Contacts:

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

UMC Reports Fourth Quarter 2024 Results

Robust 22nm pipeline to fuel growth in 2025, strengthening company's foundry competitiveness

Fourth Quarter 2024 Overview[1]:

- **Revenue: NT$60.39 billion (US$1.84 billion)**
- **Gross margin: 30.4%; Operating margin: 19.8%**
- **Revenue from 22/28nm: 34%**
- **Capacity utilization rate: 70%**
- **Net income attributable to shareholders of the parent: NT$8.50 billion (US$259 million)**
- **Earnings per share: NT$0.68; earnings per ADS: US$0.104**

Taipei, Taiwan, ROC – January 21, 2025 – United Microelectronics Corporation (NYSE: UMC; TWSE: 2303) ("UMC" or "The Company"), a leading global semiconductor foundry, today announced its consolidated operating results for the fourth quarter of 2024.

Fourth quarter consolidated revenue was NT$60.39 billion, decreasing 0.2% from NT$60.49 billion in 3Q24. Compared to a year ago, 4Q24 revenue increased 9.9%. Consolidated gross margin for 4Q24 was 30.4%. Net income attributable to the shareholders of the parent was NT$8.50 billion, with earnings per ordinary share of NT$0.68.

Jason Wang, co-president of UMC, said, "Our fourth-quarter results met guidance, with wafer shipments and utilization slightly exceeding expectations. For full year 2024, revenue grew 4.4% year-on-year, reflecting a steady improvement in demand across communication, consumer, and computer segments. Our 22/28nm portfolio remained the largest contributor, with revenue increasing 15% in 2024. Notably, customers are showing strong interest in migrating to our 22nm specialty platforms for next-generation networking and display driver applications, which offer significant power savings and performance advantages over 28nm solutions. Tape-outs for 22nm products are accelerating and we expect to see higher revenue contribution from 2025 onwards."

[1] Unless 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 December 31, 2024, the three-month period ending September 30, 2024, and the equivalent three-month period that ended December 31, 2023. For all 4Q24 results, New Taiwan Dollar (NT$) amounts have been converted into U.S. Dollars at the December 31, 2024 exchange rate of NT$ 32.78 per U.S. Dollar.

Co-president Wang commented, “Looking into 2025, the semiconductor market is poised for another year of growth, driven by strong demand for AI servers as well as increasing semiconductor content in smartphones, PCs, and other electronic devices. To capture opportunities in this fast-moving market, UMC continues to invest in technology innovation, developing industry-leading specialty solutions to ride the next wave of system upgrades and stay ahead of the competition. Building on our technology foundation, UMC is also actively expanding our advanced packaging offering to help unleash the potential of AI in the coming years. In conjunction with technology development, our key capacity expansion projects are progressing as planned. Our new Singapore Phase 3 fab will enhance customers’ supply chain resilience, while the 12nm collaboration with our U.S. partner will offer customers a migration path beyond 22nm.”

Co-president Wang added, “In the fourth quarter of 2024, we signed a major offshore wind purchase agreement, which is UMC’s largest renewable energy transaction to date. This agreement puts UMC well on track to achieving our goal of 50% renewable energy use by 2030 as part of our roadmap to net zero emissions and 100% renewable energy by 2050. Our commitment to best practices in sustainable development continued to be recognized by key ESG benchmarks. In the 2024 Dow Jones Sustainability Indices (DJSI) results announced in December, UMC is proud to achieve the top ranking in the semiconductor industry, marking UMC’s 17th consecutive year of being recognized as one of the most sustainable companies globally.”

Summary of Operating Results

Operating Results					
(Amount: NT$ million)	4Q24	3Q24	QoQ % change	4Q23	YoY % change
Operating Revenues	60,386	60,485	(0.2)	54,958	9.9
Gross Profit	18,343	20,429	(10.2)	17,806	3.0
Operating Expenses	(6,748)	(6,559)	2.9	(6,635)	1.7
Net Other Operating Income and Expenses	362	230	57.7	1,252	(71.1)
Operating Income	11,957	14,100	(15.2)	12,423	(3.8)
Net Non-Operating Income and Expenses	(1,443)	2,464	-	2,227	-
Net Income Attributable to Shareholders of the Parent	8,497	14,472	(41.3)	13,195	(35.6)
EPS (NT$ per share)	0.68	1.16		1.06	
(US$ per ADS)	0.104	0.177		0.162	

