



# 2014 Q3 Investor Conference



**Aerospace Industrial Development Corporation**

**Accountability, Innovation, Dedication, Customer Satisfaction**

**Date: Nov 28, 2014**



# Contents

**I. Company Profile**

**II. Markets**

**III. Operations and Financial Status**

**IV. Business Strategy Post Privatization**

**V. Q & A**



# I. Company Profile

## 1. Profile

- **Established : July 1, 1996**
- **Capital : NTD 9.083 billion**
- **Chairman : Jason Liu**
- **President : Butch Hsu**
- **Headquarters : 1 Hanxiang Rd., Xitun District, Taichung, Taiwan**
- **Privatization date: August 21, 2014**
- **Stock listing date: August 25, 2014**





# I. Company Profile

## 2. Facilities

Total Area: 1,123, 000m<sup>2</sup>

**Sha Lu/ CCK**  
(605,000m<sup>2</sup>)

- Avionics & Flight Control Engineering
- Harness Fabrication & Installation
- Flight Test / Maintenance



**TACC**  
(42,000m<sup>2</sup>)

- Production started in late 2010
- Hand Lay-up, RTM, VaRTM OOA

■ AIDC Headquarters  
■ Engineering  
■ Aircraft Parts Fabrication  
■ Avionics Assembly & Testing

