



# 明安國際企業股份有限公司

Advanced International Multitech Co., LTD.

Stock Code : 8938

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# Disclaimer

Advanced International Multitech Co., LTD. have not announced financial forecast. This presentation contains financial and business statement that might be differ from the actual results in the future. We are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements.



# Agenda

- Company Profile
- Operational Performance
- Sports & Leisure Goods
  - Golf Industry Outlook
  - Future Strategies for Golf
  - Own Brand 'DIZO'
- Composites
  - Future Strategy
  - Innovation and application of composite materials
  - New trends in future 3C products
  - New business opportunities for composite materials: automotive/aerospace



# Company Profile

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# Company Profile

- Chairman and President : Sunny Cheng
- Capital : 1,353,127 (NT\$ thousands)
- Established : July 20, 1987
- Products : Golf equipment, golf ball, composites, bicycle parts and the own-brand carbon fiber bicycle "DIZO"
- Address : No. 26, Chung Lin Road, Lin-Hai Industrial District, Kaohsiung, Taiwan.
- Application for (OTC) listing : Dec. 02, 2002

# Locations and Products



**Chung Lin Factory (Lin Hai Industrial District) - Headquarter**  
Golf Sale and RD, Casting Foundry

**DAYE Branch (Lin Hai Industrial District)**  
Carbon Fiber Prepreg, Bicycle Frames, Forks & Parts

**Kaohsiung Branch (K.E.P.Z.)**  
Composites applications

**Launch Technologies, Co., Ltd. (P.E.P.Z.) -Subsidiary**  
Golf balls

**Advanced Sporting Goods (Dong Guan) Co., Ltd.**  
Golf equipment, 3C products

**Advanced International Multitech (VN) Co., Ltd.**  
Golf equipment



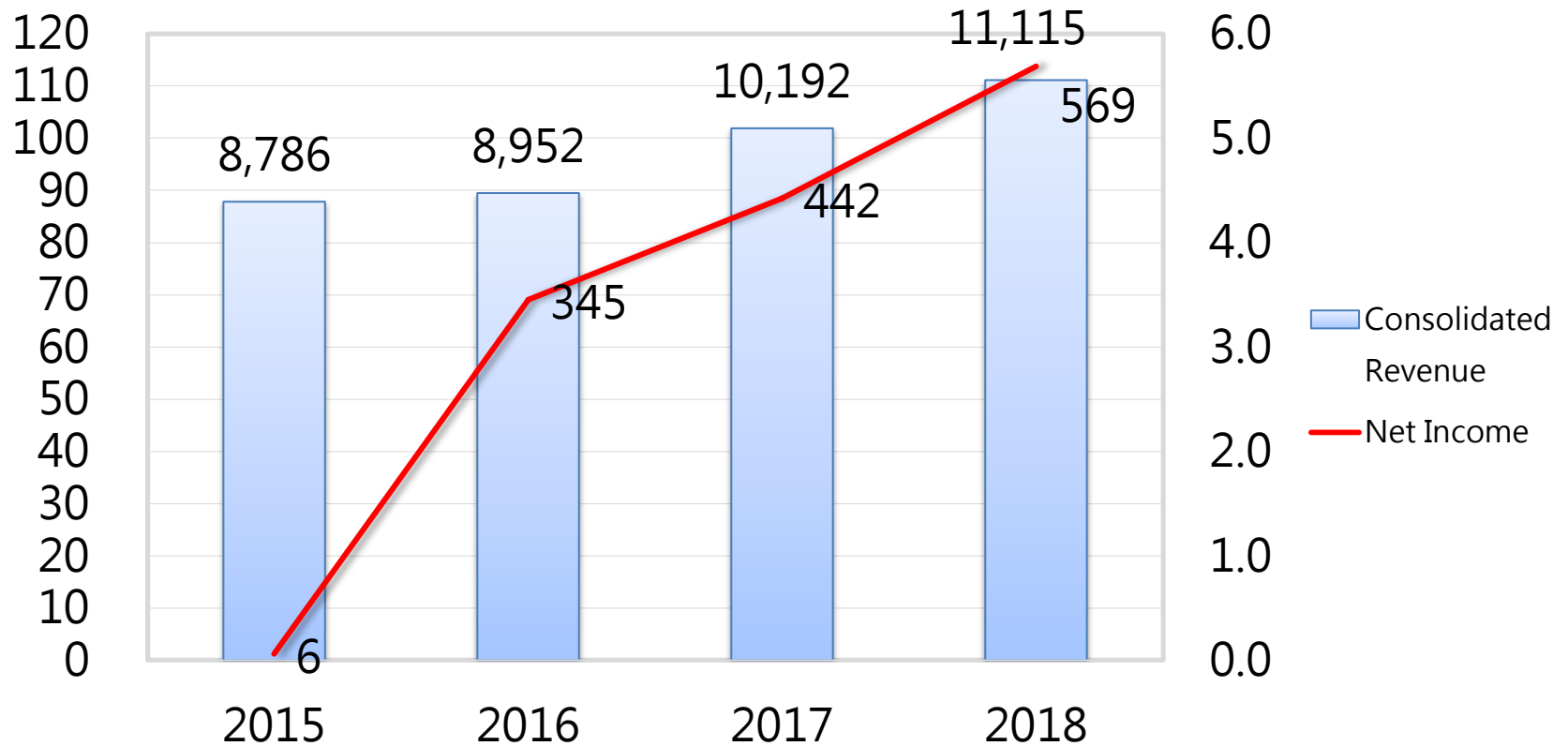
# Operational Performance

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# 2015~2018 Annual Revenue / Net Income

