

KMC (5306 TT) Investor Report for 1Q20

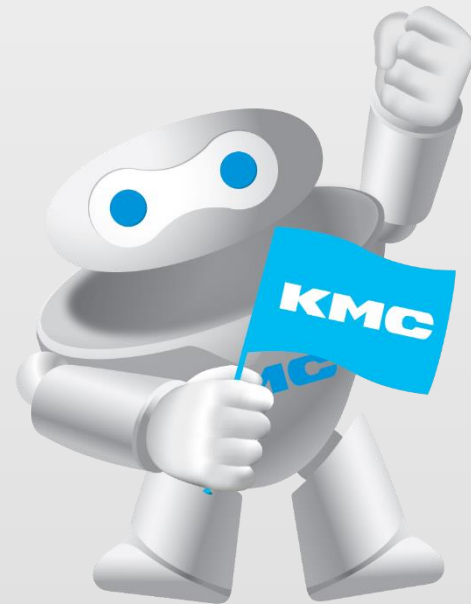
May, 2020

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
- ◆ ESG
- ◆ Financial Results

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



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

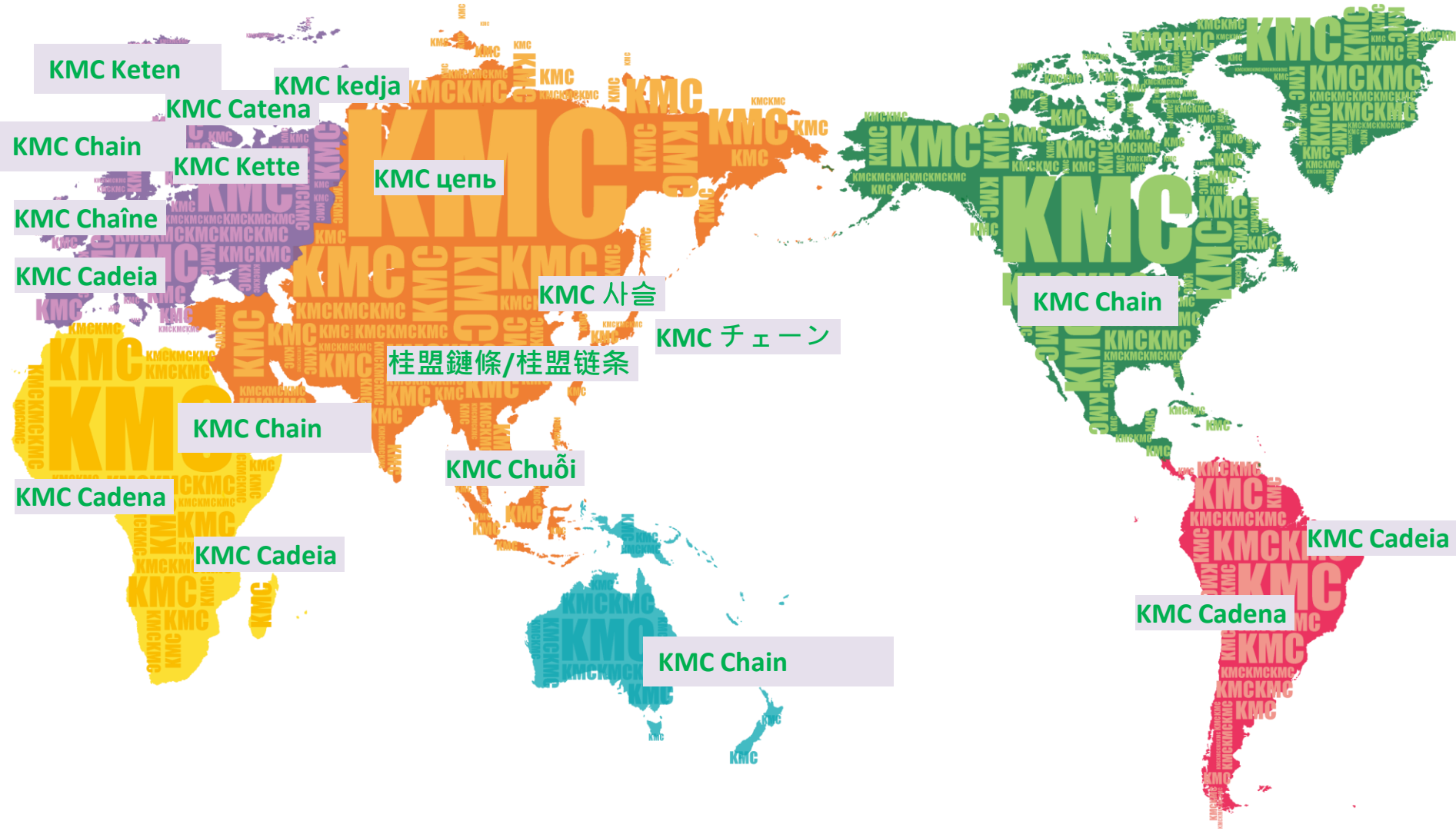
 **China Headquarters & Research Center**
◎ Suzhou, Jiangsu

