

Q2 FY21

# Hon Hai Precision Industry Co., Ltd.

## 2021 Second Quarter Financial Results

August 12, 2021

# 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 statement, whether as a result of new information, future events, or otherwise.



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# 2Q21 Financial Results

# 2021 Q2 Financial Statements

1.

## Consolidated Statements of Income

( NTD in millions )	Q2/21	Q1/21	QoQ	Q2/20	YoY
Revenues	1,351,467	1,347,113	0%	1,128,337	20%
Gross Profit	81,542	78,133	4%	66,631	22%
Operating Income	32,477	27,570	18%	22,469	45%
Total Non-Op. Income and Expenses	11,752	11,619	1%	12,399	-5%
Income Before Tax	44,229	39,189	13%	34,868	27%
Income Tax Expense	(12,008)	(8,210)	46%	(9,470)	27%
CNIS	29,779	28,162	6%	22,880	30%
Earnings Per Share ( NTD )	2.15	2.03	6%	1.65	30%
Gross Profit Margin	6.03%	5.80%	0.23%	5.91%	0.13%
Operating Profit Margin	2.40%	2.05%	0.36%	1.99%	0.41%
Net Profit Margin	2.20%	2.09%	0.11%	2.03%	0.18%



# 2021 Q2 Financial Statements

## 2. Consolidated Balance Sheets

( NTD in millions )	2021.6.30	2021.3.31	QoQ	2020.6.30	YoY
Cash and Cash Equivalent	1,112,649	1,112,175	0%	953,161	17%
Net Accounts Receivable	817,835	775,621	5%	755,017	8%
Inventory	531,220	634,983	-16%	504,872	5%
Investments Accounted for Using the Equity Method	170,862	171,861	-1%	158,703	8%
Property, Plant and Equipment	287,898	289,516	-1%	269,883	7%
Total Assets	3,417,262	3,456,352	-1%	3,083,894	11%
Accounts Payable	758,856	803,784	-6%	668,734	13%
Bonds payable	201,899	200,396	1%	178,431	13%
Total Liabilities	1,936,356	2,002,282	-3%	1,758,174	10%
Total Equity	1,480,906	1,454,069	2%	1,325,721	12%
Net Cash	373,879	344,155	9%	286,967	30%
AR Turnover Days	54	58		57	
Inventory Turnover Days	43	45		46	
AP Turnover Days	55	66		57	
Cash Conversion Cycle	41	37		46	
Debt Asset Ratio	57%	58%		57%	

# 2021 Q2 Financial Statements

## 3. Consolidated Statements of Cash Flow

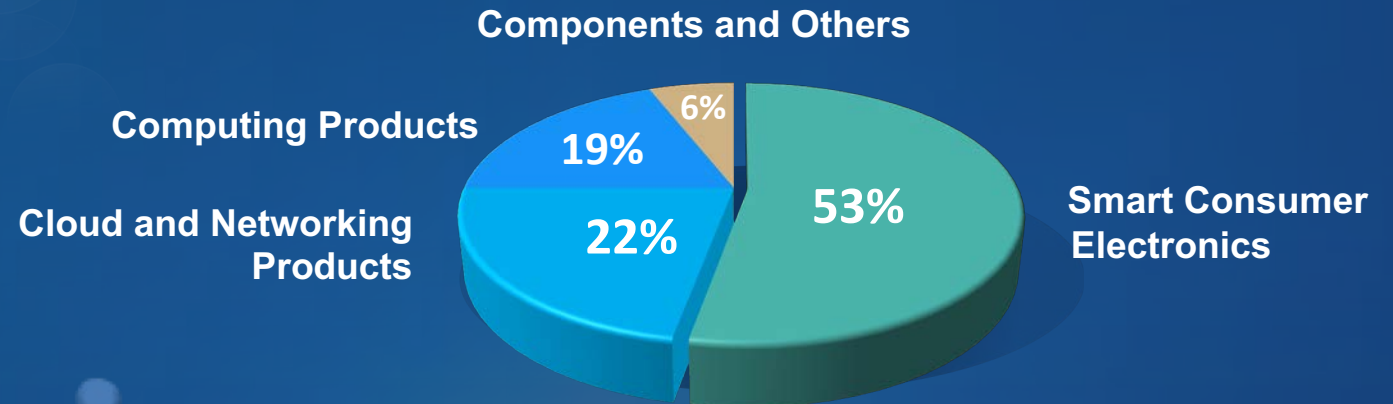
(NTD in millions )	2021.1.1~2021.6.30	2020.1.1~2020.6.30
Cash Provided by (Used in) Operating Activities	(76,745)	95,297
Cash Provided by (Used in) Investing Activities	(23,621)	18,870
Cash Provided by (Used in) Financing Activities	(3,840)	(1,609)
Capital Expenditures	(37,498)	(32,119)
Free Cash Flow (FCF) <sup>1</sup>	(114,243)	63,178

