



# **AirTAC**

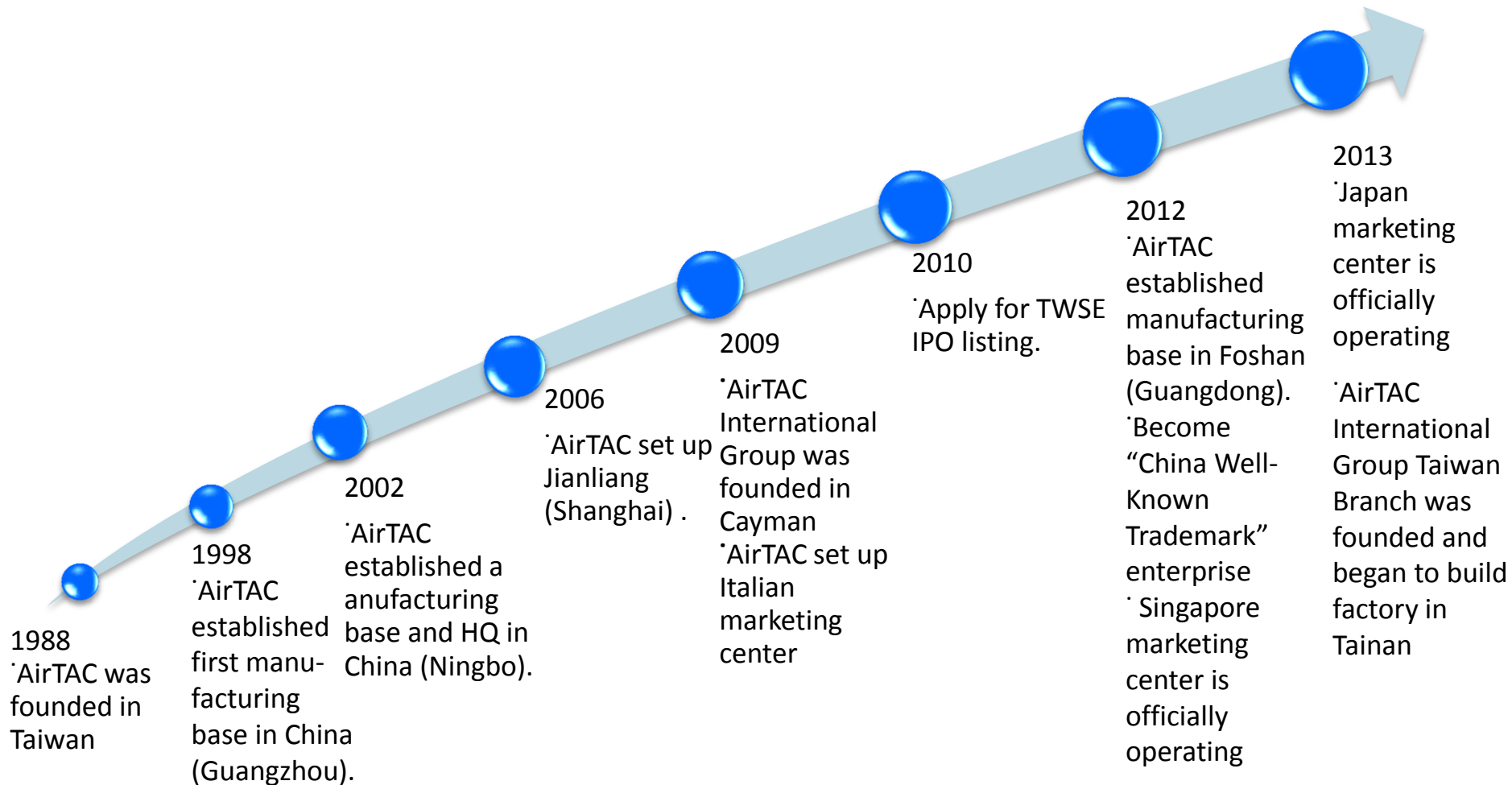
**Powered by AIRTAC**

# Agenda

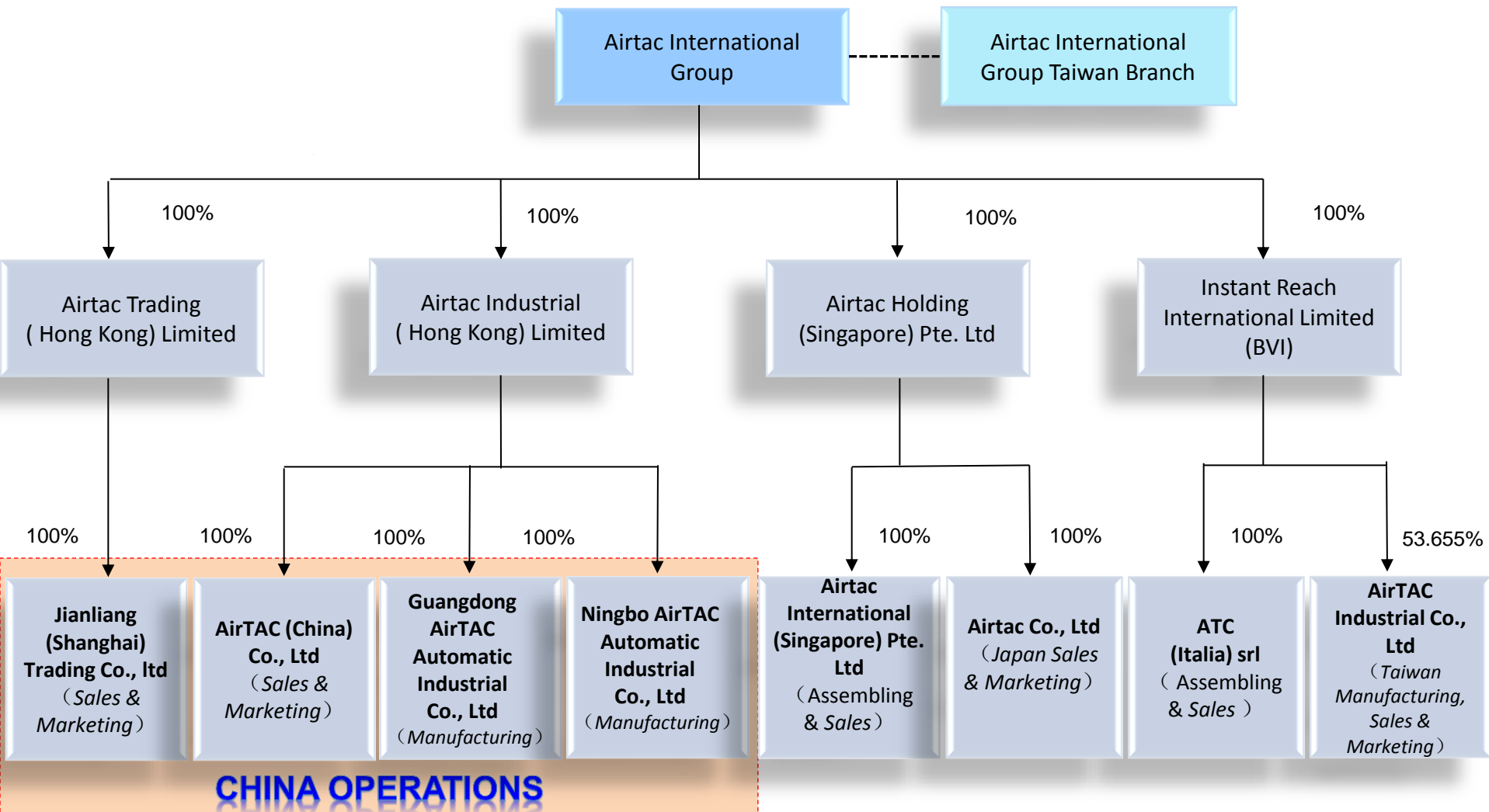
- I Group Overview**
- II Product & Market**
- III Competitive Advantage**
- IV Financial Outlook**
- V Development prospects & Strategic**

