



# **AirTAC**

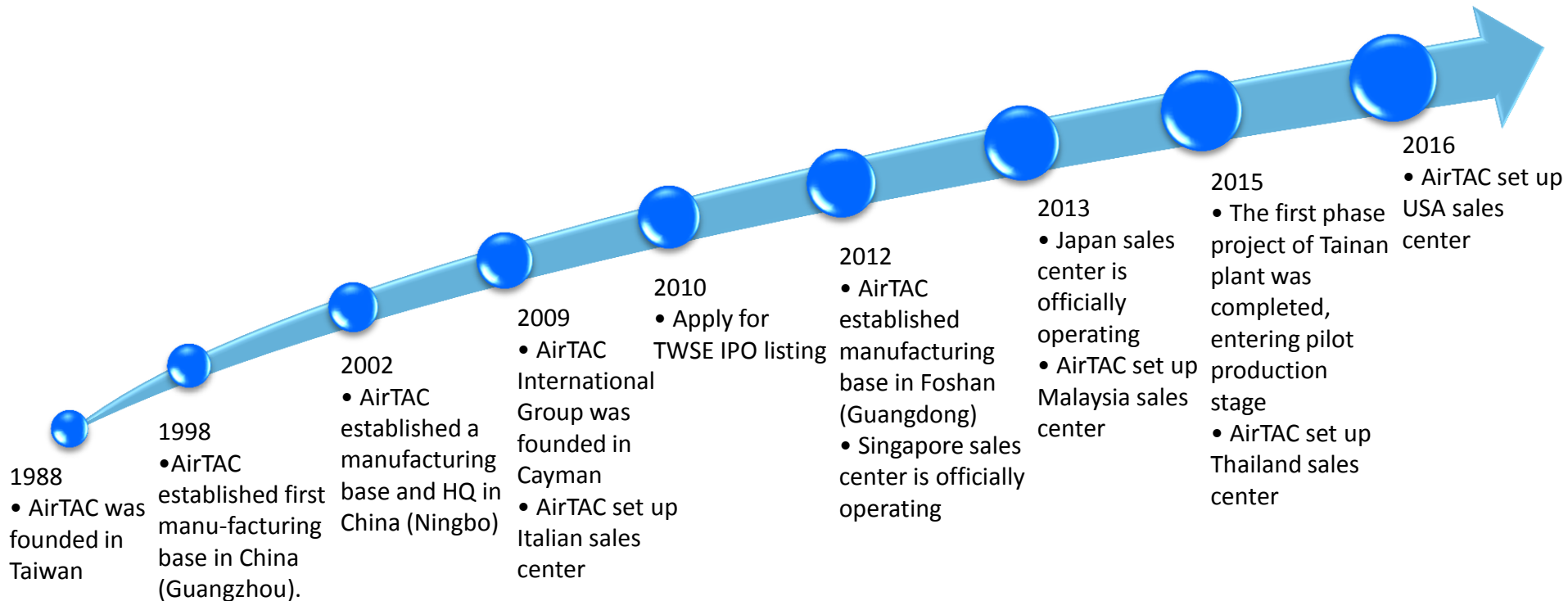
**Powered by AIRTAC**

# Agenda

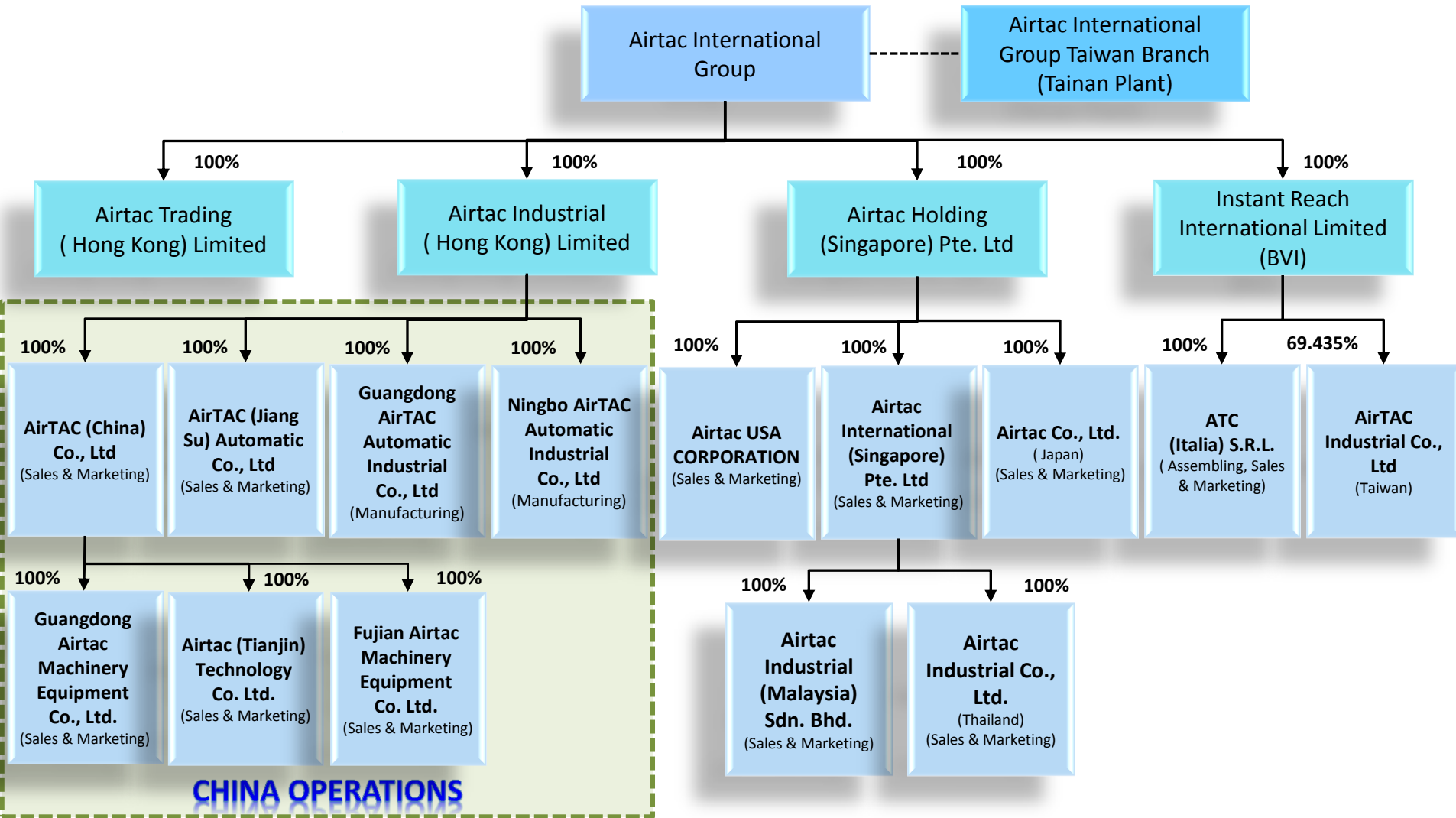
- I Group Overview**
- II Product & Market**
- III Competitive Advantage**
- IV Financial Outlook**
- V Development prospects & Strategic**

