

FIT Hon Teng Limited
鴻騰六零八八精密科技股份有限公司

1H23 Results Announcement

二零二三年中期度業績發佈會



belkin

wemo

PHYN

Disclaimer

- The information in this presentation is intended solely for informational purposes and does not constitute a recommendation regarding the securities of FIT Hon Teng Limited (the “Company”, incorporated in the Cayman Islands with limited liability under the name Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as FIT Hon Teng Limited) and does not constitute and should not be considered as any form of financial or investment opinion or recommendation by the Company and its subsidiaries (together with the Company, the “Group”) or any of its affiliates or any of their directors, officers, employees, advisors, agents or representatives. The information in this presentation may not be used for any other purpose.
- The information in this presentation is subject to change without notice. Its accuracy is not guaranteed, and it may not contain all material information concerning the Group. Neither the Group nor any of its affiliates, advisors or representatives makes any representation regarding, or assumes any responsibility or liability whatsoever (in negligence or otherwise) for, the accuracy or completeness of, or any errors or omissions in, any information contained in this presentation nor for any loss howsoever arising from the use of any information in this presentation.
- The information contained in this presentation has not been independently verified. No representation or warranty, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, truthfulness, completeness or correctness of, the information or opinions contained in this presentation. Neither the Company nor any of its holding companies, subsidiaries, associated undertakings, controlling persons or affiliates, nor any of their respective directors, officers, partners, employees, agents, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation. It is not the intention to provide, and you may not rely on this presentation as providing, a complete or comprehensive analysis of the Group’s financial or trading position or prospects. The information and opinions contained in this presentation are provided as of August 8, 2023 and are subject to change without notice. Nothing contained in this presentation is, or shall be relied upon as, a promise or representation, whether as to the past or the future and no reliance, in whole or in part, should be placed on the fairness, accuracy, truthfulness, completeness or correctness of the information contained in this presentation, whether written or oral. Further, nothing in this presentation should be construed as constituting legal, business, tax or financial advice. Neither the Group nor any of its affiliates has independently verified, approved or endorsed the material in this presentation.
- This presentation has not been reviewed by any securities regulatory authority in any jurisdiction such as The Stock Exchange of Hong Kong Limited (“SEHK”), Securities and Futures Commission of Hong Kong or the U.S. Securities and Exchange Commission, and no such authority has determined if this presentation is truthful or complete. This presentation is for information purposes only and does not constitute or form part of an offer, solicitation or invitation of any offer, to buy or subscribe for any securities, nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. Any decision to invest in any securities issued by the Company or its affiliates should be made solely on the basis of the Company’s public disclosure as made available from time to time on the website of the SEHK after seeking appropriate professional advice, and you should not rely on any information other than that contained in the aforesaid public disclosure.
- This presentation does not purport to contain all of the information that may be required to evaluate the Group or otherwise important to you and you should conduct your own due diligence and independent analysis of the Group and the data contained or referred to in this presentation.
- This presentation may not be taken or transmitted into the United States, Canada or Japan and is not for distribution, directly or indirectly, in or into the United States, Canada or Japan.
- This presentation is being made to you on the basis that you have confirmed your representation to us that you are not located or resident in the United States nor are or acting on behalf of a United States Person, as defined in Regulation S (“Regulation S”) under the U.S. Securities Act.
- The securities of the Company have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state of the United States or other jurisdiction and may not be offered or sold within the United States or to any United States Persons.
- The Group does not undertake any obligation to provide any additional information or to update or otherwise revise this presentation or any other information otherwise made available to you. This presentation does not create an obligation on the Group to consider any offer. The provision of the information contained in this presentation shall not be taken as any form of commitment on the Group or on you to proceed with any transaction.
- This presentation may contain forward-looking statements. Such forward-looking statements, such as descriptions relating to the development of the connector industry, are based on a number of assumptions. The validity of such assumptions are affected by a number of factors, both identified and unknown, and includes factors beyond the Group’s control, and such factors may cause material deviations between the Group’s actual performance to that expressed or implied in such forward-looking statement. You are cautioned not to place undue reliance on these forward-looking statements, as these statements are subject to risks both identified and unknown, involve inherent uncertainties and speak only as of the date on which they are made, and the actual results may differ materially from those set forth in any forward-looking statements herein. Neither the Group nor any of its directors, supervisors, management, employees, agents, affiliates, advisors or representatives is responsible for updating the forward-looking statements in accordance with events or circumstances that occur after the date of this presentation.

