



TAIWAN SECOM GROUP

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Table of Contents

1. Financial Highlights

2. Operation Outlook

3. Future Roadmap: Smart City

Financial Highlights

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Taiwan Secom 3Q18 YTD Growth Performance

Taiwan Secom

SKS

	2017Q3	YOY	2018Q3	YOY	2017Q3	YOY	2018Q3	YOY
Consolidated Revenue	9,689	-3.43%	9,886	+2.03%	5,312	-1.37%	5,249	-1.20%
Gross Profit	3,488	-8.07%	3,623	+3.87%	1,807	-4.36%	1,737	-3.87%
Gross Profit Margin	36.00%		36.65%		34.01%		33.08%	
Operating Profit	1,629	-18.99%	1,873	+14.98%	633	-7.54%	558	-11.87%
Operating Profit Margin	16.81%		18.95%		11.92%		10.63%	

Unit : Million NTD

Consolidated Income Statement 2015 - 2018

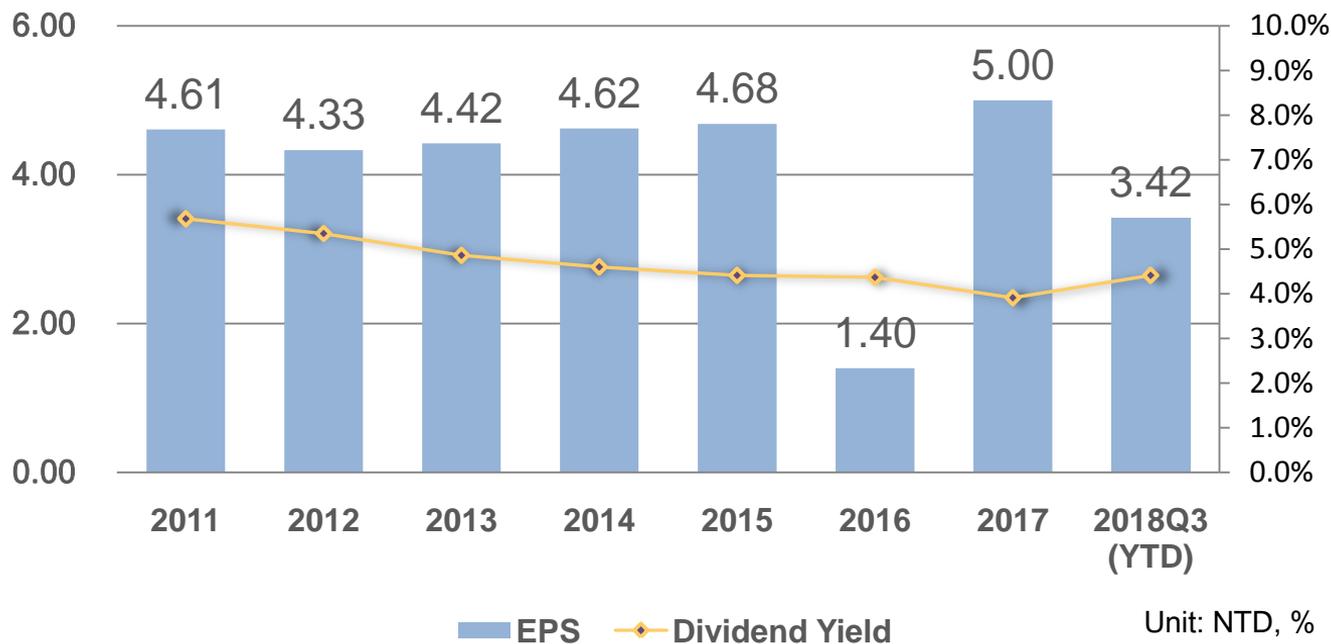
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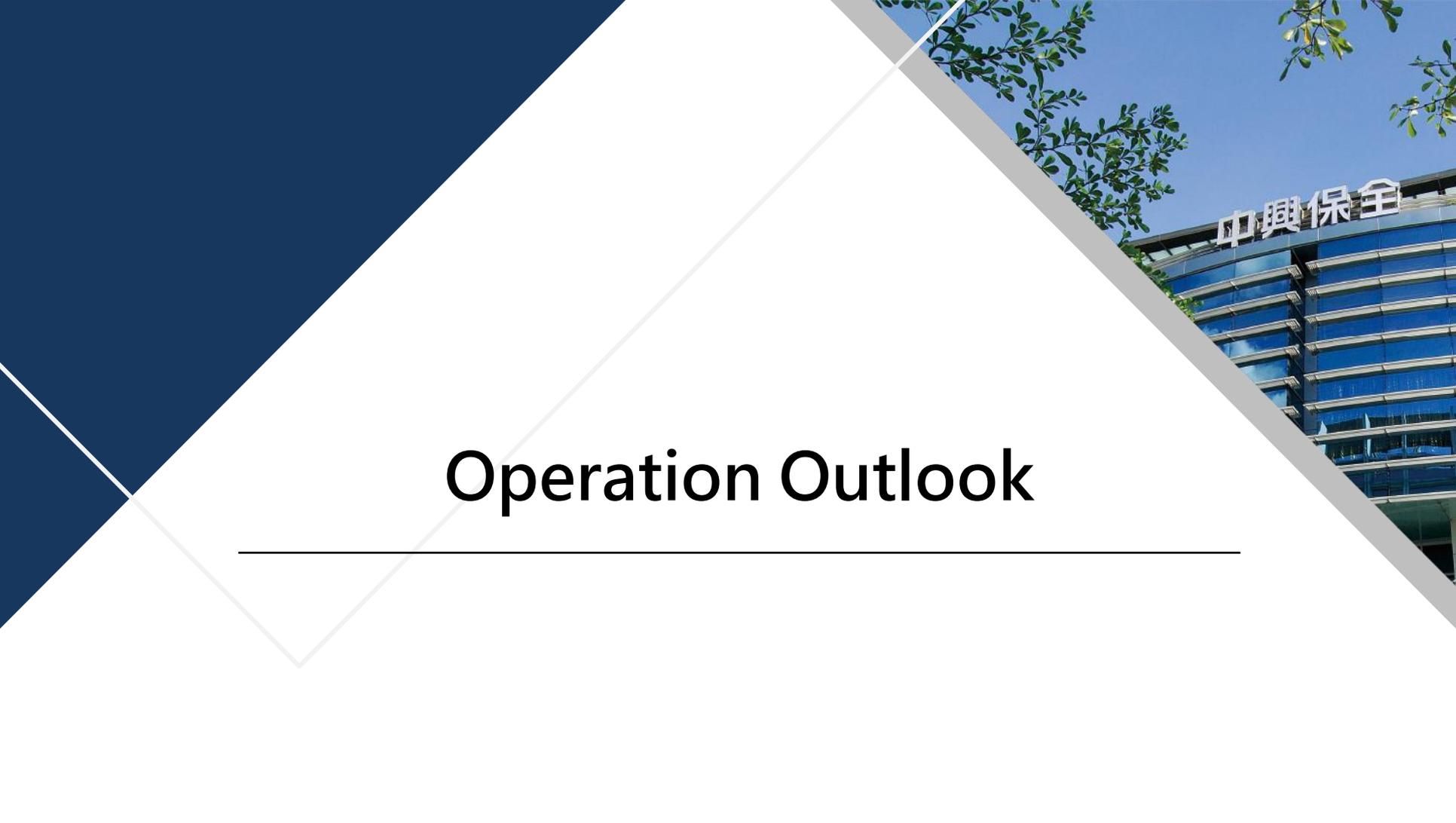