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



# 2Q21 Performance Review

## | 2021 Q2 Revenue Break-Down



**2Q21**



Smart  
Consumer  
Electronics



Cloud and  
Networking  
Products



Computing  
Products



Components  
and Others

QoQ



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual

YoY



Guidance



Actual



Guidance



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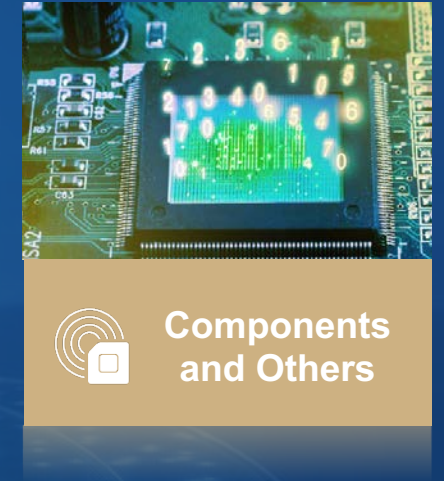
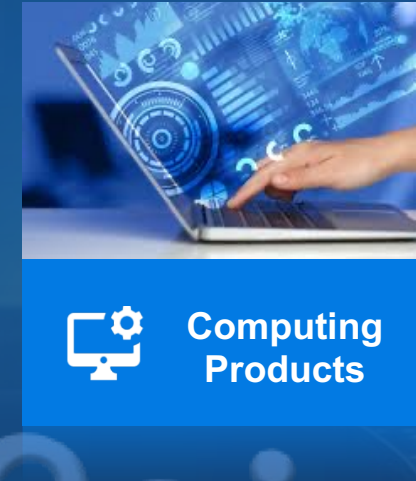


Actual



# 3Q21 Business Outlook

# 3Q21 Business Outlook



QoQ



YoY





# Recap of Recent Major Events

# Recap of Recent Major Events | Engage More EV Clients



2021/05/18

- Stellantis and Foxconn to develop breakthrough digital cockpits and personalized connected services



2021/05/31

- PTT and Foxconn announce a joint venture on EV open platform



2021/06/23

- Gogoro and Foxconn announce strategic partnership to accelerate the expansion of Gogoro's smartscooters and battery swapping system



2021/07/06

- Foxtron vehicle technologies and North-Star International, Kaohsiung Bus Company of San-Ti Group collaborating on green transportation



# Recap of Recent Major Events | EV Supply Chain



**2021/06/15 & 2021/07/14**

- Invest in Giga Solar and SES to accelerate the development of EV battery materials



**2021/07/16**

- CTBC and Hon Hai establish a new EV fund
- Target to raise 10 billion NTD



**2021/07/21**

- Start discussions on establishing JV with Nidec to deep in EV motor core technology



# Recap of Recent Major Events | Semiconductor



**2021/06/11 & 2021/07/29**

- Invest in DNeX and join both of DNeX's and SiTerra's Board of Directors to acquire the capacity of 8-inch wafer fab



