

Q2 FY26

Hon Hai Precision Industry Co., Ltd.

2026 Second Quarter Financial Results

Aug. 12, 2026

$3+3+3=\infty$

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.
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Summary



1. Financial Performance:

Improved product mix and operational scale drive strong core earnings growth.

2. 3Q26 & FY26 Business Outlook:

Significant QoQ growth, strong YoY growth in 3Q26, and a strong full-year outlook.

3. Value Extension:

Extending from complete system solutions to components, liquid cooling, MDCs, and data centers.

4. Long-term Outlook:

Continued global capacity expansion to support strong AI demand, with a positive outlook for next year.

1 2Q26 Financial Results

2026 Q2 Financial Statements



1.

Consolidated Statements of Income

(NTD in millions)	Q2/26	Q1/26	QoQ	Q2/25	YoY
Revenues	2,525,894	2,119,533	19%	1,793,468	41%
Gross Profit	154,533	130,981	18%	113,529	36%
Operating Income	94,803	75,649	25%	56,596	68%
Total Non-Op. Income and Expenses	63	(1,617)	104%	8,553	-99%
Income Before Tax	94,866	74,031	28%	65,149	46%
Income Tax Expense	(24,810)	(17,075)	45%	(15,613)	59%
Profit (Loss) Attributable to Owner of the Parent	59,974	49,919	20%	44,361	35%
Earnings Per Share (NTD)	4.27	3.56	20%	3.19	34%
Gross Profit Margin	6.12%	6.18%	-6 bps	6.33%	-21 bps
Operating Profit Margin	3.75%	3.57%	18 bps	3.16%	60 bps
Net Profit Margin	2.37%	2.36%	2 bps	2.47%	-10 bps
ROE	3.41%	2.88%	53 bps	2.85%	56 bps

2026 H1 Financial Statements



Consolidated Statements of Income

(NTD in millions)	2026H1	2025H1	YoY
Revenues	4,645,428	3,437,784	35%
Gross Profit	285,514	214,077	33%
Operating Income	170,452	103,096	65%
Total Non-Op. Income and Expenses	(1,554)	21,174	-107%
Income Before Tax	168,898	124,270	36%
Income Tax Expense	(41,885)	(28,899)	45%
Profit (Loss) Attributable to Owner of the Parent	109,893	86,469	27%
Earnings Per Share (NTD)	7.84	6.23	26%
Gross Profit Margin	6.15%	6.23%	-8 bps
Operating Profit Margin	3.67%	3.00%	67 bps
Net Profit Margin	2.37%	2.52%	-15 bps
ROE	6.21%	5.48%	73 bps

2026 Q2 Financial Statements



2.

Consolidated Balance Sheets

(NTD in millions)	2026.6.30	2026.3.31	QoQ	2025.6.30	YoY
Cash and Cash Equivalent	963,002	986,317	-2%	870,520	11%
Net Accounts Receivable	1,385,237	1,166,008	19%	940,523	47%
Inventory	1,370,073	1,209,878	13%	935,827	46%
Investments Accounted for Using the Equity Method	203,279	198,174	3%	183,219	11%
Property, Plant and Equipment	576,855	562,220	3%	458,118	26%
Total Assets	5,622,576	5,230,479	7%	4,138,942	36%
Accounts Payable	1,527,523	1,322,837	15%	1,003,773	52%
Bonds payable	294,708	289,268	2%	264,668	11%
Total Liabilities	3,502,989	3,241,681	8%	2,507,335	40%
Total Equity	2,119,588	1,988,798	7%	1,631,608	30%
Net Cash	219,809	325,091	-32%	243,617	-10%
AR Turnover Days	46	51	-4 bps	51	-5 bps
Inventory Turnover Days	50	53	-3 bps	54	-4 bps
AP Turnover Days	54	60	-6 bps	57	-3 bps
Cash Conversion Cycle	42	44	-2 bps	48	-6 bps
Debt Ratio	62%	62%	-	61%	2%

2026 Q2 Financial Statements



3.

Consolidated Statements of Cash Flow

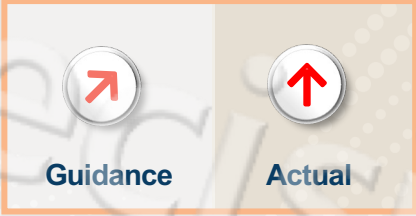
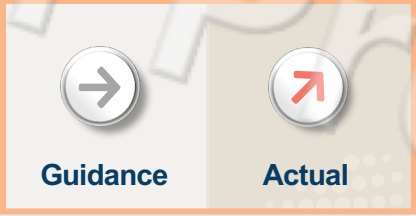
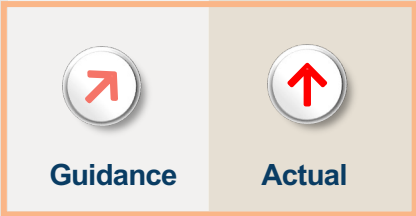
(NTD in millions)	2026.1.1~6.30	2025.1.1~6.30
Net Cash Flows from (Used in) Operating Activities	(69,122)	21,876
Net Cash Flows from (Used in) Investing Activities	(25,761)	(39,356)
Net Cash Flows from (Used in) Financing Activities	15,745	39,477
Capital Expenditures	(80,886)	(77,150)
Free Cash Flow (FCF) ¹	(150,009)	(55,275)

