



Stock Code: 6643 TT

2024 First Quarter Earnings Conference

www.m31tech.com

May 9th, 2024

Agenda

- **Welcome** Silvia Su, Spokesperson
- **1Q24 Financial Results** Silvia Su, Spokesperson
- **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.

1Q24 Financial Results

1Q24 Statements of Comprehensive Income

Selected Items from Statements of Comprehensive Income

(In NT\$ thousands unless otherwise noted)

	1Q24	4Q23	1Q23	1Q24 over 4Q23	1Q24 over 1Q23
Net Revenue (US\$ thousands)	10,904	16,726	10,297	-34.8%	+5.9%
Net Revenue	342,065	519,089	312,962	-34.1%	+9.3%
Gross Margin	100%	100%	100%		
Operating Expenses	(339,357)	(350,530)	(268,325)	-3.2%	+26.5%
Operating Margin	0.8%	32.5%	14.3%	-31.7 ppt	-13.5 ppt
Net Income	42,308	113,020	70,074	-62.6%	-39.6%
Net Profit Margin	12.4%	21.8%	22.4%	-9.4 ppt	-10.0 ppt
EPS (NT Dollar)	1.22	3.26	2.03	-62.6%	-39.9%
Average Exchange Rate-USD/NTD	31.40	31.83	30.40	-1.4%	+3.3%

* Diluted weighted average outstanding shares were 34,624 units in 1Q24.

** 1Q24 net foreign exchange gain of NTD \$40,436K.

1Q24 Balance Sheets

Selected Items from Balance Sheets

(In NT\$ thousands)

	1Q24		4Q23		1Q23	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	940,323	41%	1,147,938	48%	1,223,550	52%
Accounts Receivable	259,900	11%	373,804	16%	227,823	10%
Other current assets	276,481	12%	132,573	5%	187,604	8%
Net PP&E	582,419	25%	561,779	23%	563,166	24%
Other non-current assets	257,765	11%	180,695	8%	139,424	6%
Total Assets	2,316,888	100%	2,396,789	100%	2,341,567	100%
Current Liabilities	463,479	20%	326,085	14%	652,889	28%
Non-current Liabilities	22,825	1%	7,685	-	6,041	-
Total Liabilities	486,304	21%	333,770	14%	658,930	28%
Total Shareholders' Equity	1,830,584	79%	2,063,019	86%	1,682,637	72%

