Q4 FY23

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

Mar. 14, 2024

EV DH Robot + AI Semi B5G

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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.
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2023 Financial Statements

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HON HAI TECHNOLOGY GROUP

Consolidated Statements of Income

(NTD in millions)	2023	2022	YoY
Revenues	6,162,221	6,626,997	-7%
Gross Profit	387,947	400,085	-3%
Operating Income	166,528	173,788	-4%
Total Non-Op. Income and Expenses	25,696	13,724	87%
Income Before Tax	192,224	187,511	3%
Income Tax Expense	(37,435)	(36,440)	3%
Profit (Loss) Attributable to Owner of the Parent	142,098	141,483	0%
Earnings Per Share (NTD)	10.25	10.21	0%

Gross Profit Margin	6.30%	6.04%	26 bps
Operating Profit Margin	2.70%	2.62%	8 bps
Net Profit Margin	2.31%	2.13%	17 bps

2023 Q4 Financial Statements

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1. Consolidated Statements of Income

(NTD in millions)	Q4/23	Q3/23	QoQ	Q4/22	YoY
Revenues	1,852,072	1,543,164	20%	1,963,028	-6%
Gross Profit	113,282	102,753	10%	111,064	2%
Operating Income	48,930	46,150	6%	44,233	11%
Total Non-Op. Income and Expenses	17,968	11,067	62%	8,218	119%
Income Before Tax	66,898	57,217	17%	52,451	28%
Income Tax Expense	(8,641)	(9,727)	-11%	(7,345)	18%
Profit (Loss) Attributable to Owner of the Parent	53,145	43,128	23%	39,979	33%
Earnings Per Share (NTD)	3.83	3.11	23%	2.88	33%
Gross Profit Margin	6.12%	6.66%	-54 bps	5.66%	46 bps
Operating Profit Margin	2.64%	2.99%	-35 bps	2.25%	39 bps
Net Profit Margin	2.87%	2.79%	7 bps	2.04%	83 bps

2023 Q4 Financial Statements

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2. Consolidated Balance Sheets

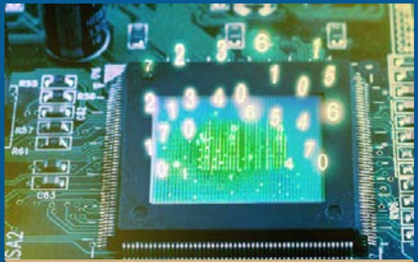
(NTD in millions)	2023.12.31	2023.9.30	QoQ	2022.12.31	YoY
Cash and Cash Equivalent	1,197,663	1,208,030	-1%	1,062,326	13%
Net Accounts Receivable	872,270	989,059	-12%	1,098,690	-21%
Inventory	730,765	772,293	-5%	939,022	-22%
Investments Accounted for Using the Equity Method	198,480	200,772	-1%	239,489	-17%
Property, Plant and Equipment	393,967	383,186	3%	362,405	9%
Total Assets	3,939,789	4,063,389	-3%	4,133,974	-5%
Accounts Payable	893,119	956,085	-7%	1,068,941	-16%
Bonds payable	230,519	238,717	-3%	245,283	-6%
Total Liabilities	2,253,545	2,376,251	-5%	2,483,443	-9%
Total Equity	1,686,244	1,687,138	-0%	1,650,531	2%
Net Cash	424,870	304,513	40%	138,553	207%
AR Turnover Days	46	53	-7	55	-9
Inventory Turnover Days	40	49	-9	45	-5
AP Turnover Days	48	54	-6	55	-7
Cash Conversion Cycle	38	48	-10	45	-7
Debt Ratio	57%	58%	-1%	60%	-3%

3. Consolidated Statements of Cash Flow

(NTD in millions)	2023.1.1~12.31	2022.1.1~12.31
Net Cash Flows from (Used in) Operating Activities	445,553	109,708
Net Cash Flows from (Used in) Investing Activities	(137,874)	(45,440)
Net Cash Flows from (Used in) Financing Activities	(160,638)	(87,872)
Capital Expenditures	(111,745)	(97,935)
Free Cash Flow (FCF) [1]	333,808	11,773

