



ESPRESSIF
乐鑫科技

SHARE :: CONNECT :: INNOVATE



Q3

2024
REPORT

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Build Smart with **Espressif**



Espressif Systems (688018.SH), has evolved from a leading Wi-Fi MCU provider into a comprehensive IoT technology ecosystem company. While known for our groundbreaking ESP32 series, Espressif now offers a broad range of solutions, including Wi-Fi, Bluetooth, Zigbee, Thread, Matter, and AIoT technologies. We focus on open-source innovation and provides powerful tools to enable developers worldwide. With the robust hardware and software ecosystem, Espressif is driving the next wave of IoT applications, from smart homes to industrial automation, fostering an interconnected and intelligent future.



1 Billion+

Global IoT Chip Shipment



~200 Patents

In AIoT Technology



10,000+

Satisfied Customers Worldwide



Global Leader

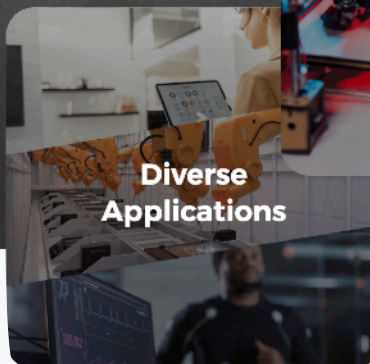
In Wi-Fi MCU Market



2 Million+

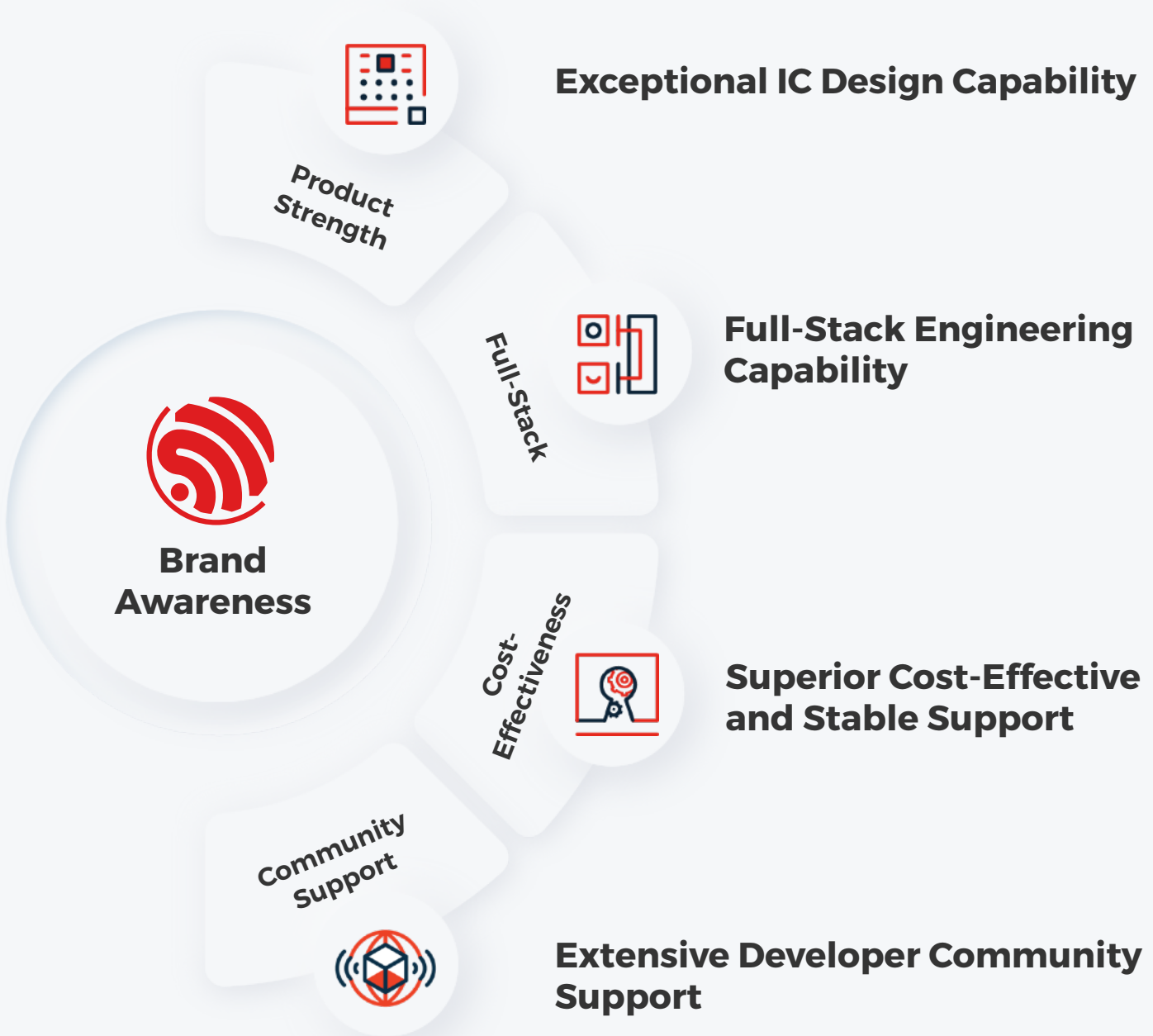
Active Ecosystem Followers and Developers

SHARE
CONNECT
INNOVATE



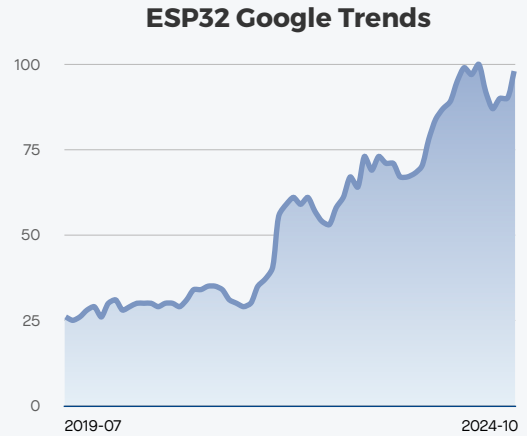
Core Competitiveness

Espressif's business model follows a B2D2B (Business-to-Developer-to-Business) approach, making brand development a crucial component of our company's strategy. Product strength, differentiation, cost-effectiveness and community support all contribute to the power of our brand.



