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2025 1st Quarter Earnings Conference

May 15th, 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 Q1 Financial Results
2. 2025 Q1 Operating Performance
3. Operating Outlook
4. Recap of Recent Major Events

Financial Highlights 1Q25

	1Q 2025	4Q 2024	QoQ	1Q 2024	YoY
Net Sales (TWD Million)	13,617	13,522	0.7%	13,730	-0.8%
Gross Margin	24.2%	25.3%	-110bps	25.9%	-170bps
Operating Margin	8.7%	10.0%	-130bps	11.9%	-320bps
EPS (TWD)	0.54	0.56	-3.6%	0.55	-1.8%

• 2025 Q1 Financials

2025 Q1 Operating Performance

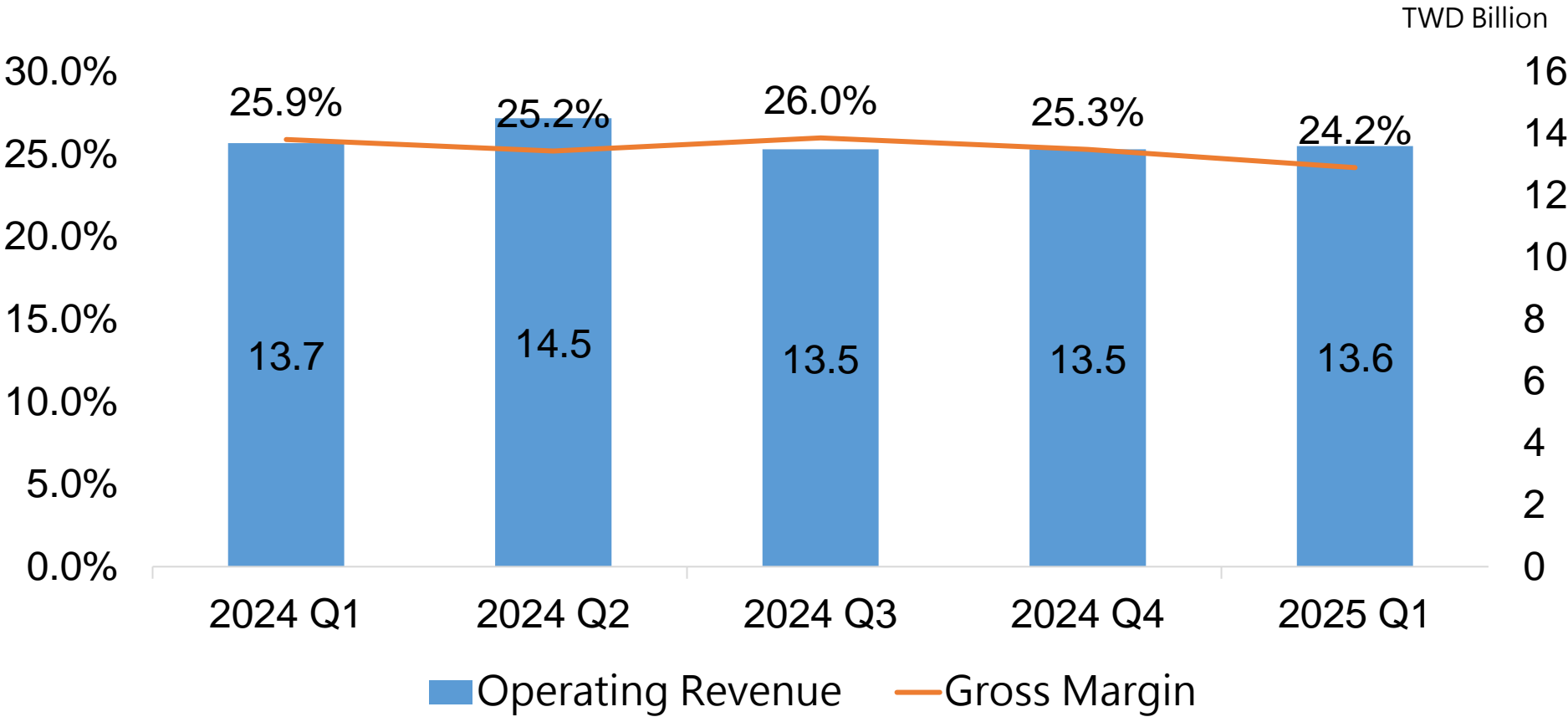
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- 1Q 2025 net sales declined 0.8% YoY, mainly due to the decrease in revenue of “Green Mechatronic Solution” in European and Asia-Pacific market; increased 0.7% QoQ, which remained flat as the level of 4Q.
- The gross margin decreased 1.7% YoY, decreased 1.1% QoQ, mainly due to the decrease in the revenue share of "Green Mechatronic Solution".
- Operating margin decreased 3.2% YoY, decreased 1.3% QoQ, mainly due to the decrease in gross margin and the human capital investment this year in response to strategic development.
- EPS reached at TWD 0.54 in Q1, decreased TWD 0.02 QoQ, decreased TWD 0.01 YoY.

