



# AP Memory 2022 Q2 Investor Conference

2022 Aug 2nd

# Disclaimer

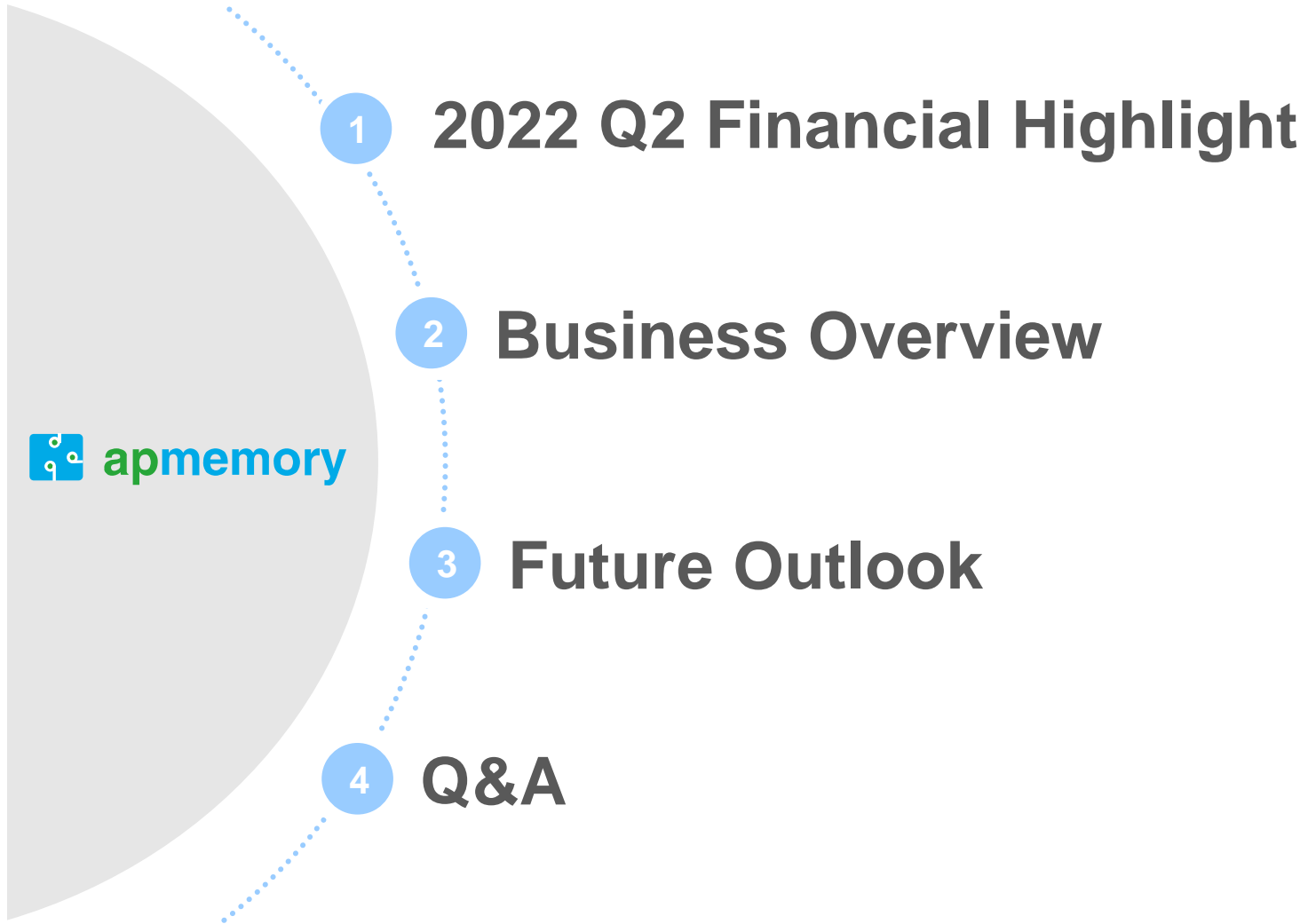
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# Agenda

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# 2022 Q2 Financial Highlight

