

**Pan-International (2328 TT)**

**1Q26 Earnings Conference**



Pan-International

**May 14, 2026**



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# 1Q26 Operating results and business outlook



# 1Q26 Operating results summary

## Revenue

NT\$ **4.25bn**

**QoQ -14.1%**  
YoY -25.6%

## Gross profit

NT\$ **331mn**

**QoQ -46.4%**  
YoY -48.4%

## Gross margin

**7.8%**

**QoQ -4.7ppts**  
YoY -3.4ppts

## Operating profit

NT\$ **(15mn)**

## Operating margin

**-0.3%**

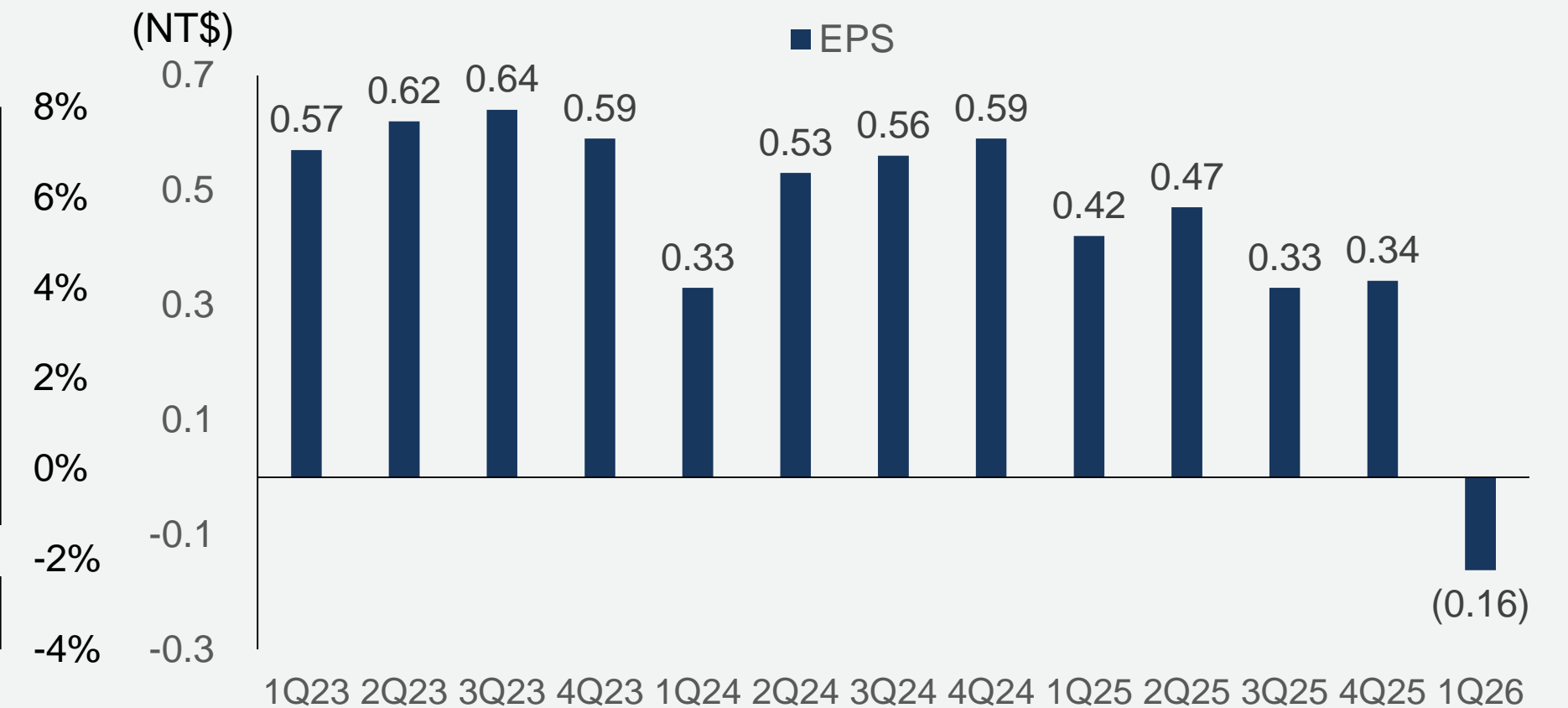
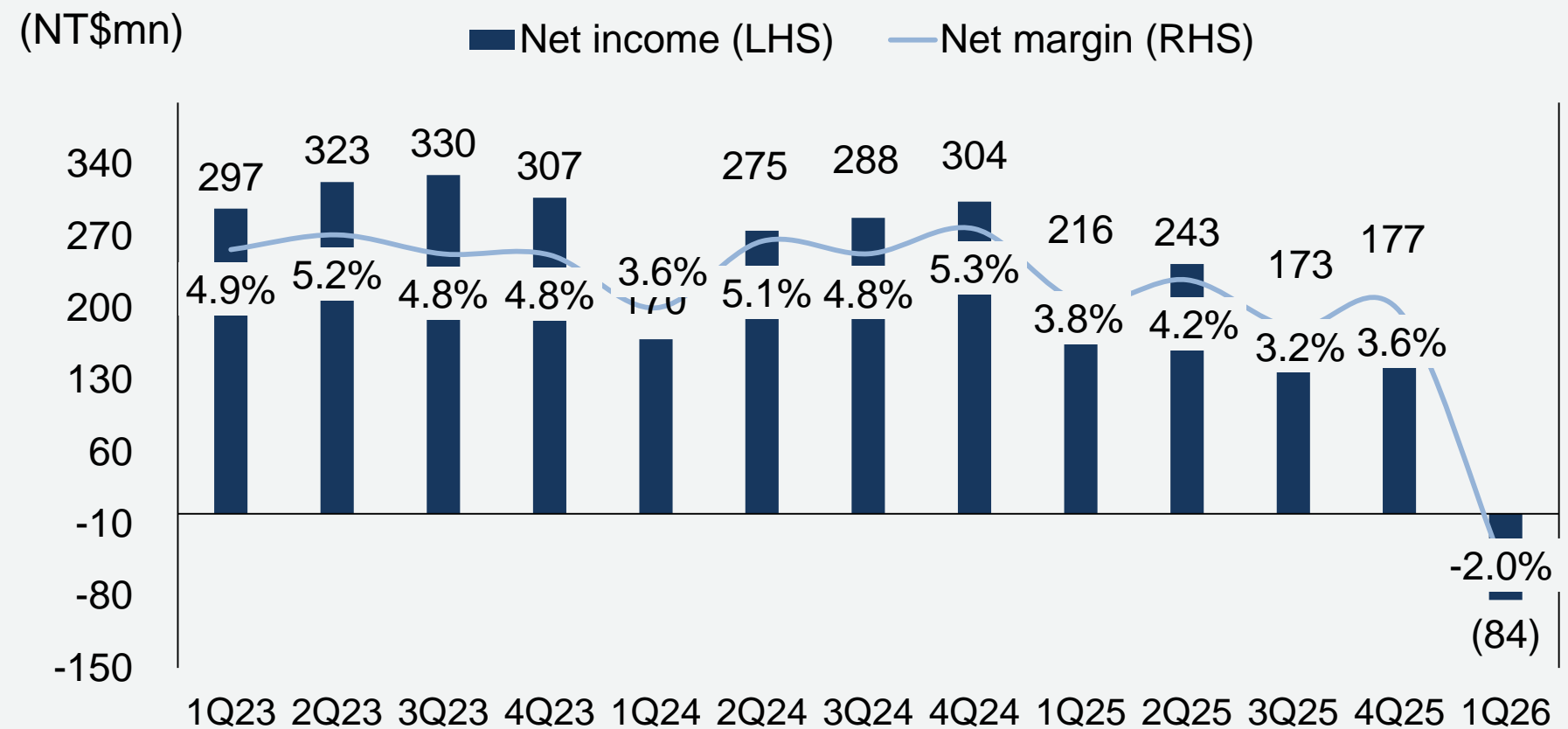
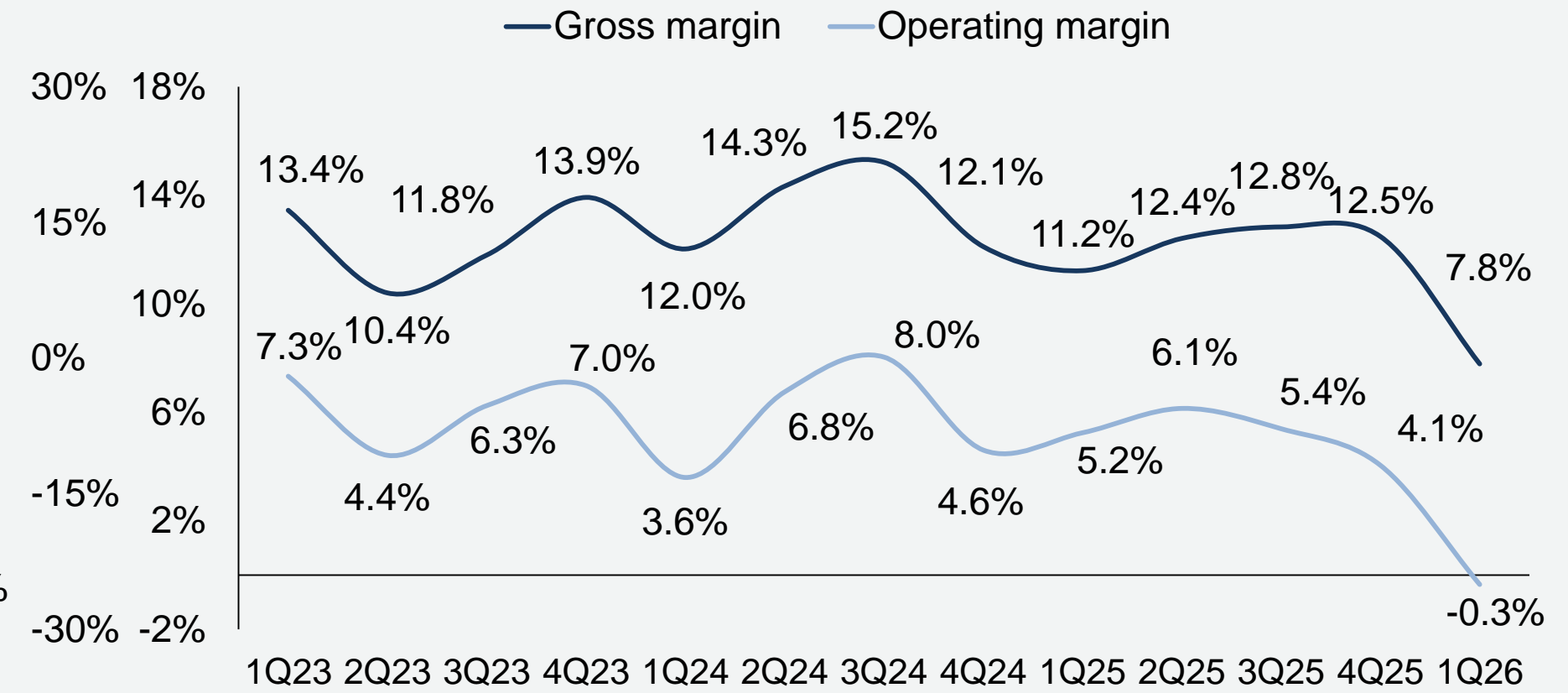
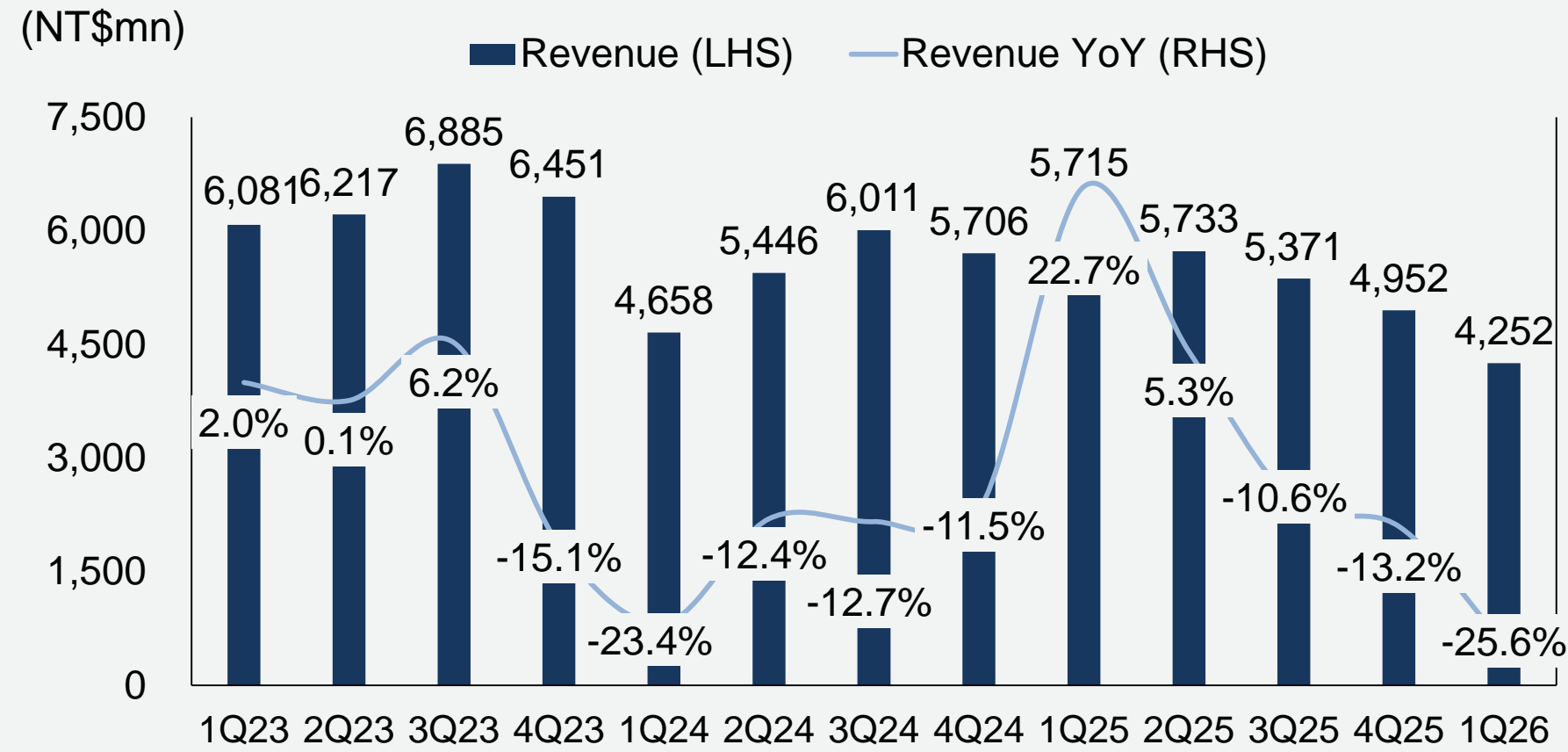
**QoQ -4.4ppts**  
YoY -5.6ppts