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

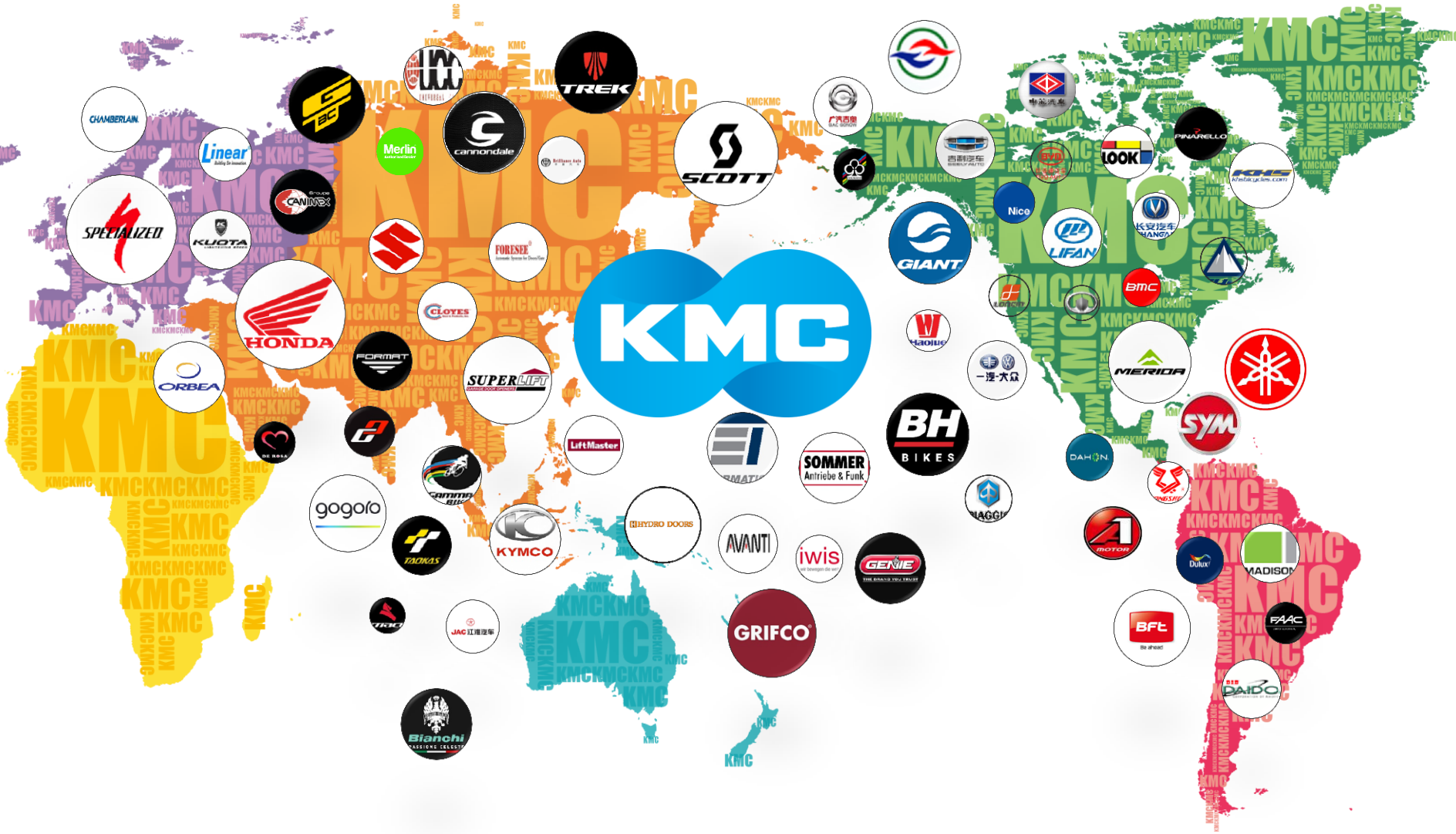
 **Global Services Centers**
◎ Tainan, Taiwan
◎ China, N.E.W.S
◎ California, U.S.
◎ Netherlands, Europe
◎ Ho Chi Minh, Vietnam
◎ Jakarta, Indonesia



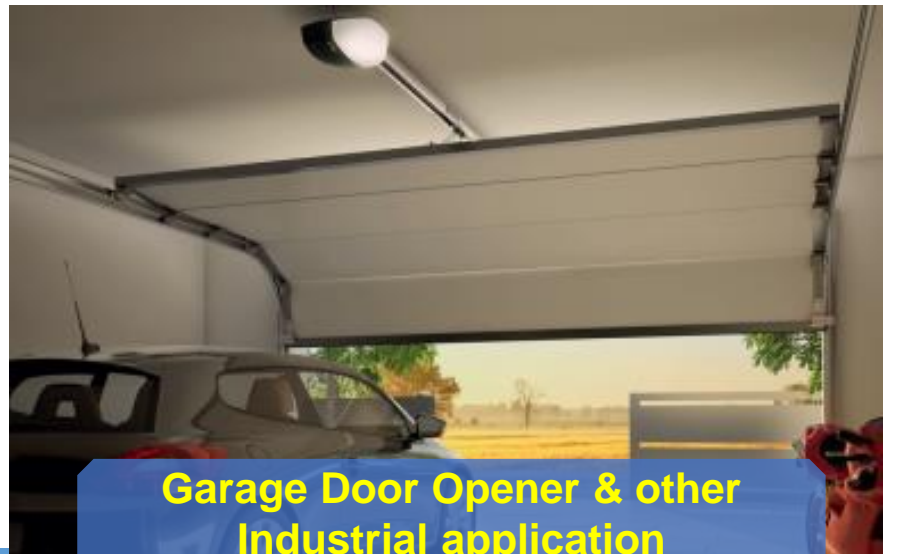
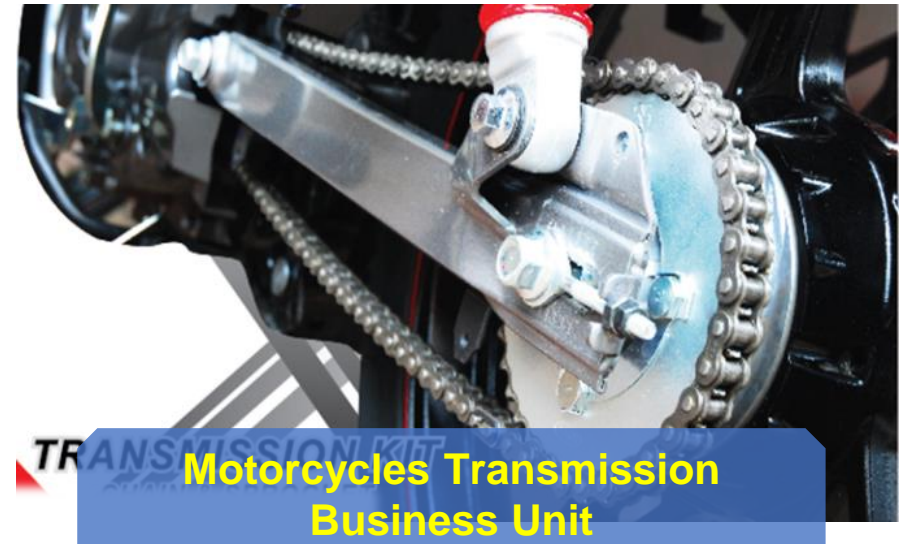
KMC reaches over 150 countries in 13 languages



