



**Stock Code: 6643 TT**

# 2024年第二季 法人說明會

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

**August 8<sup>th</sup>, 2024**

# Agenda

- **Welcome** Silvia Su, Spokesperson
- **2Q24 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。

# 2Q24 Financial Results

# 2Q24 Statements of Comprehensive Income

## *Selected Items from Statements of Comprehensive Income*

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

	<b>2Q24</b>	<b>1Q24</b>	<b>2Q23</b>	<b>2Q24 over 1Q24</b>	<b>2Q24 over 2Q23</b>
Net Revenue (US\$ thousands)	13,248	10,904	11,590	+21.5%	+14.3%
Net Revenue	429,383	342,065	347,797	+25.5%	+23.5%
<b>Gross Margin</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		
Operating Expenses	(322,648)	(339,357)	(260,462)	-4.9%	+23.9%
<b>Operating Margin</b>	<b>24.9%</b>	<b>0.8%</b>	<b>25.1%</b>	<b>+24.1 ppt</b>	<b>-0.3 ppt</b>
Net Income	109,860	42,308	98,501	+159.7%	+11.5%
<b>Net Profit Margin</b>	<b>25.6%</b>	<b>12.4%</b>	<b>28.3%</b>	<b>+13.2 ppt</b>	<b>-2.7 ppt</b>
EPS (NT Dollar)	2.64	1.02	2.38	+158.8%	+10.9%
Average Exchange Rate-USD/NTD	32.35	31.40	30.71	+3.0%	+5.3%

\* Diluted weighted average outstanding shares were 41,551 units in 2Q24.

\*\* 2Q24 net foreign exchange gain of NTD \$11,060K.

# 1H24 Statements of Comprehensive Income

## *Selected Items from Statements of Comprehensive Income*

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

	<b>1H24</b>	<b>1H23</b>	<b>1H24 over 1H23</b>
Net Revenue (US\$ thousands)	24,153	21,887	+10.4%
Net Revenue	771,448	660,759	+16.8%
<b>Gross Margin</b>	<b>100%</b>	<b>100%</b>	
Operating Expenses	(662,005)	(528,787)	+25.2%
<b>Operating Margin</b>	<b>14.2%</b>	<b>20.0%</b>	<b>-5.8 ppt</b>
Net Income	152,168	168,575	-9.7%
<b>Net Profit Margin</b>	<b>19.7%</b>	<b>25.5%</b>	<b>-5.8 ppt</b>
EPS (NT Dollar)	3.66	4.08	-10.3%
Average Exchange Rate-USD/NTD	31.91	30.56	+4.4%

\* Diluted weighted average outstanding shares were 41,550 units in 1H24.

\*\* 1H24 net foreign exchange gain of NTD \$51,496K.



# 2Q24 Balance Sheets

## Selected Items from Balance Sheets

(In NT\$ thousands)

	2Q24		1Q24		2Q23	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	842,022	35%	940,323	41%	1,254,658	53%
Accounts Receivable	363,123	15%	259,900	11%	198,760	8%
Other current assets	283,609	11%	276,481	12%	213,941	9%
Net PP&E	608,663	25%	582,419	25%	571,390	24%
Other non-current assets	353,553	14%	257,765	11%	140,282	6%
<b>Total Assets</b>	<b>2,450,970</b>	<b>100%</b>	<b>2,316,888</b>	<b>100%</b>	<b>2,379,031</b>	<b>100%</b>
Current Liabilities	485,880	20%	463,479	20%	580,709	25%
Non-current Liabilities	22,143	1%	22,825	1%	8,593	-
<b>Total Liabilities</b>	<b>508,023</b>	<b>21%</b>	<b>486,304</b>	<b>21%</b>	<b>589,302</b>	<b>25%</b>
<b>Total Shareholders' Equity</b>	<b>1,942,947</b>	<b>79%</b>	<b>1,830,584</b>	<b>79%</b>	<b>1,789,729</b>	<b>75%</b>

# 2Q24 Cash Flow

(In NT\$ thousands)