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

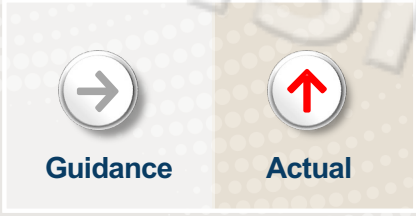
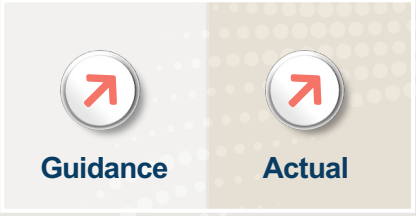
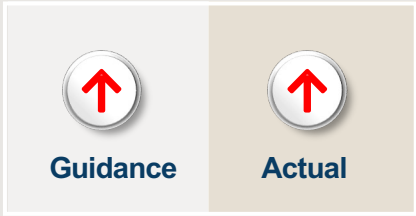
2Q26 Performance Review



QoQ



YoY



2 3Q26 & FY26 Business Outlook

3Q26 Outlook



QoQ



YoY



FY26 Business Outlook



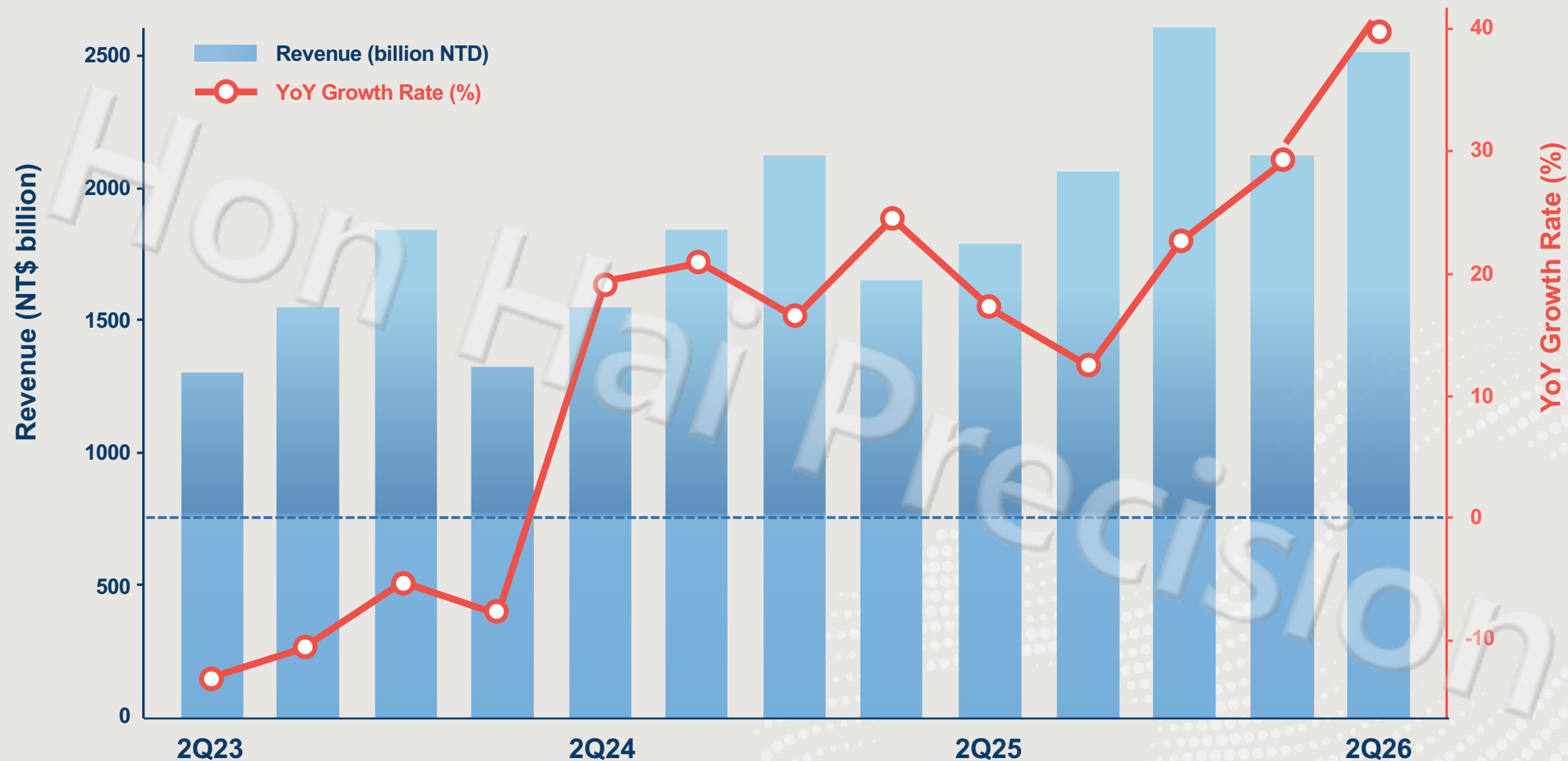
YoY
2026/5/14



YoY
2026/8/12



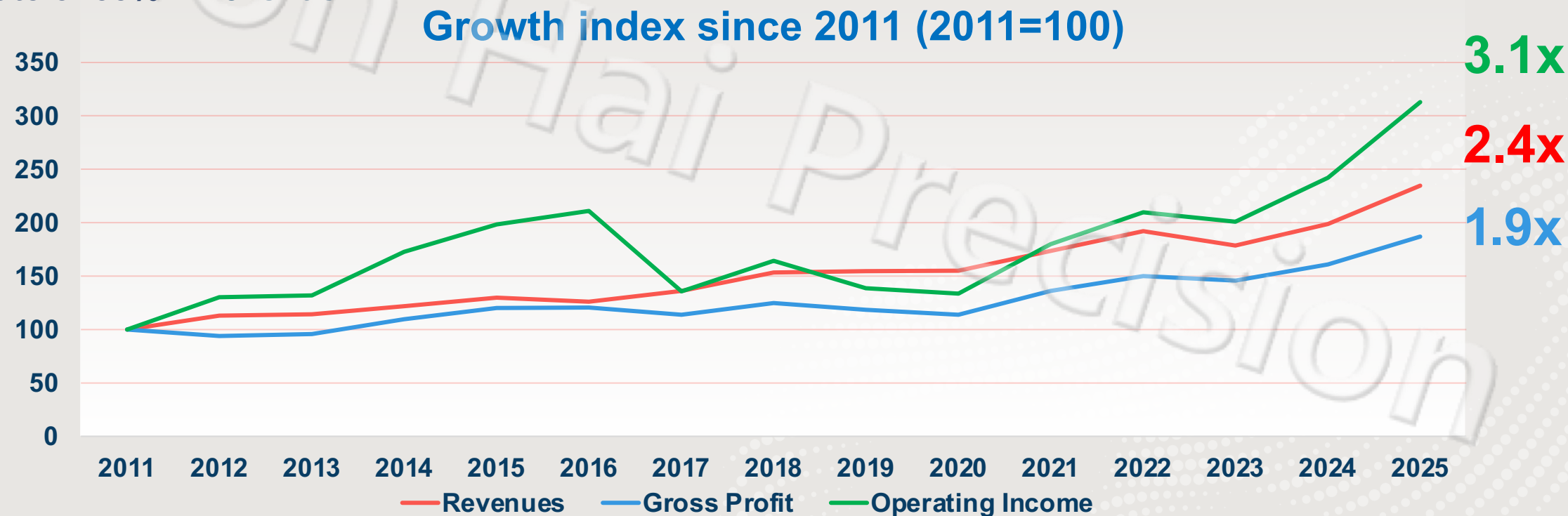
AI infrastructure is driving growth



