TECO

Move to Lead 開創新局

2026 2nd Quarter Earnings Conference

August 13th, 2026

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. 2026 Q2 Financial Results
2. 2026 Q2 Operating Performance
3. Operating Outlook
4. Recap of Recent Major Events

2Q26 Financial Highlights

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	2Q 2026	1Q 2026	QoQ	2Q 2025	YoY
Net Sales (NT$ million)	16,600	14,235	16.6%	15,604	6.4%
Gross Margin	25.1%	23.5%	1.6%	23.5%	1.6%
Operating Margin	10.5%	8.3%	2.2%	9.5%	1.0%
EPS (NT$)	1.12	0.51	119.6%	0.69	62.3%

- Q226 revenue increased 6.4% YoY and 16.6% QoQ, primarily driven by growth in the “Green Mechatronic Solution” segment across Asian and North American markets, alongside higher contributions from data center and offshore wind engineering projects within the "Power & Energy" segment.
- Gross margin was up 1.6 ppts YoY and 1.6 ppts QoQ, primarily due to the improved margin in the "Power & Energy" segment.
- Operating margin was up 1.0 ppt YoY, primarily due to the improved gross margin, and up 2.2 ppts QoQ, primarily due to the improved gross margin and the lower OPEX ratio.
- EPS was NT$1.12, up NT$0.43 YoY and up NT$0.61 QoQ, primarily due to operating profit growth and valuation gains on financial assets measured at fair value through profit or loss (FVTPL).

Financial Highlights 1H26

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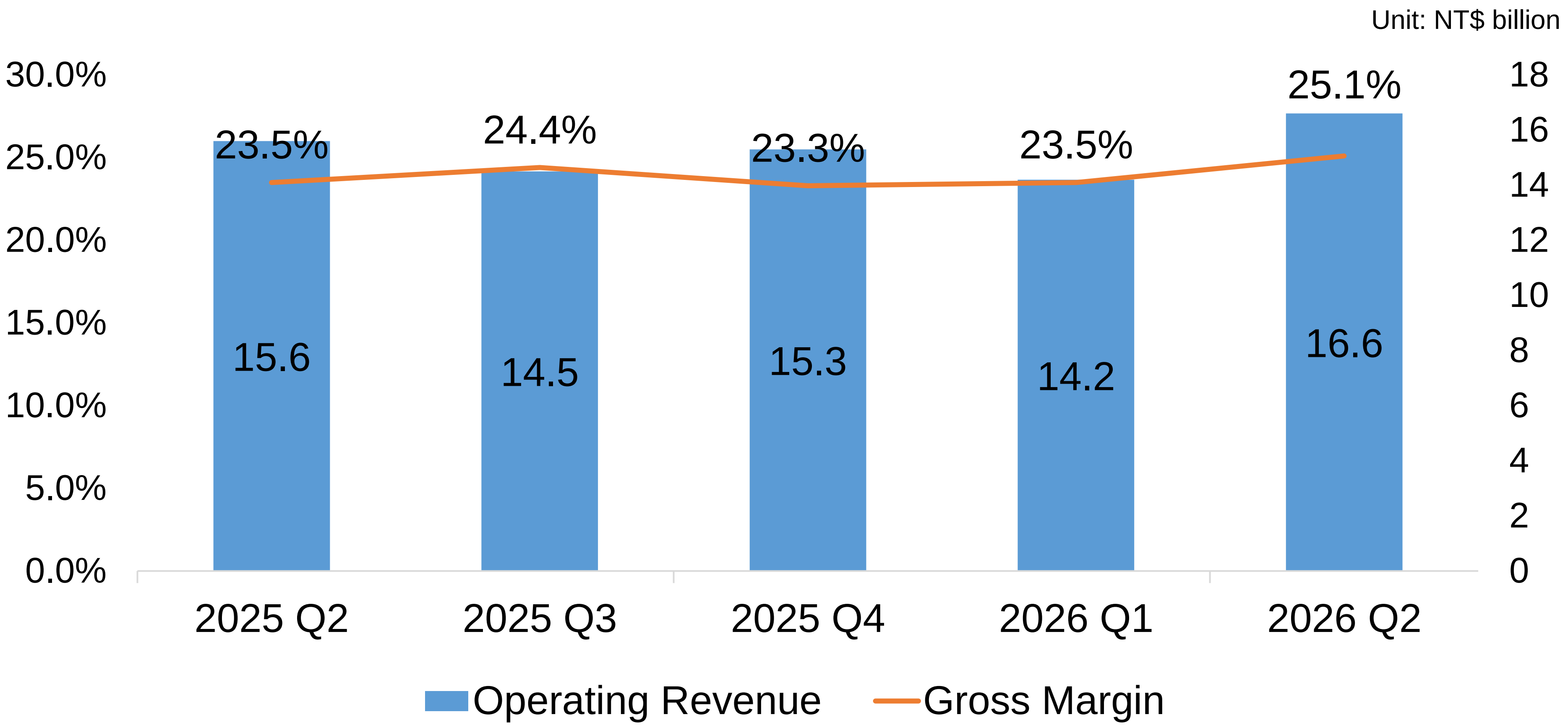
	1H26	1H25	YoY
Net Sales (NT$ million)	30,835	29,221	5.5%
Gross Margin	24.4%	23.8%	0.6%
Operating Margin	9.5%	9.1%	0.4%
EPS (TWD)	1.63	1.23	32.5%

