

AIDC Investor Conference ⁽²⁶³⁴⁾

Aerospace Industrial Development Corporation
Dec 9, 2021



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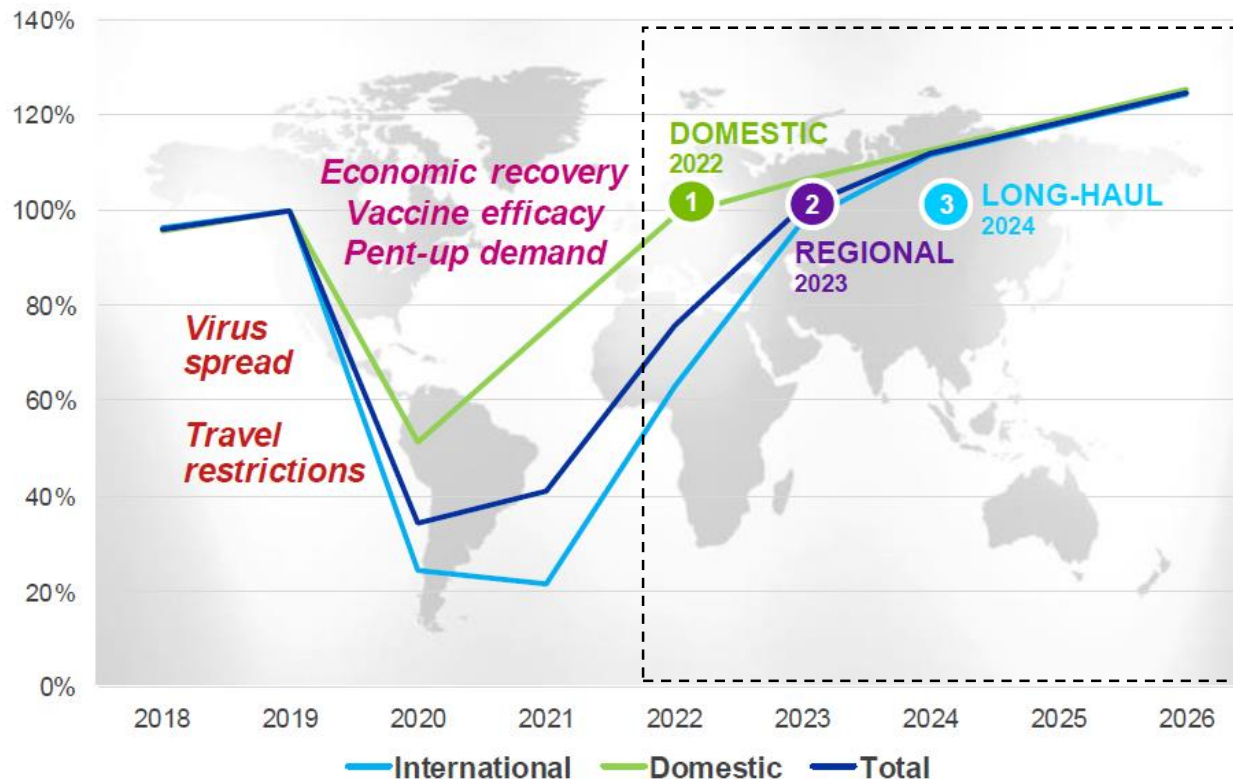
Outline

- 1. Global Market Outlook**
- 2. Operational Focus**
- 3. Financial Performance**
- 4. Endeavors & Prospects**

Global Market Outlook

Aerospace industry on path to a gradual recovery

According to Boeing, the market would recover from 3 phases.



