

## Global Unichip Corp. (GUC) Reports Financial Results for 1Q24

Hsinchu – Apr 25, 2024 -- Global Unichip Corporation (TAIEX: 3443) today announced consolidated net sales of NT\$5,690 million, income from operations of NT\$ 705 million, net income of NT\$ 663 million, and basic earnings per share of NT\$4.94 for the first quarter ended Mar 31, 2024.

### Financial Summary

<i>(In NT\$M except EPS and percentage)</i>	<u>1Q24</u>	<u>4Q23</u>	<u>QoQ</u>	<u>1Q23</u>	<u>YoY</u>
Net Sales	5,690	6,315	-10%	6,529	-13%
NRE	1,386	1,694	-18%	1,486	-7%
Turnkey	4,164	4,414	-6%	4,953	-16%
Others	140	207	-32%	90	56%
Gross Profit	1,689	1,800	-6%	2,084	-19%
Gross Margin	29.7%	28.5%	--	31.9%	--
Operating Expense	984	973	1%	981	0%
Income from Operations	705	827	-15%	1,103	-36%
Operating Margin	12.4%	13.1%	--	16.9%	--
Net Income	663	712	-7%	934	-29%
Net Profit Margin	11.7%	11.3%	--	14.3%	--
EPS (NT\$)	4.94	5.32	-7%	6.97	-29%

#### Topics in This Report:

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

#### Financial Highlights: First Quarter 2024

- Net Sales was NT\$5,690 million, which decreased 10% compared to 4Q23 and decreased 13% from 1Q23.
- In 1Q24, NRE revenue was NT\$ 1,386 million, decreasing 18% QoQ and decreasing 7% YoY. Turnkey revenue was NT\$4,164 million, decreasing 6% QoQ and decreasing 16% YoY.
- Gross Margin was 29.7%, which is 1.2 percentage points higher than 4Q23 but 2.2 percentage points lower than 1Q23.
- Operating Margin was 12.4%, decreasing 0.7 percentage points from 4Q23 and 4.5 percentage points lower than 4Q22.
- Net Margin was 11.7%, 0.4 percentage points higher than 4Q23 but 2.6 percentage points lower than 1Q23.
- EPS was NT\$4.94, which decreased 7% compared to 4Q23 and decreased 29% from 1Q23.

#### CONTACT

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## Revenue Analysis

### ● By Segment

NRE by Technology	1Q24	4Q23	1Q23
	%	%	%
5nm & Below	6%	20%	35%
7nm	38%	58%	28%
16nm	29%	6%	20%
28nm & Above	27%	16%	17%
Total	100%	100%	100%

  

Turnkey by Technology	1Q24	4Q23	1Q23
	%	%	%
5nm & Below	2%	0%	0%
7nm	16%	24%	17%
16nm	42%	35%	43%
28nm & Above	40%	41%	40%
Total	100%	100%	100%

By segment, combined 16 nm and below accounted for 73% of total NRE revenue in 1Q24 and 5nm & below accounted for 6% in 1Q24.

5nm& Below Turnkey revenue contribution started in 1Q24, and it accounted for 2% of total Turnkey revenue in 1Q24. By segment, combined 16 nm and below accounted for 60% of total Turnkey revenue in 1Q24.

### ● By Technology/Application/Region

Net Sales by Technology	1Q24	4Q23	1Q23
	%	%	%
5nm & Below	4%	8%	8%
7nm	21%	33%	19%
16nm	38%	26%	37%
28nm & Above	37%	33%	36%
Total	100%	100%	100%

  

Net Sales by Application	1Q24	4Q23	1Q23
	%	%	%
AI/ML	10%	8%	14%
Networking	29%	27%	26%
Digital Consumer	39%	41%	45%
Industry	14%	13%	10%
Others	8%	11%	5%
Total	100%	100%	100%

  

Net Sales by Reigon	1Q24	4Q23	1Q23
	%	%	%
Taiwan	9%	10%	10%
USA	18%	25%	27%
China	47%	34%	30%
Japan	11%	9%	7%
Korea	14%	16%	23%
Europe	1%	6%	3%
Total	100%	100%	100%

By technology, 16nm and below revenue contribution of total revenue in 1Q24 was 63%. 5nm & below accounted for 4% of total revenue.

By application, major revenue contribution is still Digital Consumer in 1Q24, which is majorly contributed from Turnkey revenue in this segment. The revenue contribution of AI/ML and Networking combined to be 39%, which both are also very important target markets for GUC.