# 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

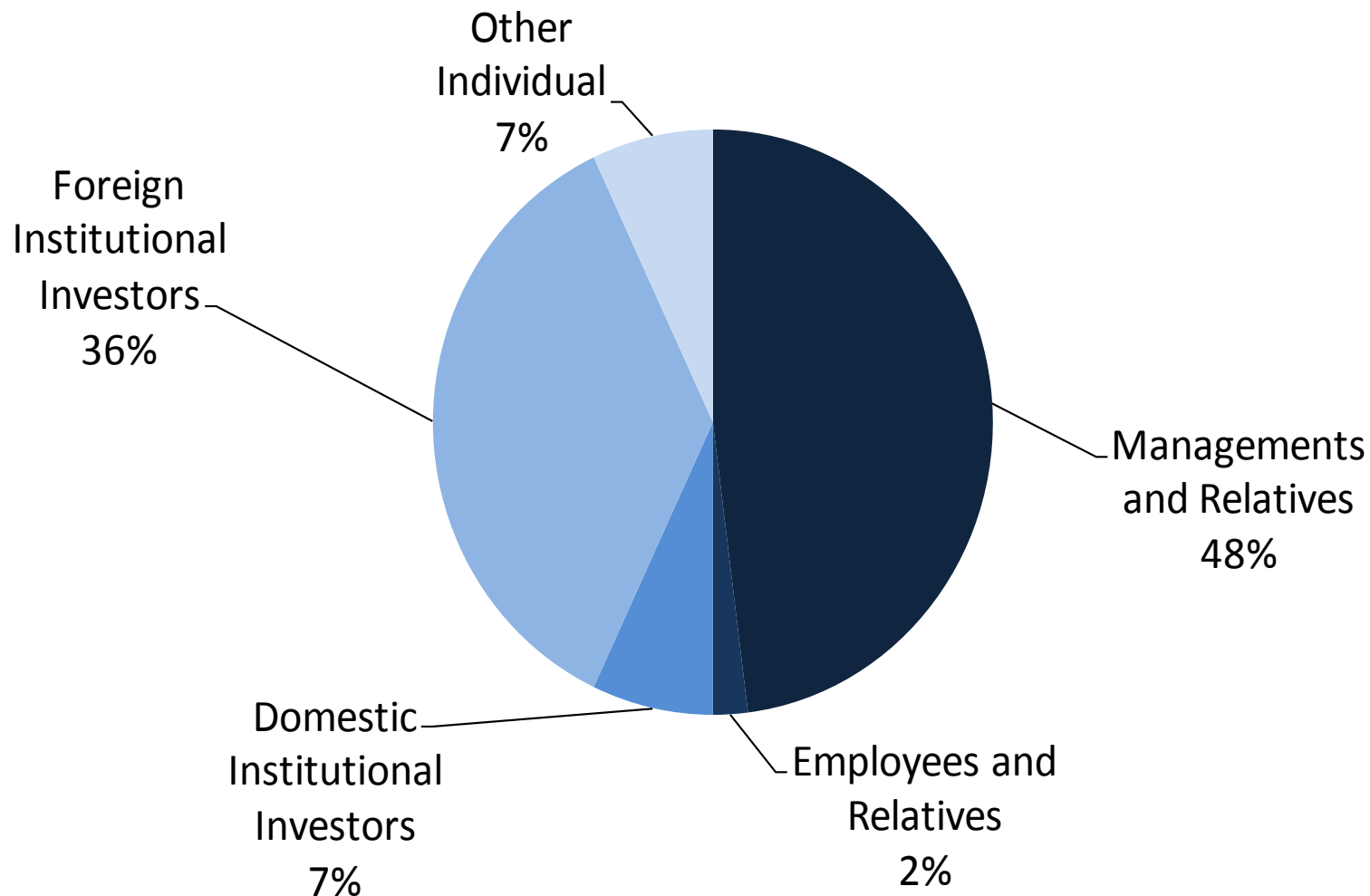
## Profit sharing

- 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



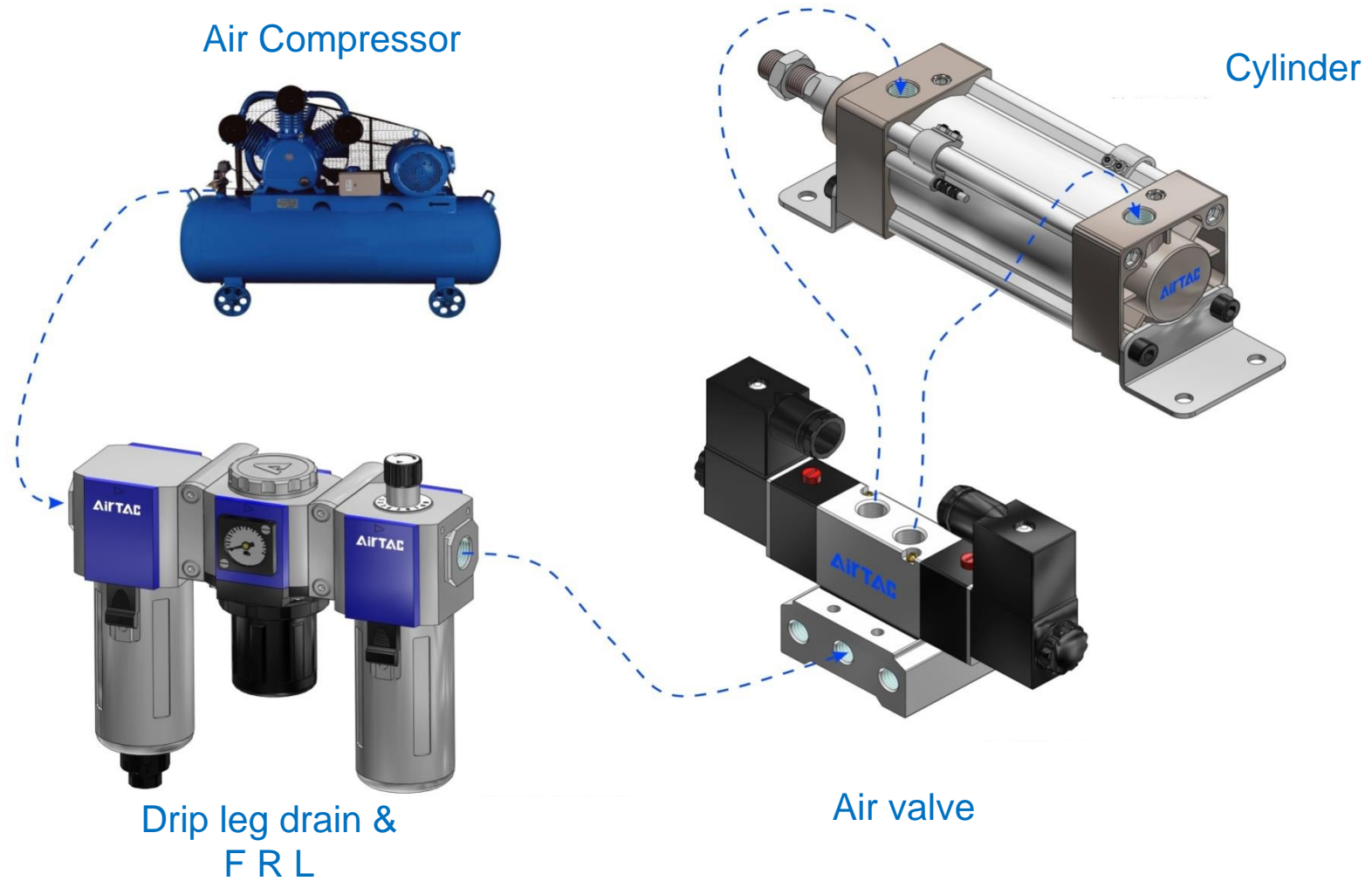
## ► Drip leg drain & F R L



## ► Others



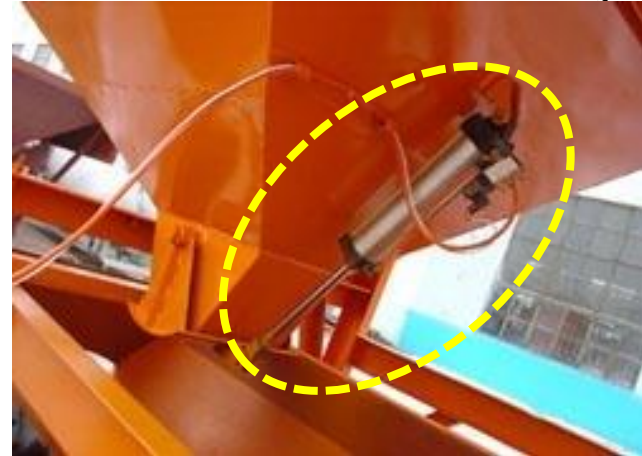
