



Foxsemicon Integrated Technology Inc.

2023 Third Quarter Investor Presentation

2023/12/13

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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\$ 972 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 Incorporated in TW
- 2002 Certified Vendor by the largest semiconductor equipment maker of the world
- 2015 IPO in Taiwan Stock Exchange
- 2016~2022 Recognized by world's leading semiconductor equipment provider for seven consecutive years
- Best in Class Performance award for six consecutive years
- 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
- 2023 FITI's first ESG Sustainability Report won the 2023 TCSA Bronze Award for Sustainability Reporting

Chunan #1,TW(HQ)



Chunan #2, TW



Silicon Valley(NPI/SVM)



Nanjing
 Jiangsu
 Shanghai
 Chunan

California
 Texas

Silicon Valley ,USA



Songjiang, CN



Kunshan, CN

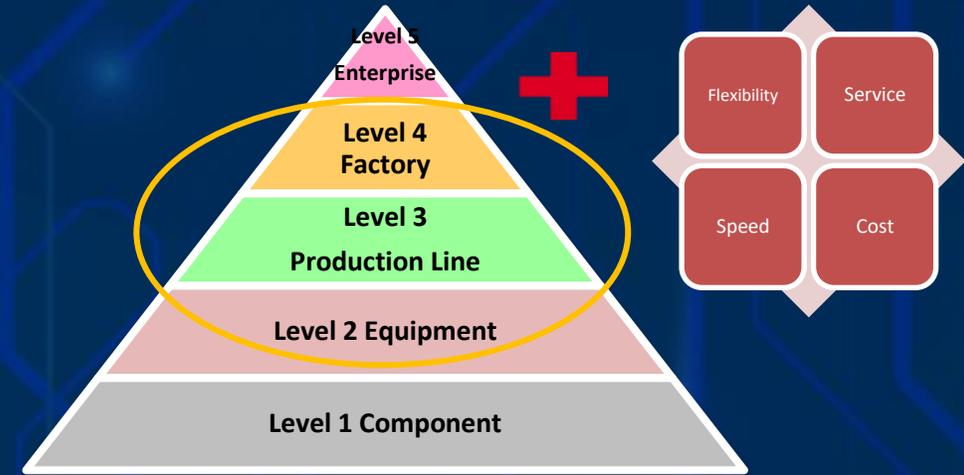
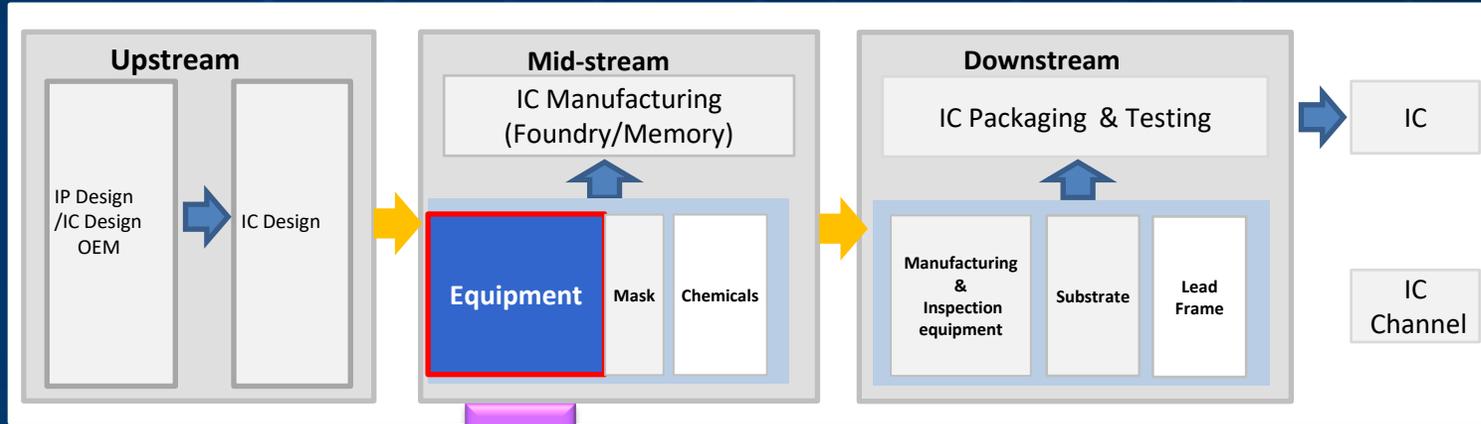