Operating Revenue vs. Gross Margin

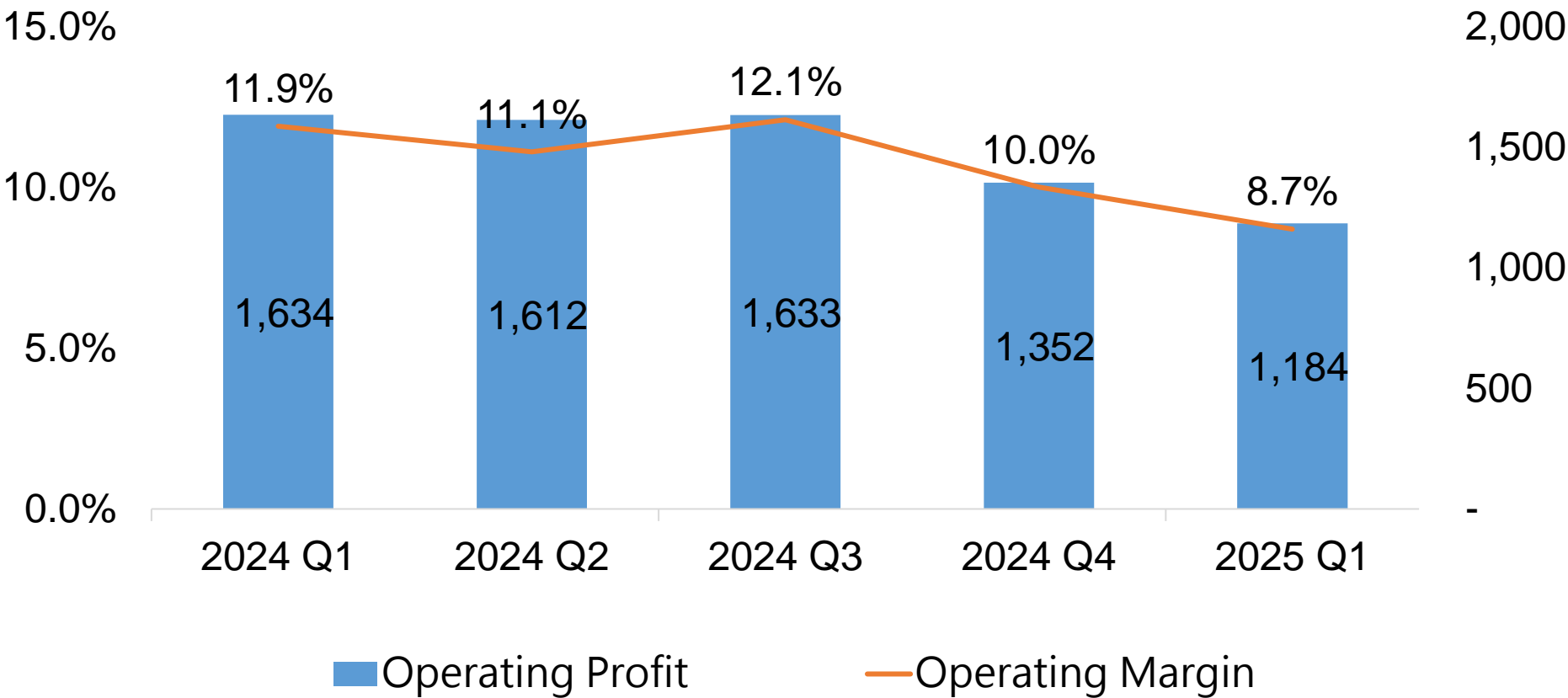


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The gross margin decreased 1.7% YoY, decreased 1.1% QoQ, mainly due to the decrease in the revenue share of "Green Mechatronic Solution".