# I · Group Overview

# Group Overview



# Organization Chart



# Corporate Culture

## People-oriented

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

## Commitments

- AirTAC commitment to sustain growth and fulfill social responsibility

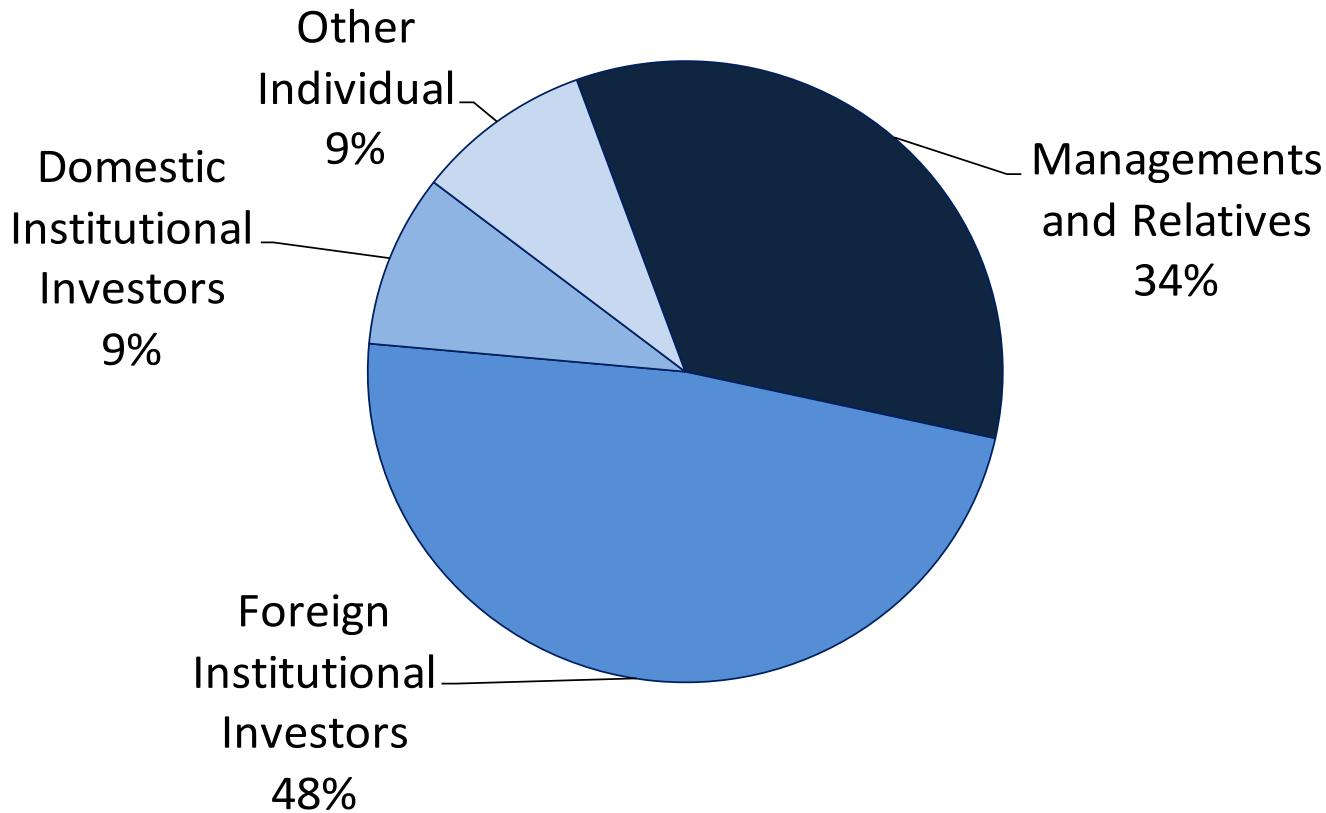
## Profit sharing

- 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



