

Q3 FY21

Hon Hai Precision Industry Co., Ltd. **2021 Third Quarter Financial Results**

November 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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3Q21 Financial Results

2021 Q3 Financial Statements

1.

Consolidated Statements of Income

(NTD in millions)	Q3/21	Q2/21	QoQ	Q3/20	YoY
Revenues	1,405,768	1,351,467	4%	1,291,541	9%
Gross Profit	88,586	81,542	9%	80,099	11%
Operating Income	36,193	32,477	11%	32,378	12%
Total Non-Op. Income and Expenses	11,753	11,752	-	10,547	11%
Income Before Tax	47,946	44,229	8%	42,925	12%
Income Tax Expense	(8,541)	(12,009)	-29%	(8,683)	-2%
Profit (Loss) Attributable to Owner of the Parent	36,984	29,780	24%	30,855	20%
Earnings Per Share (NTD)	2.67	2.15	24%	2.23	20%
Gross Profit Margin	6.30%	6.03%	27 bps	6.20%	10 bps
Operating Profit Margin	2.57%	2.40%	17 bps	2.51%	7 bps
Net Profit Margin	2.63%	2.20%	43 bps	2.39%	24 bps

2021 Q3 Financial Statements

2.

Consolidated Balance Sheets

(NTD in millions)	2021.9.30	2021.6.30	QoQ	2020.9.30	YoY
Cash and Cash Equivalent	1,073,658	1,112,649	-4%	1,018,519	5%
Net Accounts Receivable	927,867	817,835	13%	717,043	29%
Inventory	658,643	531,220	24%	707,992	-7%
Investments Accounted for Using the Equity Method	176,681	170,862	3%	164,429	7%
Property, Plant and Equipment	295,471	287,898	3%	278,139	6%
Total Assets	3,648,706	3,417,262	7%	3,344,099	9%
Accounts Payable	879,592	758,856	16%	885,673	-1%
Bonds payable	232,115	201,899	15%	158,034	47%
Total Liabilities	2,135,551	1,936,356	10%	1,972,383	8%
Total Equity	1,513,155	1,480,906	2%	1,371,716	10%
Net Cash	235,479	373,879	-37%	338,298	-30%
AR Turnover Days	56	54	2	52	4
Inventory Turnover Days	42	43	-1	47	-5
AP Turnover Days	56	55	1	58	-2
Cash Conversion Cycle	42	41	1	41	1
Debt Ratio	59%	57%	2%	59%	-

2021 Q3 Financial Statements

3. Consolidated Statements of Cash Flow

(NTD in millions)	2021.1.1~2021.9.30	2020.1.1~2020.9.30
Net Cash Flows from (Used in) Operating Activities	(129,284)	214,932
Net Cash Flows from (Used in) Investing Activities	(60,555)	9,431
Net Cash Flows from (Used in) Financing Activities	44,070	(47,087)
Capital Expenditures	(57,423)	(49,004)
Free Cash Flow (FCF) ¹	(186,707)	165,929

