AirTAC
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Agenda

股票代號：1590

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Ⅱ Product & Market

Ⅲ Competitive Advantage

Ⅳ Financial Outlook

Ⅴ Development prospects & Strategic

Ⅰ · Group Overview

Group Overview

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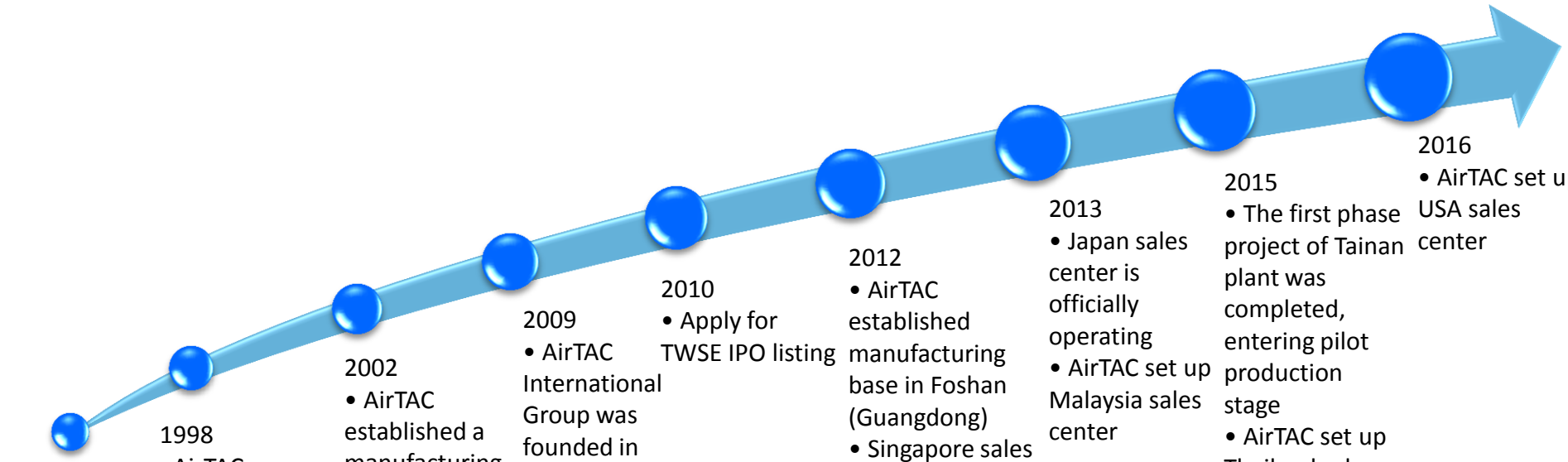

1988
• AirTAC was founded in Taiwan

1998
•AirTAC established first manu-facturing base in China (Guangzhou).

2002
• AirTAC established a manufacturing base and HQ in China (Ningbo)

2009
• AirTAC International Group was founded in Cayman
• AirTAC set up Italian sales center

2010
• Apply for TWSE IPO listing

2012
• AirTAC established manufacturing base in Foshan (Guangdong)
• Singapore sales center is officially operating

2013
• Japan sales center is officially operating
• AirTAC set up Malaysia sales center

2015
• The first phase project of Tainan plant was completed, entering pilot production stage
• AirTAC set up Thailand sales center

2016
• AirTAC set up USA sales center

Organization Chart

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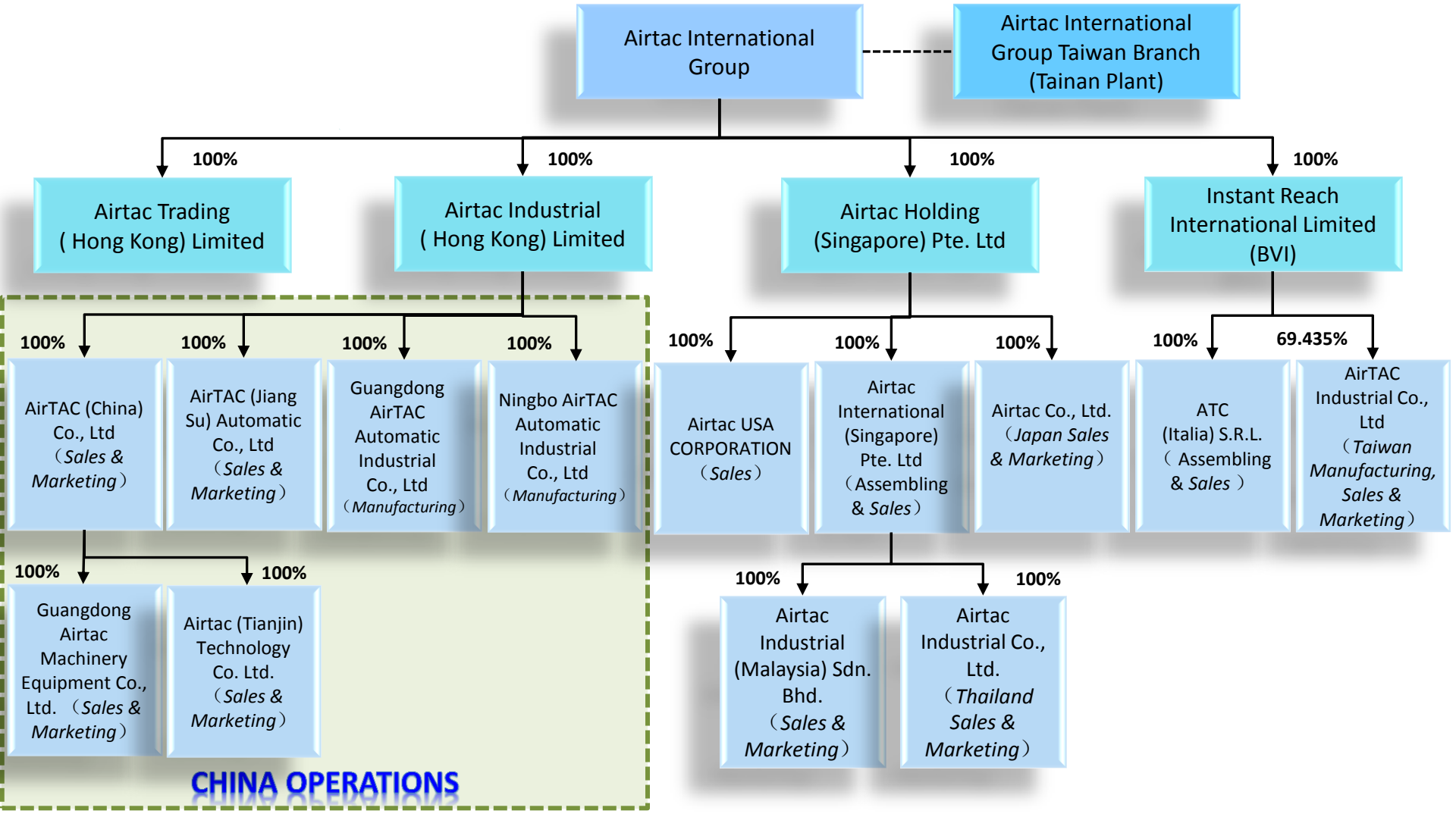

