



(3661 TT)

Alchip Technologies

Investor Conference Meeting

August 26th, 2022

Silicon Heart of  AI

The "AI" icon consists of three concentric circles with a stylized "AI" inside, all enclosed within a larger circular frame.

Safe Harbor Disclaimer



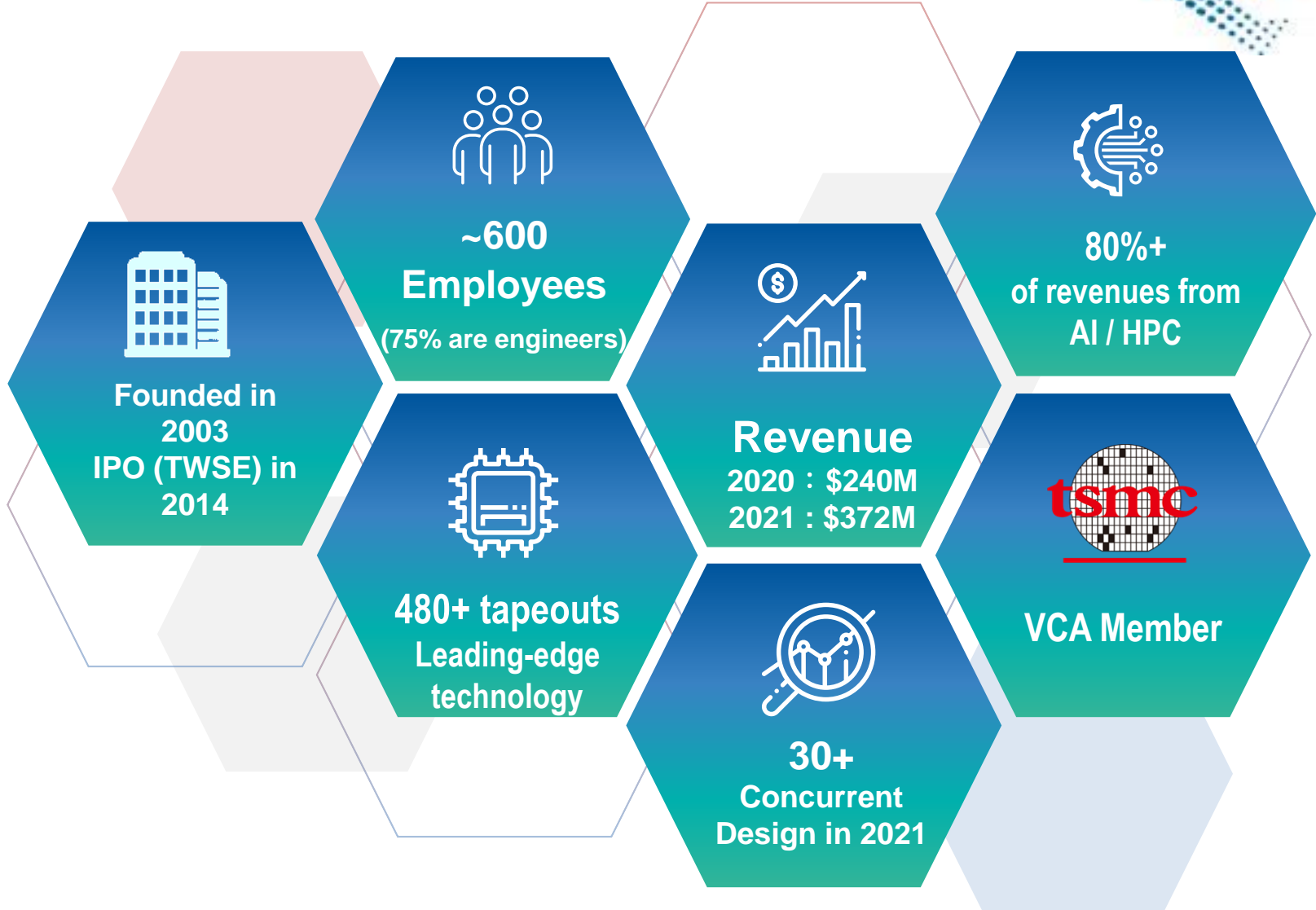
This presentation contains forward-looking statements, including statements about business outlook and strategy, and statements about historical results that may suggest trends for our business. These statements are based on estimates and information available to us at the time of this presentation and 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.

