

Macronix International Co., Ltd.
Fourth Quarter 2021 Results
January 25, 2022



MACRONIX
INTERNATIONAL Co., LTD.

Safe Harbor Statement

The presentation and discussion contain certain forward-looking statements with respect to the results of operation, financial condition and current expectation. The forward-looking statements are subject to known and unknown uncertainties and risks that could cause actual results to differ materially from those expressed or implied by such statements.

Such risks and uncertainties include but are not limited to the impact of competitive products and pricing, timely design acceptance by our customers, timely introduction of new technologies, ability to ramp new products into volume, industry wide shifts in supply and demand for semiconductor products, industry overcapacity, availability of manufacturing capacity, financial stability in end markets, and other risks.

The forward-looking statements in this release reflect the current belief of Macronix as of the date of this release and Macronix undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.

Agenda

Welcome

C.Y. Lu

4Q21 Financial Results

Paul Yeh

Business Update

C.Y. Lu

Remarks and Q&A

C.Y. Lu

4Q21 Solid Results with Significant Margins Expansions

	4Q21 Unaudited	3Q21 Reviewed	4Q20 Audited
Revenue (billion NT\$)	NT\$ 14.5	NT\$15.0	NT\$ 10.2
Gross margin %	47.2%	42.9% Pro Forma* 44.1%	32.4%
Operating margin %	28.1%	23.4% Pro Forma* 26.2%	14.1%

*Pro Forma – financial restatement, excluding the effects of one-time events

*Excluding all effects of disposal of 6" fab

FY21 Financial Highlights

	2021 Unaudited	2021 Pro Forma*	2020 Audited
Revenue (billion NT\$)	NT\$ 50.6	NT\$ 50.6	NT\$ 39.8
Gross margin %	41.6%	42.0%	33.7%
Operating margin %	21.9%	22.7%	14.7%

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Solid Financials Results

Unit : NTD Million (except EPS)	4Q21 Unaudited	3Q21 Reviewed	4Q20 Audited	QoQ Change	YoY Change	3Q21 Pro Forma*	QoQ Change
Net Sales	14,545	14,974	10,158	(3%)	43%	14,974	(3%)
Gross Profit	6,863	6,421	3,287	7%	109%	6,607	4%
Gross Margin%	47.2%	42.9%	32.4%	4.3ppt	14.8ppt	44.1%	3.1ppt
Operating Expenses	(2,769)	(2,924)	(1,850)	(5%)	50%	(2,685)	3%
Operating Income	4,094	3,497	1,437	17%	185%	3,923	4%
Operating Margin%	28.1%	23.4%	14.1%	4.7ppt	14.0ppt	26.2%	1.9ppt
Net Non-Operating Income (Loss)	(53)	2,625	(84)			120	
Income Before Taxes	4,041	6,122	1,353	(34%)	199%	4,043	(0%)
Income Taxes Expense	(349)	(693)	(197)			(508)	
Net Income	3,692	5,430	1,156	(32%)	219%	3,535	4%
Basic EPS (NT\$)	2.00	2.94	0.63			1.92	
EBITDA	5,200	7,263	2,431			5,184	
EBITDA %	36%	49%	24%			35%	
Weighted avg outstanding million shares	1,848	1,844	1,843			1,844	

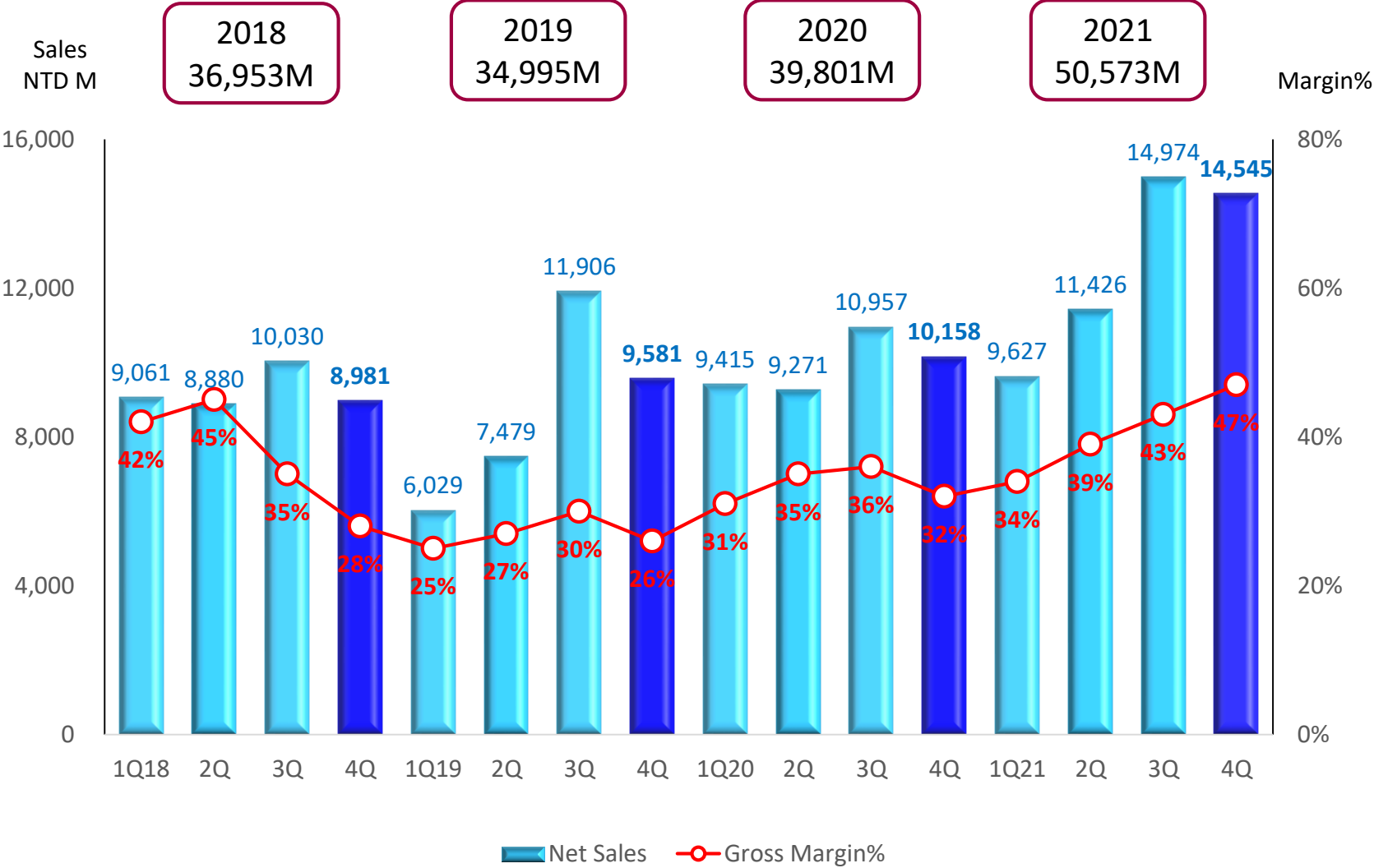
*Excluding all effects of disposal of 6" fab

FY21 Revs. Up 27% y/y with 790 Bps Margin Expansion

Unit : NTD Million (except EPS)	2021 Unaudited	2021 Pro Forma*	2020 Audited	Unaudited YoY Change	Pro Forma YoY Change
Net Sales	50,573	50,573	39,801	27%	27%
Gross Profit	21,050	21,237	13,409	57%	58%
Gross Margin%	41.6%	42.0%	33.7%	7.9ppt	8.3ppt
Operating Expenses	(9,986)	(9,747)	(7,543)	32%	29%
Operating Income	11,064	11,490	5,866	89%	96%
Operating Margin%	21.9%	22.7%	14.7%	7.2ppt	8.0ppt
Net Non-Operating Income (Loss)	2,264	(242)	(25)		
Income Before Taxes	13,328	11,248	5,841	128%	93%
Income Taxes Expense	(1,364)	(1,179)	(515)		
Net Income	11,963	10,069	5,326	125%	89%
Basic EPS (NT\$)	6.48	5.46	2.90		
EBITDA	17,848	15,769	9,834		
EBITDA %	35%	31%	25%		
Weighted avg outstanding million shares	1,845	1,845	1,839		

