



NAFCO Investor Conference

2020. 11. 27

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- Our actual results of operations, financial condition or business prospects may differ from those expressed or implied in these forward-looking statements for a variety of reasons, including but not limited to market demand, price fluctuations, competition, international economic conditions, supply chain issues, exchange rate fluctuations and other risks and factors beyond our control.
- The financial information contained here within is presented in conformity with International Financial Reporting Standards (IFRSs).
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Agenda

01

Company & Business Introduction
by President Alvin Lin

02

Financial Performance by Chris Lee

03

Q & A

Company & Business Introduction

President Alvin Lin



Company Introduction

Year of Establishment : 1997

Year of IPO : 2002

Capital : NT\$520M

Sites : Taiwan(Tao-yuan) 、 China(Kunshan)

Number of Employees : 583

Revenue : 2019 Consolidated Revenue NT\$2.82B

**Products : Aerospace Engine Fasteners 、 Aerospace
Machining Parts 、 Automobile Fasteners**

Operating Sites



Taiwan Tao-yuan :
Land : 45,000 m²
Floor space : 46,700 m²



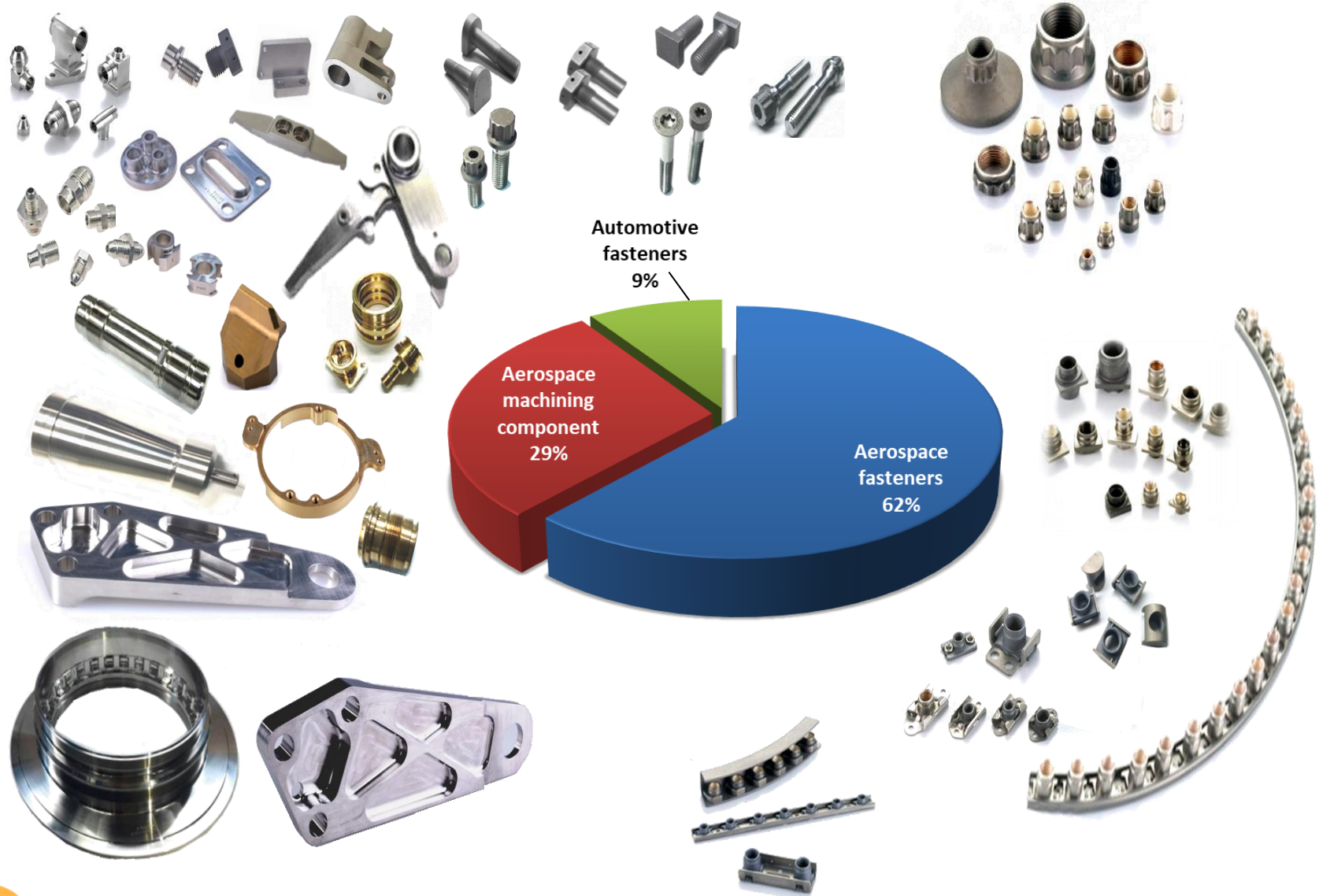
China Kunshan :
Floor space : 15,400 m²



Our Partner



Product proportion



NAFCO Aerospace Products & Application



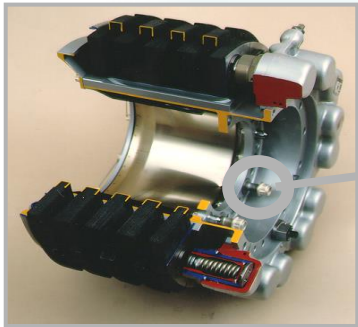
Flight control Systems

Airframe Fastener

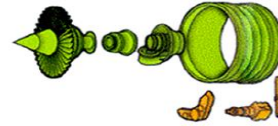


Landing System/break and wheel

Engine



風扇和助推器主模組
Fan/Booster Major Module



Gearbox Major Module
變速器主模組

核心模組
Core Major Module

- HPC 高壓壓縮器
- Combustor 燃燒室
- HPT 高壓渦輪

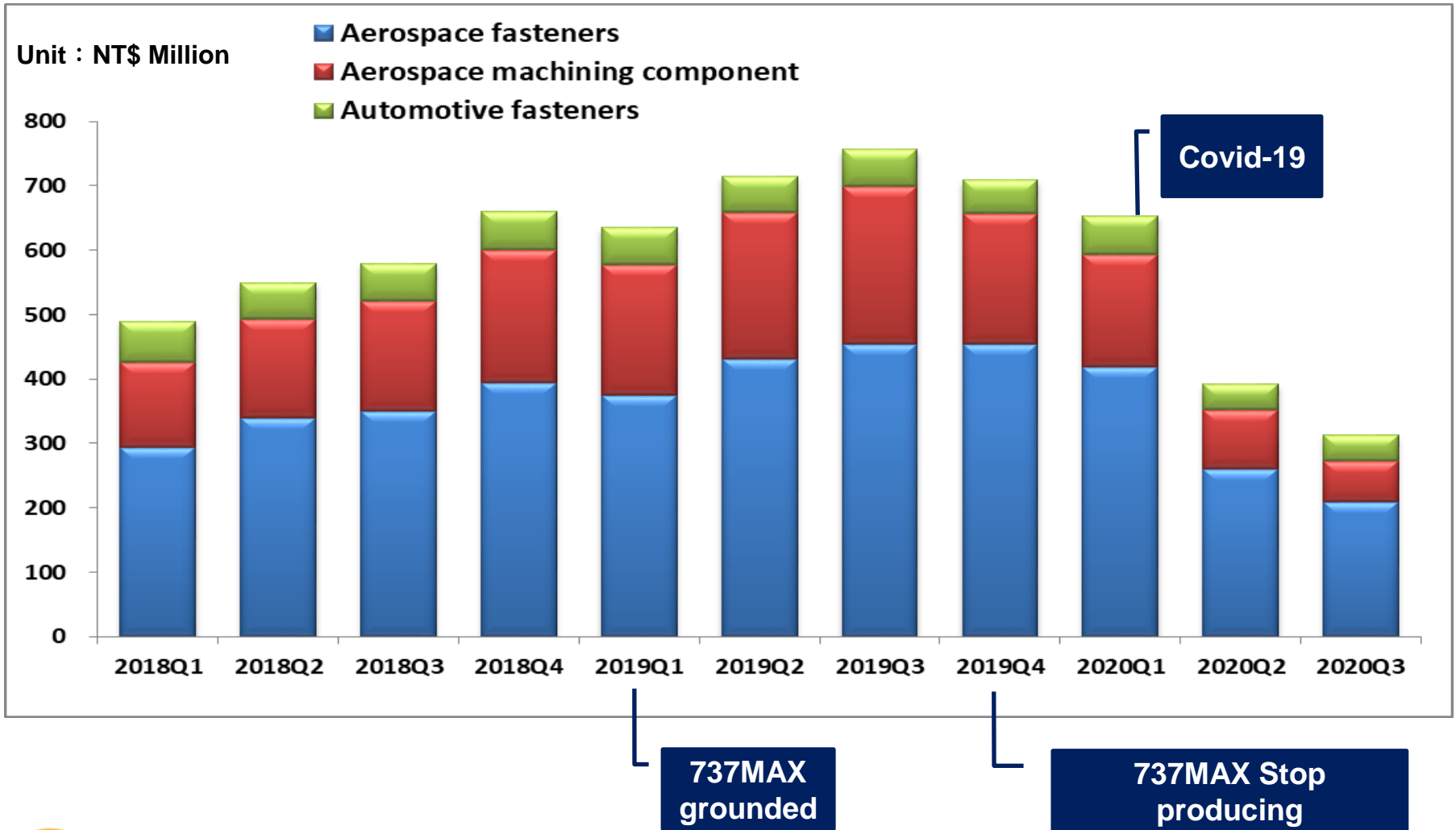


低壓渦輪模組
LPT Major Module



Our products are used in aircraft engines from cold to hot sections

2018Q1~2020Q3 Sales Revenue



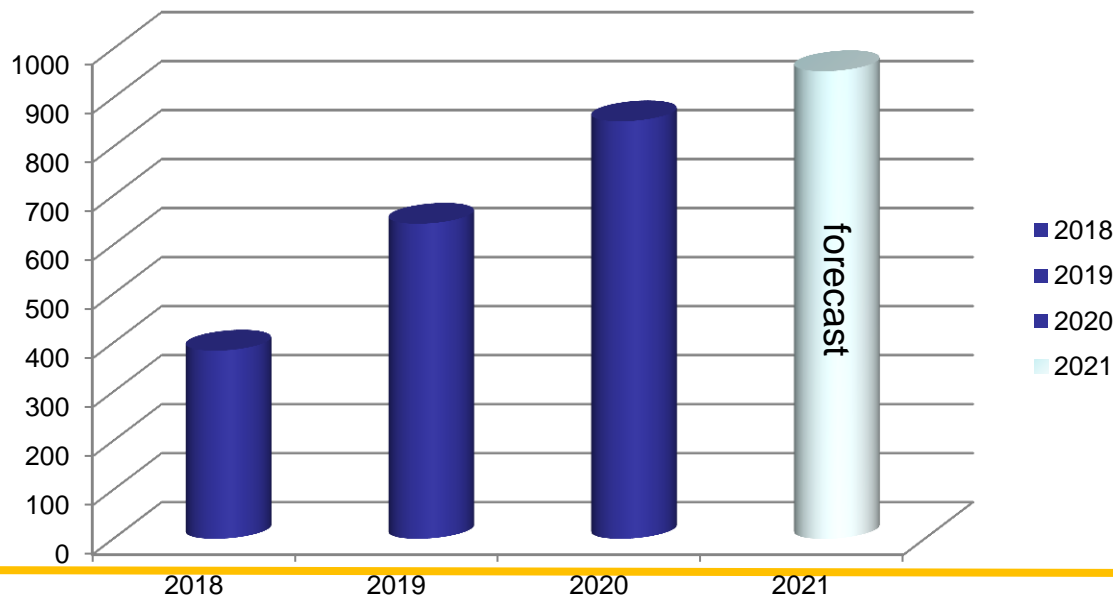
Business development

Set up a business office in the U.S. in 2019, and set up a business office in Europe in 2020 to strengthen customer contacts in Europe and the United States, which has a significant effect in this epidemic; cooperate with Taiwan and China business teams to actively expand aviation/space/automotive business .

