



NAFCO Investor Conference

2021.11.24



豐達科技股份有限公司
National Aerospace Fasteners Corporation

Disclaimer

- This presentation and release contain “forward -looking statements” which may include projections of future results of operations, financial condition or business prospects based on our own information and other sources.
- 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).
- The forward-looking statements in this release reflect the current belief of NAFCO as of the date of this release. NAFCO undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.



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)

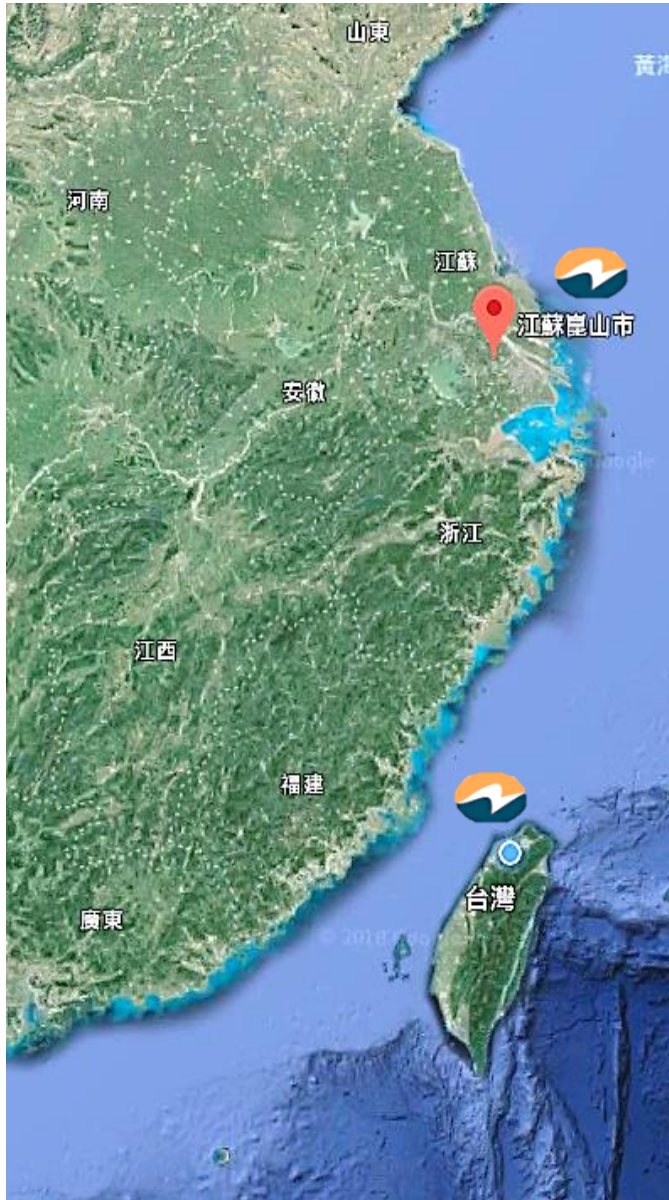
Number of Employees : 580

Revenue : 2020 Consolidated Revenue NT\$1.7B

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



營運據點 Production Sites



Taoyuan, Taiwan : Land 45,000 m² / Floor space : 46,700 m²



Kunshan, China: Floor space 15,400 m²



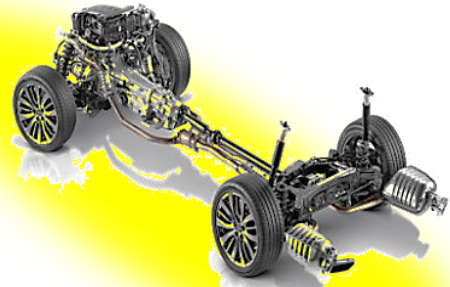
Customers & Partners



Aviation product Application



Industrial Product Application



Chassis



Body



Door



Air Conditioning



EV battery box

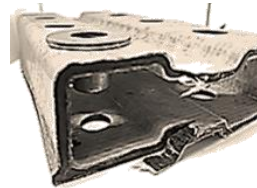


Dashboard/Panel

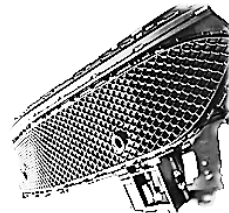


Intake manifold

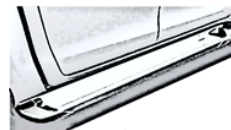
Composite structure



Bumper



Side Step



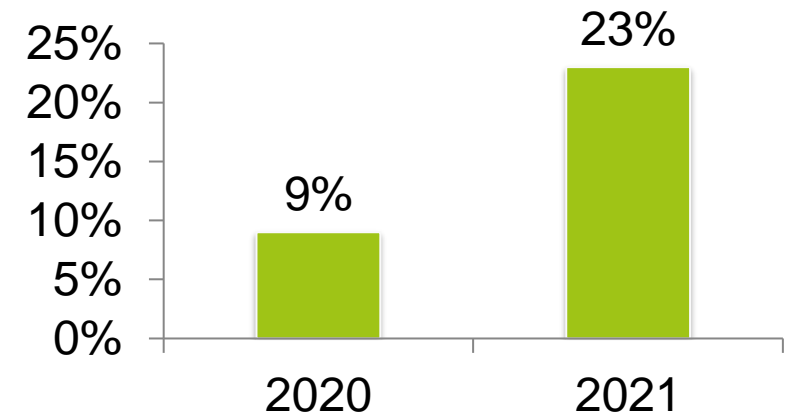
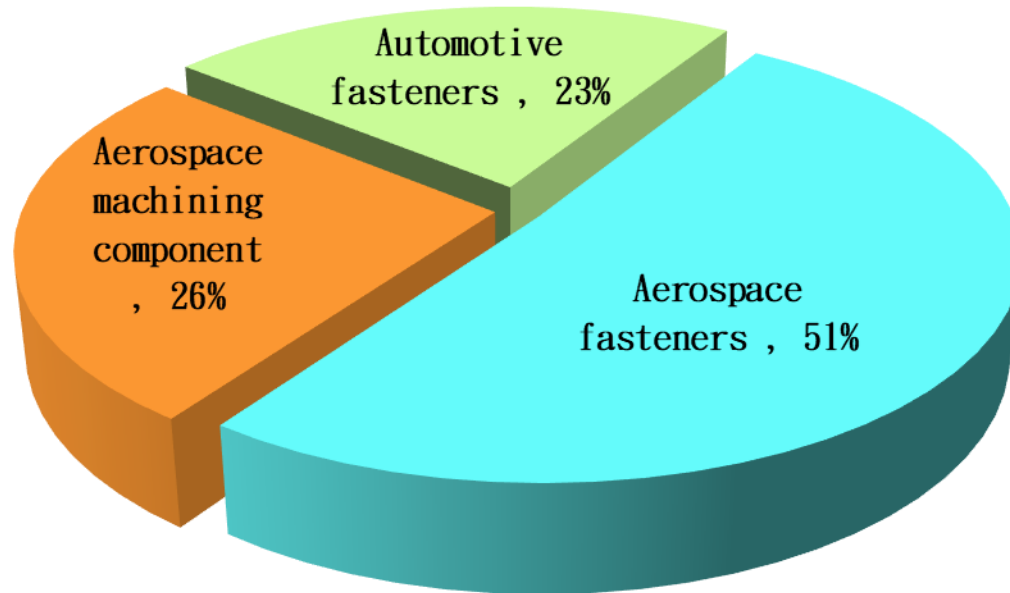
Front-end module



