

Q3 FY23

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

Nov. 14, 2023



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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.
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3Q23 Financial Results

2023 Q3 Financial Statements

1.

Consolidated Statements of Income

(NTD in millions)	Q3/23	Q2/23	QoQ	Q3/22	YoY
Revenues	1,543,164	1,304,548	18%	1,746,605	-12%
Gross Profit	102,753	83,577	23%	107,628	-5%
Operating Income	46,150	30,925	49%	48,549	-5%
Total Non-Op. Income and Expenses	11,067	16,780	-34%	2,647	318%
Income Before Tax	57,217	47,705	20%	51,196	12%
Income Tax Expense	(9,727)	(12,262)	-21%	(9,503)	2%
Profit (Loss) Attributable to Owner of the Parent	43,128	33,001	31%	38,759	11%
Earnings Per Share (NTD)	3.11	2.38	31%	2.80	11%
Gross Profit Margin	6.66%	6.41%	25 bps	6.16%	50 bps
Operating Profit Margin	2.99%	2.37%	62 bps	2.78%	21 bps
Net Profit Margin	2.79%	2.53%	27 bps	2.22%	58 bps

2023 Q3 Financial Statements

2.

Consolidated Balance Sheets

(NTD in millions)	2023.9.30	2023.6.30	QoQ	2022.9.30	YoY
Cash and Cash Equivalent	1,208,030	1,187,733	2%	1,200,622	1%
Net Accounts Receivable	989,059	790,933	25%	1,269,116	-22%
Inventory	772,293	758,845	2%	880,548	-12%
Investments Accounted for Using the Equity Method	200,772	202,478	-1%	238,244	-16%
Property, Plant and Equipment	383,186	363,749	5%	347,309	10%
Total Assets	4,063,389	3,762,581	8%	4,388,909	-7%
Accounts Payable	956,085	774,258	23%	1,208,894	-21%
Bonds payable	238,717	236,890	1%	239,773	0%
Total Liabilities	2,376,251	2,178,281	9%	2,740,034	-13%
Total Equity	1,687,138	1,584,300	6%	1,648,875	2%
Net Cash	304,513	319,481	-5%	138,505	120%
AR Turnover Days	53	52	-	57	-5
Inventory Turnover Days	49	59	-10	46	3
AP Turnover Days	54	54	-	56	-2
Cash Conversion Cycle	48	58	-10	47	-
Debt Ratio	58%	58%	1%	62%	-4%

3.

Consolidated Statements of Cash Flow

(NTD in millions)	2023.1.1~9.30	2022.1.1~9.30
Net Cash Flows from (Used in) Operating Activities	286,153	96,543
Net Cash Flows from (Used in) Investing Activities	(55,113)	(37,357)
Net Cash Flows from (Used in) Financing Activities	(104,528)	60,916
Capital Expenditures	(71,584)	(68,178)
Free Cash Flow (FCF) ¹	214,568	28,365

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

3Q23 Performance Review



QoQ										
	Guidance	Actual	Guidance	Actual	Guidance	Actual	Guidance	Actual	Guidance	Actual
YoY										
	Guidance	Actual	Guidance	Actual	Guidance	Actual	Guidance	Actual	Guidance	Actual

4Q23 & FY23 Business Outlook

4Q23 Business Outlook



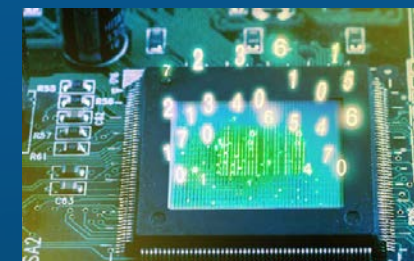
QoQ



YoY



2023 Business Outlook



YoY
2023/8/14



YoY
2023/11/14



Six Key Pillars in 2023

ICT



- Enhance innovation & new business connections
- Maximize EPS

Semiconductors



- Promote global expansion and partnerships
- Strengthen compound semiconductor deployment

Global Footprint



- Optimize capacity build-up
- Explore new markets through BOL

EV



- Expand North American EV layout
- Expand client base

Software



- Build infrastructure for connected cars
- Develop content & applications for AR glasses

ESG



- Performance linkage & refine labor regulations
- Build up green energy investment platform

FY24 Business Outlook

FY24 Business Outlook



**Influencing
Factors** ▶

Monetary Policy

Inflation

**Geopolitics and
Macroeconomics**

2024 Outlook – Three Smart Platforms

A futuristic cityscape with a glowing blue globe in the background, overlaid with binary code and a robotic arm in the foreground.

Smart
City

A person in a suit looking at a laptop screen displaying data charts, with a background of binary code and industrial elements.

Smart
Manufacturing

A futuristic car with glowing blue wheels and a charging cable plugged into its side, set against a background of binary code and a grid floor.

