

AP Memory Technology Corporation

November 2021

TWSE: 6531



Disclaimer

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Outline

- About AP Memory
- Financial Highlight
- Q&A

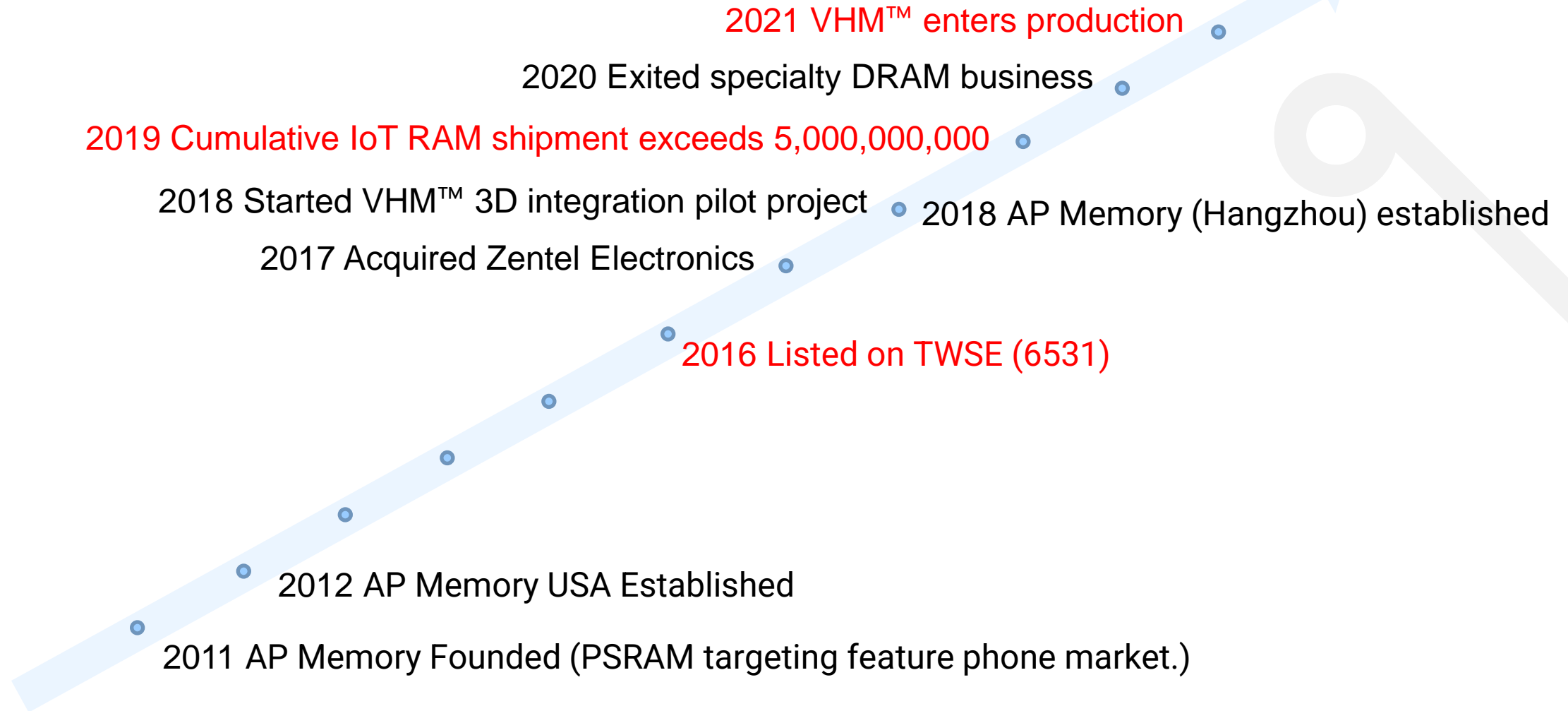
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About AP Memory

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: 155 (as of Oct 31, 2021)
- Market Cap: NT\$ 80B (as of Oct 31, 2021)
- Shares Outstanding: 148.6M