Unit : Million NT\$



2019 H1 Annual Revenue : 6,204 Millions

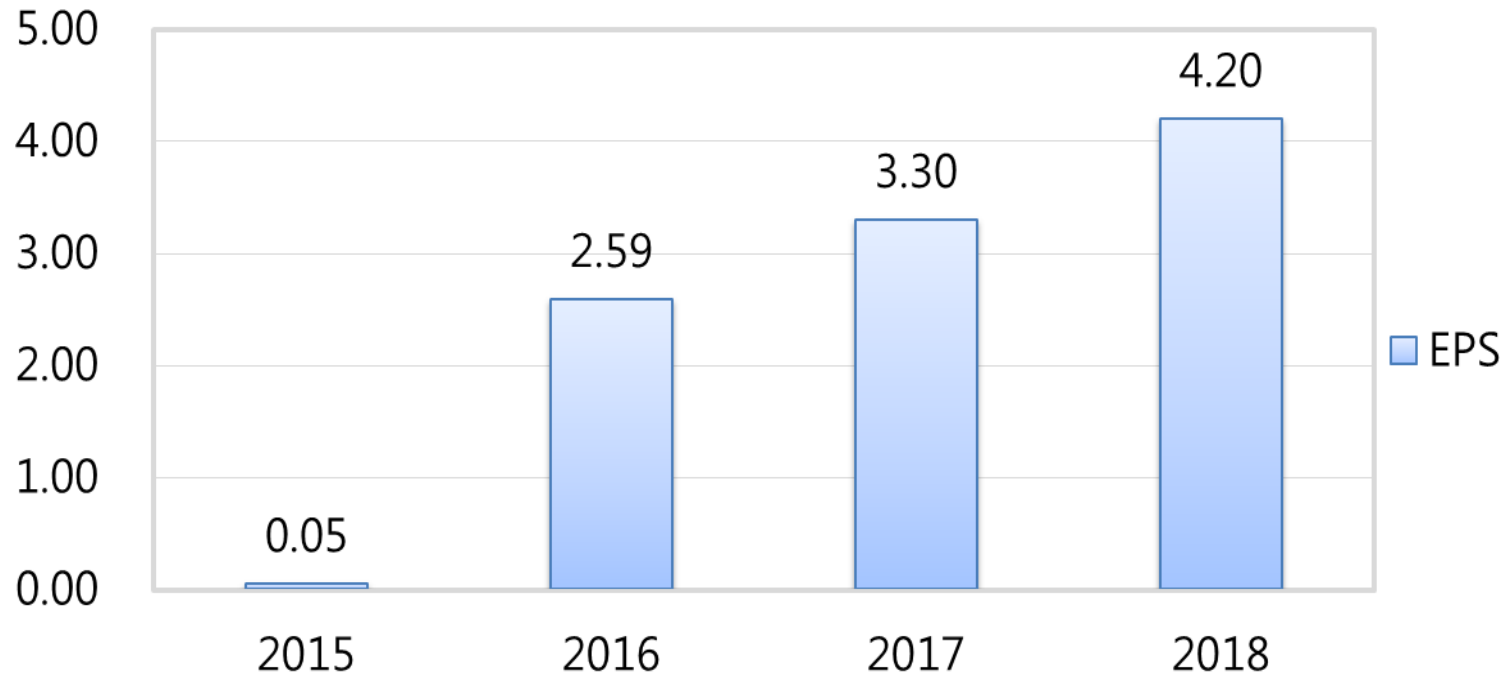
2019 H1 Net income : 352 Millions





# 2015~2018 EPS

Unit : NT\$



2019 H1 EPS : 2.6

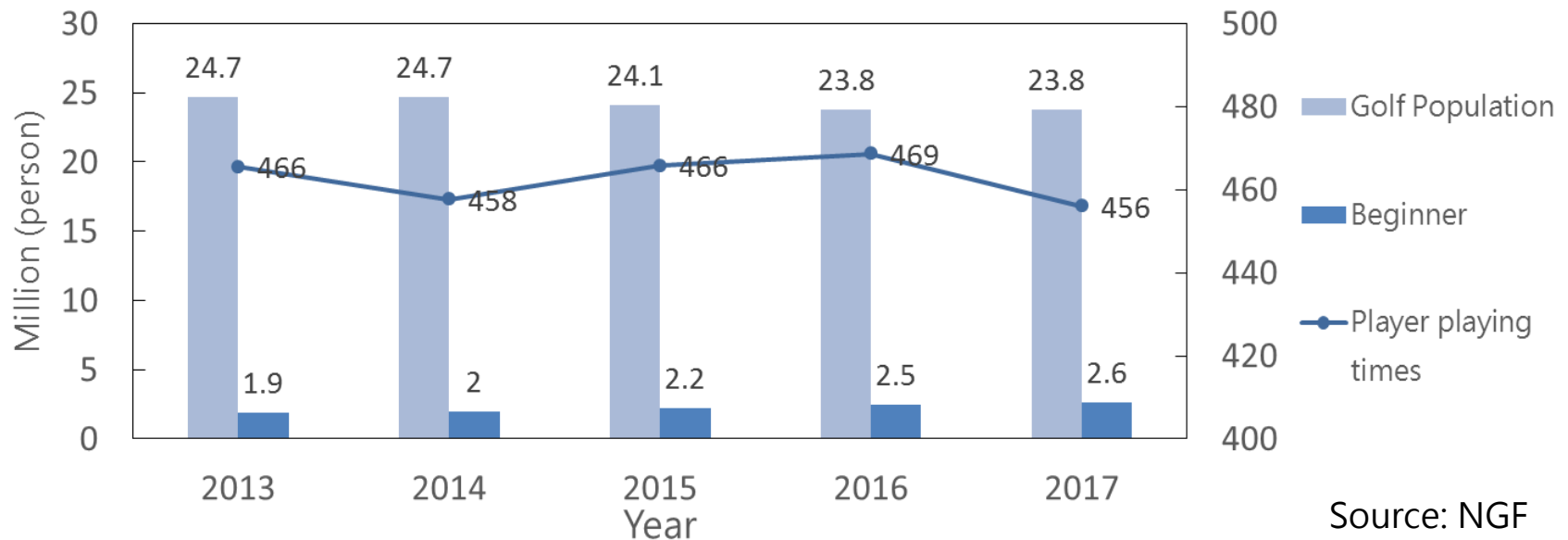


# Sports & Leisure Goods



# Golf Industry Outlook

- Nowadays, there are about 24 million golfers in the US. With the aging of baby boomers after the war and the changes in the consumption habits of young people, the number of golf population has declined slightly. However, the average number of golf players each year is about 460 million that reflects a gradual rise in growth. As a result of the civilianization of golf, the number of beginners has grown dramatically in recent 20 years, and there is still of room left for growth in the market.

