

**FIT Hon Teng Limited**  
鴻騰六零八八精密科技股份有限公司

# 2020 Interim Results Announcement

二零二零年中期業績發佈會



belkin

LINKSYS

wemo

PHYN

# Agenda

**1H Overview**

**Belkin Business Overview**

**Financial Overview**

**Q&A Section**

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# 1H Overview



# Short-term/ Long-term Strategy

## Longer Term

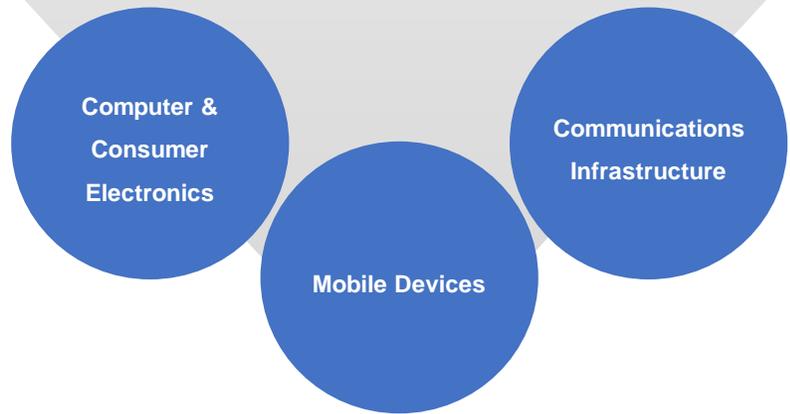
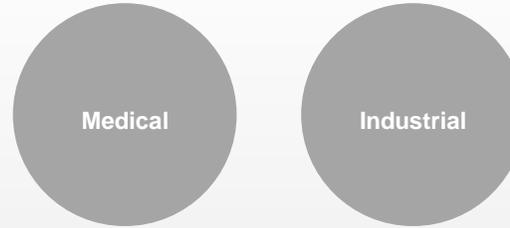
Creating new end markets and acquiring new customers.

## Short & Medium Term

Innovating new applications and deepening customer relationships.

## Current

Core competencies and existing customers.



## New Offers & Assets

## Extend Offers & Assets

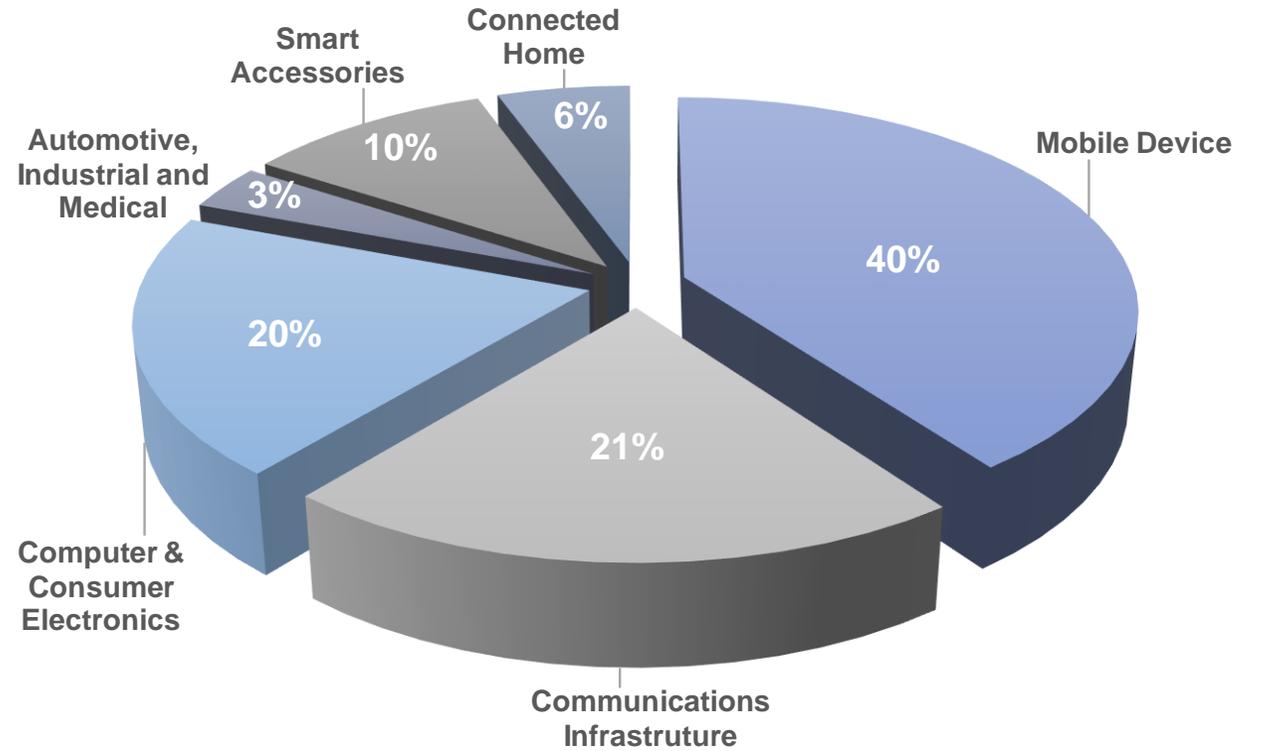
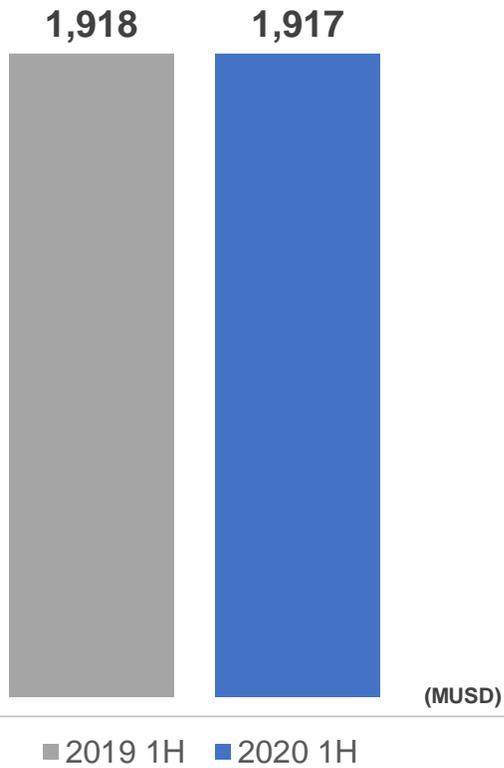
## Existing Products & Assets