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

4Q23 Performance Review



	4Q23		Smart Consumer Electronics Products		Cloud and Networking Products		Computing Products		Components and Others Products	
			58%		20%		16%		6%	
	Guidance	Actual	Guidance	Actual	Guidance	Actual	Guidance	Actual	Guidance	Actual
QoQ	↗	↑	↑	↑	→	↗	→	→	↑	↑
YoY	↘	↘	↘	→	↓	↘	↓	↘	↗	↑

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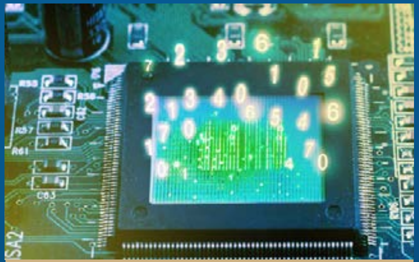
2023 Performance Review



	2023	Smart Consumer Electronics Products	Cloud and Networking Products	Computing Products	Components and Others Products
		54 %	22 %	18 %	6 %
Guidance YoY	↘	↘	↘	↘	→
Actual YoY	↘	↘	↘	↘	→

FY24 & 1Q24 Business Outlook

2024 Business Outlook

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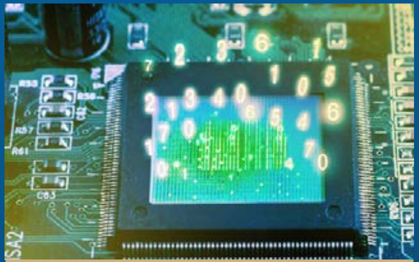
Smart Consumer Electronics Products

Cloud and Networking Products

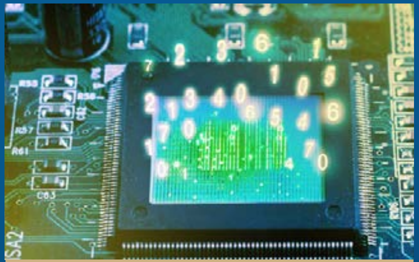
Computing Products



Components and Others Products

	2024	Smart Consumer Electronics Products	Cloud and Networking Products	Computing Products	Components and Others Products
YoY	↗	→	↑	→	↑

1Q24 Business Outlook



	Smart Consumer Electronics Products	Cloud and Networking Products	Computing Products	Components and Others Products
QoQ	↓	→	↓	↓
YoY	↓	↑	→	↗