*Excluding all effects of disposal of 6" fab

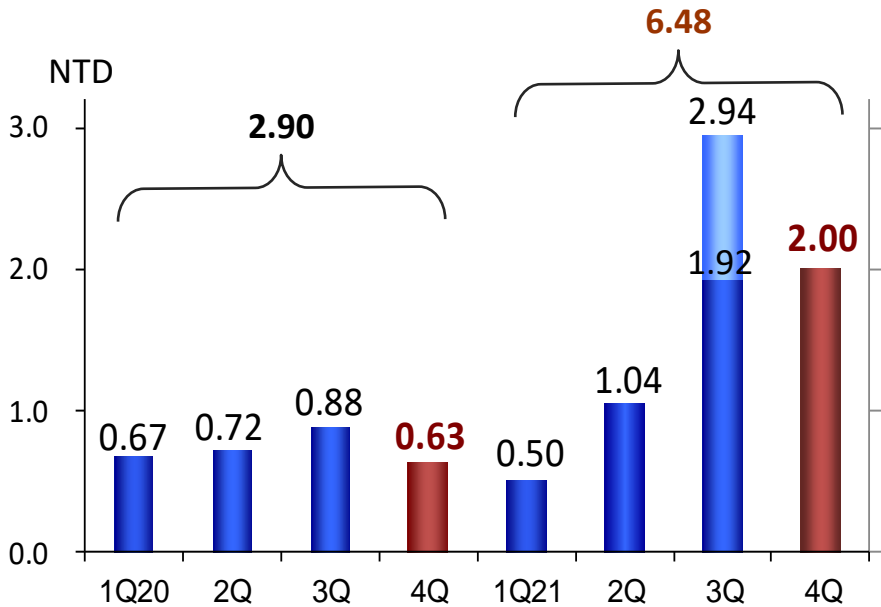
Sustainable Sales and Margin Growths



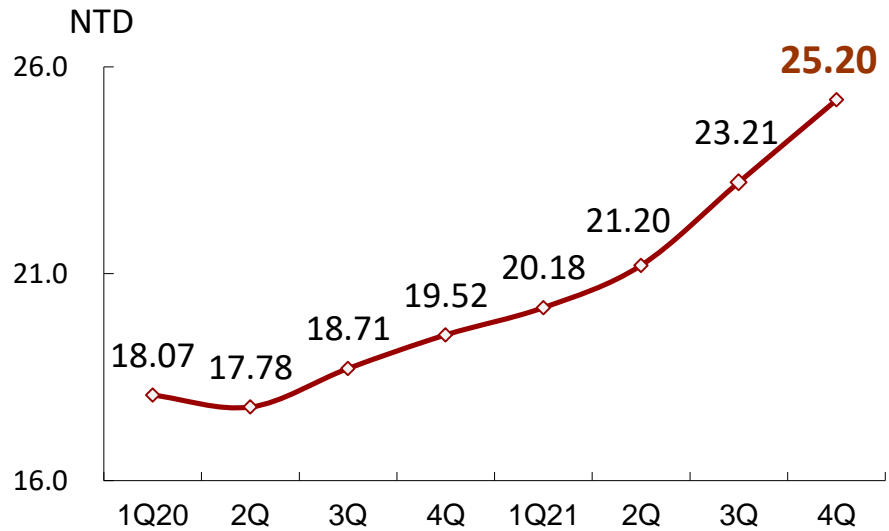
Rising Corporate Value

	4Q21	4Q20
Basic EPS -- NT\$	2.00	0.63
Book Value -- NT\$	25.20	19.52

Basic EPS

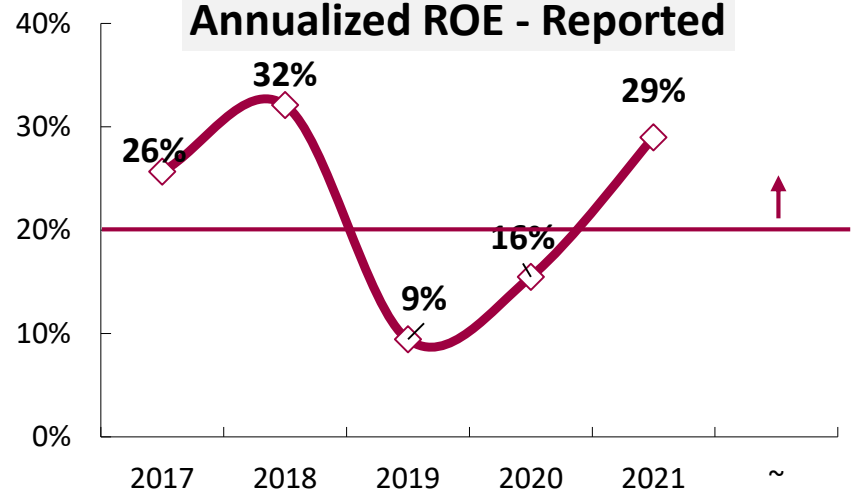


Book Value

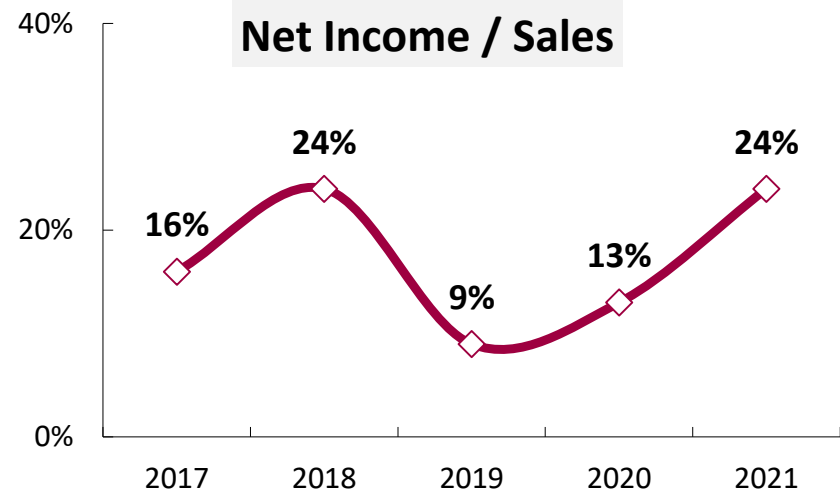


Improving ROE (GAAP)

