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2025 2nd Quarter Earnings Conference

August 14th, 2025

Safe Harbor Statement

This Presentation contains certain forward looking statements that are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such 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.

Reporting Outline

1. 2025 Q2 Financial Results
2. 2025 Q2 Operating Performance
3. Operating Outlook
4. Recap of Recent Major Events

Financial Highlights 2Q25

	2Q 2025	1Q 2025	QoQ	2Q 2024	YoY
Net Sales (TWD Million)	15,604	13,617	14.6%	14,526	7.4%
Gross Margin	23.5%	24.2%	-0.7%	25.2%	-1.7%
Operating Margin	9.5%	8.7%	0.8%	11.1%	-1.6%
EPS (TWD)	0.69	0.54	27.8%	0.78	-11.5%

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- 2Q 2025 net sales increased 7.4% YoY, increased 14.6% QoQ, mainly due to the increase in engineering projects revenue of “Intelligence Energy”.
- The gross margin decreased 1.7% YoY, decreased 0.7% QoQ, mainly due to the appreciation of Taiwan dollar and the increase in the revenue share of “Intelligence Energy”.
- Operating margin decreased 1.6% YoY, mainly due to the decrease in gross margin; increased 0.8% QoQ.
- EPS reached at TWD 0.69 in Q2, increased TWD 0.15 QoQ, mainly due to the recognition of dividend income in this quarter; decreased TWD 0.09 YoY, mainly due to the recognition of exchange losses due to the appreciation of Taiwan dollar and losses due to the depreciation of financial assets.

Financial Highlights 1H25

	1H25	1H24	YoY
Net Sales (TWD Million)	29,221	28,256	3.4%
Gross Margin	23.8%	25.6%	-1.8%
Operating Margin	9.1%	11.5%	-2.4%
EPS (TWD)	1.23	1.33	-7.5%

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2025 Q2 Operating Performance

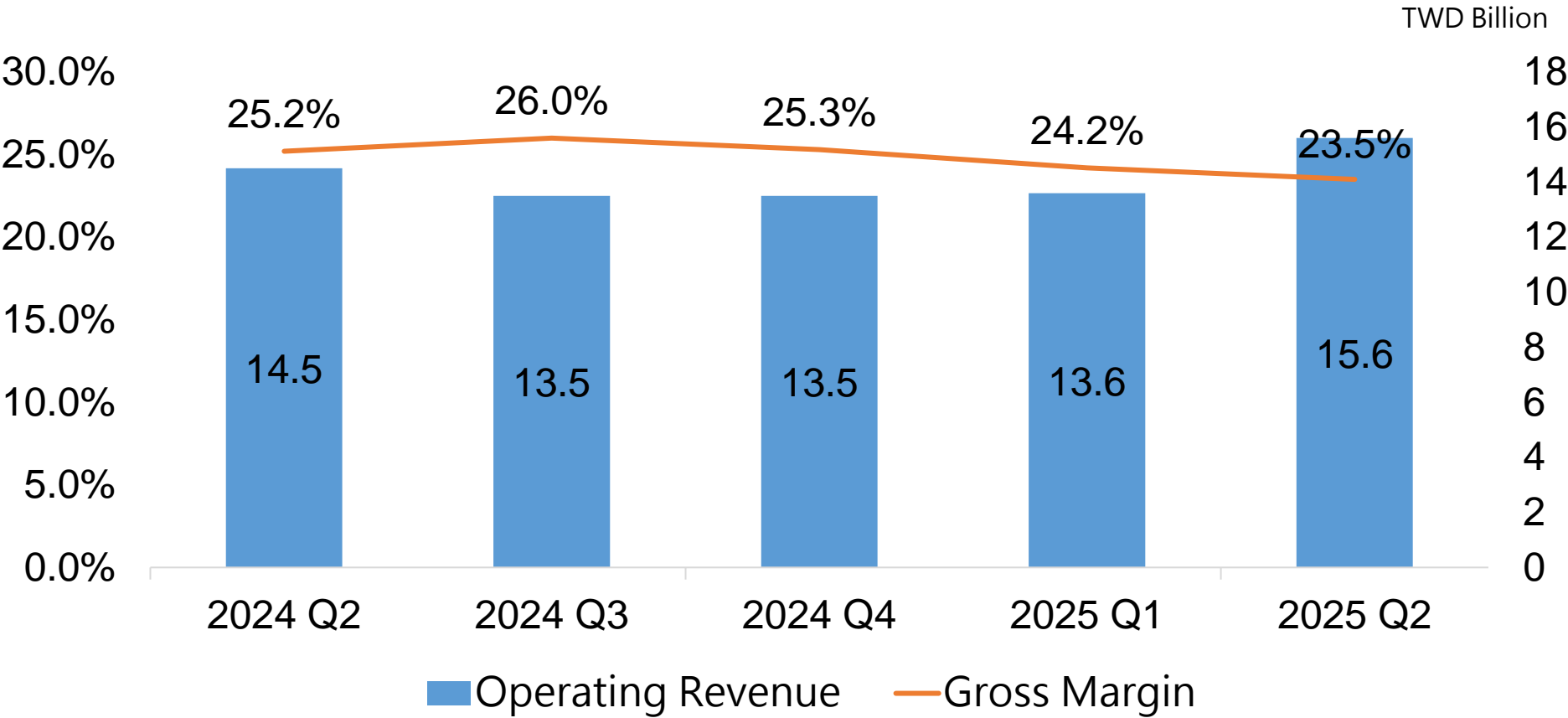
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- Net sales in the first half of 2025 increased by 3.4% YoY, mainly due to the increase in engineering projects revenue of “Intelligence Energy”.
- The gross margin decreased 1.8% YoY, mainly due to the appreciation of Taiwan dollar in Q2 and the decrease in “Green Mechatronic Solution” revenue in North America and Europe in Q1.
- Operating margin decreased 2.4% YoY, mainly due to the decline in gross margin and the increase in advertising expenses.
- EPS reached at TWD 1.23 in the first half of 2025, declined TWD 0.1, or 7.5% YoY, mainly due to the decline in operating profit.

