

**MEDIATEK**

# 聯發科技 2023年第四季法人說明會 **MediaTek 2023-Q4 Investor Conference**

**January 31, 2024**



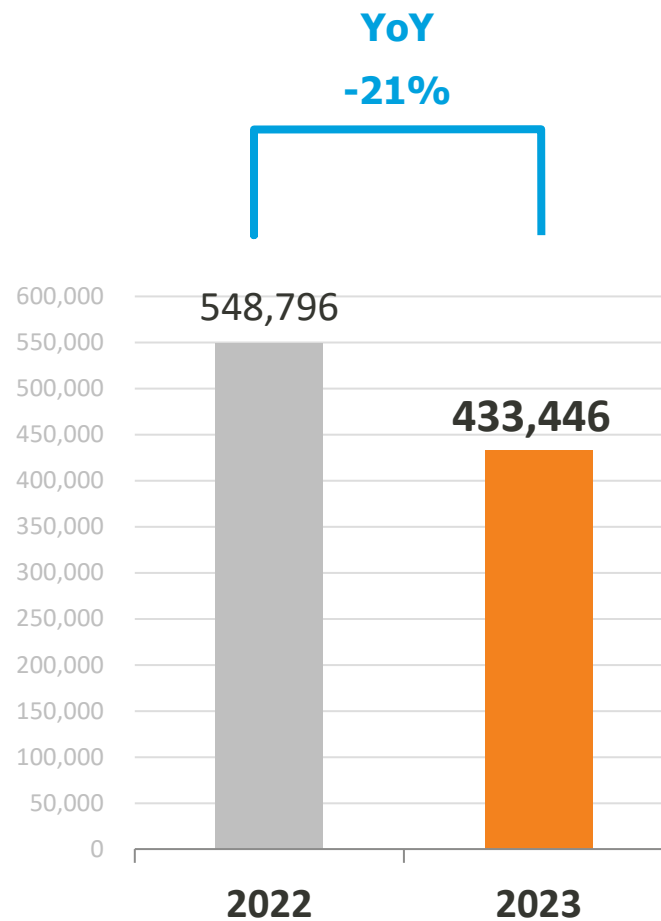
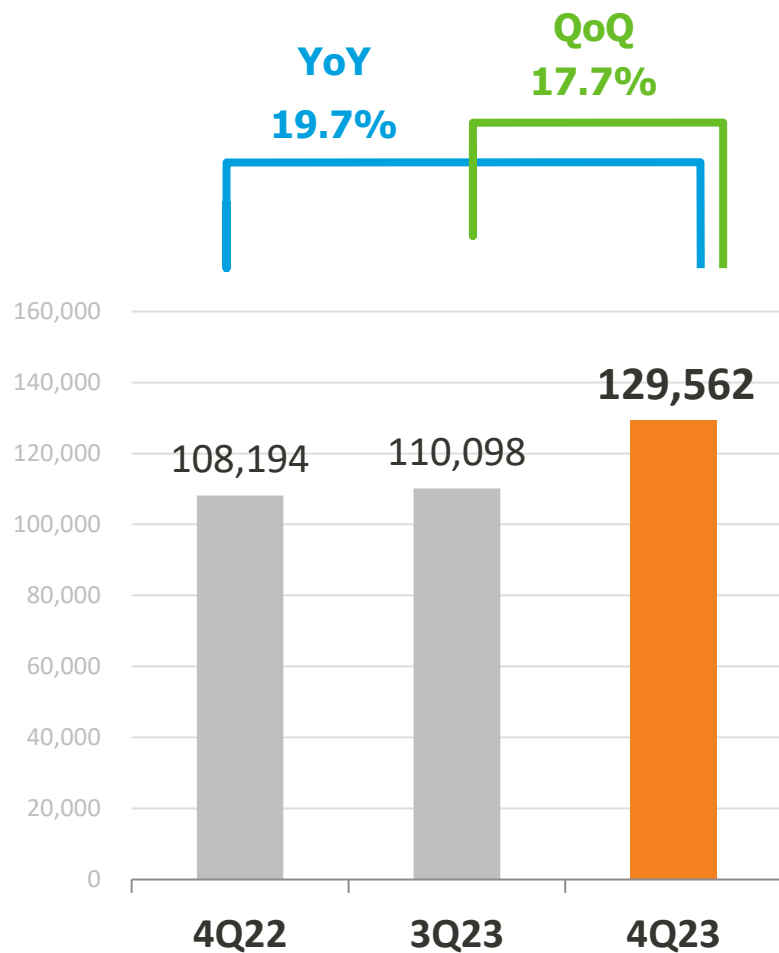
# Safe Harbor Statement

These factors may cause actual results materially different from the information provided herein. The factors include the impact of competitive products and pricing, timely acceptance of products design by our customers, timely introduction of new technologies, ability to ramp new products into volume, industry wide shifts in supply and demand for semiconductor products, market oversupply, availability of manufacturing capacity, financial stability in end markets, potential difficulties in talents retention, unexpected costs and expenses, any merger and acquisition associated uncertainties such as obtaining of regulatory approval or integration delay, loss of significant customers, involvement in legal or administrative proceedings, new regulations that may impact our business operation, fluctuations in foreign exchange rates, global economic conditions or non-economic conditions and any other risks factors.

