



劍麟股份有限公司
IRON FORCE INDUSTRIAL CO., LTD.



December, 2013

股票代號：**2228**

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- This report and released message contains information about corporate prospects, financial updates and sales forecasts, established on the basis of internal resources and external reference sharing. The actual performance may be different from expressed or implied predictions due to uncontrollable and/or unpredictable risks.
- All prospects reflect Iron Force' s expectations toward the future, and may be subject to change and Iron Force reserves the right to alter, update and change relevant information from time to time without prior notice.

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About Iron Force



Establishment April 27, 1977

Employees ~1,740 (including subsidiaries in China and Germany)

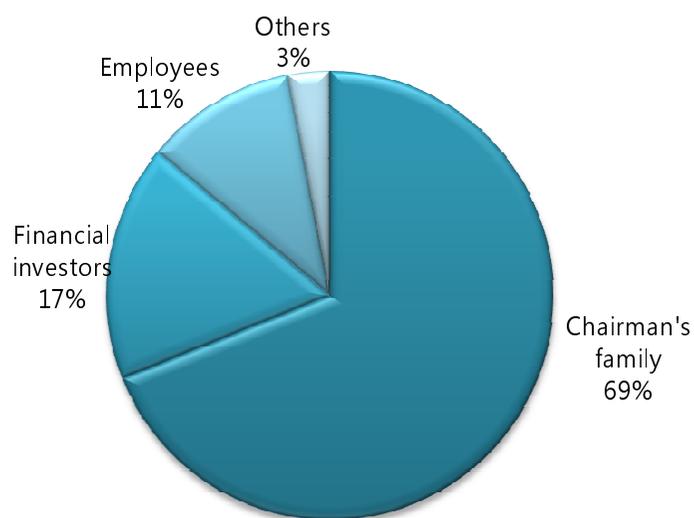
Share capital when listed NT\$ 717,050,400