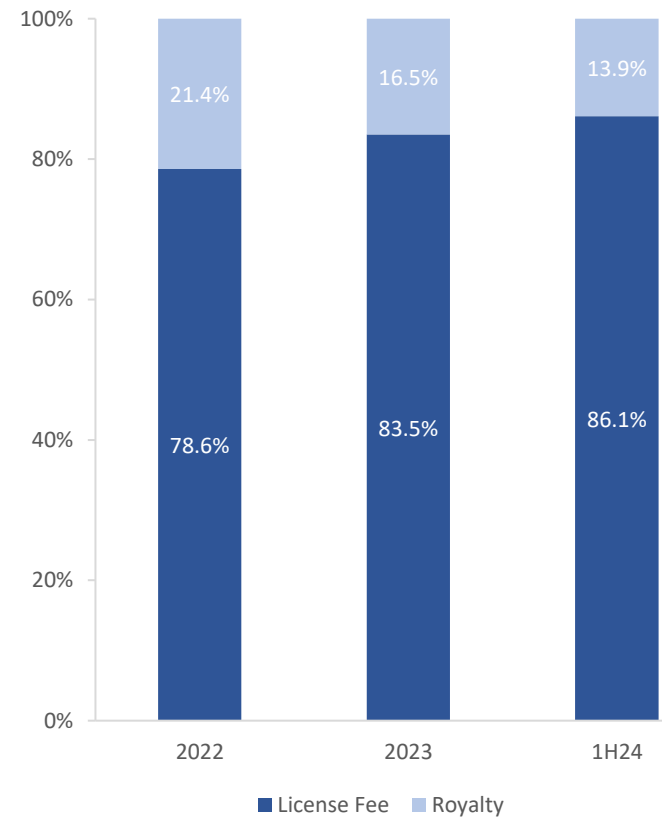
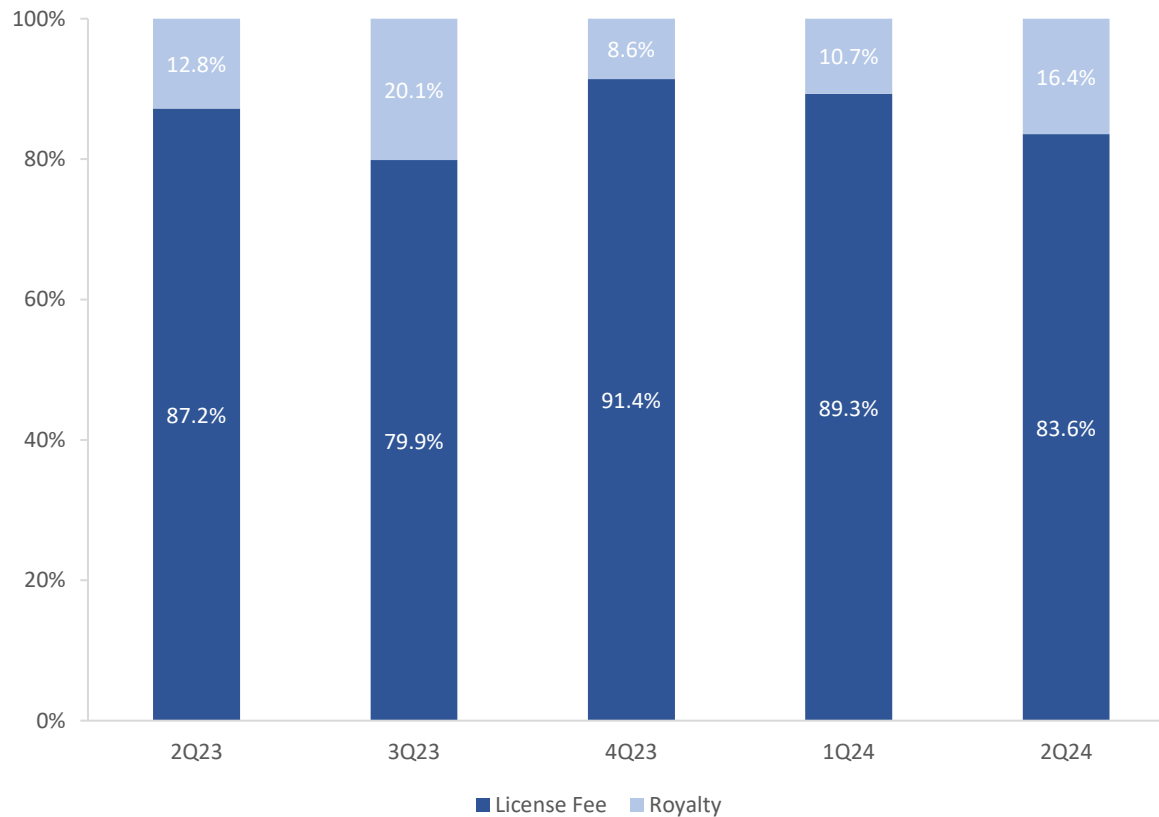
	2Q24	1Q24	2Q23
	6 Months Ended	3 Months Ended	6 Months Ended
<b>Beginning Balance</b>	<b>849,121</b>	<b>849,121</b>	<b>546,776</b>
Cash generated from operating activities	(131,347)	(141,728)	17,076
Cash used in investing activities	(152,847)	(48,727)	452,547
Cash generated from/(used in) financing activities	(4,877)	(2,118)	(1,207)
FX effects on cash held in foreign currencies	14,608	17,984	8,874
<b>Ending Balance</b>	<b>574,658</b>	<b>674,532</b>	<b>1,024,066</b>



