Sun Max Tech Ltd. (TWSE 6591)

2025.Q3 Investor Conference

Disclaimer

The following pages contain projections & estimates of financial information as well as market and product developments for future periods. These projections & estimates are based on information currently available which we believe to be reliable, but may involve risks and uncertainties.

Our actual results of operations and financial condition may differ significantly from those contained in the projections & estimates. These projections & estimates should not be interpreted as legally binding commitments, but rather as flexible information subject to change occasionally.

Agenda

- Introduction
- Financial Results
- Core Competitiveness
- Industry Overview
- ESG

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Background

Established Date: 1998

Headquarters and Production Base:

- Sun Max Tech CO.,LTD (New Taipei City, Taiwan)
- Power Logic (Jiang Xi TAI YI) CO.,LTD (Jiang Xi, China)
- Dong Guan Dong Li Dian Zi CO.,LTD (Dong Guan, China)

Founder& Presiden: Vincent Hsu

Thermal solution provider

- Gaming Entertainment
- Automotive
- Industries/ IOT
- Home appliances
- Telecom & Data storage
- Green energy
- Medical equipment

Jiangxi

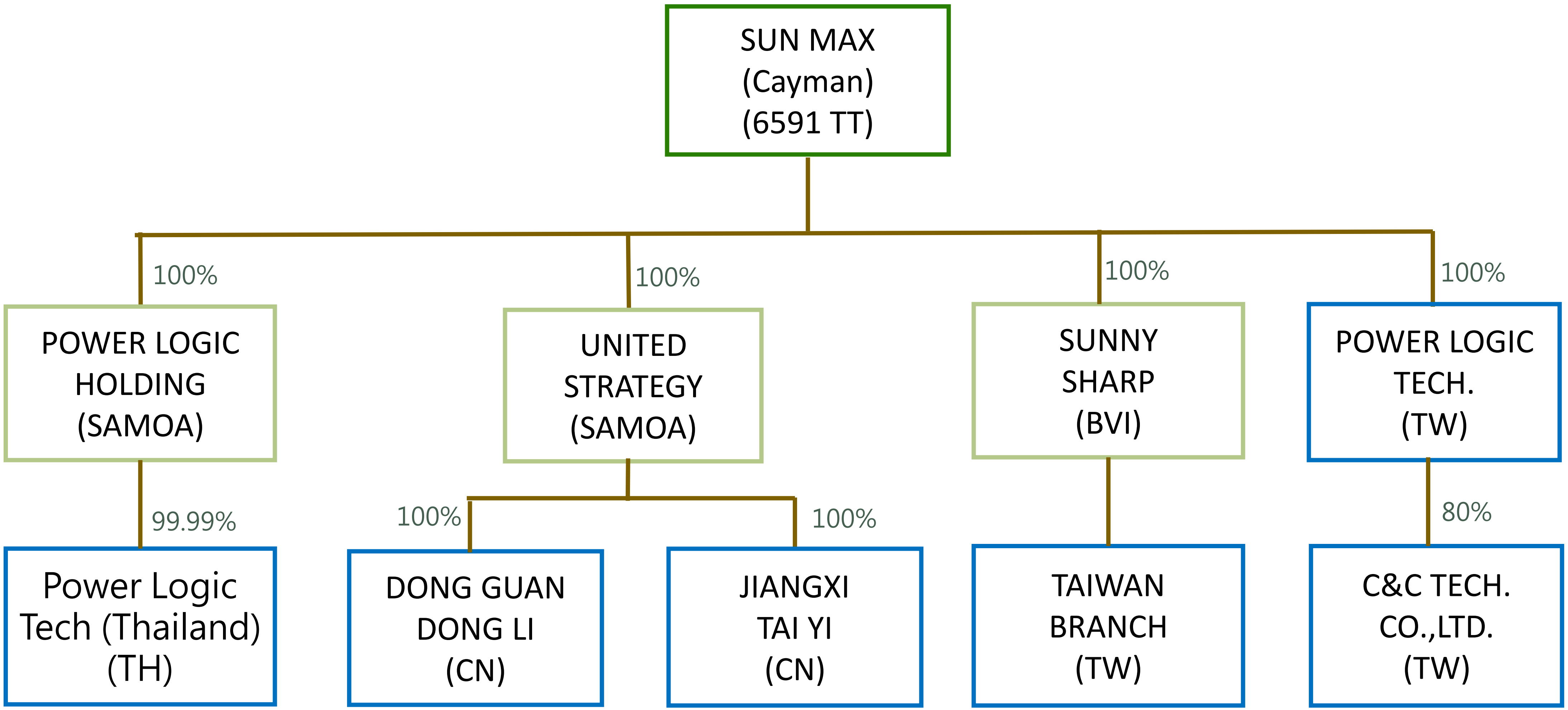
Taiwan

Guangdon

History

- **1998** — Power Logic Tech. Inc. was founded
- **2003** — Power Logic Tech. (Dongguan) was founded
- **2013** — Parent Company Sun Max Tech. Ltd. was founded
- **2017** — IPO in Taiwan stock market
- **2019** — Power Logic Tech. (JiangXi TAI YI) CO. LTD. was founded
- **2022** — Buy Taipei Office
- **2024** — Buy Taipei Factory& Office
- **2025** — Power Logic Tech (Thailand) was founded

