



京鼎精密科技

先進設備科技 整合領航者

Foxsemicon

2022 Second Quarter
Investor Presentation

2022/09/08

- Foxsemicon's statements of its current expectations are forward looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Except as required by law, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.
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- Company Profile
- Operation Performance
- Operation Outlook
- Q&A

Established: 2001/04/26

Capital: NT\$ 966 million

Chairman: Young Liu

CEO: Kevin Chiu

Business :

- Key component, module, system for high-end equipment manufacturing services.
- R&D, Sales, and Total solutions provider for automation equipment in both semi and industry.
- Medical imaging equipment manufacturing and design services.

Awards and Milestone :

- | | |
|-----------|--|
| 2001 | Company set-up |
| 2002 | Got approved vendor certified by the largest semiconductor equipment maker of the world |
| 2015 | IPO on Taiwan Stock Exchange |
| 2016 | 「Supplier Aftermarket Collaboration」 awarded by world's leading semiconductor equipment provider |
| 2017 | 「Contract Manufacturing supplier of the year」 and 「Global Services Accelerated Growth and Performance」 awarded by world's leading semiconductor equipment provider |
| 2018~2020 | 「Best in Class Performance.」 awarded by world's leading semiconductor equipment provider |
| 2020 | Honored the SGS 2020 CSR Awards |
| 2022 | 「Best in Class Performance.」 awarded by world's leading semiconductor equipment provider |
| 2022 | 「Best Companies to Work for In Asia 2022」 awarded by HR Asia |

Songjiang, CN - 2005(Sales/MFG.)



- Vertical integrated manufacturing
- Special process/frame/integration

Kunshan, CN -2002(MFG.)



- Critical components
- Energy equipment

San Jose & Austin-2001(Sales/Service)



- Sales/ Services
- IPO

Nanjing Office-2020(Sales)

Chunan #1, TW-HQ 2002 (Sales/RD/MFG.)



- Critical spare parts
- Semiconductor automation equipment

Chunan #2, TW-2021(Sales/MFG.)

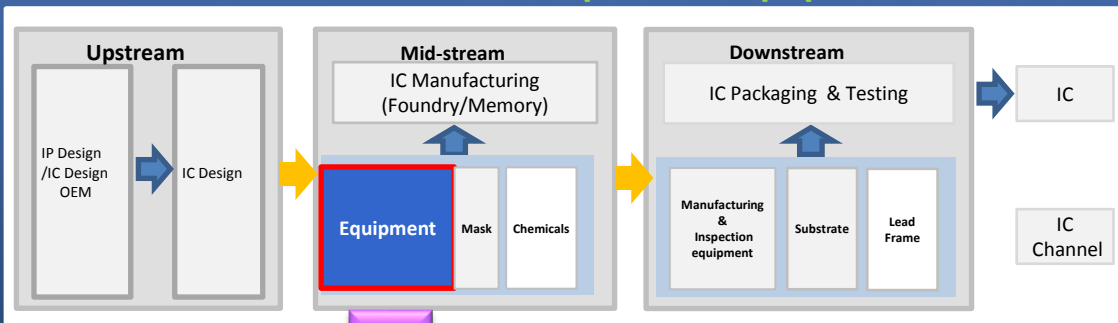


- Critical spare parts
- Strategic expansion

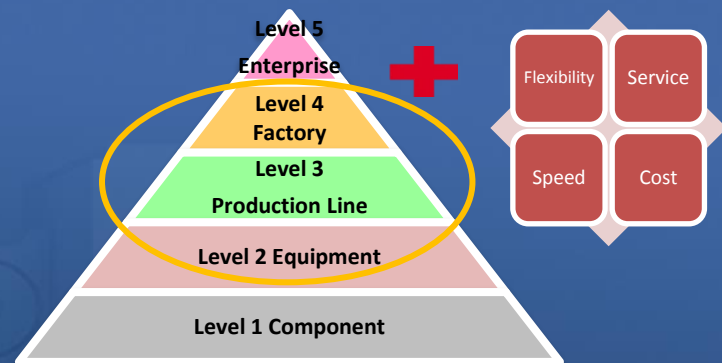
● Fiti's Current Facilities

● Fiti's Future Expansion

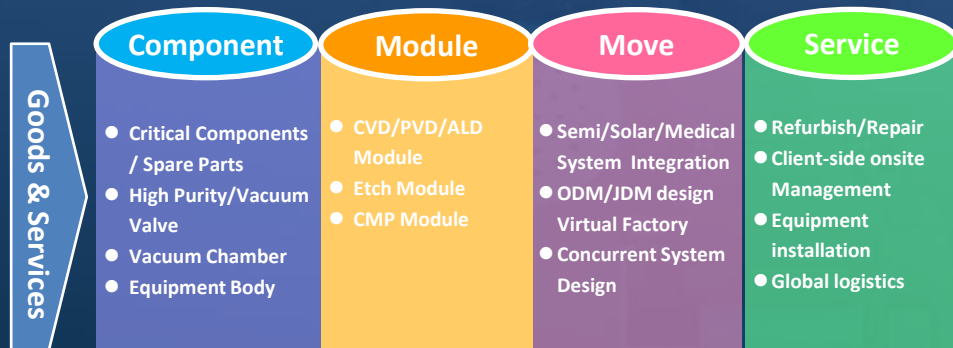
Semiconductor front-end process equipment



