

## MediaTek Inc. Reports Fourth-Quarter and Full-Year 2022 Consolidated Results

**MediaTek discloses Taiwan-International Financial Reporting Standards (TIFRS) financial measures and also provides Non-Taiwan-International Financial Reporting Standards (Non-TIFRS)<sup>Note1</sup> financial measures as supplemental information. Non-TIFRS financial information should be considered in addition to, not as a substitute for, TIFRS financial information. Earnings distribution is made in accordance with financial statements based on TIFRS.**

### Taiwan-International Financial Reporting Standards (TIFRS) financial measures

- 4Q22 consolidated revenue of NT\$108,194 million, down 23.9% quarter over quarter and down 15.9% year-over-year
- 4Q22 consolidated gross margin of 48.3%, down 1 percentage point quarter over quarter and down 1.3 percentage points year-over-year
- 2022 consolidated revenue grew 11.2% year-over-year to NT\$548,796 million with EPS of NT\$74.59, both reaching record highs

#### Consolidated Revenue

MediaTek Inc. today announced financial results of fourth-quarter ended December 31, 2022. The fourth-quarter revenue was NT\$108,194 million, down 23.9% sequentially and down 15.9% year-over-year due to customers' inventory adjustments.

Full year 2022 revenue totaled NT\$548,796 million, up 11.2% from 2021.

#### Consolidated Gross Profit and Gross Margin

The fourth-quarter gross profit was NT\$52,261 million, down 25.4% sequentially and down 18.1% year-over-year. Gross margin for the quarter was 48.3%, down 1 percentage point from the previous quarter and down 1.3 percentage points year-over-year due to product mix changes.

Full year 2022 gross profit was NT\$270,904 million, up 17.0% year-over-year. Gross margin for 2022 was 49.4%, up 2.5 percentage points year-over-year.

#### Consolidated Operating Expenses

Operating expenses for the quarter was NT\$34,175 million (31.6% of revenue), compared with NT\$37,041 million (26.1% of revenue) in the previous quarter. The quarter-over-quarter decrease was mainly due to less expenses recognized based on shipments and profits in this quarter. Operating expenses for the same period in 2021 was NT\$34,109 million (26.5% of revenue), flat year-over-year.

Operating expenses for the quarter included:

- R&D expenses of NT\$28,047 million (25.9% of revenue), decreased from NT\$30,106 million in the previous quarter and increased from NT\$26,411 million in the year-ago quarter.

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- Selling expenses of NT\$3,666 million (3.4% of revenue), increased from NT\$3,530 million in the previous quarter and decreased from NT\$4,843 million in the year-ago quarter.
- Administration expenses of NT\$2,462 million (2.3% of revenue), decreased from NT\$3,406 million in the previous quarter and decreased from NT\$2,855 million in the year-ago quarter.

Full year 2022 operating expenses was NT\$144,116 million (26.3% of revenue), increased 16.6% year-over-year.

#### **Consolidated Operating Income and Operating Margin**

Operating income for the quarter was NT\$18,086 million, down 45.3% sequentially and down 39.1% year-over-year. Operating margin for the quarter was 16.7%, decreased from 23.3% in the previous quarter and decreased from 23.1% in the year-ago quarter.

Full year 2022 operating income was NT\$126,788 million (operating margin: 23.1%), up 17.4% year-over-year.

#### **Consolidated Non-operating Income (loss) and Income Tax**

Non-operating income for the quarter was NT\$2,971 million, or 2.7% of revenue, mainly from interest income and dividend income. Income tax expense for the quarter was NT\$2,543 million.

Full year 2022 non-operating income was NT\$8,773 million, lower than NT\$18,812 million in 2021. The decrease was mainly due to a one-time gain on disposal of shares in 2021.

