ESPRESSIF SYSTEMS

2025 Q1 REPORT

Contents

Build Smart with Espressif

As a publicly traded, multinational fabless semiconductor company (Espressif Systems, SSE: 688018.SH), we develop low-power wireless communication chipsets and AIoT solutions that are green, versatile, and cost-effective. With a closed-loop development cycle, we advance core technologies, including Wi-Fi, Bluetooth LE, IEEE 802.15.4, RF, RISC-V MCUs, AI, operating systems, and cloud services. As IoT evolves, our expanding software capabilities have transformed Espressif into a comprehensive AIoT technology ecosystem company.

1 Billion+
Global IoT Chip Shipment

Global Leader
In Wi-Fi MCU Market

200+ Patents
In AIoT Technology
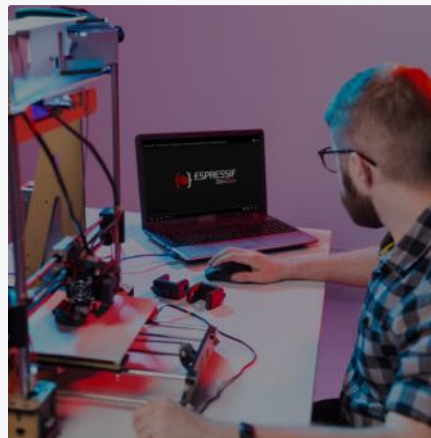
10,000+
Satisfied Customers Worldwide

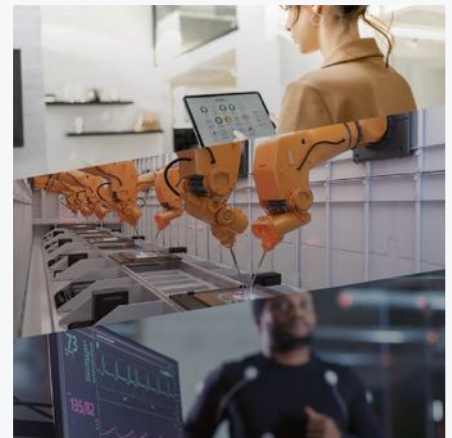**2 Million+**
Active Ecosystem Developers

SHARE CONNECT INNOVATE

Open-source Communities

Conferences & Education Initiatives

Diverse Applications

Brand Awareness

The ESP32 and Espressif brands have a strong sense of recognition among users. 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 awareness not only fosters customer retention but also attracts new users, thereby solidifying Espressif's position in the market.

ESP32 Google Trends
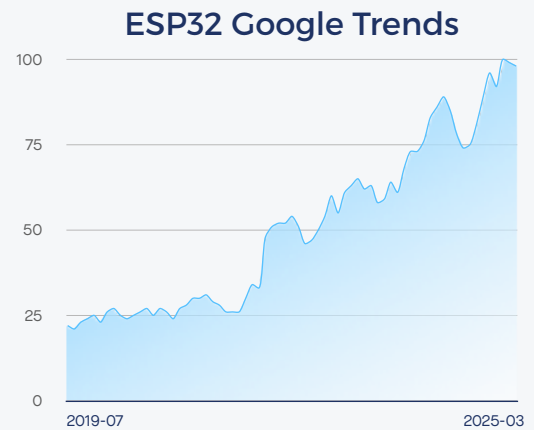
Exceptional IC Design Capability

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.

Espressif Google Trends
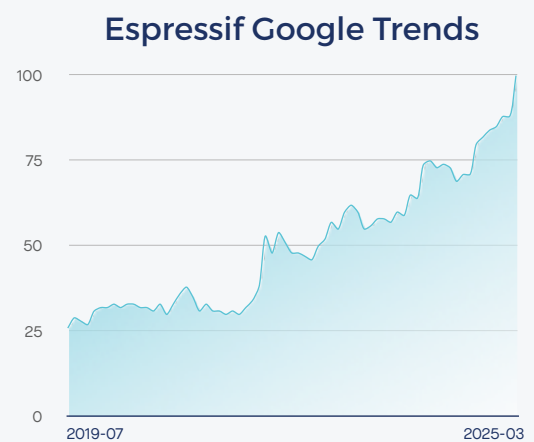
Full-Stack Engineering Capability

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.

Core Technologies

SoCs

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

Espressif offers integrated, reliable, and energy-efficient SoCs for Wi-Fi, Bluetooth Low Energy, Thread and Zigbee to various segments of the IoT market.

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.

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 Cancelation (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.

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-MDF, 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.

Edge-Cloud AI

Leveraging AI and NLP technologies, Espressif's edge-cloud AI and Human-Machine Interface (HMI) solutions deliver a seamless and intuitive interaction experience. ESP32-S3 and ESP32-P4 support localized voice assistants and graphical touch interaction while integrating with cloud-based LLMs for more accurate semantic understanding and contextual engagement.

