

Contacts:

Michael Lin / David Wong
UMC, Investor Relations
 + 886-2-2658-9168, ext. 16900
jinhong_lin@umc.com
david_wong@umc.com

UMC Reports Second Quarter 2024 Results

*Gross margin reached 35.2% as operating income increased 19.1% QoQ
 Earnings per share in 1H was NT\$1.95*

Second Quarter 2024 Overview¹:

- Revenue: NT\$56.80 billion (US\$1.75 billion)
 - Gross margin: 35.2%; Operating margin: 24.5%
 - Revenue from 22/28nm: 33%
 - Capacity utilization rate: 68%
 - Net income attributable to shareholders of the parent: NT\$13.79 billion (US\$425 million)
 - Earnings per share: NT\$1.11; earnings per ADS: US\$0.171
-

Taipei, Taiwan, ROC – July 31, 2024 – United Microelectronics Corporation (NYSE: UMC; TWSE: 2303) (“UMC” or “The Company”), a leading global semiconductor foundry, today announced its consolidated operating results for the second quarter of 2024.

Second quarter consolidated revenue was NT\$56.80 billion, increasing 4.0% from NT\$54.63 billion in 1Q24. Compared to a year ago, 2Q24 revenue increased 0.9%. Consolidated gross margin for 2Q24 was 35.2%. Net income attributable to the shareholders of the parent was NT\$13.79 billion, with earnings per ordinary share of NT\$1.11.

Jason Wang, co-president of UMC, said, “In the second quarter, wafer shipments increased 2.6% QoQ and fab utilization rate improved to 68% as we saw notable demand momentum in the consumer segment. Contribution from our 22/28nm business rose sequentially on healthy demand for WiFi and digital TV applications. Together with a favorable exchange rate and improved product mix, second-quarter gross margin was better than what was previously guided. During the

¹Unless otherwise stated, all financial figures discussed in this announcement are prepared in accordance with TIFRSs recognized by Financial Supervisory Commission in the ROC, which is different from IFRSs issued by the International Accounting Standards Board. They represent comparisons among the three-month period ending June 30, 2024, the three-month period ending March 31, 2024, and the equivalent three-month period that ended June 30, 2023. For all 2Q24 results, New Taiwan Dollar (NT\$) amounts have been converted into U.S. Dollars at the June 30, 2024 exchange rate of NT\$ 32.43 per U.S. Dollar.

quarter, we announced technology updates including a 3D IC solution to stack RFSOI wafers, which is the first of its kind in the industry, and a 22nm embedded high voltage platform, currently the most advanced display driver foundry solution in the market. They reflect UMC's commitment to building on our leadership across a number of specialty technologies that are crucial for the development of AI, 5G, and automotive."

Co-president Wang commented, "Looking to the third quarter, we expect to see end market dynamics improve further, particularly in the communication and computing segments, which will drive higher fab utilization. Our 22/28nm business remains a promising growth driver, with a number of tape-outs taking place in the second half for applications including display drivers, connectivity and networking. At the same time, we do expect to face some margin pressure going into the second half due to a pickup in depreciation expense related to capacity expansions as well as higher utility rates. Despite these cost challenges, we believe we will continue to demonstrate our resilience as we did during the recent market downturn, and deliver on our strategy of providing differentiated technology solutions and a diversified manufacturing footprint to help our customers to strengthen their supply chain management."

Co-president Wang added, "In pursuit of our net-zero by 2050 goal, UMC continues to take concrete steps to drive emissions reduction in our operations and supply chain, and to increase our use of renewable energy. We are on track to achieving our progressive 2025 and 2030 targets. More details on our ESG progress will be made available to stakeholders in our upcoming Sustainability Report."

Summary of Operating Results

Operating Results					
(Amount: NT\$ million)	2Q24	1Q24	QoQ % change	2Q23	YoY % change
Operating Revenues	56,799	54,632	4.0	56,296	0.9
Gross Profit	19,983	16,899	18.2	20,252	(1.3)
Operating Expenses	(6,311)	(5,747)	9.8	(5,718)	10.4
Net Other Operating Income and Expenses	219	513	(57.3)	1,141	(80.8)
Operating Income	13,891	11,665	19.1	15,675	(11.4)
Net Non-Operating Income and Expenses	2,529	1,056	139.4	2,810	(10.0)
Net Income Attributable to Shareholders of the Parent	13,786	10,456	31.8	15,641	(11.9)
EPS (NT\$ per share)	1.11	0.84		1.27	
(US\$ per ADS)	0.171	0.130		0.196	

Second quarter operating revenues increased 4.0% sequentially to NT\$56.80 billion. Revenue contribution from 40nm and below technologies represented 45% of wafer revenue. Gross profit grew 18.2% QoQ to NT\$19.98 billion, or 35.2% of revenue. Operating expenses increased 9.8% to NT\$6.31 billion. Net other operating income decreased to NT\$0.22 billion. Net non-operating income reached NT\$2.53 billion. Net income attributable to shareholders of the parent amounted to NT\$13.79 billion.

