



佳醫集團

用心 Dedication | 自主 Discipline | 創新 Innovation | 前瞻 Proactive

Excelsior Medical Co., Ltd.
2019 H1 Investor Conference

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Chairman
Group President

Tony Fu

“Dedication, Discipline, Innovation, Proactive” are the core values of Excelsior .

“Human Healthcare” is the basis of medical service industry.

Therefore, “Dedication” to our service target is what matters the most.

We focus on public healthcare, using innovative management model,
providing the most suitable product and service to the market.

Meanwhile, achieve our vision of becoming
the most professional total healthcare solution provider among Asia.



The Most Valuable Total Healthcare Solution Provider among Asia with Exceptional Investment and Operating Teams !

Excelsior Medical Co.,Ltd. was founded in 1988 , Excelsior started with the distribution of hemodialysis equipments and supplies . Gradually transformed into medical services integration channel operators.

In 2002 “Enfield Medical Co., Ltd.” successfully listed on the OTC. With the success in integration and diversification, Enfield became a listed company in Taiwan Stock Exchange (TSE) in 2007. Enfield was later renamed as **Excelsior in 2009.**

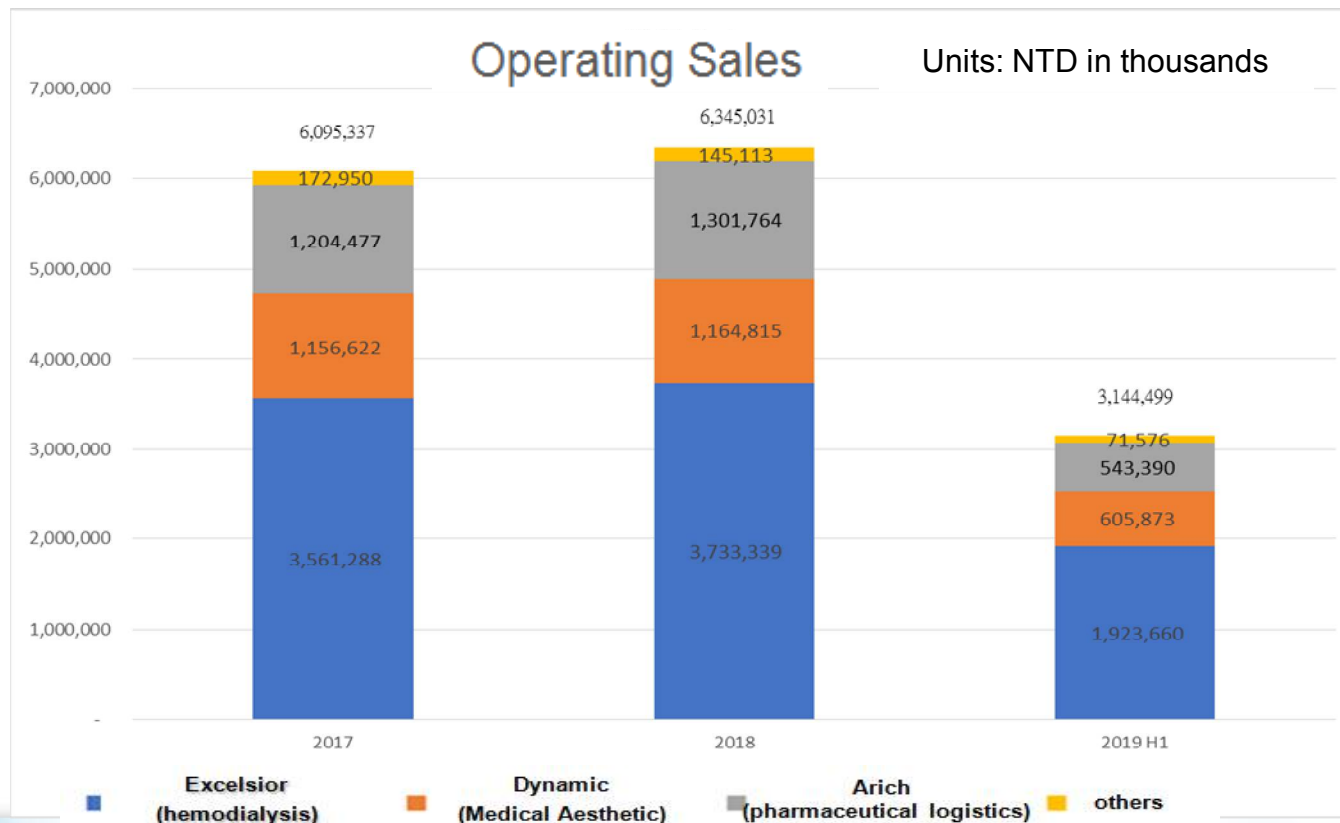
Up to now the Group has three listed companies (**Excelsior : listed at TSE ,stock code 4104. Dynamic and Arich : listed at OTC, stock code 4138 and 4173).**

In the future, Excelsior will continue to **expand its investment and operation in biotechnology and medical industries**, based on “New Southbound Policy”, in the Southeast Asia region and countries around the world.

Revenue structure

Excelsior yearly consolidated sales is more than NT \$ 6 billion, the primary revenue comes from Excelsior(Hemodialysis), Dynamic(Medical Aesthetic), Arich (Pharmaceutical Logistics) and others.

According to the company's function ,the business type can be characterized as trading business, medical service provider and Logistic.