Milestones

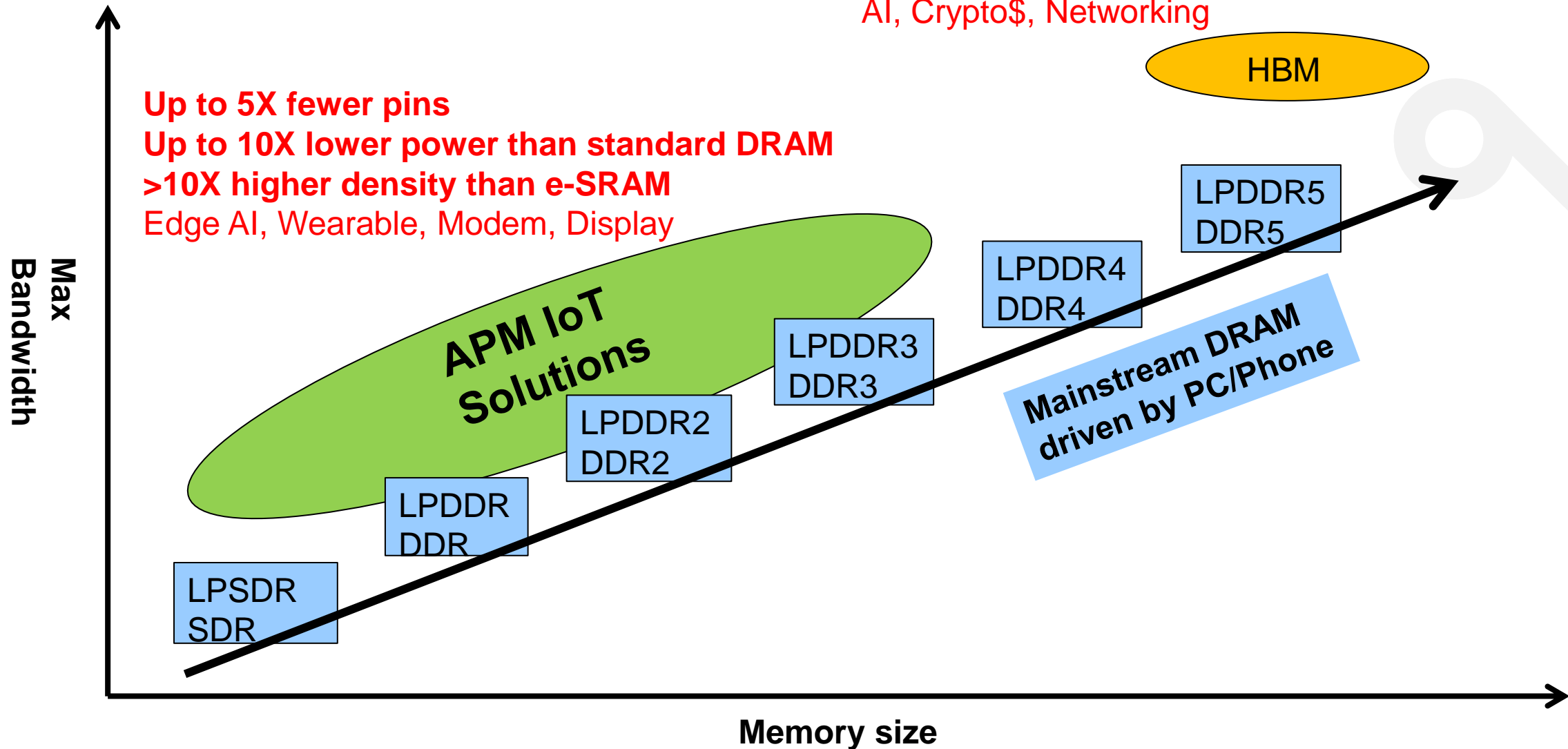


Why Customized DRAM?

- 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

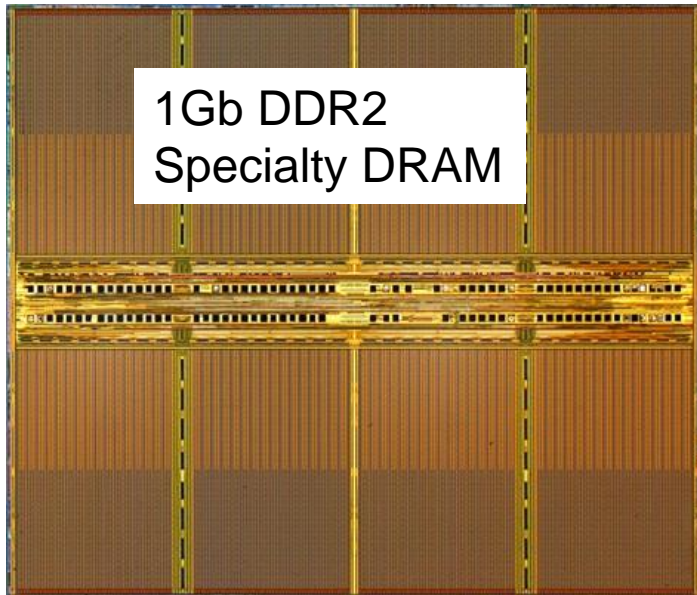
Customized DRAM = Application Know-how/IP + DRAM

Positioning of APM Solutions

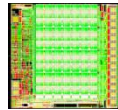


What is PSRAM?

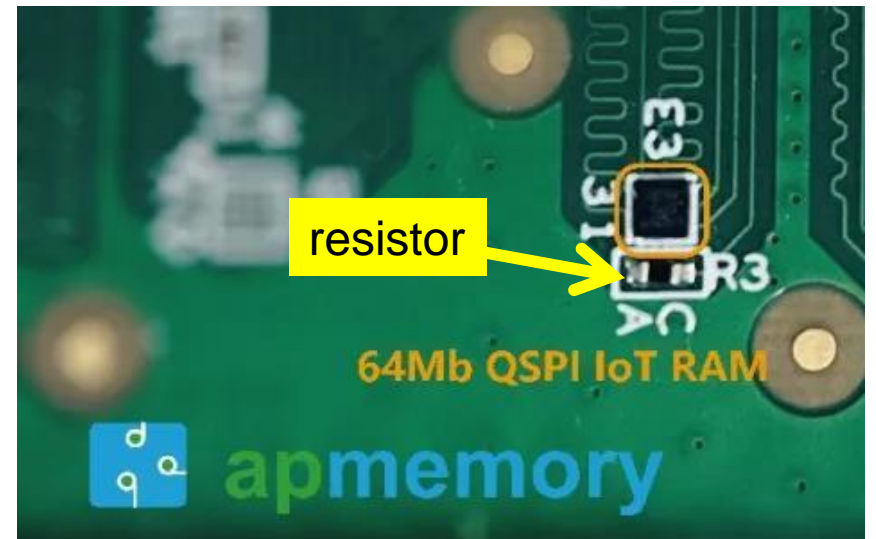
- PSRAM
 - Inside = DRAM cells
 - Outside = SRAM interface, customized to reduce
 1. Pin count
 2. Complexity
 3. Power
 4. Form factor
- Customized interface ➔ stickiness