	Taiwan Secom					SKS
	2015	2016	2017	2017Q3	2018Q3	2018Q3
Consolidated Revenue	13,288	13,480	13,055	9,689	9,886	5,249
YoY Change	+1.66%	+1.45%	-3.16%	-3.43	+2.03	-1.20
Gross Profit	4,785	4,982	4,648	3,488	3,623	1,737
% Gross Profit Margin	36.01%	36.96%	35.61%	36.00%	36.65%	33.08%
Operating Expense						
Selling Expense	974	898	834	634	599	155
Admin. Expense	1,276	1,352	1,499	1,156	1,063	1,000
R&D. Expense	124	104	93	69	79	18
Expected Credit Losses	-	-	-	-	9	7
Total Expense	2,374	2,353	2,426	1,860	1,750	1,178
% of Total Revenue	17.86%	17.46%	18.59%	19.19%	17.70%	22.45%
Operating Profit	2,411	2,629	2,222	1,629	1,873	558
% of Total Revenue	18.14%	19.50%	17.02%	16.81%	18.95%	10.63%
EBITDA	3,533	3,819	3,453	2,550	2,772	978
% of Total Revenue	26.59%	28.33%	26.45%	26.32%	28.03%	18.63%
Depreciation & Amortization	1,122	1,190	1,231	921	899	420

