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2025 4th Quarter Earnings Conference

March 12th, 2026

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.

1. 2025 Q4 Financial Results
2. 2025 Q4 Operating Performance
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Financial Highlights 4Q25



	4Q 2025	3Q 2025	QoQ	4Q 2024	YoY
Net Sales (NT\$ Million)	15,335	14,538	5.5%	13,522	13.4%
Gross Margin	23.3%	24.4%	-1.1%	25.3%	-2.0%
Operating Margin	6.5%	11.2%	-4.7%	10.0%	-3.5%
EPS (NT\$)	0.44	0.75	-41.3%	0.56	-21.4%

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- 4Q25 net sales increased by 13.4% YoY, primarily due to higher engineering revenue from the “Intelligence Energy” segment.
- The gross margin was down 2.0 pts YoY and 1.1 pts QoQ, mainly due to the higher revenue contribution from the “Intelligence Energy” segment and the optimization of the home appliance product mix.
- The operating margin was down 3.5 pts YoY and 4.7 pts QoQ, mainly due to a decline in gross margin, alongside increased personnel expenditures for business expansion, a one-time expense for treasury stock transferred to employees, and higher R&D expenditures.
- EPS was NT\$0.44, down NT\$0.12 YoY and NT\$0.31 QoQ, mainly due to lower operating profit.

Financial Highlights 2025

	2025	2024	YoY
Net Sales (NT\$ Million)	59,094	55,235	7.0%
Gross Margin	23.8%	25.6%	-1.8%
Operating Margin	8.9%	11.3%	-2.4%
EPS (NT\$)	2.42	2.73	-11.4%

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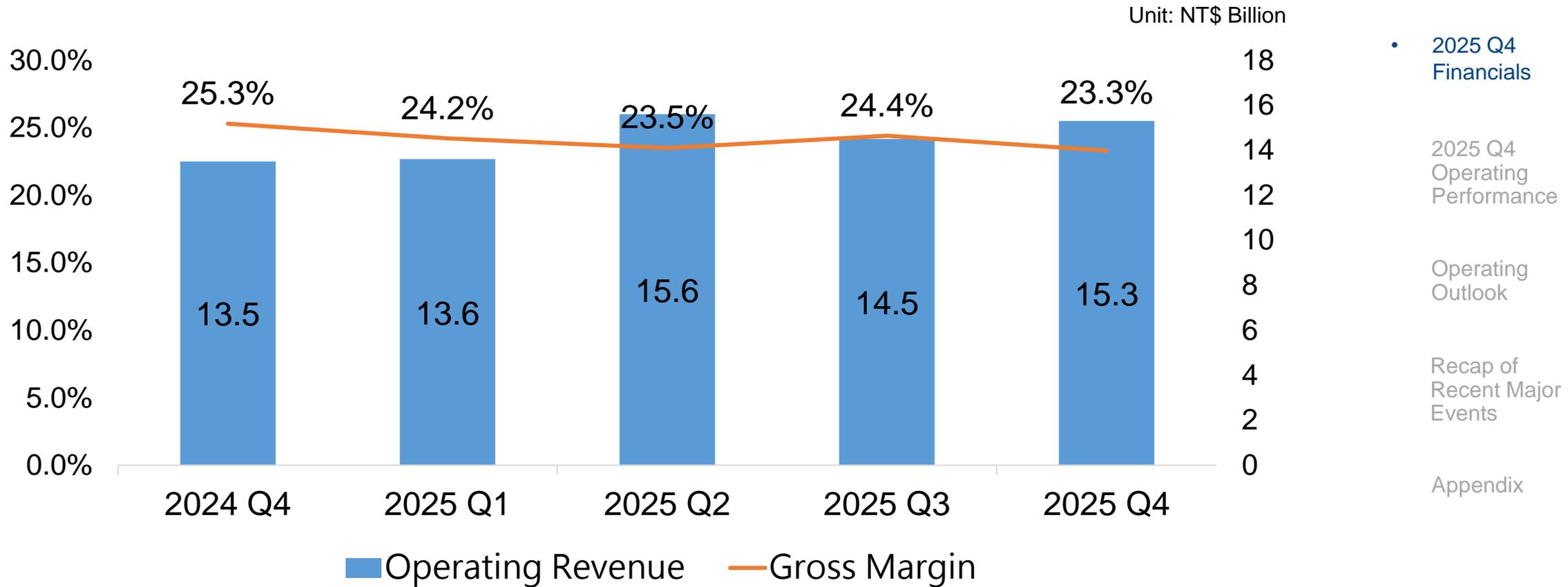
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- 2025 net sales increased by 7.0% YoY, mainly due to higher engineering revenue from the “Intelligence Energy” segment.
- The gross margin was down 1.8 pts YoY, primarily attributable to the higher revenue contribution of the “Intelligence Energy” segment and the optimization of the home appliance product mix.
- Operating margin was down 2.4 pts YoY, primarily due to a decline in gross margin, alongside increased personnel expenditures for business expansion, a one-time expense for treasury stock transferred to employees, and higher R&D expenditures.
- EPS was NT\$2.42, down NT\$0.31 YoY, primarily due to lower operating profit.

