



# Investor Conference

**Accountability • Innovation • Dedication • Customer Orientation**

**Aerospace Industrial Development Corporation**

**June 8, 2016**



# Contents

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2634

**I. Business Status**

**II. Competitive Advantage**

**III. Financial Review**

**IV. Achievements & Prospects**



# I. Business Status

2634

## 1. Defense Segment Business Updates (on major projects)

### ◆ New Advanced Trainer – In Pursuit

Committed to giving full support to ROCAF's acquisition of indigenously-built trainers, which is expected to greatly favor Taiwan in terms of enhancing overall industrial capabilities and sustaining pool of human resources.

### ◆ Military Engine – In Progress

TFE-1042



Applied on IDF

F124



Applied on M346 Advanced Trainer  
by Alenia Aermacchi (Italy)



# I. Business Status (cont.)

2634

## 1. Defense Segment Business Updates (on major projects)

### ◆IDF and F-16A/B Upgrade—In Progress

IDF Upgrade



F-16A/B Upgrade



### ◆Military Aircraft MRO—In Progress

UH-1H Helicopter



2nd AFLC GOCO



Air Force Academy A/C Maintenance GOCO





## 2. Commercial Aviation Programs (on major projects)

### ◆ Popular A/C & Engines



Airbus Single-Aisle A/C A320



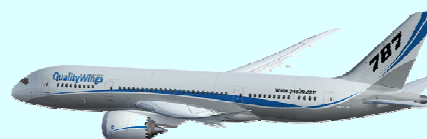
Sikorsky S-92 Helicopter



Boeing Single-Aisle A/C 737



Airbus Giant A/C A380



Boeing Dreamliner 787

GE Aviation  
Top 2 Supplier in Asia



CFM56



GE90

Rolls-Royce  
Long-Term Supply  
Chain Partner



TRENT 800



V2500

### ◆ NextGen A/C & Engines



A320neo



B737MAX



MRJ



C-Series



CFM LEAP-X



Trent XWB



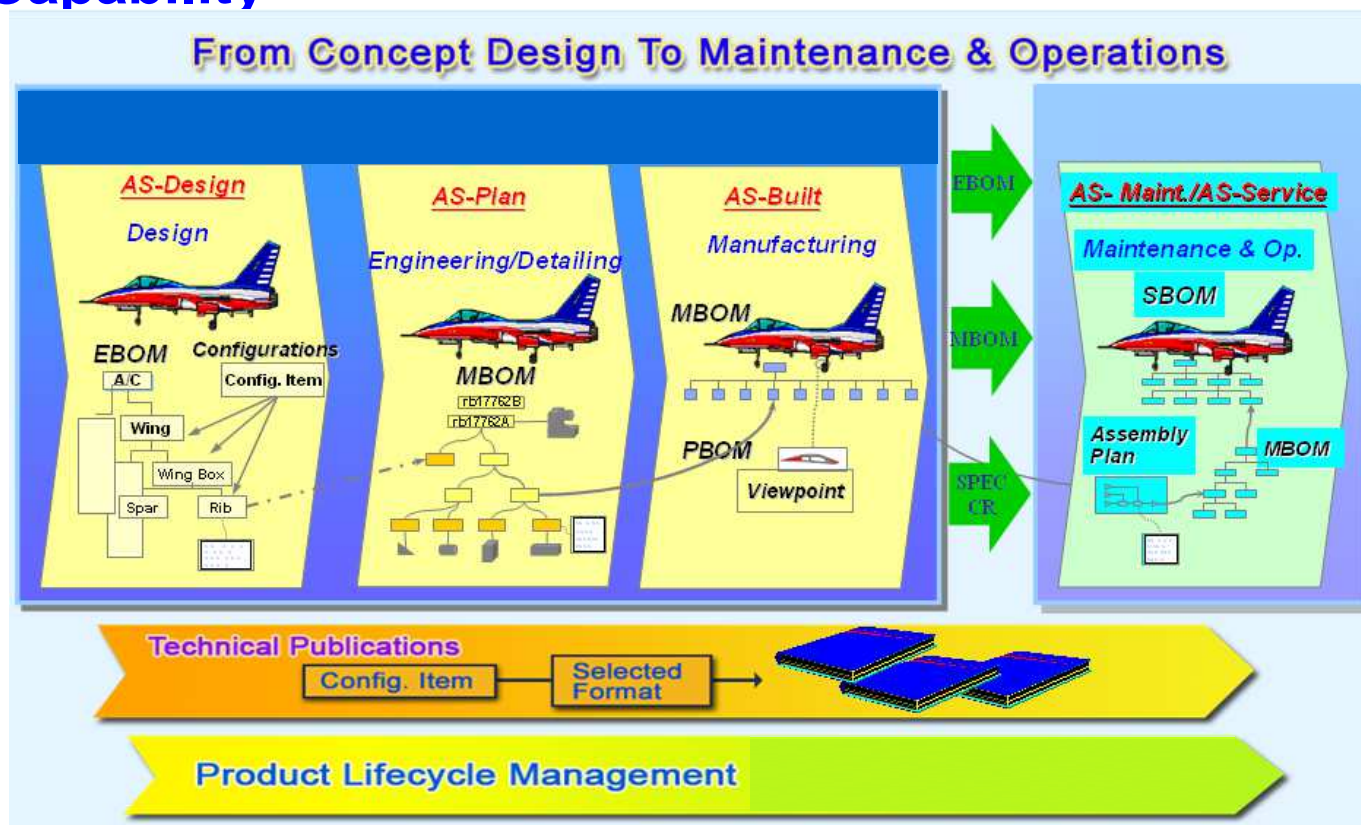
GEnx



## II. Competitive Advantage

2634

### 1. Military Aircraft Total Lifecycle Integrated Development Capability



PL-1 Primary  
Trainer



T-CH-1 Basic  
Trainer



AT-3 Advanced Jet  
Trainer



IDF Fighter





## II. Competitive Advantage (cont.)<sup>2634</sup>

### 2. Aircraft Structure Assembly and System Integration Capability







## II. Competitive Advantage (cont.)<sup>2634</sup>

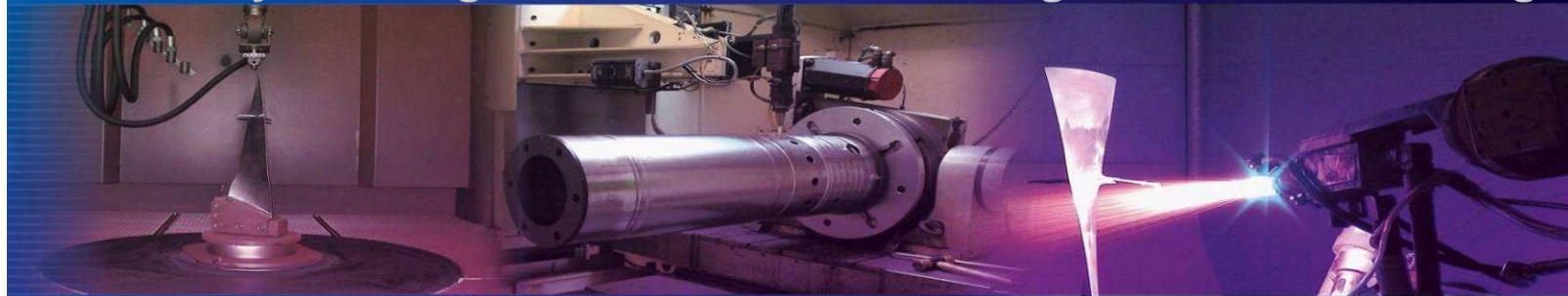
### 3. Engine Parts Manufacturing and Testing Capabilities



