

Megawin Technology Co., Ltd.

Institutional Investor Conference

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Spokesperson: Alex Liao

Director, Market Planning Div.

(TEL) 886-3-6234096

(E-mail) sholder@megawin.com.tw

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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:** 79 (Taiwan: 68 & 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



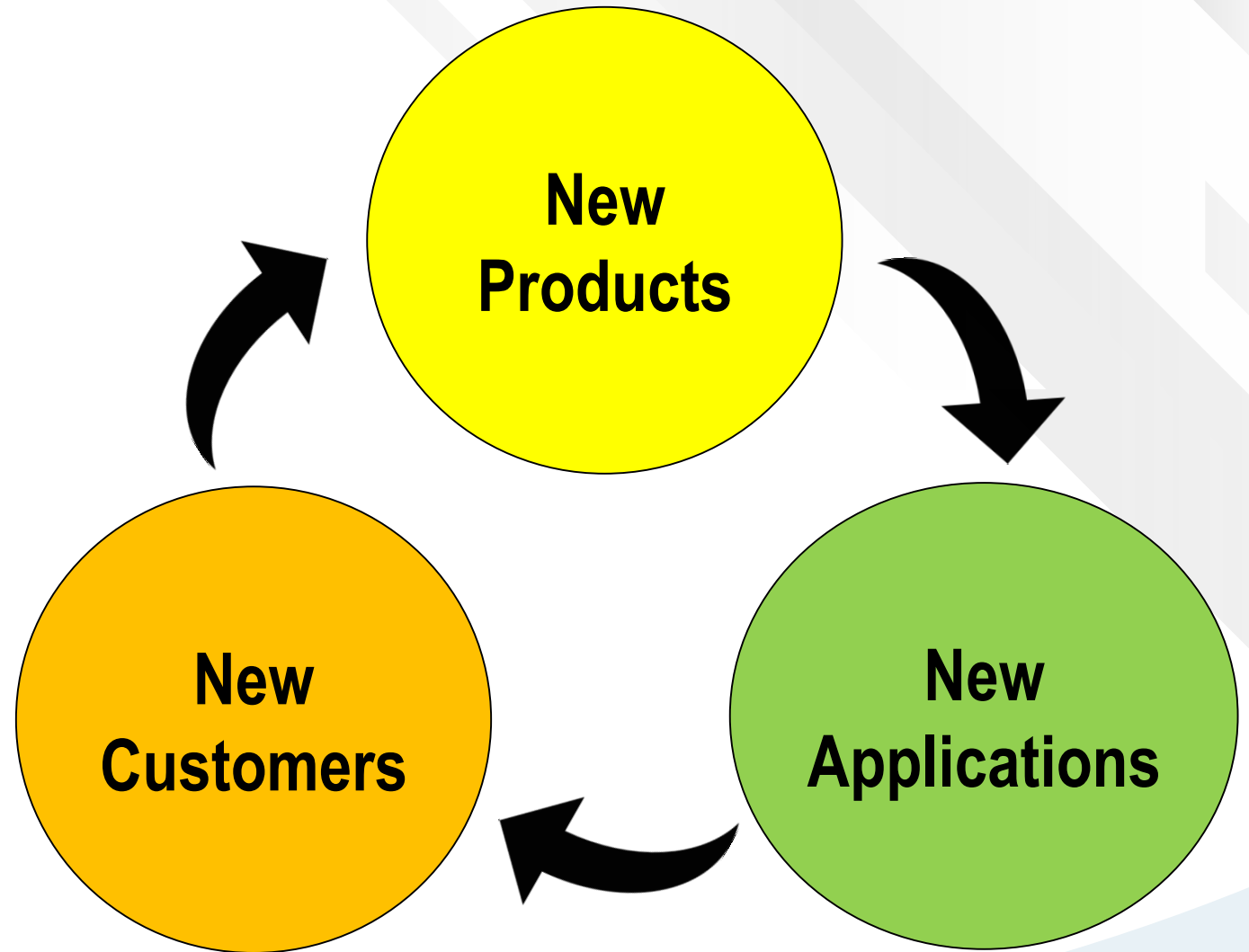
Total solution

Provide total solution for customers



Best cost-performance ratio

Achieve the best cost-performance ratio



Development Strategy/ Marketing

■ Platform

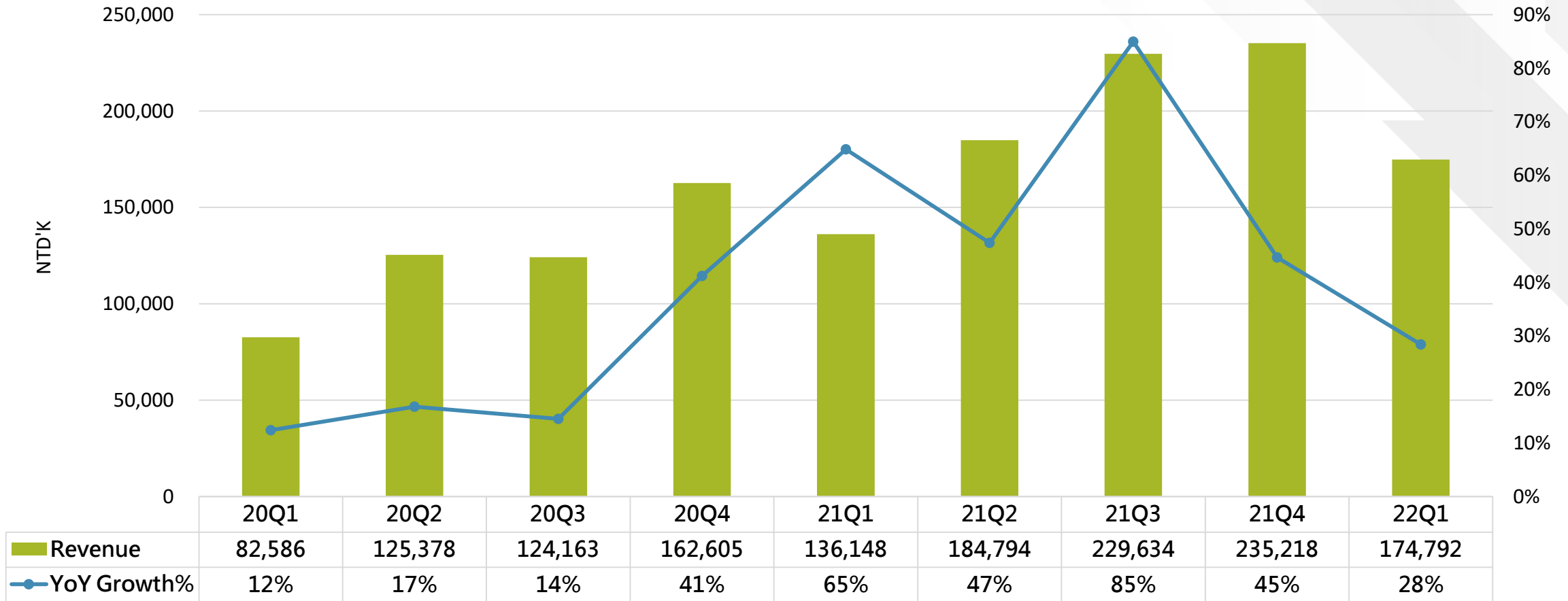
1. ARM Cortex-M0/M3 MCU
2. 8051 MCU

■ Application

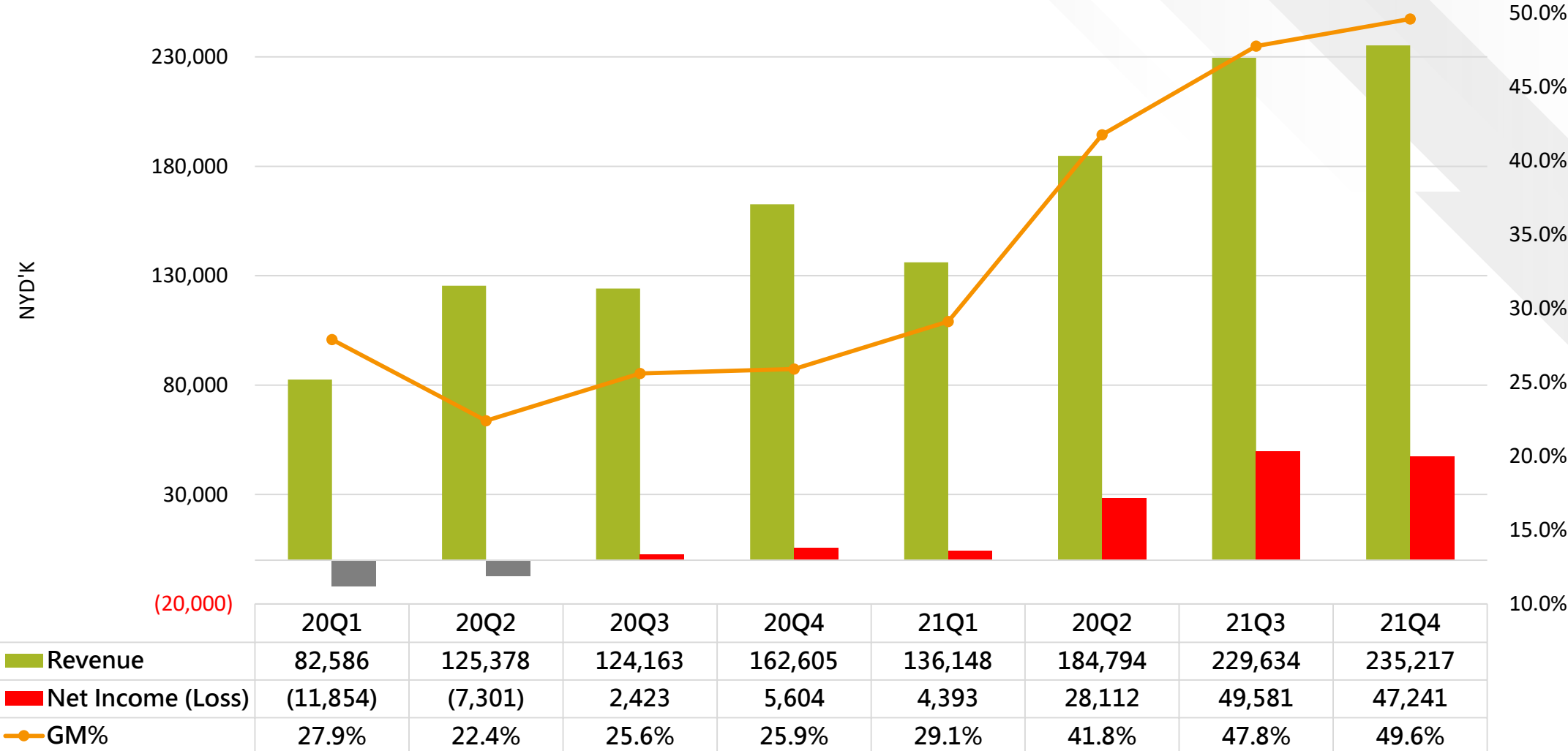
1. General purpose
2. Low power consumption



