

**2630**

**AIA ASIA**  
Company Limited

**AIR ASIA Limited Company**

**2024 Investor Conference**



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# Agenda

Financial Results

Performance Overview

Business Outlook

# Financial Results



# Statements of Comprehensive Income

(In NT\$ thousands)

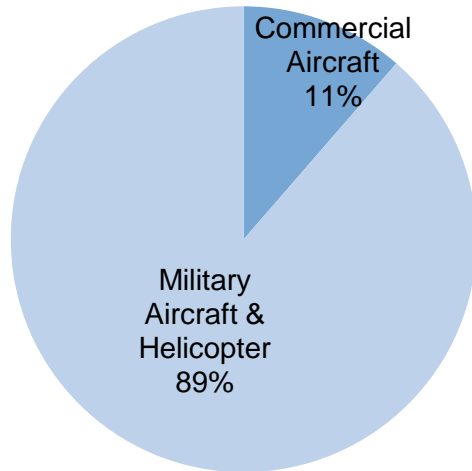
Without Employee stock option  
& Loss valuation of Asset

Items	1H24	1H23	1H24 over 1H23	1H23	1H24 over 1H23
Net Revenue	2,525,402	2,390,373	135,029	2,402,624	122,778
Operating Costs	2,287,368	2,278,611	8,757	2,241,132	46,236
<b>Gross Margin(%)</b>	<b>9.4%</b>	<b>4.7%</b>	<b>4.7%</b>	<b>6.7%</b>	<b>2.7%</b>
Operating Expenses	126,403	120,711	5,692	109,144	17,259
<b>Operating Margin(%)</b>	<b>4.4%</b>	<b>-0.4%</b>	<b>4.8%</b>	<b>2.2%</b>	<b>2.2%</b>
Non-operating Expenses	(11,047)	(16,433)	5,386	(16,433)	5,386
Net Income	80,441	(26,645)	107,086	34,652	45,789
<b>Net Profit Margin(%)</b>	<b>3.2%</b>	<b>-1.1%</b>	<b>4.3%</b>	<b>1.4%</b>	<b>1.8%</b>
EPS(NT Dollar)	0.38	(0.16)	0.54	0.21	0.17
<b>ROE(%)</b>	<b>2.3%</b>	<b>-1.3%</b>	<b>3.6%</b>	<b>1.7%</b>	<b>0.6%</b>

