



***LINK TO
PERFECTION***



KMC (5306 TT) Investor Report for 1Q19

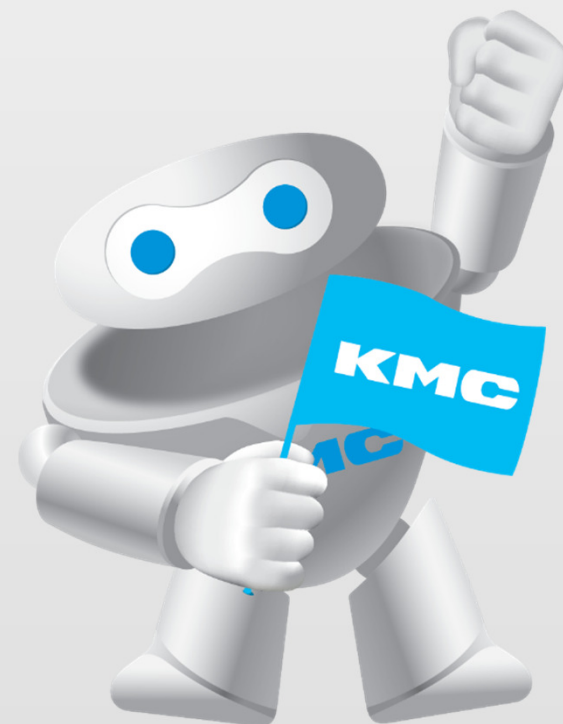
May, 2019

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.

Agenda

- ◆ KMC Group
- ◆ Pursuit of Excellence
- ◆ Integration & Development plans
- ◆ Financial Summary

KMC Group



The Pursuit of Perfection

The foundation of KMC was initiated in 1977 with the purchase of several second-hand chain manufacturing machines by KMC founder, Charles Wu. At that time, it was the smallest chain manufacturer in the world, but with Charles determination and professionalism coupled with superior manufacturing processes ,KMC quickly became the market leader in chains.

KMC Group the world's largest chain manufacturer



6 return trips

**Total production quantity by
distance since 1977**

Milestone

2017, 5th Golden Decade Plan

- 1977, Established
- 1986 started partnership with SHIMANO
- 1989, Composition Cross-Straits
- 2000, Global Operation
- 2012, Listed, start to Intergrade and Develop
- 2014, Strategy Partners introduced

Global Distribution, KMC reaches over 150 countries in 13 languages



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

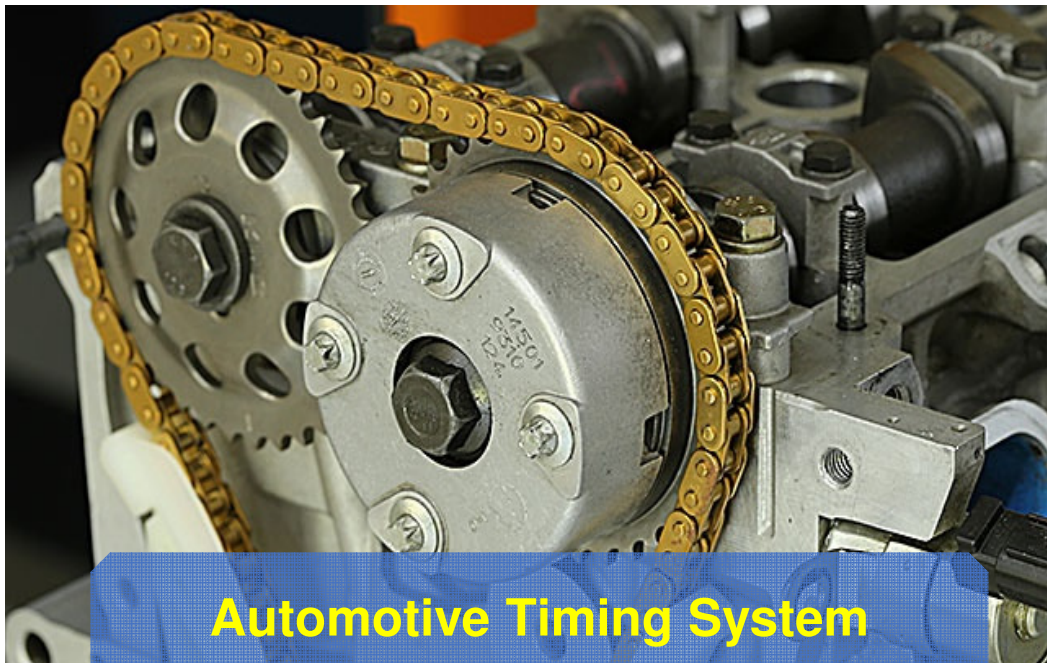
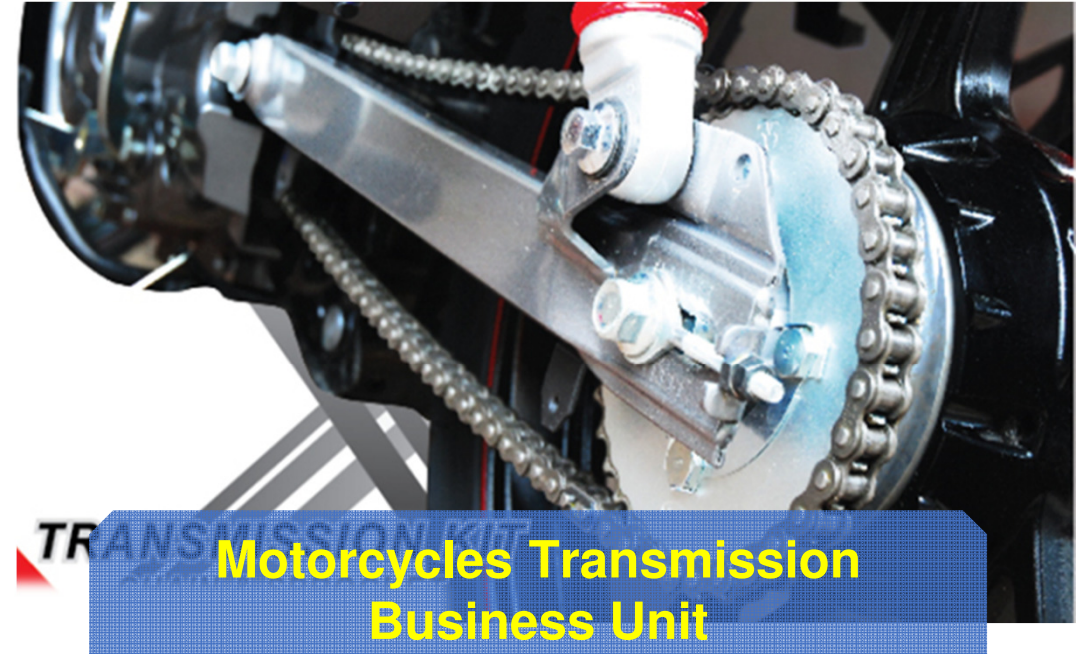
 **China Headquarters & Research Center**
◎ Suzhou, Jiangsu

 **Global Production Sites**
◎ Tainan x2
◎ Shenzhen x3
◎ Suzhou x2
◎ 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 Group & its Business Units



