

Q2 FY23

Hon Hai Precision Industry Co., Ltd. **2023 Second Quarter Financial Results**

Aug 14, 2023



- This document and relevant information herein may contain internal and external forward-looking information and constitute forward-looking statement.
- 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.
- Financial numbers in this document contains unaudited and unreviewed information. All information is for reference only.
- 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.

Table of Contents

- 1 | **2Q23 Financial Results**
- 2 | **3Q23 & FY23 Business Outlook**
- 3 | **New Business Development**
- 4 | **BOL Development**
- 5 | **AI Server Development**
- 6 | **Recap of Recent Major Events**
- 7 | **Q&A**

2Q23 Financial Results

2023 Q2 Financial Statements

1.

Consolidated Statements of Income

(NTD in millions)	Q2/23	Q1/23	QoQ	Q2/22	YoY
Revenues	1,304,548	1,462,437	-11 %	1,509,811	-14 %
Gross Profit	83,577	88,334	-5 %	96,628	-14 %
Operating Income	30,925	40,523	-24 %	44,337	-30 %
Total Non-Op. Income and Expenses	16,780	(20,120)	183 %	2,601	545 %
Income Before Tax	47,705	20,403	134 %	46,937	2 %
Income Tax Expense	(12,262)	(6,804)	80 %	(12,274)	0 %
Profit (Loss) Attributable to Owner of the Parent	33,001	12,825	157 %	33,294	-1 %
Earnings Per Share (NTD)	2.38	0.93	156 %	2.40	-1 %
Gross Profit Margin	6.41 %	6.04 %	37 bps	6.40 %	1 bps
Operating Profit Margin	2.37 %	2.77 %	-40 bps	2.94 %	-57 bps
Net Profit Margin	2.53 %	0.88 %	165 bps	2.21 %	32 bps

2023 Q2 Financial Statements

2.

Consolidated Balance Sheets

(NTD in millions)	2023.6.30	2023.3.31	QoQ	2022.6.30	YoY
Cash and Cash Equivalent	1,187,733	1,119,530	6%	1,223,110	-3%
Net Accounts Receivable	790,933	703,678	12%	937,330	-16%
Inventory	758,845	813,157	-7%	750,872	1%
Investments Accounted for Using the Equity Method	202,478	206,038	-2%	233,224	-13%
Property, Plant and Equipment	363,749	366,591	-1%	325,893	12%
Total Assets	3,762,581	3,659,319	3%	3,943,224	-5%
Accounts Payable	774,258	692,988	12%	823,475	-6%
Bonds payable	236,890	220,699	7%	230,261	3%
Total Liabilities	2,178,281	2,056,561	6%	2,358,185	-8%
Total Equity	1,584,300	1,602,758	-1%	1,585,039	0%
Net Cash	319,481	272,106	17%	204,636	56%
AR Turnover Days	52	56	-4	55	-2
Inventory Turnover Days	59	59	-	49	10
AP Turnover Days	54	58	-4	55	-
Cash Conversion Cycle	58	57	-	49	8
Debt Ratio	58 %	56 %	2%	60 %	-2%

2023 Q2 Financial Statements

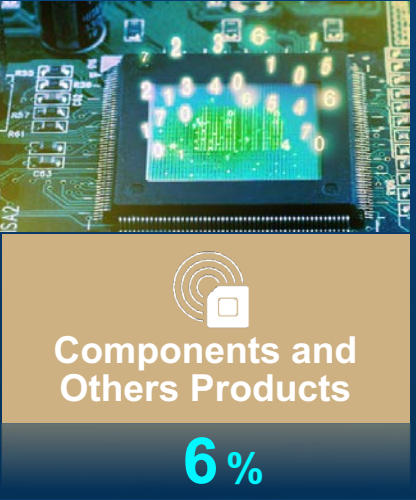
3.

Consolidated Statements of Cash Flow

(NTD in millions)	2023.1.1~6.30	2022.1.1~6.30
Net Cash Flows from (Used in) Operating Activities	220,125	31,927
Net Cash Flows from (Used in) Investing Activities	(18,766)	(43,328)
Net Cash Flows from (Used in) Financing Activities	(57,162)	144,088
Capital Expenditures	(47,577)	(45,394)
Free Cash Flow (FCF) ¹	172,548	(13,467)