# Pneumatic operation of the process



# Products Application by Industry

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

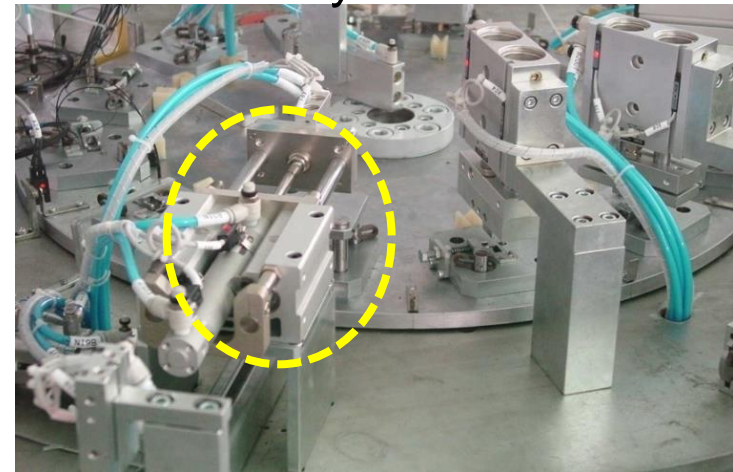
## Construction machinery



## Environmental processing machinery



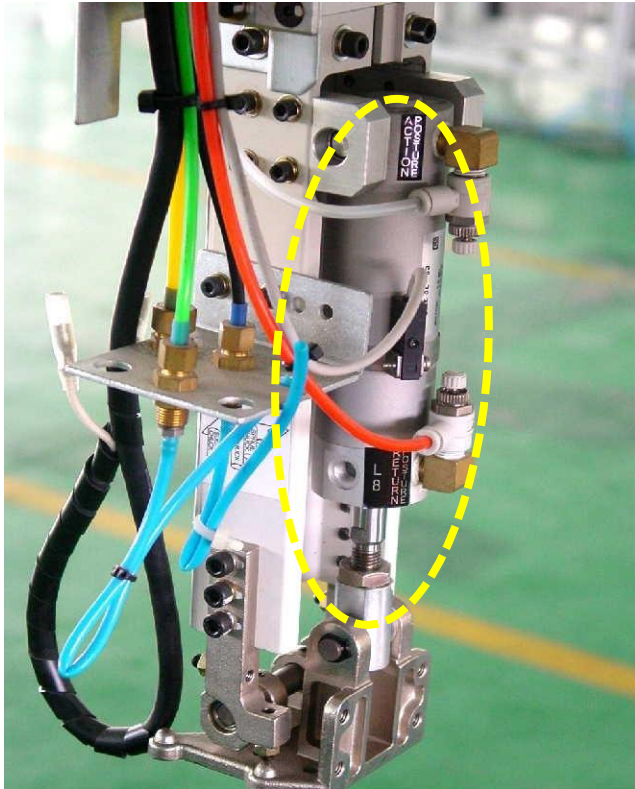
## Assembly automation



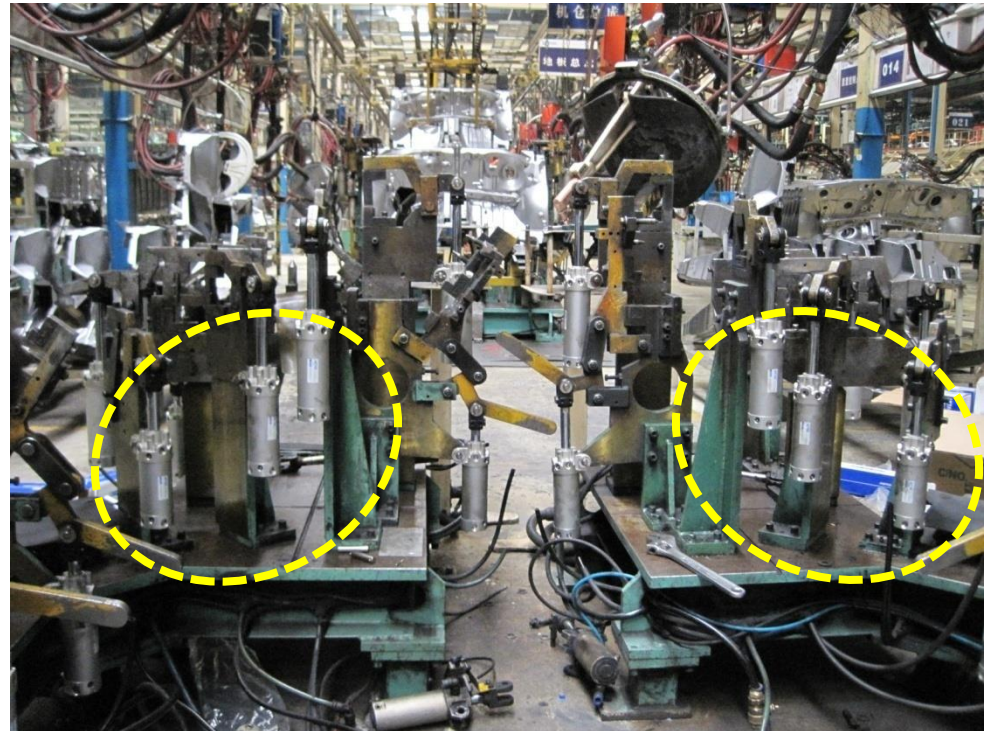


