



漢微科

Investor Conference

AGENDA

- 2014 Highlights and Financial Results
- 2015 Market status and Outlook
- Q & A

Presented by

招允佳 Jack Jau / CEO

沈孝廉 Leo Shen / CFO

Safe Harbor Statement

- **HMI'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.**
- **Please consider these forward-looking statements carefully because such statements are only our expectations or projections about future events, and actual results may differ materially from those expressed or implied by such statements.**
- **The forward-looking statements contained in this presentation are made only as of the date of this presentation and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances, except as required by law.**

2014 Highlight

- Another record-breaking year for HMI,
 - Revenue \$7,210M (NTD)
 - Operating income \$3,228M
 - EPS \$45.60
- Major shipment,
 - eScan500 for 1x nm logic development and ramp
 - eP3 for 2x nm DRAM ramp and production
- Continue to maintain global market leadership position and with >85% market share
- Strong demand for new EBI solutions
- New manufacturing facility ready for production in Tainan Science Park

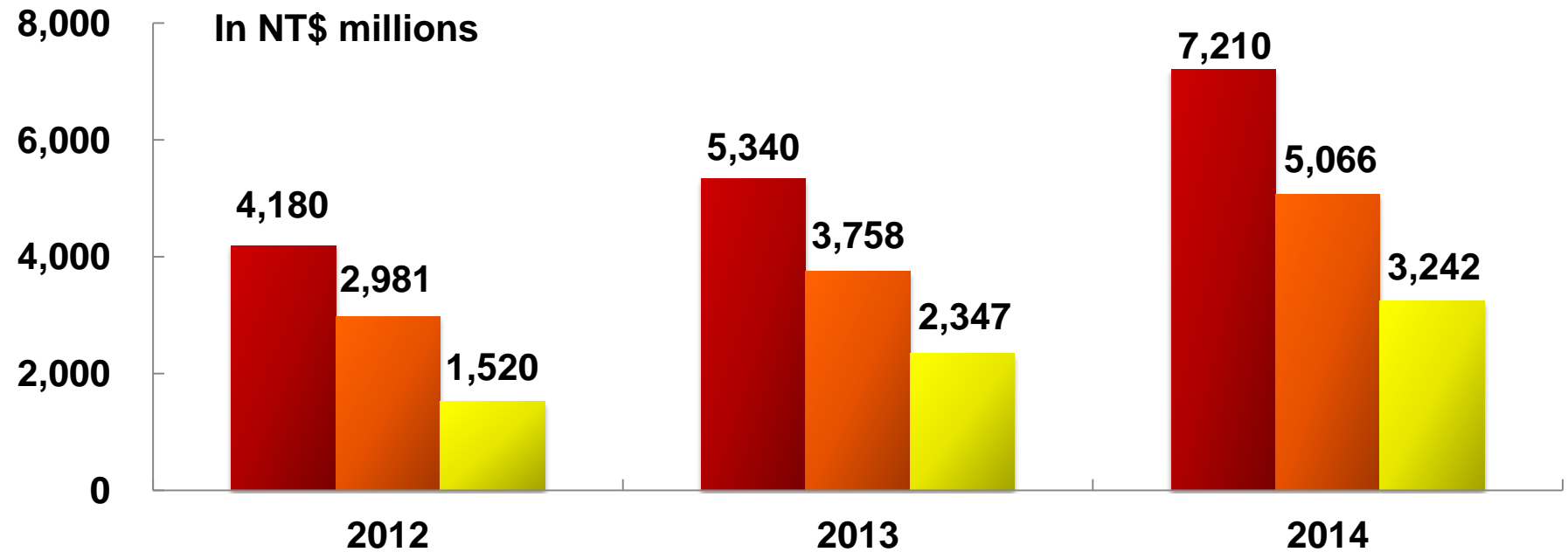


2014 Consolidated Income Statements

In NT\$ thousands

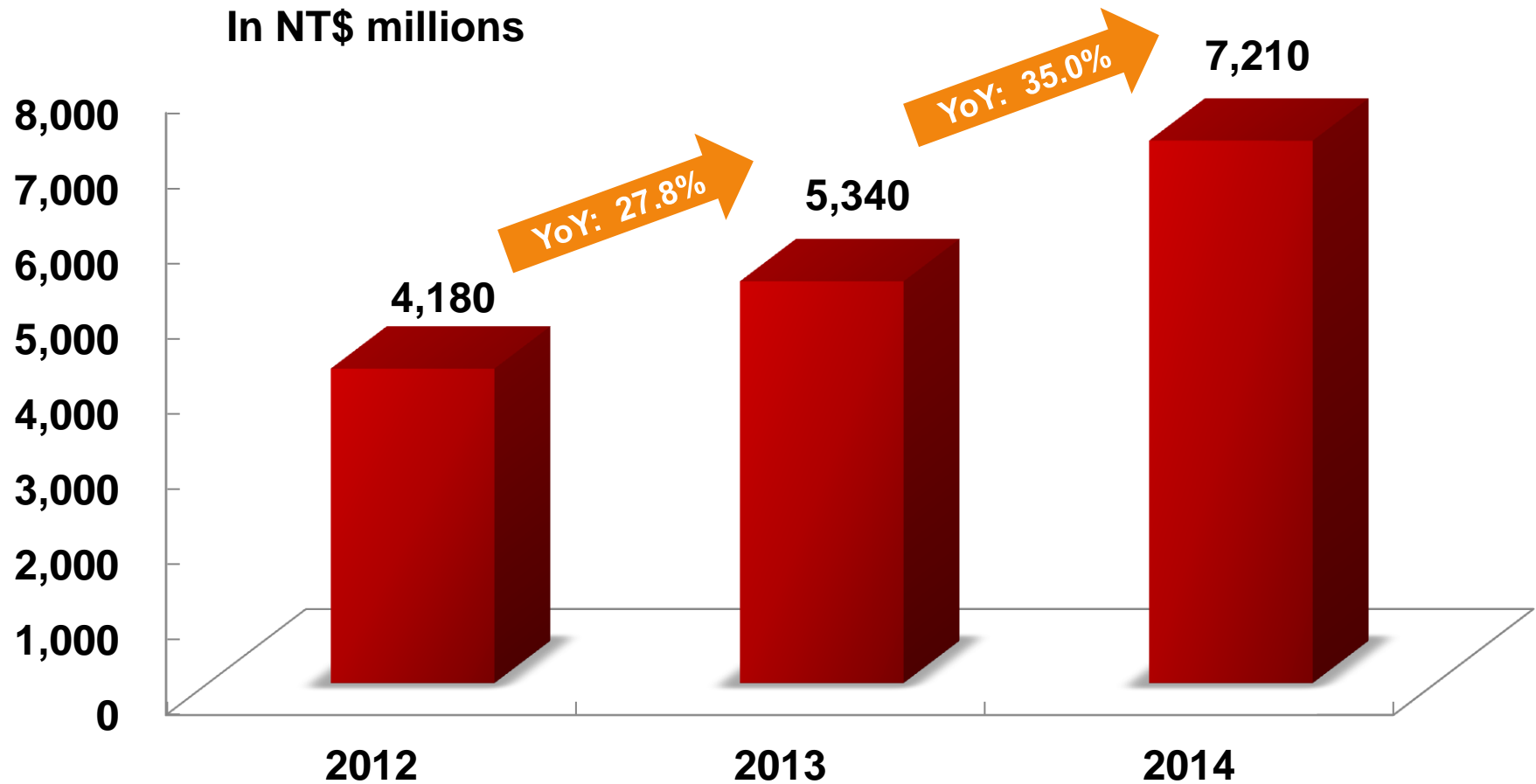
| | 1Q 2014 | % | 2Q 2014 | % | 3Q 2014 | % | 4Q 2014 | % | 2014 | % |
|-----------------------------------|-----------|------|-----------|------|-----------|------|-----------|------|-------------|------|
| Net Revenue | 1,167,655 | 100 | 1,880,590 | 100 | 1,465,993 | 100 | 2,695,412 | 100 | 7,209,650 | 100 |
