

Q1 FY20

Hon Hai Precision Industry Co., Ltd 2020 First Quarter Financial Results

May 15, 2020

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.

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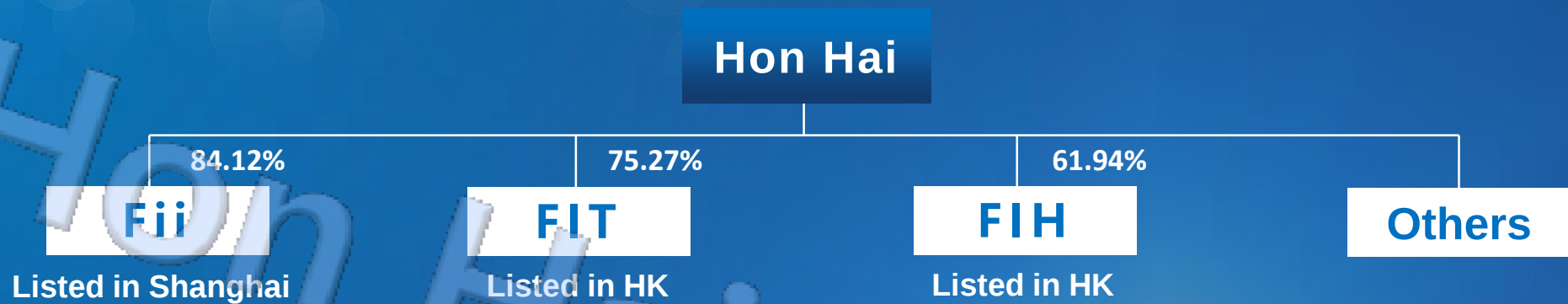
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Hon Hai Precision Industry Co., Ltd. **2020 First Quarter Financial Results**

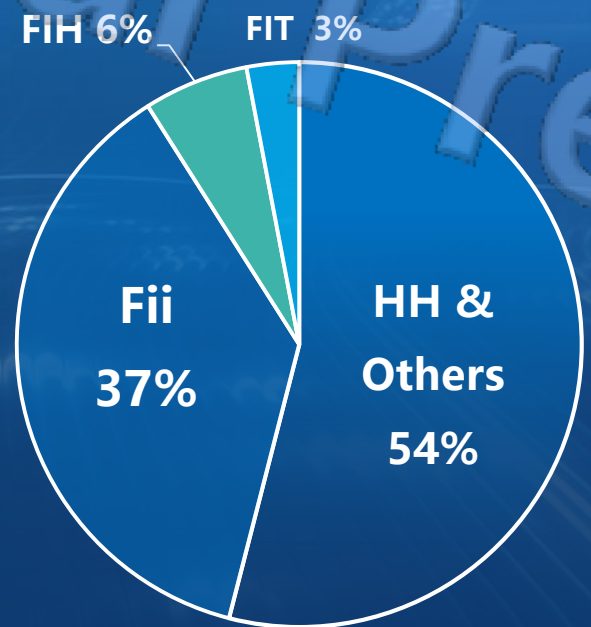
Hon Hai Group 2020 Q1 Financial Results Break-down



| Ownership percentage of each subsidiary



| Revenue (2020 Q1)



2020 Q1 Financial Statements

1. Consolidated Statements of Income

(NTD in millions)	Q120	Q419	QoQ	Q119	YoY
Revenues	929,133	1,740,932	-47%	1,054,303	-12%
Gross Profit	41,814	112,577	-63%	58,303	-28%
Operating Income	4,525	49,748	-91%	16,109	-72%
Total Non-Op. Income and Expenses	1,373	13,036	-89%	14,375	-90%
Income Before Tax	5,898	62,784	-91%	30,483	-81%
Income Tax Expense	(3,748)	(6,607)	-43%	(6,322)	-41%
CNIS	2,084	47,766	-96%	19,825	-89%
Earnings Per Share (NTD)	0.15	3.45	-96%	1.43	-89%
Gross Profit Margin	4.50%	6.47%		5.53%	
Operating Profit Margin	0.49%	2.86%		1.53%	
Net Profit Margin	0.22%	2.74%		1.88%	

2020 Q1 Financial Statements

2.

