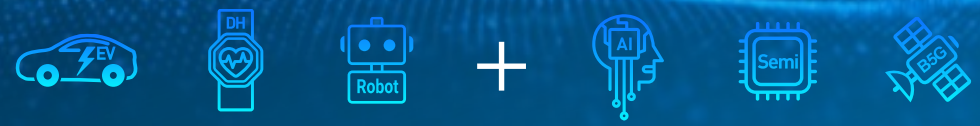
FOXCONN
HON HAI TECHNOLOGY GROUP

Q2 FY24

Hon Hai Precision Industry Co., Ltd.

2024 Second Quarter Financial Results

August 14, 2024



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- 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.

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2Q24 Financial Results

2024 Q2 Financial Statements

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1. Consolidated Statements of Income

(NTD in millions)	Q2/24	Q1/24	QoQ	Q2/23	YoY
Revenues	1,550,551	1,323,992	17%	1,304,548	19%
Gross Profit	99,507	83,662	19%	83,577	19%
Operating Income	44,604	36,751	21%	30,925	44%
Total Non-Op. Income and Expenses	3,795	(4,242)	189%	16,780	-77%
Income Before Tax	48,400	32,509	49%	47,705	1%
Income Tax Expense	(9,455)	(7,636)	24%	(12,262)	-23%
Profit (Loss) Attributable to Owner of the Parent	35,045	22,009	59%	33,001	6%
Earnings Per Share (NTD)	2.53	1.59	59%	2.38	6%
Gross Profit Margin	6.42%	6.32%	10 bps	6.41%	1 bps
Operating Profit Margin	2.88%	2.78%	10 bps	2.37%	51 bps
Net Profit Margin	2.26%	1.66%	60 bps	2.53%	-27 bps

2024 Q2 Financial Statements

FOXCONN HON HAI TECHNOLOGY GROUP

2. Consolidated Balance Sheets

(NTD in millions)	2024.06.30	2024.03.31	QoQ	2023.06.30	YoY
Cash and Cash Equivalent	1,048,680	1,163,448	-10%	1,187,733	-12%
Net Accounts Receivable	861,609	712,095	21%	790,933	9%
Inventory	808,459	753,150	7%	758,845	7%
Investments Accounted for Using the Equity Method	196,649	185,024	6%	202,478	-3%
Property, Plant and Equipment	424,230	410,372	3%	363,749	17%
Total Assets	3,966,849	3,773,640	5%	3,762,581	5%
Accounts Payable	891,114	728,794	22%	774,258	15%
Bonds payable	246,265	243,070	1%	236,890	4%
Total Liabilities	2,245,179	2,082,809	8%	2,178,281	3%
Total Equity	1,721,670	1,690,831	2%	1,584,300	9%
Net Cash	408,552	439,660	-7%	319,481	28%
AR Turnover Days	47	55	-8	52	-6
Inventory Turnover Days	49	55	-6	59	-10
AP Turnover Days	50	59	-9	54	-4
Cash Conversion Cycle	46	51	-6	58	-12
Debt Ratio	57%	55%	1%	58%	-1%

2024 Q2 Financial Statements

3. Consolidated Statements of Cash Flow

(NTD in millions)	2024.01.01~06.30	2023.01.01~06.30
Net Cash Flows from (Used in) Operating Activities	43,786	220,125
Net Cash Flows from (Used in) Investing Activities	(84,180)	(18,766)
Net Cash Flows from (Used in) Financing Activities	(136,553)	(57,162)
Capital Expenditures	(63,092)	(47,577)
Free Cash Flow (FCF) [1]	(19,306)	172,548

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

2Q24 Performance Review

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Smart Consumer Electronics Products

