



**AirTAC**

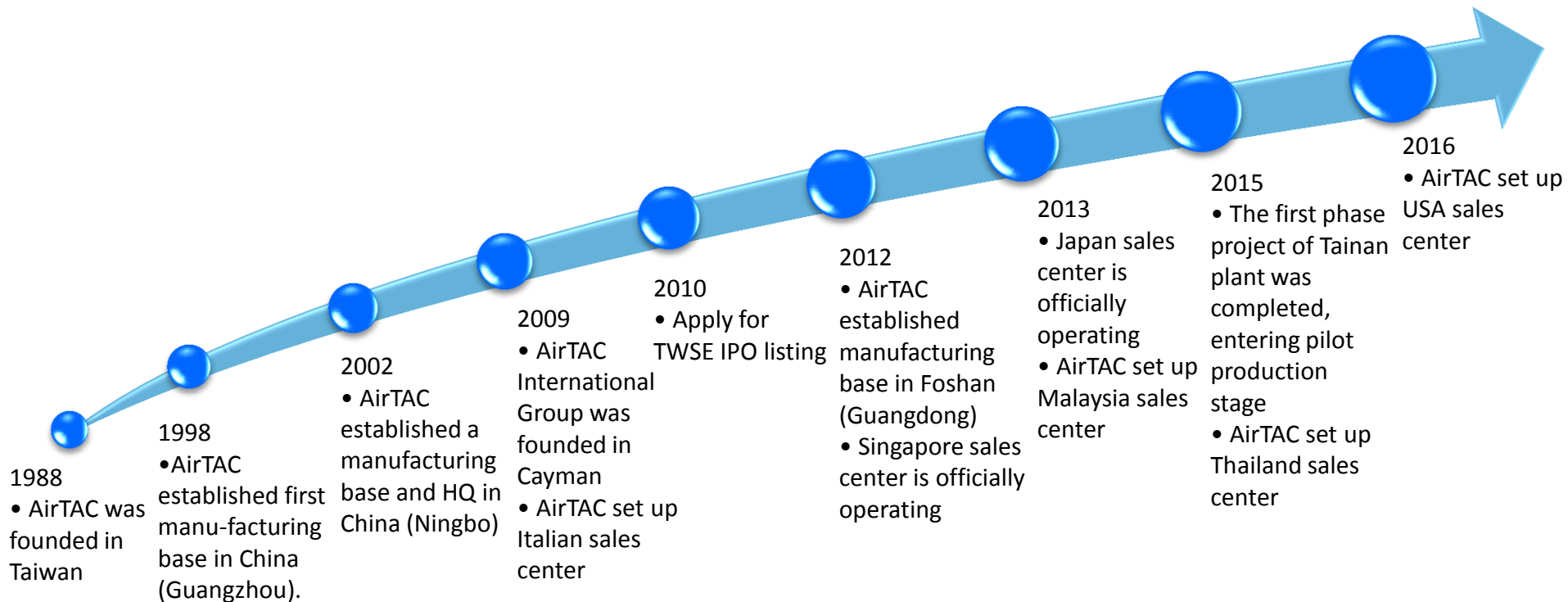
**Powered by AIRTAC**

# Agenda

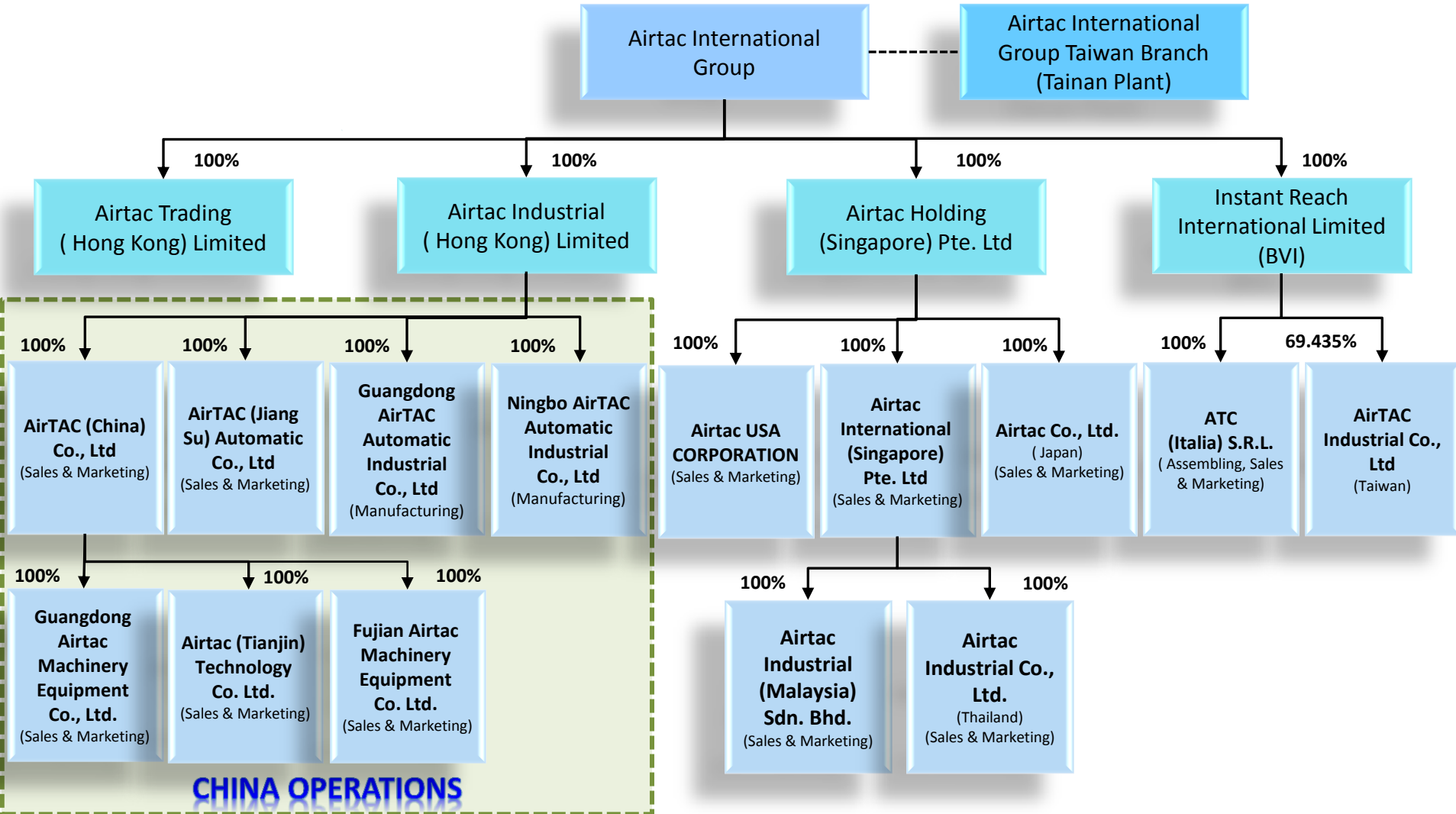
- I Group Overview**
- II Product & Market**
- III Competitive Advantage**
- IV Financial Outlook**
- V Development prospects & Strategic**

