

MediaTek Inc. Reports First-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

- 1Q24 consolidated revenue of NT\$133,458 million, up 3% quarter over quarter and 39.5% year-over-year
- 1Q24 consolidated gross margin of 52.4%, including a one-time item, up 4.1 percentage points quarter over quarter and 4.4 percentage points year-over-year
- 1Q24 consolidated operating income of NT\$32,180 million, up 30.1% from the previous quarter and 124% year-over-year
- 1Q24 consolidated net income of NT\$31,655 million, up 23.1% quarter over quarter and 87.4% year-over-year ; EPS of NT\$19.85

Consolidated Revenue

MediaTek Inc. today announced financial results of first-quarter ended March 31, 2024. The first-quarter revenue was NT\$133,458 million, up 3% sequentially and 39.5% year-over-year. The quarter-over-quarter and year-over-year increases were mainly due to restocking demand from certain customers.

Consolidated Gross Profit and Gross Margin

The first-quarter gross profit was NT\$69,901 million, up 11.6% sequentially and 52.2% year-over-year. Gross margin for the quarter was 52.4%, up 4.1 percentage points from the previous quarter and 4.4 percentage points year-over-year. The quarter-over-quarter and year-over-year increases in gross margins were mainly due to a one-time item with 4.5 percentage points of positive effect.

Consolidated Operating Expenses

Operating expenses for the quarter was NT\$37,721 million (28.3% of revenue), compared with NT\$37,881 million (29.2% of revenue) in the previous quarter and NT\$31,543 million (33% of revenue) year-over-year. The slight quarter-over-quarter decrease was mainly due to lower selling expenses in this quarter. The year-over-year increase was mainly due to higher R&D expenses in this quarter.

Operating expenses for the quarter included:

- R&D expenses of NT\$31,147 million (23.3% of revenue), increased from NT\$30,472 million in the previous quarter and NT\$26,483 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\$3,754 million (2.8% of revenue), decreased from NT\$4,659 million in the previous quarter and increased from NT\$2,699 million in the year-ago quarter.
- Administration expenses of NT\$2,820 million (2.1% of revenue), increased from NT\$2,749 million in the previous quarter and NT\$2,361 million in the year-ago quarter.

Consolidated Operating Income and Operating Margin

Operating income for the quarter was NT\$32,180 million, up 30.1% sequentially and 124% year-over-year. Operating margin for the quarter was 24.1%, up from 19.1% in the previous quarter and 15% in the year-ago quarter.

Consolidated Non-operating Income (loss) and Income Tax

Non-operating income for the quarter was NT\$3,490 million, or 2.6% of revenue, mainly from interest income and dividend income. Income tax expense for the quarter was NT\$4,015 million.

Consolidated Net Income, Net Profit Margin and EPS

Net income for the quarter was NT\$31,655 million, up 23.1% sequentially and 87.4% year-over-year. Net profit margin for the quarter was 23.7%, increased from 19.8% in the previous quarter and 17.7% in the year-ago quarter. EPS was NT\$19.85, up from NT\$16.15 in the prior quarter and NT\$10.64 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 and a one-time item in gross margin in this quarter.

Consolidated Cash and Financial Assets-Current

Cash and financial assets-current at the end of the quarter was NT\$159,767 million. This represents 24.7% of the company's total assets. Cash and financial assets-current was NT\$180,673 million and NT\$154,710 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\$54,104 million. The accounts receivable turnover was 37 days based on quarterly average net receivables divided by annualized net revenue. The turnover was lower than 41 days in the previous quarter and 42 days in the year-ago quarter.

Consolidated Inventory

Net inventory at the end of the quarter was NT\$49,212 million. The inventory turnover was 66 days based on quarterly average inventory divided by annualized cost of goods sold. The turnover was the same as the previous quarter and lower than 128 days in the year-ago quarter.

Consolidated Cash Flow from Operations

Net cash provided by operating activities during the quarter was NT\$25,204 million, compared with NT\$101,536 million in the previous quarter and NT\$2,858 million in the year-ago quarter.