**Taichung Complex**  
(285,000m<sup>2</sup>)



■ Engine Parts Fabrication  
■ Engine Assembly & Testing

**Kang-Shan Complex**  
(191,000m<sup>2</sup>)



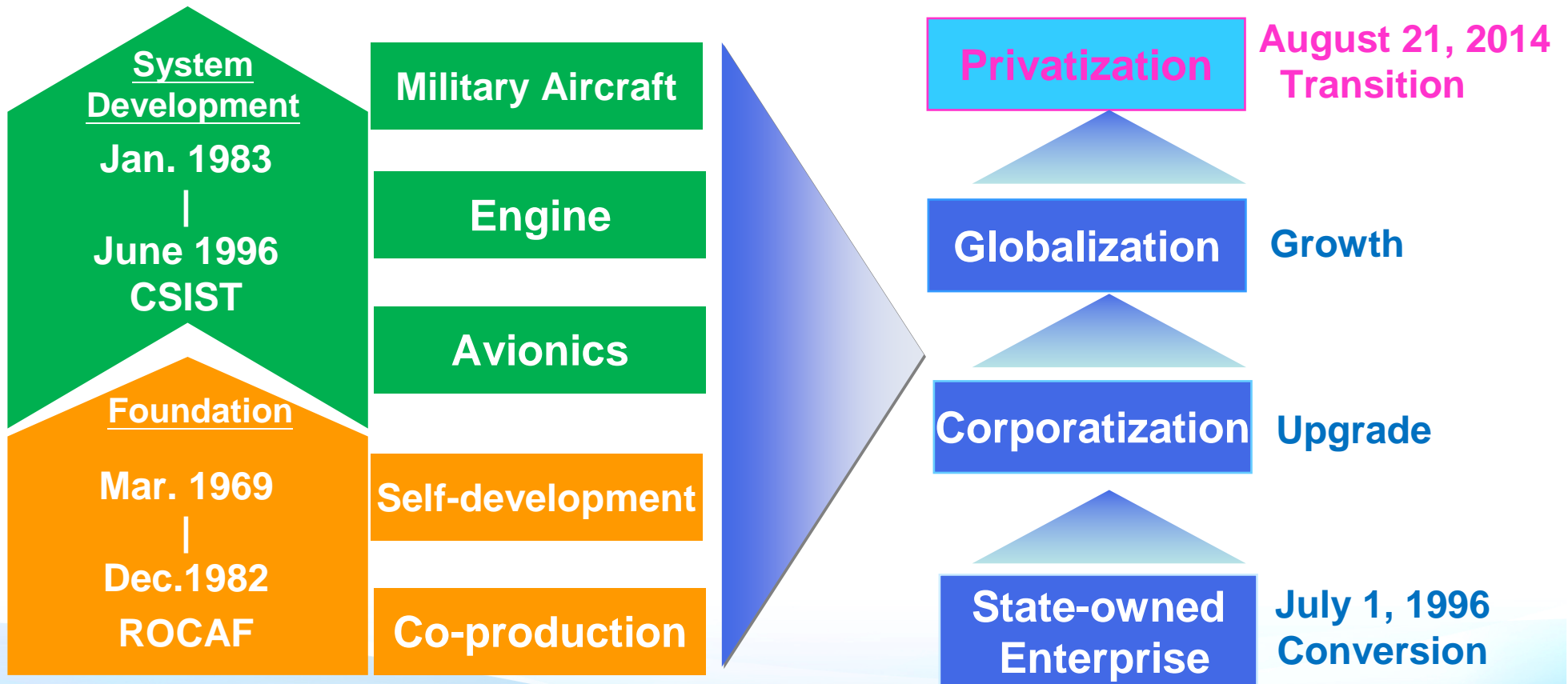


# I. Company Profile

## 3. Evolution

**AIDC (Military)**

**AIDC**





# I. Company Profile

## 4. Major shareholders

2014/11/12

NOTES

Original Shareholders	MOEA	45.73%
	NDIDF	0.29%
Major Juristic Investors	Foreign investors	9.99%