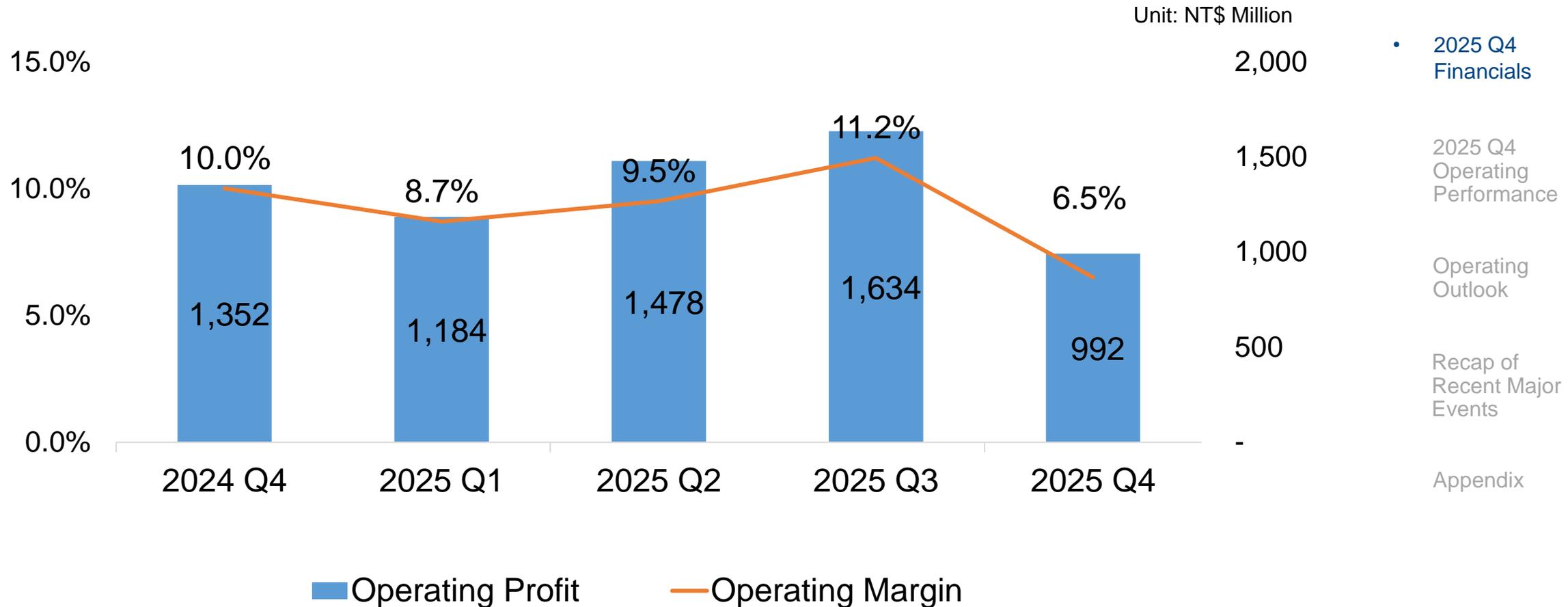
Operating Revenue vs. Gross Margin



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- The gross margin was down 2.0 ppts YoY and 1.1 ppts QoQ, mainly due to the higher revenue contribution from the “Intelligence Energy” segment and the optimization of the home appliance product mix.