Message from CEO



- Record-breaking 1H Revenue, Net income & EPS
 - Revenue: USD \$194.6M
 - Net income: USD \$30.5M
 - EPS: NTD 12.3
- Strong Mass Production demand remains Unchanged
- Great Position on Leading-edge Business
 - Highest business inquiries for 7/6/5/4nm opportunities
 - Great penetration to automotive areas
- Neutral Position with Diversified Business

2Q22 Quarterly Income Statement

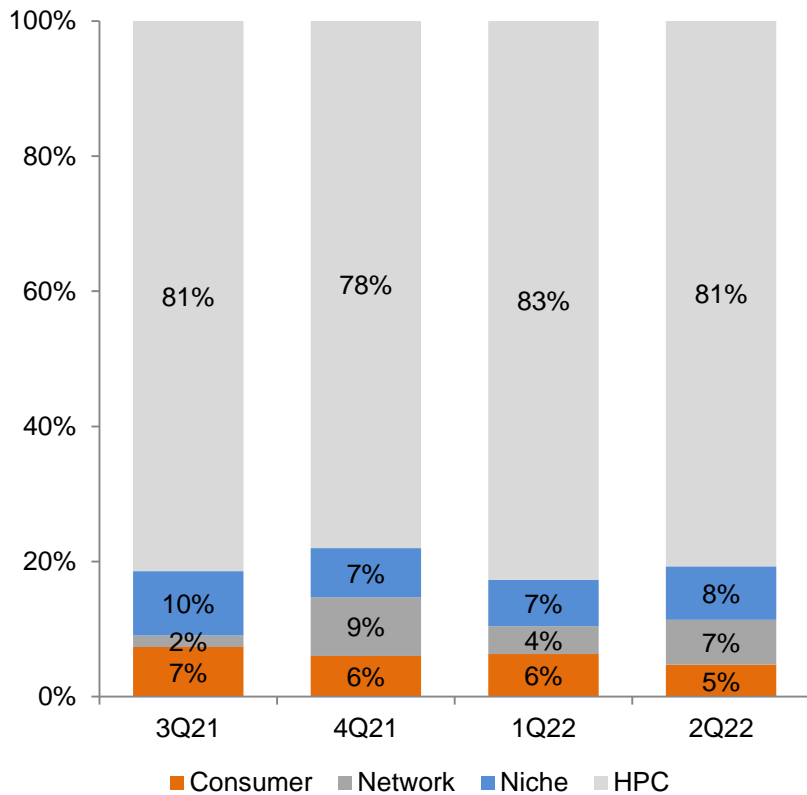


US\$'000	1Q22	2Q22	QoQ (%)	YoY (%)
Revenue	93,486	101,177	8.2	3.9
COGs	57,445	66,261	15.3	3.1
Gross Profit	36,041	34,916	-3.1	5.4
Op. Exp	16,481	15,596	-5.4	-0.6
Op. Income	19,559	19,320	-1.2	10.7
Non. Op.	714	-907	-227.1	-250.2
Pre-Tax Profit	20,273	18,412	-9.2	2.0
Income Tax	-4,250	-3,919	-7.8	-5.8
Net income	16,023	14,494	-9.5	4.3
EPS (NT\$)	6.3	6.0		