Business of KMC Group

KMC

Bicycle Chain

**Motorcycle
Transmission**

**Automobile
Timing System**

**Garage Door
Opener**

Taiwan

Netherland

Vietnam

Indonesia

Shenzhen

Shenzhen

Shenzhen

America

Taiwan

Suzhou

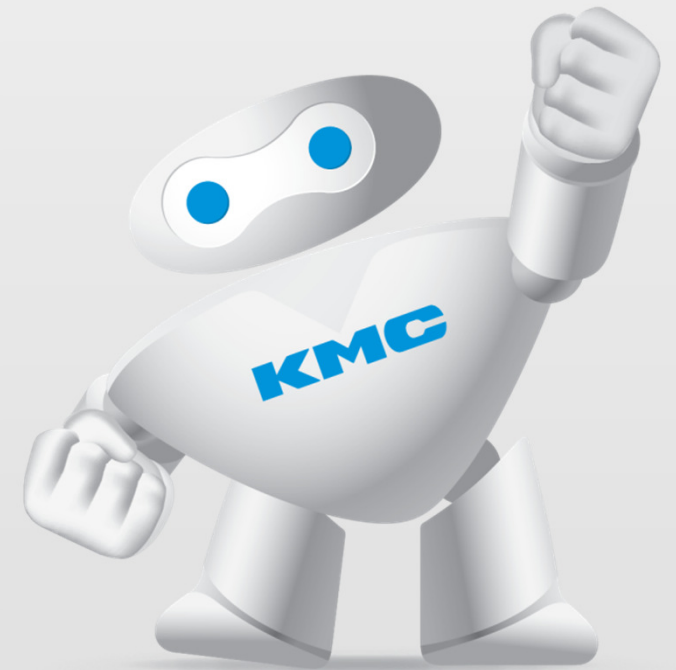
KMC

Tianjin


TEC

MAYA*

* Consolidated in 1Q19



Pursuit of Excellence



13 iF Awards in 10 consecutive years
5 Red Dot Awards in 3 years

Experts in chains, we just can't help but bring home awards for our chains, year after year.

* German iF Design Award and TAIPEI CYCLE d&i Award organized by iF



Setting industry standards, KMC has won many awards since its inception. We were first to introduce lightweight chains, custom color chains, titanium coated chains, and DLC coated chains, which have won several iF and Red Dot design awards.

KMC chains are now the chain of choice of champion riders, helping them win two golds and two silvers at the Beijing Olympics, two golds and one silver at the London Olympics, and many more wins including at the Vuelta a Espana and KOM and Tour de France KOM.

For these reasons KMC has made the list of the "Best Consumer Brands" survey.

New X series chain



12 speed X chain



BMX Kool Knight Chain



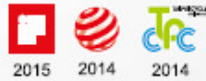
X-EPT Series



2017



City Hunter



X-Super Light
DLC Chain



2015



Jaws Ergo Drivetrain



eBike



2016



Safe MissingLink



2009



PinkLady



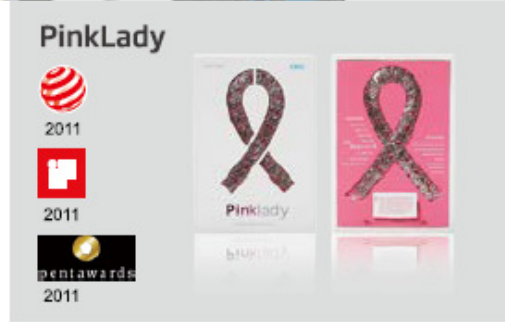
2011



2011



2011



Ceramic-like
Coated Chain



2014



Klick Link



2016



2010

X-Super Light
Champion Gold Chain



iChecker



2013



ECO Chain



2013



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- DHII 3rd
2017 Cyprus Sunshine Cup Afxentia 2nd

Sabine Spitz (Wiwis bikes pro team)

2017 MTB Elite Women German National Champion
2017 UCI MTB Elite Women Marthon 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 DHII Champion
2017 UCI MTB Elite Women World Championships DHII 3rd

Alise Post

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



(Photo: Stiehl)

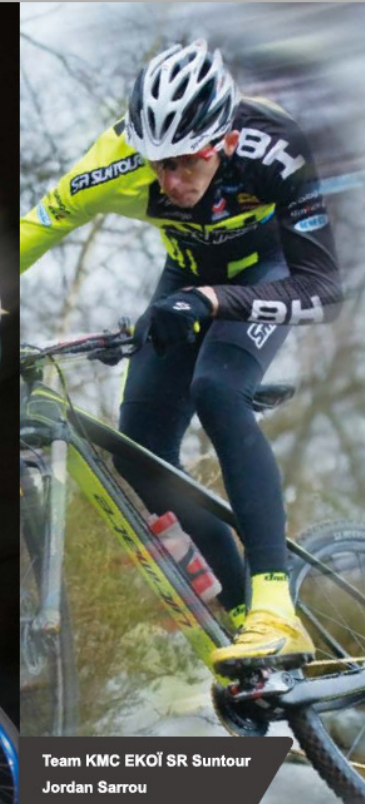
Team Dimension Data
Edvald Boasson Hagen



Team Caja Rural - Seguros RGA



Chase Bicycles Team
Joris Daudet



Team KMC EKOI SR Suntour
Jordan Sarrou



Polygon UR –
2017 UCI Gravity Team Leader

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.

Dream-Maker Sponsorship



Disabled Cyclist Around Taiwan



Yellow Ribbon Dream-Maker Projects



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



轉動熱情

轉動熱情



深圳市轉動熱情
體育基金會



公益信託
桂盟關懷公益基金



Tainan Cycling Festival



Passion for Cycling



Taiwanese Cycling Teams
Sponsorship



Earth Choir Sponsorship

KMC Green Policy

KMC believe that the advancement of tech and life should go hand in hand.

For us, finding new ways to give back to the environment and our community, and helping to create more wealth for everyone is every bit as important as developing new solutions and increasing productivity.

We work tirelessly on innovating greener products and we are investing more and more into lowering the impact our products have on the environment.

We are proud to be part of the green transport industry and we meet or surpass each requirement imposed on us by the government.

We also take very seriously the wellbeing of our workers, making sure that factories, storage facilities and transport vehicles are up to safety standards.



