

**MediaTek Inc. Reports Third-Quarter Consolidated Results**

**MediaTek discloses Taiwan-International Financial Reporting Standards (TIFRS) financial measures and also provides Non-Taiwan-International Financial Reporting Standards (Non-TIFRS)<sup>Note1</sup> financial measures as supplemental information. Non-TIFRS financial information should be considered in addition to, not as a substitute for, TIFRS financial information. Earnings distribution is made in accordance with financial statements based on TIFRS.**

**Taiwan-International Financial Reporting Standards (TIFRS) financial measures**

- 3Q21 consolidated revenue of NT\$131,074 million, up 4.3% from previous quarter and up 34.7% year-over-year
- 3Q21 consolidated gross margin of 46.7%, up 0.5 percentage points from previous quarter and up 2.5 percentage points year-over-year
- 3Q21 consolidated operating income of NT\$29,287 million, up 1.6% from previous quarter and up 100.2% year-over-year
- 3Q21 consolidated net income of NT\$28,361 million; EPS of NT\$17.92

**Consolidated Revenue**

MediaTek Inc. today announced financial results of third-quarter ended September 30, 2021. The third-quarter revenue was NT\$131,074 million, up 4.3% sequentially and up 34.7% year-over-year. The higher quarter-over-quarter and year-over-year revenues were mainly benefited from migrations to higher product specifications or higher demand for all major product lines.

**Consolidated Gross Profit and Gross Margin**

The third-quarter gross profit was NT\$61,216 million, up 5.5% sequentially and up 42.3% year-over-year. Gross margin for the quarter was 46.7%, up 0.5 percentage points sequentially and up 2.5 percentage points year-over-year. The quarter-over-quarter and year-over-year increases in gross margins were mainly due to better product mix.

**Consolidated Operating Expenses**

Operating expenses for the quarter was NT\$31,929 million (24.4% of revenue), compared with NT\$29,204 million (23.2% of revenue) in the previous quarter and NT\$28,400 million (29.2% of revenue) in the same period last year. The quarter-over-quarter and year-over-year increases were mainly due to increases in R&D investments and higher expenses associated with product sales.

Operating expenses for the quarter included:

- R&D expenses of NT\$24,364 million (18.6% of revenue), increased from NT\$22,879 million in the previous quarter and increased from NT\$ 22,547 million in the same period last year.

**Note1: Non-TIFRS financial information should be considered in addition to, not as a substitute for, TIFRS financial information. Reconciliations between TIFRS and Non-TIFRS results include share-based compensation, amortization of acquisition related assets, tax effect and other items. Further information is included in supplemental information.**

- Selling expenses of NT\$5,076 million (3.9% of revenue), increased from NT\$3,890 million in the previous quarter and increased from NT\$3,648 million in the same period last year.
- Administration expenses of NT\$2,489 million (1.9% of revenue), increased from NT\$2,435 million in the previous quarter and increased from NT\$2,205 million in the same period last year.

#### **Consolidated Operating Income and Operating Margin**

Operating income for the quarter was NT\$29,287 million, up 1.6% sequentially and up 100.2% year-over-year. Operating margin for the quarter was 22.3%, decreased from 22.9% in the previous quarter and increased from 15.0% in the year-ago quarter.

#### **Consolidated Non-operating Income (loss) and Income Tax**

Non-operating income for the quarter was NT\$2,903 million, or 2.2% of revenue. It was mainly from interest income and dividend income. Income tax expense for the quarter was NT\$3,829 million.

#### **Consolidated Net Income, Net Profit Margin and EPS**

Net income for the quarter was NT\$28,361 million, up 2.8% sequentially and up 112.2% year-over-year. Net profit margin for the quarter was 21.6%, decreased from 22.0% in the previous quarter and increased from 13.7% in the year-ago quarter. EPS was NT\$17.92, up from NT\$17.44 in the prior quarter and NT\$8.42 in the year-ago quarter. The quarter-over-quarter increases in net income and EPS were mainly due to higher revenue and gross margin this quarter. The lower net profit margin compared with last quarter was mainly due to higher operating expenses this quarter. The year-over-year increases in net income, net profit margin and EPS were mainly because higher revenue and gross margin fully offset the increase in operating expenses this quarter.