#### **Consolidated Net Income, Net Profit Margin and EPS**

Net income for the quarter was NT\$18,514 million, down 40.4% sequentially and down 38.6% year-over-year. Net profit margin for the quarter was 17.1%, decreased from 21.9% in the previous quarter and decreased from 23.4% in the year-ago quarter. EPS was NT\$11.66, down from NT\$19.54 in the prior quarter and down from NT\$18.99 in the year-ago quarter. The quarter-over-quarter and the year-over-year decreases in net income, net profit margin and EPS were mainly due to lower revenue in the quarter.

Full year 2022 net income was NT\$118,625 million, up 6.0% year-over-year. Accumulated EPS was NT\$74.59 for the year, compared with NT\$70.56 in 2021.

#### **Consolidated Cash and Financial Assets-Current**

Cash and financial assets-current at the end of the quarter was NT\$164,810 million. This represents 27.1% of the company's total assets. Cash and financial assets-current was NT\$ 159,193 million and NT\$204,764 million at the end of previous quarter and the year-ago quarter, respectively. Financial assets-current portfolio includes mutual funds, bonds, derivatives and so on.

#### **Consolidated Accounts Receivable**

Accounts receivable (net) at the end of the quarter was NT\$40,842 million. The accounts receivable turnover was 45 days based on quarterly average net receivables divided by annualized net revenue. The turnover was higher than 41 days in the previous quarter and higher than 41 days in the year-ago quarter.

#### **Consolidated Inventory**

Net inventory at the end of the quarter was NT\$70,703 million. The inventory turnover was 126 days based on quarterly average inventory divided by annualized cost of goods sold. The turnover was higher than 111 days in the previous quarter and higher than 100 days in the year-ago quarter.

**Consolidated Cash Flow from Operations**

Net cash provided by operating activities during the quarter was NT\$59,034 million, compared with net cash provided by operating activities of NT\$19,259 million in the previous quarter and net cash provided by operating activities of NT\$24,737 million in the year-ago quarter.

**Earnings Webcast**

MediaTek will hold a public webcast today (February 3). Materials for the conference call will be published 30 minutes prior to the call and an audio replay will be available in one hour after the call at the investors section of MediaTek's website.

<https://corp.mediatek.com/investor-relations/financial-information/quarterly-earnings>

**Schedule:**

Date: Friday, February 3, 2023

Time: 3:00 – 4:00 p.m. (Taiwan Time)

Language: English

**Webcast Links:**

<https://webpage-ott2b.cdn.hinet.net/webpage/live?contentProvider=mediatek>

Investors who want to raise questions may use the toll number below.

Dial-in Number: +852-21121444 / +886-2-33961191

Password: 9406003#

**About MediaTek Inc.**

MediaTek Incorporated (TWSE: 2454) is a global fabless semiconductor company that enables nearly 2 billion connected devices a year. We are a market leader in developing innovative systems-on-chip (SoC) for mobile device, home entertainment, connectivity and IoT products. Our dedication to innovation has positioned us as a driving market force in several key technology areas, including highly power-efficient mobile technologies, automotive solutions and a broad range of advanced multimedia products such as smartphones, tablets, digital televisions, 5G, Voice Assistant Devices (VAD) and wearables. MediaTek empowers and inspires people to expand their horizons and achieve their goals through smart technology, more easily and efficiently than ever before. We work with the brands you love to make great technology accessible to everyone, and it drives everything we do. Visit [www.mediatek.com](http://www.mediatek.com) for more information.

