

AIDC Investor Conference (2634)

Aerospace Industrial Development Corporation
December 20 , 2023



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Outline

- 1. Global Market Outlook**
- 2. Delivery Highlights**
- 3. Financial Performance**
- 4. Endeavors & Prospects**

Global Market Outlook

Passenger market nearing pre-crisis levels of activity

Passenger market nearing pre-crisis levels of activity

Passenger
fleet (active)

97%

Passenger
capacity

92%

Passenger
flights

97%

Photo: Boeing

Global Market Outlook

Global air traffic at 97% of pre-pandemic levels

- The International Air Transport Association (IATA) reported that revenue passenger-kilometers (RPKs) in this September grew 30.1% year-on-year.
- Global air traffic is now at 97.3% of pre-pandemic levels (Sept. 2019), showing robust recovery of air travel demand.



Global Market Outlook

Global passenger ASKs reaching pre-pandemic levels

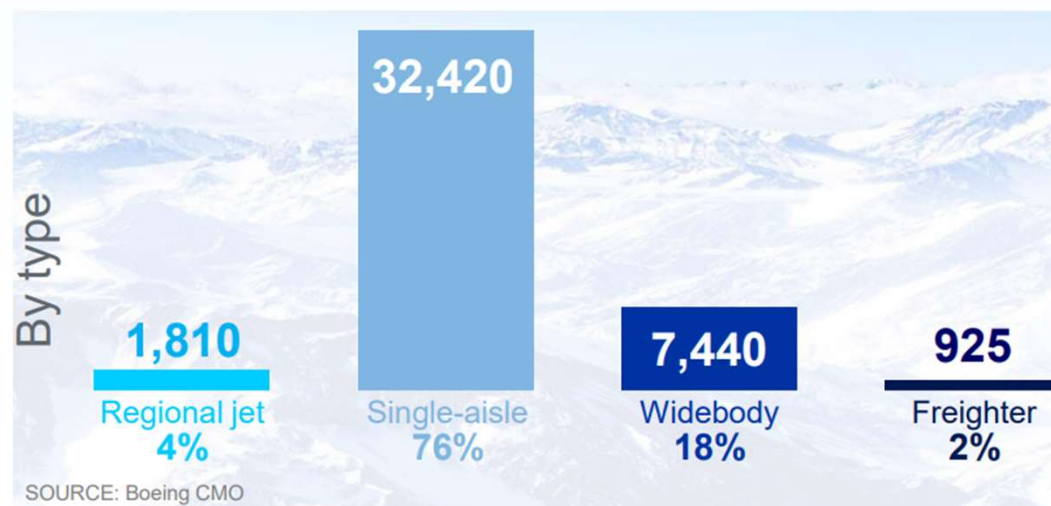
- IBA, an aviation market intelligence and consultancy company, predicts that global passenger ASKs (available seat kilometers) will surpass 2019 levels by November 2023, having reached 99% of pre-pandemic ASKs in October 2023.
- By the end of this October, the average monthly delivery rates of Airbus A320neo and Boeing 737 MAX were respectively 45 and 30.



Global Market Outlook

Boeing forecasts demand for 42,595 new commercial jets over next 20 years

- Boeing projected global demand for 42,595 new commercial jets by 2042.
- New single-aisle airplanes will account for more than 75% of all new deliveries, totaling 32,420 airplanes.
- New widebody jets will be nearly 20% of deliveries, totaling 7,440 airplanes.



Global Market Outlook

Global inflation and Fed's pause on interest rate hikes



Inflation... **improving**

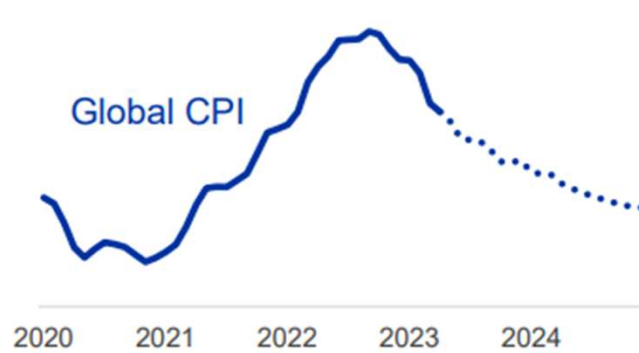
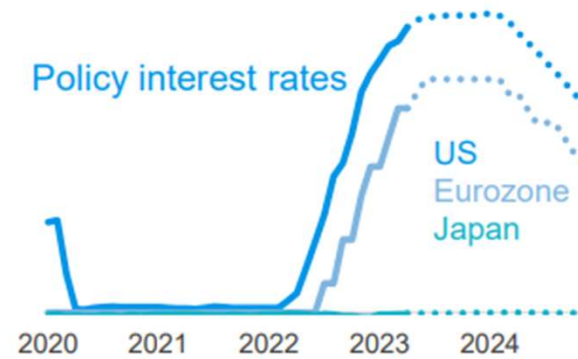


