



(3661 TT)

# Alchip Technologies

Investor Conference Meeting

April.30<sup>th</sup>, 2020

Silicon Heart of  AI

The "AI" icon is a circular graphic composed of several concentric, slightly offset rings. The innermost ring is a solid blue circle, and the outer rings are made of small blue dots, creating a sense of depth and a futuristic, digital feel.

# Safe Harbor Disclaimer

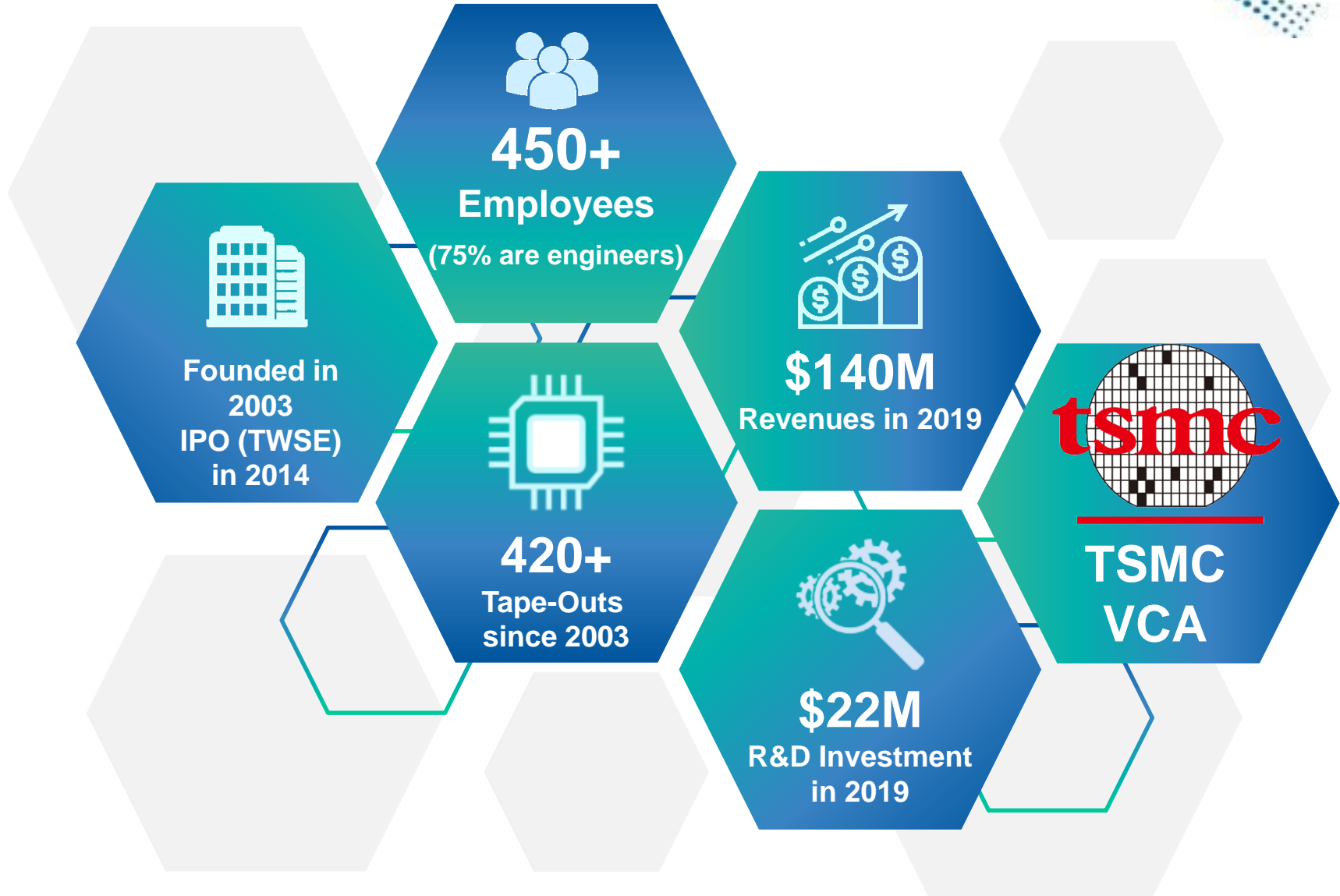


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- The video and audio content of this meeting will upload to MOPS (Market Observation Post System)


