



Foxsemicon Integrated Technology Inc.

**2023 Fourth Quarter
Investor Presentation**

2024/03/13

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\$ 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 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
2024	「2023 Supplier Excellence」 dual award by world's leading semiconductor equipment provider

Chunan #1,TW(HQ)



Chunan #2, TW



Silicon Valley(NPI/SVM)



California

Texas

Silicon Valley ,USA



Songjiang, CN



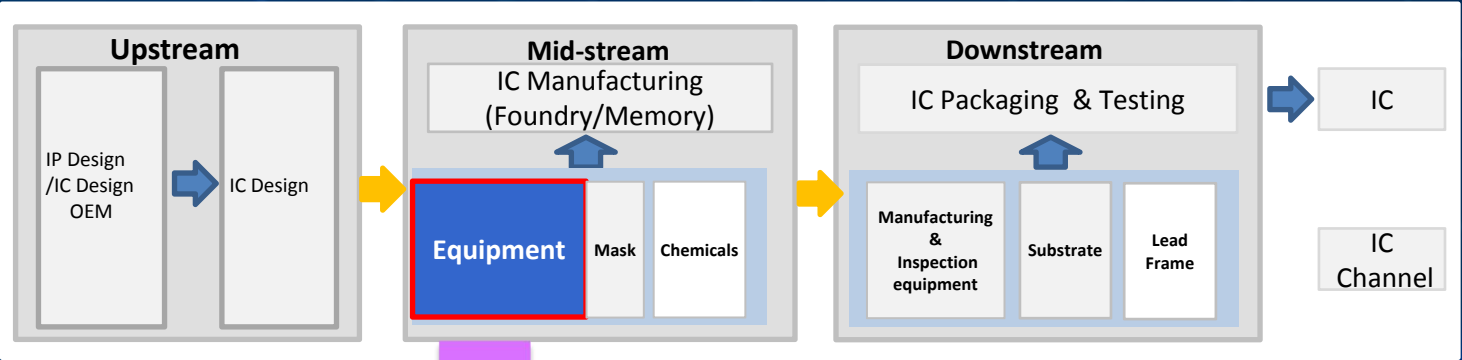
Kunshan, CN



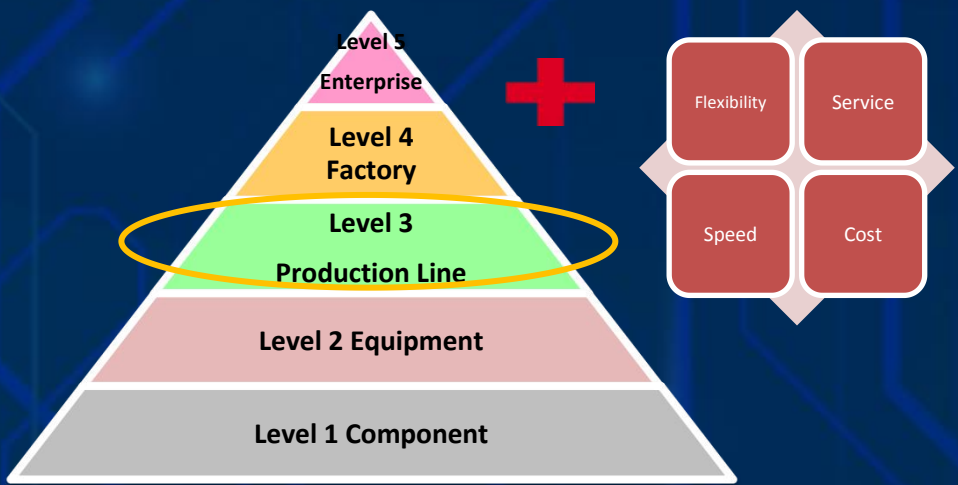
- : Operating manufacturing base -Chunan #1&2/ Songjiang/ Kunshan
- : Operating manufacturing base(new) -Thailand
- : NPI & SVM base-Silicon Valley, USA
- : Sales & Service Offices-California/Texas/Nanjing

Semiconductor Industry & Fiti's Market Position)