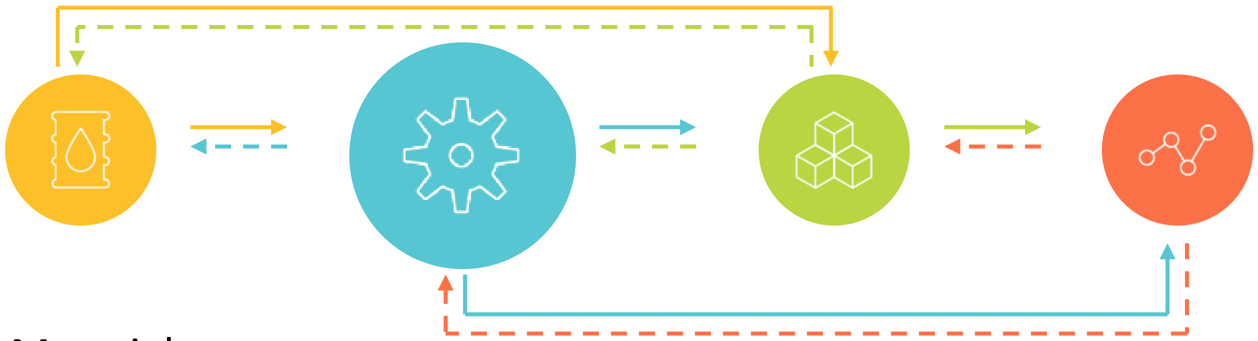
Organization Structure



Group Overview

	Sun Max Tech Limited	Dong Guan Dong Li Dian Zi Co., LTD	POWERLOGIC (Jiang Xi TAI YI) Co., LTD.
Location	Headquarters New Taipei City, Taiwan	Production Base Dong Guan, China	Production Base Jiang Xi, China
			
Area (m^2)	5,000	25,000	74,000
Employee	110	300	700
R&D Number	30	20	30

Supply Chain & Applications



Raw Materials
(Up Stream)

Parts Assembly
Factory
(Mid Stream)

Cooling Mold
Factory
(Mid Stream)

Application
Industry
(Down Stream)

Shipping

Ordering

- 27 years experience in engineering design, development and production in Fan & Thermal solutions
- Fan size: 20x10mm → 172x51mm

Telecom/Green Energy

Industry/Healthcare

Gaming

Automotive

Home appliances

Product

NB Fan

GPU & PC Related Fan

Industrial Control &
Server & Netcom

Automotive Fan

Led Fan

Home appliances

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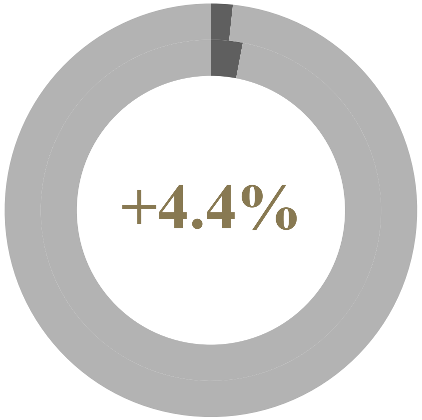
2025.Q1~Q3 Product Mix

2025.3Q / 5.5%
2024.3Q / 3.8%

Industrial Control / Intelligent Home Appliances

2025.3Q / 9.7%
2024.3Q / 5.3%



PC

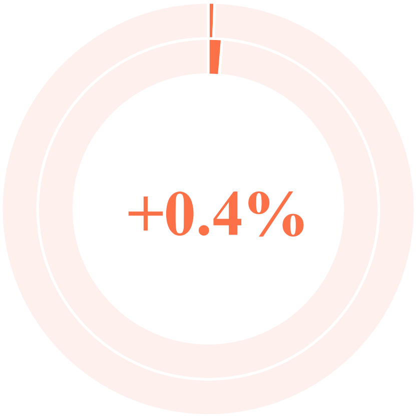
2025.3Q / 80.8 %
2024.3Q / 87.8 %

Gaming

2025.3Q / 3.0%
2024.3Q / 2.5%

Netcom

2025.3Q / 1.0%
2024.3Q / 0.6%



Others / Automotive

2025.Q1~Q3 Statements of Comprehensive Income (YOY)

Unit: NT$ Thousands, except EPS (NTD)

Items	2025.Q1~Q3	%	2024.Q1~Q3	%	Diff.	YOY(%)
Revenue	1,370,569	100.00	987,211	100.00	383,358	38.83
Gross Profit	487,209	35.55	263,335	26.67	223,874	85.01
Selling Expenses	(36,108)	(2.63)	(27,851)	(2.82)	8,257	29.65
G&A Expenses	(135,546)	(9.89)	(109,592)	(11.10)	25,954	23.68
R&D Expenses	(80,620)	(5.88)	(60,978)	(6.18)	19,642	32.21
Operating Expenses	(252,274)	(18.41)	(198,421)	(20.10)	53,853	27.14
Operating Profit	234,935	17.14	64,914	6.58	170,021	261.92
Non-Operating Items	18,863	1.38	68,447	6.93	(49,584)	(72.44)
Profit before income tax	253,798	18.52	133,361	13.51	120,437	90.31
Net profit for the period	177,009	12.92	92,881	9.41	84,128	90.58
EPS(NT$)	4.65		2.53		2.12	83.79