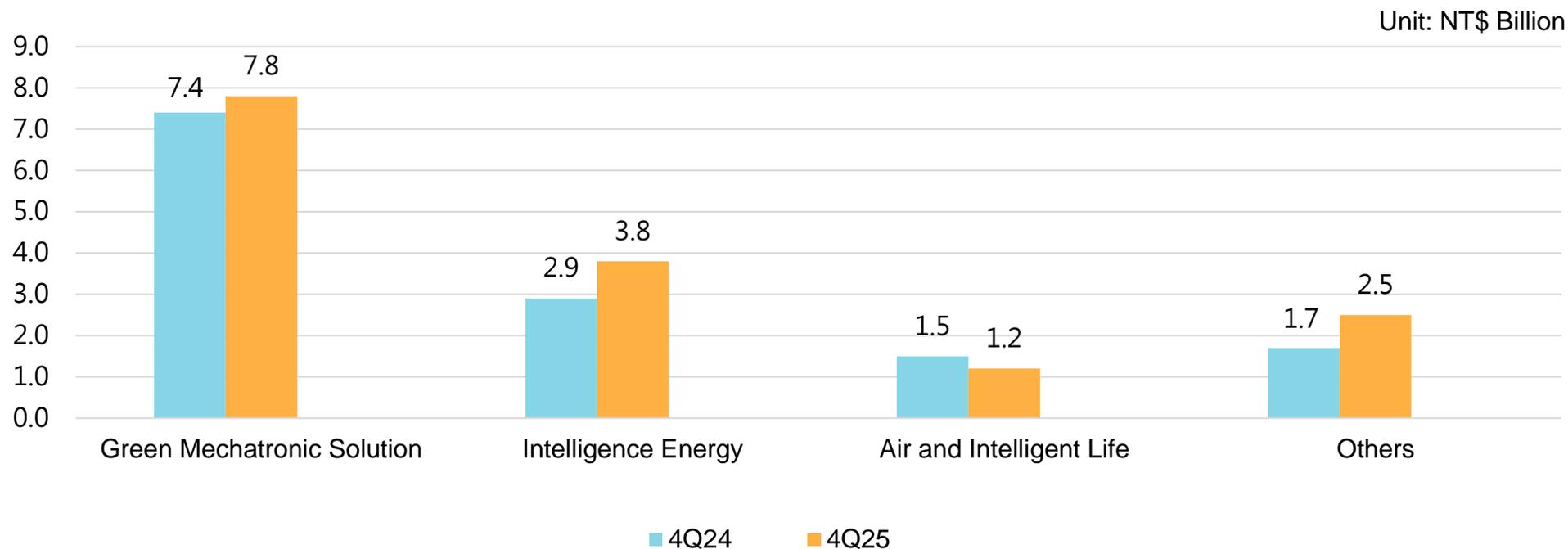
Operating Profit vs. Operating Margin



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- The operating margin was down 3.5 pts YoY and 4.7 pts QoQ, mainly due to a decline in gross margin, alongside increased personnel expenditures for business expansion, a one-time expense for treasury stock transferred to employees, and higher R&D expenditures.

4Q25 Performance of Business Groups



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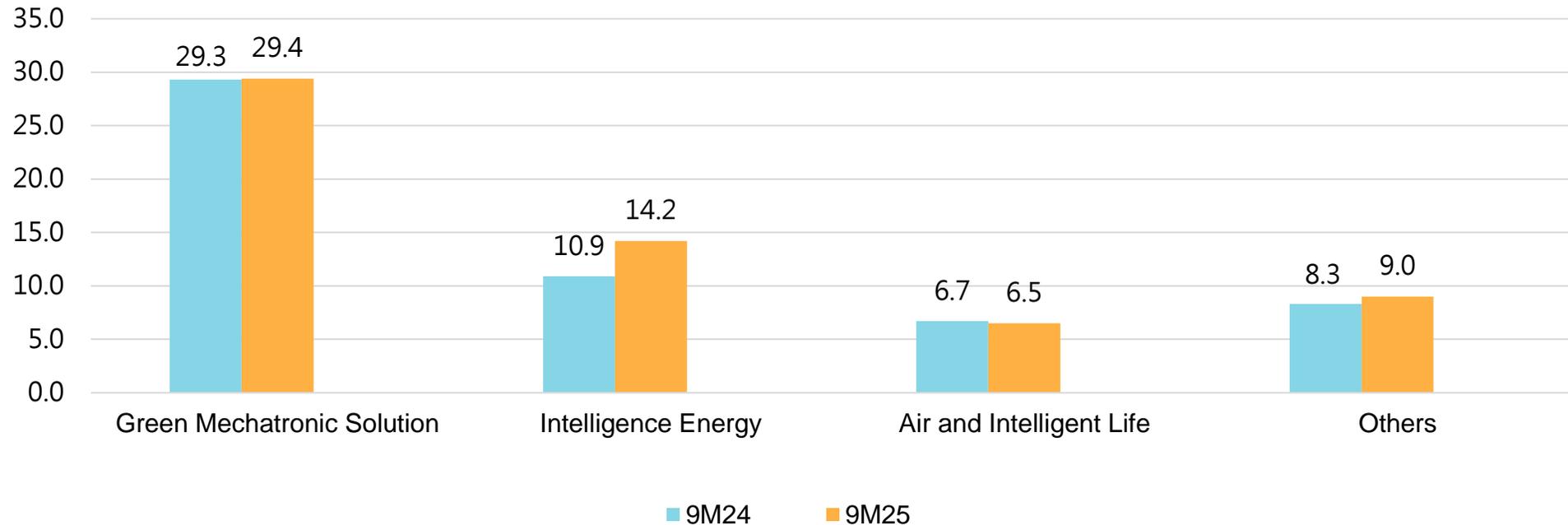
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- ✓ Revenue from “Green Mechatronic Solution” increased by 6.3% YoY, primarily due to demand growth in the North America and Chinese markets.
- ✓ Revenue from “Intelligence Energy” increased by 41.8% YoY, primarily driven by higher engineering revenue from Taipower’s Resilient Grid Project and offshore wind power projects.
- ✓ Revenue from “Air and Intelligent Life” decreased by 23.1% YoY, mainly due the optimization of the product mix .