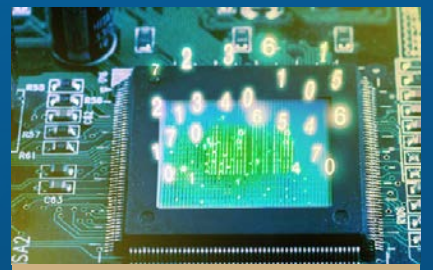
40%

Cloud and Networking Products

32%

Computing Products

21%



Components and Other Products

7%

	2Q24 Guidance	2Q24 Actual	Smart Consumer Electronics Products Guidance	Smart Consumer Electronics Products Actual	Cloud and Networking Products Guidance	Cloud and Networking Products Actual	Computing Products Guidance	Computing Products Actual	Components and Other Products Guidance	Components and Other Products Actual
QoQ	↗	↑	→	→	↑	↑	↑	↑	↑	↑
YoY	↗	↑	→	→	↑	↑	↑	↑	↑	↑

3Q24 & FY24 Business Outlook

3Q24 Business Outlook

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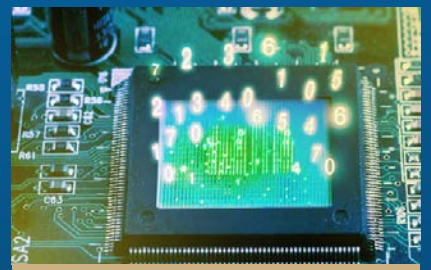
Smart Consumer Electronics Products

Cloud and Networking Products

Computing Products



Components and Other Products

	Smart Consumer Electronics Products	Cloud and Networking Products	Computing Products	Components and Other Products
QoQ	↗	↑	↗	↘	↑
YoY	↗	→	↑	↗	↑

2024 Business Outlook

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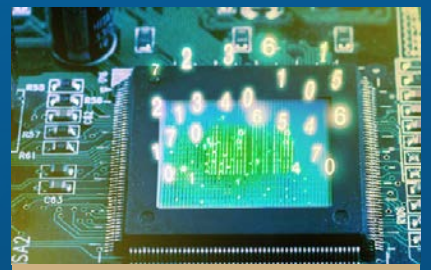
Smart Consumer Electronics Products

Cloud and Networking Products

Computing Products

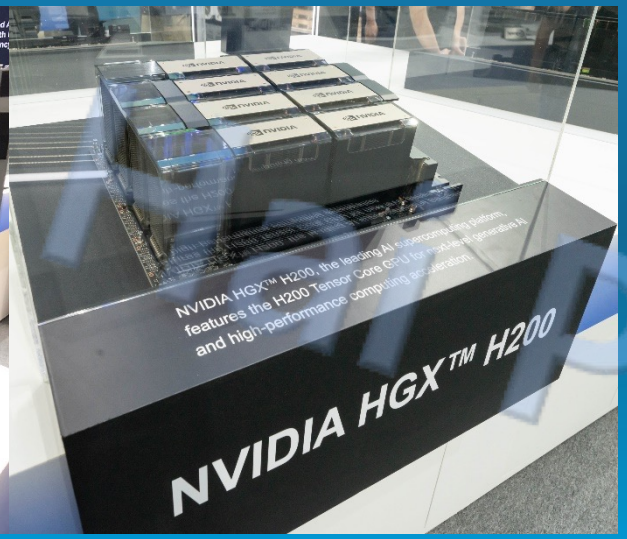


Components and Other Products

YoY

Major Business Development

The rapid growth of AI server business



2Q24 AI server revenue

> 60% QoQ

Contribution to total server revenue **>40%**

AI rack solutions to drive strong momentum

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The Smart Platforms Deployment

Smart Manufacturing

- Collaborating with NVIDIA and partners to implement GenAI applications
- Developing a robot + AI platform with Google
- Partnering with Siemens to create digital factories

Smart City

- Discussing business expansion with major Mexican cities
- Assisting transit operators in integrating applications on the CityGPT platform
- Upgrading Kaohsiung bus service system with GenAI

EV Business Development

Model C

- Delivered over 1,000 vehicles each month starting from April
- Delivered over 5,400 vehicles in the first seven months

New Business Headquarter in Zhengzhou

- Establishing seven major centers
- Setting up EV testing center and a solid-state battery facility

Battery and E-Bus Factory

- Battery plant 90% completion, mass production in Q4
- E-bus plant obtained building permit, construction on schedule

