

AP Memory Technology Corporation

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TWSE: 6531



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Outline

- About AP Memory
- Financial Highlight
- Q&A

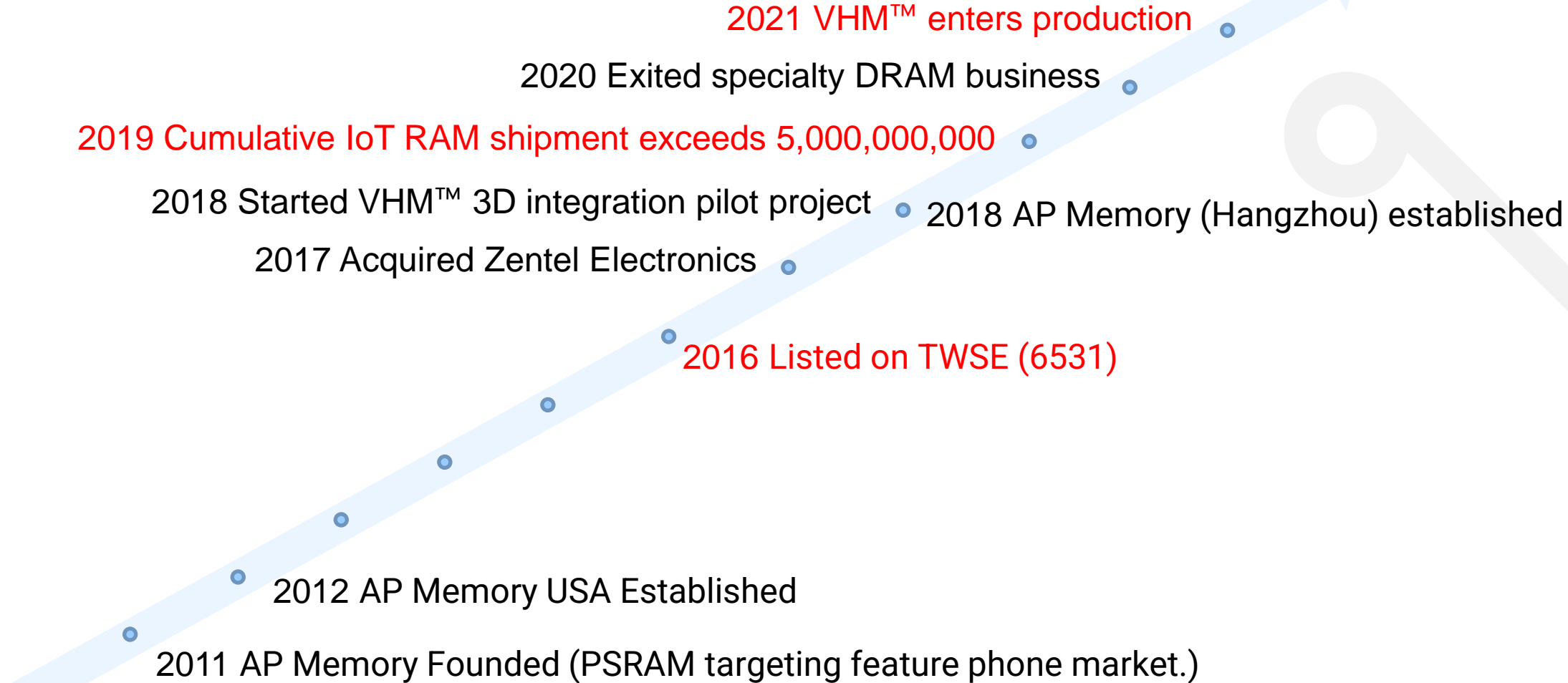
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About AP Memory

Company Profile

- A fabless **Customized DRAM and IP** company since 2011
- Listed on the Taiwan Stock Exchange since 2016
- Headquartered in Hsinchu, Taiwan
 - R&D centers in US, Taiwan, and China. Sales worldwide.
- Headcount: 150 (as of Aug 31, 2021)
- Market Cap: NT\$ 45B (as of Aug 31, 2021)
- Shares Outstanding: 74.3M (148.6M after 2-for-1 split in October)

