

## Faraday Reports First Quarter 2024 Results

**Revenue for 1Q24 was NT\$2,579 Million with a Reported EPS of NT\$1.13  
NRE More Than Doubled Quarter-Over-Quarter, Setting a New Record High**

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### First Quarter 2024 Highlights <sup>[1]</sup>

- Revenue of NT\$2,579 million (US\$82.3 million)
  - Gross margin was 46.5%
  - Net income attributed to stockholders of the parent was NT\$280 million (US\$8.9 million)
  - Earnings per share of NT\$1.13
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<Hsinchu, Taiwan – Apr. 23<sup>rd</sup>, 2024> Faraday Technology Corporation (“Faraday” or the “Company”) (TWSE: 3035), a leading fabless ASIC service and silicon IP provider, today announced its consolidated financial results for the first quarter of 2024. First quarter consolidated revenue was NT\$2,579 million, down by 9% QoQ and down by 21% YoY, with gross margin of 46.5%. Net income attributed to stockholders of the parent was NT\$280 million, with a basic EPS of NT\$1.13.

Looking back at the first quarter, overall revenue decreased by 9% QoQ and 21% YoY, amounting to NT\$2,579 million. Regarding product portfolio, although IP and mass production revenue decreased compared to the previous quarter, NRE revenue exhibited significant growth, increasing by 111% QoQ and 2% YoY, reaching NT\$627 million, setting a new quarterly record high. Gross margin increased by 0.6 percentage points from the previous quarter to 46.5%, influenced by product mix, but operating expenses increased by 5% QoQ resulting in a 3.9 percentage points decrease in operating margin to 12.3% from the previous quarter. Basic earnings per share was NT\$1.13. Customer inventory adjustments continued in the first quarter, but the Company’s main focus is niche-oriented market, and these products diverge from consumer-oriented applications, exhibiting long lifecycles and good resilience. After adjustments, momentum is expected to gradually recover. NRE saw significant growth this quarter, driven by the Company’s long-term accumulated design wins and new cases in advanced processes, with NRE revenue in the first quarter more than doubling QoQ, setting a new quarterly historical record. With a comprehensive portfolio of IPs in mature processes and deep technical expertise, the Company can meet various customer design needs. Internally, the Company is strengthening its R&D environment and capabilities for advanced processes and attracting more

R&D resources. Externally, the Company is expanding partnerships to increase collaboration opportunities and accelerate the learning curve for advanced processes. In the first quarter, design wins maintained consistent growth. Not only are design wins stable for mature processes, but also, in the advanced process area, Faraday's design capabilities have been recognized by customers and partners, enabling the Company to successfully obtain advanced process ASIC design cases from international clients.

Looking ahead to second quarter, consolidated revenue is expected to grow compared to previous quarter. NRE revenue is expected to continue its upward trajectory, mainly driven by advanced processes, reaching a new quarterly record high. The company is actively expanding its partnerships, notably becoming the first in Taiwan to join Arm® Total Design ecosystem as a design service partner. Additionally, collaboration with Intel on their 18A process for the development of a 64-core SoC integrating Arm Neoverse CSS signifies both partner recognition and an opportunity for rapid expansion into multiple advanced processes, presenting significant growth prospects for Faraday's ASIC business. The Company is committed to facilitating both advanced process and advanced packaging capabilities, positioning itself uniquely as one of the few ASIC companies with front to back end design capabilities. Faraday will continue to strengthen the four key competitive advantages, including the increase of design resources, enhancement of ASIC and IP design capabilities, expansion of design coverage, and refinement of ASIC management mechanisms. Simultaneously, the Company is actively collaborating with supply chain partners to integrate design capabilities with the value chain, leveraging a flexible operational model to swiftly seize opportunities in advanced process ASICs.

[1] Unless otherwise stated, all financial figures discussed in this announcement are prepared in accordance with Taiwan-International Financial Report Standards (TIFRSs). They represent comparisons among the three-month period ended March 31, 2024, the three-month period ended December 31, 2023, and the equivalent three-month period that ended March 31, 2023. For all 1Q24 results, New Taiwan Dollar (NT\$) amounts have been converted into U.S. dollars at the exchange rate of NT\$31.34 to one U.S. dollar.

