



Stock Code: 6643 TT

2023 Fourth Quarter Earnings Conference

www.m31tech.com

March 5th, 2024

Agenda

- **Welcome** Silvia Su, Spokesperson
- **4Q23 Financial Results** Silvia Su, Spokesperson
- **2024 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.

4Q23 Financial Results

4Q23 Statements of Comprehensive Income

Selected Items from Statements of Comprehensive Income

(In NT\$ thousands unless otherwise noted)

	4Q23	3Q23	4Q22	4Q23 over 3Q23	4Q23 over 4Q22
Net Revenue (US\$ thousands)	16,726	13,785	15,679	+21.3%	+6.7%
Net Revenue	519,089	432,489	489,235	+20.0%	+6.1%
Gross Margin	100%	100%	100%		
Operating Expenses	(350,530)	(286,524)	(283,181)	+22.3%	+23.8%
Operating Margin	32.5%	33.7%	42.1%	-1.3 ppt	-9.6 ppt
Net Income	113,020	153,575	155,806	-26.4%	-27.5%
Net Profit Margin	21.8%	35.5%	31.8%	-13.7 ppt	-10.1 ppt
EPS (NT Dollar)	3.05	4.45	4.52	-31.5%	-32.5%
Average Exchange Rate-USD/NTD	31.83	31.69	31.35	+0.4%	+1.5%

* Diluted weighted average outstanding shares were 34,624 units in 4Q23.

** 4Q23 net foreign exchange loss of NTD \$49,194K.

2023 Statements of Comprehensive Income

Selected Items from Statements of Comprehensive Income

(In NT\$ thousands unless otherwise noted)

	2023	2022	2023 over 2022
Net Revenue (US\$ thousands)	52,399	45,296	+15.7%
Net Revenue	1,612,337	1,360,165	+18.5%
Gross Margin	100%	100%	
Operating Expenses	(1,165,841)	(992,215)	+17.5%
Operating Margin	27.7%	27.1%	+0.6 ppt
Net Income	435,170	379,252	+14.7%
Net Profit Margin	27.0%	27.9%	-0.9 ppt
EPS (NT Dollar)	12.6	11.06	+13.9%
Average Exchange Rate-USD/NTD	31.18	29.85	+4.5%

* Diluted weighted average outstanding shares were 34,524 units in 2023.

** 2023 net foreign exchange loss of NTD \$8,375K.

4Q23 Balance Sheets

Selected Items from Balance Sheets

(In NT\$ thousands)

	4Q23		3Q23		4Q22	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	1,147,938	48%	1,047,864	46%	1,114,223	47%
Accounts Receivable	373,804	16%	318,906	8%	325,217	14%
Other current assets	132,573	5%	173,836	14%	219,880	9%
Net PP&E	561,779	23%	568,637	25%	570,969	24%
Other non-current assets	180,695	8%	144,974	7%	137,009	6%
Total Assets	2,396,789	100%	2,254,217	100%	2,367,298	100%
Current Liabilities	326,085	14%	290,482	13%	505,125	22%
Non-current Liabilities	7,685	-	12,004	-	4,716	-
Total Liabilities	333,770	14%	302,486	13%	509,841	22%
Total Shareholders' Equity	2,063,019	86%	1,951,731	87%	1,857,457	78%

