

Q2 FY22

Hon Hai Precision Industry Co., Ltd.

2022 Second Quarter Financial Results

August 10, 2022

Safe Harbor Notice

- Financial numbers in this document contains unaudited and unreviewed information. All information is for reference only.
- This document and relevant information may contain certain forward-looking statements. Such forward-looking statement is not actual results but only reflects the Company's estimates and expectations and is subject to inherent risks and uncertainties that could cause actual results to differ materially from such statement.
- Any business outlook or forward-looking statement hereof reflects the Company's estimates and expectations as of now and is subject to change after this date. Unless required by applicable law, the Company undertakes no obligation to update any such information.

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2Q22 Financial Results

2Q22 Financial Statements

1.

Consolidated Statements of Income

(NTD in millions)	Q2/22	Q1/22	QoQ	Q2/21	YoY
Revenues	1,509,811	1,407,553	7%	1,351,467	12%
Gross Profit	96,628	84,766	14%	81,542	19%
Operating Income	44,337	36,669	21%	32,477	37%
Total Non-Op. Income and Expenses	2,601	258	908%	11,752	-78%
Income Before Tax	46,937	36,927	27%	44,229	6%
Income Tax Expense	(12,274)	(7,318)	68%	(12,009)	2%
Profit (Loss) Attributable to Owner of the Parent	33,294	29,450	13%	29,780	12%
Earnings Per Share (NTD)	2.40	2.12	13%	2.15	12%
Gross Profit Margin	6.40%	6.02%	38 bps	6.03%	37 bps
Operating Profit Margin	2.94%	2.61%	33 bps	2.40%	53 bps
Net Profit Margin	2.21%	2.09%	11 bps	2.20%	0.2 bps

2Q22 Financial Statements

2.

Consolidated Balance Sheets

(NTD in millions)	2022.6.30	2022.3.31	QoQ	2021.6.30	YoY
Cash and Cash Equivalent	1,223,110	1,184,630	3%	1,112,649	10%
Net Accounts Receivable	937,330	880,424	6%	817,835	15%
Inventory	750,872	754,530	0%	531,220	41%
Investments Accounted for Using the Equity Method	233,224	197,610	18%	170,862	36%
Property, Plant and Equipment	325,893	318,854	2%	287,898	13%
Total Assets	3,943,224	3,893,456	1%	3,417,262	15%
Accounts Payable	823,475	888,444	-7%	758,856	9%
Bonds payable	230,261	227,533	1%	201,899	14%
Total Liabilities	2,358,185	2,308,368	2%	1,936,356	22%
Total Equity	1,585,039	1,585,088	0%	1,480,906	7%
Net Cash	204,636	271,478	-25%	373,879	-45%
AR Turnover Days	55	66	-11	54	1
Inventory Turnover Days	49	50	-1	43	6
AP Turnover Days	55	67	-12	55	-1
Cash Conversion Cycle	49	49	1	41	8
Debt Ratio	60%	59%	1%	57%	3%

2Q22 Financial Statements

3.

Consolidated Statements of Cash Flow

(NTD in millions)	2022.1.1~2022.6.30	2021.1.1~2021.6.30
Net Cash Flows from (Used in) Operating Activities	31,927	(76,745)
Net Cash Flows from (Used in) Investing Activities	(43,328)	(23,621)
Net Cash Flows from (Used in) Financing Activities	144,088	(3,840)
Capital Expenditures	(45,394)	(37,498)
Free Cash Flow (FCF) ¹	(13,467)	(114,243)

¹ Free Cash Flow = Net Cash Flows from (Used in) Operating Activities – Capital Expenditures

