

Investor Conference Aug 2023

(1626:TT)

Outline

- 1. Company profile**
- 2. Q1-2 performance 2023**
- 3. R&D updates**
- 4. Future plan**

1. company profile

Company Profile



Established: Airmate (ShenZhen) Co. in 1991

Airmate (JioJiang) Co. in 2014

Stock abbreviation: 艾美特-KY

Stock symbol: 1626

Paid-in capital: NTD1,455,445,000 (2022.9.30)

Chairman: Shih Rai Bing

CEO: Shi Rai Bing

Employees: around 3,500

Plant size: ShenZhen134,000 sqm, JioJiang 400,000 sqm, total 534,000 sqm

Business Model : Airmate Brands (China), OEM/ODM (Export worldwide)



Company profile-1



ShenZhen old plant development
Shen Zhen industrial design award champion and second place



1. Key Business

- OEM supplier for International small home appliances brands
- Airmate brand in China, Amazon northern US and Mexico

2. Key products

- Fan, Electric heater, Ventilation system, Air purifier, Dehumidifier, Humidifier



电风扇



电暖器



新风系统



空气净化器



除湿机器

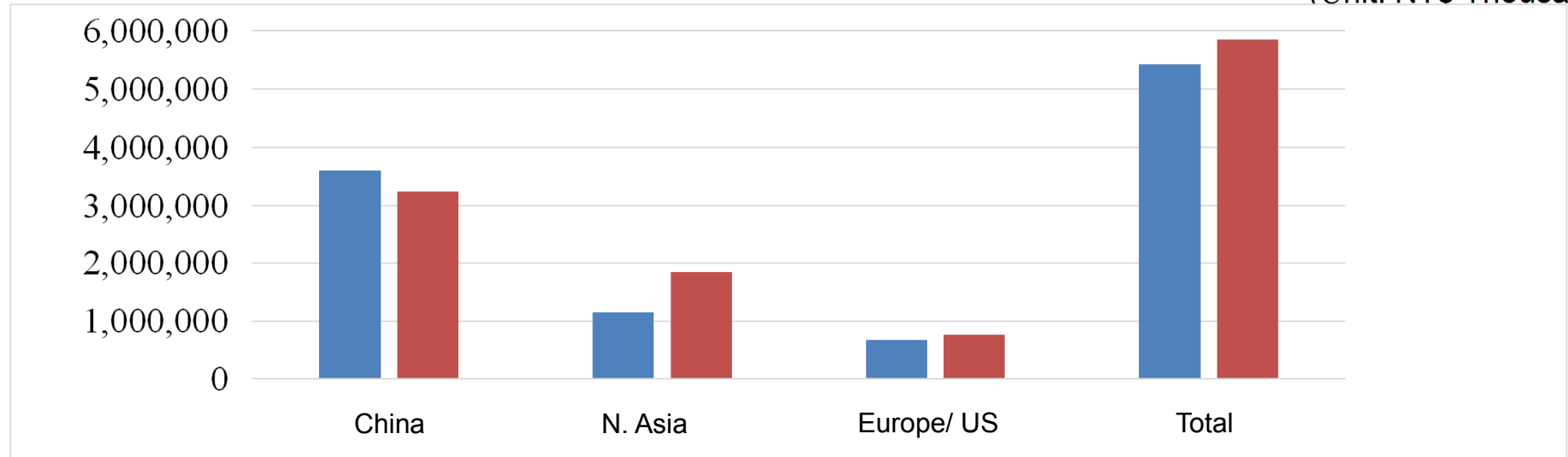


加湿机

2. Q1-2 performance 2023

2023 Q1-2 Sales Revenues Breakdown by Region

(Unit: NT\$ Thousand)



	2023Q2	Sales %	2022Q2	Sales %	YoY
China	3,596,090	66%	3,241,746	55%	11%
Northeast Asia	1,151,021	21%	1,844,574	32%	-38%
Europe & America	678,226	13%	759,560	13%	-11%
Total	5,425,337	100%	5,845,880	100%	-7%

Analysis :

1. The overall market declines comparing with previous year as the economic slump and OEM retailers inventory, the quantity of new order decreases.
2. Exchange rate influence.

2023 Q1-2 Sales Revenues Breakdown by Product Category



(Unit: NT\$ Thousand)

Product	2023Q2	Sales %	2022Q2	Sales %	YoY
Fan	4,588,649	85%	5,013,578	86%	-8%
Heater	328,097	6%	154,002	3%	113%
Small home appliances	221,235	4%	314,993	5%	-30%
Exhaust fan	175,950	3%	271,686	5%	-35%
Others	111,406	2%	91,621	2%	22%
Total	5,425,337	100%	5,845,880	100%	-7%

Analysis :

- Revenue impact of fan due to decline in H1 pipeline distribution of summer stock as a result of retailer inventory adjustment.
- Significant increase in heater sales YOY as US/European clients' pre-order in late June 2023.
- Revenue growth is a result of post-COVID increase in consumer health consciousness towards health-facilitating small household appliances such as fan and other air circulation devices. However, the furious competition in the market triggers sale decline.
- The above data does not include the rental income of factories and office buildings, NT\$ 31,974 Thousand.

