

Hon Hai Precision Industry 3Q19 Results & Outlook

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Safe Harbor Notice

- Hon Hai Precision Industry's statements of its current expectations are forward looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Except as required by law, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

- 1 | 3Q 2019 Hon Hai Group Performance Review**
 - Hon Hai Group financial results break-down
 - Hon Hai 2019 Q3 Financial Statements
 - Fii / FIH / FIT Q3 Results

- 2 | Revenue Mix Break-down & Outlook Guidance**
 - 2019 Q3 Revenue mix break-down
 - 2018 Q1 ~ 2019 Q3 Historical revenue mix break-down
 - 2019 Q4 YoY Outlook
 - 2020 Outlook

- 3 | Corporate Digital Transformation**
 - Foxconn 1.0 / 2.0 / 3.0

- 4 | Commitment to Our Shareholders**
 - Cash dividend policy
 - Forbes ranked Hon Hai as a Top 100 Digital Companies

- 5 | Q & A**

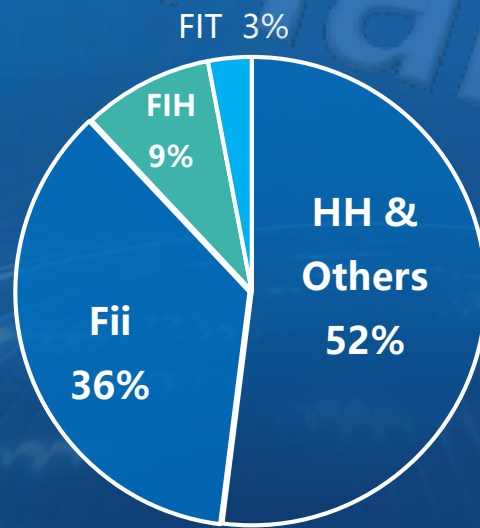
3Q 2019 Hon Hai Group Performance Review

Hon Hai Group financial results break-down

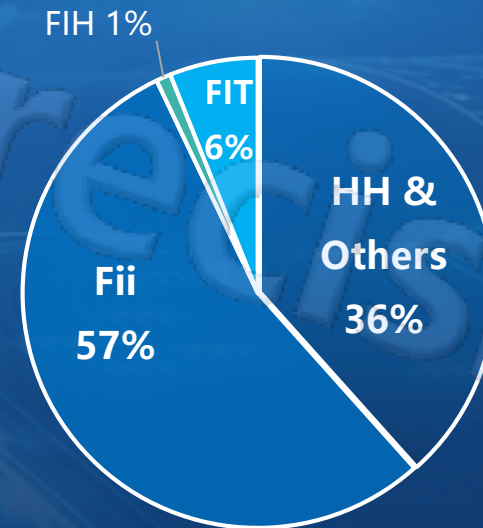
- Ownership percentage of each subsidiary



- Revenue and Profit (2019 Q3)



Revenue



Profit

Hon Hai 2019 Q3 Financial Statements

1. Consolidated Statements of Income

(NTD in millions)	Q319	Q219	QoQ	Q318	YoY
Revenues	1,387,792	1,159,784	20%	1,375,840	1%
Gross Profit	83,382	61,606	35%	80,804	3%
Operating Income	33,491	15,549	115%	31,367	7%
Total Non-Op. Income and Expenses	8,566	13,004	-34%	2,967	189%
Income Before Tax	42,057	28,553	47%	34,334	22%
Income Tax Expense	(8,240)	(10,524)	-22%	(9,782)	-16%
CNIS	30,664	17,054	80%	24,876	23%
Earnings Per Share (NTD)	2.21	1.23	80%	1.57	41%
Gross Profit Margin	6.01%	5.31%		5.87%	
Operating Profit Margin	2.41%	1.34%		2.28%	
Profit Margin	2.21%	1.47%		1.81%	

Hon Hai 2019 Q3 Financial Statements

2.