# Financial Overview

FY2020 1H

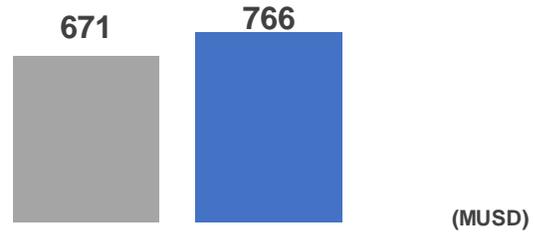
## Revenue

**-0.1%**

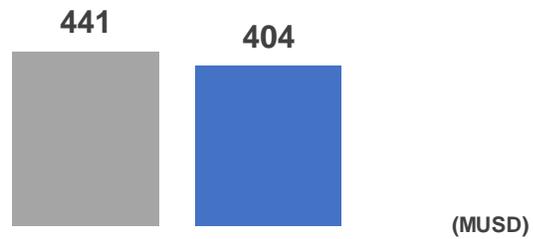


# Revenue Mix

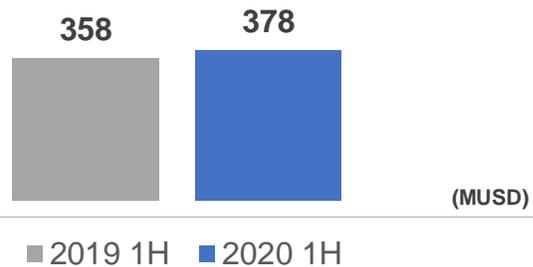
## Mobile Devices



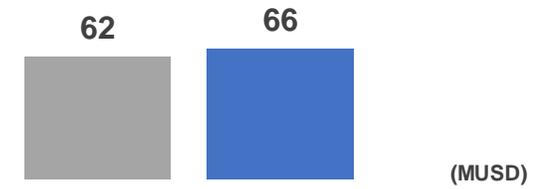
## Communications Infrastructure



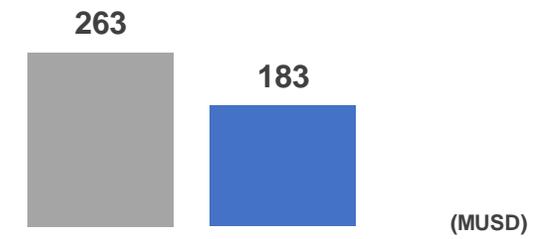
## Computer & Consumer Electronics



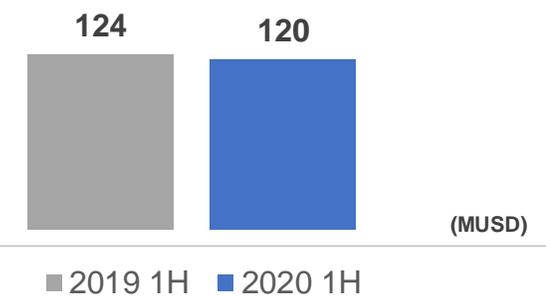
## Automotive, Industrial & Medical



## Smart Accessories



## Connected Home



■ 2019 1H ■ 2020 1H

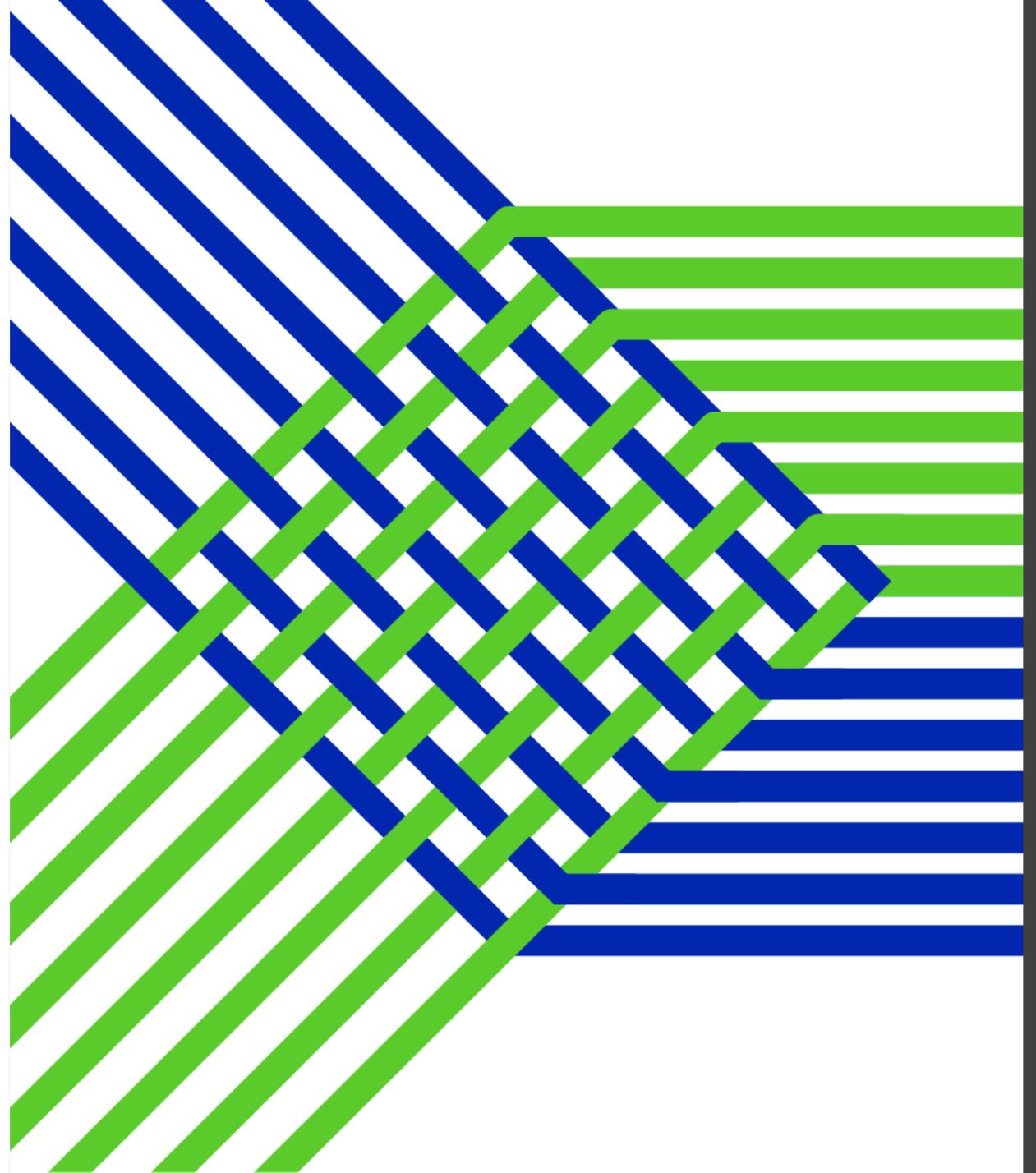
■ 2019 1H ■ 2020 1H

# Belkin Business Overview



## Connected Things & Connected Home

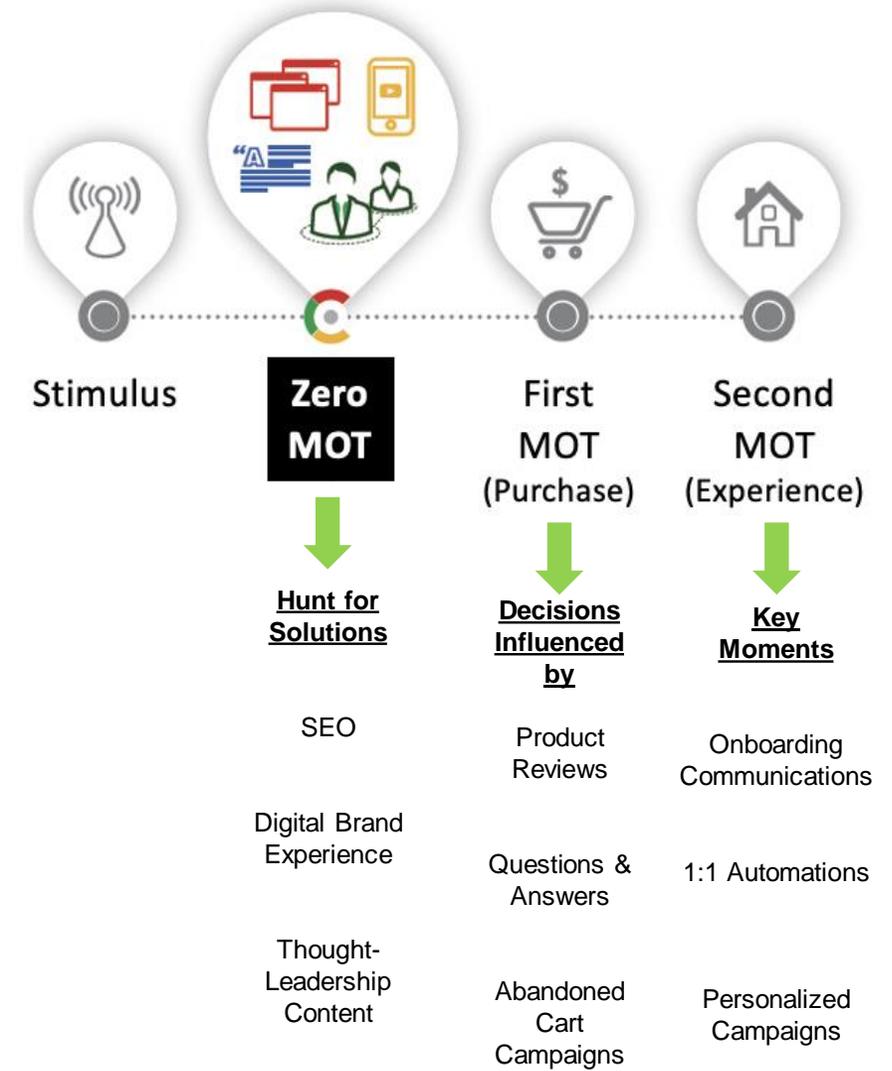
- Effects from COVID-19