## Net income

NT\$ **(84mn)**

**EPS NT\$ (0.16)**

# Quarterly financial performance



# 1Q26 Cash flow summary

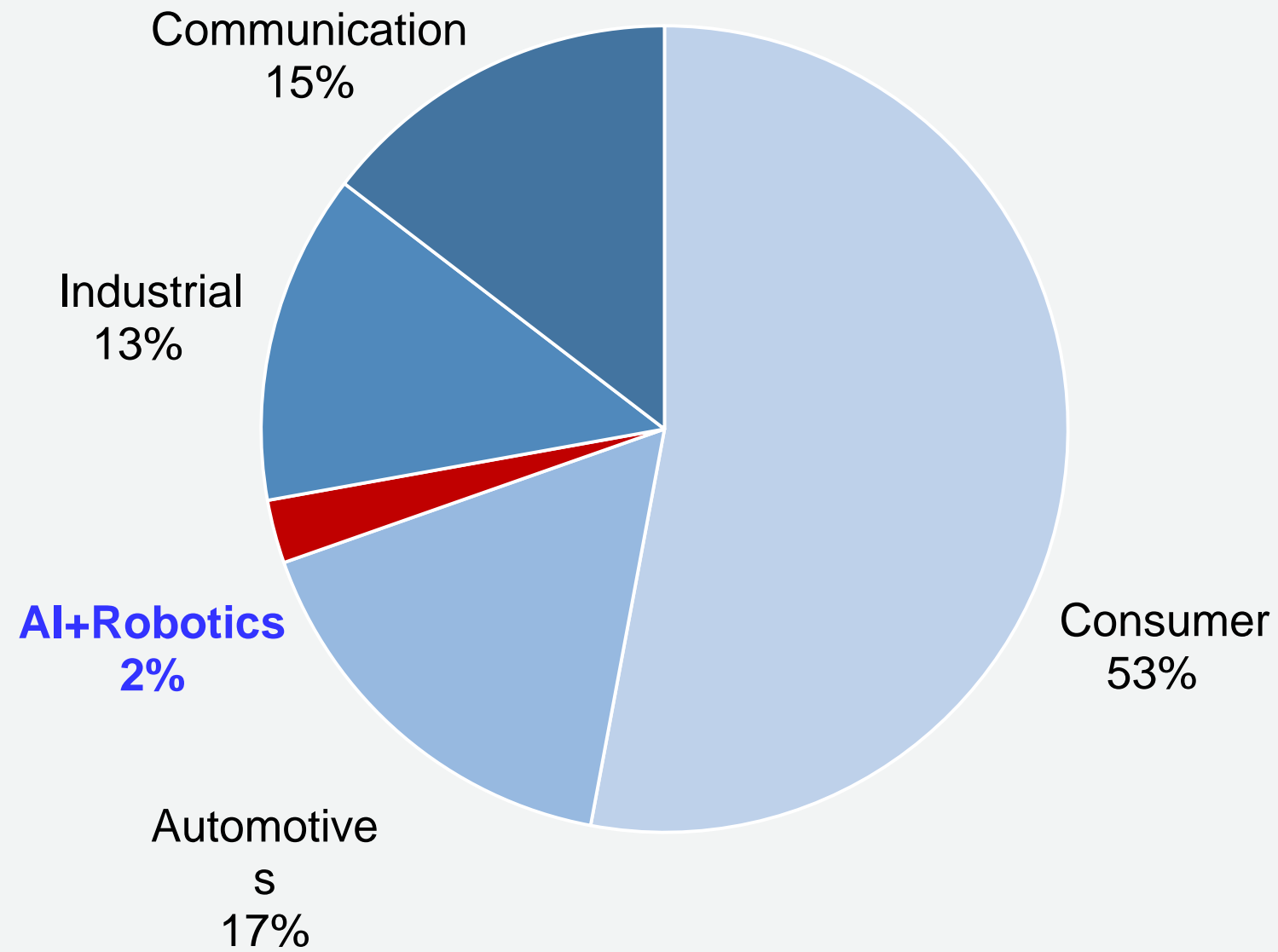
NT\$m	1Q26	1Q25
<b>Beginning cash balance</b>	<b>6,341</b>	<b>6,755</b>
Operating cash flow	63	(457)
Capital expenditures (CapEx)	(180)	(136)
Cash flow from investing activities	367	552
Cash flow from financing activities	(114)	(176)
<b>Ending cash balance</b>	<b>6,755</b>	<b>6,776</b>

