

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

**GOODIX**



# 2022 First Quarter Report Summary

Shenzhen Goodix Technology Co., Ltd.

603160.SH

## 1. First Quarter of 2022 ( “1Q22” ) Highlights

### Shenzhen Goodix Technology Co., Ltd. Announces First Quarter Results

Shenzhen, China, April 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 1Q22 ended March 31, 2022.

**Revenue** was CNY 874 million, a decrease of 38% year-over-year (“YoY”);

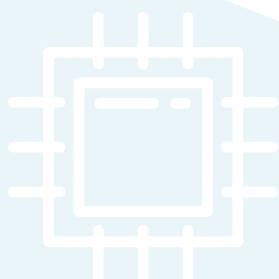
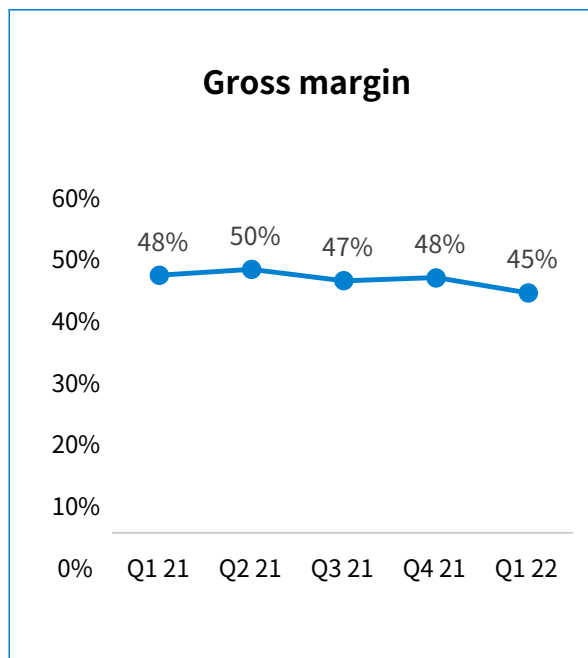
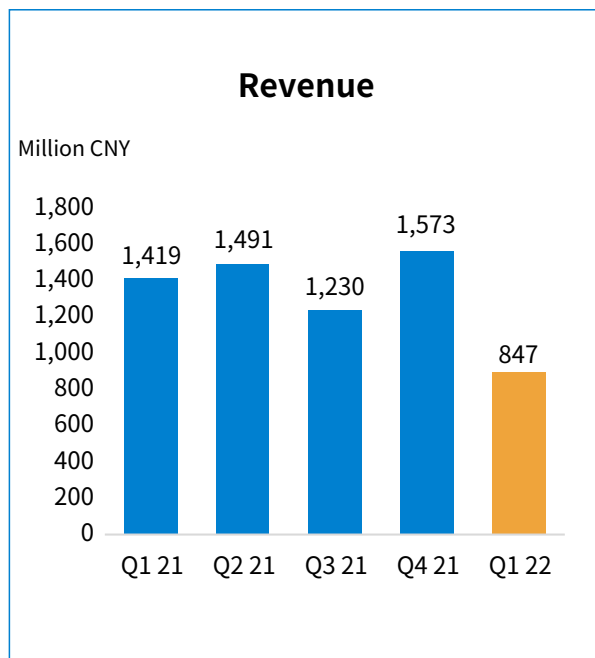
**Gross Profit** was CNY 389 million in 1Q22, down from CNY 685 million in 1Q21, a decrease of 43% YoY;

**Gross Margin** was 45% in 1Q22 vs. 48% in 1Q21;

**Net Profit** was CNY -51 million, a decrease of 132% compared with CNY 157 million in 1Q21;

**Basic EPS:** CNY -0.11 per share vs. CNY 0.35 per share in 1Q21;

**Diluted EPS:** CNY -0.11 per share vs. CNY 0.34 per share in 1Q21.



## 2. Key Figures

Three months End (All figures in Million CNY)	Mar-22 1Q22	Mar-21 1Q21	YoY
Revenue	874.22	1,418.94	-38.39%
Gross margin (%)	44.52%	48.32%	-3.79%
Operating profit	-83.10	180.47	-146.05%
Operating margin (%)	-9.51%	12.72%	-22.22%
Net profit	-50.63	156.58	-132.34%
R&D expenses	343.23	460.30	-25.43%
R&D / Revenue (%)	39.26%	32.44%	6.82%
Cash and short-term investments	3,715.86	5,165.81	-28.07%
Total assets	10,012.40	10,349.46	-3.26%
Stockholders' equity	8,164.41	8,244.58	-0.97%
Debt ratio (%)	18.46%	20.34%	-1.88%
Cash flows from operating activities	-226.85	152.18	-249.06%