# Operating Result

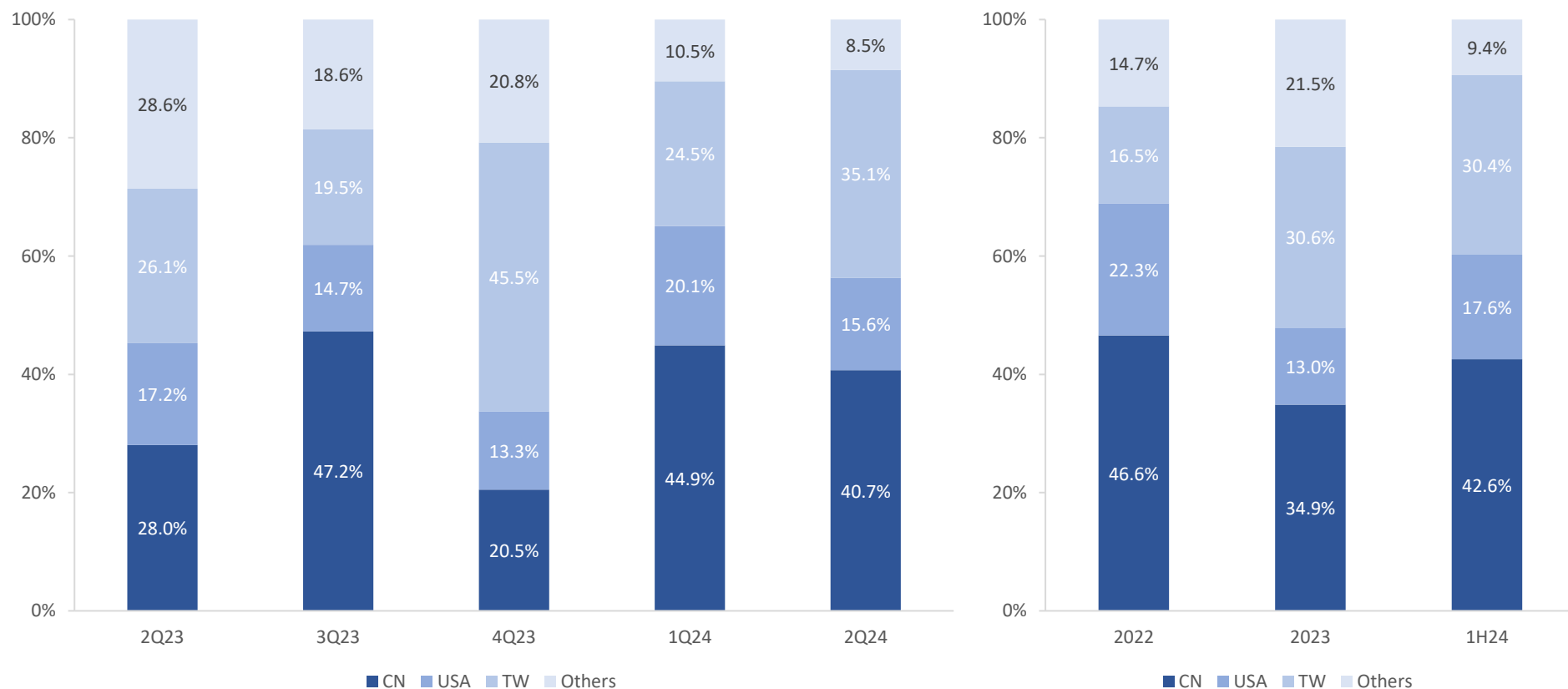
# 2Q24 Revenue by Income Source

- Starting from 2022, the proportion of License Fee shows a growth trend from 78.6% to 86.1%.
- Starting from 4Q23, the proportion of Royalty shows a slight growth trend each quarter.
- In general, our License Fee proportion is higher than Royalty, with a ratio of approximately 86:14 in 1H24.



