

Impro

鷹普精密工業有限公司
Impro Precision Industries Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1286

2025 ANNUAL RESULTS PRESENTATION

March 10, 2026





Disclaimer

The information set forth in this presentation relates to the business of Impro Precision Industries Limited (the “Company”, together with its subsidiaries, the “Group”) for the year ended December 31, 2025. This presentation is intended to provide updated information on the Group for the year ended December 31, 2025 and does not constitute an offer, solicitation, invitation or recommendation to subscribe for or purchase any securities of any member of the Group. The information in this presentation is in summary form and is not a complete description of the business and the operating results of the Group for the year ended December 31, 2025. No representation or warranty, express or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information herein contained. For more detailed information of the annual results of the Group for the year ended December 31, 2025, please refer to the 2025 annual results announcement of the Group published on the websites of The Stock Exchange of Hong Kong Limited and the Company.

This presentation contains certain forward-looking statements with respect to the financial conditions, operating results, and business of the Group and certain plans and objectives of the management of the Group. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the Group to be materially different from any future results of performance expressed or implied by such forward looking statements. Accordingly, you should not place reliance on any forward-looking information or statements.



FY2025 Results Summary



Solid Revenue Growth, AI related products & Medical end-markets revenue grew spectacularly

- 2025 Group revenue inc. 8.7% y-on-y to HK\$5,095.5M
- High horsepower engine (HHPE) end-market revenue grew strongly by 43.3%, or increase by HK\$340.1M; Revenue from diversified industrials – others end markets increased significantly by 38.4% y-on-y, to HK\$135.6M
- Medical end-market revenue grew by 55.2% in 2025 to HK\$47.4M
- Construction equipment end-market rebounded in 2H/2025, driving an 11.2% increase in full-year revenue



Increase in Gross Profit Margin and Adjusted profit att. to shareholders of the Company

- Group's GPM inc. 0.4% to 27.5%; GPM of Sand Casting inc. 2.6% to 31.2%, driven by the substantial increase in revenue HHPE end-market
- Most of the PRC plants achieved spectacular financial performance; profit of Turkey plants dropped due to high inflation; Mexico plants remained in the ramp-up stage, still recorded a relatively large net loss
- Profit att. to shareholders of the Company inc. by 12.7% y-o-y to HK\$726.2M; after adjustment of significant one-off items, adj profit att. to shareholders of the Company inc. by 12.1% to HK\$689.9M, both reaching new record high



Seizing the growth opportunities in AI related End-markets and the Aerospace, Energy and Medical Sector

- As AIDC continues to surge across the world, demand for HHPE as key component of distributed power generators and liquid cooling system components remain robust; large-scale sand casting workshop in Phase II of Mexico SLP Campus will commence mass production in mid 2026; together with production capacity of the Mexico's IC plant, it is expected related products will gain market share continuously
- Two newly completed Mexico aerospace and surface treatment plants are currently undergoing certification in full swing, which is expected to be completed in 2H/2026 and mass production will gradually commence

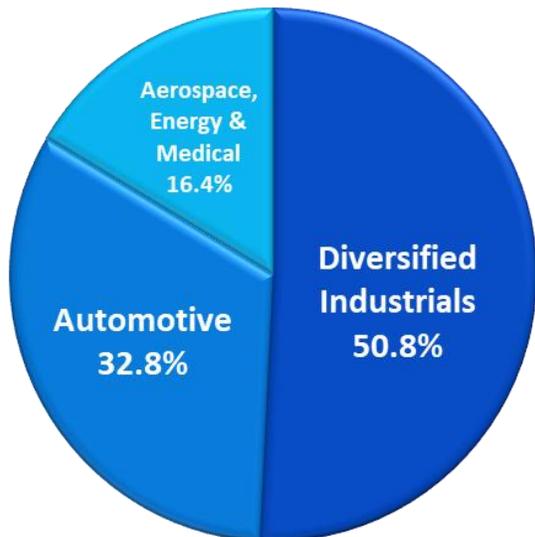


Stable Free Cash Flow and Dividend Payout

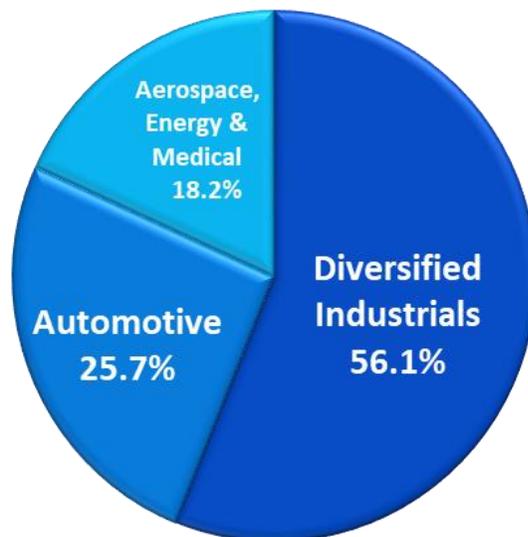
- Operating cash flow reached HK\$1,258.7M and increase of 9.8% in 2025, due to effective control of working capital with stable inventory and accounts receivable turnover days
- 2025 2nd interim dividend at 8.0 HK cents per share or a total of HK\$151M, dividend payout ratio is ~44% of the adjusted profit attributable to shareholders

Revenue by Sector

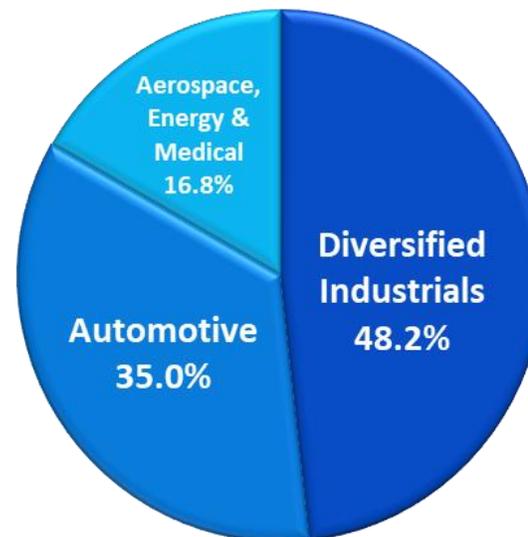
4Q/2024



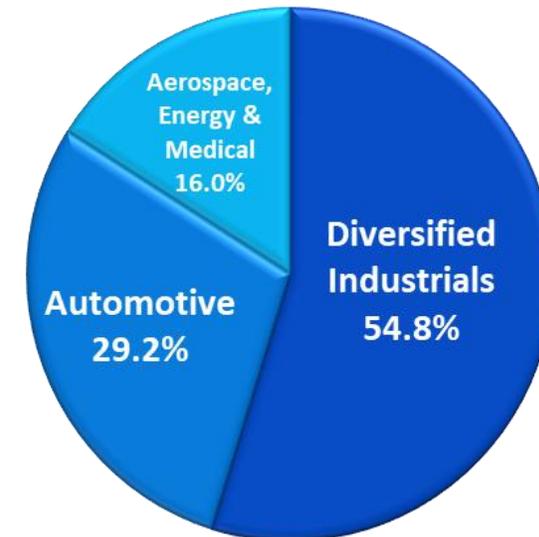
4Q/2025



FY2024



FY2025



By Sector	4Q/2024	4Q/2025	Inc/(Dec)		FY2024	FY2025	Inc/(Dec)	
	HK\$ mil	HK\$ mil	HK\$ mil	Change	HK\$ mil	HK\$ mil	HK\$ mil	Change
Diversified Industrials	568.5	721.0	152.5	26.8%	2,260.0	2,792.7	532.7	23.6%
Automotive	367.0	329.6	(37.4)	-10.2%	1,640.5	1,487.2	(153.3)	-9.3%
Aerospace, Energy & Medical	183.7	234.2	50.5	27.5%	786.3	815.6	29.3	3.7%
Total	1,119.2	1,284.8	165.6	14.8%	4,686.8	5,095.5	408.7	8.7%