Global Strategy Partnership

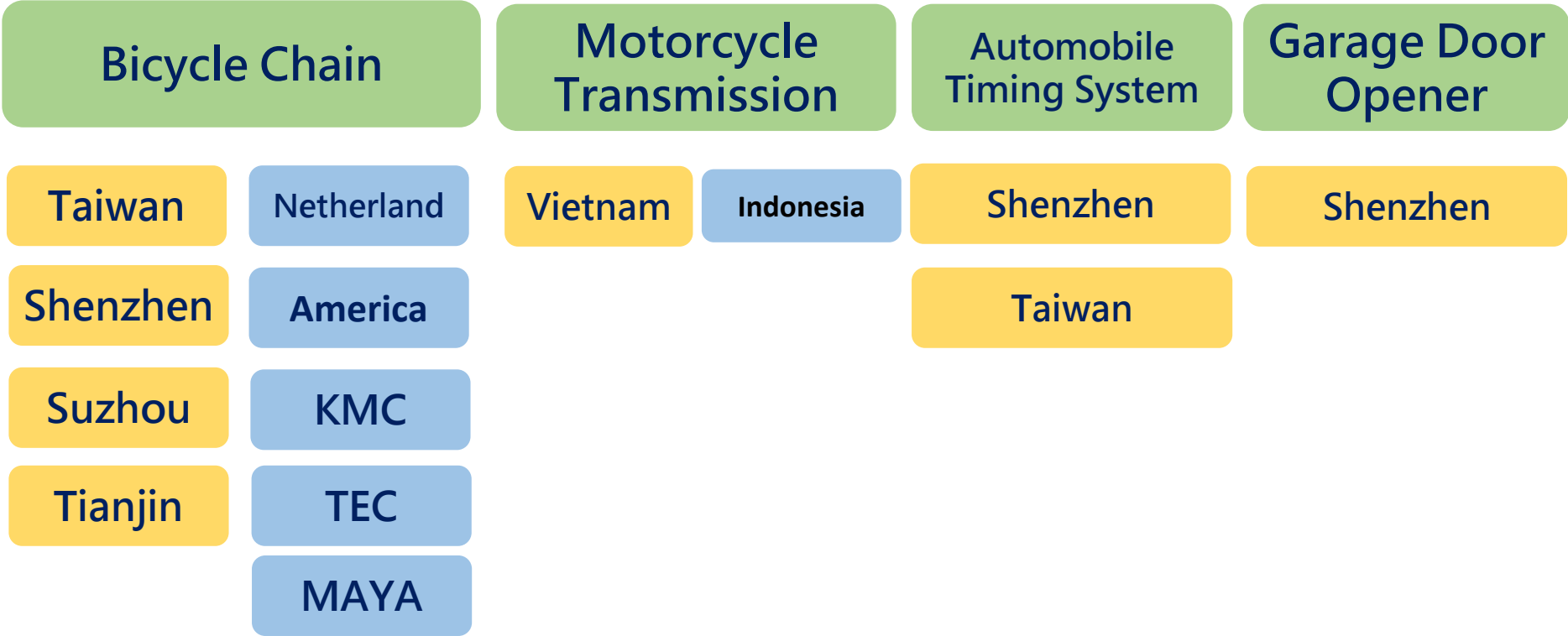


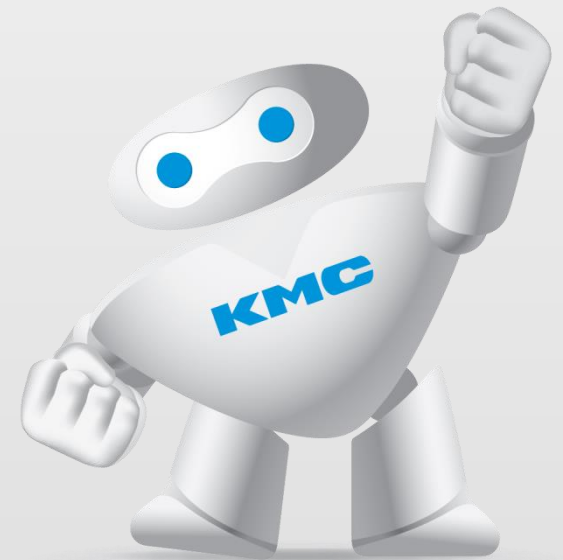
KMC Group & its Business Units



Business of KMC Group

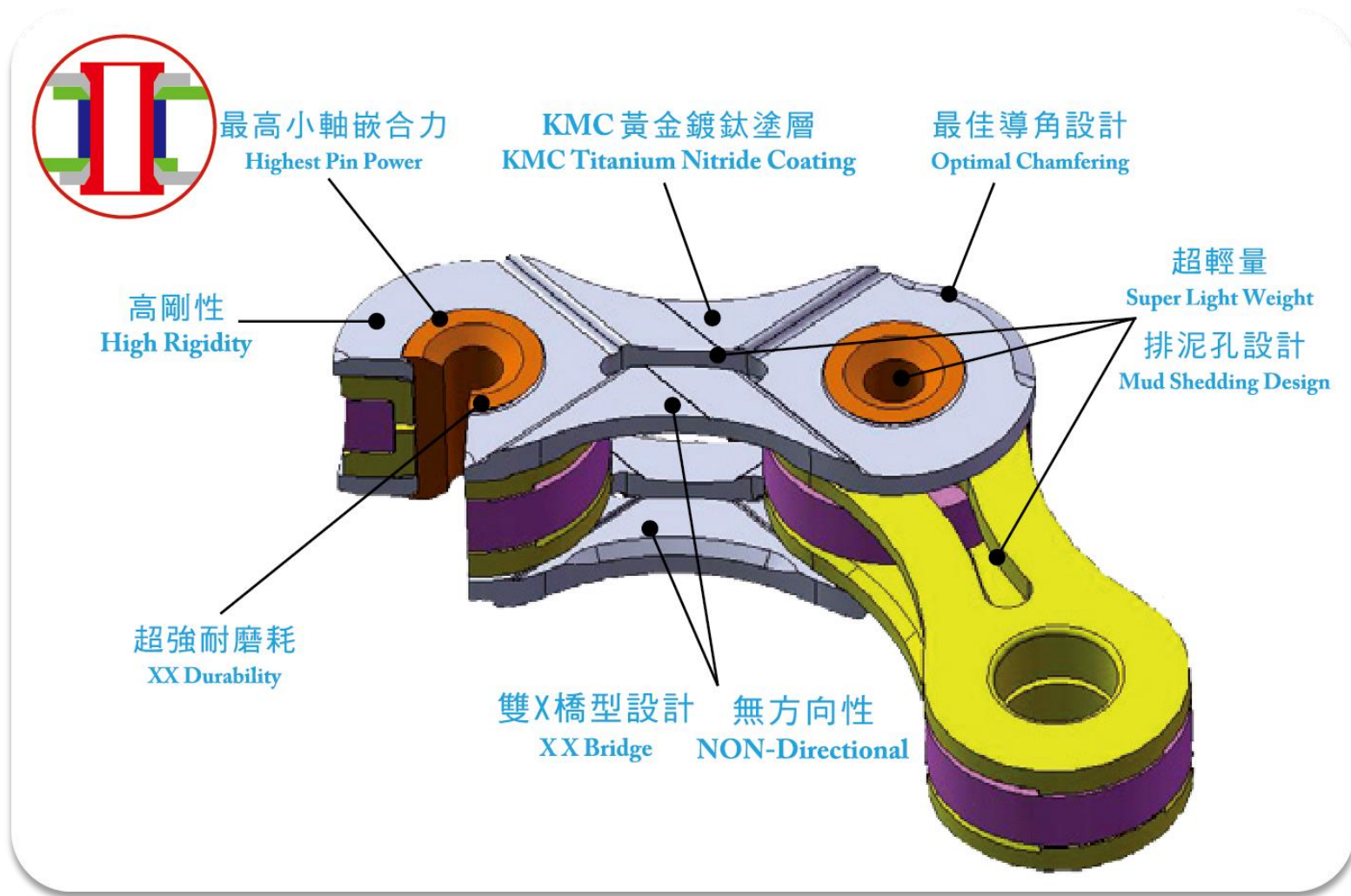
KMC



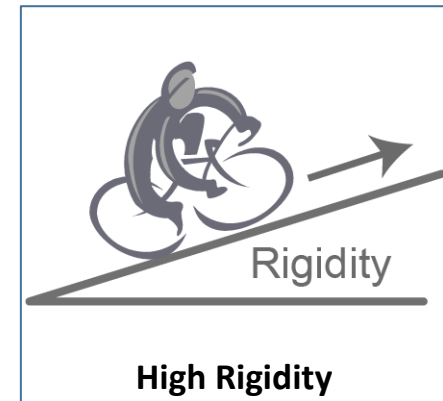
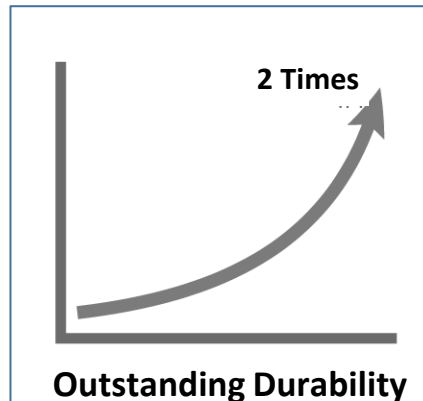
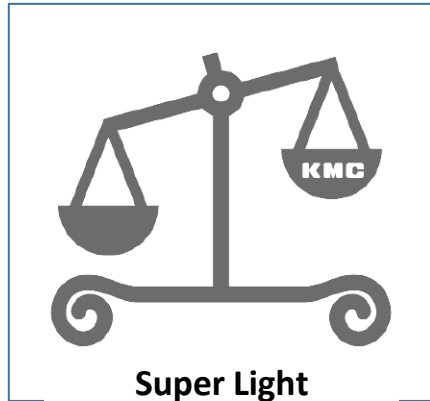


Pursuit of Excellence

Unique KMC Chain



Why KMC Chain ?





2018
KMC's All-New Z1eHX



