

Investor Conference Dec 2023

(1626:TT)

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- 4. Future plan**

1. company profile

公司簡介



Established: Airmate (ShenZhen) Co. in 1991

Airmate (JioJiang) Co. in 2014

Stock abbreviation: 艾美特-KY

Stock symbol: 1626

Paid-in capital: NTD1,528,217 (2023.9.30)

Chairman: Shih Jui Pin

CEO: Shih Jui Pin

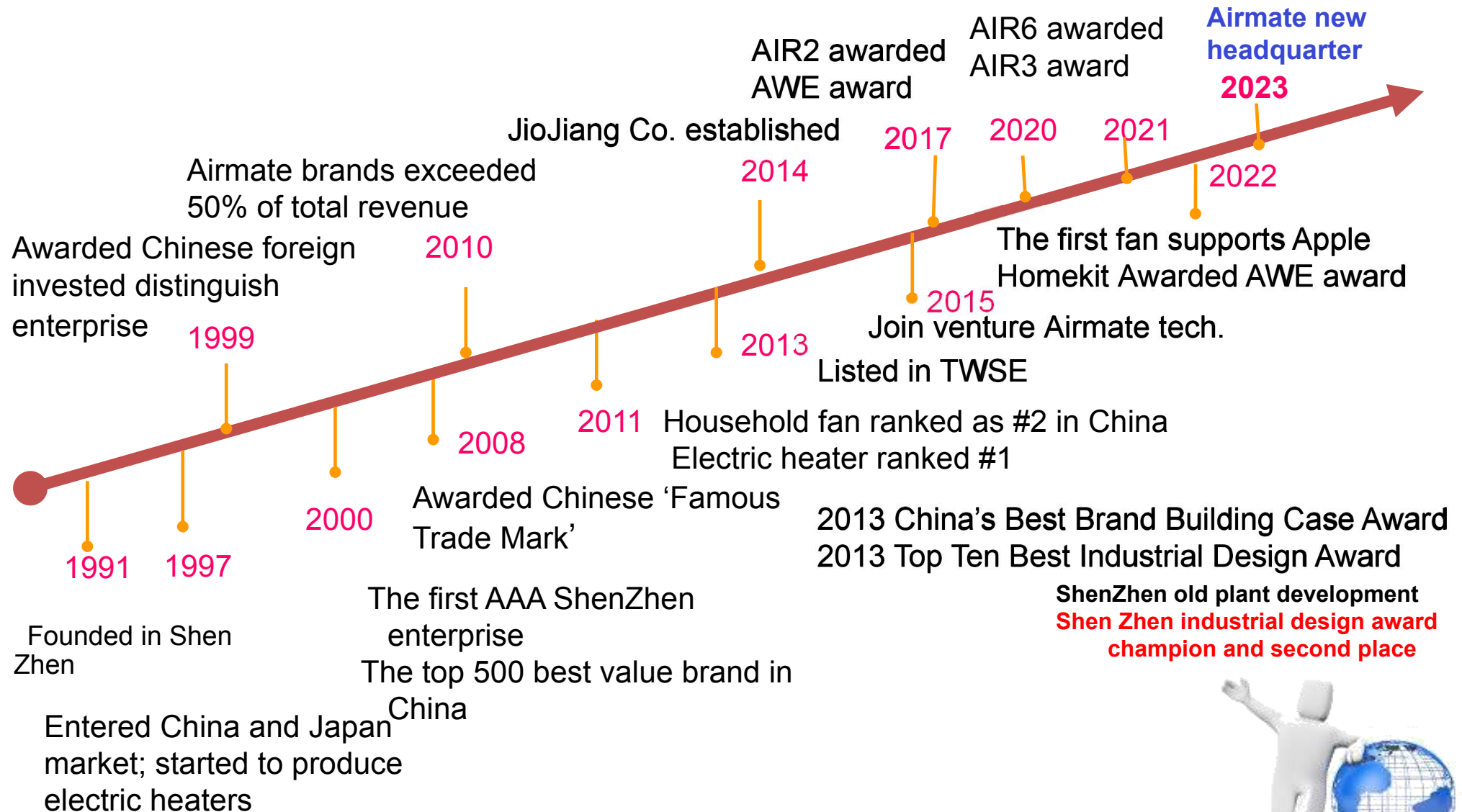
Employees: around 3,500

Plant size: ShenZhen 134,000 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, 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



