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**FIT HON TENG LIMITED**

鴻騰六零八八精密科技股份有限公司

# **2019 INTERIM RESULTS ANNOUNCEMENT**

二零一九年中期業績發佈會



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# 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.

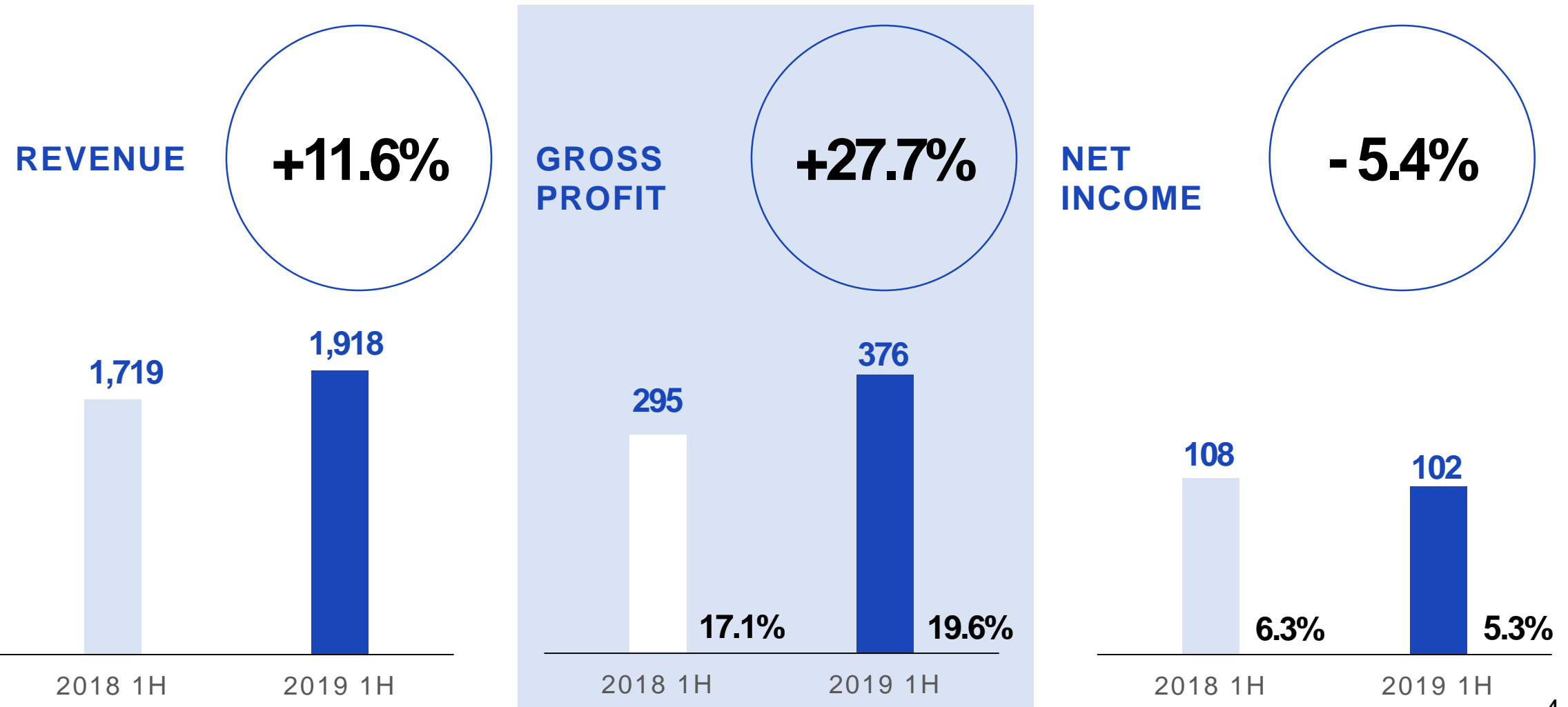
## CURRENT

Core competencies and existing customers.



