



KMC (Kuei Meng) International Inc.

KMC (5306 TT)
Investor Report for 1Q21





Disclaimer



This meeting may contain forward-looking statements with respect to the financial condition, results of operations and business of the company. These forward-looking statements represent the company’s expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed. Certain statements, such as those that include the words “potential”, “estimated”, and similar expressions or variations on such expressions may be considered “forward-looking statements”. Financial numbers in this report may include preliminary unaudited numbers or management accounts.



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Financial Results

KMC

PART ONE

KMC Group



World's Largest Chain Manufacturer

FY20 Consolidated Revenue

6.13 Billion (NT\$)



Market Capitalization

26.5 Billion (NT\$)

(As of Mar 31, 2021)



16 iF Awards &
5 Red Dot Awards



First Chain Manufacturer
To Obtain
Carbon Footprint



KMC Group the world's largest chain manufacturer



6 return trips

**Total production quantity by
distance since 1977**



Milestone



2017

5th Golden Decade Plan

2014

Strategy Partners Introduced

2012

Listed, Start to Intergrade and Develop

2000

Global Operation

1989

Composition Cross-Straits

1986

Started Partnership With SHIMANO

1977

Established

Current Products and Services



Bicycle
Chain



Automobile
Timing
System



Motorcycle
Chain & Gears



Garage
Door
Opener

e-Bike Solutions



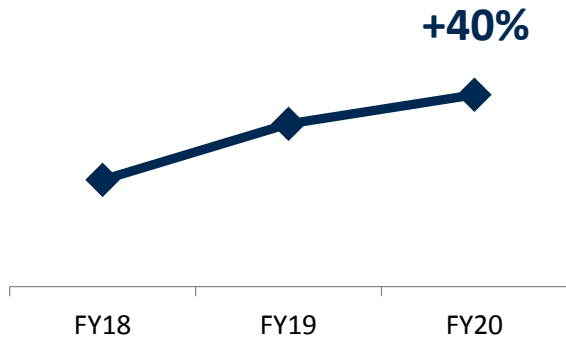
KMC-Chain e101 EPT

KMC-Chainring Wide

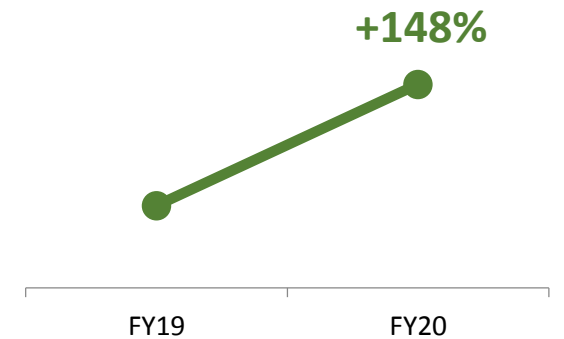
KMC-Sprocket Wide



Shipment for e-Bike Chain



Shipment for Chainring



Global Distribution



 **Global Headquarters & Research Center**

◎ Tainan, Taiwan

 **China Headquarters & Research Center**

◎ Suzhou, Jiangsu

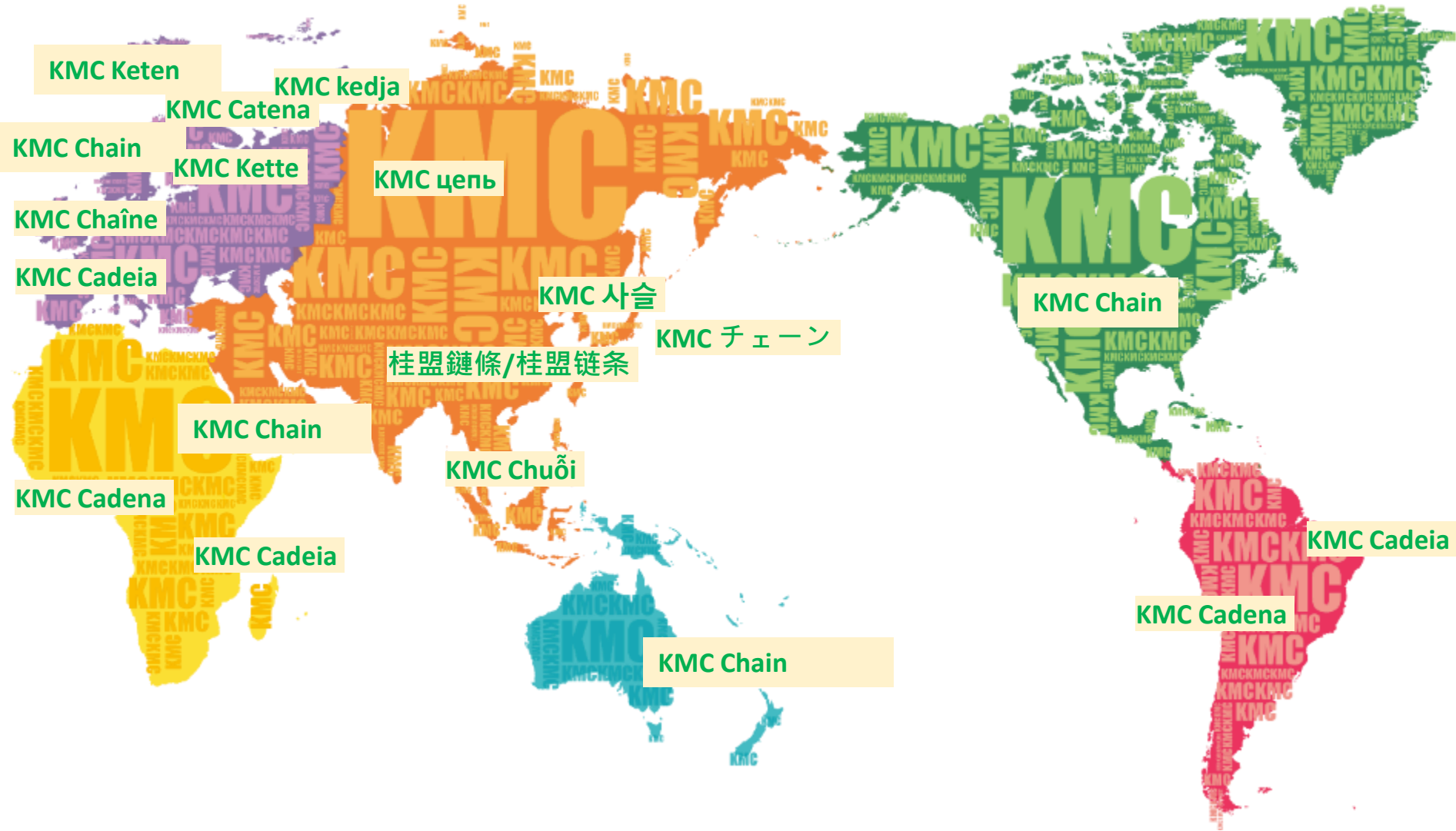
 **Global Production Sites**

- ◎ Tainan
- ◎ Shenzhen x3
- ◎ Suzhou x3
- ◎ Tianjin x2
- ◎ Vietnam

 **Global Services Centers**

- ◎ Tainan, Taiwan
- ◎ China, N.E.W.S
- ◎ California, U.S.
- ◎ Netherlands, Europe
- ◎ Ho Chi Minh, Vietnam
- ◎ Jakarta, Indonesia

