

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

Investor Conference

Tony Lin  
President

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September 18, 2023

# Safe Harbor Notice

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## 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.

# 1H23 Consolidated Income Statement (YoY)

(Expressed in NT\$K)

	1H23	%	1H22	%	YoY %
Net sales	1,269,845	100	1,611,011	100	(21)
Gross Profit	321,832	25	538,677	33	(40)
Operating Exp.	(360,429)	(28)	(277,062)	(17)	30
Selling & Adm.	(144,346)	(11)	(121,626)	(7)	19
R & D Exp.	(216,083)	(17)	(155,436)	(10)	39
Operating Income	(38,597)	(3)	261,615	16	(115)
Net Non-Operating Income	150,867	12	(57,014)	(3)	365
Income Before Tax	112,270	9	204,601	13	(45)
Income Tax Exp.	(5,200)	(0)	(41,777)	(3)	(88)
Net Income	107,070	9	162,824	10	(34)
EPS	0.61		0.93		(34)

# 2Q23 Consolidated Income Statement (YoY)

(Expressed in NT\$K)

	2Q23	%	2Q22	%	YoY %
Net sales	708,920	100	663,669	100	7
Gross Profit	192,884	27	211,452	32	(9)
Operating Exp.	(184,313)	(26)	(117,753)	(18)	57
Selling & Adm.	(76,157)	(11)	(53,474)	(8)	42
R & D Exp.	(108,156)	(15)	(64,279)	(10)	68
Operating (loss) Income	8,571	1	93,699	14	(91)
Net Non-Operating Income	78,014	11	(50,717)	(7)	254
(loss) Income Before Tax	86,585	12	42,982	7	101
Income Tax benefit (Exp.)	(5,557)	(1)	(11,055)	(2)	(50)
Net (loss) Income	81,028	11	31,927	5	154
EPS	0.40		0.18		122

# 2Q23 Consolidated Income Statement (QoQ)

(Expressed in NT\$K)

	2Q23	%	1Q23	%	QoQ %
Net sales	708,920	100	560,925	100	26
Gross Profit	192,884	27	128,948	23	50
Operating Exp.	(184,313)	(26)	(176,116)	(31)	5
Selling & Adm.	(76,157)	(11)	(68,189)	(12)	12
R & D Exp.	(108,156)	(15)	(107,927)	(19)	0
Operating (loss) Income	8,571	1	(47,168)	(8)	118
Net Non-Operating Income	78,014	11	72,853	13	7
loss Before Tax	86,585	12	25,685	5	237
Income Tax benefit (Exp.)	(5,557)	(1)	357	0	1,657
Net loss	81,028	11	26,042	5	211
EPS	0.40		0.21		90

# Balance Sheet Summary

(Expressed in NT\$K)

	2023/6/30	2023/3/31
Cash & Marketable Securities	1,764,831	1,560,431
Notes & Accounts receivable	809,054	679,871
Inventories	1,205,752	1,427,827
Property, Plant and Equipment	276,124	284,231
Goodwill & Intangible assets	1,115,607	1,143,491
Other assets	612,880	671,340
Total assets	5,784,248	5,767,191
Notes & Accounts payable	1,280,120	1,280,120
Other current liabilities	565,004	394,208
Noncurrent liabilities	231,813	233,493
Stockholders' equity	3,707,311	3,859,370
Net Asset Value per Share	17.71	18.63

# EPS and Cash Dividends for the Past 5 Years

	2018	2019	2020	2021	2022
EPS (NT\$)	0.86	1.84	1.94	4.25	0.83
Cash Dividend (NT\$/share)	1.00	1.50	1.6	3	1.20

# A 34-year IC Design Company

## Founded

Founded in the Hsinchu Science Park in July, 1989

## Capital

NT\$1.78 billion (US\$59.3 millions)

## Headcount

291 Weltrend-only; 350+ group total (as end of 2Q23)



## Main Business

- Weltrend-branded IC products and ASICs
- Sentelic-branded IC products and ASICs
- Value-added resale (VAR) for international name brand components (ex. ROHM)

