



# **AirTAC**

**Powered by AIRTAC**

# Agenda

I Group Overview

II Product & Market

III Competitive Advantage

IV Financial Outlook

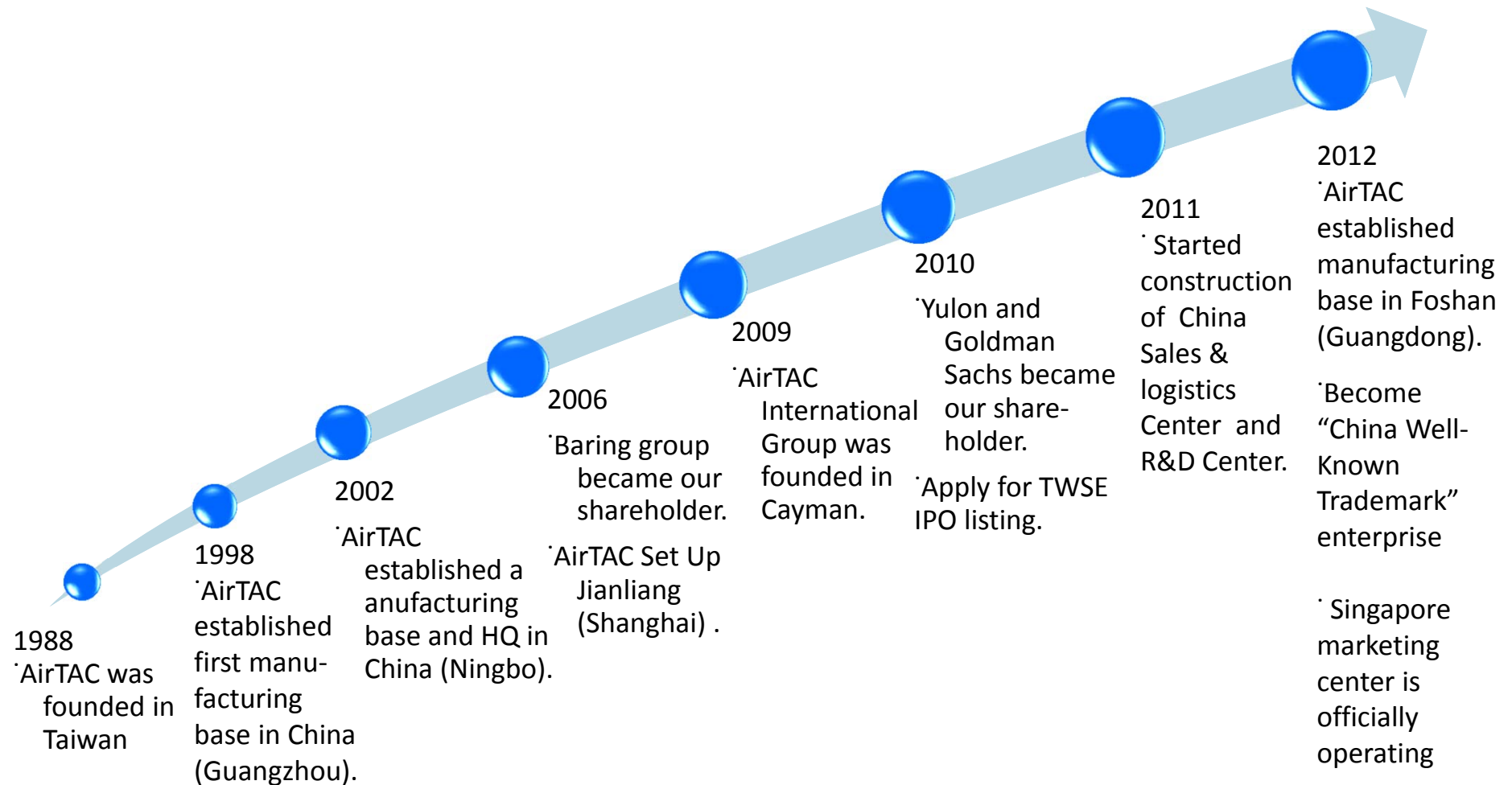
V Development prospects & Strategic

# I · Group Overview

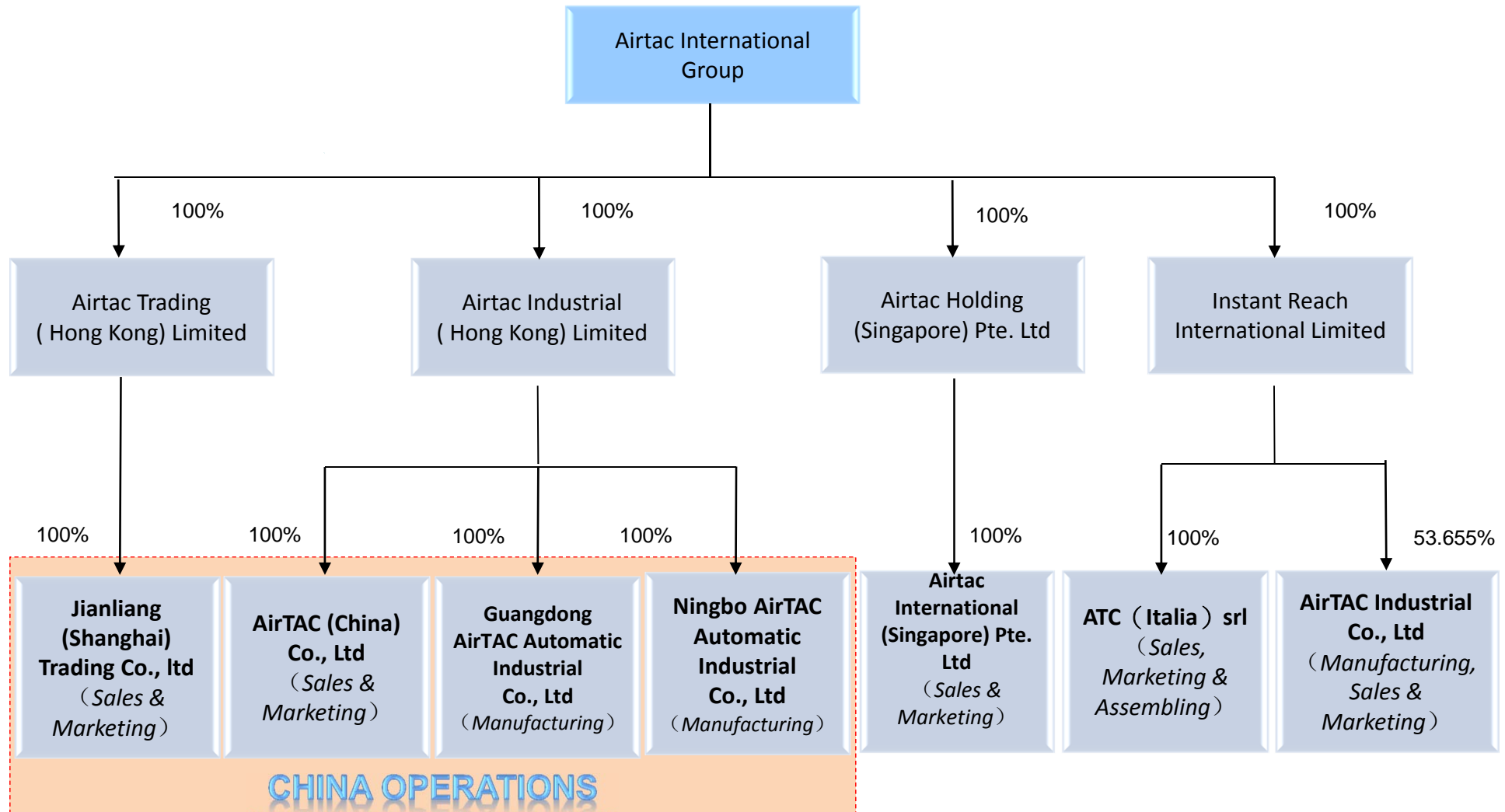
# Group Overview

**AirTAC**

股票代號：1590



# 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

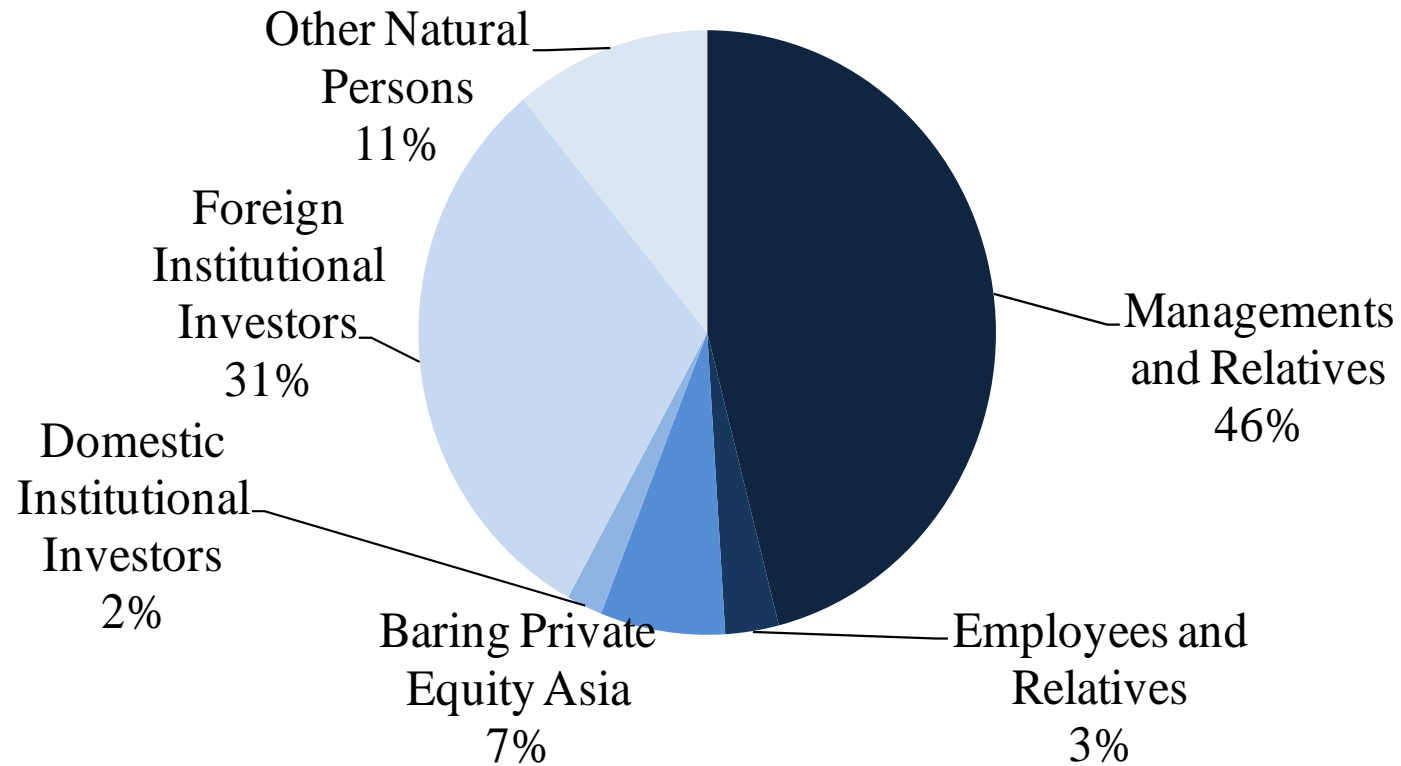
