

ESPRESSIF SYSTEMS

2025 Q3 REPORT



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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.



1.5 Billion+
Global IoT Chip
Shipment



Global Leader
In Wi-Fi MCU
Market



200+ IPs
In AIoT
Technology



10,000+
Satisfied
Customers
Worldwide

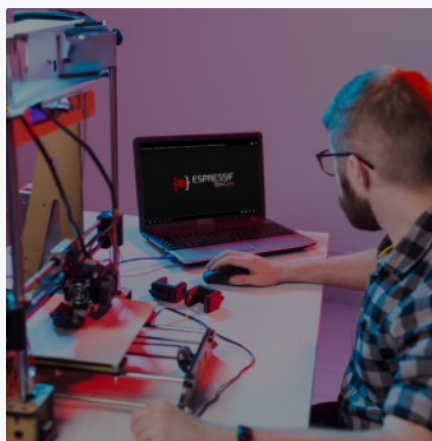


3 Million+
Active Ecosystem
Developers

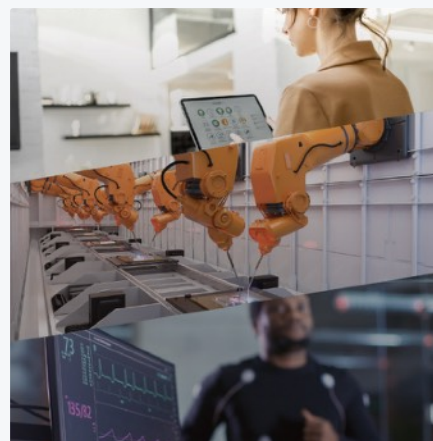
SHARE CONNECT INNOVATE



**Open-source
Communities**



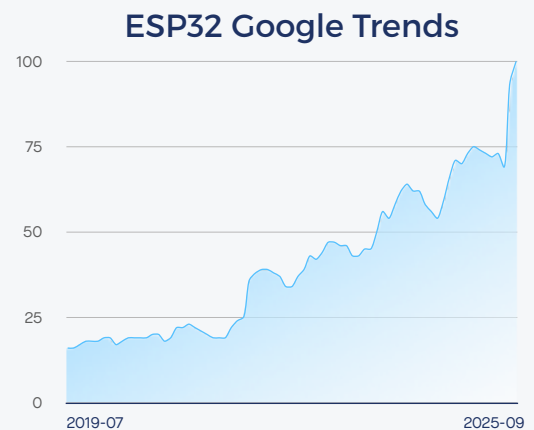
**Conferences & Education
Initiatives**



**Diverse
Applications**

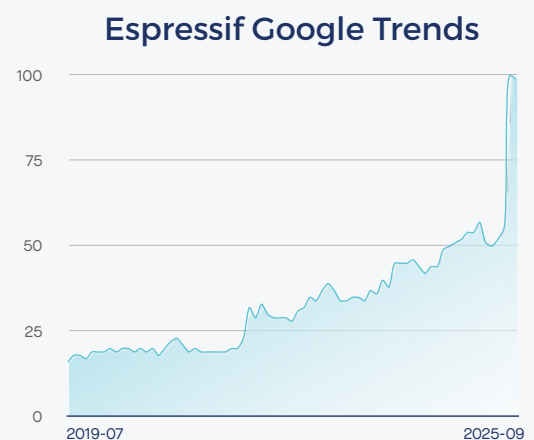
Brand Awareness

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.



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.

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

Espressif's AI solutions enable efficient edge intelligence with ready-to-use frameworks.

ESP-DL provides deep-learning inference on resource-constrained SoCs, **ESP-WHO** supports image detection, recognition, and visual applications, while **ESP-SR** delivers advanced speech recognition. Together, they empower developers to build scalable, low-power, and intelligent human-machine interfaces across a wide range of AIoT products.



