

## Global Unichip Corp. (GUC) Reports Financial Results for 4Q21

Hsinchu – Jan 26, 2022 -- Global Unichip Corporation (TAIEX: 3443) today announced consolidated net sales of NT\$4,910 million, income from operations of NT\$ 601 million, net income of NT\$ 515 million, and basic earnings per share of NT\$3.85 for the fourth quarter ended December 31, 2021.

### Financial Summary

(In NT\$M except EPS and percentage)	4Q21	3Q21	QoQ	4Q20	YoY
Net Sales	4,910	3,585	37%	3,944	24%
NRE	1,469	869	69%	1,946	-25%
Turnkey	3,324	2,599	28%	1,893	76%
Others	117	117	0%	105	11%
Gross Profit	1,615	1,421	14%	1,658	-3%
Gross Margin	32.9%	39.6%	--	42.0%	--
Operating Expense	1,014	935	8%	954	6%
Income from Operations	601	486	24%	704	-15%
Operating Margin	12.2%	13.6%	--	17.8%	--
Net Income	515	417	24%	608	-15%
Net Profit Margin	10.5%	11.6%	--	15.4%	--
EPS (NT\$)	3.85	3.11	24%	4.53	-15%
Cash from Operating activity	1,383	-72	-2027%	1,806	-23%

#### Topics in This Report:

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

#### Financial Highlights: Fourth Quarter 2021

- Net Sales was NT\$4,910 million, which increased 37% compared to 3Q21 and also increased 24% from NT\$3,944 million in 4Q20.
- NRE revenue was NT\$ 1,469 million, increased 69% QoQ but decreased 25% YoY. Turnkey revenue was NT\$3,324 million, increased 28% QoQ and 76% YoY.
- Gross Margin was 32.9%, which is 6.7 percentage points lower than 3Q21 and 9.1 percentage points lower than 4Q20.
- Operating Margin was 12.2%, down 1.4 percentage points from 3Q21 and 5.6 percentage points lower than 4Q20.
- Net Margin was 10.5%, down 1.1 percentage points compared with 3Q21 and 4.9 percentage points lower than 4Q20.
- EPS was NT\$3.85, which increased 24% compared to 3Q21 but decreased 15% from 4Q20.

#### Full Year 2021

- Net Sales was NT\$15,108 million, increased 11% compared to 2020. Record high.
- NRE revenue increased 2%. Turnkey revenue increased 18%. Both are record high.
- Gross Margin was 34.6%, 4.6 percentage points higher than 2020. Record high.
- Net Margin was 9.7%, 3.4 percentage points higher than 2020. Record high.

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## Revenue Analysis

### ● By Segment

NRE by Technology	4Q21	3Q21	4Q20
	%	%	%
7nm & Below	33%	33%	23%
16nm	40%	38%	56%
28nm	11%	15%	14%
40nm & Above	16%	14%	7%
Total	100%	100%	100%

  

Turnkey by Technology	4Q21	3Q21	4Q20
	%	%	%
7nm & Below	27%	21%	0%
16nm	21%	19%	23%
28nm	17%	16%	19%
40nm & Above	35%	44%	58%
Total	100%	100%	100%

By segment, combined 28 nm and below accounted for 84% of total NRE revenue in 4Q21, and 7nm and below accounted for 33%.

### ● By Technology/Application/Region

Net Sales by Technology	4Q21	3Q21	4Q20
	%	%	%
7nm & Below	28%	25%	12%
16nm	27%	24%	40%
28nm	16%	15%	17%
40nm & Above	29%	36%	31%
Total	100%	100%	100%

  

Net Sales by Application	4Q21	3Q21	4Q20
	%	%	%
AI/ML	28%	20%	9%
Networking	24%	20%	23%
Digital Consumer	31%	42%	53%
Industry	14%	12%	10%
Others	3%	6%	5%
Total	100%	100%	100%

  

Net Sales by Region	4Q21	3Q21	4Q20
	%	%	%
Taiwan	16%	19%	17%
USA	21%	21%	16%
China	47%	39%	26%
Japan	6%	7%	11%
Korea	3%	7%	23%
Europe	7%	7%	7%
Total	100%	100%	100%

By technology, 7nm and below revenue contribution of total revenue in 4Q21 was 28%, including revenue from NRE and Turnkey business. Advanced technologies (28nm and below) accounted for 71% of total revenue in 4Q21.

By application, major revenue contribution is still Digital Consumer, but the revenue contribution of AI/ML increased significantly in 4Q21 compared with 3Q21 & 4Q20. Revenue contribution of Networking also increased in 4Q21.

