



**Stock Code: 6643 TT**

# **2025 First Quarter Earnings Conference**

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

**May 8<sup>th</sup>, 2025**

# Agenda

- **Welcome** Silvia Su, Spokesperson
- **1Q25 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.

# 1Q25 Financial Results

# 1Q25 Statements of Comprehensive Income

## Selected Items from Statements of Comprehensive Income

(In NT\$ thousands unless otherwise noted)

	1Q25	4Q24	1Q24	1Q25 over 4Q24	1Q25 over 1Q24
Net Revenue (US\$ thousands)	13,370	10,093	10,904	+32.5%	+22.6%
Net Revenue	434,525	327,577	342,065	+32.6%	+27.0%
<b>Gross Margin</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		
Operating Expenses	(426,883)	(428,439)	(339,357)	-0.4%	+25.8%
<b>Operating Margin</b>	<b>1.8%</b>	<b>-30.8%</b>	<b>0.8%</b>	<b>+32.5 ppt</b>	<b>+1.0 ppt</b>
Net Income	19,564	(53,255)	42,308	+72,819	-53.8%
<b>Net Profit Margin</b>	<b>4.5%</b>	<b>-16.3%</b>	<b>12.4%</b>	<b>+20.8 ppt</b>	<b>-7.9 ppt</b>
EPS (NT Dollar)	0.47	(1.28)	1.02	+1.75	-53.9%
Average Exchange Rate-USD/NTD	32.90	32.35	31.40	+1.7%	+4.8%

\* Diluted weighted average outstanding shares were 41,755 units in 1Q25.

\*\* 1Q25 net foreign exchange gain of NTD \$9,056K.

# 1Q25 Balance Sheets

## Selected Items from Balance Sheets

(In NT\$ thousands)

	1Q25		4Q24		1Q24	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	573,295	28%	682,446	32%	940,323	41%
Accounts Receivable	263,250	13%	262,787	12%	259,900	11%
Other current assets	317,548	15%	259,526	12%	276,481	12%
Net PP&E	594,077	29%	591,847	27%	582,419	25%
Other non-current assets	330,618	16%	362,606	17%	257,765	11%
<b>Total Assets</b>	<b>2,078,788</b>	<b>100%</b>	<b>2,159,212</b>	<b>100%</b>	<b>2,316,888</b>	<b>100%</b>
Current Liabilities	201,948	10%	217,218	10%	463,479	20%
Non-current Liabilities	20,506	1%	22,690	1%	22,825	1%
<b>Total Liabilities</b>	<b>222,454</b>	<b>11%</b>	<b>239,908</b>	<b>11%</b>	<b>486,304</b>	<b>21%</b>
<b>Total Shareholders' Equity</b>	<b>1,856,334</b>	<b>89%</b>	<b>1,919,304</b>	<b>89%</b>	<b>1,830,584</b>	<b>79%</b>



# 1Q25 Cash Flow

(In NT\$ thousands)