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

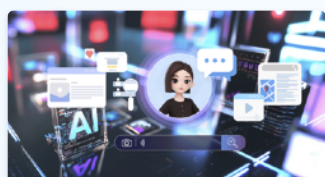
One-stop Matter Solution

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 (Unaudited)

Key Financial Data (Unaudited)

CNY	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Consolidated Statement of Income Data				
Revenue	666,706,221	539,802,521	1,912,247,017	1,460,014,787
Gross profit	319,845,390	227,468,464	882,881,140	624,965,248
Selling expenses	21,202,823	15,669,020	59,114,434	44,584,871
General and administrative expenses	24,222,903	18,401,225	62,091,408	50,398,878
Research and development expenses	155,163,791	121,655,135	423,408,329	340,337,505
Net income	116,499,045	99,183,742	379,538,810	251,896,811
Net income attributable to Espressif	115,500,538	99,472,328	376,762,715	251,114,792
Earnings per share:				
Basic			2.4280	1.9405
Diluted			2.4280	1.9405
Consolidated Cash Flow Data				
Net cash provided by operating activities	195,644,872	117,326,698	310,067,697	91,649,864
Non-GAAP Adjustment				
Stock-based compensation	11,339,881	10,109,422	30,130,386	25,440,612
Non-GAAP net income attributable to Espressif	126,840,419	109,581,750	406,893,101	276,555,404
			Sep 30, 2025	Dec 31, 2024
Consolidated Balance Sheet Data				
Working capital			3,635,516,285	1,432,356,145
Total assets			4,984,509,028	2,649,465,358
Long-term obligations			126,585,594	116,956,630
Total shareholders' equity			4,349,275,947	2,179,369,221

N.B.: Due to the company's implementation of a capital reserve to equity conversion in 2025, the earnings per share for each reporting period have been recalculated based on the adjusted share count.

Key Financial Indicators (Unaudited)

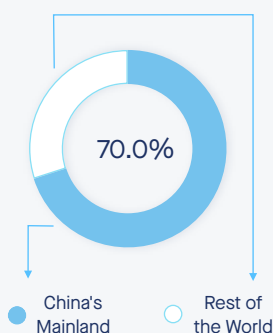
	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Gross margin	47.97%	42.14%	46.17%	42.81%
R&D-to-sales ratio	23.27%	22.54%	22.14%	23.31%
EBITDA margin	22.28%	21.16%	22.90%	19.03%
Net income margin	17.47%	18.37%	19.85%	17.25%
Weighted ROE			15.93%	12.91%
Number of Espressif employees			878	758

Financial Analysis

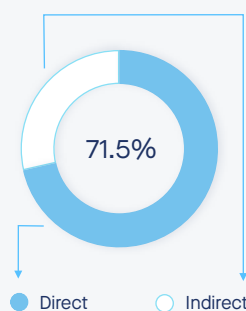
Espressif's total revenue in the first three quarters of 2025 was CNY 1,912.25 million, marking an increase of 30.97% from CNY 1,460.01 million in the first three quarters of 2024. The overall gross margin was 46.17%. Therefore, the net income attributable to Espressif was CNY 376.76 million, which marked an increase of 50.04% year-on-year, mainly due to the increase of revenue.

Although Q3 revenue declined by 3.05% quarter-on-quarter, it still recorded a solid 23.51% year-on-year increase. This moderation was partly due to China's Q2 consumption stimulus policies, which may have pulled forward some downstream demand from Q3. 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 the First Three Quarters of 2025



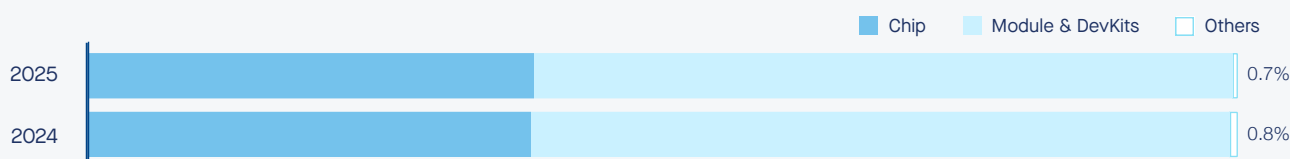
Revenue by Sales Mode in the First Three Quarters of 2025



