

Q4 FY22

Hon Hai Precision Industry Co., Ltd. **2022 Fourth Quarter Financial Results**

Mar 15, 2023



Safe Harbor Notice

- 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 | 4Q22 & FY22 Financial Results
- 2 | FY23 & 1Q23 Business Outlook
- 3 | Six Key Pillars in 2023
- 4 | Recap of Recent Major Events
- 5 | Q&A

4Q22 & FY22 Financial Results

2022 Financial Statements

Consolidated Statements of Income

(NTD in millions)	2022	2021	YoY
Revenues	6,626,997	5,994,174	11%
Gross Profit	400,085	362,127	10%
Operating Income	173,788	148,959	17%
Total Non-Op. Income and Expenses	13,724	44,612	-69%
Income Before Tax	187,511	193,572	-3%
Income Tax Expense	(36,440)	(39,749)	-8%
Profit (Loss) Attributable to Owner of the Parent	141,483	139,320	2%
Earnings Per Share (NTD)	10.21	10.05	2%
Gross Profit Margin	6.04%	6.04%	-
Operating Profit Margin	2.62%	2.49%	14 bps
Net Profit Margin	2.13%	2.32%	-19 bps

2022 Q4 Financial Statements

1.

Consolidated Statements of Income

(NTD in millions)	Q4/22	Q3/22	QoQ	Q4/21	YoY
Revenues	1,963,028	1,746,605	12%	1,889,826	4%
Gross Profit	111,064	107,628	3%	113,866	-2%
Operating Income	44,233	48,549	-9%	52,720	-16%
Total Non-Op. Income and Expenses	8,218	2,647	210%	9,488	-13%
Income Before Tax	52,451	51,196	2%	62,208	-16%
Income Tax Expense	(7,345)	(9,503)	-23%	(10,989)	-33%
Profit (Loss) Attributable to Owner of the Parent	39,979	38,759	3%	44,395	-10%
Earnings Per Share (NTD)	2.88	2.80	3%	3.20	-10%
Gross Profit Margin	5.66%	6.16%	-50 bps	6.03%	-37 bps
Operating Profit Margin	2.25%	2.78%	-53 bps	2.79%	-54 bps
Net Profit Margin	2.04%	2.22%	-18 bps	2.35%	-31 bps

2022 Q4 Financial Statements

2.

Consolidated Balance Sheets

(NTD in millions)	2022.12.31	2022.9.30	QoQ	2021.12.31	YoY
Cash and Cash Equivalent	1,062,326	1,200,622	-12%	1,059,417	0%
Net Accounts Receivable	1,098,690	1,269,116	-13%	1,161,219	-5%
Inventory	939,022	880,548	7%	672,145	40%
Investments Accounted for Using the Equity Method	239,489	238,244	1%	194,594	23%
Property, Plant and Equipment	362,405	347,309	4%	310,107	17%
Total Assets	4,133,974	4,388,909	-6%	3,908,878	6%
Accounts Payable	1,068,941	1,208,894	-12%	1,076,178	-1%
Bonds payable	245,283	239,773	2%	226,259	8%
Total Liabilities	2,483,443	2,740,034	-9%	2,335,618	6%
Total Equity	1,650,531	1,648,875	0%	1,573,260	5%
Net Cash	138,553	138,505	0%	237,431	-42%
AR Turnover Days	55	57	-3	50	5
Inventory Turnover Days	45	46	-	35	11
AP Turnover Days	55	56	-	50	6
Cash Conversion Cycle	45	47	-3	35	10
Debt Ratio	60%	62%	-2%	60%	-