2025.Q3 Consolidated Balance Sheets

Unit: NT$ Thousands

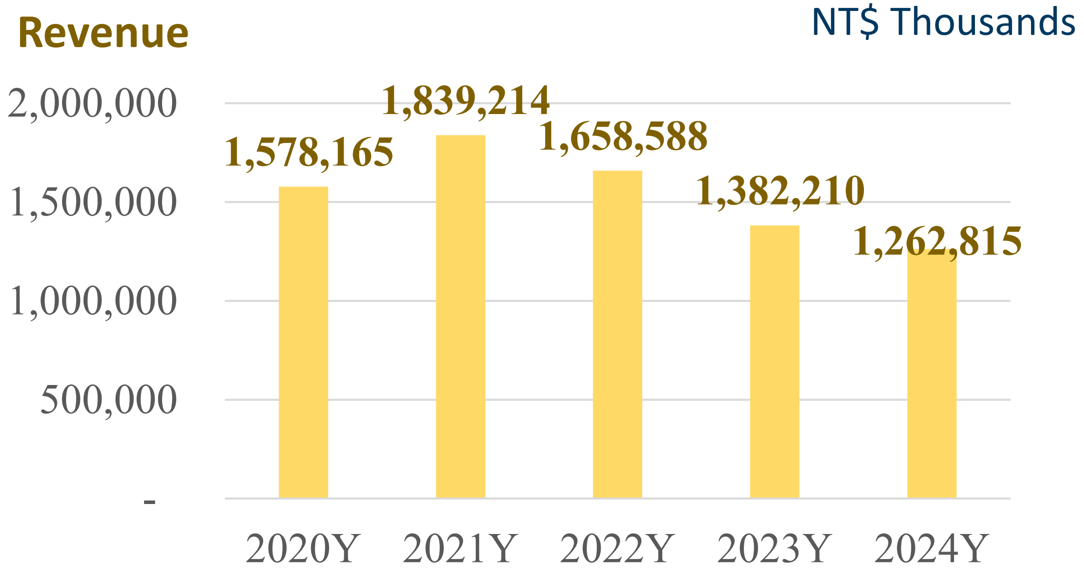
Items	2025.Q3	%	2024	%	2024.Q3	%
Cash and cash equivalents	968,881	28.21	748,046	25.0%	688,139	25.7%
Accounts receivable	724,603	21.10	481,480	16.1%	503,564	18.8%
Inventories	196,207	5.71	183,652	6.1%	163,581	6.1%
Other current assets	25,937	0.76	32,074	1.1%	25,506	1.0%
Property, plant and equipment	1,312,065	38.21	1,428,370	47.7%	1,109,266	41.5%
Other assets	206,443	6.01	122,507	4.1%	185,800	6.9%
Total assets	3,434,136	100.00	2,996,129	100.0%	2,675,856	100%
Short- term borrowings	51,424	1.50	70,000	2.3%	20,000	0.7%
Accounts payable	195,566	5.69	159,457	5.3%	142,153	5.3%
Other payable	211,776	6.17	188,549	6.3%	173,483	6.5%
Other current liabilities	72,260	2.10	101,816	3.4%	94,771	3.5%
Long-term loan	350,940	10.22	372,900	12.4%	172,420	6.4%
Bonds payable	232,042	6.76	0	0.00%	0	0.00%
Other liabilities	178,229	5.19	168,298	5.6%	178,316	6.7%
Total liabilities	1,292,237	37.63	1,061,020	35.4%	781,143	29.2%
Total equity	2,141,899	62.37	1,935,109	64.6%	1,894,713	70.8%
Important Financial Metrics						
Debt Ratio	37.63%		35.41%		29.19%	
Inventory Turnover (times)	6.20		4.60		5.03	
Receivables Turnover Ratio(times)	3.03		2.42		2.47	