**2021/07/20**

- Indirectly invest in Qingdao KoreSemi
- Machine Stationed Ceremony



**2021/08/05**

- Acquire Macronix's 6-inch wafer fab to develop SiC



# Recap of Recent Major Events | Awards and Annual Shareholders' Meeting



2021/07/01

- Awarded the top 100 of Global Enterprise Manufacturing IP Ranking
- The 53rd prize globally and the 2nd prize in Taiwan



2021/07/23

- All proposals passed in annual shareholders' meeting

## 財星500強企業 台灣八家進榜

【編譯林奕榮／綜合外電】財星雜誌（Fortune）2日公布「2021年全球500強企業」，美國零售巨擘沃爾瑪蟬聯榜首，台灣有八家企業進榜。其中，鴻海集團排名上升四名，是唯一躋身前百大的台灣企業。

2021/08/02

- Rise to the 22nd in 2021 Fortune top 500, and top Taiwan enterprises

# ESG Commitments & Awards

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## Governance

- CSR Committee directly led by Chairman
- Consolidate and establish ESG task force
- Set ESG vision and strategy

## Management System

- Engage with external consultants including Carbon Trust, PwC, KPMG
- Introduction of TCFD
- Introduction of BCM ISO 22301 and ABMS ISO 37001

## Communication

- ESG task force reporting to the Board and chairman
- Publish CSR report and ESG Summary
- Establish regular communication with stakeholders



## Environmental Protection

- Hon Hai's CA 100+ Net Zero Goal and Commitment
- Save 500 million kWh and recycle 7.03 million tons of wastewater
- Usage of green energy 1.04 billion kWh electricity, accounting for 12.45% of total use



## Social Responsibility

- Donate BNT vaccine to Taiwan CDC not exceeding USD 105 million
- Donation RMB 100 million for reconstruction in Henan Province
- Subsidize NTD 176 million to employees' children, who are under age 7



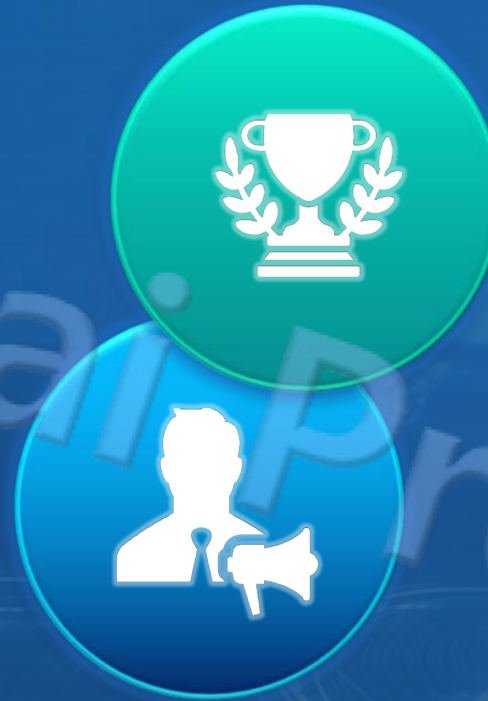
## Corporate Governance

- The highest revenue and the second large market cap company in Taiwan
- 91,800 IP and turn to Knowledge-intensive
- Extend ESG to the supply chain



## Initiatives

- SDGs (Sustainable Development Goals)
- CA100+ (Climate Action 100+)
- CDP (Carbon Disclosure Project)
- TCFD (Task Force on Climate- Related Financial Disclosure)
- SBTi (Science Based Targets initiative)



## Awards

- Lighthouse factory recognized by World Economic Forum (WEF)'s Global Lighthouse Network (GLN)
- Taiwan Corporate Sustainability Report Gold Award
- Asia Responsible Enterprise Awards - Social Empowerment
- FTSE4Good TIP Taiwan ESG Index
- TWSE CG 100 Index
- Greater China Business Sustainability Index -Achiever Awards
- TIP Customized Taiwan Green Energy and Electric Vehicles index

# Q&A

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# Thank You