The LLM solution enables natural language processing and on-device voice recognition, which reduces cloud dependency, lowers latency, and enhances privacy. Meanwhile, the HMI solution combines voice, touch, and gesture recognition to provide a more intuitive and efficient user experience. Backed by a comprehensive support system, our solutions unlock the full potential of intelligent interactions at lower costs and higher efficiency, driving IoT devices to evolve from mere "tools" into "companions."

豆包大模型

OpenAI 文心 Qwen

讯飞星火 iFLYTEK SPARK deepseek

Audio Solutions

HMI Solutions

Business Highlights

Key Financial Data

CNY	Three Months Ended		Fiscal Year
	March 31, 2025	March 31, 2024	2024
Consolidated Statement of Income Data			
Revenue	557,849,869	387,191,412	2,006,919,687
Gross profit	241,947,517	162,367,542	881,196,912
Selling expenses	17,019,921	12,852,562	62,919,353
General and administrative expenses	17,853,584	14,871,808	69,260,100
Research and development expenses	126,192,049	103,846,179	490,297,747
Net income	94,441,673	53,915,482	339,008,315
Net income attributable to Espressif	93,704,355	53,915,482	339,323,927
Earnings per share:			
Basic	0.8523	0.4892	3.0889
Diluted	0.8523	0.4892	3.0708
Consolidated Cash Flow Data			
Net cash provided by operating activities	74,972,387	-12,008,662	220,472,557
Non-GAAP Adjustment			
Stock-based compensation	5,309,168	6,401,427	37,661,342
Non-GAAP net income attributable to Espressif	99,013,522	60,316,910	376,985,269

	March 31, 2025	December 31, 2024
Consolidated Balance Sheet Data		
Working capital	1,528,429,680	1,432,356,145
Total assets	2,961,854,394	2,649,465,358
Long-term obligations	119,884,808	116,956,630
Total shareholders' equity	2,278,072,267	2,179,369,221

N.B.: Due to the company's implementation of a capital reserve to equity conversion in 2024, the earnings per share for each reporting period have been recalculated based on the adjusted share count.

Key Financial Indicators

	Three Months Ended		Fiscal Year
	March 31, 2025	March 31, 2024	2024
Gross margin	43.37%	41.93%	43.91%
R&D-to-sales ratio	22.62%	26.82%	24.43%
EBITDA margin	18.98%	16.00%	18.97%
Net income margin	16.93%	13.92%	16.89%
Weighted ROE	4.26%	2.85%	17.06%
Number of Espressif employees	803	630	770

N.B.: In Q2 2024, Espressif acquired M5Stack. The employee count in the Q1 2024 data does not include M5Stack personnel.

Financial Analysis

Espressif's total revenue in the first quarter of 2025 was CNY 557.85 million, marking an increase of 44.08% from CNY 387.19 million in the first quarter of 2024. The overall gross margin was 43.37% and remained stable. Therefore, the net income attributable to Espressif was CNY 93.70 million, which marked an increase of 73.80% year-on-year, mainly due to the increase of revenue.

The revenue growth was supported by a combination of internal execution and external factors. In China, a series of policy measures aimed at stimulating domestic consumption—particularly in smart home, consumer electronics—created a favorable demand environment for our solutions. Beyond the smart home, other sectors—including industrial, energy, and healthcare—experienced even faster growth, reflecting expanding adoption of our wireless SoC solutions in a wider range of digitalization scenarios.

Revenue by Area in Q1 2025

72.2%

● China's Mainland   ○ Rest of the World
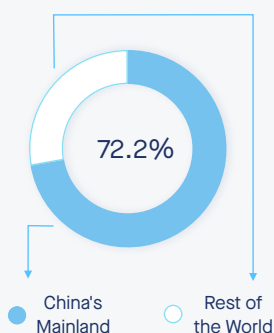
Revenue by Sales Mode in Q1 2025

72.4%

● Direct   ○ Indirect
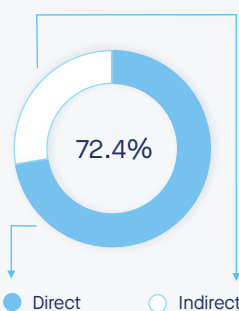
Top-5 Customer Concentration Rate

42.2% 29.0% 26.4% 28.1% 23.9% 25.2%

2020   21   22   23   24   Q1 25
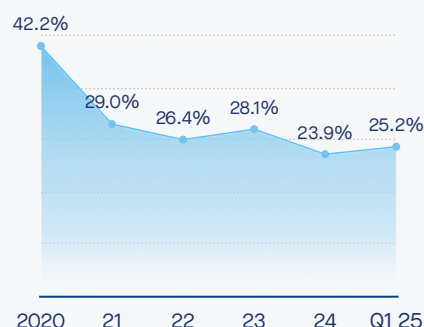
Revenue by Product Category