## Profit sharing

- 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

**AIRTAC**

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## ➤ Cylinder



## ➤ Air valve & mechanical valve



## ➤ Drip leg drain & F R L

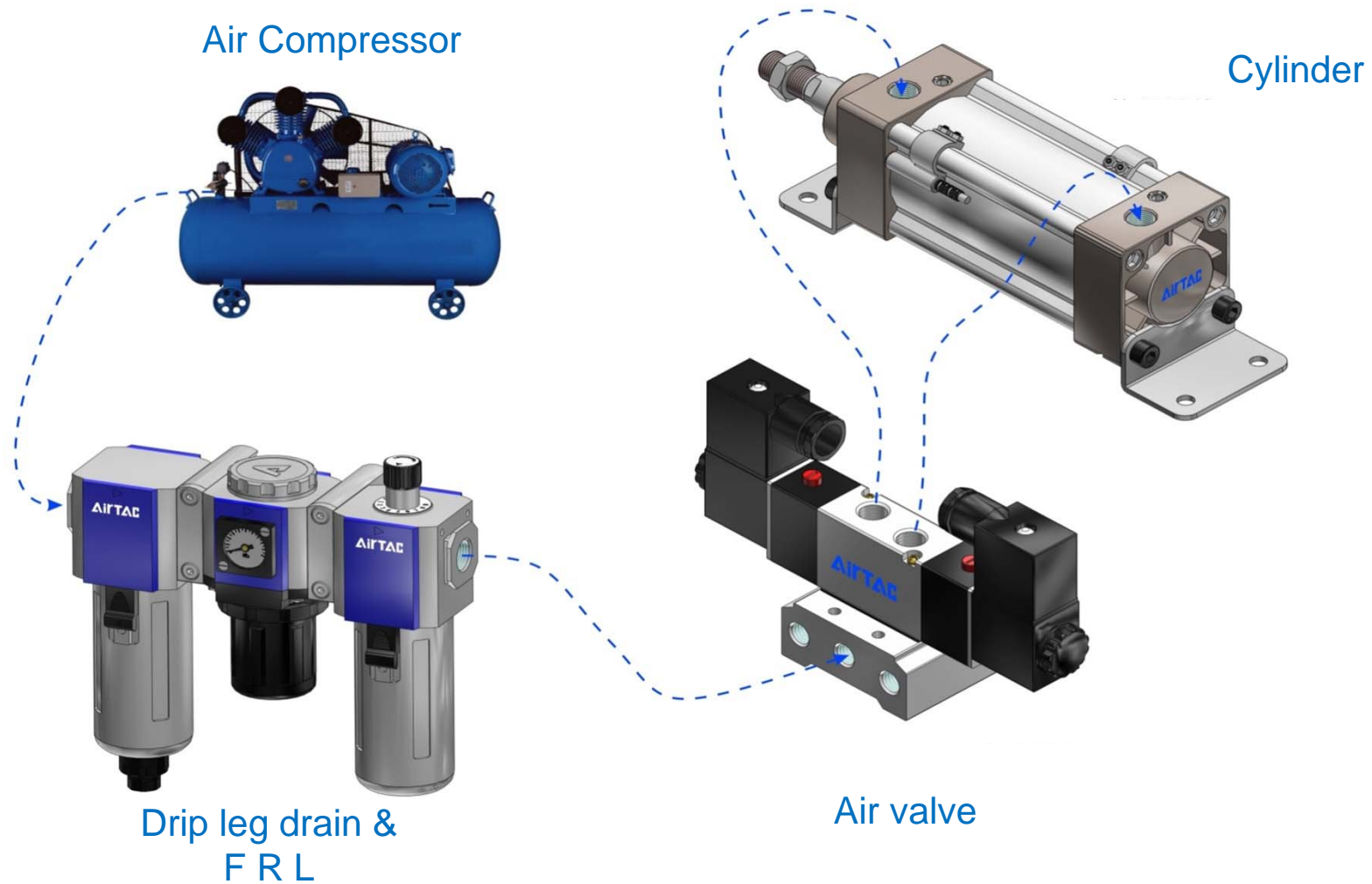


## ➤ Others



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# Pneumatic operation of the process



# Products Application by Industry

**AirTAC**

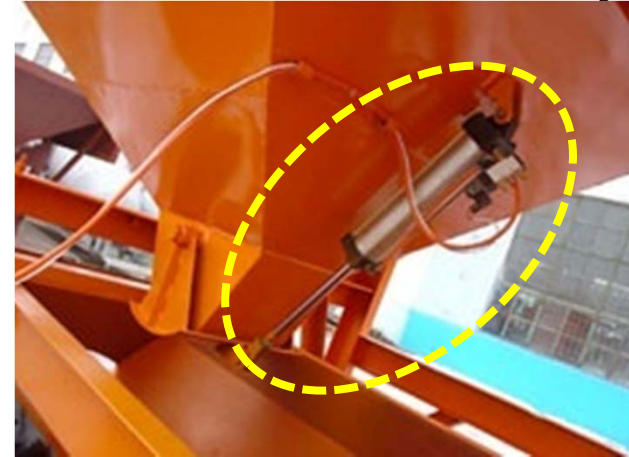
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AirTAC products are applied in various industrial automation equipment and machine, such as environmental protection machinery, construction machinery, electronic industry, automotive assembly line and the robot arm.