Consolidated Balance Sheet

(NTD in millions)	2019.9.30	2019.6.30	QoQ	2018.9.30	YoY
	Amount	Amount		Amount	
Cash, Cash Equivalent	788,553	816,868	-3%	694,449	14%
Net Account Receivable	1,026,076	762,469	35%	1,039,173	-1%
Inventory	690,817	571,194	21%	724,169	-5%
Investments Accounted for Using the Equity Method	170,026	166,842	2%	157,853	8%
Property, Plant and Equipment	272,040	281,459	-3%	267,229	2%
Total Assets	3,415,082	3,114,599	10%	3,436,815	-1%
Accounts Payable	1,018,560	702,697	45%	1,013,754	0%
Bonds Payable	181,220	197,885	-8%	180,997	0%
Total Liabilities	2,073,983	1,764,240	18%	2,168,305	-4%
Total Equity	1,341,099	1,350,358	-1%	1,268,510	6%
Net Cash	138,869	240,485		18,153	
AR Turnover Days	58	57		58	
Days Sales of Inventory	46	50		48	
AP Turnover days	59	55		60	
Cash Cycle	45	51		47	
Debt Asset Ratio	61%	57%		63%	

Hon Hai 2019 Q3 Financial Statements

3.

Consolidated Statement of Cash Flow

(NTD in millions)	2019.1.1~9.30	2018.1.1~9.30
Cash Provided by (Used in) Operating Activities	135,964	(110,334)
Cash Provided by (Used in) Investing Activities	23,918	(14,013)
Cash Provided by (Used in) Financing Activities	(149,622)	192,779
Capital Expenditures	(58,878)	(47,755)
Free Cash Flow (FCF) 1	77,086	(158,088)

¹ Free Cash Flow = Cash provided by (used in) operating activities–Capital Expenses