12 speed X chain
2019 2017



New X series chain
2018 2013



BMX 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



Silent Link
2010

AWARDS

14 iF Awards in 11 consecutive years

5 Red Dot Awards in 3 years



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- DHI 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

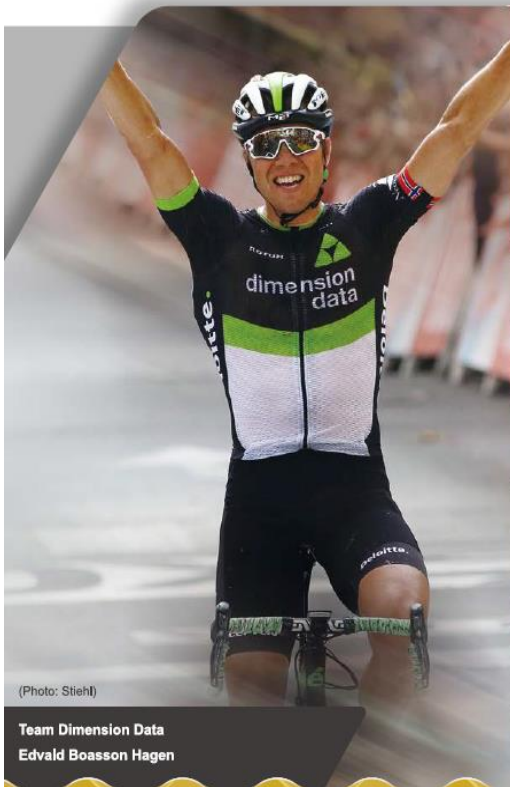
2017 BMX French National Champion
2017 UCI BMX World Championships 3rd