KMC Reaches Over 150 Countries in 13 Languages



Business of KMC Group

KMC Group

Bicycle Chain

Motorcycle Transmission

Automobile Timing System

Garage Door Opener

Taiwan

Netherland

Vietnam

Indonesia

Shenzhen

Shenzhen

Shenzhen

America

Taiwan

Suzhou

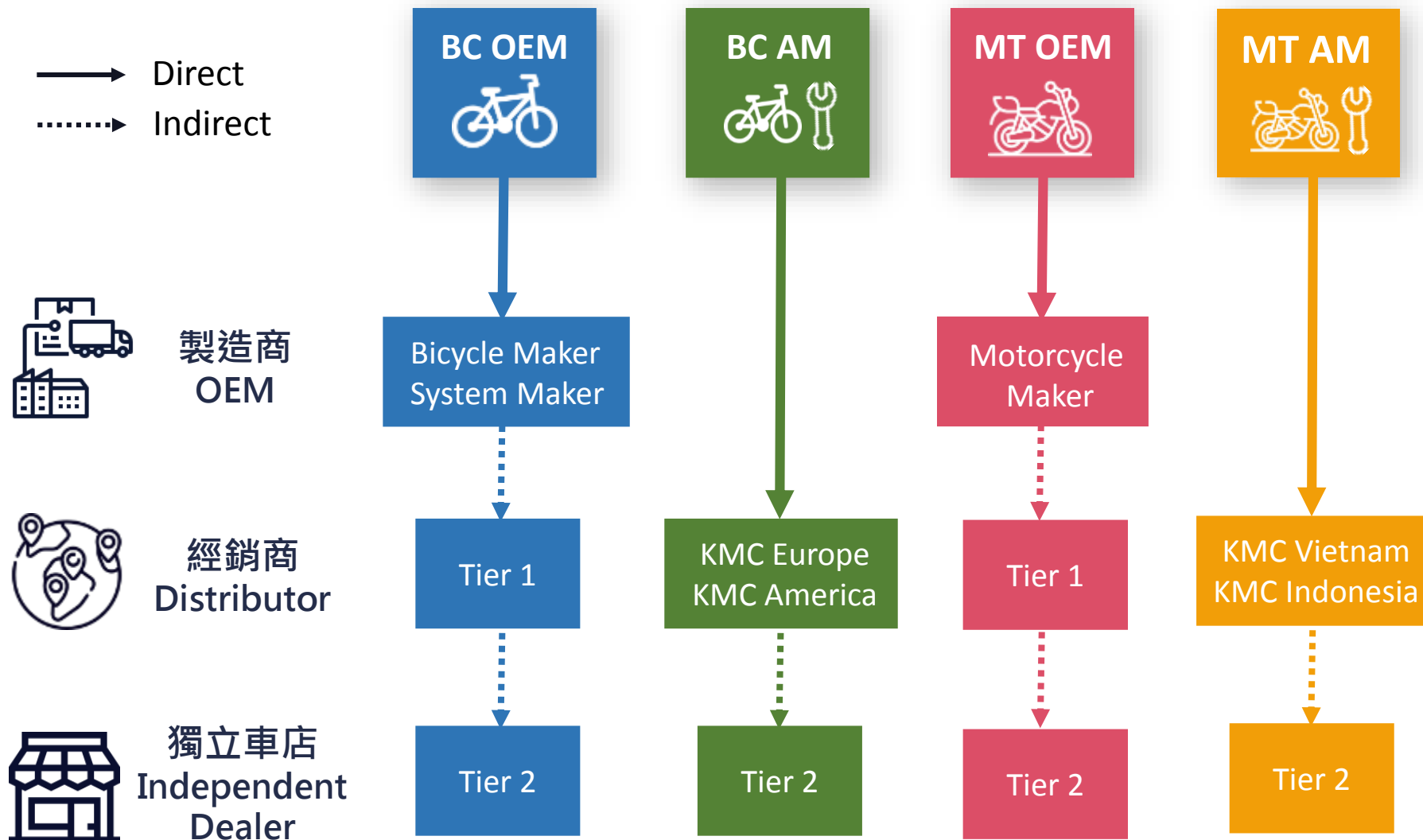
KMC

Tianjin

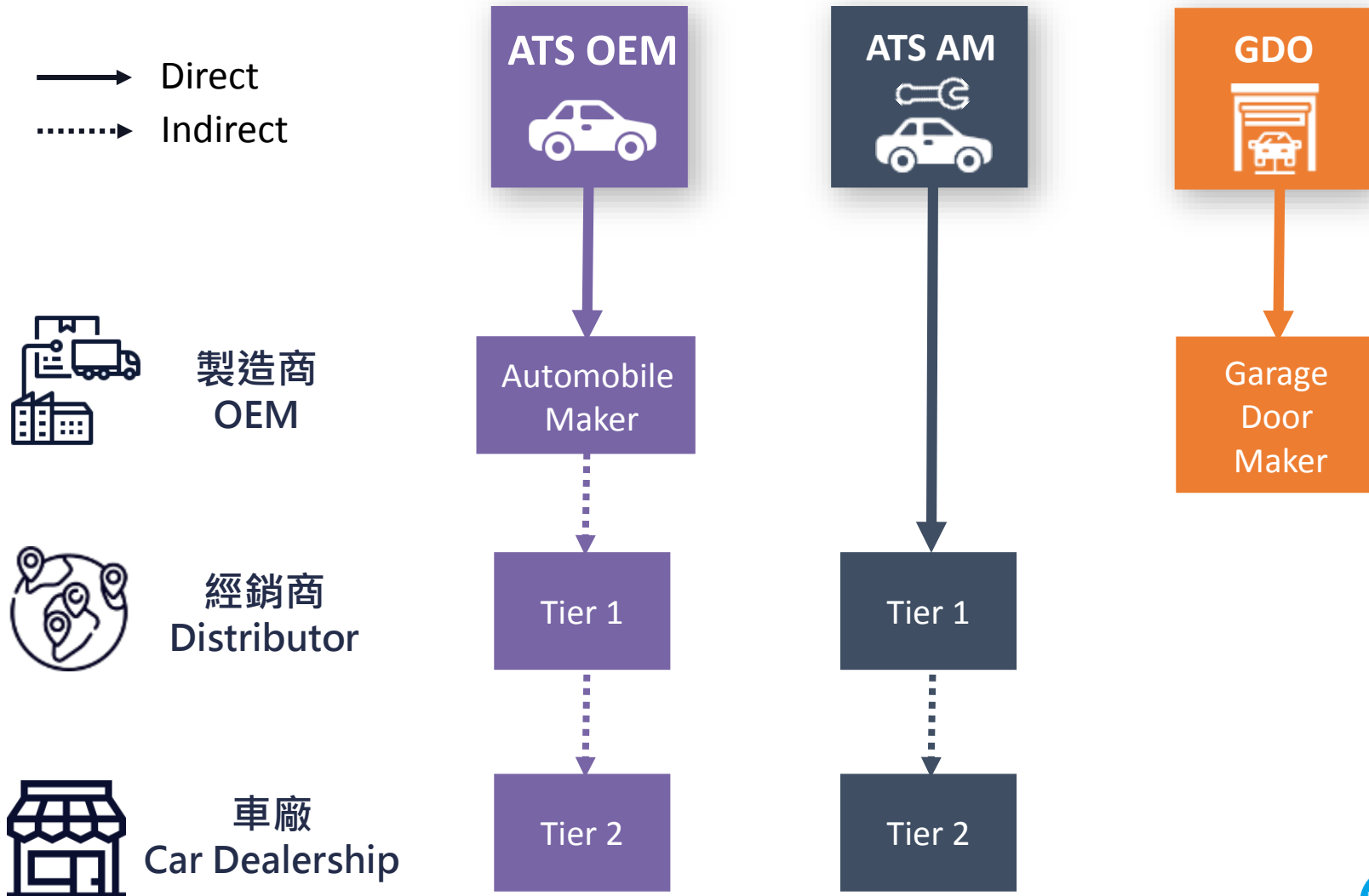
TEC

MAYA

KMC Group Sales System



KMC Group Sales System



PART TWO

Pursuit of Excellence



Unique KMC Chain



最高小軸嵌合力
Highest Pin Power

KMC 黃金鍍鈦塗層
KMC Titanium Nitride Coating

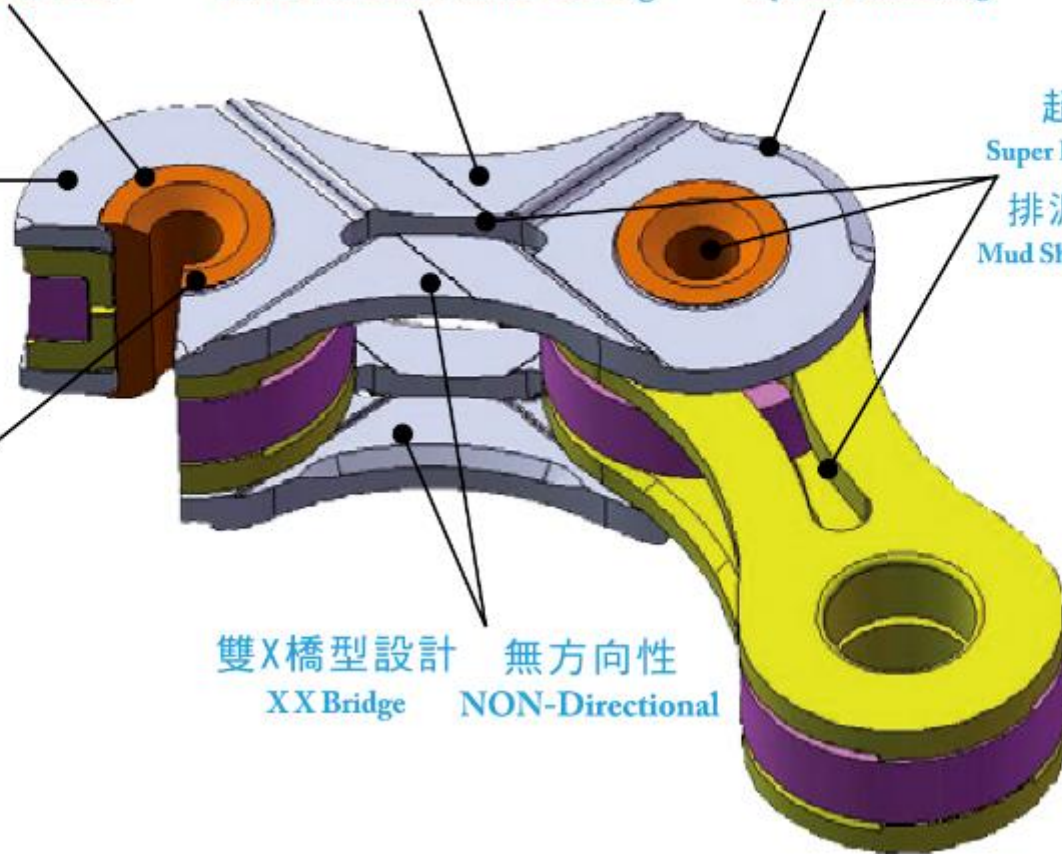
最佳導角設計
Optimal Chamfering

高剛性
High Rigidity

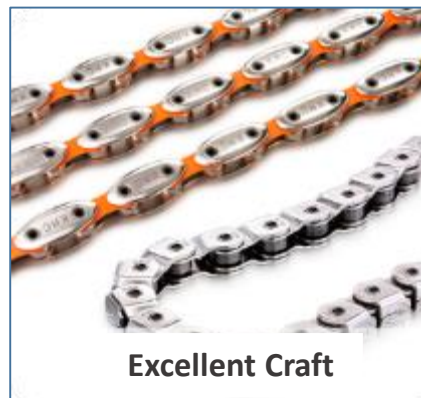
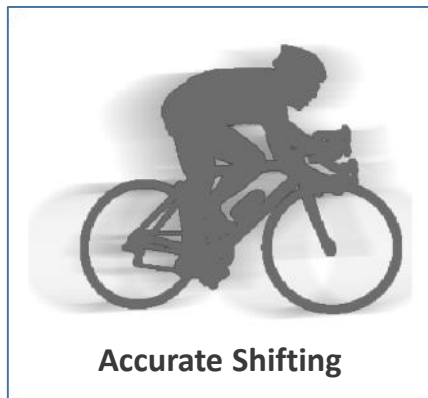
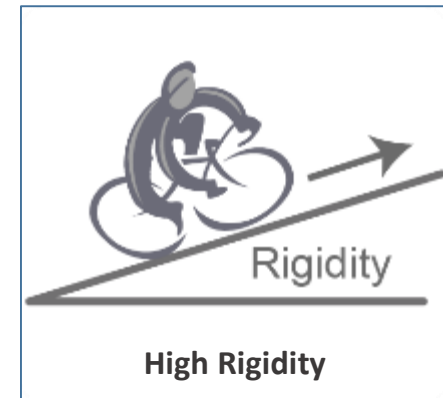
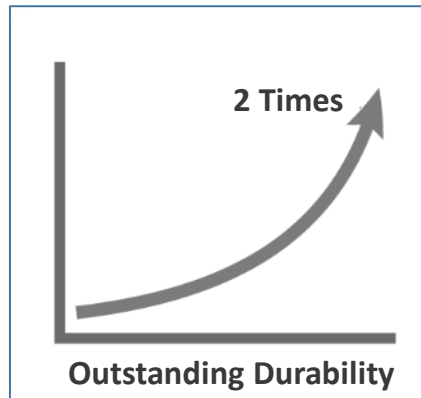
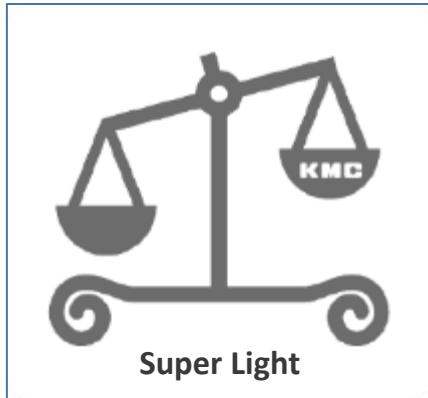
超輕量
Super Light Weight
排泥孔設計
Mud Shedding Design

超強耐磨耗
XX Durability

雙X橋型設計 無方向性
XX Bridge NON-Directional



Why KMC Chain ?





KMC's All-New Z1eHX



12 speed X chain



2019 2017



New X series chain



2018 2013



BMX Kool Knight Chain



2017 2012 2011 2010 2010



X-EPT Series



2017



City Hunter



2015 2014 2014



X-Super Light DLC Chain



2015



eBike



2016



ECO Chain



2013



Jaws Ergo Drivetrain



2012 2011



X-Super Light Champion Gold Chain



2010



Klick Link



2016



Ceramic-like Coated Chain



2014



iChecker



2013



PinkLink



2011



Slick Link



2010

AWARDS

14 iF Awards in 11 consecutive years

5 Red Dot Awards in 3 years



2015-2009 German iF Design Award



red dot design award winner 2014, 2013, 2011



2018-2012 Taipei Cycle d&I Awards



Taiwan Excellence 2019-2015, 2010

