



Stock Code: 6643 TT

2024年第三季 法人說明會

www.m31tech.com

November 7th, 2024

Agenda

- **Welcome** Silvia Su, Spokesperson
- **3Q24 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。

3Q24 Financial Results

3Q24 Statements of Comprehensive Income

Selected Items from Statements of Comprehensive Income

(In NT\$ thousands unless otherwise noted)

	3Q24	2Q24	3Q23	3Q24 over 2Q24	3Q24 over 3Q23
Net Revenue (US\$ thousands)	11,858	13,248	13,785	-10.5%	-14.0%
Net Revenue	381,878	429,383	432,489	-11.1%	-11.7%
Gross Margin	100%	100%	100%		
Operating Expenses	(337,193)	(322,648)	(286,524)	+4.5%	+17.7%
Operating Margin	11.7%	24.9%	33.7%	-13.2 ppt	-22.0 ppt
Net Income	28,009	109,860	153,575	-74.5%	-81.8%
Net Profit Margin	7.3%	25.6%	35.5%	-18.3 ppt	-28.2 ppt
EPS (NT Dollar)	0.67	2.64	3.71	-74.6%	-81.9%
Average Exchange Rate-USD/NTD	32.31	32.35	31.69	-0.1%	+2.0%

* Diluted weighted average outstanding shares were 41,649 units in 3Q24.

** 3Q24 net foreign exchange loss of NTD \$22,188K.

3Q24 Balance Sheets

Selected Items from Balance Sheets

(In NT\$ thousands)

	3Q24		2Q24		3Q23	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	506,626	24%	842,022	35%	1,047,864	46%
Accounts Receivable	381,166	18%	363,123	15%	318,906	8%
Other current assets	281,968	13%	283,609	11%	173,836	14%
Net PP&E	603,235	29%	608,663	25%	568,637	25%
Other non-current assets	343,452	16%	353,553	14%	144,974	7%
Total Assets	2,116,447	100%	2,450,970	100%	2,254,217	100%
Current Liabilities	129,552	6%	485,880	20%	290,482	13%
Non-current Liabilities	16,103	1%	22,143	1%	12,004	-
Total Liabilities	145,655	7%	508,023	21%	302,486	13%
Total Shareholders' Equity	1,970,792	93%	1,942,947	79%	1,951,731	87%