Product portfolio optimization and scale advantages enhance long-term profitability



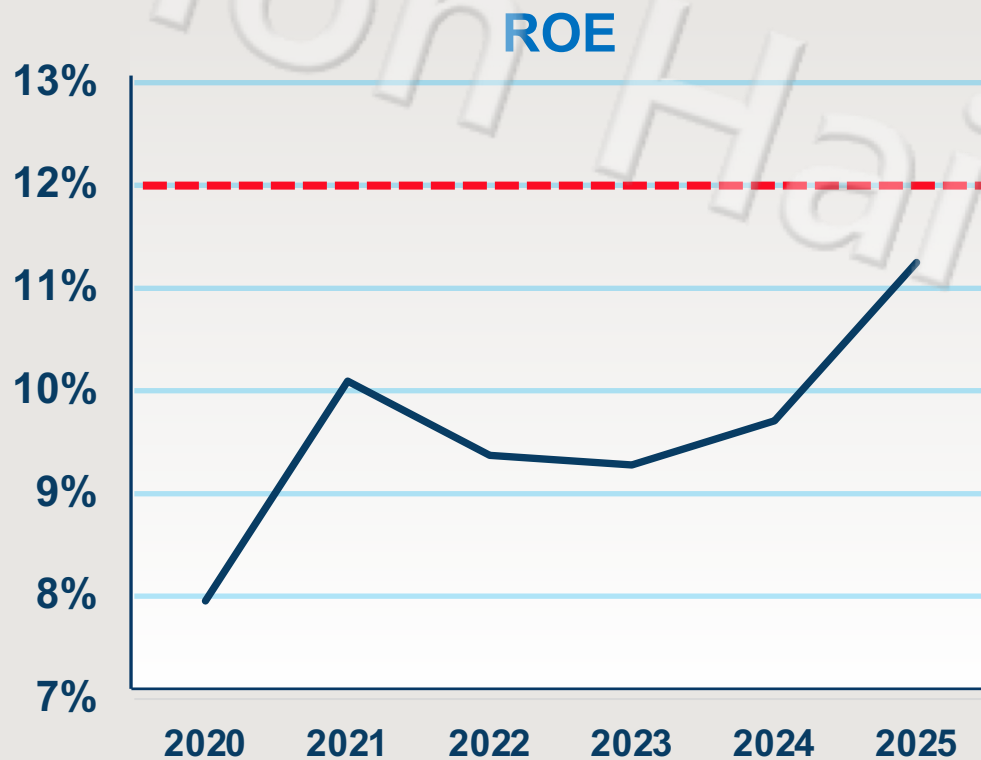
- Gross profit grew 1.9x, reflecting optimization of core business products and steady expansion of scale
- Operating profit grew more than 3x, outpacing 2.4x growth in revenue
- Operating profit in the first half of the year increased by 65% year-on-year, outpacing the growth rate of 35% in revenue