Corporate Culture

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People-oriented	Commitments	Profit sharing	Co-development
• Value employees as the most precious resource. • Encourage them to glow with company.	• AirTAC commitment to sustain growth and fulfill social responsibility	• Share the profit with every employees to reward their contribution and efforts.	• Match talent-development with organization development by providing the best career path for talented people with expertise or leadership skills.

AirTAC Shareholder Structure

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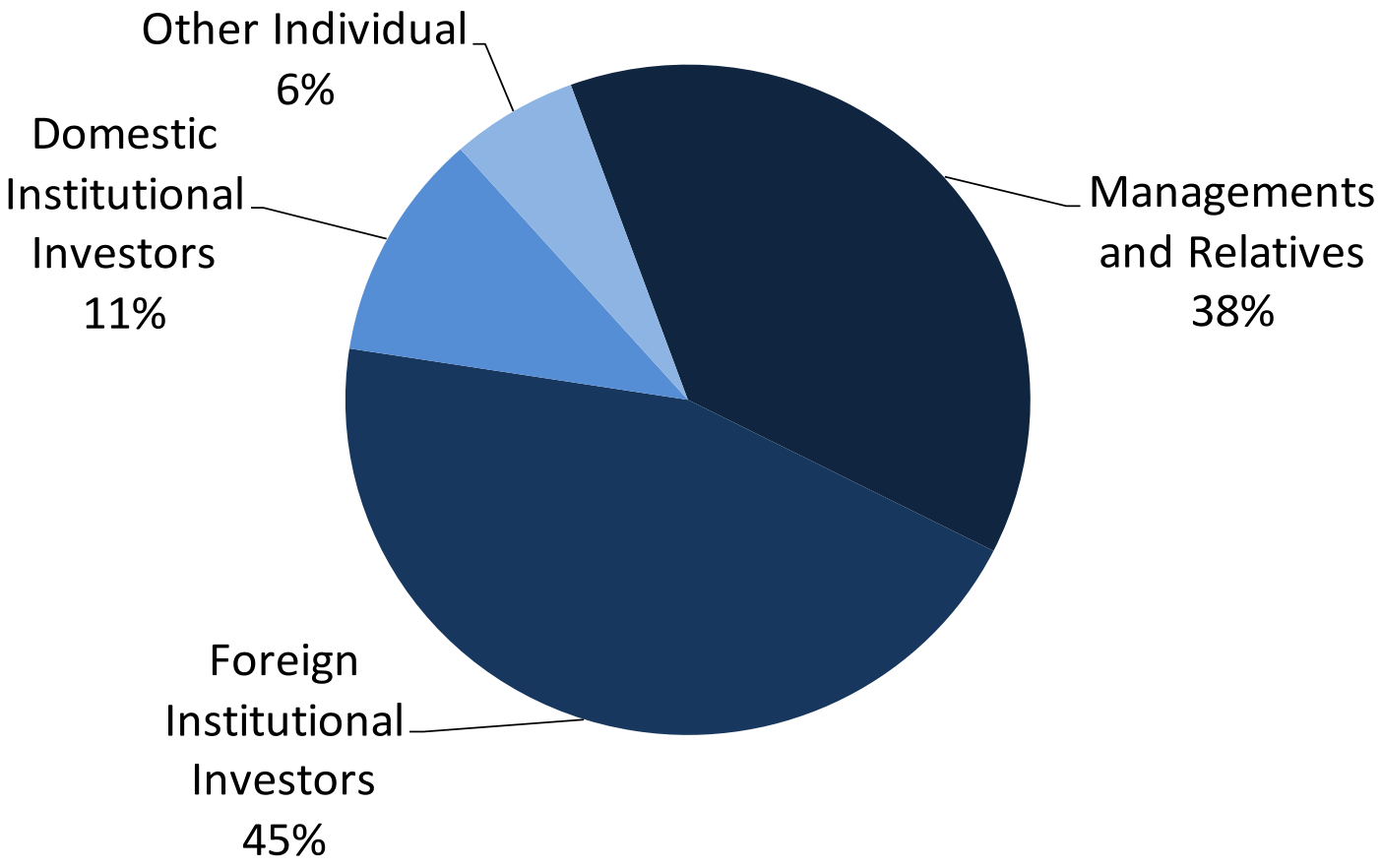

