

AIDC Investor Conference (2634)

Aerospace Industrial Development Corporation
Apr. 11, 2019



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Outline

1 FY 2018 Business Results

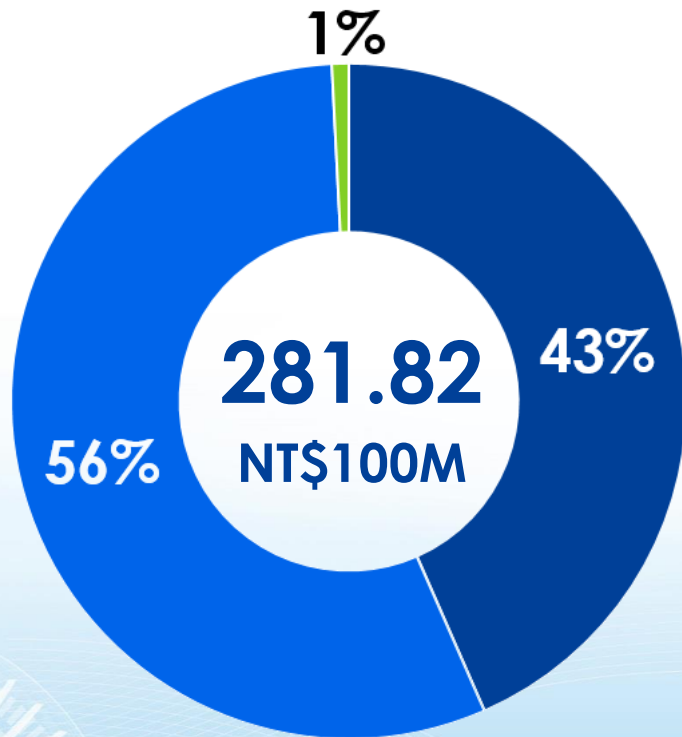
2 Business Status

3 Aerospace Market Outlook

4 Endeavors & Prospects

FY 2018 Business Results

FY 2018 revenue hit a new record high



■ Defense ■ Commercial ■ Tech. Service

Business Status

A fresh team with strong executives



Hu, Kai-Hung
Chairman



Ma, Wan-June
President



Y.M. Chen
Defense Service
Vice President



Paul Ho
Production
Vice President



Bird Du
Engineering
