

TWSE 6756

VIA Labs, Inc.

Investor Conference

2021-05



VIA Labs, Inc.

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Agenda

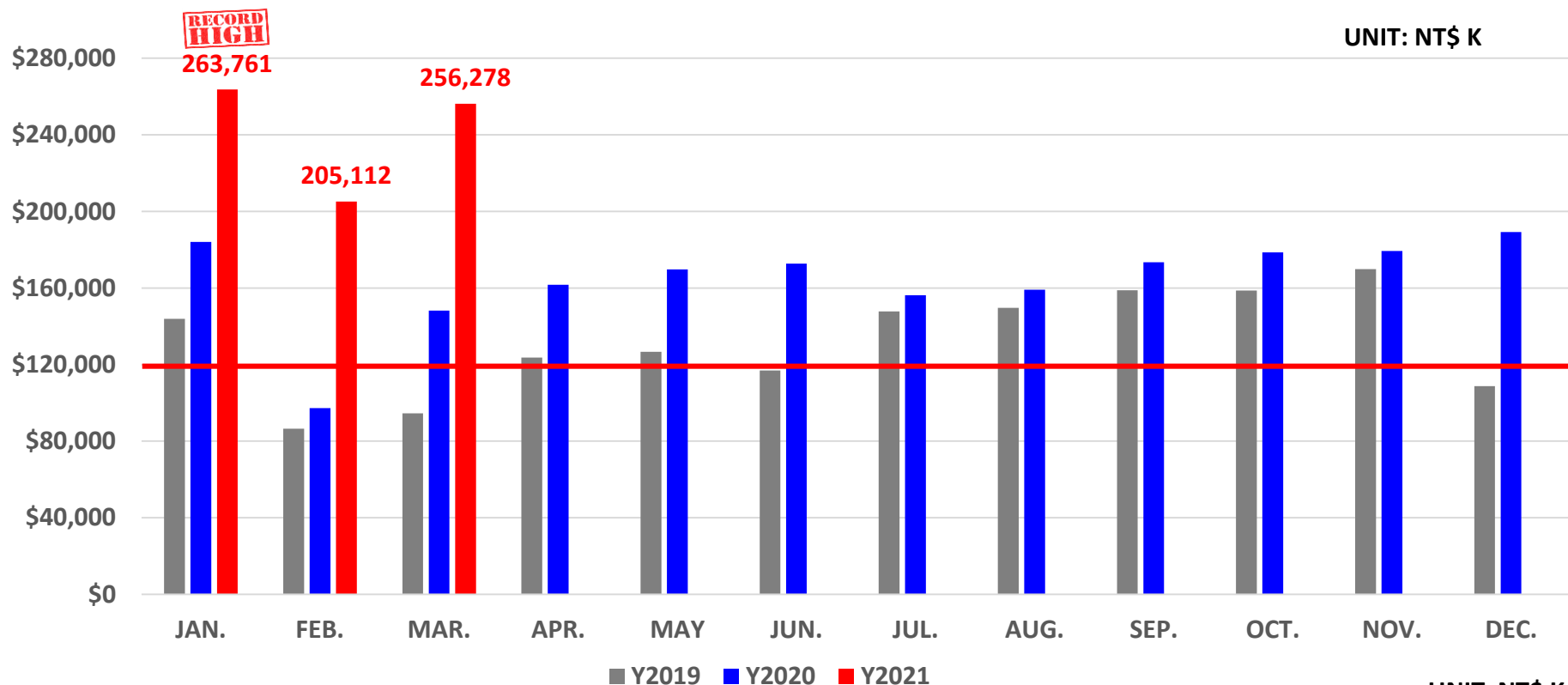
- **Operations Overview**
- **Market Overview and Product Introduction**
- **Future Prospects**