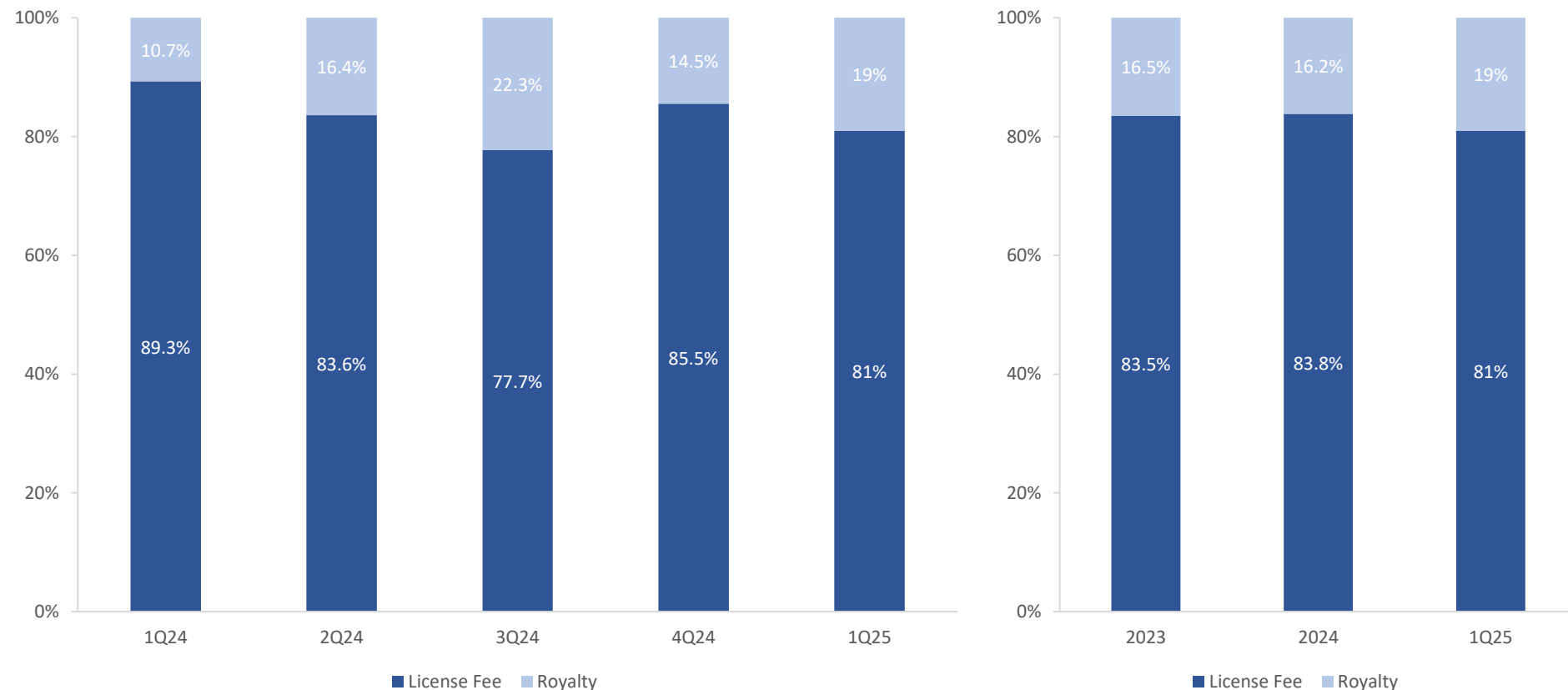
	1Q25	4Q24	1Q24
	3 Months Ended	12 Months Ended	3 Months Ended
<b>Beginning Balance</b>	<b>529,011</b>	<b>849,121</b>	<b>849,121</b>
Cash generated from operating activities	(121,896)	46,638	(141,728)
Cash used in investing activities	(16,993)	(93,018)	(48,727)
Cash generated from/(used in) financing activities	(2,941)	(289,200)	(2,118)
FX effects on cash held in foreign currencies	(1,566)	15,470	17,984
<b>Ending Balance</b>	<b>385,615</b>	<b>529,011</b>	<b>674,532</b>