# Consolidated Income Statement

| (in NT\$K)                        | 2Q22      |       | 1Q22      |       | 2Q21      |      | QoQ   | YoY   |
|-----------------------------------|-----------|-------|-----------|-------|-----------|------|-------|-------|
| Net Revenue                       | 1,538,648 | 100%  | 1,544,730 | 100%  | 1,633,506 | 100% | 0%    | (6%)  |
| Gross Margin                      | 630,222   | 41%   | 721,263   | 47%   | 751,959   | 46%  | (13%) | (16%) |
| Operating Expenses                | (172,483) | (11%) | (186,303) | (12%) | (153,335) | (9%) | (7%)  | 12%   |
| Operating Margin                  | 457,739   | 30%   | 534,960   | 35%   | 598,624   | 37%  | (14%) | (24%) |
| Non-Operating Income and Expenses | 290,246   | 19%   | 217,598   | 14%   | (19,402)  | (2%) | 33%   | 1596% |
| Profit before income tax          | 747,985   | 49%   | 752,558   | 49%   | 579,222   | 35%  | (1%)  | 29%   |
| Income tax expense                | (125,847) | (9%)  | (195,556) | (13%) | (122,967) | (7%) | (36%) | 2%    |
| Net income                        | 622,138   | 40%   | 557,002   | 36%   | 456,255   | 28%  | 12%   | 36%   |
| Basic Earnings per share(NT\$)    | \$3.85    |       | \$3.53    |       | \$3.08*   |      |       |       |

\* Retroactively adjusted for the effect of the stock split.

# Consolidated Balance Sheet

| (in NT\$K)                | 2022.6.30  |      | 2022.3.31  |      | 2021.12.31 |      |
|---------------------------|------------|------|------------|------|------------|------|
|                           | AMT        | %    | AMT        | %    | AMT        | %    |
| Cash and Cash Equivalents | 7,998,780  | 64%  | 7,895,575  | 65%  | 2,517,447  | 40%  |
| Account Receivables       | 997,972    | 8%   | 797,803    | 7%   | 854,080    | 14%  |
| Inventories               | 2,127,025  | 17%  | 1,748,628  | 14%  | 1,696,621  | 27%  |
| Total Assets              | 12,473,075 | 100% | 12,131,489 | 100% | 6,278,643  | 100% |
| Liabilities               | 2,287,929  | 18%  | 2,584,784  | 21%  | 1,483,688  | 24%  |
| Shareholders' Equity      | 10,185,146 | 82%  | 9,546,705  | 79%  | 4,794,955  | 76%  |
| Net Worth Per Share(NT\$) | 63.1       |      | 59.1       |      | 32.2       |      |

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# Business Overview

# Business Overview

## IoT BU

### Business model

- Sales of IoT RAM
  - >90% Known-Good-Die (KGD) + WLCSP
  - Customized to fit applications

### Products & Applications

- IoT RAM, IPD
- Connectivity, Wearables, and Others

### Market position

- Strong market share in global IoT RAM market
- Spec Leader

### Highlights

- Shipping ~1 billion units yearly
- Non-cyclical, stable profit margin
- Market leader

## AI BU

- Licensing/NRE+ royalty-like DRAM wafer sales for VHM™
  - Design phase: License fee of VHM™
  - Production phase: sales of VHM™ wafers, one needed for each logic wafer, therefore royalty-like