Vice President



Gary Lo
Civil business
Vice President



Serena Huang
Administration
Vice President

Commercial business

Step into intelligence & specialization to accelerate transformation

TACC-19 Composite Plant

Dedicated to production of A320 series Aft Belly Fairing composite parts

H2 2019 to reach full capability



Intelligent Mfg.
Gold Award

Intelligent Machinery

Intelligent Manufacturing

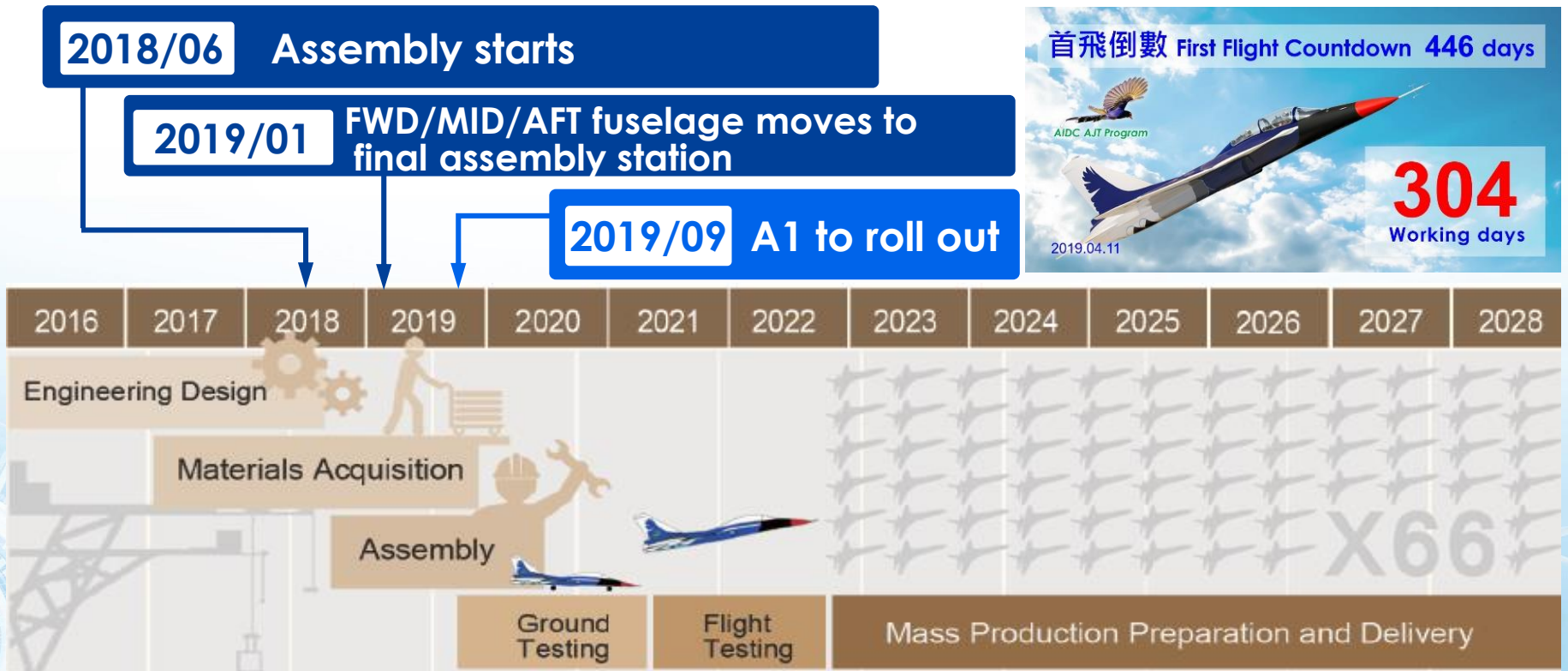
Intelligent Management



Defense Business

Continue to research and develop new products, and execute each program as AJT, F-16A/B upgrade with on time delivery and high quality