- 1H26 revenue increased 5.5% YoY, primarily due to the sustained growth momentum in Asian markets and the recovery in European markets within the "Green Mechatronic Solution" segment, alongside higher contributions from data center and offshore wind engineering projects within the "Power & Energy" segment.
- Gross margin was up 0.6 ppts YoY, primarily due to the improved margin in the "Power & Energy" segment.
- Operating margin was up 0.4 ppts YoY, primarily due to the improved gross margin.
- EPS was NT$1.63, up NT$0.40 YoY, primarily due to operating profit growth and valuation gains on financial assets measured at fair value through profit or loss (FVTPL).

Operating Revenue vs. Gross Margin

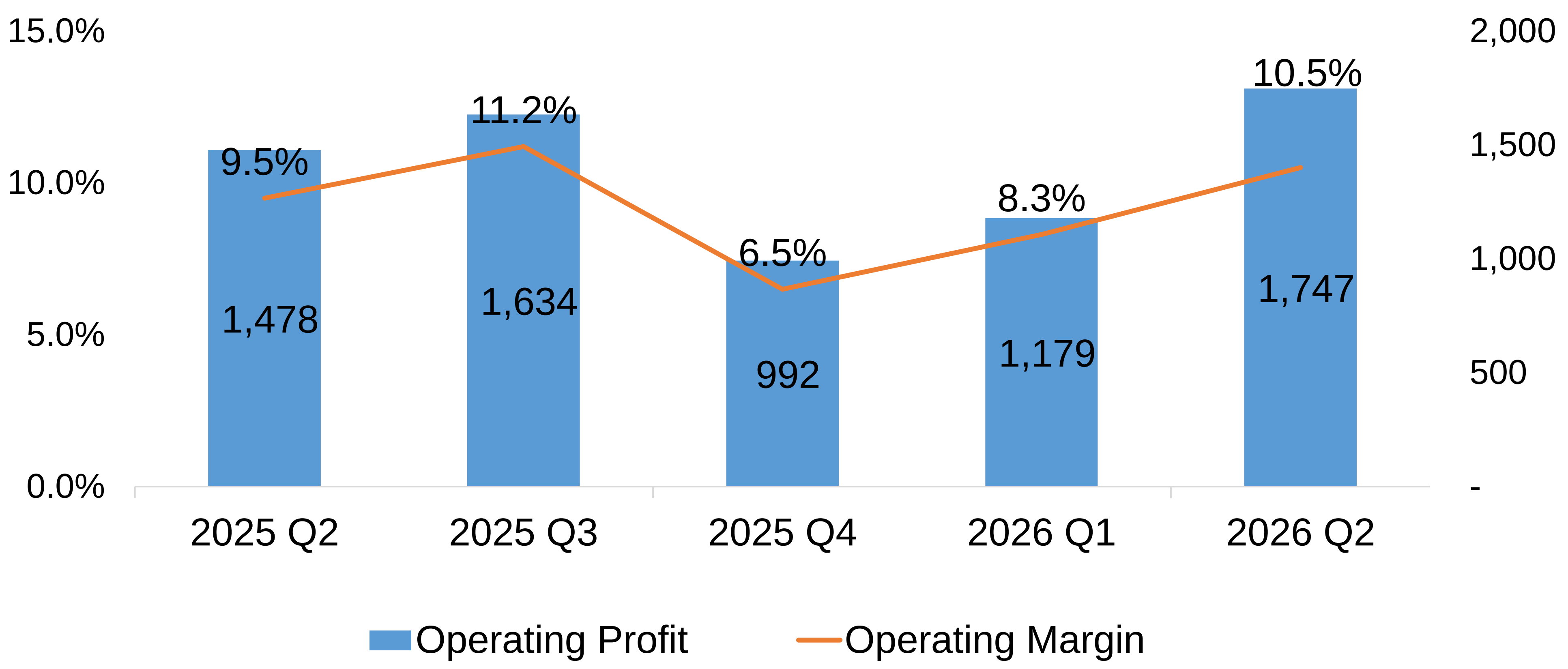


- 2026 Q2 Financials
- 2026 Q2 Operating Performance
- Operating Outlook
- Recap of Recent Major Events
- Appendix

- Gross margin was up 1.6 ppts YoY and 1.6 ppts QoQ, primarily due to the improved margin in the "Power & Energy" segment.