2020 new certification:

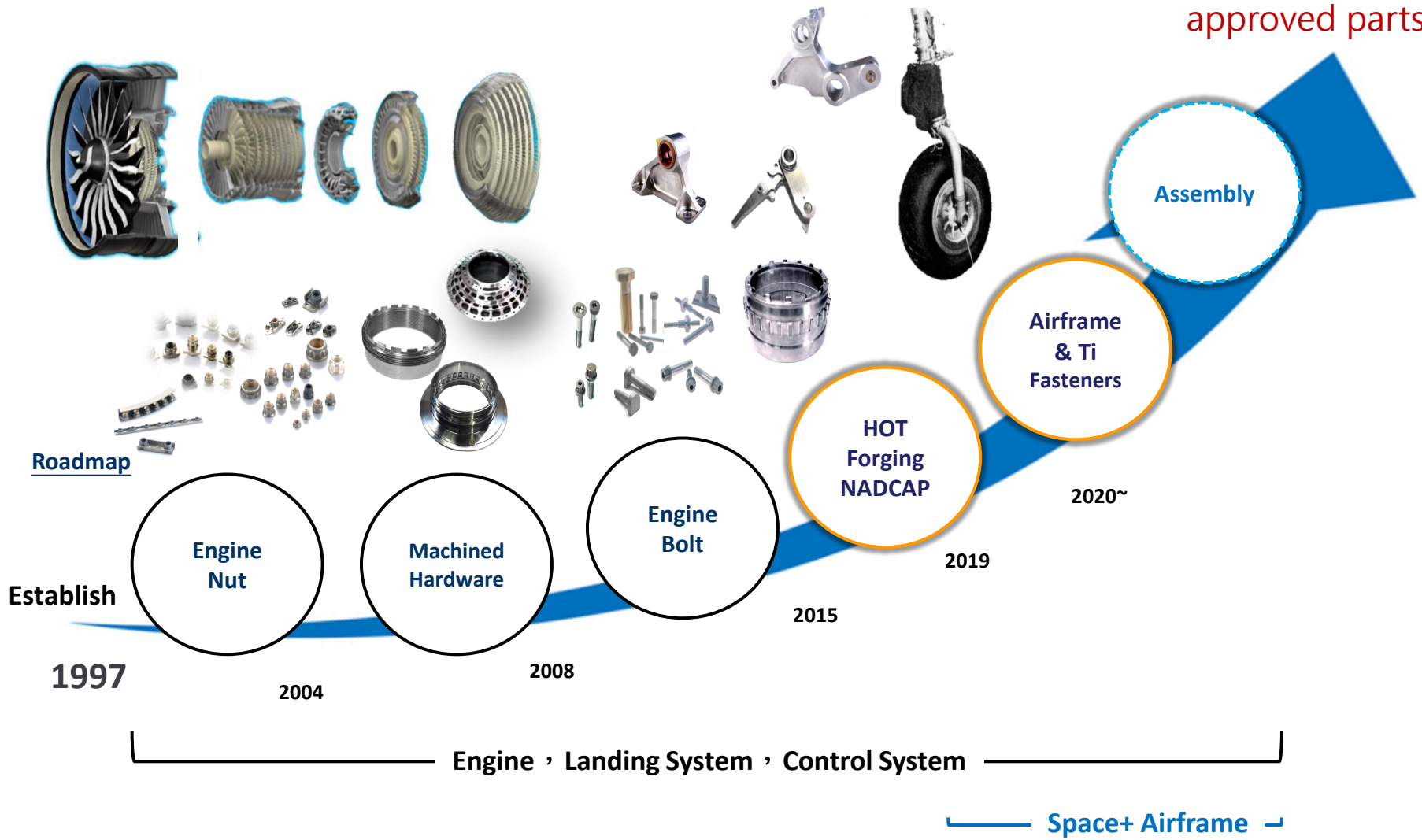
1. Royce-Rolls: Has obtained full process certification
2. Collins Aerospace: Obtained system certification, process certification is in progress
3. Honeywell Aerospace: Obtained system certification, process certification is in progress

New product development



AEROSPACE PRODUCT ROADMAP

More than 6,000 approved parts



The focus of automotive product development - customized products



Chassis



Body



1997

~

Standard Parts
Rivet nut
Brass insert



2017

~

Custom parts (co-designed with Automobile manufacturers or Tier 1)
Lightweight/high strength/torque pull cap
For lightweight (new energy) vehicles