■ Chip   ■ Module & DevKits   □ Others

	Chip	Module & DevKits	Others
Q1 2024	42.7%	56.7%	0.6%
Q1 2025	37.0%	62.1%	0.9%

Key Financial Indicators

■ Q1 2024   ■ Q1 2025

	Q1 2024	Q1 2025
Overall GM	41.9%	43.4%
EBITDA Margin	16.0%	19.0%
SG&A as % of sales	7.2%	6.3%
R&D as % of sales	26.8%	22.6%
Net Income Margin	13.9%	16.9%
ROE (Q)	2.9%	4.3%
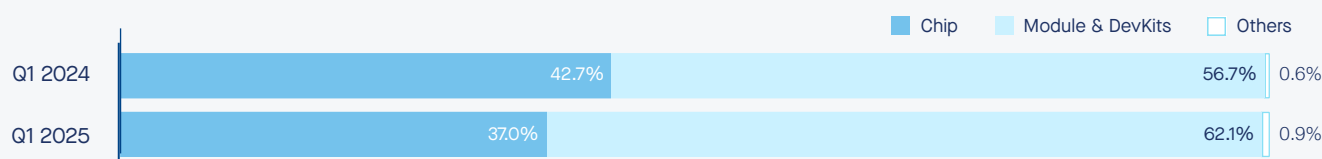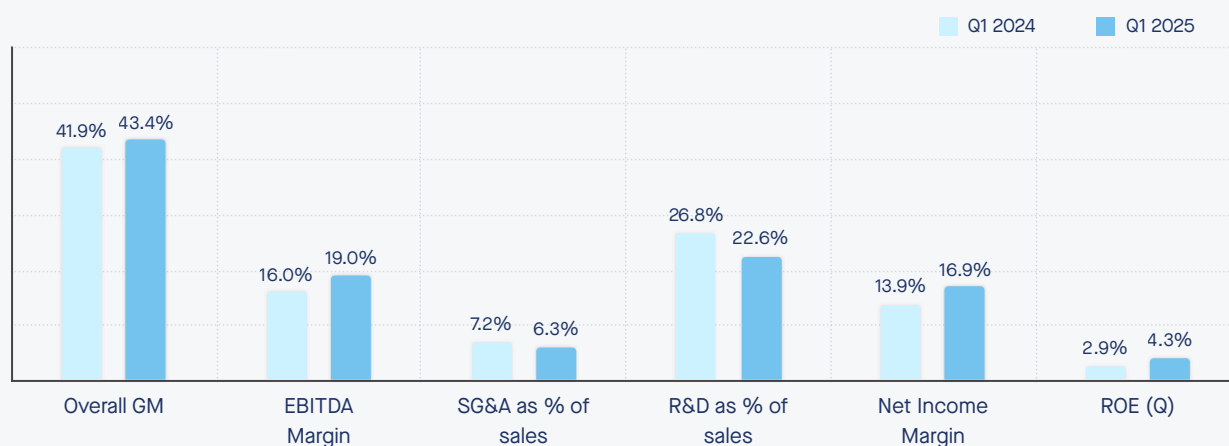
Management Report
Business Strategy

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

Our product and service areas include AIoT chips, 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.

Products

SoCs

Modules

DevKits

Solutions

HMI Smart Displays

Audio Solutions

Face Recognition

Low-Power Solutions

...

Value-added services

Cloud service

Matter Solution

...

OS-level development environments & software tools

Customers

Brands   OEM/ODMs   Module Houses   Solution Providers   Makers

Key Products - IoT Chips

Espressif Systems is a global leader in wireless connectivity SoCs and AIoT solutions. Since launching our first Wi-Fi MCU in 2014, we have continuously expanded our product portfolio and deepened our technology stack. Today, Espressif offers a comprehensive range of self-developed wireless SoCs, covering Wi-Fi 4/6/6E, Bluetooth LE (up to BLE 5.4), Thread, Zigbee, and Matter protocols, enabling diverse smart connectivity applications across consumer, industrial, and commercial domains.

In recent years, Espressif has made notable progress in the development of advanced edge computing platforms. Our RISC-V-based SoCs now integrate AI accelerators, and multimedia processing capabilities, enabling efficient deployment of voice, vision, and large language model (LLM)-based applications on cloud.

Espressif's competitive edge lies in its end-to-end in-house technology development, including RF components, connectivity IPs, RISC-V processor cores, secure boot and OTA frameworks, real-time operating systems, AI toolchains, and developer toolkits. This vertical integration enables us to deliver consistent software and hardware experiences across platforms, ensuring seamless development, high integration, and long-term support for our customers.