2Q22 Performance Review

2Q22



Smart Consumer
Electronics Products

50%



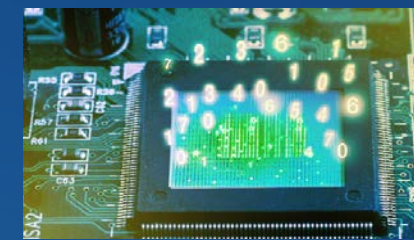
Cloud and
Networking Products

25%



Computing Products

19%



Components and
Other Product

6%

QoQ



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual

YoY



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual



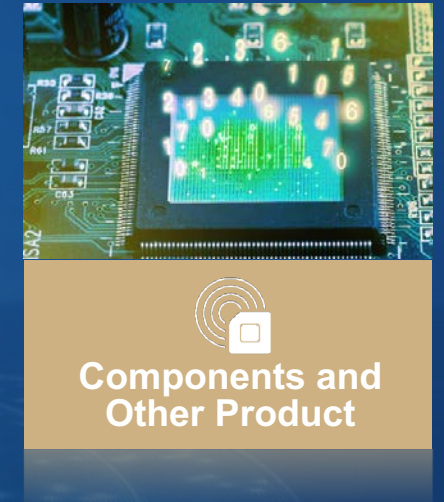
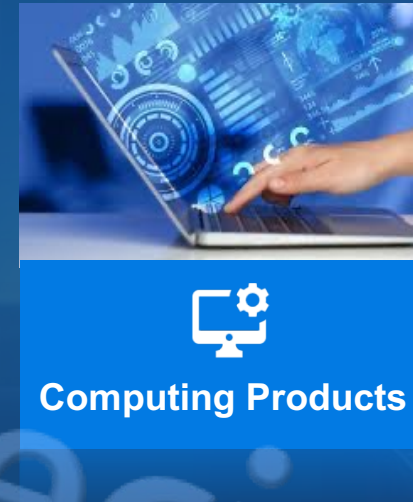
Guidance



Actual

3Q22 & FY22 Business Outlook

3Q22 Business Outlook



QoQ



YoY



FY22 Business Outlook

FY22



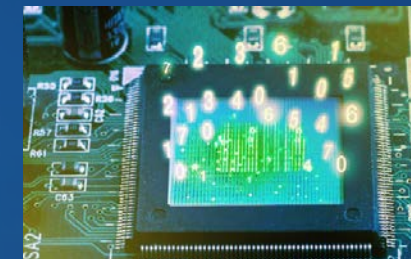
Smart Consumer
Electronics Products



Cloud and
Networking Products



Computing Products



Components and
Other Product

YoY
(08/10 '22)



YoY
(05/12 '22)



3+3 New Business Development

EV Development



- New generation of intelligent autonomous agricultural tractors
- Autonomous, electric, digitalized and 24/7 smart tractor
- 2023 Q1 SOP



- Established R&D center in Detroit
- Adopt MIH EV open platform
- Rapid development of passenger EV models to capture B2B opportunities



- Completed land, equipment and asset transfer
- 400 employees joined Hon Hai
- July start for production of pickup trucks

EV Battery Development



Battery Cell Development

- LFP E-bus battery cell sample available in Q3



Battery Production

- Start construction in Ho Fa Industrial Park in 2022 Q3; SOP in 2024 Q1
- Estimated annual production capacity of 1.27 GWh



Battery Deployment in Indonesia

- Met Indonesian president Joko Widodo to discuss investment projects in Indonesia
- Cooperation is in progress



- NXP joined MIH Consortium
- Jointly cooperate with EV solution and MIH platform to develop the next-generation EV sub-systems and solutions
- Shorten development time and optimize cost



- Participated in the private placement of TAISIC
- Complete SiC upstream supply chain
- Build up a competitive advantage in automotive semiconductors

Semiconductor Development



Small IC Deployment

- Injected capital XSemi with Yageo
- Accelerate the analog IC, power discrete and power module development for product portfolio



Complete MOSFET Power Discrete

- XSemi joined private placement in Advanced Power and become largest shareholder
- Integrate with existing high voltage and power SiC component/module
- Build up product portfolio of power components for our new business

Recap of Recent Major Events

Recap of Recent Major Events | BOL Model Expansion



2022/06/23

Met India Prime Minister Narendra Modi to discuss expansion of electronics manufacturing capacity in India, including in SEMI and EV



2022/06/25

Met Indonesian president Joko Widodo to discuss investment projects in Indonesia, including EV battery and building smart city infrastructures
Cooperate with local companies to build up EV ecosystem



2022/06/29

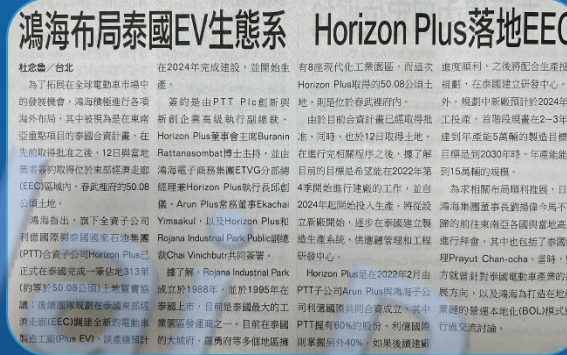
Met Thai Prime Minister Prayut Chan-ocha to discuss the development of EV BOL in Thailand to build up local supply chain