## Taiwan-International Financial Reporting Standards (TIFRS)

### MediaTek Inc. Consolidated Income Statement (Unaudited)

(In NT\$ millions, except EPS)	4Q22	3Q22	4Q21	Q-Q	Y-Y
Net Sales	108,194	142,161	128,654	(23.9%)	(15.9%)
Operating costs	(55,933)	(72,066)	(64,824)		
Gross profit	52,261	70,095	63,830	(25.4%)	(18.1%)
Selling expenses	(3,666)	(3,530)	(4,843)		
Administration expenses	(2,462)	(3,406)	(2,855)		
R&D expenses	(28,047)	(30,106)	(26,411)		
Operating expenses	(34,175)	(37,041)	(34,109)		
Operating income	18,086	33,054	29,721	(45.3%)	(39.1%)
Net non-operating income	2,971	2,542	4,278		
Net income before income tax	21,057	35,596	33,999		
Income tax expense	(2,543)	(4,511)	(3,852)		
Net income	18,514	31,085	30,148	(40.4%)	(38.6%)
Owners of the parent	18,488	30,955	30,051	(40.3%)	(38.5%)
Non-controlling interests	26	131	97		
<b>EPS attributable to the parent(NT\$)</b>	<b>11.66</b>	<b>19.54</b>	<b>18.99</b>		
Average Exchange Rate - USD/NTD	31.37	30.41	27.83		

Note: Sums may not equal totals due to rounding.

### MediaTek Inc. Consolidated Income Statement (Percentage of Revenue)

	4Q22	3Q22	4Q21
<b>Gross profit</b>	<b>48.3%</b>	<b>49.3%</b>	<b>49.6%</b>
Selling expenses	(3.4%)	(2.5%)	(3.8%)
Administration expenses	(2.3%)	(2.4%)	(2.2%)
R&D expenses	(25.9%)	(21.2%)	(20.5%)
<b>Operating income</b>	<b>16.7%</b>	<b>23.3%</b>	<b>23.1%</b>
Non-operating income	2.7%	1.8%	3.3%
Income tax expense	(2.4%)	(3.2%)	(3.0%)
<b>Net income</b>	<b>17.1%</b>	<b>21.9%</b>	<b>23.4%</b>

Note: Sums may not equal totals due to rounding.

## MediaTek Inc. Consolidated Income Statement (Unaudited)

(In NT\$ millions, except EPS)	2022	2021	Y-Y
Net Sales	548,796	493,415	11.2%
Operating costs	(277,892)	(261,810)	
Gross profit	270,904	231,605	17.0%
Selling expenses	(14,240)	(17,196)	
Administration expenses	(13,001)	(10,287)	
R&D expenses	(116,875)	(96,081)	
Operating expenses	(144,116)	(123,564)	
Operating income	126,788	108,040	17.4%
Net non-operating income	8,773	18,812	
Net income before income tax	135,561	126,852	
Income tax expense	(16,936)	(14,980)	
Net income	118,625	111,873	6.0%
Owners of the parent	118,141	111,421	6.0%
Non-controlling interests	484	451	
<b>EPS attributable to the parent(NT\$)</b>	<b>74.59</b>	<b>70.56</b>	
Average Exchange Rate - USD/NTD	29.80	28.02	

Note: Sums may not equal totals due to rounding.

## MediaTek Inc. Consolidated Income Statement (Percentage of Revenue)

	2022	2021
<b>Gross profit</b>	<b>49.4%</b>	<b>46.9%</b>
Selling expenses	(2.6%)	(3.5%)
Administration expenses	(2.4%)	(2.1%)
R&D expenses	(21.3%)	(19.5%)
<b>Operating income</b>	<b>23.1%</b>	<b>21.9%</b>
Non-operating income	1.6%	3.8%
Income tax expense	(3.1%)	(3.0%)
<b>Net income</b>	<b>21.6%</b>	<b>22.7%</b>

Note: Sums may not equal totals due to rounding.

## MediaTek Inc. Consolidated Balance Sheet (Unaudited)

(In NT\$ millions)	4Q22	3Q22	4Q21
Cash & financial assets-current	164,810	159,193	204,764
Accounts receivable	40,842	65,913	58,660
Inventories	70,703	83,438	73,271
Other current assets	21,298	14,268	10,171
Funds and investments	123,489	126,921	128,123
Intangible assets	73,455	73,834	73,526
Other non-current assets	113,802	116,327	112,363
Total assets	608,399	639,894	660,877
Short-term loans	3,700	48,611	51,267
Accounts payable	21,518	30,515	43,504
Other current liabilities	116,352	111,124	116,335
Total non-current liabilities	23,771	21,320	16,123
Total equity	443,058	428,323	433,648

Note: Sums may not equal totals due to rounding.