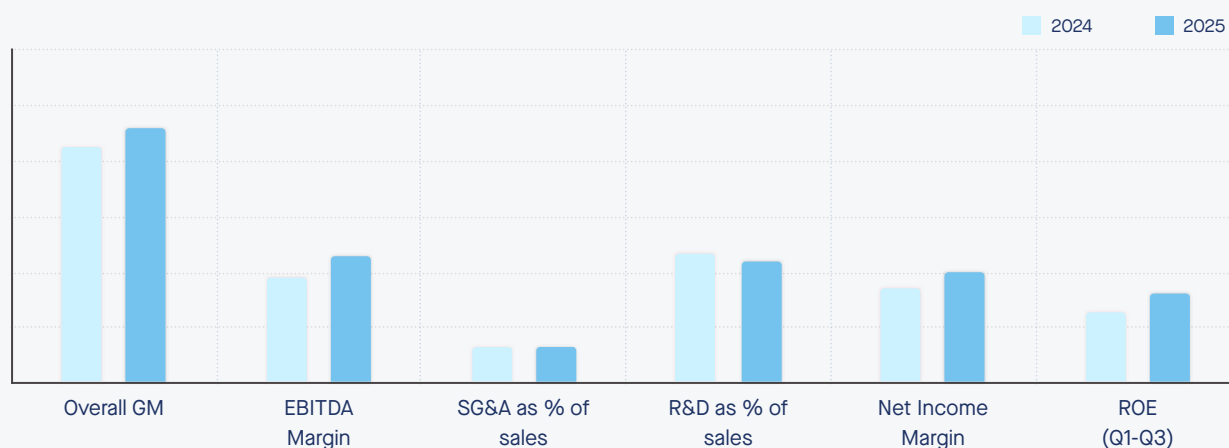
Top-5 Customer Concentration Rate, 2020 - Q3 2025



Revenue by Product Category in the First Three Quarters of 2025



Key Financial Indicators in the First Three Quarters of 2025



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.