Agenda

1H23 Financial Overview

3Q23 & 2H23 Guidance

Execution Status Update

News Update

ESG

Q&A Section

Financial Highlight

1H23 Financial Highlight

REVENUE

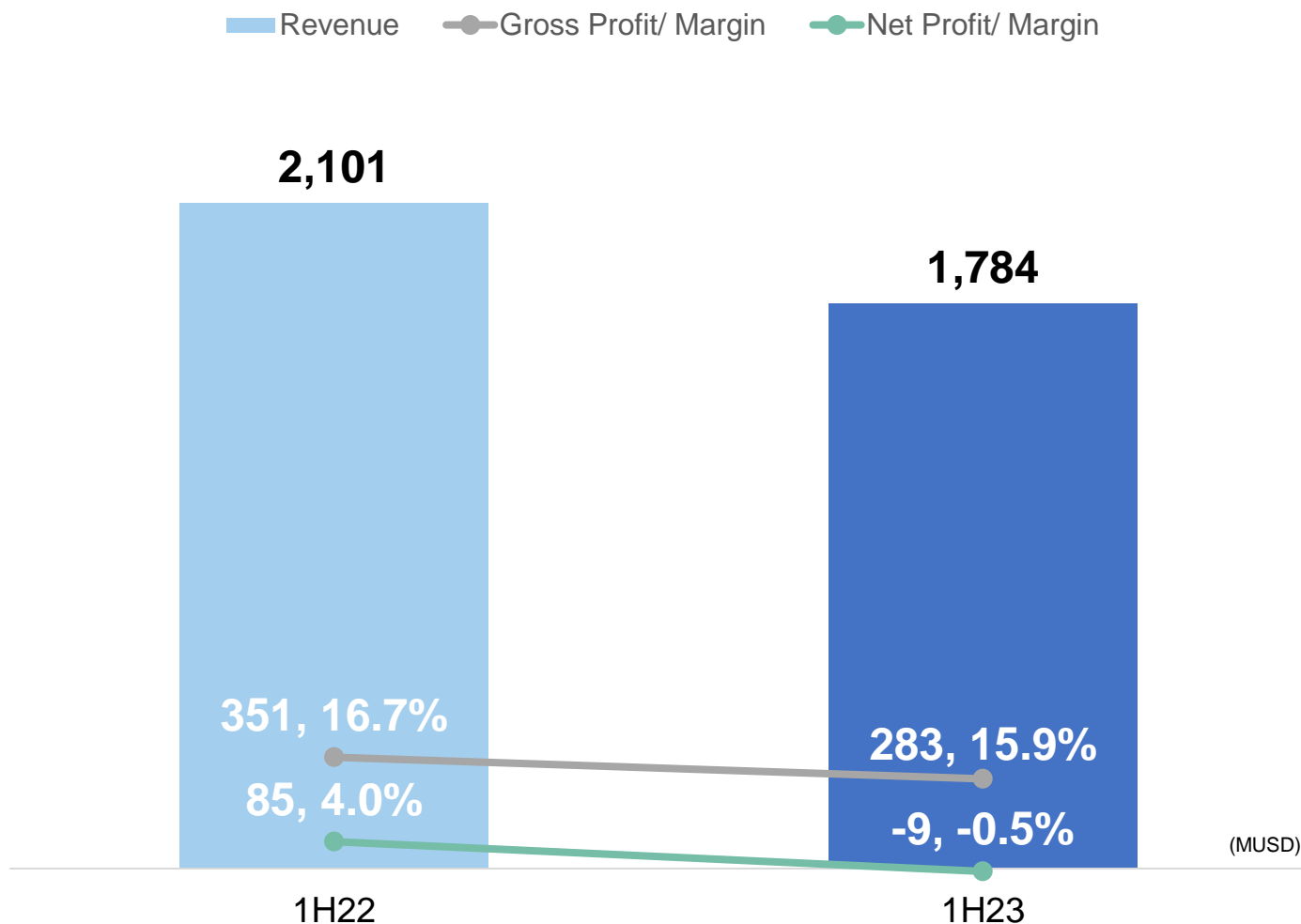
-15%

GROSS PROFIT

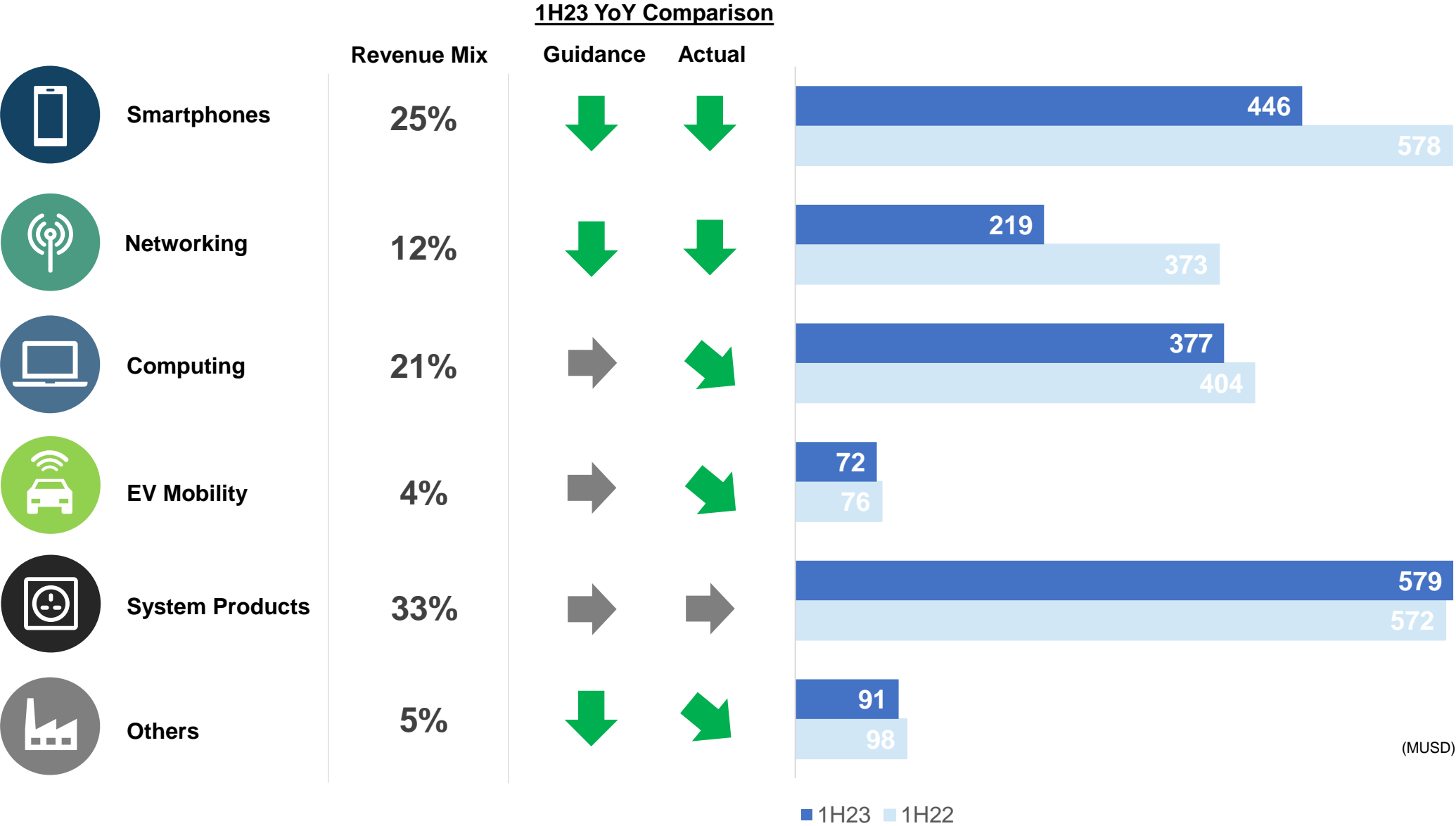
-19%

NET INCOME

-9M



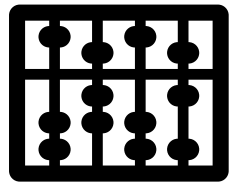
1H23 Segment Performance



Financial Guidance

Full Year Guidance Recap

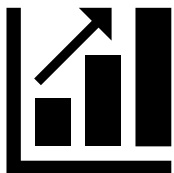
2023 YoY



REVENUE



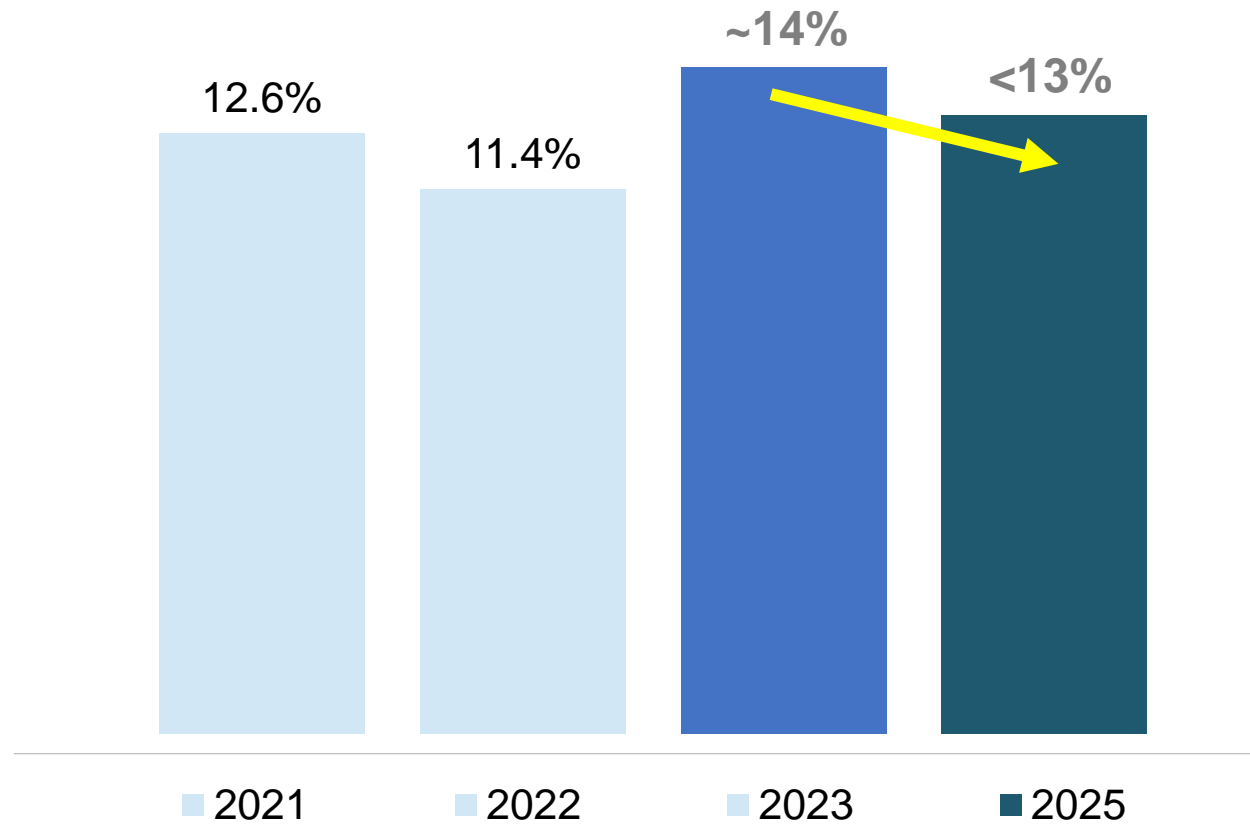
GROSS PROFIT



NET INCOME



OPEX Ratio Forecast



2H23 Guidance

> +15%
 +5 – 15%