APM 32Mb PSRAM

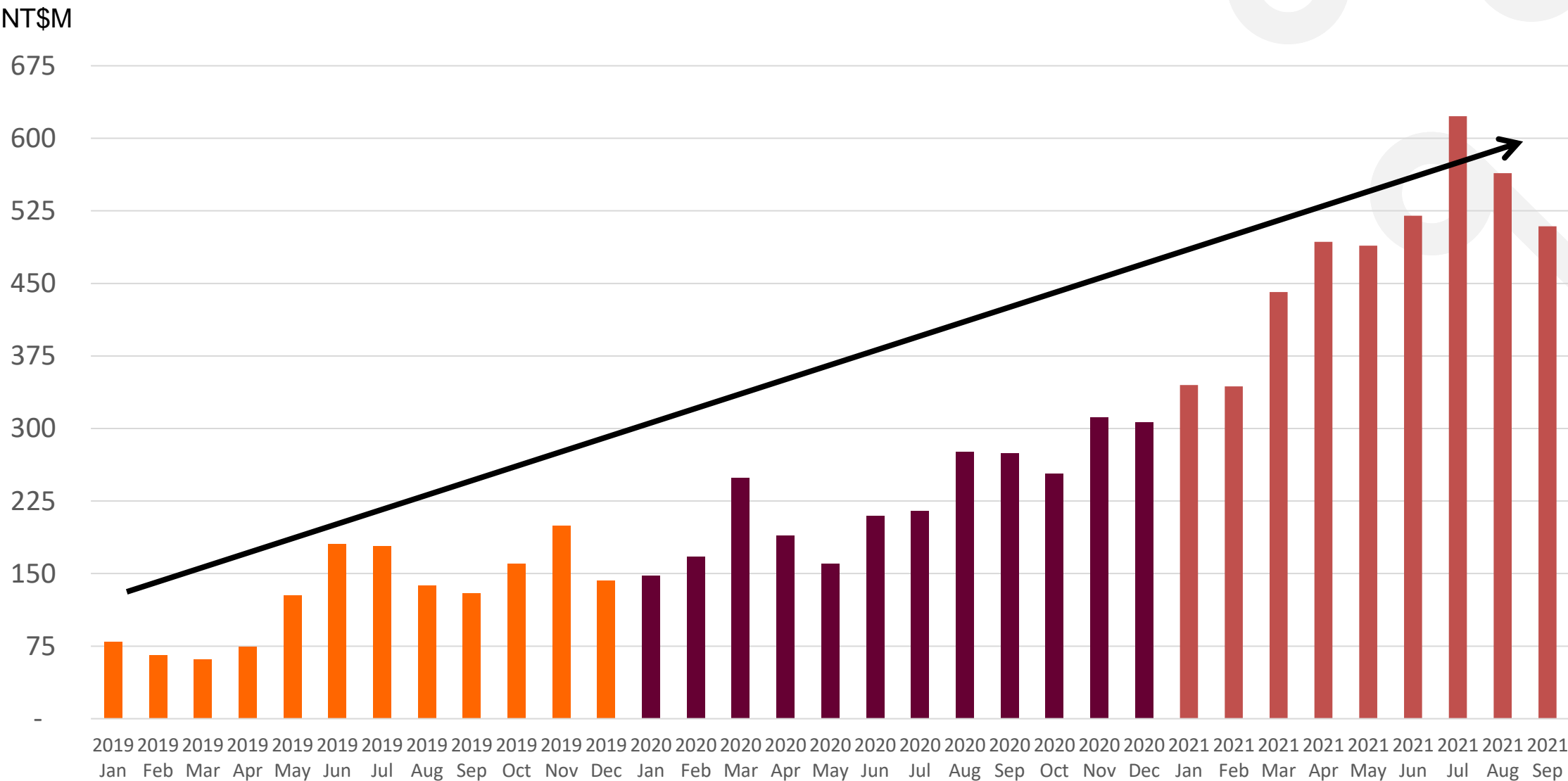


(Roughly to scale)



