

AIDC Investor Conference (2634)

Aerospace Industrial Development Corporation
June 10, 2026



Outline

- 1. Market Outlook**
- 2. Operational Highlights**
- 3. Financial Performance**
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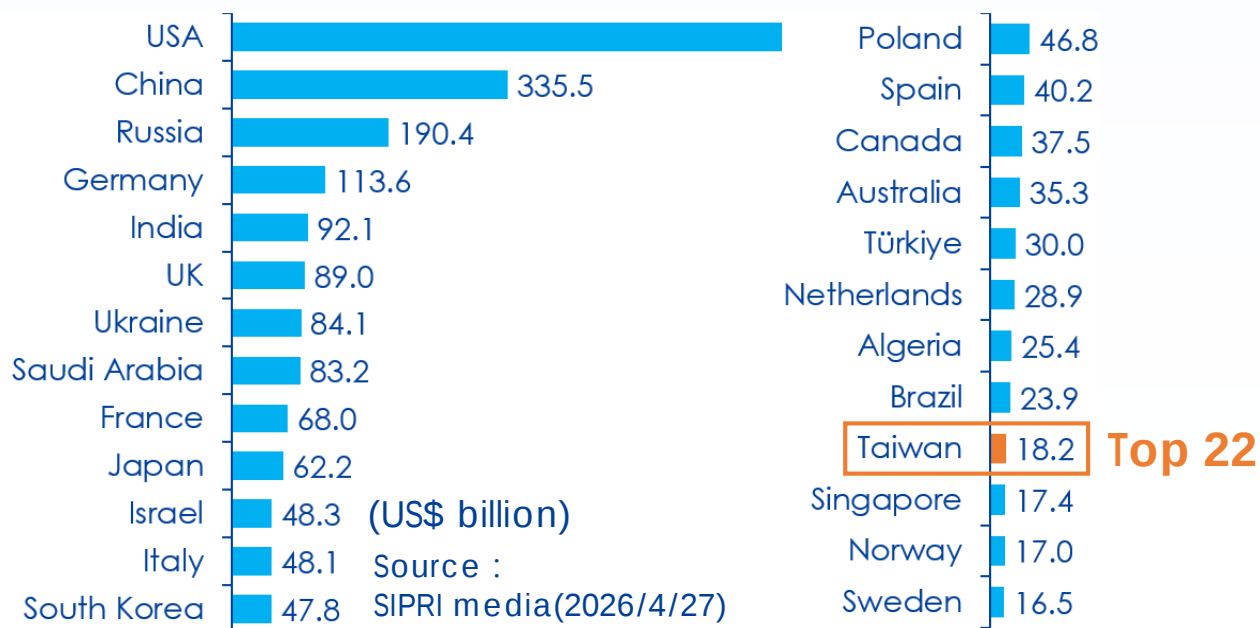
Market Outlook

Defense –

Taiwan Among the Top 22 Countries in Global Defense Spending

According to SIPRI, global military expenditure reached nearly USD 2.9 trillion in 2025, marking the 11th consecutive year of growth. Asia-Pacific defense spending recorded its largest increase in 16 years. In response to rising cross-strait tensions, Taiwan's defense spending rose 14% YoY to USD 18.2 billion, making Taiwan the 22nd-largest defense spender globally.

Top 25 Countries by Defense Spending in 2025



Market Outlook

Defense – Drone Market Doubles in 10 Years, Taiwan Exports on the Rise

1. IDTechEx forecasts the global drone market to expand from USD 69 billion in 2026 to USD 147.8 billion by 2036, achieving a 7.9% CAGR over the period.

Global Market
Opportunities:
China-free supply
chain



2. Based on the latest data from Taiwan's International Trade Administration, drone exports totaled USD 115.85 million in Q1 2026, already exceeding the full-year 2025 export value by approximately 20%. The Czech Republic was the largest export destination, underscoring the surging growth of Taiwan's drone exports.
3. As the Russia–Ukraine conflict continues, Central and Eastern European countries are accelerating the diversification of their drone supply chains and seeking China-free alternatives. Taiwanese suppliers have established a strong reputation in critical technologies, including airframes, propulsion systems, and communication modules, resulting in growing demand and market opportunities across the region.