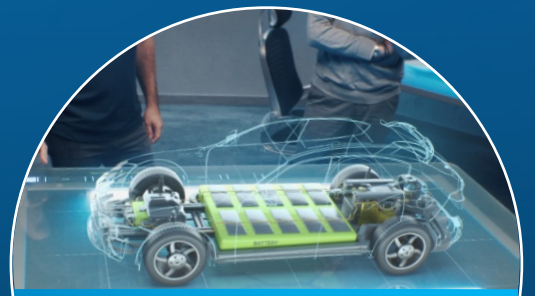
EV Software Development

ADAS

- Testing autonomous assisted navigation driving in Taiwan

Autonomous Driving

- Collaborating with Nvidia to achieve software and hardware integration
- The software model entered the actual environment simulation
- The hardware part reached sample A stage



Software Defined Vehicles

- Deepen the integration of the four key components with cloud and automobiles
- Target to complete basic functional development by the end of the year

Semiconductor Deployment

SiC Capacity

- 1200V MOSFET mass production in Q3
- Epitaxy equipment installation and verification completed
- Module factory in Hsinchu trial production in Q3

MCU/SoC

- ADAS SoC Spec confirmed
- Testing with ADAS Baseline

Packaging

- Completed cleanroom expansion project
- Established double-sided redistribution layer capability for glass substrates

Recap of Recent Major Events

Recap of Recent Major Events | New Business

FIT acquired 70% shares in Ccloud Electro Optics Technology, accelerating high-speed optical modules and CPO deployment

FIT established FXNWING New Energy Technology, launching DC and AC EV charging stations

Chairman Young Liu shared insights at IMEC's ITF World

Recap of Recent Major Events | Research Achievements

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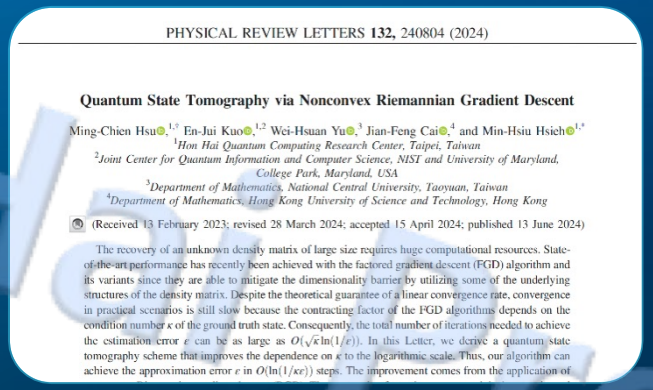
Revealed key AI achievements across three major smart platforms at AI NExT Forum



PHYSICAL REVIEW LETTERS 132, 240804 (2024)

Quantum State Tomography via Nonconvex Riemannian Gradient Descent

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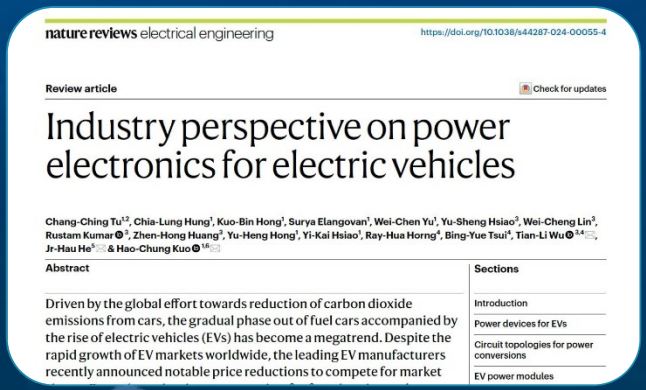
The recovery of an unknown density matrix of large size requires huge computational resources. State-of-the-art performance has recently been achieved with the factored gradient descent (FGD) algorithm and its variants since they are able to mitigate the dimensionality barrier by utilizing some of the underlying structures of the density matrix. Despite the theoretical guarantee of a linear convergence rate, convergence in practical scenarios is still slow because the contracting factor of the FGD algorithms depends on the condition number κ of the ground truth state. Consequently, the total number of iterations needed to achieve the estimation error ϵ can be as large as $O(\sqrt{\kappa}\ln(1/\epsilon))$. In this Letter, we derive a quantum state tomography scheme that improves the dependence on κ to the logarithmic scale. Thus, our algorithm can achieve the approximation error ϵ in $O(\ln(1/\kappa\epsilon))$ steps. The improvement comes from the application of

