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2025 3rd Quarter Earnings Conference

November 13th, 2025

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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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Financial Highlights 3Q25

	3Q 2025	2Q 2025	QoQ	3Q 2024	YoY
Net Sales (NT\$ Million)	14,538	15,604	-6.8%	13,457	8.0%
Gross Margin	24.4%	23.5%	0.9%	26.0%	-1.6%
Operating Margin	11.2%	9.5%	1.7%	12.1%	-0.9%
EPS (NT\$)	0.75	0.69	8.7%	0.84	-10.7%

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- 3Q25 net sales increased by 8.0% YoY, primarily due to higher engineering revenue from the “Intelligence Energy” segment.
- The gross margin was down 1.6ppts YoY, mainly due to the higher revenue contribution from the “Intelligence Energy” segment. However, it was up 0.9ppts QoQ, primarily driven by a more favorable mix of high-margin revenue from the “Green Mechatronic Solution” segment.
- The operating margin was down 0.9ppts YoY, mainly due to a decline in gross margin. It was up 1.7ppts QoQ.
- EPS reached NT\$0.75, up NT\$0.06 QoQ mainly due to the higher operating profit, but down NT\$0.09 YoY primarily reflecting lower dividend income.

Financial Highlights 9M25

	9M25	9M24	YoY
Net Sales (NT\$ Million)	43,759	41,713	4.9%
Gross Margin	24.0%	25.7%	-1.7%
Operating Margin	9.8%	11.7%	-1.9%
EPS (TWD)	1.98	2.17	-8.8%

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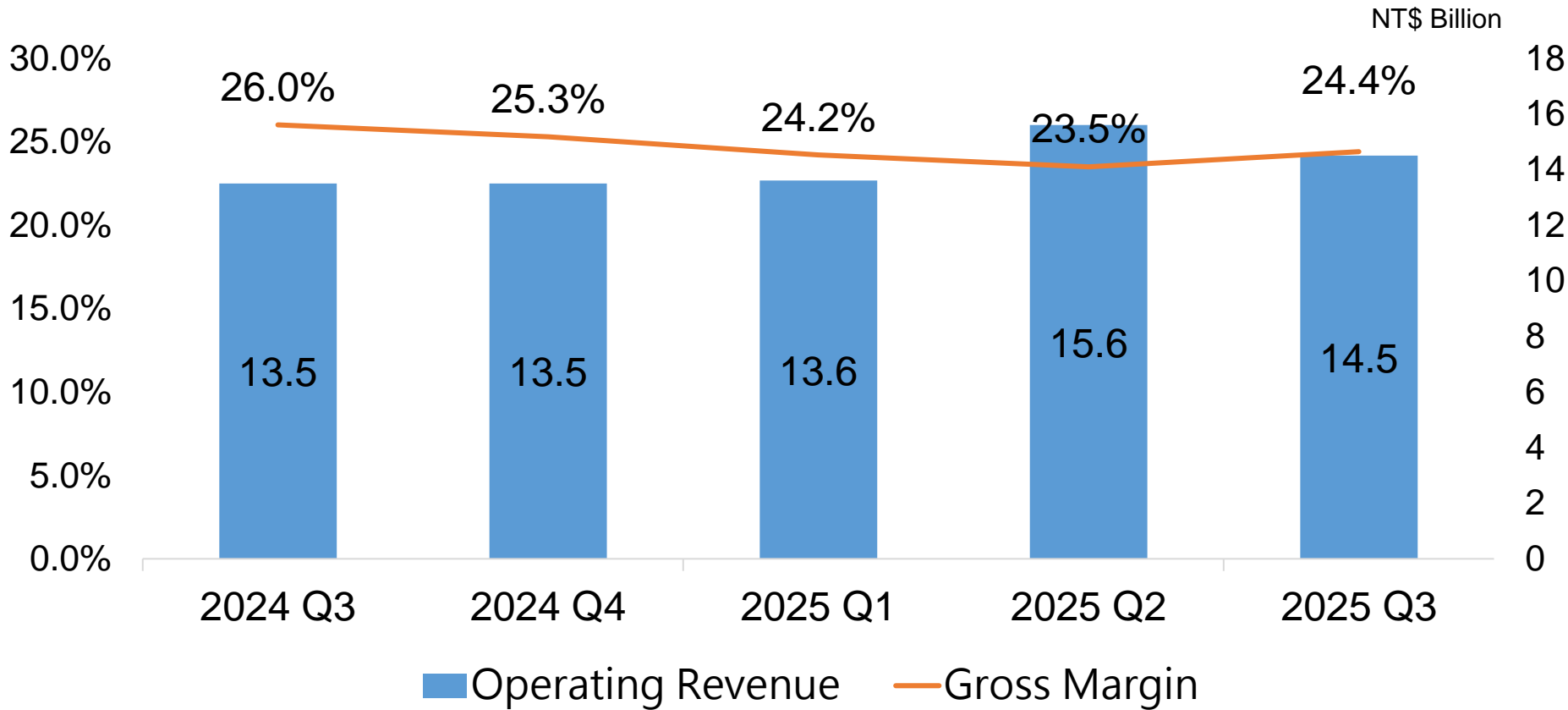
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- 9M25 net sales increased by 4.9% YoY, mainly due to higher engineering revenue from the “Intelligence Energy” segment.
- The gross margin was down 1.7ppts YoY, primarily attributable to the higher revenue contribution of the “Intelligence Energy” segment.
- Operating margin was down 1.9ppts YoY, primarily due to a decline in gross margin.
- EPS was NT\$1.98, down NT\$0.19 YoY, a decrease of 8.8%, primarily due to a decline in operating profit.