Source: Boeing

- 1 | Domestic 2022
- 2 | Regional 2023
- 3 | Long-haul 2024

Global Market Outlook

Commercial market outlook

1. Commercial aircraft

- Boeing: Current Market Outlook 2021-2040



New Deliveries
43,610



RPK 4%
Avg.
annual growth



Service Market Value
US\$ 9.54 Trillion

- Airbus: Global Market Forecast 2021-2040



■ Small aircraft **29,690**

■ Medium **5,340**

■ Large **3,990**

Global Market Outlook

Commercial market outlook

2. Business Jet

Honeywell Forecast:
(2022~2031)



New Deliveries
7,400



Market Value
US\$ 238 Billion

3. Aero Engine

Forecast International:
(2021~2030)



New Deliveries
152,412



Market Value
US\$ 851 Billion

Global Market Outlook

Prospects for defense market

1. The military has allocated stable budget to implement self-reliant defense.
2. In response to the tense regional situation, the government compiles special budgets with a view to strengthening Taiwan's defense capabilities.
3. Therefore, the business opportunities for defense market are various, including:

The budget of NCSIST

Mass production of the AJT

New primary trainer

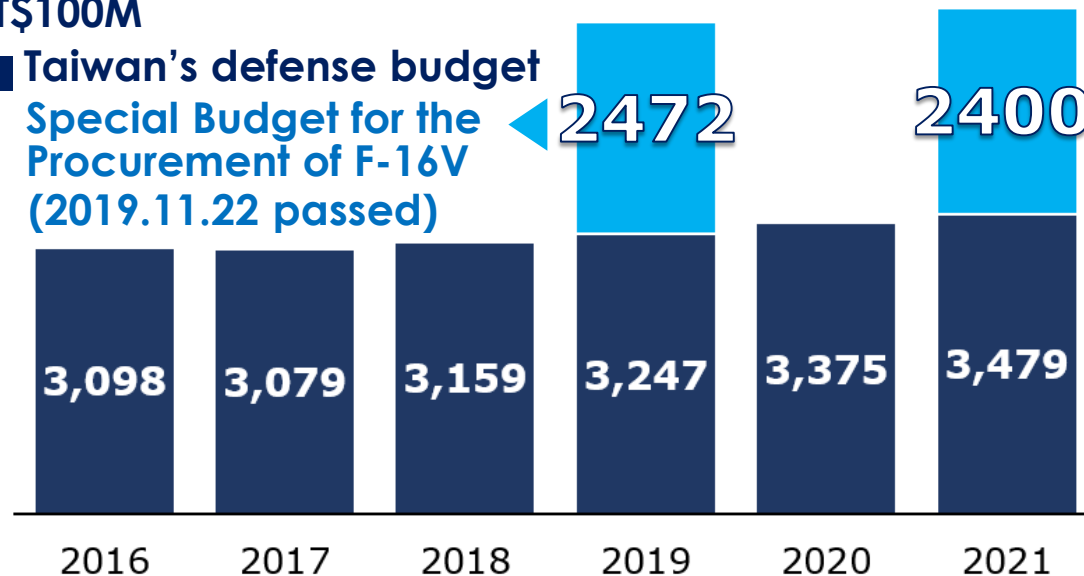
Next-gen fighter

F-16V manufacturing and MRO

NT\$100M

■ Taiwan's defense budget
Special Budget for the Procurement of F-16V (2019.11.22 passed)

Special Statute for Procurement of Upgrading Navy and Air Force Defense Capabilities Program (2021.11.23 passed)



Source: Directorate-General of Budget, Accounting and Statistics, Executive Yuan, R.O.C. (Taiwan)

Operational Focus

The AJT on path to mass production



1. The AJT made its maiden flight last year and will step forward to mass production after first delivery this year to reach 66 deliveries by 2026.
2. The program paves the way for introducing a new primary trainer and the next-gen fighter, bringing in constant growth momentum.

Operational Focus

F-16 A/B upgrade to strengthen the defense capability

1. AIDC, the only company capable of converting the F-16A/B into F-16V except Lockheed Martin, is executing the F-16 upgrade program now.



2. On Nov. 18, there was F-16V delivery ceremony attended by President Tsai Ing-wen at the Chiayi Airport , implying the progress of USA-Taiwan relation, the upgrading of Taiwan aerospace technology, and strengthening the capability of national defense .