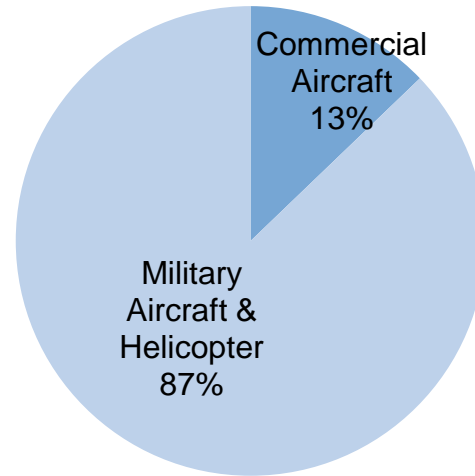


# Revenue and Margin Analysis

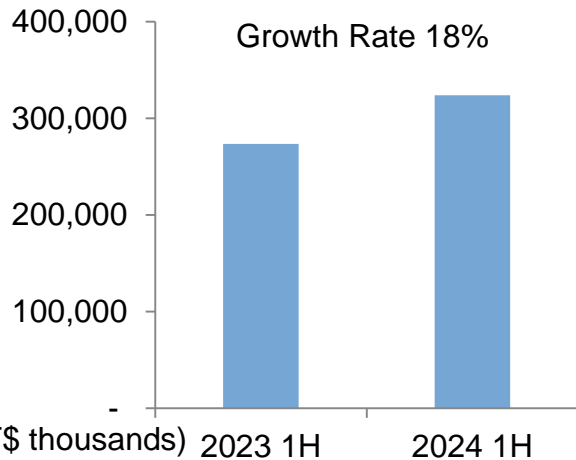
## 1H2023 Revenue



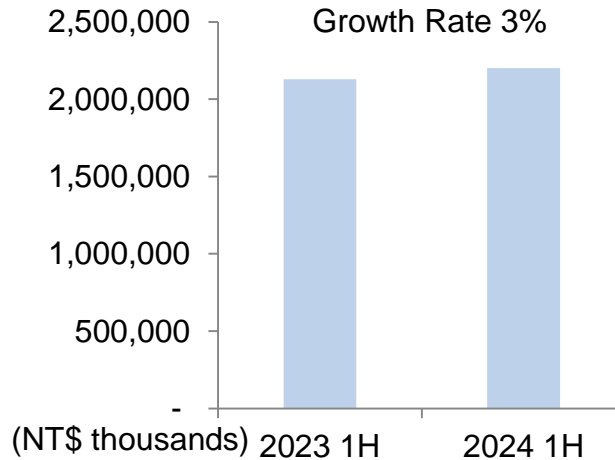
## 1H2024 Revenue



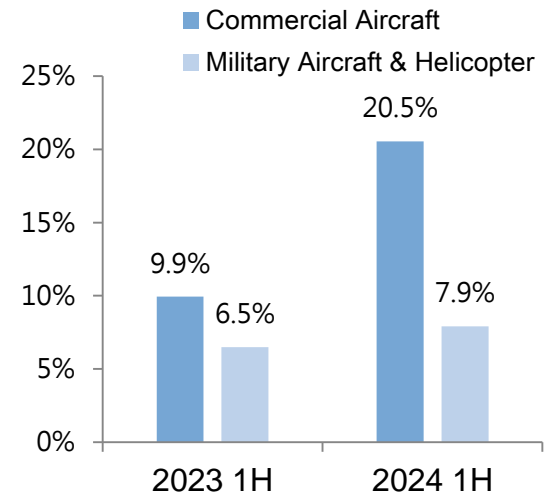
### Revenue Commercial Aircraft



### Revenue Military Aircraft & Helicopter



### Margin By Segment



# Balance Sheets & Key Indices

(In NT\$ thousands)

Items	1H24		1H23		Year 2023		Year 2022	
	amount	%	amount	%	amount	%	amount	%
Cash and cash equivalents	229,057	4	231,697	4	254,265	5	252,947	5
Contract assets	1,209,936	19	1,116,539	20	1,181,069	22	913,851	19
Accounts Receivable	2,423,240	38	1,684,816	31	1,445,016	26	1,208,472	25
Inventories	1,024,402	16	1,078,819	20	1,051,800	19	1,191,766	24
Other Assets	1,551,347	23	1,393,761	25	1,544,887	28	1,343,940	27
<b>Total Assets</b>	<b>6,437,982</b>	<b>100</b>	<b>5,505,632</b>	<b>100</b>	<b>5,477,037</b>	<b>100</b>	<b>4,910,976</b>	<b>100</b>
Current Liabilities	2,356,379	37	3,006,600	55	1,570,056	28	2,479,066	50
Non-current Liabilities	667,827	10	456,084	8	473,010	9	507,432	11
<b>Total Liabilities</b>	<b>3,024,206</b>	<b>47</b>	<b>3,462,684</b>	<b>63</b>	<b>2,043,066</b>	<b>37</b>	<b>2,986,498</b>	<b>61</b>
<b>Total Equity</b>	<b>3,413,776</b>	<b>53</b>	<b>2,042,948</b>	<b>37</b>	<b>3,433,971</b>	<b>63</b>	<b>1,924,478</b>	<b>39</b>
<b>Total Liabilities and Equity</b>	<b>6,437,982</b>	<b>100</b>	<b>5,505,632</b>	<b>100</b>	<b>5,477,037</b>	<b>100</b>	<b>4,910,976</b>	<b>100</b>

## Key Indices

Current Ratio(%)	219%	143%	269%	151%
Debt Ratio(%)	47%	63%	37%	61%
Accounts Receivable Turnover (times)	2.61	3.30	3.67	3.11
Inventory Turnover (times)	4.41	4.01	4.03	3.50