Operating Profit vs. Operating Margin

TWD Million

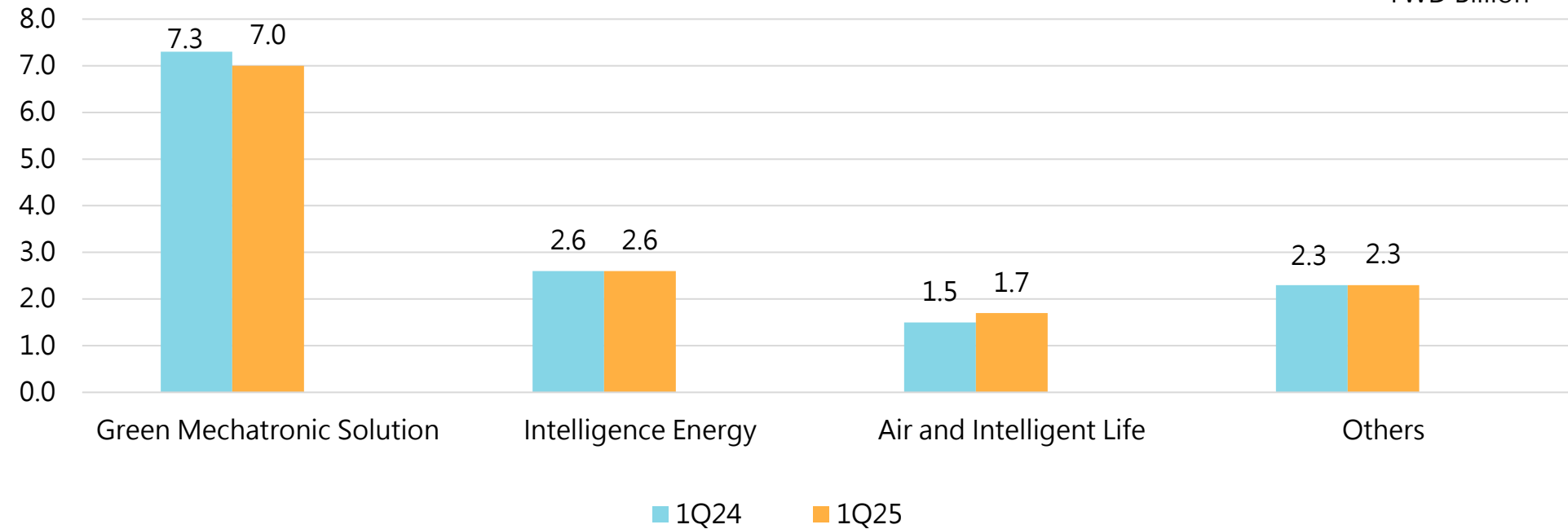


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• Operating margin decreased 3.2% YoY, decreased 1.3% QoQ, mainly due to the decrease in gross margin and the human capital investment this year in response to strategic development.

