



(3661 TT)

Alchip Technologies

Investor Conference Meeting

March 4th, 2022



Safe Harbor Disclaimer



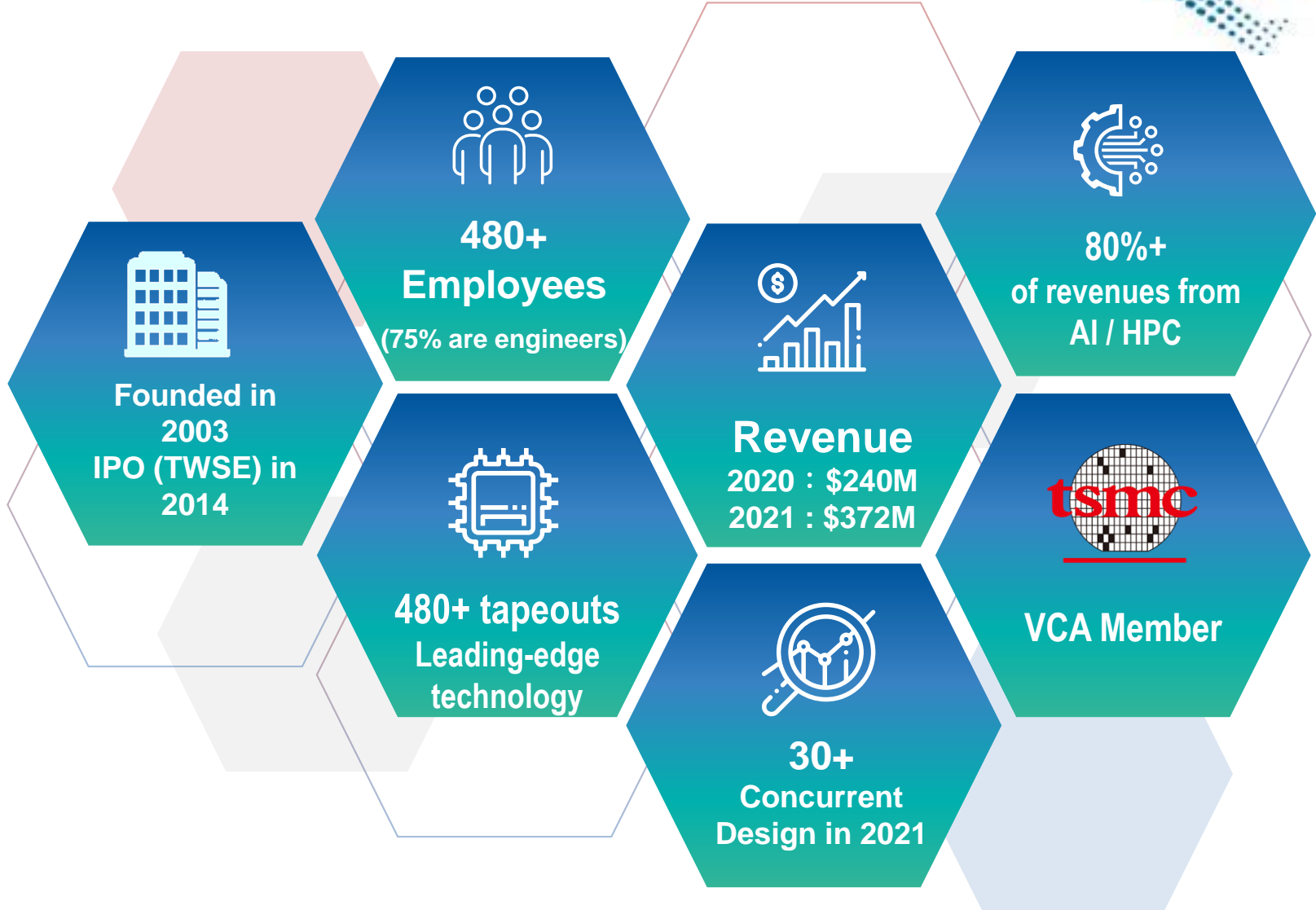
This presentation contains forward-looking statements, including statements about business outlook and strategy, and statements about historical results that may suggest trends for our business. These statements are based on estimates and information available to us at the time of this presentation and are not guarantees of future performance. Actual results could differ materially from our current expectations as result of many factors, including: our financial performance, including our net revenue, cost of revenue, operating expenses and ability to sustain profitability; our planned capital expenditures; our ability to expand our customer base; our ability to expand our product and service offerings; the impact of seasonality on our business; our ability to remediate the material weaknesses and significant deficiencies in our internal control over financial reporting; our ability to stay abreast of modified or new laws applying to our business; and our spending of the net proceeds from this offering. Except as required by law, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.