Key Pillars in 2024

Key Pillars in 2024-Platform Solution Provider

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Three Smart Platforms

Smart City

Smart Manufacturing

Smart EVs

Module

Assembly

Key Components

Powered by AI Factory

IC & Software

EV Business Development

Model C

E-Bus

Battery Factory in Kaohsiung HeFa

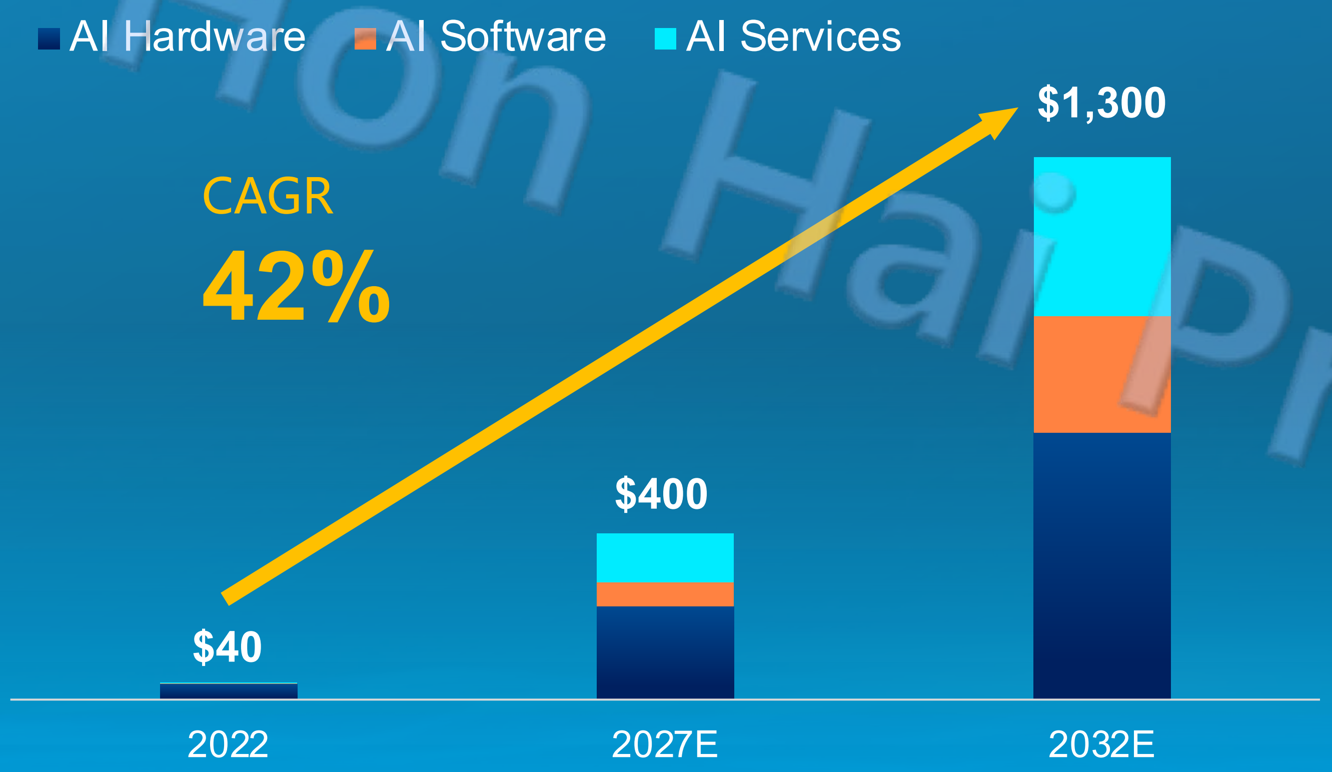
- Orders have reached 9,000 units
- Delivery of vehicles to customers began in 2024 Q1

- Construction of Kaohsiung QiaoTou E-bus factory will start in Q2

- Hefa factory construction is in progress
- Q4 battery cell to enter mass production

AI Server Growth Potential

AI market opportunity (US$ bn)



Source: Bloomberg Intelligence, IDC

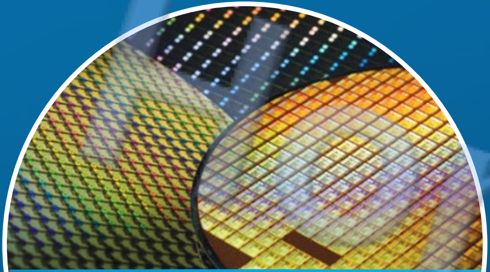
Hon Hai FY2023 Server Revenue

≒ 30% from AI server
> 100% YoY growth in modules

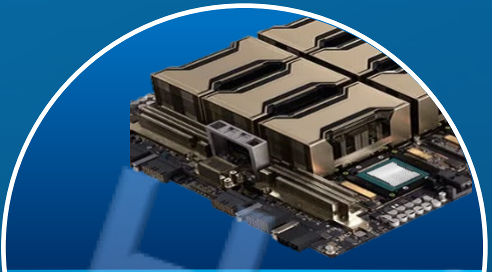
AI Server Key Advantages

- R&D Capability
- Digital Manufacturing Architecture
- Vertical Integration
- Customer Partnership
- Global Footprint

Comprehensive AI Product Solutions



AI Key Components



AI Key Modules & Boards

AI Server/ Rack

AI Data Centers

Key Components

Modules

System Assembly

Platform

Key Tech of AI Data Centers

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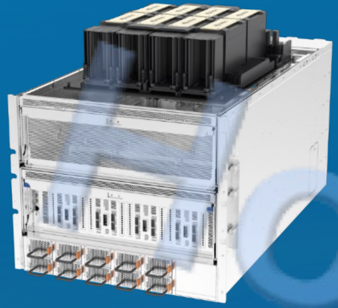
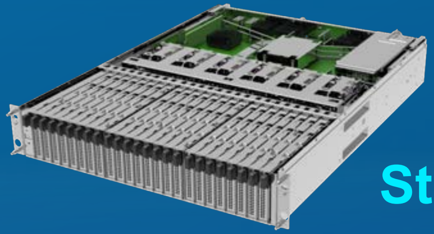


