



Stock Code: 6643 TT

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2022 First Quarter Earnings Conference

www.m31tech.com //

May 18th, 2022

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.



1Q22 Financial Results



1Q22 Statements of Comprehensive Income

Selected Items from Statements of Comprehensive Income

(In NT\$ thousands unless otherwise noted)

	1Q22	4Q21	1Q21	1Q22 over 4Q21	1Q22 over 1Q21
Net Revenue (US\$ thousands)	8,839	13,050	7,467	-32.3%	+18.4%
Net Revenue	247,722	364,122	213,135	-32.0%	+16.2%
Gross Margin	100%	100%	100%		
Operating Expenses	(223,863)	(220,550)	(144,750)	+1.5%	+54.7%
Operating Margin	9.6%	39.4%	32.1%	-29.8 ppt	-22.5 ppt
Net Income	39,780	121,769	55,637	-67.3%	-28.5%
Net Profit Margin	16.1%	33.4%	26.1%	-17.4 ppt	-10.0 ppt
EPS (NT Dollar)	1.28	3.91	1.79	-67.3%	-28.5%
Average Exchange Rate-USD/NTD	28.02	27.83	28.37	0.7%	-1.2%

* Diluted weighted average outstanding shares were 31,107 units in 1Q22.



1Q22 Balance Sheets

Selected Items from Balance Sheets

(In NT\$ thousands)

	1Q22		4Q21		1Q21	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	814,205	41%	724,164	38%	1,151,401	55%
Accounts Receivable	237,855	12%	319,072	16%	153,192	7%
Other current assets	168,711	7%	88,953	4%	118,259	6%
Net PP&E	672,664	33%	674,452	35%	595,086	29%
Other non-current assets	127,501	7%	130,054	7%	61,246	3%
Total Assets	2,020,936	100%	1,936,695	100%	2,079,184	100%
Current Liabilities	357,041	17%	269,620	14%	186,196	9%
Long-term Interest-bearing Debts	35,503	2%	83,482	4%	282,301	14%
Total Liabilities	392,544	19%	353,102	18%	468,497	23%
Total Shareholders' Equity	1,628,392	81%	1,583,593	82%	1,610,687	77%



1Q22 Cash Flow

(In NT\$ thousands)

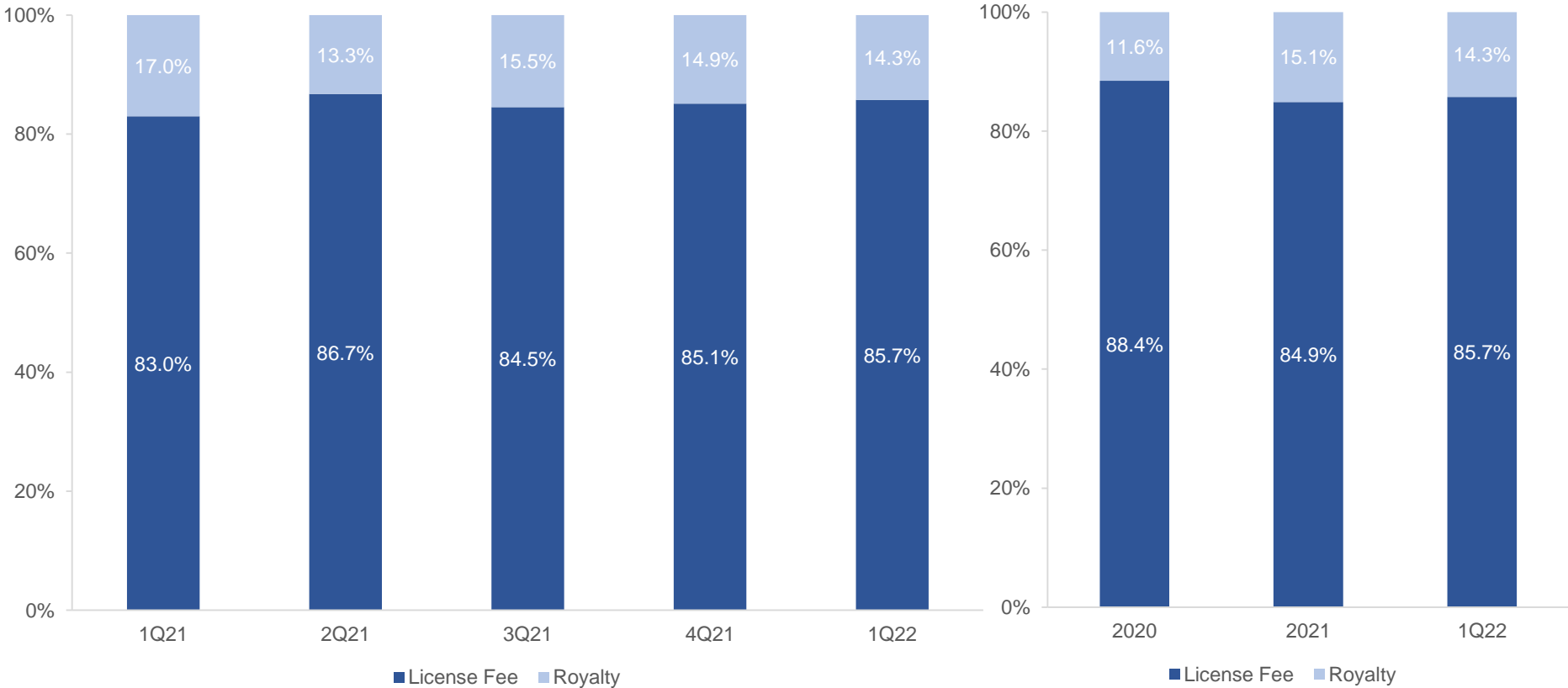
	1Q22	4Q21	1Q21
	3 Months Ended	12 Months Ended	3 Months Ended
Beginning Balance	307,421	527,760	527,760
Cash generated from operating activities	135,956	224,520	41,943
Cash used in investing activities	(97,816)	(313,779)	(407,929)
Cash generated from/(used in) financing activities	(51,865)	(133,808)	297,785
FX effects on cash held in foreign currencies	7,495	2,728	(3,707)
Ending Balance	301,191	307,421	455,852