- 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.

2021 Recap/Summary



- **Record-breaking Year on all Numbers**
 - Revenue: \$372.3M
 - Operating Income: \$65.3M
 - Net income: \$53.2M
 - EPS: NTD 21.34
 - Market Cap ~3 Billion
- **Great Position on Leading-edge Business**
 - Many new logo & repeated customers won
 - **30+** on-going & pipeline business (mainly 7nm)
 - **Extremely** high MP forecast received
 - Challenges
 - capacity limitation on design, wafer, CoWoS, and substrate resources
- **US/China Trade war Tension & Entity List**
 - Phytium (4/08) and Guoke (11/25) on entity list
 - Apply & follow all necessary procedures
 - **SOP** established to minimize/anticipate potential impacts

4Q21 Quarterly Income Statement



US\$'000	3Q21	4Q21	QoQ (%)	YoY (%)
Revenue	91,859	89,311	-2.8	34.4
COGs	62,238	58,972	-5.2	29.3
Gross Profit	29,622	30,338	2.4	45.7
Op. Exp	14,338	15,472	7.9	23.5
Op. Income	15,284	15,284	0.0	84.0
Non. Op.	801	993	23.9	-53.4
Pre-Tax Profit	16,086	15,860	-1.4	51.9
Income Tax	-3,158	-3,149	-0.3	40.0
Net income	12,928	12,711	-1.7	55.2
EPS (NT\$)	5.1	5.0		

EPS is calculated on concurrent shares outstanding and FX

Yearly Income Statement

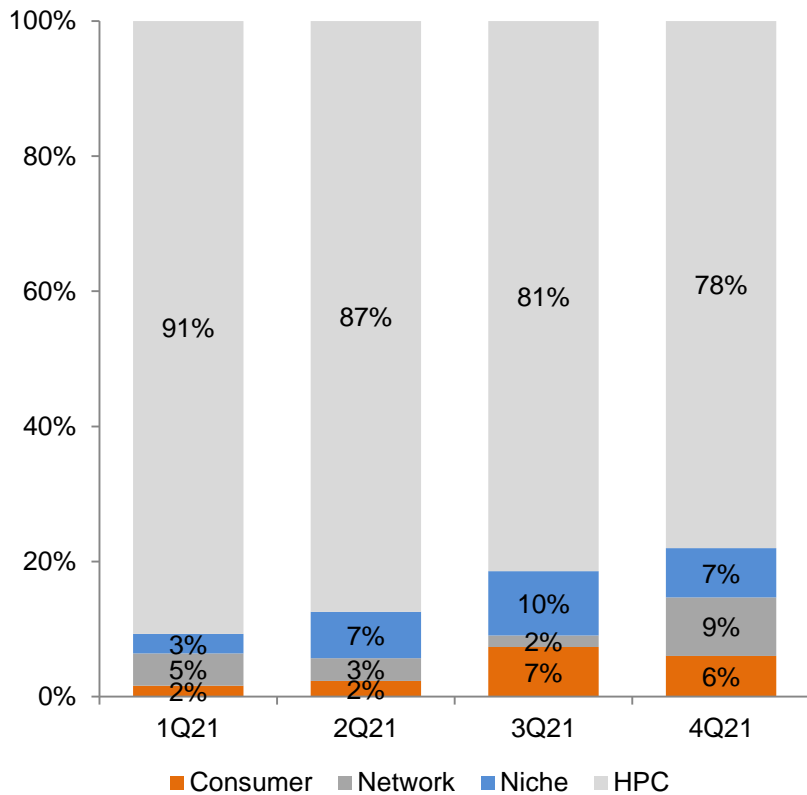


US\$('000)	2020	2021	YoY(%)
Revenue	239,565	372,319	55.4
COGs	161,483	245,125	51.8
Gross Profit	78,083	127,194	62.9
Op. Exp	44,676	61,930	38.6
Op. Income	33,407	65,263	95.4
Non. Op.	3,338	2,610	-21.8
Pre-Tax Profit	36,745	67,873	84.7
Income Tax	-8,490	-14,686	73.0
Net income	28,255	53,187	88.2
EPS (NT\$)	13.6	21.3	