Operating Revenue vs. Gross Margin

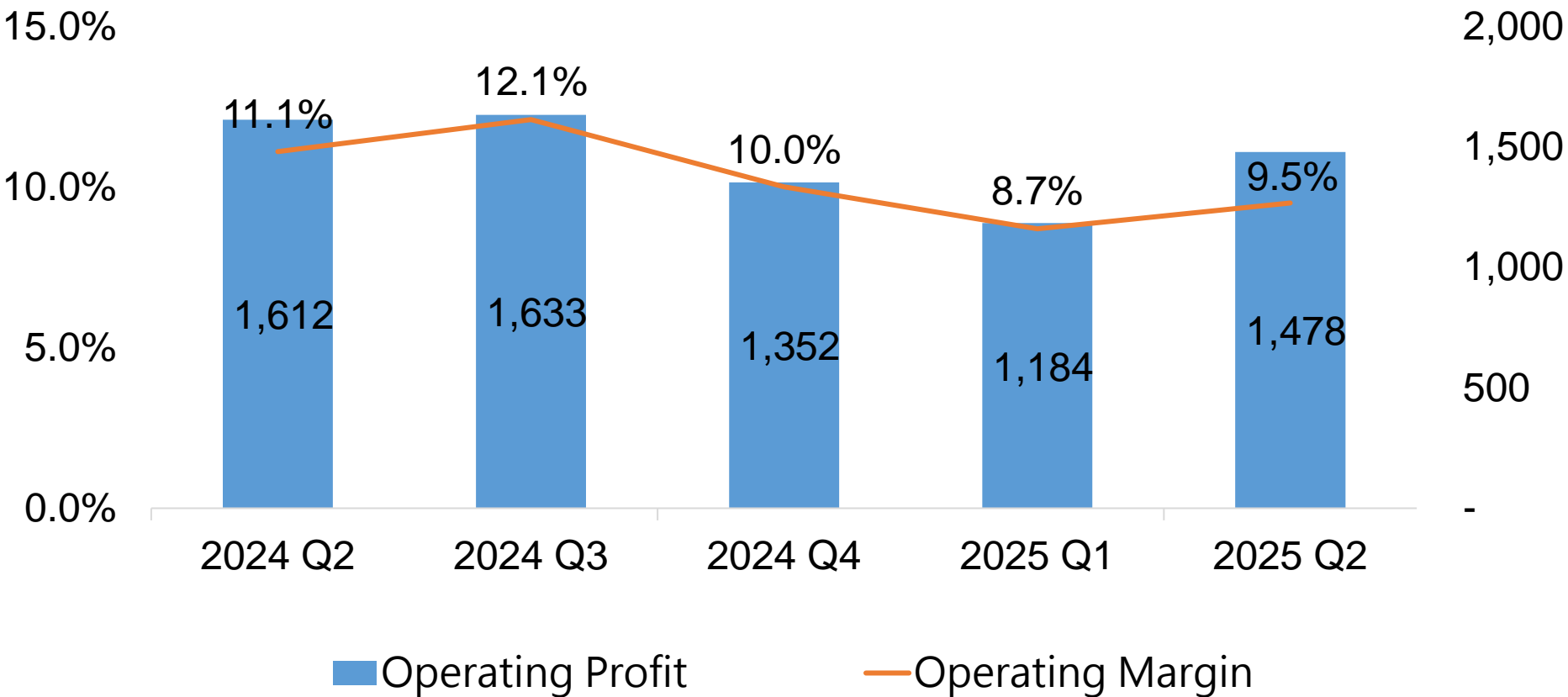


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• The gross margin decreased 1.7% YoY, decreased 0.7% QoQ, mainly due to the appreciation of Taiwan dollar and the increase in the revenue share of " Intelligence Energy".