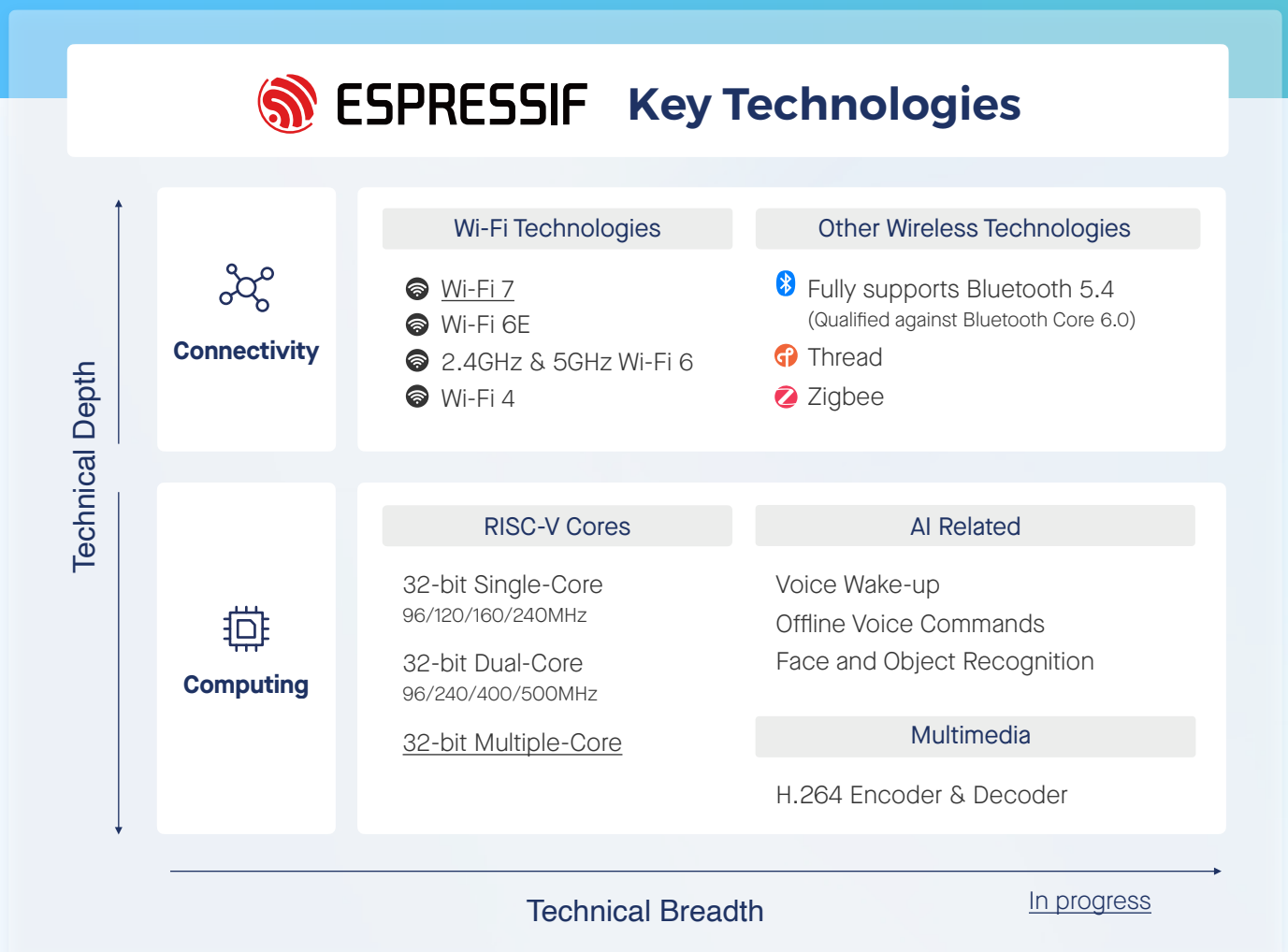
Key Products - IoT Chips

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.

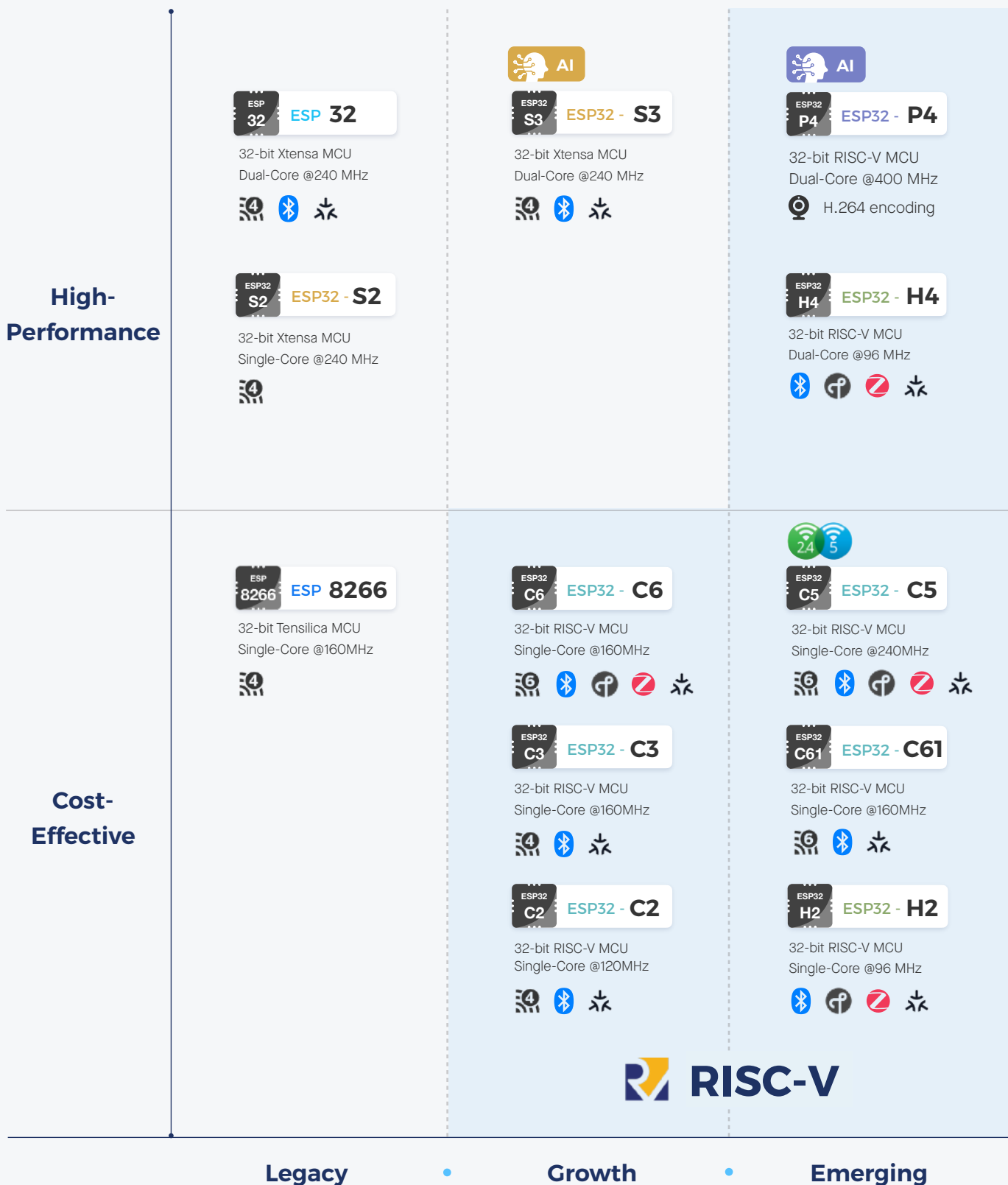
In recent years, Espressif has made notable progress in the development of advanced edge computing platforms. Our RISC-V-based SoCs now integrate AI accelerators, and multimedia processing capabilities, enabling efficient deployment of voice, vision, and large language model (LLM)-based applications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



