

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

Investor Conference

Tony Lin
CEO

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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.

1H24 Consolidated Income Statement (YoY)

(Expressed in NT\$K)

	1H24	%	1H23	%	YoY %
Net sales	1,410,951	100	1,269,845	100	11
Gross Profit	413,463	29	321,832	25	28
Operating Exp.	(375,744)	(26)	(360,429)	(28)	4
Selling & Adm.	(152,766)	(11)	(144,346)	(11)	6
R & D Exp.	(222,978)	(15)	(216,083)	(17)	3
Operating Income(Loss)	37,719	3	(38,597)	(3)	198
Net Non-Operating Income(Loss)	184,991	13	150,867	12	23
Income Before Tax	222,710	16	112,270	9	98
Income Tax Exp.	(32,537)	(3)	(5,200)	(0)	526
Net Income	190,173	13	107,070	9	78
EPS	1.00		0.61		64

2Q24 Consolidated Income Statement (YoY)

(Expressed in NT\$K)

	2Q24	%	2Q23	%	YoY %
Net sales	745,942	100	708,920	100	5
Gross Profit	225,157	30	192,884	27	17
Operating Exp.	(186,240)	(25)	(184,313)	(26)	1
Selling & Adm.	(78,597)	(11)	(76,157)	(11)	3
R & D Exp.	(107,643)	(14)	(108,156)	(15)	(0)
Operating Income	38,917	5	8,571	1	354
Net Non-Operating Income	72,832	10	78,014	11	(7)
Income Before Tax	111,749	15	86,585	12	29
Income Tax Exp.	(18,081)	(2)	(5,557)	(1)	225
Net Income	93,668	13	81,028	11	16
EPS	0.51		0.40		28

2Q24 Consolidated Income Statement (QoQ)

(Expressed in NT\$K)

	2Q24	%	1Q24	%	QoQ %
Net sales	745,942	100	665,009	100	12
Gross Profit	225,157	30	188,306	28	20
Operating Exp.	(186,240)	(25)	(189,504)	(29)	(2)
Selling & Adm.	(78,597)	(11)	(74,169)	(11)	6
R & D Exp.	(107,643)	(14)	(115,335)	(17)	(7)
Operating Income(loss)	38,917	5	(1,198)	(1)	3,348
Net Non-Operating (Loss)Income	72,832	10	112,159	17	(35)
Income Before Tax	111,749	15	110,961	16	1
Income Tax Exp.	(18,081)	(2)	(14,456)	(2)	25
Net Income	93,668	13	96,505	14	(3)
EPS	0.51		0.49		4

Balance Sheet Summary

(Expressed in NT\$K)

	2024/6/30	2024/3/31
Cash & Marketable Securities	2,523,328	2,354,888
Notes & Accounts receivable	923,466	852,120
Inventories	657,817	687,607
Property, Plant and Equipment	205,162	209,184
Goodwill & Intangible assets	1,045,352	1,070,747
Other assets	793,921	761,276
Total assets	6,149,046	5,935,822
Short-Term Loan	138,251	139,470
Other current liabilities	742,496	404,541
Noncurrent liabilities	1,247,732	1,245,648
Stockholders' equity	4,020,567	4,146,163
Net Asset Value per Share	19.67	20.29

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

293 Weltrend-only; 350+ group total (as end of 2Q24)



Main Business

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

Honors

- 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 engines plus image solutions for niche applications 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

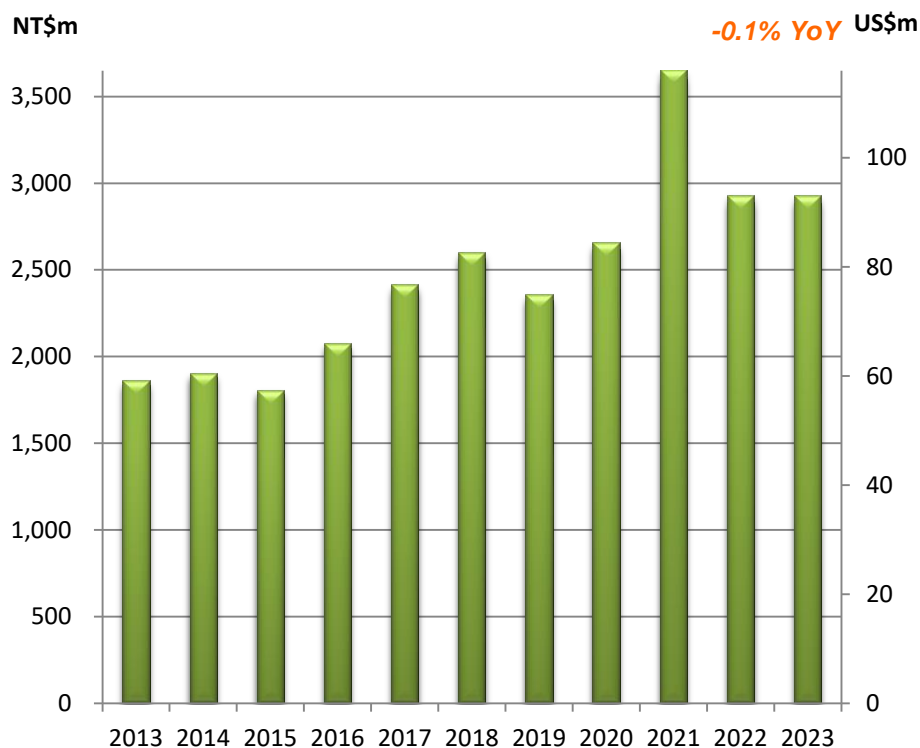
- Motor drivers
- BLDC motor drivers and controllers