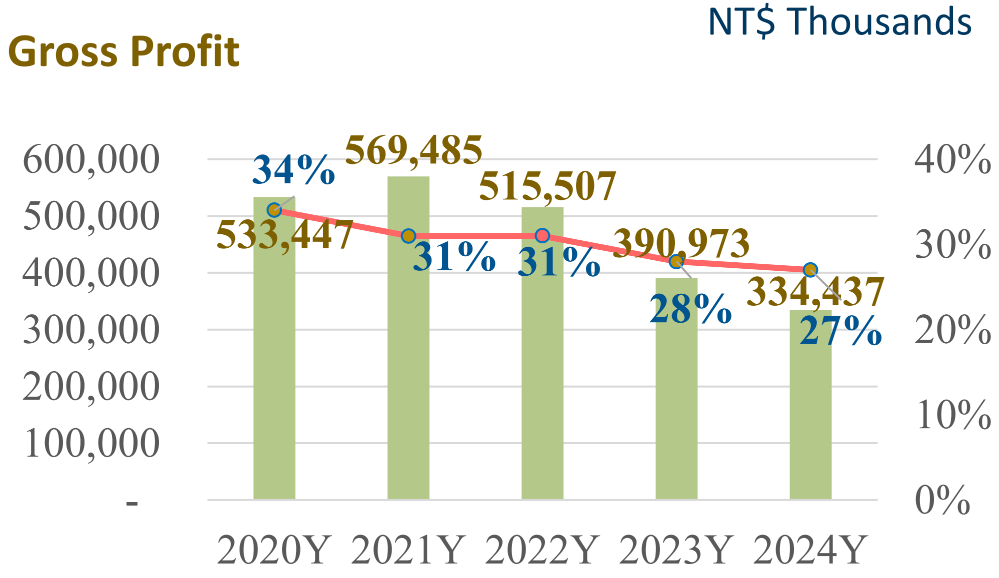
2025.Q1~Q3 Statement of Cash Flows

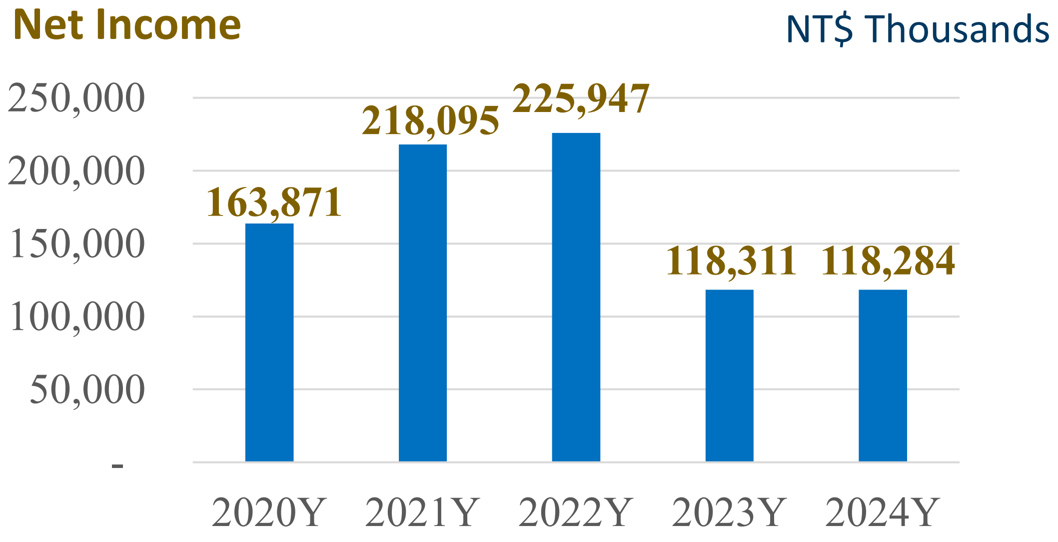
Unit: NT$ Thousands

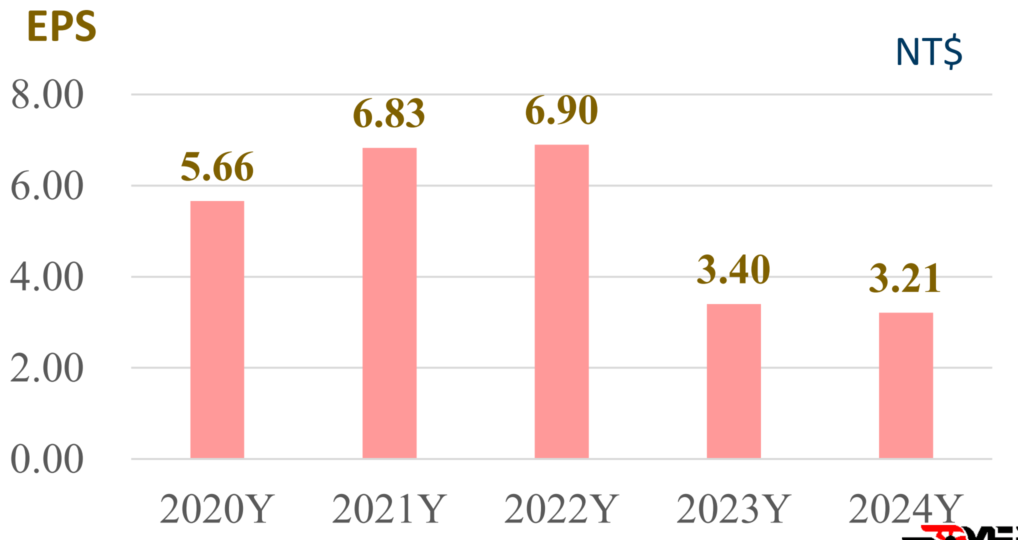
Items	2025.Q1~Q3	2024.Q1~Q3
Beginning Cash Balance	748,046	627,497
Net Operating Sources	78,423	206,357
Cash payment from investing activities-		
Proceeds from disposal of property/Capital Expenditures	44,323	(42,091)
Prepaid equipment payment	(103,970)	(50,910)
Receipt of government grants	8,223	47,325
Other Investing Source/(Uses)	(1,492)	46,595
Net Investing Uses	**(52,916)**	**(46,406)**
Cash flow from financing activities-		
Short-term Borrowings	(18,576)	(6,011)
Issuance/buyback of convertible bonds	246,694	-
Repayments of Long-term Loans	(21,690)	(10,980)
Cash Dividends	(90,957)	(102,463)
Issuance of ordinary shares	139,850	-
Other Financing Uses	(14,186)	(13,040)
Net Financing Sources	**240,865**	**(132,494)**
Effects of Exchange Rate Changes	(45,537)	33,185
Ending Cash Balance	968,881	**688,139**

Financial Performance for the recent years





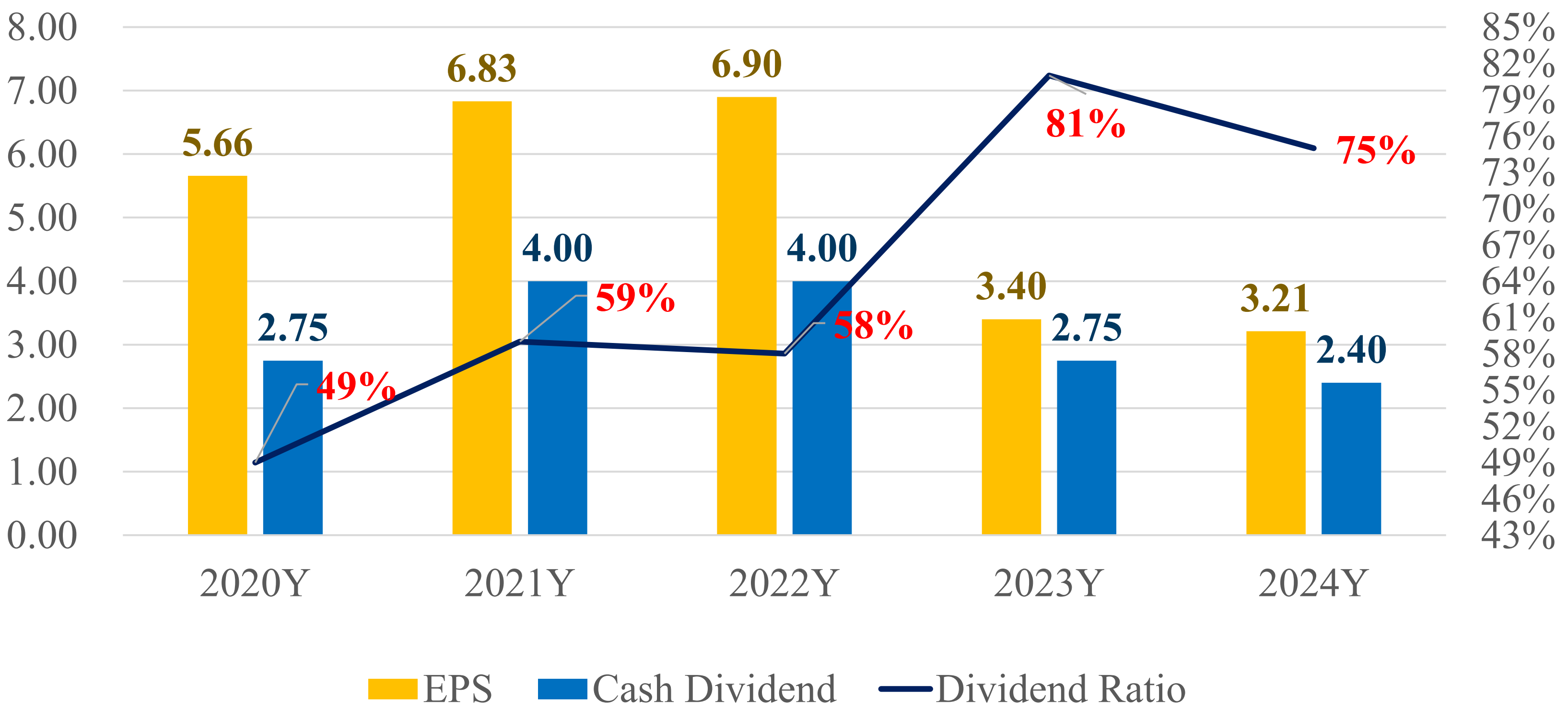




Dividend Policy

◇ In order to create a good growth momentum for medium and long-term operations, the dividend payout rate has been around 50% or over 50% in recent years . The allotment rate will reach ˙75% in 2024, and the company's operating results will be shared with all shareholders.