## Honors

- In 1995, awarded with Taiwan's 4th National Award of Outstanding Small & Medium Enterprises, being the first company from Science Park to win the title.
- First listed on Taiwan OTC market in 1997 and then subsequently listed on Taiwan's mainboard, TWSE, in 2000 (Ticker 2436).
- 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.
- ADAS R&D Team Awarded with the 17th Annual Technology Management Award by CSMOT.
- Ranked Top 20% in 2016 Corporate Governance Evaluation and Awarded Most Improved Company.
- Named "Top 10 Consumer Electronics Solution Provider in APAC – 2019" by Embedded Advisor magazine
- Receives 2021 EE Awards Asia's Best Power IC of the Year Award



# Product Portfolio

## 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

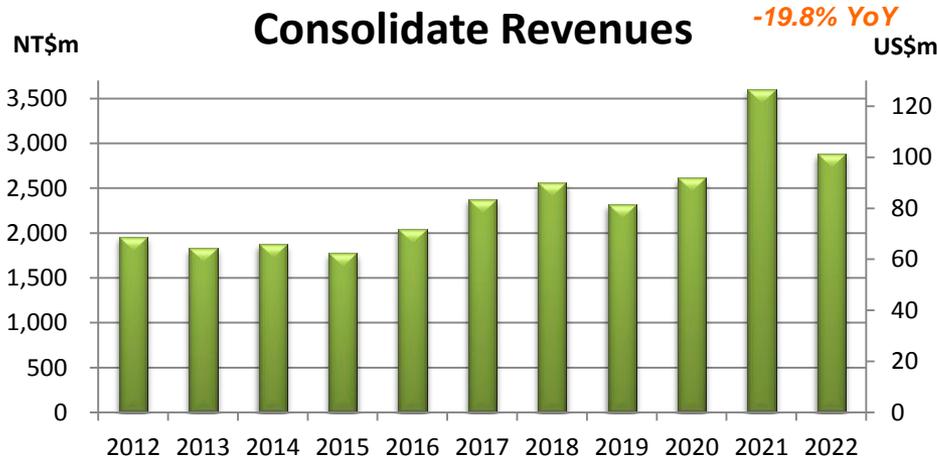
## Motor

- Motor drivers
- BLDC motor drivers and controllers

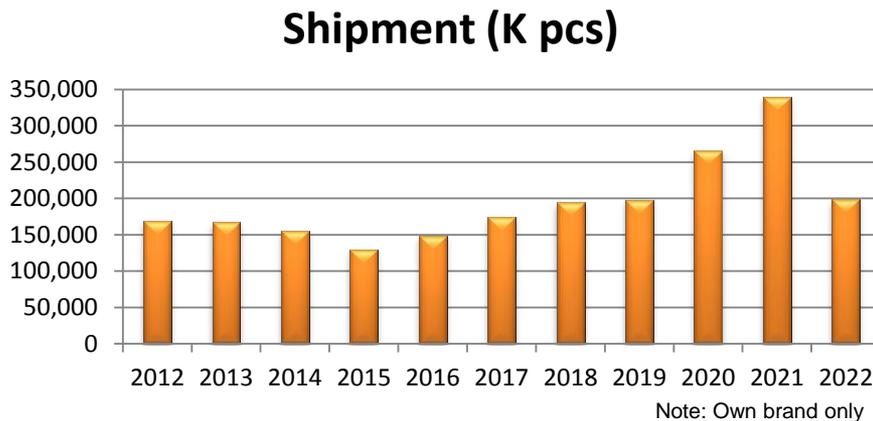
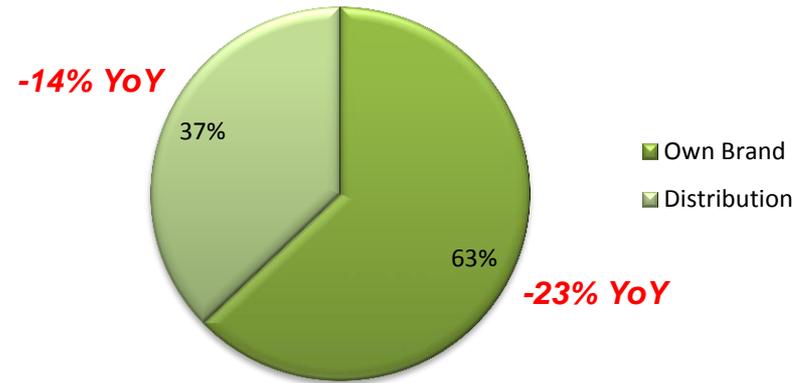
## Microcontrollers (MCUs)

