



KMC (Kuei Meng) International Inc.

KMC (5306TT)

Investor Report for 2Q23



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.



CONTENTS

- 01** KMC Group
- 02** Pursuit of Excellence
- 03** ESG
- 04** Financial Results

KMC

PART ONE

KMC Group



World's Largest Chain Manufacturer

1H23 Consolidated Revenue
2.55 Billion (NT\$)



Market Capitalization
19 Billion (NT\$)
(As of Jun. 30, 2023)



17 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

2012
Listed, Start to
Intergrade and Develop

2017
5th Golden
Decade Plan

1989
Composition
Cross-Straits

Current Products and Services



Bicycle
Chain



Automobile
Timing
System



Motorcycle
Chain & Gears



Garage
Door
Opener

Global Distribution

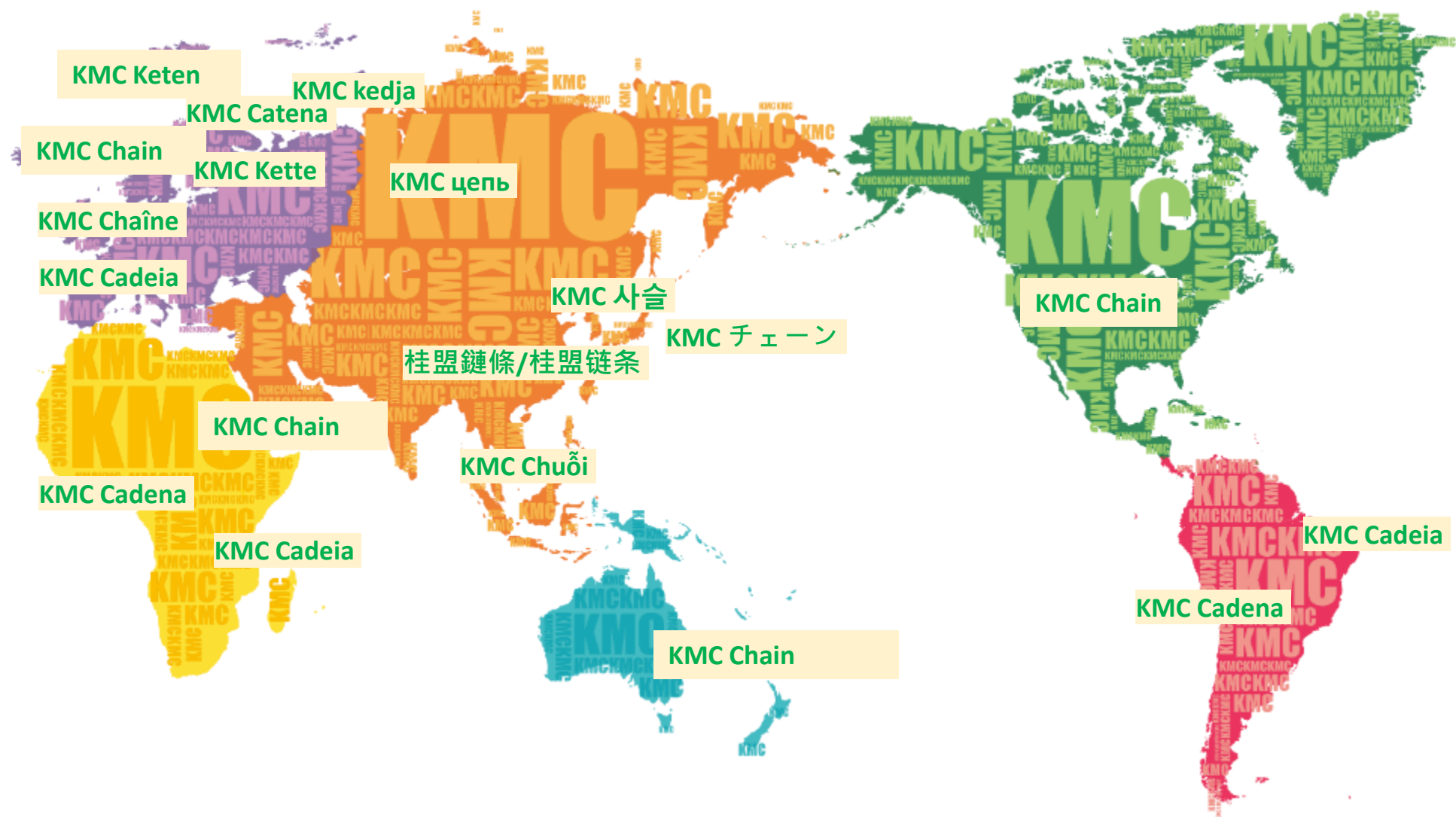
 **Global Headquarters & Research Center**
◎ Tainan, Taiwan

 **China Headquarters & Research Center**
◎ Suzhou, Jiangsu

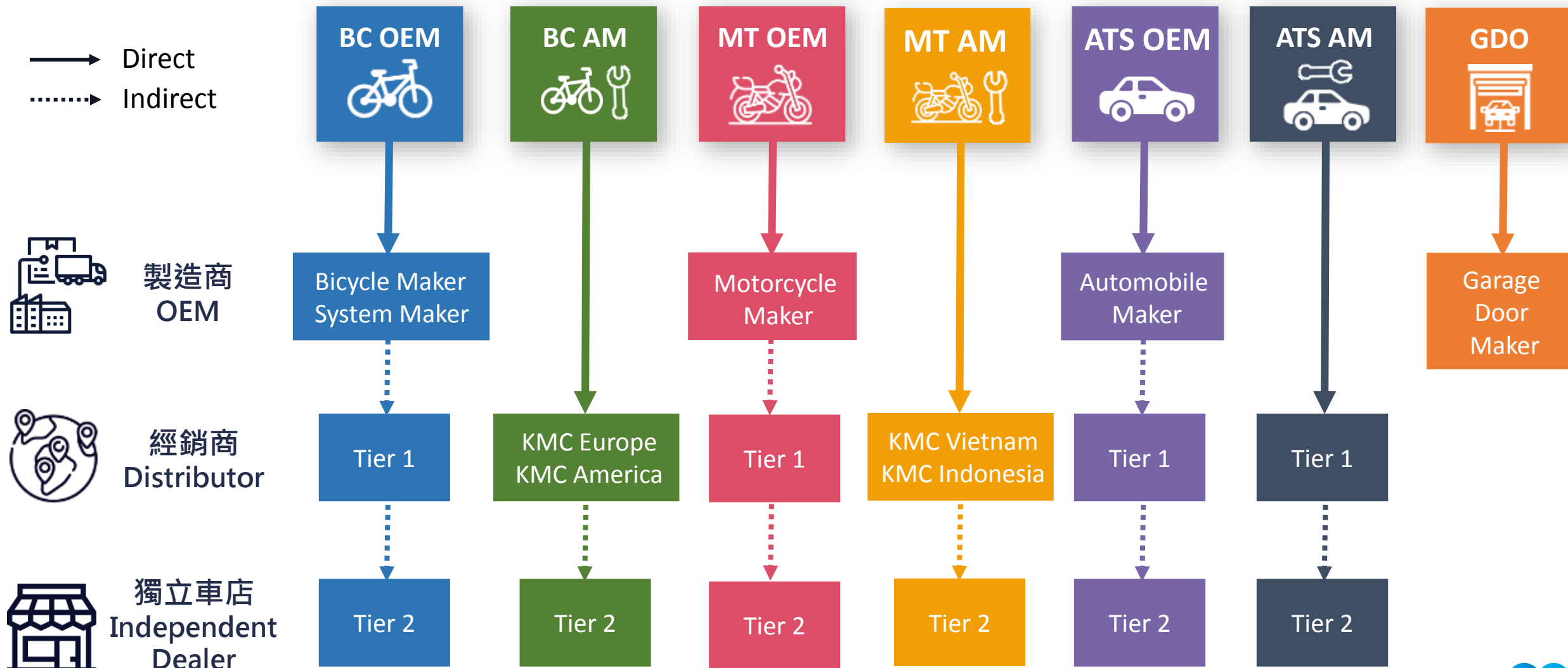
 **Global Production Sites**
◎ Tainan
◎ Shenzhen x3
◎ Suzhou x3
◎ Tianjin x2
◎ Vietnam

