

# AIDC Investor Conference (2634)

Aerospace Industrial Development Corporation  
August 13, 2024



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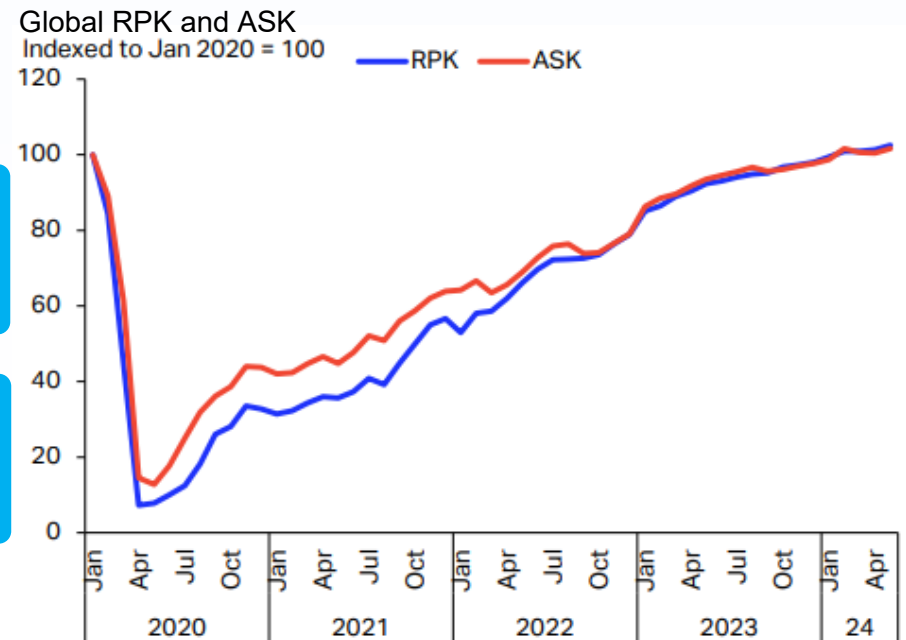
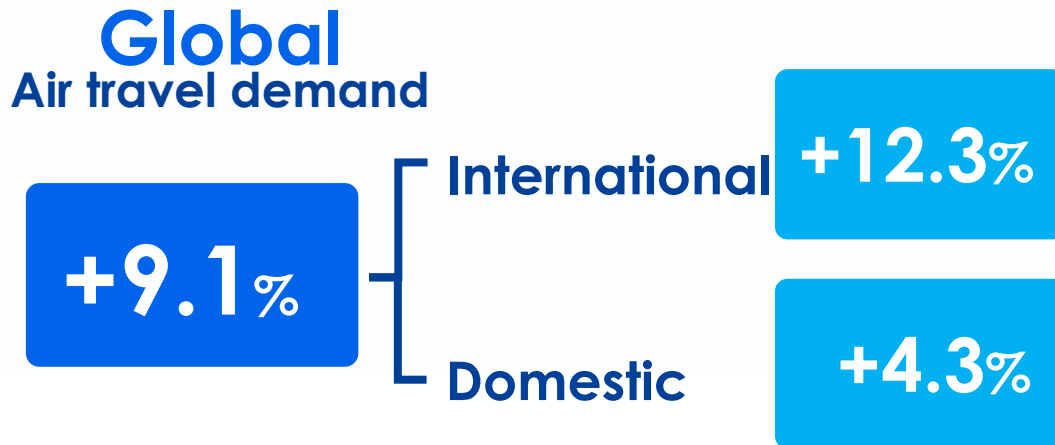
# Outline

- 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 airline industry's revenue is projected to reach US\$996 billion in 2024, marking a 10% year-on-year (YoY) growth rate and reaching the highest nominal value in aviation history.



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Sources: IATA (Monthly Statistics fill June, 2024)

# Aviation Market Outlook

## Commercial market outlook

### 1. Commercial aircraft :

#### Airbus Global Market Forecast (2024~2043):



#### New Deliveries

**42,430**

(>40,850 projected in 2023)



#### Passenger Traffic

Avg. annual growth **3.6%**



#### Single Aisle

**33,510** (nearly 80%)



#### Freight Traffic

Avg. annual growth **3.1%**



Global air transport industry has proven its resilience. As travel demand increases, it will return to its pre-pandemic growth trend.



Continue to develop fuel-saving & emission-reducing technologies, to move towards the net-zero goals.

