

## Global Unichip Corp. (GUC) Reports Financial Results for 4Q23

Hsinchu – Jan 31, 2024 -- Global Unichip Corporation (TAIEX: 3443) today announced consolidated net sales of NT\$6,315 million, income from operations of NT\$ 827 million, net income of NT\$ 712 million, and basic earnings per share of NT\$5.32 for the fourth quarter ended Dec 31, 2023.

### Financial Summary

<i>(In NT\$M except EPS and percentage)</i>	<u>4Q23</u>	<u>3Q23</u>	<u>QoQ</u>	<u>4Q22</u>	<u>YoY</u>
Net Sales	6,315	6,810	-7%	8,083	-22%
NRE	1,694	2,317	-27%	2,441	-31%
Turnkey	4,414	4,446	-1%	5,330	-17%
Others	207	47	340%	312	-34%
Gross Profit	1,800	2,173	-17%	2,700	-33%
Gross Margin	28.5%	31.9%	--	33.4%	--
Operating Expense	973	1,072	-9%	1,212	-20%
Income from Operations	827	1,101	-25%	1,488	-44%
Operating Margin	13.1%	16.2%	--	18.4%	--
Net Income	712	1,023	-30%	1,346	-47%
Net Profit Margin	11.3%	15.0%	--	16.7%	--
EPS (NT\$)	5.32	7.63	-30%	10.05	-47%

#### Topics in This Report:

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

#### Financial Highlights:

##### Fourth Quarter 2023

- Net Sales was NT\$6,315 million, which decreased 7% compared to 3Q23 and decreased 22% from 4Q22.
- In 4Q23, NRE revenue was NT\$ 1,694 million, decreasing 27% QoQ and decreasing 31% YoY. Turnkey revenue was NT\$4,414 million, decreasing 1% QoQ and decreasing 17% YoY.
- Gross Margin was 28.5%, which is 3.4 percentage points lower than 3Q23 and 4.9 percentage points lower than 4Q22.
- Operating Margin was 13.1%, decreasing 3.1 percentage points from 3Q23 and 5.3 percentage points lower than 4Q22.
- Net Margin was 11.3%, 3.7 percentage points lower than 3Q23 and 5.4 percentage points lower than 4Q22.
- EPS was NT\$5.32, which decreased 30% compared to 3Q23 and decreased 47% from 4Q22.

##### Full Year 2023

- Net Sales was NT\$26,241 million, increasing 9% compared to 2022. Record high.
- NRE revenue increased 3%. Turnkey revenue increased 12%. Both are record high.
- Gross Margin was 30.4%, 4.3 percentage points lower than 2022.
- Net Margin was 13.4%, 2 percentage points lower than 2022.
- Net Margin decreased 5% compared to 2022.

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## Revenue Analysis

### ● By Segment

NRE by Technology	4Q23	3Q23	4Q22
	%	%	%
5nm & Below	20%	52%	23%
7nm	58%	17%	49%
16nm	6%	16%	12%
28nm & Above	16%	15%	16%
Total	100%	100%	100%

  

Turnkey by Technology	4Q23	3Q23	4Q22
	%	%	%
5nm & Below	0%	0%	0%
7nm	24%	28%	7%
16nm	35%	30%	41%
28nm & Above	41%	42%	52%
Total	100%	100%	100%

By segment, combined 16 nm and below accounted for 84% of total NRE revenue in 4Q23 and 5nm & below accounted for 20% in 4Q23.

In 4Q23, 7nm accounted for 24% of total Turnkey revenue, which kept increasing on YoY basis. There was no Turnkey revenue contribution from 5nm & below yet.

### ● By Technology/Application/Region

Net Sales by Technology	4Q23	3Q23	4Q22
	%	%	%
5nm & Below	8%	18%	10%
7nm	33%	24%	19%
16nm	26%	26%	31%
28nm & Above	33%	32%	40%
Total	100%	100%	100%

  

Net Sales by Application	4Q23	3Q23	4Q22
	%	%	%
AI/ML	8%	5%	10%
Networking	27%	20%	17%
Digital Consumer	41%	40%	46%
Industry	13%	9%	14%
Others	11%	26%	13%
Total	100%	100%	100%

  

Net Sales by Reigon	4Q23	3Q23	4Q22
	%	%	%
Taiwan	10%	8%	15%
USA	25%	30%	28%
China	34%	31%	31%
Japan	9%	7%	6%
Korea	16%	20%	18%
Europe	6%	4%	2%
Total	100%	100%	100%

By technology, 16nm and below revenue contribution of total revenue in 4Q23 was 67%. 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 4Q23, which is majorly contributed from Turnkey revenue in this segment. The revenue contribution of AI/ML and Networking combined to be 35%, which both are also very important target markets for GUC.