Operating Profit vs. Operating Margin

TWD Million

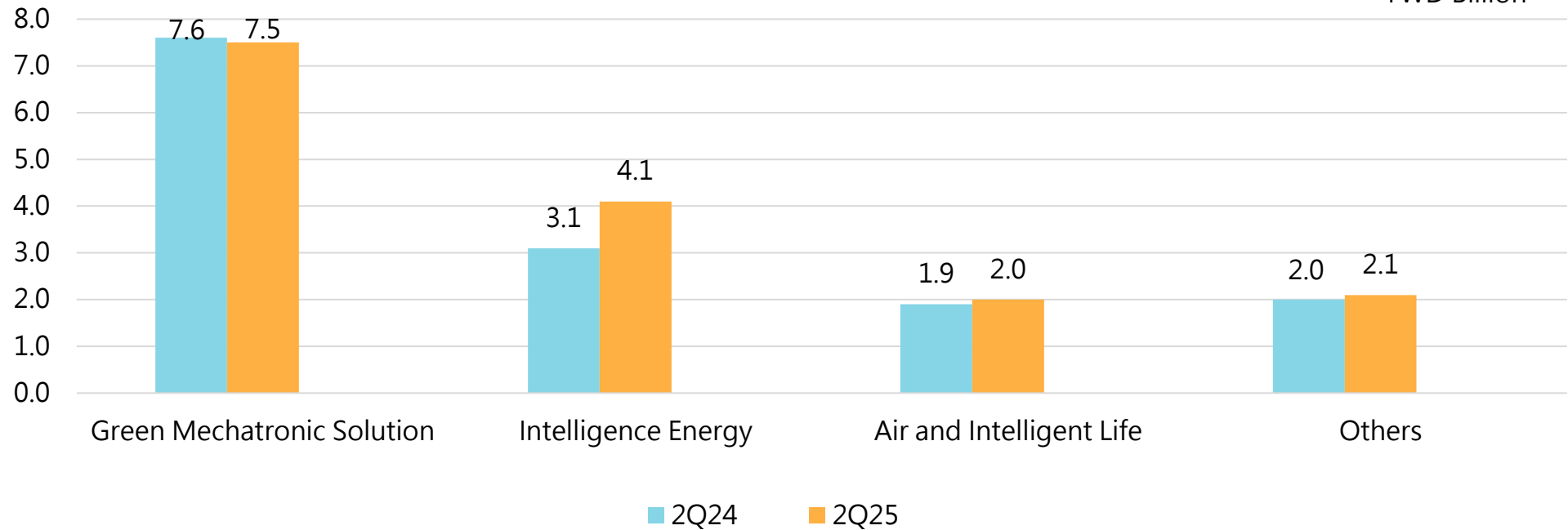


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• Operating margin decreased 1.6% YoY, mainly due to the decrease in gross margin; increased 0.8% QoQ.

2Q25 Performance of Business Groups

TWD Billion



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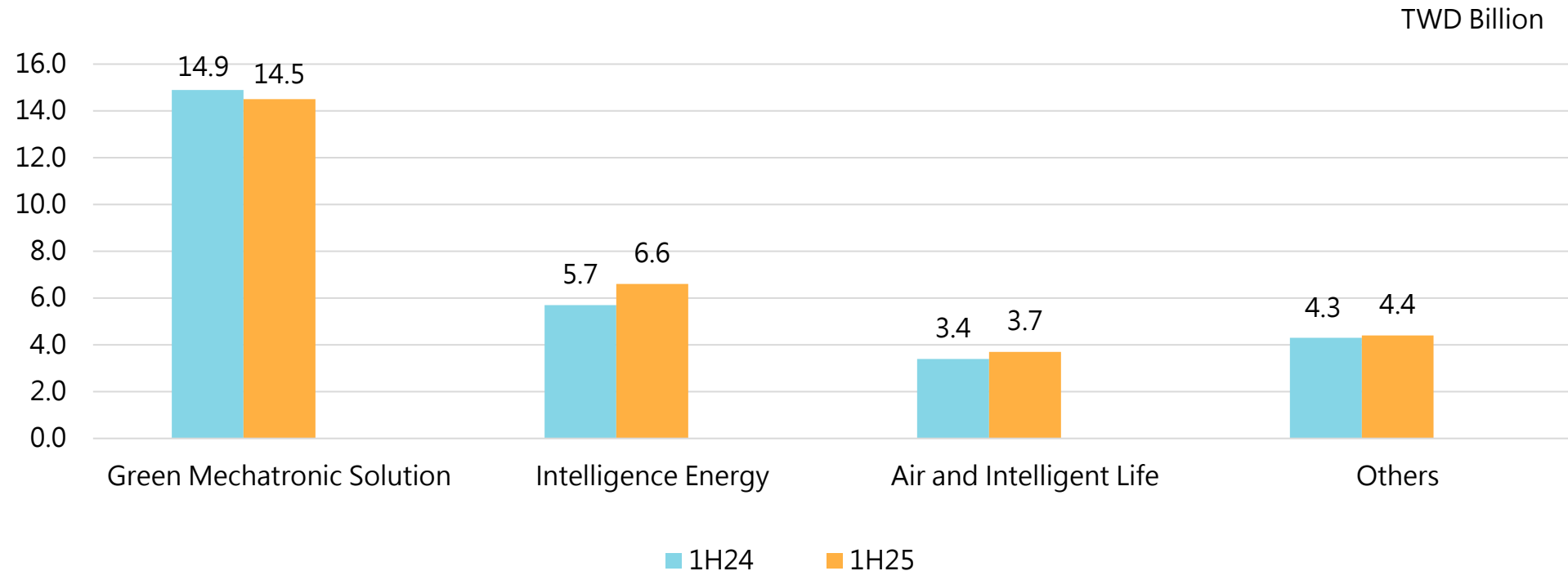
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- ✓ “Green Mechatronic Solution” revenue decreased by 0.6% YoY, mainly due to the appreciation of Taiwan dollar.
- ✓ The revenue of “Intelligence Energy“ increased by 30.3% YoY, mainly due to the increase in engineering revenue from Taipower's Resilient Grid Project and the inclusion of NCL in the consolidated financial statements starting from Q2.
- ✓ “Air and Intelligent Life” revenue increased by 8.1% YoY, mainly due to the growth of air conditioning business.

Note: Starting from the first quarter of 2025, the revenue of Taiwan Pelican, ITTS, and TECOM has been adjusted to "Others" category.