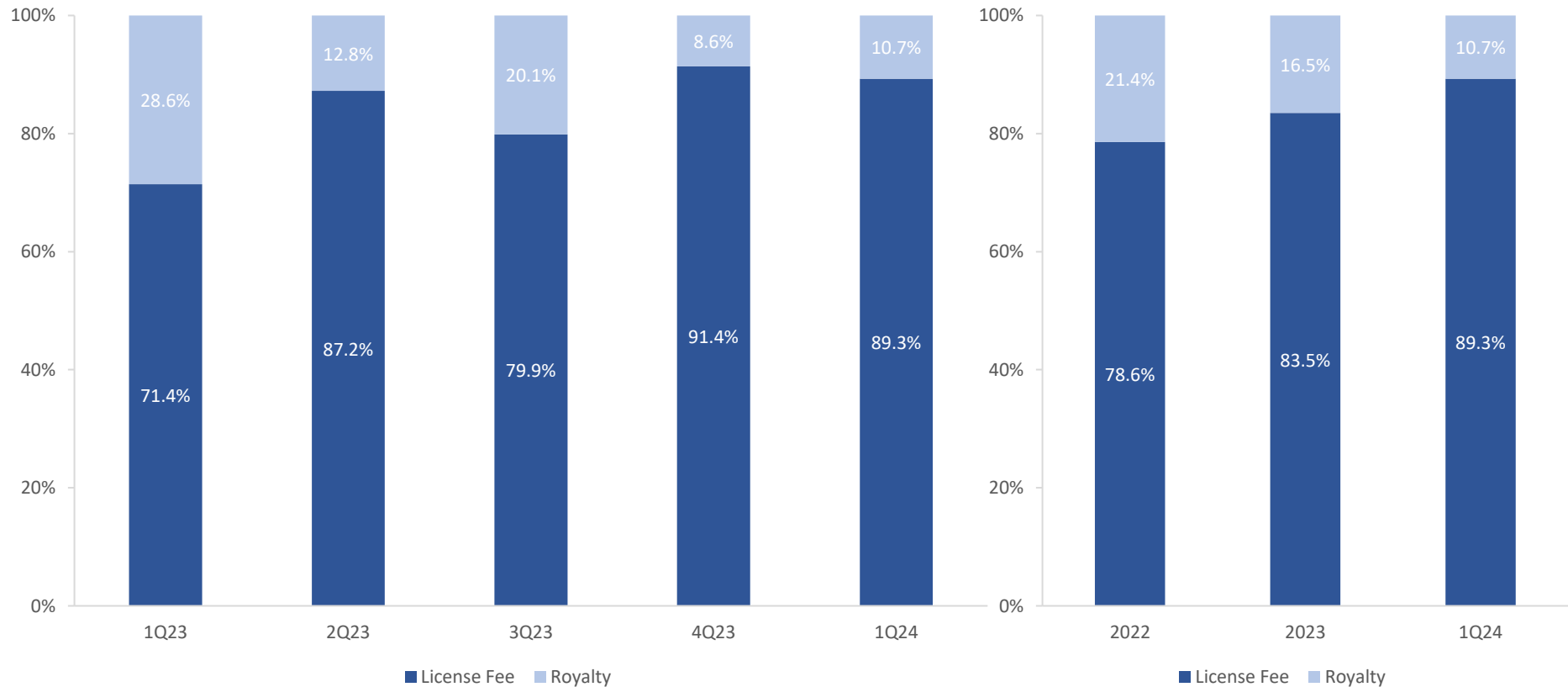
1Q24 Cash Flow

(In NT\$ thousands)

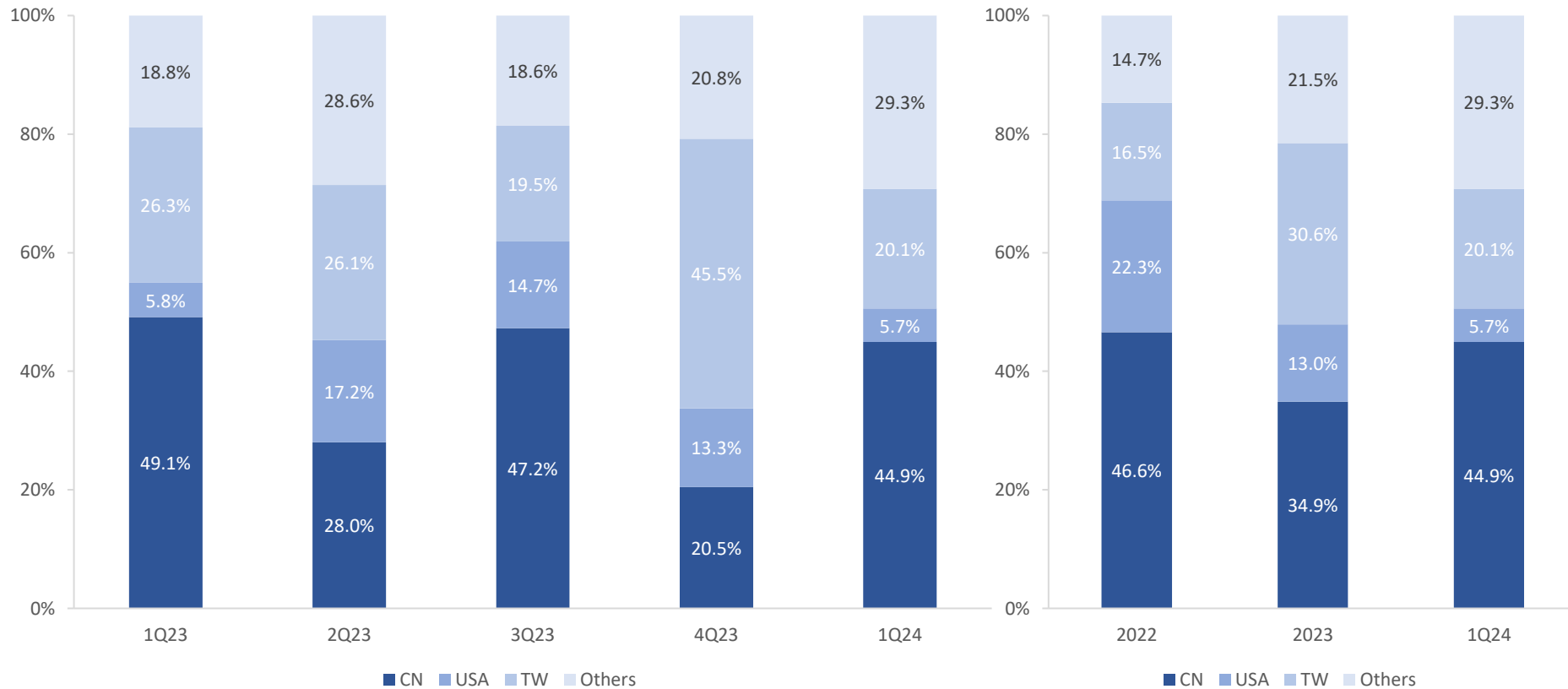
	1Q24	4Q23	1Q23
	3 Months Ended	12 Months Ended	3 Months Ended
Beginning Balance	849,121	546,776	546,776
Cash generated from operating activities	(141,728)	241,341	(21,074)
Cash used in investing activities	(48,727)	332,001	322,092
Cash generated from/(used in) financing activities	(2,118)	(258,691)	(501)
FX effects on cash held in foreign currencies	17,984	(12,306)	2,590
Ending Balance	674,532	849,121	849,883