Unit: NT$



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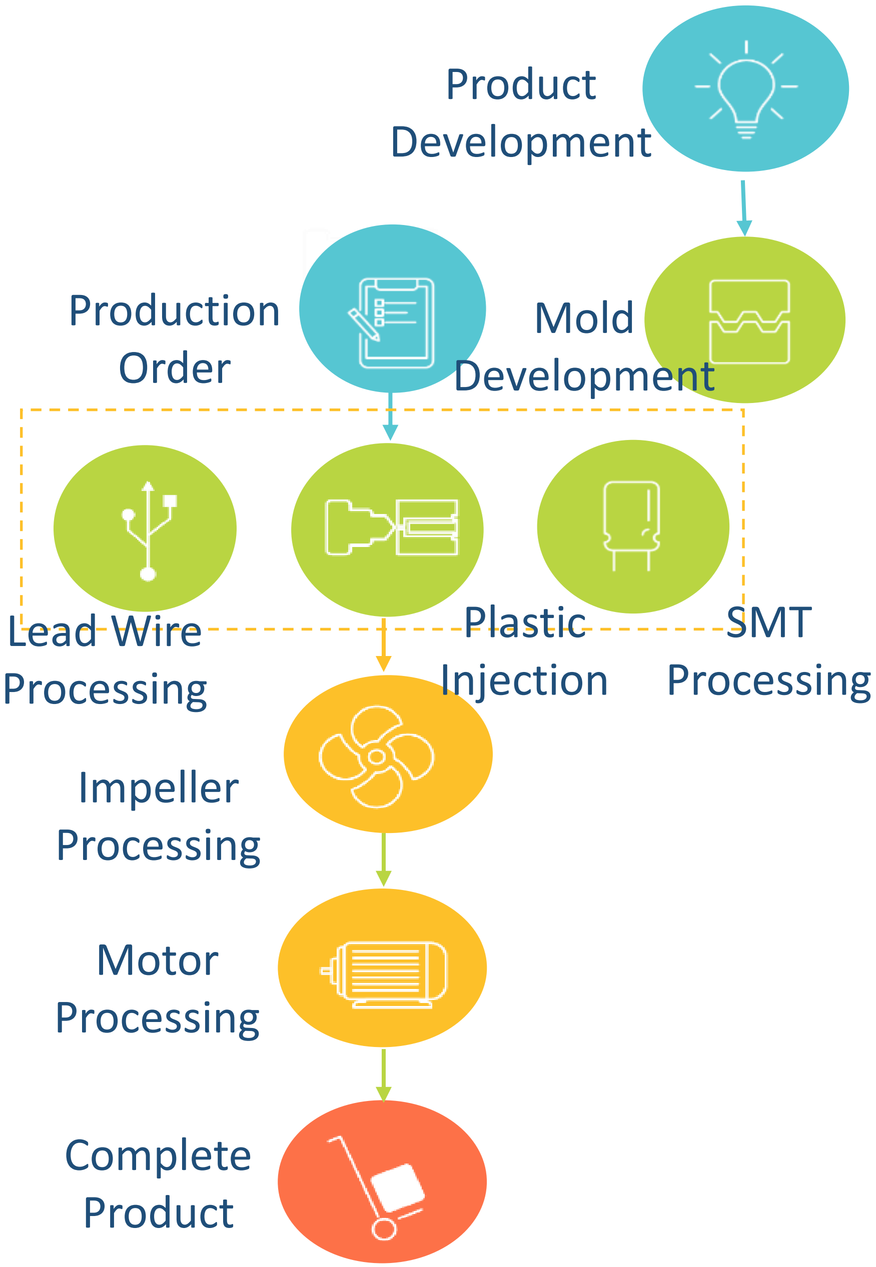
Vertical Integration



Design and Development	Work Order Production	Finished Product
◆Product design and mold development ◇Use technological innovation to exert high heat dissipation efficiency in the limited space of hardware	◆Plastic molding, wire processing and motor processing ◇The factory has a high degree of vertical integration, delivery time control, and quality control	◆Delivery time and shipping time ◇Establish well-planned inventory, supplier management plan, fast and smooth delivery process and delivery

Assist customers in shortening product development lead times and production processes

Business Strategy

Equipment (Automated Manufacturing)

Injection Process

SMT Machine

Winding Process

PCB Process

Dynamic Balancing Machine

Assembly Process

PWMFunction Test

Burn-in Machine

R&D Capability

- Mock-up Facility

Prototype

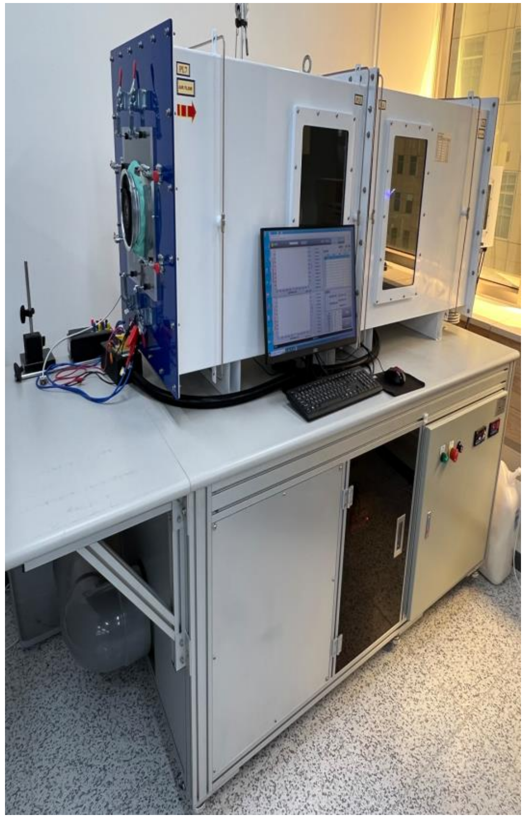
CNC

3D Printer

Dynamic Balancing

R&D Capability

- Wind Tunnel & Thermal Chamber



Wind Tunnel (L)

