



# TAIWAN SECOM GROUP

---

Taiwan Secom  
2018 Investor Conference



# Table of Contents

---

- 1. Operation Status ----- Frank Lin
- 2. Financial Performance ----- Richard Su
- 3. Smart City ----- Hsing-Kuo, Chou
- 4. Summary ----- Frank Lin



# 中興保全集團

TAIWAN SECOM GROUP



# Market Status

1

## Market Penetration Rate

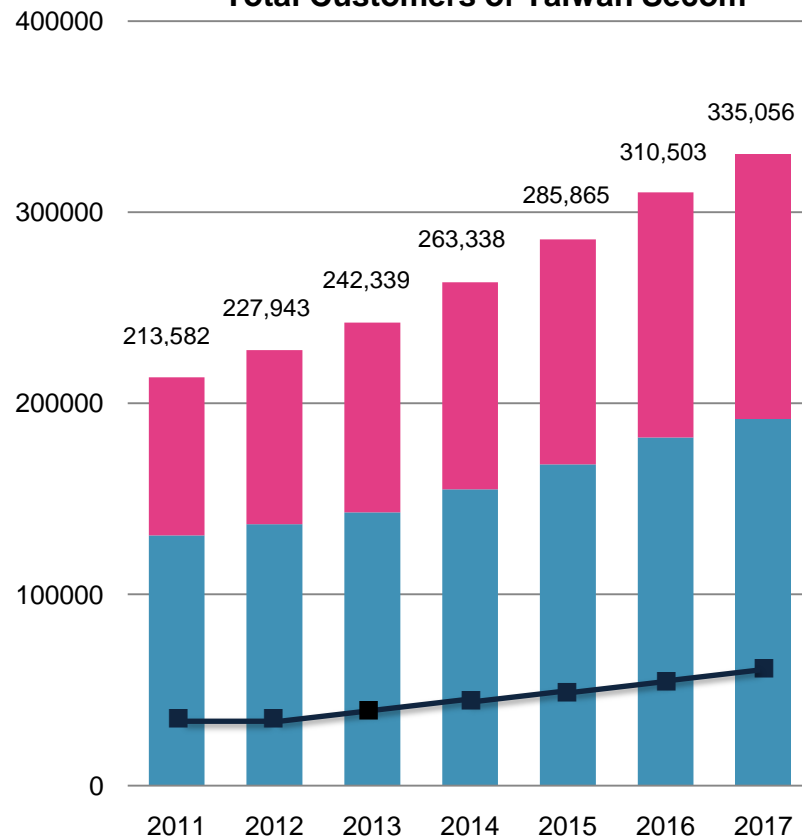
Country	Corporate	Residential
Japan	10 ~15%	4 ~ 5%
Taiwan	10 %	0.7%

## Potential Opportunity

Number of Households In Taiwan	Approx. 8,600,000
--------------------------------	-------------------