2025 Performance of Business Groups

Unit: NT\$ Billion



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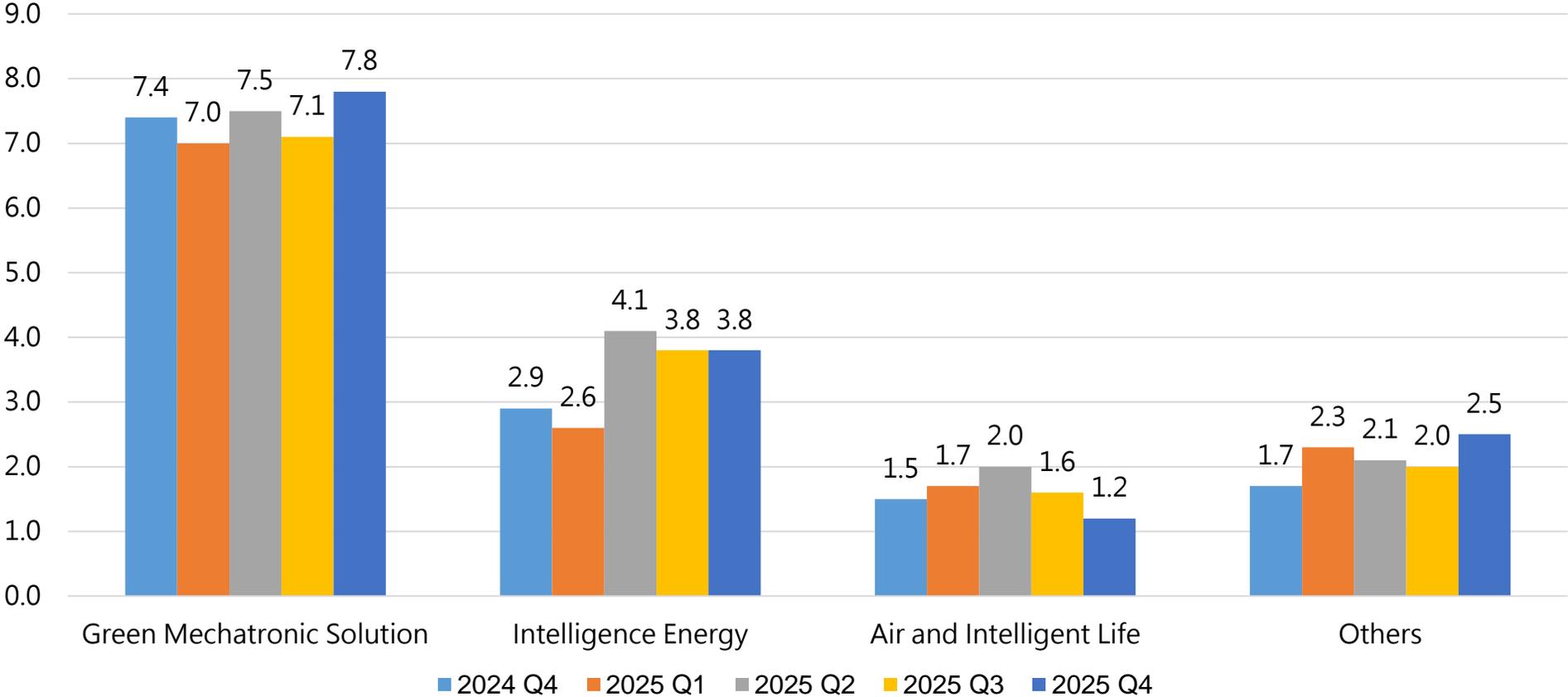
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- ✓ Revenue from “Green Mechatronic Solution” increased slightly, primarily due to a recovery in motor demand in the second half of the year.
- ✓ Revenue from “Intelligence Energy” increased by 30.9% YoY, primarily driven by higher engineering revenue from Taipower’s Resilient Grid Project, offshore wind power projects as well as increased busway shipments from TECOBAR.
- ✓ Revenue from “Air and Intelligent Life” decreased by 2.9% YoY, mainly due to the optimization of the product mix.