## 3. Management Discussions

### (1) Revenue

The Company reported a revenue of CNY 874 million in 1Q22, down CNY 544 million, or 38%, YoY, mainly due to the fact that most of the Company's current revenue was still generated from a few products and mobile phones market. The COVID-19 pandemic and the macro situation led to changes in the smart device market landscape and intensified market competition, which have, in turn, significantly affected revenue and caused a decline in revenue;

The gross margin decreased by 3.79 percentage points from 1Q21 to 44.52% in 1Q22, which was mainly due to factors such as rising supply chain cost, intensified market competition and product portfolio. Although the supply chain of the whole industry was unstable and chips were in very tight supply, the Company's supply remained stable without having significant impact on client delivery. Also, the Company reasonably adjusted its product

prices for the sake of long-term strategic cooperation with clients, and worked together with the clients to address the negative impact of increased supply chain cost.

### (2) Operating expenses

The R&D expenses were CNY 343 million in 1Q22, down 25.43% compared to CNY 460 million in 1Q21, mainly due to the changes in R&D personnel. The main reason for the Company's investment in R&D is the Company's strategic plan for sustainable development in the future.

The selling expenses were CNY 47 million in 1Q22, down 43.30% from CNY 82 million in 1Q21. The main reason was that the Company's products and solutions have become more mature leads to reduced technical service fees;

The G&A expenses were CNY 58 million in 1Q22, up 76.57% from CNY 33 million in 1Q21. The main reason



was that the Company continued to introduce senior management and business talents during the process of rapid development and internationalization, resulting in increases in general, administrative and operating expenses.

### **(3) Net profit**

The Company's net profit was CNY -50 million in 1Q22. This was a short-term challenge encountered by the Company during the process of transformation and upgrade towards future sustainable development, apart from the impact of the external environment. However, the Company's fundamentals and core competence have remained unchanged and are constantly being consolidated and strengthened.

### **(4) Cash flows**

The net cash flow from operating activities was CNY -227 million in 1Q22, down CNY 379 million compared to CNY 152 million in 1Q21. This was mainly due to the lower operating income and the decrease in payment received for sold goods.

The net cash flow from investing activities was CNY 1.270 billion in 1Q22, compared to CNY -968 million in 1Q21. The reason for the difference was that the purchase and recovery of wealth management products were in different progress.

The net cash flow from financing activities was CNY -452 million in 1Q22, compared to CNY 190 million in 1Q21. The main reason for the difference was the increase in the amount paid by the Company for share repurchase.

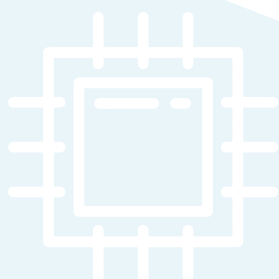
### **(5) Assets and liabilities**

As of March 31, 2022, the cash and cash equivalents, financial assets held for trading totaled CNY 3.72 billion. The abundant cash reserves can support the Company's stable operation and development and support the continuous, high R&D spending. The Company's current ratio was 4.11 times, with a debt ratio of 18.46%, showing its good solvency and sound financial position.

### **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, Huawei, 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.

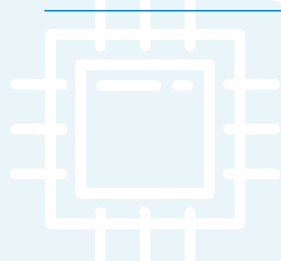


## 4. Financial Statements

### Shenzhen Goodix Technology Co., Ltd. Consolidated Income Statement

For the three months ended Mar 31,2022 and Mar 31,2021  
(The currency of the statements is Chinese Yuan,'CNY',unless otherwise indicated)