# I · Group Overview

# Group Overview



# Organization Chart



# Corporate Culture

## People-oriented

- Value employees as the most precious resource.
- Encourage them to glow with company.

## Commitments

- AirTAC commitment to sustain growth and fulfill social responsibility

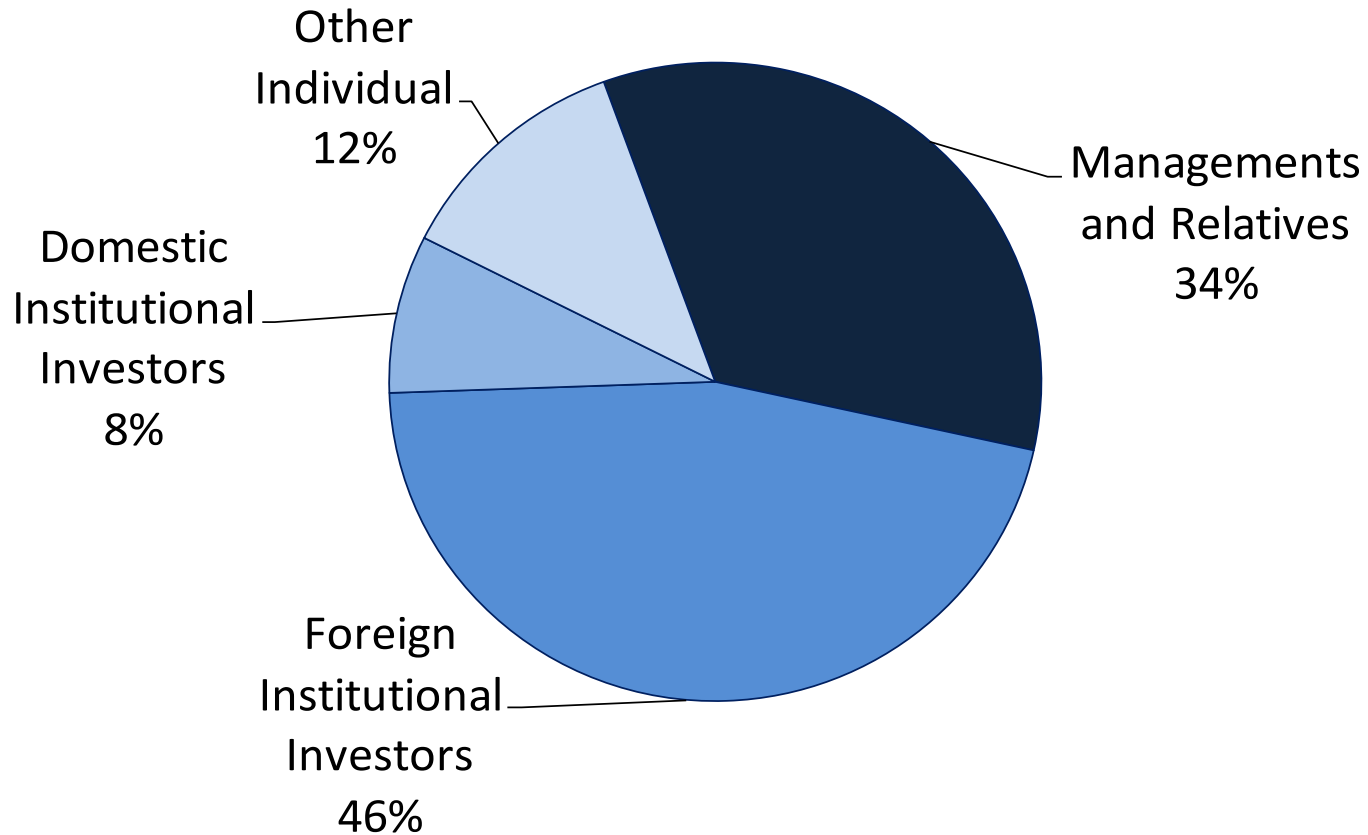
## Profit sharing

- Share the profit with every employees to reward their contribution and efforts.

## Co-development

- Match talent-development with organization development by providing the best career path for talented people with expertise or leadership skills.