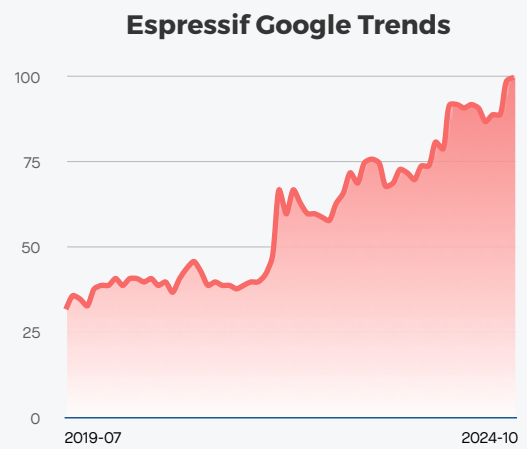
Brand Awareness

The ESP32 and Espressif brands have a strong sense of recognition among developers. This recognition has become a key factor in our competitive advantage and success. Users identify with the ESP32 brand due to its reliability, performance, and versatility, which have been proven across various applications and industries. This strong brand power not only fosters customer retention but also attracts new users, thereby solidifying Espressif's position in the market.



Exceptional IC Design Capability

Espressif independently designs and develops its own chip products, with core IPs being self-developed. These chips are equipped with rich features, ensuring that Espressif's products stand out in the market and avoid the pitfalls of homogenized competition. By controlling the entire design process, Espressif can innovate rapidly and introduce unique functionalities that set our products apart from competitors, providing a distinctive edge in the IoT semiconductor industry.



Full-Stack Engineering Capability

Espressif possesses comprehensive engineering development capabilities that span from IP development to complete chip design, operating systems, firmware, software frameworks, application solutions, hardware design, edge AI, cloud, and apps. This full-stack engineering expertise allows Espressif to offer highly integrated solutions that meet a wide range of customer needs. The ability to control and optimize every layer of the technology stack is unique in the industry and enables Espressif to deliver superior products and services that are seamlessly integrated and highly efficient.

Superior Cost-Effective and Stable Support

Espressif's products are known for their high performance and low cost, making them competitive in the market. We provide the cost efficiency necessary to promote large-scale commercialization in downstream industries. Additionally, we ensure the long-term availability of our products and offer stable and enduring software support, ensuring that customers can rely on their investments for extended periods. This commitment to value and reliability strengthens customer trust.

Extensive Developer Community Support

Espressif has garnered support from a vast community of professional engineers who are familiar with Espressif's development platform and actively promote its value proposition. This large and engaged community not only aids in the rapid adoption and dissemination of Espressif's technologies but also contributes to continuous improvement through feedback and shared knowledge. The robust community support amplifies Espressif's market presence and enhances our reputation as a trusted and innovative leader in the industry.

Business Highlights (Unaudited)

Key Financial Data (Unaudited)

CNY	Three Months Ended		Nine Months Ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Consolidated Statement of Income Data				
Revenue	539,802,521	359,958,768	1,460,014,787	1,026,956,744
Gross profit	227,468,464	146,055,551	624,965,248	418,510,206
Selling expenses	15,669,020	12,683,522	44,584,871	38,207,772
General and administrative expenses	18,401,225	15,803,022	50,398,878	44,749,984
Research and development expenses	121,655,135	107,661,031	340,337,505	285,845,605
Net income	99,183,742	22,598,780	251,896,811	87,169,123
Net income attributable to Espressif	99,472,328	22,598,780	251,114,792	87,169,123
Earnings per share:				
Basic			2.7167	1.0875
Diluted			2.7167	1.0875
			Sep 30, 2024	Dec 31, 2023
Consolidated Balance Sheet Data				
Working capital			1,327,951,571	999,068,356
Total assets			2,487,530,021	2,203,800,366
Long-term obligations			98,493,844	74,166,946
Total shareholders' equity			2,064,704,038	1,913,000,228
			Sep 30, 2024	Sep 30, 2023
Consolidated Cash Flow Data				
Net cash provided by operating activities	117,326,698	106,592,463	91,649,864	206,292,105
Non-GAAP Adjustment				
Stock-based compensation	10,109,422	11,353,705	25,440,612	23,621,273
Non-GAAP net income	109,293,164	33,952,485	277,337,424	110,790,397

Key Financial Indicators (Unaudited)

	Three Months Ended		Nine Months Ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Gross margin	42.14%	40.58%	42.81%	40.75%
R&D-to-sales ratio	22.54%	29.91%	23.31%	27.83%
EBITDA margin	21.16%	6.70%	19.03%	9.01%
Net income margin	18.37%	6.28%	17.25%	8.49%
Weighted ROE			12.91%	4.59%

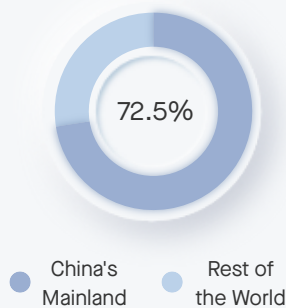
Financial Analysis

Espressif's total revenue in the first three quarters of 2024 was CNY 1,460.0 million, marking an increase of 42.2% from CNY 1,027.0 million in the first three quarters of 2023, due to the expansion of product categories and new customer design-win. The net income attributable to Espressif was CNY 251.1 million, which marked an increase of 188.1% year-on-year, mainly due to the increase of revenue. The main driving factor behind the revenue growth is the increasingly clear trend towards IoT adoption in various industries across the board.

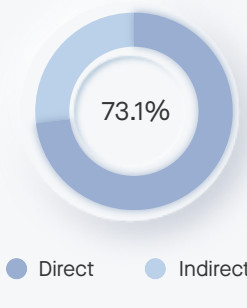
The overall gross margin was 42.8%, in which the gross margin for AIoT chips was 50.1%. Benefiting from the low raw material prices and the higher initial gross margin from new customers, the gross margin of both chips and modules & DevKits improves.

The R&D expenses increased by 19.1% year-on-year, which is in line with our expected 20% growth. Typically, Q3 marks the peak onboarding period for employees recruited through last year's campus hiring, so expenses tend to be higher than in Q2.