3Q24 Cash Flow

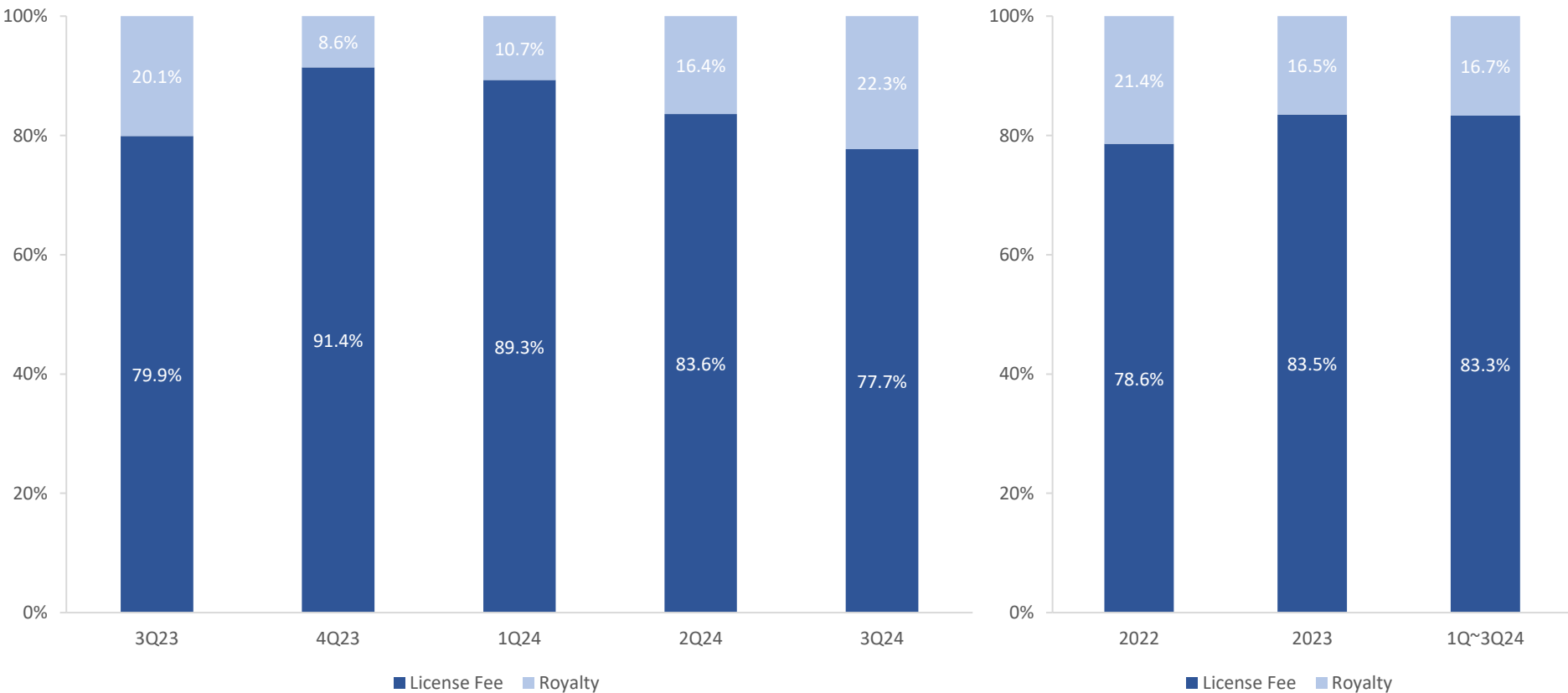
(In NT\$ thousands)

	3Q24	2Q24	3Q23
	9 Months Ended	6 Months Ended	9 Months Ended
Beginning Balance	849,121	849,121	546,776
Cash generated from operating activities	(137,034)	(131,347)	68,613
Cash used in investing activities	(78,600)	(152,847)	371,829
Cash generated from/(used in) financing activities	(286,424)	(4,877)	(255,308)
FX effects on cash held in foreign currencies	8,865	14,608	18,159
Ending Balance	355,928	574,658	750,069