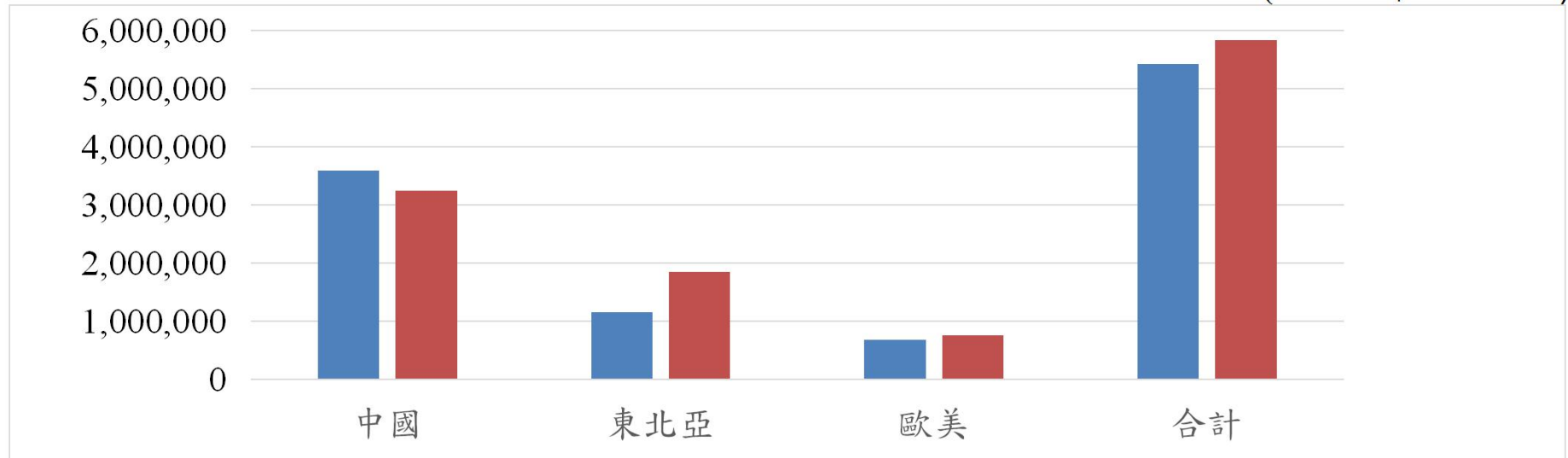
加湿机

2. Q1-3 performance 2023

2023 Q1-3 Sales Revenues Breakdown by Region



(Unit: NT\$ Thousand)



	2023Q3	Sales %	2022Q3	Sales %	YoY
China	4,430,413	65%	4,224,051	54%	5%
Northeast Asia	1,455,594	21%	2,405,448	31%	-39%
Europe & America	972,499	14%	1,162,981	15%	-16%
Total	6,858,506	100%	7,792,480	100%	-12%

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 Q1-3 Sales Revenues Breakdown by Product Category



(Unit: NT\$ Thousand)

Product	2023Q3	Sales %	2022Q3	Sales %	YoY
Fan	5,298,368	77%	5,801,550	74%	-9%
Heater	709,545	10%	926,990	12%	-23%
Small home appliances	343,805	5%	500,566	6%	-31%
Exhaust fan	345,293	5%	401,982	5%	-14%
Others	161,495	3%	161,392	3%	0%
Total	6,858,506	100%	7,792,480	100%	-12%

Analysis :

- Revenue decline of fan and electric heater due to pipeline distribution stock which affects new order and delivery.
- 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\$ 55,992 Thousand °

2023 Q1-3 Consolidated Income

(Unit: NT\$ Thousand)

Items	2023Q3	2022Q3	YOY
Net Sales	6,914,498	7,792,480	-11.27%
Gross Profit	1,443,066	1,206,227	19.63%
Gross Margin(%)	21%	16%	27%
Operating Expenses	1,404,578	1,293,682	8.57%
Operating Income (Loss)	38,488	-87,455	-144.01%
Non-operating Income & Expenses	32,872	826,762	-96.02%
Net Income	34,134	621,333	-94.51%

3. R&D updates

In recent years, under "Sustainable Development Goals" (SDGs) promoted by United Nations, most developed and developing countries have successively promoted environmental sustainability in the form of policies and regulations, urging companies to think differently on issues such as energy saving, carbon reduction, plastic reduction and apply materials to design products to be closer to mainstream values and the "net zero" and circular economy goals.

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

Recycling materials application

Airmate products use PCR green environmental friendly recyclable materials which can be recycled, environmental friendly and effectively reduce carbon missions.

Airmate tries best to eliminate high-pollution traditional processes and use more environmental friendly materials and procedure.

Alternative energy application:

In the energy crisis and the post pandemic era, outdoor activates have become a trend. Portable and low energy consumption products become consumers' preference. Airmate has embarked green technology in solar energy application products which are closer to consumer needs and in line with the trend of sustainable goals.



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.

Airmate's product series design, platform design and universal modules are reuseable features which achieve the goal of reducing development costs and reducing resource waste.



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.