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

2Q23 Performance Review



QoQ



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual

YoY



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual



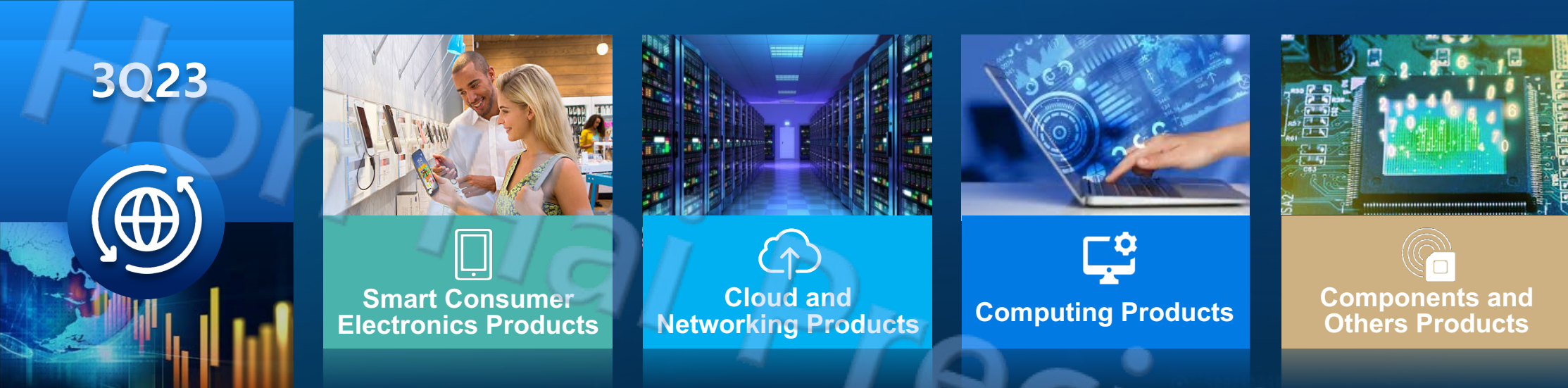
Guidance



Actual

3Q23 & FY23 Business Outlook

3Q23 Business Outlook



QoQ

YoY

2023 Business Outlook

FY23



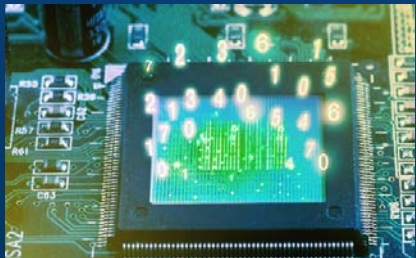
Smart Consumer
Electronics Products



Cloud and
Networking Products



Computing Products



Components and
Others Products

YoY
(2023/5/11)



YoY
(2023/8/14)



New Business Development

EV Business Development



**Traditional Auto
Industry Expansion**

- Penetrating into traditional automotive supply chain to expand EV business
- Enhancing vertical integration to strengthen competitiveness



**Visit to the
United States**

- Strong endorsement of Hon Hai's CDMS business model by US clients and government
- High anticipation for North American production partnership in key components and whole car assembly



**Kaohsiung
Battery Center**

- On-track progress in factory construction
- Projected trial run in 4Q23



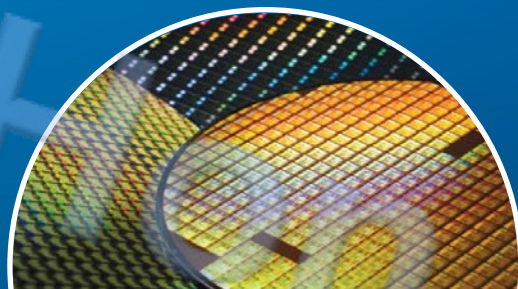
Collaborating with Leading Partners

- Efficiently entering the market by combining in-house developed sensor components with high efficiency and optimal cost



AI-Driven In-House Autonomous Tech

- Developing advanced autonomous driving technology, integrating software with AI, and establishing a data-driven self-driving system



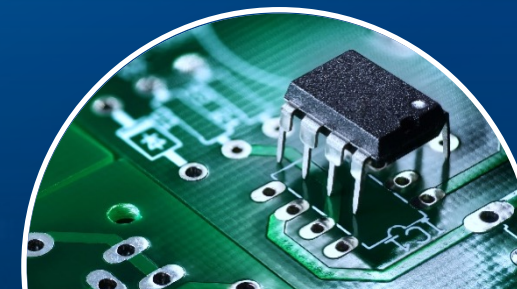
Critical Capacity

- New tapeout on SiC wafers exceeded 10 customers in 1H23



Automotive SoC

- SiliconAuto collaborates with aiMotive and Stellantis to develop automotive SoC



Automotive Power /Analog ICs

- Self-design 1200V SiC power modules and new architecture automotive lighting IC solutions kickoff the design-in with passenger cars and E buses

LEO Satellite Development



- Final tests in vibration and satellite attitude in TASA
- Display of Pearl Mission flight badge



- Aim to create space internet solutions
- B2G foundation to drive development strategy for BOL national satellite networks

BOL Development



Saudi Arabia

- Follow their national development policy, Vision 2030
- Work with the Ministries, PIF, and NEOM, on several flagship projects



India

- Leveraging demographic dividend and substantial domestic demand
- High economic growth, robust government support, and rapid post-pandemic recovery