Photo: Boeing



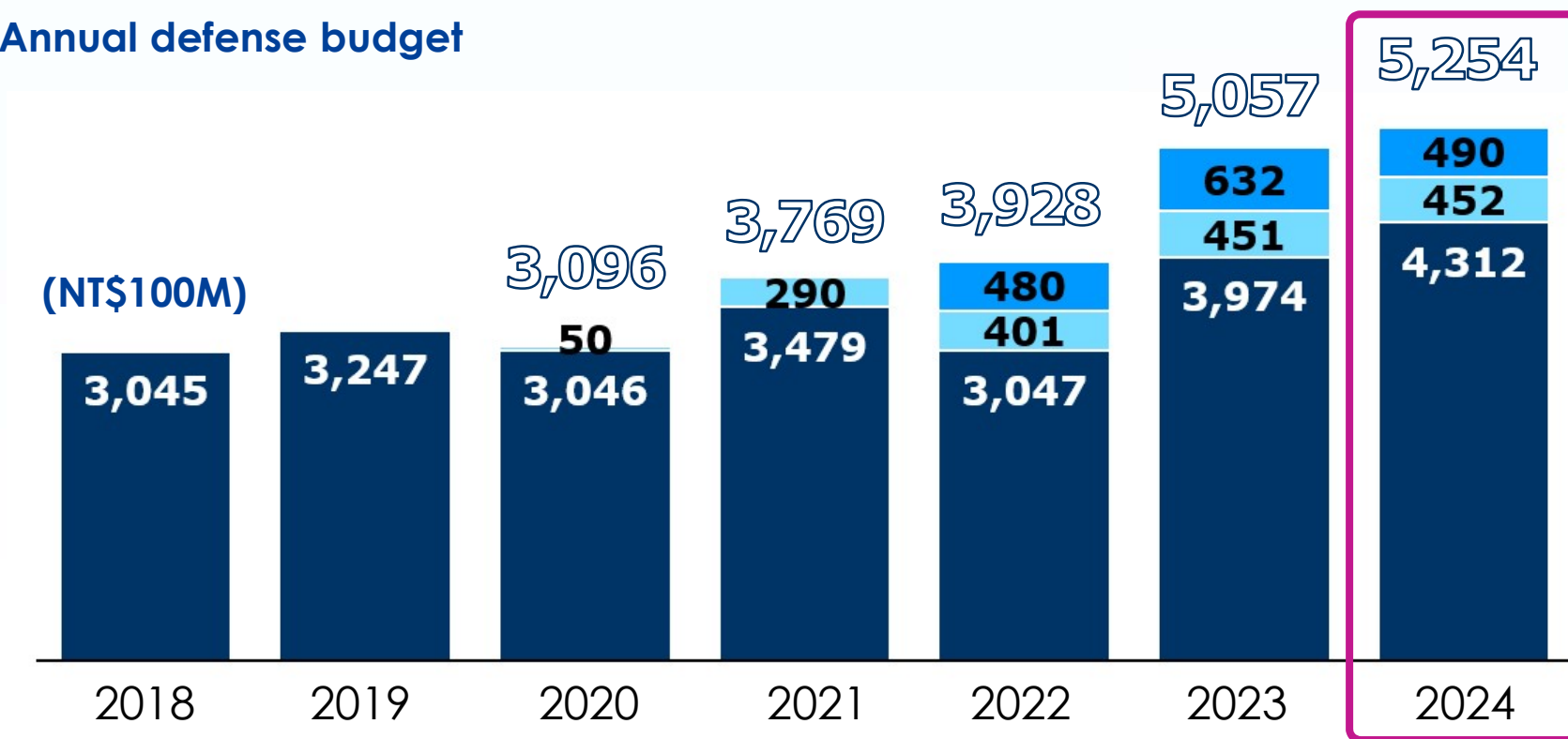
Financial sector... **sound**



Global Market Outlook

Domestic defense market is growing

- NT\$237 billion allocated for Sea-Air Combat Power Improvement Plan in 2022~2026
- NT\$247.2 billion allocated for Advanced Fighter Jet acquisition in 2020~2026
- Annual defense budget

