



**Stock Code: 6643 TT**

# 2024年第四季 法人說明會

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

**March 19<sup>th</sup>, 2025**

# Agenda

- **Welcome** Silvia Su, Spokesperson
- **4Q24 Financial Results** Silvia Su, Spokesperson
- **Outlook & Key Messages** Scott Chang, CEO
- **Q&A** Scott Chang, CEO

# 免責聲明

- 本次法說會提供之簡報包含前瞻性陳述，內容包括對於未來狀況之預測及評估。此前瞻性陳述係基於本公司目前可得資訊對未來事件的期望和預測，儘管本公司認為該期望和預測具合理性，但此類前瞻性聲明仍涉及風險及不確定性。
- 鑒於這些風險、不確定性及假設，本公司實際結果可能與這些前瞻性聲明中的預期存在重大差異。若因未來實際結果與預期狀況有重大差異，除非法律要求，本公司將不負責更新或公告這些預測的結果。

# 4Q24 Financial Results

# 4Q24 Statements of Comprehensive Income

## Selected Items from Statements of Comprehensive Income

(In NT\$ thousands unless otherwise noted)

	4Q24	3Q24	4Q23	4Q24 over 3Q24	4Q24 over 4Q23
Net Revenue (US\$ thousands)	10,093	11,858	16,726	-14.9%	-39.7%
Net Revenue	327,577	381,878	519,089	-14.2%	-36.9%
<b>Gross Margin</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		
Operating Expenses	(428,439)	(337,193)	(350,530)	+27.1%	+22.2%
<b>Operating Margin</b>	<b>-30.8%</b>	<b>11.7%</b>	<b>32.5%</b>	<b>-42.5 ppt</b>	<b>-63.3 ppt</b>
Net Income	(53,255)	28,009	113,020	-290.1%	-147.1%
<b>Net Profit Margin</b>	<b>-16.3%</b>	<b>7.3%</b>	<b>21.8%</b>	<b>-23.6 ppt</b>	<b>-38.0 ppt</b>
EPS (NT Dollar)	(1.28)	0.67	2.71	-291.0%	-147.2%
Average Exchange Rate-USD/NTD	32.35	32.31	31.83	+0.1%	+1.6%

\* Diluted weighted average outstanding shares were 41,756 units in 4Q24.

\*\* 4Q24 net foreign exchange gain of NTD \$57,266K.

# 2024 Statements of Comprehensive Income

## ***Selected Items from Statements of Comprehensive Income***

*(In NT\$ thousands unless otherwise noted)*

	<b>2024</b>	<b>2023</b>	<b>2024 over 2023</b>
Net Revenue (US\$ thousands)	46,104	52,399	-12.0%
Net Revenue	1,480,903	1,612,337	-8.2%
<b>Gross Margin</b>	<b>100%</b>	<b>100%</b>	
Operating Expenses	(1,427,637)	(1,165,841)	+22.5%
<b>Operating Margin</b>	<b>3.6%</b>	<b>27.7%</b>	<b>-24.1 ppt</b>
Net Income	126,922	435,170	-70.8%
<b>Net Profit Margin</b>	<b>8.6%</b>	<b>27.0%</b>	<b>-18.4 ppt</b>
EPS (NT Dollar)	3.05	10.50	-71.0%
Average Exchange Rate-USD/NTD	32.13	31.18	+3.0%

\* Diluted weighted average outstanding shares were 41,648 units in 2024.

\*\* 2024 net foreign exchange gain of NTD \$59,568K.



# 4Q24 Balance Sheets

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

	4Q24		3Q24		4Q23	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	682,446	32%	506,626	24%	1,147,938	48%
Accounts Receivable	262,787	12%	381,166	18%	373,804	16%
Other current assets	259,526	12%	281,968	13%	132,573	5%
Net PP&E	591,847	27%	603,235	29%	561,779	23%
Other non-current assets	362,606	17%	343,452	16%	180,695	8%
<b>Total Assets</b>	<b>2,159,212</b>	<b>100%</b>	<b>2,116,447</b>	<b>100%</b>	<b>2,396,789</b>	<b>100%</b>
Current Liabilities	217,218	10%	129,552	6%	326,085	14%
Non-current Liabilities	22,690	1%	16,103	1%	7,685	-
<b>Total Liabilities</b>	<b>239,908</b>	<b>11%</b>	<b>145,655</b>	<b>7%</b>	<b>333,770</b>	<b>14%</b>
<b>Total Shareholders' Equity</b>	<b>1,919,304</b>	<b>89%</b>	<b>1,970,792</b>	<b>93%</b>	<b>2,063,019</b>	<b>86%</b>

# 4Q24 Cash Flow

(In NT\$ thousands)

## Beginning Balance

Cash generated from operating activities

Cash used in investing activities

Cash generated from/(used in) financing activities

FX effects on cash held in foreign currencies

## Ending Balance

**4Q24**

12 Months Ended

**849,121**

46,638

(93,018)

(289,200)