 **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



KMC Group Sales System



KMC

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

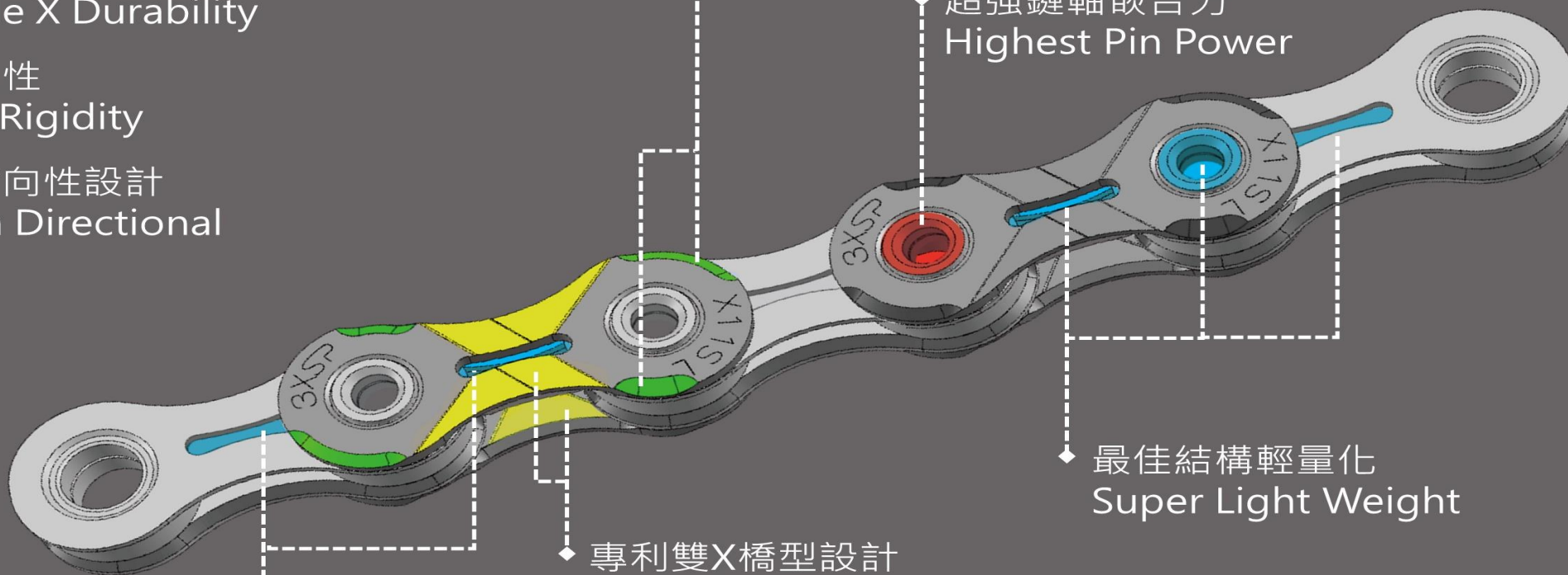
◆ 非對稱式智慧導角
Optimal Chamfering

◆ 超強鏈軸嵌合力
Highest Pin Power

◆ 最佳結構輕量化
Super Light Weight

◆ 專利雙X橋型設計
XX Bridge Design

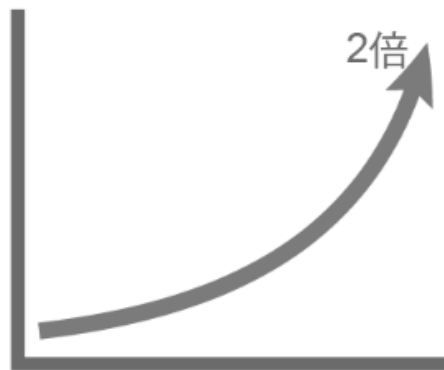
◆ 排泥孔設計
Mud Shedding Design



Why KMC Chain ?



Super Light



Outstanding Durability



High Rigidity



Accurate Shifting



Excellent Craft



Eco Commitment



AWARDS

17 iF Awards in **14** consecutive years

5 Red Dot Awards in **3** years



Champion Story-World Champions & Olympians



TEAM KMC ORBEA



TEAM KMC ORBEA

2021 UCI Endurance Ranking 5th

Victor Koretzky

2021 UCI XC Ranking Men Elite 2nd
2021 UCI MTB WORLD CUP Cross-country Olympic 1st

Milan Vader

2021 Dutch National Championship Cross-country Olympic 1st

Lotto Soudal

Caleb EWAN
2021 Giro d'Italia of Stage 5&7 Winner
2021 Benelux Tour of Stage 5 Winner
2021 UAE Tour of Stage 7 Winner

Scott Downhill Factory

Marine Cabirou
2021 UCI MTB World Championships Downhill Women Elite 2nd

CST POSTNL BAFANG MTB RACING TEAM

Jeroen Van Eck
2021 UCI MTB World Championships Cross-country eliminator 2nd

Anne Tauber
2021 UCI MTB World Cup Cross-country Olympic Women Elite 3rd

Yana Belomoina
2021 UCI MTB WORLD CUP Cross-country Olympic Women Elite 5th

Team KMC-ORBEA

2020 UCI Endurance Ranking- Mixed Elite—3rd

Milan Vader

2020 UCI MTB WORLD CUP - XCO/XCC - Men Elite - Cross-country Olympic - General Classification—2nd

Thomas Litscher

2020 UCI MTB WORLD CUP - XCO/XCC - Men Elite - Cross-country short circuit - General Classification—2nd

Victor Koretzky

2020 UCI MTB WORLD CUP - XCO/XCC - Men Elite - Cross-country Olympic - General Classification—4th



Team KMC ORBEA

NS BIKES UR TEAM

Tracey Hannah

2020 UCI MTB WORLD CUP - DHI - Women Elite - Downhill - General Classification—3rd

CST POSTNL BAFANG MTB RACING TEAM

Yana Belomoina

2020 UCI MTB MARATHON WORLD CHAMPIONSHIPS - Women Elite - Cross-country marathon - General Classification—5th



NS BIKES UR TEAM

Sponsor KMC MTB Racing Team

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



ESG

PART THREE

(Environment, Social 、 Governance)



The Green Promise



KMC ECO Solution Milestones



2011

Carbon emission investigation program

X10SL accomplished DNV carbon footprint review



2012

KMC entered the ERA of carbon footprint

X10SL obtain carbon footprint certification label



2014

The X11SL chain passed the verification for carbon footprint



2021

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



2020

X11SL chain obtained the certification label again



2019

Published the first CSR Report.



2022

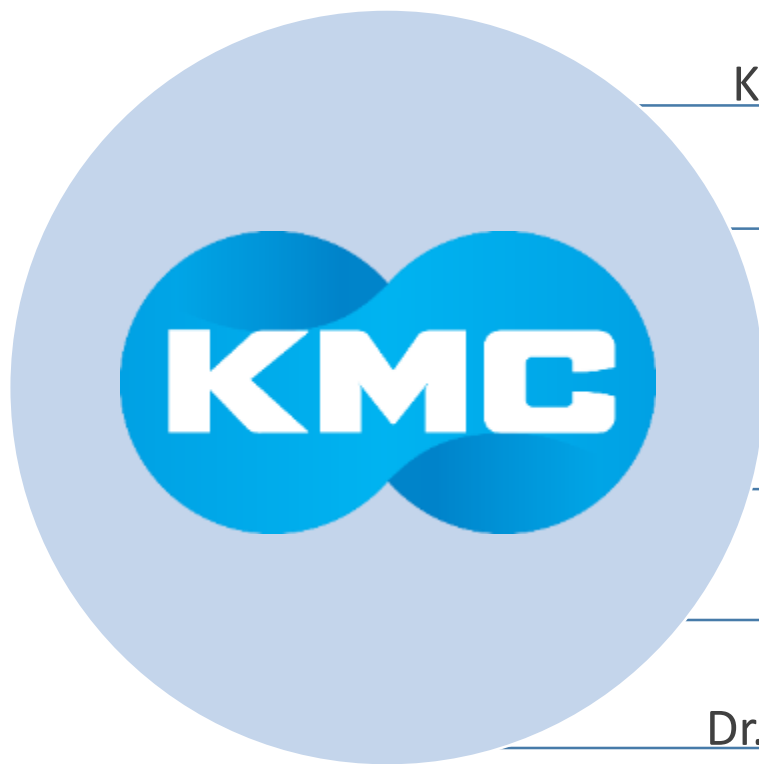
1. Formally introduced ISO 14064-1:2018 GHG inventory criteria
2. Obtained SGS Independent Third Party Assurance Statement
3. Joined Bicycling Alliance for Sustainability (BAS)

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

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



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

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.

