

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

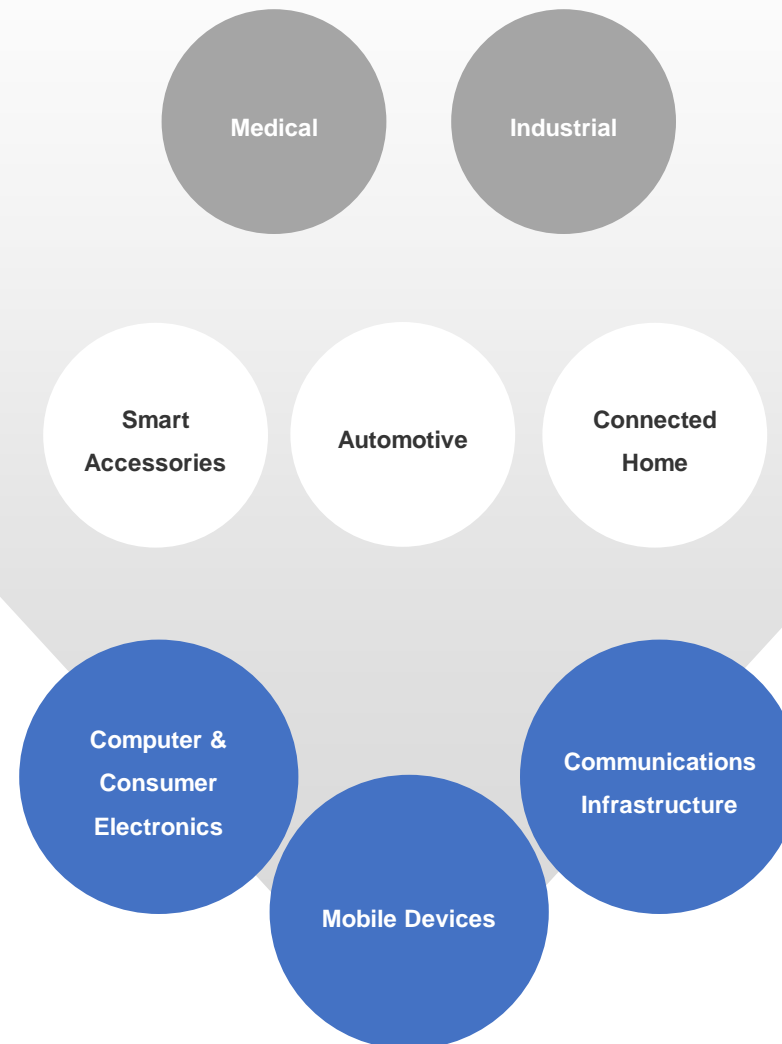
Creating new end markets and acquiring new customers.

Short & Medium Term

Innovating new applications and deepening customer relationships.

Current

Core competencies and existing customers.