- 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

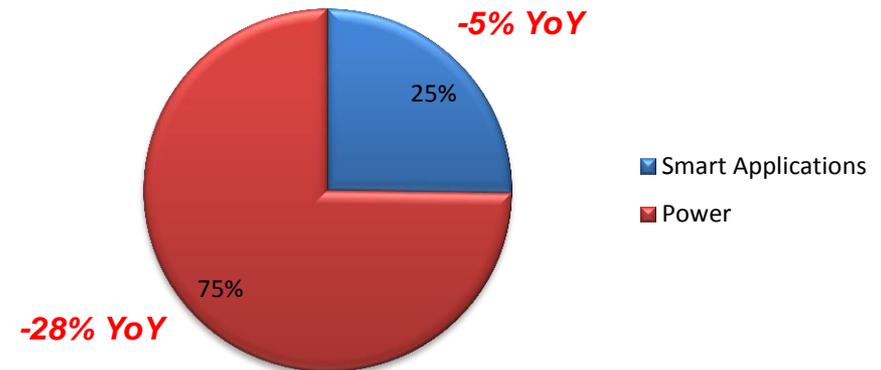
# Historical Revenues, Shipment, and Product Mix



### 2022 Product Mix (Consolidated)



### 2022 Product Mix (Own Brand)



# 1H23 Product Mix (YoY)

(Expressed in NT\$K)

	1H23	%	1H22	%	YoY
Power	492,517	39%	857,820	53%	-43%
Smart Applications	291,184	23%	186,803	12%	56%
<b>Own Brand Products</b>	783,701	62%	1,044,623	65%	-25%
<b>Distribution Products</b>	486,144	38%	566,388	35%	-14%
<b>Total</b>	1,269,845	100%	1,611,011	100%	-21%

# 2Q23 Product Mix (YoY)

(Expressed in NT\$K)

	2Q23	%	2Q22	%	YoY
Power	289,148	41%	313,174	47%	-8%
Smart Applications	179,605	25%	73,234	11%	+145%
<b>Own Brand Products</b>	468,753	66%	386,408	58%	+21%
<b>Distribution Products</b>	240,167	34%	277,261	42%	-13%
<b>Total</b>	708,920	100%	663,669	100%	+7%

# 2Q23 Product Mix (QoQ)

(Expressed in NT\$K)

	2Q23	%	1Q23	%	QoQ
Power	289,148	41%	203,369	36%	+42%
Smart Applications	179,605	25%	111,579	20%	+61%
<b>Own Brand Products</b>	468,753	66%	314,948	56%	+49%
<b>Distribution Products</b>	240,167	34%	245,977	44%	-2%
<b>Total</b>	708,920	100%	560,925	100%	+26%

# 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 close to 20% 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

2022.3	Weltrend Announces Availability of Ultra-Small <b>GaN-based USB PD Power Adapter Reference Design</b>
2022.5	Weltrend Announced Availability of <b>Industry's First USB PD 3.1 Controllers</b>
2022.5	Weltrend Announces Availability of <b>USB-C/DisplayPort to HDMI 2.0/VGA Converters with USB PD 3.1</b>
2022.5	Weltrend Announces Availability of the WT6620F <b>USB PD 3.1 Controller with DisplayPort Alternate Mode</b>
2022.7	Weltrend Announces Appointments of <b>New President and Senior Executives</b>
2022.8	Weltrend Successfully Completed the Tender Offer to Acquire the Shares of <b>Sentelic</b> at a Price of NT\$72.9
2023.1	Transphorm and Weltrend Semiconductor Partner to Release Integrated <b>GaN System-in-Package</b>
2023.9	Weltrend issued Company's 1 <sup>st</sup> Domestic Unsecured <b>Convertible Corporate Bonds</b> for a face value of NT\$1.10bn

# Q & A

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[www.weltrend.com.tw](http://www.weltrend.com.tw)

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**THANK YOU!**