



Stock Code: 6643 TT

2023 Third Quarter Earnings Conference

www.m31tech.com

November 9th, 2023

Agenda

- **Welcome** Silvia Su, Spokesperson
- **3Q23 Financial Results** Silvia Su, Spokesperson
- **4Q23 Outlook & Key Messages** Scott Chang, CEO
- **Q&A** Scott Chang, CEO

Safe Harbor Notice

- M31'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.

3Q23 Financial Results

3Q23 Statements of Comprehensive Income

Selected Items from Statements of Comprehensive Income

5%

(In NT\$ thousands unless otherwise noted)

	3Q23	2Q23	3Q22	3Q23 over 2Q23	3Q23 over 3Q22
Net Revenue (US\$ thousands)	13,785	11,590	10,644	+18.9%	+29.5%
Net Revenue	432,489	347,797	323,460	+24.4%	+33.7%
Gross Margin	100%	100%	100%		
Operating Expenses	(286,524)	(260,462)	(258,520)	+10.0%	+10.8%
Operating Margin	33.7%	25.1%	20.1%	+8.6 ppt	+13.7 ppt
Net Income	153,575	98,501	101,484	+55.9%	+51.3%
Net Profit Margin	35.5%	28.3%	31.4%	+7.2 ppt	+4.1 ppt
EPS (NT Dollar)	4.45	2.86	3.26	+55.6%	+36.5%
Average Exchange Rate-USD/NTD	31.69	30.71	30.39	+3.2%	+4.3%

* Diluted weighted average outstanding shares were 34,497 units in 3Q23.

** 3Q23 net foreign exchange gain of NTD \$29,714K.

3Q23 Balance Sheets

Selected Items from Balance Sheets

(In NT\$ thousands)

	3Q23		2Q23		3Q22	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	1,047,864	46%	1,254,658	53%	937,131	45%
Accounts Receivable	318,906	14%	198,760	8%	218,530	10%
Other current assets	173,836	8%	213,941	9%	148,444	7%
Net PP&E	568,637	25%	571,390	24%	672,287	32%
Other non-current assets	144,974	7%	140,282	6%	136,144	6%
Total Assets	2,254,217	100%	2,379,031	100%	2,112,536	100%
Current Liabilities	290,482	13%	580,709	25%	410,041	20%
Non-current Liabilities	12,004	-	8,593	-	7,413	-
Total Liabilities	302,486	13%	589,302	25%	417,454	20%
Total Shareholders' Equity	1,951,731	87%	1,789,729	75%	1,695,082	80%