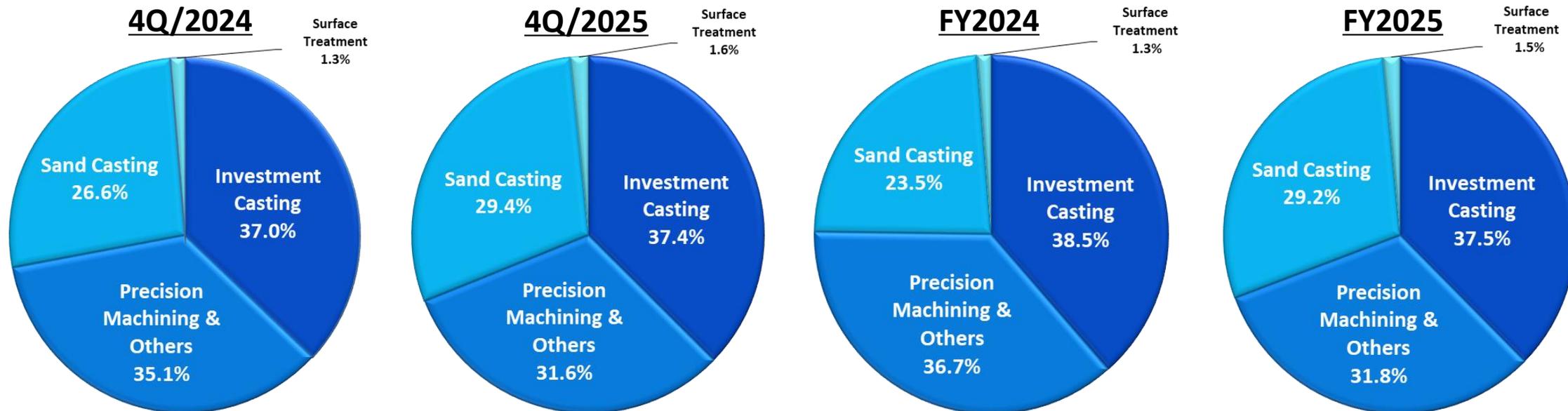


Revenue by End-market

By End-market	4Q/2024	4Q/2025	Inc/(Dec)		FY2024	FY2025	Inc/(Dec)	
	HK\$ mil	HK\$ mil	HK\$ mil	Change	HK\$ mil	HK\$ mil	HK\$ mil	Change
Diversified Industrials	568.5	721.0	152.5	26.8%	2,260.0	2,792.7	532.7	23.6%
- High Horsepower Engine	217.7	269.6	51.9	23.8%	785.8	1,125.9	340.1	43.3%
- Construction Equipment	152.6	205.7	53.1	34.8%	648.5	721.3	72.8	11.2%
- Agricultural Equipment	78.5	70.2	(8.3)	-10.6%	324.3	302.5	(21.8)	-6.7%
- Recreational Boat & Vehicle	31.5	43.6	12.1	38.4%	148.4	154.4	6.0	4.0%
- Others	88.2	131.9	43.7	49.5%	353.0	488.6	135.6	38.4%
Automotive	367.0	329.6	(37.4)	-10.2%	1,640.5	1,487.2	(153.3)	-9.3%
- Passenger Car	192.1	178.3	(13.8)	-7.2%	852.0	799.1	(52.9)	-6.2%
- Commercial Vehicle	174.9	151.3	(23.6)	-13.5%	788.5	688.1	(100.4)	-12.7%
Aerospace, Energy & Medical	183.7	234.2	50.5	27.5%	786.3	815.6	29.3	3.7%
- Aerospace	134.3	146.6	12.3	9.2%	538.6	544.4	5.8	1.1%
- Energy	28.3	51.9	23.6	83.4%	161.9	138.0	(23.9)	-14.8%
- Medical	21.1	35.7	14.6	69.2%	85.8	133.2	47.4	55.2%
Total	1,119.2	1,284.8	165.6	14.8%	4,686.8	5,095.5	408.7	8.7%



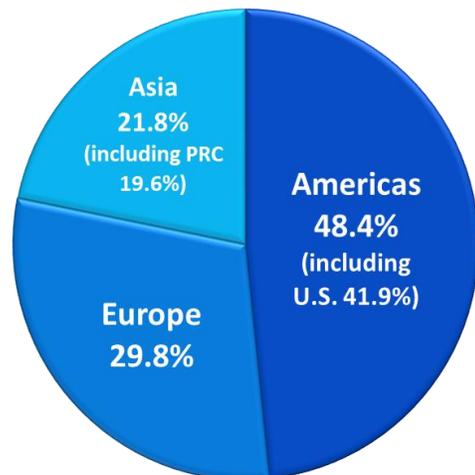
Revenue by Business



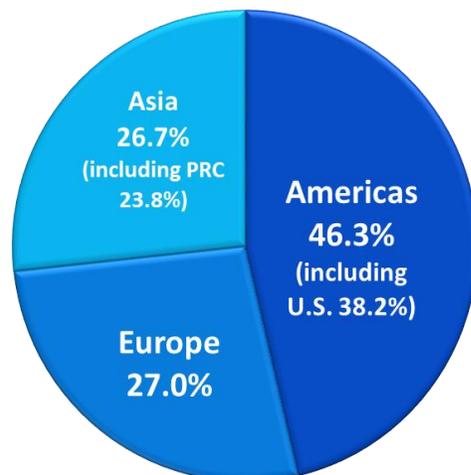
By Business	4Q/2024	4Q/2025	Inc/(Dec)		FY2024	FY2025	Inc/(Dec)	
	HK\$ mil	HK\$ mil	HK\$ mil	Change	HK\$ mil	HK\$ mil	HK\$ mil	Change
Investment Casting	414.0	480.2	66.2	16.0%	1,804.7	1,909.9	105.2	5.8%
Precision Machining & Others	392.7	405.9	13.2	3.4%	1,720.3	1,619.8	(100.5)	-5.8%
Sand Casting	298.0	377.9	79.9	26.8%	1,101.3	1,487.5	386.2	35.1%
Surface Treatment	14.5	20.8	6.3	43.4%	60.5	78.3	17.8	29.4%
Total	1,119.2	1,284.8	165.6	14.8%	4,686.8	5,095.5	408.7	8.7%

Revenue by Geographical

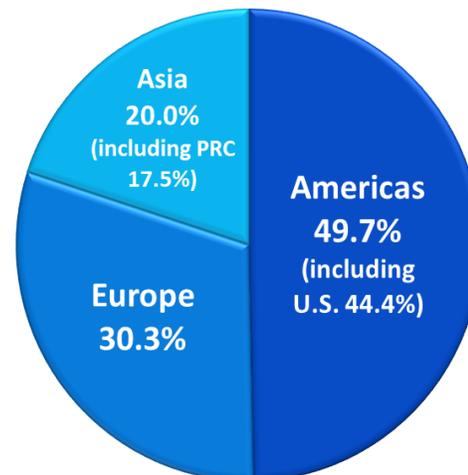
4Q/2024



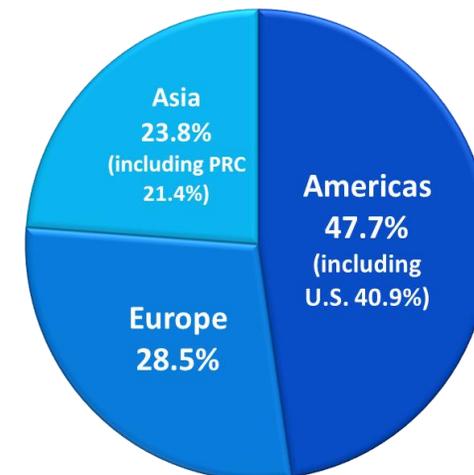
4Q/2025



FY2024



FY2025



By Geographical	4Q/2024	4Q/2025	Inc/(Dec)		FY2024	FY2025	Inc/(Dec)	
	HK\$ mil	HK\$ mil	HK\$ mil	Change	HK\$ mil	HK\$ mil	HK\$ mil	Change
Americas	541.2	595.0	53.8	9.9%	2,328.5	2,429.2	100.7	4.3%
- United States	468.8	490.5	21.7	4.6%	2,082.3	2,080.9	(1.4)	-0.1%
- Others	72.4	104.5	32.1	44.3%	246.2	348.3	102.1	41.5%
Europe	333.6	346.8	13.2	4.0%	1,421.6	1,451.2	29.6	2.1%
Asia	244.4	343.0	98.6	40.3%	936.7	1,215.1	278.4	29.7%
- PRC	219.5	306.0	86.5	39.4%	817.9	1,095.3	277.4	33.9%
- Others	24.9	37.0	12.1	48.6%	118.8	119.8	1.0	0.8%
Total	1,119.2	1,284.8	165.6	14.8%	4,686.8	5,095.5	408.7	8.7%