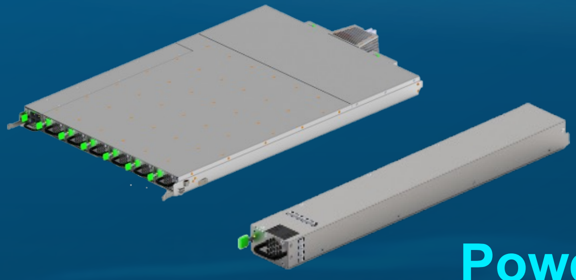
High-Performance Computing Servers



Storage

Switches

It is more than GPU



Power Supply Solutions

Advanced Cooling Technologies

Key Tech - Core Advantages of Liquid Cooling

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- Better computing performance
- Space optimization
- Better PUE performance
- Reduce operating costs
- Quieter operation

Key Tech-AI data center liquid cooling technology

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Air Cooling

1.2kW
Power Density
Per System/ per U

34kW
Power Density
Per Rack

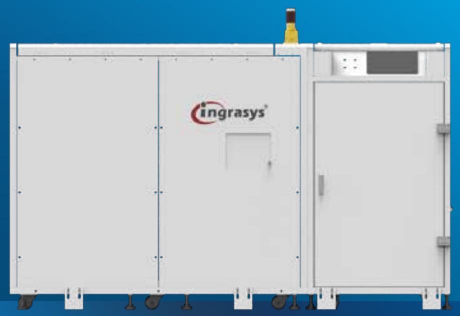
1.58
PUE

Liquid Cooling

3.4kW
Power Density
Per System/ per U

76-144kW
Power Density
Per Rack

1.1-1.4
PUE



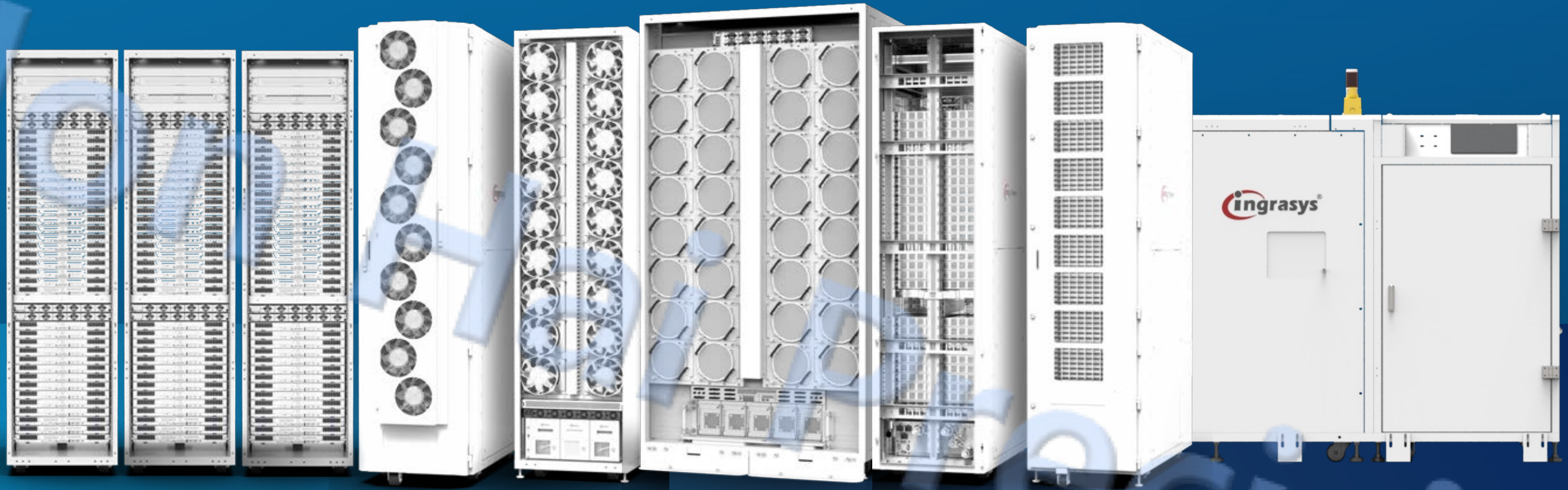
Immersion Cooling

3.4kW
Power Density
Per System/ per U

>120kW
Power Density
Per Rack

1.06
PUE

Key Tech-AI data center liquid cooling technology



Support New Generation AI Data Centers

In-house IC design – Automotive application focus

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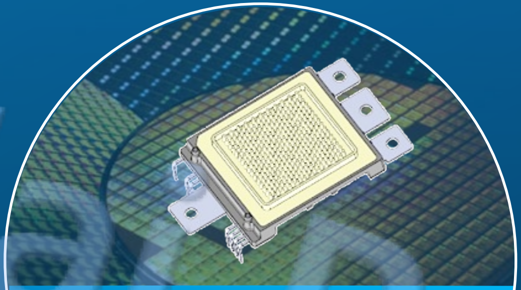
Focus on three major automotive subsystems/applications

ADAS
Driving Assistance

- ADAS SoC automotive system chip
- CIS image sensor chip



E-Mobility Powertrain system

- SiC Module silicon carbide power module
- SiC/Si chips for on-board charging, DCDC converter, and charging pile

Automotive Platform

- MCU automotive microprocessor chip
- SoC automotive system chip
- Automotive power/analog chips

LEO Satellite - Industrialization Focus

Satellite Payload

Ground Equipment

- Expected to secure global orders worth billions of dollars for space key components
- Obtained ground equipment from major international satellite operators and end-user orders

Recap of Recent Major Events

Recap of Recent Major Events | New Business

2023/11/20

Foxtron Listed on the Taiwan Innovation Board

2023/12/06

Kaohsiung Software R&D Center Officially Launched

Recap of Recent Major Events | New Business

2023/12/14

Unveiled Joint Laboratory with NXP. Strategic Cooperation Enters New Milestone

2023/12/21