Unique KMC Chain



最高小軸嵌合力
Highest Pin Power

KMC 黃金鍍鈦塗層
KMC Titanium Nitride Coating

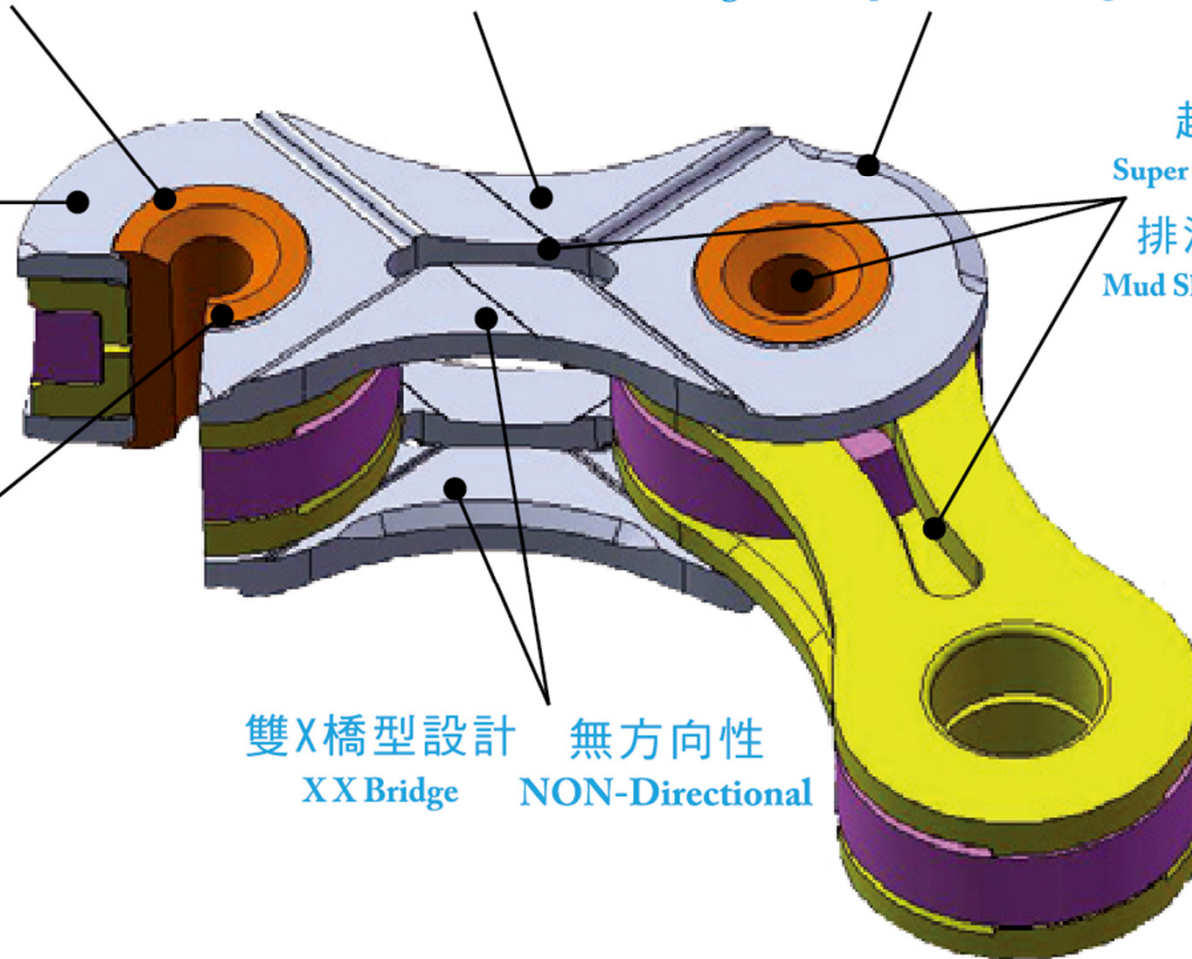
最佳導角設計
Optimal Chamfering

高剛性
High Rigidity

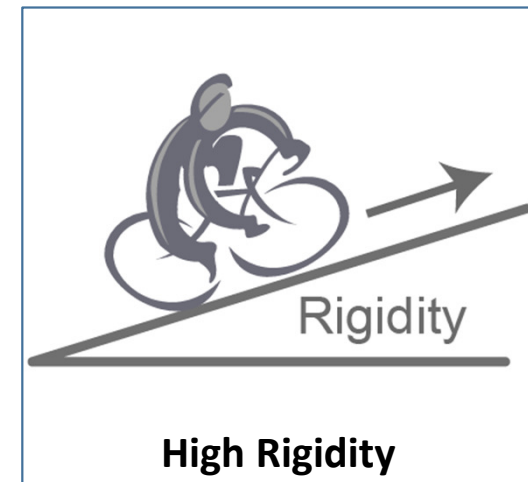
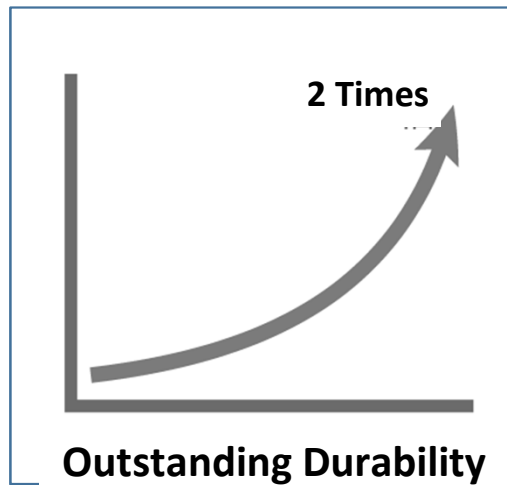
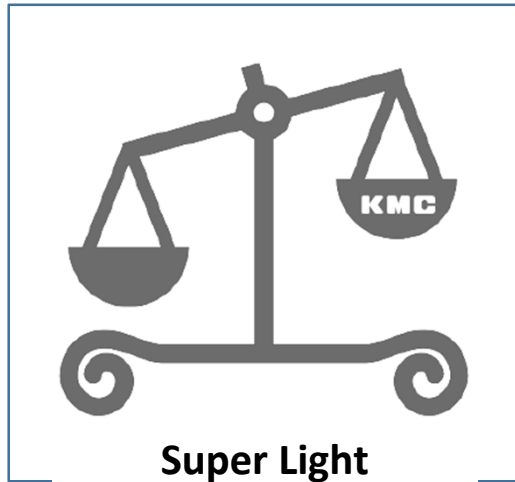
超輕量
Super Light Weight
排泥孔設計
Mud Shedding Design

超強耐磨耗
XX Durability

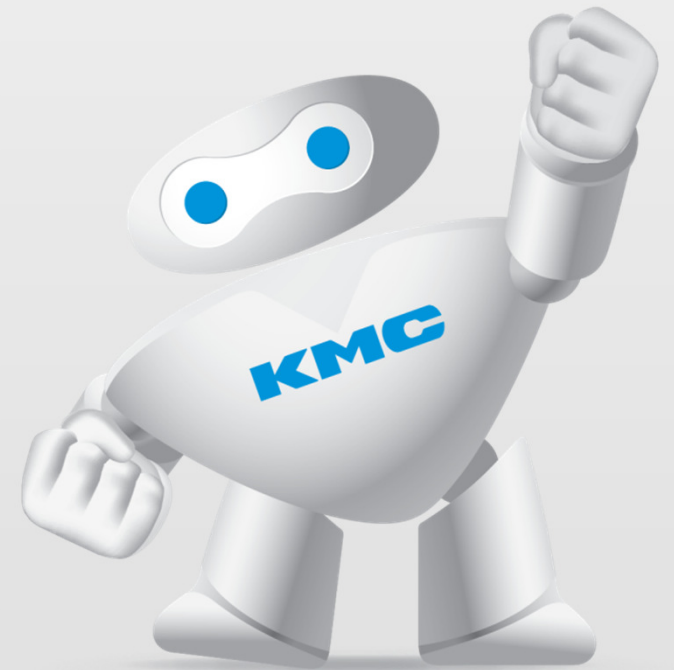
雙X橋型設計 無方向性
XX Bridge NON-Directional



Why KMC Chain ?



KMC FUN



KMC FUN

KMC的有趣資訊



The distance of KMC yearly production can circle the earth 5 times.

一年所生產的鏈條可環繞地球5圈

The biggest transportation service company in the world.

全球最大運輸公司



Daily service around 10% of population.