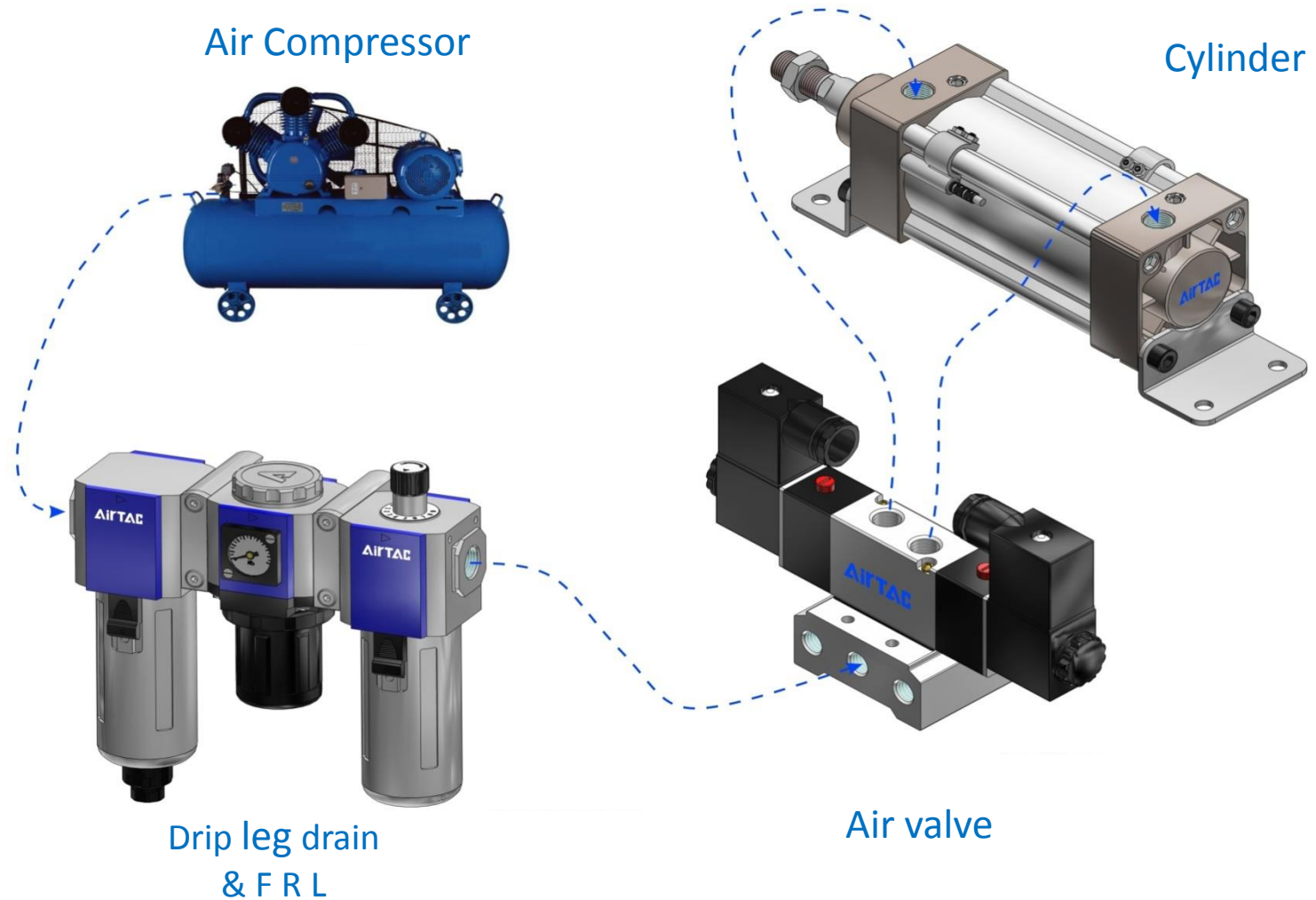
## ► Drip leg drain & F R L



## ► 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.

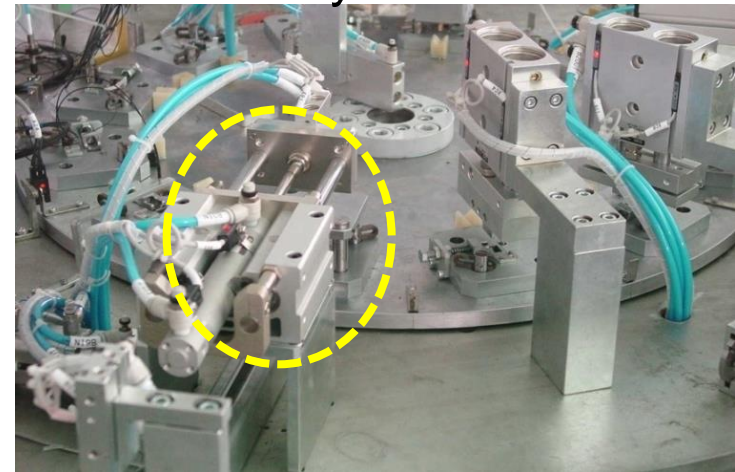
## Construction machinery



## Environmental processing machinery



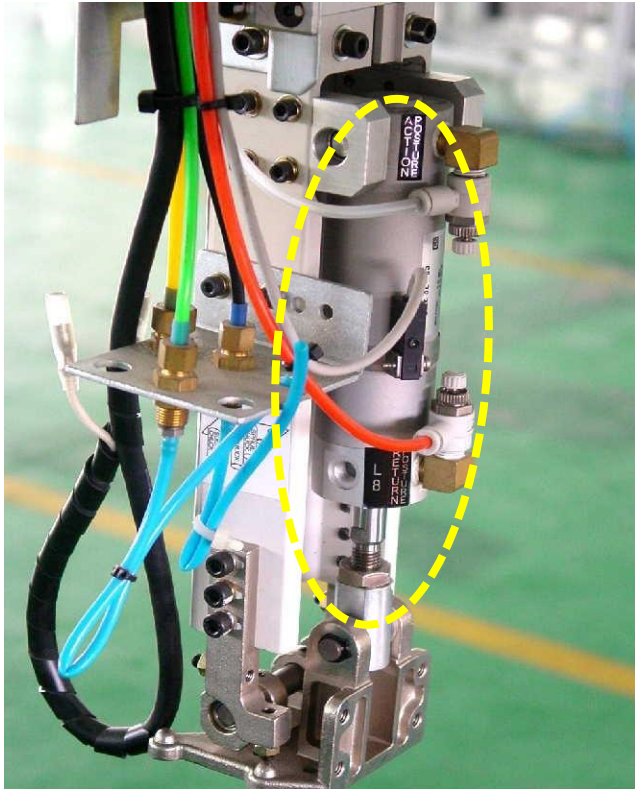
## Assembly automation



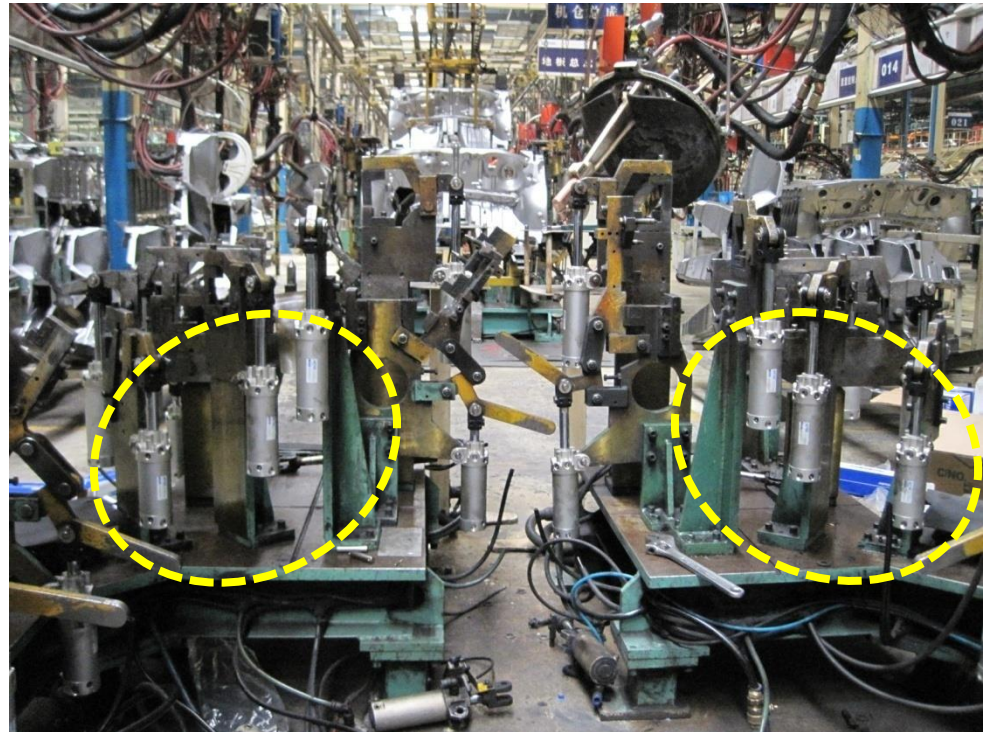


