

Megawin Technology Co., Ltd.

Institutional Investor Conference

Code: 3122

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Safe Harbor Notice




Megawin's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.

Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Overview

- **Established:** June, 1999
- **Capital:** NTD 382 millions
- **Chairman & CEO:** Kenny Wen
- **Employees:** 73 (Taiwan: 62 & China: 11)
- **Business:** Development, design, and sale microcontrollers
(a MCU-based IC design house)
- **Main products:** ARM Cortex-M0 MCU, 8051 MCU, and USB MCU

Agenda

- 01  Operation Performance & Financial Results
- 02  Product Application & Business Outlook
- 03  Q & A

01. OPERATION PERFORMANCE & FINANCIAL RESULTS

Key Growth Drivers for Revenue



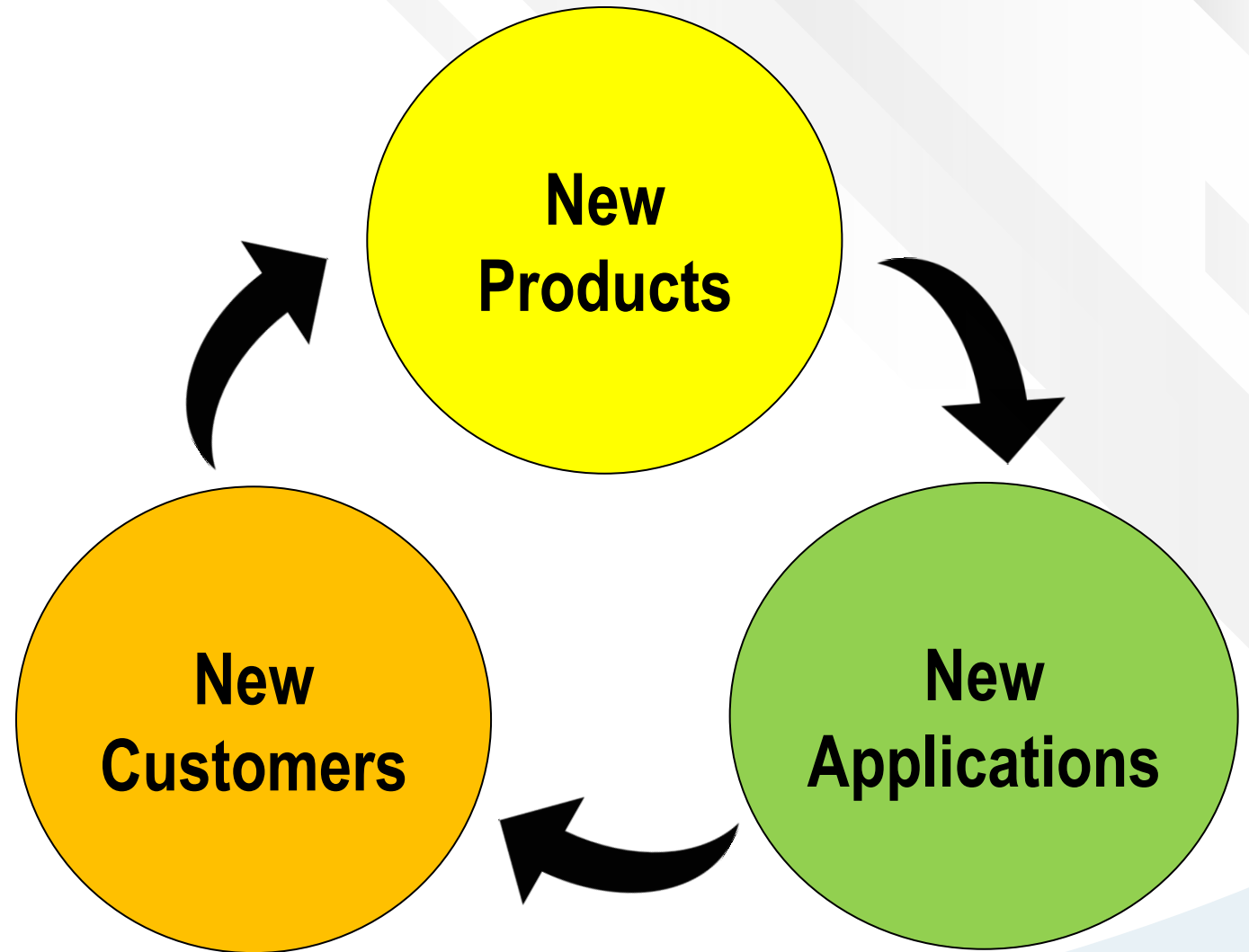
Total solution

Provide total solution for customers



Best cost-performance ratio