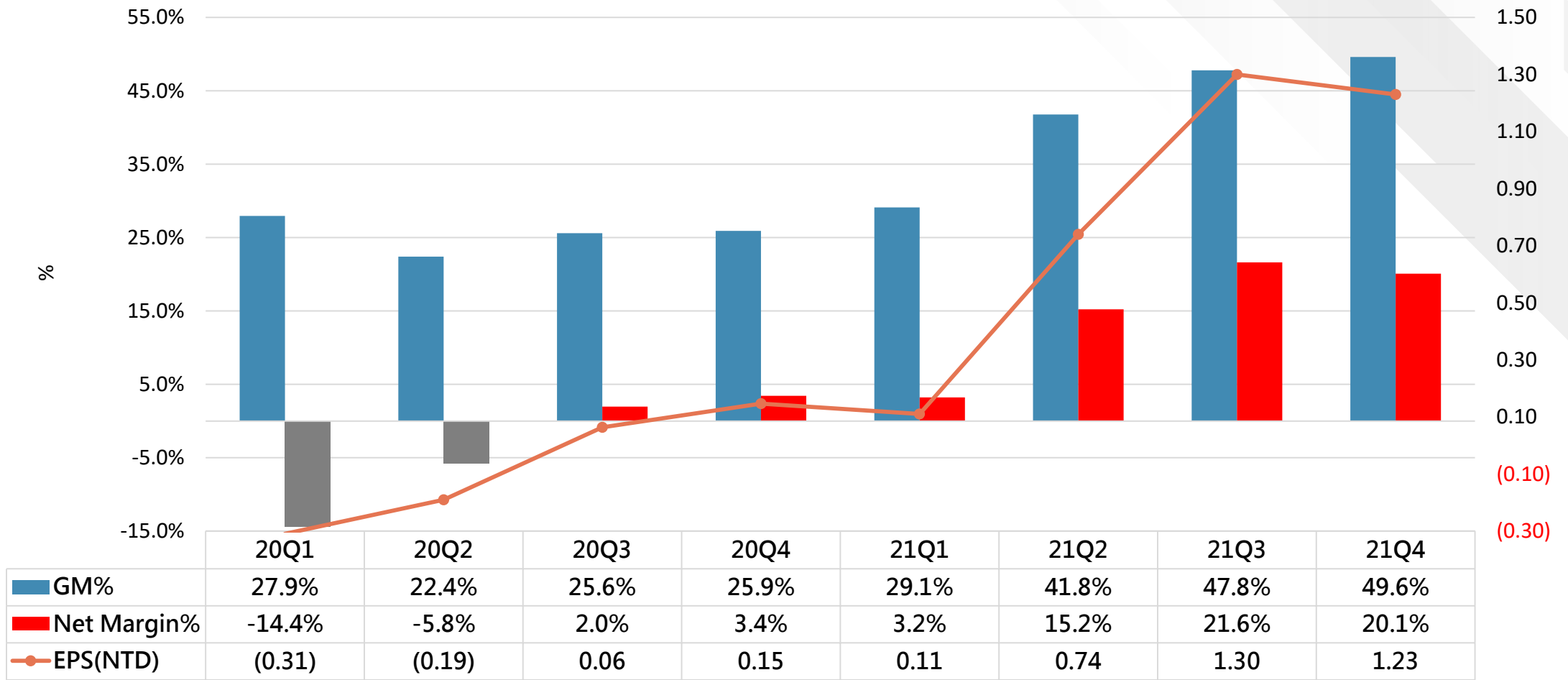
Quarterly Revenue and Growth Rate



Quarterly Operating Results (1/2)



Quarterly Operating Results (2/2)

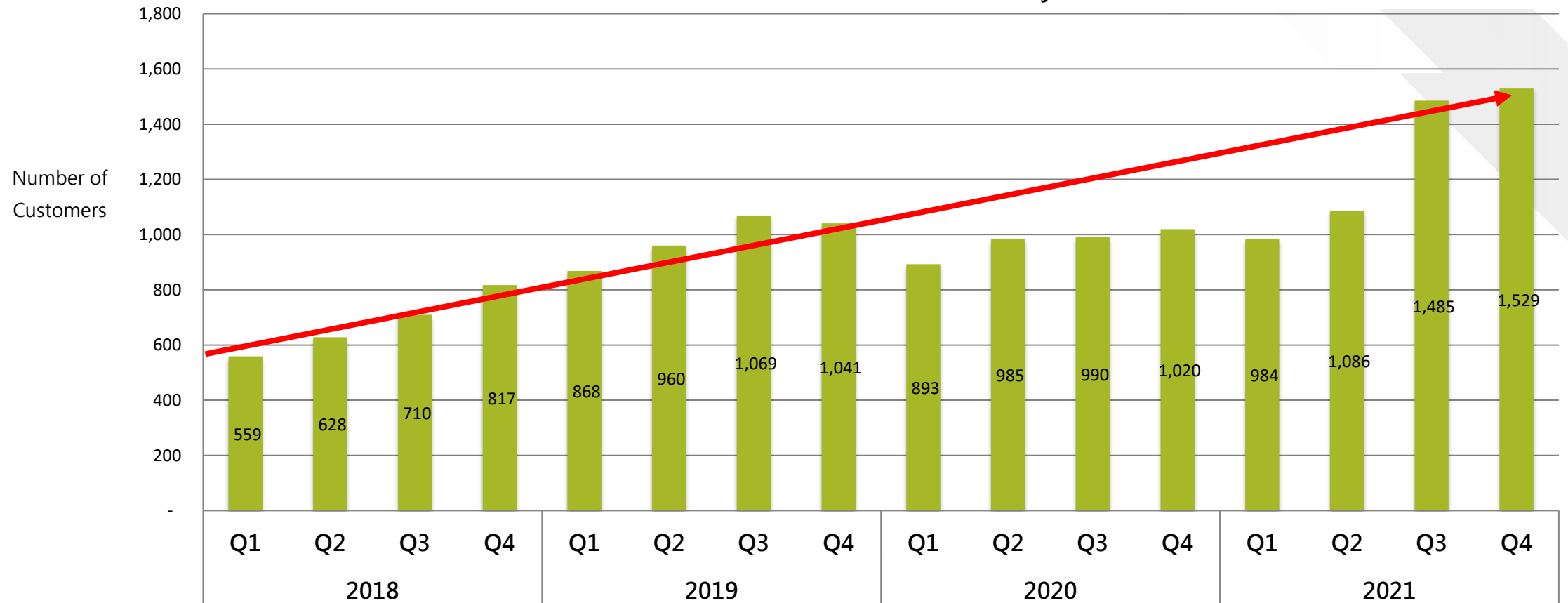


CRM Statistics: Quarterly Number of Customers

	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4
Total	2,171	2,316	2,345	2,439	2,553	2,637	2,782	3,275	3,783

▲ Number of design-in cases of main products vs.

