



Foxsemicon Integrated Technology Inc.

**2023 First Quarter
Investor Presentation**

2023/6/6

Safe Harbor Notice



- **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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Agenda



- **Company Profile**
- **Financial Reports**
- **Business Performance and Outlook**
- **Q&A**

Foxsemicon Integrated Technology, Inc.(Fiti)



Established: 2001/04/26

Capital: NT\$ 971 million

Chairman: Young Liu

CEO: Kevin Chiu

Business :

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

Awards and Milestone :

2001	Incorporation in TW
2002	Certified Vendor by the largest semiconductor equipment maker of the world
2015	IPO in Taiwan Stock Exchange
2016	Supplier Aftermarket Collaboration award by world's leading semiconductor equipment provider
2017	Contract Manufacturing supplier of the year and 「Global Services Accelerated Growth and Performance」 awards by the world's leading semiconductor equipment provider
2018~2021	「Best in Class Performance」 award by world's leading semiconductor equipment provider
2020	「SGS 2020 CSR Awards」
2022	「Best in Class Performance.」 award by world's leading semiconductor equipment provider
2022	「Best Companies to Work for In Asia 2022」 award by HR Asia
2022	「Top 100 Carbon Competitive Companies」 award by Business Weekly
2022	「Excellence in Quality」 award by world's leading semiconductor equipment provider

FOXSEMICON INTEGRATED TECHNOLOGY INC.

Chunan #1,TW(HQ)



Chunan #2, TW



Silicon Valley(NPI/SVM)