- : Operating manufacturing base -Chunan #1&2/ Songjiang/ Kunshan
- : NPI & SVM base-Silicon Valley, USA
- : Sales & Service Offices-California/Texas/Nanjing

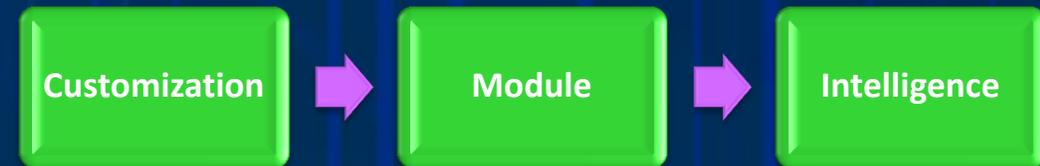
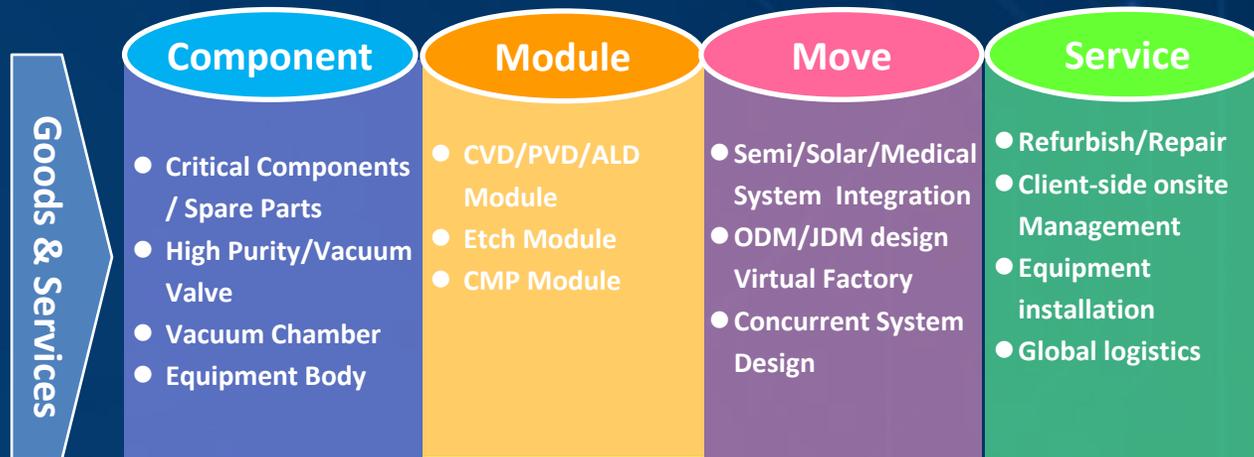
Semiconductor Industry & Fiti's Market Position

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



- 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



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

3Q23 Financial Reports

Statements of Comprehensive Income



(NTD in millions)	3Q23		2Q23		QoQ%	3Q22		YoY%	YT3Q23		YT3Q22		YoY%
Revenues	2,977	100.0%	3,292	100.0%	-9.6%	4,055	100.0%	-26.6%	9,671	100.0%	10,662	100.0%	-9.3%
Gross Profit	756	25.4%	841	25.5%	-0.1 pts	1,228	30.3%	-4.9 pts	2,489	25.7%	3,089	29.0%	-3.3 pts
Operating expenses	(346)	(11.6%)	(350)	(10.6%)		(400)	(9.9%)		(1,038)	(10.7%)	(1,079)	(10.1%)	
Operating Income	410	13.8%	491	14.9%	-1.1 pts	828	20.4%	-6.6 pts	1,451	15.0%	2,010	18.9%	-3.9 pts
Non-Operating Items	187	6.3%	228	6.9%		155	3.8%		407	4.2%	360	3%	
Income Before Tax	597	20.1%	719	21.8%	-1.7 pts	983	24.2%	-4.1 pts	1,858	19.2%	2,370	22.2%	-3.0 pts
Net Income	473	15.9%	609	18.5%	-2.6 pts	791	19.5%	-3.6 pts	1,486	15.4%	1,927	18.1%	-2.7 pts
Attributable to:													
Owners of the parent	473		609		-22.3%	787		-39.9%	1,486		1,903		-21.9%
Basic EPS(NTS)	4.87		6.27		(1.40)	8.14		(3.27)	15.29		20.41		(5.12)
Weighted-average outstanding shares(M)	97.18		97.16			96.71			97.15		93.21		

