



2026 1st Quarter Earnings Conference

May 14th, 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. 2026 Q1 Financial Results
2. 2026 Q1 Operating Performance
3. Operating Outlook
4. Recap of Recent Major Events

1Q26 Financial Highlights

	1Q 2026	4Q 2025	QoQ	1Q 2025	YoY
Net Sales (NT\$ Million)	14,235	15,335	-7.17%	13,617	4.54%
Gross Margin	23.5%	23.3%	0.2%	24.2%	-0.7%
Operating Margin	8.3%	6.5%	1.8%	8.7%	-0.4%
EPS (NT\$)	0.51	0.44	15.91%	0.54	-5.56%

• 2026 Q1 Financials

2026 Q1 Operating Performance

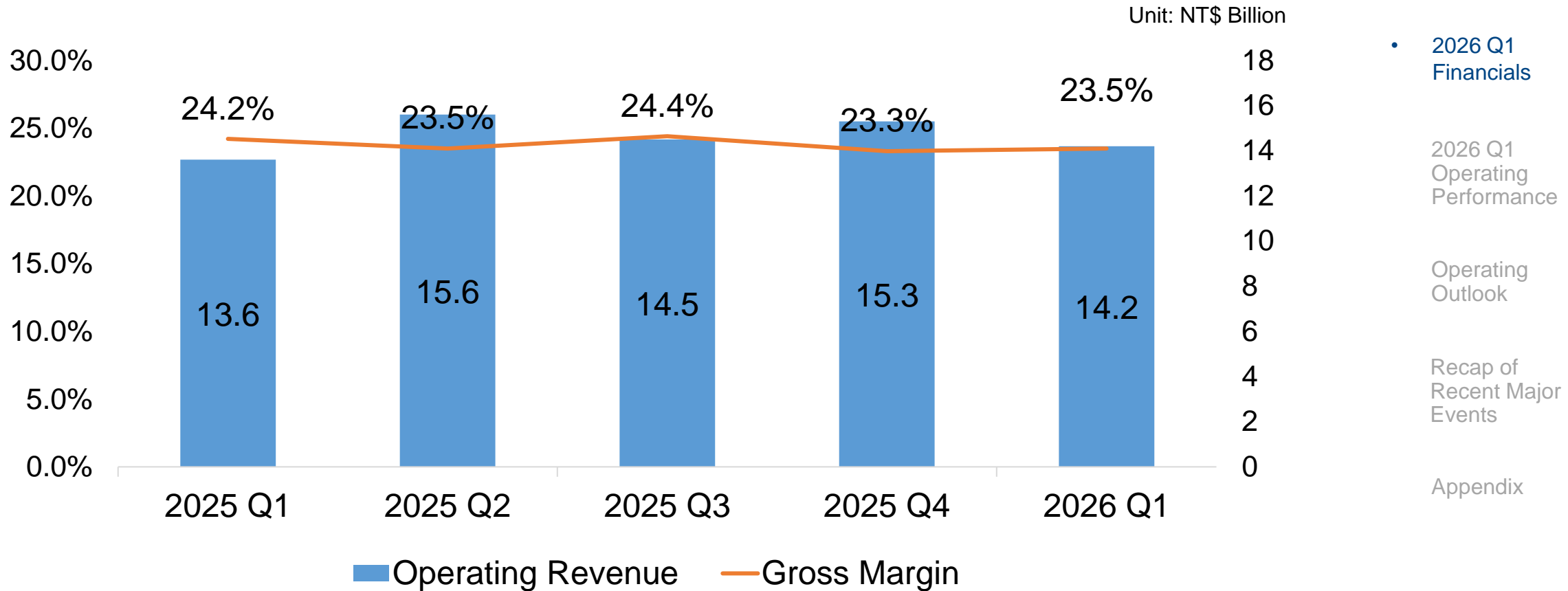
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- 1Q26 revenue decreased 7.17% QoQ, primarily due to fewer working days and shipment delays in the “Green Mechatronic Solution” segment resulting from the U.S.-Iran conflict. On a YoY basis, revenue grew 4.54%, driven by increased engineering revenue from the “Power & Energy” segment.
- Gross margin was up 0.2 pts QoQ, remaining relatively flat; however, it decreased 0.7 pts YoY, primarily due to a higher revenue mix from the "Power & Energy" segment.
- Operating margin was up 1.8 pts QoQ, primarily driven by disciplined expense management and a favorable base effect, as the previous quarter included a one-time expense for treasury stock transferred to employees. On a YoY basis, however, the margin was down 0.4 pts, mainly reflecting the lower gross margin.
- EPS was NT\$0.51, up NT\$0.07 QoQ, driven by the growth in operating profit; however, it was down NT\$0.03 YoY.

