

Investor Conference Dec 2022

Airmate (Cayman) International Co. Limited

(1626:TT)

Outline

1. Company profile
2. Q1-3 performance 2022
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 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, 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



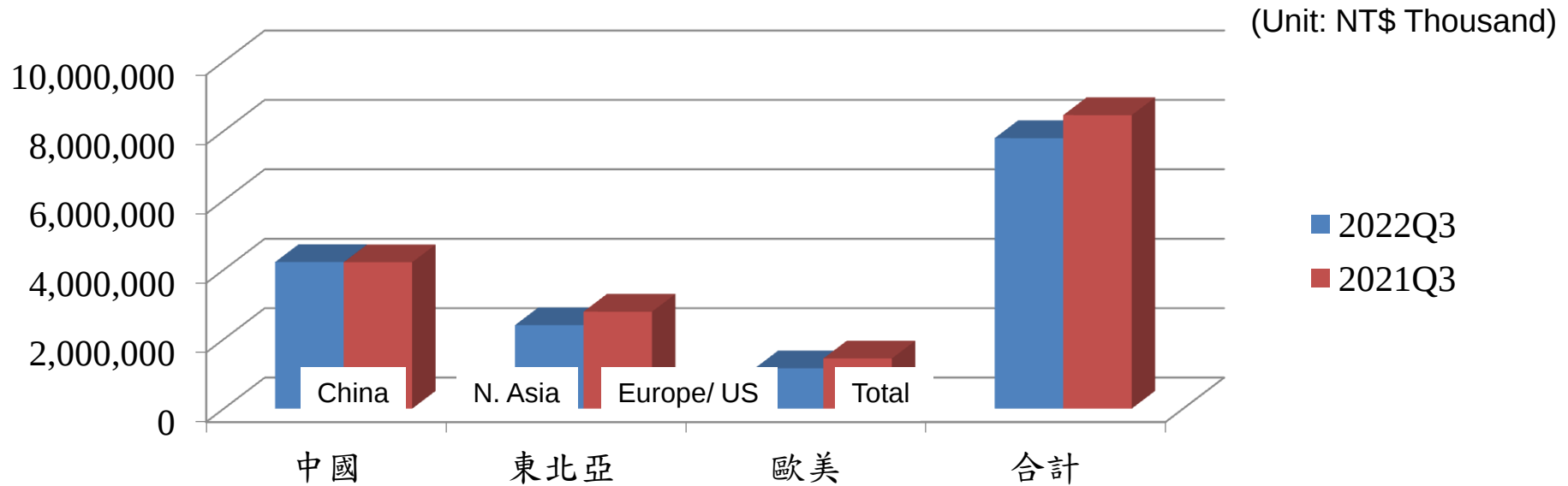
除湿机器



加湿机

2. Q1-3 performance 2022

2022 Q1-3 Sales Revenues Breakdown by Region



Region	2022Q3	Sales %	2021Q3	Sales %	YoY
China	4,224,051	54%	4,216,969	50%	0%
Northeast Asia	2,405,448	31%	2,793,795	33%	-14%
Europe & America	1,162,981	15%	1,444,967	17%	-20%
Total	7,792,480	100%	8,455,731	100%	-8%

Analysis :

1. Due to COVID, 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 Q1-3 Sales Revenues Breakdown by Product Category



(單位:新台幣千元)

Product	2022Q3	Sales %	2021Q3	Sales %	YoY
Fan	5,801,550	74%	6,502,680	77%	-11%
Heater	926,990	12%	824,914	10%	12%
Small home appliances	500,566	6%	543,770	6%	-8%
Exhaust fan	401,982	5%	335,773	4%	20%
Others	161,392	3%	248,594	3%	-35%
Total	7,792,480	100%	8,455,731	100%	-8%

Analysis :

- Revenue impact of fan due to decline in H1 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 Q1-3 Consolidated Income

(Unit: NT\$ Thousand)

Items	2022Q3	2021Q3	YOY
Net Sales	7,792,480	8,455,731	-7.84%
Gross Profit	1,206,227	1,037,154	16.30%
Gross Margin(%)	15.48%	12.27%	26.20%
Operating Expenses	1,293,682	1,247,611	3.69%
Operating Loss	-87,455	-210,457	58.45%
Non-operating Income & Expenses	826,762	-1,899	43636.70%
Net Income(Loss)	621,333	-221,245	380.83%

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.

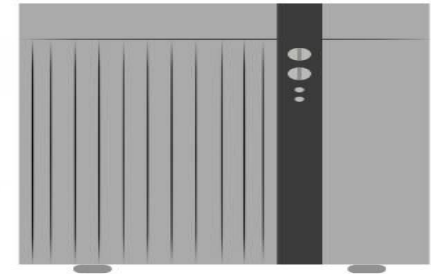
In the current and future product development, Airmate reduces effectively their carbon footprints, uses renewable materials and optimizes energy efficiency.

Recycling materials application

Recycling materials application 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.

Optimal production process

Vaporization humidifying technology operates a humidification function by accelerating the evaporation of water, which combines vaporization humidifying with convection electric heater. The high temperature vaporization sterilizes water to achieve environmental protection goal, improves humidification efficiency, and reduces carbon emissions.



New product develop

Refrigeration
project
series(Compressor
application)

小冰箱、啤酒机、移动空
调、除湿机



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



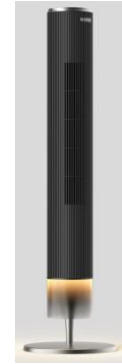
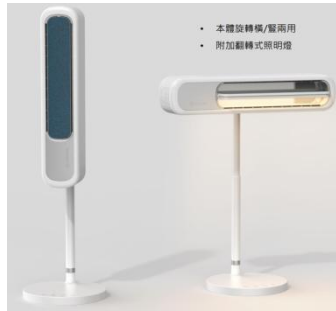
同現有的客戶繼續開發新專案，對於特殊消費和特殊人群我們單獨開發相關產品來滿足消費者；

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



R&D innovation updates



110 patents in 2022

94 patent certificates in 2022

4. Future plan

Airmate future plan for next three years



2025

After the brand upgrade, Airmate becomes the top three in the small appliances industry



- New platform co-op
- New product launch
- Internet marketing strategy

2024

Product development year



- Seasonal products development
- Increase new product market share
- Strengthen brand awareness

2023

Product upgrade year



- Product competition optimization plan
- Selected channel develop

2022

brand optimization year



- Brand upgrade plan
- Distribution channel optimization plan

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

- 
- A light blue world map serves as a background for the text. It includes labels for 'North America', 'Europe', 'South America', 'Africa', and 'Australia' with lines pointing to their respective regions.
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.
 5. Cross industry client development.

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 proportion forecast in 2023 will be 20:80.

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