Operating Result

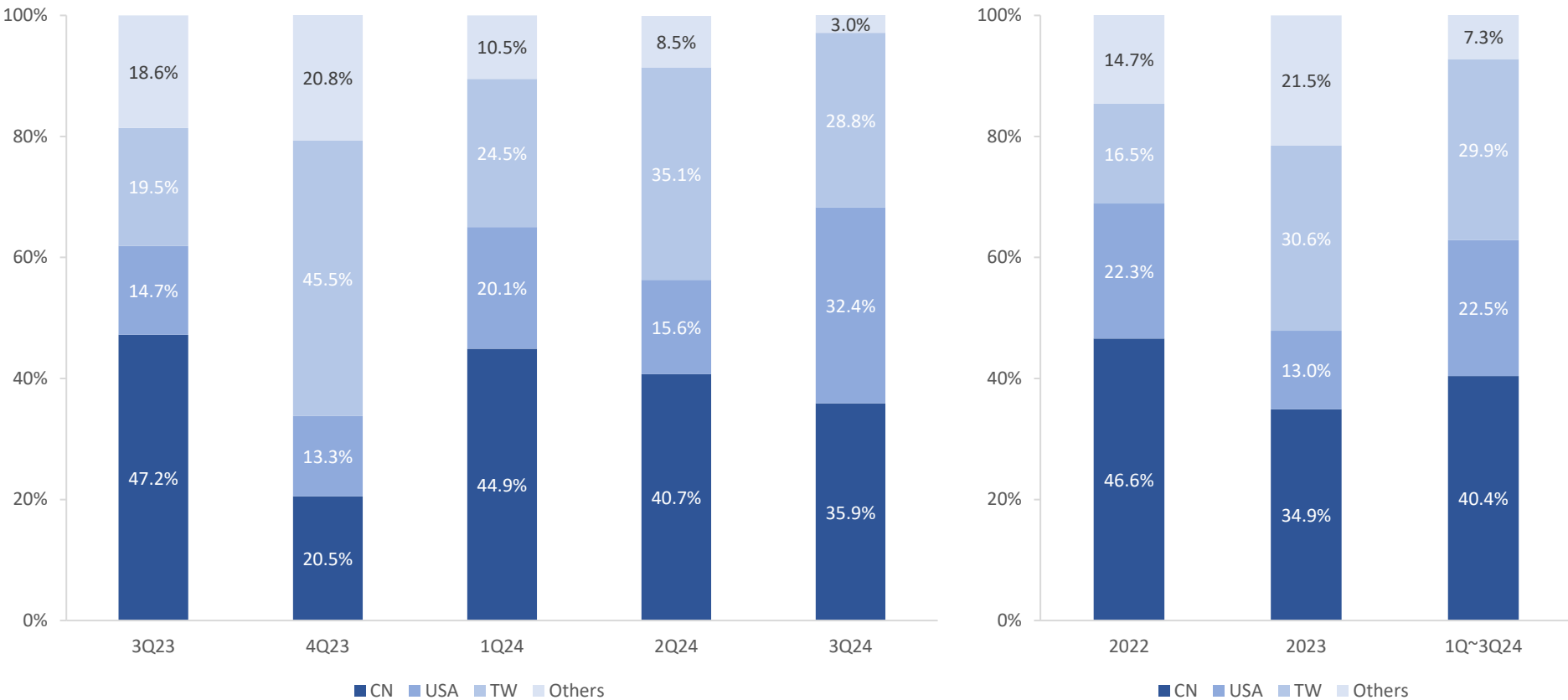
3Q24 Revenue by Income Source

- Starting from 4Q23, the proportion of Royalty has shown a quarterly growth trend, increasing from 8.6% to 22.3%.
- In general, our License Fees are higher than Royalties, with a ratio of approximately 83:17 in the first three quarters of 2024.