1H25 Performance of Business Groups



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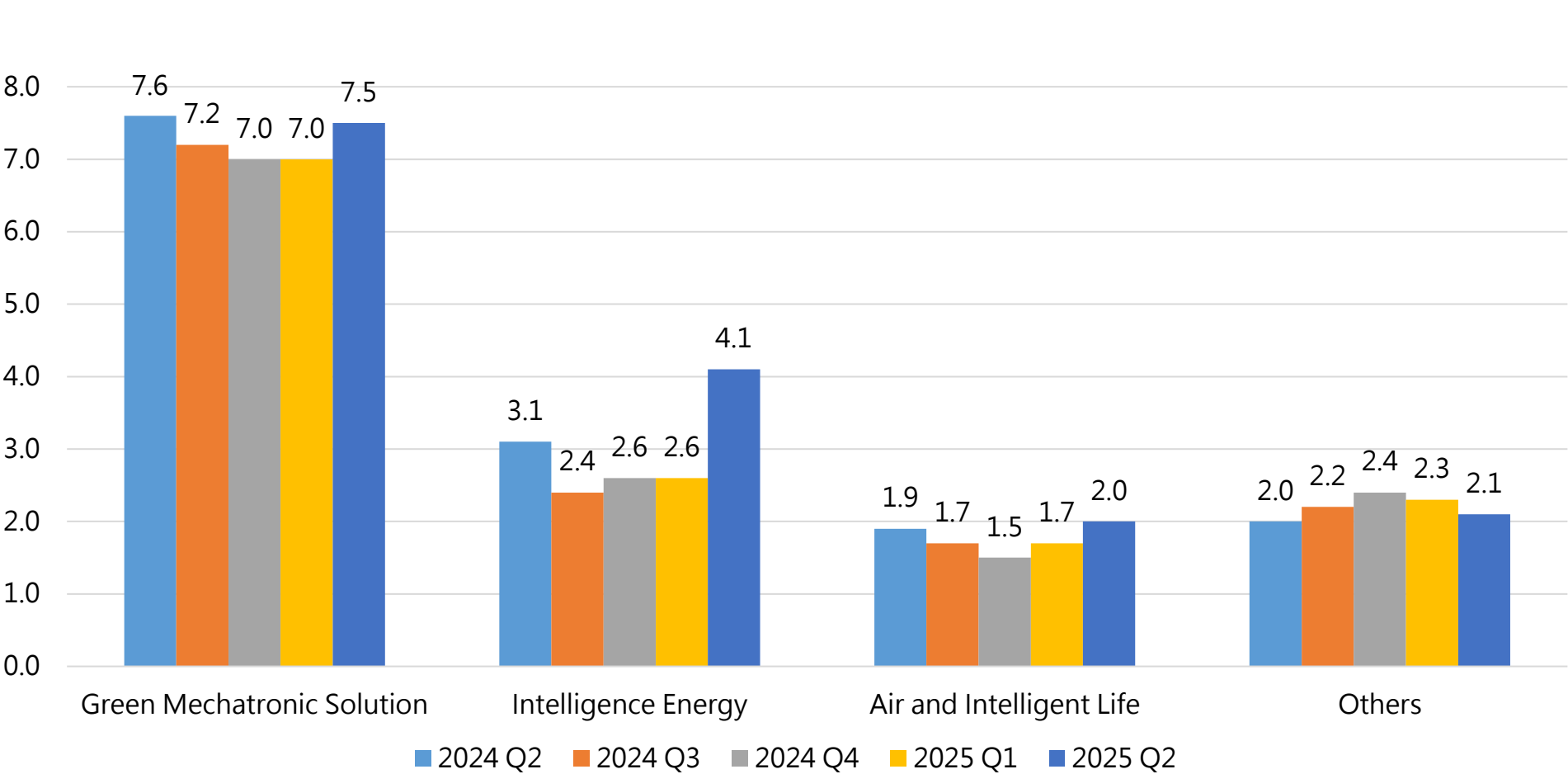
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- ✓ “Green Mechatronic Solution” revenue decreased by 2.1% YoY, mainly due to the appreciation of Taiwan dollar in Q2 and the decrease in revenue in North America and Europe in Q1.
- ✓ The revenue of “Intelligence Energy” increased by 16.4% YoY, mainly due to the increase in engineering revenue from Taipower's Resilient Grid Project and the inclusion of NCL in the consolidated financial statements starting from Q2.
- ✓ “Air and Intelligent Life” revenue increased by 9.0% YoY, mainly due to the growth of air conditioning business.

Note: Starting from the first quarter of 2025, the revenue of Taiwan Pelican, ITTS, and TECOM has been adjusted to "Others" category.

