Faraday Reports Second Quarter 2026 Results

Consolidated revenues reached NT$3,314 million, up 28% QoQ, exceeding expectations;
ASIC and MCU demands drove production revenues up 48% QoQ, boosting EPS by 90% QoQ

Second Quarter 2026 Overview [1]

- Revenues of NT$3,314 million (US$105.1 million)
- Gross margin was 45.2%
- Net income attributable to stockholders of the parent was NT$198 million (US$6.3 million)
- Earnings per share of NT$0.76

<Hsinchu, Taiwan – Jul. 28, 2026> Faraday Technology Corporation (“Faraday” or the “Company”) (TWSE: 3035), a leading fabless ASIC service and silicon IP provider, today announced its consolidated operating results for the second quarter of 2026. Second quarter consolidated revenues were NT$3,314 million, up 28% QoQ but down 27% YoY. Gross profit was NT$1,499 million, up 22% QoQ and 37% YoY, with gross margin reached 45.2%. Operating income stood at NT$271 million, surged 182% QoQ and 324% YoY. Operating margin significantly recovered to 8.2%. Net income attributed to stockholders of the parent was NT$198 million, up 90% QoQ and 666% YoY, with a basic EPS of NT$0.76.

Looking back at the second quarter, consolidated revenues reached NT$3,314 million, representing a 28% sequential increase, exceeding the Company’s expectations which had projected growth in the high single digits. Performance across the three product lines varied: IP revenues reached NT$433 million, rising 5% QoQ and climbing a significant 50% YoY, driven by new IP deployments; NRE revenues totaled NT$451 million, down 16% QoQ, though still up 10% YoY. Mass production served as the primary growth engine for the quarter, surging 48% sequentially to NT$2,430 million. This robust expansion was driven by the synergistic effects of pricing mechanisms, capacity leverage, and increasing demand, propelling both ASIC and MCU revenues to grow by nearly 50% QoQ.

Looking back at the first half of the year, cumulative revenues reached NT$5,903 million, representing a 30% growth compared to the same period last year excluding the sales of material buy-and-sell on behalf of customers. Driven by the dual forces of tightening semiconductor supply chains and increasing customer demand, revenues expanded significantly. The primary growth engine for the first half was mass production, accounted for 70% of total revenues, climbing to NT$4,069 million with an increase 37% YoY; IP revenues totaled NT$846 million, up 22% YoY, and NRE revenues reached NT$988 million, rising 14% YoY. All three product lines are experiencing an upward trend.

Looking forward, despite the anticipated sequential decline in third-quarter revenues due to persistent constraints in the semiconductor supply chain, the Company maintains unchanged full-year revenues growth target. The dynamics of supply chain have also accelerated Faraday's value transformation, expanding its competitiveness beyond traditional ASIC design to encompass comprehensive value chain management. By strengthening supply chain resilience and deployment capabilities, Faraday has solidified its role as a strategic partner to clients. Moving forward, to address the dynamic market demands for MCU and ASIC, the Company will adopt a hybrid business model with a ‘‘dual-track parallel strategy” for mature process technologies, aiming to maximize the synergies between ASICs and MCUs. Regarding advanced process nodes and advanced packaging, amid the ongoing capacity constraints global semiconductor supply chain and the challenge of optimizing internal resources, the Company will continue to focus on the premium projects, aiming to optimize R&D investment to drive sustained value enhancement.

[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, 2026, the three-month period ended March 31, 2026, and the equivalent three-month period that ended June 30, 2025. For all 2Q26 results, New Taiwan Dollar (NT$) amounts have been converted into U.S. dollars at the exchange rate of NT$31.53 per U.S. dollar.

Summary of Operating Results

Operating Results

(Unit: NT$ million)	2Q26	1Q26	QoQ% change	2Q25	YoY% change
Revenues	3,314	2,589	28.0	4,512	(26.6)
Gross profit	1,499	1,225	22.4	1,091	37.3
Operation expenses	(1,228)	(1,129)	8.8	(1,027)	19.5
Operating income	271	96	182.2	64	324.0
Non-operating items	111	83	33.3	(19)	(678.6)
Net income attributable to stockholders of the parent	198	104	89.9	26	666.4
EPS (NTD)	0.76	0.40		0.10	

Detailed Financials Section

COGS & Expenses & Non-Operating Items

(Unit: NT$ million)	2Q26	1Q26	QoQ% change	2Q25	YoY% change
Revenues	3,314	2,589	28.0	4,512	(26.6)
Operating costs	(1,815)	(1,364)	33.1	(3,421)	(46.9)
Gross profit	1,499	1,225	22.4	1,091	37.3
Gross margin (%)	45.2%	47.3%		24.2%	
Operating expenses	(1,228)	(1,129)	8.8	(1,027)	19.5
Operating income	271	96	182.2	64	324
Operating margin (%)	8.2%	3.7%		1.4%	
Non-operating items	111	83	33.3	(19)	(678.6)

Current Assets

(Unit: NT$ million)	As of		
	Jun 30, 2026	Mar 31, 2026	Jun 30, 2025
Cash and cash equivalents	9,488	8,381	8,372
Notes and accounts receivable, net	1,052	1,864	944
A/R Turnover Days	43	63	15
Inventories, net	1,508	1,120	1,947
Inventory Turnover Days	71	69	29
Total current assets	13,612	13,024	12,016

Liabilities

(Unit: NT$ million)	As of		
	Jun 30, 2026	Mar 31, 2026	Jun 30, 2025
Total current liabilities	6,437	5,733	5,625
Notes and accounts payable	2,363	2,124	1,439
Others	4,074	3,609	4,186
Non-current liabilities	751	753	681
Total liabilities	7,188	6,486	6,306
Liabilities to equity ratio	40.1%	45.0%	49.8%

Analysis of Revenues

NRE Revenues Breakdown by Application

Application	2Q26	1Q26	2Q25
Communication	17.0%	22.0%	7.7%
Industrial	20.6%	24.0%	49.2%
MM/Con/PC	11.4%	9.2%	2.4%
AI	35.4%	35.0%	31.6%
IoT	15.6%	9.8%	9.1%

NRE Revenues Breakdown by Geometry

Geometry	2Q26	1Q26	2Q25
≧0.25um	0.4%	-	0.7%
0.11um~0.18um	5.9%	1.2%	4.6%
55nm~90nm	8.4%	3.1%	3.8%
40nm	20.7%	18.6%	10.7%
28nm	35.7%	41.0%	28.5%
≦14nm	28.9%	36.1%	51.7%

MP Revenues Breakdown by Application

Application	2Q26	1Q26	2Q25
Communication	21.1%	7.3%	3.6%
Industrial	18.5%	27.3%	9.7%
MM/Con/PC	11.2%	11.6%	4.0%
AI	0.4%	0.7%	60.3%
IoT	48.8%	53.1%	22.4%

MP Revenues Breakdown by Geometry

Geometry	2Q26	1Q26	2Q25
≧0.25um	1.3%	1.0%	0.3%
0.11um~0.18um	11.3%	13.3%	3.8%
55nm~90nm	48.7%	54.9%	19.6%
40nm	17.8%	22.8%	12.8%
28nm	20.7%	7.6%	3.3%
≦14nm	0.2%	0.4%	60.2%

Total Revenues Breakdown by Billing Method

Billing Method	2Q26	1Q26	2Q25
MP	73.3%	63.3%	84.5%
NRE	13.6%	20.7%	9.1%
IP	13.1%	16.0%	6.4%

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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 details, visit www.faraday-tech.com or follow Faraday on LinkedIn.