瑞智精密
RECHI

瑞智精密股份有限公司

Investor Conference

25 Sep. FY25

RECHI

Agenda

- **Welcome** — **C. M. Yang , Vice Chairman**
- **2025 H1 Financial Results** — **Justin Ko , CFO**
- **2025 H1 Market Review** — **M. F. Feng , General Manager**
- **Future operational challenges and opportunities** — **M. F. Feng , General Manager**
- **Q&A**

Safe Harbor Notice

- RECHI's statements of its current expectations are forward looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise

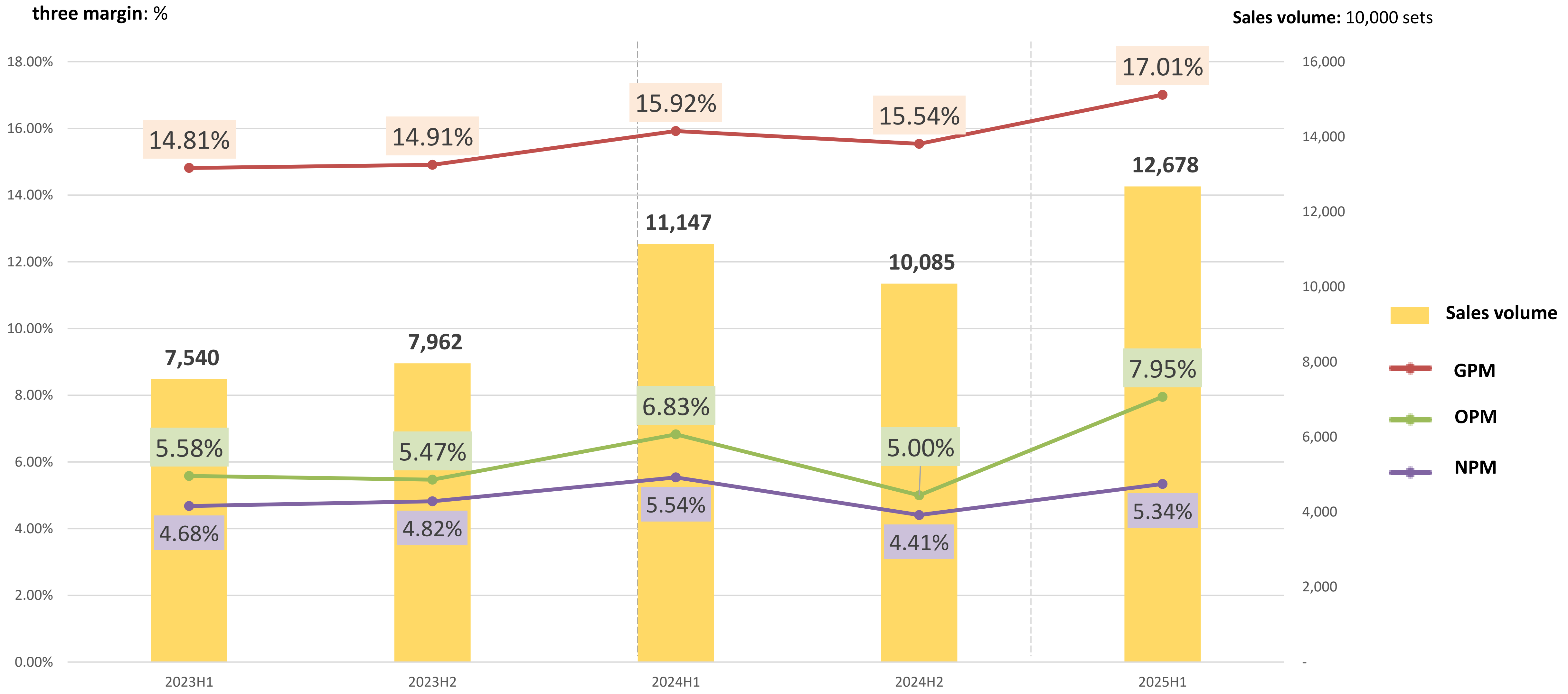
2025 H1 Financial Results

2025 H1 Summary of Operational Highlights

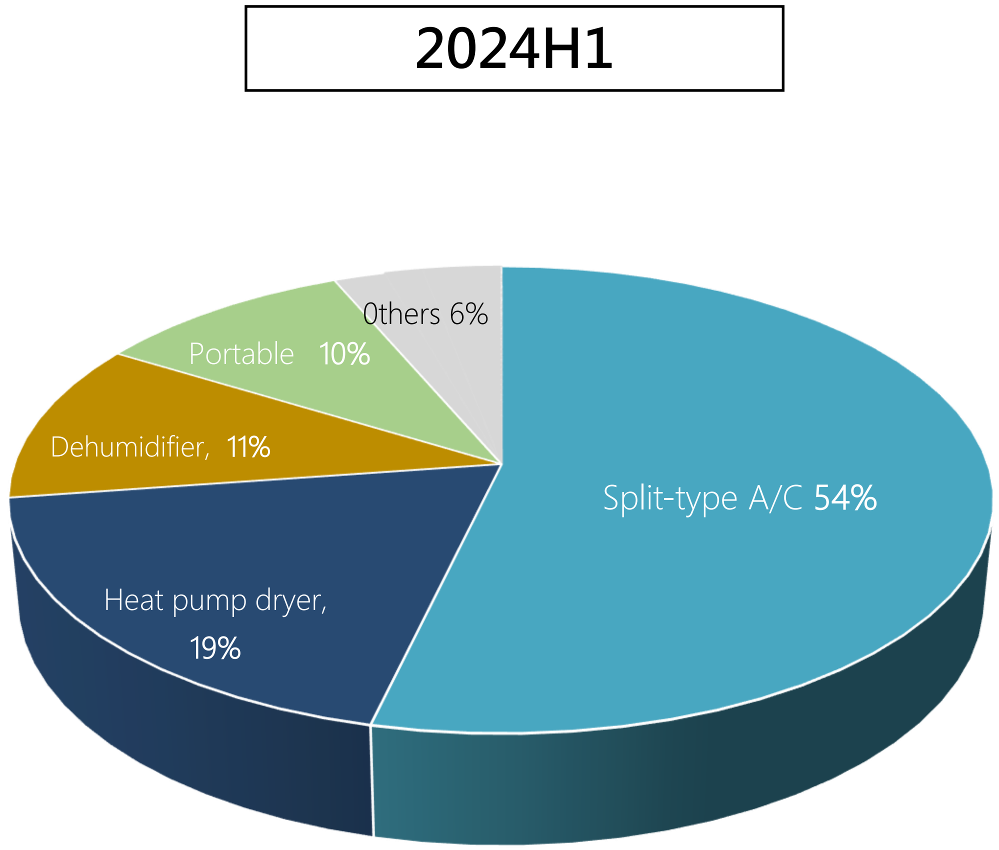
Sales revenues and YoY Growth	Net Income and YoY Growth	DC inverter compressor sales and YoY Growth
NT$12.08 billion, +8.9%	**NT$645 million, +5.16%**	**4.87 million sets, +17.9%**