Operational Focus

The F-16 Maintenance Center to boost Taiwan aerospace technology level

Domestic
Capability

Authorized
Certification

Local
Maintenance

Upgrade
Technology

1. Last year, President Tsai Ing-wen attended the Unveiling ceremony of the F-16 Maintenance Center , which provides solution to high unit price, high failure cost, and long lead time items for ROCAF to increase the F-16 mission capable rate.
2. On Nov. 16, Vice Premier Shen Jong-chin attended the F-16 Maintenance Center manufacturers association, aware that Taiwan industry has made progress in F-16 business, and suggested industry advance the aerospace competitiveness based on the F-16 Center.



Operational Focus

Striving for energy storage business in response to net zero emissions

1. Taiwan's energy policy is aiming at generation 20% of its electricity through renewable energy by 2025.
2. AIDC has established 5MW energy storage system in Taichung Complex and won the bid on Taipower Energy Trading Platform to provide electricity on Oct. 28, 2021.
3. AIDC has planned the business roadmap to increase revenue from energy market.



2021

5MW energy storage
system in Taichung
Complex

2022

5MW energy storage
system in southern
Sha-Lu Complex

2023

5MW energy storage
system in northern
Sha-Lu Complex

Operational Focus

Building up the Gas Turbine Maintenance Center



1. Taipower is now constructing GE gas turbine generating units, the scale is expected to be the largest in Asia, which brings considerable maintenance business opportunities.
2. AIDC maintains a long-term partnership with GE, and we are well-known for our engine critical parts production and maintenance capabilities, making us capable of manufacturing and maintaining the gas turbine generating units.
3. In response to Taiwan's self-reliant energy policy, we are endeavoring to promote "localized maintenance" program with Taipower, expecting to follow the successful model of the F-16 maintenance center, integrating domestic industry chain and establishing the "GE gas turbine maintenance center", to enhance the stability of our nation's power supply.

