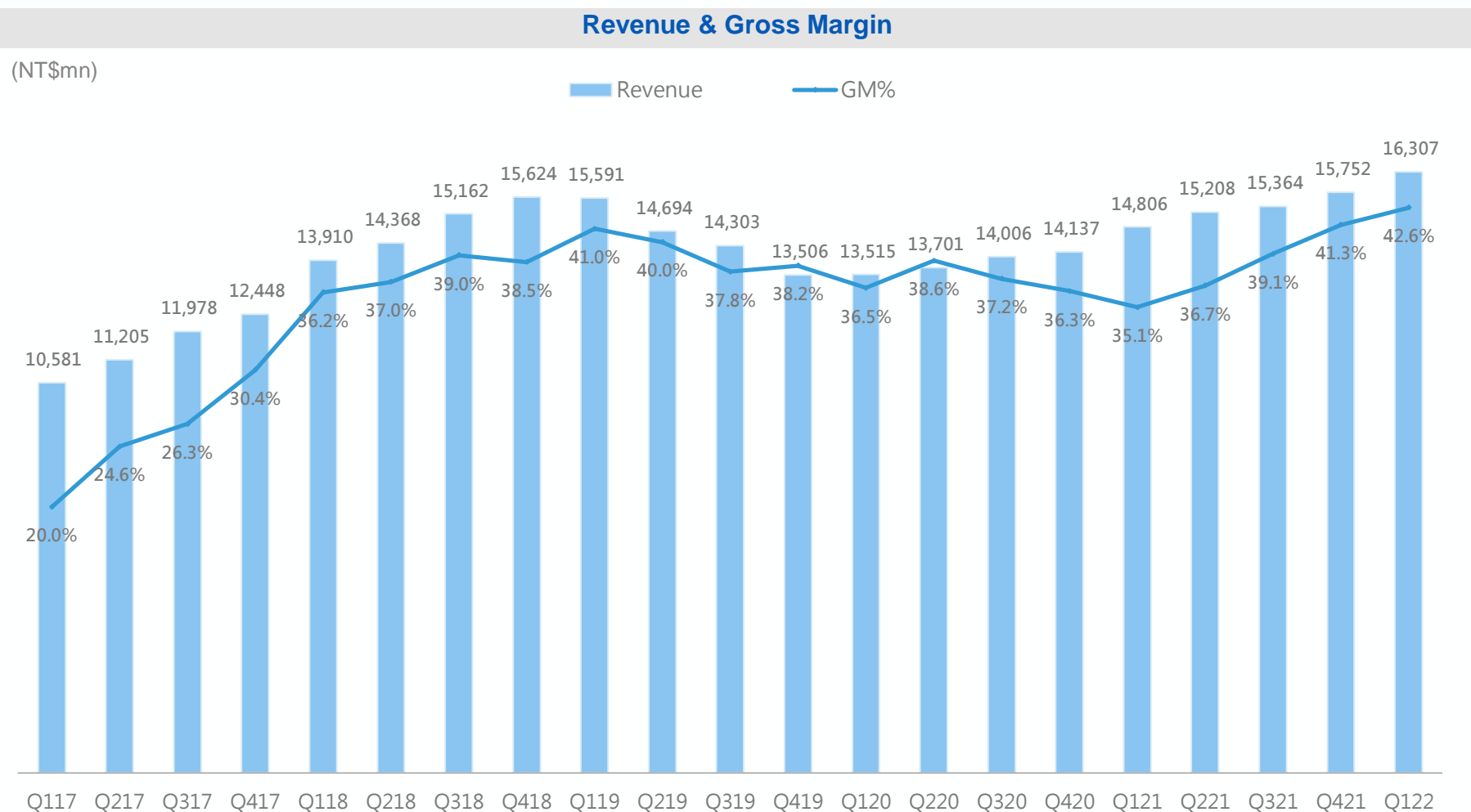
1. EBITDA = Net Profit + Tax + Interests + Depreciation + Amortization.