15,470

**529,011**

**3Q24**

9 Months Ended

**849,121**

(137,034)

(78,600)

(286,424)

8,865

**355,928**

**4Q23**

12 Months Ended

**546,776**

241,341

332,001

(258,691)

(12,306)

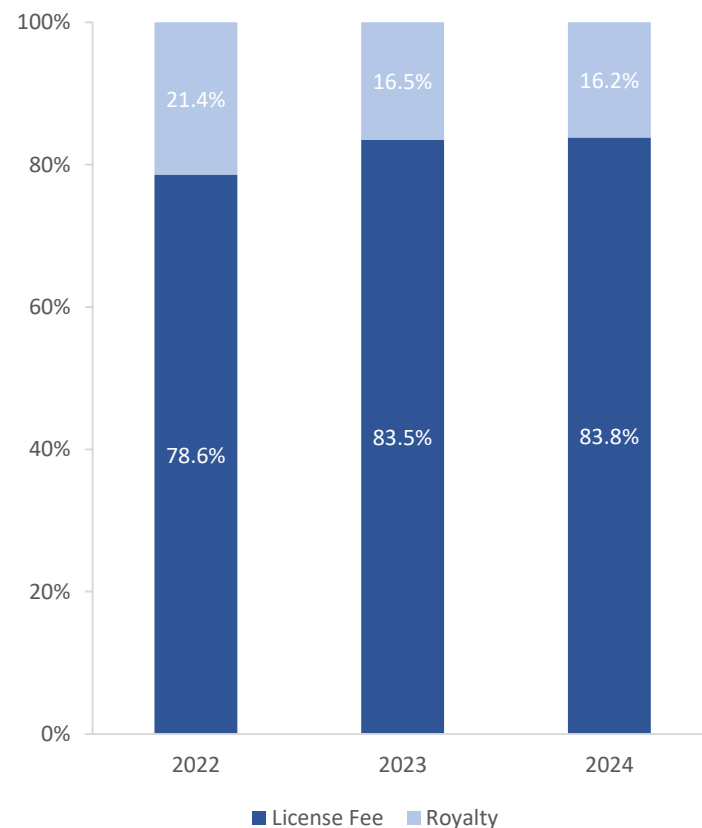
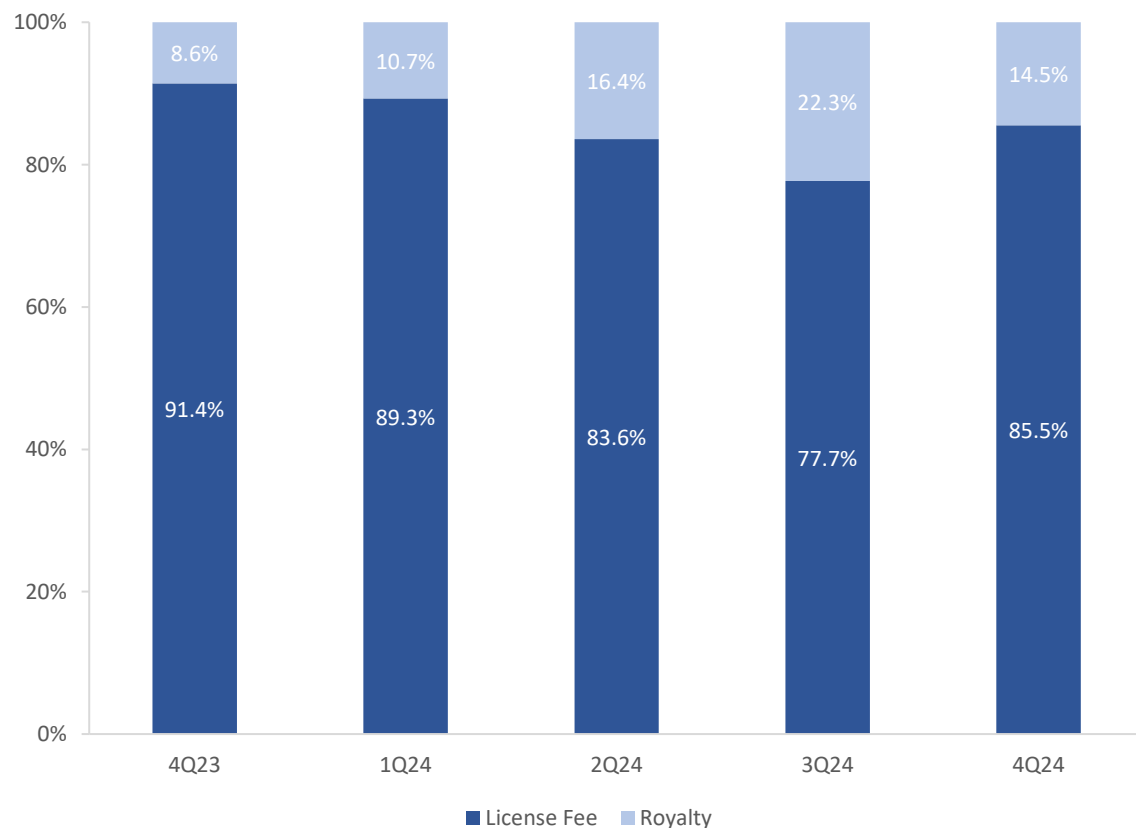
**849,121**