OPERATIONS OVERVIEW

Y2019~1Q21 Monthly Revenue



UNIT: NT\$ K

Year	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
2019	143,956	86,493	94,589	123,637	126,746	116,856	147,696	149,647	158,805	158,638	169,819	108,806
2020	184,116	97,192	148,250	161,667	169,699	172,738	156,231	159,071	173,411	178,631	179,312	189,273
2021	263,761	205,112	256,278									

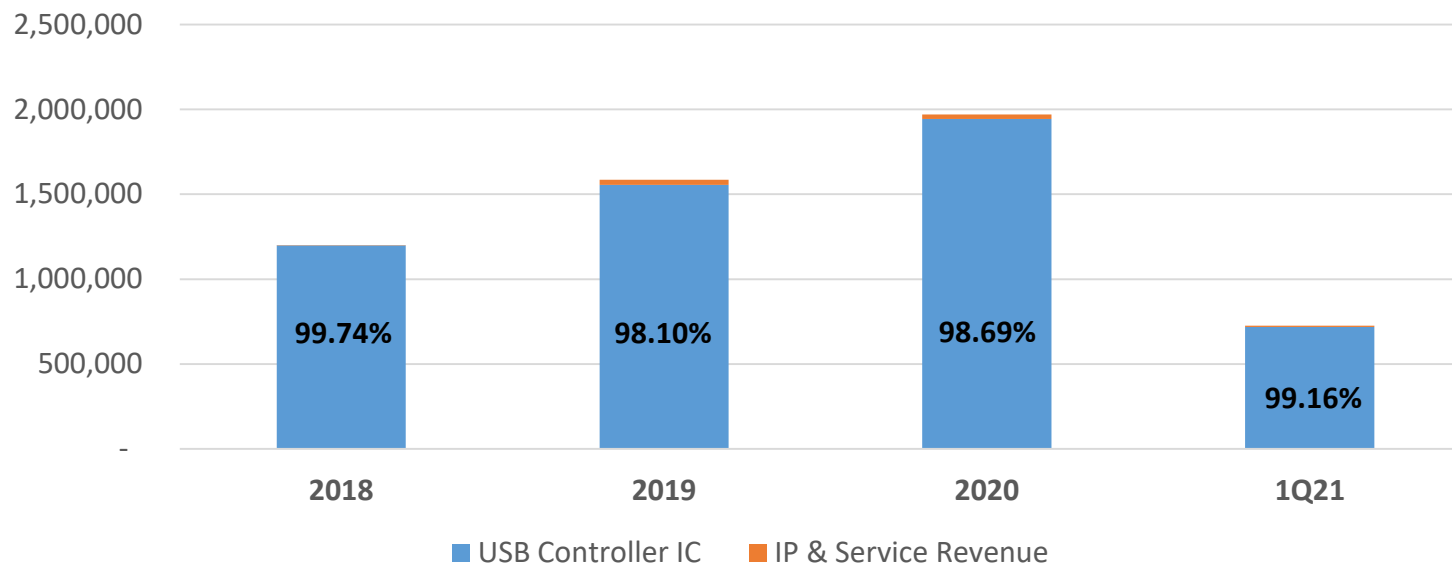
YoY% 43% 111% 73%

Cumulative YoY% 43% 67% 69%



Revenue by Category

UNIT: NT\$ K



UNIT: NT\$ K

Item \ Year	2018		2019		2020		1Q21	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%
USB Controller IC	1,198,386	99.74	1,555,553	98.10	1,943,875	98.69	719,033	99.16
IP & Service Revenue	3,124	0.26	30,135	1.90	25,717	1.31	6,118	0.84
Total	1,201,510	100	1,585,688	100	1,969,592	100	725,151	100