每日載運 10%人口

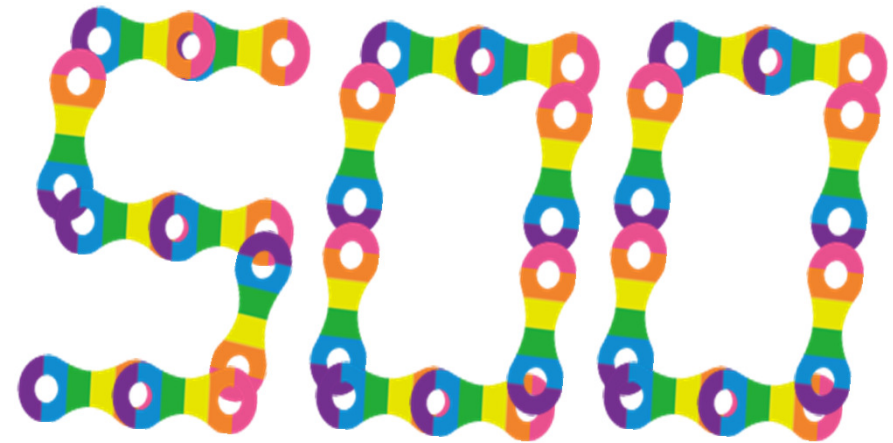


KMC FUN

KMC的有趣資訊



The World biggest Cycling GYM & Club
全球最大的自行車健身俱樂部

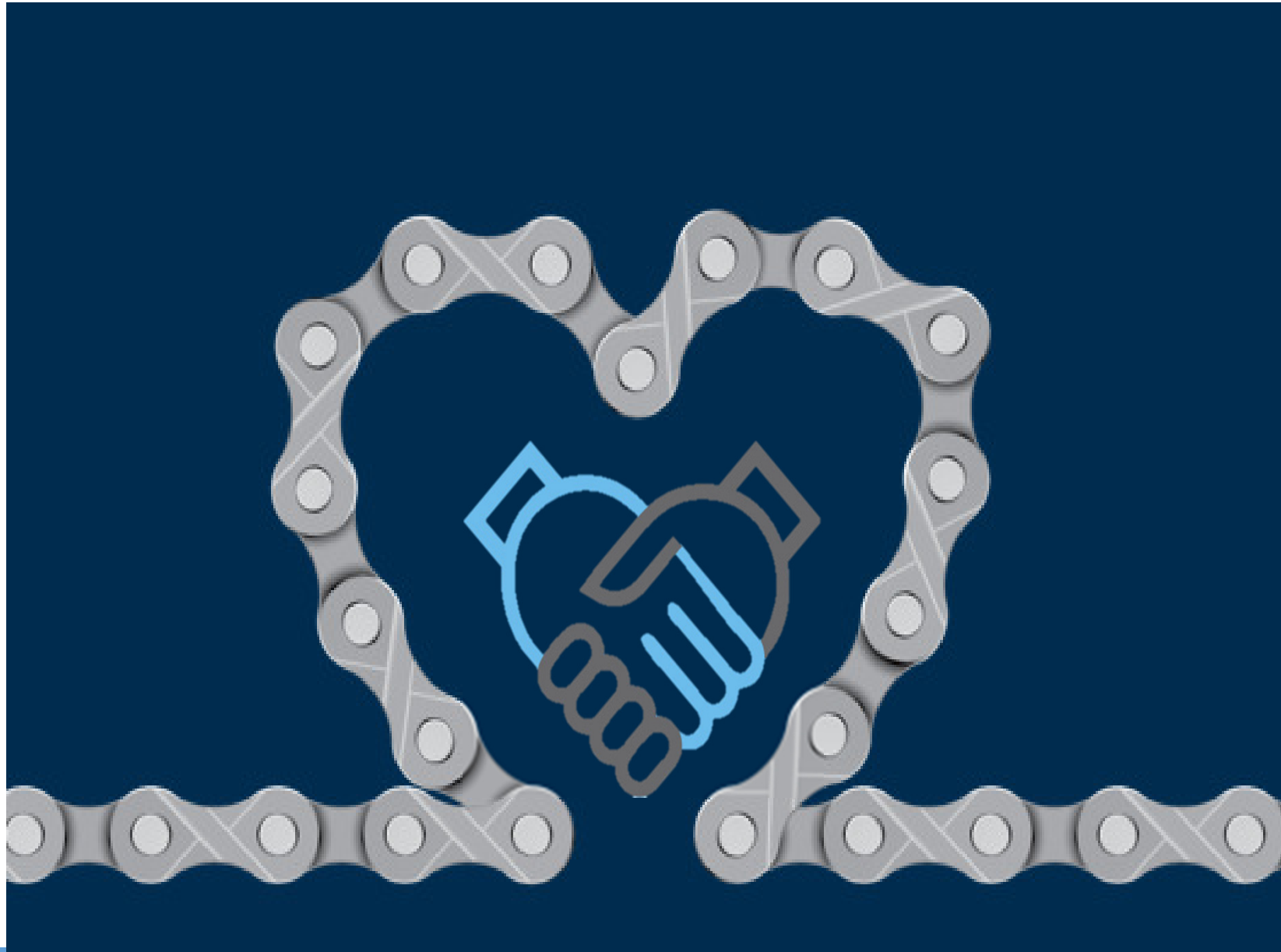


1 chain is made by more than 500
pieces of parts

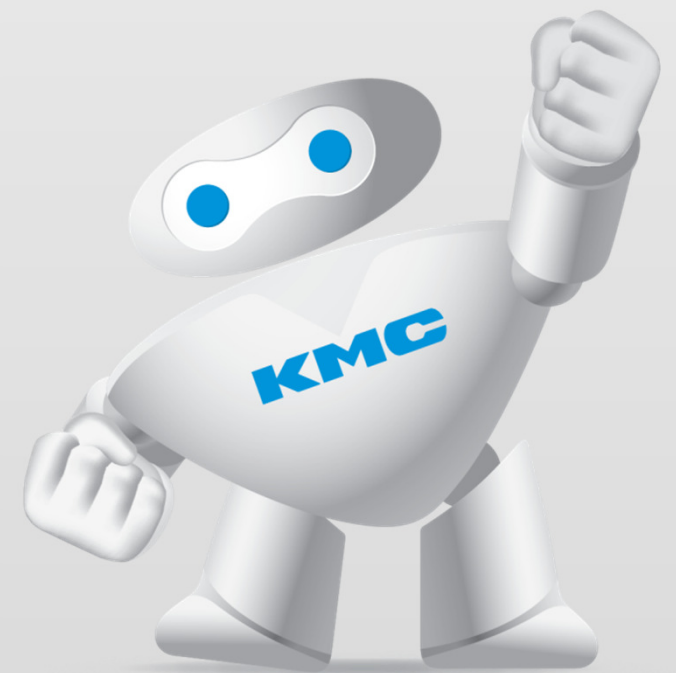