Sales Trend of Business Groups



Unit: NT\$ Billion



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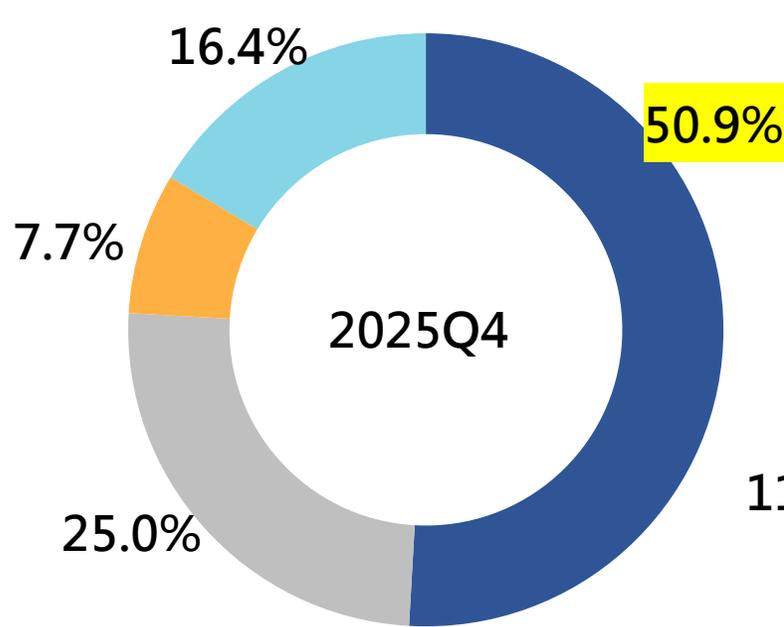
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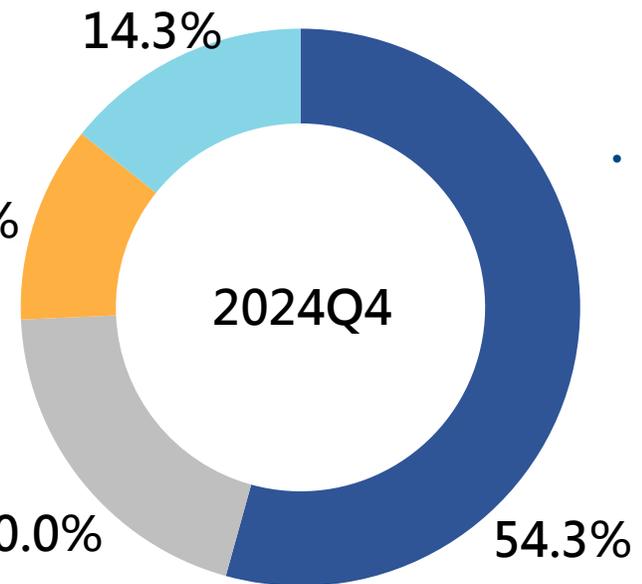
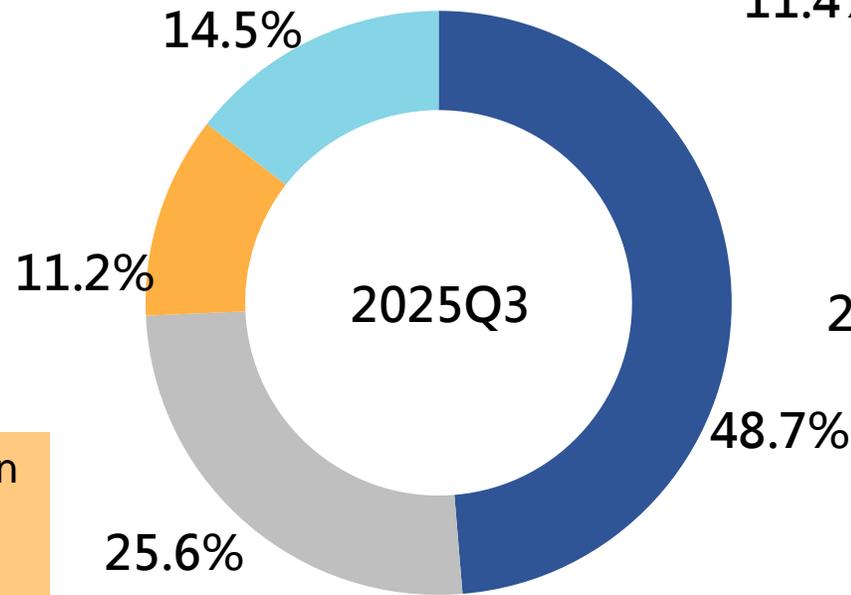
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4Q25 Revenue Breakdown by Business Group



An increased revenue contribution from the 'Green Mechatronic Solution' segment compared to 3Q25

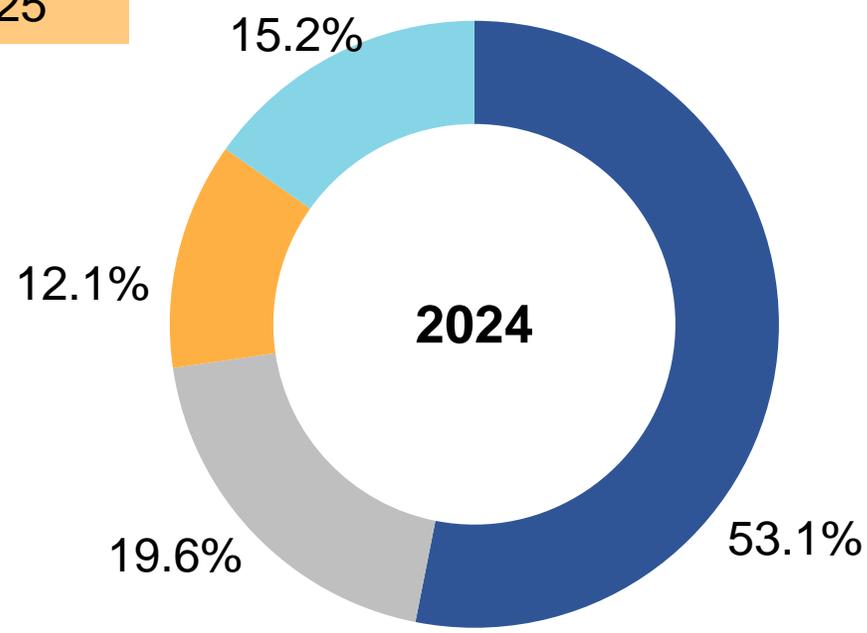
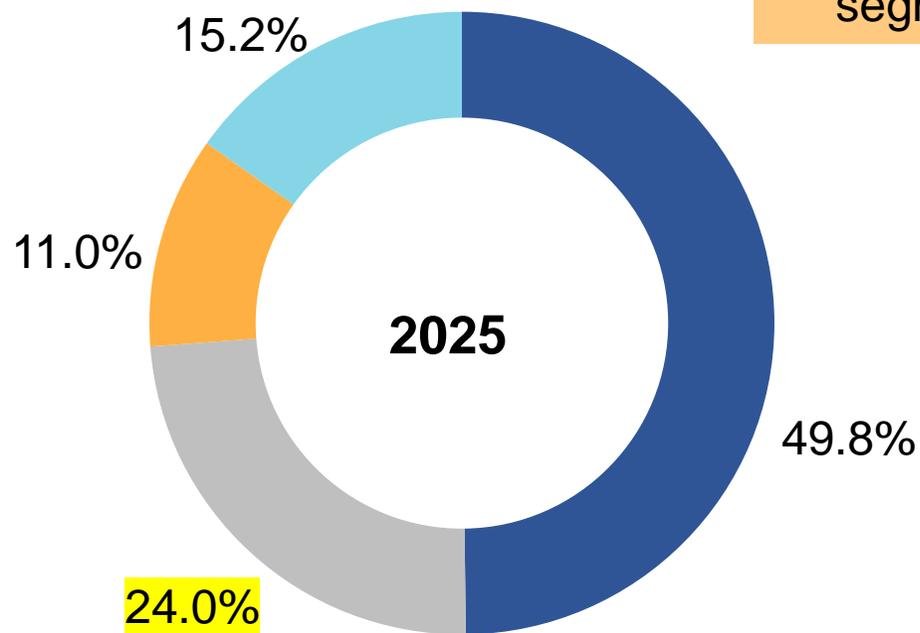