Champion Story - World Champions & Olympians

Steve Cummings

2017 British Nationals Road Champion
2016 Tour de France Stage 7 Winner

Edvald Boasson Hagen

2017 Tour de France Stage 19 Winner
2017 Norway National T/T Champion
2016 Norway National Road Champion

Jordan Sarrou

2017 UCI MTB World Cup XCO- DH 3rd
2017 Cyprus Sunshine Cup Aftentia 2nd

Sabine Spitz (Wiwavis bikes pro team)

2017 MTB Elite Women German National Champion
2017 UCI MTB Elite Women Marathon WORLD CHAMPIONSHIPS 2nd
2017 UCI MTB Elite Women World Cup 2nd
London Olympics MTB Silver Medal

Connor Fields

2017 UCI BMX Men Elite Ranking 2nd
2017 UCI BMX Supercross World Cup Champion
2017 USA Cycling Elite National Championships 3rd

Joris Daudet

2017 BMX French National Champion
2017 UCI BMX World Championships 3rd

Tracy Hannah

2017 UCI Downhill Women Elite Ranking 2nd
2017 UCI MTB Elite Women World Cup DH Champion
2017 UCI MTB Elite Women World Championships DH 3rd

Allse Post

2017 UCI BMX Elite Women World Champion
2017 USA Cycling Elite Women National Champion



(Photo: Stehl)

Team Dimension Data
Edvald Boasson Hagen



Team Caja Rural - Seguros RGA



Chase Bicycles Team
Joris Daudet



Team KMC EKOL SR Suntour
Jordan Sarrou



Polygon UR
2017 UCI Gravity Team Leader

Sponsor Team KMC ORBEA

2020 UCI World Ranking No.1 - Team KMC ORBEA



Inside UCI Cycling for All Para Women's Development Cycling E

ROAD TRACK MOUNTAIN BIKE BMX RACING BMX FREESTYLE TRIALS



MOUNTAIN BIKE

Home About News Calendar Events Teams Results Rankings Rules and reg

KMC - ORBEA 2021

UCI ELITE MTB Team - KMO - FRANCE



ESG

PART THREE

(Environment, Social, Governance)