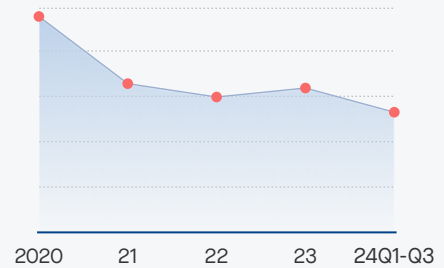
Revenue by Area in the First Three Quarters of 2024



Revenue by Sales Mode in the First Three Quarters of 2024



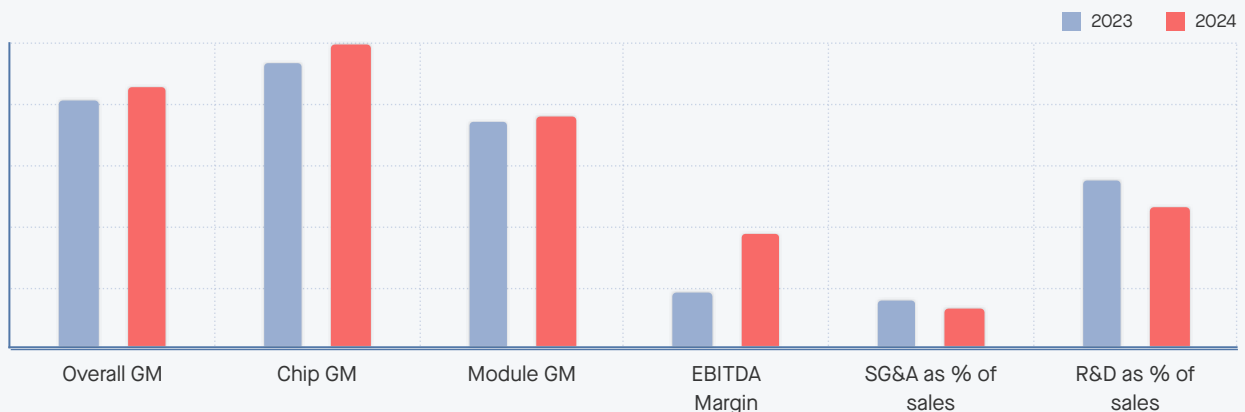
Top-5 Customer Concentration Rate, 2020 - Q3 2024



Revenue by Product Category in the First Three Quarters of 2024



Key Financial Indicators in the First Three Quarters of 2024

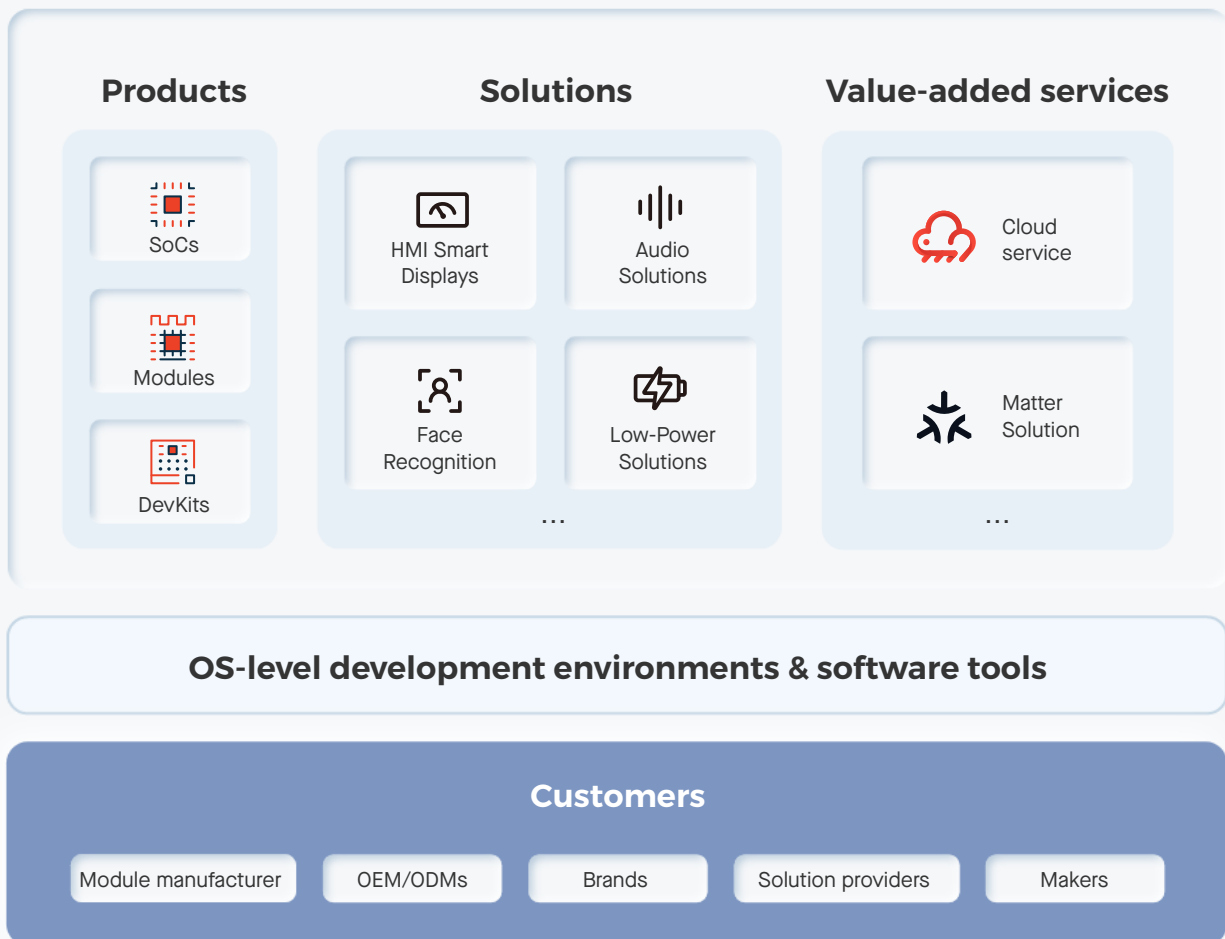


Management Report

Business Strategy

Espressif Systems' business strategy emanates from our service/product areas and our engagement with the developer ecosystem.

Our product and service areas include hardwares, OS-level development environments, software tools, application solutions, and value-added services, such as Cloud and Matter. The above-mentioned products ensure that we are in the heart of numerous commercial AIoT applications in different markets, including smart home, consumer electronics, industrial automation, healthcare, etc.



Core Technologies

SoCs

ESP8266, ESP32, ESP32-S, ESP32-C, ESP32-H and ESP32-P Series

Espressif offers integrated, reliable, and energy-efficient SoCs with robust image and voice data processing capabilities for Wi-Fi, Bluetooth Low Energy, Thread and Zigbee, catering to various segments of the IoT market.

AI

AFE (Audio Front-End) Algorithms

qualified as a “Software Audio Front-End Solution” for Amazon Alexa Built-in devices.

3A Audio Algorithms

including Acoustic Echo Cancellation (AEC), Audio Noise Suppression (ANS) and Automatic Gain Control (AGC), which significantly reduce noise and echo in calls, keeping high-quality voice intercoms stable at all times.

OS

ESP-IDF

Espressif’s official IoT Development Framework.