New Offers & Assets

Extend Offers & Assets

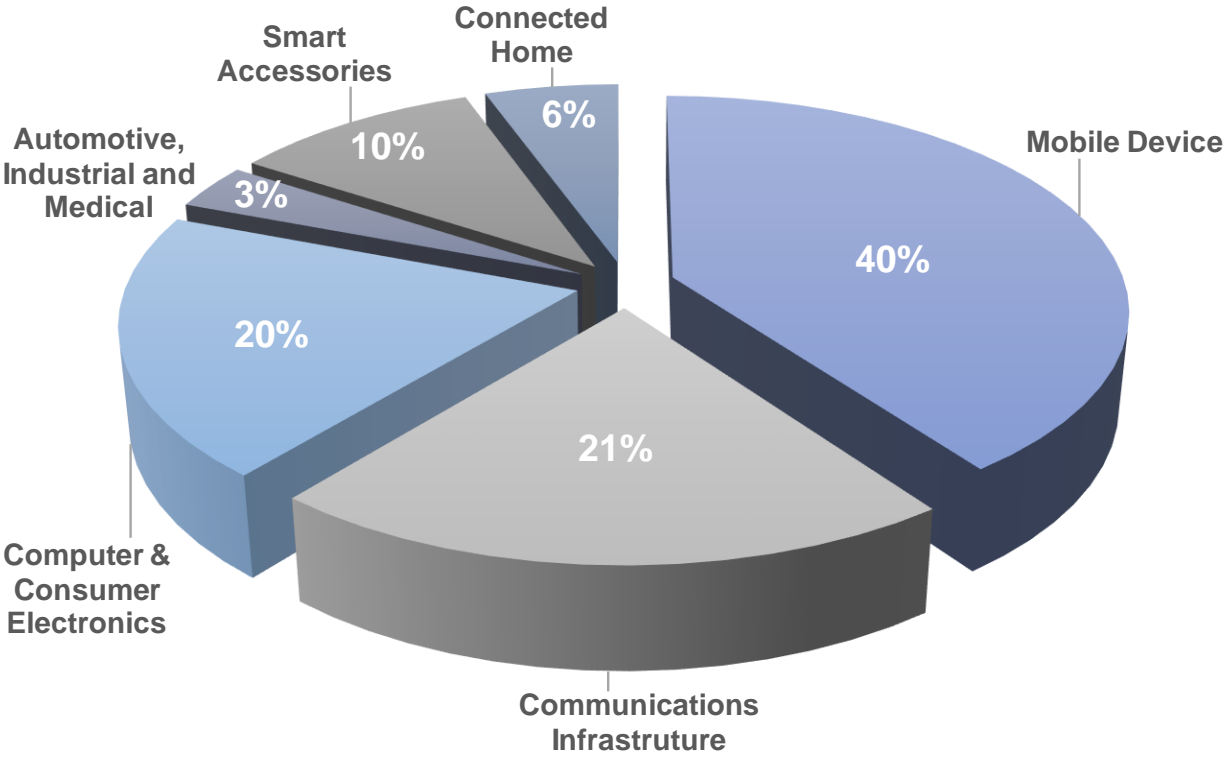
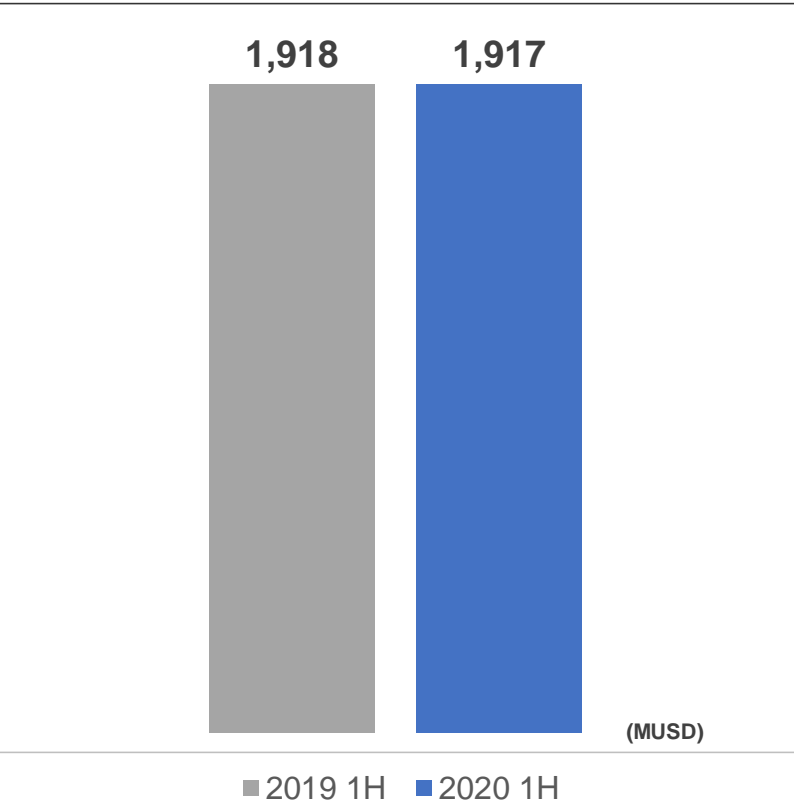
Existing Products & Assets