## Total Customers of Taiwan Secom



■ Subscription Sales ■ Equipment Sales  
■ Residential Customers

# Customer Cancellation Rate

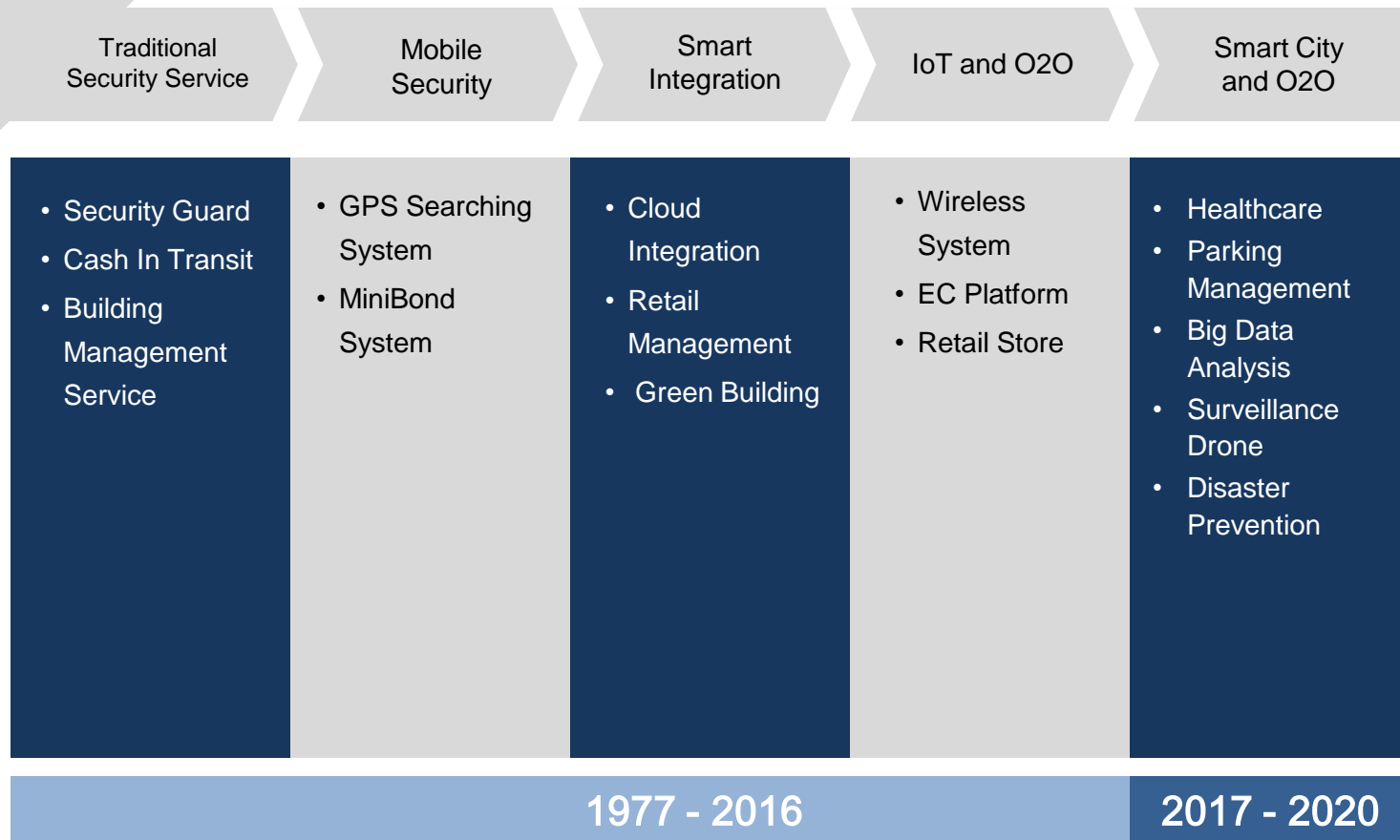
2

Cancellation Rate	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Corporate Customers	1.0%	1.1%	1.1%	1.2%	1.1%	0.9%	0.8%	0.8%	0.8%	0.8%	0.7%	0.8%	0.8%	0.8%
Residential Customers	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%	0.7%	0.6%	0.7%	0.6%	0.5%	0.5%	0.6%	0.7%



