

AIDC Investor Conference (2634)

Aerospace Industrial Development Corporation
August 20, 2026



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Market Outlook

Defense –

NT\$63.4 Billion Budget Passed to Support the Unmanned Vehicle Industry

1. On August 14th, the Legislative Yuan passed the central government general budget, including the NT\$63.4 billion budget for drone industry development and procurement. This program allocates NT\$44.2 billion over six years, along with NT\$19.2 billion in procurement budgets from various executive branch agencies.
2. This long-term and stable government funding will prevent disruptions in industrial development caused by budget fluctuations, thereby strengthening domestic drone industry capabilities and supply chain resilience, and establishing Taiwan as a hub for a democratic supply chain in the Asia-Pacific region.

Strong growth in
the unmanned
vehicle industry



Market Outlook

Defense – Unmanned Vehicle Act Drives National Defense Procurement

1. On June 18th, the Executive Yuan approved a draft special act on the procurement of indigenous unmanned defense systems. The plan is to allocate a budget of up to NT\$210 billion from August 2026 through December 2031.
2. The planned procurement includes coastal surveillance drones, coastal attack drones, and small suicide unmanned surface vehicles. Specifications are under Legislative Yuan review for two core areas – flight control AI (autonomous flight) and communication modules (swarm coordination and anti-interference navigation) – with provisions for software and hardware upgrades.
3. Stable legislation and sufficient funding will lay the foundation for Taiwan's drone industry, building a dual engine for industrial development and national defense autonomy.

Market Outlook

Commercial Market - Global Aircraft and Engine Market Outlook

1. Commercial aircraft : Airbus & Boeing Global Market Forecast (2026-2045):



New Deliveries
42,060-
43,625



Passenger Traffic
Long Term CAGR
3.9-4.0 %



Single Aisle
33,545-33,920
(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 163,337



Market Value US\$ 1.14 Trillion

Operational Highlights

Winning the Coast Guard Shipborne Drone Contract, Expanding Drone Business Portfolio

1. On July 3rd, the government procurement website announced that the Coast Guard Administration Fleet Branch of the Ocean Affairs Council awarded a contract worth NT\$1.2 billion for 12 shipborne unmanned aerial vehicles (UAVs). The winning bid was submitted by AIDC in partnership with Shield AI, featuring the V-BAT vertical takeoff and landing (VTOL) UAV.
2. AIDC have partnered with Shield AI through an MOU and V-BAT cooperation agreement, combining their autonomous flight software with our aircraft design, manufacturing, and integration expertise to create a complete ecosystem for advanced unmanned systems. This Coast Guard Administration contract marks a significant first success for our collaboration, showcasing our combined strength.



Operational Highlights

Securing NT\$22 Billion in Orders at Farnborough Airshow, Boosting Growth Momentum

1. AIDC achieved significant success at the Farnborough Airshow, securing over NT\$22 billion in new orders in commercial aviation and engines from multiple major aerospace manufacturers.
2. AIDC has recently expanded its international commercial aviation and engine business, securing increased volumes of existing orders and new contracts from major global aerospace manufacturers. This includes manufacturing a range of engine components, large airframe structures, critical composites, and high-value aircraft parts, demonstrating AIDC's strong order acquisition capacity.



Operational Highlights

Collaborating with Moog, Obtaining Exclusive Distribution Rights for Military Aircraft System Components

1. At the Farnborough Airshow, AIDC secured an agreement with Moog to extend the exclusive Taiwanese distribution rights for AIDC USA LLC until 2031, reinforcing a strong partnership between the two companies.
2. Moog's military system components are widely used by the ROC Armed Forces in platforms like the Brave Eagle Advanced Jet Trainer, IDF fighter jet, F-16, S-70C, UH-60M, AH-64, and CH-47. Securing Moog's distribution rights will enhance AIDC's competitiveness in defense logistics and maintenance, ensuring timely and reliable support for the ROC military.