Fii / FIH / FIT Q3 Results

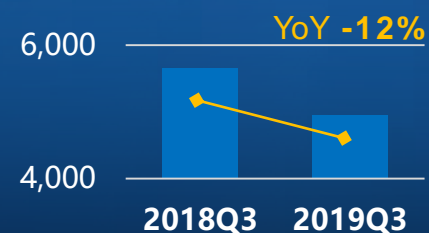
Fii Systems



2019 Q3

- Revenue NTD\$ 494.9 Bn · YoY -12%
- Profit NTD\$ 21.3 Bn · YoY 9%

Q3 Revenue



Q3 Profit



FIH Systems



2019 Q3

- Revenue NTD\$ 125.5 Bn · YoY 17%
- Profit NTD\$ 0.7 Bn · YoY 109%

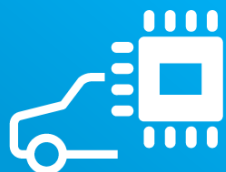
Q3 Revenue



Q3 Profit



FIT Systems



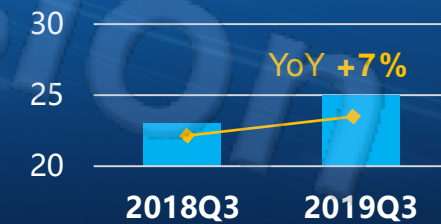
2019 Q3

- Revenue NTD\$ 35.5 Bn · YoY 10%
- Profit NTD\$ 2.5 Bn · YoY 7%

Q3 Revenue

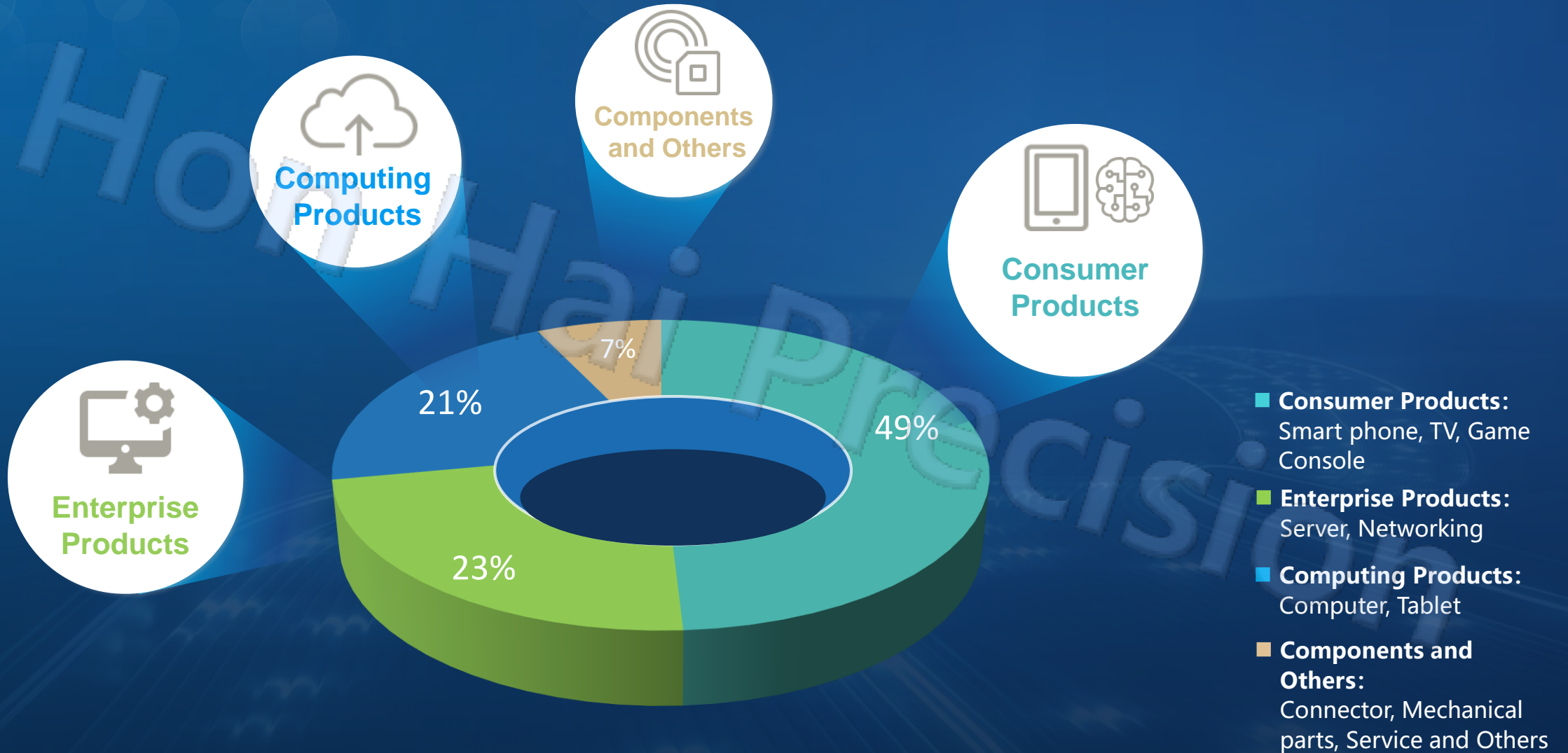


Q3 Profit



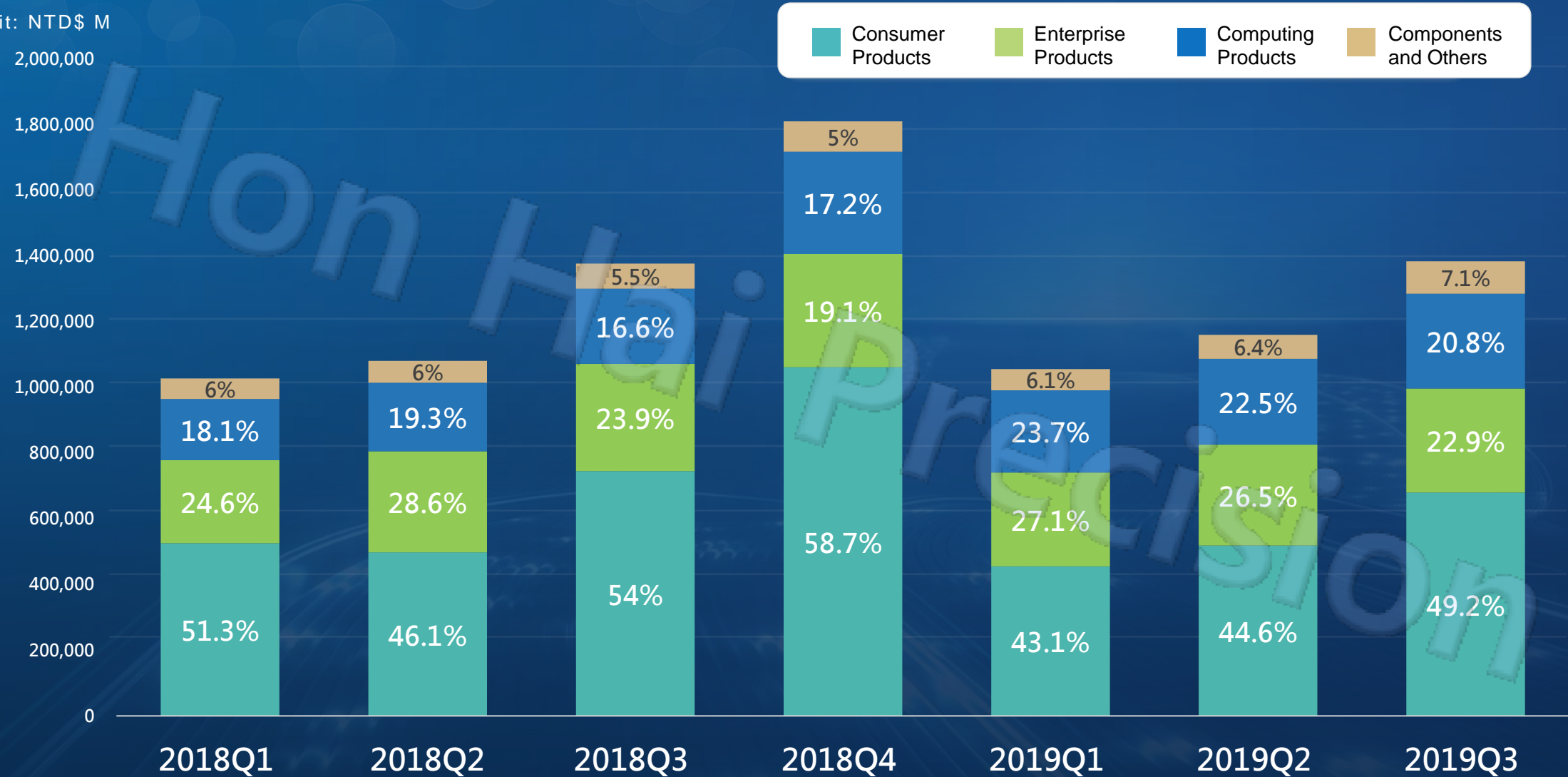
Revenue Mix Break-down & Outlook Guidance

2019 Q3 Revenue mix break-down



2018 Q1 ~ 2019 Q3 Historical revenue mix break-down

Unit: NTD\$ M



2019 Q4 Outlook

Consumer Products



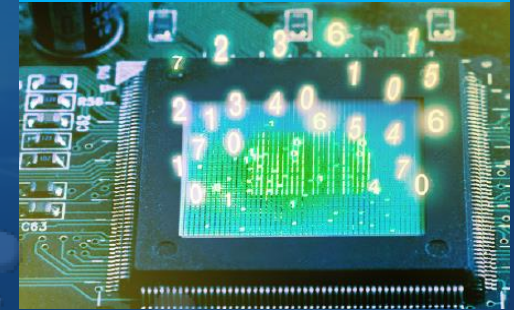
Enterprise Products



Computing Products



Components and Others



QoQ



YoY



2020 Outlook

Consumer Products



Enterprise Products



Computing Products



Components and Others



Hon Hai Group Global Footprint



Around 70 Sites

Corporate Digital Transformation

Corporate Digital Transformation

Foxconn 1.0

Existing business
optimization



Foxconn 2.0

Digital
Transformation



Foxconn 3.0

Transformation
to new industries





Re-division

- Between central and business groups
- Between central and subsidiaries



Improve sharing

- Information sharing
- Profit sharing for employees



Identify new profit opportunity

- Streamlined procurement processes
- Increase in cost efficiencies



Prevent malpractice

- Removing human factors in procurement process
- Streamlined processes



Customer Experience

- Tailored customer experiences on our new one-stop-shop website
- Supply chain management platform
- Enhanced transparency for customer orders



Intelligent Decision Making

- Digitalization of decision-making process
- Intelligent automated decision-making process
- AI-guided decision-making process



Operational Efficiency

- Increased operational efficiency
- Automated production management
- Automated performance management
- Overall process improvement