Milestones

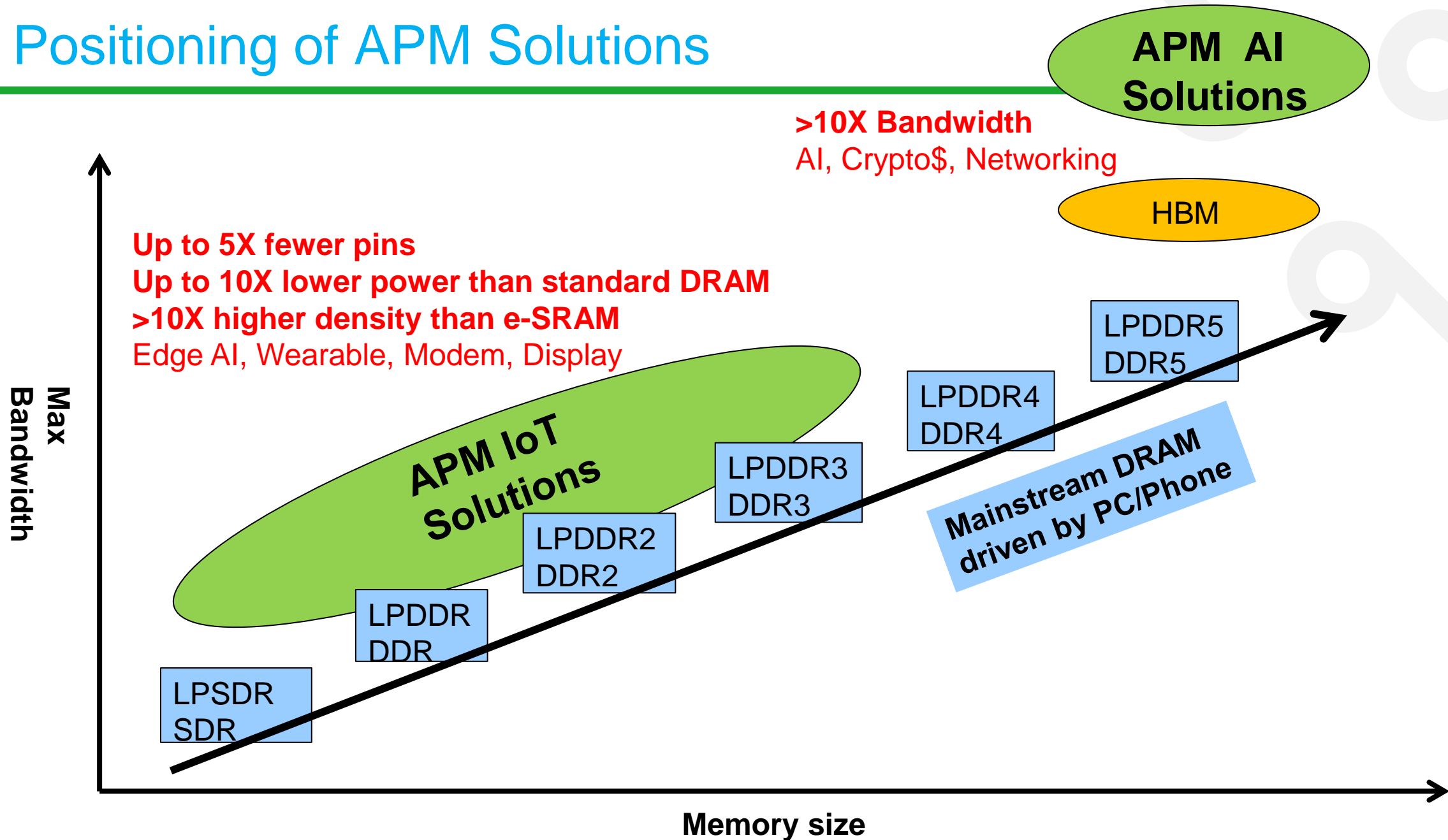


Why Customized DRAM?

- Mainstream Standard DRAM (~95%) is driven by
 - PC/Server: DDR/2/3/4/5
 - Mobile: LPDDR/2/3/4/5
 - Graphics: HBM/2/2E/3
- What about the rest?
 - Some make do with “specialty” (old) DRAM (<5%)
 - Optimized products require optimized DRAM (<1% & growing)
 - AP Memory’s customized DRAM is optimized for target applications