■ Green Mechatronic Solution ■ Intelligence Energy
 ■ Air and Intelligent Life ■ Others

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2025 Revenue Breakdown by Business Group

An increased revenue contribution from the 'Intelligence Energy' segment in 2025



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

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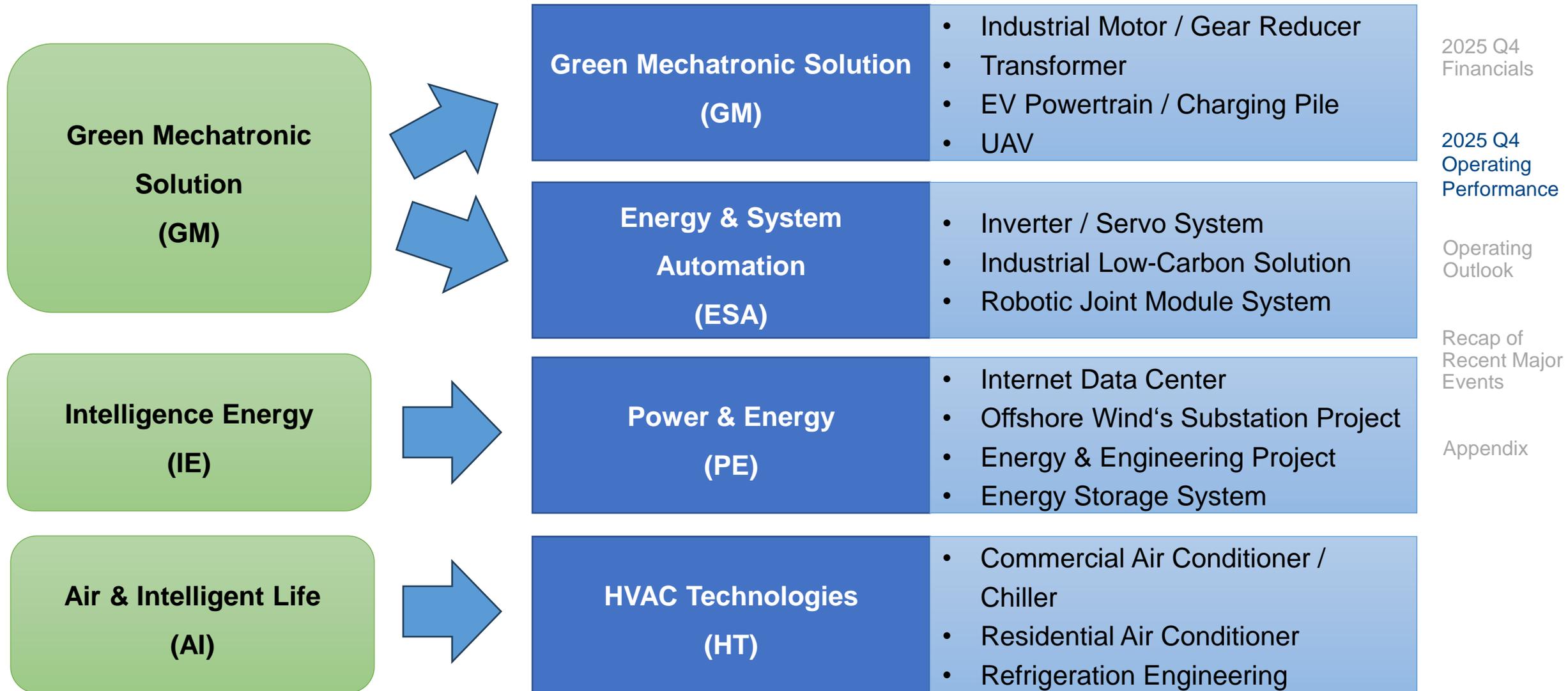
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Strategic Restructuring



Overview of the Major Markets

US

- **AI Infrastructure:** Projected to exceed \$700B in 2026 capex, driving massive power demand.

Electrification multiple growth

- **Energy & Mining:** Projected near double-digit YoY growth for shale oil and mining sectors in 2026.

