

The graphic features a large, stylized 'S' shape composed of two overlapping curved segments. The left segment is light green with a fine vertical line texture, and the right segment is a slightly darker shade of green with a similar texture. In the center, where the two segments meet, is a dark green, three-dimensional hexagonal block with the word 'SUNON' in white capital letters. Surrounding this central block are five smaller, dark green hexagonal icons, each containing a white symbol representing different types of electric machinery: a fan, a compressor, a motor, a pump, and a turbine.

SUNONwealth Electric
Machine Industry Co., Ltd.

2022 Q2 Operating Results

2421.TW / 2421 TT

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Safe Harbor Notice

This presentation is based on the information obtained from various sources which the Company believes to be reliable. But at some point in the future, there are a variety of factors which could cause actual results to differ materially from those statements. Therefore, please refer to the information on MOPS website as the main basis if any adjustment has been made.

(<http://mops.twse.com.tw/mops/web/index>)

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Thermal Everywhere

The development of AI technology and the 5G network draw up a blueprint for Artificial Intelligence of Things (IoT). Numerous electronics and applications have been applied to build smart connections and rapidly adopted by various industries and into our daily life, and thus thermal needs are increasingly required.

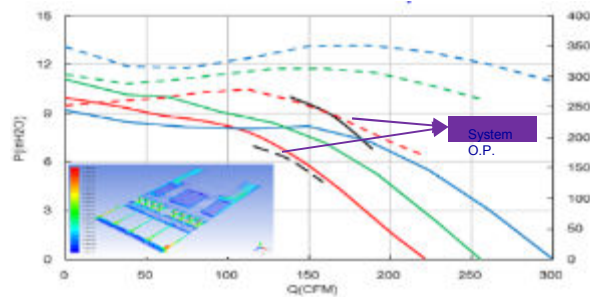
A detailed close-up of a CPU on a circuit board. The CPU is a square chip with a blue thermal pad on its underside, which is visible through a transparent window in the black heat spreader. The heat spreader has "CPU Central Processing Unit" and "FLC22885T" printed on it. The circuit board is dark blue with various components like capacitors and other chips visible. The text "AI+5G → AI X 5G" is overlaid in white on the bottom half of the image.

AI+5G → AI X 5G

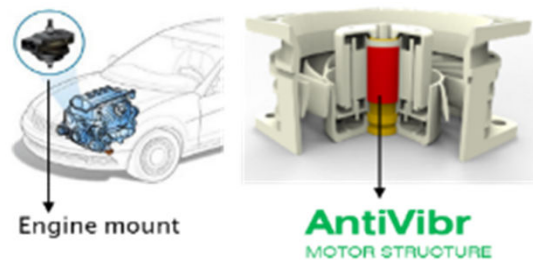
Thermal Technology Keeps Pace With the Times

Future will be supported by powerful computing capacity and the ultra-speed Internet with high reliability, which tests the effectiveness of thermal solutions. The change in the world stimulates thermal technology to update and advance to be suitable for real-time computing systems' needs. Technological advancement in heat dissipation provides the most effective operating temperature management to achieve excellence.

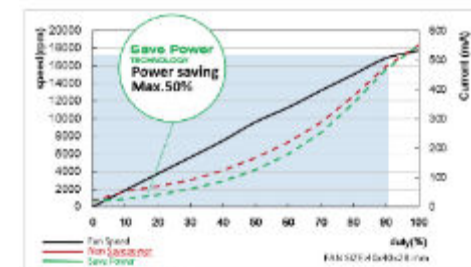
High Fan Efficiency



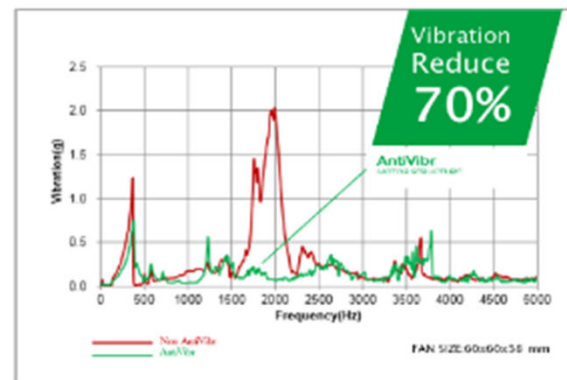
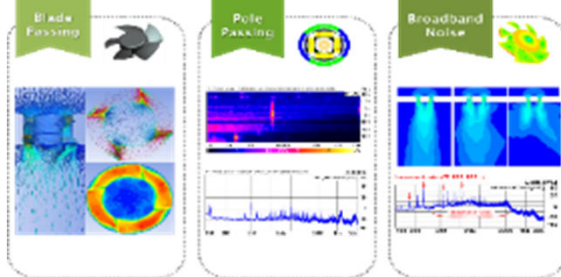
Low Vibration