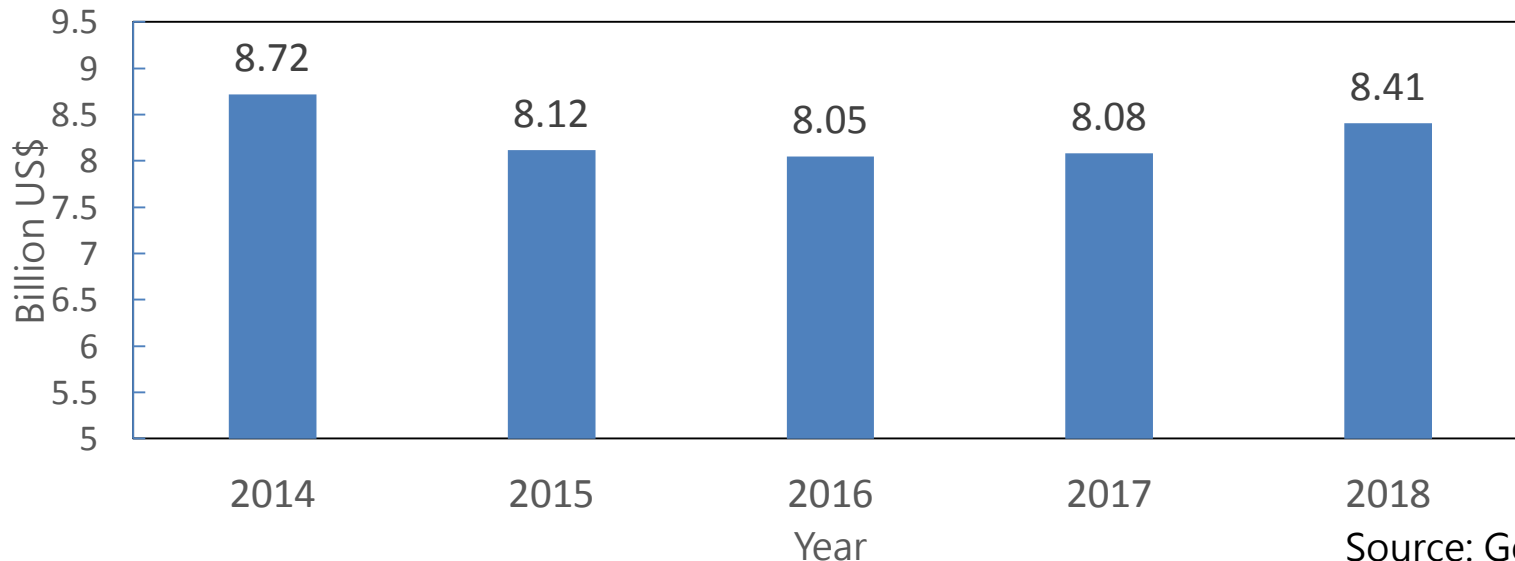




# Golf Industry Outlook

- The golf equipment market has undergone the recession from saturation and market consolidation in 2013-2014. There is a steady increase of the golf equipment's average price in the past two or three years. Top four US brands occupy US and Japan markets, the big will get bigger. More than half of AD Group's turnover comes from the US top brands, and its future growth is expecting.

Estimate for global golf equipment market (Billion US\$)



Source: Golf Datatech

# Golf Industry Outlook

- All major brand products appeal to high functionality, and the complexity of product design. The ball equipment industry officially went to the era of “compositization” after TaylorMade, AD’s largest client, launched M1/M2 series in 2015. Other brands have launched golf heads with light weighted carbon fiber and its application expands from 1-wood to other product lines. Due to the complexity of the products, the R&D power, process solutions and flexible supply capabilities of the manufacturers will be the key factors when those major brands choose their suppliers.



Image source:  
TaylorMade Golf  
Callaway Golf



# Future Strategies for Golf

- Strengthen R&D and innovation power
  - High-performance, high value-added design and process capability.
  - Lightweight, functional material applications (composite/metal).
- Allocation strategy for locations and resources
  - TW plants : Process / Material Innovation R&D Base, Product Design Center
  - CN plants : enhance added value, optimize operation efficiency, and introduce automation.
  - VN plants : expand production capacity, improve process capability, and strengthen supply chain system.



# Future Strategies for Golf

- The Influence and Response to the Trade War between the U.S. and China
  - We are able to make adjustment in shipment because of two production bases in Vietnam and China. Our current shipment won't be affected.
  - The first phase of the new plant's expansion in Vietnam will be completed in Q1 2020 and it is expected to be put into production in the second half of the same year; in the meanwhile, the second phase of the expansion project will be carried out.