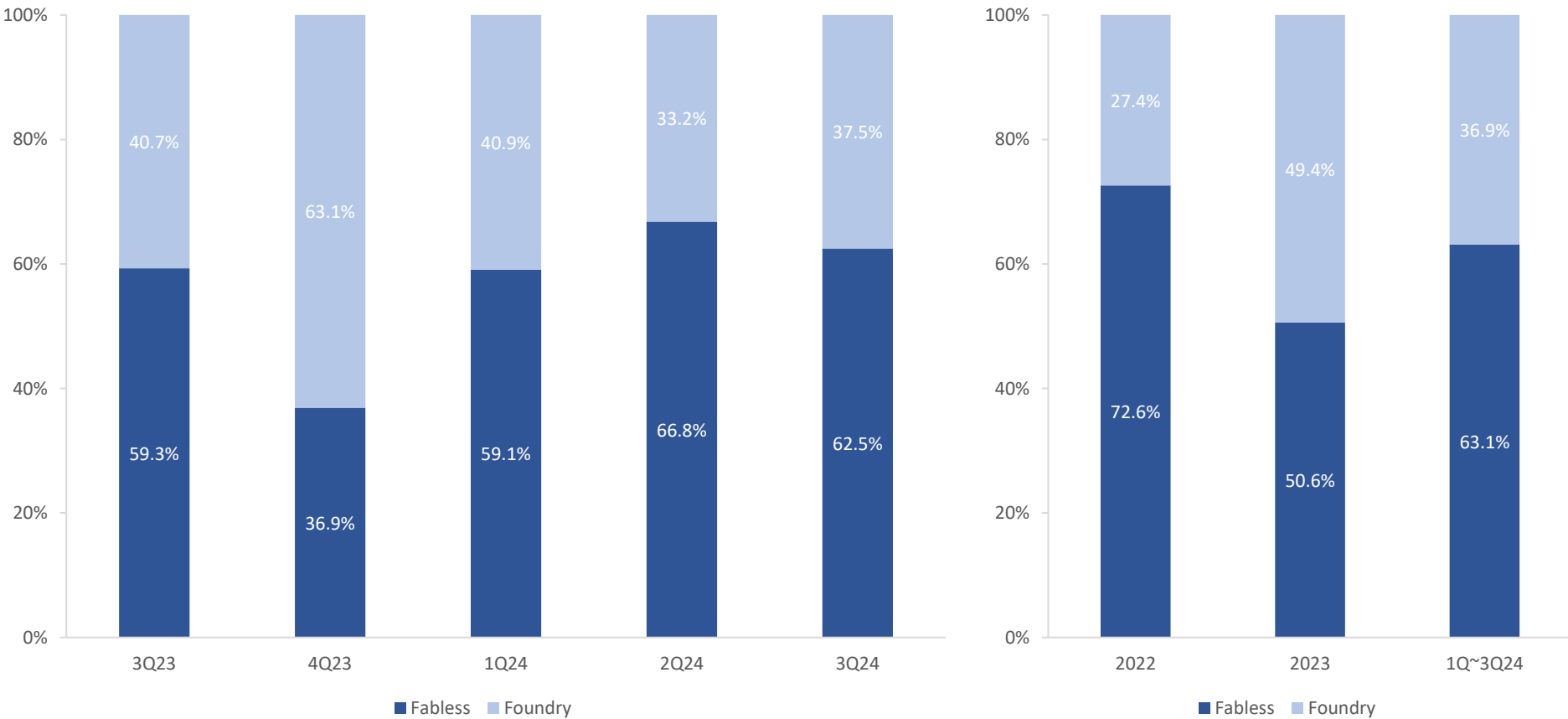
3Q24 Revenue by Region

- As of the first three quarters of 2024, revenue from China still accounted for the majority, remaining about 40%.
- In 3Q24, revenue from US grew by more than double compared to the previous quarter, accounting for 32.4%.