# Alchip at a Glance



  
Founded in  
2003  
IPO (TWSE)  
in 2014

  
**450+**  
Employees  
(75% are engineers)

  
**\$140M**  
Revenues in 2019

  
**420+**  
Tape-Outs  
since 2003

  
**\$22M**  
R&D Investment  
in 2019

  
**TSMC**  
VCA

# ASIC Applications



# Q1 Review and Recap



- **Met Rev. Target w/ Record-breaking numbers**
  - Revenue: \$50.49M (record high!!)
  - Net income: \$5.79M (record high!!)
  - EPS: NTD 2.87 (record high!!)
- **Great Position on HPC/AI Business**
  - Multiple designs planned to tapeout soon
  - Many on-going designs
  - Few key business won in US, JP and China
    - US: Design win for another hyperscaler
    - JP: game console design win
  - 7nm design entering production phase
- **Crisis Management & Control**
  - No significant impact due to coronavirus pandemic
  - Beneficiary from trade war

# 1Q20 Quarterly Income Statements



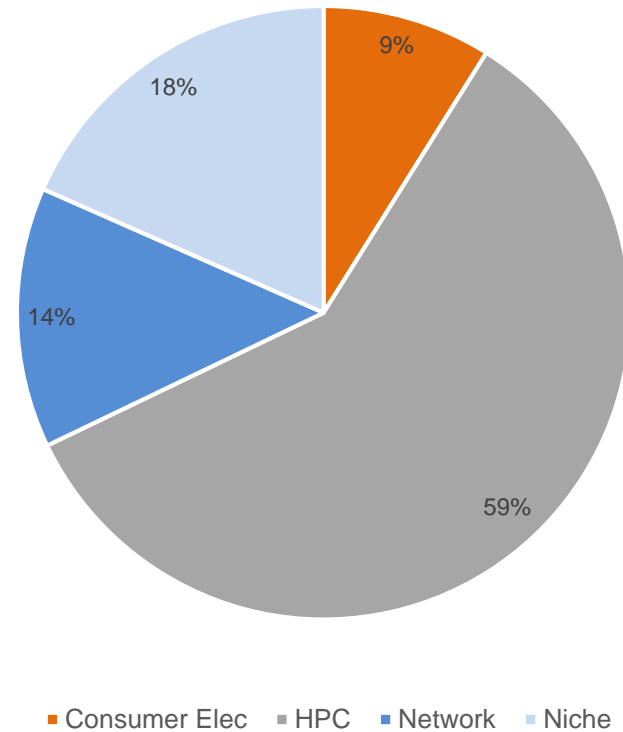
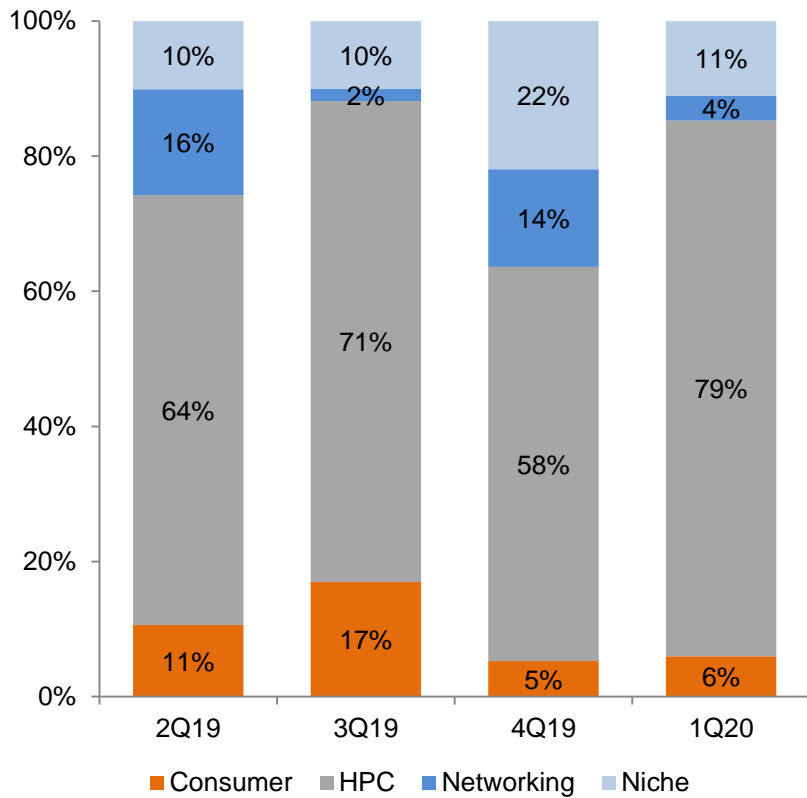
US\$'000	4Q19	1Q20	QoQ (%)	YoY (%)	1Q19
Revenue	47,000	50,493	7.4	39.3	36,236
COGs	31,663	33,738	6.6	40.5	24,007
Gross Profit	15,337	16,755	9.2	37.0	12,229
Op. Exp	10,693	9,778	-8.6	14.6	8,529
Op. Income	4,644	6,977	50.2	88.6	3,700
Non. Op.	959	587	-38.8	193.9	200
Pre-Tax Profit	5,602	7,564	35.0	93.9	3,900
Income Tax	-979	-1774	81.1	163.6	-673
Net income	4,623	5,790	25.2	79.4	3,227
EPS (NT\$)	2.38	2.87			1.66