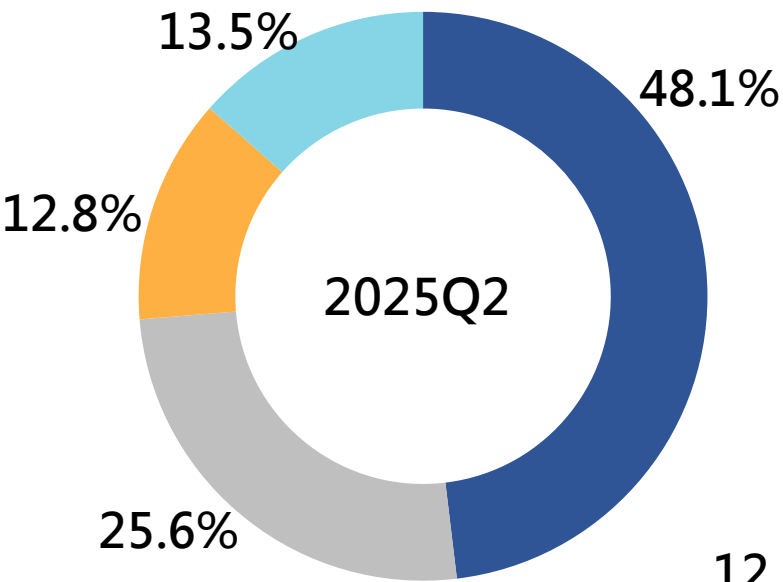
Sales Trend of Business Groups

TWD Billion

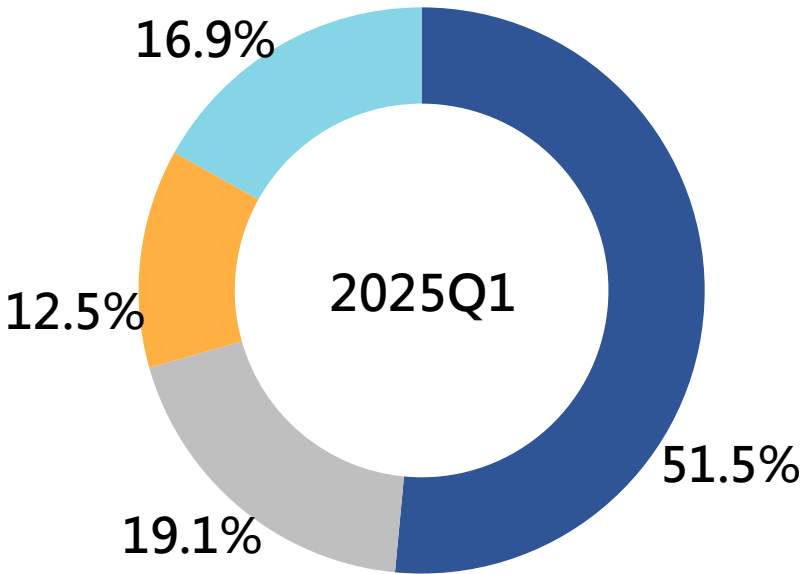


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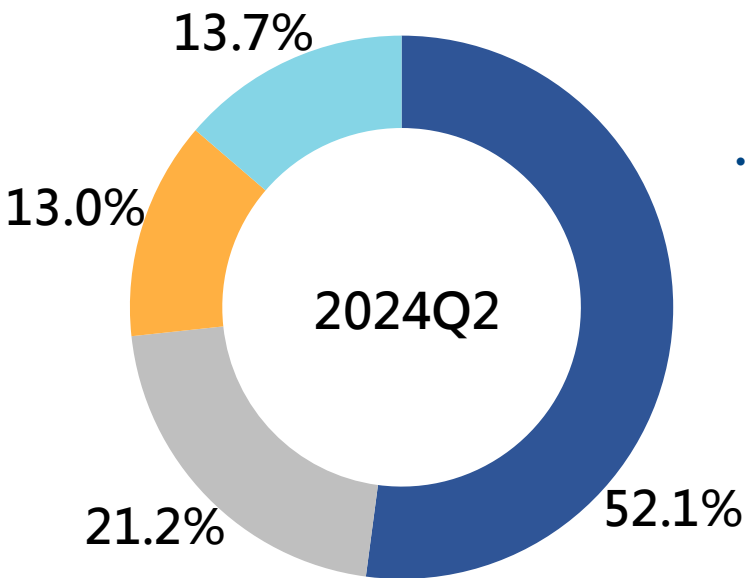
2Q25 Revenue Breakdown by Business Group



Consolidated revenues of 2025Q2 up 14.6% QoQ up 7.4% YoY



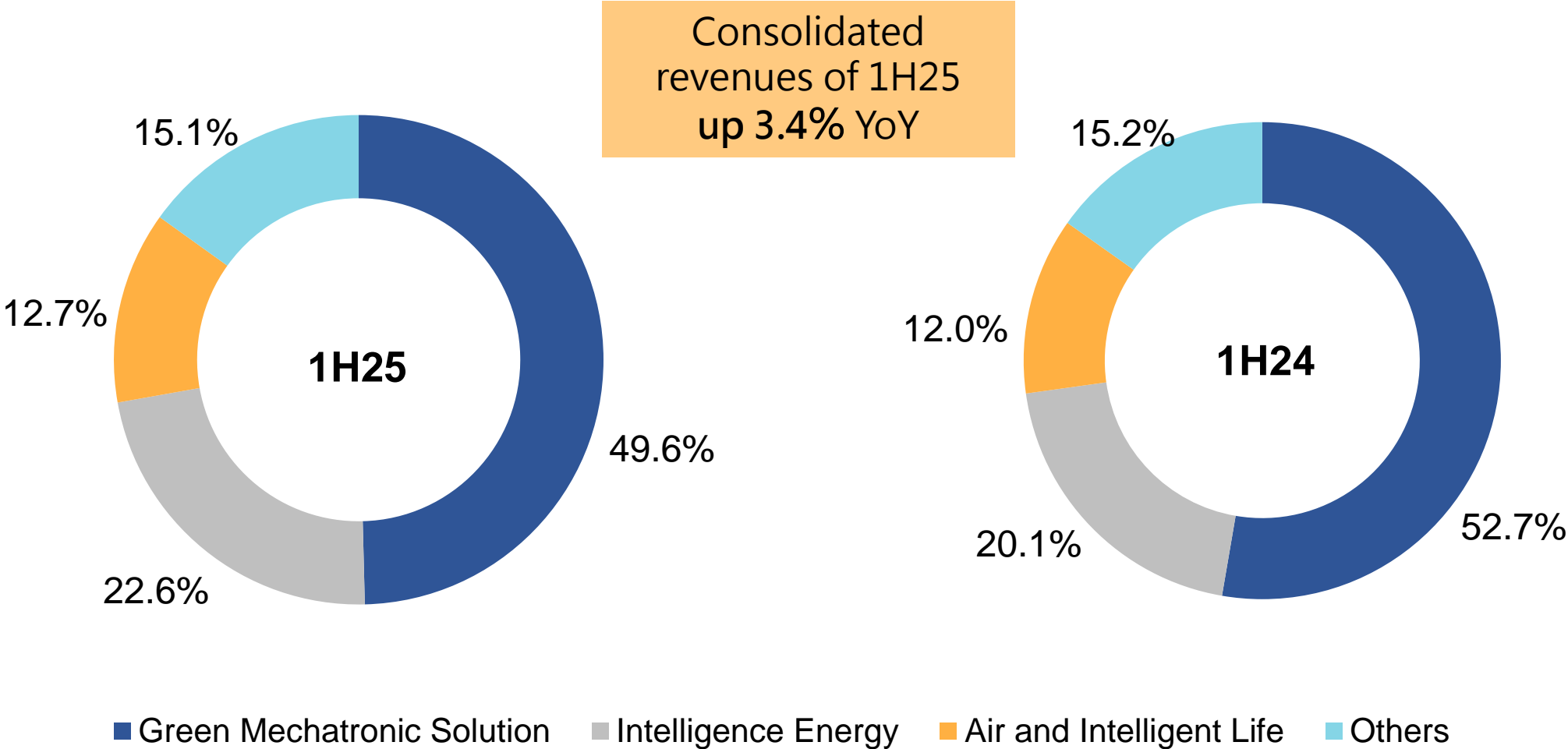
- Green Mechatronic Solution
- Intelligence Energy
- Air and Intelligent Life



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Note: Starting from the first quarter of 2025, the revenue of Taiwan Pelican, ITTS, and TECOM has been adjusted to "Others" category.