Income Statement for the Three Months Ended March 31, 2021

NT\$ in Thousands	1Q21	%	4Q20	%	QoQ %	1Q20	%	YoY %
Net Sales	\$ 725,151	100%	\$ 547,217	100%	33%	\$ 429,558	100%	69%
Cost of Sales	<u>352,404</u>	<u>49%</u>	<u>288,997</u>	<u>53%</u>	22%	<u>216,549</u>	<u>50%</u>	63%
Gross Profit	<u>372,747</u>	<u>51%</u>	<u>258,220</u>	<u>47%</u>	44%	<u>213,009</u>	<u>50%</u>	75%
Operating Expenses	<u>161,764</u>	<u>22%</u>	<u>147,956</u>	<u>27%</u>	9%	<u>133,545</u>	<u>32%</u>	22%
Operating Income	210,983	29%	110,264	20%	91%	79,464	18%	166%
Non-Operating Items	<u>437</u>	<u>0%</u>	<u>(14,917)</u>	<u>(3%)</u>	(103%)	<u>6,437</u>	<u>2%</u>	(93%)
Income Before Tax	211,420	29%	95,347	17%	122%	85,901	20%	146%
Income Tax	<u>(26,546)</u>	<u>(4%)</u>	<u>(11,582)</u>	<u>(2%)</u>	129%	<u>(11,471)</u>	<u>(3%)</u>	131%
Net Income	<u>\$ 184,874</u>	<u>25%</u>	<u>\$ 83,765</u>	<u>15%</u>	121%	<u>\$ 74,430</u>	<u>17%</u>	148%
EPS (NTD)	<u>\$ 2.74</u>		<u>\$ 1.38</u>		99%	<u>\$ 1.24</u>		121%
Weighted Average Shares (K)	67,500		60,700		11%	60,000		13%

