

# AIDC Investor Conference (2634)

Aerospace Industrial Development Corporation  
June 19, 2024



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# Outline

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

# Aviation Market Outlook

## Strong global air passenger demand

The International Air Transport Association (IATA) reported that the demand for global air travel is strong. Comparisons with the 2019 pre-pandemic level are as following.

Global air travel reaches

**+11.0%** of 2019 level

domestic

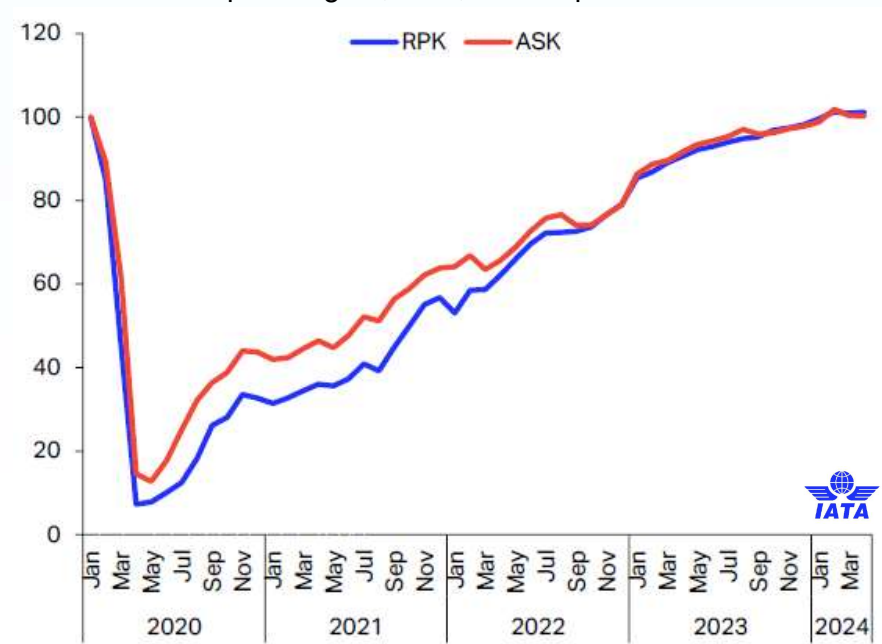
**+15.8%**

international

**+4.0%**

Sources: IATA (Monthly Statistics till April, 2024)