# Performance Overview



# Main Government Business

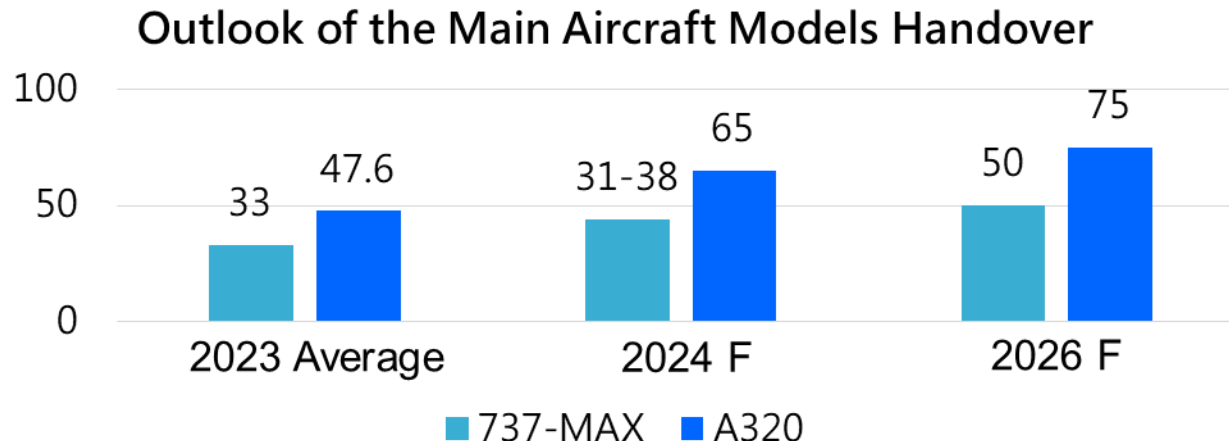
Year Contract	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
GOCO			5Y NT\$13.36B					5Y NT\$13.36B									
GOCO (Songshan)			4Y NT\$1.19B				5Y NT\$1.76B					3Y NT\$1.06B					
OH-58D		7Y NT\$1.63B							7Y NT\$2.08B								
TH-67	7Y NT\$1.41B							8Y NT\$1.81B									
CH-47SD			7Y NT\$1.4B														
NASC UH-60M						5Y NT\$1.05B					2Y NT\$0.42B						
NASC King Air					4Y NT\$0.08B												



# Market Overview-MRO

## ➤ Growth in Narrow-Body Aircraft Orders

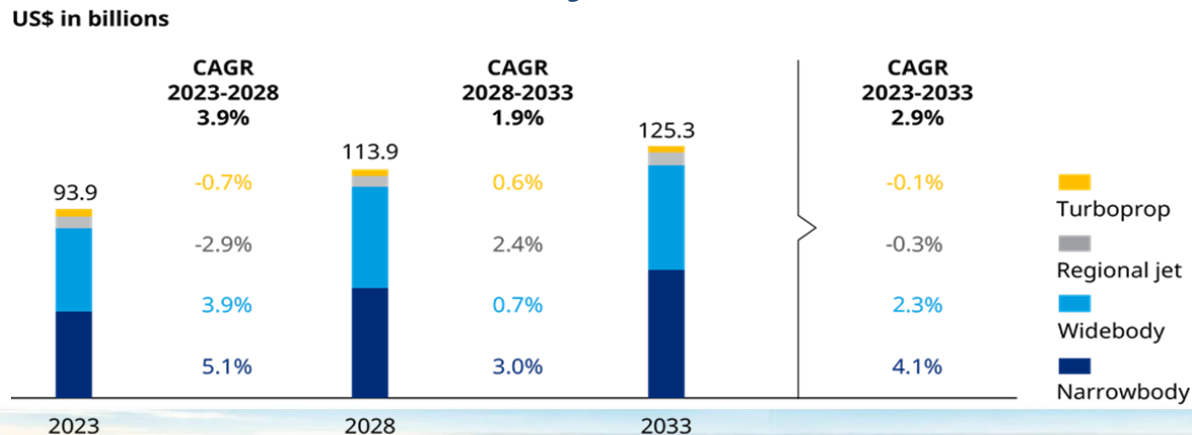
- Asia is the region with the strongest demand for narrow-body aircraft. The Asia-Pacific region (excluding China and India) accounts for 28% of global narrow-body aircraft orders.
- Airbus has secured orders for 8,000 narrow-body aircraft, with the A321neo being the most popular model, accounting for 56% of these orders. Boeing's narrow-body aircraft orders amount to approximately 5,000 units.