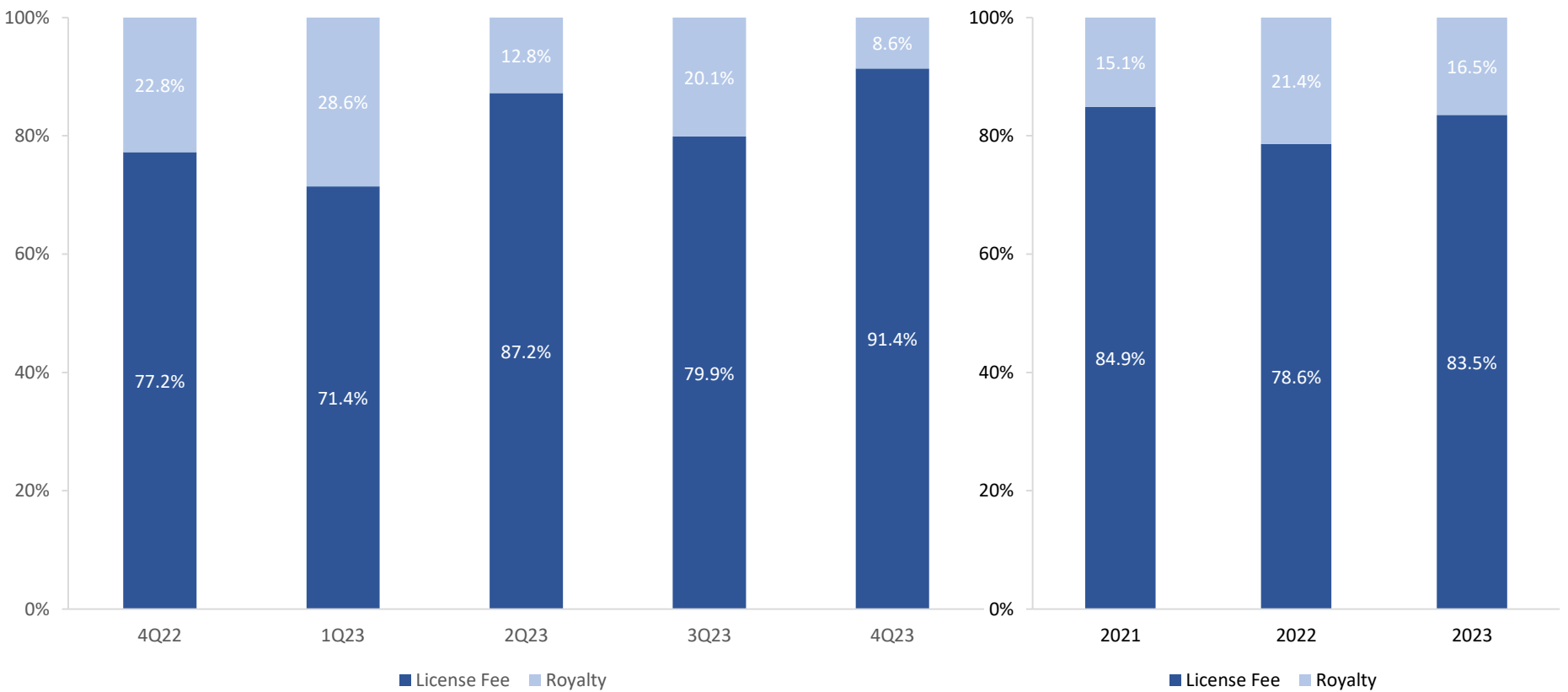
4Q23 Cash Flow

(In NT\$ thousands)

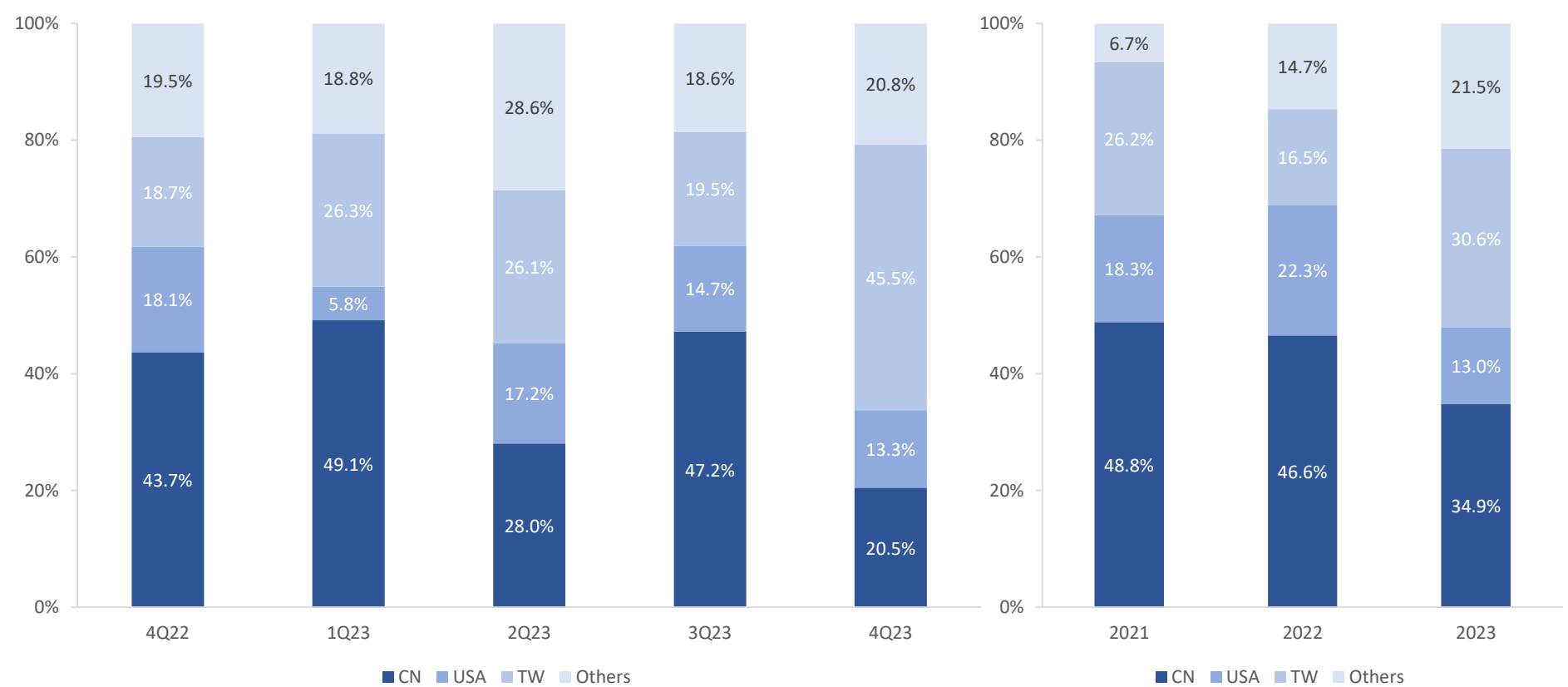
	4Q23	3Q23	4Q22
	12 Months Ended	9 Months Ended	12 Months Ended
Beginning Balance	546,776	546,776	307,421
Cash generated from operating activities	241,341	68,613	651,573
Cash used in investing activities	332,001	371,829	(185,571)
Cash generated from/(used in) financing activities	(258,691)	(255,308)	(231,546)
FX effects on cash held in foreign currencies	(12,306)	18,159	4,899
Ending Balance	849,121	750,069	546,776

