

Investor Conference Aug 2022

Airmate (Cayman) International Co. Limited

(1626:TT)

Outline

1. Company profile
2. H1 performance 2022
3. ShenZhen urban renewal updates
4. R&D updates
5. Future plan

1. company profile

Company Profile

Established : Airmate (ShenZhen) Co. in 1991

Airmate (JioJiang) Co. in 2014

Stock abbreviation : F-艾美

Stock symbol : 1626

Paid-in capital : NTD1,455,445,000 (2022.6.30)

Chairman : Shih Jui Pin

CEO : Shi Rai Bing

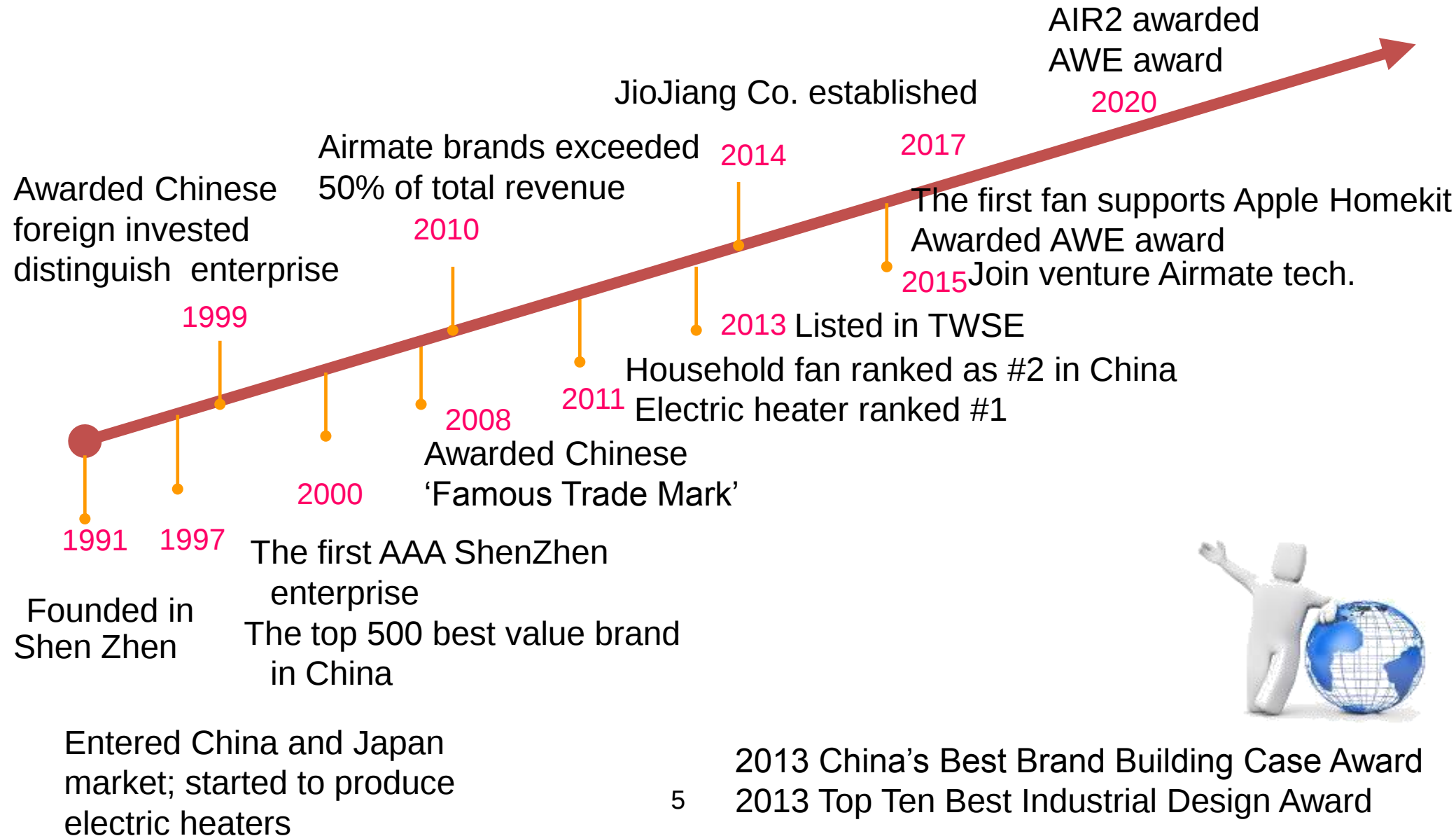
Employees : around 6,000

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



1. Key Business

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

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



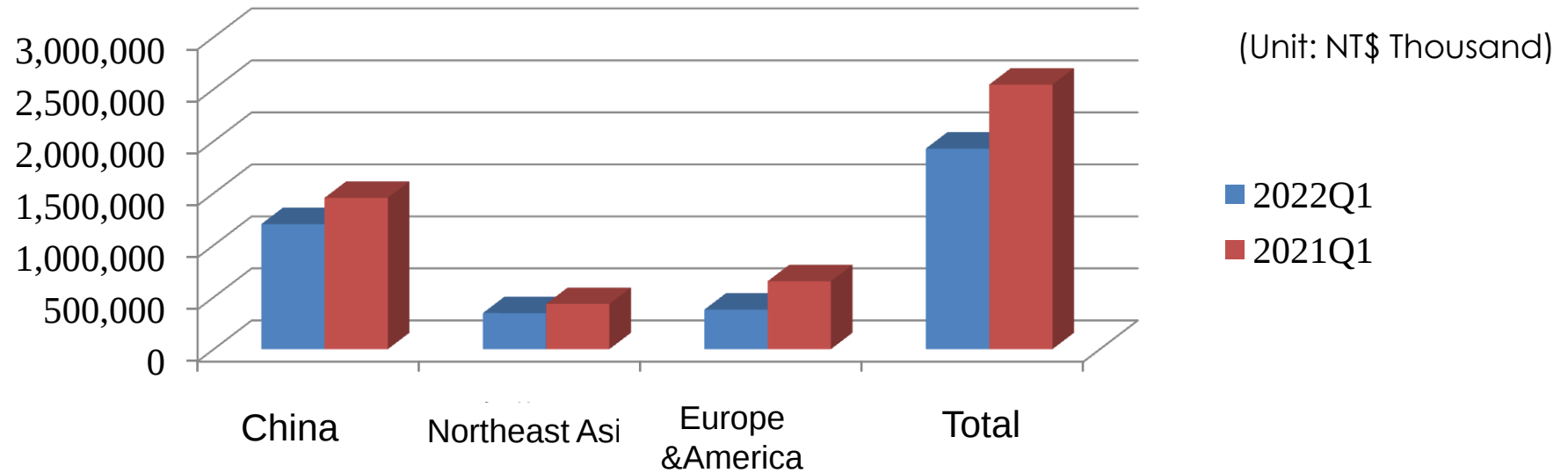
除湿机器



加湿机

2. H1 performance 2022

2022 Q1 Sales Revenues Breakdown by Region



Region	2022Q1	Sales%	2021Q1	Sales%	YoY
China	1,202,425	62%	1,455,176	57%	-17%
Northeast Asia	346,683	18%	434,870	17%	-20%
Europe & America	380,033	20%	653,486	26%	-42%
Region	1,929,141	100%	2,543,532	100%	-24%

Analysis :

1. Due to COVID, the plant shut down for three weeks temporarily, each market revenue declined comparing to last year. The production, delivery, logistics and transportation were affected. In addition, clients had sufficient stock so the new orders are affected.