# Operating Result

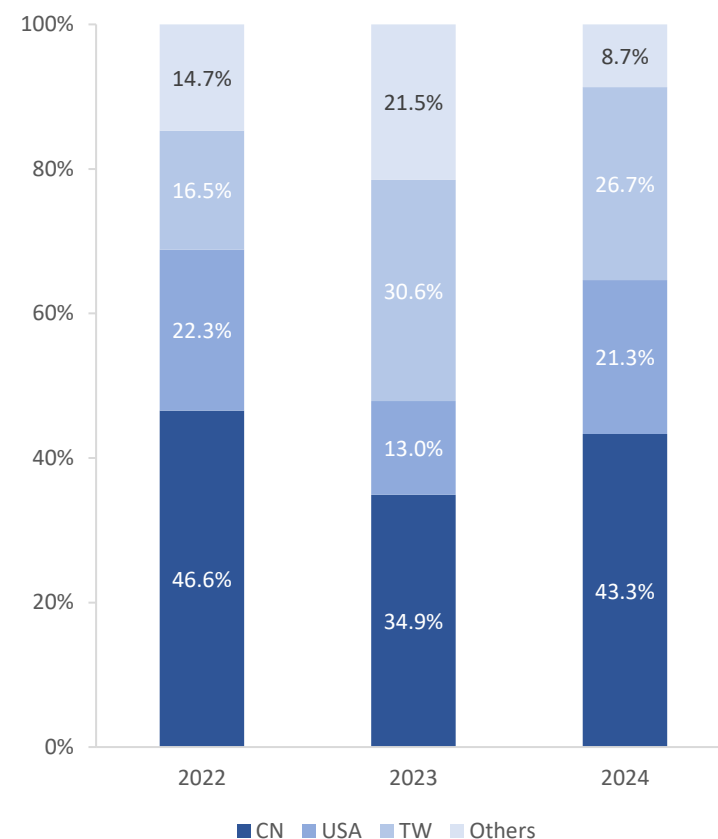
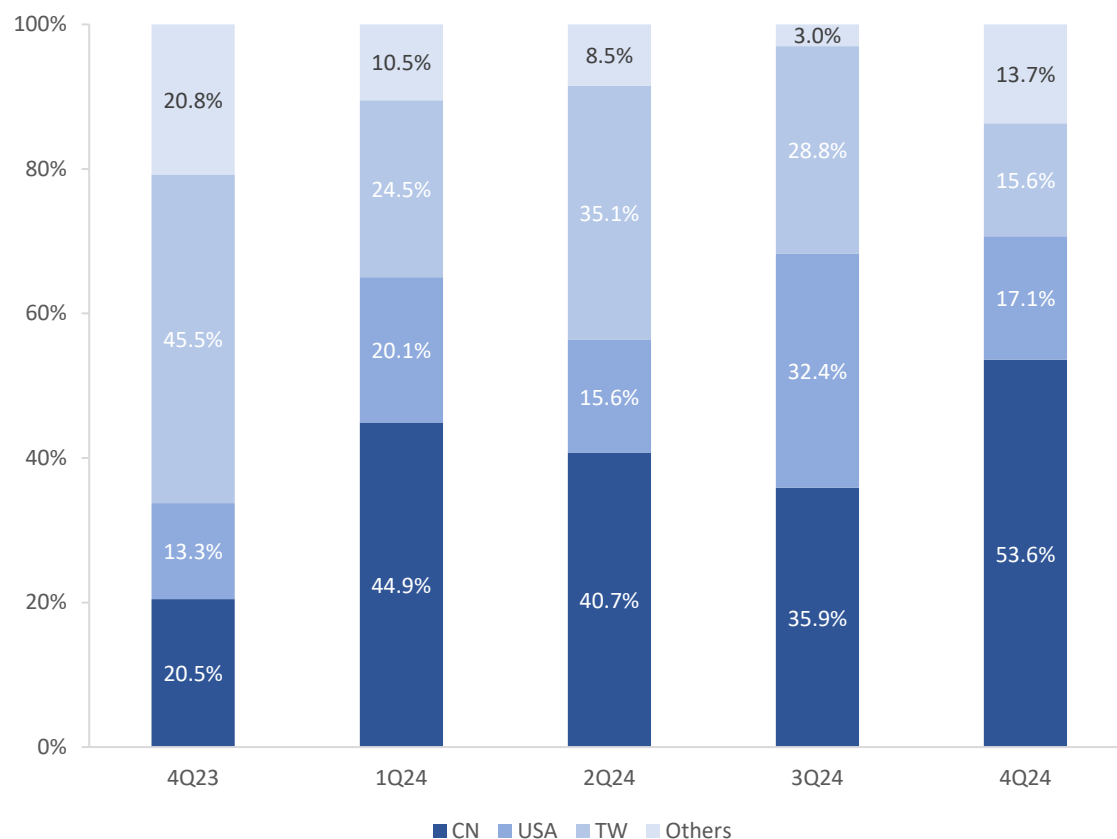
# 4Q24 Revenue by Income Source