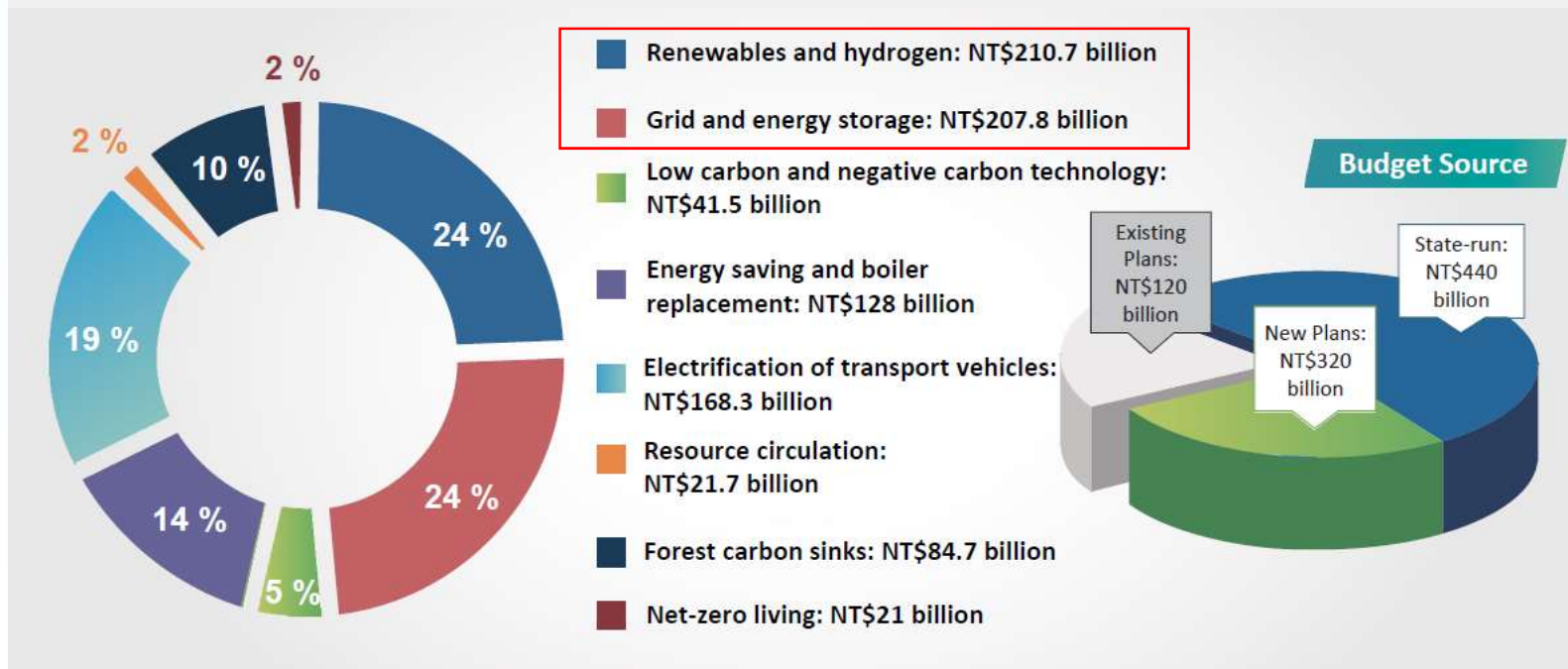


Sources: Directorate-General of Budget, Accounting and Statistics, Executive Yuan, ROC(Taiwan), edited by AIDC

Global Market Outlook

Booming market of energy saving and carbon reduction

A budget of nearly NT\$900 billion by 2030 for major plans toward 2050 net-zero transition



Source: Phased Goals and Actions Toward Net-Zero Transition, National Development Council

Delivery Highlights

AIDC completes 2023 delivery of 17 Brave Eagle jet trainers



1. The last four “Brave Eagle” Advanced Jet Trainers (AJT) of the 17 scheduled for 2023 flew from Taichung to the Air Force Base in Taitung County on this Dec. 12. In total, 66 jets are expected to be delivered by the end of 2026.
2. With the increased number of deliveries of the AJT, AIDC has planned ahead to focus on maintenance and related business of the program and to propose one-stop services including aircraft R&D, production and MRO.