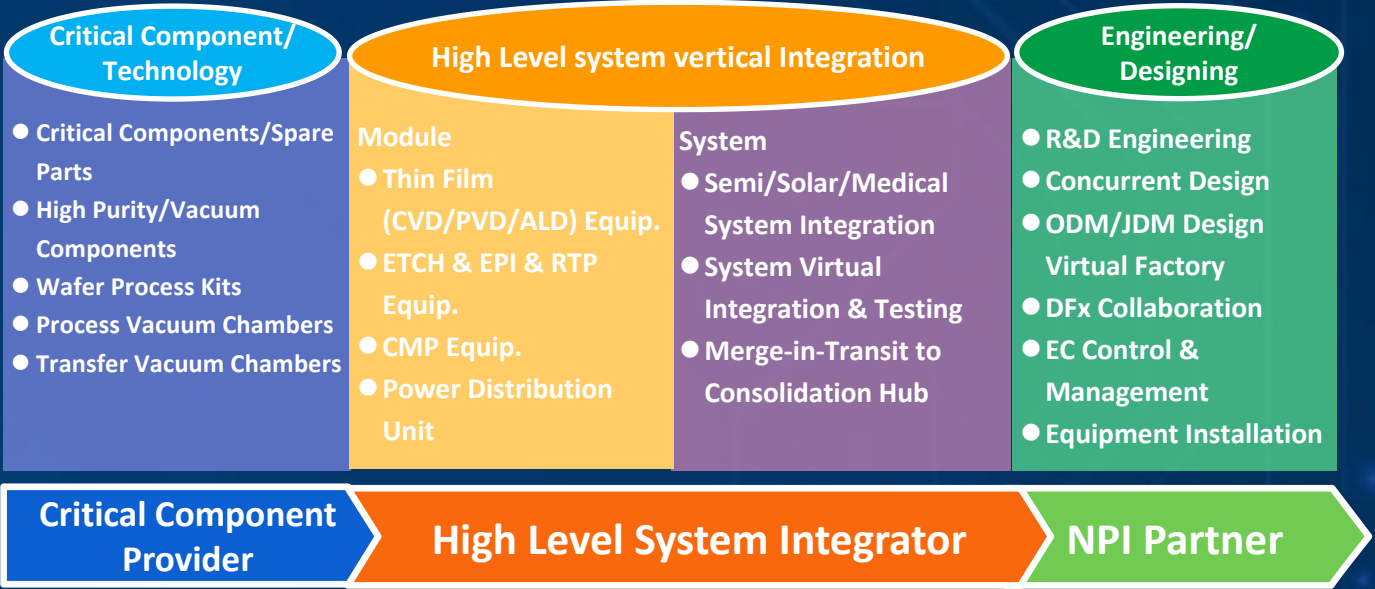
Semiconductor front-end process equipment



Semiconductor automation equipment



Semiconductor Industry Eco-System



Provide integrated solutions

Customization

Module

Intelligence

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

4Q23 Financial Reports

Statements of Comprehensive Income



(NTD in millions)	4Q23		3Q23		QoQ%	4Q22		YoY%	2023		2022		YoY%
Revenues	3,379	100.0%	2,977	100.0%	13.5%	4,181	100.0%	-19.2%	13,051	100.0%	14,843	100.0%	-12.1%
Gross Profit	927	27.4%	756	25.4%	+2.0 pts	1,355	32.4%	-5.0 pts	3,415	26.2%	4,444	29.9%	-3.7pts
Operating expenses	(348)	(10.3%)	(346)	(11.6%)		(413)	(9.9%)		(1,385)	(10.6%)	(1,492)	(10.1%)	
Operating Income	579	17.1%	410	13.8%	+3.3 pts	942	22.5%	-5.4 pts	2,030	15.6%	2,952	19.9%	-4.3 pts
Non-Operating Items	76	2.3%	187	6.3%		(419)	(10.0%)		482	3.6%	(60)	(0.4%)	
Income Before Tax	655	19.4%	597	20.1%	-0.7 pts	523	12.5%	+6.9 pts	2,512	19.2%	2,892	19.5%	-0.3 pts
Net Income	506	15.0%	473	15.9%	-0.9 pts	417	10.0%	+5.0 pts	1,990	15.2%	2,344	15.8%	-0.6 pts
Attributable to:													
Owners of the parent	506		473		7.0%	418		21.1%	1,990		2,320		-14.2%
Basic EPS(NTS)	5.19		4.87		0.32	4.30		0.89	20.48		24.64		(4.16)
Weighted-average outstanding shares(M)	97.33		97.18			96.92			97.19		94.14		