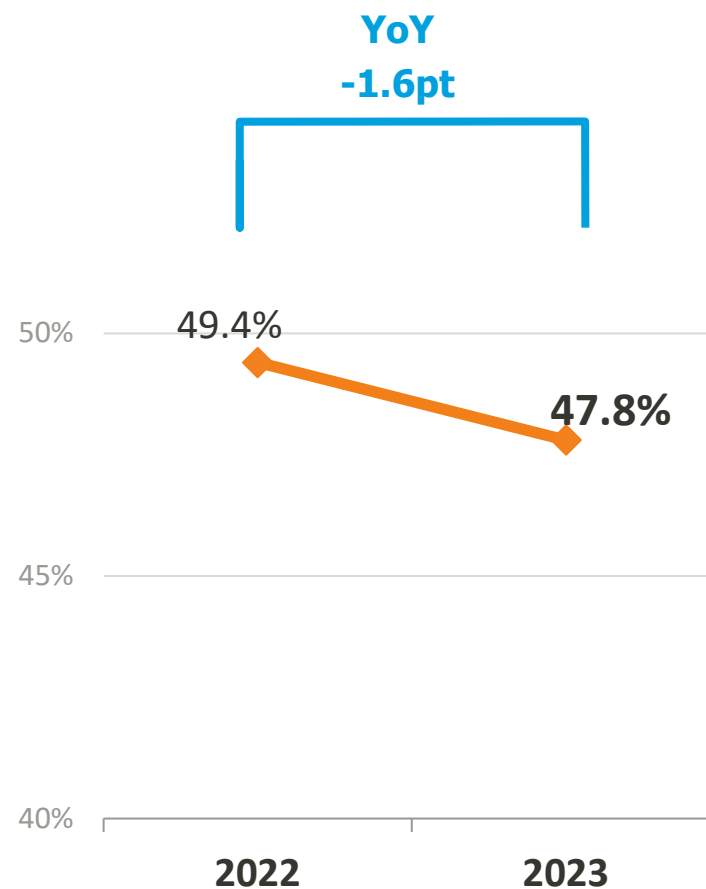
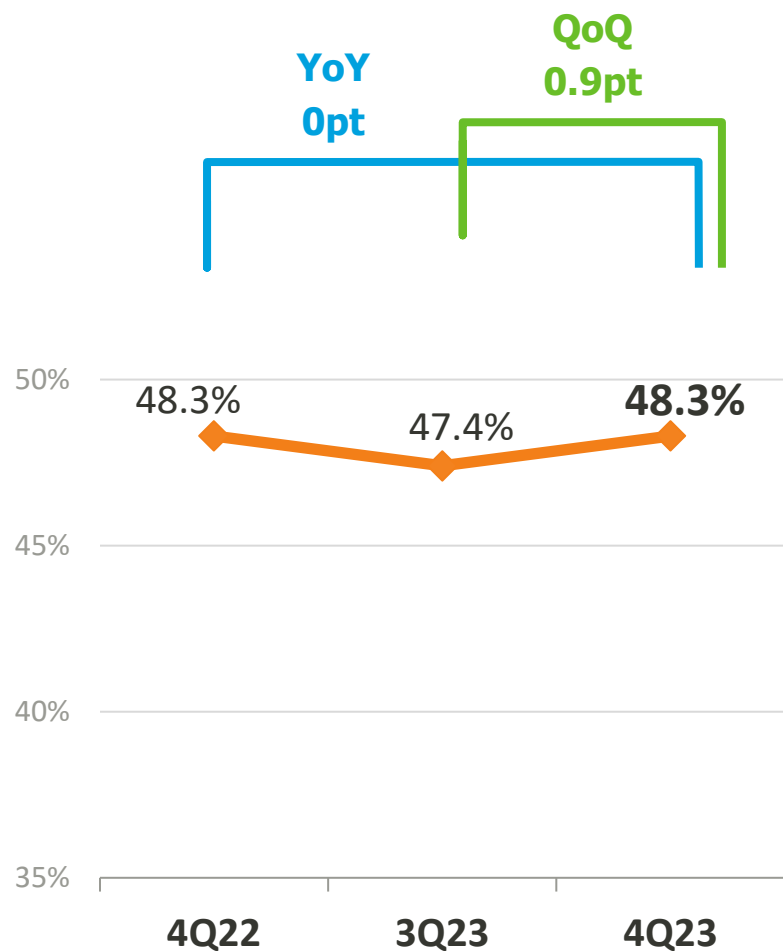
This presentation also supplements Non Taiwan International Financial Reporting Standards(Non-TIFRS) financial measures which exclude share-based compensation, amortization of acquisition related assets, tax effect and other items. This supplemental information is for reference only, not as a substitute for information based on TIFRS. Your attention is called that final actual earnings distribution will be made in accordance with financial statements based on TIFRS.

# Consolidated Revenue

(NT\$ million)

