

## MediaTek Inc. Reports Third-Quarter 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

- 3Q23 consolidated revenue of NT\$110,098 million, up 12.2% quarter over quarter and down 22.6% year-over-year
- 3Q23 consolidated gross margin of 47.4%, down 0.1 percentage points quarter over quarter and 1.9 percentage points year-over-year
- 3Q23 consolidated net income of NT\$18,569 million; EPS of NT\$11.64

#### Consolidated Revenue

MediaTek Inc. today announced financial results of third-quarter ended September 30, 2023. The third-quarter revenue was NT\$110,098 million, up 12.2% sequentially and down 22.6% year-over-year. The quarter-over-quarter increase was mainly due to certain customers restocking. The year-over-year decrease was mainly due to end demand weakness.

#### Consolidated Gross Profit and Gross Margin

The third-quarter gross profit was NT\$52,192 million, up 11.9% sequentially and down 25.5% year-over-year. Gross margin for the quarter was 47.4%, down 0.1 percentage points from the previous quarter and 1.9 percentage points from the year-ago quarter. The quarter-over-quarter and year-over-year decreases reflected changes in prices and costs of our products.

#### Consolidated Operating Expenses

Operating expenses for the quarter was NT\$34,248 million (31.1% of revenue), compared with NT\$31,896 million (32.5% of revenue) in the previous quarter and NT\$37,041 million (26.1% of revenue) in the same period last year. The quarter-over-quarter increase was mainly due to higher R&D expenses in this quarter. The year-over-year decrease was mainly due to lower employee profit sharing expenses in this quarter.

Operating expenses for the quarter included:

- R&D expenses of NT\$28,242 million (25.7% of revenue), increased from NT\$26,188 million in the previous quarter and decreased from NT\$30,106 million in the year-ago quarter.
- Selling expenses of NT\$3,745 million (3.4% of revenue), increased from NT\$3,375 million in the previous quarter and NT\$3,530 million in the year-ago quarter.

**Note1: Non-TIFRS financial information should be considered in addition to, not as a substitute for, TIFRS financial information. Reconciliations between TIFRS and Non-TIFRS results include share-based compensation, amortization of acquisition related assets, tax effect and other items. Further information is included in supplemental information.**

- Administration expenses of NT\$2,261 million (2.1% of revenue), decreased from NT\$2,333 million in the previous quarter and NT\$3,406 million in the year-ago quarter.

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

Operating income for the quarter was NT\$17,944 million, up 21.7% sequentially and down 45.7% year-over-year. Operating margin for the quarter was 16.3%, up from 15% in the previous quarter and down from 23.3% in the year-ago quarter.

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

Non-operating income for the quarter was NT\$3,048 million, or 2.8% of revenue, mainly from interest income and dividend income. Income tax expense for the quarter was NT\$2,424 million.

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

Net income for the quarter was NT\$18,569 million, up 15.9% sequentially and down 40.3% year-over-year. Net profit margin for the quarter was 16.9%, increased from 16.3% in the previous quarter and decreased from 21.9% in the year-ago quarter. EPS was NT\$11.64, up from NT\$10.07 in the prior quarter and down from NT\$19.54 in the year-ago quarter. The quarter-over-quarter increases in net income, net profit margin and EPS were mainly due to higher revenue in this quarter. The year-over-year decreases in net income, net profit margin and EPS were mainly due to lower revenue and gross margin in this quarter.

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

Cash and financial assets-current at the end of the quarter was NT\$119,324 million. This represents 19.3% of the company's total assets. Cash and financial assets-current was NT\$192,428 million and NT\$159,193 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\$61,154 million. The accounts receivable turnover was 44 days based on quarterly average net receivables divided by annualized net revenue. The turnover was higher than 43 days in the previous quarter and 41 days in the year-ago quarter.

#### **Consolidated Inventory**

Net inventory at the end of the quarter was NT\$53,391 million. The inventory turnover was 90 days based on quarterly average inventory divided by annualized cost of goods sold. The turnover was lower than 115 days in the previous quarter and 111 days in the year-ago quarter.

#### **Consolidated Cash Flow from Operations**

Net cash provided by operating activities during the quarter was NT\$14,966 million, compared with NT\$46,732 million in the previous quarter and NT\$19,259 million in the year-ago quarter.