# Operating Result



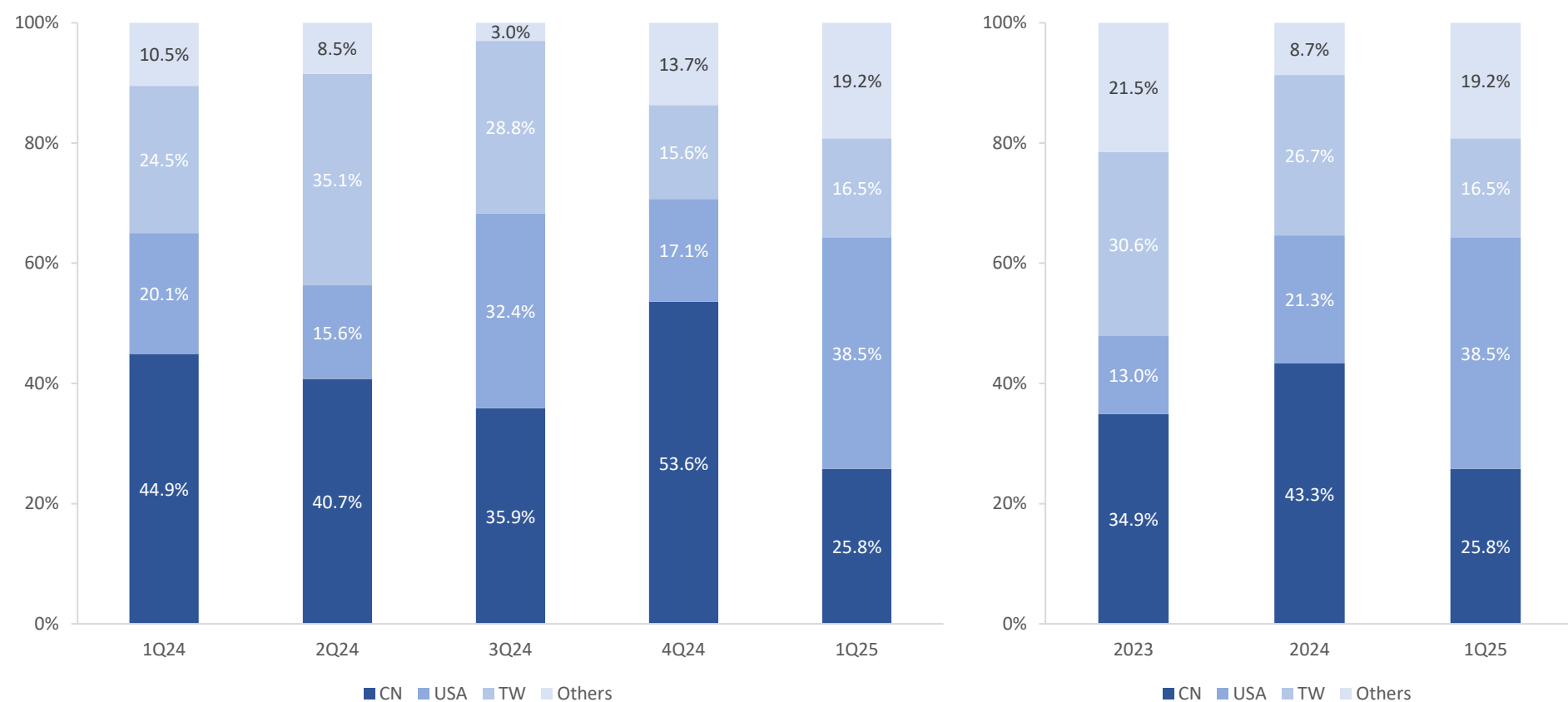
# 1Q25 Revenue by Income Source

- 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 1Q25, the royalty ratio returned to 19%.
- In 1Q25, our royalty revenue more than doubled compared to 1Q24.