Fourth quarter operating revenues declined 0.2% sequentially to NT$60.39 billion. Revenue contribution from 40nm and below technologies represented 50% of wafer revenue. Gross profit decreased 10.2% QoQ to NT$18.34 billion, or 30.4% of revenue. Operating expenses increased 2.9% to NT$6.75 billion. Net other operating income increased 57.7% to NT$0.36 billion. Net non-operating expenses totaled NT$1.44 billion. Net income attributable to shareholders of the parent amounted to NT$8.50 billion.

Earnings per ordinary share for the quarter was NT$0.68. Earnings per ADS was US$0.104. The basic weighted average number of shares outstanding in 4Q24 was 12,481,192,676, compared with 12,436,436,695 shares in 3Q24 and 12,414,087,724 shares in 4Q23. The diluted weighted average number of shares outstanding was 12,610,756,874 in 4Q24, compared with 12,559,358,115 shares in 3Q24 and 12,589,138,701 shares in 4Q23. The fully diluted shares counted on December 31, 2024 were approximately 12,614,345,000.

Detailed Financials Section

Operating revenues decreased to NT$60.39 billion. COGS grew 5.0% to NT$42.04 billion, which included 13.3% sequential increase in depreciation. Gross profit decreased 10.2% QoQ to NT$18.34 billion. Operating expenses increased to NT$6.75 billion, as R&D grew 7.8% sequentially to NT$4.33 billion or 7.2% of revenue, while Sales & Marketing decreased 13.0% to NT$0.62 billion and G&A also declined 1.6% QoQ to NT$1.79 billion. Net other operating income was NT$0.36 billion. In 4Q24, operating income declined 15.2% QoQ to NT$11.96 billion.

COGS & Expenses

(Amount: NT$ million)	4Q24	3Q24	QoQ % change	4Q23	YoY % change
Operating Revenues	60,386	60,485	(0.2)	54,958	9.9
COGS	(42,043)	(40,056)	5.0	(37,152)	13.2
Depreciation	(11,841)	(10,449)	13.3	(9,006)	31.5
Other Mfg. Costs	(30,202)	(29,607)	2.0	(28,146)	7.3
Gross Profit	18,343	20,429	(10.2)	17,806	3.0
Gross Margin (%)	30.4%	33.8%		32.4%	
Operating Expenses	(6,748)	(6,559)	2.9	(6,635)	1.7
Sales & Marketing	(623)	(717)	(13.0)	(823)	(24.3)
G&A	(1,791)	(1,820)	(1.6)	(1,930)	(7.2)
R&D	(4,334)	(4,022)	7.8	(3,945)	9.9
Expected Credit Impairment gain (loss)	0	(0)	-	63	(99.4)
Net Other Operating Income & Expenses	362	230	57.7	1,252	(71.1)
Operating Income	11,957	14,100	(15.2)	12,423	(3.8)

Net non-operating expenses in 4Q24 was NT$1.44 billion, primarily reflecting the NT$2.61 billion in net investment loss, offset by the NT$0.88 billion in exchange gain, and the NT$0.29 billion in net interest income.

Non-Operating Income and Expenses

(Amount: NT$ million)	4Q24	3Q24	4Q23
Non-Operating Income and Expenses	(1,443)	2,464	2,227
Net Interest Income and Expenses	290	324	880
Net Investment Gain and Loss	(2,614)	2,791	1,750
Exchange Gain and Loss	877	(652)	(405)
Other Gain and Loss	4	1	2

In 4Q24, cash inflow from operating activities was NT$32.98 billion. Cash outflow from investing activities totaled NT$16.97 billion, which included NT$18.93 billion in capital expenditure, resulting in free cash flow of NT$14.04 billion. Cash outflow from financing was NT$14.31 billion, primarily from NT$10.50 billion in bank loans and NT$3.40 billion in redemption of bonds. Net cash flow in 4Q24 amounted to NT$1.59 billion. Over the next 12 months, the company expects to repay NT$5.53 billion in bank loans.