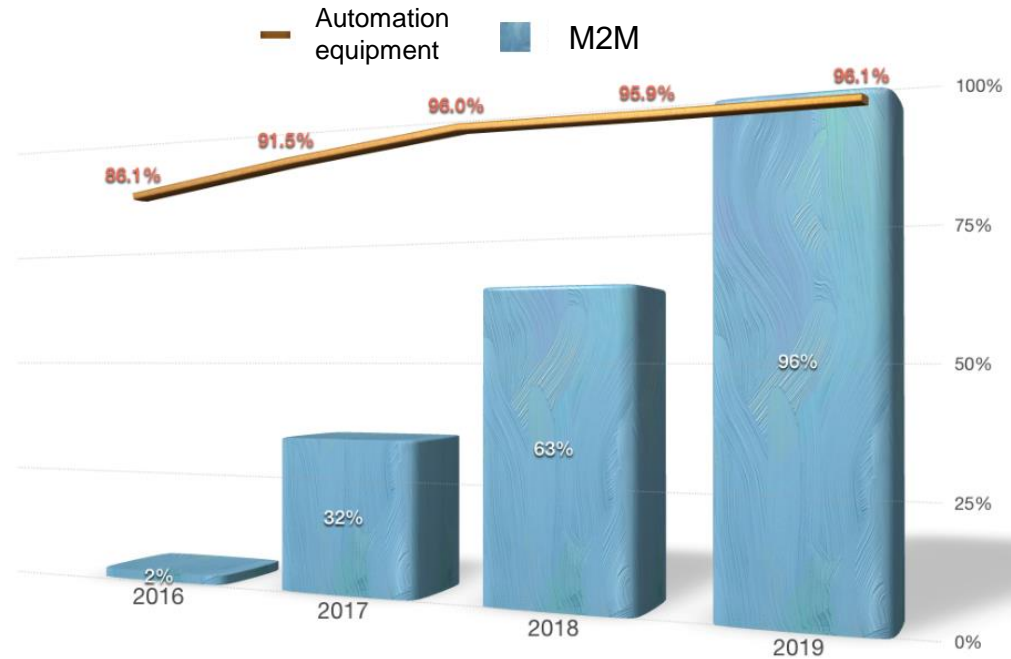
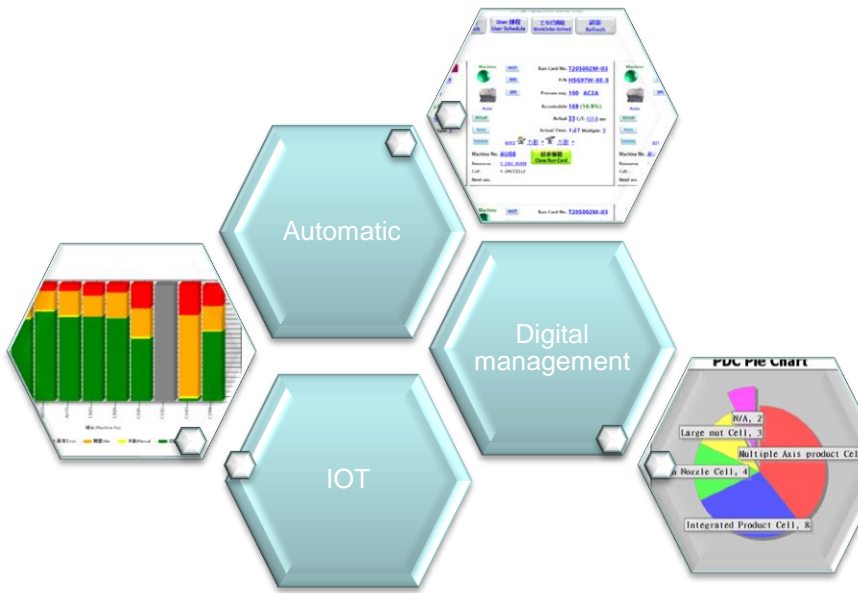
2020

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Custom parts
Entering the production stage

Process optimization : Production automation → Intelligent manufacturing

From 2014 to 2019, We built equipment automation and intelligent monitoring of production processes



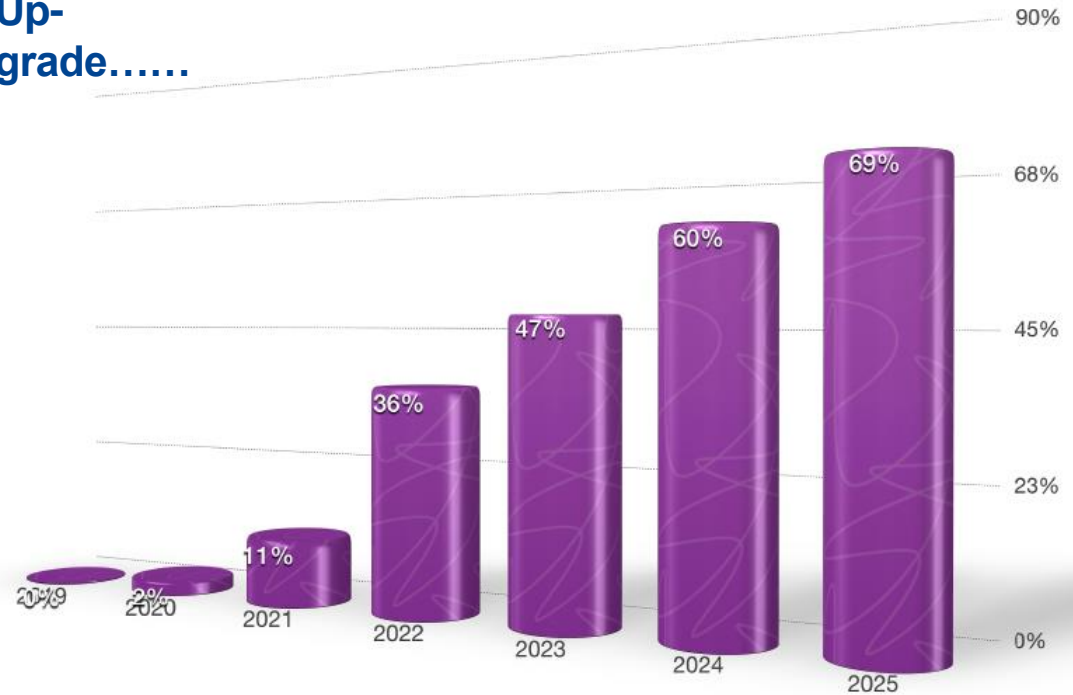
From 2020 to 2025, AI wisdom will be introduced and widely used in various manufacturing processes, which can reduce manufacturing costs

Smart Factory



Up-grade.....

AI Smart Control Coverage



Market Trend

Short-term: the aerospace industry is still affected by the Covid-19

Long-term: Due to the replacement of old aircraft, the demand for single-aisle aircraft will be higher

Market demand

2020-2039
New aircraft
orders

43,100

single-aisle 75%
Decommissioning
of old aircraft 56%

AIRBUS/BOEING

Market demand

2020-2039
Global air traffic
Forecast

+4.0%

Cargo volume
grows due to the
covid-19

IATA

Market trends

Asian market
demand for
global

45%

China has returned
to the state it was in
before the Covid-19

IATA



AIRBUS

- The highest monthly shipment in 2019 is 76 units, and 72 units will be shipped in October 2020
- The output of A320 will increase to 47 in the third quarter of 2021 (62 units/month before Covid-19)



