



Stock Code: 6643 TT

M31, your IP partner,
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2022 Second Quarter Earnings Conference

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August 11th, 2022

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.



2Q22 Financial Results



2Q22 Statements of Comprehensive Income

Selected Items from Statements of Comprehensive Income

(In NT\$ thousands unless otherwise noted)

	2Q22	1Q22	2Q21	2Q22 over 1Q22	2Q22 over 2Q21
Net Revenue (US\$ thousands)	10,134	8,839	7,673	+14.7%	+32.1%
Net Revenue	299,748	247,722	214,281	+21.0%	+39.9%
Gross Margin	100%	100%	100%		
Operating Expenses	(226,651)	(223,863)	(152,107)	+1.2%	+49.0%
Operating Margin	24.4%	9.6%	29.0%	+14.8 ppt	-4.6 ppt
Net Income	82,181	39,780	42,313	+106.6%	+94.2%
Net Profit Margin	27.4%	16.1%	19.7%	+11.4 ppt	+7.7 ppt
EPS (NT Dollar)	2.64	1.28	1.36	+106.3%	+94.1%
Average Exchange Rate-USD/NTD	29.47	28.02	27.98	+5.2%	+5.3%

* Diluted weighted average outstanding shares were 31,107 units in 2Q22.

** 2Q22 net foreign exchange gains NTD \$23,481K.



1H22 Statements of Comprehensive Income

Selected Items from Statements of Comprehensive Income

(In NT\$ thousands unless otherwise noted)

	1H22	1H21	1H22 over 1H21
Net Revenue (US\$ thousands)	18,973	15,139	+25.3%
Net Revenue	547,470	427,416	+28.1%
Gross Margin	100%	100%	
Operating Expenses	(450,514)	(296,857)	+51.8%
Operating Margin	17.7%	30.5%	-12.8 ppt
Net Income	121,961	97,950	+24.5%
Net Profit Margin	22.3%	22.9%	-0.6 ppt
EPS (NT Dollar)	3.92	3.15	+24.4%
Average Exchange Rate-USD/NTD	28.75	28.17	+2.0%

* Diluted weighted average outstanding shares were 31,107 units in 1H22.

** 1H22 net foreign exchange gains NTD \$47,194K.



2Q22 Balance Sheets

Selected Items from Balance Sheets

(In NT\$ thousands)

	2Q22		1Q22		2Q21	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	922,472	44%	814,205	41%	1,106,487	53%
Accounts Receivable	208,802	10%	237,855	12%	154,752	7%
Other current assets	175,368	8%	168,711	7%	174,424	8%
Net PP&E	676,123	32%	672,664	33%	586,879	28%
Other non-current assets	135,476	6%	127,501	7%	102,270	4%
Total Assets	2,118,241	100%	2,020,936	100%	2,124,812	100%
Current Liabilities	584,301	28%	357,041	17%	451,169	21%
Long-term Interest-bearing Debts	1,688	-	35,503	2%	277,335	13%
Total Liabilities	585,989	28%	392,544	19%	728,504	34%
Total Shareholders' Equity	1,532,252	72%	1,628,392	81%	1,396,308	66%



2Q22 Cash Flow

(In NT\$ thousands)