Unit: Million NTD

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



The image features a modern glass skyscraper with the Chinese characters '中興保全' (Zhongxing Insurance) on its upper facade. The building is partially obscured by a large, stylized geometric graphic consisting of a dark blue triangle on the left and a white triangle on the right, separated by a grey diagonal line. Green tree branches are visible in the upper right corner against a clear blue sky.

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Operation Outlook

Market Status

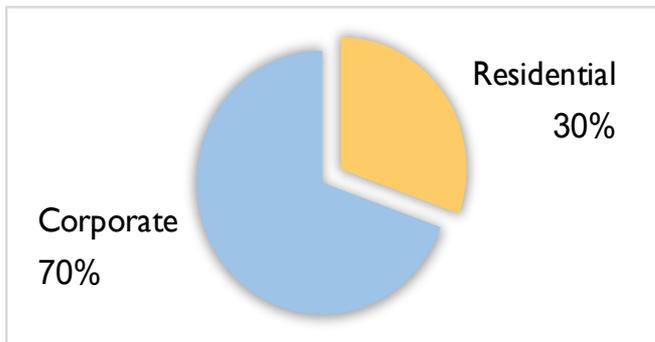
4

Market Penetration Rate

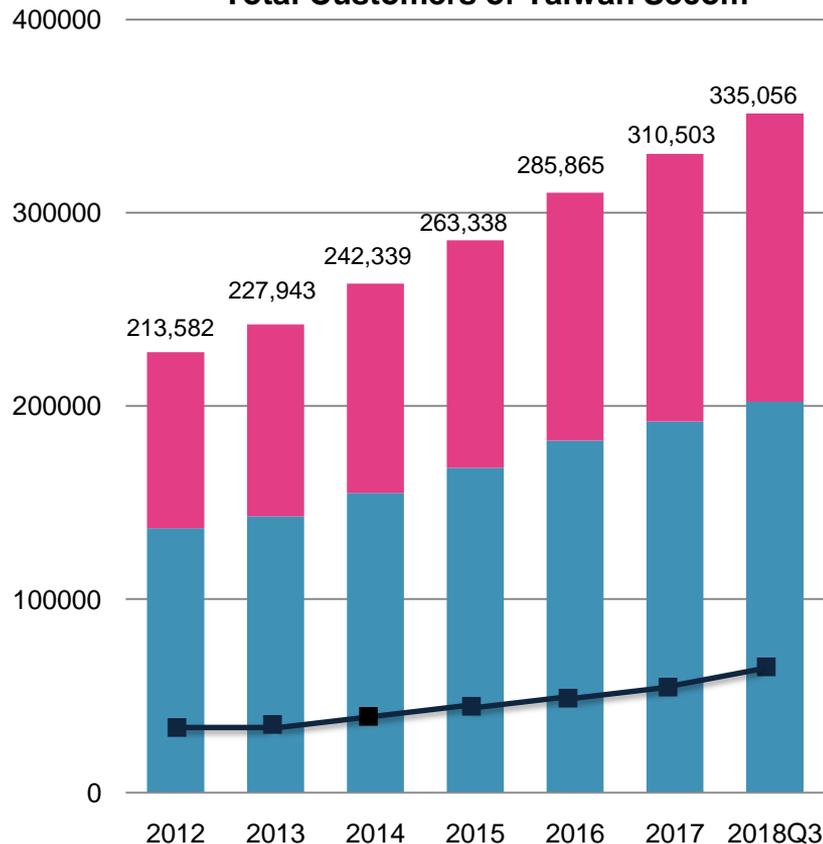
Country	Corporate	Residential
Japan	10 ~15%	4 ~ 5%
Taiwan	10 %	0.7%