High temp components



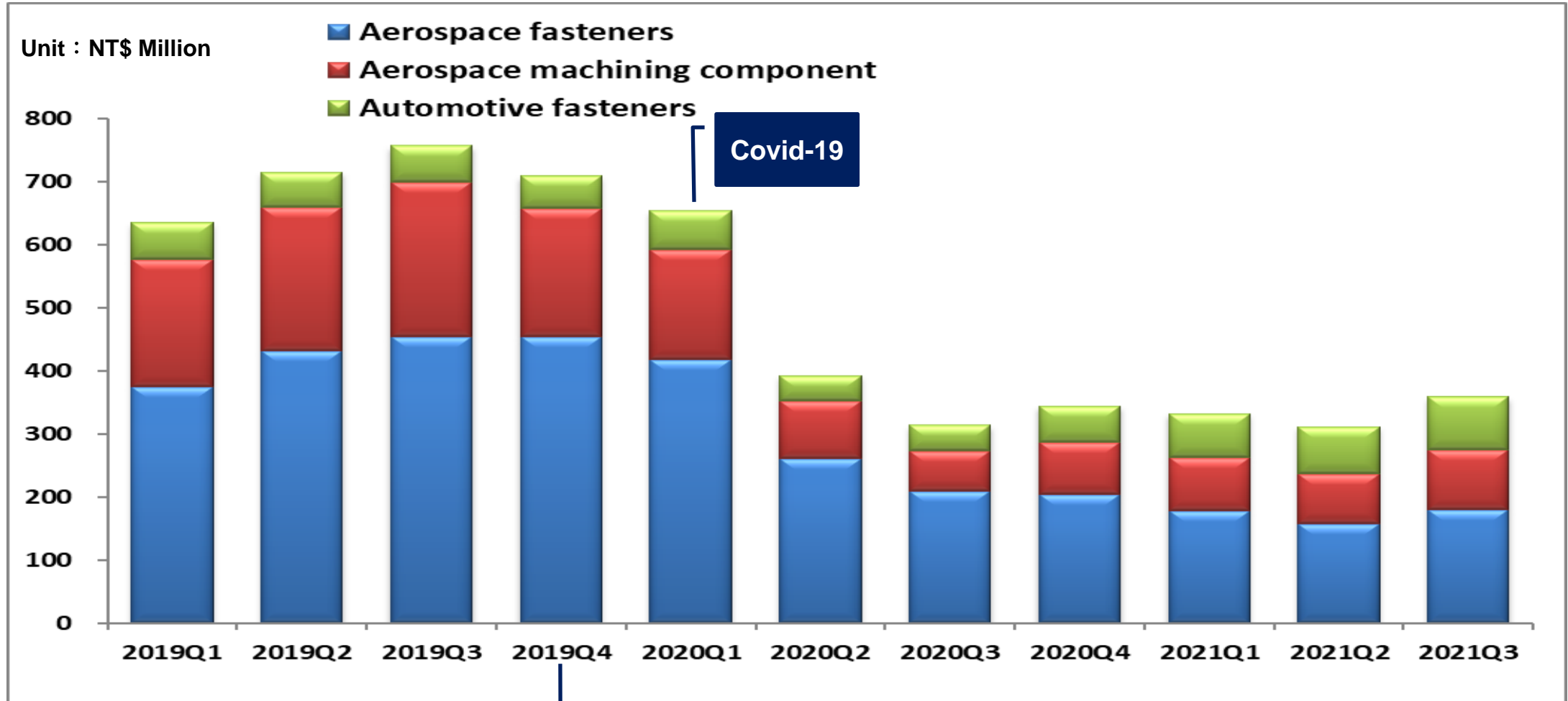
Sales by Product



Increase in the proportion of automotive fasteners



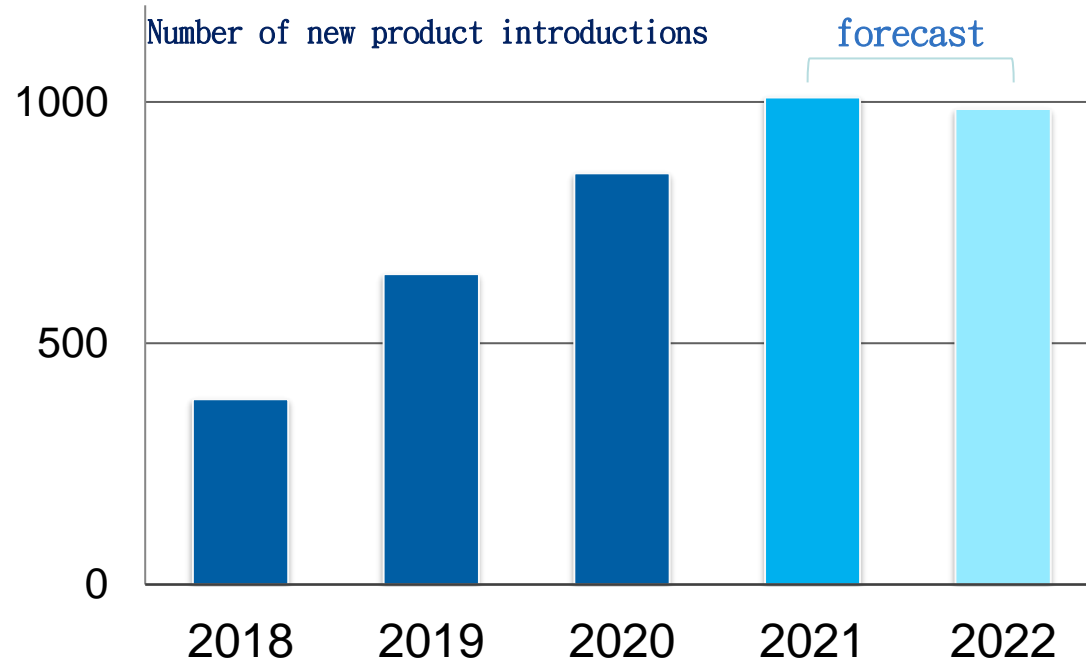
2019Q1~2021Q3 Sales Revenue



737MAX Stop producing



Business Development



2021-2022 Newly developed parts include :

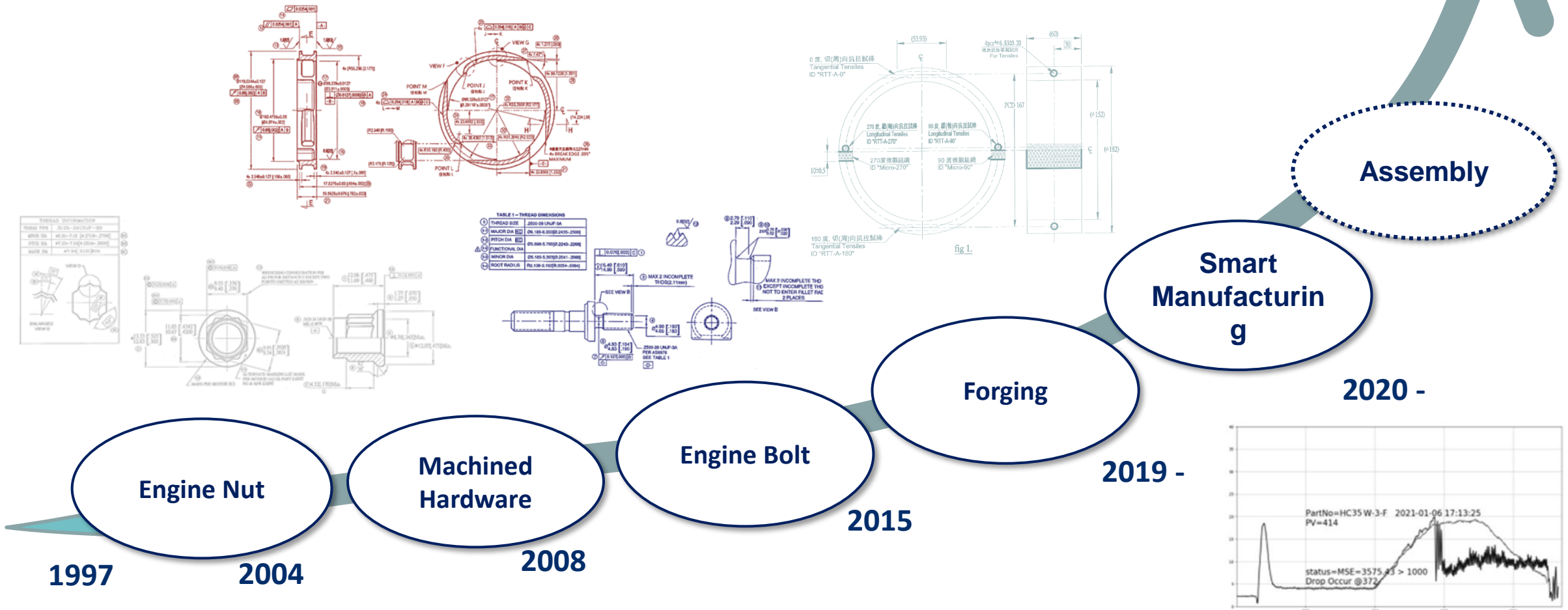
- New engine parts(Include forging parts)
- Landing system parts
- Flight control system parts
- Space fasteners
- Automotive fasteners

ect...

- Although the world is still facing the impact of the epidemic, aerospace customers such as General Electric, Safran, Rolls Royce... still provide many new component development opportunities. Even if the customer cannot go abroad, the product review will replace the on-site review by video under special approval, and some items that must be on-site reviewed and approved will be postponed. But overall we have seen a trend of economic recovery