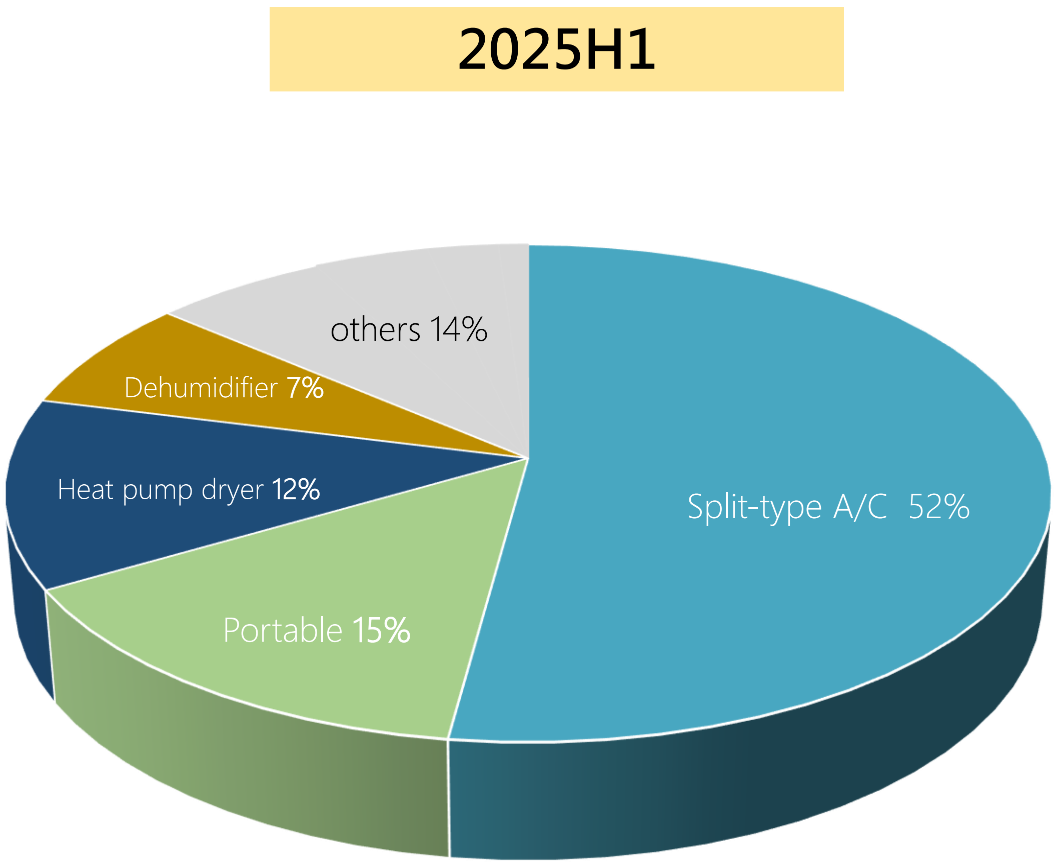
1. 12.67M units sold (+13% YoY); global share up to 7.5% (from 7.0%).
2. Lean Manufacturing + automation upgrades drove a 13% YoY gain in productivity.
3. Monthly peak capacity was increased from 2.08 million to 2.50 million units to meet customer demand.
4. New inverter lineup completed; global launch targeted for 2026.
5. EU HPWH adoption on track; deepen with top EU brands, then scale to more accounts.

Sales Volume and Financial Report Trend Chart



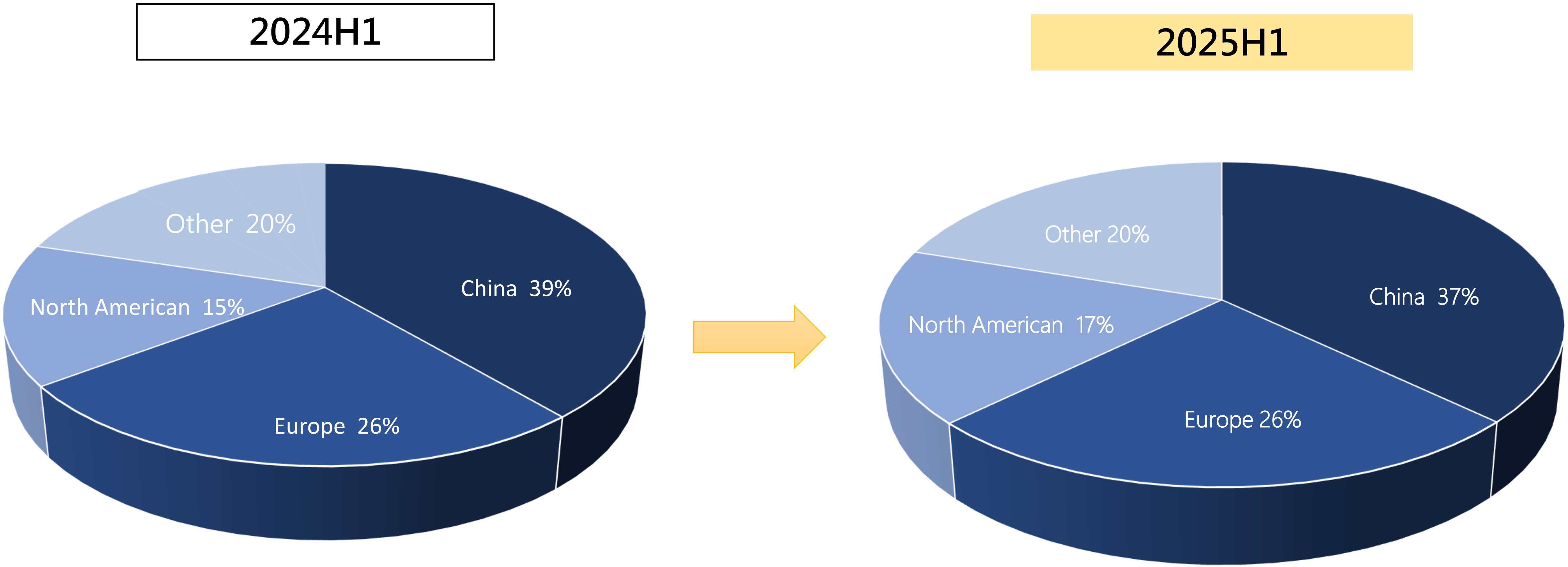
2025H1 RECHI Sales : Application ratio





Others : window AC、Unitary、industrial use、Turck parking、PTAC

2025H1 RECHI Sales : Geographic ratio (End market)