- 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

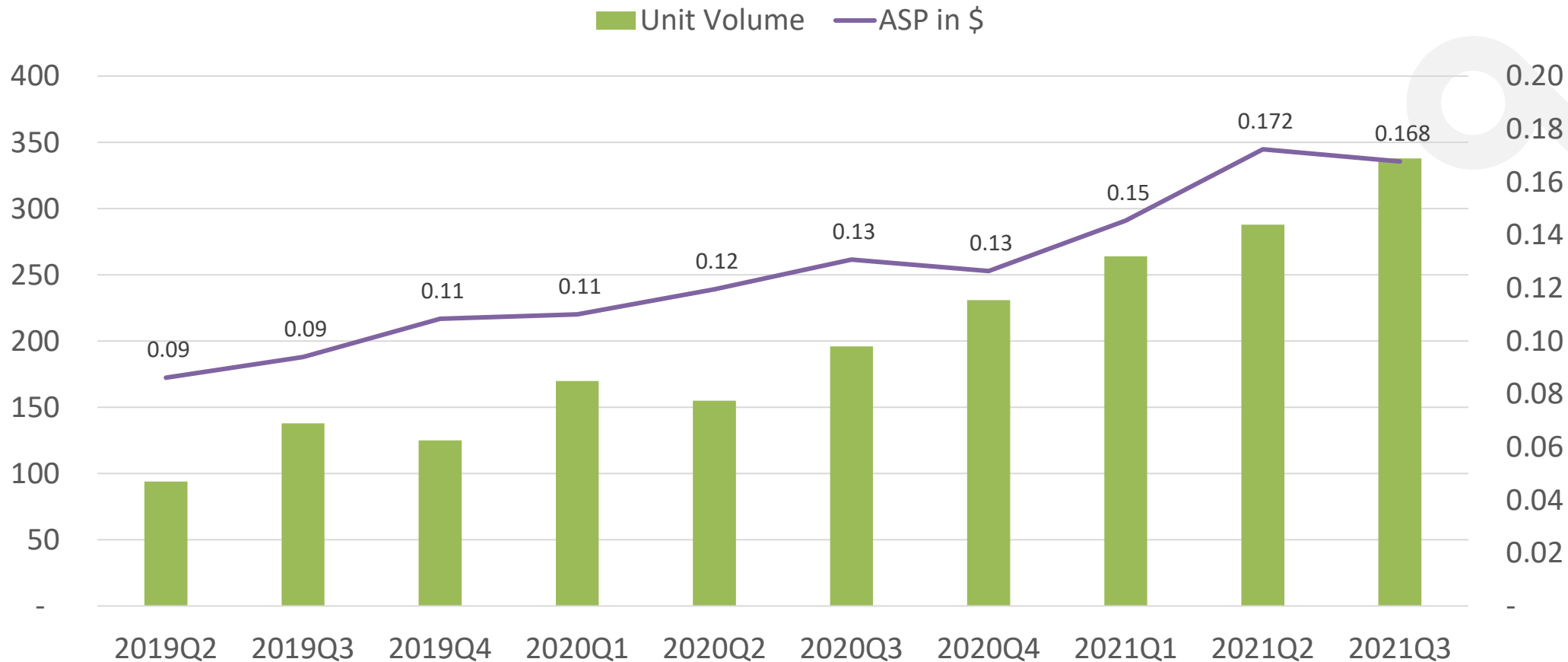
IoTRAM Monthly Revenue Trend



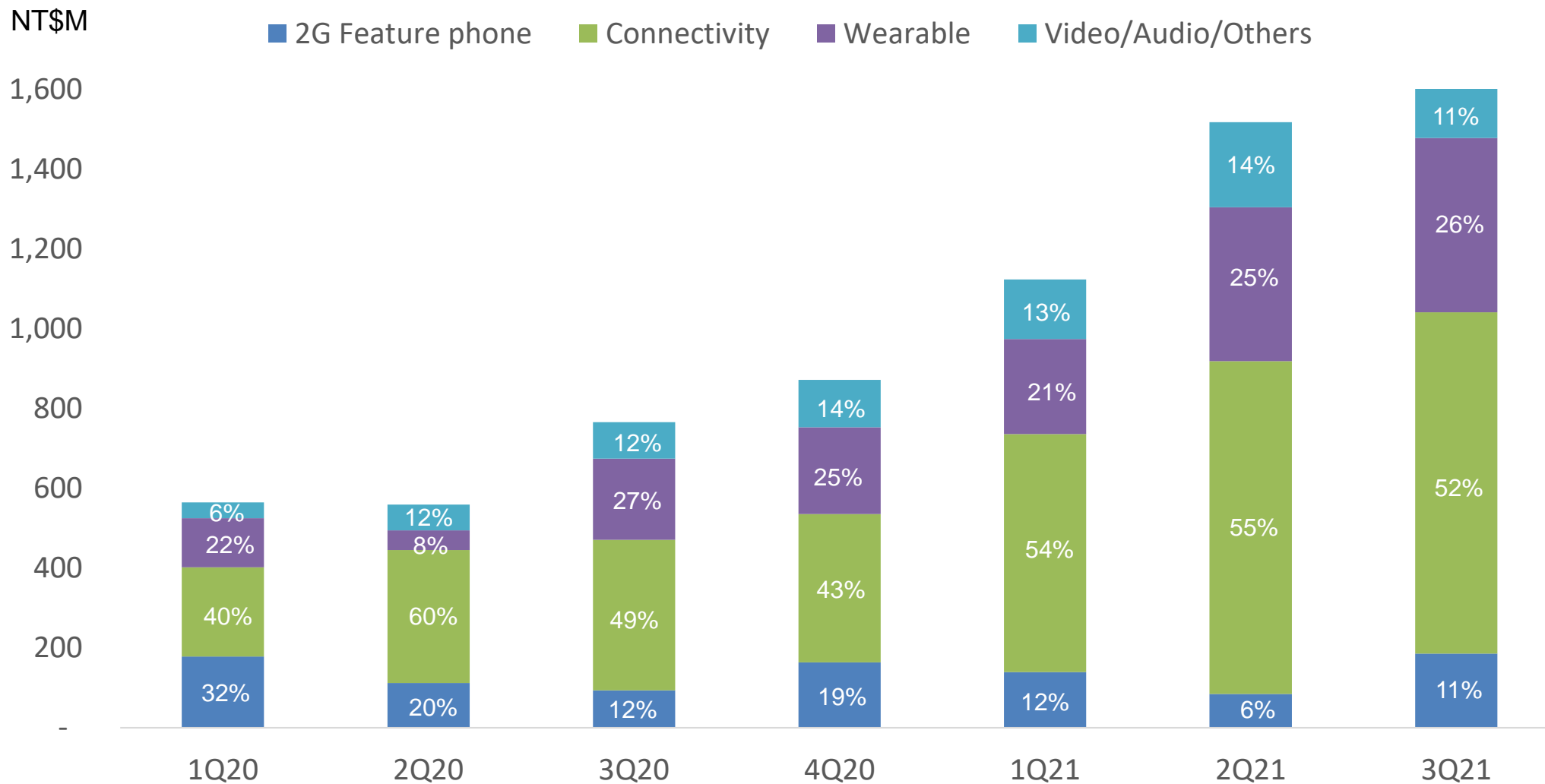
IoTRAM Unit Volume and ASP Trend

Unit: Million EA

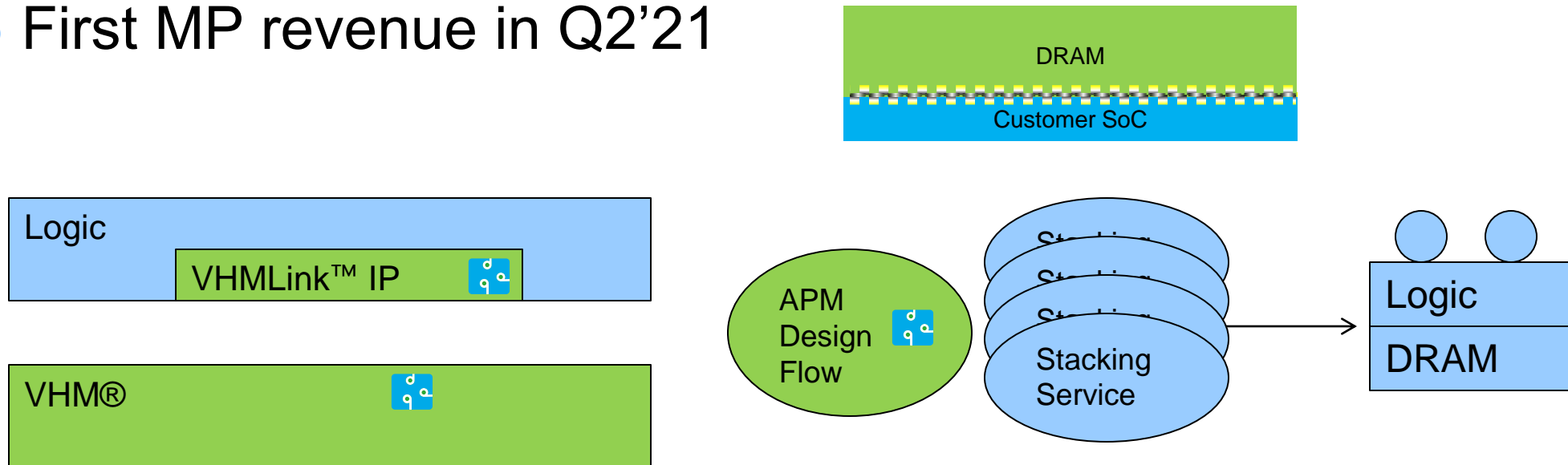
Unit: US\$