# AirTAC Shareholder Structure



## II · Product & Market



# Diversified Product Lines

## ▶ Cylinder



## ▶ Air valve & mechanical valve



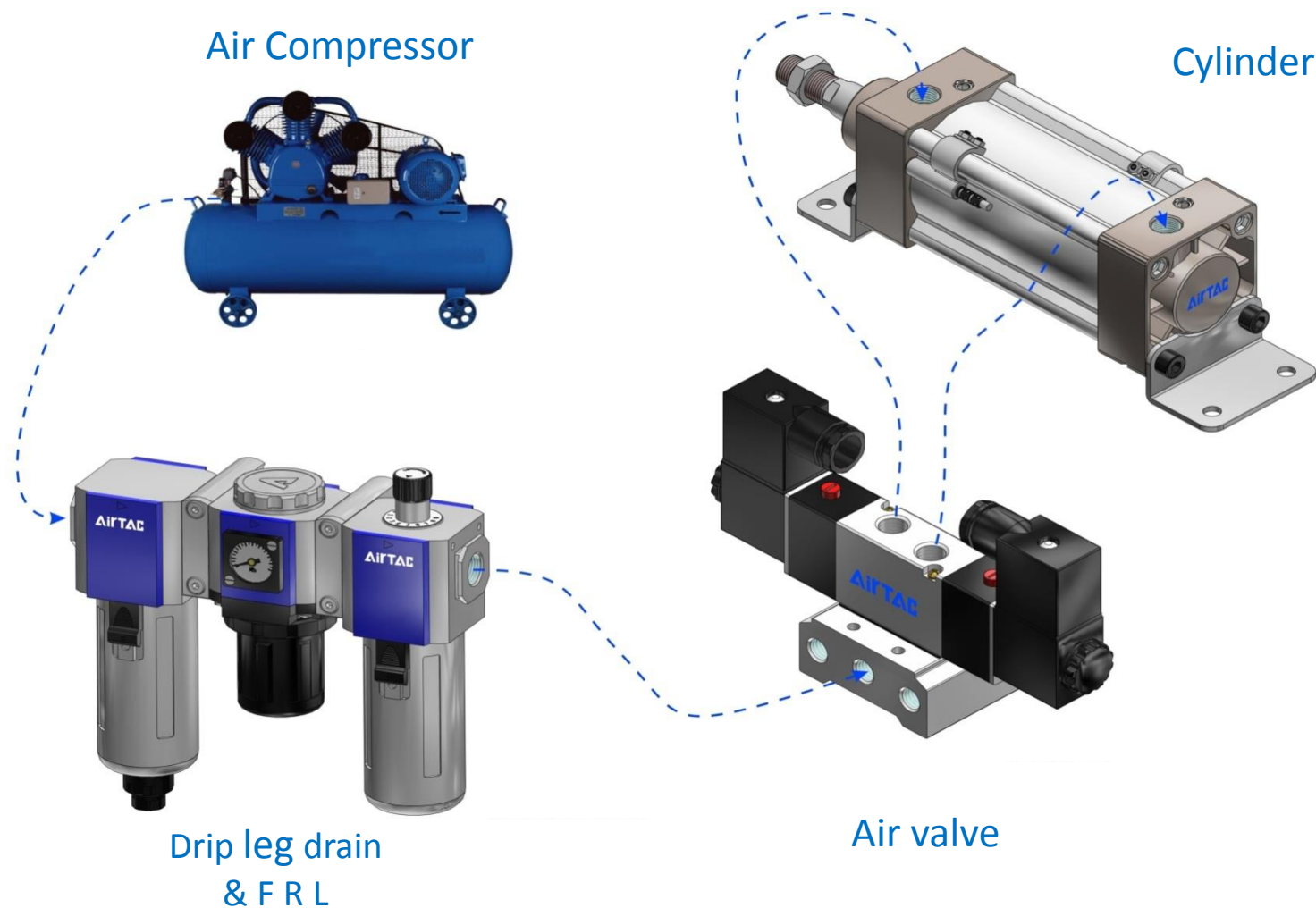
## ▶ Drip leg drain & F R L



## ▶ Others



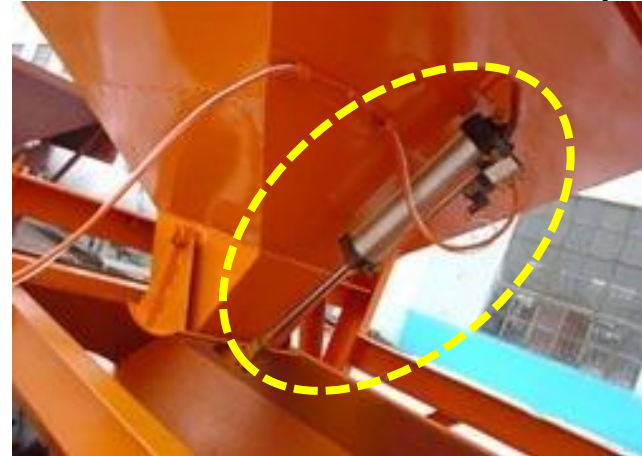
# Pneumatic operation of the process



# Products Application by Industry

AirTAC products are applied in various industrial automation equipment and machine, such as environmental protection machinery, construction machinery, electronic industry, automative assembly line and the robot arm.