Microcontrollers (MCUs)

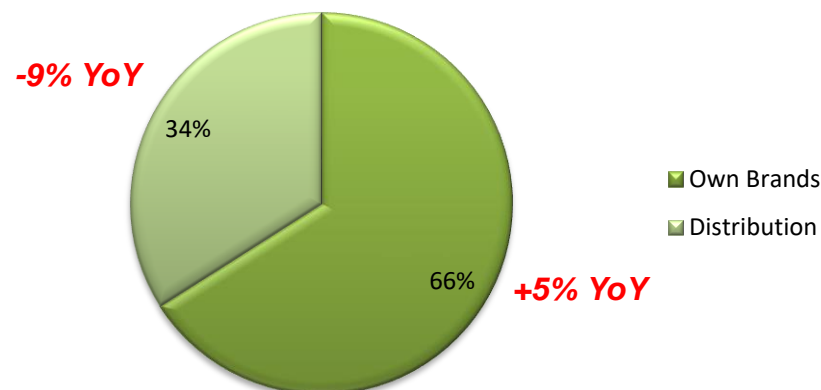
- 8-bit MCUs
 - General-purpose MCUs
- 32-bit MCUs
 - Andes-based 32-bit MCUs
 - Arm-based 32-bit MCUs
- Application-specific MCUs
 - USB-based HID controllers
 - USB host and SD port file management controllers
 - Vital sign measurement MCUs

Historical Revenues and Product Mix

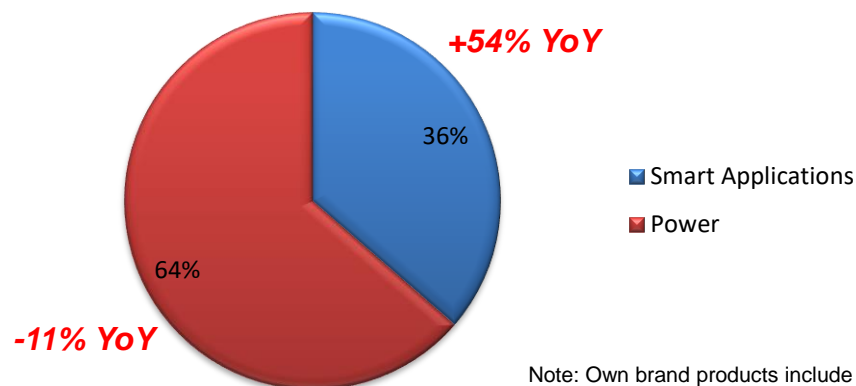
Consolidate Revenues



2023 Product Mix (Consolidated)



2023 Product Mix (Own Brands)



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

1H24 Product Mix (YoY)

(Expressed in NT\$K)

	1H24	%	1H23	%	YoY
Power	551,098	39%	492,517	39%	12%
Smart Applications	389,429	28%	291,184	23%	34%
Own Brand Products	940,527	67%	783,701	62%	20%
Distribution Products	470,424	33%	486,144	38%	-3%
Total	1,410,951	100%	1,269,845	100%	11%

2Q24 Product Mix (YoY)

(Expressed in NT\$K)

	2Q24	%	2Q23	%	YoY
Power	304,242	41%	289,149	41%	+5%
Smart Applications	196,256	26%	179,604	25%	+9%
Own Brand Products	500,498	67%	468,753	66%	+7%
Distribution Products	245,444	33%	240,167	34%	+2%
Total	745,942	100%	708,920	100%	+5%

