



KMC (Kuei Meng) International Inc.

KMC (5306 TT)
Investor Report for 1Q22





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

FY21 Consolidated Revenue

7.75 Billion (NT\$)



Market Capitalization

23.7 Billion (NT\$)

(As of Mar. 31, 2022)



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

1986
Started Partnership
With SHIMANO

2000
Global Operation

2014
Strategy Partners
Introduced

1977
Established

1989
Composition
Cross-Straits

2012
Listed, Start to
Intergrade and Develop

2017
5th Golden
Decade Plan

Current Products and Services



Bicycle
Chain



Automobile
Timing
System



Motorcycle
Chain & Gears



Garage
Door
Opener

e-Bike Solutions



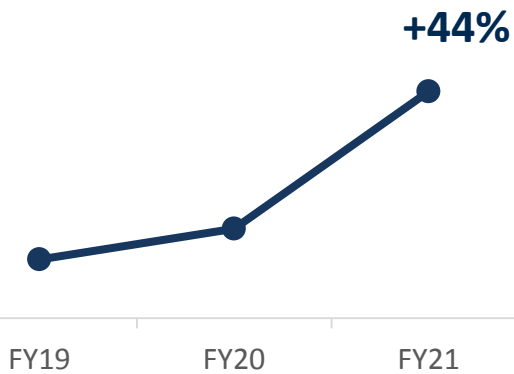
KMC-Chain e101 EPT

KMC-Chainring Wide

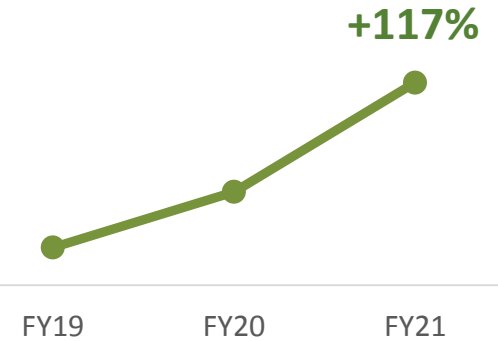
KMC-Sprocket Wide



Shipment for e-Bike Chain



Shipment for Chainring



e-Bike傳動系統(e-Bike Solutions)



//// e-bike Chain

- **Shield Technology**
- **Highest Pin Power** : 450kgf
- **Tensile Strength** : Above 1050kgf
- **Durability** : 3x distance

//// Chainrings

- **Chain Mate** – The chainring roller seats are perfectly matched to chain rollers.
- **Chain Retention** – Optimal tooth design holds the chain in place.
- **High-Tensile Steel** – Enhances component lifespan and performance.