Nanjing
Jiangsu
Shanghai
Chunan

California
Texas

Silicon Valley ,USA



Songjiang, CN



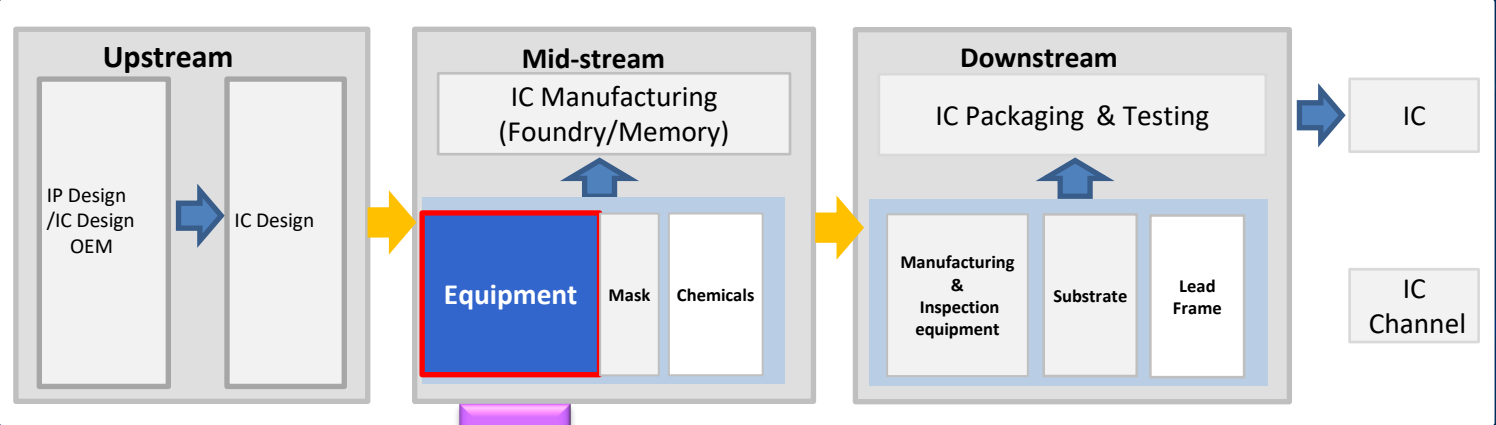
Kunshan, CN



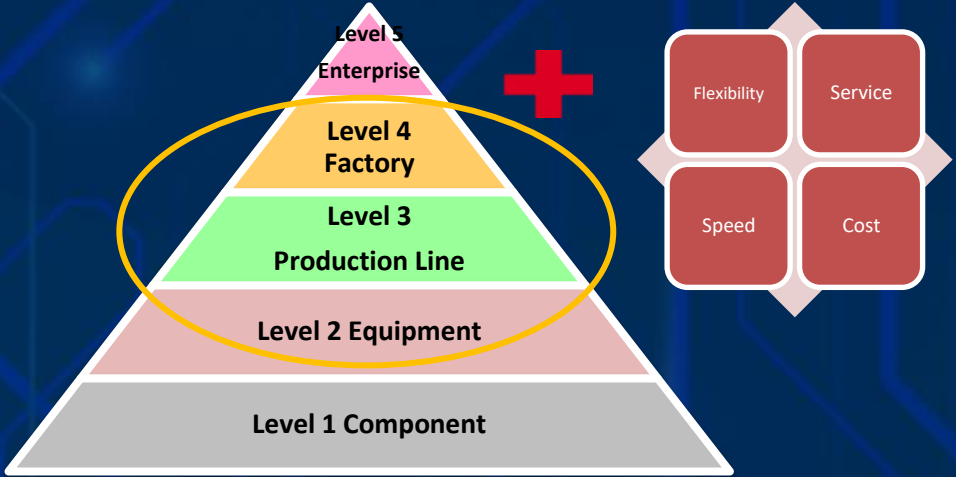
- : Operating manufacturing base -Chunan #1&2/ Songjiang/ Kunshan
- : NPI & SVM base-Silicon Valley, USA
- : Sales & Service Offices-California/Texas/Nanjing

