



(3661 TT)

# Alchip Technologies

Investor Conference Meeting

March 15<sup>th</sup>, 2023

Silicon Heart of  AI

The "AI" icon is a circular graphic with the letters "AI" inside. The circle is composed of several concentric lines, with the outermost line being a solid blue circle. The inner lines are dashed and form a pattern that suggests a signal or data flow.

# Safe Harbor Disclaimer



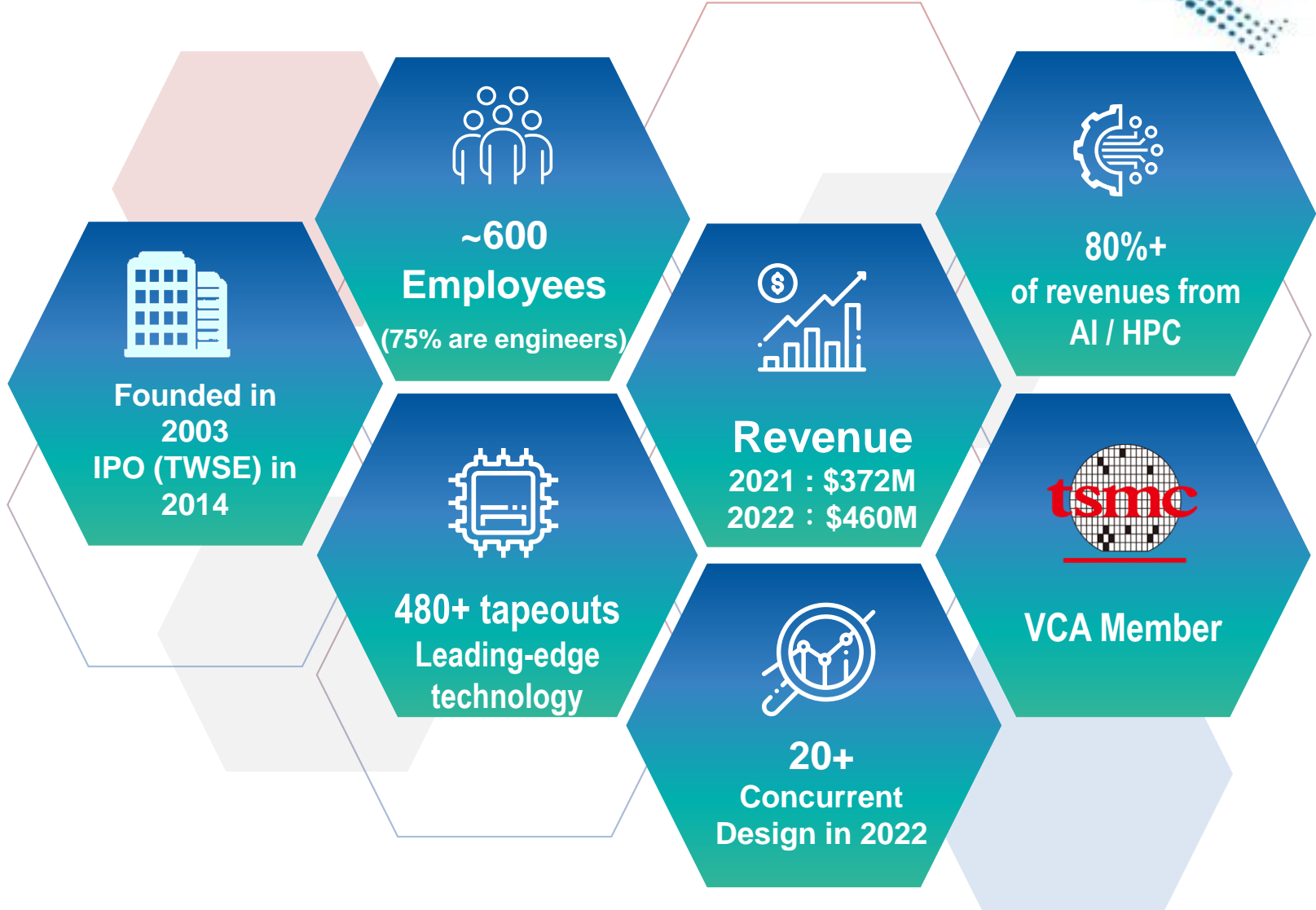
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- This meeting will be in English, If you need Chinese presentation slides, please go to MOPS to download the Chinese version
- Participants please write down your questions to host through Zoom's message function with your and your company name
- Please use the “raise hand” function through Zoom for the Q&A session, the host will unmuted you for your questions
- The video and audio content of this meeting will upload to MOPS (Market Observation Post System)