Energy Saving



Low Noise



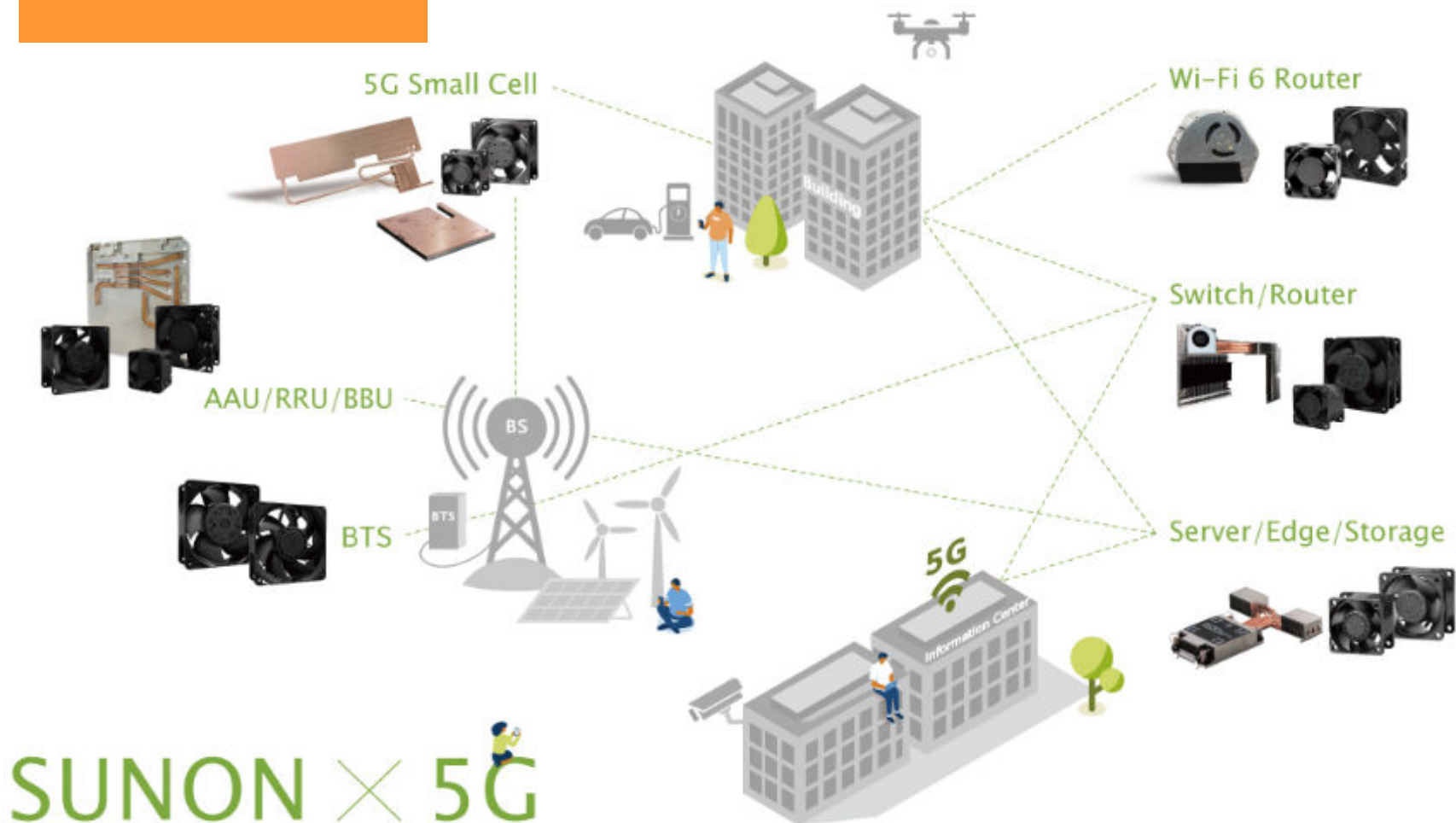
Reliability

- Salt solution: 0.05 % NaCl + 0.35 % ammonia sulphate (Flow is reduced to 20% of a normal ASTM G85 test)
- Chamber temperature: 35° C
- Test cycles first 35 days: 15 min. spray/fog followed of 45 min. drying. 3 day with Salt solution 2 days demineralized water
- Test cycles after 35 days: 30 min. spray/fog followed of 30 min. drying. 3 day with Salt solution 2 days demineralized water
- Test duration: 40 days
- Fans are running during the entire test
- Fans are checked once a day
- If Fan stops:
 1. Try to start fan with finger
 2. "Exercise" with pressurized air
 3. "Dry out" Fan in 45° C oven for 24 Hours.



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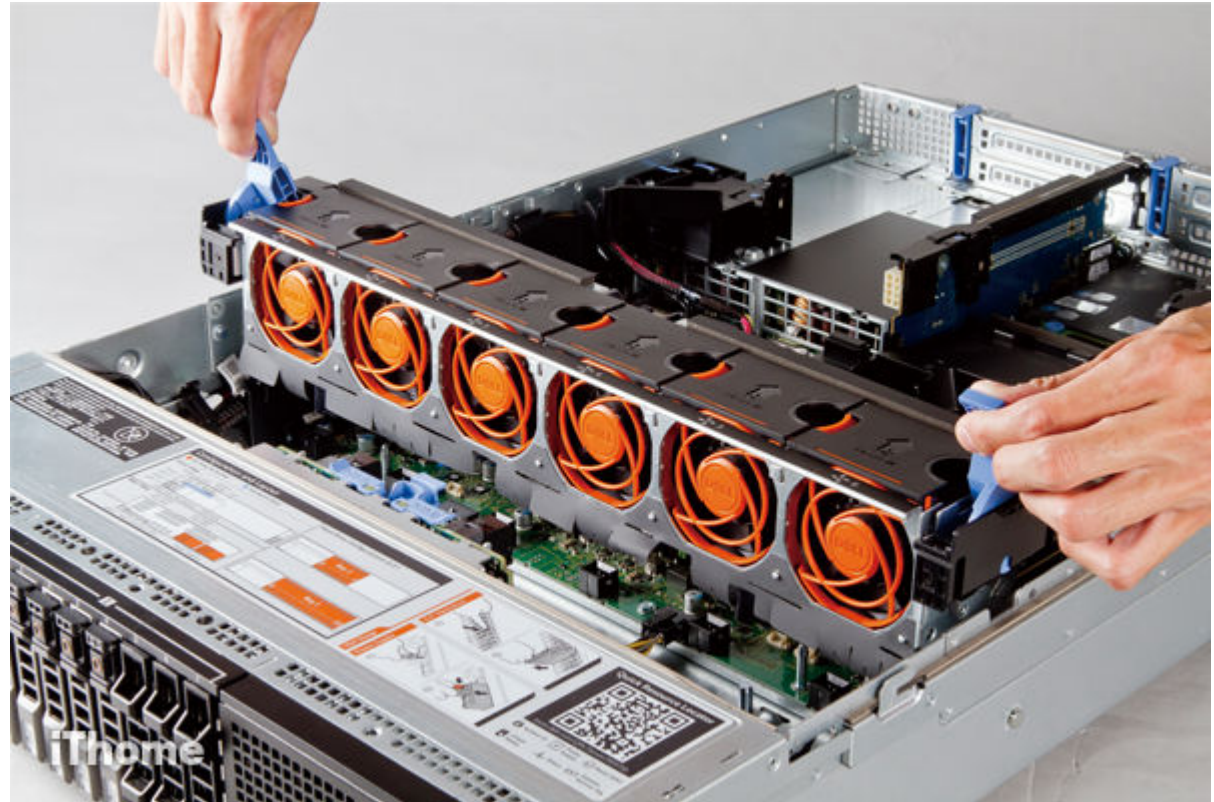
5G Cooling Solution



SUNON®

Server Cooling Solution

圖片來源：網路圖片



圖片來源：網路圖片

5G Base Stations Cooling Solution



AAU /BBU /RRU

High-effective heat pipe module is integrated with the base to enhance a whole thermal solution's effectiveness.



Cooling Module

DU / CU

Large-area vapor chamber module is used to increase thermal capacity that effectively dissipates heat in the systems.



BST / RBS

BTS/RBS cabinet door with fans installed increases the operating performance of BTS/RBS systems.



SMALL CELL

The integration of cooling module and fan module creates thermally synergistic effects and therefore systems can operate effectively and smoothly.



System view

SUNON®

5G Net Working Cooling Solution



SERVER
STORAGE
EDGE

SWITCH
ROUTRT

WI-FI 6
ROUTER

5G
SMALL CELL



Fan & Cooling Module

- Adopting cutting-edge thermal technologies such as AntiVib motor- and power-saving circuits ensures thermal effectiveness.
- Maximizes server system operation performance.

- Fan tray solution and various cooling components are suitable for switch and router use
- Increases the capacity of data transmission.

- The best air cooling solution with high performance.
- Space utilization and maximal thermal effectiveness.