Consolidated Balance Sheet

(NTD in millions)	2020.3.31	2019.12.31	QoQ	2019.3.31	YoY
Cash, Cash Equivalent	931,434	857,864	9%	819,325	14%
Net Account Receivable	651,191	1,032,033	-37%	695,906	-6%
Inventory	532,241	515,772	3%	570,570	-7%
Investments Accounted for Using the Equity Method	161,601	168,632	-4%	166,195	-3%
Property, Plant and Equipment	277,457	287,523	-4%	279,992	-1%
Total Assets	3,022,676	3,320,942	-9%	3,040,868	-1%
Accounts Payable	666,623	906,188	-26%	646,761	3%
Bonds Payable	181,739	175,505	4%	204,468	-11%
Total Liabilities	1,652,554	1,921,316	-14%	1,642,348	1%
Total Equity	1,370,122	1,399,625	-2%	1,398,520	-2%
Net Cash	342,751	228,671	50%	250,149	37%
AR Turnover Days	82	53		75	
Days Sales of Inventory	56	35		57	
AP Turnover days	80	53		72	
Cash Cycle	58	35		60	
Debt Asset Ratio	55%	58%		54%	

2020 Q1 Financial Statements

3.

Consolidated Statement of Cash Flow

(NTD in millions)	2020.1.1~3.31	2019.1.1~3.31
Cash Provided by (Used in) Operating Activities	132,212	131,058
Cash Provided by (Used in) Investing Activities	(20,641)	(3,303)
Cash Provided by (Used in) Financing Activities	(31,297)	(118,623)
Capital Expenditures	(14,823)	(22,586)
Free Cash Flow (FCF) ¹	117,389	108,472