# Alchip at a Glance



(1) High performance computing.  
(2) Value Chain Aggregator ("VCA") is a program established by TSMC. VCA members within the program are independent design service companies working closely with TSMC to help system companies, ASIC companies, and emerging start-ups bring their innovation to production.

# Message from CEO



## ● Record-breaking Numbers on all Categories

– Revenue:	\$460.5M	(record high!!)
– Operating Income:	\$77.5M	(record high!!)
– Net income:	\$61.5M	(record high!!)
– EPS:	NTD 25.69	(record high!!)

## ● Business Highlights/Lowlights

- Capacity & geopolitical limitations
- China business challenges
  
- HPC MP demands remain strong till 2025
- 20+ tapeout & many designs won
- Successfully diversify the business from the China region
- Significant progress on automotive business

## ● Summary

# 4Q22 Quarterly Income Statement



US\$'000	3Q22	4Q22	QoQ (%)	YoY(%)
Revenue	117,548	148,290	26.2	66.0
COGs	80,275	107,901	34.4	83.0
Gross Profit	37,273	40,389	8.4	33.1
Op. Exp	18,640	20,362	9.2	31.6
Op. Income	18,633	20,027	7.5	34.7
Non. Op.	782	1,829	133.8	84.2
Pre-Tax Profit	19,415	21,857	12.6	37.8
Income Tax	-4,852	-5,427	11.8	72.3
Net income	14,563	16,430	12.8	29.3
EPS (NT\$)	6.20	7.16		

EPS is calculated on concurrent shares outstanding and FX

# Yearly Income Statement

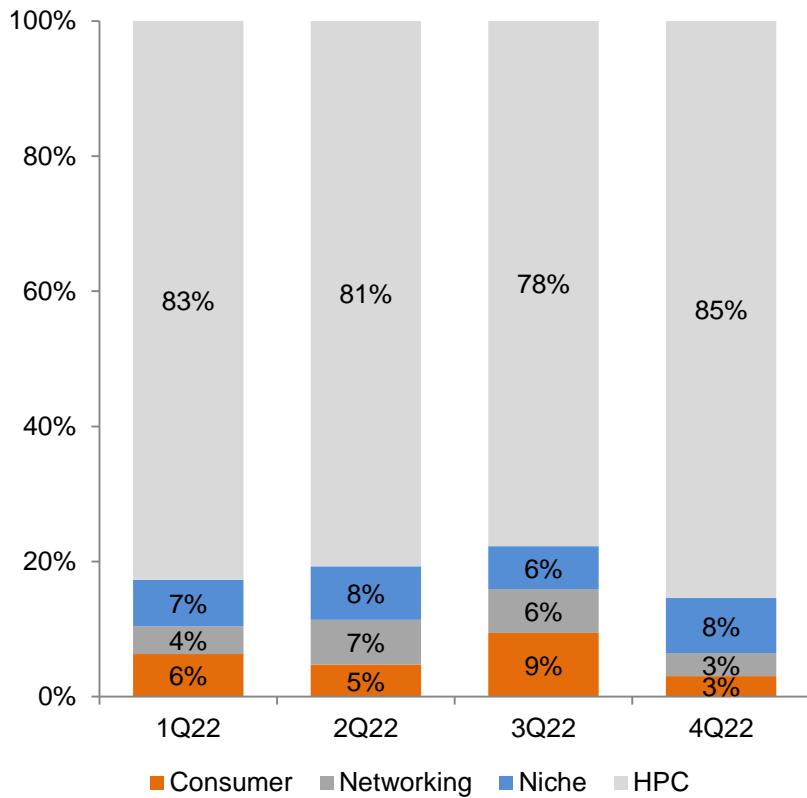


US\$'000	2021	2022	YoY(%)
Revenue	372,319	460,500	23.7
COGs	245,125	311,882	27.2
Gross Profit	127,194	148,618	16.8
Op. Exp	61,930	71,079	14.8
Op. Income	65,263	77,539	18.8
Non. Op.	2,610	2,418	-7.4
Pre-Tax Profit	67,873	79,957	17.8
Income Tax	-14,686	-18,447	25.6
Net income	53,187	61,510	15.6
EPS (NT\$)	21.3	25.7	

