

Q2 FY20

Hon Hai Precision Industry Co., Ltd.  
**2020 Second Quarter Financial Results**

Aug 12, 2020

# 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 statements, whether as a result of new information, future events, or otherwise.

# Table of Contents

- 1 | 2Q20 Financial Results and 3Q20 Business Outlook**
- 2 | Near-Term Business Drivers**
- 3 | Recap of Recent Major Statements**
- 4 | 2020 Hon Hai Tech Day**
- 5 | Q&A**

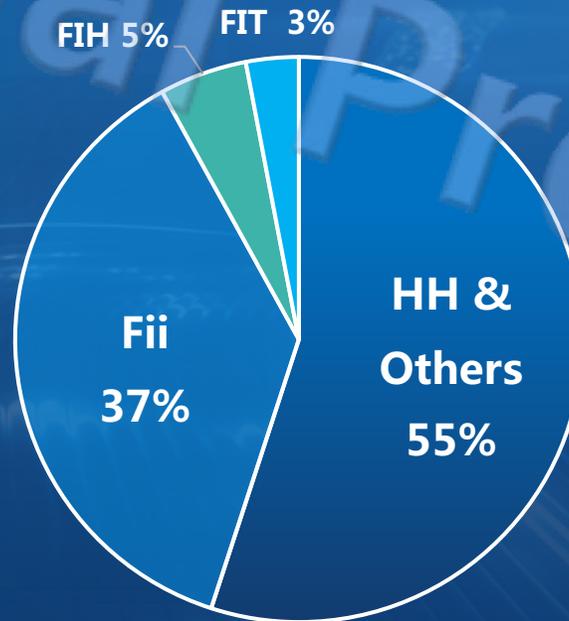
# 2Q20 Financial Results and 3Q20 Business Outlook

# 2020 Q2 Financial Results Break-down

- Ownership percentage of each subsidiary



- Revenue ( 2020 Q2 )



## 1. Consolidated Statements of Income

( NTD in millions )	Q2/20	Q1/20	QoQ	Q2/19	YoY
Revenues	1,128,337	929,133	21%	1,159,784	-3%
Gross Profit	66,631	41,814	59%	61,606	8%
Operating Income	22,469	4,525	397%	15,549	45%
Total Non-Op. Income and Expenses	12,399	1,373	803%	13,004	-5%
Income Before Tax	34,868	5,898	491%	28,553	22%
Income Tax Expense	(9,470)	(3,748)	153%	(10,524)	-10%
CNIS	22,880	2,084	998%	17,054	34%
Gross Profit Margin	5.91%	4.50%		5.31%	
Operating Profit Margin	1.99%	0.49%		1.34%	
Net Profit Margin	2.03%	0.22%		1.47%	
Earnings Per Share (NTD )	1.65	0.15		1.23	

# 2020 Q2 Financial Statements

## 2. Consolidated Balance Sheet

(NTD in millions )	2020.6.30	2020.3.31	QoQ	2019.6.30	YoY
Cash, Cash Equivalent	953,161	931,434	2%	816,868	17%
Net Account Receivable	755,017	651,191	16%	762,469	-1%
Inventory	504,872	532,241	-5%	571,194	-12%
Investments Accounted for Using the Equity Method	158,703	161,601	-2%	166,842	-5%
Property, Plant and Equipment	269,883	277,457	-3%	281,459	-4%
Total Assets	3,083,894	3,022,676	2%	3,114,599	-1%
Accounts Payable	668,734	666,623	0%	702,697	-5%
Bonds Payable	178,431	181,739	-2%	197,885	-10%
Total Liabilities	1,758,174	1,652,554	6%	1,764,240	0%
Total Equity	1,325,721	1,370,122	-3%	1,350,358	-2%
Net Cash	286,967	342,751	-16%	240,485	19%
AR Turnover Days	57	82		57	
Days Sales of Inventory	46	56		49	
AP Turnover days	57	80		55	
Cash Cycle	46	58		51	
Debt Asset Ratio	57%	55%		57%	

# 2020 Q2 Financial Statements

3.