 0 ± 5
 -5 – 15%
 > -15%



Smartphones



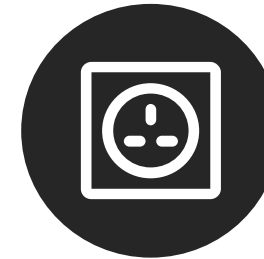
Networking



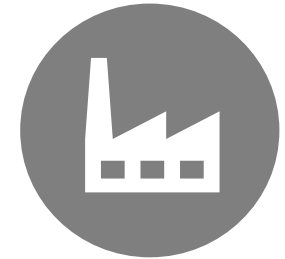
Computing



EV Mobility



System Products



Others

3Q23 YoY



2H23 YoY

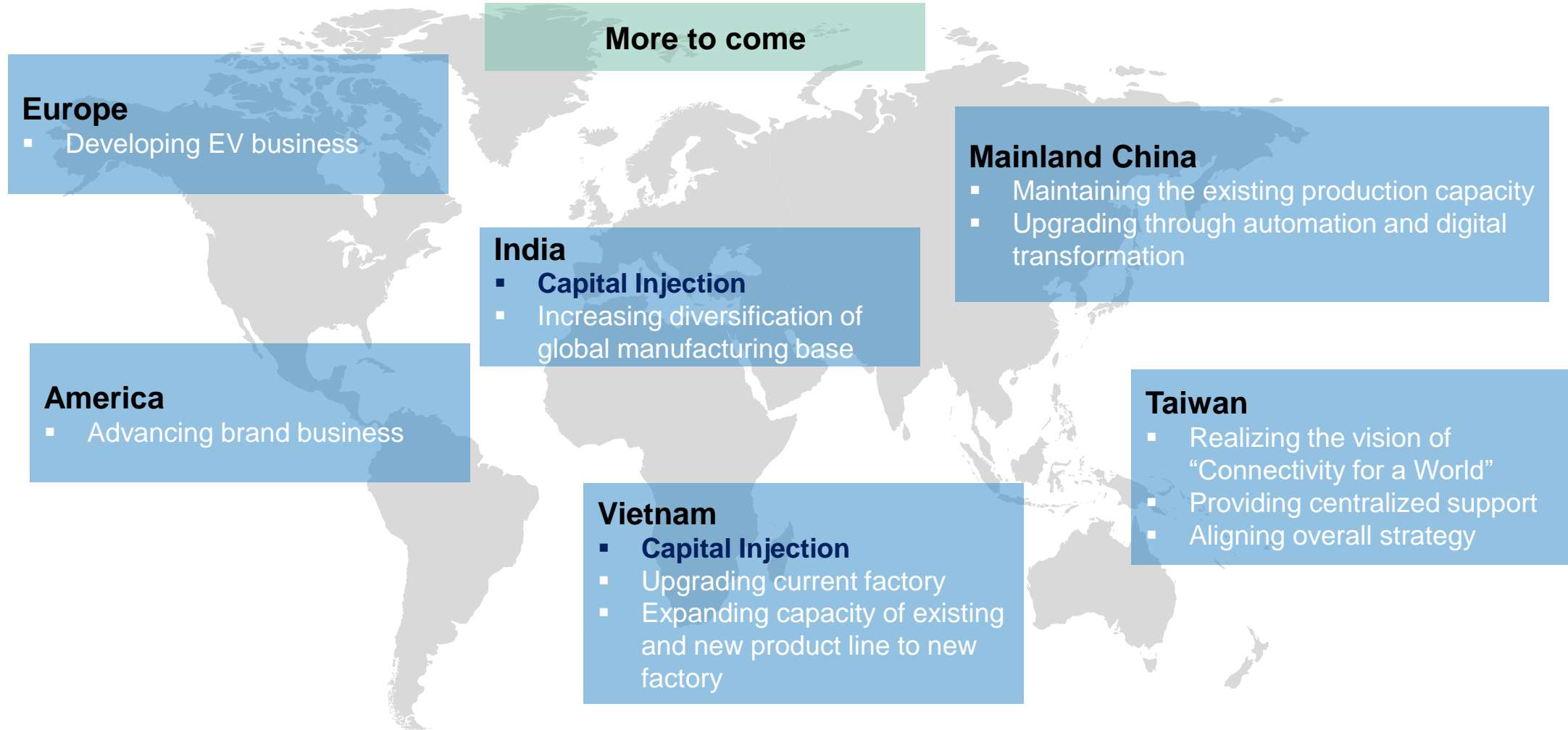


FY23 YoY



Execution Status Updates

Expand Global Services as Industry Trend Diversifies Footprint



CAPEX Distribution Forecast				
	(MUSD)	2023 (F)	2024 (F)	2025 (F)
By Purpose	Total	~800	950 - 980	400 - 430
Property & Plant				
Vietnam Expansion		6%	11%	16%
India Expansion		21%	22%	0%
Equipment		73%	67%	84%
Equipment By Strategy				