# Products Application by Industry

Robot arm

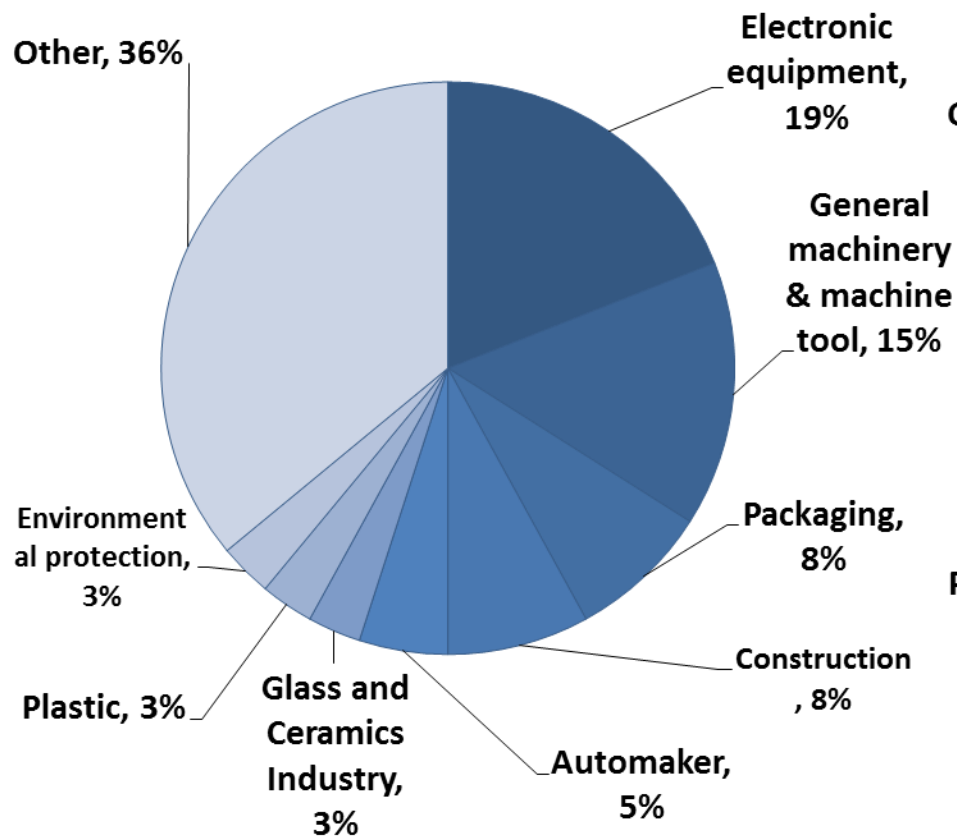


Automobile assembly

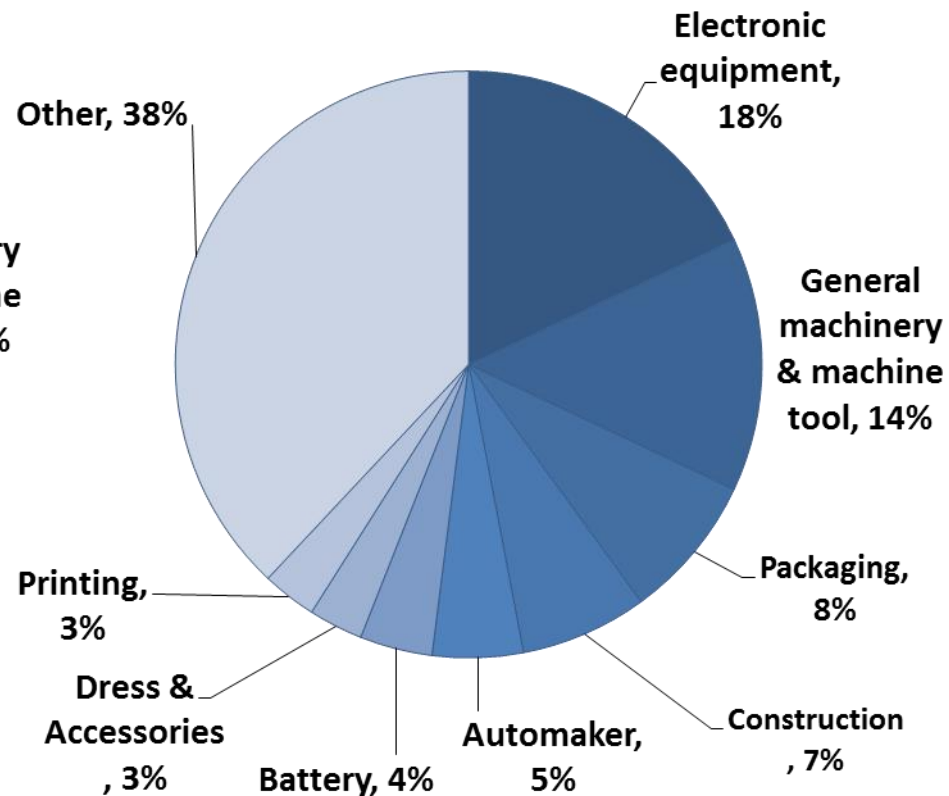


# Clients breakdown by industry

2012 Sales



2013 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

- 90% 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

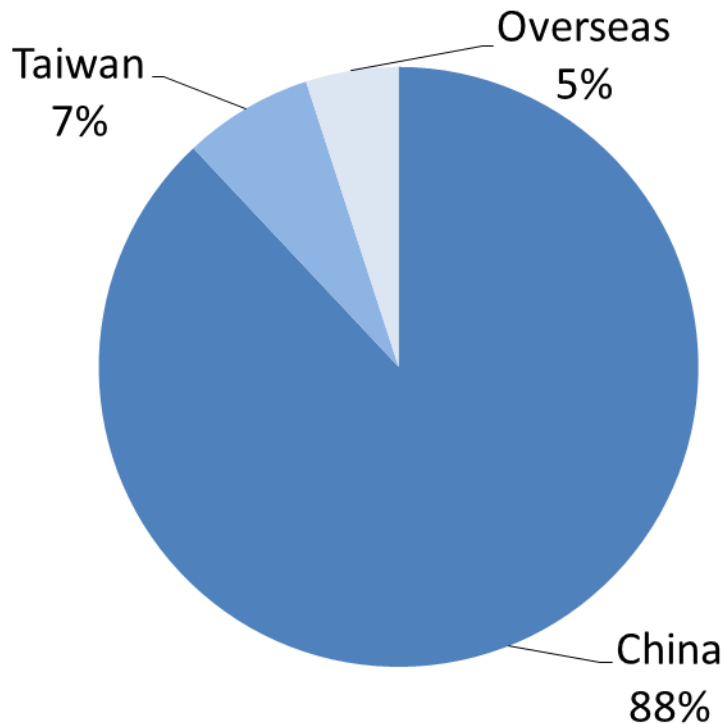


- ◆ Mainland : 2 manufacturing bases; 60 branches, 5 offices
- ◆ Taiwan : 1 manufacturing base and 5 offices
- ◆ Europe : 1 assembling and sales center in Italy.
- ◆ Singapore : 1 assembling and sales center
- ◆ Japan : 1 sales center
- ◆ Overseas : +30 distributors to provide comprehensive sales network and service