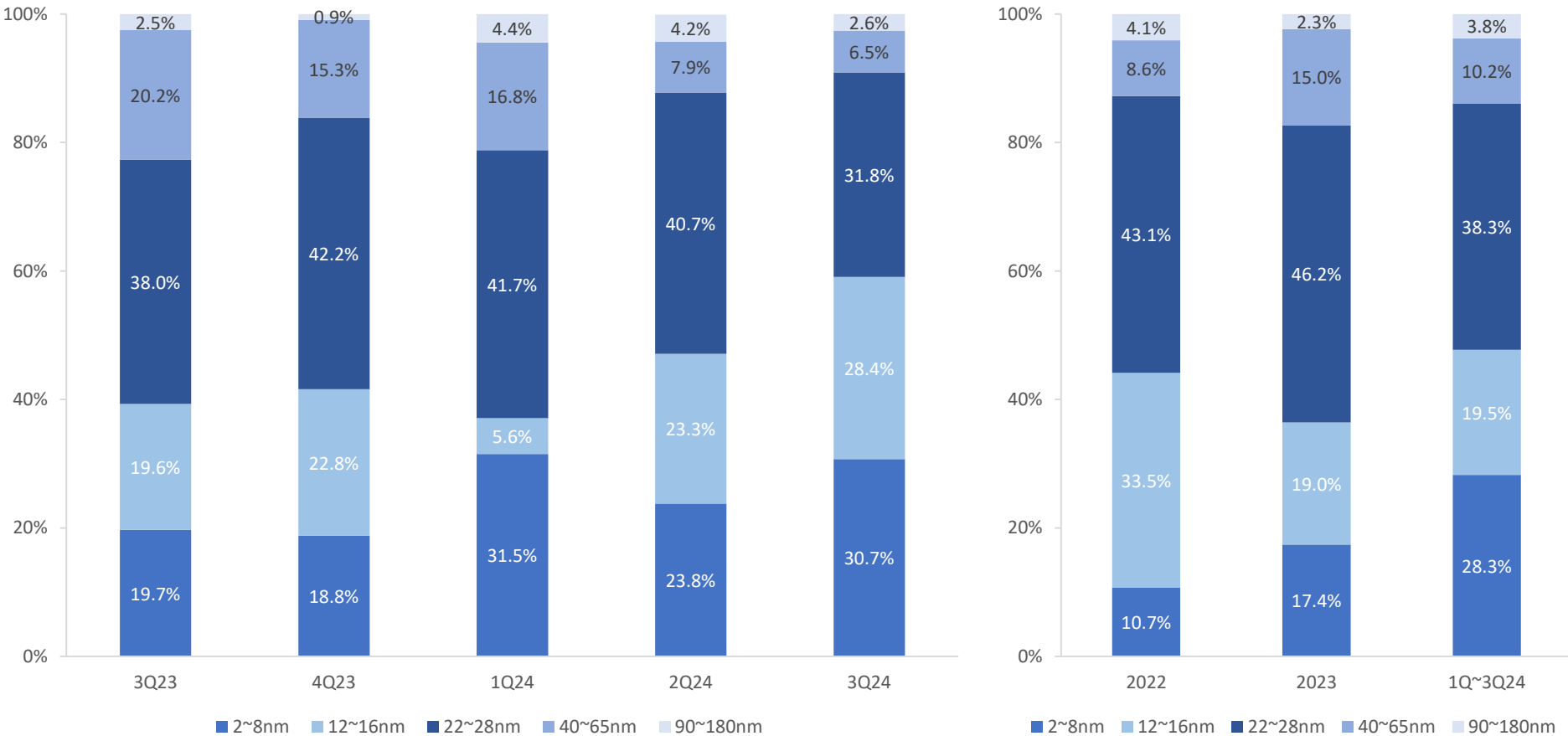
3Q24 Revenue by Customer Type

- Except for 4Q23, quarterly revenue from fabless has consistently exceeded that from foundries, accounting for over 59%.
- As of the first three quarters of 2024, the revenue ratio between fabless and foundry is approximately 63:37.