Financial Overview

FY2020 1H

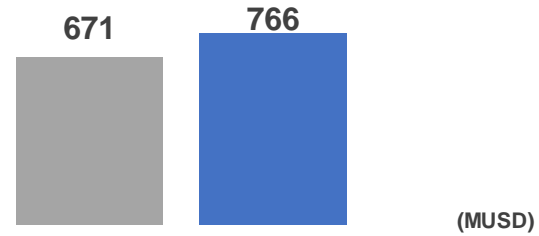
Revenue

-0.1%

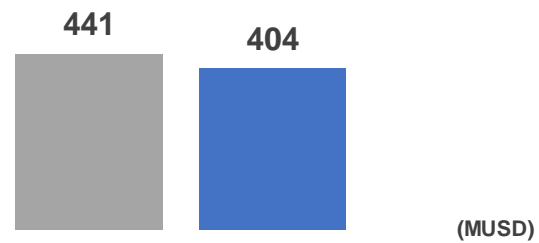


Revenue Mix

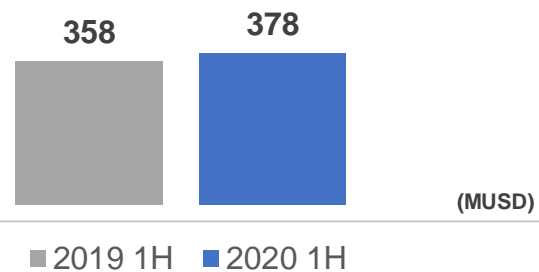
Mobile Devices



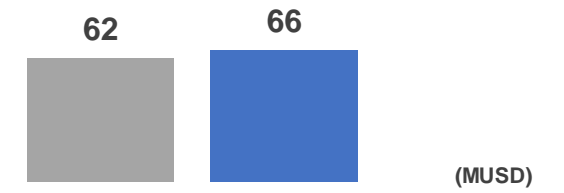
Communications Infrastructure



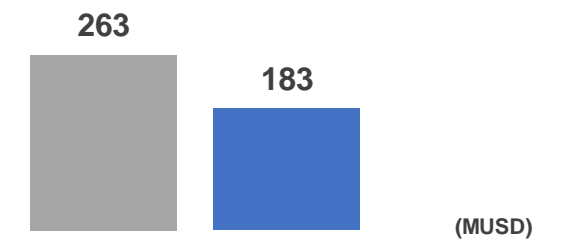
Computer & Consumer Electronics



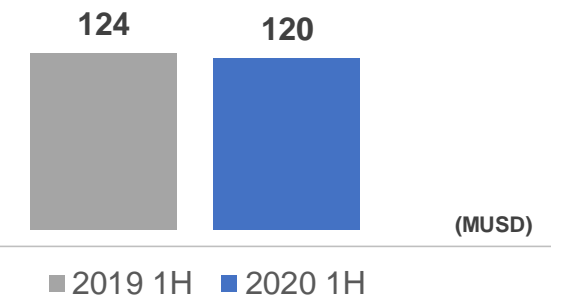
Automotive, Industrial & Medical



Smart Accessories



Connected Home

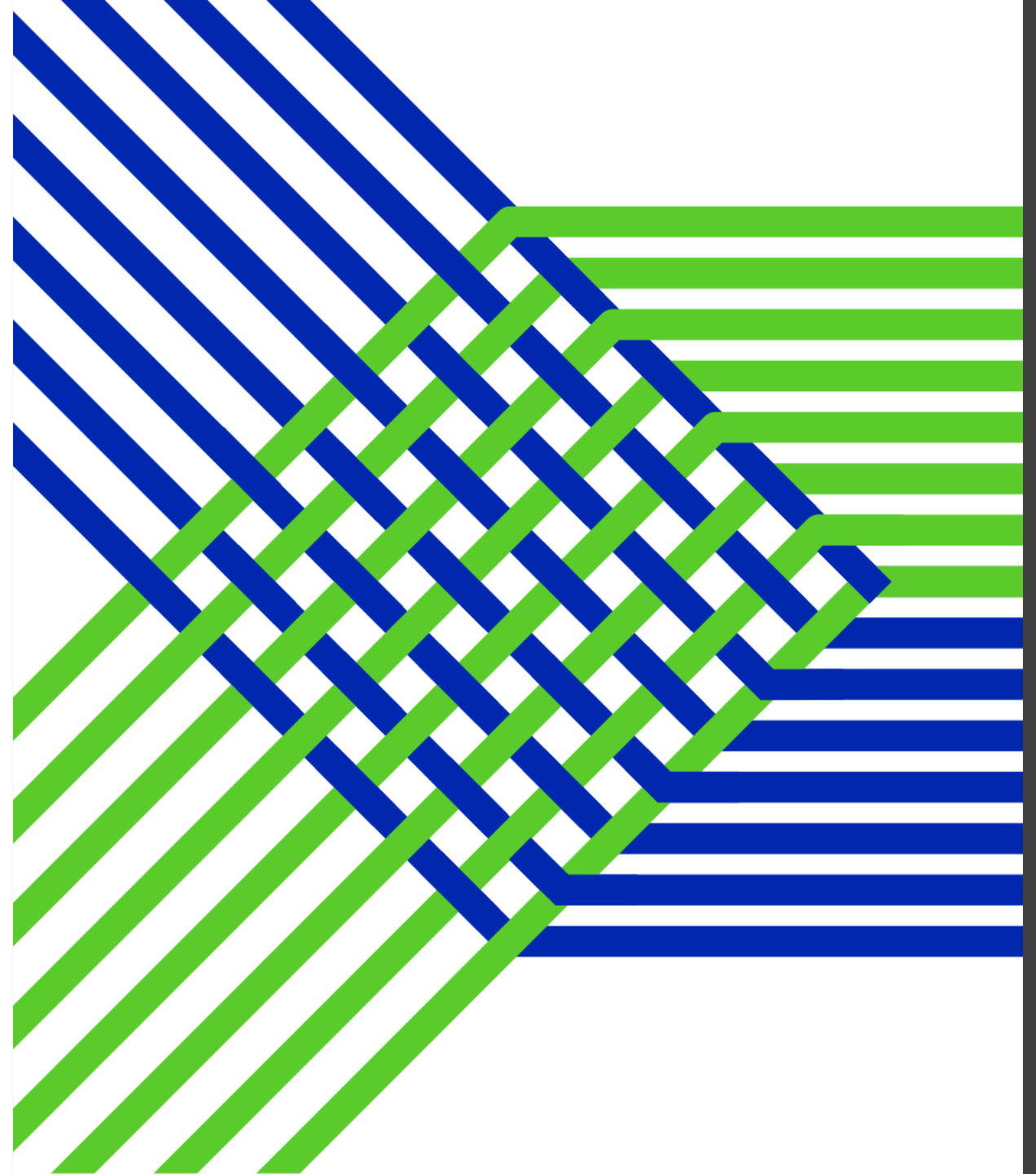