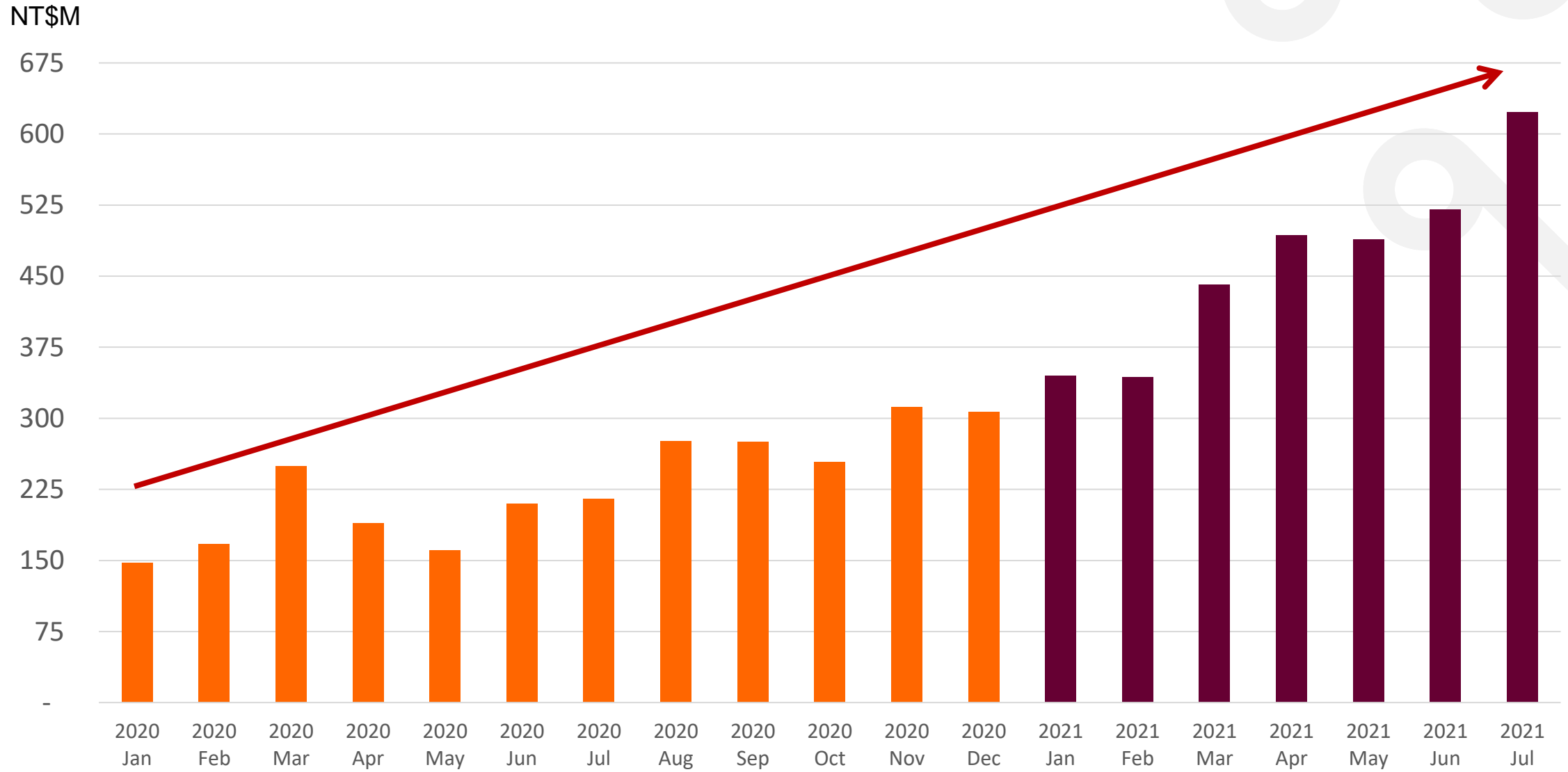
Customized DRAM = Application Know-how/IP + DRAM