IoTRAM Revenue by Application

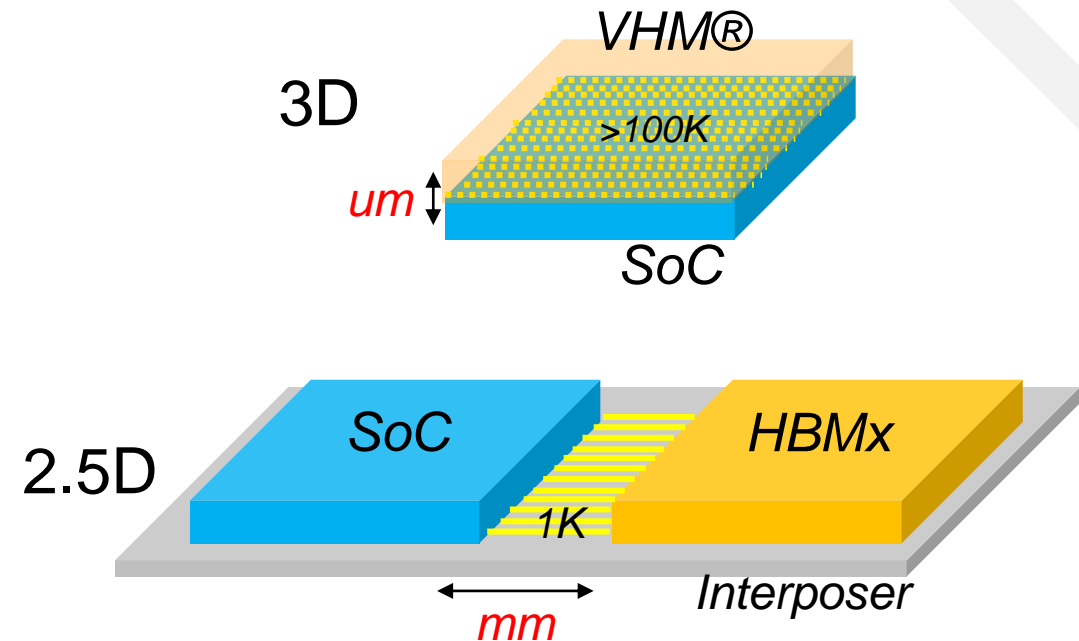


- Business Model:
 - Licensing + DRAM wafer sales
 - Pre-production: License fee of VHM® and associated IP
 - Production: sales revenue of DRAM wafers
- VHM®: World's first 3D Logic-DRAM integration
 - First MP revenue in Q2'21