Key Products - Chip Matrix



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



PoE Camera

Sensor



Weight I2C Unit

Module



Lora Unit

Kits



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, 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.), 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.



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

166,900ESP32 and ESP8266
Projects

Social Networking Site

145,100

ESP32 Group Members



Developer-written books

> 300Covering more than 10
languages

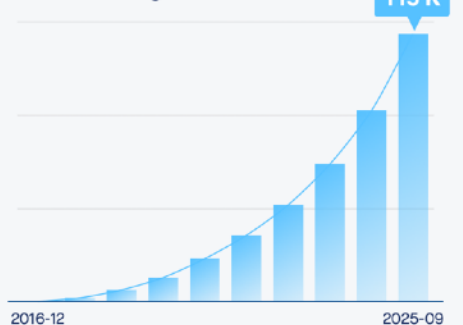
Chinese Video Sharing Platform

1.34 MMost Viewed ESP32
Video (2025)

Global Video Sharing Platform

18.00 MMost Viewed ESP32
Short (2025)**843 K**Most Viewed ESP32
Video (2025)

Cumulative Number of GitHub ESP32 Projects



Daily Increase on GitHub ESP32 Projects



Always a Hot Topic on Social Media



Posted on 20 Oct 2025

GlassUnit (HUDSIGHT)
とりあえず基本となるプログラムを
128*64の透過液晶でテスト。本番は
240*240のLCDになる。
LCDとレンズ あと一週間もある 待
ちわびるyp
弾道計算はまだだけどなんとかかなりそ
うではある(AIちゃんにおまかせ)



<https://x.com/USDJPY2010/status/1980171670133539217>



Posted on 15 Oct 2025

ESP32C3-遥控工业电脑绣花机绕线器-多
路微型步进电机自动控制



<https://www.bilibili.com/video/BV18t4Yz4EAU/>



Posted on 2 Oct 2025

MeowKit - The Next Flipper Zero
Style ESP32 Tool?

This week I've got something fun for
you — a brand new ESP32 gadget
called MewKit, fresh on Kickstarter.
Back in the day, using an ESP32 meant
grabbing a dev board and wiring
everything yourself. Now? Devices like
this come with almost everything built
in.....



https://www.youtube.com/watch?v=F00zE7EWT_Y



Posted on 20 Oct 2025

بین چن از چین اومده
تبلت بر مینای
esp32 Dual core P4 +C6
باب پروژه های خفن یا سرعت عجیب
که میتونه ویدیو پلی کنه x265 کدک



https://x.com/_soeil/status/1980310947488231737



Posted on 2 Oct 2025

Build an ESP32 RC Submarine with
FPV Camera (ESP-DIVE)

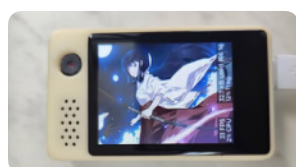
This is the ESP-DIVE - a DIY ESP32
Submarine you can build to explore the
underwater world in first-person view.
Watch live video through its bubble
cam, adjust buoyancy to dive or
surface like a real sub.....