- VHM™ DRAM and related IP
- ETH mining, AI, and other HPC applications

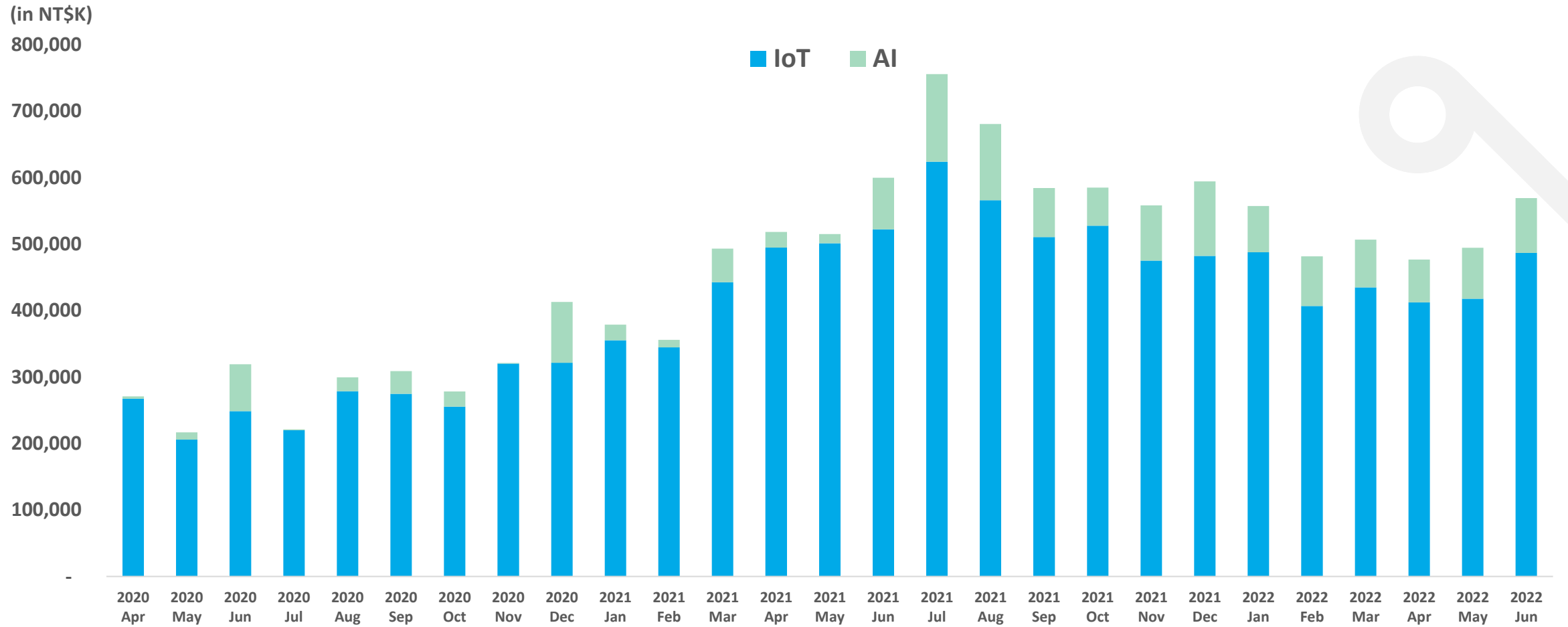
- Disruptive technology
- Creating a whole new market & ecosystem

- VHM™ :
  - world's first 3D integration of DRAM and logic chips
- Proven performance leadership in the ETH mining market
- Gradually accepted by mainstream applications

Note: VHM™ (Very High-bandwidth Memory) is an AP Memory trademark.