Earnings per ordinary share for the quarter was NT\$1.11. Earnings per ADS was US\$0.171. The basic weighted average number of shares outstanding in 2Q24 was 12,414,189,313, compared with 12,414,087,724 shares in 1Q24 and 12,348,986,144 shares in 2Q23. The diluted weighted average number of shares outstanding was 12,529,942,186 in 2Q24, compared with 12,577,525,057 shares in 1Q24 and 12,526,182,161 shares in 2Q23. The fully diluted shares counted on June 30, 2024 were approximately 12,530,243,000.

Detailed Financials Section

Operating revenues increased to NT\$56.80 billion. COGS declined 2.4% to NT\$36.82 billion. Gross profit grew 18.2% QoQ to NT\$19.98 billion. Operating expenses increased to NT\$6.31 billion, as R&D grew 13.1% to NT\$3.85 billion or 6.8% of revenue, while G&A also increased 6.0% to NT\$1.80 billion. Net other operating income was NT\$0.22 billion. In 2Q24, operating income increased 19.1% QoQ to NT\$13.89 billion.

COGS & Expenses					
(Amount: NT\$ million)	2Q24	1Q24	QoQ % change	2Q23	YoY % change
Operating Revenues	56,799	54,632	4.0	56,296	0.9
COGS	(36,816)	(37,733)	(2.4)	(36,044)	2.1
Depreciation	(9,460)	(9,335)	1.3	(8,467)	11.7
Other Mfg. Costs	(27,356)	(28,398)	(3.7)	(27,577)	(0.8)
Gross Profit	19,983	16,899	18.2	20,252	(1.3)
Gross Margin (%)	35.2%	30.9%		36.0%	
Operating Expenses	(6,311)	(5,747)	9.8	(5,718)	10.4
Sales & Marketing	(678)	(684)	(0.9)	(716)	(5.4)
G&A	(1,804)	(1,702)	6.0	(1,715)	5.2
R&D	(3,853)	(3,407)	13.1	(3,317)	16.1
Expected credit impairment gain	24	46	(47.9)	30	(21.5)
Net Other Operating Income & Expenses	219	513	(57.3)	1,141	(80.8)
Operating Income	13,891	11,665	19.1	15,675	(11.4)

Net non-operating income in 2Q24 was NT\$2.53 billion, primarily due to the NT\$1.44 billion in net investment gain, the NT\$0.70 billion in net interest income and the NT\$0.41 billion in exchange gain.

Non-Operating Income and Expenses			
(Amount: NT\$ million)	2Q24	1Q24	2Q23
Non-Operating Income and Expenses	2,529	1,056	2,810
Net Interest Income and Expenses	701	676	974
Net Investment Gain and Loss	1,440	(324)	1,042
Exchange Gain and Loss	407	697	799
Other Gain and Loss	(19)	7	(5)

Cash Flow Summary

In 2Q24, cash inflow from operating activities was NT\$22.73 billion. Cash outflow from investing activities totaled NT\$15.13 billion, which included NT\$20.83 billion in capital expenditure, resulting in free cash inflow of NT\$1.90 billion. Cash outflow from financing was NT\$5.71 billion, primarily from NT\$3.00 billion in redemption of bonds and NT\$2.50 billion in bank loans. Net cash flow in 2Q24 amounted to NT\$2.23 billion. Over the next 12 months, the company expects to repay NT\$4.32 billion in bank loans.