Performance of Business Groups

TWD Billion



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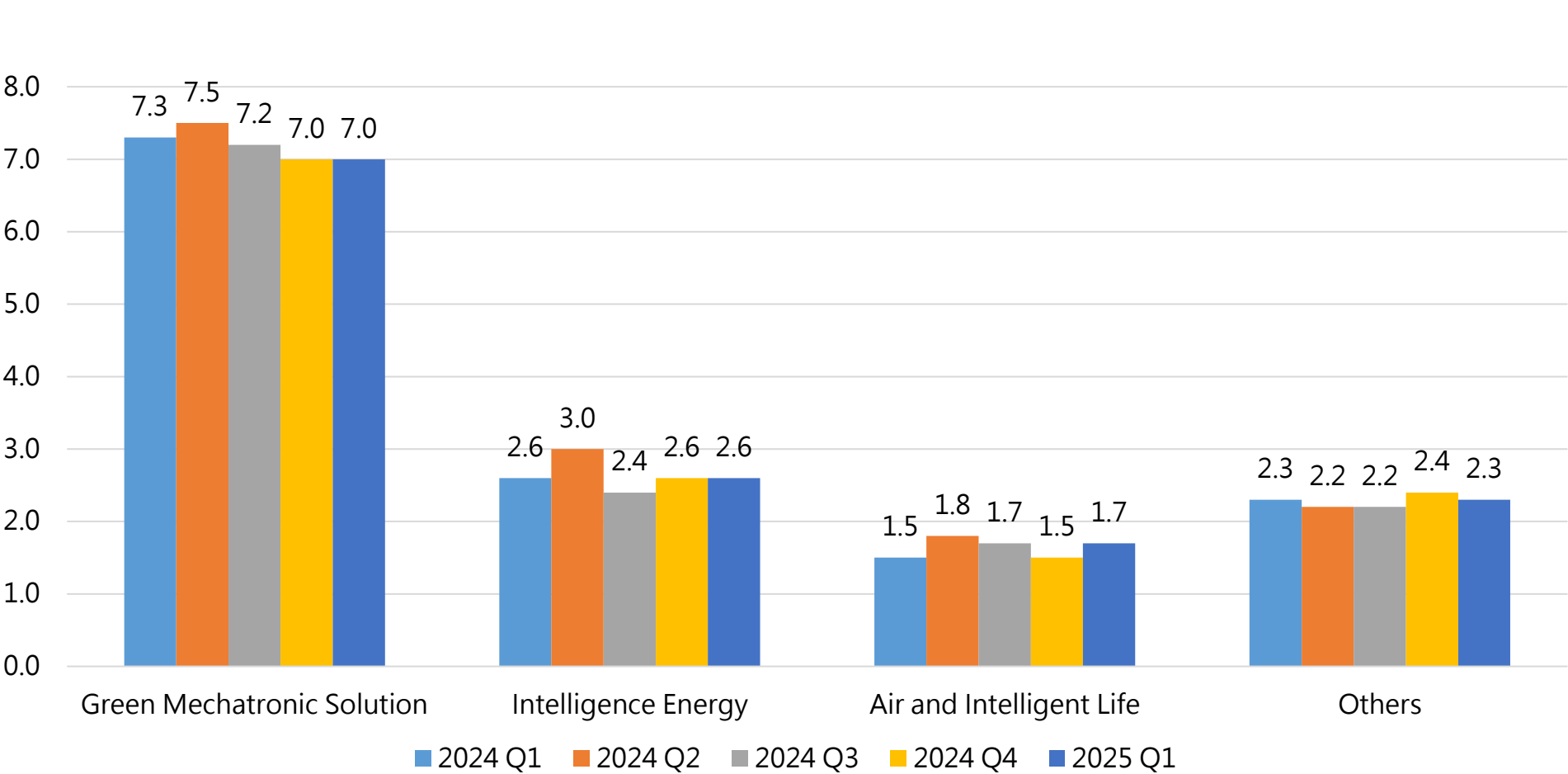
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- ✓ “Green Mechatronic Solution” revenue decreased by 3.7% YoY, mainly due to the decline in demand in European and Asia-Pacific market.
- ✓ The revenue of “Intelligence Energy” was roughly flat compare to the same period last year.
- ✓ “Air and Intelligent Life” revenue increased by 10.1% 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.

