

INSPIRE GREATNESS

2024 Interim Results

TCL 电子控股有限公司
TCL Electronics Holdings Limited

Incorporated in the Cayman Islands with Limited Liability
(Stock Code: 01070.HK)

TCL

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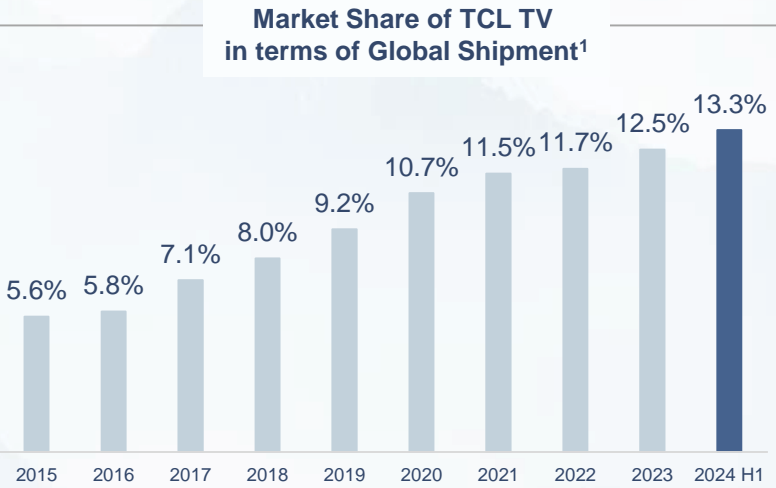
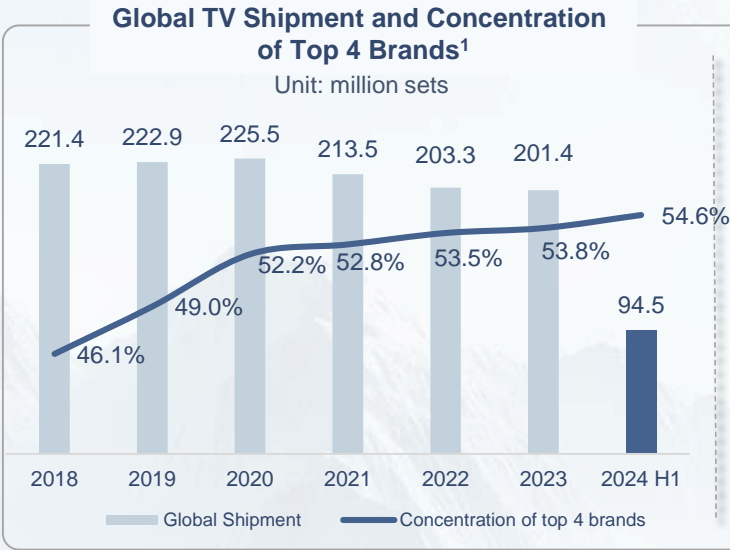
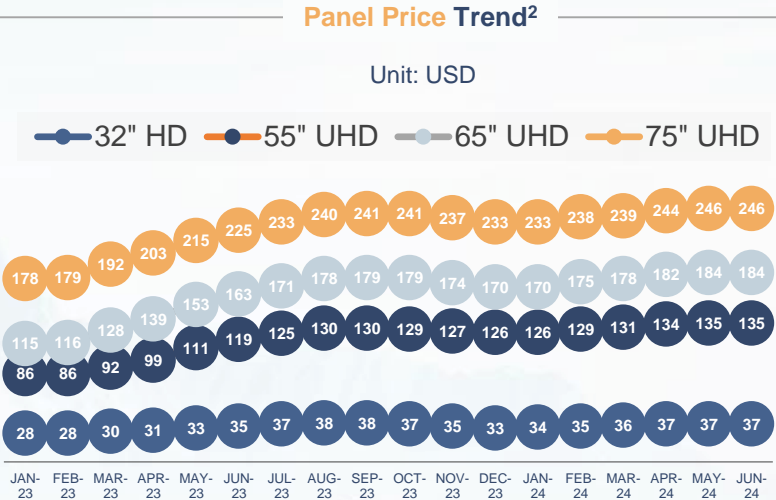
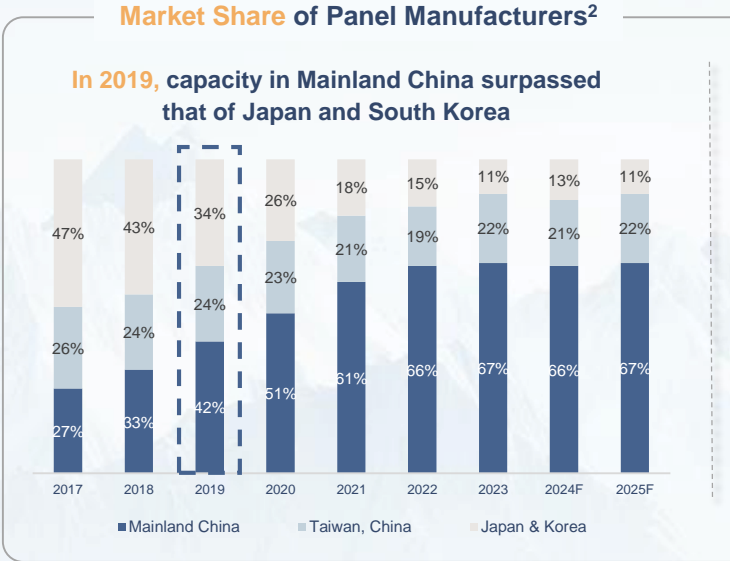
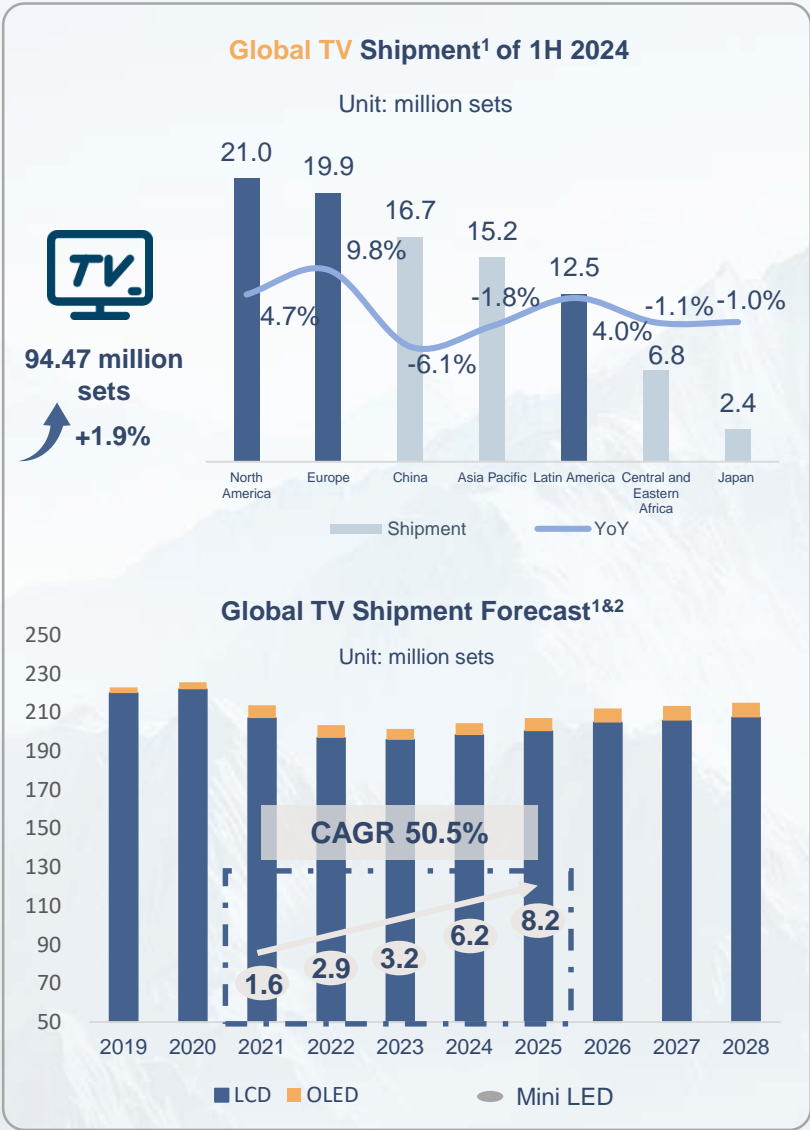
Outlook



