

偉詮電子股份有限公司 Weltrend Semiconductor, Inc.

Investor Conference

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Safe Harbor Notice

Forward-looking Statements

Weltrend's statements and any others in this release that refer to business outlook, future plans, and expectations are forward-looking statements that involve a number of risks and uncertainties. Statements that refer to or are based on projections, uncertain events or assumptions also identify forward-looking statements. Such statements are based on management's expectations as of the date of this earnings release and involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements. Weltrend presently considers the following to be important factors that could cause actual results to differ materially from the company's expectations.

1-12/23 Consolidated Income Statement (YoY)

(Expressed in NT\$K)

	2023	%	2022	%	YoY %
Net sales	2,885,560	100	2,888,153	100	(0)
Gross Profit	781,775	27	843,621	29	(7)
Operating Exp.	(739,945)	(25)	(600,177)	(20)	23
Selling & Adm.	(295,756)	(10)	(261,292)	(9)	13
R & D Exp.	(444,189)	(15)	(338,885)	(12)	31
Operating Income	41,830	2	243,444	9	(83)
Net Non-Operating Income(Loss)	184,656	6	(103,888)	(4)	278
Income Before Tax	226,486	8	139,556	5	62
Income Tax Exp.	(19,400)	(1)	(31,686)	(1)	(39)
Net Income	207,086	7	107,870	4	92
EPS	1.18		0.83		42

4Q23 Consolidated Income Statement (YoY)

(Expressed in NT\$K)

	4Q23	%	4Q22	%	YoY %
Net sales	794,044	100	670,758	100	18
Gross Profit	249,464	31	141,108	21	77
Operating Exp.	(185,821)	(23)	(160,657)	(24)	16
Selling & Adm.	(73,656)	(9)	(66,301)	(10)	11
R & D Exp.	(112,165)	(14)	(94,356)	(14)	19
Operating Income(Loss)	63,643	8	(19,549)	(3)	426
Net Non-Operating Loss	(57,927)	(7)	(24,916)	(4)	132
Income(Loss) Before Tax	5,716	1	(44,465)	(7)	113
Income Tax benefit	10,482	1	17,515	3	(40)
Net Income(Loss)	16,198	2	(26,950)	(4)	160
EPS	0.11		0.05		120

4Q23 Consolidated Income Statement (QoQ)

(Expressed in NT\$K)

	4Q23	%	3Q23	%	QoQ %
Net sales	794,044	100	821,671	100	(3)
Gross Profit	249,464	31	210,479	26	19
Operating Exp.	(185,821)	(23)	(193,695)	(24)	(4)
Selling & Adm.	(73,656)	(9)	(77,754)	(9)	(5)
R & D Exp.	(112,165)	(14)	(115,941)	(14)	(3)
Operating Income	63,643	8	16,784	2	279
Net Non-Operating (Loss)Income	(57,927)	(7)	91,716	11	(163)
Income Before Tax	5,716	1	108,500	13	(95)
Income Tax benefit (Exp.)	10,482	1	(24,682)	(3)	(142)
Net Income	16,198	2	83,818	10	(81)
EPS	0.11		0.46		(76)

Balance Sheet Summary

(Expressed in NT\$K)

	2023/12/31	2023/9/30
Cash & Marketable Securities	2,497,127	2,158,127
Notes & Accounts receivable	943,634	1,030,195
Inventories	789,659	962,544
Property, Plant and Equipment	312,428	325,480
Goodwill & Intangible assets	1,089,079	1,111,278
Other assets	220,036	208,849
Total assets	5,851,963	5,796,473
Short-Term Loan	150,000	169,120
Other current liabilities	396,865	379,065
Noncurrent liabilities	1,251,719	1,264,702
Stockholders' equity	4,053,379	3,983,586
Net Asset Value per Share	19.66	19.25

EPS and Cash Dividends for the Past 5 Years

	2019	2020	2021	2022	2023
EPS (NT\$)	1.84	1.94	4.25	0.83	1.18
Cash Dividend (NT\$/share)	1.50	1.6	3	1.20	1.20