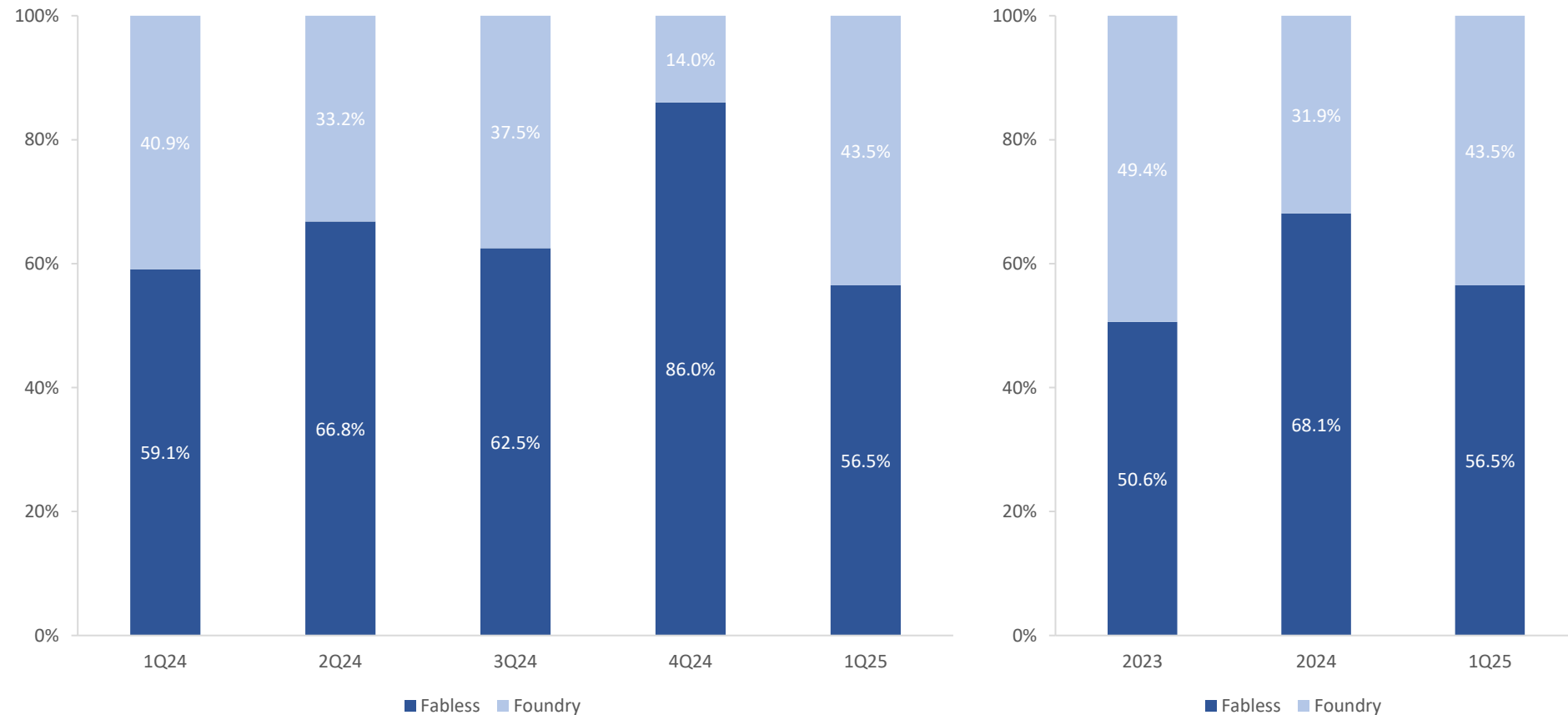
# 1Q25 Revenue by Region

- In 1Q25, the main revenue contribution came from USA, reaching 38.5%, which was also the highest level in five consecutive quarters. Revenue growth from other regions was also significant, reaching 19.2%, primarily driven by customers from Eurasia.
- In 1Q25, revenue distribution was primarily centered on USA, followed by China and Others.