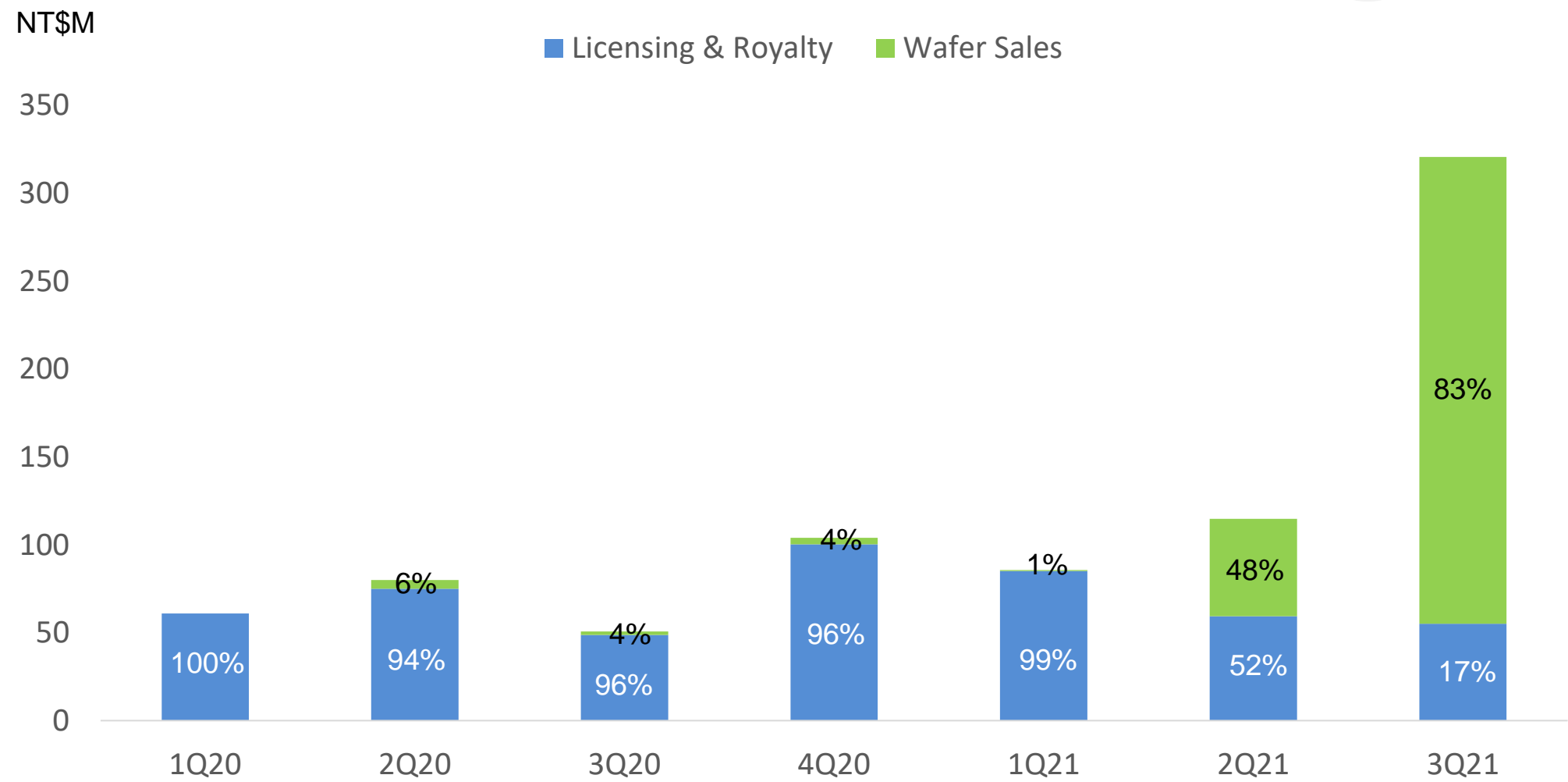


What is VHM®

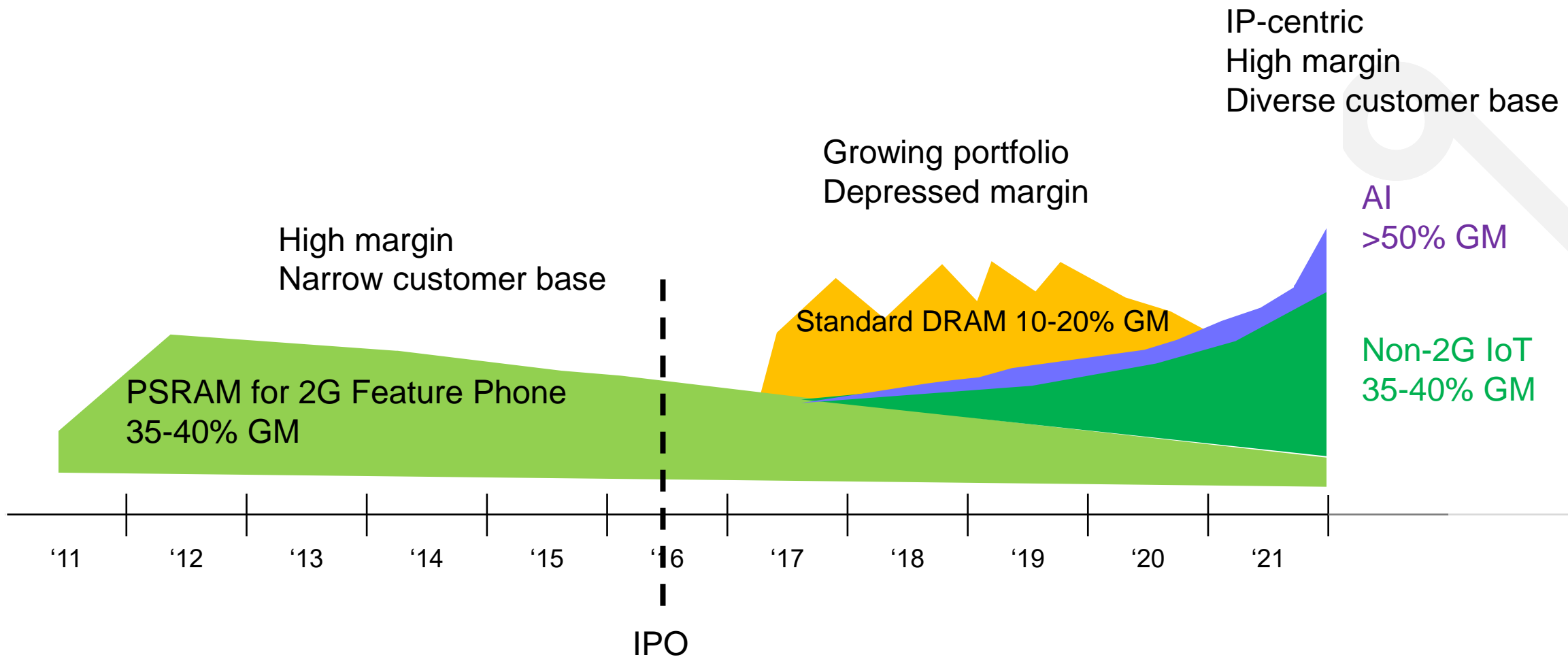
- 3D stacking of memory on logic
 - Much better bandwidth (more connections)
 - Much better power (shorter connections)
- The pain point
 - Bandwidth requirement far exceeds HBM/2/E/3
- Value proposition
 - Memory capacity: sufficient
 - Bandwidth > > HBM
 - Maturing supply chain



