

M31 Reports Third Quarter EPS of NT\$0.67

HSINCHU, Taiwan, R.O.C., Nov. 7, 2024 – M31 (TWSE: 6643) today announced consolidated revenue of NT\$381 million, net income of NT\$28 million, and diluted earnings per share of NT\$0.67 for the third quarter ended September 30, 2024.

Year-over-year, third quarter revenue decreased by 11.7%, and net income and diluted EPS both dropped by more than 80%. Compared to second quarter 2024, third quarter results represented a 11.1% decrease in revenue and a 74.5% decrease in net income. All figures were prepared in accordance with TIFRS on a consolidated basis.

In US dollars, third quarter revenue was \$11,858 thousands, which decreased 14.0% year-over-year and decreased 10.5% from the previous quarter.

Gross margin for the quarter was 100.0%, operating margin was 11.7%, and net profit margin was 7.3%.

In the third quarter, 2-8nm process accounted for 23.0% of total license revenue; 12-16nm process contributed 30.1% of total license revenue; 22-28nm process represented 35.9% of total license revenue. Overall, advanced nodes (including 16 nm and below) were the main contributors to license revenue, making up 53.1% of the total, followed by the 22-28 nm process.

In terms of revenue breakdown, license fees accounted for 77.7% of total revenue in the third quarter, while royalties contributed 22.3%. By region, the China market accounted for 35.9%, North America 32.4%, Taiwan 28.8%, and other regions 3% of third-quarter revenue. By customer type, fabless customers contributed 62.5% of the revenue, while foundry customers accounted for 37.5%.

“Our business in the third quarter was impacted by weaker-than-expected demand in the non-AI consumer electronic-related market and delays in project launches at foundries,” said Scott Chang, CEO of M31. “Moving into fourth quarter 2024, we anticipate benefiting from increased project demand from foundry customers, along with strong interest in our advanced process technologies.”

M31's 2024 third quarter consolidated results:

(Unit: NT\$ thousands, except for EPS)

	3Q24 Amount ^a	3Q23 Amount	YoY Inc. (Dec.) %	2Q24 Amount	QoQ Inc. (Dec.) %
Net revenue	381,878	432,489	-11.7%	429,383	-11.1%
Gross margin	100%	100%		100%	
Operating expenses	(337,193)	(286,524)	+17.7%	(322,648)	+4.5%
Operating margin	11.7%	33.7%	-22.0 ppt	24.9%	-13.2 ppt
Net income	28,009	153,575	-81.8%	109,860	-74.5%
Net profit margin	7.3%	35.5%	-28.2 ppt	25.6%	-18.3 ppt
EPS (NT\$)	0.67 ^b	3.71 ^c	-81.9%	2.64 ^d	-74.6%

a: 3Q2024 figures have been approved by Board of Directors

b: Based on 41,649 thousand weighted average outstanding shares

c: Based on 41,394 thousand weighted average outstanding shares

d: Based on 41,551 thousand weighted average outstanding shares