



Foxsemicon Integrated Technology Inc.

**2022 Fourth Quarter
Investor Presentation**

2023/3/6

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\$ 968 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

Chunan #1,TW(HQ)



Chunan #2, TW



Union City,USA



Nanjing
Jiangsu
Shanghai
Chunan

California
Texas

California,USA



Songjiang, CN



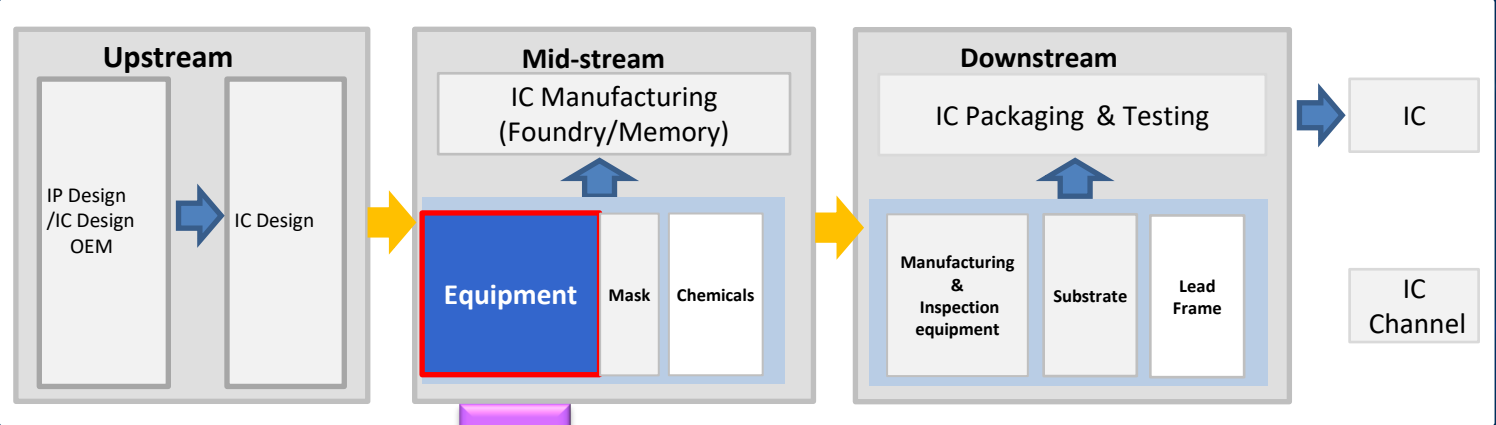
Kunshan, CN



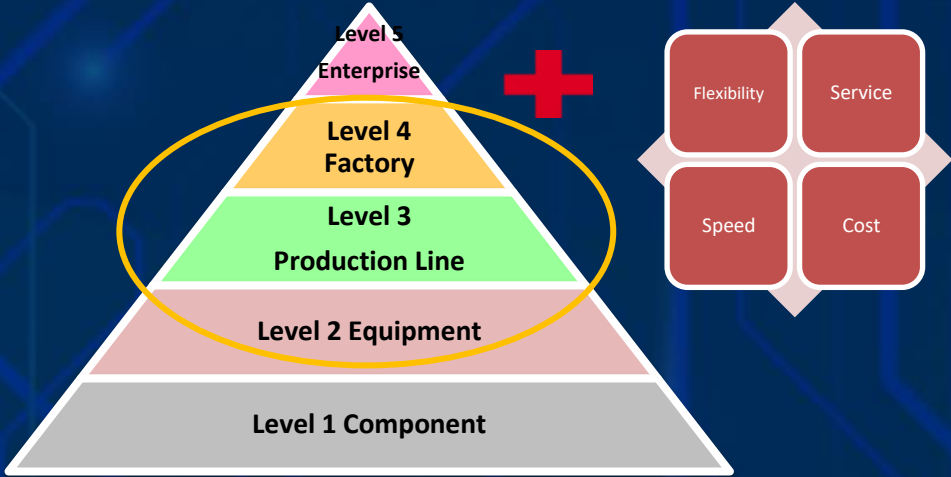
- : Operating manufacturing base -Chunan #1&2/ Songjiang/ Kunshan
- : NPI & SVM base-Silicon Valley, USA
- : Sales & Service Offices-California/Texas/Nanjing