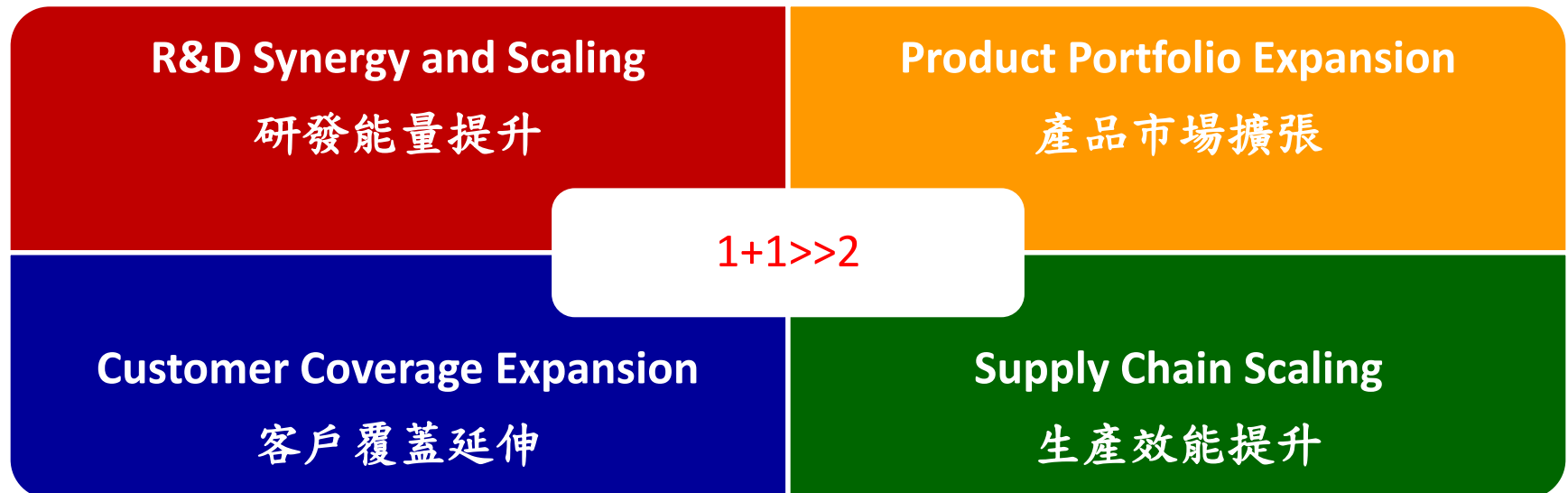
2Q24 Product Mix (QoQ)

(Expressed in NT\$K)

	2Q24	%	1Q24	%	QoQ
Power	304,242	41%	246,856	37%	23%
Smart Applications	196,256	26%	193,173	29%	2%
Own Brand Products	500,498	67%	440,029	66%	14%
Distribution Products	245,444	33%	224,980	34%	9%
Total	745,942	100%	665,009	100%	12%



- 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



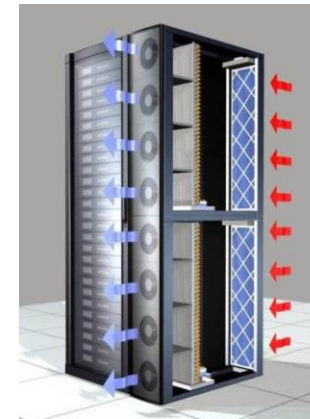
Cooling Total Solution



3DVC+fan



Fan array



Rear door fan



Crypto mining
/gaming
/graphic card

- Edge-device Cooling Fans
- Server Cooling Fans
- Water Pump
- Leakage detection



All-in-one fan/pump

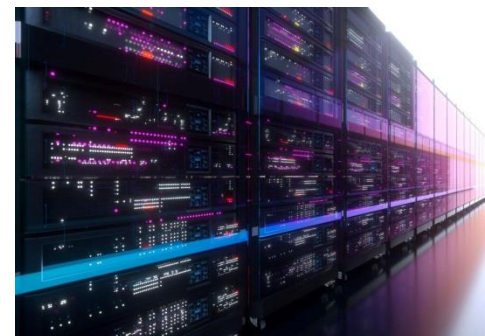


Water pump

Picture Source: Internet

Weltrend Semiconductor, Inc.

Analogy between USB-C power adapter for notebook PC and Server Cooling Fan – *Well positioned for another global market share leader*



	USB-C Power Adapter for NB	Server Cooling Fan
Application Market	Notebook PC	Server
TAM	170m	15.5m
Weltrend IC per Unit	1	~10
Weltrend IC TAM (Units)	153m (excluding Apple)	155m
Weltrend ASP (US\$)	~\$0.3	~\$0.3+
Weltrend TAM (US\$)	~\$46m	~\$46m
Weltrend Market Share	70%+ (#1)	20%+

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!