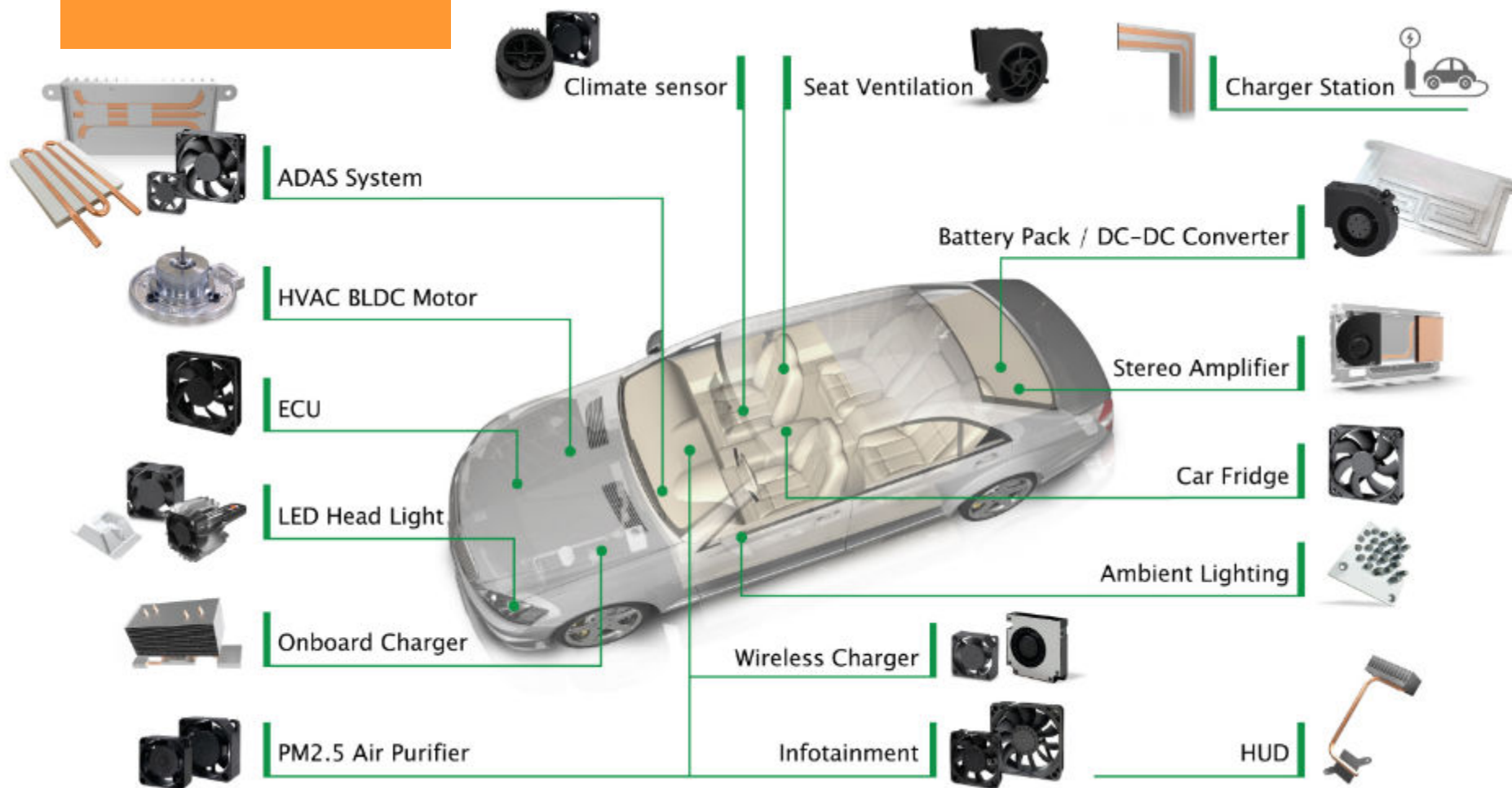
- High effective fan solution and a variety of configurations available.
- Customized designs such as IP protection for different thermal needs.



System View

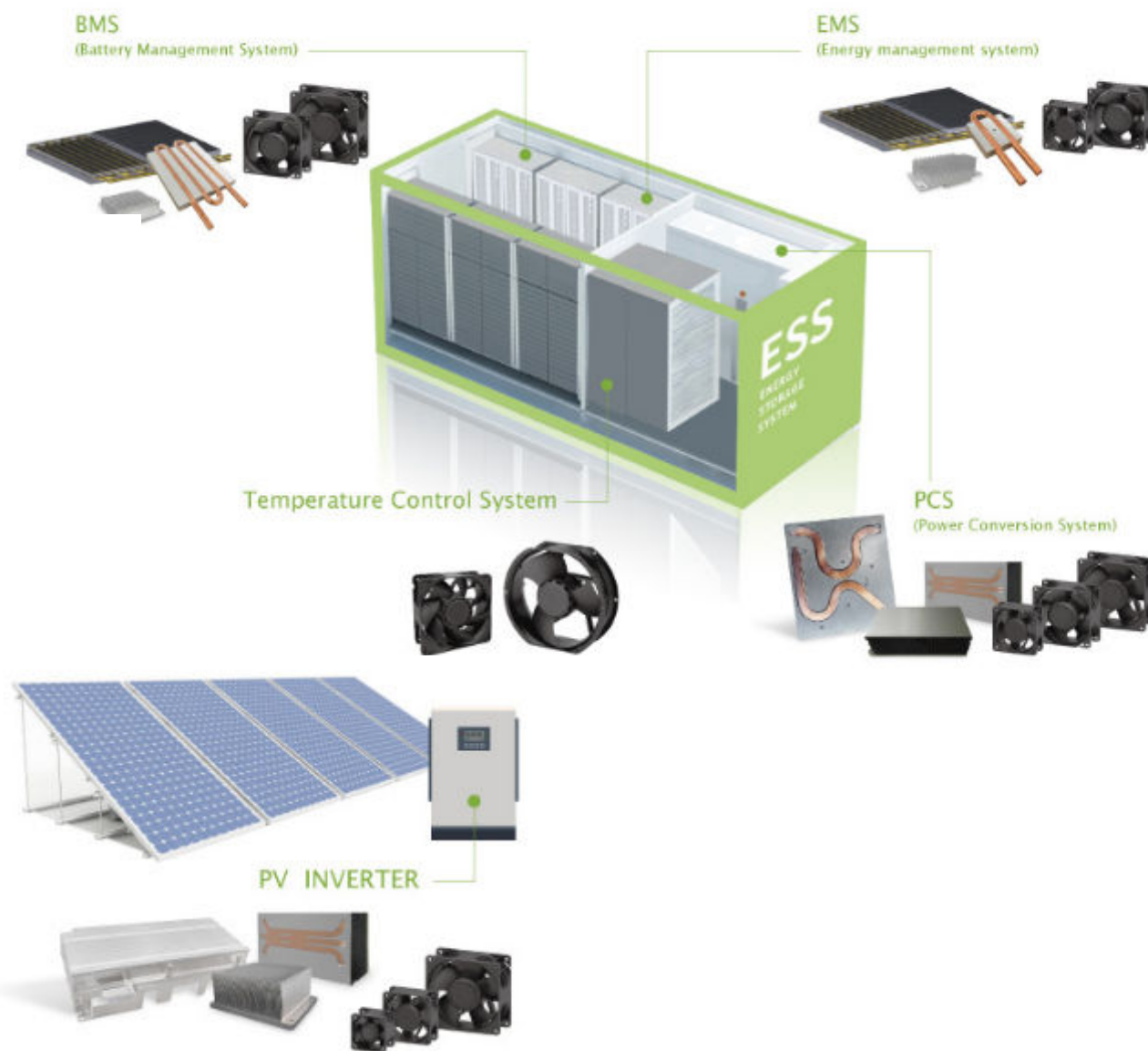
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Auto Cooling Solution