AJT master program schedule



Source : 2017 National Defense Report

Engine business

Augment production capacity, and develop high value technology

Case lines 4 & 5

Authorized to manufacture hot section assembly

Successful concurrent engineering in developing turbine center frame assembly

Q2 2020 to inaugurate

Concurrent Engineering achievement

Case line 4



Case line 5

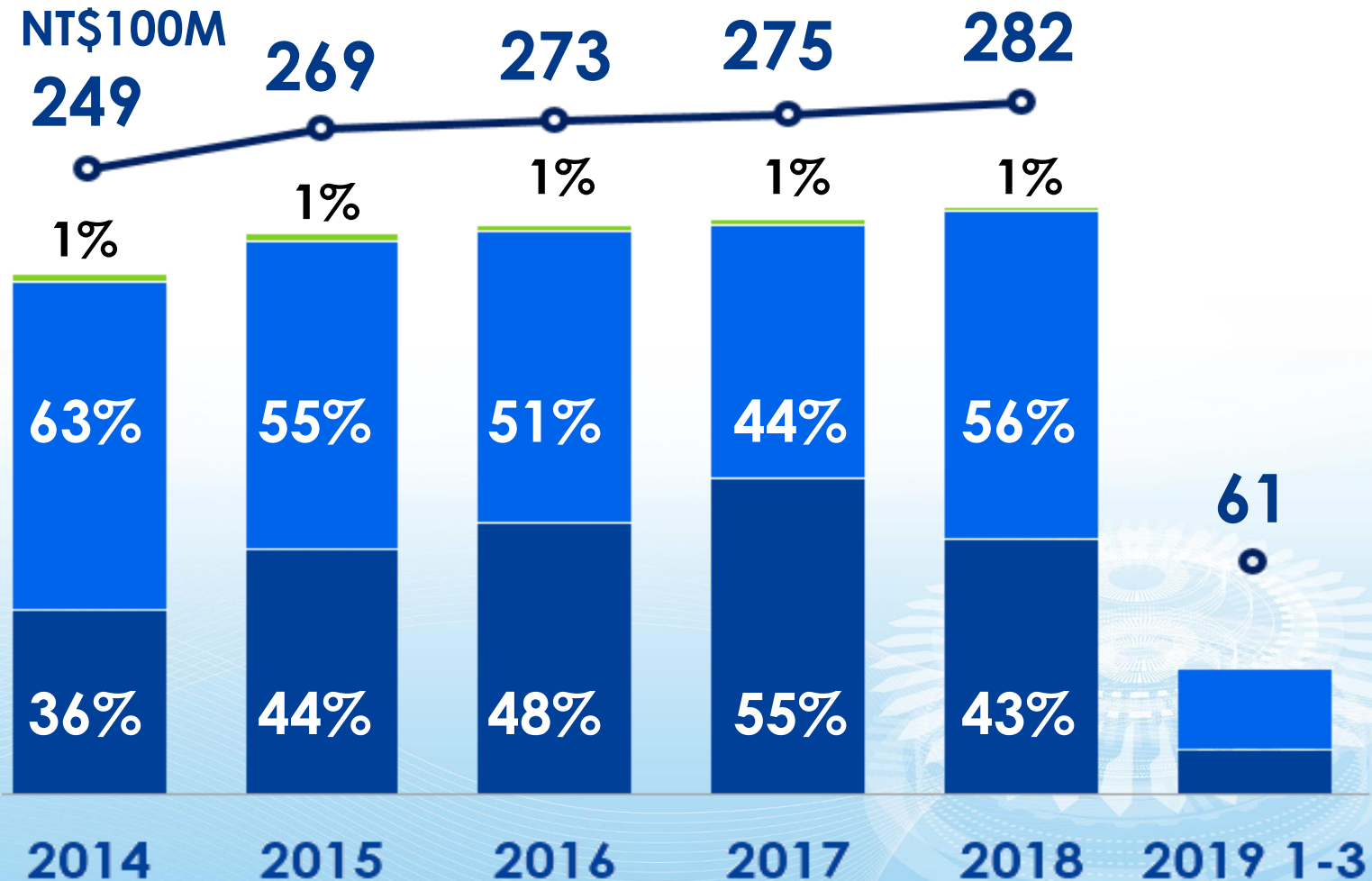


Financial review



Steady growth in revenue

- Revenue
- Commercial
- Defense
- Tech. Service



Financial review

2018 & 2017 Comparison

NT\$100M

ITEM	2017		2018	
Sales	275	100%	282	100%
Cost Of Goods Sold	236	86%	245	87%
Gross Profit	39	14%	36	13%
Operating Expenses	11	4%	13	5%
Profit From Operations	28	10%	23	8%
Non-operating Income And Expenses	-5	-2%	3	1%
Profit Before Income Tax	23	8%	27	9%
Net Profit For The Year	17	6%	21	7%
EPS(NTD/Share)	1.86		2.22	