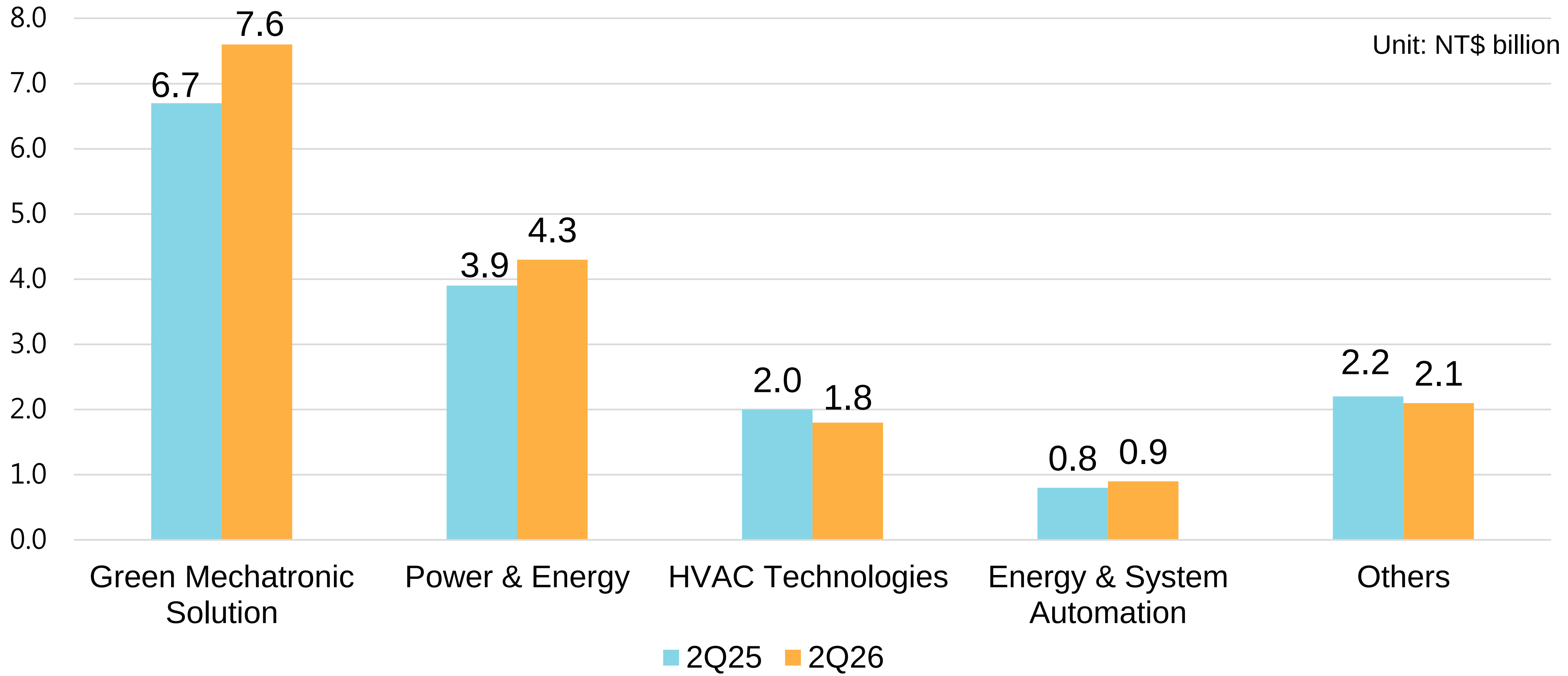
Operating Profit vs. Operating Margin

Unit: NT$ million



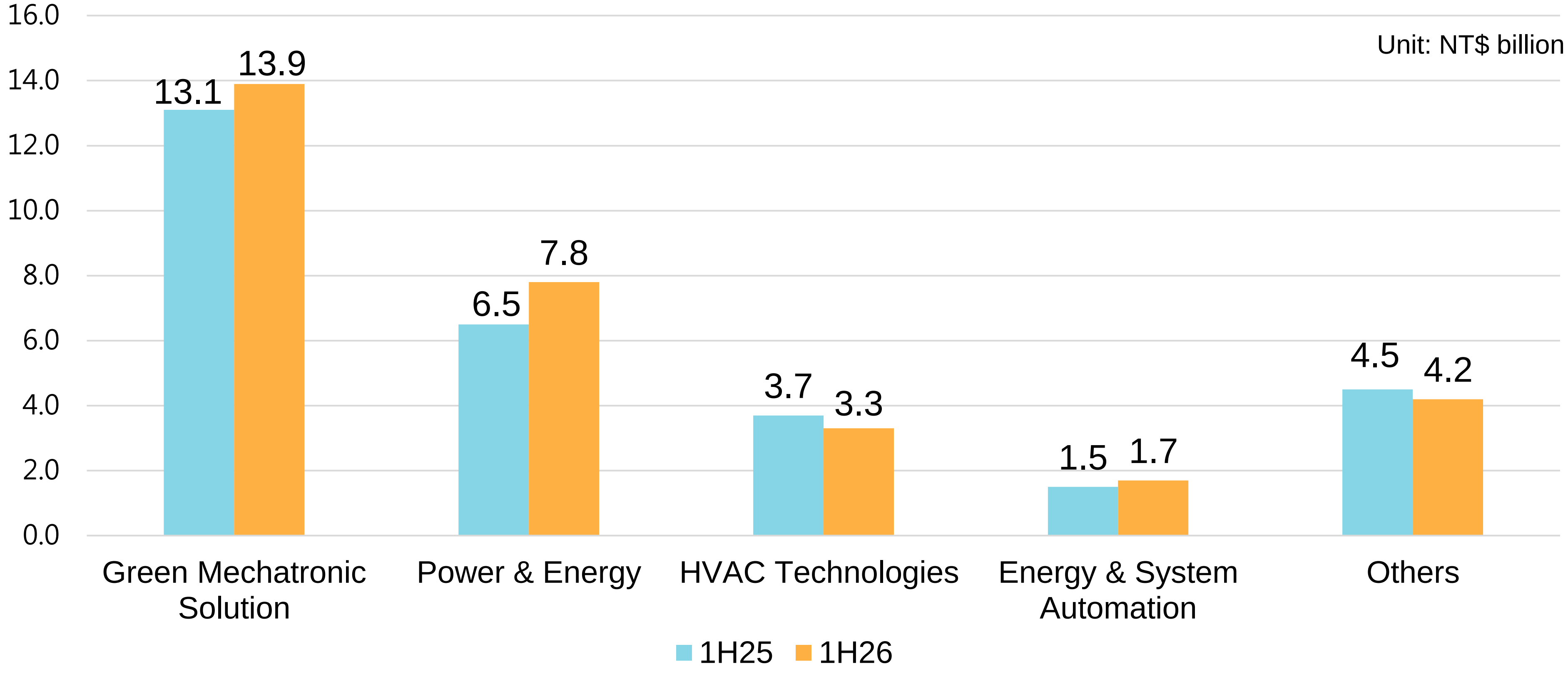
- Operating margin was up 1.0 ppt YoY, primarily due to the improved gross margin, and up 2.2 ppts QoQ, primarily due to the improved gross margin and the lower OPEX ratio.

2Q26 Performance of Business Groups



- ✓ Revenue from "Green Mechatronic Solution" increased 12.9% YoY, primarily due to the double-digit growth across China, Taiwan, and North American markets.
- ✓ Revenue from "Power & Energy" increased 11.1% YoY, primarily due to higher contributions from data center and offshore wind engineering projects.
- ✓ Revenue from "HVAC Technologies" decreased 10.6% YoY, primarily due to product mix optimization, with a focus on the commercial air conditioning business, which achieved double-digit growth.
- ✓ Revenue from "Energy & System Automation" increased 21.5% YoY, primarily due to the increased revenue contribution from automation products.