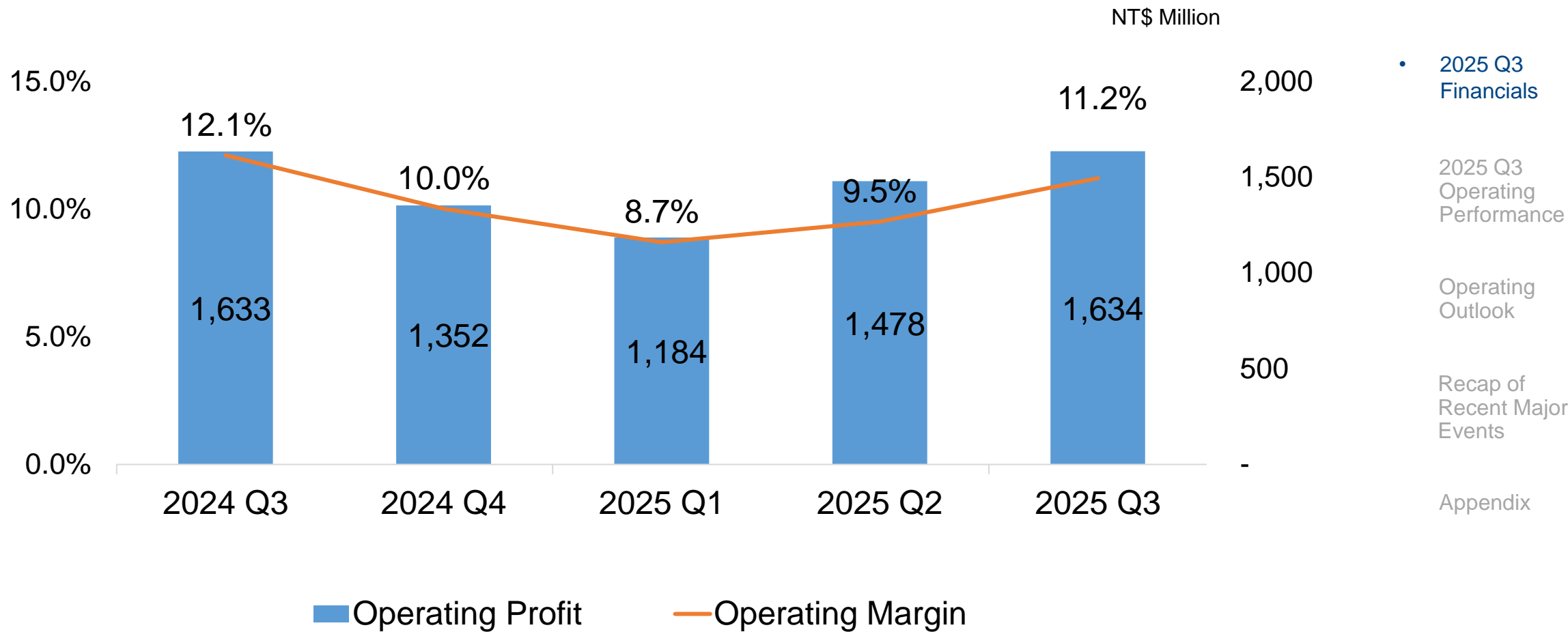
Operating Revenue vs. Gross Margin



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● The gross margin was down 1.6ppts YoY, mainly due to the higher revenue contribution from the “Intelligence Energy” segment. However, it was up 0.9ppts QoQ, primarily driven by a more favorable mix of high-margin revenue from the “Green Mechatronic Solution” segment.