Recap of Recent Major Events | Capacity Build Up



2022/06/15

Launched the construction of battery cell plant in Ho Fa Industrial Park, investing NTD 6 billion with an annual production capacity of 1.27 GWh



2022/07/12

Creating a comprehensive EV ecosystem in Thailand to establish the EV production base in “EEC” by Horizon Plus



2022/07/19

Building up a world class printer industry production site in Shandong Weihai

Recap of Recent Major Events | Semiconductors Business Expansion



2022/05/20

Capital injection in XSemi with Yageo; XSemi joined private placement in Advanced Power and become largest shareholder



2022/06/29

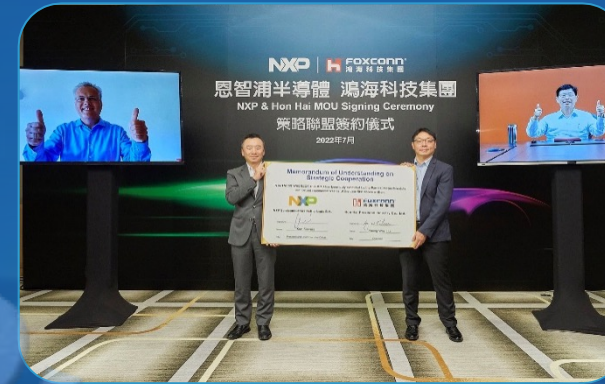
Published SEMI Auto IC Master EV Chip Guide with SEMI

Recap of Recent Major Events | Semiconductors Integration and Collaboration



2022/07/08

Deepen SiC substrates deployment
Invested in Taisic Materials to
complete SiC supply chain



2022/07/20

Partnered with NXP, member of
MIH Consortium, to develop next-
generation vehicle platforms

Recap of Recent Major Events | 2022 Annual General Meeting



2022/05/31

Held 2022 AGM
Record high EPS in 2021 for past
14 years, with 7.8% CAGR
since 2019



2022/07/01

Approved Board Elections with Young
Liu as Chairman
Independent directors increased
to 5 out of 9 seats
Increased female directors to 2 seats



2022/07/01

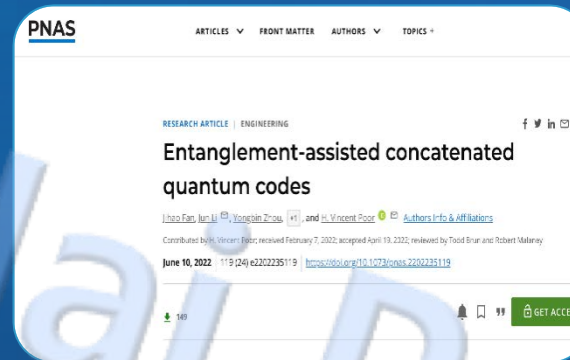
Chairman shared the vision
of new business for next
3 years

Recap of Recent Major Events | Hon Hai Research Institute Achievements and Progress



2022/06/06

Participated in NExT Forum
themed building a vision for a
new type of communication



2022/07/04

Published Entanglement-assisted
concatenated quantum codes in
PNAS



2022/07/29

Joined 2022 Decrypt Technology
Forum

Recap of Recent Major Events | ESG Implementation



2022/05/16

Launched 14 Governance Long-Term goals for ESG



2022/06/30 & 7/31

Published 2021 Sustainability Report in Chinese and English

Recap of Recent Major Events |

ESG Implementation



2022/07/15

Promote
lychee consumption in
Vietnam



2022/07/22

Hon Hai Education Foundation
held summer quantum camp for
high school students for 3 straight
years



2022/07/25

Wisconsin site
donated 10,000 medical
masks to the local Fire Brigade

Recap of Recent Major Events |

ESG Recognition and Awards



2022/06/20 & 2022/07/05

Awarded 2nd prize of Best Employer in the
past 10 years in Czech
&
Awarded Henan Social Responsibility
Enterprise



2022/07/21

Attended Future Technology
investors conference



2022/06/30

Received 5 Awards in 2022
Institutional Investor Asia
(ex-Japan) Executive Team

Thank You