Global Distribution



Global Headquarters & Research Center

⊙ Tainan, Taiwan

China Headquarters & Research Center

⊙ Suzhou, Jiangsu

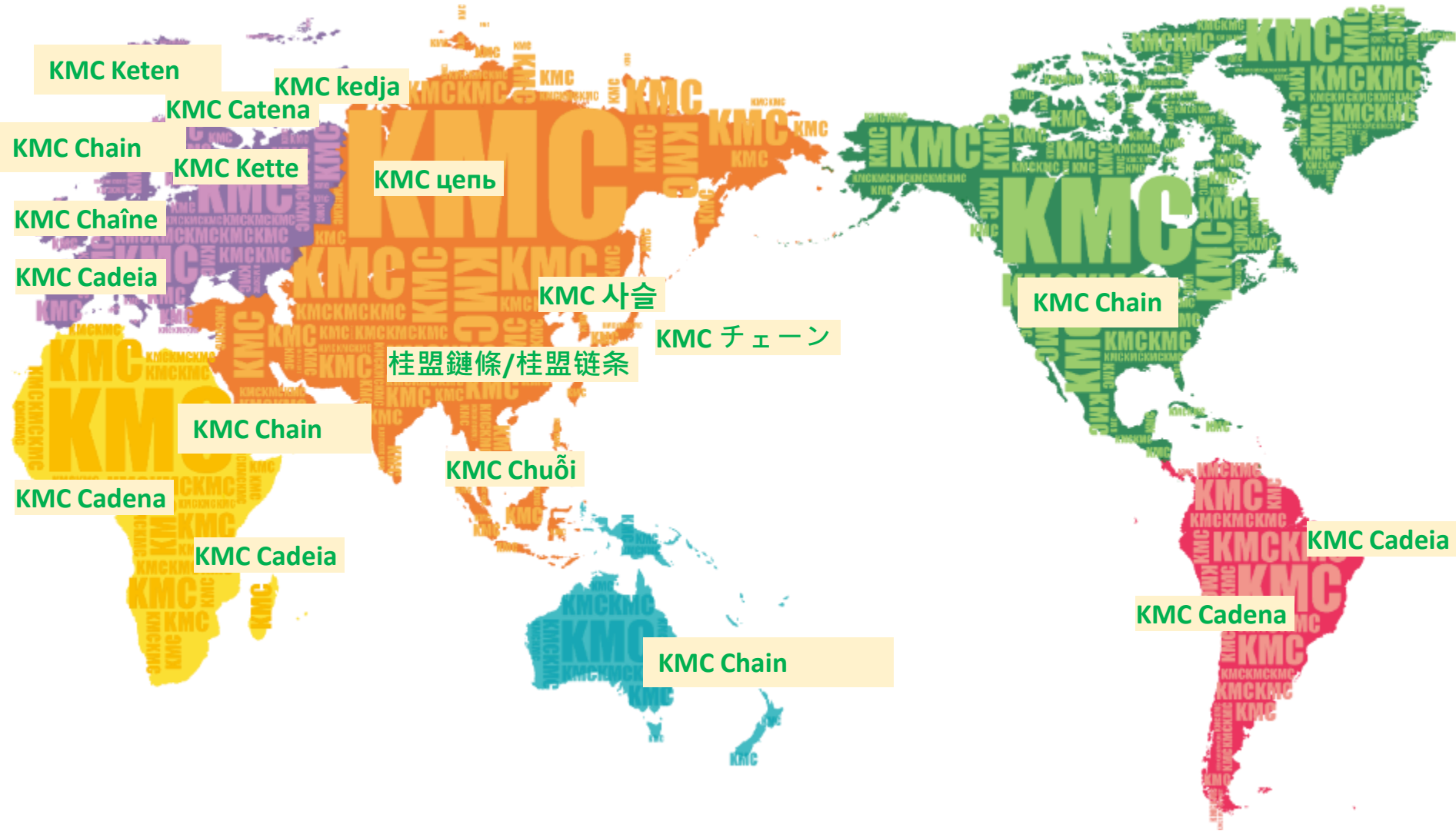
Global Production Sites

- ⊙ 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

Taicang

Taiwan

Suzhou

KMC

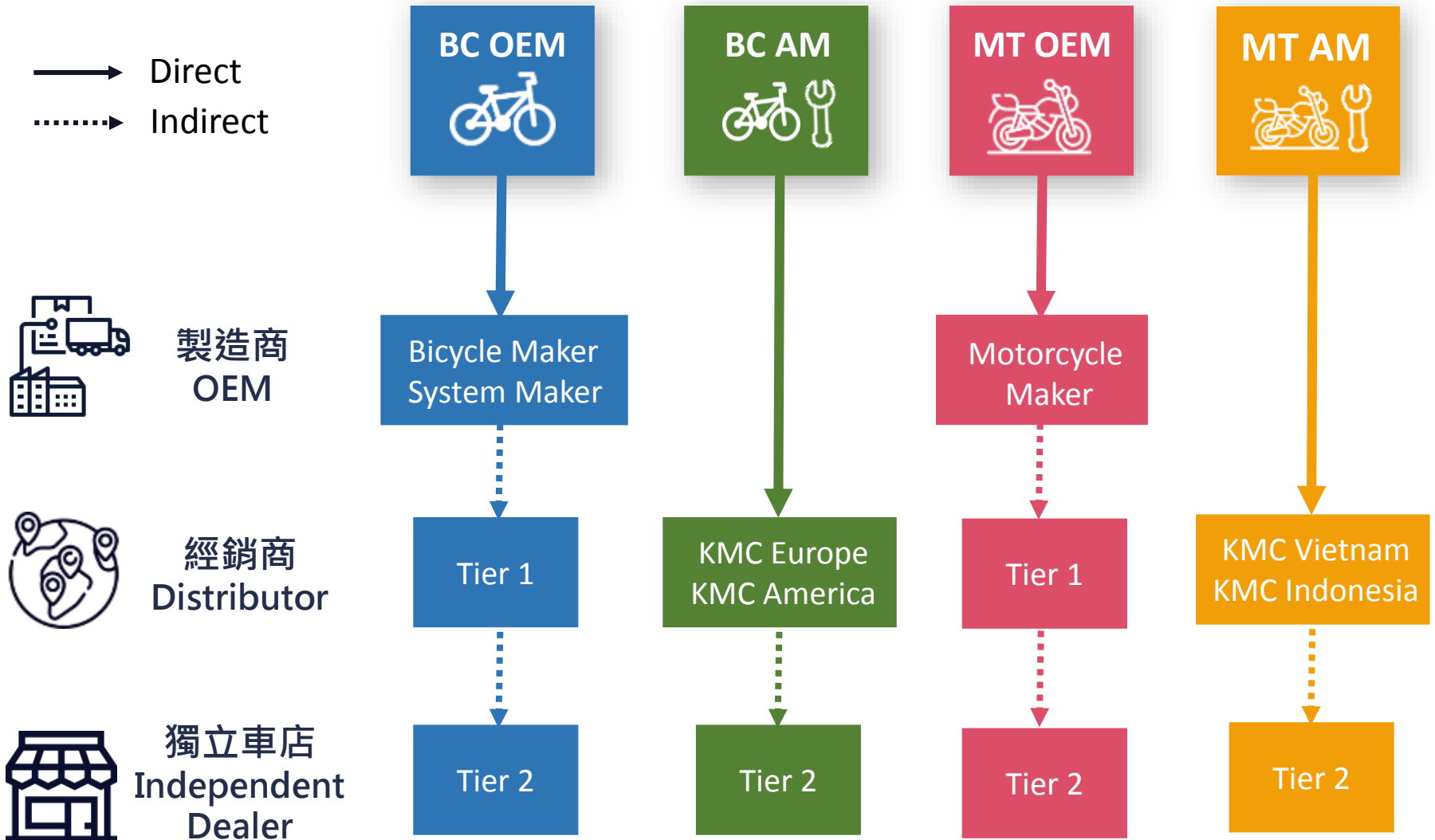
Suzhou

Tianjin

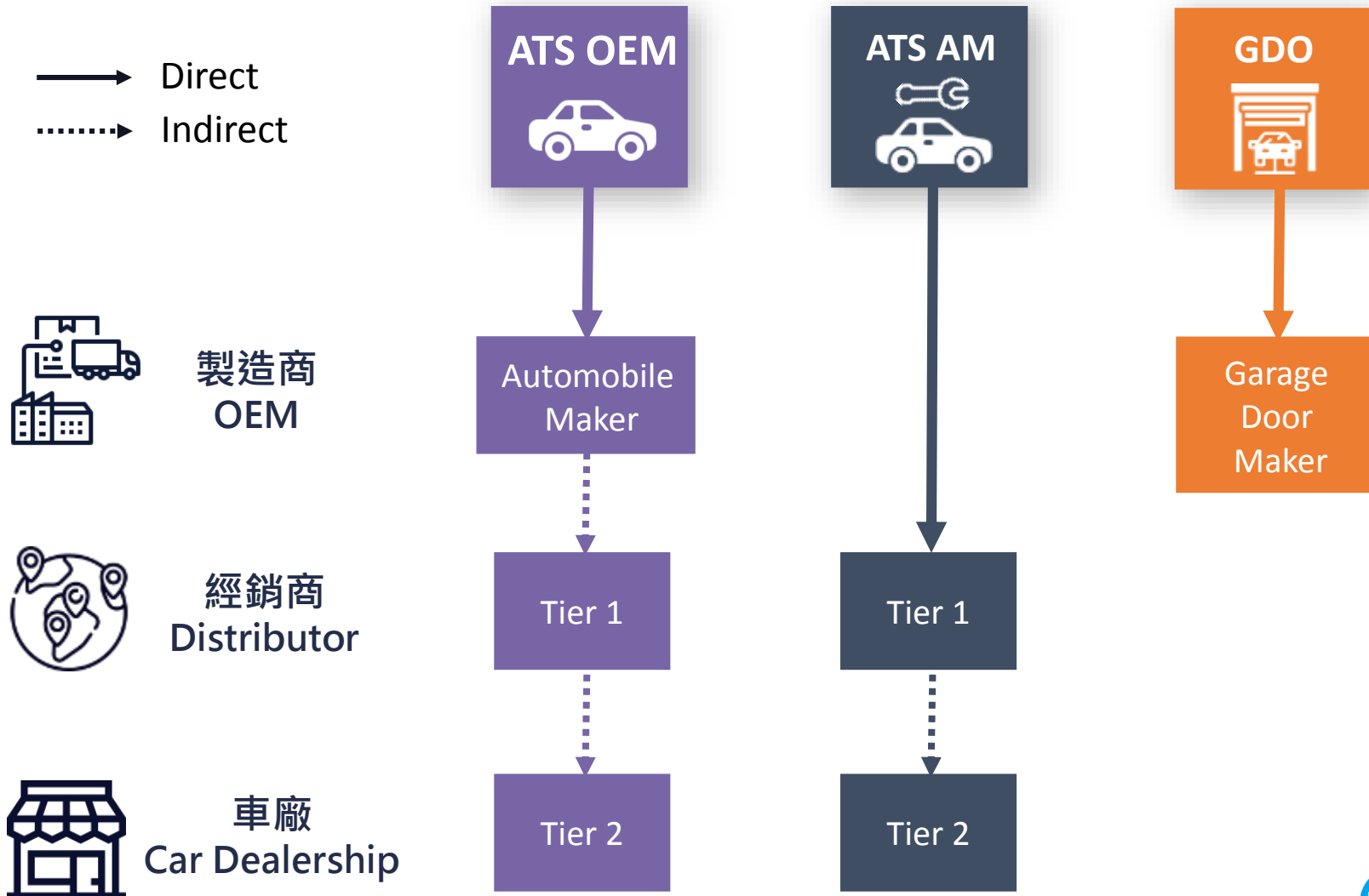
TEC

MAYA

KMC Group Sales System



KMC Group Sales System



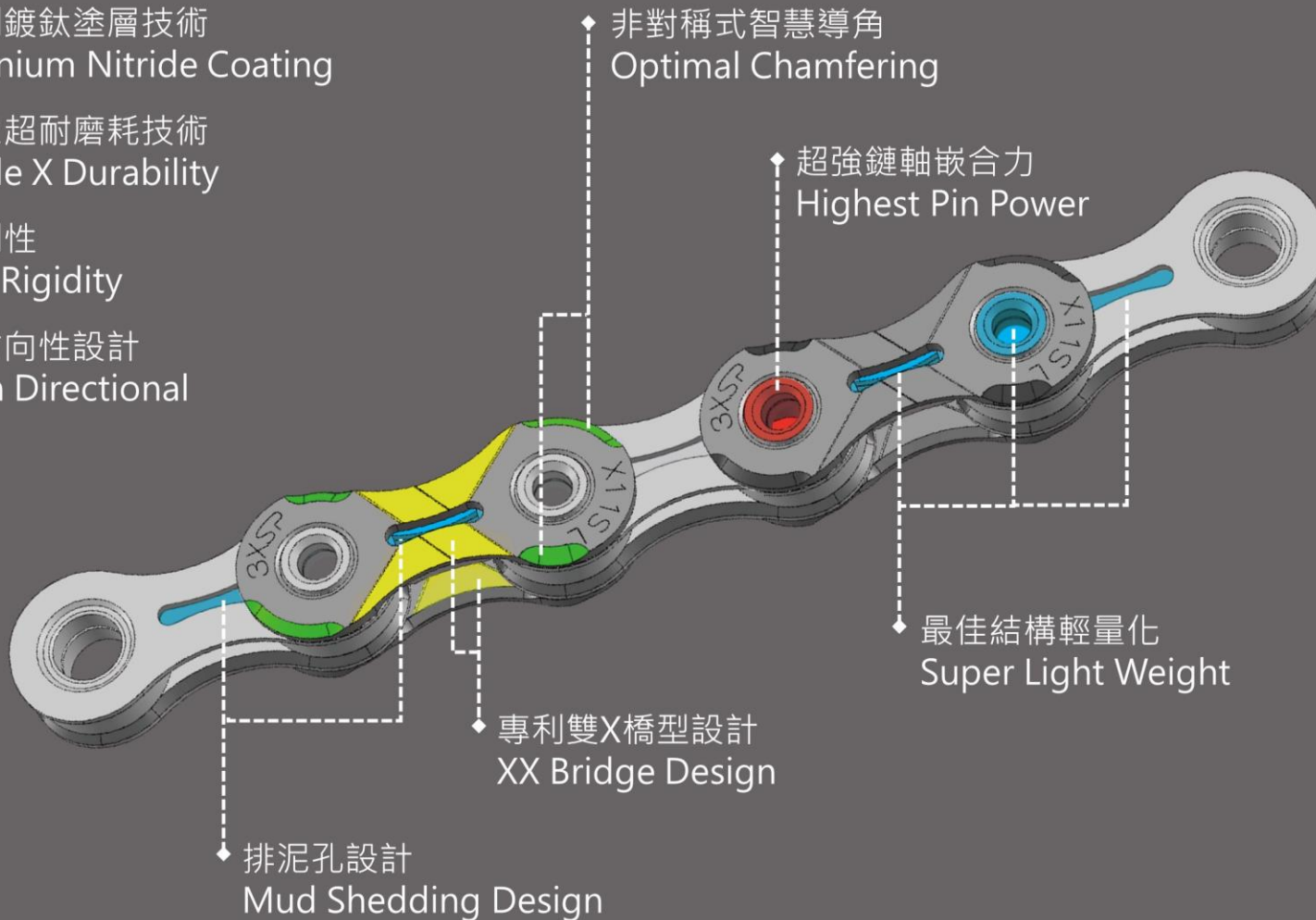
PART TWO

Pursuit of Excellence

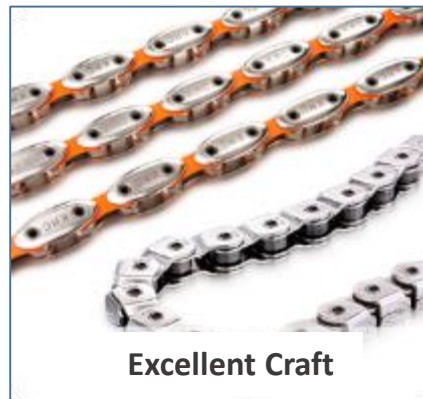
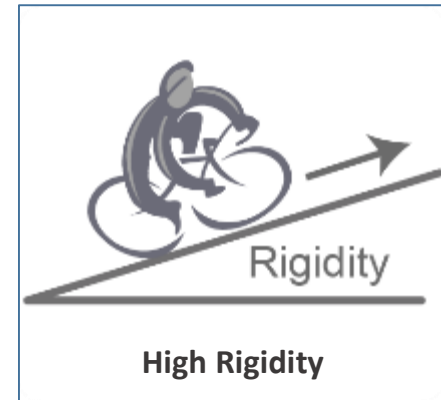
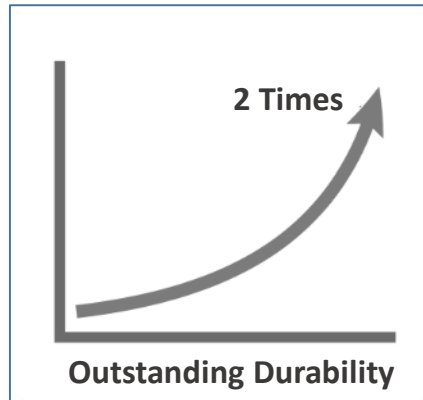
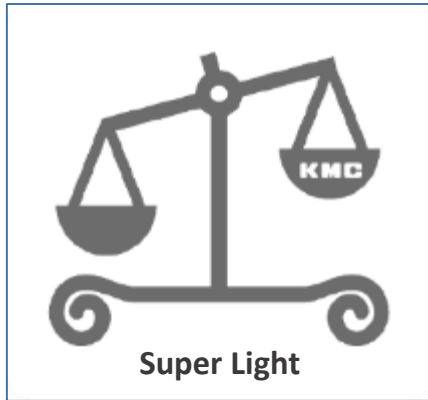


Unique KMC Chain

- ◆ 專利鍍鈦塗層技術
Titanium Nitride Coating
- ◆ 獨家超耐磨耗技術
Triple X Durability
- ◆ 高剛性
Hig Rigidity
- ◆ 無方向性設計
Non Directional



Why KMC Chain ?





2018
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



S...nk
20...

AWARDS

16 iF Awards in 12 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

Allise 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 EKOI SR Suntour
Jordan Sarrou



Polygon UR
2017 UCI Gravity Team Leader

Sponsor Team KMC ORBEA