# Aviation Market Outlook

## Commercial market outlook

### 1. Commercial aircraft :

#### Boeing Global Market Forecast (2024~2043):



#### New Deliveries

**43,975**

(>42,595 projected in 2023)



#### Passenger Traffic

Avg. annual growth **4.7%**



#### Single Aisle

**33,380** (nearly 76%)



#### Freight Traffic

Avg. annual growth **4.1%**



The supply chain has not yet returned to pre-pandemic levels and is expected to recover within 10 years to meet fleet growth and replacement needs.



**Services Market Value**  
**US\$ 4.4 Trillion**

# 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  
158,167**



**Market Value  
US\$ 1.01 Trillion**

# Operational Focus

## Long term contracts for aero engine components signed at Farnborough Airshow

1. AIDC participated in the 2024 Farnborough International Airshow in the UK. On the first day of the event, July 22, the Company signed long-term contracts for multiple engine components with major European engine manufacturers, with an estimated sales value of nearly NT\$7 billion.
2. The contracts include engine components for various aircraft models such as the Airbus A350, A330neo, Boeing B787, and new-generation business jets.



# Operational Focus

## AIDC was confirmed as a member of the Rolls-Royce High Performing Supplier Group

1. Rolls-Royce, a global leader in aerospace engines, evaluated 118 suppliers worldwide. AIDC stood out in quality, delivery, cost, and management, receiving a high score of 91 points. The Company was recognized as one of the 24 suppliers in the High Performing Supplier Group with the certificate being awarded on July 22.
2. The recognition marks an enhancement in the long-standing partnership and is expected to help the Company secure more strategic cooperation opportunities. The Company will continue to deepen its collaboration with customers in the areas of component machining, castings, and forgings.



# Operational Focus

## AIDC renewed contracts to supply parts for commercial narrow-body aircraft

1. On July 23, AIDC secured contract renewals with two major European aerospace manufacturers. The contracts involve the production of parts for commercial narrow-body aircraft until 2029. The deals worth billions in NTD will provide a stable revenue stream for the Company over the coming years.
2. In the field of airframe manufacturing, AIDC not only excels in traditional metal processing but also has capabilities in producing advanced composite components. The Company's excellent quality and punctual delivery have been highly recognized by international manufacturers. With the recovery of international air travel, there is potential to further expand its business in both composite and metal components.