Positioning of APM Solutions

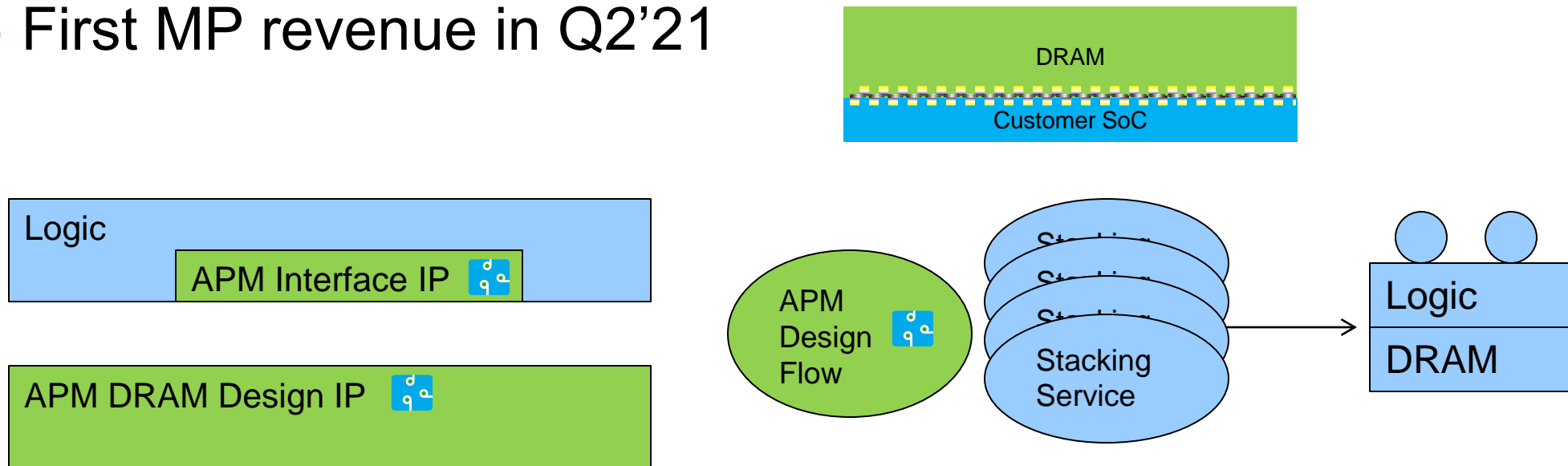


- Business Model
 - Sales of IoT RAM
 - Mostly in Known-Good-Die (KGD) form
- Business highlight
 - Shipping ~1 billion units yearly
 - >50% WW market share
 - Market leader, defining spec for industry
 - DDR ADMUX, OPI, QSPI, ULP, UHS, ULS