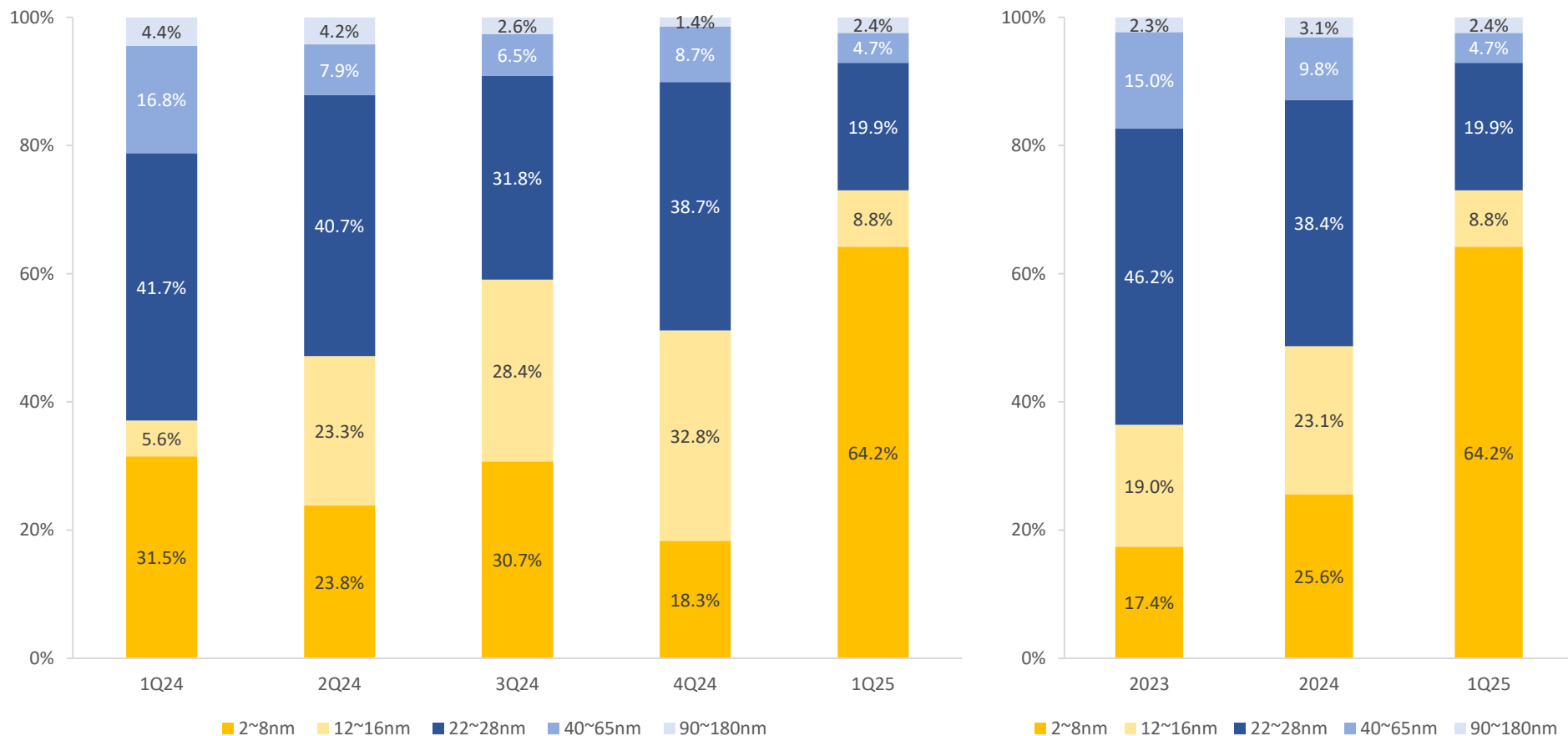
# 1Q25 Revenue by Customer Type

- The foundry segment's share gradually recovered to 43.5% in 1Q25, marking the highest level in the past five quarters.
- Fabless has consistently been a stable source of our revenue, with its contribution generally exceeding 50%, and even reaching 86% in 4Q24.
- In 1Q25, the revenue split between Fabless and Foundry was approximately 57:43.