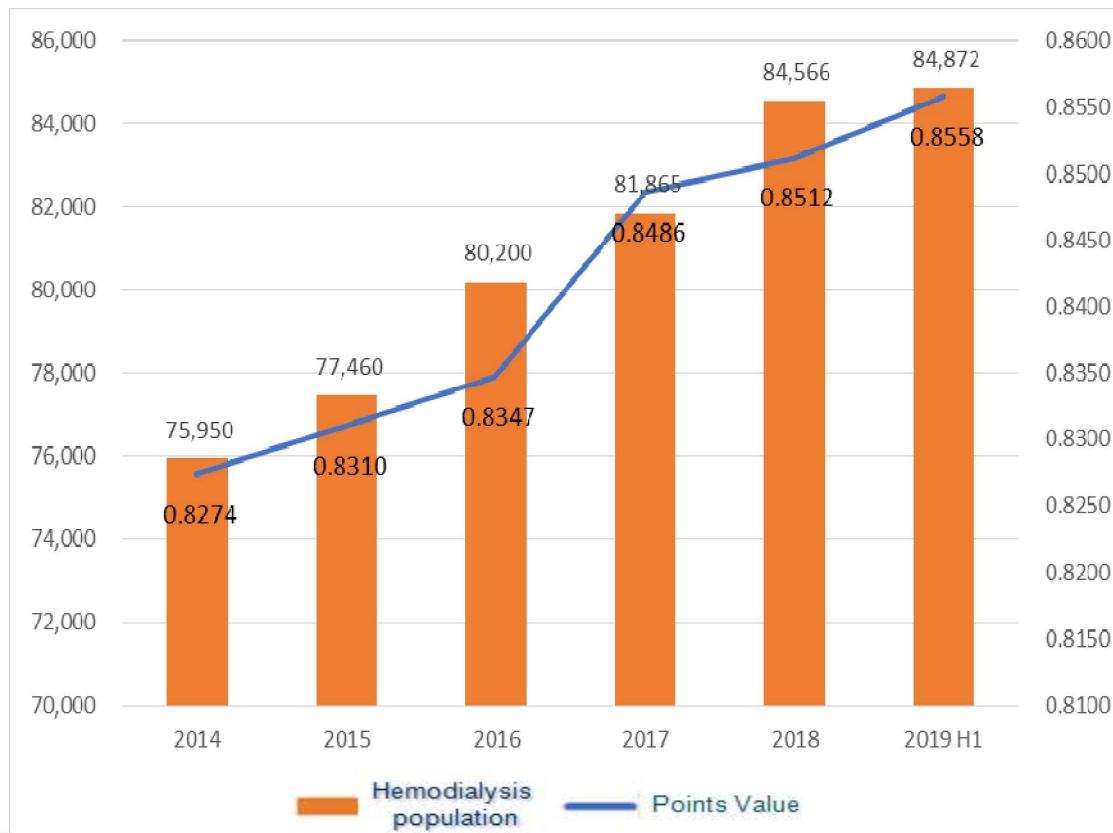


The Business Types



Excelsior(Hemodialysis)

Taiwan benefited from the implementation of the national health insurance system in 1995 and the hemodialysis technology and quality gradually mature, the patient's survival rate has gradually increased. According to National Kidney Foundation R.O.C statistics, as of the 2nd quarter of 2019, The total number of Taiwan hemodialysis and peritoneal dialysis populations has reached 84,872 people.

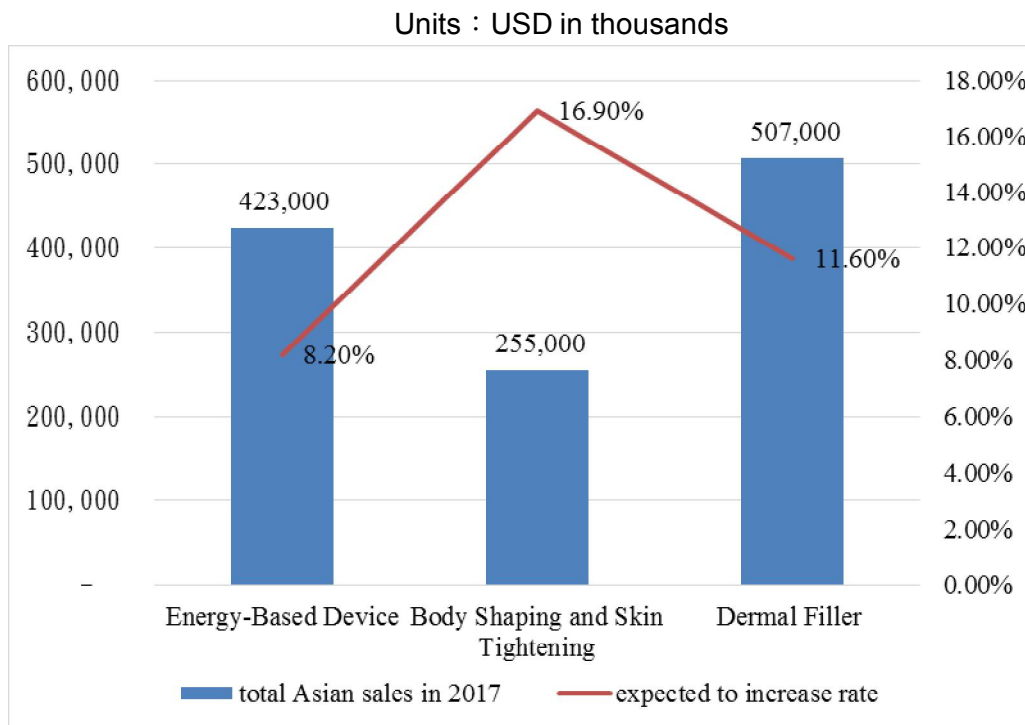


Hemodialysis brand



Dynamic(Medical Aesthetic)

According to the Asian-Pacific Market Study issued by Medical Insight, Inc. in Jan. 2019, total Asian sales of all aesthetic products and equipment reached USD \$2.1 billion in 2017 and are expected to increase by 13.2% per year through 2022. Furthermore, medical aesthetic market can be divided into 4 sections: Energy-Based Device, Body Shaping and Skin Tightening, Dermal Filler and Neurotoxin, and DMT's distributed products covers the first 3 sections.



Medical Aesthetic Brands



Arich (Pharmaceutical Logistics)

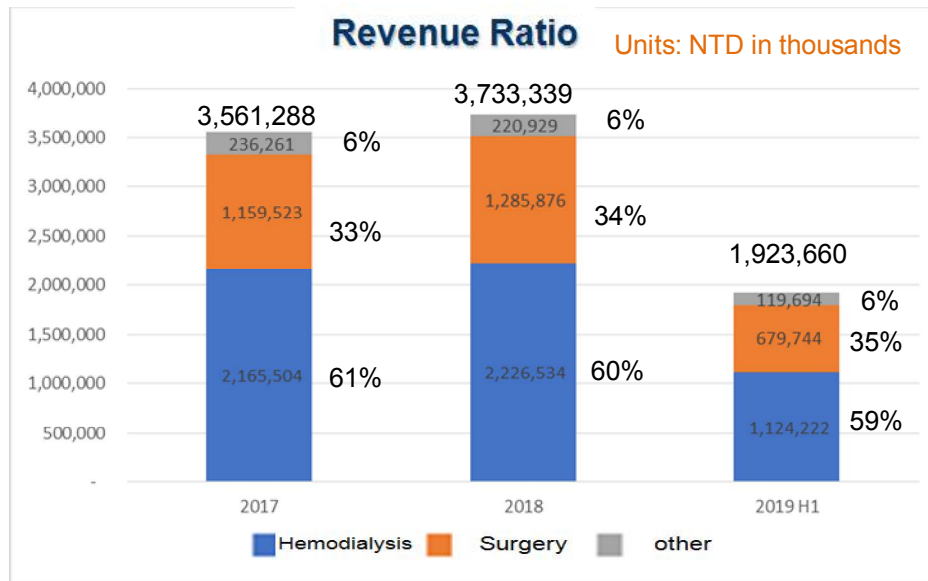
Pharmaceuticals cost approximately 1/4 of National Health Insurance expenditures. In Taiwan, although demand for medication is growing, but the prices approved/reimbursed by NHI are declining. Consequently the multinational pharmaceutical companies keep on outsourcing, for the sake of cost down, the distribution/logistic service more and more.