EV Mobility		40%	7%	17%
5G AIoT		14%	24%	34%
Audio		8%	41%	6%
Legacy Product		38%	28%	44%

1H23 3+3 Execution Status Update



EV Mobility

- New EV business unit developed – FIT Voltaira



New Generation 5G AIoT

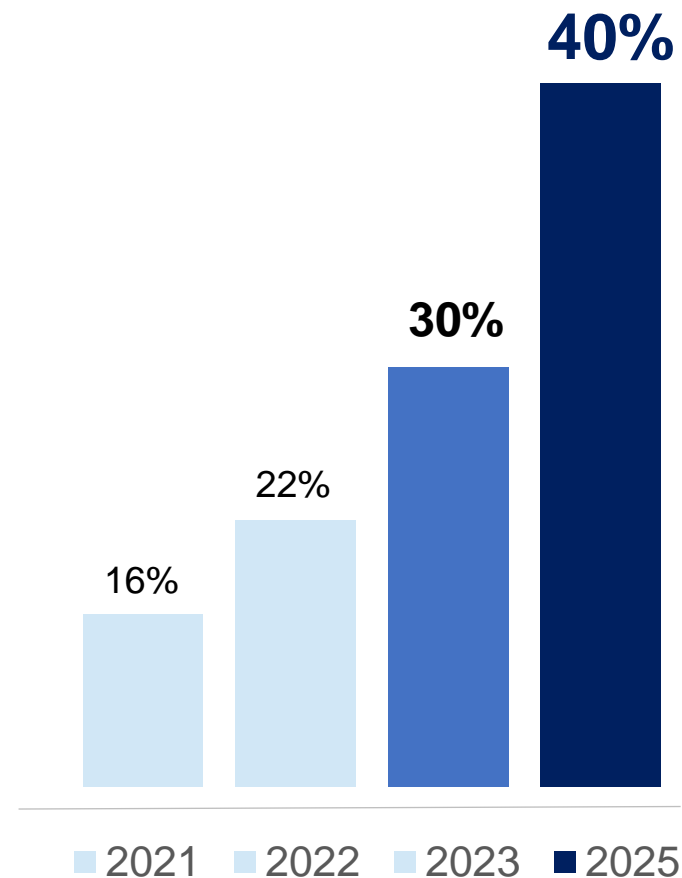
- Key focus for mid-term profit growth
- Winning Reddot Award - 800G Product
- OCP market opportunities development



Audio

- Preparation of global service expansion

Revenue Mix Forecast Update



Enhancing EV Strengths – FIT Voltaira

Completed Acquisition of Prettl SWH Group and Introduces New EV Business Unit – FIT Voltaira