Financial review

Net Profit & EPS

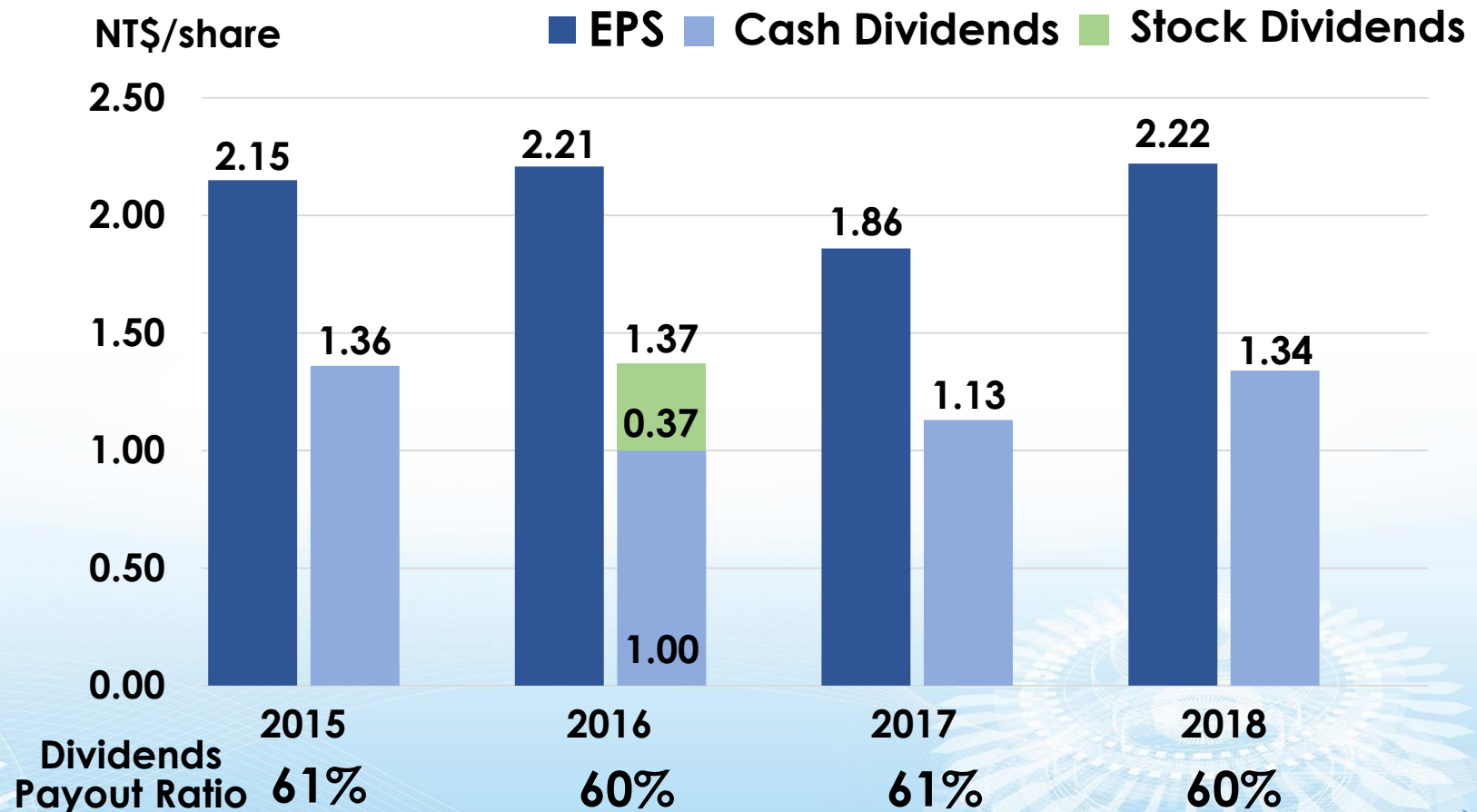
■ Net Profit (NT\$100M)
○ EPS (NT\$/Share)



Remarks: Denominator of 2017 EPS includes stock dividend. 2014-2016 were retrospectively adjusted.