It provides a self-sufficient SDK for any generic application-development on these platforms, using programming languages such as C and C++.

ESP-IDF currently powers millions of devices in the field, and enables building a variety of network-connected products, ranging from simple light bulbs and toys to major appliances and industrial devices.

Cloud

ESP RainMaker

A comprehensive, development-free and maintenance-free AIoT solution for private Cloud deployment.

It is an all-inclusive solution that covers everything from the underlying chip to device firmware, third-party voice-assistant integrations, mobile apps and the dashboard.

Customers can build their own AIoT devices and ecosystem, with ESP RainMaker.

Software

With our open-source software, such as Espressif’s IoT Development Framework ESP-IDF, Audio Development Framework ESP-ADF, Mesh Development Framework ESP-Mesh-Lite, Cloud Connectivity Platform ESP RainMaker, Facial Recognition Development Framework ESP-WHO, and Voice-Controlled Assistant ESP-Skainet, we have developed a framework for building AIoT applications, which is both complete and innovative.



Matter

One-stop Matter Solution

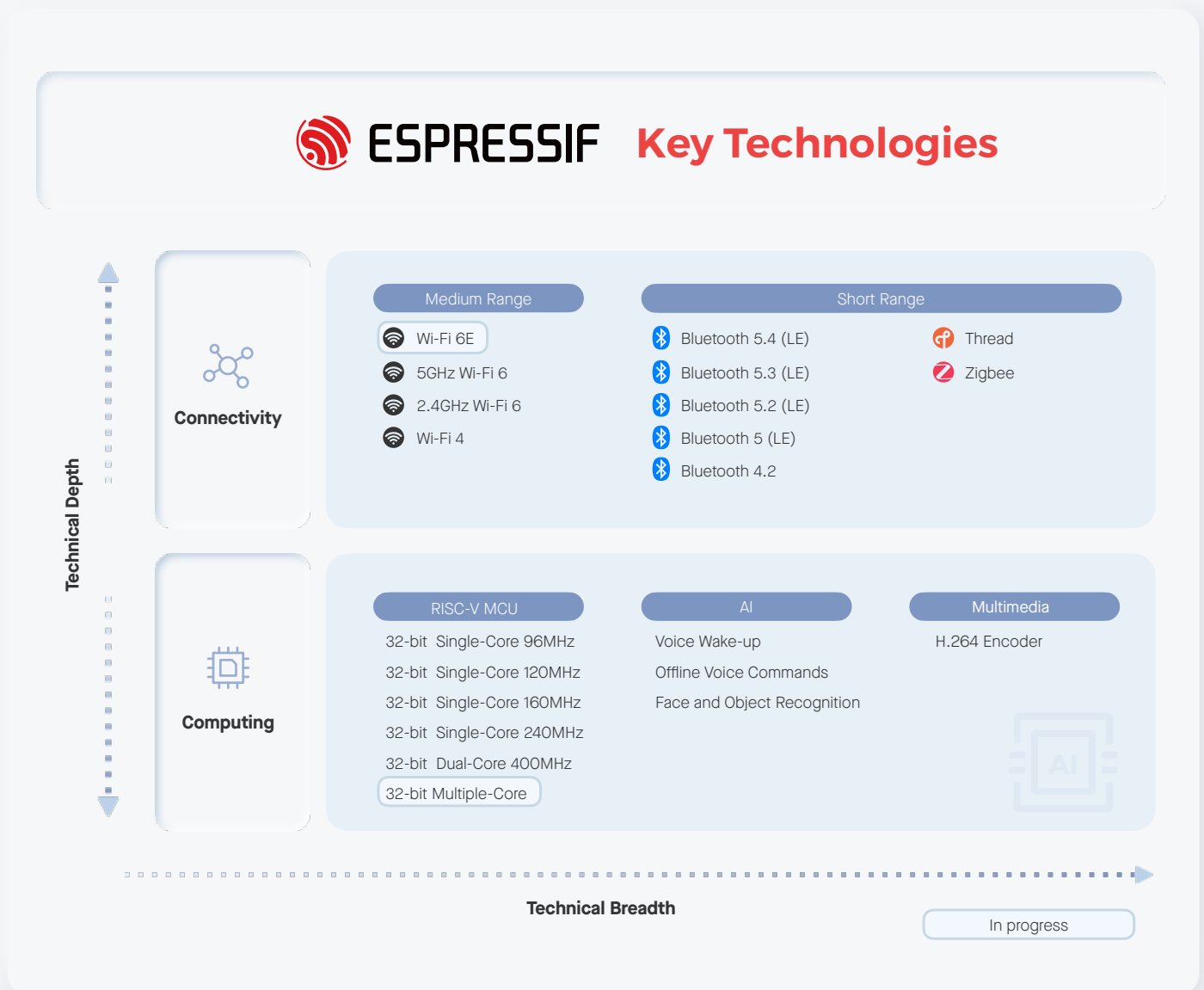
This is the culmination of Espressif’s ongoing contribution to the Matter platform in various areas, including protocol formulation, core stack implementation and certification test events.