Belkin Business Overview



Connected Things & Connected Home

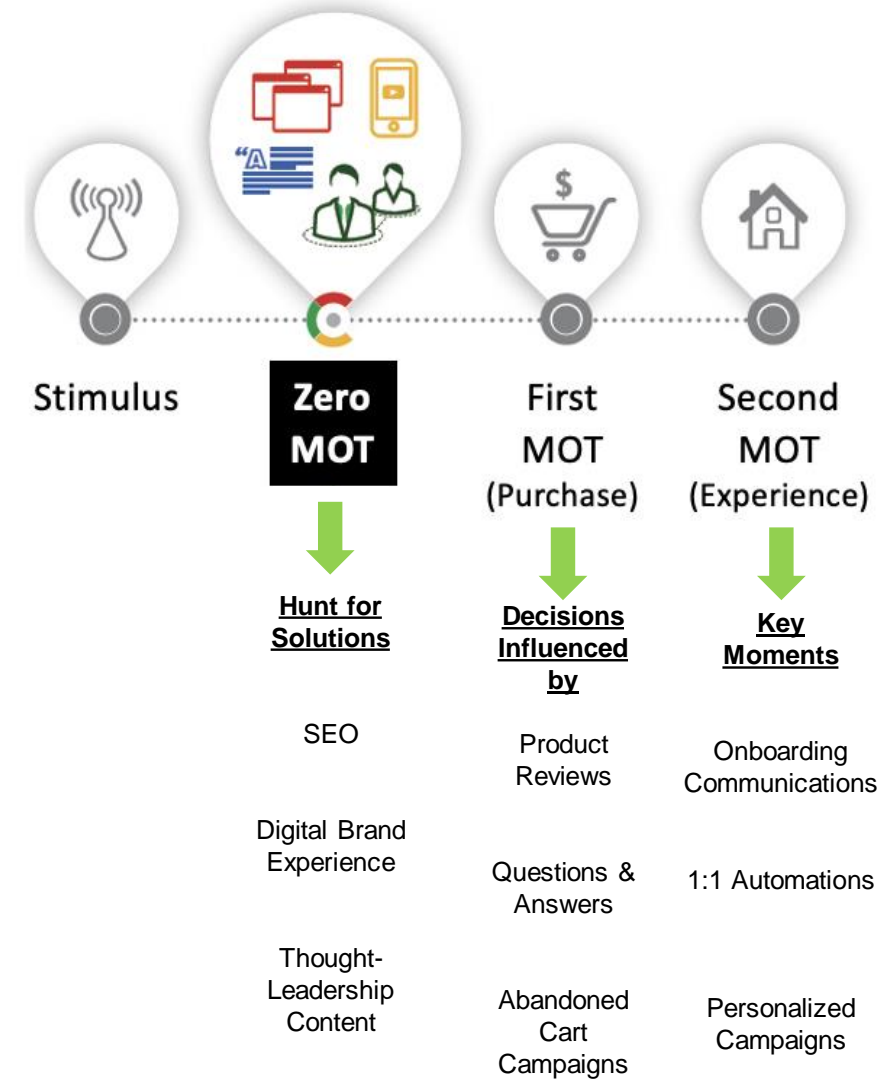
- Effects from COVID-19
 - Positive: Work from Home products and schooling increased sales, increased E-Commerce platform sales
 - Negative: Major retail store closures, reduced foot traffic at open stores, and challenges throughout the Asia-based supply chain including component shortages and substantially 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⁺1 is not a separate brand