# Products Application by Industry

Robot arm

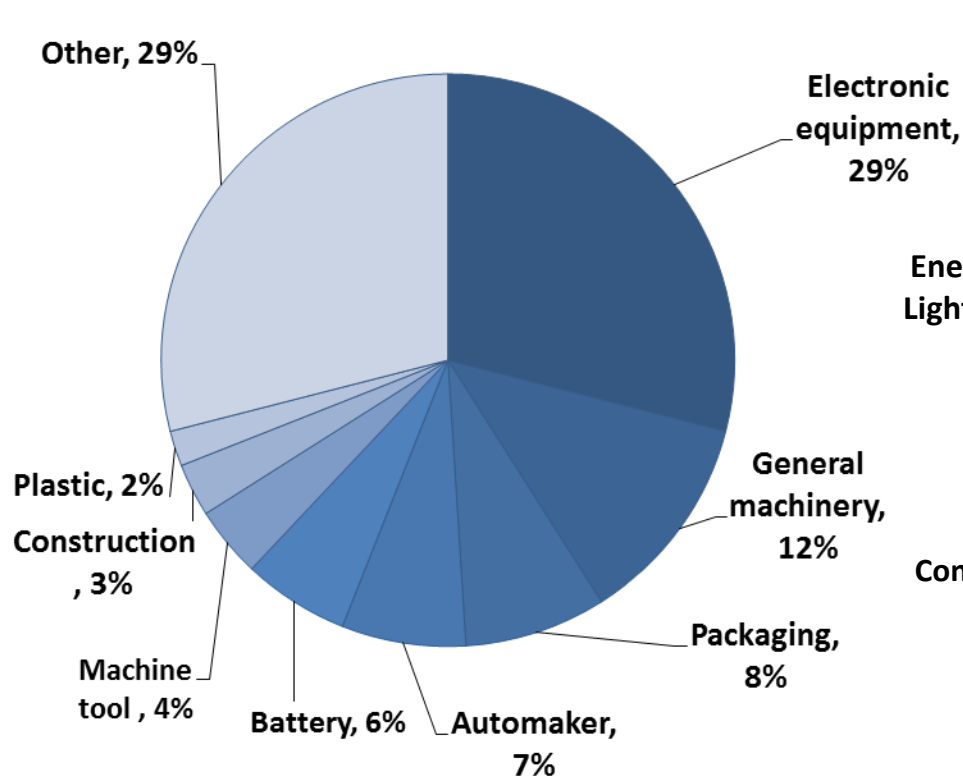


Automobile assembly

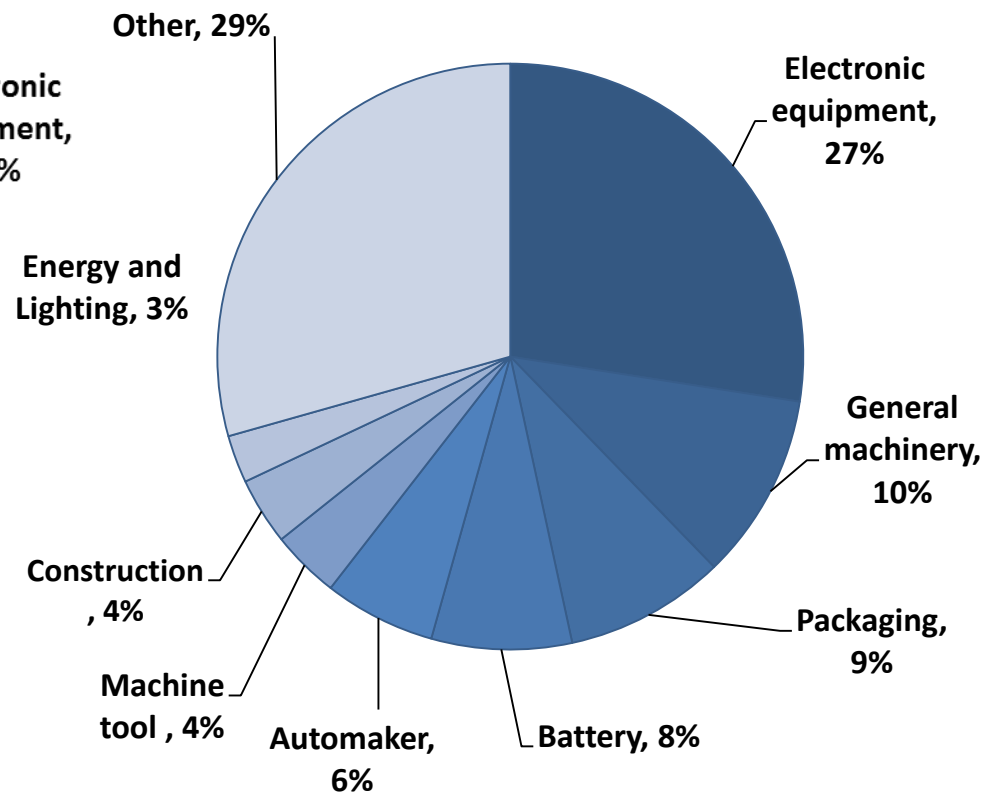


# Clients breakdown by industry

2018 Sales



2019 1H 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

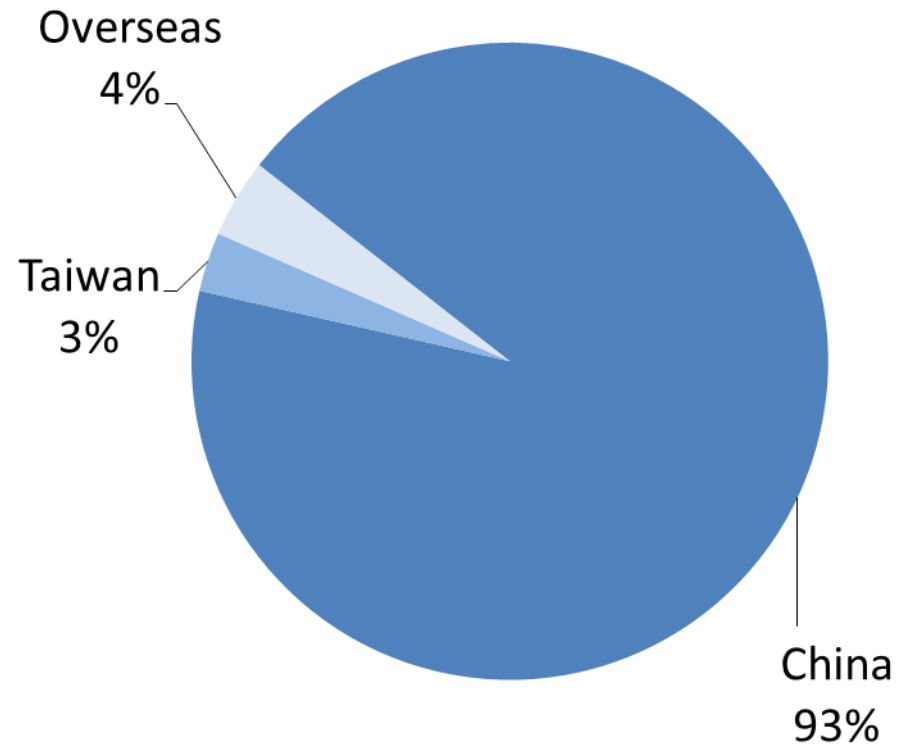


- ◆ Mainland : 2 manufacturing bases; 5 branches, 128 offices
- ◆ Taiwan : 1 manufacturing base and 6 offices
- ◆ Europe : 1 assembling and sales center in Italy
- ◆ Singapore : 1 sales center
- ◆ Japan : 1 sales center
- ◆ Malaysia : 1 sales center
- ◆ Thailand : 1 sales center
- ◆ USA : 1 sales center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