F-16V upgrade program completed



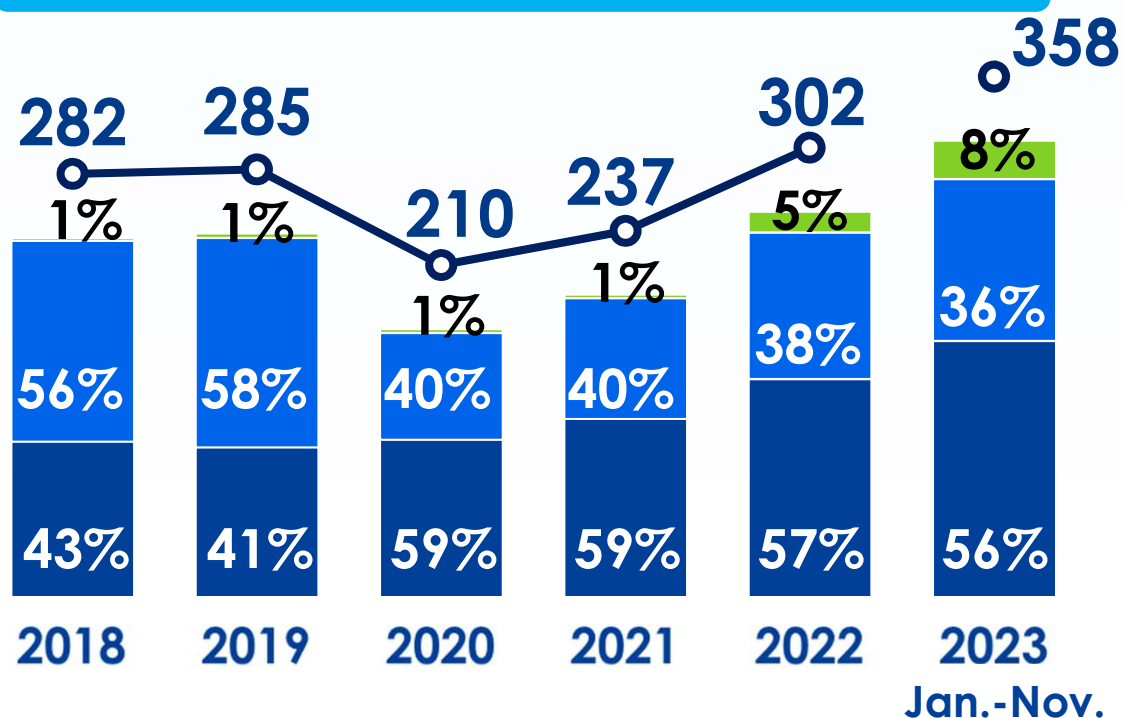
1. AIDC completed the program of converting the F-16A/B into F-16V.
2. AIDC will continue to utilize the capability of its F-16 Maintenance Center to win business concerning F-16 MRO and lifespan extension and newly purchased F-16V.