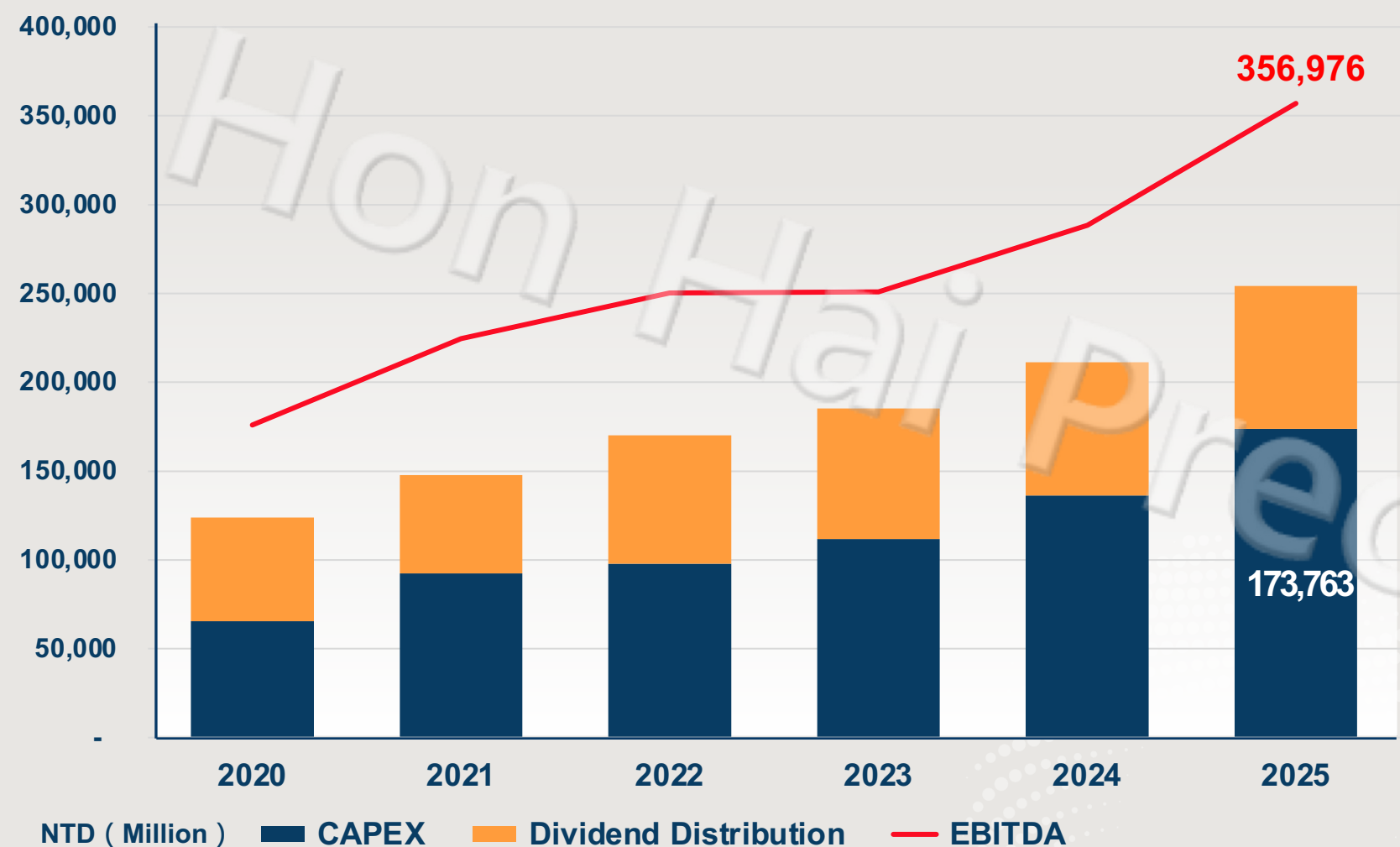
Financial Highlights:

Profitability continues to improve

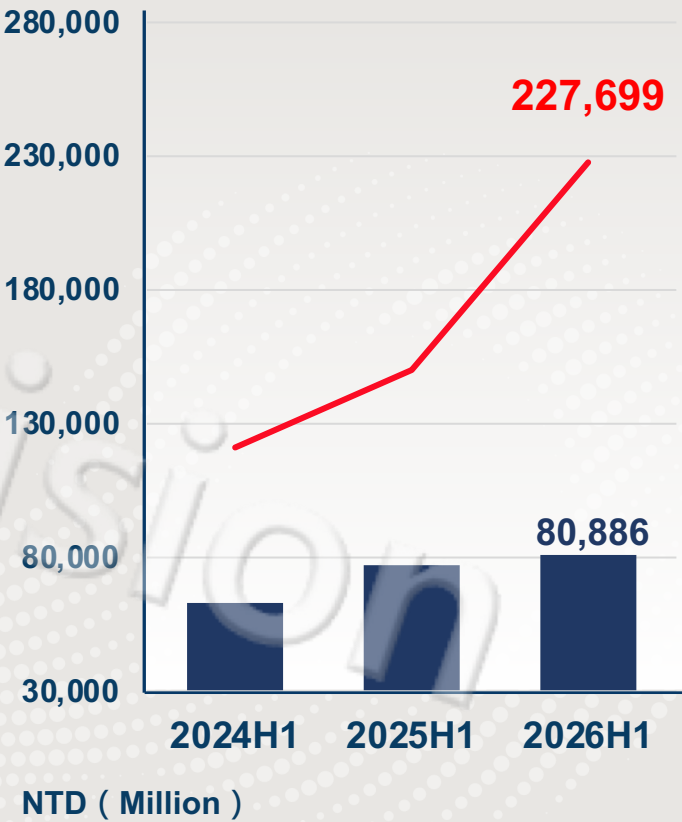
- ROE for 26H1 reached 6.21%, higher than the 5.48% for same period last year
- Operating profit margin for 26H1 reached 3.67%, exceeding the 3% target