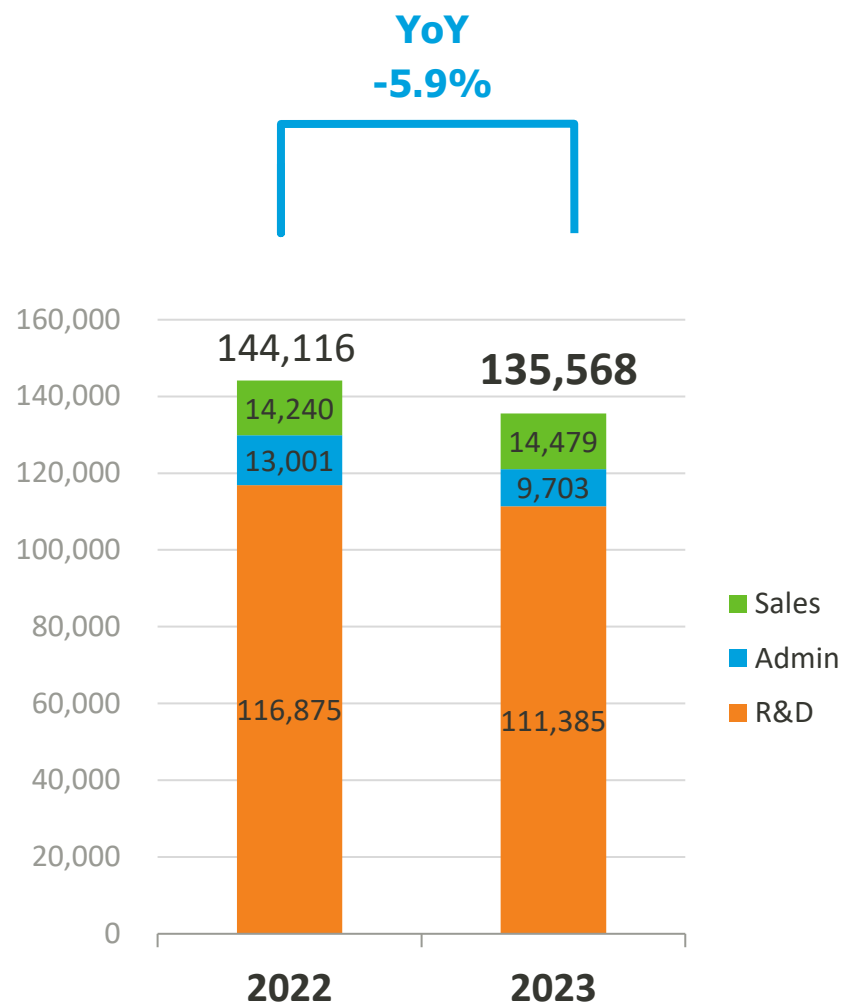
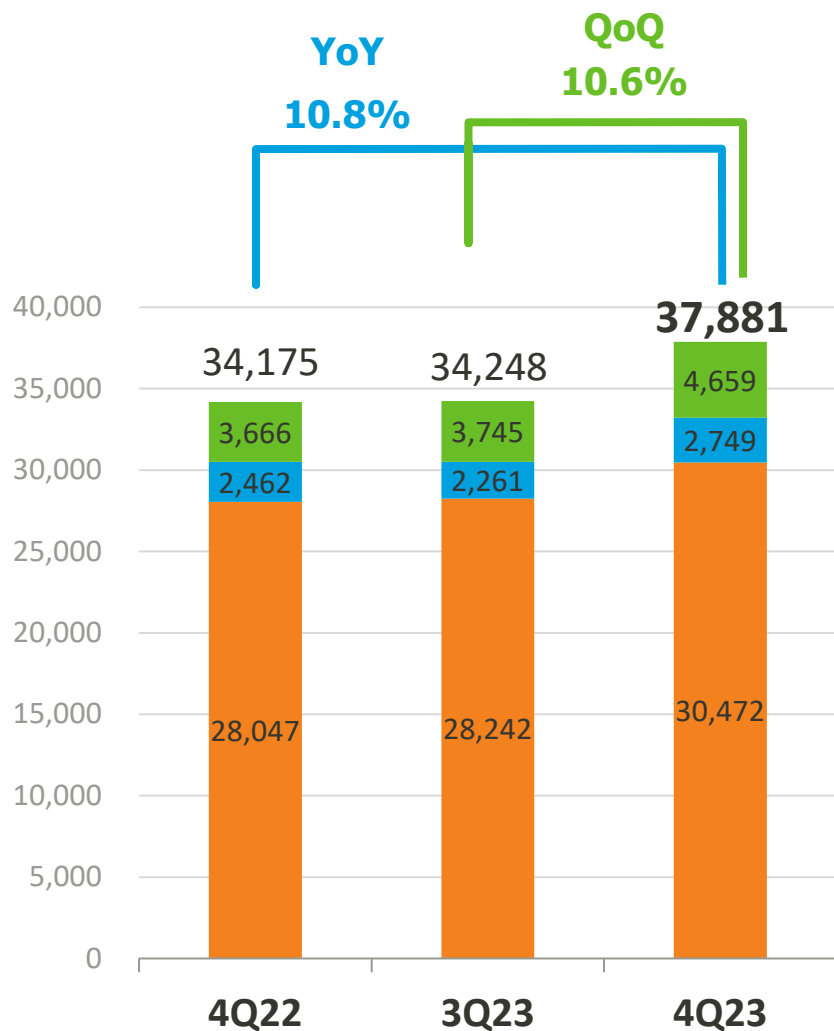


# Consolidated Gross Margin



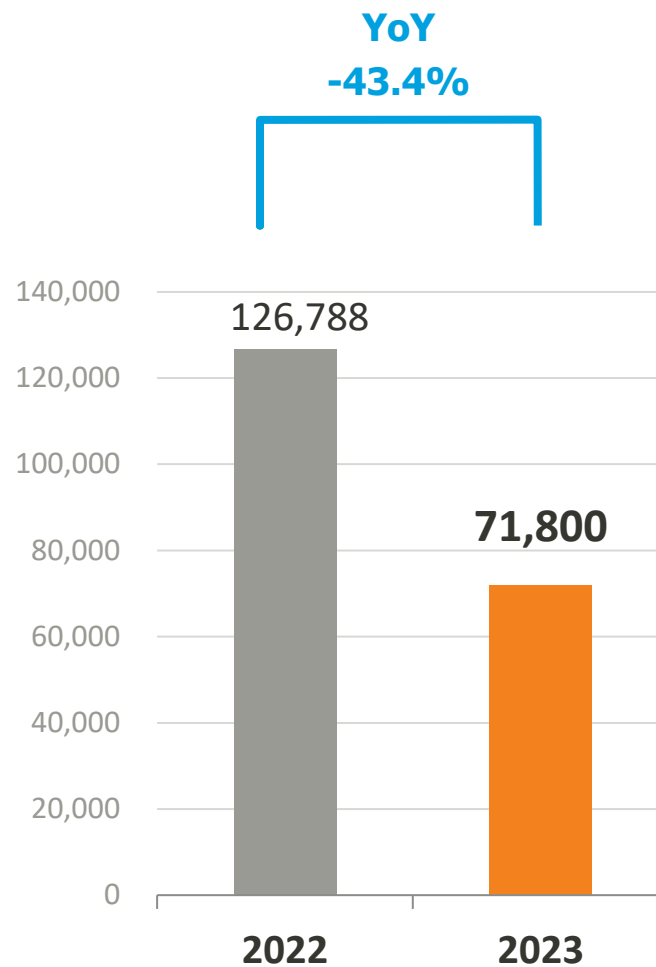
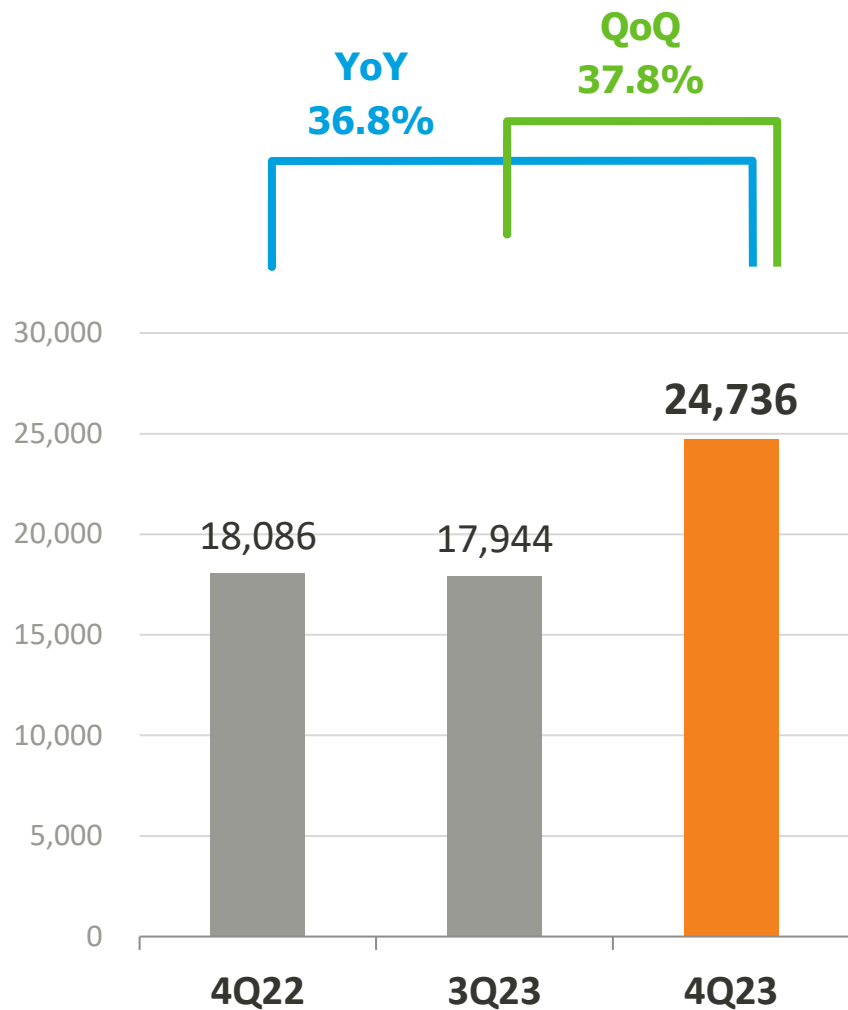
# Consolidated Operating Expenses