Semiconductor Industry & Fiti's Market Position

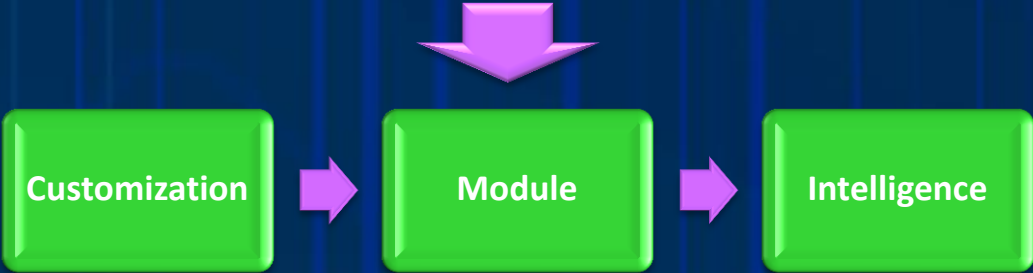
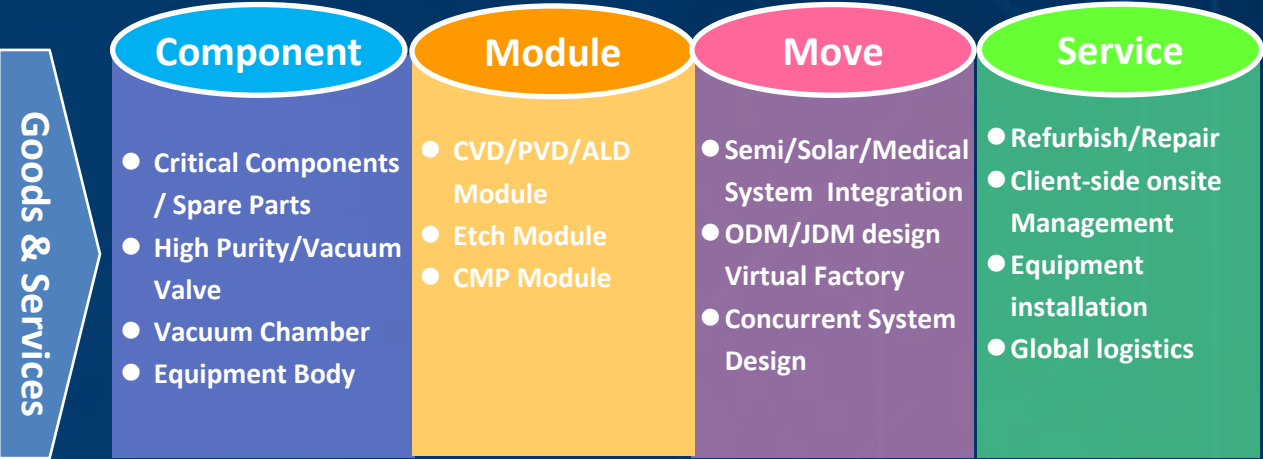
Semiconductor front-end process equipment



Semiconductor automation equipment



Vertical integration manufacturing services model



Business Units & Plans



- 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.