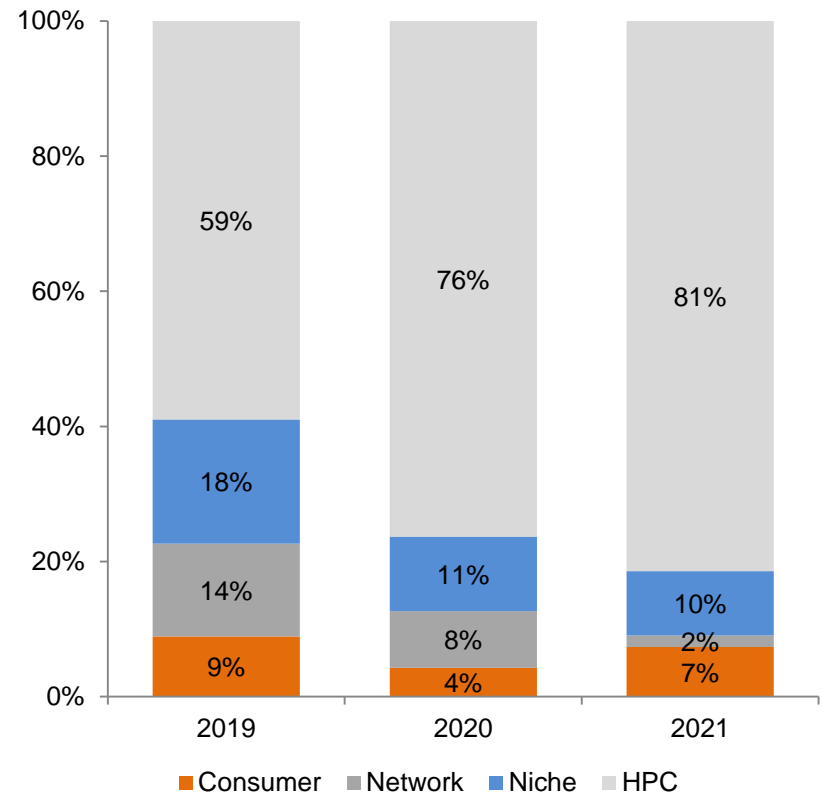
EPS is calculated on concurrent shares outstanding and FX