`

Cash Flow Summary

(Amount: NT$ million)	For the 3-Month Period Ended Dec. 31, 2024	For the 3-Month Period Ended Sep. 30, 2024
Cash Flow from Operating Activities	32,977	17,347
Net income before tax	10,514	16,564
Depreciation & Amortization	13,463	12,702
Share of loss (profit) of associates and joint ventures	1,800	(843)
Income tax paid	(137)	(3,755)
Changes in working capital & others	7,337	(7,321)
Cash Flow from Investing Activities	(16,968)	(23,927)
Decrease (increase) in financial assets measured at amortized cost	564	(1,988)
Acquisition of PP&E	(18,275)	(21,729)
Acquisition of intangible assets	(877)	(499)
Others	1,620	289
Cash Flow from Financing Activities	(14,305)	(12,750)
Bank loans	(10,495)	25,050
Redemption of bonds	(3,400)	-
Cash dividends	-	(37,585)
Others	(410)	(215)
Effect of Exchange Rate	(111)	1,073
Net Cash Flow	1,593	(18,257)
Beginning balance	103,407	121,234
Changes in non-current assets held for sale	-	430
Ending balance	105,000	103,407

Cash and cash equivalents increased to NT$105.00 billion. Days of inventory decreased 5 days to 80 days.

Current Assets			
(Amount: NT$ billion)	**4Q24**	**3Q24**	**4Q23**
Cash and Cash Equivalents	105.00	103.41	132.55
Accounts Receivable	33.34	33.74	29.59
Days Sales Outstanding	51	50	50
Inventories, net	35.78	38.09	35.71
Days of Inventory	80	85	89
Total Current Assets	189.68	193.61	216.80

Current liabilities decreased to NT$75.26 billion. Long-term credit/bonds decreased to NT$55.53 billion. Total liabilities decreased to NT$192.02 billion, leading to a debt to equity ratio of 51%.

Liabilities			
(Amount: NT$ billion)	**4Q24**	**3Q24**	**4Q23**
Total Current Liabilities	75.26	88.27	99.02
Accounts Payable	7.63	9.01	7.53
Short-Term Credit / Bonds	19.51	30.86	29.54
Payables on Equipment	10.52	14.89	19.20
Other	37.60	33.51	42.75
Long-Term Credit / Bonds	55.53	58.13	45.24
Total Liabilities	192.02	205.80	199.61
Debt to Equity	51%	56%	56%

Analysis of Revenue[2]

Revenue from Asia Pacific decreased to 61%, while business from North America was 25% of sales. Business from Europe increased to 11%, while contribution from Japan was 3%.

Revenue Breakdown by Region

Region	4Q24	3Q24	2Q24	1Q24	4Q23
North America	25%	26%	25%	25%	23%
Asia Pacific	61%	65%	64%	63%	62%
Europe	11%	5%	7%	8%	11%
Japan	3%	4%	4%	4%	4%

Revenue contribution from 22/28nm slightly decreased to 34% of the wafer revenue, while 40nm contribution grew to 16% of sales.

Revenue Breakdown by Geometry

Geometry	4Q24	3Q24	2Q24	1Q24	4Q23
14nm and below	0%	0%	0%	0%	0%
14nm<x<=28nm	34%	35%	33%	33%	36%
28nm<x<=40nm	16%	13%	12%	14%	14%
40nm<x<=65nm	16%	15%	15%	18%	16%
65nm<x<=90nm	11%	10%	12%	10%	9%
90nm<x<=0.13um	10%	10%	11%	9%	9%
0.13um<x<=0.18um	9%	11%	10%	11%	9%
0.18um<x<=0.35um	4%	5%	5%	4%	5%
0.5um and above	0%	1%	2%	1%	2%

Revenue from fabless customers accounted for 84% of revenue.

Revenue Breakdown by Customer Type

Customer Type	4Q24	3Q23	2Q23	1Q23	4Q22
Fabless	84%	85%	87%	82%	78%
IDM	16%	15%	13%	18%	22%

Revenue from the communication segment accounted for 39%, while business from computer applications remained at 13%. Business from consumer applications was 29%, while other segments increased to 19% of revenue.