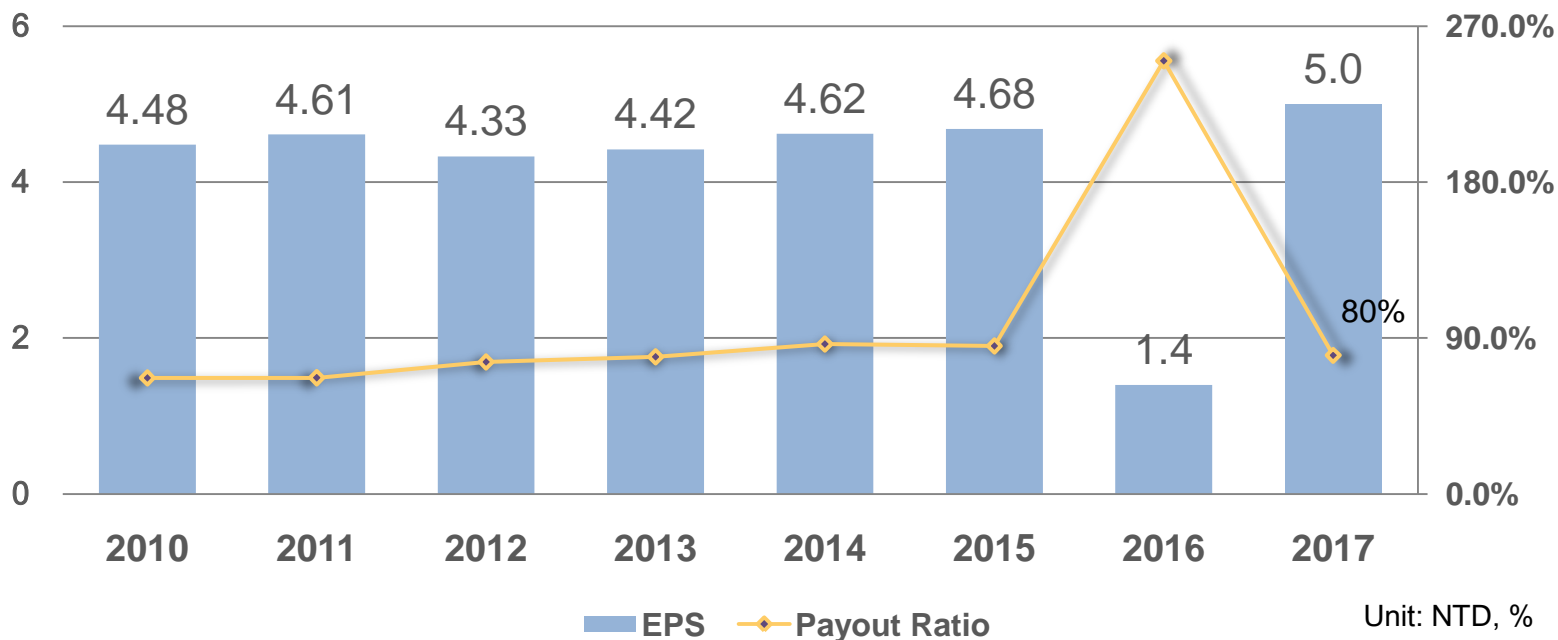
# Evolving Services Roadmap

3



# Dividend Policy

Annual	2011	2012	2013	2014	2015	2016	2017	2018
Cash	3.1	3.3	3.4	3.5	4.0	4.0	3.5	4
Stock	0	0	0	0.15	0	0	0	0
Dividend Yield%	5.68	5.35	4.86	4.6	4.41	4.37	3.91	4.41



## Taiwan Secom 1H18 Growth Performance

5

Unit : Million NTD

	Taiwan Secom		Traditional Security Company	
	2018H1	YOY	2018H1	YOY
Consolidated Revenue	6,571	+2.7%	3,477	-2.56
Gross Profit	2,421	+4.8%	1,154	-2.98
%Gross Profit Margin	36.84%		33.20%	
Operating Profit	1,240	+17.2%	378	-7.66
%Operating Profit Rate	18.87%		10.87%	



## Smart City Related Subsidiaries 2018 YTD Growth Performance

6

Subsidiary	YOY Growth	Smart City
<b>Gowin Parking Management</b> - Parking Management (Northern Taiwan)	<b>+690%</b>	
<b>Goyun Technology</b> - Parking Management (Southern Taiwan)	<b>+34%</b>	
<b>Zhong Bao Disaster Protection</b> - Disaster Monitoring & Damage Prevention Services	<b>+273%</b>	
<b>Lee Way Electronics</b> - AED and Healthcare Services	<b>+16%</b>	

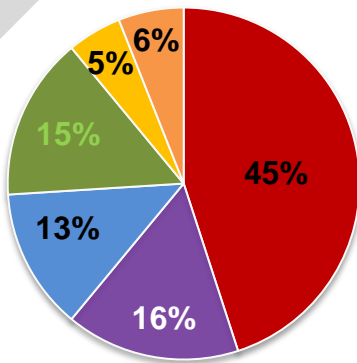
# Taiwan Secom 1H18 Segment Revenues

7

Name	SR	RR	GPM	OPM
Taiwan Secom		50.26%	50.00%	22.46%
Lee Bao Security	100.00%	5.53%	34.25%	21.24%
Kuo Hsing Security	86.15%	9.26%	20.10%	11.10%
Goyun Securty	100.00%	4.89%	22.18%	11.09%
Lee Way Electronics	92.68%	1.36%	36.22%	13.83%
Gowin Building Management	100.00%	7.52%	17.24%	10.41%
Comlink Fire Systems	100.00%	0.97%	32.34%	10.81%
Zhong Bao Disaster Protection	95.38%	1.43%	48.08%	35.79%
Core Businesses Total		81.24%		
Consolidated		100%		

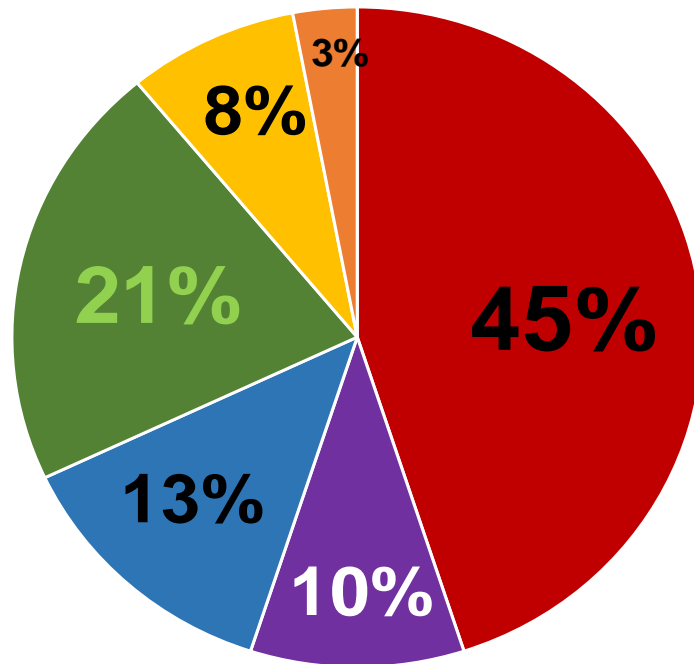
## Taiwan Secom Segment Revenues Percentage Change