- Our royalty ratio reached its peak in 3Q24, accounting for 22.3%, partly due to the underperformance of license fees in the third quarter. In 4Q24, the royalty ratio returned to 14.5%.
- In general, our License Fees are higher than Royalties, with a ratio of approximately 84:16 in 2024.



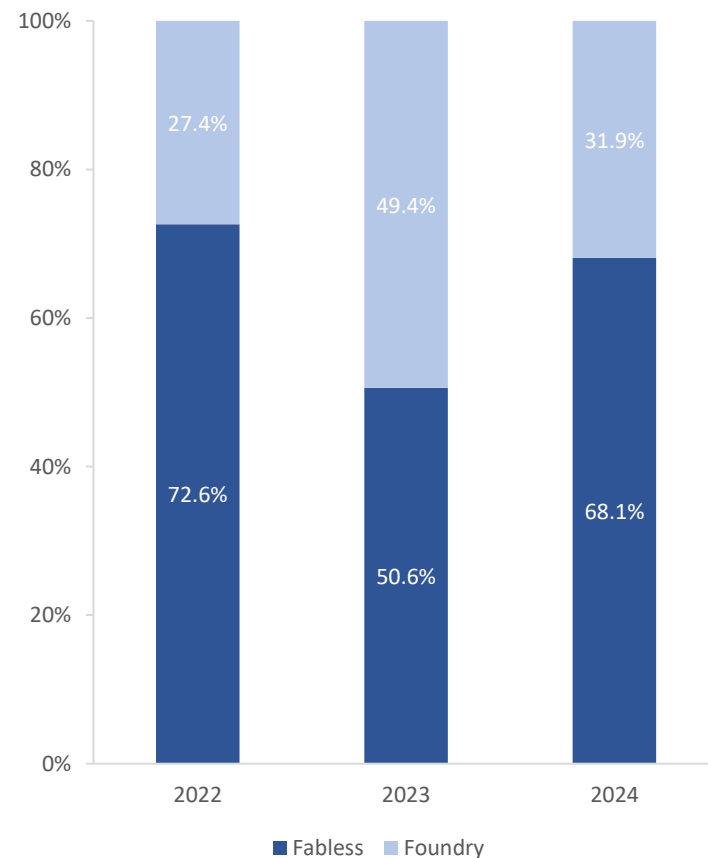
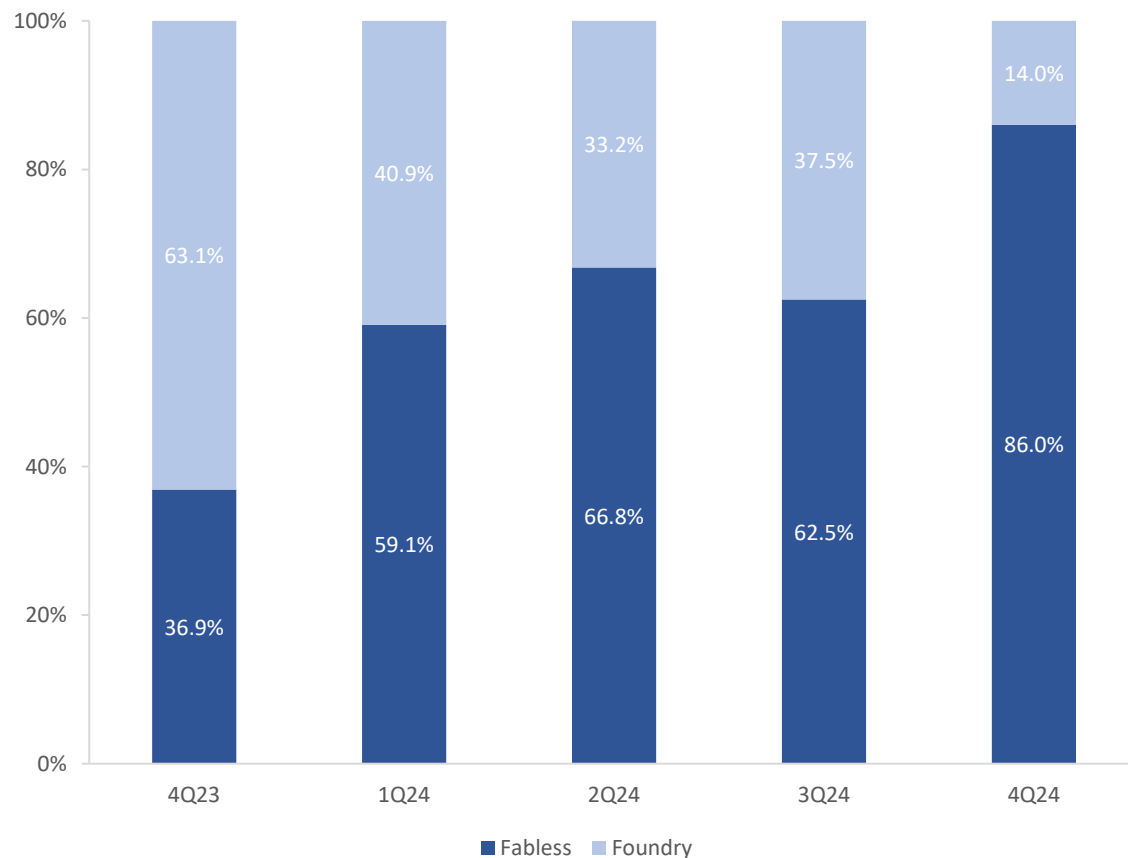
# 4Q24 Revenue by Region