EPS based on con-current outstanding shares

# Revenue Breakdown by Application

2Q19-1Q20 application mix

2019 Yearly mix



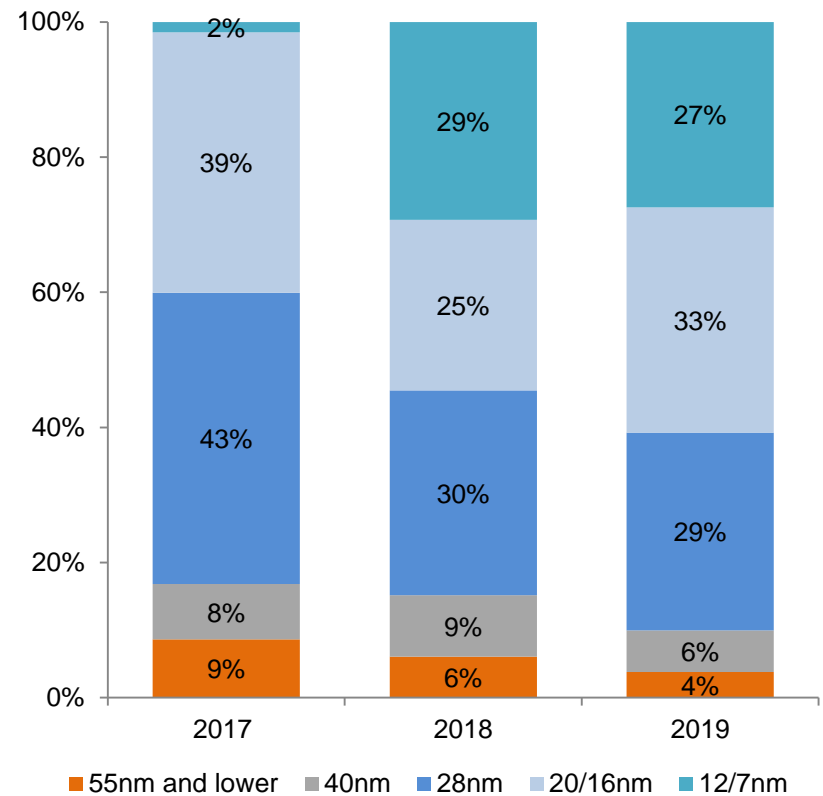
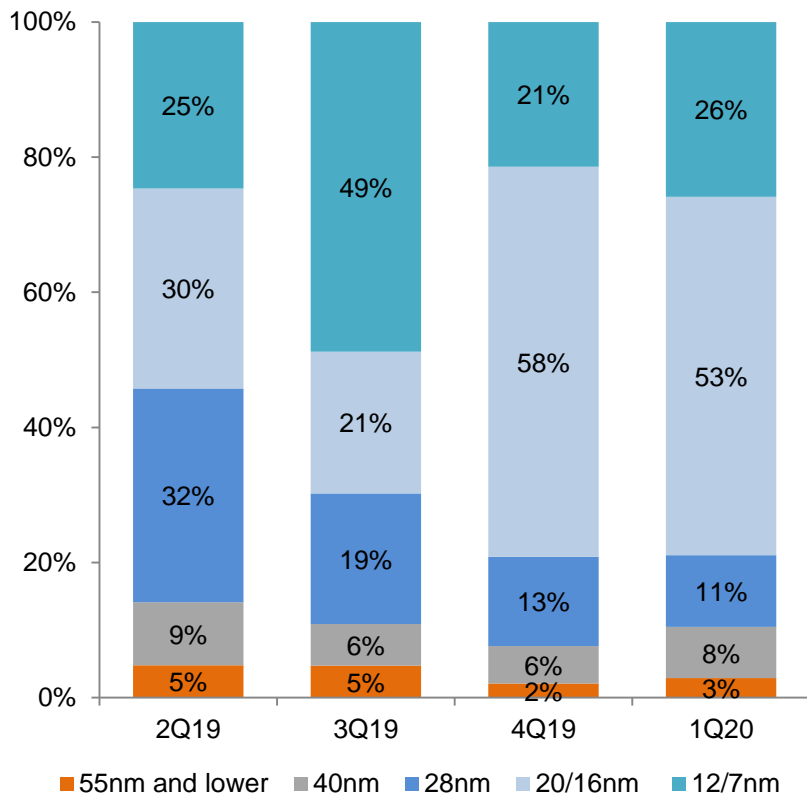


