

AIDC Investor Conference (2634)

Aerospace Industrial Development Corporation
June 29, 2022



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Outline

- 1. FY 2021 Business Results**
- 2. Aerospace Market Status**
- 3. Operational Focus**
- 4. Financial Performance**
- 5. Endeavors & Prospects**

FY 2021 Business Results

Operation rebound in the wake of industrial recovery

○ 2020 ● 2021

Revenue

237



210

NT\$100M

Net Income

5.6



4.0

NT\$100M

Net Profit Margin

2.4%



1.9%

EPS

0.59



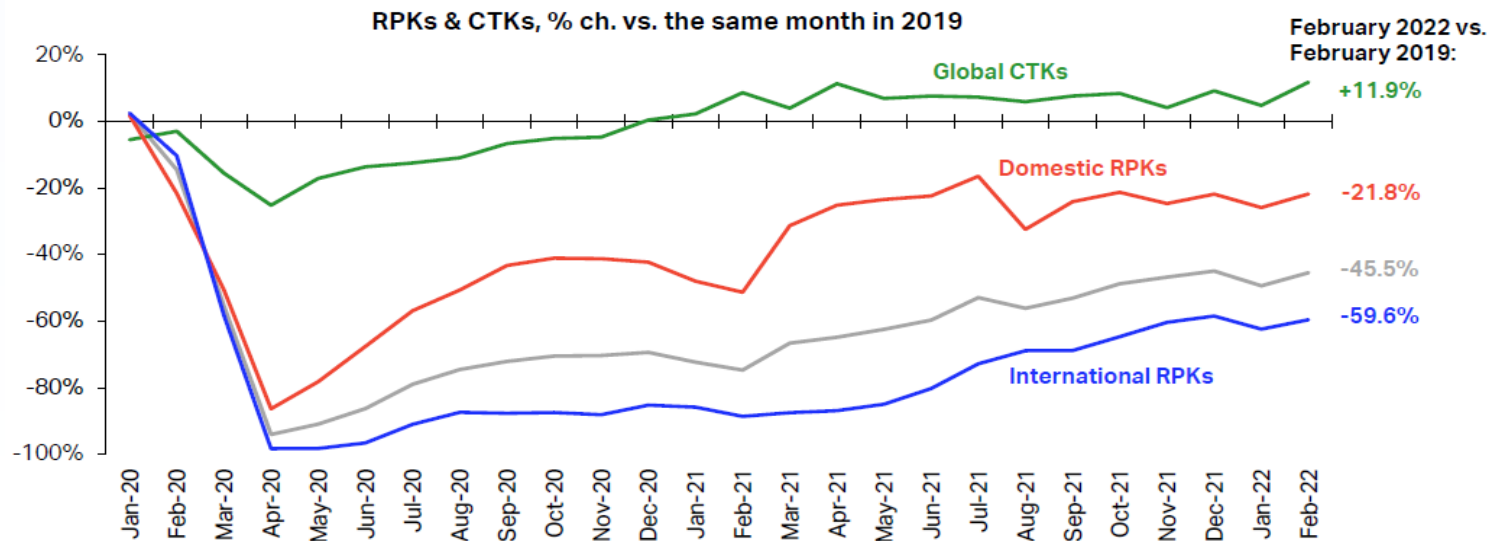
0.42

NT\$/share

Aerospace Market Status

Air cargo robust while air travel gradually returning

1. According to the data from the IATA in Feb. 2022, global air passenger market was up 54.5% compared to 2019 pre-pandemic levels, and air cargo market even grew 12%.
2. As many countries adopted the policy to coexist with the virus and ease border control, the IATA anticipated aerospace market could recover to 2019 pre-pandemic levels by 2023.



Source : IATA

Aerospace Market Status

Thriving domestic military industry under self sufficient defense policy

Military programs pave the way for self-reliant defense capabilities

AJT

New primary trainer

Technology transfers to civil sectors to improve global competitiveness



1. “Domestic production on indigenous military aircraft” is one of the national long-term policies. The successful experience of AJT garnered high local content rate, low logistic and maintenance cost, high autonomy for system integration, which will enable the industry to support future configuration change and upgrade based on the requirements of the Air Force when necessary.
2. The AJT program is the first step of the self sufficient defense policy, and the next is the “New primary trainer” program. It is anticipated that it may propel another growth momentum and enhance the competitiveness for Taiwan aerospace industry.

Operational Focus

Diversified growth momentum



3 major growth momentum

Commercial
Aviation

Commercial orders rebound as global aerospace industry recovers gradually.

National
Defense

Massive deliveries of the AJT bring booming military business.

Tech.
Services

Striving for carbon reduction related business such as energy business.

Operational Focus

Commercial Aviation: orders for single-aisle rebound

1. In response to the recovery of domestic air traffic in USA and Europe, Boeing and Airbus both increase the production rates for single-aisle aircrafts. As a result, the deliveries for 737 MAX and A320 family have rebounded.
2. In terms of aero-engine market, new business opportunities mostly cater to the demand from regional airline, such as GE Leap 1A engine assembly and Rolls-Royce Pearl 10X engine case.