# Market Overview-MRO

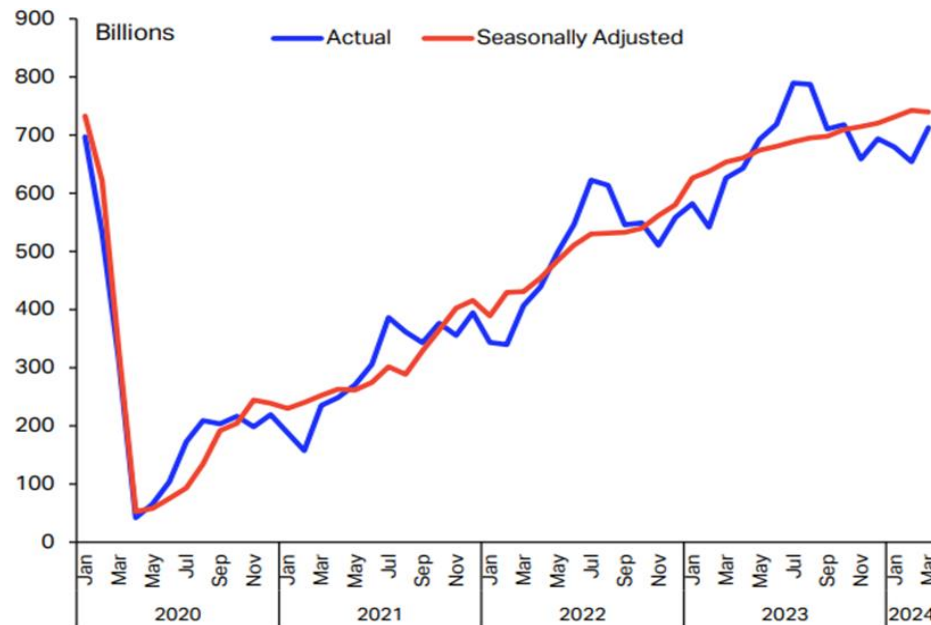
## ➤ Narrow-Body Aircraft Delayed Retirement, MRO Supply Shortage

- The delivery schedule of new aircraft cannot meet the airlines' increasing flight demand.
- Issues with the production quality of the A320neo's Pratt & Whitney engines and the B737 MAX have led to the grounding of many aircraft, severely impacting airline operations.
- In response to operational needs, airlines are extending the retirement and lease return schedules of their aircraft and increase the demand for major maintenance.



# Market Overview-Line Maintenance

- Global Aircraft Operations Have Surpassed Pre-Pandemic Peaks
  - Starting from 2024, there are 28,400 aircraft operating globally, surpassing the pre-pandemic peak of 28,000 aircraft in January 2020, with continued growth expected in the future.