Tracy Hannah

2017 UCI Downhill Women Elite Ranking 2nd
2017 UCI MTB Elite Women World Cup DHI Champion
2017 UCI MTB Elite Women World Championships DHI 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

Sponsor KMC-EKOI-SRSUNTOUR



News | Clean Sport | Development | Host a UCI event | Cycling for All | Women's | Inside UCI | World Cycling Centre

- ROAD
- TRACK
- MOUNTAIN BIKE**
- CYCLO-CROSS
- BMX
- TRIALS
- INDOOR
- PARA
- EVENTS

News | Calendar | Events | Teams | Results | Rankings | Media

UCI Mountain Bike Teams

2018 Season - A KMC-EKOI-SRSUNTOUR

UCI ELITE MTB Teams - 2018

KES - FRANCE

Contact

KMC-EKOI-SRSUNTOUR
 13, Rue Charles Jules Vaillant
 95330 Domont
 FRANCE

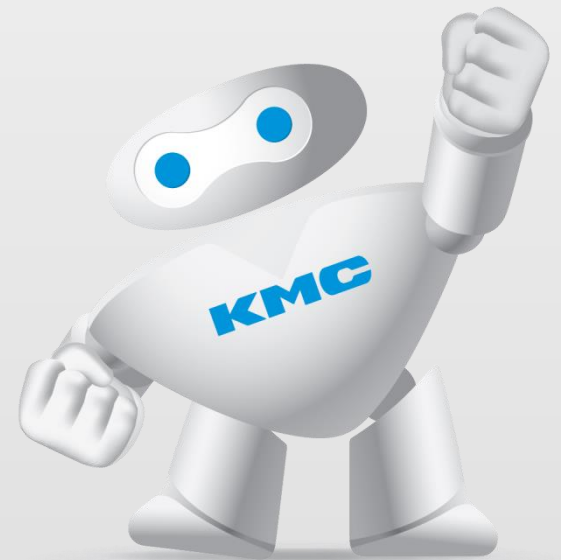
✉ mhutsebaut@vaillanttt.com
 🌐 www.team-kmc-ekoi-srsuntour.cc

Riders

BAZIN Nicolas	XC	09.06.1983	🇫🇷 FRA
BERTA Martina	XC	23.03.1998	🇮🇹 ITA
BOUCHARD Leandre	XC	19.10.1992	🇨🇦 CAN
CLAUZEL Héliène	XC	25.01.1998	🇫🇷 FRA
KORETZKY Victor	XC	26.08.1994	🇫🇷 FRA
LAST Annie	XC	07.09.1990	🇬🇧 GBR
SARROU Jordan	XC	09.12.1992	🇫🇷 FRA



Environmental, Social and Governance(ESG)



THE GREEN PROMISE

永續經營的創新，留給孩子一顆綠色地球





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相信，分享，是企業永續的關鍵



KMC

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



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

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 80%.
- Establish a specialized corporate governance secretary.

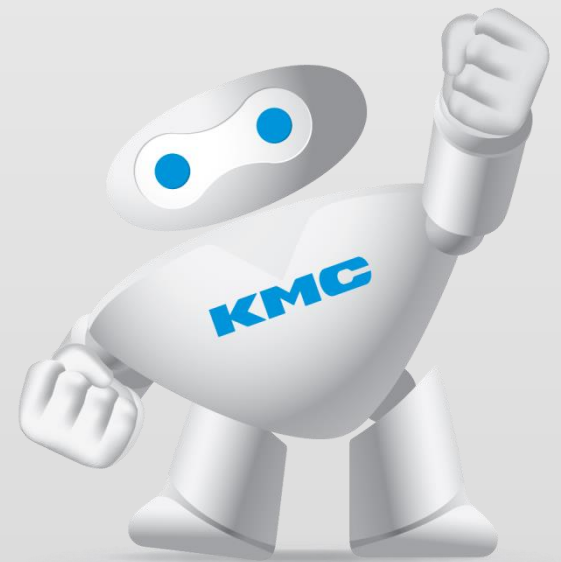
Increasing Information Transparency

- 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

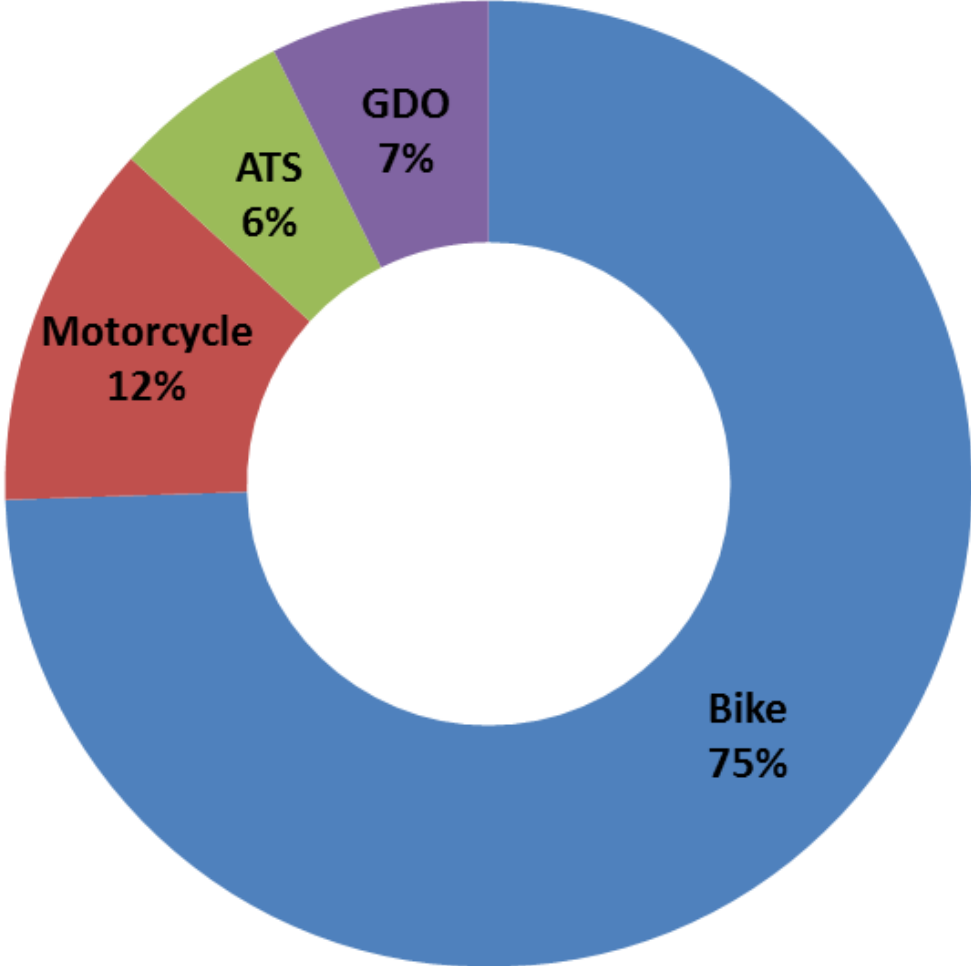
- Adequate governance framework
- Set up a unit which is dedicated to promoting the company's ethical standards
- Protect and promote employee physical health and a safe work environment
- Establish multiple channels to communicate with stakeholders

