

## Global Unichip Corp. (GUC) Reports Financial Results for 1Q23

Hsinchu – Apr 27, 2023 -- Global Unichip Corporation (TAIEX: 3443) today announced consolidated net sales of NT\$6,529 million, income from operations of NT\$ 1,103 million, net income of NT\$ 934 million, and basic earnings per share of NT\$6.97 for the first quarter ended Mar 31, 2023.

### Financial Summary

(In NT\$M except EPS and percentage)

	1Q23	4Q22	QoQ	1Q22	YoY
Net Sales	6,529	8,083	-19%	4,514	45%
NRE	1,486	2,441	-39%	1,329	12%
Turnkey	4,953	5,330	-7%	3,116	59%
Others	90	312	-71%	69	30%
Gross Profit	2,084	2,700	-23%	1,628	28%
Gross Margin	31.9%	33.4%	--	36.1%	--
Operating Expense	981	1,212	-19%	995	-1%
Income from Operations	1,103	1,488	-26%	633	74%
Operating Margin	16.9%	18.4%	--	14.0%	--
Net Income	934	1,346	-31%	545	71%
Net Profit Margin	14.3%	16.7%	--	12.1%	--
EPS (NT\$)	6.97	10.05	-31%	4.07	71%

#### Topics in This Report:

- Revenue Analysis
- Gross Margin Analysis
- Expense Analysis
- Net Profit & EPS
- Financial Condition Review
- Cash Flow Analysis

### Financial Highlights: First Quarter 2023

- Net Sales was NT\$6,529 million, which decreased 19% compared to 4Q22 but increased 45% from NT\$4,514 million in 1Q22.
- In 1Q23, NRE revenue was NT\$ 1,486 million, decreasing 39% QoQ but increasing 12% YoY. Turnkey revenue was NT\$4,953 million, decreasing 7% QoQ but increasing 59% YoY.
- Gross Margin was 31.9%, which is 1.5 percentage points lower than 4Q22 and 4.2 percentage points lower than 1Q22.
- Operating Margin was 16.9%, down 1.5 percentage points from 4Q22 but 2.9 percentage points higher than 1Q22.
- Net Margin was 14.3%, down 2.4 percentage points compared with 4Q22 but 2.2 percentage points higher than 1Q22.
- EPS was NT\$6.97, which decreased 31% compared to 4Q22 but increased 71% from 1Q22.

### CONTACT

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## Revenue Analysis

### ● By Segment

NRE by Technology	1Q23	4Q22	1Q22
	%	%	%
5nm & Below	35%	23%	2%
7nm	28%	49%	30%
16nm	20%	12%	39%
28nm & Above	17%	16%	29%
Total	100%	100%	100%

  

Turnkey by Technology	1Q23	4Q22	1Q22
	%	%	%
5nm & Below	0%	0%	0%
7nm	17%	7%	16%
16nm	43%	41%	23%
28nm & Above	40%	52%	61%
Total	100%	100%	100%

By segment, combined 16 nm and below accounted for 83% of total NRE revenue in 1Q23 and 5nm & below accounted for 35% in 1Q23, which kept increasing QoQ and YoY.

In 1Q23, 7nm accounted for 17% of total Turnkey revenue, which kept increasing compared to 4Q22. There was no Turnkey revenue contribution from 5nm & below yet.

### ● By Technology/Application/Region

Net Sales by Technology	1Q23	4Q22	1Q22
	%	%	%
5nm & Below	8%	10%	1%
7nm	19%	19%	21%
16nm	37%	31%	28%
28nm & Above	36%	40%	50%
Total	100%	100%	100%

  

Net Sales by Application	1Q23	4Q22	1Q22
	%	%	%
AI/ML	14%	10%	16%
Networking	26%	17%	24%
Digital Consumer	45%	46%	34%
Industry	10%	14%	23%
Others	5%	13%	3%
Total	100%	100%	100%

  

Net Sales by Reigon	1Q23	4Q22	1Q22
	%	%	%
Taiwan	10%	15%	16%
USA	27%	28%	20%
China	30%	31%	48%
Japan	7%	6%	6%
Korea	23%	18%	6%
Europe	3%	2%	4%
Total	100%	100%	100%

By technology, 16nm and below revenue contribution of total revenue in 1Q23 was 64%. 5nm & Below accounted for 8% of total revenue and all of it is from NRE revenue.

By application, major revenue contribution is still Digital Consumer in 1Q23, which majorly contributing from Turnkey revenue in this segment. The revenue contribution of AI/ML and Networking combined to be 40%, which both are also very important target markets for GUC.

From a geographic perspective, revenue from Taiwan, China and USA totally accounted for 67% in 1Q23. China market revenue contribution is 30%. Korea market revenue contribution increased significantly in this quarter, and the growth was contributed from Turnkey revenue increase.