1H25 Revenue Breakdown by Business Group



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Note: Starting from the first quarter of 2025, the revenue of Taiwan Pelican, ITTS, and TECOM has been adjusted to "Others" category.

Overview of the Three Major Markets

US

Recent Economic Situation

- The July ISM PMI came in at 48.0 (previously 49.0), marking the fifth consecutive month of contraction. The price index, at 64.8, dipped slightly from the previous month but remained above the boom-bust line (previously 69.7). The new orders index, at 47.1 (previously 46.4), saw a slight rebound.
- The US unemployment rate in July was higher than expected at 4.2%, and non-farm payrolls for May and June were revised significantly downward, indicating continued weakness in the US labor market.

Impact on TECO

- The Trump administration's tariff policy is driving investment in the United States. Combined with the One Big Beautiful Bill Act, the AI Action Plan, and the Clean Energy Act, this is expected to drive significant demand for factory installations.
- The demand for data center infrastructure and grid resilience will benefit TECO in securing business opportunities for various products and electrification solutions.
- TECO enjoys a tariff advantage over its major competitors (China and Brazil).

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Taiwan

- Thanks to the continued pull-in effect from clients, cumulative exports from January to June reached 283.3 billion USD (a 25.9% YoY increase), a record high for the same period.
- The United States has imposed a temporary 20% tariff on all Taiwanese imports. Machine tools, molds, plastic products, and electronic materials will be the hardest hit, while the impact on the AI supply chain will be relatively minimal.

- While the demand momentum of some customers is expected to weaken in the second half of the year, opportunities related to energy conservation and carbon reduction continue to grow.
- For the AI industry, which is less impacted by tariffs, the outlook for orders related to data center construction is very optimistic.

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Asia
Pacific

- China's official PMI for July was 49.3 (previously 49.7), marking the fourth consecutive month of contraction. Domestic demand has yet to show significant improvement, and economic momentum is expected to weaken further in the second half of the year.
- ASEAN's PMI for June was 48.6 (previously 49.2), the lowest since August 2021. A sharp decline in major new orders has led to a significant contraction in employment and purchasing activity.

- While China's domestic demand market hasn't seen significant improvement, business opportunities in energy-saving renovations continue to flourish, and orders have been secured.
- As China's domestic market shrinks, TECO can leverage lower production costs in China to secure orders from overseas markets outside the US.
- Although overall economic growth in the Southeast Asian market has slowed, the prospects for data center-related development are promising, making it a key investment destination for major international manufacturers.

4 Major Strategic Development Focuses

Green Energy

- Commence construction of Busway production capacity in Malaysia to meet robust order demand in Southeast Asia
- Establishing a modular PCS power conversion system MIT production line to meet energy storage needs in Taiwan
- EPC project of onshore substation of CIP Taichung Fengmiao offshore wind farm

Electrification

- The first prototype of the flat-wire, oil-cooled electric drive axle powertrain will be shipped to Europe
- The Indian EV production line has completed its first batch of deliveries
- Secure order intake for electrification equipment such as transformers, charging piles, and power hubs in response to business opportunities arising from electrification infrastructure in North America
- Actively develop EV customers in Mexico



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Energy saving and carbon reduction

- Establish energy technology service businesses in Taiwan and China, promoting cross-business group integrated solutions and continuously expanding energy-saving business opportunities
- Form a strategic alliance with Foxconn to secure business opportunities in electromechanical energy-saving products
- Enter the AVL list of CSP+ international companies

Development of key regions

- Strive for business opportunities in Taiwan's data centers, factory construction, and energy-saving sectors from Foxconn Group
- Has secured 1.17 billion TWD in IDC orders in Southeast Asia and expects continued growth in the future
- In response to the expansion of business opportunities in the Middle East market, plans to start the establishment of a Middle East subsidiary