Financial Result

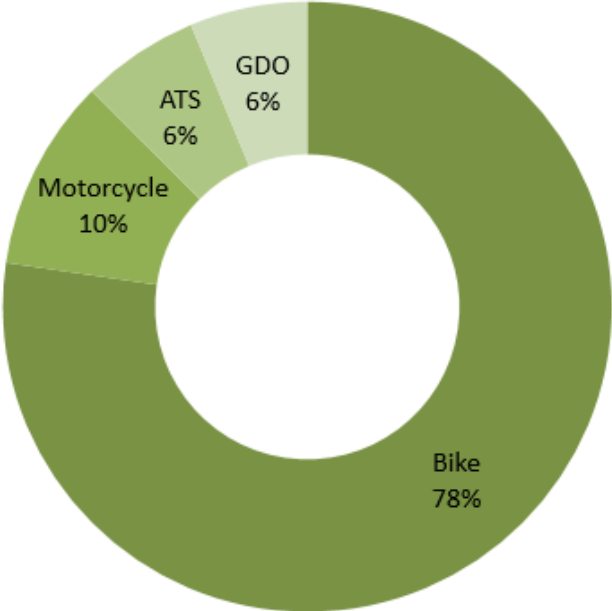


Contribution by BU

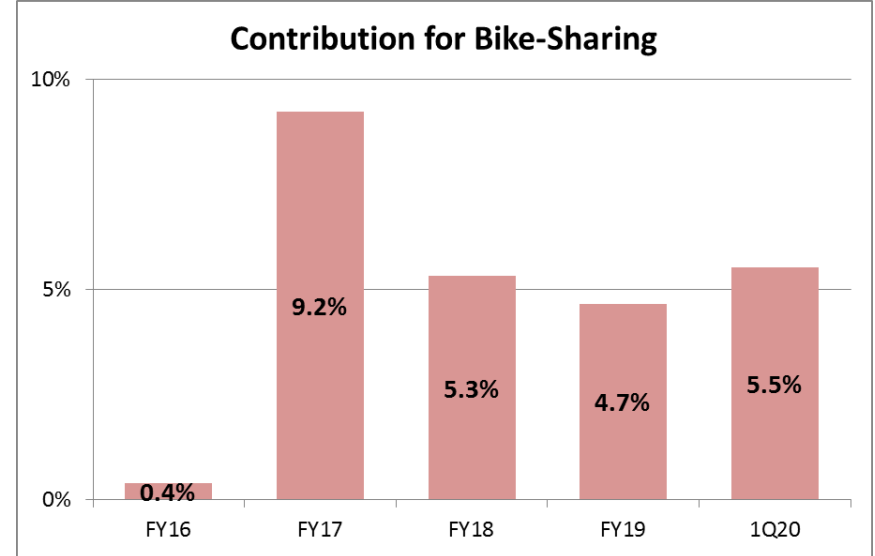
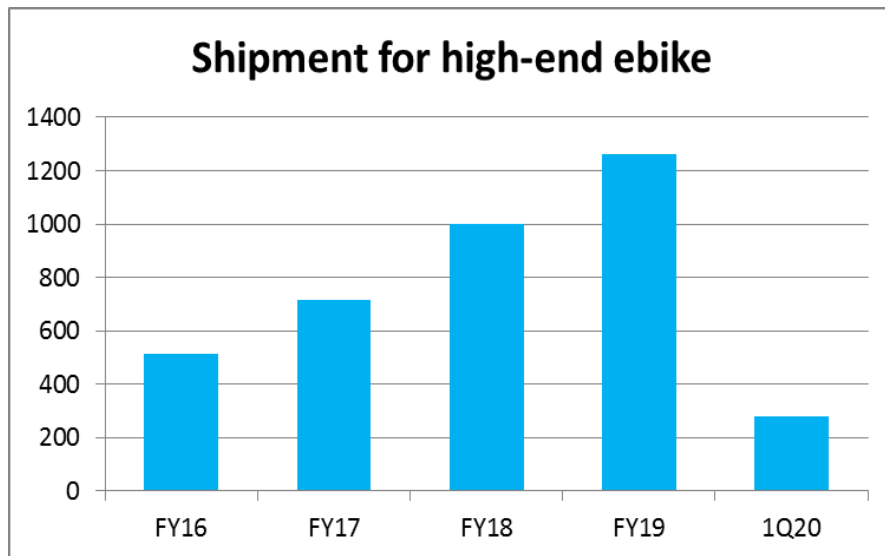
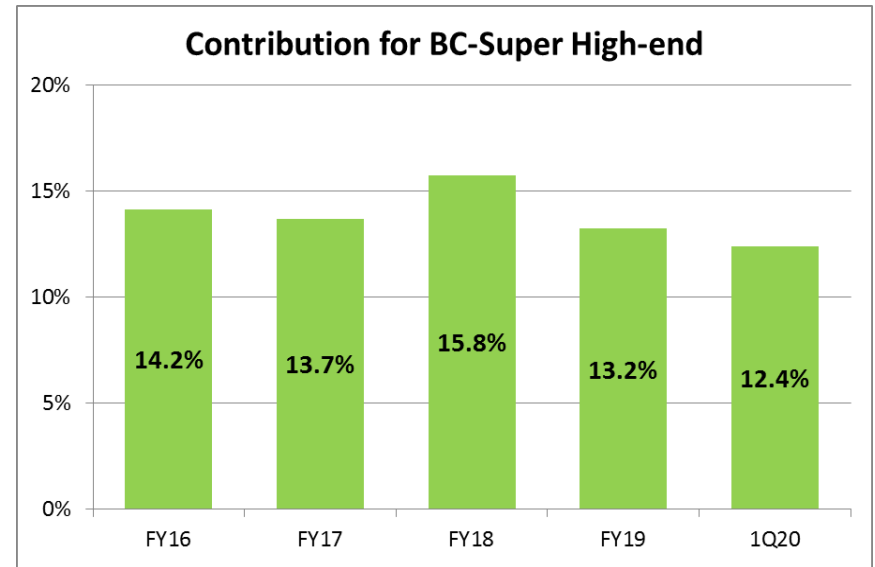
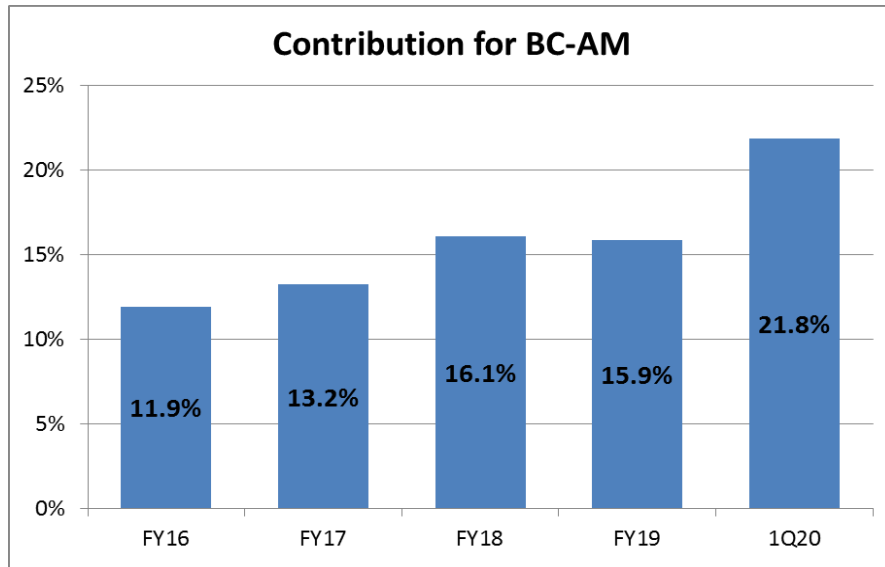
1Q20