Potential Opportunity

Number of Households In Taiwan	Approx. 8,600,000
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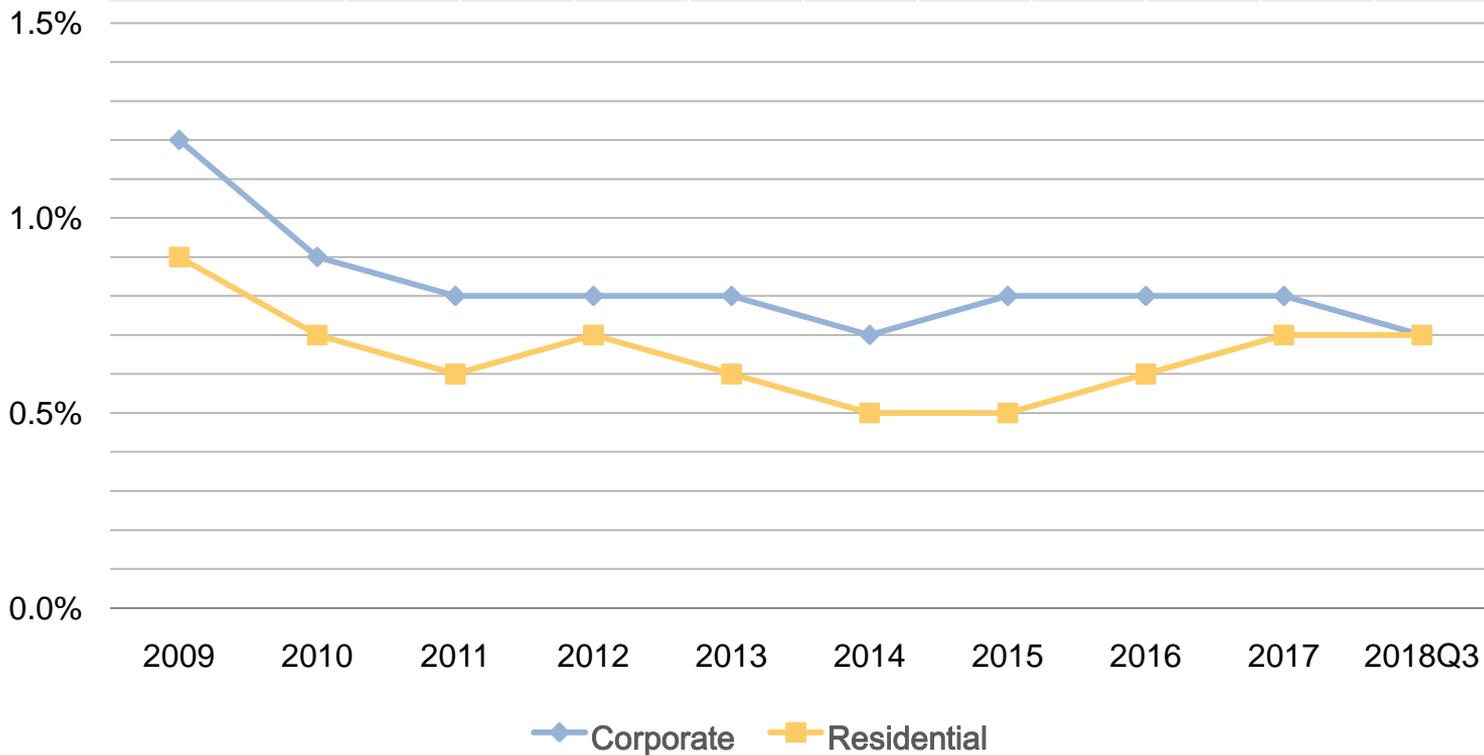
Total Customers of Taiwan Secom