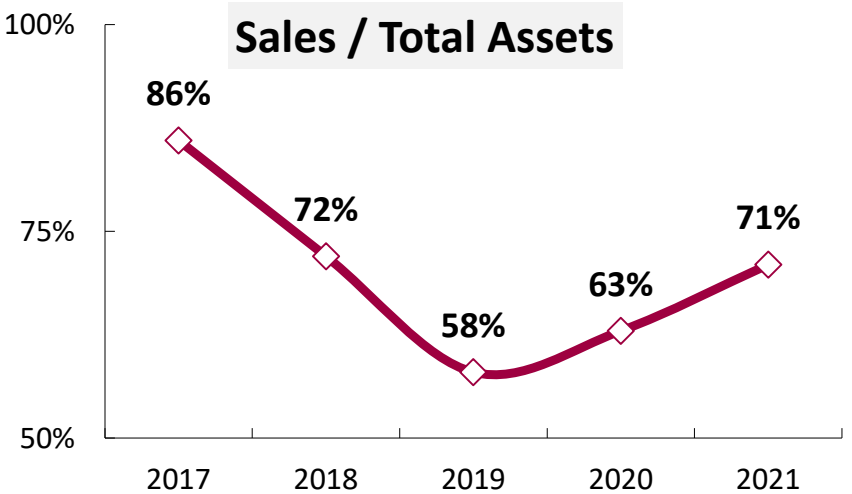
Annualized ROE - Reported



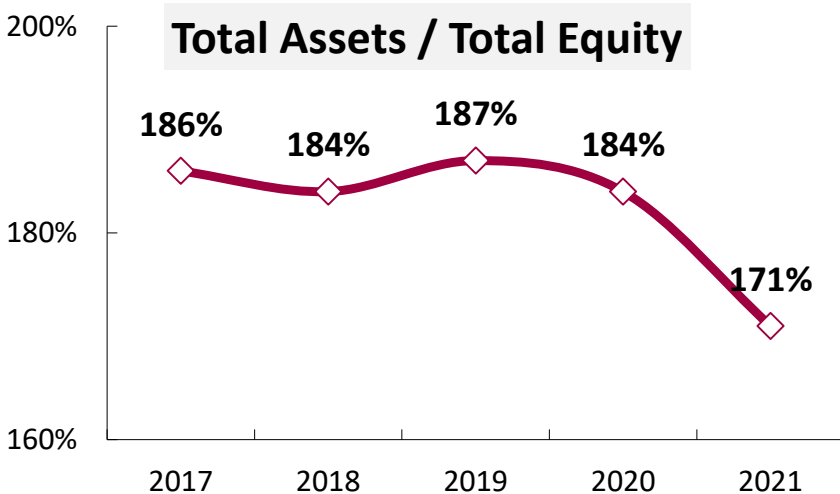
Net Income / Sales



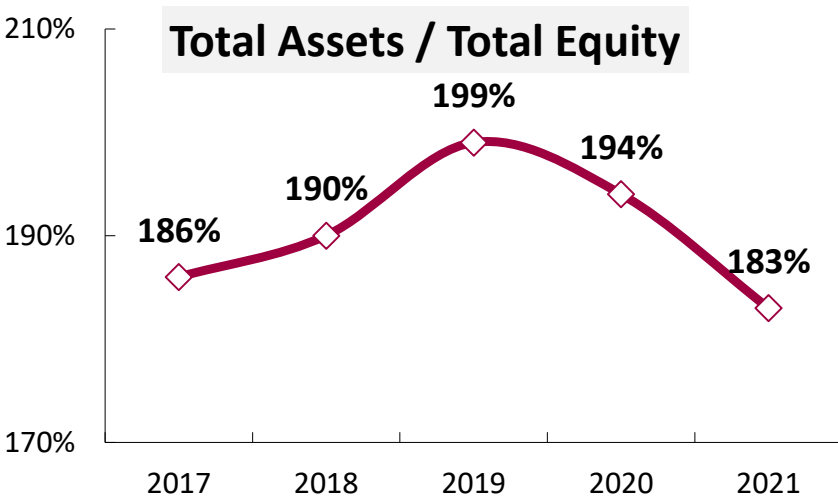
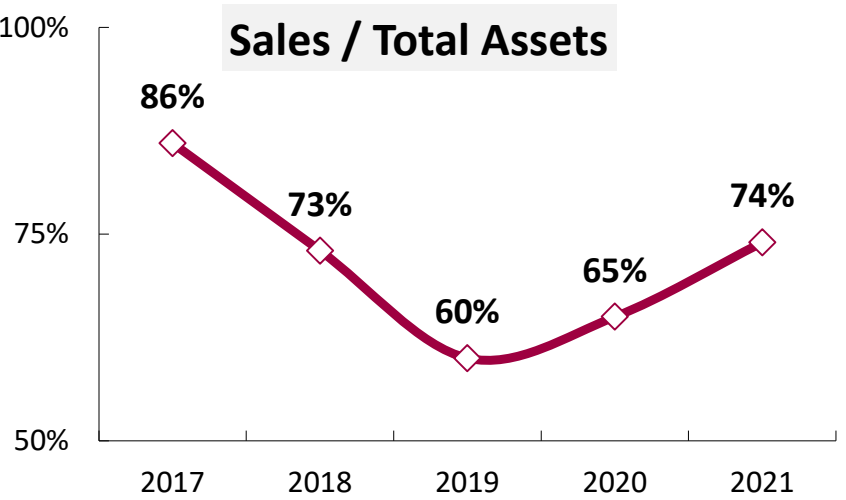
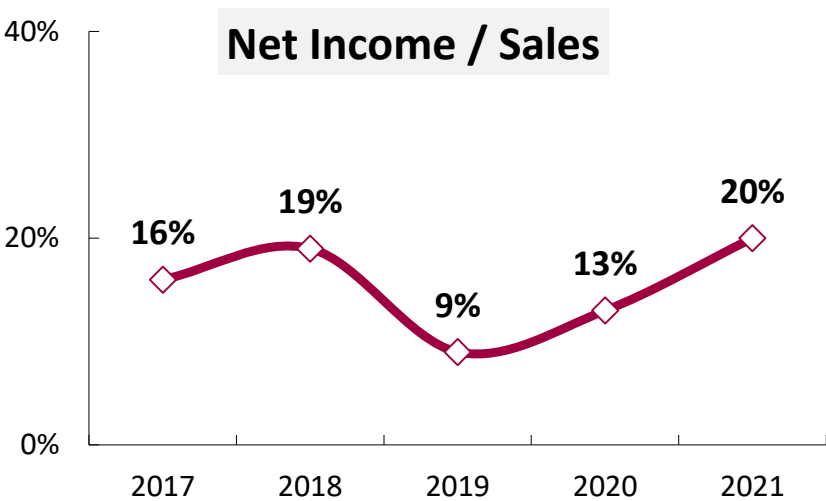
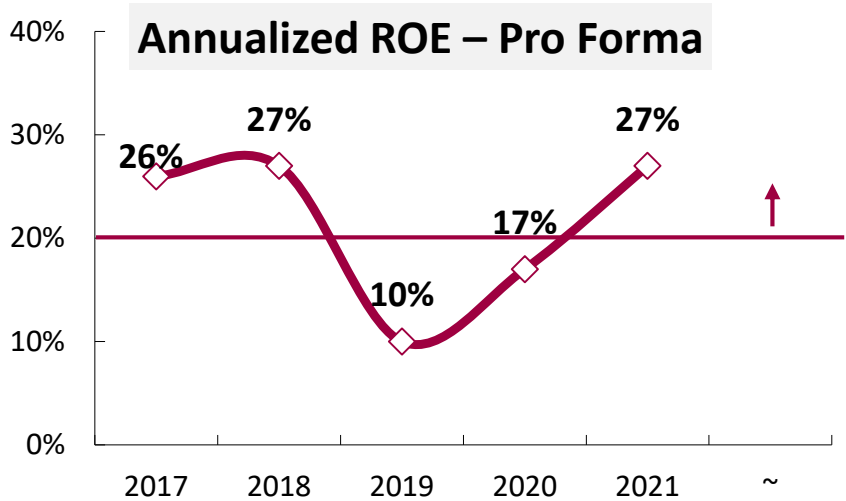
Sales / Total Assets



Total Assets / Total Equity



Improving ROE (non GAAP)



