

Bulletin:

GlobalWafers To Keep Net Cash Position After Crystalwise Acquisition

May 4, 2023

Taiwan Ratings Corp. said today it expects **GlobalWafers Co. Ltd.** to maintain a net cash position if its planned acquisition of Crystalwise Technology Inc. goes ahead.

We expect GlobalWafers (twAA-/Stable/twA-1+) to retain a net cash position following the acquisition of the Taiwan-based substrate manufacturer, given GlobalWafers' high cash and liquid investments. As of Dec. 31, 2022, GlobalWafers has new Taiwan dollar (NT\$) 80.5 billion in cash and liquidity investments, versus NT\$52.9 billion in reported debt. The company intends to acquire Crystalwise via share swap through which it will also assume the company's debt of around NT\$630 million as of the end of 2022. We also believe that the acquisition could slightly widen GlobalWafers' product mix in compound wafers but also marginally weaken the company's operating performance in the near term, given Crystalwise's weak profitability. Crystalwise incurred NT\$147 million in net losses in 2022.

This report does not constitute a rating action.

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