Ⅱ · Product & Market

Diversified Product Lines

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Cylinder

Air valve & mechanical valve

Drip leg drain & F R L

Others

Pneumatic operation of the process

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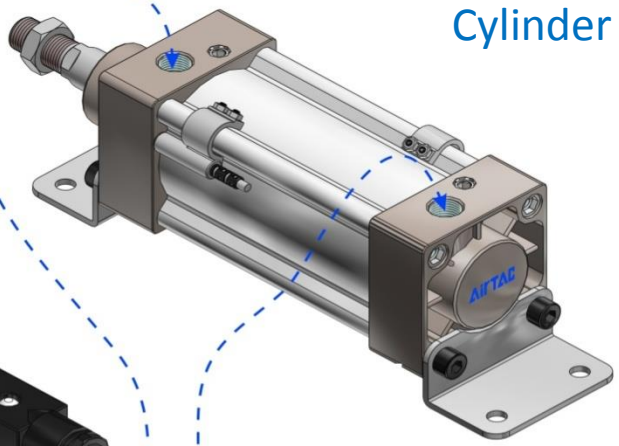
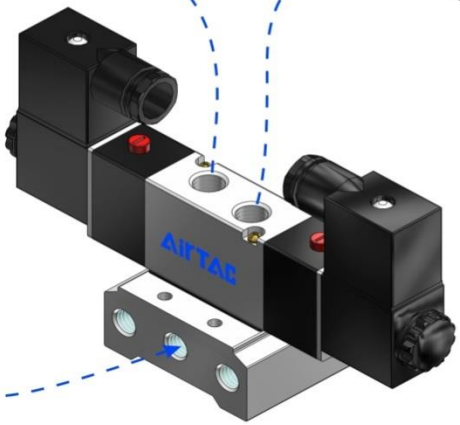
Air Compressor

Cylinder



Drip leg drain
& F R L



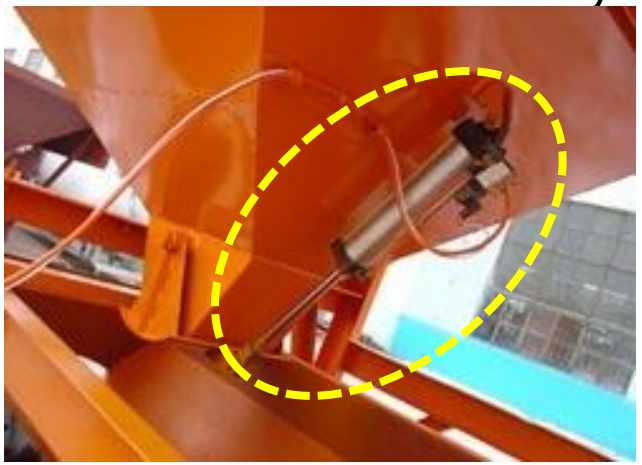
Air valve

Products Application by Industry

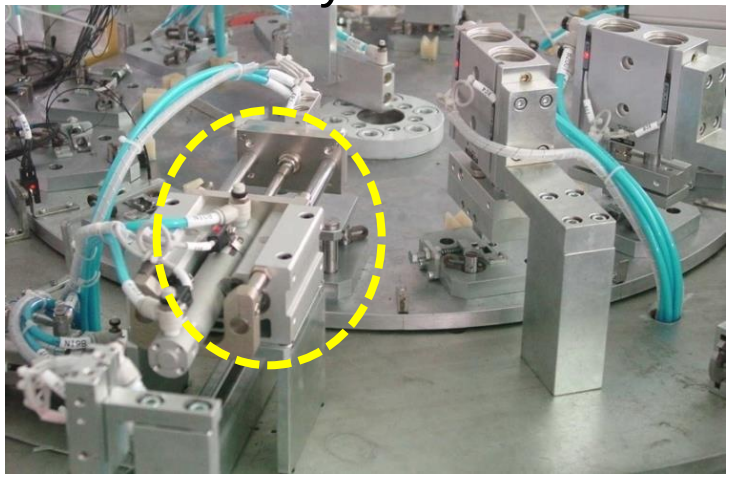
AirTAC products are applied in various industrial automation equipment and machine, such as environmental protection machinery, construction machinery, electronic industry, automative assembly line and the robot arm.