Pro Forma - excluding all effects of IP litigation and disposal of 6" fab

Strong Balance Sheet with a Healthy Debt Ratio

Unit: NTD Million (except BV)	12/31/'21 Unaudited	09/30/'21 Reviewed	12/31/'20 Audited
Cash	18,565	15,152	11,879
Inventory(Net)	13,156	13,313	12,945
Property, Plant and Equipment	32,218	31,320	31,463
Total Assets	76,708	73,694	65,892
Interest bearing debt - short term	3,095	4,706	5,412
Interest bearing debt - long term	9,250	6,707	10,737
Total Liabilities	29,983	30,662	29,698
Debt Ratio (%)	39.1%	41.6%	45.1%
Shareholders' Equity	46,725	43,032	36,194
Book Value -- NT\$	25.20	23.21	19.52

Growing FcF

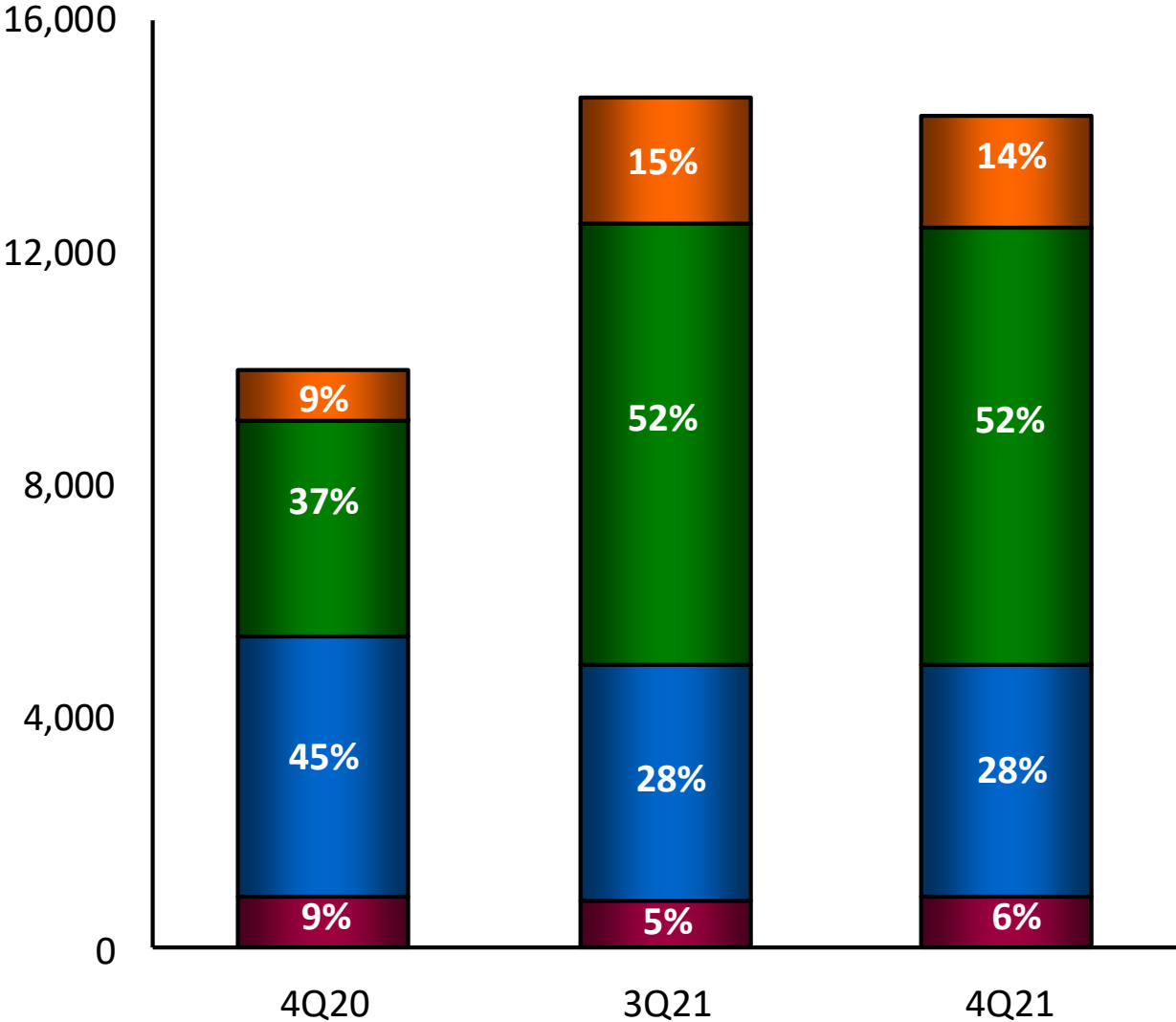
Unit: NTD Million	4Q21 Unaudited	3Q21 Reviewed	4Q20 Audited	2021 Unaudited	2020 Audited
Cash Flow from Operating	7,043	4,217	4,238	16,116	9,855
Depreciation & Amortization	1,106	1,086	1,011	4,284	3,746
Cash Flow from Investing	(2,211)	636	(1,754)	(2,623)	(6,043)
Capital Expenditures	(2,542)	(1,198)	(1,760)	(4,790)	(6,080)
Cash Flow from Financing	(1,275)	(1,521)	1,636	(6,262)	(579)
Net Change*	3,413	3,356	4,081	6,686	3,154
Ending Balance	18,565	15,152	11,879	18,565	11,879
Free Cash Flow**	4,501	3,019	2,478	11,326	3,775

*Net change includes the effect of exchange rate changes

**Free Cash Flow=Cash Flow from Operating - Capital Expenditures

Quarterly Sales Breakdown by Products (Parent Company)

