

Q1 FY26

Hon Hai Precision Industry Co., Ltd.

# 2026 First Quarter Financial Results

May 14, 2026



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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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# Table of Contents



- 1. 1Q26 Financial Results**
- 2. 2Q26 & FY26 Business Outlook**
- 3. Major Business Development**
- 4. Recap of Recent Major Events**
- 5. Q&A**

# 1Q26 Financial Results

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Hon Hai Precision

# 2026 Q1 Financial Statements



1.

## Consolidated Statements of Income

(NTD in millions)	Q1/26	Q4/25	QoQ	Q1/25	YoY
Revenues	2,119,533	2,606,372	-19%	1,644,316	29%
Gross Profit	130,981	153,327	-15%	100,548	30%
Operating Income	75,649	85,591	-12%	46,500	63%
Total Non-Op. Income and Expenses	(1,617)	(3,309)	51%	12,620	-113%
Income Before Tax	74,031	82,282	-10%	59,120	25%
Income Tax Expense	(17,075)	(28,648)	-40%	(13,287)	29%
Profit (Loss) Attributable to Owner of the Parent	49,919	45,212	10%	42,108	19%
Earnings Per Share (NTD)	3.56	3.23	10%	3.03	17%
Gross Profit Margin	6.18%	5.88%	30 bps	6.11%	6 bps
Operating Profit Margin	3.57%	3.28%	29 bps	2.83%	74 bps
Net Profit Margin	2.36%	1.73%	62 bps	2.56%	-21 Bps
ROE	2.88%	2.83%	5 bps	2.48%	39 Bps

# 2026 Q1 Financial Statements



2.

## Consolidated Balance Sheets

(NTD in millions)	2026.3.31	2025.12.31	QoQ	2025.3.31	YoY
Cash and Cash Equivalent	986,317	1,016,440	-3%	929,283	6%
Net Accounts Receivable	1,166,008	1,181,307	-1%	1,062,375	10%
Inventory	1,209,878	1,095,574	10%	1,047,613	15%
Investments Accounted for Using the Equity Method	198,174	197,613	0%	201,774	-2%
Property, Plant and Equipment	562,220	543,393	3%	492,003	14%
Total Assets	5,230,479	5,104,672	2%	4,586,774	14%
Accounts Payable	1,322,837	1,331,933	-1%	1,130,993	17%
Bonds payable	289,268	279,637	3%	266,842	8%
Total Liabilities	3,241,681	3,133,909	3%	2,747,385	18%
Total Equity	1,988,798	1,970,763	1%	1,839,388	8%
Net Cash	325,091	339,103	-4%	281,238	16%
AR Turnover Days	51	43	8	61	-11
Inventory Turnover Days	53	43	11	56	-3
AP Turnover Days	60	50	10	66	-6
Cash Conversion Cycle	44	35	8	51	-8
Debt Ratio	62%	61%	1%	60%	2%

# 2026 Q1 Financial Statements



3.

## Consolidated Statements of Cash Flow

(NTD in millions)	2026.1.1~3.31	2025.1.1~3.31
Net Cash Flows from (Used in) Operating Activities	3,217	(51,063)
Net Cash Flows from (Used in) Investing Activities	(29,020)	(63,553)
Net Cash Flows from (Used in) Financing Activities	(26,010)	93,552
Capital Expenditures	(35,774)	(43,835)
Free Cash Flow (FCF) <sup>1</sup>	(32,557)	(94,899)

