

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

## Investor Conference

Tony Lin  
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March 8, 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.

# 2022 Consolidated Income Statement (YoY)

(Expressed in NT\$K)

	2022	%	2021	%	YoY %
Net sales	2,888,153	100	3,601,983	100	(20)
Gross Profit	843,621	29	1,105,869	31	(24)
Operating Exp.	(600,177)	(21)	(645,912)	(18)	(7)
Selling & Adm.	(261,292)	(9)	(273,175)	(7)	(4)
R & D Exp.	(338,885)	(12)	(372,737)	(11)	(9)
Operating Income	243,444	8	459,957	13	(47)
Net Non-Operating Income	(103,888)	(3)	367,589	10	(128)
Income Before Tax	139,556	5	827,546	23	(83)
Income Tax Exp.	(31,686)	(1)	(76,202)	(2)	(58)
Net Income	107,870	4	751,344	21	(86)
EPS	0.83		4.25		(80)

# 4Q22 Consolidated Income Statement (YoY)

(Expressed in NT\$K)

	4Q22	%	4Q21	%	YoY %
Net sales	670,758	100	970,952	100	(31)
Gross Profit	141,108	21	345,990	36	(59)
Operating Exp.	(160,657)	(24)	(164,414)	(17)	(2)
Selling & Adm.	(66,301)	(10)	(70,022)	(7)	(5)
R & D Exp.	(94,356)	(14)	(94,392)	(10)	(0)
Operating (loss) Income	(19,549)	(3)	181,576	19	(111)
Net Non-Operating Income	(24,916)	(4)	28,520	3	(187)
(loss) Income Before Tax	(44,465)	(7)	210,296	22	(121)
Income Tax benefit (Exp.)	17,515	3	(25,063)	(3)	(170)
Net (loss) Income	(26,950)	(4)	185,033	19	(115)
EPS	0.05		1.05		(95)

# 4Q22 Consolidated Income Statement (QoQ)

(Expressed in NT\$K)

	4Q22	%	3Q22	%	QoQ %
Net sales	670,758	100	606,384	100	11
Gross Profit	141,108	21	163,836	27	(14)
Operating Exp.	(160,657)	(24)	(162,458)	(27)	(1)
Selling & Adm.	(66,301)	(10)	(73,365)	(12)	(10)
R & D Exp.	(94,356)	(14)	(89,093)	(15)	6
Operating (loss) Income	(19,549)	(3)	1,378	0	(1519)
Net Non-Operating Income	(24,916)	(4)	(21,958)	(4)	13
loss Before Tax	(44,465)	(7)	(20,580)	(4)	116
Income Tax benefit (Exp.)	17,515	3	(7,424)	(1)	(336)
Net loss	(26,950)	(4)	(28,004)	(5)	(4)
EPS	0.05		(0.15)		133

# Balance Sheet Summary

(Expressed in NT\$K)

	2022/12/31	2022/9/30
Cash & Marketable Securities	1,732,738	1,842,591
Notes & Accounts receivable	783,555	844,541
Inventories	1,590,085	1,757,431
Property, Plant and Equipment	295,660	307,173
Goodwill & Intangible assets	1,166,346	1,185,229
Other assets	423,231	425,119
Total assets	5,991,615	6,362,084
Notes & Accounts payable	241,919	418,304
Other current liabilities	1,769,269	1,921,205
Noncurrent liabilities	215,772	259,896
Stockholders' equity	3,764,655	3,762,679
Net Asset Value per Share	17.85	17.64