01 Market Environment



Market Environment | Global TV Demand Remains Stable. Growth of Mini LED Market Accelerates. Market Concentration of Top Brands Continues to Rise. Panel Production Capacity is Shifting to Chinese Players as Competition Landscape Stabilises. Chinese TV Brands Have Advantages to Continue to Increase Global Market Share



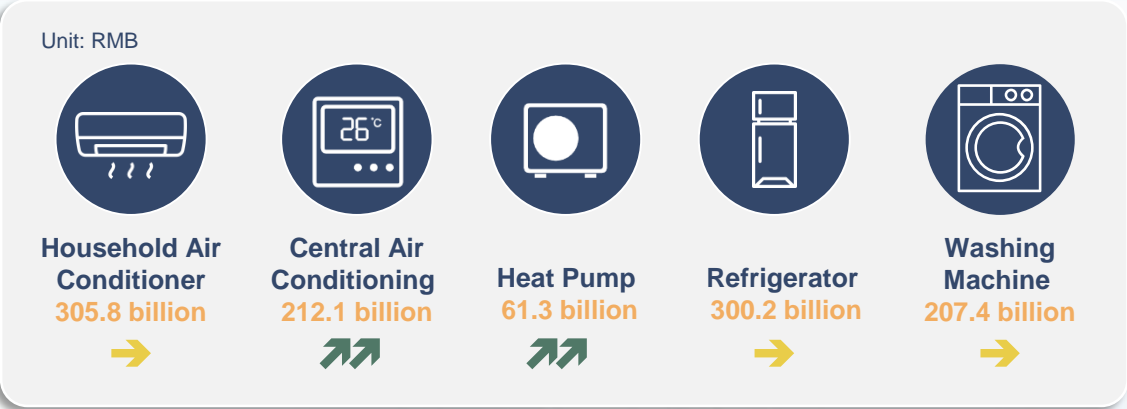
Source: 1. Omdia 2. Sigmaintell, the market share is calculated based on the global TV panel shipment

Market Environment | Scale of Air Conditioners, Refrigerators and Washing Machines Remains Stable. Global Brand Distribution Business Shows Strong Synergistic Growth; Enormous Growth Potential for New Business Sectors

TCL

Market size of air conditioners, refrigerators and washing machines remains stable¹, significant market to explore for distribution business

Annual growth forecast for 2023-2028 >5% 2-5% 0-2%



Smartphone and Tablet Markets² Stabilised and Recovered in 1H 2024



The growth of niche new business sectors presents both opportunities and uncertainties



New Trend

Forecast for Global Shipment of AR/VR Head-Mounted Display in 2024²



Source: 1. The Company's forecast data 2. IDC 3. National Energy Administration 4. Trend Force

02 Overall Results



Continued improvement in revenue and profitability,
innovative business becomes new growth driver



Revenue
HK\$45.49 billion
+30.3% yoy



Adjusted profit attributable to
owners of the parent¹
HK\$654 million
+147.3% yoy



Gross profit
HK\$7.75 billion
+19.2% yoy



Revenue of
innovative business
HK\$13.95 billion
+60.6% yoy

Gross profit margin of
innovative business
14.4%
+0.3 p.p. yoy

Improved operational efficiency,
robust financial position



Overall expense
ratio²
13.7%
yoy ↓ 2.0 p.p.