# Own Brand-DIZO

- DIZO, the brand name is taken from the homonym "custom-made" in Chinese and Taiwanese. DIZO indicates that we always care about the customers and tailor the products to customer's needs.
- MIT High quality and high performance of carbon fiber bike rack
  - S6-R, EOS, M8 and other three bikes have won the 2018-2019 Taiwan Excellence Award
  - extensively reach to China, Korea, Japan and Southeast Asia markets.
  - Being sponsor of DIZO Linyuan High School Team and SPDI cycling Team



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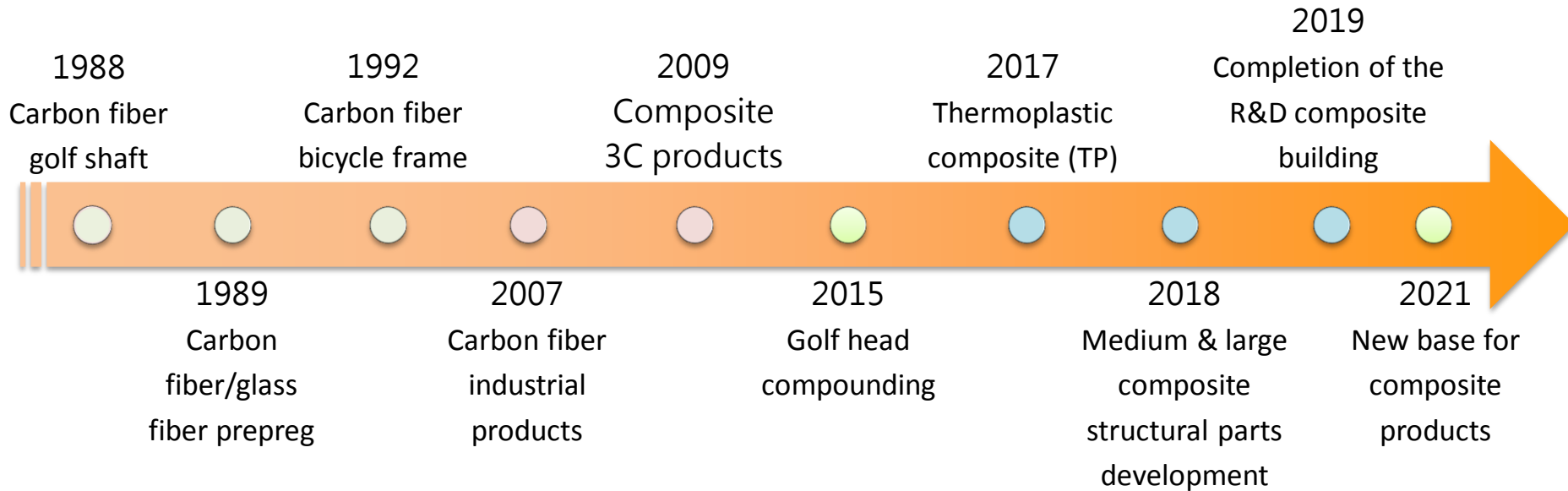


# Composites

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# Future strategies for composite materials



## Four major spindles

- Become a lightweight expert (Expertise in Lightweight)
- One-stop customized service from raw materials to product design and manufacturing
- From sophisticated consumer products to high value-added industrial applications
- Conforming to the future trend of energy saving and environmental protection



# Innovation and application of composite materials

- Environmental protection and energy saving needs
  - Thermoplastic composite (TP, Thermoplastic)
    - With rapid prototyping and easy recycling
    - Development of five major areas (leisure sports/3C/livelihood needs/automobiles/aerospace)
  - Environmentally friendly recycling technology for thermosetting composite materials
- Future development needs of composite product
  - High temperature resistant composite material
  - Lightweight structural composites material for automobiles
  - Aerospace grade flame resistant composite material
- High Performance Materials: Nano Technology Applications