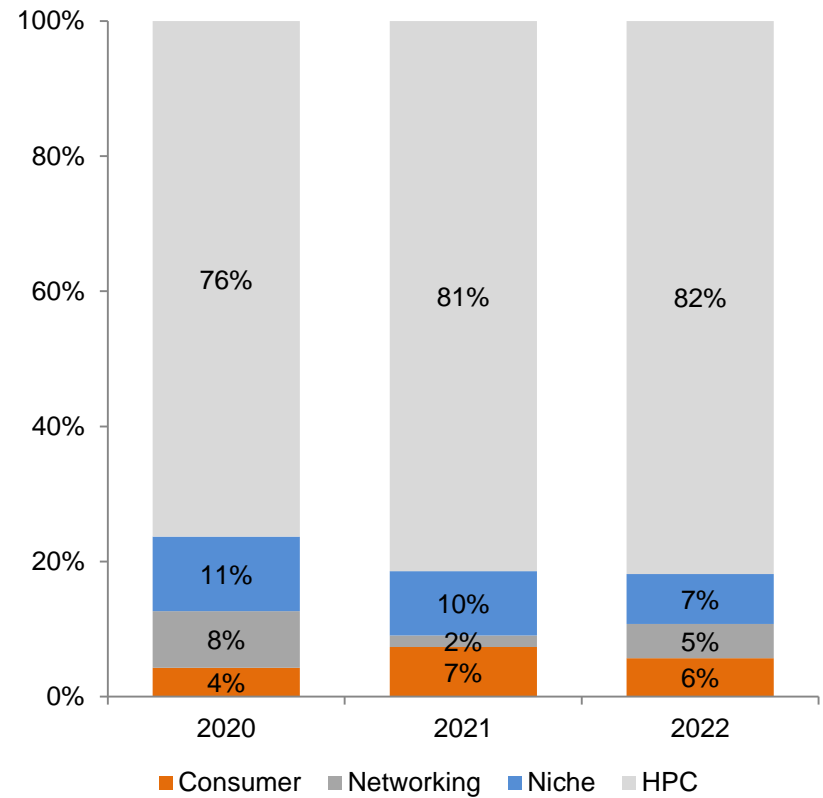
EPS is calculated on concurrent shares outstanding and FX