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

Fii Systems



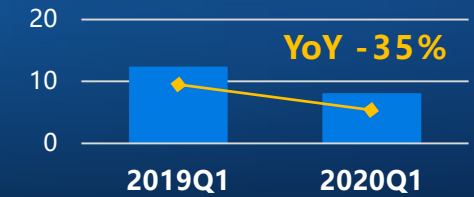
2020 Q1

- Revenue NTD\$ 345.4 Bn, YoY 0%
- Profit NTD\$ 8.1 Bn, YoY -35%

Q1 Revenue



Q1 Profit



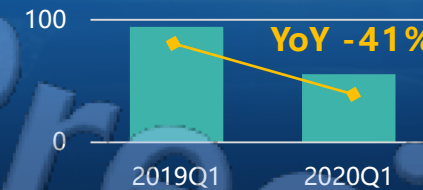
FIH Systems



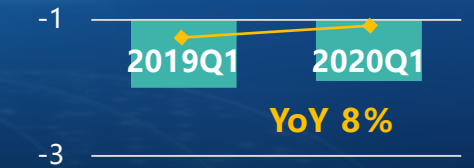
2020 Q1

- Revenue NTD\$ 55.6 Bn, YoY -41%
- Profit NTD\$ -1.9 Bn, YoY 8%

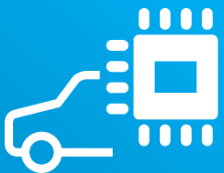
Q1 Revenue



Q1 Profit



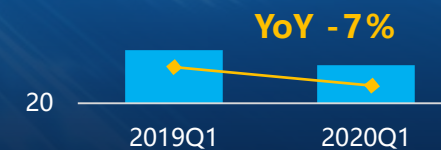
FIT Systems



2020 Q1

- Revenue NTD\$ 24.8 Bn, YoY -7%
- Profit NTD\$ 0.08 Bn, YoY -94%

Q1 Revenue

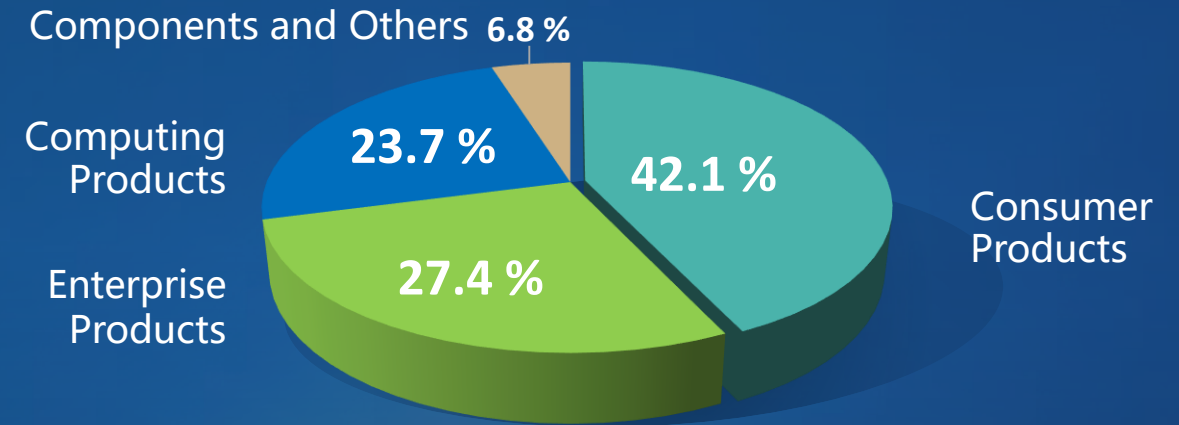


Q1 Profit



1Q20 Performance Review

2020 Q1 Unaudited Financial Results Break-Down



Consumer Products



■ Smart phone, TV, Game Console

Enterprise Products



■ Server, Networking

Computing Products



■ Computer, Tablet

Components and Others



■ Connector, Mechanical parts, Service and Others

QoQ

In-line

In-line

In-line

In-line

YoY

Better-than-expected

Better-than-expected

Better-than-expected

Better-than-expected

2Q20 Business Outlook


Consumer Products



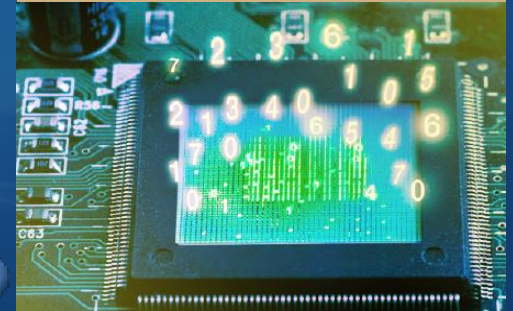

Enterprise Products




Computing Products




Components and others



QoQ



YoY



Recap of Recent Major Statements

- Hon Hai Group signed a joint venture agreement with Yulong Group and Haitec Automotive Electric Technology Center, which will accelerate the company's preparation and R&D plan, leverage the complementary strengths of vehicle R&D and information communication technology industry resources, and jointly develop automotive-related businesses to promote corporate digital transformation. (Announcement date: 2020/03/06).
- Hon Hai Group invested CNY ¥ 275 million (approximately NT \$1.17 billion) to acquire a 100% equity stake in Shandong Chengshang Energy Co., Ltd. to strengthen its foothold in the solar market (Announcement date: 2020/04/14).
- Hon Hai Group's FIH announced that it has increased its capital several times in wholly-owned Taiwan subsidiary Mobile Drive Technology Co., Ltd. with a cumulative capital increase of NT \$500 million, in order to enrich the company's working capital for the expansion of its Internet of Vehicles business, product development, talent recruitment and capital operation (Announcement date: 2020/04/29).

Recap of Recent Major Statements

- All major factories in mainland China have resumed normal operation.
- Our Indian factories are in close cooperation with the Indian government's national epidemic prevention policy, and the return-to-work schedule will be based on government announcements.
- Due to its production of non-essential products for livelihood, Mexico plant production has been suspended according to government regulations. The majority of remaining plants maintains production operations.
- Our Vietnam factories are still operating normally, and epidemic prevention measures have been strengthened in their respective factory campuses. We will also comply with the local government's epidemic prevention policies, with employee safety as the highest priority, and make any necessary adjustments accordingly.
- Northeast Asia, Southeast Asia, Europe, and North America are all under normal operation. A small number of offices are working from home in response to local government regulations.

Hon Hai Precision Q & A

Thank You

Hon Hai Precision