2023 Q1-2 Consolidated Income



(Unit: NT\$ Thousand)

Items	2023Q2	2022Q2	YOY
Net Sales	5,457,311	5,845,880	-6.65%
Gross Profit	1,179,730	954,451	23.60%
Gross Margin(%)	21.62%	16.33%	32.40%
Operating Expenses	1,027,131	942,543	8.97%
Operating Loss	152,599	11,908	1181.48%
Non-operating Income & Expenses	31,799	755,954	-95.79%
Net Income	138,033	646,445	-78.65%

3. R&D updates

In the global energy prices rising era, the European Union demands stricter energy efficiency in 2023, which can be seen in IFA Berlin International Consumer Electronics Exhibition this year. The innovative products with the energy efficiency and sustainable demand have become a global trend.

In the current and future product development, Airmate reduces effectively the carbon footprints, uses renewable materials and optimizes energy efficiency.

Recycling materials application

Recycling materials Product AC71 is made by ABS environmental-friendly shell, which contains minimum 36% recycled materials, consisting of minimum of 9% ITE-derived post recycle parts and 27% post-consumer recycled parts, as a result, they aim to be sustainable for environmental protection and reduce carbon emissions effectively.

*(POST-CONSUMER RECYCLE)

Sustainable product packaging& design

Apply sustainable product packings in Airmate products. Product packings are modifies from PE plastic to paper bags and product protection materials from EPS, EPE to carboard. Minimizing packing material aims to reduce carbon footprints, material recycling and energy efficiency.



R&D trend



Summer
product



Stabilize the existing summer products and winter products, and at the same time have more small ideas and innovations to increase the added value of products, such as UVC sterilization, voice recognition control, motion recognition control, camera and other functions.

Winter
product



New product development



Full Seasons

Personal care Bathroom Appliances

Hair Dryer



Hair Straightener Comb
Hair -dyeing Comb



GI-controlling
Bottle



Iron



Electric Space
heater



Health and personal issues are important development directions in the future, increase development efforts .At the same time combined with bathroom supplies.

Pet care,
household
items

Food Dehydrator



Electric Food
Steamer



Pet Hair Dryer



4-in-1 Dryer



Dryer Heater



Pet care : Pet Hair Dryer, use the company's existing quilt dryers for product integration and optimization ;

Refrigeration

Mini Fradige Bar



Portable air conditioner

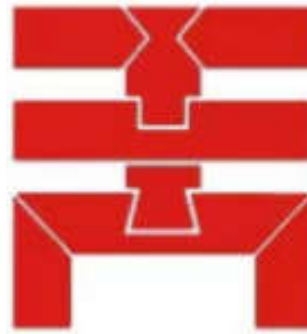


Freezer



Existing customers continue to develop new projects, for special consumption and groups, develop related products independently to satisfy consumers.

R&D innovation updates



Participate in industrial design awards and patent applications

94 patent applications 2023
53 patent certificates 2023

4. Future plan

Airmate future plan for next three years

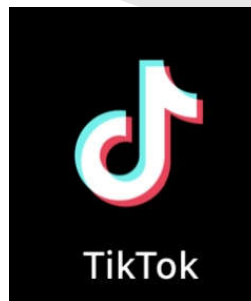


Optimal Airmate brand

1. Use new media(Tiktok, Xiaohongshu) to enhance Airmate visibility.
2. Uplift brand visual design to enhance brand image and attract consumer purchase.

Optimal Airmate distribution

1. Optimize dealer business model and consumer structure.
2. Develop more distribution channels, ex social media, live stream and specialty stores.



The global economic downturn in 2023 triggers more trading competition in China, in addition, sluggish economy growing slowdowns consumer purchase and increased price competitions, facing current challenge our strategies are as follows:

1. Optimize value chain
2. Enhance new innovation to satisfy different consumer needs

In 2023, the overall export business (Europe, America and Northeast Asia) suffers a sluggish environment and economic downturn. The global energy crisis triggers a serious consumption downgrade effect. Consumers consume is according to the price, as long as their basic needs are fulfilled. High-end products suffer high inventory which affects sales enormously. Coping strategies are as follows.

1. Focus on sales to basic models, increase low unit price products to seize more market share.
2. Expand refrigeration series products (window air conditioners mobile air conditioners, small outdoor air conditioners and small refrigerators.)
3. Cross-industry alliance (Acer is a successful case, from 2020 it started in Asia and it plans to expand to the global.)
4. Cross-border e-commerce launch
5. Actively develop new southeast Asian clients.

Q&A