Items	Jan-Mar,2022	Jan-Mar,2021
<b>1. Revenue</b>	<b>874,217,073.70</b>	<b>1,418,941,884.80</b>
Less: Operating cost	484,988,646.76	733,348,980.97
Taxes and surcharges	3,813,360.91	7,515,056.08
Selling expenses	46,675,315.12	82,314,158.82
General and administrative expenses	58,170,317.60	33,006,221.11
Research and development expenses	343,226,548.48	460,297,951.26
Finance expenses	-10,364,380.34	-18,319,223.34
Including: Interest expense		3,092,020.46
Interest income		24,500,004.20
Add: Other income	24,813,774.48	54,919,981.85
Investment income	43,128,344.15	6,030,189.26
Including: Investment income from joint ventures and affiliates		355,187.72
earning from fair market value changes	-72,493,498.14	15,839,512.70
Impairment of credit	-2,525,047.29	-565,955.00
Impairment of assets	-23,900,489.49	-16,530,230.03
Proceeds from asset disposal	287,921.46	
<b>2. Operating profits</b>	<b>-82,981,729.66</b>	<b>180,472,238.68</b>
Add: non-operating income	109.13	279,759.40
Less: non-operating expenses	58,119.67	653,849.84
<b>3. Profit before tax</b>	<b>-83,039,740.20</b>	<b>180,098,148.24</b>
Less: income tax	-32,526,111.07	23,521,014.92
<b>4. Net profit</b>	<b>-50,513,629.13</b>	<b>156,577,133.32</b>
<b>5. Other comprehensive income after tax</b>	<b>-13,337,221.73</b>	<b>21,860,255.07</b>
<b>6. Total comprehensive income</b>	<b>-63,850,850.86</b>	<b>178,437,388.39</b>
<b>7. Earning per share:</b>		
I .Basic earnings per share	-0.11	0.35
II .Diluted earning per share	-0.11	0.34



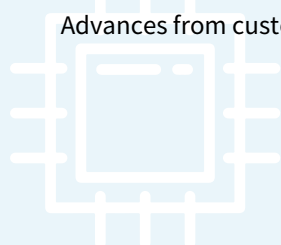
## Consolidated Statement of Balance Sheet

As of Mar 31, 2022 and Dec 31, 2021

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

Assets	31-Mar-22	31-Dec-21
<b>Current assets:</b>		
Cash and cash equivalents	3,305,654,519.10	2,711,626,624.63
Financial assets held for trading	410,207,741.26	1,769,713,159.34
Notes receivables and trade receivables, net	780,235,763.97	1,122,757,109.86
Inventories	1,308,615,065.08	974,571,146.67
Prepayments	96,465,710.46	80,255,995.99
Other receivables	28,340,540.66	69,780,002.80
Current portion of non-current assets	82,855,718.25	90,008,749.44
Other current assets	96,004,337.36	50,965,584.20
<b>Total current assets</b>	<b>6,108,379,396.14</b>	<b>6,869,678,372.93</b>
<b>Non-current assets:</b>		
Long-term equity investments	129,531,285.13	124,067,990.90
Other non-current financial assets	323,839,503.55	367,407,583.63
Investment property	48,367,505.19	44,409,269.90
Property, plant and equipment	372,499,149.80	391,621,659.27
Construction in progress	125,222,356.66	113,919,129.43
Right-of-use assets	90,152,438.02	107,990,685.94
Intangible assets	1,370,477,336.26	1,417,720,219.89
Development costs	381,537,668.55	290,221,665.17
Goodwill	629,336,696.44	612,094,157.67
Long-term deferred expenses	28,750,771.21	18,271,833.29
Deferred tax assets	243,547,103.09	214,097,263.97
Other non-current assets	160,755,277.14	155,708,586.62
<b>Total non-current assets</b>	<b>3,904,017,091.04</b>	<b>3,857,530,045.68</b>
<b>Total assets</b>	<b>10,012,396,487.18</b>	<b>10,727,208,418.61</b>

Liabilities and Stockholders' Equity	31-Mar-22	31-Dec-21
<b>Current liabilities:</b>		
Short-term loans	380,938,404.75	339,992,006.63
Financial liabilities held for trading	1,316,659.42	1,186,742.06
Notes payables and trade payables	473,142,833.61	459,598,653.62
Advances from customers	426,721.38	426,721.38