From a geographic perspective, revenue from China and USA totally accounted for 68% in 4Q21. And China market revenue contribution increased significantly in this quarter, which was contributed from several China customers.

## Gross Margin Analysis

\$M except percentages)	4Q21		3Q21		4Q20	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
		67.1%		60.4%		58.0%
Cost of sales	3,295		2,164		2,286	
Gross profit	1,615	32.9%	1,421	39.6%	1,658	42.0%

Gross margin rate was 32.9% in 4Q21, decreased QoQ and YoY, which is due to lower GP(%) of NRE revenue recognized in this quarter.

## Expenses Analysis

\$M except percentages)	4Q21		3Q21		4Q20	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
		5.1%		5.4%		5.2%
SG&A Exp	248		193		207	
R&D Exp	766	15.6%	742	20.7%	747	18.9%
Total operating expenses	1,014	20.7%	935	26.1%	954	24.2%

Total operating expenses in 4Q21 represented 20.7% of net sales, decreased from 26.1% in 3Q21 and 24.2% in 4Q20, which is because of higher revenue this quarter. From the perspective of dollar amount, operating expenses increased single digit in 4Q21.

## Net Profit & EPS

(In NT\$M except EPS)	4Q21		3Q21		4Q20	
	Net Income	EPS (NT\$)	Net Income	EPS (NT\$)	Net Income	EPS (NT\$)
	515	3.85	417	3.11	608	4.53

Net income in 4Q21 was NT\$515 million and EPS was NT\$3.85, increased 24% compared with 3Q21 but decreased 15% on YoY basis.

## Financial Condition Review

### ● Liquidity Analysis

	12,31,2021	9,30,2021	12,31,2020	Unit: NT\$M
<b>Assets</b>				
Cash and cash equivalents	5,587	4,375	3,897	
Accounts receivable, net	1,513	1,209	1,174	
Inventories	2,789	2,404	1,674	
Other current assets	3,739	3,376	1,473	
Total current assets	13,628	11,364	8,218	
Property, plant and equipment	564	622	778	
Other non-current assets	666	715	750	
<b>Total assets</b>	<b>14,858</b>	<b>12,701</b>	<b>9,746</b>	
<b>Liabilities</b>				
Current liabilities	9,203	7,499	4,892	
Non-current liabilities	392	456	367	
<b>Total liabilities</b>	<b>9,595</b>	<b>7,955</b>	<b>5,259</b>	
<b>Equity</b>				
<b>Total equity</b>	<b>5,263</b>	<b>4,746</b>	<b>4,487</b>	
<b>Total liabilities and equity</b>	<b>14,858</b>	<b>12,701</b>	<b>9,746</b>	
<b>Net working capital (NT\$M)</b>	<b>4,425</b>	<b>3,865</b>	<b>3,326</b>	
<b>Current ratio(%)</b>	<b>148</b>	<b>152</b>	<b>168</b>	

At the end of 4Q21, total assets were NT\$14,858 million and total liabilities were NT\$9,595 million. Both increased sequentially and also increased comparing to 4Q20. This was mainly due to increase of contract liability.

Net working capital in 4Q21 was NT\$4,425 million and current ratio was 148%.

### ● Receivable and Inventory days

	12,31,2021	9,30,2021	12,31,2020
A/R turnover days	32	32	35
Inv. turnover days	82	85	66

Days of A/R turnover and Inventory turnover in 2021 were 32 days and 82 days, respectively. Main reason of inventory turnover days increase compared to 2020 is because of inventory increase at the end 2021.

## Cash flow analysis

	4Q21	3Q21	4Q20	Unit: NT\$M
<b>Cash flows from operating activities:</b>				
Cash flows from investing activities:	(154)	(66)	(233)	
Cash flows from financing activities:	(17)	(17)	(16)	
Effect of exchange rate changes on cash and cash equivalents	0	(1)	4	
Net increase (decrease) in cash and cash equivalents	1,212	(156)	1,561	
Cash and cash equivalents, beginning of period	4,375	4,531	2,336	
<b>Cash and cash equivalents, end of period</b>	<b>5,587</b>	<b>4,375</b>	<b>3,897</b>	

Net cash generated in operating activities was NT\$1,383 million in 4Q21, which was because of contract liability increase in 4Q21.

Net cash spent in investing activities was NT\$154 million in 4Q21, which was mainly due to acquisitions of intangible asset.

Financing activities spent cash of NT\$17 million during this quarter.



The Advanced ASIC Leader

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GLOBAL UNICHIP CORP. (GUC) is the Advanced ASIC Leader<sup>TM</sup> whose customers target IC devices to leading edge computing, communications, and consumer applications. Based in Hsinchu, 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>) for details.

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