(NT\$ million)

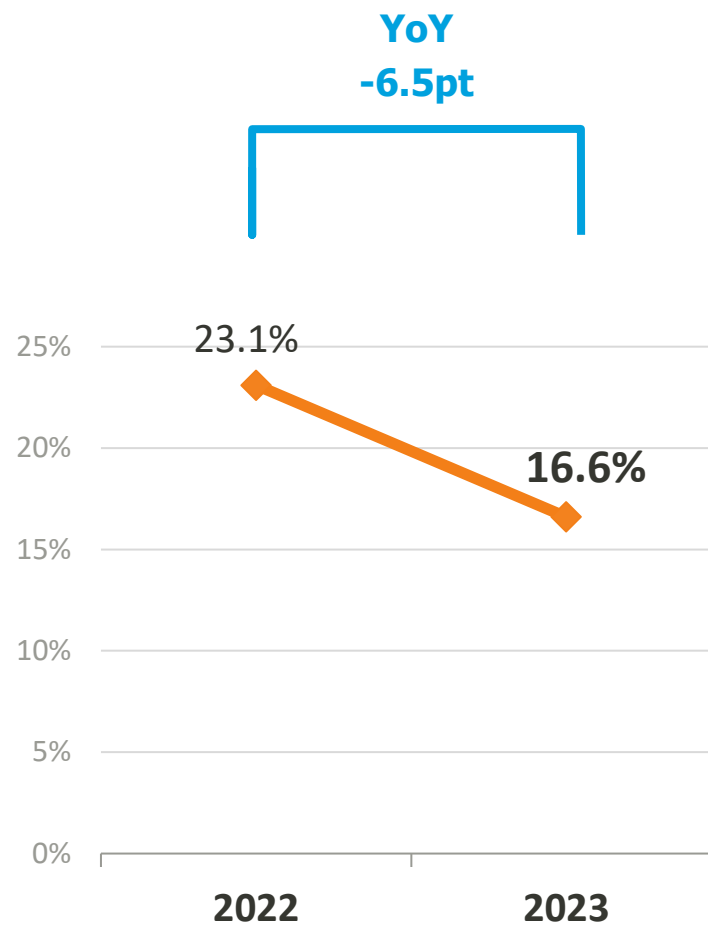
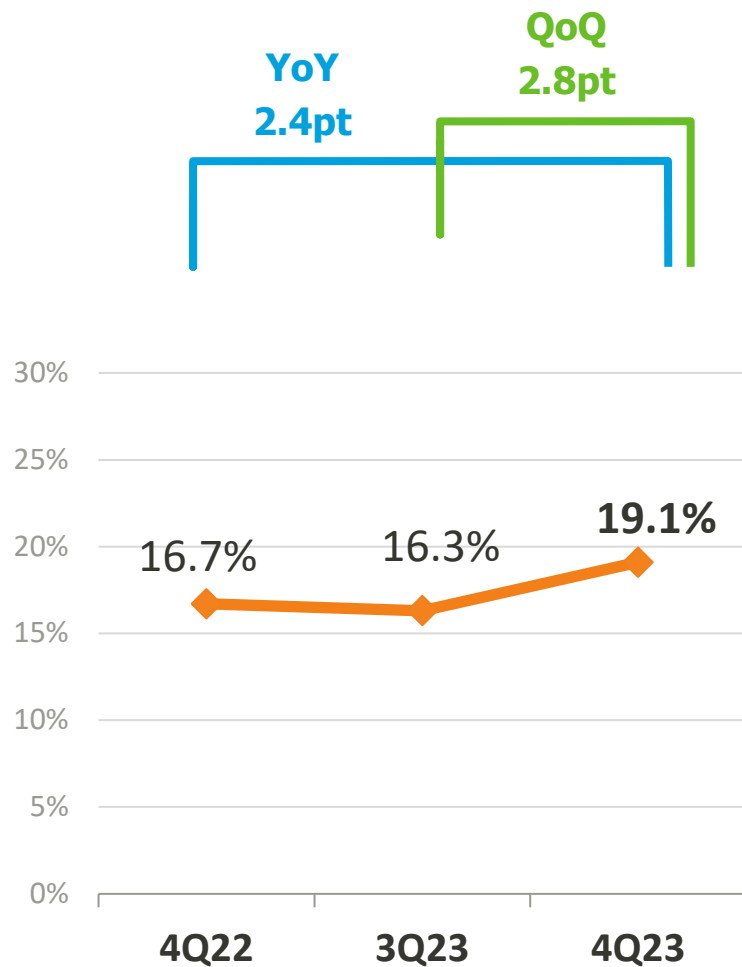