Environmental processing machinery

Construction machinery



Assembly automation



Products Application by Industry

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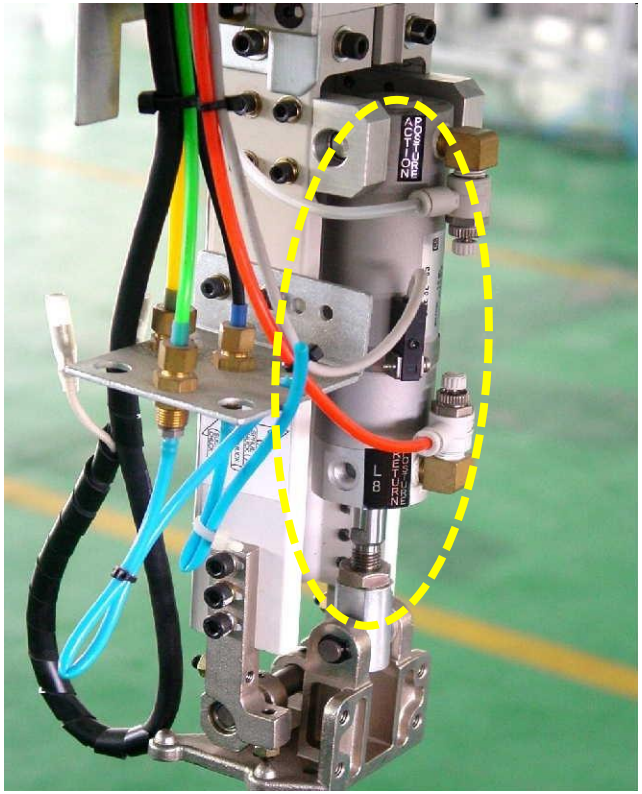
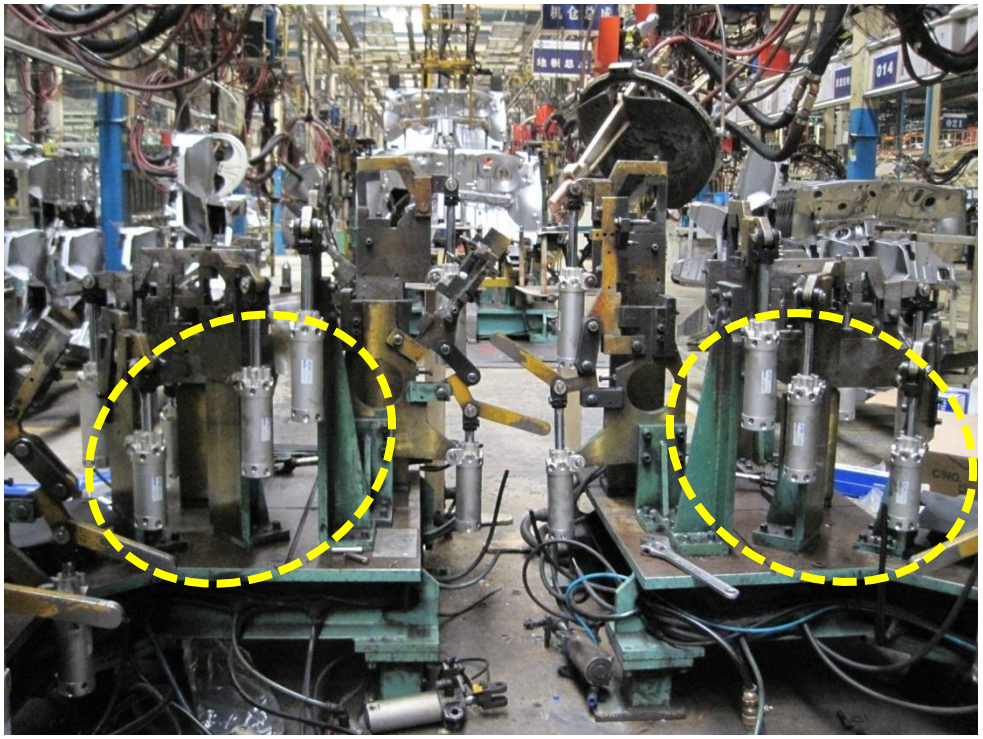
Robot arm



Automobile assembly



Clients breakdown by industry

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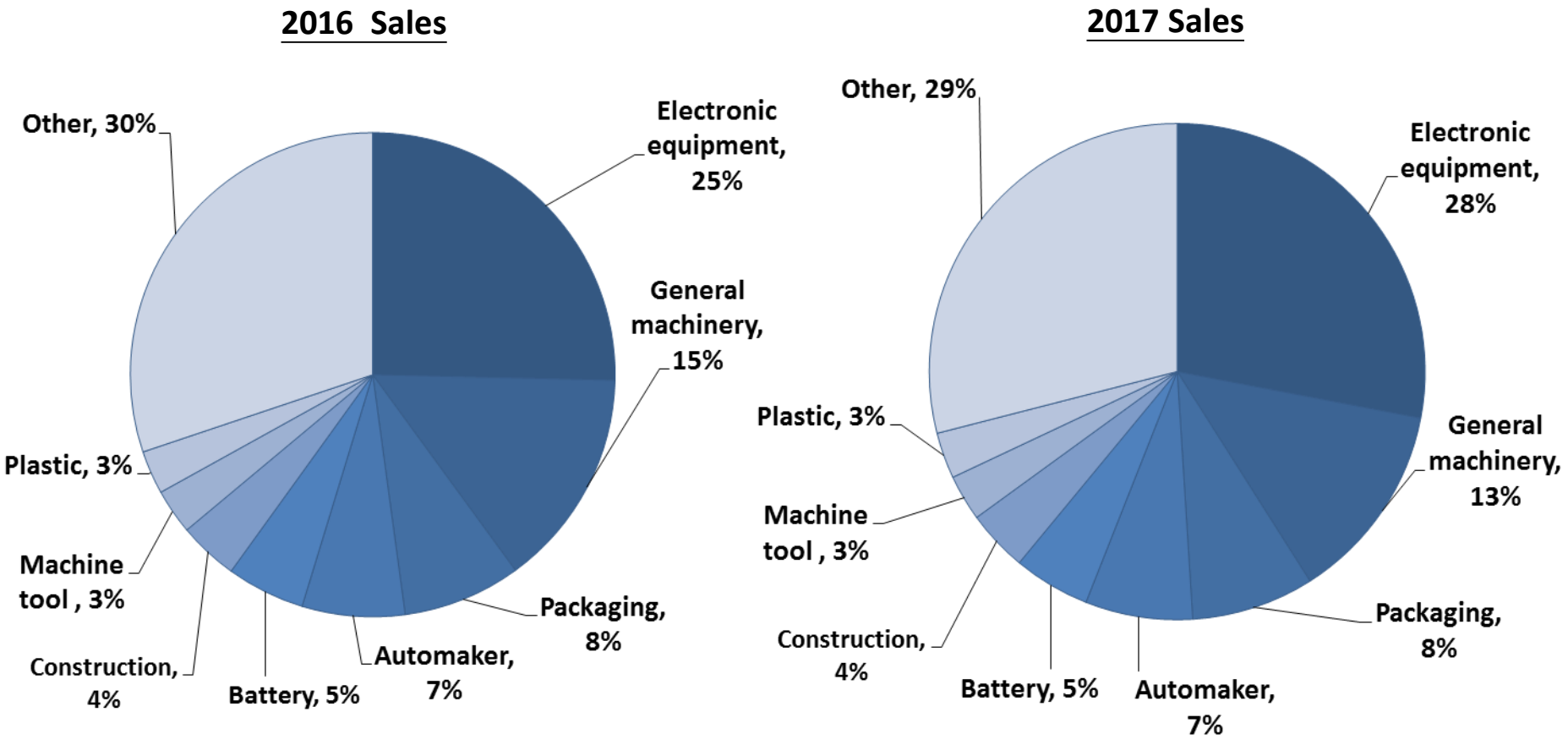