| Cost of Revenue | (345,826) | (30) | (558,838) | (30) | (438,796) | (30) | (800,425) | (30) | (2,143,885) | (30) |
| Gross Profit | 821,829 | 70 | 1,321,752 | 70 | 1,027,197 | 70 | 1,894,987 | 70 | 5,065,765 | 70 |
| Selling Expenses | (94,319) | (8) | (132,098) | (7) | (135,528) | (9) | (156,152) | (6) | (518,097) | (7) |
| G&A Expenses | (71,965) | (6) | (88,309) | (5) | (81,923) | (6) | (116,005) | (4) | (358,202) | (5) |
| R&D Expenses | (192,419) | (16) | (241,700) | (13) | (240,454) | (16) | (286,613) | (11) | (961,186) | (13) |
| Total Operating Expenses | (358,703) | (30) | (462,107) | (25) | (457,905) | (31) | (558,770) | (21) | (1,837,485) | (25) |
| Income from Operations | 463,126 | 40 | 859,645 | 46 | 569,292 | 39 | 1,336,217 | 50 | 3,228,280 | 45 |
| Non-operating Income and Expenses | 167,060 | 14 | (94,648) | (5) | 110,708 | 7 | 243,143 | 9 | 426,263 | 6 |
| Income before Income Tax | 630,186 | 54 | 764,997 | 41 | 680,000 | 46 | 1,579,360 | 59 | 3,654,543 | 51 |
| Income Tax Expenses | (44,537) | (4) | (162,489) | (9) | (81,779) | (5) | (123,802) | (5) | (412,607) | (6) |
| Net Income | 585,649 | 50 | 602,508 | 32 | 598,221 | 41 | 1,455,558 | 54 | 3,241,936 | 45 |
| Other Comprehensive Income | 16,328 | 2 | (16,027) | (1) | 12,736 | 1 | 16,974 | 1 | 30,011 | 0 |
| | 601,977 | 52 | 586,481 | 31 | 610,957 | 42 | 1,472,532 | 55 | 3,271,947 | 45 |
| Basic EPS | 8.23 | | 8.47 | | 8.43 | | 20.47 | | 45.60 | |
| Diluted EPS | 8.22 | | 8.46 | | 8.43 | | 20.44 | | 45.55 | |