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

# 1Q26 Performance Review

**1Q26**

**Cloud and Networking Products**

**48%**

**Smart Consumer Electronics Products**

**33%**

**Computing Products**

**14%**

**Components and Other Products**

**5%**

QoQ

Guidance	Actual

Guidance	Actual

Guidance	Actual

Guidance	Actual

Guidance	Actual

YoY

Guidance	Actual

Guidance	Actual

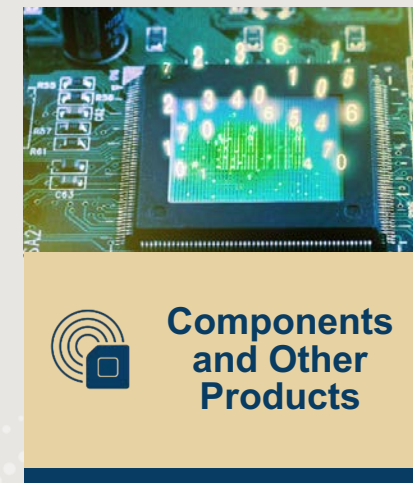
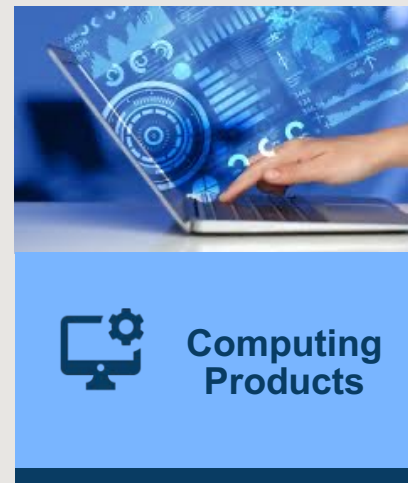
Guidance	Actual

Guidance	Actual

Guidance	Actual

# 2 2Q26 & FY26 Business Outlook

# 2Q26 Outlook



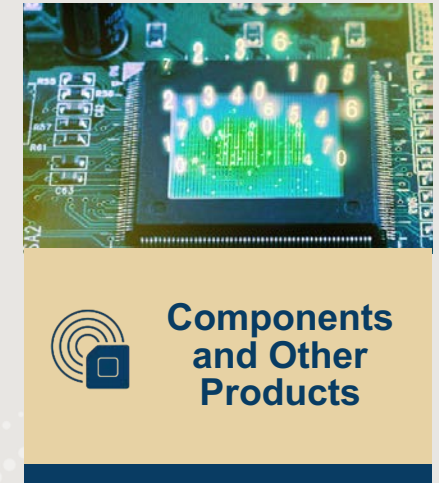
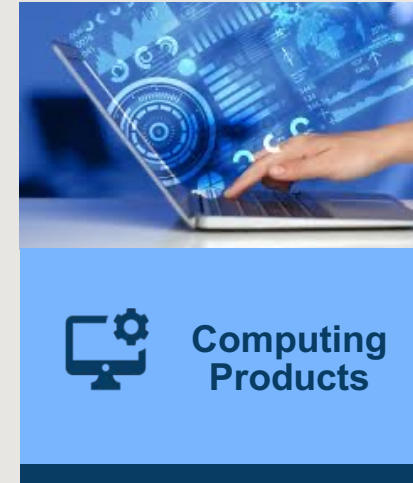
QoQ



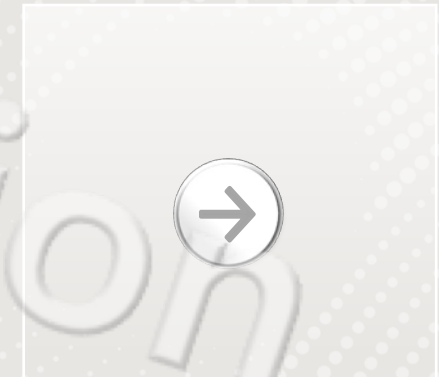
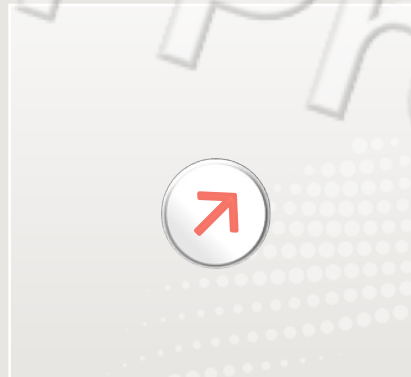
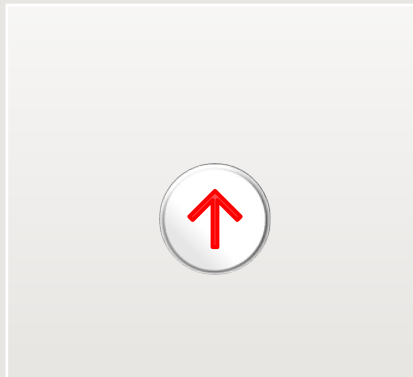
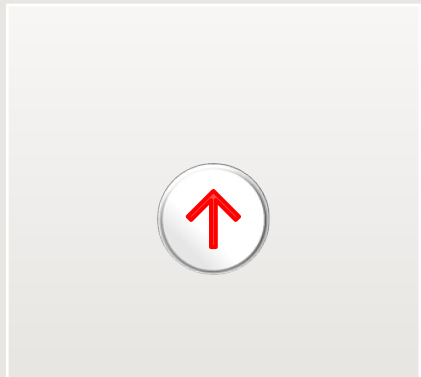
YoY