2017



- System Security
- Static Guards
- Logistics
- Smart City
- F&B Services
- Other

2020



# Smart City Projects Worldwide



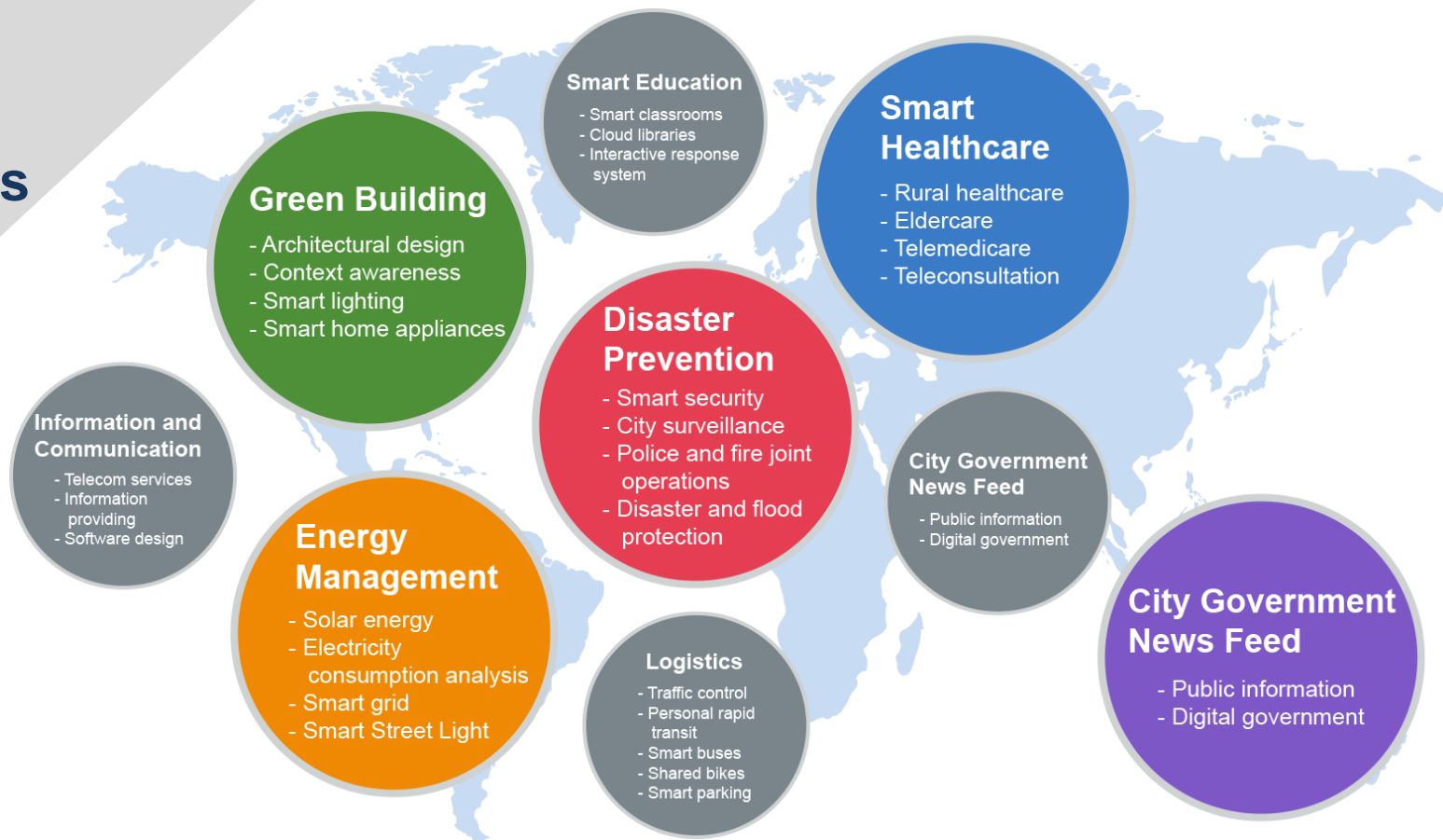
# Major Smart City Domains

10

	Government	Education	Safety	Health Care	Energy Saving	Traffic	Environment	Building	Go Sightseeing
New York	●		●	●	●	●	●	●	
Tokyo			●	●	●	●	●	●	●
Yokohama			●		●	●	●	●	
Singapore	●	●		●	●	●			
Copenhagen	●				●	●	●	●	
Aarhus	●			●	●	●	●		
Barcelona	●	●		●	●	●	●	●	●
Paris	●	●			●	●	●		●
Helsinki	●		●		●	●	●		●
London	●	●		●	●	●	●		●
Amsterdam	●	●	●	●	●	●	●	●	
Stockholm	●		●	●	●	●	●	●	
Vienna		●	●	●	●	●	●	●	
Berlin	●	●	●	●	●	●	●	●	●
Toyonto			●	●	●	●	●		