2. Exchange rate influence.

2022 Q1 Sales Revenues Breakdown by Product Category



(Unit: NT\$ Thousand)

Product	2022Q1	Sales%	2021Q1	Sales%	YoY
Fan	1,553,251	81%	2,263,822	90%	-31%
Heater	102,130	5%	34,870	1%	193%
Small home appliances	117,811	6%	86,089	3%	37%
Exhaust fan	108,818	6%	74,294	3%	46%
Others	47,131	2%	84,457	3%	-44%
Total	1,929,141	100%	2,543,532	100%	-24%

Analysis :

- Revenue impact of fan due to decline in Q1 pipeline distribution of summer stock as a result of COVID lockdown and retailer inventory adjustment.
- Significant increase in heater sales Q1 YOY as the warm winter had impacted Q1 of 2021 and sales has returned to normal level in same period 2022.
- 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

2022 Q1 Consolidated Income



(Unit: NT\$ Thousand)

Items	2022Q1	2021Q1	YOY
Net Sales	1,929,141	2,543,532	-24.16%
Gross Profit	252,544	331,918	-23.91%
Gross Margin(%)	13.09%	13.05%	0.32%
Operating Expenses	436,442	374,403	16.57%
Operating Profit	-183,898	-42,485	-332.85%
Non-operating Income & Expenses	710,382	-4,109	17388.44%
Net Income	435,536	-36,314	1299.36%

3. ShenZhen urban renewal

Urban renewal update



Property use and leasing plan

Current status: The real estate certificate has been obtained on Jan 25, 2022, a total of 317 sets.