EBITDA grew steadily, balancing CAPEX and dividend distribution



first half of the year
EBITDA & CAPEX



3 Major Business Development

Built on scale and integration, driven by R&D and automation

R&D innovation and
high-end segment focus



Vertical integration
and high automation

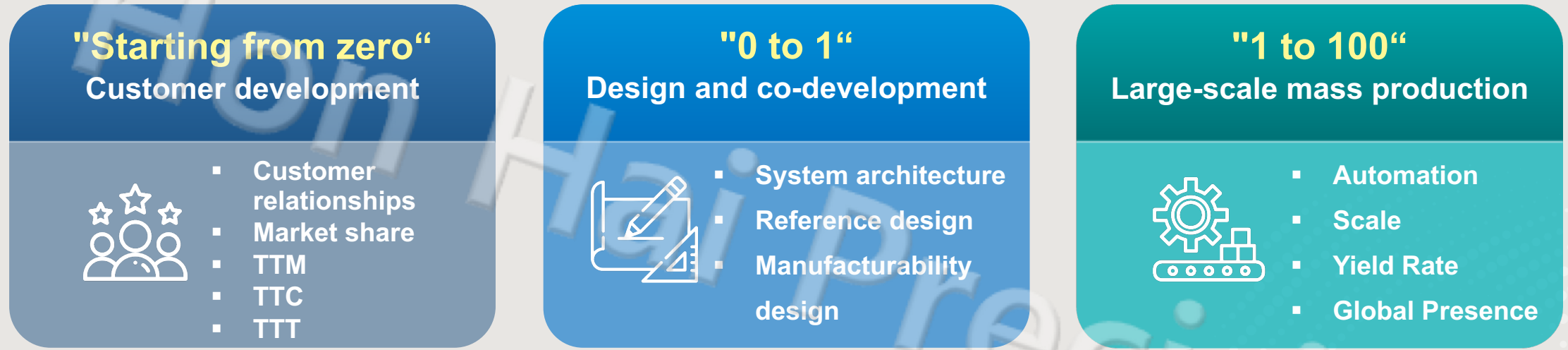


Global deployment
and economies of scale



Strong AI demand, 0-100 capability strategy aligns with major customers

Key capabilities of AI infrastructure Expansion



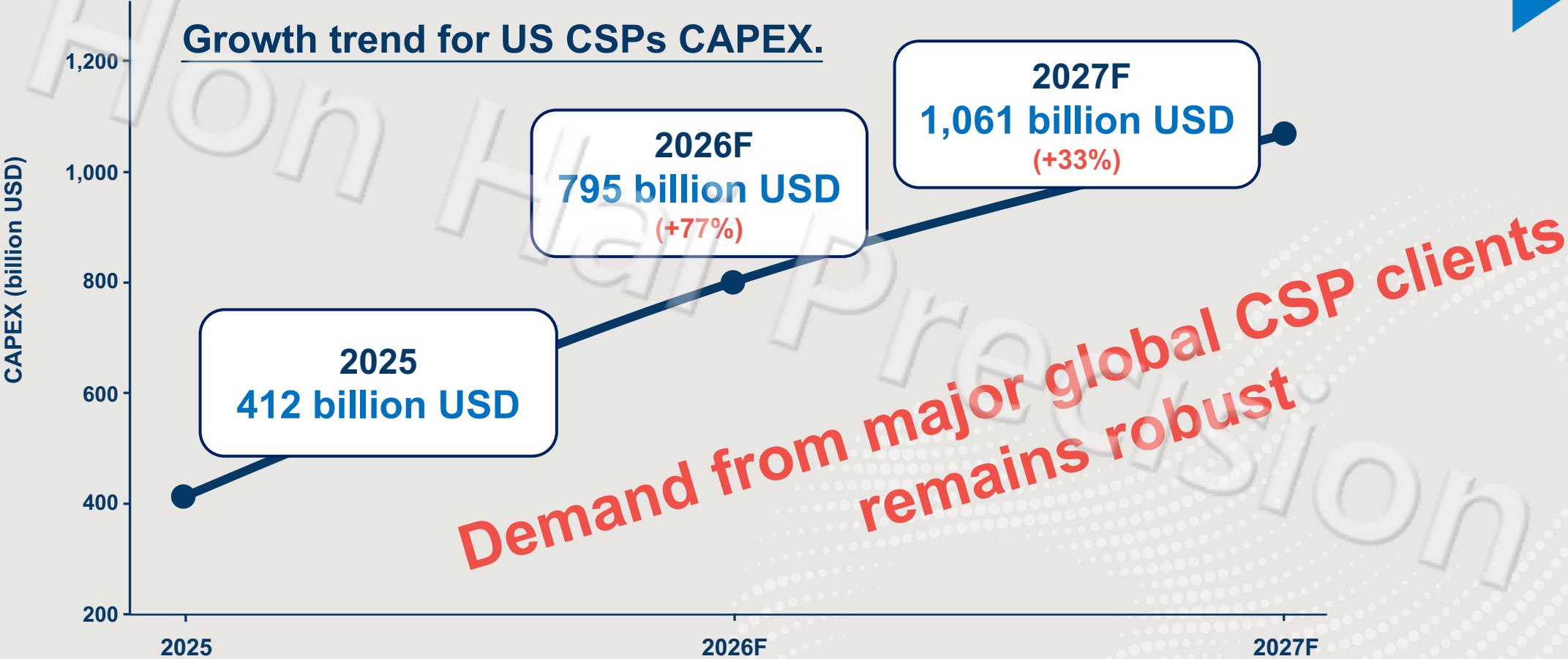
