

BOE Varitronix (710.HK)

2025 Full-Year Results Presentation

**To be the leader of
intelligent automotive displays and solutions!**

TAILLIGHT

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01
Part One

Financial Review

2025 Financial highlights

Revenue

[HK\$M]

13,957

FY2025

+4%



Gross profit

[HK\$M]

1,217

FY2025

+5%



Gross profit margin

[HK\$M]

8.7%

FY2025

+0.1pcts



Profit attributable to shareholders

[HK\$M]

345

FY2025

-12%



2025 Full-year results highlights



Operating cash inflow

[HK\$M]

798

FY2025

Maintaining positive inflow



Net assets

[HK\$M]

4,872

FY2025

+6%



Research and development costs

[HK\$M]

327

FY2025

+15%



Gearing ratio

[HK\$M]

6.3%

FY2025

-1.8pcts

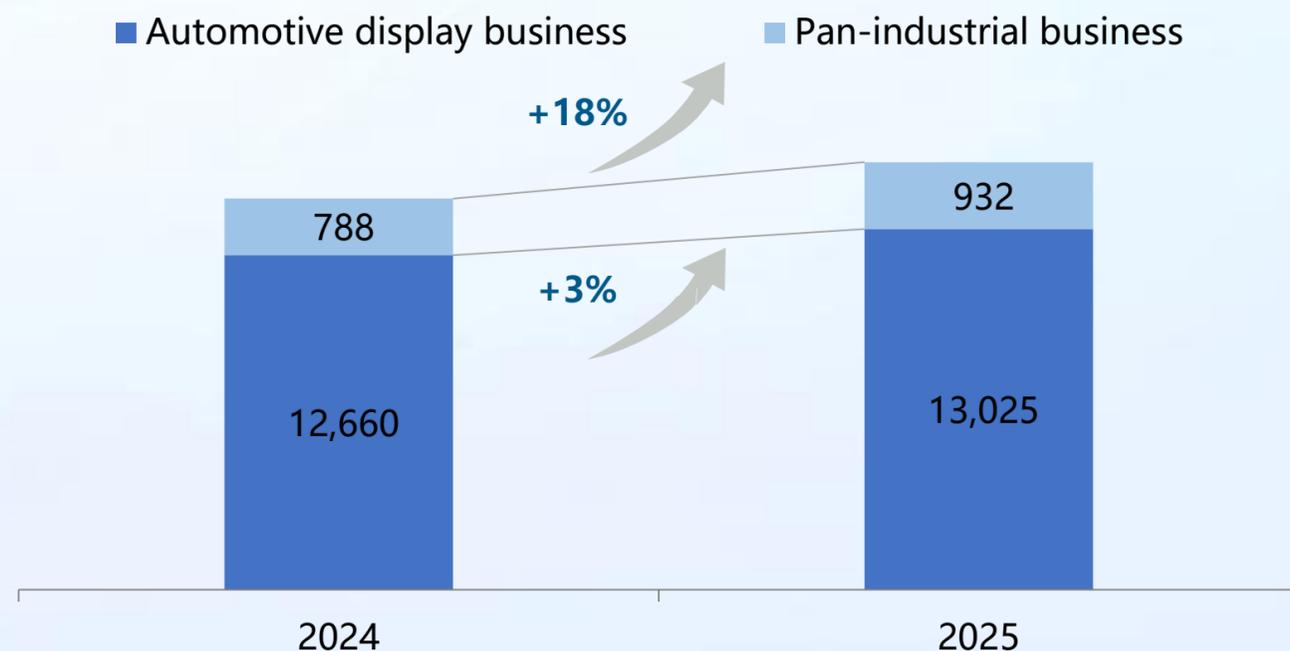


Statement of profit or loss	2024		2025		
For the year ended 31 December 2025 [HK\$M]		% of revenue		% of revenue	YoY change
Revenue	13,449	100.0%	13,957	100.0%	4%
Other operating income, net	199	1.5%	274	2.0%	38%
Operating costs:					
• Raw materials and consumables used	11,178	83.1%	11,474	82.2%	3%
• Staff costs	1,116	8.3%	1,345	9.6%	20%
• Depreciation	244	1.8%	268	1.9%	10%
• Other operating expenses	671	5.0%	739	5.3%	10%
Gross profit	1,158	8.6%	1,217	8.7%	5%
Profit attributable to shareholders	391	2.9%	345	2.5%	-12%

Statement of financial position	2024	2025	Change
As at 31 December 2025			
Net assets [HK\$M]	4,600	4,872	6%
Gearing ratio (%)	8.2%	6.3%	-1.8pcts
Cash conversion cycle (day)	-25	-47	-21 days
Other key financial indicators	2024	2025	Change
For the year ended 31 December 2025			
Capital expenditure [HK\$M]	568	454	-20%
Research and development costs [HK\$M]	284	326	15%
Return on equity (%)	8.8%	7.4%	-1.4pcts
Dividend payout ratio* (%)	34%	35%	+1.0pcts

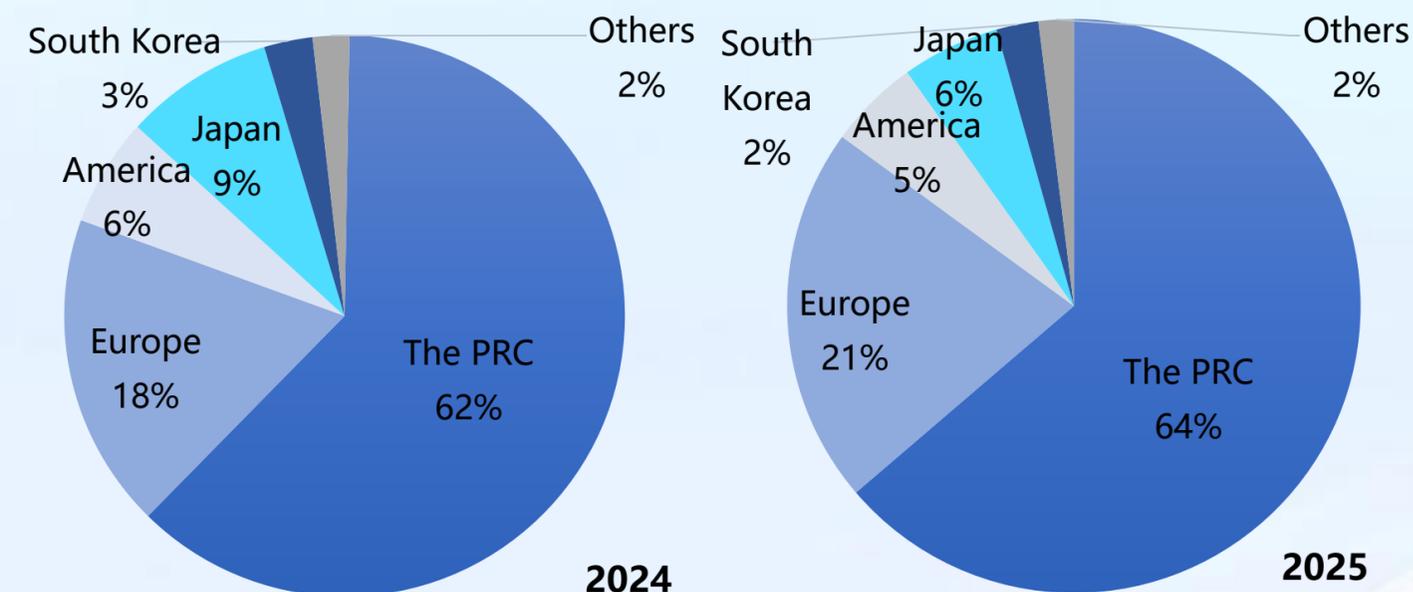
• Actual dividend for 2025 to be confirmed upon approval at the Annual General Meeting