Achieve the best cost-performance ratio



Development Strategy/ Marketing

■ Platform

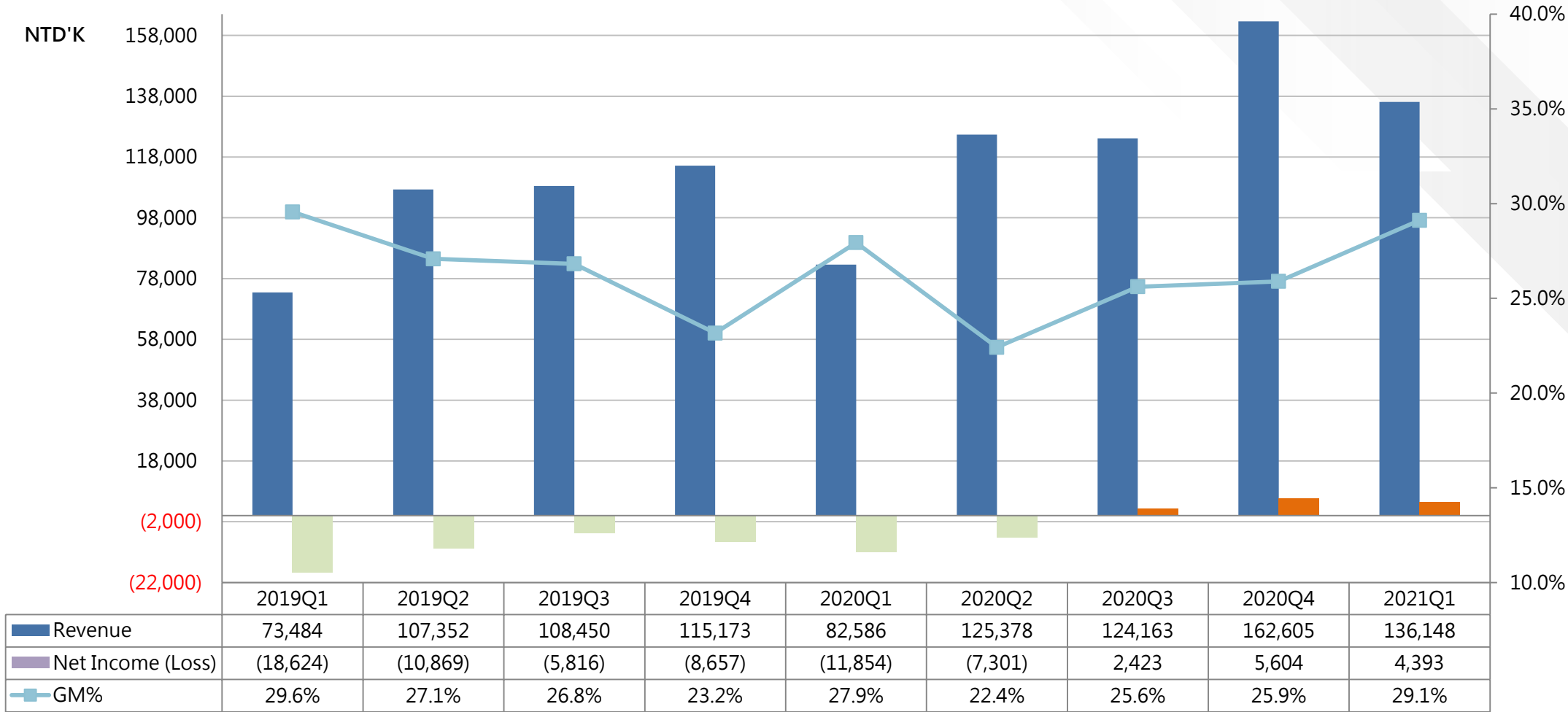
1. ARM Cortex-M0 MCU
2. 8051 MCU

■ Application

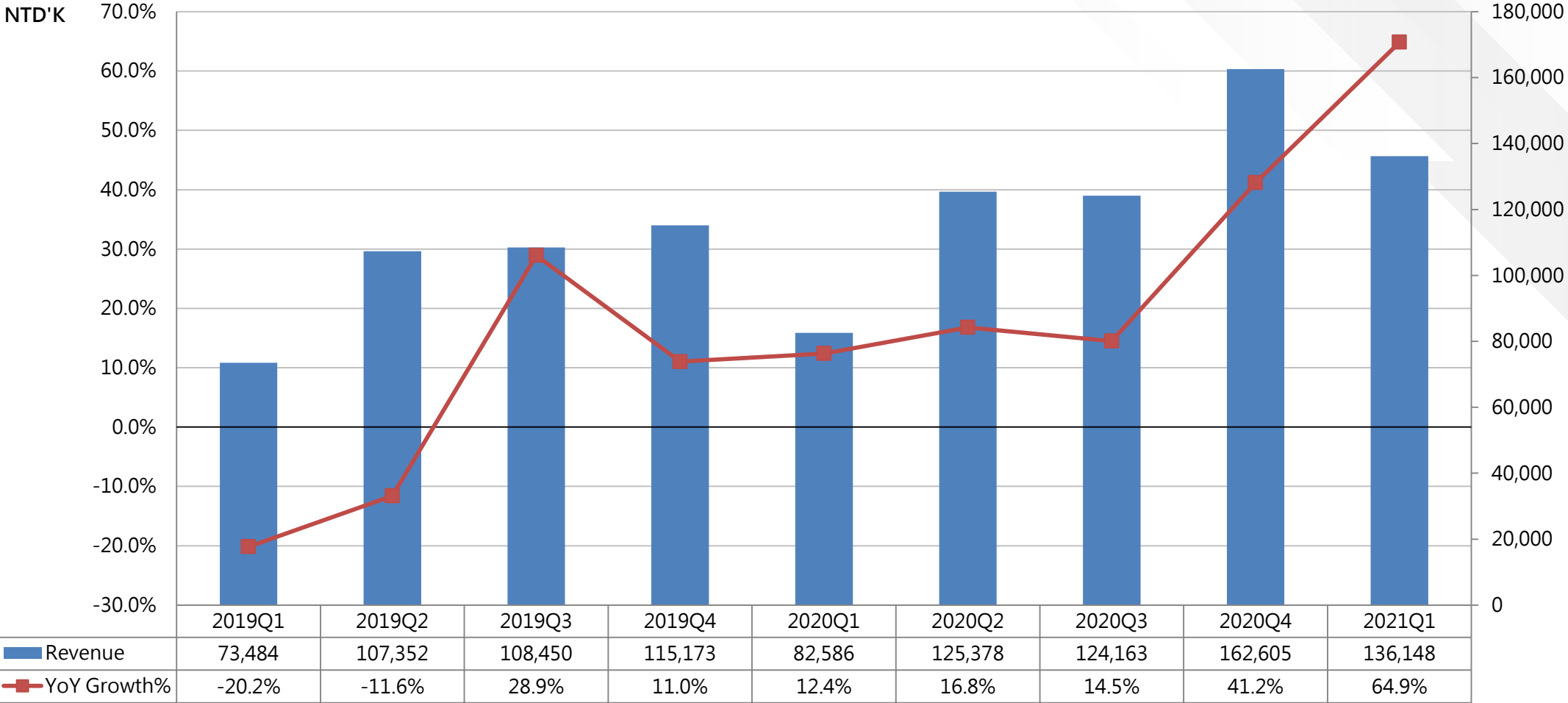
1. General purpose
2. Low power consumption



Quarterly Operating Results in the Past 2 Fiscal Years



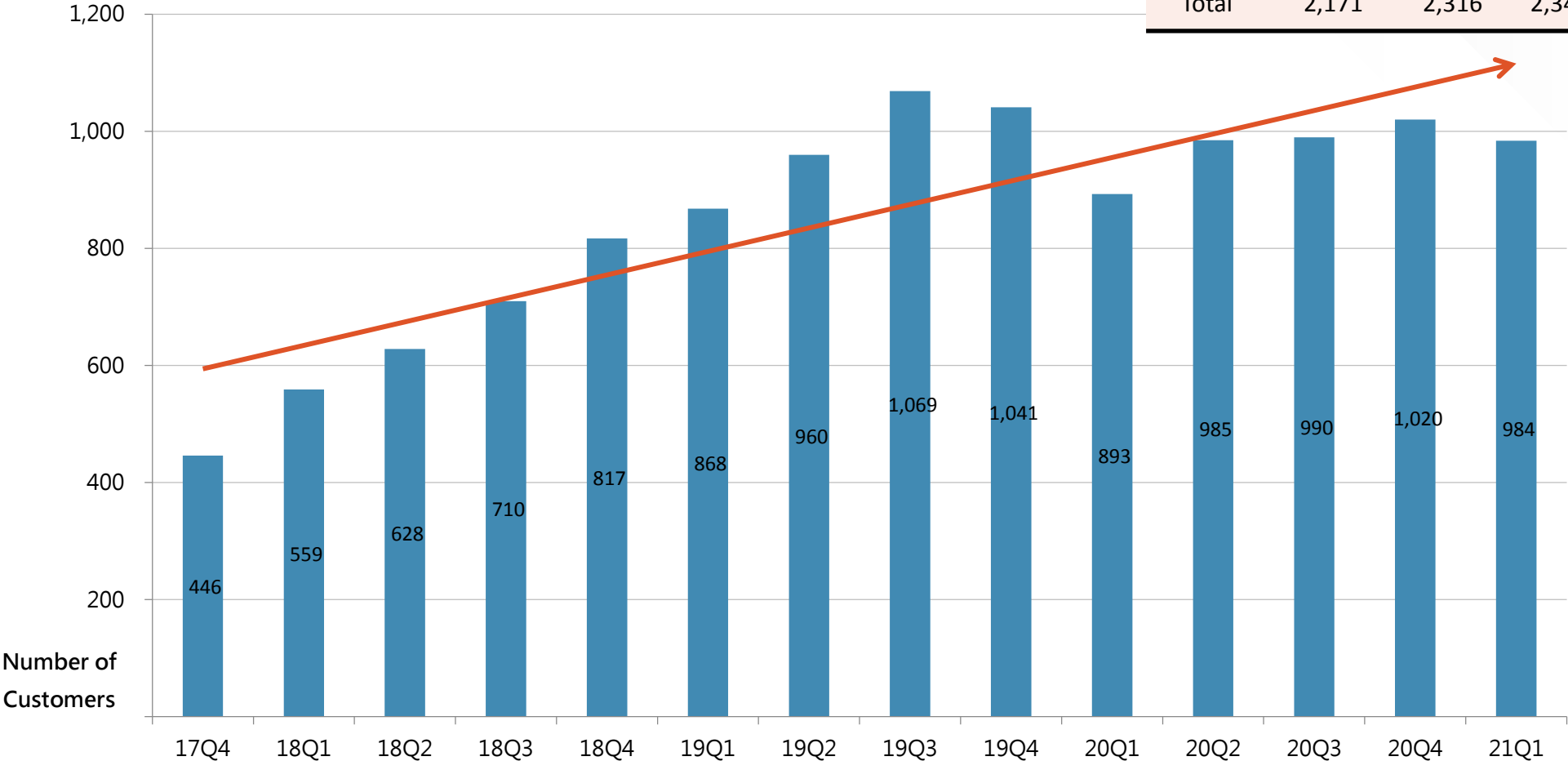
Quarterly Revenue and Growth Rate in the Past 2 Fiscal Years