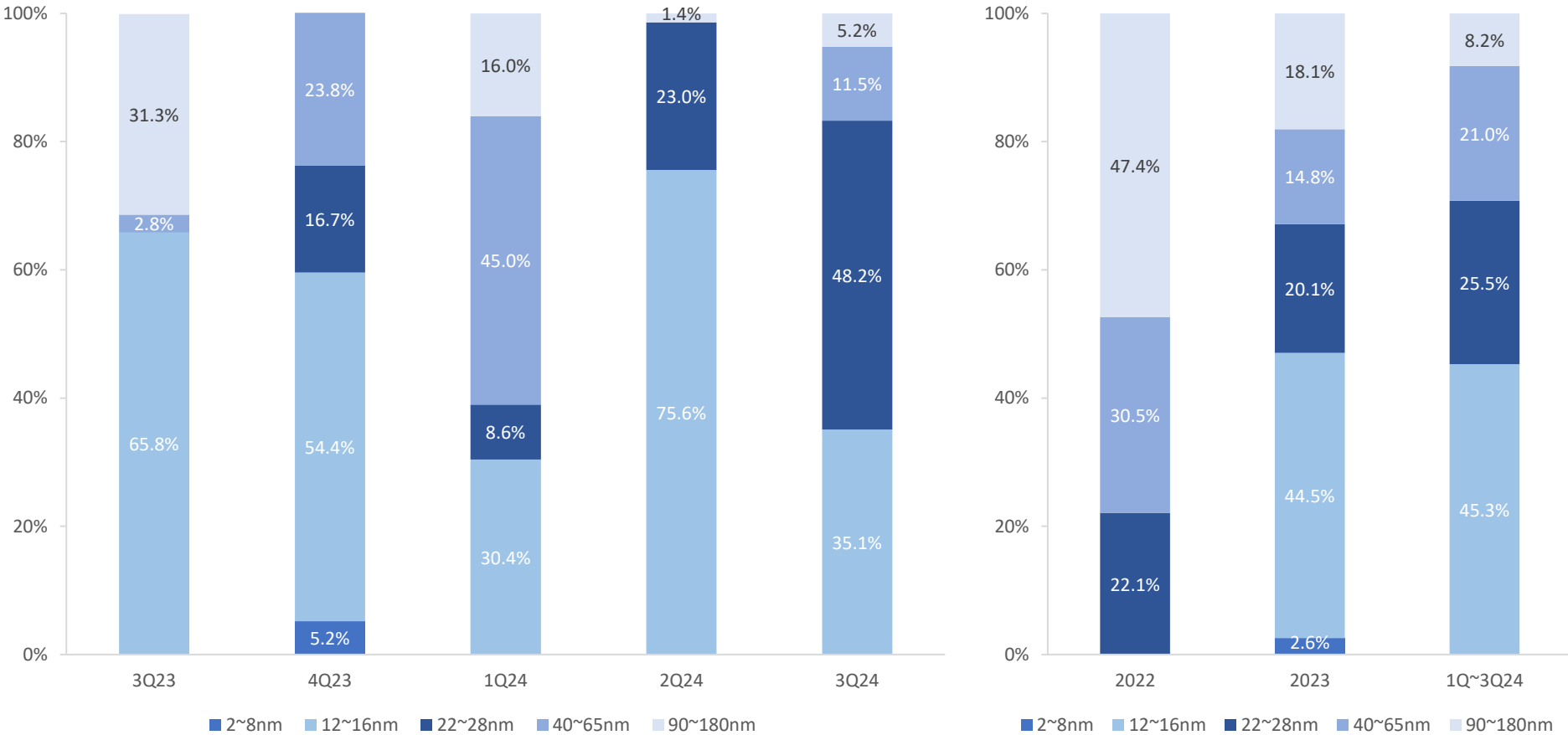
3Q24 Fabless License Fee by Nodes

- In 3Q24, the proportion of fabless license fee for process nodes below 16nm has exceeded 50%, reaching 59.1%.
- Since 2022, the fabless license fee ratio for 2-8nm has shown an upward trend, increasing from 10.7% to 28.3%.