# 1Q26 Balance sheet summary

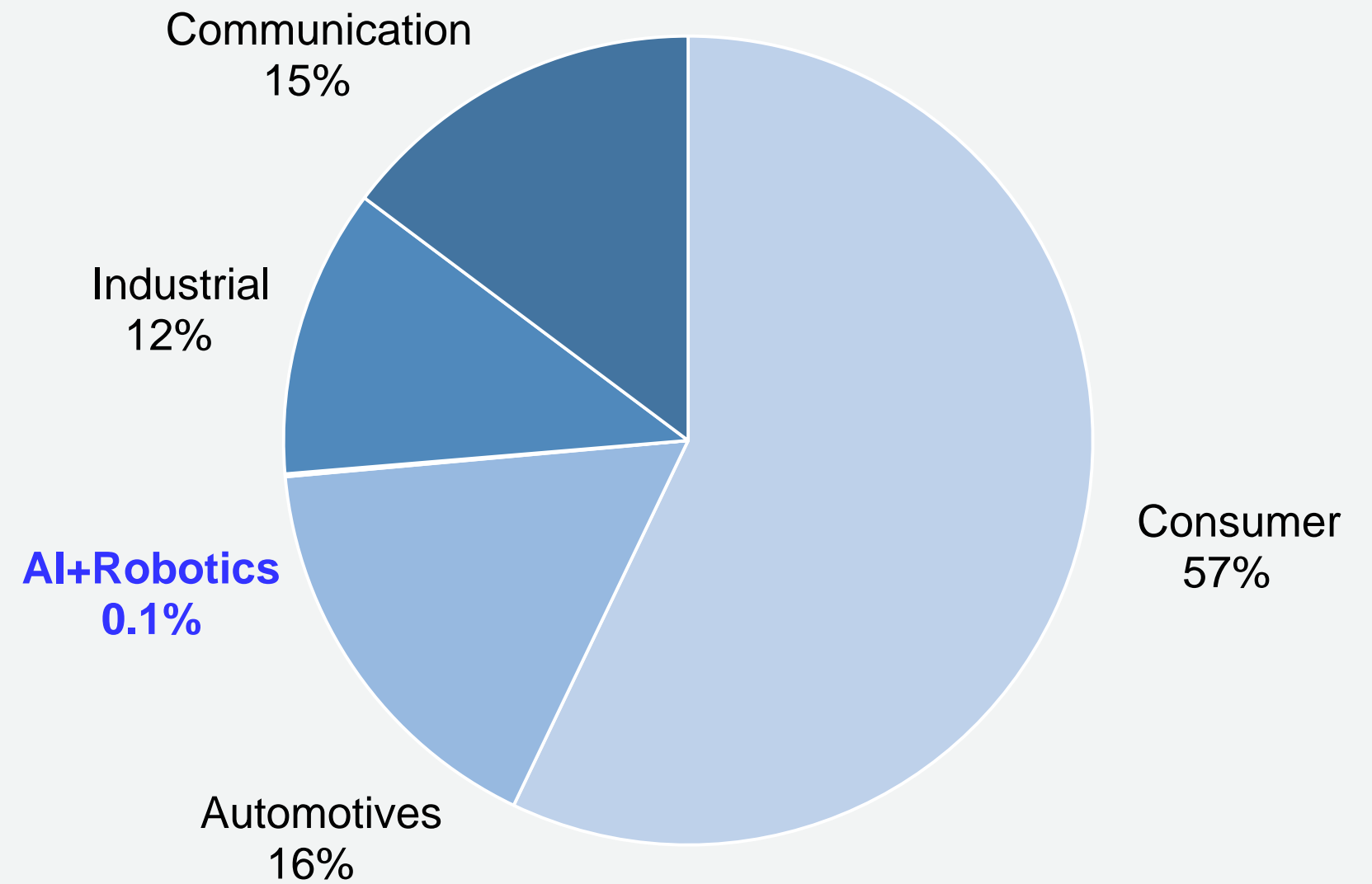
NT\$m	1Q26	%	1Q25	%
Cash and cash equivalents	6,755	27.9%	6,776	27.8%
Inventory and accounts receivable	6,559	27.1%	7,378	30.3%
Property, plant, and equipment (PP&E)	4,171	17.2%	3,861	15.9%
<b>Total assets</b>	<b>24,245</b>	<b>100.0%</b>	<b>24,358</b>	<b>100.0%</b>
Current liabilities	5,969	24.6%	7,319	30.0%
Non-current liabilities	566	2.3%	536	2.2%
<b>Total liabilities</b>	<b>6,535</b>	<b>27.0%</b>	<b>7,855</b>	<b>32.2%</b>
<b>Total equity</b>	<b>17,710</b>	<b>73.0%</b>	<b>16,503</b>	<b>67.8%</b>

# 1Q26 Revenue breakdown by application

1Q26 Revenue breakdown by application



1Q25 Revenue breakdown by application



	Automotive	Industrial	Communication	Consumer electronics	AI+Robotics
<b>YoY</b>	-25%	-15%	-27%	+31%	+1553%

# Proactive management measures addressing operational performance factors

## ■ Revenue – Cost-Sharing for Deferred Orders:

Delayed shipment schedules from certain customers have placed significant pressure on production capacity planning and inventory management. We will begin charging customers a monthly "Line Reservation Fee." This measure is designed to share the management and warehousing expenses incurred due to shipment delays.

## ■ Cost – Transitioning to Floating Pricing to Offset Copper Price Volatility:

To address the raw material cost pressures driven by copper prices, we are closely monitoring market trends. For cable products, the "average copper price of the previous month" will serve as the pricing benchmark. Regarding automotive wire harnesses, a consensus has been reached with major OEM customers. Future projects for new vehicle models will utilize a revised copper price adjustment mechanism to insulate profitability from raw material price fluctuations.

# 2025 Strategic layout and new business development review

- **Establishing AFM as a core profit driver:** To move beyond legacy growth limits, we are leveraging our robotics wire harness expertise to penetrate the Cobot and AGV/AMR markets. AFM now serves as our primary platform for high-value component integration.
- **Strategic Malaysia expansion for AI servers:** The acquisition of the Sharp North Malaysia plant enhances our regional flexibility. As the Foxconn Group's sole production site in Malaysia, we have secured entry into the AI server market, positioning the company for significant future order wins.
- **Optimizing efficiency and product mix:** We are scaling high-margin automotive lines while consolidating our manufacturing footprint in Anhui, China. These actions structurally lower our cost base, bolstering both operational resilience and overall profitability.

## ■ **Maintain Double-Digit Full-Year Revenue Growth Outlook**

Benefiting from the commencement of AI server shipments, the build-out of AFM-related production lines, and strategic penetration into heavy electrical equipment clients (expected to contribute to revenue by year-end), we maintain double-digit revenue growth outlook for the full year 2026.

## ■ **Operations Bottoming in Q1, Returning to Profitability in Q2**

Q1 2026 will mark the operational trough for the year. Business conditions are expected to improve in Q2 compared to Q1, driving a turnaround to profitability (shifting from negative to positive) and returning the company to a positive earnings curve.