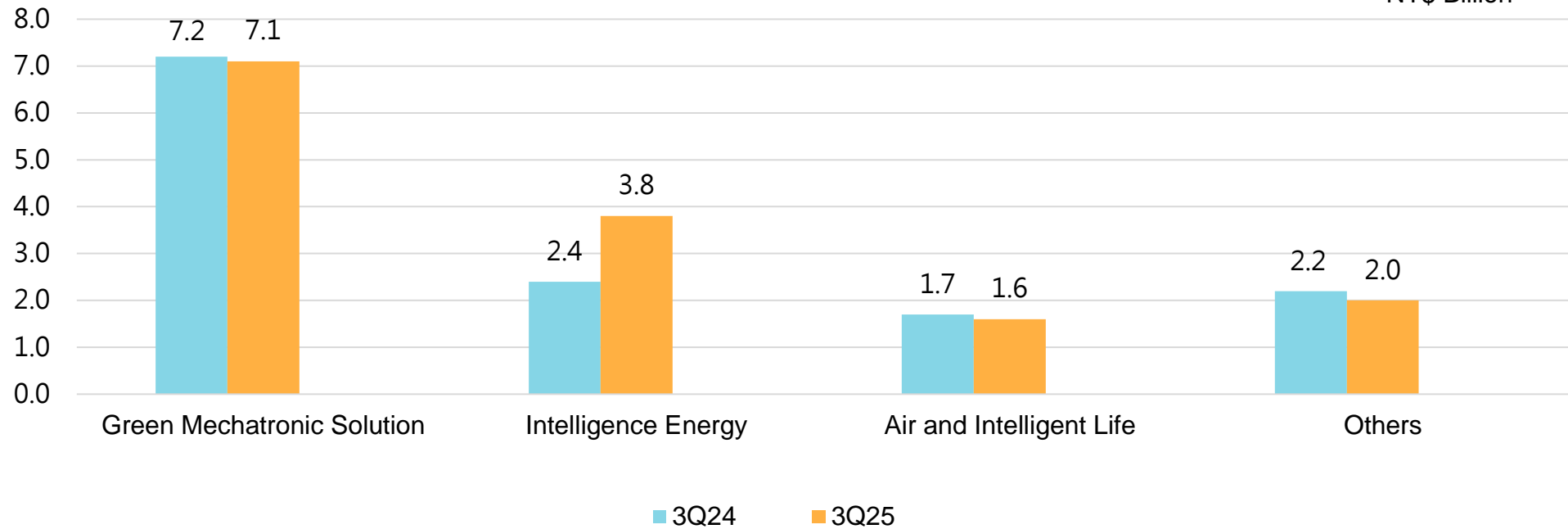
Operating Profit vs. Operating Margin



● The operating margin was down 0.9ppts YoY, mainly due to a decline in gross margin. It was up 1.7ppts QoQ.

3Q25 Performance of Business Groups

NT\$ Billion



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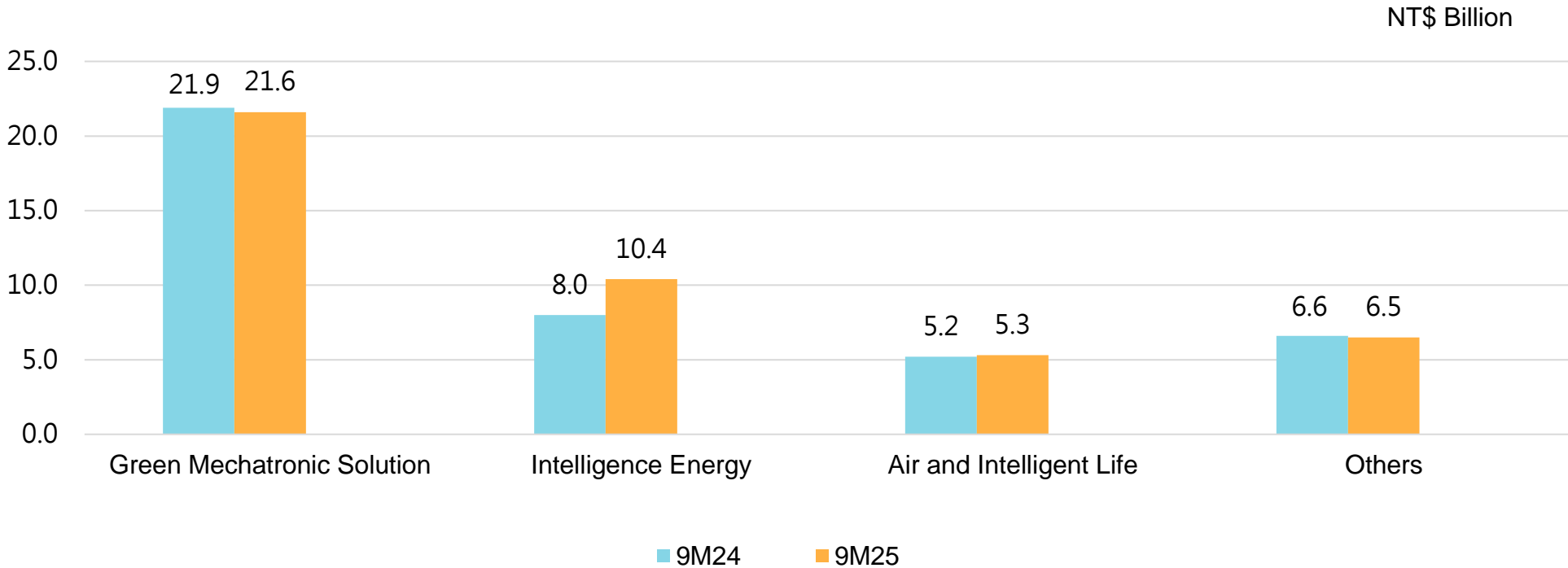
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- ✓ Revenue from “Green Mechatronic Solution” decreased 1.1% YoY, primarily due to foreign exchange impact.
- ✓ Revenue from “Intelligence Energy“ increased by 52.8% YoY, primarily driven by higher engineering revenue from Taipower’s Resilient Grid Project and offshore wind power projects.
- ✓ Revenue from “Air and Intelligent Life” decreased by 8.0% YoY, mainly due to a decline in the 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.