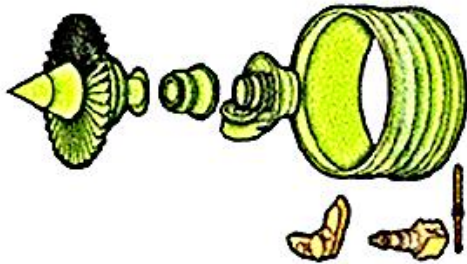


Technology & Product Roadmap



A Diversified Engine Nut series of different functions and sizes

Fan/Booster Major Module



Gearbox Major Module

Core Major Module

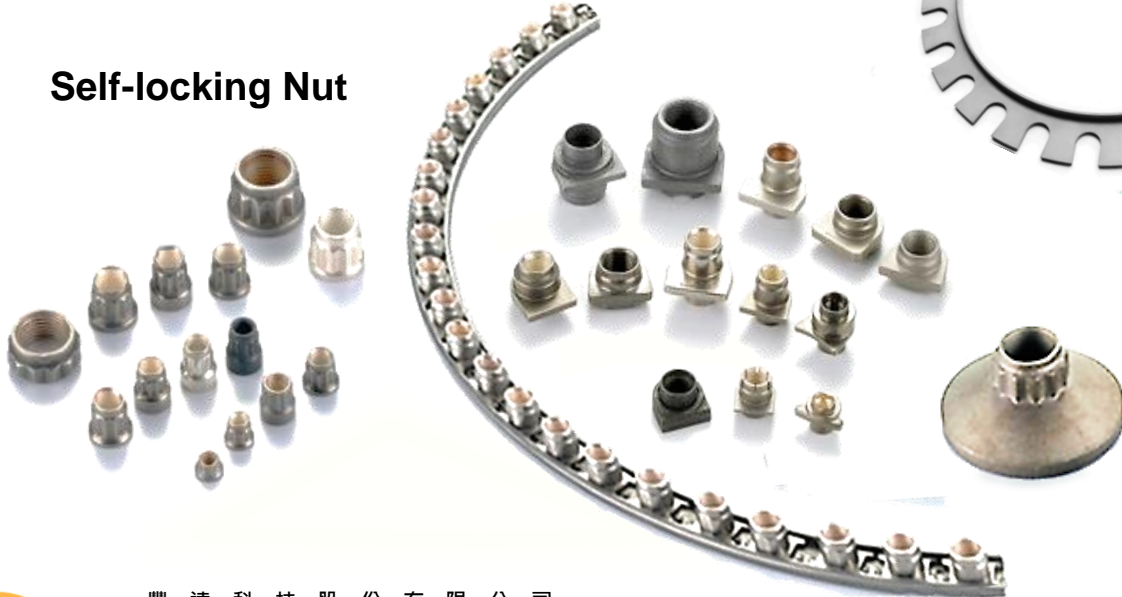
- HPC
- Combustor
- HPT



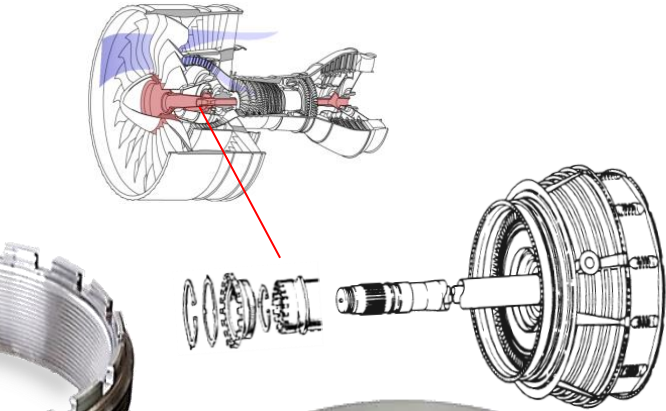
LPT Major Module



Self-locking Nut



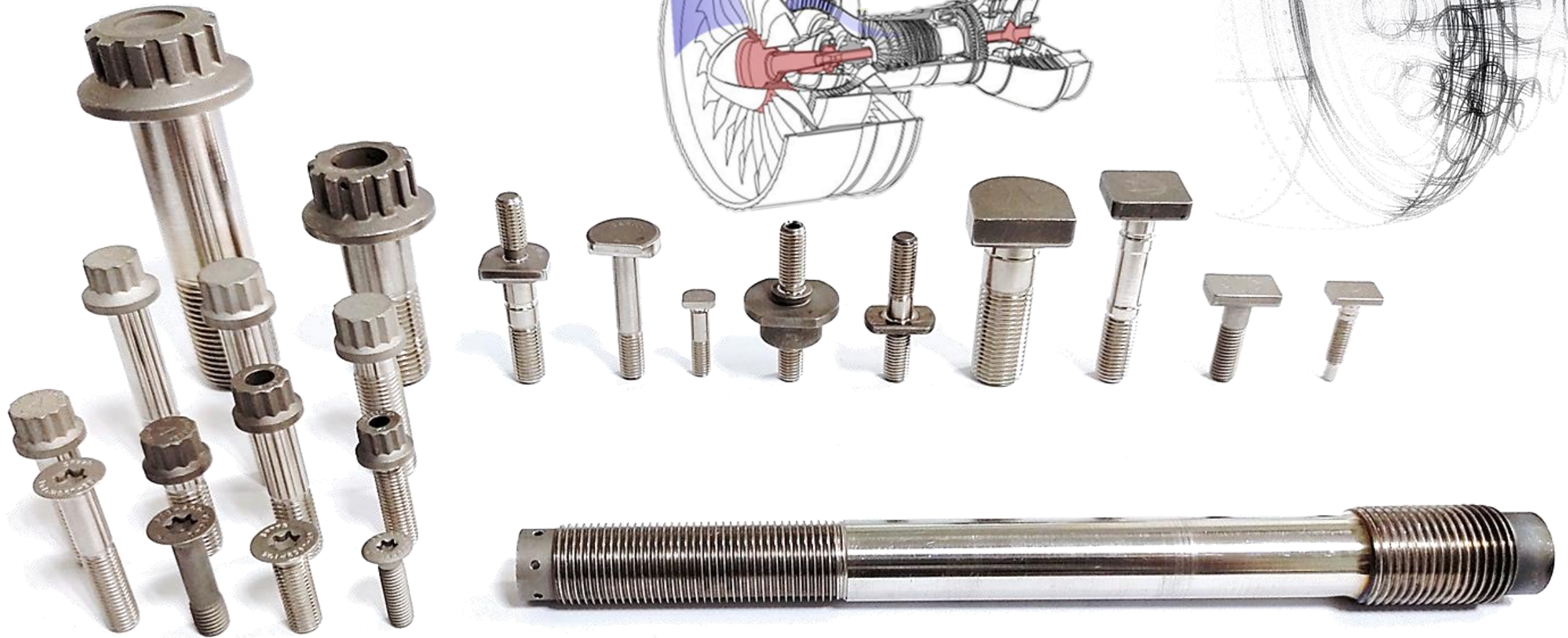
Lock nut



Large size Nut
(machined part)




High-performance Aerospace Bolt series



Approved Forging Source

28 juillet 2021



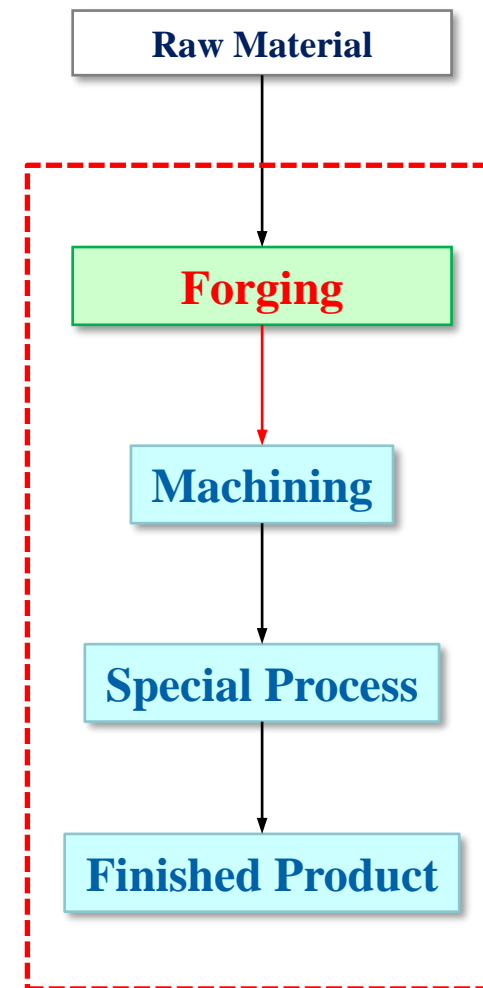
AIRCRAFT ENGINES
CAFM/L-26 indice CE

CAFM/L-26

Liste des forgerons agréés en procédure 2 du DMR12
List of approved forging sources in procedure 2 of DMR12



Strengthen the production value chain



Appendix 2 – Non-French approved procedure 2 forging sources

2019

Forgerons (Usine) Forging sources (Plant)	Catégorie Item ca		
	Aubes/ Blades	Autres articles forgés ou maticés/ Other forged or die- forged items	Anneaux et carter Shafts and casings
NAFCO (National Aerospace Fasteners Corporation) TaoYuan City (TAIWAN)		Fe Ni/Co	



- NAFCO obtained the qualification for **forging** of iron, nickel and cobalt-based alloy materials



The focus of automotive product development

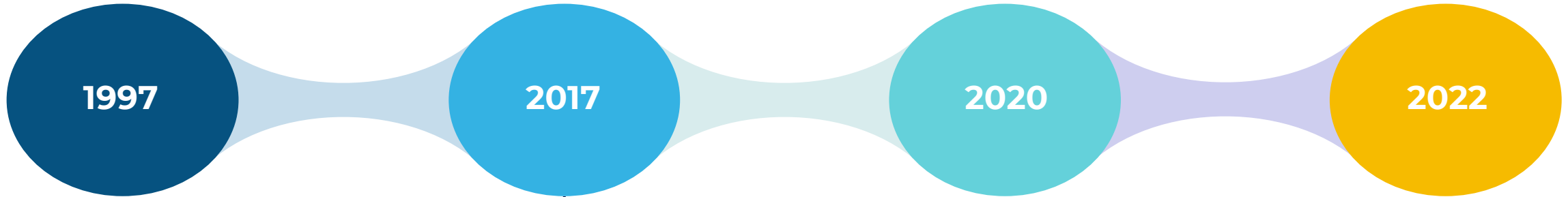
Customized Products



STANLEY

Chassis

Body



1997

2017

2020

2022

Standard Parts
(Production according to draw)

Customized Products : Co-designed with manufacturers and Tier 1

- Rivet nut
- Brass insert

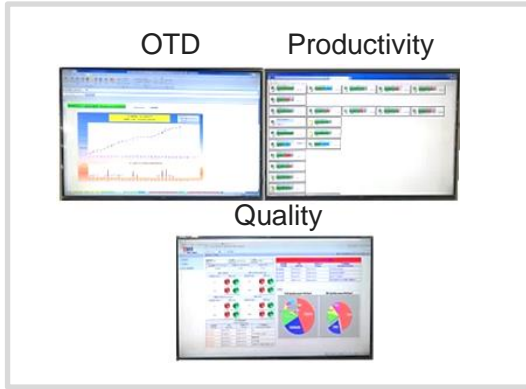
- Focus on lightweight/high-strength/torque rivet nut for lightweight (new energy) vehicles

- Newly designed parts entered mass production for the first time

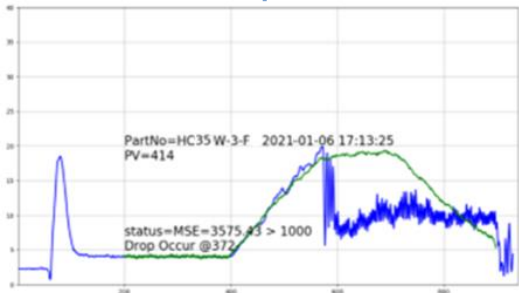
- Continue to research and develop customized parts with unique application requirements



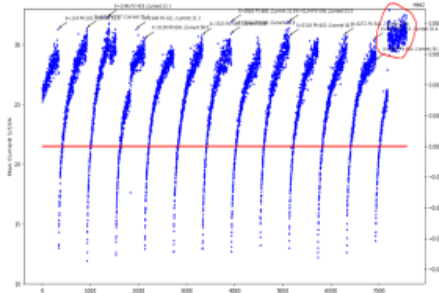
Smart Manufacturing



Shop floor Kanban



Defect and Anomaly detection



Tool life monitoring



Process Control



Intelligent Automation (IA In Manufacturing)



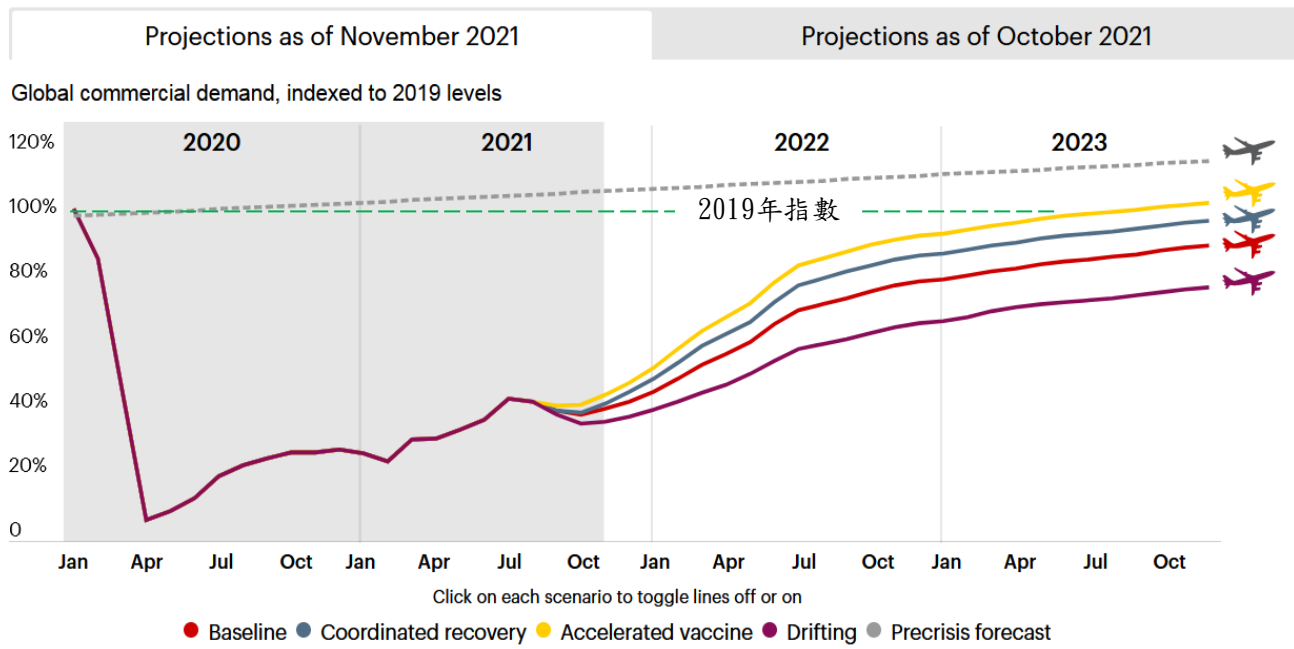
Market Trend

- ✓ Passenger travel forecast
- ✓ Changes in aircraft type requirements
- ✓ New aircraft demand