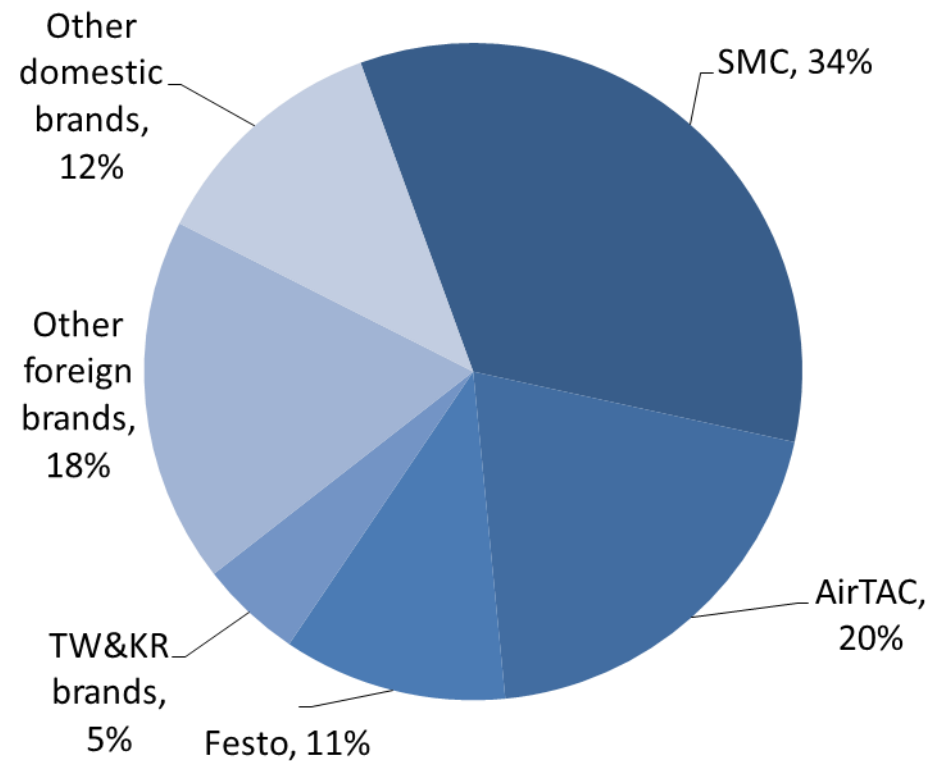


# Ranked the second largest market share in China

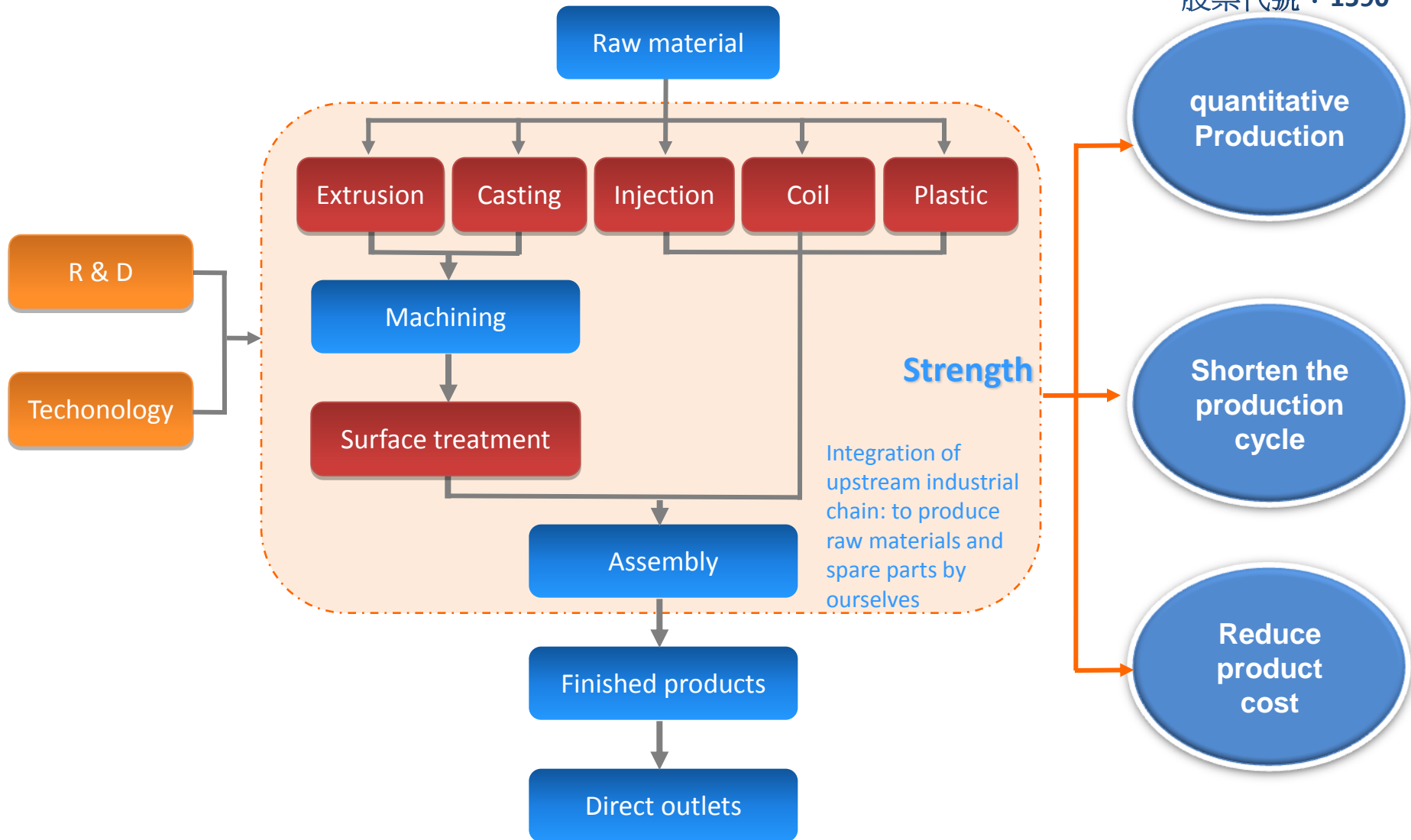
AirTAC Sales by region



Pneumatic equipment - market share in China



