

Nuvoton Technology Corporation

2H'18 Investor Conference

January 31, 2019



Safe Harbor Notice

- We have made forward-looking statements in this presentation. Our forward-looking statements contain information regarding, among other things, our financial condition, future expansion plans and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projects are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions about us.
- We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future event or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this conference might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.
- The information contained herein shall also not constitute an offer to sell or a solicitation of an offer to buy the company's securities nor shall there be any sale of such securities in any state or country in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or country.

Agenda

- **Nuvoton Financial Results**
- **Nuvoton 2H'18 Business Results & 2019 Business Outlook**
- **Q&A**

Nuvoton Financial Results

- **Nuvoton Consolidated Statement of Comprehensive Income**
- **Nuvoton Consolidated Balance Sheet**
- **Nuvoton Consolidated Statement of Cash Flows**
- **Nuvoton Revenue and GM Trend - Consolidated**



Nuvoton Consolidated Statement of Comprehensive Income

Selected Items from Statement of Comprehensive Income.

| | 4Q'18 | | 3Q'18 | | 2H'18 | | 2H'17 | | YoY | |
|---------------------------------|--------|-----|--------|-----|--------|-----|--------|-----|--------|------|
| Unit: NT\$ M | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Net Revenue | 2,471 | 100 | 2,642 | 100 | 5,113 | 100 | 4,706 | 100 | 407 | 9 |
| Gross Profit | 975 | 39 | 1,041 | 39 | 2,016 | 39 | 1,934 | 41 | 82 | 4 |
| Operating Income | 199 | 8 | 221 | 8 | 420 | 8 | 378 | 8 | 42 | 11 |
| Net Non-Operating Income | 3 | 0 | 1 | 0 | 4 | 0 | 24 | 1 | (20) | (83) |
| Income before Income Tax | 202 | 8 | 222 | 8 | 424 | 8 | 402 | 9 | 22 | 5 |
| Net Income | 155 | 6 | 194 | 7 | 349 | 7 | 349 | 7 | 0 | 0 |
| EPS (NTD) | 0.74 | | 0.94 | | 1.68 | | 1.68 | | 0 | |

Note: Weighted average outstanding shares were 207.5M units in 2H'18.

Nuvoton Consolidated Statement of Comprehensive Income

Selected Items from Statement of Comprehensive Income.

| | Y2018 | | Y2017 | | YoY | |
|---------------------------------|--------|-----|--------|-----|--------|-----|
| Unit: NT\$ M | Amount | % | Amount | % | Amount | % |
| Net Revenue | 10,040 | 100 | 9,235 | 100 | 805 | 9 |
| Gross Profit | 3,913 | 39 | 3,733 | 40 | 180 | 5 |
| Operating Income | 755 | 7 | 714 | 7 | 41 | 6 |
| Net Non-Operating Income | 84 | 1 | 86 | 1 | (2) | (2) |
| Income before Income Tax | 839 | 8 | 799 | 8 | 40 | 5 |
| Net Income | 711 | 7 | 688 | 7 | 23 | 3 |
| EPS (NTD) | 3.42 | | 3.32 | | 0.1 | |

Note: Weighted average outstanding shares were 207.5M units in 2H'18.

Nuvoton Consolidated Balance Sheet

Selected Items from Balance Sheet.

| | Dec 31 '18 | | Jun 30 '18 | | HoH | |
|--------------------------------|--------------|------------|--------------|------------|--------------|-------------|
| Unit: NT\$ M | Amount | % | Amount | % | Amount | % |
| Cash & Cash Equivalents | 1,544 | 25 | 1,632 | 25 | (88) | (5) |
| Accounts Receivable | 997 | 16 | 1,067 | 16 | (70) | (7) |
| Other Receivable | 181 | 3 | 284 | 4 | (103) | (36) |
| Inventories | 1,561 | 26 | 1,683 | 26 | (122) | (7) |
| Long-Term Investments | 539 | 9 | 580 | 9 | (41) | (7) |
| Property, Plant and Equipment | 748 | 12 | 712 | 11 | 36 | 5 |
| Others | 548 | 9 | 605 | 9 | (57) | (9) |
| Total Assets | 6,117 | 100 | 6,563 | 100 | (446) | (7) |
| Current Liabilities | 1,915 | 31 | 2,618 | 40 | (703) | (27) |
| Non-Current Liabilities | 468 | 8 | 451 | 7 | 17 | 4 |
| Total Liabilities | 2,383 | 39 | 3,069 | 47 | (686) | (22) |
| Total Equity | 3,734 | 61 | 3,495 | 53 | 239 | 7 |
| Current Ratio | 2.33 | | 1.86 | | | |
| Debt/Equity Ratio | 0.64 | | 0.88 | | | |