Automotive/Industrial Display Business revenue



- In 2025, **automotive display business** witnessed stable revenue growth of 3% YoY, **driven by a 22% revenue increase in the European market and a nearly 70% surge in full-year LTPS product shipments.** However, 2025H2 revenue growth faced multiple headwinds in the Chinese automotive market, including OEM inventory adjustments and weak end-user demand transmitting upstream along the supply chains.
- Industrial display business** revenue recorded significant growth in 2025, increasing 18% YoY. In 2025H2, benefiting from increased industrial orders and accelerating demand from emerging applications, revenue grew 32% YoY, positioning it as a new engine for growth.

Revenue by location of sourcing decision of customers

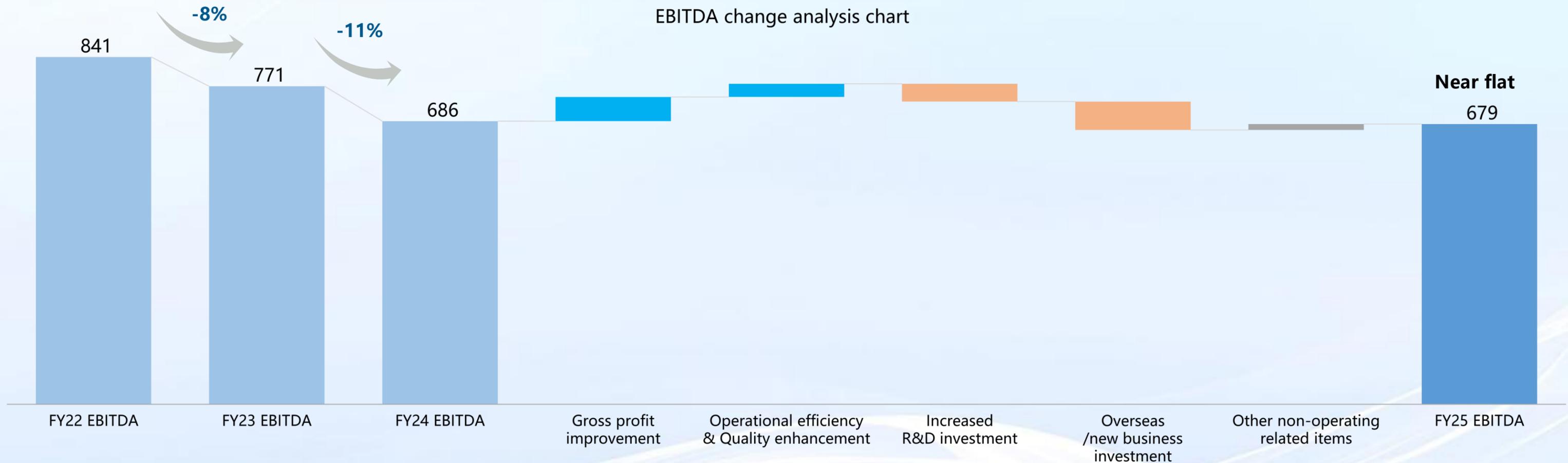


- The overseas revenue share rebounded sequentially in 2025H2 (2025H1 33% → 2025H2 39%), with European market revenue surging 46% HoH.**
- The company has established direct supply strategic partnerships with leading European OEMs, with multiple European projects commencing mass production and delivery during the year, driving rapid revenue growth.
- Full-year sales in Japan, South Korea, and North America declined due to a weak product cycle. However, the company has secured new project awards scheduled to reach SOP from 2026 onward, which is expected to drive market share growth going forward.

EBITDA change analysis chart (HK\$M)



EBITDA change analysis chart



EBITDA has recovered from annual declines of nearly 10% over the past 2 years to near-flat.

Gross margin recorded its first positive growth since 2021 (8.6% → 8.7%), marking a **strategic turning point** that establishes momentum for future enhancement.

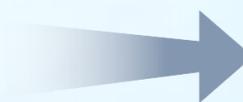
Despite margin pressures, the company maintains **long-term strategic commitment** to technology R&D, global expansion, and innovative initiatives.

The company is advancing cost efficiency initiatives to address expansion-driven operating expense increases.

02
Part Two

Industry Review

China's auto consumption transitioning from "price-driven" to "value-driven" in 2025

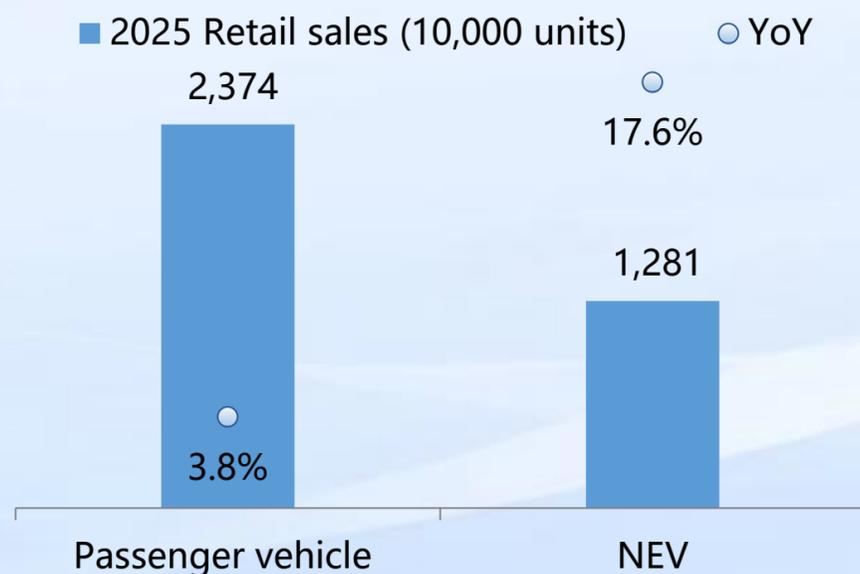


Industry competition shifting from price to value in 2026

NEVs remaining the core engine of market growth



- In 2025, the passenger vehicle retail market remained resilient amid structural adjustments, with full-year growth of 3.8% YoY.
- The NEV market sustained its strong momentum, with full-year retail sales increasing **17.6%** YoY, achieving a penetration rate of **53.9%**.