Product Offerings

ELECTRIFY Applications

Wire Harness for Battery Pack



High Voltage Wiring



Transmission Harness



E-Bike Harness



CONNECT Applications

BSD Blind Spot Detection System



LF Antenna



Camera Connector



V2V



SENSE Applications

EPS Sensor



O2 Sensor



Steering Harness



Seat Buckle Switch Harness



Customer Expansion

Serving the champions league of automotive

Tier 1 & leading EV OEMs covering

- Americas
- EMEA
- Asia

Technology & Talent

Technology edges create attractive growth trajectory

- Non-standardized production
- High processing know-how

Talent acquisition

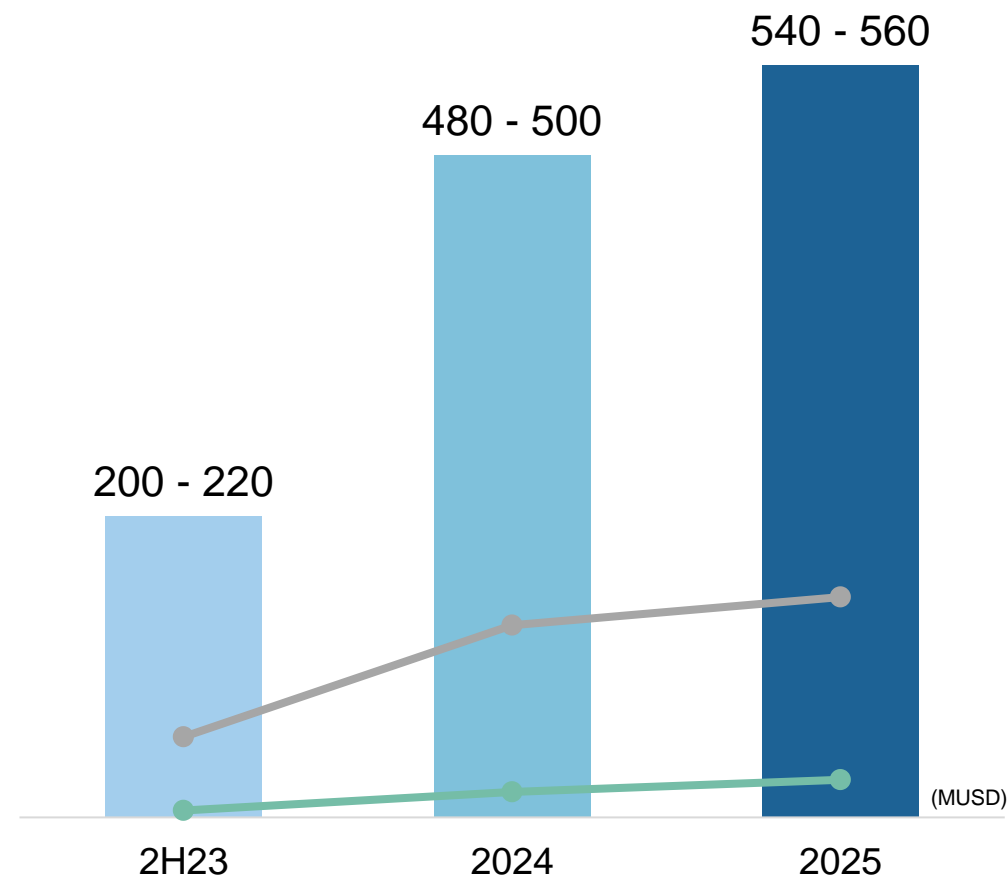
- Gaining 50 years of experience with track record in automotive cable manufacturing and wiring.

Significant Growth Driver - Revenue & Margin

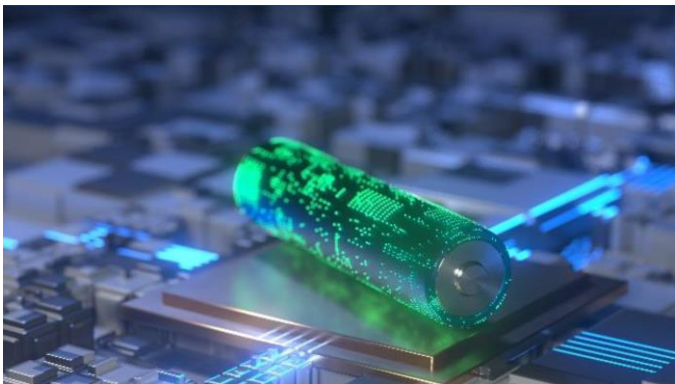
Revenue Forecast Gross Margin Forecast Net Margin Forecast

25 – 30%

2 – 5%



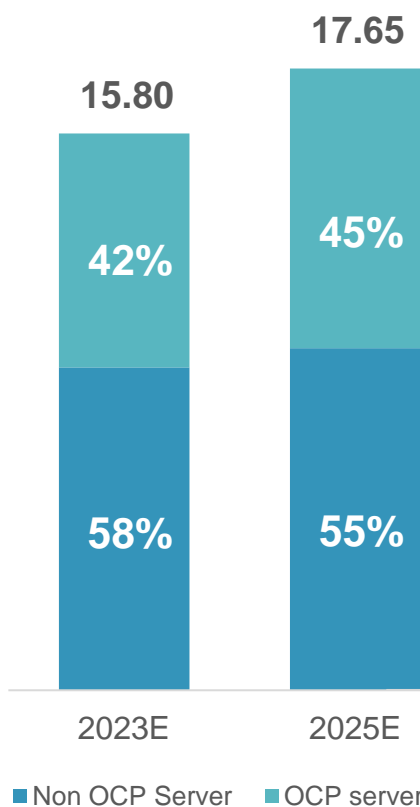
5G AIoT Certified Products Meet Industry Trend



