



**Foxsemicon Integrated Technology Inc.**

**2023 Second Quarter  
Investor Presentation**

**2023/9/6**

# 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 equipment 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

Chunan #1,TW(HQ)



Chunan #2, TW



Silicon Valley(NPI/SVM)



Nanjing  
Jiangsu  
Shanghai  
Chunan

California  
Texas

Silicon Valley ,USA



Songjiang, CN



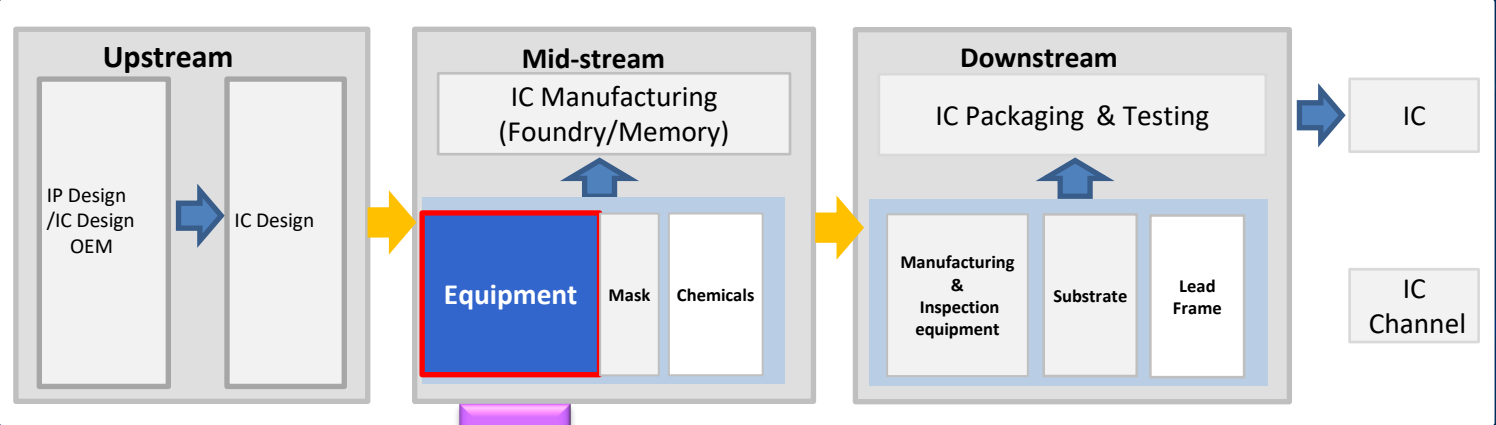
Kunshan, CN



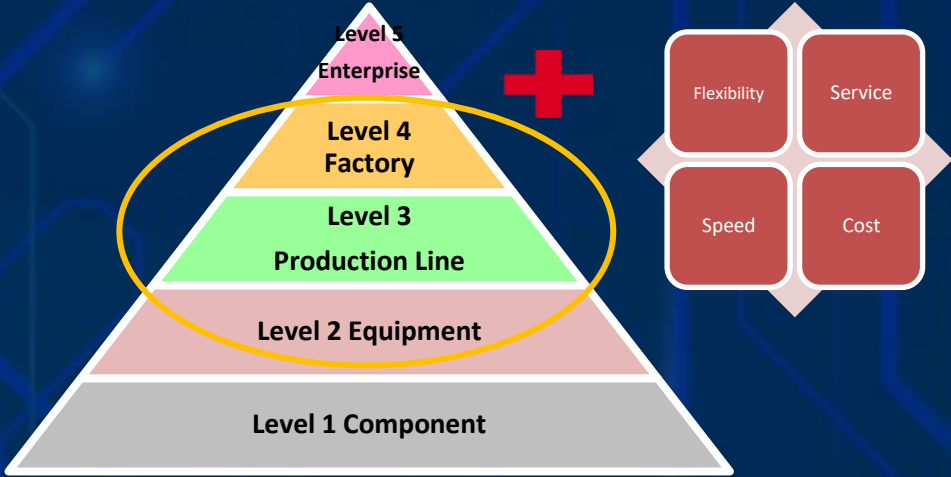
- : Operating manufacturing base -Chunan #1&2/ Songjiang/ Kunshan
- : NPI & SVM base-Silicon Valley, USA
- : Sales & Service Offices-California/Texas/Nanjing