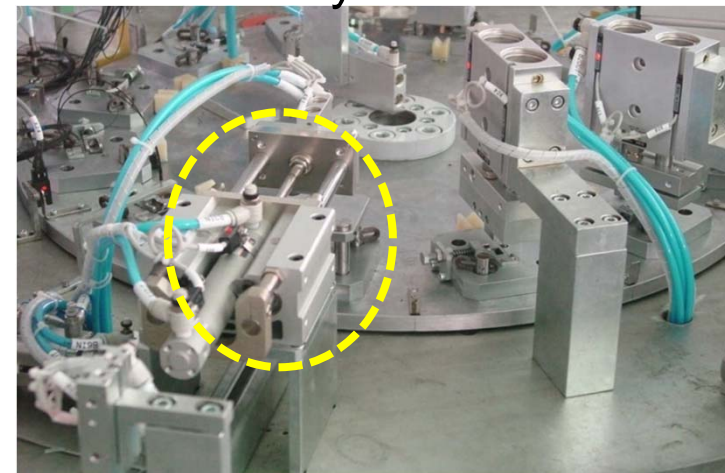
## Environmental processing machinery



## Construction machinery



## Assembly automation



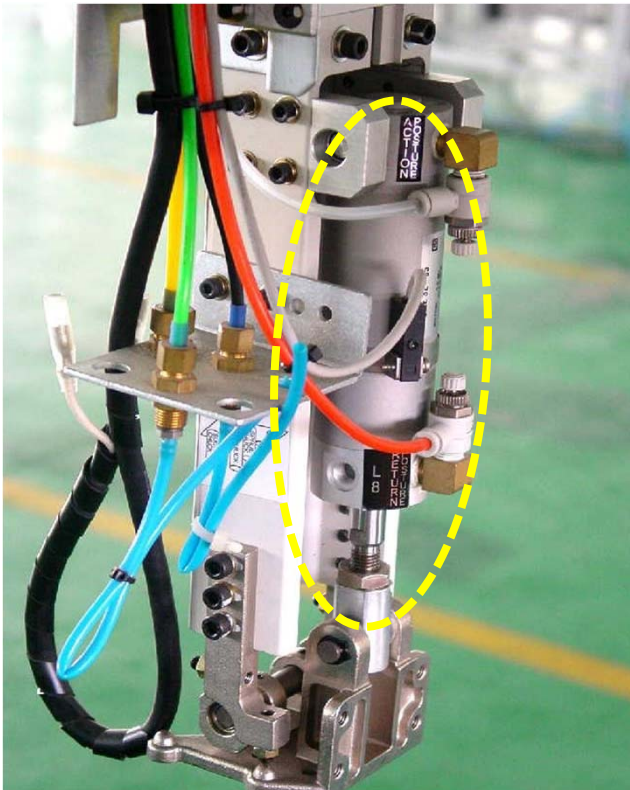


# Products Application by Industry

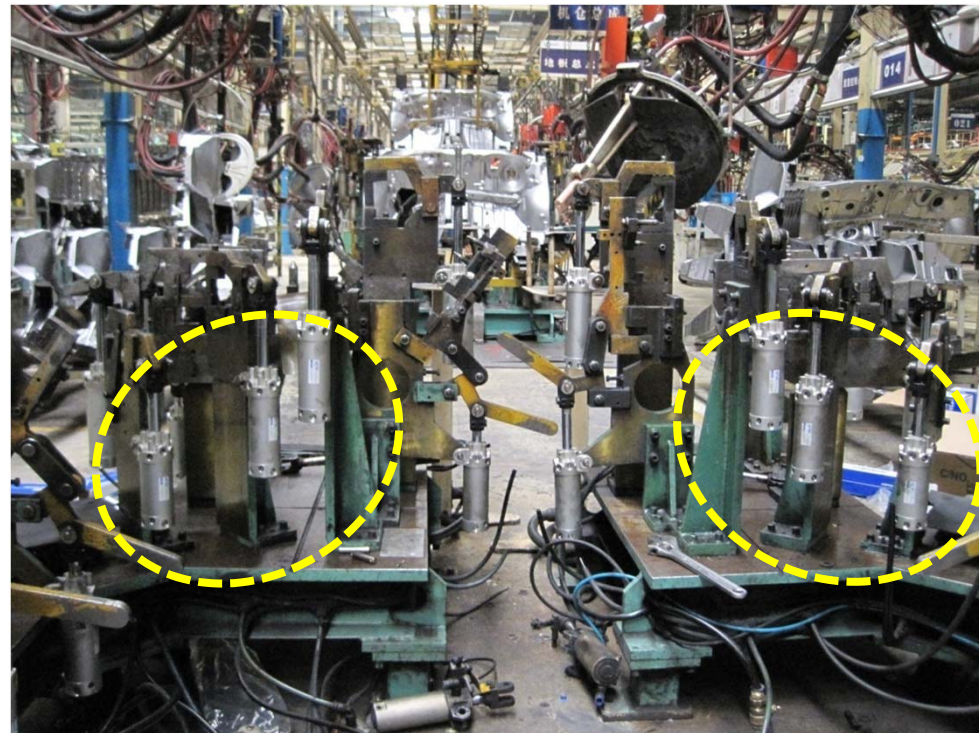
**AirTAC**

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Robot arm

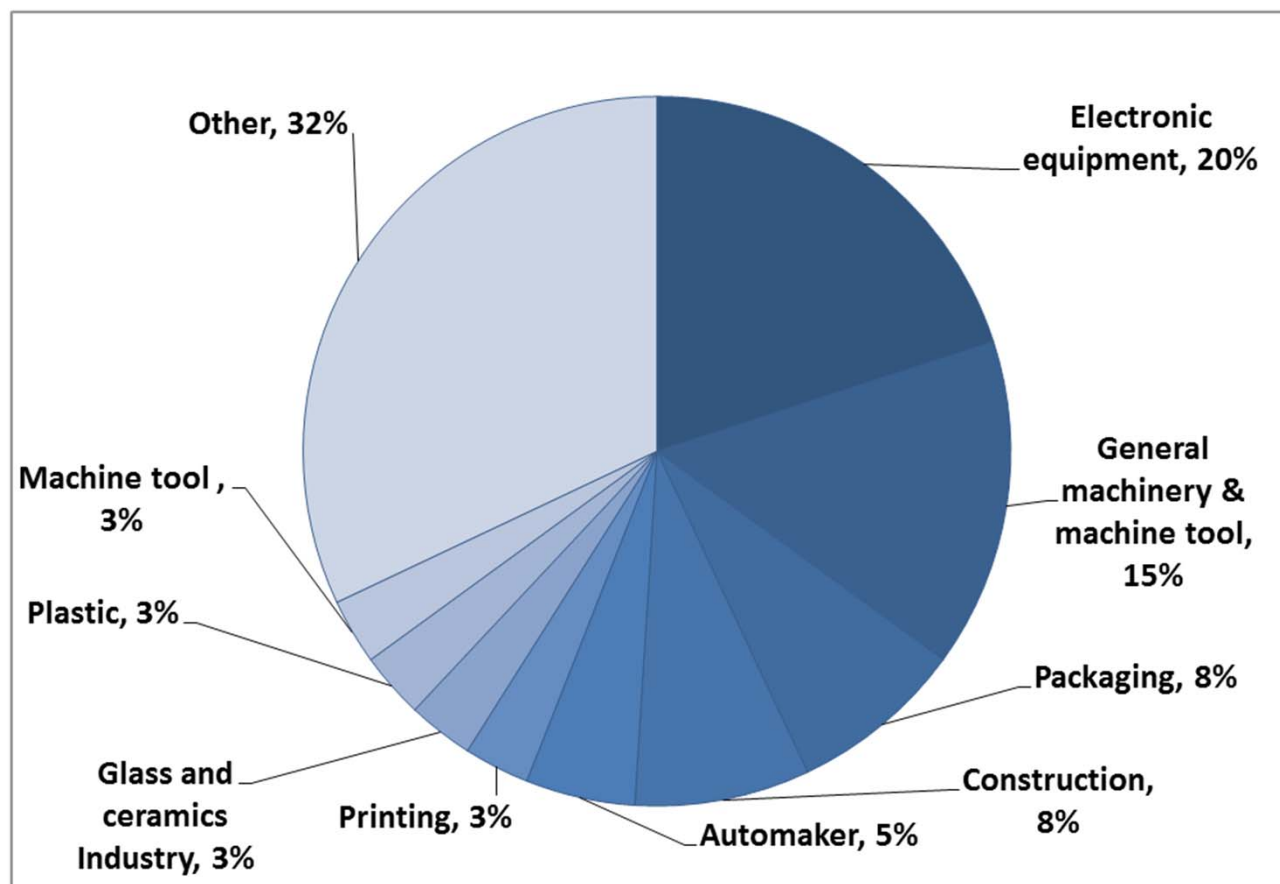


Automobile assembly



