



The Advanced ASIC Leader

Oct 31, 2024

Global Unichip Corp. (GUC) Reports Financial Results for 3Q24

Hsinchu – Oct 31, 2024 -- Global Unichip Corporation (TAIEX: 3443) today announced consolidated net sales of NT\$6,612 million, income from operations of NT\$ 1,190 million, net income of NT\$ 1,034 million, and basic earnings per share of NT\$7.71 for the third quarter ended Sep. 30, 2024.

Financial Summary

(In NT\$M except EPS and percentage)

	3Q24	2Q24	QoQ	3Q23	YoY
Net Sales	6,612	6,720	-2%	6,810	-3%
NRE	2,421	2,821	-14%	2,317	4%
Turnkey	4,015	3,823	5%	4,446	-10%
Others	176	76	132%	47	274%
Gross Profit	2,366	2,053	15%	2,173	9%
Gross Margin	35.8%	30.6%	--	31.9%	--
Operating Expense	1,176	1,022	15%	1,072	10%
Income from Operations	1,190	1,031	15%	1,101	8%
Operating Margin	18.0%	15.3%	--	16.2%	--
Net Income	1,034	907	14%	1,023	1%
Net Profit Margin	15.6%	13.5%	--	15.0%	--
EPS (NT\$)	7.71	6.78	14%	7.63	1%

Topics in This Report:

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

Financial Highlights:

3rd Quarter 2024

- Net Sales was NT\$6,612 million, which decreased 2% compared to 2Q24 and also decreased 3% from 3Q23.
- In 3Q24, NRE revenue was NT\$ 2,421 million, decreasing 14% QoQ but increasing 4% YoY. Turnkey revenue was NT\$4,015 million, increasing 5% QoQ but decreasing 10% YoY.
- Gross Margin was 35.8%, which is 5.2 percentage points higher than 2Q24 and 3.9 percentage points higher than 3Q23.
- Operating Margin was 18.0%, increasing 2.7 percentage points from 2Q24 and 1.8 percentage points higher than 3Q23.
- Net Margin was 15.6%, 2.1 percentage points higher than 2Q24 and 0.6 percentage points higher than 3Q23.
- EPS was NT\$7.71, which increased 14% compared to 2Q24 and also increased 1% from 3Q23.

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Revenue Analysis

● By Segment

NRE by Technology	3Q24	2Q24	3Q23
	%	%	%
5nm & Below	29%	71%	52%
7nm	47%	4%	17%
16nm	14%	17%	16%
28nm & Above	10%	8%	15%
Total	100%	100%	100%

Turnkey by Technology	3Q24	2Q24	3Q23
	%	%	%
5nm & Below	6%	4%	0%
7nm	12%	16%	28%
16nm	43%	41%	30%
28nm & Above	39%	39%	42%
Total	100%	100%	100%

By segment, combined 16nm and below accounted for 90% of total NRE revenue in 3Q24 and 5nm & below accounted for 29%.

5nm& Below Turnkey revenue contribution started in 1Q24, and it accounted for 6% of total Turnkey revenue in 3Q24, increasing steadily. By segment, combined 16 nm and below accounted for 61% of total Turnkey revenue in 3Q24.

● By Technology/Application/Region

Net Sales by Technology	3Q24	2Q24	3Q23
	%	%	%
5nm & Below	15%	32%	18%
7nm	25%	11%	24%
16nm	32%	31%	26%
28nm & Above	28%	26%	32%
Total	100%	100%	100%

Net Sales by Application	3Q24	2Q24	3Q23
	%	%	%
AI/ML	16%	19%	5%
Networking	20%	20%	20%
Digital Consumer	42%	34%	40%
Industry	4%	4%	9%
Others	18%	23%	26%
Total	100%	100%	100%

By technology, 16nm and below revenue contribution of total revenue in 3Q24 was 72%. 5nm & below accounted for 15% of total revenue, which is majorly from NRE revenue.

By application, major revenue contribution is still Digital Consumer in 3Q24, which is majorly contributed from Turnkey revenue in this segment. The revenue contribution of AI/ML and Networking combined to be 36%, which both are also very important target markets for GUC. Crypto currency projects are allocated in "Others"

From a geographic perspective, revenue from Taiwan, China and USA totally accounted for 70% in 3Q24.