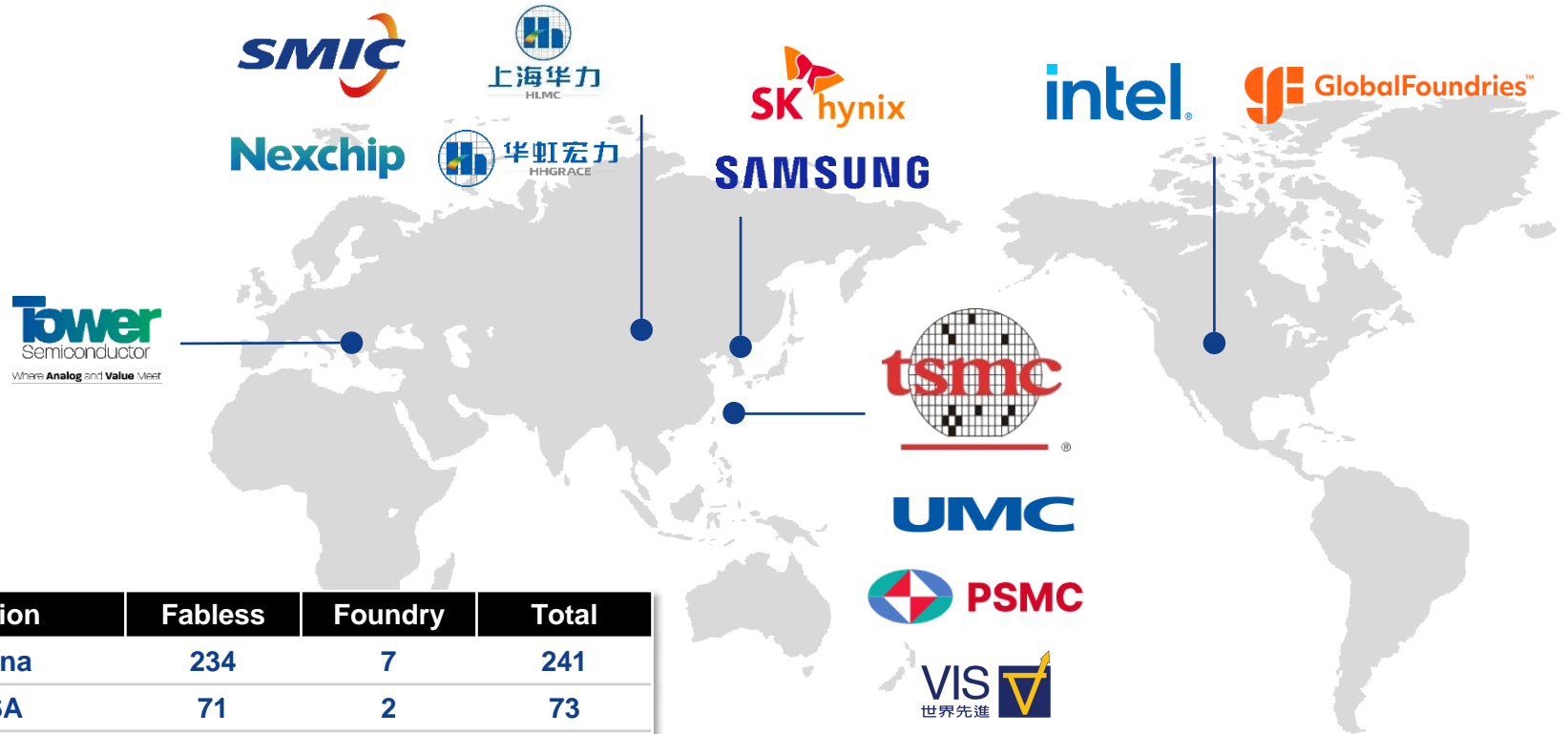


3Q24 Foundry License Fee by Nodes

- Since 2022, the foundry license fee ratio for 90-180nm has significantly declined, dropping from 47.4% to 8.2%.
- Since 2023, the foundry license fee for 12-16nm has taken effect, with the proportion reaching nearly 50%.