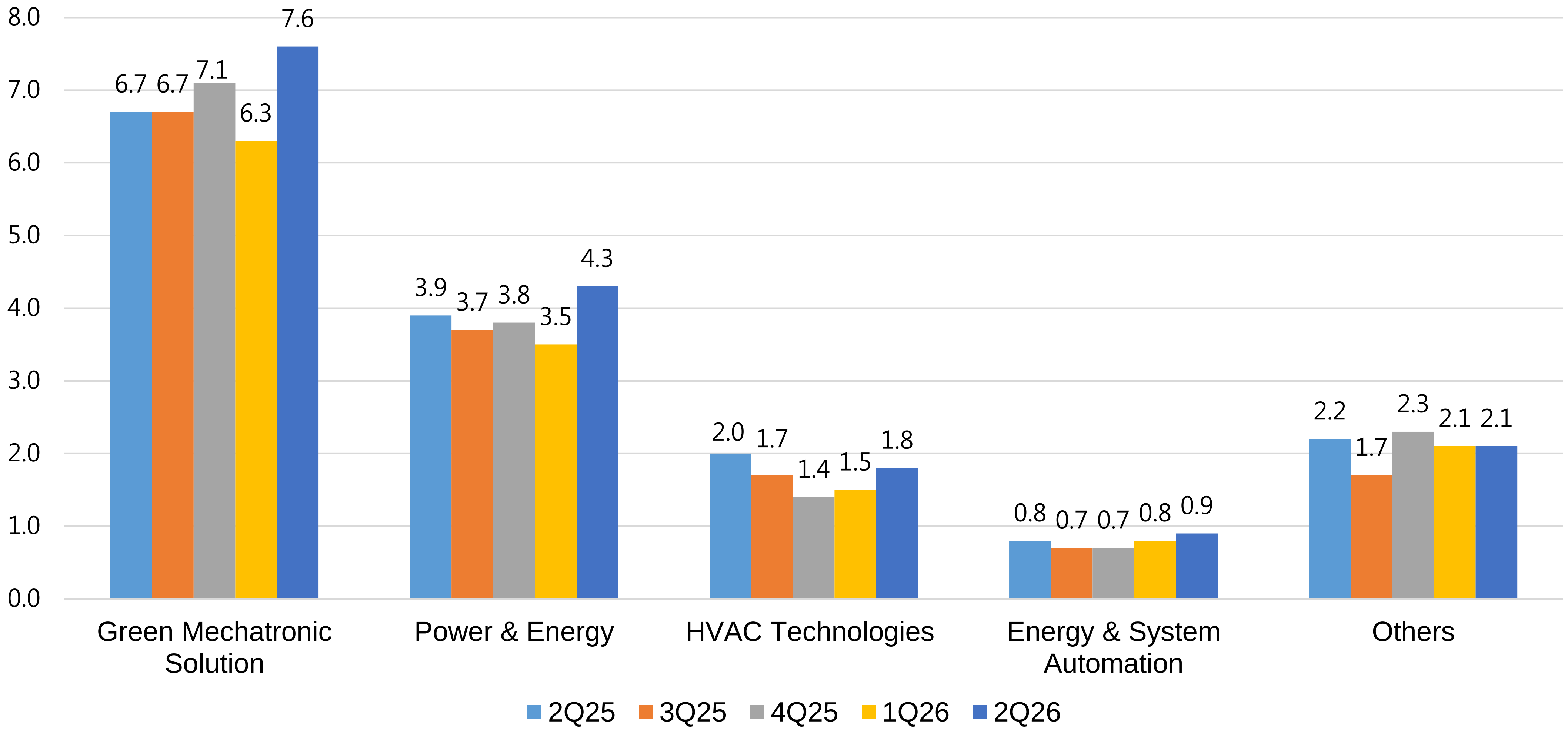
1H26 Performance of Business Groups



- ✓ Revenue from "Green Mechatronic Solution" increased 6.0% YoY, primarily due to double-digit growth across European, China, and Taiwan markets.
- ✓ Revenue from "Power & Energy" increased 20.0% YoY, primarily due to higher contributions from data center and offshore wind engineering projects.
- ✓ Revenue from "HVAC Technologies" decreased 11.6% YoY, primarily due to product mix optimization, with a focus on the commercial air conditioning business, which achieved double-digit growth.
- ✓ Revenue from "Energy & System Automation" increased 15.0% YoY, primarily due to the increased revenue contribution from automation products