Revenue Breakdown by Application

Quarterly breakdown



Yearly breakdown

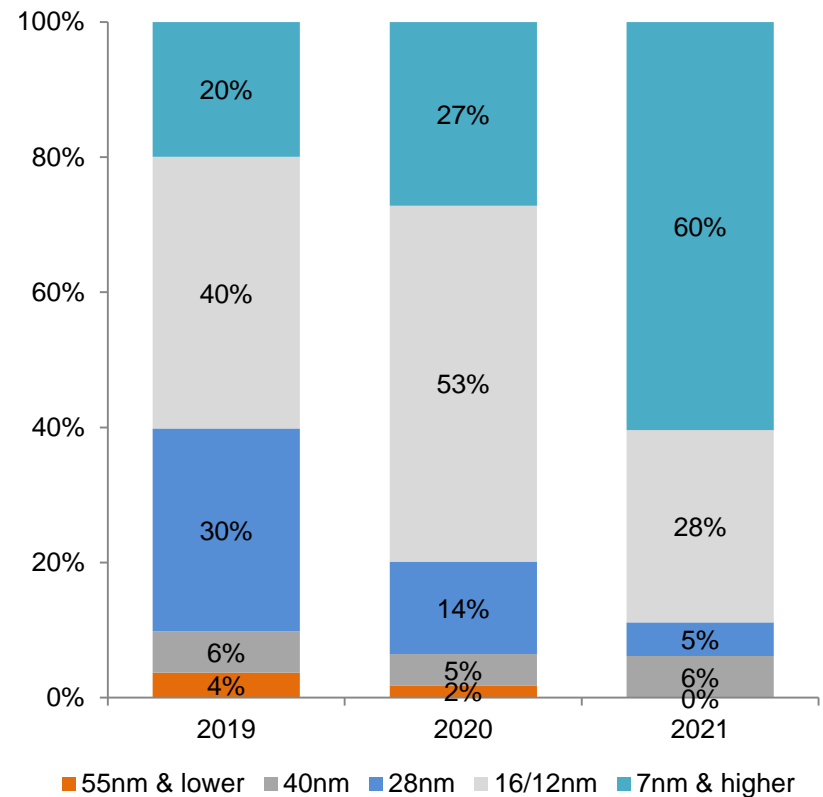
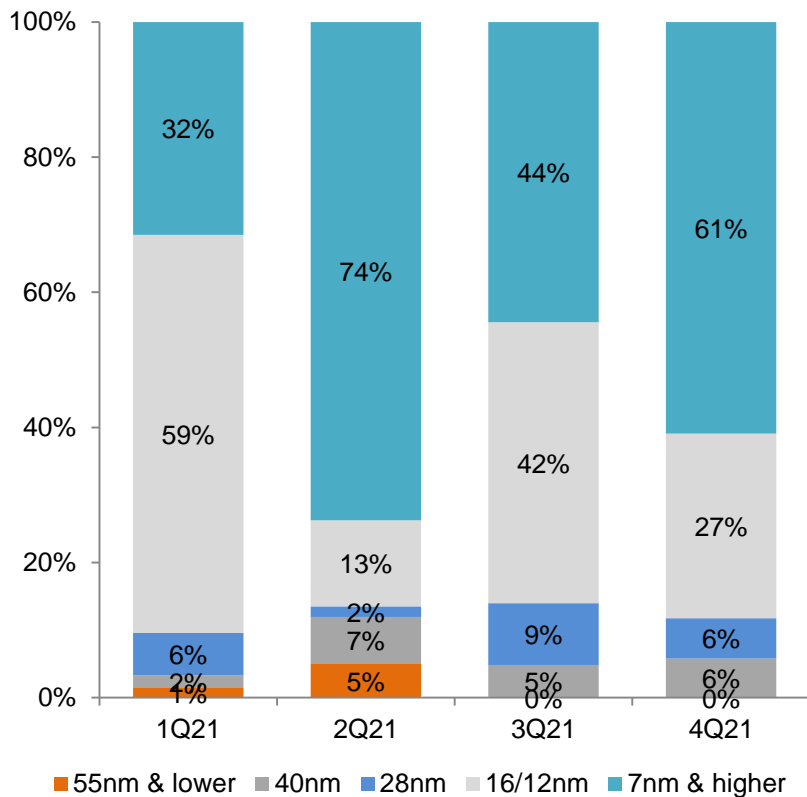