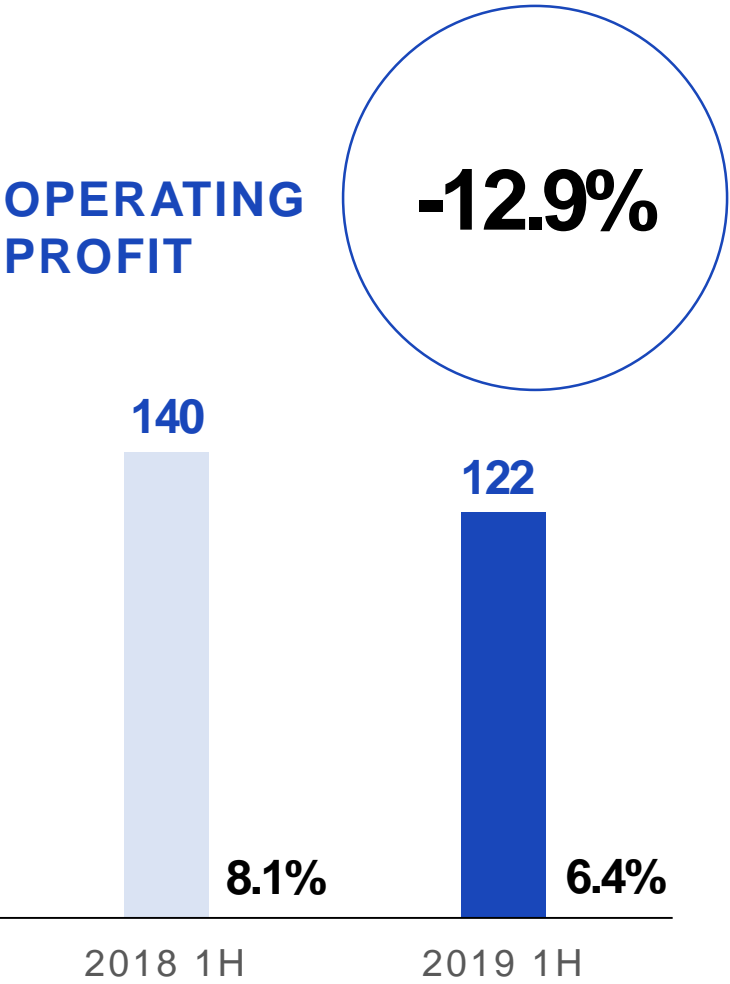
# Financial Overview

FY2019 1H

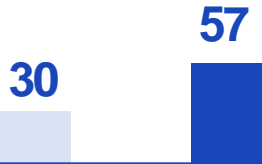


# Financial Overview

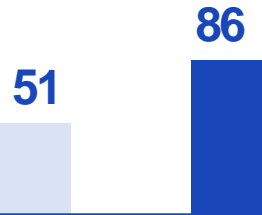
FY2019 1H



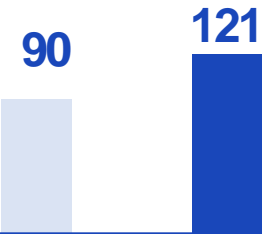
**DISTRIBUTION  
COSTS & SELLING  
EXPENSES**