2025 H1 Income statement

Unit: NT$ thousands	2025H1	%	2024H1	%	YOY	Growth rate %
Sales volume (units)	12,678,116		11,147,375		1,530,741	13.7
Net revenues	12,086,804	100.0	11,089,864	100.0	996,940	9.0
Cost of revenue	-10,030,578	-83.0	-9,324,399	-84.1	-706,179	-7.6
Gross profit	2,056,226	17.0	1,765,465	15.9	290,761	16.5
Operating expenses	-1,094,889	-9.1	-1,008,373	-9.1	-86,516	-8.6
Operating income	961,337	8.0	757,092	6.8	204,245	27.0
Non-operating income (expenses), net	-17,621	-0.1	152,263	1.4	-169,884	-111.6
income before income tax	943,716	7.8	909,355	8.2	34,361	3.8
income tax expense	-298,196	-2.5	-295,504	-2.7	-2,692	-0.9
Net Income	645,520	5.3	613,851	5.5	31,669	5.16
Basic EPS	1.18		1.15		0.03	2.61%

Unit in billion NT$	FY2025 H1	FY2024	FY2023	FY2022	FY2021	FY2020
R&D expenses	3.62	7.17	5.5	5.05	4.64	4.35

*Consolidated financial statements have been reviewed by the CPA firm of Deloitte & Touche

2025 H1 Balance sheet

Unit: NT$ thousands	2025/06/30	%	2024/12/31	%	VS 2024	2024/06/30	%	YoY
Cash and financial assets	9,410,677	34.1%	11,481,372	38.4%	-2,070,695	8,843,143	31.0%	567,534
Trade receivables and notes receivable	8,791,848	31.9%	7,399,985	24.8%	1,391,863	10,153,125	35.6%	-1,361,277
Inventories	2,002,463	7.3%	3,292,966	11.0%	-1,290,503	2,045,350	7.2%	-42,887
Property, plant and equipment, net	4,902,258	17.8%	5,305,175	17.7%	-402,917	5,363,481	18.8%	-461,223
Other assets	2,457,844	8.9%	2,414,357	8.1%	43,487	2,103,096	7.4%	354,748
Total assets	*27,565,090*	*100.0%*	*29,893,855*	*100.0%*	*-2,328,765*	*28,508,195*	*100.0%*	-943,105
Short- and long-term borrowings	5,153,692	18.7%	3,963,197	13.3%	1,190,495	4,255,881	14.9%	897,811
Trade payables and notes payable	8,616,491	31.3%	10,016,395	33.5%	-1,399,904	9,565,085	33.6%	-948,594
Other liabilities	3,710,269	13.5%	4,292,865	14.4%	-582,596	3,555,122	12.5%	155,147
Total liabilities	*17,480,452*	*63.4%*	*18,272,457*	*61.1%*	*-792,005*	*17,376,088*	*61.0%*	104,364
Total equity	*10,084,638*	*36.6%*	*11,621,398*	*38.9%*	*-1,536,760*	*11,132,107*	*39.0%*	-1,047,469

*Consolidated financial statements have been reviewed by the CPA firm of Deloitte & Touche

2025 H1Cash flow statement

Unit: NT$ thousands	2025H1	2024H2	2024H1
Cash and cash equivalents, beginning of period	5,839,139	3,732,749	3,732,749
Net cash generated by operating activities	-953,340	4,069,891	596,873
Net cash used in investing activities	-1,253,794	-1,717,156	-1,136,350
Net cash used in financing activities	295,606	-495,678	-199,930
Effect of exchange rate changes on cash and cash equivalent	-476,955	249,333	206,033
Cash and cash equivalents, end of period	*3,450,656*	*5,839,139*	*3,199,375*

year	2025年	2024年	2023年	2022年	2021年
Cash dividend	1.5	1	0.9	0.7	0.7
Payout Ratio	74.25%	66.70%	65.20%	64.80%	49.60%

RECHI issued a cash dividend of NTD $1.5 in May 2025 and paid cash dividends for 15 consecutive years.