  - Positive: Work from Home products and schooling increased sales, increased E-Commerce platform sales
  - Negative: Major retail store closures, reduced foot traffic at open stores, and challenges throughout the Asia-based supply chain including component shortages and substantially increased transportation costs



# E-Commerce Growth

## Cultivate 1:1 Customer Relationships (Moment of Truth)

- Consider the entire consumer buying journey
- More efficient operations
- Faster speed to market
- Focus on digital and online
- Grow addressable base
- Inspire and engage prospects, fans, customers to improve MOT values
  - improve SEO, online search and digital brand experience
  - Product reviews; sampling campaigns
  - Online community engagement, referrals, brand ambassadors, content
  - Onboarding, brand engagement
  - 1:1 customer relationships: personalized & customized omnichannel campaigns



# Belkin Growth Drivers

# E-Commerce Growth

## No.1 Brand of Choice by Consumers



**Two Brands to effectively manage Channel Conflict: Defend/grow Brick & Mortar and E-commerce**

1) Belkin<sup>+</sup> is not a separate brand

2) Playa is also available in select brick & mortar channels in the EMEA emerging market and APeA

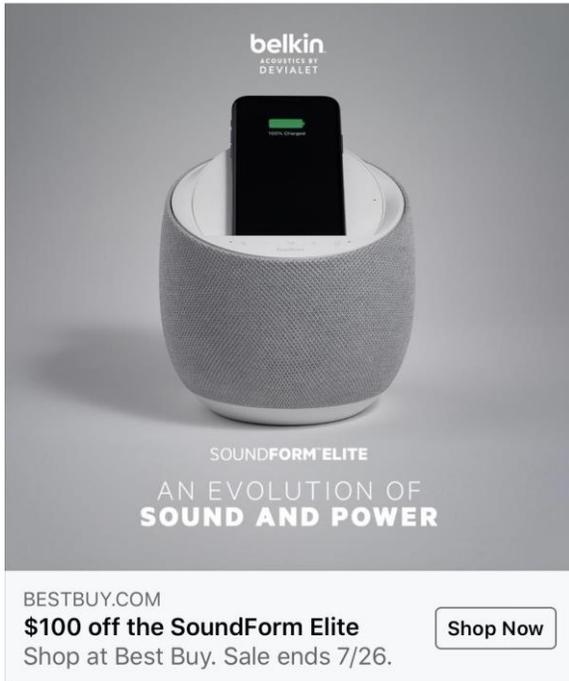
# Audio

**Objective:** Build mass awareness & consideration.

**Strategy:** Focus communication around unique sound & power story. Amplify paid search/social/display starting 7/24 to capitalize on promo pricing.