The Green Promise



Obtained Carbon Footprint Certification

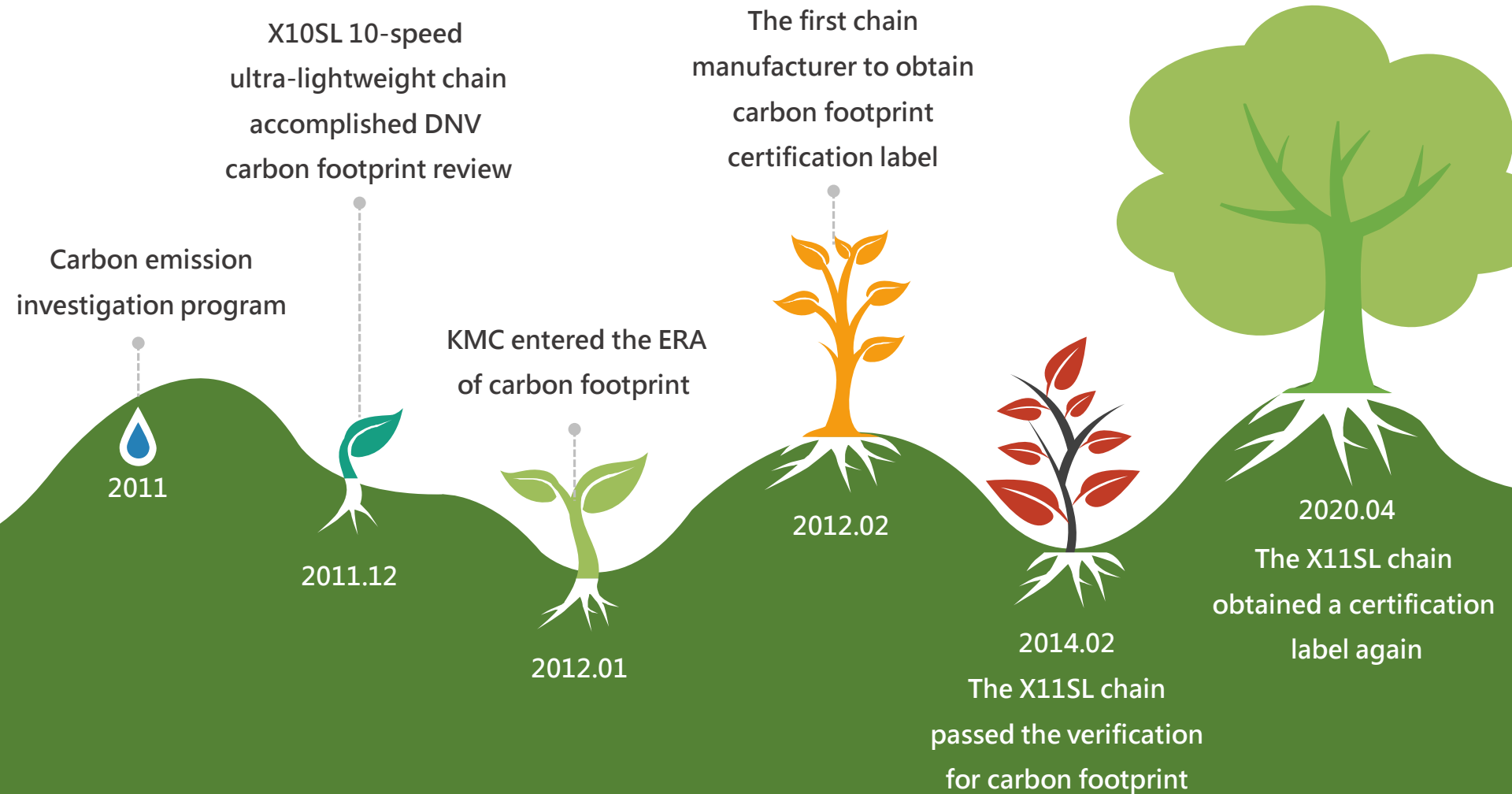


The world's first chain manufacturer obtained Carbon Footprint Certification

optimize the chain producing process, reduce the carbon footprint

第一家碳足跡認證製造商，優化生產流程，逐年減少碳排量

KMC ECO Solution Milestones



Sharing Is The Key To Corporate Sustainability

Kids 小騎士總動員



National Team 國手協育



Let's ride 樂騎綠動



Charity 慈善公益



Helping hand 圓夢計畫



Dr. Chain 單車知識推行



KMC

Social Responsibility

Cycling is a life style for achieving health and happiness. In order to encourage more people to enjoy cycling, KMC promotes this exercise through experienced teaching, activity sponsorship, Dream-Maker Projects, and more.



Elementary school campus



Dream-Maker Sponsorship



Bicycle Knowledge Propagation



Young Riders Training Projects

Social Responsibility

For a long time, KMC also cooperates with many foundations to promote cycling and art culture. These include, KMC Passionate Cycling Sport Foundation, Passionate Cycling (Shenzhen) Sport Foundation, KMC Care and Public welfare Foundation.



深圳市轉動熱情
體育基金會



Tainan Cycling Festival



Passion for Cycling



Taiwanese Cycling Teams
Sponsorship



Earth Choir Sponsorship



Corporate Governance

Protecting Shareholder Rights and Interests and Treating Shareholders Equitably

- The candidate nomination system for election of all directors/supervisors
- Voted by poll at the annual general meeting and make the announcement at the same day
- Provide English documents at the annual general meeting
- The dividend shall be distributed in 30 days after the ex-dividend date

Enhancing Board Composition and Operation

- Emphasize the independence of each director
- Convene at least six Board Meetings in every year.
- The average Board Meeting attendance rate is above 90%.
- Establish a specialized corporate governance secretary.

Increasing Information Transparency

- Provide corporate website in both Chinese and English.
- Disclose concrete business development plan, dividend policy and financial information
- Issue the English Annual Report
- Hold the investor conferences quarterly

Putting Corporate Social Responsibility into Practice

- Adequate governance framework
- Set up a unit which is dedicated to promoting the company's ethical standards
- Protect and promote employee physical health and a safe work environment
- Establish multiple channels to communicate with stakeholders

The Milestone of Corporate Governance

2017.06

Adopt the candidate nomination system for the election of directors and supervisors .

2018.06

Compiled the English version of consolidated financial reports for the Year 2017.

2019.12.30

Published 2018 CSR Report.

2017.06

Allow shareholders to vote via electronic voting at shareholders' meetings

2018.06.14

Comprehensively report the relevant information in English when holding shareholders' meeting.

2020.06-2020.08

Established the audit committee, BOD added a female director and appointed a corporate governance officer

Implementation of Corporate Governance



Establishment of the Audit Committee

Enhancing supervision function of the board



BOD Added a Female Director

Implementation of the board diversity



Appointed Corporate Governance Officer

Responsible for corporate governance matters



Compiled CSR Report

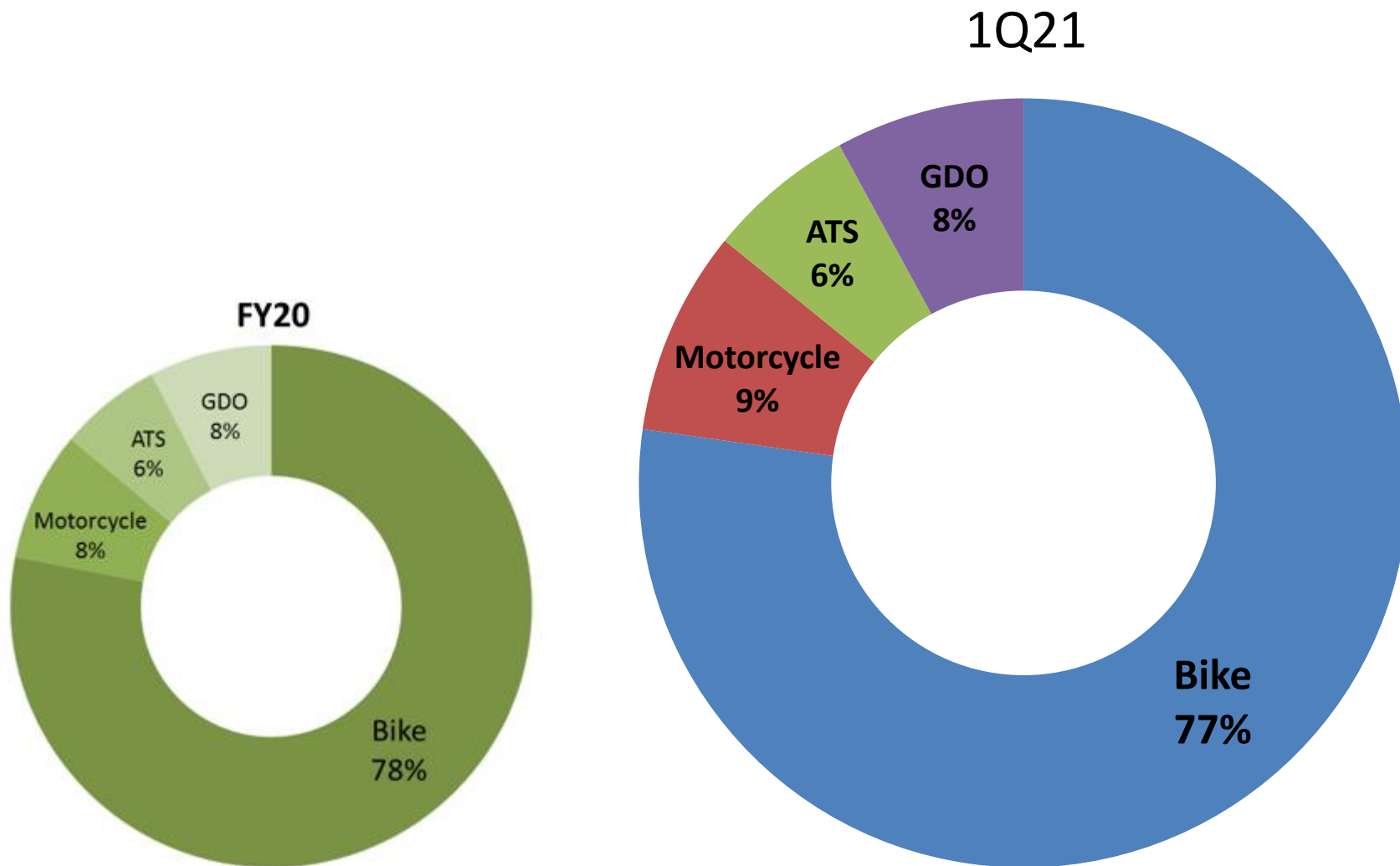
Complying with GRI Standards to disclose our sustainability issues