Operational Focus

National Defense: performing contracts conscientiously

1. The AJT program made 2 deliveries in 2021. It went into mass production in early 2022 and will accomplish 66 deliveries by 2026.
2. AIDC, the only company converting the F-16A/B into F-16V other than Lockheed Martin, is executing the F-16 upgrade program conscientiously.
3. Through the F-16 Maintenance & Support Center, AIDC is able to support the ROCAF in material shortage issue and equipment repair. AIDC also helps local suppliers to build domestic capabilities and develop foreign business by promoting ICP. The performance is excellent.



Operational Focus

Tech. Services: energy business booming

1. Energy storage business:

Aiming at the global trend of Net Zero Carbon Emissions, AIDC not only keeps promoting biogas power generation system, but also strives for energy storage market. AIDC, one of the few front-runners on the Taipower Energy Trading Platform, established 5MW energy storage system in October 2021. Since the profit is beyond expectation, AIDC has scheduled to expand investment in the near future.



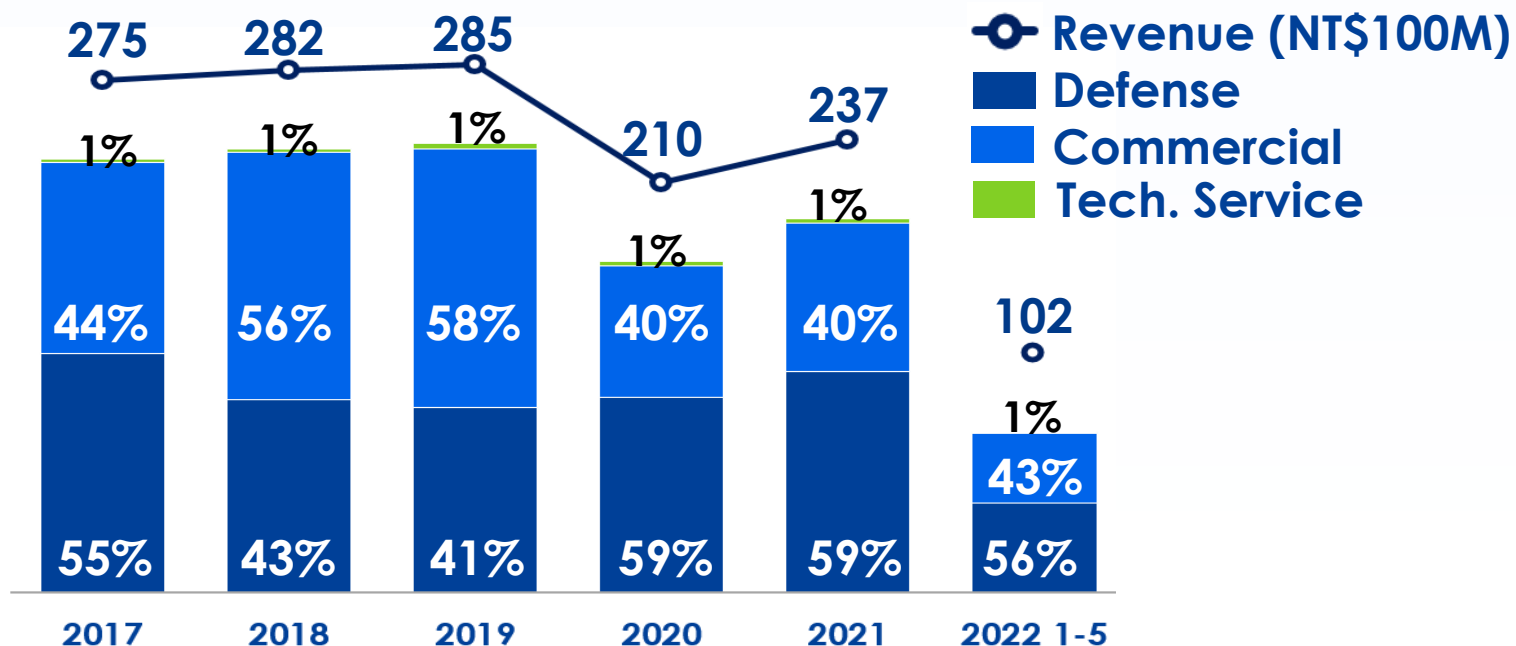
2. Power generation business:

Benefited by its aerospace capability and experience in power plant construction management, AIDC recently won the contract for “Taipower Tunghsiao Power Plant Renewal project” and “CPC non-utility power generation equipment procurement”, boosting company sales considerably.

Financial Performance

Revenue

Before the COVID-19 pandemic(2019), AIDC enjoyed steady growth in revenue. However, the civil aircraft business was significantly impacted by the raging global pandemic in 2020, which affected AIDC's overall performance. With the increase in vaccine coverage in various countries and the relief of the pandemic, AIDC's revenue gradually rebounded in the wake of industrial recovery.