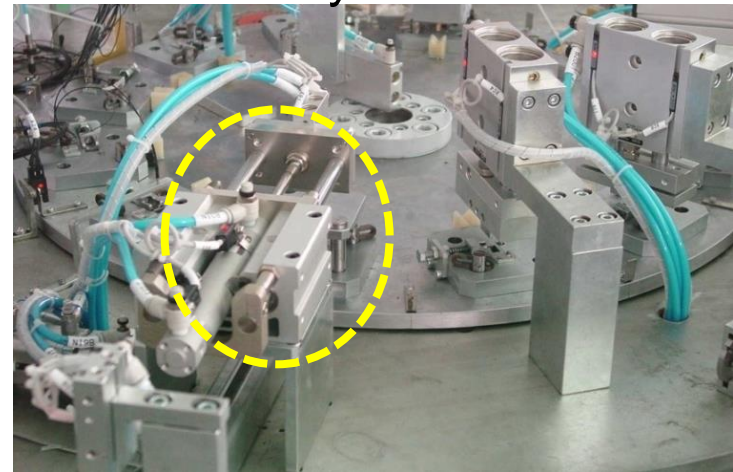
## Construction machinery



## Environmental processing machinery

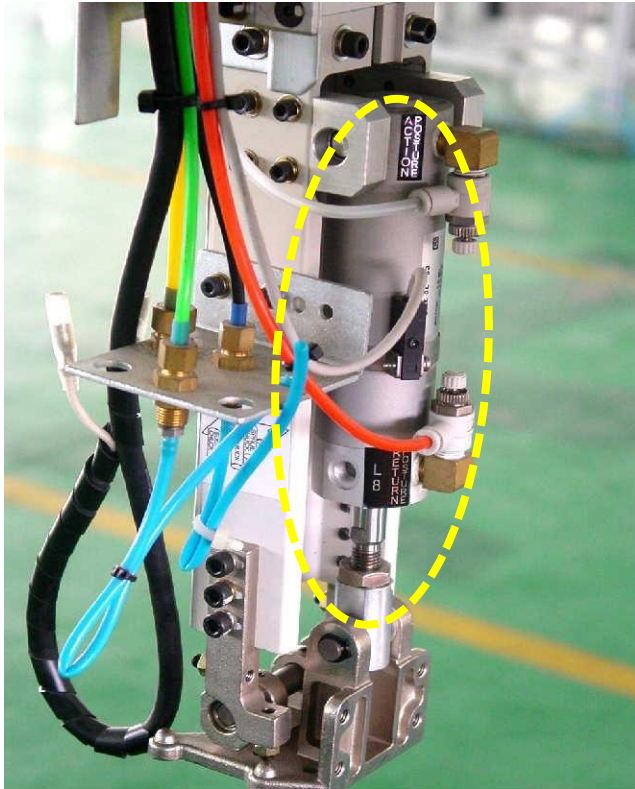


## Assembly automation

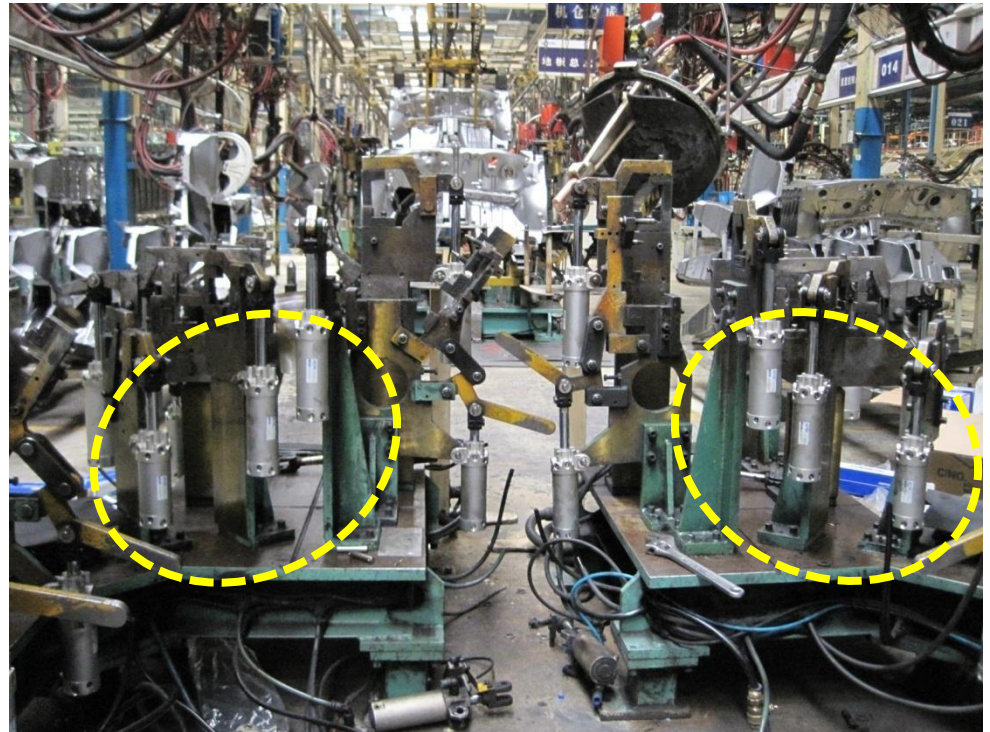


# Products Application by Industry

Robot arm

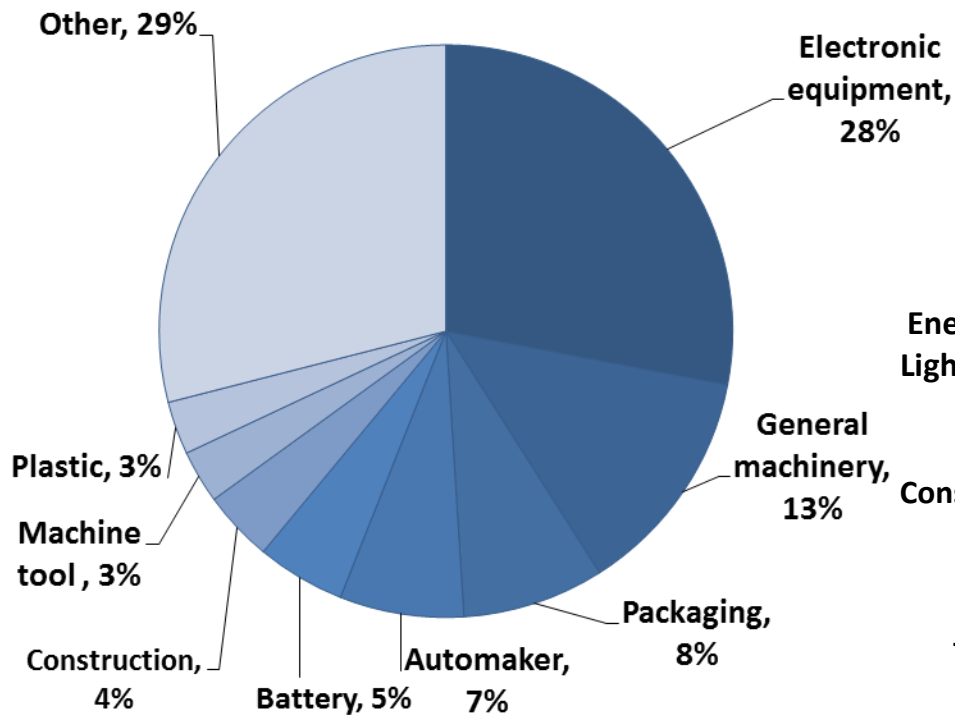


Automobile assembly

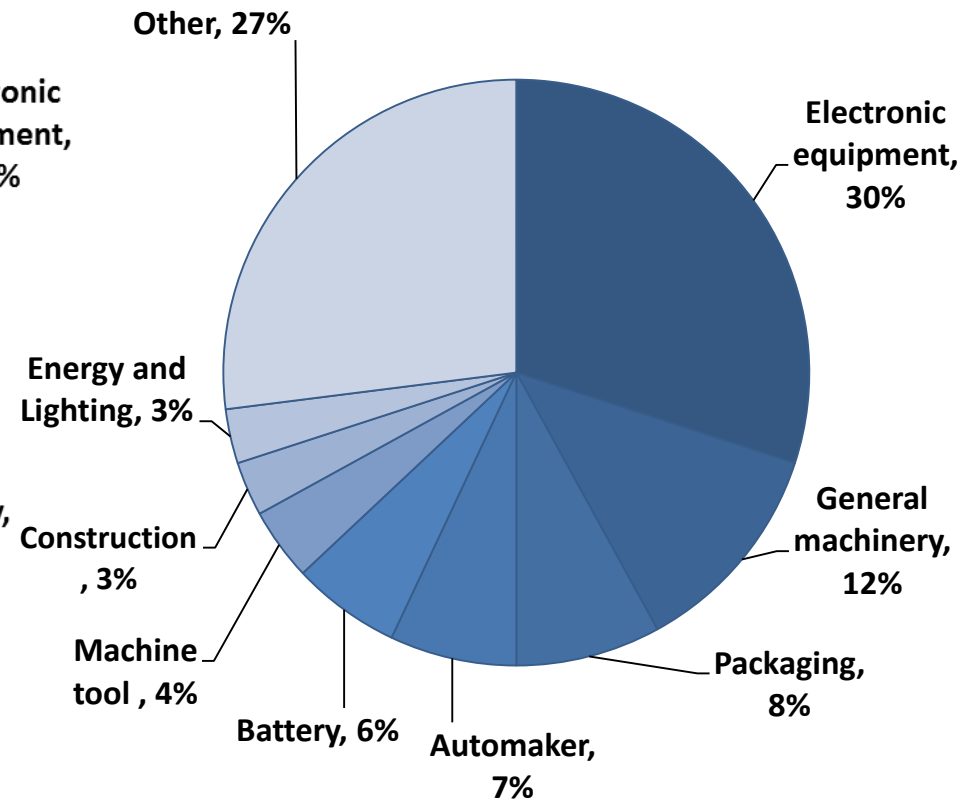


# Clients breakdown by industry

2017 Sales



2018 Q1~Q3 Sales



## III · Competitive Advantage

# Competitive Advantage

## Own Brand

- Sell products under the **AirTAC** brand.
- Establish spec & price in Greater China.

## Own Sales Channels

- Strong self own sales channels in Greater China.
- Provide nation-wide after-sales service in Greater China.