Key Customers



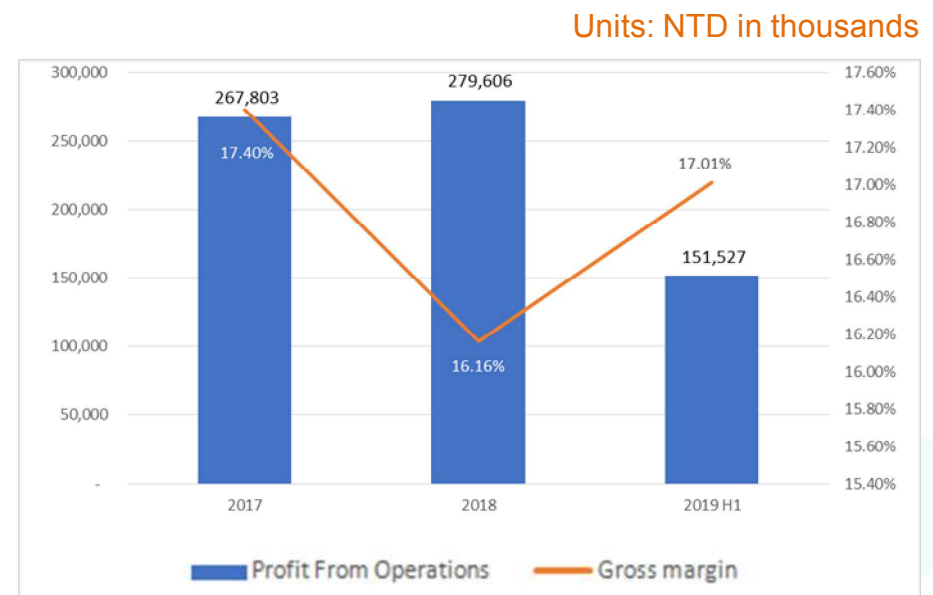
Excelsior(Hemodialysis)



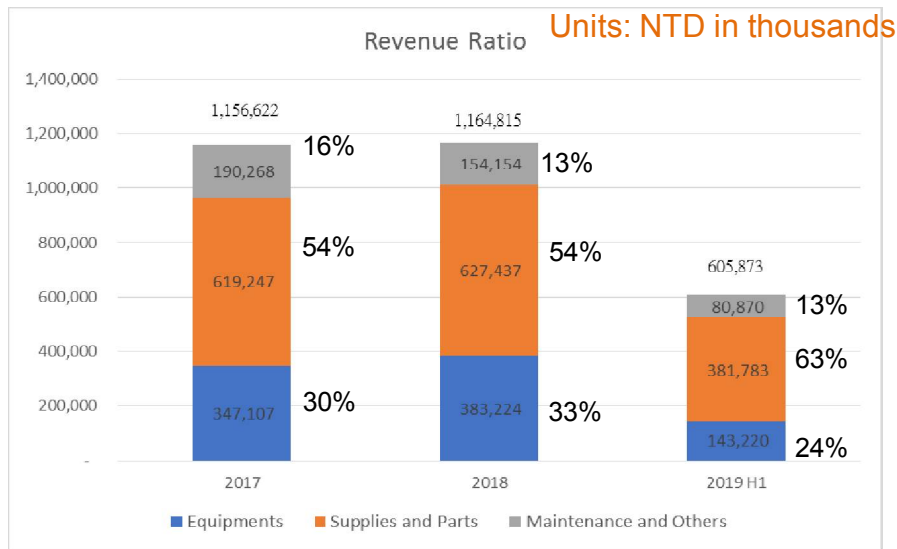
In 2019 H1, Excelsior's hemodialysis products accounted for 59% of its operating revenue, the surgical products accounted for 35%, the other products (blood bag, ostomy, preventive medicine and home appliances) accounted for 6%. The greater revenues of 2019 H1 than which of 2018 H1 is mainly due from the hemodialysis products and the surgical products increasing.

In 2018 the dialysis products increased by 2.8%, meanwhile the surgical products increased by 10.9%. The overall operating revenue increased by 4.8%.

Excelsior operating incomes were NT \$ 267,803 (NTD in thousands) in 2017 and NT \$ 279,606 (NTD in thousands) in 2018; the growth rate was 4.4%. The greater operating income in 2019 H1 than which of 2018 H1 is mainly because of greater revenues.



Dynamic(Medical Aesthetic)

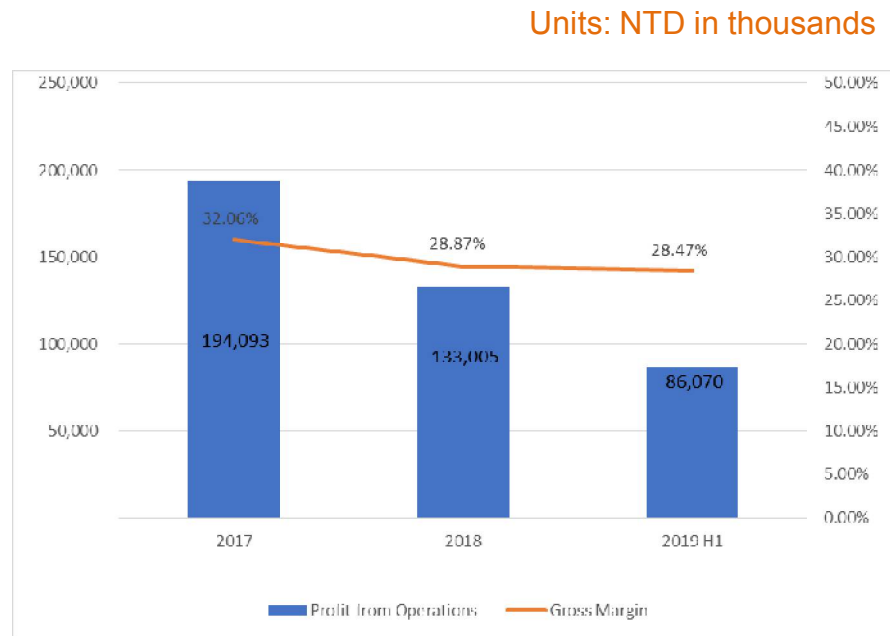


In 2019 H1, equipments accounted for 24% of the revenue, supplies and parts accounted for 63%, maintenance and others accounted for 13%.