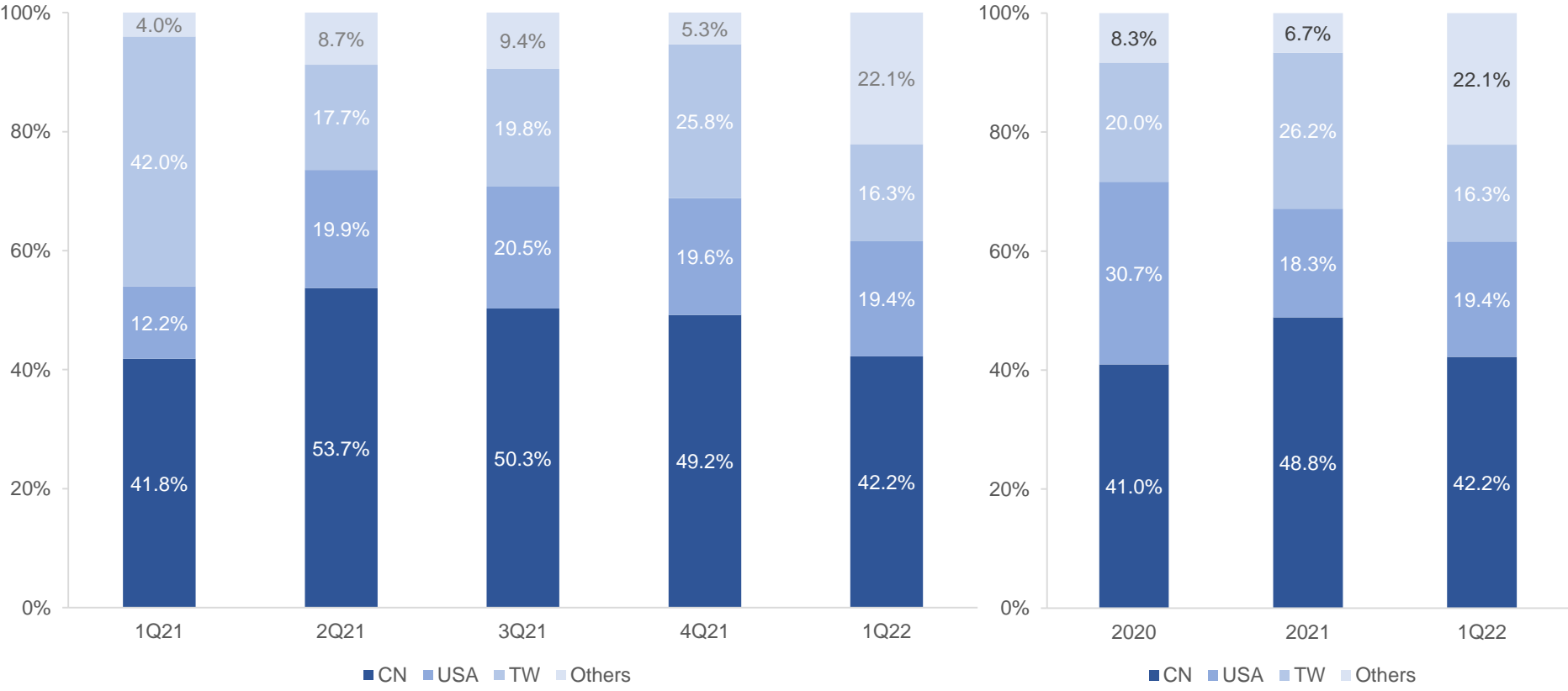
Operating Result



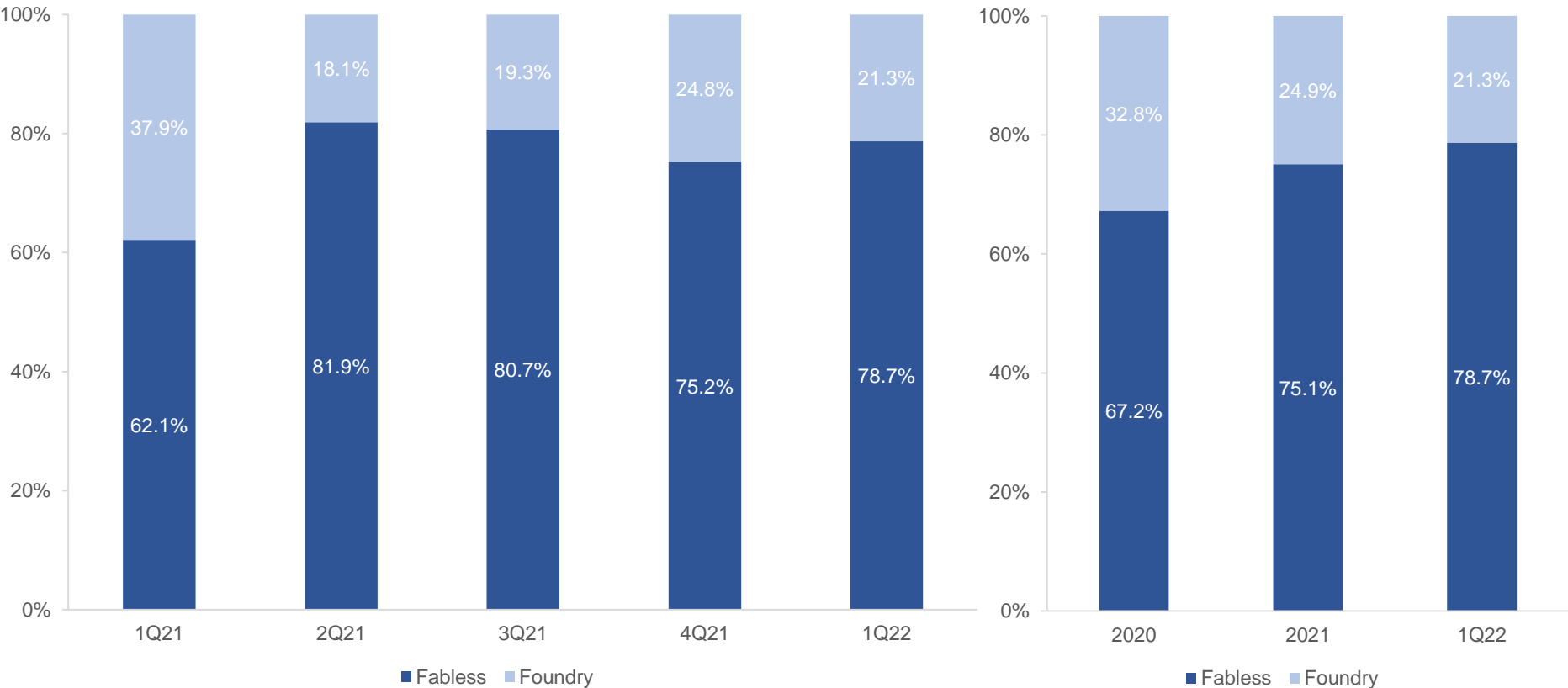