500個零件才能構成一條鏈條



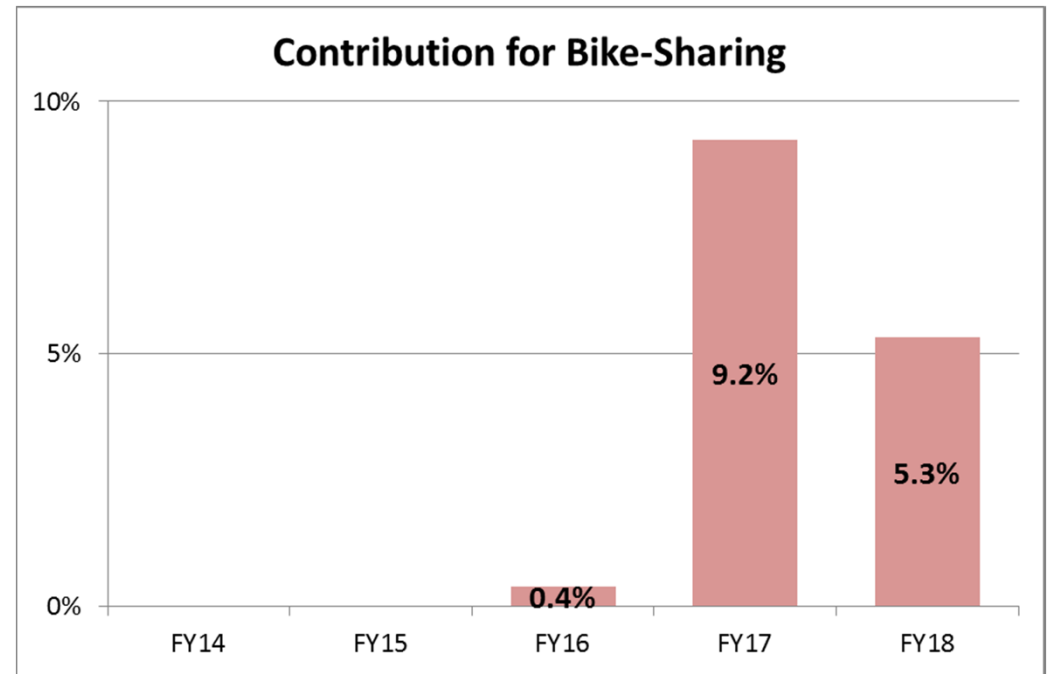
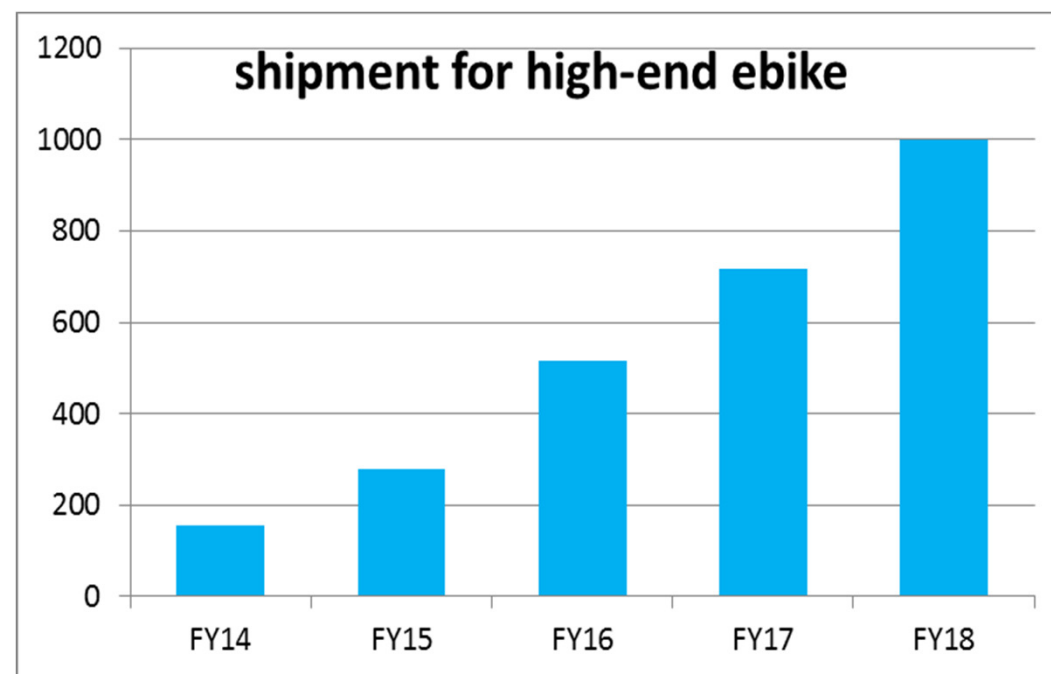
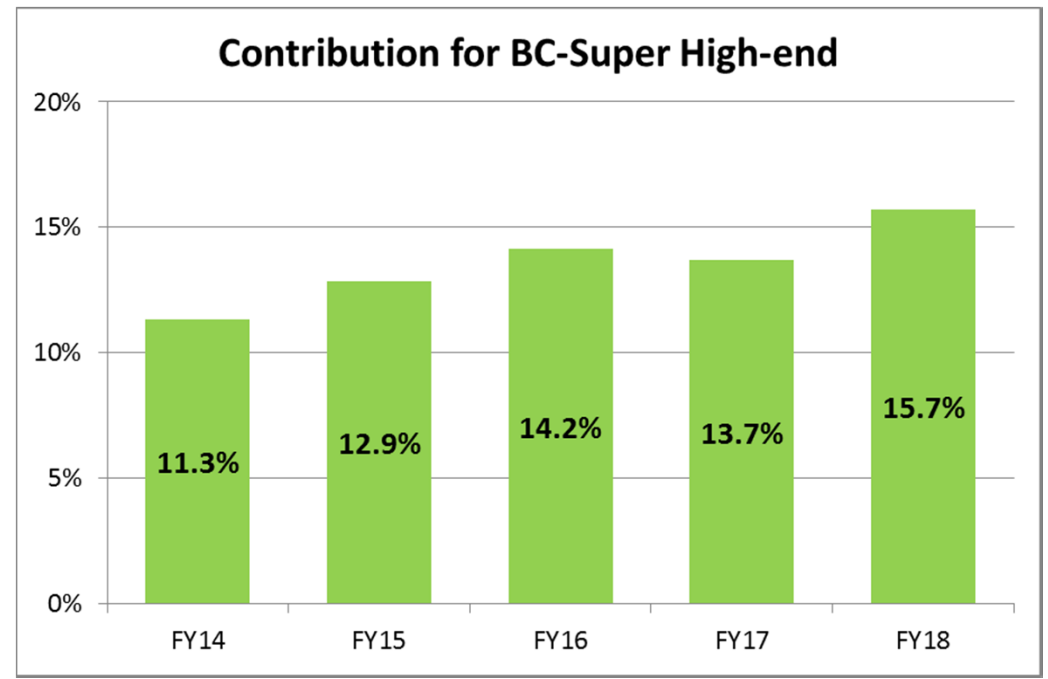
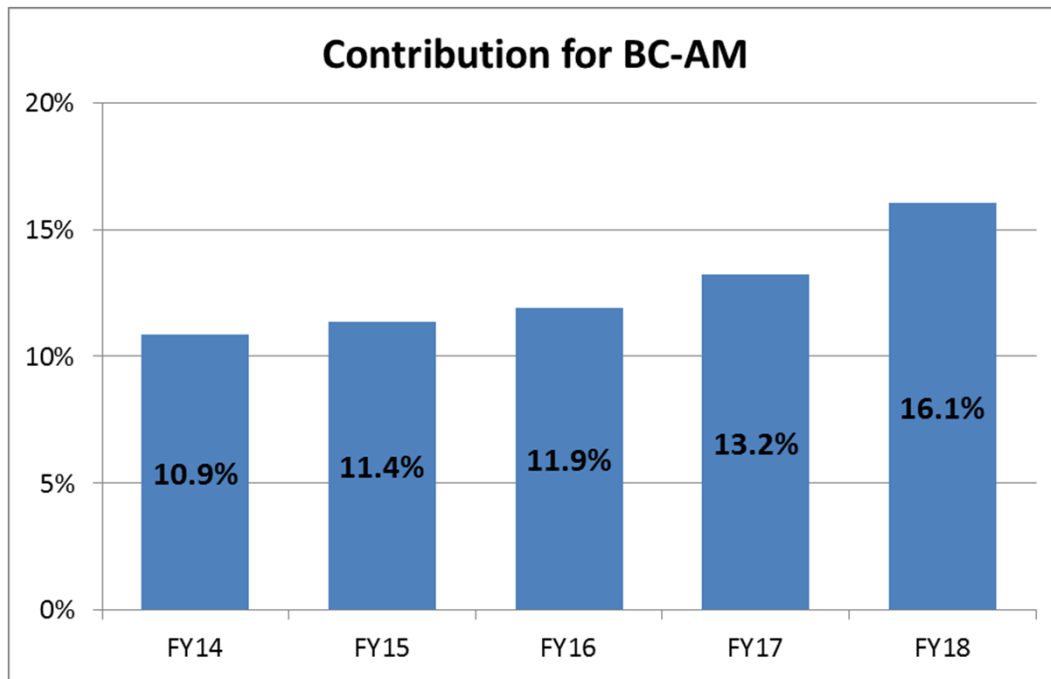
KMC is the biggest insurance company to guarantee 700M riders safety.