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

Equipment and components circular economy

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

Fab automation design and manufacturing

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

Medical equipment OEM and manufacturing

1Q23 Financial Reports

Statements of Comprehensive Income



(NTD in millions)	1Q23		4Q22		QoQ%	1Q22		YoY%
Revenues	3,403	100.0%	4,181	100.0%	-18.6%	3,410	100.0%	-0.2%
Gross Profit	891	26.2%	1,355	32.4%	-6.2 pts	907	26.6%	-0.4 pts
Operating expenses	(341)	(10.0%)	(413)	(9.9%)		(338)	(9.9%)	
Operating Income	550	16.2%	942	22.5%	-6.3 pts	569	16.7%	-0.5 pts
Non-Operating Items	(9)	-	(419)	(10.0%)		140	4.1%	
Income Before Tax	541	16.2%	523	12.5%	+3.7 pts	709	20.8%	-4.6 pts
Net Income	403	11.8%	417	10.0%	+1.8 pts	535	15.7%	-3.9 pts
Attributable to:								
Owners of the parent	403		418		-3.6%	524		-23.1%
Basic EPS(NTS)	4.15		4.30		-3.5%	5.93		-30.0%
Weighted-average outstanding shares(M)	97.11		96.92			88.40		

Balance Sheets & Key Indices



(NTD in millions)	1Q23		4Q22		1Q22	
Cash, Current financial assets	9,189	48%	9,813	50%	7,452	48%
Accounts Receivable	1,075	6%	978	5%	1,195	8%
Inventory	3,476	18%	3,807	19%	3,437	22%
Long-term Investments	550	3%	503	2%	576	4%
Property, plant and equipment	3,721	20%	3,541	18%	2,235	14%
Total Assets	19,042	100%	19,690	100%	15,572	100%
Accounts Pabable	963	5%	1,439	7%	2,075	13%
Bonds Pabable	1,951	10%	1,880	10%	1,834	12%
Current Liabilites	6,586	35%	6,700	36%	5,302	34%
Total Liabilities	9,083	48%	8,859	45%	8,090	52%
Total Shareholders' Equity	9,959	52%	10,831	55%	7,482	48%
Key Indices						
AR Turnover Days	28		33		39	
Days Sales of Inventory	135		118		117	
AP Turnover days	44		60		75	
Cash Cycle	119		91		81	
Current Ratio(X)	2.12		2.21		2.32	

Cash Flows



(NTD in millions)

Beginning Balance

1Q23

8,544

1Q22

5,068

Cash from operating activities

(269)

691

Capital expenditures

(215)

(405)

Net Change in Debt

(124)

536

Investments and others

(35)

(8)

Ending Balance

7,901

5,882

Free Cash Flow*

(484)