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

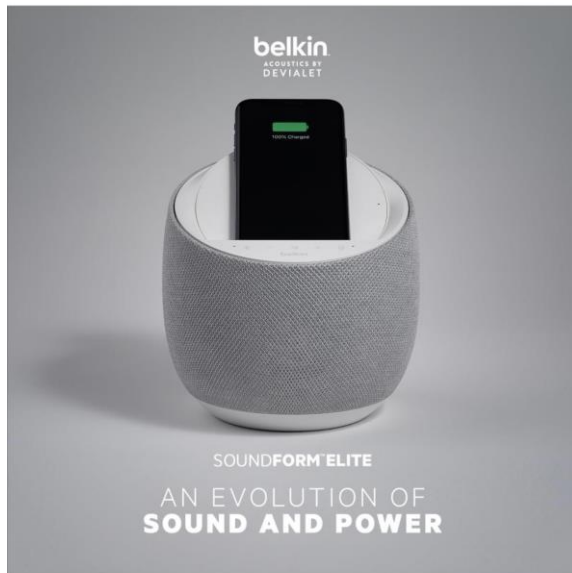
Audio

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.

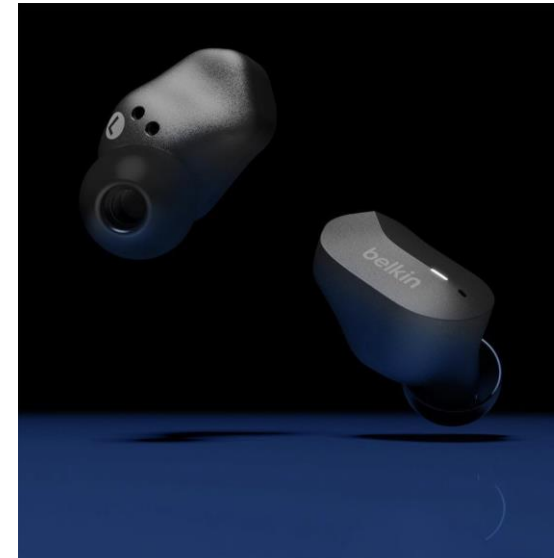


The next evolution of sound and design pairs our industry-leading wireless charging technology with Devialet's quality acoustics.