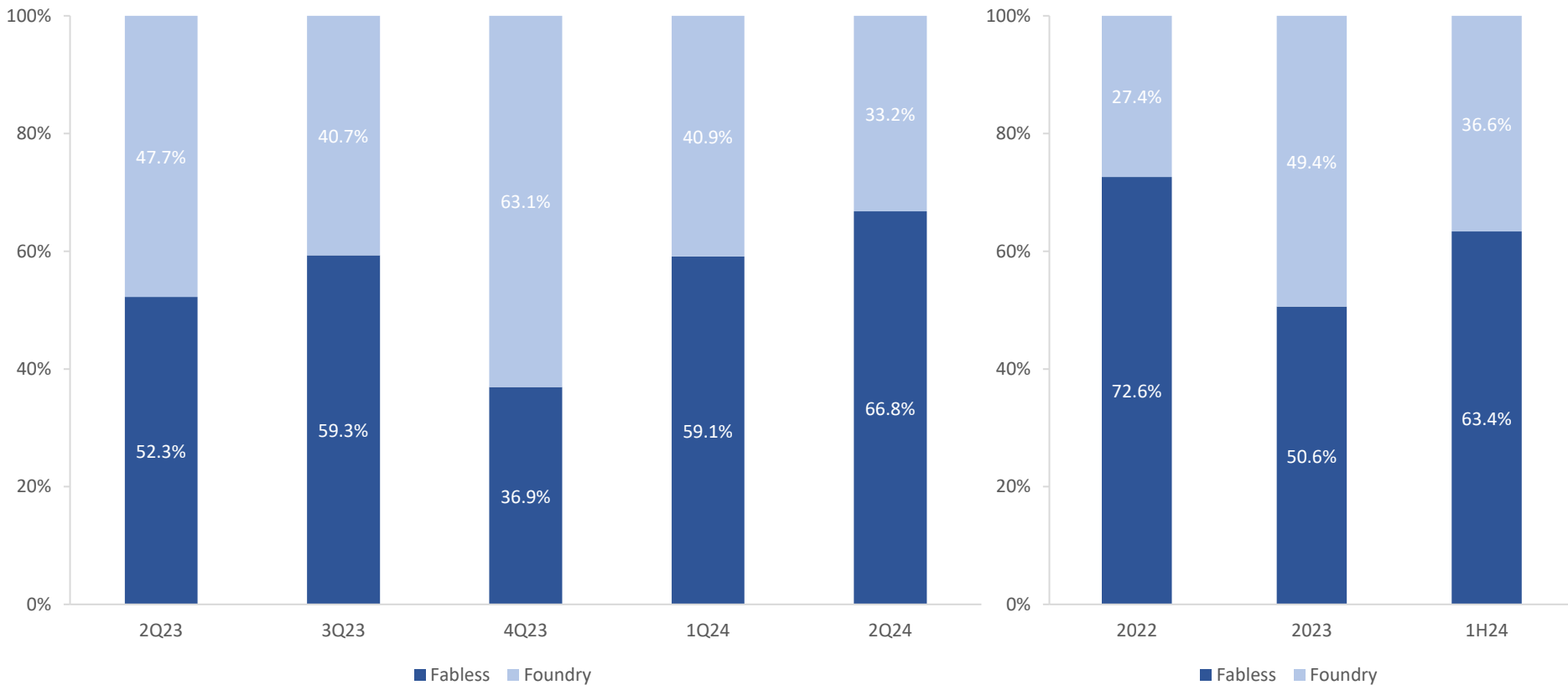
# 2Q24 Revenue by Region

- As of 1H24, revenue from China still accounted for the majority, remaining above 40%.
- In 1H24, the combined revenue from China, Taiwan, and USA accounted for over 90% of the total revenue.