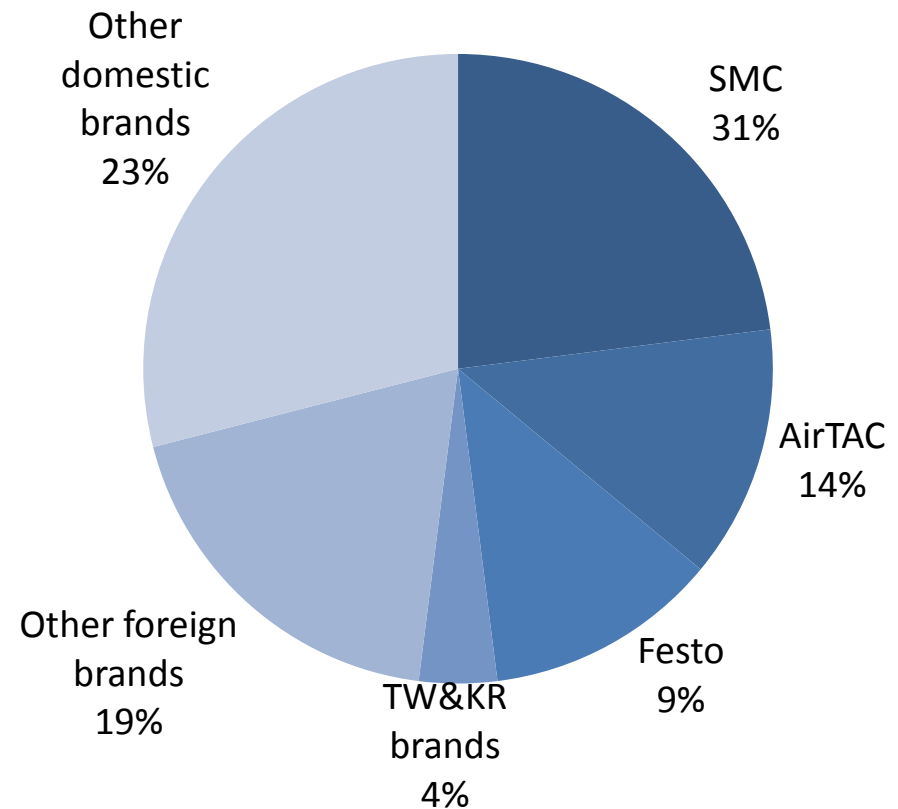


# Ranked the second largest market share in China

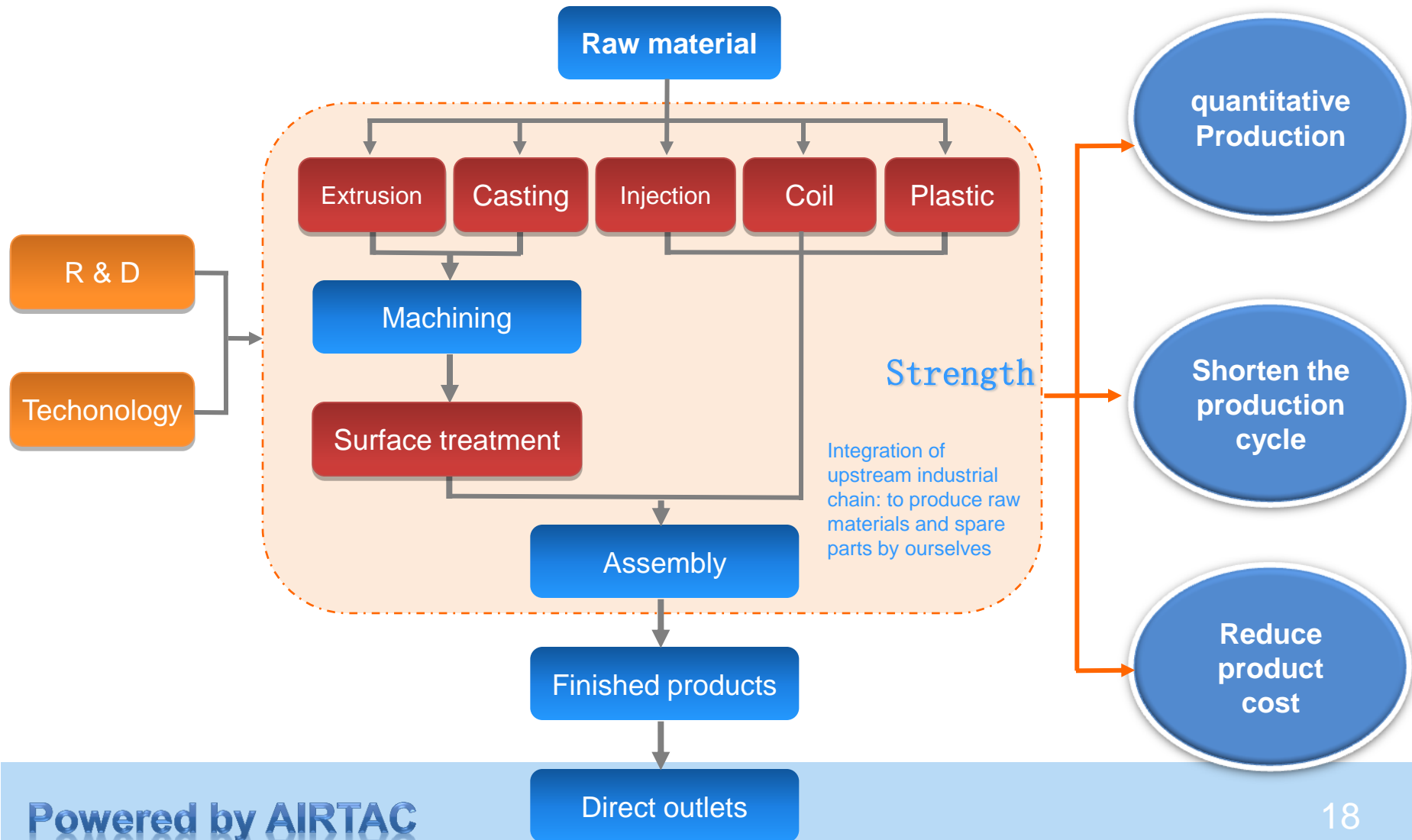
AirTAC Sales by region



Pneumatic equipment - market share in China

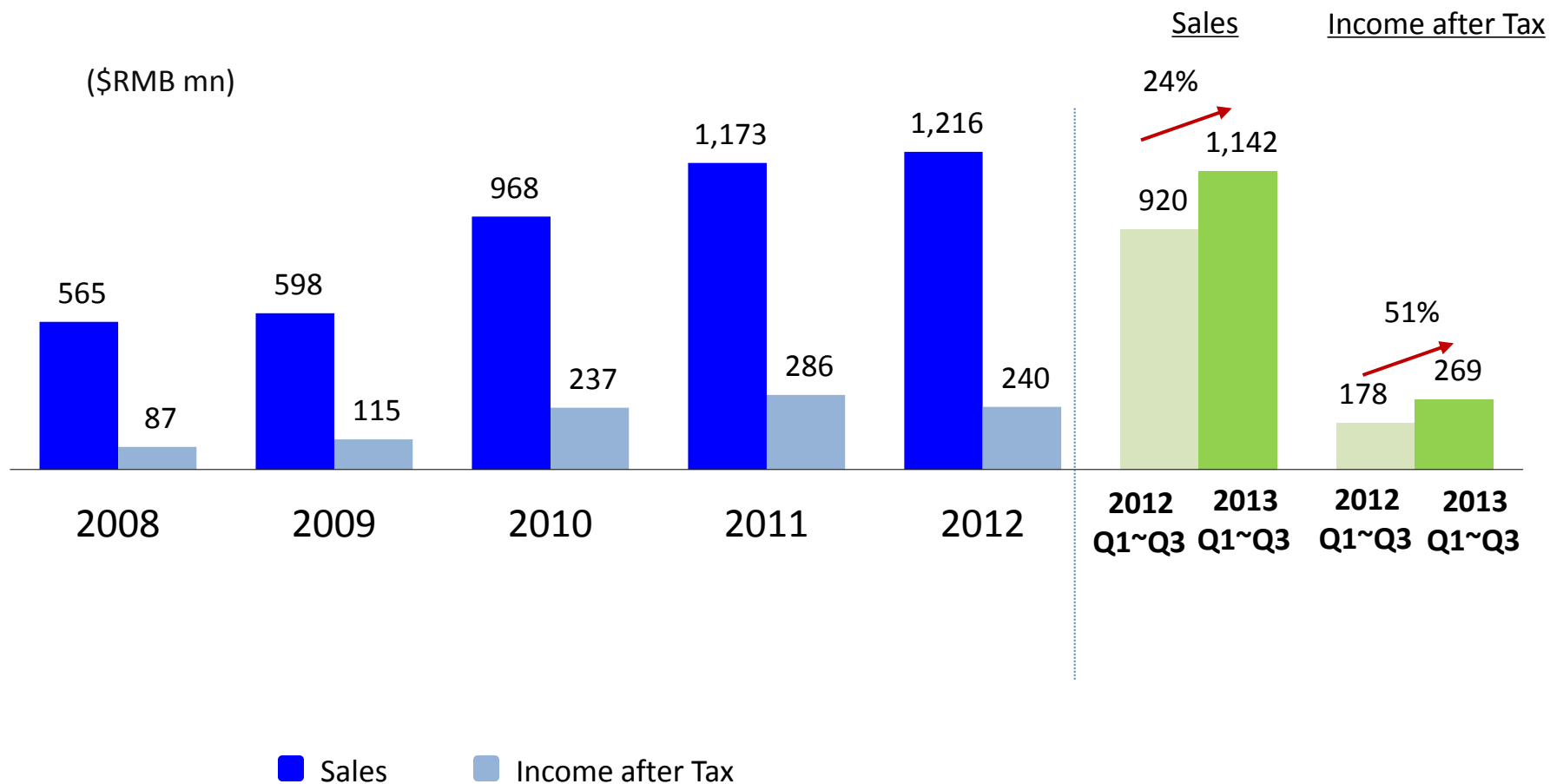


# Integration of upstream industrial chain

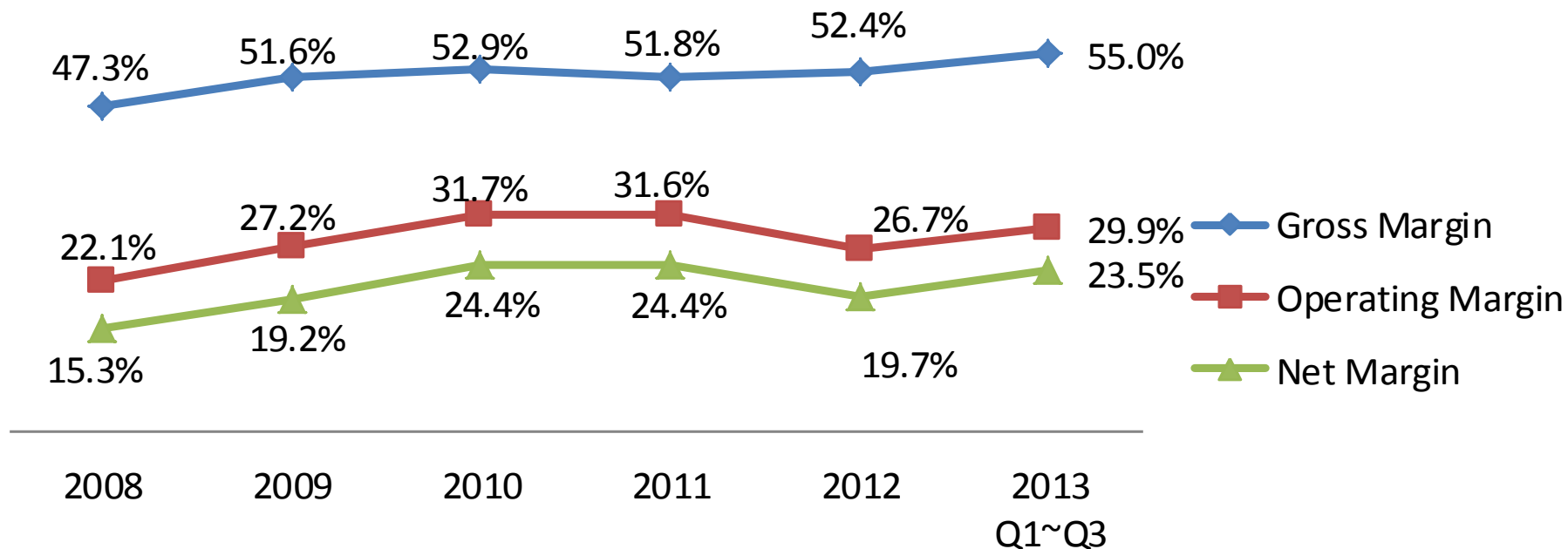


## IV · Financial Outlook

# 2008~2013 Q3 Sales & Income after Tax



## 2008~2013 Q3 Profitability Trend



# Income Statement

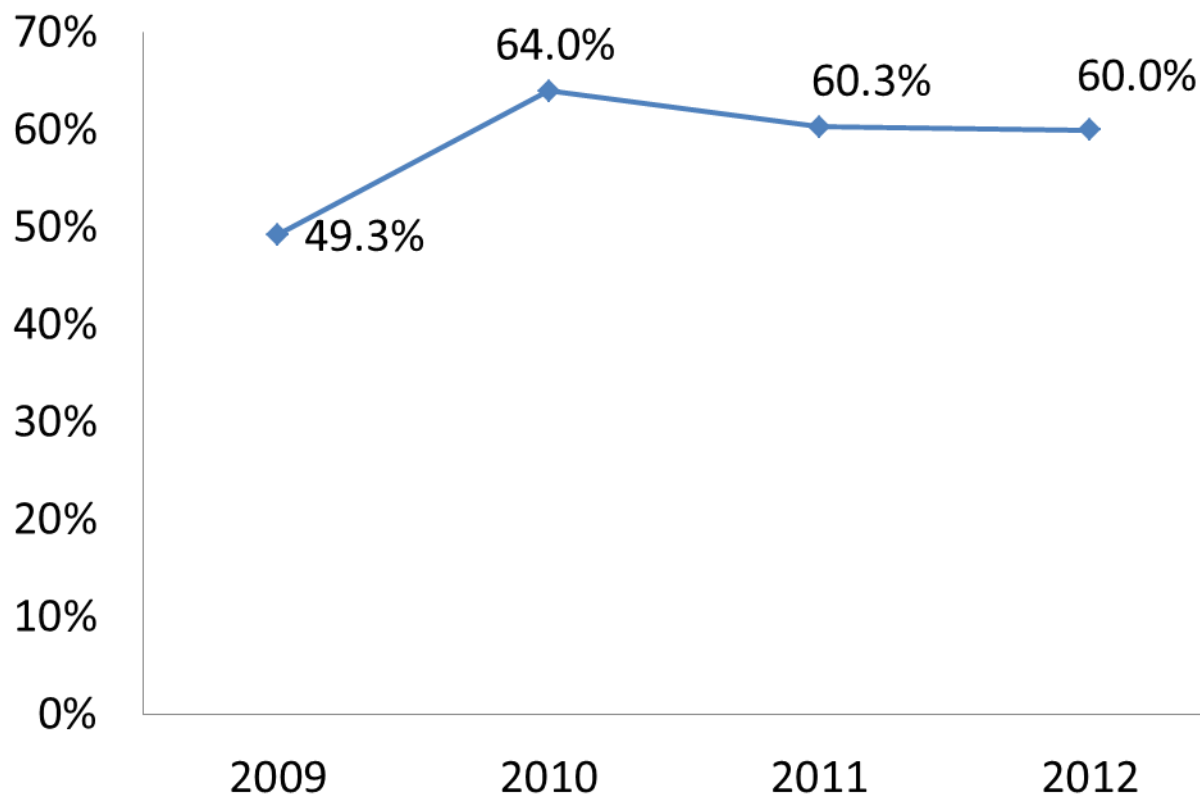
(\$RMB mn)

	<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013 Q1~Q3</u>	
Sales	\$968	100%	\$1,173	100%	\$1,216	100%	\$1,142	100%
Cost	\$456	47%	\$566	48%	\$579	48%	\$514	45%
Gross Profit	\$512	53%	\$607	52%	\$637	52%	\$628	55%
Operating Expenses	\$205	22%	\$236	20%	\$312	25%	\$286	25%