Sales Trend of Business Groups

Unit: NT$ billion



2Q26 Revenue Breakdown by Business Group

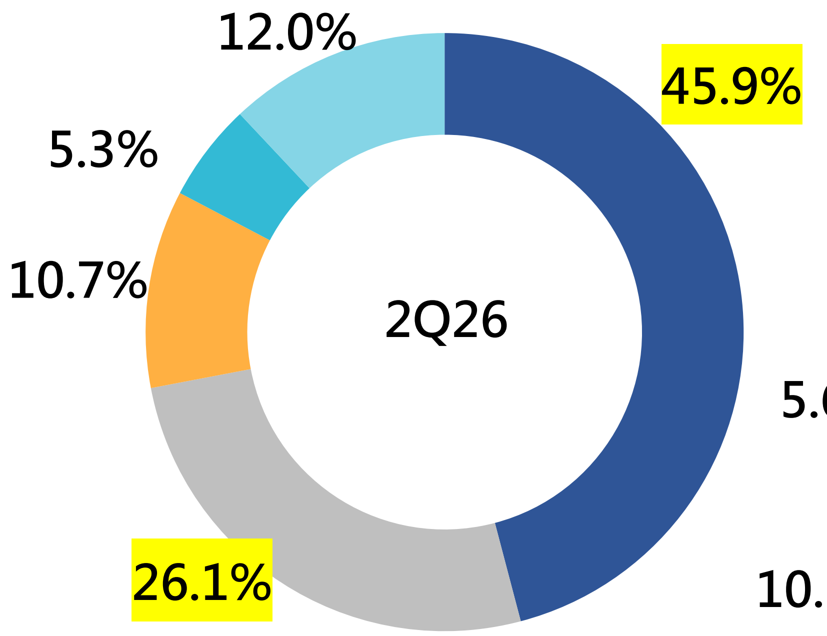
2026 Q2 Financials

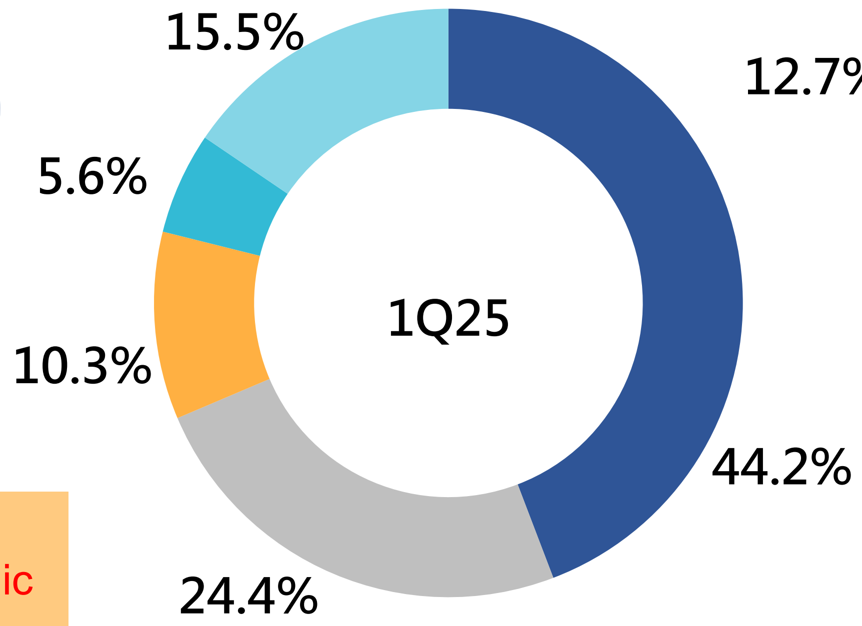
• 2026 Q2 Operating Performance