Key Products - AIoT Chips

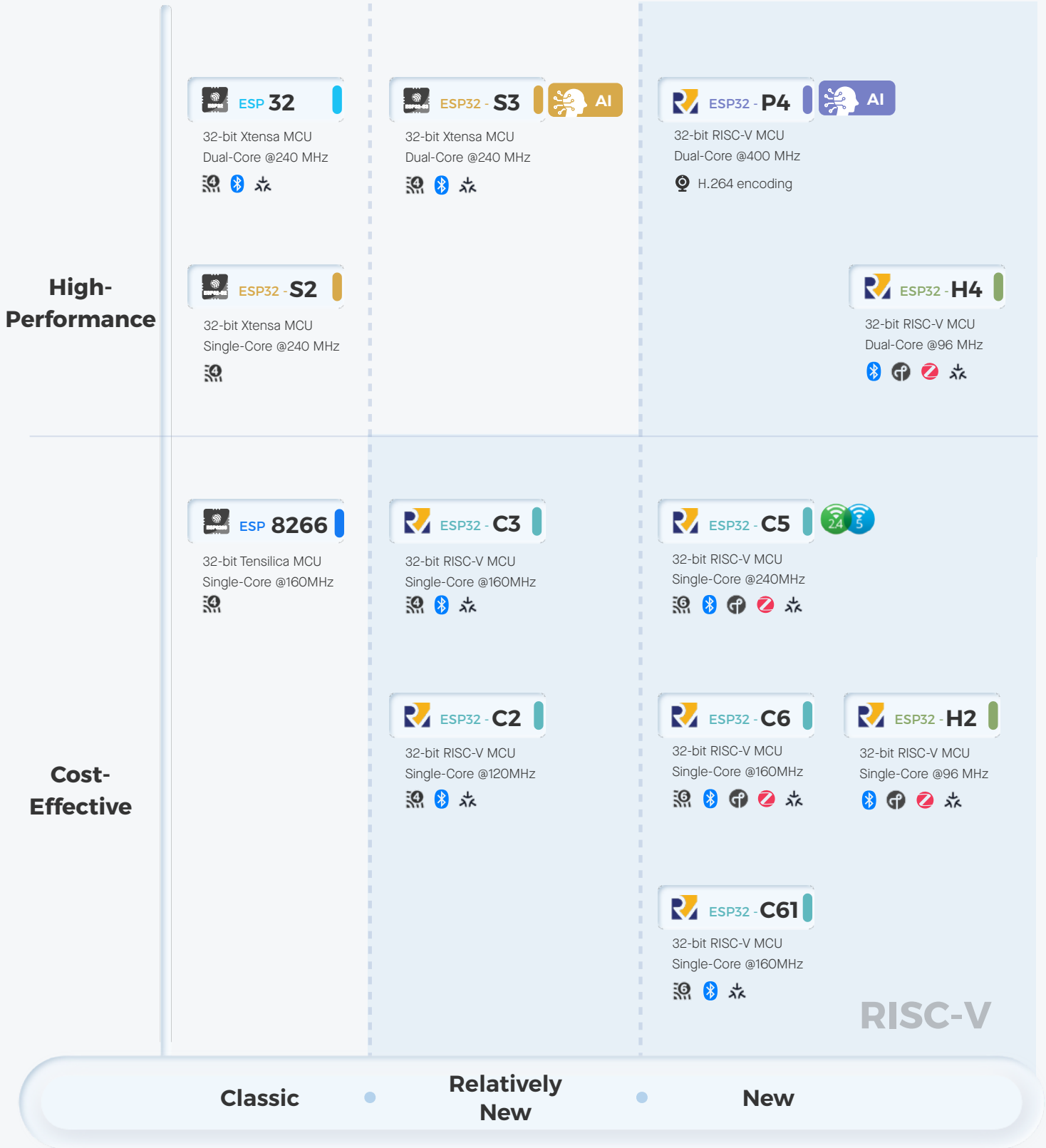
Espressif is recognized as a market leader in the field of Wi-Fi MCUs. We released our first Wi-Fi MCU in 2014, and our first Wi-Fi/Bluetooth LE combo chip in 2016. In 2020, we successfully developed our own RISC-V MCU core, adding it to our product portfolio, while in 2021, we released our first Thread/Zigbee/Bluetooth LE 5 combo chip and a 2.4GHz Wi-Fi 6 chip. In 2022, we released our first 2.4 & 5GHz Wi-Fi 6 chip. In 2023, we revealed ESP32-P4, a dual-core RISC-V MCU, expanding the current portfolio to address the high-performance computation needs of IO-Rich, HMI, and AIoT applications. In 2024, we announced ESP32-H4, a low-power SoC with 802.15.4 & Bluetooth 5.4 (LE), which caters to increasing demands for low-power wireless devices, boasting significant upgrades in power consumption, connectivity features, and memory expansion capabilities.

In fact, we have been constantly diversifying our product portfolio, introducing new solutions through our numerous investments. Thus, we now have various product lines in the main short- and medium-range connectivity technologies and our product range has expanded to AIoT SoCs. Our core technologies are self-developed, including connectivity IPs, RF components, RISC-V IPs, software frameworks, tools, AI functions etc.

We also provide IoT modules based on our chips. The benefit for customers is that they can get direct support from us, shortening and optimizing their supply chain, even in case of chip shortages.




Key Products - Chip Matrix



Market

The market for wireless SoCs is truly diverse, including applications for smart homes (e.g., smart lights, air conditioners, ovens, coffee machines, etc.), consumer electronics (e.g., smart speakers, drones, etc.), industrial automation (e.g., mechanical arms), smart agriculture (e.g., soil PH detector, CO2 detector, etc.), healthcare (e.g., monitoring devices for diabetes, blood pressure, etc.), energy control (solar energy devices, EV chargers, etc.), the internet of vehicles (OBD devices, dashboards, etc.), education (talking pens, interactive whiteboards, etc.) and others.

In the first three quarters, smart home and consumer electronics have continued to be the main downstream applications for Espressif, with growth in these two categories expected to remain between 30-40% this year. Additionally, the penetration rate of IoT applications across various other sectors has been increasing rapidly. Our business has experienced strong growth in fields such as energy management, tools and equipment, and healthcare. Many potential new customers have joined during 2023-2024, boosting the overall growth rate.

<p>Smart Home</p>  <p>Smart Ovens</p>	<p>Consumer Electronics</p>  <p>Smart Speakers</p>	<p>Industrial Automation</p>  <p>Mechanical Arms</p>	<p>Smart Agriculture</p>  <p>Soil PH Detector</p>
<p>Healthcare</p>  <p>Medical Detectors</p>	<p>Energy Management</p>  <p>Smart Solar Panels</p>	<p>Internet of Vehicles</p>  <p>Intelligent instrument panel</p>	<p>Education</p>  <p>Talking Pens</p>

Business Model

Business-to-Developer-to-Business (B2D2B)

Espressif has deployed the Business-to-Developer type of marketing, not only because it has gained prominence in recent years, but also because it has proven to be more effective since the influence of developers on organizations of all sizes has gained traction. In other words, most developers are R&D employees in various companies and bring forth business opportunities from the companies they work for.

This way, the developer ecosystem we have created at Espressif demonstrates how the value of networks can grow exponentially:

- The more developers we attract as customers, the more hardware and software solutions we generate.
- The more successful hardware and software solutions we create, the more our reputation spreads with positive feedback from happy customers/developers.
- The above-mentioned interaction between people in our network prompts the creation of more content, which -in turn- attracts more users/developers searching for new content.
- Likewise, other third-party development platforms join our ecosystem and bring in new developers, as our influence continues to grow.

Having successfully applied the B2D2B model, Espressif can now focus on R&D investments, while maintaining a small business team that supports a large number of customers directly. In fact, most of our revenue is gained through direct sales.