Balance Sheets & Key Indices



(NTD in millions)	4Q23		3Q23		4Q22	
Cash, Current financial assets	10,583	55%	9,305	51%	9,813	50%
Accounts Receivable	783	4%	862	5%	978	5%
Inventory	2,620	14%	2,791	15%	3,807	19%
Long-term Investments	417	2%	568	3%	503	2%
Property, plant and equipment	3,781	20%	3,787	21%	3,541	18%
Total Assets	19,370	100%	18,323	100%	19,690	100%
Accounts Pabable	941	5%	894	5%	1,439	7%
Bonds Pabable	1,865	10%	1,864	10%	1,880	10%
Current Liabilites	3,536	18%	4,918	27%	6,700	36%
Total Liabilities	7,768	40%	7,223	39%	8,859	45%
Total Shareholders' Equity	11,602	60%	11,100	61%	10,831	55%
Key Indices						
AR Turnover Days	25		27		33	
Days Sales of Inventory	125		129		118	
AP Turnover days	45		44		60	
Cash Cycle	105		112		91	
Current Ratio(X)	4.05		2.67		2.21	

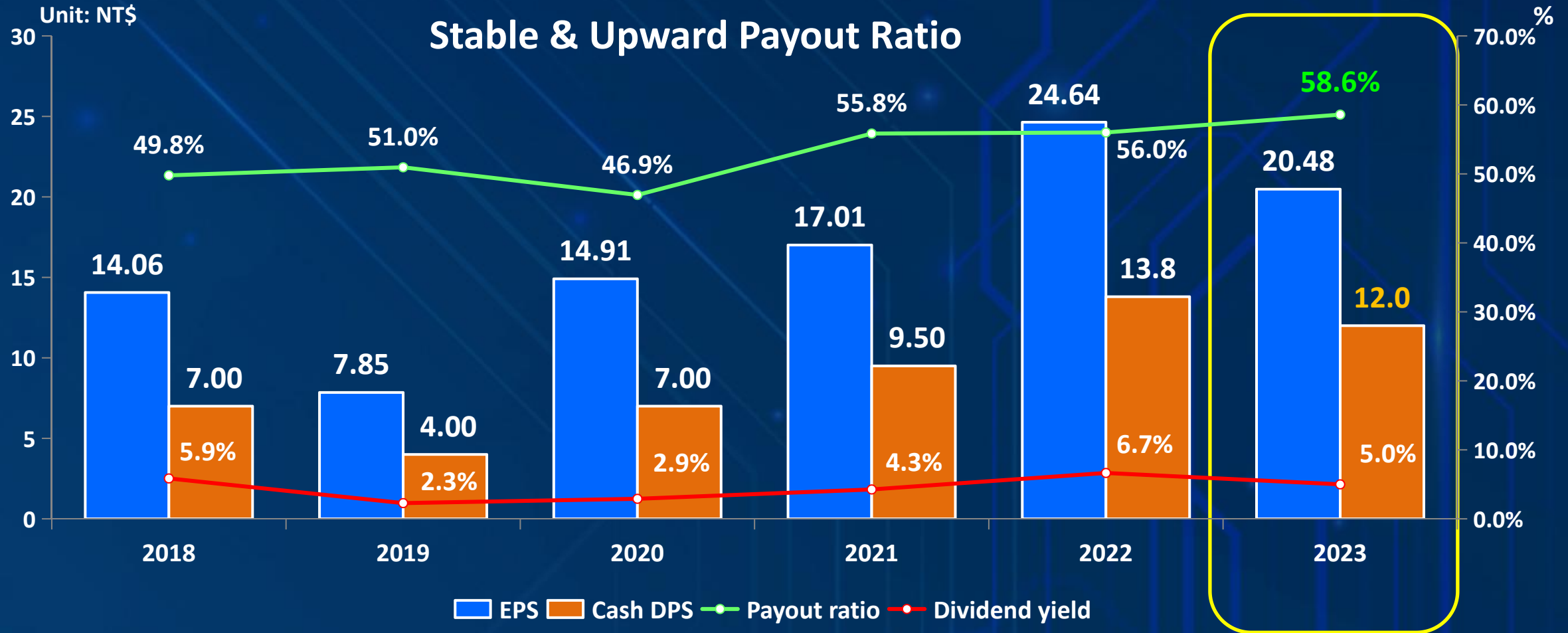
Cash Flows



(NTD in millions)	2023	2022
Beginning Balance	8,544	5,068