Sources: China Passenger Car Association (CPCA)

Subsidy policy adjustment enhancing market competition



- Diminishing marginal returns from price-for-volume strategies: 2025 saw significantly fewer discounted models than 2024, signaling an **easing of "price war" intensity**.



Sources: China Passenger Car Association (CPCA)

- Starting in 2026, vehicle replacement subsidies will shift from a fixed amount to a **vehicle price-linked percentage model**, expected to boost replacement demand for mid-to-high-end models and drive consumption upgrades.
- In February 2026, "**Guidelines for Price Compliance in the Automotive Industry**" were issued, aiming to foster a market order with fair pricing and healthy competition.

Highlights in the structural market



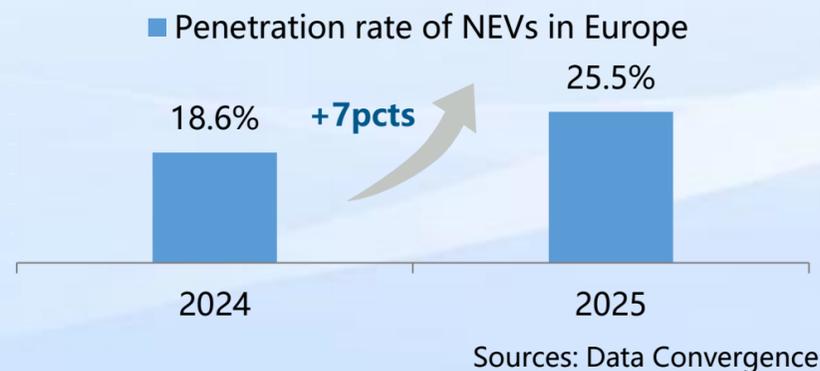
- Passenger EV** penetration is accelerating in lower-tier markets, while **commercial vehicle** electrification continues to advance, with increasing penetration in scenarios such as autonomous driving, public transport, and special-purpose vehicles.
- Deliveries of **center console screens >15 inches** surged 86.2% YoY in 2025, continuing the trend toward **larger automotive displays** (GGII data).
- HUD adoption is accelerating**, registering a CAGR of 46.2% over the past 5 years. **AR-HUD** deliveries surged 75.3% YoY in 2025, with the annual installation rate rising to 6.7% (GGII data).
- Industry competition is evolving from price to **value**, and from hardware specifications to **smart experiences**.

European market policy support **accelerates electrification**; American market **seeks new balance** after phased adjustments

Europe



- EU issued the "Guidance Document on Price Undertaking Offers", clarifying that price undertakings could be accepted as an alternative to high tariffs, thereby reserving a core access channel for Chinese electric vehicles.
- Although some interim carbon emission reduction targets were granted short-term extensions, the overall long-term orientation remains unchanged.
- Several European countries have restarted or increased their subsidy programs.



America



- U.S. EV subsidies under the "Inflation Reduction Act" front-loaded demand, creating potential headwinds in 2026. The market acceptance still has room to further recover in the medium term.
- Other American countries are expected to see a slower rise in NEV penetration under policies emphasizing localized production and investment commitments.



Japan & South Korea



- Japan's low EV penetration leaves significant room for growth. Government support remains strong for NEVs, with purchase subsidies further increased in 2025.
- As subsidy focus shifts from per-vehicle support to structured initiatives aimed at "demand stabilization and scale expansion", South Korea's NEV demand is expected to maintain a rapid growth trend in 2026.



Global automotive display market size

High-end

LTPS TFT LCD to capture **50%+** of shipment revenue share in 2025

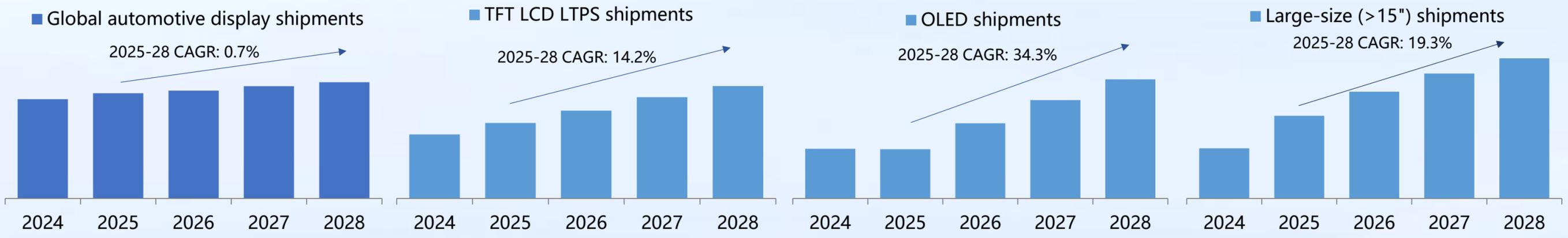
large-size

Large-size (>15") displays to account for ~**25%** of shipment revenue share in 2025, **up 6pcts** YoY

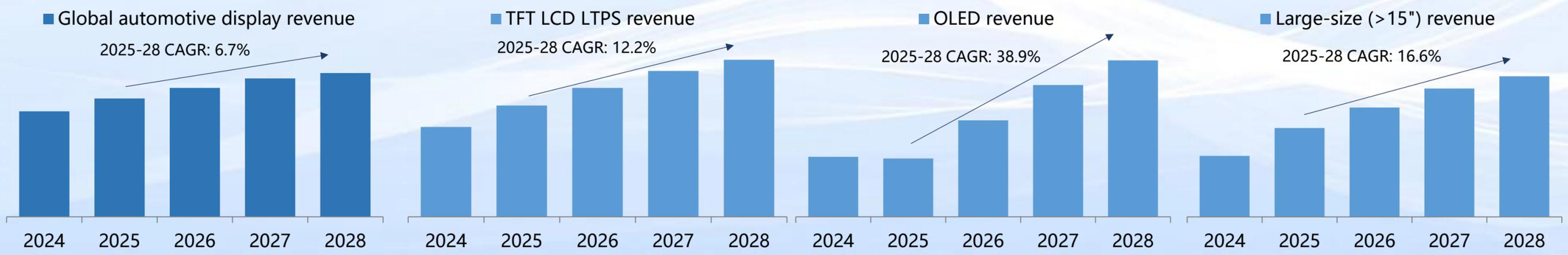


Market shifting toward high-value technologies

Shipment volume



Shipment revenue



Source: Omdia 2025Q3, OE only

03
Part Three

Business Review

CES 2026 | BOE Varitronix unveiled multiple global debut automotive products



CES 2026



Micro LED PHUD



3D ultrasonic fingerprint recognition smart key and start button



Dual 24-inch "Skyline Display" mass production for NIO ES8



In-vehicle under-display camera system

2025

Leading the market: **#1 in multiple segments**

- ✓ Maintained **#1 global ranking** in automotive display market by shipment volume, revenue, and area.
- ✓ Ranked **#1** in medium- and large-size (>8") automotive display market by shipment volume, revenue, and area.