SUNON®

Renewable Energy Cooling Solution



SUNON®

42 YEARS

Innovative
Energy-Saving Motor
Design & Technology

Established



1980

Employees



(Taiwan)

(China)

600 8500

Factories



(Taiwan)

(China)

1 2

Turnover



USD\$ 489.95_M
(Year 2021)



Motor 0.1W
Fan 8mm

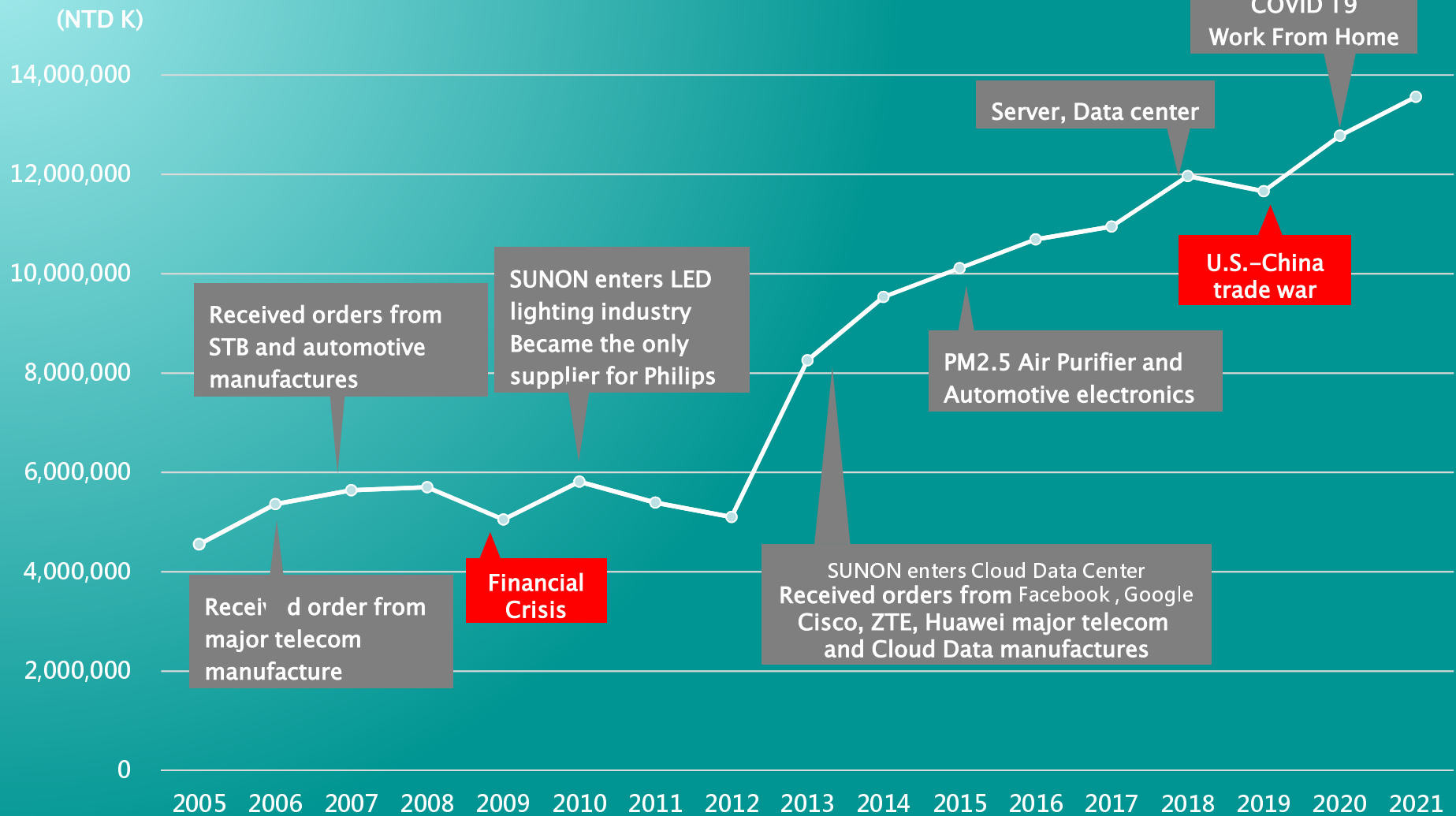
80mm 120mm 250mm 3000mm 7300mm 1500 Watts