AI demand



Cloud investment continues to expand, leveraging integrated capabilities to meet AI demands



Technology and vertical integration | Scale and delivery capability | Comprehensive service



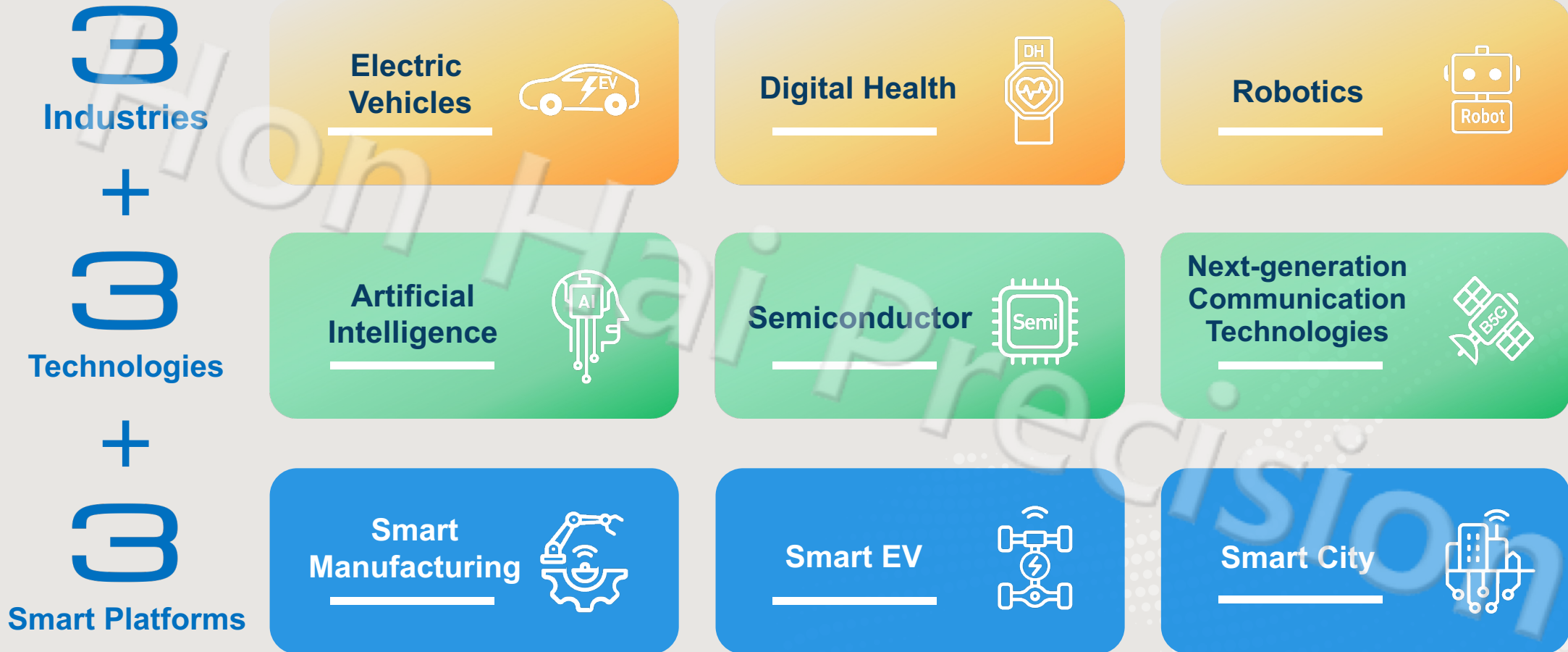
Strong AI demand driving growth throughout the year

Strong outlook for AI servers:

- 3Q26 AI rack shipments QoQ increase **high double digits**
- 3Q26 AI server revenue **increase QoQ**
- 2026 AI rack shipments **>1x growth**
- 2026 diverse AI solution shipments **increase market share**