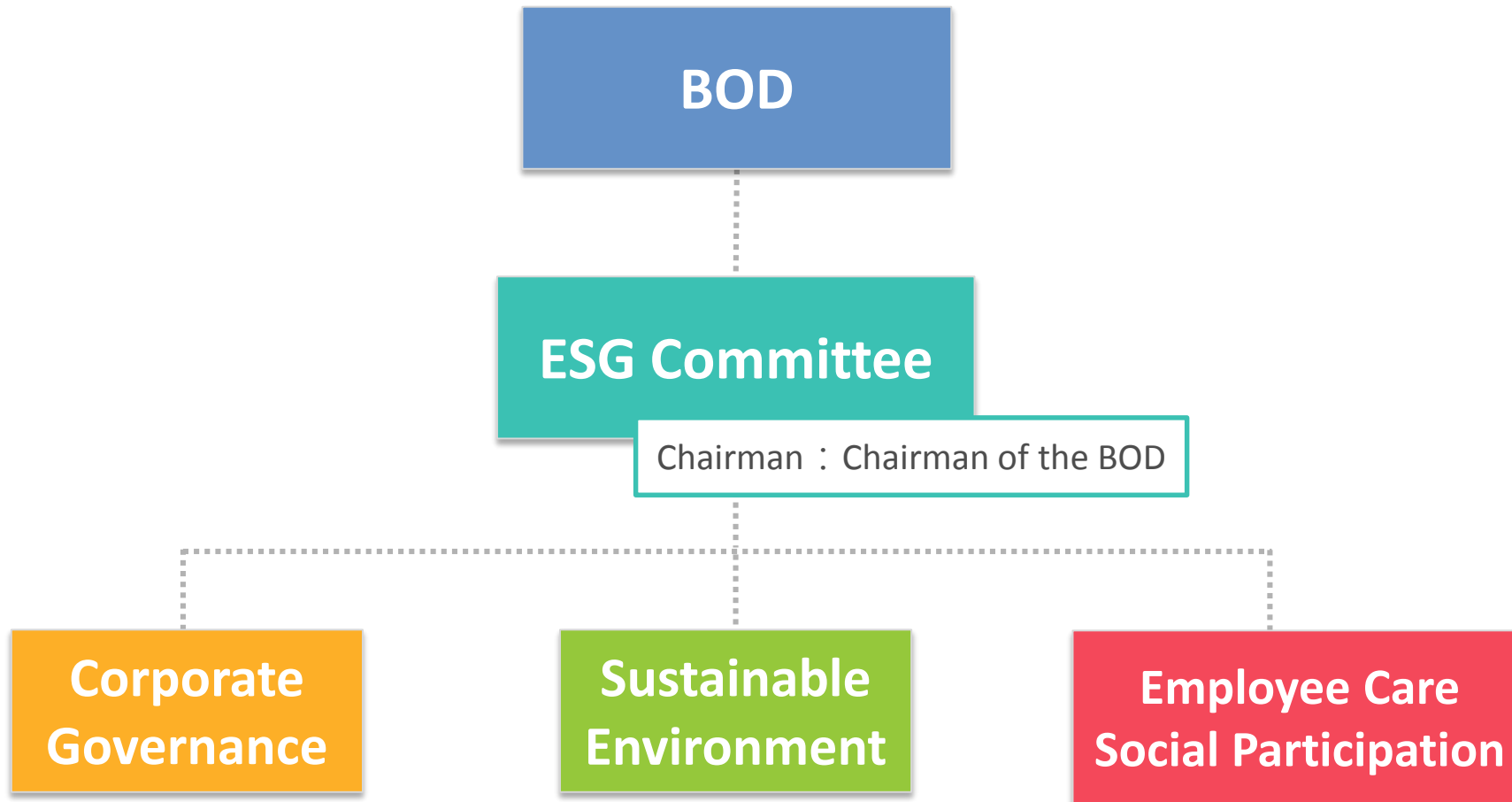
2020.06-2020.08

Set up the audit committee, BOD added a female director and appointed a corporate governance officer.

2022.09

Introduced ISO 14064-1:2018 GHG inventory criteria and have obtained SGS Assurance Statement

KMC ESG Committee

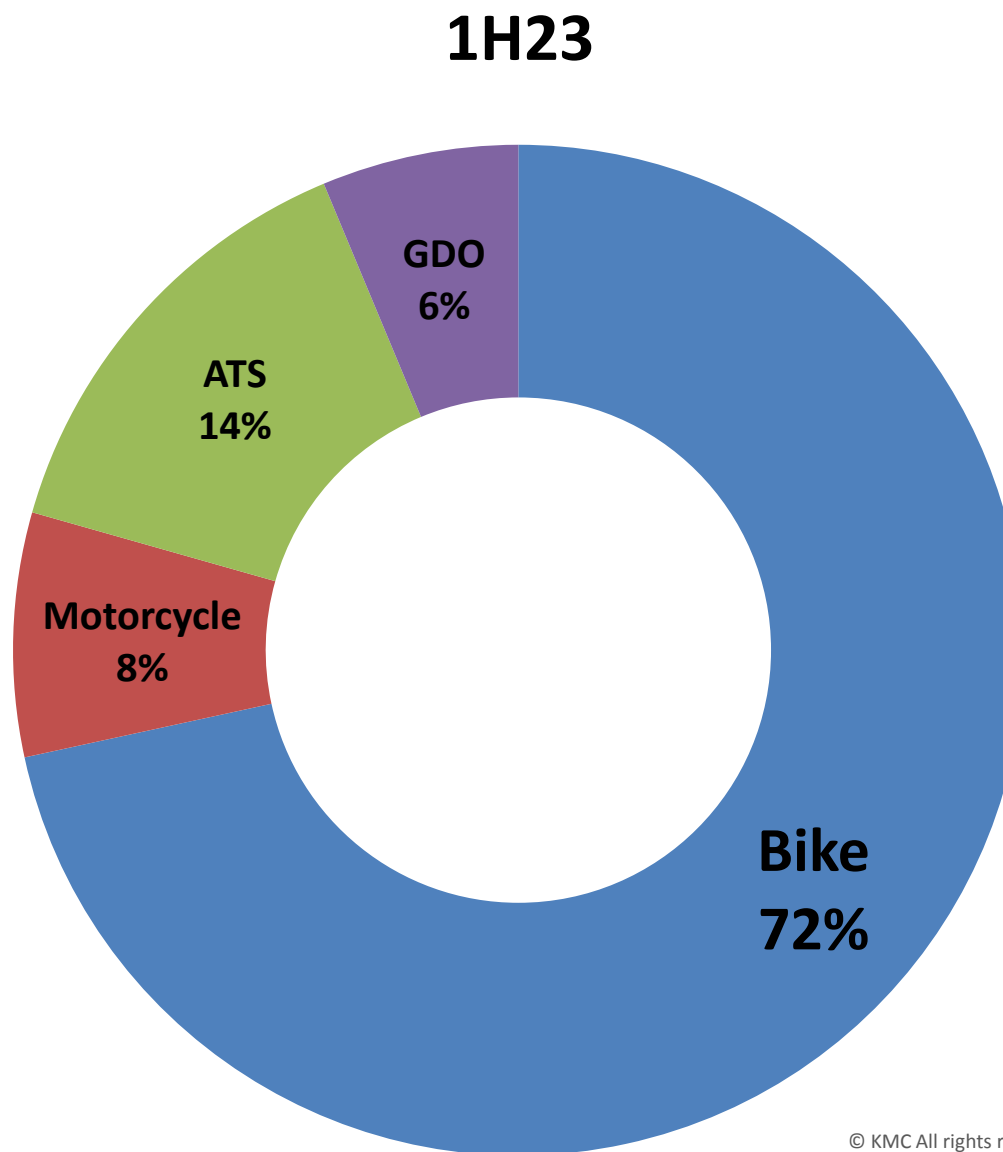
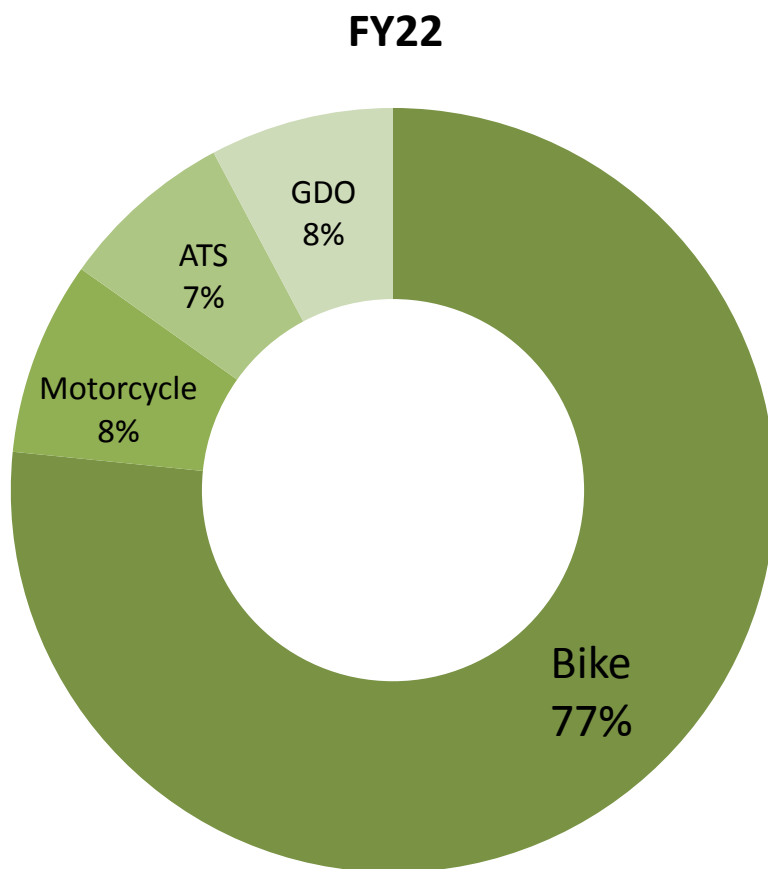