Foxconn 3.0 | Transformation to new industries

Future Industries



EV



Digital Health



Robotics

Core Technologies



AI

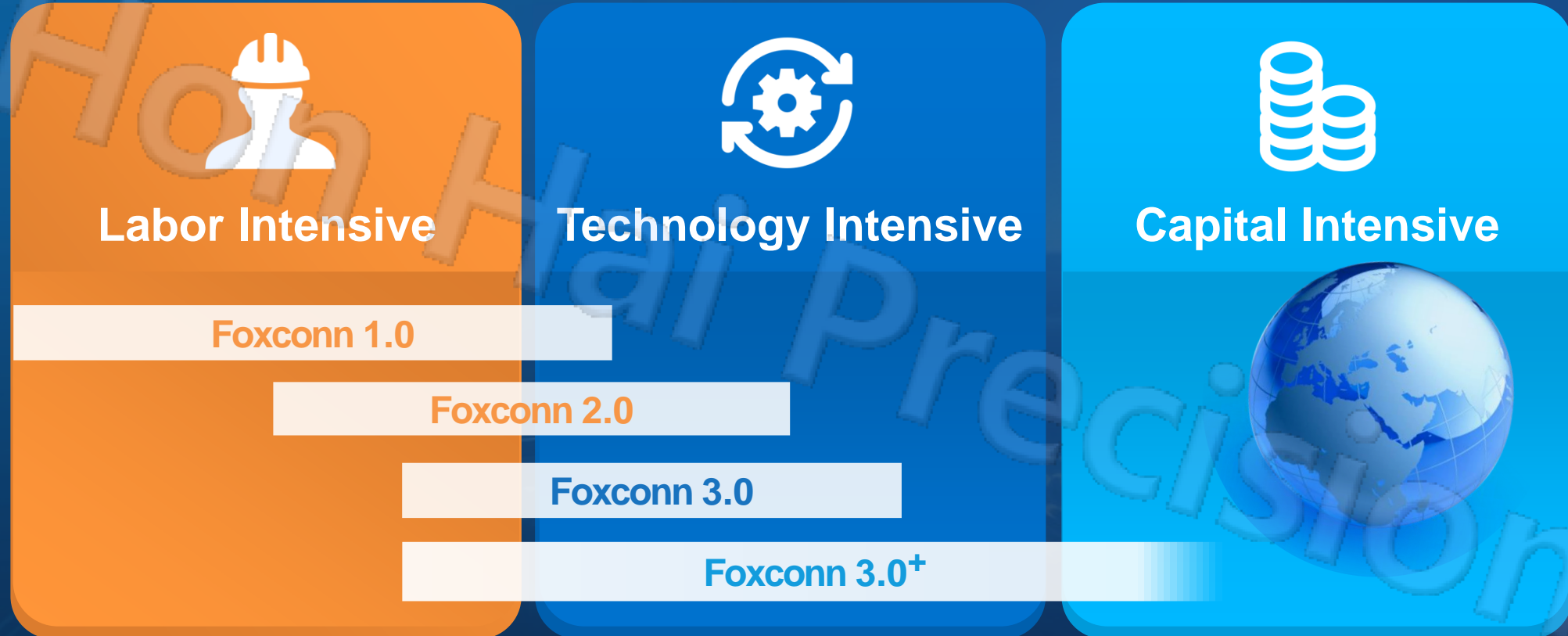


Semiconductor



5G/ 6G

Labor Intensive to Knowledge Intensive





Commitment to Our Shareholders

Cash dividend policy










The cash dividend pay-out
ratio will be at least

40%

Forbes ranked Hon Hai as a Top 100 Digital Companies

Hon Hai Precision was ranked by Forbes as #25 in its global digital company ranking.

Top 100 Digital Companies

Rank	Company	Industry	Country
 #20	Taiwan Semiconductor	Semiconductors	Taiwan
 #21	KDDI	Telecommunications services	Japan
 #22	SAP	Software & Programming	Germany
 #23	Telefónica	Telecommunications services	Spain
 #24	América Móvil	Telecommunications services	Mexico
 #25	Hon Hai Precision	Electronics	Taiwan
 #26	Dell Technologies	Computer Hardware	United States
 #27	Orange	Telecommunications services	France
 #28	China Telecom	Telecommunications services	China

Source : Forbes

Q & A

Thank You