#### **Consolidated Cash and Financial Assets-Current**

Cash and financial assets-current at the end of the quarter was NT\$187,344 million. This represents 30.8% of the company's total assets. Cash and financial assets-current was NT\$238,281 million and NT\$184,310 million at the end of previous quarter and the year-ago quarter, respectively. Financial assets-current portfolio includes mutual funds, bonds, derivatives and so on.

#### **Consolidated Accounts Receivable**

Accounts receivable (net) at the end of the quarter was NT\$55,717 million. The accounts receivable turnover was 36 days based on quarterly average net receivables divided by annualized net revenue. The turnover was higher 34 days in the last quarter and 35 days in the year-ago quarter.

#### **Consolidated Inventory**

Net inventory at the end of the quarter was NT\$68,793 million. The inventory turnover was 86 days based on quarterly average inventory divided by annualized cost of goods sold. The turnover was higher than 81 days in the last quarter and 57 days in the year-ago quarter.

#### **Consolidated Cash Flow from Operations**

Net cash used in operating activities during the quarter was NT\$4,323 million, compared with net cash provided by operating activities of NT\$28,131 million in the prior quarter and net cash provided by operating activities of NT\$31,839 million in the year-ago quarter.

**Earnings Webcast**

MediaTek will hold a public webcast today (October 26). A live webcast of the conference call will be available through the Investor Relations section of the MediaTek website. Investors who want to raise questions may use the toll number attached below.

**Schedule and Webcast Links:**

Tuesday, October 26, 2021

**Time: 3:00 – 4:00 p.m. (Taiwan Time) Language: English**

<https://webpage-ott2b.cdn.hinet.net/webpage/live?contentProvider=mediatek>

**Dial-in Number:** +886-2-21928016

**Password:** 727286#

**About MediaTek Inc.**

MediaTek Incorporated (TWSE: 2454) is a global fabless semiconductor company that enables nearly 2 billion connected devices a year. We are a market leader in developing innovative systems-on-chip (SoC) for mobile device, home entertainment, connectivity and IoT products. Our dedication to innovation has positioned us as a driving market force in several key technology areas, including highly power-efficient mobile technologies, automotive solutions and a broad range of advanced multimedia products such as smartphones, tablets, digital televisions, 5G, Voice Assistant Devices (VAD) and wearables. MediaTek empowers and inspires people to expand their horizons and achieve their goals through smart technology, more easily and efficiently than ever before. We work with the brands you love to make great technology accessible to everyone, and it drives everything we do. Visit [www.mediatek.com](http://www.mediatek.com) for more information.

## Taiwan-International Financial Reporting Standards (TIFRS)

### MediaTek Inc. Consolidated Income Statement (Unaudited)

(In NT\$ millions, except EPS)	3Q21	2Q21	3Q20	Q-Q	Y-Y
Net Sales	131,074	125,653	97,275	4.3%	34.7%
Operating costs	(69,858)	(67,615)	(54,246)		
Gross profit	61,216	58,038	43,028	5.5%	42.3%
Selling expenses	(5,076)	(3,890)	(3,648)		
Administration expenses	(2,489)	(2,435)	(2,205)		
R&D expenses	(24,364)	(22,879)	(22,547)		
Operating expenses	(31,929)	(29,204)	(28,400)		
Operating income	29,287	28,834	14,628	1.6%	100.2%
Net non-operating income	2,903	2,753	804		
Net income before income tax	32,190	31,587	15,432		
Income tax expense	(3,829)	(4,000)	(2,066)		
Net income	28,361	27,587	13,367	2.8%	112.2%
Owners of the parent	28,287	27,511	13,251	2.8%	113.5%
Non-controlling interests	74	76	115		
<b>EPS attributable to the parent(NT\$)</b>	<b>17.92</b>	<b>17.44</b>	<b>8.42</b>		

Note: Sums may not equal totals due to rounding.