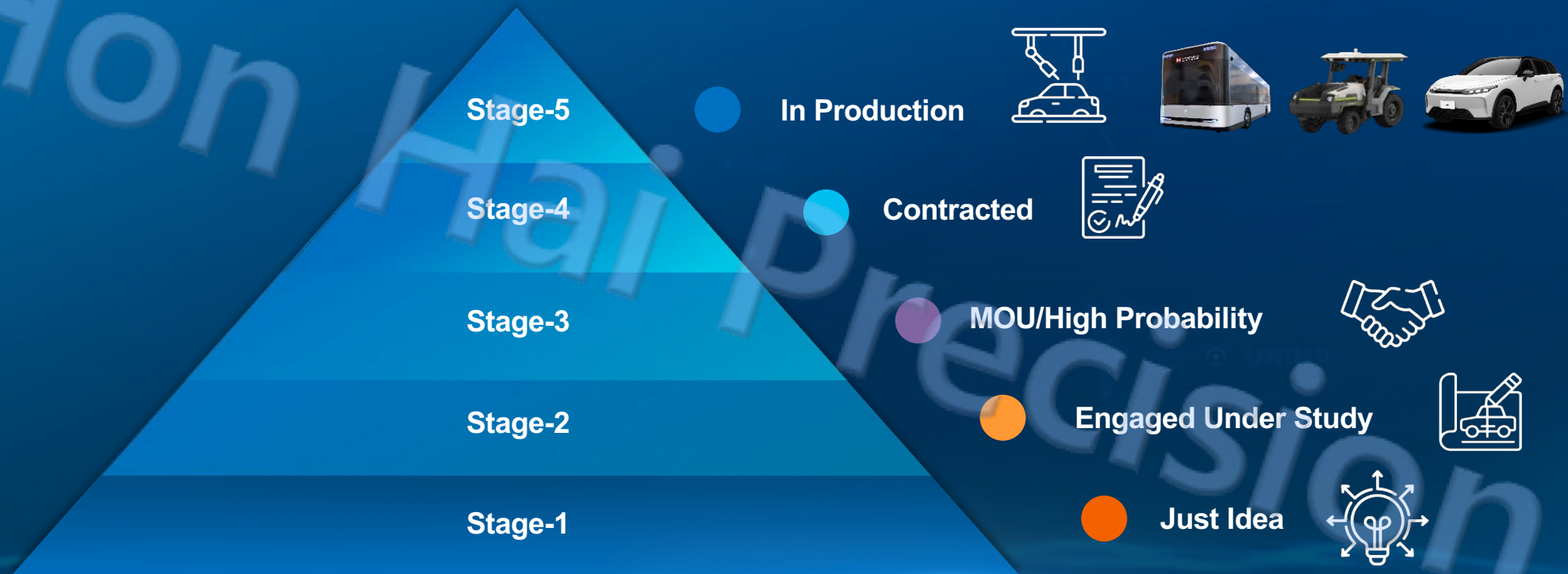
Smart
EVs

Powered by AI Factory

New Business Development

EV Business Progress (Ongoing)

EV Projects



EV Business Progress (Under Negotiation)

EV Projects

51
Total

Stage-5

Stage-4

Stage-3

Stage-2

Stage-1



23
Projects



14
Clients

Above Stage-2

EV Business Development



**EV Mass
Production
in Taiwan**

- Model C registered in Taiwan
- Mass production in Q4, with deliveries starting in January 2024



Foxtron Listing

- Lists on the Innovation Board on Nov. 20
- Offering flexible, customized CDMS business models to expand the global EV customer base



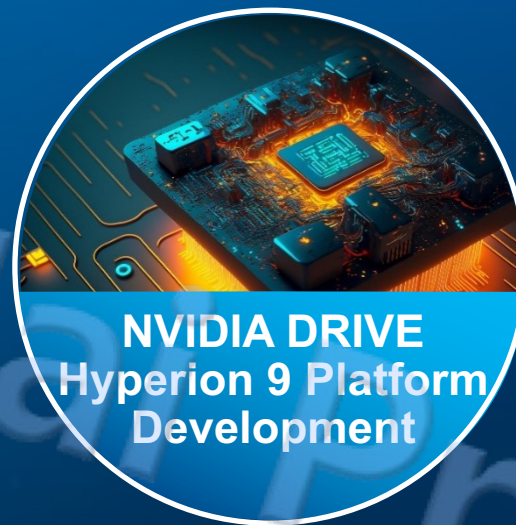
**MIH Unveiled
Project X**

- First three-seater EV incorporating swappable battery system
- Aiming to provide sustainable urban mobility solutions

EV Software Development



- ADAS certified ISO-26262 ASIL D by Germany's DEKRA, the highest recognition for autonomous technology product quality and safety

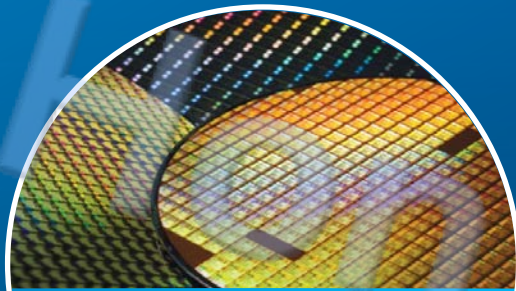


- Integration of advanced sensor architecture for excellent hardware and software integration performance