KMC is the first component supplier in Taiwan who title sponsored UCI Team.



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

(Environment, Social, Governance)

PART THREE



The Green Promise



Obtained Carbon Footprint Certification

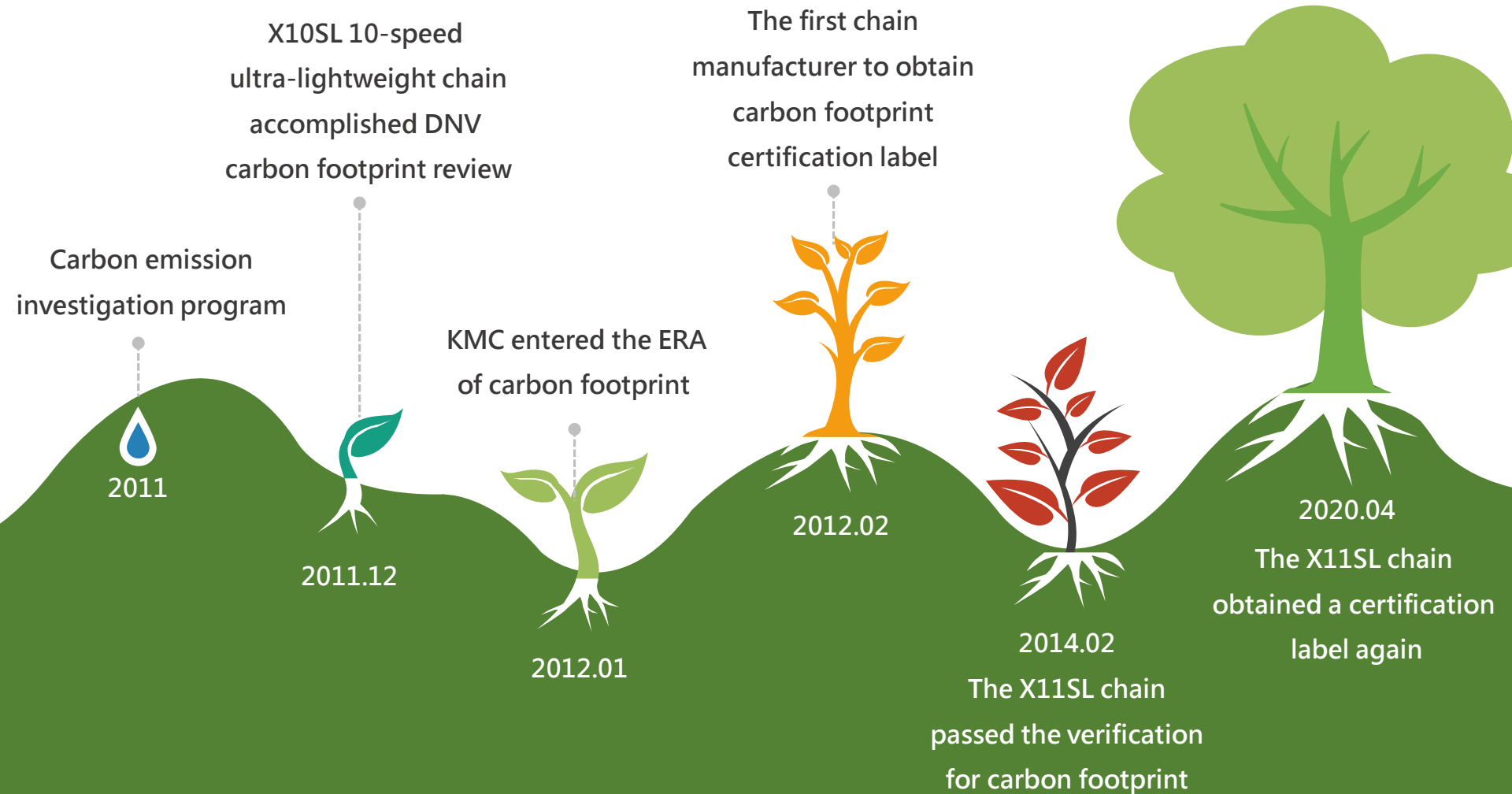


The world's first chain manufacturer obtained Carbon Footprint Certification

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
- 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 100%.
- 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

1. Adopt the candidate nomination system for the election of directors and supervisors.
2. Allow shareholders to vote via electronic voting at shareholders' meetings.

2019.12.30

Published 2018 CSR Report.

2021.07

Set up the ESG designated committee to promote and intensify KMC's sustainable development.

2018.06

1. Compiled the English version of consolidated financial reports for the Year 2017.
2. Comprehensively report the relevant information in English when holding shareholders' meeting.

2020.06-2020.08

Set up 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

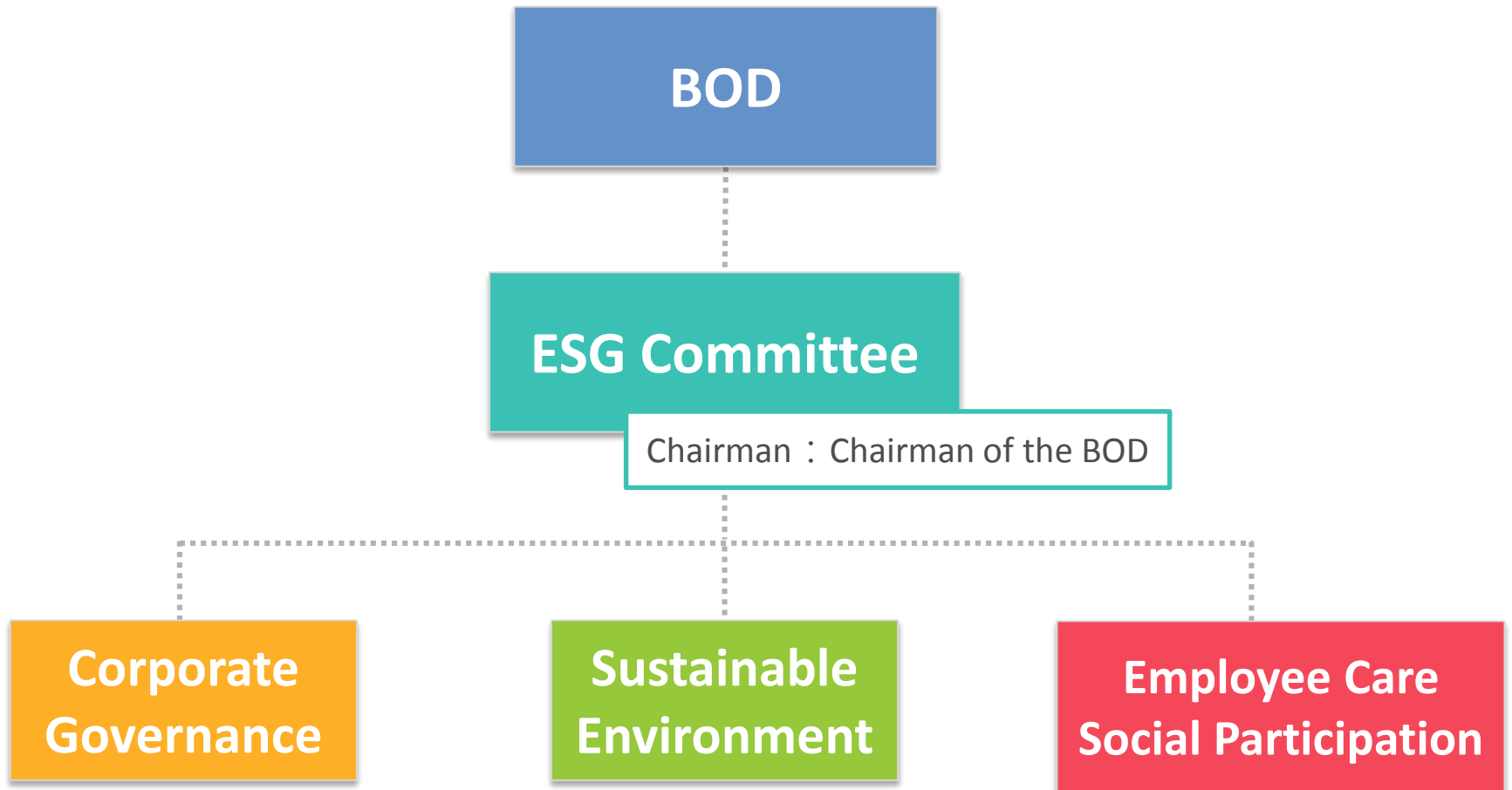
Responsible for corporate governance matters