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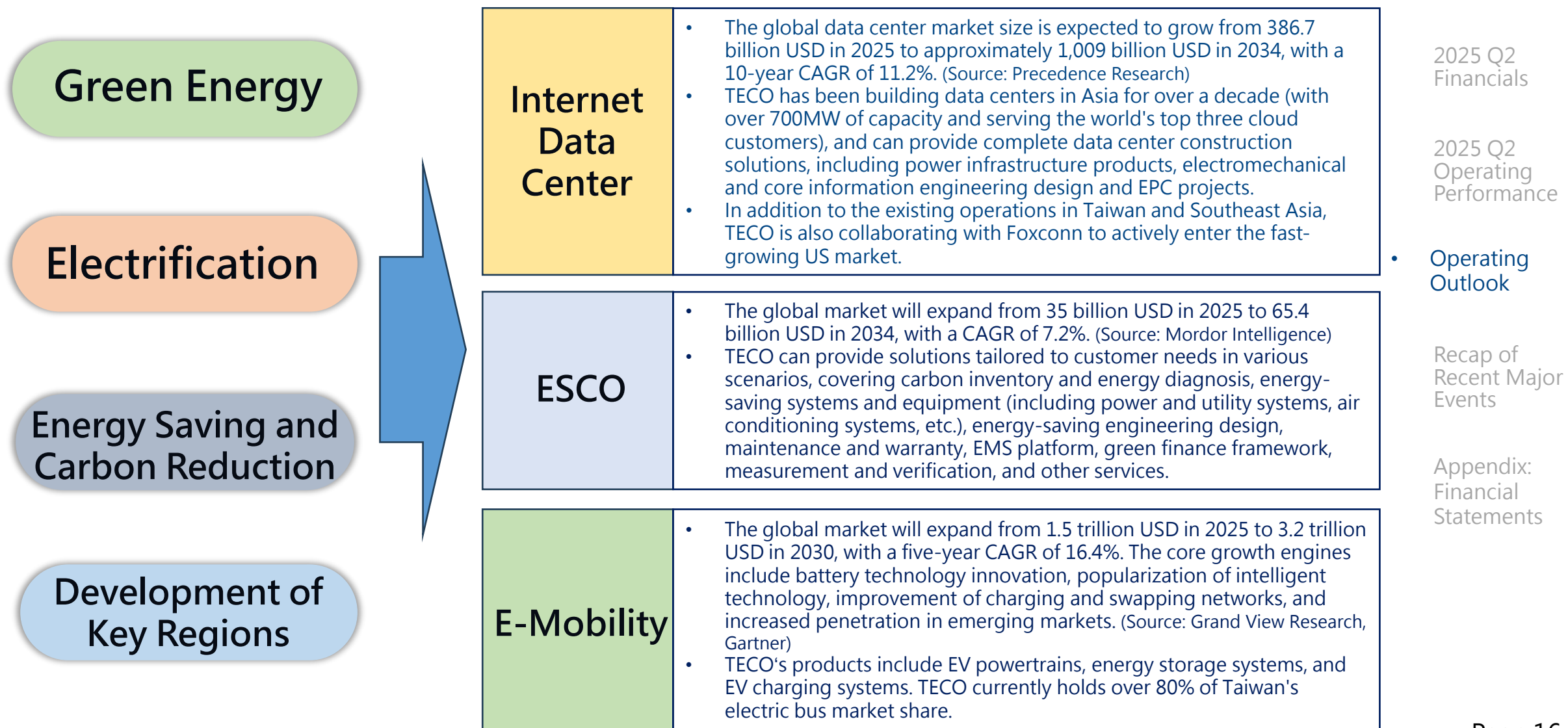
Estimated Revenue

Green Mechatronic Solution	YoY ↑	QoQ ↑
Intelligence Energy	YoY ↑	QoQ ↓
Air and Intelligent Life	YoY <->	QoQ ↓

Company-Wide Gross Margin	YoY ↓	QoQ ↑
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Seize Business Opportunities from Three Long-term Trends



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TECO Named in S&P Sustainability Yearbook for 5th Time, Ranks in Global Top 1%



TECO was named to the Yearbook for the fifth consecutive year by global index and ratings agency S&P Global. TECO also earned the distinction of being ranked among the top 1% of sustainable companies worldwide, one of only 11 companies from Taiwan to receive this recognition.

S&P Global emphasized that companies in the electrical components and equipment industry provide innovative solutions for improving industries efficiency in manufacturing and process. The industry plays a vital role in the global transition to clean energy and in modernizing energy infrastructure. In response, TECO has aligned its business with the “B2B2S” model- Business to Business to Sustainability-deeply integrating ESG strategies across its operations, extending to customers and suppliers, and building a low-carbon value chain.

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TECO Completes Handcrafted Trail on Tefuye Historic Trail to Protect National Sustainability



In collaboration with the Chiayi Branch of the Forestry and Nature Conservation Agency and the Taiwan Thousand Miles Trail Association, TECO mobilized employee volunteers for a three-day, two-night initiative. Vice Chairman Wu and President Gao led the team to the Tefuye Historic Trail in Alishan Township, Chiayi. Under the guidance of professional trail masters, the team successfully restored a 29-meter-long and 1.8-meter-wide section of the trail by hand and using local materials.

By protecting habitats of endemic species and minimizing environmental disturbance during the restoration process, TECO actively contributes to Climate Action (SDG 13) and Life on Land (SDG 15). Furthermore, through collaborative partnerships with government agencies and civil organizations in trail restoration (SDG 17), TECO promotes the conservation of natural and cultural heritage, thereby supporting the development of sustainable cities and communities (SDG 11).

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TECO Wins Silver Prize at the 2024 National Invention and Creation Awards



TECO has been awarded the Silver Prize in the Invention Category at the 2024 National Invention and Creation Awards for its innovative “Rotor Structure with Edge Notches.” This groundbreaking design is a core structural advancement in high-efficiency permanent magnet synchronous motors. It significantly reduces electromagnetic high-frequency noise and motor vibration while increasing output efficiency. Designed to meet the rising demand for high-efficiency, low-carbon solutions, this invention has substantial industrial application potential, particularly in electric mobility and new energy sectors.

This award-winning technology has already been successfully commercialized and applied in electric bus powertrain systems, electric marine propulsion motors, and hydrogen-powered electric vehicle drive systems. °

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TECO Wins Major Hyperscale Data Center MEP Projects in Malaysia



TECO has secured significant data center projects in Selangor and Johor Bahru, marking its entry into the hyperscale data center sector. With a combined capacity of 178 MW, these two contracts have a total value exceeding MYR 170 million (approximately TWD 1.17 billion).

The TECO team will undertake the Elmina Business Park project in Selangor, which includes server room installations and the deployment of hyperscale fiber-optic communication infrastructure. In Johor Bahru, the Sedenak Tech Park project will similarly focus on fiber-optic solutions for hyperscale data centers.