- In 4Q24, the main revenue contribution came from China, reaching 53.6%, which was also the highest level in five consecutive quarters. Revenue growth from other regions was significant, reaching 13.7%, primarily driven by customers from Korea and Europe.
- In 2024, revenue distribution was still primarily centered on China, accounting for 43.3%, followed by Taiwan and the US.



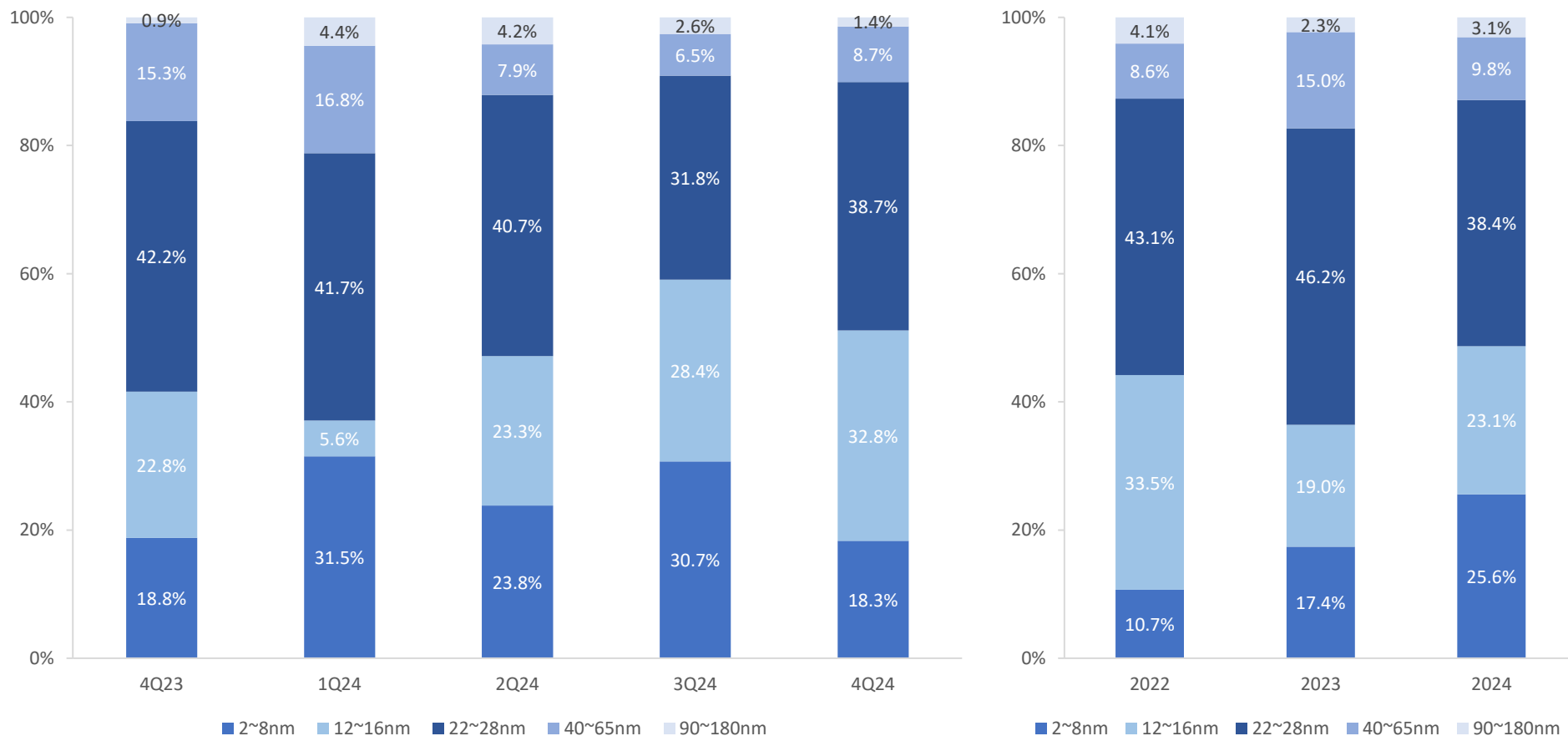
# 4Q24 Revenue by Customer Type

- Since 4Q23, the proportion of fabless has grown significantly, increasing from 36.9% to 86%.
- Except for 2023, when the proportions of Fabless and Foundry were roughly equal, the Fabless share in both 2022 and 2024 exceeded that of Foundry, at approximately a 7:3 ratio.