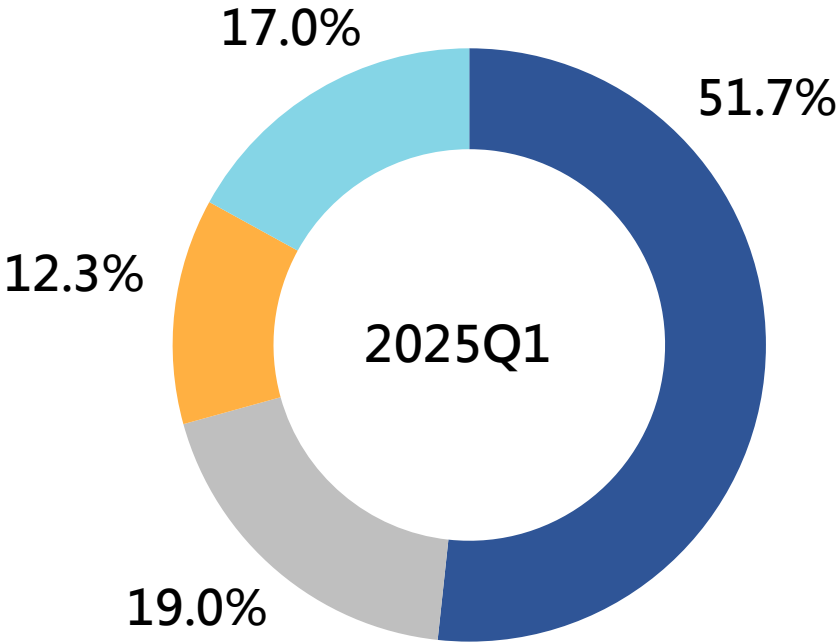
Sales Trend of Business Groups

TWD Billion

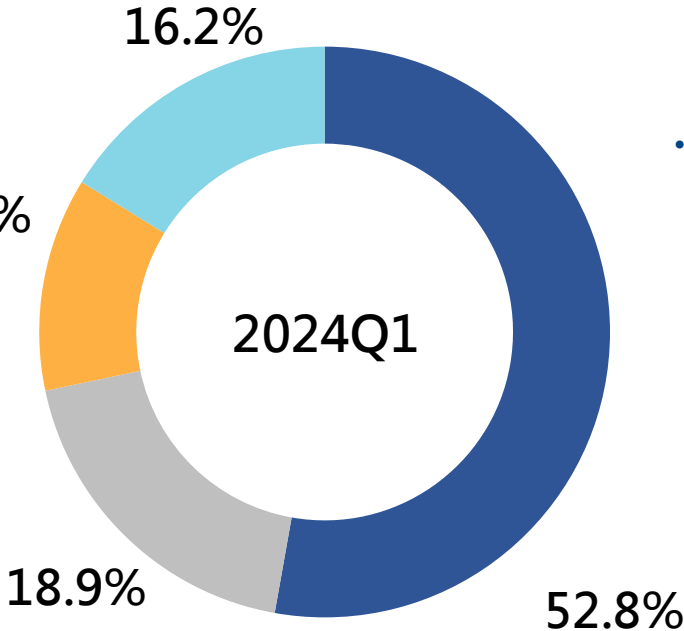
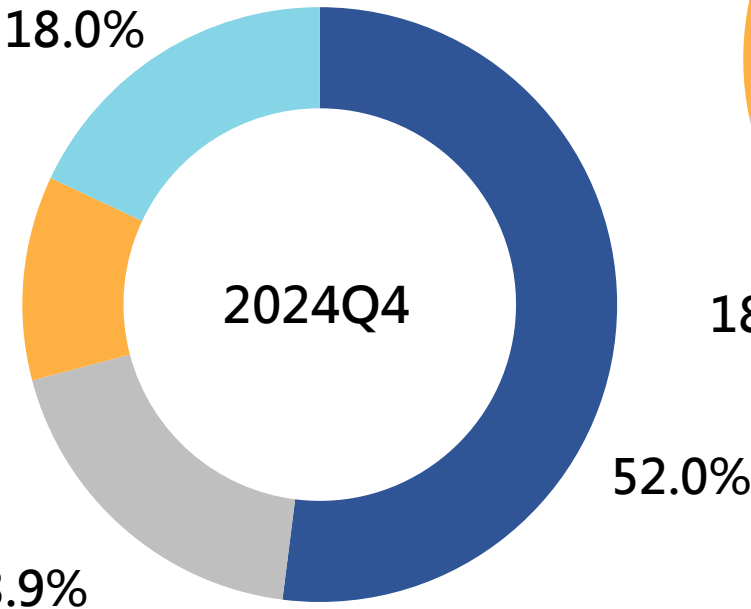


Note: Starting from the first quarter of 2025, the revenue of Taiwan Pelican, ITTS, and TECOM has been adjusted to "Others" category.