	Domestic Securities Investment Trust Funds	2.05%
	Securities Dealers	0.13%
Others (including domestic financial institutions, natural persons, etc.)		41.81%
<b>TOTAL</b>		<b>100%</b>

Based on AIDC's privatization plan approved by the Executive Yuan, it is stated that MOEA shall keep 34% of shares as a minimum to maintain necessary operational stability.

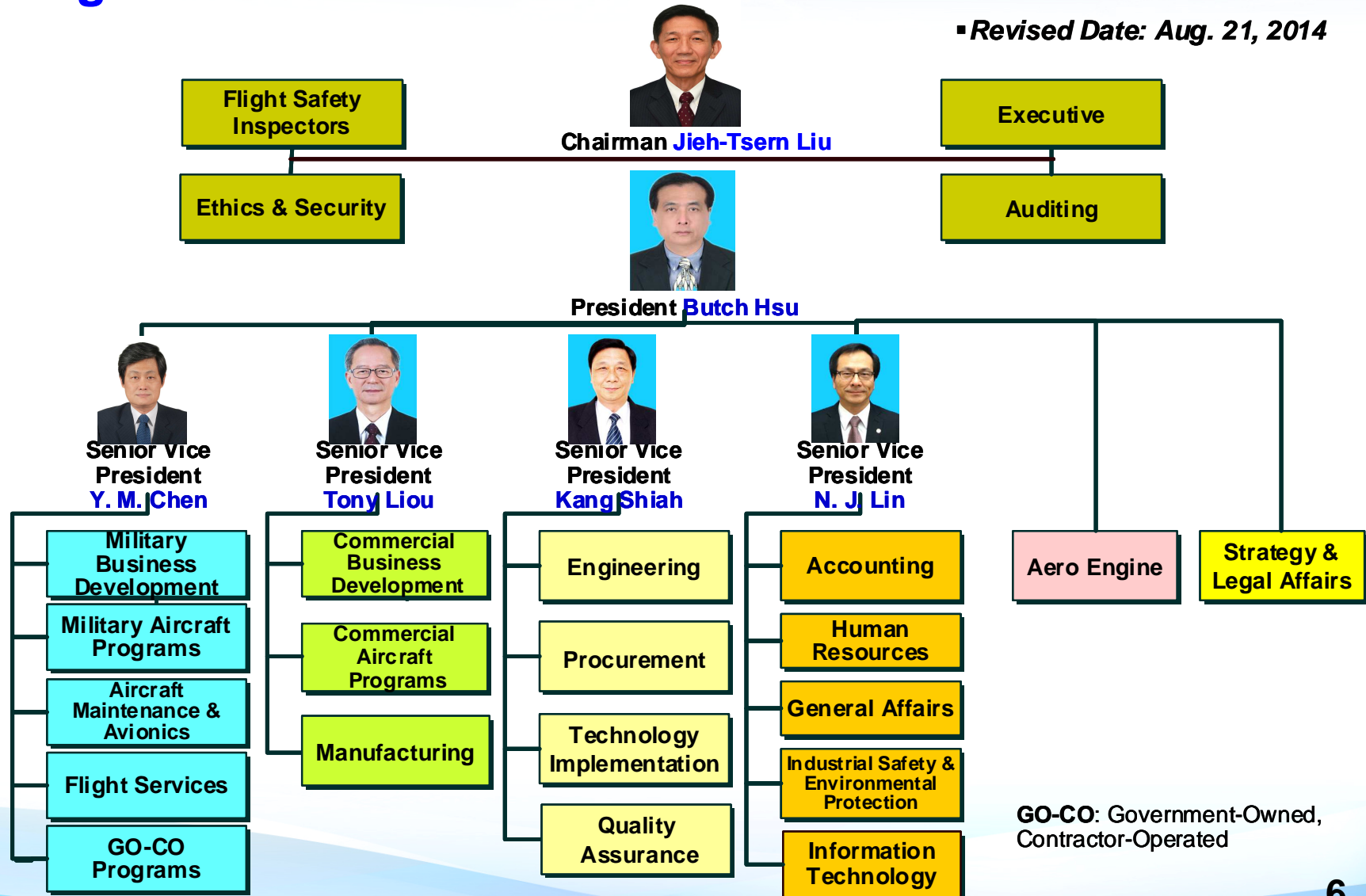
AIDC will urge MOEA to relax the 10% upper limit for foreign investors.