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# AFM and AI server business development progress

# Dual-engine drive: entering a high-growth cycle

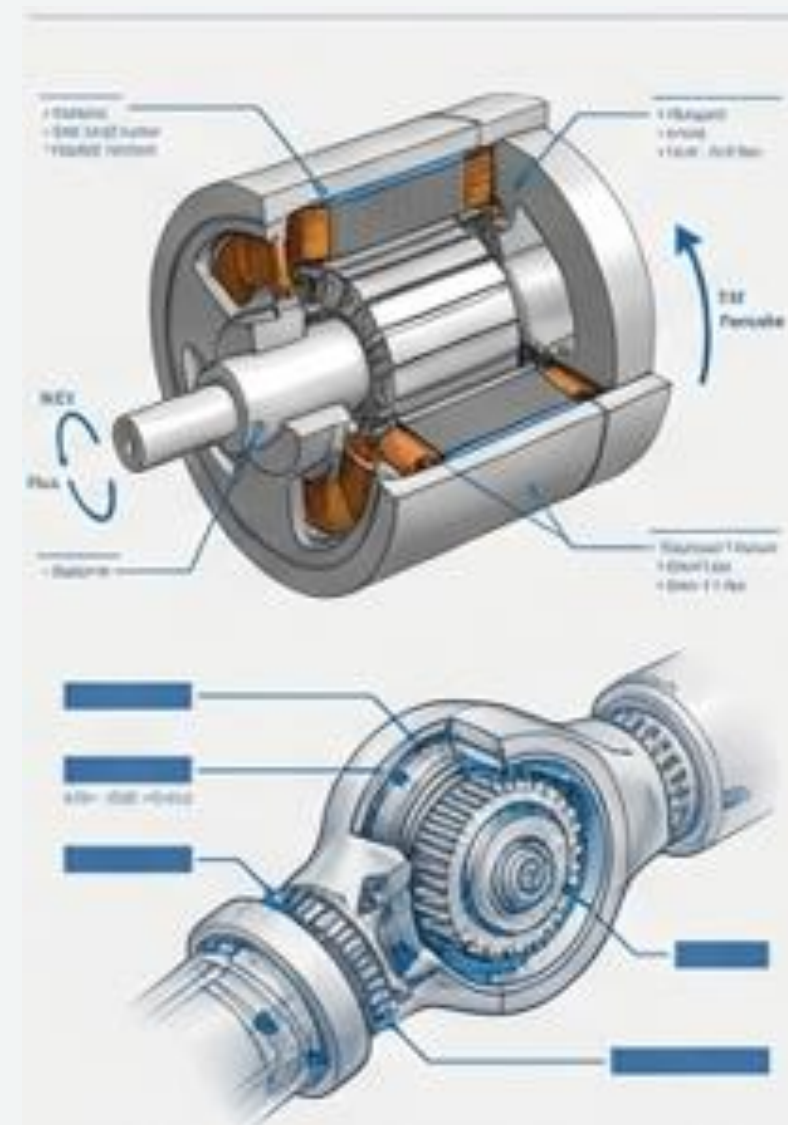
Scaling AI server shipments and commercializing AFM technology establish the foundation for double-digit revenue CAGR over the next five years.

## AI servers (Stable profit and cash flow)



- **Strategic capacity advantage:** Leveraging our position as the Foxconn Group's sole production site in Malaysia to secure tier-one AI server orders.
- **Immediate revenue momentum:** The server business provides immediate top-line contributions and optimizes our overall capacity utilization.
- **Fuel for growth:** Stable profitability and strong cash flow generation provide the capital necessary for future strategic investments and M&A.

## AFM products (Commercialization of high-barrier technologies)



- **Next-gen technology:** Magnax's AFM (Axial Flux Motor) technology offers superior power density and commercial viability, significantly accelerating our time-to-revenue.
- **Application expansion:** Production layout is already underway; we are targeting industrial applications first, with revenue contributions expected in 2H26.
- **Profitability upgrade:** Due to their high-tech nature, AFM products carry higher margins that will structurally elevate the company's overall profit profile.

# Investing in robotics brands to create a positive closed-loop supply chain ecosystem

- At the end of March, Pan-International participated in the Series E financing of JAKA Robotics, a Chinese general-purpose intelligent robotics brand, through its subsidiary.
- Beyond long-term partnerships, this strategic investment aims to build a closed-loop ecosystem. Pan-International can simultaneously serve as an investing shareholder, an OEM supplier, and a customer, unlocking diverse possibilities for business development.
- Beyond its robotics brand investments, Pan-International is evaluating participation in humanoid robot training centers in China. This initiative aims to secure access to AI training data and application scenarios, with the potential to commercialize these data assets for future profitability.

# Commercializing AFM technology

- Following the Magnax consolidation, we are targeting China's industrial market via an asset-light assembly model to accelerate the path to profitability.
- AFM technology in power plant air-cooled condensers (ACC) delivers 30% energy savings. Shipments begin by year-end, with profit contributions expected next year as operations scale.
- Revenue from AFM commercialization will fund the development of critical robotics components, establishing a self-sustaining, high-growth ecosystem.