# Consolidated Operating Income

(NT\$ million)

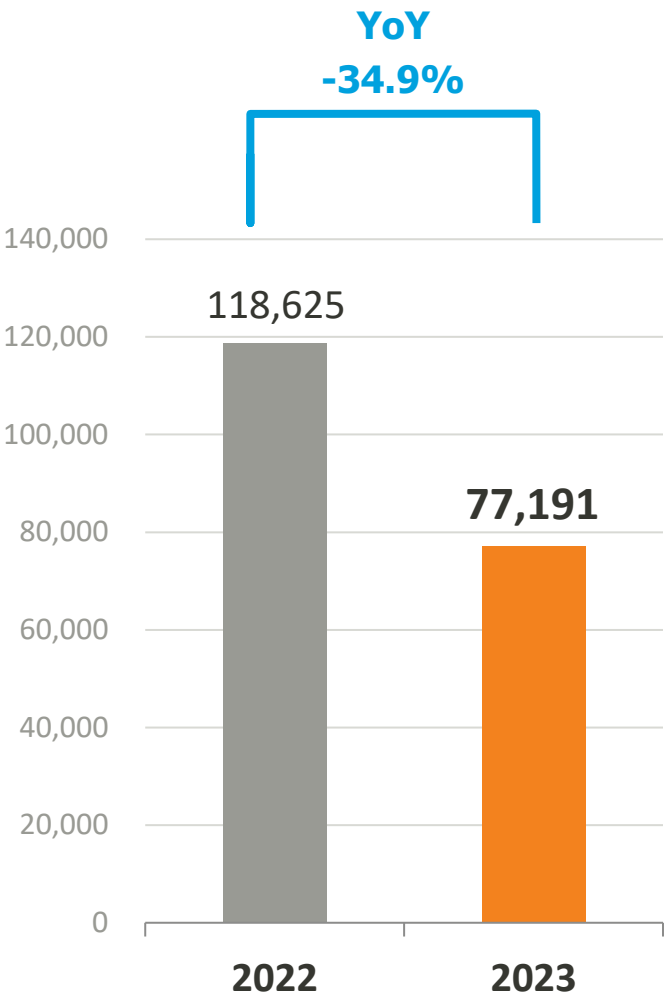
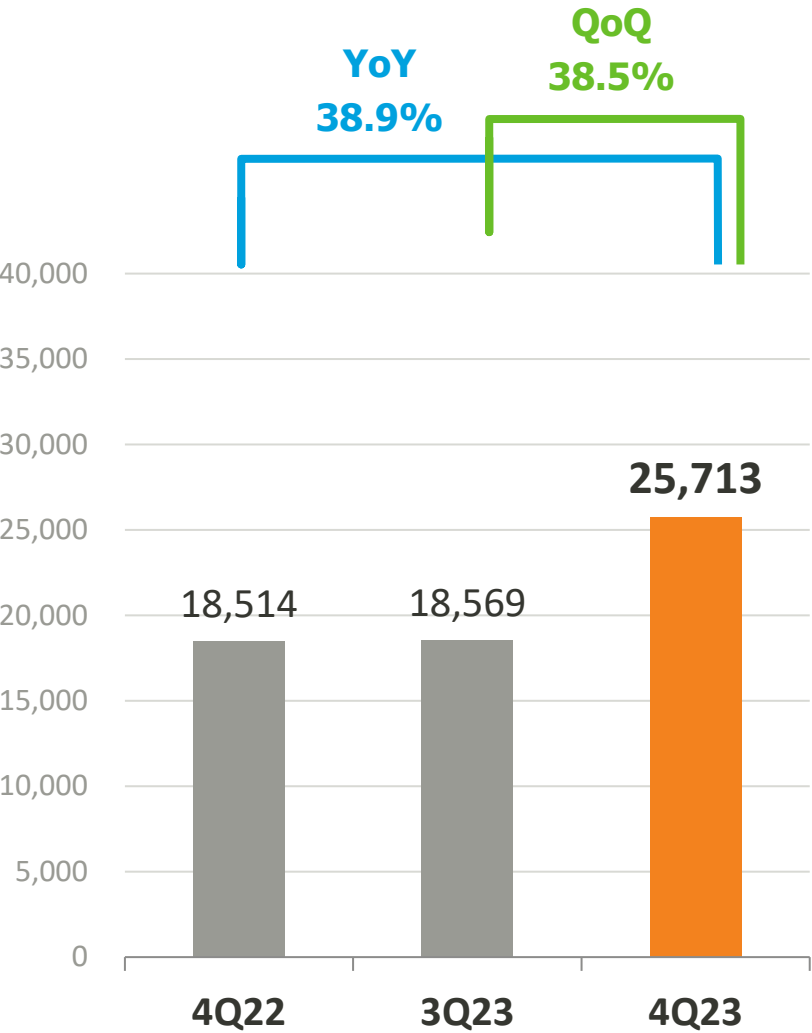


