



Stock Code: 6643 TT

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2021 Third Quarter Earnings Conference

www.m31tech.com //

November 10th, 2021

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.



3Q21 Financial Results



3Q21 Statements of Comprehensive Income

Selected Items from Statements of Comprehensive Income

(In NT\$ thousands unless otherwise noted)

	3Q21	2Q21	3Q20	3Q21 over 2Q21	3Q21 over 3Q20
Net Revenue (US\$ thousands)	7,890	7,673	9,158	+2.8%	-13.8%
Net Revenue	220,341	214,281	270,652	+2.8%	-18.6%
Gross Margin	100%	100%	100%		
Operating Expenses	(181,578)	(152,107)	(157,720)	+19.4%	+15.1%
Operating Margin	17.6%	29.0%	41.7%	-11.4 ppt	-24.1 ppt
Net Income	32,918	42,313	81,887	-22.2%	-59.8%
Net Profit Margin	14.9%	19.7%	30.3%	-4.8 ppt	-15.3 ppt
EPS (NT Dollar)	1.06	1.36	2.63	-22.1%	-59.7%
Average Exchange Rate-USD/NTD	27.86	27.98	29.45	-0.4%	-5.4%

* Diluted weighted average outstanding shares were 31,107 units in 3Q21.

3Q21 Balance Sheets

Selected Items from Balance Sheets (In NT\$ thousands)

	3Q21		2Q21		3Q20	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	787,132	41%	1,106,487	53%	1,081,131	69%
Accounts Receivable	235,748	13%	154,752	7%	192,614	12%
Other current assets	113,874	6%	174,424	8%	72,641	5%
Net PP&E	682,114	36%	586,879	28%	182,838	12%
Other non-current assets	74,094	4%	102,270	4%	44,802	2%
Total Assets	1,892,962	100%	2,124,812	100%	1,574,026	100%
Current Liabilities	238,895	13%	451,169	21%	189,821	12%
Long-term Interest-bearing Debts	197,923	10%	277,335	13%	1,412	-
Total Liabilities	436,818	23%	728,504	34%	191,233	12%
Total Shareholders' Equity	1,456,144	77%	1,396,308	66%	1,382,793	88%



3Q21 Cash Flow

(In NT\$ thousands)

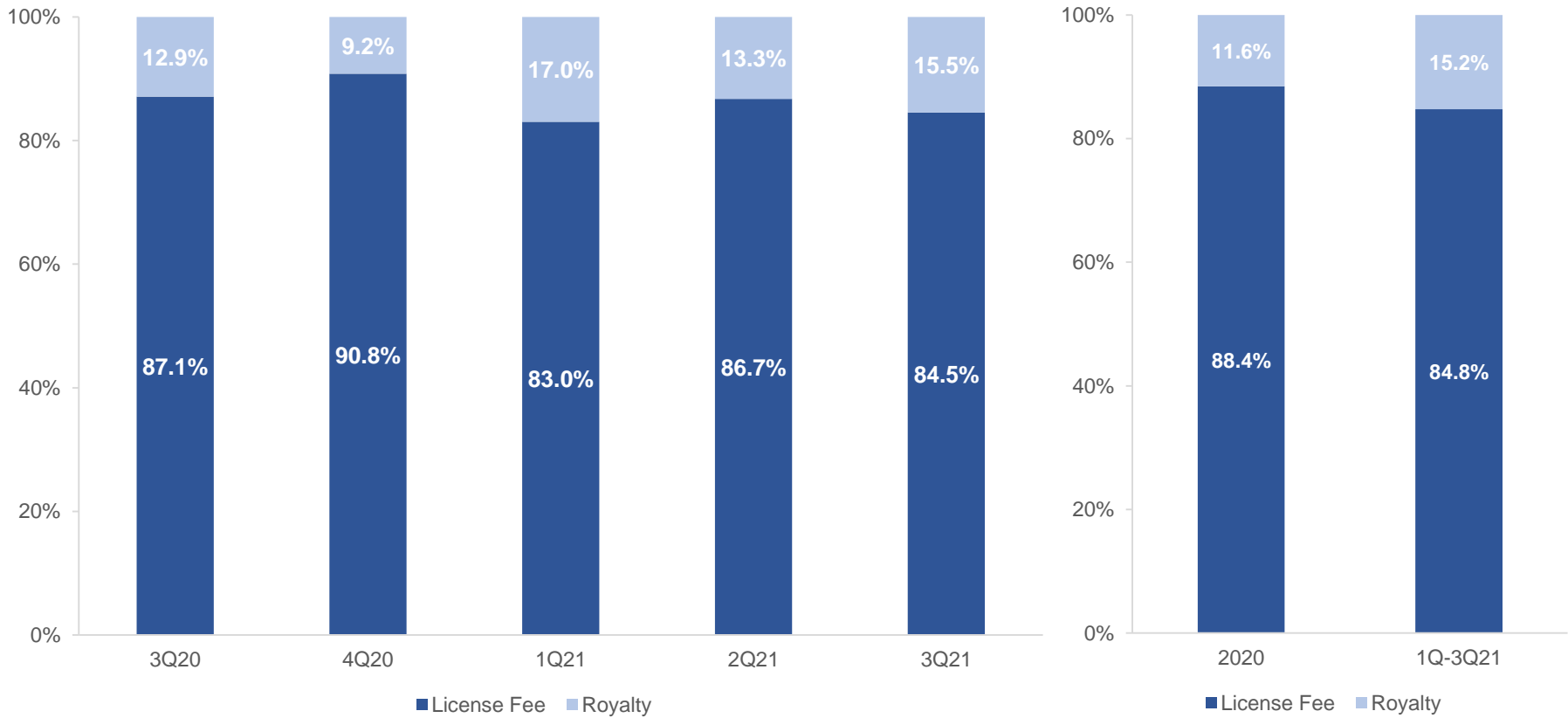
	3Q21	2Q21	3Q20
	9 Months Ended	6 Months Ended	9 Months Ended
Beginning Balance	527,760	527,760	589,555
Cash generated from operating activities	91,667	76,814	226,509
Cash used in investing activities	(235,865)	(367,259)	(92,207)
Cash generated from/(used in) financing activities	(11,592)	292,899	(289,637)
FX effects on cash held in foreign currencies	(5,684)	(6,816)	1,081
Ending Balance	366,286	523,398	435,301