9M25 Performance of Business Groups



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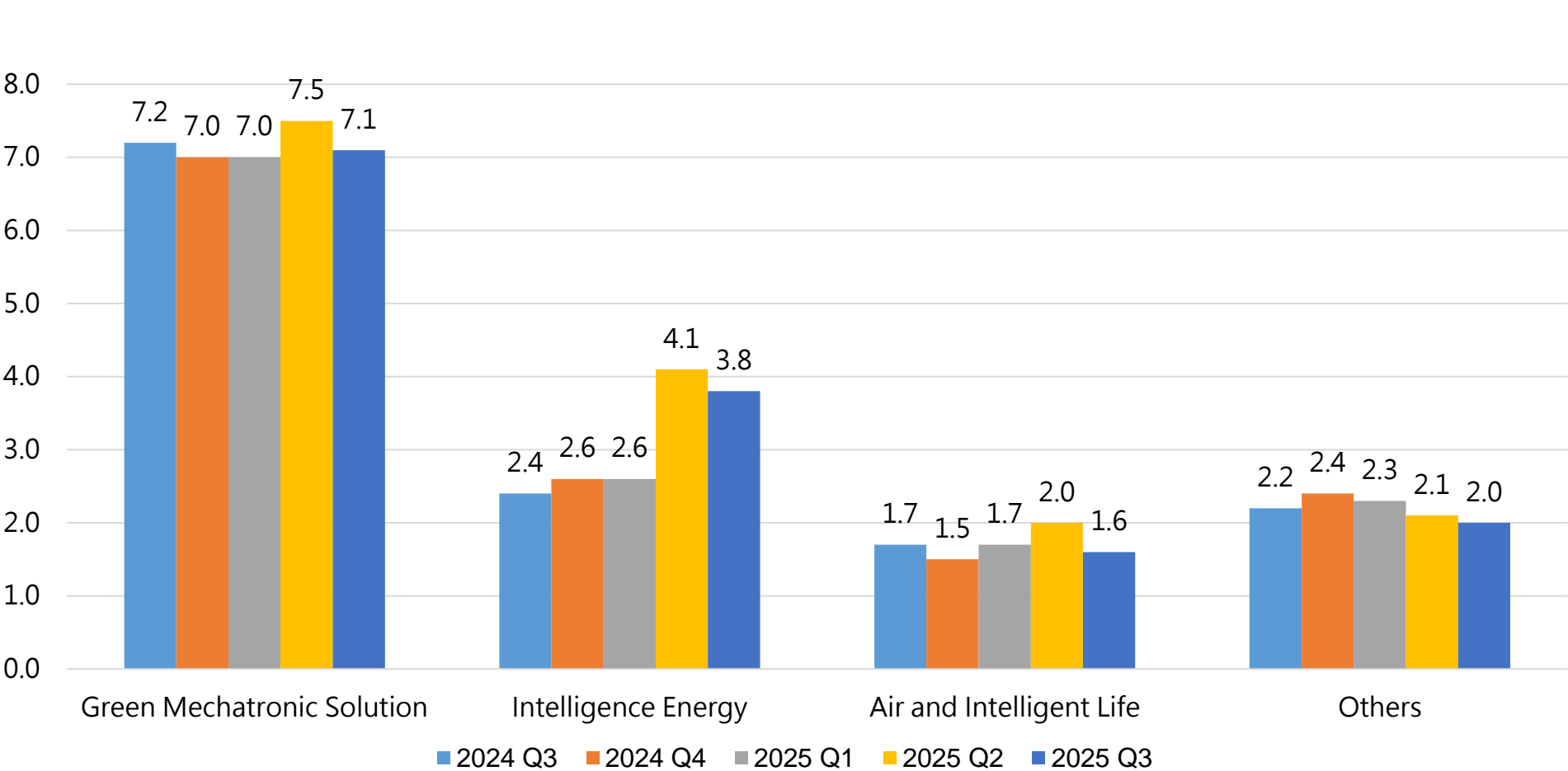
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- ✓ Revenue from “Green Mechatronic Solution” decreased 1.8% YoY, primarily due to foreign exchange impact.
- ✓ Revenue from “Intelligence Energy” increased by 27.3% YoY, primarily driven by higher engineering revenue from Taipower’s Resilient Grid Project, offshore wind power projects and the inclusion of NCL in the consolidated financial statements starting from Q2.
- ✓ Revenue from “Air and Intelligent Life” increased by 3.1% YoY, mainly due to growth in 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.