CRM Statistics: Quarterly Number of Customers

Steady increase in customer retention rate vs. Number of design-in cases of main products

	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1
Total	2,171	2,316	2,345	2,439	2,553	2,637

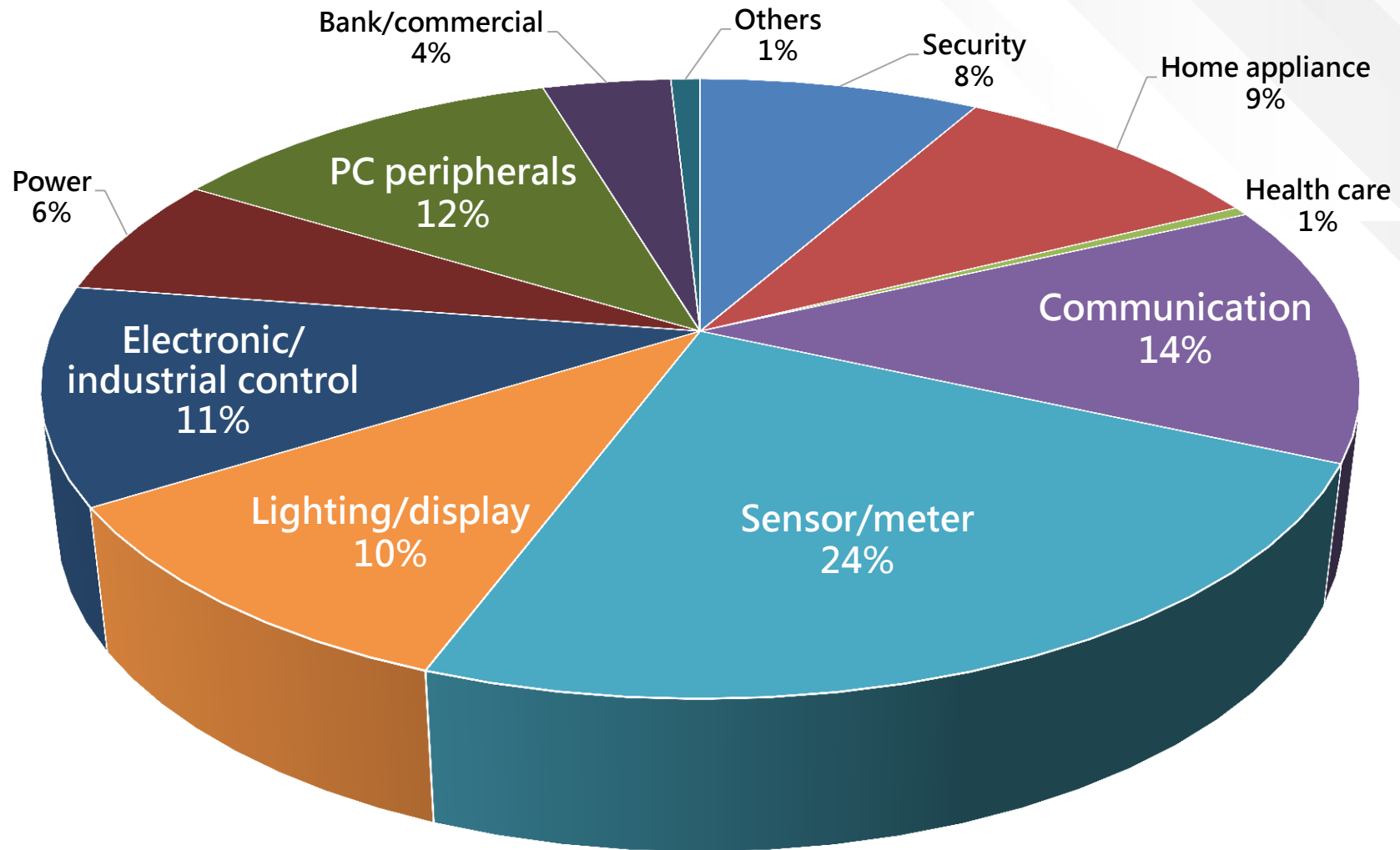


02. PRODUCT APPLICATION & BUSINESS OUTLOOK

Three Major Product Lines & Applications

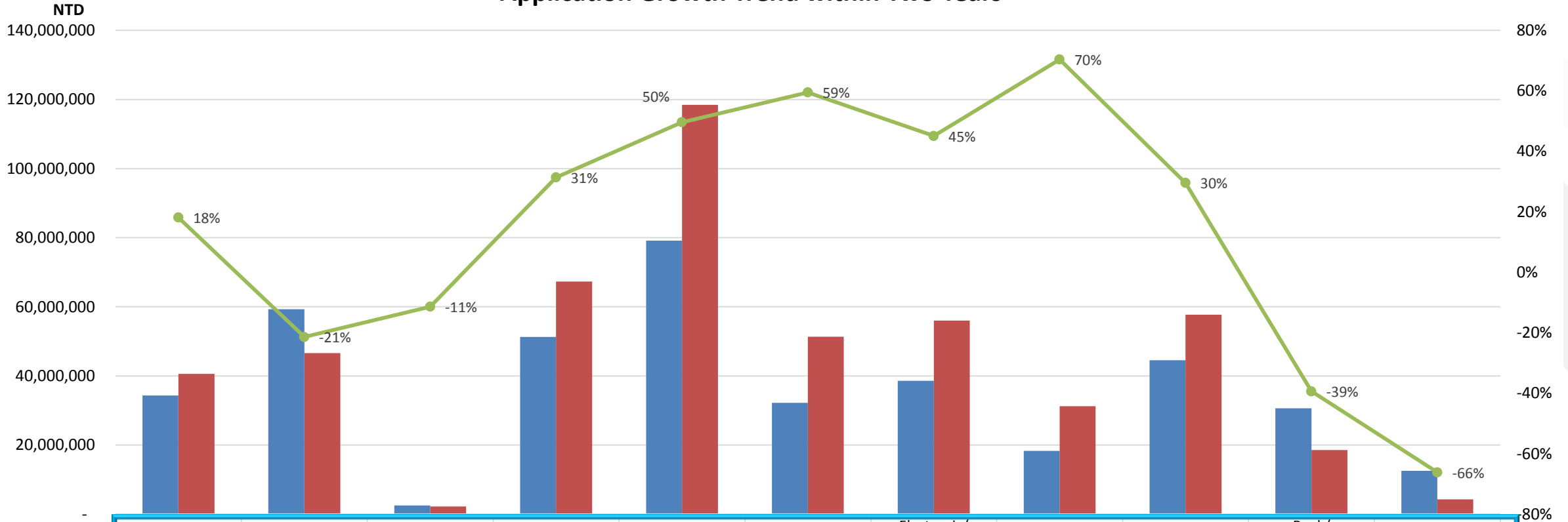


Yr2020 MCU Breakdown by Industry





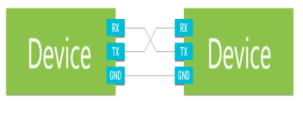


Growth Analysis by Industry

Application Growth Trend within Two Years



	Security	Home appliance	Health care	Communication	Sensor/meter	Lighting/display	Electronic/ industrial control	Power	PC peripherals	Bank/ commercial	Others
2019 Revenue	34,364,067	59,327,158	2,521,343	51,251,172	79,187,083	32,183,293	38,598,148	18,317,804	44,532,436	30,625,410	12,534,912
2020 Revenue	40,586,798	46,621,417	2,234,493	67,334,871	118,483,279	51,329,502	56,000,070	31,209,043	57,704,386	18,563,778	4,239,695
Growth%	18%	-21%	-11%	31%	50%	59%	45%	70%	30%	-39%	-66%