Financial review

Dividend Distribution

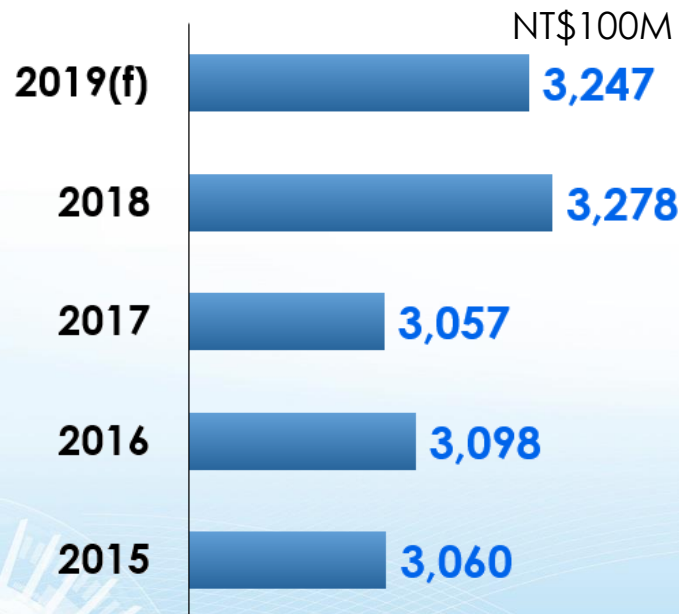


Remark: 1. Calculation base of 2017 EPS includes the number of stock dividend shares. EPS of 2015-2016 were retrospectively adjusted.
2. Cash dividend in 2018 is to be distributed after having approval of the next Shareholders Meeting.

Aerospace Market Outlook

Defense business thriving on various demands

《Taiwan defense budget》



New Generation
Fighters

Aircraft
Development

Co-production



Performance
Upgrade

Modification

Service Life
Extension



Logistics &
Maintenance

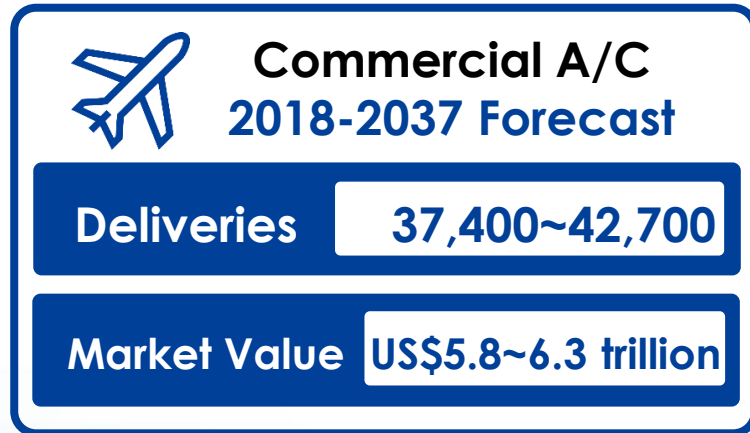
Aircraft Commercial
Maintenance

GOCO

Source : Directorate-General of Budget, Accounting and Statistics, Executive Yuan, R.O.C. (Taiwan);
108 Ministry of Defense's budget book