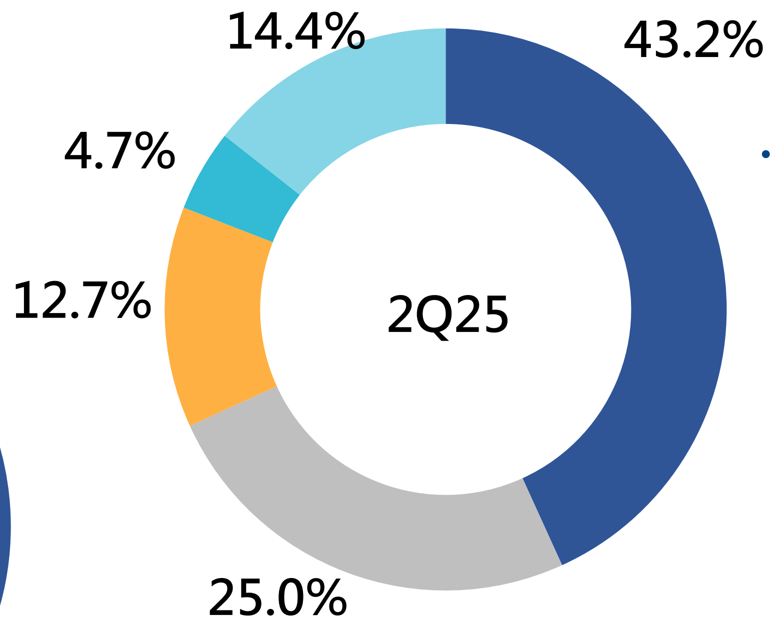
Operating Outlook

Recap of Recent Major Events

Appendix





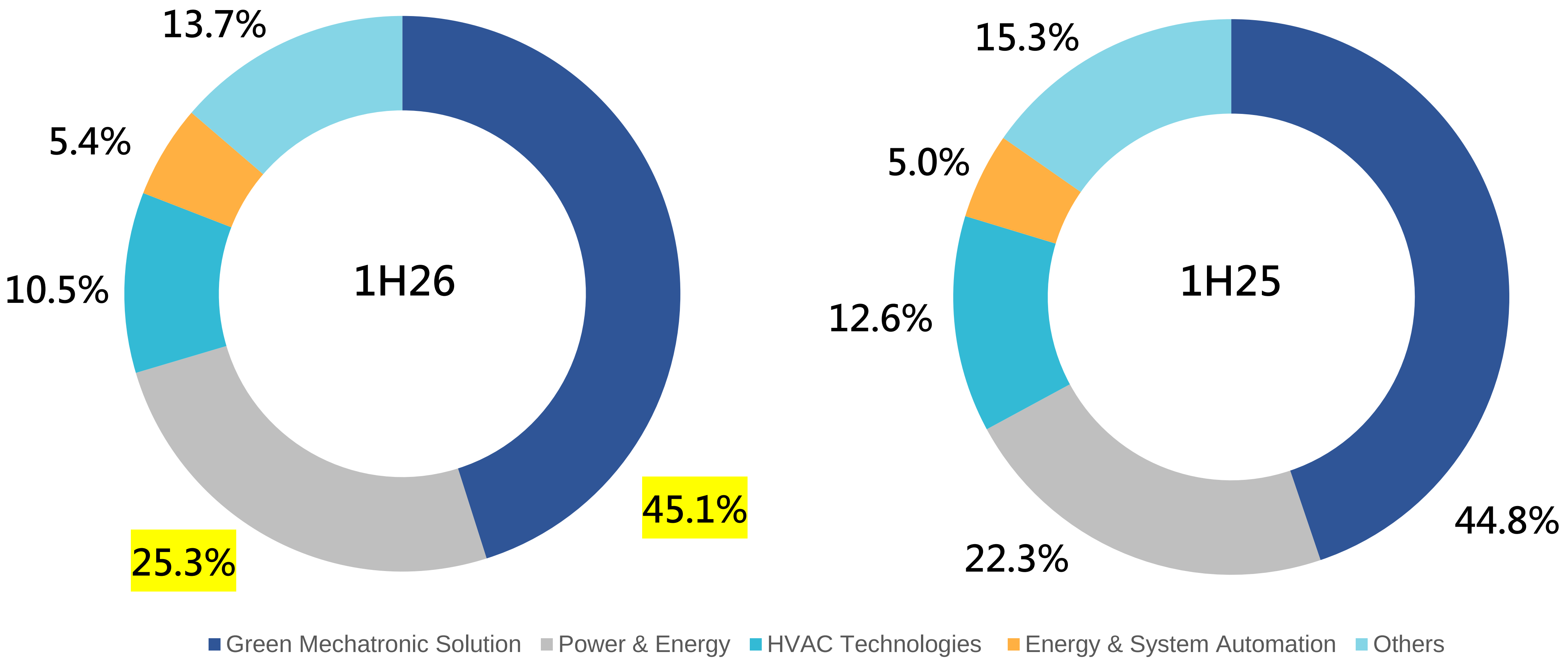


Significantly higher revenue contribution from “Green Mechatronic Solution” and “Power & Energy”