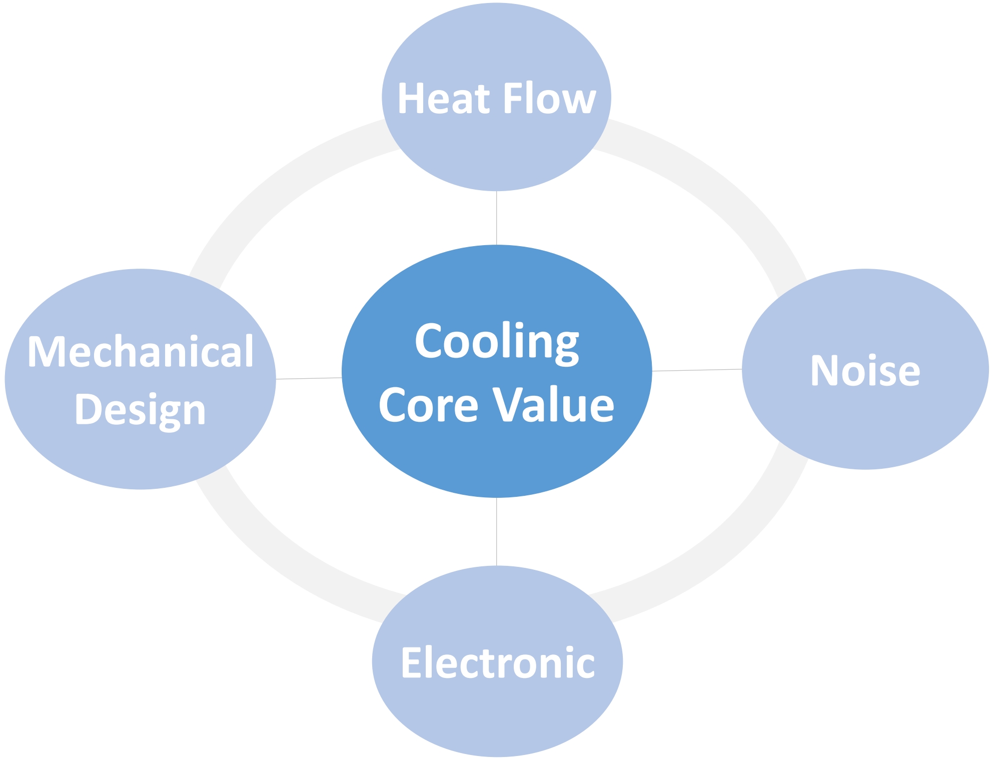
Wind Tunnel (M)

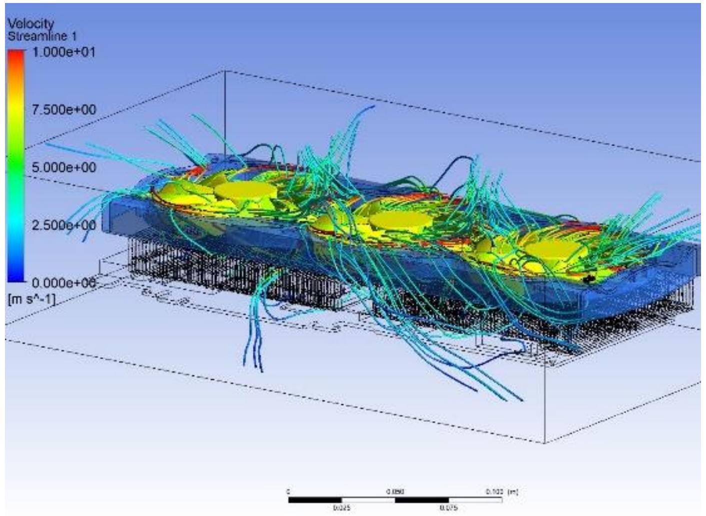
Wind Tunnel (S)

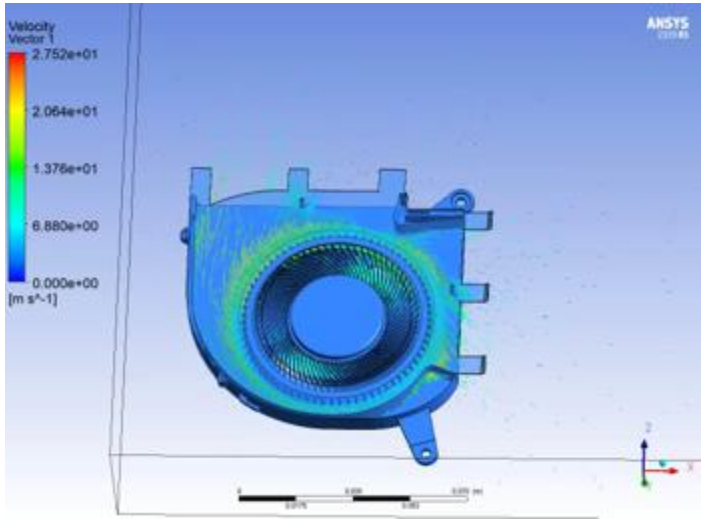
Thermal Chamber

Thermal Chamber

R&D Capability







-Master the key technologies and core values of fans

- Fans that meet the cooling requirements of low noise and high motor efficiency
- Provide customized service
- Have advanced patented technology

Taiwan: 166

China: 112

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Wide Gaming Market Development

◆ The global gaming market is steadily increasing.

◇ The global gaming market is projected to generate approximately $188.8 billion in revenue by 2025, representing an annual growth rate of about 3.4%. It is further projected to grow to $206.5 billion by 2028, with a compound annual growth rate (CAGR) of approximately 3.0%.