# I. Company Profile

## 5. Organization

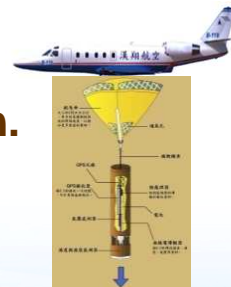
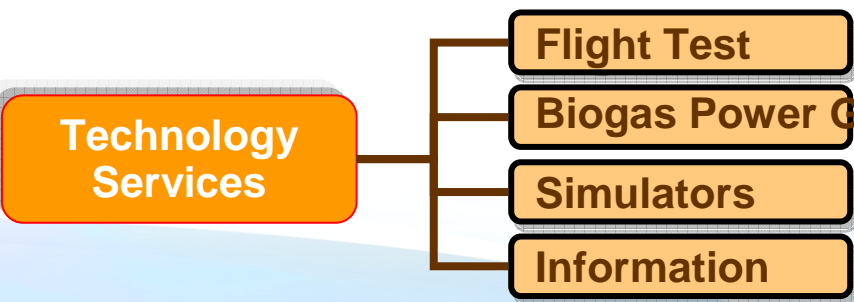
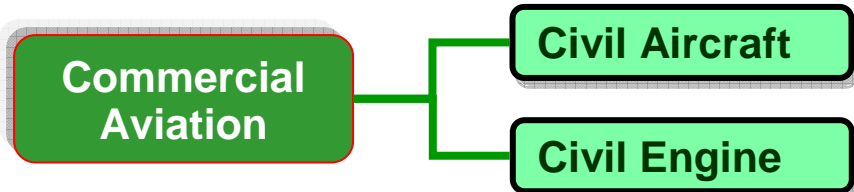
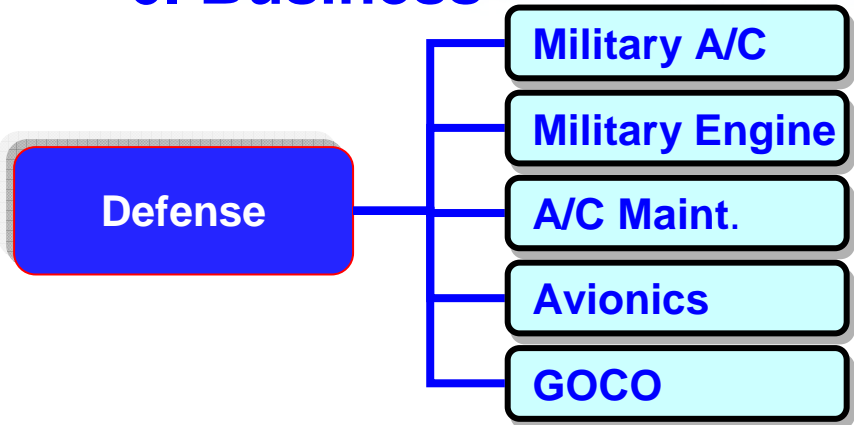
Revised Date: Aug. 21, 2014





# I. Company Profile

## 6. Business





## II. Markets

### 1. Defense Business

- The ROC military weapon system requirements in recent years provided a potential market. AIDC plans to continue the IDF and F-16A/B upgrade programs and pursue military aircraft maintenance business.
- Air Force trainer policy, 2 models in 3 phases, has been determined. Advanced trainer replacement is targeted for 2019. AIDC sees this as a significant business opportunity.
- The voluntary military service policy and projects of streamlining armed forces structure and organization may encourage the MND to release business such as military aircraft commercial maintenance and GOCO.