PART FOUR

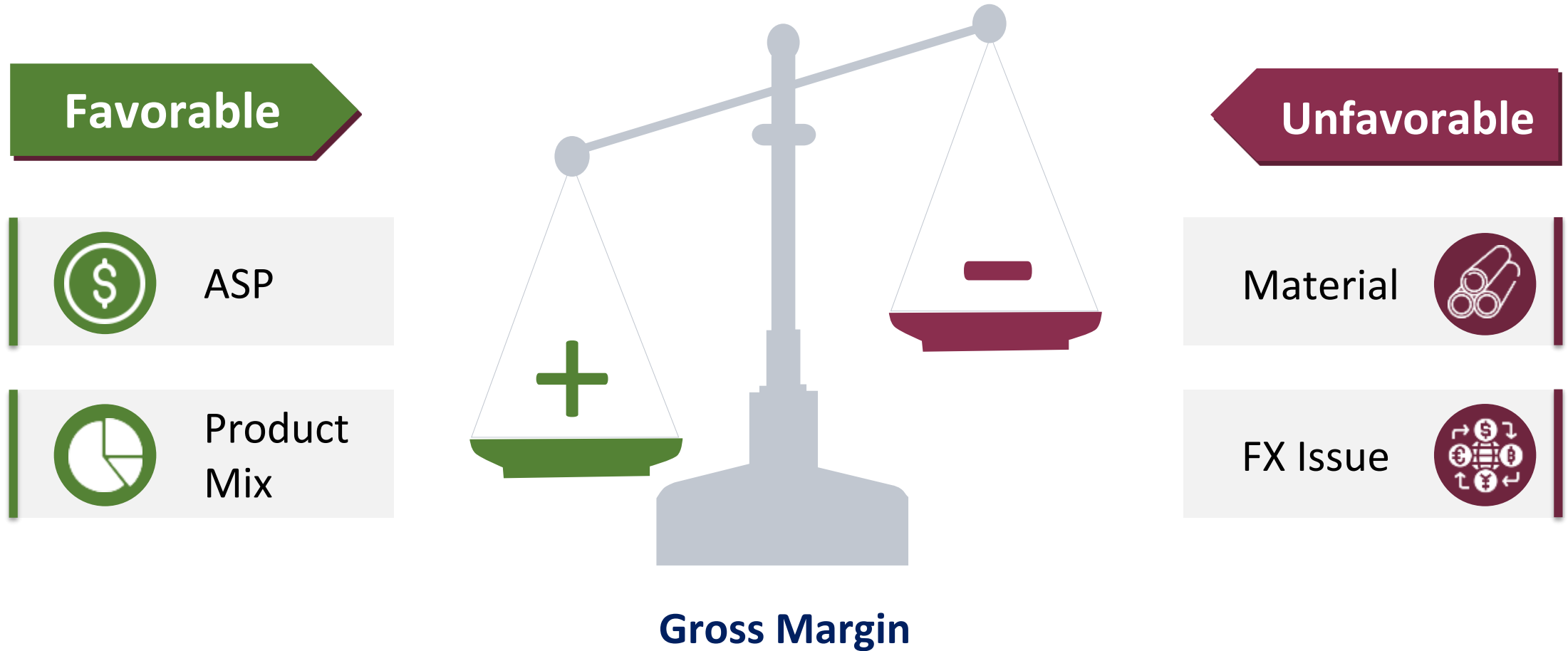
Financial Results



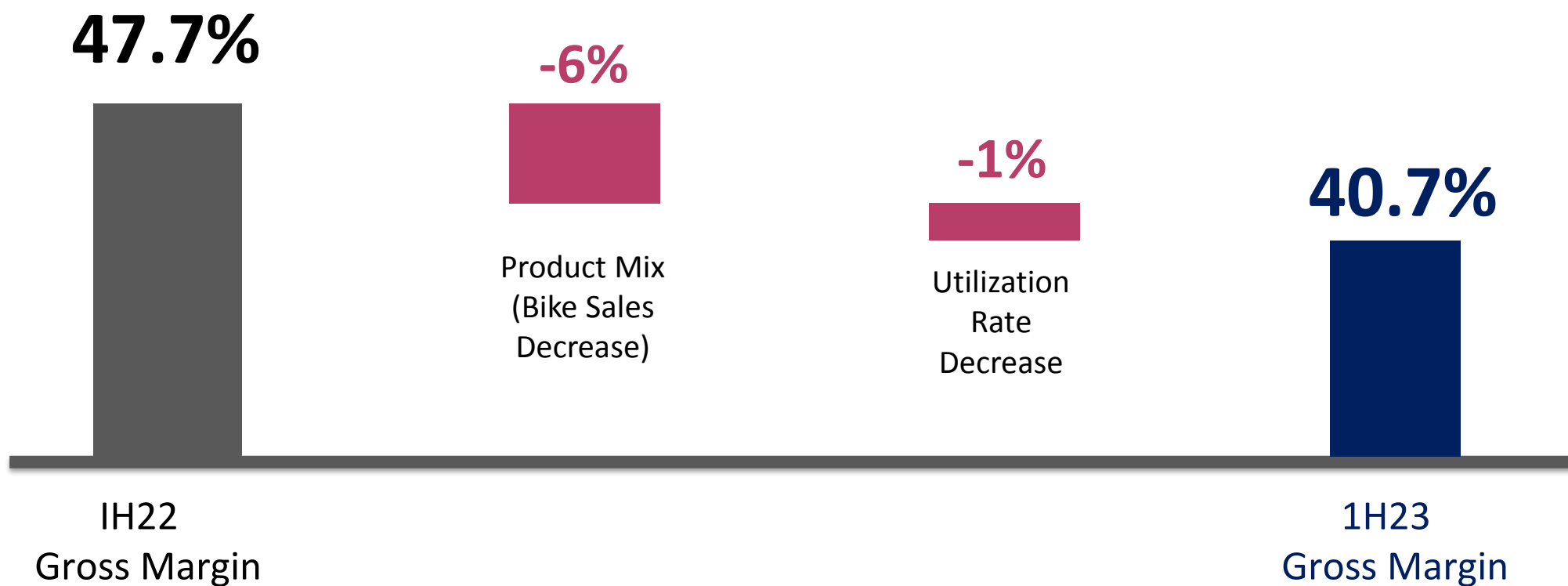
產品別業務比重(Contribution by BU)