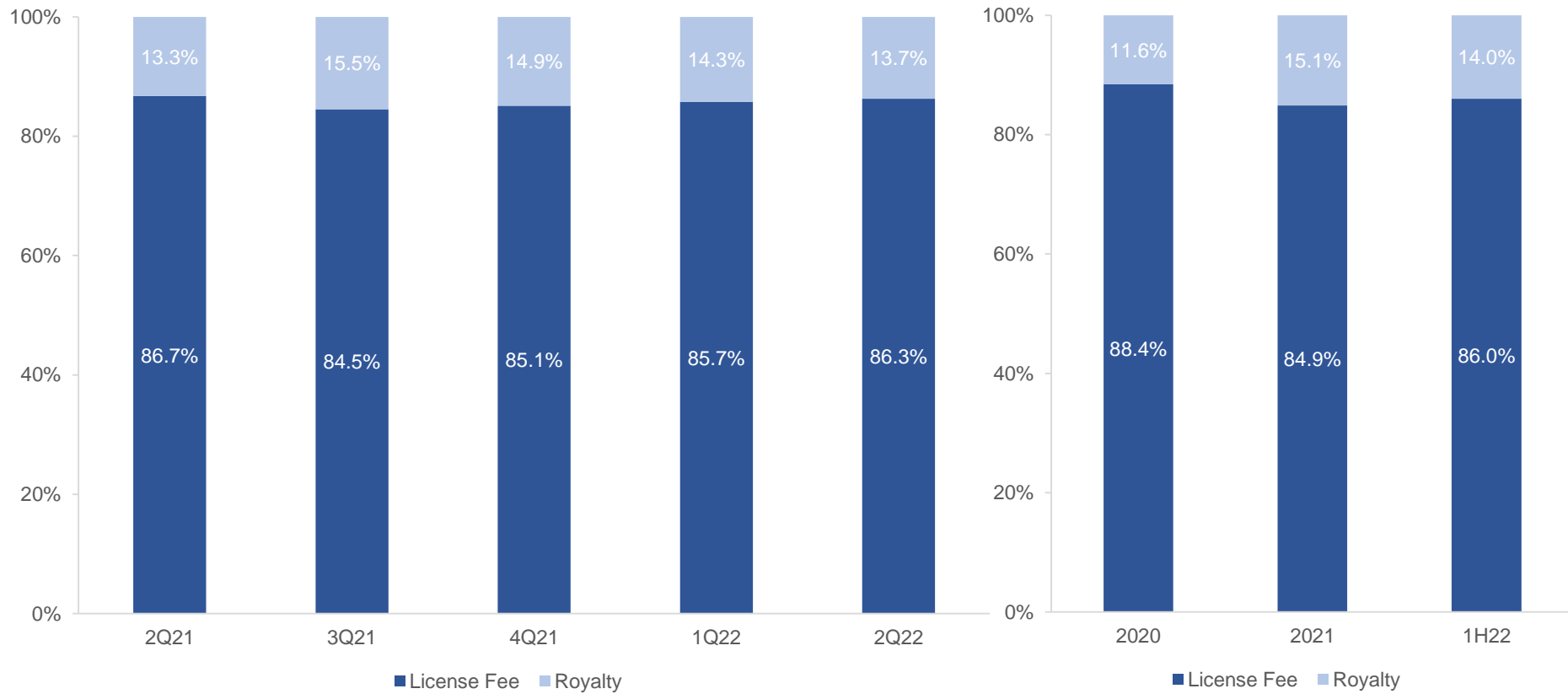
	2Q22	1Q22	2Q21
	6 Months Ended	3 Months Ended	6 Months Ended
Beginning Balance	307,421	307,421	527,760
Cash generated from operating activities	279,101	135,956	76,814
Cash used in investing activities	(112,175)	(97,816)	(367,259)
Cash generated from/(used in) financing activities	(79,648)	(51,865)	292,899
FX effects on cash held in foreign currencies	11,263	7,495	(6,816)
Ending Balance	405,962	301,191	523,398