Balance Sheets & Key Indices



(NTD in millions)	3Q23		2Q23		3Q22	
Cash, Current financial assets	9,305	51%	10,408	53%	8,769	46%
Accounts Receivable	862	5%	919	5%	1,386	7%
Inventory	2,791	15%	2,904	15%	4,059	21%
Long-term Investments	568	3%	569	3%	548	3%
Property, plant and equipment	3,787	21%	3,723	19%	3,258	17%
Total Assets	18,323	100%	19,514	100%	19,132	100%
Accounts Pabable	894	5%	956	5%	1,718	9%
Bonds Pabable	1,864	10%	1,859	10%	1,844	10%
Current Liabilites	4,918	27%	6,668	34%	4,758	25%
Total Liabilities	7,223	39%	9,042	46%	8,690	45%
Total Shareholders' Equity	11,100	61%	10,472	54%	10,442	55%
Key Indices						
AR Turnover Days	27		26		40	
Days Sales of Inventory	129		126		127	
AP Turnover days	44		44		68	
Cash Cycle	112		108		99	
Current Ratio(X)	2.67		2.16		3.05	

Cash Flows



單位：新台幣百萬元	YT3Q23	YT3Q22
期初現金	8,544	5,068
營運活動之現金(流出)流入	1,507	1,611
資本支出	(469)	(1,691)
現金股利	(1,340)	(840)
定期存款	(2,990)	1,382
現金增資	-	1,706
銀行借款淨變動	(277)	1,472
投資與其他	72	(118)
期末現金	5,047	8,590
自由現金流量*	1,038	(80)

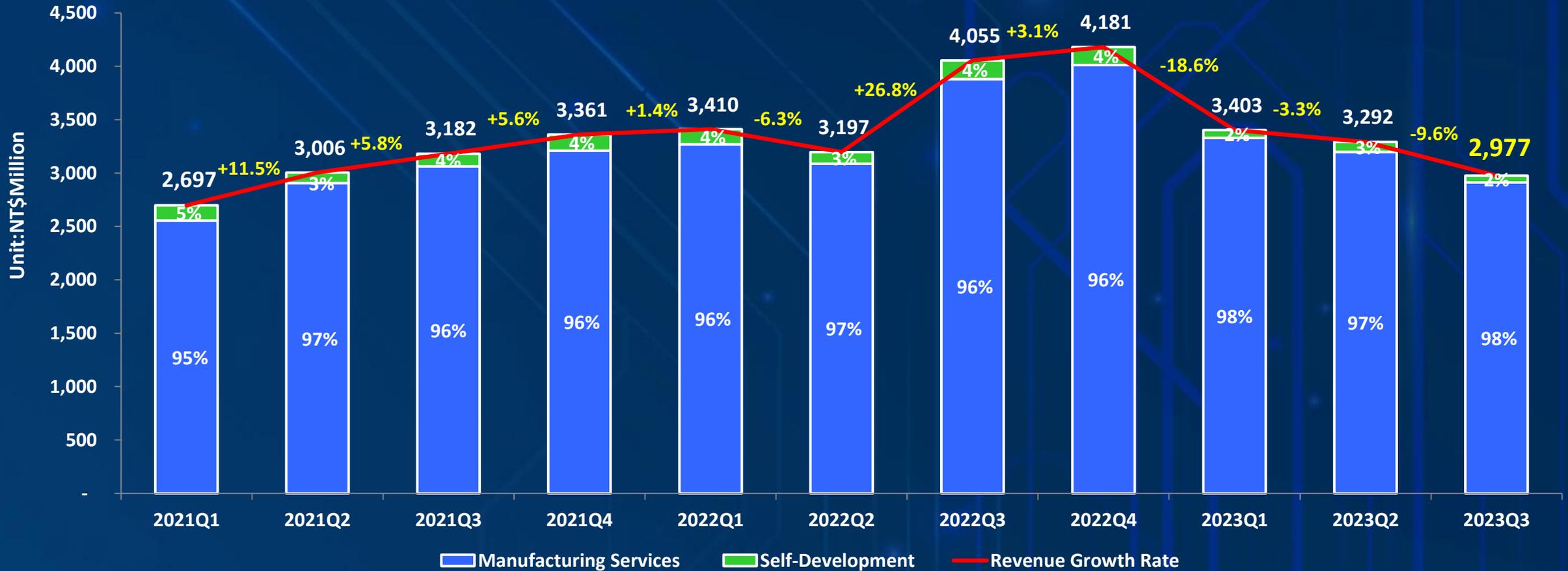
*Free Cash Flow=Cash from operating activities-Capital expenditures