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Net Sales by Reigon	3Q24	2Q24	3Q23
	%	%	%
Taiwan	16%	8%	8%
USA	29%	39%	30%
China	25%	29%	31%
Japan	17%	15%	7%
Korea	11%	8%	20%
Europe	2%	1%	4%
Total	100%	100%	100%

Gross Margin Analysis

	3Q24		2Q24		3Q23	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
(In NT\$M except percentages)						
Cost of sales	4,246	64.2%	4,667	69.4%	4,637	68.1%
Gross profit	2,366	35.8%	2,053	30.6%	2,173	31.9%

Gross margin rate was 35.8% in 3Q24, keep increasing compared with 30.6% in 2Q24 and also increasing from 31.9% in 3Q23, which is due to different product mix.

Expenses Analysis

	3Q24		2Q24		3Q23	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
(In NT\$M except percentages)						
SG&A Exp	316	4.8%	201	3.0%	242	3.5%
R&D Exp	860	13.0%	821	12.3%	830	12.2%
Total operating expenses	1,176	17.8%	1,022	15.3%	1,072	15.7%

Total operating expenses in 3Q24 represented 17.8% of net sales. From the perspective of dollar amount, operating expenses increased to previous quarter and the same period in 2023, which is attributed to bad debts provision and higher employee bonus accrued because of higher profit.

Net Profit & EPS

	3Q24		2Q24		3Q23	
	Net Income	EPS (NT\$)	Net Income	EPS (NT\$)	Net Income	EPS (NT\$)
(In NT\$M except EPS)						
	1,034	7.71	907	6.78	1,023	7.63

Net income in 3Q24 was NT\$1,034 million and EPS was NT\$7.71, increasing 14% compared with 2Q24 and also increasing 1% on YoY basis.

Financial Condition Review

● Liquidity Analysis

Unit: NT\$M

	9,30,2024	6,30,2024	9,30,2023
Assets			
Cash and cash equivalents	9,257	7,307	6,372
Accounts receivable, net	2,145	1,918	2,040
Inventories	3,214	4,250	5,364
Other current assets	5,814	4,942	3,948
Total current assets	20,430	18,417	17,724
Property, plant and equipment	465	505	589
Other non-current assets	954	1,075	870
Total assets	21,849	19,997	19,183
Liabilities			
Current liabilities	10,928	10,099	9,779
Non-current liabilities	474	501	416
Total liabilities	11,402	10,600	10,195
Equity			
Total equity	10,447	9,397	8,988
Total liabilities and equity	21,849	19,997	19,183
Net working capital (NT\$M)	9,502	8,318	7,945
Current ratio(%)	187	182	181

At the end of 3Q24, total assets were NT\$21,849 million and total liabilities were NT\$11,402 million. Both increased compared to previous quarter. In this quarter, inventory kept falling, and cash and contract liability both increased sequentially. Current ratio improved compared with previous quarter and was also higher than the same period in 2023. And net working capital increased significantly both on QoQ and YoY basis.

● Receivable and Inventory days

	3Q24	2Q24	3Q23
A/R turnover days	28	24	33
Inv. turnover days	80	87	119

Days of A/R turnover and Inventory turnover in 3Q24 were 28 days and 80 days, respectively. Inventory turnover days is decreasing continuously compared to previous quarter and the same period in 2023.

Increase of Net profit and contract liability in 3Q24 contributed to operating cash inflow.

Cash invested in intangible asset & equipment and money market fund is the main reason of cash outflow in investing activities in 3Q24.

Financing activities spent

Cash flow analysis



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Unit: NT\$M

	3Q24	2Q24	3Q23
Cash flows from operating activities:	2,626	(238)	1,742
Cash flows from investing activities:	(670)	(117)	(46)
Cash flows from financing activities:	(21)	(1,896)	(20)
Effect of exchange rate changes on cash and cash equivalents	15	4	26
Net increase (decrease) in cash and cash equivalents	1,950	(2,247)	1,702
Cash and cash equivalents, beginning of period	7,307	9,554	4,670
Cash and cash equivalents, end of period	9,257	7,307	6,372

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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