Consolidated Performance of the Past 3 Years



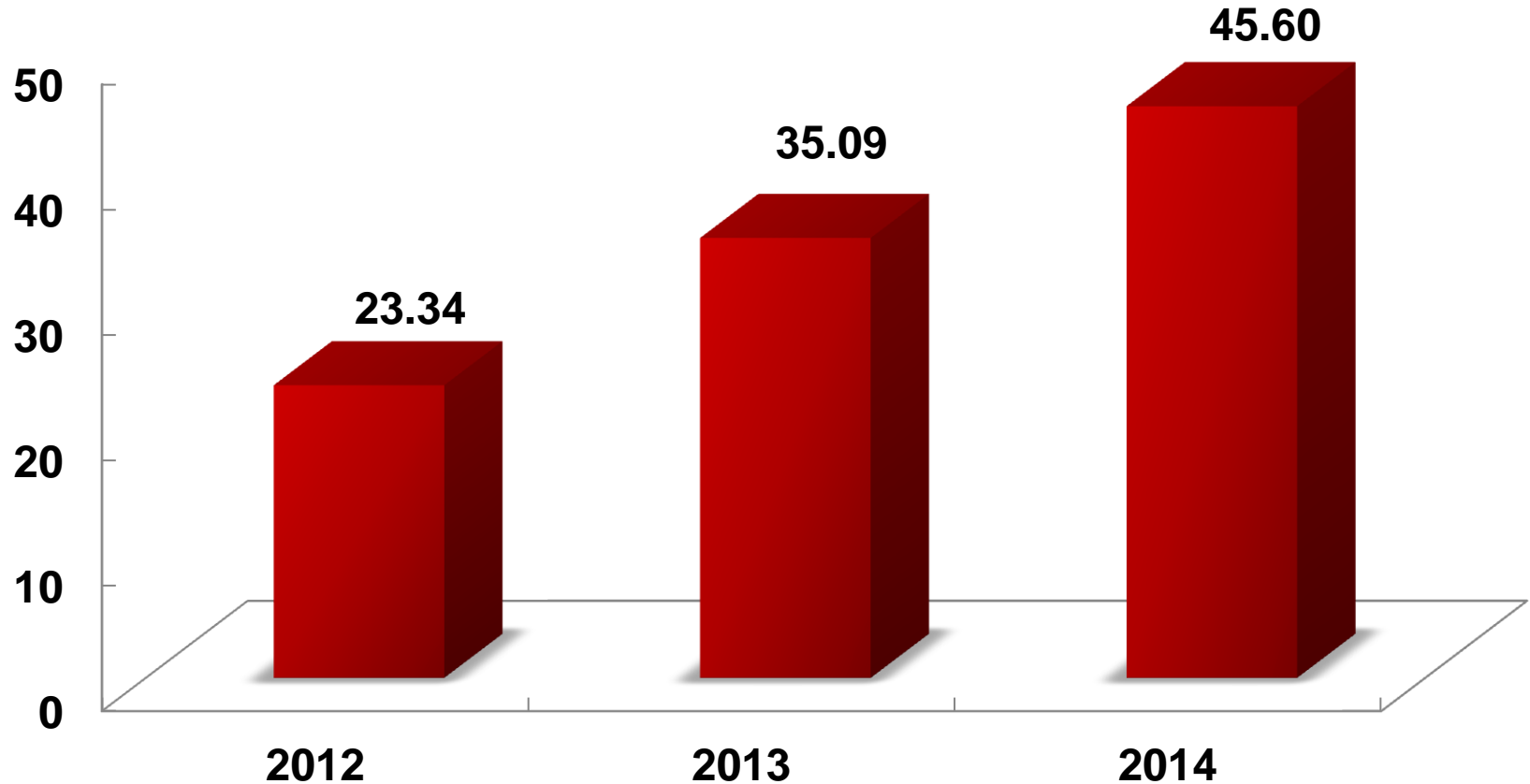
| In NT\$ millions | 2012 | | 2013 | | 2014 | |
|---|-------|-----|-------|-----|-------|-----|
| ■ Net Sales | 4,180 | | 5,340 | | 7210 | |
| ■ Gross Profit / Gross Profit Margin | 2,981 | 71% | 3,758 | 70% | 5,066 | 70% |
| ■ Net Income / Net Profit Margin | 1,520 | 37% | 2,347 | 44% | 3,242 | 45% |