Revenue Breakdown by Application (1)

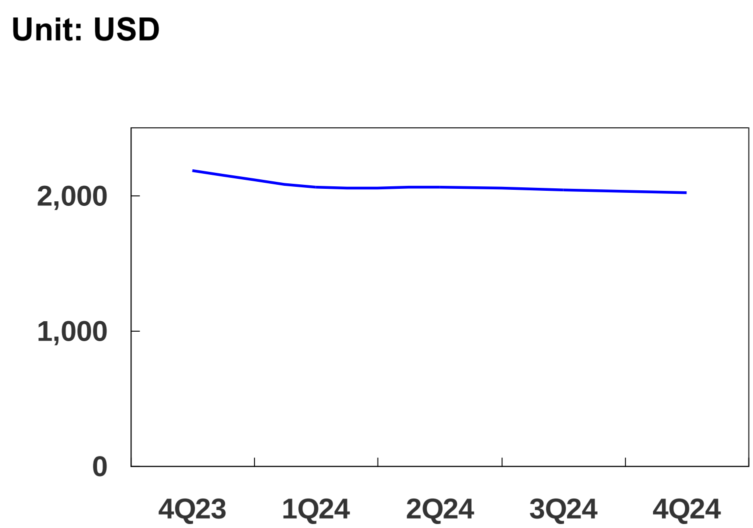
Application	4Q24	3Q24	2Q24	1Q24	4Q23
Computer	13%	13%	15%	13%	13%
Communication	39%	42%	39%	48%	47%
Consumer	29%	31%	31%	23%	23%
Others	19%	14%	15%	16%	17%

(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 flat in 4Q24.



Shipment and Utilization Rate[3]

Wafer shipments increased 1.5% QoQ to 909K in the fourth quarter, while quarterly capacity was 1,280K. Overall utilization rate in 4Q24 slightly declined to 70%.

Wafer Shipments

	4Q24	3Q24	2Q24	1Q24	4Q23
Wafer Shipments (12" K equivalents)	909	896	831	810	775

Quarterly Capacity Utilization Rate

	4Q24	3Q24	2Q24	1Q24	4Q23
Utilization Rate	70%	71%	68%	65%	66%
Total Capacity (12" K equivalents)	1,280	1,274	1,257	1,212	1,204

[3] Utilization Rate = Quarterly Wafer Out / Quarterly Capacity

Capacity[4]

Total capacity in the fourth quarter increased to 1,280K 12-inch equivalent wafers. Capacity will decline in the first quarter of 2025 to 1,264K 12-inch equivalent wafers, reflecting the annual production maintenance across 8" and 12" facilities.

Annual Capacity in ***thousands of wafers***

FAB		Geometry (um)	2024	2023	2022	2021
WTK	6"	5 – 0.15	331	328	335	329
8A	8"	3 – 0.11	829	811	765	755
8C	8"	0.35 – 0.11	477	473	459	459
8D	8"	0.18 – 0.09	473	440	410	380
8E	8"	0.6 – 0.14	524	490	469	457
8F	8"	0.18 – 0.11	578	570	550	514
8S	8"	0.18 – 0.11	455	447	443	408
8N	8"	0.5 – 0.11	1,013	996	952	917
12A	12"	0.13 – 0.014	1,556	1,305	1,170	1,070
12i	12"	0.13 – 0.040	678	655	655	641
12X	12"	0.080 – 0.022	318	317	314	284
12M	12"	0.13 – 0.040	455	438	436	395
Total(1)			5,022	4,674	4,458	4,201
YoY Growth Rate			7%	5%	6%	3%

Quarterly Capacity in ***thousands of wafers***

FAB		1Q25E	4Q24	3Q24	2Q24
WTK	6"	78	83	83	83
8A	8"	212	207	207	207
8C	8"	123	119	119	119
8D	8"	116	118	118	118
8E	8"	129	131	131	131
8F	8"	144	145	145	145
8S	8"	115	114	114	114
8N	8"	246	254	254	254
12A	12"	402	409	403	386
12i	12"	169	172	172	172
12X	12"	78	80	80	80
12M	12"	113	115	115	115
Total		**1,264**	**1,280**	**1,274**	**1,257**

(1) One 6-inch wafer is converted into 0.25 ($6^2/12^2$) 12-inch equivalent wafer; one 8-inch wafer is converted into 0.44 ($8^2/12^2$) 12-inch equivalent wafers. Total capacity figures are expressed in 12-inch equivalent wafers.