 **Belkin**   
Sponsored · 

The next evolution of sound and design pairs our industry-leading wireless charging technology with [Devialet's](#) quality acoustics.



belkin  
ACOUSTICS BY  
DEVIALET



SOUNDFORM ELITE  
AN EVOLUTION OF  
SOUND AND POWER

BESTBUY.COM  
**\$100 off the SoundForm Elite**  
Shop at Best Buy. Sale ends 7/26.

[Shop Now](#)





## Growth Drivers: 2020

### Connected Things

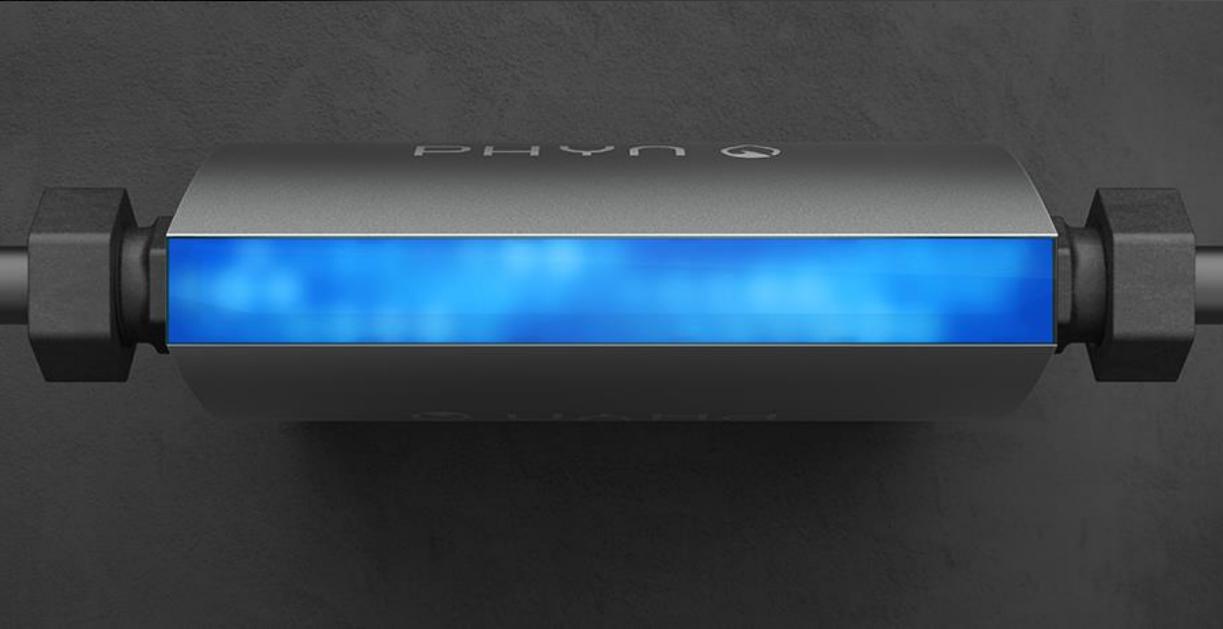
- Launched new audio portfolio starting with SOUNDFORM Elite Hi-Fi Smart Speaker, True Wireless Earbuds and Charging/Speaker stand with additional launches coming in H2
- Wireless Charging: Continue to expand the product assortment through Fall including freedom of placement, multi device docks
- Mobile power: Roll out of innovative products including GaN charging, Power Banks and Smart LED cables
- Screen Protection: Innovation and expansion continue ahead of new device launches in the fall
- Launched world's first dual powered Thunderbolt 3 Dock Core in partnership with Intel with additional launches in connectivity products through fall

## Growth Drivers: 2020

### Connected Home & Business

- Launched Wi-Fi 6 Mesh and four new mesh enabled routers to continue to expand our competitive product portfolio across online and offline channels
- Launching 5G Hot Spot in mid-August and continuing to build our 5G product offering
- Drive world-wide ISP opportunities by offering fully integrated hardware and software solutions
- New features, capabilities, revenues, enabled by software over Velop platform that offers consumers and ISPs security, motion sensing, health and wellness
- Expand Linksys SMB business with new product launches in Cloud Manager, Cybersecurity and hardware with a focus on new markets





## Growth Drivers: 2020

### Connected Home

- Launched Wemo Mini v3 with additional products launching in H2
- Celebrating multi-platform compatibility (HomeKit, Alexa, Google) offering consumers a simpler Wemo experience
- Phyn - Continued sales expansion opportunities, new products and new features such as the commercial grade Phyn XL 1.5" and Phyn XL 2" for enterprise