Business Performance and Outlook

Consolidated Revenue Trend



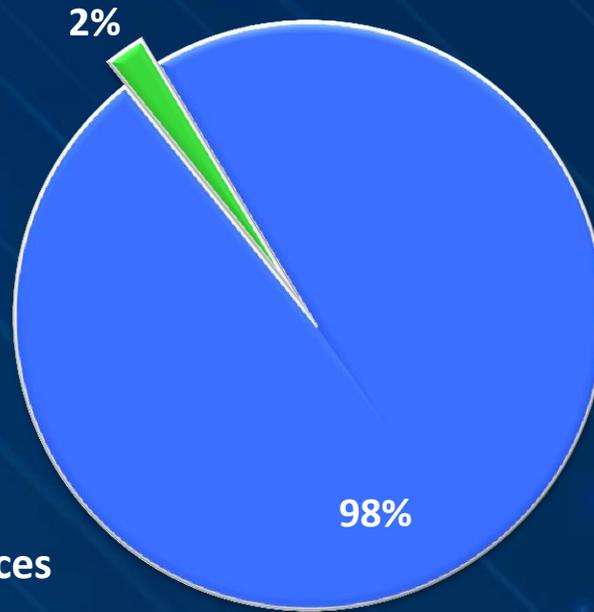
- Q3 revenue: **\$2.97 billion**, YoY: **-26.6%**, QoQ: **-9.6%**
- Q4 will be a moderate quarterly increase after the bottom of Q3.



Note:

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

3Q23 Revenues by Business

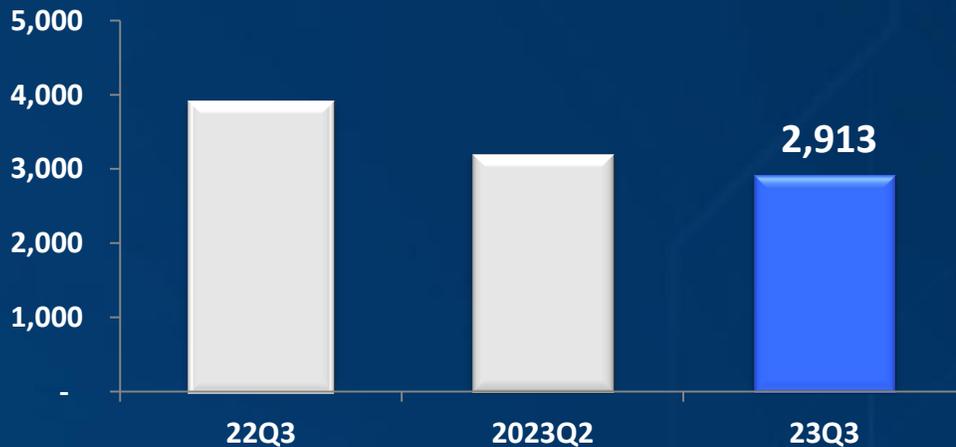


- Manufacturing Services
- Self-Development

Manufacturing Services

-8.9% QoQ