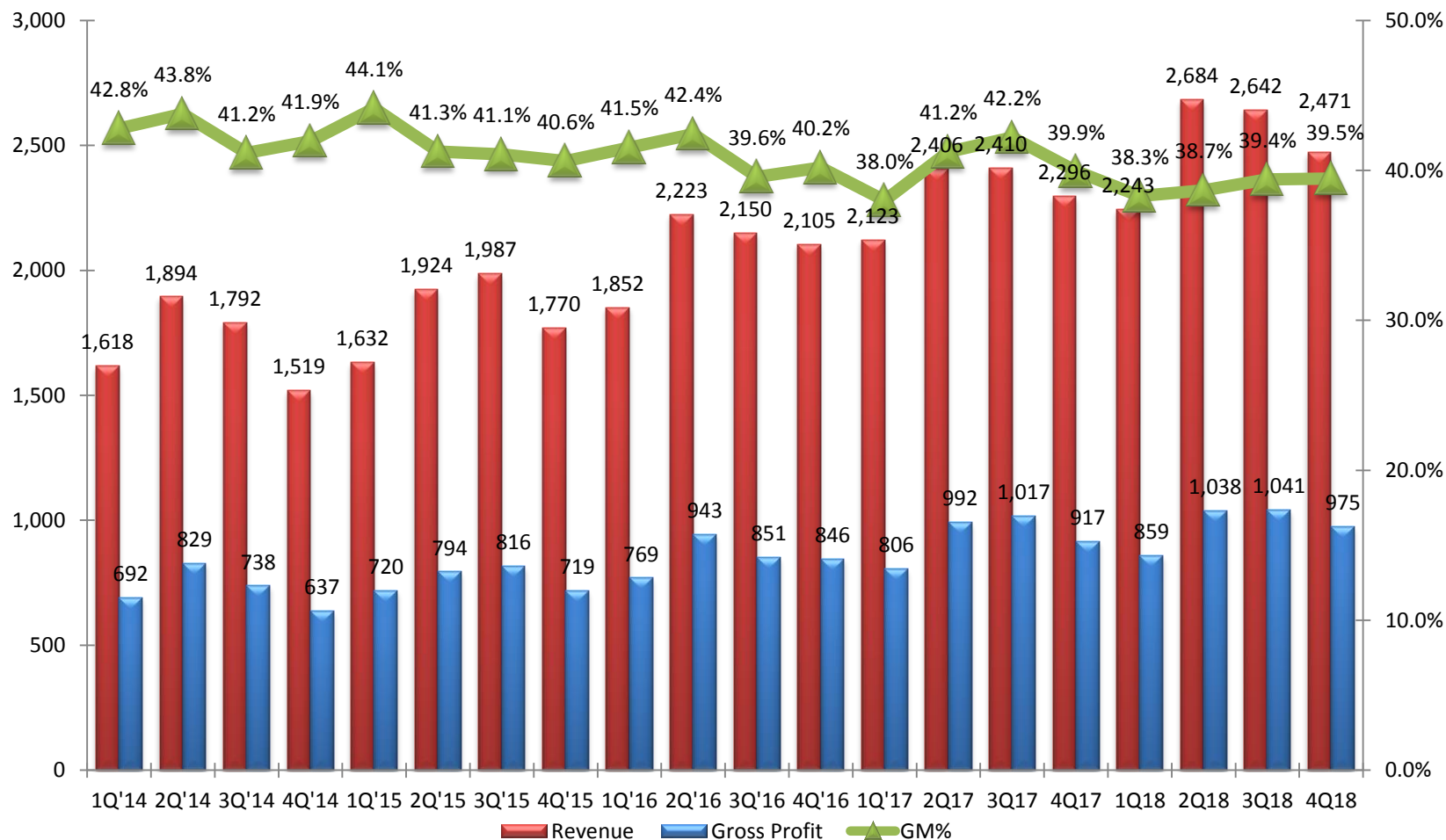
Nuvoton Consolidated Statement of Cash Flows