Though subject to reduced military budget, AIDC will endeavor to pursue these business opportunities.



## II. Markets

### 2. Commercial Aviation

Based on Boeing and Airbus forecasts, the steady growth of passenger and cargo volumes will continue to lead the new airplane requirements. The forecasts see the Asia Pacific region as the largest market for commercial airplanes and is optimistic about its long-term development.

- Boeing forecasts new airplane requirement for the next 20 years is 36770 at US\$5.2 trillion value vs. 31358 at US\$ 4.6 trillion value by Airbus. Among which, Asia Pacific region tops the list with 13,460 airplanes.
- Airplane part and component requirements will grow with the new airplanes. According to Rolls-Rolls, 55,000 engines will be required for 27,000 new airplanes for the next ten years (2014-2023).
- In view of the environmental concern and fuel price hikes, green airplane and engine have developed into a trend, in which composites plays the key role.



## III. Operations and Financial Status

### 1. 2014 Q3 Income Statement

Unit: NT 100M Dollars

ITEM	Q3		Q1~Q3	
	2014	2013	2014	2013
Revenue	60.12	57.24	169.74	173.55
Gross Profit	1.59	7.91	17.18	20.40
Profit before tax	0.33	5.20	10.10	15.02
Net profit	3.41	4.34	11.81	14.16

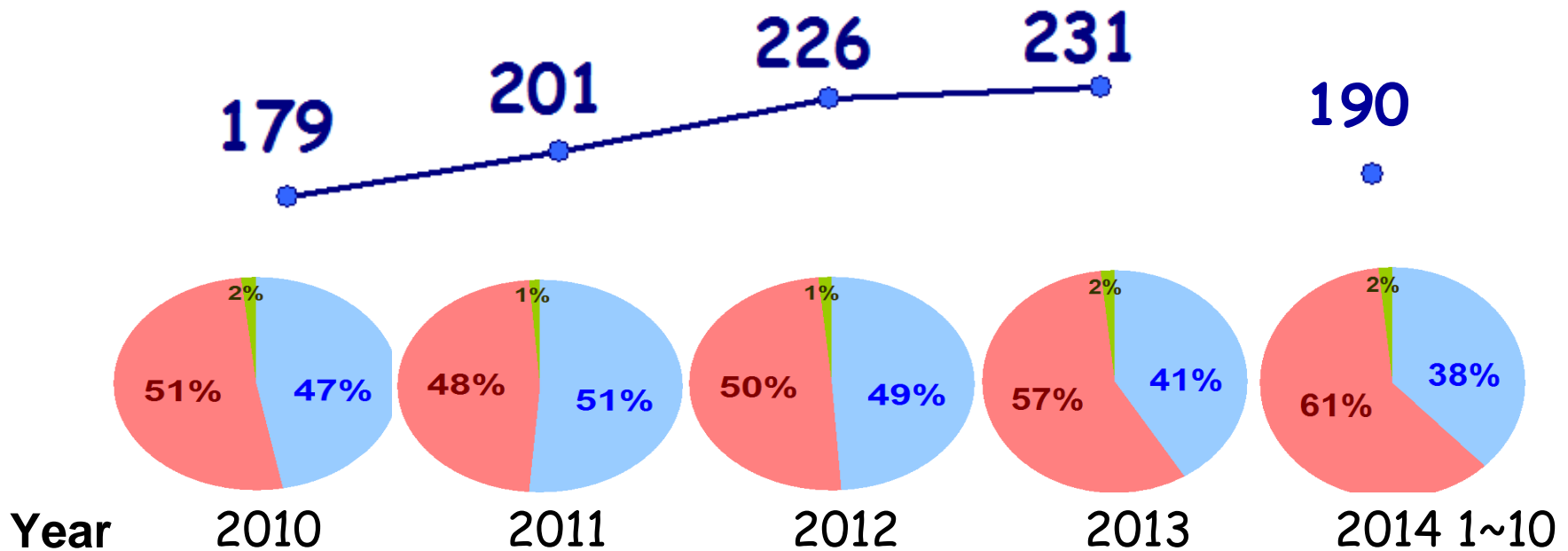
Note : The financial statement is based on auditors' report.