Contract liability	23,327,850.62	13,435,828.36
Accrued payroll	80,806,519.60	246,160,907.01
Taxes payable	67,691,863.01	58,600,695.10
Other payables	334,744,841.36	392,360,092.75
Current portion of non-current liabilities	123,293,341.91	93,738,163.92
Other current liabilities	657,608.94	1,874,980.19
<b>Total current liabilities</b>	<b>1,486,346,644.60</b>	<b>1,607,374,791.02</b>
Non-current liabilities:		
Long-term loans	210,000,000.00	240,000,000.00
Lease liabilities	59,144,397.11	77,340,253.01
Deferred income	18,108,539.27	18,665,439.73
Deferred tax liabilities	74,385,352.08	89,911,831.58
<b>Total non-current liabilities</b>	<b>361,638,288.46</b>	<b>425,917,524.32</b>
<b>Total liabilities</b>	<b>1,847,984,933.06</b>	<b>2,033,292,315.34</b>
<b>Equity:</b>		
Paid-in capital	458,684,580.00	458,562,070.00
Additional Paid-in capital	1,988,663,275.07	1,954,745,378.12
Less: treasury shares	798,963,873.08	299,269,767.84
Other comprehensive income	-203,882,370.01	-190,543,466.91
Retained earnings	6,719,906,659.02	6,770,418,510.30
Equity attributable to owners of the parent company	8,164,408,271.00	8,693,912,723.67
Equity attributable to minority shareholders	3,283.12	3,379.60
<b>Total Stockholders' equity</b>	<b>8,164,411,554.12</b>	<b>8,693,916,103.27</b>
<b>Total liabilities and Stockholders' equity</b>	<b>10,012,396,487.18</b>	<b>10,727,208,418.61</b>

### Consolidated Statement of Cash Flows

For the three months ended Mar 31,2022 and Mar 31,2021

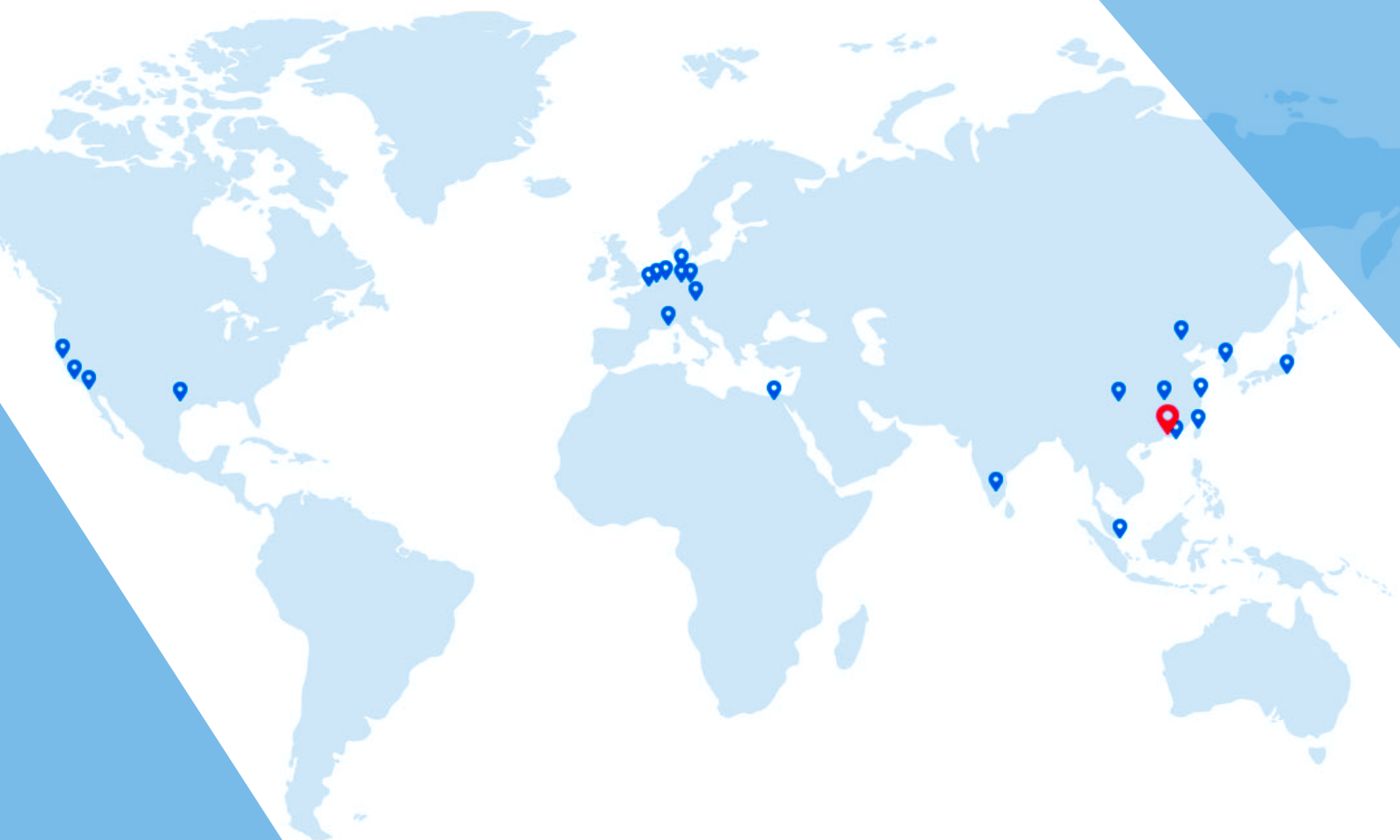
(The currency of the statements is Chinese Yuan,'CNY',unless otherwise indicated!)