AI BU Revenue by Category



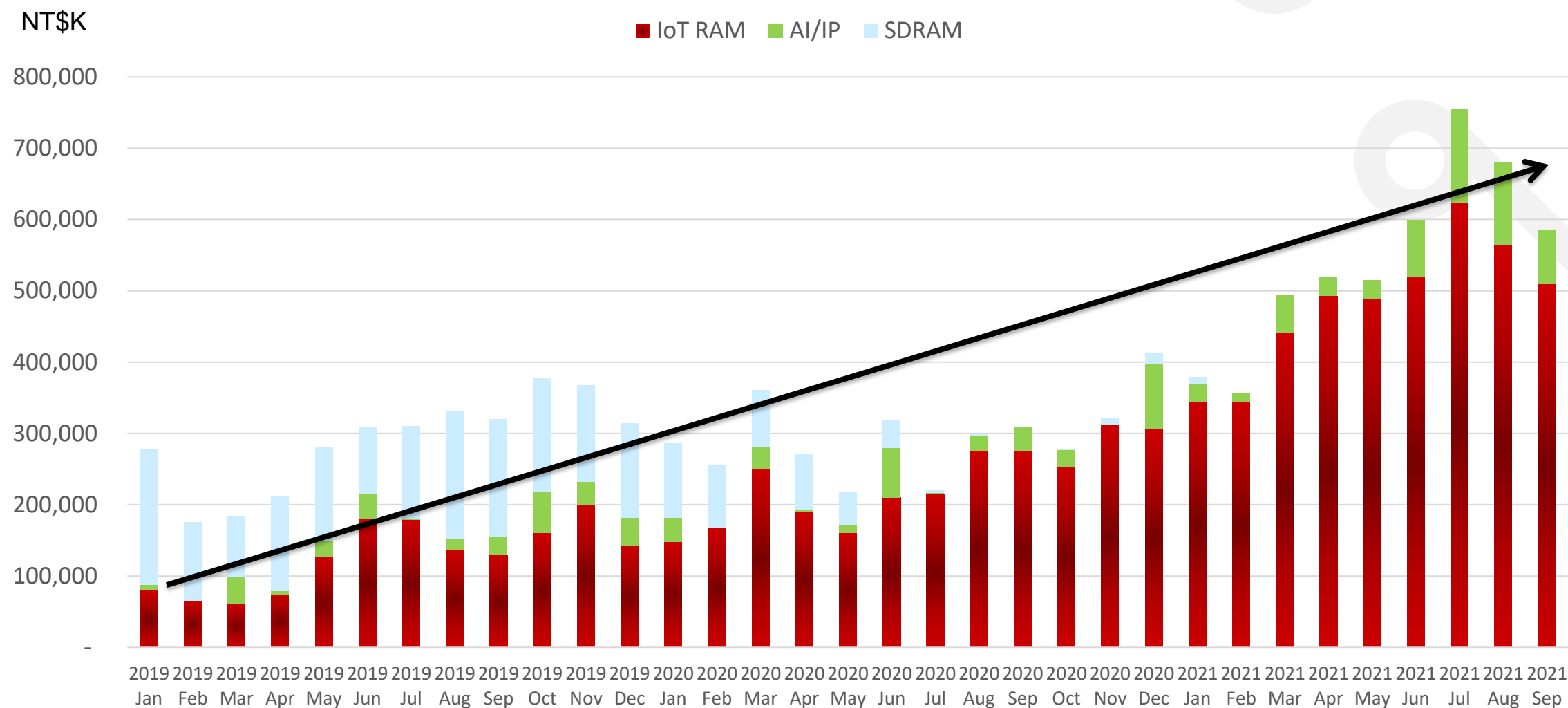
Evolution of Our Business Model



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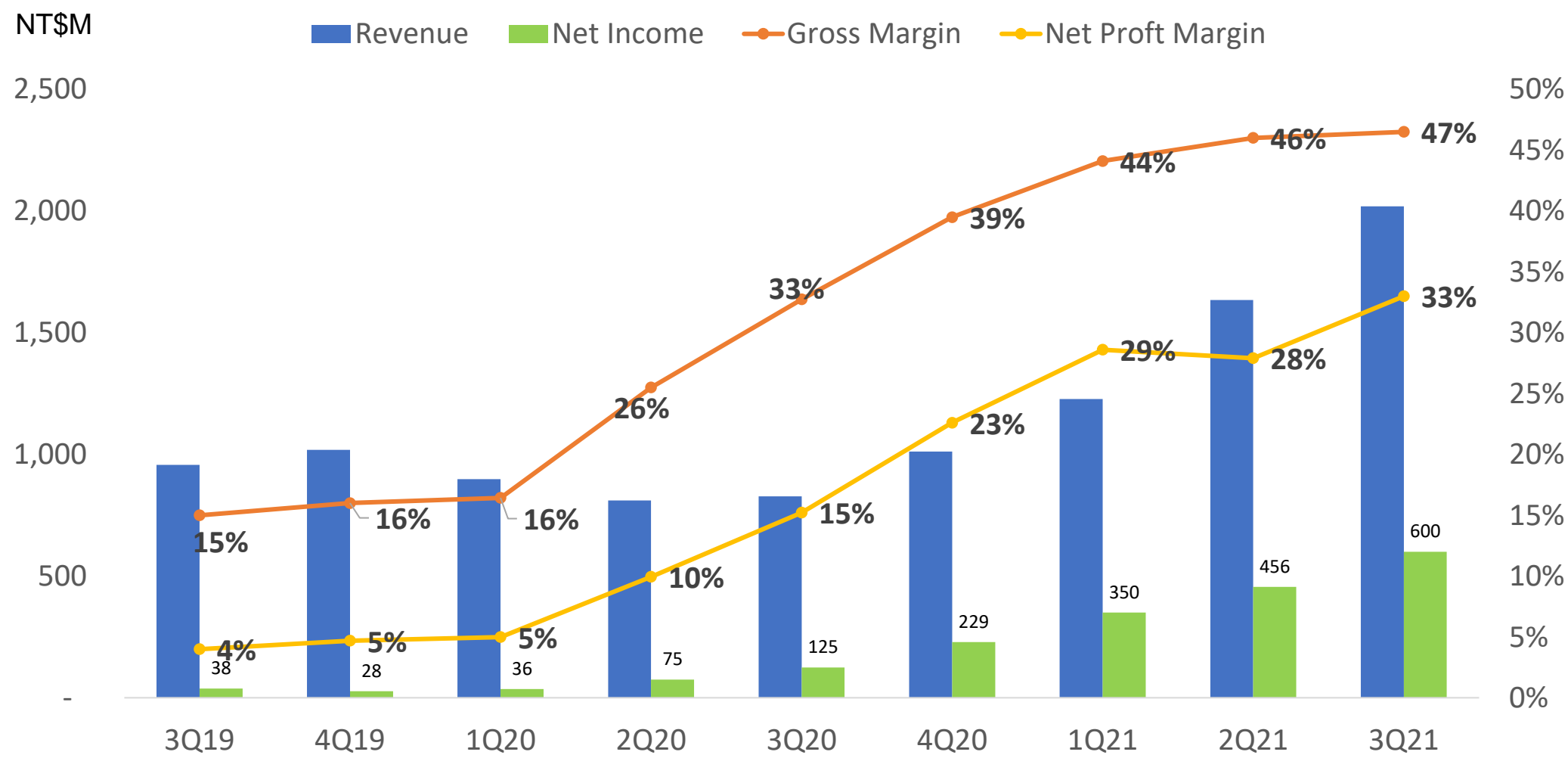
Financial Highlight