Gearing ratio³
Remained
at 0%



Inventory turnover days
69 days
yoy ↓ 1 day



Cash conversion cycle
36 days
yoy ↓ 2 days

Optimisation of product structure leading to increase in both sales volume
and revenue for TCL TV business in overseas



Global shipment
12.52 million sets
+9.2% yoy
Q2 6.68 million sets
+12.9% yoy +14.3% QoQ



Overseas markets
shipment
+10.4% yoy
Overseas markets
revenue
HK\$17.56 billion
+24.2% yoy



≥75" Global shipment
+34.5% yoy
QLED TV shipment
+64.4% yoy
Mini LED TV shipment
+122.4% yoy

Maintained high dividend policy
since 2017 to reward
shareholders



Dividend payout ratio in 2023
50%

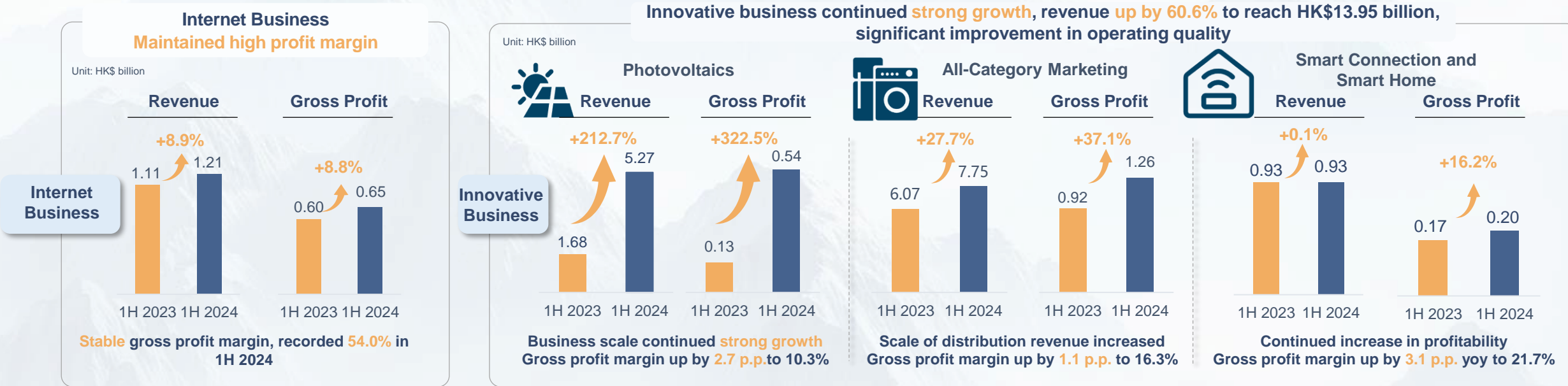
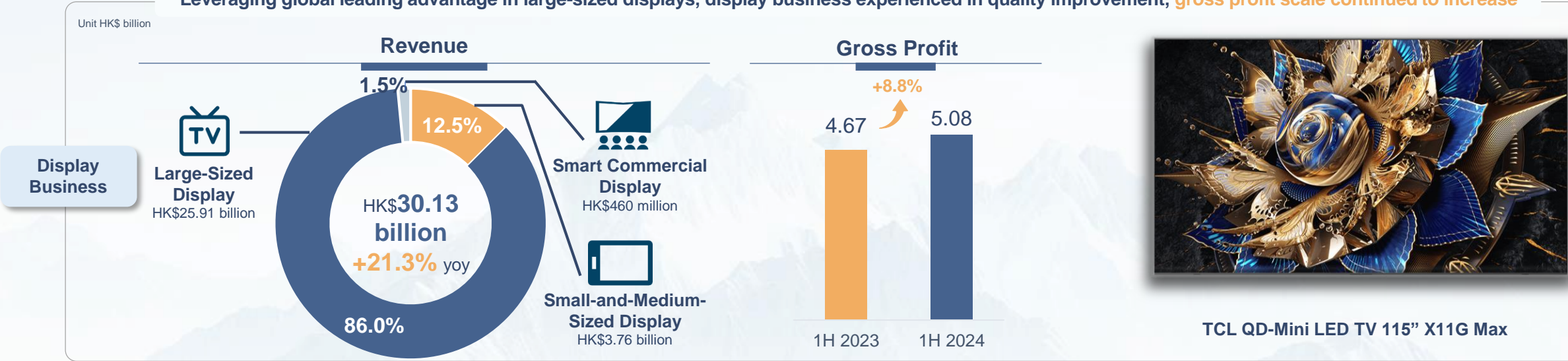
Note: Dividend payout ratio was calculated by adjusted profit attributable to owners of the parent as the denominator

Note: 1. Adjusted profit attributable to owners of the parent is defined as profit attributable to owners of the parent after adding back the following adjustments: (i) (gain)/loss from investment companies, net; (ii) (gain)/loss on disposal and liquidation of subsidiaries, net; (iii) (gain)/loss related to call options and put options, net; (iv) (gain)/loss on disposal of non-current assets, net; and (v) income tax effect
2. The overall expenses includes selling and distribution expenses as well as administrative expenses
3. Gearing ratio was calculated by net borrowings (i.e. total interest-bearing bank and other borrowings and lease liabilities, less cash and cash equivalents, and restricted cash and pledged deposits), divided by equity attributable to owners of the parent

2024 Interim Results Highlights | Global Display Business Grows Despite Headwinds, with Structural Adjustment and Quality and Efficiency Improvement; Innovative Business Continues High Growth

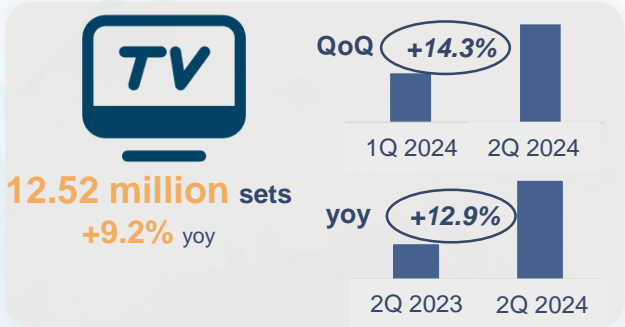
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Leveraging global leading advantage in large-sized displays, display business experienced in quality improvement, gross profit scale continued to increase