The Smallest Fan 8 mm

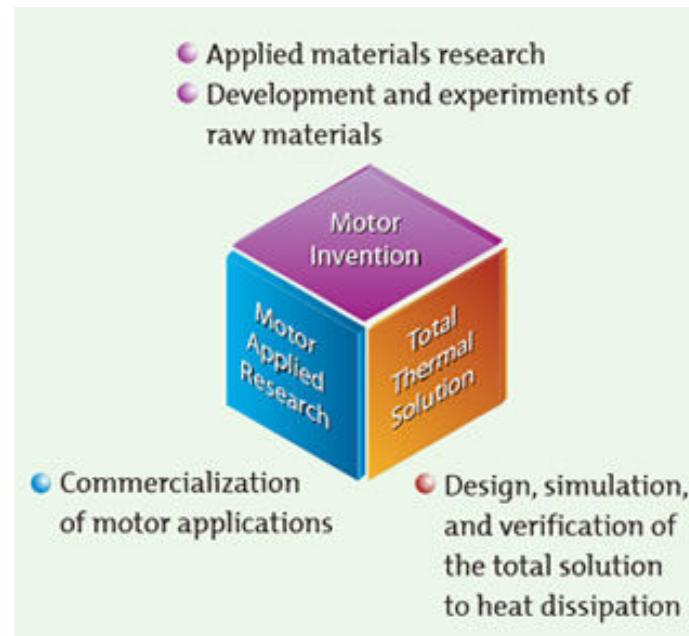
HVLS Fan up to 7,300 mm

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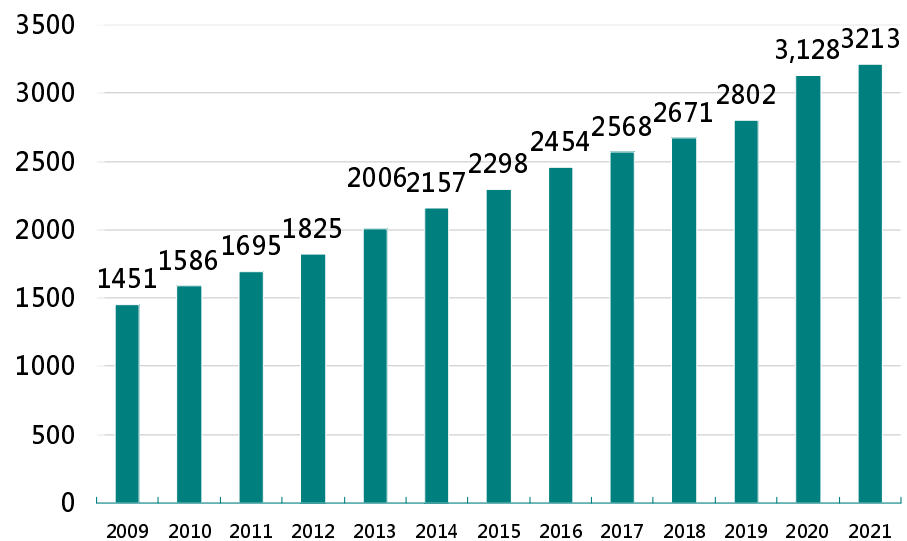
Growth Pattern



SUNON Research



PATENTS



Global Support



SUNON®

World Leading Motor Technology

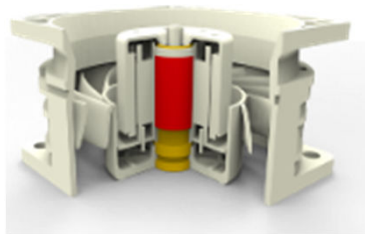
MagLev
System

AntiVib
Motor
structure

Ultra
Thin

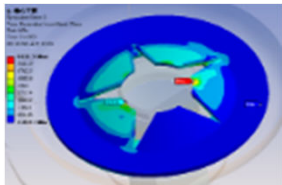
Energy
Efficient

Sound
Quality
Analysis

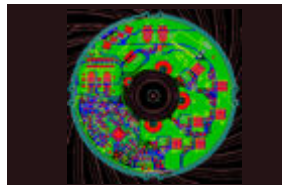


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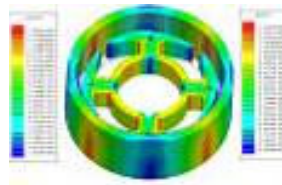
Outstanding Technology Total Thermal Solution



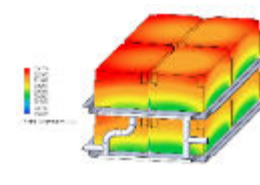
STRUCTURAL SIMULATION
ANALYSIS



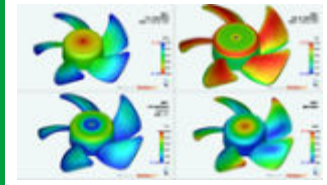
ALTIUM DESIGNER



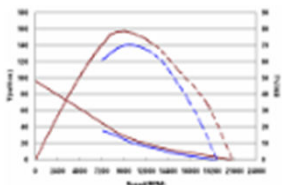
MAGNETIZATION
SIMULATION ANALYSIS



TEMPERATURE SIMULATION
ANALYSIS



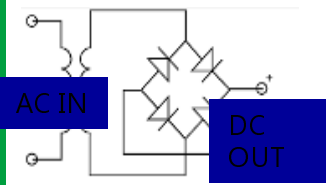
MOLD SYSTEM TEMPERATURE
ANALYSIS



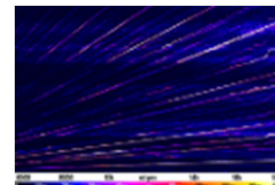
MOTOR EFFICIENCY
ANALYSIS



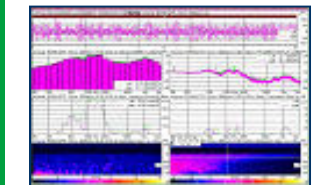
MATERIAL ANALYSIS AND
RESEARCH



HIGH VOLTAGE DIRECT
CURRENT(DC) ELECTRICITY



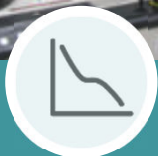
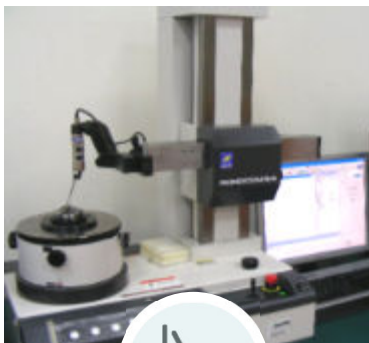
VIBRATION FREQUENCY
SPECTRUM ANALYSIS



SOUND QUALITY ANALYSIS

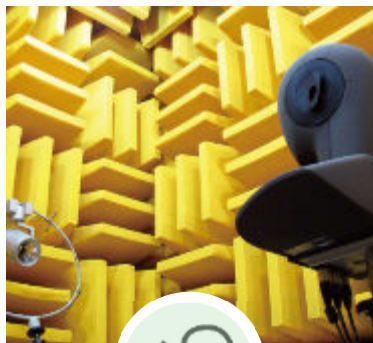
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Accuracy Verification Experiment



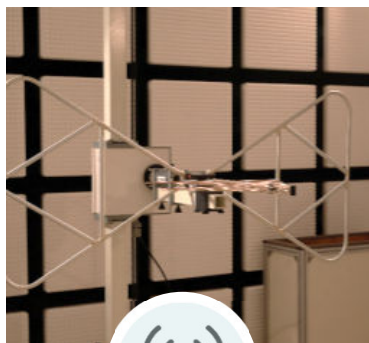
Precision measurements & material analysis

To solve the noise, vibration, temperature rise of fan products, make the motor system more stable, and effectively improve product performance



Sound quality experiment

To improve sound quality with the help of German HMS and spectral / psychoacoustic parameters of Artemis



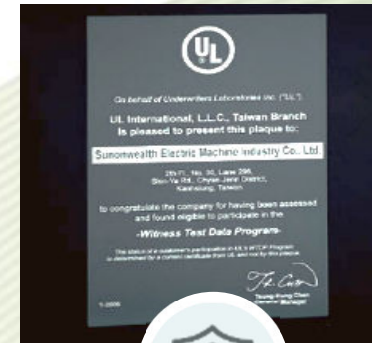
EMC / EMI verification

To ensure all electronic devices in the same space can operate normally without interfering with each other



Product reliability verification

From design, trial production to mass production, accurately assess product reliability through a series of rigorous testing by computer-controlled verification systems



Safety testing and certification

To perform safety testing and accelerate certification awarding process to ensure product safety

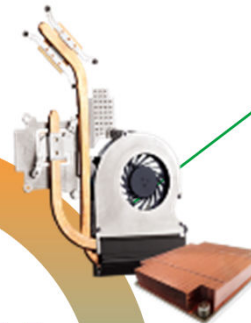
SUNON®

Total Thermal Solution

Fan and Motor

Air Flow Management

SUNON concentrated on its core motor technology and accumulated various inventions and innovations in this field. We now provide various sizes of motor and fan which featuring higher flexibility, energy-efficiency, lower noise, and longer service life.