Financial Performance

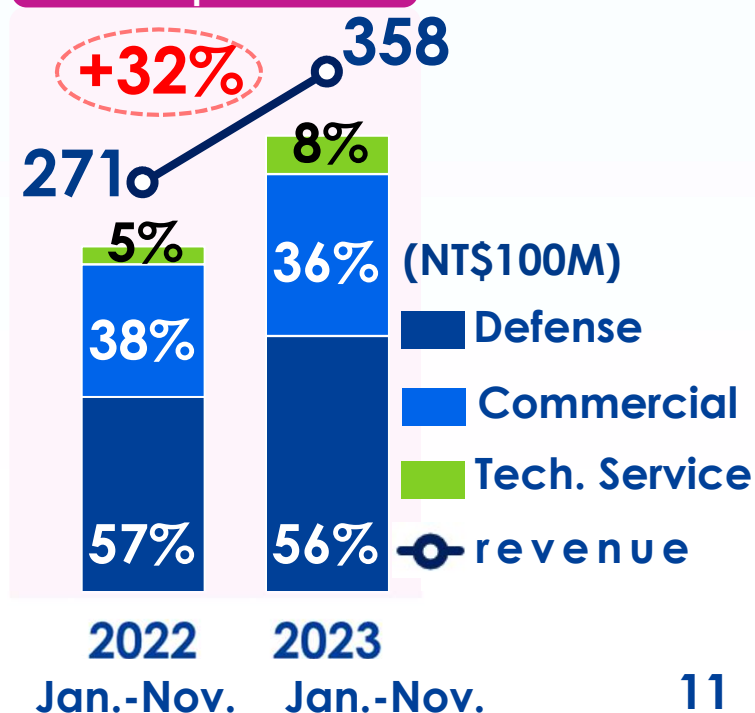
Revenue

The accumulated revenue from Jan. to Nov. this year increased by 32% compared to the same period last year thanks to business of defense and technology service.

Revenue of recent years



Period-on-Period Comparison



Financial Performance

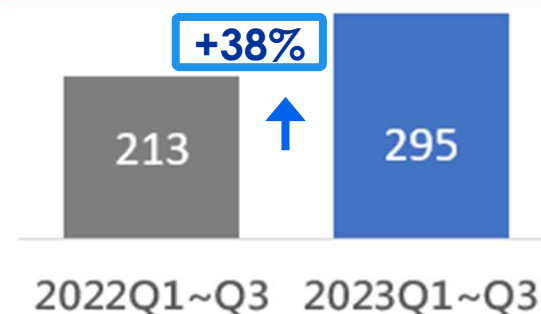
2023Q3 VS. 2022Q3

By the third quarter of this year, accumulated revenue increased by 38% and EPS increased by 42% compared to the same period last year.

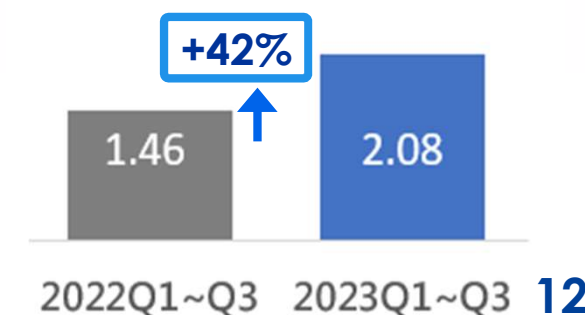
Both revenue and EPS are the best performance in the same period of previous years.

ITEM (NT\$100M)	Q3				Q1~Q3			
	2022		2023		2022		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Sales	82	100%	100	100%	213	100%	295	100%
Gross Profit	7	9%	10	10%	19	9%	31	10%
Operating Expenses	3	4%	4	4%	9	4%	10	3%
Profit From Operations	4	5%	6	6%	10	5%	21	7%
Non-Operating Items	3	4%	2	2%	7	3%	4	2%
Profit Before Income Tax	7	9%	8	8%	17	8%	25	9%
Net Profit For The Period	6	7%	7	7%	14	6%	20	7%
EPS(NTD/Share)	0.61		0.70		1.46		2.08	

Sales(NT\$100M)