Operating Result

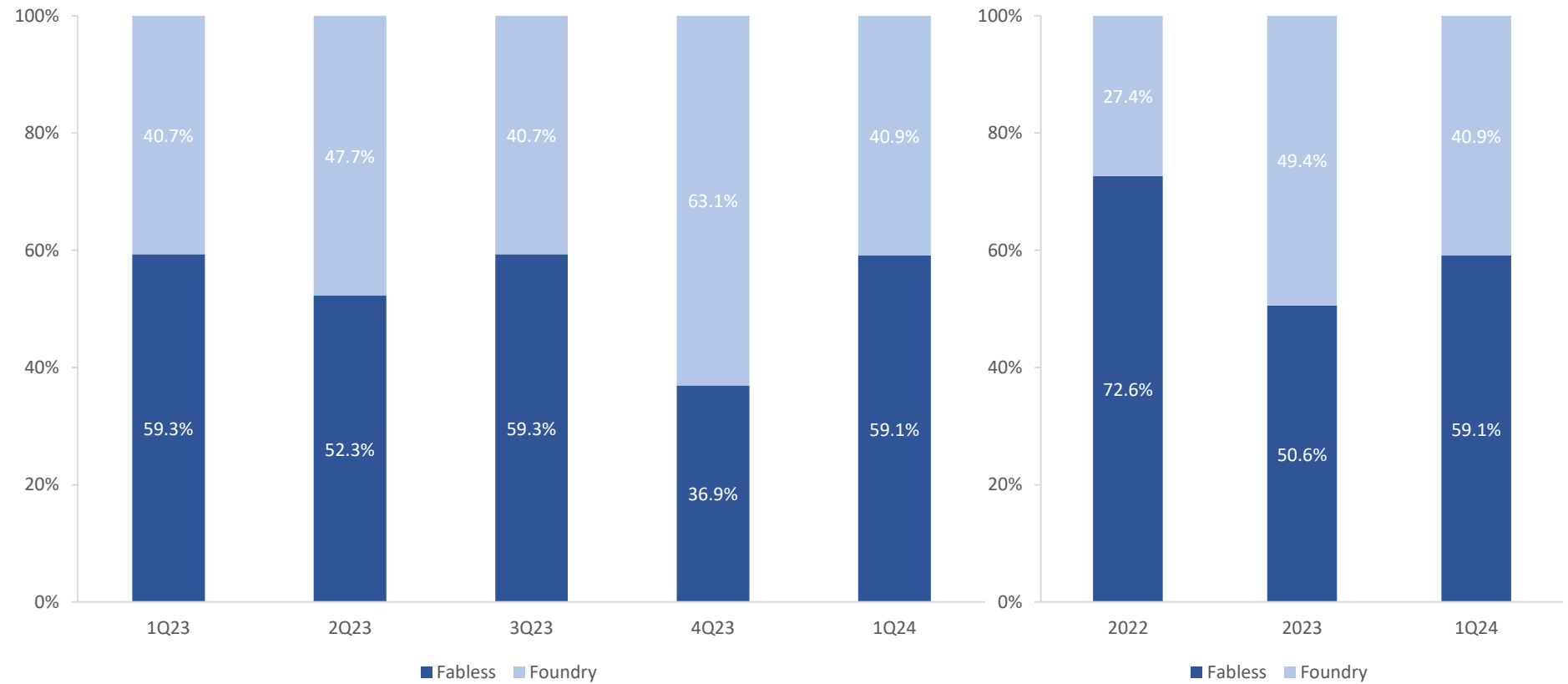
1Q24 Revenue by Income Source



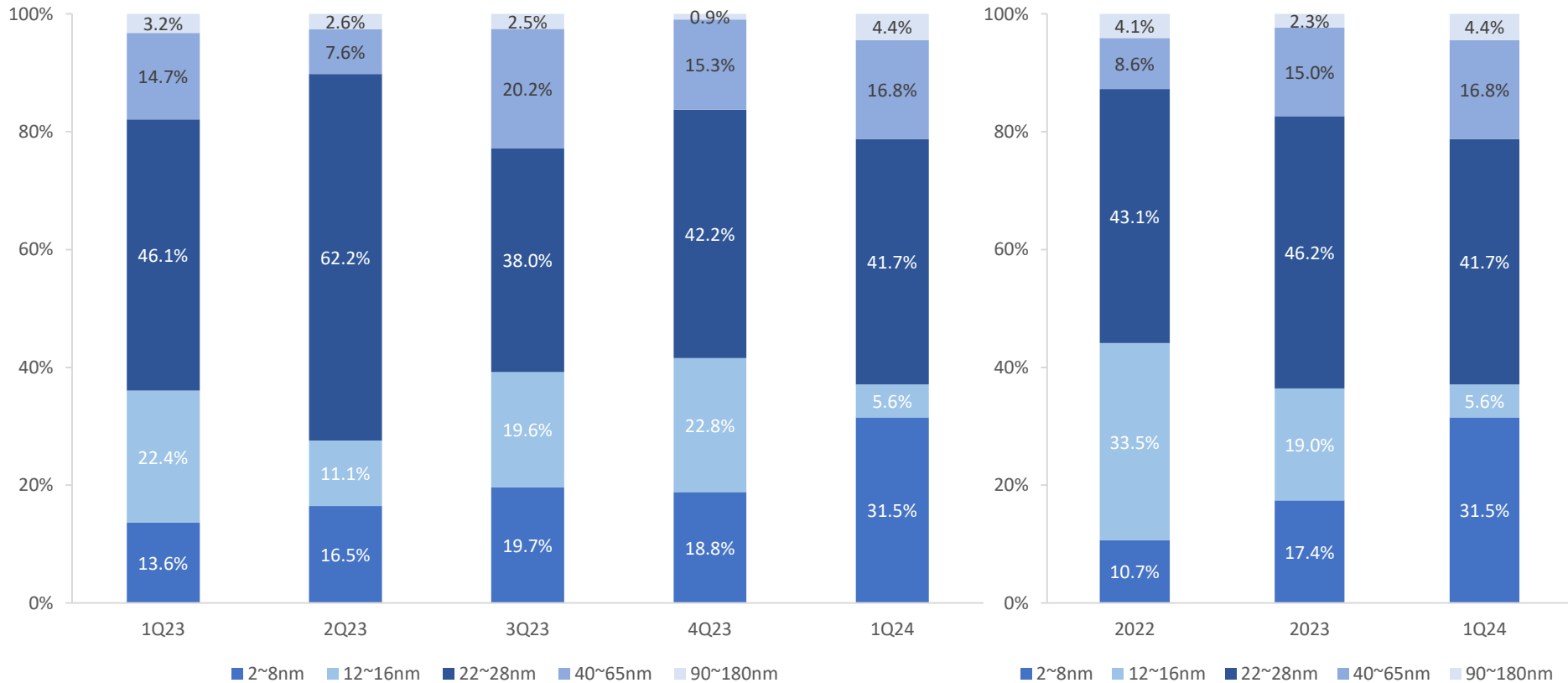
1Q24 Revenue by Region



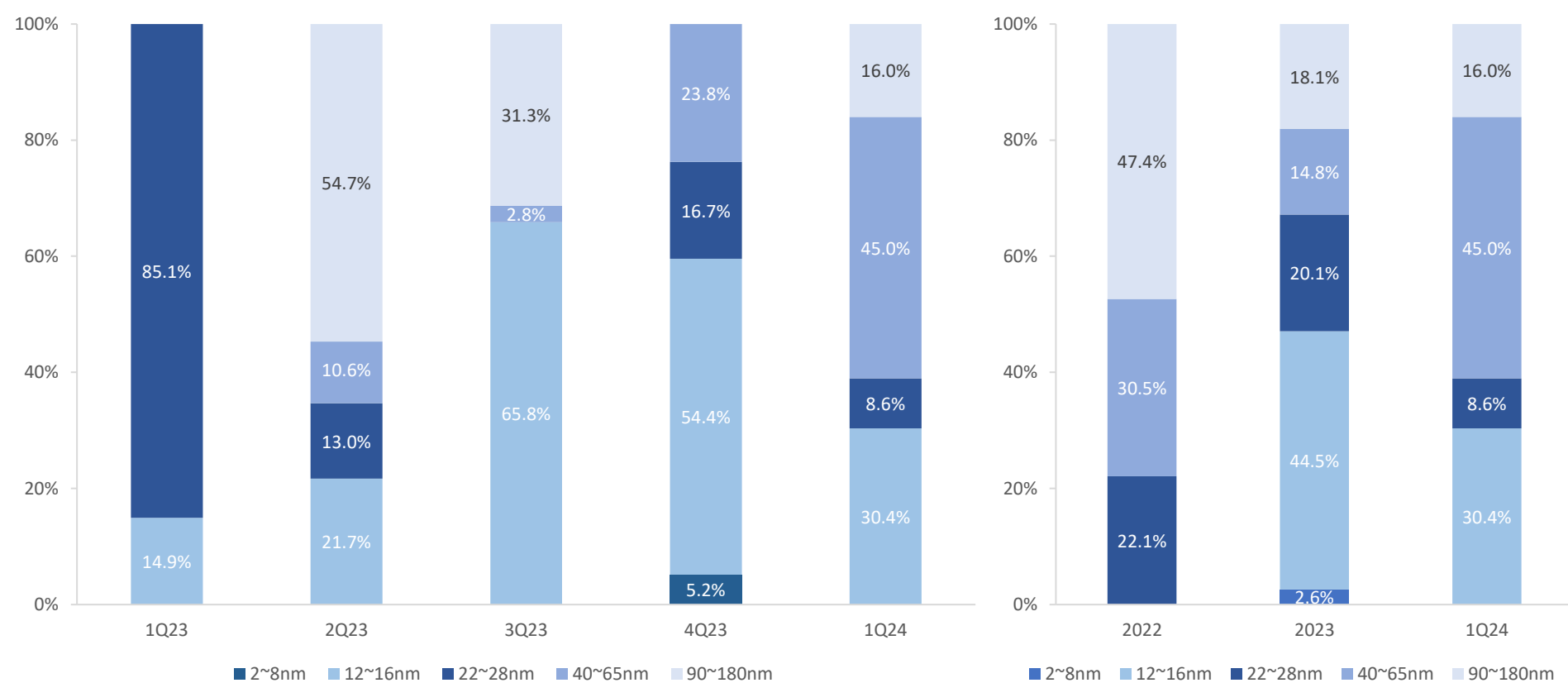
1Q24 Revenue by Customer Type



1Q24 Fabless License Fee by Nodes



1Q24 Foundry License Fee by Nodes



Recap of 1Q24 Operating Result

- 1Q24 revenue NT\$ 342.07 million, up 9.3% year-over-year, was affected by the deferral of orders from China region. The increase in employee numbers significantly impacted OP Margin and Net Profit Margin for the first quarter.
- Strong advanced-node IP demand continues to drive the growth momentum of licensing fees. There are multiple projects at 16nm and below under progress.
- Royalties in the first quarter still suffer low capacity utilization at oversea foundries to be temporarily affected by migrating to more advanced process.
- M31 Board of Directors approved the distribution of NT\$8.00 per share cash dividend and NT\$2.00 per share stock dividend for 2023.

M31 Future Prospects



Your IP Partner

Your Virtual Team

Thank You