Market Outlook

Commercial Market - Global Aircraft and Engine Market Outlook

1. Commercial aircraft : Airbus & Boeing Global Market Forecast (2025-2044):



New Deliveries
43,420-
43,600



Passenger Traffic
Long Term CAGR
3.6-4.2 %



Single Aisle
33,285-34,250
(over 70%)

2. Business Jet: Honeywell Forecast (2026-2035):



New Deliveries 8,500



Market Value US\$ 283 Billion

3. Aero Engine: Forecast International (2026-2035):



New Deliveries 156,167



Market Value US\$ 1.07 Trillion

Market Outlook

Commercial Market - Order Backlog Exceeds 10 Years of Production Capacity

1. As of April 30, 2026, Boeing held a commercial aircraft backlog of more than 6,200 aircraft, while Airbus's backlog reached approximately 9,000 aircraft.
2. Based on the combined deliveries of approximately 1,400 aircraft by Boeing and Airbus in 2025, the backlog of roughly 15,000 aircraft is equivalent to more than 10 years of production capacity.

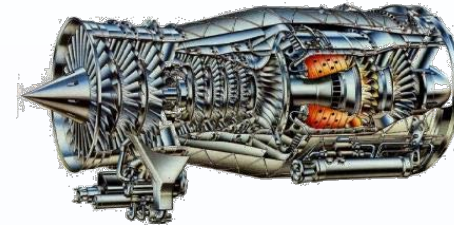
Airbus		Boeing	
Single-aisle (A220 、 A320 family)	7,808	Single-aisle (737 family)	4,391
Twin-aisle	1,169	Twin-aisle	1,825
Total backlog	8,977	Total backlog	6,216

Source : Airbus and Boeing official websites (2026/4/30), edited by AIDC

Operational Highlights

NTD 12.8 Billion in New Orders YTD, Boosting Growth Momentum

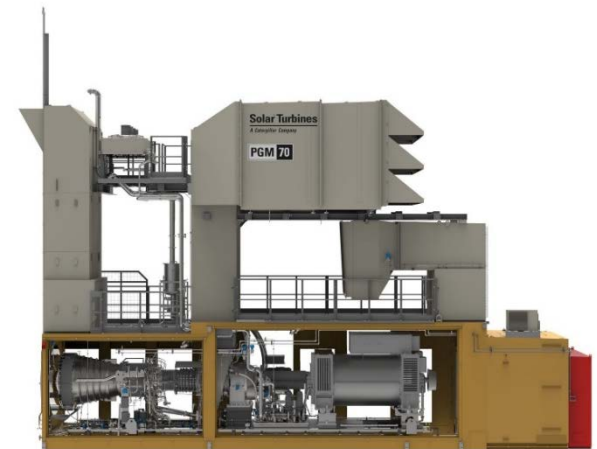
1. AIDC secured NT\$12.8 Billion in new orders YTD, fueling future growth.
2. The aeroengine market remained the strongest growth driver. AIDC secured multiple long-term contract renewals and new incremental orders from leading global aeroengine manufacturers, with a total value exceeding NT\$8.2 billion, strengthening long-term revenue visibility.
3. AIDC's defense, commercial aviation, and technology services businesses secured approximately NT\$4.6 billion in new orders, further strengthening the company's key position in the global aerospace supply chain and Taiwan's domestic energy market.



Operational Highlights

Securing the Taipower hydrogen-mixed power generation benchmark project

1. AIDC secured a NT\$830 million turnkey project from Taipower in May 2026 to construct a 5MW hydrogen-mixed gas turbine generator set at the Hsingta Power Plant. The project scope includes engineering, procurement, transportation, construction, installation, commissioning, and maintenance.
2. This project is a highly significant demonstration project with strong policy implications. Not only does it grant us one of the few domestic “turnkey hydrogen-mixed power generation project records,” demonstrating our pioneering position in hydrogen power generation and low-carbon technologies, but it also lays a crucial technological foundation for Taiwan’s energy transition.



Operational Highlights

Taiwan's national drone team exhibited at a US trade show, showcasing its “non-red” capabilities

In May 2026, the “Taiwan Excellent Drone International Business Opportunities Alliance” led a delegation to the “XPONENTIAL 2026” in the US, featuring a record-breaking Taiwan Pavilion with 35 Taiwanese companies and 130 representatives showcasing a “non-red” supply chain. The Alliance also signed MOUs with the Michigan Drone Association and the North Dakota Trade Office.