## Gross Margin Analysis

	1Q23		4Q22		1Q22	
	Amount	% of	Amount	% of	Amount	% of
		net sales		net sales		net sales
<i>\$M except percentages</i>						
Cost of sales	4,445	68.1%	5,383	66.6%	2,886	63.9%
Gross profit	2,084	31.9%	2,700	33.4%	1,628	36.1%

Gross margin rate was 31.9% in 1Q23, decreasing compared with 33.4% in 4Q22 and 36.1% in 1Q22, which is due to different product mix.

## Expenses Analysis

	1Q23		4Q22		1Q22	
	Amount	% of	Amount	% of	Amount	% of
		net sales		net sales		net sales
<i>\$M except percentages</i>						
SG&A Exp	194	3.0%	289	3.6%	178	3.9%
R&D Exp	787	12.1%	923	11.4%	817	18.1%
Total operating expenses	981	15.0%	1,212	15.0%	995	22.0%

Total operating expenses in 1Q23 represented 15.0% of net sales. From the perspective of dollar amount, operating expenses decreased 19% on QoQ basis in 1Q23, which is because of lower employee bonus accrued following lower net profit this quarter.

## Net Profit & EPS

	1Q23		4Q22		1Q22	
	Net	EPS	Net	EPS	Net	EPS
	Income	(NT\$)	Income	(NT\$)	Income	(NT\$)
<i>(In NT\$M except EPS)</i>						
	934	6.97	1,346	10.05	545	4.07

Net income in 1Q23 was NT\$934 million and EPS was NT\$6.97, decreasing 31% compared with 4Q22 but increasing 71% on YoY basis.

## Financial Condition Review

### ● Liquidity Analysis

	3,31,2023	12,31,2022	Unit: NT\$M 3,31,2022
<b>Assets</b>			
Cash and cash equivalents	5,892	5,849	5,523
Accounts receivable, net	2,359	3,000	1,380
Inventories	6,967	6,563	2,970
Other current assets	3,915	4,146	3,458
<b>Total current assets</b>	<b>19,133</b>	<b>19,558</b>	<b>13,331</b>
Property, plant and equipment	604	646	603
Other non-current assets	983	984	667
<b>Total assets</b>	<b>20,720</b>	<b>21,188</b>	<b>14,601</b>
<b>Liabilities</b>			
Current liabilities	11,197	12,598	8,383
Non-current liabilities	527	528	389
<b>Total liabilities</b>	<b>11,724</b>	<b>13,126</b>	<b>8,772</b>
<b>Equity</b>			
Total equity	8,996	8,061	5,829
<b>Total liabilities and equity</b>	<b>20,720</b>	<b>21,188</b>	<b>14,601</b>
<b>Net working capital (NT\$M)</b>	<b>7,936</b>	<b>6,960</b>	<b>4,948</b>
<b>Current ratio(%)</b>	<b>171</b>	<b>155</b>	<b>159</b>

At the end of 1Q23, total assets were NT\$20,720 million and total liabilities were NT\$11,724 million. Decrease of liabilities is mainly due to decrease of contract liability in this quarter.

Net working capital in 1Q23 was NT\$7,936 million and current ratio was 171%, which improved because of less current liability.

Days of A/R turnover and Inventory turnover in 1Q23 were 37 days and 139 days, respectively. Main reason of inventory turnover days increase compared to 1Q22 is because of customized inventory increase at the end of 1Q23 to meet market demand.

### ● Receivable and Inventory days

	3,31,2023	12,31,2022	3,31,2022
A/R turnover days	37	34	29
Inv. turnover days	139	109	91

## Cash flow analysis

	Unit: NT\$M		
	1Q23	4Q22	1Q22
Cash flows from operating activities:	155	772	18
Cash flows from investing activities:	(86)	(26)	(85)
Cash flows from financing activities:	(26)	(17)	(17)
Effect of exchange rate changes on cash and cash equivalents	0	(8)	20
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>43</b>	<b>721</b>	<b>(64)</b>
Cash and cash equivalents, beginning of period	5,849	5,128	5,587
<b>Cash and cash equivalents, end of period</b>	<b>5,892</b>	<b>5,849</b>	<b>5,523</b>

Net cash generated in operating activities was only NT\$155 million in 1Q23, because of decrease in accounts payable

Net cash spent in investing activities was NT\$86 million in 1Q23, which was mainly due to acquisitions of equipment and intangible asset. Financing activities spent cash of NT\$26 million during this quarter.



The Advanced ASIC Leader

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GLOBAL UNICHIP CORP. (GUC) is the Advanced ASIC Leader™ whose customers target IC devices to leading edge computing, communications, and consumer applications. Based in Hsin-chu, Taiwan GUC has developed a global reputation with a presence in China, Europe, Japan, Korea, and North America. GUC is publicly traded on the Taiwan Stock Exchange under the symbol 3443. For more information, please visit GUC's company website ([http:// www.guc-asic.com](http://www.guc-asic.com)) for details.

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