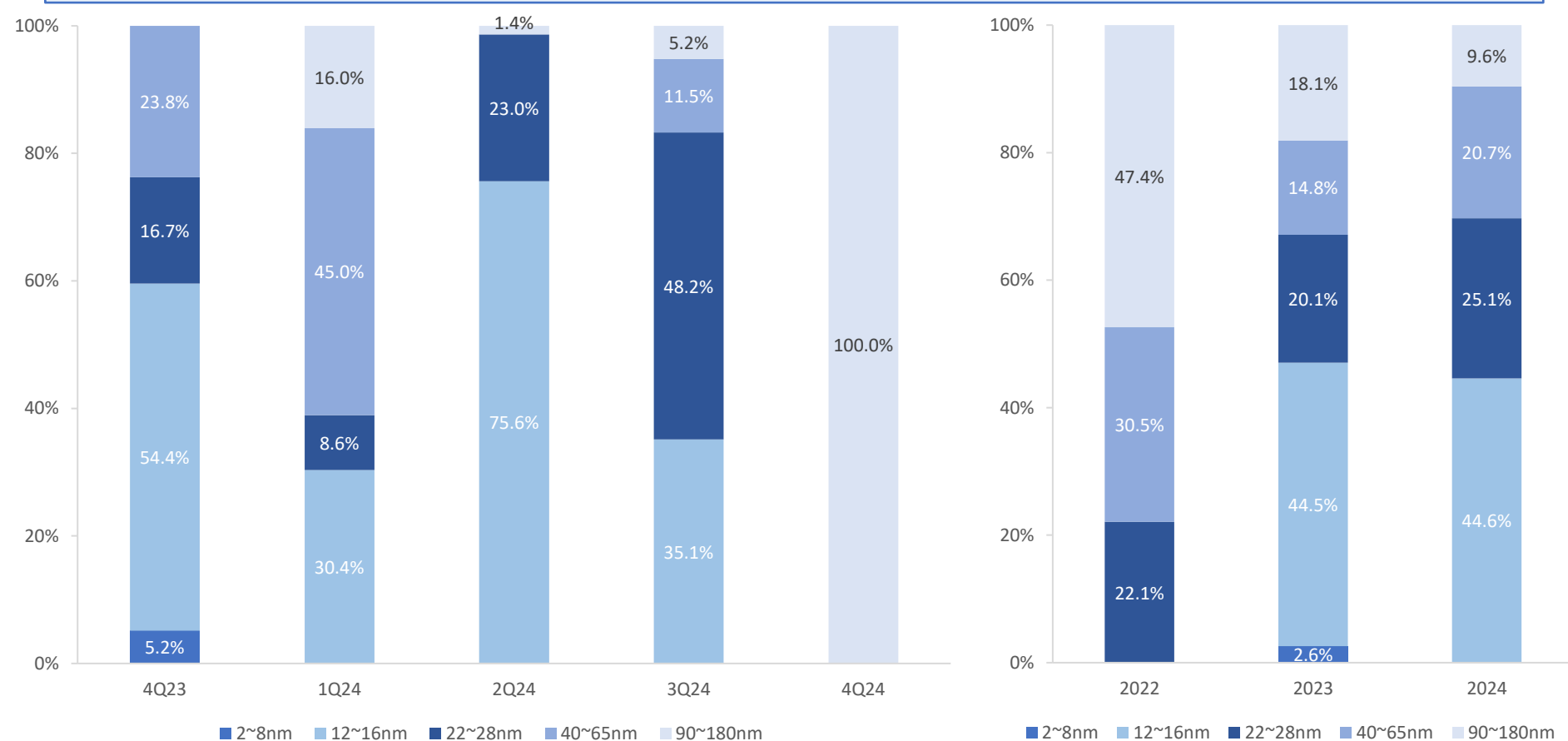
# 4Q24 Fabless License Fee by Nodes

- Since 3Q24, the proportion of fabless license fee for process nodes below 16nm has exceeded 50%.
- Since 2022, the fabless license fee ratio for 2-8nm has shown an upward trend, increasing from 10.7% to 25.6%.
- The 22/28nm nodes have consistently been our primary fabless revenue contributors, accounting for approximately 40%.