# Semiconductor Industry & Fiti's Market Position

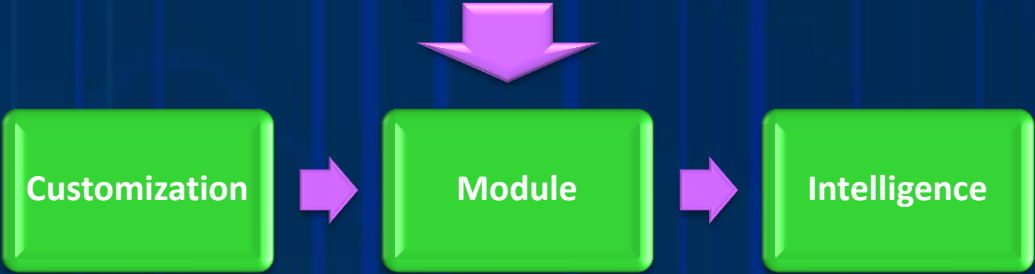
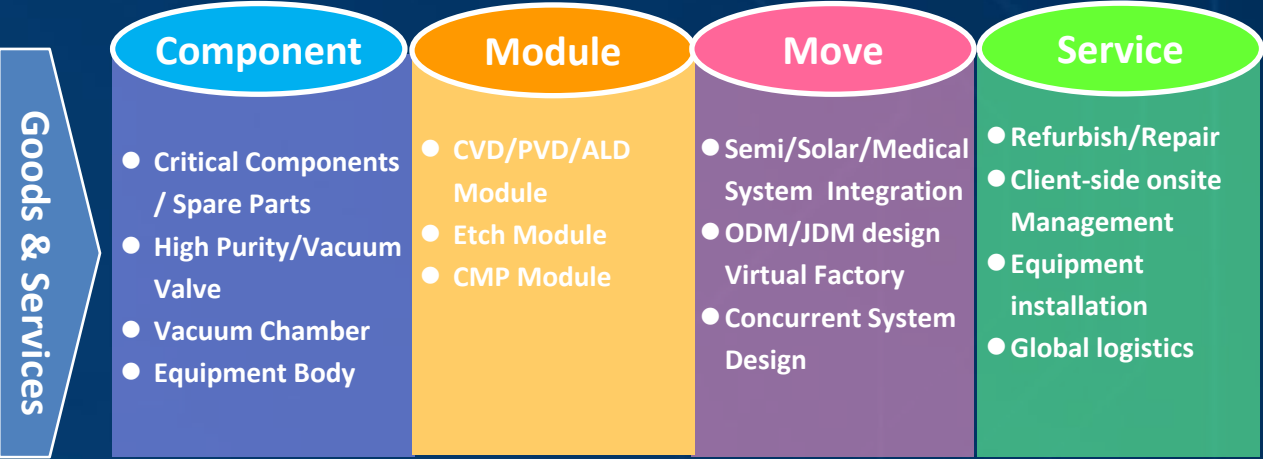
## Semiconductor front-end process equipment