Cash from operating activities	2,641	2,859
Capital expenditures	(545)	(2,114)
Cash dividends	(1,340)	(840)
Time deposits	(2,359)	292
Issuance of common stock for cash	-	1,706
Net Change in Debt	(271)	1,305
Investments and others	286	268
Ending Balance	6,956	8,544
Free Cash Flow*	2,096	744

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

Stable Dividend Policy



Note:

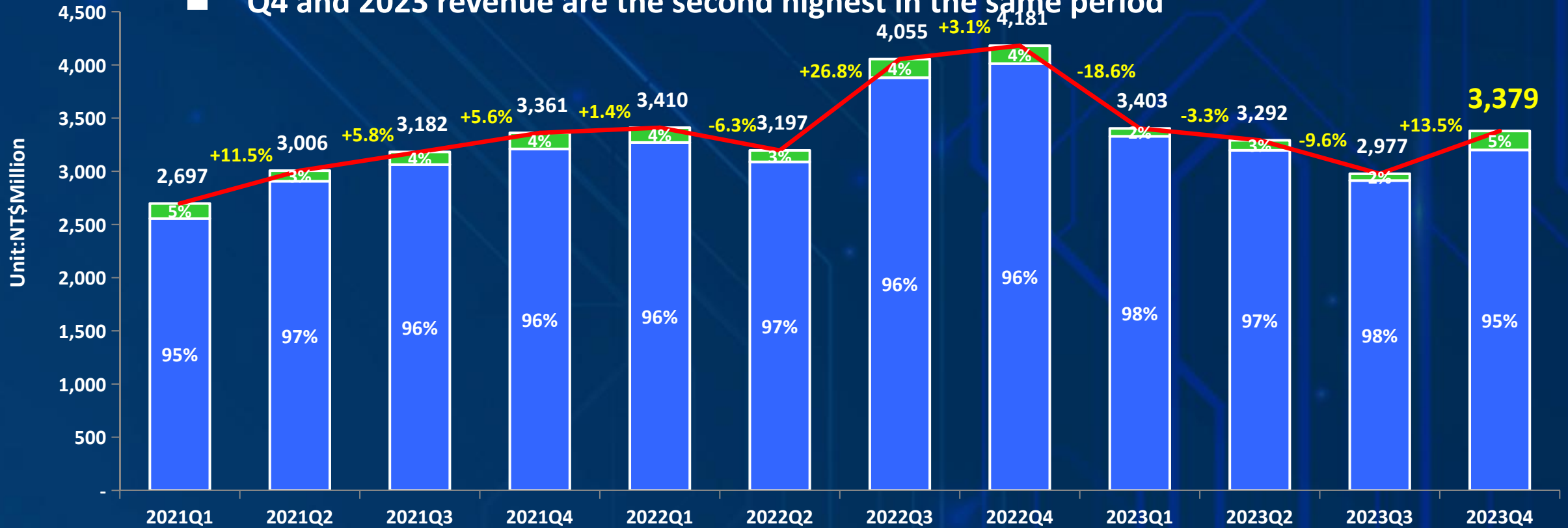
- 1.The amount of dividends to be paid in 2023 is subject to the approval by the shareholders' meeting on 2024/5/27
- 2.The stock price of Dividend yield is the closing price of the BOD day which announced the dividend policy

Business Performance and Outlook

Consolidated Revenue Trend



- Q4 revenue: **\$3.379** billion, QoQ: **+13.5%** , YoY: **-19.2%**
- 2023 Revenue **\$13.051** billion, YoY: **-12.1%**
- Q4 and 2023 revenue are the second highest in the same period