2025 Financial Review

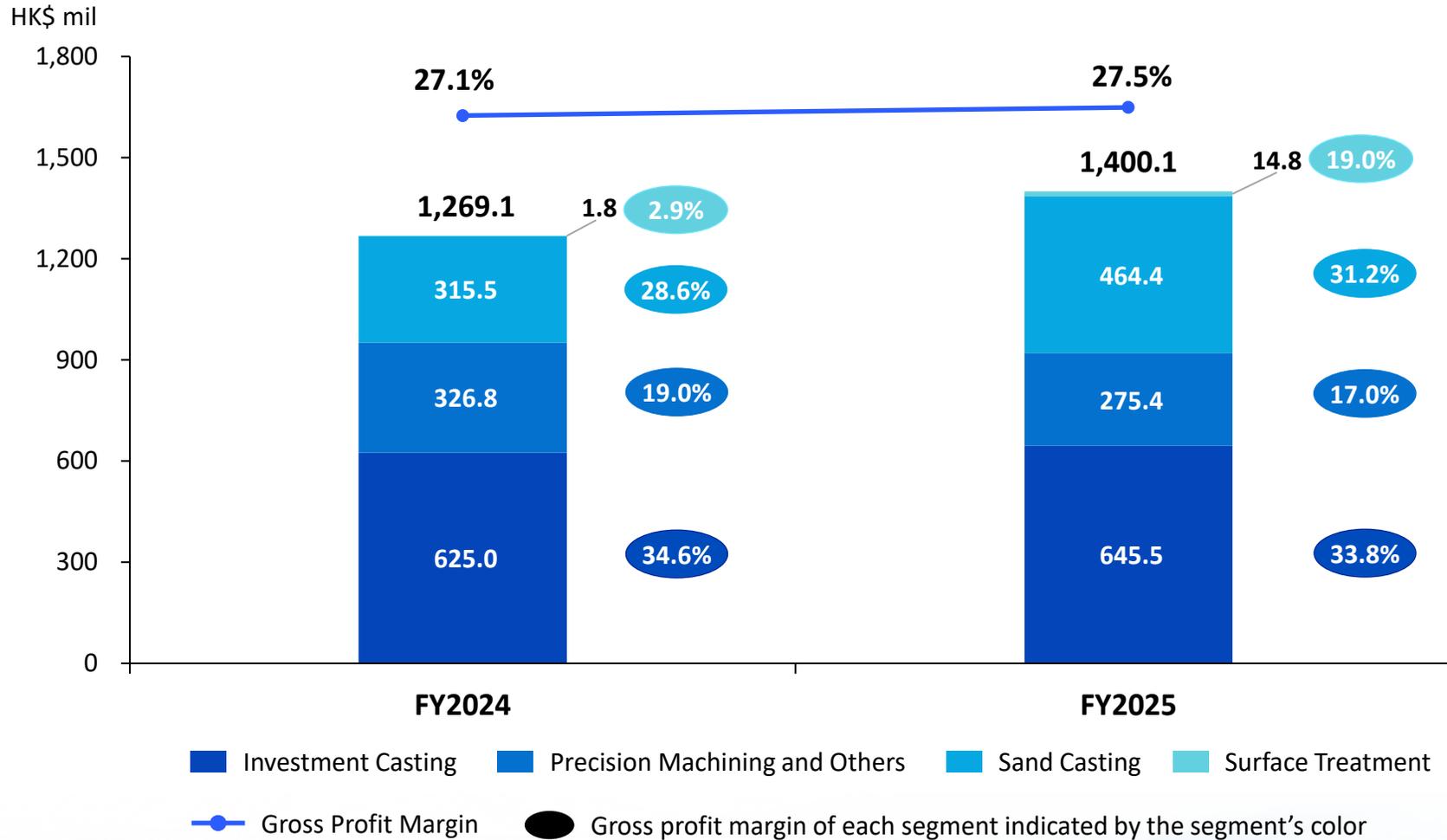


2025 Financial Review

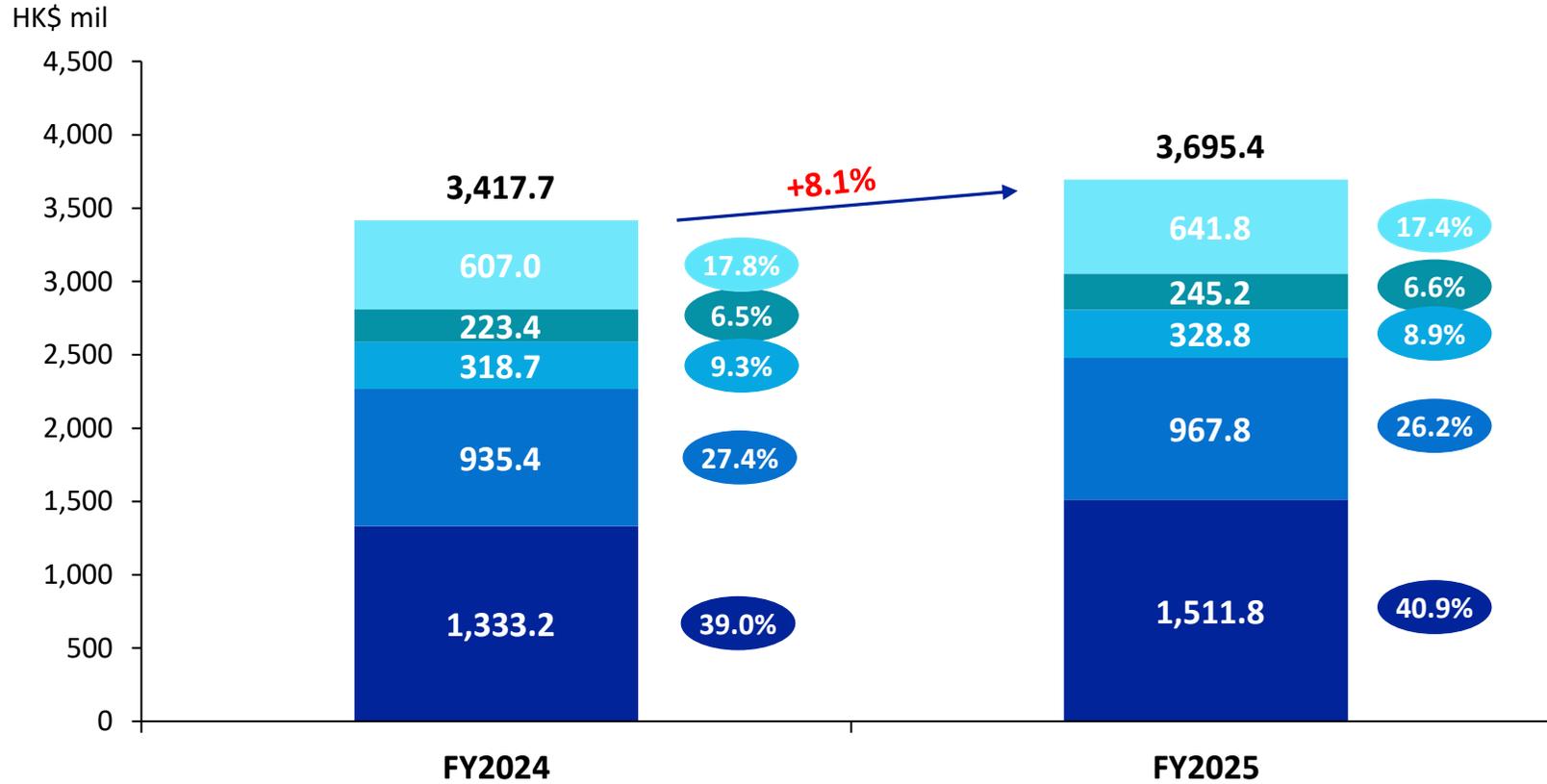
Financial Highlights	FY2024	FY2025	Change
	HK\$ mil	HK\$ mil	
Revenue	4,686.8	5,095.5	8.7%
Gross profit	1,269.1	1,400.1	10.3%
Gross profit margin	27.1%	27.5%	0.4%
Other revenue	33.2	31.5	-5.1%
Other net income	125.5	12.1	-90.4%
Selling and distribution expenses	(177.0)	(189.7)	7.2%
Administrative and other operating expenses	(362.6)	(359.5)	-0.9%
Adjusted EBITDA	1,318.6	1,413.1	7.2%
Adjusted EBITDA margin	28.1%	27.7%	-0.4%
Profit att. to shareholders of the Company	644.3	726.2	12.7%
Adj. Profit att. to shareholders of the Company	615.5	689.9	12.1%
Adjusted basic EPS (HK cents)	32.6	36.6	12.3%
DPS (HK cents)	16.0	16.0	-