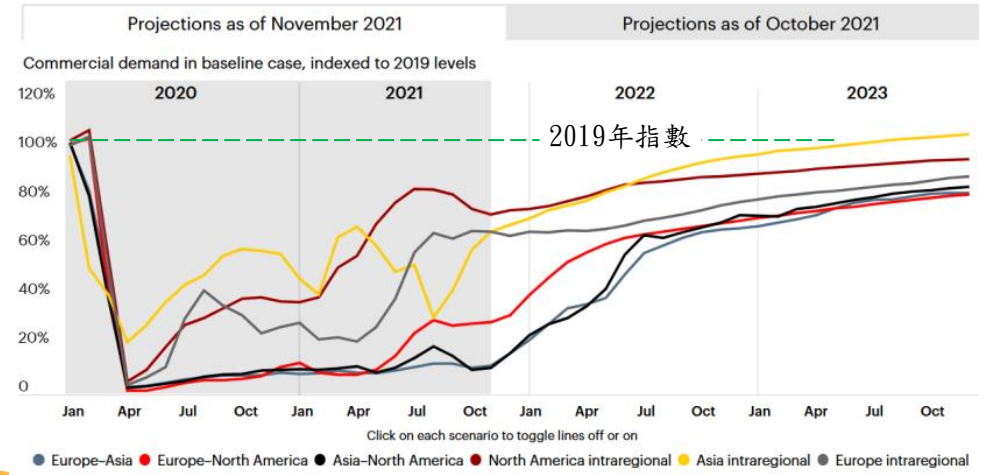
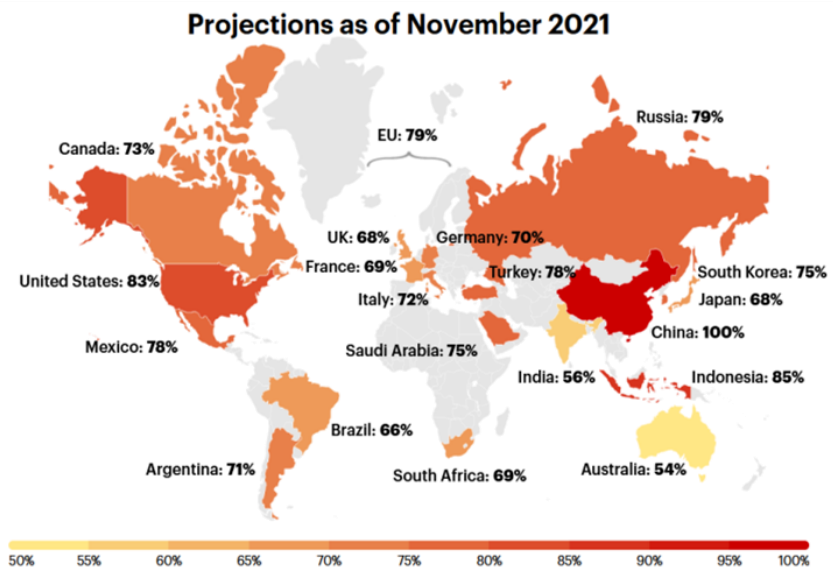
Air Travel Forecast

Recovery scenarios for global air travel demand



Passenger volume recovery projection

Baseline scenario projection of G20 countries' total airline passenger volume in July 2022, as percentage of July 2019 numbers

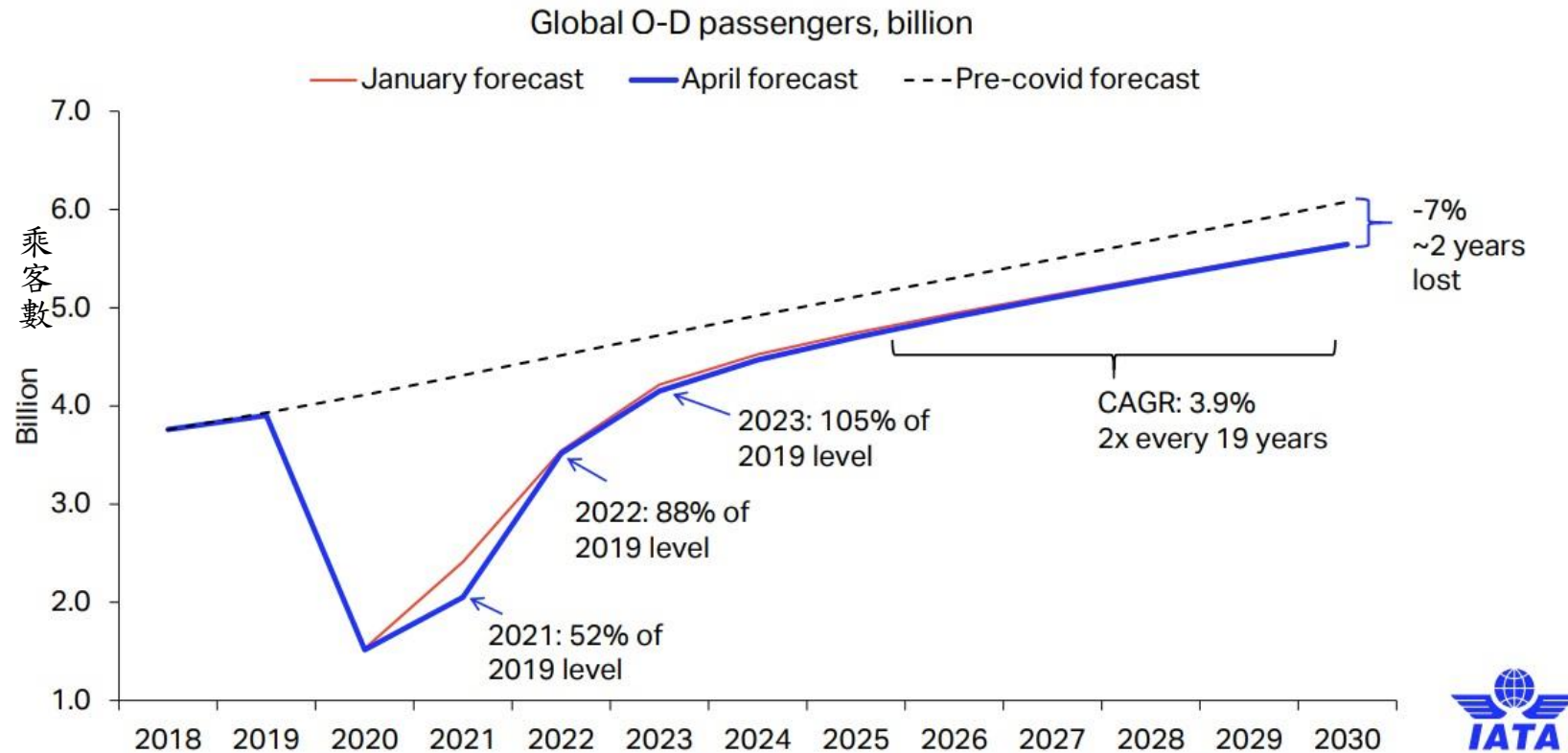


- With the relaxation of travel restrictions, the regional market will gradually recover
- Fastest recovery of domestic flights in Asia and North America
- Expected to return to pre-epidemic levels between 2023 and 2024



Estimated by the International Air Transport Association (IATA)

We estimate COVID-19 long-term loss of 2 years growth
Strong rebound when border travel barriers removed but not full recovery



Source: IATA Economics using data from Tourism Economic/IATA Air Passenger Forecast, April 2021.



Aviation industry brings net-zero 2050 commitment to COP26



5 October 2021

- Includes all major aircraft and engine manufacturers
- IATA 290 airlines in 120 countries



Luis Felipe de Oliveira
Director General



Simon Hocquard
Director General



Willie Walsh
Director General



Kurt Edwards
Director General



Jan Pie
Chair



Pete Bunce
President and CEO

Supported by innovation and action throughout the supply chain:



Guillaume Faury
Chief Executive Officer



Stan Deal
President and CEO



Stefano Bortoli
Chief Executive Officer



Gaël Méheust
President and CEO



John S. Slattery
President and CEO



Christopher Calio
President



Warren East
Chief Executive Officer



Olivier Andriès
Chief Executive Officer



Francisco Gomes Neto
President and CEO



Stephen Timm
President

Global civil aviation operations will achieve net-zero carbon emissions by 2050

The key elements to achieve net zero carbon emissions in 2050 :

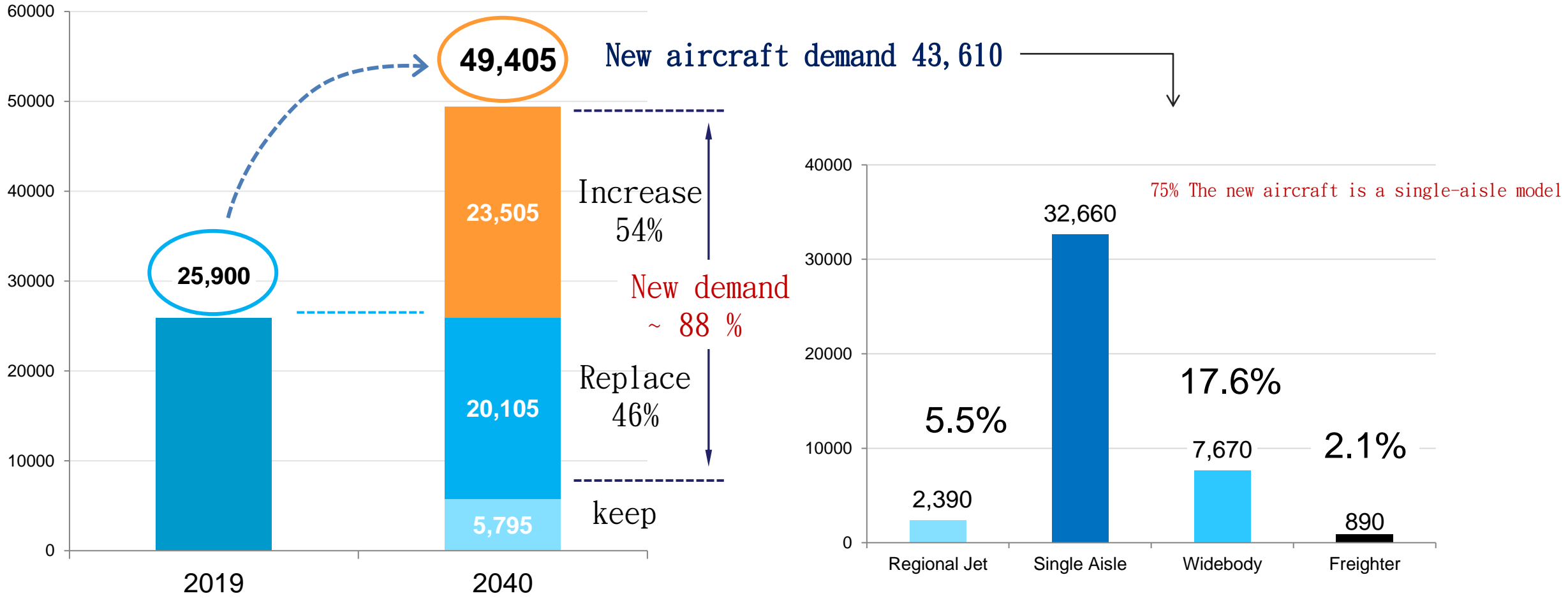
1. Sustainable Aviation Fuel, SAF
2. New airframe and propulsion system research, including electric, hybrid and hydrogen power
3. More efficient operations and infrastructure
4. Invest in carbon offset and carbon removal technologies