## Application of AFM in Power Plant Air-Cooled Condensers (ACC)

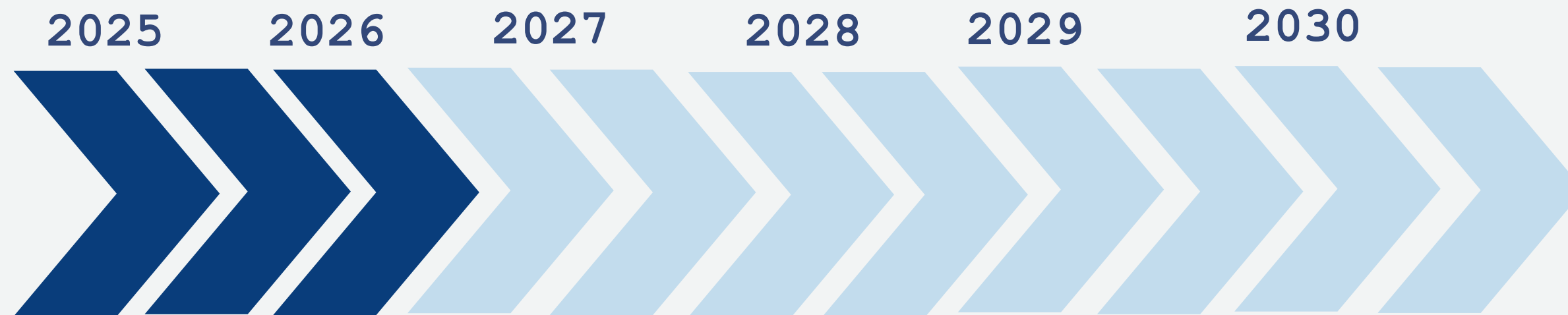


Source: Company data

# Strategic objectives and outlook

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# Journey of growth via strength: Key strategy actions & timeline



## Humanoid business

2025	2026	2027	2028	2029	2030				
Sample delivery of AGV & humanoid wire harnesses	Enter AGV market	Acquisition of AFM and Robotics Software Technology ; Investment of robotics brand companies	Acquisition of critical reducer technology	AFM products start contributing to revenue	AFM products begin profit contribution	Integration of upstream & downstream ecosystems	Significant revenue growth in key modules	Joint Entry into finished robot markets with strategic partners	Capitalization of robotics data assets

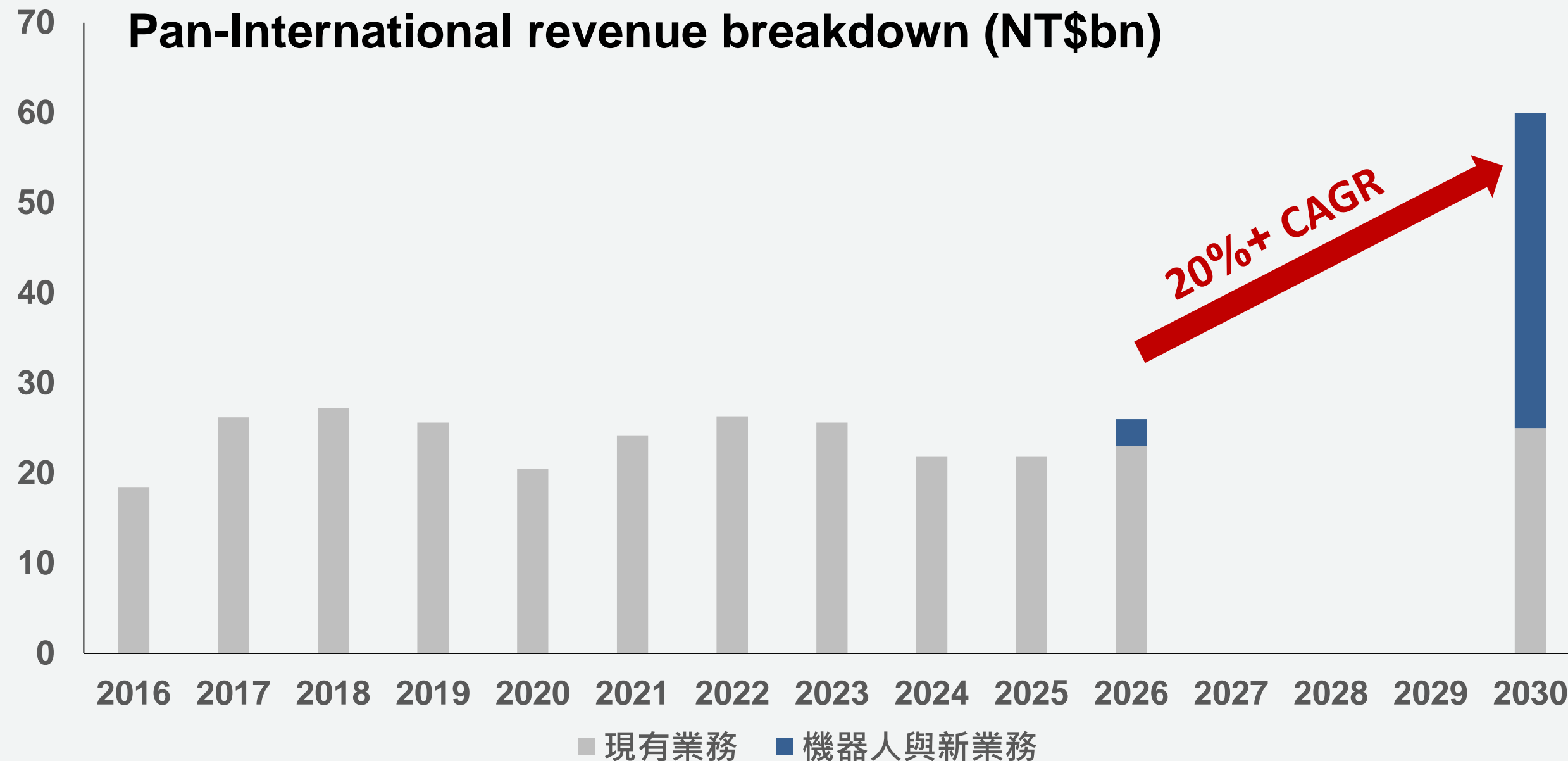
Leveraging the acquisition of core component technologies and expansion into robotics applications, the 2030 objective is to supply **25–50%** of the total component value within the overall robot cost structure, driving significant revenue and earnings contributions from the robotics segment.