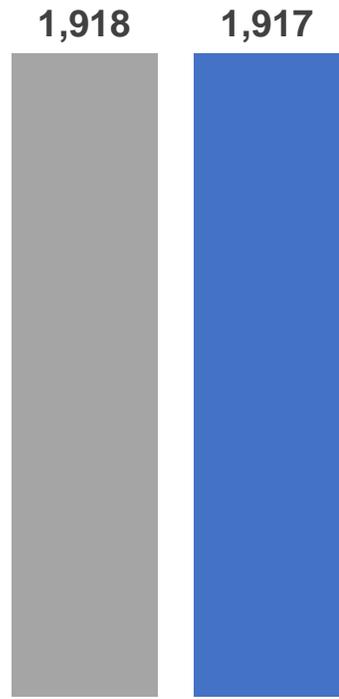
# Financial Overview

# Financial Overview

FY2020 1H

## Revenue

-0.1%

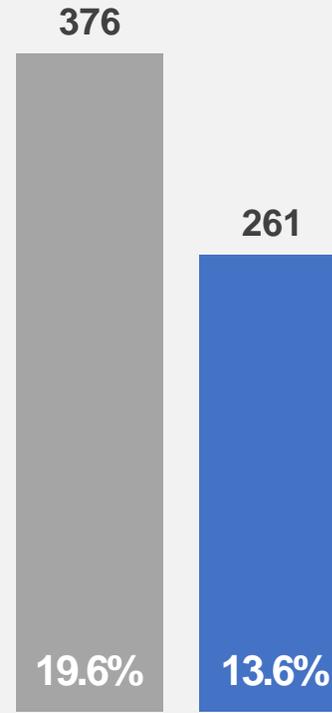


(MUSD)

■ 2019 1H ■ 2020 1H

## Gross Profit

-30.6%

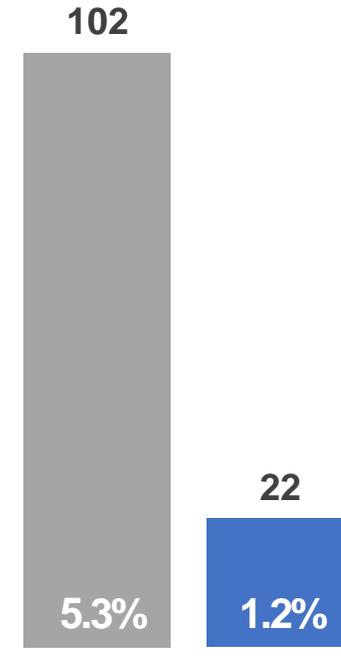


(MUSD)

■ 2019 1H ■ 2020 1H

## Net Income

-78.2%



(MUSD)

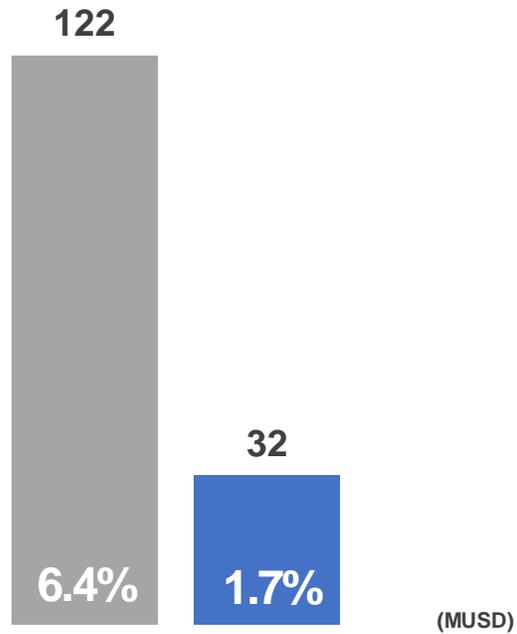
■ 2019 1H ■ 2020 1H

# Financial Overview

FY2020 1H

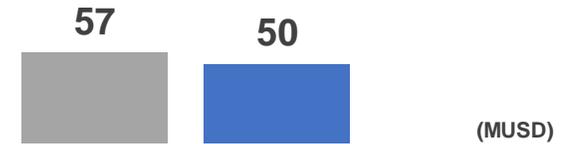
## Operating Profit

**-73.8%**

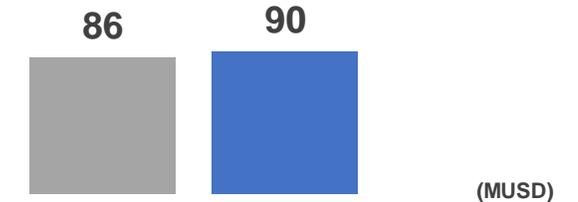


■ 2019 1H ■ 2020 1H

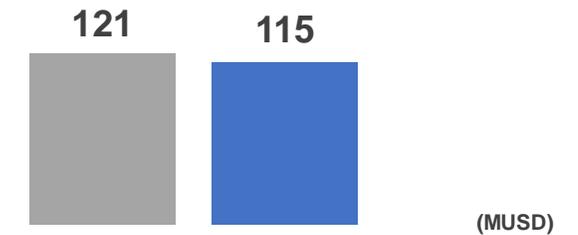
## Distribution Costs & Selling Expenses