⇒ The airline must have a highly operationally efficient fleet

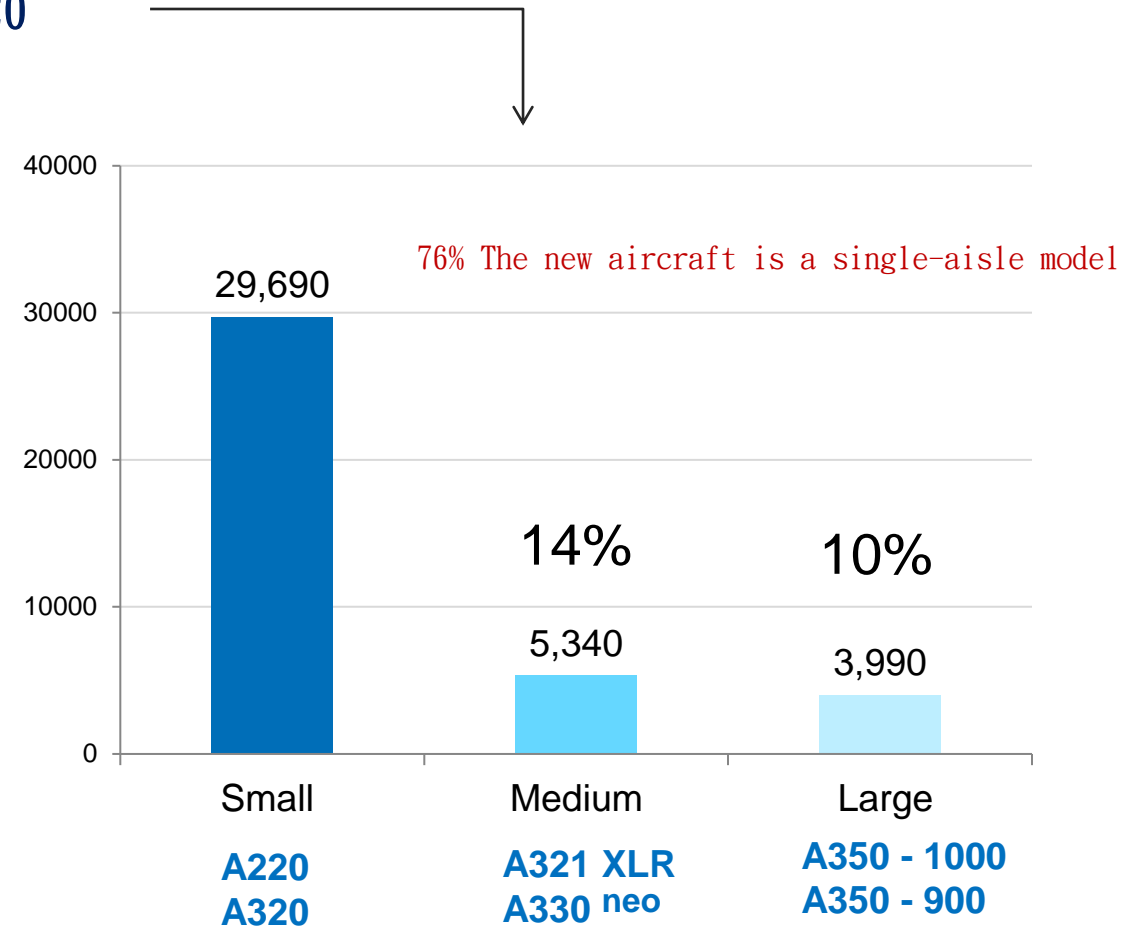
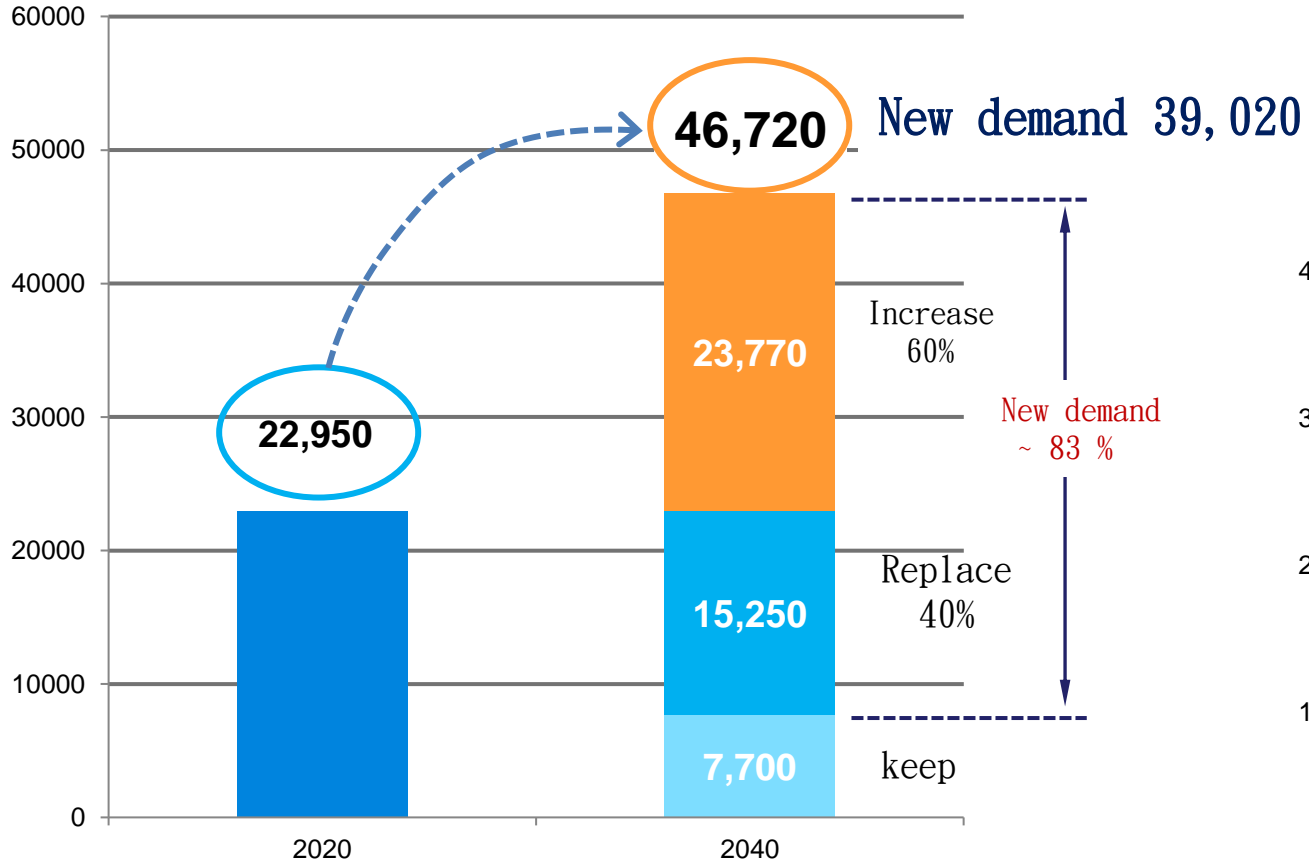


2021-2040 New aircraft deliveries

Boeing forecast



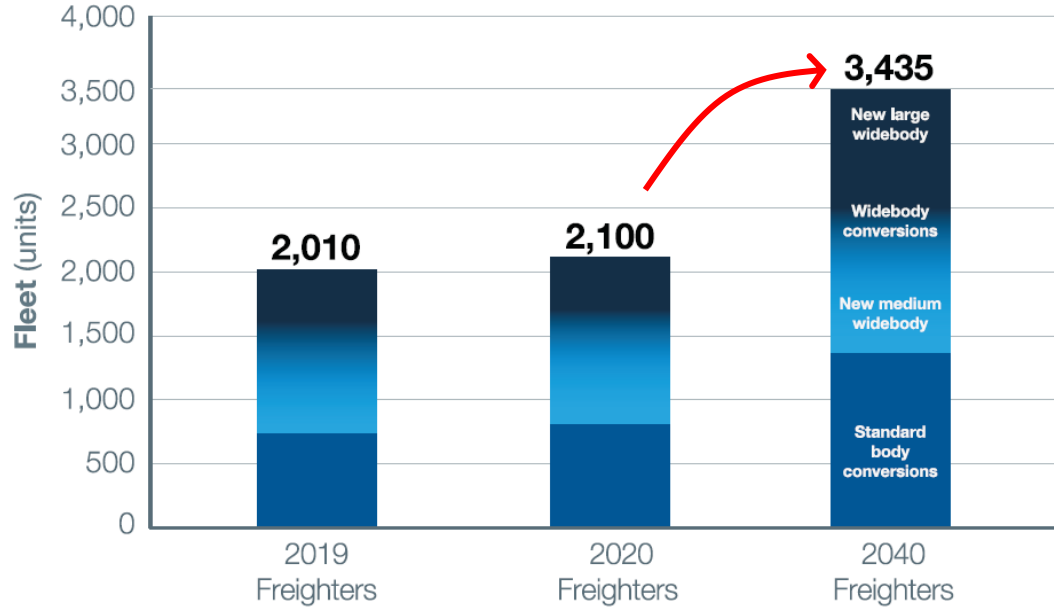
2021-2040 New aircraft deliveries Airbus forecast