Semiconductor Industry & Fiti's Market Position

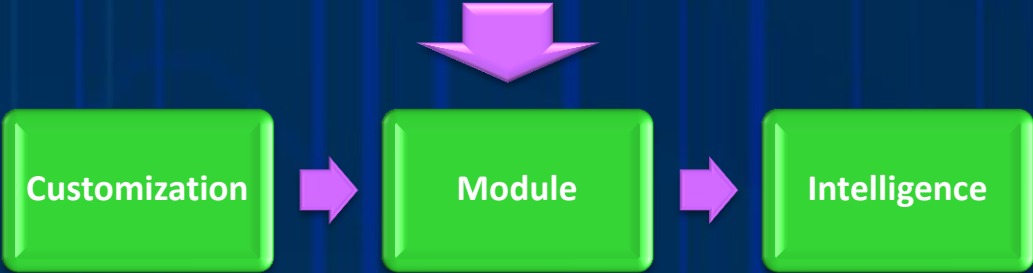
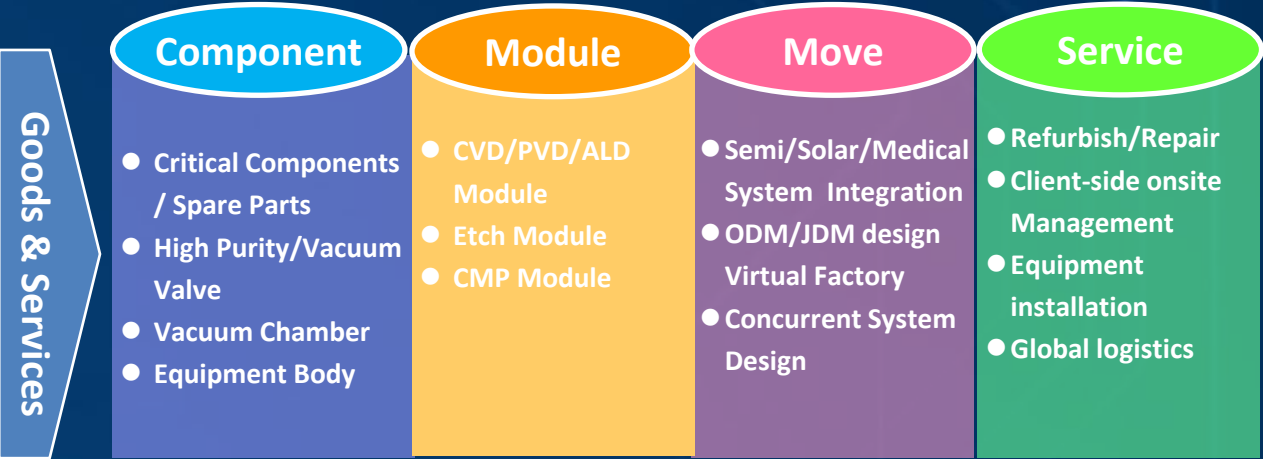
Semiconductor front-end process equipment



Semiconductor automation equipment



Vertical & Horizontal integration manufacturing services model



Business Coverage



- 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

4Q22 Financial Reports

Statements of Comprehensive Income



(NTD in millions)	4Q22		3Q22		QoQ%	4Q21		YoY%	2022		2021		YoY%
Revenues	4,181	100.0%	4,055	100.0%	3.1%	3,361	100.0%	24.4%	14,843	100.0%	12,246	100.0%	21.2%
Gross Profit	1,355	32.4%	1,228	30.3%	+2.1 ppts	823	24.5%	+7.9 ppts	4,444	29.9%	3,092	25.2%	+4.7ppts
Operating expense	(413)	(9.9%)	(400)	(9.9%)		(294)	(8.8%)		(1,492)	(10.0%)	(1,104)	(9.1%)	
Operating Income	942	22.5%	828	20.4%	+2.1 ppts	529	15.7%	+6.8 ppts	2,951	19.9%	1,988	16.2%	+3.7 ppts
Non-Operating Items	(419)	(10.0%)	155	3.8%		(48)	(1.4%)		(60)	-0.4%	(74)	(0.3%)	
Income Before Tax	523	12.5%	983	24.2%	-11.7 ppts	481	14.3%	-1.8 ppts	2,891	22.3%	1,915	15.6%	+6.7 ppts
Net Income	417	10.0%	791	19.5%	-9.5 ppts	366	10.9%	-0.9 ppts	2,344	15.8%	1,519	12.4%	+3.4 ppts
Attributable to:													
Equity holders of the parent company	418		787		-46.9%	360.5		16.0%	2,320		1,489		68.7%
Basic EPS(NT\$)	4.30		8.14		-47.2%	4.1		4.9%	24.64		17.01		44.9%
Weighted-average outstanding shares(M)	96.92		96.71			87.88			94.14		87.53		