Food Dehydrator



Electric Food
Steamer



Pet Hair Dryer



4-in-1 Dryer

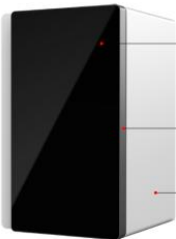


Dryer Heater



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

Mini Fradige Bar



Portable air conditioner



Freezer



Refrigeration

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

R&D innovation updates



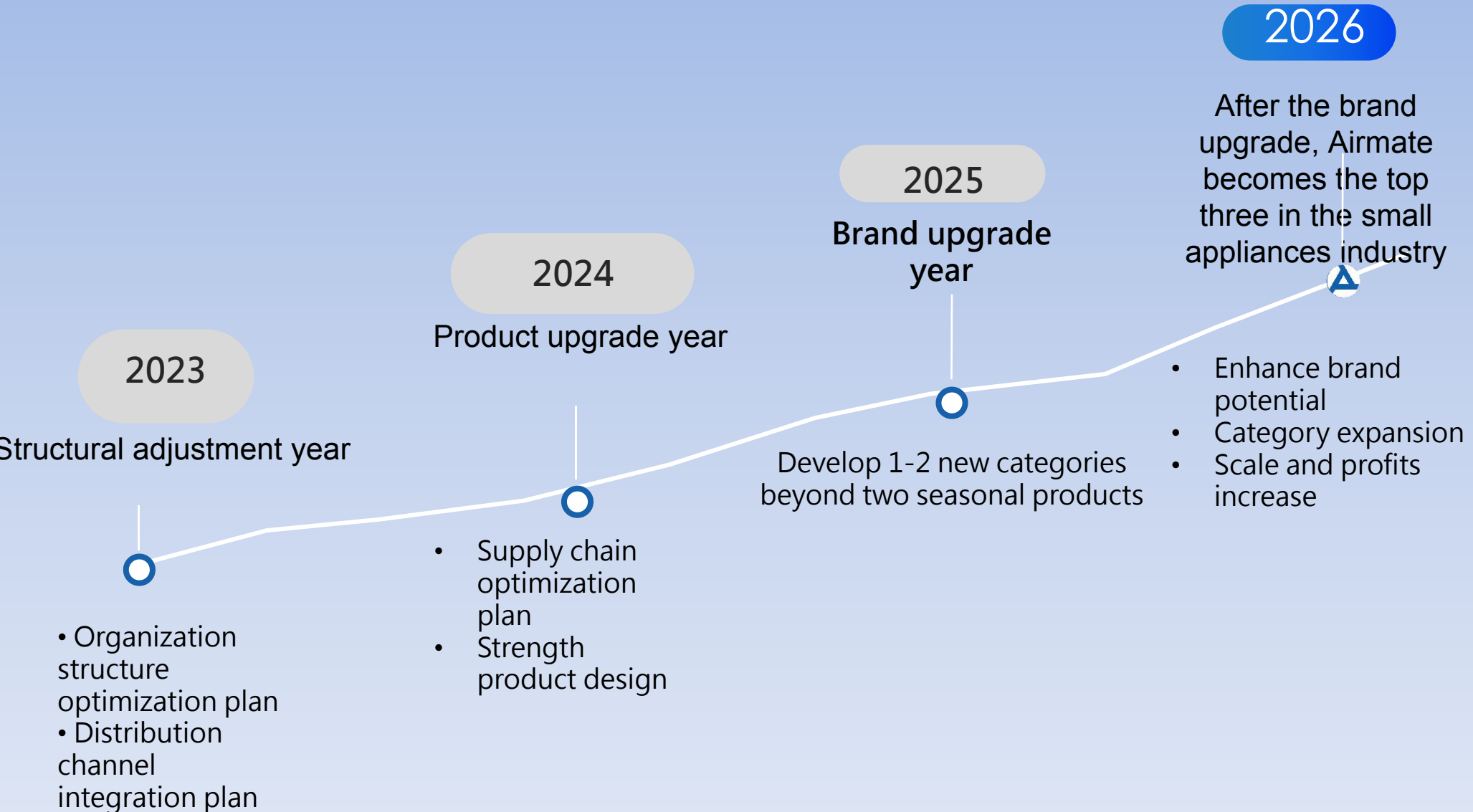
Participate in industrial design awards and patent applications

133 patent applications 2023

84 patent certificates 2023

4. Future plan

Airmate future plan for next three years



Optimal Airmate brand

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

Optimal Airmate distribution

1. Change business model (from online distributors to self-distribute); optimize clients 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 to ensure stabled product quality
2. Enhance new innovation to satisfy different consumer needs
3. Omni-channel optimization- Airmate's online and offline dealers are gradually optimized and replaced, optimizing the aging dealers.
4. Deepen the image of “precision manufacturing from Airmate” and enhance brand image, awareness and customer loyalty.

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 and good service to seize more market share.
2. Highly frequent visit existing clients to provide diverse choices and increase the possibility of cooperation.
3. Expand refrigeration series products (window air conditioners, mobile air conditioners, small outdoor air conditioners and small refrigerators.)

4. Cross-industry alliances

Acer is an earlier and more successful case since 2020. Currently in Asia there are several stable markets (Thailand, India, Malaysia, Singapore, Philippines). The project actively modifies existing models and aims to expand to the world market.

5. Cross-border e-commerce launches Airmate

- a. Amazon mainly focus on American. Currently online stores have set up and operated American and Mexican station. It will accelerate its key product planning and increase sales next year.'
- b. The shipment of split-type air conditioners crowdfunded on the Indiegogo platform has been completed.
- c. The e-commerce market research and evaluation in Vietnam has been completed. We are currently in the planning stage of contacting local e-commerce channels.

6. Intensive visits Southeast Asia countries (such as the Philippines, Singapore, Malaysia, Vietnam, Indonesia etc.) to develop new clients.



Q&A