**Assembly / Testing**

**Precision Machining**

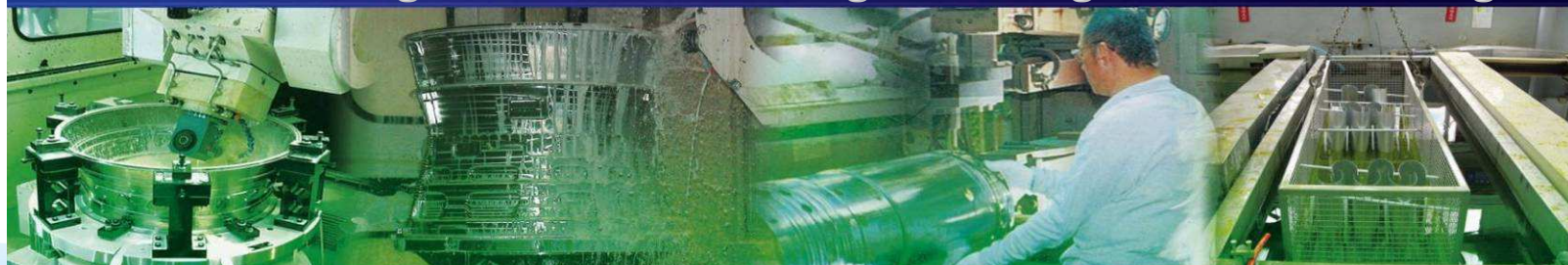
**Investment Casting**



**Shot Peening**

**Laser Drilling & Cutting**

**Plasma Coating**



**5 Axis Milling Machining**

**Precision Welding**

**Surface Treatment**



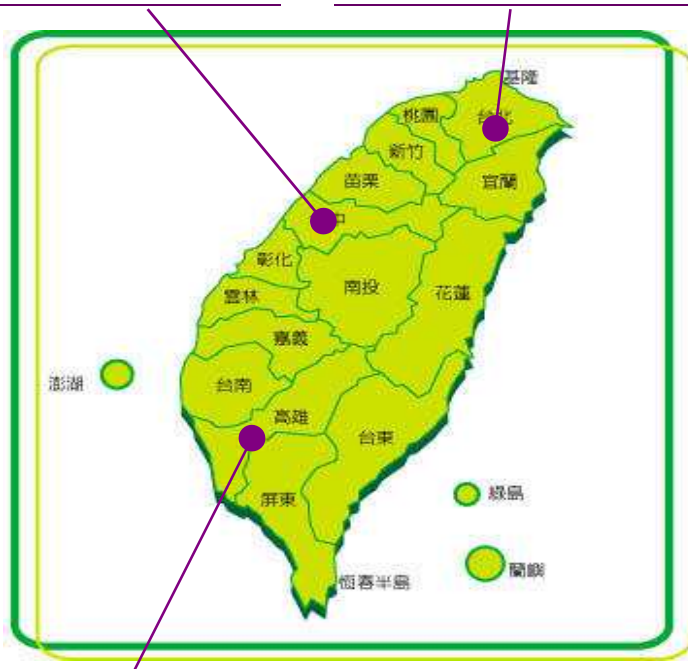


## II. Competitive Advantage (cont.)<sup>2634</sup>

### 4. Supply Chain and Distribution

142 Supply Chain Partners  
in Taiwan

● 53 in central area ● 37 in northern area



● 52 in southern area

Note. Statistics collected on 105.05.31

### 2,636 Global Suppliers

Area	Proportion	Procurement Value (%)
Asia	4.3%	2.9%
Europe	8.0%	6.5%
America	26.5%	52.4%
Taiwan	61.2%	38.2%

Note. Statistics collected from 102.1.1 to 104.12.31



## II. Competitive Advantage (cont.)<sup>2634</sup>

### 5. International Commercial Aviation Quality Certification & nearly 800 Special Process Certifications

In addition to ISO9001 and AS9100 certification, AIDC has been accredited by Boeing, Airbus, GE, Sikorsky, Bombardier, Bell, etc.



#### Major Certification Milestone

AS9100 Rev.C	Oct. 2014
MITAC	Dec. 2010
QPS-100 / Bell	Jul. 2007
RR9000 / Rolls Royce	Jun. 2007
ASQR / Sikorsky	Dec. 2006
MSJ-4000 / MHI	Nov. 2006
KQMS-7100 / KHI	Sep. 2006
QPS N.SQ-05/001 / Alenia	Feb. 2005
QMS / Airbus UK	Mar. 2004
BQMS Appendix A / Boeing	Dec. 2001
S-1000 / GEAE	Sep. 2001
QD 4.6 / Bombardier	Oct. 1999
D1-9000 / Boeing	Dec. 1999
Q-13-20 / NIPPI	Jun. 1996
DQS-100 / Boeing LBD	Jan. 1995