FY19



Key operating update for Bike Chain



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

		FY15		FY16		FY17		FY18		FY19		1Q20	
		收購深圳桂盟		收購蘇州桂盟		收購ATS&GDO							
		KMC-Shenzen consolidated		KMC-Suzhou consolidated		ATS&GDO consolidated							
現金及約當現金	Cash and cash equivalents	1,560	22%	1,609	19%	2,016	20%	2,073	20%	1,766	18%	2,058	21%
其他流動資產	Other current assets	1,520	22%	1,969	23%	2,255	22%	2,367	23%	2,307	23%	2,072	21%
固定資產	Fixed assets	2,476	36%	2,959	35%	3,172	31%	3,174	31%	3,072	31%	3,008	30%
其他資產	Other assets	1,412	20%	2,029	24%	2,629	26%	2,572	25%	2,816	28%	2,763	28%
資產總計	Total Assets	6,969	100%	8,565	100%	10,072	100%	10,186	100%	9,961	100%	9,901	100%
銀行借款	Loan from bank	1,249	18%	3,095	36%	3,485	35%	3,712	36%	3,353	34%	3,180	32%
其他及長期負債	Other liabilities	1,713	25%	1,244	15%	1,798	18%	1,403	14%	1,330	13%	1,297	13%
負債合計	Total Liabilities	2,962	43%	4,340	51%	5,283	52%	5,115	50%	4,683	47%	4,477	45%
股本	Capital	1,200	17%	1,200	14%	1,200	12%	1,260	12%	1,260	13%	1,260	13%
保留盈餘及其他	Retained Earnings	2,807	40%	3,025	35%	3,589	36%	3,811	37%	4,018	40%	4,163	42%
股東權益合計	Total Equity	4,007	57%	4,225	49%	4,789	48%	5,071	50%	5,278	53%	5,423	55%
負債及股東權益總計	Liabilities and Equity	6,969	100%	8,565	100%	10,072	100%	10,186	100%	9,961	100%	9,901	100%

簡要合併損益表(Consolidated Income Statement)

合併損益表Consolidated Income Statement(Audited)