# Integration of upstream industrial chain

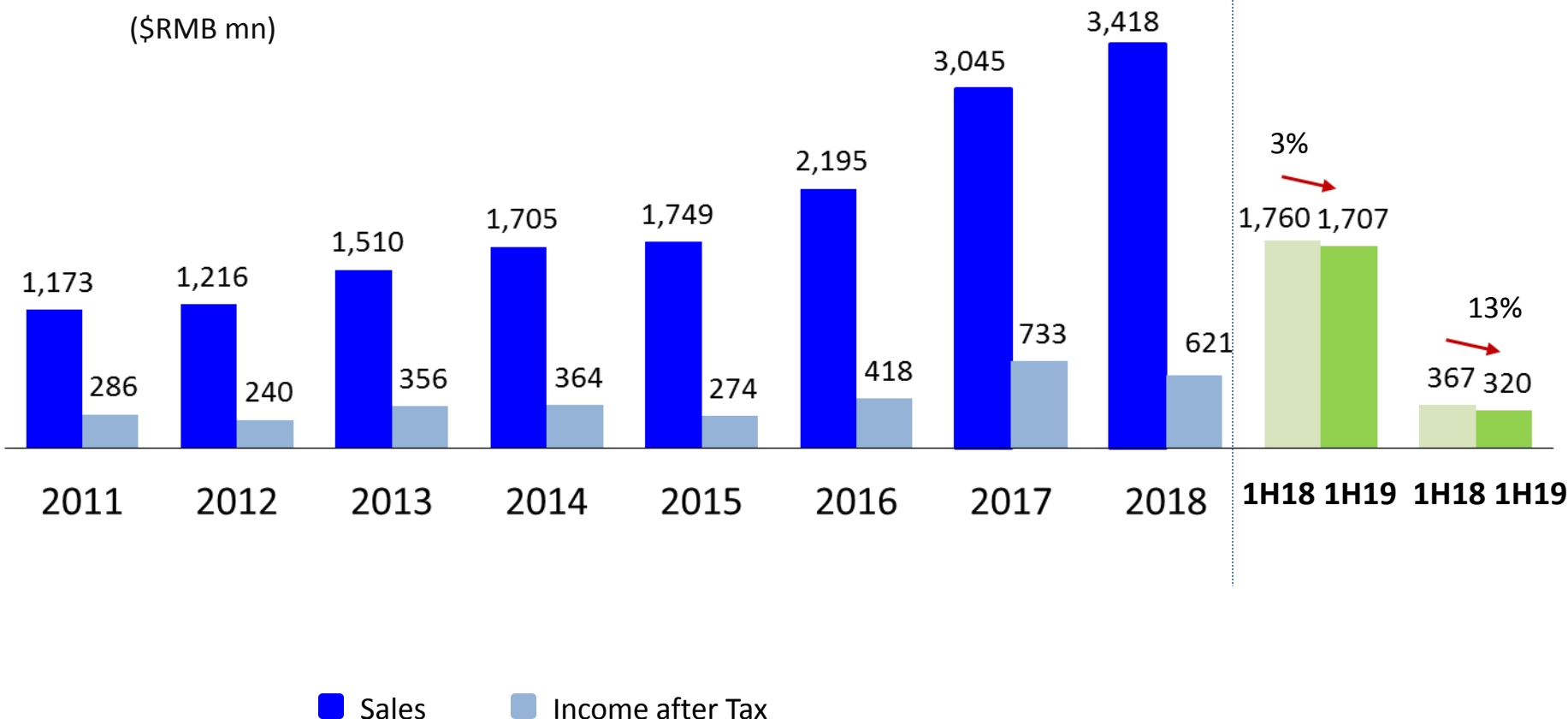


## IV · Financial Outlook

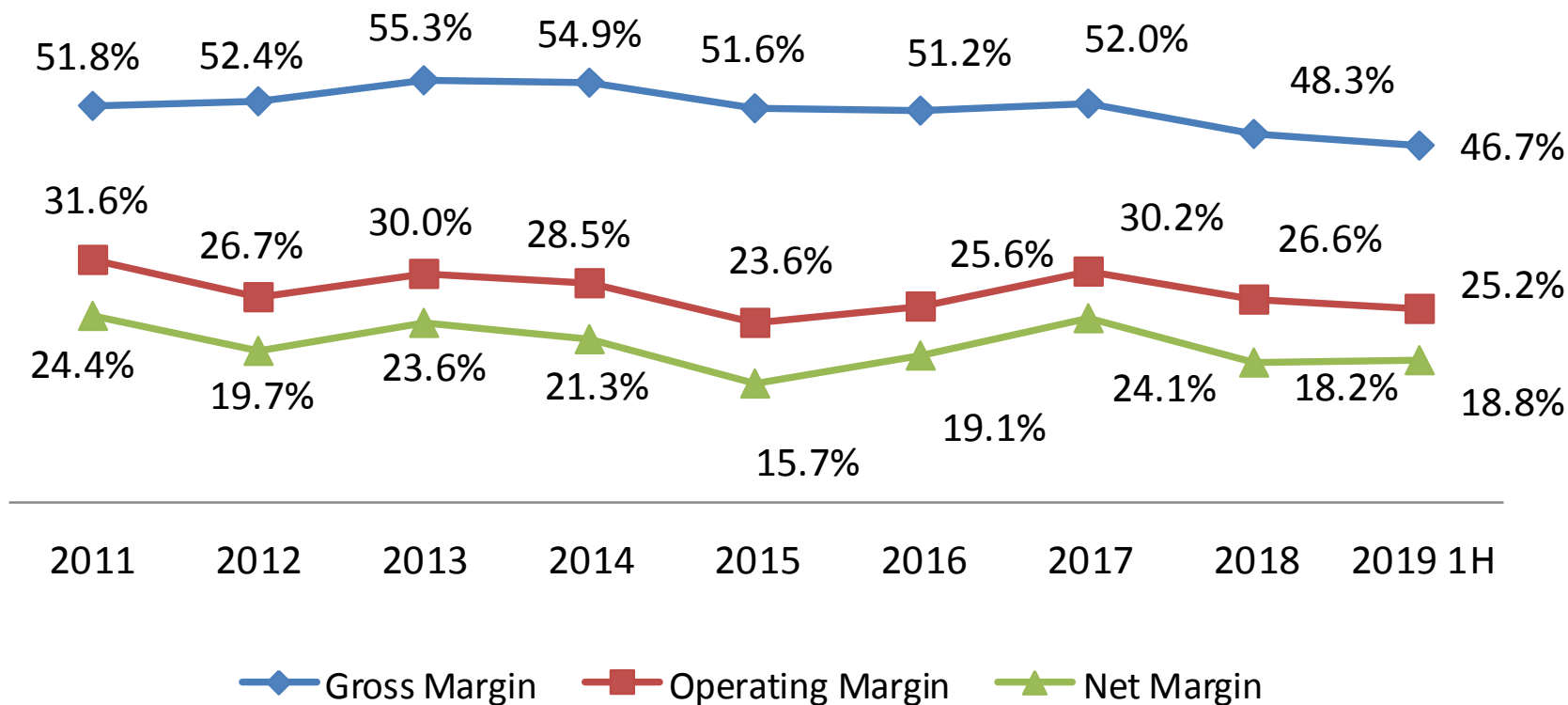
## 2011~2019 Sales & Income after Tax

Sales Income after Tax

(\$RMB mn)