286

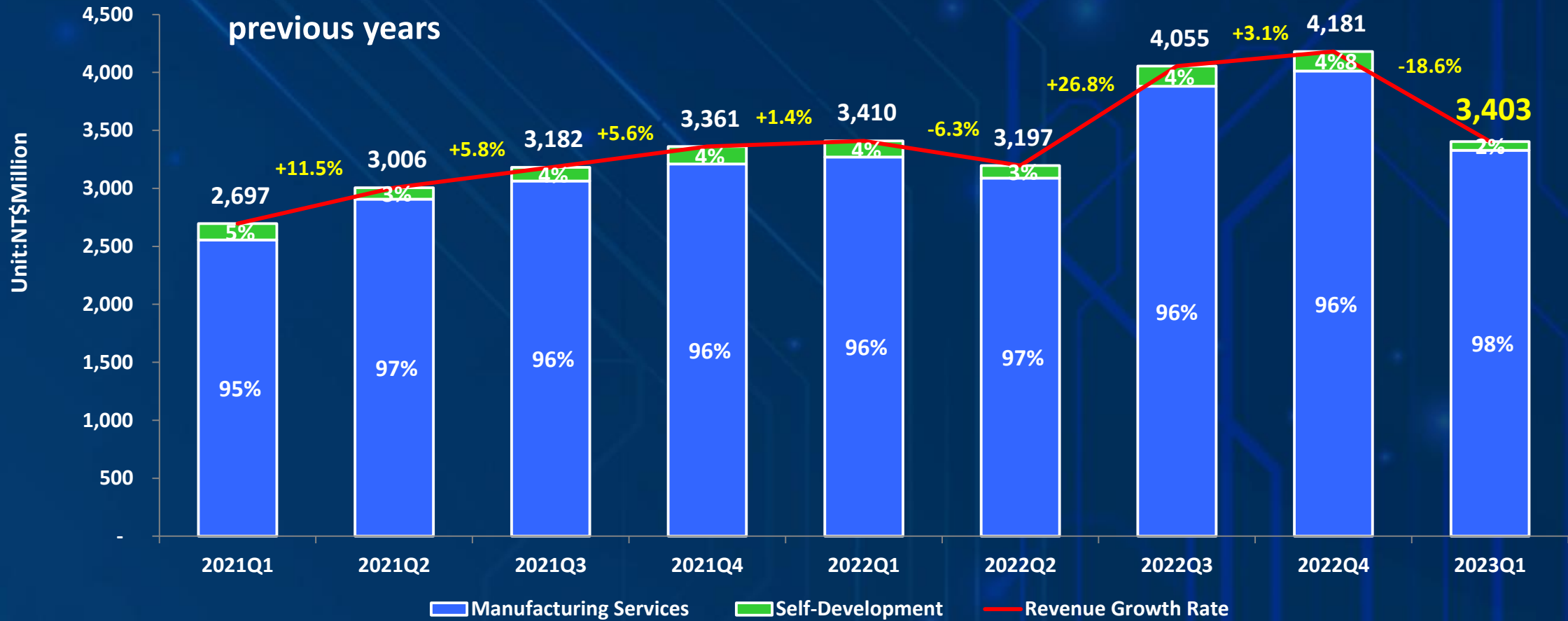
***Free Cash Flow=Cash from operating activities-Capital expenditures**

Business Performance and Outlook

Consolidated Revenue Trend



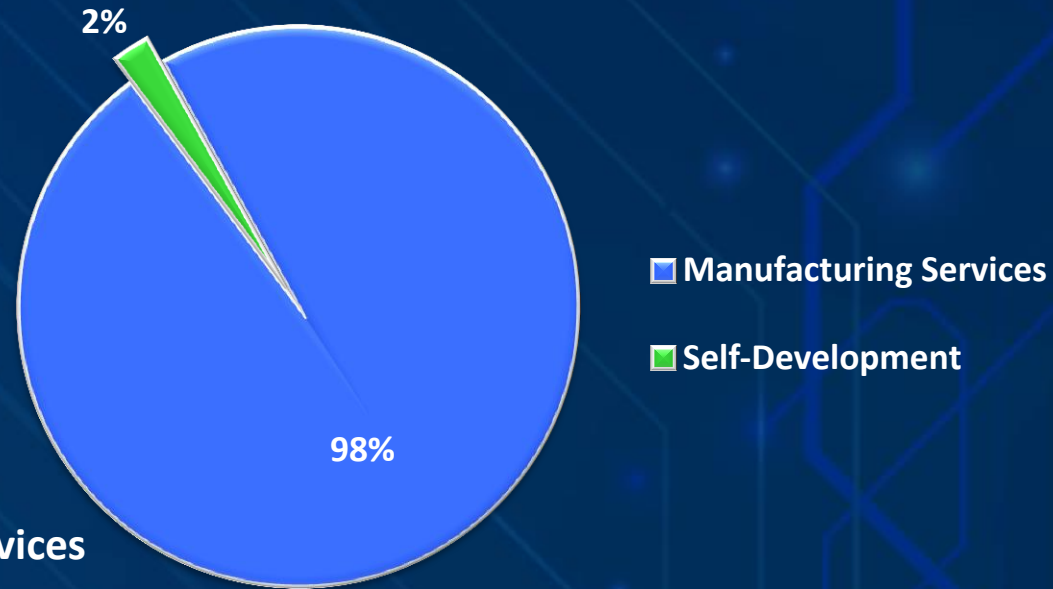
- Q1 revenue: **\$3.40** billion, YoY: **-0.2%**, QoQ: **-18.6%**
- 2023Q1 revenue is the second highest in the history of the same quarters in the previous years