Management Chairman: Alan Huang ; President: Hank Huang

Main business
 (1) Auto parts
 (2) Display Fixtures

Earnings 2012 consolidated revenue of NT\$2.875 bn / net profit of NT\$270 mn

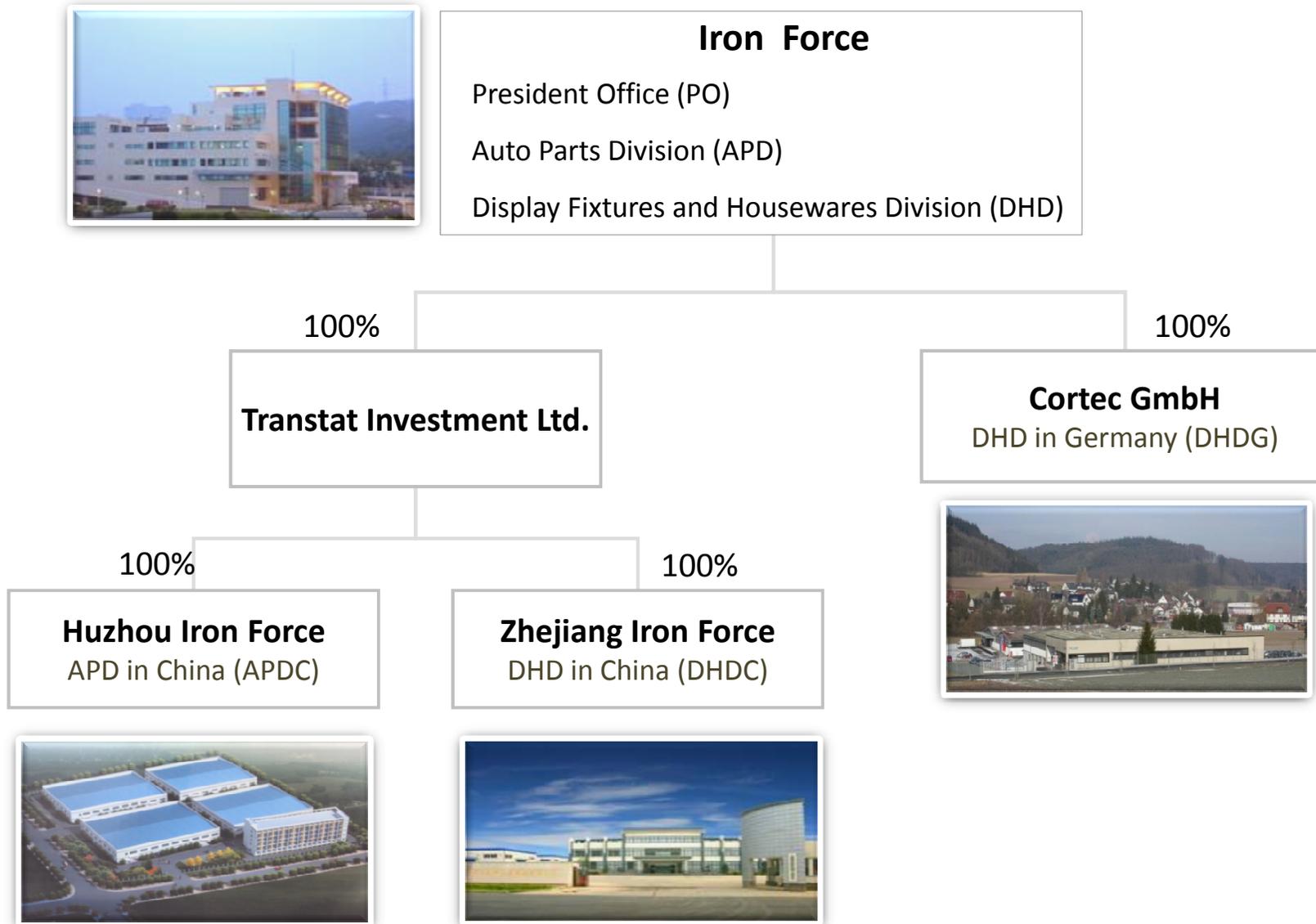
Shareholding structure



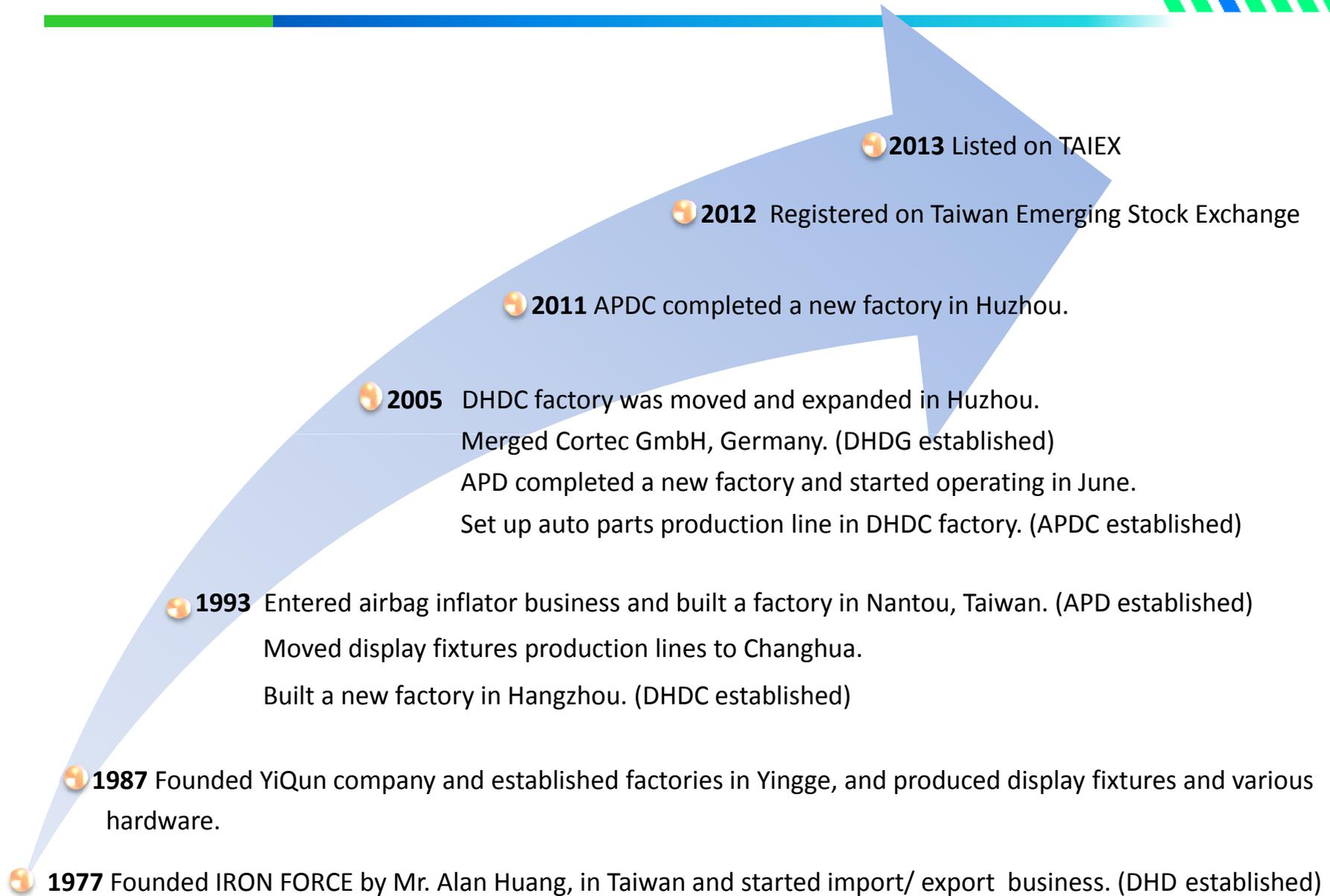
The Board of directors

Titles	Names	Main Experience
Chairman	Alan Huang	Founder of Iron Force Industrial Co., Ltd.
Director	Hank Huang	Sales manager/GM/President of Iron Force Industrial Co., Ltd
Director	Alex Chang	Previously, Chief Manager, Investment, Industrial Technology Investment Corporation; Senior VP, DeSolar Co., Ltd.
Independent Director	Theresa Wu	Previously, Partner, PwC Taiwan Currently, Chairman, Fate Design
Independent Director	Yaotsu Shih	Previously, Chairman, Fu Sheng Industrial Co., Ltd; VP, Lancer Systems
Supervisor	Edward Way	Previously, Chairman, Deloitte Taiwan & Chairman, Wei Yung Tu CPAs Office Currently, Chairman, YCSY Co., Ltd
Supervisor	James Huang	Previously, VP, Meicer Semiconductor, Inc Currently, Partner, Fusion Asset management Co., Ltd President, Asiam International (Taiwan)
Supervisor	George Wood	Board Director, TUL Technology Unlimited; Chairman, Quitewin Technology Corp & Chairman, TBS Group Corporation