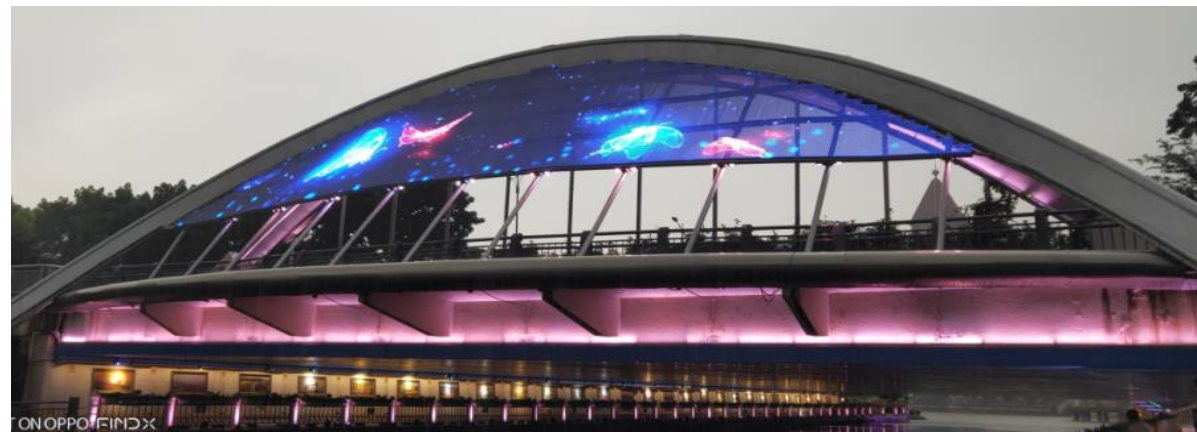
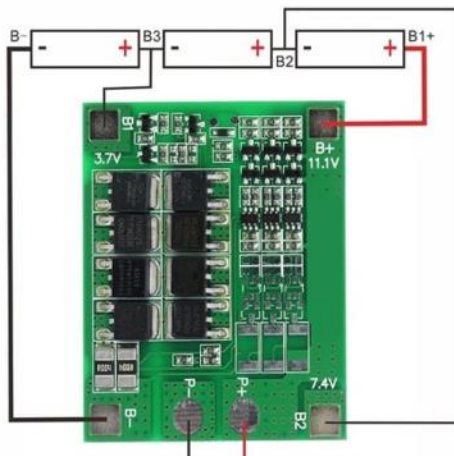
Growth Analysis of Major Applications

Major Application	2019 Revenue	2020 Revenue	YoY Growth%
Wireless charging 	14.1M	26.8M	+90%
Meter 	25.3M	45.6M	+80%
Signal conversion 	33.8M	52.4M	+55%
Keyboard 	23.1M	30.7M	+33%
Home appliance panel 	29.4M	38.1M	+29%

Growth Analysis of Potential Applications

Potential Application	2019 Revenue	2020 Revenue	YoY Growth%
Lithium battery protection board	2.1M	9.9M	+371.43%
LED lighting control	7M	11.6M	+65.71%
Elevator control	12.6M	17.1M	+35.71%

▼ Megawin MCUs have been adopted by major elevator manufacturer in China.



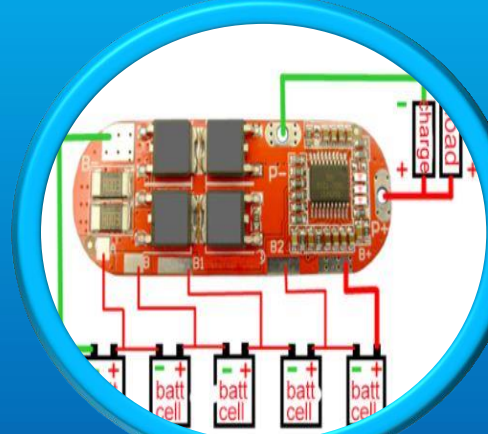
▲ Outdoor LED landscape lighting with Megawin MCU control.

Targeted Industry and Technology

A hand pointing at a glowing blue square labeled 'IOT' on a circuit board background.

IoT Industry

- Connected mostly by sensors
- Low-power MCU development
- Precise measurement hardware
- BLE transmission

A red PCB with various components and four battery cells connected to it.

Power Peripheral Industry

- Entered TWS charging station industry
- Develop wireless charging ASIC IC
- Develop battery protection circuit
- Develop high voltage process technology

A gaming mouse and keyboard with glowing lights and a laser beam.

Esports Peripheral Industry

- Integrated gaming transmission interface
- Embedded lighting control hardware
- Develop special dimming software
- Cooperate with EMS providers

Wireless Charging Industry



- **Key growth driver for industry:** Besides cell phone, both TWS and smart watch need wireless charging function.
- In 2024, the global wireless charging market size is expected to reach \$15 billion.
- In 2021, the wireless charging transmitter is expected to reach 500 million pieces, with a compound annual growth rate of **27%**.
- **Megawin's high-speed PWM and high-computing ability**
 1. **Have been adopted by a number of wireless charging solution providers in China.**
 2. Allow customers to more accurately control the charging efficiency and make it easier for them to pass certification.
 3. Mid-term product plan is to develop highly-integrated wireless charging IC.