Southeast Asia

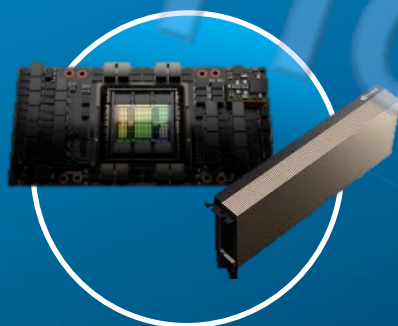
- Geographical location, abundant natural resources, cost-effective land, and labor force advantages
- Strategic hub for EV production

AI Server Development

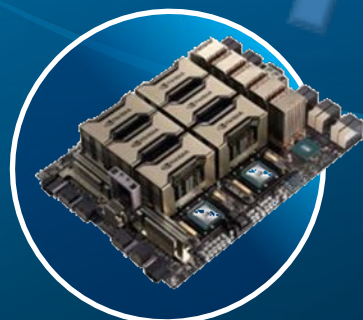
Diverse Global Deployment of GenAI Products

Global Localization of Gen AI Supply

GPU Module



GPU Baseboard



GenAI Server



Inference

Training

Server Rack



Advanced Liquid
Cooling System

AI Data Center



Comprehensive Supply Chain Industry Solutions for GenAI

Key Tech: Energy Consumption & Cooling

ESG Value in Advanced Modular Liquid Cooling

Immersion Cooling Rack



- Single-Phase Immersion Rack, providing **Ultra-Low 1.03 PUE** Energy Saving Tech

Liquid Cooling Rack Series



- 35KW-100KW Cooling Capacity, New Data Center Architecture, **reducing PUE to 1.4-1.1 Levels** (Average PUE 1.55)

GenAI Server Supply Industry



Recap of Recent Major Events

Recap of Recent Major Events | New Business Development



2023/05/23

**Hon Hai AI Research
Institute first roll out
New-Gen Self-Driving
Model [QCNet]**



2023/06/07

**Taiwan's first fully
self-developed ADAS ready
for mass production**



2023/06/20

**Establishing SiliconAuto
with Stellantis for
automotive semiconductor
development**



2023/07/20

**Developing Next-Gen
digital cockpit platform
and high-performance
battery management
system with ADI**

Recap of Recent Major Events | New Business Development



2023/06/30

**Recruiting talents with focus on AI,
Smart City, EV, Digital Health, etc.
in Kaohsiung**



2023/07/18

**Foxtron's listing application
approved by TWSE**



2023/07/24

**Partnering in passenger car
chassis systems with
Germany's ZF Group**

Recap of Recent Major Events | New Business Development



2023/06/01

**5G deployment achieved milestones!
Awarded O-RAN alliance OTIC
outdoor RU certification**



2023/06/15

**Built an intelligent healthcare
monitoring platform
with Tungs' Hospital and Twin
Oaks Residences**



2023/06/20

**Launching a revolution of
satellite computing technology
with Ramon.Space**

ESG Implementation and Exhibition Participation



2023/05/25

**Attending Goldman Sachs
TechNet Conference Asia
Pacific 2023**



2023/05/27

**Taipei International
Computer Show,
showcasing green tech
& sustainable value**



2023/07/21

**Exhibiting at the 2023
SDGs Asia
Displaying Green
Intelligence and Circular
Economy Vision**



2023/06/30 & 7/31

**Published
2022 Sustainability
Report in Chinese
and English**

Recap of Recent Major Events | ESG Implementation



Vietnam
2023/05/25

**Tug-of-War competition
held at Vietnam Campus**



Czech
2023/06/09

**Concert event at Czech
campus draws over 6,000
employees and family
members**



Vietnam
2023/06/24

**Men's soccer match
held at Vietnam Site**



Czech
2023/07/04

**Family Day at
Kutná Hora Plant**

Recap of Recent Major Events | ESG Implementation



Ohio
2023/05/20

"Foxconn Day" organized
by residents of Warren City,
Ohio, USA



Shenzhen
2023/06/12

Employee sports meet
with 1,396 participants
from 19 business units



Zhengzhou
2023/07/22

Dormitory renovation
with 7,568 apartments
completed



Taipei
2023/07/23

Foxconn employee
movie Family Day

Recap of Recent Major Events | Awards



2023/05/15

**Awarded with
"National Invention and Creation
Silver Award", prestigious patent
honor in Taiwan**



2023/05/16

**Czech Plant received
"Profi HR Awards"**



2023/06/27

**FIT wins Red Dot Design Award
for High-Speed Connector**

Awards and Shareholders Meetings



2023/06/21

Recognized as "Most Honored Company" among top companies in Institutional Investor's 2023 All-Asia Executive Team awards



2023/07/26

**Chief Trade Compliance and Logistics Officer
Kathy Yang awarded Winner in Specialist category by diversity leader WeQual Awards 2023**



2023/05/31

2023 Hon Hai Shareholders' Meeting approved NT\$5.3 dividend per share with total cash dividend of NT\$73.47 billion

Q&A

Hon Hai Precision

धन्यवाद

谢谢

Muchas Gracias

Thank you

謝謝

Obrigado

Cảm ơn



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