About Iron Force – Company Structure



About Iron Force – Milestones



About Iron Force –

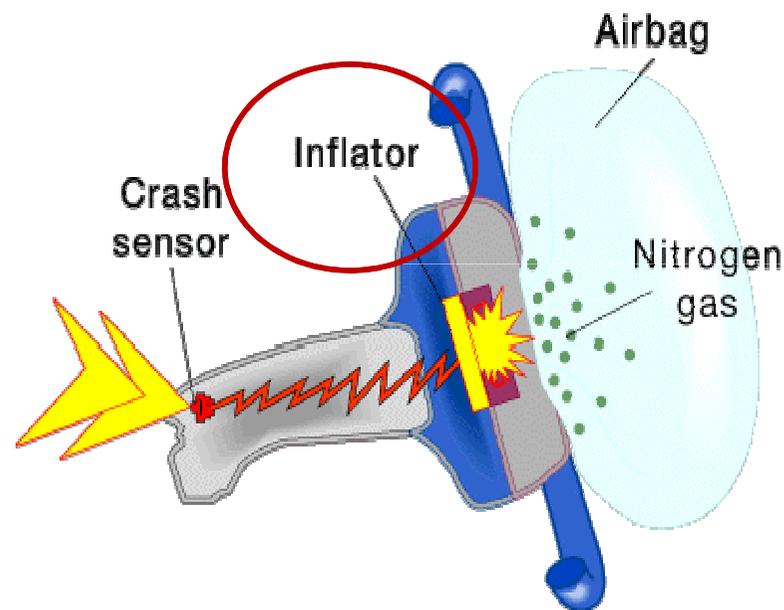
Main Product : Airbag inflator parts-1



Side/Curtain



Driver's seat



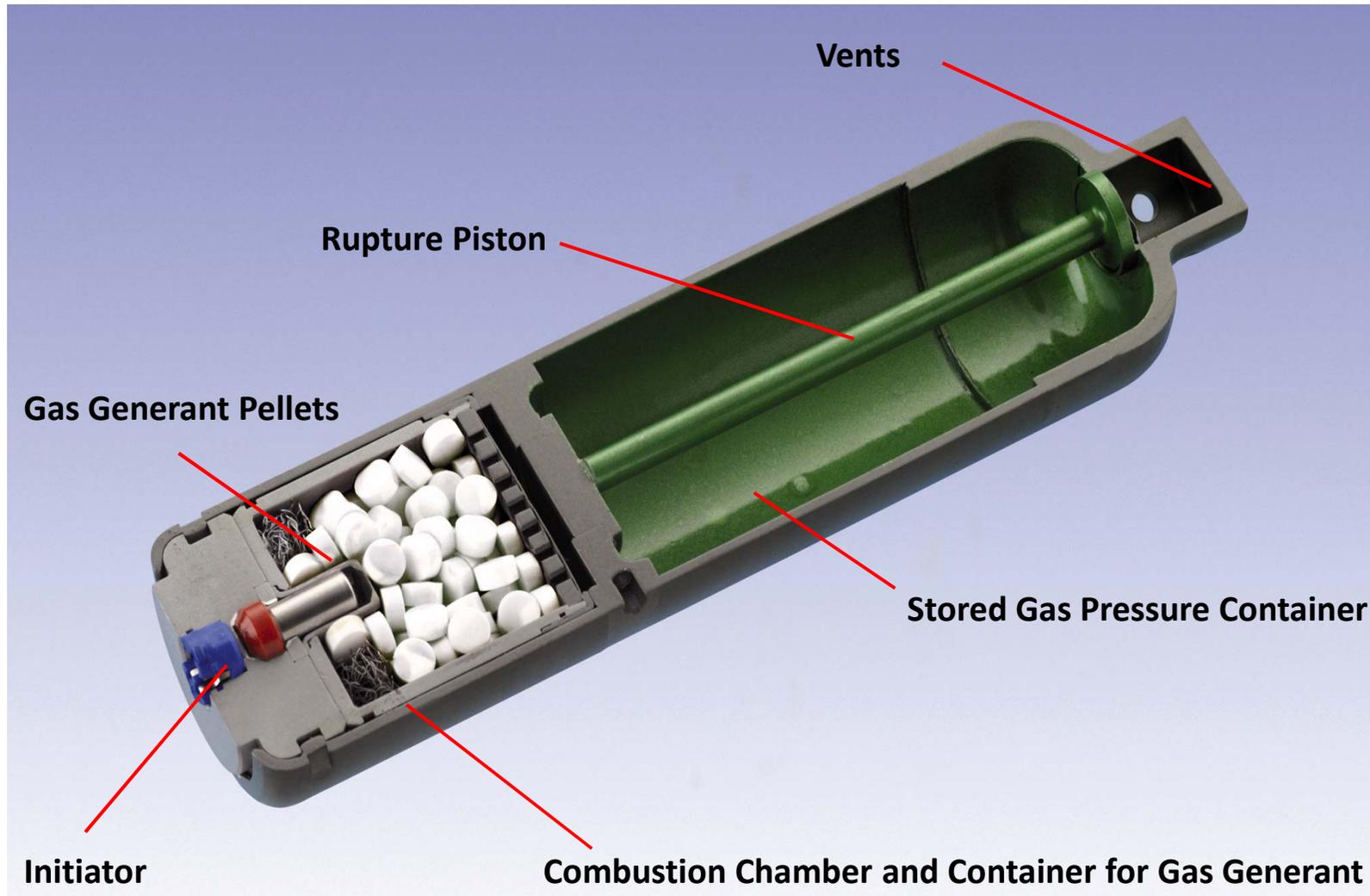
Side/Knee



Co-driver's seat

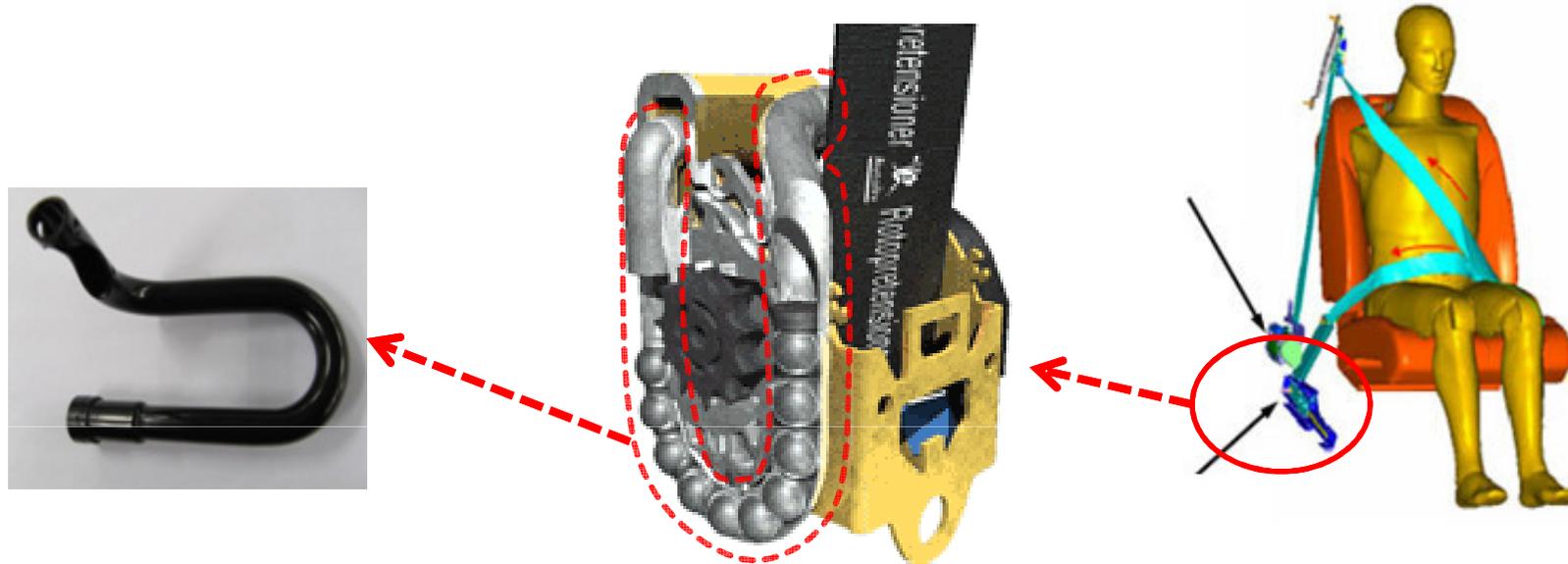
About Iron Force –

Main Product : Airbag inflator parts-2



About Iron Force –

Main Product : Seatbelt pretensional tube



- **Function:**

In a traffic collision, the seat belt can retract automatically before the occupant has inertial movement, thereby securing the occupant on the seat to eliminate the impact.