1Q22 Revenue by Income Source



1Q22 Revenue by Region



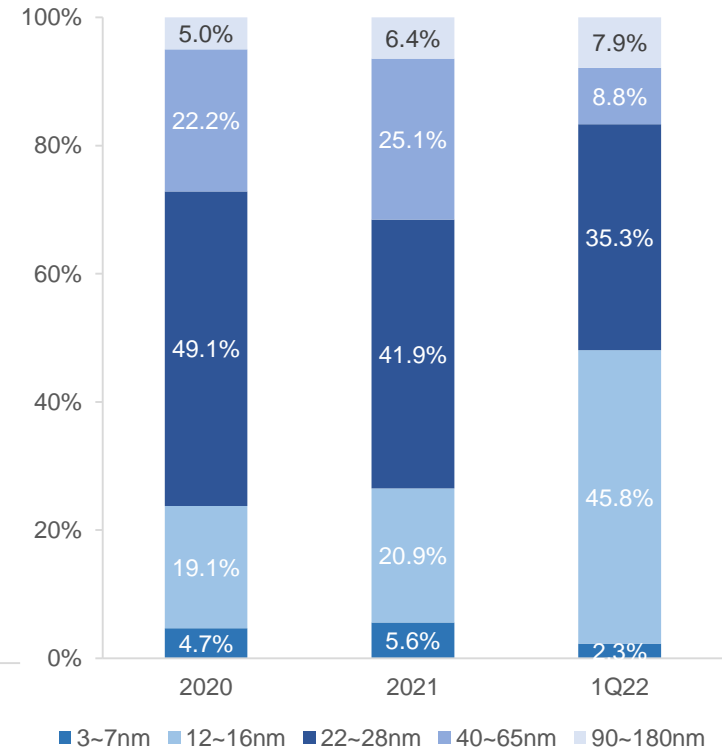