# 2011~2019 Profitability Trend



# Income Statement

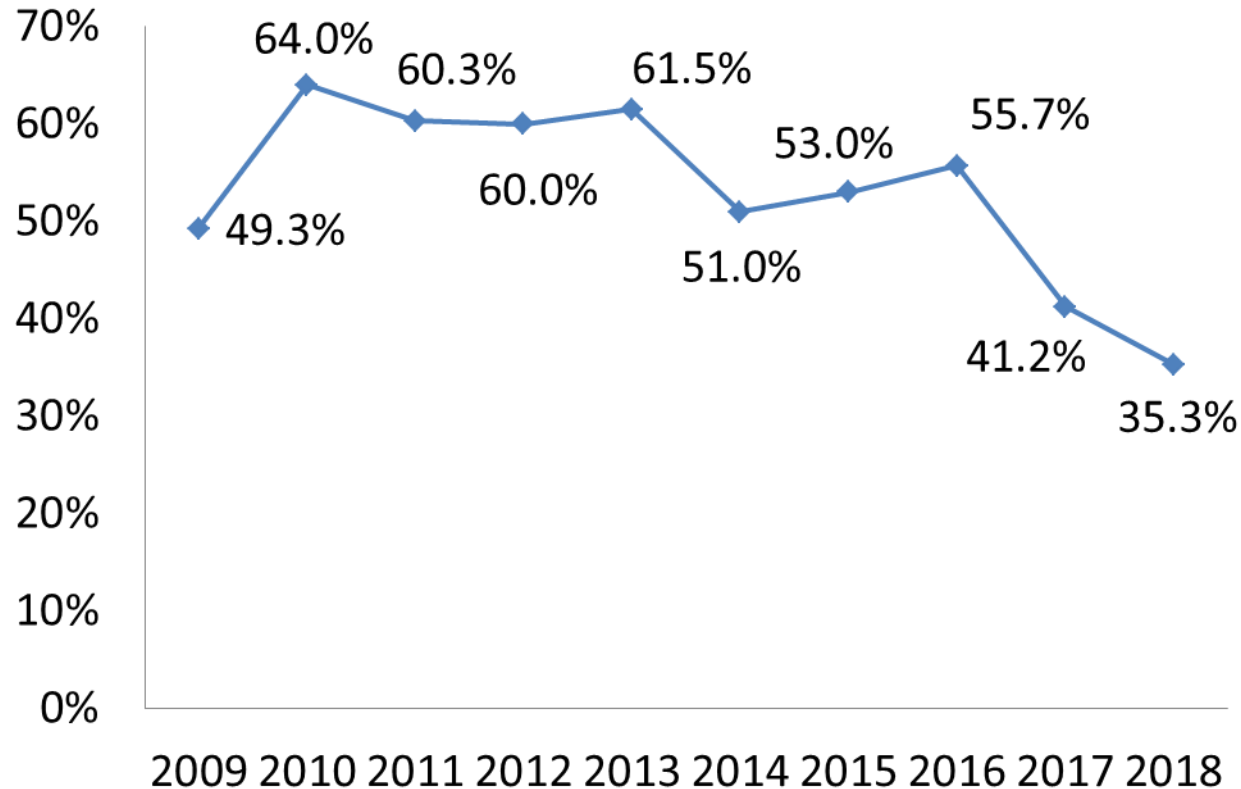
(\$RMB mn)	<b>2016</b>		<b>2017</b>		<b>2018</b>		<b>2019 1H</b>	
Sales	\$2,195	100%	\$3,045	100%	\$3,418	100%	\$1,707	100%
Cost	1,071	49%	1,463	48%	1,769	52%	909	53%
Gross Profit	1,124	51%	1,582	52%	1,649	48%	798	47%
Operating Expenses	561	25%	662	22%	740	22%	369	22%
Income from Operations	563	26%	920	30%	909	26%	429	25%
Non-operating Income & Exp.	24	1%	48	2%	-76	-2%	2	0%
EBT	587	27%	968	32%	833	24%	431	25%
TAX	169	8%	235	8%	212	6%	111	6%
Net Income	\$418	19%	\$733	24%	\$621	18%	\$320	19%

# Balance Sheet

(\$RMB mn)

	<b>2016</b>		<b>2017</b>		<b>2018</b>		<b>2019 1H</b>	
Cash & Cash Equivalents	\$798	16%	\$443	7%	\$871	11%	\$1,347	16%
NR & AR	816	16%	1,190	19%	1,117	14%	1,223	14%
Inventory	467	10%	868	14%	913	12%	839	10%
Other Current Assets	53	1%	102	1%	232	3%	88	1%
Property, plant and equipment, Other	2,839	57%	3,729	59%	4,703	60%	5,096	59%
<b>Total Assets</b>	<b>\$4,973</b>	<b>100%</b>	<b>\$6,332</b>	<b>100%</b>	<b>\$7,836</b>	<b>100%</b>	<b>\$8,593</b>	<b>100%</b>
Bank Debt	\$2,227	45%	\$2,200	35%	\$3,398	43%	\$3,737	43%
Other Current Liabilities	340	7%	554	9%	502	6%	762	9%
Other Long-term liabilities	77	1%	81	1%	110	2%	167	2%
<b>Total Liabilities</b>	<b>\$2,644</b>	<b>53%</b>	<b>\$2,835</b>	<b>45%</b>	<b>\$4,010</b>	<b>51%</b>	<b>\$4,666</b>	<b>54%</b>
<b>Total Equity</b>	<b>\$2,329</b>	<b>47%</b>	<b>\$3,497</b>	<b>55%</b>	<b>\$3,826</b>	<b>49%</b>	<b>\$3,927</b>	<b>46%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$4,973</b>	<b>100%</b>	<b>\$6,332</b>	<b>100%</b>	<b>\$7,836</b>	<b>100%</b>	<b>\$8,593</b>	<b>100%</b>

# Dividend Payout (Include stock dividends)



2018 Cash dividends to shareholders – RMB 1.16 per share (around NTD 5.23972 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