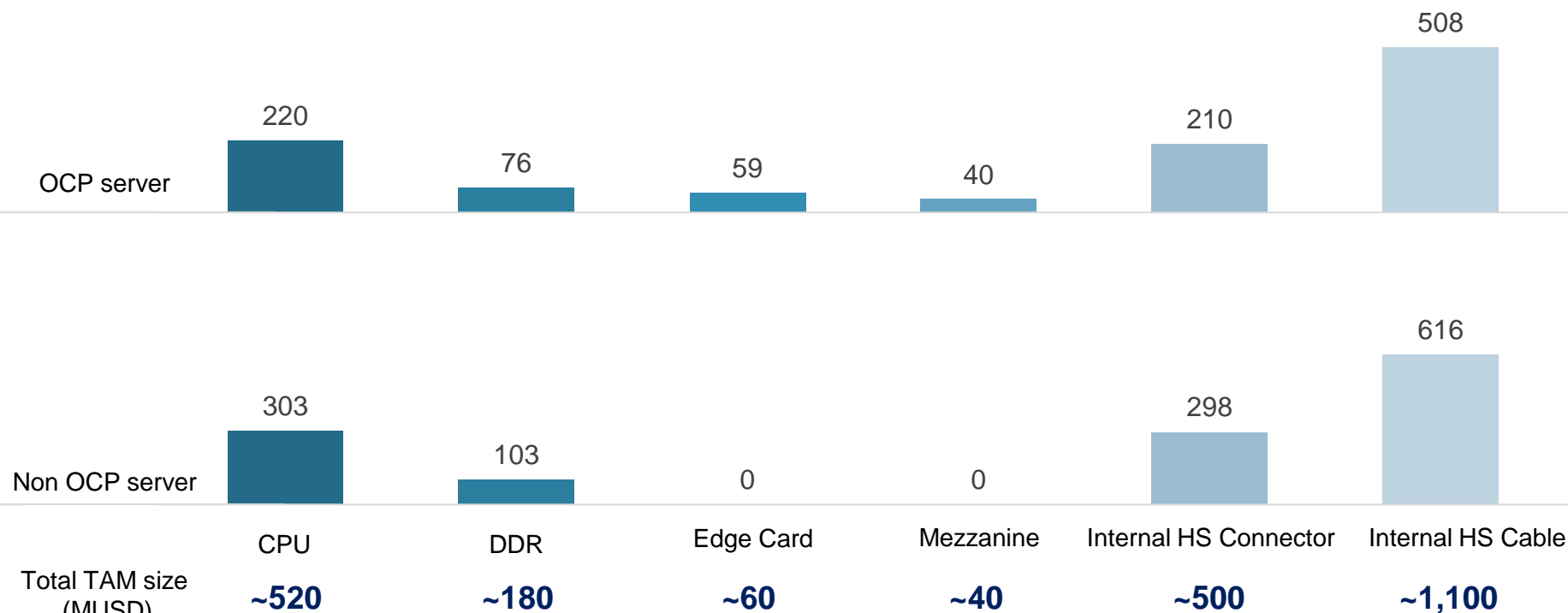
	Energy Saving	Power Efficiency	Open Standard
Industry Trend	Moving away from traditional air cooling towards liquid cooling	Moving away from traditional PSU towards power shelves, uninterrupted power systems	Moving away from unique architecture designs towards the development of open specifications and standards
FIT accomplished	CPU socket & DDR passed the liquid cooling environment test	MCRPS connectors mass-produced & entered association standards	Opened an alliance corresponding M-XIO EDSFF product matching

AI Opens up OCP Market Opportunities

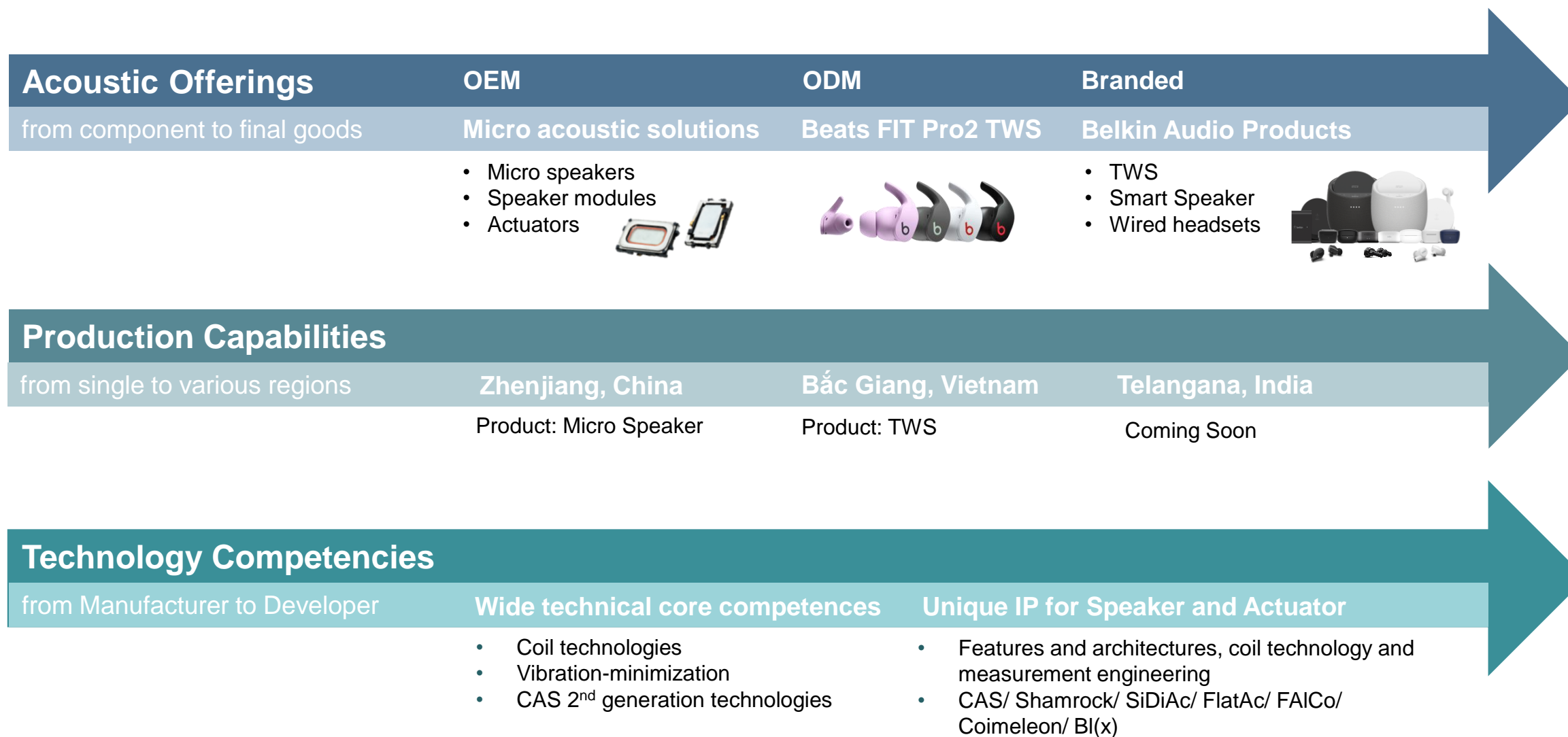
2023 – 2025 Worldwide Server Shipment Forecast (M unit)



2025 Connector & Cable Market TAM size (MUSD)



Audio



News Updates

Recent Announcements



FIT Hon Teng Limited
鴻騰六零八八精密科技股份有限公司
(Incorporated in the Cayman Islands with limited liability under the name Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as FIT Hon Teng Limited)
(Stock Code: 6088)

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by FIT Hon Teng Limited* (the "Company").