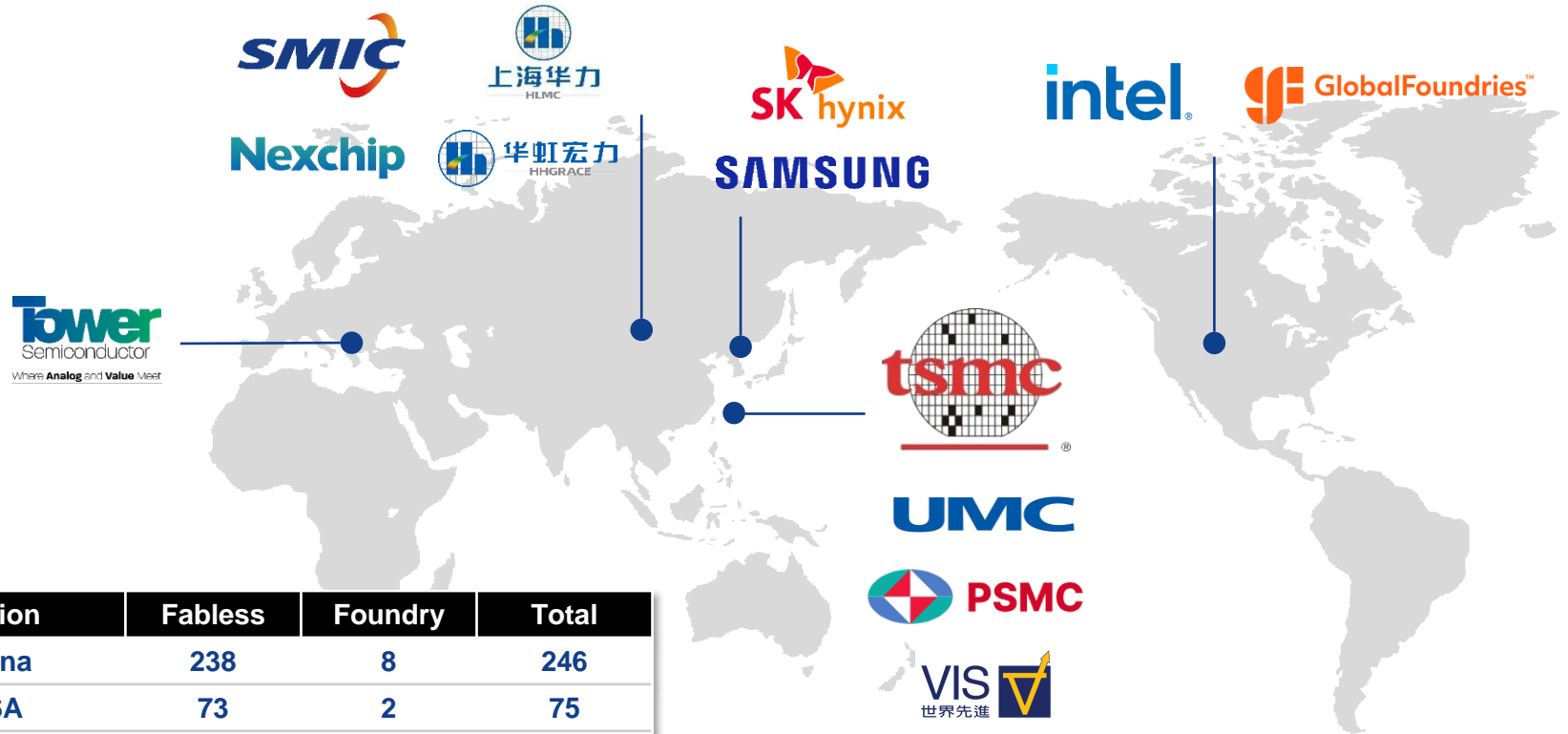
# 4Q24 Foundry License Fee by Nodes

- Since 2022, the foundry license fee ratio for 90-180nm has significantly declined, dropping from 47.4% to 9.6%.
- Since 2023, the foundry license fee for 12-16nm has taken effect, with the proportion reaching nearly 50%.
- Revenue from foundry plummeted in 4Q24, with income coming solely from processes above 90nm.





