

## MediaTek Inc. Reports Fourth-Quarter and Full-Year 2023 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

- 4Q23 consolidated revenue of NT\$129,562 million, up 17.7% quarter over quarter and 19.7% year-over-year
- 4Q23 consolidated gross margin of 48.3%, up 0.9 percentage points quarter over quarter and the same as the year-ago quarter
- 4Q23 consolidated net income of NT\$25,713 million, up 38.5% quarter over quarter and 38.9% year-over-year ; EPS of NT\$16.15
- 2023 consolidated revenue of NT\$433,446 million; EPS was NT\$48.51

#### Consolidated Revenue

MediaTek Inc. today announced financial results of fourth-quarter ended December 31, 2023. The fourth-quarter revenue was NT\$129,562 million, up 17.7% sequentially and 19.7% year-over-year. The quarter-over-quarter and year-over-year increases were mainly driven by the better demand from smartphone customers.

Full year 2023 revenue totaled NT\$433,446 million, down 21.0% from 2022.

#### Consolidated Gross Profit and Gross Margin

The fourth-quarter gross profit was NT\$62,616 million, up 20.0% sequentially and up 19.8% year-over-year. Gross margin for the quarter was 48.3%, up 0.9 percentage points from the previous quarter and the same as the year-ago quarter. The quarter-over-quarter and year-over-year increases in gross margins were mainly due to favorable product mix.

Full year 2023 gross profit was NT\$207,367 million, down 23.5% year-over-year. Gross margin for 2023 was 47.8%, down 1.6 percentage points year-over-year.

#### Consolidated Operating Expenses

Operating expenses for the quarter was NT\$37,881 million (29.2% of revenue), compared with NT\$34,248 million (31.1% of revenue) in the previous quarter and NT\$34,175 million (31.6% of revenue) in the same period in 2022. The quarter-over-quarter and year-over-year increases were mainly due to higher R&D expenses in this 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.**

Operating expenses for the quarter included:

- R&D expenses of NT\$30,472 million (23.5% of revenue), increased from NT\$28,242 million in the previous quarter and NT\$28,047 million in the year-ago quarter.
- Selling expenses of NT\$4,659 million (3.6% of revenue), increased from NT\$3,745 million in the previous quarter and NT\$3,666 million in the year-ago quarter.
- Administration expenses of NT\$2,749 million (2.1% of revenue), increased from NT\$2,261 million in the previous quarter and NT\$2,462 million in the year-ago quarter.

Full year 2023 operating expenses was NT\$135,568 million (31.3% of revenue), decreased 5.9% year-over-year.

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

Operating income for the quarter was NT\$24,736 million, up 37.8% sequentially and 36.8% year-over-year. Operating margin for the quarter was 19.1%, up from 16.3% in the previous quarter and 16.7% in the year-ago quarter.

Full year 2023 operating income was NT\$71,800 million (operating margin: 16.6%), down 43.4% year-over-year.

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

Non-operating income for the quarter was NT\$3,580 million, or 2.8% of revenue, mainly from interest income. Income tax expense for the quarter was NT\$2,602 million.

Full year 2023 non-operating income was NT\$14,983 million, higher than NT\$8,773 million in 2022.

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

Net income for the quarter was NT\$25,713 million, up 38.5% sequentially and 38.9% year-over-year. Net profit margin for the quarter was 19.8%, increased from 16.9% in the previous quarter and 17.1% in the year-ago quarter. EPS was NT\$16.15, up from NT\$11.64 in the prior quarter and NT\$11.66 in the year-ago quarter. The quarter-over-quarter and year-over-year increases in net income, net profit margin and EPS were mainly due to higher revenue in this quarter.

Full year 2023 net income was NT\$77,191 million, down 34.9% year-over-year. Accumulated EPS was NT\$48.51 for the year, compared with NT\$74.59 in 2022.

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

Cash and financial assets-current at the end of the quarter was NT\$180,673 million. This represents 28.5% of the company's total assets. Cash and financial assets-current was NT\$119,324 million and NT\$164,810 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\$55,106 million. The accounts receivable turnover was 41 days based on quarterly average net receivables divided by annualized net revenue. The turnover was lower than 44 days in the previous quarter and 45 days in the year-ago quarter.

**Consolidated Inventory**

Net inventory at the end of the quarter was NT\$43,220 million. The inventory turnover was 66 days based on quarterly average inventory divided by annualized cost of goods sold. The turnover was lower than 90 days in the previous quarter and 126 days in the year-ago quarter.

**Consolidated Cash Flow from Operations**

Net cash provided by operating activities during the quarter was NT\$101,536 million, compared with NT\$14,966 million in the previous quarter and NT\$59,034 million in the year-ago quarter.

**Earnings Webcast**

MediaTek will hold a public webcast today (January 31). 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: Wednesday, January 31, 2024

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: 1312531#

**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)	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.

### MediaTek Inc. Consolidated Income Statement (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.

## MediaTek Inc. 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.

## MediaTek Inc. Consolidated Income Statement (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.

## MediaTek Inc. Consolidated Balance Sheet (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.

## MediaTek Inc. Consolidated Cash Flow Summary (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<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>		

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## 【Supplemental Information】

### 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>	

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