Revenues of 2019 H1 is less than which of 2018 H1, because sales of equipments decreased while supplies and parts increased. In comparison to the prior year, revenues increased by 0.7% in 2018: equipments +10.4%, supplies and parts +1.3%, maintenance and others -19.0%.

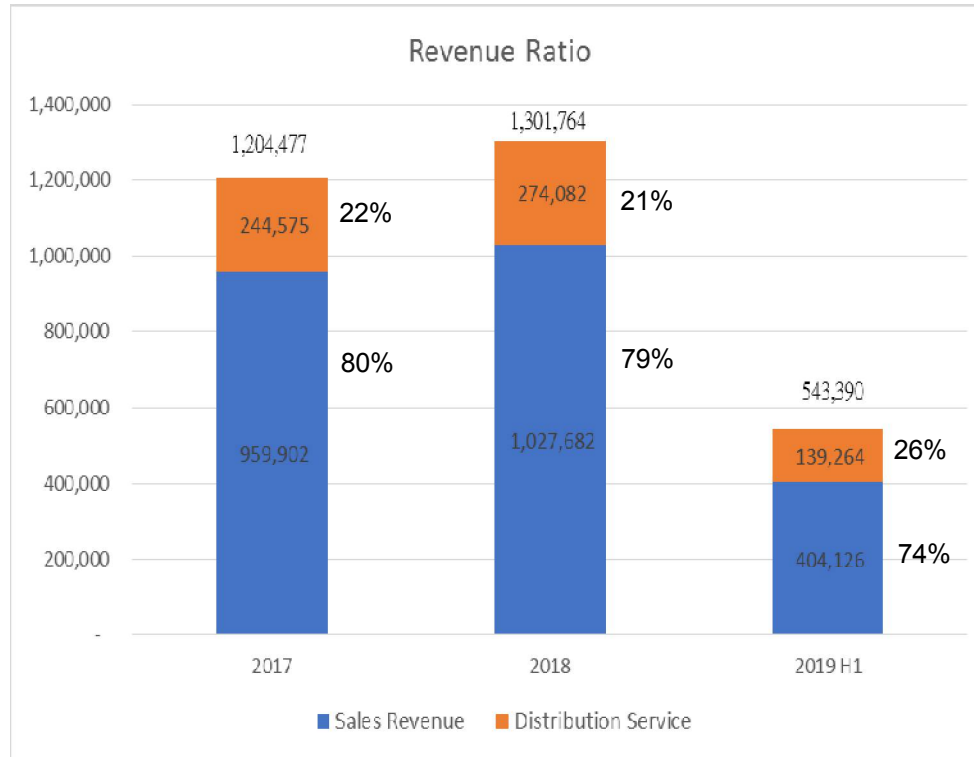
Dynamic operating income were \$ 133,005 (NTD in thousands) in 2018 and \$ 194,093 (NTD in thousands) in 2017, due to the decreasing gross margin which was a result of inventory valuation.

Operating Income of 2019 H1 is more than which of 2018 H1 primarily because of deduction of operating expenses.



Arich (pharmaceutical logistics)

Units: NTD in thousands

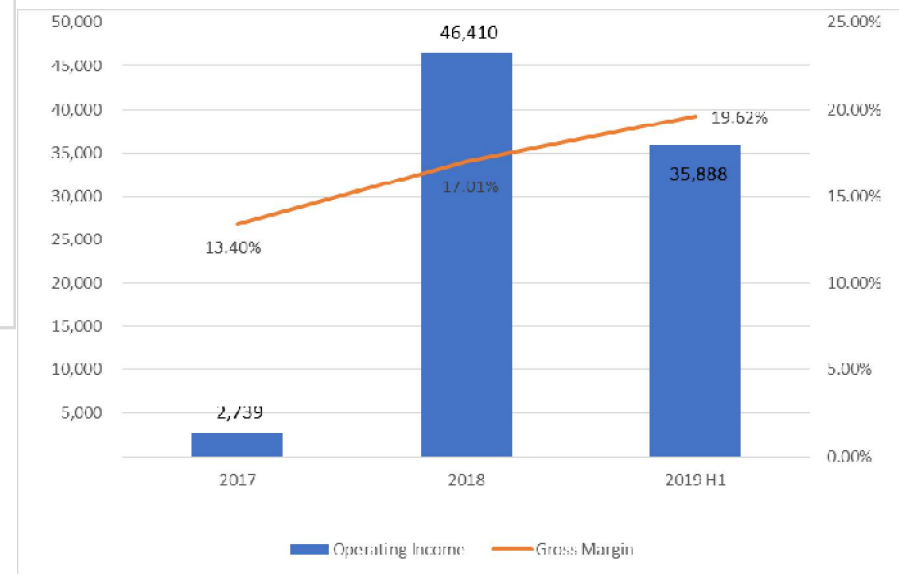


In 2019 H1, sales revenue accounted for 74% of our operating revenue while distribution service is 26%. Decline of operating revenue in 2019 H1 was due to restructuring of customers portfolio and revenues composition.