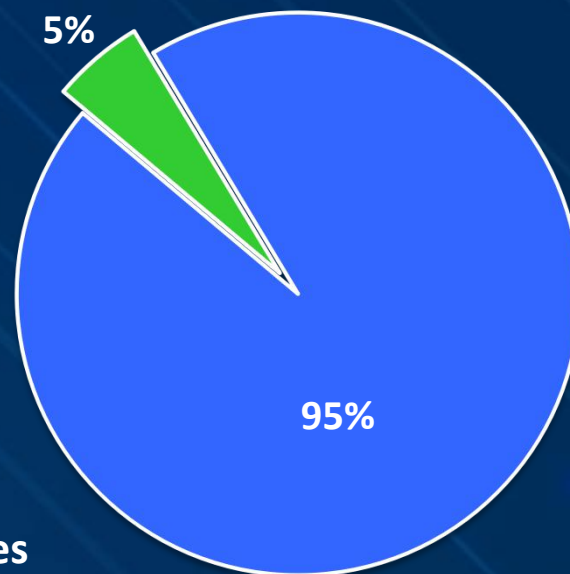


Note:

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

Self-Development= Automation equipment

4Q23 Revenues by Business

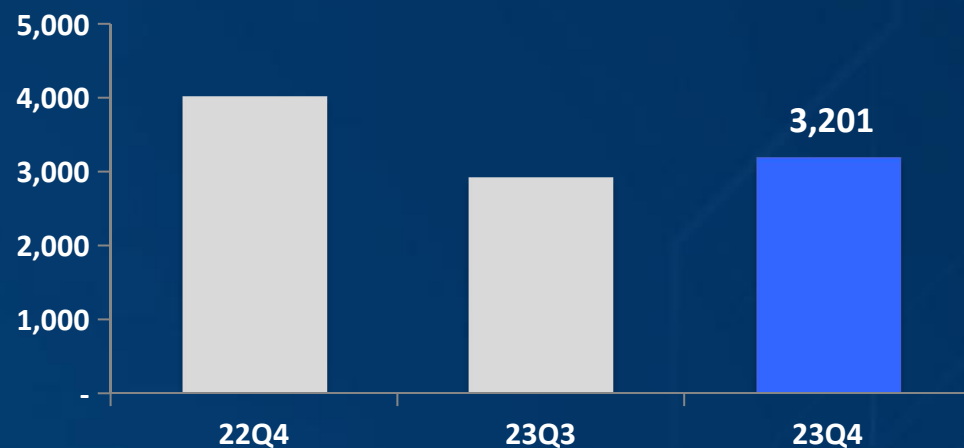


- Manufacturing Services
- Self-Development

Manufacturing Services

+9.9% QoQ
-20.2% YoY

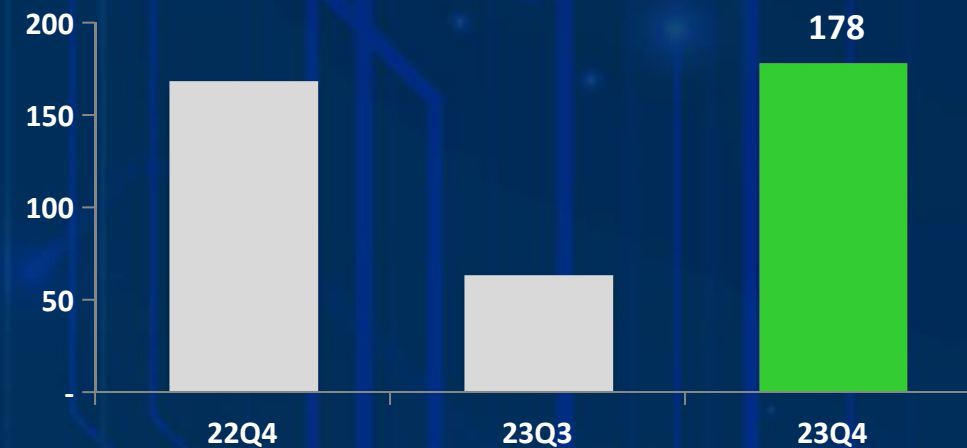
Unit: NT\$M