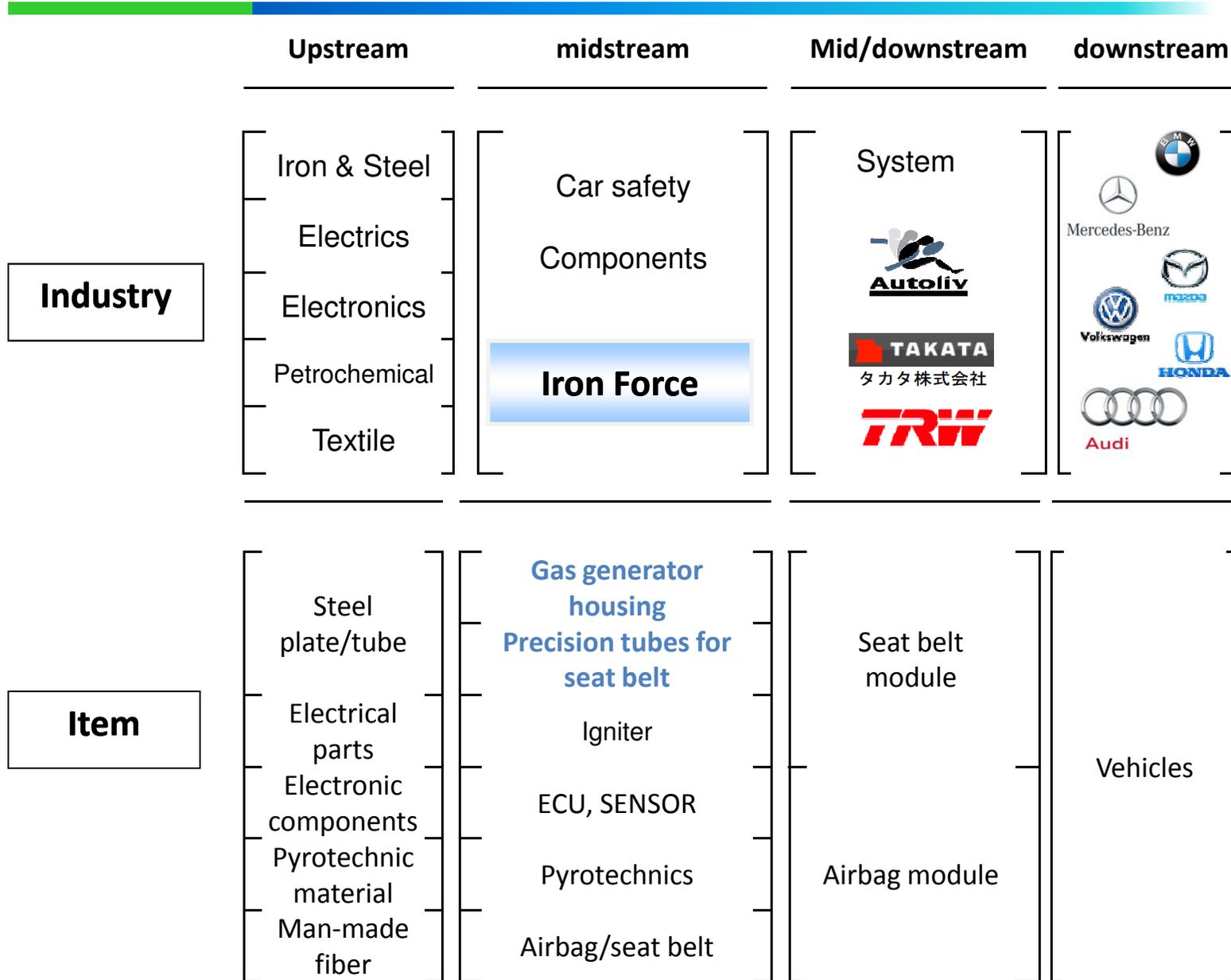
- **Driving mode:**

The pyrotechnic activated aluminium balls in the precision tubes cause the roller to lock the seat belt.

- **Main material:**

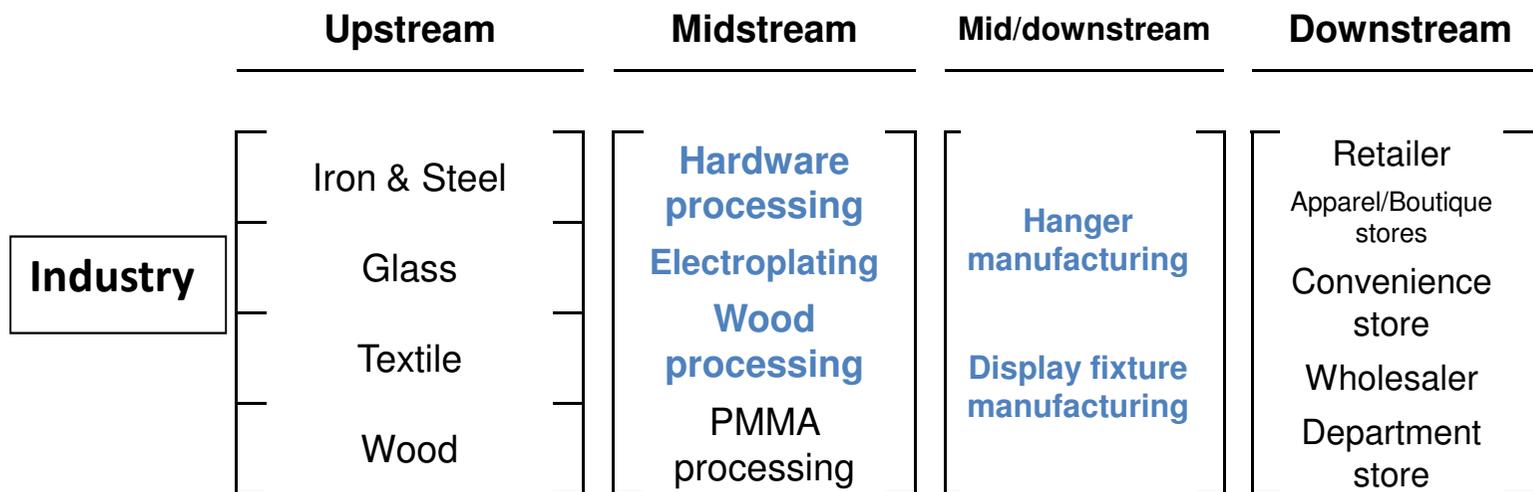
High tension seamless steel tubes which were made through cutting, bending, expanding, and electrophoresis processes. It requires high precision and special surface treatments.

Industry Overview – Auto parts industry



Industry Overview –

Display fixtures and housewares industry



Iron Force



Updating & Planning –

Operating overview : Product mix breakdown



Auto parts division continues to grow and has become the growth driver for Iron Force
 Display fixtures division provides steady cash flow

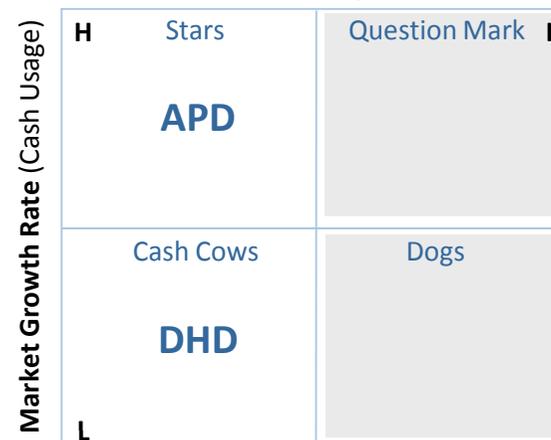
Auto Parts Division (APD)

- ✓ Grow as the auto safety parts market expands
- ✓ Its three SRS factories are the best auto parts provider in Asia
- ✓ Strong competitiveness in quality/location, planning to gain more orders in Asia
- ✓ Growth driver division for Iron Force

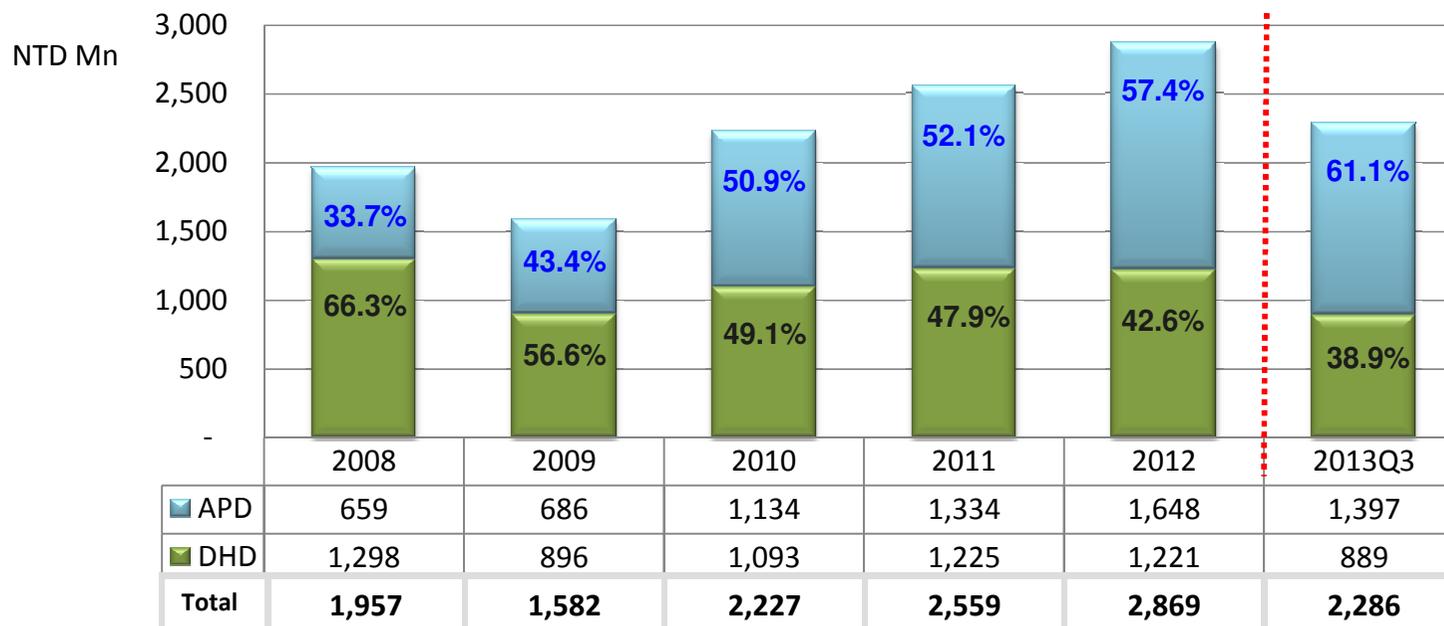
Display Fixtures and Housewares Division (DHD)