Operating Result

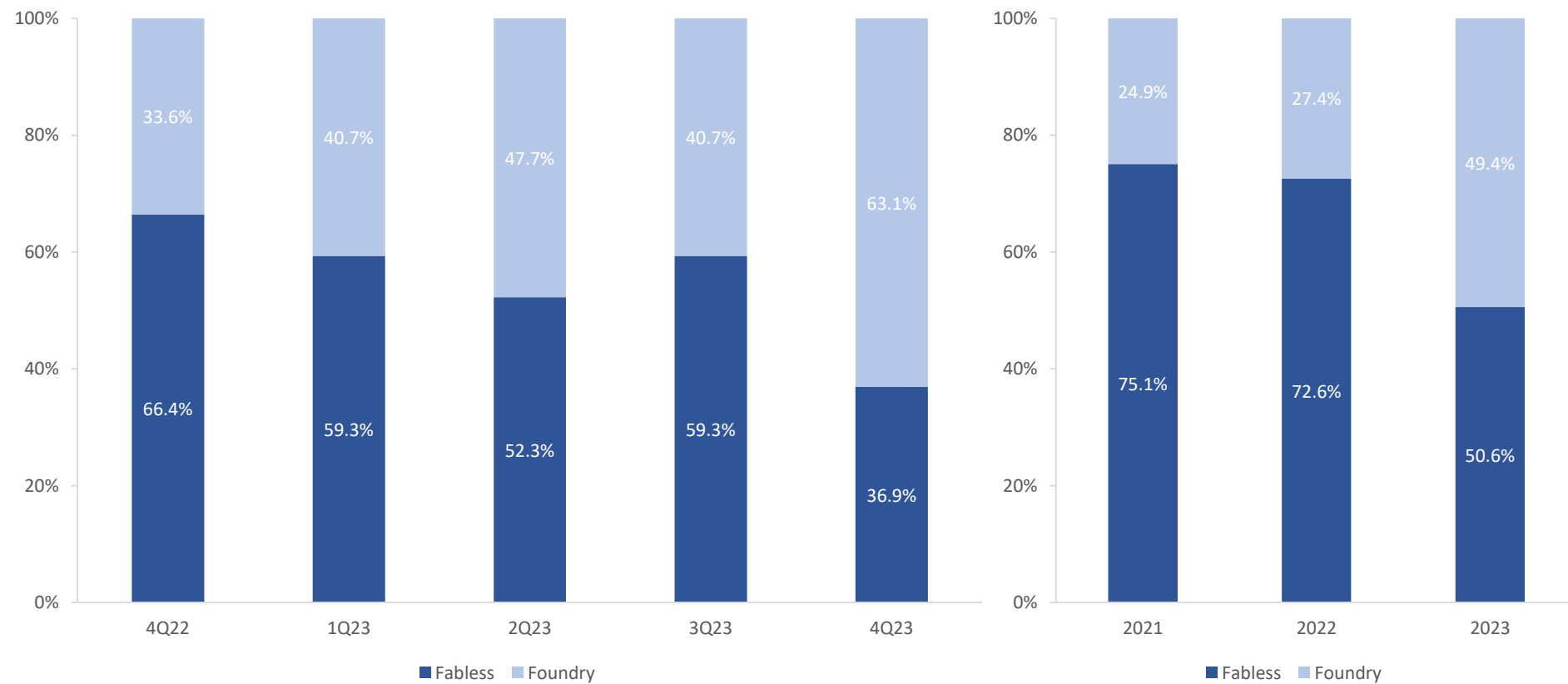
4Q23 Revenue by Income Source



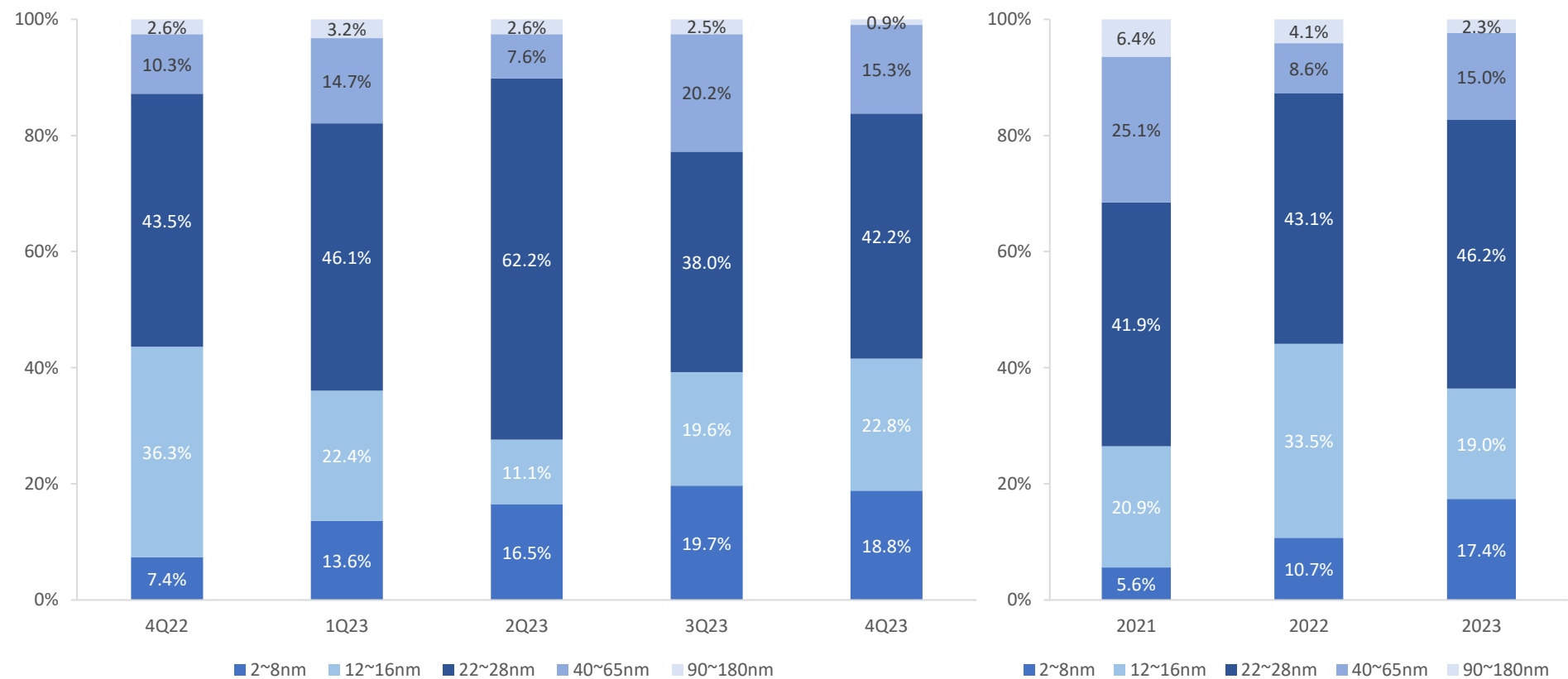
4Q23 Revenue by Region



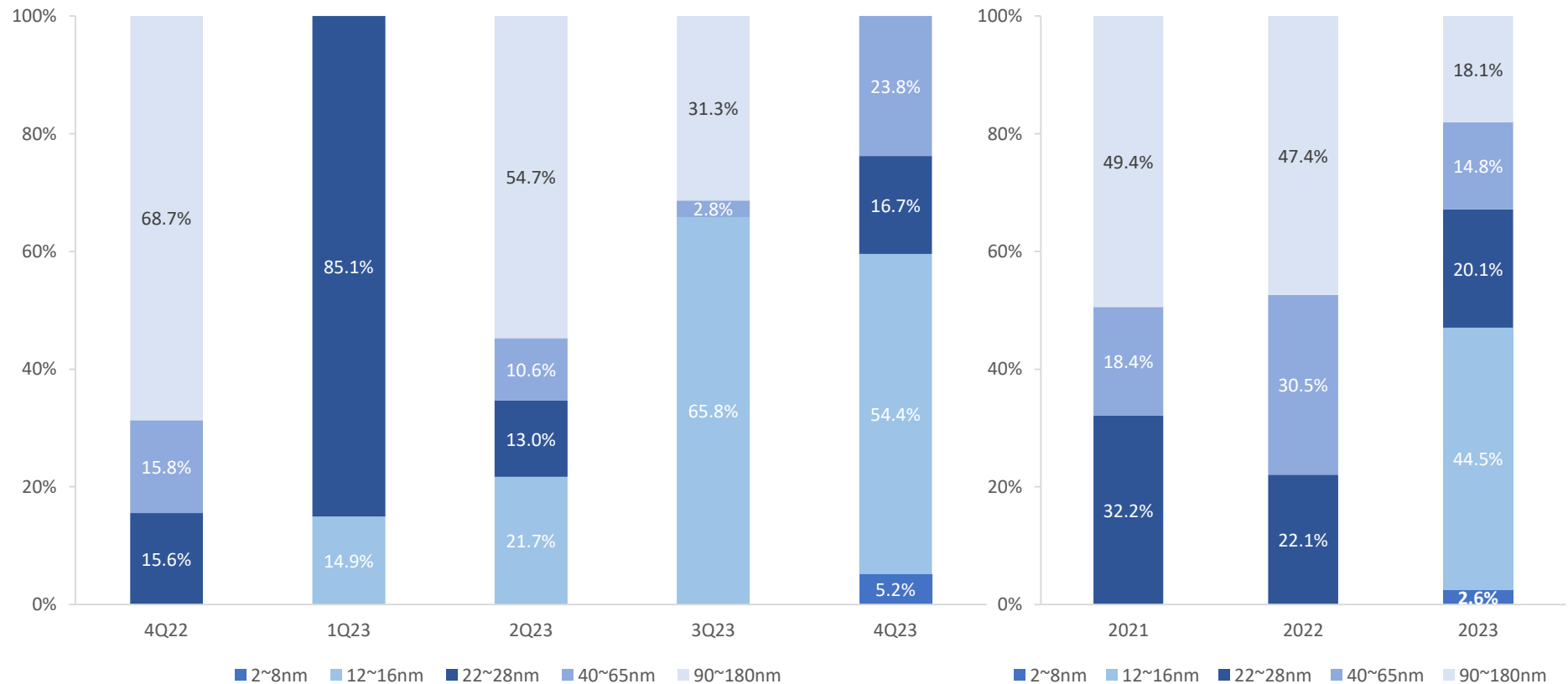
4Q23 Revenue by Customer Type



4Q23 Fabless License Fee by Nodes



4Q23 Foundry License Fee by Nodes



Recap of 2023 Operating Result

- Despite 4Q23 financial results were heavily impacted by exchange losses and increased employee bonuses, M31 achieved a record-breaking annual revenue and continues to demonstrate profitable growth with improved OP margin.
- Revenue of royalties suffer the decline in capacity utilization mainly at oversea foundries. We anticipate royalties income will resume growth momentum as more chip customers migrate to 12/16nm FinFET technology platform forward.
- Thanks to new process deployment in foundry platform, advanced-node IPs at 16nm and below account for over 50% of total license fee in 4Q23. Both of foundation IP and functional IP are developing at 3nm in full swing.
- M31 India Design Center has expansion plan and focuses on the development of advanced Foundation IP solutions to meet booming foundry demand.

M31 Future Prospects



Your IP Partner

Your Virtual Team

Thank You