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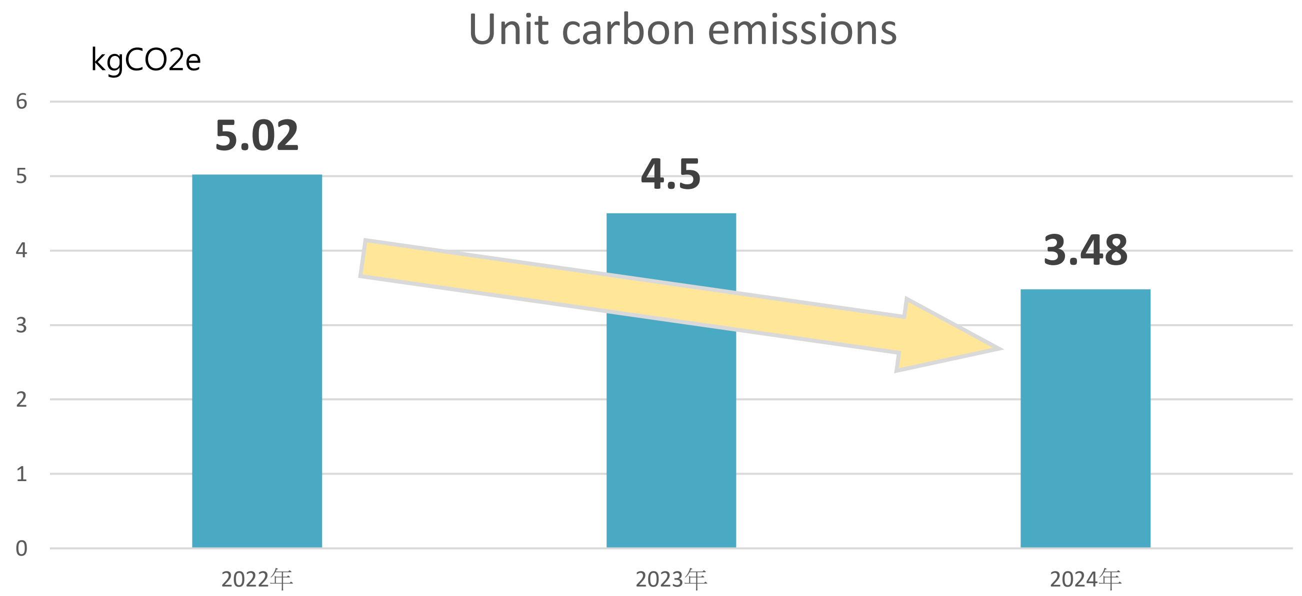
Carbon Reduction Implementation Results

- Per ISO 14064 third-party verification,

  2024 total GHG emissions were 80.2 ktCO_2e; emission intensity per unit fell 22.7% YoY.
- CDP (Climate Change) score upgraded from D to B.