**ADMINISTRATIVE  
EXPENSES**



**R&D  
EXPENDITURE**



2018 1H 2019 1H

# Revenue Mix

## MOBILE DEVICES



## COMMUNICATIONS INFRASTRUCTURE



## COMPUTER & CONSUMER ELECTRONICS



## AUTO, INDUSTRY & MEDICAL



## SMART ACCESSORIES



## CONNECTED HOME



2018 1H 2019 1H

2018 1H 2019 1H



# Financial Highlight

## CASH CONVERSION CYCLE

**80** 2018      **78** 2019 1H

## TURNOVER DAYS

Inventory	65	80
Trade Receivables	88	83
Trade Payables	73	85
	2018	2019 1H



# Financial Highlight

## EBITDA MARGIN

2019 1H

13.0%

2018 1H

14.6%

## CASH FLOW FROM OPERATIONS

2019 1H

200 MUSD

2018 1H

338 MUSD





# Optical Network Connectivity

# Solutions for Optical Network Connectivity

## DATA CENTER / ENTERPIRSE



**\$3,659M**

**10G | 40G | 100G**  
SAN: 8G, 16G, 32G

**200G | 400G | 800G**  
SAN: 64G, 128G

**GAGR**  
(2019-2023)  
**= 15%**

## SWITCH / ROUTER



**\$1,607M**

**1G | 10G | 25G | 40G | 100G**

**50G | 400G | 800G**

**GAGR**  
(2019-2023)  
**= 12%**

## CAMPUS / METRO



**\$1,053M**

**10G | 40G | 100G**

**200G | 400G | 800G**

**GAGR**  
(2019-2023)  
**= 10%**

## WIRELESS



**\$355M**

**3G | 6G | 9.8G**

**25G | 50G | 100G**

**GAGR**  
(2019-2023)  
**= 21%**

2019 TAM

PRESENT

FUTURE



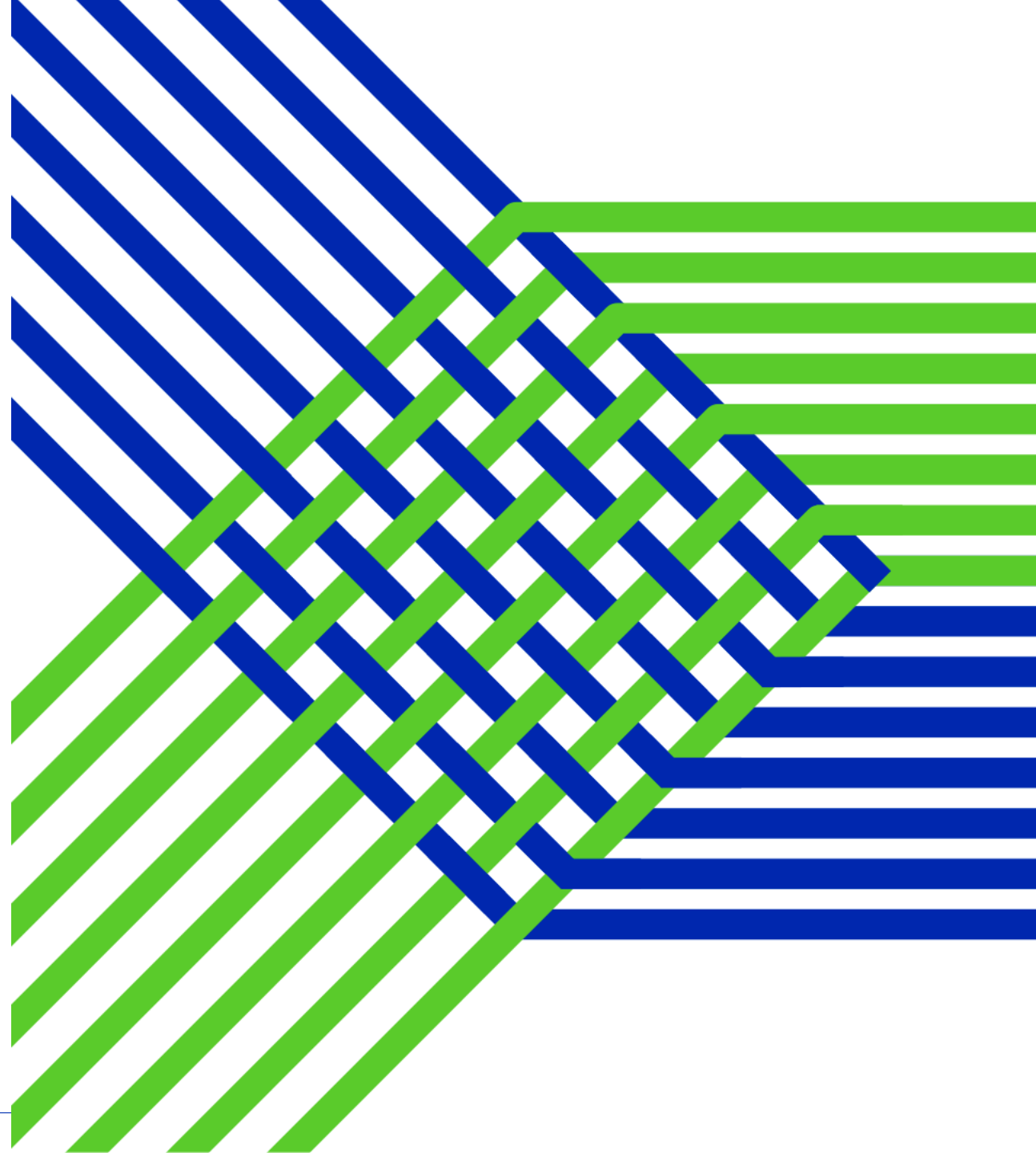
# FIT-Belkin Integration Update



# Integration Update

We are on schedule to meeting the objectives of the Belkin acquisition

- Belkin leveraging FIT's manufacturing expertise and scale.
- Belkin manufacturing in process of transitioning outside of China.
- Expansion opportunities in Asia, leveraging FIT relationships.