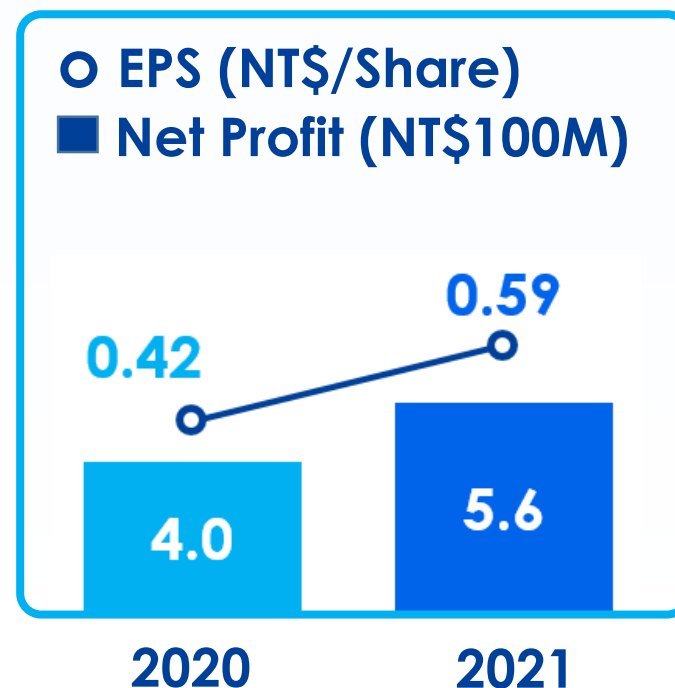
Financial Performance

2021 vs. 2020

The financial performance of the past two years was impacted by the COVID-19 pandemic. The performance of 2021 gradually recovered and exceeded that of 2020.

NT\$100M

Item	FY2020		FY2021	
Sales	210.4	100%	237.3	100%
Gross Profit	14.0	7%	17.7	7%
Operating Expenses	12.2	6%	12.8	5%
Operating Income	1.8	1%	4.9	2%
Non-Operating Items	3.0	1%	1.8	1%
Income Before Tax	4.8	2%	6.7	3%
Net Profit	4.0	2%	5.6	2%
EPS (NT Dollar)	0.42		0.59	
Cash Dividend (NT Dollar)	0.20		0.35	



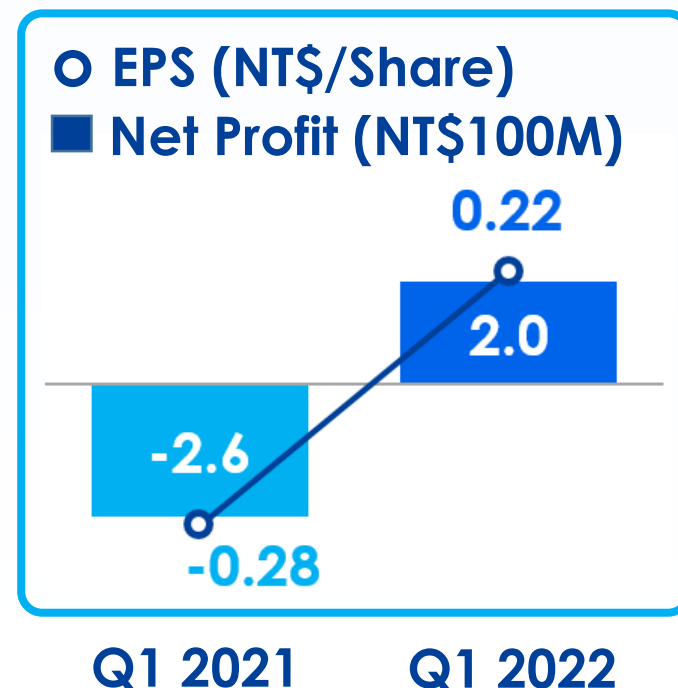
Financial Performance

Q1 2022 VS. Q1 2021

The performance of 2022 Q1 increased significantly than the same period in 2021.

NT\$100M

Item	Q1			
	2021		2022	
Sales	46.6	100%	57.7	100%
Gross Profit	-0.1	0%	3.9	7%
Operating Expenses	2.3	5%	2.9	5%
Operating Income	-2.4	-5%	1.0	2%
Non-Operating Items	0.3	0%	1.5	2%
Income Before Tax	-2.1	-5%	2.5	4%
Net Profit	-2.6	-6%	2.0	3%
EPS (NT Dollar)	-0.28		0.22	



Endeavors & Prospects

Create sustainable value and move towards sustainable operation



1. Due to the global climate change, many countries have committed to energy conservation and carbon reduction. Taiwan has announced the goal to reach net-zero emissions by 2050. AIDC, the leader in Taiwan aerospace industry, has planned its carbon neutral pathways to positively face the challenge.
2. In the future, in addition to aviation manufacturing, AIDC will keep extending core technology and capabilities to participate in net-zero emissions related businesses which may create sustainable value in line with the ESG spirit for the purposes of making the industry sustainable; enhancing social equity and diversity; and helping to develop eco-friendly environment.

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 white circle containing a checkmark symbol. A thin white horizontal line runs across the middle of the image, partially obscured by the text.

Thank you

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