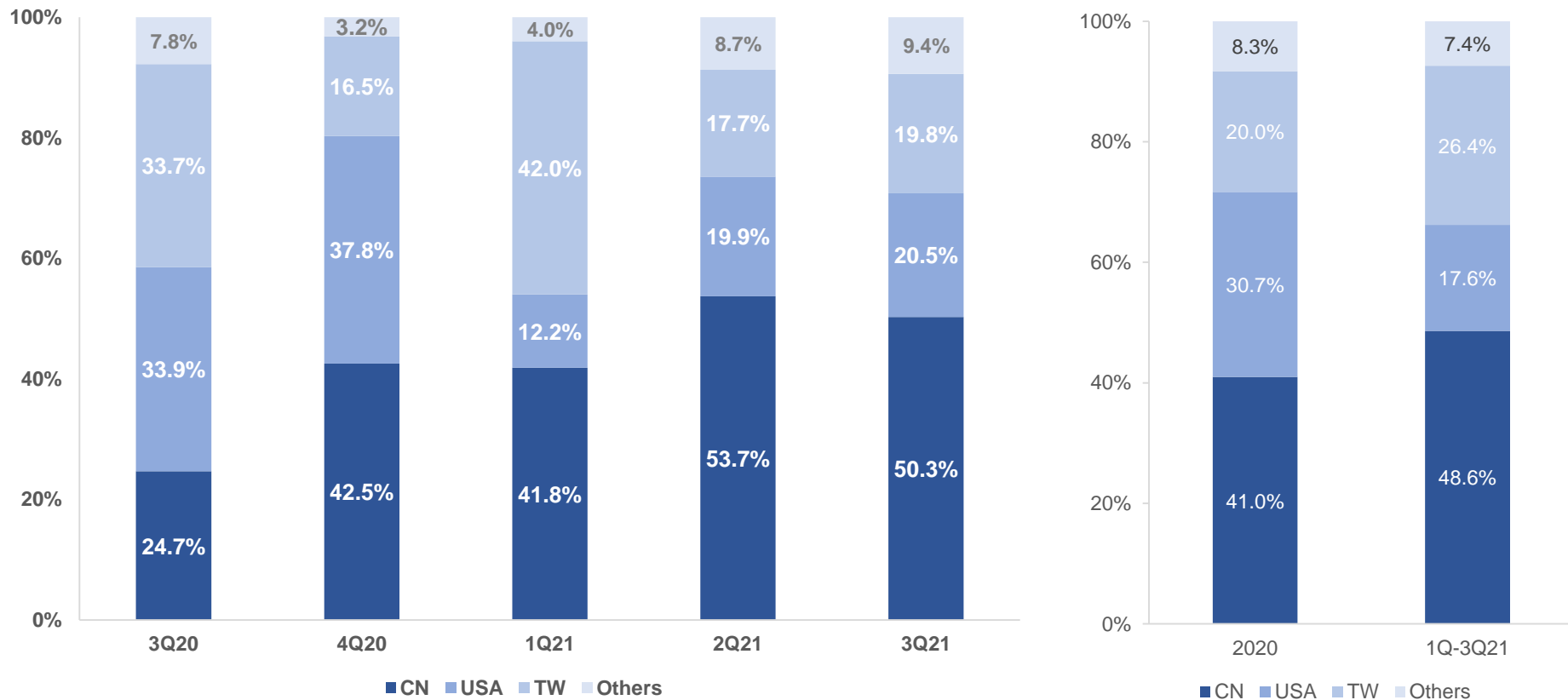
Operating Result



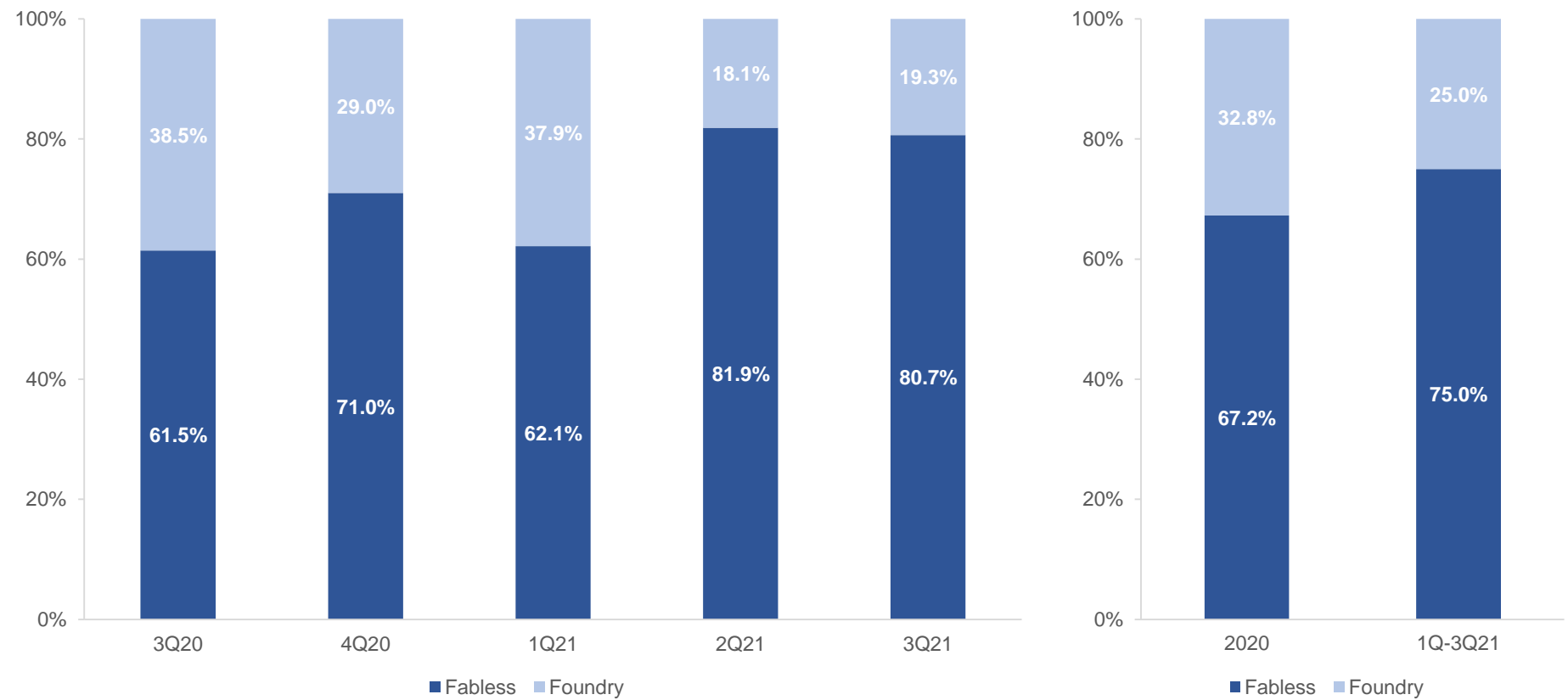
3Q21 Revenue by Income Source



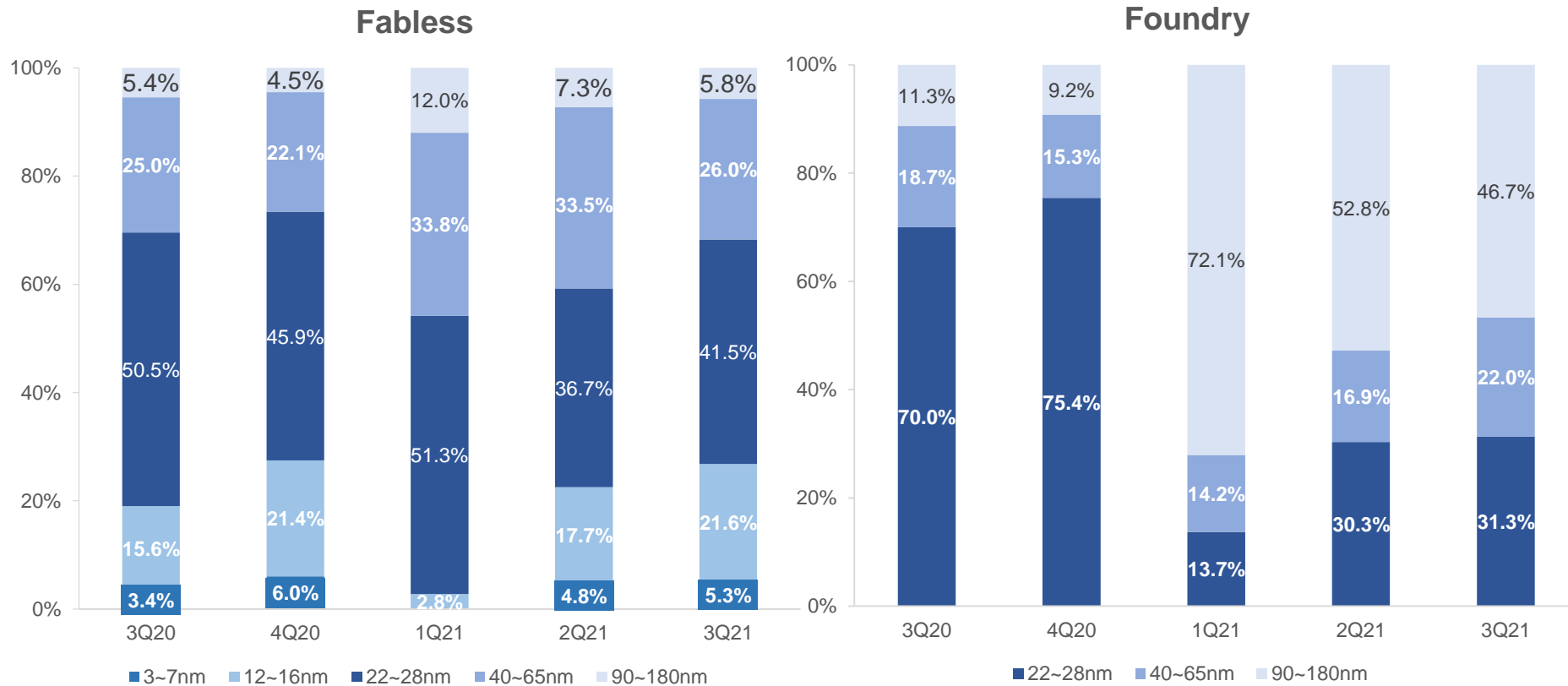
3Q21 Revenue by Region



3Q21 Revenue by Customer Type



Fabless vs. Foundry License Fee by Technology



3Q21 Recap & Highlights

- 3Q21 revenue decline YoY results from deferred revenue and new projects slowdown due to uncertainty of wafer supply.