Ⅲ · Competitive Advantage

Competitive Advantage

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Own Brand	Own Sales Channels	Comprehensive Vertical Integration	Tech Innovation
• Sell products under the AirTAC brand. • Establish spec & price in Greater China.	• Strong self own sales channels in Greater China. • Provide nation-wide after-sales service in Greater China.	• 85% of component are manufactured in house. • Achieve better profitability than its peers.	• Maintain high-quality products by sealant technology. • Improve production process continuously.

Worldwide manufacturing bases & sales branches

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- ◆ Mainland：2 manufacturing bases; 15 branches, 94 offices
- ◆ Taiwan：1 manufacturing base and 5 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

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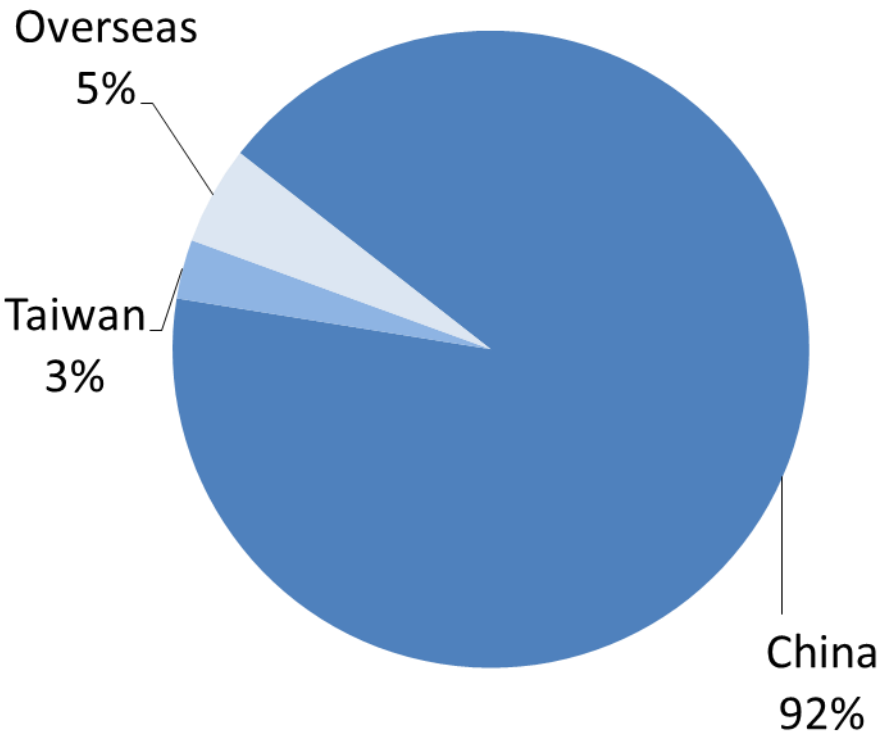
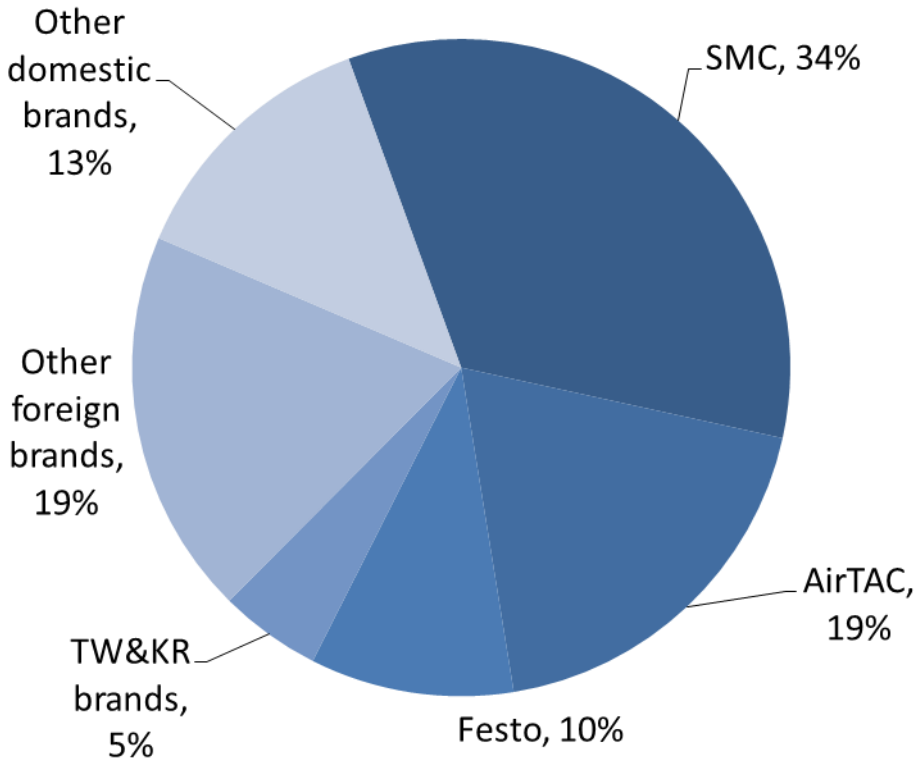
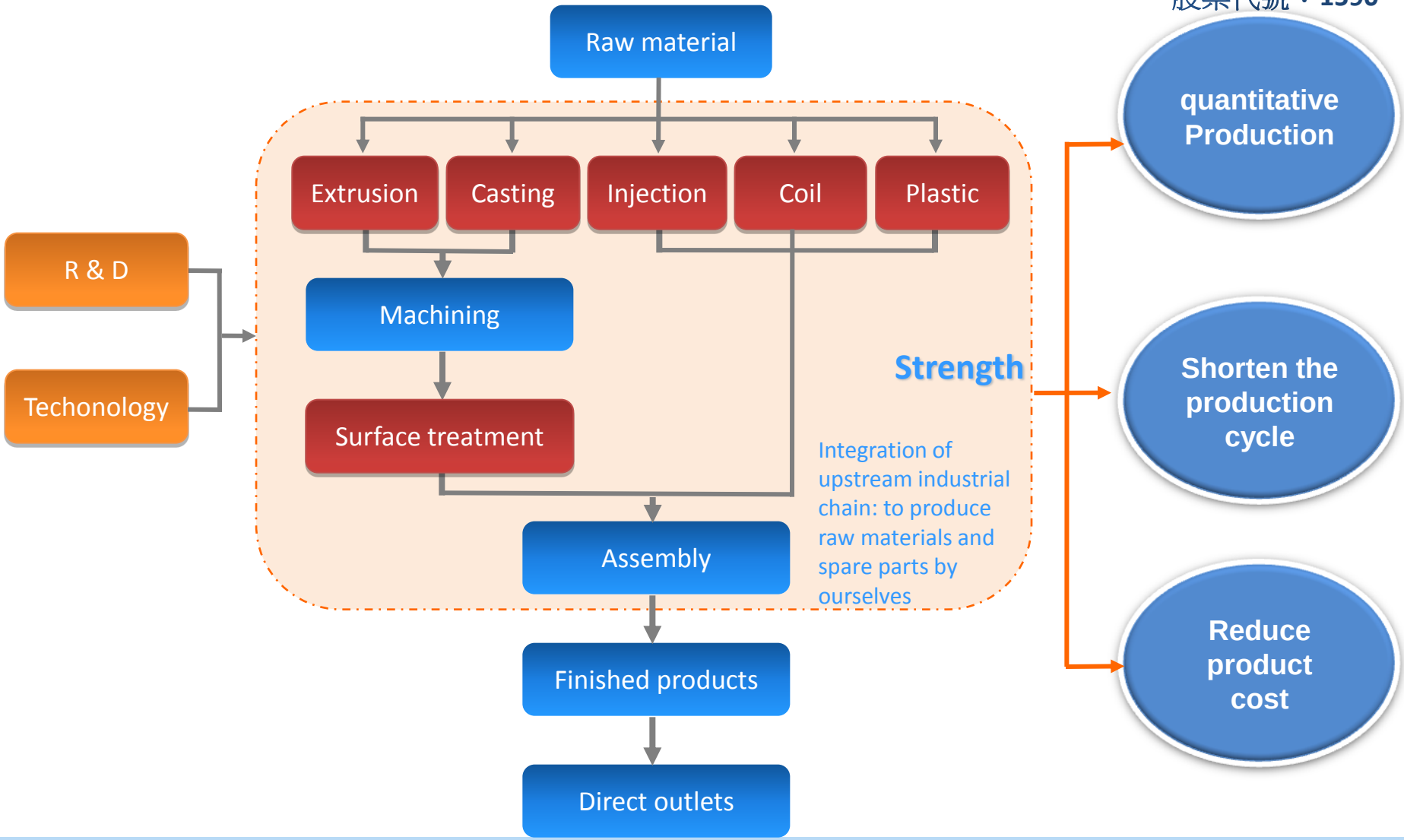
AirTAC Sales by region