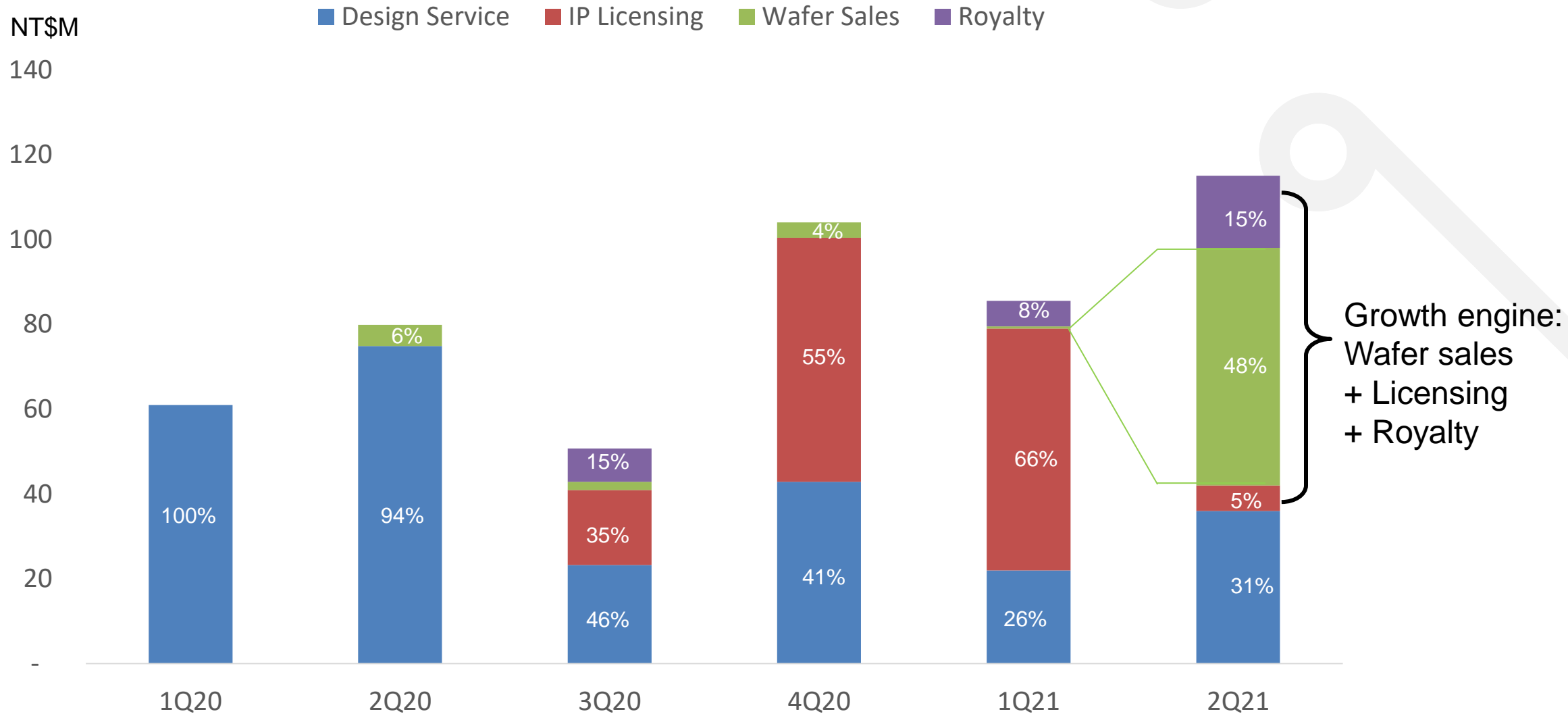
IoT RAM Monthly Revenue Trend



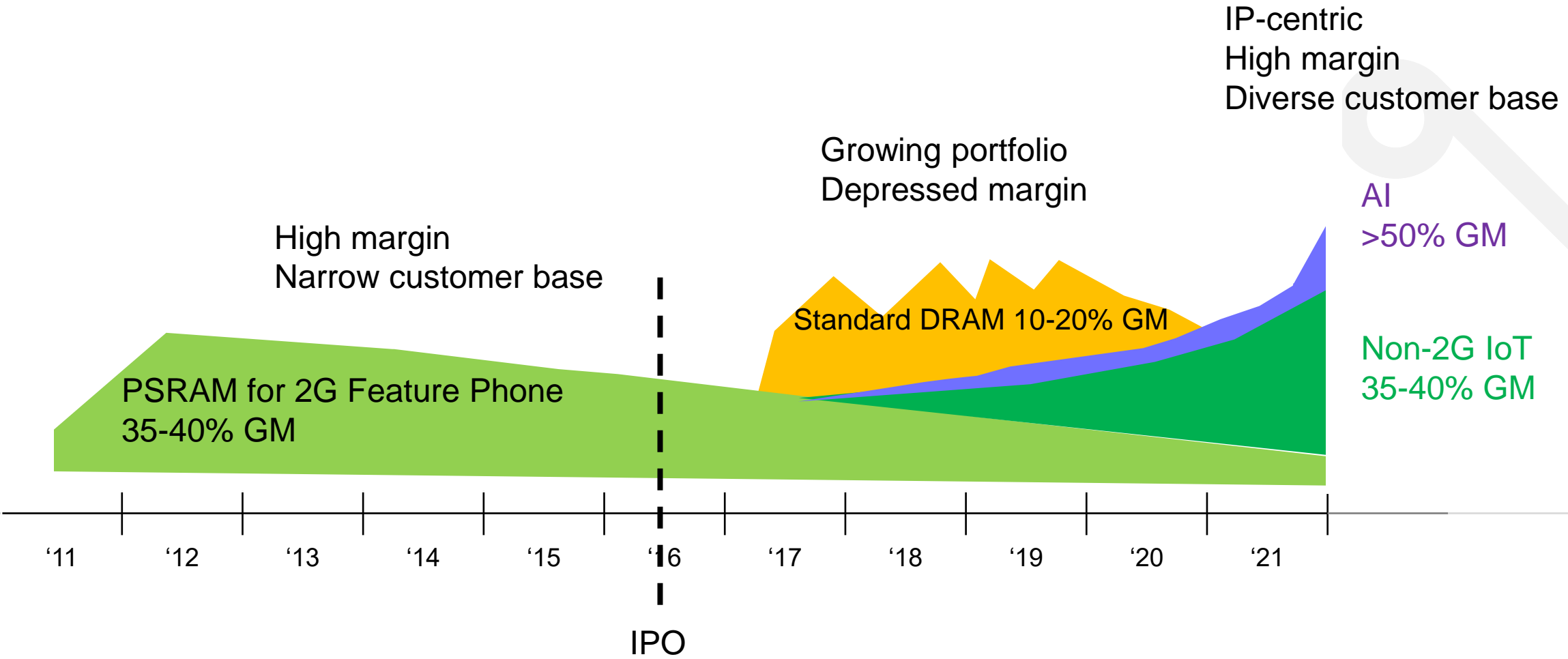
- Business Model:
 - Licensing + DRAM wafer sales
 - Pre-production: License fee of VHM™ and associated IP
 - Production: sales revenue of DRAM wafers
- VHM™: World's first 3D Logic-DRAM integration
 - First MP revenue in Q2'21