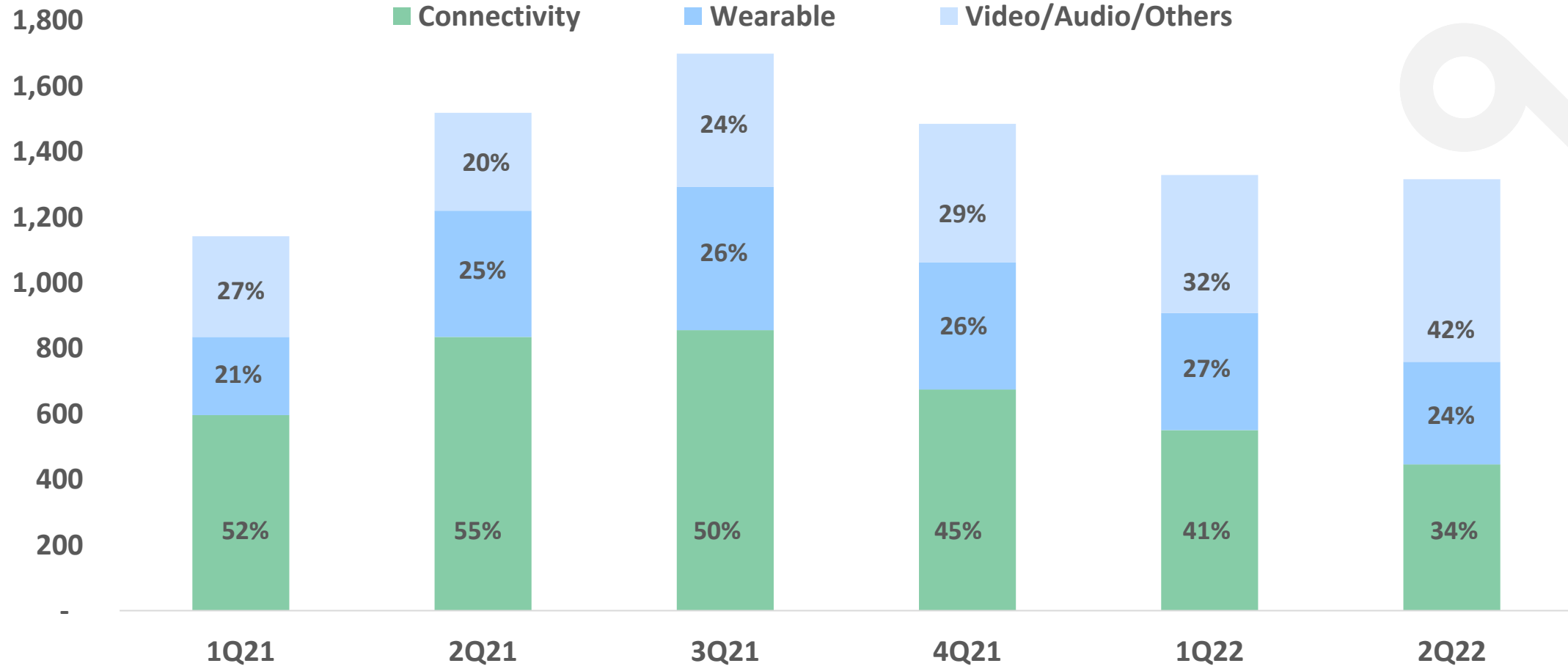


# Monthly Revenue Trend