# FY26 Business Outlook



**YoY**  
2026/5/14

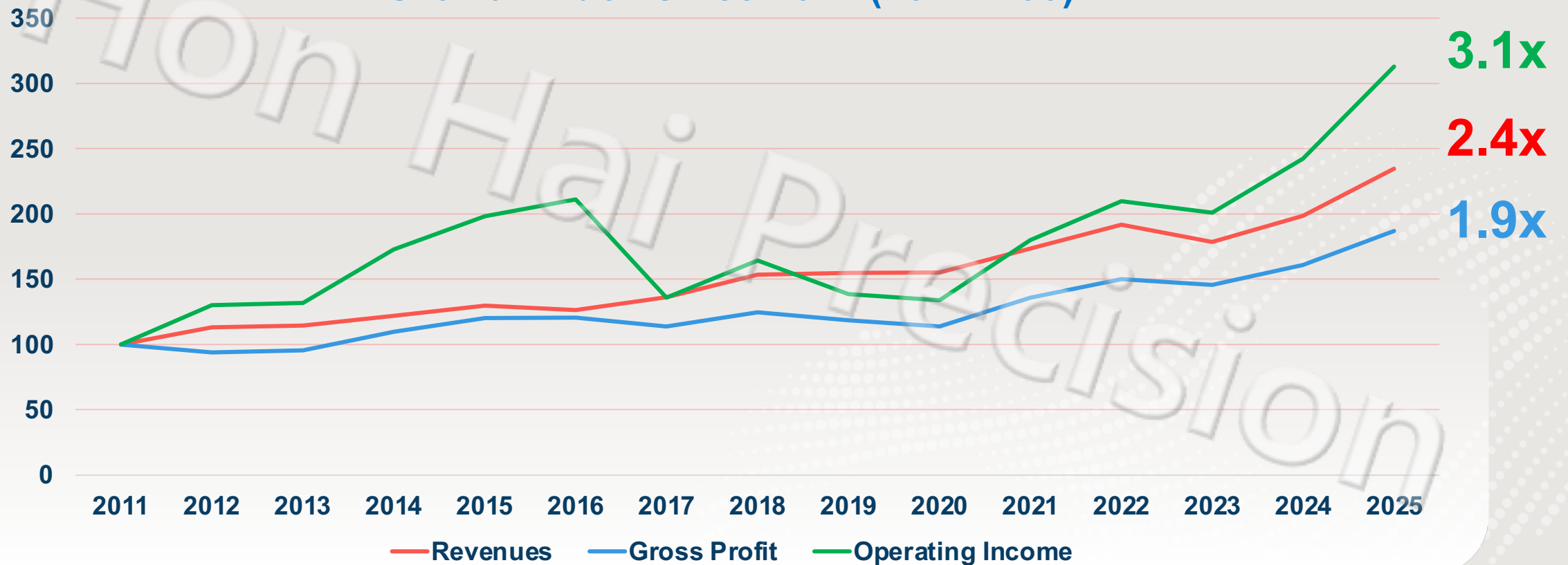


# Financial Highlights: Core operating profits



- Growth rate of operating profit exceeding growth rate of revenue, indicating core profit has scale advantage