# Clients breakdown by industry

2012Q3 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

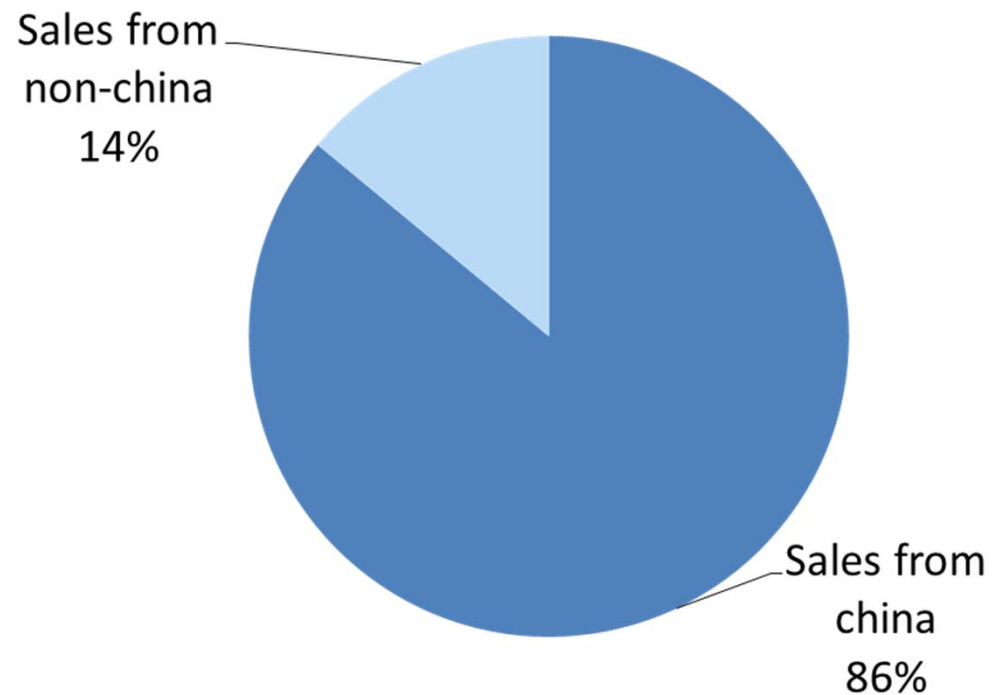


- ◆ Mainland : 2 manufacturing bases; 55 branches, 8 offices
- ◆ Taiwan : 1 manufacturing base and 4 offices
- ◆ Europe : 1 manufacturing and Distribution center in Italy.
- ◆ Singapore : 1 manufacturing and sales center
- ◆ Overseas: +30 distribution offices to provide comprehensive sales network and service