Developer Community Content



Global Code Hosting Platform

122,800

ESP32 and ESP8266 Projects



Social Networking Site

95,000

ESP32 Group Members

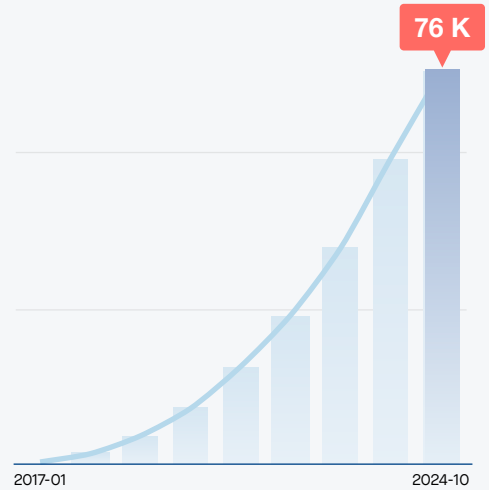


Developer-written books

> 200

Covering more than 10 languages

Cumulative Number of GitHub ESP32 Projects



Chinese Video Sharing Platform

1.38 M

Views of the Most Popular ESP32 Video



Global Video Sharing Platform

4.88 M

Total views of the most popular video on ESP32

22.35 M

Total views of the most popular shorts on ESP32

Always a Hot Topic on Social Media



Posted on 11 Oct 2024

Díky laskavé péči lidí z Edice CZ.NIC přichází další kniha o elektronice, tentokrát o populárním a výkonném modulu ESP32.

(Po trilogii "Pán bastlířů" a Microhob:bit přijde ESPImarillion...)
Díky! Sám se na ni těším...



<https://x.com/adent/status/18444635613200290202>



Posted on 11 Oct 2024

打造最小的 9 轴 ESP32 控制模块



<https://www.bilibili.com/video/BV1vu2GYEEM?>



Posted on 11 Oct 2024

Made a tiny macintosh with a game!

I found a cool miniature macintosh model on thingiverse and decided to make it an actual computer! ESP32C3 Mini fits right in...



https://www.reddit.com/r/esp32/comments/1g0r14a/made_a_tiny_macintosh_with_a_game/



Posted on 11 Oct 2024

ラズパイ活用講座 NANO ESP32 USB MIDI



https://www.youtube.com/watch?v=ChWH7JsA_Ns



Posted on 7 Oct 2024

ESP32 手表

本项目旨在设计一款集成环境监测、可视化触控、电池电量管理和网络通信功能的智能手表。手表采用ESP32S3微控制器为核心，FreeRTOS为操作系统，使用LVGL嵌入式GUI框架开发用户交互界面，OneNET作为数据接入云平台。



<https://gitee.com/huantianxiang/esp32-watch>



Posted on 11 Oct 2024

ESP32 البرمجة شريفة - الزرّ الضاغظ

في تجربة أولى و بإستعمال لوحة ESP32 سنتمكن من التعرف على قيمة الإدخال عند الضغظ على الزرّ الضاغظ لكي نتمكن في ما بعد و في التجربة الثانية من التحكم في صمام مشغع بإستعمال هذا الزرّ الضاغظ...



Posted on 8 Oct 2024

Test Esp 8266 control direction air #esp32 #project #testingtesting

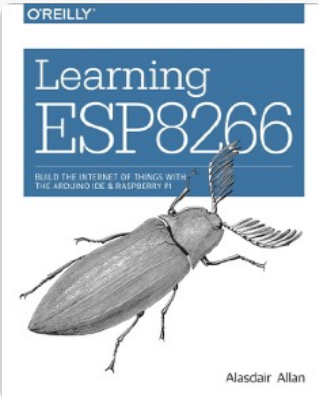
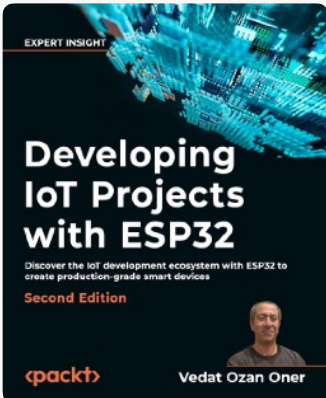
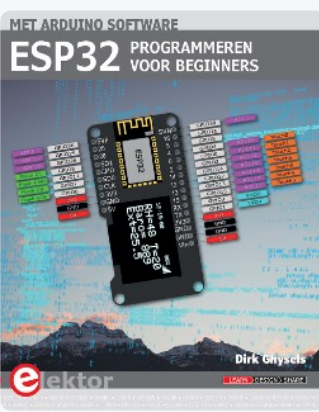
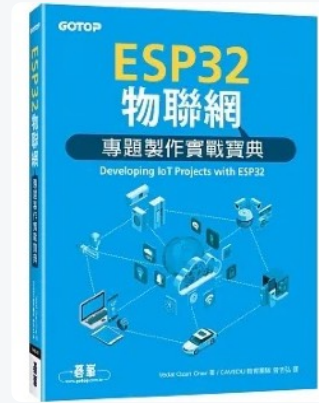
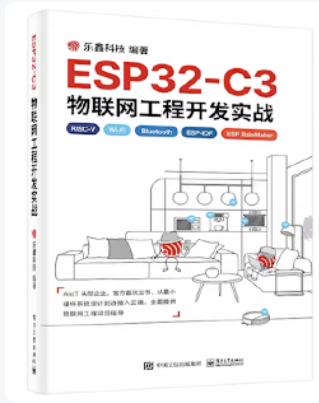
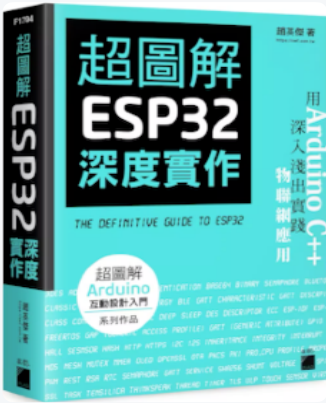


Posted on 11 Oct 2024



Books about ESP Products

More than 200 books on how to use ESP products can be found in the developer community and cover over a dozen languages.