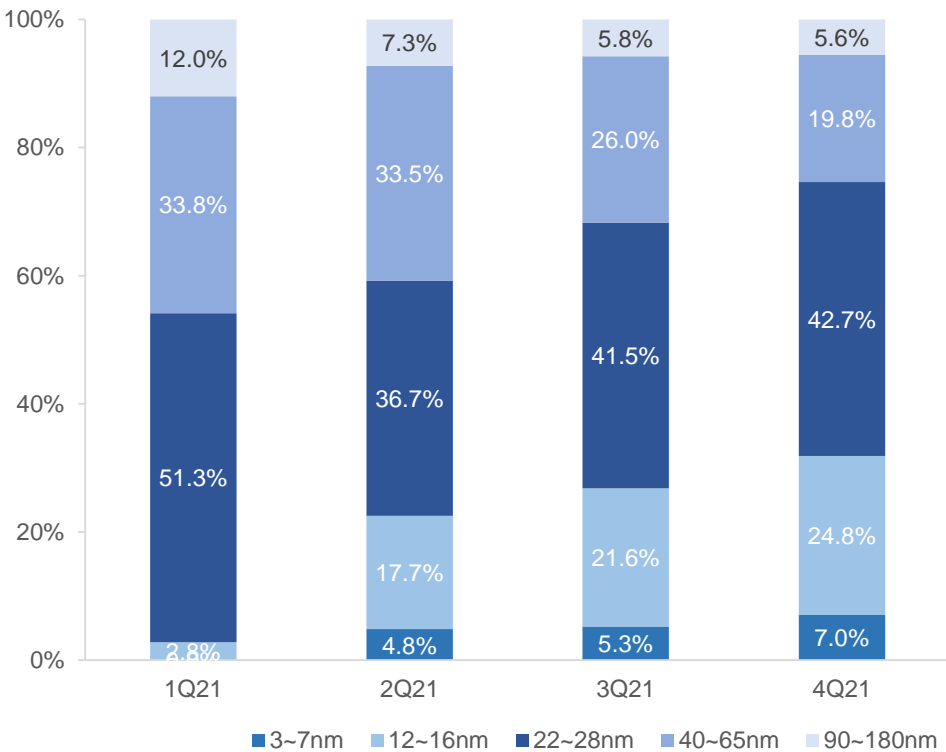
1Q22 Revenue by Customer Type