Gross Profit



Cost of Sales Analysis



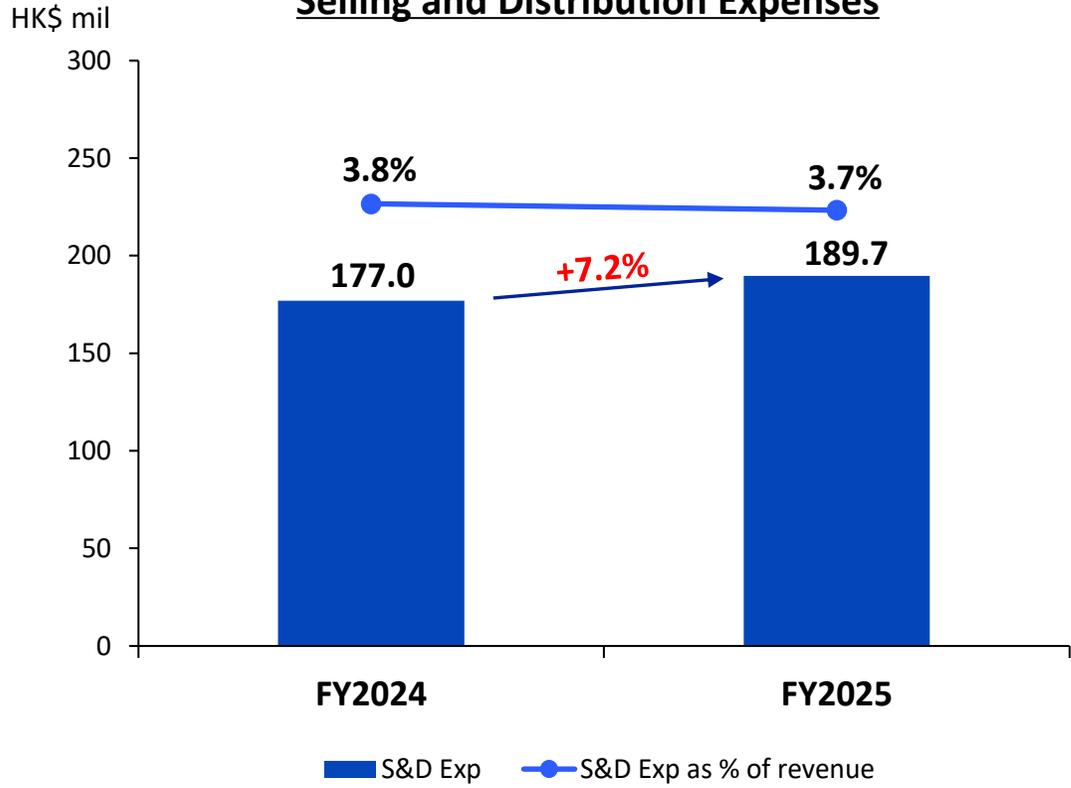
■ Cost of materials (raw materials & auxiliary materials)
 ■ Staff Costs
 ■ Depreciation
 ■ Fuel Expenses and Utilities
 ■ Others

● Percentage of Cost of Sales indicated by the expense's color

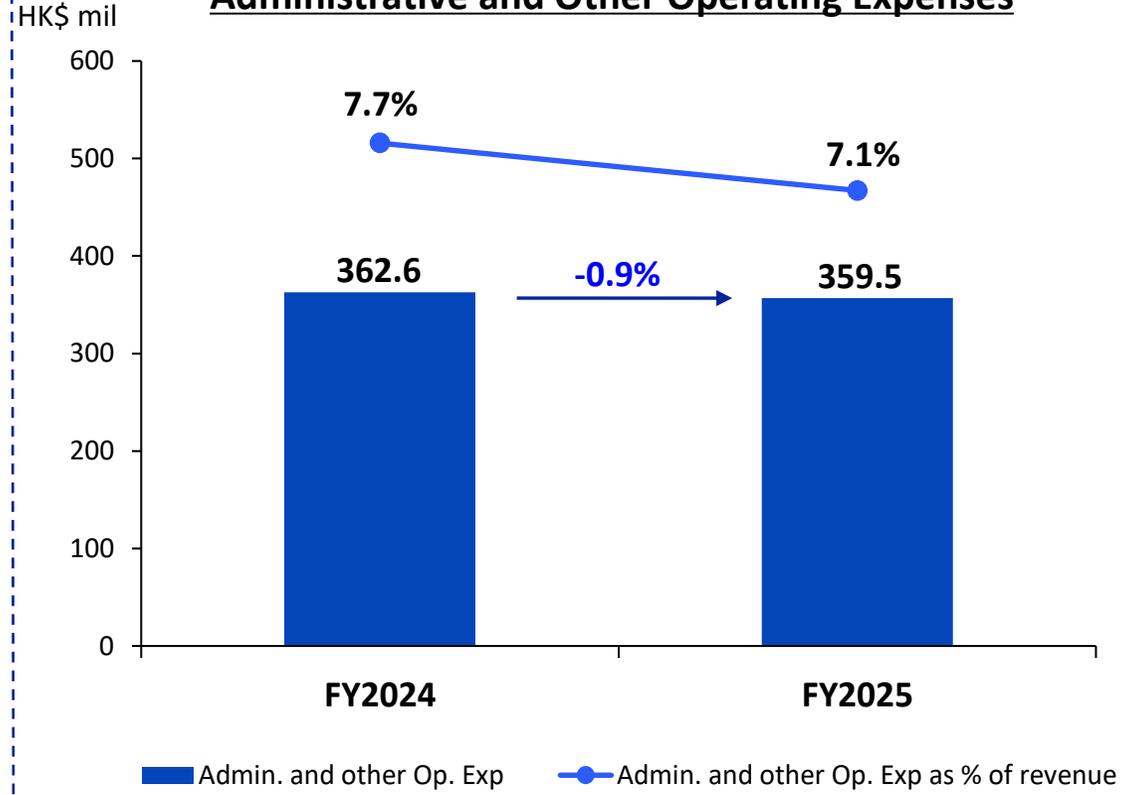


Operating Expenses Analysis

Selling and Distribution Expenses



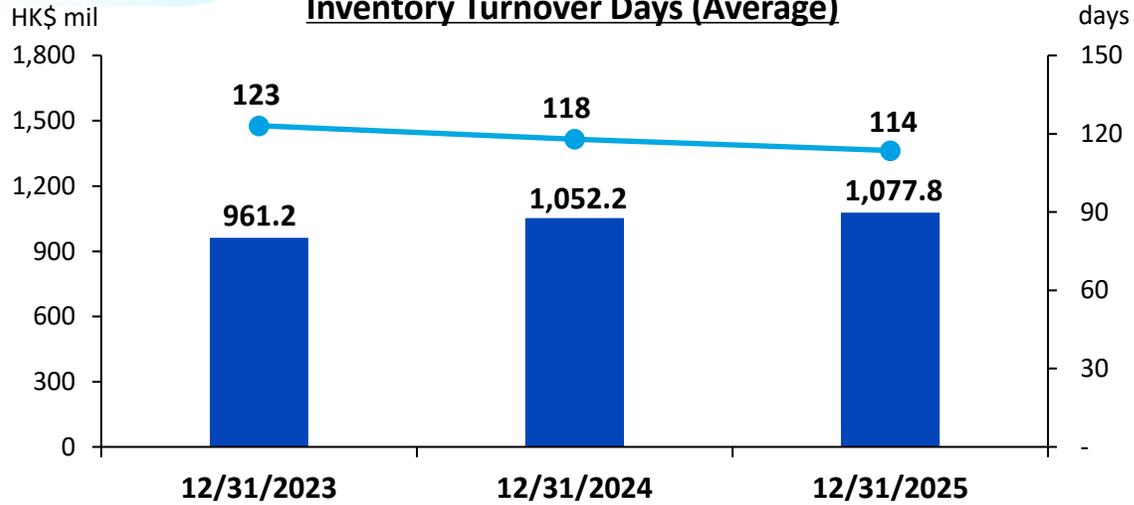
Administrative and Other Operating Expenses