# III. Operations and Financial Status

## 2. Revenues

Unit: NT100M Dollars



● Revenue   ■ Defense   ■ Commercial   ■ Tech. Service

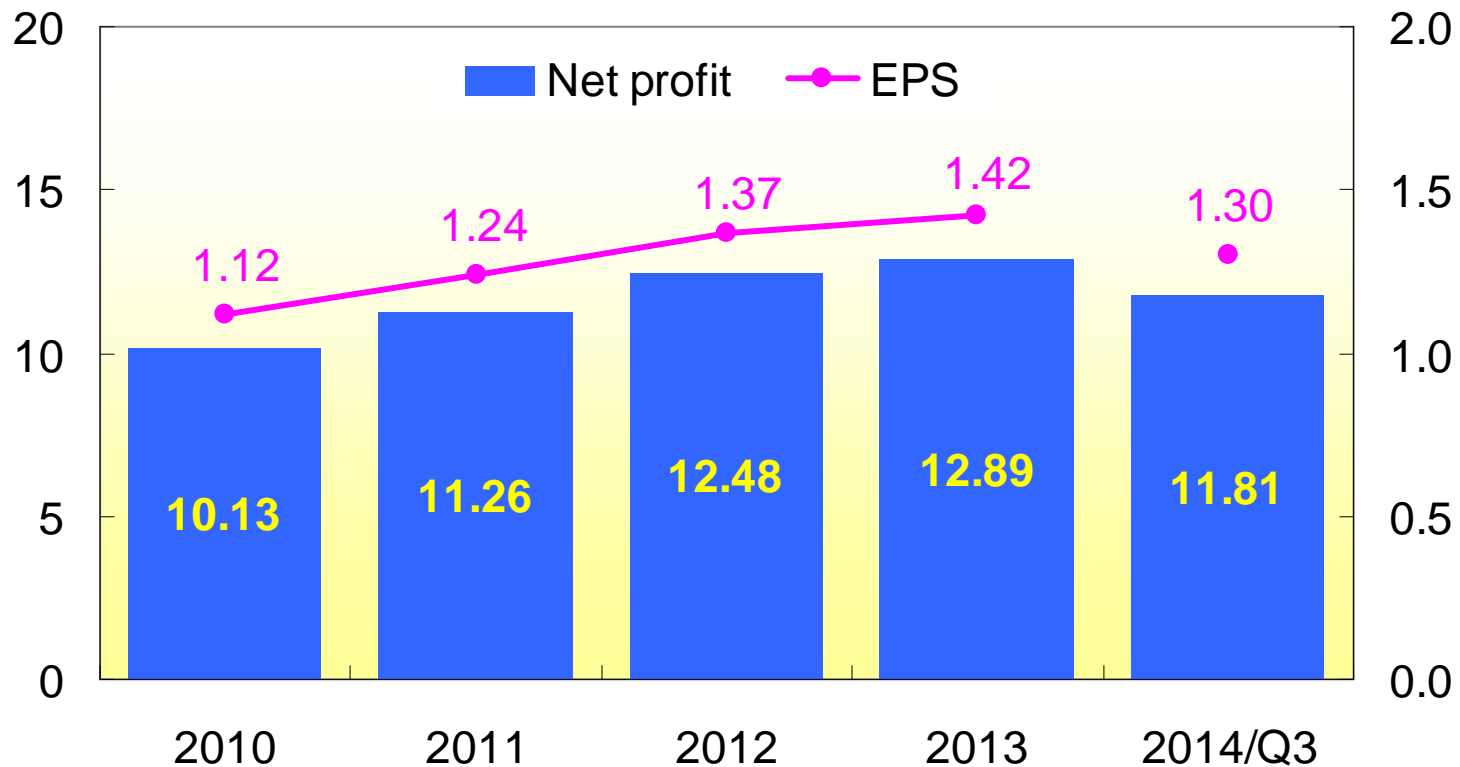


## III. Operations and Financial Status

### 3. Net profit and EPS for the last 5 years

Net profit in NT 100M Dollars

EPS in NT\$/share



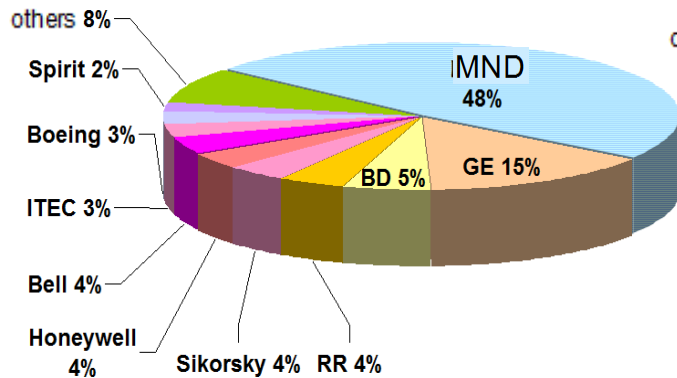
Note : All of the numbers are based on auditors' report; 2010-2012 ROC GAAP were observed; the IFRS was adopted since 2013.



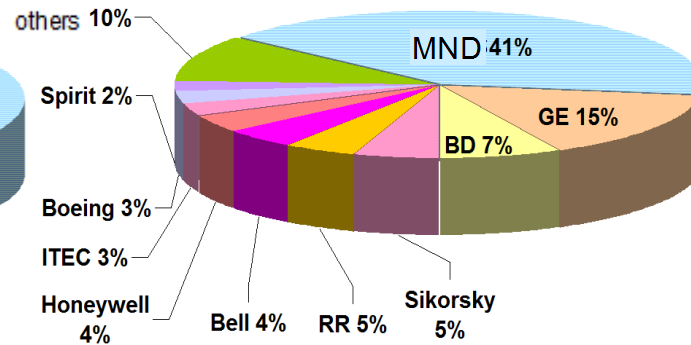
# III. Operations and Financial Status

## 4. Top 10 Customers

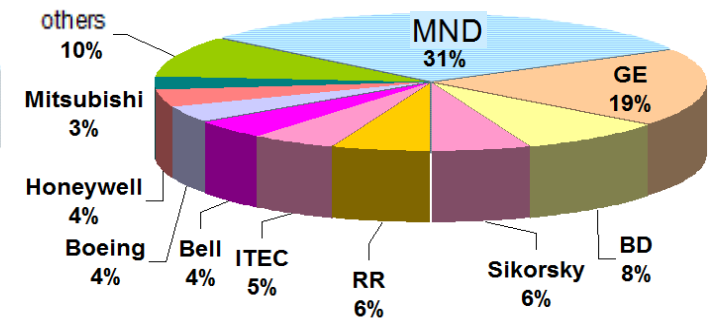
2012



2013



2014 1~10



- Ministry of National Defense
- GE Aviation
- (BD)Bombardier Aerospace.
- (RR)Rolls-Royce Plc
- Sikorsky Aircraft Corporation
- Honeywell International Inc.
- Bell Helicopter Textron
- (ITEC)International Turbine Engine Company LLC
- Boeing Commercial Airplane Group
- Spirit AeroSystems, Inc.
- Others

**AIDC's business has turned from solely military to cover both military and commercial. With the growth in commercial business, the proportion of the MND business continues to decrease.**



## IV. Business Strategy Post Privatization

2634

### 1. Fixed Assets Investment

- To satisfy defense business requirements and to respond to lightweight, energy- and fuel-efficient demands of aviation industry, AIDC is to invest about NT\$2Billion in fixed assets in CY2015.
- For the next 3 years, three special projects, namely construction of military aircraft (F-16A/B) maintenance hangar, engine Manufacturing center (ECMC) and new composite plant(TACC-19), shall be executed.

### 2. Operation outlook

For 2014

Better performance than CY2013 can be achieved.

For 2015

In addition to steady growth of the military business, the civil aviation business, both aircraft and engine, is expected to grow with the global aviation industry.



# Q & A