The board of directors of the Company (the "Board") is pleased to announce that (i) the Company proposed to make a capital injection of US\$500,000,000 to Foxconn Interconnect Technology Singapore Pte. Ltd. ("FIT Singapore"), a direct wholly-owned subsidiary of the Company; (ii) FIT Singapore proposed to make a capital injection of US\$100,000,000 to Fu Wing Interconnect Technology (Nghe An) Company Limited, an indirect wholly-owned subsidiary of the Company; and (iii) FIT Singapore proposed to make a capital injection of US\$400,000,000 to Chang Yi Interconnect Technology (India) Private Limited, which is held by FIT Singapore as to 99.99% of the capital stock.

By order of the Board
FIT Hon Teng Limited*
LU Sung-Ching
Chairman of the Board

Hong Kong, August 7, 2023

As of the date of this announcement, the Board comprises Mr. LU Sung-Ching, Mr. LU Pochin Christopher and Mr. PIPKIN Chester John as executive directors, Mr. TRAINOR-DEGIROLAMO Sheldon and Ms. HUANG Pi-Chun as non-executive directors, and Mr. CURWEN Peter D, Mr. TANG Kwai Chang and Mr. CHAN Wing Yuen Hubert as independent non-executive directors.

* Incorporated in the Cayman Islands with limited liability under the name Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as FIT Hon Teng Limited

7 August
Capital Injection



實現「萬物電氣化」
探索業界品類最為齊全的數位化研發、
模組和系統驅動器解決方案

科技網 > 產業 > CarTech/綠能

**PRETTTL SWH集團更名FIT
Voltaira加入鴻騰陣容**

杜念魯 / 台北 2023-07-04

為進一步擴充在電動車關鍵零組件領域的實力，符合今後轉型發展策略上的需求，鴻海旗下鴻騰精密科技 (FIT) 於2023年初宣布以1.86 億歐元 (約新台幣 61 億元) 購併德國車用元件設計製造業者PRETTTL SWH 集團。鴻騰於3日晚間宣布已經完成此購併案。

3 July
Prettl SHW Acquisition

鴻海旗下鴻騰報捷 再憑高速連接器獲紅點設計大獎

2023/06/27 11:25 回應(0) 人氣(311) 收藏(0)

MoneyDJ新聞 2023-06-27 11:25:16 記者 新聞中心 報導



鴻騰(2317)旗下鴻騰精密科技(6088.HK)再次獲得譽為「設計界奧斯卡」的「紅點設計大獎」。鴻騰掌握最火紅的AI話題，以「FITCONN」為題並憑藉創新800G高速連接器展現出色的設計能力，獲得設計概念獎。這項創新的解決方案在遵守既有數據中心的規格和設計規則的同時，也大大提高了數據傳輸效率。

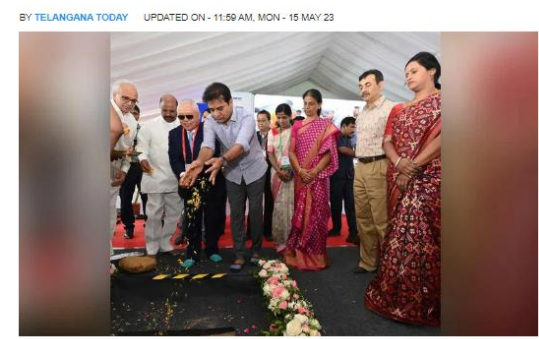
鴻騰指出，近年提出3+3策略發展電動車、聲學及5GAIoT領域，並掌握數據中心領域的最新趨勢，在5GAIoT策略中鎖定「更節能(More Energy Saving)、更高效率(More Power Efficiency)、更開放的平台(More Open Platforms)」三大方針，透過其優異技術，持續掌握高毛利的生機機會。

此產品不僅是在外觀做了改變，更徹底打破ASIC晶片堆疊的傳統設計，允許訊號直接透過晶片上的接觸點與跳線連接器，有效消除訊號的損耗，縮短晶片和連接器間的路徑，最大限度地提高了傳輸效率。