Industrial Motor +20% YoY

SEA

- **Investment Climate:** Maintained political stability and favorable policies, accelerating foreign direct investment (FDI) inflows.
- **AIDC Momentum:** Sustained robust demand with high double-digit growth projected for AIDC-related sectors.

AIDC multiple growth

CN

- **Policy Support:** Accelerated green and digital transformation for industrial clients.
- **Motor Standards:** Targeted 50%+ IE4+ adoption rate by 2030, fueling high-efficiency motor demand.
- **System Efficiency:** Aimed for a 3–5% improvement in motor system performance versus 2025.

ESCO multiple growth

High-efficiency Motor +30% YoY

TW

- **Carbon Pricing:** Initiated formal carbon fee collection in May 2026, prompting major emitters to submit voluntary emission reduction plans.

ESCO +70% YoY

High-efficiency Motor +50% YoY

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4 Major Strategic Development Focuses

Green Energy

- Taiwan Grid Resilience: Secured projects for offshore wind farm substations, Taipower STATCOM, hydrogen refueling stations
- Overseas Expansion: Expanded energy storage presence in Australia and Malaysia
- PCS Localization: Established localized PCS production lines
- Busway Operations: Commenced automated operations in Malaysia for surging data center demand

Energy & Carbon Efficiency

- Promoted energy-saving retrofits targeting hospitals, malls, and commercial buildings.
- Focused on Central Air Conditioning (CAC) by enhancing chiller solutions and strengthening corporate relations.
- Developed AI-driven EMS for energy efficiency and predictive maintenance
- Targeted energy-saving retrofit opportunities across Hon Hai's global manufacturing facilities

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Electrification

Transformers

- Completed Planning for oil-immersed and cast resin (dry-type) transformer lines
- Targeted high-growth applications in power capacity expansion, energy-saving retrofits, and data centers
- Prioritized North America and Southeast Asia

UAVs / Drones

- Developed heavy-lift powertrains for agricultural and logistics applications
- Established UAV production lines in Taiwan
- Leveraged XPONENTIAL (U.S. drone expo) to penetrate North American markets

Key Regions

Southeast Asia:

- Secured NT\$2.5 Billion in contracts across Malaysia and Thailand.
- Established a specialized team to integrate R&D and sales for data center growth

Middle East:

- Launched TECO UAE to strengthen the Middle East footprint
- Expanded partnerships with Oil & Gas majors, including Aramco and Qatar Energy

- ✓ **Accelerated expansion for AIDC-related business**
AIDC-related revenue is projected to grow exponentially in 2026, with its contribution to the Power & Energy Business Group rising from high-single digits in 2025 to over 30%.
- ✓ **Shifted rapidly toward higher AIDC product sales**
AIDC product sales as a percentage of related revenue are expected to increase significantly, rising from high-single digits in 2025 to approximately 30% in 2026.
- ✓ **Raised 2026 Busway revenue by over 50%, driven by AIDC**

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Estimated Revenue

Green Mechatronic Solution

YoY ↑ QoQ ↓

Power & Energy

YoY ↑ QoQ ↓

HVAC Technologies

YoY ↓ QoQ ↑

Energy & System Automation

YoY ↑ QoQ ↑

Company-Wide Gross Margin

YoY ↓ QoQ ↑

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Participated in 2025 Net-Zero Taiwan Expo



2025.10.29

TECO showcased its theme “Low-Carbon Sustainable Energy Service” emphasizing its commitment to transform from an equipment manufacturer into an integrated energy service provider, and Unveiled the latest ESCO energy services and total solutions, enabling enterprises to achieve both energy savings and operational resilience.

Partnered with Tzu Chi Hospitals to Accelerate Healthcare



2025.12.04

TECO and the Buddhist Tzu Chi Medical Foundation have signed an MOU to initiate a large-scale, deep energy-saving partnership. By leveraging its integrated energy services, TECO will assist the Tzu Chi healthcare system in accelerating its mission to achieve a “dual reduction in electricity consumption and carbon emissions.”

Received the “ESCO Outstanding Enterprise Award”



2025.12.18

TECO has been honored with the "ESCO Outstanding Performance Award," receiving high acclaim across multiple dimensions. TECO's professional expertise in deep energy saving, system integration, and project execution highlights the critical role of Energy Service Companies (ESCO) in industrial energy transformation.

TECO Makes Its Debut at Hon Hai Tech Day Showcasing Modular Data Centers, E- Axles for EV Powertrain, and Supporting the “TEEMA Science Park” Initiative



TECO made its debut at Hon Hai Tech Day this year, showcasing its highly anticipated Modular Data Center (MDC) solution alongside its latest EV powertrain products, such as the Central E-Axle and the third-generation hairpin oil-cooled motor. In alignment with the 'TEEMA Science Park' international expansion initiative, TECO presented smart, energy-efficient factory solutions designed to assist Taiwanese enterprises in establishing sustainable production bases worldwide.

TECO is aligned with Hon Hai in the spirit of innovation and green transformation. Through this year's Hon Hai Tech Day, TECO highlighted its technical milestones in electrification, intelligence, and green energy. TECO will continue deepening its strategic alliance with Hon Hai to advance innovative and sustainable smart solutions.

