



**Stock Code: 6643 TT**

# **2023 First Quarter Earnings Conference**

[www.m31tech.com](http://www.m31tech.com)

**May 23<sup>rd</sup>, 2023**

# 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.

# 1Q23 Financial Results

# 1Q23 Statements of Comprehensive Income

## Selected Items from Statements of Comprehensive Income

(In NT\$ thousands unless otherwise noted)

	1Q23	4Q22	1Q22	1Q23 over 4Q22	1Q23 over 1Q22
Net Revenue (US\$ thousands)	10,297	15,679	8,839	-34.3%	+16.5%
Net Revenue	312,962	489,235	247,722	-36.0%	+26.3%
<b>Gross Margin</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		
Operating Expenses	(268,325)	(283,181)	(223,863)	-5.2%	+19.9%
<b>Operating Margin</b>	<b>14.3%</b>	<b>42.1%</b>	<b>9.6%</b>	<b>-27.9 ppt</b>	<b>+4.6 ppt</b>
Net Income	70,074	155,806	39,780	-55.0%	+76.2%
<b>Net Profit Margin</b>	<b>22.4%</b>	<b>31.8%</b>	<b>16.1%</b>	<b>-9.5 ppt</b>	<b>+6.3 ppt</b>
EPS (NT Dollar)	2.24	4.98	1.28	-55.0%	+75.0%
Average Exchange Rate-USD/NTD	30.40	31.35	28.02	-3.0%	+8.5%

\* Diluted weighted average outstanding shares were 31,318 units in 1Q23.

\*\* 1Q23 net foreign exchange loss of NTD \$7,334K.

# 1Q23 Balance Sheets

## Selected Items from Balance Sheets

(In NT\$ thousands)

	1Q23		4Q22		1Q22	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	1,223,550	52%	1,114,223	47%	814,205	41%
Accounts Receivable	227,823	10%	325,217	14%	237,855	12%
Other current assets	187,604	8%	219,880	9%	168,711	7%
Net PP&E	563,166	24%	570,969	24%	672,664	33%
Other non-current assets	139,424	6%	137,009	6%	127,501	7%
<b>Total Assets</b>	<b>2,341,567</b>	<b>100%</b>	<b>2,367,298</b>	<b>100%</b>	<b>2,020,936</b>	<b>100%</b>
Current Liabilities	652,889	28%	505,125	22%	357,041	17%
Non-current Liabilities	6,041	-	4,716	-	35,503	2%
<b>Total Liabilities</b>	<b>658,930</b>	<b>28%</b>	<b>509,841</b>	<b>22%</b>	<b>392,544</b>	<b>19%</b>
<b>Total Shareholders' Equity</b>	<b>1,682,637</b>	<b>72%</b>	<b>1,857,457</b>	<b>78%</b>	<b>1,628,392</b>	<b>81%</b>