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

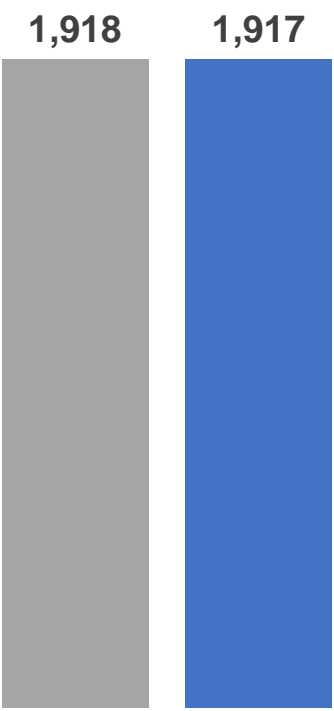
Financial Overview

Financial Overview

FY2020 1H

Revenue

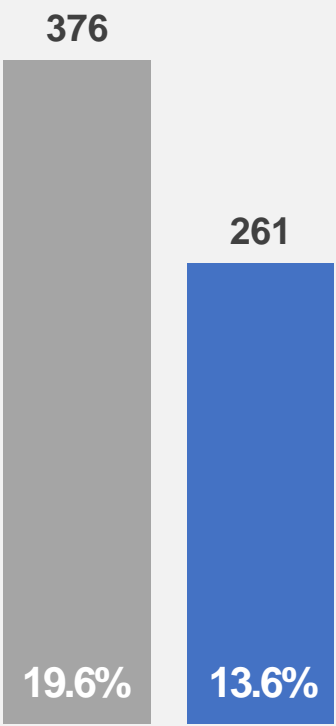
-0.1%



■ 2019 1H ■ 2020 1H

Gross Profit

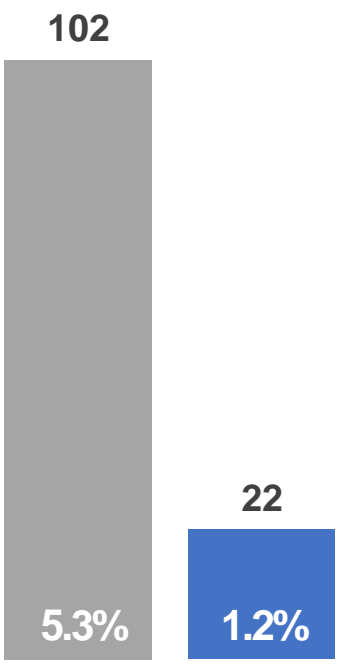
-30.6%



■ 2019 1H ■ 2020 1H

Net Income

-78.2%