Fifth CES participation

- ✓ Global debut of **"HERO 2.0 Smart Cockpit"**
- ✓ Showcased **60+** cutting-edge technologies, including **8** global debut products, **19** software-hardware integrated products, and **11** ecosystem co-creations.
- ✓ Deepened engagement with **40+** ecosystem partners.

Multiple award wins

- ✓ **"CDIA 2025 Best Innovative Display Application Technology Award"** for Smart Steering Wheel
- ✓ Recognized among the **"Top 100 Chinese Automotive Suppliers"** in the White Paper - climbing **11 positions** from last year.

New certifications and qualifications

- ✓ ASPICE CL2: core entry requirement for leading European OEM software suppliers
- ✓ ISO 27001, ISO 21434 and TISAX: International compliance certified in information security, cybersecurity, and German OEM supply chain security — **essential for global ecosystem entry**

Manufacturing capacity expansion

- ✓ Phase III project of **Heyuan** production plant officially commenced.
- ✓ The **Vietnam** production plant successfully achieved its first product "power-on" milestone, with mass production scheduled by year-end.

2022

First venture:

Qualitative Change

- ✓ World's most advanced automotive module production line in Chengdu
- ✓ Construction of manufacturing base in Vietnam
- ✓ Tapping into screen systems and cockpit business

2016

First venture:

Quantitative Change

- ✓ a-Si 8.5G line support
- ✓ Group resource integration to capture the China market

BOE Varitronix global automotive market position



• **#1** in global automotive display **shipment volume, revenue and area** for 3 consecutive years



• **#1** in global **medium- and large-size (>8") automotive display shipment volume, revenue and area** for 3 consecutive years



• **#1** in **center stack display shipment volume** for 2 consecutive years, **#1** in **shipment revenue and area** in 2025
 • **#2** in **HUD shipment volume** in 2025

Automotive display total shipment volume

Company	Market share	Ranking
BOE	18.7%	1
A	16.9%	2
B	10.3%	3
C	7.2%	4
D	7.1%	5
E	6.7%	6
F	6.6%	7

Note: Market share +1.3pcts (2025 vs. 2024), with total shipments +~15% YoY

Source: Omdia 2025

medium- and large-size (>8") shipment volume

Company	Market share	Ranking
BOE	21.8%	1
A	13.2%	2
B	10.6%	3
C	9.8%	4
D	9.7%	5
F	8.2%	6
G	6.0%	7

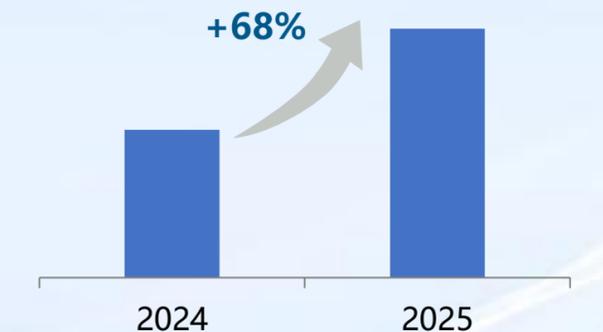
Note: Market share +1.6pcts (2025 vs. 2024), with >8" size shipments +~19% YoY

Automotive display total shipment area

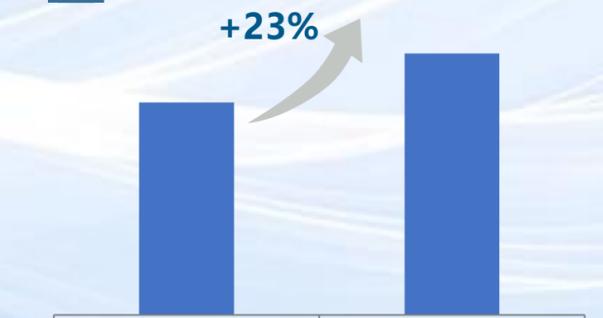
Company	Market share	Ranking
BOE	19.7%	1
A	15.7%	2
C	11.9%	3
D	11.8%	4
B	10.7%	5
F	5.6%	6
E	5.2%	7

Note: Market share +0.8pcts (2025 vs. 2024)

Automotive display LTPS shipment volume



Automotive display >12" shipment volume



Source: internal data

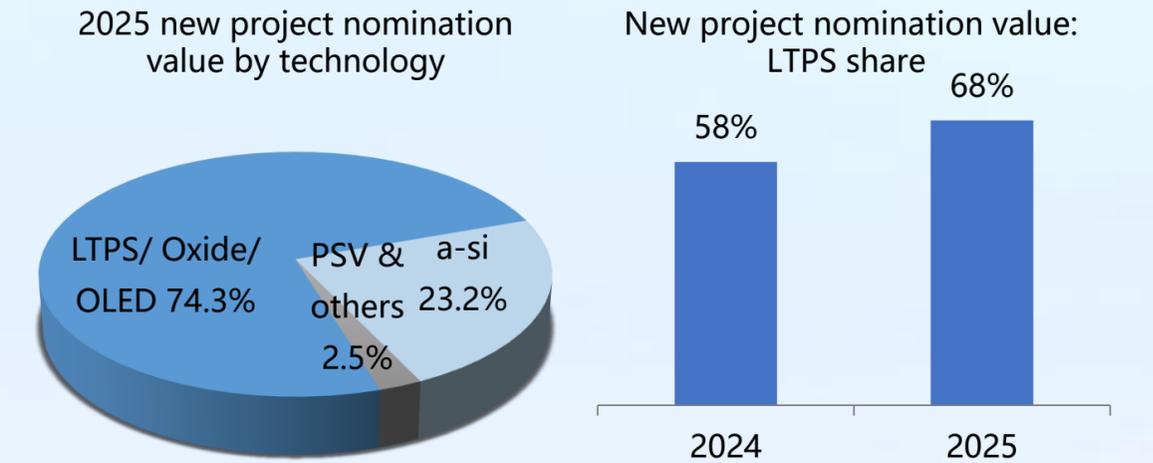


China market – Deepening collaboration with leading OEMs



- In response to China's auto market slowdown, intensifying competition, and persistent price wars, we will leverage **high-end + platform-based products** to offset volume pressure:
 - ✓ Co-developed "Flagship Model Exclusive Display Solutions" with key customers (success case: exclusive supplier of **NIO ES8's four-screen display system**)
 - ✓ Optimized product mix to increase revenue contribution from advanced technologies such as LTPS, Oxide and OLED
 - ✓ Expanded into niche markets, such as becoming a leading supplier in rear-seat entertainment displays (China rear-seat entertainment display deliveries +92.8% YoY in 2025, GGII data)
 - ✓ Evolved from "single-screen supplier" to "cockpit display system solution provider" (multi-screen + software-hardware integration), recently securing official nominations from leading domestic smart cockpit customers

Growth in high-end product nominations drives product mix optimization, supporting stable gross margin.