- Deep nanometer advanced nodes: 1st 7nm eUSB/USB3.2/PCIe4.0 completed, 2nd 5nm TV taped-out and 3rd 3nm TV ongoing.
- After 1st IP membership program is won, extensive collaboration with design service vendors and CPU designer.
- IP integration service starts to contribute revenue.
- Strong demand from Automotive, AI, Video sensor, and SSD controller applications.
- Royalty reaches 23% up YoY in USD as of 3Q21.

Future Prospect



New BU, Products & Platforms

IP Integration Service

- Processor Hard Core IP
- IP Subsystem Integration Service



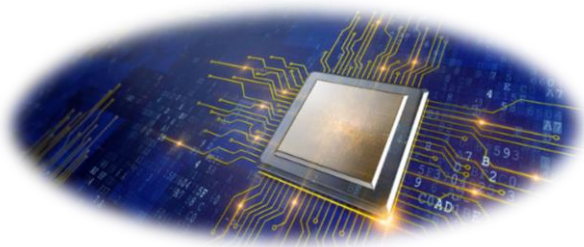
Functional IP

- eUSB2 PHY
- USB 4.0 PHY
- PCIe 5.0 PHY
- LPDDR4 PHY
- PAM4 SerDes
- MIPI PHY



Foundation IP

- 55nm BCD
- 55nm eFlash
- 40nm HV
- Optimized PPA Library for Processor



2021 Prospect

Target: **low teens** percentage growth YoY in USD



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Thank You

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