Freighter demand in 2021-2040

Boeing forecast

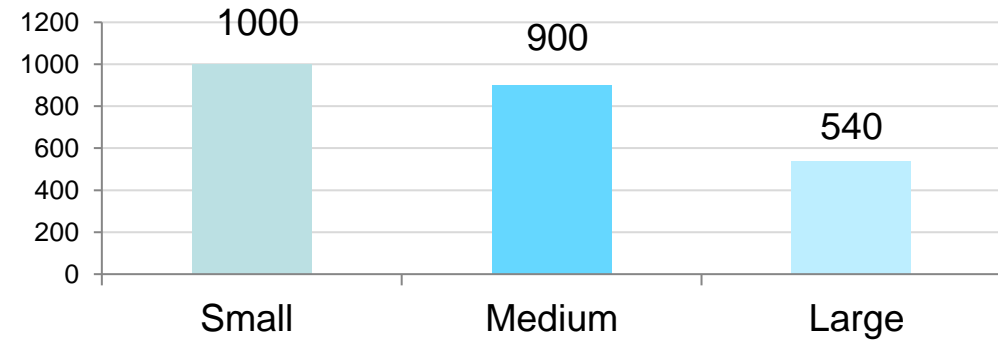
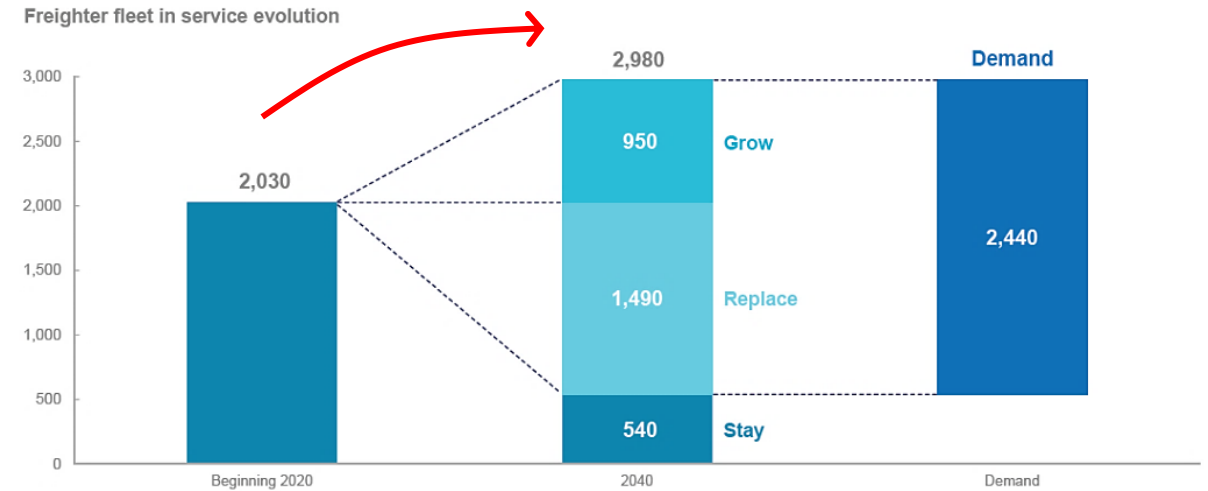
Increase~ 63% 、 1,300



Source : BOEING COMMERCIAL MARKET OUTLOOK 2021-2040

Airbus forecast

Increase~ 47% 、 950 / new freighter 2,440



Source : Airbus Global Market Forecast 2021

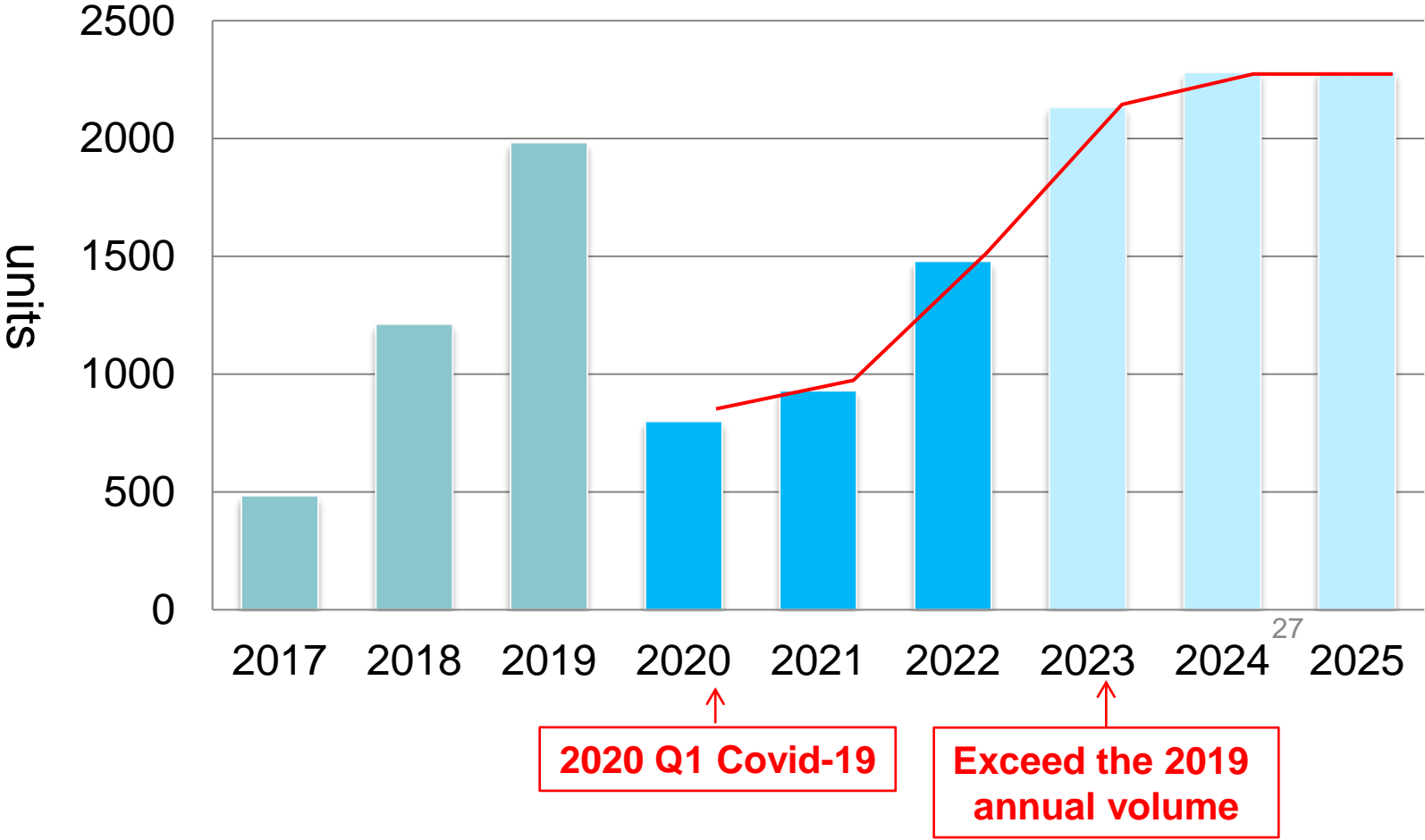


Major aircraft engines available for single-aisle aircraft

		AIRBUS			BOEING	
model	Engine OEM	A220	A319- A320	A320 Neo	B737	B737 MAX
	CFM (GE+SAE)		CFM56	LEAP	CFM56	LEAP
	PW	PW1500 G		PW1100 G	PWJT8D	
	Rolls-Royce		V2500			

- LEAP and PW1100 & 1500 are the two main new advanced engines supporting single-aisle aircraft

LEAP Engine production plan



NAFCO vaccination status

NAFCO Taoyuan	Number of people vaccinated		Coverage
410 people in total	1 st dose	403 employees	98.2%
	2 nd dose	224 employees	54.6%

- ✓ Protect employees
- ✓ Protect the company
- ✓ Protect the community
- ✓ Protect customers

11/17/2017

Noted : The rest are waiting for vaccination notification

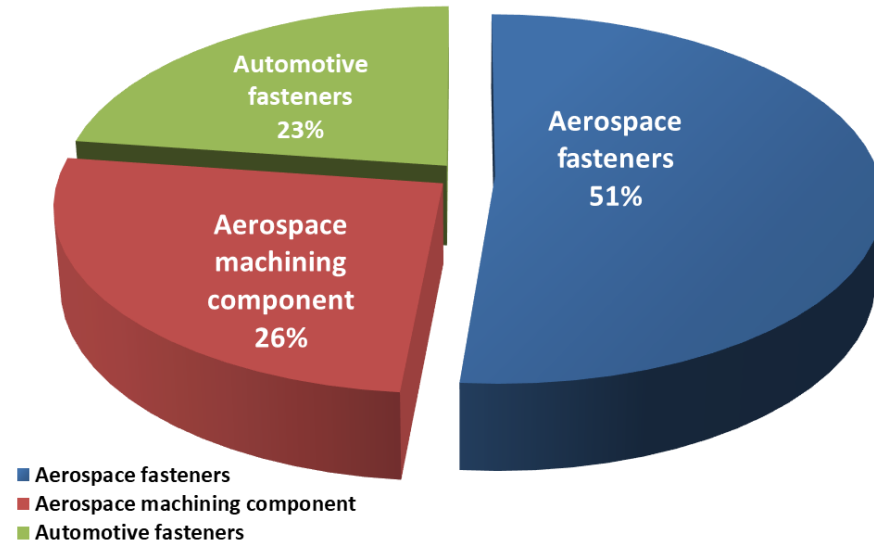


Financial Performance

Chris Lee / Finance Director



2020Q1~Q3 Consolidated Sales Revenue



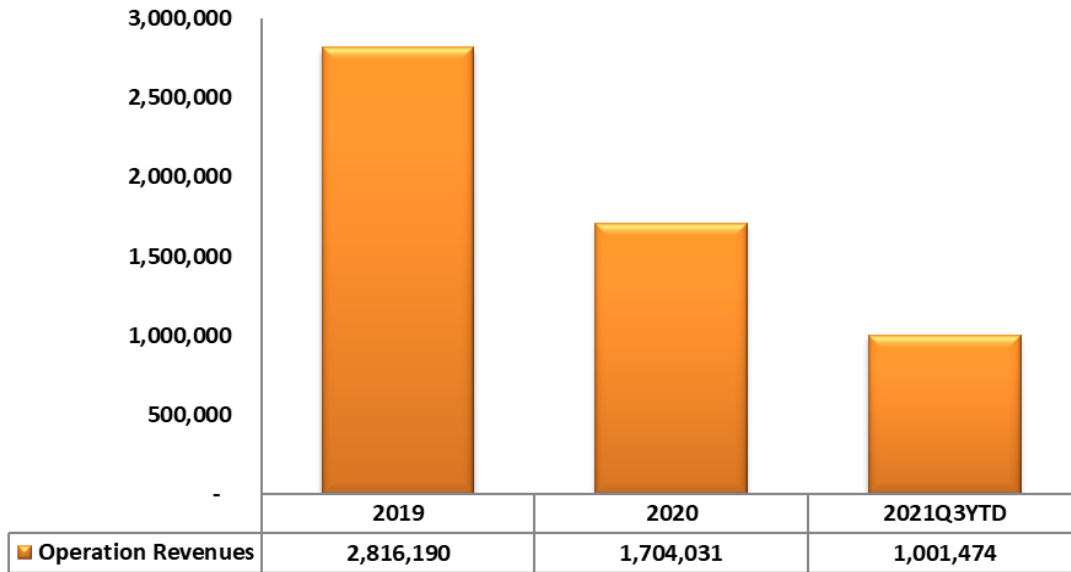
Unit : NT\$ Thousands

Product	Amount	%
Aerospace fasteners	515,242	51%
Aerospace machining component	258,271	26%
Automotive fasteners	227,961	23%
TTL	1,001,474	100%