Unit: NTD Million

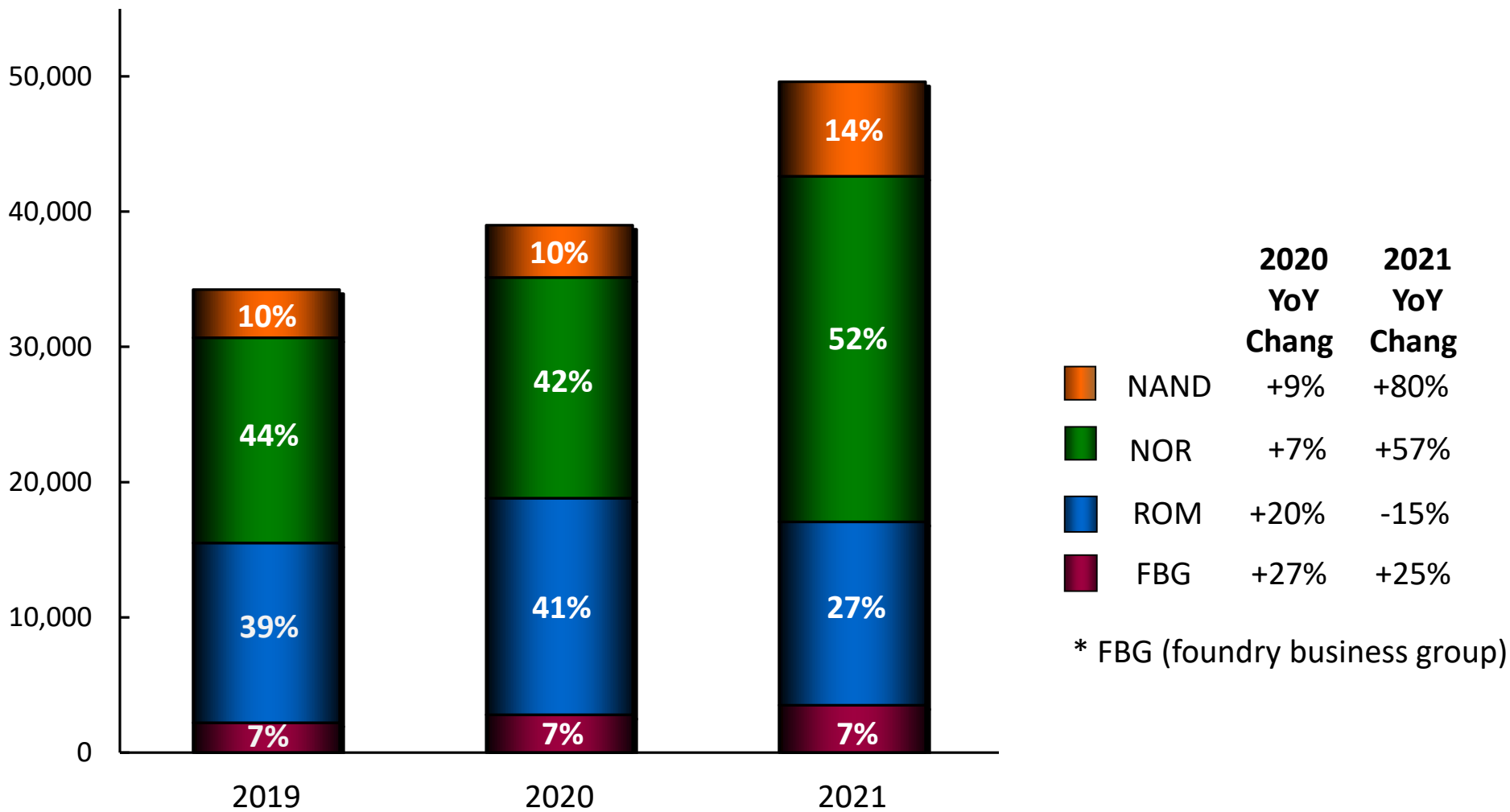


	QoQ Change	YoY Change
NAND	-11%	+125%
NOR	-2%	+100%
ROM	-2%	-11%
FBG	+7%	+1%

* FBG (foundry business group)

Annual Sales Breakdown by Products (Parent Company)

Unit: NT\$ Million



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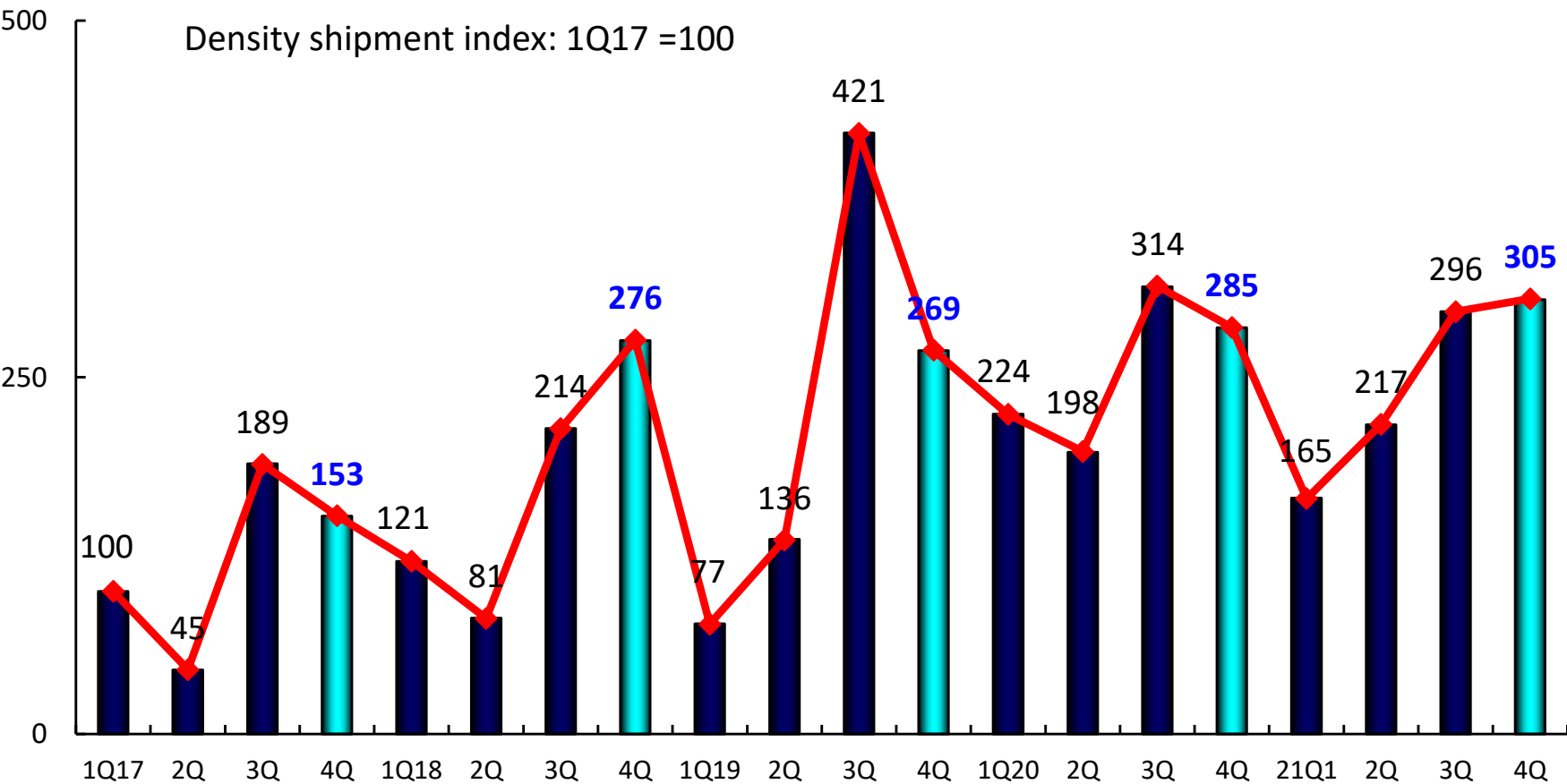
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Business update - ROM

➤ ROM business

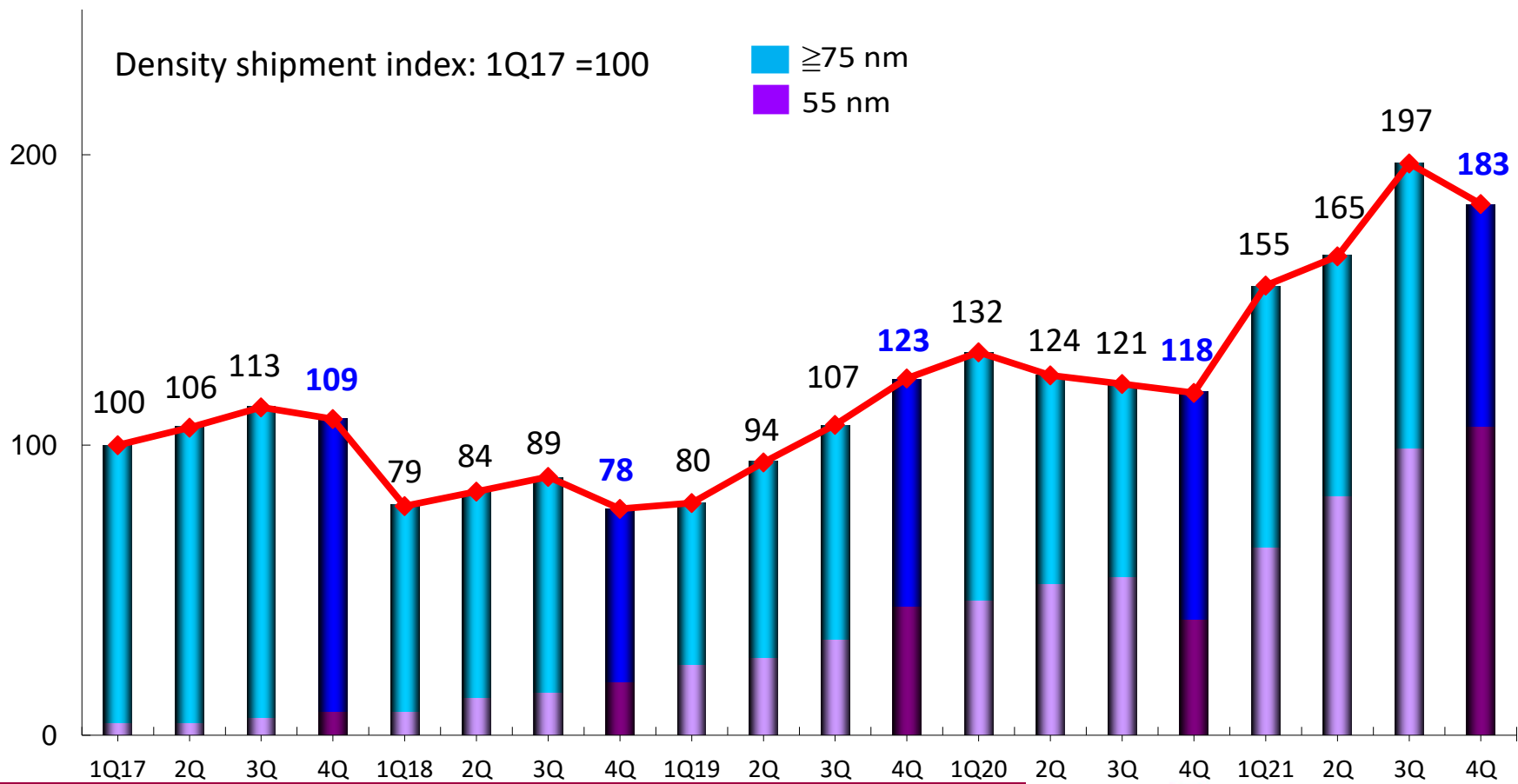
- 4Q21 density shipments up 3% q/q despite the typical season low