## Consolidated Statement of Cash Flow

(NTD in millions )	2020.1.1~6.30	2019.1.1~6.30
Cash Provided by (Used in) Operating Activities	95,297	131,782
Cash Provided by (Used in) Investing Activities	18,870	(9,738)
Cash Provided by (Used in) Financing Activities	(1,609)	(114,629)
Capital Expenditures	(32,119)	(38,390)
Free Cash Flow (FCF) <sup>1</sup>	63,178	93,392

<sup>1</sup> Free Cash Flow = Cash provided by (used in) operating activities–Capital Expenses

## Fii Systems



### 2020 Q2

- Revenue NTD\$ 412.1 Bn, YoY 7%
- Profit NTD\$ 13.5 Bn , YoY 22%

### Q2 Revenue



### Q2 Profit



## FIH Systems



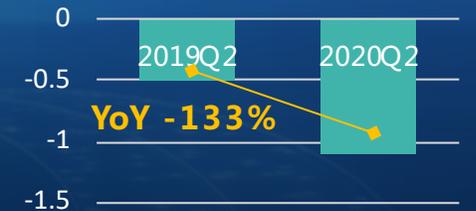
### 2020 Q2

- Revenue NTD\$ 57 Bn, YoY -43%
- Profit NTD\$ -1.1 Bn , YoY -133%

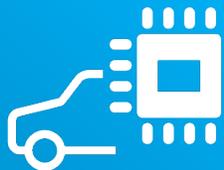
### Q2 Revenue



### Q2 Profit



## FIT Systems



### 2020 Q2

- Revenue NTD\$ 32.8 Bn, YoY 6%
- Profit NTD\$ 0.6 Bn , YoY -65%

### Q2 Revenue

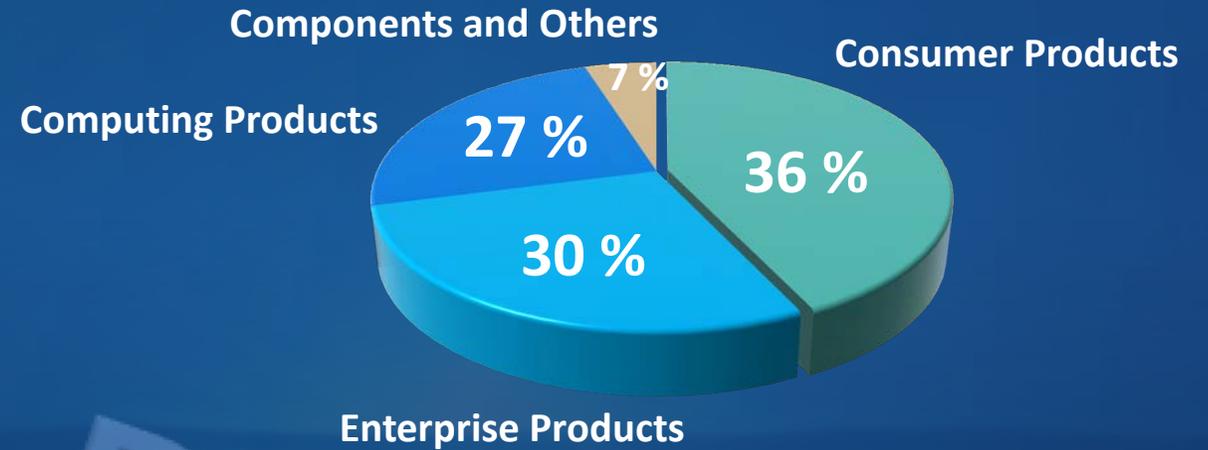


### Q2 Profit



# 2Q20 Performance Review

## 2020 Q2 Unaudited Financial Results Break-Down



	Consumer Products		Enterprise Products		Computing Products		Components and Others	
QoQ	Guidance	Actual	Guidance	Actual	Guidance	Actual	Guidance	Actual
YoY	Guidance	Actual	Guidance	Actual	Guidance	Actual	Guidance	Actual

# 3Q20 Business Outlook



Consumer Products



Enterprise Products



Computing Products



Components and others



QoQ



YoY



# Near-Term Business Drivers

# Hon Hai Near-Term Drivers - Server

Total server revenue was up to NT\$ 1 trillion in 2019

	1Q/18	2Q/18	3Q/18	4Q/18	1Q/19	2Q/19	3Q/19	4Q/19	1Q/20	2Q/20(e)
1	Hon Hai									
2	Peer A									
3	Peer B									
4	Peer C									
5	Peer D									