Items	Jan-Mar,2022	Jan-Mar,2021
<b>1. Cash flows from operating activities</b>		
Cash received from sales and services	1,262,282,065.86	1,600,459,490.72
Taxes and surcharges refunds	84,609,552.04	66,909,215.14
Other cash received from operating activities	48,022,776.23	83,617,055.94
Total cash inflows from operating activities	1,394,914,394.13	1,750,985,761.80
Cash paid for goods and services	1,003,487,174.43	809,695,050.70
Cash paid for employees related expenses	421,668,606.27	202,706,252.83
Taxes and surcharges cash payments	65,422,865.21	112,021,382.65
Other cash payments related to operating activities	131,186,210.12	474,378,504.52

Total cash outflows from operating activities	1,621,764,856.03	1,598,801,190.70
<b>Net cash generated from operating activities</b>	<b>-226,850,461.90</b>	<b>152,184,571.10</b>
<b>2. Cash flows from investing activities</b>		
Cash received from withdraw of investments	1,340,921,188.58	350,160,000.00
Cash received from investment income	43,335,824.56	5,396,740.09
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		20,202.14
Cash received from other investment related activities		
Total cash inflows from investing activities	1,384,257,013.14	355,576,942.23
Cash paid for fixed assets, intangible assets and other long-term assets	103,452,449.18	68,365,326.64
Cash payments for investments	996,000.00	1,255,559,998.45
Cash paid for other investment related activities	50,785.60	
Net cash payments for acquisitions of subsidiaries and other business units		
Total cash outflows from investing activities	104,499,234.78	1,323,925,325.09
<b>Net cash used in investing activities</b>	<b>1,279,757,778.36</b>	<b>-968,348,382.86</b>
<b>3. Cash flows from financing activities</b>		
Cash received from investments by others including: investment from minority shareholders	10,248,418.71	5,900,891.32
Cash received from borrowings	119,871,466.81	187,851,264.11
Other cash received from other financing activities		
Total cash inflows from financing activities	130,119,885.52	193,752,155.43
Cash repayments for debts	77,486,925.72	990,420.36
"Cash payments for distribution of dividends, profit and interest expenses "	4,007,969.92	2,808,611.12
Other cash payments related to financing activities	500,187,491.24	303,868.83
Total cash outflows from financing activities	581,682,386.88	4,102,900.31
<b>Net cash provided by financing activities</b>	<b>-451,562,501.36</b>	<b>189,649,255.12</b>
<b>4. Effect of changes in exchange rate on cash and cash equivalents</b>	<b>-3,014,352.13</b>	<b>-3,180,866.69</b>
<b>5. Net increase in cash and cash equivalents</b>	<b>598,330,462.97</b>	<b>-629,695,423.33</b>
Add: Cash and cash equivalents at the beginning of the year	1,140,526,812.98	2,077,754,848.53
<b>6. Cash and cash equivalents at the end of the year</b>	<b>1,738,857,275.95</b>	<b>1,448,059,425.20</b>



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