# Consolidated Operating Margin



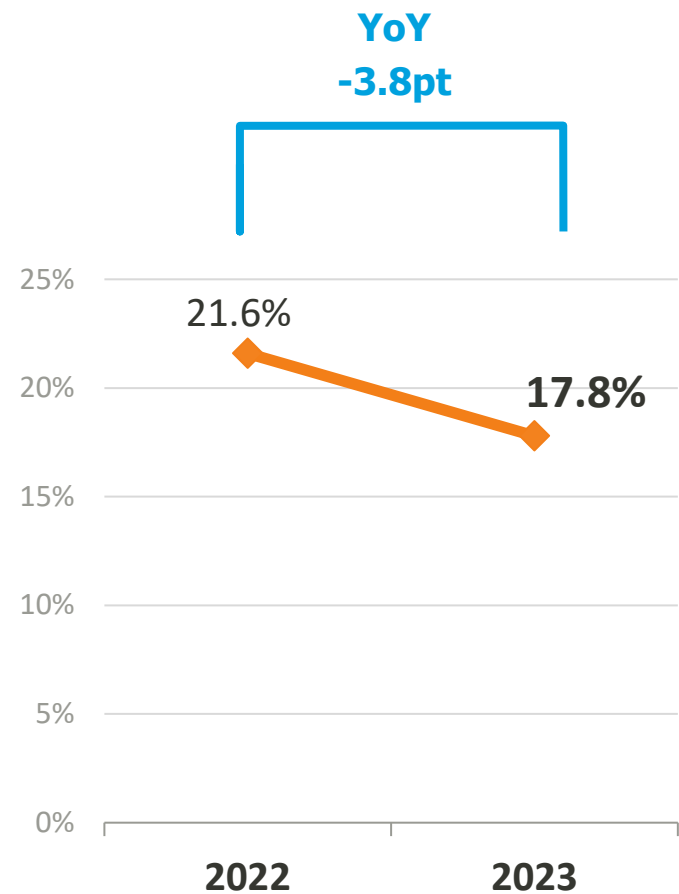
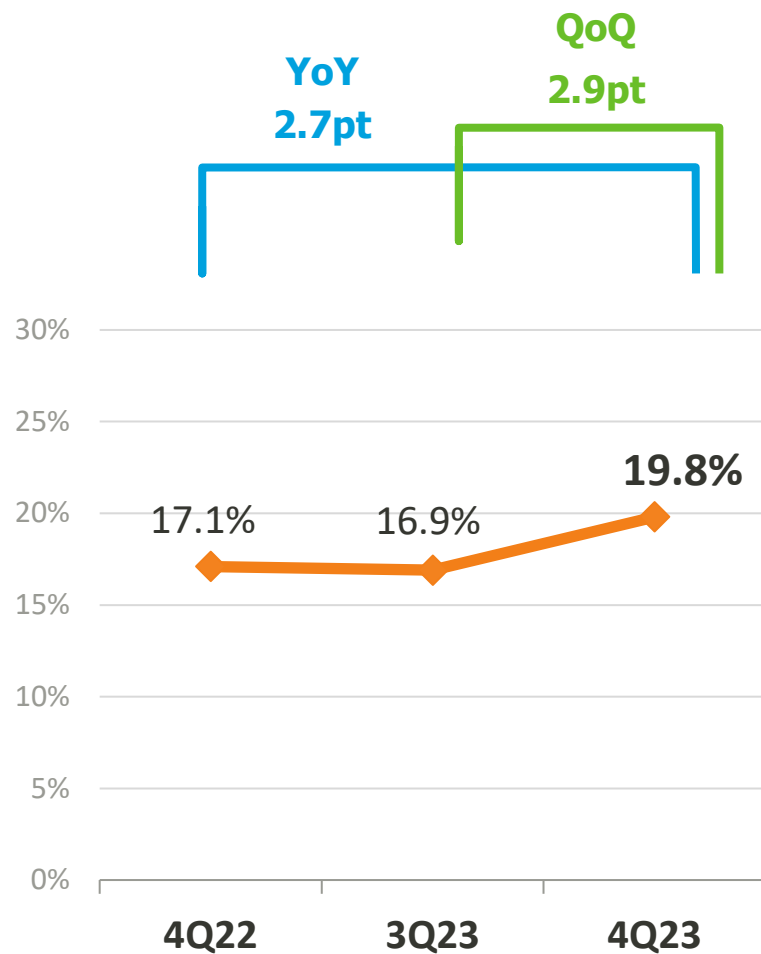
# Consolidated Net Income

(NT\$ million)