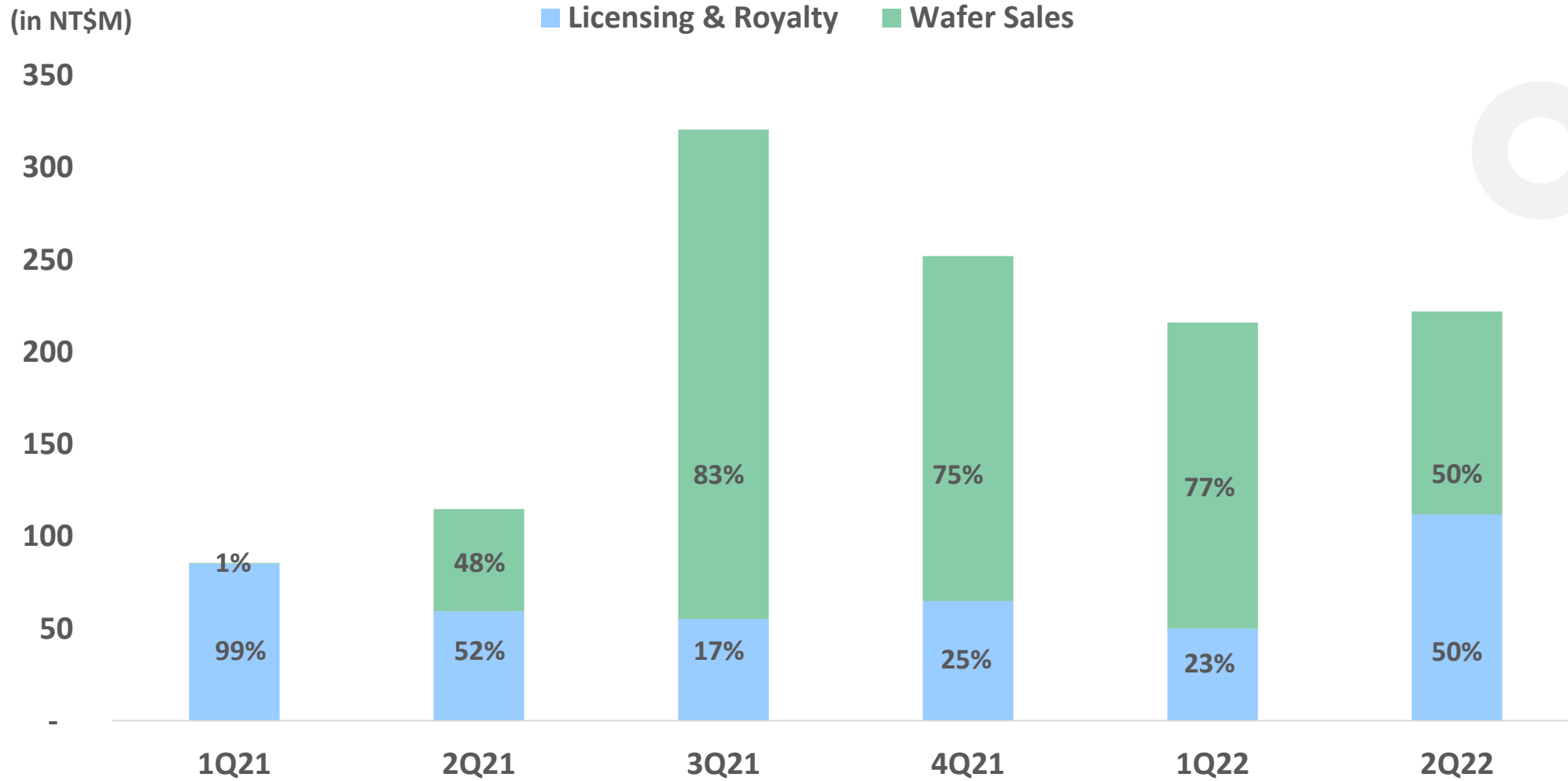


# IoT BU Revenue by category

(in NT\$M)