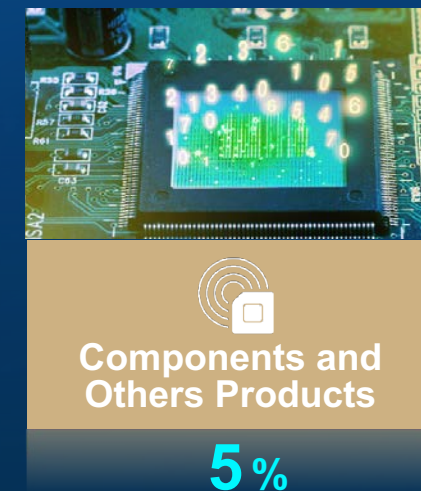
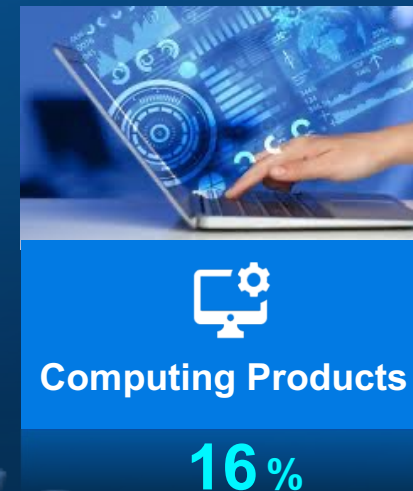
2022 Q4 Financial Statements

3. Consolidated Statements of Cash Flow

(NTD in millions)	2022.1.1~2022.12.31	2021.1.1~2021.12.31
Net Cash Flows from (Used in) Operating Activities	109,708	(98,212)
Net Cash Flows from (Used in) Investing Activities	(45,440)	(92,083)
Net Cash Flows from (Used in) Financing Activities	(87,872)	24,281
Capital Expenditures	(97,935)	(92,296)
Free Cash Flow (FCF) ¹	11,773	(190,508)

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

4Q22 Performance Review



QoQ



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual

YoY



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual



Guidance



Actual

2022 Performance Review



Guidance
YoY

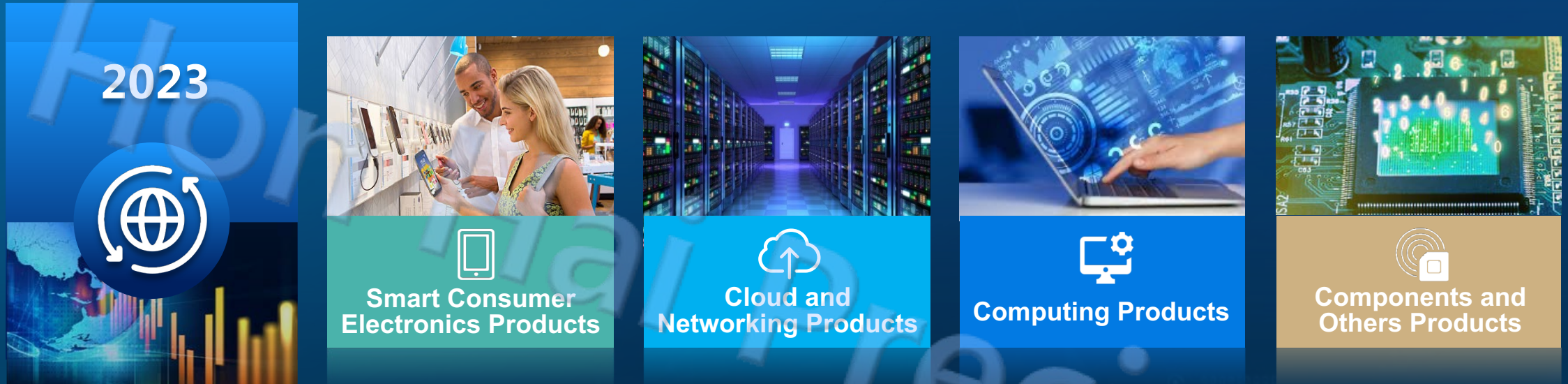


Actual
YoY



FY23 & 1Q23 Business Outlook

2023 Business Outlook



YoY



1Q23 Business Outlook



QoQ



YoY



Six Key Pillars in 2023

Six Key Pillars in 2023

ICT



- Enhance innovation & new business connections
- Maximize EPS

Semi



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

ESG



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

Recap of Recent Major Events

Recap of Recent Major Events | New Business Progress



Thailand
2022/11/12

Held stone-laying ceremony for EV manufacturing facility in Thailand
Initial capacity will be 50K EV per year and gradually ramp up to 150K EV per year by 2030



Indonesia
2022/11/14

Chairman delivered a keynote at B20, expressing the idea of Share, Collaborate and Thrive



Zhengzhou, China
2023/02/23

Chairman inspected Zhengzhou campus and met representatives of Henan province government for ICT and new business