## 1. Income Statement

Unit : NTD in Millions

ITEM	Q1			
	Y2016		Y2015	
	Amount	%	Amount	%
Revenue	6,329	100%	5,840	100%
Cost of Goods Sold	5,352	85%	5,073	87%
Gross Profit	977	15%	767	13%
Operating Expenses	252	4%	190	3%
Operating Income	725	11%	577	10%
Non-operating Income	(152)	-2%	(66)	-1%
Pre-tax Income	573	9%	511	9%
Income Tax Expenses	89	2%	87	2%
Net Income	484	7%	424	7%
EPS(NT\$ )	0.53		0.47	

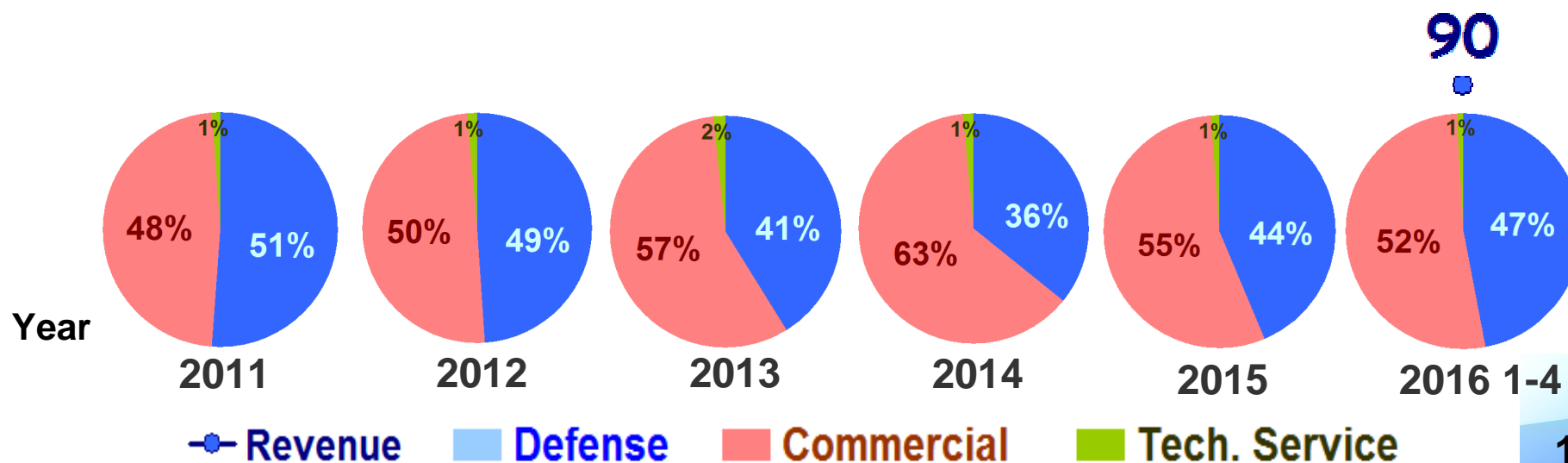
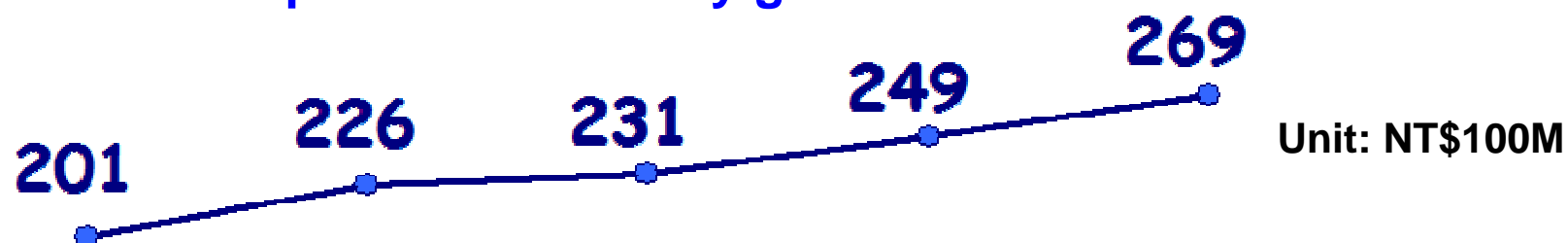


# III. Financial Review (cont.)

2634

## 2. Revenues

With military and commercial businesses developing in tandem, it may compensate possible risks in either sector and help to secure steady growth.