From a geographic perspective, revenue from Taiwan, China and USA totally accounted for 74% in 1Q24. China market revenue contribution is 47%, which is majorly contributed from Turnkey revenue recognition.

## Gross Margin Analysis

	1Q24		4Q23		1Q23	
	Amount	% of	Amount	% of	Amount	% of
		net sales		net sales		net sales
(In NT\$M except percentages)						
Cost of sales	4,001	70.3%	4,515	71.5%	4,445	68.1%
Gross profit	1,689	29.7%	1,800	28.5%	2,084	31.9%

Gross margin rate was 29.7% in 1Q24, increasing compared with 28.5% in 4Q23 but decreasing from 31.9% in 1Q23, which is due to different product mix.

## Expenses Analysis

	1Q24		4Q23		1Q23	
	Amount	% of	Amount	% of	Amount	% of
		net sales		net sales		net sales
(In NT\$M except percentages)						
SG&A Exp	250	4.4%	224	3.5%	194	3.0%
R&D Exp	734	12.9%	749	11.9%	787	12.1%
Total operating expenses	984	17.3%	973	15.4%	981	15.0%

Total operating expenses in 1Q24 represented 17.3% of net sales. From the perspective of dollar amount, operating expenses remained flat compared to previous quarter and the same period in 2023.

## Net Profit & EPS

	1Q24		4Q23		1Q23	
	Net	EPS	Net	EPS	Net	EPS
	Income	(NT\$)	Income	(NT\$)	Income	(NT\$)
(In NT\$M except EPS)						
	663	4.94	712	5.32	934	6.97

Net income in 1Q24 was NT\$663 million and EPS was NT\$4.94, decreasing 7% compared with 4Q23 and decreasing 29% on YoY basis.

## Financial Condition Review

### Liquidity Analysis

	3,31,2024	12,31,2023	3,31,2023
Unit: NT\$M			
<b>Assets</b>			
Cash and cash equivalents	9,554	7,638	5,892
Accounts receivable, net	1,604	1,989	2,359
Inventories	4,674	4,851	6,967
Other current assets	4,742	4,958	3,915
<b>Total current assets</b>	<b>20,574</b>	<b>19,436</b>	<b>19,133</b>
Property, plant and equipment	537	559	604
Other non-current assets	1,030	1,079	983
<b>Total assets</b>	<b>22,140</b>	<b>21,074</b>	<b>20,720</b>
<b>Liabilities</b>			
Current liabilities	11,313	10,954	11,197
Non-current liabilities	465	438	527
<b>Total liabilities</b>	<b>11,778</b>	<b>11,392</b>	<b>11,724</b>
<b>Equity</b>			
<b>Total equity</b>	<b>10,362</b>	<b>9,682</b>	<b>8,996</b>
<b>Total liabilities and equity</b>	<b>22,140</b>	<b>21,074</b>	<b>20,720</b>
<b>Net working capital (NT\$M)</b>	<b>9,261</b>	<b>8,482</b>	<b>7,936</b>
<b>Current ratio(%)</b>	<b>182</b>	<b>177</b>	<b>171</b>

At the end of 1Q24, total assets were NT\$22,140 million and total liabilities were NT\$11,778 million. Both increased compared to previous quarter. In this quarter, cash and contract liability both increased sequentially, which contributed to higher current ratio. And net working capital kept increasing both on QoQ and YoY basis.

### Receivable and Inventory days

	3,31,2024	12,31,2023	3,31,2023
A/R turnover days	29	35	37
Inv. turnover days	109	114	139

Days of A/R turnover and Inventory turnover in 1Q24 were 29 days and 109 days, respectively. Both are decreasing gradually compared to full year of 2023 and same period of 2023.

### Cash flow analysis

	1Q24	4Q23	1Q23
Unit: NT\$M			
<b>Cash flows from operating activities:</b>	1,922	1,745	155
<b>Cash flows from investing activities:</b>	2	(438)	(86)
<b>Cash flows from financing activities:</b>	(25)	(20)	(26)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	17	(21)	0
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,916</b>	<b>1,266</b>	<b>43</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>7,638</b>	<b>6,372</b>	<b>5,849</b>
<b>Cash and cash equivalents, end of period</b>	<b>9,554</b>	<b>7,638</b>	<b>5,892</b>

Net cash generated in operating activities was NT\$1,922 million in 1Q24, which increased significantly on YoY basis because of increase of contract liability at the end of 1Q24. Mainly due to the disposal of profits and the recovery of security deposits, net cash generated in investing activities was NT\$2 million in 1Q24. Financing activities spent cash of NT\$25 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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