Note:

Manufacturing Services = Semiconductor/Panel equipment critical part manufacturing+ Solar processing equipment and critical parts
Self-Development= Automation equipment

1Q23 Revenues by Business

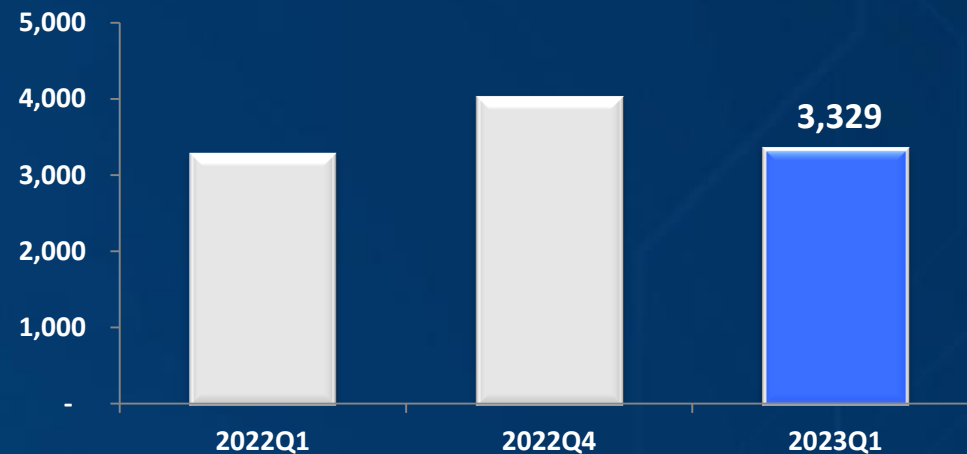