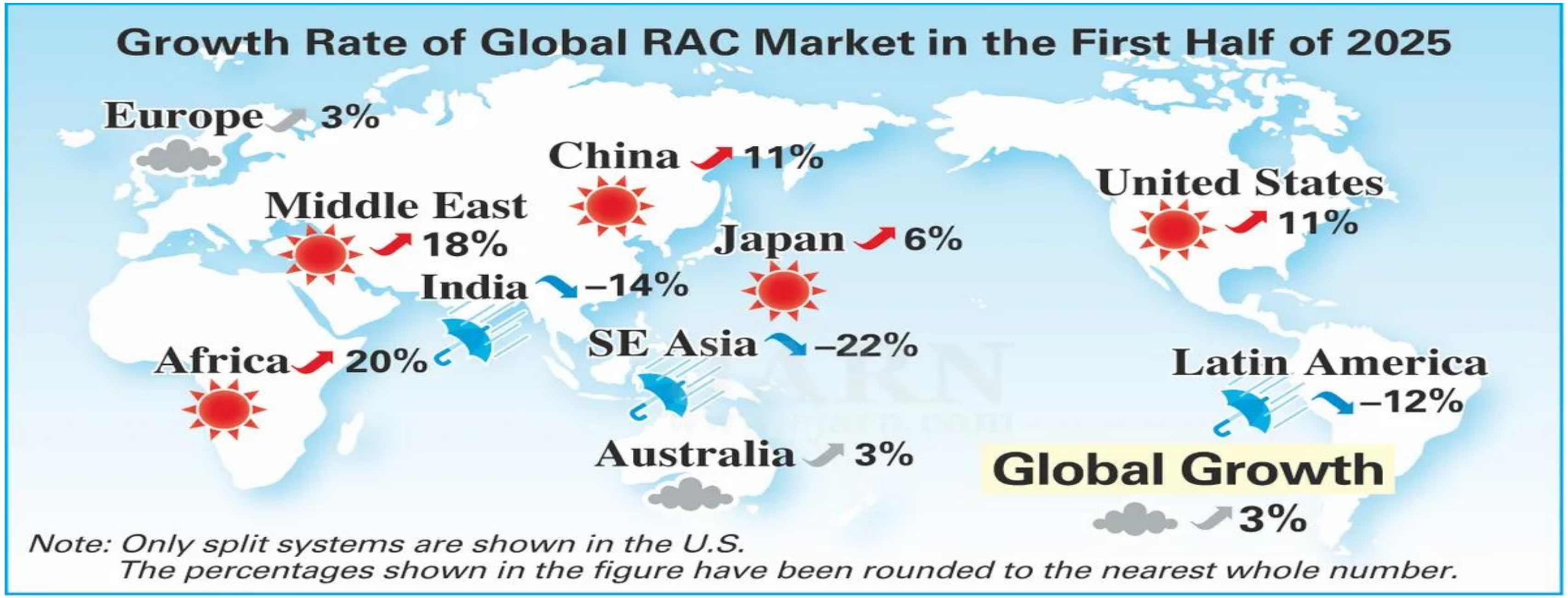
Remarks:
1. The statistical scope Factory Guanyin, Huizhou, Qingdao and Jiujiang.
2. Average carbon emissions per unit = inventory data of each factory/annual production volume of each factory.

Key projects to improve results:

1. Boost refrigerant recirculation; cut releases of high-GWP refrigerants.
2. Retrofit/replace air compressors and chillers for efficiency.
3. Raise efficiency across high-energy-use equipment

2025 H1 Market Review

Growth Rate of Global RAC Market in the First Half of 2025



Source: JARN database

- RAC demand +3% YoY globally; U.S. +11%, China +11%, Europe +3%.
- SEA/India/Central America: prolonged rainfall delayed summer and muted demand.
- Africa and the Middle East recorded robust growth, driven by economic expansion, infrastructure needs, and extreme heat. 。
- Chinese brands continued to gain global share, supported by scale-driven cost advantages.

Source: JARN、JRAIA

Sales Volume of China's Air Conditioner/Compressor Industry in 2025H1

Unit:10,000 sets

period	Company	A/C sales			Export sales			Domestic sales		
		2025		2024	2025		2024	2025		2024
		Sales	YoY	Sales	Sales	YoY	Sales	Sales	YoY	Sales
2025/1-6	Media	3,621	5.7%	3,425	1,691	-2.8%	1,740	1,930	14.5%	1,685
	Gree	2,385	5.4%	2,263	750	6.7%	703	1,635	4.8%	1,560
	TCL	1,267	9.8%	1,154	917	11.2%	825	350	6.4%	329
	Haier	1,223	14.3%	1,070	371	16.3%	319	852	13.4%	751
	AUX	1,200	7.0%	1,122	636	8.3%	587	564	5.4%	535
	Hinsense	893	12.6%	793	537	17.2%	458	356	6.3%	335
	others	1,722	11.8%	1,540	754	20.0%	628	967	6.1%	912
	Total	12,311	8.3%	11,367	5,656	7.5%	5,261	6,654	9.0%	6,107

1. China RAC sales: 120M units (+8.3% YoY). Exports +7.5% YoY; domestic +9.0% YoY
2. Midea and Haier posted the strongest domestic gains with double-digit growth.