GPM/OPM/NPM
Record highs



Balance Sheets & Key Indices



(NTD in millions)	4Q22		3Q22		4Q21	
Cash, Current financial assets	9,813	50%	8,769	46%	6,629	47%
Net Account Receivable	978	5%	1,386	7%	1,701	12%
Inventory	3,807	19%	4,059	21%	2,865	20%
Long-term Investments	503	2%	548	3%	520	4%
Net PP&E	3,541	18%	3,258	17%	2,029	14%
Total Assets	19,690	100%	19,132	100%	14,180	100%
Accounts Payable	1,439	7%	1,718	9%	2,049	15%
Bonds Payable	1,880	10%	1,844	10%	1,898	13%
Current Liabilities	6,700	36%	4,758	25%	3,977	28%
Total Liabilities	8,859	45%	8,690	45%	6,656	47%
Total Shareholders' Equity	10,831	55%	10,442	55%	7,524	53%
Key Indices						
AR Turnover Days	33		40		40	
Days Sales of Inventory	118		127		94	
AP Turnover days	60		68		73	
Cash Cycle	91		99		61	
Current Ratio(X)	2.21		3.05		2.86	

Cash Flows



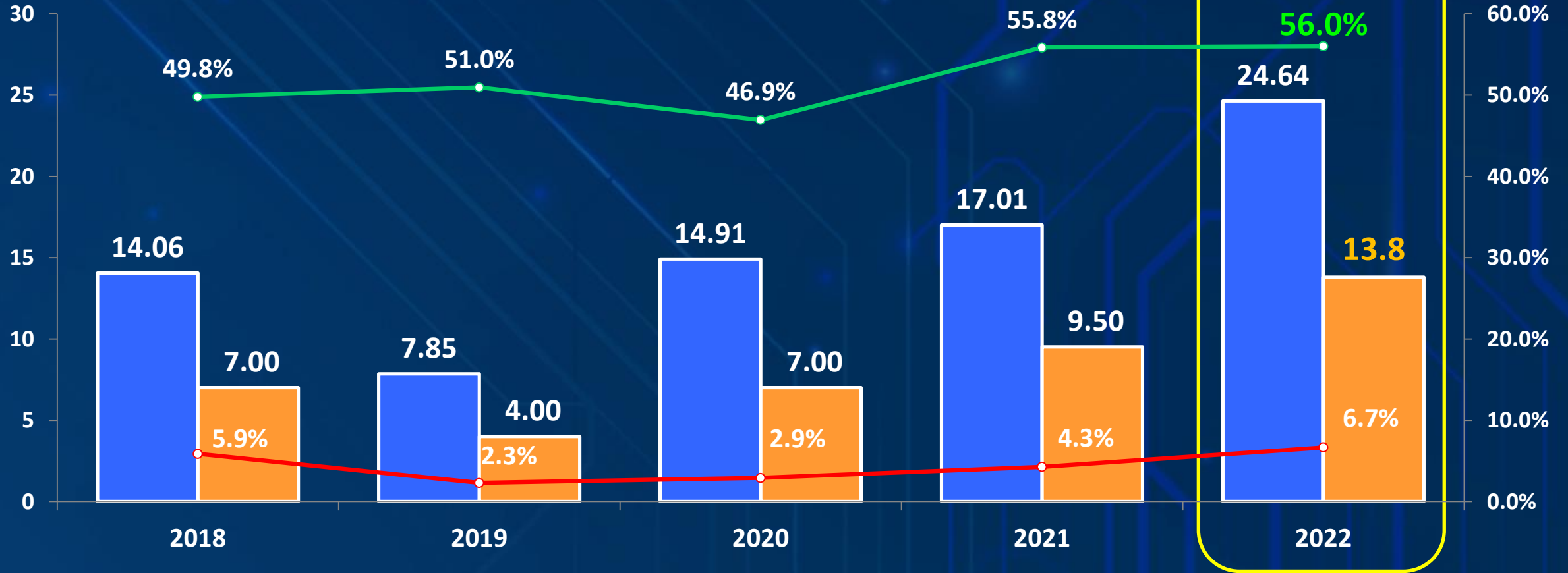
(NTD in millions)	2022	2021
Beginning Balance	5,068	6,283
Cash from operating activities	2,859	840
Capital expenditures	(2,114)	(726)
Cash dividends	(840)	(613)
Issuance of common stock for cash	1,706	-
Net Change in Debt	1,305	598
Time deposits	292	1,561
Investments and others	268	247
Ending Balance	8,544	5,068
Free Cash Flow *	744	114