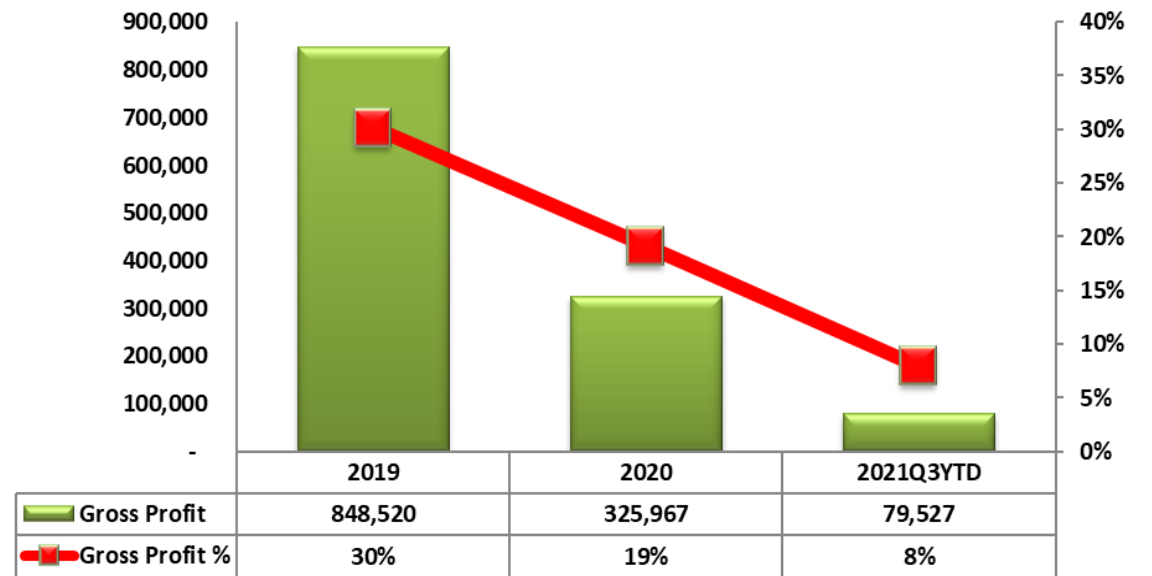


Consolidated Sales Revenue & Gross Profit

Sales Revenues

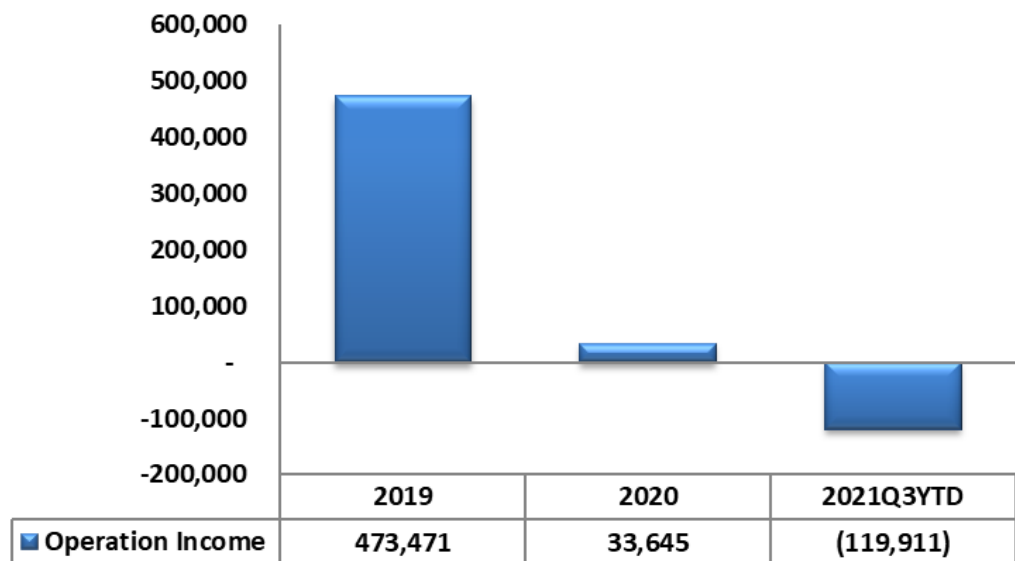


Gross Profit

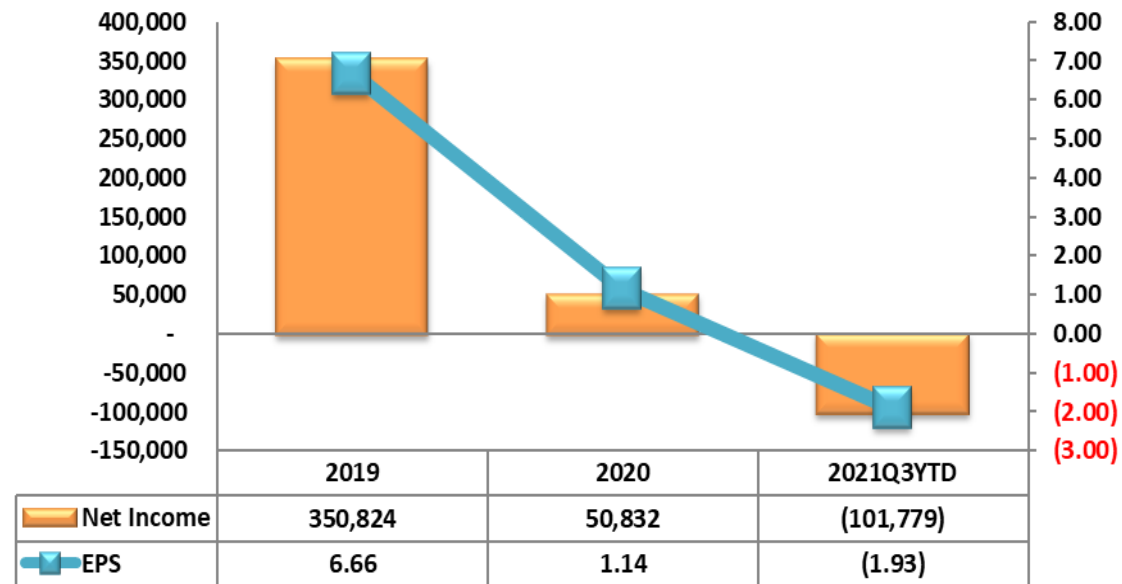


Consolidated Operation Income & Net Income

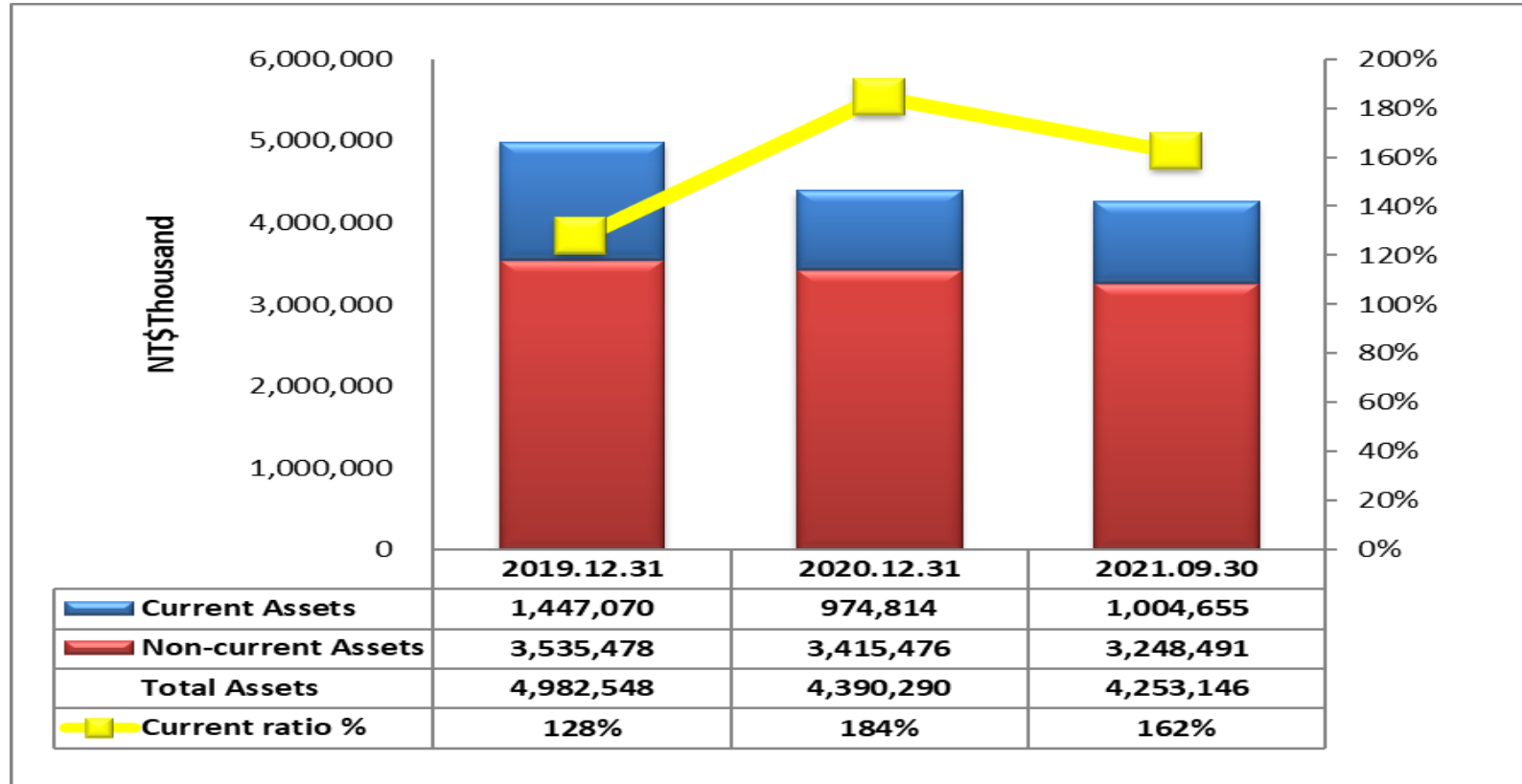