## 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**



# 2Q23 Financial Reports

# Statements of Comprehensive Income



( NTD in millions )	2Q23		1Q23		QoQ %	2Q22		YoY %	1H23		1H22		YoY%
Revenues	3,292	100.0%	3,403	100.0%	-3.3%	3,197	100.0%	3.0%	6,695	100.0%	6,607	100.0%	1.3%
Gross Profit	841	25.5%	891	26.2%	-0.7 ppts	953	29.8%	-4.3 ppts	1,732	25.9%	1,861	28.2%	-2.3 ppts
Operating expenses	(350)	(10.6%)	(341)	(10.0%)		(340)	(10.6%)		691	(10.4%)	679	(10.3%)	
Operating Income	491	14.9%	550	16.2%	-1.3 ppts	613	19.2%	-4.3 ppts	1,041	15.5%	1,182	17.9%	-2.4 ppts
Non-Operating Items	228	6.9%	(9)	-		64	2.0%		219	3.3%	204	3%	
Income Before Tax	719	21.8%	541	16.2%	+5.6 ppts	677	21.2%	+0.6 ppts	1,260	18.8%	1,386	21.0%	-2.2 ppts
Net Income	609	18.5%	403	11.8%	+6.7 ppts	602	18.8%	-0.3 ppts	1,012	15.1%	1,137	17.2%	-2.1 ppts
Attributable to:													
Owners of the parent	609		403		51.1%	591		3.0%	1,012		1,115		-9.2%
Basic EPS(NTS)	6.27		4.15		2.12	6.26		0.01	10.42		12.20		(1.78)
Weighted-average outstanding shares(M)	97.16		97.11			94.42			97.13		91.42		



# Balance Sheets & Key Indices



( NTD in millions )

	2Q23		1Q23		2Q22	
Cash, Current financial assets	10,408	53%	9,189	48%	9,207	51%
Accounts Receivable	919	5%	1,075	6%	1,177	7%
Inventory	2,904	15%	3,476	18%	3,911	21%
Long-term Investments	569	3%	550	3%	557	2%
Property, plant and equipment	3,723	19%	3,721	20%	2,659	15%
<b>Total Assets</b>	<b>19,514</b>	<b>100%</b>	<b>19,042</b>	<b>100%</b>	<b>18,258</b>	<b>100%</b>
Accounts Payable	956	5%	963	5%	1,777	10%
Bonds Payable	1,859	10%	1,854	10%	1,839	10%
Current Liabilities	6,668	34%	6,586	35%	5,404	30%
<b>Total Liabilities</b>	<b>9,042</b>	<b>46%</b>	<b>9,083</b>	<b>48%</b>	<b>8,566</b>	<b>47%</b>
<b>Total Shareholders' Equity</b>	<b>10,472</b>	<b>54%</b>	<b>9,959</b>	<b>52%</b>	<b>9,692</b>	<b>53%</b>
<b>Key Indices</b>						
AR Turnover Days	26		28		40	
Days Sales of Inventory	126		135		132	
AP Turnover days	44		44		74	
Cash Cycle	108		119		98	
Current Ratio(X)	2.16		2.12		2.69	

# Cash Flows



( NTD in millions )	1H23	1H22
<b>Beginning Balance</b>	<b>8,544</b>	<b>5,068</b>
<b>Cash from operating activities</b>	<b>837</b>	<b>932</b>
<b>Capital expenditures</b>	<b>(350)</b>	<b>(937)</b>
<b>Time deposits</b>	<b>(3,382)</b>	<b>516</b>
<b>Issuance of common stock for cash</b>	<b>-</b>	<b>1,706</b>
<b>Net Change in Debt</b>	<b>73</b>	<b>963</b>
<b>Investments and others</b>	<b>35</b>	<b>(85)</b>
<b>Ending Balance</b>	<b>5,756</b>	<b>8,163</b>
<b>Free Cash Flow*</b>	<b>486</b>	<b>(5)</b>