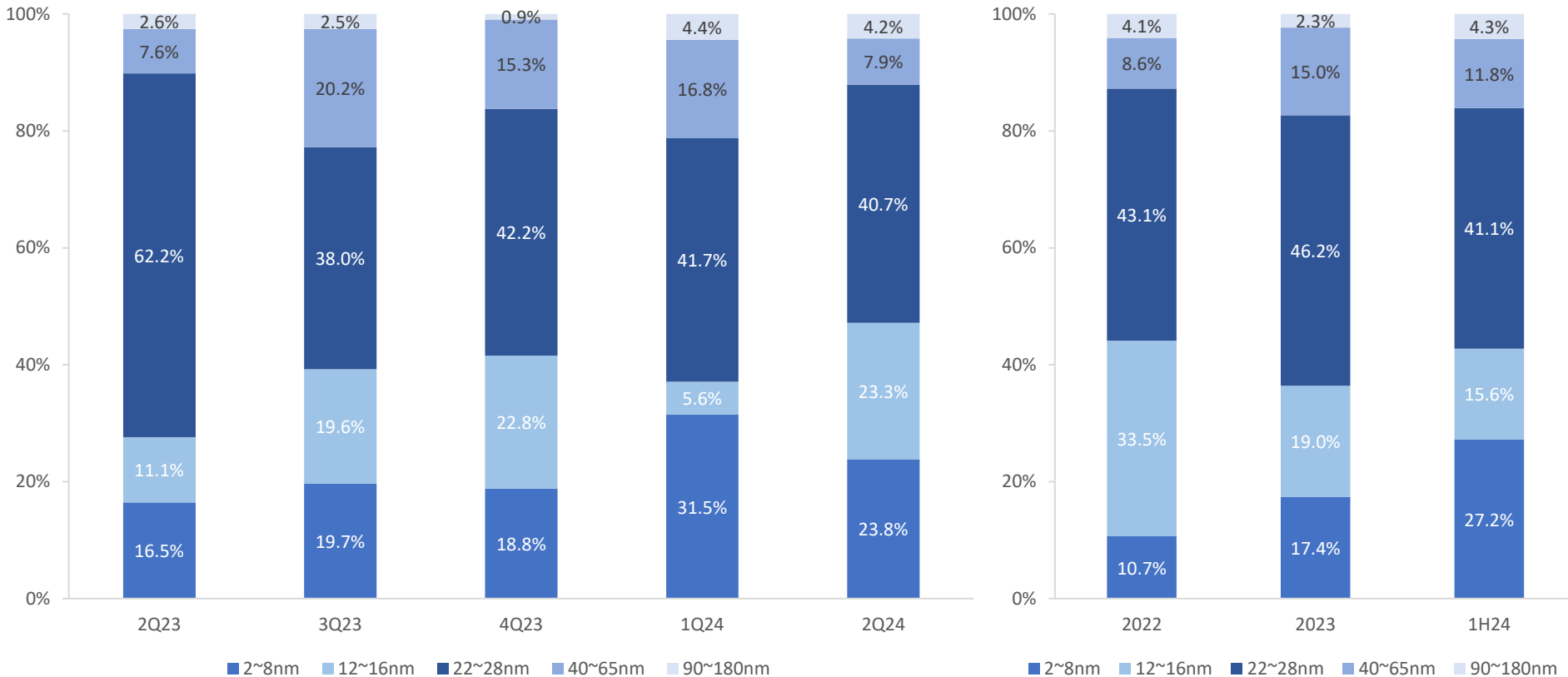
# 2Q24 Revenue by Customer Type

- Except for 4Q2023, revenue from fabless was slightly higher than that from foundry, accounting for over 50%.
- As of 1H24, the revenue ratio between fabless and foundry is approximately 6:4.