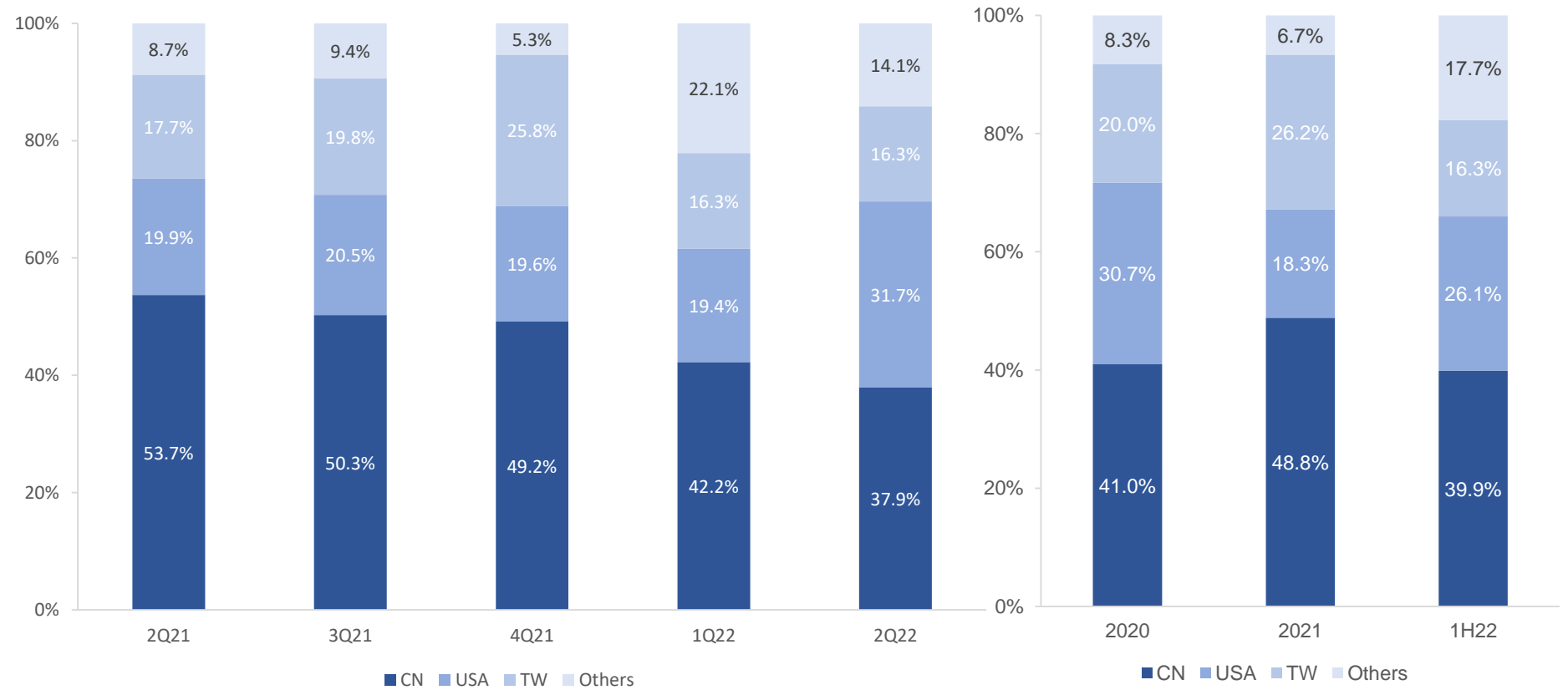
Operating Result



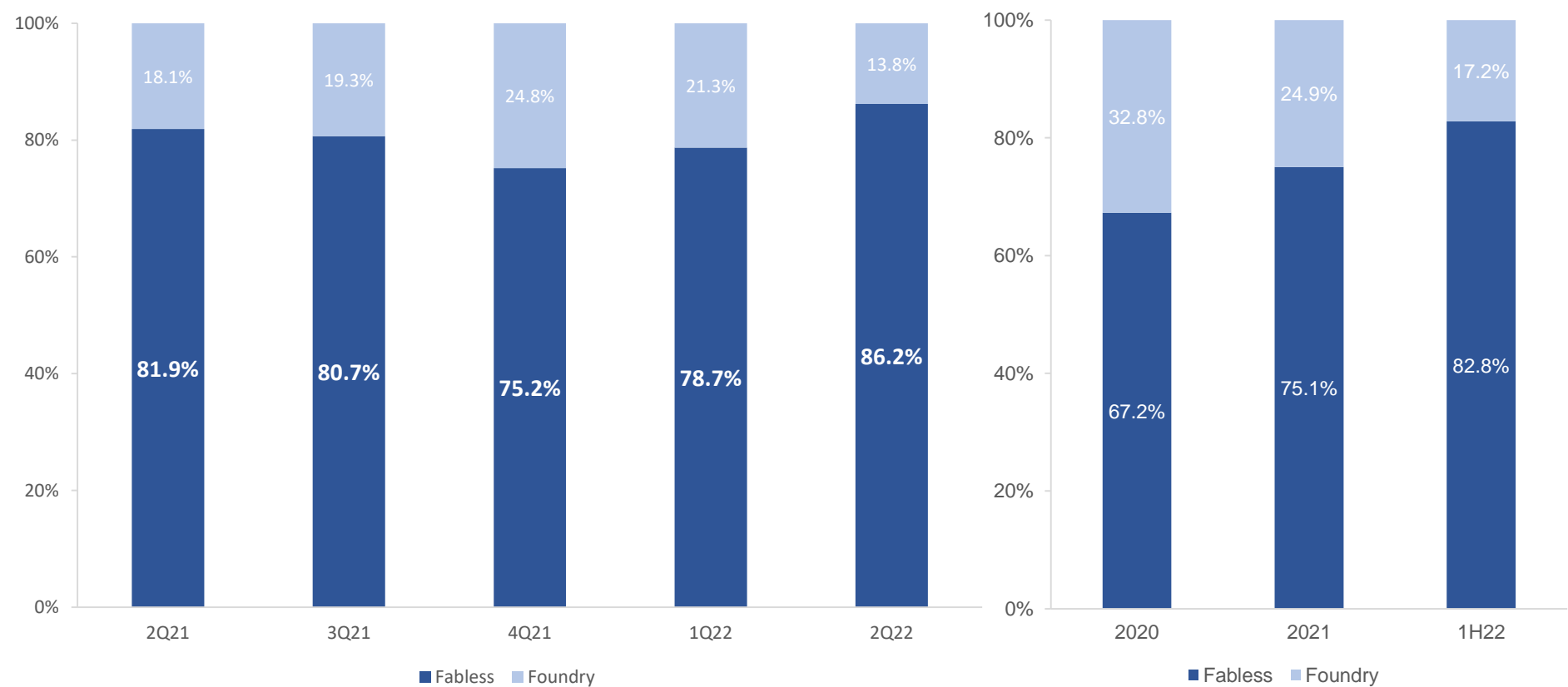
2Q22 Revenue by Income Source



2Q22 Revenue by Region



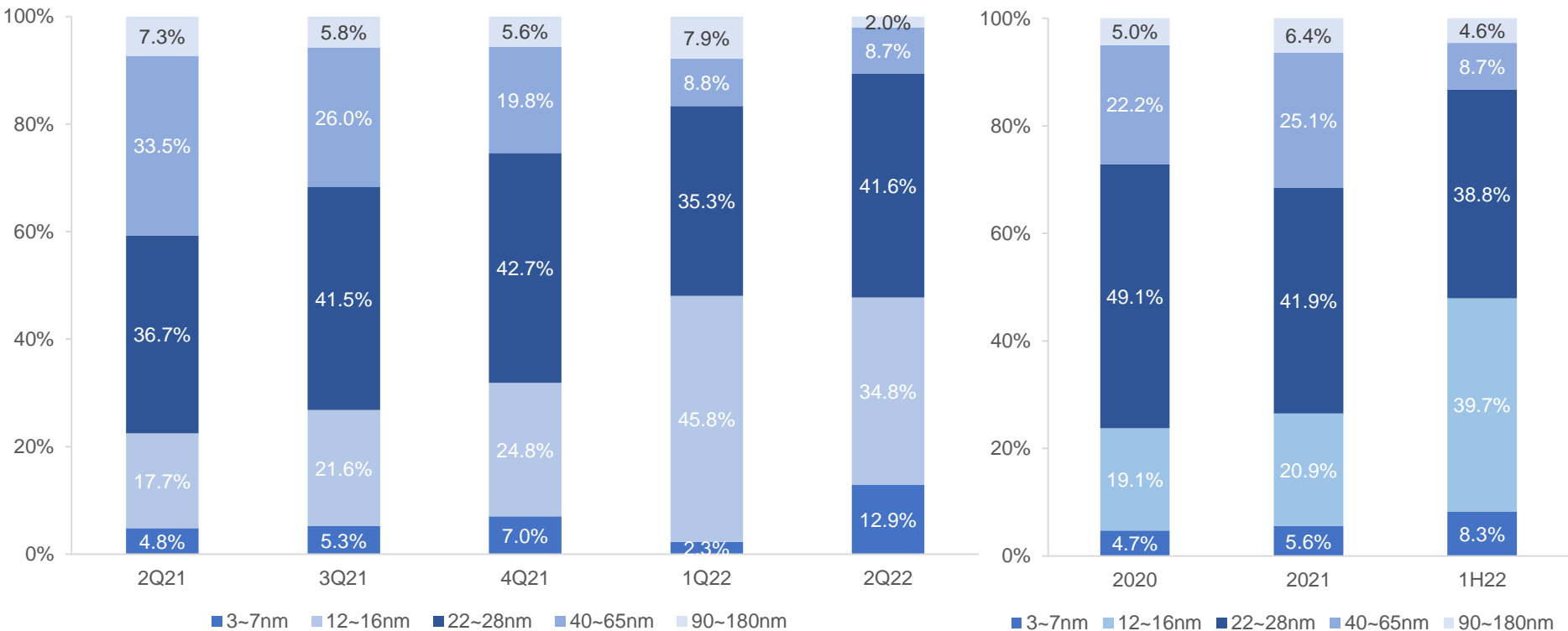
2Q22 Revenue by Customer Type



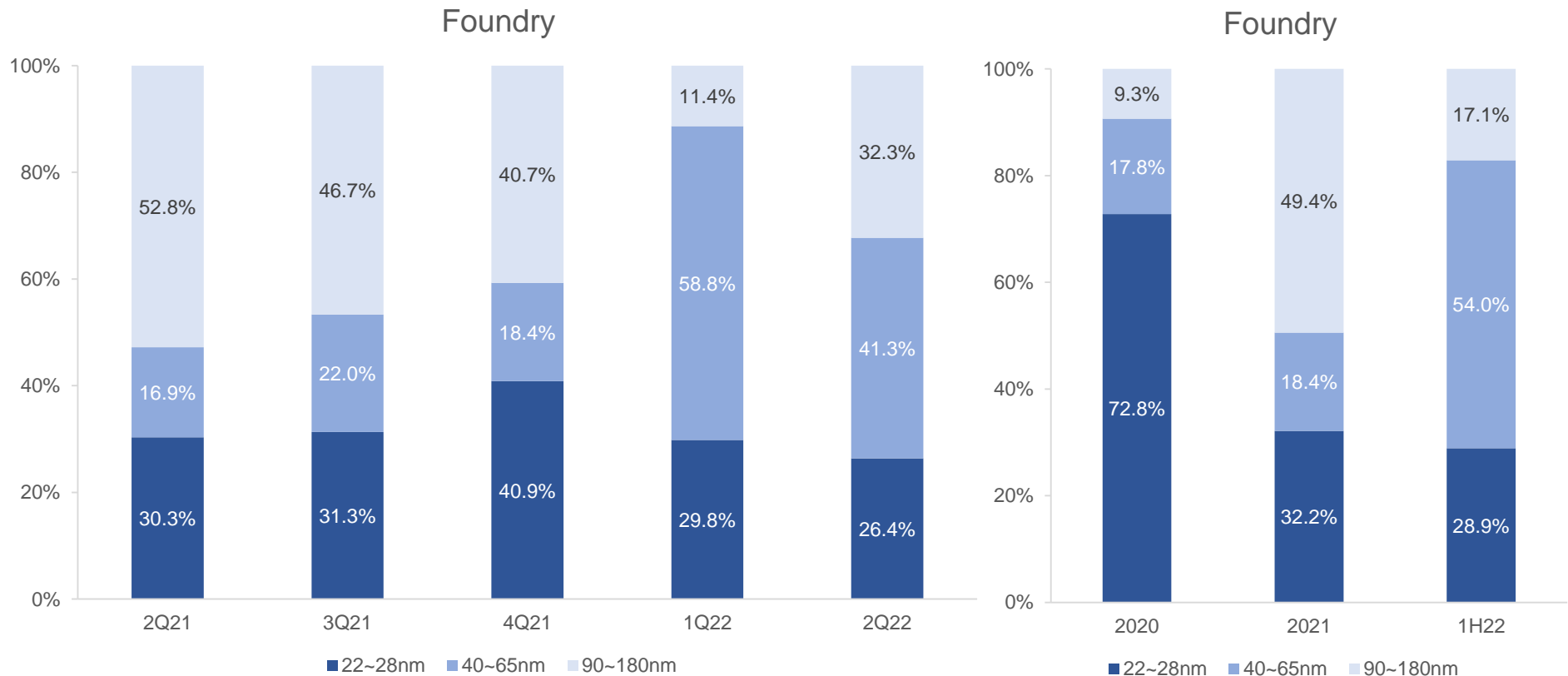
2Q22 Fabless License Fee by Nodes

Fabless

Fabless



2Q22 Foundry License Fee by Nodes



Recap of 1H22 Operating Result

- **In 1H 2022, M31's revenue soared 28.1% from a year earlier to NT\$547.47 million and the rate of net profit growth keeps pace with revenue by 24.5%.**
 - 2Q22 operating expenses are major from employee compensations after structural salary adjustment in 1Q22, increasing headcounts and regular license costs of EDA tool essential to R&D work on an ongoing basis.
 - Profitable growth will be consistently achieved with new IP product launch and new projects entering mass production due to continued momentum from fabless customers and foundry business upturn.
- **Especially in advanced nodes, growing revenue from oversea markets benefits from R&D investment in the early stage and tailored IP total solution.**
 - With design complexity increasing in advanced nodes, fabless customers require specialized foundation IP to optimize performance and IP integration service to customize interface IP subsystem for a standard configuration. IP penetration from a single SoC platform continues to rise in a value-creating manner.

2022 Prospect



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Thank You

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