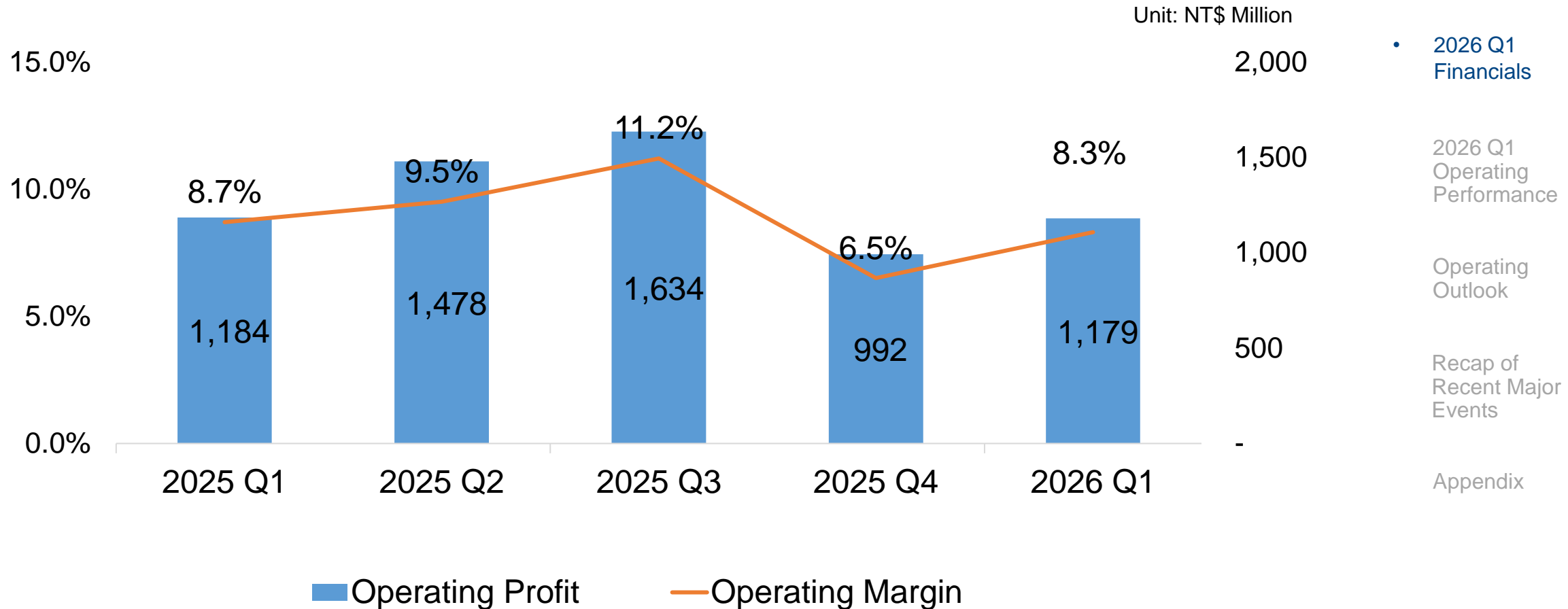
Operating Revenue vs. Gross Margin



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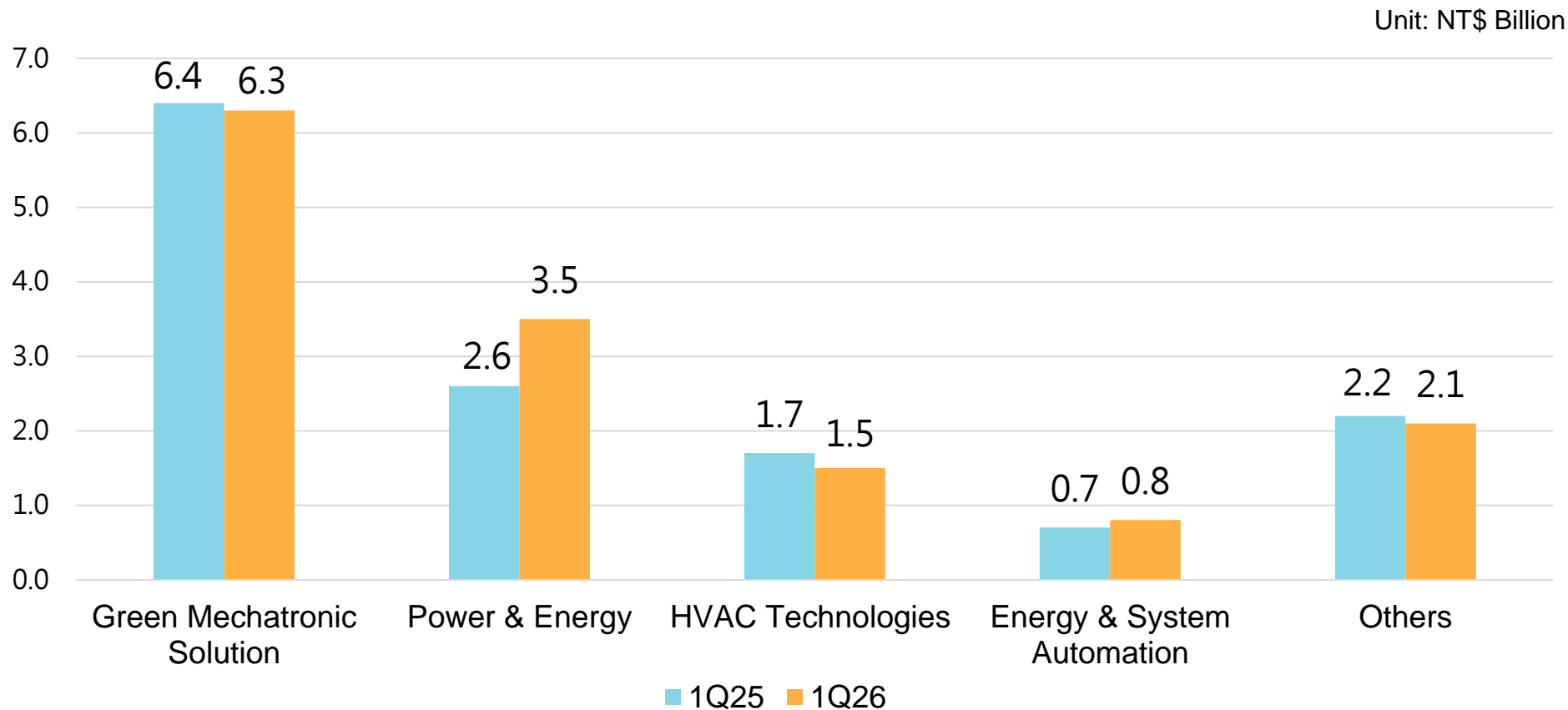
Operating Profit vs. Operating Margin



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1Q26 Performance of Business Groups