Global air passengers, RPK, billions per month



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

# Aviation Market Outlook

## Commercial market outlook

### 1. Commercial aircraft :

#### Airbus Global Market Forecast (2023~2042):



New Deliveries  
**40,850**



RPK  
Avg.  
annual growth **3.6%**



Single Aisle  
**32,630 (80%)**

#### Boeing Commercial Market Outlook (2023~2042):



New Deliveries  
**42,595**



New Deliveries  
Market Value  
**US\$ 8 Trillion**



Single Aisle  
**32,420 (>75%)**

# Aviation Market Outlook

## Commercial market outlook

### 2. Business Jet: Honeywell Forecast: (2024~2033)



**New Deliveries**  
**8,500**



**Market Value**  
**US\$ 278 Billion**

### 3. Aero Engine: Forecast International: (2024~2033)



**New Deliveries**  
**162,437**

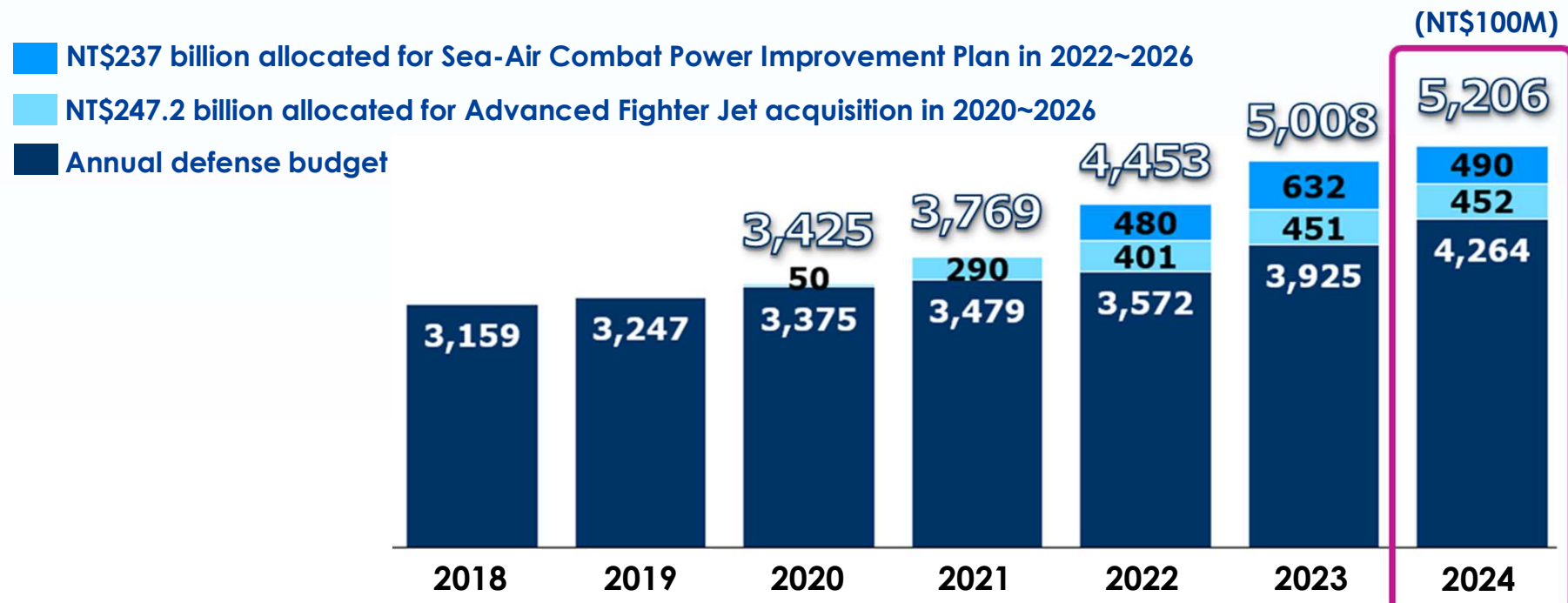


**Market Value**  
**US\$ 981.3 Billion**

# Aviation Market Outlook

## Domestic defense market prospers

The Ministry of National Defense (MND) has proposed more than NT\$420 billion for defense spending in 2024 to enhance Taiwan's defense capabilities. The total budget is over NT\$520 billion including special military budget, which implies a tremendous business opportunity.



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

# Operational Focus

## Credit ratings maintained Orders exceeded NT\$10 billion

1. Taiwan Ratings released AIDC's 2024 credit rating results, with the long-term/short-term ratings maintained at "twAA/twA-1+" and the outlook maintained at "stable", providing strong support for AIDC's finance.
2. Orders are leading indicators of revenue. New orders from January to April this year exceeded NT\$10 billion, and the military and civil businesses are growing at the same pace, which will gradually contribute to subsequent annual revenue.

### Civil Aircraft



A320neo



B737MAX



A220

### Aero Engine



CFM LEAP-X



Trent XWB



GEnx



Pearl 15

# Operational Focus

## AJT delivered as scheduled, domestic production of indigenous jet is on going

1. In 2023, the AJT program had delivered 17 aircrafts in line with the contract. 18 aircrafts will be delivered this year and a total of 66 aircrafts will be delivered to the Air Force by 2026.
2. With the increased number of deliveries and the formation of the AJT trainer fleet, AIDC signed a maintenance contract worth of more than NT\$4 billion with the MND, lasting from July this year to the end of 2026. Furthermore, the MND has drawn up a budget of more than NT\$16.2 billion for open contracts for AJT Maintenance Logistics Supplement starting from this year to 2028.

《The one-stop services of AJT》



# Operational Focus

## With MOU signed with AEVEX Aerospace, AIDC entered the global drone market

1. On this June 7, AIDC signed a memorandum of understanding (MOU) with American defense industry firm AEVEX Aerospace on cooperation of unmanned aerial/ground systems and thus officially entered the global drone market.
2. AEVEX Aerospace specializes in the design, manufacturing and integration of unmanned aerial systems and has years of extensive experience in this domain. AEVEX Aerospace expressed hope of establishing an unmanned aerial vehicle supply chain base in Taiwan, with AIDC leading domestic aerospace suppliers providing mutual support in software, hardware and logistics.