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

# Business Performance and Outlook

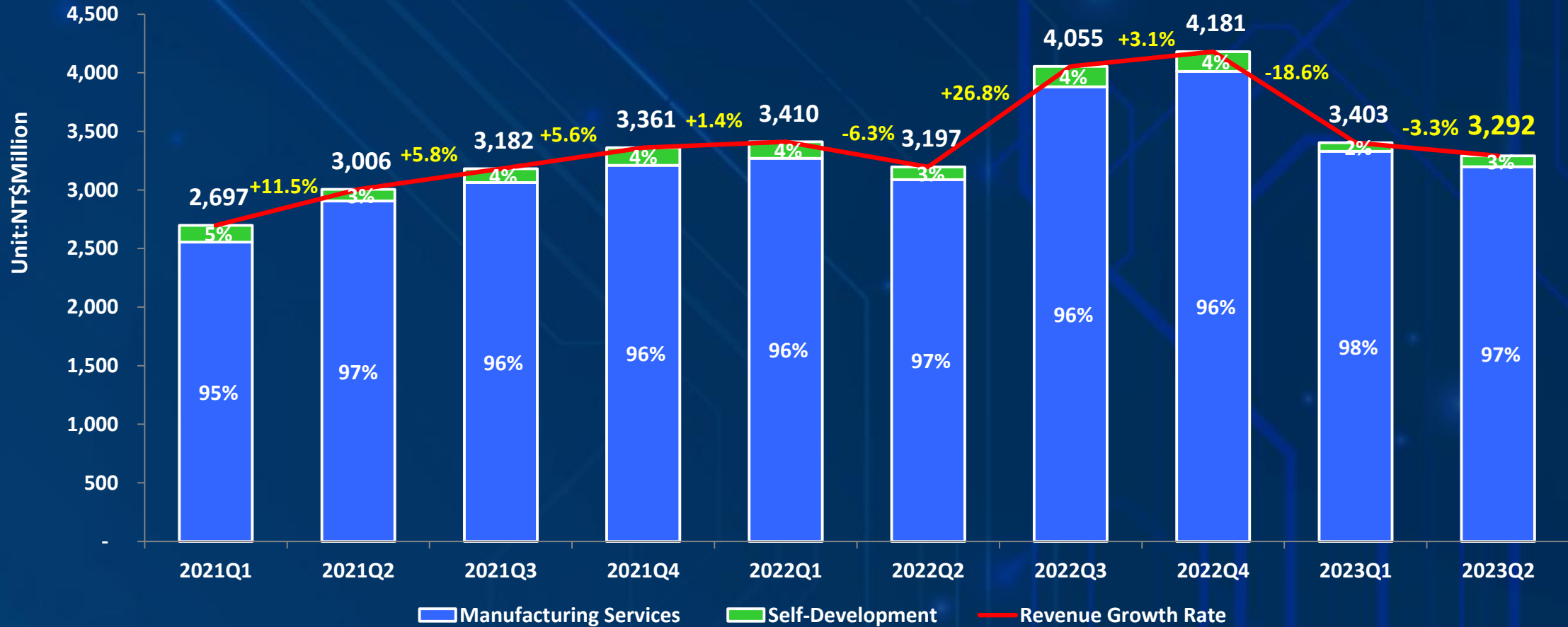


# Consolidated Revenue Trend



■ Q2 revenue: **\$3.29 billion**, YoY: **+3.0%**, QoQ: **-3.3%**

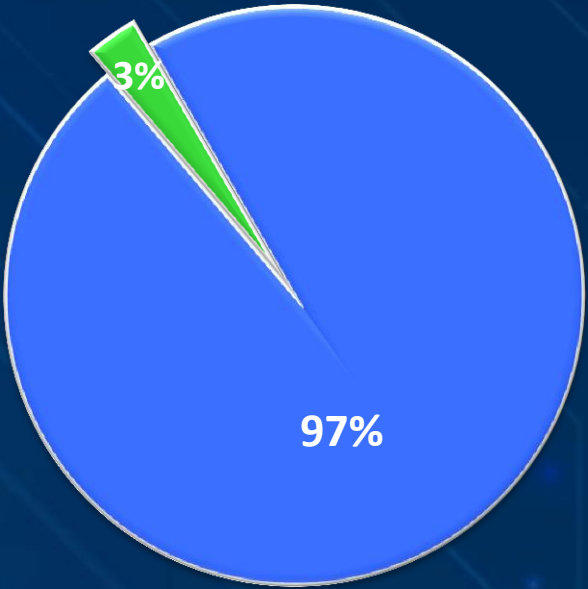
■ Q2 and H1 Revenues Hit Record Highs



Note:

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

# 2Q23 Revenues by Business

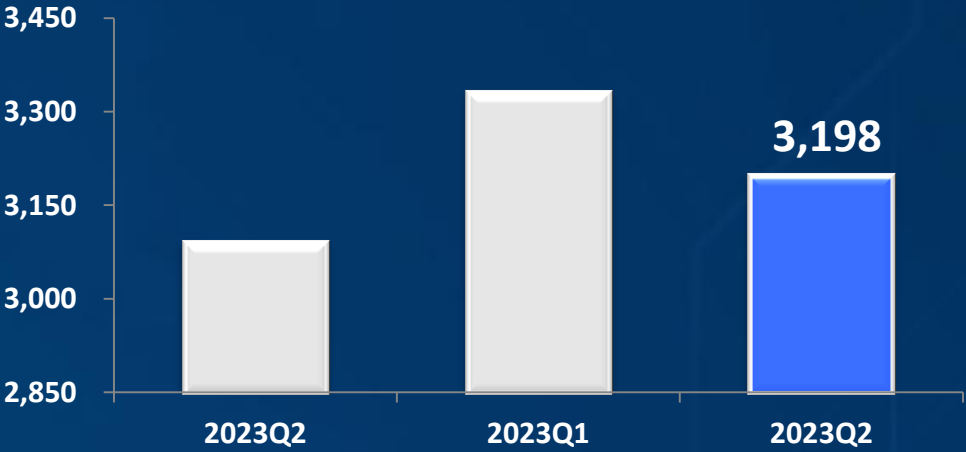


- Manufacturing Services