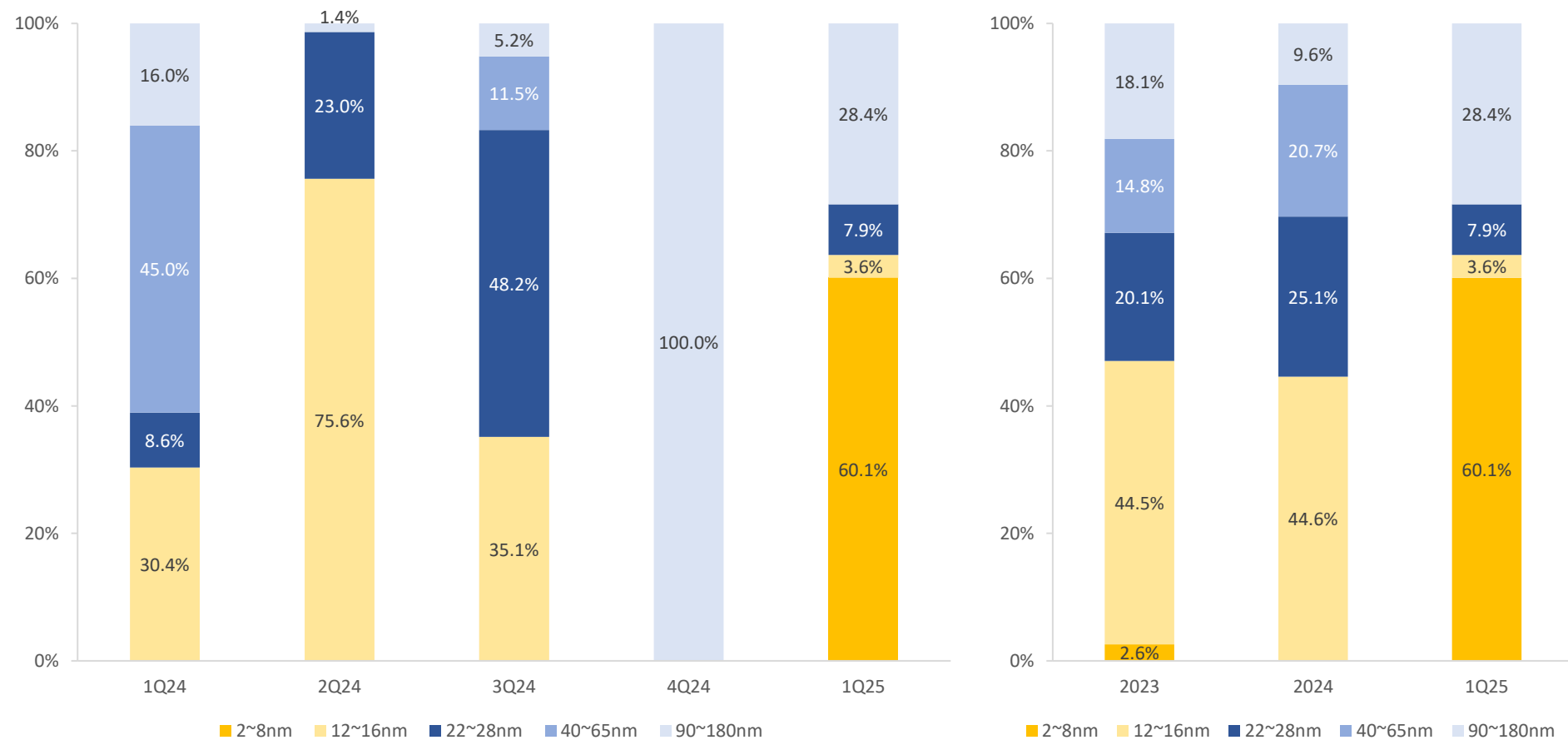
# 1Q25 Fabless License Fee by Nodes

- In 1Q25, driven by active project initiations in advanced process nodes, the 2-8nm segment accounted for 64.2%.
- Since 3Q24, the proportion of fabless license fee for process nodes below 16nm has exceeded 50%.
- Since 2023, the fabless license fee ratio for 2-8nm has shown a notable upward trend, increasing from 17.4% to 64.2%.

