

The logo for Goodix, featuring the word "GOODIX" in a white, sans-serif font. The letter "i" is lowercase and has a red dot. The background is a blue-tinted cityscape with a prominent curved skyscraper in the foreground.

GOODIX



2022 Third Quarter Report Summary

Shenzhen Goodix Technology Co., Ltd.

603160.SH

1. Third Quarter of 2022 (“3Q22”) Highlights

Shenzhen Goodix Technology Co., Ltd. Announces Third Quarter Results

Shenzhen, China, October 27, 2022 - Goodix Technology (603160. SH), an integrated solution provider for applications based on IC design and software development, today announced the unaudited consolidated results for 3Q22 ended September 30, 2022.

Revenue was CNY 692 million, a decrease of 44% year-over-year (“YoY”);

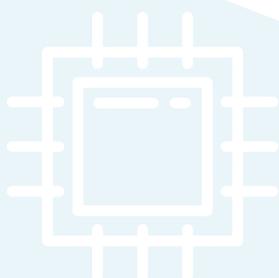
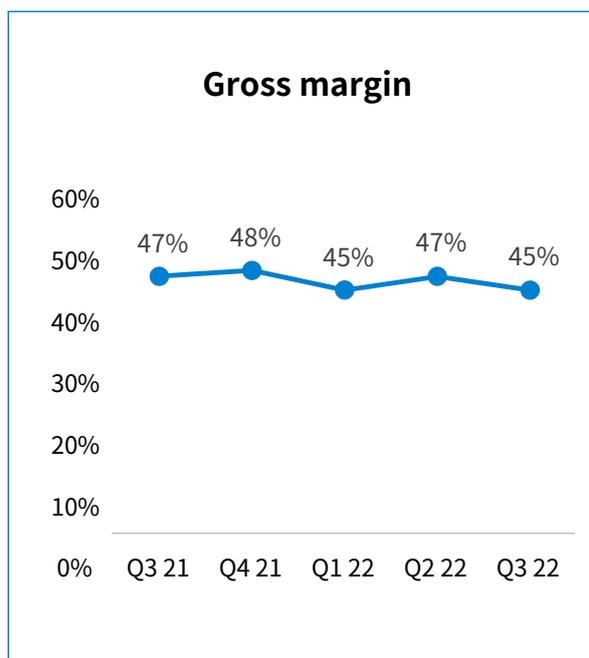
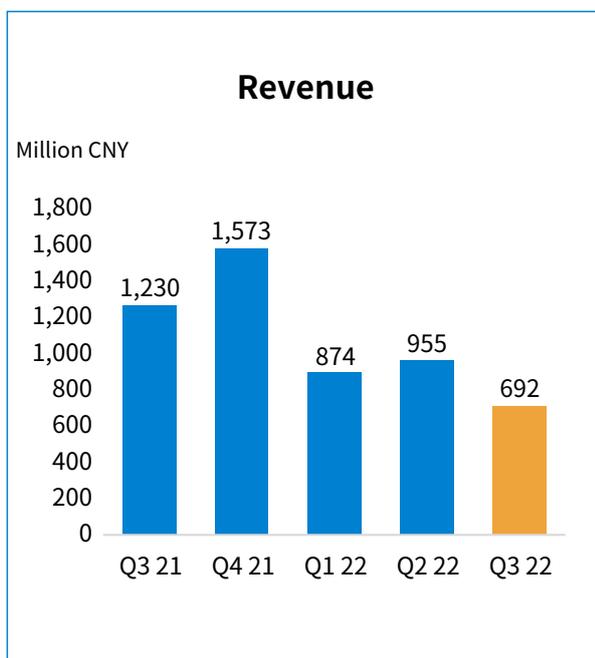
Gross Profit was CNY 314 million in 3Q22, down from CNY 575 million in 3Q21, a decrease of 45% YoY;

Gross Margin was 45% in 3Q22 vs. 47% in 3Q21;

Net Profit was CNY -121 million, a decrease of CNY 316 million compared with CNY 195 million in 3Q21;

Basic EPS: CNY -0.27 per share vs. CNY 0.43 per share in 3Q21;

Diluted EPS: CNY -0.27 per share vs. CNY 0.42 per share in 3Q21.