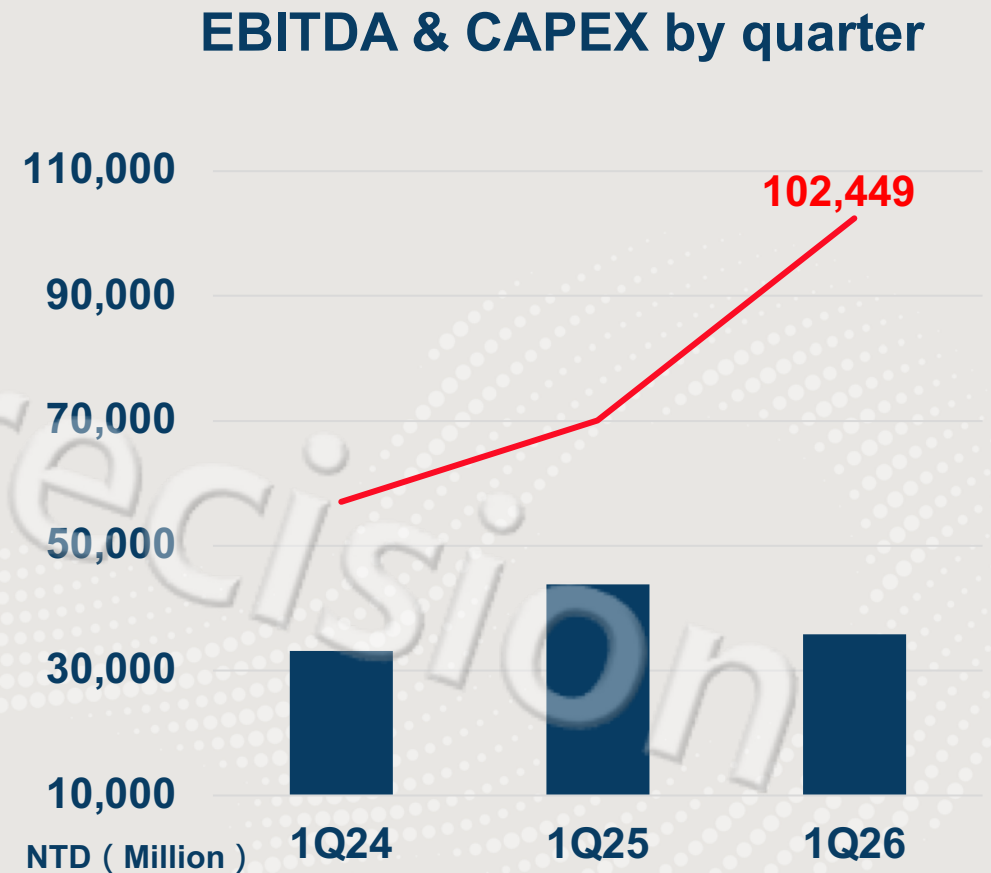