The player base is also maturing, with an estimated 3.6 billion players in 2025, representing over 60% of the global internet population. The industry is projected to reach 3.9 billion players by 2028 (a CAGR of 3.3% from 2025 to 2028). The market in 2025 will exhibit a mature but not stagnant state; it will continue to grow.

Wide Gaming Market Development

◆ The e-sports ecosystem drives economic benefits

◇ The continued development of the esports industry is driven by key trends including technological innovation (such as AI and VR/AR), a continuously expanding audience and market size, and the diversification of the industry ecosystem. Live esports broadcasting is a significant growth driver, demonstrating the industry's increasing maturity and expansion into the global market.

E-sports has evolved beyond just games and tournaments, developing into a complete industry structure encompassing hardware, software development, media resources, and related merchandise, thus generating numerous related business opportunities.

Description of Current Market

◆ Demand for NVIDIA RTX 50 series continues

◇ The core weapon of the NVIDIA RTX 50 series is the new Blackwell architecture. This new architecture not only represents an advancement in manufacturing process but also features significant optimizations to the ray tracing cores and Tensor Cores. For gamers, the most direct benefit is more realistic graphics and more stable frame rates. Furthermore, the introduction of DLSS 4.0 technology pushes AI frame interpolation to new heights, significantly improving game smoothness without sacrificing image quality, making 4K high-effect gaming experiences easier than ever before.

The RTX 50 series represents a significant upgrade over the 40 series, with an average increase of 25% in core count and 54% in memory bandwidth, delivering a smoother gaming experience, especially when ray tracing is enabled. Looking ahead, the continued game upgrade cycle, coupled with artificial intelligence (AI) related applications, is expected to continue driving demand for RTX GPUs between 2025 and 2026.

Description of Current Market

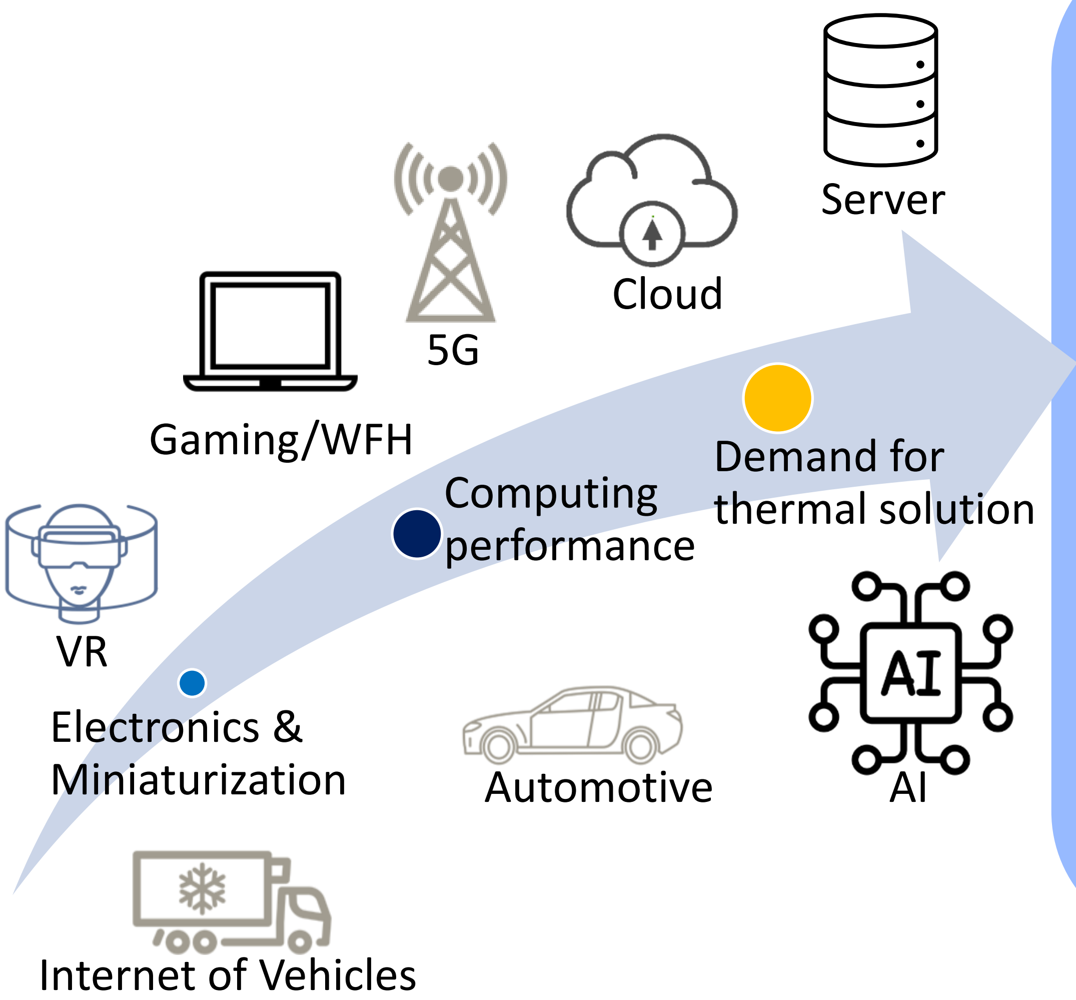
◆ E-sports events and video games drive the consumer market

◇ E-sports events not only ignite the fighting spirit of players but also fuel players' desire to upgrade their gaming hardware. Players especially prioritize upgrading the hardware specifications and performance of their gaming PCs to ensure a smooth experience with top-tier games. Besides PC performance, peripheral accessories are also crucial to player feel and gaming performance, and are a significant driving force behind the growth of the esports consumer market.