New Quantum State Tomography method featured in the top science journal "Physical Review Letters"



nature reviews electrical engineering

https://doi.org/10.1038/s44287-024-00055-4

Review article

Check for updates

Industry perspective on power electronics for electric vehicles

Chang-Ching Tu[1,2], Chia-Lung Hung[1], Kuo-Bin Hong[1], Surya Elangovan[1], Wei-Chen Yu[1], Yu-Sheng Hsiao[2], Wei-Cheng Lin[2], Rustam Kumar[3], Zhen-Hong Huang[3], Yu-Heng Hong[1], Yi-Kai Hsiao[1], Ray-Hua Horng[4], Bing-Yue Tsui[4], Tian-Li Wu[3,4] ✉, Jr-Hau He[5] ✉ & Hao-Chung Kuo[1,6] ✉

Abstract

Driven by the global effort towards reduction of carbon dioxide emissions from cars, the gradual phase out of fuel cars accompanied by the rise of electric vehicles (EVs) has become a megatrend. Despite the rapid growth of EV markets worldwide, the leading EV manufacturers recently announced notable price reductions to compete for market

Sections

Introduction

Power devices for EVs

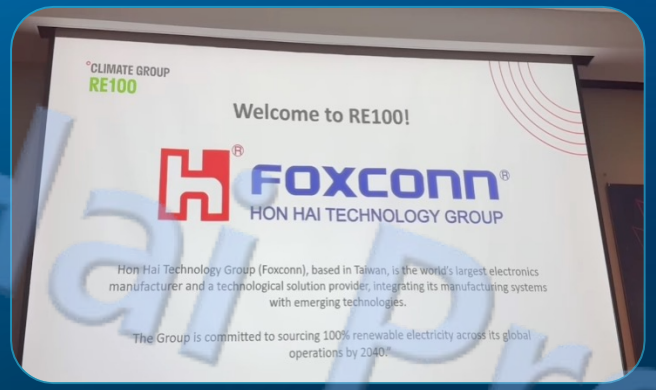
Circuit topologies for power conversions

EV power modules

Cutting-edge research on compound semiconductors featured in "Nature Reviews Electrical Engineering"

Recap of Recent Major Events |
ESG Implementation

Unveiled our first Supplier Responsibility Report, the first ever among Taiwan corporates



Officially joined RE100

Published third-party ESG audit results, confirming no significant deficits found in the areas examined including labor

Recap of Recent Major Events | ESG Activities

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Ohio

Donation drive in partnership with MLB baseball team in Ohio

Texas

Mother's Day Celebration

Wisconsin

Sponsor "More Than Pink Walk" for breast cancer prevention

"Adopt-A-Highway" program

Vietnam

"Green Recycle Station" event

Czech

Street Food Festivals

Taiwan

Ocean Restoration

The 2024 Hon Hai Technology Award

Recap of Recent Major Events | ESG Recognition

Awarded “Asia's Best Employer” by HR Magazine again

Foxconn Czech Republic named “Employer of the Region 2024” for the 10th time and securing “Canteen of the Year 2024” for the 3rd consecutive year

Czech Republic Pardubice plant achieved platinum “Zero Waste to Landfill” UL2799 certification

Recap of Recent Major Events | Awards and Shareholders' Meetings

Chairman Young Liu awarded 2024 HBR Taiwan Top 100 Best-Performing Business Leaders

2024 Hon Hai AGM approved NT$5.4 dividend per share with total cash dividend of NT$74.8 billion


HHTD24
Accelerating imagination

Q&A

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धन्यवाद

谢 谢

Muchas Gracias

Thank you

謝 謝

Obrigado

Cảm ơn