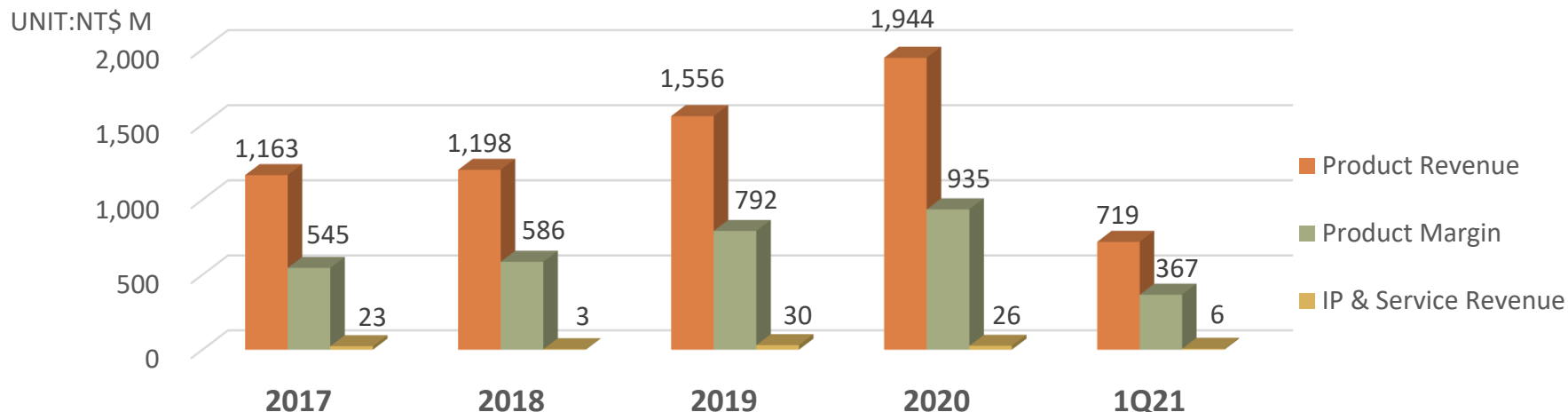


Income Statement for the Years Ended December 31, 2020 and 2019

NT\$ in Thousands	Y2020	%	Y2019	%	YoY%
Net Sales	\$ 1,969,592	100%	\$ 1,585,688	100%	24%
Cost of Sales	<u>1,008,750</u>	<u>51%</u>	<u>763,868</u>	<u>48%</u>	32%
Gross Profit	960,842	49%	821,820	52%	17%
Operating Expenses	<u>575,204</u>	<u>29%</u>	<u>541,633</u>	<u>34%</u>	6%
Operating Income	385,638	20%	280,187	18%	38%
Non-operating Items	<u>(27,981)</u>	<u>(2%)</u>	<u>2,155</u>	<u>0%</u>	(1,398%)
Income Before Tax	357,657	18%	282,342	18%	27%
Income Tax	<u>(39,173)</u>	<u>(2%)</u>	<u>(39,523)</u>	<u>(3%)</u>	(1%)
Net Income	\$ <u>318,484</u>	<u>16%</u>	\$ <u>242,819</u>	<u>15%</u>	31%
EPS (NTD)	\$ <u>5.29</u>		\$ <u>4.05</u>		31%
Weighted Average Shares (K)	60,205		60,000		0.3%



Y2017~1Q21 Financial Performance



UNIT : NT\$ K

YEAR	2017	2018	2019	2020	1Q21
ITEM					
Revenue	\$ 1,186,018	\$ 1,201,510	\$ 1,585,688	\$ 1,943,875	\$ 725,151
Gross Margin	568,163	589,426	821,820	960,842	372,747
Gross Margin %	48%	49%	52%	49%	51%
Expenses	435,180	462,531	541,633	575,204	161,764
Operating Income	132,983	126,895	280,187	385,638	210,983
Operating Margin %	11%	11%	18%	18%	29%
Net Income	\$ 95,904	\$ 123,912	\$ 242,819	\$ 318,484	\$ 184,874
EPS (NT Dollars)	\$ 2.1	\$ 2.07	\$ 4.05	\$ 5.29	\$ 2.74
Weighted Average Shares (K)	45,750	60,000	60,000	60,205	67,500