LED Lighting Control Industry

▼ Received many landscape lighting orders from China./Stable internal oscillator, small temperature deviation./Exported overseas and passed the strict temperature difference test.

LED Landscape Lighting-1



LED Landscape Lighting-2

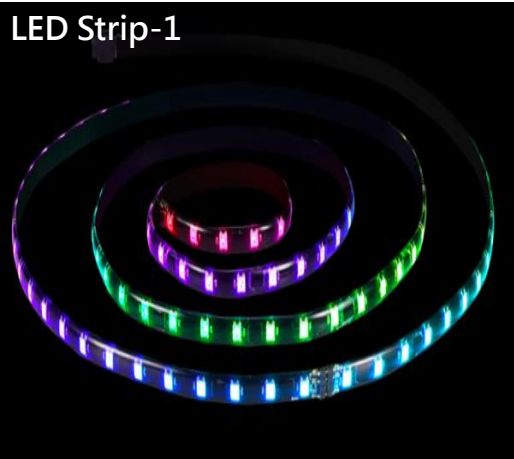


- In 2020, the production value of global smart lighting industry will reach approximately US\$50 billion.
- In 2021-2028, LED lighting is expected to maintain a compound annual growth rate of 12.5%.
- The market size of China smart lighting control MCU is at least 100kk/M.
Flash MCU accounts for about 30% of that. There is still a considerable room for growth in this market.

Stage Lighting/PAR lamp



LED Strip-1



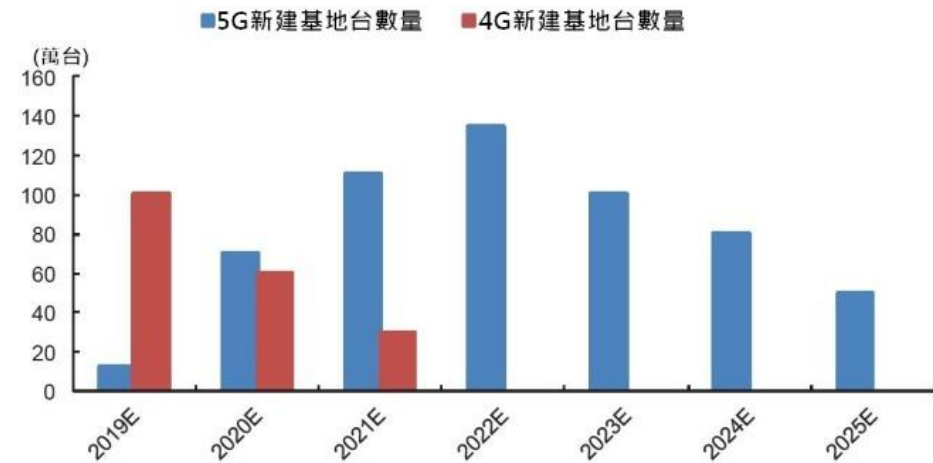
LED Strip-2



▲ Support lighting control of gaming products./Car interior, indoor atmosphere light industry./Advertising lamp industry.

Battery Protection Industry

▼ Number of New 5G Base Stations in China (in ten thousands)



Source: China Fortune Securities

■ Lithium Battery Management System (BMS) Application

1. Base station power supply
2. UPS
3. Power tool: The global power tools' demand for lithium batteries will grow year by year at a CAGR of 10%.

■ Compared with 4G base stations, the number of 5G stations has increased significantly.

1. CN-COMM.COM reported that China's telecommunication power supply accounted for as much as **35%** of the power market share.
2. **90%** of the 4G stock power supplies need to be expanded and remodeled to meet 5G needs.
3. The demand for base station BMS has increased significantly.
4. Megawin MCU has been adopted by the base station battery protection manufacturers in east China.
5. Mid-term product plan is to develop lithium battery protection IP.



Smart Sensor Industry

- IoT has entered substantial development, and sensor manufacturing industry will explode.