1Q25 Revenue Breakdown by Business Group



Consolidated revenues of 2025Q1 up 0.7% QoQ down 0.8% YoY



■ Green Mechatronic Solution ■ Intelligence Energy
■ Air and Intelligent Life ■ Others

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

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4 Major Strategic Development Focuses

Green Energy

- Strive for offshore wind farm onshore substation EPC project
- Complete the energy storage and hydrogen fuel cell demo site
- Strive for Taipower STATCOM project
- Sign the first corporate power purchase agreement (CPPA) between green power supplier and green power demand enterprise
- Strive for solar power EPC project

Electrification

- Mass production of EV production line in India
- Electric bus market expansion in North America, Europe and Mexico
- Add the transformer production line in Taiwan
- Expanding humanoid robot (robot dog) business opportunities, 30 joint modules expected to be shipped in May



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Energy saving and carbon reduction

- Actively promote the Super ESCO project
- Strive for orders for electronics factory expansion and data center in North America
- Promote ONE TECO business opportunities and develop a 1,000-ton water chiller. The prototype is expected to be produced in June and will be launched in Q3

Development of key regions

- Strive for IDC projects in Southeast Asia
- Production capacity improvement plan for the Mexican plant
- Promote ONE TECO strategy in Europe and cross-sell TECO products through Motovario channel

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Overview of the Three Major Markets

US

Recent Economic Situation

- Policy uncertainty affects companies' willingness to invest. The ISM PMI in April was 48.7 (previously 49.0), shrinking for two consecutive months.
- Under the impact of tariffs, commodity prices have risen significantly (the index climbed to 69.8, previously 69.4), triggering concerns about inflation.
- The consumer confidence index fell for the fourth consecutive month in April, indicating a relatively conservative outlook on current and future labor market.

Impact on TECO

- Tariff uncertainty and lack of consumer confidence have affected investment plans in the consumer industry, posing challenges to orders for low-voltage motor products and production at Mexican factories.
- The continued weakness in oil and natural gas prices has reduced companies' willingness to invest capital, creating short-term pressure on orders for high-voltage motor products.

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Taiwan

- The business climate signal score in March decreased by 3 points from the previous month, mainly due to the impact of the U.S. tariff policy. Stock prices, manufacturing sales, and sales of wholesale, retail, and food services industry all turned yellow-red.
- In the domestic market, the index of producer's shipment for manufacturing decreased from 12.5% last month to 8.1%; the sales of wholesale, retail and food services industries decreased from 9.4% in the previous month to 7.6%, both showing a downward trend and tending to be conservative.

- Benefiting from the AI and electric power and machinery industries, the manufacturing machinery and equipment PMI in March was 59.1 (previously 59.5), which has been above the boom-bust line for five consecutive months, which is beneficial for TECO to take order for related products.
- The manufacturing industry has been planning the layout of decentralized manufacturing in the global supply chain, and the outlook for power and machinery equipment in the next six months is expected to expand.

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China

- The two sessions announced that GDP growth this year will be maintained at 5%, and they will expand borrowing to expand domestic demand through loose monetary policies and special actions to boost consumption.
- The official PMI in April was 49.0 (previous 50.5), which was below the boom-bust line for the first time since 2025. Among the detailed items, new orders 49.2 (previous 51.8) and production 49.8 (previous 52.6) also turned to contraction, indicating that manufacturing activities weakened due to the high tariffs imposed by the United States.

- The Sino-US trade war has affected people's willingness to consume. The CPI YoY growth rate in March was -0.1% (-0.7% previously), indicating that people's consumption power has not yet seen a clear improvement, and the sales of low-voltage motor products are facing challenges.
- The high-quality development projects mentioned in the two sessions, such as AI, EV, robots and other related business opportunities, are worthy of TECO's active pursuit.

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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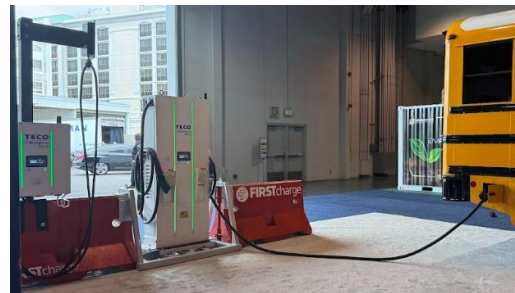
TECO Group Showcases Vehicle Electrification Upgrade Solutions at ACT Expo



Making its first public appearance, the EV hairpin motor unit is specifically designed for electric axle (E-Axle) solutions used in medium and large commercial vehicles, such as electric buses and electric trucks. It helps automakers overcome challenges related to vehicle capacity, space, and weight, while significantly enhancing the mobility performance of electrified vehicles. The company is targeting the multi-billion-dollar commercial vehicle market in Europe and North America.