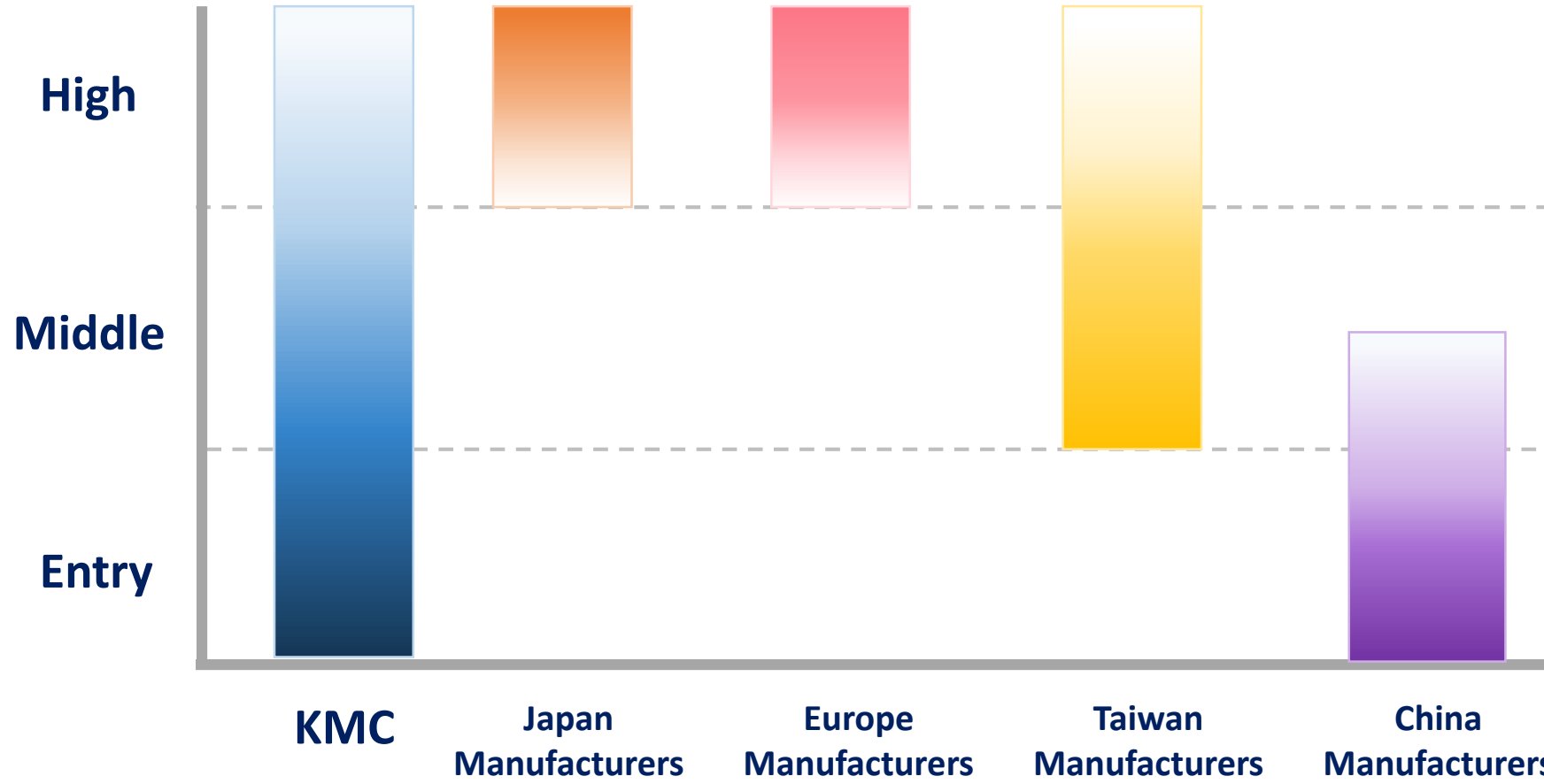
毛利率影響因子 (Important Factors of Gross Margin)



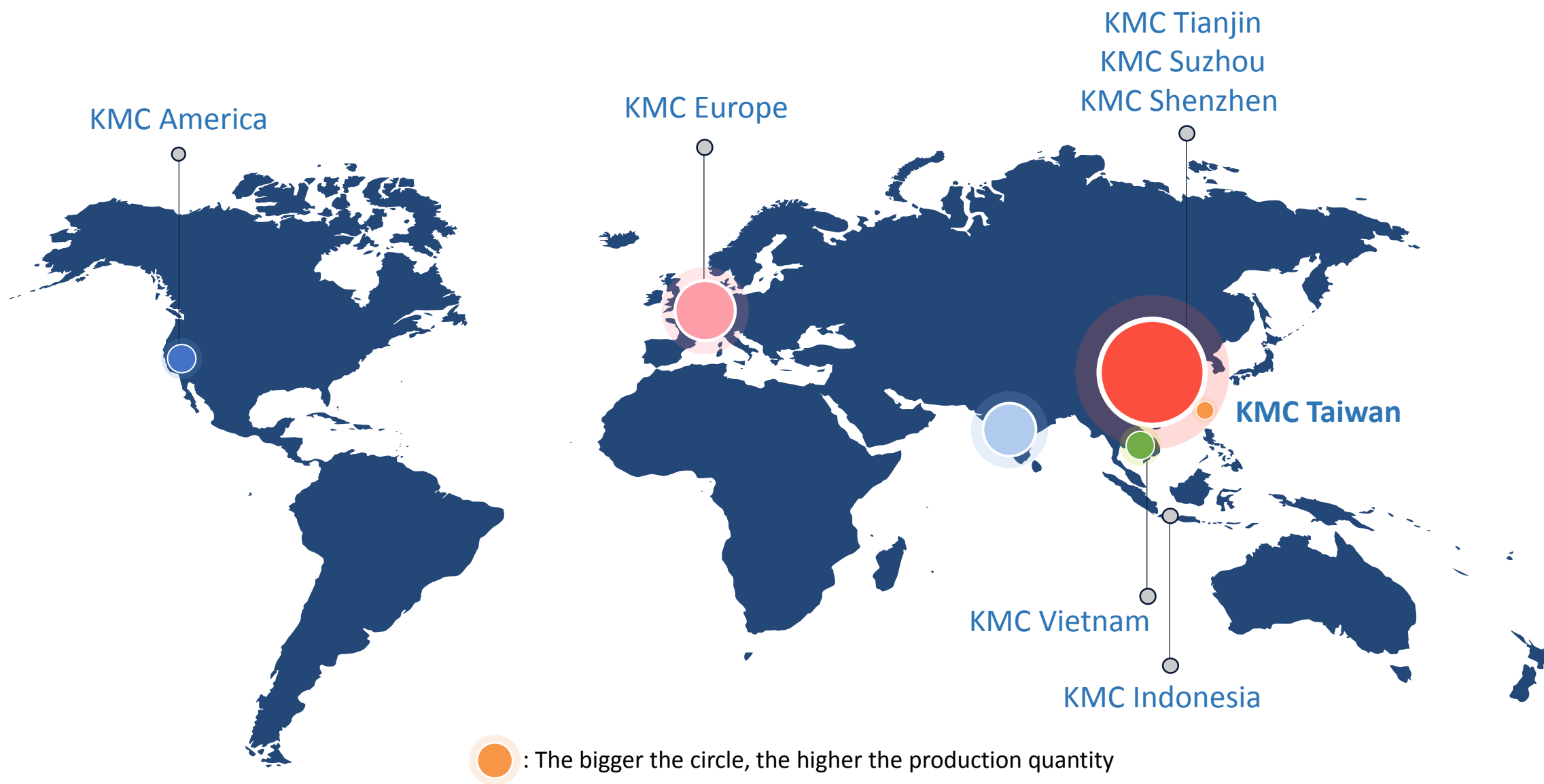
毛利率變動情形 (Change in Gross Margin)