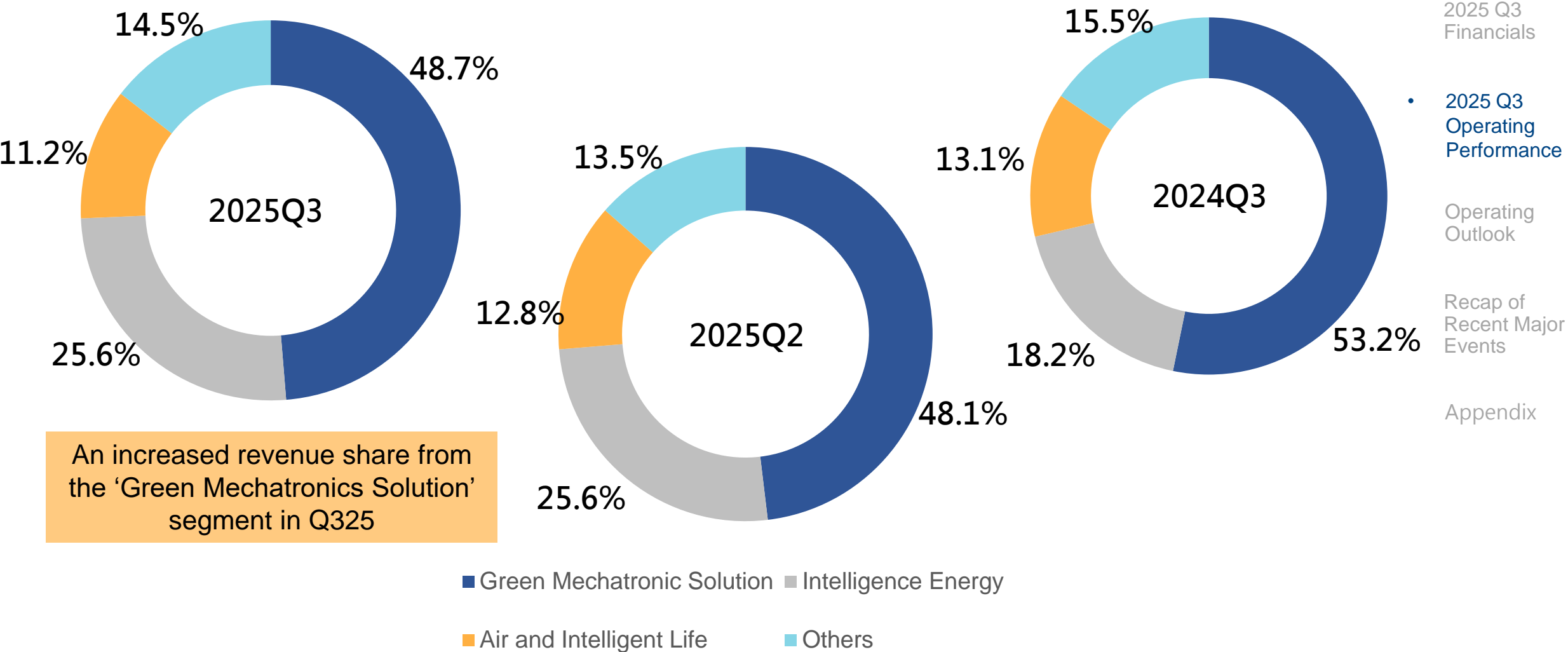
Sales Trend of Business Groups

NT\$ Billion



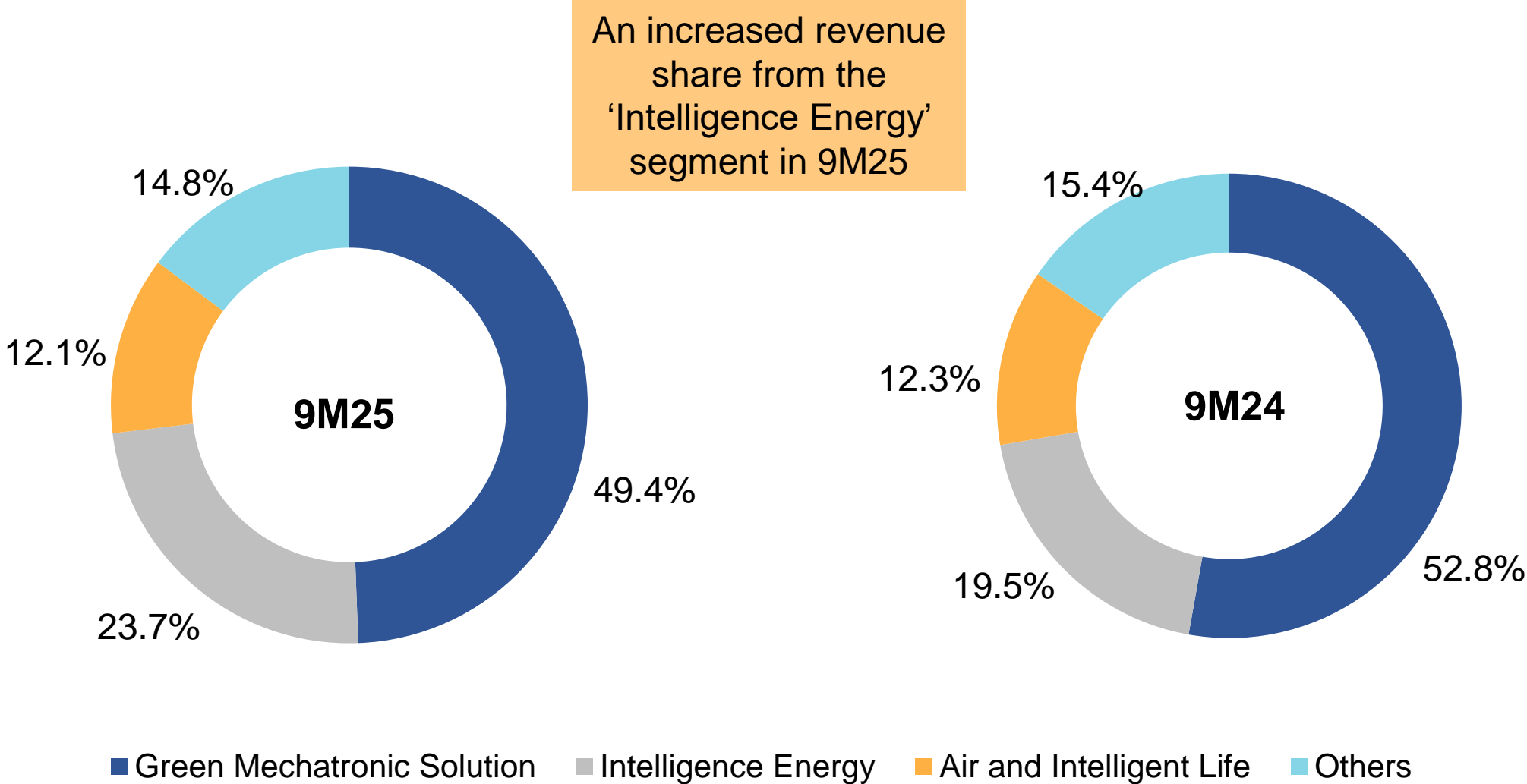
Note: Starting from the first quarter of 2025, the revenue of Taiwan Pelican, ITTS, and TECOM has been adjusted to "Others" category.

3Q25 Revenue Breakdown by Business Group



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9M25 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

	Recent Economic Situation	Impact on TECO	
US	<ul style="list-style-type: none"> Major corporations such as OpenAI, NVIDIA, Oracle, and AMD have formed a highly integrated closed-loop ecosystem of “equity, computing power, and capital” through collaborations involving shareholding and investment. This synergy is driving rapid growth in demand for AI chips and infrastructure (data centers). The Fed cut interest rates by 25 basis points in both September and October, and the market expects one more rate cut before the end of the year. 	<ul style="list-style-type: none"> The collaboration among major AI companies is expected to drive significant demand for data center infrastructure and enhancements in power grid resilience. As the economy enters an interest rate-cutting cycle, it is expected to boost investment appetite across various industries. TECO’s AIDC-related products and electrification solutions are well positioned to actively capitalize on this wave of opportunities. 	<p>2025 Q3 Financials</p> <p>2025 Q3 Operating Performance</p> <p>Operating Outlook</p>