## Ai server business

Malaysia plant begins mass production of AI servers	Entering AI server component market	Capture localized AI data center opportunities
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# 2030 Target: **>5%** global robotics market share & **>50%** revenue contribution from new businesses

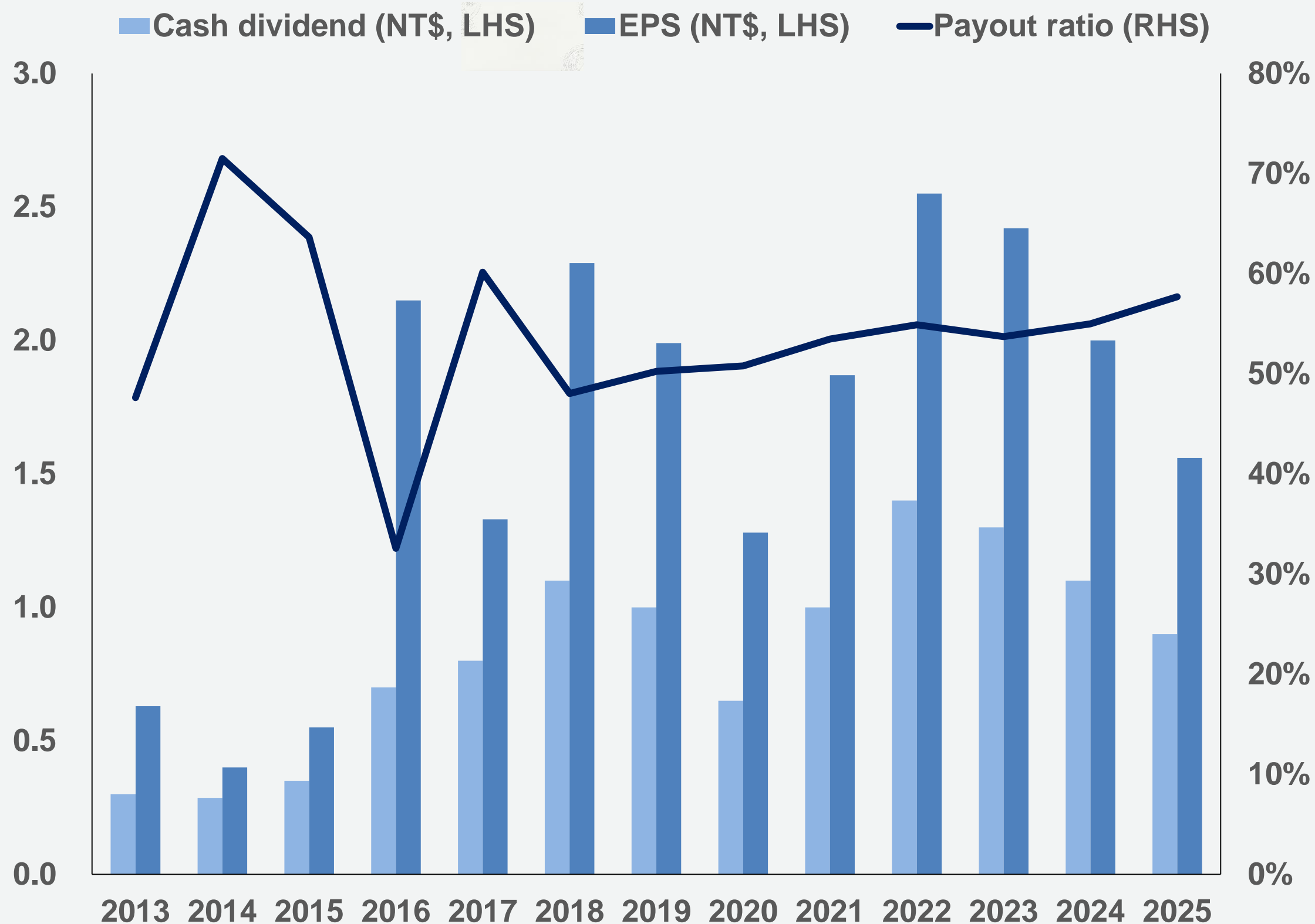
Driving a new growth Trajectory through the execution of our "3S Strategy" in robotics and new business ventures



- 2030 Global market leadership:** We are targeting a global market share of over 5% in the robotics sector. Based on an estimated total addressable market (TAM) of USD 15 billion, we expect Robotics and our other new business segments to contribute **more than 50%** of Pan-International's total revenue and profit by 2030.
- Accelerated revenue expansion:** Starting from 2026, we are committed to maintaining **an average annual revenue growth rate (CAGR) of at least 20%**, driven by the scaling of these high-growth segments.

# Maintaining a stable dividend payout ratio and yield

Balancing shareholder returns with strategic growth and transformation



- Commitment to consistent payouts:** In recent years, Pan-International has remained dedicated to maintaining a cash dividend payout ratio of **at least 50%.**



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**Shaping the future with  
Sincerity and Innovation!**



**Thank you**