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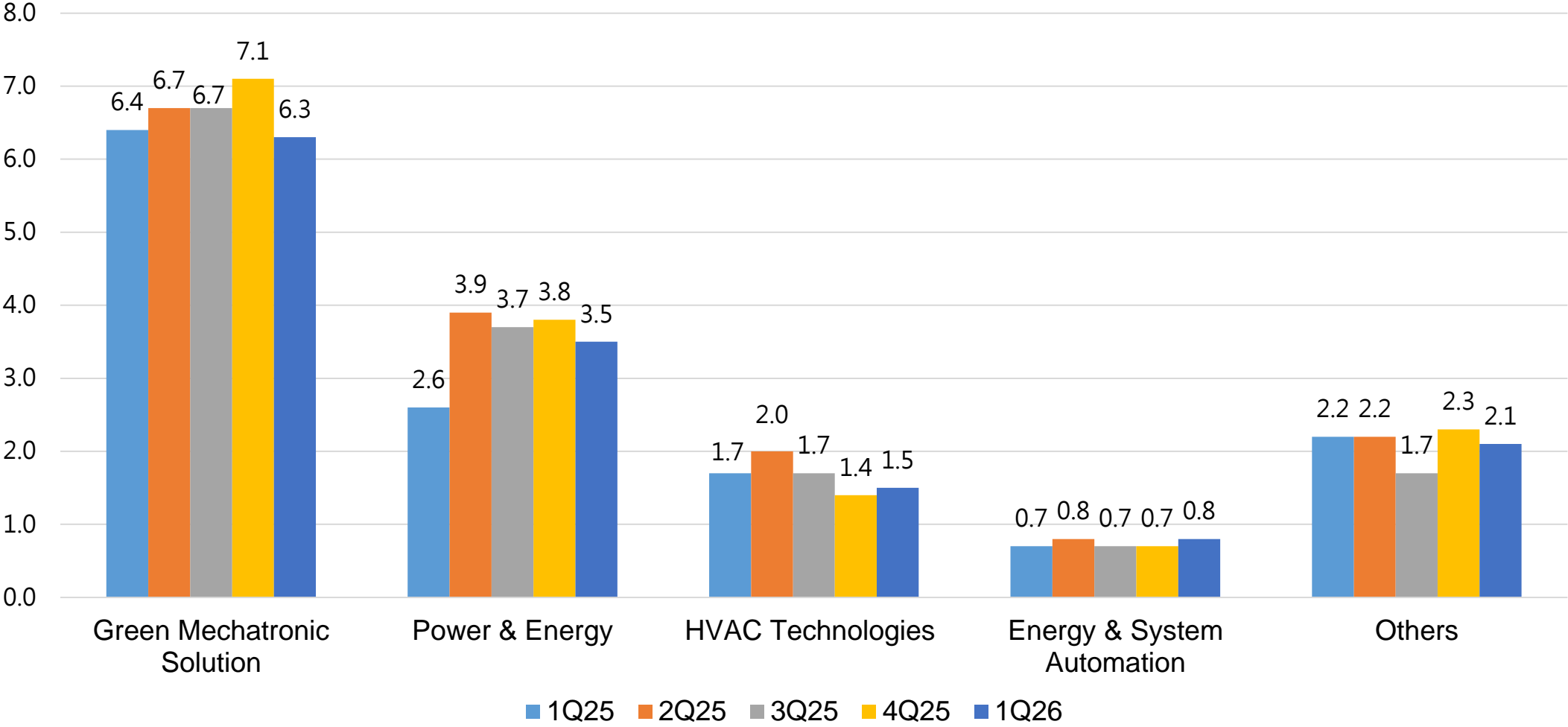
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- ✓ Revenue from “Green Mechatronic Solution” decreased 1.44% YoY, primarily due to shipment delays resulting from the impact of the U.S.-Iran conflict.
- ✓ Revenue from “Power & Energy” increased 32.85% YoY, mainly driven by revenue contributions from data centers, offshore wind power projects, and Taipower’s Grid Resilience Development Plan.
- ✓ Revenue from “HVAC Technologies” decreased 13.09% YoY, mainly due to the optimization of the product mix.
- ✓ Revenue from “Energy & System Automation” increased 8.40% YoY, mainly due to the increased revenue contribution from automation products.