- ✓ Remain steady sales and earnings for years
- ✓ Provides steady cash flow
- ✓ Iron Force's cash cow

Relative Market Share (Cash Generation)



Revenue break down (%) for Iron Force



Updating & Planning – Future planning



Based on the SRS market breakdown, Iron Force keeps close relationships with three leading SRS suppliers

Main stream SRS factory				<i>Other</i>
Airbag inflator parts	Sales rate: 6.91% • Steady shipments	Sales rate: 29.81% • Good relationship with TAKATA.	Sales rate: 9.03% • Mass production for new product in 2013	Sales rate: 6.92% • Only for pyrotechnic airbag system
Seat belt pretensional tube	Sales rate: 31.88% • Potential new order gains on new products.	Sales rate: 5.22% • Planning on the projects for new pretensioner products.	Sales rate: 4.14% • Planning on the projects for new pretensioner products	
Precision tubes for automotive steering system	• R&D	• R&D • Testing new product	Sales rate: 5.52% • Revenue contribution	• R&D • Testing new product
% of automobile division sales (2013 Jan-Sep)	38.79%	35.03%	19.26%	6.92%
% of automobile division sales (2012)	38.30%	41.03%	13.83%	6.54%
Development strategy	• Benefit from Autoliv's sales of seat belt pretensioner	• Benefit from side airbag of new cars in Europe/US • Depending on Takata's development for factories in China	• Be a strategic partner within 1-2 years in TRW Asia	• Allocating capacities to three leading suppliers

Updating & Planning – Market share



※ Autoliv + TAKATA + TRW = 88% in worldwide (2012)

USD Mn

Customer	Sales of Airbag		Sales of Seat belt		Total sales	
Autoliv	5,392	55%	2,657	41%	8,049	49%
TRW	1,677	17%	1,118	17%	2,795	18%
TAKATA	2,086	21%	1,373	21%	3,459	21%
Total	9,155	93%	5,148	79%	14,303	88%
Global Market	9,800	100%	6,500	100%	16,300	100%

**Estimated
Market share
of IRON FOCE**

Unit : Mn PCS		Seat belt Pre-tensional tube	Airbag inflator parts
2011	IRF shipment	14.47	28.66
	Global amount	136.51	253.69
	Market share %	10.60	11.30
2012	IRF shipment	20.00	31.16
	Global amount	132.52	243.75
	Market share %	15.09	12.78
	Installation /car	1.61	2.97

Resource: customers' 2012 annual report; IEK 2012 report: sales amount of car is 82.11 million.

Competitive Advantages – Auto Parts Division



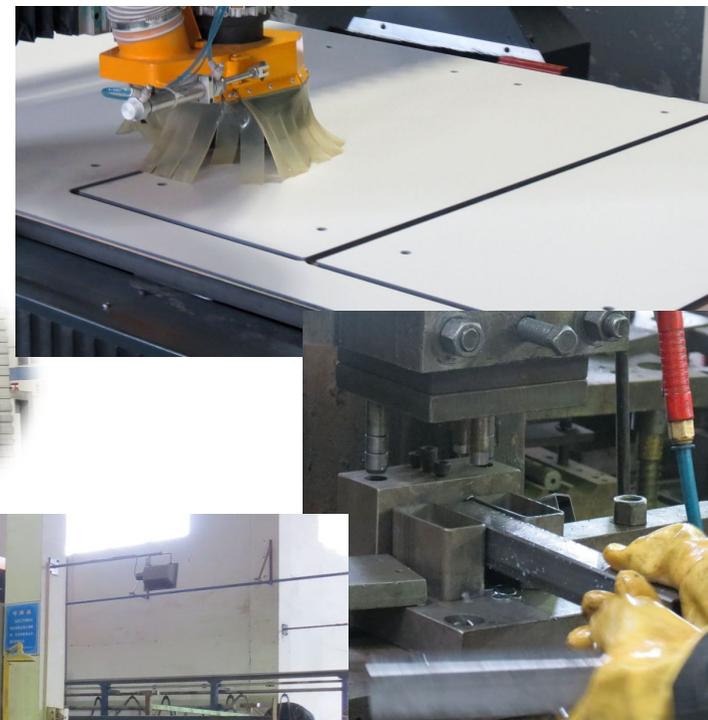
- Developing and building specialized automated machines in house to possess key manufacturing processes/equipments.
- Highly trusted by clients.
- Strict quality control system.
- Continuous improvement.