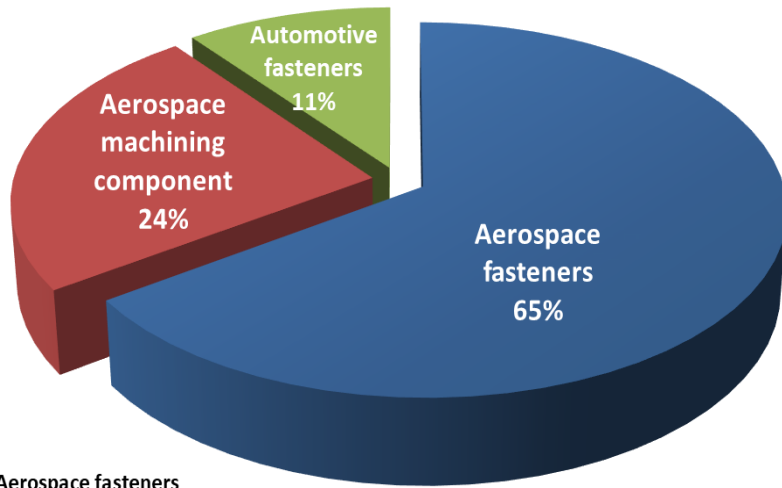
BOEING

- The FAA officially approved the Boeing 737 Max's return to flight, EASA in Europe, CAAC in China will follow up
- 2021-2022 plans to produce 20-30 units per month

Financial Performance

Chris Lee / Finance Director

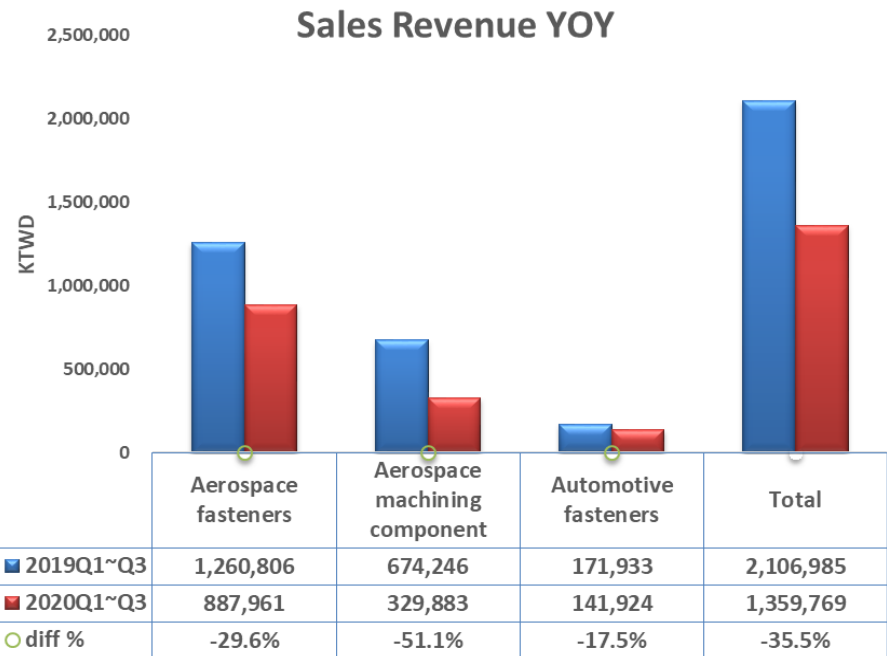
2020Q1~Q3 Consolidated Sales Revenue



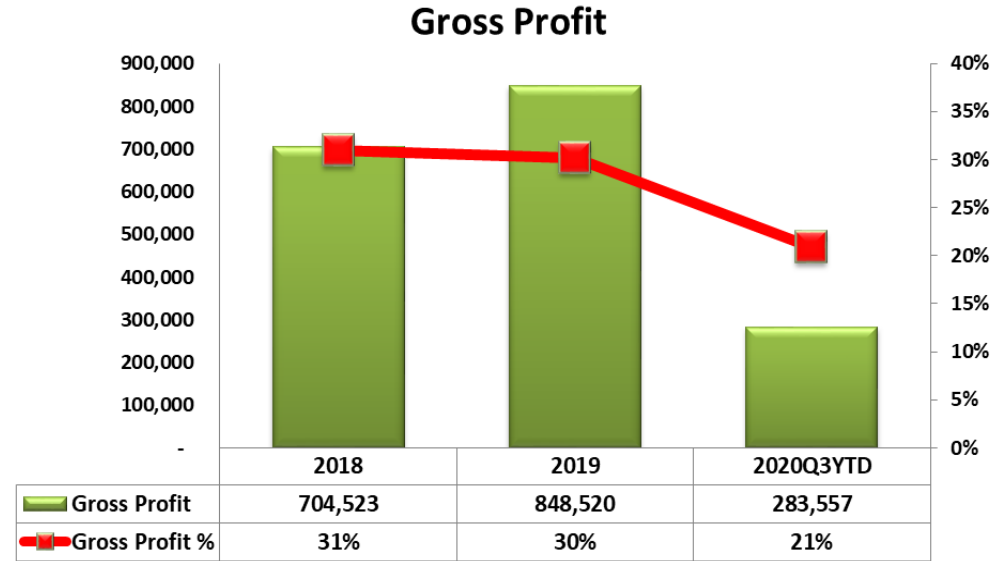
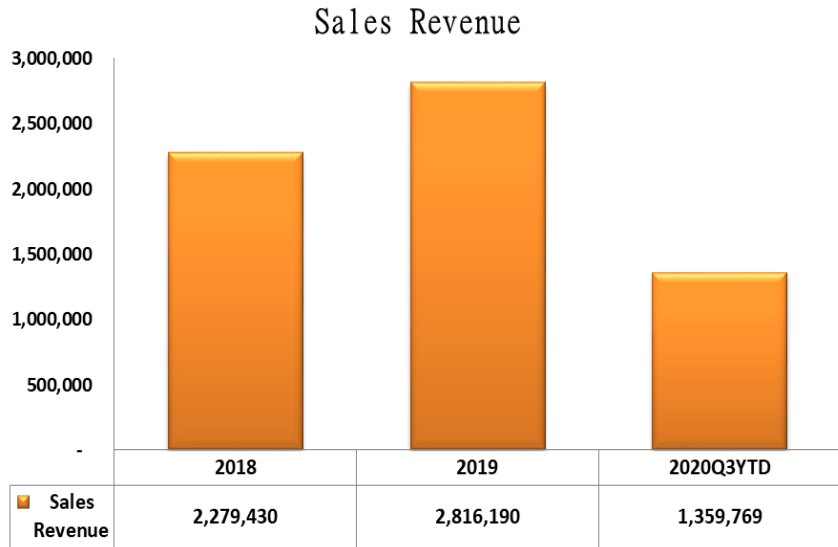
- Aerospace fasteners
- Aerospace machining component
- Automotive fasteners