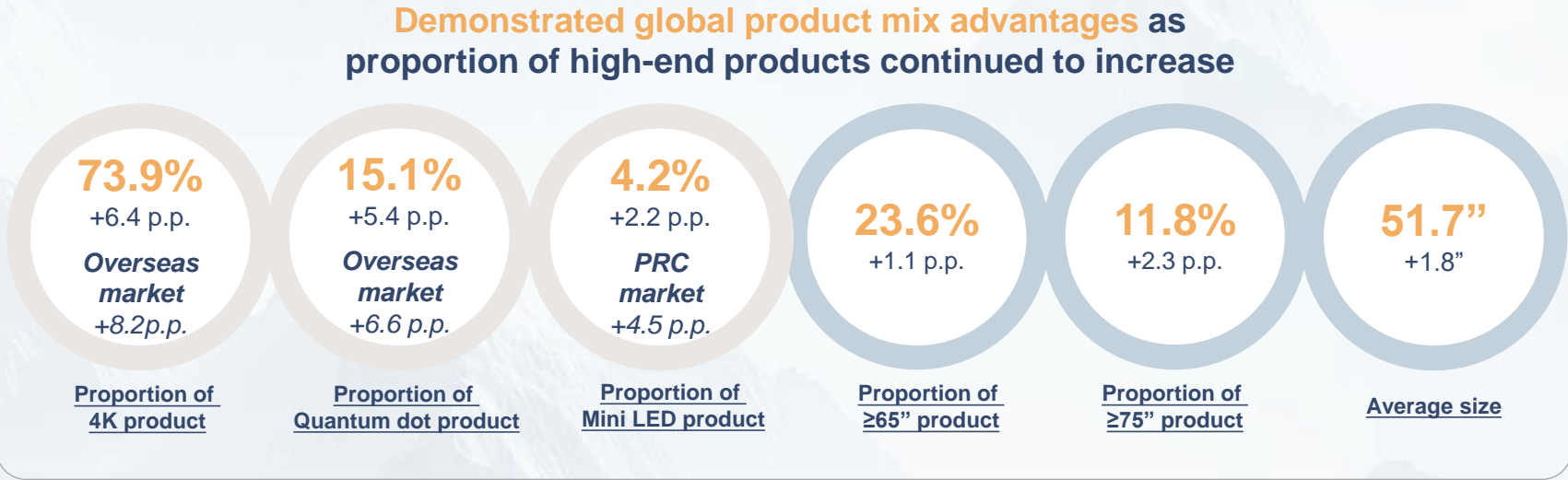
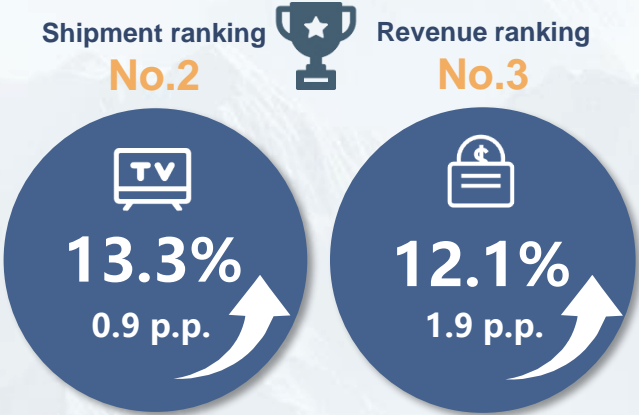


Global shipment of TCL TV **outperformed industry average**^{note}, significant improvement in global brand index



Note: According to Omdia, shipment of TV industry increased slightly by 1.9% yoy in 1H 2024

TCL TV's global market share ¹



Data source: 1. Omdia, market share of global brand TV in terms of shipment and sales revenue data 1H 2024 2. The brand index is calculated by dividing the market share of sales revenue by the market share of shipment

Brand Marketing | Promote Localisation of Global Branding Strategy and Continued Increase in Brand Power with Marketing Efforts in Various Fields such as Sports, Esports, Film and TV Series, and Exhibitions **TCL**

Sport IP Sponsorship: Sponsored the Copa América, and collaborated with the Spanish national team, the Australian Football League, the Copa Libertadores, the Chinese women’s basketball team, etc., to enhance market visibility