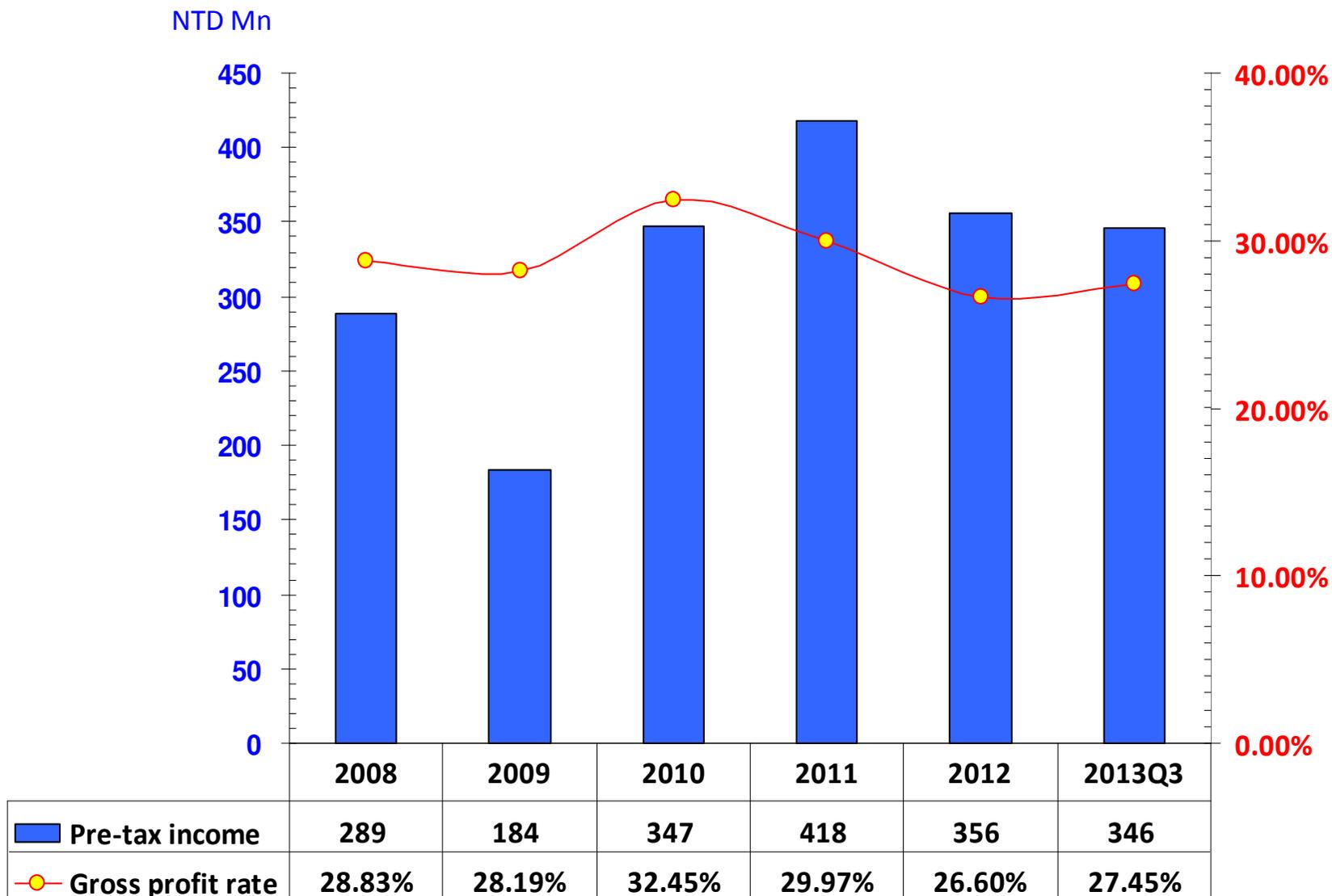
Competitive Advantages – Display Fixture & Housewares Division



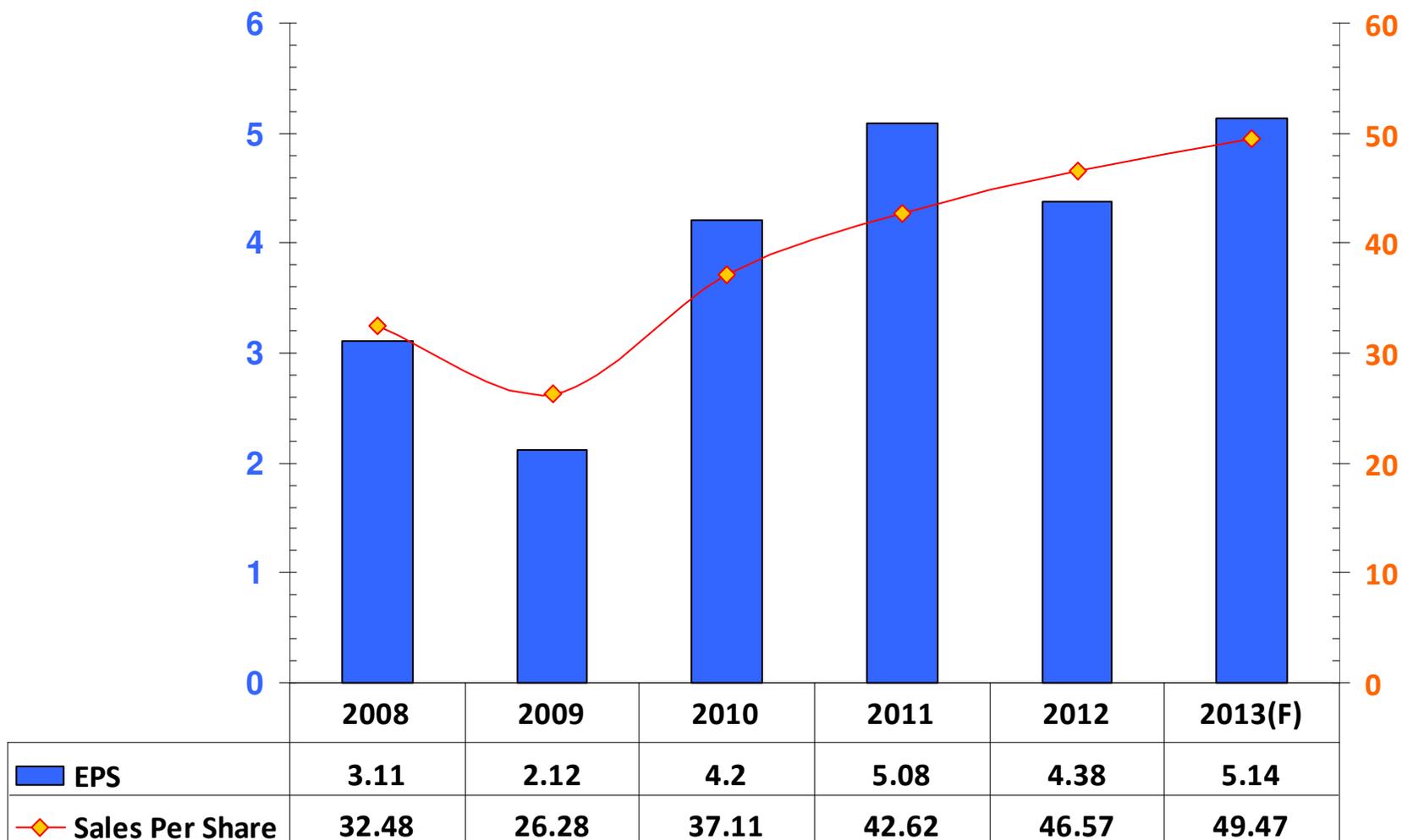
- Factories equipped with cost-effective facilities for all kinds of surface processing.
- Supplier integration for Taiwan; logistic services for Germany; manufacture for China.
- Certified supplier for many major chain stores.