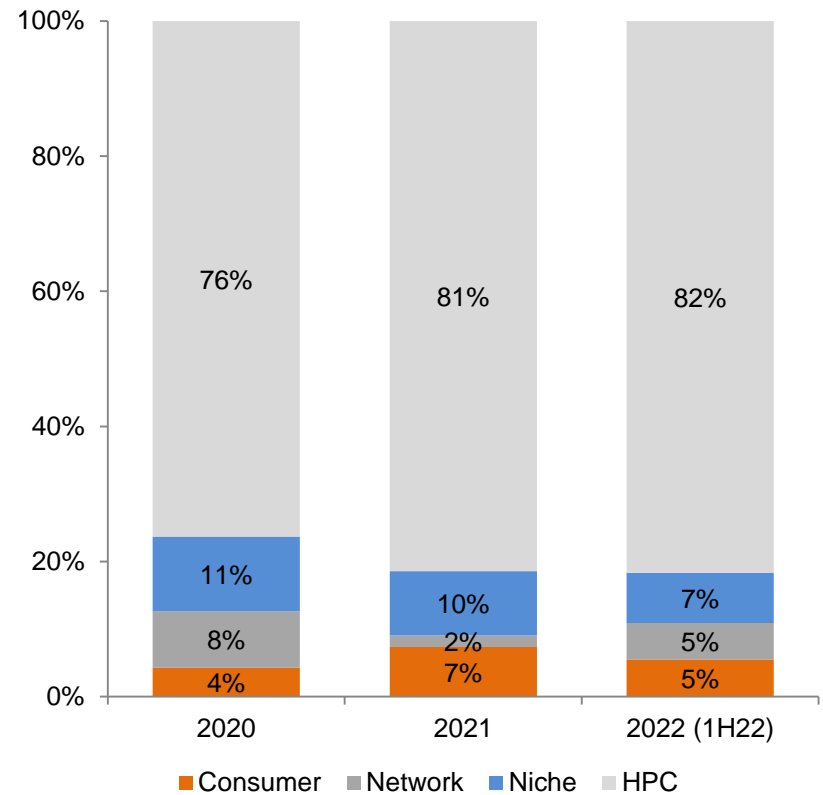
EPS is calculated on concurrent shares outstanding and FX