## Comprehensive Vertical Integration

- 85% of component are manufactured in house.
- Achieve better profitability than its peers.

## Tech Innovation

- Maintain high-quality products by sealant technology.
- Improve production process continuously.

# Worldwide manufacturing bases & sales branches



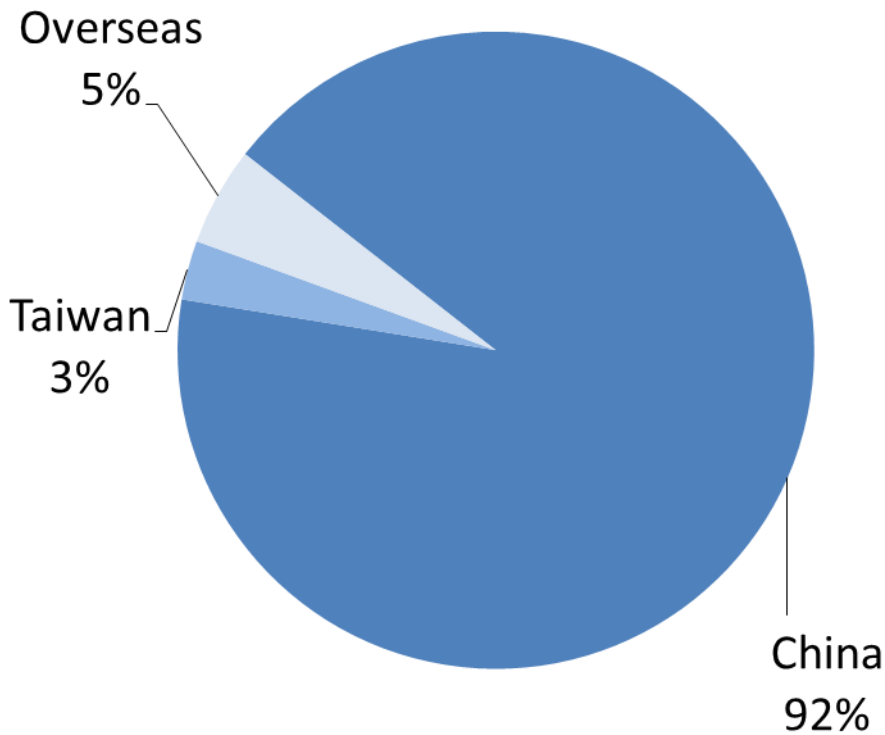
- ◆ Mainland : 2 manufacturing bases; 5 branches, 128 offices
- ◆ Taiwan : 1 manufacturing base and 6 offices
- ◆ Europe : 1 assembling and sales center in Italy
- ◆ Singapore : 1 sales center
- ◆ Japan : 1 sales center
- ◆ Malaysia : 1 sales center
- ◆ Thailand : 1 sales center
- ◆ USA : 1 sales center
- ◆ Overseas : +40 distributors to provide comprehensive sales network and service