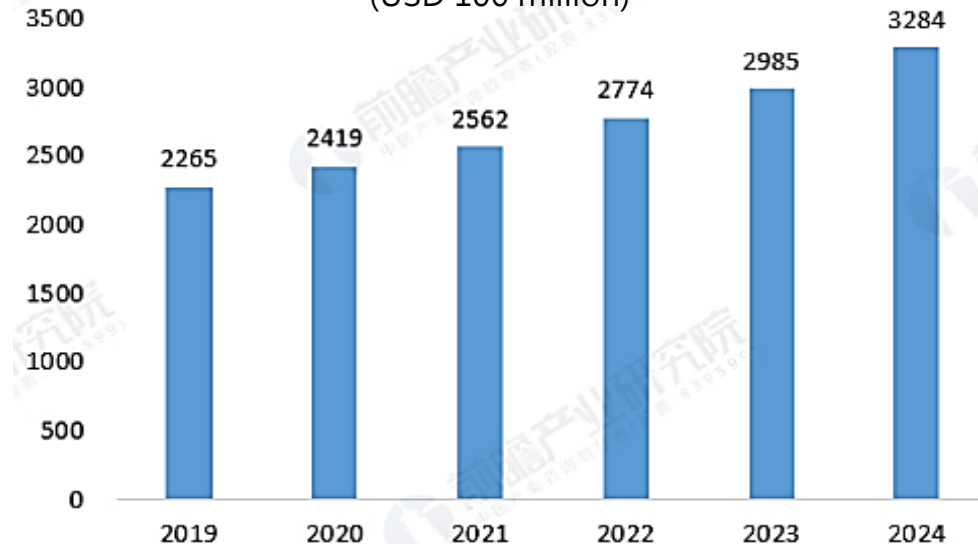
1. The potential scale of IoT sensor market reaches more than 10 billion, more than 10 times of the current size.
2. The size of the home and security sensor market will increase substantially.
3. The global sensor market will maintain a growth rate of about 8% in the next 5 years.

- Megawin expects to launch products equipped with low-power Bluetooth (BLE) and high-precision ADC in 2022.

1. Aim at smart home sensing.
2. Network security market.



▼ 2019-2024 Global Smart Sensor Market Share Forecast (USD 100 million)



03. Q & A

APPENDIX

1: Consolidated Statement Of Comprehensive Income

2: Consolidated Balance Sheet

Appendix 1: Consolidated Statement of Comprehensive Income

單位：新台幣仟元

	110年1月1日至3月31日		109年1月1日至3月31日	
	金額	%	金額	%
營業收入淨額	136,148	100	82,586	100
營業成本	96,503	71	59,510	72
營業毛利	39,645	29	23,076	28
營業費用	34,378	25	35,348	43
營業淨利 (損)	5,267	4	(12,272)	15
營業外收入及支出	(847)	(1)	435	<u>1</u>
稅前淨利 (損)	4,420	3	(11,837)	(14)
所得稅費用	(27)	=	(17)	=
本期淨利 (損)	4,393	3	(11,854)	(14)
每股盈餘 (虧損) (單位:元)	0.11		(0.31)	

Appendix 2: Consolidated Balance Sheet (1/3)

單位：新台幣仟元

資產	110年3月31日 (經核閱)		109年3月31日 (經核閱)	
	金額	%	金額	%
流動資產				
現金及約當現金	88,039	18	44,403	10
透過損益按公允價值衡量之金融資產	37	-	-	-
按攤銷後成本衡量之金融資產 - 流動	63,894	13	110,477	24
應收票據及帳款	66,672	13	43,002	9
存貨	76,187	15	76,515	16
其他流動資產	20,157	4	9,430	2
流動資產總計	314,986	63	283,827	61
非流動資產				
不動產、廠房及設備	156,821	32	160,855	34
使用權資產	7,997	2	3,579	1
無形資產	15,657	3	17,867	4
存出保證金	671	-	801	-
非流動資產總計	181,146	37	183,102	39
資 產 總 計	496,132	100	466,929	100

Appendix 2: Consolidated Balance Sheet (2/3)

單位：新台幣仟元

	110年3月31日 (經核閱)		109年3月31日 (經核閱)	
	金額	%	金額	%
負債及權益				
流動負債				
短期借款	-	-	-	-
透過損益按公允價值衡量之金融負債 - 流動	-	-	-	-
應付帳款	52,042	10	36,752	8
其他應付款	25,549	5	24,818	5
租賃負債 - 流動	2,599	1	3,206	1
其他流動負債	3,391	1	2,644	-
流動負債總計	83,581	17	67,420	14
非流動負債				
租賃負債 - 非流動	5,202	1	469	-
淨確定福利負債 - 非流動	1,071	-	1,208	-
存入保證金	1,811	-	1,521	1
非流動負債總計	8,084	1	3,198	1
負債總計	91,665	18	70,618	15

Appendix 2: Consolidated Balance Sheet (3/3)

單位：新台幣仟元

負債及權益	110年3月31日 (經核閱)		109年3月31日 (經核閱)	
	金額	%	金額	%
歸屬於本公司業主之權益				
股本				
普通股	382,999	77	392,999	84
資本公積	34,209	7	47,614	10
保留盈餘				
法定盈餘公積	-	-	26,703	6
特別盈餘公積	-	-	801	-
未分配盈餘 (累積虧損)	(11,422)	(2)	(54,710)	(12)
保留盈餘總計	(11,422)	(2)	(27,206)	(6)
其他權益	(1,319)	-	(1,314)	-
庫藏股票	-	-	(15,782)	(3)
本公司業主權益總計	404,467	82	396,311	85
權益總計	404,467	82	396,311	85
負債及權益總計	496,132	100	466,929	100
每股淨值(單位:元)	10.56		10.35	

Thank you!



You may visit us at
www.megawin.com.tw



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