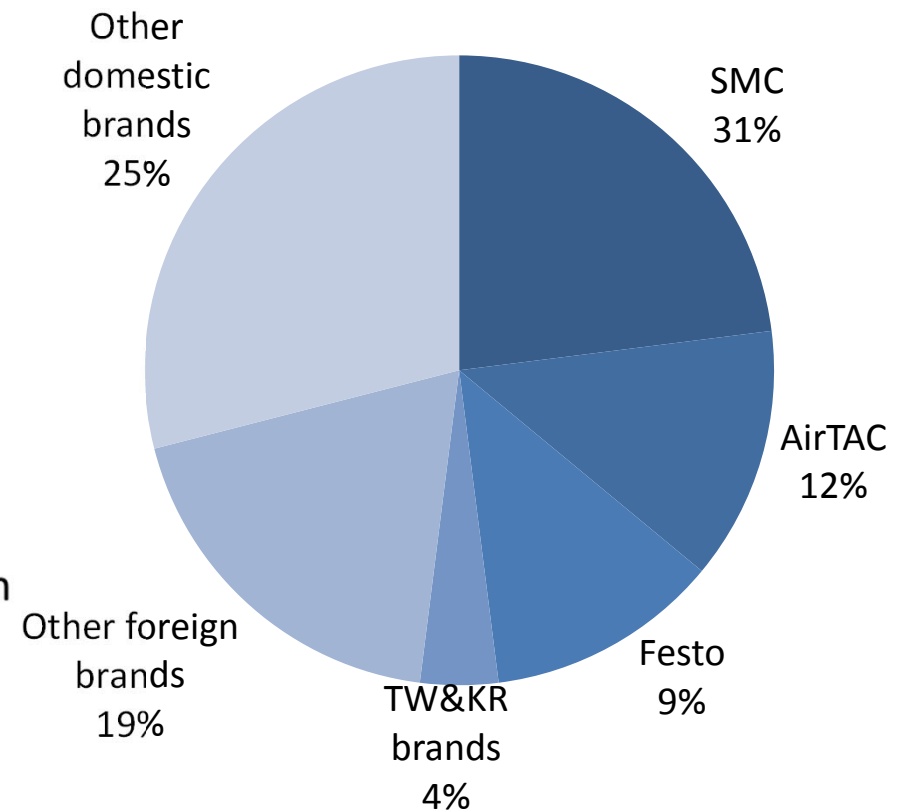


# Ranked the second largest market share in China

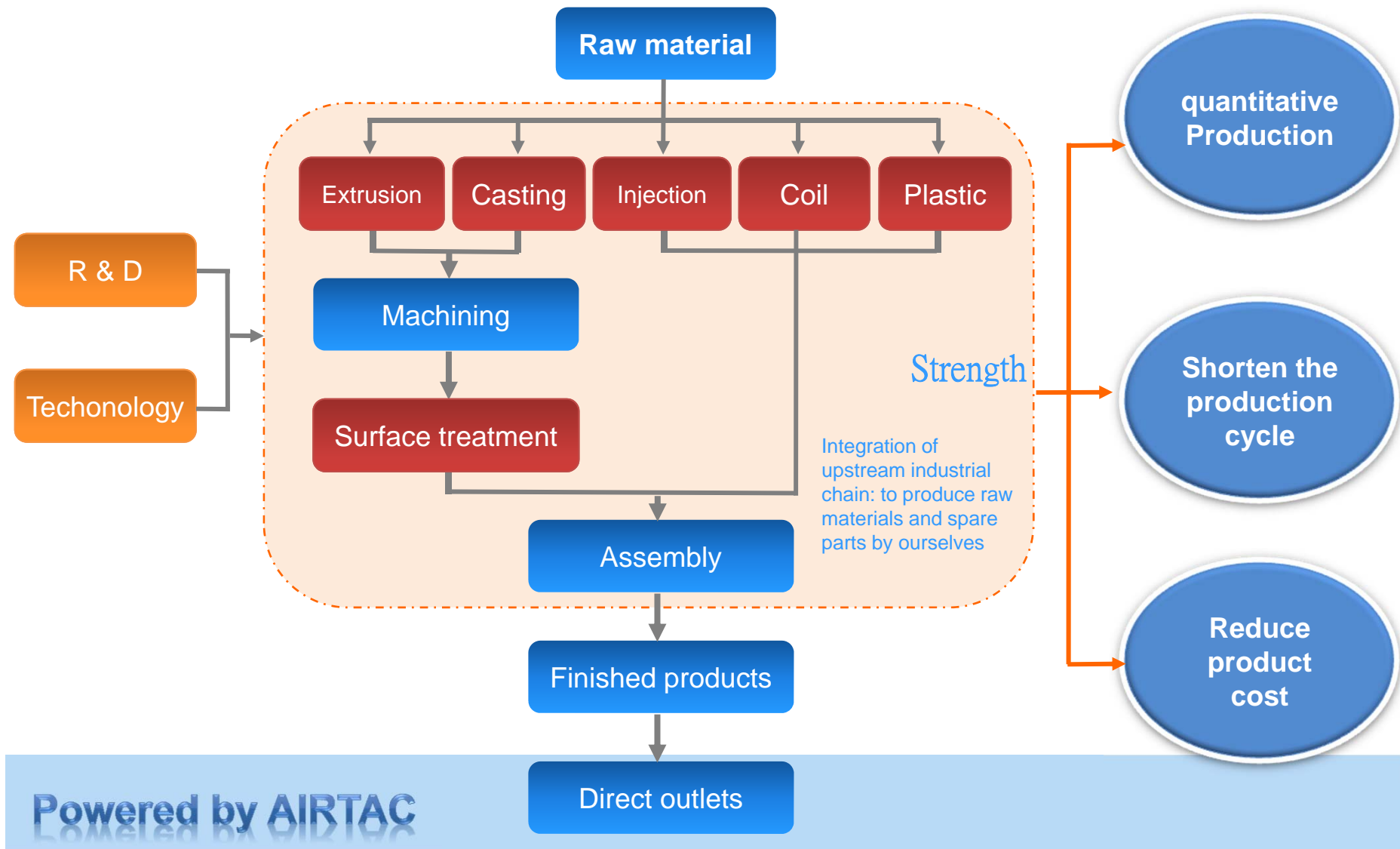
AirTAC Sales by region



Pneumatic equipment - market share in China



# Integration of upstream industrial chain

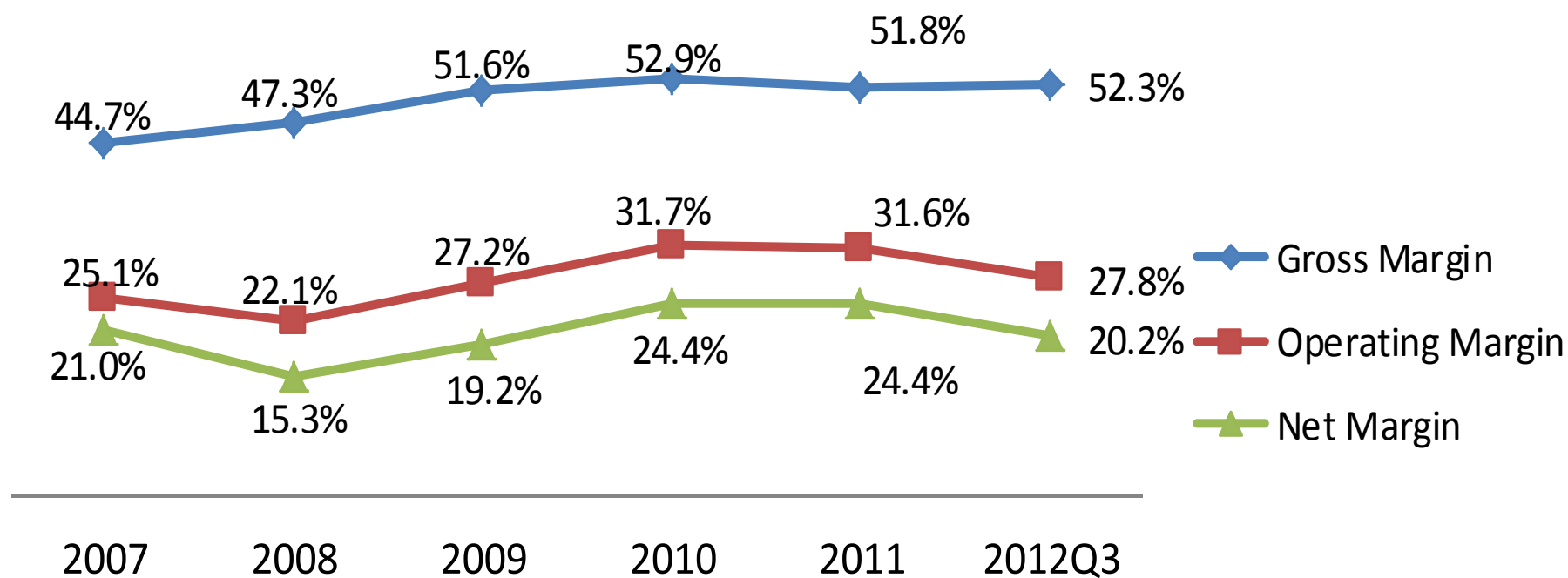


## IV · Financial Outlook

# 2007~2012Q3 Sales & Income before Tax



## 2007~2012Q3 Profitability Trend



# Income Statement



股票代號：1590

(\$RMB mn)	<u>2009</u>		<u>2010</u>		<u>2011</u>		<u>2012Q3</u>	
Sales	\$598	100%	\$968	100%	\$1,173	100%	\$920	100%
Cost	\$289	48%	\$456	47%	\$566	48%	\$439	48%
Gross Profit	\$309	52%	\$512	53%	\$607	52%	\$481	52%
Operating Expenses	\$146	25%	\$205	22%	\$236	20%	\$226	24%
Income from Operations	\$163	27%	\$307	31%	\$371	32%	\$255	28%
Non-operating Income	\$9	2%	\$17	2%	\$14	1%	\$10	1%
Non-operating Expenses	\$17	3%	\$12	1%	\$7	1%	\$9	1%
EBT	\$155	26%	\$312	32%	\$378	32%	\$256	28%
TAX	\$40	7%	\$75	8%	\$92	8%	\$70	8%
Net Income	\$115	19%	\$237	24%	\$286	24%	\$186	20%