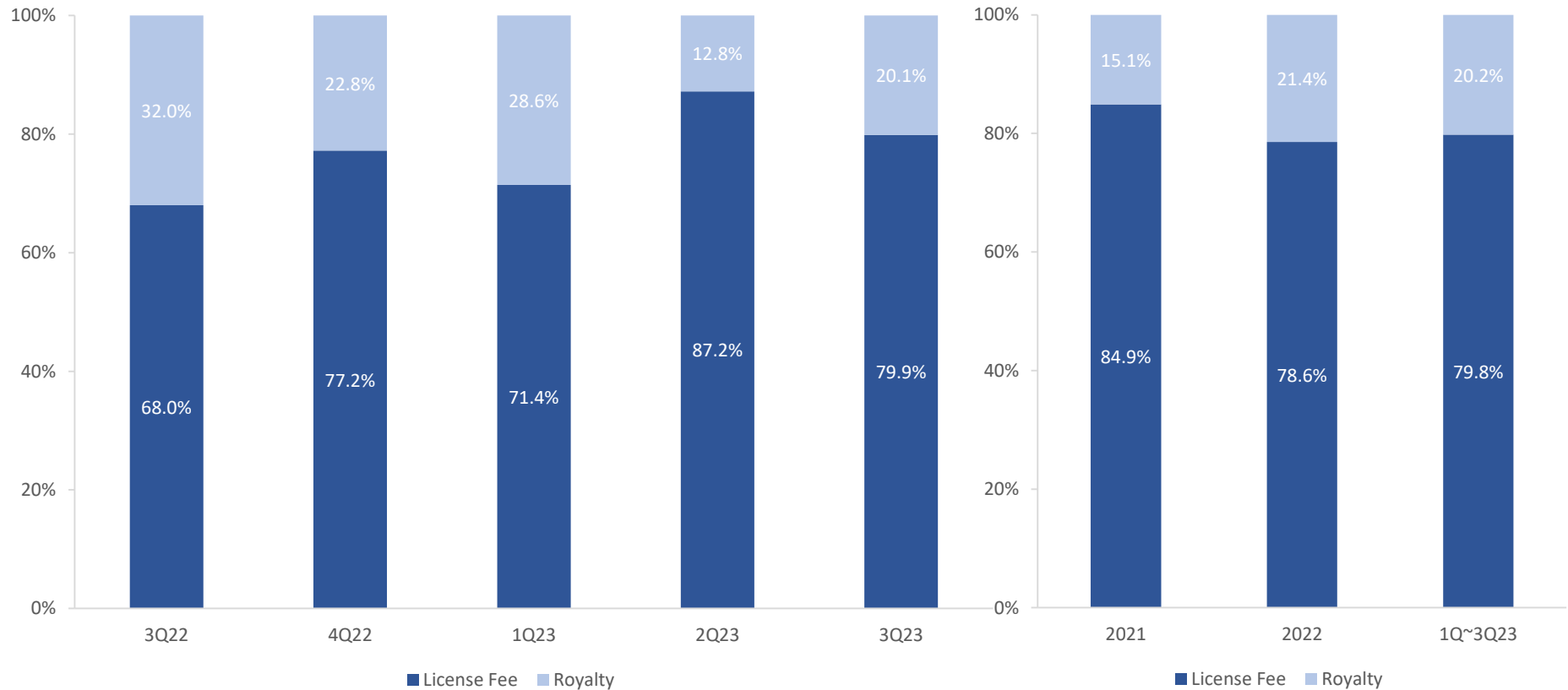
3Q23 Cash Flow

(In NT\$ thousands)

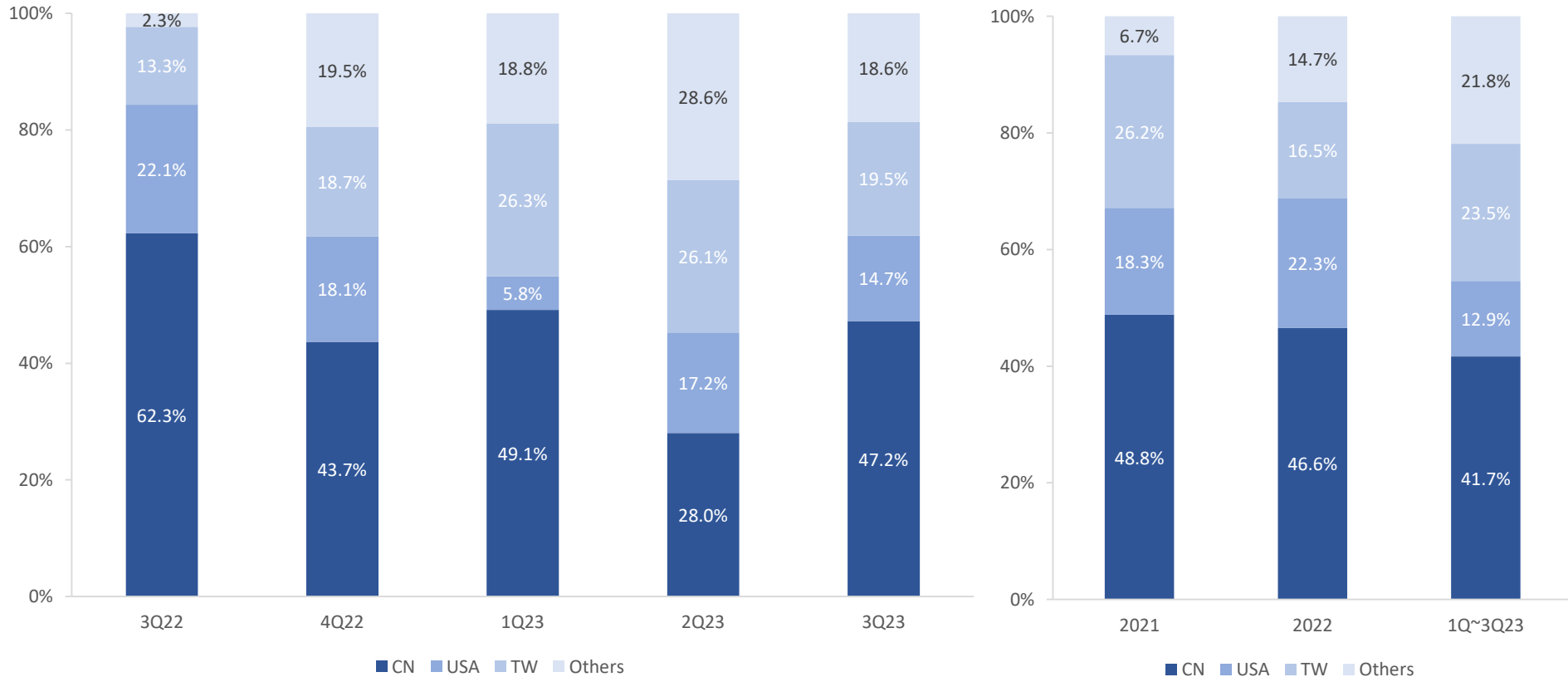
	3Q23	2Q23	3Q22
	9 Months Ended	6 Months Ended	9 Months Ended
Beginning Balance	546,776	546,776	307,421
Cash generated from operating activities	68,613	17,076	440,411
Cash used in investing activities	371,829	452,547	(19,409)
Cash generated from/(used in) financing activities	(255,308)	(1,207)	(230,103)
FX effects on cash held in foreign currencies	18,159	8,874	25,413
Ending Balance	750,069	1,024,066	523,733