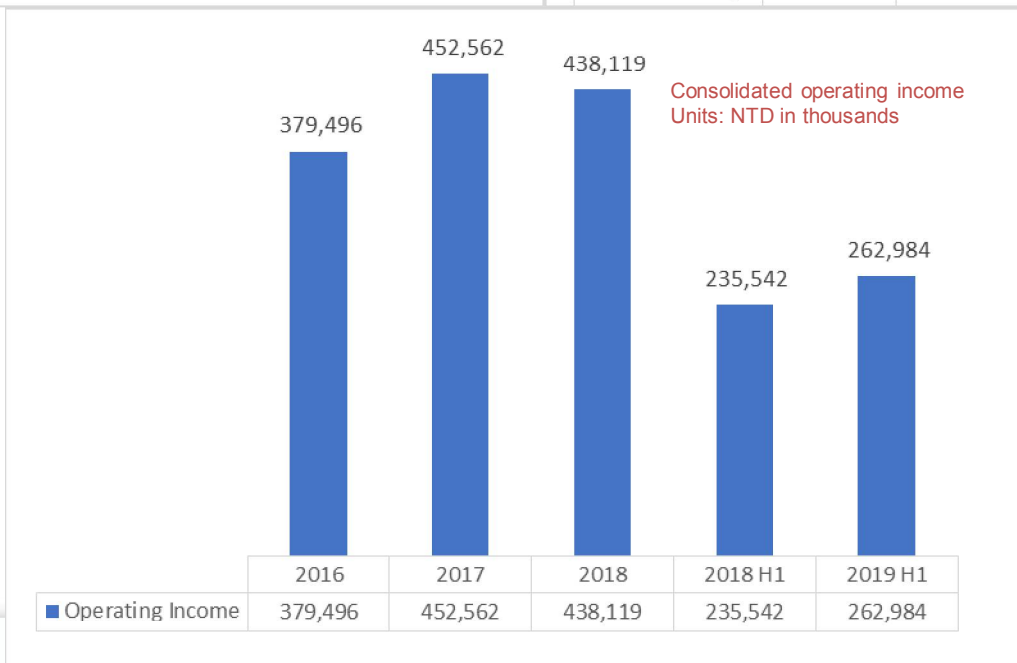
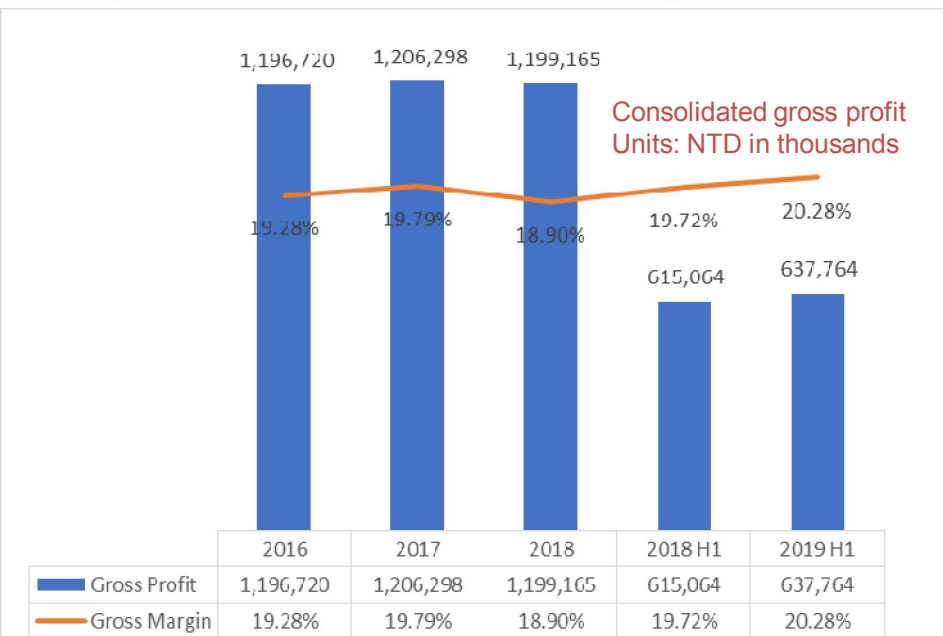
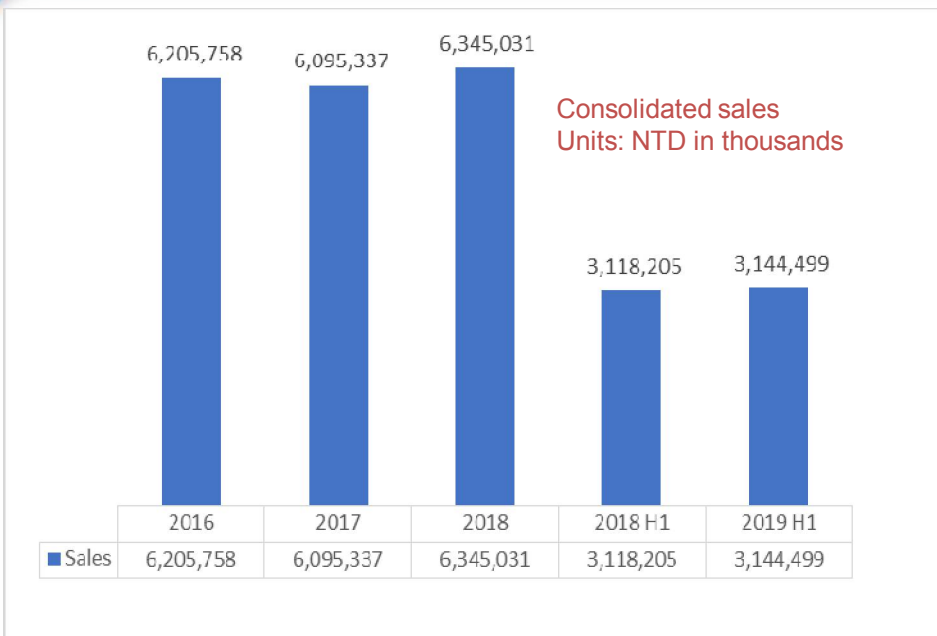
Increase of revenue in 2018 is led by growth of sales revenue and distribution service.

Arich operating income were NT\$ 46,410 thousand dollars in 2018 and NT\$ 2,739 thousand dollars in 2017, because it was a transitional period of adjusting customers portfolio and revenues composition. Operating income of 2019 H1 is more than which of 2018 H1 because of new customers and new products.