Posted on 22 Oct 2025

ESP32-S3 智能手表

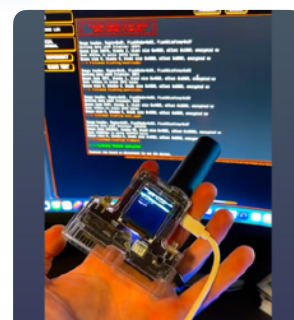
本项目是一个基于 ESP32-S3 微控制器
的开源智能手表开发项目。使用 ESP-
IDF 框架 (release/v5.4.2 版本), 开
发板为 LCSC-boards LCKFB-SZPI-
ESP32-S3-VA (可从 LCSC 或 SZLCS
获取)。图形用户界面 (GUI) 采用
LVGL 实现平滑渲染和交互。



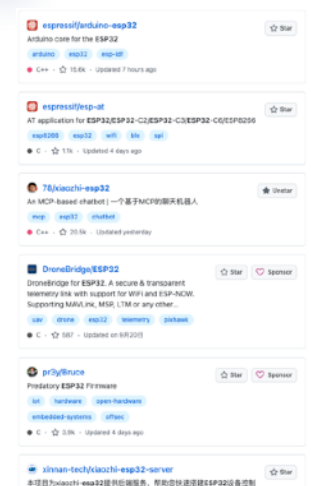
<https://gitee.com/survivorh/esp32s3watch>



Searched on 22 Oct 2025



Searched on 22 Oct 2025



Ownership of Securities

Basic information of securities

Share types	Ordinary share
Share capital	156,702,722 (as of Sep 30, 2025)
Listing	Shanghai Stock Exchange (SSE)
Ticker	688018.SH
Listing Date	2019-07-22

Shareholder Structure as of Sep 30, 2025

Shareholder	Share Numbers	Percentage (%)
Espressif (Hong Kong) Investment Ltd.	61,210,572	39.06
Hong Kong Securities Clearing Company Limited	7,402,325	4.72
Portfolio No. 114 of National Council for Social Security Fund	2,759,816	1.76
CITIC Securities Co., Ltd. – Harvest SSE STAR Market Chip Tradable Open-ended Index Securities Investment Fund	2,134,023	1.36
Shininvest Holding Ltd.	1,866,500	1.19
Shanghai Letun Enterprise Management Partnership (Limited Partnership)	1,510,450	0.96
Shenwan Hongyuan Securities Co. Ltd.	1,204,277	0.77
Wisdomshire Asset Management Co., Ltd. - Wisdomshire Youfu Private Equity Securities Investment Fund No.1	1,164,281	0.74
SDIC Securities Co., Ltd. - Bosera SSE STAR Artificial Intelligence ETF	1,097,681	0.70
Wisdomshire Asset Management Co., Ltd. - Wisdomshire Youfu Private Equity Securities Investment Fund No.3	983,866	0.63
Top 10 shareholders	81,333,791	51.90
Espressif Systems (Shanghai) Co., Ltd. Repurchase Special Securities Account	944,702	0.60
Other public shareholders	74,424,229	47.50
Total of outstanding shares	156,702,722	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 22.6% in the first three quarters of 2025.