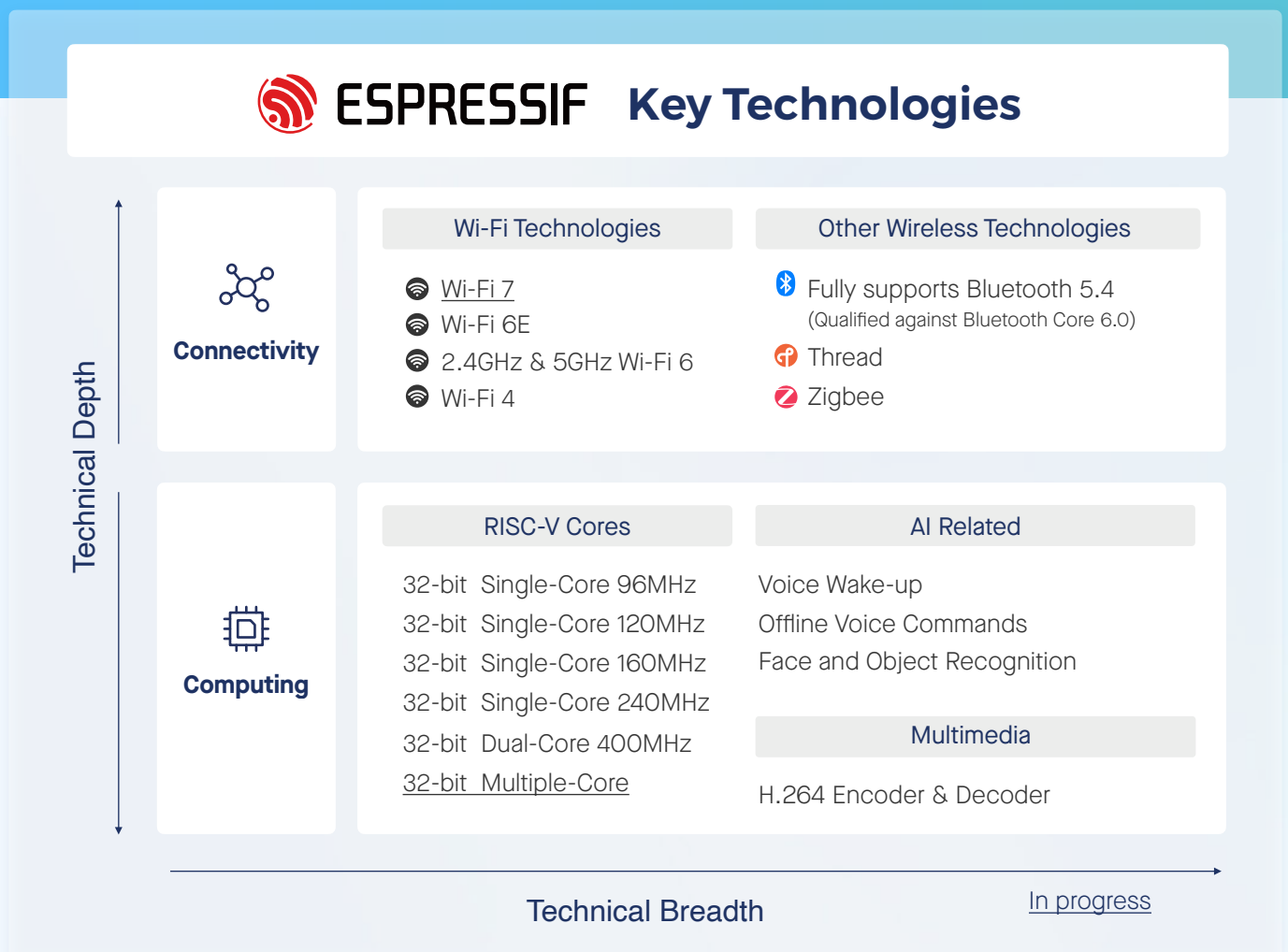To simplify product adoption, we also offer a wide range of IoT modules and development kits, fully supported by Espressif's software ecosystem and global community. This helps customers accelerate time-to-market while optimizing their supply chain through direct technical and logistical support from Espressif.

