

Faraday Reports Second Quarter 2025 Results

Second-Quarter Consolidated Revenue Reached NT\$4.51 billion, Down 39% QoQ But Up 70% YoY

First-Half of 2025 Revenue Surpassed the Full-Year of 2024

The Number of ASIC Design Wins Reached a New High for the Same Period

Second Quarter 2025 Highlights^[1]

- Revenue of NT\$4,512 million (US\$144.9 million)
 - Gross margin was 24.2%
 - Net income attributable to stockholders of the parent was NT\$26 million (US\$0.83 million)
 - Earnings per share of NT\$0.10
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<Hsinchu, Taiwan – Jul. 29, 2025> 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 2025. Second quarter consolidated revenue was NT\$4,512 million, down by 39% QoQ and up by 70% YoY, with gross margin of 24.2%. Net income attributable to stockholders of the parent was NT\$26 million, with a basic EPS of NT\$0.10.

Looking back to the second quarter, performance was mixed, with both negative impacts from macro environment and positive results from business development. Second-quarter consolidated revenue decreased 39% QoQ due to the appreciation of the NT dollar and macro environment influences, but increased 70% YoY to NT\$4.51 billion. First-half cumulative revenue surpassed full-year revenue from the previous year, reaching NT\$11.95 billion. By product category, IP revenue decreased 28% QoQ and 16% YoY to NT\$289 million, reflecting seasonal fluctuation. NRE revenue was NT\$412 million, decreasing 9% QoQ and 36% YoY, primarily due to adjustments in the recognition schedule of advanced process projects, which are expected to be recognized gradually in the second half of the year. Mass production revenue was NT\$3.81 billion, decreasing 42% QoQ but increasing 130% YoY, primarily due to a decrease in advanced packaging revenue. Despite macro headwinds in the second quarter, the Company maintained an active pace in business expansion. The number of new ASIC design projects in the first half reached a record high for the same period. ASIC design win remained strong for mature processes, and the Company also achieved solid results in advanced processes and OSAT service business.

The Company continues to adjust its regional strategy and has secured ASIC projects in advanced technologies in key markets such as Europe, the U.S., and Japan. The Company's regional strategy is gaining traction, with over 50% of first-half design wins coming from non-China markets, including Europe, the U.S., and Japan. This reflects the success of its market diversification efforts. In the AI server market, demand for ASIC spans not only the core compute (e.g., XPU), but also interconnect and storage. With its combined SoC design and packaging integration capabilities, the Company is well positioned to capitalize on dual opportunities in chip design and OSAT service in the AI companion chip market. In OSAT services, the Company secured multiple projects in the first half and engaged its first 3D packaging project in the second quarter. Through close collaboration with foundries and OSAT, it offers packaging integration and supply chain coordination, helping customers reduce costs and accelerate project design timelines. The Company has already won several AI companion chip projects in the first half and will continue to focus on non-China markets and AI companion applications as key growth areas.

Looking into the third quarter, while overall revenue is expected to decline from the previous quarter, IP and NRE revenues are projected to increase QoQ. Looking ahead, amid the wave of AI expansion and the diversified demand for AI companion chips in the international market, the Company will pursue customized development and cooperative strategies for each region. Meanwhile, as demand for integrated packaging solutions grows, the OSAT service business is expected to gain momentum and continue driving long-term revenue growth.

[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, 2025, the three-month period ended March 31, 2025, and the equivalent three-month period that ended June 30, 2024. For all 2Q25 results, New Taiwan Dollar (NT\$) amounts have been converted into U.S. dollars at the exchange rate of NT\$31.14 to one U.S. dollar.