Robot Joint Motor Module

TECO's Bionic Robot Joint Motor Module (M1-140) Wins Taiwan Excellence Gold Award



TECO has been honored with the Taiwan Excellence Gold Award for its “Smart Integration - Bionic Robot Joint Motor Module (M1-140).” TECO was also recognized for six other innovative technologies and products spanning electric mobility, industrial drive control, high-efficiency motors, and intelligent HVAC solutions.

These achievements once again reinforce TECO’s vision of “becoming the key driver in realizing global electrification, intelligence, and green energy.”



TECO Makes Debut on "2025 Best Taiwan Global Brands," Recognized for Brand Transformation



TECO has made its debut on the "2025 Best Taiwan Global Brands" list, securing the 25th position with a brand value of US\$69.9 million, and has successfully evolved from an equipment manufacturer into a premier provider of integrated energy services and solutions. Effective in 2026, TECO implemented a major organizational restructuring to accelerate the growth of its core businesses. The three original business groups—Green Mechatronic Solution, Power & Energy, and HVAC Technologies—have been realigned to sharpen their strategic focus, alongside the establishment of the new 'Energy & System Automation Business Group' dedicated entirely to ESCO energy-saving services. These four business groups will leverage diverse, high-efficiency solutions in electrification, intelligence, and green energy to meet market demands, create shared value, and advance toward a sustainable future.

Q&A

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Statements of Comprehensive Income

4Q25



(NT\$ Million)	4Q25	3Q25	QoQ	4Q24	YoY
Operating Revenue	15,335	14,538	5.48%	13,522	13.41%
Net Gross Profit *	3,573	3,553	0.56%	3,422	4.41%
Operating Profit	992	1,634	-39.29%	1,352	-26.65%
Non operating Income	375	533	-29.73%	276	35.53%
Income Before Tax	1,367	2,166	-36.91%	1,629	-16.10%
Income Tax	-216	-475	-54.55%	-329	-34.42%
Net Income**	1,151	1,691	-31.95%	1,300	-11.46%
EPS (NT\$)	0.44	0.75	-41.33%	0.56	-21.43%

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* Including unrealized/realized benefits of affiliated companies

** Excluding non controlling interest

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- 4Q25 revenue increased by 13.41% YoY, primarily due to higher engineering revenue from the “Intelligence Energy” segment.
- 4Q25 operating profit decreased by 26.65% YoY, mainly due to a decline in gross margin, alongside increased personnel expenditures for business expansion, a one-time expense for treasury stock transferred to employees, and higher R&D expenditures.

Statements of Comprehensive Income | 2025



- 2025 revenue increased by 6.99% YoY, mainly due to higher engineering revenue from the “Intelligence Energy” segment.
- 2025 gross profit decreased by 0.42% YoY, mainly due to the higher revenue contribution from the “Intelligence Energy” segment and the optimization of the home appliance product mix.
- 2025 operating profit decreased by 15.15% YoY, mainly due to a decline in gross margin, alongside increased personnel expenditures for business expansion, a one-time expense for treasury stock transferred to employees, and higher R&D expenditures.
- 2025 the non-operating income decreased by 2.33% YoY, mainly due to a decline in interest income.

(NT\$ Million)	2025	2024	YoY
Operating Revenue	59,094	55,235	6.99%
Net Gross Profit*	14,080	14,140	-0.42%
Operating Profit	5,288	6,232	-15.15%
Non operating Income	1,805	1,848	-2.33%
Income Before Tax	7,093	8,080	-12.22%
Income Tax	-1,468	-1,829	-19.74%
Net Income**	5,625	6,251	-10.02%
EPS (NT\$)	2.42	2.73	-11.36%

* Including unrealized/realized benefits of affiliated companies

** Excluding non controlling interest

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Balance Sheets | December 2025

- Cash and cash equivalents increased by NT\$169 million compared to year-end 2024, mainly due to an increase in new borrowings during the period.
- Equities increased by NT\$16.60 billion compared to year-end 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)	Dec. 31, 2025		Sep. 30, 2025		Dec. 31, 2024	
	Amount	%	Amount	%	Amount	%
Cash & Cash Equivalents	26,224,399	18%	24,694,955	17%	26,055,287	21%
Receivables	11,749,245	8%	11,130,642	8%	10,262,364	8%
Inventories	13,649,482	9%	13,809,027	10%	13,482,866	11%
Total Assets	144,575,878	100%	141,127,274	100%	124,433,435	100%
Payables	10,408,571	7%	9,419,418	7%	10,184,817	8%
Short Term Borrowings	2,960,800	2%	4,875,545	3%	1,137,121	1%
Short Term Notes & Bills	5,997,595	4%	0	0%	0	0%
Long Term Borrowings	7,550,321	5%	5,785,045	4%	10,794,576	9%
Total Liabilities	46,212,245	32%	47,023,274	33%	42,665,631	34%
Equities	98,363,633	68%	94,104,000	67%	81,767,804	66%
Key Indices						
AR Turnover (times)	5.27		5.35		4.97	
Inventory Turnover (times)	3.11		3.05		3.09	
Current Ratio	2.02		1.80		2.01	
Quick Ratio	1.33		1.15		1.33	
Net Debt to Equity	-9.88%		-14.91%		-17.29%	

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