ESPRESSIF Key Technologies

Technical Depth

Connectivity

Wi-Fi Technologies	Other Wireless Technologies
Wi-Fi 7	Fully supports Bluetooth 5.4 (Qualified against Bluetooth Core 6.0)
Wi-Fi 6E	Thread
2.4GHz & 5GHz Wi-Fi 6	Zigbee
Wi-Fi 4	

Computing

RISC-V Cores	AI Related
32-bit Single-Core 96MHz	Voice Wake-up
32-bit Single-Core 120MHz	Offline Voice Commands
32-bit Single-Core 160MHz	Face and Object Recognition
32-bit Single-Core 240MHz	
32-bit Dual-Core 400MHz	**Multimedia**
32-bit Multiple-Core	H.264 Encoder & Decoder

Technical Breadth

In progress

Key Products - Chip Matrix

High-Performance

ESP 32

32-bit Xtensa MCU
Dual-Core @240 MHz

ESP32 - S2

32-bit Xtensa MCU
Single-Core @240 MHz

AI ESP32 - **S3**

32-bit Xtensa MCU
Dual-Core @240 MHz

AI ESP32 - **P4**

32-bit RISC-V MCU
Dual-Core @400 MHz

H.264 encoding

ESP32 - H4

32-bit RISC-V MCU
Dual-Core @96 MHz

Cost-Effective

ESP 8266

32-bit Tensilica MCU
Single-Core @160MHz

ESP32 - C6

32-bit RISC-V MCU
Single-Core @160MHz

ESP32 - C3

32-bit RISC-V MCU
Single-Core @160MHz

ESP32 - C2

32-bit RISC-V MCU
Single-Core @120MHz

ESP32 - C5

32-bit RISC-V MCU
Single-Core @240MHz

ESP32 - C61

32-bit RISC-V MCU
Single-Core @160MHz

ESP32 - H2

32-bit RISC-V MCU
Single-Core @96 MHz

RISC-V

Legacy • **Growth** • **Emerging**

Key Products - M5Stack Development Kits

Espressif acquired a majority stake in M5Stack in 2024 Q2. M5Stack is renowned for its innovative approach to hardware development and offers a modular, open-source platform that simplifies the creation of IoT and embedded system solutions, greatly enhancing deployment efficiency. The M5Stack ecosystem is built around its flagship main control module, powered by Espressif's all ESP32 series of chips, highlighting the deep technical synergy between the two companies.

M5Stack's product portfolio primarily comprises controllers and other hardware modules needed in IoT application solutions and is mainly sold to the industrial, education, and developer markets.

M5Stack maintains an impressive pace of launching one new hardware product every week. A diversified product portfolio with approximately 300 SKUs helps developers rapidly prototype end products, accelerating the design-in process for Espressif's products with end customers. This ultimately brings more business opportunities for Espressif's chips and modules.

Controller

| Voltage & Amperage Meter | Air Quality Kit | Cardputer | Rotary Knob |

...

Camera   Sensor   Module   Kits

| PoE Camera | Weight I2C Unit | Lora Unit | Stamp-Fly |

...

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, CO_2 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.), and education (talking pens, interactive whiteboards, etc.).

The smart home sector continues to be our main revenue contributor, delivering growth in line with expectations. At the same time, IoT adoption across non-smart-home applications is accelerating, with these segments growing at a significantly faster pace and helping to support our gross margin.

Smart Home	Consumer Electronics	Industrial Automation	Smart Agriculture
Smart Ovens	Smart Speakers	Mechanical Arms	Soil PH Detector

Healthcare	Energy Management	Internet of Vehicles	Education
Medical Detectors	Smart Solar Panels	Intelligent instrument panel	Talking Pens

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

GitHub
Global Code Hosting Platform
140,100
ESP32 and ESP8266 Projects

reddit
Social Networking Site
122,000
ESP32 Group Members

BOOKS
Developer-written books
> 200
Covering more than 10 languages

bilibili
Chinese Video Sharing Platform
1.30 M
Most Viewed ESP32 Video (2025)

YouTube
Global Video Sharing Platform
10.17 M
Most Viewed ESP32 Short (2025)

603 K
Most Viewed ESP32 Video (2025)

Cumulative Number of GitHub ESP32 Projects
91.0 K
2017-01   2025-03
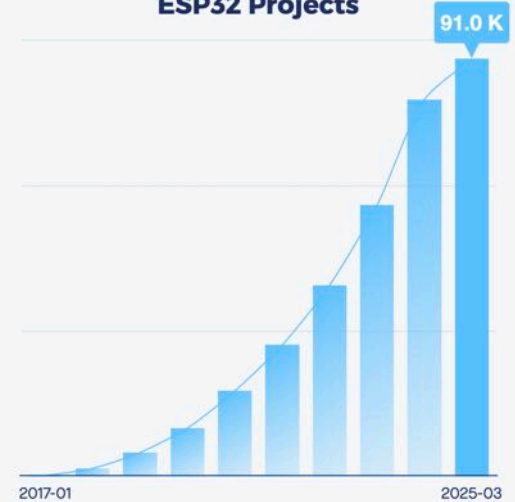
Always a Hot Topic on Social Media

Posted on 19 Apr 2025
ESP32-CAMをロボットに搭載すると、低コストで映像伝送が可能になります。
Wi-Fi経由でリアルタイム映像を確認でき、画像認識や遠隔操作にも応用できます。
小型なので省スペースなロボットにも最適です。
https://x.com/murasametech/status/1913546280242131355

Posted on 20 Apr 2025
36'000 km range with a simple ESP32? For sure a world record!
Eight years ago, I decided to create a world record with a tiny LoRa transmitter. The distance? 202 kilometers. Today, I'm trying something even more ambitious — with this small ESP32 module.

