



Faraday Investor Conference

Faraday Reports First Quarter 2022 Results

Revenue was NT\$3,207 Million, Up 109% YoY, Hitting a Sequential New High

Operating Income Showed Growth for the Fifth Consecutive Quarter

EPS Grew 295% YoY to NT\$2.70, Setting a New Quarterly High

First Quarter 2022 Highlights^[1]

- Revenue was NT\$3,207 million (US\$115.2 million)
- Gross margin was 49.7%
- Net income attributed to stockholders of the parent was NT\$670 million (US\$24.1 million)
- Earnings per share of NT\$2.70

<Hsinchu, Taiwan – April 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 first quarter of 2022. First quarter consolidated revenue was NT\$3,207 million, up by 21% QoQ and 109% YoY, with gross margin of 49.7%. Net income attributed to stockholders of the parent was NT\$670 million, with a basic EPS of NT\$2.70.

Looking back to the first quarter, the Company reported above seasonal results with record revenue and earnings mainly driven by mass production. Revenue in the first quarter grew 21% QoQ and 109% YoY to record high at NT\$3,207 million. Operating income continued to rise by 24% QoQ and 430% YoY to NT\$736 million while operating margin increased significantly by 14 percentage points from the same period last year to 22.9%, showing growth for the fifth consecutive quarter and reflecting the sustainability of the Company’s profitability. Net income attributed to stockholders of the parent was NT\$670 million, an increase of 40% QoQ and 295% YoY, and surpassed half of earnings in 2021. EPS in the first quarter was NT\$2.70, hitting a new quarterly high. In terms of product mix, IP sales grew 9% QoQ and 9% YoY to NT\$292 million while NRE sales grew 12% QoQ and 20% YoY to NT\$412 million. Mass production increased 25% QoQ and 171% YoY was the main revenue contributor that showed continuous growth for four consecutive quarters. First quarter results performed well at all fronts with stronger growth in earnings than in revenue. Design win of ASIC project, under the support of long-term customers, maintained at current trajectory despite cyclical fluctuation and the pandemic.

Looking into the second quarter, the overall business is expected to increase consecutively on growing demand for mass production, further amplifying the revenue growth in the first half this year. Faraday’s significant growth is resulted from the structural change, creating recurring income as the main growth driver for future growth. The Company will continue to improve operation efficiency for ASIC business while diversifying the applications to strengthen growth momentum and counter cyclical fluctuation, aiming to establish the foundation for its long-term 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 March 31, 2022, the three-month period ended December 31, 2021, and the equivalent three-month period that ended March 31, 2021. For all 1Q22 results, New Taiwan Dollar (NT\$) amounts have been converted into U.S. dollars at the exchange rate of NT\$27.849 to one U.S. dollar.

Summary of Operating Results

Operating Results

(Amount: NT\$ million)	1Q22	4Q21	QoQ% change	1Q21	YoY% change
Revenues	3,207	2,645	21.3	1,535	108.9
Gross profit	1,593	1,358	17.3	749	112.8
Operation expenses	(857)	(765)	12.1	(610)	40.6
Operating income	736	593	24.0	139	430.1
Non-operating items	111	22	391.6	70	59.6
Net income attributed to stockholders of the parent	670	479	39.9	170	294.7
EPS (NTD)	2.70	1.93		0.68	

Detailed Financials Section

COGS & Expenses & Non-Operating Items

(Amount: NT\$ million)	1Q22	4Q21	QoQ% change	1Q21	YoY% change
Revenues	3,207	2,645	21.3	1,535	108.9
Operating costs	(1,614)	(1,287)	25.4	(786)	105.2
Gross profit	1,593	1,358	17.3	749	112.8
Gross margin (%)	49.7%	51.4%		48.8%	
Operating expenses	(857)	(765)	12.1	(610)	40.6
Operating income	736	593	24.0	139	430.1
Operating margin (%)	22.9%	22.4%		9.0%	
Non-operating items	111	22	391.6	70	59.6

Current Assets

(Amount: NT\$ million)	As of		
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
Cash and cash equivalents	5,748	4,763	3,692
Notes and accounts receivable, net	1,239	939	552
A/R Turnover Days	31	37	40
Inventories, net	1,705	1,321	633
Inventory Turnover Days	86	83	85
Total current assets	9,243	7,392	5,366

Liabilities

(Amount: NT\$ million)	As of		
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
Total current liabilities	4,660	3,506	2,050
Notes and accounts payable	1,783	1,372	1,044
Others	2,877	2,134	1,006
Non-current liabilities	420	375	277
Total liabilities	5,080	3,881	2,327
Liabilities to equity	59.9%	47.6%	34.7%

Analysis of Revenues

NRE Revenues Breakdown by Application

Application	1Q22	4Q21	1Q21
Communication	41.2%	55.8%	34.4%
Industrial	12.9%	13.9%	24.0%
MM/Con/PC	6.1%	15.0%	19.0%
AIoT	39.8%	15.3%	22.6%

NRE Revenues Breakdown by Geometry

Geometry	1Q22	4Q21	1Q21
$\geq 0.25\mu\text{m}$	0.7%	1.3%	-
0.11 μm ~0.18 μm	13.9%	6.3%	4.5%
55nm~90nm	8.2%	9.8%	2.5%
40nm	11.3%	29.0%	16.0%
$\leq 28\text{nm}$	65.9%	53.6%	77.0%

MP Revenues Breakdown by Application

Application	1Q22	4Q21	1Q21
Communication	9.8%	6.3%	17.5%
Industrial	32.6%	33.9%	29.1%
MM/Con/PC	17.3%	19.7%	27.7%
AIoT	40.3%	40.1%	25.7%

MP Revenues Breakdown by Geometry

Geometry	1Q22	4Q21	1Q21
$\geq 0.25\mu\text{m}$	2.2%	2.2%	2.2%
0.11 μm ~0.18 μm	25.4%	25.6%	23.8%
55nm~90nm	41.0%	47.1%	40.2%
40nm	24.6%	20.6%	30.4%
$\leq 28\text{nm}$	6.8%	4.5%	3.4%

Total Revenues Breakdown by Billing Method

Billing	1Q22	4Q21	1Q21
MP	78.1%	76.0%	60.2%
NRE	12.8%	13.9%	22.4%
IP	9.1%	10.1%	17.4%

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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 or follow Faraday on [LinkedIn](#).