Taiwan	<ul style="list-style-type: none"> The government has launched the “New Ten Major AI Initiatives,” aimed at advancing smart applications, key technologies, and digital infrastructure, including the introduction of AI tools across industries, the development of intelligent robots, and the establishment of one of Asia’s top two computing power centers. The government continues to promote the “Guidelines for Incentives for ESCOs,” encouraging ESCO providers to expand their energy-saving service capacity to assist enterprises in improving energy efficiency. 	<ul style="list-style-type: none"> The “New Ten Major AI Initiatives” will inject hundreds of billions in funding to support the adoption of AI tools across manufacturing and other industries, driving both digital and net-zero transformations. TECO’s plant efficiency improvement and electrification solutions are well positioned to capture these opportunities. By leveraging the growing ESCO market, TECO offers comprehensive and integrated energy-saving solutions to expand its service capacity. 	<p>Recap of Recent Major Events</p> <p>Appendix</p>
SEA	<ul style="list-style-type: none"> In September, ASEAN’s manufacturing PMI reached 51.6 (51.0 previously). The increase was mainly driven by the first rise in new orders in nearly two and a half years. The recovery in manufacturing demand also supported employment growth, while the business confidence index climbed to a six-month high. The Southeast Asian data center market is expected to grow at a CAGR of 18% to 22% between 2023 and 2028. 	<ul style="list-style-type: none"> Demand for data centers in Southeast Asia remains robust, particularly in Malaysia and Thailand, presenting strong opportunities for MEP engineering service providers. In Vietnam, growing demand for new plants built by Taiwanese manufacturers positions TECO’s electrification solutions to capture these business opportunities. 	