2. Key Figures

December Fiscal Year End (All figures in Million CNY)	30-Sep 3Q 2022	30-Sep 3Q 2021	YoY
Revenue	691.90	1,230.20	-43.76%
Gross margin (%)	45.33%	46.72%	-1.39%
Operating profit	-189.10	58.20	-424.91%
Operating margin (%)	-27.33%	4.73%	-32.06%
Net profit	-120.59	194.94	-161.86%
R&D expense	374.78	384.44	-2.51%
Cash and short-term investments	3,201.41	4,780.22	-33.03%
Total assets	10,360.00	10,420.58	-0.58%
Stockholders' equity	8,474.30	8,350.27	1.49%
Debt ratio (%)	18.20%	19.87%	-1.67%
Cash flows from operating activities	-289.00	177.94	-262.41%

3. Management's Discussion and Analysis

(1) Revenue

The Company reported a revenue of CNY 692 million in 3Q22, down 44% compared to CNY 1,230 million in 3Q21, mainly due to such factors as macroeconomic conditions, changes in the smart device market landscape and intensified market competition.

The gross margin of 3Q22 was 45.3%, a decrease of 1.4 percentage points from 46.7% in the same period of 2021. The drop was primarily due to the change of revenue structure and the rising cost of OEM.

(2) Operating expenses

The R&D expenses were CNY 375 million in 3Q22, down 3% compared to CNY 384 million in 3Q21, mainly due to the optimization and adjustment of R&D projects.

The selling expenses were CNY 65 million in 3Q22, down 14% from CNY 75 million in 3Q21, mainly due to the increasing maturity of products and the reduction in corresponding technical support.

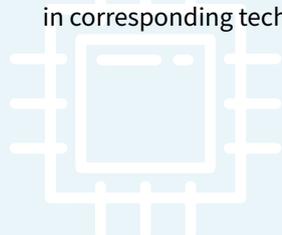
The G&A expenses of 3Q22 were CNY 63 million, up 21% from CNY 52 million in 3Q21, mainly attributed to the Company's rapid development and internationalization that resulted in the increases in the G&A expenses.

(3) Net profit

The Company's net profit was CNY -121 million in 3Q22, a decrease of CNY 316 million compared with CNY 195 million in 3Q21, mainly due to the decline in revenue, and the expenses were flat compared to the same period of last year. In the short term, affected by changes in the market environment and intensified competition, the Company's performance will be under pressure.

(4) Cash flows

The net cash flow from operating activities was CNY -289 million in 3Q22, compared to CNY 178 million in 3Q21. Mainly due to the cost of normal stocking and the decrease in payment received which was caused by the decrease in revenue.



The net cash flow from investing activities was CNY 407 million in 3Q22, higher than CNY 117 million in 3Q21. The main reason for the difference was the reduced cash outflow for investment.

The net cash flow from financing activities was CNY -35 million in 3Q22, compared to CNY 54 million in 3Q21. The main reason for the change was the increase in cash outflows from debt repayment.

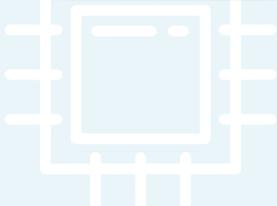
(5) Assets and liabilities

As of September 30, 2022, the Company's total assets stood at CNY 10.36 billion, with net assets totaling CNY 8.47 billion, a current ratio of 3.9 times, and a debt ratio of 18.2%, which were within the sound range. The figures also reflect the Company's good solvency and sound financial position that allow the Company to be well prepared for long-term growth.

About Goodix

Goodix Technology (SH: 603160) is an integrated solution provider for applications based on IC design and software development offering industry-leading software and hardware semiconductor solutions for smart devices, IoT applications, and automotive electronics. Goodix serves hundreds of millions of global consumers with quality products and solutions via renowned brands including Samsung, Google, Amazon, OPPO, vivo, Xiaomi, Dell, HP, LG, OnePlus, Nokia, and ASUS. The company is recognized as a leading IC design and solution provider that empowers a connected, intelligent world.

Standing among the global semiconductor industry, Goodix will continue its dedication in research and development, striving to establish the comprehensive IC design blueprint for smart devices, IoT applications, and automotive electronics, aiming to become a world-leading comprehensive IC design company and innovative technology team that delivers continuous surprises to global customers and consumers, offers long-term and differentiating values to the industry and the society, and provides excellent career development opportunities for Goodix's global talents.

