

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)^{Note1} 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

- 3Q24 consolidated revenue of NT\$131,813 million, up 3.6% quarter-over-quarter and 19.7% year-over-year
- 3Q24 consolidated gross margin of 48.8%, flat from the previous quarter and up 1.4 percentage points year-over-year
- 3Q24 consolidated operating income of NT\$23,864 million, down 4.4% from the previous quarter and up 33% year-over-year
- 3Q24 consolidated net income of NT\$25,590 million, down 1.4% quarter-over-quarter and up 37.8% year-over-year; EPS of NT\$15.94

Consolidated Revenue

MediaTek Inc. today announced financial results of its third quarter ended September 30, 2024. The third-quarter revenue was NT\$131,813 million, up 3.6% quarter-over-quarter and 19.7% year-over-year. In the third quarter, revenue from the three revenue groups, including Mobile Phone, Smart Edge Platforms and Power IC, grew both quarter-over-quarter and year-over-year.

Consolidated Gross Profit and Gross Margin

The third-quarter gross profit was NT\$64,348 million, up 3.6% quarter-over-quarter and 23.3% year-over-year. Gross margin for the quarter was 48.8%, flat from the previous quarter and up 1.4 percentage points year-over-year. The year-over-year increase was mainly due to better product mix.

Consolidated Operating Expenses

Operating expenses for the quarter was NT\$40,483 million (30.7% of revenue), compared with NT\$37,180 million (29.2% of revenue) in the previous quarter and NT\$34,248 million (31.1% of revenue) in the year-ago quarter. The quarter-over-quarter and year-over-year increases were mainly due to higher R&D investments in the quarter.

Operating expenses for the quarter included:

- R&D expenses of NT\$33,261 million (25.2% of revenue), increased from NT\$30,833 million in the previous quarter and NT\$28,242 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.

- Selling expenses of NT\$4,237 million (3.2% of revenue), increased from NT\$3,401 million in the previous quarter and NT\$3,745 million in the year-ago quarter.
- Administration expenses of NT\$2,985 million (2.3% of revenue), increased from NT\$2,947 million in the previous quarter and NT\$2,261 million in the year-ago quarter.

Consolidated Operating Income and Operating Margin

Operating income for the quarter was NT\$23,864 million, down 4.4% sequentially and up 33% year-over-year. Operating margin for the quarter was 18.1%, down from 19.6% in the previous quarter and up from 16.3% in the year-ago quarter.

Consolidated Non-operating Income (loss) and Income Tax

Non-operating income for the quarter was NT\$4,577 million, or 3.5% of revenue, mainly from interest income and dividend income. Income tax expense for the quarter was NT\$2,851 million.

Consolidated Net Income, Net Profit Margin and EPS

Net income for the quarter was NT\$25,590 million, down 1.4% sequentially and up 37.8% year-over-year. Net profit margin for the quarter was 19.4%, down from 20.4% in the previous quarter and up from 16.9% in the year-ago quarter. EPS was NT\$15.94, down from NT\$16.19 in the previous quarter and up from NT\$11.64 in the year-ago quarter. The quarter-over-quarter decreases in net income, net profit margin and EPS were mainly due to higher operating expenses in the quarter. The year-over-year increases in net income, net profit margin and EPS were mainly due to higher revenue and gross margin in the quarter.

Consolidated Cash and Financial Assets-Current

Cash and financial assets-current at the end of the quarter was NT\$198,020 million. This represents 29.3% of the company's total assets. Cash and financial assets-current was NT\$208,674 million and NT\$119,324 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\$47,219 million. The accounts receivable turnover was 32 days based on quarterly average net receivables divided by annualized net revenue. The turnover was lower than 36 days in the previous quarter and 44 days in the year-ago quarter.

Consolidated Inventory

Net inventory at the end of the quarter was NT\$55,635 million. The inventory turnover was 74 days based on quarterly average inventory divided by annualized cost of goods sold. The turnover was higher than 72 days in the previous quarter and lower than 90 days in the year-ago quarter.

Consolidated Cash Flow from Operations

Net cash provided by operating activities during the quarter was NT\$36,225 million, compared with NT\$49,940 million in the previous quarter and NT\$14,966 million in the year-ago quarter.

Earnings Webcast

MediaTek will hold a public webcast today (October 30). 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, October 30, 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: 1718030#

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 for more information.