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

Stable Dividend Policy



Unit: NT\$



Note:

■ EPS ■ Cash DPS — Payout ratio — Dividend yield

1.The amount of dividends to be paid in 2022 is subject to the approval by the shareholders' meeting on 2023/5/30

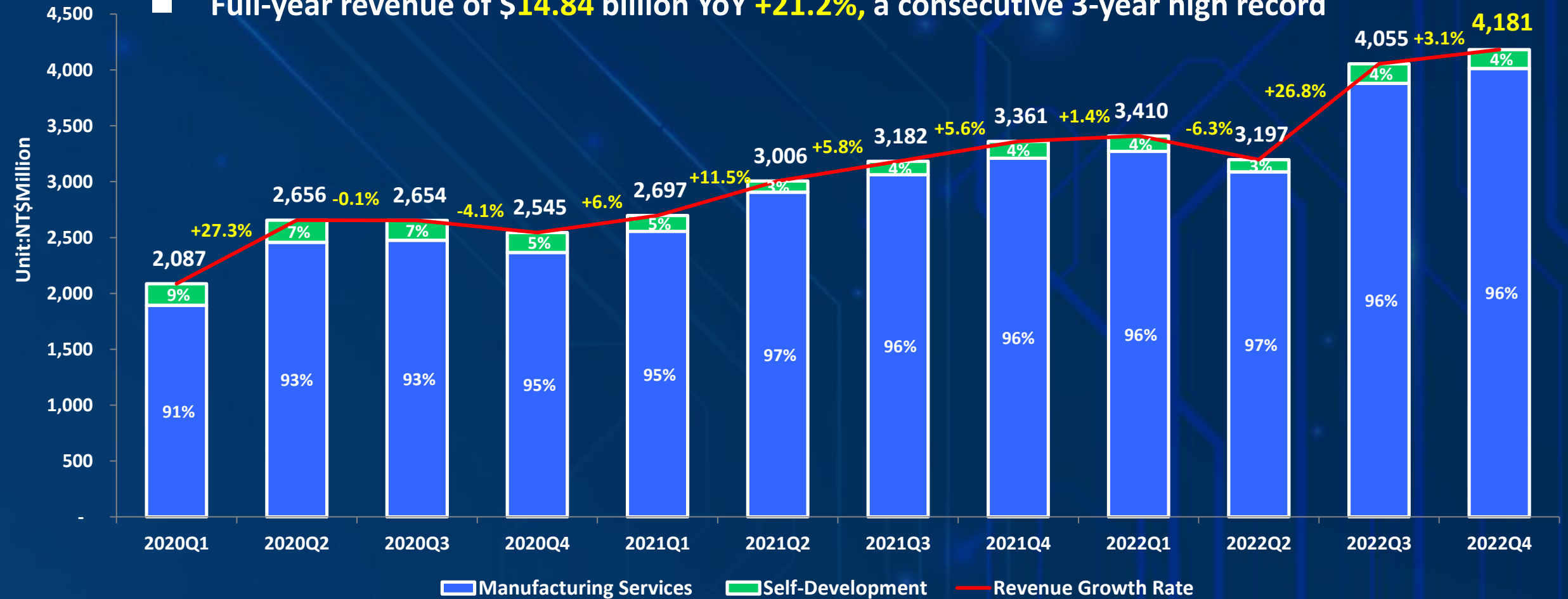
2.The stock price of Dividend yield is the closing price of the BOD day which announced the dividend policy