Business update - NOR

➤ NOR business

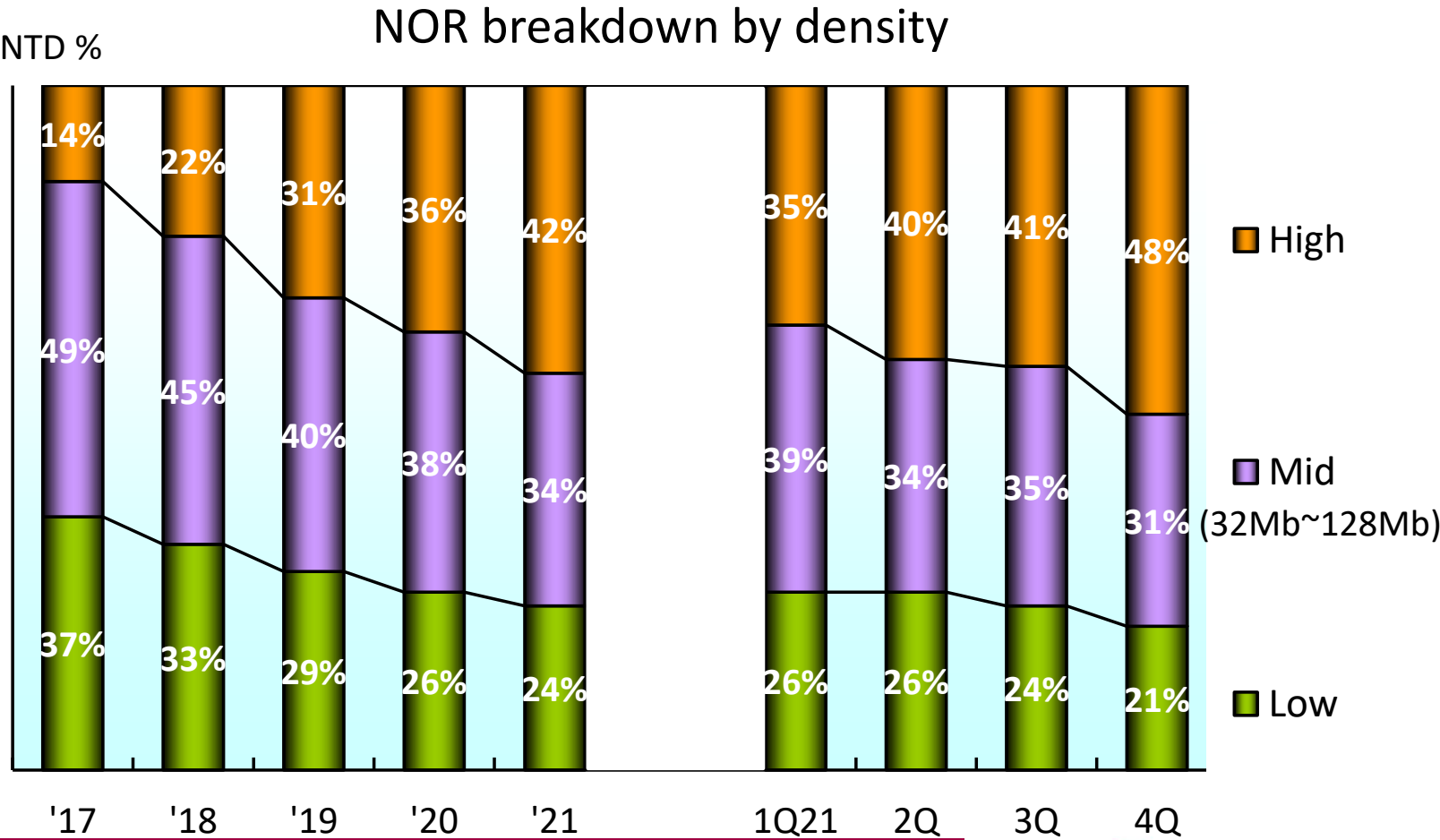
- 4Q21 density shipments continued to remain high, +55% y/y and -7% q/q
- 55nm continued to expand the penetration, + 55% y/y and +7% q/q, representing 58% of density shipment in 4Q21
- ASP hike continued, mainly on strong demand from target markets



Business update – NOR breakdown (Parent Company)