The 30kW and 60kW DC fast charger and PowerCube (EV Charger Portable Power distribution system) are also showed in the event. Those DC Chargers feature high output power, smart charging capabilities, and renewable energy integration, significantly reducing charging time and improving energy efficiency.

TECO currently offers a full range of charging solutions from 30kW to 480kW and has already established a charger assembly line at its Texas factory to meet the needs of public institutions, including school bus fleets.



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TECO Wins Global Views Monthly's Top ESG Sustainability Award in the Traditional Industry Category with Highest Honors



At the 21st Global Views Monthly Corporate Sustainability Awards ceremony, TECO was honored with the highest award in the "Comprehensive Performance Category - Traditional Industry." Participating for the first time, TECO received high recognition for its outstanding performance in environmental, social, and corporate governance aspects, demonstrating the solid results of its commitment to sustainable business practices.

TECO has been consistently recognized in international sustainability evaluations, being selected for the Dow Jones Sustainability Index (DJSI) Emerging Markets Index for five consecutive years and ranking first in ESG evaluations among electromechanical stocks in emerging markets. It has also been included in the S&P Global Sustainability Yearbook five times, placing it among the global top 1% of sustainable enterprises, demonstrating TECO's leadership in sustainable governance and international competitiveness.

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Q&A

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Statements of Comprehensive Income | 1Q25

(TWD Million)	2025Q1	2024Q4	QoQ	2024Q1	YoY
Operating Revenue	13,617	13,522	0.70%	13,730	-0.82%
Net Gross Profit *	3,293	3,422	-3.77%	3,557	-7.42%
Operating Profit	1,184	1,352	-12.46%	1,634	-27.54%
Non operating Income	459	276.359	66.09%	136	237.50%
Income Before Tax	1,643	1,629	0.87%	1,770	-7.18%
Income Tax	-440	-329.235	33.64%	-483	-8.90%
Net Income**	1,203	1,300	-7.43%	1,287	-6.53%
EPS (TWD)	0.54	0.56	-3.57%	0.55	-1.82%

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* Including unrealized/realized benefits of affiliated companies

** Excluding non controlling interest

- Revenue in 2025Q1 was TWD 13.6 billion, decreased by approximately 0.82% YoY, mainly due to the decrease in revenue of "Green Mechatronic Solution" in European and Asia-Pacific market.

Balance Sheets | March 2025

- Cash and Cash Equivalents increased by TWD 1.2 bn compared to Year end of 2024, mainly due to cash inflows from operations and the increase in long-term borrowings.
- Equities decreased by TWD 2.9 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.

(TWD Thousand)	Mar. 31, 2025		Dec. 31, 2024		Mar. 31, 2024	
	Amount	%	Amount	%	Amount	%
Cash & Cash Equivalents	27,267,580	21%	26,055,287	21%	25,132,695	20%
Receivables	10,376,848	8%	10,262,364	8%	12,344,188	10%
Inventories	14,747,603	12%	13,482,866	11%	11,671,382	9%
Total Assets	128,085,112	100%	124,310,117	100%	126,467,406	100%
Payables	10,392,048	8%	10,184,817	8%	8,963,333	7%
Short term Borrowings	1,237,636	1%	1,137,121	1%	1,202,704	1%
Long term Borrowings	11,842,969	9%	10,794,576	9%	4,241,417	3%
Corporate Bond Payables	0	0%	0	0%	5,000,000	4%
Total Liabilities	49,340,179	39%	42,637,064	34%	45,672,684	36%
Equities	78,744,933	61%	81,673,053	66%	80,794,722	64%
Key Indices						
AR Turnover (times)	5.18		4.97		4.60	
Inventory Turnover (times)	2.76		3.09		3.29	
Current Ratio	1.81		2.01		1.99	
Quick Ratio	1.18		1.33		1.40	
Net Debt to Equity	-18.02%		-17.29%		-18.18%	

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