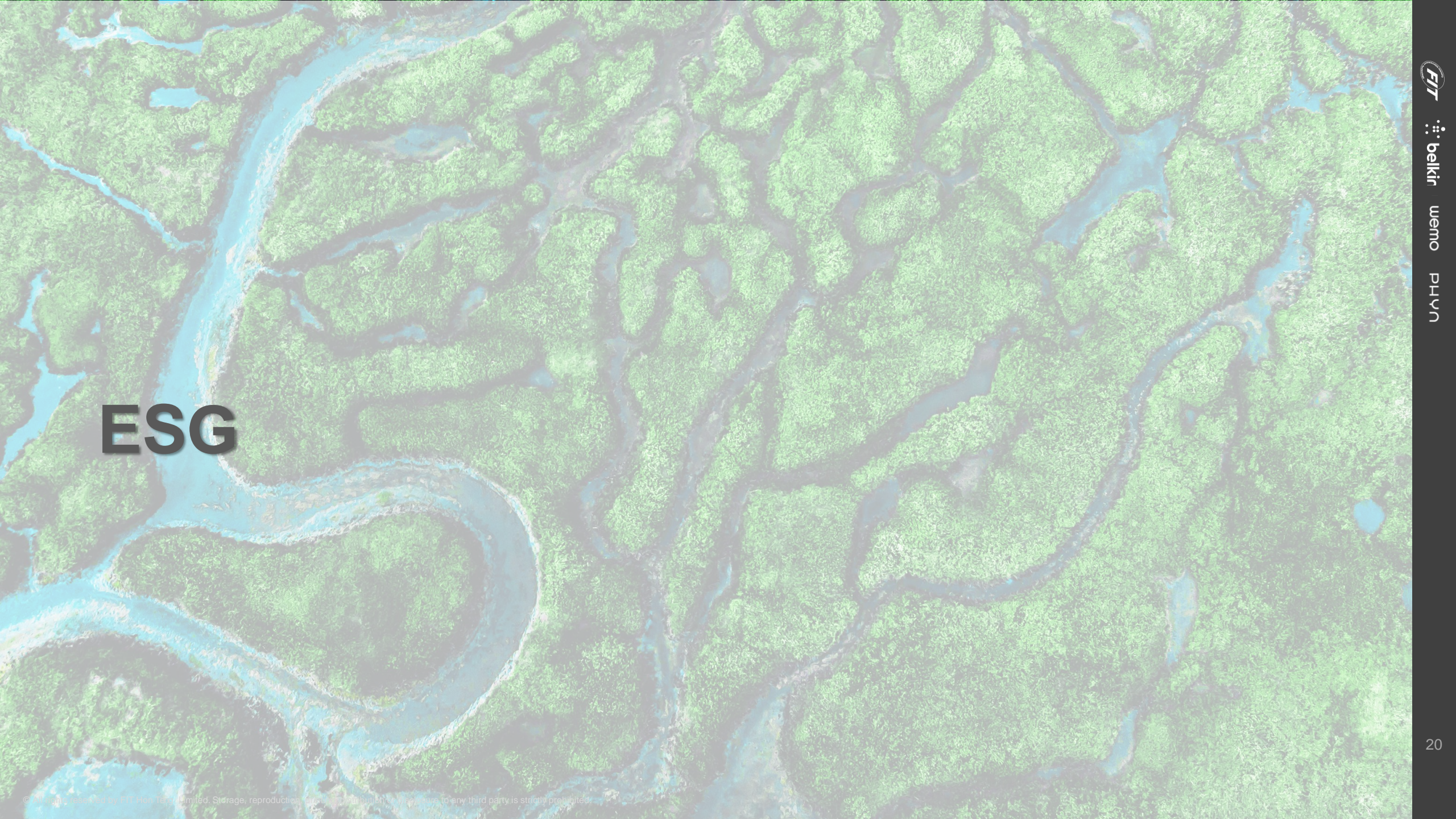
27 June
Reddot Awarded 800G Innovation

Foxconn electronics manufacturing facility in Telangana: Groundbreaking ceremony conducted

Groundbreaking ceremony for Foxconn Interconnect Technology's new electronics manufacturing facility was conducted at Kongara Kalan



15 May
India Groundbreaking



ESG

Honour and recognition of FIT in 2022



FIT receives A rating in Hang Seng Corporate Sustainability Index Series

The Hang Seng Corporate Sustainability Index Series evaluates a corporate's maturity in managing 7 Aspect Subjects covering ESG, FIT is accredited with A rating in 2022, with top 20% position as compared with peers.

Factories Recognitions



FIT Mainland China factories Zero Waste Project

In line with Apple's waste management policy, FIT participated in Zero Waste Project in 2022. Apple requires suppliers to divert 100% of their waste from landfill, with a maximum of 10% sent to a waste-to-energy facility, in order to achieve the Zero Waste-to-Landfill certification through Underwriters Laboratories (UL). A project team was formed by the Environmental Engineering Department and led by various business units of different factories. Currently, Shenzhen and Kunshan factories have passed the annual validation this year and obtained UL2799 platinum certification. We target to extend the project to other factories in Mainland China and obtain relevant certifications.

FIT Shenzhen and Chongqing factories "Green Trustworthy Enterprises"

In the first environmental protection credit assessment by the Shenzhen Municipal Government, the Shenzhen factory was recognised as the highest level "Green Trustworthy Enterprise" among over 800 enterprises. The Chongqing factory also won the title of "Integrity Enterprise" in environmental protection credit rating.

FIT Huaian factory "2022 Outstanding Enterprises in Ecological and Environmental Protection"

In January 2023, Huaian factory was selected as one of the corporates in attaining the "Outstanding Enterprises in Ecological and Environmental Protection" by Huaian Economic & Technological Development Zone of Huaian Ecological Environment Bureau.

Q&A section



belkin

wemo

PHYN

Foxconn Interconnect Technology Limited (Incorporated in the Cayman Islands and carrying on business in Hong Kong as FIT Hon Teng Limited)

鴻騰精密科技股份有限公司 (於開曼群島成立，並以鴻騰六零八八精密科技股份有限公司於香港經營業務)

Appendix

Statement of Comprehensive Income

(M'USD)	1H23	1H22	YoY
Revenue	1,784	2,101	-15%
Gross Profit	283	351	-19%
Gross Profit Margin	16%	17%	-85 bps
Operating Profit	25	88	-72%
Profit before Tax	7	107	-93%
Income Tax Expense	(16)	(22)	-27%
Profit for the Year	(9)	85	-111%
Profit Attributed to :			
Owners of the Company	(9)	85	-111%
Non-controlling Interests	-	-	-
Basic EPS	(0.13)	1.23	-111%

Balance Sheet

(K'USD)	As of 30 June 2023	As of 30 June 2022	YoY
Cash and Cash equivalents	1,383,557	853,917	62%
Inventory	792,038	1,123,084	-29%
Receivables	614,803	779,536	-21%
Other current assets	135,061	204,583	-34%
Non-current assets	1,694,246	1,872,018	-9%
Total Assets	4,619,705	4,833,138	-4%
Current Liabilities	(2,272,239)	1,796,027	27%
Non-Current Liabilities	(75,263)	662,996	-89%
Total Liabilities	(2,347,502)	2,459,023	-5%
Equity	2,272,203	2,374,115	-4%

Cash Conversion Cycle

Days	1H23	1H22
Average inventory turnover days	105	110
Average trade receivables turnover days	67	79
Average trade payables turnover days	73	78

Terminology

Term	Definition
SiC	Silicon Carbide
48V-DC	48 Voltage DC Power Supply
M-CRPS	Common Redundant Power Supply
DC-HMS	Modular Hardware System
PCIe	Peripheral Component Interconnect Express
U.2	Extension of the SATA and SAS storage interfaces
M-XIO	Extensible IO (near side “IO”)
EDSFF	Enterprise & Data Centre SSD Form Factor