Compiled CSR Report

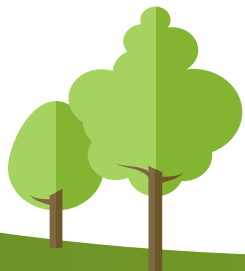
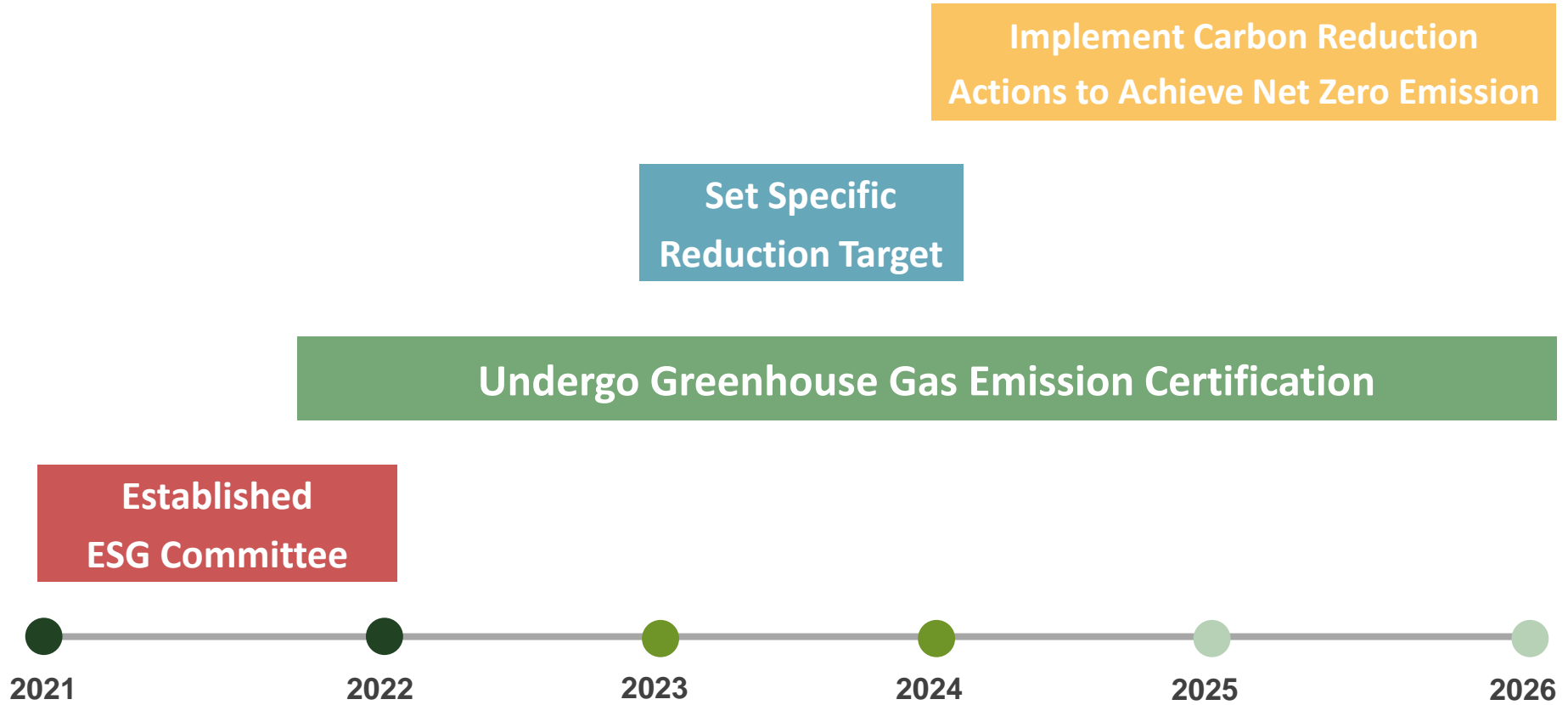
Complying with GRI Standards to disclose our sustainability issues

KMC ESG Committee





KMC ESG Actions

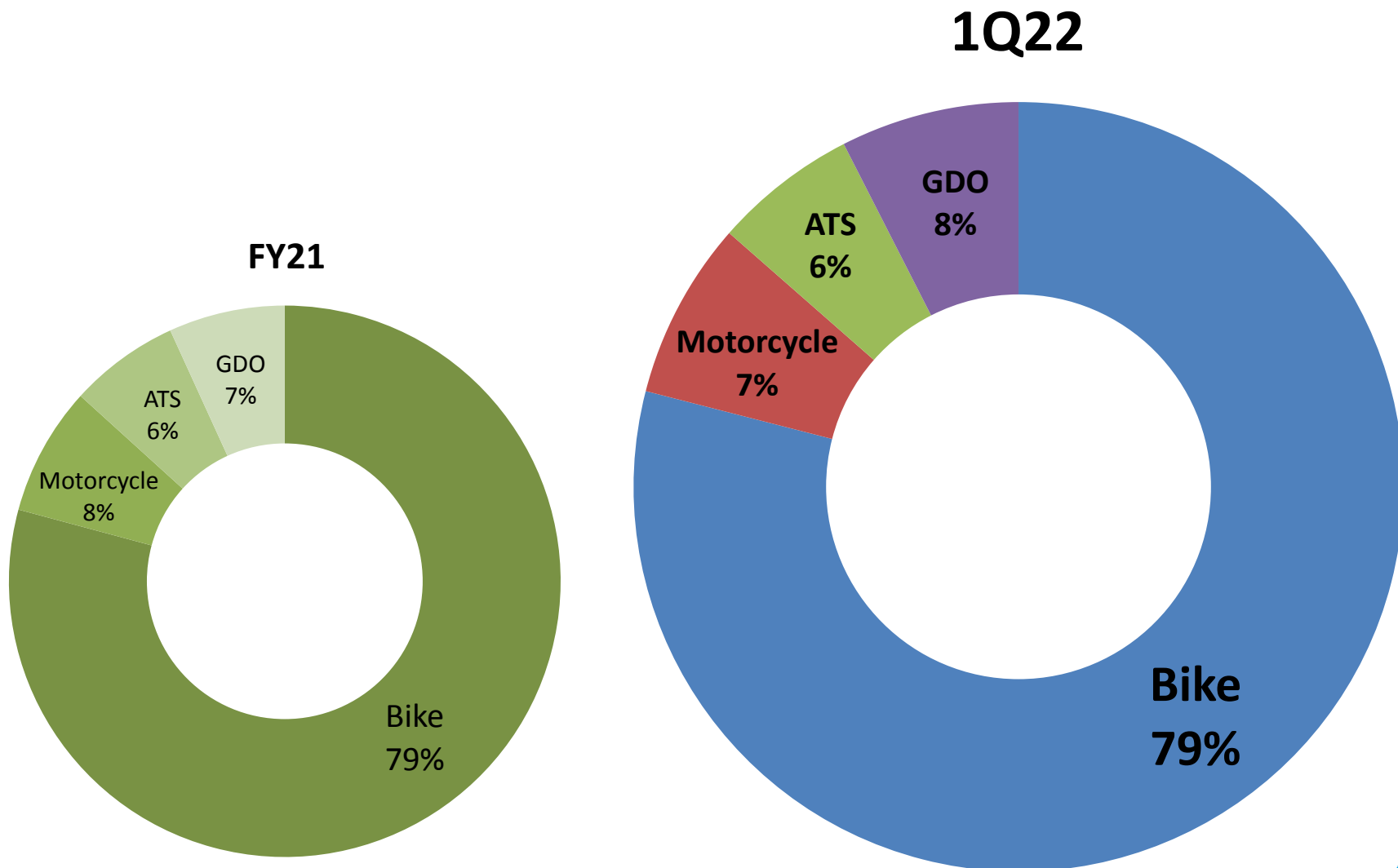


PART FOUR

Financial Results

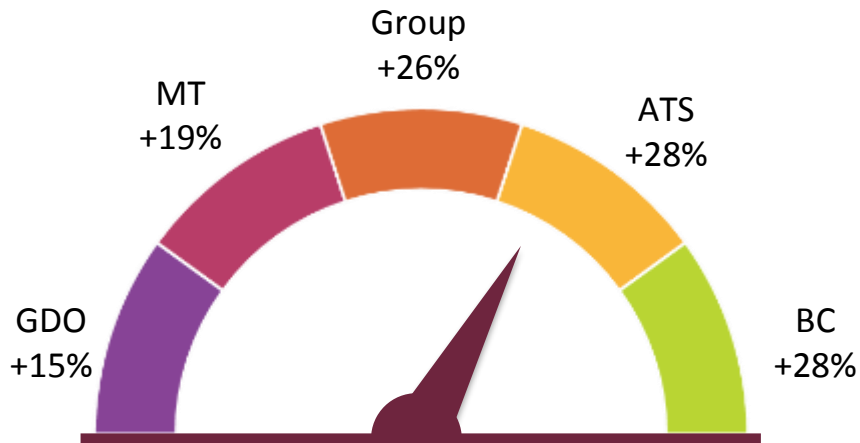


產品別業務比重(Contribution by BU)