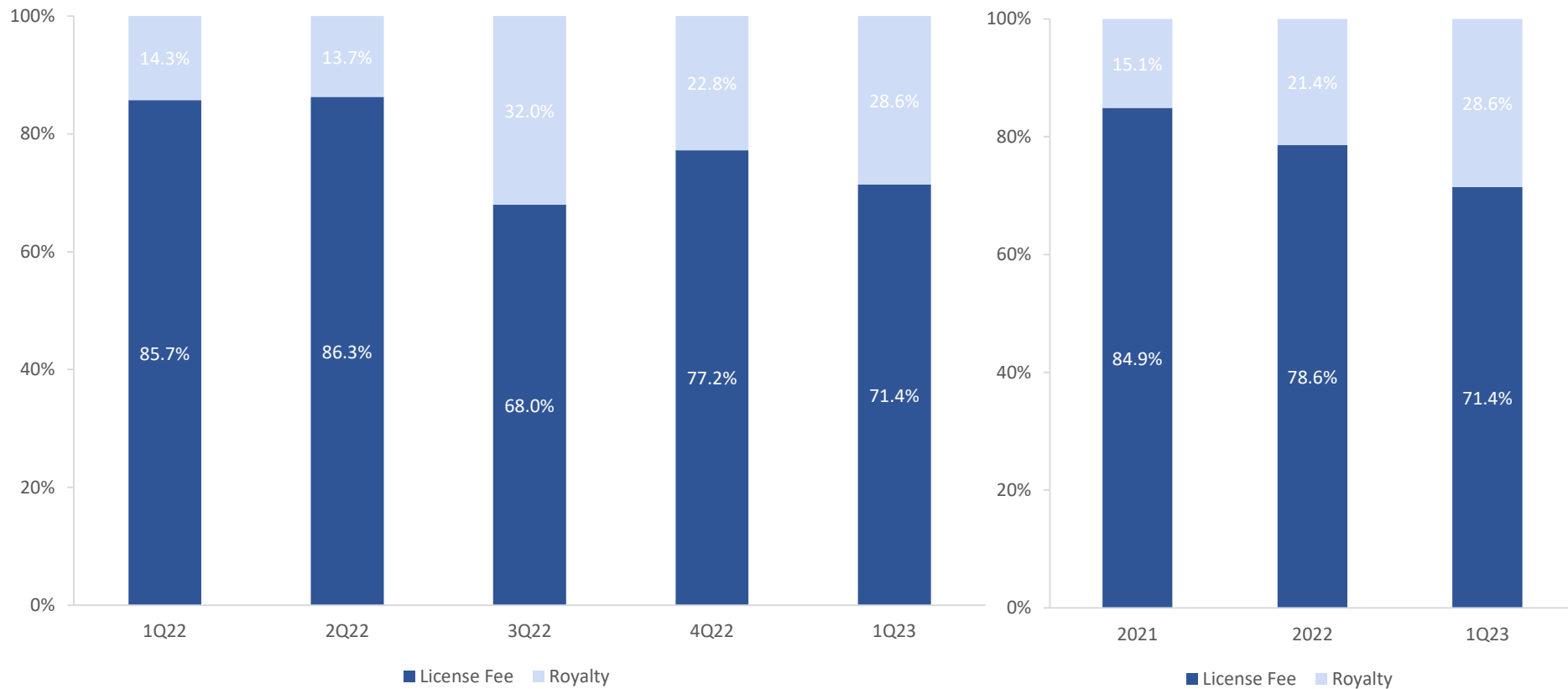
# 1Q23 Cash Flow

(In NT\$ thousands)

	1Q23	4Q22	1Q22
	3 Months Ended	12 Months Ended	3 Months Ended
<b>Beginning Balance</b>	<b>546,776</b>	<b>307,421</b>	<b>307,421</b>
Cash generated from operating activities	(21,074)	651,573	135,956
Cash used in investing activities	322,092	(185,571)	(97,816)
Cash generated from/(used in) financing activities	(501)	(231,546)	(51,865)
FX effects on cash held in foreign currencies	2,590	4,899	7,495
<b>Ending Balance</b>	<b>849,883</b>	<b>546,776</b>	<b>301,191</b>