Consolidated Net Sales of the Past 3 Years



Consolidated EPS(AT) of the Past 3 Years

In NT\$



2014/12/31 Balance Sheet

In NT\$ thousands

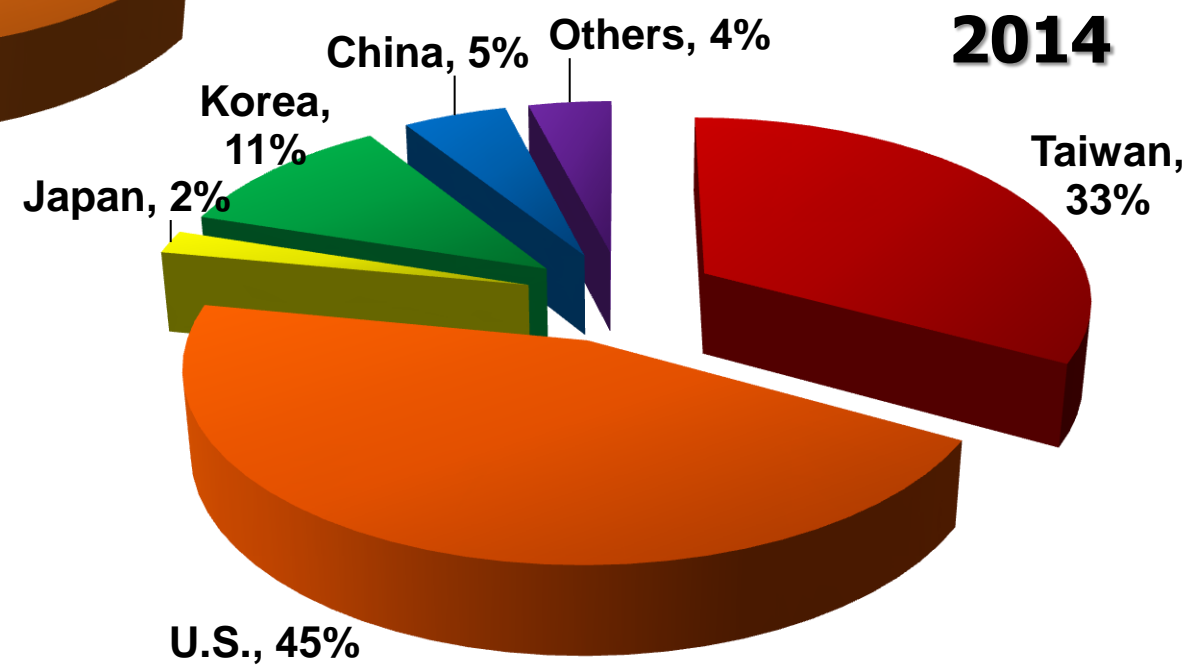
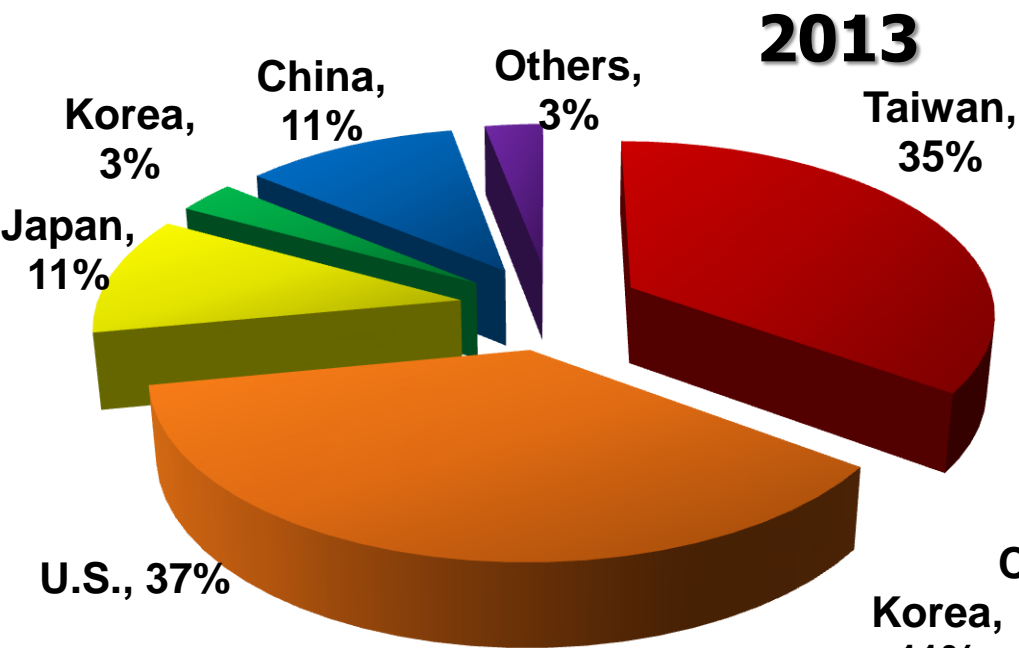
| | 4Q14 | % | 2Q14 | % | 4Q13 | % |
|--|-------------------|------------|-------------------|------------|-------------------|------------|
| Cash and cash equivalents | 7,396,471 | 49 | 7,260,790 | 54 | 5,370,702 | 37 |
| Financial asset at fair value through profit or loss | 1,101,805 | 7 | - | - | - | - |
| Bond investments without active markets -current | 1,266,000 | 8 | 2,120,415 | 16 | 2,891,085 | 20 |
| Accounts receivable | 2,681,917 | 18 | 1,552,777 | 12 | 1,570,259 | 10 |
| Other receivables | 7,306 | - | 28,936 | - | 24,842 | - |
| Inventory | 1,744,812 | 12 | 1,789,492 | 13 | 1,516,157 | 10 |
| Prepayments | 94,412 | 1 | 65,083 | 1 | 37,678 | - |
| Other current assets | 4,851 | - | 4,721 | - | 33,751 | - |