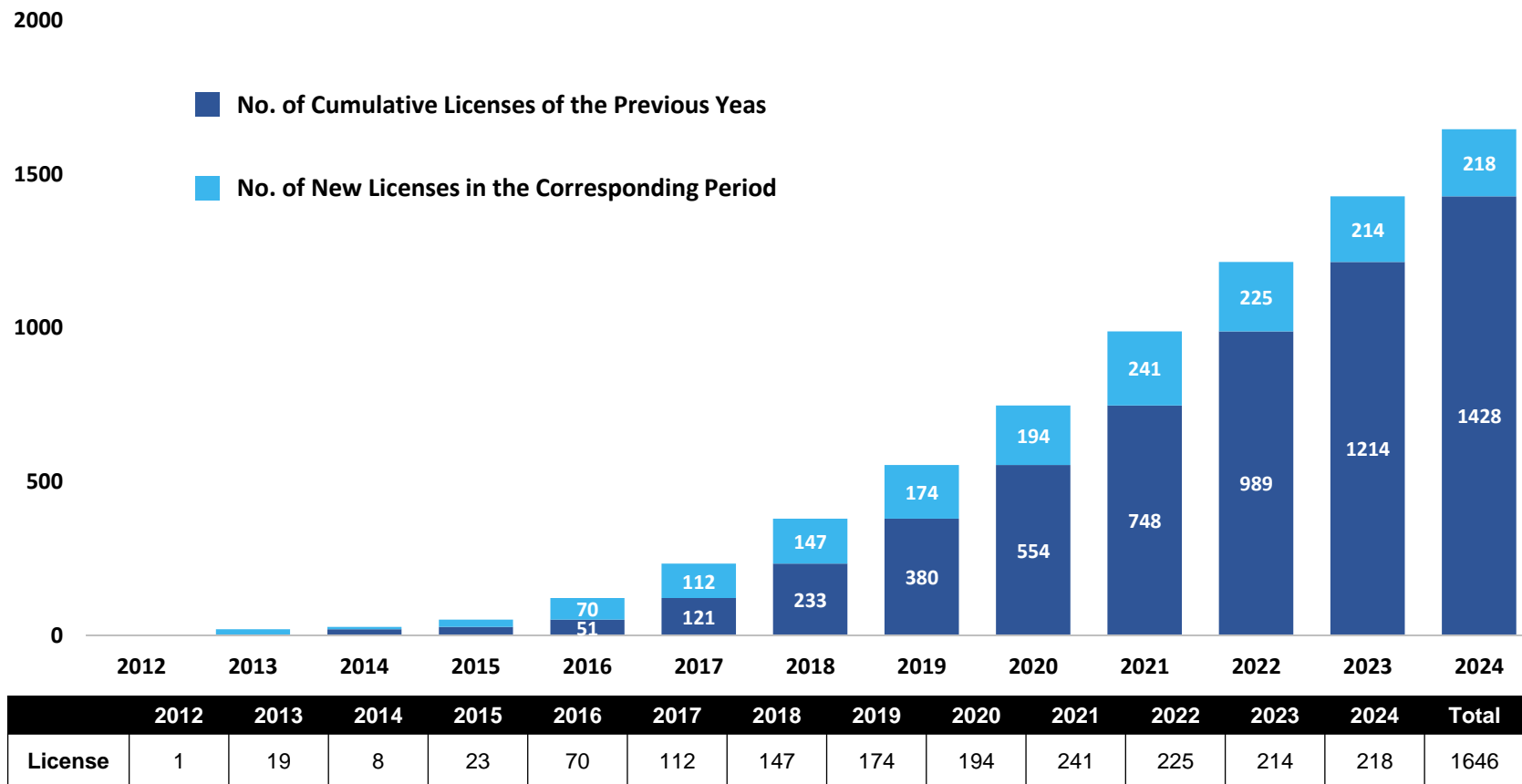
# M31 Customers & Partners



Region	Fabless	Foundry	Total
China	238	8	246
USA	73	2	75
Taiwan	71	4	75
Korea	11	2	13
Japan	8	0	8
Eurasia	22	2	24
Others	2	0	2
<b>Total</b>	<b>425</b>	<b>18</b>	<b>443</b>

\* Our IP solutions are adopted by leading foundries and fabless worldwide.  
 \* Customer numbers by region and business type till 4Q24.

# M31 Licenses



**Note:** Terms (including number of process platforms and licensing fees) for each technology license are set contractually. Payments are made according to set milestones, and there are no particular seasonal factors involved.

# Recap of 4Q24 Operating Result (1/2)

4Q24 financial results were heavily affected by underperformed revenue and increased employee compensation, resulting in an EPS of NT\$ -1.28. Summing up 2024, adjustments in operational strategy led to weaker revenue management, resulting in our first-ever revenue decline since our establishment.

## Licensing:

- Advanced process nodes at  $\leq 16\text{nm}$  consistently contribute significant revenue, accounting for roughly 50% of total licenses.

## Royalties:

- Royalties were impacted by the decline in utilization and ASP for mature processes, leading to a slightly decrease in royalty revenue in 2024. However, we anticipate that royalty income will regain growth momentum as 12/16nm FinFET platform is about to enter mass production.

# Recap of 4Q24 Operating Result (2/2)

In 2024, licensing revenue from fabless companies grew (YoY +31%); however, revenue from foundries significantly declined (YoY -56%).

## **Fabless:**

- IP demand for the most advanced process nodes at 8nm and below remains robust among fabless customers.
- In 4Q24, our 2-4nm IPs have been progressively adopted by customers.

## **Foundries:**

- In 4Q24, we faced challenges such as weaker-than-expected control over foundry projects and a conservative approach from key customers in initiating new projects.
- Foundry project kick-offs are anticipated to rebound in 1Q25 across various regions, including advanced process and mature specialty platforms.

# *M31 Future Prospects*





*Your IP Partner*

*Your Virtual Team*

Thank You