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

3Q21 Performance Review

3Q21



Smart
Consumer
Electronics

50%



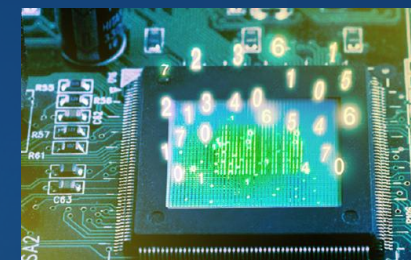
Cloud and
Networking
Products

23%



Computing
Products

21%



Components
and Others

6%

QoQ



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual

YoY



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual

4Q21 Business Outlook

4Q21 Business Outlook



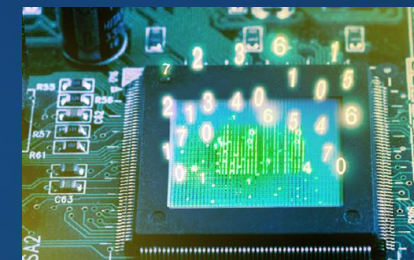
Smart Consumer
Electronics



Cloud and
Networking
Products



Computing
Products



Components
and Others

QoQ



YoY



2022 Business Outlook

2022 Business Outlook



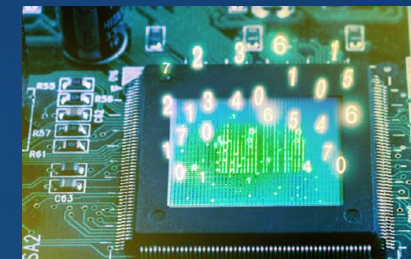
Smart Consumer
Electronics



Cloud and
Networking
Products



Computing
Products



Components
and Others

Epidemic

Inflation

Geopolitics and
Economics

2022 EV Outlook

Partners Progress

1H22

Taiwan

E Bus start to sale



2H22

US

Start production of
Endurance pickup truck



LORDSTOWN

1H22

China

Start production of battery
pack & swap system

gogoro

2H22

Thailand

Start factory construction



1H22

Mexico

Start production of
automotive electronics



2H22

Middle East

Launch EV project



Recap of Recent Major Events

2021 Hon Hai Tech Day

HHTD21 Highlights

EV Exhibition Area

MODEL C



HHTD21 Highlights

EV Exhibition Area

MODEL C



HHTD21 Highlights



EV Exhibition Area

MODEL E

HHTD21 Highlights

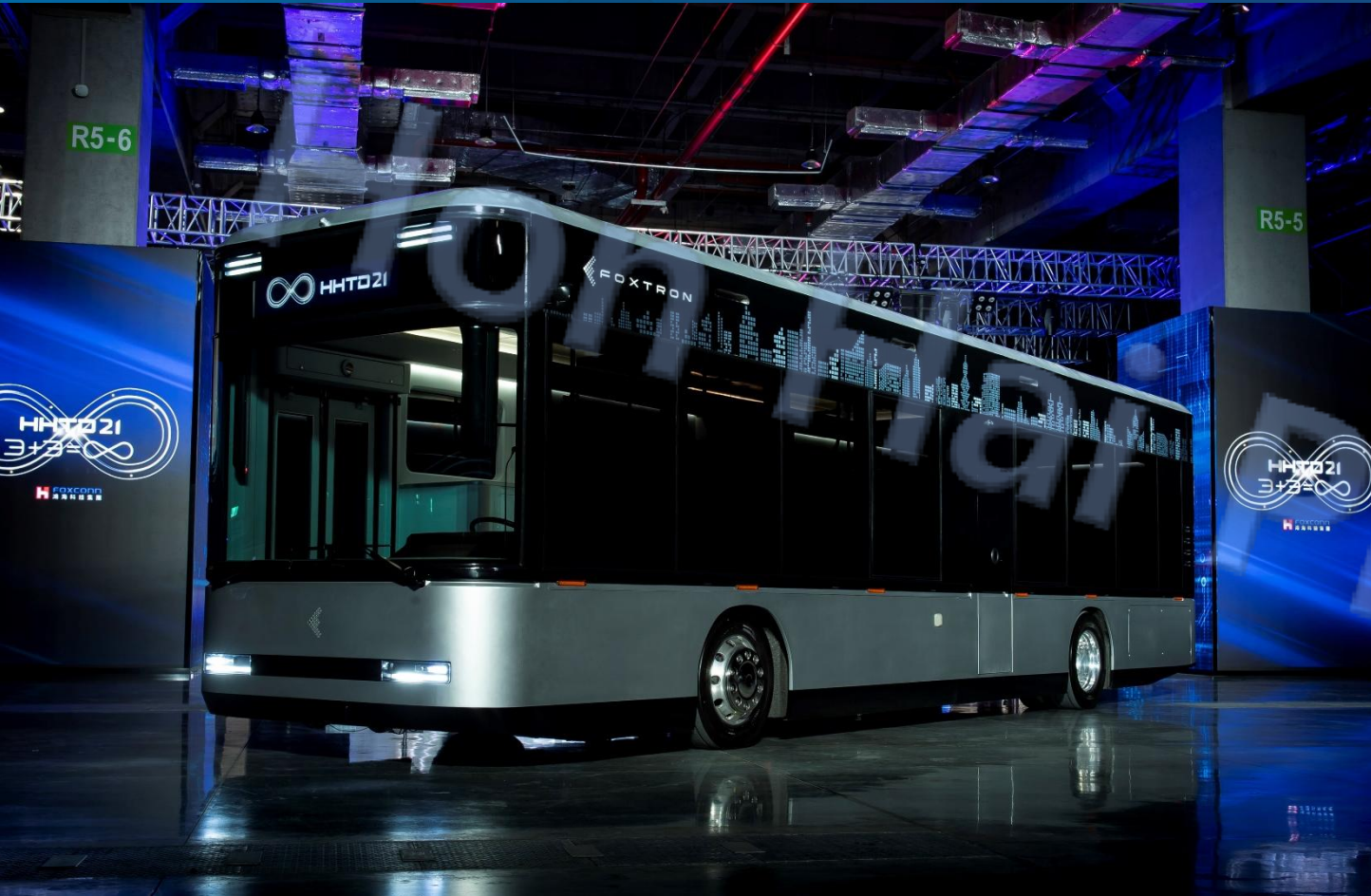


EV Exhibition Area

MODEL E



HHTD21 Highlights



E-Bus Experience

MODEL T



LiDAR展區



Technology Showroom

Lidar

Smallest Size

Size reduced by 74%

Competitive Price

Cost reduced by 23%

Superior reliability

No moving part

Technology Showroom

Battery

LFP Lithium-ion Battery



Energy Density
195Wh/Kg (2021)

1C/1C Cycle Life
>2000 cycles (80% SOC)

Safety
Introducing chemical protection layer (CPL) technology



Solid State Battery

High Energy Density
Weight energy density more than 300 Wh/kg

Wide Operating Temperature
Capacity retention rate stays above 75% under minus 30 degrees Celsius

HHTD21 Highlights

Technology Showroom

Motor

The e-bike Hub Motor Quick Disassembly Characteristics

The power-weight ratio reaches 155W/kg, 25% better than the industry level.