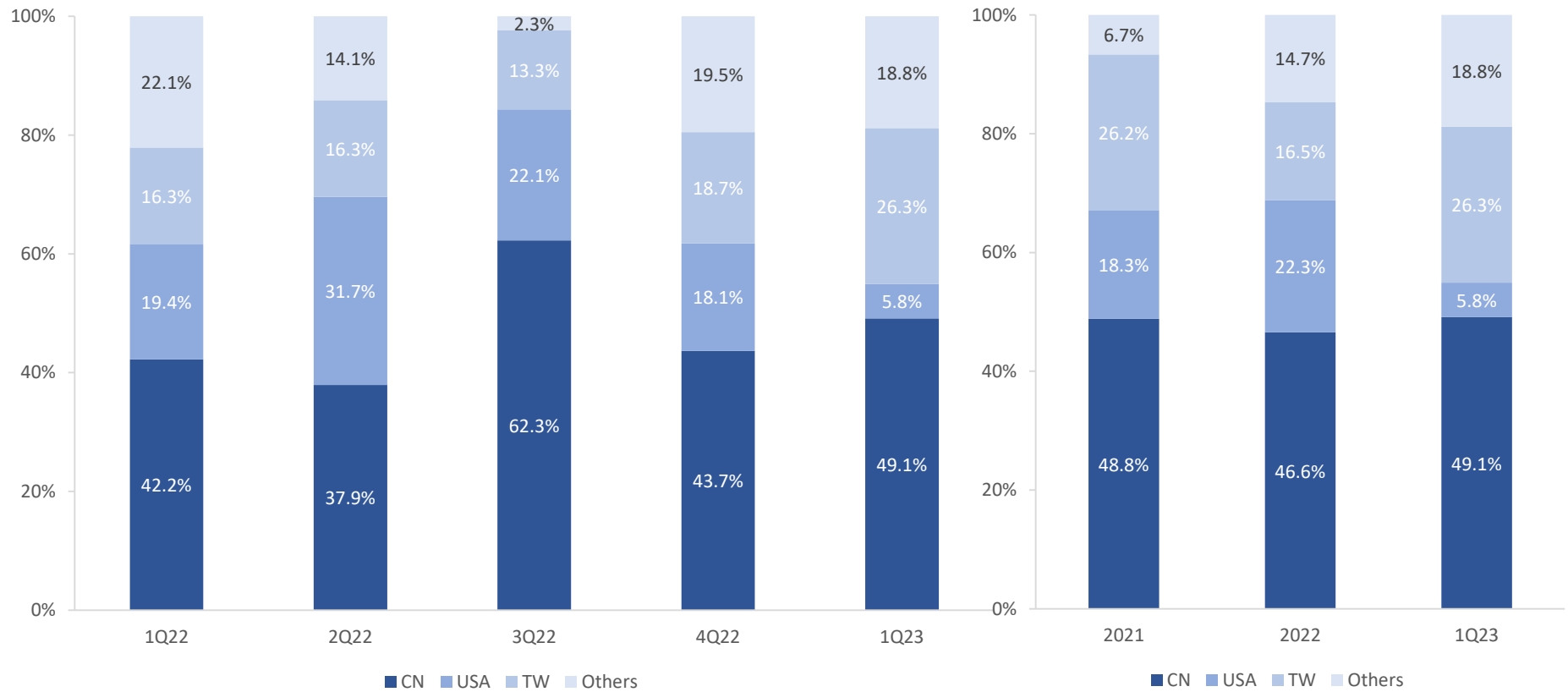
# Operating Result

# 1Q23 Revenue by Income Source

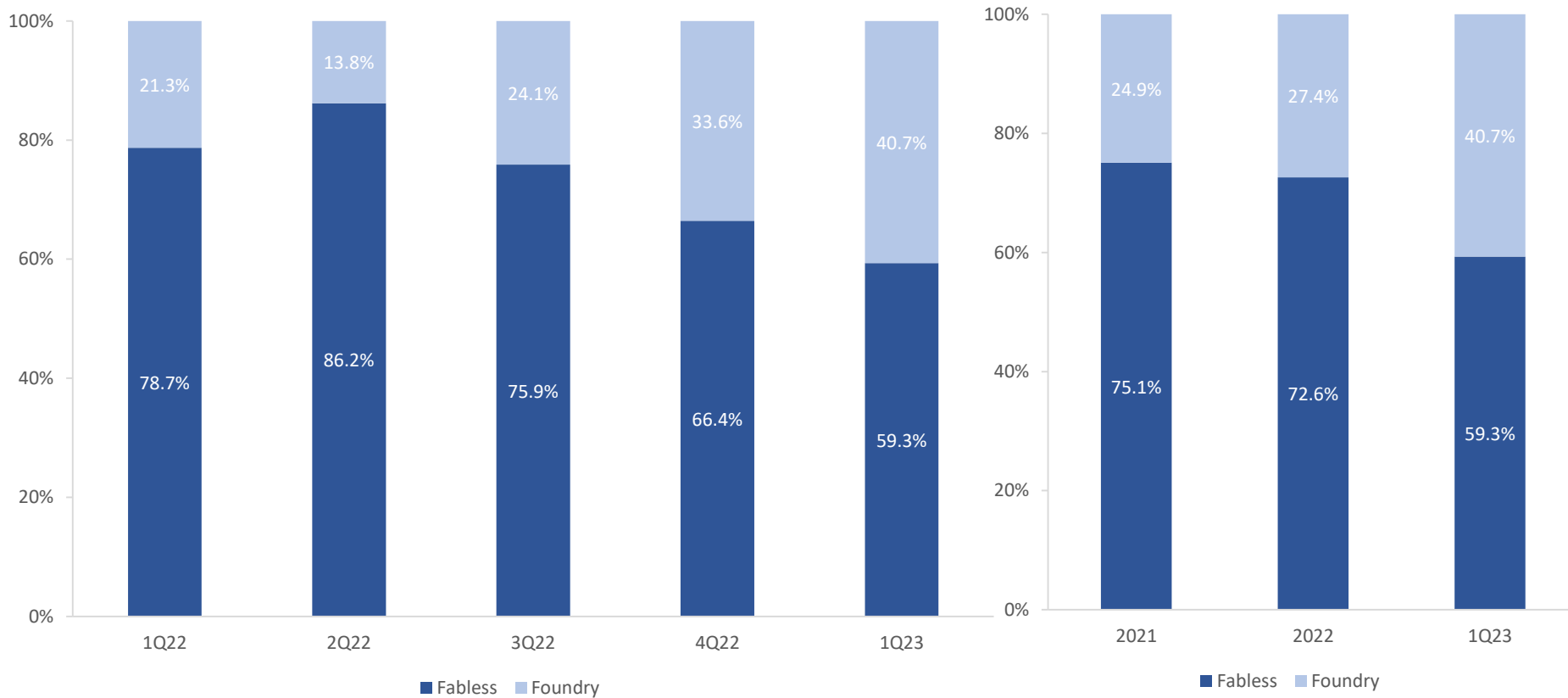




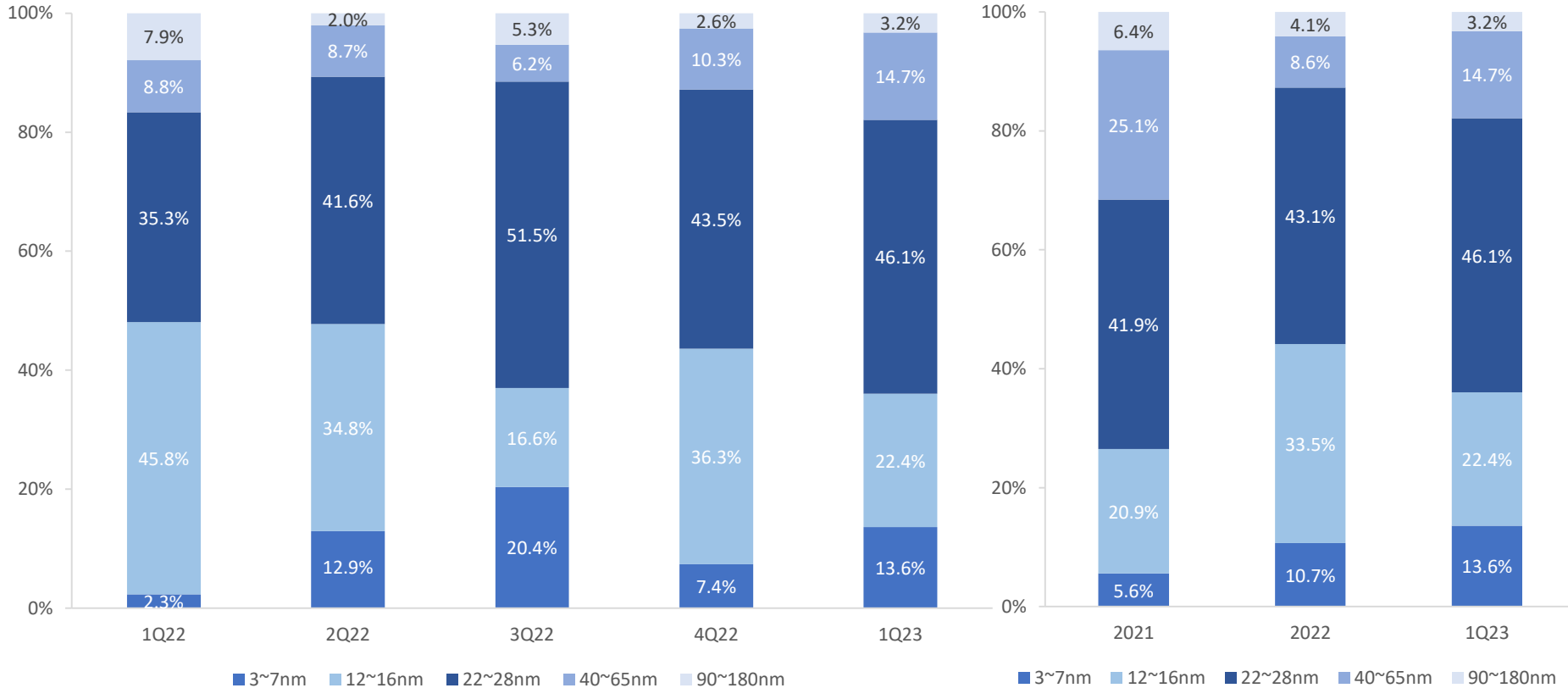
# 1Q23 Revenue by Region



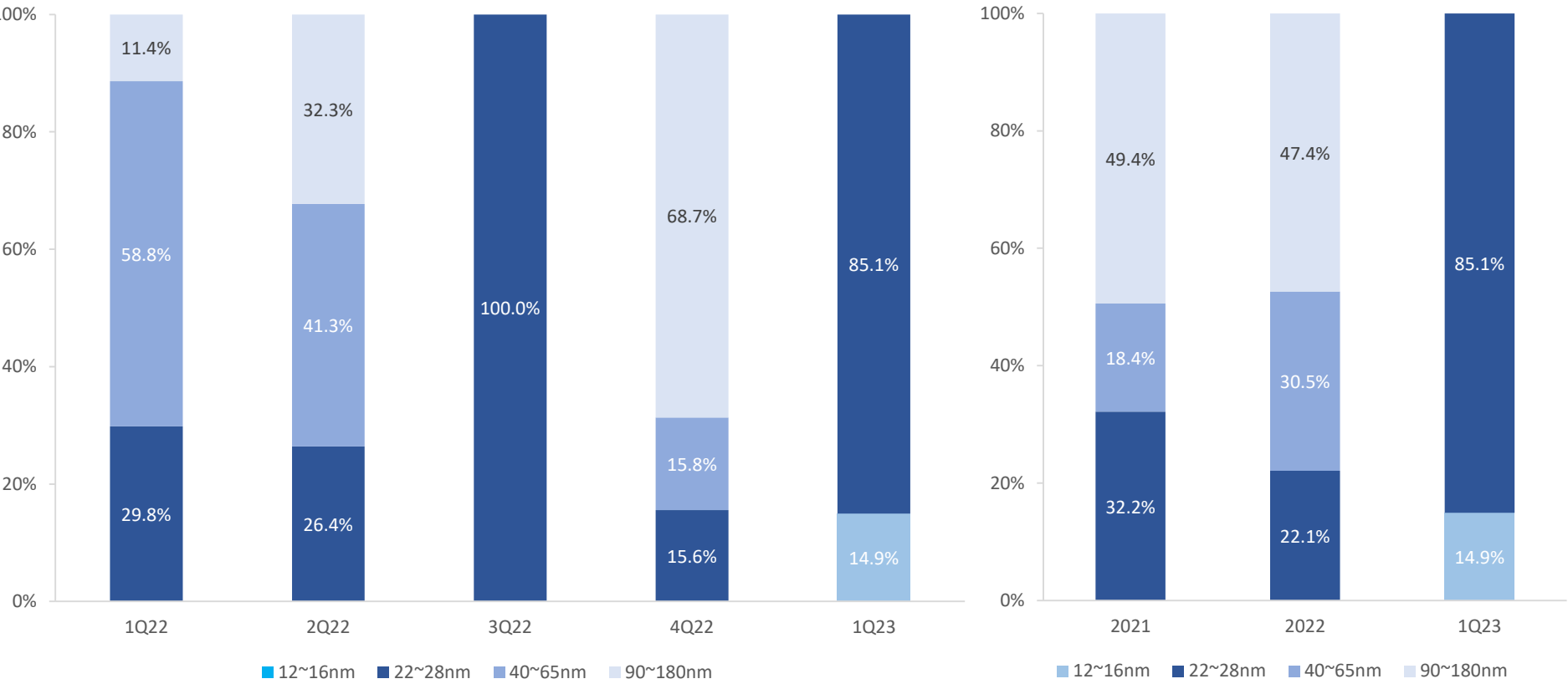
# 1Q23 Revenue by Customer Type



# 1Q23 Fabless License Fee by Nodes



# 1Q23 Foundry License Fee by Nodes



# Recap of 1Q23 Operating Result

- Thanks to new projects entering mass production, it helps to mitigate the impact of low utilization rate at foundries and royalty revenue keeps YoY growth momentum in 1Q23.
- The revenue of process at 28nm and below accounts for > 85% of license fee in 1Q23.
- Working with foundries to step into FinFET process, M31 continues to actively penetrate into advanced nodes with market share gains.
- Considering robust long-term demand from foundry customers, M31 will set up a subsidiary in India to expand design capacity.
- M31 has several automotive design-wins from EU, US, JP, KR and CN first-tier automotive IC companies.

# *M31 Future Prospects*



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Thank You