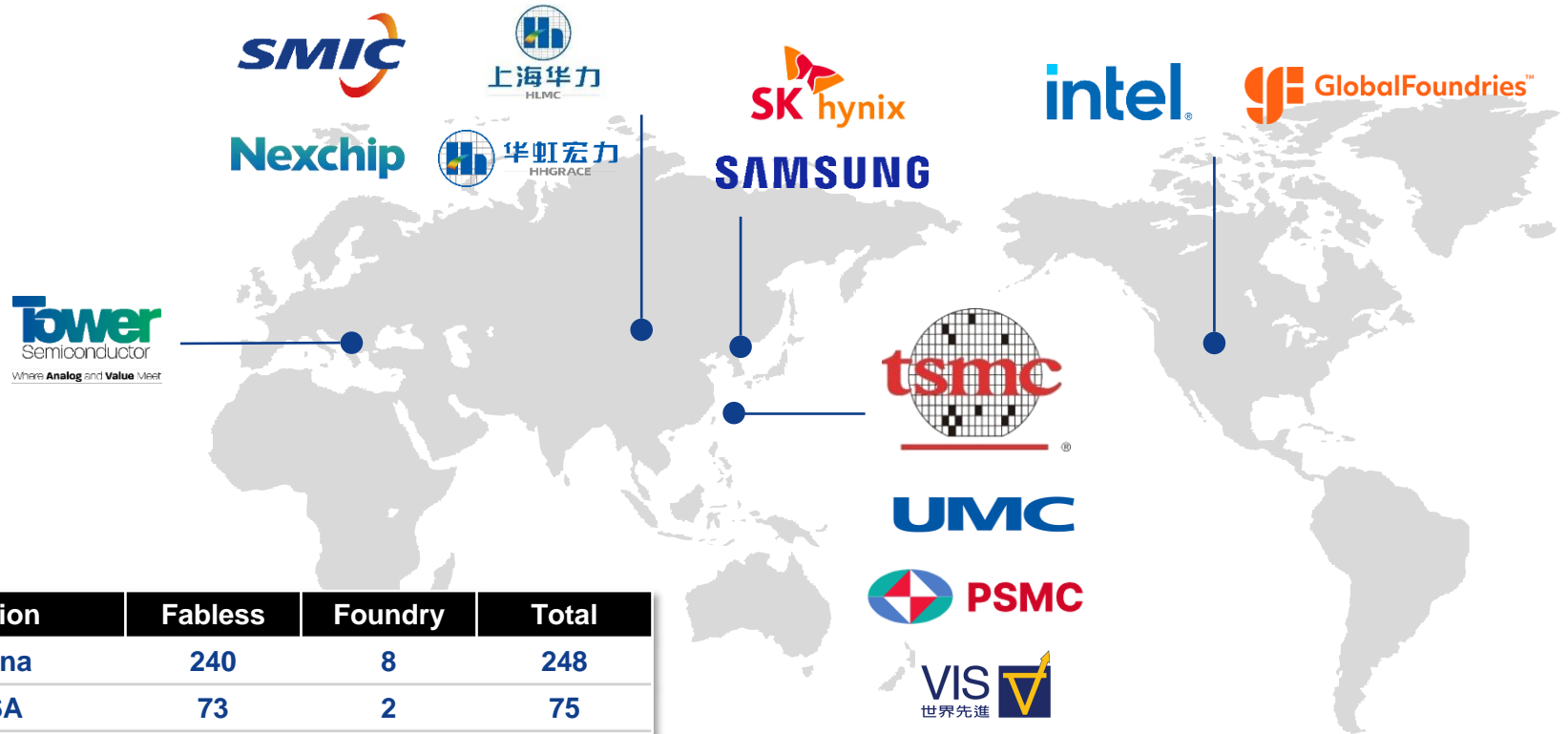


# 1Q25 Foundry License Fee by Nodes

- In 1Q25, the launch of new foundry platform projects made a significant contribution to 2-8nm revenue, with its share exceeding 60%.
- Since 2023, the foundry license fee below 16nm has taken effect, with the proportion reaching 63.7% in 1Q25.