PART FOUR

Financial Results

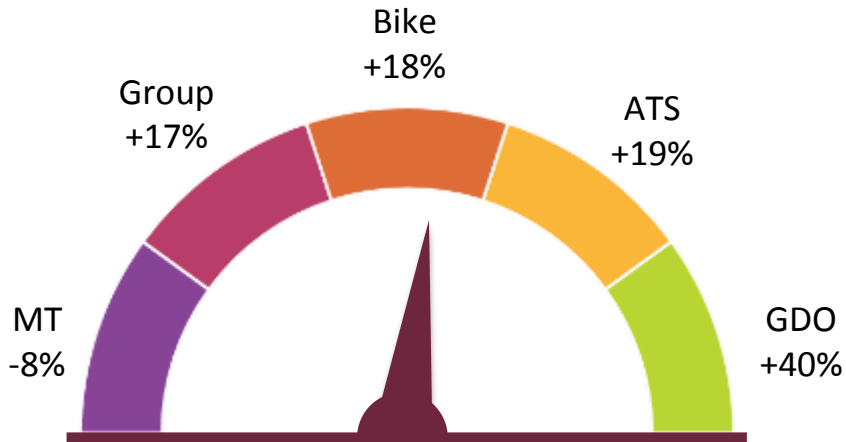


產品別業務比重(Contribution by BU)

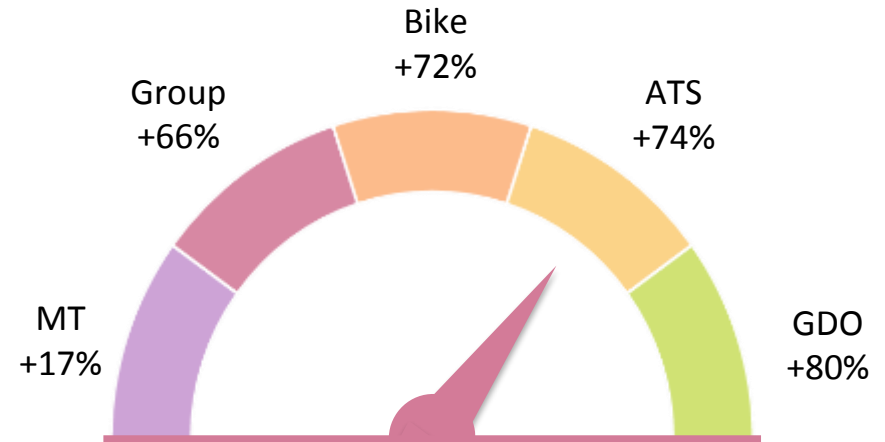


產品別營收成長(Revenue Growth by BU)