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

1H26 Revenue Breakdown by Business Group

Significantly higher revenue contribution from “Green Mechatronic Solution” and “Power & Energy”



Overview of the Three Major Markets

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	Recent Economic Situation	Impact on TECO
US	● US CSPs continue to expand data center investments, driving robust demand for power equipment. ● Driven by Middle East conflicts and rising power demand, the oil & gas industry is increasing capital expenditure, with natural gas pipeline and infrastructure players expected to grow capex by ~20% YoY.	● TECO has planned and invested in constructing new plants and expanding capacity globally for power equipment, including transformers and switchgears. ● Order intake for large motors in the US grew by nearly 30% YoY in 7M26, primarily driven by order increases from data centers and the oil & gas industry.
Taiwan	● In May, the Ministry of Economic Affairs issued the "Regulations for Energy Users Conducting Energy Conservation Diagnostics and Formulating Energy Conservation Plans." The policy mandates that energy users with a contracted capacity of 800 kW or more must complete a comprehensive diagnosis between 2026 and 2027, and submit a 5-year energy-saving plan by Q1 2028. Additionally, utility equipment (chillers, air compressors, motors, etc.) over 10 years old must be evaluated for potential efficiency improvements and replacement.	● This regulation will drive a surge in demand for energy diagnostics, while simultaneously creating substantial market opportunities for equipment replacement (such as chillers and motors). ● In response to energy demand, TECO's order intake for solar and energy storage projects achieved multi-fold YoY growth in 7M26.
SEA	● ASEAN Manufacturing PMI rose to 52.8 in July (vs. 50.5 previously), staying above the boom-bust line for 13 consecutive months, signaling sustained industrial expansion. Notably, Vietnam's export orders reached a 2-year high, while raw material imports and purchasing activities hit a nearly 4-year high. Many manufacturers plan to launch new product lines or expand plant capacity in 2H. ● The Southeast Asian data center market is projected to grow by 14% in 2026.	● Robust data center demand in Southeast Asia, particularly in Malaysia and Thailand, presents promising opportunities for MEP (Mechanical, Electrical, and Plumbing) engineering. ● Expansion demand for new plants by Taiwanese manufacturers in Southeast Asia continues to grow; TECO's electrification solutions have successfully penetrated new plant construction opportunities for electronics clients.

4 Major Strategic Development Focuses

Green Energy

- Continued to secure orders for offshore wind onshore substations and Taipower' s power plant projects.
- Initiated an Australian solar + storage project, with installation and testing scheduled for completion in Q4 to boost revenue.
- Commenced mass production and shipment of MIT PCS for behind-the-meter energy storage projects.
- Secured a 30 MW green power purchase agreement.

Energy & Carbon Efficiency

- Integrated hardware and software to capture "AI Smart Energy Management Platform" opportunities for Key Accounts' new factory builds.
- Planned capacity expansions for the Hukou switchgear plant and Guanyin GIS plant.
- Continued to pursue factory utility and industrial energy efficiency retrofit projects for large chillers, while initiating construction of the Wuxi HVAC manufacturing facility.

together, we empower the Future

Electrification

- Transformers: Initiated planning for factory construction in Indonesia while pursuing transformer orders in the U.S.
- EV: Developed electric drive axles for light commercial vehicles with an Indian client, securing prototype orders for mining truck powertrain system.
- UAV: Completed the development of heavy-payload UAV powertrain systems (Motor + ESC) and delivered prototypes to U.S. agricultural and logistics clients for testing.

Key Regions

- Established a Middle East subsidiary in April to pursue oil pipeline project opportunities in the petrochemical sector.
- Continued to pursue AIDC opportunities across Taiwan, Japan, and Southeast Asia.
- Completed the Modular Data Center (MDC) Proof of Concept setup, deepening supply chain footprint in Asia.

Outlook for 2H26

Estimated Revenue

Green Mechatronic Solution	YoY ↑ HoH ↑
Power & Energy	YoY ↑ HoH ↑
HVAC Technologies	YoY ↑ HoH ‹-›
Energy & System Automation	YoY ↑ HoH ↑

Company-Wide Gross Margin YoY ‹-› HoH ‹-›

Recap of Recent Major Events

Green Energy

A Strategic Partnership to Invest in Australian Solar and Energy Storage Projects

TECO Australia & New Zealand, Billion Watts, and Tun Green Power announced a strategic partnership to jointly develop renewable energy and battery energy storage projects in Australia. The collaboration includes the Seaspray Solar + BESS Project in Victoria and a planned Tranche 2 distributed energy portfolio.