| | 2H'18 | 1H'18 | HoH |
|--------------------------------------|--------|--------|--------|
| Unit: NT\$ M | Amount | Amount | Amount |
| Cash Flows from Operating Activities | 545 | 328 | 217 |
| Cash Flows from Investing Activities | (107) | (114) | 7 |
| Cash Flows from Financing Activities | (519) | 0 | (519) |
| Cash & Cash Equivalents | 1,544 | 1,632 | (88) |

Nuvoton Revenue and GM Trend - Consolidated

Revenue/Gross Profit (NT\$ M)

Gross Margin Rate

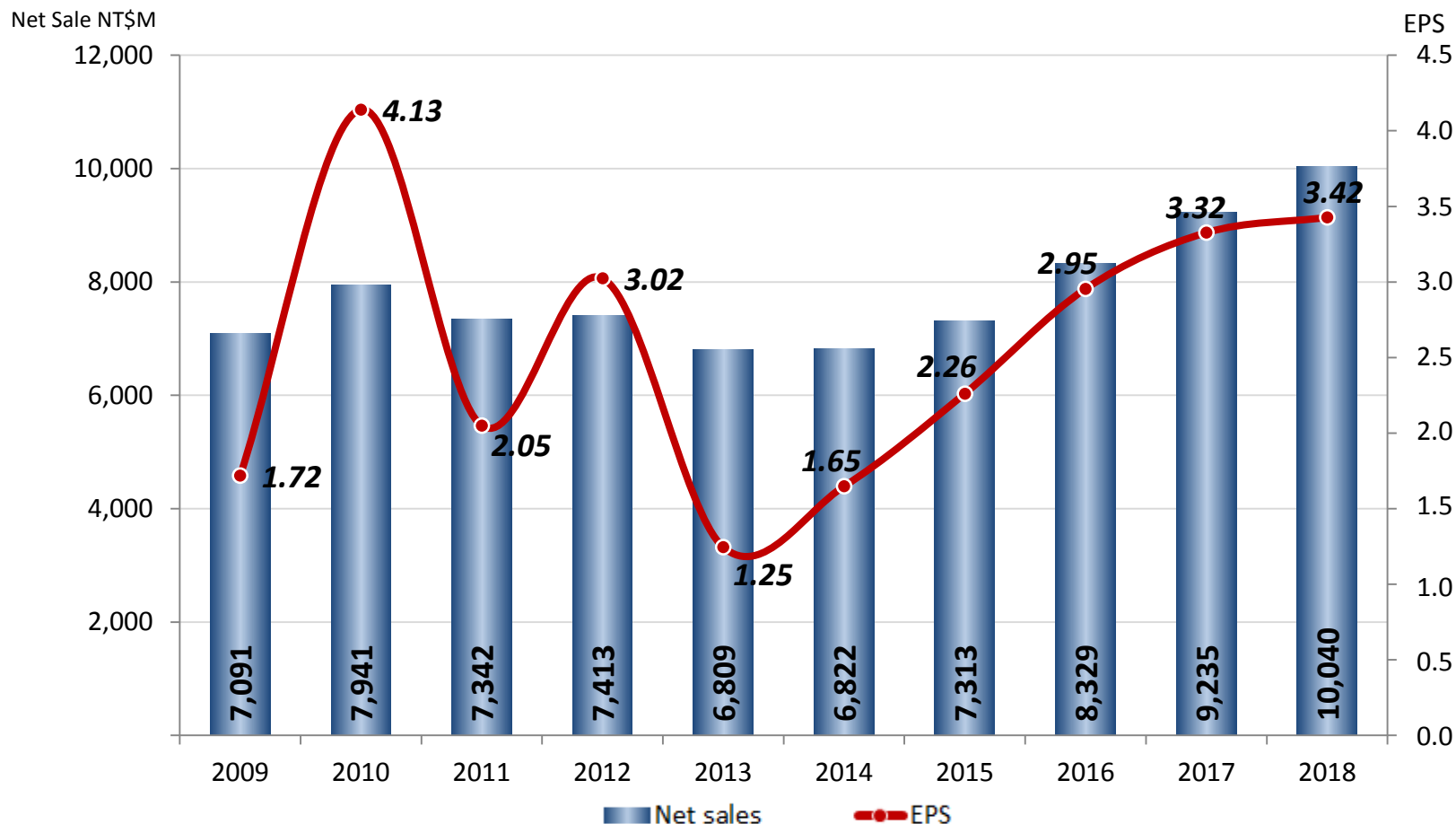


Nuvoton 2H'18 Business Results & 2019 Business Outlook

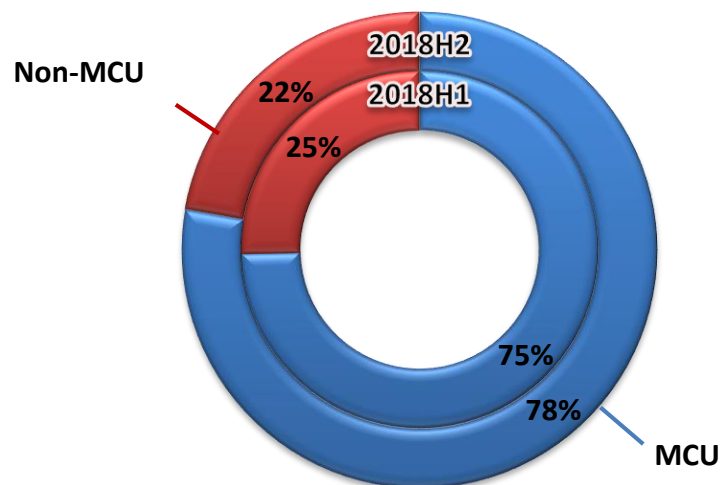
- 2H'18 Revenue by Product
- 2H'18 Revenue by Application
- Nuvoton 2H'18 Business Results
- Nuvoton 2019 Business Outlook





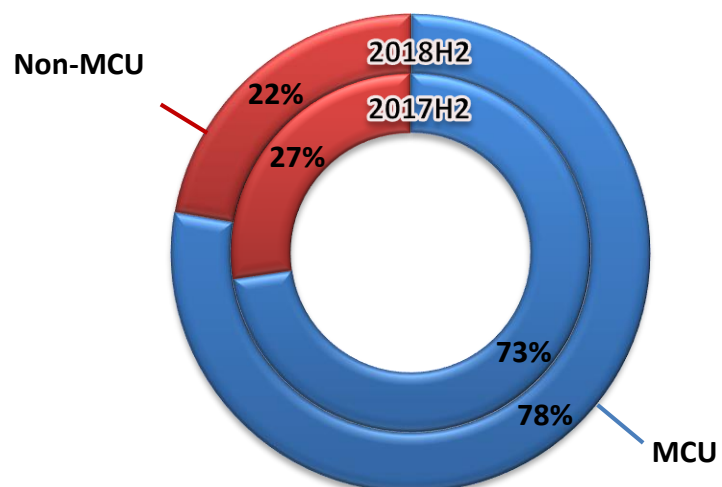
Nuvoton Revenue and EPS Trend- 10 Years





2H'18 Revenue by Product



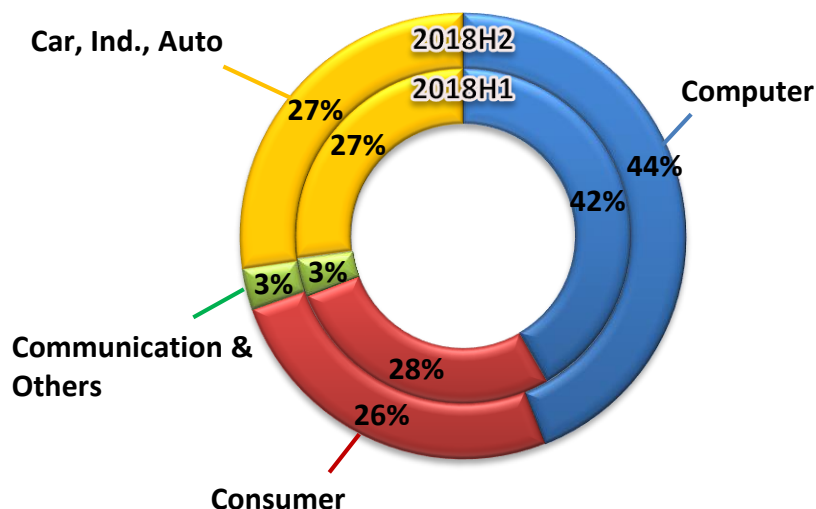
| HoH % | | |
|---|---------|-----|
|  | MCU | 3% |
|  | Non-MCU | -3% |