Taiwan-International Financial Reporting Standards (TIFRS)

MediaTek Inc. Consolidated Income Statement (Unaudited)

(In NT\$ millions, except EPS)	3Q24	2Q24	3Q23	Q-Q	Y-Y
Net Sales	131,813	127,271	110,098	3.6%	19.7%
Operating costs	(67,466)	(65,135)	(57,905)		
Gross profit	64,348	62,136	52,192	3.6%	23.3%
Selling expenses	(4,237)	(3,401)	(3,745)		
Administration expenses	(2,985)	(2,947)	(2,261)		
R&D expenses	(33,261)	(30,833)	(28,242)		
Operating expenses	(40,483)	(37,180)	(34,248)		
Operating income	23,864	24,956	17,944	(4.4%)	33.0%
Net non-operating income	4,577	4,241	3,048		
Net income before income tax	28,441	29,197	20,993		
Income tax expense	(2,851)	(3,242)	(2,424)		
Net income	25,590	25,955	18,569	(1.4%)	37.8%
Owners of the parent	25,346	25,716	18,478	(1.4%)	37.2%
Non-controlling interests	243	240	91		
EPS attributable to the parent(NT\$)	15.94	16.19	11.64		
Average Exchange Rate - USD/NTD	32.30	32.35	31.69		

Note: Sums may not equal totals due to rounding.

MediaTek Inc. Consolidated Income Statement (Percentage of Revenue)

	3Q24	2Q24	3Q23
Gross profit	48.8%	48.8%	47.4%
Selling expenses	(3.2%)	(2.7%)	(3.4%)
Administration expenses	(2.3%)	(2.3%)	(2.1%)
R&D expenses	(25.2%)	(24.2%)	(25.7%)
Operating income	18.1%	19.6%	16.3%
Non-operating income	3.5%	3.3%	2.8%
Income tax expense	(2.2%)	(2.5%)	(2.2%)
Net income	19.4%	20.4%	16.9%

Note: Sums may not equal totals due to rounding.

MediaTek Inc. Consolidated Balance Sheet (Unaudited)

(In NT\$ millions)	3Q24	2Q24	3Q23
Cash & financial assets-current	198,020	208,674	119,324
Accounts receivable	47,219	45,945	61,154
Inventories	55,635	53,578	53,391
Other current assets	26,215	23,796	33,311
Funds and investments	166,784	159,645	154,925
Intangible assets	83,552	82,430	83,228
Other non-current assets	99,104	107,307	113,008
Total assets	676,528	681,374	618,342
Short-term loans	19,134	9,080	32,794
Accounts payable	35,682	32,253	30,797
Other current liabilities	174,132	224,950	130,968
Total non-current liabilities	24,122	24,468	28,812
Total equity	423,458	390,624	394,971

Note: Sums may not equal totals due to rounding.

MediaTek Inc. Consolidated Cash Flow Summary (Unaudited)

(In NT\$ millions)	3Q24	2Q24	3Q23
Net cash provided by (used in) operating activities	36,225	49,940	14,966
Net cash provided by (used in) investing activities	(3,844)	(6,659)	(55)
Net cash provided by (used in) financing activities	(38,885)	1,045	(94,031)
Effect of changes in exchange rate on cash and cash equivalents	(3,517)	2,180	4,981
Net increase (decrease) in cash and cash equivalents	(10,022)	46,507	(74,139)
Cash and cash equivalents at the end of the period	179,830	189,852	103,955

Note: Sums may not equal totals due to rounding.

【Supplemental Information】

Reconciliations of TIFRS Results to Non-TIFRS Results^{Note2}

(In NT\$ millions)

		3Q24	2Q24	3Q23	Q-Q	Y-Y
TIFRS	Operating income	23,864	24,956	17,944	(4.4%)	33.0%
	Operating income margin(%)	18.1%	19.6%	16.3%		
Reconciliations	Share-based compensation	300	245	504		
	Amortization of acquisition related assets	112	75	119		
Non-TIFRS	Operating income	24,276	25,276	18,567	(4.0%)	30.8%
	Operating income margin (%)	18.4%	19.9%	16.9%		

TIFRS	Net income	25,590	25,955	18,569	(1.4%)	37.8%
	Net income margin(%)	19.4%	20.4%	16.9%		
	Net income- Owners of the parent	25,346	25,716	18,478	(1.4%)	37.2%
	EPS(NT\$)	15.94	16.19	11.64		
Reconciliations	Share-based compensation	300	245	504		
	Amortization of acquisition related assets	112	75	119		
	Tax effect	(56)	(44)	(85)		
Non-TIFRS	Net income	25,946	26,231	19,105	(1.1%)	35.8%
	Net income margin (%)	19.7%	20.6%	17.4%		
	Net income- Owners of the parent	25,677	25,987	19,000	(1.2%)	35.1%
	EPS(NT\$)	16.15	16.36	11.97		

Note1: Sums may not equal totals due to rounding.

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