- Self-Development

## Manufacturing Services

-4.0% QoQ  
+3.5% YoY

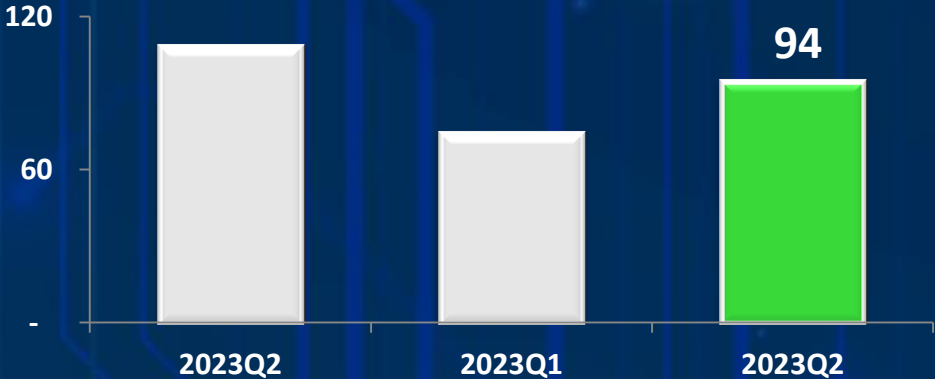
Unit: NT\$M