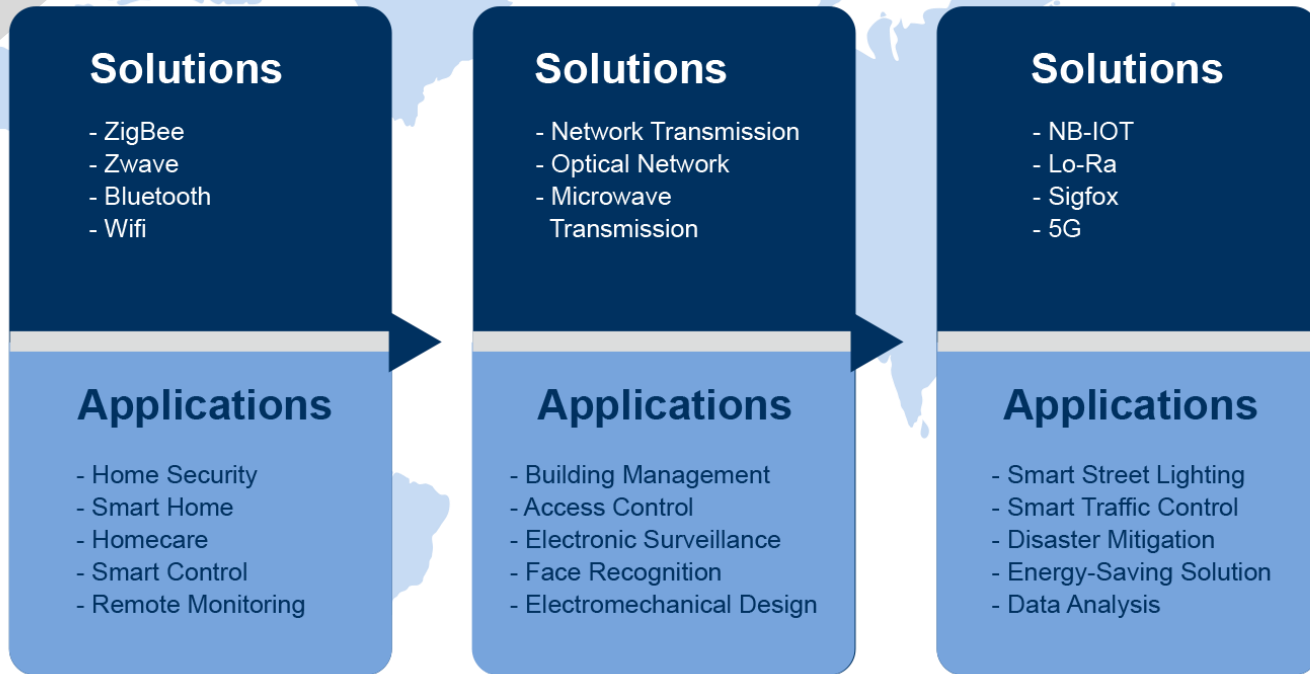
# Developing Smart City Applications

11



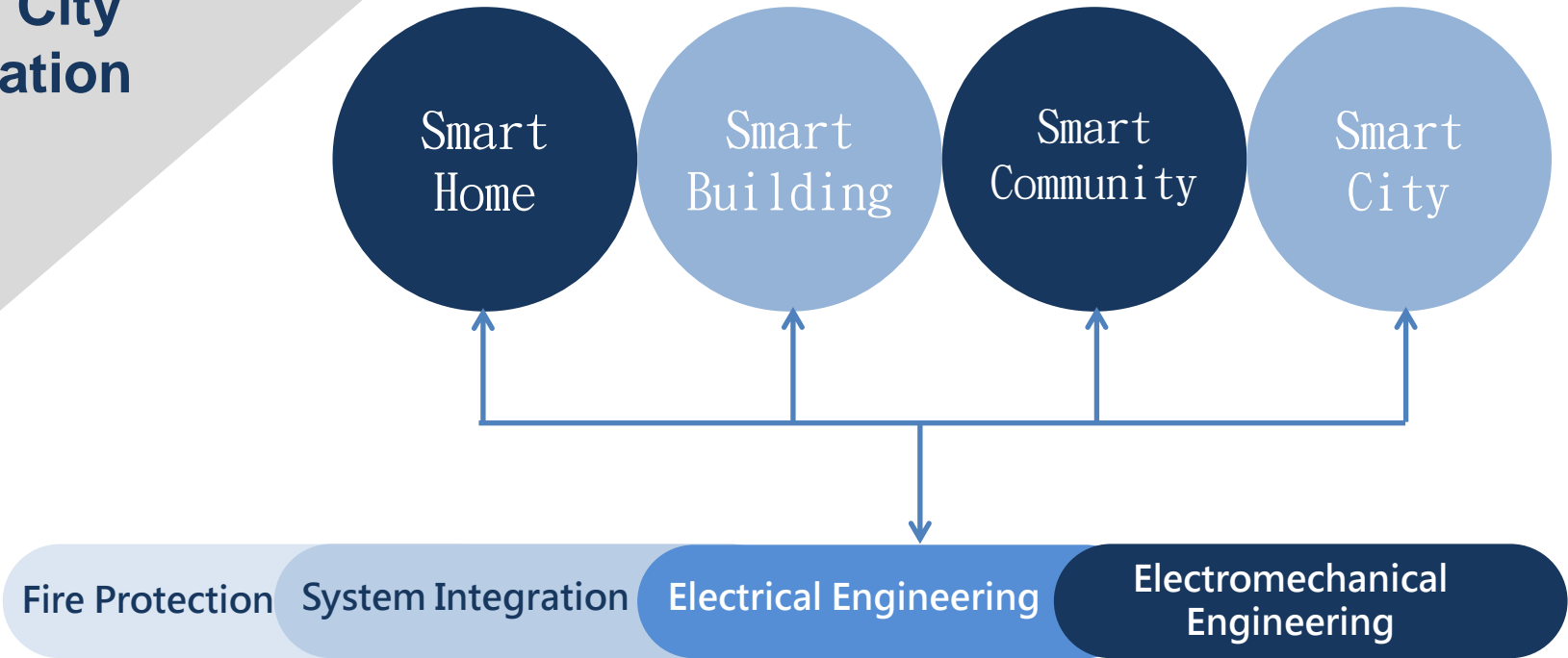