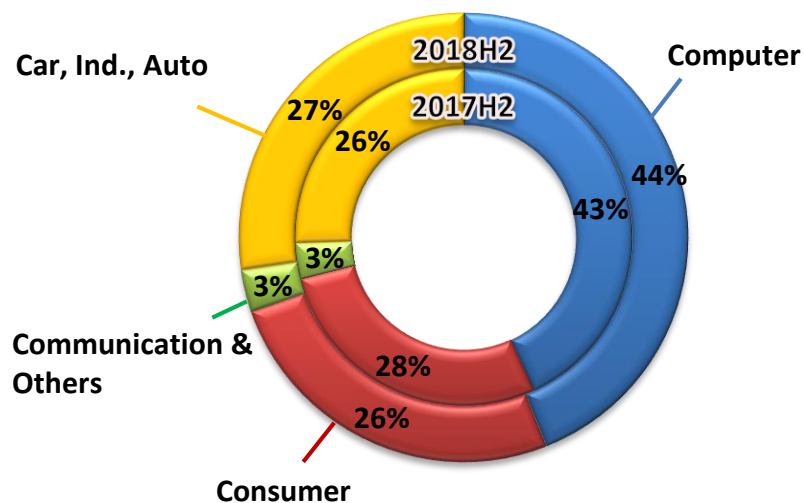
| YoY % | | |
|---|---------|-----|
|  | MCU | 5% |
|  | Non-MCU | -5% |

Note: Foundry revenue was not included in the numbers .

2H'18 Revenue by Application



| HoH % | | |
|-------|------------------------|-----|
| | Computer | 2% |
| | Consumer | -2% |
| | Communication & Others | 0% |
| | Car, Industry & Auto | 0% |



| YoY % | | |
|-------|------------------------|-----|
| | Computer | 1% |
| | Consumer | -2% |
| | Communication & Others | 0% |
| | Car, Industry & Auto | 1% |

Note: Foundry revenue was not included in the numbers .

Nuvoton 2H'18 Business Results (1)

2H'18 YoY : Revenue + 9%, Gross Margin -1.67 %

- **Key reasons for Revenue YoY Increase**
 - Growth of NuMicro MCU applying on Selected and Multi-Market Applications
 - Growth of NuMicro Arm[®] Cortex[®] 32-bit MCU and MPU SoC applying on Industrial Control
 - Shipments of BMC (Baseboard Management Controller) for Server
- **Key reason for Gross Margin YoY Decrease**
 - Product Mix

Nuvoton 2H'18 Business Results (2)

- **2H'18 Main Achievements**

- Launch NuMicro® M2351 IoT Security Microcontroller Series based on the ARM Cortex-M23 TrustZone® empowered technology
- Shipments of Arm® Cortex® M4 based Audio MCU for game consoles manufacture
- Shipments of BMC products, supports Intel Purley server platforms, integrating highest performance duo-core Arm® Cortex® A9 processor
- Mass production of High Voltage Process 60V/80V and 600V UHV (Foundry Service)

Nuvoton 2019 Business Outlook

- **New Products and Developments**

- NuMicro Arm® Cortex®-M based MCU for low-power applications, applying on HMI, industry control, consumer devices and multi-markets
- High performance Arm® Cortex® M4 based Audio MCU for smart home voice recognition applications
- OpenBMC firmware contributed by OCP(Open Compute Project)members supports BMC products to gain market shares

- **New Foundry Service Processes**

- Mass production of GaN on Si technology
- Developments of HVIC process from 120V to 600V

Questions & Answers

Company website

Nuvoton: www.nuvoton.com