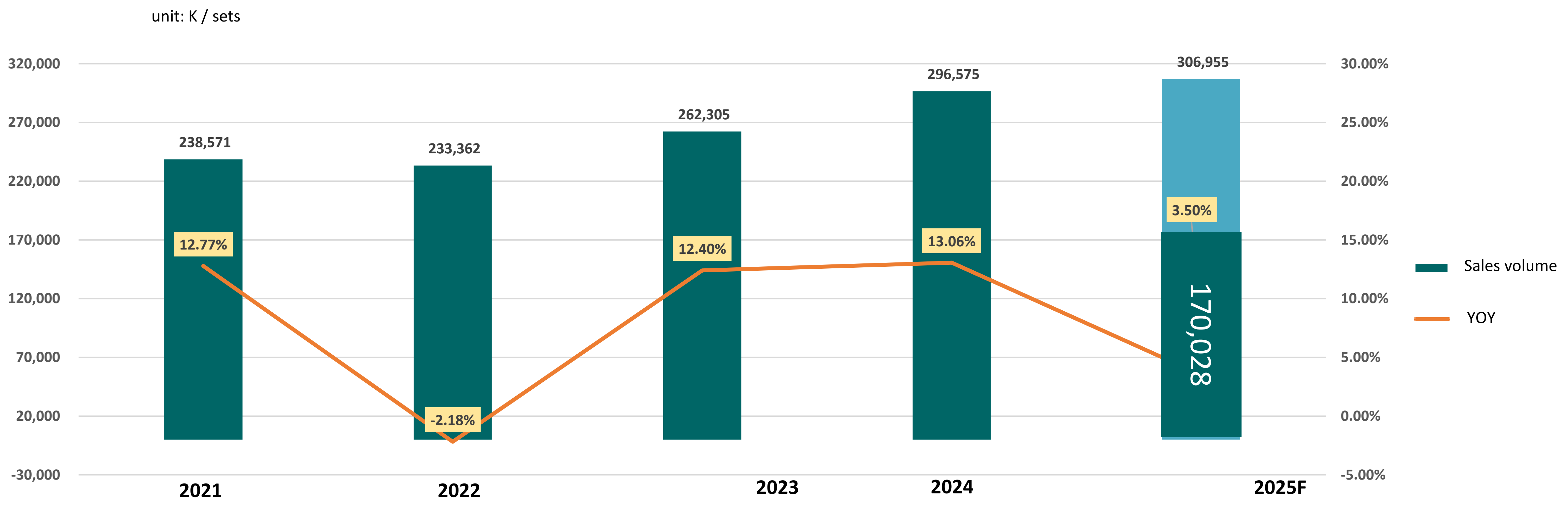
Unit:10,000 sets

period	Company	Compresser				
		2024			2025	
		sales	market share	YoY	sales	market share
2025/1-6	GMCC	7,390	43.5%	2.6%	7,200	45.4%
	LANDA	3,167	18.6%	5.2%	3,011	19.0%
	HIGHLY	2,640	15.5%	23.9%	2,130	13.4%
	RECHI	1,268	7.5%	13.7%	1,115	7.0%
	Panasonic	515	3.0%	4.5%	493	3.1%
	LG	472	2.8%	-0.6%	475	3.0%
	Other	1,551	9.1%	55.6%	1,422	9.0%
	總計	17,003	100.0%	7.3%	15,846	100.0%

1. China rotary compressor sales: 170M units (+7.3% YoY).

Source : IOL

Sales Trends and Estimates of Rotary Compressors in China



- HVAC&R outlook: positive. Rechi expects global rotary-compressor sales to rise 3–5% YoY in 2025. 。
- China: >300M units projected. 。

Source:OIL、RECHI

Future operational challenges and opportunities

Opportunities & Challenges

Opportunities

- Rising global temperatures are increasing consumer demand for comfort products. ◦
- In emerging markets (e.g., Latin America, India, Africa), air-conditioning penetration remains below 20%, implying substantial headroom for growth. ◦
- Policy support and stronger consumer awareness of energy efficiency are accelerating replacement of high-consumption products (e.g., fixed-speed to inverter ACs; traditional boilers to heat pumps). ◦

Challenges

- Market uncertainties persist, including U.S. reciprocal tariff policies and geopolitical risks. ◦
- Rapid expansion of Chinese brands is eroding air-conditioner market share among Rechi's customers
- Customers have entered compressor joint ventures with competitors ◦

Rechi Growth Strategy

Globalized Operations

- Globalization + vertical integration
- Equity partnership & strategic alliances
- Overseas capacity: India, Egypt

New Products & Applications

- Broaden application scope for rotary compressors
- Define, identify, and assess market opportunities beyond rotary compressors

Heat Pump Strategy

- short-term goals : focus on Europe
- long-term goals : develop the U.S. and China as core markets

Q&A