# Revenue Breakdown by Application

## Quarterly breakdown



## Yearly breakdown



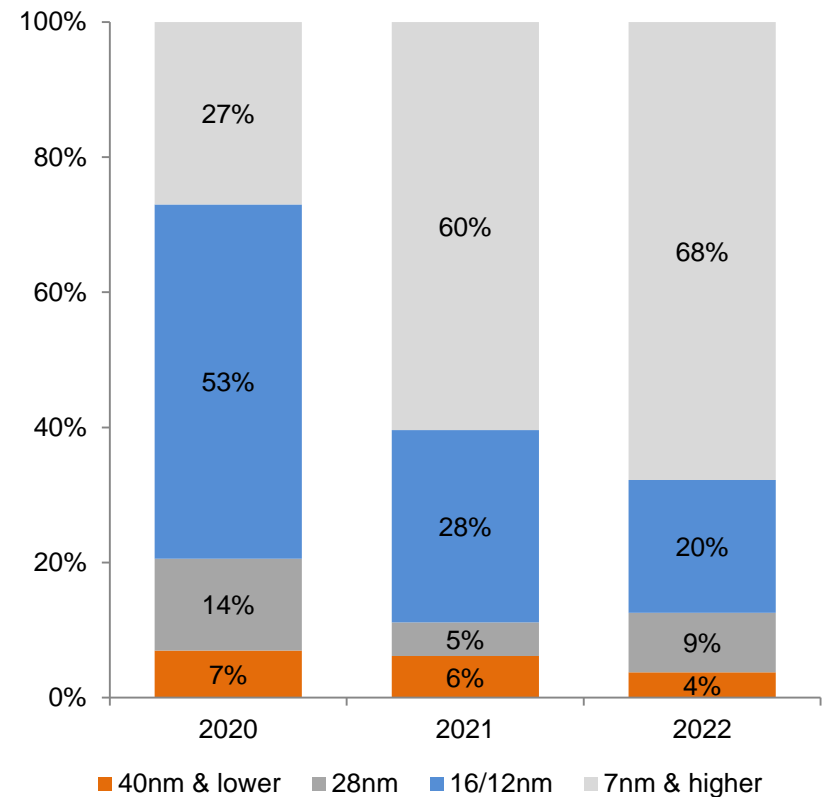
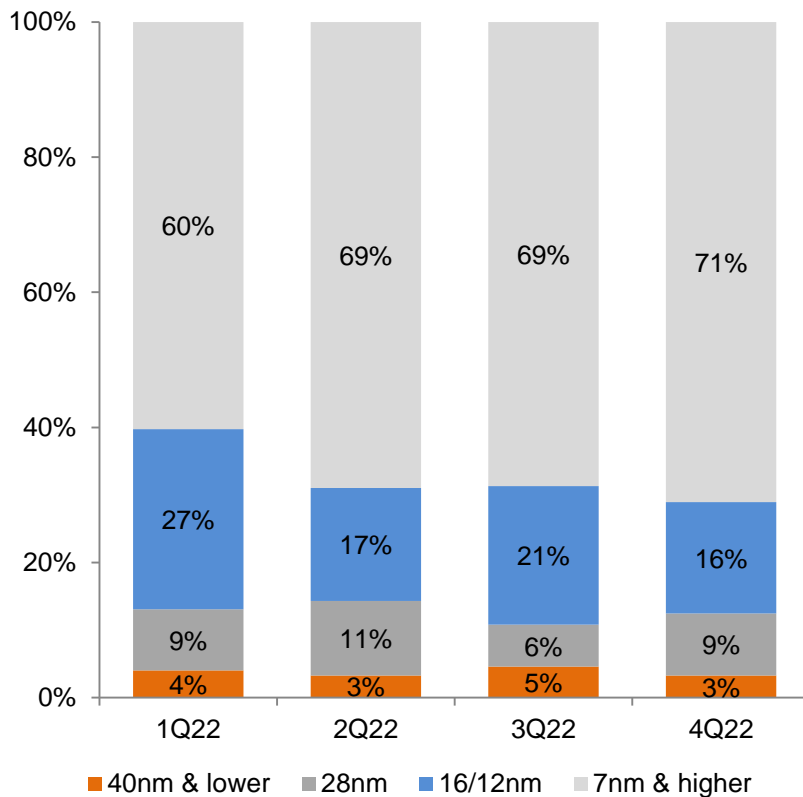