3 + 3 + 3 Strategy



3 Future Industries

Focusing on scalable markets to establish the next stage of growth momentum



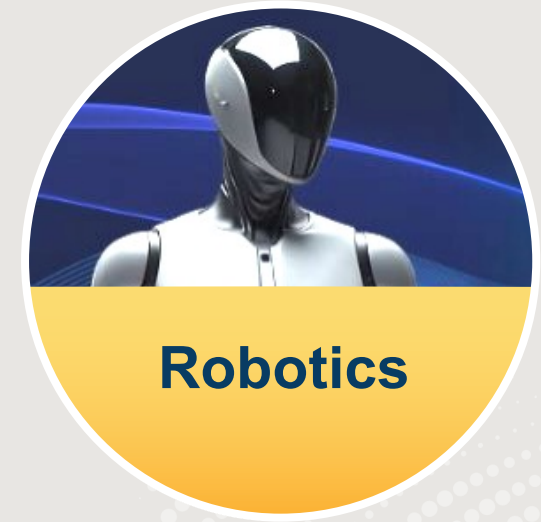
**Electric
vehicles**

- **Domestic and Overseas Market Expansion:**
 - **MODEL B:** Expected delivery in AUS and NZ by end of the year
 - **CAVIRA:** Deliveries for the Taiwan market began in July
 - **MODEL T:** Qiaotou plant started production in Q2
 - Collaborated with Poland's state-owned EMP to promote European deployment



**Digital
health**

- **On-site Application:** Introducing medical automation equipment and collaborative robots to optimize hospital processes.
- **Platform Integration:** Integrating AI Agents, next-generation HIS, medical devices and digital twins.
- **Global Commercial:** Serving global customers with medical-grade manufacturing and CDMS capabilities.



Robotics

- **On-site Application:** Validating humanoids and collaborative robotic applications at the Group's manufacturing sites.
- **Capability integration:** Integrates AI, digital twins and key modules.
- **Scale Deployment:** Promoting platformization, mass production and global adoption.

3 Core Technologies

Strengthen key independent technologies and increase product added value



- **AIDC Infrastructure:**
Partnering with Intel, Schneider, and SK to integrate AI computing power, data centers and energy management.
- **Sovereign AI Platform:**
EU/Africa: Partnering with Bull/Amini to accelerate AI implementation.
Asia-Pacific: Visionbay.ai partners with IBM to expand AI platforms.
- **Autonomous AI Models:**
FoxBrain optimizes model architecture and training efficiency, deepening local knowledge.



- **Capacity and Mass Production:**
Japan's 8-inch plant has a utilization rate exceeding 90%, with visibility reaching Q4.
- **Key Technologies:**
Focusing on SiC, automotive MCUs, and AI power chips, accelerate certification and mass production.
- **Global Presence:**
Expanding design services and European packaging and testing to improve the region layout.



- **Satellite Deployment:**
The second-generation LEO satellite was successfully deployed, verifying space communication capabilities.
- **Comprehensive Manufacturing Services:**
Offering complete manufacturing services from ground equipment to satellite bodies.

3 Major Smart Platforms

To become a global leader among AI platform providers, driving a cross-industry intelligent ecosystem through hardware-software integration



- **Platform Verification:**
Genesis supports rapid deployment of AI agents.
- **Cross-factory Replication:**
Establishing AI manufacturing standards that can be deployed across domains.



- **Mass Production and Implementation:**
The electronic and electrical architecture entered integration testing and mass production preparation.
- **Platform Evolution:**
Accelerate smart vehicle iteration through AI and data closed-loop technology.



- **Benchmark Setting:**
CityGPT validates AI urban governance models.
- **Overseas Expansion:**
Promote cross-market replication of smart city solutions.

4 Recap of Recent Major Events

Recent Major Events | Latest Operational Progress



Hon Hai shareholders' meeting approved cash dividend of 100.9 billion NTD, per share dividend of 7.2 NTD



Hon Hai, Radiall, and Thales established a joint venture called Tessalia to expand into European electronic component production

Recent Major Events | Global Tech Shows



COMPUTEX 2026
Showcasing NVIDIA Vera Rubin NVL72,
CPO, and 3 major smart platforms
applications