MARKET OVERVIEW

PRODUCT INTRODUCTION

USB Specification Evolution

Name	USB 1.1	USB 2.0	USB 3.X USB 3.0, USB 3.1, USB 3.2			USB4
Release Year	Y1998	Y2000	Y2008	Y2013	Y2017	Y2019
Marketing Name	Low Speed Full Speed	High Speed	SuperSpeed	SuperSpeed+	SuperSpeed+	USB4
Transfer Rate	1.5Mbps 12Mbps	480Mbps	5Gbps	10Gbps	20Gbps	40Gbps
Power	500mA	500mA	900mA	900mA	1.5A	1.5A (PD: Max 100W)

Y2014: USB Implementers Forum launched innovative USB Type-C

Expanding Capabilities & Customer Base

USB Type-C

Single Connector, Total Solution
Covers Most Charging Needs
Smart Discovery and Negotiation

Power

Data

Video

PC/NB
Peripherals

Tablet/Mobile
Accessories

Smart Phone
Accessories

Total Connectivity
Solutions

USB4

Multi-Protocol Support
Fastest & Most Capable I/O Port
Extensible, Ready for the Future!

USB

DisplayPort

PCIe



USB4 Spec Support

Mode	Host	Hub	Peripheral
Legacy USB 2.0 (480 Mbit/s)	Yes	Yes	Yes
USB4 20 Gbit/s Transport	Yes	Yes	Yes
USB4 40 Gbit/s Transport	Optional	Yes	Optional
Tunneled USB 3.2 (10 Gbit/s)	Yes	Yes	Optional
Tunneled USB 3.2 (20 Gbit/s)	Optional	Optional	Optional
Tunneled DisplayPort	Yes	Yes	Optional
Tunneled PCI Express	Optional	Yes	Optional
Host-to-Host communications	Yes	Yes	N/A
DisplayPort Alternate Mode	Yes	Yes	Optional
Thunderbolt Alternate Mode	Optional	Yes	Optional