## MediaTek Inc. Consolidated Cash Flow Summary (Unaudited)

(In NT\$ millions)	4Q22	3Q22	4Q21
Net cash provided by (used in) operating activities	59,034	19,259	24,737
Net cash provided by (used in) investing activities	(2,918)	(15,042)	(9,100)
Net cash provided by (used in) financing activities	(45,661)	(110,118)	1,144
Effect of changes in exchange rate on cash and cash equivalents	(4,522)	9,252	(1,314)
Net increase (decrease) in cash and cash equivalents	5,934	(96,649)	15,467
Cash and cash equivalents at the end of the period	147,502	141,569	183,705

Note: Sums may not equal totals due to rounding.

## 【Supplemental Information】

### Reconciliations of TIFRS Results to Non-TIFRS Results<sup>Note2</sup>

(In NT\$ millions)

		4Q22	3Q22	4Q21	Q-Q	Y-Y
TIFRS	Operating income	18,086	33,054	29,721	(45.3%)	(39.1%)
	Operating income margin(%)	16.7%	23.3%	23.1%		
Reconciliations	Share-based compensation	568	1,119	1,066		
	Amortization of acquisition related assets	174	159	136		
Non-TIFRS	<b>Operating income</b>	<b>18,828</b>	<b>34,332</b>	<b>30,923</b>	(45.2%)	(39.1%)
	<b>Operating income margin (%)</b>	<b>17.4%</b>	<b>24.1%</b>	<b>24.0%</b>		

TIFRS	Net income	18,514	31,085	30,148	(40.4%)	(38.6%)
	Net income margin(%)	17.1%	21.9%	23.4%		
	Net income- Owners of the parent	18,488	30,955	30,051	(40.3%)	(38.5%)
	EPS(NT\$)	11.66	19.54	18.99		
Reconciliations	Share-based compensation	568	1,119	1,066		
	Amortization of acquisition related assets	174	159	136		
	Tax effect	(102)	(176)	(170)		
Non-TIFRS	<b>Net income</b>	<b>19,155</b>	<b>32,187</b>	<b>31,179</b>	(40.5%)	(38.6%)
	<b>Net income margin (%)</b>	<b>17.7%</b>	<b>22.6%</b>	<b>24.2%</b>		
	<b>Net income- Owners of the parent</b>	<b>19,096</b>	<b>32,025</b>	<b>31,072</b>	(40.4%)	(38.5%)
	<b>EPS(NT\$)</b>	<b>12.04</b>	<b>20.22</b>	<b>19.63</b>		

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## 【Supplemental Information】

### Reconciliations of TIFRS Results to Non-TIFRS Results<sup>Note2</sup>

(In NT\$ millions)

		2022	2021	Y-Y
TIFRS	Operating income	126,788	108,040	17.4%
	Operating income margin(%)	23.1%	21.9%	
Reconciliations	Share-based compensation	4,175	1,757	
	Amortization of acquisition related assets	499	606	
Non-TIFRS	<b>Operating income</b>	<b>131,463</b>	<b>110,403</b>	19.1%
	<b>Operating income margin (%)</b>	<b>24.0%</b>	<b>22.4%</b>	

TIFRS	Net income	118,625	111,873	6.0%
	Net income margin(%)	21.6%	22.7%	
	Net income- Owners of the parent	118,141	111,421	6.0%
	EPS(NT\$)	74.59	70.56	
Reconciliations	Share-based compensation	4,175	1,757	
	Amortization of acquisition related assets	499	606	
	Tax effect	(643)	(353)	
Non-TIFRS	<b>Net income</b>	<b>122,656</b>	<b>113,882</b>	7.7%
	<b>Net income margin (%)</b>	<b>22.4%</b>	<b>23.1%</b>	
	<b>Net income- Owners of the parent</b>	<b>122,058</b>	<b>113,400</b>	7.6%
	<b>EPS(NT\$)</b>	<b>77.07</b>	<b>71.81</b>	

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