FY20 VS FY19



1Q21 VS 1Q20



毛利率影響因子

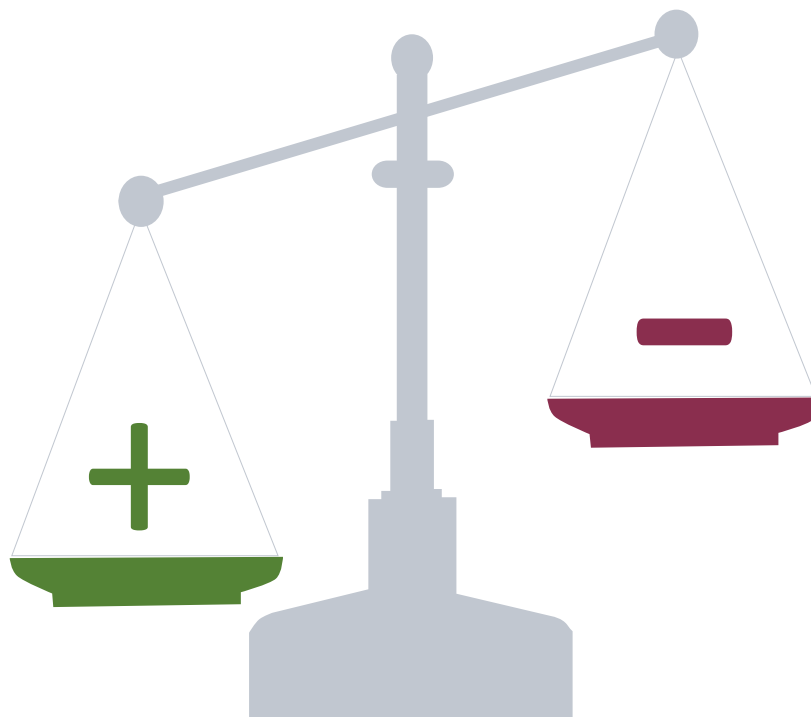
Favorable



ASP



Product Mix



Gross Margin

Unfavorable

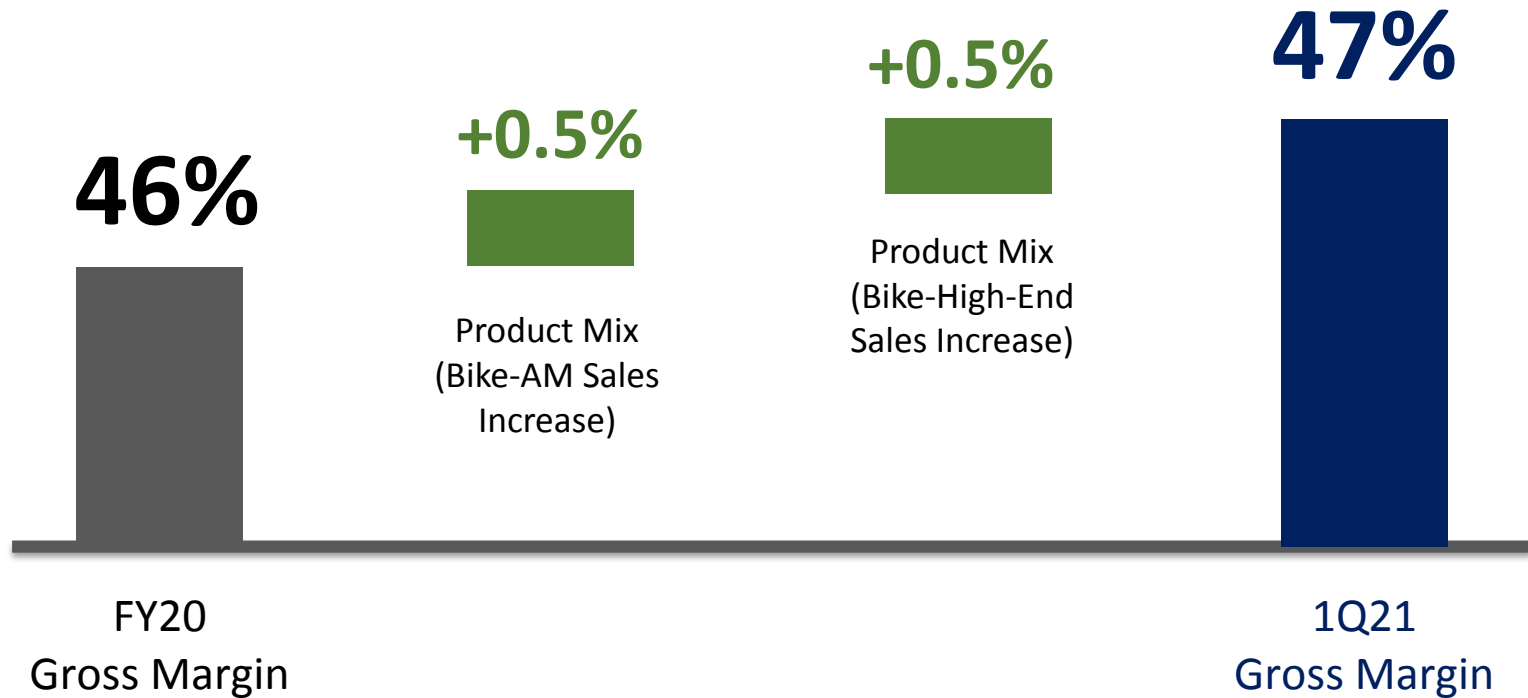
Material



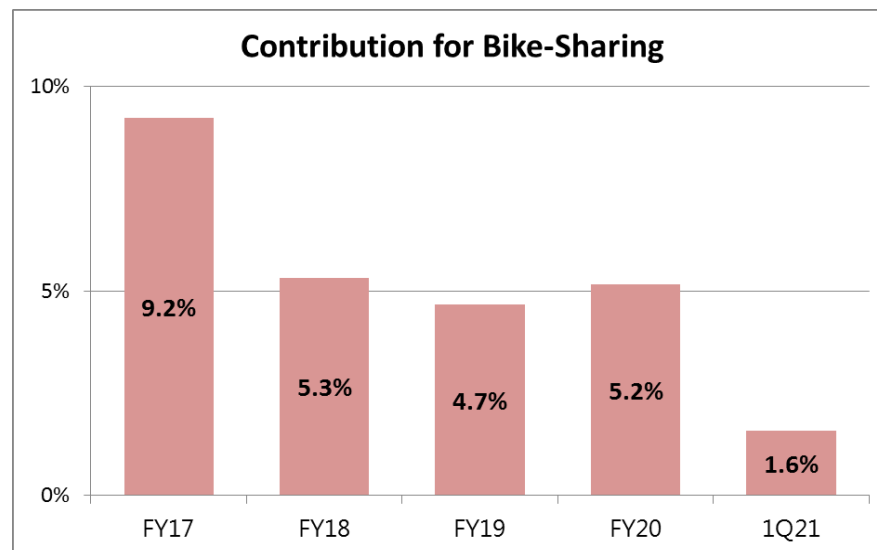
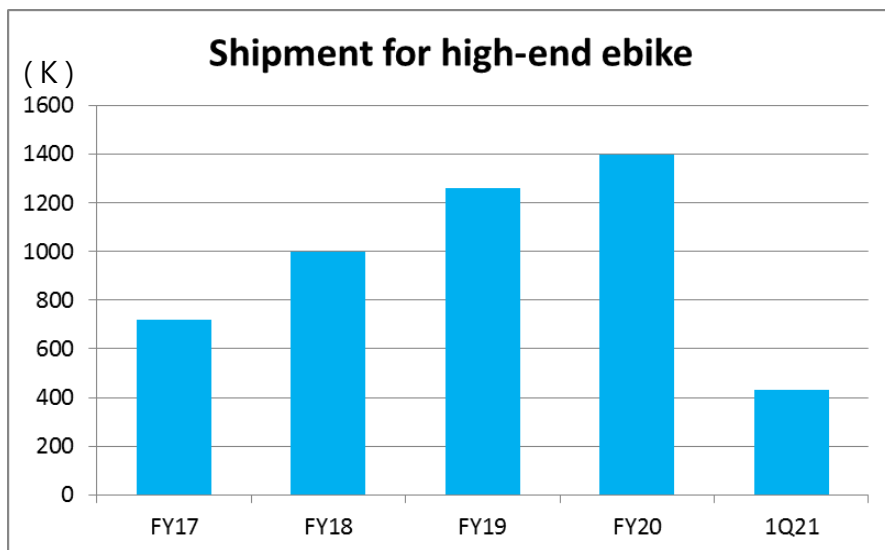
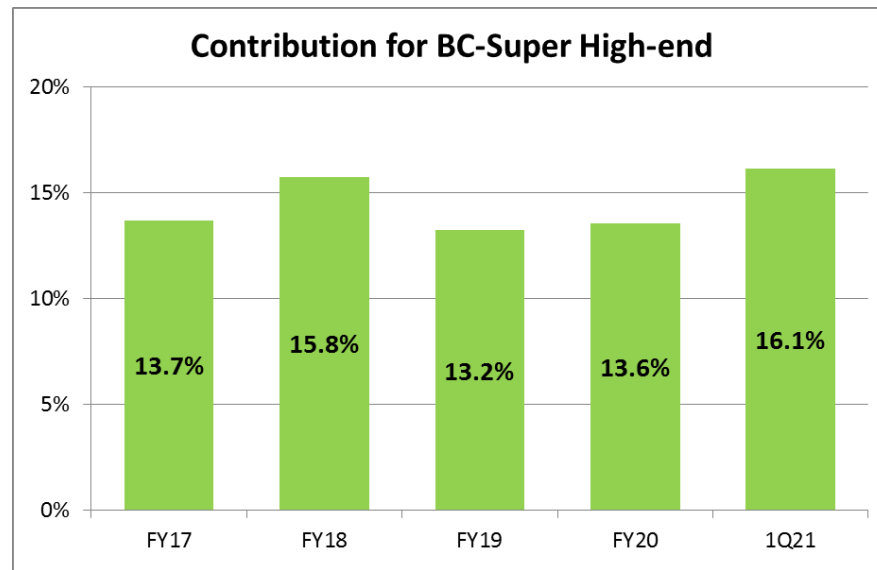
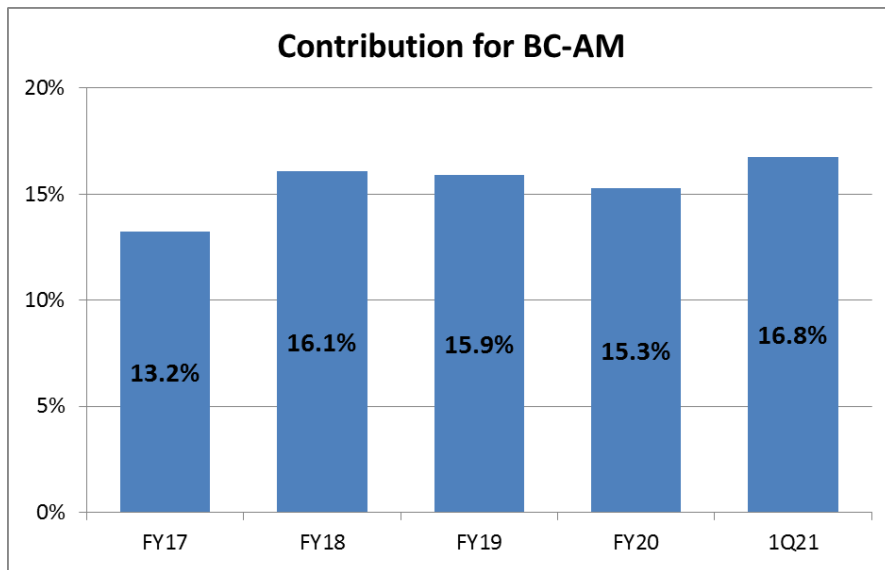
FX Issue



毛利率變動情形 (Change in Gross Margin)

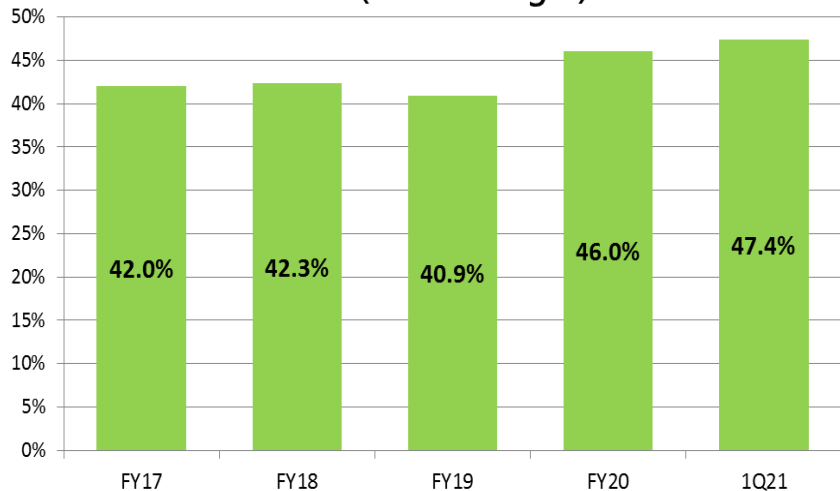


自行車鏈條事業部近期營運說明

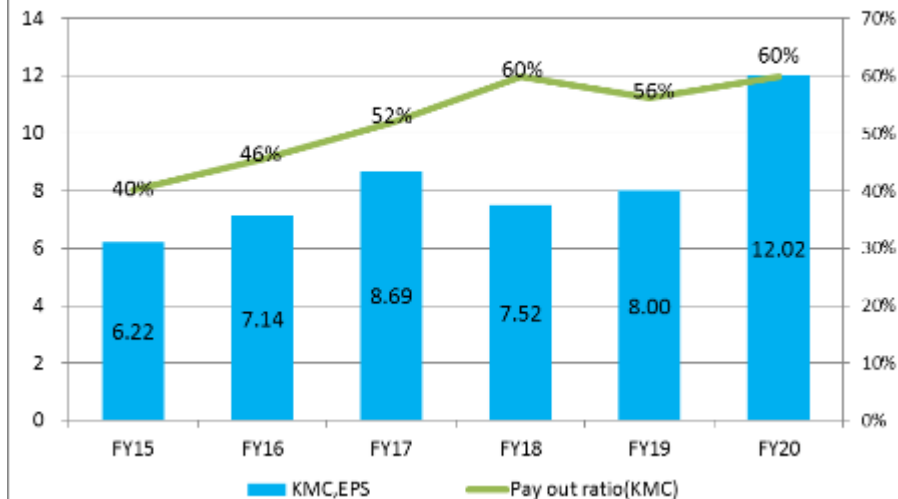


其他重要財務資訊(Other Financial Result)

