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**Faraday Reports Fourth Quarter 2020 Revenues at NT\$1,430 Million  
2020 Annual Revenues NT\$5,495 Million, Mass Production Up 18% YoY**

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**Fourth Quarter 2020 Highlights<sup>[1]</sup>:**

- Revenues were NT\$1,430 million (US\$49.7million)
- Gross margin was 46.8%
- Net income attributed to stockholders of the parent was NT\$23 million (US\$0.82 million)
- Earnings per share of NT\$0.09

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<Hsinchu, Taiwan – Jan. 26, 2021> 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 fourth quarter of 2020. Fourth quarter consolidated revenues were NT\$1,430 million, down by 4.2% quarter-over-quarter and up by 2.0% year-over-year, with gross margin of 46.8%. Net income attributed to stockholders of the parent was NT\$23 million, with a basic EPS of NT\$0.09. For the fiscal year of 2020, consolidated revenues totaled NT\$5,495 million, an increase of 3.6% year-over-year. Net income attributed to stockholders of the parent was NT\$268 million, with a basic EPS of NT\$1.08.

In the fourth quarter, the Company’s revenues declined 4.2% quarter-over-quarter to NT\$1,430 million mainly due to lower sales of mass production. Although revenues from NRE and IP still grew from previous quarter. Despite declined mass production from existing customers in the fourth quarter, the shipment of new projects continued from last quarter, resulting in mass production growth by 17.9% year-over-year in the second half of 2020. The applications of new projects including automation, AIoT and Audio/Video...etc. which mostly are niche products with long life cycle and also the ideal applications pursued by the Company. Looking back to 2020, Faraday reported annual revenues at NT\$5.5 billion, a 3.6% growth from previous year. Though NRE sales recognition was deferred caused by the pandemic, the growth momentum of niche projects accelerated, resulting in annual mass production growth of 17.6% year-over-year. In terms of design win, both order amount and project number remained at high level with lifted average order amount on the back of long-term customer base, aiming to lay the foundation for the Company’s long-term business growth.

Looking into 2021, the first quarter revenue is likely to grow consecutively in the traditionally slow season. With the structural change on both product application and customer bases, Faraday holds a positive view on 2021 outlook and expects continued upward trend of ASIC and IP.

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<sup>[1]</sup> 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 December 31, 2020, the three-month period ended September 30, 2020, and the equivalent three-month period that ended December 31, 2019. For all 4Q20 results, New Taiwan Dollar (NT\$) amounts have been converted into U.S. dollars at the exchange rate of NT\$28.7761 to one U.S. dollar.

## Summary of Operating Results

Operating Results					
(Amount: NT\$ million)	4Q20	3Q20	QoQ% change	4Q19	YoY% change
Net sales	1430	1493	(4.2)	1402	2.0
Gross profit	669	701	(4.6)	697	(4.0)
Operating expenses	(645)	(625)	3.1	(640)	0.7
Operating income	24	76	(67.9)	57	(57.3)
Non-operating income and expense	(3)	5	(159.6)	(2)	23.0
Net income attributed to stockholders of the parent	23	62	(62.2)	49	(52.1)
Earnings per share (NTD)	0.09	0.25		0.20	

## Detailed Financials Section

COGS & Expenses & Non-Operating Income & Expenses					
(Amount: NT\$ million)	4Q20	3Q20	QoQ% change	4Q19	YoY% change
Net sales	1430	1493	(4.2)	1402	2.0
Operating costs	(761)	(792)	(3.9)	(705)	7.9
Gross profit	669	701	(4.6)	697	(4.0)
Gross margin (%)	46.8%	47.0%		49.7%	
Operating expenses	(645)	(625)	3.1	(640)	0.7
Operating income	24	76	(67.9)	57	(57.3)
Operating margin (%)	1.7%	5.1%		4.1%	
Non-operating income and expense	(3)	5	(97.0)	(2)	23.0

Current Assets			
(Amount: NT\$ million)	As of		
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019
Cash and cash equivalents	3048	2845	2776
Notes and accounts receivable, net	691	890	858
Days sales outstanding	49	59	60
Inventories, net	501	693	635
Days of inventory	71	85	90
Total current assets	4702	5007	5023

Liabilities			
(Amount: NT\$ million)	As of		
	Dec 31, 2020	Sep 30, 2020	Dec 31, 2019
Total current liabilities	1614	1849	2079
Notes and accounts payable	645	1155	1081
Others	968	694	998
Non-current liabilities	245	294	360
Total liabilities	1858	2143	2439
Liabilities to equity	29.3%	37.9%	46.4%

## Analysis of Revenue

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### ASIC Revenue Breakdown by Geometry

Geometry	4Q19	3Q20	4Q20
≥ 0.25um	2.2%	3.2%	2.2%
0.11um~0.18um	37.8%	45.8%	26.1%
55nm~90nm	21.3%	25.9%	35.8%
40nm	15.7%	16.8%	25.7%
≤ 28nm	23.0%	8.3%	10.3%

### ASIC Revenue Breakdown by Application

Application	4Q19	3Q20	4Q20
Communication	19.7%	41.1%	14.1%
Industrial	31.6%	22.1%	28.3%
MM/Con/PC	12.1%	19.3%	30.2%
AIoT	32.2%	16.9%	27.3%
Others	4.4%	0.6%	0.1%

### Total Revenue Breakdown by Billing Method

Billing	4Q19	3Q20	4Q20
MP	54.2%	70.0%	67.4%
NRE	30.2%	16.1%	17.7%
IP	15.6%	13.9%	14.9%

## About Faraday

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Faraday Technology Corporation (TWSE: 3035) is a leading ASIC design service and IP provider, certified to ISO 9001 and ISO 26262. The broad silicon IP portfolio includes I/O, Cell Library, Memory Compiler, ARM-compliant CPUs, DDR2/3/4, low-power DDR1/2/3, MIPI, V-by-One, USB 2.0/3.1 Gen 1, 10/100/1000 Ethernet, Serial ATA, PCI Express, and 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