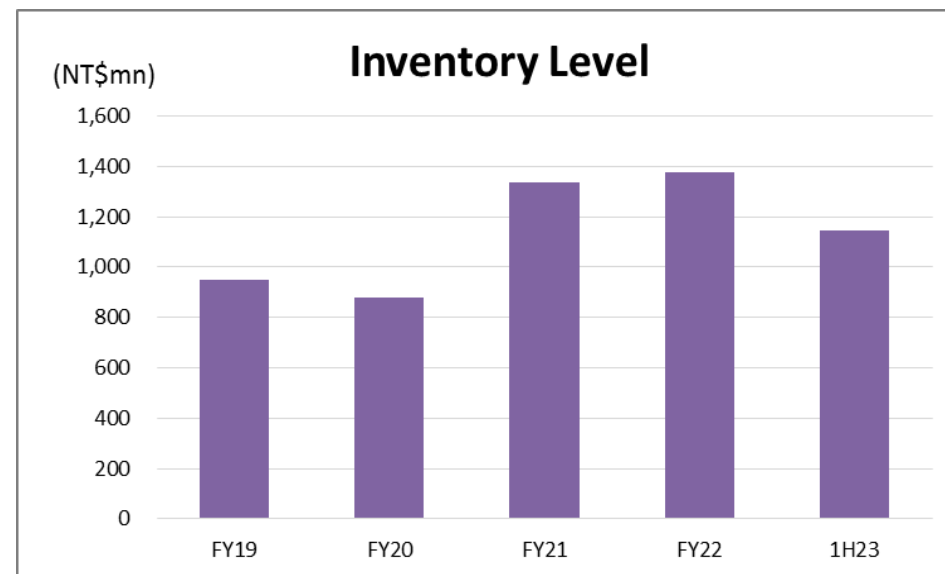
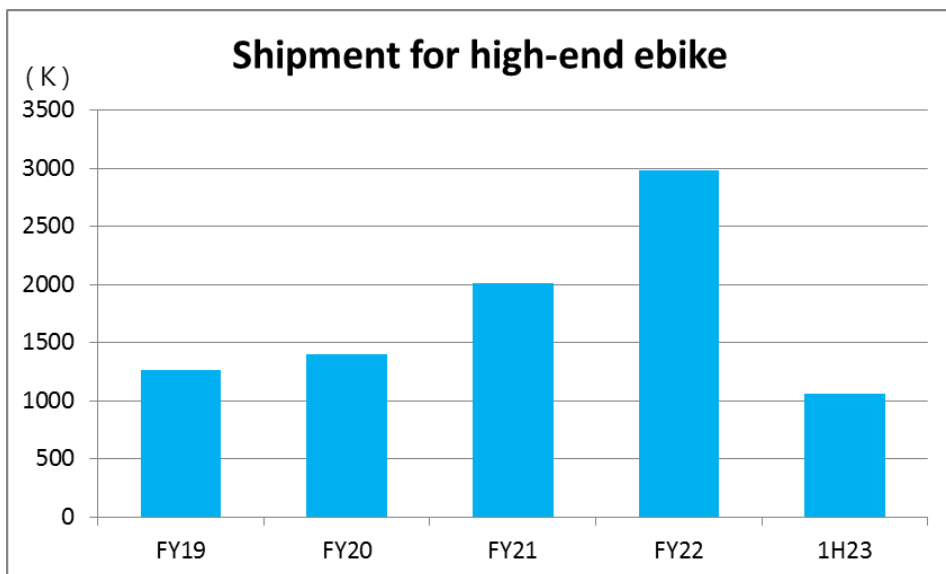
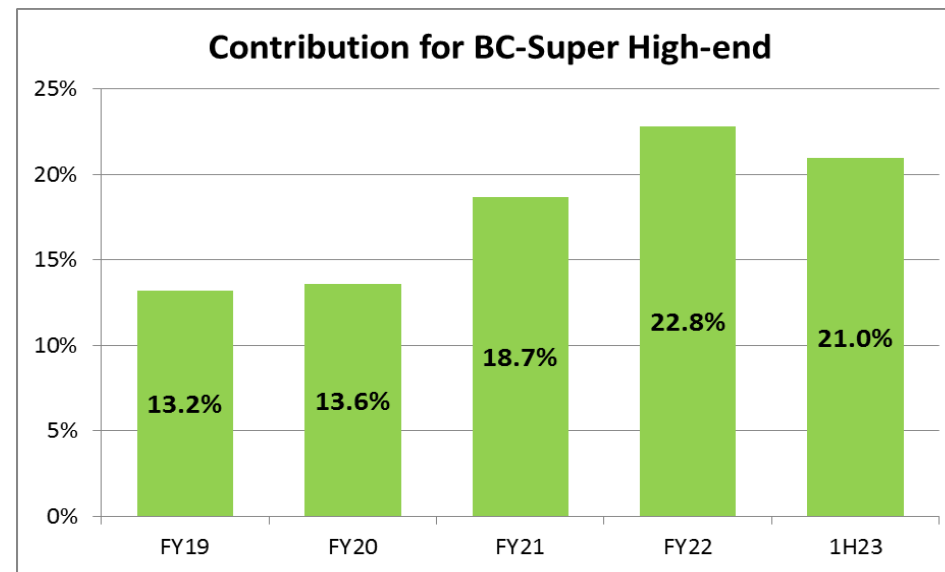
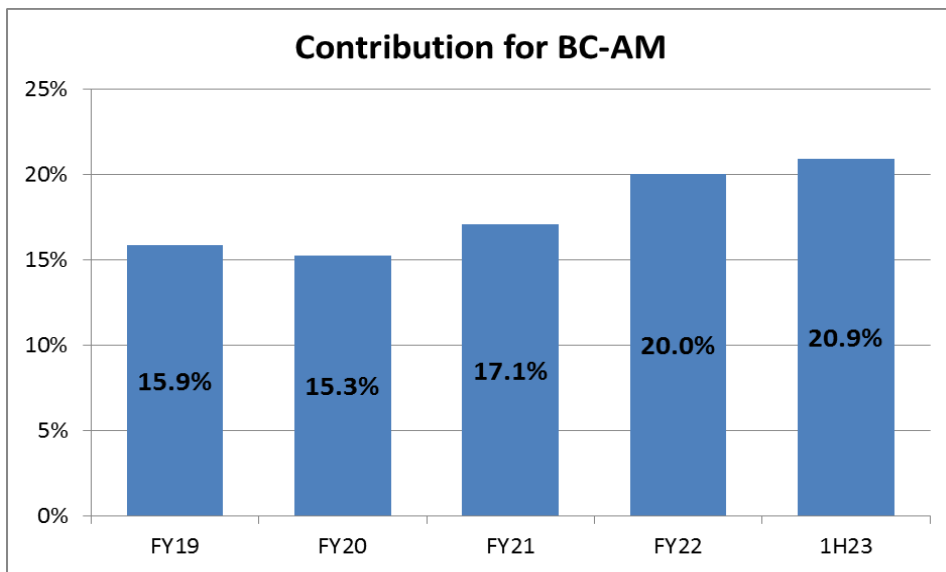
KMC Competitive edge – Product Advantage



KMC Competitive edge – Channel Advantage

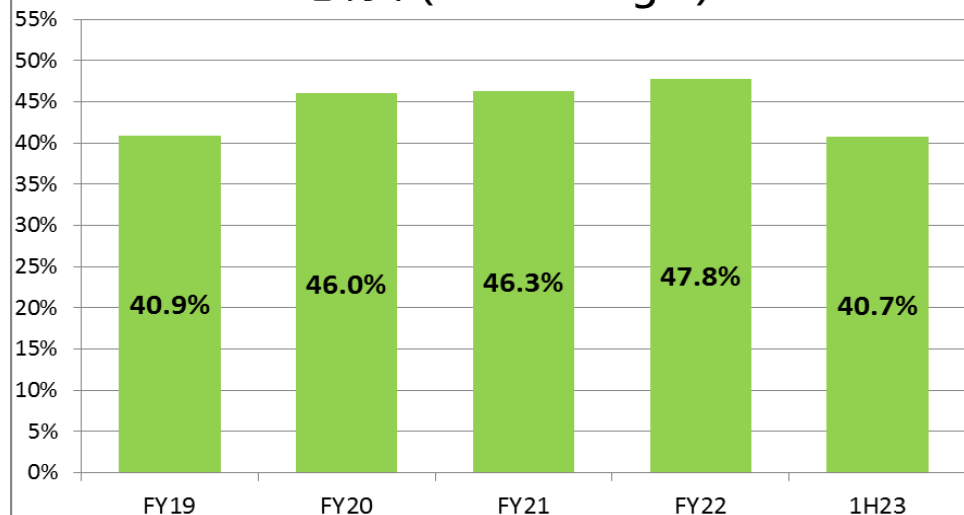


自行車鏈條事業部近期營運說明(Key Operating Update For Bike Chain)

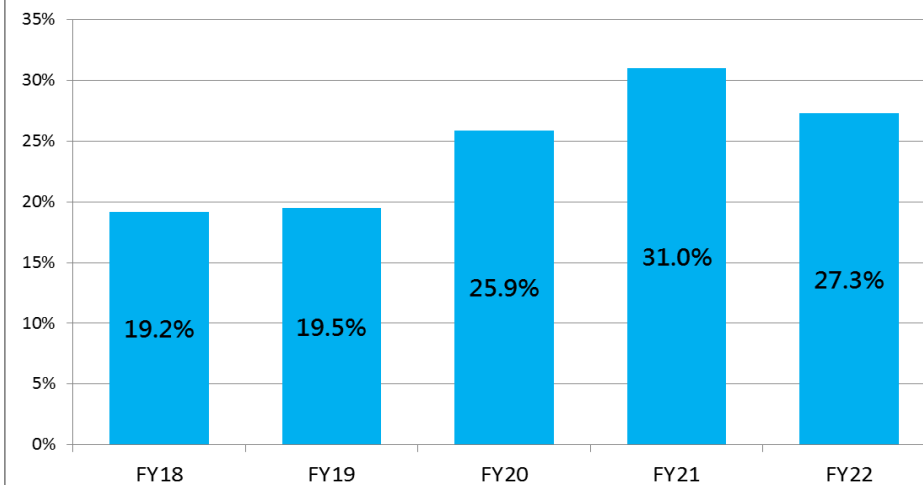


其他重要財務資訊(Other Financial Result)