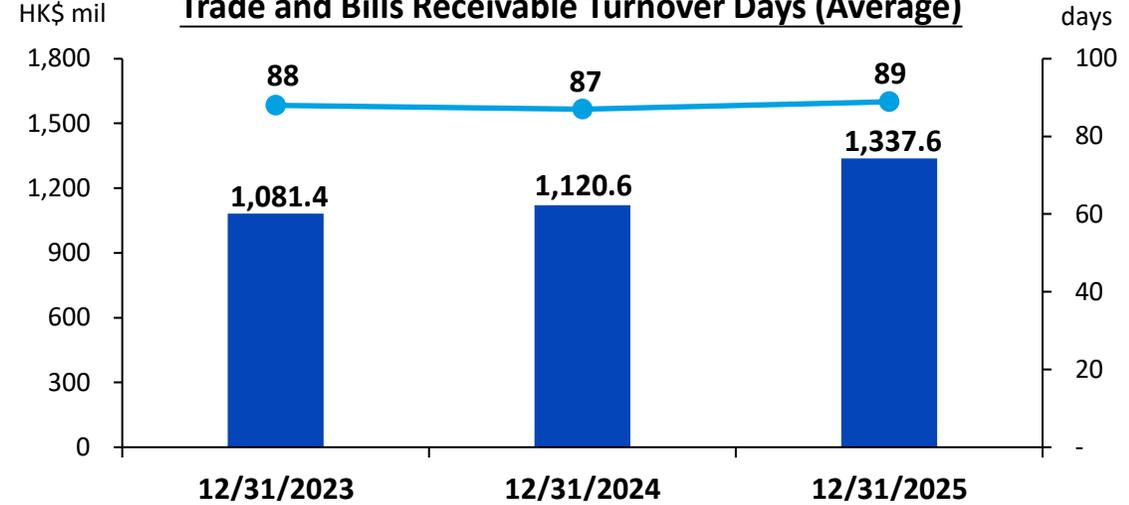


Key Working Capital Ratios

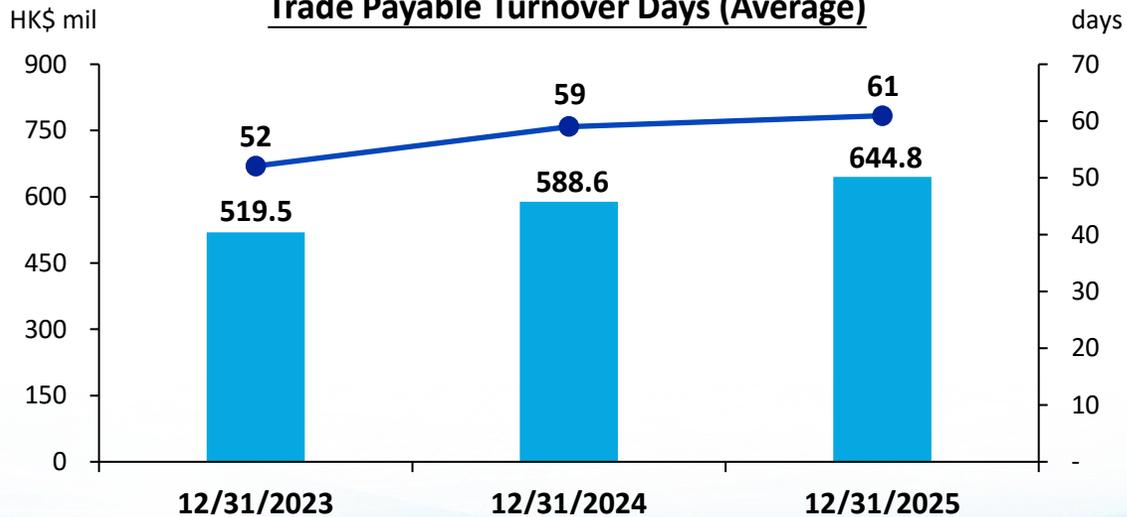
Inventory Turnover Days (Average)



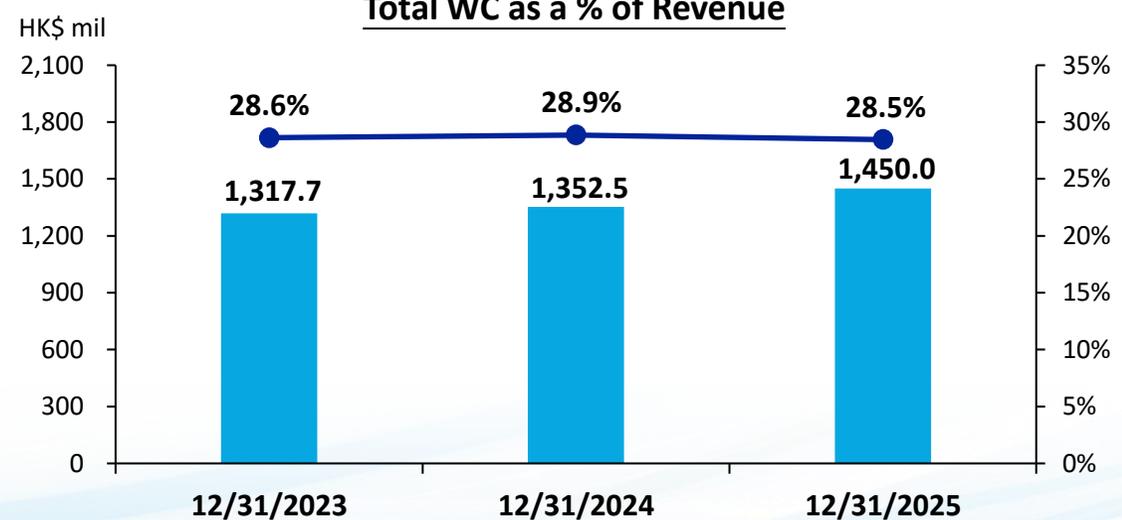
Trade and Bills Receivable Turnover Days (Average)



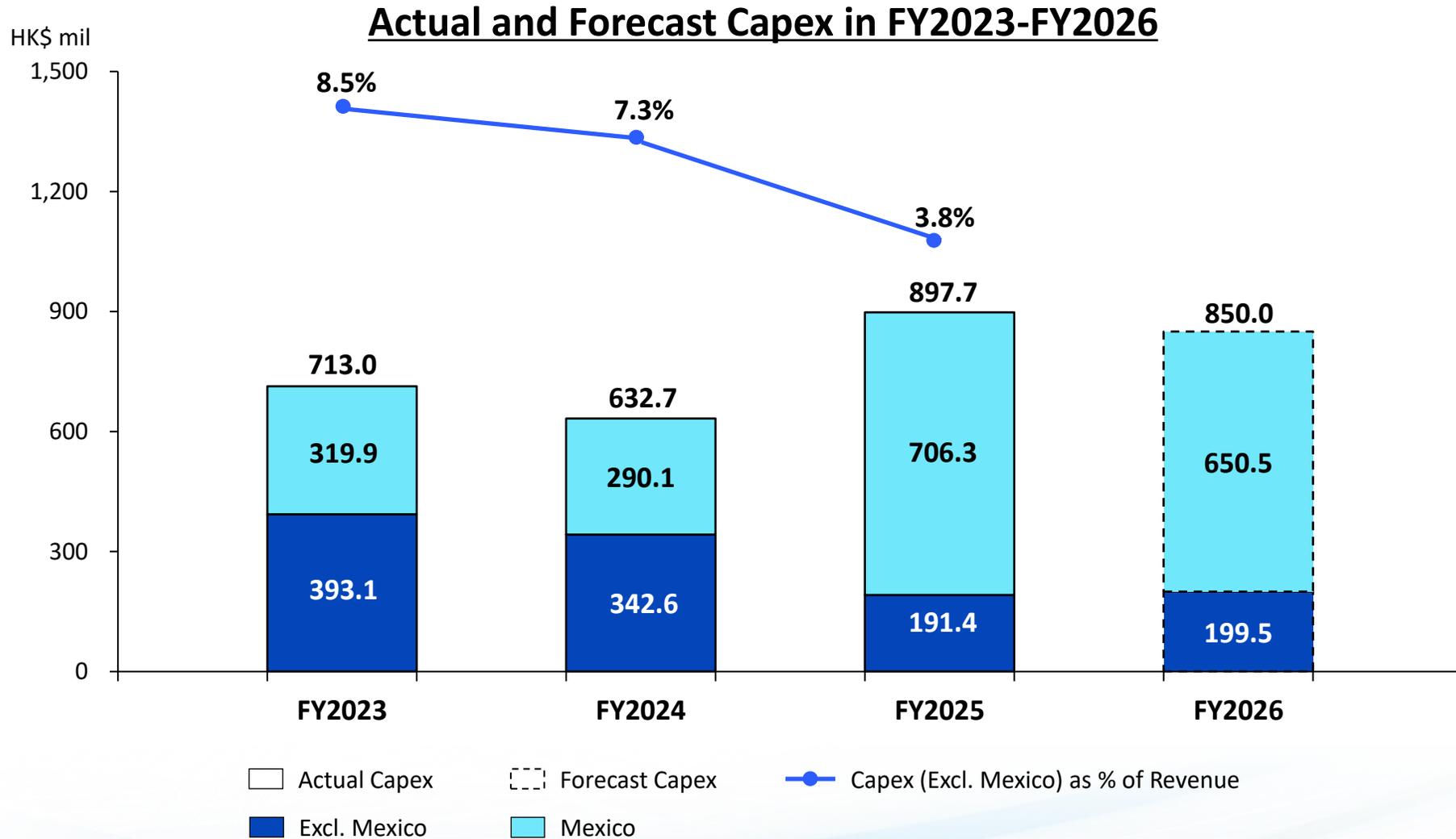
Trade Payable Turnover Days (Average)