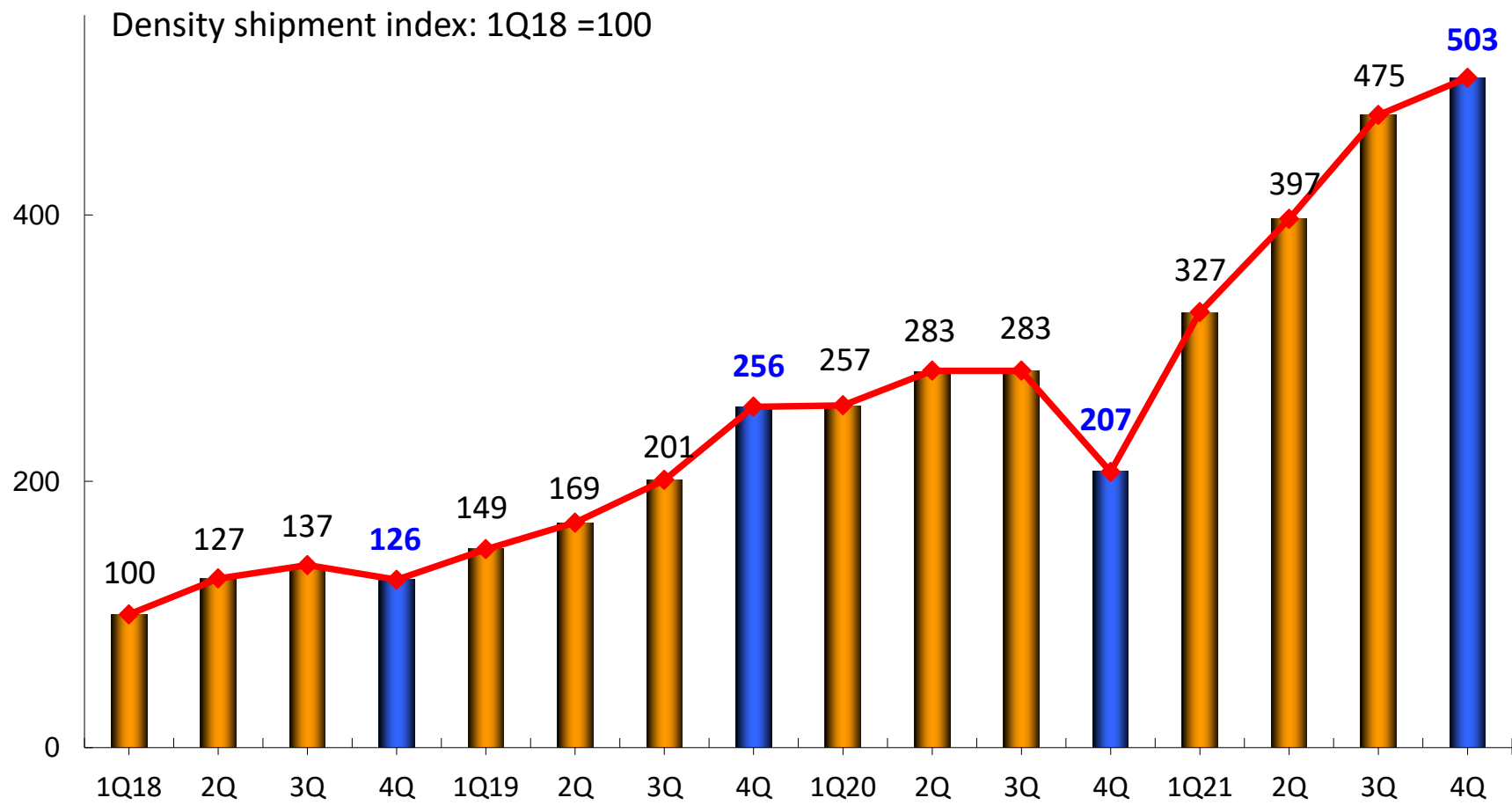
➤ **NOR business**

- Continued to focus on developing high quality and high density products

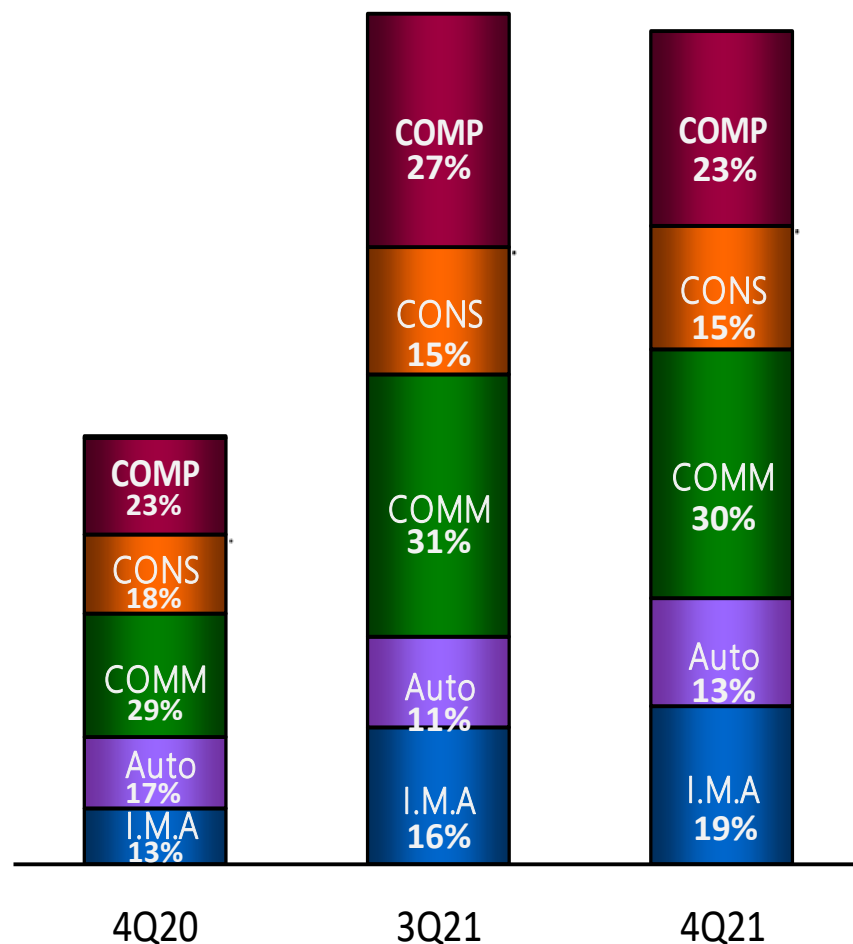


Business update – high density NOR (Parent Company)

- **High density NOR business**
 - Strong demands driven by 5G, Data Center, and Automotive



Business update NOR – Well Diverse Applications



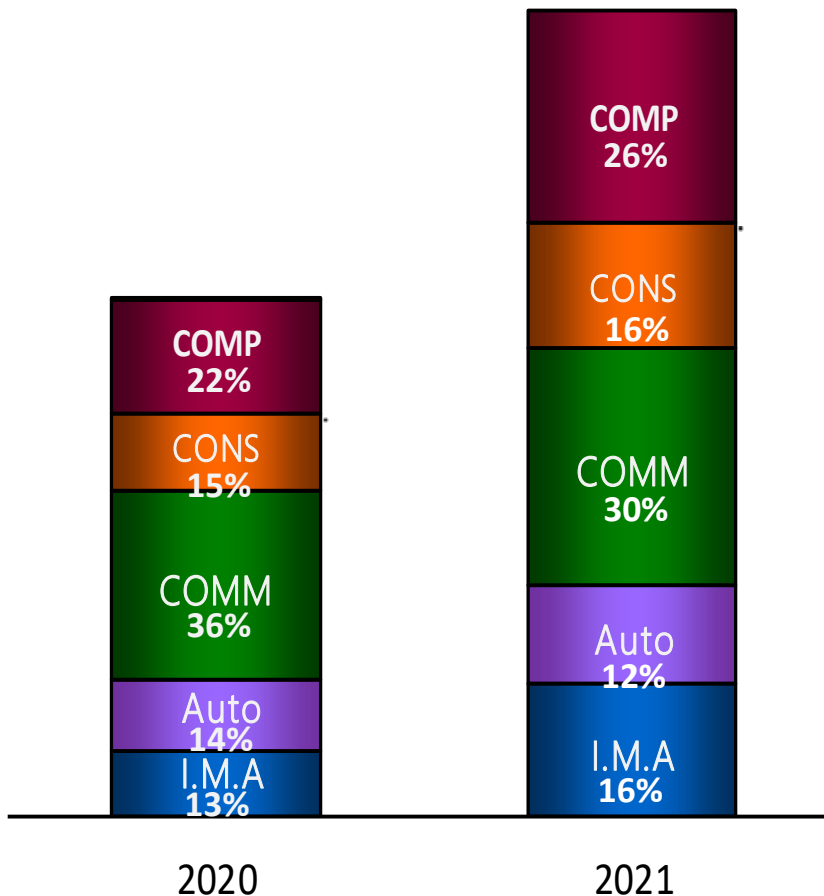
4Q21 NOR revenue comparison

	QoQ Change	YoY Change
Computer	-17%	+102%
Consumer	-3%	+57%
Communication	-5%	+101%
Automotive	+18%	+50%
I.M.A	+16%	+188%

* **Comm**: including handsets

* **I**(Industrial), **M**(Medical), **A**(Aerospace-defense)

Business update – NOR flash breakdown (Parent Company)