## Self-Development

+27.6% QoQ  
-12.9% YoY

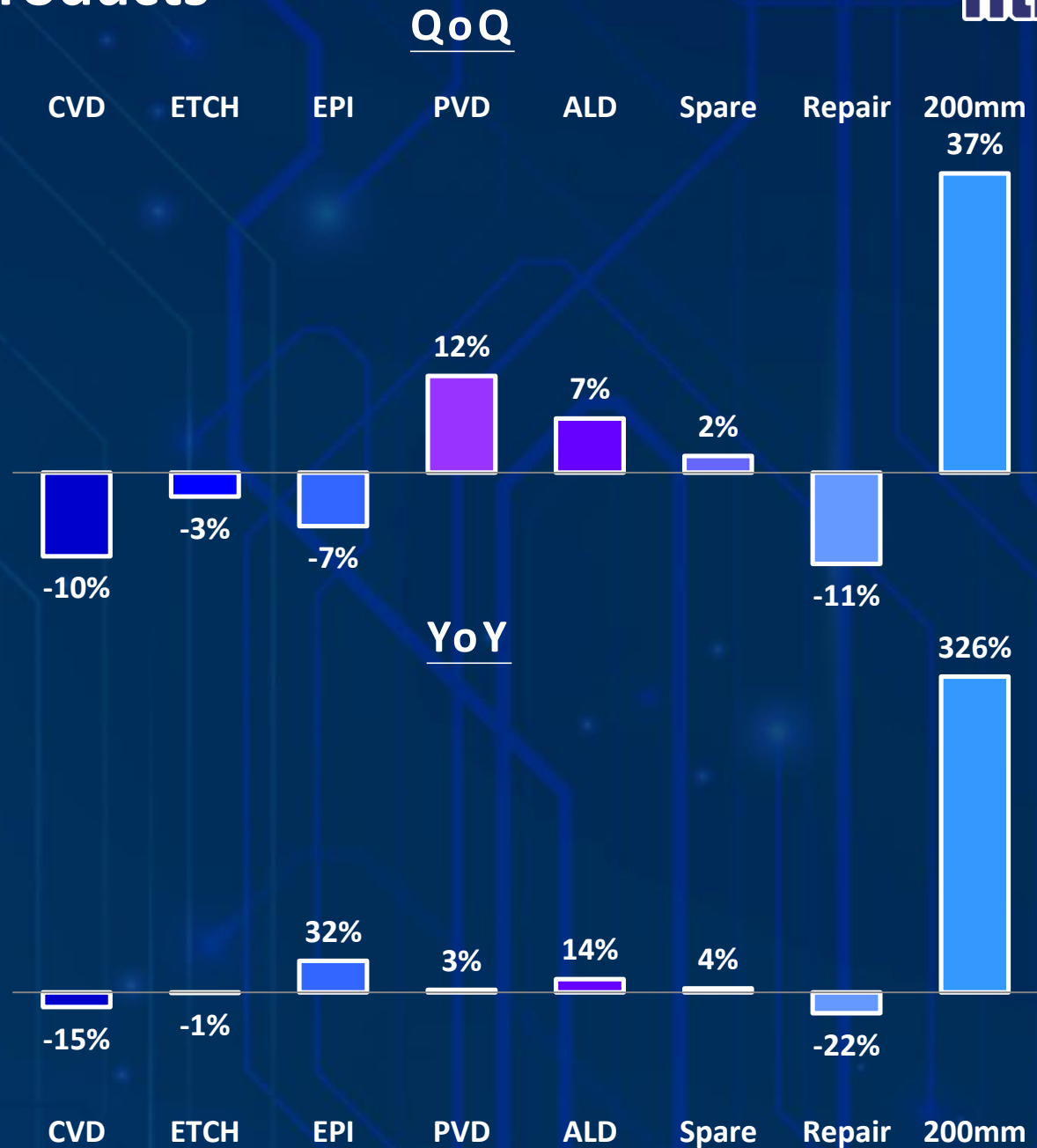
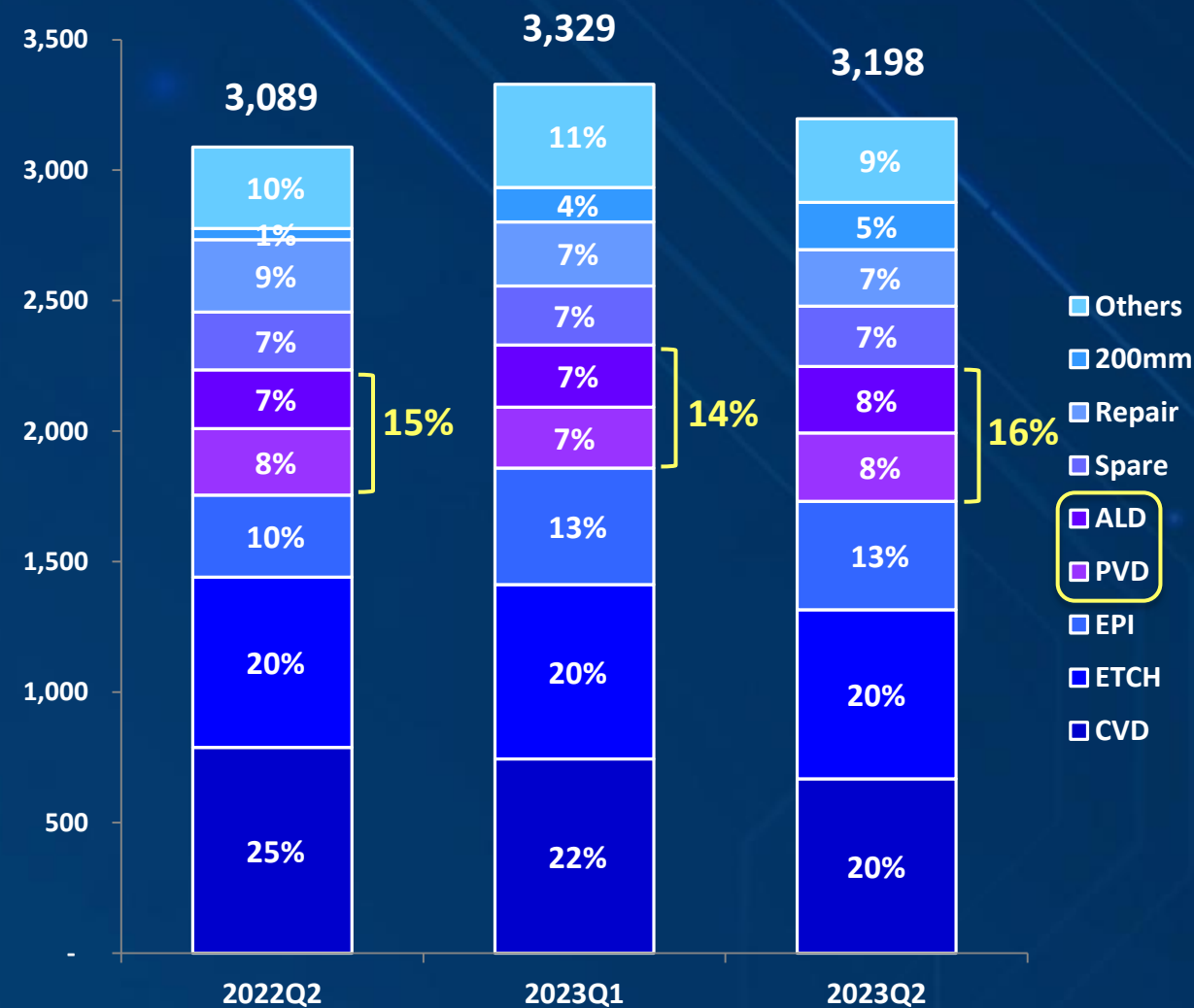
Unit: NT\$M