4 Major Strategic Development Focuses

Green Energy

- Expected to complete the technology transfer agreement and production equipment procurement for the PCS (Power Conversion System) MIT production line
- Successfully achieved grid connection for the Hai Long Offshore Wind Farm
- Completed grid connection and trial operation testing for several projects under Taipower's Power Grid Resilience Program

Electrification

- Secured the first batch of European orders for the hair-pin, oil-cooled electric drive axle powertrain
- Completed the setup of the transformer production line at the Zhongli plant, with trial production now underway
- Launched the Busway plant project in Malaysia
- Obtained IEC certification for the armored Busway



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Energy saving and carbon reduction

- Focused ESCO operations in Taiwan on hospitals, shopping malls, and office buildings
- Focused ESCO activities in China on plant utilities and energy storage, with orders already secured
- Formed a strategic alliance with Foxconn to pursue opportunities in data center and MEP energy-saving products
- Launched chillers with capacities ranging from 600 to 1,000 RT

Development of key regions

- Continued to pursue IDC (Internet Data Center) business opportunities in Southeast Asia.
- Launched a Middle East strategy to establish a local sales and service network.
 1. Established a Middle East subsidiary in Dubai.
 2. Formed a strategic alliance with Kanoo Energy to promote electrification products and solutions
 3. Expanded data center business opportunities in the Middle East.

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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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Groundbreaking for the Onshore Substation of CIP's Taichung Fengmiao Offshore Wind Farm



TECO, as the EPC contractor, will construct the onshore substation and related facilities for the 500 MW Fengmiao Offshore Wind Power Project.

With experience in over 2.5 GW of onshore substation EPC projects and the advantage of in-house power equipment, TECO will continue to promote the development of a localized supply chain, enhance industry technology and O&M capabilities, and lay a solid foundation for the localization of Taiwan's offshore wind power industry, while actively exploring offshore wind opportunities in the Asia-Pacific market.

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TECO Showcases Robot Joint Modules and Drone Motors at 2025 Automation Taipei



Under the theme “Smart and Low-Carbon Manufacturing for a Sustainable and Intelligent Environment,” TECO focused on key process control and intelligent, high-efficiency drive applications. In addition to demonstrating comprehensive applications of smart manufacturing and low-carbon factories, TECO also showcased multi-legged robot joint modules, drone motors, and overhead hoist transfer (OHT) systems designed for the semiconductor industry.

TECO supports enterprises in transformation and upgrading—from process automation, intelligent mechatronics, and unmanned vehicles to energy-saving applications. The company continues to promote green and sustainable manufacturing environments that foster high efficiency, stability, and intelligence.

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TECO Forms an Alliance with Kanoo Energy to Expand Presence in the Middle East



TECO has formed an alliance with Kanoo Energy, a subsidiary of the Kanoo Industrial & Energy Division under the Yusuf Bin Ahmed Kanoo Group, and jointly signed a strategic distribution agreement in Bahrain.

Under the agreement, Kanoo Energy will serve as TECO's distributor in Saudi Arabia, promoting and selling a comprehensive range of electrification solutions, including high-efficiency electric motors, variable frequency drives (VFAs), and customized system solutions. The offering also includes value-added services such as installation, commissioning, and after-sales support to ensure a seamless customer experience.

This collaboration aligns closely with Saudi Arabia's Vision 2030, which highlights competitiveness, innovation, and sustainability as the core pillars of industrial development.

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TECO Teams Up with BRIST to Enter the European Electric Bus Market



TECO has partnered with renowned Italian axle manufacturer BRIST to debut an integrated e-axle solution and next-generation hair-pin, oil-cooled motor technology at Busworld Brussels, marking a significant step into the European commercial EV market.

With the concurrent advancement of its electric axle and charging solutions, TECO is rapidly building a global EV ecosystem. Leveraging its high-efficiency motor technology, the company continues to integrate innovative electrification applications to accelerate the low-carbon transformation of transportation.

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2025 Taipei International Electronics Industry & AIoT Expo



Under the theme “Smart Power × Energy: Driving a Sustainable and Intelligent Future,” TECO showcased its technological strengths and innovative achievements in smart manufacturing and sustainable energy. Highlights included an oil-cooled hair-pin EV power system, a power system for unmanned vehicles, robot joint modules, a DC servo system designed for material handling in semiconductor plants, and a high-efficiency, low-speed direct drive system for cooling towers. Through electrification, industrial automation, and energy-saving applications, TECO is empowering industrial transformation toward a low-carbon, sustainable future.