Performance – Profitability index analysis

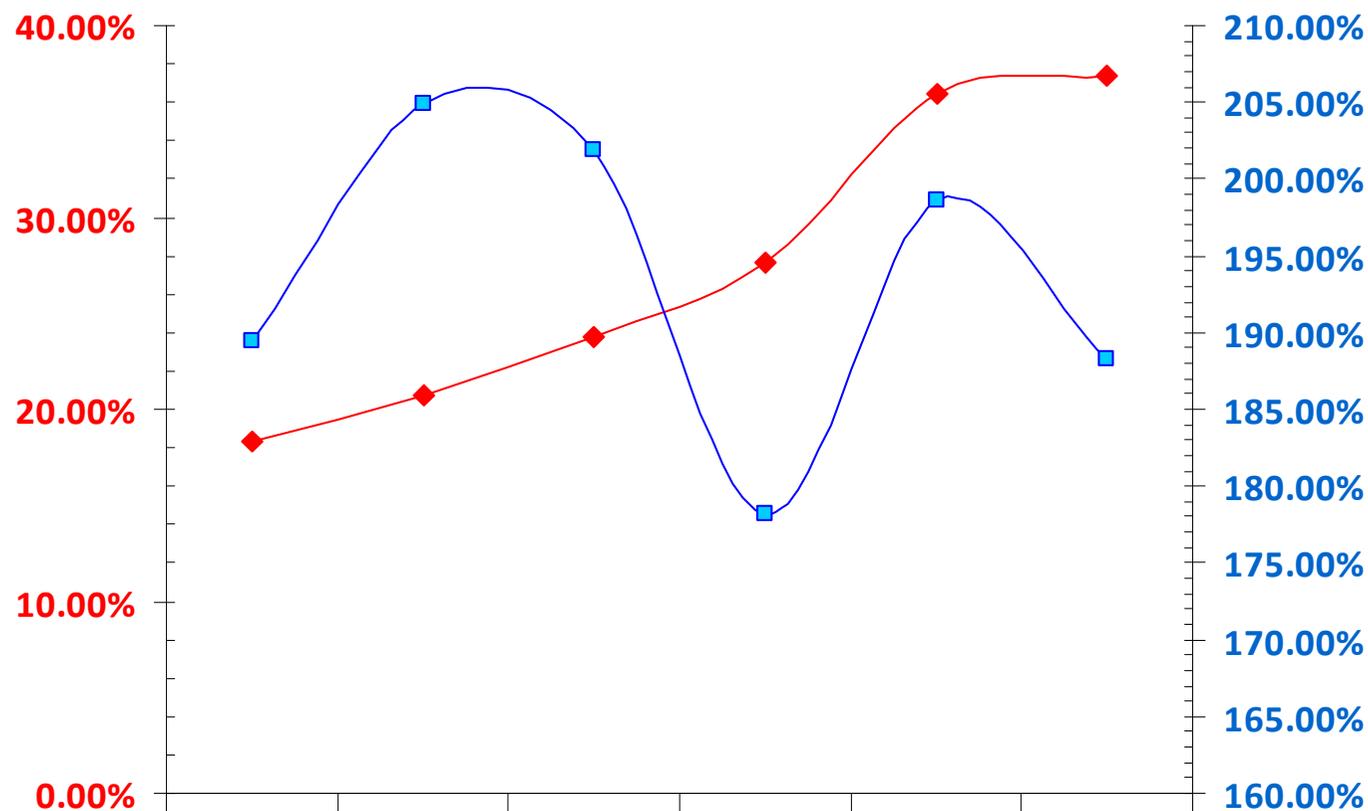


Performance – EPS & PS-Sales



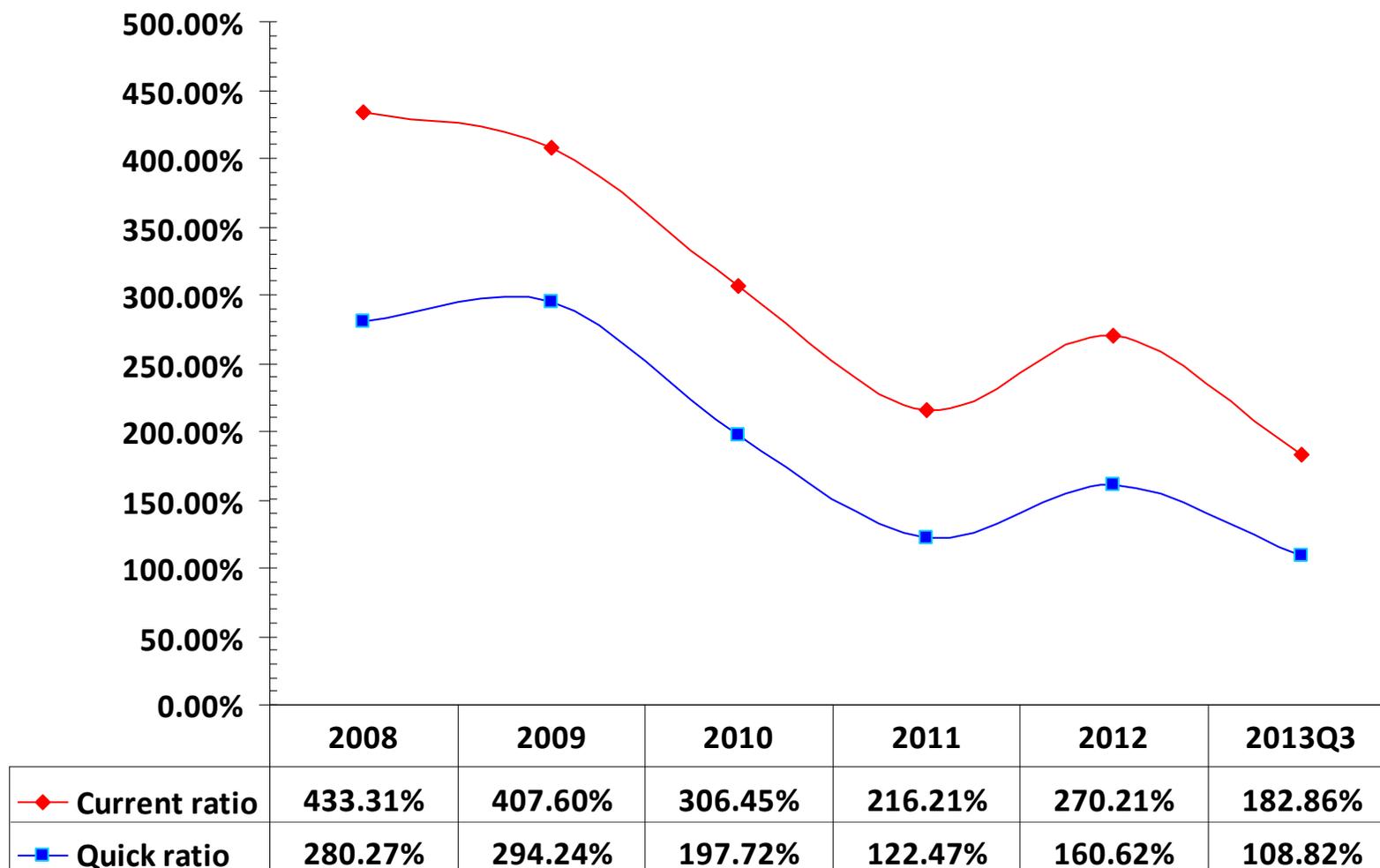
※ (F)= 2013Q3 ÷ 9 × 12

Performance – Financial index analysis

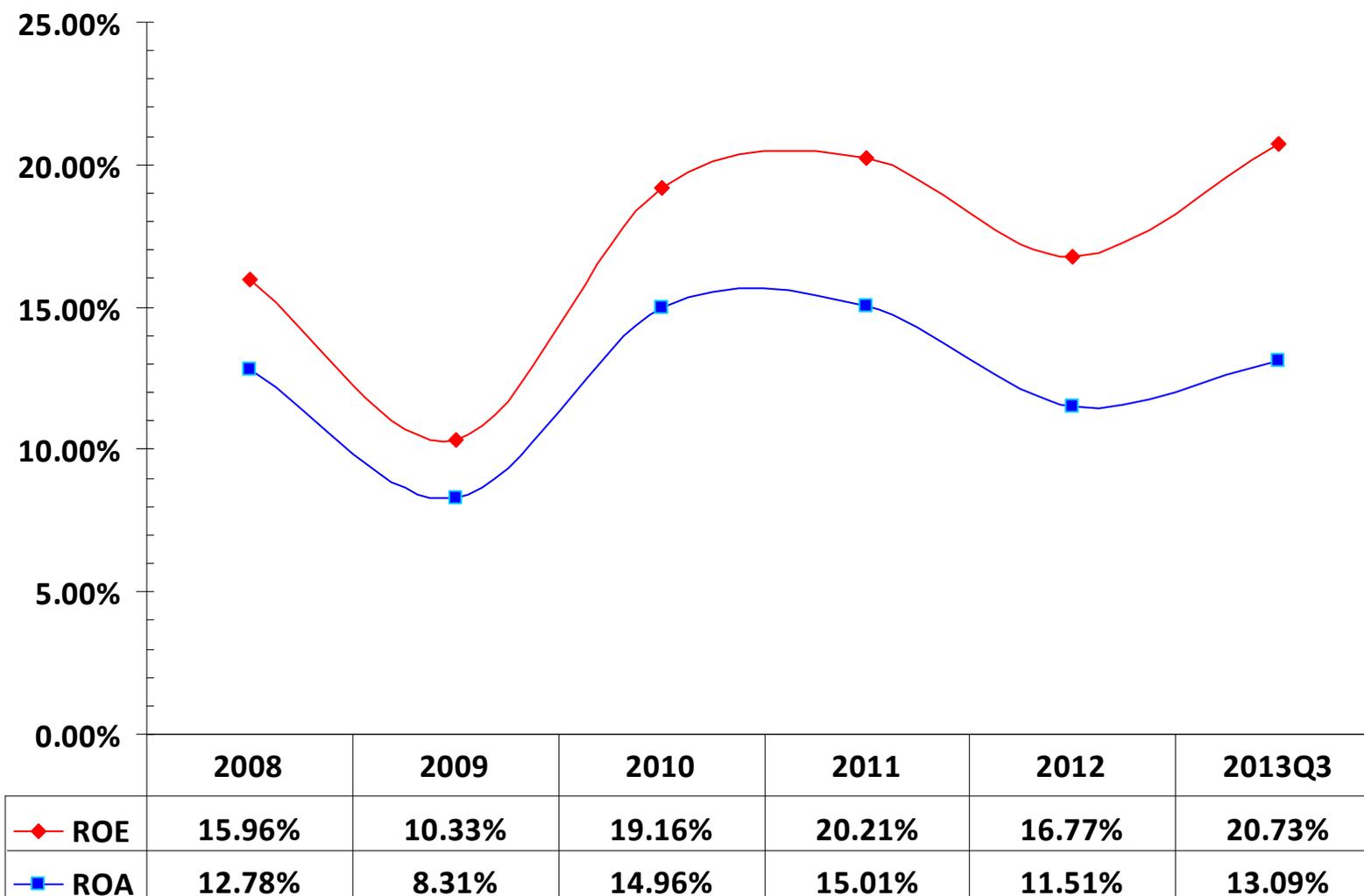


	2008	2009	2010	2011	2012	2013Q3
◆ Debts ratio	18.35%	20.71%	23.78%	27.64%	36.43%	37.40%