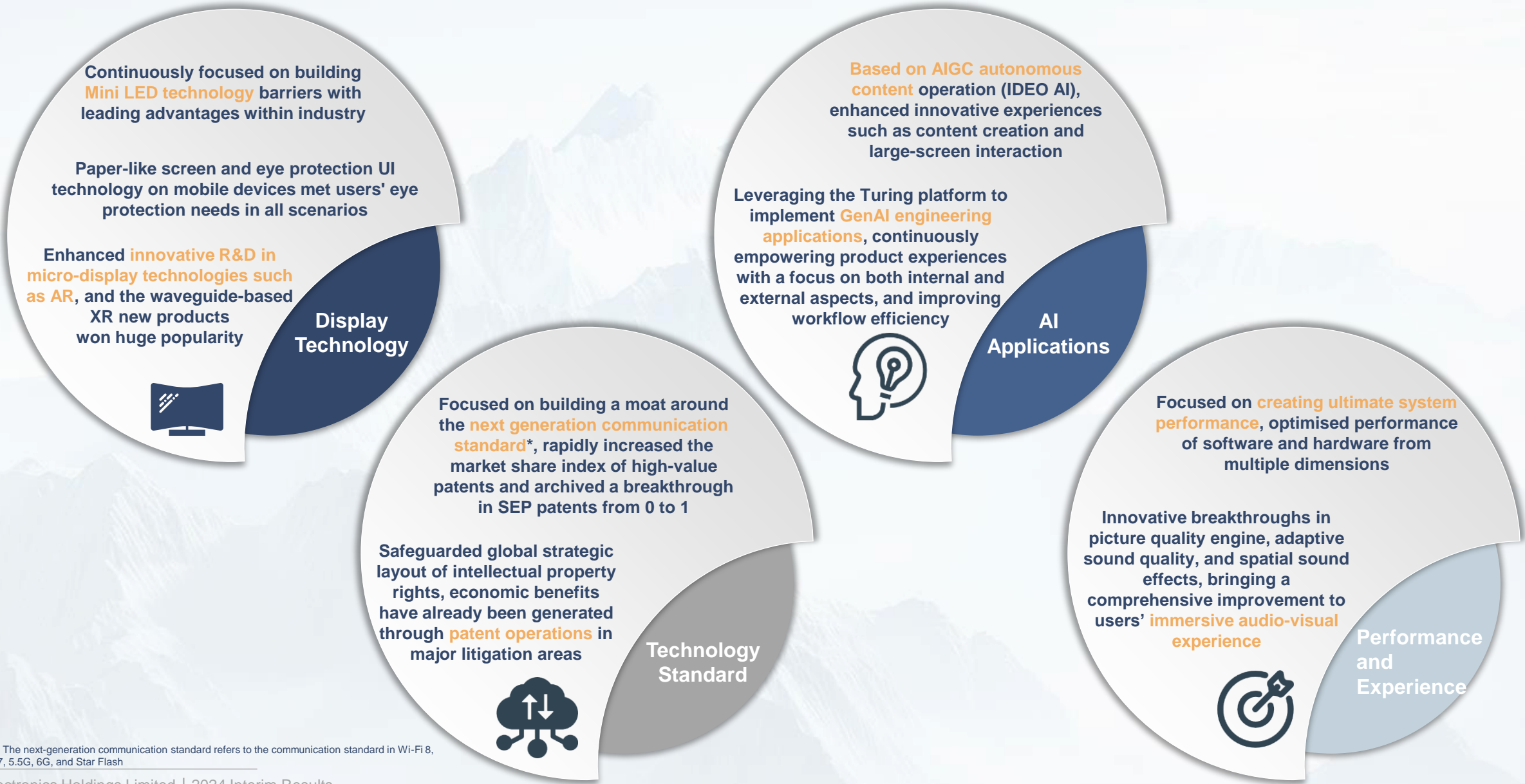


Exhibition Marketing: Participated the International Consumer Electronics Show (CES), the Appliance & Electronics World Expo (AWE), the Canton Fair, and other globally renowned exhibitions



Film & TV IP and Esports Sponsorship: Conducted Collaborative marketing campaigns with popular film and TV series such as “Successor” and “Joy of Life 2”, Sponsorship of the League of Legends Professional League (LPL)





* Note: The next-generation communication standard refers to the communication standard in Wi-Fi 8, H.267, 5.5G, 6G, and Star Flash



Overall ESG Rating¹

2018-2023

A for six consecutive years



Index Inclusion

2019-2023

Inclusion in the Hang Seng Sustainable Enterprises Benchmark Index for five consecutive years¹



Overall ESG Performance¹

E

- Strictly implemented carbon verification internally and insisted on green operation, in order to effectively reduce greenhouse gases
- Corporately built green eco-system externally by propelling the signature of the first "Proposal of Building Green Supply Chain" of household appliance industry

S

- Launched the industry's first TV care solution, TCL Care, which was honoured with the silver award at the IDEA Award in the U.S.
- Propelled the culture of equality, diversity and communion, encourage gender equality, the proportion of female employees within the Company has surpassed 40% as of December 31, 2023
- Launched the long-term project "TCL For Her" in multiple locations globally, to advocate brand values of "Seeing, Inspiring and Supporting Women"

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- Adheres to business ethics and improved the integrity system and mechanism
- Actively carried out network security and privacy protection management