# Manufacturing Services Revenue by Products



Unit:NT\$Million





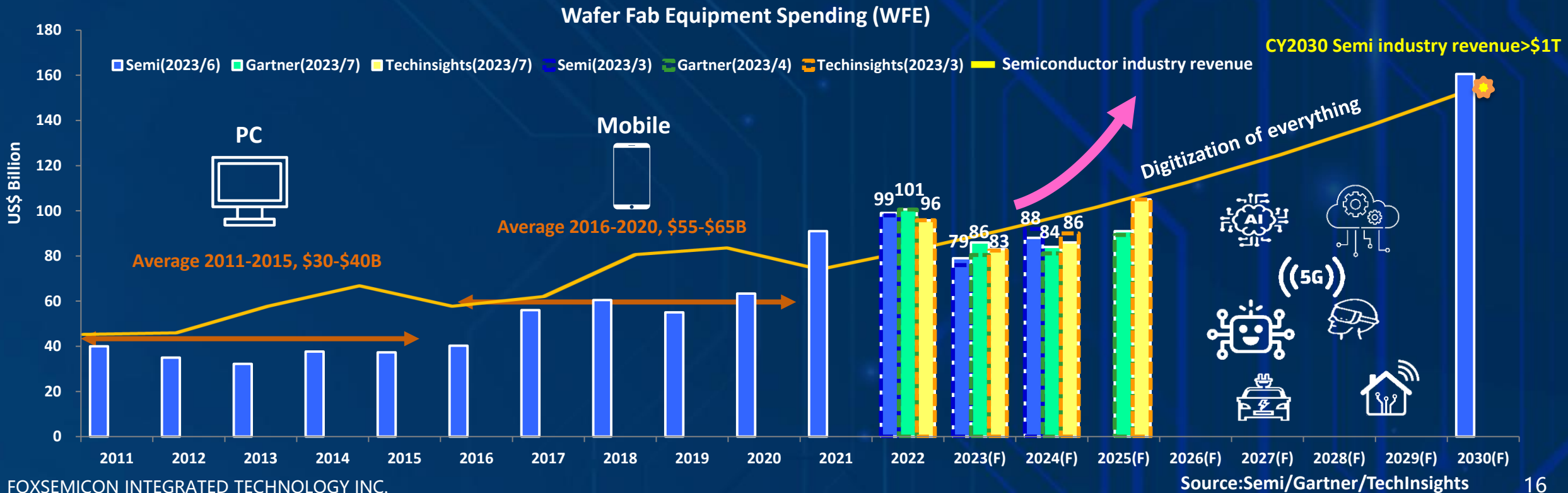
# 3Q23 Business Outlook



# WFE Market Forecast



- Semiconductor wafer equipment manufacturing industry poised for a new cycle of growth fueled by the AI chips and China's mature process equipment development, 3 institutions raised their 2023 WFE forecasts from -14% to -22%, to -13% to -20%.
- After semiconductor inventory adjustment and memory production reduction, supply and demand for semiconductors will gradually balance. AI will drive a robust demand for mature process equipment and increased memory equipment spending. The overall demand in 2024 is expected to be modestly picked up compared to 2023.
- The semiconductor equipment demand will continue to grow rapidly as applications in AI, HPC, and ICAPS (IoT, Communications, Automotive, Power, and Sensors) drive the rise of silicon contents, coupled by the localization policy making in the global semiconductor supply chain.



# Recap of Recent Major Events

- Cash dividends of NT\$1,339,609 thousand (NT\$13.79 per share) distributed on July 31, 2023.
- Kainova Technology, a subsidiary of Foxsemicon, will participate SEMICON Taiwan 2023 and exhibit the total solutions of wafer handling, storage and contamination prevention for advanced semiconductor fabrication processes.
- China Credit Information Service (CRIF) Technology Top 500 Companies Survey 2023: Fiti ranked 21th for 3 consecutive years of growth (Y2020-Y2022) in Revenue, Profit, and EPS.

Ranking	Company	2022 Revenue Growth (%)	2021 Revenue Growth (%)	2020 Revenue Growth (%)
21	Fiti	21.91	15.61	41.22



# Summary



- **23Q2 business performance outperformed other semi-equipment industries.**
  - **Highest Revenue: Q2 and H1 have the highest revenue in the same period since listed.**
  - **EPS: Q2 has the highest; H1 has the 2<sup>nd</sup> highest EPS in the same period since listed.**
  - **H1 EPS of NT\$10.42: Fiti ranked within the top 18 listed companies in TWSE .**
- **Facing the global macroeconomic uncertainties, continued adjustment in end-use market demand and customers' inventory corrections, global semiconductor equipment sales reaching a trough in 23Q2.**
- **Strong demand for ICAPS business and AI-related equipment growth will drive the semiconductor equipment market.**
- **Fiti's strategy: expand the product diversification and generate new customer business to provide long-term constant growth momentum.**



# Thank you