A 35-year IC Design Company

Founded	Founded in the Hsinchu Science Park in July, 1989
Capital	NT\$1.78 billion (US\$59.3 millions)
Headcount	287 Weltrend-only; 350+ group total (as end of 4Q23)  merged in Aug, 2022
Main Business	<ul style="list-style-type: none"> ▪ Weltrend and Sentelic-branded IC products and ASICs ▪ Value-added resale (VAR) for international name brand components (ex. ROHM)
Honors	<ul style="list-style-type: none"> ▪ 1995 – Taiwan’s 4th National Award of Outstanding Small & Medium Enterprises, being the first company from Science Park to win the title. ▪ 1997 – IPO on Taiwan OTC market and then subsequently listed on TWSE in 2000 (2436) ▪ 2008 – Awarded with “Taiwan Technology Fast 50” by Deloitte and named multiple times as one of companies with best ROE and ROI by renowned financial magazines in Taiwan. ▪ 2015 – ADAS R&D Team Awarded with the 17th Annual Technology Management Award by CSMOT. ▪ 2016 – Ranked Top 20% in Corporate Governance Evaluation and Awarded Most Improved Company. ▪ 2019 – Named “Top 10 Consumer Electronics Solution Provider in APAC – 2019” by Embedded Advisor magazine ▪ 2021 – EE Awards Asia’s Best Power IC of the Year Award ▪ 2023 – Receives “Medium-sized Enterprises M&A Deal Award” from 2023 MAPECT Taiwan M&A Awards



Power and Motor as dual growth drivers plus image solutions for niche application and MCU foundation

Power Management

- AC/DC switching regulators
 - PWM controllers
 - Synchronous rectifier (SR)
- USB PD controllers
 - DFP (Source) controllers
 - DRP (Source/Sink) controllers
- Fast charge protocol controllers
 - Sink controllers
 - Source controllers
- E-marker IC
- Supervisor ICs
- Wireless power controllers
- LED drivers

Amplifiers

- Op amps
 - General-purpose op amps
 - Power op amps

Imaging Solutions

- ADAS SoCs
- Barcode decoders
- Display MCUs
- Imaging processors
- Projector processors
- Video display processors

Interfaces

- Boosted NFC cards
- Smart card interface ICs and Magnetic stripe decoders
- Touch screen controllers
- USB
 - USB-C connectivity
 - USB-based HID controllers

Motor

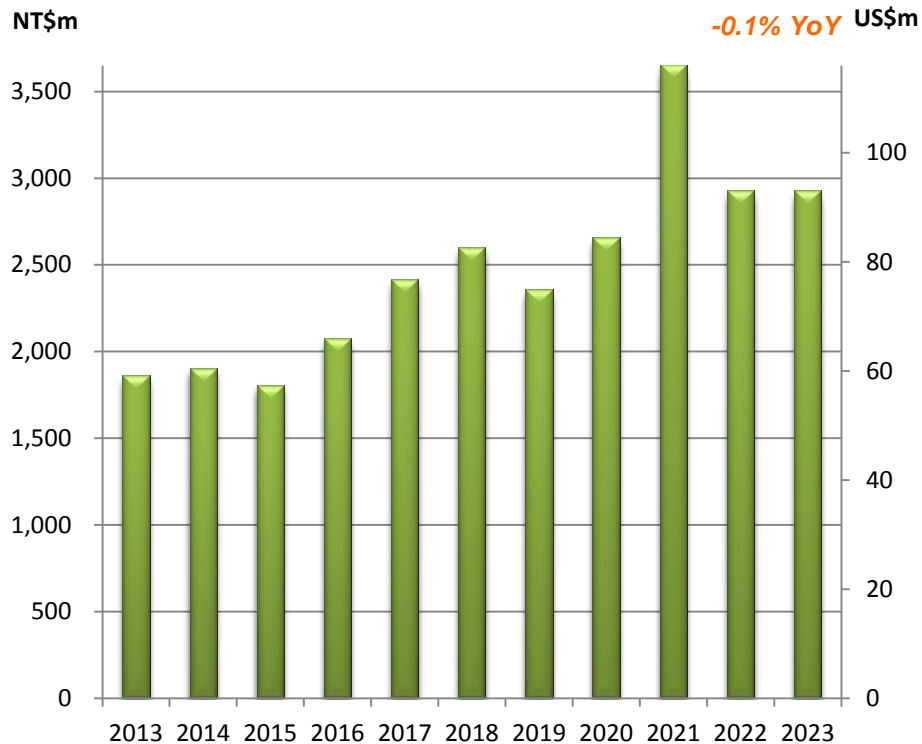
- Motor drivers
- BLDC motor drivers and controllers

Microcontrollers (MCUs)

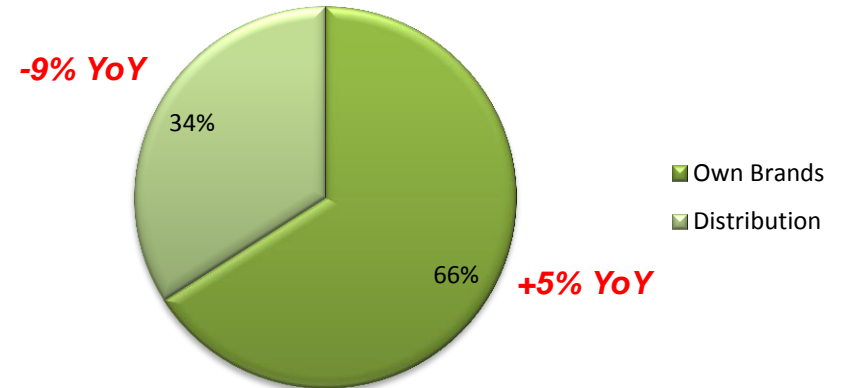
- 8-bit MCUs
 - General-purpose MCUs
- 32-bit MCUs
 - Andes-based 32-bit MCUs
 - Arm-based 32-bit MCUs
- Application-specific MCUs
 - USB-based HID controllers
 - USB host and SD port file management controllers
 - Vital sign measurement MCUs