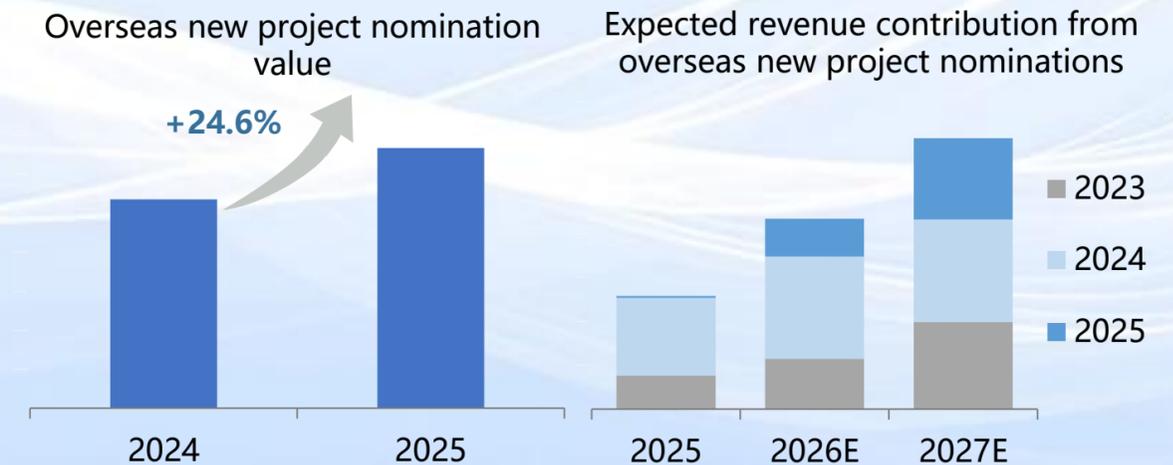
Source: internal data

Overseas Markets – from "going global" to "deep integration"



- With the gradual mass production and delivery of nominated projects secured in recent years, overseas sales began reflecting growth momentum in 2025H2, with further volume ramp-up expected in 2026–27, as we continue advancing the "Overseas 50" strategy.
 - ✓ **Europe:** Revenue is expected to maintain strong growth, driven by several flagship model projects from German OEMs that entered mass production in 2025 and will ramp up volumes in 2026.
 - ✓ **North America:** Business remains significantly impacted by macro-political uncertainties and tariffs. The Company will continue advancing its globalization layout of "going global" to "deep integration", seeking breakthroughs by strengthening local R&D, production, and sales capabilities overseas.
 - ✓ **Japan & South Korea:** Following the model iteration cycle adjustment, the market has now reached the bottom. As local mainstream OEMs accelerate next-generation vehicle platform planning, market demand is expected to reach the turning point for recovery and stabilize in 2027.

Overseas markets emerge as growth engine, accelerating global expansion and strengthening cyclical resilience

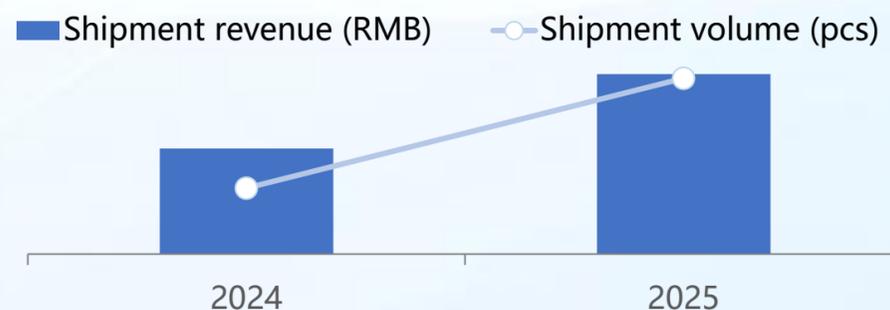


Source: internal data

System business strategy

System business: shifting from scale growth to profitability focus

- In 2025, system business revenue and shipments maintained rapid growth



- Moving forward, we will focus on project-level profitability, strengthening the selection and execution of high-margin projects to drive the strategic shift from "scale-driven" to "profitability-focus".
- New projects will gradually enter mass production, with the business model pivoting from "low-price volume" to "premium customer-driven". Prices and margins are expected to rise as customer structure improves.

Continuous optimization of product portfolio

- Strong demand for high-value products with motion mechanisms:** Fueled by the surge in smart cockpit rear-seat entertainment demand, revenue share doubled in 2025 vs. 2024.
- High-complexity integrated solutions:** Share of high-value-added products featuring SoC integration expanded simultaneously, with notable increases in technical barriers and per-project value.
- Expansion of customer portfolio:** Leading domestic automakers, emerging overseas NEV players, leading autonomous driving companies, and European luxury sports car brands
- Forward-looking initiatives:** Emerging application scenarios such as robots and low-altitude flying vehicles, extending the long-term growth curve