● Manufacturing Base   ● Overseas Sales Center   ● Sales Channels

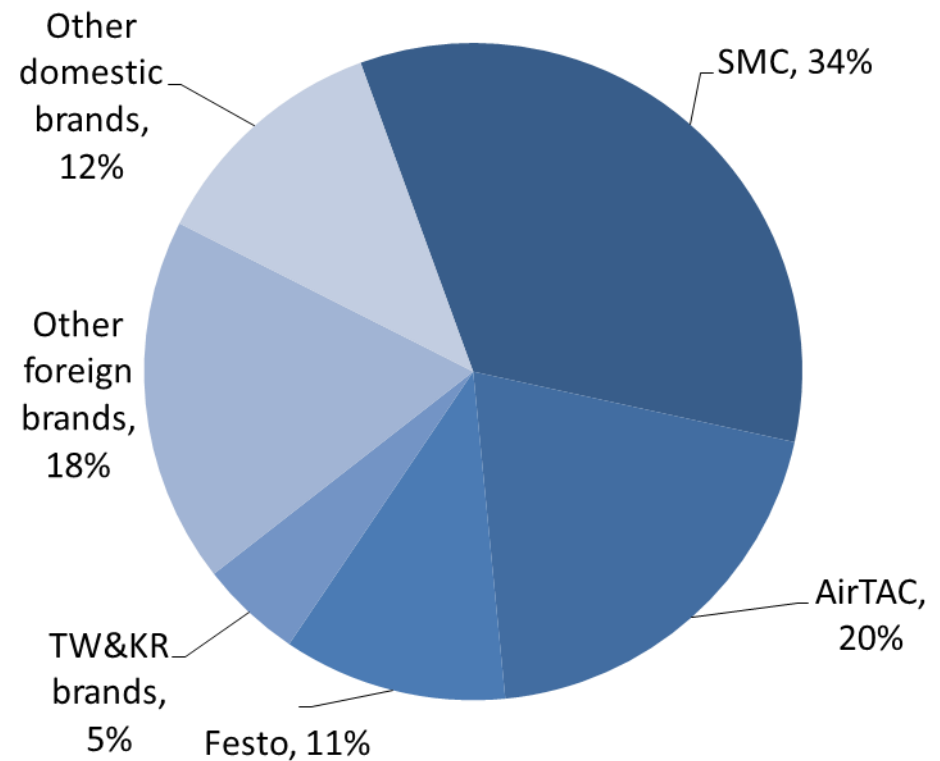


# Ranked the second largest market share in China

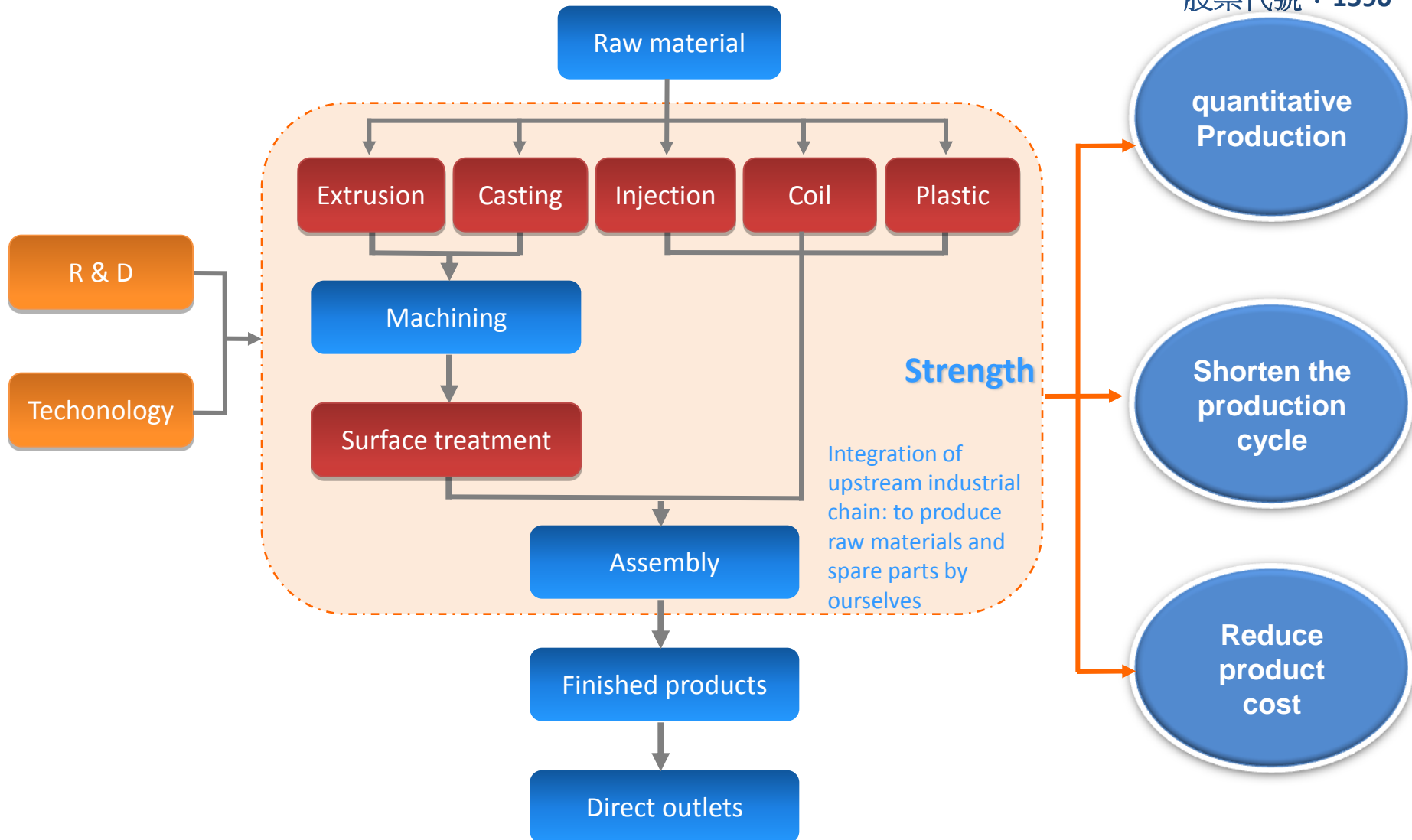
AirTAC Sales by region



Pneumatic equipment - market share in China

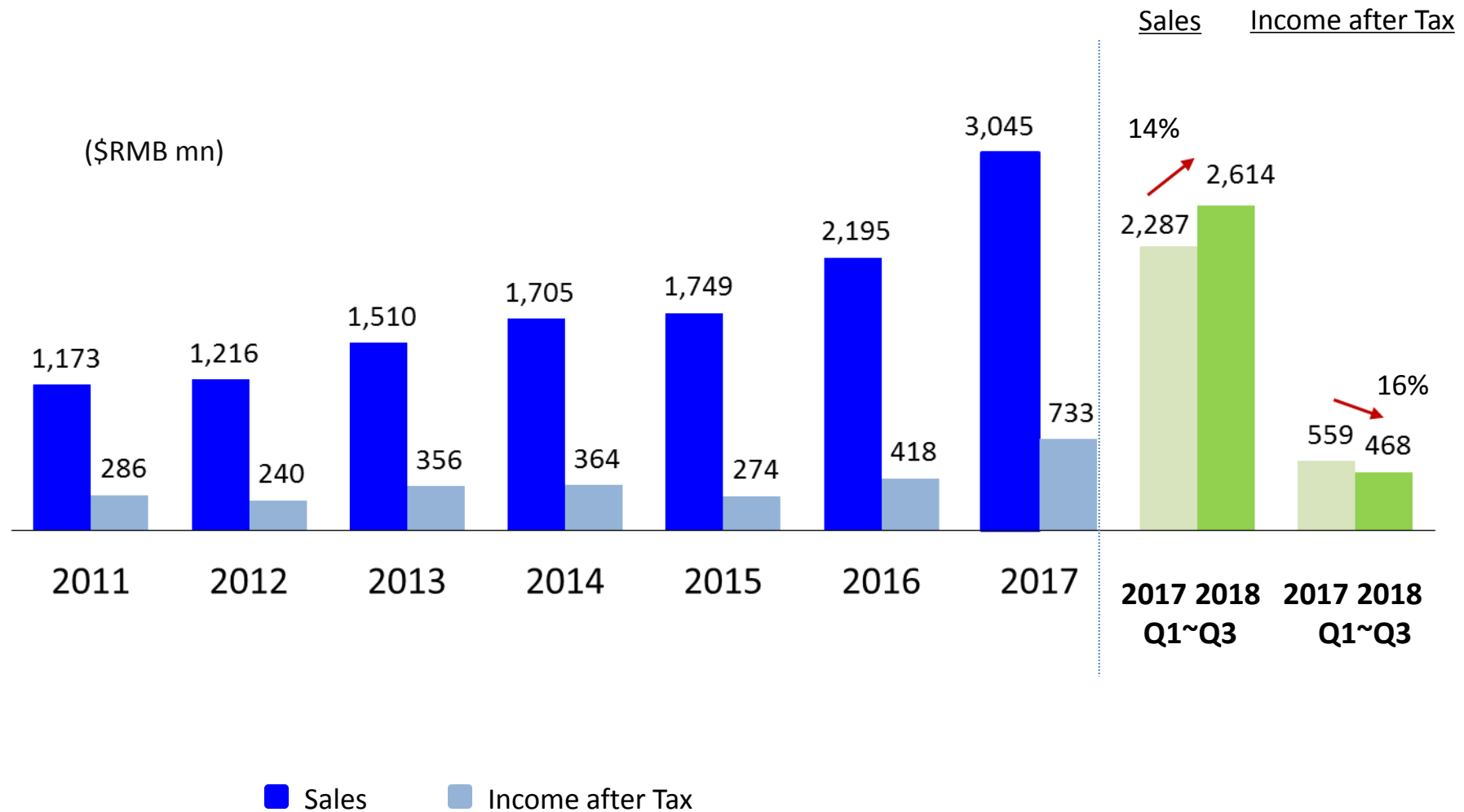


# Integration of upstream industrial chain

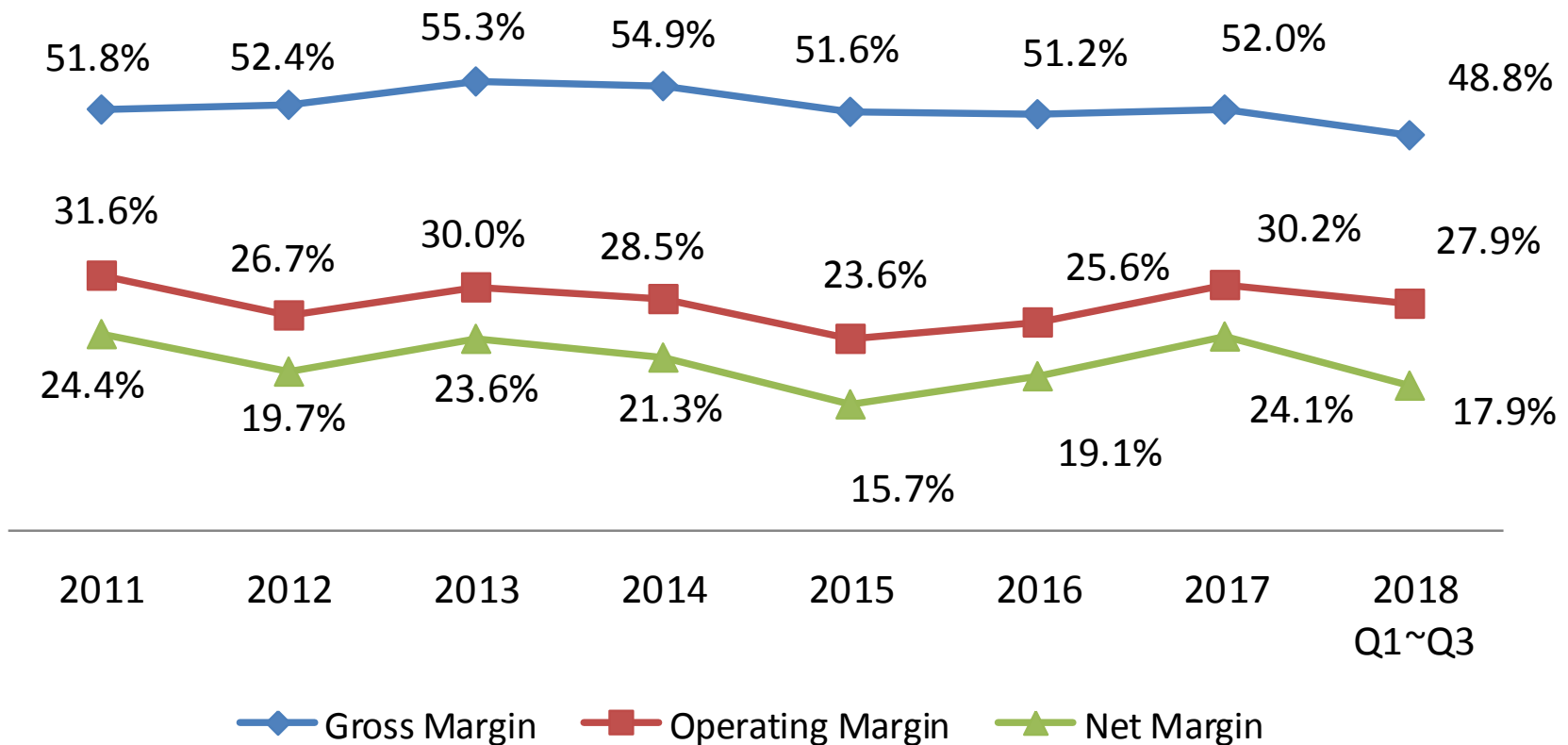


## IV · Financial Outlook

# 2011~2018 Sales & Income after Tax



# 2011~2018 Profitability Trend



# Income Statement

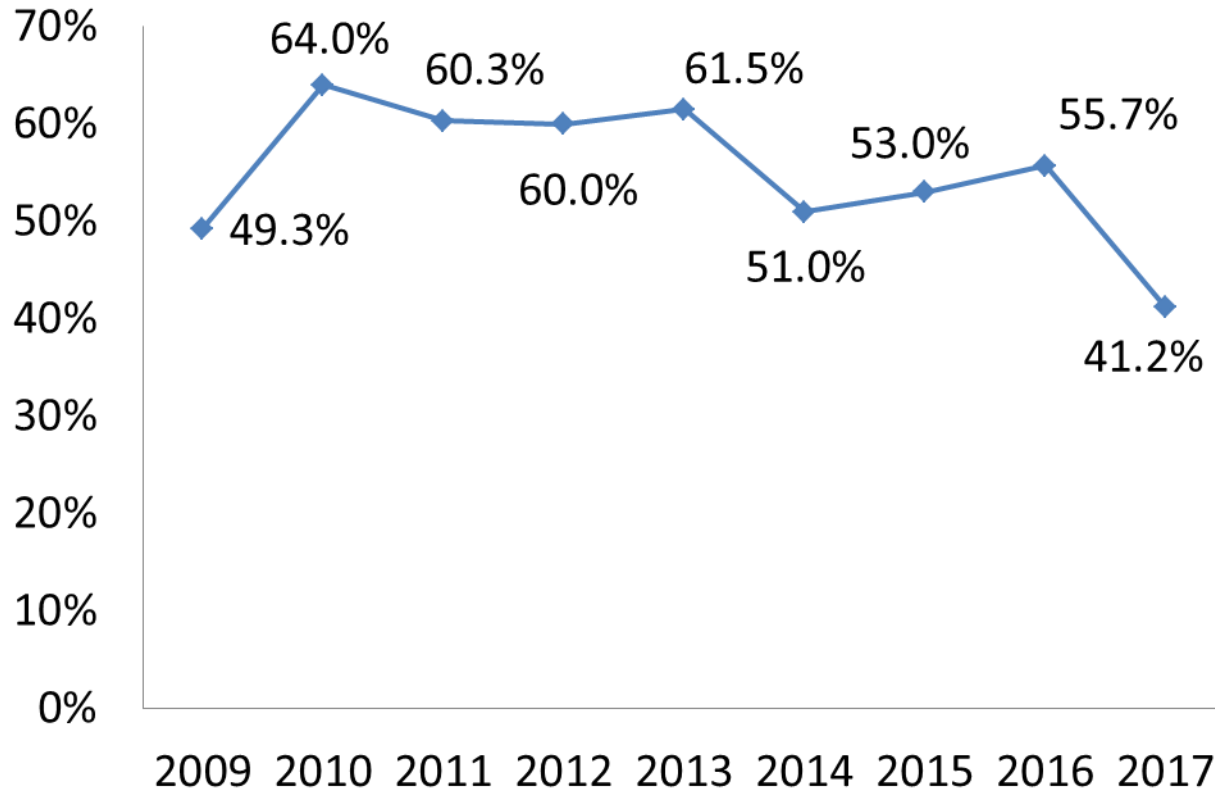
(\$RMB mn)	2015		2016		2017		2018 Q1~Q3	
Sales	\$1,749	100%	\$2,195	100%	\$3,045	100%	\$2,614	100%
Cost	847	48%	1,071	49%	1,463	48%	1,338	51%
Gross Profit	902	52%	1,124	51%	1,582	52%	1,276	49%
Operating Expenses	490	28%	561	25%	662	22%	548	21%