2. ROE = Net Profit / Average Shareholders Equity

3. ROA = (Net Profit + Interest*(1 - Effective Tax Rate))/Average Asset



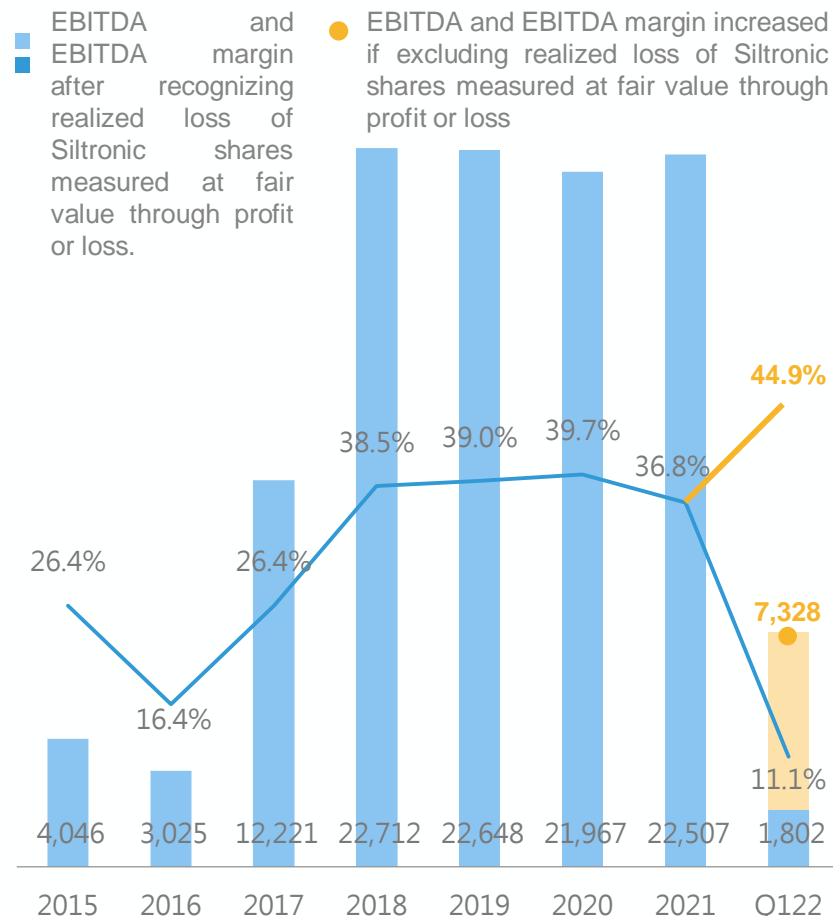
Revenue & Gross Margin



EBITDA & EPS

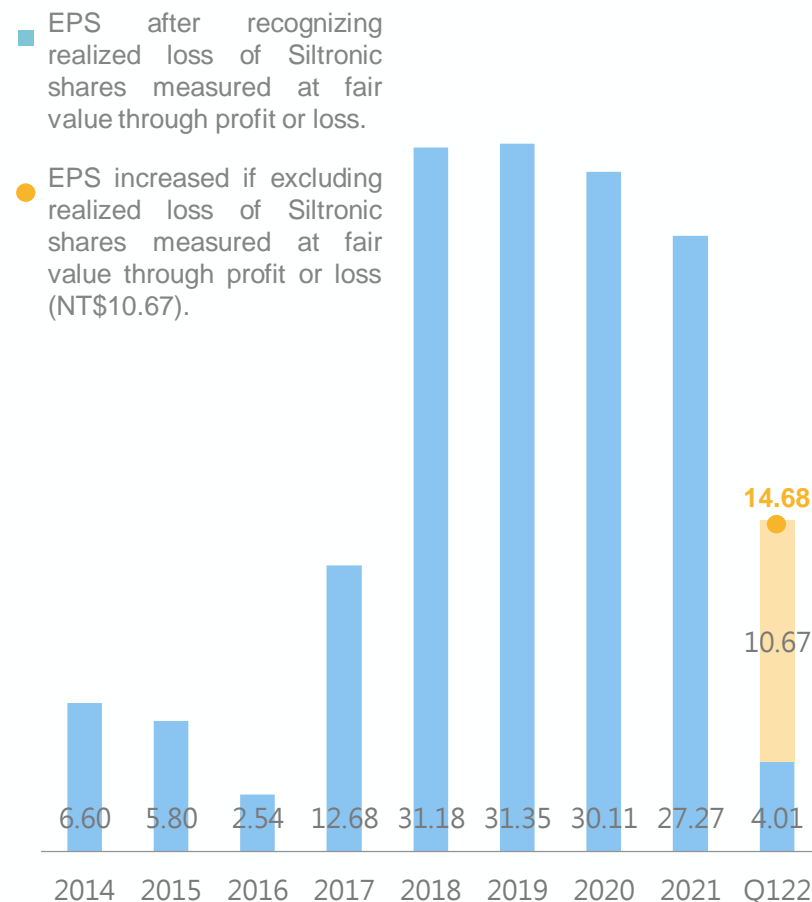
EBITDA

(NT\$mn)