Unit : NT\$ Thousands

Product	Amount	%
Aerospace fasteners	887,962	65%
Aerospace machining component	329,883	24%
Automotive fasteners	141,924	10%
TTL	1,359,769	100%

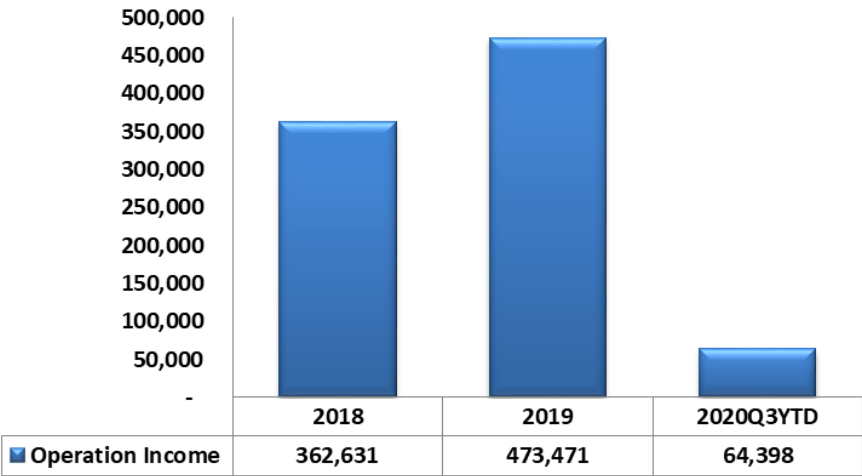


Consolidated Sales Revenue & Gross Profit

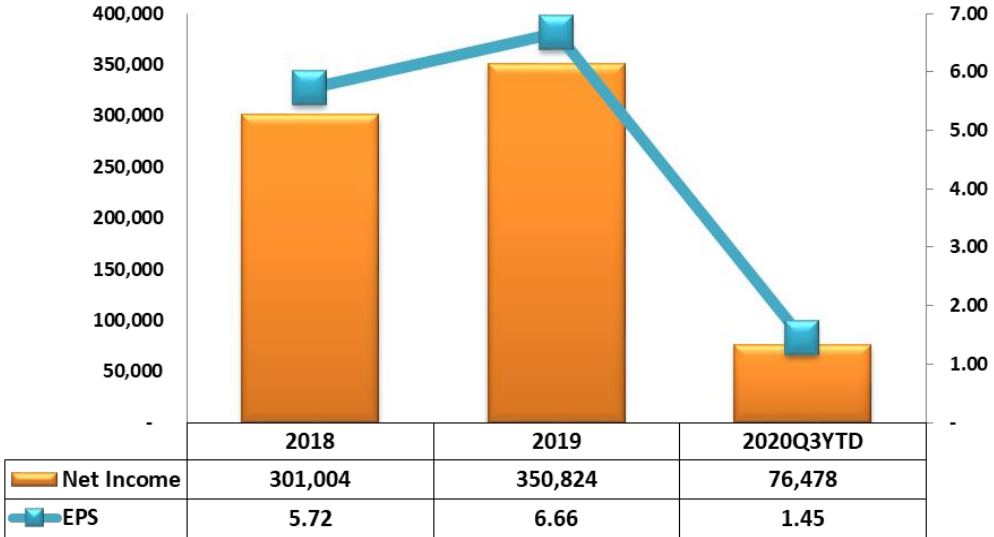


Consolidated Operation Income & Net Income