▼ Steady increase in customer retention rate



02. PRODUCT APPLICATION & BUSINESS OUTLOOK

Three Major Product Lines & Applications

8 Bit

Wireless products



Industrial control

Appliance industry



Power control



Communication



Electronic control

32 Bit

USB

PC Peripherals



Keyboard

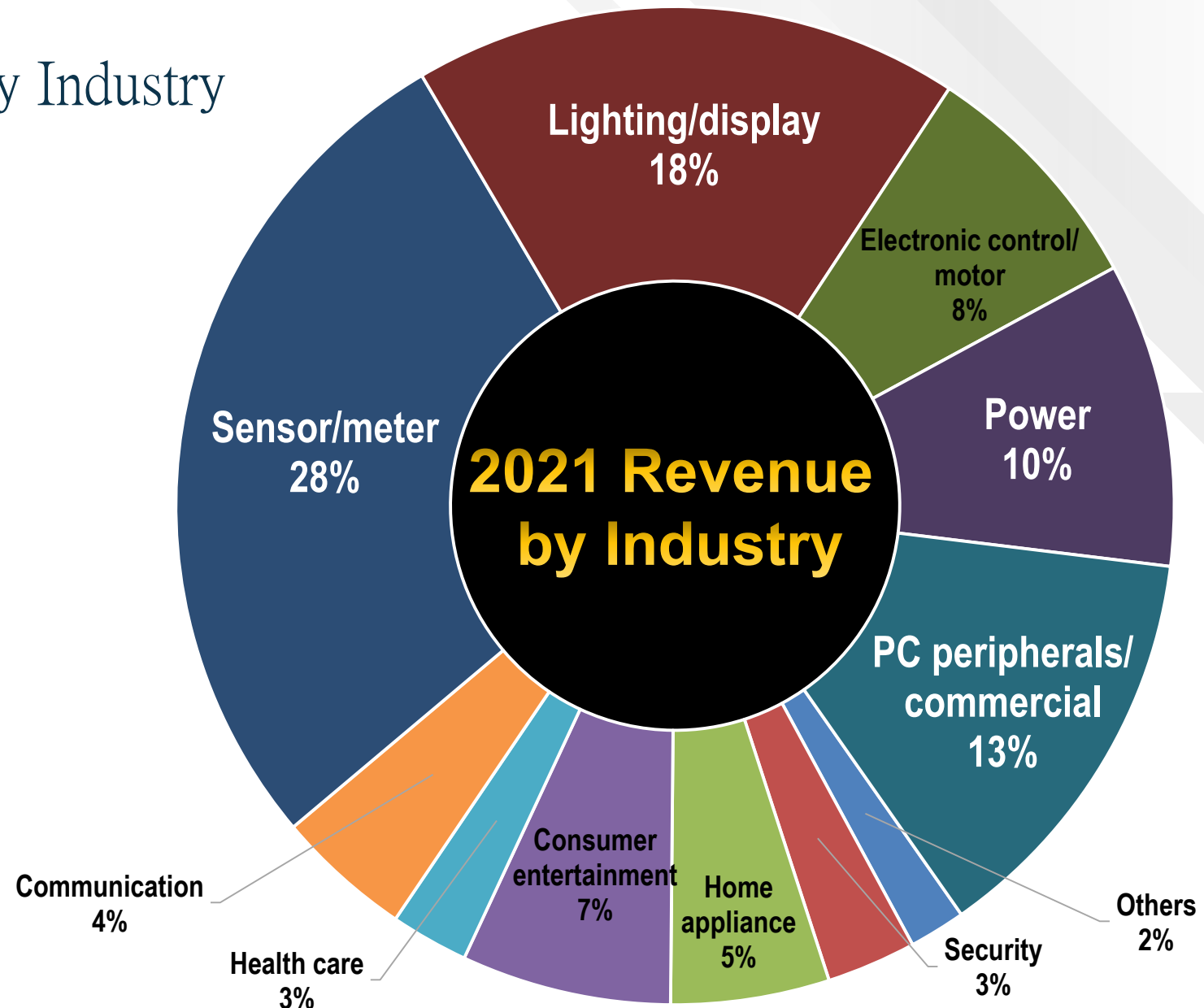


Bank and Commercial

Health Care

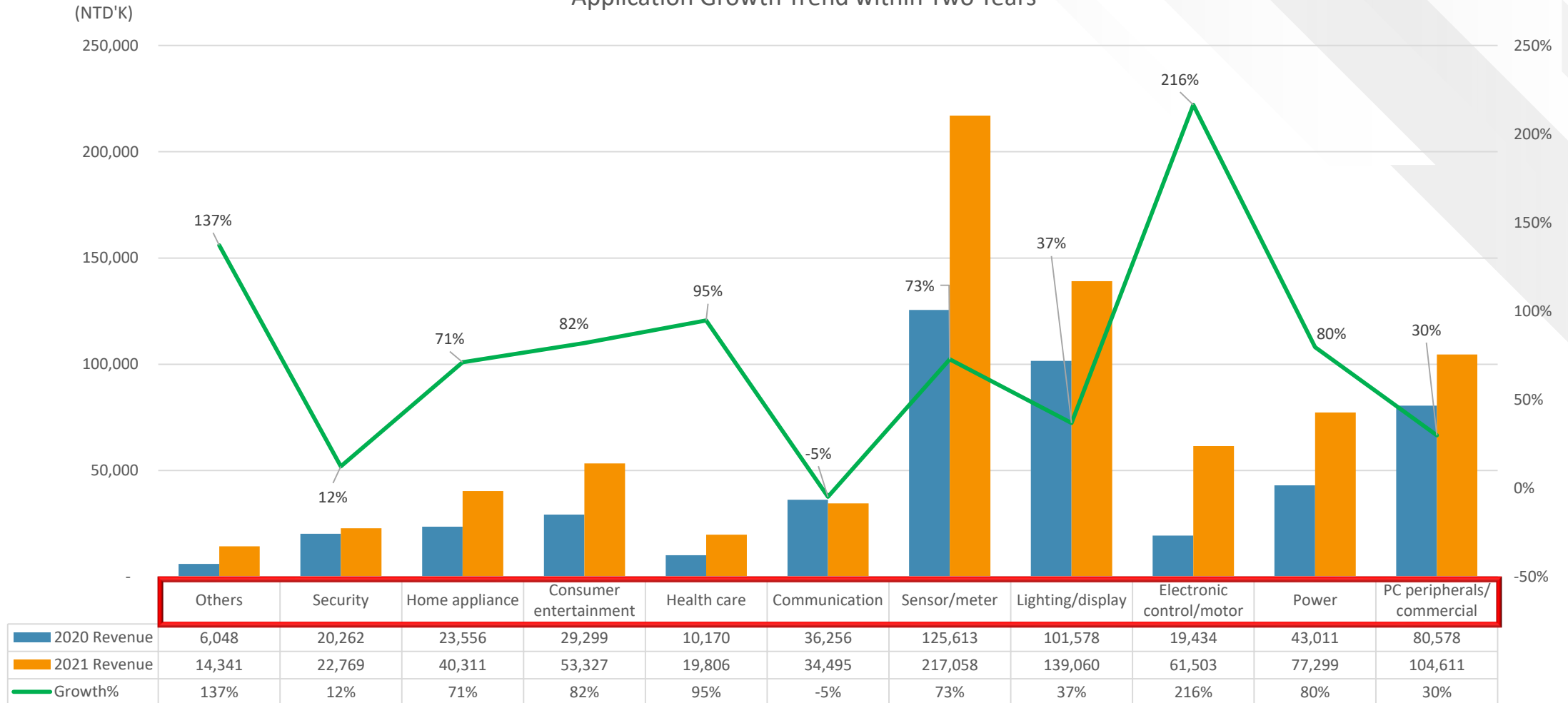


MCU Breakdown by Industry



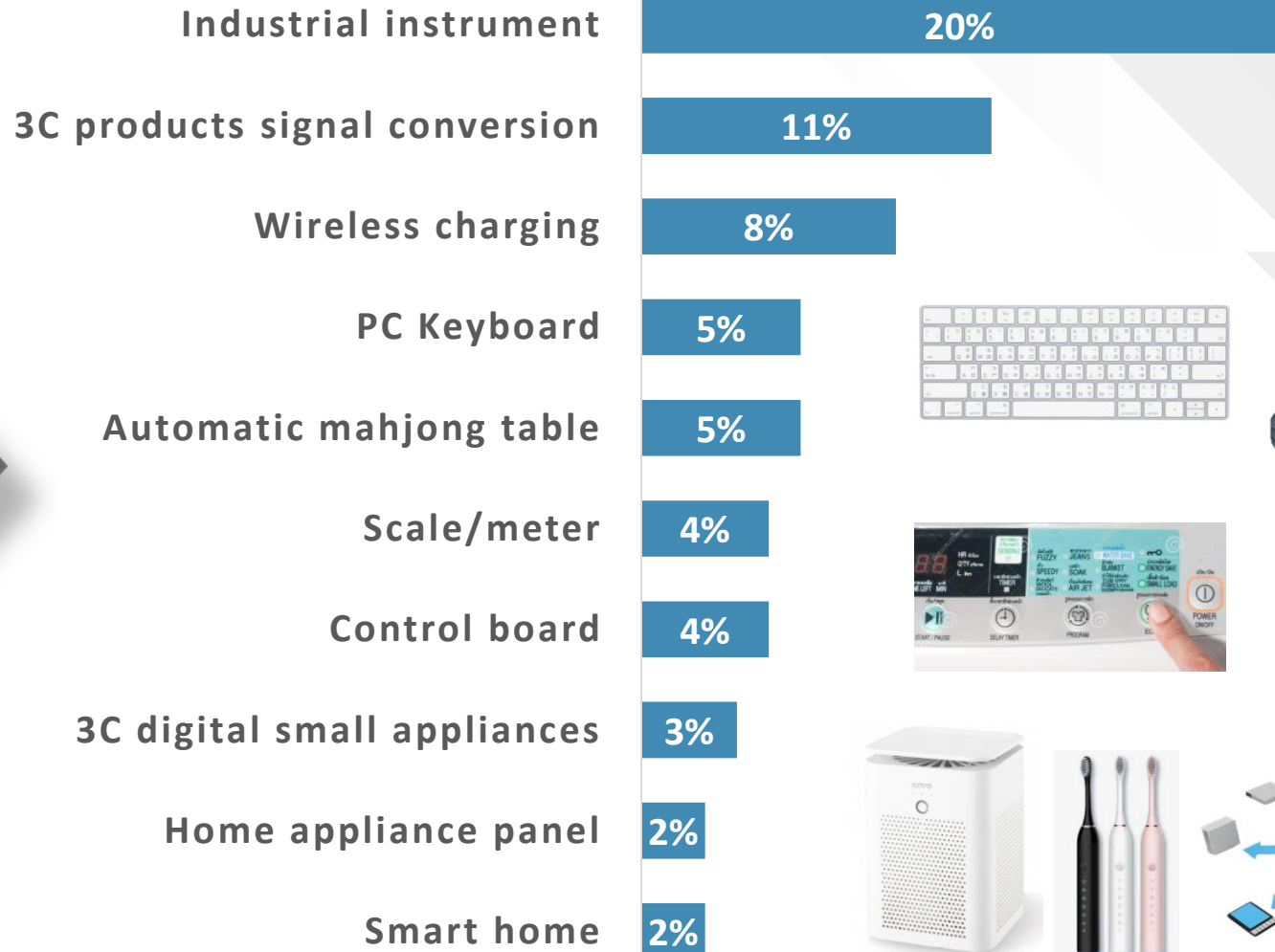
MCU 2021 Growth Analysis by Industry