Financial Result



Key operating update for Bike Chain

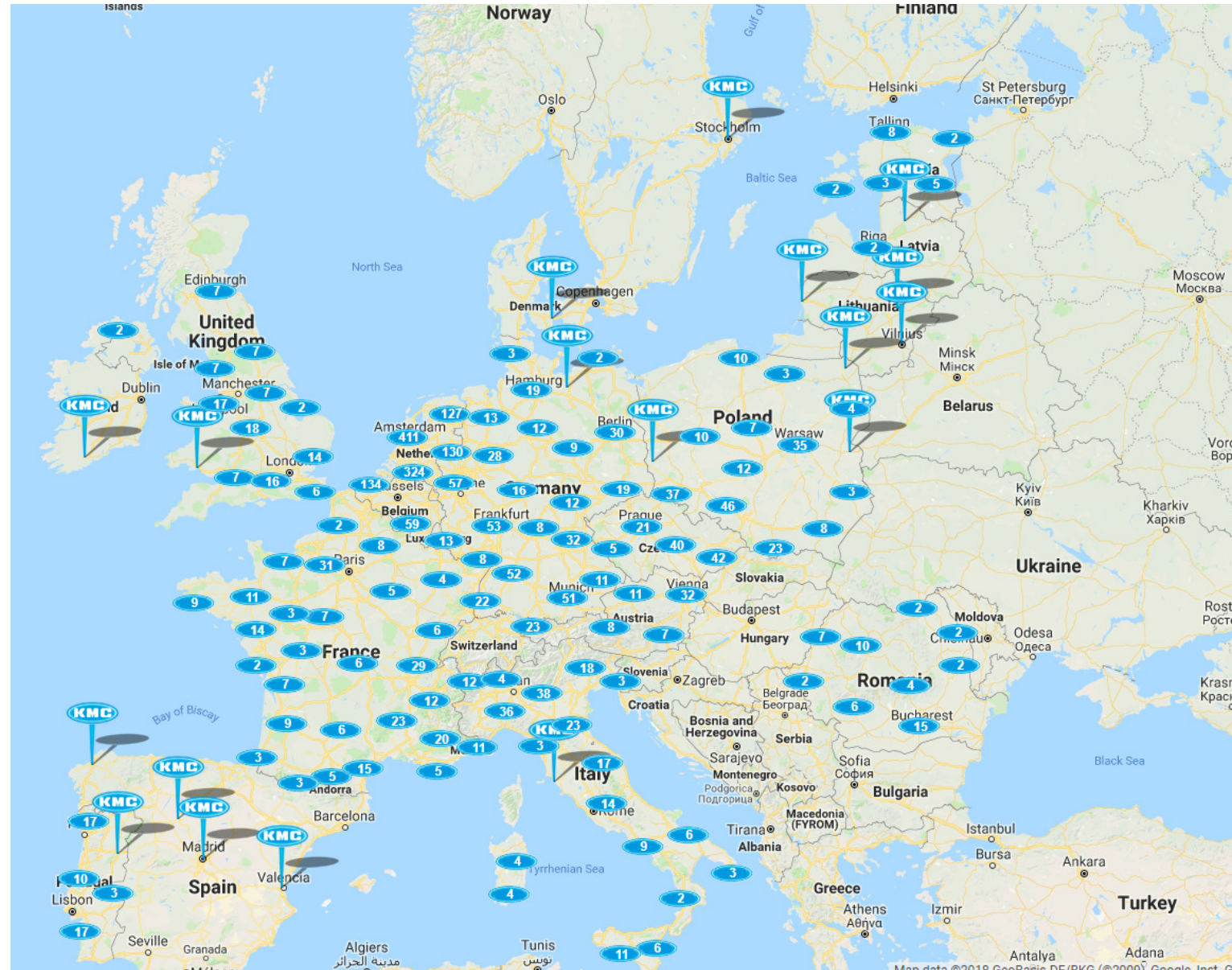


Bike Chain AM business

**In Europe,
25+ Countries
50++ Dealers**

KMC strategically builds its sales and marketing networks throughout all continents to offer timely services and products to all customers worldwide.

Looking toward the future, KMC plans to actively develop all sales channels in Europe for AM business.



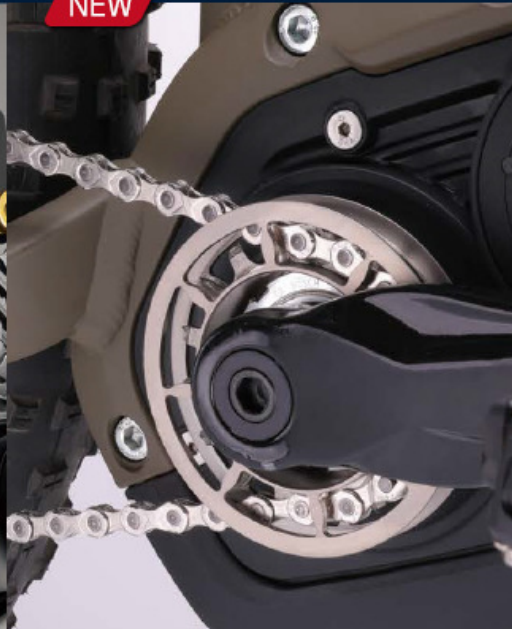
NEW Super High-end Bike Chain

NEW & HOT PRODUCTS

NEW



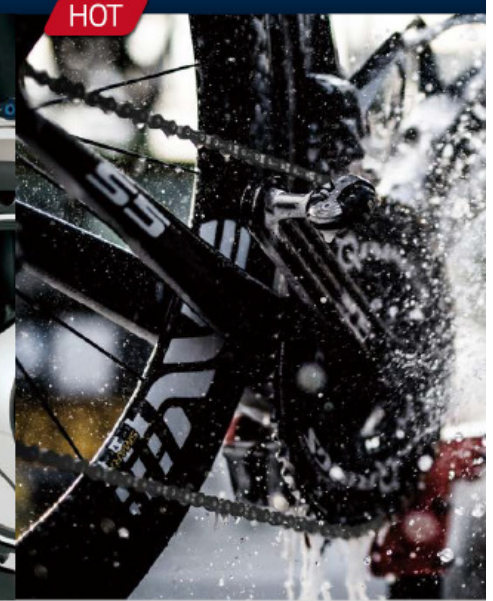
NEW



HOT



HOT



X12



New Bicycle Chain Milestone

Every component of KMC's X12 chain has been carefully designed to be thinner, faster, stronger, and perfectly compatible with the special design for all 12 speed drivetrain systems.

- Maximum Chain Agility with Anti-Interference Design
- More accurate drivetrain adjustment: easier tuning and adjustment
- Pin Power upgraded to 400kgf
- Increased chain life: robustness through new durability technology

eBike



Built to Overcome Any Obstacle

New enhanced eBike chain - TurboPower & SportPower comes with patented new riveting technology to achieve utmost pin power, and possesses unparalleled rigidity and strength.

- Durability 3x distance
- Highest Pin Power 450kgf
- Highest Torsion Resistance 350kgf
- Tensile Strength Above 1500kgf
- Compatibility: BOSCH eBike system and other eBike systems

DLC



The Epitome of Chain Excellence

- Impeccable Reliability
- Remarkable Acceleration
- Non-Directional Design
- Extraordinary Performance
- The Highest Compatibility



Aesthetics

With a focus on product innovation, KMC also emphasizes aesthetics to complement product value. Both the original DLC black, and the DLC-Colors to draw attention to frame design and style, are prime choices of elite racing chains that provide outstanding performance and unique implementation of aesthetics and personal style.

EPT



Total Protection of Chain

- Superior Corrosion Resistance
- Superior Anti-rust Capabilities
- Environmentally Friendly Coating
- 650 hours in a Salt Spray Test
- Durable Coating
- Attractive Finish
- Able to Maintain Performance in the Harsh Environment

* To know more, please see P18-P21

Consolidated Balance Sheet(簡要合併資產負債表)

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

新台幣百萬元/Unit:NT\$ million

		FY14		FY15		FY16		FY17		FY18		1Q19	
		收購天津桂盟		收購深圳桂盟		收購蘇州桂盟		收購ATS&GDO					
		KMC-Tainjin consolidated		KMC-Shenzen consolidated		KMC-Suzhou consolidated		ATS&GDO consolidated					
現金及約當現金	Cash and cash equivalents	900	26%	1,560	22%	1,609	19%	2,016	20%	2,073	20%	1,775	17%
其他流動資產	Other current assets	1,012	29%	1,520	22%	1,969	23%	2,255	22%	2,367	23%	2,359	23%
固定資產	Fixed assets	824	23%	2,476	36%	2,959	35%	3,172	31%	3,174	31%	3,277	32%
其他資產	Other assets	772	22%	1,412	20%	2,029	24%	2,629	26%	2,572	25%	2,931	28%
資產總計	Total Assets	3,508	100%	6,969	100%	8,565	100%	10,072	100%	10,186	100%	10,344	100%
銀行借款	Loan from bank	586	17%	1,249	18%	3,095	36%	3,485	35%	3,712	36%	3,380	33%
其他及長期負債	Other liabilities	657	19%	1,713	25%	1,244	15%	1,798	18%	1,403	14%	1,514	15%
負債合計	Total Liabilities	1,244	35%	2,962	43%	4,340	51%	5,283	52%	5,115	50%	4,894	47%
股本	Capital	1,092	31%	1,200	17%	1,200	14%	1,200	12%	1,260	12%	1,260	12%
保留盈餘及其他	Retained Earnings	1,173	33%	2,807	40%	3,025	35%	3,589	36%	3,811	37%	4,189	41%
股東權益合計	Total Equity	2,265	65%	4,007	57%	4,225	49%	4,789	48%	5,071	50%	5,449	53%
負債及股東權益總計	Liabilities and Equity	3,508	100%	6,969	100%	8,565	100%	10,072	100%	10,186	100%	10,344	100%