# Revenue Mix by Process Node



## 2Q19-1Q20 process node mix

## 2019 Yearly process node mix



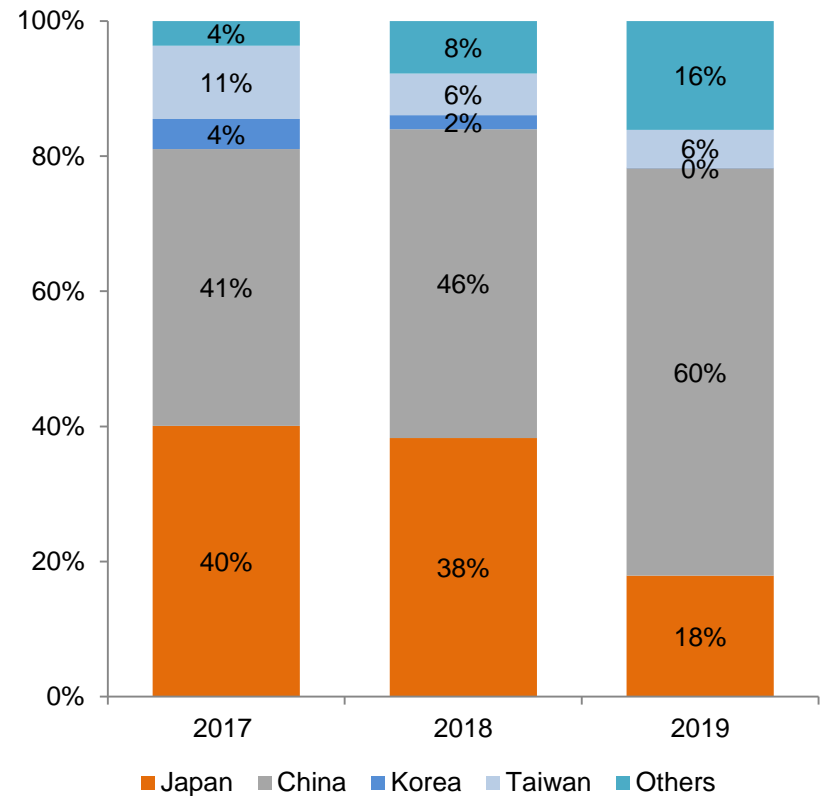
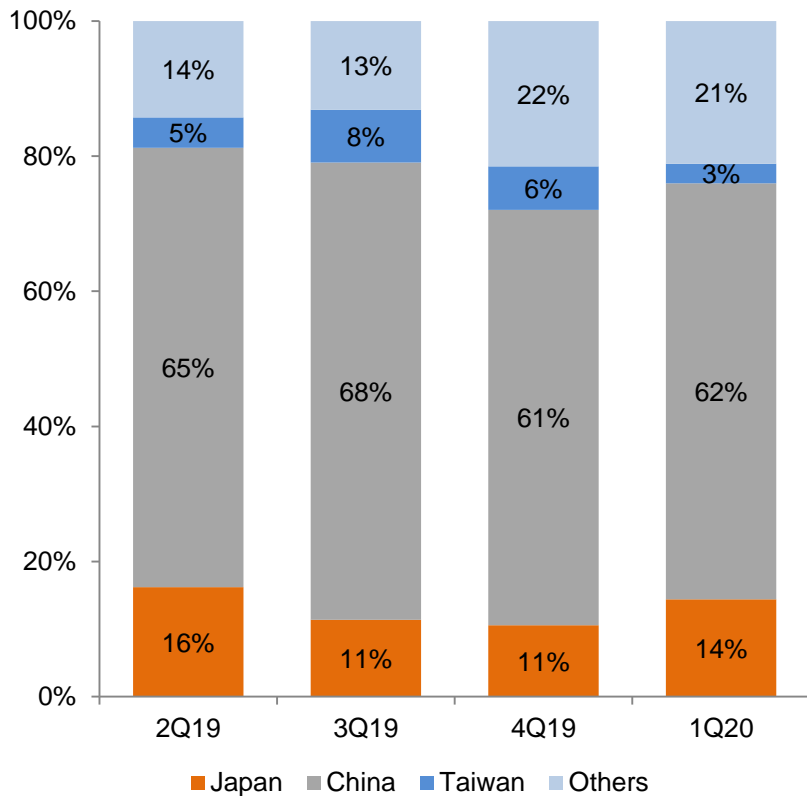
Advanced process node means 40nm or better

# Revenue Breakdown by Region



## 2Q19-1Q20 regional mix

## 2019 regional mix



# Industry View



- **China CPU demand remain unchanged**
  - Despite of the Covid-19 pandemic, customer's forecast of shipments toward 2020 remain unchanged
  - Both number 1 and 2 China CPU customers are aggressive on kick-off new NRE projects
- **AI market outlook remain intact**
  - AI project demand from US, Middle East, and China is still good
  - US business development slows down on limitation of traveling and office attendance due to Covid-19 pandemic
  - Expect AI chip makers to gradually entering the 5nm phase in late 2020

# 2020 Business Outlook



- **China CPU remain the major revenue contributor**
  - Both production shipments and project NREs account for considerable part of company's total revenue
  - 7nm CPU shipment to be the critical factor to 2H20 growth
- **7nm design demand gets stronger**
  - 7nm design has already the mainstream for both CPU and AI categories
  - Multiple 7nm projects to enter the tape-out and production phase this year
- **Minor impact from Covid-19**
  - Design efficiency has fully recovered as tapering off epidemic impact in China
  - US business development slows down mildly. Expect to recover soon



**Thanks!**

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