Consolidated Financial Statements

Consolidated Balance Sheet (unaudited)

CNY	Sep 30, 2025	Dec 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	2,674,704,828	673,884,162
Held for trading financial assets		
Notes receivable	64,305,691	38,605,565
Accounts receivable, net	328,103,186	318,420,157
Accounts receivable financing		
Prepayments	22,174,452	15,857,596
Other receivables	12,590,320	19,978,007
Including: Interest receivable		
Inventories	556,983,230	485,620,281
Other current assets	485,302,065	233,129,885
Total current assets	4,144,163,773	1,785,495,653
Non-current assets:		
Debt investment		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	534,570,626	93,949,828
Right-of-use assets	15,288,362	25,169,744
Intangible assets	27,709,951	30,853,579
Goodwill	74,654,024	74,654,024
Long-term deferred expenses	18,330,352	19,452,629
Deferred income tax assets	104,602,475	101,157,536
Other non-current assets		40,000,000
Total assets	4,984,509,028	2,649,465,358

Consolidated Balance Sheet (unaudited)

CNY	Sep 30, 2025	Dec 31, 2024
Liabilities & Shareholders' Equity		
Current liabilities:		
Short-term loan	203,275,294	500,333
Accounts payable	142,102,604	160,741,033
Contract liabilities	24,731,429	20,877,548
Payroll payable	116,200,086	129,439,567
Taxes payable	1,770,580	16,321,501
Other payable	14,409,837	12,397,576
Including: Interest payable		
Non-current liabilities due within one year	4,505,675	11,705,721
Other current liabilities	1,651,983	1,156,230
Total current liabilities	508,647,487	353,139,508
Non-current liabilities:		
Lease liabilities	11,933,378	14,802,190
Provisions	642,938	620,582
Deferred income tax liabilities	114,009,278	101,533,858
Total liabilities	635,233,081	470,096,138
Owners' equity (or shareholders' equity):		
Share capital	167,143,010	112,200,431
Capital reserves	3,032,912,092	1,351,379,589
Less: Treasury stock	78,118,338	208,684,568
Other comprehensive income	15,701,007	25,620,966
Surplus reserves	76,858,747	76,858,747
Retained earnings	1,102,608,796	792,599,518
Total Espressif shareholders' equity	4,317,105,314	2,149,974,683
Non-controlling interests	32,170,632	29,394,537
Total shareholders' equity	4,349,275,947	2,179,369,221
Total liabilities and shareholders' equity	4,984,509,028	2,649,465,358

Consolidated Income Statement (unaudited)

CNY	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Revenue	666,706,221	539,802,521	1,912,247,017	1,460,014,787
Cost of Revenue	346,860,831	312,334,057	1,029,365,877	835,049,539
Gross Profit	319,845,390	227,468,464	882,881,140	624,965,248
Taxes and surcharges	1,485,439	394,501	4,784,329	1,261,425
Selling expenses	21,202,823	15,669,020	59,114,434	44,584,871
General and administrative expenses	24,222,903	18,401,225	62,091,408	50,398,878
Research and development expenses	155,163,791	121,655,135	423,408,329	340,337,505
Financial expenses	-1,441,601	-4,201,716	-8,092,809	-4,610,331
Including: Interest expenses	1,495,598	178,973	4,576,810	622,086
Interest income	5,855,951	4,857,005	16,821,219	12,030,415
Add: Other income	6,965,515	22,532,338	38,334,091	40,696,951
Investment income (mark "-" for loss)	3,427,000	4,703,944	11,860,933	16,340,024
Income from changes in fair value (mark "-" for loss)				
Credit impairment losses (mark "-" for loss)		58,086	-350,123	7,242
Assets impairment losses (mark "-" for loss)	-353,452	-1,444,239	-1,591,282	-1,654,000
Assets disposal income (mark "-" for loss)	-22,982	-3,797	-52,581	-4,355
Operating Income	129,228,116	101,396,631	389,776,488	248,378,762
Add: Non-operating revenue	27,544	-1,425	357,744	164
Less: Non-operating expenses	293,841	-140,675	362,447	4,559,054
Income before income taxes	128,961,819	101,535,882	389,771,785	243,819,873
Provision (benefit) for income taxes	12,462,773	2,352,140	10,232,975	-8,076,938
Net Income	116,499,045	99,183,742	379,538,810	251,896,811
Net Income attributable to non-controlling interests	998,507	-288,586	2,776,095	782,020
Net Income attributable to Espressif	115,500,538	99,472,328	376,762,715	251,114,792
Earnings per share				
Basic			2.4280	1.9405
Diluted			2.4280	1.9405

N.B.: Due to the company's implementation of a capital reserve to equity conversion in 2025, the earnings per share for each reporting period have been recalculated based on the adjusted share count.