Business Performance and Outlook

Consolidated Revenue Trend



- Q4 revenue of \$**4.18** billion QoQ **+3.1%** YoY **+24.4%**, a new quarter-record
- Full-year revenue of \$**14.84** billion YoY **+21.2%**, a consecutive 3-year high record

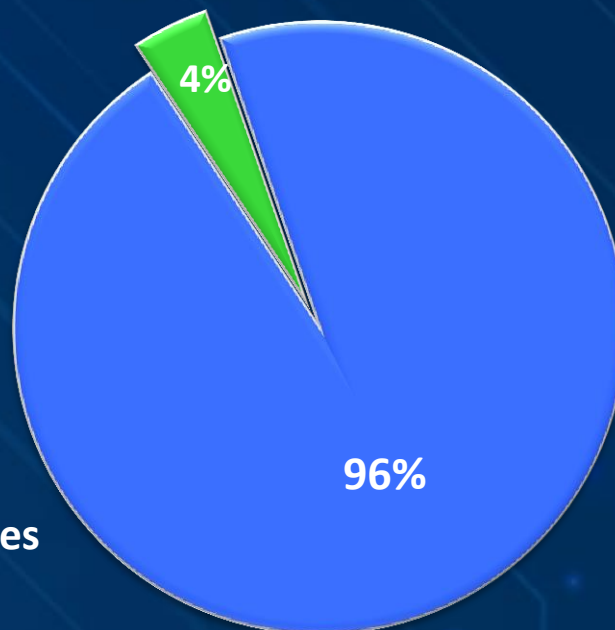


Note:

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

Self-Development = Automation equipment

4Q22 Revenue by Business

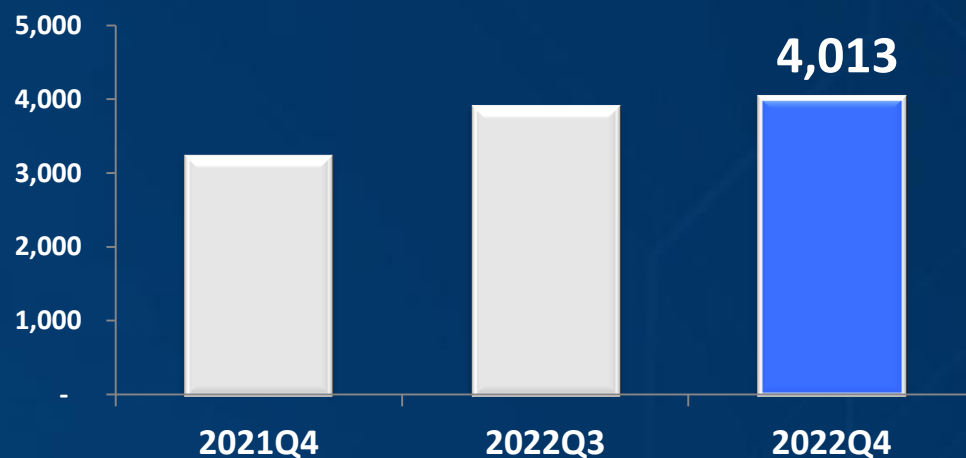


- Manufacturing Services
- Self-Development

Manufacturing Services