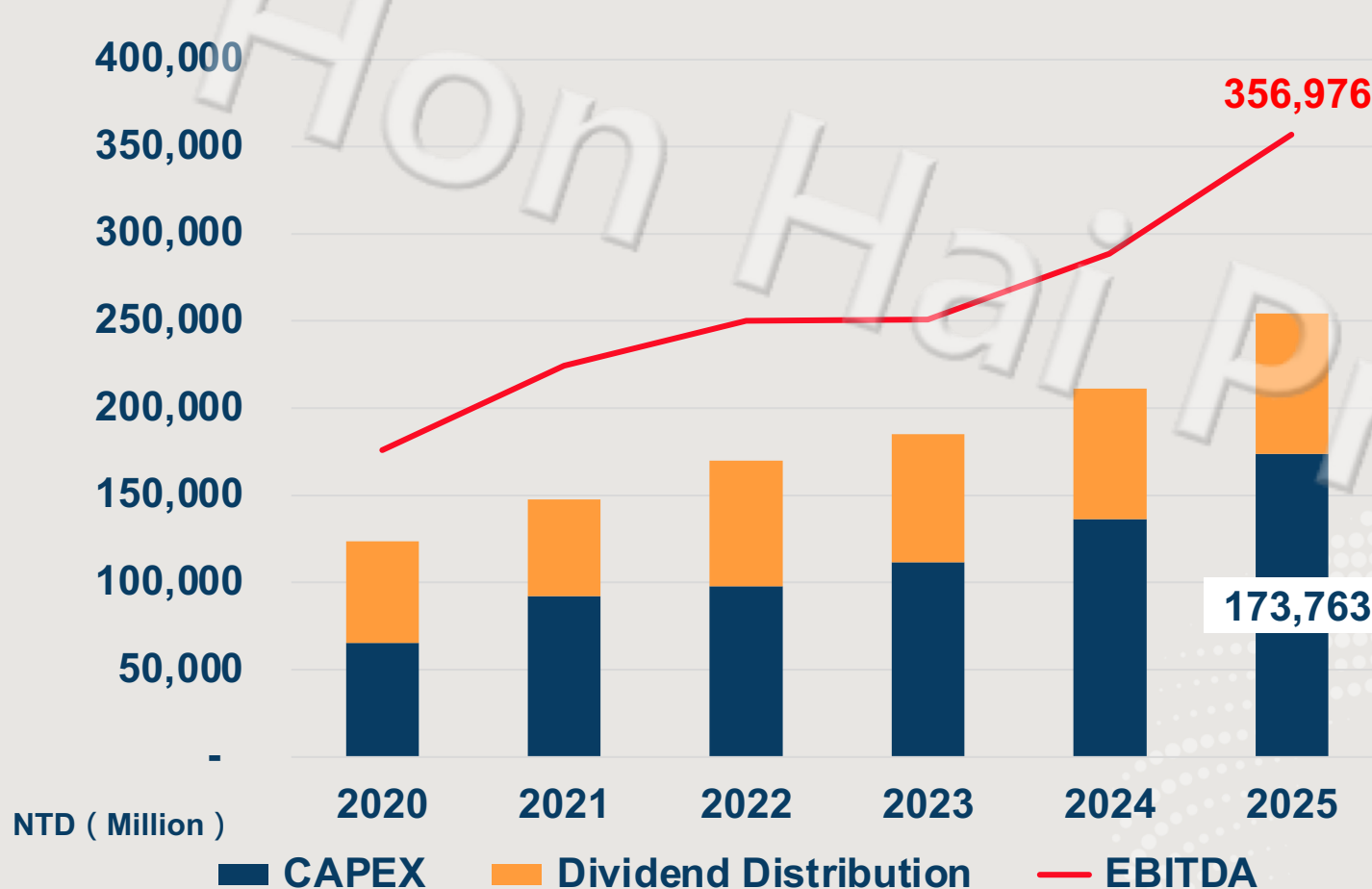
Growth index since 2011 (2011=100)