AI/IP Revenue by Category



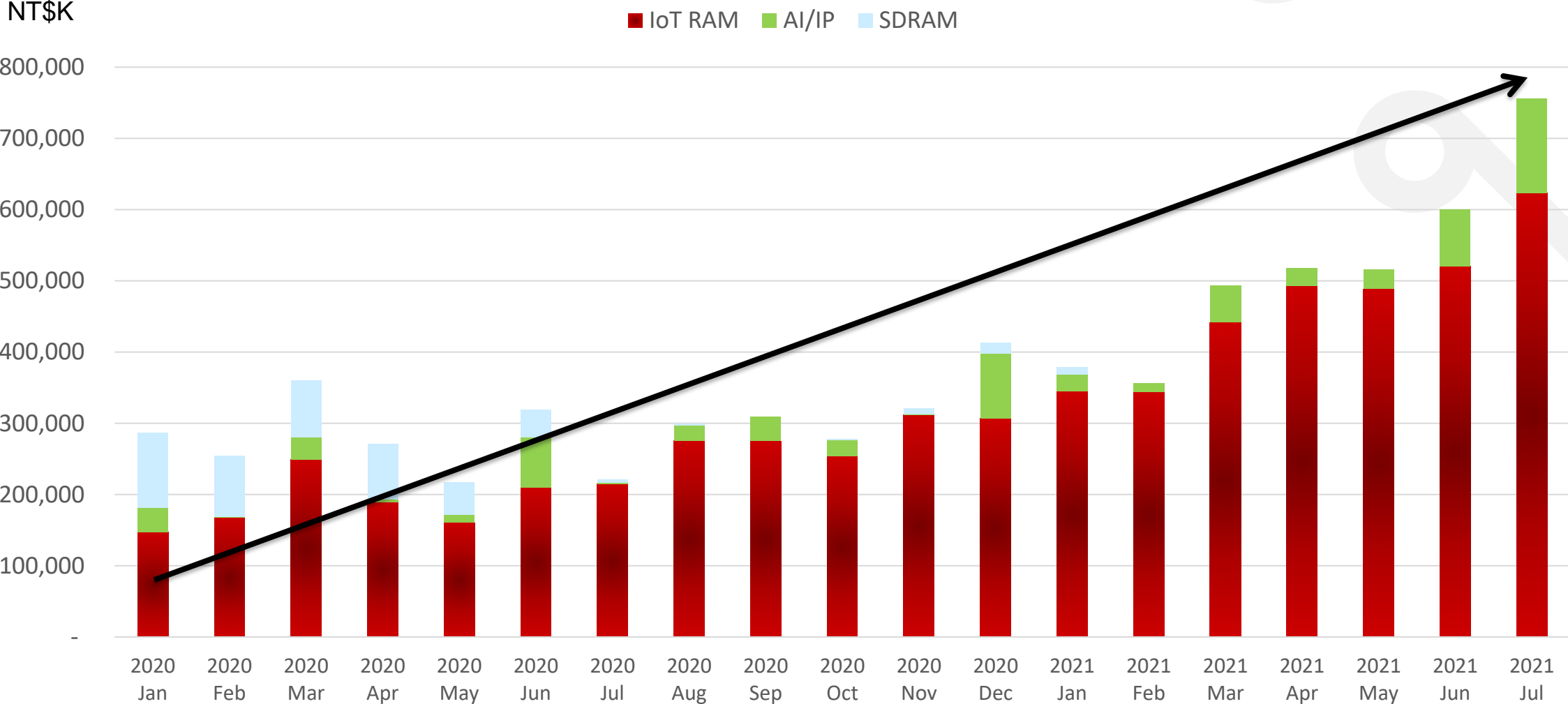
Evolution of Our Business Model



02

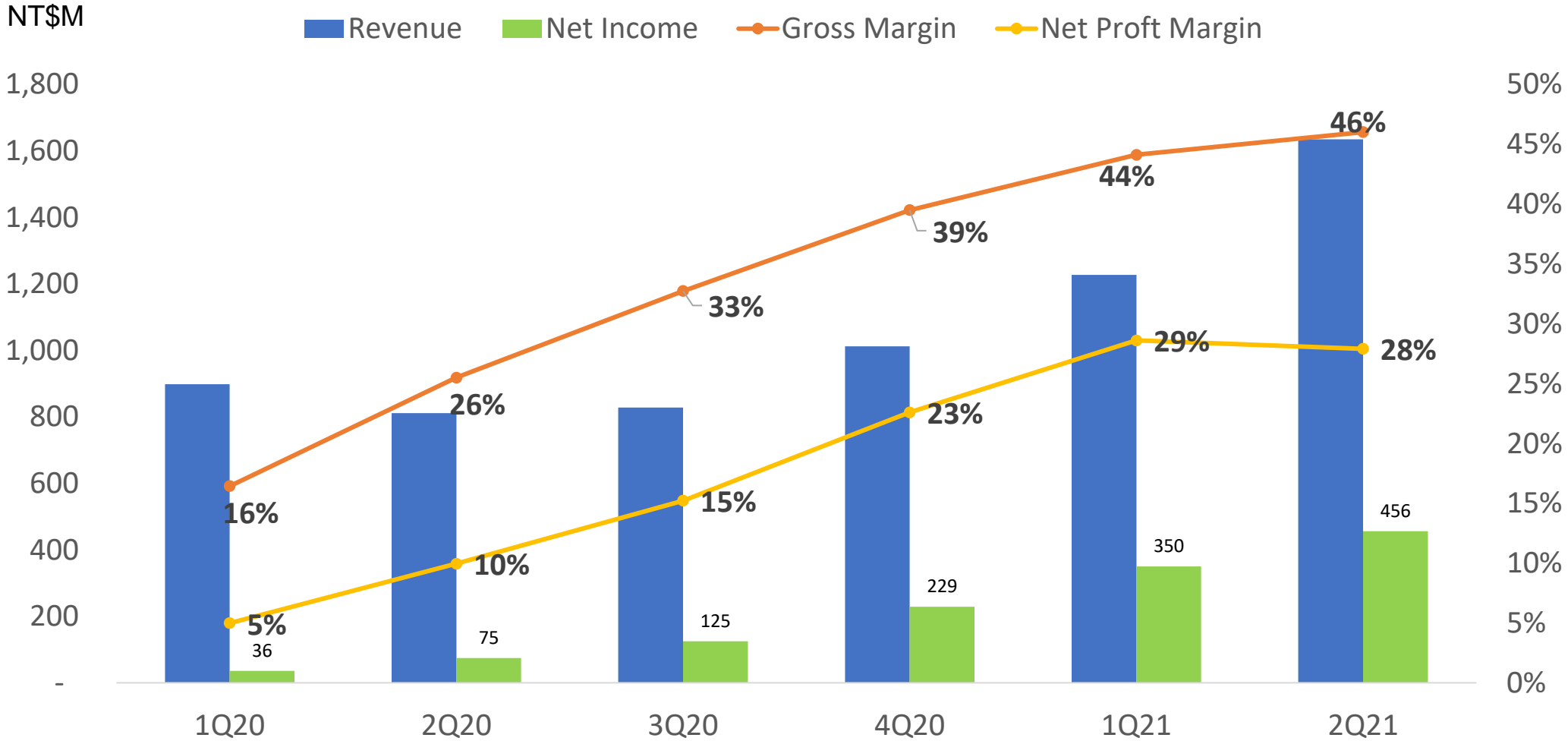
Financial Highlight

Revenue Trend



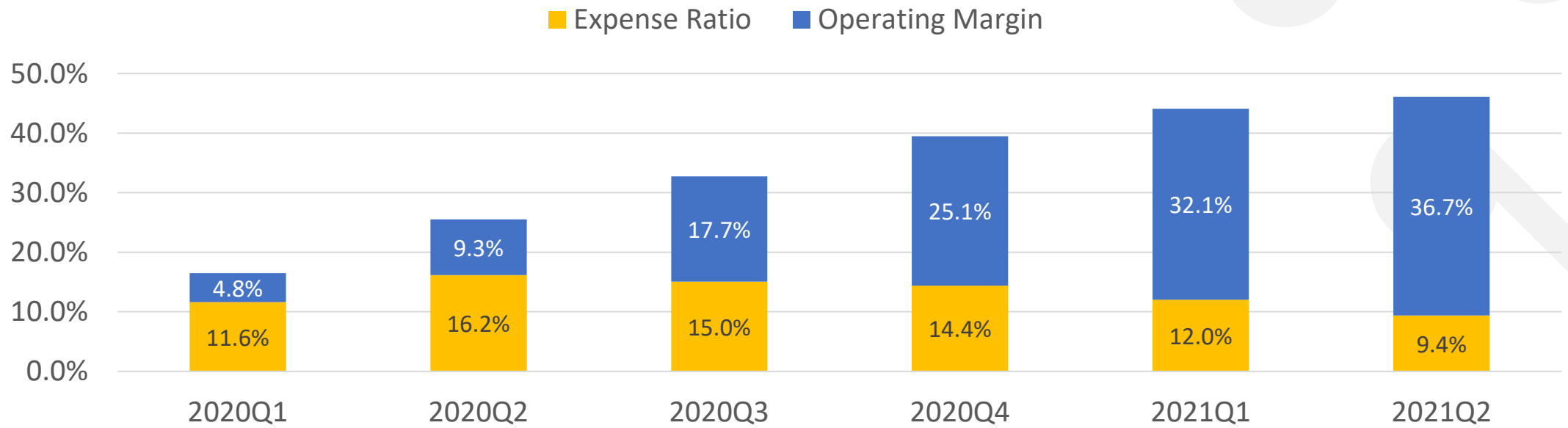
* Excluded the discontinuing operation

Operating Results

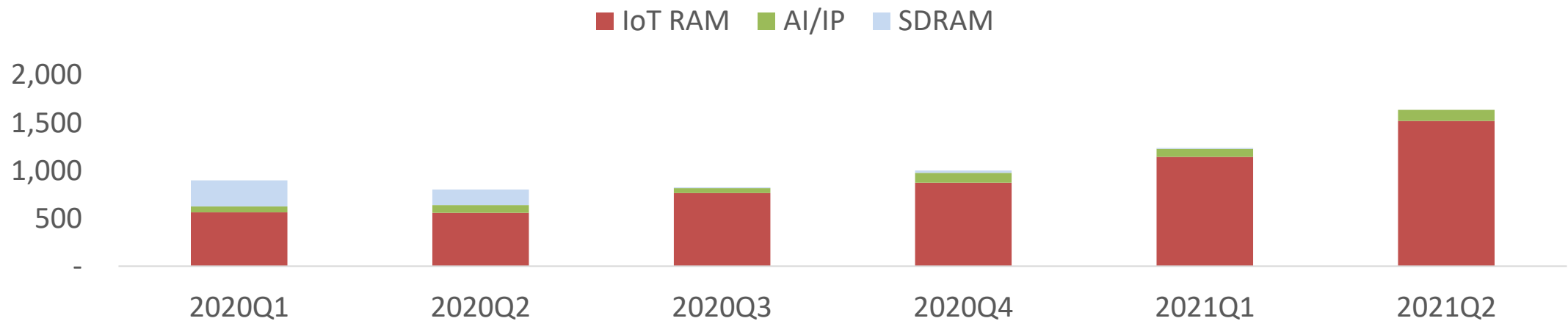


*4Q20 excluded one time gain on disposal of subsidiary.

Operating Profit Margin Rates & Expense Ratios



* Excluded the discontinuing operation



Financial Ratios

	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1
Current Ratio	274%	352%	387%	357%	318%	349%