Aerospace Market Outlook

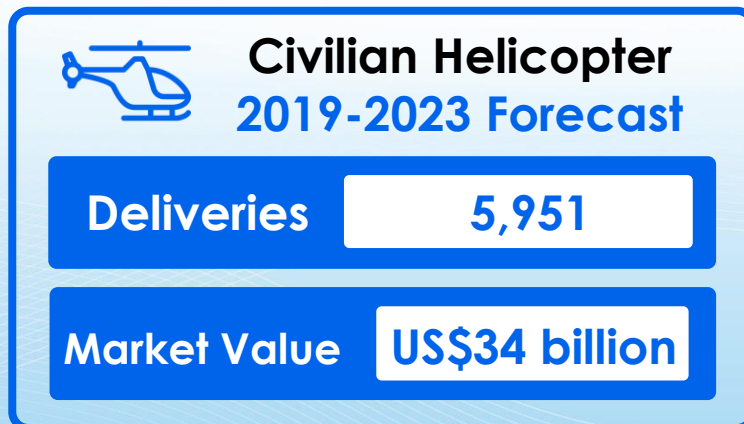
Bright Commercial Market Outlook



Source: Airbus and Boeing websites



Source: Embraer website



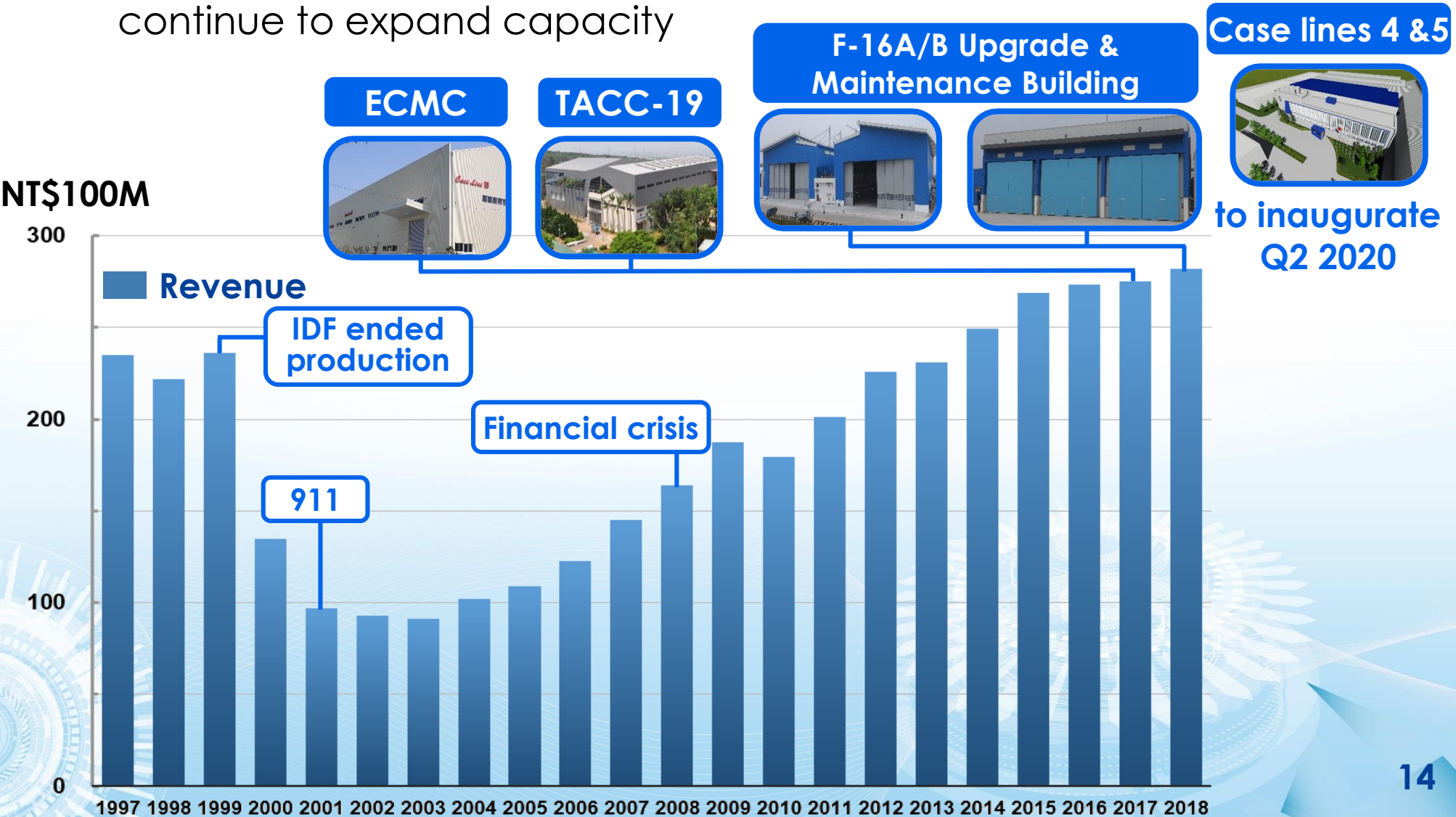
Source: Forecast International



Source: Forecast International

Endeavors & Prospects

To grasp the booming business opportunities, continue to expand capacity



AIDC 50th anniversary

Stay true and soar to new heights

Case Line 1
inaugurated,
20 years ago

200th 737
Elevator
delivered

TACC composite plant
inaugurated, 11 years ago

300th 787 Body
seal delivered

Case Line 2
inaugurated,
15 years ago



AJT A1 to roll
out in Sep.



IDF maiden flight, 30 years ago



AT-3 full scale production, 35 years ago



F-5 rolled out, 45 years ago

The background is a deep blue with a glowing globe in the center. The globe is surrounded by intricate circuit-like patterns and lines, suggesting a global network or technological theme. There are also some starburst or light flare effects scattered across the scene.

Thank you

漢翔航空工業股份有限公司
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