Sales Trend of Business Groups



Unit: NT\$ Billion



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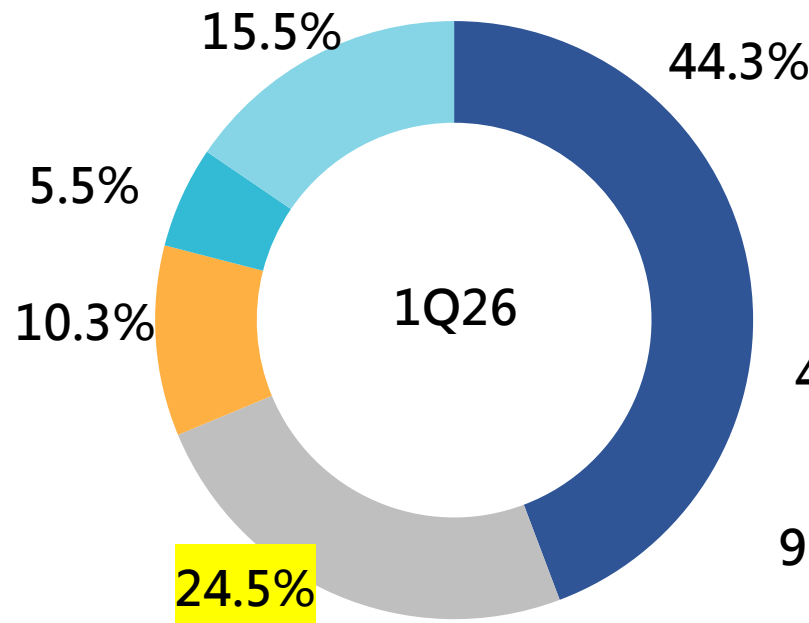
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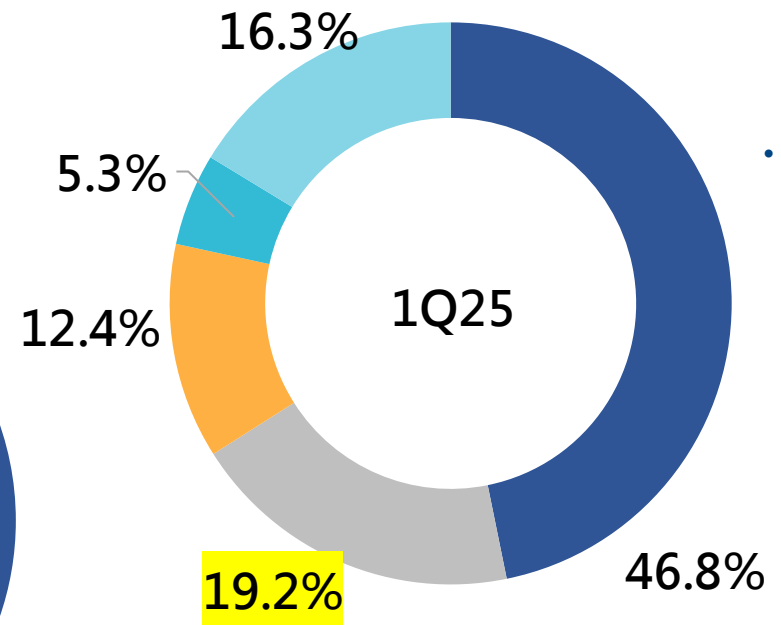
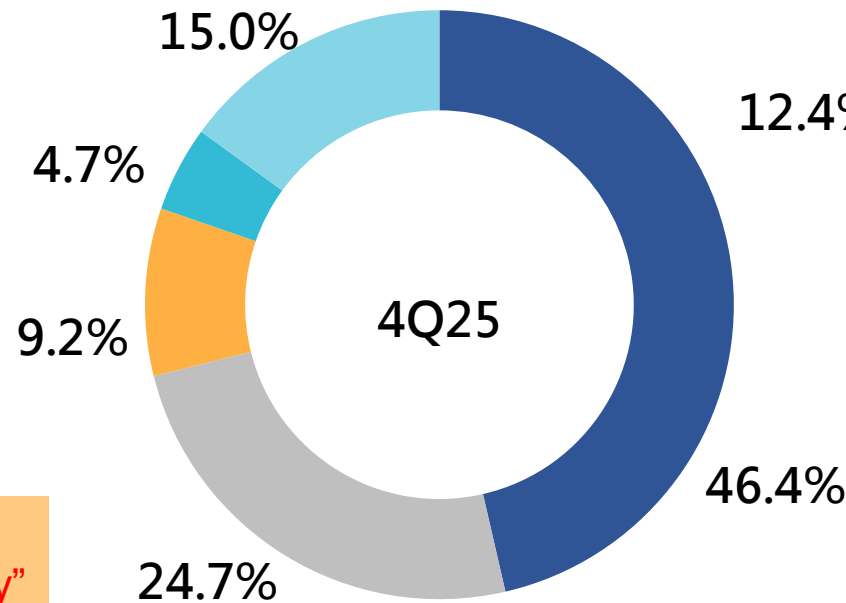
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1Q26 Revenue Breakdown by Business Group