Key trends in system business

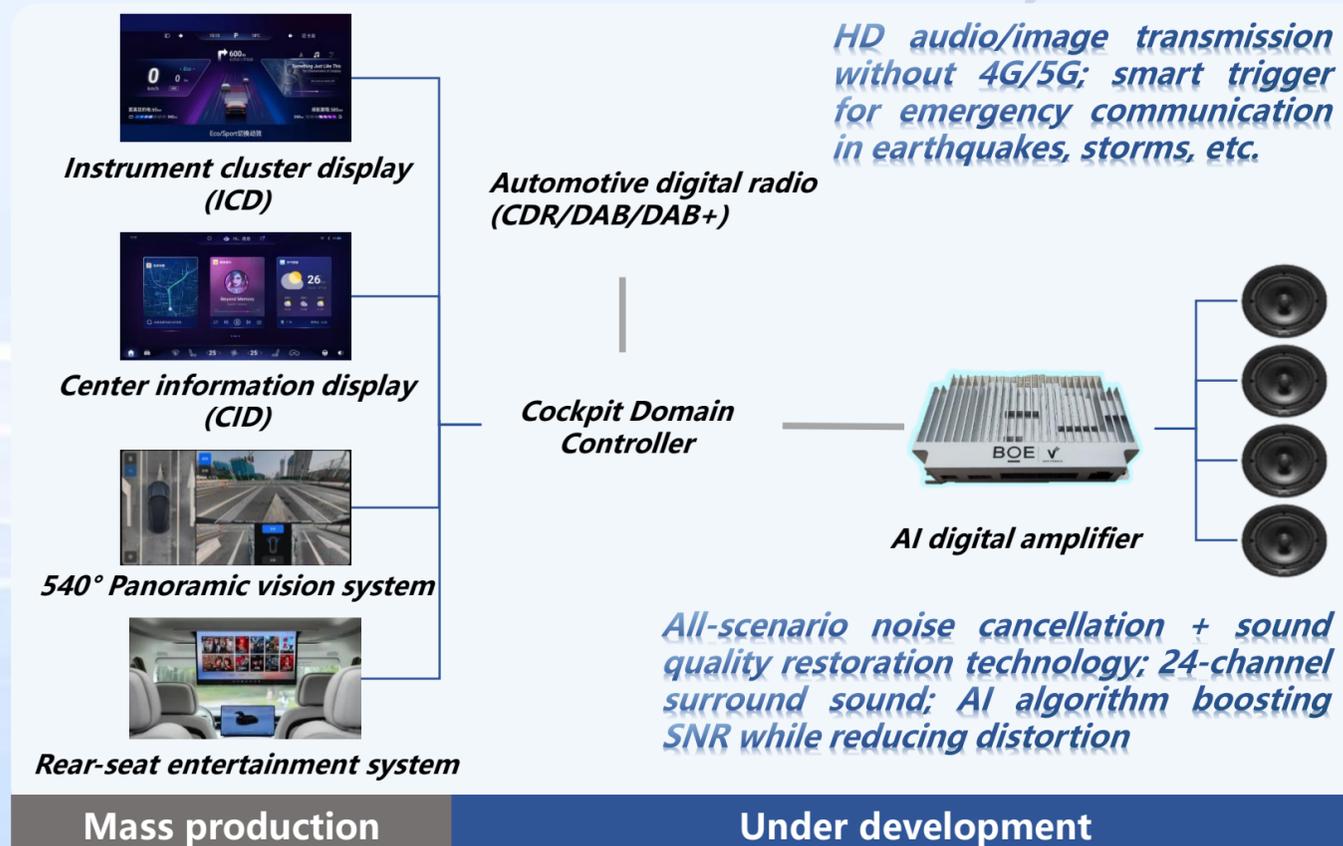
Deepening collaborative development with existing Tier 1 customers

- Engage across the entire display assembly development chain, strengthening early-stage design, joint development, and platform integration, while promoting next-generation product adoption to seize market opportunities.
- Enhance customer stickiness and increase market share in the automotive display segment.
- Accumulate system-level project experience to solidify core competitiveness in smart cockpit and system display domains.

Overseas strategy deployment

- From "going global" to "deep integration!": Strengthen system-level capabilities by collaborating with overseas local partners possessing strong technical expertise and solution capabilities.
- Accelerate global market expansion and transition toward a technology-driven solution provider.

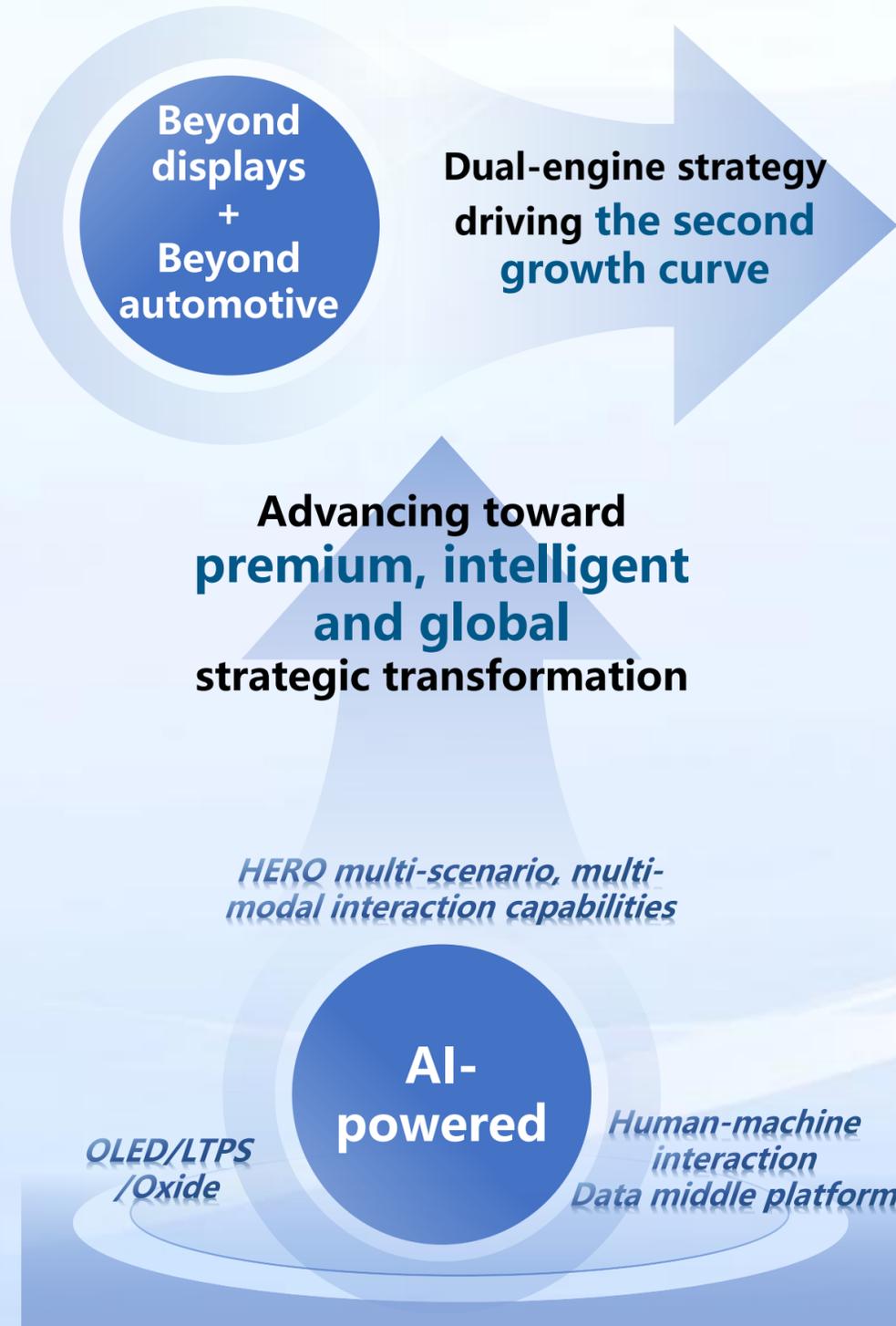
System business product portfolio



04
Part Four

Strategy & Outlook

AI-powered dual-engine strategy



AI + Product

- ✓ Three-step strategy: evolve from a single display module supplier to an integrated HERO solutions provider of "display + interaction + AI algorithms", **increasing the value per vehicle by 3–5x**
- ✓ Develop innovative scenario-based solutions focused on "human-vehicle-domain" and intelligent applications of AI+.