Application Growth Trend within Two Years



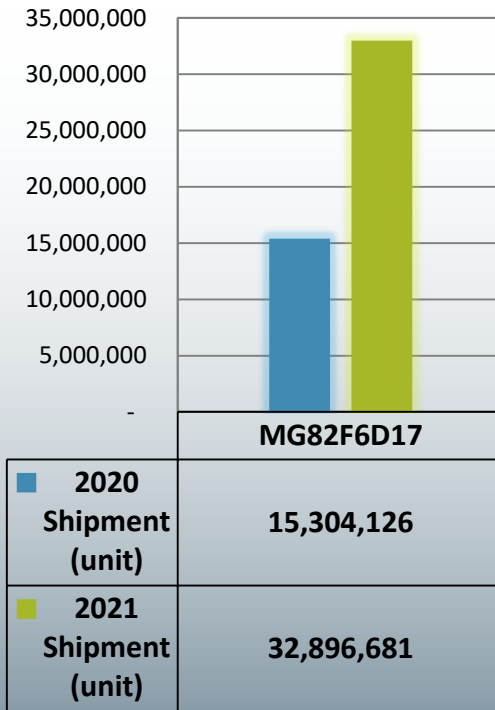
Top 10 Megawin Applications of 2021

Accounted for
64%
of the total revenue

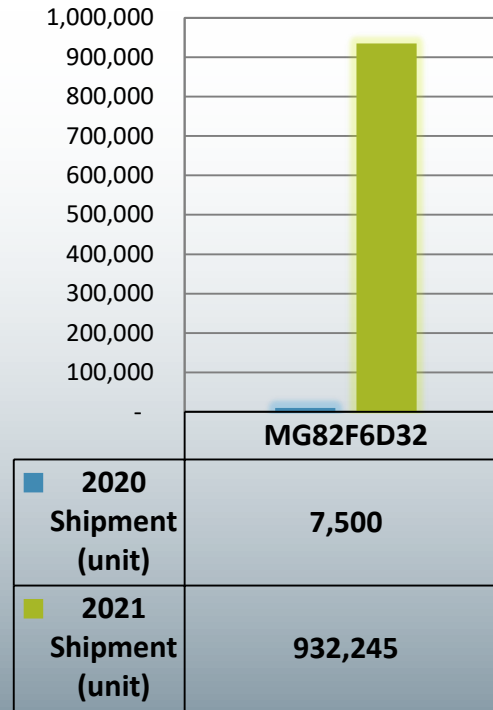


Main Product Line: 6D Series (8-Bit MCU) Grows Fast

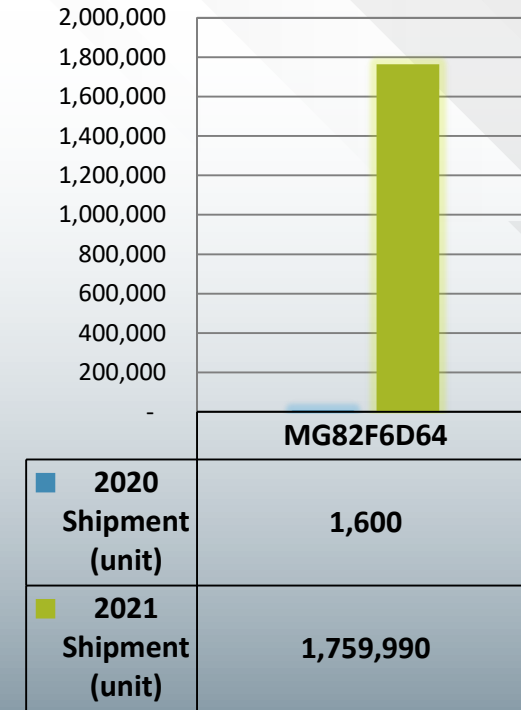
Sales trend of 6D17



Sales trend of 6D32



Sales trend of 6D64



- 6D17 was brought to mass production in 2019. Then maintains a stable sales volume from 2020. For covering a wide range of applications, its shipments begins to grow rapidly from 2021.
- The 32k/64k versions of the same series were launched in 2020, and also achieved explosive growth in 2021.
- The 6D series has excellent specifications & performance, and incorporates many characteristics of 32-bit MCU. It is highly accepted by customers and expected to grow continuously in the future.

Diversified Applications of 6D Series



High-speed analog input

- Sensor industry
- Power management application
- Lithium battery protection industry