# Evolving Communication Technology

12



# Evolution of Smart City Integration

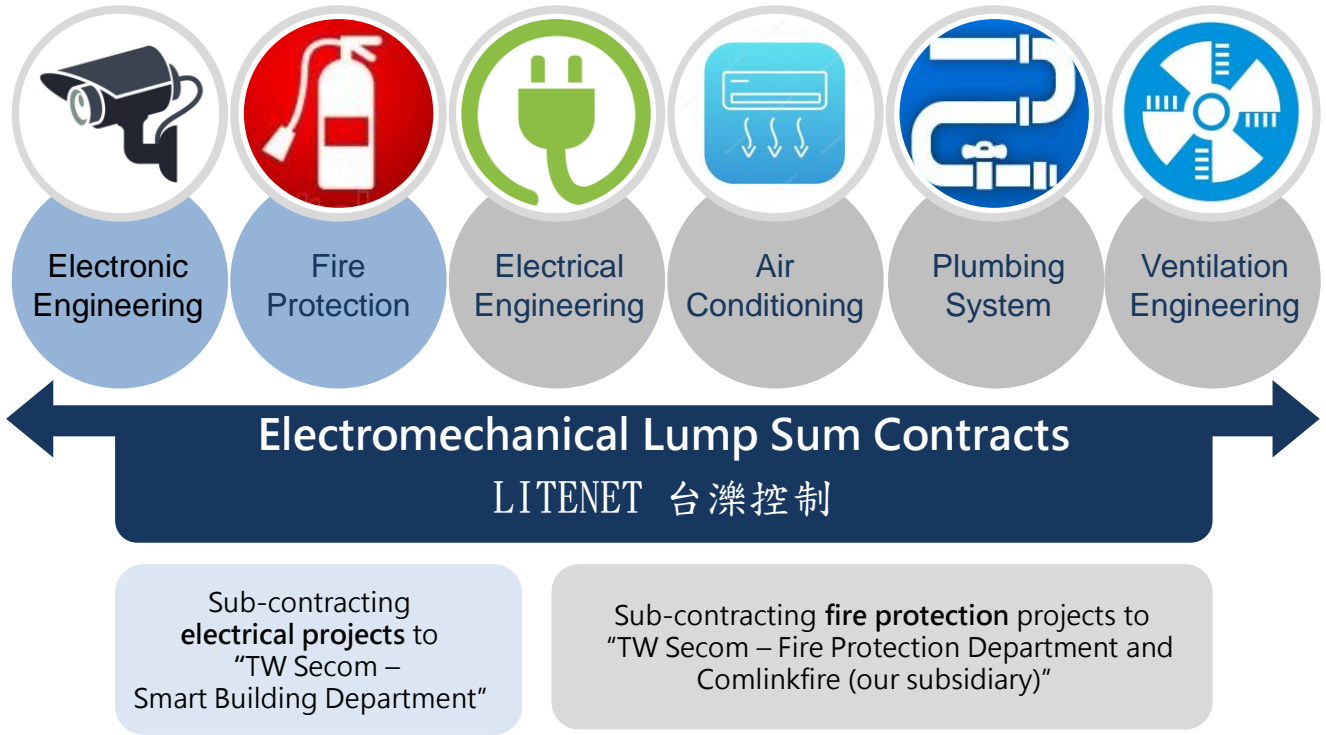