Future Plan: The relocated properties are mainly for sell except for some self-use. During the vacancy period before the sale, in order to create the utilization efficiency of the assets and increase the cash inflow, an investment promotion team was established, and the leasing information was widely distributed and expected to increase occupancy rate.

Leasing status: For all potential companies with the intention of leasing of the office building and dormitory apartments, are currently in the evaluation stage.

Function	Size (sqm)	Plan for use
R&D Office building	19,997.25	21 floors Self-use (5 floors) For sell 14,000 sqm
Plant	5,649.58	Sale
Dormitory	9,313.26	Sale
Commercial	1,299.24	Sale
Total	36,259.33	

4. R&D updates

New product develop



Personal care Bathroom appliances

直發梳、染髮梳、
吹風機、控糖
杯、毛巾架、壁
掛暖器



健康和個人用品是我們未來一個重要的發展方向，要加大開發力度。同時結合浴室用品進行；

Pet care products

乾果機、烘乾機



寵物方向：寵物烘乾器（外置烘乾機）利用公司現有烘被機進行產品整合，優化；

Refrigeration

小冰箱、啤酒機、
個人移動冷風
扇、大加濕器



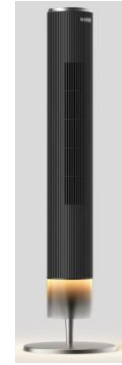
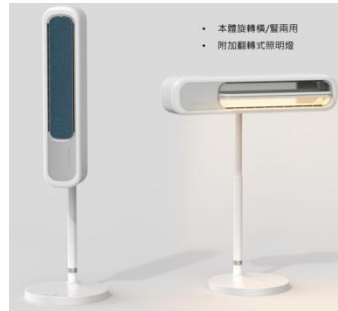
同現有的客戶繼續開發新專案，對於特殊消費和特殊人群我們單獨開發相關產品來滿足消費者；

New product develop



Composite furniture series 1

塔扇照明氛圍燈



Composite furniture series 2

淨化壁掛牆，淨化復古燈



Composite furniture series 3

加濕、淨化照明氛圍燈



落地燈淨化器
-PLAN C



5. Future plan

Airmate future plan for next three years



Sales Plan

1. Continued brand equity building behind Airmate
2. Optimization of current distribution channels
3. Growth in personal care and life style appliances with a view to continually building alliances in all distribution channels

Future Outlook

Leveraging on the strong brand equity of Airmate and the post COVID global demand for in personal care and lifestyle appliances (RMB 200 billion market in China with 30% growth YOY) as the key strategy and focus area for sustained future growth of the company.

Sales Plan

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- A light blue world map serves as a background for the text. It includes labels for 'North America', 'Europe', 'South America', 'Africa', and 'Australia' in blue boxes with lines pointing to their respective regions. There are also blue dots on the map indicating specific locations in North America, Europe, South America, and Australia.
1. Focus on high value products such as DC fan and air circulation appliances
 2. Growth in refrigeration products such as fixed air con , trans-portable air con, small outdoor air con, and small refrigerators.
 3. Switch to USD transaction with Japanese and Korean clients starting in 2023
 4. Listing onto cross-border electronic commerce platforms.

Future Outlook

Solidifying current export client base while accelerating growth and continued brand building of Airmate brand in cross border pure play e-commerce platforms such as Amazon where we have seen solid results since listing.

Consolidation plan

ShenZhen plant is no longer suitable as a production base due to the opening of the subway, the reduction of labor and the increase in production costs. The production transfer plan has been launched in H2 of 2021. At present, the proportion of production between Shenzhen plant and Jiojiang plant in 2022 has been shifted from 70:30 to 40:60.

The transfer is expected to be completed in the next three years, the ultimate goal is to increase the capacity utilization rate of Jiojiang plant, and reduce management costs. The Shenzhen plant will remain the management headquarters, business and R&D departments.

ShenZhen plant: HQ and R&D center

Jiojiang plant: Production and manufacture center

Q&A