Operational Focus

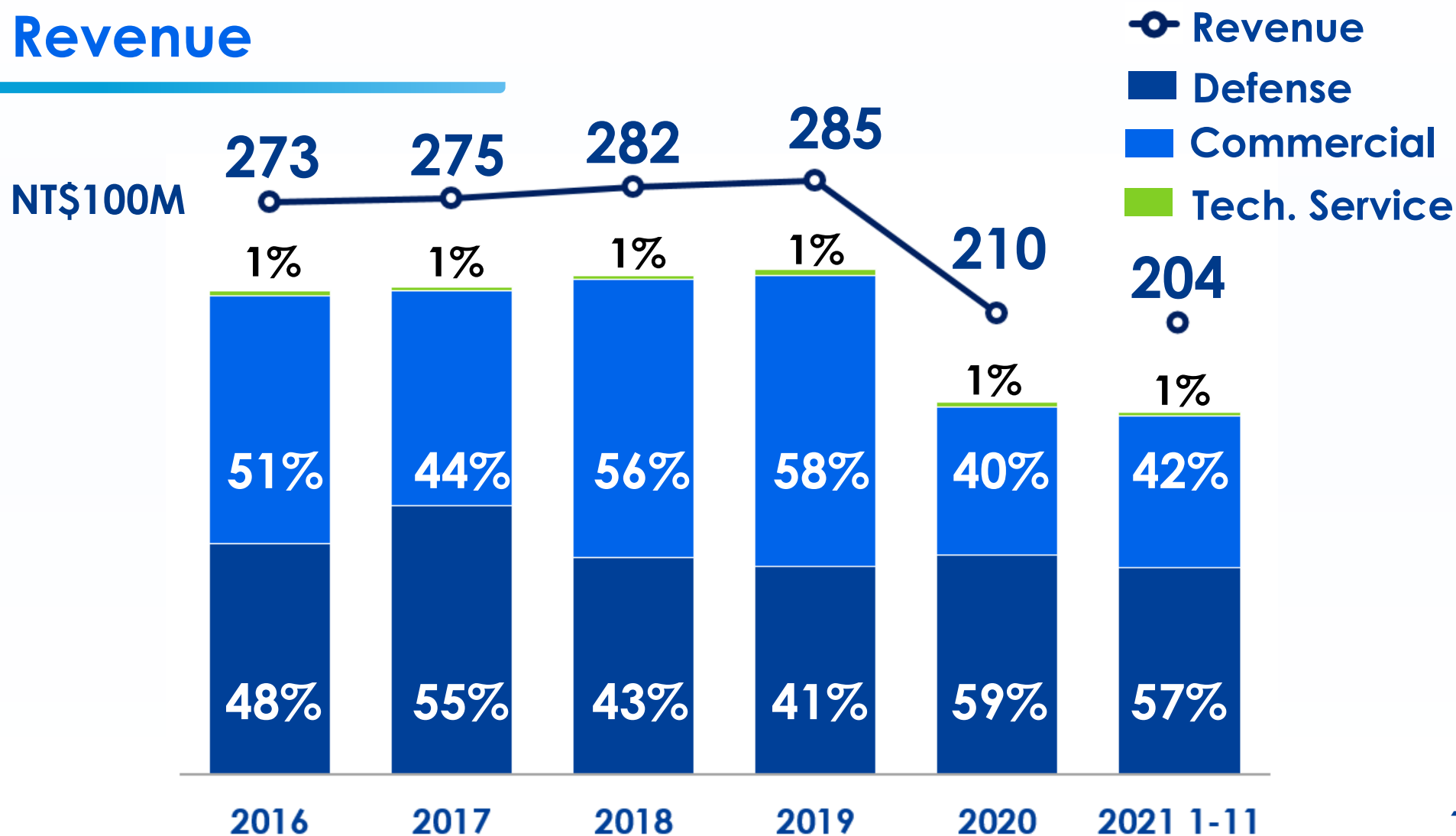
Expansion into electric car market

1. As electric bus industry thrives, AIDC and TAV team up to explore the market with “E-Bus”, the low floor electric bus made of aluminum alloy, to seize green market opportunities.
2. AIDC’s avionics and automotive electronics network technology are applied to the vehicle controller, and our composite material and digital engineering development technology are applied to the light-weight structure, making the E-Bus lighter, greener, more user-friendly, leading to a prosperous future.



Financial Performance

Revenue



Financial Performance

2021 Q3 & 2020 Q3 Comparison

in 100M NTD

ITEM	Q3				Q1~Q3			
	2021		2020		2021		2020	
Sales	56.9	100%	48.6	100%	163.2	100%	150.0	100%
Gross Profit	5.5	10%	2.8	6%	9.2	6%	10.4	7%
Operating Expenses	2.9	5%	2.4	5%	8.3	5%	8.4	5%
Profit From Operations	2.6	5%	0.4	1%	0.9	1%	2.0	2%
Non-Operating Items	0.0	0%	0.0	0%	4.0	2%	1.9	1%
Profit Before Income Tax	2.6	5%	0.4	1%	4.8	3%	3.9	3%
Net Profit	2.3	4%	-0.1	0%	3.7	2%	2.9	2%
EPS (NT Dollar)	0.24		-0.01		0.39		0.30	

Endeavors & Prospects

Holding onto our goal, moving towards sustainability

1. AIDC keeps moving towards sustainability with integrity and awards. We won the Top 5% of enterprises in the 7th Corporate Governance Evaluation as the only listed aerospace company and the few conventional industries. Also, just on Nov., 17th, we won another TCSA five awards.
2. We will keep holding onto our goal, aiming at reaching a win-win situation in defense and economy, and following ESG trend, making our aerospace industry more sustainable, and our society better and more eco-friendly.

TCSA

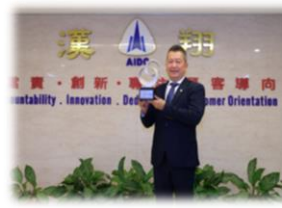
- Sustainability Comprehensive Performance
- Corporate Sustainability Reports
- Talent Development Leadership
- Growth Through Innovation Leadership
- Information Security Leadership



Happy Workplace Awards



Asia Pacific Enterprise Award



Corporate Health Responsibility Award



MOEA National 2020 SGS CSR Industrial Innovation Awards



The background is a vibrant blue with dynamic, diagonal streaks. On the right side, there is a large, faint white gear. Inside the gear, there is a white checkmark. A thin white horizontal line crosses the middle of the image.

Thank you

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