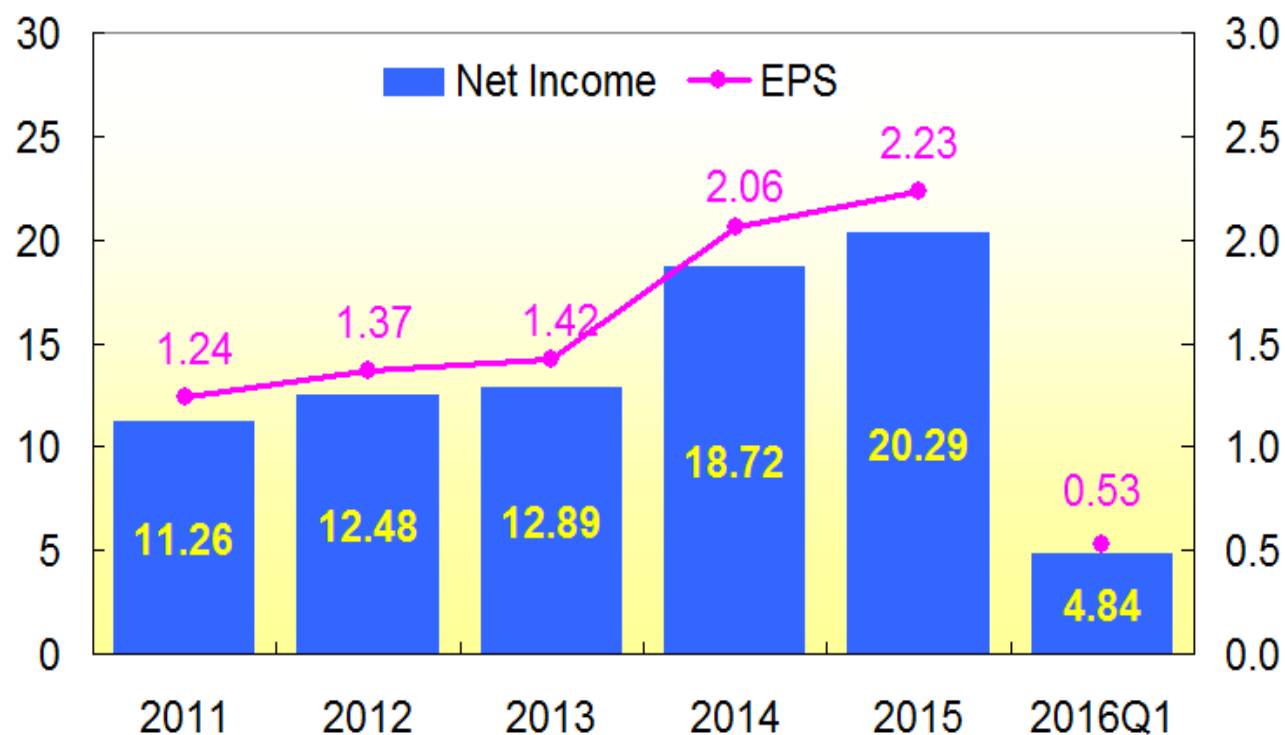
## III. Financial Review (cont.)

2634

### 3. Net Income and EPS

Net Income in NT 100M Dollars

EPS in NT\$/share



Note : 2011-2012 ROC GAAP were observed; the IFRS was adopted since 2013.



# IV. Achievements & Prospects

2634

## 1. Recent Achievements

(1) AIDC ranks 120 in “Taiwan Manufacturer Investigation 2015” conducted by the Commonwealth Magazine.

Year	95	96	97	98	99	100	101	102	103	104
AIDC Ranking	201	200	184	151	188	173	155	145	140	120

(2) Won CSR Award in the “Traditional Manufacturers” category.



(3) Established Taiwan Aerospace A-Team 4.0, integrating 220 companies.