**Exhibited for the first time at
VivaTech 2026 in France**
Deepening the layout of the
European EV / AI ecosystem



**Participated for the first time
in Taiwan Expo in Japan**
Displaying MODEL A and MODEL B
and AI modular data centers

Recent Major Events | Innovative Breakthroughs

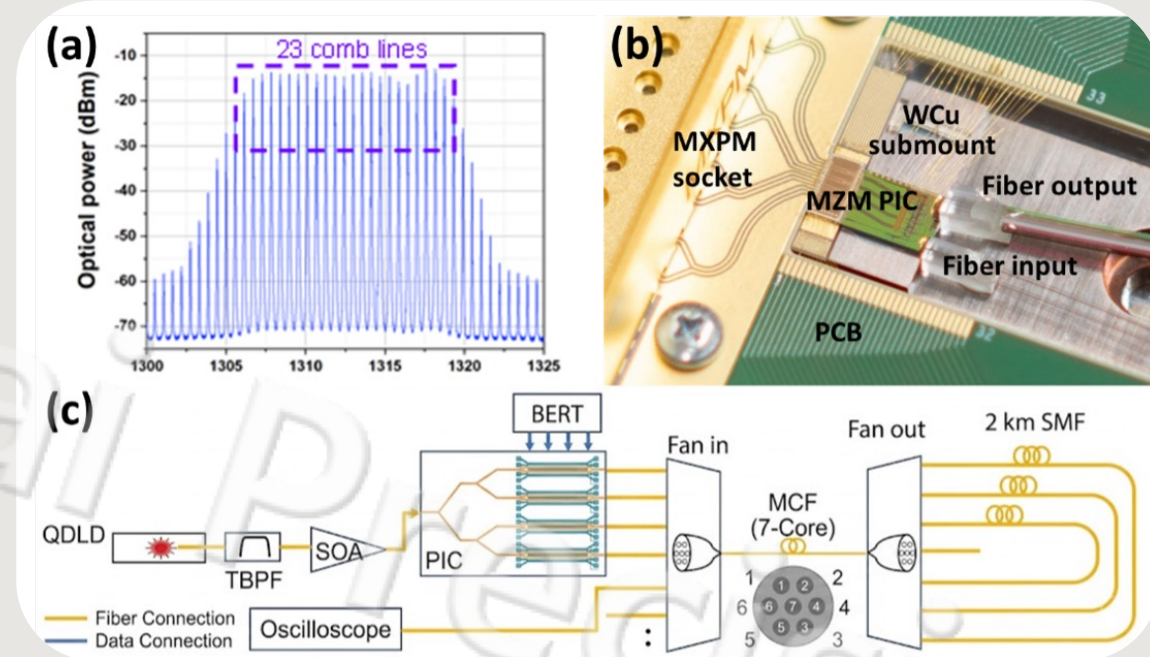


2026: Paper publications

48 conference papers

48 journal articles

16 patents



Hon Hai Research Institute teams up with
National Yang Ming Chiao Tung University
Developing ultra-high-capacity silicon
photonics technology with 34.132 Tbit/s

Recent Major Events | Awards



Hon Hai Precision Industry Co.

Most Honored Company

2026 Asia Executive Team



**Winner of Extel 2026
Most Honored Company
and seven major awards**



The Fortune Global 500

Recent Major Events | Awards



Chief Campus Operation Officer Kathy Yang distinguished among Fortune Most Powerful Women in Business



CHRO Emily Hsia honored in HR Asia Annual Best HR Officer



US CHRO Winnie Tu recognized in Manufacturing Institute STEP Awards



Dr. Ching-Ray Chang, member of Hon Hai's Board of Directors, received the biennial AUMS Award from the Asia Union of Magnetics Societies



HHRI Dr. Yu-Heng Hong received Outstanding Young Engineer Award

Recent Major Events | ESG



Collaboration with Brookfield:
Establishing a renewable
energy partnership in Vietnam

**Hosting the Hanoi Green
Energy Forum:**
Building resilience in Vietnam's
green supply chain



**2026 Hon Hai Technology
Award:**
Over 200 applications from TW
and abroad

Vietnam MC Contest 2026:
Cultivate internal hosting
talent



Global site activities:
Slovakia: Volunteer Week,
Summer Family Day
Czech Republic: Tech Day
Neihu: Family Day



**Expanding global third-party
audits:**
85 RBA VAPs completed,
obtaining 6 Platinum-level
certifications

**Release of Supplier
Responsibility Report:**
Partnering with supply chain
partners to promote
sustainable development

You Are Invited!
Oct 30-31, 2026

HHIT 26

Accelerating Intelligence

Nangang Exhibition Center Hall 1
(1F & 4F)

Accelerating Intelligence

2026 HON HAI TECH DAY

4F TECH PAVILION

DATE | OCTOBER 30-31, 2026

VENUE | 4F, Taipei Nangang Exhibition Center, Hall 1

Seven
Exhibition
Zones >>>>>>



Token
Factory



Robotics



EV



Semiconductor



Digital
Health



Three Smart
Platforms



Research
Institute



✦ FIRST-EVER LAUNCH ✦

FOXCONN

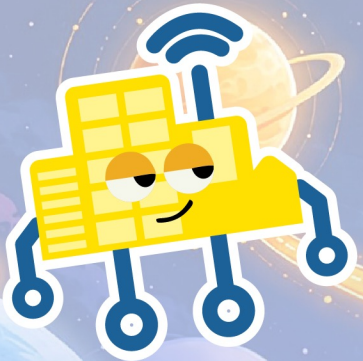
HHTO 26

1F

FAMILY PAVILION

On 10/31, explore 5 cool zones and discover 10+ dream jobs !

Smart City



Future Mobility



Smart Factory



Tech Exploration



Sustainability



ACCELERATING IMAGINATION FOR THE NEXT GENERATION !

Venue
1F, Taipei Nangang Exhibition Center, Hall 1

5 Q&A

Hon Hai Precision

Vertical integration of AI supply chain

L1 to L12 optimizes cost structure

L1-L3

QD



High Speed Cable



Power Busbar



Sockets & Connectors



L5

Cabinet & Enclosure



Chassis



Heatsink (Air/Liquid)

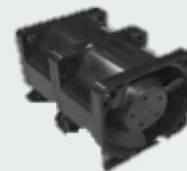


L6

PCB+PCBA



Fan



L10

Compute Tray

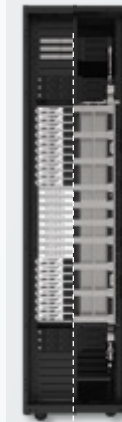


Switch Tray



L11

Rack



Manifold

Front / Rear

L12

Superpod





Share



Collaborate



Thrive

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