Total WC as a % of Revenue



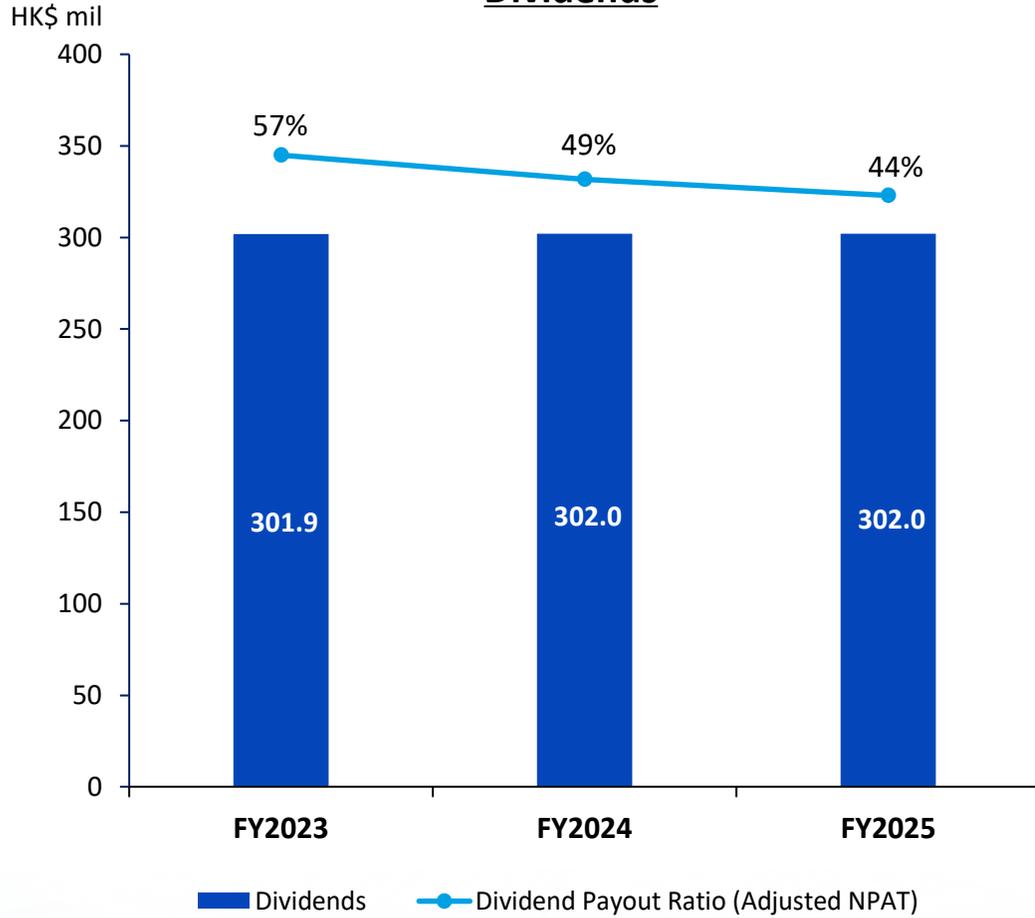
Capital Expenditure



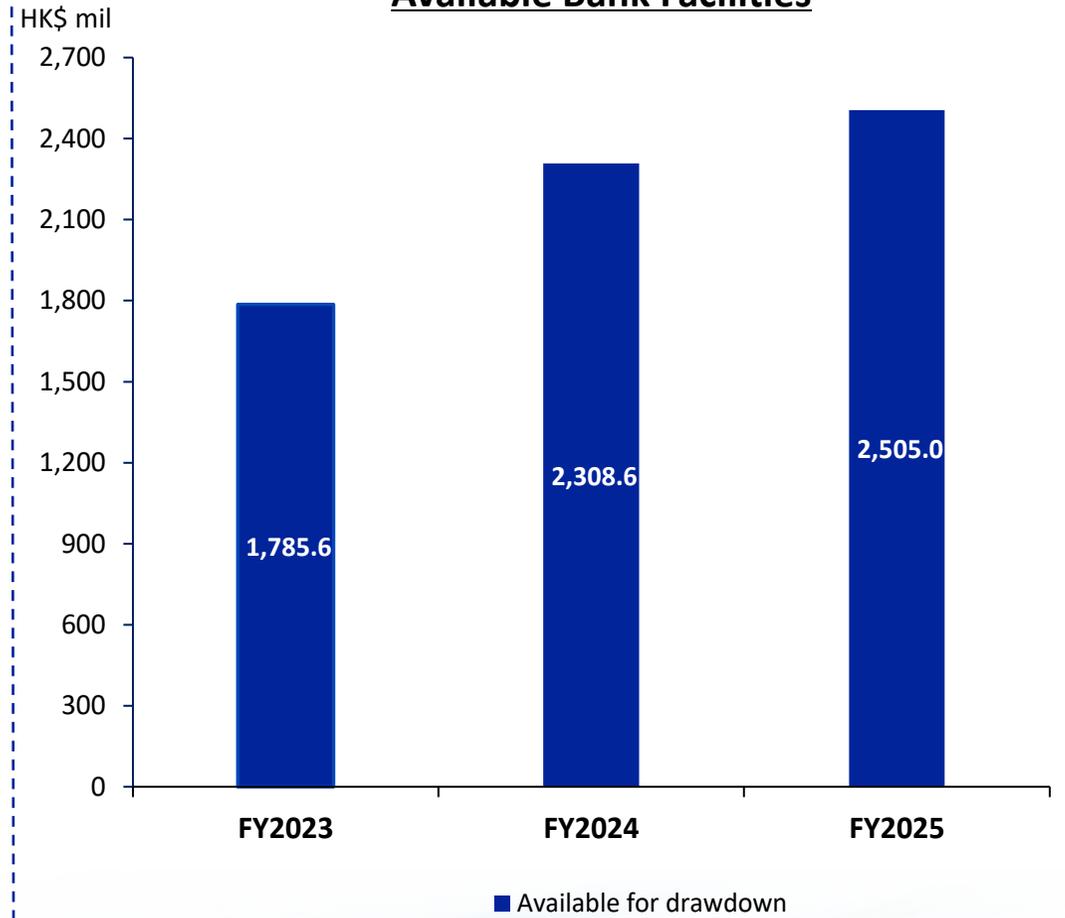


Dividends & Available Bank Facilities

Dividends



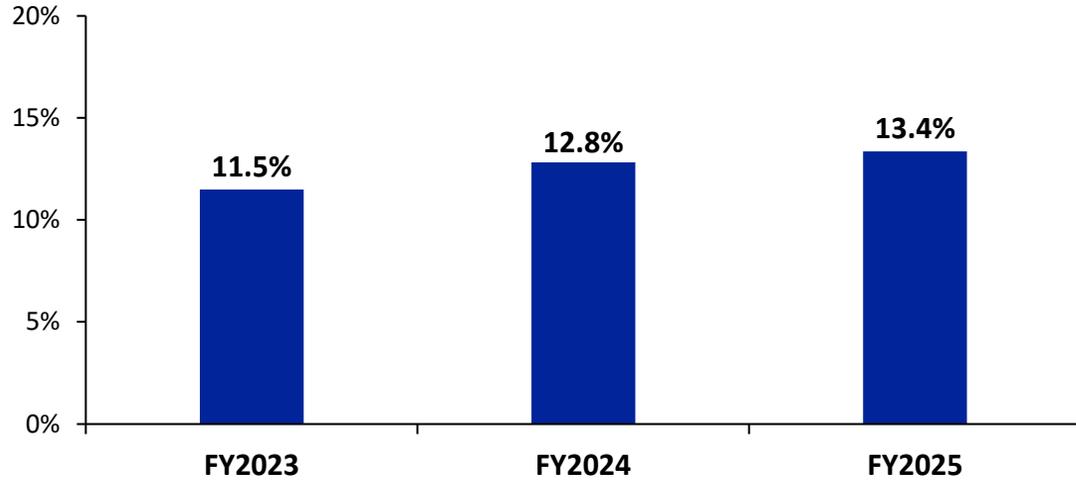
Available Bank Facilities



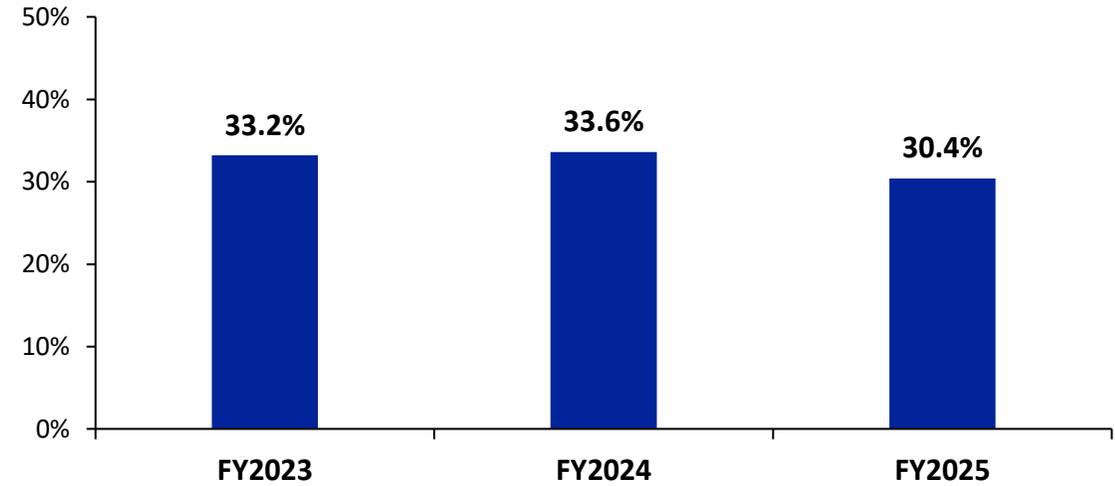


Key Financial Ratios

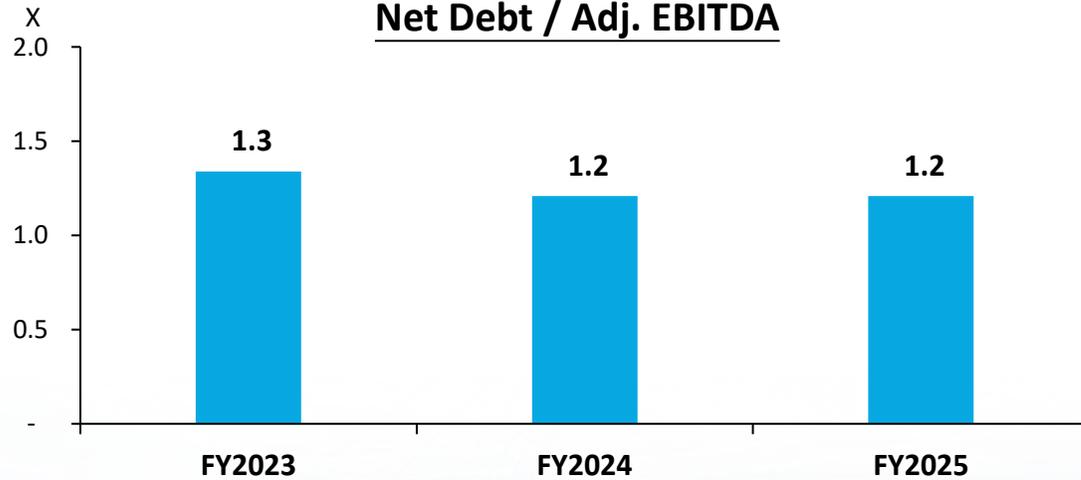
Adjusted Return on Shareholders' Equity



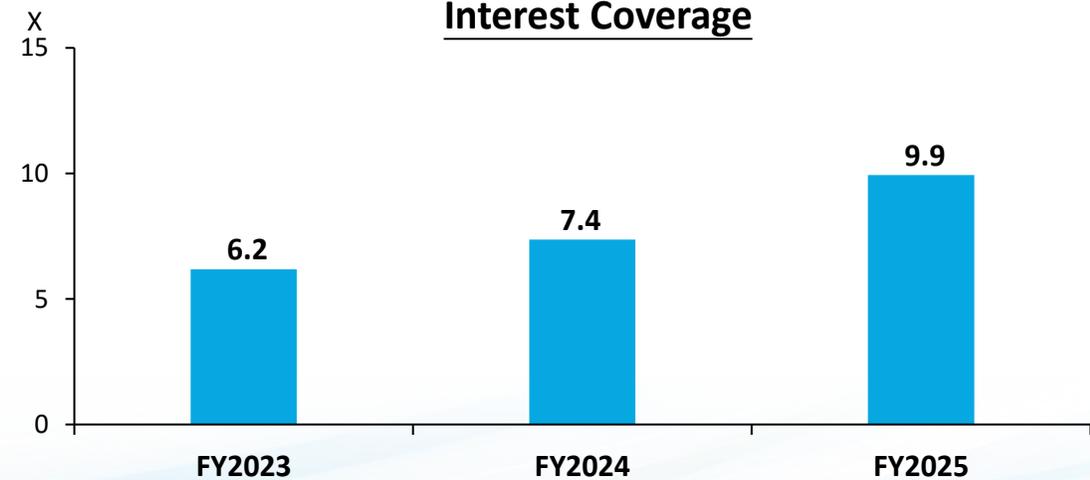
Net Gearing Ratio



Net Debt / Adj. EBITDA

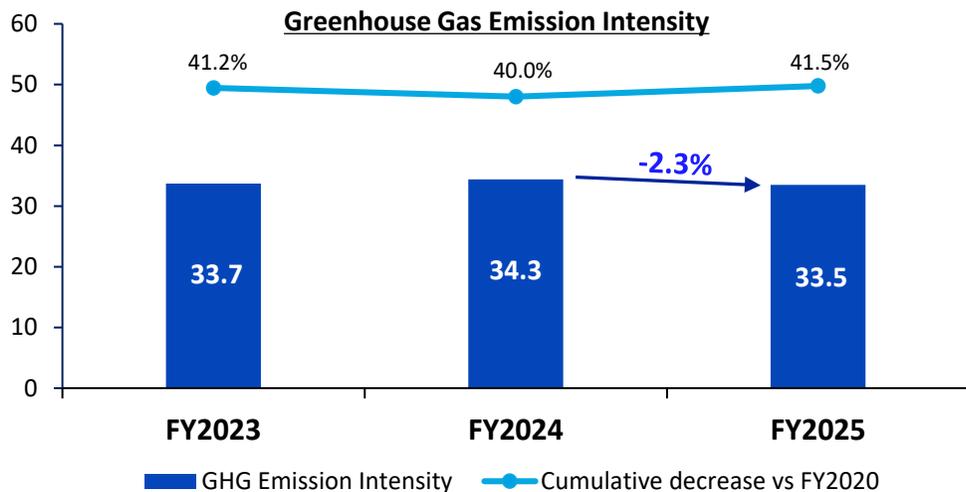


Interest Coverage

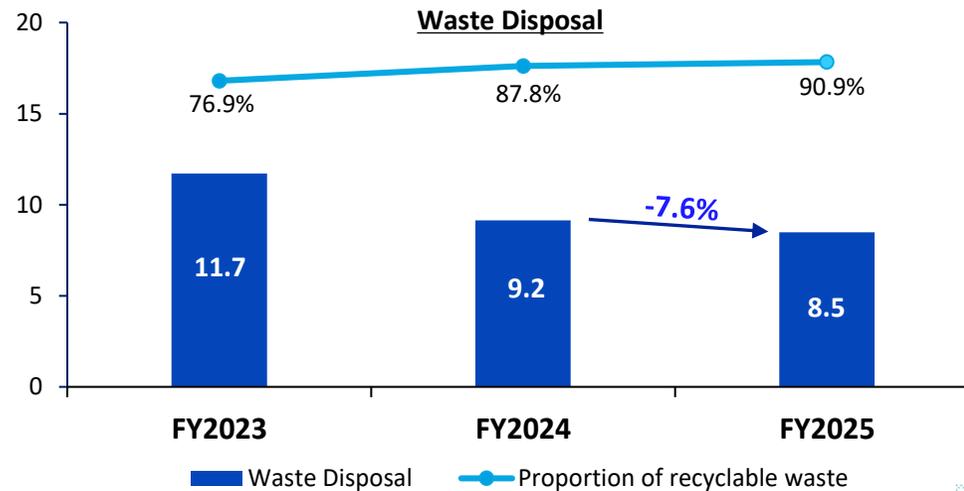


Sustainability Highlights

Tonne of CO2/
HK\$ mil Revenue



Tonne



- Through the implementation of various energy-saving and efficiency-enhancing projects and the acceleration of energy structure transformation in global plants, GHG emissions intensity decreased by 2.3% in 2025 y-on-y; Cumulatively as of December 31, 2025, the Group reduced GHG emission intensity by 41.5% vs 2020, exceeding the original 2030 goal of 30% reduction. The Group has also made progress with waste disposal intensity, with 90.9% of waste being recycled
- Received an A-Rating from Wind ESG in 2025, a leading ESG rating agency in China. Wind ESG covers over 12,000 companies, and this ESG rating places Impro among the top 10% of industry peers
- Awarded Silver Medal by a global reputable sustainability rating agency EcoVadis for the first time, with its score significantly improving by 15 points year-on-year to 77, after awarding it Bronze Medals for three consecutive years, signifying the Group's outstanding corporate social responsibility and sustainability achievements