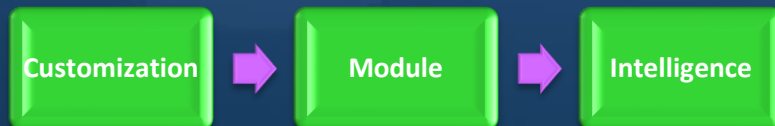
Semiconductor automation equipment



Vertical integration of manufacturing services model



One-stop shopping for design services and solutions



- Wafer process equipment manufacturing (ETCH, Thin-Film, CMP)
- Solar/Panel/LED Equipment Manufacturing
- Critical components and spare parts Manufacturing

Semi-conductor process related product manufacturing service.

Fab automation design and manufacturing

- Non-process equipment development
 - Micro Contamination Control solution
 - Wafer AOI inspection equipment
 - Wafer handling automation

- Equipment / Parts refurbishing, repairing, and recycling services
- Technology application at re-circular services

Equipment and components circular economy

Medical equipment OEM and manufacturing

- Medical image diagnostic equipment
 - Critical components OEM
 - Equipment contract manufacturing
- Radiotherapy equipment manufacturing

(NTD in millions)

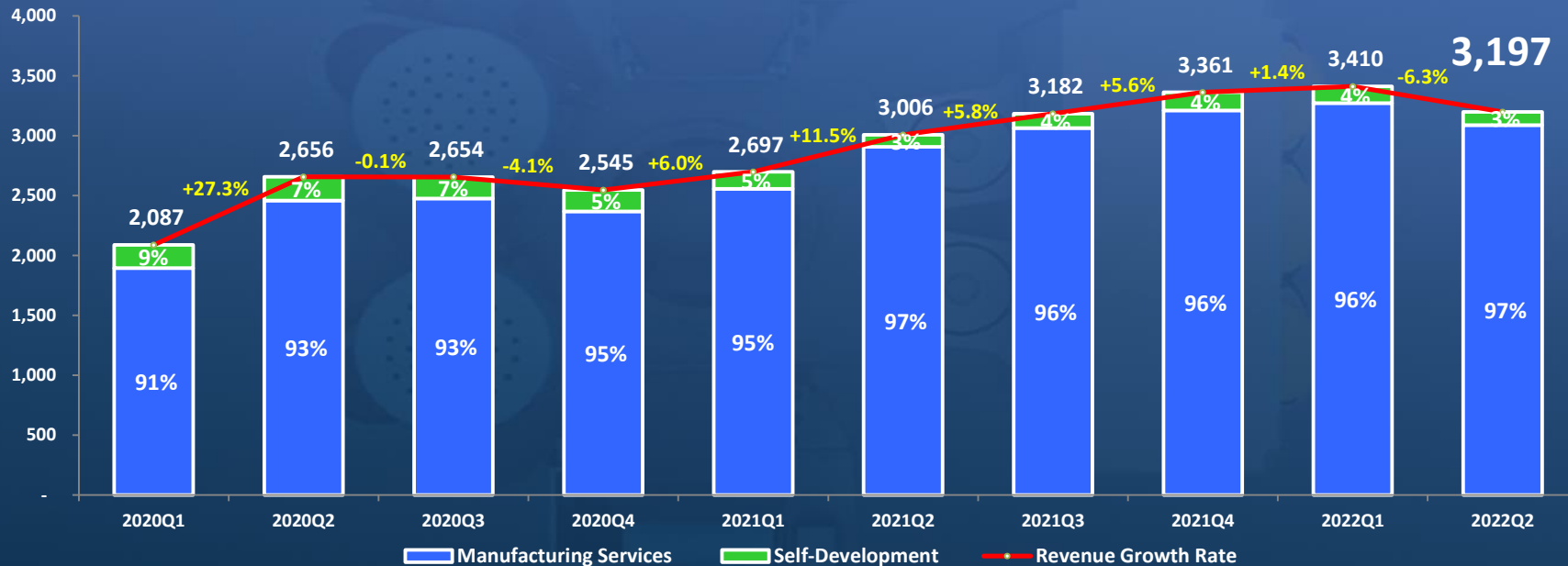
(NTD in millions)	2Q22		1Q22		QoQ%	2Q21		YoY%	1H 22		1H 21		YoY%
Revenues	3,197	100.0%	3,410	100.0%	-6.3%	3,007	100.0%	6.3%	6,607	100.0%	5,703	100.0%	15.9%
Gross Profit	953	29.8%	907	26.6%	+3.2 ppts	818	27.2%	+2.6 ppts	1,861	28.2%	1,435	25.2%	+3.0 ppts
Operating expense	(340)	(10.6%)	(338)	(9.9%)		(262)	(8.7%)		(679)	(10.3%)	(517)	(9.1%)	
Operating Income	613	19.2%	569	16.7%	+2.5 ppts	556	18.5%	+0.7 ppts	1,182	17.9%	918	16.1%	+1.8 ppts
Non-Operating Items	64	2.0%	140	4.1%		(83)	(2.8%)		204	3.1%	(18)	(0.3%)	
Income Before Tax	677	21.2%	709	20.8%	+0.4 ppts	473	15.7%	+5.5 ppts	1,386	21.0%	900	15.8%	+5.2 ppts
Net Income	602	18.8%	535	15.7%	+3.1 ppts	408	13.6%	+5.2 ppts	1,137	17.2%	716	12.6%	+4.6 ppts
Attributable to:													
Equity holders of the parent company	591		524		12.8%	401		47.4%	1,116		700		59.4%
Basic EPS(NTS)	6.26		5.93			4.57			12.20		8.03		
Weighted-average outstanding shares(M)	94.42		88.40			87.67			91.42		87.24		