Income from Operations	412	24%	563	26%	920	30%	728	28%
Non-operating Income & Exp.	-46	-3%	24	1%	48	2%	-101	-4%
EBT	366	21%	587	27%	968	32%	627	24%
TAX	92	5%	169	8%	235	8%	159	6%
Net Income	\$274	16%	\$418	19%	\$733	24%	\$468	18%

# Balance Sheet

(\$RMB mn)

	<b>2015</b>		<b>2016</b>		<b>2017</b>		<b>2018Q3</b>	
Cash & Cash Equivalents	\$619	14%	\$798	16%	\$443	7%	\$881	12%
NR & AR	608	15%	816	16%	1,190	19%	1,245	16%
Inventory	393	9%	467	10%	868	14%	913	12%
Other Current Assets	257	6%	53	1%	102	1%	95	1%
Property, plant and equipment, Other	2,419	56%	2,839	57%	3,729	59%	4,518	59%
<b>Total Assets</b>	<b>\$4,296</b>	<b>100%</b>	<b>\$4,973</b>	<b>100%</b>	<b>\$6,332</b>	<b>100%</b>	<b>\$7,652</b>	<b>100%</b>
Bank Debt	\$1,907	44%	\$2,227	45%	\$2,200	35%	\$3,237	42%
Other Current Liabilities	240	6%	340	7%	554	9%	639	9%
Other Long-term liabilities	65	2%	77	1%	81	1%	101	1%
<b>Total Liabilities</b>	<b>\$2,212</b>	<b>52%</b>	<b>\$2,644</b>	<b>53%</b>	<b>\$2,835</b>	<b>45%</b>	<b>\$3,977</b>	<b>52%</b>
<b>Total Equity</b>	<b>\$2,084</b>	<b>48%</b>	<b>\$2,329</b>	<b>47%</b>	<b>\$3,497</b>	<b>55%</b>	<b>\$3,675</b>	<b>48%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$4,296</b>	<b>100%</b>	<b>\$4,973</b>	<b>100%</b>	<b>\$6,332</b>	<b>100%</b>	<b>\$7,652</b>	<b>100%</b>

# Dividend Payout (Include stock dividends)



2017 Cash dividends to shareholders – RMB 1.6 per share (approximately NTD 7.4448 per share )



# V · Development prospects & Strategic

# Goals in our expending schedule

1. Expand sales channels
2. Expand overseas markets
3. Expand product portfolio
4. To be global top 3 players

# Q & A