Pneumatic equipment - market share in China



Integration of upstream industrial chain



IV · Financial Outlook

2011~2017 Sales & Income after Tax

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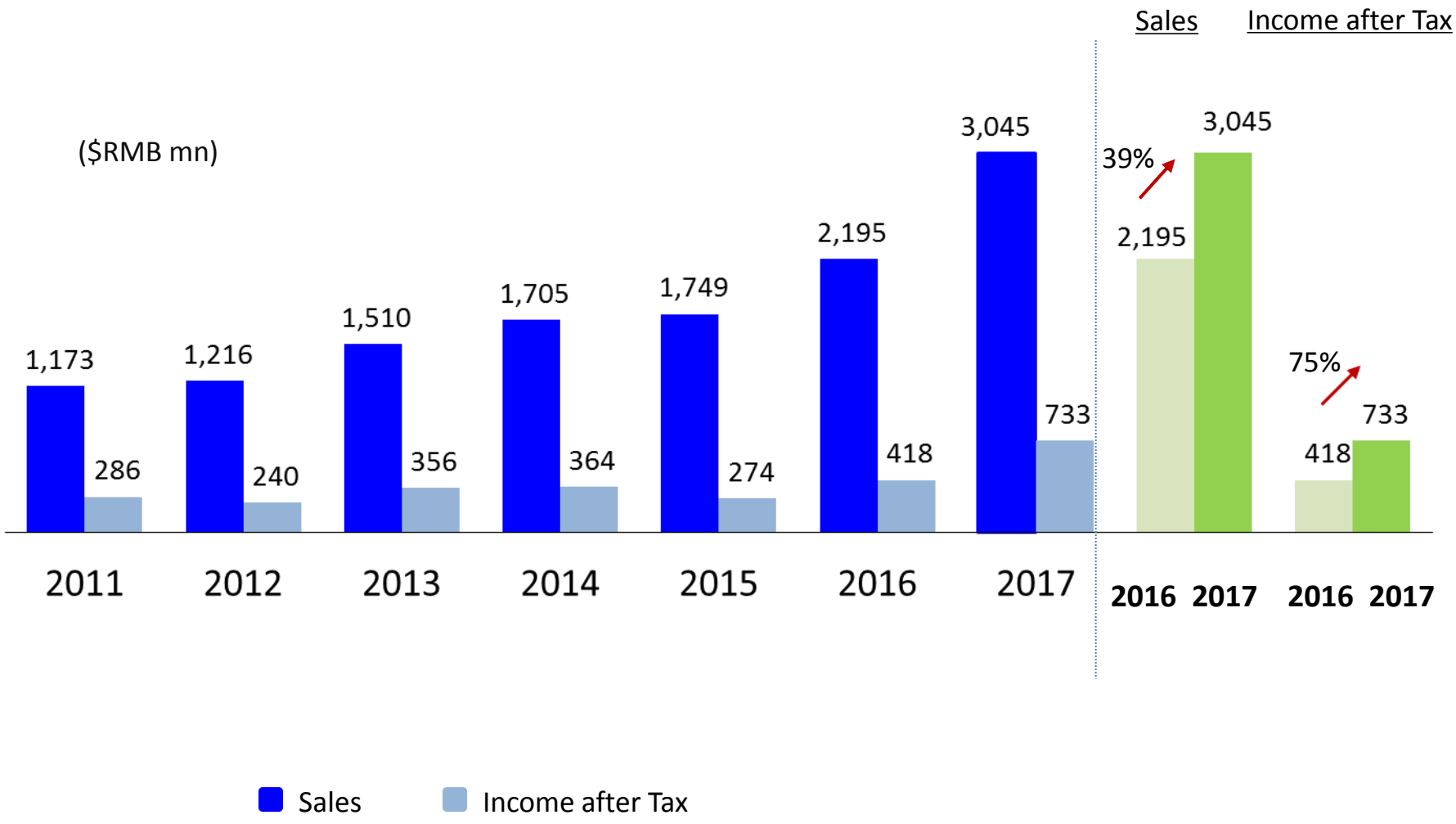
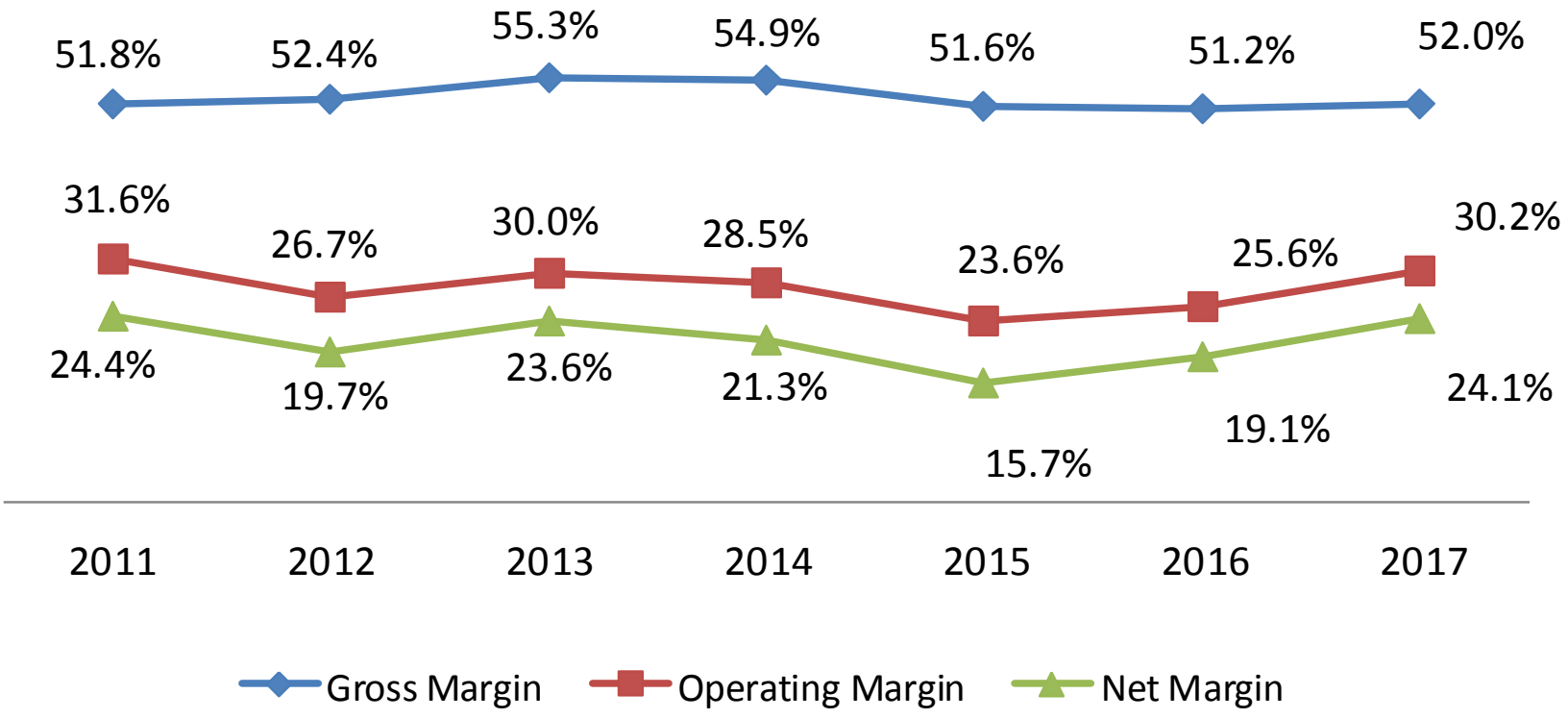