# Financial Highlights: Solid constitution and improved shareholder returns



EBITDA has held solid over time to support capital expenditures and dividend payments

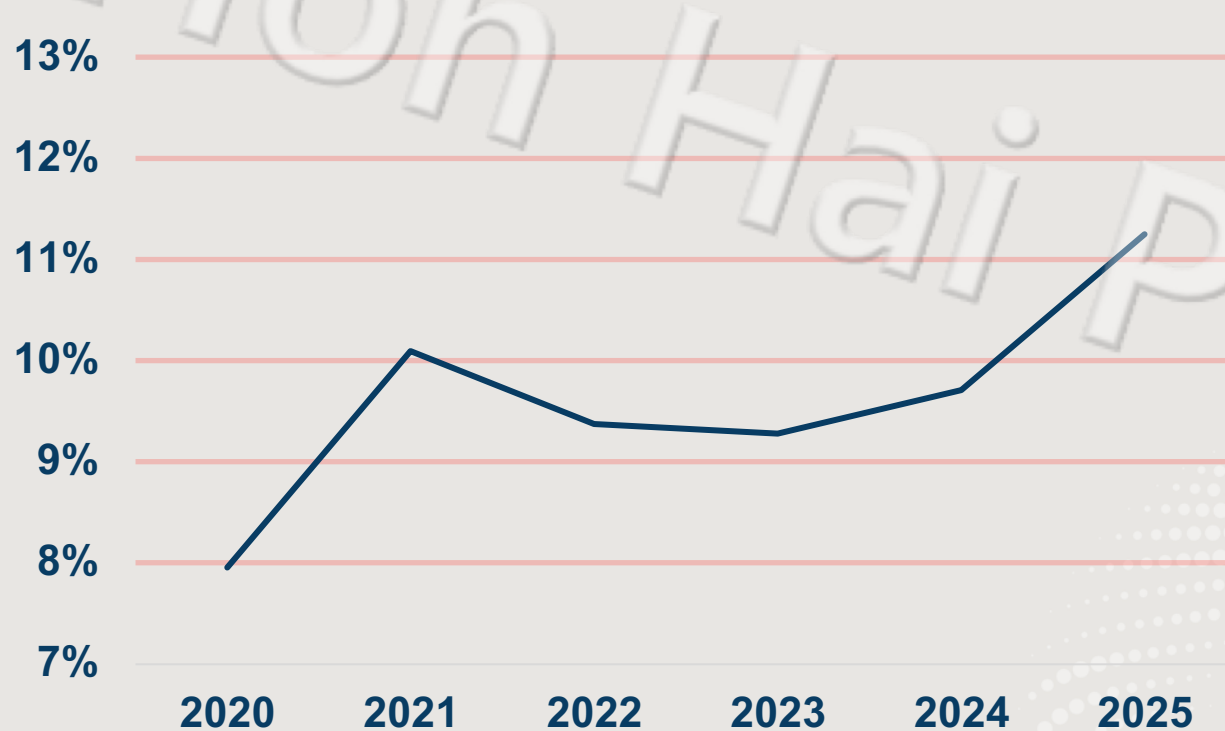


# Financial Highlights: Solid constitution and improved shareholder returns

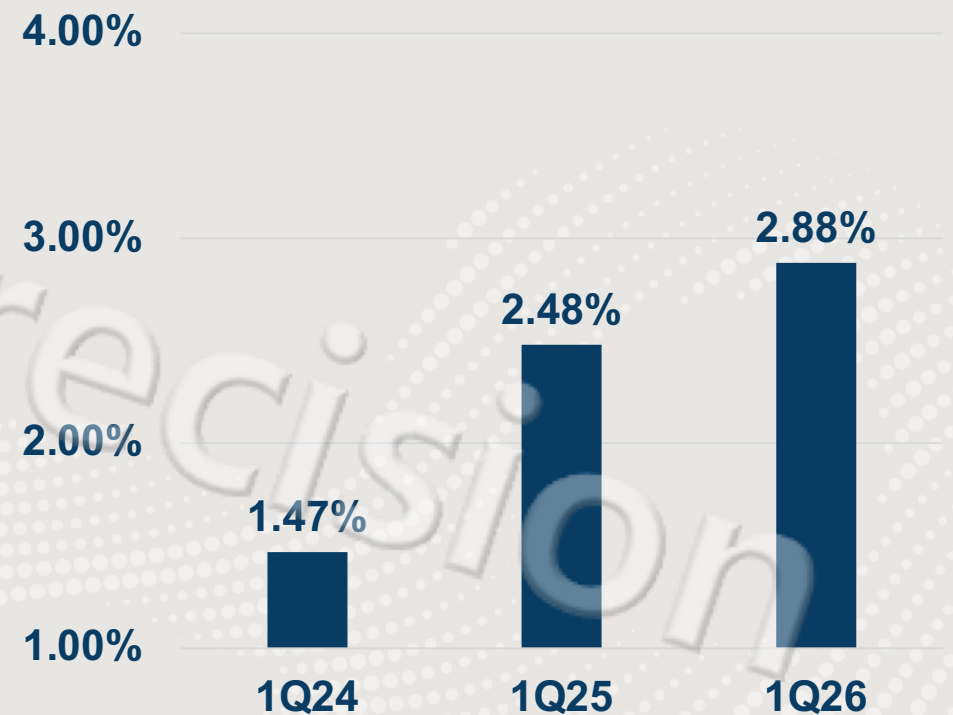


■ Profits have steadily increased, with ROE moving toward the 12% target

### ROE over the years



### ROE by quarter



# 3 Major Business Development

# AI server outlook

## Strong demand for AI servers

- 2Q26 AI Rack shipments: **High double-digit QoQ growth**
- 2026 AI Rack shipments: **>1x growth**
- 2026 Diverse AI solution shipments: **Increase QoQ**
- 800G+ Switches: **2x growth this year**
- CPO Switches: **mass production and shipment in 3Q26**



# Sovereign AI Project: Steady progress



**Visionbay.ai Supercomputing Center**

**Increased capital by NT\$30 billion equity investment**



**Hon Hai joins forces with Amini and Bull**

**Entering African sovereign AI market**

# EV and Three Major Smart Platforms



EV

- **Polish EMP Strategic Cooperation:** Evaluate the establishment of EV manufacturing R&D center to serve the European market
- **Hon Hai Mitsubishi Electric MOU:** Evaluate the establishment of component and module JV to strengthen the EV supply chain layout
- **Qiaotou Electric Bus Factory:** Complete in 1H26, the production line is being adjusted