Compared to 91 peer companies: Top 20%

Compared to 517 index components: Top 20%

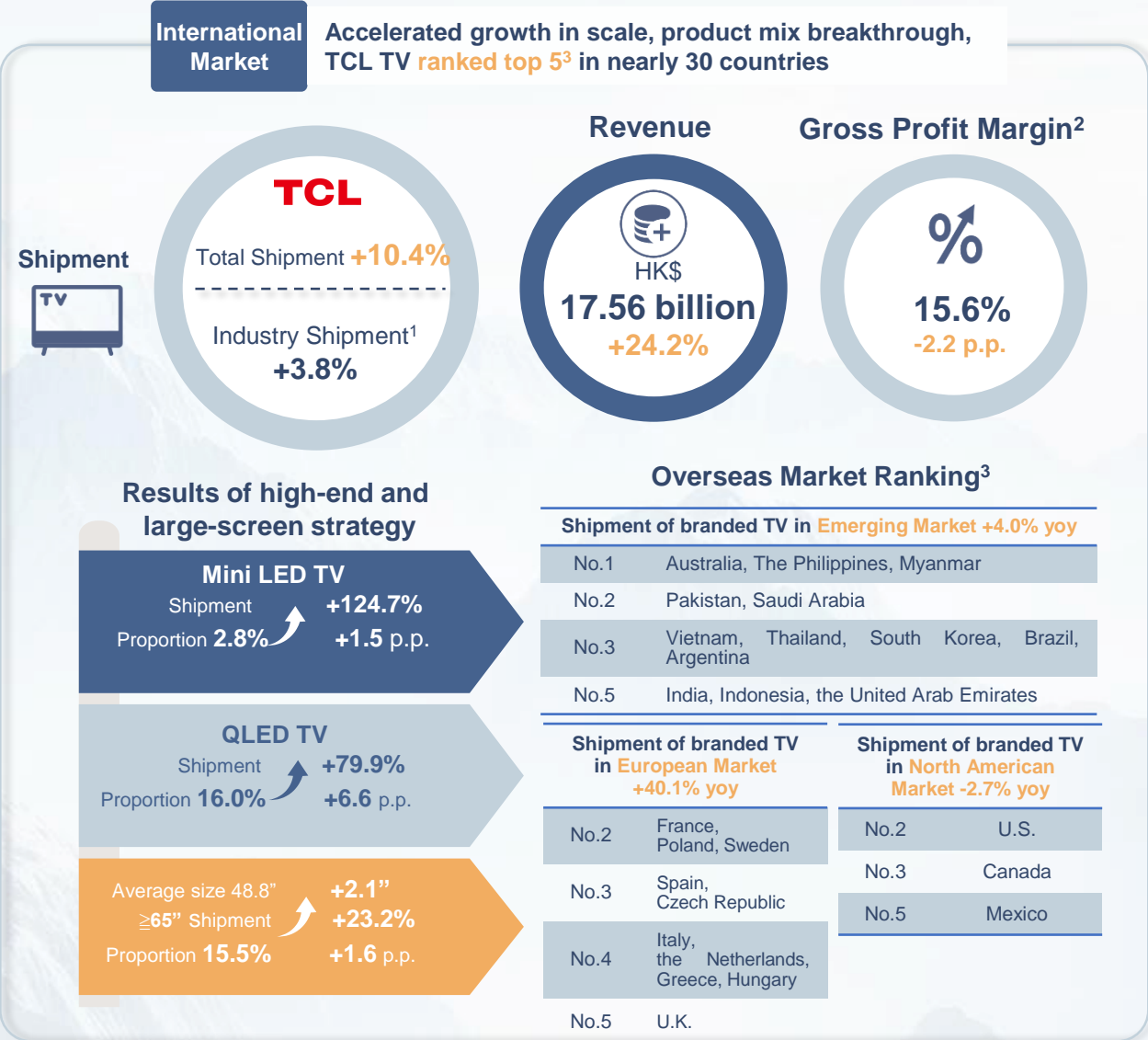
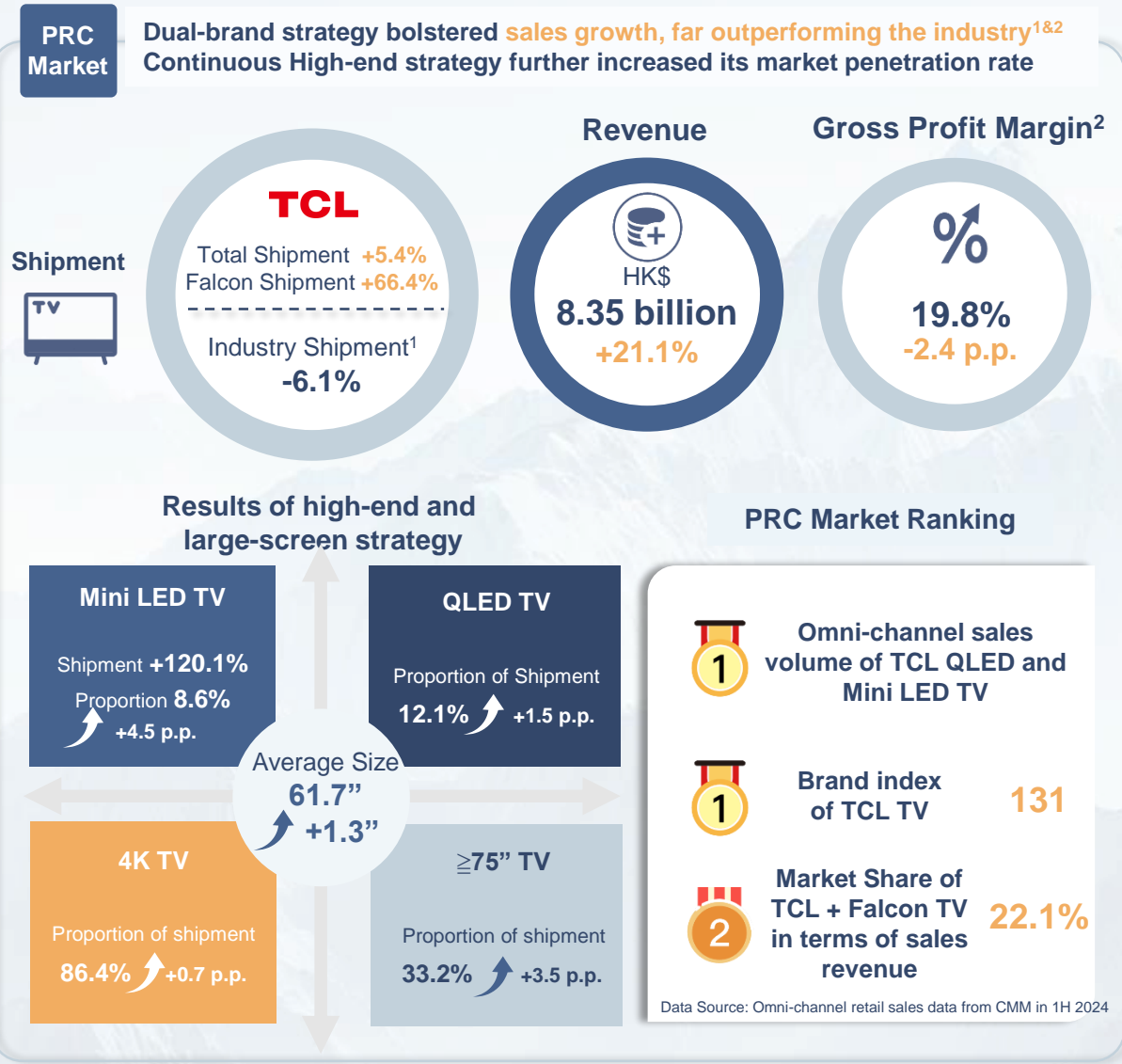


03 Segment Performance

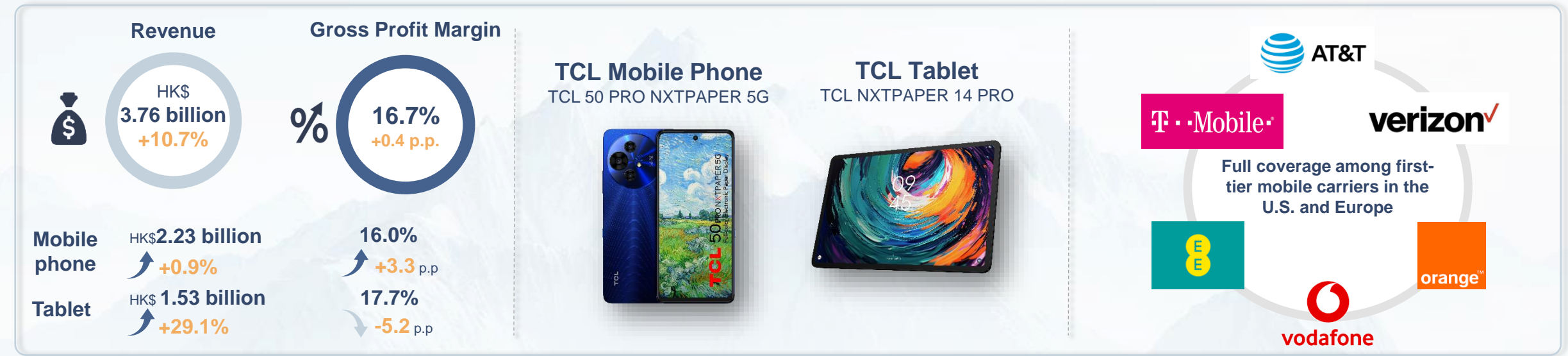


Display Business – Large-Sized Display | Brand Power Continues to Improve. Mid-to-High-End Strategy Drives Sales Volume and Revenue of Large-Sized Display to Significantly Outperform Industry Average