Ingrasys Certified as the World's First AI Server Lighthouse Factory

2023/12/22

PowerX Semiconductor Obtains ISO26262 Certification, Supplying the Automotive Electronic Safety System

Recap of Recent Major Events | Awards

2023/12/08

Received 2 Awards from IR Magazine, Recognized for 3 Consecutive Years

2024/01/12

HHRI

2 Quantum Computing Research Achievements Accepted by Top Conferences

Recap of Recent Major Events | Awards

2024/01/26

Chairman Liu Honored with Padma Award from the Indian Government

2024/03/06

Named Top 100 Global Innovators by Clarivate, the Only Taiwanese Enterprise Selected for 7 Consecutive Years

Recap of Recent Major Events | ESG Implementation

2023/11/23

First Listed Sustainability-Linked Bond in the Tech Industry in Taiwan

2023/12/22

One of the First Enterprises in Taiwan Participating International Carbon Trading

2024/03/13

Signed an Investment Agreement with Albamen Capital to Jointly Set Up Green Fund

Recap of Recent Major Events | ESG Implementation

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2023/11/18

Reality Show "Project Hatcher" Officially Launched with Investment from Hon Hai

2023/12/15

Co-organizing Forum with TIRI on "Key Communication for Enterprises Facing Sustainable Investment"

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2023/11/28

Hon Hai Education Foundation Announced Winners of the "HH Technology Award"

2024/03/01

Finalists of First Hon Hai Sustainable Award Announced

Recap of Recent Major Events | ESG Implementation

2023/12 - 2024/01

Celebrations and Diverse Recognition of Charity Events by Global Campuses

2024/02/04

Nearly 30,000 Employees and Their Families Participated in Annual Company Carnival

Recap of Recent Major Events | 50th Anniversary

2024/02/20

50th Anniversary Gala Dinner Held Grandly With 500 Guests from Home and Abroad Celebrating Together

2024/2/22-25

Collaborate with TLPGA on the Taiwan LPGA Tour's Most Prestigious Event Ever

Q&A

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Thank you

धन्यवाद

谢 谢

Muchas Gracias

謝 謝

Cảm ơn

Obrigado

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50th Anniversary