-24.9% YoY

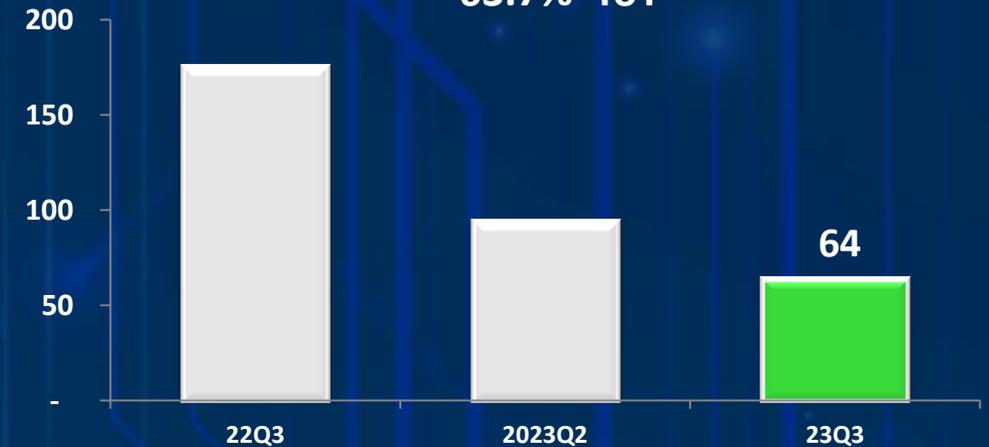
Unit: NT\$M



Self-Development

-32.5% QoQ
-63.7% YoY

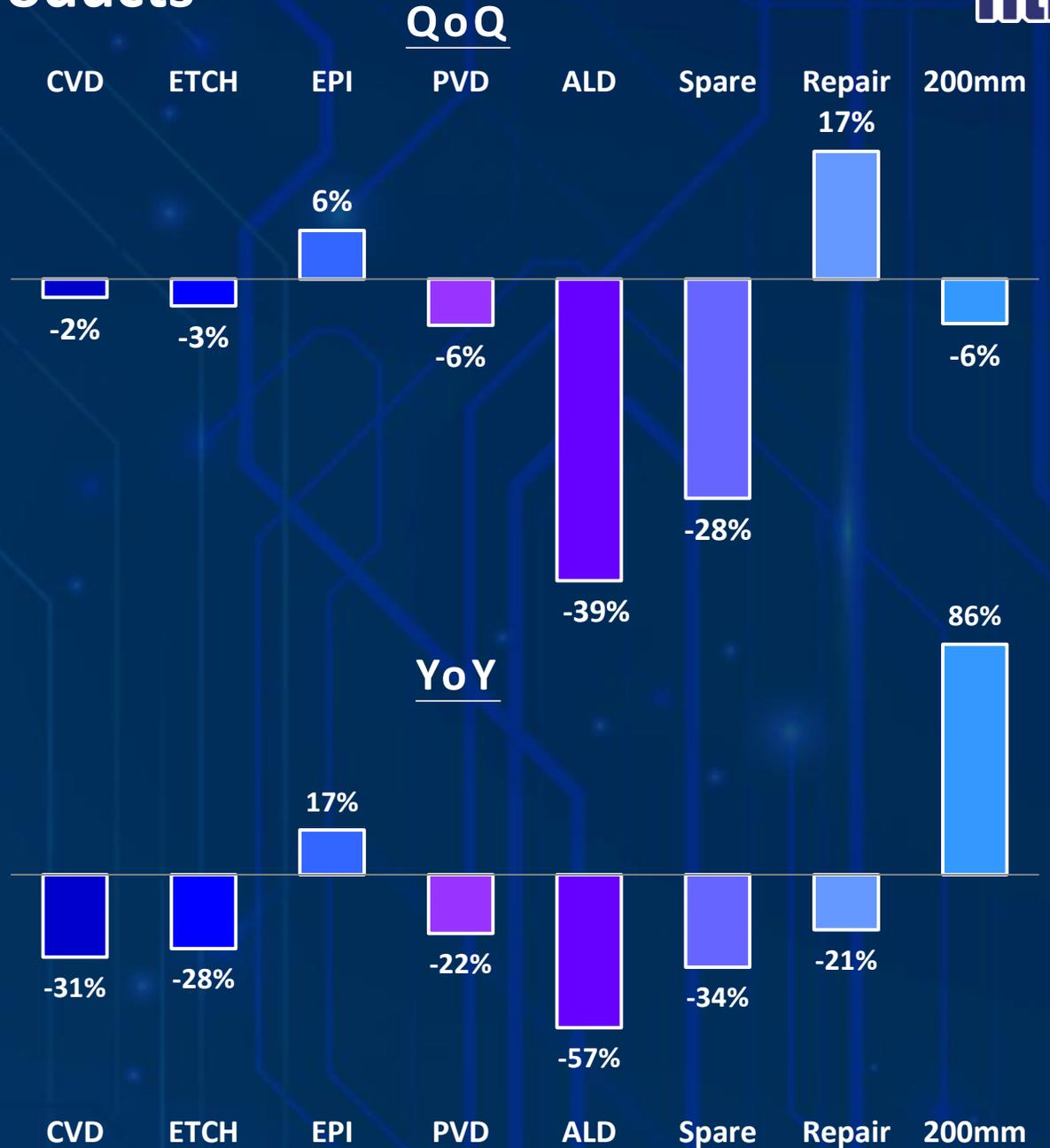
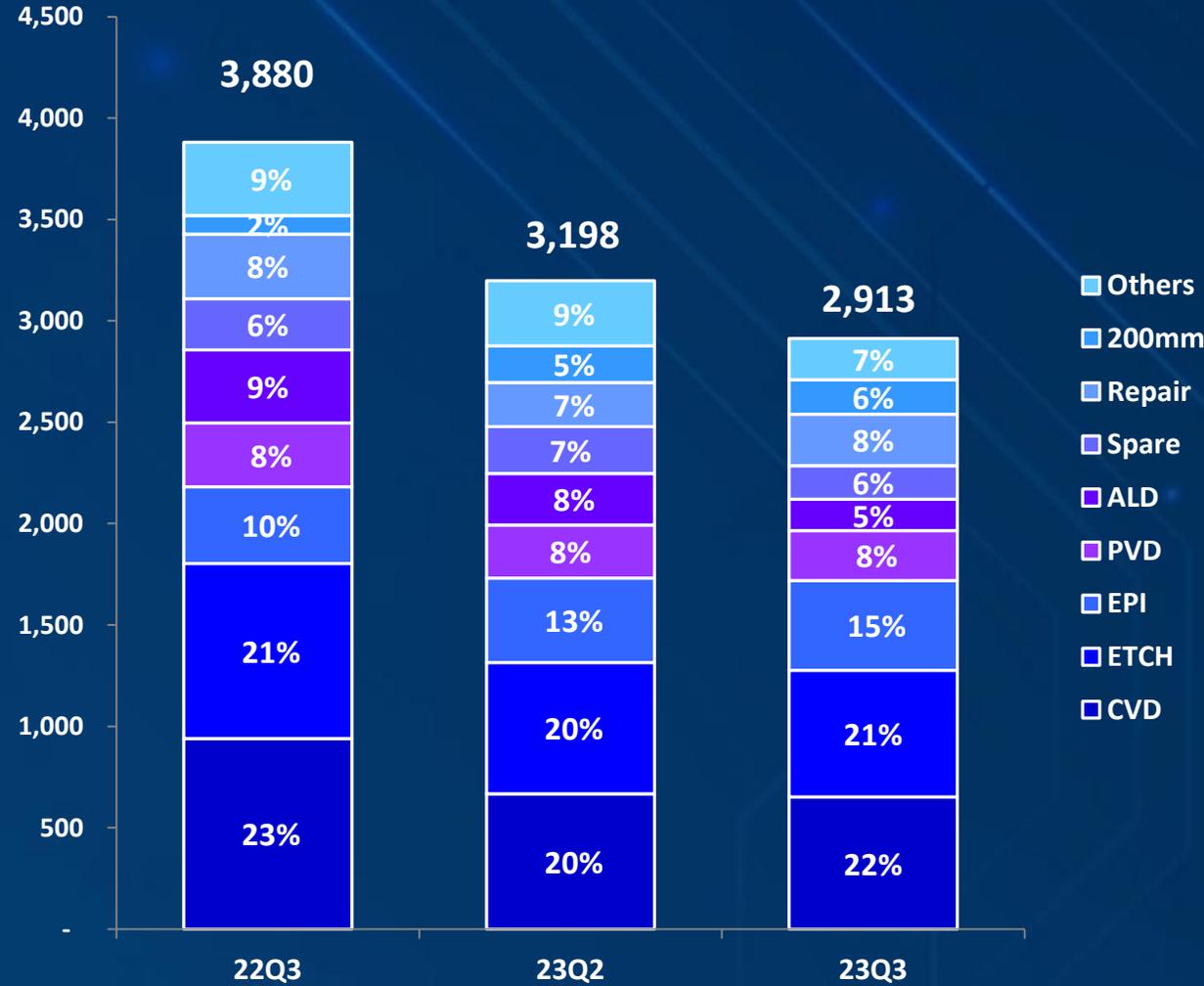
Unit: NT\$M