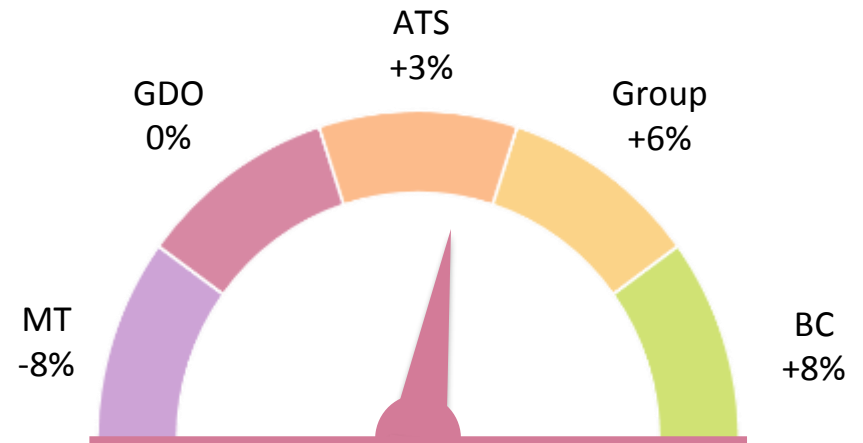


產品別營收成長(Revenue Growth by BU)

FY21 VS FY20



1Q22 VS 1Q21



毛利率影響因子

(Important Factors of Gross Margin)