## Administrative Expenses



## R&D Expenditure



■ 2019 1H ■ 2020 1H

# Financial Highlight

## Cash Conversion Cycle

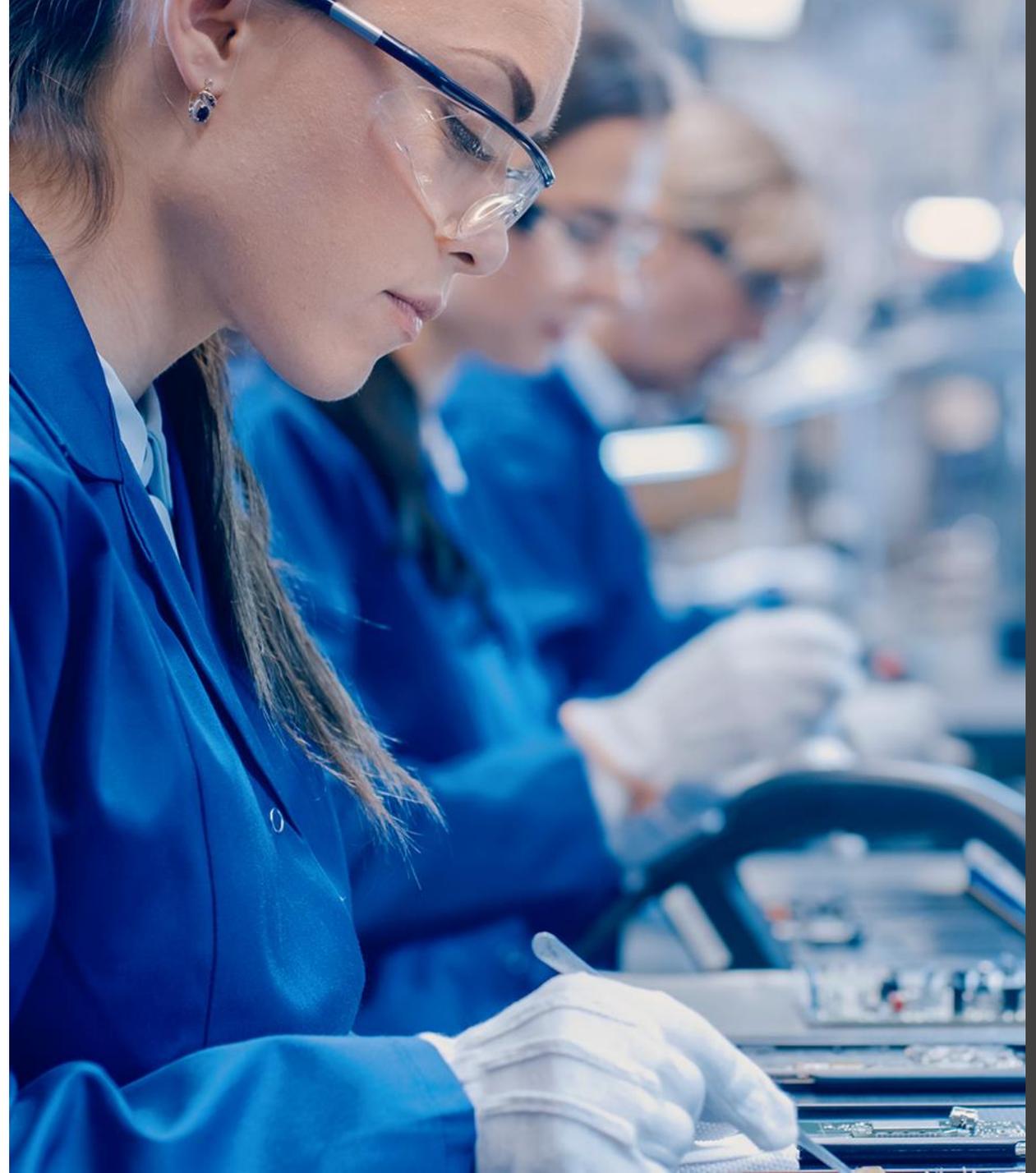
75 2019

94 2020 1H

## Turnover Days



■ 2019 ■ 2020 1H

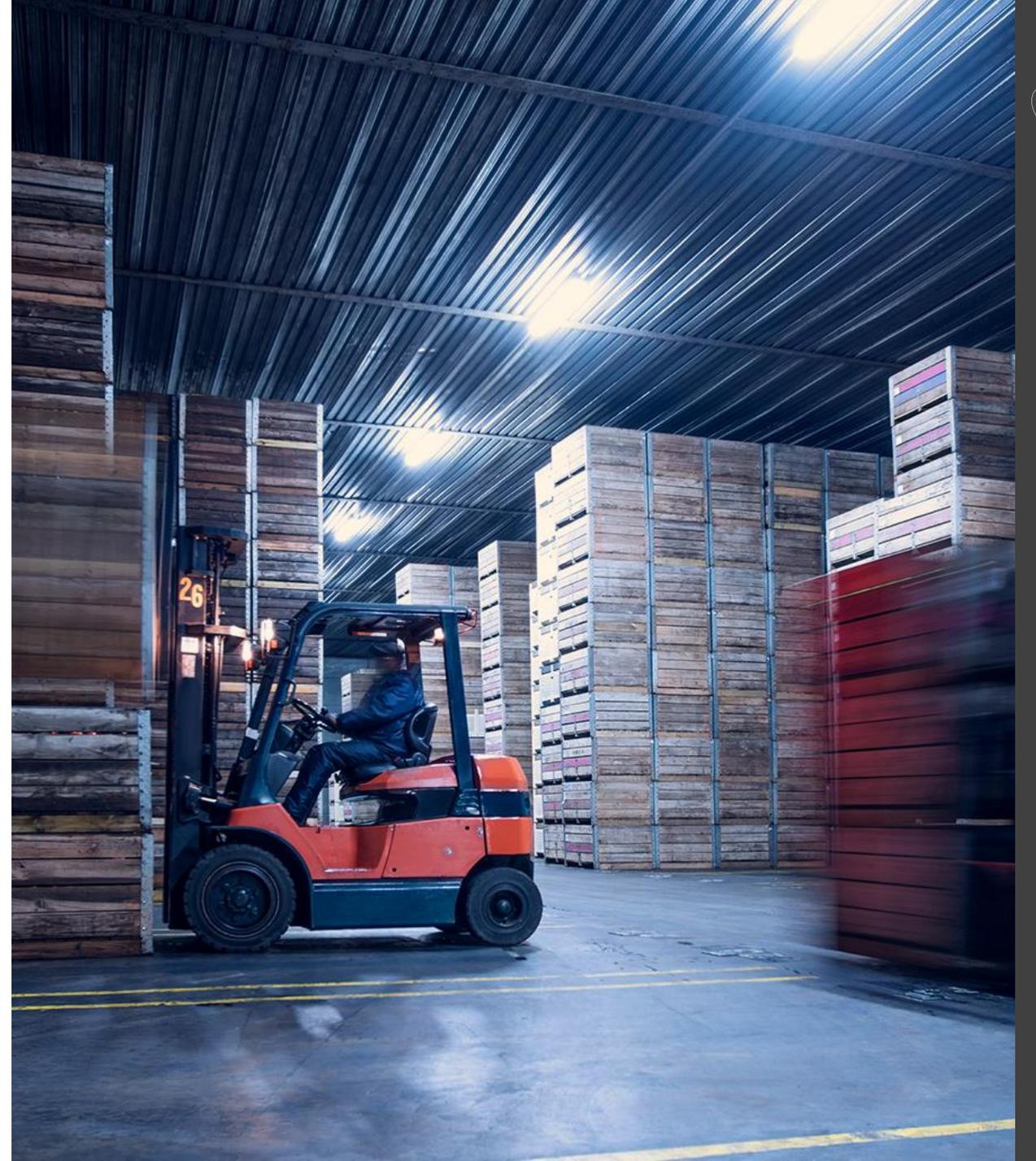