Cooling Module

Total Thermal Solution

As a world-renowned cooling leader, we can provide customized and integrated service to our clients easily base on sophisticated experience and innovative technology.

**SUNON
Product**

Total Air Fresh Solution

It implies a demand for craftsmanship and minimalist beauty in German design and creates an all-new experience in clean air quality for the new generation of healthy homes.



Optimal air Circulation

It features an ultra slim motor and a stylish shape. The patented silent winglet design, energy efficient and high airflow fan creates thermal comfort and healthy environment.

Air Exchanger

HVLS Fan



SUNON®

Sufficient Capability

production bases in 2022

Cooling Fans 20 M/month

Cooling modules 1.5M/month



Kaohsiung, Taiwan
0.5M/month



Kunshan, Jiangsu
8 M/month(FAN)
1.5 M/month(CM)



Beihai, Guangxi
11.5 M/month

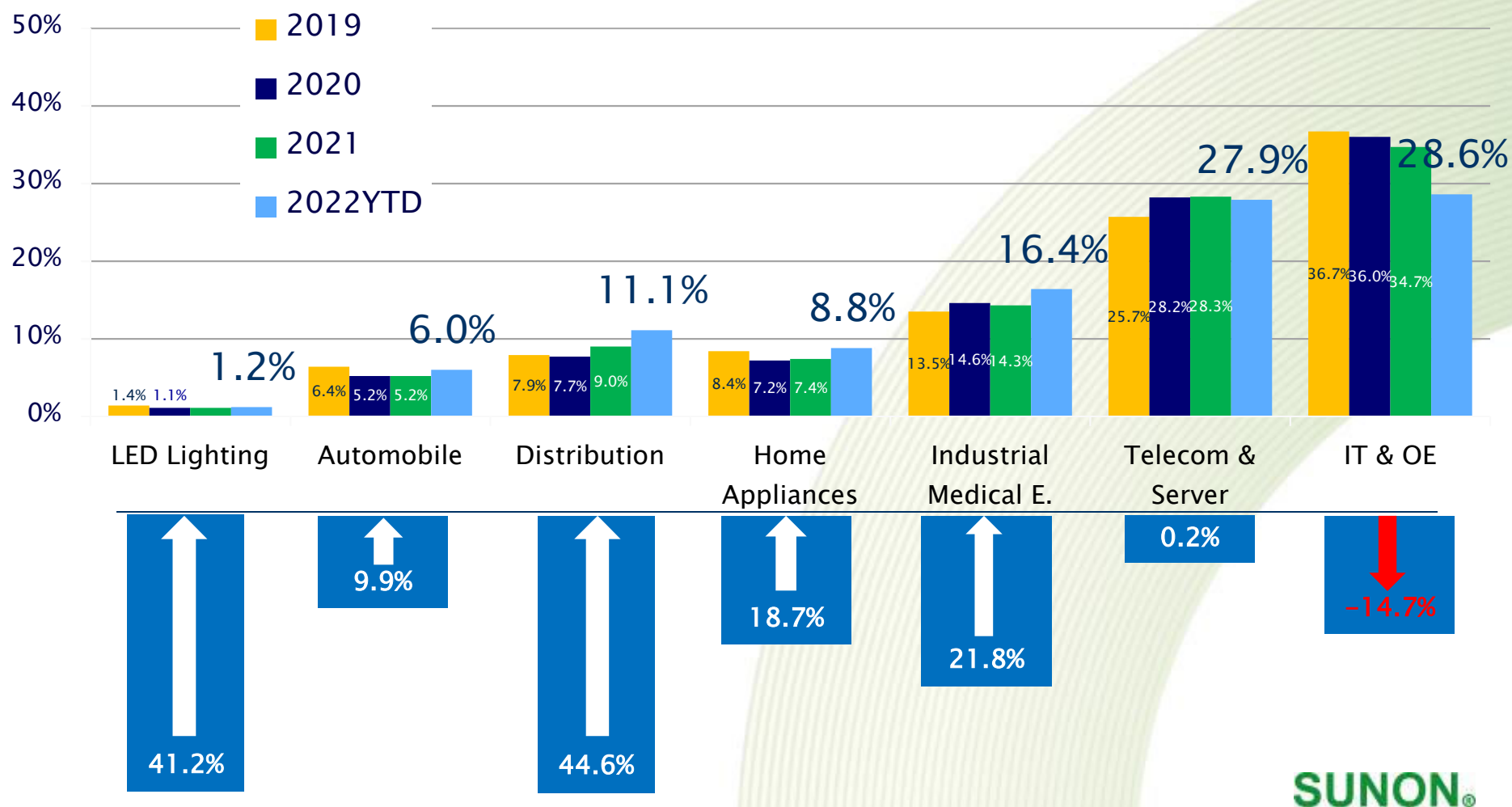


Bataan, Philippines
Construction period (plan)
2022*



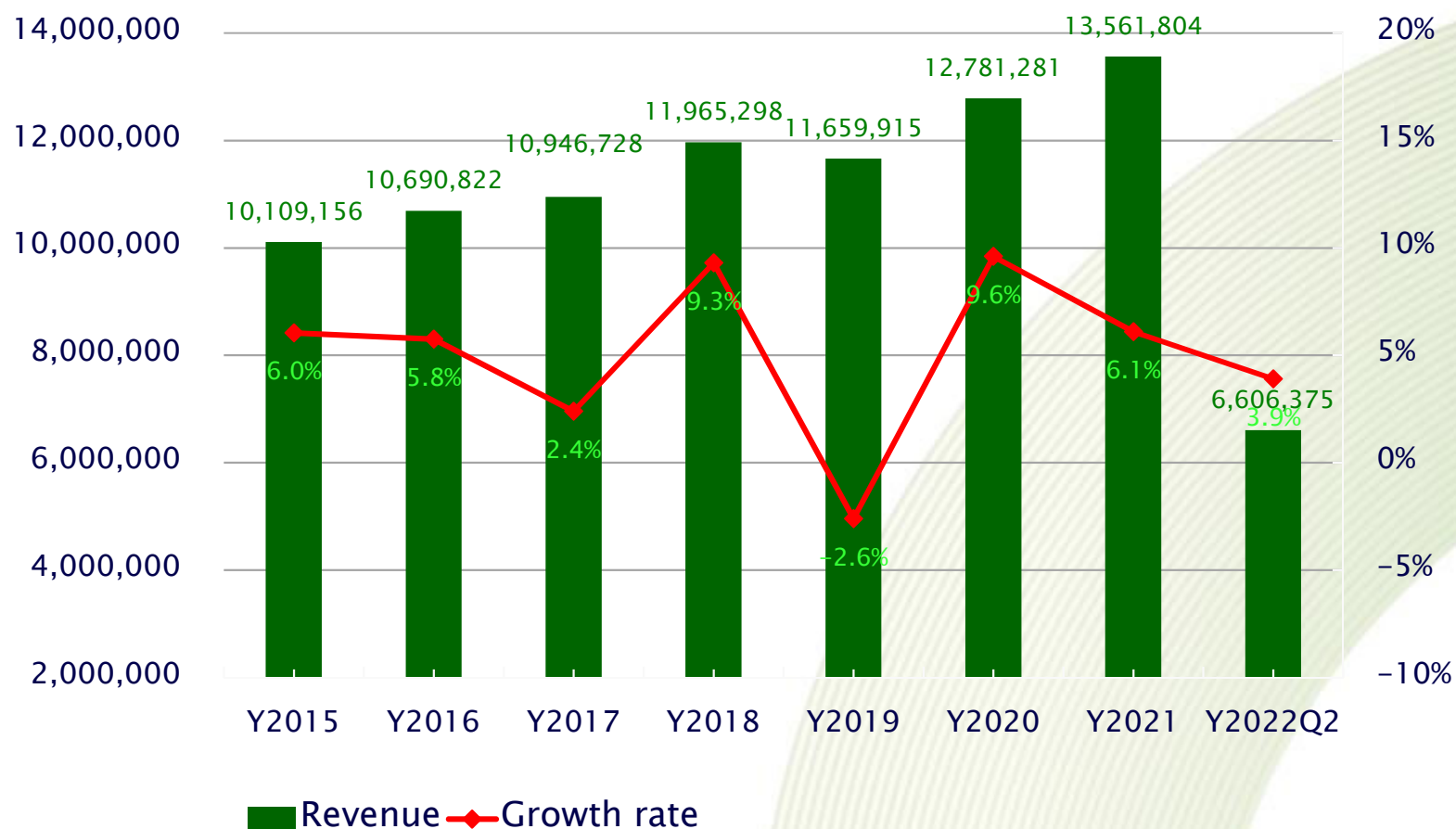
SUNON®

Products Application & YOY Growth



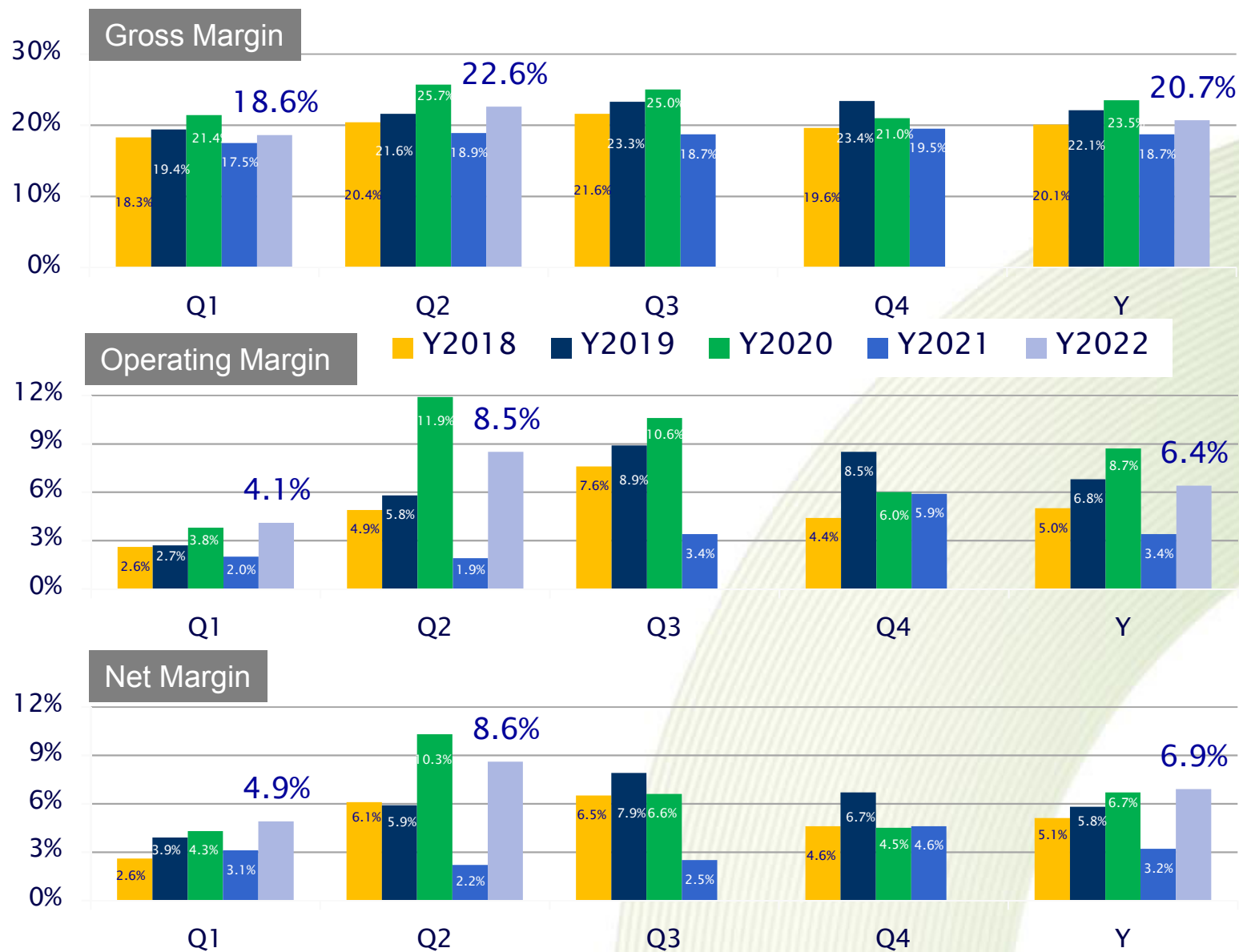
Revenue Performance

UNIT: NTD (K)