GPM/OPM/NPM
Record highs



- June revenue exceeded NT\$1.3 billion, a record high for a single month
- China's lockdown impact tends to ease, Q2 revenue **NT\$3.197 billion** YoY **+6.3%** QoQ **-6.3%**, a new high for the same period, the third highest in history
- 2022 H1 revenue of **NT\$6.60 billion** YoY **+15.9%**, H2 revenue growth is expected quarter by quarter

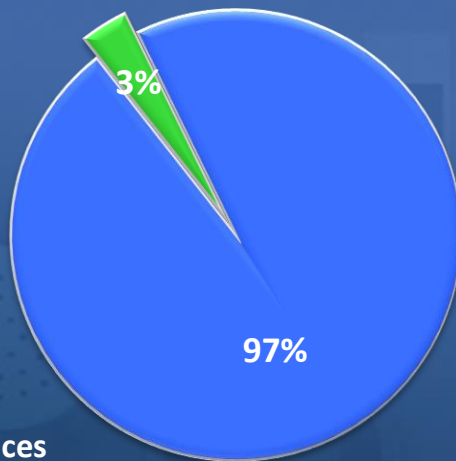
Unit: NT\$ Million



Note:

Manufacturing Services = Semiconductor/Panel equipment critical part manufacturing+ Solar processing equipment and critical parts

Self-Development = Automation equipment



■ Manufacturing Services

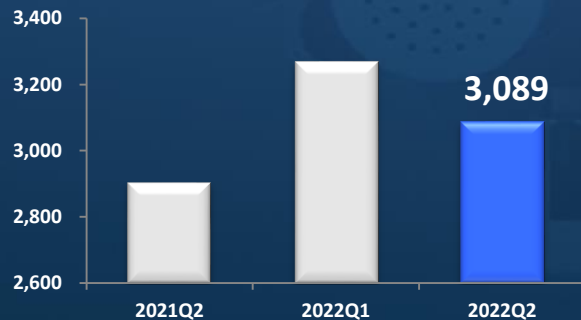
■ Self-Development

Manufacturing Services

-5.6% QoQ

+6.2% YoY

Unit: NT\$M



Self-Development

-22.5% QoQ

+9.0% YoY

Unit: NT\$M



(NTD in millions)

	2Q22		1Q22		2Q21	
Cash, Current financial assets	9,207	51%	7,452	48%	6,716	53%
Net Account Receivable	1,177	7%	1,195	8%	1,324	11%
Inventory	3,911	21%	3,437	22%	1,972	16%
Long-term Investments	557	2%	576	4%	552	4%
Net PP&E	2,659	15%	2,235	14%	1,597	13%
Total Assets	18,258	100%	15,572	100%	12,591	81%
Accounts Pabable	1,777	10%	2,075	13%	1,838	15%
Bonds Pabable	1,839	10%	1,834	12%	1,903	15%
Current Liabilites	5,404	30%	5,302	34%	3,775	30%
Total Liabilities	8,566	47%	8,090	52%	5,997	48%
Total Shareholders' Equity	9,692	53%	7,482	48%	6,594	52%

