

## Global Unichip Corp. (GUC) Reports Financial Results for 2Q24

Hsinchu – July 25, 2024 -- Global Unichip Corporation (TAIEX: 3443) today announced consolidated net sales of NT\$6,720 million, income from operations of NT\$ 1,031 million, net income of NT\$ 907 million, and basic earnings per share of NT\$6.78 for the second quarter ended June 30, 2024.

### Financial Summary

<i>(In NT\$M except EPS and percentage)</i>	<u>2Q24</u>	<u>1Q24</u>	<u>QoQ</u>	<u>2Q23</u>	<u>YoY</u>
Net Sales	6,720	5,690	18%	6,587	2%
NRE	2,821	1,386	104%	1,266	123%
Turnkey	3,823	4,164	-8%	5,168	-26%
Others	76	140	-46%	153	-50%
Gross Profit	2,053	1,689	22%	1,919	7%
Gross Margin	30.6%	29.7%	--	29.1%	--
Operating Expense	1,022	984	4%	981	4%
Income from Operations	1,031	705	46%	938	10%
Operating Margin	15.3%	12.4%	--	14.2%	--
Net Income	907	663	37%	839	8%
Net Profit Margin	13.5%	11.7%	--	12.7%	--
EPS (NT\$)	6.78	4.94	37%	6.26	8%

#### Topics in This Report:

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

#### Financial Highlights:

##### 2<sup>nd</sup> Quarter 2024

- Net Sales was NT\$6,720 million, which increased 18% compared to 1Q24 and also increased 2% from 2Q23.
- In 2Q24, NRE revenue was NT\$ 2,821 million, increasing 104% QoQ and also increasing 123% YoY. Turnkey revenue was NT\$3,823 million, decreasing 8% QoQ and decreasing 26% YoY.
- Gross Margin was 30.6%, which is 0.9percentage points higher than 1Q24 and 1.5 percentage points higher than 2Q23.
- Operating Margin was 15.3%, increasing 2.9 percentage points from 1Q24 and 1.1 percentage points higher than 2Q23.
- Net Margin was 13.5%, 1.8 percentage points higher than 1Q24 and 0.8 percentage points higher than 2Q23.
- EPS was NT\$6.78, which increased 37% compared to 1Q24 and also increased 8% from 2Q23.

#### CONTACT

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## Revenue Analysis

### ● By Segment

NRE by Technology	2Q24	1Q24	2Q23
	%	%	%
5nm & Below	71%	6%	18%
7nm	4%	38%	38%
16nm	17%	29%	19%
28nm & Above	8%	27%	25%
Total	100%	100%	100%

  

Turnkey by Technology	2Q24	1Q24	2Q23
	%	%	%
5nm & Below	4%	2%	0%
7nm	16%	16%	25%
16nm	41%	42%	37%
28nm & Above	39%	40%	38%
Total	100%	100%	100%

By segment, combined 16 nm and below accounted for 92% of total NRE revenue in 2Q24 and 5nm & below accounted for 71%, and digital currency projects are major revenue driver.

5nm& Below Turnkey revenue contribution started in 1Q24, and it accounted for 4% of total Turnkey revenue in 2Q24, increasing steadily. By segment, combined 16 nm and below accounted for 61% of total Turnkey revenue in 2Q24.

### ● By Technology/Application/Region

Net Sales by Technology	2Q24	1Q24	2Q23
	%	%	%
5nm & Below	32%	4%	3%
7nm	11%	21%	27%
16nm	31%	38%	34%
28nm & Above	26%	37%	36%
Total	100%	100%	100%

  

Net Sales by Application	2Q24	1Q24	2Q23
	%	%	%
AI/ML	19%	10%	4%
Networking	20%	29%	23%
Digital Consumer	34%	39%	55%
Industry	4%	14%	12%
Others	23%	8%	6%
Total	100%	100%	100%

  

Net Sales by Reigon	2Q24	1Q24	2Q23
	%	%	%
Taiwan	8%	9%	10%
USA	39%	18%	20%
China	29%	47%	29%
Japan	15%	11%	9%
Korea	8%	14%	30%
Europe	1%	1%	2%
Total	100%	100%	100%

By technology, 16nm and below revenue contribution of total revenue in 2Q24 was 74%. 5nm & below accounted for 32% of total revenue, which is majorly from NRE revenue.