Revenue Breakdown by Application

Quarterly breakdown



Yearly breakdown

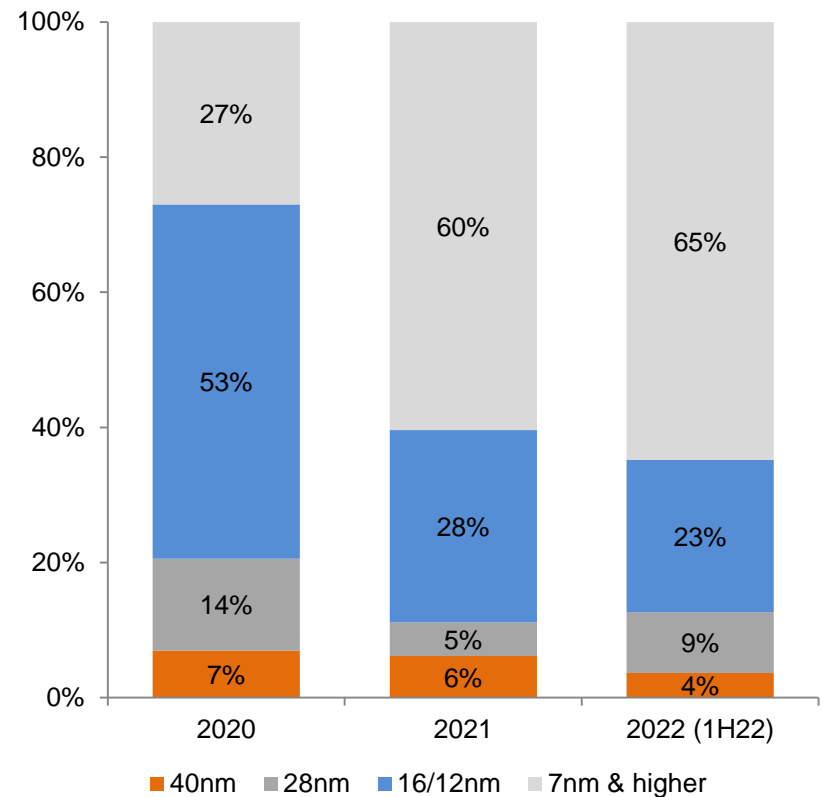
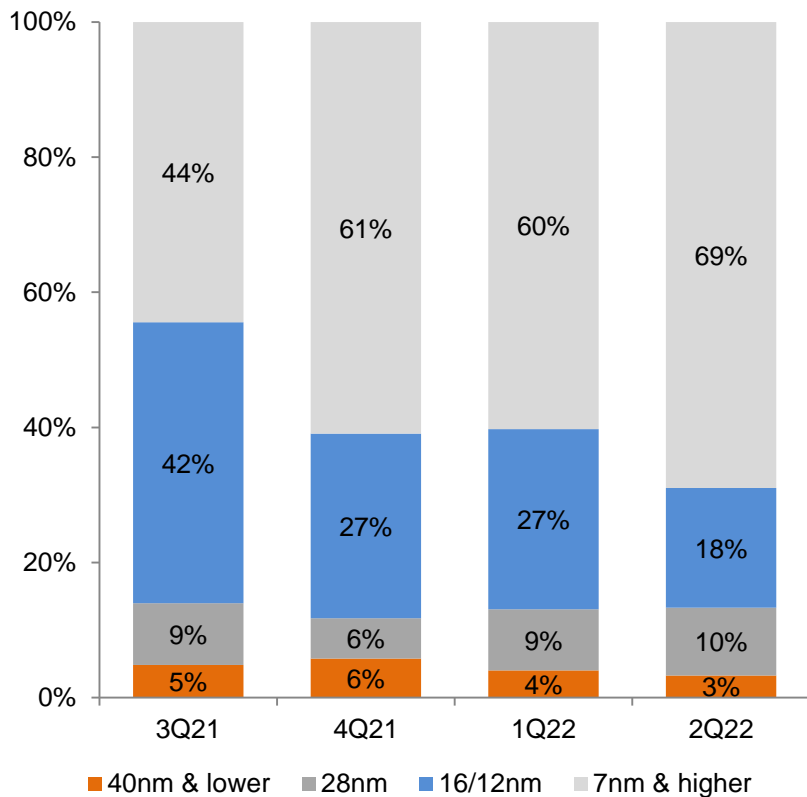