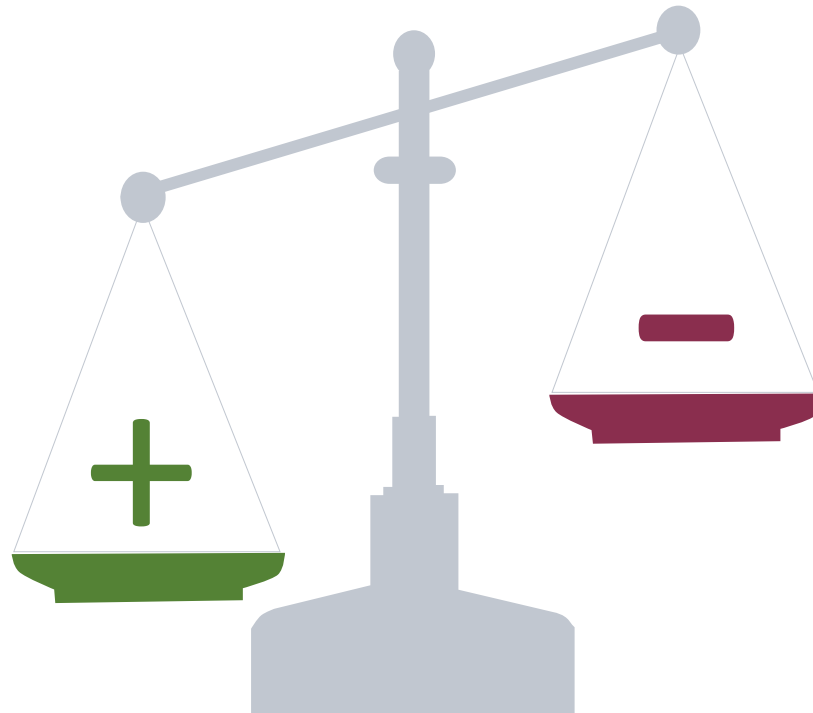
Favorable



ASP



Product Mix



Gross Margin

Unfavorable

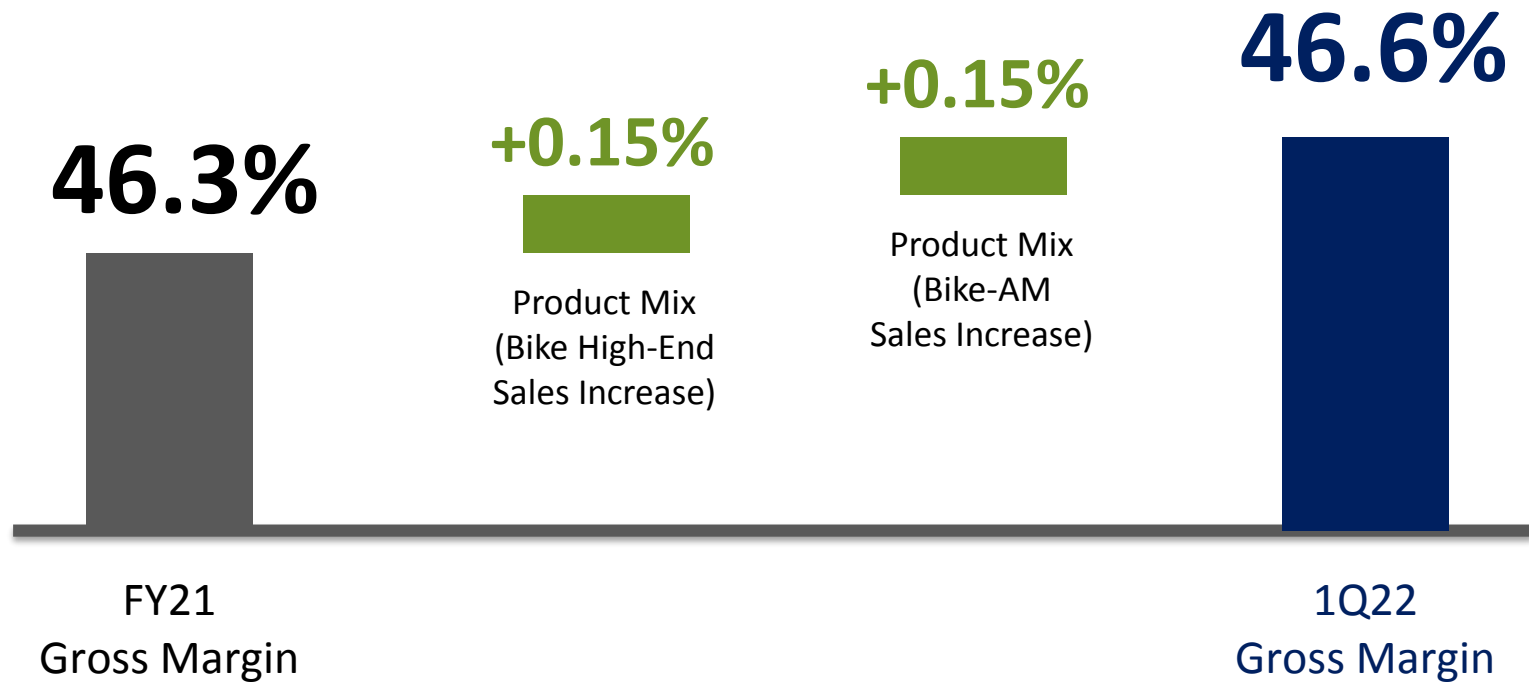
Material



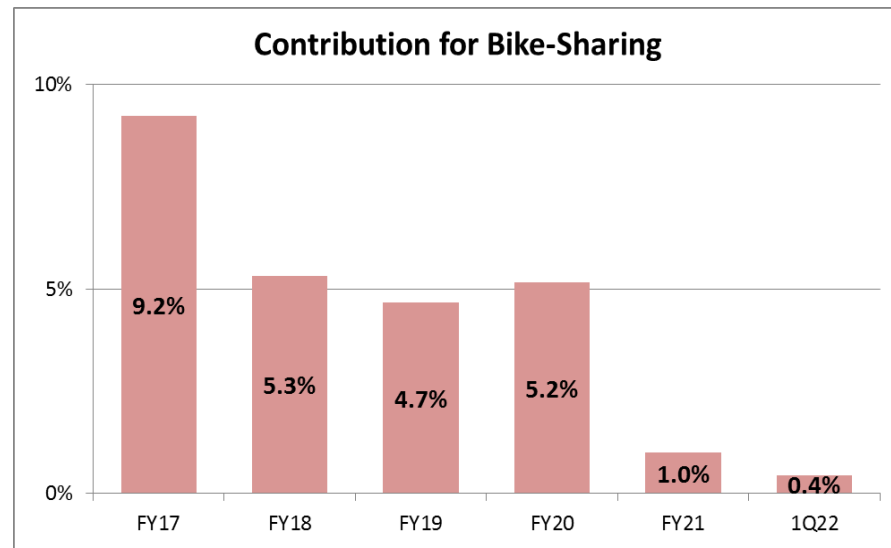
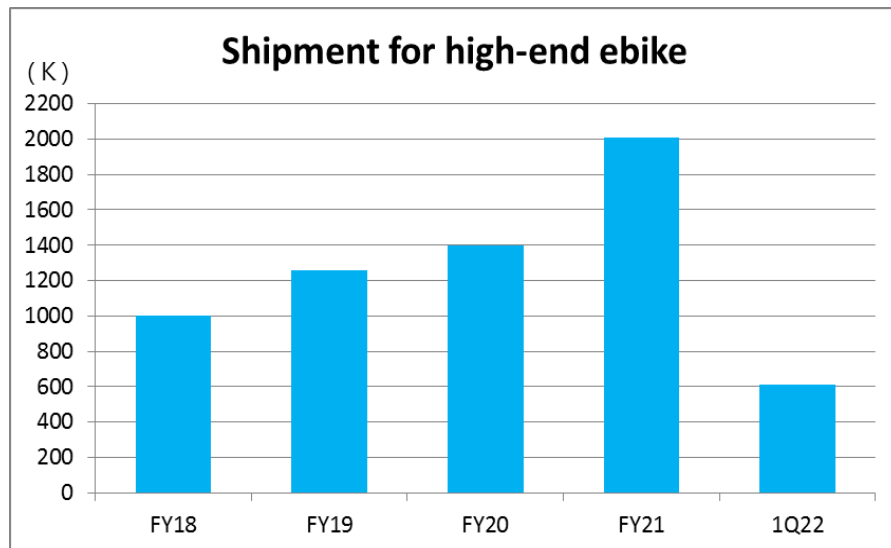
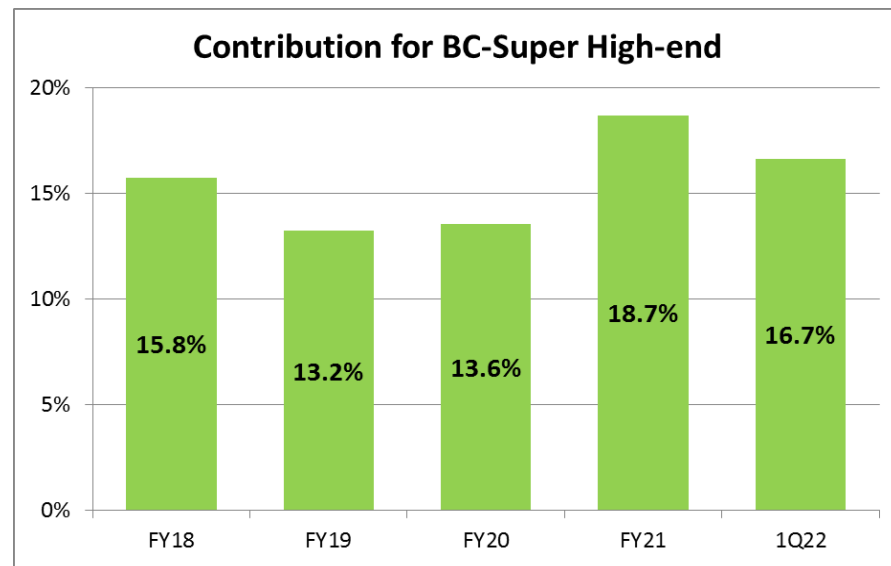
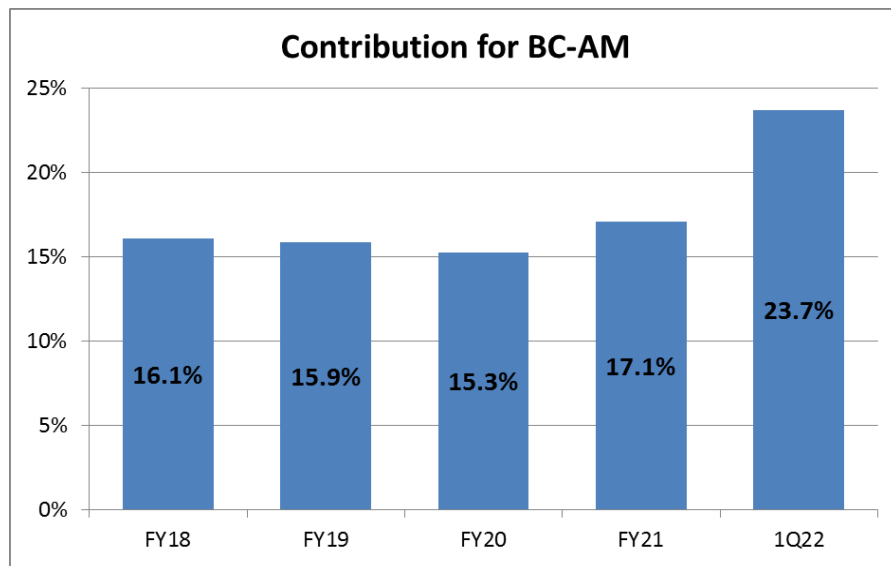
FX Issue



毛利率變動情形 (Change in Gross Margin)

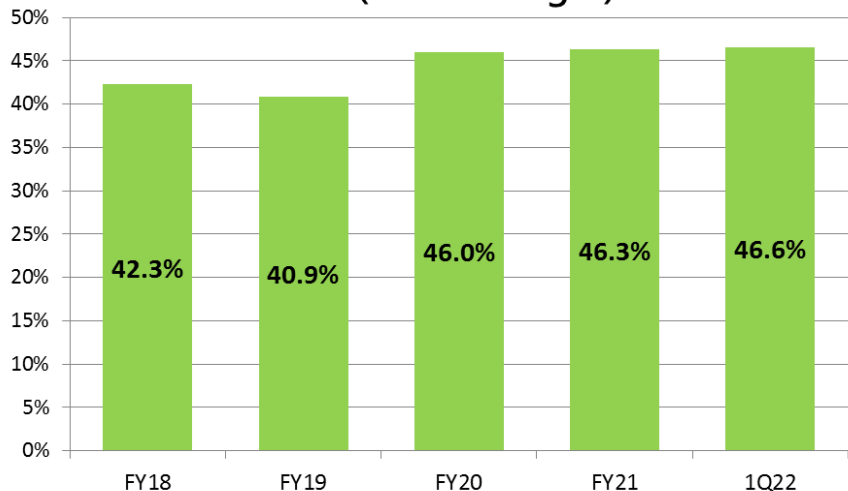


自行車鏈條事業部近期營運說明 (Key Operating Update For Bike Chain)

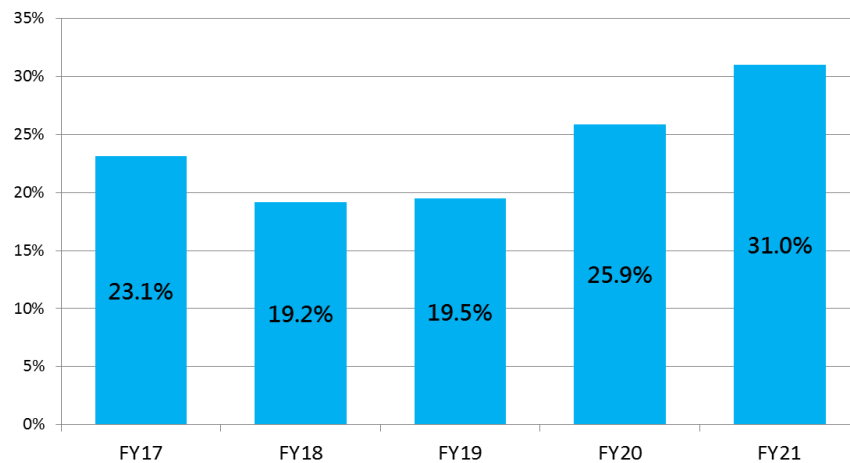


其他重要財務資訊(Other Financial Result)

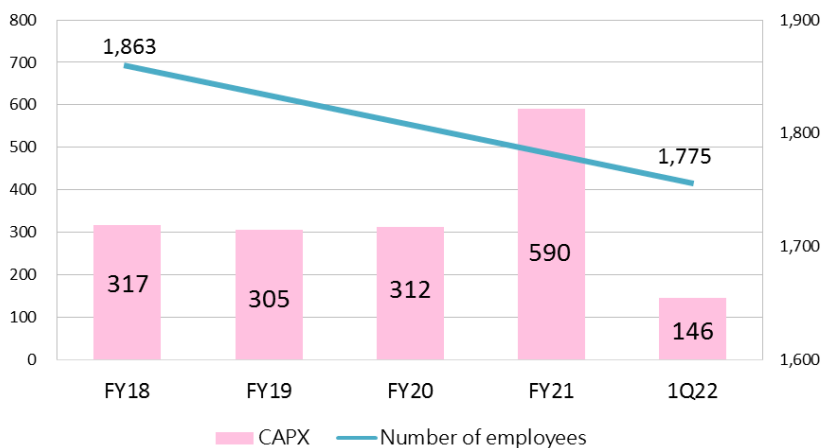
毛利率(Gross Margin)