# AI BU Revenue by category

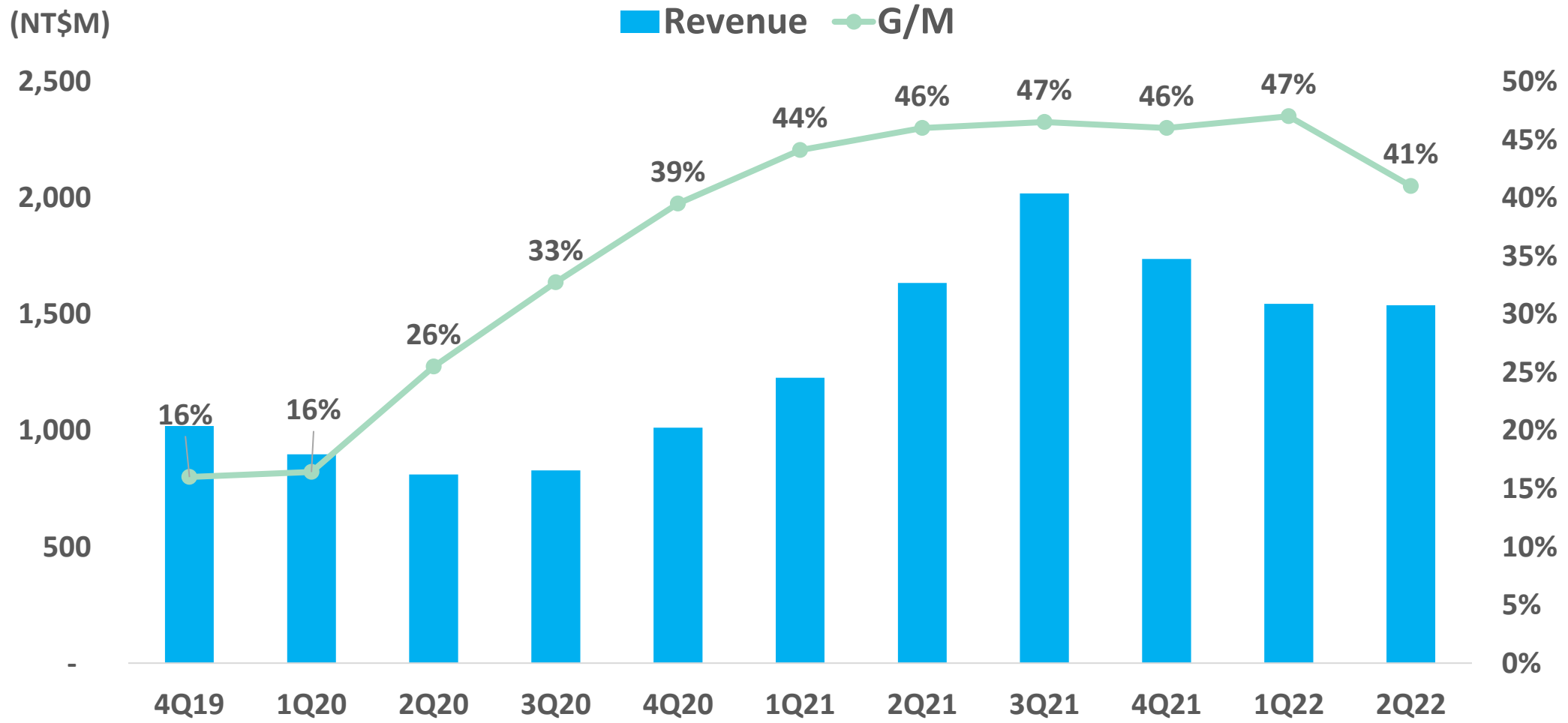


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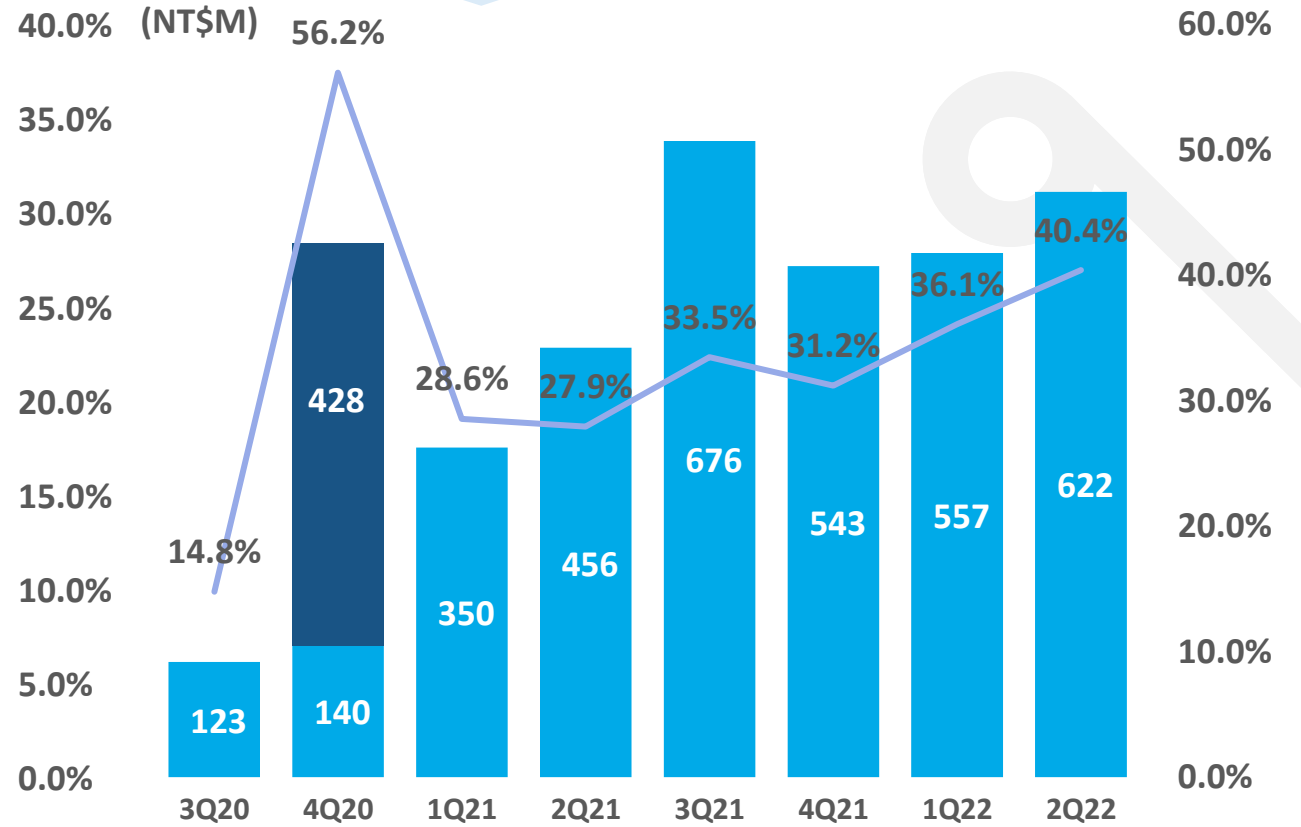
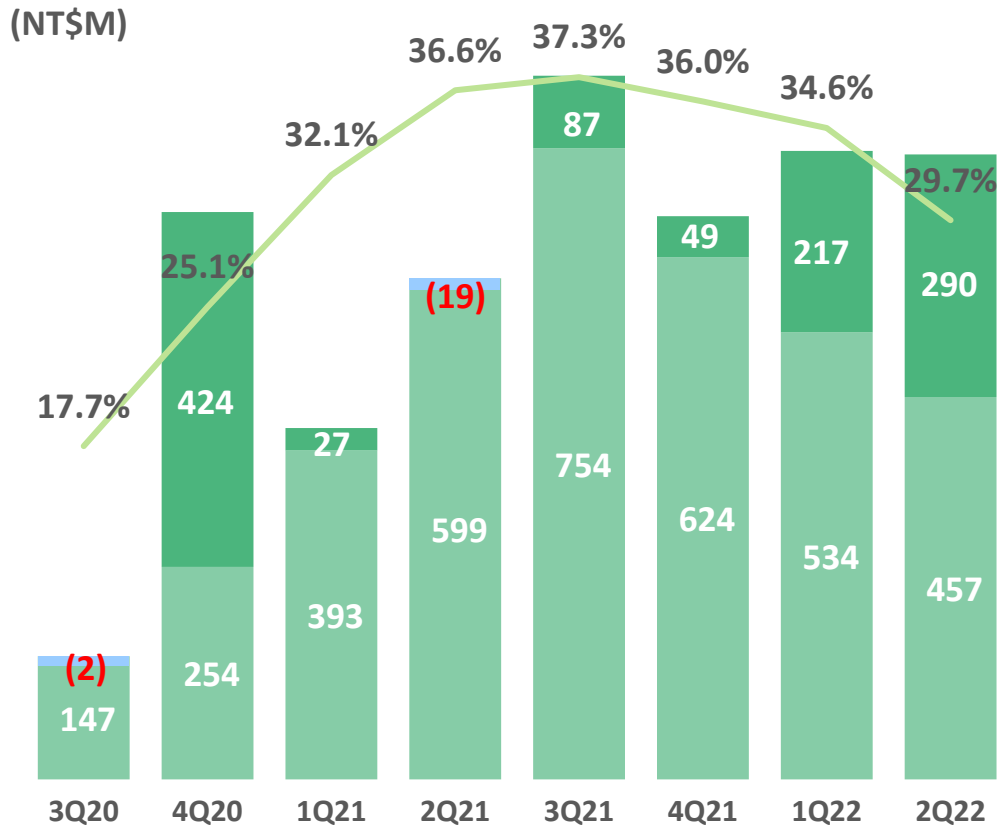
# Future Outlook

# Revenue & Gross Margin



# Operating Profit & Net Income

Significant growth in 4Q20 net income mainly due to increase in non-operating income from disposal of subsidiary, Zentel Japan



■ Non Operating Income and Expense  
■ Operating Profit  
— %Operating Margin

■ Net Income  
— %Net Margin

# Future Outlook

## IoT

### Mid-Term

- Supply chain recovering from shortage
- Inventory correction

### Long-term

- Stable and growing cash flow
- Riding long-term IoT growth

## AI

- We continue to be optimistic about VHM™ ramp & new design-in

- Vast opportunities
- Execution is the key

Note: VHM™ (Very High-bandwidth Memory) is an AP Memory trademark.

# Q&A

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IR mail : [ir@apmemory.com](mailto:ir@apmemory.com)

IR Tel : +886-3-5601651