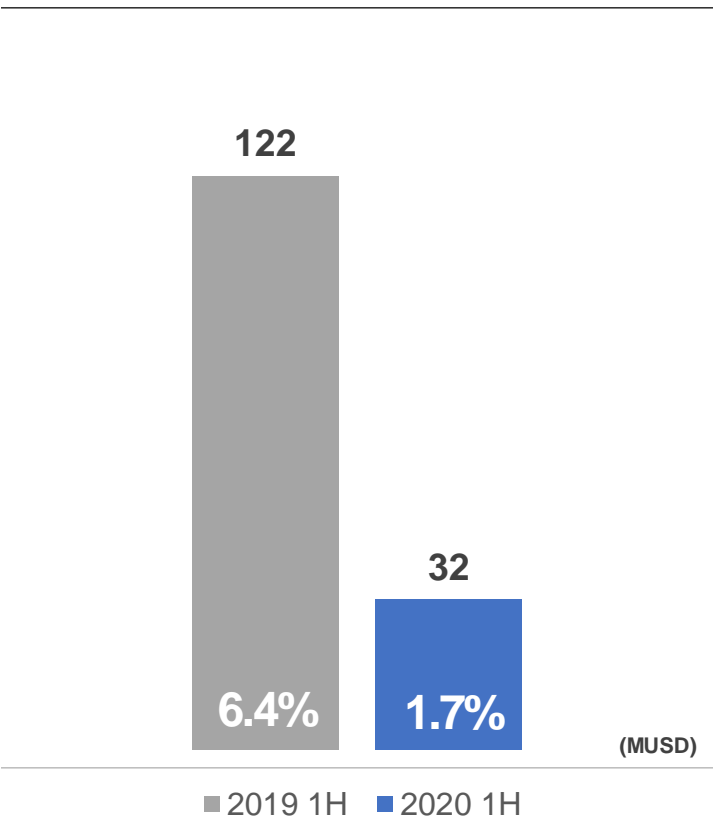


■ 2019 1H ■ 2020 1H

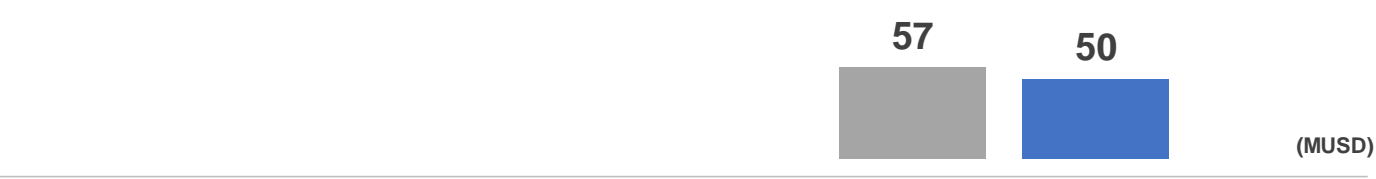
Financial Overview

FY2020 1H

Operating Profit -73.8%



Distribution Costs & Selling Expenses



Administrative Expenses

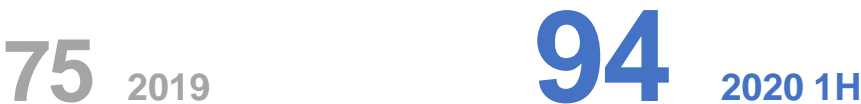


R&D Expenditure

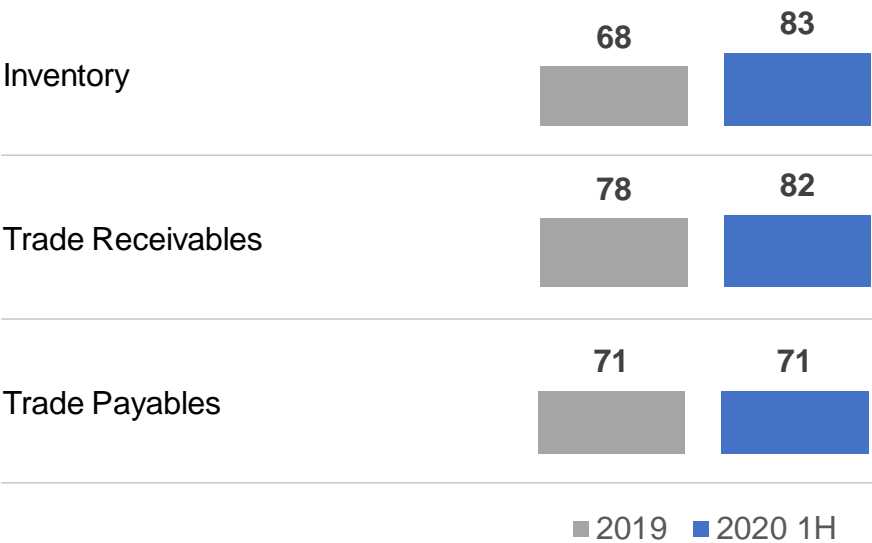