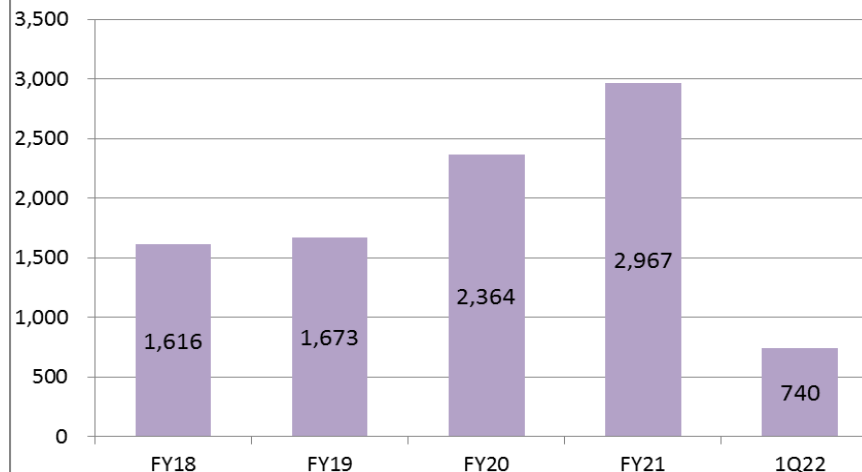
股東權益報酬率(ROE)



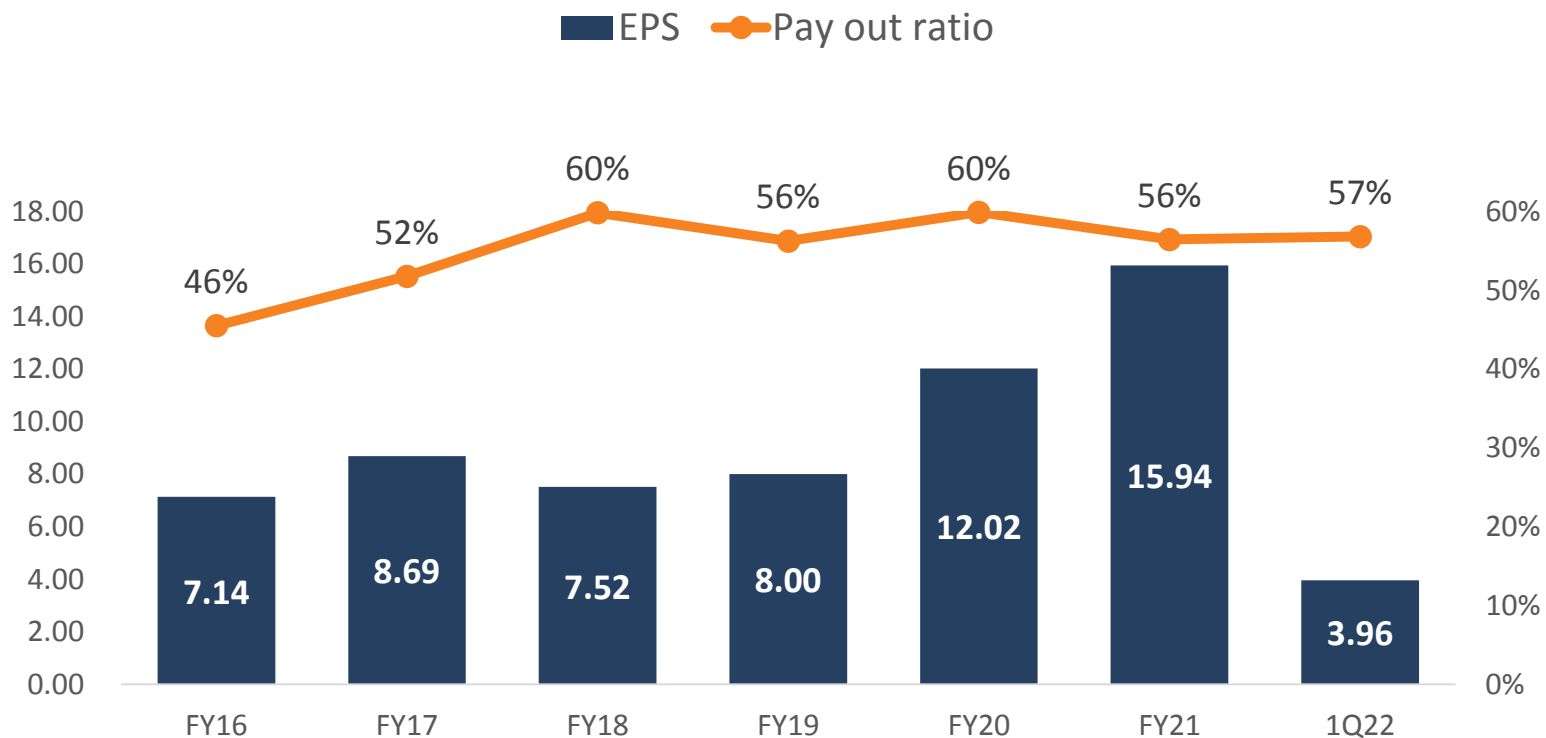
資本支出(CAPX) VS 員工人數(Employee)



EBITDA in NT\$m

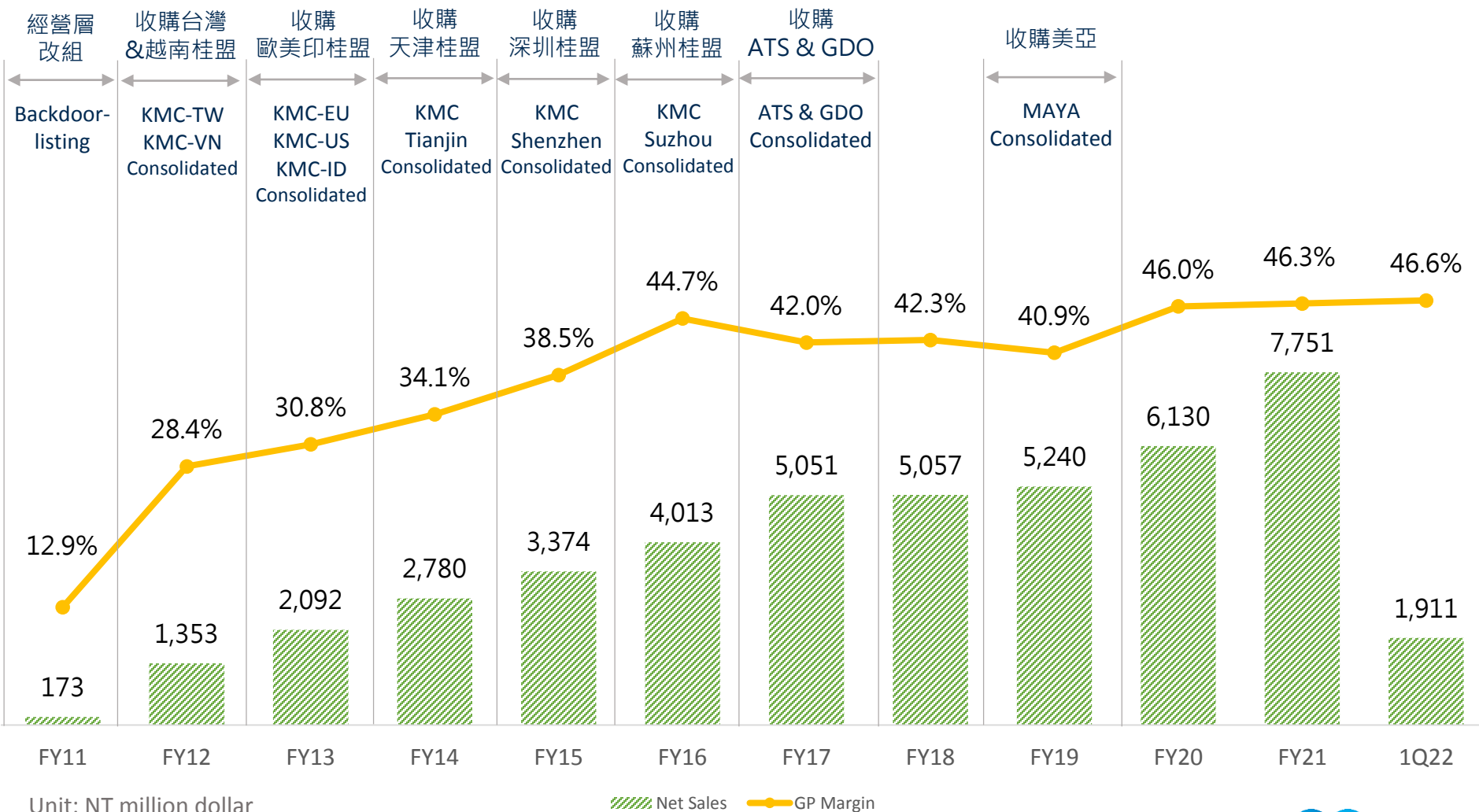


股利政策(Dividend Policy)



	Q1盈餘	Q2盈餘	Q3盈餘	Q4盈餘
除息月份	6月	9月	12月	3月
發放月份	7月	10月	1月	4月

歷年營收及毛利率 (Annual Net Sales & GP Margin)