Revenue Mix by Process Node



Quarterly breakdown

Yearly breakdown



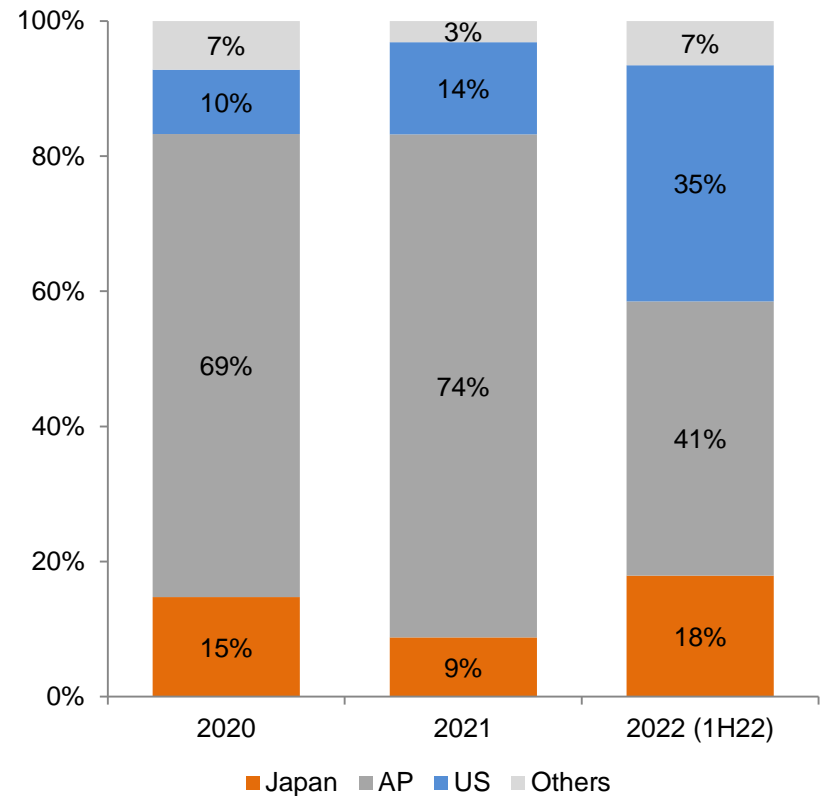
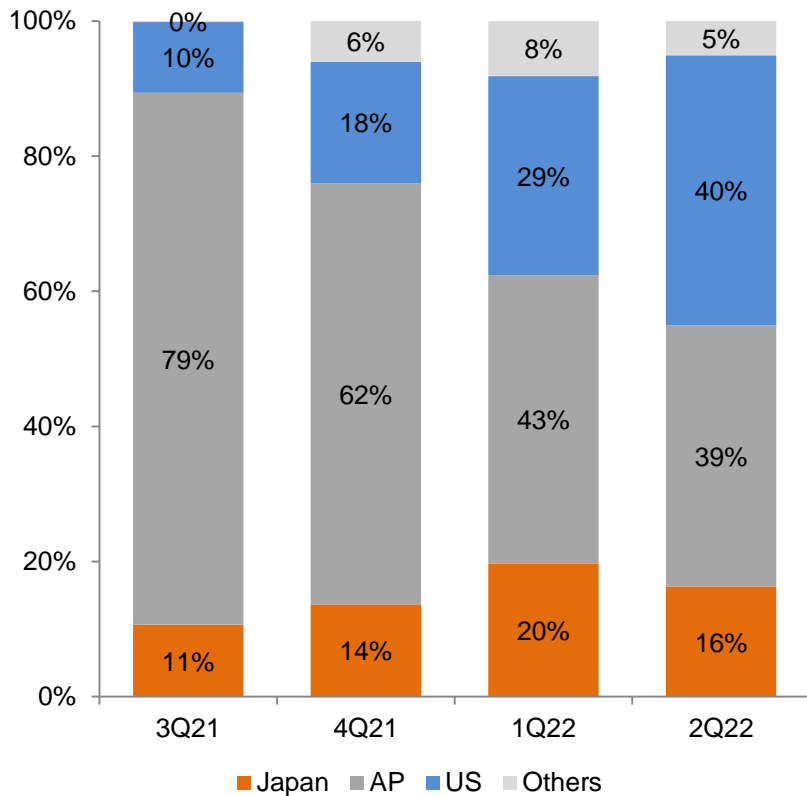
Advanced process node means 40nm or better

Revenue Breakdown by Region



Quarterly breakdown

Yearly breakdown



2Q22 Business Review



- **Revenue came as mildly lower than expected**
 - Due to the constraint of ABF substrate supply caused by yield rate issue, 2Q22 posted limited QoQ growth
 - Design demand remained robust as expected. No weakening demand on sight amid weak macro-environment
- **Profit margin down on NRE/MP went back to normal**
 - 2Q22 gross margin at 34.5% on lowering NRE revenue contribution comparing with 1Q22
 - NRE revenue accounts for 40-50% of total revenue
- **Inventory level went up on piling up top die for 2H/22 and 2023 shipments to N.A. customer**
 - Inventory level rose to US\$120M by end of 2Q22 on N.A. customer keep on placing orders for top die in preparation for expecting surging shipment in late 4Q22 and 2023



Thanks!

www.alchip.com