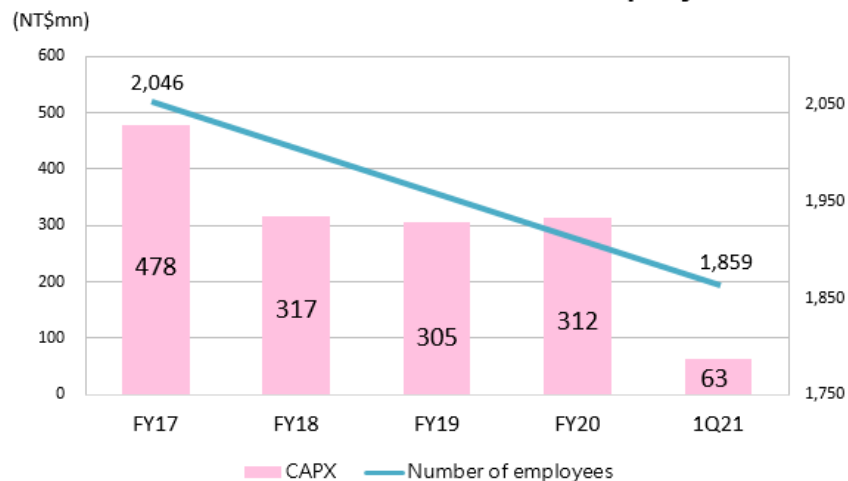
毛利率(Gross Margin)



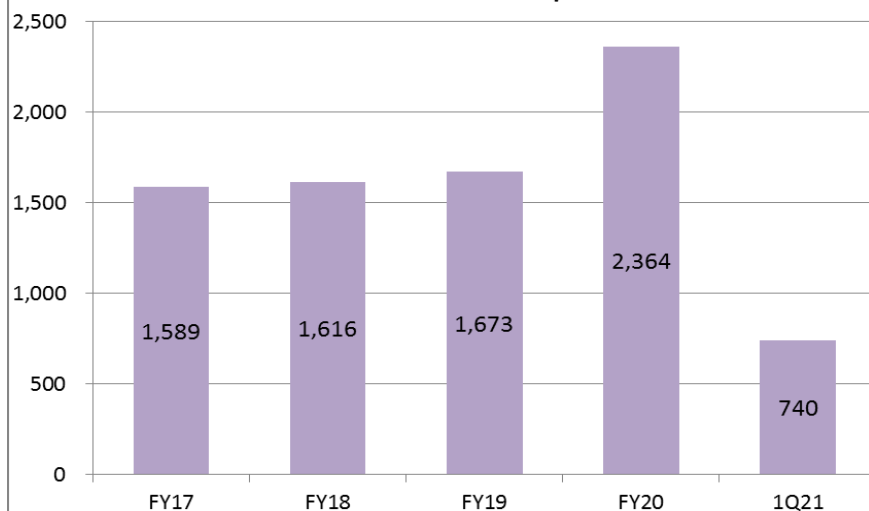
股利政策(Dividend Policy)



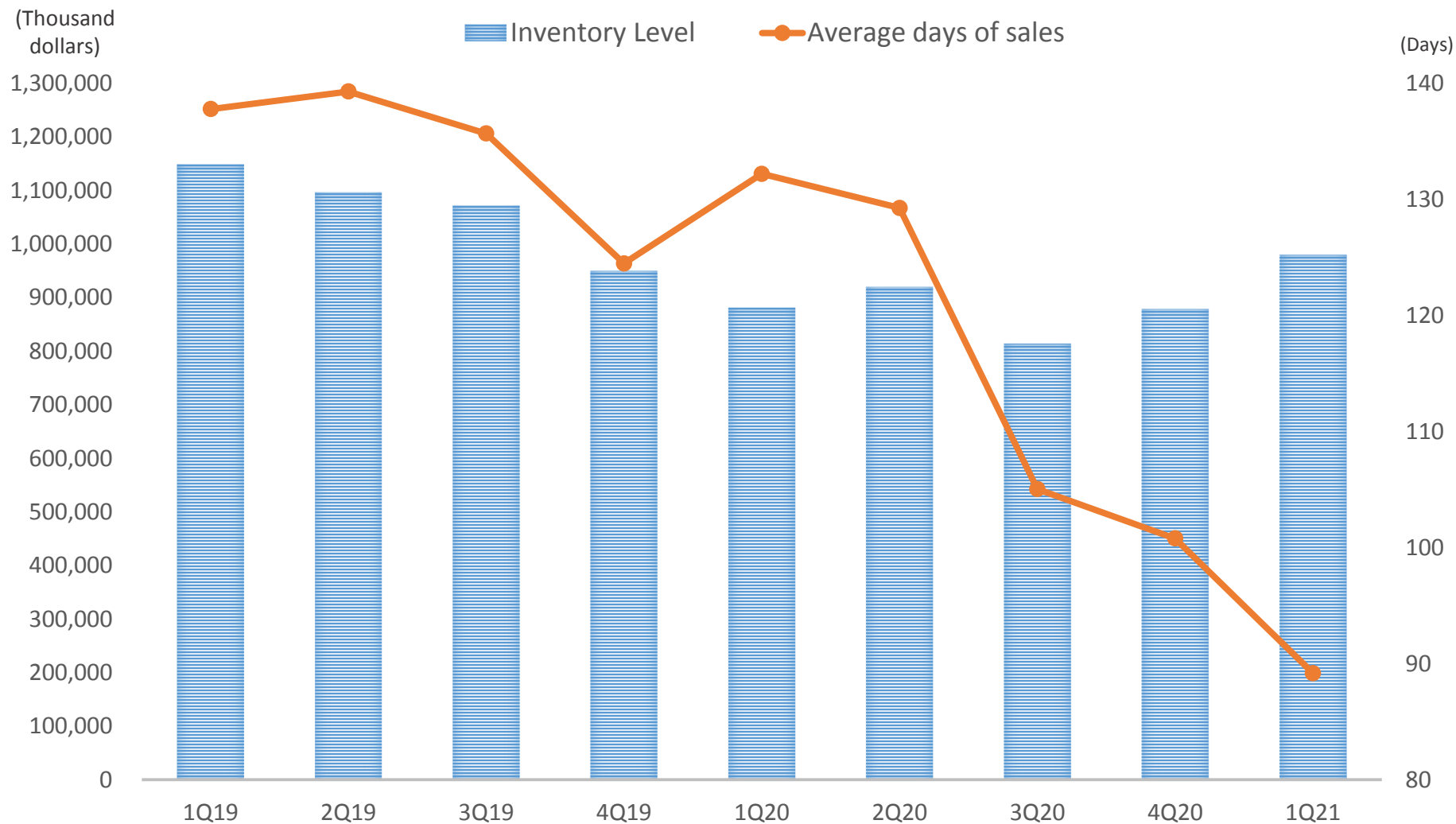
資本支出(CAPX) VS 員工人數(Employee)