Smart Manufacturing

- **Genesis Platform:** From technology display to production line landing
- **Agentic AI:** Collaborate across systems, with factories beginning to have decision-making capabilities
- **Physical AI:** Deployed humanoid robots and collaborative robots in US factories in 2Q26



Smart City

- **Kaohsiung local cooperation:** Continue to promote the integration of municipal customer service systems and AI agents
- **Continue to expand the global market,** starting from successful cases such as Mexico and the Philippines

# Digital Health Progress



- **Physical AI in Healthcare: Collaborating with Kawasaki to showcase AI scrub-assist robots for surgical workflow optimization**
- **Smart Hospital Automation: Partnering with Taipei VGH to drive automation and robotic deployment**
- **Mackay, Kang Chuang, Minsheng cooperation: Taiwan's first "smart AI care integration" field**

- **Driving Hospital Process Automation: Establish the CoDoctor AI medical agent system**
- **Strengthen the layout of smart hospitals: Develop AI intelligent blood collection and labeling and labeling system and automated microbial detection system**
- **Medical Materials GMP Factory Construction Plan: Complete land acquisition and plant design and planning before Q2; Construction will be completed in Q4 2027**

# Semiconductor Progress



- **8-inch fab:**  
The new product development has passed customer verification and mass production at the end of April
- **Global Packaging and Testing Layout:**  
India's joint venture OSAT factory completed its first capital injection and started factory construction



- **SiC Product Certification:**  
Q3: customer to complete the A sample product verification  
Q4: to complete the final verification of durability and electromagnetic interference
- **Design Services:**  
AI power delivery chiplet, and complete mass production design tape out in 2H26

# Next-Gen Communication Progress



- **The second generation of low Earth orbit satellite "Pearl":**  
Launched through SpaceX, and successfully entered predetermined orbit
- **It is equipped with Ka-band inter-satellite link (ISL) payload for docking and transmission verification between two satellites**

- **The Group's future layout:**  
Mobile communication supplements, Direct to Cell phone connection, remote area networking, Industrial IOT, site-specific redundant communication, etc

# 4 Recap of Recent Major Events

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# Recent Major Events | Latest Operational Progress