Income from Operations	\$307	31%	\$371	32%	\$325	27%	\$342	30%
Non-operating Income	\$17	2%	\$14	1%	\$16	1%	\$36	3%
Non-operating Expenses	\$12	1%	\$7	1%	\$11	1%	\$11	1%
EBT	\$312	32%	\$378	32%	\$330	27%	\$367	32%
TAX	\$75	8%	\$92	8%	\$90	7%	\$98	8%
Net Income	\$237	24%	\$286	24%	\$240	20%	\$269	24%

# Balance Sheet

(\$RMB mn)	2010		2011		2012		2013 Q1~Q3	
Cash & Cash Equivalents	\$431	29%	\$304	17%	\$233	11%	\$264	10%
NR & AR	\$226	15%	\$289	16%	\$335	15%	\$482	17%
Inventory	\$157	10%	\$205	11%	\$232	11%	\$280	10%
Other Current Assets	\$31	2%	\$38	3%	\$43	2%	\$117	4%
Property, plant and equipment, Other	\$666	44%	\$945	53%	\$1,335	61%	\$1,657	59%
<b>Total Assets</b>	<b>\$1,511</b>	<b>100%</b>	<b>\$1,781</b>	<b>100%</b>	<b>\$2,178</b>	<b>100%</b>	<b>\$2,800</b>	<b>100%</b>
Bank Debt	\$292	19%	\$410	23%	\$710	32%	\$1,084	39%
Other Current Liabilities	\$153	10%	\$174	10%	\$210	10%	\$303	11%
Other Long-term liabilities	\$45	3%	\$50	3%	\$39	2%	\$60	2%
<b>Total Liabilities</b>	<b>\$490</b>	<b>32%</b>	<b>\$634</b>	<b>36%</b>	<b>\$959</b>	<b>44%</b>	<b>\$1,447</b>	<b>52%</b>
<b>Total Equity</b>	<b>\$1,021</b>	<b>68%</b>	<b>\$1,147</b>	<b>64%</b>	<b>\$1,219</b>	<b>56%</b>	<b>\$1,353</b>	<b>48%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$1,511</b>	<b>100%</b>	<b>\$1,781</b>	<b>100%</b>	<b>\$2,178</b>	<b>100%</b>	<b>\$2,800</b>	<b>100%</b>

# Payout Ratio



2012 Cash dividends to shareholders – RMB 0.8 per share (NTD 3.8 per share )

Stock dividends to shareholders – RMB 0.148 per share (NTD 0.7 per share )



# V · Development prospects & Strategic

# Goals in the next five years

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

# Q&A