Summary of Operating Results

Operating Results					
(Unit: NT\$ million)	2Q25	1Q25	QoQ% change	2Q24	YoY% change
Revenues	4,512	7,438	(39.3)	2,649	70.3
Gross profit	1,091	1,508	(27.6)	1,249	(12.6)
Operation expenses	(1,027)	(1,139)	(9.8)	(992)	3.5
Operating income	64	369	(82.7)	257	(75.2)
Non-operating items	(19)	86	(122.3)	83	(123.2)
Net income attributable to stockholders of the parent	26	346	(92.5)	261	(90.1)
EPS (NTD)	0.10	1.33		1.00	

Detailed Financials Section

COGS & Expenses & Non-Operating Items					
(Unit: NT\$ million)	2Q25	1Q25	QoQ% change	2Q24	YoY% change
Revenues	4,512	7,438	(39.3)	2,649	70.3
Operating costs	(3,421)	(5,930)	(42.3)	(1,400)	144.3
Gross profit	1,091	1,508	(27.6)	1,249	(12.6)
Gross margin (%)	24.2%	20.3%		47.1%	
Operating expenses	(1,027)	(1,139)	(9.8)	(992)	3.5
Operating income	64	369	(82.7)	257	(75.2)
Operating margin (%)	1.4%	5.0%		9.7%	
Non-operating items	(19)	86	(122.3)	83	(123.2)

Current Assets				Liabilities			
(Unit: NT\$ million)	As of			(Unit: NT\$ million)	As of		
	Jun 30, 2025	Mar 31, 2025	Jun 30, 2024		Jun 30, 2025	Mar 31, 2025	Jun 30, 2024
Cash and cash equivalents	8,372	6,794	9,900	Total current liabilities	5,625	4,963	4,468
Notes and accounts receivable, net	944	2,155	1,088	Notes and accounts payable	1,439	2,245	1,268
A/R Turnover Days	15	20	46	Others	4,186	2,718	3,200
Inventories, net	1,947	2,526	929	Non-current liabilities	681	817	697
Inventory Turnover Days	29	28	69	Total liabilities	6,306	5,780	5,165
Total current assets	12,016	12,342	12,401	Liabilities to equity ratio	49.8%	42.2%	39.3%

Analysis of Revenues

NRE Revenues Breakdown by Application

Application	2Q25	1Q25	2Q24
Communication	7.7%	10.0%	8.9%
Industrial	49.2%	30.9%	58.1%
MM/Con/PC	2.4%	11.4%	2.5%
HPC & AI	31.6%	24.3%	3.3%
IoT	9.1%	23.4%	27.2%

NRE Revenues Breakdown by Geometry

Geometry	2Q25	1Q25	2Q24
$\geq 0.25\mu\text{m}$	0.7%	4.1%	0.2%
0.11 μm ~0.18 μm	4.6%	3.1%	15.4%
55nm~90nm	3.8%	11.2%	9.2%
40nm	10.7%	21.5%	11.3%
28nm	28.5%	31.2%	15.0%
$\leq 14\text{nm}$	51.7%	28.9%	48.9%

MP Revenues Breakdown by Application

Application	2Q25	1Q25	2Q24
Communication	3.6%	1.5%	8.8%
Industrial	9.7%	5.7%	26.1%
MM/Con/PC	4.0%	3.3%	11.5%
HPC & AI	60.3%	78.1%	2.2%
IoT	22.4%	11.4%	51.4%

MP Revenues Breakdown by Geometry

Geometry	2Q25	1Q25	2Q24
$\geq 0.25\mu\text{m}$	0.3%	0.3%	1.1%
0.11 μm ~0.18 μm	3.8%	2.3%	10.6%
55nm~90nm	19.6%	11.0%	58.1%
40nm	12.8%	7.2%	17.3%
28nm	3.3%	1.2%	12.9%
$\leq 14\text{nm}$	60.2%	78.0%	-

Total Revenues Breakdown by Billing Method

Billing Method	2Q25	1Q25	2Q24
MP	84.5%	88.5%	62.6%
NRE	9.1%	6.1%	24.4%
IP	6.4%	5.4%	13.0%

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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 details, visit www.faraday-tech.com or follow Faraday on [LinkedIn](#).