Operating Result

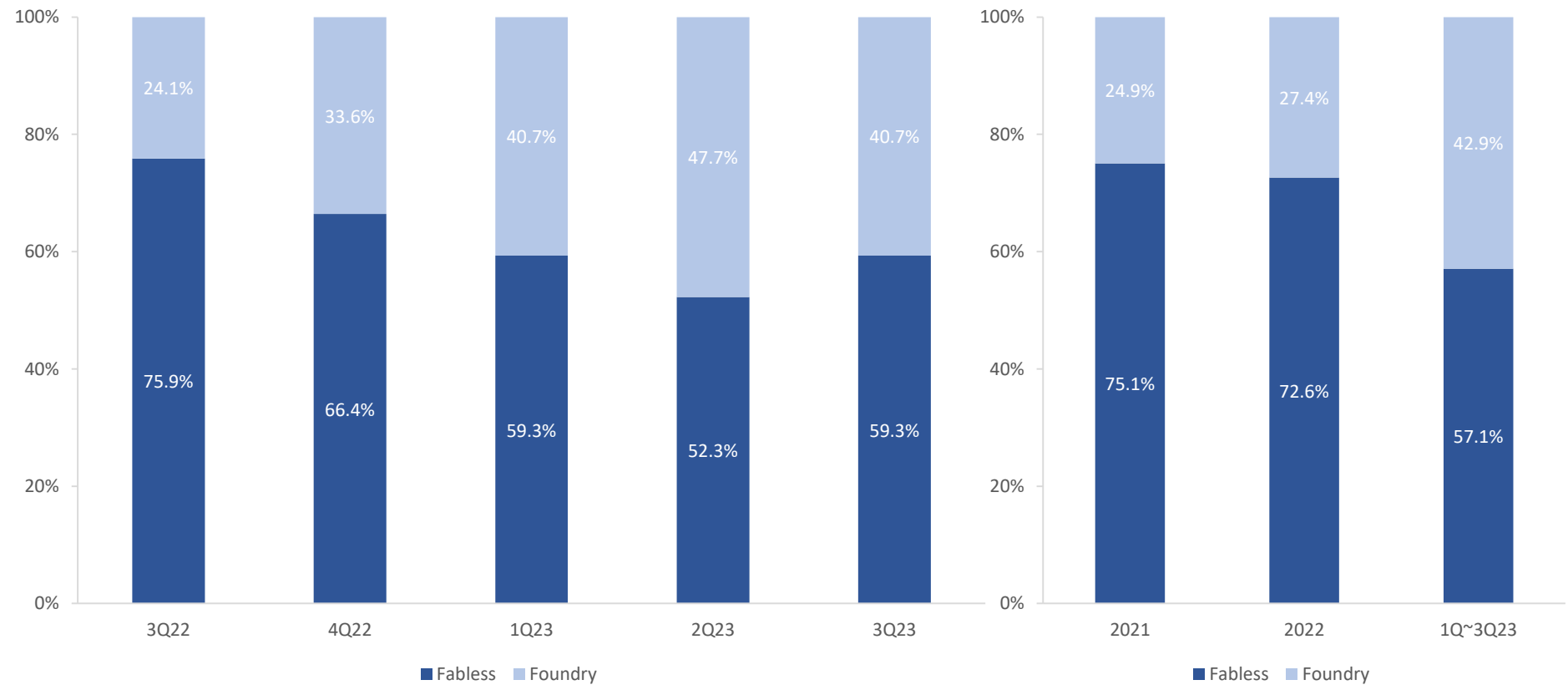
3Q23 Revenue by Income Source



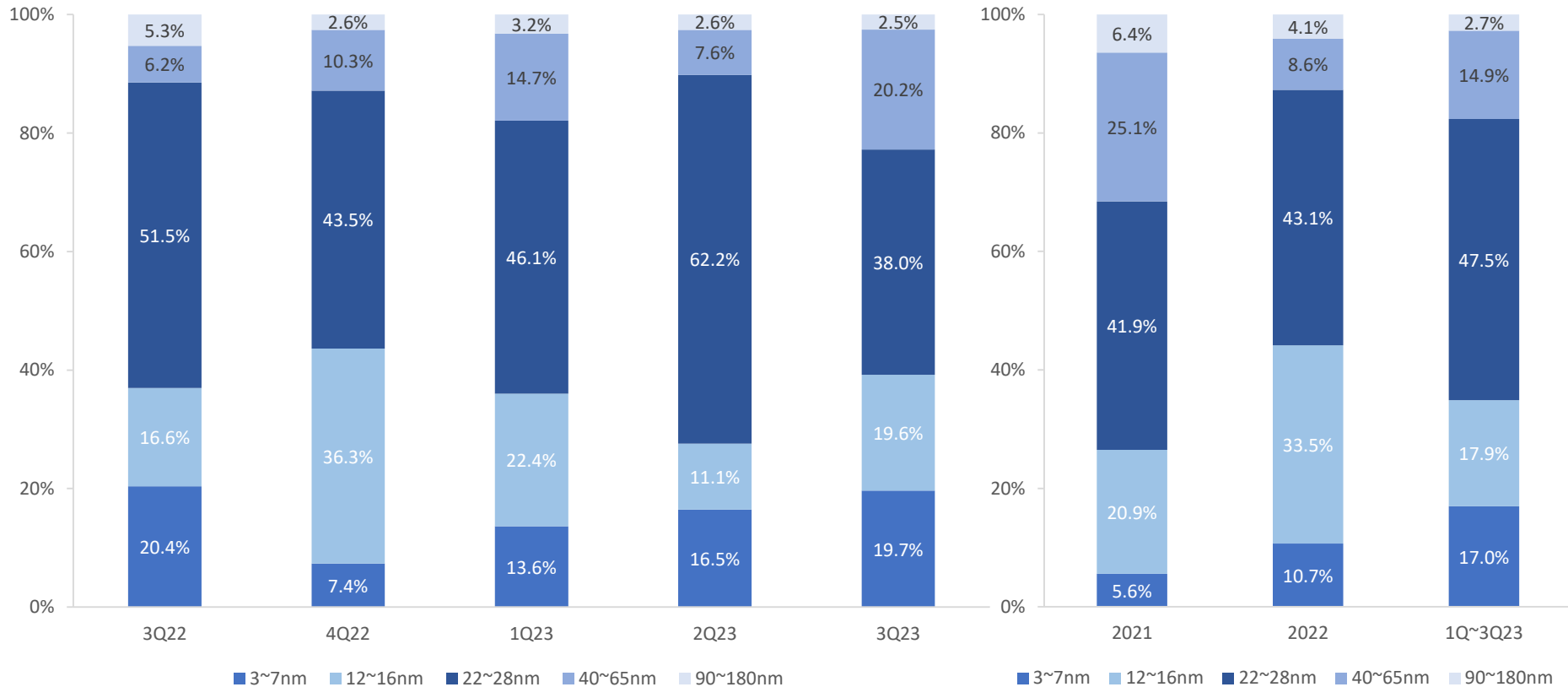
3Q23 Revenue by Region



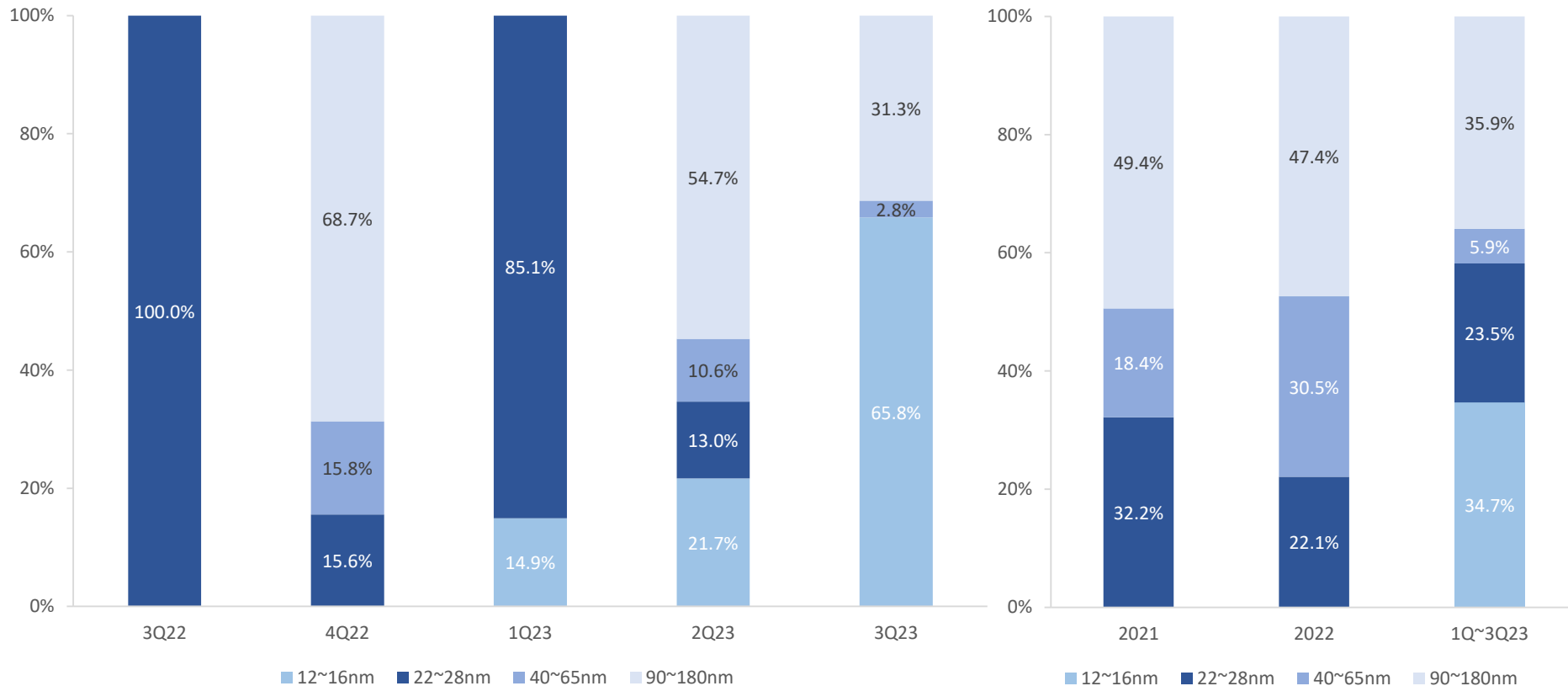
3Q23 Revenue by Customer Type



3Q23 Fabless License Fee by Nodes



3Q23 Foundry License Fee by Nodes



Recap of 3Q23 Operating Result

- **3Q23 financial results deliver M31's profitable growth by well cost control with OP margin up +8.6% QoQ and +13.7% YoY.**
- **Revenue of royalties starts to rebound in 3Q23 despite overall utilization rate in foundries was still lower than last year.**
- **China's fabless customers reboot new SoC development driving 3Q23 IP license growth in China market after weak momentum in 1H23.**
- **Thanks to FinFET process deployment in foundry platform, advanced-node IPs at 16nm and below accounts for 46% of total license fee in 3Q23.**
- **Sustainable IP demands from mature nodes comply with global capacity expansion plan and play an indispensable role to drive M31's profitability.**
- **M31 inaugurates Bangalore R&D Design Center in India, which will focus on the development of advanced Foundation IP solutions to meet booming foundry demand.**

M31 Future Prospects



Your IP Partner

Your Virtual Team

Thank You