+3.4% QoQ
+25.0% YoY

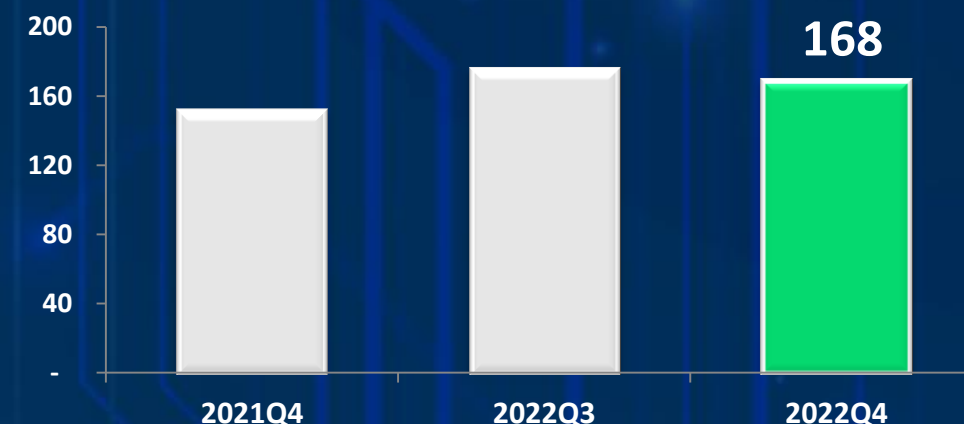
Unit: NT\$M



Self-Development

-3.8% QoQ
+11.5% YoY

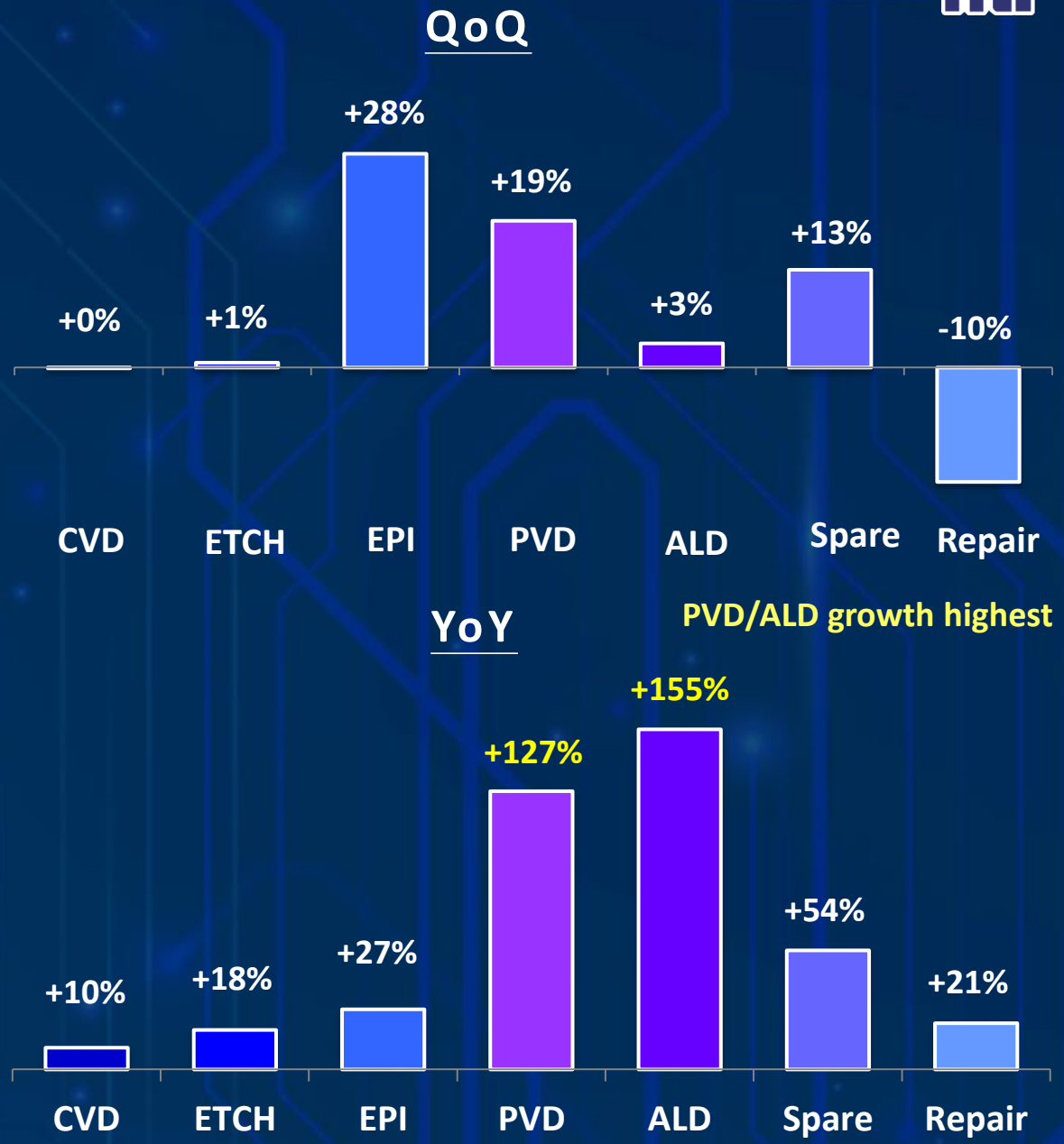
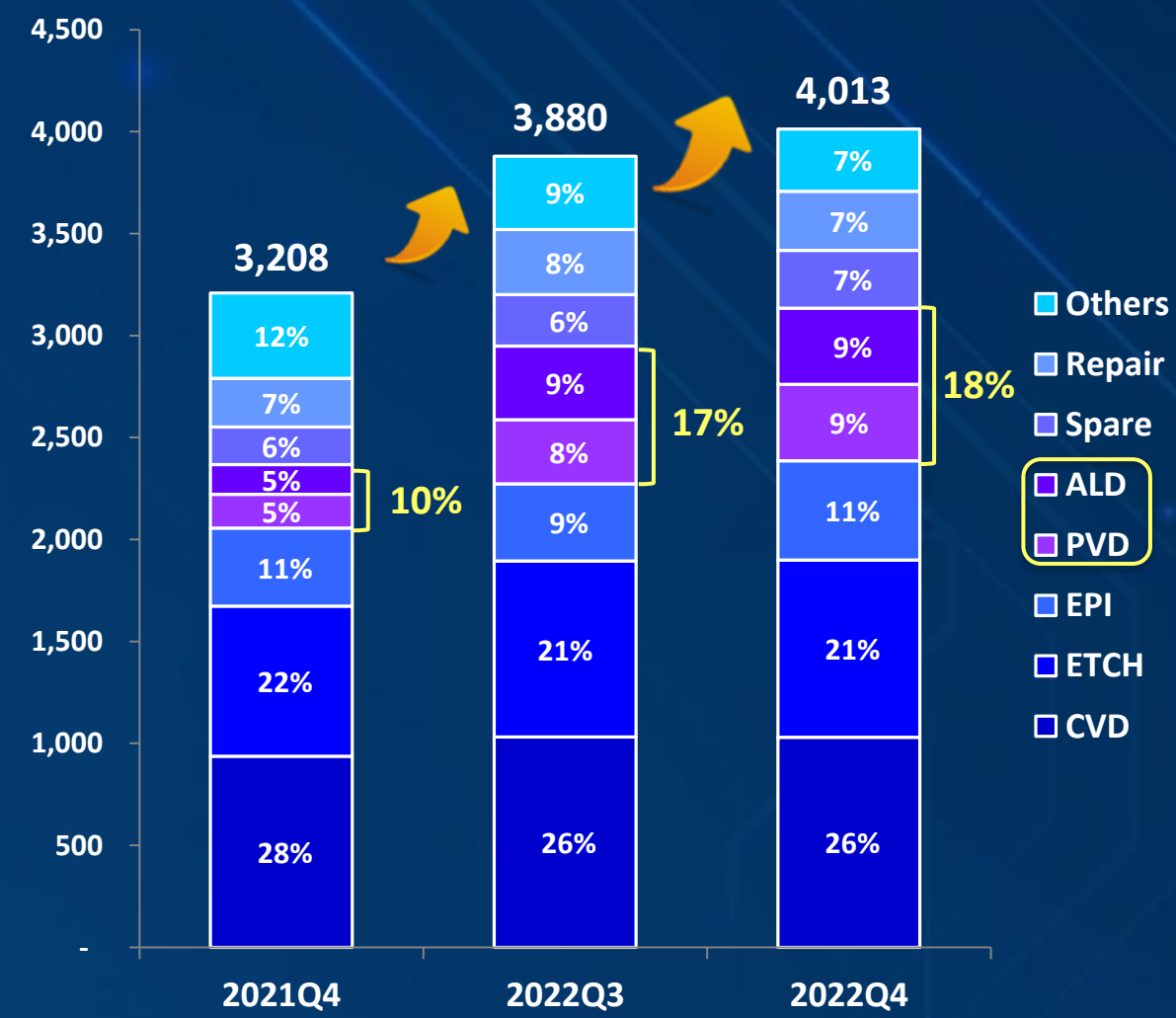
Unit: NT\$M