Significantly higher revenue contribution from "Power & Energy" YoY in 1Q26



- Green Mechatronic Solution
- Power & Energy
- HVAC Technologies
- Energy & System Automation
- Others

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Overview of the Three Major Markets

	Recent Economic Situation	Impact on TECO	
US	<ul style="list-style-type: none"> Nearly 50% of U.S. data center projects originally scheduled for 2026 completion face delays or cancellations. This is primarily due to extended lead times for critical equipment (e.g., transformers, switchgears) as well as energy supply and grid bottlenecks. Impacted by conflicts in the Middle East, industries such as oil and gas are expected to maintain or even increase high CAPEX budgets in Q2 	<ul style="list-style-type: none"> TECO continues to expand capacity by building new transformer plants in Zhongli, Guanyin, and overseas. We are aggressively securing orders; cumulative transformer order intake in the U.S. market from January to April increased multi-fold year-on-year. High CAPEX from petrochemical players will be the primary growth driver for new large motor orders. Cumulative U.S. large motor order intake from January to April achieved double-digit growth compared to the same period last year. 	<p>2026 Q1 Financials</p> <p>2026 Q1 Operating Performance</p>
Taiwan	<ul style="list-style-type: none"> Taiwan's 1Q26 GDP growth reached 13.69%, a 39-year quarterly high. This was driven by the AI boom, which propelled exports of semiconductors, servers, and ICT industries to record levels. Starting in May, carbon fees will be officially levied on facilities with annual emissions exceeding 25,000 tons. Meanwhile, the Ministry of Environment has expanded carbon footprint verification requirements to facilities emitting over 10,000 tons annually; these entities must complete their 2025 emission registration by April 30. 	<ul style="list-style-type: none"> The wave of factory construction and grid resilience initiatives sparked by the AI boom will continue to amplify demand for electrical equipment and motor automation solutions. Enterprises with annual carbon emissions of 10,000 tons will drive demand for EMS (Energy Management Systems) due to carbon inventory requirements; TECO's energy-saving solutions, high-efficiency motors, and energy storage systems will directly benefit. 	<p>Operating Outlook</p> <p>Recap of Recent Major Events</p>
SEA	<ul style="list-style-type: none"> The ASEAN Manufacturing PMI was 51.8 in March (vs. 53.8 previously), marking the 9th consecutive month above the expansion threshold. Thailand outperformed its peers due to government subsidies for energy and electricity costs. The Southeast Asian data center market is projected to grow by 14% in 2026. 	<ul style="list-style-type: none"> Strong demand for data centers in Southeast Asia, particularly in Malaysia and Thailand, presents significant opportunities for MEP (Mechanical, Electrical, and Plumbing) engineering. Continuing demand from Taiwanese manufacturers for new plants in Southeast Asia provides a strategic entry point for TECO's electrification solutions. 	<p>Appendix</p>

4 Major Strategic Development Focuses

Green Energy

- Continued to secure orders for offshore wind onshore substations, Taipower's Grid Resilience Development Plan, and energy storage systems.
- Commenced construction for the Solar + Storage project in Australia.
- Launched mass production at the Hukou PCS plant, accelerating expansion into domestic and overseas energy storage markets.
- Targeted the signing of 10MW+ renewable energy sales agreements.