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Small-and-Medium-Sized Display – Adhering to a product-driven approach, focusing on breakthroughs, and enhancing quality for development, gross profit further improved



TCL Mobile Phone

TCL 50 PRO NXTPAPER 5G



TCL Tablet

TCL NXTPAPER 14 PRO



AT&T

T-Mobile

verizon

EE

orange

vodafone

Full coverage among first-tier mobile carriers in the U.S. and Europe

Smart Commercial Display | Focusing on the IFPD market and providing multi-scenario product solutions to empower long-term scale growth





Smart Education



Smart Conference



Smart Commerce

Global Internet Business



PRC Market

Guided by intelligence, convenience, and innovation to continuously enhance user experience

TCL LING KONG UI 2.0
Offering the ultimate product experience

- ✓ Further enhancing visual and customisation capabilities
- ✓ Interaction of big and small screens, editing TV home screen with mobile phones
- ✓ Creating multiple home theatre solutions

Continuous exploring industry-leading AI interactive scenarios

- ✓ Creating proprietary IP of “Lei Dong Dong” based on AI large language model
- ✓ Collaborating with leading children’s IP to develop AI animation growth education

Further improvements to foundational experience

- ✓ Cultivating capabilities of convenient use
- ✓ New vertical content container
- ✓ Optimisation of high-frequency user scenarios

International Market

Upgraded TCL Channel content integration application platform
Continuous enhancing its ability of traffic monetisation



Google
Roku
NETFLIX

Continuously deepen global cooperation with internet giants

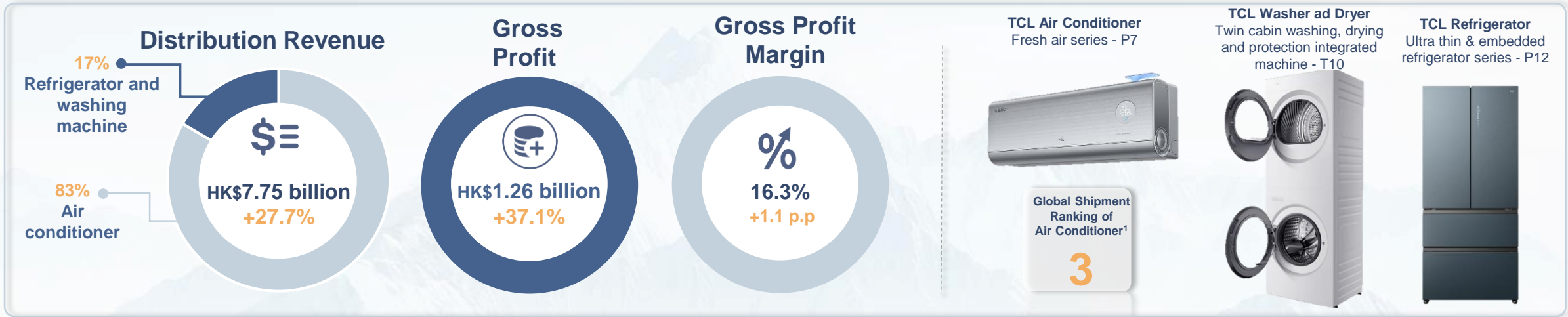


TCL Channel

- ✓ Cooperated with giants like Google, Roku and Netflix to continuously improve user experience
- ✓ Falcon has achieved breakthroughs in its overseas business model with enhancing its ability of traffic monetisation and doubling average consumption time of its own content products; as at 30 June 2024, TCL Channel had accumulated nearly 25 million users, covering 60 countries in North America, Europe, Central and South America, and the Asia-Pacific region