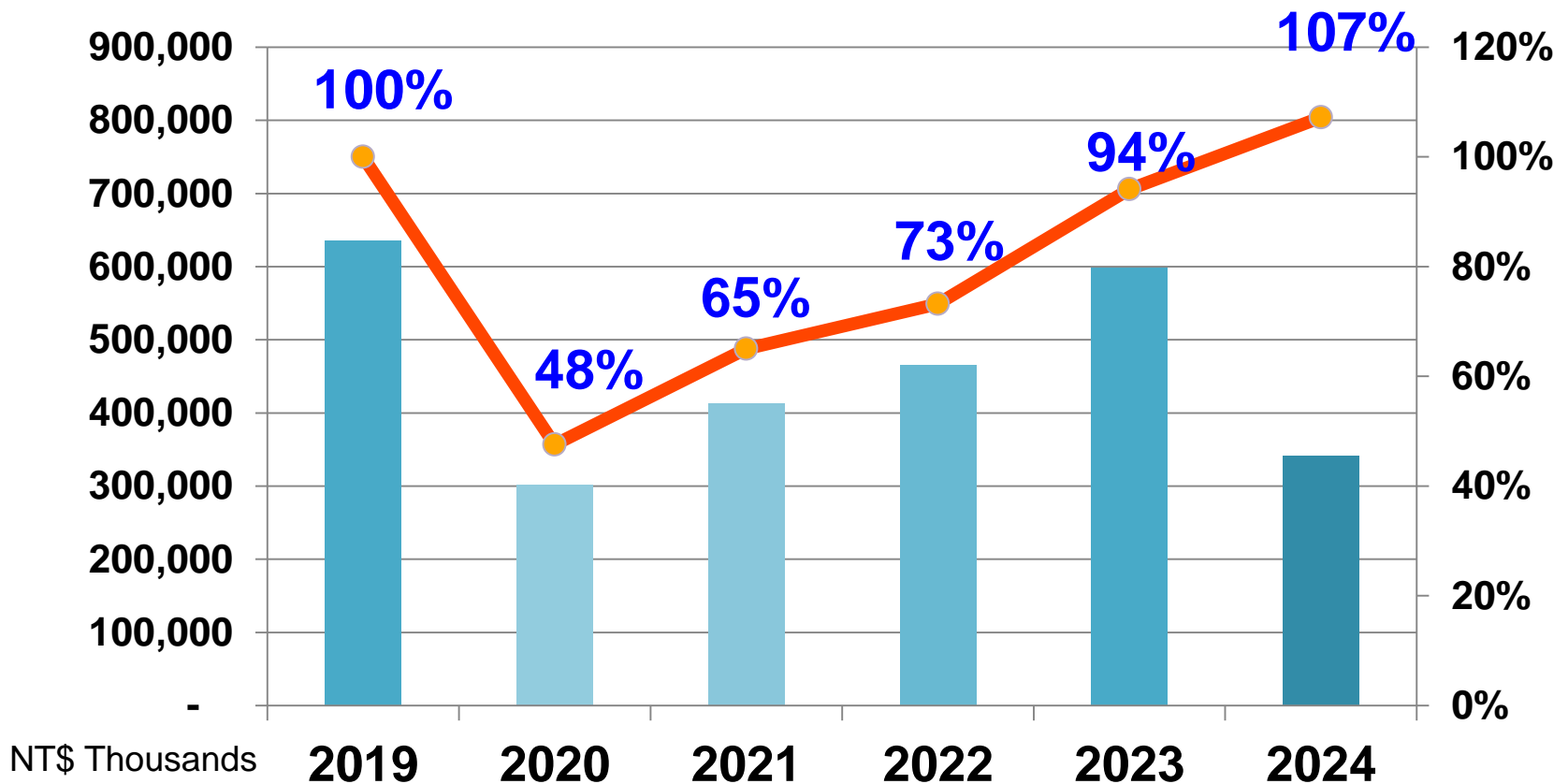
Global air passengers, RPK

Sources: IATA Sustainability and Economics, IATA Monthly Statistics



# Commercial Business Recovery

## Revenue of Commercial Aircraft Maintenance



Note: % Based on the same period in 2019



# Business Outlook



# Execution of Existing Contract

## Government and Military Maintenance Contract

## Commercial Business

<p><b>GOCO</b> Term : 2023-2027 Price : 13.36B</p> <p><b>UH-60M</b> Term : 2021-2025 Price : 1.05B</p>	<p><b>Songshan</b> Term : 2022-2026 Price : 1.7B</p> <p><b>King Air</b> Term : 2020-2024 Price : 0.08B</p>	<p><b>Planned Depot Level Maintenance</b> America : Aloha Air Cargo, Northern Air Cargo Northeast Asia : Peach Aviation, JTA, JAC, Toki Air, Jetstar Japan, Jeju Air, T'way Airlines, Hanseo University Southeast Asia : AirAsia Group, Vietjet Group Taiwan : Mandarin Airlines 、 Want Want 、 Apex Aviation 、 RealWorld Aviation 、 Strong Aviation</p>
<p><b>OH-58D</b> Term : 2024-2031 Price : 2.08B</p>	<p><b>TH-67</b> Term : 2024-2031 Price : 1.81B</p>	<p><b>Handover and Return Check Services</b> Main customers including Aercap, Avolon, BBAM, SMBC</p>
<p><b>CH-47SD</b> Term : 2019-2026 Price : 1.4B</p>		<p><b>Line Maintenance</b> Main customers including AirAsia Group, Thai Lion Air, S.F. Airlines Cargo, Vietjet Group, Eastar Jet, Aero K Airlines</p>



# Marketing Strategy

- Expand the range of serviceable aircraft models and certifications to enhance market competitiveness
  - Received FAA and EASA certification, aiming to expand aircraft maintenance services
  - Successful development of ATR customers
    - Japanese clients JAC and Toki Air continue to send aircraft to the Company
    - Domestic clients also continue to entrust the Company with maintenance and painting services
  - A330 Line maintenance
    - Obtained certification from the Malaysian Civil Aviation Authority
    - AirAsia X converted the On-call service to full agency sign-off service



# Marketing Strategy

- Explore high-margin markets and increase the customer base
  - Jetstar Japan has entrusted AACL with maintenance and signed a multi-year contract
  - Expand "Full Agency Authorized Sign-Off" service
- Strive for the projects of performance improvements for various aircraft models



# Multiple Business Development

## ➤ Fiber Optic Gyroscope(FOG)

- Completed FOG production line, and the first batch of five space specification FOG have been produced
- Obtained AS9100 certification, becoming the only manufacturer of FOG in Taiwan with mass production capability

## ➤ Unmanned Aerial Vehicle(UAV)

- Project of Albatross has handed over the first aircraft, and the follow up production will be carried out in accordance with the Ministry of National Defense's mass production plan
- R&D programs for key technologies of UAV are executing



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Thank you