| Available-for-sale financial assets -noncurrent | 7,450 | - | 4,412 | - | 4,412 | - |
| Property, plant and equipment | 749,531 | 5 | 453,125 | 4 | 334,590 | 2 |
| Intangible assets | 12,357 | - | 14,403 | - | 10,632 | - |
| Deferred income tax assets | 50,129 | - | 48,626 | - | 48,626 | - |
| Other noncurrent assets | 9,435 | - | 7,543 | - | 8,803 | - |
| Total assets | 15,126,476 | 100 | 13,350,323 | 100 | 11,851,537 | 100 |
| Accounts payable | 177,559 | 1 | 142,197 | 1 | 150,031 | 1 |
| Other payables | 1,158,702 | 7 | 1,968,611 | 15 | 747,418 | 6 |
| Current income tax liabilities | 267,987 | 2 | 184,884 | 1 | 159,758 | 1 |
| Provision for liability | 1,471,138 | 10 | 1,173,113 | 9 | 972,259 | 6 |
| Other current liabilities | 87,053 | 1 | 9,504 | - | 4,939 | - |
| Noncurrent Liabilities | 89,073 | - | 84,017 | 1 | 84,100 | 1 |
| Equity | 11,874,964 | 79 | 9,787,997 | 73 | 9,733,032 | 64 |
| Total liabilities and equity | 15,126,476 | 100 | 13,350,323 | 100 | 11,851,537 | 100 |