EPS

(NT\$)





Income Statement

Income Statement

(NT\$m)	2019	2020	2021	Q121	Q221	Q321	Q421	Q122
Revenue	58,094	55,359	61,131	14,806	15,208	15,364	15,752	16,307
<i>Growth (%)</i>	-1.6%	-4.7%	10.4%	4.7%	2.7%	1.0%	2.5%	3.5%
Gross Profit	22,847	20,568	23,286	5,193	5,584	6,010²	6,498²	6,948
<i>Gross Profit Margin (%)</i>	39.3%	37.2%	38.1%	35.1%	36.7%	39.1%	41.3%	42.6%
EBITDA	22,648	21,967	22,507	5,051	6,919¹	5,393³	5,144	1,802⁵
<i>EBITDA Margin (%)</i>	39.0%	39.7%	36.8%	34.1%	45.5%	35.1%	32.7%	11.1%
Operating Profit	17,897	15,287	17,693	3,952	4,259	4,664	4,819	5,891
<i>Operating Profit Margin (%)</i>	30.8%	27.6%	28.9%	26.7%	28.0%	30.4%	30.6%	36.1%
Profit before Tax	18,554	16,615	16,445	3,529	5,408¹	3,881³	3,627⁴	304⁵
<i>Profit before Tax Margin (%)</i>	31.9%	30.0%	26.9%	23.8%	35.6%	25.3%	23.0%	1.9%
Net Profit	13,636	13,104	11,870	2,690	3,955	3,105	2,120	1,746^{5&6}
<i>Net Profit Margin (%)</i>	23.5%	23.7%	19.4%	18.2%	26.0%	20.2%	13.5%	10.7%
EPS (NT\$)	31.35	30.11	27.27	6.18	9.09	7.13	4.87	4.01^{5&6}

1&3. Due to Siltronic share evaluation at fair value.

2. Due to higher ASP and production mix.

4. Due to NT\$1.6 billion (EUR 50 million) of termination fee from Siltronic M&A.

5. Due to realized loss of Siltronic shares measured at fair value through profit or loss.

6. Reversing the deferred tax liability based on no dividend distribution of offshore earning.



Balance Sheet

Balance Sheet

(NT\$m)	2019	2020	2021	Q121	Q221	Q321	Q421	Q122
Assets								
Cash and cash equivalents	32,822	22,439	65,894	12,700 ¹	46,768 ⁴	56,919 ⁵	65,894	70,354
Account receivable	8,140	8,037	9,118	9,094	8,874	9,176	9,118	9,436
Inventories	6,849	7,208	7,295	6,772	6,974	7,036	7,295	7,496
Property, plant and equipment	34,697	37,111	33,943	35,331	34,163	33,210	33,943	34,995
Other assets	14,078	20,056	34,395	32,684 ²	34,723	33,407	34,395	27,525
Total assets	96,586	94,852	150,645	96,581	131,502	139,747	150,645	149,806
Liabilities								
Short-term loan	9,886	9,871	6,264	15,445 ³	10,543	6,464	6,264	6,384
Account payable	3,837	3,895	4,340	4,075	4,027	3,918	4,340	3,953
Long term loan	0	0	45,125	0	32,479 ⁴	45,045 ⁵	45,125	45,204
Other liabilities	37,789	36,930	49,284	32,314	38,955	36,909	49,284	46,978
Total liabilities	51,513	50,697	105,013	51,834	86,004	92,336	105,013	102,520
Shareholder equity	45,073	44,155	45,632	44,747	45,497	47,411	45,632	47,286

1. Due to Siltronic shares acquisition and cash dividends distribution

2. Due to Siltronic shares acquisition

3. Due to increasing bank loan for acquiring Siltronic shares

4. Due to issuance of ECB & corporate bond

5. Due to issuance of corporate bond



Q&A



Thank you