Posted on 19 Apr 2025
夏天要到了，你的桌面小狗可以吹风吗?
https://b23.tv/JVeozm4

Posted on 13 Apr 2025
ESP32-C3-1.54 EPD
· epub阅读、txt阅读、midi音乐、闹钟、时钟、表盘、天气、配网、设置、文件管理器
· 由ESP32MP3墨水屏阅读器精简而来，只阉割了MP3音频
· 添加了蜂鸣器，可以播放midi音乐，当闹钟用
· 精简电路，元件少，焊接简单，外壳好打印，比较适合新手
· ……

Posted on 2 Apr 2025
Using LVGL and an ESP32-C3 to control my 3D printer with Klipper
I have been the last weeks making an interface with LVGL to be able to control my 3d printer with Klipper. I've used a 1.28 inch screen, with a resolution of 240×240 px……
https://www.reddit.com/r/esp32/comments/1jpm2dn/using_lvgl_and_an_esp32c3_to_control_my_3d/

Searched on 23 Apr 2025

Posted on 21 Apr 2025
原创 M03 仪表盘 ESP32 CAN 敬请期待 欢迎留言绝对惊喜
https://b23.tv/RF7RxLV

Searched on 24 Apr 2025
92.6k results (154 ms)
Sort by: Best match   Save
espressif/arduino-esp32
Arduino core for the ESP32
arduino   esp32   esp-idf
C++ 14.7k · Updated 3 hours ago

espressif/esp-at
AT application for ESP32/ESP32-C2/ESP32-C6/ESP8266
esp8266   esp32   wifi   ble   spi
C · 993 · Updated yesterday

78/xiaozhi-esp32
Build your own AI friend
esp32   chatbot   llm
C++ · 11.9k · Updated 23 hours ago

DroneBridge/ESP32
DroneBridge for ESP32. A secure & transparent telemetry link with support for WiFi and ESP-NOW. Supporting MAVLink, MSP, LTM or any other…
uav   drone   esp32   telemetry
pixhawk
C · 490 · Updated 7 days ago

justcallmekoko/ESP32Marauder
A suite of WiFi/Bluetooth offensive and defensive tools for the ESP32

Ownership of Securities
Basic information of securities

Share types	Ordinary share
Share capital	112,200,431 (as of March 31, 2025)
Listing	Shanghai Stock Exchange (SSE)
Ticker	688018.SH
Listing Date	2019-07-22

Shareholder Structure as of March 31, 2025

Shareholder	Share Numbers	Percentage (%)
Espressif (Hong Kong) Investment Ltd.	45,016,142	40.12
Hong Kong Securities Clearing Company Limited	2,659,631	2.37
Wisdomshire Asset Management Co., Ltd. - Wisdomshire Youfu Private Equity Securities Investment Fund No.1	1,757,749	1.57
Wisdomshire Asset Management Co., Ltd. - Wisdomshire Youfu Private Equity Securities Investment Fund No.3	1,564,873	1.39
CITIC Securities Co., Ltd. – Harvest SSE STAR Market Chip Tradable Open-ended Index Securities Investment Fund	1,454,179	1.30
Shinvest Holding Ltd.	1,350,000	1.20
Ningbo Meishan Free Trade Port Le Tun Investment Management Partnership (Limited Partnership)	1,078,893	0.96
Wisdomshire Asset Management Co., Ltd. - Wisdomshire Youfu Private Equity Securities Investment Fund No.2	811,706	0.72
CMS – Oriental Alpha Advantage Industry Hybrid Initiated Securities	789,324	0.70
Shenwan Hongyuan Securities Co. Ltd.	728,715	0.65
Top 10 shareholders	**57,211,212**	**50.99**
Espressif Systems (Shanghai) Co., Ltd. Repurchase Special Securities Account	2,251,613	2.01
Other public shareholders	52,737,606	47.00
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 25.2% in Q1 2025.