2014 Cash Flows

In NT\$ thousands

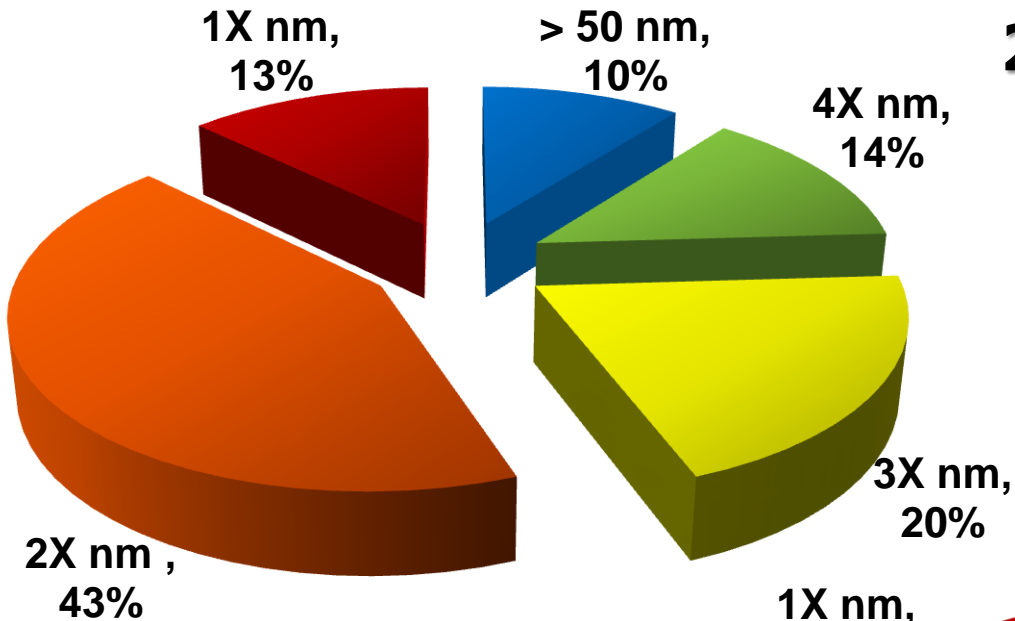
| | 2014 | 2013 |
|---|-------------|-------------|
| Cash and cash equivalents at beginning of year | 5,370,702 | 2,776,308 |
| Cash inflow from operating activities | 3,129,610 | 2,170,646 |
| Acquisition of investments and financial assets | (1,100,000) | (2,895,497) |
| Disposal of bond investments without active markets - current | 1,625,085 | - |
| Capital Expenditure | (489,032) | (146,627) |
| Net proceeds from issuance of new shares | - | 4,238,036 |
| Cash dividends paid | (1,136,000) | (792,000) |
| Others | (3,894) | 19,836 |
| Cash and cash equivalents at end of year | 7,396,471 | 5,370,702 |