# Operational Focus

## Taking advantage of supply chain interruptions, AIDC entered the supply chain of original manufacturers

1. The global aviation market is recovering strongly, but the supply chain has not yet gotten rid of the production bottlenecks caused by the pandemic. Coupled with the impact of geopolitical conflicts, shortages of labor and material, and supply chain interruptions occur in various countries.
2. AIDC has used the human resources and production capacity preserved during the pandemic to seize business opportunities brought by the disruption of global supply chains and secondary suppliers being unable to deliver. AIDC has thus entered the supply chain of original manufacturers and adjust some outsourcing parts to self-made parts.
3. Taking the AJT project as an example, AIDC has officially become a partner of American companies Eaton and AFP. The hydraulic oil tanks have reached stable mass production.

# Operational Focus

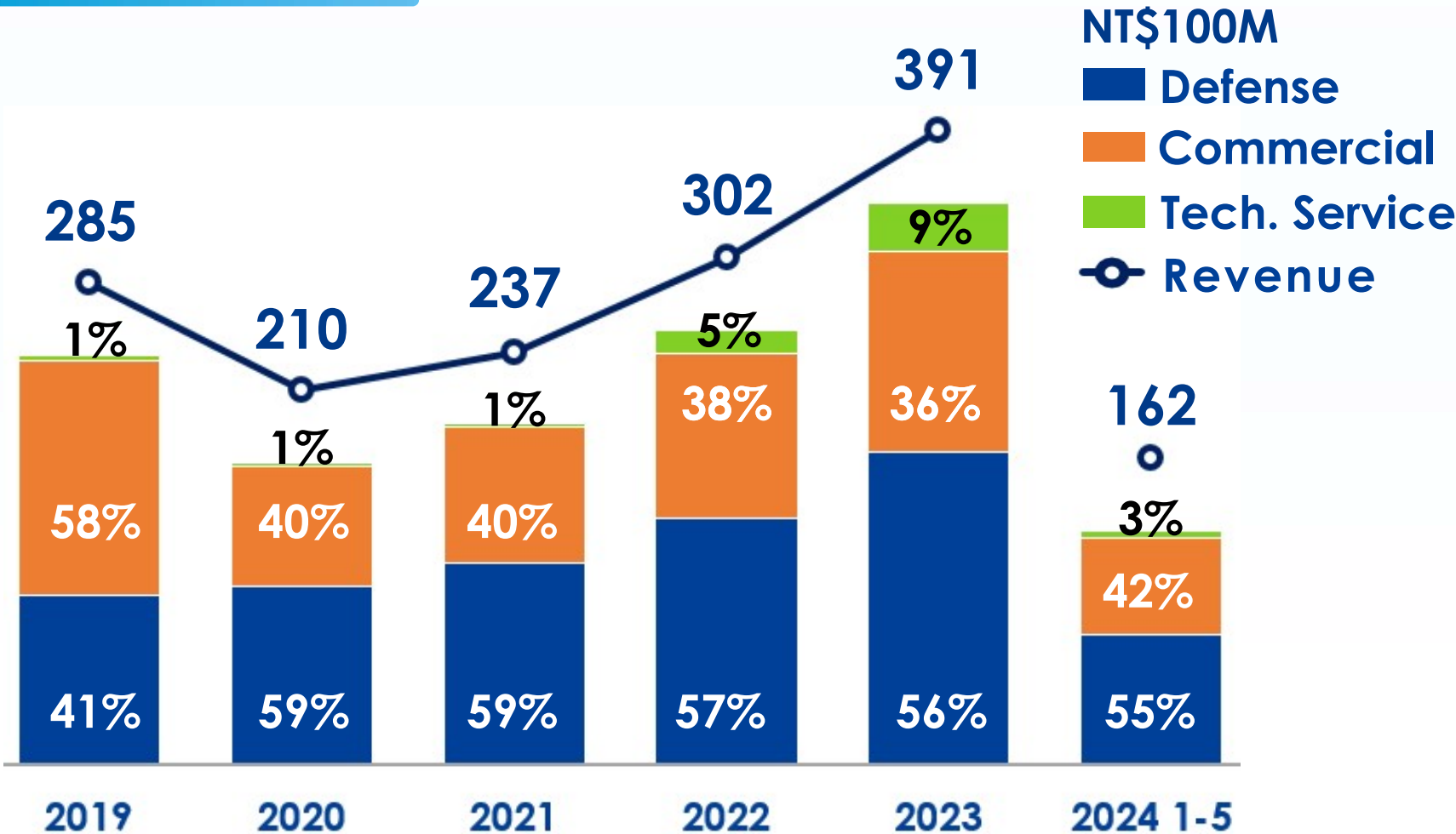
## Further cooperation with GE Vernova for energy business