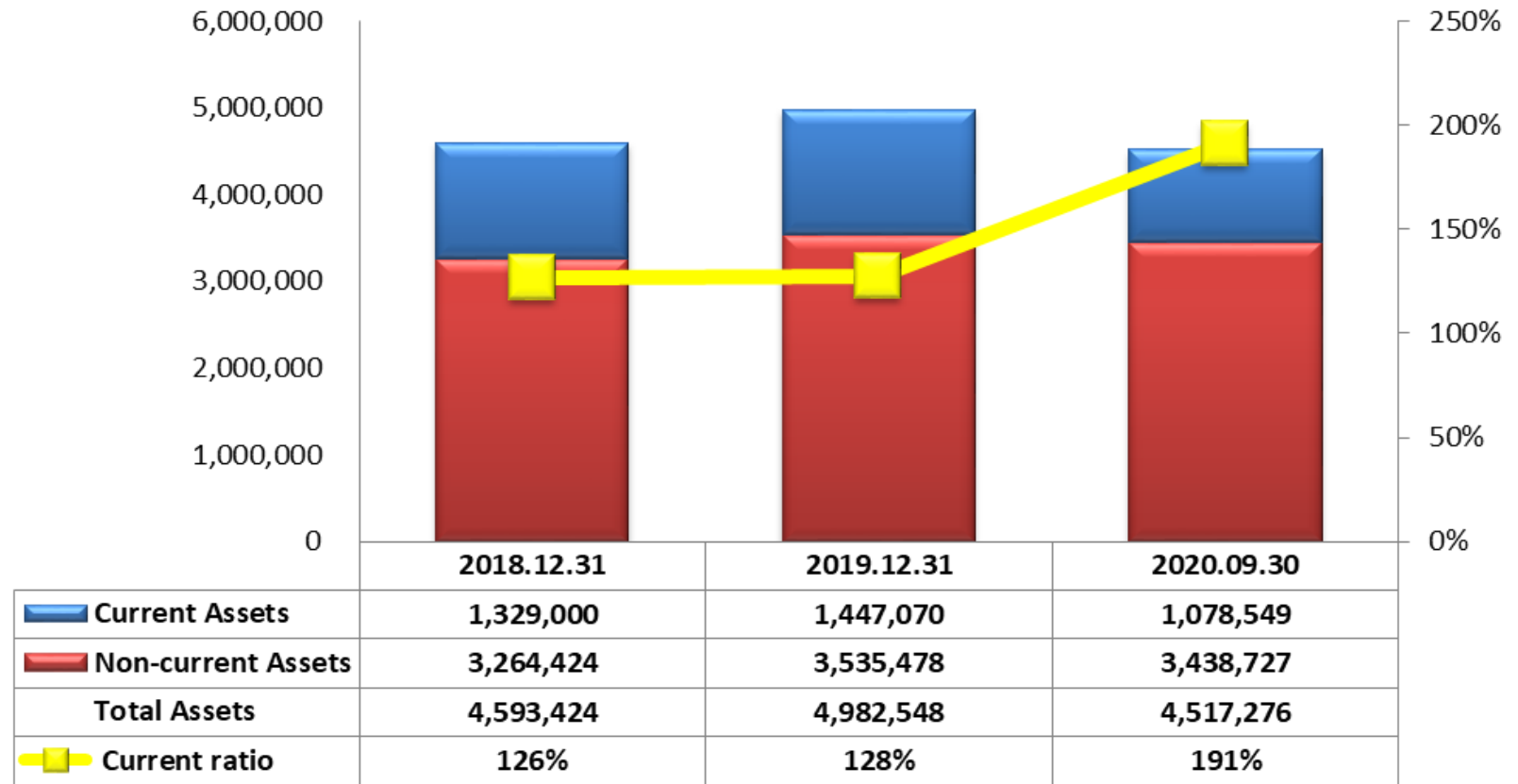
Operation Income



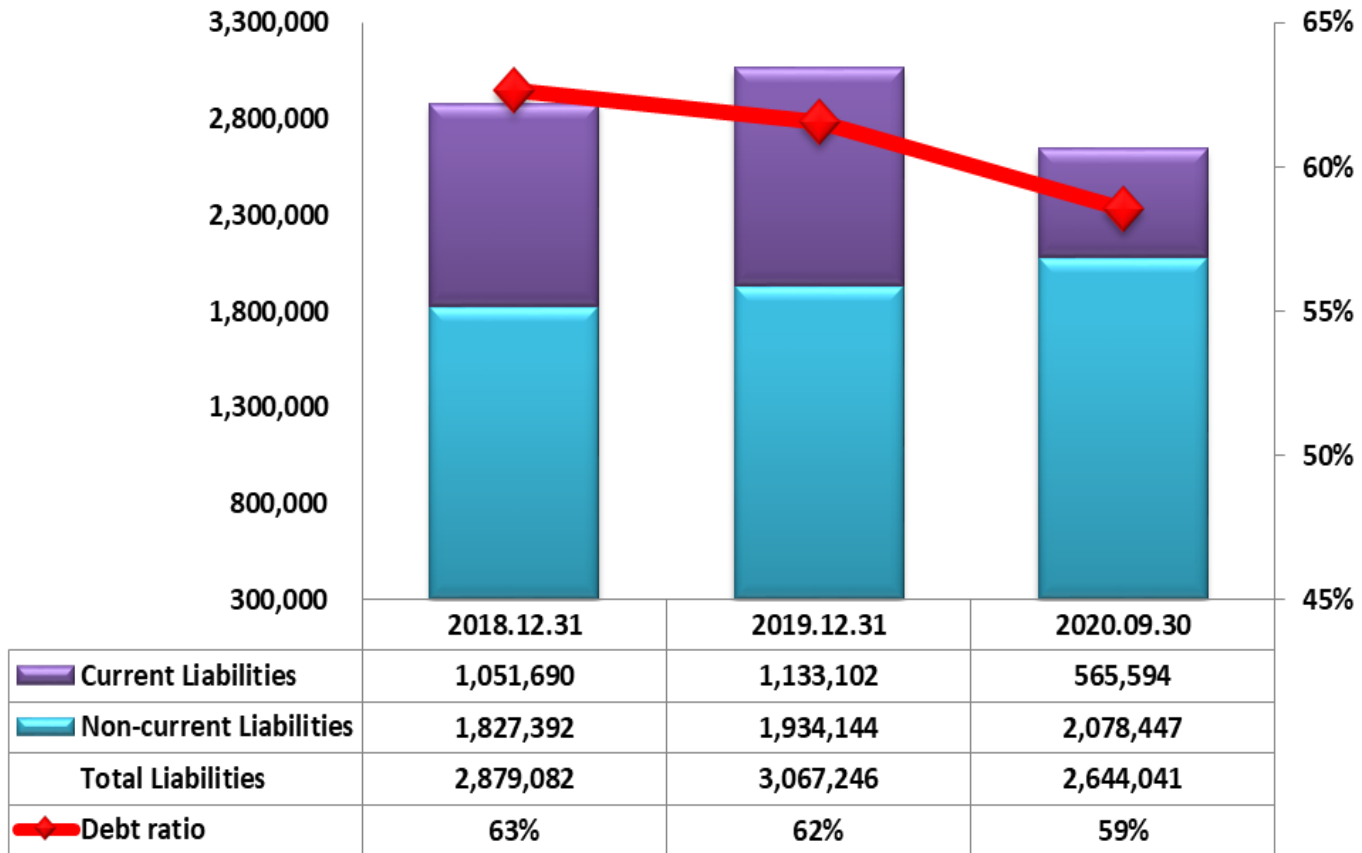
Net Income



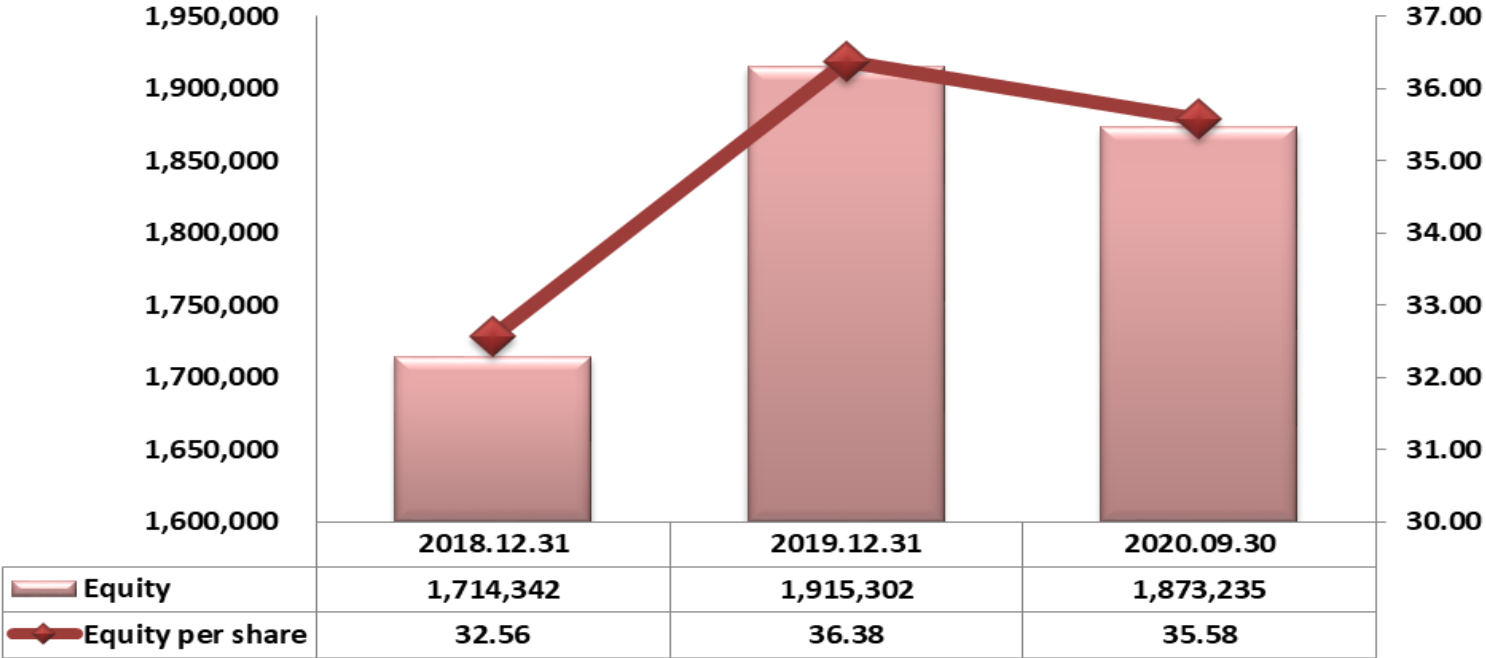
Assets



Liabilities

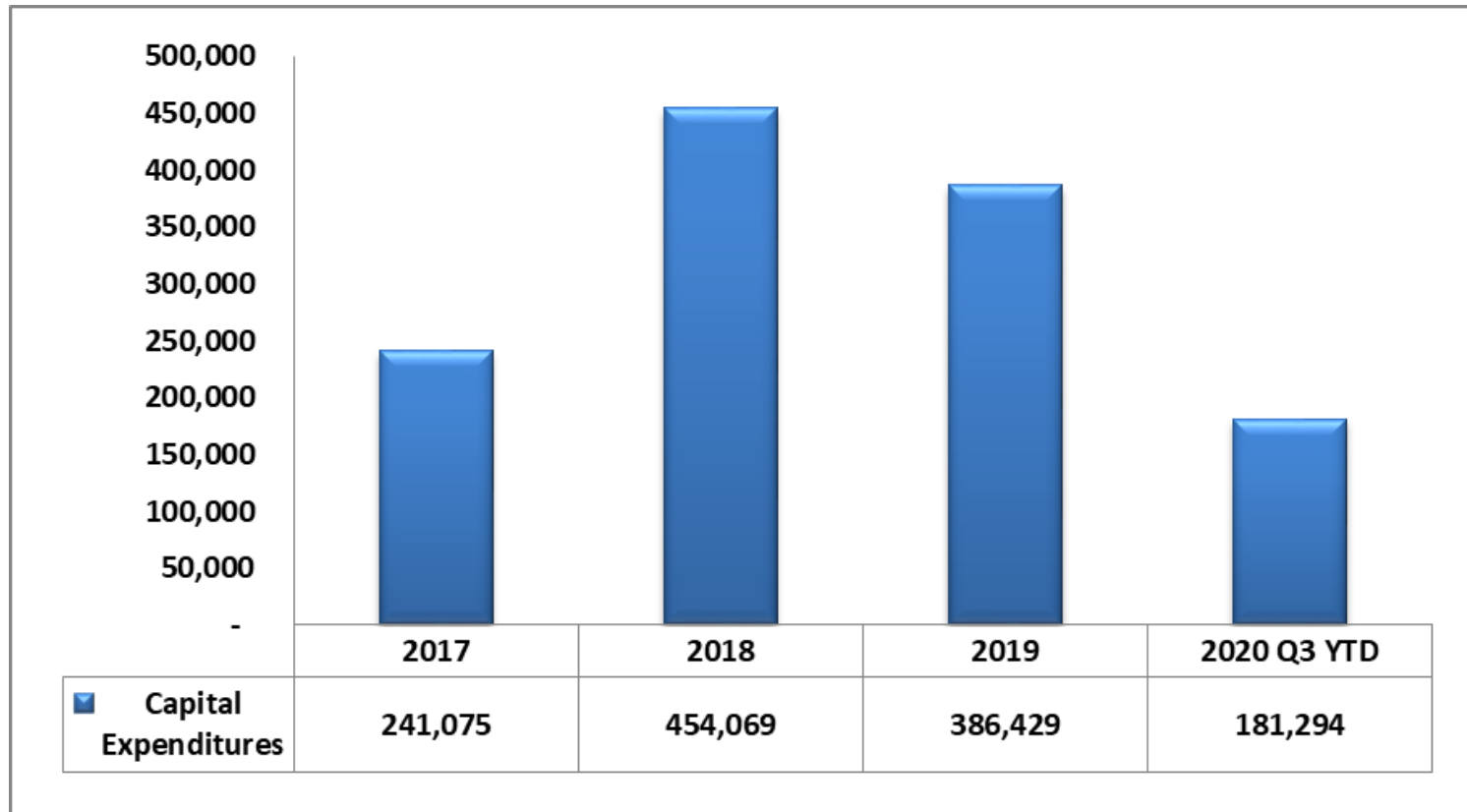


Equity



Capital Expenditures

Unit: NT\$ Thousands



Dividend information

Unit : KNTD

Item	2018	2019	2020Q3YTD
Sales Revenue	2,279,430	2,816,190	1,359,769
Net Income	301,004	350,824	76,478
EPS(NTD)	5.72	6.66	1.45
Weight Avg. Outstanding Common Shares	52,647	52,647	52,647
Devidend (NTD)	2.50	2.67	-
Cash Dividend	2.50	2.67	-
Payout Ratio	44%	40%	



Q & A



Thank you

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