(Amount: NT\$ million)	For the 3-Month Period Ended Jun. 30, 2024	For the 3-Month Period Ended Mar. 31, 2024
Cash Flow from Operating Activities	22,728	20,820
Net income before tax	16,420	12,721
Depreciation & Amortization	11,117	10,886
Share of profit of associates and joint ventures	(1,267)	(101)
Income tax paid	(5,831)	(253)
Changes in working capital & others	2,289	(2,433)
Cash Flow from Investing Activities	(15,131)	(29,915)
Decrease in financial assets measured at amortized cost	3,219	739
Acquisition of PP&E	(20,042)	(28,498)
Changes in refundable deposits	1,507	(536)
Acquisition of intangible assets	(578)	(846)
Others	763	(774)
Cash Flow from Financing Activities	(5,705)	(6,439)
Bank loans	(2,503)	(3,888)
Redemption of bonds	(3,000)	(2,100)
Decrease in deposits-in	(33)	(282)
Others	(169)	(169)
Effect of Exchange Rate	341	2,411
Net Cash Flow	2,233	(13,123)
Beginning balance	119,431	132,554
Changes in non-current assets held for sale	(430)	-
Ending balance	121,234	119,431

Cash and cash equivalents increased to NT\$121.23 billion. Days of inventory increased 3 days to 88 days.

Current Assets			
(Amount: NT\$ billion)	2Q24	1Q24	2Q23
Cash and Cash Equivalents	121.23	119.43	163.10
Accounts Receivable	32.53	30.68	30.62
Days Sales Outstanding	51	50	47
Inventories, net	36.33	34.59	34.55
Days of Inventory	88	85	85
Total Current Assets	207.22	205.16	239.03

Current liabilities increased to NT\$124.97 billion due to dividends payable of NT\$37.59 billion. Payables on equipment increased to NT\$22.36 billion. Total liabilities increased to NT\$230.87 billion, leading to a debt to equity ratio of 65%.

Liabilities			
(Amount: NT\$ billion)	2Q24	1Q24	2Q23
Total Current Liabilities	124.97	88.40	142.98
Accounts Payable	8.18	7.46	8.83
Short-Term Credit / Bonds	16.21	25.60	11.59
Payables on Equipment	22.36	13.97	13.01
Dividends Payable	37.59	-	45.02
Other	40.63	41.37	64.53
Long-Term Credit / Bonds	47.48	43.45	36.06
Total Liabilities	230.87	188.85	226.31
Debt to Equity	65%	50%	69%

Analysis of Revenue²

Revenue from Asia-Pacific was flattish at 64% while business from North America remained unchanged at 25% of sales. Business from Europe declined to 7% while contribution from Japan was 4%.

Revenue Breakdown by Region

Region	2Q24	1Q24	4Q23	3Q23	2Q23
North America	25%	25%	23%	27%	27%
Asia Pacific	64%	63%	62%	58%	56%
Europe	7%	8%	11%	12%	12%
Japan	4%	4%	4%	3%	5%

Revenue contribution from 22/28nm was 33% of the wafer revenue, while 40nm contribution declined to 12% of sales.

Revenue Breakdown by Geometry

Geometry	2Q24	1Q24	4Q23	3Q23	2Q23
14nm and below	0%	0%	0%	0%	0%
14nm<x<=28nm	33%	33%	36%	32%	29%
28nm<x<=40nm	12%	14%	14%	13%	12%
40nm<x<=65nm	15%	18%	16%	19%	23%
65nm<x<=90nm	12%	10%	9%	8%	10%
90nm<x<=0.13um	11%	9%	9%	12%	10%
0.13um<x<=0.18um	10%	11%	9%	9%	9%
0.18um<x<=0.35um	5%	4%	5%	5%	5%
0.5um and above	2%	1%	2%	2%	2%

Revenue from fabless customers accounted for 87% of revenue.

Revenue Breakdown by Customer Type

Customer Type	2Q24	1Q24	4Q23	3Q23	2Q23
Fabless	87%	82%	78%	79%	79%
IDM	13%	18%	22%	21%	21%

Revenue from the communication segment declined to 39%, while business from computer applications grew to 15%. Business from consumer applications reached 31% as other segments declined to 15% of revenue.

Revenue Breakdown by Application ⁽¹⁾

Application	2Q24	1Q24	4Q23	3Q23	2Q23
Computer	15%	13%	13%	13%	9%
Communication	39%	48%	47%	46%	44%
Consumer	31%	23%	23%	23%	26%
Others	15%	16%	17%	18%	21%