1. AIDC completed the LM2500 aeroderivative fast-start gas turbine generator set projects (Taipower Tunghsiao and CPC) in cooperation with GE Vernova. AIDC was highly recognized and was invited by GE Vernova to participate in its Asia-Pacific Supplier Conference to have direct conversations with its purchasing executives to further discuss cooperation in 7HA gas turbine sets.
2. In the future, Taipower's power plants will be upgraded one after another, and there will continue to be demand for gas turbines. GE Vernova attaches great importance to the Taiwan market and hopes that AIDC can undertake a larger scope of work as partners.



# Financial Performance

## Revenue



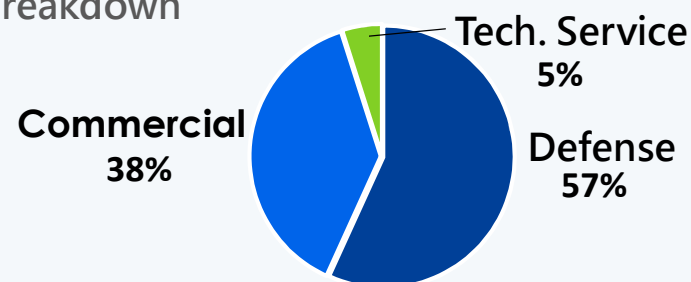
# Financial Performance

## Q1 2024 Income Statement

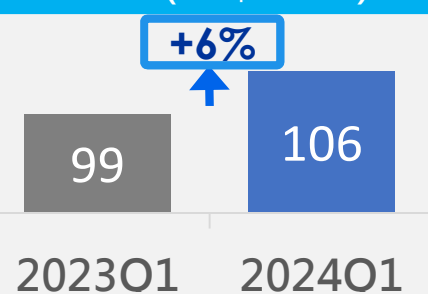
In first quarter 2024, AIDC's revenue grew by 6% year-on-year, surpassing NT\$10 billion. Boosted by an higher gross margin and foreign exchange gains, AIDC's EPS reached NT\$0.85, an 48% increase from the same period last year.

ITEM (NT\$100M)	2023Q1		2024Q1	
	Amount	%	Amount	%
Sales	99	100%	106	100%
Gross Profit	9	9%	11	10%
Operating Expenses	3	3%	3	3%
Profit From Operations	6	6%	8	7%
Non-Operating Items	1	1%	3	3%
Profit Before Income Tax	7	7%	10	10%
Net Profit For The Period	5	5%	8	8%
EPS(NTD/Share)	0.58		0.85	

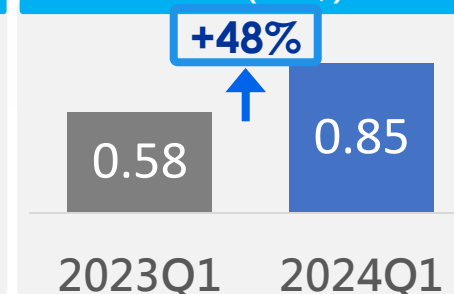
Q1 2024 Sales Breakdown



Sales(NT\$100M)



EPS(NT\$)



# Endeavors & Prospects

## Towards Sustainability

AIDC will continue to enhance its core technology for aerospace manufacturing. Meanwhile, greater importance will be placed on strengthening its distribution business so as to develop the fourth pillar of the Company besides defense, commercial, and tech. service sectors in the hope that growth momentum will lead the Company to sustainable development.



### Defense

To conduct the AJT program on schedule and on quality. To utilize its F-16 upgrade capability to win related business. To promote upgrade, new aircraft project, maintenance and drones business.



### Commercial

To concentrate on high profit 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.



### Distribution & Investment

The fourth pillar of AIDC's business to add growth momentum to the company.

-Thank you-



# Q & A

漢翔航空工業股份有限公司  
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