Revenue Trend



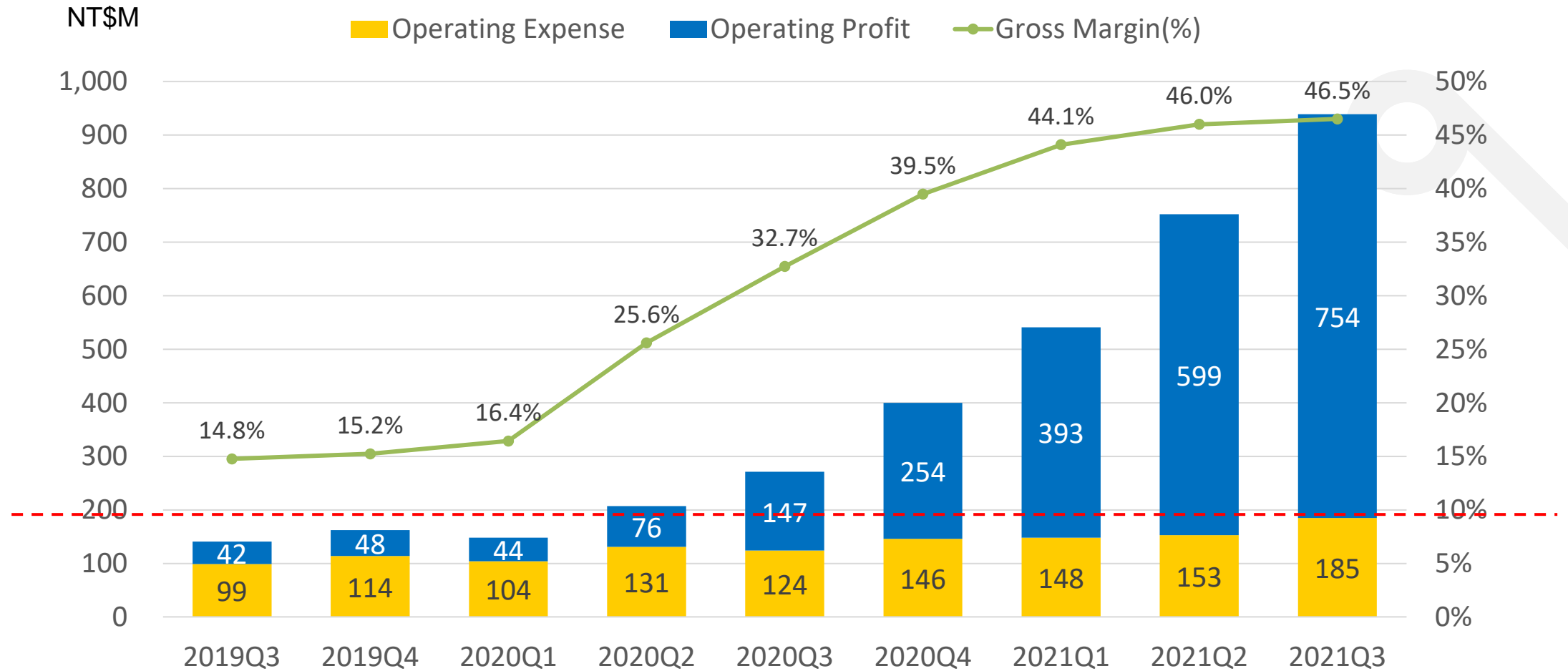
* Excluded the discontinuing operation

Operating Results

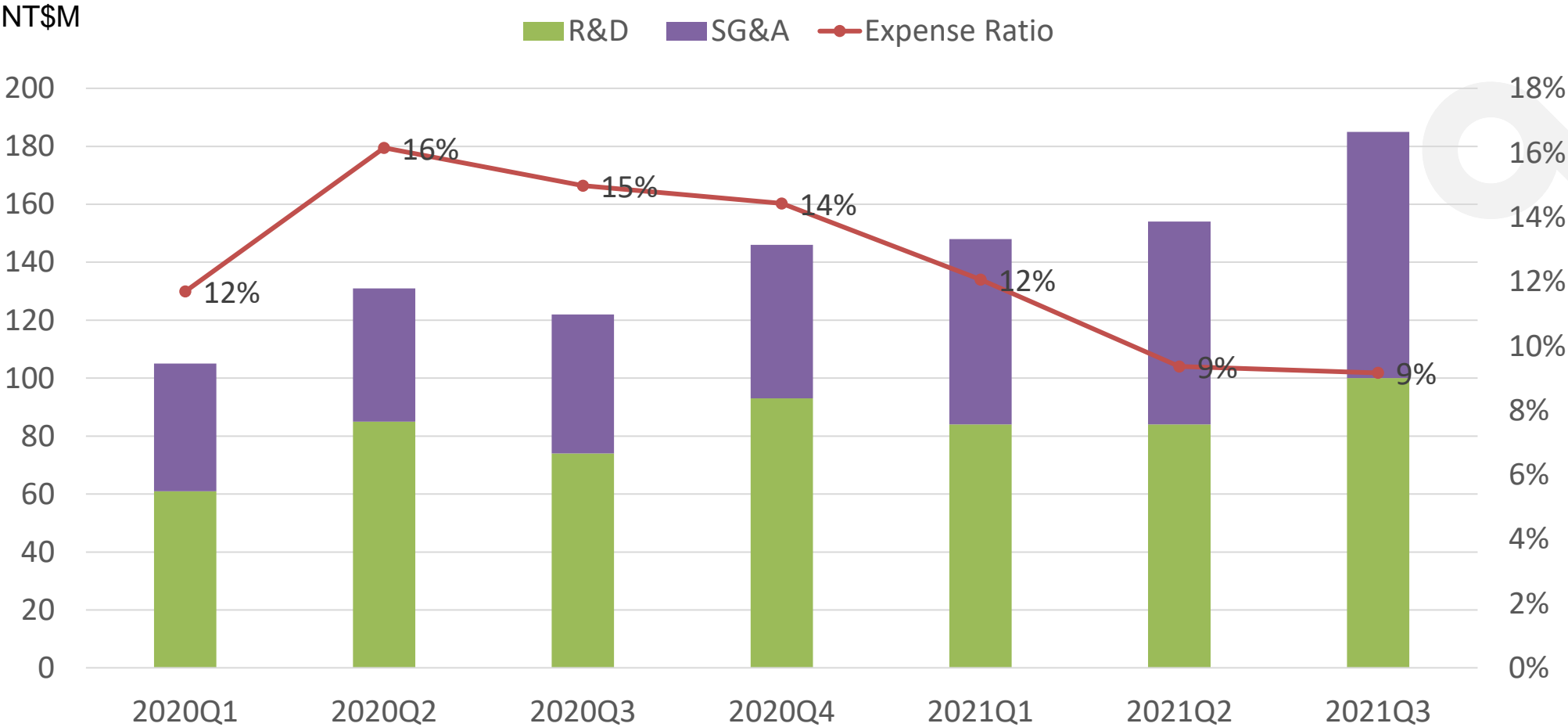


* 4Q20 excluded one time gain on disposal of subsidiary.
* 3Q21 excluded gains from the valuation of the financial assets.

Operating Profit Trend



Expense Trend



Financial Ratios

	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1
Current Ratio	369%	274%***	352%	387%	357%	318%	349%
Quick Ratio	263%	213%***	284%	313%	277%	202%	214%
Average A/R collection days	35 days	44 days	52 days	49 days	66 days	77 days	63 days
Days sales of inventory	99 days	95 days	109 days	119 days	156 days	169 days	151 days
Net income(%)	33%	28%	29%	22%*	15%**	9%**	5%**
ROA	50%	37%	33%	25%*	15%**	10%**	5%**
ROE	69%	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.

Future Outlook

- **BU Focus**

- IoT: Revenue/profit growth
- AI: 3D ecosystem development

- **Long-term Outlook**

- IoT: Growing cash cow, riding long-term IoT growth
- AI: Vast opportunities, execution is the key

- **Short-term Outlook**

- Logic shortage impacting both IoT & AI customers
- Limited visibility for 2022 revenue growth

Q&A

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