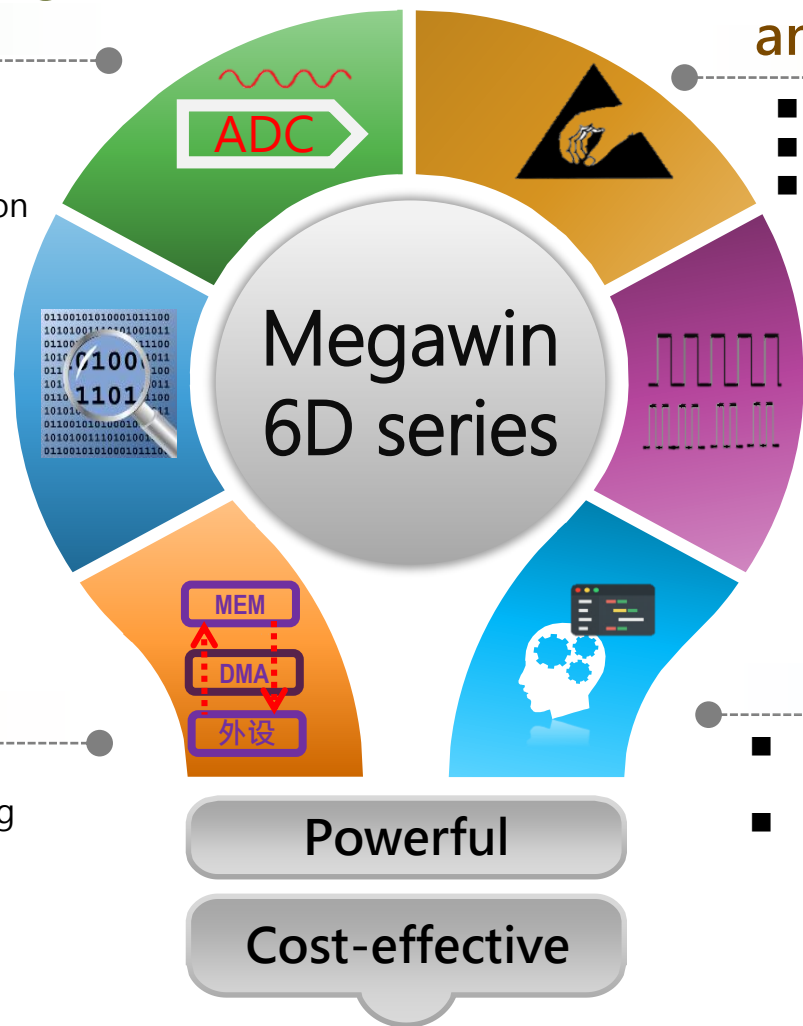
Hardware data transmit check

- Home appliance control panel
- Industrial control board



High-speed signal transmission

- 3C products signal conversion
- Timely sensing data processing



High standard anti-interference

- Industrial control
- Industrial control meter
- Motor/electronic control



High-speed PWM

- Wireless charging industry
- LED lighting control
- Massager



Exclusive Keil Wizard

- Speed up project development
- Well-received by customers



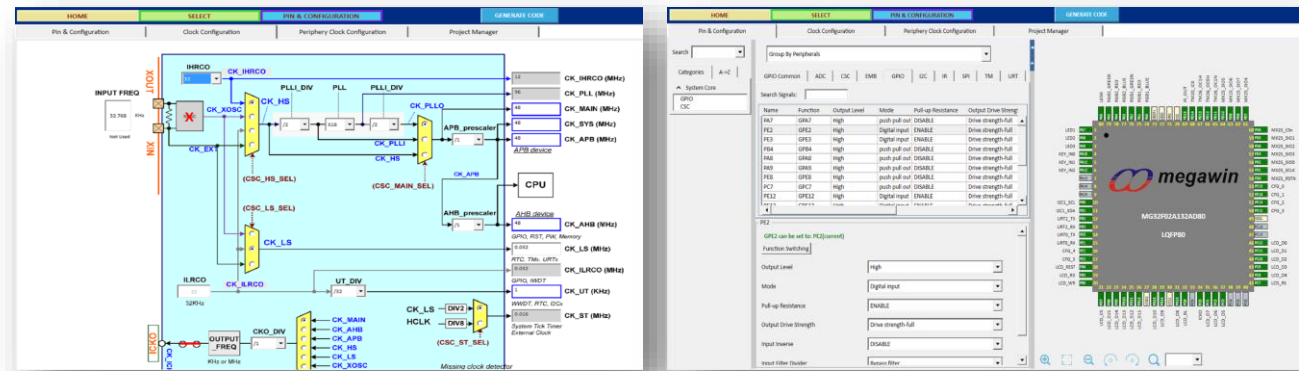
32-Bit MCU Product Plan

- 32-bit M0 shipped 1kk in 2021, a significant increase compared to 35k of last year.
- Major applications are battery management system, industrial instruments, sensor applications, and meeting systems.



■ MG32CoGen, the brand new code generator launched in 2022,

1. could help customers greatly shorten the time of project development;
2. is expected to significantly increase Megawin's 32-bit MCU shipments.



Industrial Control MCU Prospects



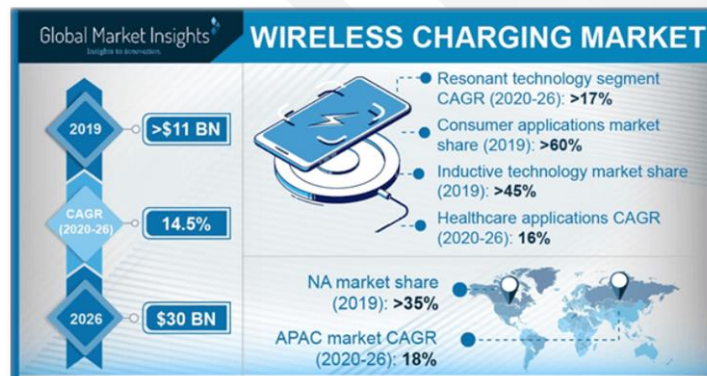
- Megawin has been working hard in the industrial control industry in recent years.
 - Both 8-bit & 32-bit products comply with industrial specifications
- Industrial control MCUs are mainly used in motor control, instrumentation, low voltage distribution, and power tools applications.
- According to Omdia's research result:
 1. The compound annual growth rate of the global industrial control chip market is expected to be 4.9% in 2020-2024.
 2. By 2024, the global industrial chip market sales will reach \$62.3 billion, with a growth rate of 26.9%.
- The industrial control MCU accounts for about 12% of China's MCU market.
 1. The output value of industrial control MCU ranks second in China, second only to the automotive market.
 2. The annual output value of industrial control MCU is about RMB 3.5 billion (about NT\$ 14 billion).

Megawin Industrial Control Application

- In recent years, Megawin mainly focuses on the development of industrial-grade products.
- The major niche points of our product:
Meets 105°C industrial temperature requirements, and with high-quality anti-interference
- Megawin has entered the following diversified applications in China's industrial control market:
 1. Industrial automatic machines and industrial remote control equipment
 2. Industrial instruments and testing instruments
 3. PID control and industrial process control
 4. Water control system and agricultural automation
 5. Photoelectric switch and optical fiber transformation
 6. Parking lot and access gate control



Wireless Charging Industry



- Shipments in 2021 had reached 11.6kk, a **48% growth** compared to 7.8kk of last year.
- Global Market Insights estimated
 - 14.5% compound growth rate by 2026

- In addition to automobiles, wireless charging devices for locomotives are also increasingly popular.
- Advantages of current products in the wireless charging industry
 - High-speed PWM allows customers to more accurately control the charging efficiency, and make it easier for them to pass certification.
- 2022 Q3 will support wireless charging PD digital decoding protocol.
- 2022 Q4 will support signal amplifiers to reduce board components.