13





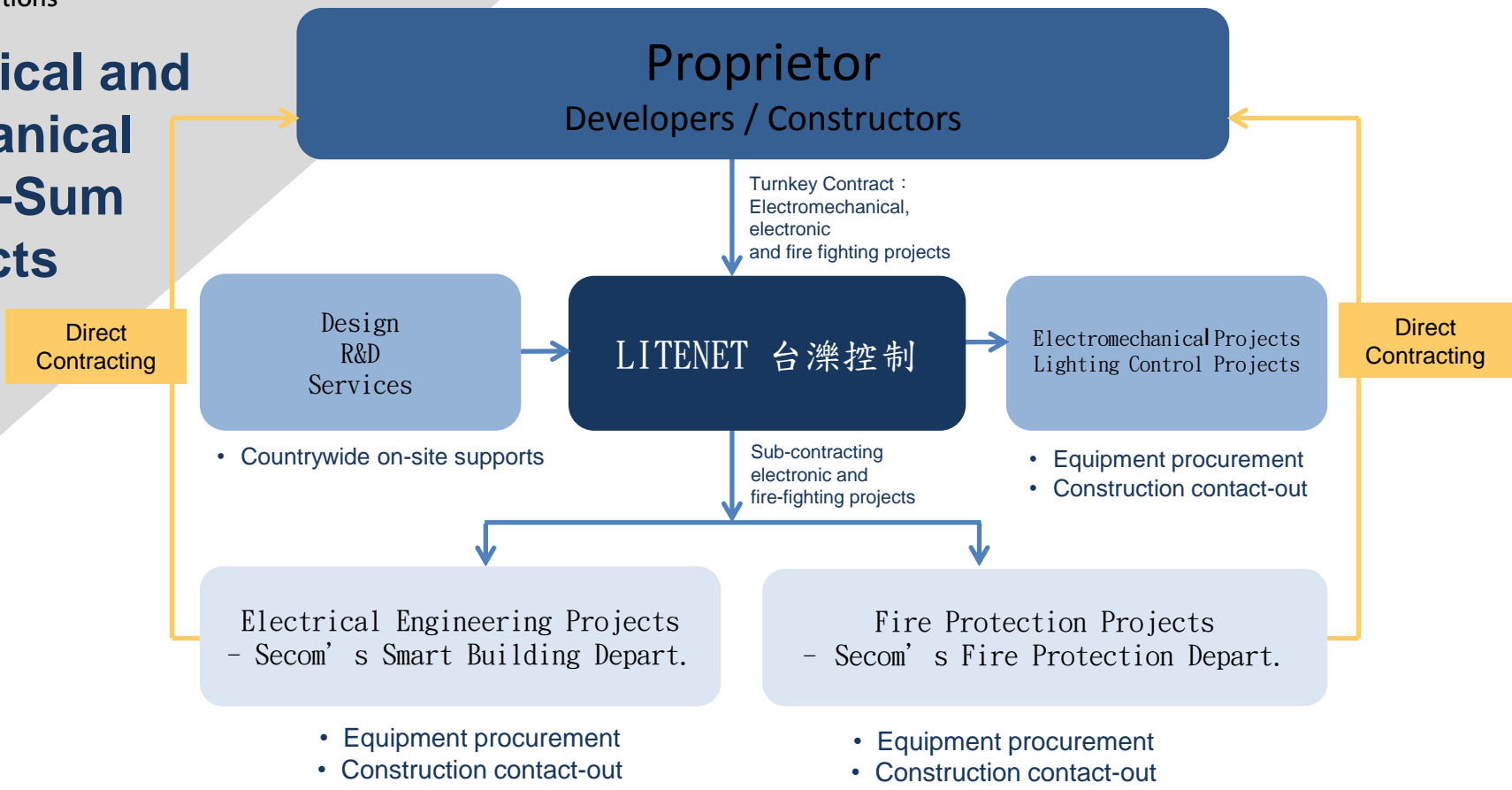
# Electromechanical Engineering Major Fields