Manufacturing Services

-17.0% QoQ

+1.8% YoY

Unit: NT\$M

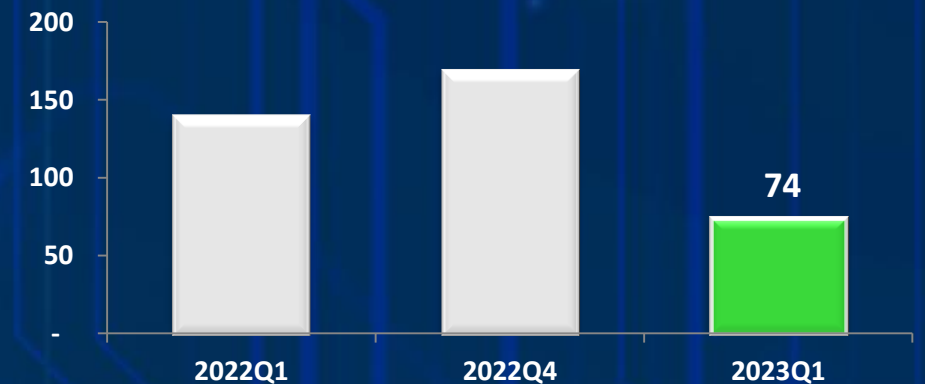


Self-Development

-56.2% QoQ

-47.1% YoY

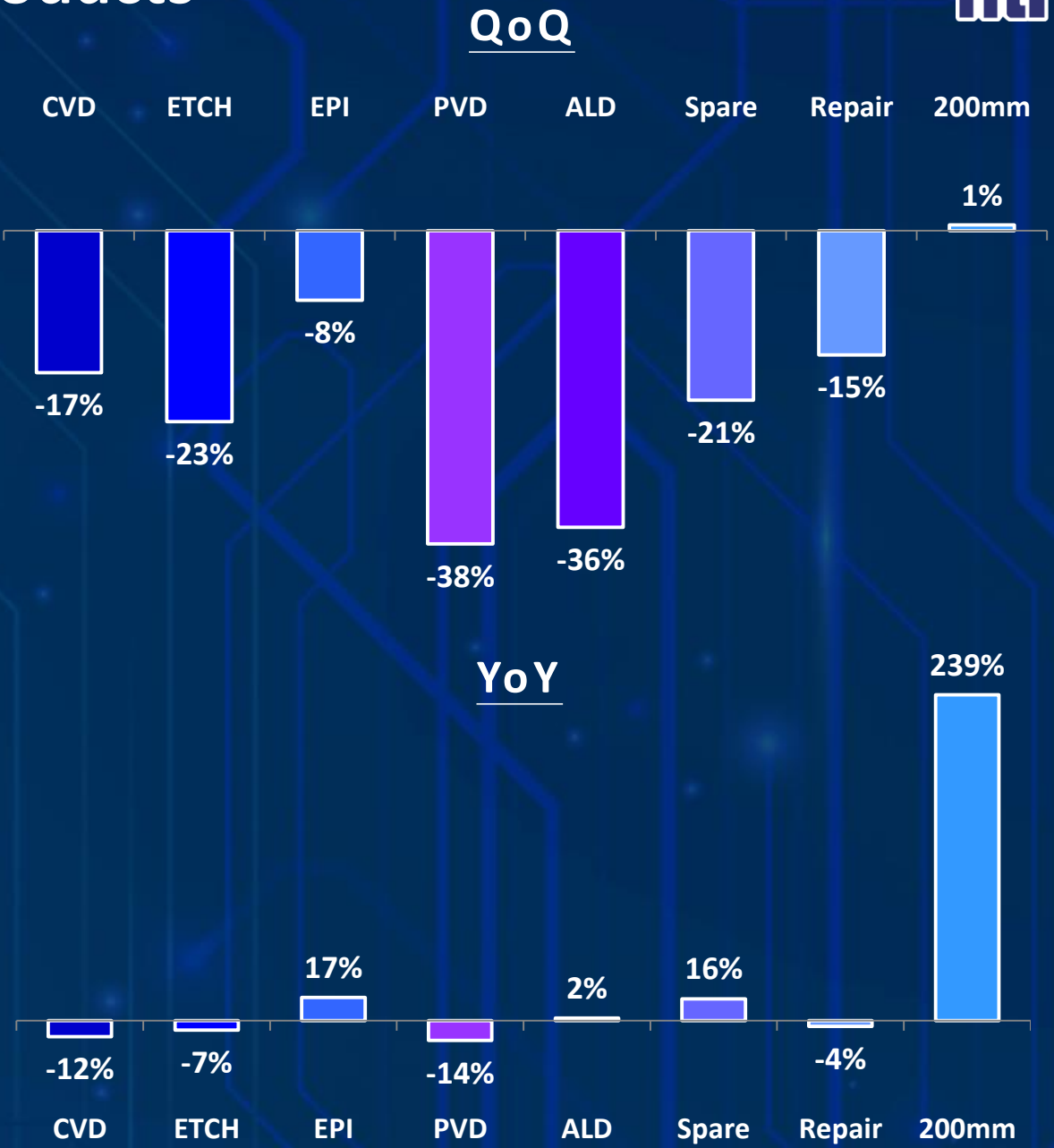
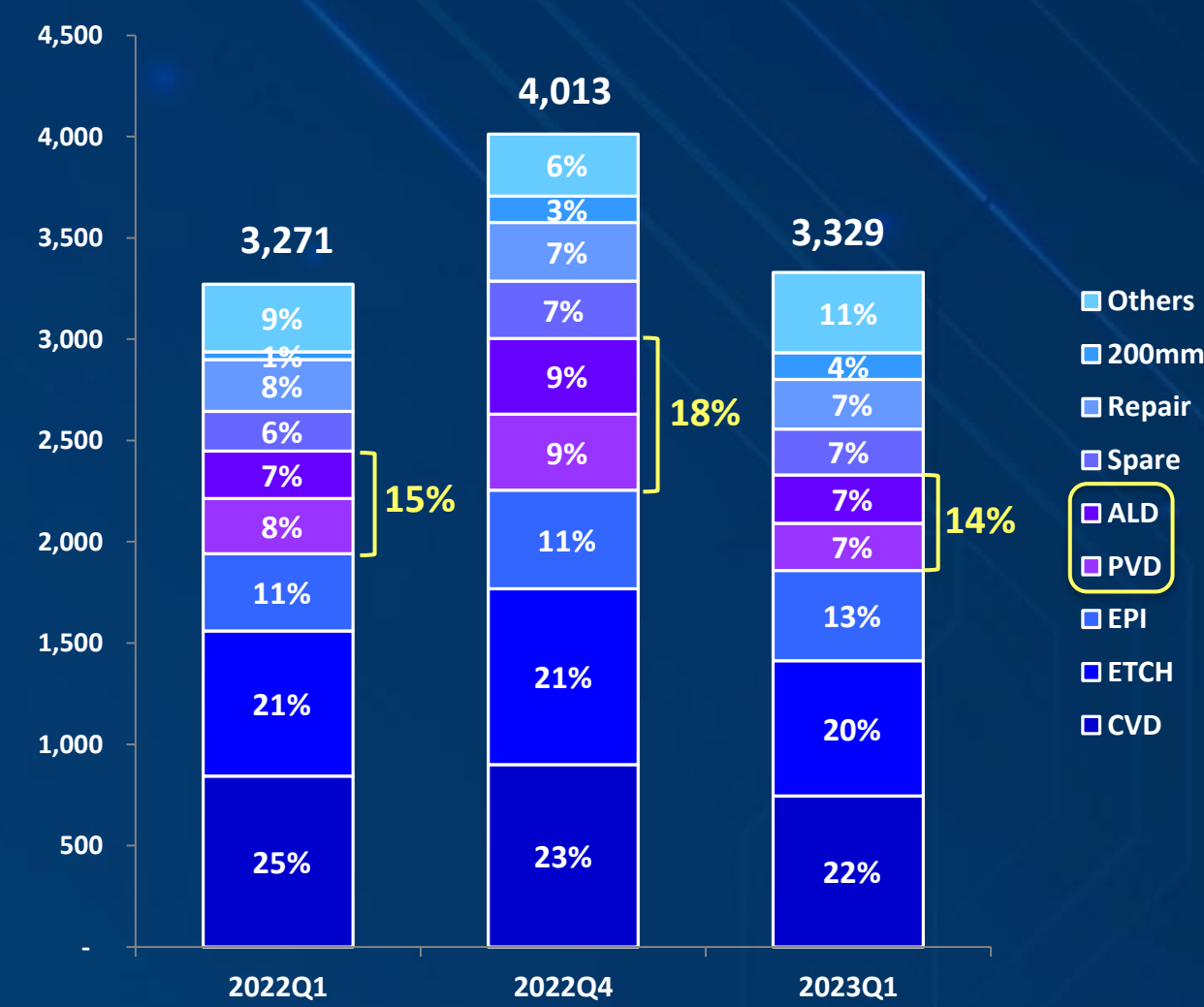
Unit: NT\$M