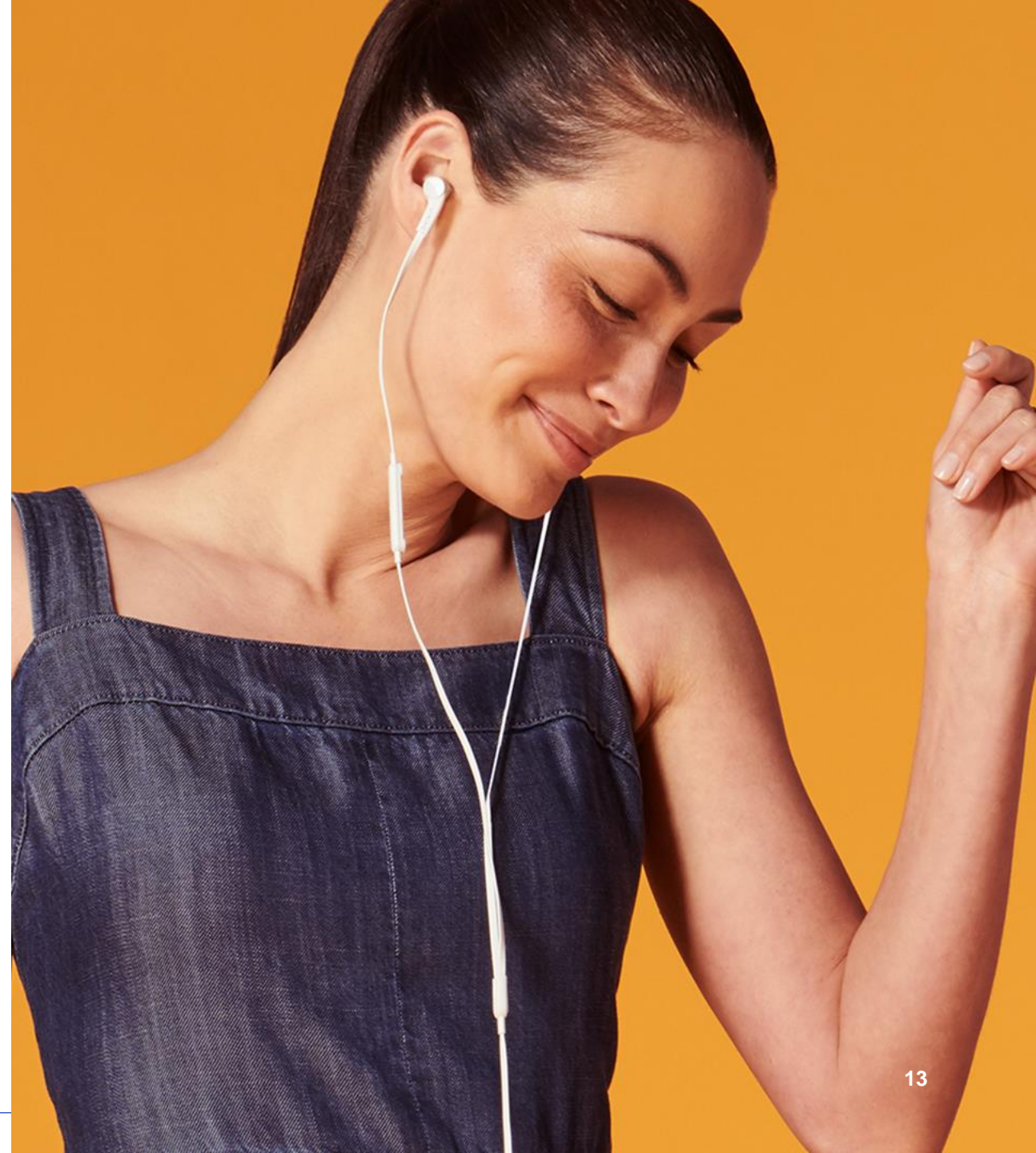




# Growth Drivers: 2H 2019 and 2020

**Belkin facilitating and driving total FIT growth and profitability.**

- Belkin is leading sales opportunities across all of FIT.
- Focused on expanding key FIT technologies, including 5G and smart home.
- Prioritizing top sales accounts featuring some of the top technology companies globally.



# Growth Drivers: 2H 2019 and 2020

## Connected Things

- Secure key industry leadership in transition from wired to wireless in Connectivity, Power and Audio.
- Leverage Belkin's market leadership in Mobile Power and global distribution channels to grow Digital Audio category.
- Continued growth in Screen Protection at key retailers worldwide.





# Growth Drivers: 2H 2019 and 2020

## Connected Home

- Linksys Velop as the preferred neutral platform of home networking for ISP's.
- New features, capabilities, revenues, enabled by software over Velop platform, including security, motion sensing, and health and wellness.