Consolidated Income Statement(簡要合併損益表)

合併損益表 Consolidated Income Statement(Audited)

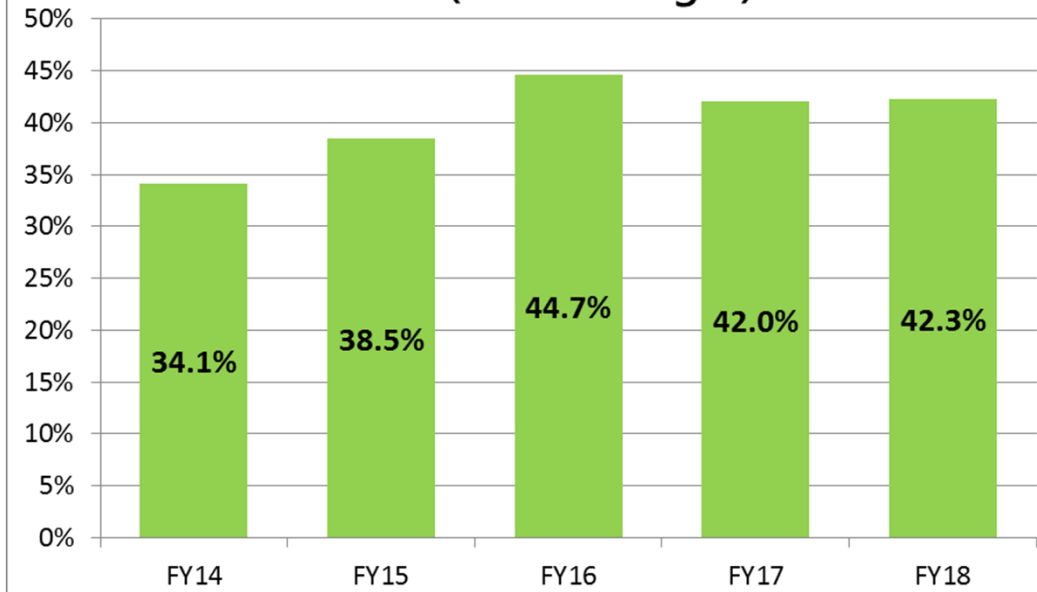
新台幣百萬元/Unit:NT\$ million

		FY14		FY15		FY16		FY17		FY18		1Q19	
		收購天津桂盟		收購深圳桂盟		收購蘇州桂盟		收購ATS&GDO					
		KMC-Tainjin consolidated		KMC-Shenzen consolidated		KMC-Suzhou consolidated		ATS&GDO consolidated					
營業收入	Net Sales	2,780	100%	3,374	100%	4,013	100%	5,051	100%	5,057	100%	1,311	100%
營業毛利	Gross Profit	948	34%	1,298	38%	1,792	45%	2,122	42%	2,139	42%	545	42%
營業利益	Operating Profit	537	19%	753	22%	1,094	27%	1,320	26%	1,226	24%	331	25%
淨利	Net Income	462	17%	700	21%	857	21%	1,043	21%	948	19%	249	19%
每股盈餘	EPS(NT Dollars)	4.31		6.22		7.14		8.28*		7.52		1.98	

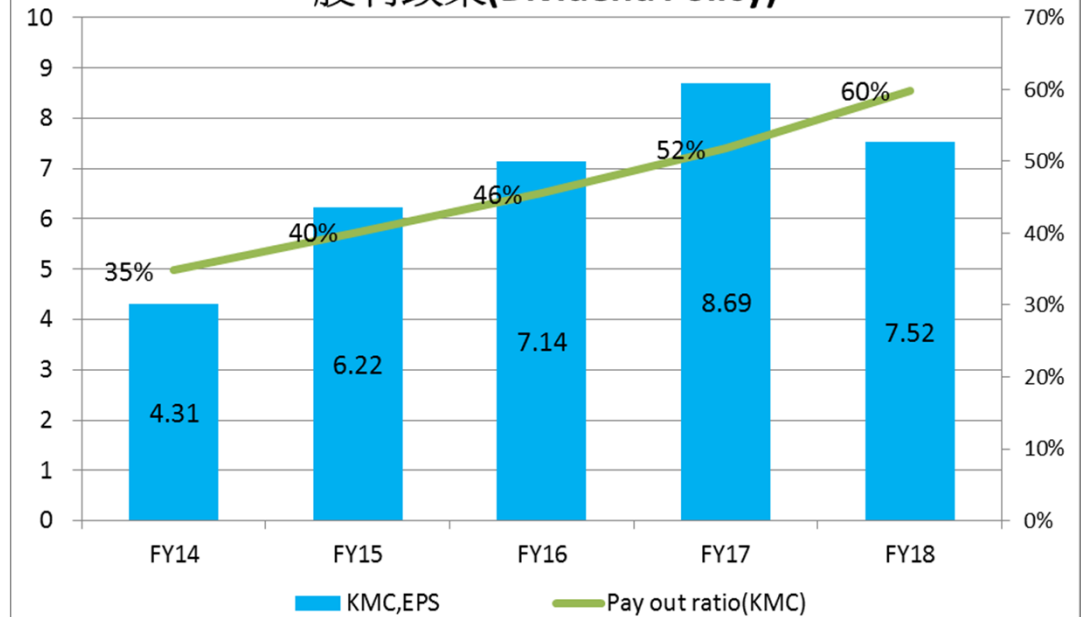
*追溯調整後EPS (Adjusted EPS)

Other Financial Result 其他重要財務資訊

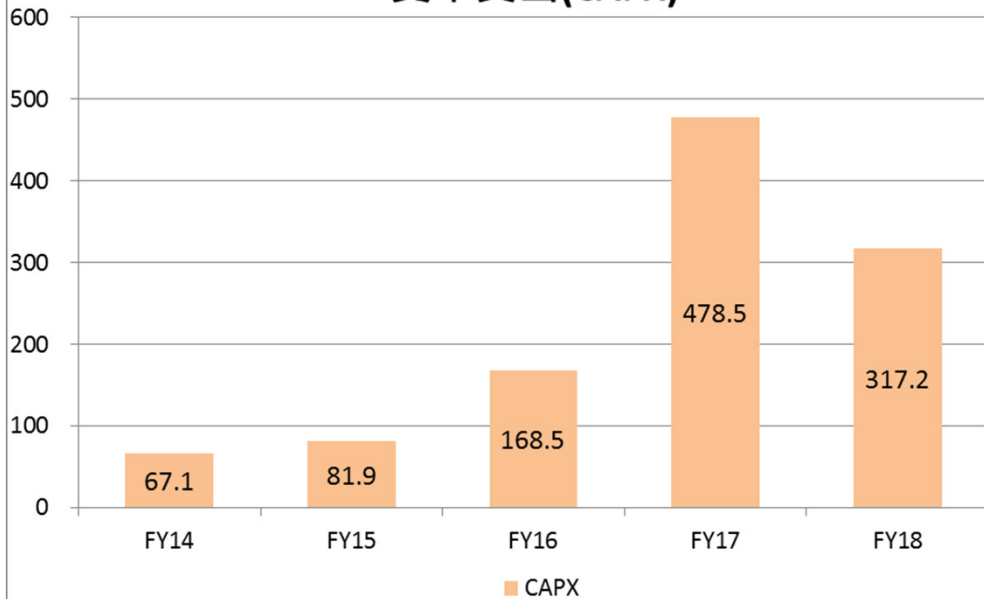
毛利率(Gross Margin)