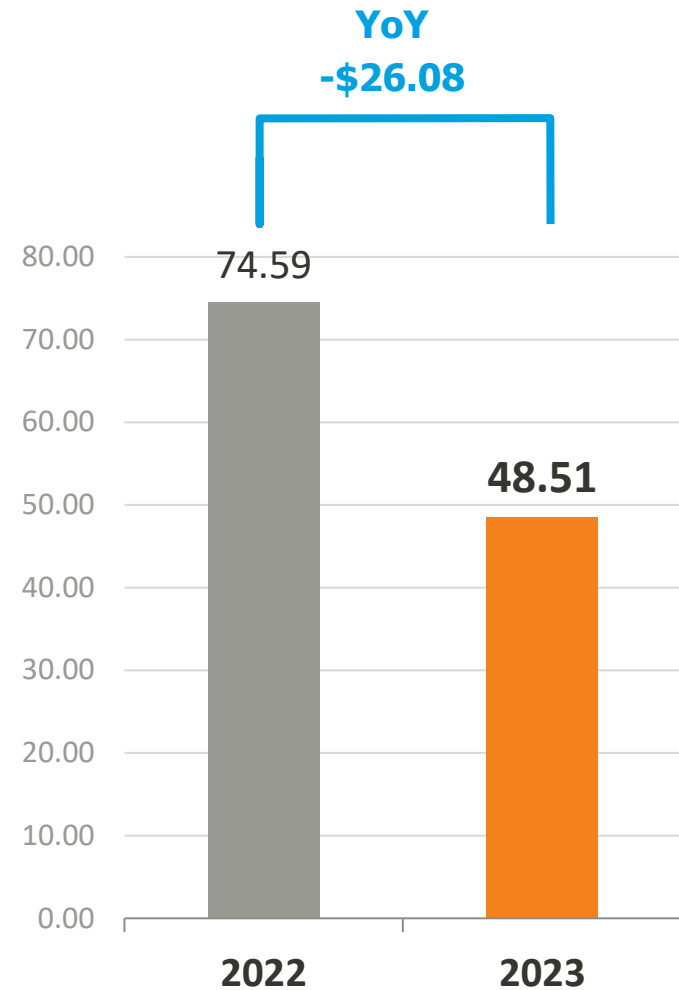
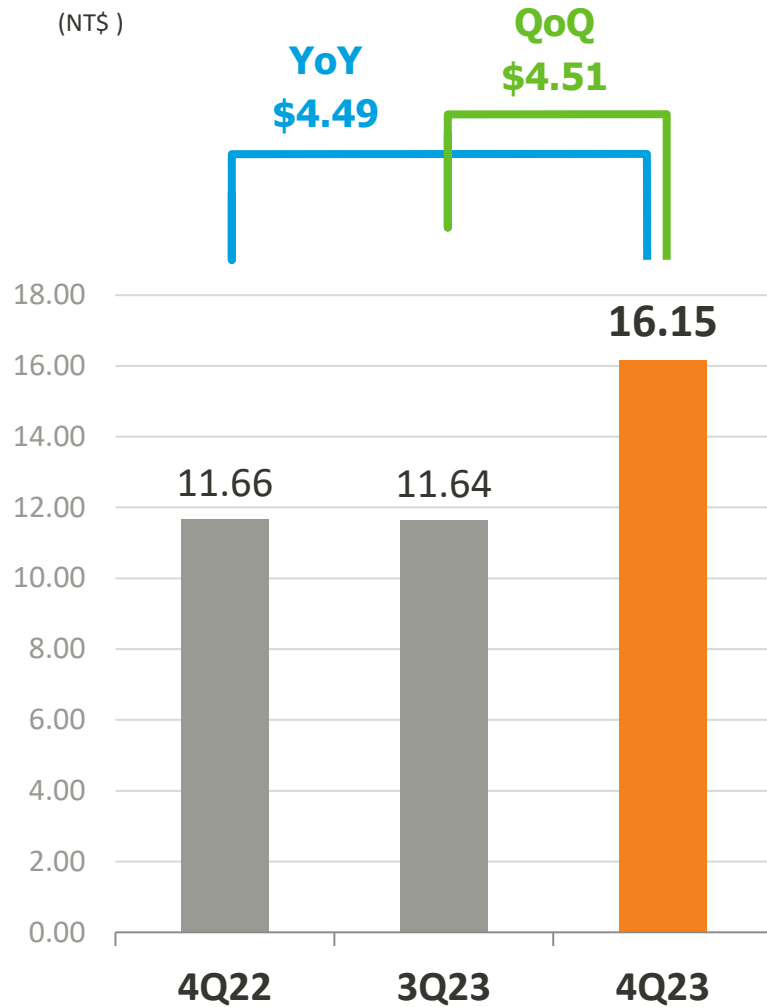




# Consolidated Net Profit Margin



# Consolidated Earnings Per Share



# Business Outlook

- ◆ For 2024-Q1, we currently expect:
  - ◆ Consolidated revenue: Around NT\$121.8 billion ~ 129.6 billion, at a forecast exchange rate of 31.2 NT dollars to 1 US dollar
  - ◆ Consolidated gross margin: 47% ± 1.5%
  - ◆ Consolidated operating expense ratio: 28% ± 2%

# Taiwan-International Financial Reporting Standards (TIFRS) Financial Statements

# Consolidated Income Statement (Unaudited)

(In NT\$ millions, except EPS)	4Q23	3Q23	4Q22	Q-Q	Y-Y
Net Sales	129,562	110,098	108,194	17.7%	19.7%
Operating costs	(66,946)	(57,905)	(55,933)		
Gross profit	62,616	52,192	52,261	20.0%	19.8%
Selling expenses	(4,659)	(3,745)	(3,666)		
Administration expenses	(2,749)	(2,261)	(2,462)		
R&D expenses	(30,472)	(28,242)	(28,047)		
Operating expenses	(37,881)	(34,248)	(34,175)		
Operating income	24,736	17,944	18,086	37.8%	36.8%
Net non-operating income	3,580	3,048	2,971		
Net income before income tax	28,316	20,993	21,057		
Income tax expense	(2,602)	(2,424)	(2,543)		
Net income	25,713	18,569	18,514	38.5%	38.9%
Owners of the parent	25,663	18,478	18,488	38.9%	38.8%
Non-controlling interests	50	91	26		
<b>EPS attributable to the parent(NT\$)</b>	<b>16.15</b>	<b>11.64</b>	<b>11.66</b>		
Average Exchange Rate - USD/NTD	31.83	31.69	31.37		

Note: Sums may not equal totals due to rounding.

## Supplemental Information: Percentage of Revenue

	4Q23	3Q23	4Q22
<b>Gross profit</b>	<b>48.3%</b>	<b>47.4%</b>	<b>48.3%</b>
Selling expenses	(3.6%)	(3.4%)	(3.4%)
Administration expenses	(2.1%)	(2.1%)	(2.3%)
R&D expenses	(23.5%)	(25.7%)	(25.9%)
<b>Operating income</b>	<b>19.1%</b>	<b>16.3%</b>	<b>16.7%</b>
Non-operating income	2.8%	2.8%	2.7%
Income tax expense	(2.0%)	(2.2%)	(2.4%)
<b>Net income</b>	<b>19.8%</b>	<b>16.9%</b>	<b>17.1%</b>

Note: Sums may not equal totals due to rounding.

# Consolidated Income Statement (Unaudited)

(In NT\$ millions, except EPS)	2023	2022	Y-Y
Net Sales	433,446	548,796	(21.0%)
Operating costs	(226,079)	(277,892)	
Gross profit	207,367	270,904	(23.5%)
Selling expenses	(14,479)	(14,240)	
Administration expenses	(9,703)	(13,001)	
R&D expenses	(111,385)	(116,875)	
Operating expenses	(135,568)	(144,116)	
Operating income	71,800	126,788	(43.4%)
Net non-operating income	14,983	8,773	
Net income before income tax	86,782	135,561	
Income tax expense	(9,591)	(16,936)	
Net income	77,191	118,625	(34.9%)
Owners of the parent	76,979	118,141	(34.8%)
Non-controlling interests	212	484	
<b>EPS attributable to the parent(NT\$)</b>	<b>48.51</b>	<b>74.59</b>	
Average Exchange Rate - USD/NTD	31.16	29.80	

Note: Sums may not equal totals due to rounding.