Ownership of Securities

Basic information of securities

Share types	Ordinary share
Share capital	112,200,431 (as of Sep 30, 2024)
Listing	Shanghai Stock Exchange (SSE)
Ticker	688018.SH
Listing Date	2019-07-22

Shareholder Structure as of Sep 30, 2024

Shareholder	Share Numbers	Percentage (%)
Espressif (Hong Kong) Investment Ltd.	45,016,142	40.12
Hong Kong Securities Clearing Company Limited	5,734,766	5.11
Shinvest Holding Ltd.	2,408,729	2.15
Wisdomshire Asset Management Co., Ltd. - Wisdomshire Youfu Private Equity Securities Investment Fund No.1	1,710,525	1.52
Wisdomshire Asset Management Co., Ltd. - Wisdomshire Youfu Private Equity Securities Investment Fund No.3	1,399,320	1.25
Ningbo Meishan Free Trade Port Le Tun Investment Management Partnership (Limited Partnership)	1,198,231	1.07
National Social Security Fund 602	1,194,666	1.06
GTJA Futures - Guolian An CSI Semiconductor Products and Equipment Tradable Open-ended Index Securities Investment Fund	1,029,444	0.92
SPD - Debang Semiconductor Industry Hybrid Initiated Securities Investment Fund	1,004,770	0.90
Wisdomshire Asset Management Co., Ltd. - Wisdomshire Youfu Private Equity Securities Investment Fund No.2	816,686	0.73
Top 10 shareholders	61,513,279	54.83
Espressif Systems (Shanghai) Co., Ltd. Repurchase Special Securities Account	2,297,002	2.05
Other public shareholders	48,390,150	43.12
Total of outstanding shares	112,200,431	100.00

Risks and Uncertainties



Financial Risk

The Company performs periodic credit evaluations of its customers' financial condition and generally requires of its customers no collateral. The Company provides an allowance for expected credit losses, based on the net amount expected to be collected on such receivables. Losses have not been significant for any of the periods presented in this report.



R&D Risk

Espressif's research and development strategy is focused on leveraging new technologies for the creation of innovative AIoT products. Any delays or changes in the development of these technologies by our industry partners, or a failure of our products to achieve market acceptance, could compromise our competitive position.



Competitors

As the market for AIoT products grows, we face an increasing antagonism from relatively large competitors, such as Realtek, MediaTek, Infineon, NXP, Qualcomm and others. Intense competition from current players, as well as new entrants, such as Silicon Labs and Nordic, may reduce our product sales and market share.



Suppliers

A significant portion of the Company's products is fabricated by the Taiwan Semiconductor Manufacturing Company Limited (TSMC). The inability of TSMC to deliver wafers to the Company in a timely manner could impact the production of the Company's products for a certain period of time, which could have an adverse effect on the Company's business, financial condition, results of operations and cash flow.



Customers

The Company sells directly to end customers, distributors, solution providers and contract manufacturers. Our customers are a mix of several big customers and numerous small customers. The concentration ratio for our top-five customers was 23.38% in the first three quarters of 2024.

Consolidated Financial Statements (Unaudited)

Consolidated Balance Sheet (Unaudited)

CNY	Sep 30, 2024	Dec 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	598,297,118	464,011,234
Held for trading financial assets		90,315,219
Notes receivable	31,783,198	42,082,006
Accounts receivable, net	304,659,788	251,641,263
Accounts receivable financing		
Prepayments	3,020,760	9,802,407
Other receivables	20,614,275	9,157,910
Including: Interest receivable		
Inventories	481,985,859	242,352,587
Other current assets	211,922,712	106,338,922
Total current assets	1,652,283,710	1,215,701,548
Non-current assets:		
Debt investment	442,320,700	753,024,500
Investment in other equity assets	30,967,840	36,079,840
Other non-current financial assets	34,221,626	34,879,347
Fixed assets	91,052,843	76,401,004
Right-of-use assets	15,908,721	15,937,207
Intangible assets	27,115,755	1,633,298
Goodwill	77,922,399	
Long-term deferred expenses	22,425,517	9,337,814
Deferred income tax assets	93,310,911	60,805,808
Total assets	2,487,530,021	2,203,800,366

Goodwill is primarily attributable to the assembled workforce and anticipated synergies and other strategic benefits expected from integrating [M5Stack](#).

Consolidated Balance Sheet (Unaudited)

CNY	Sep 30, 2024	Dec 31, 2023
Liabilities & Shareholders' Equity		
Current liabilities:		
Accounts payable	168,947,607	79,841,809
Contract liabilities	20,721,906	13,318,710
Payroll payable	89,898,501	102,238,914
Taxes payable	786,504	615,415
Other payable	31,996,302	11,525,208
Non-current liabilities due within one year	11,389,165	8,591,447
Other current liabilities	592,154	501,689
Total current liabilities	324,332,139	216,633,192
Non-current liabilities:		
Lease liabilities	5,137,059	8,454,747
Provisions	638,273	627,089
Deferred income tax liabilities	92,718,512	65,085,110
Total liabilities	422,825,983	290,800,138
Owners' equity (or shareholders' equity):		
Share capital	112,200,431	80,789,724
Capital reserves	1,341,458,125	1,358,508,382
Less: Treasury stock	213,042,679	146,969,563
Other comprehensive income	14,802,877	24,067,306
Surplus reserves	55,460,195	55,460,195
Retained earnings	725,788,935	541,144,184
Total Espressif shareholders' equity	2,036,667,884	1,913,000,228
Non-controlling interests	28,036,154	
Total equity	2,064,704,038	1,913,000,228
Total liabilities and equity	2,487,530,021	2,203,800,366

Consolidated Income Statement (Unaudited)

CNY	Three Months Ended		Nine Months Ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Revenue	539,802,521	359,958,768	1,460,014,787	1,026,956,744
Cost of Revenue	312,334,057	213,903,217	835,049,539	608,446,538
Gross Profit	227,468,464	146,055,551	624,965,248	418,510,206
Taxes and surcharges	394,501	1,924,317	1,261,425	5,238,905
Selling expenses	15,669,020	12,683,522	44,584,871	38,207,772
General and administrative expenses	18,401,225	15,803,022	50,398,878	44,749,984
Research and development expenses	121,655,135	107,661,031	340,337,505	285,845,605
Financial expenses	-4,201,716	1,238,018	-4,610,331	-2,721,347
Including: Interest expenses	178,973	215,920	622,086	722,742
Interest income	4,857,005	3,323,868	12,030,415	7,974,518
Add: Other income	22,532,338	581,160	40,696,951	1,158,794
Investment income (mark "-" for loss)	4,703,944	9,071,593	16,340,024	20,559,009
Income from changes in fair value (mark "-" for loss)		-28,763		143,616
Credit impairment losses (mark "-" for loss)	58,086		7,242	
Assets impairment losses (mark "-" for loss)	-1,444,239	-1,968,775	-1,654,000	-4,629,613
Assets disposal income (mark "-" for loss)	-3,797	-1,046	-4,355	3,344
Operating Income	101,396,631	14,399,809	248,378,762	64,424,439
Add: Non-operating revenue	-1,425		164	164,572
Less: Non-operating expenses	-140,675	9,898	4,559,054	15,435
Income before income taxes	101,535,882	14,389,911	243,819,873	64,573,576
Provision (benefit) for income taxes	2,352,140	-8,208,869	-8,076,938	-22,595,547
Net Income	99,183,742	22,598,780	251,896,811	87,169,123
Net Income attributable to non-controlling interests	-288,586		782,020	
Net Income attributable to Espressif	99,472,328	22,598,780	251,114,792	87,169,123
Earnings per share				
Basic			2.7167	1.0875
Diluted			2.7167	1.0875