Energy & Carbon Efficiency

- Integrated hardware and software to drive business opportunities for the "AI Smart Energy Management Platform" in new factory constructions and electromechanical industrial parks globally.
- Established large-scale chiller design and manufacturing capabilities and initiated the Wuxi plant construction project to address facility and industrial energy-saving retrofit requirements.

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together, we empower the Future

Electrification

- Inaugurated the Malaysia Busway plant to produce armored busways, addressing surging data center demand in Southeast Asia.
- Completed testing for EV hair-pin motors in overseas markets (India and Mexico) and secured the initial batch of orders.
- Finalized full-module testing and verification for heavy-load UAV powertrain systems; participated in the XPONENTIAL 2026 exhibition in the U.S.

Key Regions

Southeast Asia:

- Continued to secure data center orders in Malaysia and Thailand.
- Acquired Dynaciate Engineering to scale up data center operations
- Established a Thai subsidiary to capture data center opportunities and expand the motor and electrification equipment business.
- Targeted business opportunities from leading Taiwanese electronics manufacturers' new factory constructions in Southeast Asia.

Middle East:

- Targeting major pumping station projects for the new Red Sea oil pipeline infrastructure.

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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TECO Launches AI Smart Energy Management Platform, Integrating Hardware and Software to Accelerate Net-Zero Transition



At the 2026 Smart City Summit & Expo and Net-Zero City Expo, TECO showcased its latest AI-Powered Smart Energy Management Platform, marking a strategic shift from standalone hardware toward fully integrated, AI-driven solution. The platform features a modular design that pairs seamlessly with TECO's high-efficiency equipment. This synergy allows enterprises to integrate diverse energy data with intelligent dispatching, which not only boosts energy efficiency but also strengthens operational resilience and core competitiveness on the path to net-zero. Designed for versatility, the platform's applications span smart industrial parks, commercial offices, healthcare, and transportation, effectively unifying power, HVAC, building systems, and green energy into a single ecosystem.

Upgraded to MSCI ESG Rating "AAA"



2026.3.25

TECO's MSCI ESG rating has been upgraded from "AA" to the highest "AAA" level, placing the company among the top 20% of its global industry peers. By reaching the "Leader" status, TECO demonstrates excellence in sustainable governance and international competitiveness.

Awarded Highest "A" Score by CDP



2026.4.10

At the "2025 CDP Taiwan Results Launch" held in Taipei by the leading environmental rating organization CDP, TECO received the highest honor of an "A" score in the Climate Change category for the first time, ranking in the top 4% of companies evaluated worldwide.

Continued Success in S&P and Various ESG Ratings



2026.5.13

- S&P Global Sustainability Yearbook 2026: Included for the 6th consecutive year.
- Global Views Monthly ESG Awards: Won the "Model Award" (Traditional Industry category).
- Dow Jones Best-in-Class Indices (DJBICI): Successfully selected.

Expanding into Commercial and Agricultural UAV Markets Launching Next-Gen High-Power e-Bus Powertrains



With a focus on powertrain system solutions for electric vehicles, TECO participated in TAIPEI AMPA 2026. The company debuted the “T Power Pro 400kW Hairpin Oil-Cooled Direct Drive Motor” and showcased a high-payload commercial UAV powertrain system with a 150kg capacity. These moves signal TECO's active expansion into the e-bus and commercial/agricultural UAV markets.

Collaborating with TECO Westinghouse: Debut of UAV Powertrain Systems and Robotic Joint Modules



Partnering with TECO-Westinghouse, TECO participated in XPONENTIAL 2026 — the leading international exhibition for unmanned systems and autonomous technology. This event marked the first North American showcase of TECO's UAV powertrain systems and robotic joint modules.