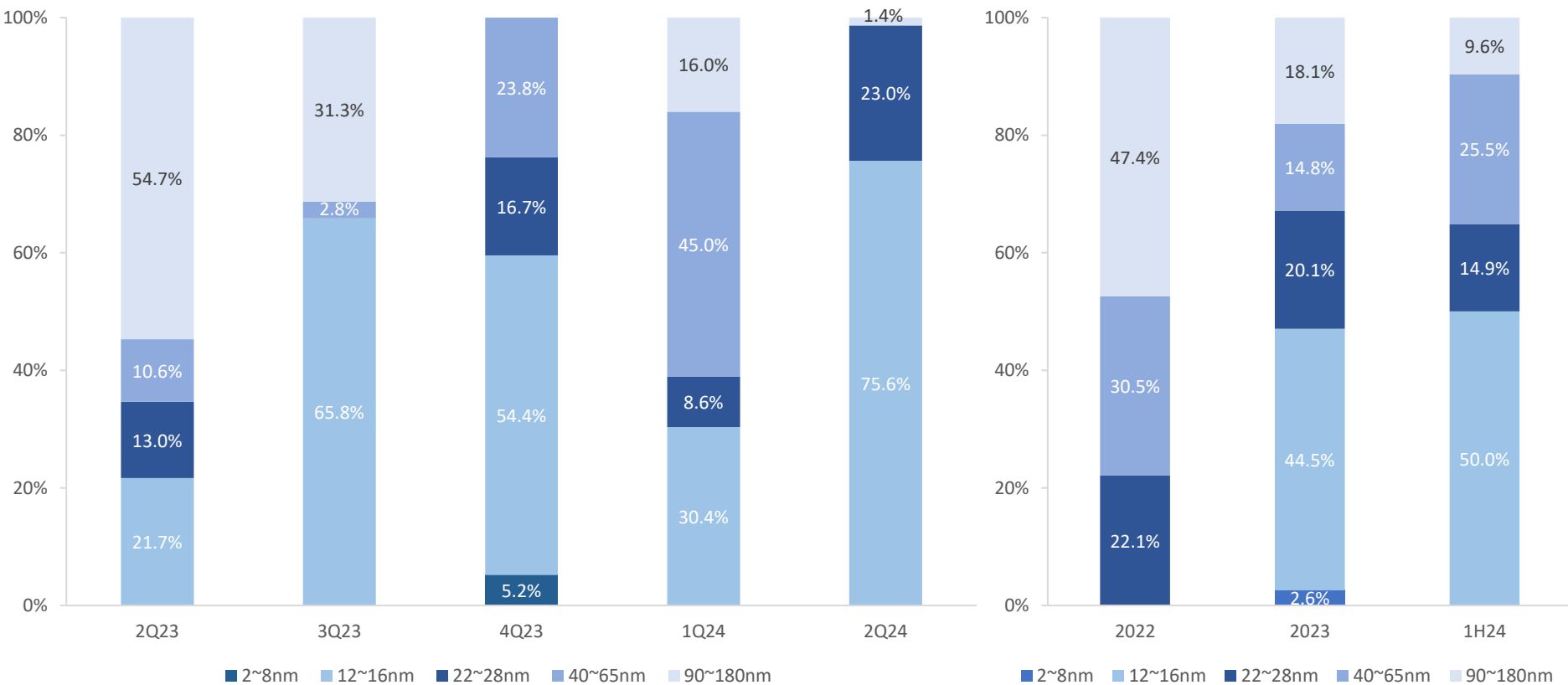
# 2Q24 Fabless License Fee by Nodes

- The fabless license fee for 22-28nm has consistently remained above 40%.
- Since 2022, the fabless license fee ratio for 2-8nm has shown an upward trend, increasing from 10.7% to 27.2%.



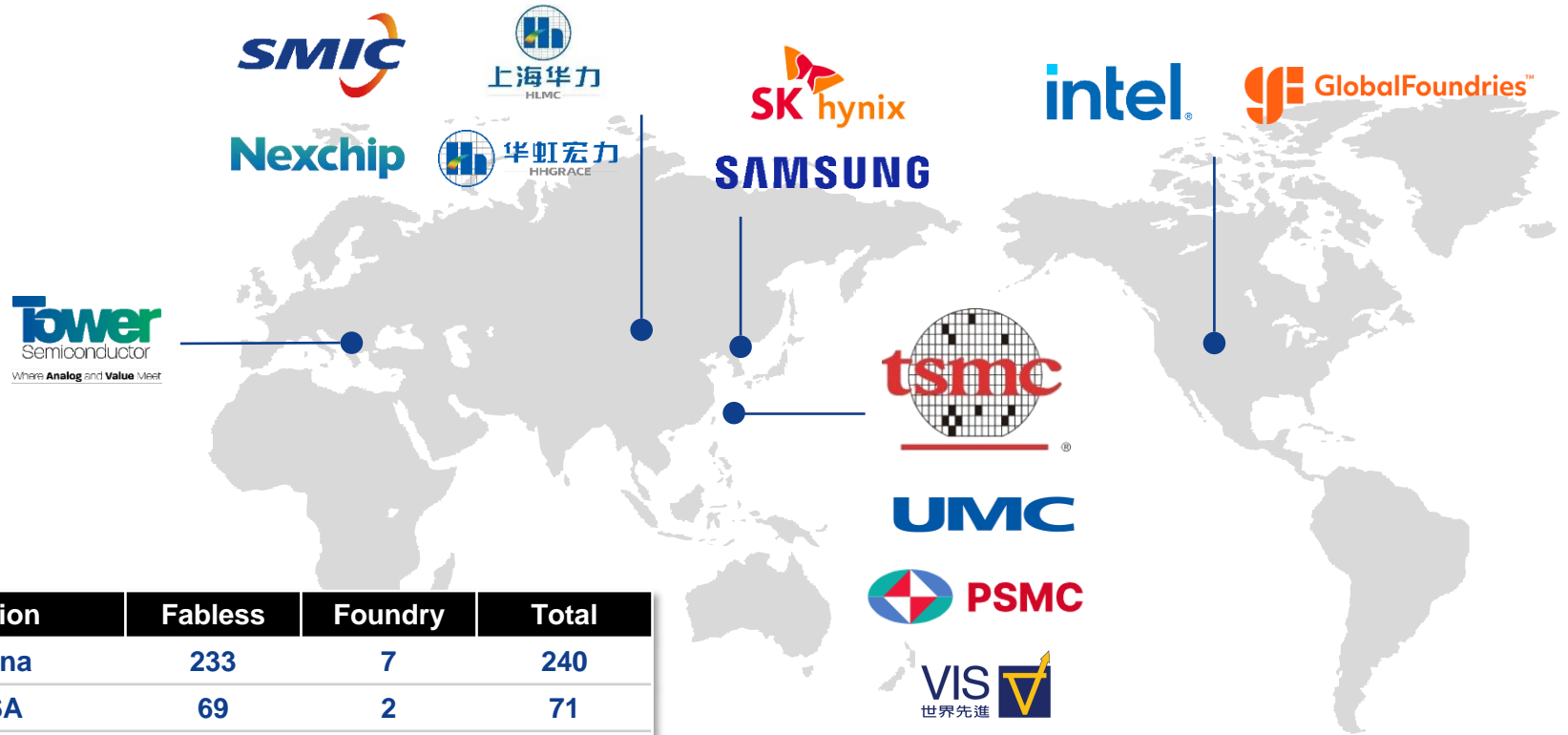
# 2Q24 Foundry License Fee by Nodes

- 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 begun to take effect, reaching a ratio of up to 50%.