Source: MIC

# Hon Hai Near-Term Drivers - Component

**Total component revenue was up to NT\$ 1 trillion in 2019**



**Mechanical Parts,  
Thermal Module**

- Smartphone, Notebook, Tablets



**Optical**

- Touch Module, Camera Module, Lattice Projector Module



**Electronics**

- Cable, Connectors, Acoustic



**PCB**

- RPCB, FPCB



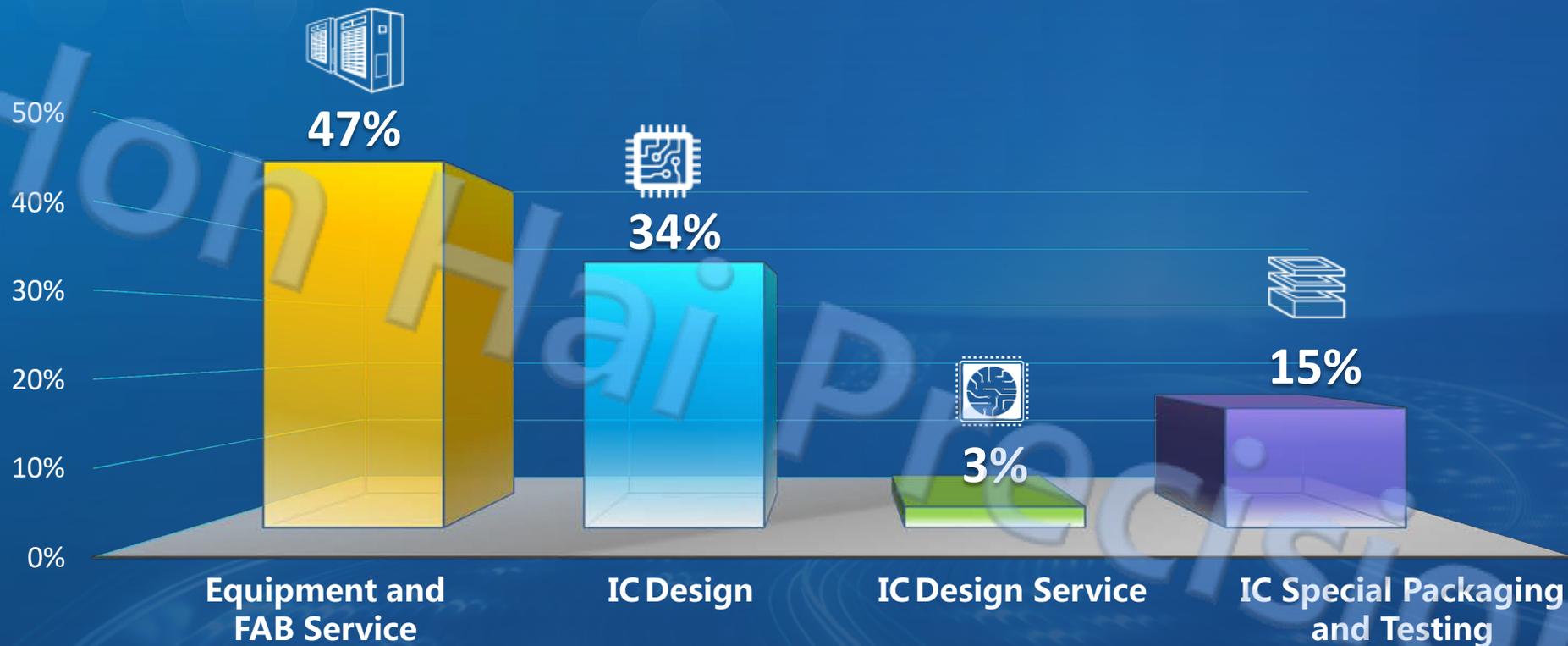
**Semiconductor**

- IC Special Packaging and Testing, Equipment, IC Design

Note: 2019 total revenue of component includes consolidated subsidiaries and invested companies accounted under the equity method.