New Busway Plant

Expanding SEA Power Market Presence: TECO BAR Penang Plant Commenced Operations



The TECO BAR plant in Penang covers 3.5 hectares with a total investment of approximately NT\$370 million. With a planned annual capacity of 400,000 meters of busway, it is set to become a vital production hub supporting the ASEAN and global markets. The facility focuses on the R&D and manufacturing of high-performance armored busway products, primarily designed for AI data centers and high-performance computing (HPC) environments, with all products certified by international standards such as IEC and UL.

Expanding SEA Data Center Business through Acquisition of Dynaciate Engineering



TECO has approved the acquisition of Malaysian engineering firm Dynaciate Engineering. The project involves a total investment of approximately MYR 200 million (approx. NT\$1.6 billion), with the transaction expected to close this August. TECO will hold a 78% stake in Dynaciate, with revenue and profit contributions anticipated to begin in the second half of this year. This acquisition will accelerate the Group's transformation into an "AI Data Center Solution Provider" and further expand its order-taking capacity for Modular Data Centers (MDC) and the scale of its data center operations in Southeast Asia. Dynaciate possesses large-scale manufacturing facilities and high-barrier expertise in piping prefabrication and steel structure prefabrication. These capabilities will facilitate TECO's push for MDC mass production, and expand its capacity to secure data center projects from Cloud Service Providers (CSPs).

Q&A

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(NT\$ Million)	1Q26	4Q25	QoQ	1Q25	YoY
Operating Revenue	14,235	15,335	-7.17%	13,617	4.54%
Net Gross Profit *	3,342	3,573	-6.45%	3,301	1.25%
Operating Profit	1,179	992	18.80%	1,184	-0.46%
Non operating Income	403	375	7.69%	459	-12.12%
Income Before Tax	1,582	1,367	15.75%	1,643	-3.72%
Income Tax	-343	-216	58.96%	(440)	-22.00%
Net Income**	1,239	1,151	7.65%	1,203	2.97%
EPS (NT\$)	0.51	0.44	15.91%	0.54	-5.56%

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* Including unrealized/realized benefits of affiliated companies

** Excluding non controlling interest

- 1Q26 revenue increased by 4.54% YoY, primarily due to higher engineering revenue from the “Power & Energy” segment.
- 1Q26 operating profit increased by 18.80% YoY, primarily driven by disciplined expense management and a favorable base effect, as the previous quarter included a one-time expense for treasury stock transferred to employees.

Balance Sheets | March 2026

- Cash and cash equivalents increased by NT\$1.4 billion compared to year-end 2025, primarily due to an increase in cash inflows from operating activities.
- Equities decreased by NT\$7.6 billion compared to year-end 2025, resulting from the declaration of cash dividends and unrealized losses on financial assets measured at fair value through other comprehensive income.

(NT\$ Thousand)	Mar. 31, 2026		Dec. 31, 2025		Mar. 31, 2025	
	Amount	%	Amount	%	Amount	%
Cash & Cash Equivalents	27,625,447	19%	26,224,399	18%	27,267,580	21%
Receivables	12,109,715	8%	11,749,245	8%	10,376,848	8%
Inventories	14,105,026	10%	13,649,482	9%	14,747,603	12%
Total Assets	143,191,254	100%	144,575,878	100%	128,085,112	100%
Payables	10,944,945	8%	10,408,571	7%	10,392,048	8%
Short Term Borrowings & Notes	3,014,665	2%	8,958,395	6%	1,237,636	1%
Long Term Borrowings	7,898,853	6%	7,550,321	5%	11,842,969	9%
Bonds Payable	6,000,000	4%	-	0%	-	0%
Total Liabilities	52,445,953	37%	46,212,245	32%	49,340,179	39%
Equities	90,745,301	63%	98,363,633	68%	78,744,933	61%
Key Indices						
AR Turnover (times)	4.73		5.27		5.18	
Inventory Turnover (times)	3.04		3.11		2.76	
Current Ratio	2.11		2.02		1.81	
Quick Ratio	1.41		1.33		1.18	
Net Debt to Equity	-11.80%		-9.88%		-18.02%	

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