■ Subscription Sales
 ■ Equipment Sales
■ Residential Customers

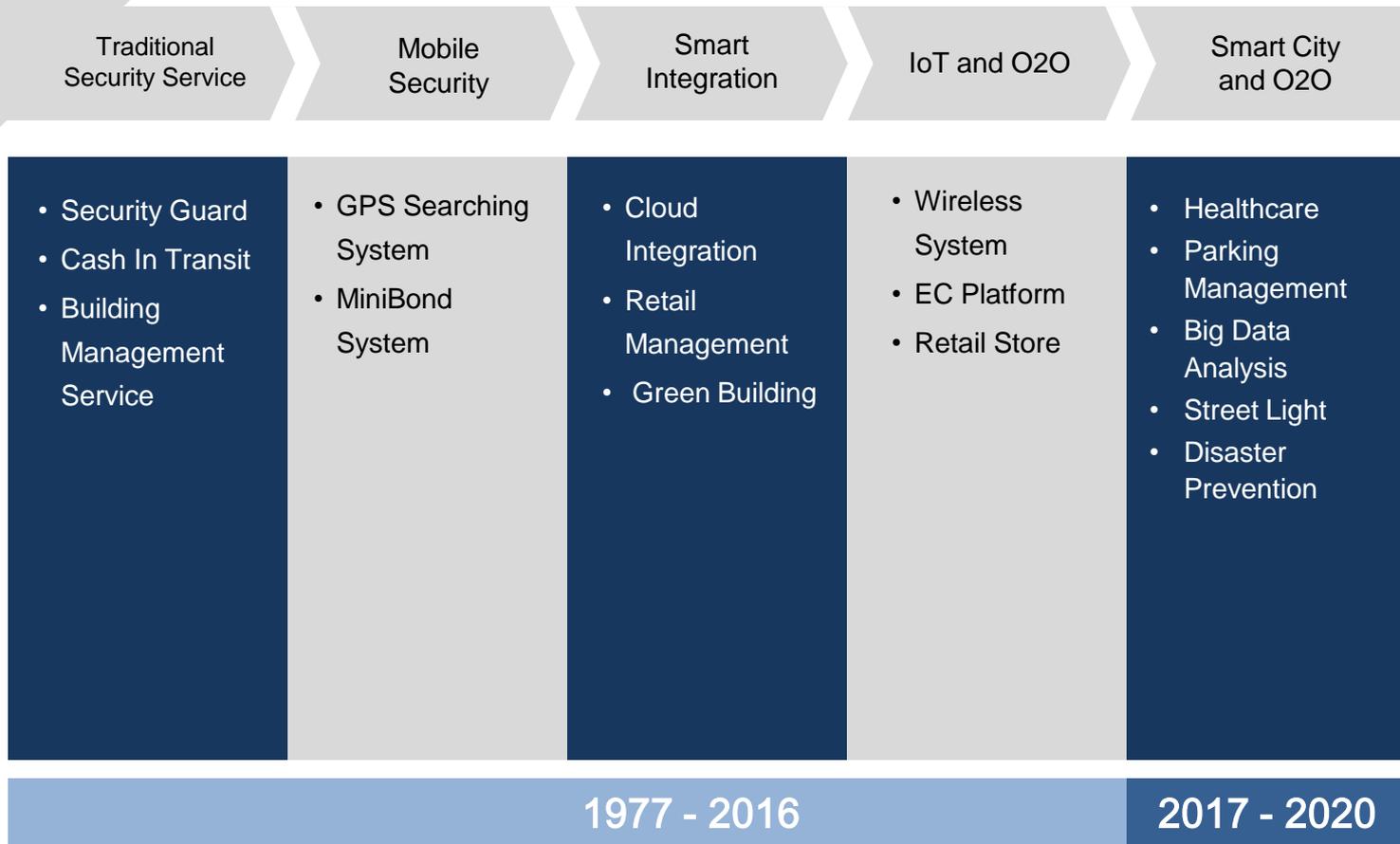
Cancellation Rate

Cancellation Rate	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018Q3
Corporate Customers	0.9%	0.8%	0.8%	0.8%	0.8%	0.7%	0.8%	0.8%	0.8%	0.7%
Residential Customers	0.9%	0.7%	0.6%	0.7%	0.6%	0.5%	0.5%	0.6%	0.7%	0.7%



Evolving Services Roadmap

6



Taiwan Secom 3Q18 YTD Segment Revenues

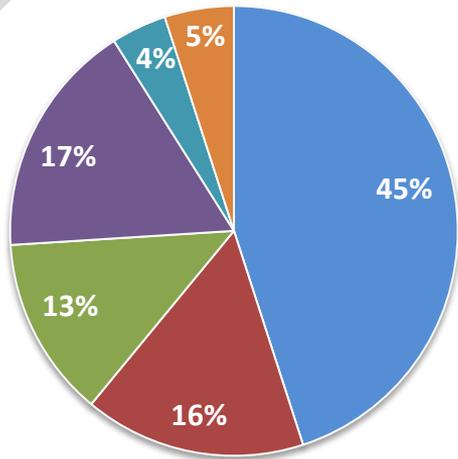
7

Name / Nature of Business		RR	GPM	OPM
Taiwan Secom Co., Ltd. - System Security Service		50.27%	49.92%	22.72%
Kuo Hsing Security Co., Ltd. - Buildings Security Guarding Service		9.24%	19.80%	10.91%
Gowin Building Management Co., Ltd. - Building and Parking Management		7.49%	17.75%	10.81%
Goyun Security Co., Ltd. - Buildings Security Guarding Service		4.90%	22.50%	11.50%
Lee Bao Security Co., Ltd. - Cash in transit and ATM Services		5.47%	32.37%	19.49%
Zhong Bao Disaster Protection Co., Ltd. - Disaster Protection Technology		1.54%	48.57%	36.19%
Lee Way Electronics Co., Ltd. - AED and Healthcare Services		1.38%	38.00%	14.21%
Comlink Fire Systems Co., Ltd. - Fire Systems		1.12%	29.87%	12.05%
Total	Core Business	81.42%		
	Consolidated	100%		