AI + Manufacturing /operation

- ✓ **AI team as part of smart innovation division** established in June 2025
- ✓ **AI inspection** deployed at Chengdu Plant to: (1) reduce labor costs, (2) lower material waste, and (3) improve production efficiency - expected to expand coverage to other plants
- ✓ Chengdu Plant built an **internal private AI computing center**, introducing 3,500 TFLOPS computing modules
- ✓ Build a **general-purpose computing platform** in the future based on inspection scenarios, supporting multiple AI applications (manufacturing /analysis/operations) for upstream and downstream customers



Globalization

- ✓ Act as the Group's automotive business platform and bridgehead for overseas expansion, and synergize with the Group's "**deep integration**" strategy of localizing to break down market barriers.
- ✓ Root in **Vietnam** to expand localized manufacturing and supply chain capabilities.
- ✓ Signed strategic cooperation agreement with SJS to promote localized manufacturing of automotive display systems in **India**

The human-vehicle interaction experience is being redefined: AI technology is driving the evolution of automotive electronics from distributed systems to integrated multi-modal solutions. Smart vehicles are built upon two core capabilities:

- 1. Perception: reliable understanding of the external world
- 2. Interaction: intuitive presentation of decision outcomes

Our HERO smart cockpit solution

Health

- Medical sensors embedded in the steering wheel and seats monitor driver and passenger health, providing tailored health plans and recommendations.
- Smart cockpit auto-adjusts environment and seating, and enables home-vehicle connectivity to interact with pet enclosures, fish tanks, and other home devices.

Relaxation



Entertainment

- Multi-screen integration creates immersive visuals, paired with quiet cabins and panoramic sound technology to deliver a private audiovisual experience.
- During autonomous driving, use directional sound technology and AI assistants to efficiently handle tasks such as video conferencing and document approval.

Office

System product portfolio scalability

Product stack

System-level expansion

- Multi-screen integration system (across instrument cluster, center console, co-driver seat)
- AR-HUD, PHUD optical and display systems
- Multi-modal interaction system (integrated gaze/gesture/touch/voice)
- Scenario-based intelligent display (navigation /entertainment/parking visual coordination)

Significantly enhance horizontal expansion efficiency and increase the number of covered vehicle models, maximizing the utilization of technological assets

Industry Display Business

• Products



Medical equipment
HMI control panels

Home appliances
Smart screens

- **Focus on core application scenarios:** deeply cultivate 4 high-potential verticals - white goods, smart meters, gaming & entertainment, and digital signage - to consolidate market share in niche segments.
- **Activate overseas existing customers:** conduct targeted roadshows for overseas existing customers to explore secondary development potential and drive new business collaborations.
- **Layout global market expansion:** plan to debut at the German industrial exhibition in March 2026 to connect with potential global customers and broaden industrial display business growth.

Second
growth curve
development

Industry Display
niche market
penetration

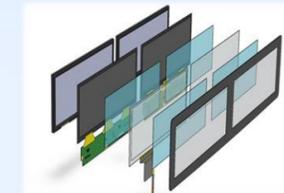
Extending scenarios across
human-vehicle-domain

New materials REHEO 睿合科技

• Products



Adhesive materials
/new materials



Full lamination LCD

Application scenario:

Seamless bonding between cover glass and touch module, and between touch module and display (LCD, etc.).

- ✓ Full lamination not only isolates the screen from dust and moisture, but also reduces thickness and enhances mechanical robustness.
- ✓ It effectively improves optical performance for clearer and sharper display quality.
- Become the most competitive supplier in the optical silicone materials industry.
- Become the most competitive integrated display module platform in the automotive industry.
- Committed to be a long-term provider of advanced display technologies and new materials.
- New material product lines: Optical full lamination/ structural adhesives/interface materials/thermal conductive adhesives

By leveraging high reliability, strong durability, and low power consumption characteristics derived from automotive-grade quality control systems, we continue to focus on **"beyond automotive"** directions and drive scenario **expansion across human-vehicle-domain**. We have accelerated our penetration into **Industry Display niche markets**, including unmanned stores, public transportation (aviation, rail and passenger transport), parking and charging facilities, vending machines, edge-computing devices, home appliances, and commercial office applications, thereby progressively building our **second growth** engine.

» Innovative solutions built around "human-vehicle-domain" and intelligent application scenarios

Innovation business

Expanding scenarios across domains

Integrating core technologies with scenario-based ecosystems, we **develop innovative solutions** centered on "human-vehicle-domain" and AI-powered intelligent applications — extending from the cockpit to **new innovation frontiers**.

Smart pet care

smart ecosystem tank



Extending to smart home

- ✓ Launched the world's first smart terrarium/aquarium, designed for reptile and aquatic pet care, centered on "ecological aesthetics + smart technology".
- ✓ Integrated HD large screens with intelligent interaction, offering environmental monitoring and automated care — building a "Display + IoT + AI" ecosystem platform that makes pet care simpler, smarter, and safer.

Smart cycling

AI-powered glasses



Expanding into outdoor sports

- ✓ AI-Powered smart cycling glasses integrated HD cameras, optical image stabilization, anti-glare features, and dual Bluetooth earbuds — capture photos or record videos with a simple tap on the frame.
- ✓ Unique anti-glare technology effectively filtered intense oncoming headlight glare at night, significantly enhancing riding safety.