# Operational Focus

## MOUs signed to collaborate on military technologies for fighter jets, drones, and tanks

### 1. F-16V:

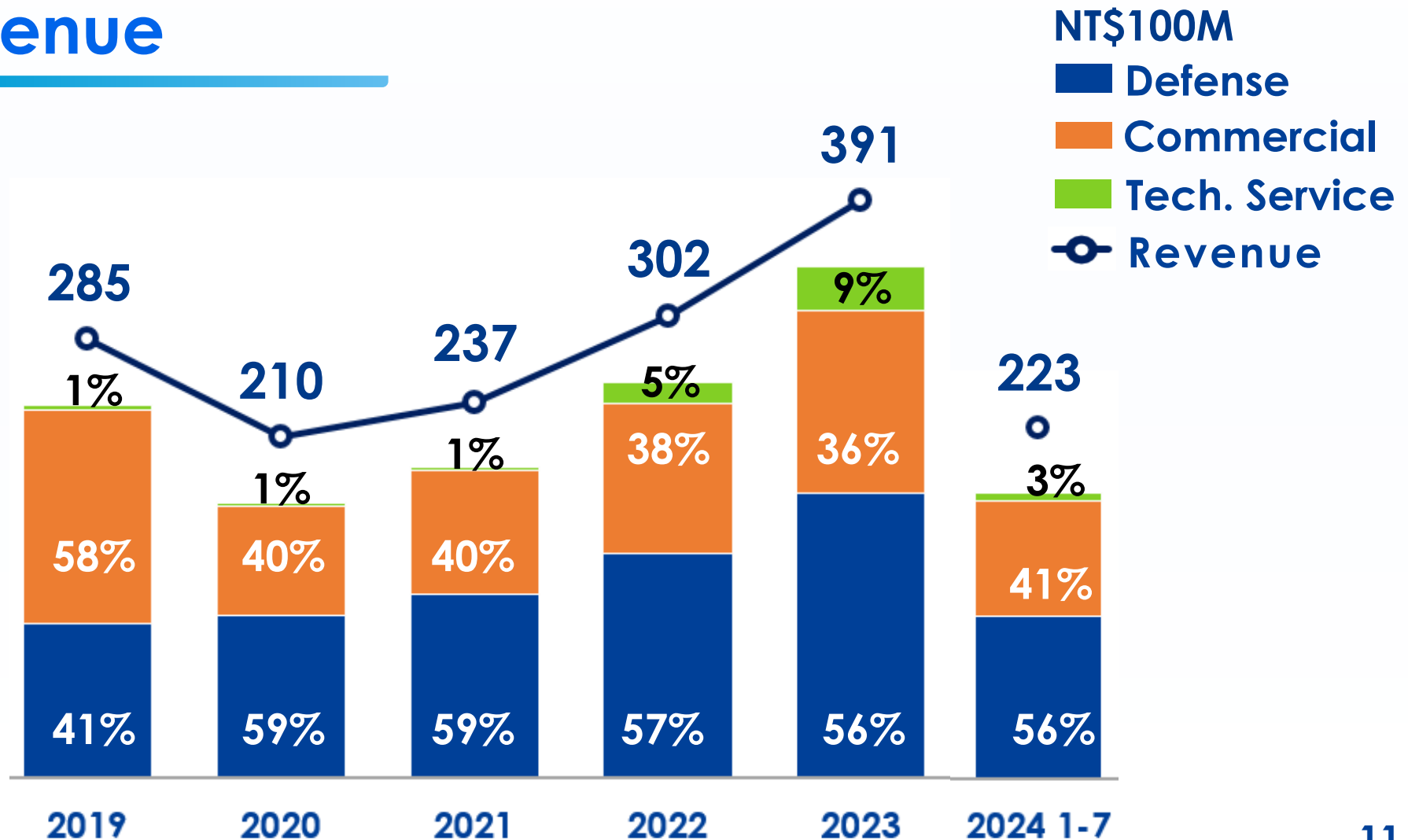
- AIDC was licensed by a major US defense contractor to maintain and repair the 600-gallon wing fuel tanks for F-16 fighter jets, helping to expand the servicing scope of the F-16 Maintenance Center.
- AIDC has signed a deal with a US aviation system manufacturer to jointly promote the Joint Helmet Mounted Cueing System business.



2. Drone Countermeasures: Combining its high-quality techniques in avionics and system integration with a European company's counter-uncrewed aircraft systems, AIDC could quickly tap into the drone market at home and abroad.
3. M60A3 Tanks: In line with the armed force's project to upgrade M60A3 Tanks, AIDC collaborated with a major US defense contractor, which would transfer technology to AIDC and help develop its maintenance abilities.

# Financial Performance

## Revenue

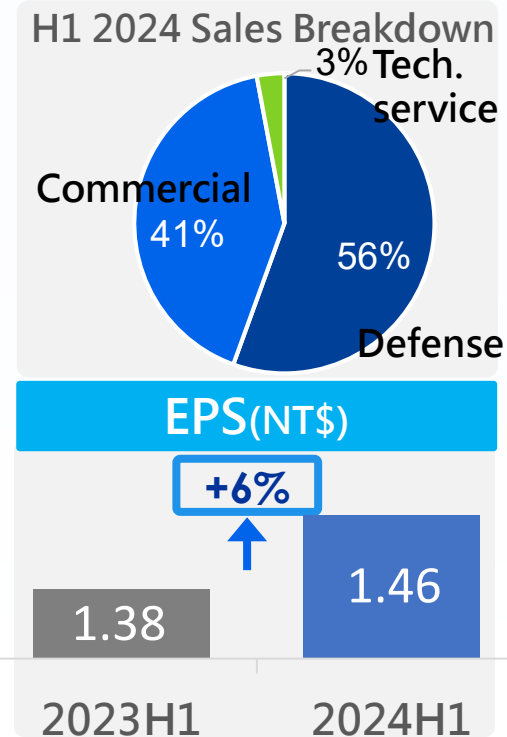


# Financial Performance

## H1 2024 VS. H1 2023 Income Statement

In the first half of 2024, AIDC's sales consist of defense(56%), commercial(41%) and technology service(3%) businesses. AIDC's EPS reached NT\$1.46, an 6% increase from the same period last year.