Taiwan Secom Revenue Percentage Change

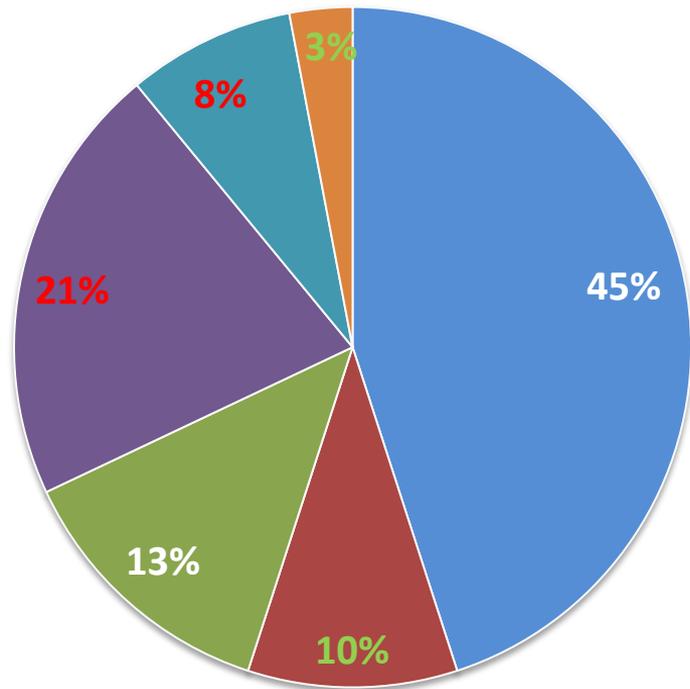
8

2018



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

2020





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Future Roadmap: Smart City

Evolution of Smart City Integration



Fire Protection

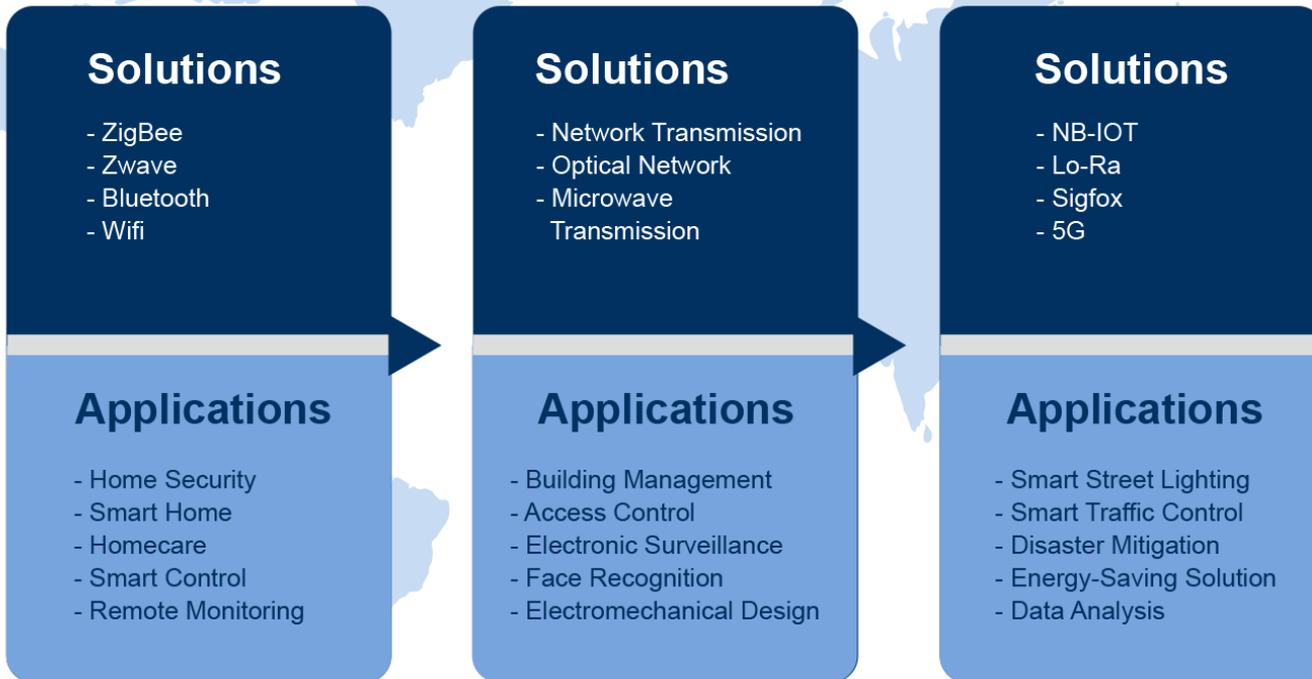
System Integration

Electrical Engineering

Electromechanical
Engineering

Evolving Communication Technology

10



Smart City 3Q18 YTD Revenue Growth

11

	3Q18 YTD	YOY
Parking	NTD 607,287	+16%
Healthcare	NTD 198,072	+14%
Disaster Protection	NTD 152,592	+293%
Others	NTD 913,524	-0.3%
Smart City	NTD 1,871,475	+13%

Unit : Thousand NTD



中興保全集團

TAIWAN SECOM GROUP