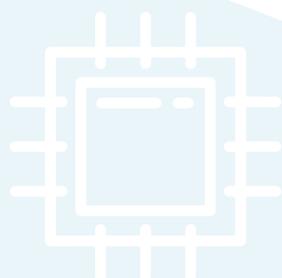


4. Key Financial Data and Indicators

Shenzhen Goodix Technology Co., Ltd. Consolidated Income Statement

For the nine months ended Sep 30,2022 and Sep 30,2021
(The currency of the statements is Chinese Yuan,'CNY',unless otherwise indicated)

Items	Jan-Sep,2022	Jan-Sep,2021
1. Revenue	2,520,769,609.11	4,140,078,819.87
Less: Operating cost	1,366,440,315.88	2,141,313,974.00
Taxes and surcharges	10,982,653.07	22,181,400.76
Selling expenses	173,322,270.02	246,350,669.39
General and administrative expenses	185,171,414.84	124,483,003.67
Research and development expenses	1,079,484,744.13	1,283,140,110.39
Finance expenses	-13,115,605.52	-38,932,356.31
Including: Interest expense	12,777,984.34	10,694,853.68
Interest income	48,970,712.32	64,027,427.44
Add: Other income	83,682,855.82	140,396,982.18
Investment income	62,574,088.43	27,760,393.19
Including: Investment income from joint ventures and affiliates	-1,539,489.03	9,266,429.78
Earning from fair market value changes	50,122,709.02	71,388,240.00
Impairment of credit	1,845,600.18	8,290.73
Impairment of assets	-128,166,151.85	-42,114,067.06
Proceeds from asset disposal	1,975,020.75	915,369.27
2. Operating profits	-209,482,060.96	559,897,226.28
Add: non-operating income	99,939.88	422,108.31
Less: non-operating expenses	524,736.60	1,253,697.49
3. Profit before tax	-209,906,857.68	559,065,637.10
Less: income tax	-110,405,946.18	-56,372,649.12
4. Net profit	-99,500,911.50	615,438,286.22
5. Other comprehensive income after tax	167,712,475.67	-7,124,389.83
6. Total comprehensive income	68,211,564.17	608,313,896.39
7. Earning per share:		
I .Basic earnings per share	-0.22	1.36
II .Diluted earning per share	-0.22	1.34



Consolidated Statement of Balance Sheet

As of Sep 30, 2022 and Dec 31, 2021

(The currency of the statements is Chinese Yuan, 'CNY', unless otherwise indicated)

Assets	30-Sep-22	31-Dec-21
Current assets:		
Cash and cash equivalents	2,821,451,116.06	2,711,626,624.63
Financial assets held for trading	379,956,673.26	1,769,713,159.34
Notes receivables and trade receivables, net	489,828,090.70	1,122,757,109.86
Inventories	1,975,954,346.96	974,571,146.67
Prepayments	72,360,189.63	80,255,995.99
Other receivables	42,487,844.40	69,780,002.80
Current portion of non-current assets	72,233,793.40	90,008,749.44
Other current assets	171,386,365.58	50,965,584.20
Total current assets	6,025,658,419.99	6,869,678,372.93
Non-current assets:		
Long-term equity investments	69,860,630.38	124,067,990.90
Other non-current financial assets	251,189,551.54	367,407,583.63
Investment property	49,898,281.49	44,409,269.90
Property, plant and equipment	365,864,180.65	391,621,659.27
Construction in progress	176,229,080.58	113,919,129.43
Right-of-use assets	89,189,719.41	107,990,685.94
Intangible assets	1,340,267,411.82	1,417,720,219.89
Development costs	709,301,528.04	290,221,665.17
Goodwill	684,905,467.12	612,094,157.67
Long-term deferred expenses	24,921,406.63	18,271,833.29
Deferred tax assets	311,826,248.75	214,097,263.97
Other non-current assets	260,891,751.91	155,708,586.62
Total non-current assets	4,334,345,258.32	3,857,530,045.68
Total assets	10,360,003,678.31	10,727,208,418.61

Liabilities and Stockholders' Equity	30-Sep-22	31-Dec-21
Current liabilities:		
Short-term loans	543,320,970.47	339,992,006.63
Financial liabilities held for trading		1,186,742.06
Notes payables and trade payables	397,675,740.83	459,598,653.62
Advances from customers	4,405,928.27	426,721.38