Summary of Operating Results

Operating Results					
(Amount: NT\$ million)	1Q24	4Q23	QoQ% change	1Q23	YoY% change
Revenues	2,579	2,824	-8.7	3,262	-21.0
Gross profit	1,200	1,297	-7.5	1,458	-17.7
Operation expenses	(883)	(840)	5.2	(808)	9.3
Operating income	317	457	-30.7	650	-51.3
Non-operating items	38	6	532.9	(10)	-472.5
Net income attributed to stockholders of the parent	280	320	-12.4	502	-44.2
EPS (NTD)	1.13	1.29		2.02	

Detailed Financials Section

COGS & Expenses & Non-Operating Items					
(Amount: NT\$ million)	1Q24	4Q23	QoQ% change	1Q23	YoY% change
Revenues	2,579	2,824	-8.7	3,262	-21.0
Operating costs	(1,379)	(1,527)	-9.7	(1,804)	-23.6
Gross profit	1,200	1,297	-7.5	1,458	-17.7
Gross margin (%)	46.5%	45.9%		44.7%	
Operating expenses	(883)	(840)	5.2	(808)	9.3
Operating income	317	457	-30.7	650	-51.3
Operating margin (%)	12.3%	16.2%		19.9%	
Non-operating items	38	6	532.9	(10)	-472.5

Current Assets				Liabilities			
(Amount: NT\$ million)	As of			(Amount: NT\$ million)	As of		
	Mar 31, 2024	Dec 31, 2023	Mar 31, 2023		Mar 31, 2024	Dec 31, 2023	Mar 31, 2023
Cash and cash equivalents	9,940	5,715	5,482	Total current liabilities	3,507	3,236	3,672
Notes and accounts receivable, net	886	1,559	1,490	Notes and accounts payable	1,094	999	1,035
A/R Turnover Days	43	44	40	Others	2,413	2,237	2,637
Inventories, net	956	1,187	2,306	Non-current liabilities	694	328	337
Inventory Turnover Days	71	115	135	Total liabilities	4,201	3,564	4,009
Total current assets	12,639	8,873	9,730	Liabilities to equity	30.1%	36.2%	40.4%

## Analysis of Revenues

**NRE Revenues Breakdown by Application**

Application	1Q24	4Q23	1Q23
Communication	31.1%	19.8%	25.5%
Industrial	39.5%	13.7%	23.6%
MM/Con/PC	3.5%	9.7%	10.0%
AIoT	25.9%	56.8%	40.9%

**NRE Revenues Breakdown by Geometry**

Geometry	1Q24	4Q23	1Q23
$\geq 0.25\mu\text{m}$	-	1.3%	0.0%
0.11 $\mu\text{m}$ ~0.18 $\mu\text{m}$	5.5%	9.4%	12.6%
55nm~90nm	6.8%	20.4%	11.1%
40nm	19.4%	19.1%	15.9%
$\leq 28\text{nm}$	68.3%	49.8%	60.4%

**MP Revenues Breakdown by Application**

Application	1Q24	4Q23	1Q23
Communication	4.4%	5.7%	14.6%
Industrial	38.1%	49.0%	47.9%
MM/Con/PC	10.0%	6.7%	6.7%
AIoT	47.5%	38.6%	30.8%

**MP Revenues Breakdown by Geometry**

Geometry	1Q24	4Q23	1Q23
$\geq 0.25\mu\text{m}$	0.3%	0.6%	1.5%
0.11 $\mu\text{m}$ ~0.18 $\mu\text{m}$	27.0%	38.7%	26.7%
55nm~90nm	46.5%	39.2%	35.8%
40nm	15.6%	10.8%	27.7%
$\leq 28\text{nm}$	10.6%	10.7%	8.3%

**Total Revenues Breakdown by Billing Method**

Billing	1Q24	4Q23	1Q23
MP	62.9%	77.2%	69.4%
NRE	24.3%	10.5%	18.9%
IP	12.8%	12.3%	11.7%

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### About Faraday Technology Corporation

Faraday Technology Corporation (TWSE: 3035) is dedicated to the mission of benefiting humanity and upholding sustainable values in every IC it handles. The company offers a comprehensive range of ASIC solutions, including total 3DIC packaging, Neoverse CSS design, FPGA-Go-ASIC, and design implementation services. Furthermore, its extensive silicon IP portfolio encompasses a wide array of offerings, such as I/O, Cell Library, Memory Compiler, ARM-compliant CPUs, LPDDR4/4X, DDR4/3, MIPI D-PHY, V-by-One, USB 3.1/2.0, 10/100 Ethernet, Giga Ethernet, SATA3/2, PCIe Gen4/3, and SerDes. For further information, visit [www.faraday-tech.com](http://www.faraday-tech.com) or follow Faraday on [LinkedIn](#).