CAPEX

CAPEX spending in 4Q24 totaled US$602 million as 2024 CAPEX amounted to US$2.9 billion. 2025 cash-based CAPEX budget will be US$1.8 billion.

Capital Expenditure by Year - in US$ billion

Year	2024	2023	2022	2021	2020
CAPEX	$ 2.9	$ 3.0	$ 2.7	$ 1.8	$ 1.0

2025 CAPEX Plan

8"	12"	Total
10%	90%	US$1.8 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.

Brief Summary of Full Year 2024 Consolidated Results

- Consolidated revenue in NTD increased 4.4% YoY to NT$232.30 billion, from NT$222.53 billion in 2023.
- Gross profit decreased 2.7%, compared to a year ago, representing 32.6% of 2024 revenue.
- Operating income decreased 10.8% year-on-year, accounting for 22.2% of 2024 revenue.
- Net income attributable to shareholders of the parent decreased 22.6% to NT$47.21 billion in 2024.
- EPS was NT$3.80, or EPADS of US$0.580 for 2024.
- 22/28nm revenue contribution accounted for 34% in 2024.

Operating Results

(Amount: NT$ million)	2024	2023	YoY % change
Operating Revenues	232,303	222,533	4.4
Gross Profit	75,654	77,744	(2.7)
Operating Expenses	(25,365)	(23,855)	6.3
Net Other Operating Income and Expenses	1,324	4,002	(66.9)
Operating Income	51,613	57,891	(10.8)
Net Non-Operating Income and Expenses	4,607	13,021	(64.6)
Income Tax Expense	(9,114)	(9,472)	(3.8)
Net Income Attributable to Shareholders of the Parent	47,211	60,990	(22.6)
EPS (NT$ per share)	3.80	4.93	
(US$ per ADS)	0.580	0.752	

Annual Sales Breakdown in Revenue for Foundry Segment

Region	2024	2023
North America	25%	27%
Asia Pacific	63%	57%
Europe	8%	11%
Japan	4%	5%

Technology	2024	2023
14nm and below	0%	0%
14nm<x<=28nm	34%	31%
28nm<x<=40nm	14%	14%
40nm<x<=65nm	16%	19%
65nm<x<=90nm	11%	10%
90nm<x<=0.13um	10%	10%
0.13um<x<=0.18um	10%	9%
0.18um<x<=0.35um	4%	5%
0.5um and above	1%	2%

Customer Type	2024	2023
Fabless	84%	78%
IDM	16%	22%

Application	2024	2023
Computer	14%	11%
Communication	42%	45%
Consumer	28%	24%
Others	16%	20%

First Quarter 2025 Outlook & Guidance

Quarter-over-Quarter Guidance:

- Wafer Shipments: Will remain flat
- ASP in USD: Will decrease by mid-single digit %
- Gross Profit Margin: Will be higher than 25% with 0121 earthquake impact
- Capacity Utilization: approximately 70%
- 2025 CAPEX: US$1.8 billion

Recent Developments / Announcements

Oct. 30, 2024	UMC Ranks Top 10 in the CRIF Asia Top 1000
Dec. 10, 2024	UMC's Collaboration with Suppliers to Build a Sustainable Supply Chain Contributes to 2.64 Million Tons of Carbon Reduction
Dec. 17, 2024	UMC Recognized as a Sustainability Leader in the Dow Jones Sustainability Indices (DJSI) and MSCI ESG Ratings
Dec. 18, 2024	UMC Signs 30-Year, 30 Billion kWh Offshore Wind Power Agreement with CIP's Fengmiao I Offshore Wind Farm
Jan. 14, 2025	UMC's Flagship Fab Designated One of 189 Smart Manufacturing Lighthouses by the World Economic Forum

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

Conference Call / Webcast Announcement

Tuesday, January 21, 2025

Time: 5:00 PM (Taipei) / 4:00 AM (New York) / 9:00 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:	3026521#

A live webcast and replay of the 4Q24 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 fourth 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 “First Quarter 2025 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 -