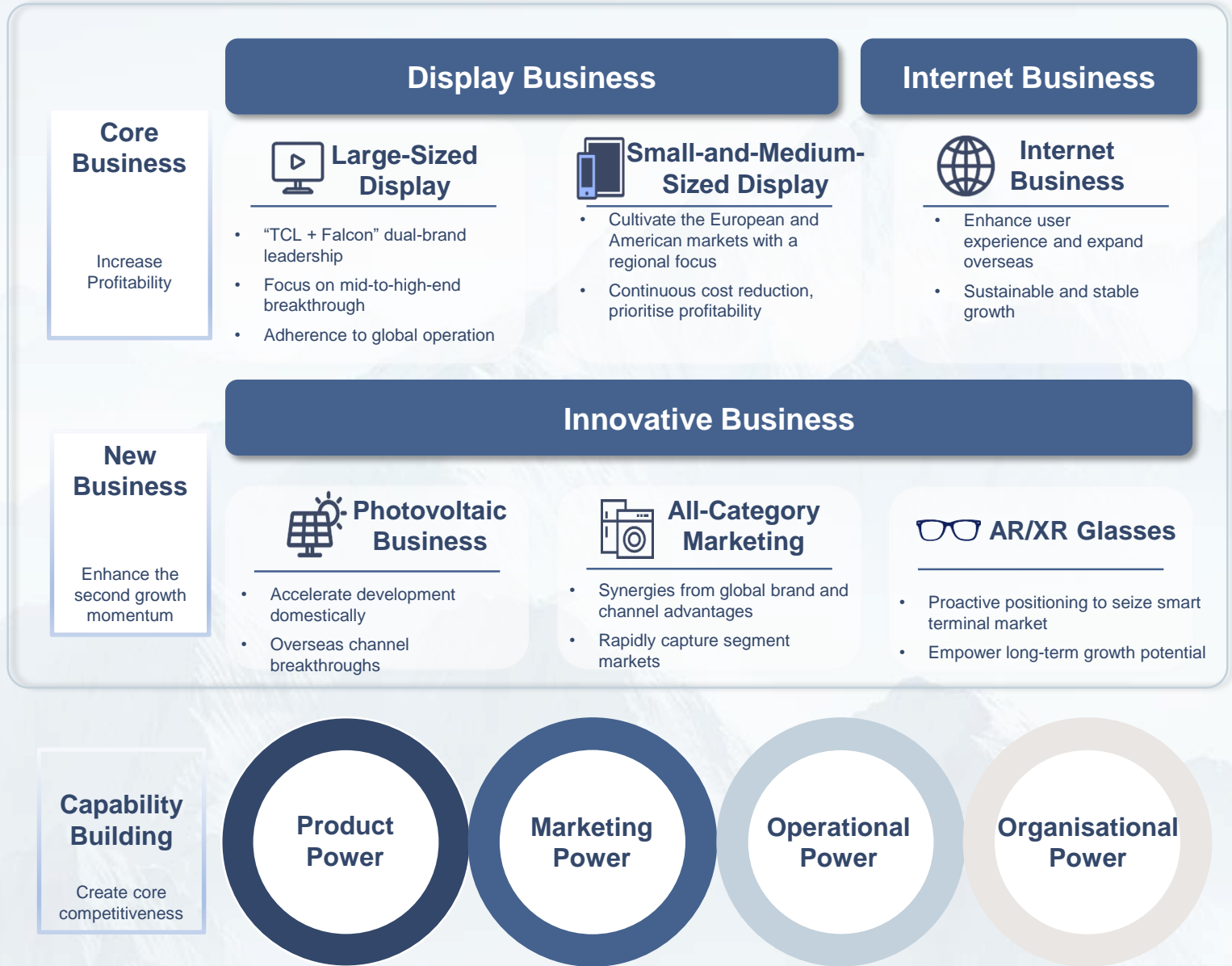


All-Category Marketing – Brand and channel synergies facilitated double-digit growth in distribution scale



04 Outlook





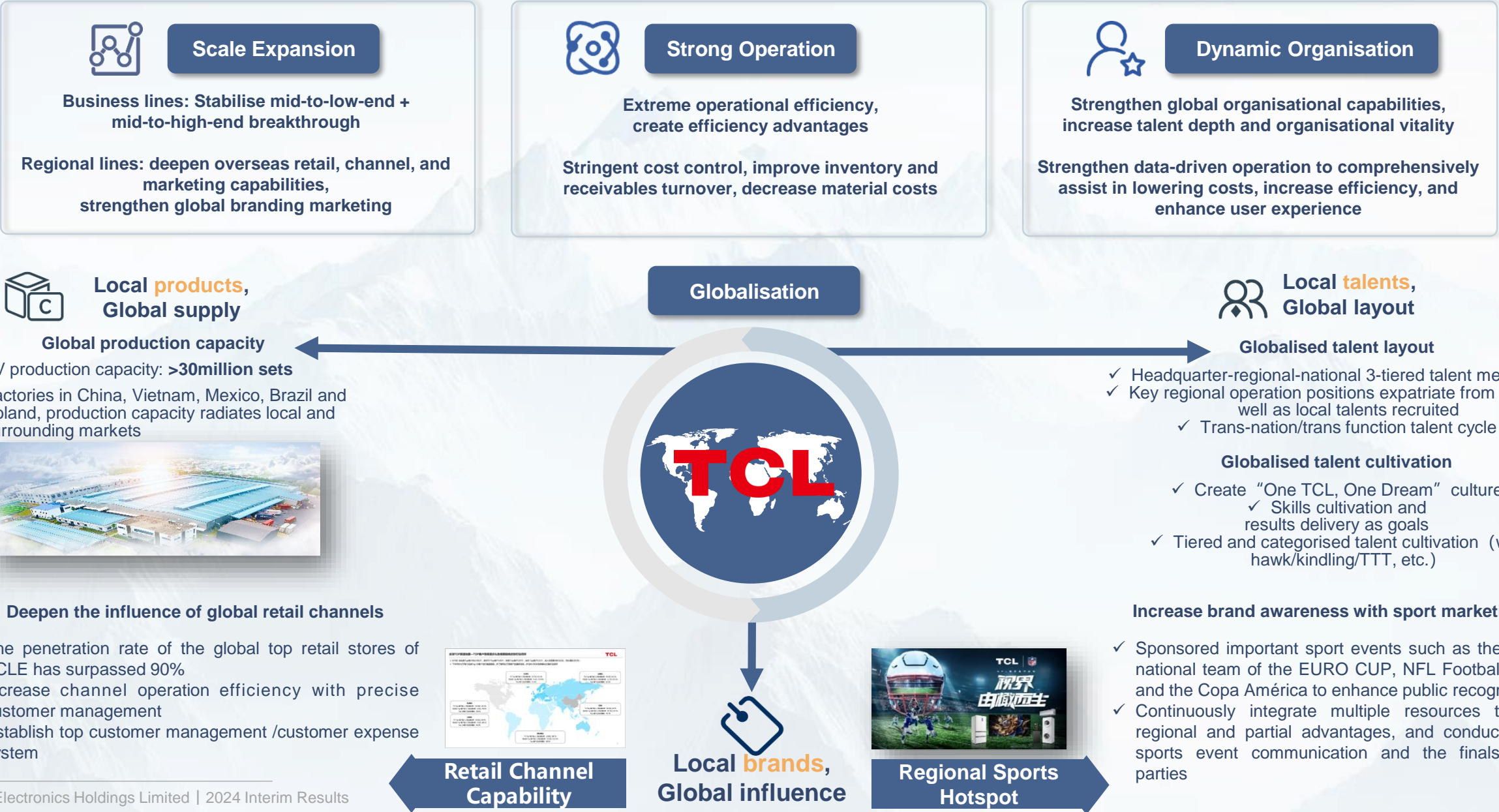
● — **Company Strategy** — ●

Lead with Brand Value,
Excel in Global Efficiency,
Drive with Technology,
Thrive on Global Vitality



● — **Operational Goal** — ●

Net profit growth > Gross profit growth > Revenue growth



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THANKS!

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