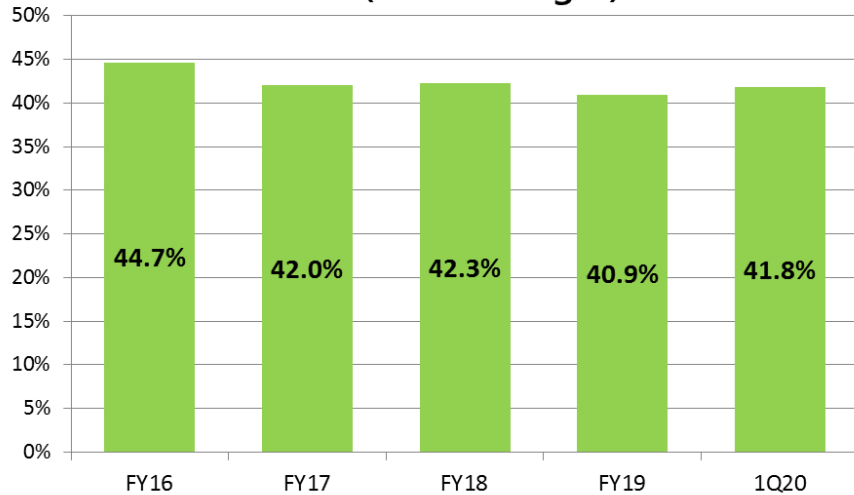
新台幣百萬元/Unit:NT\$ million

		FY15		FY16		FY17		FY18		FY19		1Q20	
		收購深圳桂盟		收購蘇州桂盟		收購ATS&GDO							
		KMC-Shenzen consolidated		KMC-Suzhou consolidated		ATS&GDO consolidated							
營業收入	Net Sales	3,374	100%	4,013	100%	5,051	100%	5,057	100%	5,240	100%	1,086	100%
營業毛利	Gross Profit	1,298	38%	1,792	45%	2,122	42%	2,139	42%	2,143	41%	454	42%
營業利益	Operating Profit	753	22%	1,094	27%	1,320	26%	1,226	24%	1,254	24%	264	24%
淨利	Net Income	700	21%	857	21%	1,043	21%	948	19%	1,007	19%	217	20%
每股盈餘	EPS(NT Dollars)	6.22		7.14		8.28*		7.52		8.00		1.72	

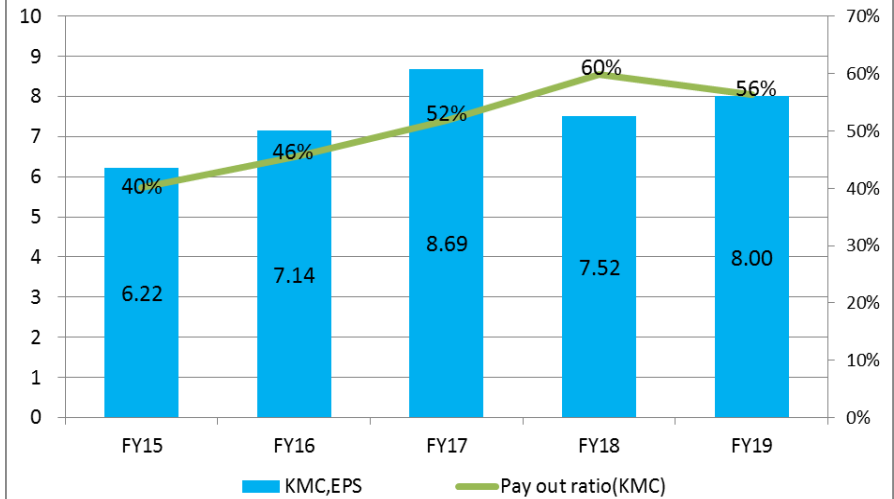
*追溯調整後EPS (Adjusted EPS)

其他重要財務資訊(Other Financial Result)

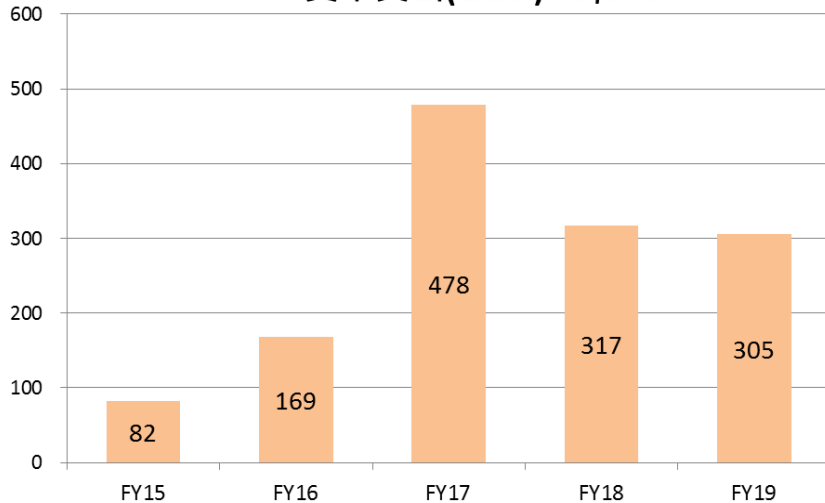
毛利率(Gross Margin)



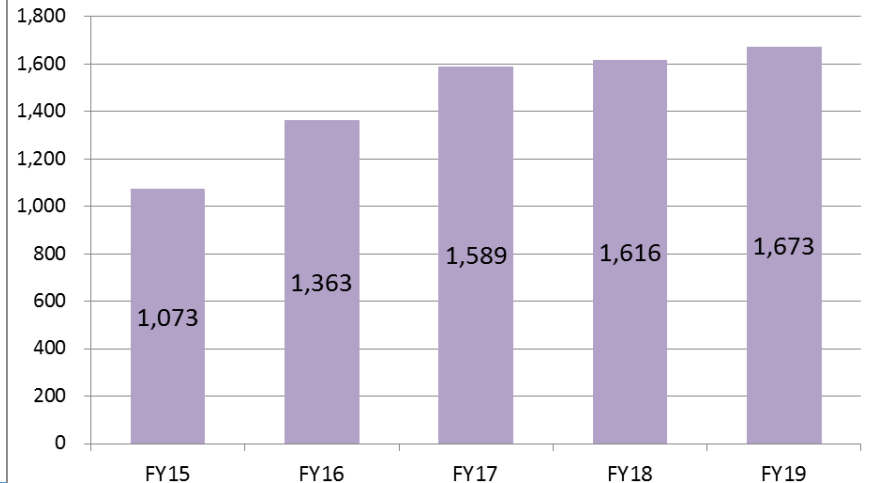
股利政策(Dividend Policy)



資本支出(CAPX) NT\$m



EBITDA in NT\$m





KMC 桂盟

The Largest Chain Manufacturer In The World