Consolidated Financial Statements

Consolidated Balance Sheet (unaudited)

CNY	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	952,942,581	673,884,162
Held for trading financial assets		
Notes receivable	25,687,112	38,605,565
Accounts receivable, net	355,801,396	318,420,157
Accounts receivable financing		
Prepayments	19,532,369	15,857,596
Other receivables	12,048,896	19,978,007
Including: Interest receivable		
Inventories	472,443,678	485,620,281
Other current assets	253,870,967	233,129,885
Total current assets	**2,092,326,999**	**1,785,495,653**
Non-current assets:		
Debt investment	405,969,900	413,542,900
Investment in other equity assets	30,967,840	30,967,840
Other non-current financial assets	34,221,626	34,221,626
Fixed assets	98,054,426	93,949,828
Right-of-use assets	22,413,175	25,169,744
Intangible assets	29,805,703	30,853,579
Goodwill	74,654,024	74,654,024
Long-term deferred expenses	17,313,145	19,452,629
Deferred income tax assets	116,127,556	101,157,536
Other non-current assets	40,000,000	40,000,000
Total assets	**2,961,854,394**	**2,649,465,358**

Consolidated Balance Sheet (unaudited)

CNY	March 31, 2025	December 31, 2024
Liabilities & Shareholders' Equity		
Current liabilities:		
Short-term loan	222,745,496	500,333
Accounts payable	142,957,636	160,741,033
Contract liabilities	20,064,027	20,877,548
Payroll payable	57,635,926	129,439,567
Taxes payable	21,342,595	16,321,501
Other payable	88,087,720	12,397,576
Including: Interest payable		
Non-current liabilities due within one year	9,739,760	11,705,721
Other current liabilities	1,324,159	1,156,230
Total current liabilities	**563,897,319**	**353,139,508**
Non-current liabilities:		
Lease liabilities	13,802,735	14,802,190
Provisions	625,445	620,582
Deferred income tax liabilities	105,456,628	101,533,858
Total liabilities	**683,782,127**	**470,096,138**
Owners' equity (or shareholders' equity):		
Share capital	112,200,431	112,200,431
Capital reserves	1,356,688,756	1,351,379,589
Less: Treasury stock	208,684,568	208,684,568
Other comprehensive income	24,573,172	25,620,966
Surplus reserves	76,858,747	76,858,747
Retained earnings	886,303,872	792,599,518
Total Espressif shareholders' equity	**2,247,940,411**	**2,149,974,683**
Non-controlling interests	30,131,856	29,394,537
Total shareholders' equity	**2,278,072,267**	**2,179,369,221**
Total liabilities and shareholders' equity	**2,961,854,394**	**2,649,465,358**

Consolidated Income Statement (unaudited)

	Three Months Ended	
CNY	**March 31, 2025**	**March 31, 2024**
Revenue	**557,849,869**	**387,191,412**
Cost of Revenue	315,902,352	224,823,870
Gross Profit	**241,947,517**	**162,367,542**
Taxes and surcharges	1,709,774	457,527
Selling expenses	17,019,921	12,852,562
General and administrative expenses	17,853,584	14,871,808
Research and development expenses	126,192,049	103,846,179
Financial expenses	-654,376	-1,901,518
Including: Interest expenses	1,028,913	237,314
Interest income	5,004,324	3,863,524
Add: Other income	7,947,506	13,216,607
Investment income (mark"-" for loss)	4,599,900	6,308,354
Income from changes in fair value (mark"-" for loss)		71,822
Credit impairment losses (mark"-" for loss)		
Assets impairment losses (mark"-" for loss)	-103,424	-253,454
Assets disposal income (mark"-" for loss)	-15,558	-53
Operating Income	**92,254,989**	**51,584,260**
Add: Non-operating revenue	330,000	
Less: Non-operating expenses	47,024	26,096
Income before income taxes	92,537,965	51,558,164
Provision (benefit) for income taxes	-1,903,708	-2,357,318
Net Income	**94,441,673**	**53,915,482**
Net Income attributable to non-controlling interests	737,319	
Net Income attributable to Espressif	**93,704,355**	**53,915,482**
Earnings per share		
Basic	0.8523	0.4892
Dilutec	0.8523	0.4892

N.B.: Due to the company's implementation of a capital reserve to equity conversion in 2024, the earnings per share for each reporting period have been recalculated based on the adjusted share count.

	Three Months Ended	
CNY	**March 31, 2025**	**March 31, 2024**
Net Income	94,441,673	53,915,482
Other comprehensive income (loss), after tax		
Changes to the fair value of investment in other equity instruments		
Currency translation reserves	-1,047,794	-2,052,828
Other comprehensive income (loss)	-1,047,794	-2,052,828
Other comprehensive income (loss) attributable to non-controlling interests		
Comprehensive income	93,393,879	51,862,654
Comprehensive income attributable to non-controlling interests	737,319	
Comprehensive income attributable to Espressif	**92,656,560**	**51,862,654**

Consolidated Cash Flow Statement (unaudited)