Business Outlook



Mexico SLP Campus Construction Update



- Mexico SLP Campus Precision Machining (PM), Sand Casting (SC) and Investment Casting (IC) plants are currently operating, Aerospace component and Surface Treatment (ST) plants obtained the initial phase of AS9100 quality system certification in Jan 2026. As aerospace products involve various specialized processes, it is expected that the relevant certifications will be completed successively in the 2H/2026, and mass production will gradually commence
- Large-scale SC workshop in Phase II of the Mexico SLP Campus commencing mass production in mid of 2026 to provide more capacity. Combined with the production capacity of the IC plant at the Mexico SLP Campus, products related to AI data centers will gain market share continuously
- 2026 capex budget for Mexico plants ~HK\$650 million, incl. capex related to the Phase II Campus construction and Phase II living facilities; Revenue from the Mexican SLP Campus is expected to grow strongly over the next few years, and operating performance is expected to improve as revenue increases



Business Outlook

- The strategic competition in Sino-US relations, the evolution of the geopolitical situation, the fiscal policy trends of major global economies, and changes in tariff policies will continue to pose challenges to the global economy
- The current trade environment highlights the advantages of Impro's long-standing “Global Footprint” and “Diversified End-markets” strategies, which effectively diversifies our business portfolio and meets customers' needs for multiple suppliers to mitigate supply chain risks
- With the rapid development of AI, the demand for AI-related big data centers in the American and European markets, as well as the Asian markets including China, has increased significantly. **This surge has stimulated the demand for high horsepower engines and liquid cooling systems components**
- Given the anticipated continued strong growth in AI-related products, **coupled with substantial new orders from Mexico SLP Campus and a recovery in demand in certain end-markets, the Group's sales revenue growth rate is expected to accelerate over the next two to three years**
- Considering the Group's total order on hand and future new project development, **the Company forecasts that the 2026 sales growth rate will be approximately mid-double digits**
- Sound financial and cash flow position of the Group, and ~HK\$2.5B undrawn banking facilities will provide the Group with ample resources to continue executing “Twin Growth Engines” strategy prudently



Q&A Session





Appendices – Financials Summary

Appendix 1 - Reconciliation of Adjusted Profit Attributable to Shareholders and Adjusted EBITDA

	FY2024	FY2025	
	HK\$ mil	HK\$ mil	Change
Reconciliation to Adj. Profit att. to Shareholders			
Profit after tax	645.8	728.1	
Adjustments (net of tax):			
- Insurance claims received, net of legal expenses & tax, as a result of Nantong fire incident	(61.5)	-	
- Amort'n and Dep'n related to past acq's PPA adj	32.7	26.2	
- Recognition of deferred tax assets of tax losses of a PRC subsidiary arising from intragroup reorganization	-	(62.5)	
Adjusted NPAT	617.0	691.8	12.1%
Less: Profit att. to non-controlling interest	(1.5)	(1.9)	
Adjusted Profit att. to Shareholders	615.5	689.9	12.1%
Reconciliation to Adj. EBITDA			
EBITDA	1,390.9	1,413.1	
Adjustments:			
- Insurance claims received, net of legal expenses as a result of Nantong fire incident	(72.3)	-	
Adjusted EBITDA	1,318.6	1,413.1	7.2%
Adjusted EBITDA Margin	28.1%	27.7%	-0.4%



Appendix 2 – Consolidated Statement of Profit or Loss

	FY2024	FY2025
	HK\$ mil	HK\$ mil
Revenue	4,686.8	5,095.5
Cost of sales	(3,417.7)	(3,695.4)
Gross Profit	1,269.1	1,400.1
Other revenue	33.2	31.5
Other net income	125.5	12.1
Selling and distribution expenses	(177.0)	(189.7)
Administrative and other operating expenses	(362.6)	(359.5)
Operating Profit	888.2	894.5
Net finance costs	(102.3)	(78.8)
Profit before taxation	785.9	815.7
Income tax	(140.1)	(87.6)
Profit for the year	645.8	728.1
Attributable to:		
Equity shareholders of the Company	644.3	726.2
Non-controlling interest	1.5	1.9
Profit for the year	645.8	728.1



Appendix 3 – Consolidated Statement of Financial Position

	12/31/2024	12/31/2025
	HK\$ mil	HK\$ mil
Non-current assets		
Property, plant and equipment (PPE)	4,322.6	5,236.2
Prepayments for purchase of PPE	75.7	18.6
Intangible assets	184.2	168.7
Goodwill	222.7	228.3
Deferred expenses	159.0	163.0
Other financial asset	1.5	1.5
Deferred tax assets	83.9	141.4
	5,049.6	5,957.7
Current assets		
Inventories	1,052.2	1,077.8
Trade and bills receivables	1,120.6	1,337.6
Prepayments, deposits and other receivables	338.3	286.9
Taxation recoverable	9.4	8.9
Cash and cash equivalents	601.7	720.9
	3,122.2	3,432.1
TOTAL ASSETS	8,171.8	9,389.8

Appendix 3 – Consolidated Statement of Financial Position

	12/31/2024	12/31/2025
	HK\$ mil	HK\$ mil
Current liabilities		
Bank loans	919.2	1,061.1
Lease liabilities	3.8	4.4
Trade payables	588.6	644.8
Other payables and accruals	378.1	409.0
Taxation payable	24.4	20.5
	1,914.1	2,139.8
Net current assets	1,208.1	1,292.3
Total assets less current liabilities	6,257.7	7,250.0
Non-current liabilities		
Bank loans	1,265.6	1,359.5
Lease liabilities	7.5	5.7
Deferred income	129.2	139.7
Defined benefit plan obligations	62.6	58.8
Deferred tax liabilities	49.9	63.1
	1,514.8	1,626.8
NET ASSETS	4,742.9	5,623.2



Appendix 3 – Consolidated Statement of Financial Position

	12/31/2024	12/31/2025
	HK\$ mil	HK\$ mil
Capital and reserves		
Share capital	188.7	188.7
Reserves	4,532.7	5,416.1
Total equity attributable to equity shareholders of the Company	4,721.4	5,604.8
Non-controlling interest	21.5	18.4
TOTAL EQUITY	4,742.9	5,623.2



Appendix 4 – Condensed Consolidated Cash Flow Statement

	FY2024	FY2025
	HK\$ mil	HK\$ mil
Operating activities		
Cash generated from operations	1,259.0	1,387.0
Tax paid	(112.8)	(128.3)
Net cash generated from operating activities	1,146.2	1,258.7
Investing activities		
Payment for the acquisition of PPE	(612.0)	(904.3)
Proceeds from disposal of PPE	1.7	3.4
Payment for deferred expenses	(88.1)	(87.5)
Interest received	8.4	11.3
Net cash used in investing activities	(690.0)	(977.1)

Appendix 4 – Condensed Consolidated Cash Flow Statement

	FY2024	FY2025
	HK\$ mil	HK\$ mil
Financing activities		
Proceeds from bank loans	1,529.4	1,601.7
Repayment of bank loans	(1,578.7)	(1,385.3)
Interest paid	(110.1)	(89.5)
Lease rentals paid	(5.8)	(5.1)
Dividends paid to equity shareholders of the Company	(302.0)	(302.0)
Dividends paid to non-controlling interest	-	(5.3)
Net cash used in financing activities	(467.2)	(185.5)
(Decrease)/increase in cash and cash equivalents	(11.0)	96.1
Cash and cash equivalents at January 1	630.9	601.7
Effect of foreign exchange rate changes	(18.0)	23.1
Cash and cash equivalents at December 31	601.7	720.9



Impro

Reliable · Flexible · Global



Thank you