# Revenue Mix by Process Node



## Quarterly breakdown

## Yearly breakdown



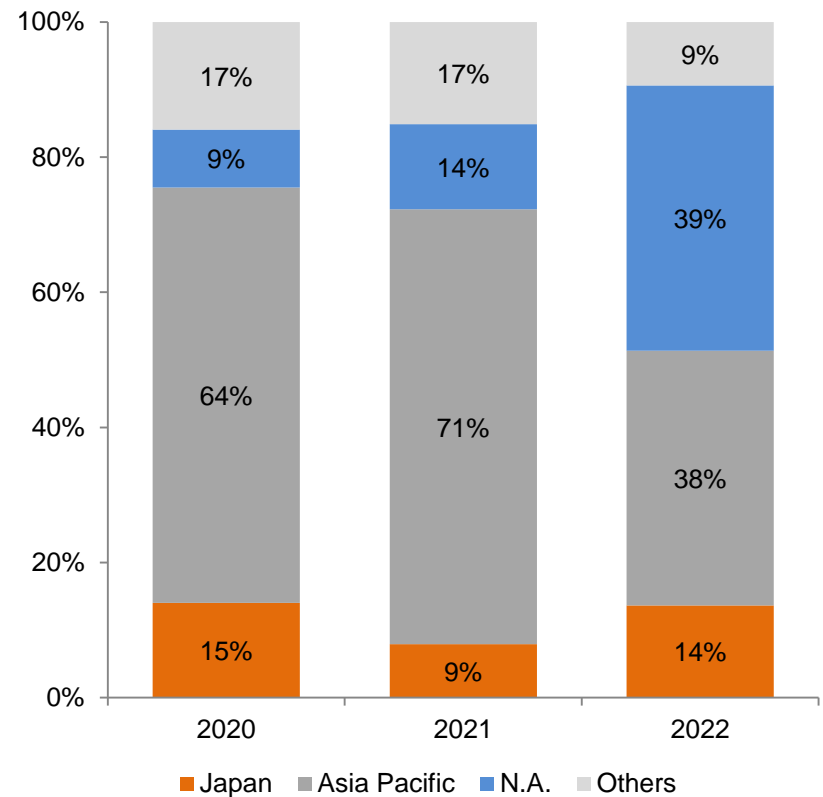
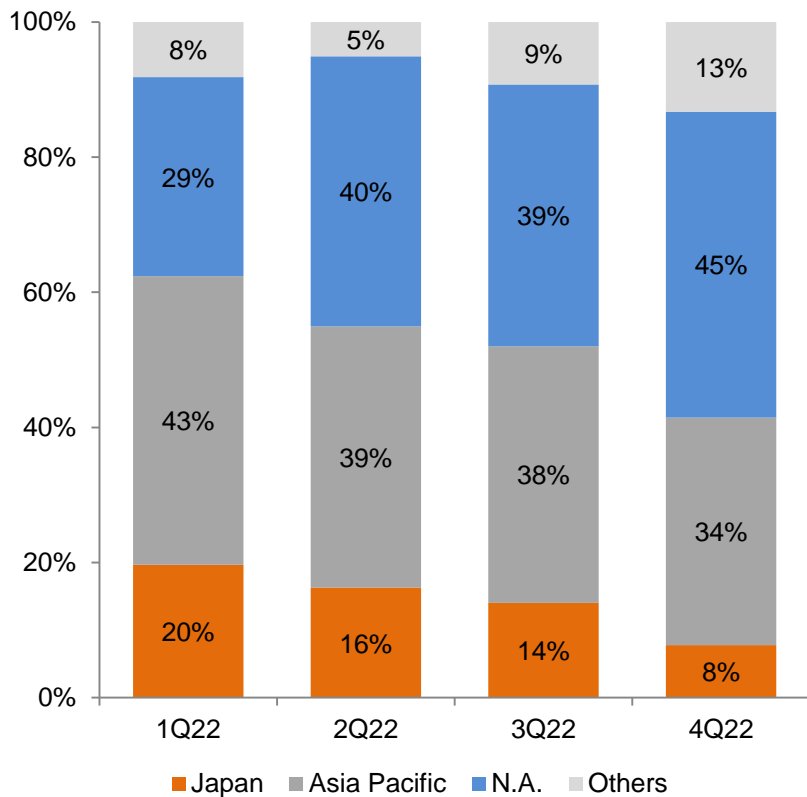
Advanced process node means 40nm or better

# Revenue Breakdown by Region



## Quarterly breakdown

## Yearly breakdown



# 2022 Business Review



## Sales to grow 23.7% in 2022 despite of substrate tightness

- The sales performance was actual lower than expected given inference chip shipment to the N.A. customer greatly influenced by substrate tightness
- Company still managed to deliver record-breaking top and bottom line amid strong NRE demand of both N.A. and China
- NRE revenue accounted for around 40-45% of total revenue while the rest was ASIC sales

## Gross margin went down on increasing weight of production

- 2022 blended gross margin at 32.3% vs. 34.2% in 2021
- Gross margin went down but operating margin went up given the nature of our business model
- Operating expenses were controlled very well at US\$71.1M, slightly lower than the guidance to investors



**Thanks!**

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