Battery Management Industry

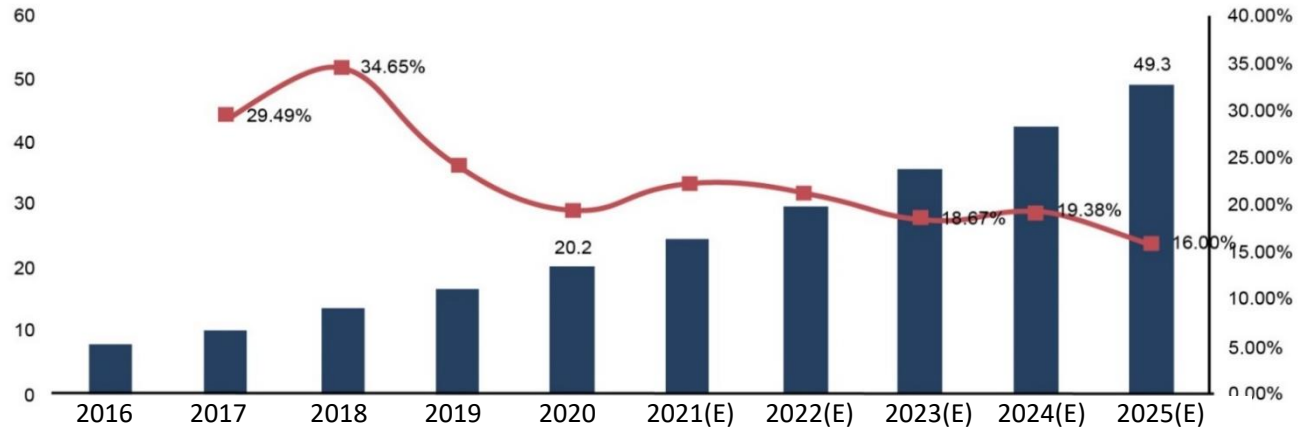


■ Lithium battery management application (BMS)

1. Base station power supply
2. UPS
3. Power tool

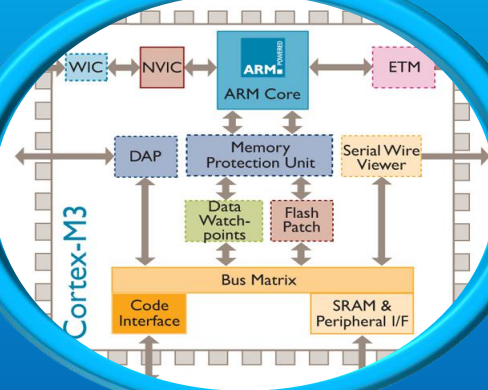
■ Battery management application MCU shipped 1,316k in 2021, a 40% increase from last year's 936k.

1. The major growth comes from the battery protection for power tools.
2. Global shipments of power tools will reach 550 million units in 2025, and the market share of lithium battery power tools is expected to reach 90%.
3. The estimated shipment of battery packs in 2025 will reach 4.9 billion units.
4. Megawin MCUs have been adopted by many customers, and mass produced in the field of battery management for power tools.



▲ Global shipments of high-rate lithium batteries for power tools in 100 million units
Source: EVTank and Ivey Economic Research Institute (May, 2021)

Targeted New Industries-2022



Cortex M3

- High-performance 32-bit processor
- Focus on high-computing demand applications
- Commercial POS machines, drones
- Smart lock, vehicle instrument



Motor MCU

- Unique motor control hardware
- DC brushless control
- Server fan
- Fan and water pump applications



Power Management IC

- Announced PMIC series
- LDO, Buck, Boost, MOS
- Super-low current loss
- Anti-filter interference

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年度		109年度	
	金額	%	金額	%
營業收入淨額	785,793	100	494,732	100
營業成本	(442,599)	(56)	(369,648)	(75)
營業毛利	343,194	44	(125,084)	25
營業費用	(209,224)	(27)	(139,065)	(28)
營業淨利(損)	133,970	17	(13,981)	(3)
營業外收入及支出	6,265	1	2,858	1
稅前淨利(損)	140,235	18	(11,123)	(2)
所得稅費用	(10,908)	(2)	(5)	
本期淨利(損)	129,327	16	(11,128)	(2)
每股盈餘(虧損) (單位:元)	3.38		(0.29)	

Appendix 2: Consolidated Balance Sheet (1/3)

資 產	單位：新台幣仟元			
	110年12月31日		109年12月31日	
	金額	%	金額	%
流動資產				
現金及約當現金	\$ 357,982	39	\$ 107,875	22
按攤銷後成本衡量之金融資產－流動	184,555	20	48,907	10
應收票據及帳款	92,825	10	78,513	16
存貨	91,600	10	71,756	14
其他流動資產	23,802	2	15,348	3
流動資產總計	750,764	81	322,399	65
非流動資產				
不動產、廠房及設備	155,256	17	158,040	32
使用權資產	5,893	1	1,202	-
無形資產	15,098	1	16,183	3
存出保證金	649	-	794	-
非流動資產總計	176,896	19	176,219	35
資 產 總 計	<u>\$927,660</u>	100	<u>\$498,618</u>	<u>\$100</u>

Appendix 2: Consolidated Balance Sheet (2/3)

負 債	單位：新台幣仟元			
	110年12月31日		109年12月31日	
	金額	%	金額	%
流動負債				
短期借款	\$ -		\$ 1,000	-
透過損益按公允價值衡量之金融負債 － 流動			335	-
應付帳款	71,459	8	61,382	12
其他應付款	74,125	8	28,032	6
本期所得稅負債	10,906	1	-	-
租賃負債－流動	2,675	-	1,258	-
其他流動負債	11,551	1	4,333	1
流動負債總計	170,716	18	96,340	19
非流動負債				
應付公司債	193,213	21	-	-
租賃負債－非流動	3,186	-		
淨確定福利負債－非流動			1,071	-
存入保證金	3,535	1	1,811	1
非流動負債總計	199,934	22	2,882	1
負債總計	<u>\$370,650</u>	40	<u>\$99,222</u>	20

Appendix 2: Consolidated Balance Sheet (3/3)

權 益	單位：新台幣仟元			
	110年12月31日		109年12月31日	
	金額	%	金額	%
歸屬於本公司業主之權益				
股 本				
普通股股本	\$ 382,999	41	\$ 382,999	77
資本公積	46,113	5	33,450	6
保留盈餘				
未分配盈餘（累積盈虧）	129,327	14	(15,815)	(3)
其他權益	-1,429		(1,238)	-
本公司業主權益總計	557,010	60	399,396	80
權益總計	557,010	60	399,396	80
負債及權益總計	<u>\$927,660</u>	100	<u>\$498,618</u>	100

Thank you!



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