Manufacturing Services Revenue by Products



Unit:NT\$Million

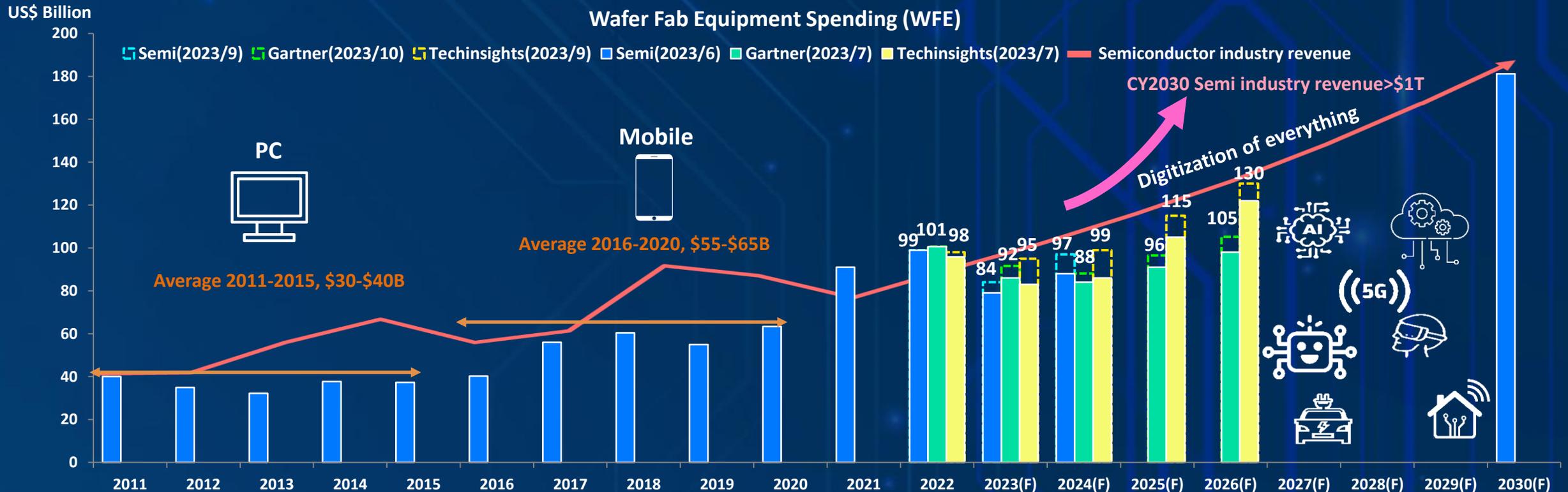


4Q23 Business Outlook



WFE Market Forecast

- Due to the export control of advanced equipment from the U.S., Japan, and the Netherlands, and China's expansion of the procurement of mature process equipment, 3 institutions raised the 2023 WFE forecast from -13% to -20% to -5% to -13%, and the recession gradually decreased.
- Inventory adjustments are nearing the end, the memory market supply/demand is balancing, CAPEX demand growth driven by AI/HPC/ICAPS (IoT, Communications, Automotive, Power, and Sensors) and other related application expansions. 2024 WFE market is expected to rebound slowly, and full recovery is expected by 2025.
- Emerging technology applications drive up silicon content, semiconductor processes become more complex, and countries' independent supply chains and Fabs continue to make strategic investments, pushing the semiconductor equipment industry upward.



Recap of Recent Major Events

- **FITI's first ESG Sustainability Report won the 2023 TCSA Bronze Award for Sustainability Reporting**
- **Because of the geopolitical uncertainty, Fiti's Board of Directors has suspended the construction of a new factory in Taiwan and capacity expansion in China on July 28, 2023. Meanwhile, in order to meet the needs of our customers, the Board of Directors have approved to invest US\$120 million to establish a production base in Chonburi, Thailand to manufacturing key modules, components and spare parts for semiconductor front-end process equipment, which is expected to be in production in 2025H1 to meet the demand of the semiconductor equipment market**

Summary

- **2023 First Three Quarters Performance in Line with the Industry**
 - **First Three Quarters Revenue/EPS were both the second highest in the same period.**
 - **Q4 will be a moderate quarterly increase after the bottom of Q3.**
- **Aggressively expanding new customers and establishing long-term partnership with strategic partners**
- **Diversified manufacturing to minimize geopolitical risks and maintain the competitiveness of the company's operation.**
- **Outlook for 2024, the company's growth will outperform the industry's average with the benefit of new products, new customers, and semiconductor incentives in countries.**