References: Wikipedia; USB Promoter Group USB4 Specification 1.0



Y2020: New Generation USB4 Mobile Processor

Apple M1

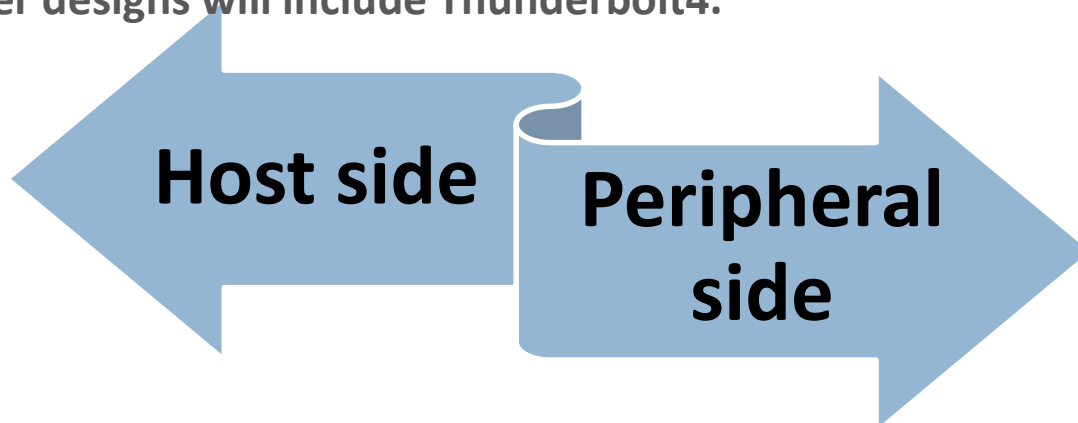


Intel Tiger Lake



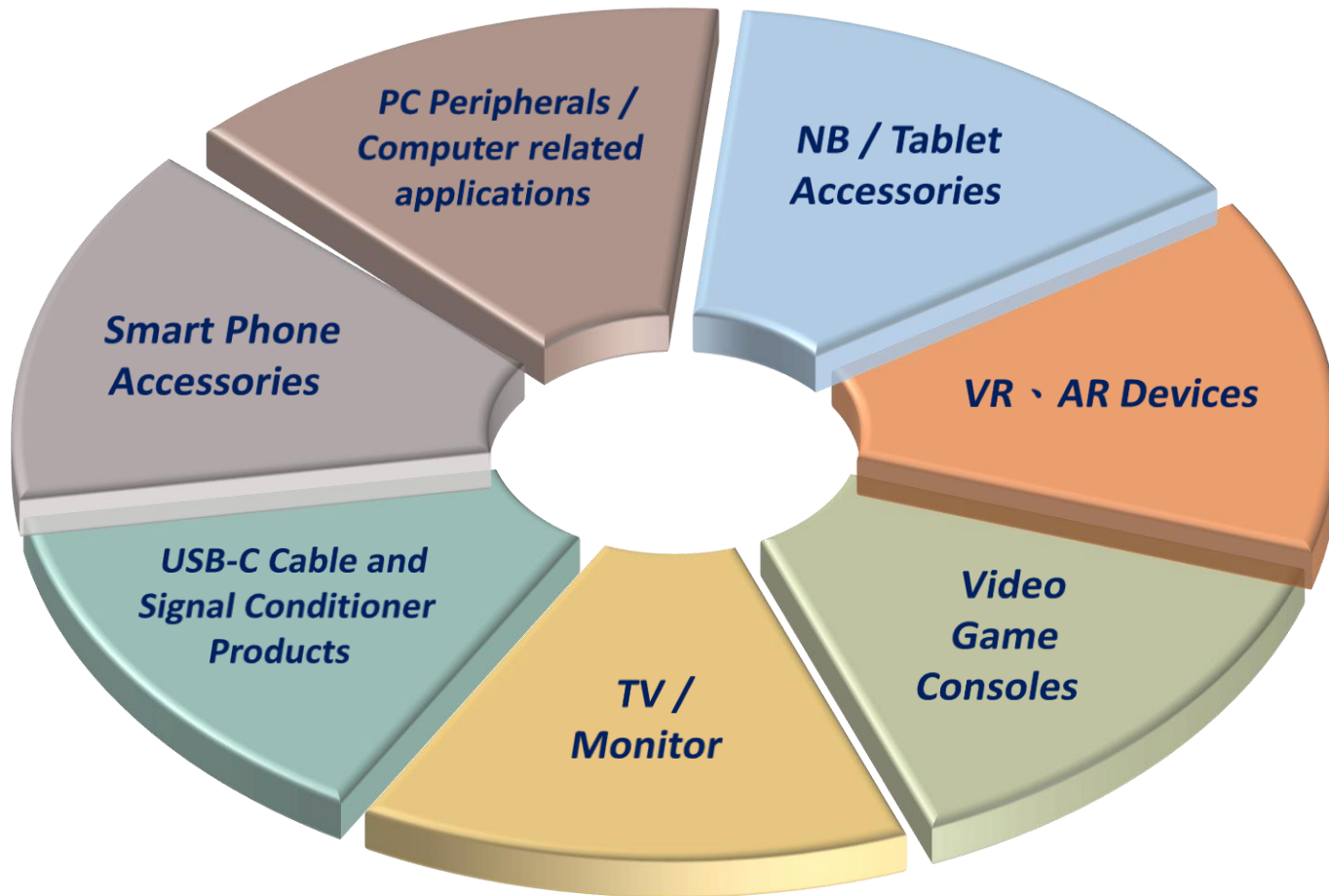
USB4 Ecosystem

- **Apple:** M series processor will be imported into the personal computer system fully (e.g., MacBook Air, Mac Mini, MacBook Pro)
- **Intel:** Since TigerLake, it's expected that most Mobile commercial and consumer designs will include Thunderbolt4.



- The slight cost gap can significantly increase the user experience to 40Gbps.
- Compared with the USB DP Alt-Mode status quo, peripheral devices' penetration rate is expected to grow at a reasonable price.