# IV. Achievements & Prospects (cont.)<sup>2634</sup>

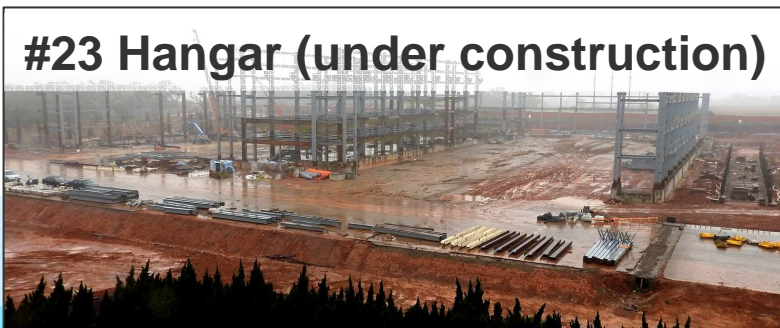
## 2. Current Operational Emphasis

### (1) Three Major Facility Investment:

◆ Engine Case Manufacturing ◆ TACC-19 Composite Plant:  
Center (ECMC): Inauguration Commissioning in 2016 Q2  
on 2016.4.14



◆ F-16A/B Maintenance Hangar: Completed in 2017 Q1





# IV. Achievements & Prospects (cont.)<sup>2634</sup>

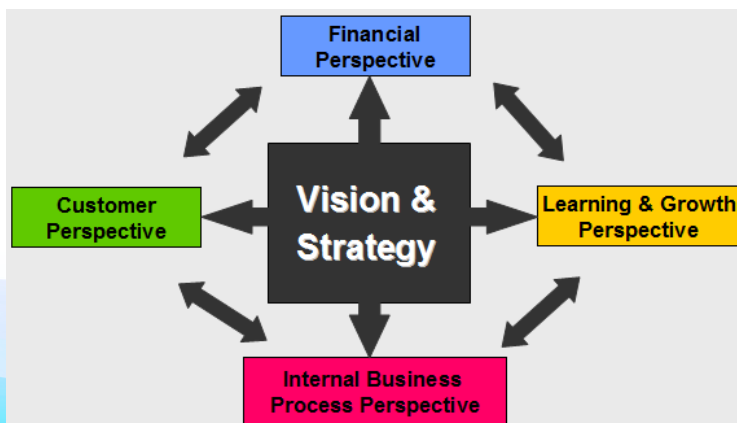
## 2. Current Operational Emphasis

(2) AIDC's strategies in the face of global competition — Internally:

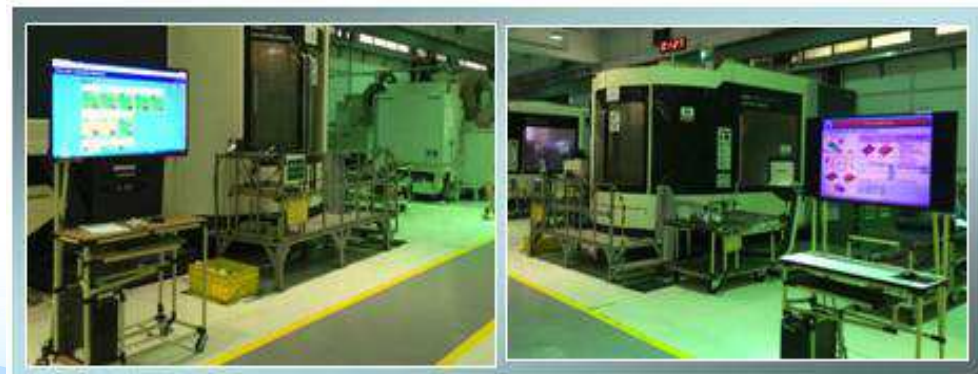
### ◆ Implement LEAN Activity



### ◆ Apply Balanced Scorecard



### ◆ Invest Industry 4.0 — Intelligent Machine Monitoring System







# IV. Achievements & Prospects (cont.)<sup>2634</sup>

## 2. Current Operational Emphasis

(2) AIDC's strategies in the face of global competition — Externally:

### ◆ Industry-University Cooperation



### ◆ Strategic Alliance



### ◆ Taiwan Aviation Industry Forum



### ◆ Taiwan Aerospace A-Team 4.0





## **IV. Achievements & Prospects (cont.)**

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2634

### **3. Prospect**

**It is expected that the collective efforts of A-Team 4.0 could strengthen Taiwan aerospace Industry's abilities to gain international orders, and benefit Taiwan industry as a whole.**

**—Thank you for your attention—**