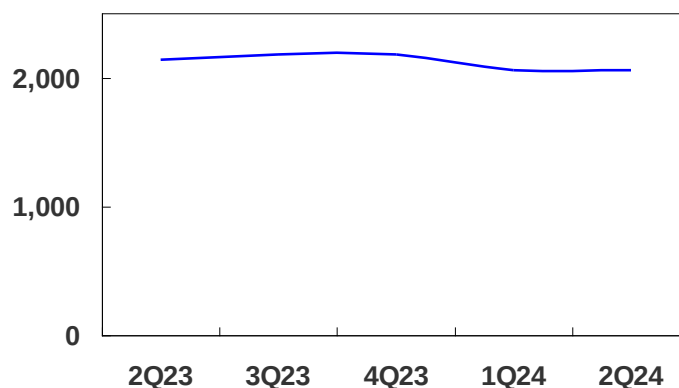
⁽¹⁾ **Computer** consists of ICs such as CPU, GPU, HDD controllers, DVD/CD-RW control ICs, PC chipset, audio codec, keyboard controller, monitor scaler, USB, I/O chipset, WLAN. **Communication** consists of handset components, broadband, bluetooth, Ethernet, LAN, DSP, etc. **Consumer** consists of ICs used for DVD players, DTV, STB, MP3/MP4, flash controller, game consoles, DSC, smart cards, toys, etc.

² Revenue in this section represents wafer sales

Blended ASP Trend

Blended average selling price (ASP) remained firm in 2Q24.

Unit: USD



Shipment and Utilization Rate³

Wafer shipments increased 2.6% QoQ to 831K during the second quarter, while quarterly capacity was 1,257K. Overall utilization rate in 2Q24 increased slightly to 68%.

Wafer Shipments

	2Q24	1Q24	4Q23	3Q23	2Q23
Wafer Shipments (12" K equivalents)	831	810	775	795	814

Quarterly Capacity Utilization Rate

	2Q24	1Q24	4Q23	3Q23	2Q23
Utilization Rate	68%	65%	66%	67%	71%
Total Capacity (12" K equivalents)	1,257	1,212	1,204	1,182	1,167

³ Utilization Rate = Quarterly Wafer Out / Quarterly Capacity

Capacity⁴

Total capacity in the second quarter increased to 1,257K 12-inch equivalent wafers. Capacity will grow in the third quarter of 2024 to 1,274K 12-inch equivalent wafers.

Annual Capacity in thousands of wafers

FAB	Geometry (um)	2023	2022	2021	2020
WTK	6"	328	335	329	371
8A	8"	811	765	755	802
8C	8"	473	459	459	452
8D	8"	440	410	380	371
8E	8"	490	469	457	449
8F	8"	570	550	514	485
8S	8"	447	443	408	373
8N	8"	996	952	917	917
12A	12"	1,305	1,170	1,070	1,044
12i	12"	655	655	641	628
12X	12"	317	314	284	217
12M	12"	438	436	395	391
Total⁽¹⁾		4,674	4,458	4,201	4,083
YoY Growth Rate		5%	6%	3%	13%

Quarterly Capacity in thousands of wafers

FAB	3Q24E	2Q24	1Q24	4Q23
WTK	83	83	82	83
8A	207	207	206	207
8C	119	119	119	119
8D	118	118	118	118
8E	131	131	130	131
8F	145	145	144	145
8S	114	114	113	114
8N	254	254	252	254
12A	403	386	358	346
12i	172	172	164	164
12X	80	80	79	80
12M	115	115	110	110
Total	1,274	1,257	1,212	1,204

⁽¹⁾ One 6-inch wafer is converted into 0.25 (6²/12²) 12-inch equivalent wafer; one 8-inch wafer is converted into 0.44 (8²/12²) 12-inch equivalent wafers. Total capacity figures are expressed in 12-inch equivalent wafers.

CAPEX

CAPEX spending in 2Q24 totaled US\$644 million. 2024 cash-based CAPEX budget will be US\$3.3 billion.

Capital Expenditure by Year - in US\$ billion

Year	2023	2022	2021	2020	2019
CAPEX	\$ 3.0	\$ 2.7	\$ 1.8	\$ 1.0	\$ 0.6

2024 CAPEX Plan

8"	12"	Total
5%	95%	US\$3.3 billion

⁴ Estimated capacity numbers are based on *calculated maximum output* rather than *designed capacity*. The actual capacity numbers may differ depending upon equipment delivery schedules, pace of migration to more advanced process technologies, and other factors affecting production ramp-up.