	Three Months Ended	
CNY	**March 31, 2025**	**March 31, 2024**
Operating Activities		
Cash from sales of merchandise and provision of services	584,584,589	440,315,774
Tax refund	14,830,187	7,690,353
Other received cash related to operational activities	78,966,606	7,607,522
Subtotal of cash inflow from operational activities	678,381,381	455,613,649
Cash paid for merchandise and services	359,446,334	287,267,252
Cash paid to and for employees	197,026,278	155,448,094
Cash paid for taxes and surcharges	18,939,933	1,301,152
Other paid cash related to operational activities	27,996,449	23,605,814
Subtotal of cash outflow from operational activities	603,408,994	467,622,312
Net cash provided by operating activities	**74,972,387**	**-12,008,662**
Investing activities		
Cash arising from the disposal of investments		270,580,123
Cash arising from investment income		784,450
Net cash arising from the disposal of fixed assets, intangible assets and other long-term assets	7,767	7,454
Other received cash relating to investment activities	578,050	526,000
Subtotal of cash inflow from investment activities	585,817	271,898,027
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	14,486,027	8,275,595
Cash paid for investments		120,000,000
Net cash paid for acquisition of subsidiaries and other business units		
Other paid cash relating to investment activities	300,000	1,000,000
Subtotal of cash outflow from investment activities	14,786,027	129,275,595
Net cash provided by investment activities	**-14,200,210**	**142,622,432**
Financing activities		
Cash arising from the issuance of common stock		
Including: Cash arising from subsidiaries absorbing investments by minority shareholders		
Cash received from borrowings	222,600,000	
Subtotal of cash inflow from financing activities	222,600,000	
Cash paid to repay debt	500,000	
Cash paid for the distribution of dividends and profits, or payment of interests	653,056	
Including: dividends and profits paid to minority shareholders by subsidiaries		
Other paid cash relating to financing activities	3,787,400	93,121,892
Subtotal of cash outflow from financing activities	4,940,456	93,121,892
Net cash provided by financing activities	**217,659,544**	**-93,121,892**
Impact of fluctuation in exchange rates on cash and cash equivalents	-407,168	-5,716,205
Net increase in cash and cash equivalents	**278,024,554**	**31,775,672**
Add: Cash and cash equivalent at the commencement of the period	667,632,307	459,565,727
Cash and cash equivalents at the end of the period	**945,656,860**	**491,341,398**

Consolidated Cash Flow Statement
- **Indirect Method** (unaudited)

	Three Months Ended	
CNY	**March 31, 2025**	**March 31, 2024**
Additional information		
Net income	**94,441,673**	**53,915,482**
Adjustments to cash provided by operating activities, for the purpose of reconciling net income:		
Add: provision for the impairment of assets	103,424	253,454
Credit impairment provision		
Depreciation of fixed assets	6,028,171	5,379,775
Depreciation of right-of-use assets	3,081,834	3,229,687
Amortization of intangible assets	1,047,876	194,754
Amortization of long-term prepaid expenses	2,162,637	1,353,292
Losses on disposal of fixed assets, intangible assets and other long-term assets (mark"-" for income)	15,558	53
Losses on scrapping of fixed assets (mark"-" for income)	1,631	
Losses on fair value changes (mark"-" for income)		-71,822
Financial expenses (mark"-" for income)	4,016,817	1,826,117
Losses on investment (mark"-" for income)	-4,599,900	-6,308,354
Decrease on deferred income tax assets (mark"-" for increase)	-14,944,646	-15,341,374
Increase on deferred income tax liabilities (mark"-" for decrease)	3,922,770	10,077,271
Changes in operating assets and liabilities:		
Decrease in inventories (mark"-" for increase)	12,803,322	-41,553,498
Decrease in operational receivables (mark"-" for increase)	-28,901,421	9,775,914
Increase in operational payables (mark"-" for decrease)	-9,516,527	-41,140,840
Others	5,309,168	6,401,427
Net cash flow provided by operating activities	**74,972,387**	**-12,008,662**

Further Information
Terms and Conditions of the Report

Responsibility Statement

The Board of Directors, the Board of Supervisors and the 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, 29 April 2025
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

Chen Myn
Independent Director

Lee Kian Soon
Independent Director

Leong Foo Leng
Independent Director

Board of Supervisors

Zhang Hanrui
Employee-elected

Wang Lili
Shareholder-elected

Zhang Mengyu
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
HMI	Human-Machine Interaction
IC	Integrated Circuit
IoT	Internet of Things
LLM	Large Language Model
MCU	Microcontroller Unit
OBD	On-Board Diagnostics
R&D	Research and Development
RF	Radio Frequency
RISC-V	Reduced Instruction Set Computer-V
ROE	Return on Earnings
SG&A	Selling, General and Administrative
SH	Shanghai
SoCs	System on Chips
YoY	Year-on-Year

Investor Relations

ir@espressif.com

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