# Hon Hai Near-Term Drivers - Semiconductor

Total semiconductor revenue was up to NT\$ 70 billion in 2019

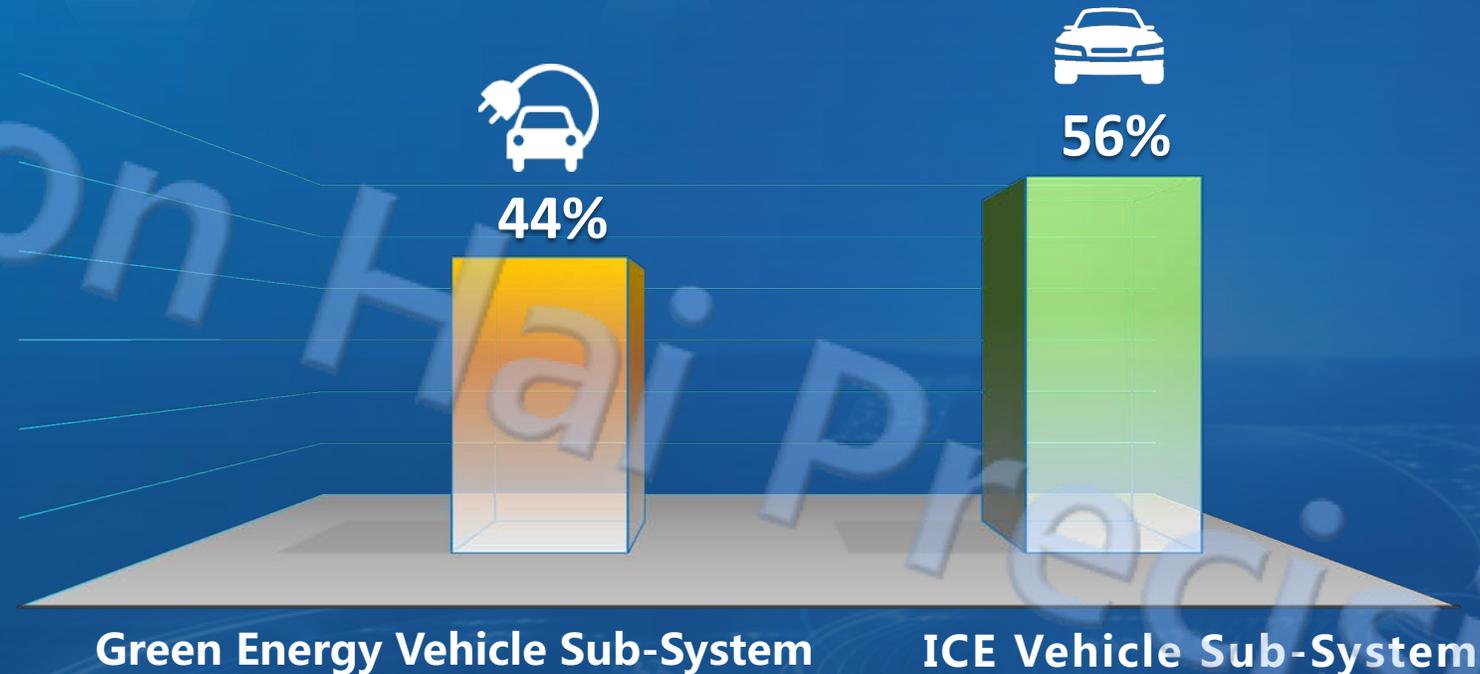


2019 Hon Hai Group's Semiconductor Revenue Segments

Note: 2019 total revenue of semiconductor includes consolidated subsidiaries and invested companies accounted under the equity method.

# Hon Hai Near-Term Drivers - Automotive Component

Total automotive component revenue was up to NT\$ 9.5 billion in 2019



2019 Hon Hai Group's Automotive Components Revenue Segments

Note: 2019 total revenue of automotive component includes consolidated subsidiaries invested companies accounted under the equity method.

## Diversified Product Portfolio

### Automotive Chemical Strengthening Glass



Door Window



Sun Roof



Automotive 3D Glass with Coating

### E-Cockpit Sub-System



Vehicle Interior



Meter Cluster + PCBA + Software



Automotive Connector

### Vehicle Chassis and Frame



EV Battery Pack + Battery Housing



Chassis + Frame + Powertrain Housing



MEMS

### Automotive Harness and Camera



ADAS+ Camera Module



Power Distributor + Harness



Charging Station

Battery Housing, Powertrain System Die Cast Parts, Transmission Housing, Charger, Differential Housing, Car Body Structure, Body Structure Parts

# Recap of Recent Major Statements

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# Recap of Recent Major Statements

- Hon Hai Group formed a joint venture, FAROBOT INC., with ADLINK Technology Inc. on 30th July 2020.
- Hon Hai Group held 2020 Annual General Shareholders' Meeting on June 23, 2020. Following are the critical resolutions:
  1. The 2019 Business Report and the Financial Statements were approved as proposed.
  2. The 2019 Earnings Distribution Plan of the Company was approved as proposed. Cash dividend to shareholders is NT\$ 4.2 per share.
  3. The article of incorporation was amended due to the future developments of green energy vehicles, digital health and robotics.

# 2020 Hon Hai Tech Day

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# Hon Hai Tech Day

## 鴻海科技日

誠摯邀請您來參與

2020/10/16 09:00-12:00

Syntrend 三創生活園區 12F (10058 台北市中正區市民大道三段2號)

# Q & A

# Thank You