By application, major revenue contribution is still Digital Consumer in 2Q24, 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. Digital currency projects are allocated in "Others"

From a geographic perspective, revenue from Taiwan, China and USA totally accounted for 76% in 2Q24. USA revenue contribution increased to 39%, and Korea revenue decreased to 8% in this quarter.

## Gross Margin Analysis

	2Q24		1Q24		2Q23	
	Amount	% of	Amount	% of	Amount	% of
		net sales		net sales		net sales
(In NT\$M except percentages)						
Cost of sales	4,667	69.4%	4,001	70.3%	4,668	70.9%
Gross profit	2,053	30.6%	1,689	29.7%	1,919	29.1%

Gross margin rate was 30.6% in 2Q24, keep increasing compared with 29.7% in 1Q24 and also increasing from 29.1% in 2Q23, which is due to different product mix.

## Expenses Analysis

	2Q24		1Q24		2Q23	
	Amount	% of	Amount	% of	Amount	% of
		net sales		net sales		net sales
(In NT\$M except percentages)						
SG&A Exp	201	3.0%	250	4.4%	231	3.5%
R&D Exp	821	12.3%	734	12.9%	750	11.4%
Total operating expenses	1,022	15.3%	984	17.3%	981	14.9%

Total operating expenses in 2Q24 represented 15.3% of net sales. From the perspective of dollar amount, operating expenses increased only low single digit compared to previous quarter and the same period in 2023.

## Net Profit & EPS

	2Q24		1Q24		2Q23	
	Net Income	EPS (NT\$)	Net Income	EPS (NT\$)	Net Income	EPS (NT\$)
	907	6.78	663	4.94	839	6.26
(In NT\$M except EPS)						

Net income in 2Q24 was NT\$907 million and EPS was NT\$6.78, increasing 37% compared with 1Q24 and also increasing 8% on YoY basis.

## Financial Condition Review

### ● Liquidity Analysis

Unit: NT\$M

	6,30,2024	03,31,2024	6,30,2024
<b>Assets</b>			
Cash and cash equivalents	7,307	9,554	4,670
Accounts receivable, net	1,918	1,604	2,923
Inventories	4,250	4,674	6,753
Other current assets	4,942	4,742	3,419
Total current assets	18,417	20,574	17,765
Property, plant and equipment	505	537	603
Other non-current assets	1,075	1,030	947
Total assets	19,997	22,140	19,315
<b>Liabilities</b>			
Current liabilities	10,099	11,313	10,937
Non-current liabilities	501	465	440
Total liabilities	10,600	11,778	11,377
<b>Equity</b>			
Total equity	9,397	10,362	7,938
Total liabilities and equity	19,997	22,140	19,315
Net working capital (NT\$M)	8,318	9,261	6,828
Current ratio(%)	182	182	162

At the end of 2Q24, total assets were NT\$19,997 million and total liabilities were NT\$10,600 million. Both decreased compared to previous quarter. In this quarter, cash and contract liability both decreased sequentially, but current ratio remained the same compared with previous quarter and was higher than the same period in 2023.

And net working capital decreased on QoQ basis, but was higher than the same period in 2023.

Days of A/R turnover and Inventory turnover in 2Q24 were 24 days and 87 days, respectively. Both are decreasing gradually compared to previous quarter and the same period in 2023.

### ● Receivable and Inventory days

	2Q24	1Q24	2Q23
A/R turnover days	24	29	37
Inv. turnover days	87	109	134

## Cash flow analysis

Unit: NT\$M

	2Q24	1Q24	2Q23
Cash flows from operating activities:	(238)	1,922	866
Cash flows from investing activities:	(117)	2	(173)
Cash flows from financing activities:	(1,896)	(25)	(1,896)
Effect of exchange rate changes on cash and cash equivalents	4	17	(19)
Net increase (decrease) in cash and cash equivalents	(2,247)	1,916	(1,222)
Cash and cash equivalents, beginning of period	9,554	7,638	5,892
Cash and cash equivalents, end of period	7,307	9,554	4,670

Contract liability decreased significantly at the end of 2Q24 because of NRE revenue recognition based on milestone. So operating cash flow is negative this quarter. Cash invested in intangible asset is the main reason of cash outflow in investing activities in 2Q24. Financing activities spent cash of NT\$1,896 million during this quarter because of distribution of cash dividend.



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, Vietnam 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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