Revenue Distribution by Regions

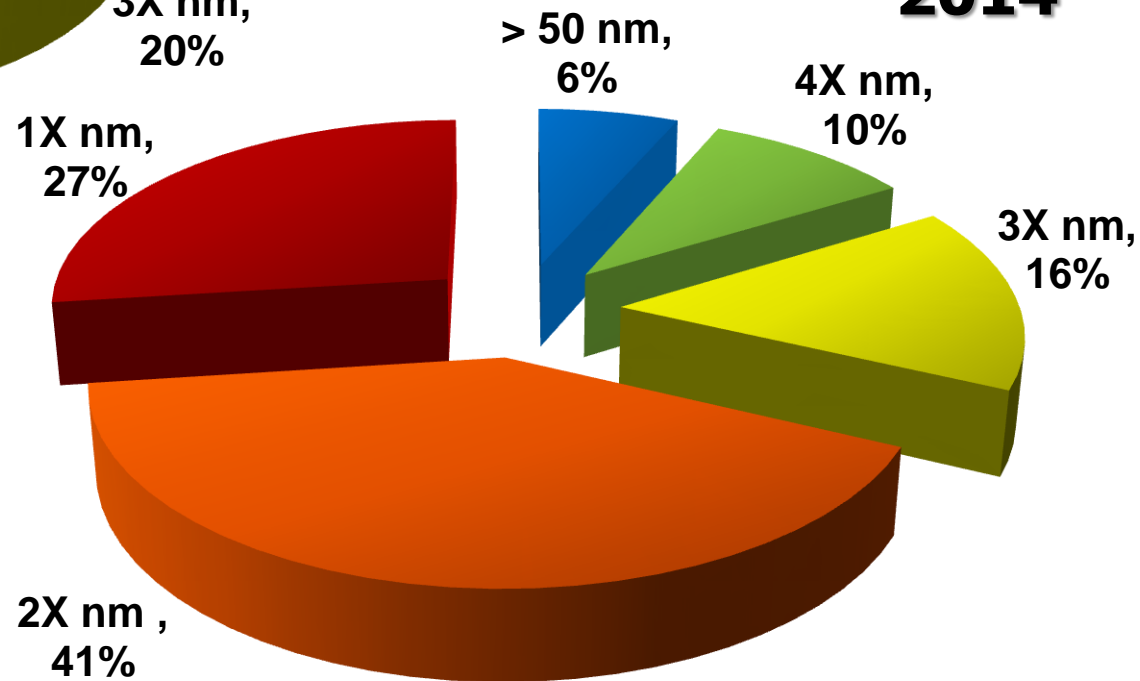


Tool Usage by Technology Nodes

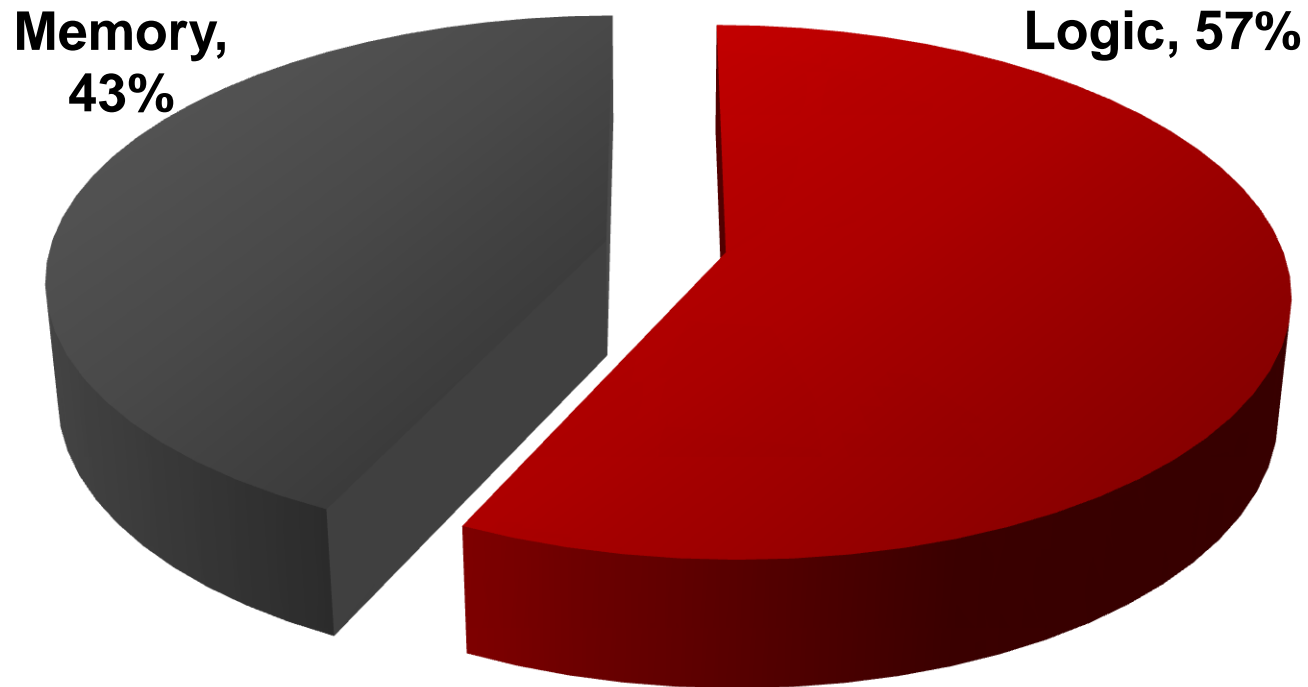
2013



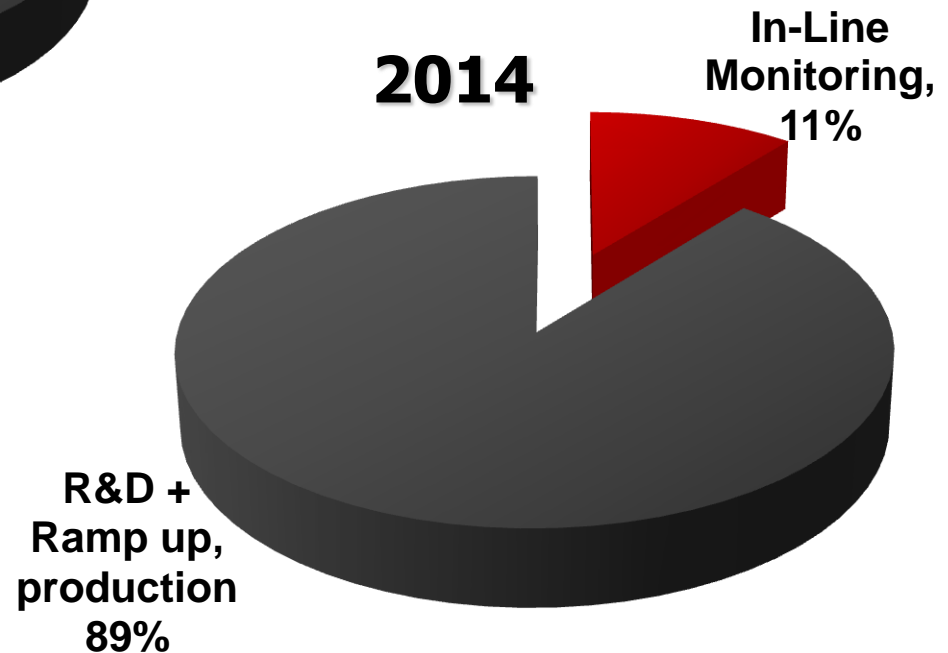
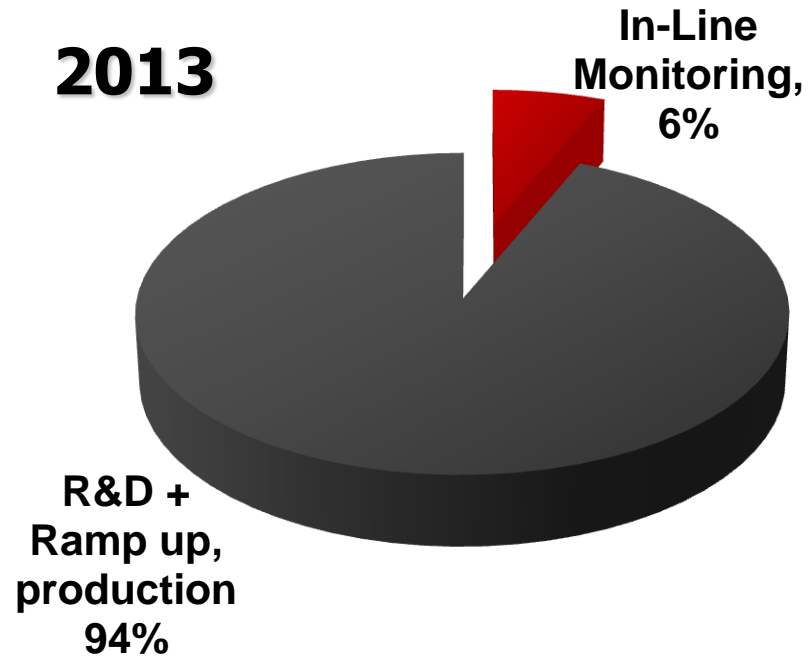
2014



Revenue Breakdown by Logic/Memory



Revenue Breakdown by application



2015 Outlook

- Semiconductor equipment market is forecasted to grow and top fabs are competing to lead
- Strong demand on EBI solution for advanced tech nodes
- HMI's strategy will focus on scaling up the market, and heavily invest in the development of high productivity, low CoO and massive parallel scanning technologies/tools for HVM inline applications
- New tools to be released this year:
 - eP4 for <10nm nodes (Q1)
 - SkyScan 5000 for ultra high throughput hotspot inspection (Q2)
 - NanoScan 2000 for low CoO inline CDU (Q3)
- Continue sales growth, and maintain margin and profitability
 - expect m-to-m or Q-to-Q fluctuation
 - weak Q1, solid Q2 and Q3, strong 2H
 - with 6 month visibility

Q & A

[http://www.hermes-microvision.com/
investor@hermes-microvision.com](http://www.hermes-microvision.com/investor@hermes-microvision.com)