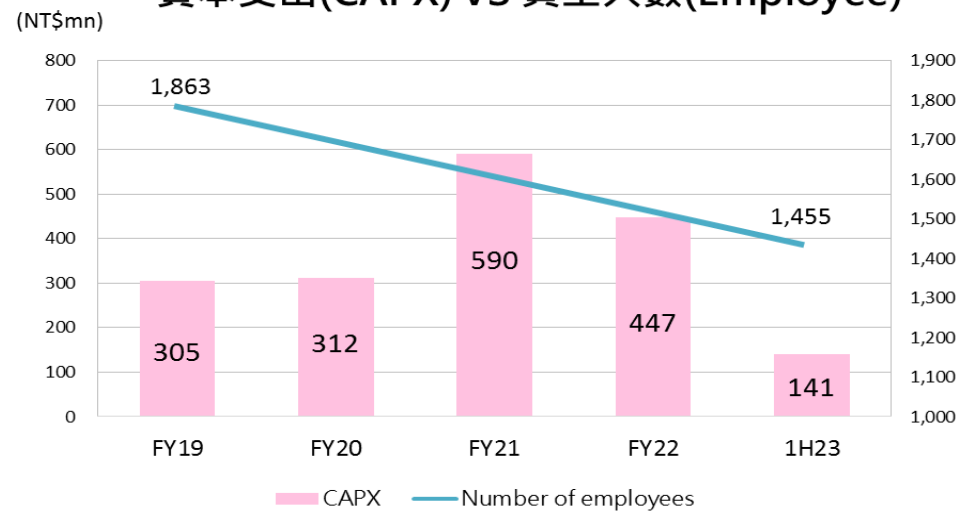
毛利率(Gross Margin)



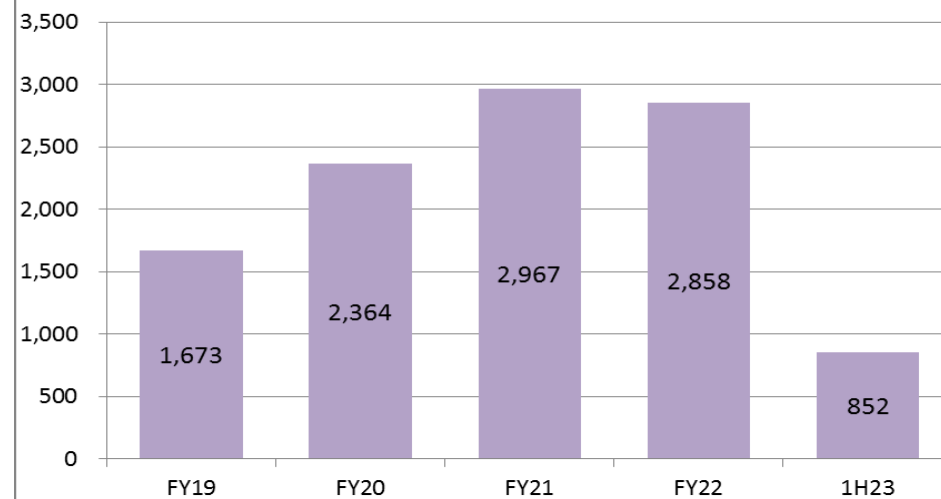
股東權益報酬率(ROE)



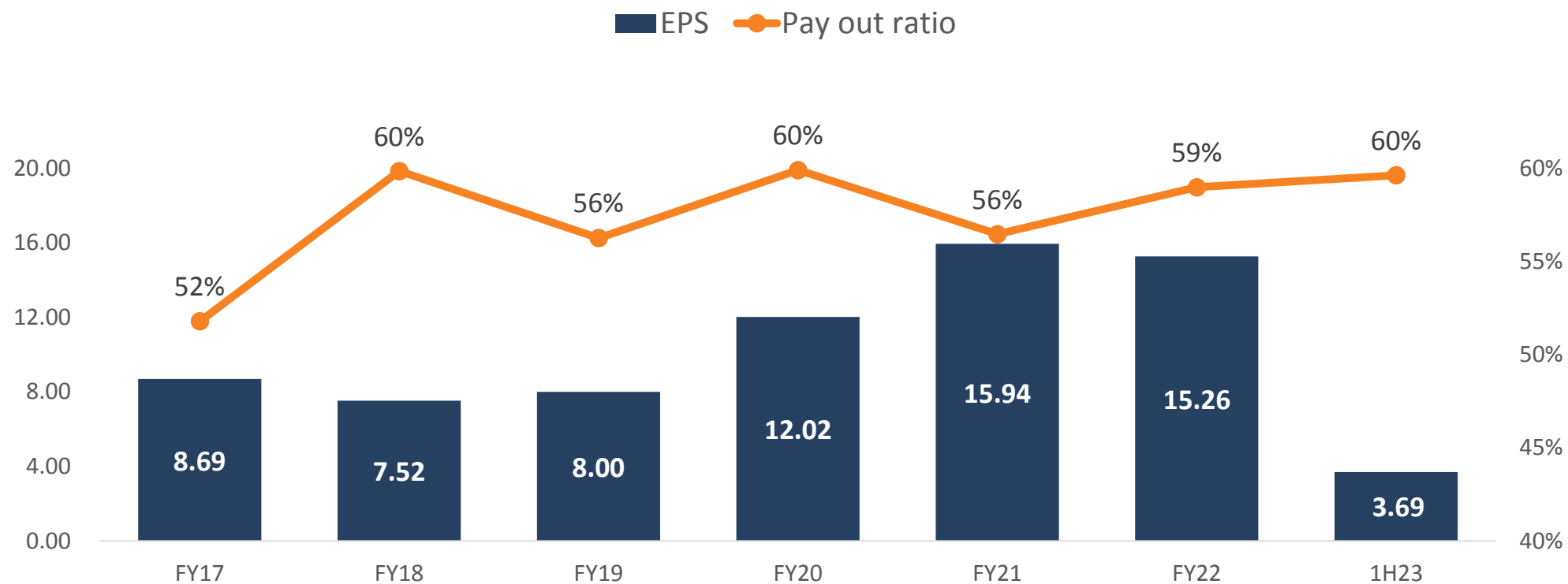
資本支出(CAPX) VS 員工人數(Employee)



EBITDA in NT\$m



股利政策(Dividend Policy)



| | Q1盈餘 (Q1 Earnings) | Q2盈餘 (Q2 Earnings) | Q3盈餘 (Q3 Earnings) | Q4盈餘 (Q4 Earnings) |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 除息月份 Ex-dividend Date | 9月 (Sep.) | 12月(Dec.) | 3月(Mar.) | 6月(Jun.) |
| 發放月份 Payment Date | 10月(Oct.) | 1月(Jan.) | 4月(Apr.) | 7月(Jul.) |

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

| | | FY19 | | FY20 | | FY21 | | FY22 | | 1H23 | |
|-----------|---------------------------|-------|------|--------|------|--------|------|--------|------|--------|------|
| 現金及約當現金 | Cash and cash equivalents | 1,766 | 18% | 1,991 | 19% | 2,031 | 18% | 3,392 | 27% | 3,348 | 28% |
| 其他流動資產 | Other current assets | 2,307 | 23% | 2,809 | 26% | 3,322 | 29% | 2,802 | 23% | 2,503 | 21% |
| 固定資產 | Fixed assets | 3,072 | 31% | 3,115 | 29% | 3,374 | 30% | 3,577 | 29% | 3,470 | 29% |
| 其他資產 | Other assets | 2,816 | 28% | 2,745 | 26% | 2,709 | 24% | 2,673 | 21% | 2,673 | 22% |
| 資產總計 | Total Assets | 9,961 | 100% | 10,660 | 100% | 11,436 | 100% | 12,444 | 100% | 11,994 | 100% |
| | | | | | | | | | | | |
| 銀行借款 | Loan from bank | 3,353 | 34% | 1,584 | 15% | 1,176 | 10% | 1,648 | 13% | 1,818 | 15% |
| 其他及長期負債 | Other liabilities | 1,330 | 13% | 2,674 | 25% | 3,718 | 33% | 3,273 | 26% | 2,723 | 23% |
| 負債合計 | Total Liabilities | 4,683 | 47% | 4,257 | 40% | 4,894 | 43% | 4,921 | 40% | 4,541 | 38% |
| 股本 | Capital | 1,260 | 13% | 1,260 | 12% | 1,260 | 11% | 1,260 | 10% | 1,260 | 11% |
| 保留盈餘及其他 | Retained Earnings | 4,018 | 40% | 5,143 | 48% | 5,282 | 46% | 6,263 | 50% | 6,193 | 52% |
| 股東權益合計 | Total Equity | 5,278 | 53% | 6,403 | 60% | 6,542 | 57% | 7,523 | 60% | 7,453 | 62% |
| 負債及股東權益總計 | Liabilities and Equity | 9,961 | 100% | 10,660 | 100% | 11,436 | 100% | 12,444 | 100% | 11,994 | 100% |