## 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

300 Weltrend-only; 350+ group total (as end of 4Q22)



## 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

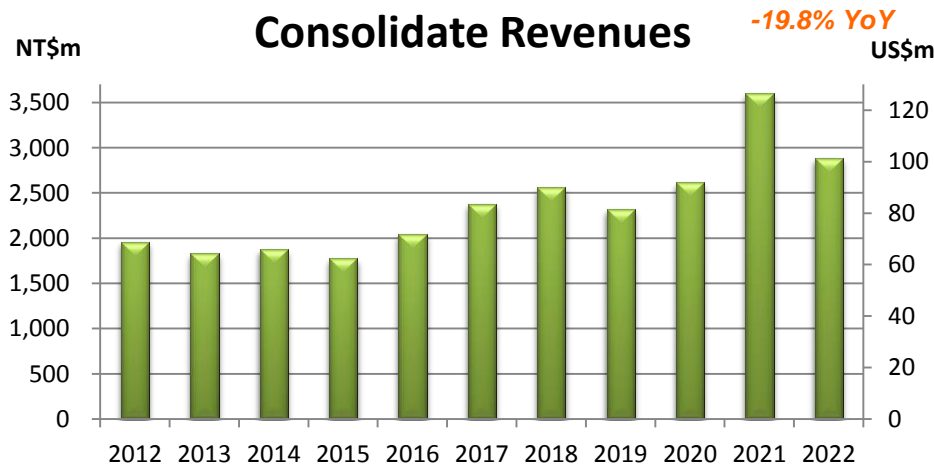
## Motor

- Motor drivers
- BLDC motor drivers and controllers

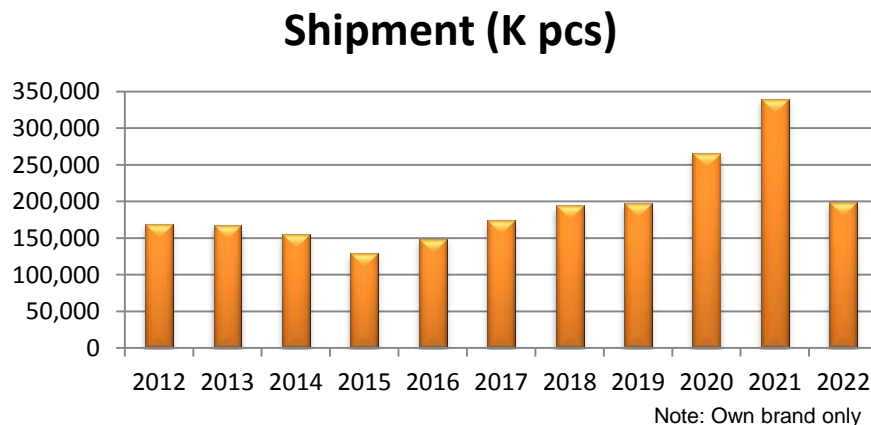
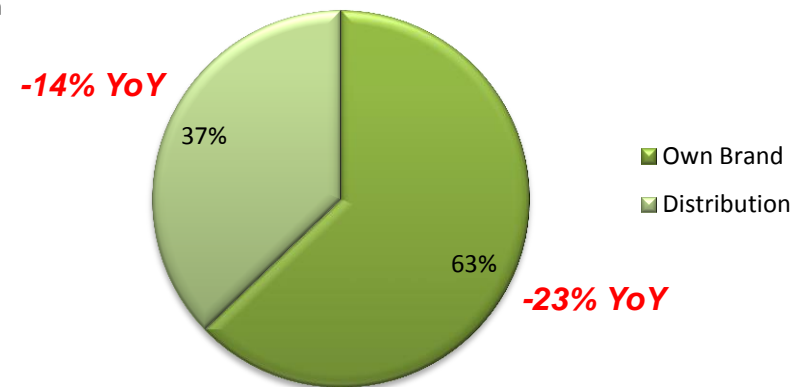
## Microcontrollers (MCUs)

- 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

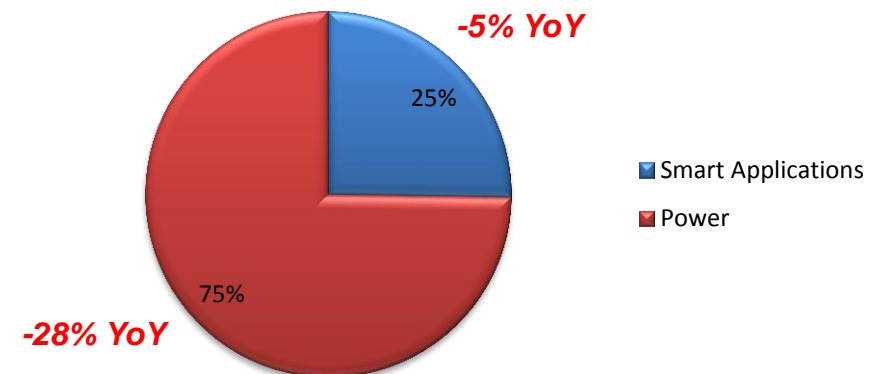
# Historical Revenues, Shipment, and Product Mix



**2022 Product Mix (Consolidated)**



**2022 Product Mix (Own Brand)**



# 2022 Product Mix (YoY)

(Expressed in NT\$K)