2011~2017 Profitability Trend



Income Statement

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($RMB mn)	2014		2015		2016		2017	
Sales	$1,705	100%	$1,749	100%	$2,195	100%	$3,045	100%
Cost	$768	45%	$847	48%	$1,071	49%	$1,463	48%
Gross Profit	$937	55%	$902	52%	$1,124	51%	$1,582	52%
Operating Expenses	$450	27%	$490	28%	$561	25%	$662	22%
Income from Operations	$487	28%	$412	24%	$563	26%	$920	30%
Non-operating Income & Exp.	$-	-%	-$46	-3%	$24	1%	$48	2%
EBT	$487	28%	$366	21%	$587	27%	$968	32%
TAX	$123	7%	$92	5%	$169	8%	$235	8%
Net Income	$364	21%	$274	16%	$418	19%	$733	24%

Balance Sheet

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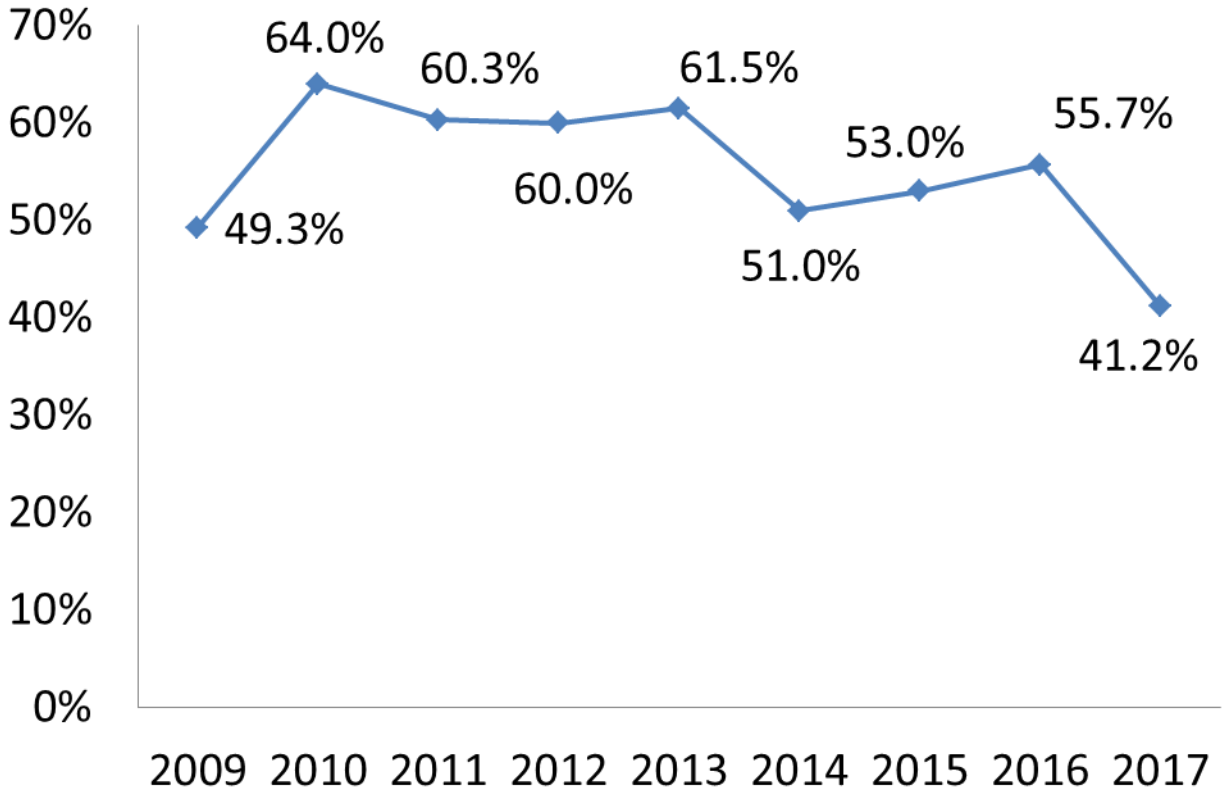
($RMB mn)

	2014		2015		2016		2017	
Cash & Cash Equivalents	$490	13%	$619	14%	$798	16%	$443	7%
NR & AR	$545	14%	$608	15%	$816	16%	$1,190	19%
Inventory	$363	10%	$393	9%	$467	10%	$868	14%
Other Current Assets	$61	2%	$257	6%	$53	1%	$102	1%
Property, plant and equipment, Other	$2,260	61%	$2,419	56%	$2,839	57%	$3,729	59%
Total Assets	$3,719	100%	$4,296	100%	$4,973	100%	$6,332	100%
Bank Debt	$1,436	39%	$1,907	44%	$2,227	45%	$2,200	35%
Other Current Liabilities	$241	6%	$240	6%	$340	7%	$554	9%
Other Long-term liabilities	$67	2%	$65	2%	$77	1%	$81	1%
Total Liabilities	$1,744	47%	$2,212	52%	$2,644	53%	$2,835	45%
Total Equity	$1,975	53%	$2,084	48%	$2,329	47%	$3,497	55%
Total Liabilities & Equity	$3,719	100%	$4,296	100%	$4,973	100%	$6,332	100%

Dividend Payout
(Include stock dividends)



Expected 2017 Cash dividends to shareholders – RMB 1.6 per share (around NTD 7.3952 per share)

V · Development prospects & Strategic

Goals in our expending schedule

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

Q & A