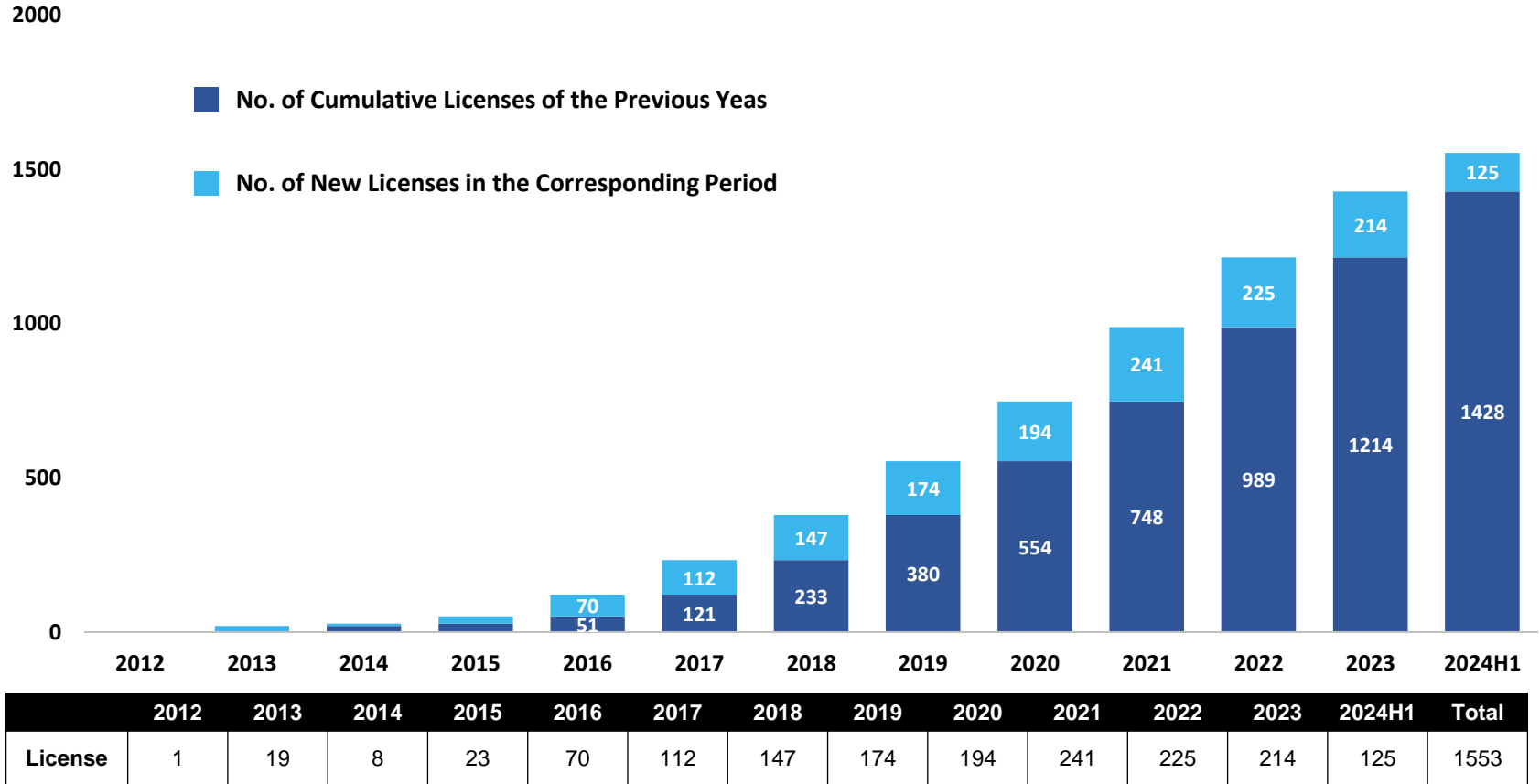
# M31 Customers



Region	Fabless	Foundry	Total
China	233	7	240
USA	69	2	71
Taiwan	69	4	73
Korea	11	2	13
Japan	8	0	8
Eurasia	21	2	23
Others	2	0	2
<b>Total</b>	<b>413</b>	<b>17</b>	<b>430</b>