Operation Income



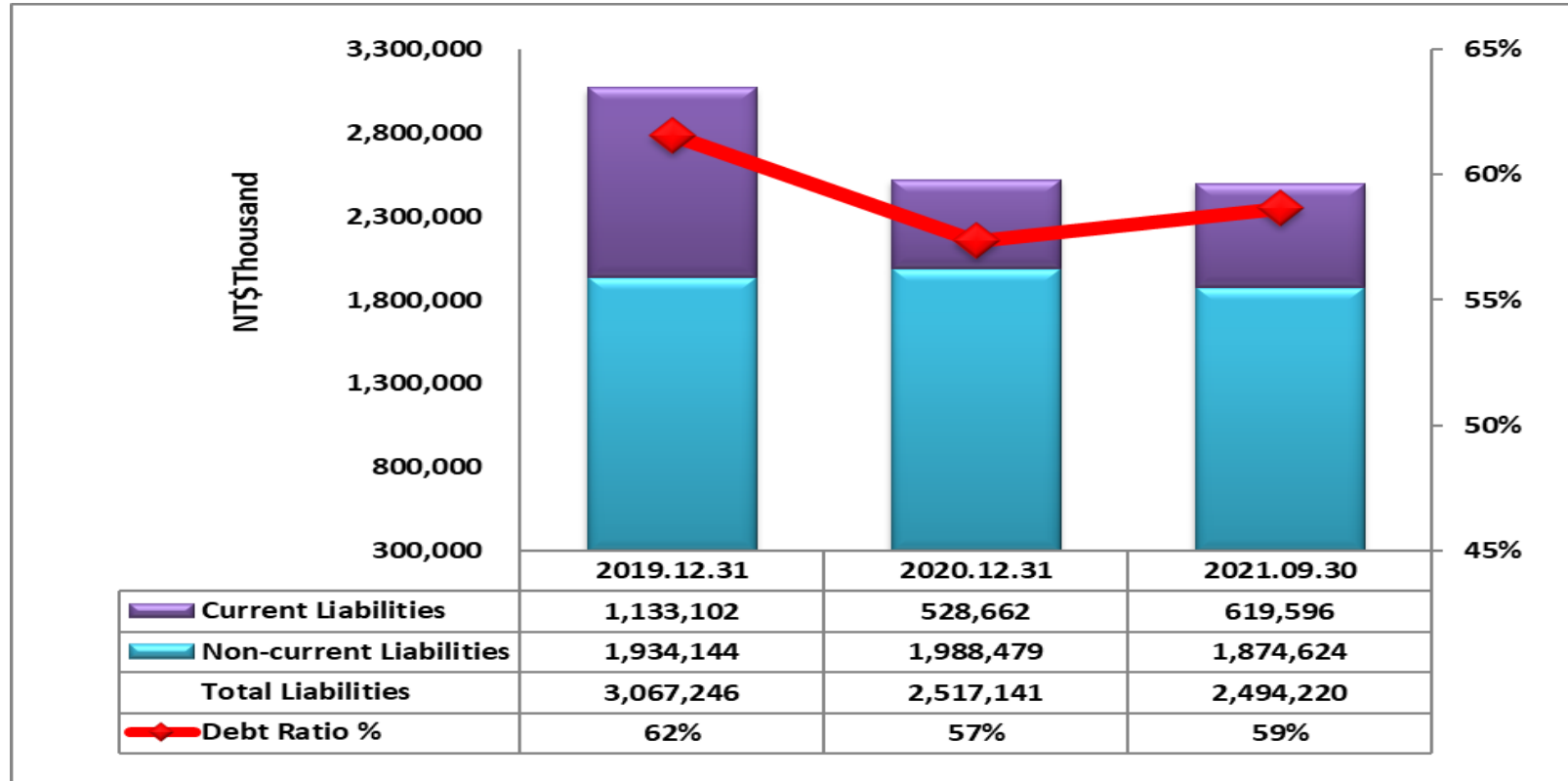
Net Income



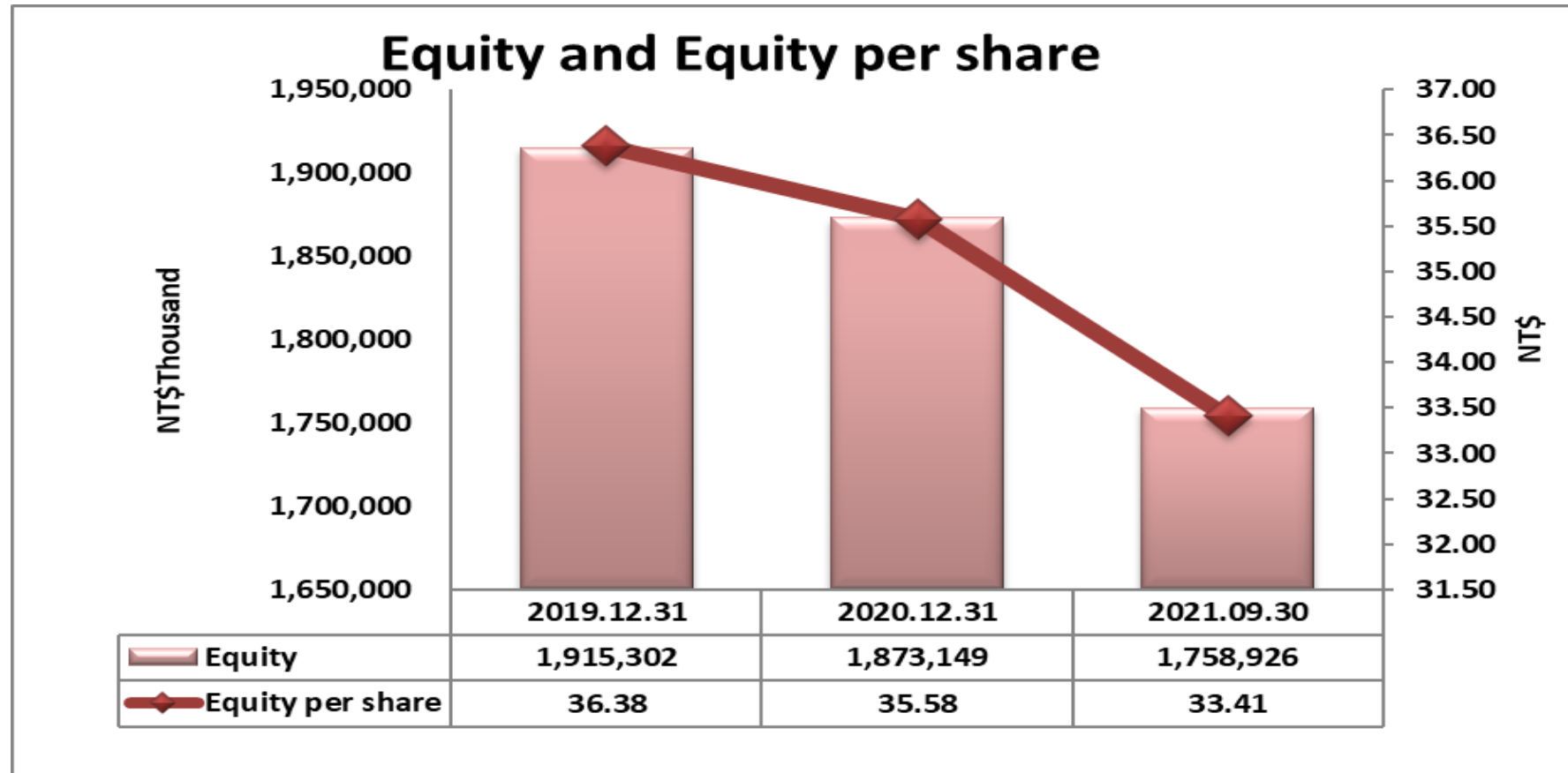
Assets



Liabilities

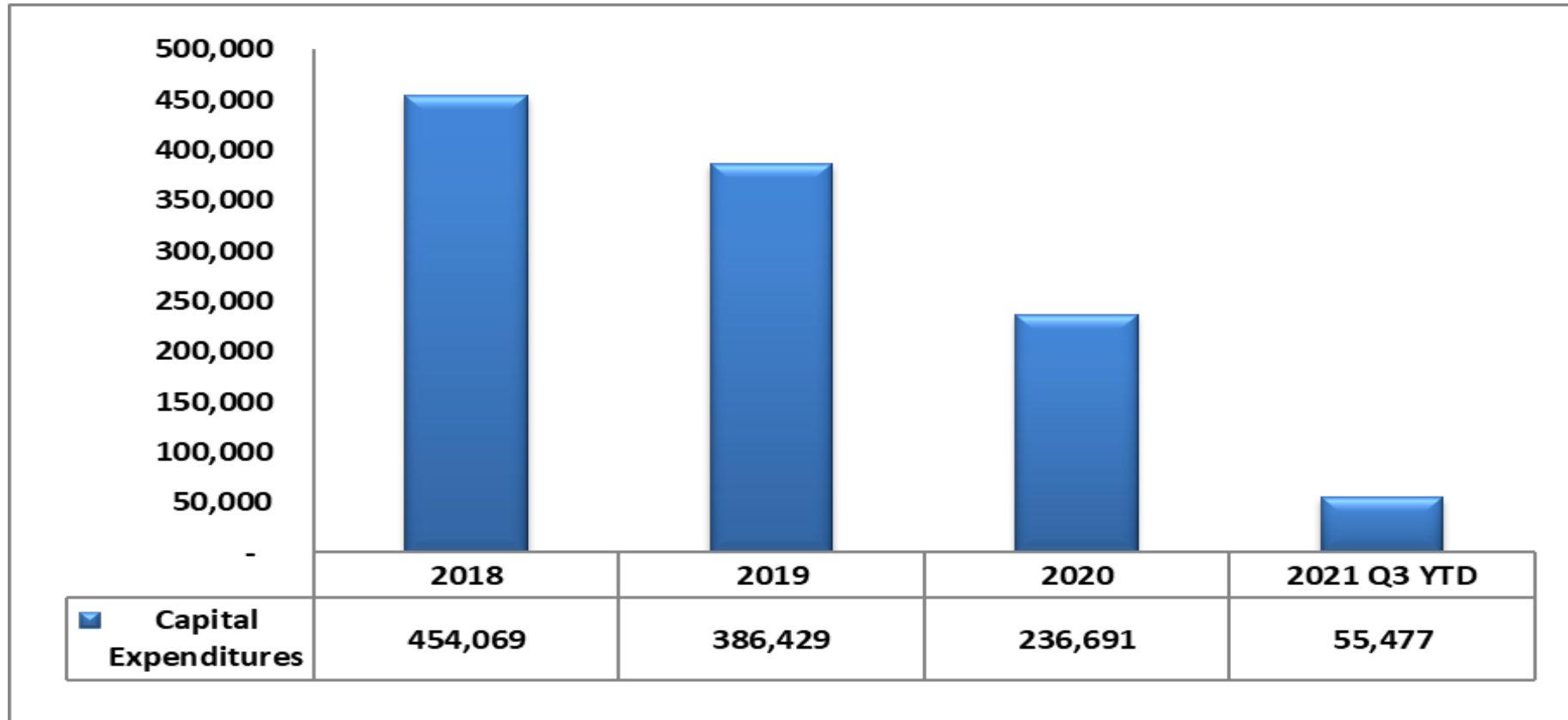


Equity



Capital Expenditures

Unit: NT\$ Thousands





Q & A



NAFCO Investor Conference

Thank you



38