From high-efficiency power and precise control to AI-based energy and carbon management platforms, TECO continues to leverage its innovative technologies to be a key partner in advancing industries toward intelligent and sustainable development.

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2025 Net-Zero Taiwan Expo “Smart Energy Efficiency × Resilient Energy × Green Finance”

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At the 2025 Net-Zero Taiwan Expo, TECO showcased its theme “Low-Carbon Sustainable Energy Service (TECO Energy Service),” emphasizing its commitment to transform from an equipment manufacturer into an integrated energy service provider. By integrating its core technologies — including power systems, intelligent variable-frequency control, HVAC systems, energy storage, and renewable energy — TECO offers solutions encompassing energy and carbon inventory, improvement planning and design, engineering implementation, measurement and verification, and green financing, creating a new sustainable energy ecosystem.

TECO has completed numerous domestic and international energy-saving projects, achieving average energy savings of 30–40%. Its projects span department stores, healthcare institutions, manufacturing plants, and office buildings, contributing to a more sustainable future across diverse sectors.

Q&A

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Statements of Comprehensive Income | 3Q25

(NT\$ Million)	3Q25	2Q25	QoQ	3Q24	YoY
Operating Revenue	14,538	15,604	-6.83%	13,457	8.03%
Net Gross Profit *	3,553	3,662	-2.98%	3,494	1.69%
Operating Profit	1,634	1,478	10.55%	1,633	0.06%
Non operating Income	533	439	21.41%	748	-28.74%
Income Before Tax	2,166	1,917	12.99%	2,381	-9.03%
Income Tax	-475	-336	41.37%	-478	-0.63%
Net Income**	1,691	1,581	6.96%	1,903	-11.14%
EPS (TWD)	0.75	0.69	8.70%	0.84	-10.71%

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* Including unrealized/realized benefits of affiliated companies

** Excluding non controlling interest

- 3Q25 revenue increased by 8.0% YoY, primarily due to higher engineering revenue from the “Intelligence Energy” segment.
- 3Q25 non-operating income decreased by 28.74% YoY, mainly due to a decline in dividend income.

Statements of Comprehensive Income | 9M25

- 9M25 revenue increased by 4.91% YoY, mainly due to higher engineering revenue from the “Intelligence Energy” segment.
- 9M25 gross profit decreased by 1.96% YoY, mainly due to lower revenue from “Green Mechatronic Solution” segment.
- 9M25 operating profit decreased by 11.96% YoY, mainly due to a decline in gross profit.
- 9M25 the non-operating income decreased by 8.99% YoY, mainly due to a decline in dividend income.

(NT\$ Million)	9M25	9M24	YoY
Operating Revenue	43,759	41,713	4.91%
Net Gross Profit*	10,507	10,718	-1.96%
Operating Profit	4,296	4,879	-11.96%
Non operating Income	1,431	1,572	-8.99%
Income Before Tax	5,726	6,451	-11.24%
Income Tax	-776	-1,499	-16.50%
Net Income**	4,474	4,952	-9.64%
EPS (TWD)	1.98	2.17	-8.76%

* Including unrealized/realized benefits of affiliated companies

** Excluding non controlling interest

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Balance Sheets | September 2025

- Cash and Cash Equivalents decreased by NT\$ 1.36 bn compared to the Year end of 2024, mainly due to the acquisition of subsidiaries recognized as financial assets measured at amortized cost.
- Equities increased by NT\$ 1.23 bn compared to the Year end of 2024, mainly due to the capital surplus arising from the issuance of shares at a premium through a share swap during the period.

(NT\$ Thousand)	Sep. 30, 2025		Dec. 31, 2024		Sep. 30, 2024	
	Amount	%	Amount	%	Amount	%
Cash & Cash Equivalents	24,694,955	17%	26,055,287	21%	24,589,363	19%
Receivables	11,130,642	8%	10,262,364	8%	10,397,474	8%
Inventories	13,809,027	10%	13,482,866	11%	12,275,817	10%
Total Assets	141,127,274	100%	124,433,435	100%	126,857,317	100%
Payables	9,419,418	7%	10,184,817	8%	9,364,426	7%
Short term Borrowings	4,875,545	3%	1,137,121	1%	2,268,583	2%
Long term Borrowings	5,785,045	4%	10,794,576	9%	10,241,821	8%
Corporate Bond Payables	0	0%	0	0%	0	0%
Total Liabilities	47,023,274	33%	42,665,631	34%	41,761,646	33%
Equities	94,104,000	67%	81,767,804	66%	85,095,671	67%
Key Indices						
AR Turnover (times)	5.35		4.97		5.02	
Inventory Turnover (times)	3.05		3.09		3.26	
Current Ratio	1.80		2.01		1.92	
Quick Ratio	1.15		1.33		1.28	
Net Debt to Equity	-14.91%		-17.29%		-14.19%	

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Seize Business Opportunities from Three Long-term Trends