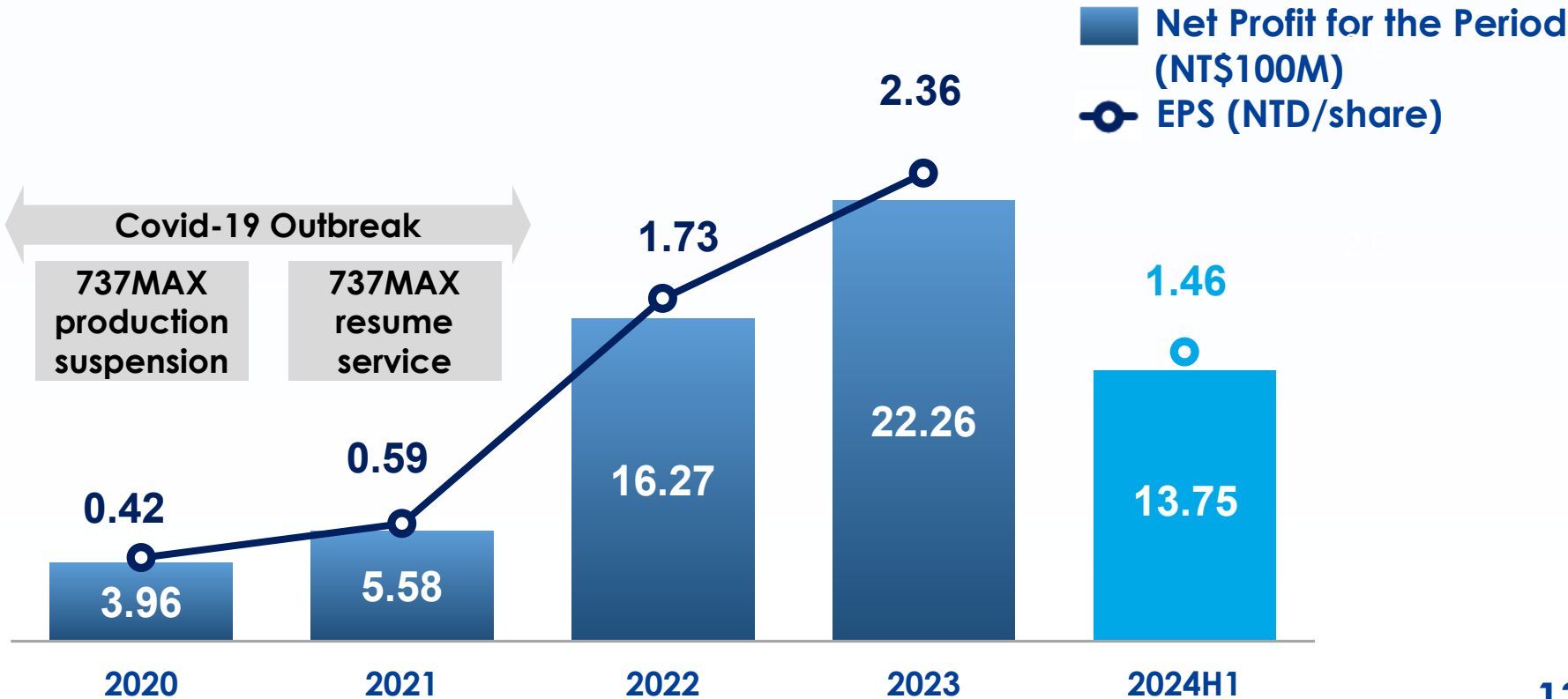
ITEM (NT\$100M)	Q2				H1			
	2023		2024		2023		2024	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Sales	95	100%	88	100%	195	100%	194	100%
Gross Profit	12	13%	10	11%	21	11%	20	10%
Operating Expenses	3	4%	3	3%	6	3%	7	3%
Profit From Operations	8	9%	6	8%	15	8%	14	7%
Non-Operating Items	1	1%	1	1%	2	1%	4	2%
Profit Before Income Tax	10	10%	7	9%	17	9%	18	9%
Net Profit For The Period	8	8%	6	7%	13	7%	14	7%
<b>EPS(NTD/Share)</b>	<b>0.80</b>		<b>0.61</b>		<b>1.38</b>		<b>1.46</b>	



# Financial Performance

## Net Profit for the Period & EPS

In the first half of 2024, AIDC's EPS reached NT\$1.46, continuing to move towards historical achievements.



# Endeavors & Prospects

## Towards Sustainability

As the global aviation industry is experiencing strong recovery, AIDC will continue to pursue growth through seizing business opportunities of defense, commercial and tech. service sectors. Meanwhile, AIDC's distribution business will be promoted so as to add to the growth momentum of the Company.



### 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.

The background features a dynamic blue motion blur effect with several white gear icons of varying sizes and orientations, suggesting a mechanical or industrial theme.

# Q & A

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