Quick Ratio	213%	284%	313%	277%	202%	214%
Average A/R collection days	44 days	52 days	49 days	66 days	77 days	63 days
Days sales of inventory	98 days	109 days	119 days	156 days	169 days	151 days
Net income(%)	28%	29%	22%*	15%	9%	5%
ROA	37%	33%	25%*	15%	10%	5%
ROE	52%	43%	33%*	21%	13%	6%

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

** Exclude the discontinuing operation

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

2021H1 Gross Margin by BU

NT\$K						
Revenue	Q2		Q1		H1	
	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%

Gross Profit	Q2		Q1		H1	
	Gross Profit	GM%	Gross Profit	GM%	Gross Profit	GM%
IoT BU	669,553	44%	455,865	40%	1,125,418	42%
AI BU	82,406	72%	85,393	100%	167,799	84%
	751,959	46%	541,258	44%	1,293,217	45%

- **IoT BU: A growing cash cow.**
- **AI BU: VHM™ adoption driving high potential growth**
- **Business Environment**
 - Capacity remains tight in 2021, may impact customer supply chain.
- **2021 Outlook**
 - IoT BU
 - Demand strong in Q3/Q4, consistent with long term growth trend.
 - AI BU
 - VHM™ mass production continues to ramp. New design-in engagements ongoing.

Q&A

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