- 5G and Wi-Fi 6 products launching globally.
- Linksys SMB business with new product launches in Cloud Manager, Cybersecurity, access points and smart switches.



# Growth Drivers: 2H 2019 and 2020

## Connected Home

- New Wemo product launches and integrations planned for 2020.
- Phyn - Continued sales expansion opportunities, new products and new features coming.

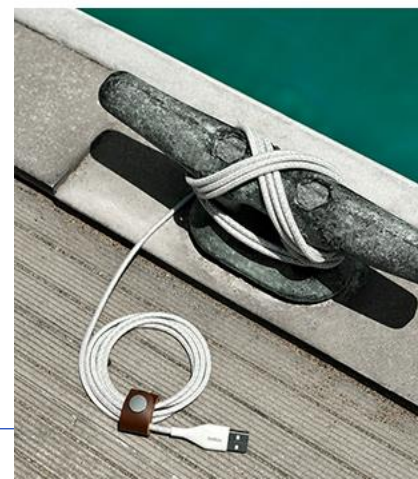




# Growth Drivers: 2H 2019 and 2020

## Channel Expansion

- Accelerate our e-commerce business by leveraging customized products, marketing and operations strategy.
- Greater focus on winning at telecom providers and ISP's globally.
- Further acceleration in Asia, focused on China, utilizing FIT's relationships and reach.
- Private label opportunities globally, leveraging FIT's cost and scale.
- Focus on expansion of B2B verticals (e.g., schools, hotels, restaurants, SMB offices).



Foxconn Interconnect Technology Limited  
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