14



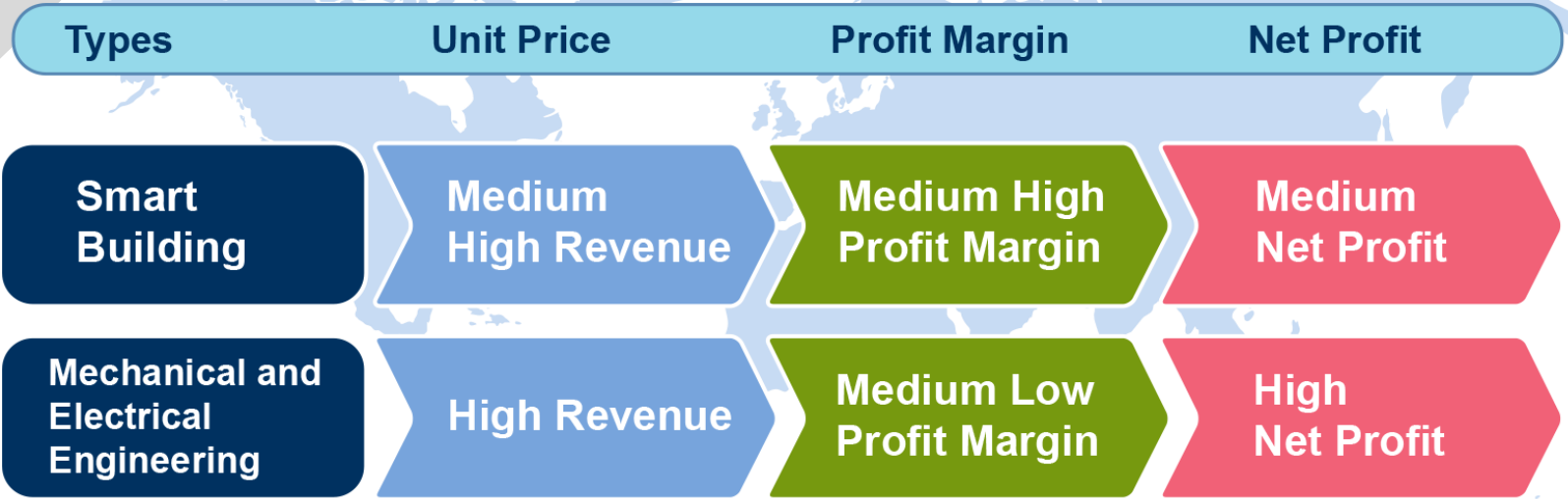
# Electrical and Mechanical Lump-Sum Projects

15



# Revenues and Profits

16



# Electrical and Mechanical Works

17

Winning Bids	Contract Price
Linkou & Pinjeng Public Market Projects	NTD 150 million



# Appendix - Consolidated Income Statement 2015 - 2018

18

	Taiwan Secom					Traditional Security Company
	2015	2016	2017	2017H1	2018H1	2018H1
Consolidated Revenue	13,288	13,480	13,055	6,399	6,571	3,477
YoY Change	+1.66%	+1.45%	-3.16%	-3.1%	+2.7%	-2.56%
Gross Profit	4,785	4,982	4,648	2,310	2,421	1,154
% Gross Margin Ratio	36.01%	36.96%	35.61%	36.1%	36.84%	33.2%
Operating Expense						
Selling Expense	974	898	834	432	400	114
Admin. Expense	1,276	1,352	1,499	774	722	650
R&D. Expense	124	104	93	46	53	7
Expected Credit Losses	-	-	-	-	6	6
Total Expense	2,374	2,353	2,426	1,252	1,181	776
% of Total Revenue	17.86%	17.46%	18.59%	19.57%	17.97%	22.33%
Operating Profit	2,411	2,629	2,222	1,058	1,240	378
% of Total Revenue	18.14%	19.50%	17.02%	16.53%	18.87%	10.87%
EBITDA	3,533	3,819	3,453	1,669	1,842	650
% of Total Revenue	26.59%	28.33%	26.45%	26.08%	28.03%	18.69%
Depreciation & Amortization	1,122	1,190	1,231	611	602	272

Unit: Million NTD

## Appendix - Consolidated Financial Summary 2015 - 2018

19

	Yearly Results			YTD Results	
	2015	2016	2017	2017Q2	2018Q2
Cash and cash equivalents	3,963	4,841	5,290	3,937	6,016
<b>Total assets</b>	<b>20,272</b>	<b>20,243</b>	<b>20,924</b>	<b>19,757</b>	<b>22,101</b>
Short-term loans	2,906	2,835	2,204	1,675	2,656
Long-term loans	42	888	1,034	1,156	442
<b>Total liabilities</b>	<b>9,173</b>	<b>10,308</b>	<b>10,369</b>	<b>10,126</b>	<b>12,315</b>
<b>Total equity</b>	<b>11,099</b>	<b>9,934</b>	<b>10,554</b>	<b>9,631</b>	<b>9,786</b>
Capital expenditure	2,118	1,013	1,296	548	539
Operating expense	2,374	2,353	2,426	1,252	1,181

Unit: Million NTD



# TAIWAN SECOM GROUP

---

Spokesman: Richard Su / [rich@secom.com.tw](mailto:rich@secom.com.tw)

Investor Relations: Alvin Chang / [alvinchang@secom.com.tw](mailto:alvinchang@secom.com.tw)