Manufacturing Services Revenue by Products



Unit:NT\$Million



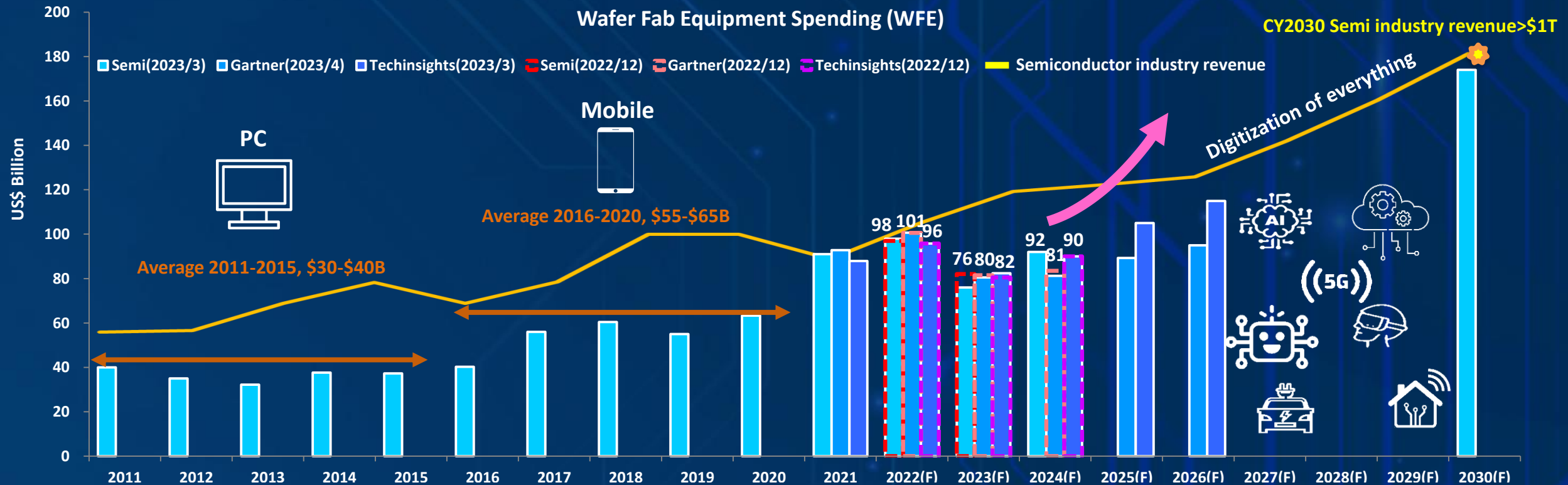
2Q23 Business Outlook



WFE Market Forecast



- The semiconductor industry in 2023 is weakening due to the macroeconomic headwinds and inventory readjustment. Research institutions have lowered the 2023 WFE forecast, ranging from -16% to -19%, slightly down to a range of -14% to -22%. The semiconductor equipment market is expected to resume its growth prospects in 2024.
- A weakened semiconductor equipment market in 2023 is mainly due to slowdown consumer demand, resulting in reduced memory Capex and slowed leading-edge foundry logic investments.
- The semiconductor market and the semiconductor equipment industry are heading a long-term growth trend as the HPC, eV, AI, 5G and other end-products demands and the silicon contents continue to rise. Others contributing factors include the developments of more advanced and complicated process equipment s, and the worldwide semiconductor supply chains localization.



Recap of Recent Major Events



- FITI's 5/30/2023 Shareholders Meeting approved the following:
 - Cash dividends: NT\$13.8 per common shares
 - Board re-election: the chairman of the board and the existing board members (7 board members, including 4 independent directors)
- 2022 Commonwealth Magazine's Top 2,000 Companies Survey: FiTi was ranked #26 in the semiconductor industry, and #256 in the manufacturing industry.

Item/Year	2022	2021	2020
Manufacturing Industry Ranking	259 👍	286	285

Summary

- Semiconductor equipment fluctuates in the short term.
- Semiconductor equipment is positive in the medium-to-long term.
- Industry inventory is adjusting, Q2 operating outlook declines QoQ, a smaller-scaled QoQ declines is expected.
- Increase cost and inventory control, promote production line automation and process optimization to improve production efficiency and product yields.
- Strategic & diversified planning to meet local customer requirements, supply chain flexibility, and enhance products/ markets/ technologies competitive advantages



Thank you

WFE Forecast From Research Institutions



WFE(\$B)	2021	2022	2023(f)	2024(f)	2025(f)	2026(f)
Semi (2022/12)	91	97	82			
YoY	42%	7%	-16%			
Semi (2023/03)	91	98	76	92		
YoY	42%	8%	-22%	21%		
Gartner (2022/12)	92	101	81	84	91	97
YoY	42%	9%	-19%	3%	9%	7%
Gartner (2023/04)	93	101	80	81	89	95
YoY	43%	8%	-20%	1%	10%	7%
TechInsights (2022/12)	88	96	80	90	105	
YoY	37%	9%	-16%	12%	17%	
TechInsights (2023/03)	88	96	82	90	105	115
YoY	37%	9%	-14%	9%	17%	10%