Earnings Webcast

MediaTek will hold a public webcast today (April 26). 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, April 26, 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: 1203026#

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)	1Q24	4Q23	1Q23	Q-Q	Y-Y
Net Sales	133,458	129,562	95,652	3.0%	39.5%
Operating costs	(63,558)	(66,946)	(49,739)		
Gross profit	69,901	62,616	45,912	11.6%	52.2%
Selling expenses	(3,754)	(4,659)	(2,699)		
Administration expenses	(2,820)	(2,749)	(2,361)		
R&D expenses	(31,147)	(30,472)	(26,483)		
Operating expenses	(37,721)	(37,881)	(31,543)		
Operating income	32,180	24,736	14,369	30.1%	124.0%
Net non-operating income	3,490	3,580	4,735		
Net income before income tax	35,670	28,316	19,104		
Income tax expense	(4,015)	(2,602)	(2,213)		
Net income	31,655	25,713	16,890	23.1%	87.4%
Owners of the parent	31,536	25,663	16,874	22.9%	86.9%
Non-controlling interests	119	50	17		
EPS attributable to the parent(NT\$)	19.85	16.15	10.64		
Average Exchange Rate - USD/NTD	31.44	31.83	30.40		

Note: Sums may not equal totals due to rounding.

MediaTek Inc. Consolidated Income Statement (Percentage of Revenue)

	1Q24	4Q23	1Q23
Gross profit	52.4%	48.3%	48.0%
Selling expenses	(2.8%)	(3.6%)	(2.8%)
Administration expenses	(2.1%)	(2.1%)	(2.5%)
R&D expenses	(23.3%)	(23.5%)	(27.7%)
Operating income	24.1%	19.1%	15.0%
Non-operating income	2.6%	2.8%	5.0%
Income tax expense	(3.0%)	(2.0%)	(2.3%)
Net income	23.7%	19.8%	17.7%

Note: Sums may not equal totals due to rounding.

MediaTek Inc. Consolidated Balance Sheet (Unaudited)

(In NT\$ millions)	1Q24	4Q23	1Q23
Cash & financial assets-current	159,767	180,673	154,710
Accounts receivable	54,104	55,106	46,311
Inventories	49,212	43,220	69,265
Other current assets	21,618	11,889	21,173
Funds and investments	175,701	150,006	131,226
Intangible assets	80,033	81,245	78,375
Other non-current assets	106,890	112,899	111,326
Total assets	647,325	635,038	612,385
Short-term loans	7,820	2,200	4,600
Accounts payable	39,997	38,779	21,169
Other current liabilities	199,848	191,020	221,138
Total non-current liabilities	24,788	28,834	26,506
Total equity	374,874	374,205	338,972

Note: Sums may not equal totals due to rounding.

MediaTek Inc. Consolidated Cash Flow Summary (Unaudited)

(In NT\$ millions)	1Q24	4Q23	1Q23
Net cash provided by (used in) operating activities	25,204	101,536	2,858
Net cash provided by (used in) investing activities	(18,271)	(7,473)	(9,955)
Net cash provided by (used in) financing activities	(33,881)	(24,884)	667
Effect of changes in exchange rate on cash and cash equivalents	4,897	(7,738)	(1,375)
Net increase (decrease) in cash and cash equivalents	(22,051)	61,441	(7,806)
Cash and cash equivalents at the end of the period	143,345	165,396	139,696

Note: Sums may not equal totals due to rounding.

【Supplemental Information】

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

(In NT\$ millions)

		1Q24	4Q23	1Q23	Q-Q	Y-Y
TIFRS	Operating income	32,180	24,736	14,369	30.1%	124.0%
	Operating income margin(%)	24.1%	19.1%	15.0%		
Reconciliations	Share-based compensation	173	269	566		
	Amortization of acquisition related assets	75	75	126		
Non-TIFRS	Operating income	32,428	25,079	15,061	29.3%	115.3%
	Operating income margin (%)	24.3%	19.4%	15.7%		

TIFRS	Net income	31,655	25,713	16,890	23.1%	87.4%
	Net income margin(%)	23.7%	19.8%	17.7%		
	Net income- Owners of the parent EPS(NT\$)	31,536 19.85	25,663 16.15	16,874 10.64	22.9%	86.9%
Reconciliations	Share-based compensation	173	269	566		
	Amortization of acquisition related assets	75	75	126		
	Tax effect	(34)	(46)	(94)		
Non-TIFRS	Net income	31,869	26,010	17,488	22.5%	82.2%
	Net income margin (%)	23.9%	20.1%	18.3%		
	Net income- Owners of the parent EPS(NT\$)	31,745 19.98	25,954 16.34	17,449 11.00	22.3%	81.9%

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