Operational Highlights

First Collaboration Between Taiwan and UK Drone Industries

1. The “Taiwan Excellence Drone International Business Opportunities Alliance” (TEDIBOA) signed an MOU with the UK trade association ADS Group on July 23rd, establishing an industry exchange platform for UAV R&D and marketing. This will facilitate participation in each other’s international business development and explore further collaboration.



2. Since its founding, the Alliance has focused on building a trusted supply chain and pursuing industrial collaboration in the global market. It has already forged alliances with 15 drone organizations in 9 countries across Europe, the Americas, and Asia, demonstrating a strong commitment to global expansion.

Operational Highlights

Demonstrating Advanced Composite and Smart Manufacturing Expertise to Drive International Business

1. AIDC exhibited thermoplastic composite rib and overmolding panel at “JEC Forum Southeast Asia 2026,” showcasing our advanced manufacturing capabilities and commitment to “lighter, faster, and more sustainable” solutions for next-generation aircraft and UAVs.



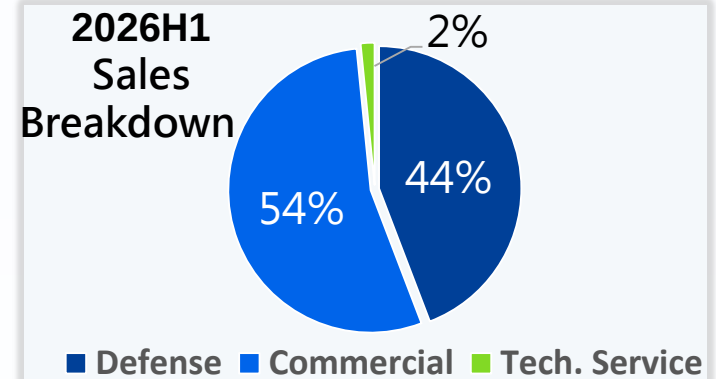
2. AIDC’s exhibit was widely praised. After the forum, companies from France and Southeast Asia visited AIDC’s Taiwan Advance Composite Center (TACC) to learn how we’re leveraging high-end composites in aerospace products, sparking new business discussions.

Financial Performance

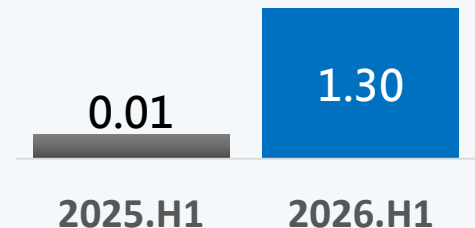
2026 VS. 2025 H1

H1 2026 profit grew year-over-year, driven by Defense sector following an adjustment to the AJT project fine, as well as the continued recovery in global travel demand, which benefited the Commercial business.

ITEM (100 Million NTD)	2025.Q2		2026.Q2		2025.H1		2026.H1	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Sales	81.4	100%	92.0	100%	156.8	100%	167.8	100%
Gross Profit	6.3	8%	17.5	19%	11.1	7%	23.4	14%
Operating Expenses	3.2	4%	3.5	4%	6.0	4%	6.7	4%
Profit From Operations	3.1	4%	14.0	15%	5.1	3%	16.7	10%
Non-Operating Items	-5.8	-7%	-1.6	-2%	-4.6	-3%	-0.8	0%
Profit Before Income Tax	-2.7	-3%	12.4	13%	0.4	0%	15.9	10%
Net Profit For The Period	-2.2	-3%	9.6	10%	0.1	0%	12.3	8%
EPS(NTD/Share)	-0.24		1.02		0.01		1.30	



EPS(NT\$)



Prospects & Conclusion

Aerospace Core, Transformative Innovation

Guided by “Aerospace Core, Transformative Innovation,” AIDC continues to align with national defense and resilient energy policies, accelerating expansion into new fields, and broadening commercial aviation business with upgraded products. AIDC aims to become a key player in the global defense, aerospace, and sustainability industries.



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

Disclaimer

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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 circle containing a white checkmark, symbolizing a successful outcome or a verified process.

Q & A

漢翔航空工業股份有限公司
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