2021 NOR revenue comparison

	YoY Change
<div></div> Computer	+84%
<div></div> Consumer	+64%
<div></div> Communication	+25%
<div></div> Automotive	+41%
<div></div> I.M.A	+101%

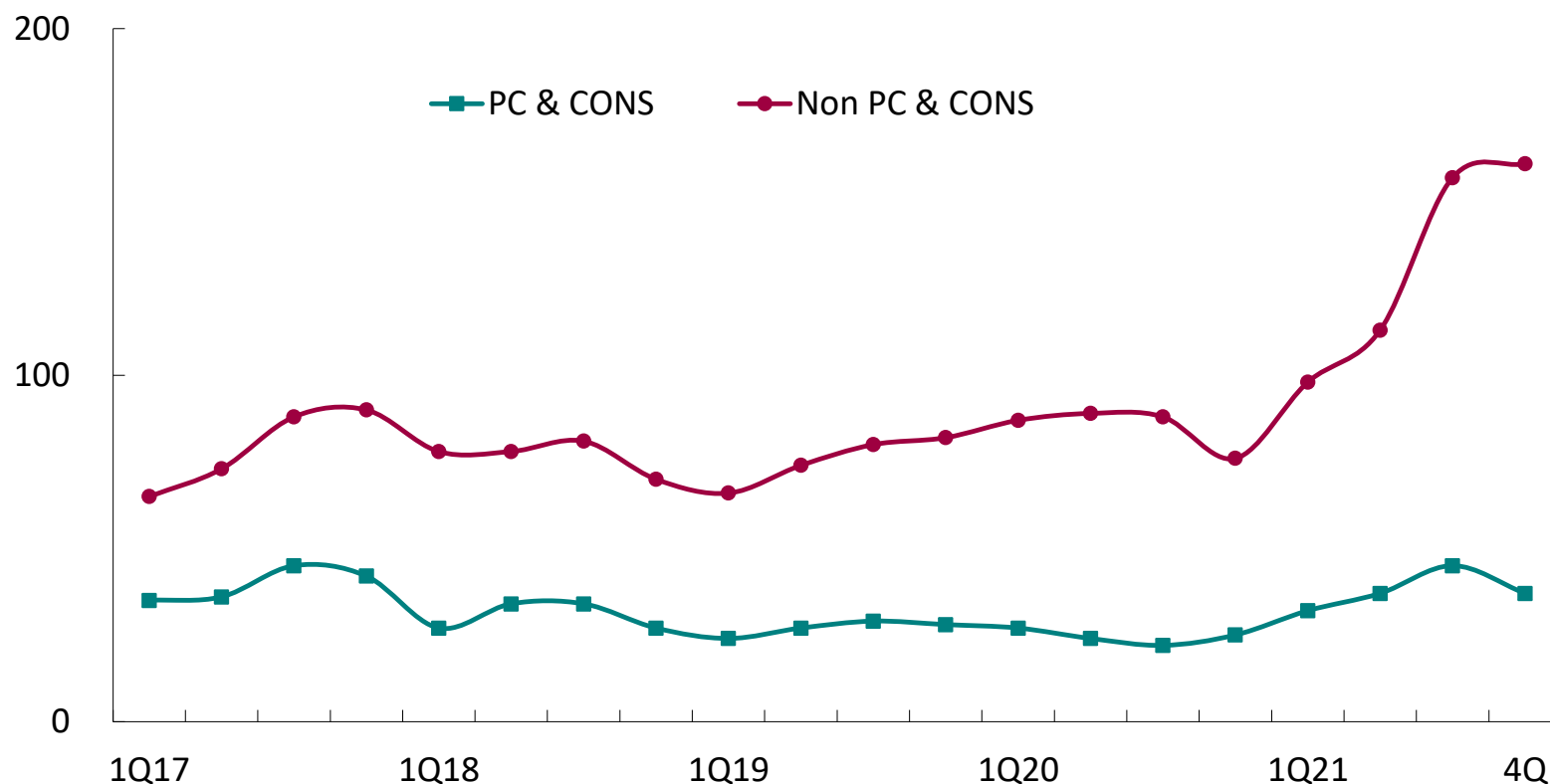
* **Comm:** including handsets

* **I**(Industrial), **M**(Medical), **A**(Aerospace-defense)

Transforming into Less-Cyclical Applications

Revenue index: 1Q17 Total =100

NOR revenue Index Trend



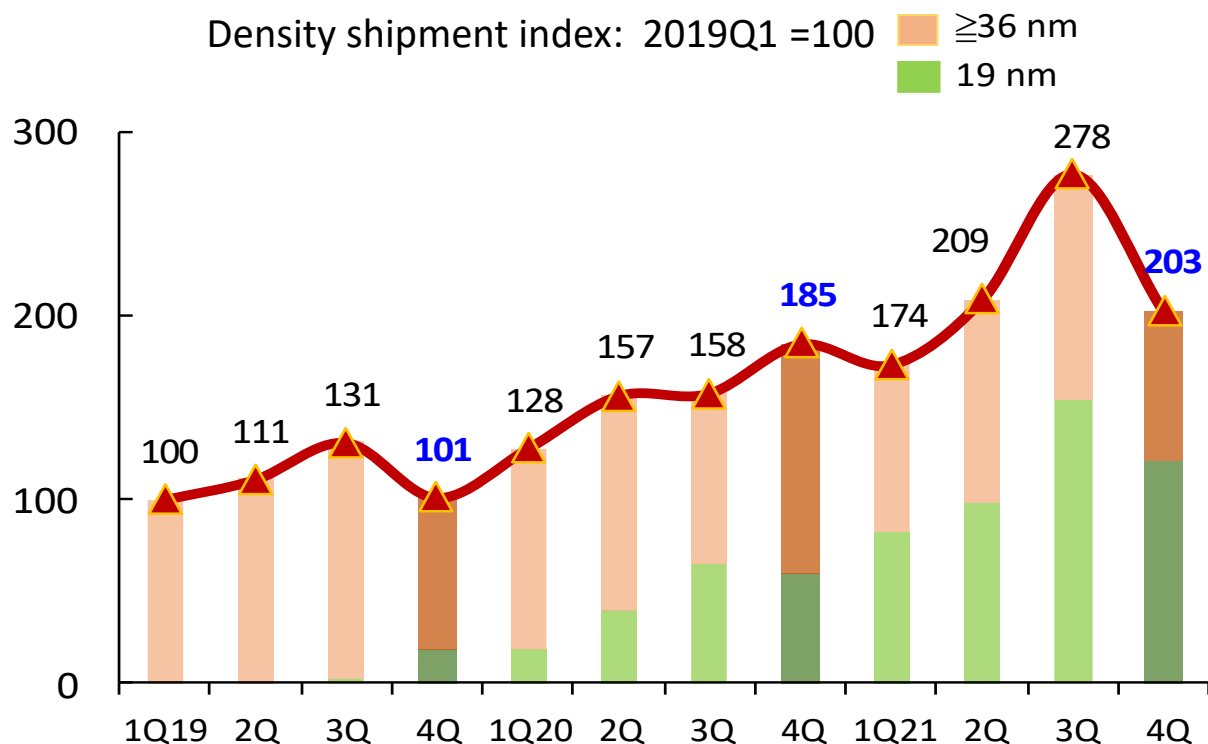
PC : DTPC 、 NB 、 Web Cam 、 Monitors 、 Tablet

CONS : Printers/MFP 、 TV 、 Audio 、 Game Consoles 、 Pachinko 、 STB 、 Ela Toys 、 Video

Business update – SLC NAND (Parent Company)

➤ SLC NAND business

- 19nm represented 59% of density shipment in 4Q21
- 4Q density shipment down mainly due to strategic capacity allocation
- ASP hike continued



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For more information regarding Macronix
<http://www.macronix.com>



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