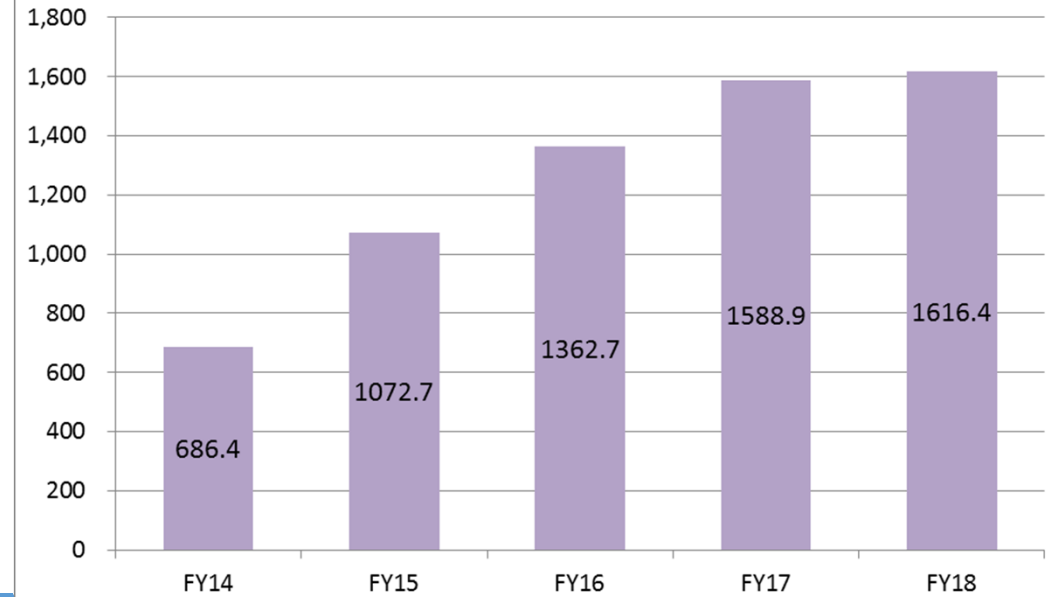
股利政策(Dividend Policy)

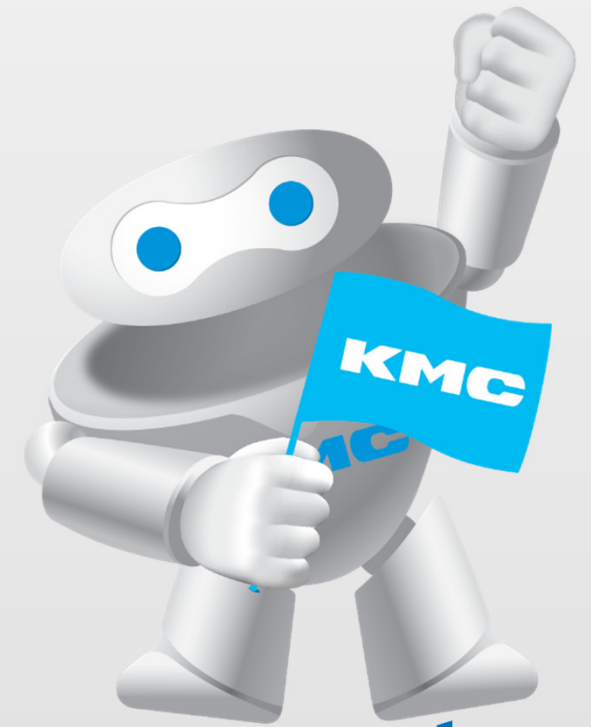


資本支出(CAPX)



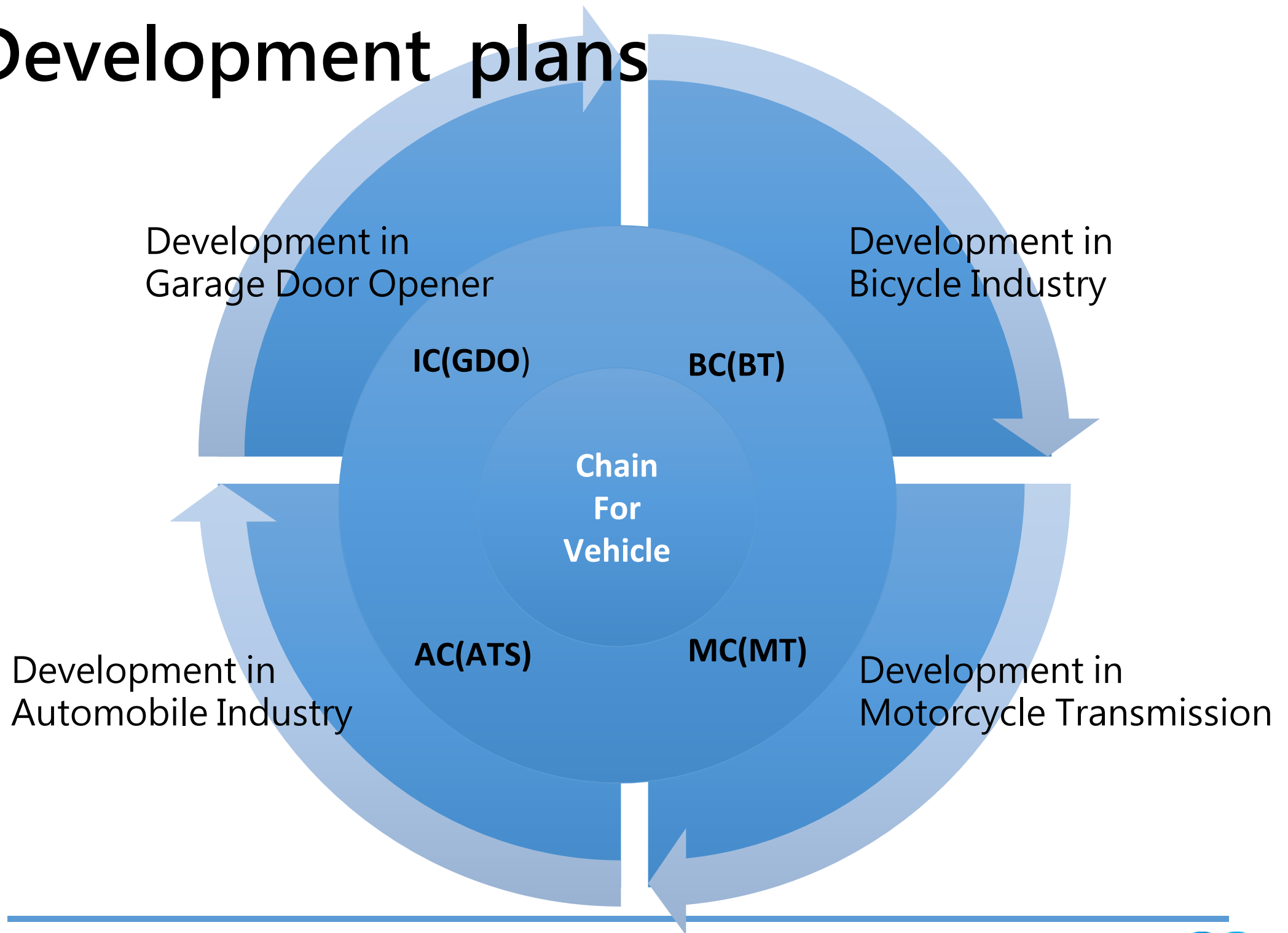
EBITDA





Integration & Development plans

Development plans



Contact IR Team

For more information or to provide feedback on our investor relation, please contact at

E-mail : jeterchen@kmc-international.com
or ir@kmc-international.com



KMC 桂盟

The Largest Chain Manufacturer In The World