Manufacturing Services Revenue by Products



Unit:NT\$Million



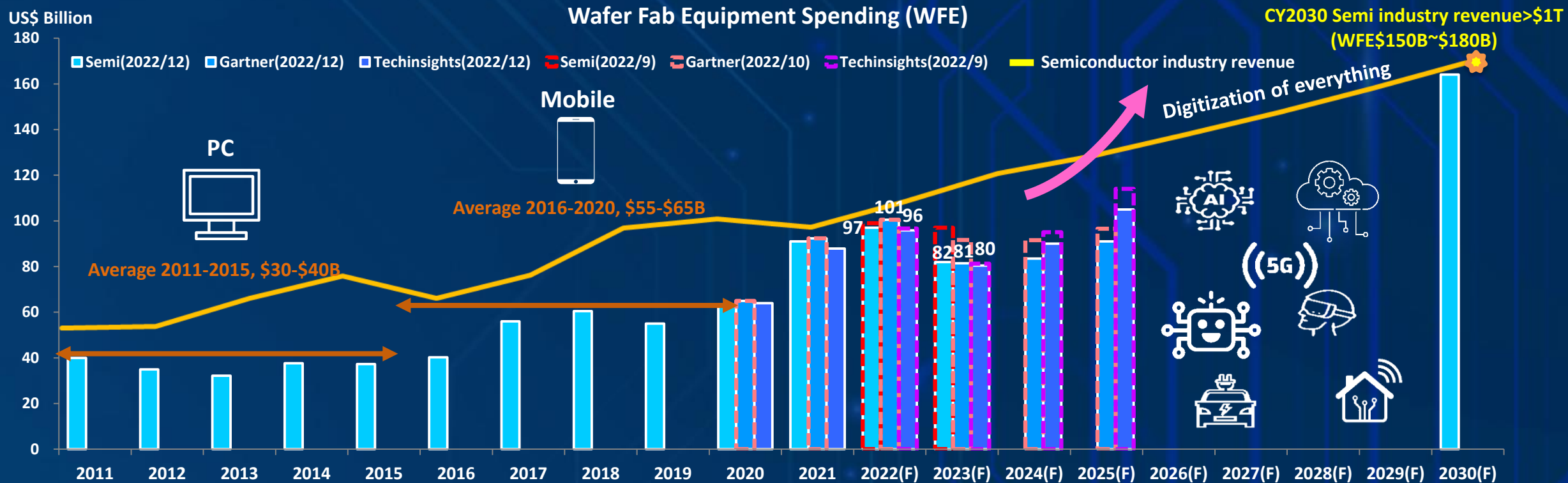
1Q23 Business Outlook



WFE Market Forecast



- Due to a weak macroeconomic , geopolitical and inventory correction factors, 3 research institutions revised a downward trend for the 2023 WFE spending forecast, from the original range of -2% to -16%, to a range of -16% to -19%. WFE spending is expected to return to a growing track in 2024.
- A perspective weak 2023 Semiconductor Equipment Market is mainly due to the memory makers cut their Capex and US EAR.
- For long-term, a positive and upward growth trend of the WFE spending is expected as the HPC, eV, AI, 5G and other end-products demand and silicon contents continues to rise. Others contributing factors include: the more process equipment complexity, & supply chain localization.



Regional Manufacture Global footprint



Summary



■ 2022 yearly performance reached to a record-high

- Fit's full-year 3-strike: the margin in GP/OP/NP increased; the revenues, profit and dividends all reached record-high.
- **2023 Strategic Planning/ Squat first, jump later**
- An upward long-term trend in semiconductor equipment is expected, by a increased demand of emerging technologies and higher silicon content, increased process equipment complexity, and government policy incentives.
- Short-term trend: slowing down. FiTi continues to make strategic planning in driving an upward performance through new technology, new products and new markets.
- FiTi's strategy in 2023 and up: identify & develop new diversified production bases, short-chain cooperation b/w clients to strengthen supply chain resilience and long-term competitiveness.



Thank you