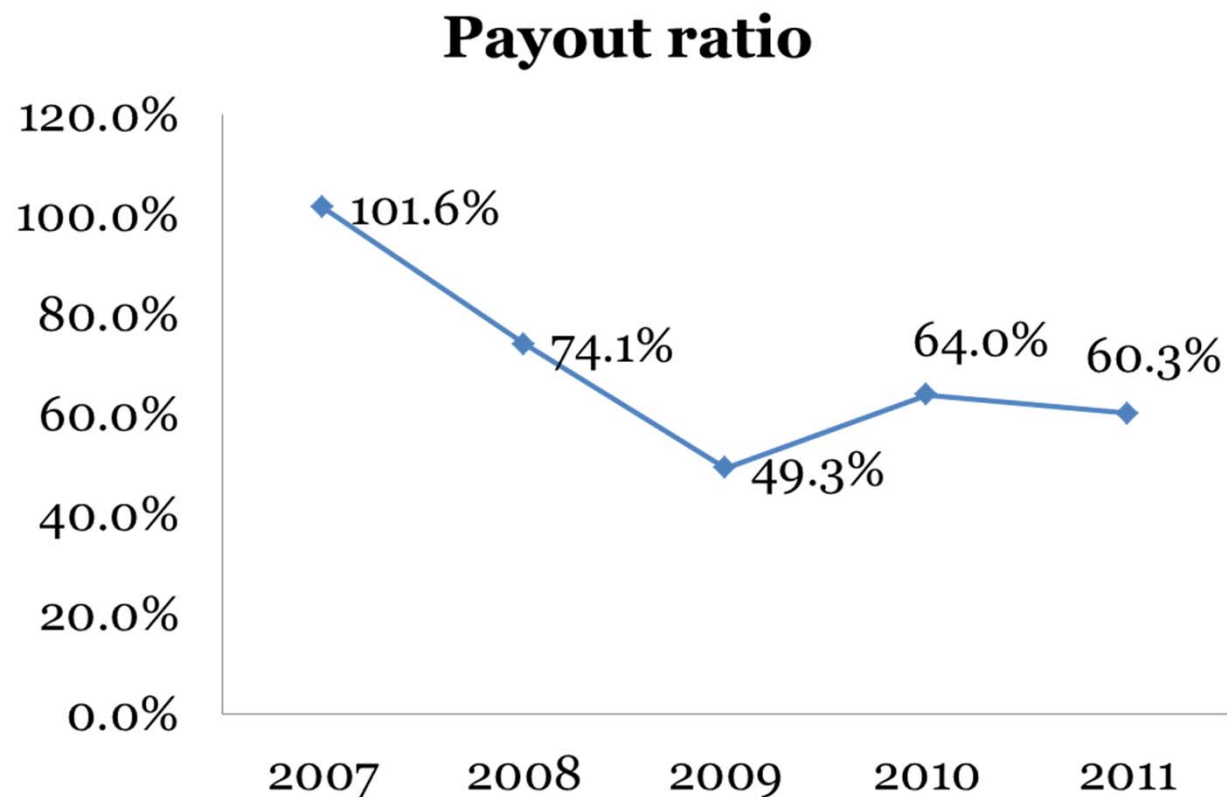
# Balance Sheet



股票代號：1590

(\$RMB mn)	2009		2010		2011		2012Q3	
Cash & Cash Equivalents	\$74	8%	\$431	29%	\$304	17%	\$281	13%
NR & AR	\$155	17%	\$226	15%	\$289	16%	\$363	17%
Inventory & Other Current Assets	\$129	14%	\$188	12%	\$243	14%	\$271	12%
Property, plant and equipment, Other	\$558	61%	\$666	44%	\$945	53%	\$1,241	58%
<b>Total Assets</b>	<b>\$916</b>	<b>100%</b>	<b>\$1,511</b>	<b>100%</b>	<b>\$1,781</b>	<b>100%</b>	<b>\$2,156</b>	<b>100%</b>
AP, Other Current Liabilities	\$280	30%	\$294	19%	\$530	30%	\$890	41%
Long-term liabilities, Other	\$126	14%	\$196	13%	\$104	6%	\$99	5%
<b>Total Liabilities</b>	<b>\$406</b>	<b>44%</b>	<b>\$490</b>	<b>32%</b>	<b>\$634</b>	<b>36%</b>	<b>\$989</b>	<b>46%</b>
<b>Total Equity</b>	<b>\$510</b>	<b>56%</b>	<b>\$1,021</b>	<b>68%</b>	<b>\$1,147</b>	<b>64%</b>	<b>\$1,167</b>	<b>54%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$916</b>	<b>100%</b>	<b>\$1,511</b>	<b>100%</b>	<b>\$1,781</b>	<b>100%</b>	<b>\$2,156</b>	<b>100%</b>

# Payout Ratio



2011 Cash dividends to shareholders – RMB1.13 per share (around NTD5.3 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