Electric Commercial Vehicle 2-in-1 powertrain

The power-weight ratio reaches 1.2 kW/kg, 20% better than the industry.



Software-Defined Enterprise

A man in a light-colored suit and glasses is standing on a stage, gesturing with his right hand. Behind him is a large screen displaying the title 'Software-Defined Enterprise' in large white letters. The screen also shows various technical diagrams, including a car's speedometer and a circuit board. The stage is lit with blue spotlights, and the audience is visible in the foreground.

EV Software Development Forum

Focus Areas

1. Smart Gateway
2. Smart Driving
3. Smart Cabin

HHTD21 Metaverse: Virtual Immersion Showroom Experience

1. Hon Hai Tech Day (HHTD) will be showcasing on the GOXR Platform until 10th January 2022.
2. Users can experience Hon Hai's 3 newly launched EV Models and EV key components' technology.
3. Users can use the GOXR App to engage and interact with the product itself while attending the exciting keynote speeches and events virtually.

Virtual Tour Schedule

- 1st** : 2021/11/16 Tue 11:00AM - 12:00 PM (Taiwan Time)
- 2nd** : 2021/11/18 Thu 11:00AM - 12:00 PM (Taiwan Time)
- 3rd** : 2021/11/23 Tue 11:00AM - 12:00 PM (Taiwan Time)
- 4th** : 2021/11/25 Thu 11:00AM - 12:00 PM (Taiwan Time)



Event Results:

1. 250 on-site guests.
2. Total livestream views: **67,271**; Livestream peak concurrent viewers **2,633**.
3. Overall satisfaction: **4.58/5**.

Business Opportunities:

1. Received overwhelming feedback from traditional car makers, start-up car companies and world-side governments.
2. More than hundreds international well-known enterprises joined MIH consortium after HHTD.

Recap of Recent Major Events | Engage More EV Clients



2021/08/24

**Establishing a joint venture with
Stellantis to deliver smart
cockpit solutions**



2021/09/14

**Establishing a joint venture with PTT
to integrate electric vehicle
production in Thailand**

Recap of Recent Major Events | EV Supply Chain



2021/09/28

Signing MOU with Giga Solar, Long Time Technology and China Steel Chemical to develop anode materials for LFP batteries



2021/10/01 & 2021/11/11

Announcing and officially signing a purchase agreement to work jointly on Lordstown Motors' EV programs



2021/10/18

HHTD21 Unveiling 3 self-developed EV models

Recap of Recent Major Events | Digital Transformation



2021/09/29

**The 1st Annual Digital Transformation
“Dingge Award”
Awarded the prize of transformation
leader and smart manufacturing**



2021/10/14

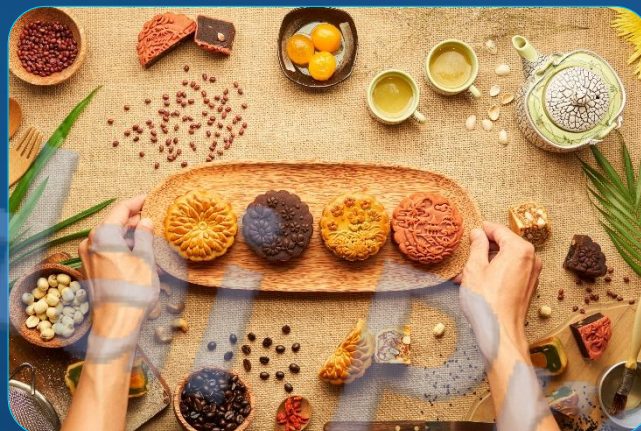
**Kicking off the HH Super Highway
modernization - HonHai Cloud to
accelerate F2.0 digital transformation**

Recap of Recent Major Events | ESG Awards & Initiatives



2021/08/15

Hengyang site awarded
RBA FOC One-Star
Level (Zero Waste To Landfill)



2021/08/20

Mid-Autumn Festival charity
selection event with nearly
10,000 people online
participating



2021/08/23

The Hon Hai Technology Award
inspires young people to engage in
research and to offer internships in
Hon Hai

Recap of Recent Major Events | ESG Initiatives



2021/09/02

As a founding member, Hon Hai joins Taiwan Alliance for Net Zero Emission and respond to international initiatives



2021/09/02

Hon Hai, Yonglin Foundation and other organizations donate 15 million doses of BNT vaccine
The first batch arrived in Taiwan in September



2021/09/25

Foxconn Education Foundation held a Camp to empower the winners. Chairman Young Liu shared entrepreneurship experience with the students

Recap of Recent Major Events | ESG Awards



2021/09/27

**Zhengzhou and Wuhan factories recognized
by WEF as a Lighthouse Factory
Hon Hai has total 4 lighthouse factory
certifications**



2021/10/13

**Receiving three gold awards at
the Taiwan Sustainability Action
Award**

Q&A

Thank You