India
2023/02/28

Chairman met Prime Minister Narendra Modi for expanding local operation

Recap of Recent Major Events | New Business Progress



Sonatus raises \$75 million round to
accelerate vehicle software innovation

2022/12/07

Acted as the leading investor
in Sonatus to accelerate vehicle
software innovation



2023/02/22

In support of Google “Project
Hatcher”, shared experiences in
venture capital and patent results



2022/12/01

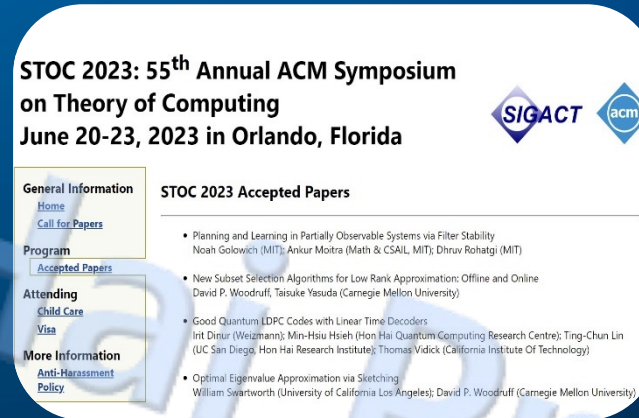
Established “Harmony in Medical
and Technology, HiMEDt”,
important milestone for Hon Hai
digital health business

Recap of Recent Major Events | Hon Hai Research Institute



2022/12/12

NExT Forum - Quantum Computing,
topics included quantum
communication theory, quantum
hardware implementation, quantum
key distribution, and post-quantum
cryptography.



2023/02/17

**Research Achievements from
Quantum Computing Research
Center were adopted by STOC,
QIP Conference**



2023/03/03

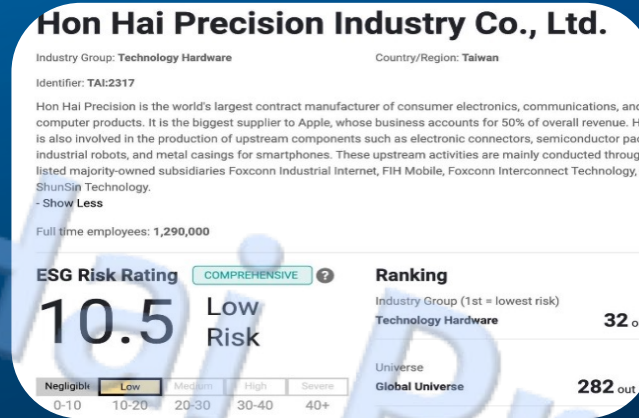
**NExT Forum, topic: Multi-Modal
Foundation Model**
Addressing the opportunities and
challenges brought by ChatGPT

Recap of Recent Major Events | Awards



2022/12/14

**Awarded in 2022 MAPECT
Taiwan M&A Awards**



2023/02/10

**Maintained low risk at 10.5 in
《Sustainalytics》 annual ESG rating**



2023/02/16

**Only private sector company in
Taiwan to be selected as Clarivate
Top 100 Global Innovators for 6
consecutive years**

Recap of Recent Major Events | ESG Implementation



2022/11/21

Chief Audit Executive delivered speech in 2022 ACIIA Conference, sharing how ESG impacts auditing



2022/11/25

Chief Environment Officer delivered speech in Strait Urban Summit Forum sharing our achievement in Zero Waste to Landfill



2023/03/09

Signed MOU with CDIB Capital Group to create a green energy venture, with an aim to help supply chain partners gain better access to clean energy

Recap of Recent Major Events | ESG Implementation



Indonesia
2022/12/02

Donated tents and sleeping bags to Indonesia to help with relief efforts after earthquake



Taiwan
2022/12/30

2022 Hon Hai Scholarship donated NTD\$55M to help more than 2K students



Vietnam
2023/01/28

Donated to Toong village, Thanh Binh commune, Sapa district, Lao cai province, Vietnam during Lunar New Year



USA
2023/02/28

Donated 14K bottles of water to support local residents in Mahoning Valley in train derailment recovery efforts

Thank you