1Q22 Fabless License Fee by Nodes

Fabless

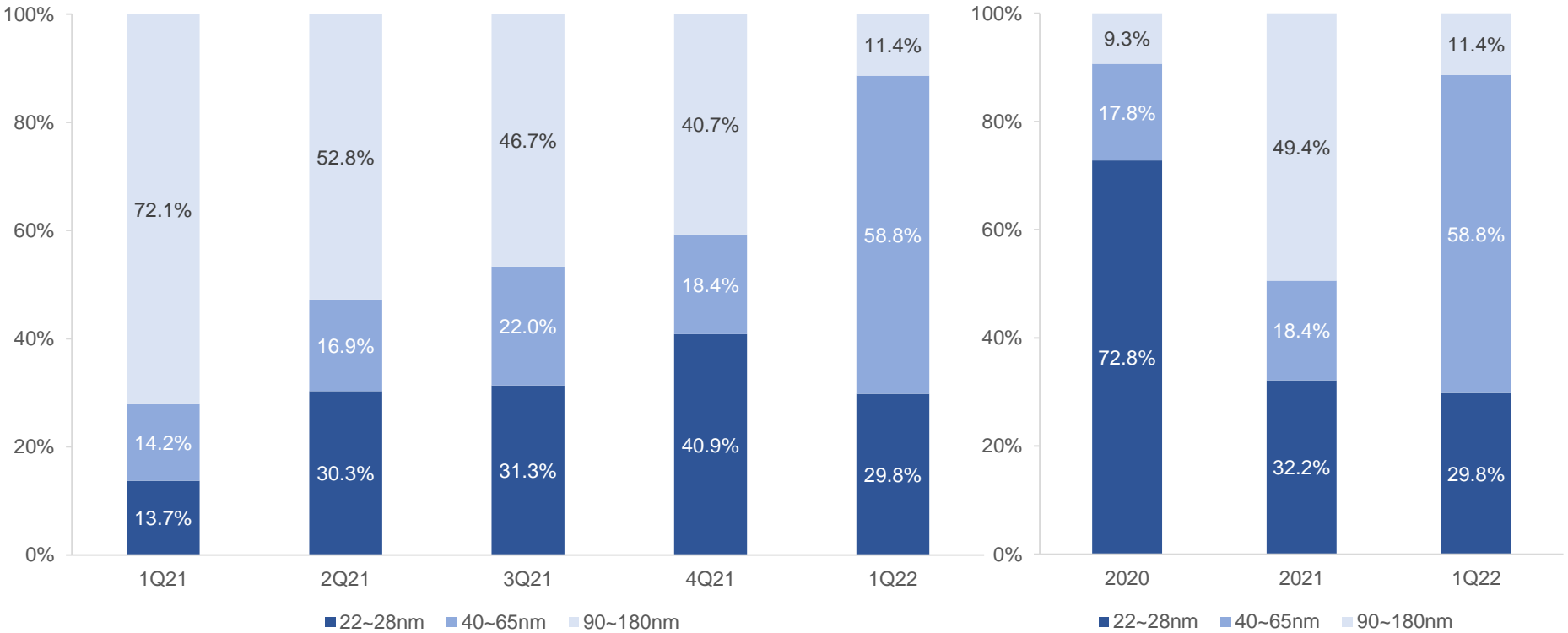
Fabless



1Q22 Foundry License Fee by Nodes

Foundry

Foundry



Recap of 1Q22 Operating Result

- **Considering the first quarter is traditionally a low season, 1Q22 revenue YoY growth by 18.4% in USD meets the expectation.**
 - With growing AI and High-Performance Computing (HPC) trends, spec upgrades in high-speed interface IP leads to continued demand in technology migration.
 - For further growth of foundation IP based on long-held partnerships, customized service has accelerated custom ASICs development with tailored IP solution.
 - Revenue from foundries will benefit from oversea business upturn gradually.
- **High R&D investment in 3nm/5nm advanced nodes due to design complexity.**
 - To collaborate with strategic partners extensively, additional EDA tool & server requirement for timely support results in non-recurring expenses in 1Q22.
 - We see high levels of customer engagement in advanced nodes and expect significant revenue contribution from 3nm/5nm will start in the following quarters.

2022 Prospect



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Thank You

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