Revenue Mix by Process Node



Quarterly breakdown

Yearly breakdown



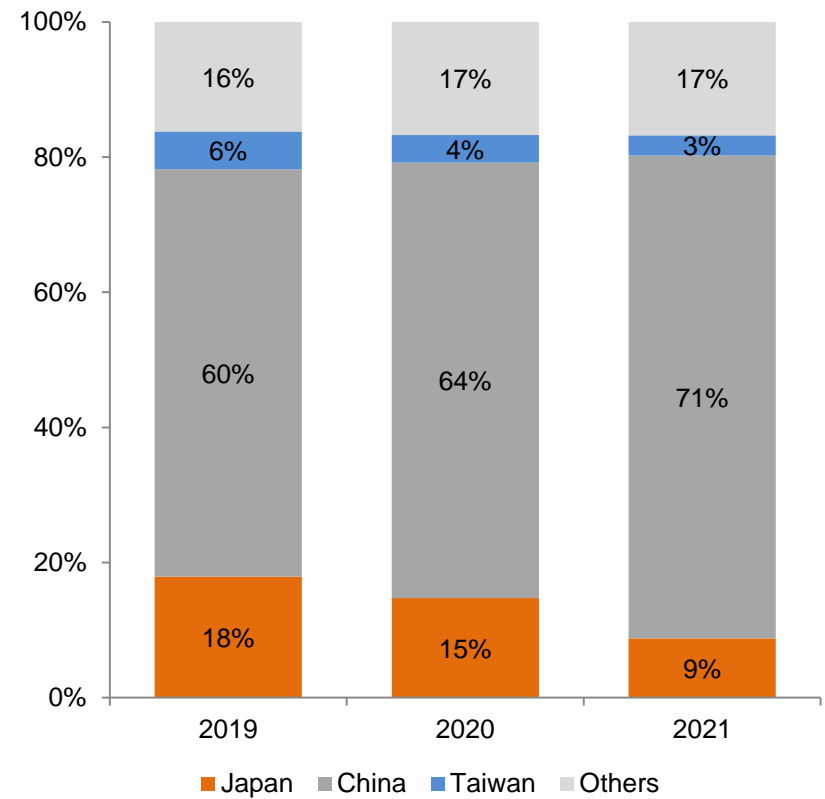
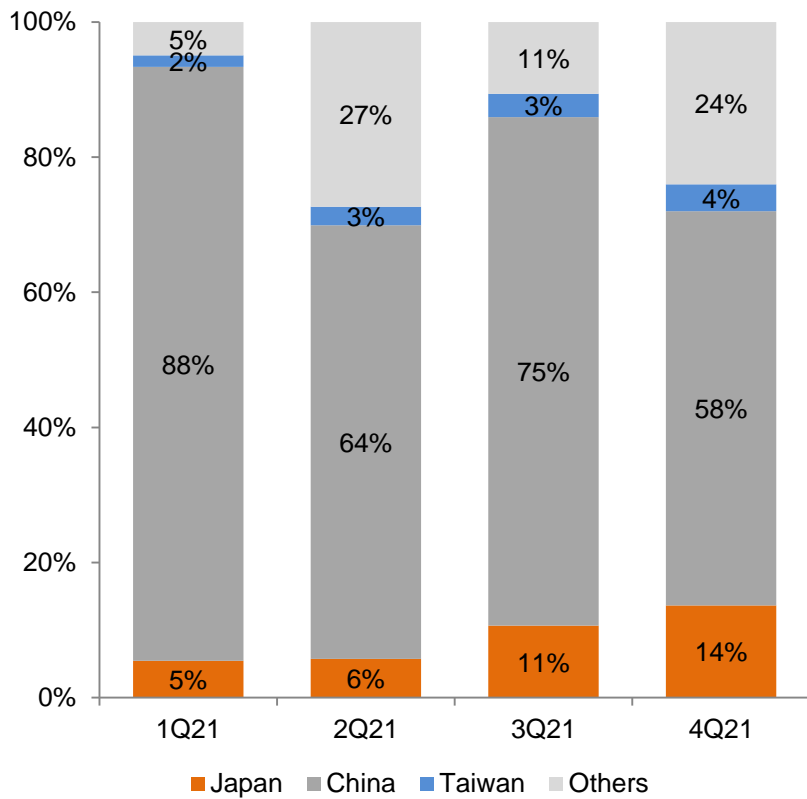
Advanced process node means 40nm or better

Revenue Breakdown by Region



Quarterly breakdown

Yearly breakdown



2021 Business Review



- **Despite of geopolitical obstacle, a promising result delivered**
 - Although stopping production shipment to biggest China customer in April due to geopolitical reasons, Alchip still delivered higher than expect top and bottom performance
 - Both China and US market showed strong physical design demand for HPC applications
 - Won several high-volume production projects with delivery to happen in 2022/2023
- **Profit margin hiked on multiple reasons**
 - 2021 gross margin at 34.2% vs. 32.6% in 2020
 - Design NRE business was very strong and keep on moving to the advanced technology nodes
 - Higher revenue exposure to high margin production projects

2022 Business Outlook



- **Revenue to US customers is the main growth driver**
 - Production shipment of AI chips to US service customer is expect to surge in mid 2Q22
 - Demand from AI application of US customers keeps on increasing. Visibility extends to 2023
- **Physical design/turnkey demand for HPC gets stronger and stronger**
 - Project pipeline is stronger than ever now, mostly within HPC applications
 - 7nm remains the mainstream while multiple 5nm projects to enter design phase in 2022
- **Supply chain management could provide upside potential**
 - CoWoS and substrate capacities are critical factors for 2022 and 2023 growth
 - Current capacity allocations are far short from customers orders



Thanks!

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