Financial Highlight

Cash Conversion Cycle



Turnover Days

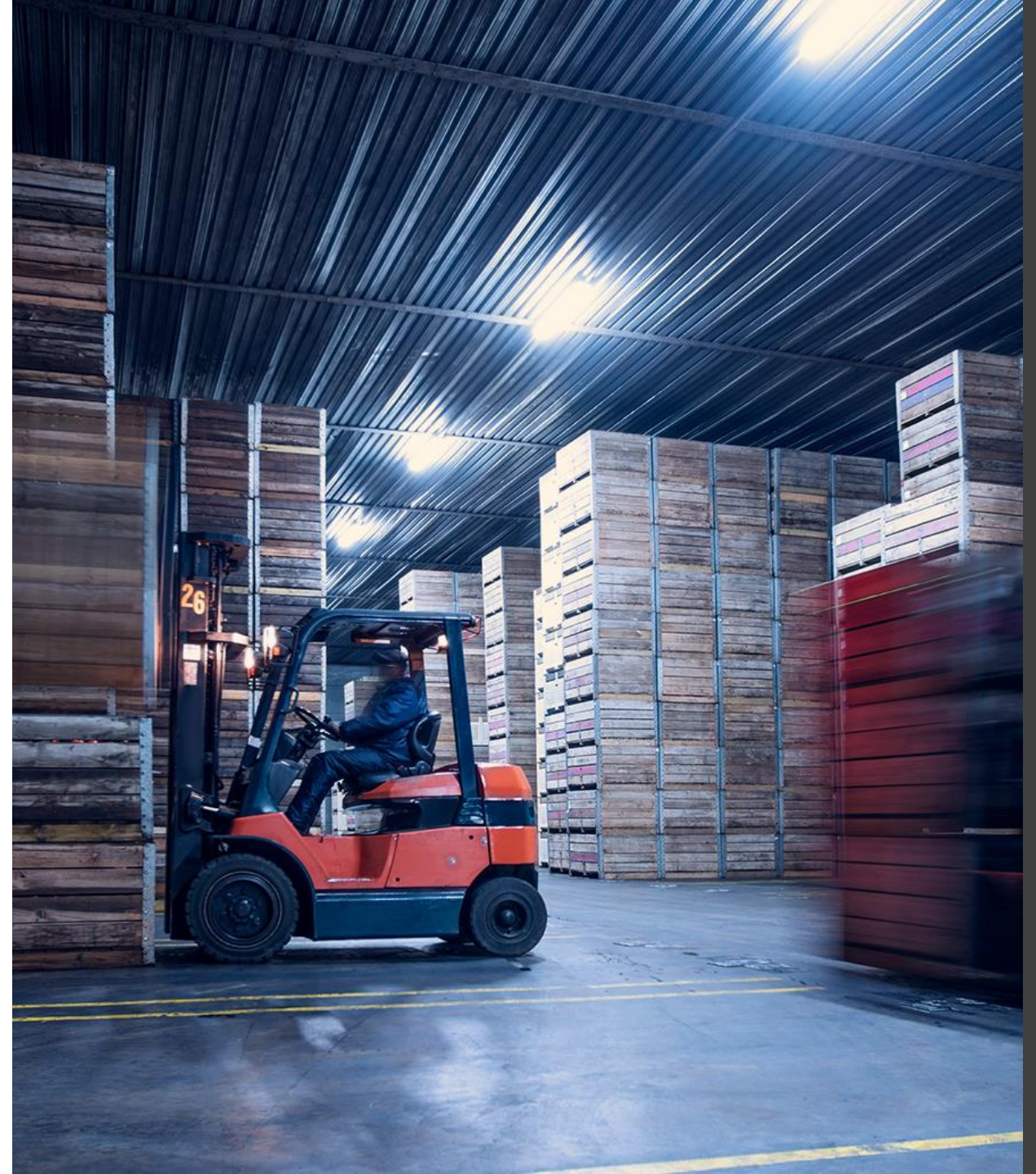
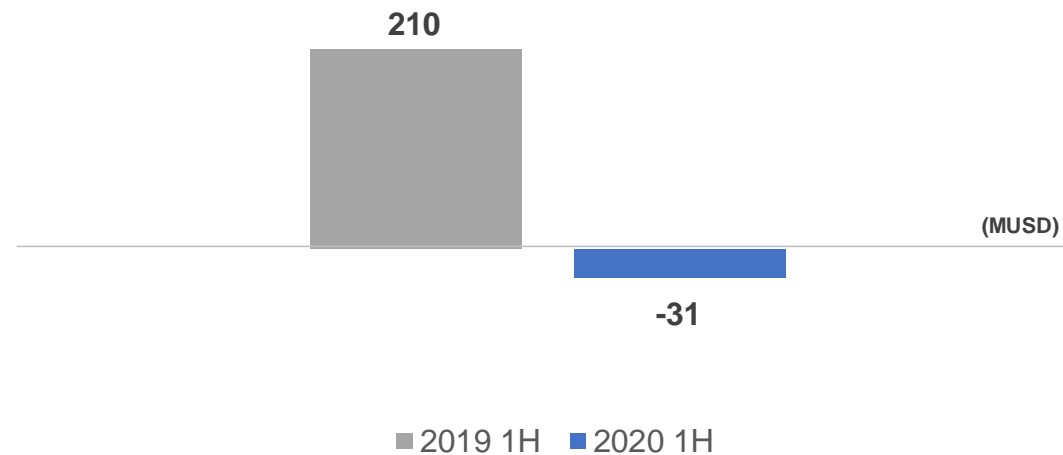


Financial Highlight

EBITDA Margin

13.0%_{2019 1H} **7.5%**_{2020 1H}

Cash Flow From Operations



Q&A section

Thank You!



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