



## Faraday Reports Second Quarter 2022 Results

**Revenue was NT\$3,365 Million, Doubled YoY and Hitting a Sequential New High**

**Operating Income Continued to Reach New High and**

**Showed Growth for the Sixth Consecutive Quarter at NT\$825 Million**

**EPS Grew 266% YoY to NT\$2.66**

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### Second Quarter 2022 Highlights<sup>[1]</sup>

- Revenue was NT\$3,365 million (US\$115.7 million)
- Gross margin was 49.3%
- Net income attributed to stockholders of the parent was NT\$661 million (US\$22.7 million)
- Earnings per share of NT\$2.66

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<Hsinchu, Taiwan – July 26, 2022> 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 second quarter of 2022. Second quarter consolidated revenue was NT\$3,365 million, up by 5% QoQ and 99% YoY, with gross margin of 49.3%. Net income attributed to stockholders of the parent was NT\$661 million, with a basic EPS of NT\$2.66.

Looking back to the second quarter, the Company’s business continued to grow, with record revenue and operating income. Revenue grew by 5% QoQ and 99% YoY to NT\$3,365 million, reaching a sequential new high. Operating income continued to rise by 12% QoQ and 274% YoY to NT\$825 million while operating margin increased significantly by 11 percentage points from the same period last year to 24.5%, showing growth for the sixth consecutive quarter. Net income attributed to stockholders of the parent was NT\$661 million, down 1% QoQ and up 266% YoY, with an EPS of NT\$2.66, hitting the second-highest in the history. In terms of product mix, NRE and mass production reached quarterly highs while IP hitting the second best quarterly record in the Company’s history. IP sales grew 9% QoQ and 22% YoY to NT\$318 million while NRE sales grew 7% QoQ and 12% YoY to NT\$441 million. Mass production increased 4% QoQ and 152% YoY to NT\$2,605, showing growth for the fifth consecutive quarter. Revenue in the first half this year was NT\$6,572 million, an increase of 104% YoY to a new record. Net income was NT\$1,331 million, an increase of 280% YoY with stronger growth in earnings than in revenue, reflecting the Company’s capability in operating leverage. Accumulated net income for the first half this year has exceeded the full year of 2021 earnings.

Looking into the third quarter, in the face of cyclical fluctuations, the Company will adjust product mix and mass production orders to respond to market changes. The results of the first half of the year reflected the Company’s longtime efforts bearing fruits. Faraday’s business growth this year backed mainly by mass production is expected to surpass last year, with record sales of IP, NRE and mass production. Faraday will continue to enhance product applications and customer base to make structural changes in fundamentals, resulting in recurring income as its growth

driver to counter macro fluctuations.

[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 June 30, 2022, the three-month period ended March 31, 2022, and the equivalent three-month period that ended June 30, 2021. For all 2Q22 results, New Taiwan Dollar (NT\$) amounts have been converted into U.S. dollars at the exchange rate of NT\$29.094 to one U.S. dollar.

## Summary of Operating Results

### Operating Results

(Amount: NT\$ million)	2Q22	1Q22	QoQ% change	2Q21	YoY% change
Revenues	3,365	3,207	4.9	1,688	99.4
Gross profit	1,660	1,593	4.2	838	97.9
Operation expenses	(835)	(857)	(2.6)	(618)	35.1
Operating income	825	736	12.1	221	273.7
Non-operating items	15	111	(86.7)	4	251.4
Net income attributed to stockholders of the parent	661	670	(1.3)	181	266.1
EPS (NTD)	2.66	2.70		0.73	

## Detailed Financials Section

### COGS & Expenses & Non-Operating Items

(Amount: NT\$ million)	2Q22	1Q22	QoQ% change	2Q21	YoY% change
Revenues	3,365	3,207	4.9	1,688	99.4
Operating costs	(1,705)	(1,614)	5.7	(850)	100.8
Gross profit	1,660	1,593	4.2	838	97.9
Gross margin (%)	49.3%	49.7%		49.7%	
Operating expenses	(835)	(857)	(2.6)	(618)	35.1
Operating income	825	736	12.1	221	273.7
Operating margin (%)	24.5%	22.9%		13.1%	
Non-operating items	15	111	(86.7)	4	251.4

## Current Assets

(Amount: NT\$ million)	As of		
	Jun 30, 2022	Mar 31, 2022	Jun 30, 2021
Cash and cash equivalents	5,475	5,748	3,793
Notes and accounts receivable, net	1,468	1,239	785
A/R Turnover Days	33	31	42
Inventories, net	2,366	1,705	786
Inventory Turnover Days	101	86	72
Total current assets	9,960	9,243	5,731

## Liabilities

(Amount: NT\$ million)	As of		
	Jun 30, 2022	Mar 31, 2022	Jun 30, 2021
Total current liabilities	5,340	4,660	2,194
Notes and accounts payable	1,510	1,783	980
Others	3,830	2,877	1,214
Non-current liabilities	373	420	273
Total liabilities	5,713	5,080	2,467
Liabilities to equity	73.4%	59.9%	35.0%

## Analysis of Revenues

### NRE Revenues Breakdown by Application

Application	2Q22	1Q22	2Q21
Communication	64.7%	41.2%	56.0%
Industrial	14.8%	12.9%	12.0%
MM/Con/PC	13.0%	6.1%	9.2%
AIoT	7.5%	39.8%	22.8%

### NRE Revenues Breakdown by Geometry

Geometry	2Q22	1Q22	2Q21
≥0.25um	0.3%	0.7%	0.3%
0.11um~0.18um	2.4%	13.9%	2.9%
55nm~90nm	5.4%	8.2%	5.5%
40nm	38.6%	11.3%	26.5%
≤28nm	53.3%	65.9%	64.8%

### MP Revenues Breakdown by Application

Application	2Q22	1Q22	2Q21
Communication	10.3%	9.8%	16.0%
Industrial	36.0%	32.6%	32.5%
MM/Con/PC	13.0%	17.3%	24.6%
AIoT	40.7%	40.3%	26.9%

### MP Revenues Breakdown by Geometry

Geometry	2Q22	1Q22	2Q21
≥0.25um	2.4%	2.2%	2.8%
0.11um~0.18um	25.0%	25.4%	25.5%
55nm~90nm	41.0%	41.0%	39.0%
40nm	22.4%	24.6%	30.4%
≤28nm	9.2%	6.8%	2.3%

### Total Revenues Breakdown by Billing Method

Billing	2Q22	1Q22	2Q21
MP	77.4%	78.1%	61.2%
NRE	13.1%	12.8%	23.3%
IP	9.5%	9.1%	15.5%

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## About Faraday Technology Corporation

Faraday Technology Corporation (TWSE: 3035) is a leading ASIC design service and IP provider, certificated to ISO 9001 and ISO 26262. The broad silicon IP portfolio includes 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 28G programmable SerDes, etc. Headquartered in Taiwan, Faraday has service and support offices around the world, including the U.S., Japan and China. For more information, visit [www.faraday-tech.com](http://www.faraday-tech.com) or follow Faraday on [LinkedIn](#).