In addition to its progress in Malaysia, TECO revealed that its Intelligence Energy Business Group is currently executing a data center MEP project in Singapore, which includes the installation of the world's first 13,864-core hyperscale fiber-optic cable. This cutting-edge engineering competence will help the client build a high-speed, stable, and scalable data transmission architecture, significantly boosting the overall performance of the data center. In Singapore, TECO has amassed over a decade of expertise in data center MEP engineering, delivering integrated solutions totaling more than 240MW in capacity.

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TECO and Foxconn Announce Strategic Alliance Targeting AI Data Center Capabilities



TECO and Hon Hai Technology Group (“Foxconn”) announced a strategic alliance through a board-approved share exchange. This partnership combines TECO’ s strengths in electromechanical systems with Foxconn’ s expertise in ICT to seize the global trend of AI data center development toward standardization and modularization, jointly tapping into vast AI data center (AIDC) business opportunities worldwide. Going forward, the strategic alliance will explore the possibility of expanding cooperation in Foxconn’ s “3+3+3” areas. Target markets cover Taiwan and Asia, as well as the Middle East and the US.

This transaction is approved by both boards, respectively, TECO will take a 0.519% stake in Foxconn. In turn, Foxconn will own 10% in TECO. The latter will issue 237,644,068 new shares to Foxconn, and Foxconn will issue 72,481,441 new shares to TECO, implying a share exchange ratio of approx. 1 to 0.305. The no-cash transaction is targeted to complete in the fourth quarter of this year, conditional on regulatory approvals.

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Q&A

<https://www.teco.com.tw>
ir@teco.com.tw

Statements of Comprehensive Income | 2Q25

(TWD Million)	2025Q2	2025Q1	QoQ	2024Q2	YoY
Operating Revenue	15,604	13,617	14.59%	14,526	7.42%
Net Gross Profit *	3,662	3,293	11.21%	3,667	-0.14%
Operating Profit	1,478	1,184	24.83%	1,612	-8.31%
Non operating Income	439	459	-4.36%	688	-36.19%
Income Before Tax	1,917	1,643	16.68%	2,300	-16.65%
Income Tax	-336	-440	-23.64%	-539	-37.66%
Net Income**	1,581	1,203	31.42%	1,761	-10.22%
EPS (TWD)	0.69	0.54	27.78%	0.78	-11.54%

* Including unrealized/realized benefits of affiliated companies

** Excluding non controlling interest

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- Revenue in 2025Q2 was TWD 15.604 billion, increased by approximately 7.42% YoY, mainly due to the increase in engineering projects revenue of “Intelligence Energy”.
- Operating profit decreased 8.31% YoY in 2025Q2, mainly due to the increase in advertising expenses.
- Net non-operating income in 2025Q2 decreased 36.19% YoY, mainly due to exchange losses recognized due to the appreciation of Taiwan Dollar and losses recognized due to depreciation of financial assets.

Statements of Comprehensive Income | 1H25

- Revenue in the first half of 2025 increased by 3.42% YoY, mainly due to the increase in engineering projects revenue of “Intelligence Energy”.
- Gross profit decreased by 3.73% compared with the same period in 2024, mainly due to the appreciation of Taiwan dollar in Q2 and the decrease in “Green Mechatronic Solution” revenue in North America and Europe in Q1.
- Operating profit in the first half of 2025 decreased by 17.99% YoY, mainly due to the decline in gross profit and the increase in advertising expenses.
- The net non-operating income in the first half of 2025 increased by 8.99% YoY, mainly due to the increase in dividend income in this period.

(TWD Million)	1H25	1H24	YoY
Operating Revenue	29,221	28,256	3.42%
Net Gross Profit*	6,955	7,224	-3.73%
Operating Profit	2,662	3,246	-17.99%
Non operating Income	898	824	8.99%
Income Before Tax	3,560	4,070	-12.53%
Income Tax	-776	-1,022	-24.04%
Net Income**	2,784	3,048	-8.67%
EPS (TWD)	1.23	1.33	-7.52%

* Including unrealized/realized benefits of affiliated companies
** Excluding non controlling interest

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Balance Sheets | June 2025

- Cash and Cash Equivalents decreased by TWD 1.778 bn compared to Year end of 2024, mainly due to the repayment of corporate bonds receivable.
- Equities decreased by TWD 6.652 bn compared to Year end of 2024, mainly due to the announcement of cash dividend, recognition of net profit and the unrealized losses from financial assets measured at fair value through other comprehensive income, and exchange differences when translating the financial statements of foreign operating entities.

(TWD Thousand)	Jun. 30, 2025		Dec. 31, 2024		Jun. 30, 2024	
	Amount	%	Amount	%	Amount	%
Cash & Cash Equivalents	24,277,666	20%	26,055,287	21%	24,996,793	20%
Receivables	109,109,422	9%	10,262,364	8%	11,851,764	9%
Inventories	13,691,300	11%	13,482,866	11%	11,679,187	9%
Total Assets	122,796,610	100%	124,433,435	100%	127,767,352	100%
Payables	10,132,634	8%	10,184,817	8%	9,593,307	8%
Short term Borrowings	1,149,891	1%	1,137,121	1%	1,022,211	1%
Long term Borrowings	7,841,139	6%	10,794,576	9%	6,616,451	5%
Corporate Bond Payables	0	0%	0	0%	2,000,000	2%
Total Liabilities	47,780,709	39%	42,665,631	34%	44,513,321	35%
Equities	75,015,901	61%	81,767,804	66%	83,254,031	65%
Key Indices						
AR Turnover (times)	5.42		4.97		4.79	
Inventory Turnover (times)	3.08		3.09		3.39	
Current Ratio	1.77		2.01		1.82	
Quick Ratio	1.14		1.33		1.26	
Net Debt to Equity	-20.38%		-17.29%		-18.45%	

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