CNY	Three Months Ended		Nine Months Ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Net Income	99,183,742	22,598,780	251,896,811	87,169,123
Other comprehensive income (loss), after tax				
Changes to the fair value of investment in other equity instruments			9,486,000	
Currency translation reserves	-6,186,213	-2,923,303	-6,959,229	11,563,196
Other comprehensive income (loss)	-6,186,213	-2,923,303	2,526,771	11,563,196
Other comprehensive income (loss) attributable to non-controlling interests				
Comprehensive income	92,997,529	19,675,477	254,423,582	98,732,319
Comprehensive income attributable to non-controlling interests	-288,586		782,020	
Comprehensive income attributable to Espressif	93,286,115	19,675,477	253,641,563	98,732,319

Consolidated Cash Flow Statement (Unaudited)

CNY	Three Months Ended		Nine Months Ended	
	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Operating Activities				
Cash from sales of merchandise and provision of services	583,005,002	411,037,941	1,562,991,646	1,079,713,764
Tax refund	11,908,778	20,167,820	33,947,865	53,672,523
Other received cash related to operational activities	15,615,885	-2,385,723	28,682,804	8,108,387
Subtotal of cash inflow from operational activities	610,529,665	428,820,038	1,625,622,315	1,141,494,674
Cash paid for merchandise and services	348,433,064	209,720,135	1,092,775,372	532,158,481
Cash paid to and for employees	97,196,982	76,173,208	333,162,080	284,929,089
Cash paid for taxes and surcharges	1,521,638	16,643,337	8,904,104	52,894,426
Other paid cash related to operational activities	46,051,282	19,690,894	99,130,896	65,220,572
Subtotal of cash outflow from operational activities	493,202,967	322,227,574	1,533,972,452	935,202,568
Net cash provided by operating activities	117,326,698	106,592,463	91,649,864	206,292,105
Investing activities				
Cash arising from the disposal of investments	20,657,721	400,316,287	476,534,893	1,683,105,838
Cash arising from investment income	751,644	1,914,306	4,986,872	5,743,953
Net cash arising from the disposal of fixed assets, intangible assets and other long-term assets	7,252	4,163	16,916	23,413
Other received cash relating to investment activities	178,050	203,000	1,917,050	1,856,000
Subtotal of cash inflow from investment activities	21,594,667	402,437,756	483,455,731	1,690,729,204
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	26,869,568	8,988,571	52,069,649	33,767,598
Cash paid for investments	-77,175,231	395,000,000	145,000,000	1,746,000,000
Net cash paid for acquisition of subsidiaries and other business units	61,809,836		61,809,836	
Other paid cash relating to investment activities	900,000	300,000	2,500,000	900,000
Subtotal of cash outflow from investment activities	12,404,173	404,288,571	261,379,484	1,780,667,598
Net cash provided by investment activities	9,190,494	-1,850,815	222,076,246	-89,938,394
Financing activities				
Cash arising from the issuance of common stock	671,756	6,141,170	11,621,711	30,098,186
Including: Cash arising from subsidiaries absorbing investments by minority shareholders				
Subtotal of cash inflow from financing activities	671,756	6,141,170	11,621,711	30,098,186
Cash paid for the distribution of dividends and profits, or payment of interests			78,261,241	
Including: dividends and profits paid to minority shareholders by subsidiaries				
Other paid cash relating to financing activities	3,994,857	53,897,561	100,833,636	60,961,795
Subtotal of cash outflow from financing activities	3,994,857	53,897,561	179,094,877	60,961,795
Net cash provided by financing activities	-3,323,102	-47,756,391	-167,473,166	-30,863,609
Impact of fluctuation in exchange rates on cash and cash equivalents	1,619,370	-6,225,437	-12,134,088	5,878,343
Net increase in cash and cash equivalents	124,813,460	50,759,820	134,118,857	91,368,445
Add: Cash and cash equivalent at the commencement of the period	468,871,123	391,285,979	459,565,727	350,677,354
Cash and cash equivalents at the end of the period	593,684,583	442,045,799	593,684,583	442,045,799

Further Information

Terms and Conditions of the Report

Responsibility Statement

The Board of Directors, the Board of Supervisors and executive management of the Company warrant that the contents of this report are true, accurate and complete, and do not contain any false information, misleading statements or material omissions, severally and jointly accepting any legal responsibility thereof.

Shanghai, 23 October 2024
Espressif Systems

Board of Directors

Teo Swee Ann

Founder and Chairman

Ng Pei Chi

Information Technology Officer

Wang Jue

Deputy General Manager

Teo Teck Leong

Shareholder-elected

Lan Yuzhe

Independent Director

Koh Chuan Koon

Independent Director

Lee Sze Chin

Independent Director

Board of Supervisors

Lv Zhihua

Employee-elected

Fu Hanyu

Shareholder-elected

Wang Yiwen

Shareholder-elected

Executive Management

Teo Swee Ann

Founder and CEO

Wang Jue

Deputy General Manager

Shao Jingbo

Financial Director



Forward-looking Statements

This report contains forward-looking statements and/or assessments about the business, financial condition, performance and strategy of the Espressif Group. These statements and/or assessments are based on assumptions and management expectations resting upon currently available information and current estimates. These are subject to a multitude of uncertainties and risks, many of which are partially or entirely beyond Espressif’s control. Espressif’s actual business development, financial condition, performance and strategy may, therefore, differ from what is discussed in this report.

List of abbreviations

AI	Artificial Intelligence
AIoT	Artificial Intelligence and Internet of Things
Bluetooth LE	Bluetooth Low Energy
CEO	Chief Executive Officer
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
Espressif	ESPRESSIF SYSTEMS (SHANGHAI) CO., LTD.
GM	Gross Margin
IC	Integrated Circuit
IoT	Internet of Things
OBD	On-Board Diagnostics
ODM	Original Design Manufacturer
OEM	Original Equipment Manufacturer
R&D	Research & Development
RF	Radio Frequency
RISC-V MCU	Reduced Instruction Set Computer-V Microcontroller Unit
ROE	Return on Earnings
SG&A	Selling, General and Administrative
SH	Shanghai
SoCs	System on Chips

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All amounts presented in these condensed Consolidated Financial Statements are shown in CNY unless stated otherwise. Slight discrepancies between the amounts presented may occur due to rounding.