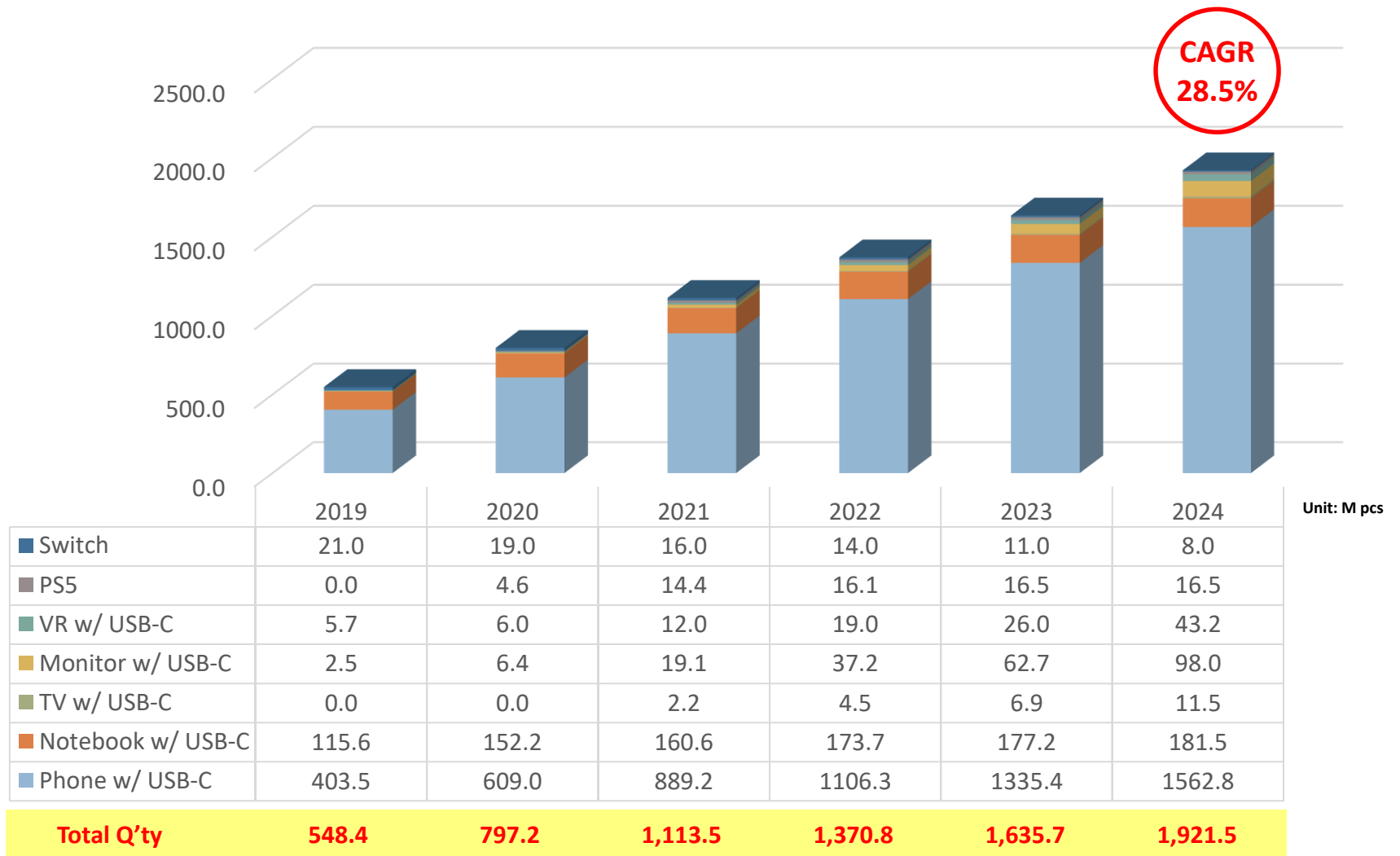
Major Product Applications



VLI's products cover a broad range from host to peripheral devices and everything in between. With continued development, USB-C will become more technically capable, enabling more and more future applications.



Market Prospect



References: Reference to DIGITIMES Research and IHS Markit Research



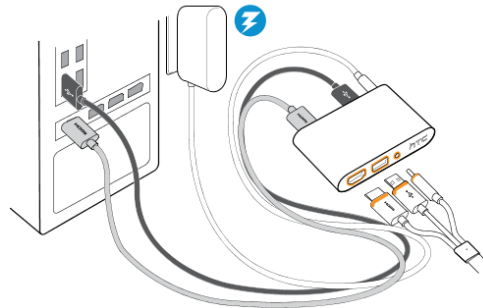
Application Example (I)



Application Example (II)



Application Example (III)