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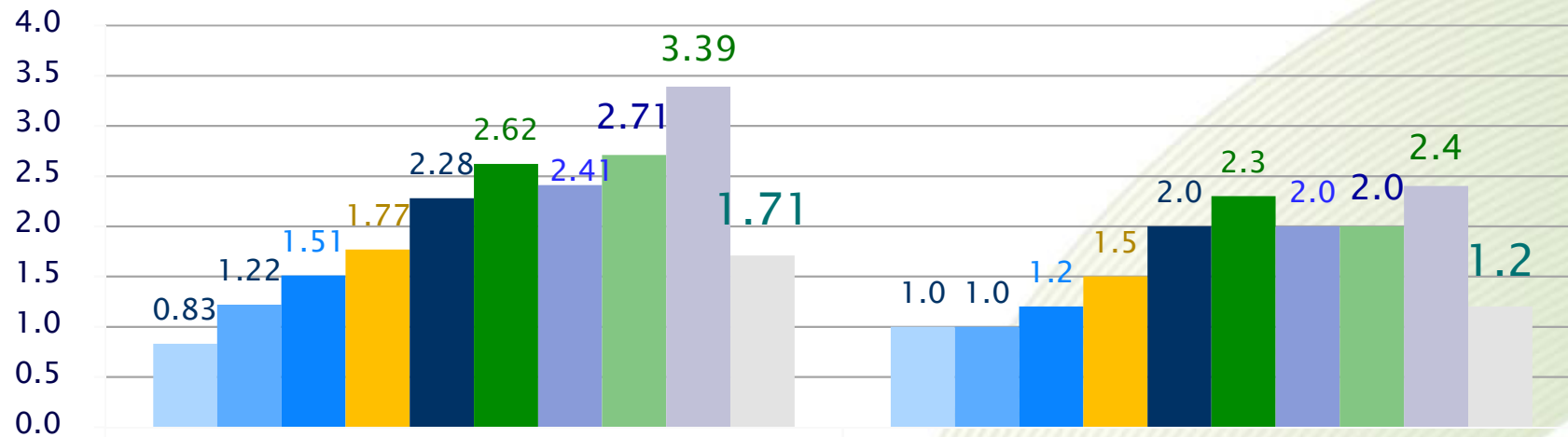
Profit Margin



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Earning & Cash Dividend

UNIT: NTD



EPS

Cash Dividend

■ Y2012 ■ Y2013 ■ Y2014 ■ Y2015 ■ Y2016
■ Y2017 ■ Y2018 ■ Y2019 ■ y2020 ■ Y2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Payout R.	120.48%	81.97%	79.47%	84.75%	87.72%	87.79%	82.99%	73.80%	70.80%	70.18%

SUNON®

Product Development

Fluid Dynamic
Bearing
Development

Immersion Solution
for
High computing system

Anti-gravity & Low
Thermal Resistance
Thermal Modules

Intelligent Fan
Development

5G Base Stations
Thermal Module

Automotive Systems
Thermal Modules

SUNON®

Medium Term Drivers

Server



5G
Base Stations



Metaverse



Electric
car



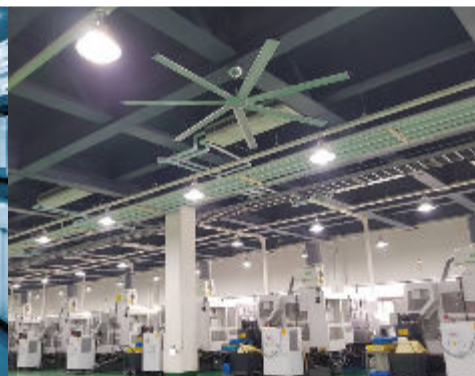
Renewable Energy



Industry 4.0
Inverter / Drive



Industrial
Ventilation



Air Purifier
UVC Solution



SUNON®

ESG

Environmental
Social
Governance

Performance Highlights

Environmental



Saved **278 million** kWh of electricity with product R&D



Reduced emissions by **141 million** kilograms of CO₂e

Social



The closure rate of employee grievance was **100%**.



Average employee training hours exceeded **72.4** hours



Received the **Badge of Accredited Healthy workplace form The Health Promotion Administration**, Ministry of Health and Welfare.



Provided care to **7,614** households in the "Support and Care Campaign" from 2018 to 2021

Governance

The consolidated revenue was NT\$**13.5 billion** which was a **6.1%** increase from 2020



The Company ranks among the **top three** leading brands in terms of market share



0 cases of corruption



The hazardous substance inspection passage rate was **100%** for three consecutive years from 2019 to 2021



Obtained **1,790** invention patents

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Appendix I

CONSOLIDATED BALANCE SHEETS										
NT\$ M	2018	2019	2020	2021	2021 Q2	2022 Q2	成長率 YOY(%)			
							2019	2020	2021	2022Q1
TOTAL ASSETS	8,972	9,439	10,419	11,517	11,338	11,504	5.21%	10.38%	10.54%	1.46%
Cash	1,145	1,271	1,575	1,912	1,925	1,866	11.00%	23.92%	21.40%	-3.06%
A/R, N/R	3,091	3,323	3,226	3,459	3,284	3,220	7.51%	-2.92%	7.22%	-1.95%
Inventories	1,794	1,519	1,752	2,508	2,428	2,792	-15.33%	15.34%	43.15%	14.99%
PP&E	2,378	2,277	2,106	2,059	2,090	2,164	-4.25%	-7.51%	-2.23%	3.54%
TOTAL LIABILITIES	4,832	5,211	5,825	7,150	6,619	6,950	7.84%	11.78%	22.75%	5.00%
Short-term loans	843	927	671	1,950	1,392	1,624	9.96%	-27.62%	190.61%	16.67%
A/P	2,671	2,705	2,823	2,926	3,002	2,791	1.27%	4.36%	3.65%	-7.03%
Long-term loans	220	220	520	524	520	578	0.00%	136.36%	0.77%	11.15%
TOTAL EQUITY	4,139	4,229	4,594	4,367	4,719	4,554	2.17%	8.63%	-4.94%	-3.50%
Days sales outstanding	89	100	94	90	93	92				
Days sales of inventory	68	67	61	70	73	92				
Current Ratio	1.4247	1.4272	1.4984	1.3448	1.4495	1.3936				

Appendix II

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME										
NT\$ M	2018	2019	2020	2021	2021 H1	2022 H1	Growth YOY(%)			
							2019	2020	2021	2022H1
OPERATING REVENUES	11,965	11,660	12,781	13,562	6,357	6,606	-2.55%	9.61%	6.11%	3.92%
GROSS PROFIT	2,402	2,579	2,998	2,536	1,158	1,368	7.37%	16.25%	-15.41%	18.13%
INCOME FROM OPERATIONS	602	787	1,114	464	125	425	30.73%	41.55%	-58.35%	240.00%
INCOME BEFORE INCOME TAX	784	910	1,088	585	177	567	16.07%	19.56%	-46.23%	220.34%
NET INCOME attribute to owners	605	681	852	429	167	453	12.56%	25.11%	-49.65%	171.26%
EPS (NT\$)	2.41	2.71	3.39	1.71	0.67	1.81				
Gross Margin	20.08%	22.12%	23.46%	18.70%	18.22%	20.71%				
Operating Margin	5.03%	6.75%	8.72%	3.42%	1.97%	6.43%				
Net Margin(*)	5.06%	5.84%	6.67%	3.16%	2.63%	6.86%				

(*)Net Margin=Net Income attribute to owners / Revenue



Thanks

for Your Attention !



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