Third Quarter 2024 Outlook & Guidance

Quarter-over-Quarter Guidance:

- Wafer Shipments: Will increase by mid-single digit %
- ASP in USD: Will remain firm
- Gross Profit Margin: Will be in the mid-30% range
- Capacity Utilization: approximately 70%
- 2024 CAPEX: US\$3.3 billion

Recent Developments / Announcements

- Apr. 25, 2024 [UMC Files Form 20-F for 2023 with US Securities and Exchange Commission](#)
- Apr. 30, 2024 [UMC Achieves Highest Corporate Governance Ranking among Taiwan Listed Companies for 10th Consecutive Year](#)
- May 2, 2024 [UMC Introduces Industry's First 3D IC Solution for RFSOI, Accelerating Innovations in the 5G Era](#)
- May 21, 2024 [UMC's Singapore Fab 12i Celebrates First Tool Move-In for New Phase 3 Expansion](#)
- May 30, 2024 [UMC Shareholders Elect 16th Term of Directors at Annual Shareholders' Meeting](#)
- Jun. 20, 2024 [UMC Launches Most Advanced 22nm eHV Platform to Power Next-Generation Smartphone Displays](#)

Please visit UMC's website for further details regarding the above announcements

Conference Call / Webcast Announcement

Wednesday, July 31, 2024

Time: 5:00 PM (Taipei) / 5:00 AM (New York) / 10:00 AM (London)

Dial-in numbers and Access Codes:

Taiwan Number:	02 3396 1191
Taiwan Toll Free:	0080 119 6666
US Toll Free:	+1 866 212 5567
Other Areas:	+886 2 3396 1191

Access Code: 1433531#

A live webcast and replay of the 2Q24 results announcement will be available at www.umc.com under the “Investors / Events” section.

About UMC

UMC (NYSE: UMC, TWSE: 2303) is a leading global semiconductor foundry company. The company provides high-quality IC fabrication services, focusing on logic and various specialty technologies to serve all major sectors of the electronics industry. UMC's comprehensive IC processing technologies and manufacturing solutions include Logic/Mixed-Signal, embedded High-Voltage, embedded Non-Volatile-Memory, RFSOI, BCD etc. Most of UMC's 12-in and 8-in fabs with its core R&D are in Taiwan, with additional ones throughout Asia. UMC has a total of 12 fabs in production with a combined capacity of more than 400,000 wafers per month (12-in equivalent), and all of them are certified with IATF 16949 automotive quality standards. UMC is headquartered in Hsinchu, Taiwan, plus local offices in the United States, Europe, China, Japan, Korea, and Singapore, with a worldwide total of 20,000 employees. For more information, please visit: <http://www.umc.com>.

Safe Harbor Statements

This press release contains forward-looking statements within the meaning of Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended, and as defined in the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements regarding anticipated financial results for the second quarter of 2024; the expected wafer shipment and ASP; the anticipated annual budget; capex strategies; environmental protection goals and water management strategies; impact of foreign currency exchange rates; expected foundry capacities; the ability to obtain new business opportunities; and information under the heading “Third Quarter 2024 Outlook and Guidance.”

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual performance, financial condition or results of operations of UMC to be materially different from what is stated or may be implied in such forward-looking statements. Investors are cautioned that actual events and results could differ materially from those statements as a result of a number of factors including, but not limited to: (i) dependence upon the frequent introduction of new services and technologies based on the latest developments in the industry in which UMC operates; (ii) the intensely competitive semiconductor, communications, consumer electronics and computer industries and markets; (iii) the risks associated with international business activities; (iv) dependence upon key personnel; (v) general economic and political conditions; (vi) possible disruptions in commercial activities caused by natural and human-induced events and disasters, including natural disasters, terrorist activity, armed conflict and highly contagious diseases; (vii) reduced end-user purchases relative to expectations and orders; and (viii) fluctuations in foreign currency exchange rates. Further information regarding these and other risk factors is included in UMC’s filings with the United States Securities and Exchange Commission, including its Annual Report on Form 20-F. All information provided in this release is as of the date of this release and are based on assumptions that UMC believes to be reasonable as of this date, and UMC does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under applicable law.

The financial statements included in this release are prepared and published in accordance with Taiwan International Financial Reporting Standards, or TIFRSs, recognized by the Financial Supervisory Commission in the ROC, which is different from International Financial Reporting Standards, or IFRSs, issued by the International Accounting Standards Board. Investors are cautioned that there may be significant differences between TIFRSs and IFRSs. In addition, TIFRSs and IFRSs differ in certain significant respects from generally accepted accounting principles in the ROC and generally accepted accounting principles in the United States.

- FINANCIAL TABLES TO FOLLOW -