### MediaTek Inc. Consolidated Income Statement (Percentage of Revenue)

	3Q21	2Q21	3Q20
<b>Gross profit</b>	<b>46.7%</b>	<b>46.2%</b>	<b>44.2%</b>
Selling expenses	(3.9%)	(3.1%)	(3.7%)
Administration expenses	(1.9%)	(1.9%)	(2.3%)
R&D expenses	(18.6%)	(18.2%)	(23.2%)
<b>Operating income</b>	<b>22.3%</b>	<b>22.9%</b>	<b>15.0%</b>
Non-operating income	2.2%	2.2%	0.8%
Income tax expense	(2.9%)	(3.2%)	(2.1%)
<b>Net income</b>	<b>21.6%</b>	<b>22.0%</b>	<b>13.7%</b>

Note: Sums may not equal totals due to rounding.

## MediaTek Inc. Consolidated Balance Sheet (Unaudited)

(In NT\$ millions)	3Q21	2Q21	3Q20
Cash & financial assets-current	187,344	238,281	184,310
Accounts receivable	55,717	48,414	37,997
Inventories	68,793	63,149	31,010
Other current assets	10,031	10,411	16,630
Funds and investments	122,654	139,127	95,939
Intangible assets	74,661	75,071	77,105
Other non-current assets	89,275	56,422	47,675
<b>Total assets</b>	<b>608,475</b>	<b>630,875</b>	<b>490,666</b>
Short-term loans	50,449	27,428	30,626
Accounts payable	45,581	45,903	29,288
Other current liabilities	97,548	155,233	74,934
<b>Total non-current liabilities</b>	<b>15,834</b>	<b>14,679</b>	<b>14,514</b>
<b>Total equity</b>	<b>399,063</b>	<b>387,633</b>	<b>341,304</b>

Note: Sums may not equal totals due to rounding.

## MediaTek Inc. Consolidated Cash Flow Summary (Unaudited)

(In NT\$ millions)	3Q21	2Q21	3Q20
Net cash provided by (used in) operating activities	(4,323)	28,131	31,839
Net cash provided by (used in) investing activities	(10,872)	(2,294)	(2,687)
Net cash provided by (used in) financing activities	(35,835)	1,162	(25,402)
Effect of changes in exchange rate on cash and cash equivalents	56	(1,883)	(1,332)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(50,974)</b>	<b>25,115</b>	<b>2,418</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>168,238</b>	<b>219,212</b>	<b>171,356</b>

Note: Sums may not equal totals due to rounding.

## 【Supplemental Information】

### Reconciliations of TIFRS Results to Non-TIFRS Results<sup>Note2</sup>

(In NT\$ millions)

		3Q21	2Q21	3Q20	Q-Q	Y-Y
TIFRS	Operating income	29,287	28,834	14,628	1.6%	100.2%
	Operating income margin(%)	22.3%	22.9%	15.0%		
Reconciliations	Share-based compensation	453	123	418		
	Amortization of acquisition related assets	136	136	406		
Non-TIFRS	<b>Operating income</b>	<b>29,876</b>	<b>29,094</b>	<b>15,452</b>	2.7%	93.4%
	<b>Operating income margin (%)</b>	<b>22.8%</b>	<b>23.2%</b>	<b>15.9%</b>		

TIFRS	Net income	28,361	27,587	13,367	2.8%	112.2%
	Net income margin(%)	21.6%	22.0%	13.7%		
	Net income- Owners of the parent	28,287	27,511	13,251	2.8%	113.5%
	EPS(NT\$)	17.92	17.44	8.42		
Reconciliations	Share-based compensation	453	123	418		
	Amortization of acquisition related assets	136	136	406		
	Tax effect	(86)	(44)	(131)		
Non-TIFRS	<b>Net income</b>	<b>28,865</b>	<b>27,802</b>	<b>14,059</b>	3.8%	105.3%
	<b>Net income margin (%)</b>	<b>22.0%</b>	<b>22.1%</b>	<b>14.5%</b>		
	<b>Net income- Owners of the parent</b>	<b>28,784</b>	<b>27,719</b>	<b>13,946</b>	3.8%	106.4%
	<b>EPS(NT\$)</b>	<b>18.23</b>	<b>17.57</b>	<b>8.86</b>		

Note1: Sums may not equal totals due to rounding.

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