Self-Development

+180.1% QoQ
+5.7% YoY

Unit: NT\$M



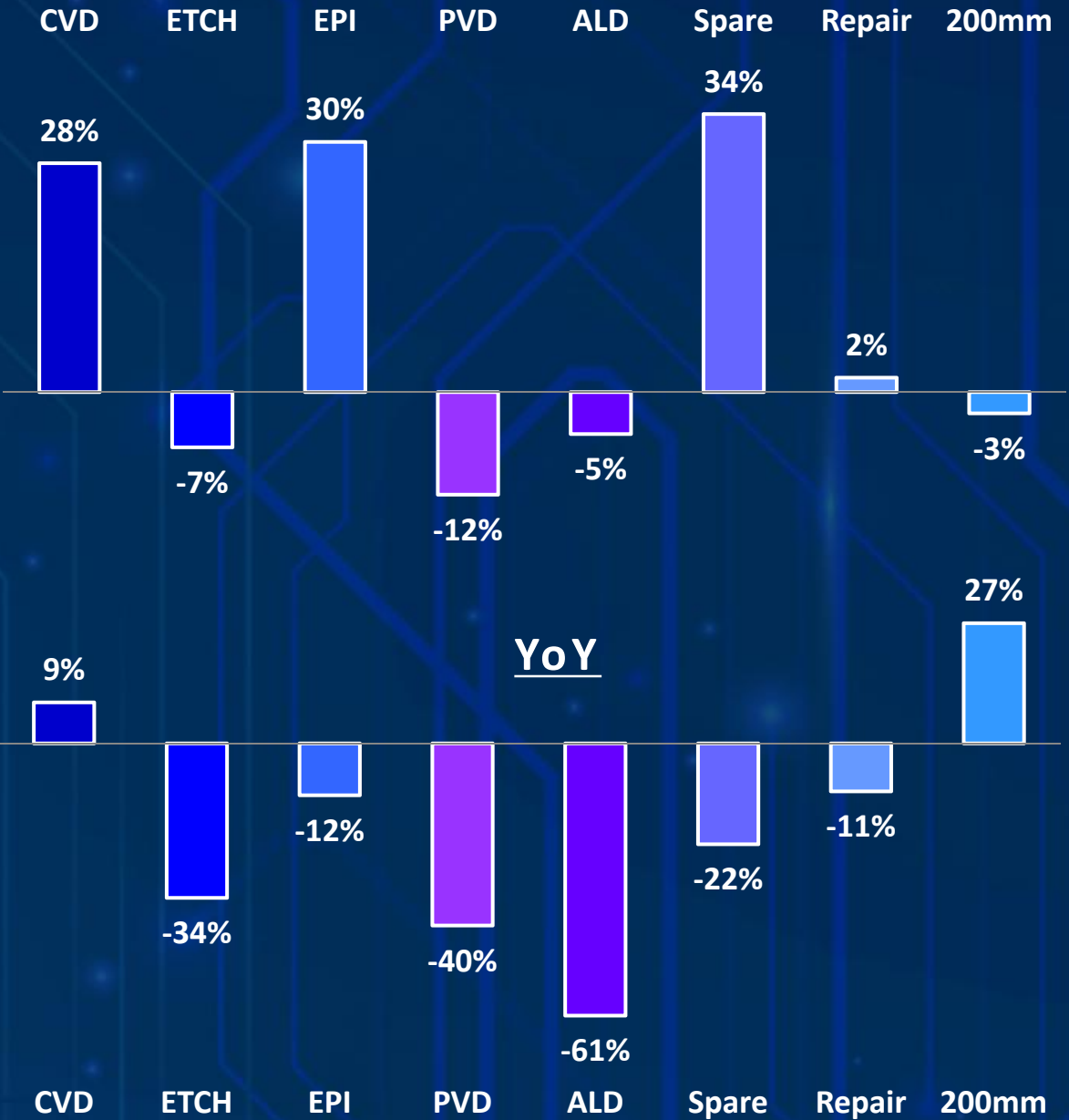
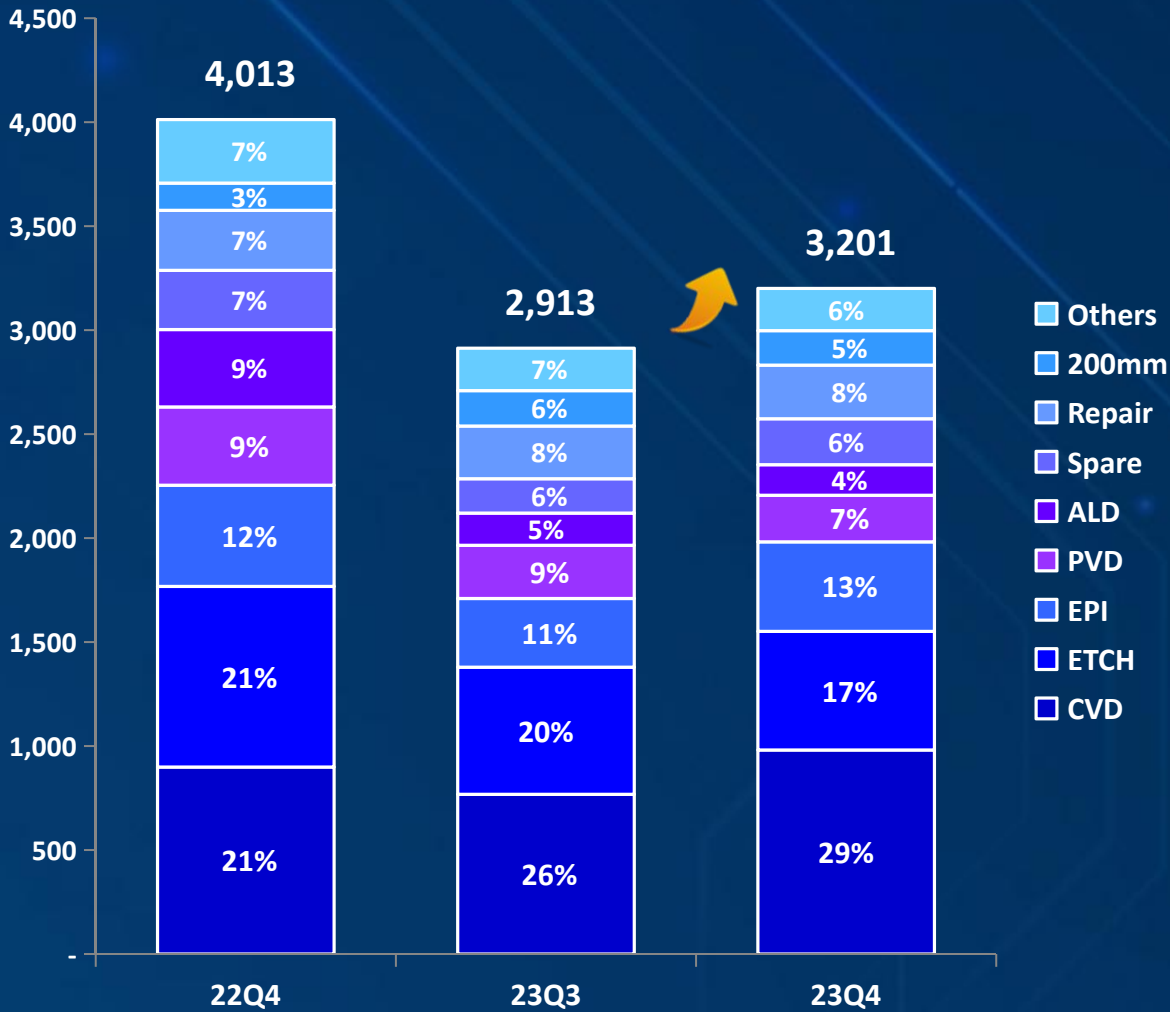
Manufacturing Services Revenue by Products