# M31 Customers & Partners

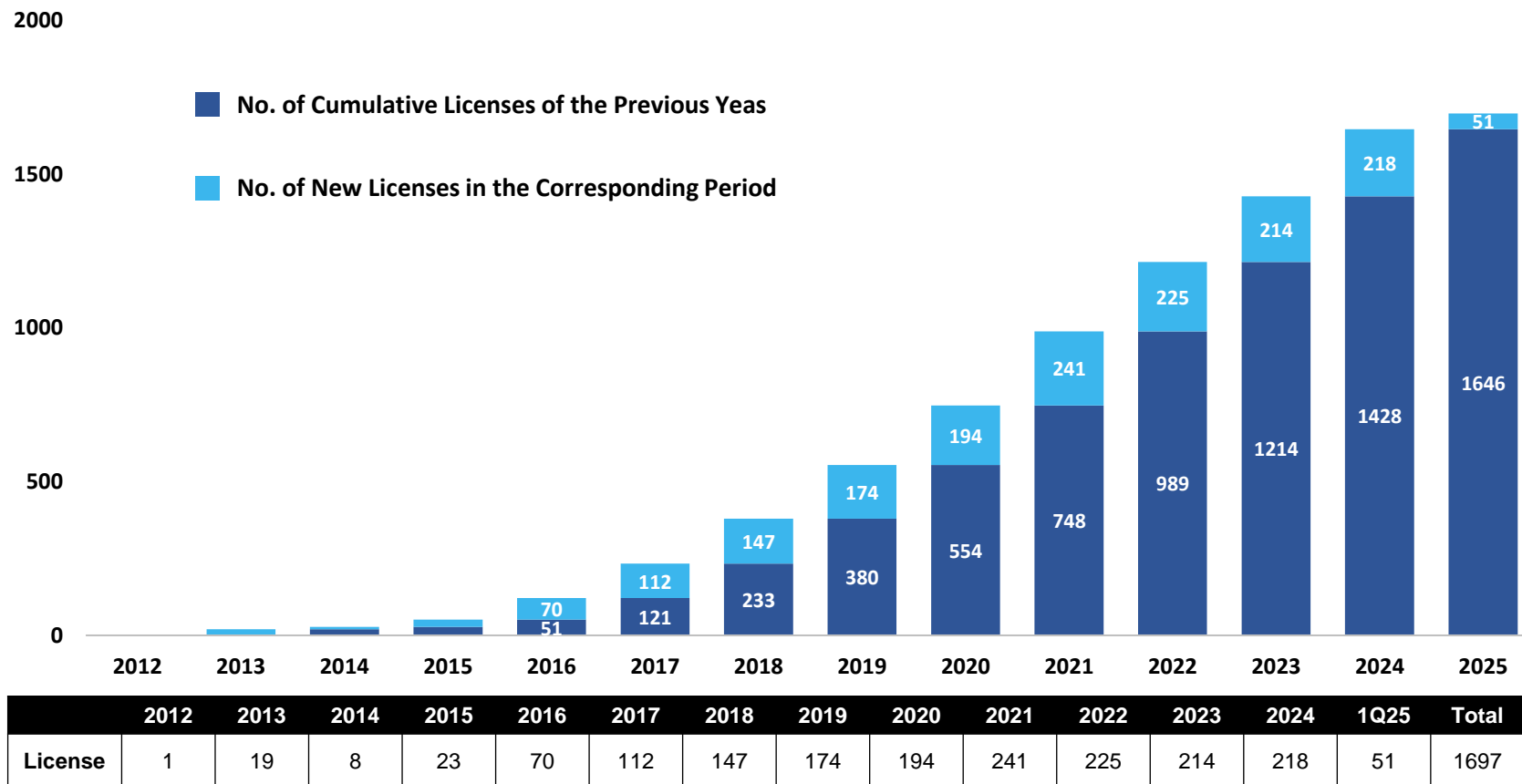


Region	Fabless	Foundry	Total
China	240	8	248
USA	73	2	75
Taiwan	71	5	76
Korea	12	2	14
Japan	8	0	8
Eurasia	22	2	24
Others	2	0	2
<b>Total</b>	<b>428</b>	<b>19</b>	<b>447</b>

\* Our IP solutions are adopted by leading foundries and fabless worldwide.  
 \* Customer numbers by region and business type till 1Q25.



# 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 1Q25 Operating Result (1/2)

**1Q25 revenue reached NT\$434.5 million, up 32.6% QoQ and 27.0% YoY, driven by recovering foundry demand and strong advanced-node IP adoption. Organizational growth and increased R&D investment in 2nm technology led to higher YoY bonuses and R&D expenses. EPS was NT\$0.47.**

## **Licensing:**

- The revenue at 8nm and below accounts for > 60% of license fee in 1Q25.
- License fee growth is driven by advanced nodes, supported by continued 2nm IP adoption by U.S. chipmakers, ADAS supply chain penetration, and major 6nm/5nm deals with foundries.

## **Royalties:**

- 1Q25 royalty revenue surged over 100% YoY, primarily driven by new mass production platforms from leading overseas foundries.
- We expect royalty income to sustain its growth momentum, supported by the upcoming mass production ramp of both 22/28nm capacity and advanced-node process technologies.

# Recap of 1Q25 Operating Result (2/2)

**In response to recent global capital market volatility triggered by U.S. tariff policies, M31 Board of Directors, confident in its long-term growth outlook, approved a share buyback program to safeguard shareholder interests and utilize the repurchased shares as a future employee incentive tool.**

## **Fabless:**

- U.S. fabless customers resumed new SoC development on cutting-edge process nodes, driving strong IP licensing growth in the U.S. market during 1Q25.
- In 1Q25, our 2-5nm IPs have been progressively adopted by customers.

## **Foundries:**

- In the first quarter, foundries demonstrated a strong project roadmap across both advanced and mature process technologies for the year.
- M31 is advancing both the 6nm platform optimization with its longstanding foundry partner and 5nm platform projects with overseas foundry.

# *M31 Future Prospects*



*Your IP Partner*

*Your Virtual Team*

Thank You