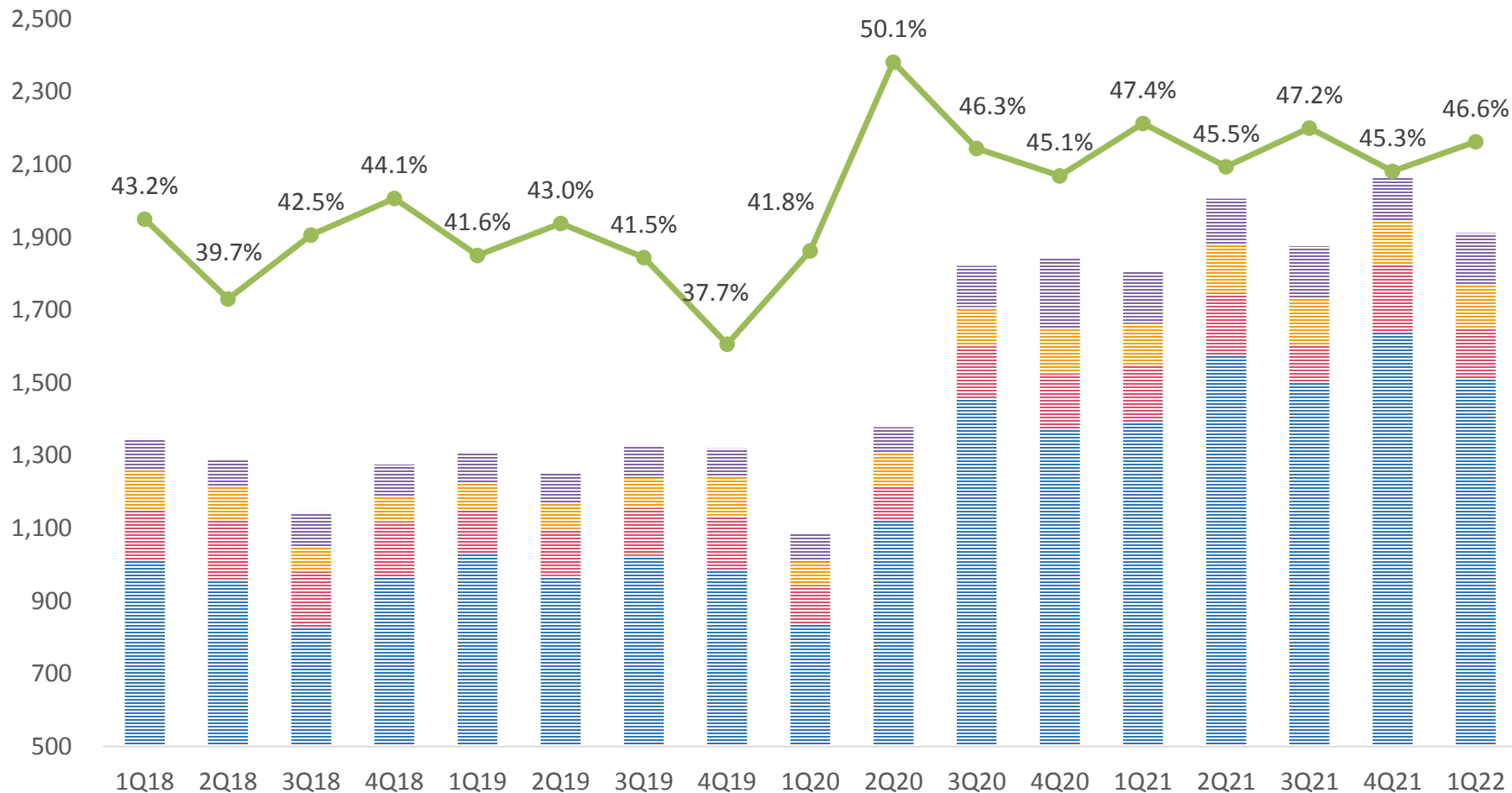
Unit: NT million dollar

Net Sales GP Margin

事業部季度營收及毛利 (BU Performance & GP Margin)

Unit: NT
million dollar

BC MT ATS GDO GP Margin



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

		FY18		FY19		FY20		FY21		1Q22	
現金及約當現金	Cash and cash equivalents	2,073	20%	1,766	18%	1,991	19%	2,031	18%	2,370	20%
其他流動資產	Other current assets	2,367	23%	2,307	23%	2,809	26%	3,322	29%	3,322	28%
固定資產	Fixed assets	3,174	31%	3,072	31%	3,115	29%	3,374	30%	3,523	29%
其他資產	Other assets	2,572	25%	2,816	28%	2,745	26%	2,709	24%	2,782	23%
資產總計	Total Assets	10,186	100%	9,961	100%	10,660	100%	11,436	100%	11,998	100%
銀行借款	Loan from bank	3,712	36%	3,353	34%	1,584	15%	1,176	10%	1,487	12%
其他及長期負債	Other liabilities	1,403	14%	1,330	13%	2,674	25%	3,718	33%	3,472	29%
負債合計	Total Liabilities	5,115	50%	4,683	47%	4,257	40%	4,894	43%	4,959	41%
股本	Capital	1,260	12%	1,260	13%	1,260	12%	1,260	11%	1,260	11%
保留盈餘及其他	Retained Earnings	3,811	37%	4,018	40%	5,143	48%	5,282	46%	5,778	48%
股東權益合計	Total Equity	5,071	50%	5,278	53%	6,403	60%	6,542	57%	7,038	59%
負債及股東權益總計	Liabilities and Equity	10,186	100%	9,961	100%	10,660	100%	11,436	100%	11,998	100%

簡要合併損益表 (Consolidated Income Statement)

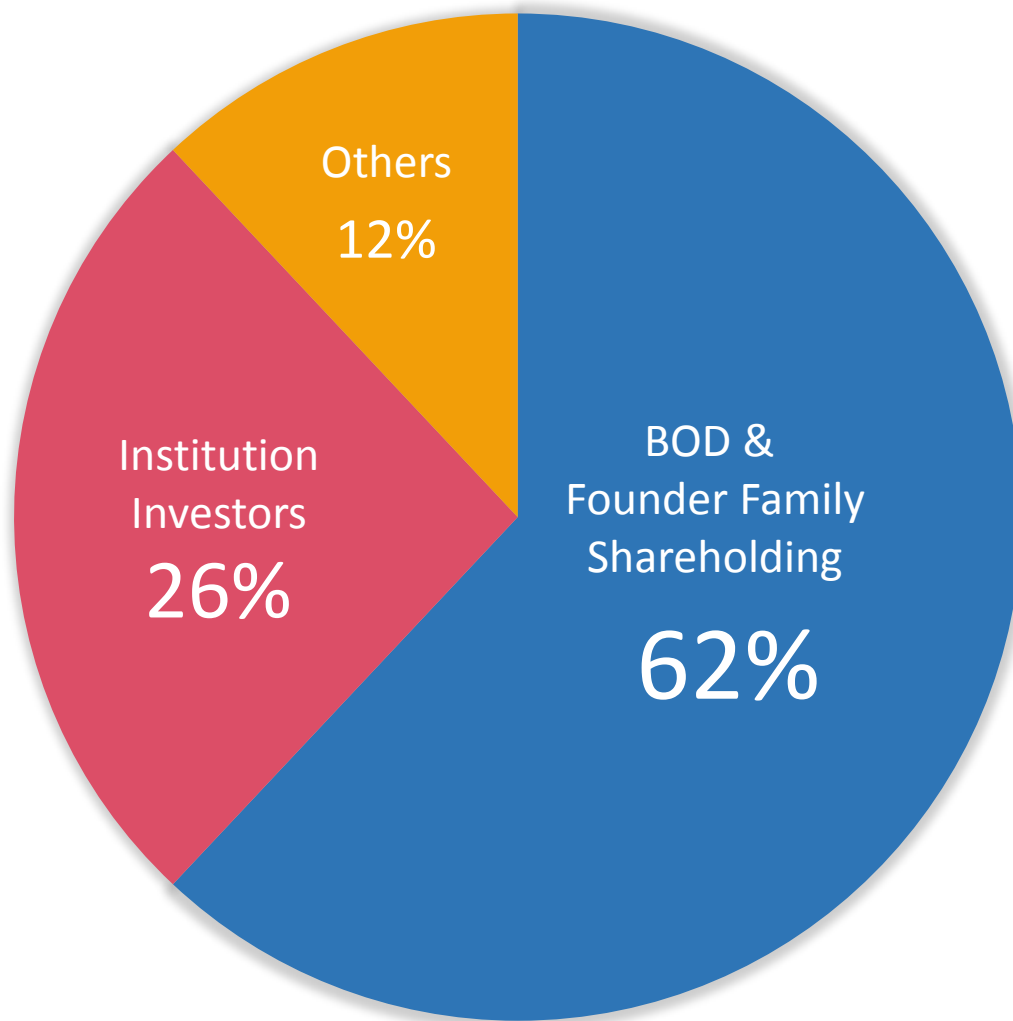
合併損益表 Consolidated Income Statement (Audited)

新台幣百萬元/Unit:NT\$ million

		FY17		FY18		FY19		FY20		FY21		1Q22	
		收購ATS&GDO											
		ATS&GDO consolidated											
營業收入	Net Sales	5,051	100%	5,057	100%	5,240	100%	6,130	100%	7,751	100%	1,911	100%
營業毛利	Gross Profit	2,122	42%	2,139	42%	2,143	41%	2,819	46%	3,589	46%	891	47%
營業利益	Operating Profit	1,320	26%	1,226	24%	1,254	24%	1,974	32%	2,576	33%	634	33%
淨利	Net Income	1,043	21%	948	19%	1,007	19%	1,515	25%	2,008	26%	499	26%
每股盈餘	EPS(NT Dollars)	8.28*		7.52		8.00		12.02		15.94		3.96	

*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