QoQ

YoY

Unit:NT\$Million



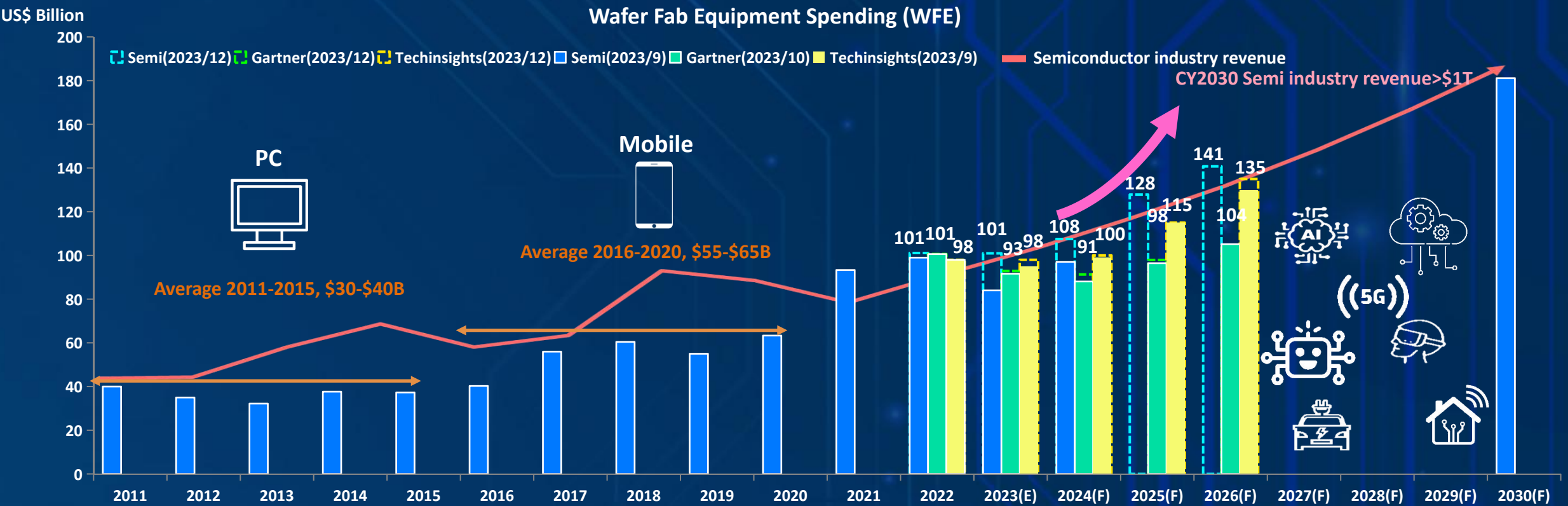
1Q24 Business Outlook



WFE Market Forecast



- China continues to pull in mature process equipment, 3 institutes continue to raise 2023 WFE estimates from -5%~-13% to 0%~-8%.
- Semiconductor inventory adjustments are nearing completion, fab utilization is gradually increasing, the memory market is recovering warmly and AI is driving equipment spending growth, 2024 WFE is expected to recover growth, the 2H is expected to outperform the 1H, and the equipment market demand will remain on a growing trend in 2025 & 2026.
- 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 received "Excellence in Innovation and New Product Support" and " Excellence in Aftermarket Support " for 2023 Supplier Excellence Awards from Applied Materials
- The January's cyber security incident has not affected the company's operation
- The Board of Directors approved NT\$12 Cash Dividend per Share for Year 2023
- Fiti set up June 25 as the Ex-Dividend Date and July 1 as the Record Date for Common Share Dividends
- The 2024 Annual Shareholders' Meeting will be held on May 27, 2024.

- **A steady recovery of 2023 Operating performance. Two consecutive years 2022-2023 earnings per share exceeded NT\$20**
 - Q4 operation gradually recovered, GMP/OPM hit the highest single quarter in 2023
 - 2023 Revenue/GPM/NPM/EPS at Second-Highest Level Ever
- **Expected 2024 Operation Growth**
 - Q1 revenue slightly decreased due to the Chinese Lunar New Year holiday, expected 2023 revenue will grow quarter-by-quarter with the recovery of the economy
 - AI drives equipment spending growth, memory equipment recovers faster than advanced logic process equipment, 2H momentum is better than 1H
 - Inventory adjustments are nearing completion, shipments are gradually increasing and new product certification is accelerating, which will add momentum to the Company's operations, resulting in growth that outperformed the industry average