Key Indices

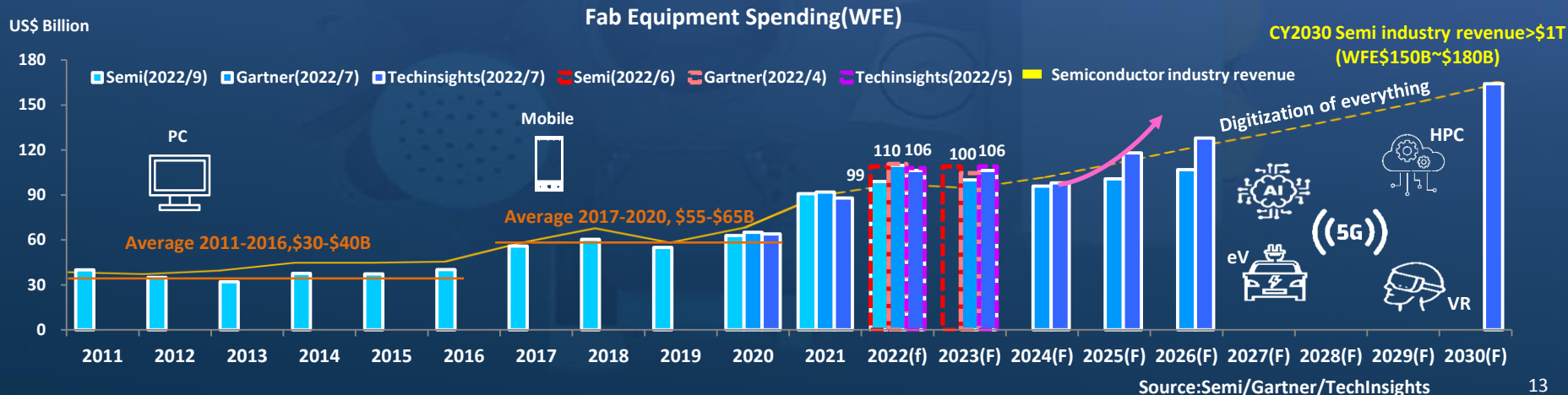
AR Turnover Days	35	33	41
Days Sales of Inventory	113	102	88
AP Turnover days	69	69	75
Cash Cycle	79	66	54
Current Ratio(X)	2.69	2.32	2.69

(NTD in millions)	1H22	1H21
Beginning Balance	5,068	6,283
Cash from operating activities	932	357
Time deposits	516	(56)
Capital expenditures	(937)	(200)
Issuance of common stock for cash	1,706	0
Net Change in Debt	963	236
Investments and others	(85)	39
Ending Balance	8,163	6,660
Free Cash Flow*	(5)	157

*Free Cash Flow=Cash from operating activities-Capital expenditures



- Long-term drivers are pushing the semiconductor equipment industry to new high
 - In the past, semiconductor growth was driven by demand from mobile phones and computers however current and future, semiconductor infrastructure will be supported by multiple drivers such as AI, 5G, HPC, and EV
 - Benefiting from applications emerging, digital transformation, and government policy and Strategy assistance, semiconductors will grow upwards in the long term
- Due to inflation, rising interest rate and demand decreased for consumer electronics device have driven research institutions to lower their 2022 semiconductor equipment spending to 99B (+9.5%), 110B (+19%) and 106B (+21%) by SEMI, Gartner and TechInsights respectively
- As increasing in the process complexity of process equipment delivery delay, equipment spending will remain at the level of US\$100 billion in 2023, and long-term semiconductor industry and equipment spending will continue to grow



■ Fiti's Board of Directors Approves Capital Budget for capacity expansion

Equipment Move-in planning

Date of BOD	Plant	Product	Contents	Amount	20/2H	21/1H	21/2H	22/1H	22/2H	23/1H	23/2H	24/1H	24/2H
2019/2H	TW	Spare parts	Plant construction (including equipment)	NT\$ 2,418M									
2021/1H	CN	Critical components /Module	Purchase of equipment	RMB¥ 102M									
2021/2H				RMB¥ 213M									
2022/1H				RMB¥ 141M									
2022/2H				RMB¥ 212M									
2022/2H	TW	Spare parts	Plant expansion	NT\$ 1,596M									

■ Cash dividends of NT\$840,021 thousand (NT\$8.69 per share) distributed on July 9, 2022

■ Fiti was recognized by awarded for the HR Asia Best Companies to Work in Asia

- Fitl 2022Q2 and the first half of the margin in GP/OP/NP increased as compare with the previous quarter and the same period, profit, EPS continued to reach record highs
- Approved capacity plan has been gradually completed, and the operation in the second half of the year is better than the first half
- Customer demand is still strong and order visibility is available until the first quarter of next year
- Chunan No. 2 Factory will have to grand opening in October 2022 and commerce production
- New product development and new capacity will be realized gradually, adding growth momentum to our operations this year and forward

Optimistic outlook for 2022



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Thanks for
your attention

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