Industry development trend

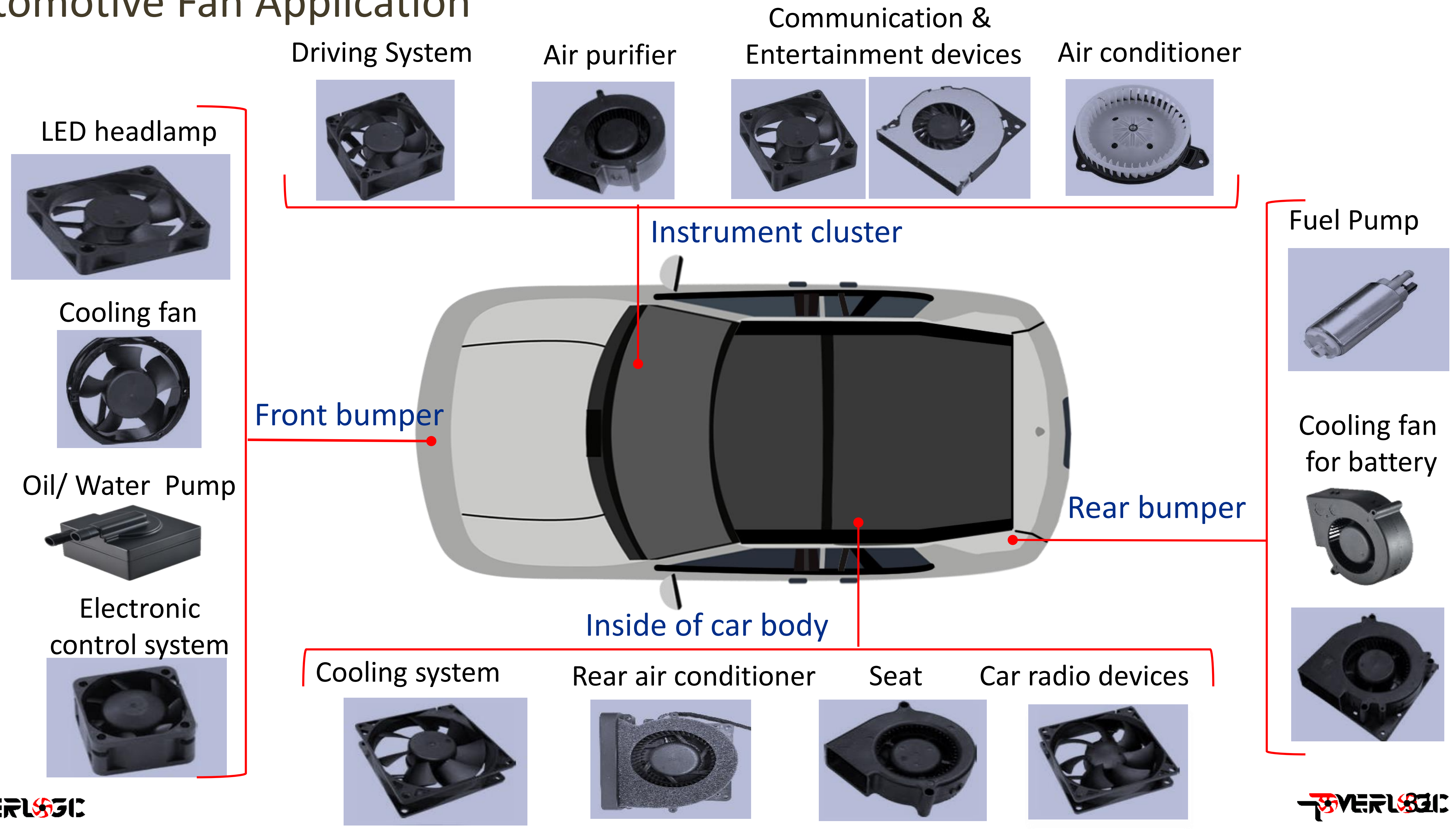
◆ The heat dissipation industry is widely used. Computer products, graphics cards, electric vehicles, network equipment, data centers and servers all have huge heat dissipation needs. In the current design of electronic products, heat dissipation technology plays a vital role. , with the rapid development of fields such as artificial intelligence (AI) and high-performance computing (HPC), the demand for "cooling solutions" continues to rise.

◇ In the era of computing power, the market demand for cooling continues to increase. Communication networks, consumer electronics, smart home appliances, etc. are developing diversified. Cloud service manufacturers and data centers continue to deploy. Increased computing demand means increased energy consumption, and the resulting heat energy also increases., driving demand for cooling products.



◇ AI has brought many innovative applications, and the computing demand of data centers continues to rise, which has also driven the transformation of cooling architecture. Although air cooling technology is mature, its cooling demand currently falls between 700 and 1200W, driving the transformation of cooling architecture, gradually towards "water cooling + "Air cooling" and liquid cooling solutions have developed; but at this stage, using air cooling to blow cold air into the heat dissipation fins is still the main cooling solution in servers.

Automotive Fan Application



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ESG-Summary of Results

Environmental

- The Jiangxi factory is equipped with solar power generation facilities, which can convert sunlight energy into electricity to achieve energy saving and carbon reduction benefits
- Participate in the donation of recycled computers to the ASUS Cultural and Educational Foundation to reduce carbon dioxide emissions
- In response to the international trend of carbon reduction, we have obtained third-party verification for "ISO 14064-1 Greenhouse Gas Inventory" in 2023 and 2024, and continue to independently promote greenhouse gas inventory to understand the greenhouse gas emissions of the plant area. We uploaded and completed the 2024 sustainability report in August of this year.

ESG-Summary of Results

Social

- ◆Participated in the Taiwan Merchant Association Dongguan -Changping Branch, charitable activities. (ex. organizing blood donation)
- ◆Donate scholarship to the Tamkang University. (2019~Now)
- ◆Donate scholarships and bursaries to the Alumni Association Tamkang University in Taipei.
- ◆Respond to customers' ESG actions, participate in joint beach cleanups, and work together to protect the oceans.

Governance

- ◆Formulate the "Regulations for the Preparation of ESG Reports", "Code of Practice for Social Corporate Responsibility“ and "Code of Practice on Corporate Governance" to strengthen sustainable information management, fulfill corporate social responsibilities and protect the rights and interests of shareholders.
- ◆ Apply for "Employee Stock Ownership Trust" to achieve the goal of improving employee welfare and corporate talent retention through employee stock ownership trust, thereby motivating employees to work together with the company and share business results.

End

Sun Max Tech Ltd.

Beyond
limits.
Beyond
today.