■ Long term funds to fixed assets	189.48%	204.83%	201.94%	178.23%	198.60%	188.29%

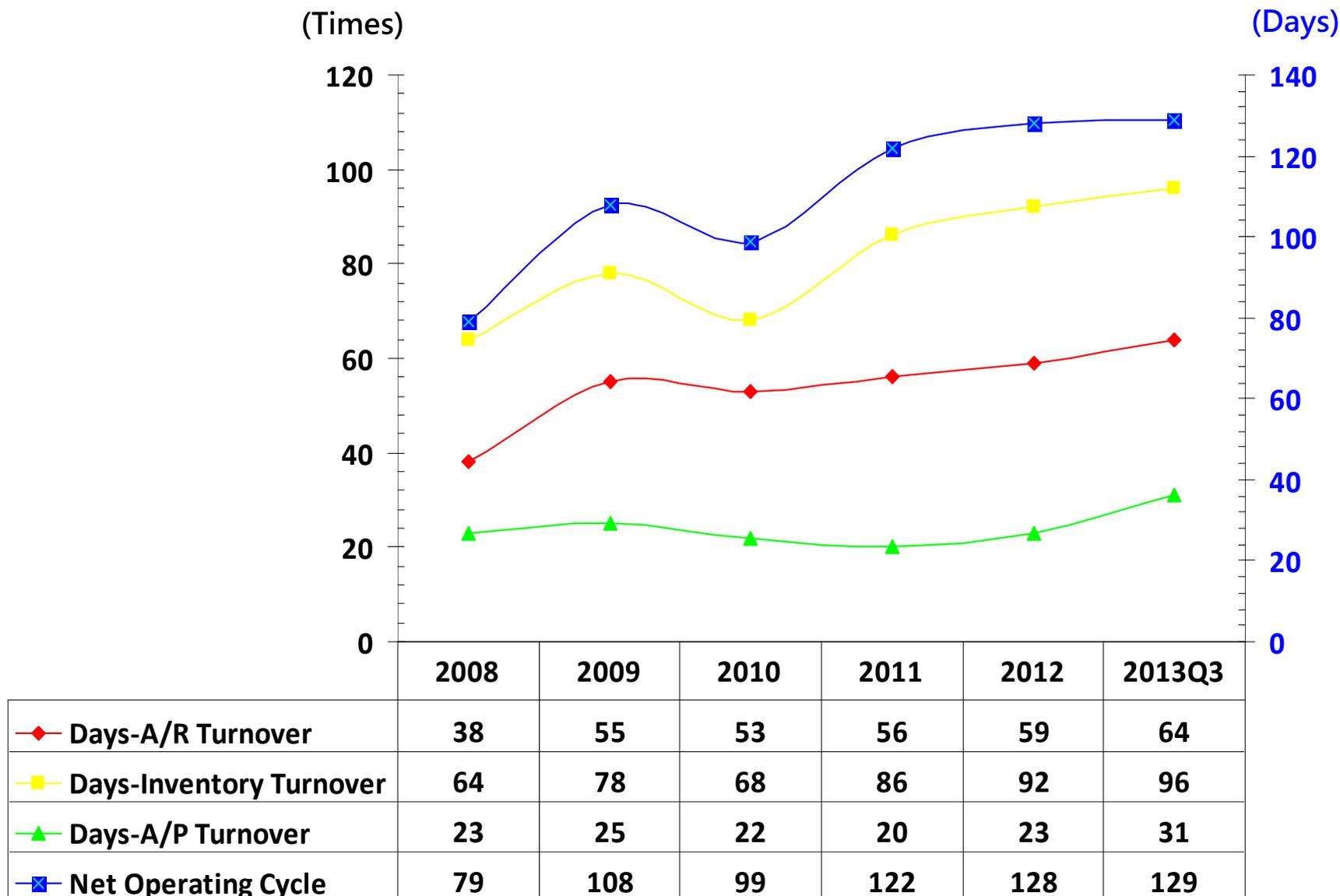
Performance – Financial index analysis



Performance – Financial index analysis



Performance – Cash conversion cycle



Thank You

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