Pan-mobility

Vertical mobility:
elevator emergency
safety solution



Expanding into "mobility data value and scenario-based content ecosystem"

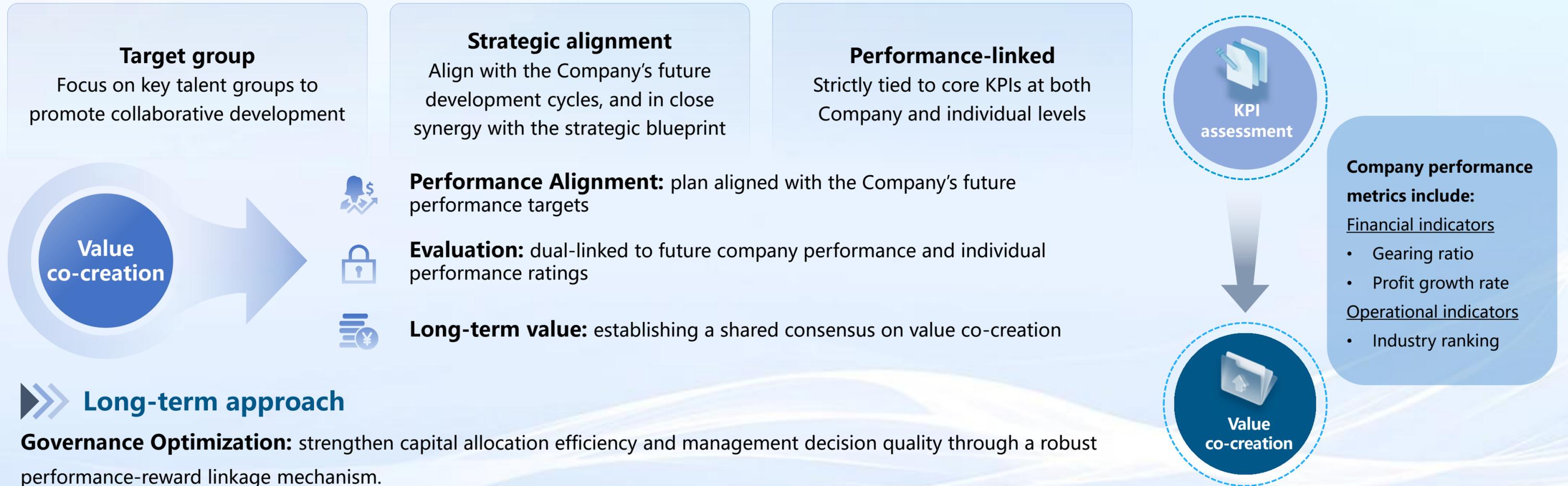
- ✓ Centered on the "elevator intelligent interaction hub," we are building a trinity business model of "technology integration + scenario penetration + ecosystem synergy," to upgrade elevators into more valuable "third spaces."
- ✓ Standard version of the vertical mobility solution has entered small-batch validation, with future iterations evolving toward edge AI and end-to-end safety monitoring for the premium version.

Building a long-term co-creation system to align shared vision and commitment



BOEVx's 15th five-year development plan — aligning core team interests to drive sustainable value creation

Key elements



Long-term approach

Governance Optimization: strengthen capital allocation efficiency and management decision quality through a robust performance-reward linkage mechanism.

Talent advantage: lock in core technical and management talent amid intensifying industry competition; attract overseas high-end talent to support the internationalization strategy.

Strategic alignment

Encouraging employees to operate the business with an entrepreneurial mindset, working together to build long-term growth momentum.

05
Part Five

ESG

We are One — Always! Best On Earth

Society

Employee care

Striving to promote and create pleasant working environment, building a "Happy Workplace"



Employee development and training

Valuing employees and striving to build an ideal workplace that supports their growth and development



Focus on employee safety and health

Safety and health policies comply with local government regulations, while providing employees with necessary information, guidance, training, and supervision



Open communication

Fostering a culture of open communication, transparency, and collaboration



Environment



Heyuan plant HYN1 exhaust gas collection and purification facility



Chengdu plant HYN1 exhaust gas collection and purification facility

The Ministry of Industry and Information Technology (MIIT) released the "Green Factory, Green Industrial Park (2025) Publicity List" — both the Heyuan and Chengdu plants were successfully selected as "National Green Factories".

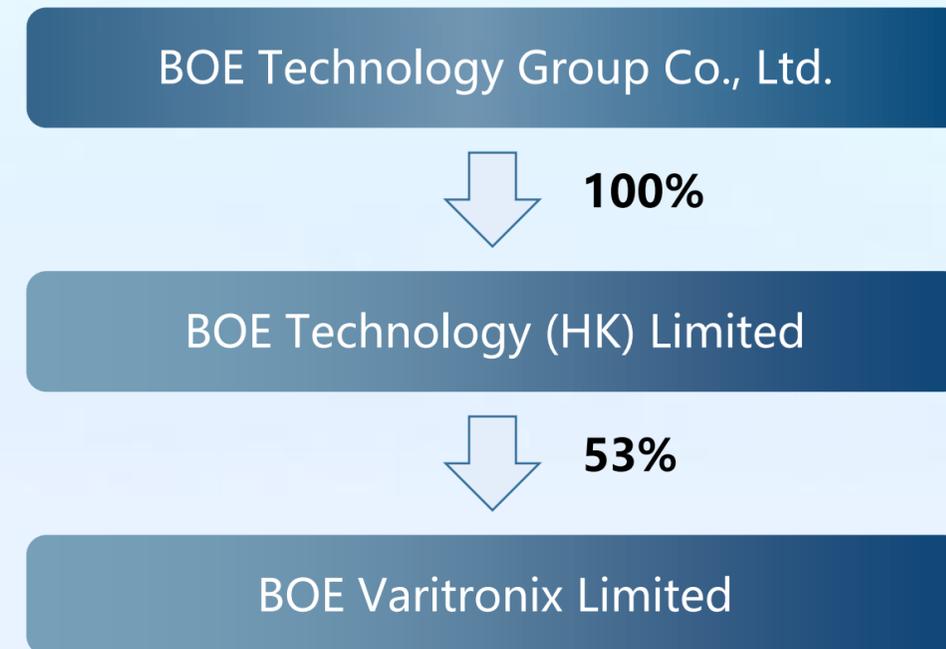


Chengdu plant pure water preparation system
We have built advanced water treatment systems, adopted water-saving fixtures, and established comprehensive wastewater and condensate recovery and reuse systems, replacing fresh tap water with unconventional water resources. Over the past three years, total water savings reached 630,000 tons — an average of 576 tons per day.

Governance >>>>>>>>

BOE Technology Group Co., Ltd., whose shares are listed on the Shenzhen Stock Exchange, with the stock code for A shares being 000725 and the stock code for B shares being 200725, holds approximately 53% of the equity of BOE Varitronix Limited through its wholly owned subsidiary BOE Technology (HK) Limited and is the ultimate beneficial owner of the 53% of the equity of BOE Varitronix Limited. BOE attaches great importance to the corporate governance of its subsidiaries.

BOE Varitronix's corporate standards are based on the principles of independence, accountability, transparency and fairness. It has adopted and complies with the code provisions of the Corporate Governance Code (the "Governance Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange Limited.



Q&A