## Supplemental Information: Percentage of Revenue

	2023	2022
<b>Gross profit</b>	<b>47.8%</b>	<b>49.4%</b>
Selling expenses	(3.3%)	(2.6%)
Administration expenses	(2.2%)	(2.4%)
R&D expenses	(25.7%)	(21.3%)
<b>Operating income</b>	<b>16.6%</b>	<b>23.1%</b>
Non-operating income	3.5%	1.6%
Income tax expense	(2.2%)	(3.1%)
<b>Net income</b>	<b>17.8%</b>	<b>21.6%</b>

Note: Sums may not equal totals due to rounding.



# Balance Sheet Summary (Unaudited)

(In NT\$ millions)	4Q23	3Q23	4Q22
Cash & financial assets-current	180,673	119,324	164,810
Accounts receivable	55,106	61,154	40,842
Inventories	43,220	53,391	70,703
Other current assets	11,889	33,311	21,298
Funds and investments	150,006	154,925	123,489
Intangible assets	81,245	83,228	73,455
Other non-current assets	112,899	113,008	113,802
Total assets	635,038	618,342	608,399
Short-term loans	2,200	32,794	3,700
Accounts payable	38,779	30,797	21,518
Other current liabilities	191,020	130,967	116,352
Total non-current liabilities	28,834	28,812	23,771
Total equity	374,205	394,971	443,058

Note: Sums may not equal totals due to rounding.

# Cash Flow Statement (Unaudited)

(In NT\$ millions)	4Q23	3Q23	4Q22
Net cash provided by (used in) operating activities	101,536	14,966	59,034
Net cash provided by (used in) investing activities	(7,473)	(55)	(2,918)
Net cash provided by (used in) financing activities	(24,884)	(94,031)	(45,661)
Effect of changes in exchange rate on cash and cash equivalents	(7,738)	4,981	(4,522)
Net increase (decrease) in cash and cash equivalents	61,441	(74,139)	5,934
Cash and cash equivalents at the end of the period	165,396	103,955	147,502

Note : Sums may not equal totals due to rounding.

# **【Supplemental Information】**

## **Reconciliations of TIFRS Results to Non-TIFRS Results and Quarterly Revenue Product Segment**

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

(In NT\$ millions)

		4Q23	3Q23	4Q22	Q-Q	Y-Y
TIFRS	Operating income	24,736	17,944	18,086	37.8%	36.8%
	Operating income margin(%)	19.1%	16.3%	16.7%		
Reconciliations	Share-based compensation	269	504	568		
	Amortization of acquisition related assets	75	119	174		
Non-TIFRS	<b>Operating income</b>	<b>25,079</b>	<b>18,567</b>	<b>18,828</b>	35.1%	33.2%
	<b>Operating income margin (%)</b>	<b>19.4%</b>	<b>16.9%</b>	<b>17.4%</b>		

TIFRS	Net income	25,713	18,569	18,514	38.5%	38.9%
	Net income margin(%)	19.8%	16.9%	17.1%		
	Net income- Owners of the parent	25,663	18,478	18,488	38.9%	38.8%
	EPS(NT\$)	16.15	11.64	11.66		
Reconciliations	Share-based compensation	269	504	568		
	Amortization of acquisition related assets	75	119	174		
	Tax effect	(46)	(85)	(102)		
Non-TIFRS	<b>Net income</b>	<b>26,010</b>	<b>19,105</b>	<b>19,155</b>	36.1%	35.8%
	<b>Net income margin (%)</b>	<b>20.1%</b>	<b>17.4%</b>	<b>17.7%</b>		
	<b>Net income- Owners of the parent</b>	<b>25,954</b>	<b>19,000</b>	<b>19,096</b>	36.6%	35.9%
	<b>EPS(NT\$)</b>	<b>16.34</b>	<b>11.97</b>	<b>12.04</b>		

Note1: Sums may not equal totals due to rounding.

Note2: 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. Earnings distribution is made in accordance with financial statements based on TIFRS.

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

(In NT\$ millions)		2023	2022	Y-Y
TIFRS	Operating income	71,800	126,788	(43.4%)
	Operating income margin(%)	16.6%	23.1%	
Reconciliations	Share-based compensation	1,899	4,175	
	Amortization of acquisition related assets	438	499	
Non-TIFRS	<b>Operating income</b>	<b>74,137</b>	<b>131,463</b>	<b>(43.6%)</b>
	<b>Operating income margin (%)</b>	<b>17.1%</b>	<b>24.0%</b>	

TIFRS	Net income	77,191	118,625	(34.9%)
	Net income margin(%)	17.8%	21.6%	
	Net income- Owners of the parent	76,979	118,141	(34.8%)
	EPS(NT\$)	48.51	74.59	
Reconciliations	Share-based compensation	1,899	4,175	
	Amortization of acquisition related assets	438	499	
	Tax effect	(320)	(643)	
Non-TIFRS	<b>Net income</b>	<b>79,209</b>	<b>122,656</b>	<b>(35.4%)</b>
	<b>Net income margin (%)</b>	<b>18.3%</b>	<b>22.4%</b>	
	<b>Net income- Owners of the parent</b>	<b>78,929</b>	<b>122,058</b>	<b>(35.3%)</b>
	<b>EPS(NT\$)</b>	<b>49.74</b>	<b>77.07</b>	

Note1: Sums may not equal totals due to rounding.

Note2: 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. Earnings distribution is made in accordance with financial statements based on TIFRS.

# Quarterly Product Group Revenue Breakdown

Product Group*	4Q23 Revenue Breakdown (Note 1)	QoQ%	YoY%
Mobile Phone	64%	53%	48%
Smart Edge Platforms	30%	-19%	-13%
Power IC	6%	1%	1%
Total	100%	18%	20%

Note 1: Sums may not equal 100% due to rounding.

\* **Mobile Phone:** 5G/4G/3G smartphone and feature phone

**Smart Edge Platforms:** Wireless/wired connectivity and SoC for router, broadband, PON, laptop, wireless headset, smart speaker and automotive; ARM-based computing and IoT; TV; customized service for consumer/enterprise platforms

**Power IC:** Power IC

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