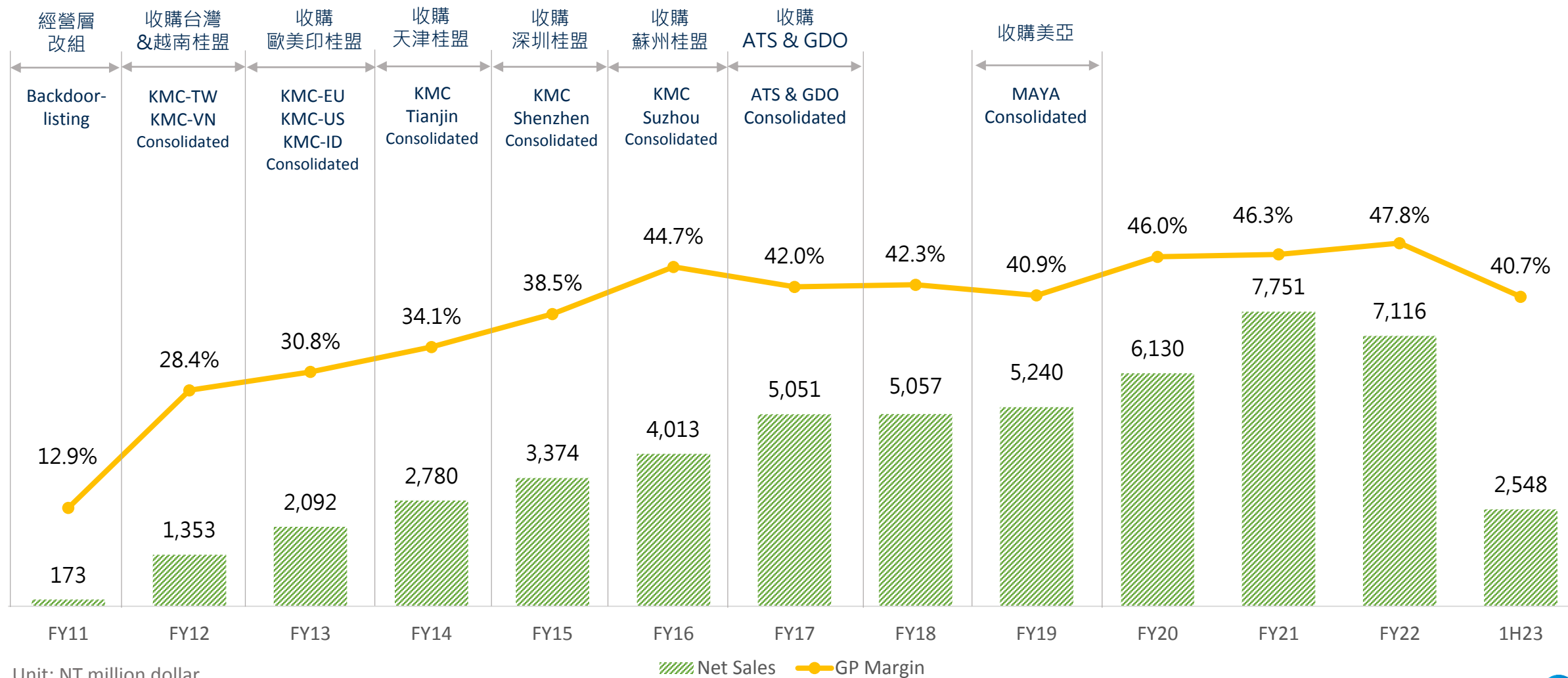
簡要合併損益表 (Consolidated Income Statement)

合併損益表 Consolidated Income Statement (Audited)

新台幣百萬元/Unit:NT\$ million

| | | FY18 | | FY19 | | FY20 | | FY21 | | FY22 | | 1H23 | |
|------|------------------|-------|------|-------------------|------|-------|------|-------|------|-------|------|-------|------|
| | | | | 收購MAYA | | | | | | | | | |
| | | | | MAYA consolidated | | | | | | | | | |
| 營業收入 | Net Sales | 5,057 | 100% | 5,240 | 100% | 6,130 | 100% | 7,751 | 100% | 7,116 | 100% | 2,548 | 100% |
| 營業毛利 | Gross Profit | 2,139 | 42% | 2,143 | 41% | 2,819 | 46% | 3,589 | 46% | 3,401 | 48% | 1,038 | 41% |
| 營業利益 | Operating Profit | 1,226 | 24% | 1,254 | 24% | 1,974 | 32% | 2,576 | 33% | 2,340 | 33% | 597 | 23% |
| 淨利 | Net Income | 948 | 19% | 1,007 | 19% | 1,515 | 25% | 2,008 | 26% | 1,922 | 27% | 464 | 18% |
| 每股盈餘 | EPS(NT Dollars) | 7.52 | | 8.00 | | 12.02 | | 15.94 | | 15.26 | | 3.69 | |

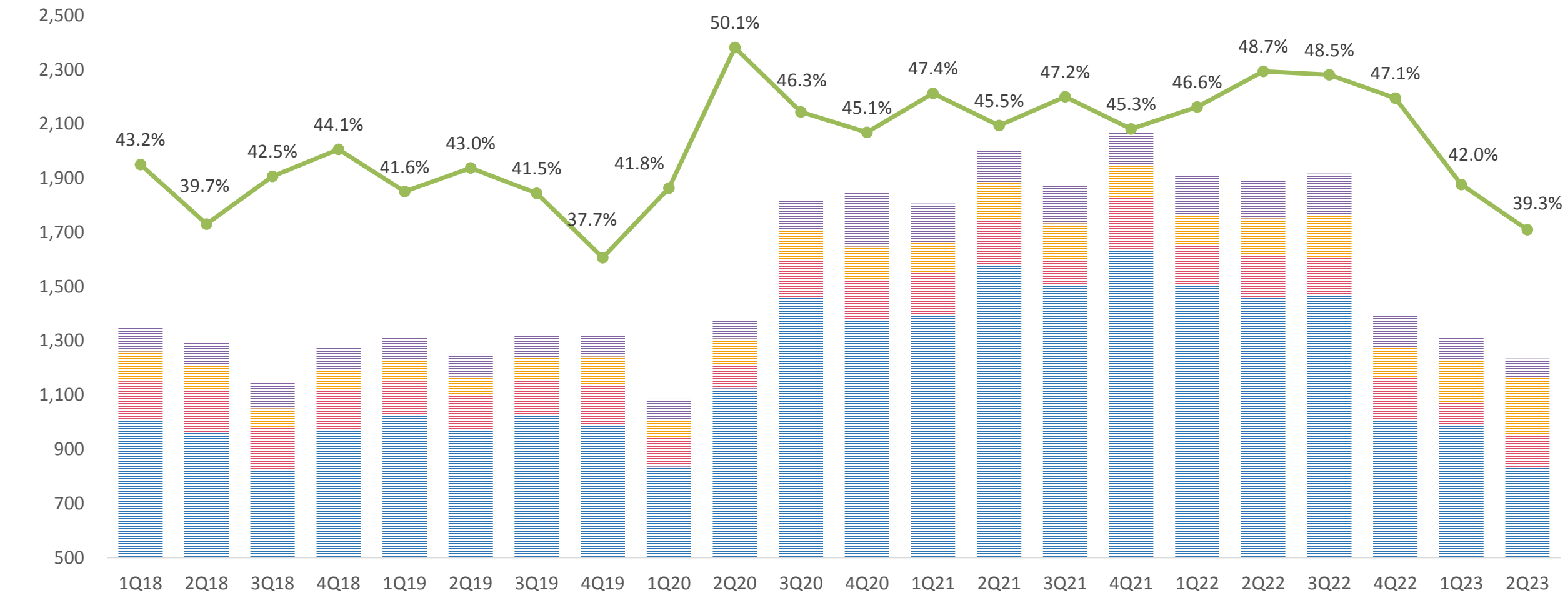
歷年營收及毛利率 (Annual Net Sales & GP Margin)



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

Unit: NT million dollar

BC MT ATS GDO Consolidated GP Margin





KMC 桂盟

The Largest Chain Manufacturer In The World