From a geographic perspective, revenue from Taiwan, China and USA totally accounted for 69% in 4Q23. China market revenue contribution is 34%, which is majorly contributed from Turnkey revenue recognition.

## Gross Margin Analysis

	4Q23		3Q23		4Q22	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
<i>(In NT\$M except percentages)</i>						
Cost of sales	4,515	71.5%	4,637	68.1%	5,383	66.6%
Gross profit	1,800	28.5%	2,173	31.9%	2,700	33.4%

Gross margin rate was 28.5% in 4Q23, decreasing compared with 31.9% in 3Q23 and also decreasing from 33.4% in 4Q22, which is due to different product mix.

## Expenses Analysis

	4Q23		3Q23		4Q22	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
<i>(In NT\$M except percentages)</i>						
SG&A Exp	224	3.5%	242	3.6%	289	3.6%
R&D Exp	749	11.9%	830	12.1%	923	11.4%
Total operating expenses	973	15.4%	1,072	15.7%	1,212	15.0%

Total operating expenses in 4Q23 represented 15.4% of net sales. From the perspective of dollar amount, operating expenses decreased on single digit percentage compared to previous quarter and double digit on YoY basis, because of less employee bonus accrued this quarter.

## Net Profit & EPS

	4Q23		3Q23		4Q22	
	Net Income	EPS (NT\$)	Net Income	EPS (NT\$)	Net Income	EPS (NT\$)
<i>(In NT\$M except EPS)</i>						
	712	5.32	1,023	7.63	1,346	10.05

Net income in 4Q23 was NT\$712 million and EPS was NT\$5.32, decreasing 30% compared with 3Q23 and decreasing 47% on YoY basis.

## Financial Condition Review

### Liquidity Analysis

	Unit: NT\$M		
	12,31,2023	9,30,2023	12,31,2022
<b>Assets</b>			
Cash and cash equivalents	7,638	6,372	5,849
Accounts receivable, net	1,989	2,040	3,000
Inventories	4,851	5,364	6,563
Other current assets	4,958	3,948	4,146
<b>Total current assets</b>	<b>19,436</b>	<b>17,724</b>	<b>19,558</b>
Property, plant and equipment	559	589	646
Other non-current assets	1,079	870	984
<b>Total assets</b>	<b>21,074</b>	<b>19,183</b>	<b>21,188</b>
<b>Liabilities</b>			
Current liabilities	10,954	9,779	12,598
Non-current liabilities	438	416	528
<b>Total liabilities</b>	<b>11,392</b>	<b>10,195</b>	<b>13,126</b>
<b>Equity</b>			
<b>Total equity</b>	<b>9,682</b>	<b>8,988</b>	<b>8,061</b>
<b>Total liabilities and equity</b>	<b>21,074</b>	<b>19,183</b>	<b>21,188</b>
<b>Net working capital (NT\$M)</b>	<b>8,482</b>	<b>7,945</b>	<b>6,950</b>
<b>Current ratio(%)</b>	<b>177</b>	<b>181</b>	<b>155</b>

At the end of 4Q23, total assets were NT\$21,074 million and total liabilities were NT\$11,392 million. Both increased compared to previous quarter. In this quarter, cash and contract liability both increased sequentially, which contributed to lower current ratio, but the ratio is still higher than 4Q22. And net working capital increased both on QoQ and YoY basis.

### Receivable and Inventory days

	12,31,2023	9,30,2023	12,31,2022
A/R turnover days	35	35	34
Inv. turnover days	114	119	109

Days of A/R turnover and Inventory turnover in 2023 were 35 days and 114 days, respectively. Inventory turnover days are decreasing gradually quarter by quarter in 2023.

### Cash flow analysis

	Unit: NT\$M		
	4Q23	3Q23	4Q22
Cash flows from operating activities:	1,745	1,742	772
Cash flows from investing activities:	(438)	(46)	(26)
Cash flows from financing activities:	(20)	(20)	(17)
Effect of exchange rate changes on cash and cash equivalents	(21)	26	(8)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,266</b>	<b>1,702</b>	<b>721</b>
Cash and cash equivalents, beginning of period	6,372	4,670	5,128
<b>Cash and cash equivalents, end of period</b>	<b>7,638</b>	<b>6,372</b>	<b>5,849</b>

Net cash generated in operating activities was NT\$1,745 million in 4Q23. Net cash spent in investing activities was NT\$438 million in 4Q23, which was mainly due to acquisitions of equipment and intangible asset. Financing activities spent cash of NT\$20 million during this quarter.



The Advanced ASIC Leader

Jan 31, 2024

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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