MOU signing with
the Michigan Drone Association



MOU signing with
the North Dakota Trade Office



Operational Highlights

Successful development of the AlxVNAV vision-based UAV navigation and positioning system

1. Leveraging its flight science and engineering expertise, AIDC has integrated the software license for Vantor's UAV Vision Navigation System "Raptor Guide" with "Precision Target Localization Technology" to create a dedicated AlxVNAV vision navigation system for various domestic drone types.
2. This system integrates satellite 3D mapping with AI, eliminating the need for expensive antennas or radar. Utilizing only low-cost cameras, it enables centimeter-level target positioning even in GPS-denied environments, allowing drones to autonomously navigate and complete missions. This fully aligns with the military's requirements for "low cost, high throughput, and anti-interference" asymmetric warfare, and is applicable to both military and civilian use.
3. We advocate for government policies requiring anti-GPS interference capabilities in drones, and AIDC is equipped to provide affordable, high-performance anti-jamming technology, creating a win-win for national defense and the economy.

Operational Highlights

Credit rating remains positive

Core business continues to be promising

1. Taiwan Ratings Corporation has released its monitoring credit rating results for AIDC's fiscal year 2026, demonstrating strong credit performance.

Long-term
rating

twAA

Sound debt servicing ability in the medium to long term.

Short-term
rating

twA-1+

Strong short-term cash flow and fundraising advantages.

Outlook

Stable

Solid industry position and stable core business.

2. The report cites AIDC's strengths as including a monopoly on Taiwan's domestically developed military aircraft market, stable military aircraft maintenance business, and growing commercial aircraft business.

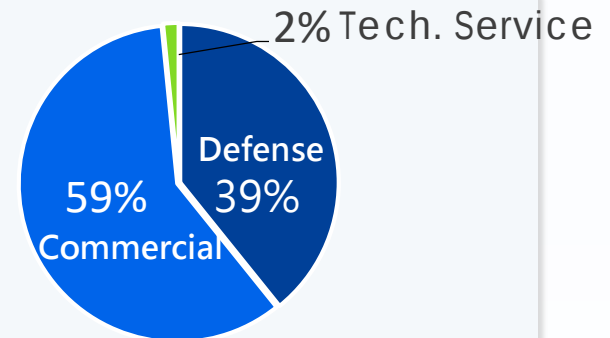
Financial Performance

2026Q1

2026Q1 revenue increased 0.6% YoY, with commercial and defense businesses accounting for approximately 60% and 40% of revenue, respectively. EPS reached NT\$0.28, up 9.3% YoY.

ITEM (100 Million NTD)	2025.Q1		2026.Q1	
	Amt.	%	Amt.	%
Sales	75.4	100%	75.9	100%
Gross Profit	4.8	7%	5.9	8%
Operating Expenses	2.9	4%	3.2	5%
Profit From Operations	2.0	3%	2.7	3%
Non-Operating Items	1.1	1%	0.7	1%
Profit Before Income Tax	3.1	4%	3.4	4%
Net Profit For The Period	2.4	3%	2.6	3%
EPS(NTD/Share)	0.25		0.28	

2026Q1
Sales
Breakdown



Sales(NT\$100M)

+0.6%

75.4

75.9

2025.Q1

2026.Q1

EPS(NT\$)

+9.3%

0.25

0.28

2025.Q1

2026.Q1

Prospects & Conclusion

Aerospace Core, Transformative Innovation

Guided by “Aerospace Core, Transformative Innovation,” AIDC is committed to supporting national defense and energy transition initiatives. The Company will leverage its core competencies and expand into new markets to secure a critical strategic position in the global supply chain.



Military- steady progress

- Complete the AJT production & maintenance
- Expand military aircraft upgrade & maintenance services
- Develop the UAV & counter-UAV market



Commercial- incremental orders

- Secure incremental orders and diversified sourcing opportunities for core products, expanding the range of manufactured items
- Develop high-value forging and casting operations, deepen vertical integration capabilities, and focus on high-margin products



Technology services -low carbon energy transition

- Capture opportunities in energy storage, control, and generation
- Extend aviation technology into flight, information, simulation, and space markets



9MW/54MWh power island

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The background is a vibrant blue with a sense of motion, created by numerous fine, parallel lines that sweep across the frame from the bottom left towards the top right. On the right side, there is a large, faint white outline of a gear. Inside the gear, there is a smaller white circle containing a checkmark symbol. A solid white horizontal line runs across the middle of the image, starting from the left edge and ending just before the gear.

Q & A

漢翔航空工業股份有限公司
Aerospace Industrial Development Corporation