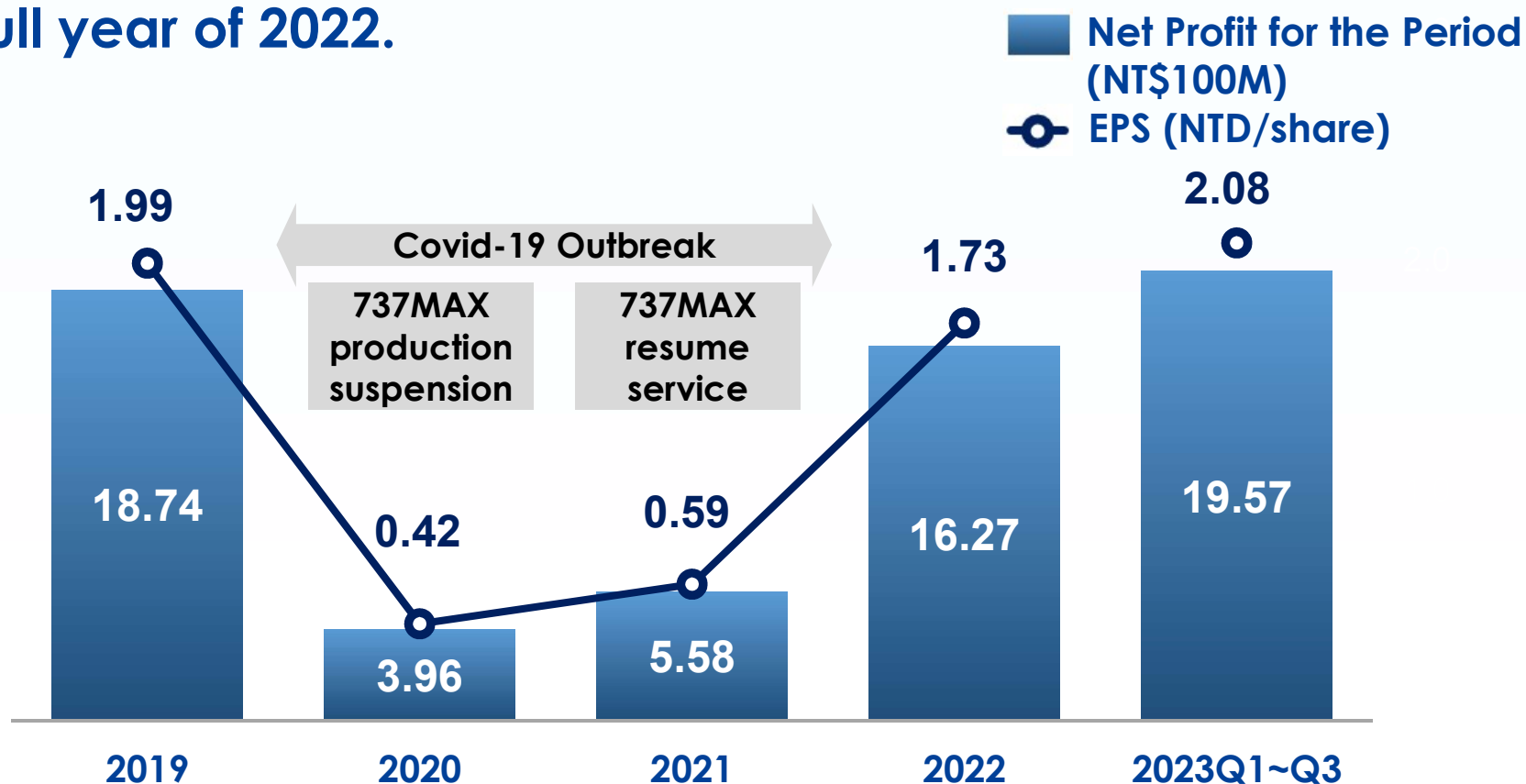
EPS(NT\$)



Financial Performance

Net Profit for the Period & EPS

The cumulative net profit for the first three quarters of 2023 is NT\$1.957 billion with EPS of NT\$2.08, surpassing the outcome of the full year of 2022.



Endeavors & Prospects

As global aviation industry going toward full recovery, AIDC utilizes its labor and capability kept intact during the pandemic to actively expand its business in defense, commercial and technology service fields.

Defense



To conduct the AJT program on schedule and on quality.
To utilize its F-16 upgrade capability to win business including performance upgrade, new aircraft project, business aviation services and drones.

Commercial



To concentrate on fuselage, door, and engine related business.
To develop thermoplastic composites technologies and to strive for the participation in the next-generation aircraft programs.

Tech. Service



To focus on carbon reduction business and core technology of EMS and BMS.
To expand business opportunities in blue oceans as an energy management solutions supplier.

-Thank you- 14

The background is a vibrant blue with a series of fine, parallel lines that create a sense of motion and depth. On the right side, there is a large, stylized white gear. Inside the gear, there is a white circle containing a checkmark, symbolizing success or completion.

Thank you

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Aerospace Industrial Development Corporation