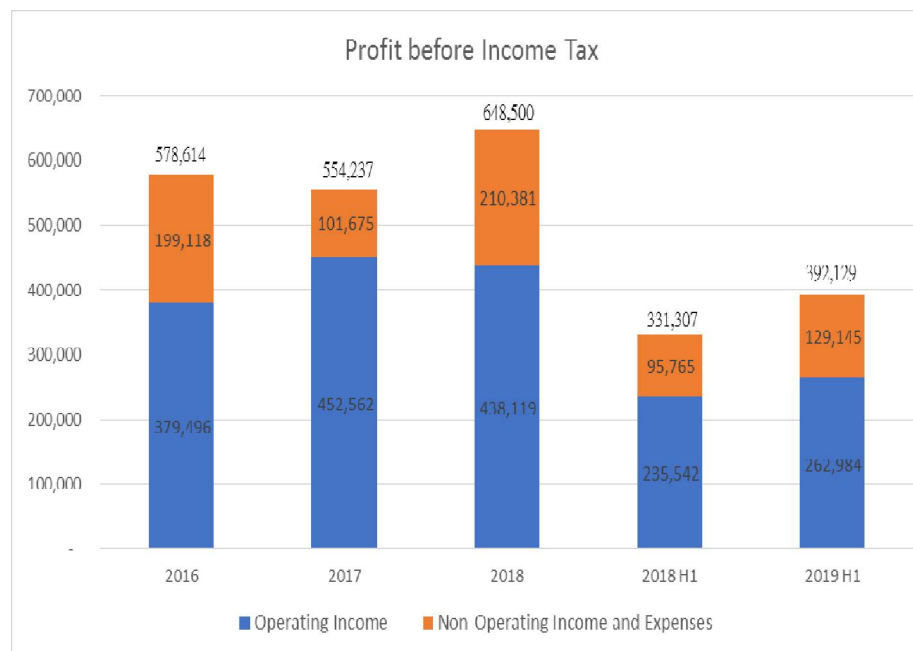
Units: NTD in thousands



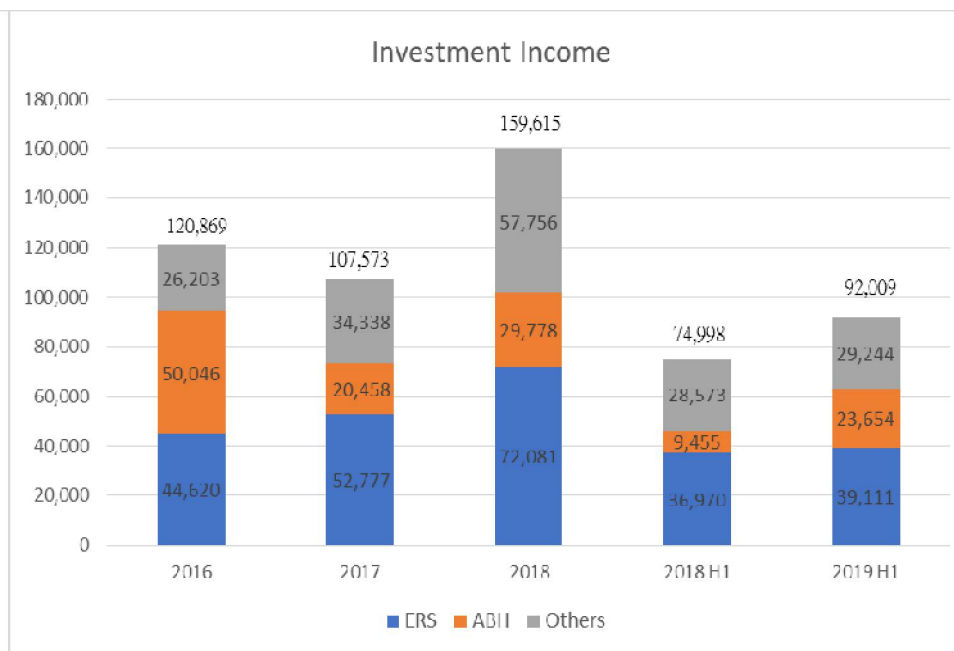
Financial Overview



Units: NTD in thousands

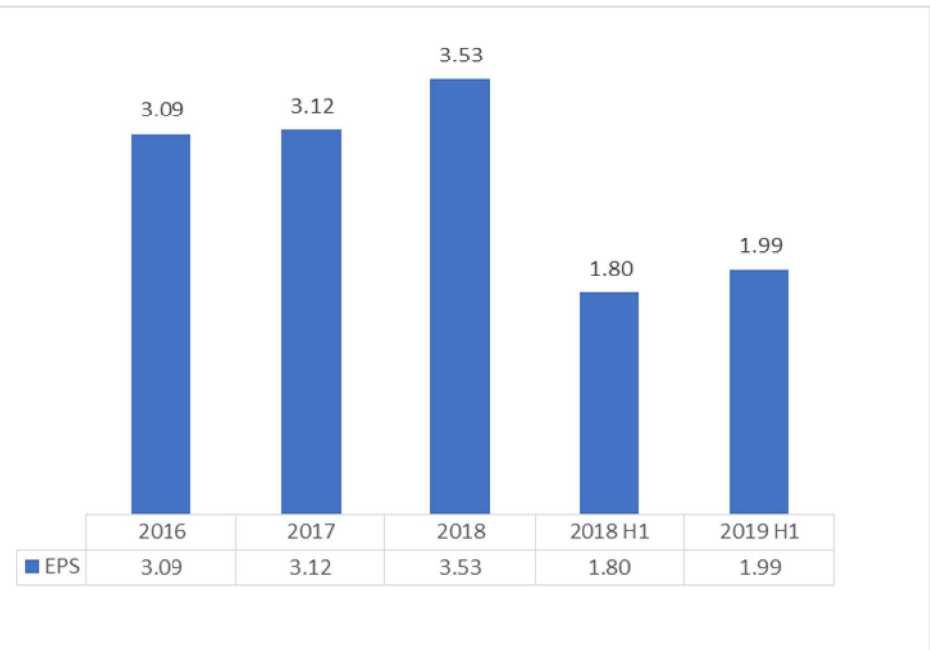
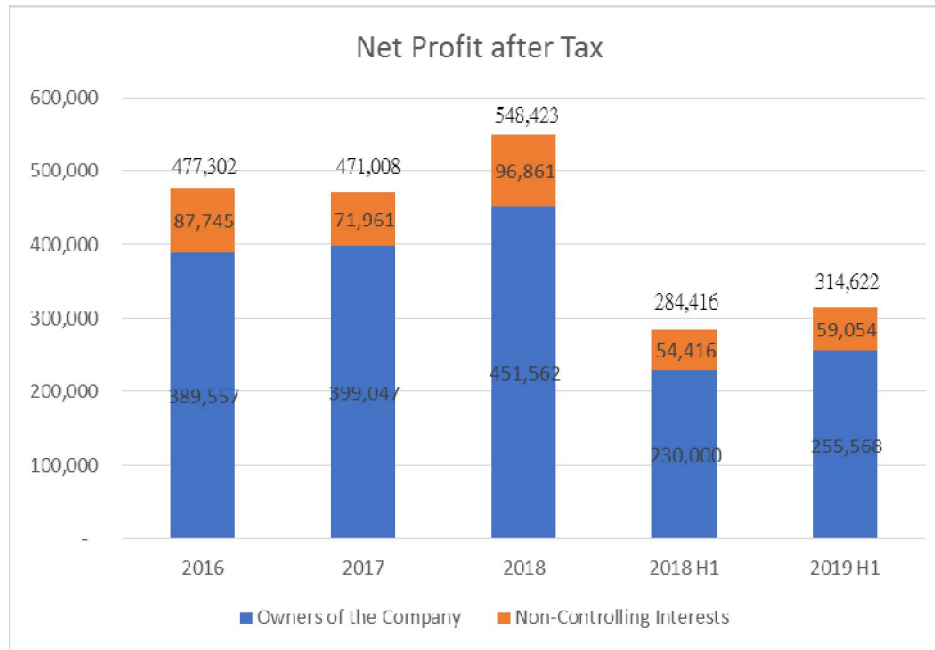


Units: NTD in thousands



Units: NTD in thousands

Units : NTD in Dollars



Hemodialysis channel – Excelsior Renal Service Co., Limited & Jiate Excelsior Co., Ltd