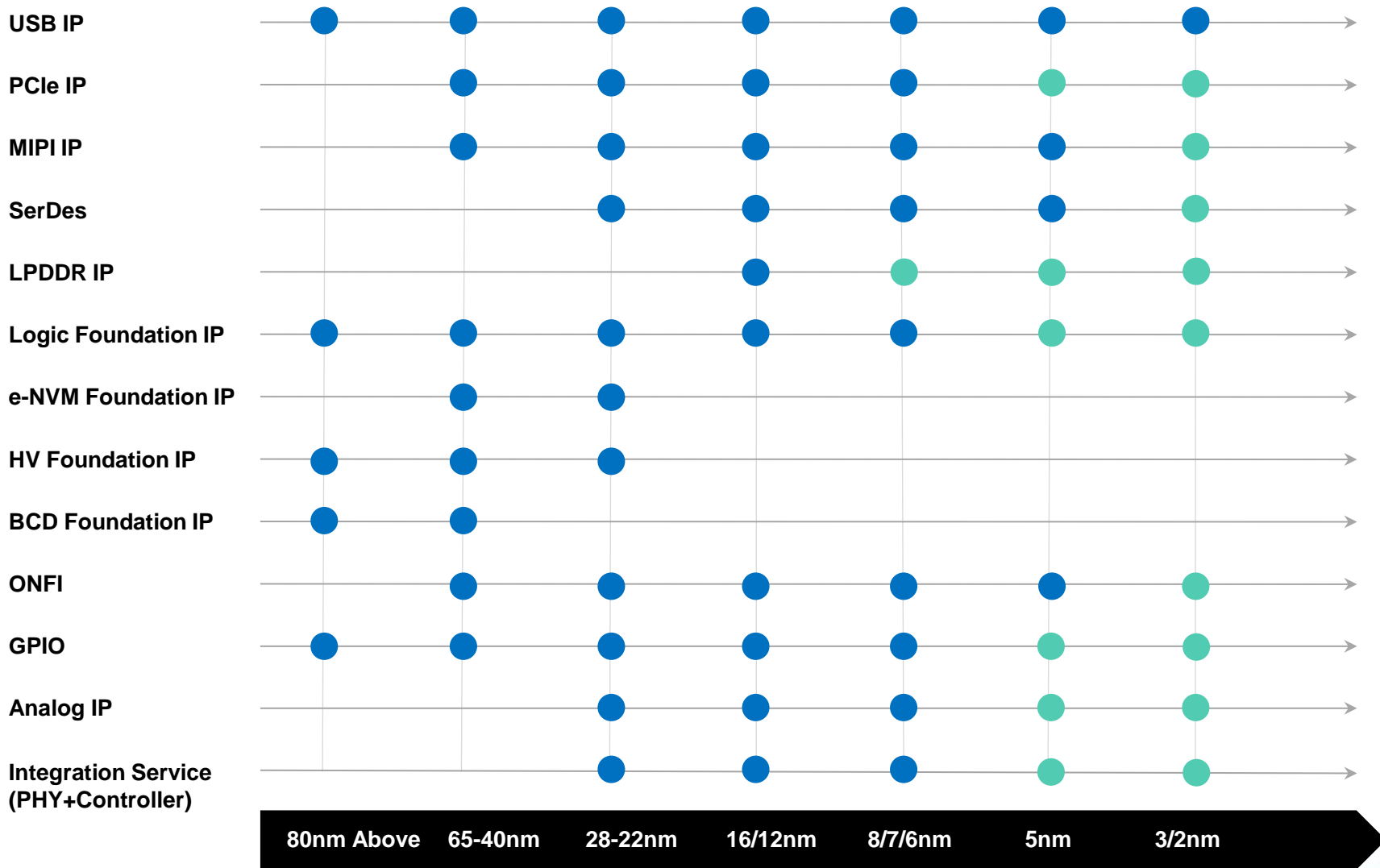
\* Our IP solutions are adopted by leading foundries and fabless worldwide.  
 \* Customer numbers by region and business type till 1H24.

# 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.

# We Are Moving Forward



# Recap of 2Q24 Operating Result

- 2Q24 revenue NT\$ 429.38 million, up 25.5% sequentially, boosted both OP Margin and Net Profit Margin from the previous quarter. After a NT\$2.00 per share stock dividend from 2023 earnings, 2Q24 EPS was diluted to NT\$2.64.
- Royalties in the second quarter are beginning to exhibit a slight upward trend thanks to improving utilization rates at overseas foundries.
- Licenses for 12/16nm, just behind the 22/28nm, have demonstrated strong growth. Nodes  $\leq 16\text{nm}$  consistently contribute over 50% of total licenses.
- Benefiting from the recovery of projects in China and new orders from fabless customers in TW, there is a rising demand for IP related to advanced process technology and porting across diverse foundries' platforms.
- The M31 Board of Directors has approved the implementation of the Employee Stock Ownership Trust (ESOT) program for 2024.

# *M31 Future Prospects*





*Your IP Partner*

*Your Virtual Team*

Thank You