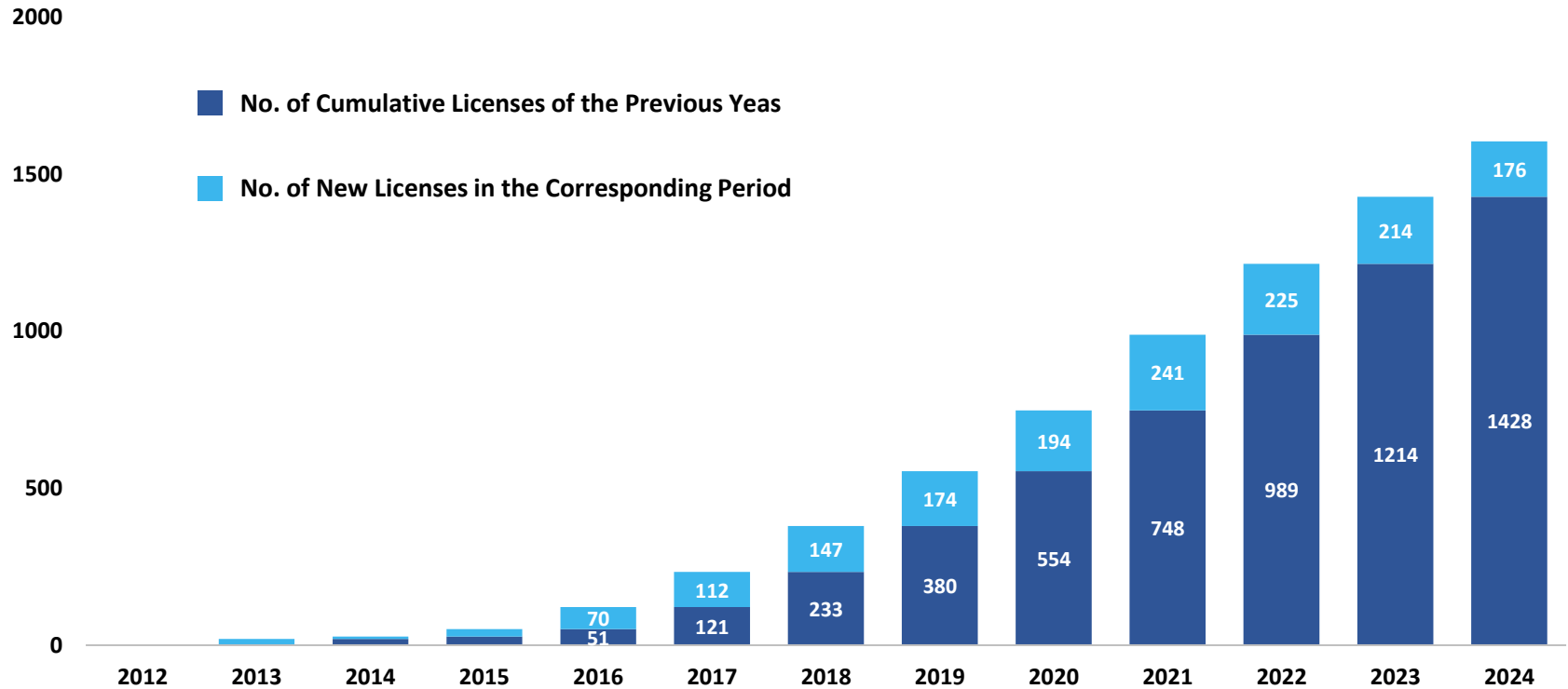
M31 Customers & Partners



Region	Fabless	Foundry	Total
China	234	7	241
USA	71	2	73
Taiwan	69	4	73
Korea	11	2	13
Japan	8	0	8
Eurasia	21	2	23
Others	2	0	2
Total	416	17	433

* Our IP solutions are adopted by leading foundries and fabless worldwide.
 * Customer numbers by region and business type till 3Q24.

M31 Licenses



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
License	1	19	8	23	70	112	147	174	194	241	225	214	176	1604

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 3Q24 Operating Result

3Q24 revenue totaled NT\$ 381.87 million, marking an 11.1% sequential decline, primarily due to project delays at foundries and a slow recovery in non-AI sectors. Additionally, 3Q24 net profit was significantly impacted by foreign exchange losses.

Licensing:

- Licensing declined in 3Q24 but will resume growth momentum from both foundries and fabless companies.

Royalties:

- The royalties have been growing steadily each quarter in 2024, driven by improving utilization rates of mature process.

Recap of 3Q24 Operating Result

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

Fabless:

- IP demand for the most advanced process nodes at 8nm and below remains robust among fabless customers.
- Our 2nm IP has gained further recognition with a second design-win.

Foundries:

- Foundry project kick-offs are anticipated to rebound in 4Q24 across various regions, especially for advanced process platforms.

M31 Future Prospects



Your IP Partner

Your Virtual Team

Thank You