- Collaboration with cloud service giants to provide more accurate and comprehensive data analysis and collection services

Semiconductor Development



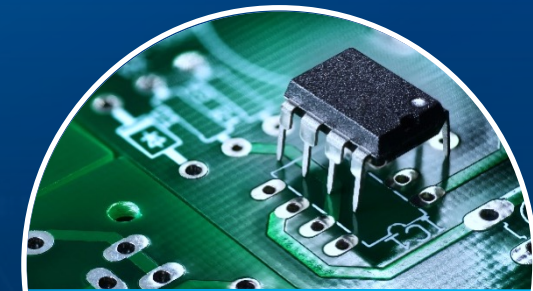
Critical Capacity

- Wafer foundry obtains key certifications (IATF16949, ISO14064)
- DDIC Chip probing product line in mass production



Automotive SOC

- Release of the first self-developed automotive MCU test chip
- Demonstration of a hybrid virtual vehicle simulation platform “SiliconPilot”



Automotive Power /Analog ICs

- Introduction of a full portfolio of 1200V SiC power modules for 800V EV powertrain
- Started SiC power module plant construction
- Awarded ISO26262 certification for EV functional safety IC design

LEO Satellite Development



**Successful Launch
and Orbit Entry**

- **Two self-developed PEARL satellites successfully launched and entered orbit on November 12**



**Developing New
Space Area with
Partners**

- **Collaboration with Microsoft Azure Space, Space Computing Ramon Space, and French satellite manufacturer to explore future cooperation in B5G and new space areas**

Smart City Development

CityGPT

Smart City Alliance: MoU signing with 14 partners



Smart Traffic

- Completion of the Kaohsiung MaaS platform, providing comprehensive one-stop solutions



Smart Port

- Smart Port automation, digitalization, and intelligence



Smart Tourism

- Foxconn responsible for system integration, and using City Glass to build a smart tourism ecosystem with partners



Digital Healthcare

- Build up CoDoctor smart healthcare platform with HW & SW integration, virtual & real, and On-Premise & Cloud & AI combination

2023 Hon Hai Tech Day

HHTD23 Highlights | Record-breaking Scale



HHTD23 Highlights | Expanded Exhibition



HHTD23 Highlights | MODEL N, MODEL B



MODEL N



MODEL B

HHTD23 Highlights | Keynotes and Dialogues



Chairman Opening



NVIDIA CEO Dialogue



CSO Mr. Seki Keynote



ZF CEO Dialogue

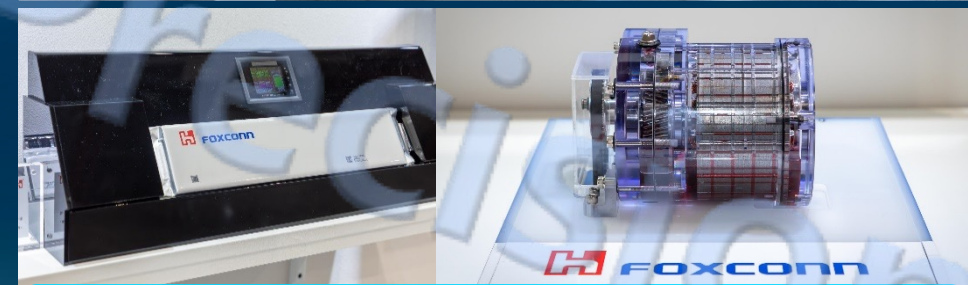


CSO Dr. Chiang Keynote

HHTD23 Highlights | Smart EV Exhibition



Various Classes of EV



EV Components

HHTD23 Highlights | Smart EV Exhibition



EV Charger



Smart Cockpit

HHTD23 Highlights | Smart EV Exhibition



SiC Epitaxial Layer and Wafers



MCU and Packaging

HHTD23 Highlights | Smart Manufacturing Exhibition



AI Server

HHTD23 Highlights | Smart City Exhibition



Smart City



Digital Health

HHTD23 Highlights | HHRI Exhibition



HHRI Achievement

Recap of Recent Major Events

Recap of Recent Major Events | New Business Progress



HHRI NExT Forum
Hosting Power and Opto
Semiconductor Forum



Mobile Drive Launches
“Level 2.9” ADAS

Recap of Recent Major Events | ESG Implementation and Sharing



**Supply Chain
Transformation**



Ocean Restoration

**SLB Qualification
Attained**



**Learn from
Representative
at COP28**



**Keynote at
E. SUN ESG Summit**



**Build up Sustainable
Supply Chain with tech giants**

Recap of Recent Major Events | ESG Practices and Acknowledgments

Global Volunteer and Employee Activities & Awards



Conducting #MeToo Education & training Implementing Gender Equality



Collaboration with Google to Create Taiwan's New Startup Reality Show

First "Summer Internship Program in Office of the Chairman" Graduation

Q&A

Hon Hai Precision

धन्यवाद

谢谢

Muchas Gracias

Thank you

謝謝

Obrigado

Cảm ơn