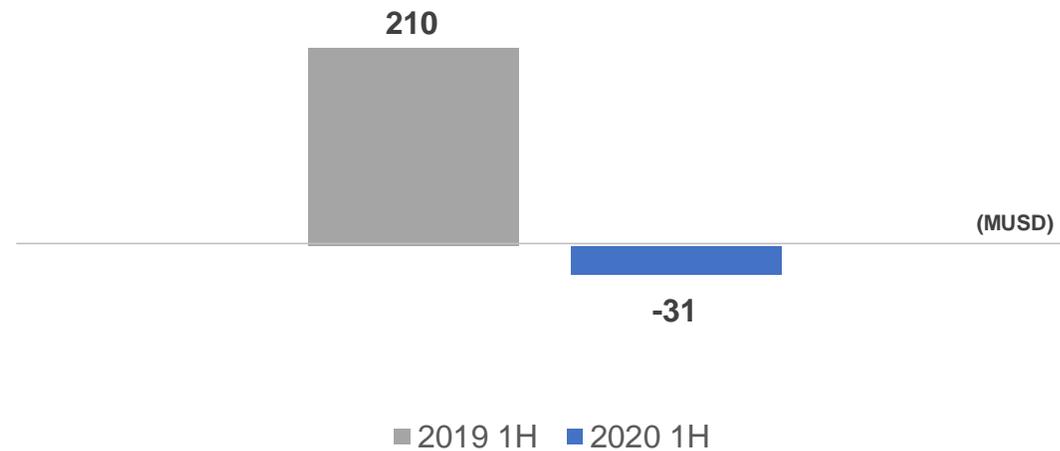


# Financial Highlight

## EBITDA Margin

13.0%<sub>2019 1H</sub>      **7.5%**<sub>2020 1H</sub>

## Cash Flow From Operations



# Q&A section

# Thank You!



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