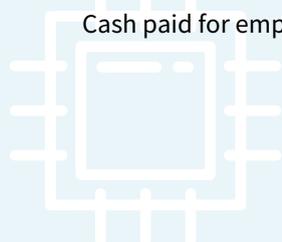


Contract liability	2,892,069.77	13,435,828.36
Accrued payroll	190,285,239.34	246,160,907.01
Taxes payable	47,762,655.34	58,600,695.10
Other payables	244,640,361.49	392,360,092.75
Current portion of non-current liabilities	107,573,713.47	93,738,163.92
Other current liabilities	572,770.67	1,874,980.19
Total current liabilities	1,539,129,449.65	1,607,374,791.02
Non-current liabilities:		
Long-term loans	188,878,081.12	240,000,000.00
Lease liabilities	66,210,518.27	77,340,253.01
Deferred income	19,435,176.75	18,665,439.73
Deferred tax liabilities	72,044,993.16	89,911,831.58
Total non-current liabilities	346,568,769.30	425,917,524.32
Total liabilities	1,885,698,218.95	2,033,292,315.34
Equity:		
Paid-in capital	458,074,341.00	458,562,070.00
Additional Paid-in capital	1,821,773,482.97	1,954,745,378.12
Less: treasury shares	353,232,776.84	299,269,767.84
Other comprehensive income	-22,830,728.31	-190,543,466.91
Retained earnings	6,570,516,132.13	6,770,418,510.30
Equity attributable to owners of the parent company	8,474,300,450.95	8,693,912,723.67
Equity attributable to minority shareholders	5,008.41	3,379.60
Total Stockholders' equity	8,474,305,459.36	8,693,916,103.27
Total liabilities and Stockholders' equity	10,360,003,678.31	10,727,208,418.61

Consolidated Statement of Cash Flows

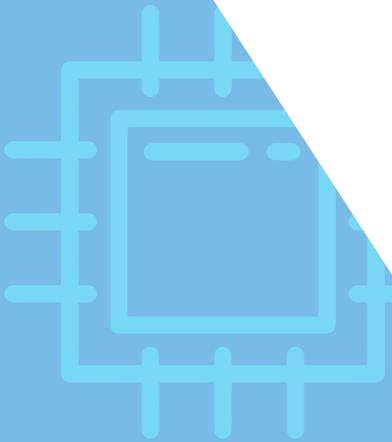
For the nine months ended Sep 30,2022 and Sep 30,2021
(The currency of the statements is Chinese Yuan, 'CNY', unless otherwise indicated)

Items	Jan-Sep,2022	Jan-Sep,2021
1. Cash flows from operating activities		
Cash received from sales and services	3,306,204,172.81	4,415,407,403.19
Taxes and surcharges refunds	218,407,131.91	380,796,554.49
Other cash received from operating activities	89,565,976.50	124,247,401.05
Total cash inflows from operating activities	3,614,177,281.22	4,920,451,358.73
Cash paid for goods and services	2,861,635,046.67	2,722,047,822.63
Cash paid for employees related expenses	1,054,123,063.49	1,104,820,831.24



Taxes and surcharges cash payments	118,427,527.01	244,482,507.74
Other cash payments related to operating activities	330,576,412.15	667,635,278.15
Total cash outflows from operating activities	4,364,762,049.32	4,738,986,439.76
Cash generated from operating activities	-750,584,768.10	181,464,918.97
2.Cash flows from investing activities		
Cash received from withdraw of investments	1,718,873,383.99	3,533,942,424.72
Cash received from investment income	283,207,328.90	18,514,816.49
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	17,720.00	20,432.91
Cash received from other investment related activities		
Total cash inflows from investing activities	2,002,098,432.89	3,552,477,674.12
Cash paid for fixed assets, intangible assets and other long-term assets	545,792,306.95	267,560,858.74
Cash payments for investments	326,047,848.00	3,686,431,772.45
Cash paid for other investment related activities		
Net cash payments for acquisitions of subsidiaries and other business units		37,777,072.55
Total cash outflows from investing activities	871,840,154.95	3,991,769,703.74
Net cash used in investing activities	1,130,258,277.94	-439,292,029.62
3.Cash flows from financing activities		
Cash received from investments by others including: investment from minority shareholders	191,990,606.45	234,256,572.32
Cash received from borrowings	525,777,661.87	584,651,338.44
Other cash received from other financing activities	39,451,809.33	80,310,794.27
Total cash inflows from financing activities	757,220,077.65	899,218,705.03
Cash repayments for debts	382,056,558.94	275,990,252.00
Cash payments for distribution of dividends,profit and interest expenses	115,799,308.78	214,060,749.21
Other cash payments related to financing activities	600,505,667.68	502,872,584.89
Total cash outflows from financing activities	1,098,361,535.40	992,923,586.10
Net cash provided by financing activities	-341,141,457.75	-93,704,881.07
4.Effect of changes in exchange rate on cash and cash equivalents		
	57,457,996.79	-12,655,503.82
5.Net increase in cash and cash equivalents		
	95,990,048.88	-364,187,495.54
Add: Cash and cash equivalents at the beginning of the year	1,140,526,812.98	2,077,754,848.53
6.Cash and cash equivalents at the end of the year	1,236,516,861.86	1,713,567,352.99

GOODIX



For enquiries, please contact:

Tel: (86)755-3638-1882

Email: ir@goodix.com