CNY	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Net Income	116,499,045	99,183,742	379,538,810	251,896,811
Other comprehensive income (loss), after tax				
Changes to the fair value of investment in other equity instruments				9,486,000
Currency translation reserves	-6,743,598	-6,186,213	-9,919,960	-6,959,229
Other comprehensive income (loss)	-6,743,598	-6,186,213	-9,919,960	2,526,771
Other comprehensive income (loss) attributable to non-controlling interests				
Comprehensive income	109,755,447	92,997,529	369,618,851	254,423,582
Comprehensive income attributable to non-controlling interests	998,507	-288,586	2,776,095	782,020
Comprehensive income attributable to Espressif	108,756,940	93,286,115	366,842,756	253,641,563

Consolidated Cash Flow Statement (unaudited)

CNY	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Operating Activities				
Cash from sales of merchandise and provision of services	759,768,187	583,005,002	2,059,551,601	1,562,991,646
Tax refund	22,222,797	11,908,778	50,238,157	33,947,865
Other received cash related to operational activities	11,545,285	15,615,885	45,010,201	28,682,804
Subtotal of cash inflow from operational activities	793,536,268	610,529,665	2,154,799,959	1,625,622,315
Cash paid for merchandise and services	446,443,968	348,433,064	1,269,850,584	1,092,775,372
Cash paid to and for employees	109,983,101	97,196,982	409,505,162	333,162,080
Cash paid for taxes and surcharges	2,347,759	1,521,638	53,671,180	8,904,104
Other paid cash related to operational activities	39,116,568	46,051,282	111,705,337	99,130,896
Subtotal of cash outflow from operational activities	597,891,396	493,202,967	1,844,732,262	1,533,972,452
Net cash provided by operating activities	195,644,872	117,326,698	310,067,697	91,649,864
Investing activities				
Cash arising from the disposal of investments	50,000,000	20,657,721	190,000,000	476,534,893
Cash arising from investment income	4,815,000	751,644	17,782,233	4,986,872
Net cash arising from the disposal of fixed assets, intangible assets and other long-term assets	10,193	7,252	25,098	16,916
Other received cash relating to investment activities	148,050	178,050	1,648,150	1,917,050
Subtotal of cash inflow from investment activities	54,973,243	21,594,667	209,455,481	483,455,731
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	25,448,013	26,869,568	469,618,632	52,069,649
Cash paid for investments		-77,175,231		145,000,000
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	1,200,000	2,500,000
Subtotal of cash outflow from investment activities	25,448,013	12,404,173	470,818,632	261,379,484
Net cash provided by investment activities	29,525,230	9,190,494	-261,363,151	222,076,246
Financing activities				
Cash arising from the issuance of common stock	1,766,553,723	671,756	1,837,645,360	11,621,711
Including: Cash arising from subsidiaries absorbing investments by minority shareholders				
Cash received from borrowings	21,000,000		383,350,000	
Subtotal of cash inflow from financing activities	1,787,553,723	671,756	2,220,995,360	11,621,711
Cash paid to repay debt	170,288,327		180,688,327	
Cash paid for the distribution of dividends and profits, or payment of interests	1,404,251		70,604,145	78,261,241
Including: dividends and profits paid to minority shareholders by subsidiaries				
Other paid cash relating to financing activities	4,059,697	3,994,857	11,380,912	100,833,636
Subtotal of cash outflow from financing activities	175,752,275	3,994,857	262,673,384	179,094,877
Net cash provided by financing activities	1,611,801,449	-3,323,102	1,958,321,976	-167,473,166
Impact of fluctuation in exchange rates on cash and cash equivalents	-7,169,924	1,619,370	-6,148,767	-12,134,088
Net increase in cash and cash equivalents	1,829,801,627	124,813,460	2,000,877,755	134,118,857
Add: Cash and cash equivalent at the commencement of the period	838,708,434	468,871,123	667,632,307	459,565,727
Cash and cash equivalents at the end of the period	2,668,510,061	593,684,583	2,668,510,061	593,684,583

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, 27 October 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

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



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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.