TECO Partners with Leading Semiconductor Company to Advance Large-Scale Renewable Energy Supply

TECO announced the signing of a Corporate Power Purchase Agreement (CPPA) with a leading semiconductor company, marking a significant milestone in TECO's expansion into the renewable energy trading market. The project is expected to deliver more than 30 MW of renewable energy capacity and over 300 million kWh of green electricity.

Robotic Joint Modules

Debut of TJM Series Robotic Joint Modules at Taiwan Expo in Japan

Targeting Japan's demand for intelligent manufacturing, electrified mobility, and robotics, TECO showcased robotic joint modules, EV powertrains, and high-payload commercial UAV systems, demonstrating its expansion from core motor technologies into integrated powertrain and motion solutions.

As AI accelerates robotics adoption, TECO debuted its full TJM Series robotic joint modules, including the award-winning M1-140. Available in five sizes for humanoid, quadruped, and automated systems, the series showcases TECO’s platform-based, modular development—delivering high precision, high torque density, and flexible integration.

Q&A

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Statements of Comprehensive Income | 2Q26

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(NT$ million)	2Q26	1Q26	QoQ	2Q25	YoY
Operating Revenue	16,600	14,235	16.61%	15,604	6.38%
Net Gross Profit *	4,172	3,342	24.89%	3,653	13.99%
Operating Profit	1,747	1,179	48.23%	1,478	18.19%
Non operating Income	1,382	403	242.63%	439	214.81%
Income Before Tax	3,129	1,582	97.80%	1,917	63.22%
Income Tax	(418)	(343)	21.74%	(336)	24.34%
Net Income**	2,711	1,239	118.87%	1,581	71.48%
EPS (NT$)	1.12	0.51	119.61%	0.69	62.32%

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

- Q226 revenue increased 6.38% YoY and 16.61% QoQ, primarily driven by growth in the “Green Mechatronic Solution” segment across Asian and North American markets, alongside higher contributions from data center and offshore wind engineering projects within the "Power & Energy" segment.
- Operating profit increased 18.19% YoY, primarily due to the improved gross margin, and increased 48.23% QoQ, primarily due to the improved gross margin and the lower OPEX ratio.

Statements of Comprehensive Income ｜ 1H26

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- 1H26 revenue increased 5.52% YoY, primarily due to the sustained growth momentum in Asian markets and the recovery in European markets within the "Green Mechatronic Solution" segment, alongside higher contributions from data center and offshore wind engineering projects within the "Power & Energy" segment.
- Gross profit increased 8.08% YoY, primarily due to the improved margin in the "Power & Energy" segment. .
- Operating profit increased 9.90% YoY, primarily due to the improved gross margin.
- The net non-operating income increased 98.80% YoY, primarily due to valuation gains on financial assets measured at fair value through profit or loss (FVTPL).

(NT$ million)	1H26	1H25	YoY
Operating Revenue	30,835	29,221	5.52%
Net Gross Profit*	7,517	6,955	8.08%
Operating Profit	2,925	2,662	9.90%
Non operating Income	1,785	898	98.80%
Income Before Tax	4,711	3,560	32.33%
Income Tax	(761)	(776)	-1.97%
Net Income**	3,950	2,784	41.89%
EPS (NT$)	1.63	1.23	32.52%

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

Balance Sheets | June 2026

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- Cash and cash equivalents increased NT$2.2 billion from year-end 2025, primarily due to an increase in cash inflows from operating activities.
- Equities increased NT$5.2 billion from year-end 2025, primarily due to unrealized gains on financial assets measured at fair value through other comprehensive income (FVTOCI).

(NT$ thousand)	Jun. 30, 2026		Dec. 31, 2025		Jun. 30, 2025	
	Amount	%	Amount	%	Amount	%
Cash & Cash Equivalents	28,472,156	18%	26,224,399	18%	24,277,666	20%
Receivables	13,047,060	8%	11,749,245	8%	109,109,422	9%
Inventories	14,842,633	9%	13,649,482	9%	13,691,300	11%
Total Assets	156,487,425	100%	144,575,878	100%	122,796,610	100%
Payables	12,793,771	8%	10,408,571	7%	10,132,634	8%
Short Term Borrowings & Notes	1,416,418	1%	8,958,395	6%	1,149,891	1%
Long Term Borrowings	7,694,532	5%	7,550,321	5%	7,841,139	6%
Bonds Payable	6,000,000	4%	-	0%	-	0%
Total Liabilities	52,930,415	34%	46,212,245	32%	47,780,709	39%
Equities	103,557,010	66%	98,363,633	68%	75,015,901	61%
Key Indices						
AR Turnover (times)	4.89		5.27		5.42	
Inventory Turnover (times)	3.07		3.11		3.08	
Current Ratio	2.18		2.02		1.77	
Quick Ratio	1.47		1.33		1.14	
Net Debt to Equity	-12.90%		-9.88%		-20.38%	

TECO together, we empower the Future