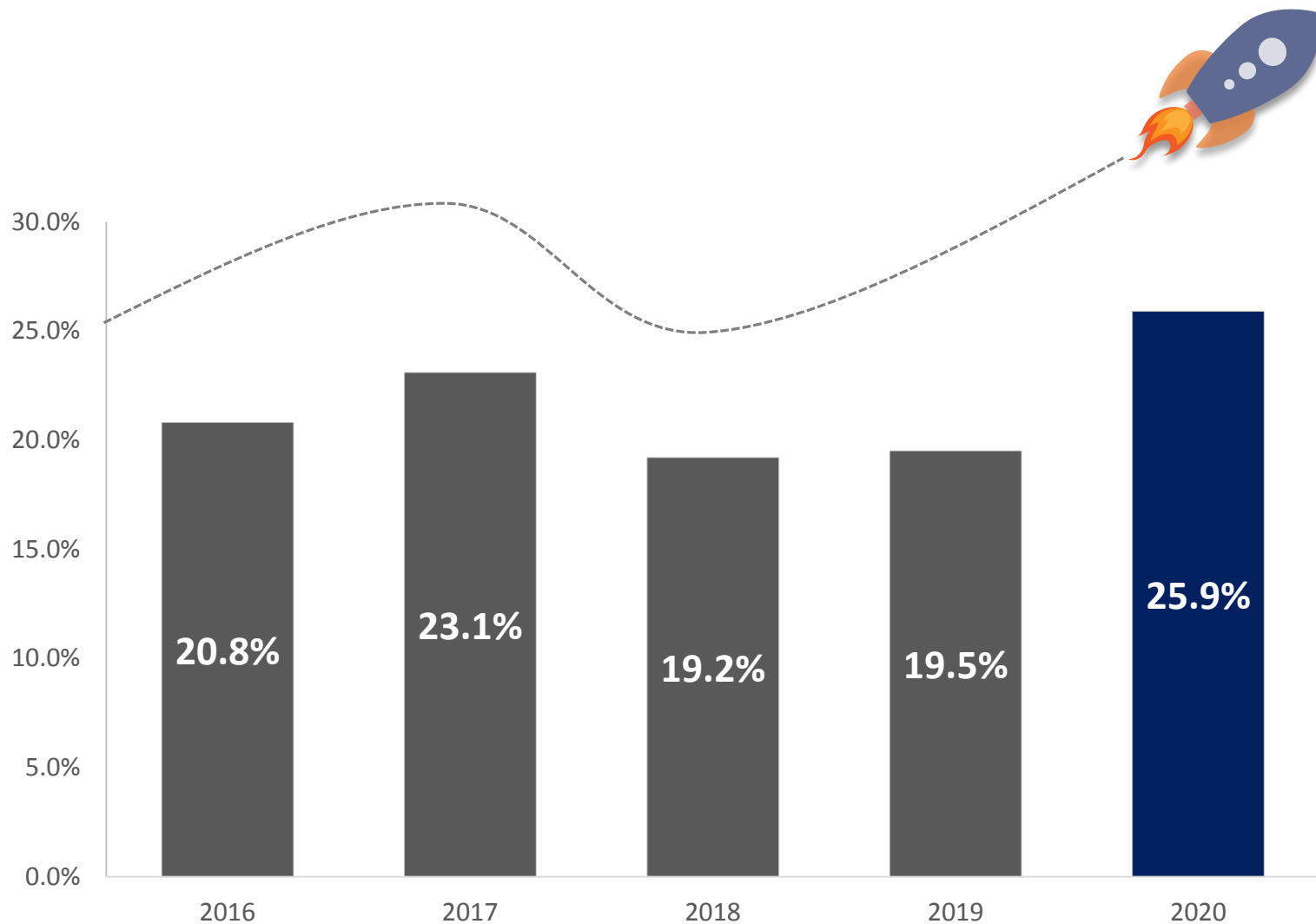
EBITDA in NT\$m



存貨 VS 存貨週轉天數 (Inventory Level VS Average days of sales)



股東權益報酬率(ROE)



簡要合併資產負債表 (Consolidated Balance Sheet)

合併資產負債表 Consolidated Balance Sheet (Audited)

新台幣百萬元/Unit: NT\$ million

		FY16		FY17		FY18		FY19		FY20		1Q21	
		收購蘇州桂盟		收購ATS&GDO									
		KMC-Suzhou consolidated		ATS&GDO consolidated									
現金及約當現金	Cash and cash equivalents	1,609	19%	2,016	20%	2,073	20%	1,766	18%	1,991	19%	2,176	20%
其他流動資產	Other current assets	1,969	23%	2,255	22%	2,367	23%	2,307	23%	2,809	26%	2,900	27%
固定資產	Fixed assets	2,959	35%	3,172	31%	3,174	31%	3,072	31%	3,115	29%	3,105	29%
其他資產	Other assets	2,029	24%	2,629	26%	2,572	25%	2,816	28%	2,745	26%	2,710	25%
資產總計	Total Assets	8,565	100%	10,072	100%	10,186	100%	9,961	100%	10,660	100%	10,891	100%
銀行借款	Loan from bank	3,095	36%	3,485	35%	3,712	36%	3,353	34%	1,584	15%	1,288	12%
其他及長期負債	Other liabilities	1,244	15%	1,798	18%	1,403	14%	1,330	13%	2,674	25%	2,764	25%
負債合計	Total Liabilities	4,340	51%	5,283	52%	5,115	50%	4,683	47%	4,257	40%	4,052	37%
股本	Capital	1,200	14%	1,200	12%	1,260	12%	1,260	13%	1,260	12%	1,260	12%
保留盈餘及其他	Retained Earnings	3,025	35%	3,589	36%	3,811	37%	4,018	40%	5,143	48%	5,579	51%
股東權益合計	Total Equity	4,225	49%	4,789	48%	5,071	50%	5,278	53%	6,403	60%	6,839	63%
負債及股東權益總計	Liabilities and Equity	8,565	100%	10,072	100%	10,186	100%	9,961	100%	10,660	100%	10,891	100%

簡要合併損益表 (Consolidated Income Statement)

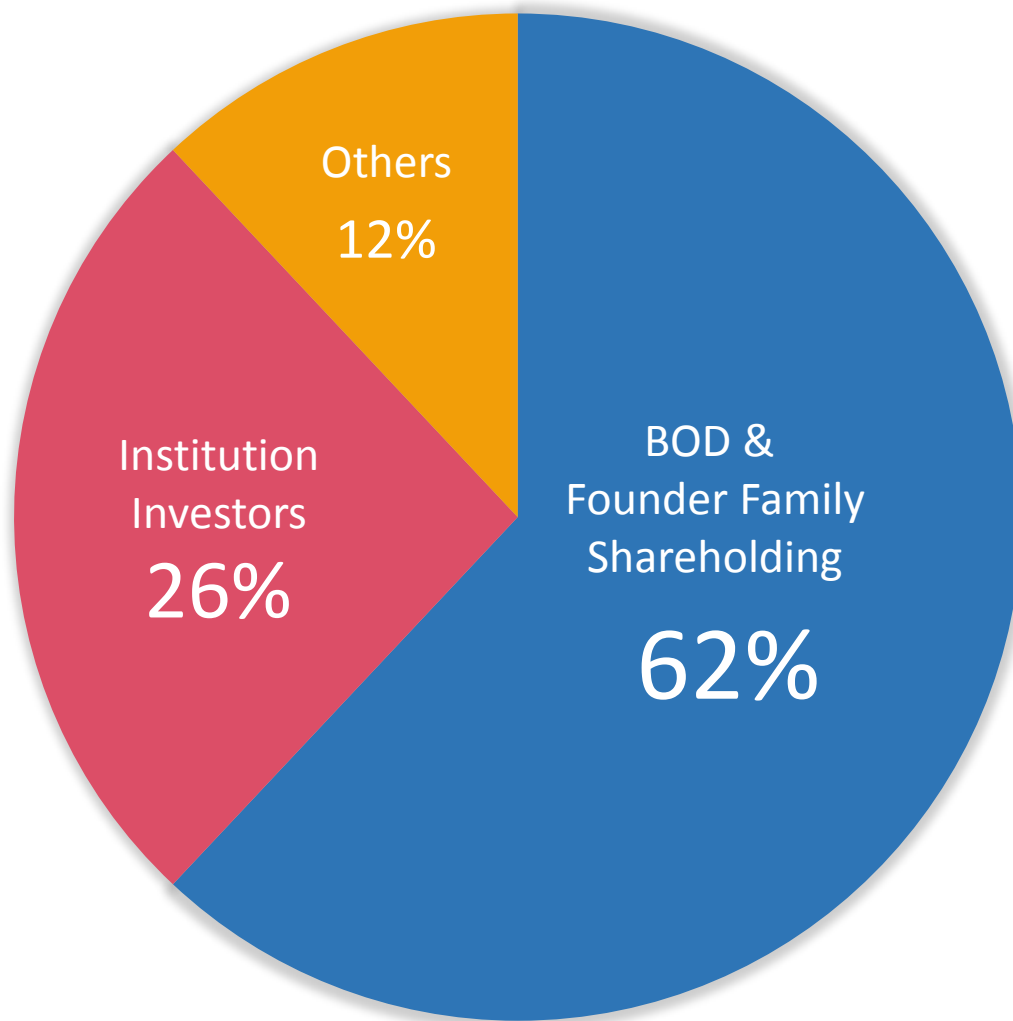
合併損益表 Consolidated Income Statement (Audited)

新台幣百萬元/Unit:NT\$ million

		FY16		FY17		FY18		FY19		FY20		1Q21	
		收購蘇州桂盟		收購ATS&GDO									
		KMC-Suzhou consolidated		ATS&GDO consolidated									
營業收入	Net Sales	4,013	100%	5,051	100%	5,057	100%	5,240	100%	6,130	100%	1,806	100%
營業毛利	Gross Profit	1,792	45%	2,122	42%	2,139	42%	2,143	41%	2,819	46%	855	47%
營業利益	Operating Profit	1,094	27%	1,320	26%	1,226	24%	1,254	24%	1,974	32%	625	35%
淨利	Net Income	857	21%	1,043	21%	948	19%	1,007	19%	1,515	25%	504	28%
每股盈餘	EPS(NT Dollars)	7.14		8.28*		7.52		8.00		12.02		4.00	

*追溯調整後EPS (Adjusted EPS)

股東結構(Structure of Shareholders)





KMC 桂盟

The Largest Chain Manufacturer In The World