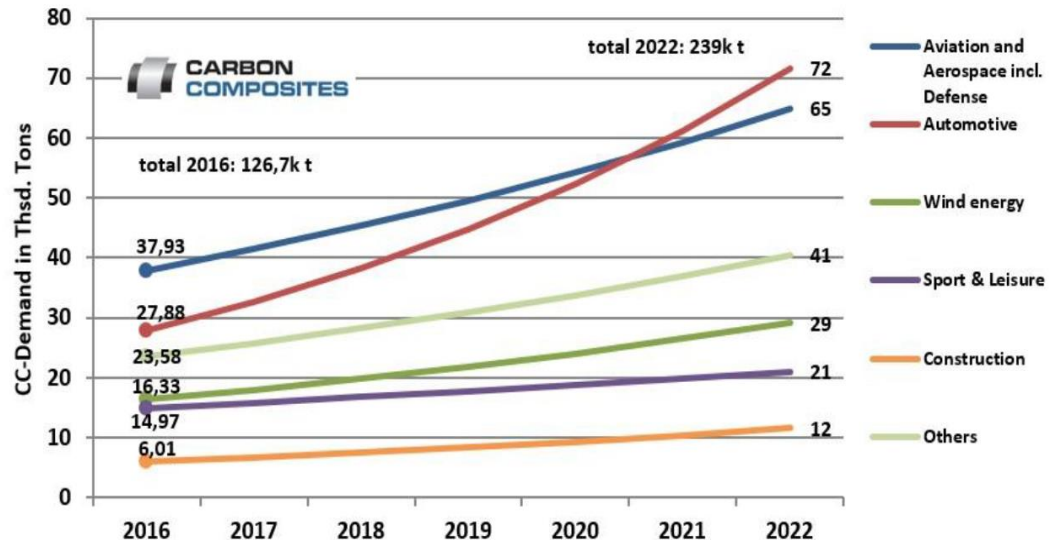
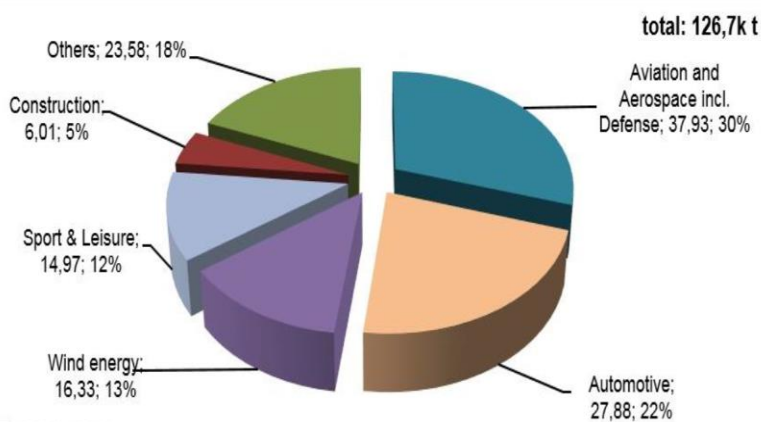
# New trends in future 3C products

- More diversified needs - 5G & environmental protection
  - With the advent of the 5G era and the environmental protection requirements of the 3C brand, customers are not only pursuing the functions of light and short, but also looking for materials that meet the requirements of 5G communication and environmental protection and corresponding processes.
- Portable wearable electronic product applications
  - With the miniaturization, high computing and communication capabilities of electronic components, the future portable 3C products will have tremendous growth momentum. A lightweight, durable and aesthetically pleasing composite will give consumers a better experience.
- Multi-use of metal/non-metal/composite materials
  - AD group has accumulated many years of experience in R&D and manufacturing of various materials to meet the different needs of customers.



# New business opportunities for composite materials: automotive/aerospace

- More than half of the global demand for carbon fiber is currently from the automotive and aerospace industries. In the next five years, it will show multiple growth, with automotive and aerospace growing the most (Composite Market Report 2017).
- Future development plan of composites new product in AD group
  - Automotive composite parts
  - Air passenger interior parts





# New base of composite products

- Located in Hefa Industrial Zone, Kaohsiung City, with a total area of approximately 18,182 square meter.
- It is expected to start construction in 2020 Q2 and put into use in 2021.
- Factory planning for integrating composite materials.
  1. Innovative R&D center for raw materials & composite: based on the needs of customers in various industries, we develop multi-component composite products with the one-stop customized service advantages of materials development and manufacturing.
  2. Prepreg composite manufacturing: providing thermoset and thermoplastic system composite materials for demands of self-use and takeaway.
  3. The new R&D and manufacturing base in automobile and aerospace product.



# 明安國際集團

ADVANCED INTERNATIONAL MULTITECH CO., LTD.

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THANK YOU FOR LISTENING

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