**Earnings Webcast**

MediaTek will hold a public webcast today (October 27). 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, October 27, 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: 9904027#

**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)	3Q23	2Q23	3Q22	Q-Q	Y-Y
Net Sales	110,098	98,135	142,161	12.2%	(22.6%)
Operating costs	(57,905)	(51,489)	(72,066)		
Gross profit	52,192	46,646	70,095	11.9%	(25.5%)
Selling expenses	(3,745)	(3,375)	(3,530)		
Administration expenses	(2,261)	(2,333)	(3,406)		
R&D expenses	(28,242)	(26,188)	(30,106)		
Operating expenses	(34,248)	(31,896)	(37,041)		
Operating income	17,944	14,751	33,054	21.7%	(45.7%)
Net non-operating income	3,048	3,620	2,542		
Net income before income tax	20,993	18,370	35,596		
Income tax expense	(2,424)	(2,351)	(4,511)		
Net income	18,569	16,019	31,085	15.9%	(40.3%)
Owners of the parent	18,478	15,965	30,955	15.7%	(40.3%)
Non-controlling interests	91	54	131		
<b>EPS attributable to the parent(NT\$)</b>	<b>11.64</b>	<b>10.07</b>	<b>19.54</b>		
Average Exchange Rate - USD/NTD	31.69	30.70	30.41		

Note: Sums may not equal totals due to rounding.

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

	3Q23	2Q23	3Q22
<b>Gross profit</b>	<b>47.4%</b>	<b>47.5%</b>	<b>49.3%</b>
Selling expenses	(3.4%)	(3.4%)	(2.5%)
Administration expenses	(2.1%)	(2.4%)	(2.4%)
R&D expenses	(25.7%)	(26.7%)	(21.2%)
<b>Operating income</b>	<b>16.3%</b>	<b>15.0%</b>	<b>23.3%</b>
Non-operating income	2.8%	3.7%	1.8%
Income tax expense	(2.2%)	(2.4%)	(3.2%)
<b>Net income</b>	<b>16.9%</b>	<b>16.3%</b>	<b>21.9%</b>

Note: Sums may not equal totals due to rounding.

## MediaTek Inc. Consolidated Balance Sheet (Unaudited)

(In NT\$ millions)	3Q23	2Q23	3Q22
Cash & financial assets-current	119,324	192,428	159,193
Accounts receivable	61,154	45,639	65,913
Inventories	53,391	61,067	83,438
Other current assets	33,311	19,005	14,268
Funds and investments	154,925	149,829	126,921
Intangible assets	83,228	81,053	73,834
Other non-current assets	113,008	111,663	116,327
Total assets	618,342	660,684	639,894
Short-term loans	32,794	4,450	48,611
Accounts payable	30,797	29,555	30,515
Other current liabilities	130,967	233,801	111,124
Total non-current liabilities	28,812	26,461	21,320
Total equity	394,971	366,417	428,323

Note: Sums may not equal totals due to rounding.

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

(In NT\$ millions)	3Q23	2Q23	3Q22
Net cash provided by (used in) operating activities	14,966	46,732	19,259
Net cash provided by (used in) investing activities	(55)	(11,262)	(15,042)
Net cash provided by (used in) financing activities	(94,031)	(321)	(110,118)
Effect of changes in exchange rate on cash and cash equivalents	4,981	3,249	9,252
Net increase (decrease) in cash and cash equivalents	(74,139)	38,398	(96,649)
Cash and cash equivalents at the end of the period	103,955	178,094	141,569

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)

		3Q23	2Q23	3Q22	Q-Q	Y-Y
TIFRS	Operating income	17,944	14,751	33,054	21.7%	(45.7%)
	Operating income margin(%)	16.3%	15.0%	23.3%		
Reconciliations	Share-based compensation	504	561	1,119		
	Amortization of acquisition related assets	119	119	159		
Non-TIFRS	<b>Operating income</b>	<b>18,567</b>	<b>15,430</b>	<b>34,332</b>	20.3%	(45.9%)
	<b>Operating income margin (%)</b>	<b>16.9%</b>	<b>15.7%</b>	<b>24.1%</b>		

TIFRS	Net income	18,569	16,019	31,085	15.9%	(40.3%)
	Net income margin(%)	16.9%	16.3%	21.9%		
	Net income- Owners of the parent	18,478	15,965	30,955	15.7%	(40.3%)
	EPS(NT\$)	11.64	10.07	19.54		
Reconciliations	Share-based compensation	504	561	1,119		
	Amortization of acquisition related assets	119	119	159		
	Tax effect	(85)	(94)	(176)		
Non-TIFRS	<b>Net income</b>	<b>19,105</b>	<b>16,605</b>	<b>32,187</b>	15.1%	(40.6%)
	<b>Net income margin (%)</b>	<b>17.4%</b>	<b>16.9%</b>	<b>22.6%</b>		
	<b>Net income- Owners of the parent</b>	<b>19,000</b>	<b>16,526</b>	<b>32,025</b>	15.0%	(40.7%)
	<b>EPS(NT\$)</b>	<b>11.97</b>	<b>10.42</b>	<b>20.22</b>		

Note1: Sums may not equal totals due to rounding.

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