Historical Revenues and Product Mix

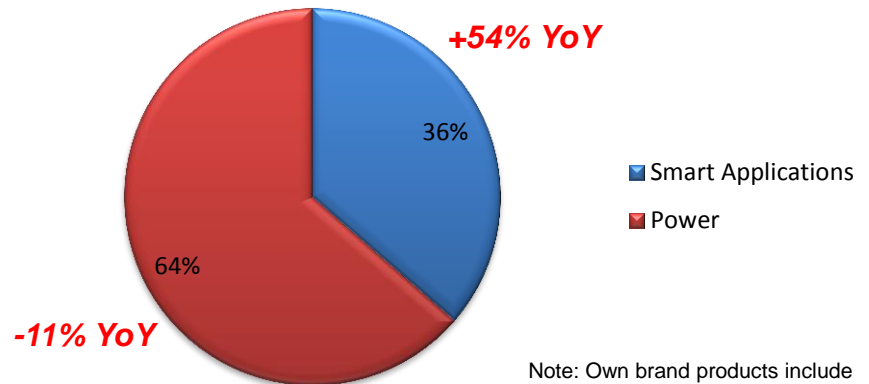
Consolidate Revenues



2023 Product Mix (Consolidated)



2023 Product Mix (Own Brands)



Note: Own brand products include Sentelic's own brand products

1~12/23 Product Mix (YoY)

(Expressed in NT\$K)

	1~12/23	%	1~12/22	%	YoY
Power	1,203,219	42%	1,352,582	47%	-11%
Smart Applications	703,290	24%	456,265	16%	54%
Own Brand Products	1,906,509	66%	1,808,847	63%	5%
Distribution Products	979,051	34%	1,079,306	37%	-9%
Total	2,885,560	100%	2,888,153	100%	-

4Q23 Product Mix (YoY)

(Expressed in NT\$K)

	4Q23	%	4Q22	%	YoY
Power	334,542	42%	277,210	41%	+21%
Smart Applications	215,013	27%	145,107	22%	+48%
Own Brand Products	549,555	69%	422,317	63%	+30%
Distribution Products	244,489	31%	248,441	37%	-2%
Total	794,044	100%	670,758	100%	+18%

4Q23 Product Mix (QoQ)

(Expressed in NT\$K)

	4Q23	%	3Q23	%	QoQ
Power	334,542	42%	376,160	46%	-11%
Smart Applications	215,013	27%	197,093	24%	+9%
Own Brand Products	549,555	69%	573,253	70%	-4%
Distribution Products	244,489	31%	248,418	30%	-2%
Total	794,044	100%	821,671	100%	-3%

Weltrend + Sentelic

- Upon the completion of tender offer (NT\$1.12bn) in Aug, 2022, Sentelic is now a majority owned (51%) subsidiary of Weltrend
- High degree of synergies in technologies, products, customer base, and supply chain
- A combined market share of >20% now for motor controllers for cooling fan used in servers for the fast growing datacenter market

R&D Synergy and Scaling

研發能量提升

Product Portfolio Expansion

產品市場擴張

1+1>>2

Customer Coverage Expansion

客戶覆蓋延伸

Supply Chain Scaling

生產效能提升

Recent Business Highlights

2022.5	Weltrend Announces Availability of USB-C/DisplayPort to HDMI 2.0/VGA Converters with USB PD 3.1
2022.5	Weltrend Announces Availability of the WT6620F USB PD 3.1 Controller with DisplayPort Alternate Mode
2022.7	Weltrend Announces Appointments of New President and Senior Executives
2022.8	Weltrend Successfully Completed the Tender Offer to Acquire the Shares of Sentelic at a Price of NT\$72.9
2023.1	Transphorm and Weltrend Semiconductor Partner to Release Integrated GaN System-in-Package
2023.9	Weltrend issued Company's 1 st Domestic Unsecured Convertible Corporate Bonds for a face value of NT\$1.10bn
2023.11	Weltrend Passes ISO 14064 Greenhouse Gas Emission Verification
2023.12	Weltrend receives " Medium-sized Enterprises M&A Deal Award " from the 2023 MAPECT Taiwan M&A Awards

Q & A

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THANK YOU!