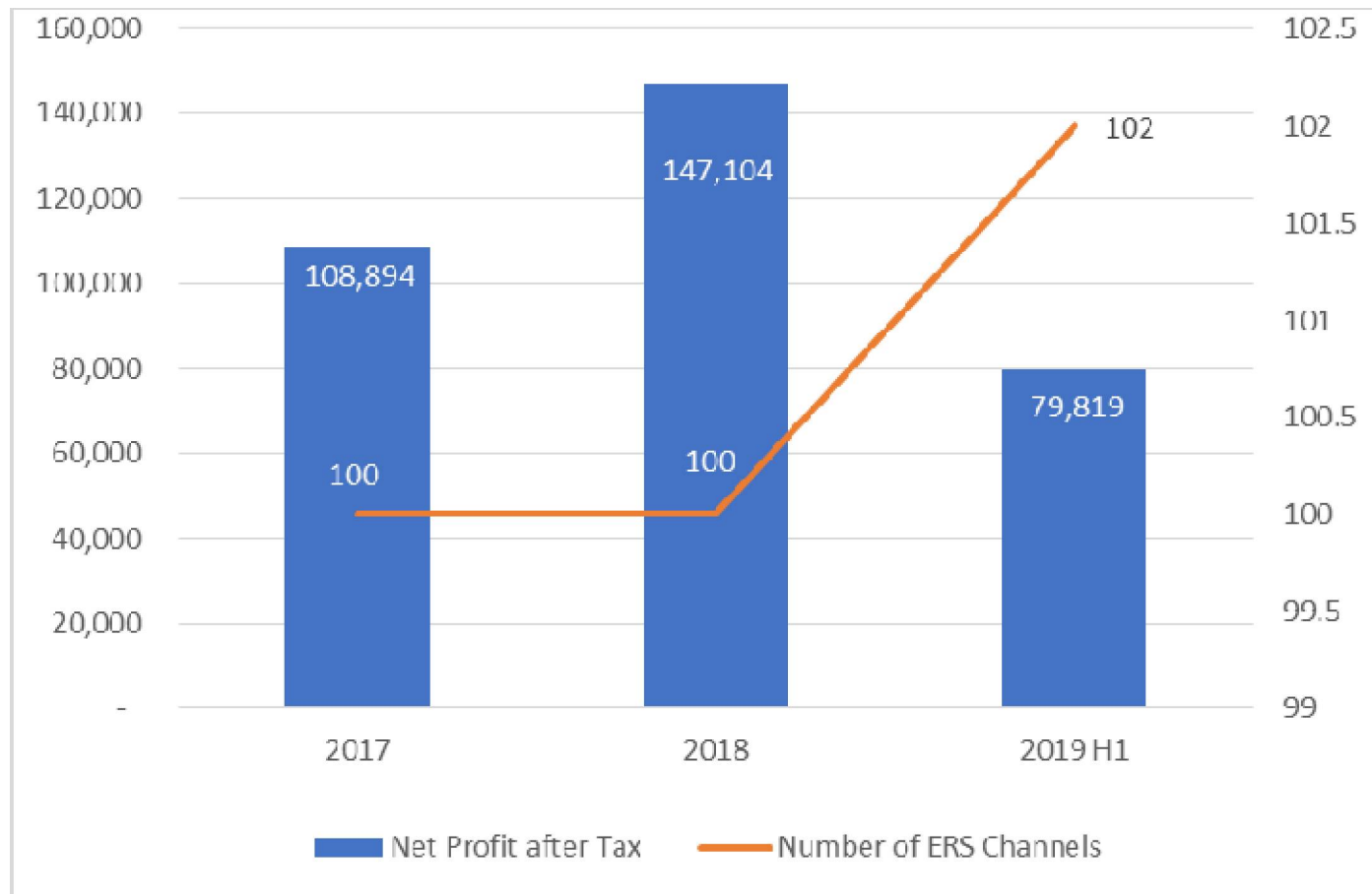


【 Hemodialysis channel Introduction 】

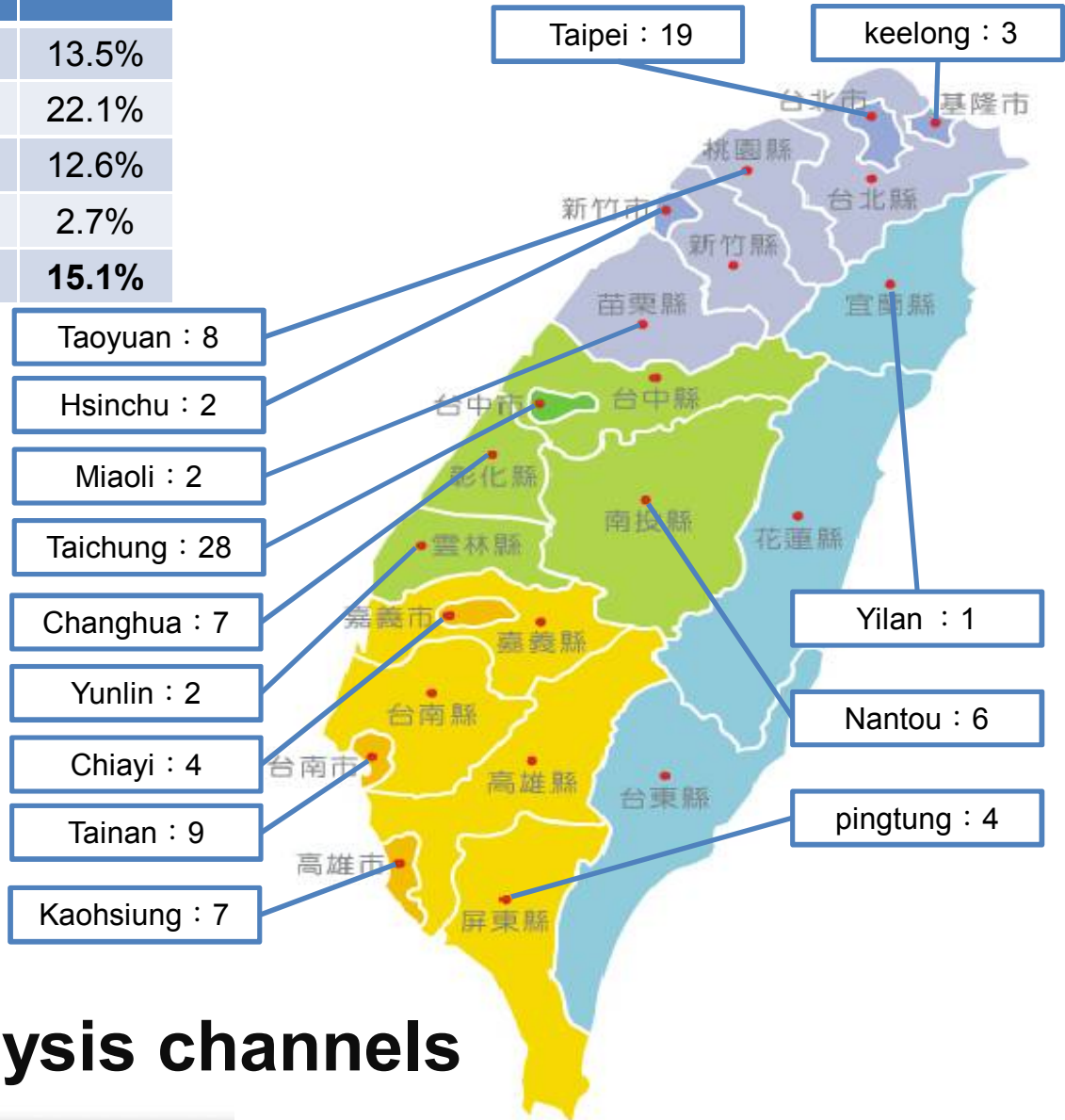
Excelsior entered into a joint venture with Fresenius which is the world's largest manufacturer of dialysis products, and establishes long-term cooperative relationship with more than 100 Hemodialysis Channels, also ERS is the largest professional medical management services provider. Excelsior professional Hemodialysis team counsels dialysis channel's management , provides dialysis equipment and consumables with the best quality, professional training, and medical advisory team to help medical staff to provide the best care to patients with quality care and nutrition services .