	2022	%	2021	%	YoY
Power	1,352,582	47%	1,872,476	52%	-28%
Smart Applications	456,265	16%	480,429	13%	-5%
<b>Own Brand Products</b>	<b>1,808,847</b>	<b>63%</b>	<b>2,352,905</b>	<b>65%</b>	<b>-23%</b>
<b>Distribution Products</b>	<b>1,079,306</b>	<b>37%</b>	<b>1,249,078</b>	<b>35%</b>	<b>-14%</b>
<b>Total</b>	<b>2,888,153</b>	<b>100%</b>	<b>3,601,983</b>	<b>100%</b>	<b>-20%</b>

# 4Q22 Product Mix (YoY)

(Expressed in NT\$K)

	4Q22	%	4Q21	%	YoY
Power	277,210	41%	539,179	55%	-49%
Smart Applications	145,107	22%	125,657	13%	+15%
<b>Own Brand Products</b>	<b>422,317</b>	<b>63%</b>	<b>664,836</b>	<b>68%</b>	<b>-36%</b>
<b>Distribution Products</b>	<b>248,441</b>	<b>37%</b>	<b>306,116</b>	<b>32%</b>	<b>-19%</b>
<b>Total</b>	<b>670,758</b>	<b>100%</b>	<b>970,952</b>	<b>100%</b>	<b>-31%</b>

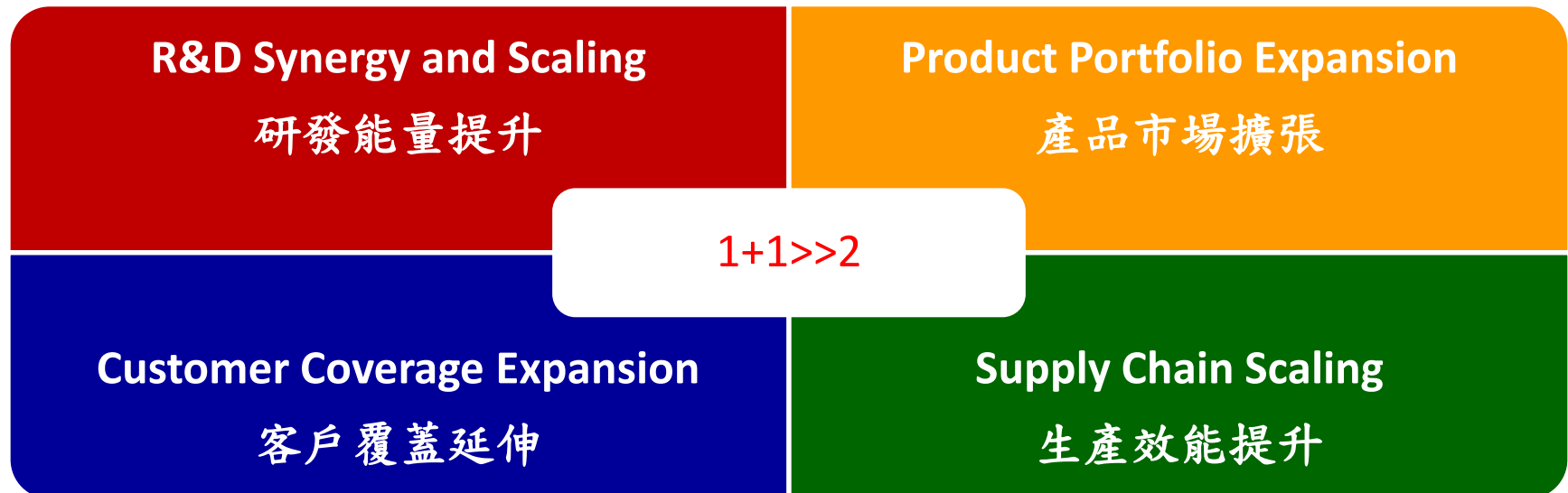
# 4Q22 Product Mix (QoQ)

(Expressed in NT\$K)

	4Q22	%	3Q22	%	QoQ
Power	277,210	41%	217,552	36%	+27%
Smart Applications	145,107	22%	124,355	21%	+17%
<b>Own Brand Products</b>	<b>422,317</b>	<b>63%</b>	<b>341,907</b>	<b>56%</b>	<b>+24%</b>
<b>Distribution Products</b>	<b>248,441</b>	<b>37%</b>	<b>264,477</b>	<b>44%</b>	<b>-6%</b>
<b>Total</b>	<b>670,758</b>	<b>100%</b>	<b>606,384</b>	<b>100%</b>	<b>+11%</b>

# 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



# Recent Business Highlights

2022.3	Weltrend Announces Availability of Ultra-Small <b>GaN-based USB PD Power Adapter</b> Reference Design
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>

# Q & A

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



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**THANK YOU!**