## NVIDIA GTC

Showcasing the latest AI products and vertical integration capabilities



## Taipei Smart City Exhibition

Showcase the application of the Smart City platform



## AUTOTRONICS TAIPEI

Smart EV Platform Integration

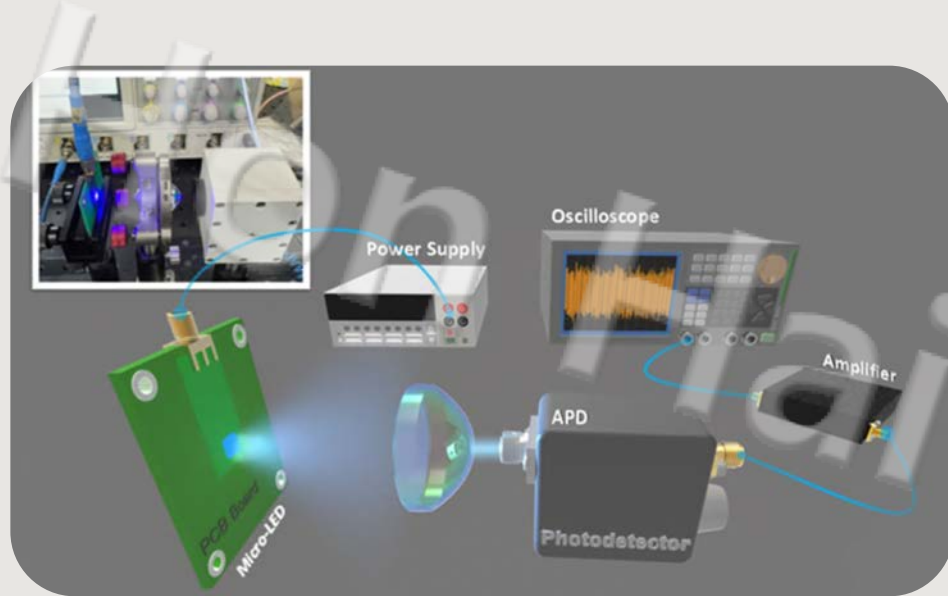


**Announced strategic cooperation with SAP**  
Accelerate AI-driven manufacturing and supply chain transformation

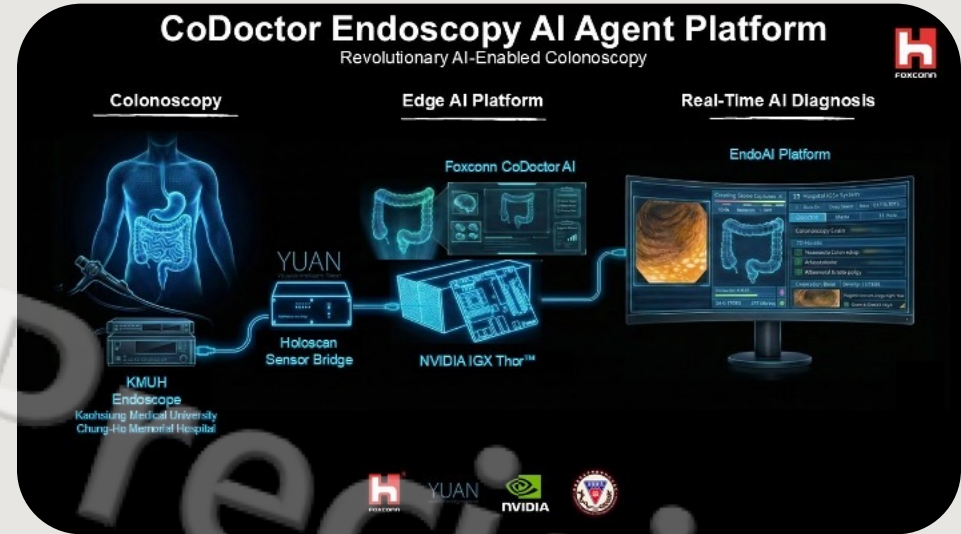


**New Rotating CEO**  
Michael Chiang, General Manager of Business Group takes leadership baton

# Recent Major Events | Innovative Breakthroughs



**HHRI, NYCU and RPI**  
Develop World-Leading Micro-LED  
Quantum Random Number Generator



**KMUH and Hon Hai Launch**  
World's First NVIDIA IGX Thor-Powered  
Colonoscopy AI Agent

# Recent Major Events | ESG



**Hon Hai Foxconn Sustainability Awards**  
Held at record scale, showcasing ESG innovation achievements



**Launched Global Initiative for Nature-based Solutions**  
Leading the value chain towards a nature-positive and net-zero vision



**Spreading Love Through Tech!**  
Joined hands with Tzu Chi Foundation to donate CoDoctor devices in Hualien



**Satoyama School Spring Course**  
Firefly Tour

# Recent Major Events | Overseas Campus



## Czech Republic

- In response to the national cleanup campaign, employees tidied up and cleared trash around the factory
- Foxconn Lab continues to expand, strengthening industry-academia cooperation and talent development



## United States

- In response to Earth Day, the Wisconsin team removed invasive plants to protect the ecology



## Vietnam

- Hanoi regional headquarters office officially inaugurated, creating a new model of office work that integrates technology and local culture

# Recent Major Events | Awards



Selected for "TIME"  
100 Most Influential Companies  
of 2026



Hon Hai Education Foundation won  
The 3rd Lianjing Humanities  
Enterprise Award

Selected for Clarivate  
"Top 100 Global Innovators 2026"  
The best of Taiwanese private enterprises



Robert Berry, U.S. Head of Legal Affairs, was awarded  
Milwaukee, Wisconsin, "40 Under 40" honor

# Recent Major Events | Event Preview



**COMPUTEX**  
2026.06.02 – 2026.06.05



**VivaTech**  
2026.06.17 – 2026.06.20



**Taiwan EXPO Japan**  
2026.07.15 – 2026.07.17

# 5 Q&A Hon Hai Precision



**Share**



**Collaborate**



**Thrive**

$$3 + 3 + 3 = \infty$$