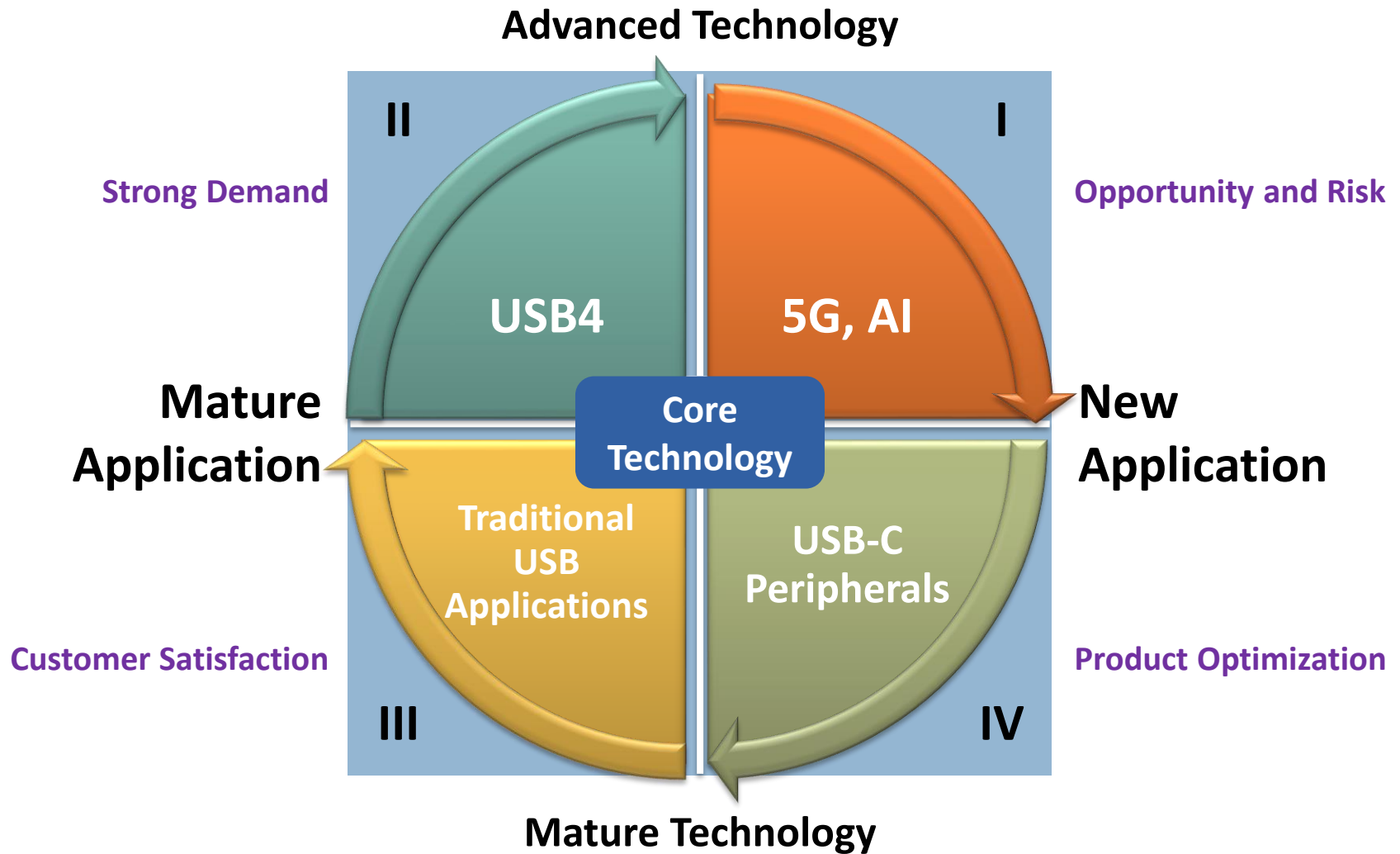
Current Customers





FUTURE PROSPECTS

Future Development Strategy



Future Product Development and Growth Momentum

USB4

- Based on Thunderbolt technology and requires USB-C connector and USB PD. Specifications were released in 2019 and support data transfer at 40Gbps and beyond. Tunneled protocol supports USB / DisplayPort / PCIe.

Platform Enhancements

- Continue to improve product competitiveness through customer & industry feedback. Actively ensure market share by providing products that are more optimized, more highly integrated, and meet the latest specifications.

Security Chip (Secure Firmware Update manager)

- Develop several methods to add firmware security protection to new ICs. Embed a root of trust to create a protected operating environment to reduce threats of malicious firmware and software-only exploits.

DP Converter

- This enables USB Type-C to connect with more displays and TVs, supporting UHD 4K & 8K quality
- This is rapidly growing product category is aligned with USB PD and USB Hub products

Future

- Mixed signal processing chips powering future related products applications in AI, IoT, 5G, etc.



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VIA Labs, Inc.

For more information about VLI:

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Vision
Leadership
Intelligence



Thank You