Hemodialysis channel – Excelsior Renal Service Co., Limited & Jiate Excelsior Co., Ltd

Units : except ERS channels , NTD in thousands



Area	Total channels	ERS channels	%
North	252	34	13.5%
Central	195	43	22.1%
South	190	24	12.6%
other	37	1	2.7%
Total	674	102	15.1%



Hemodialysis channels

Long-Term Care Channels– Asia Best Healthcare Co., Ltd.

Xi-zhi Nursing Home



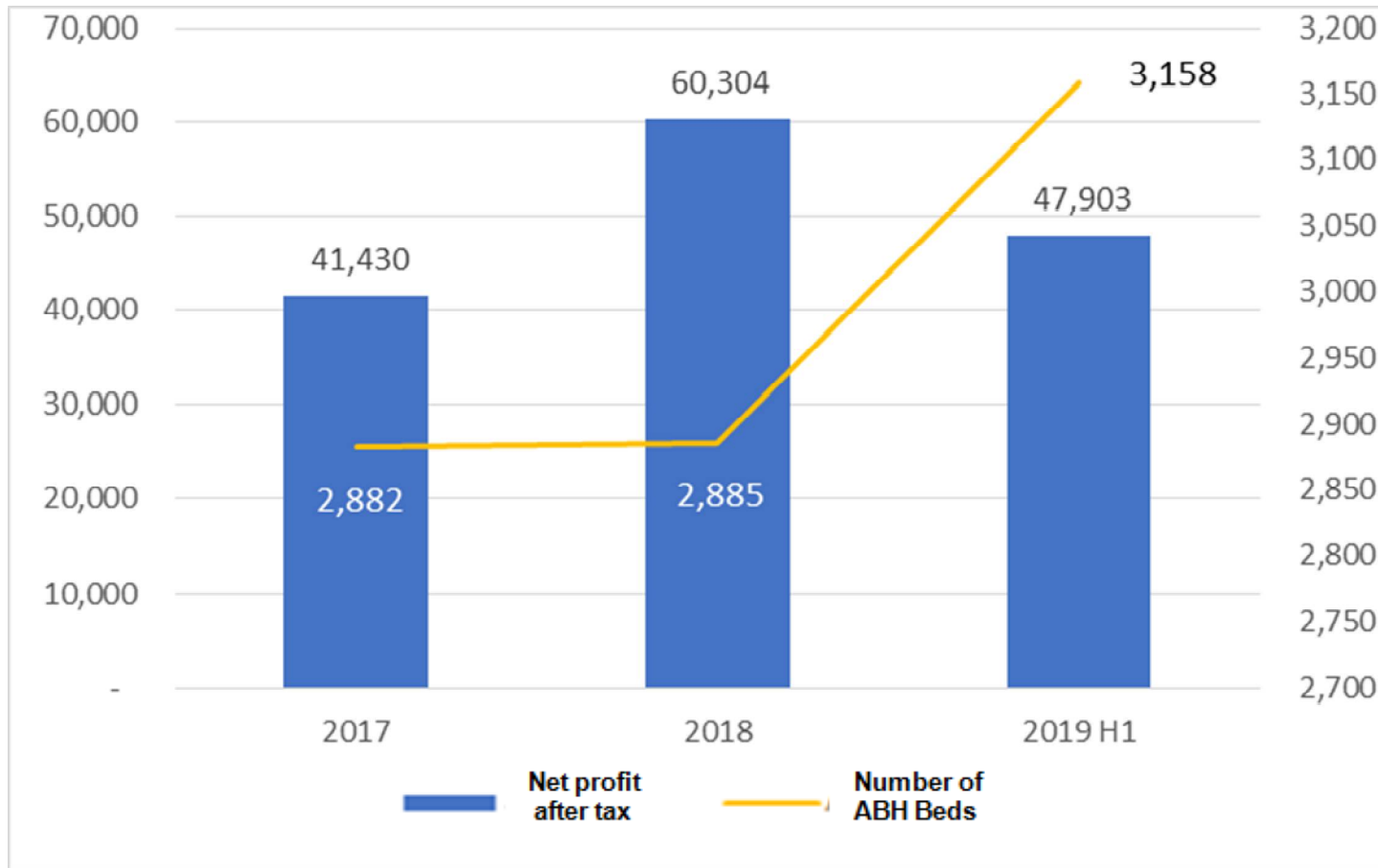
【 Long-Term Care Channels Introduction 】

Excelsior combines the experiences and advantages in medical industry, with innovative concepts to build higher service standards of long-term care channels. We provide Long Term Care Facility Services and also provided Home-Based Care with professional medical care.

Furthermore ,Excelsior long-term care centers have established a perfect transportation system with regional hospitals and medical centers to protect the residents of emergency medical requirements.

Long-Term Care Channels– Asia Best Healthcare Co., Ltd.

Units:except ABH Beds , NTD in thousands



Hospital/long-term care	Beds
Hospital	525
Long-term care	2,633
Total	3,158

Long-term care channels

Xizhi



Ping-zhen



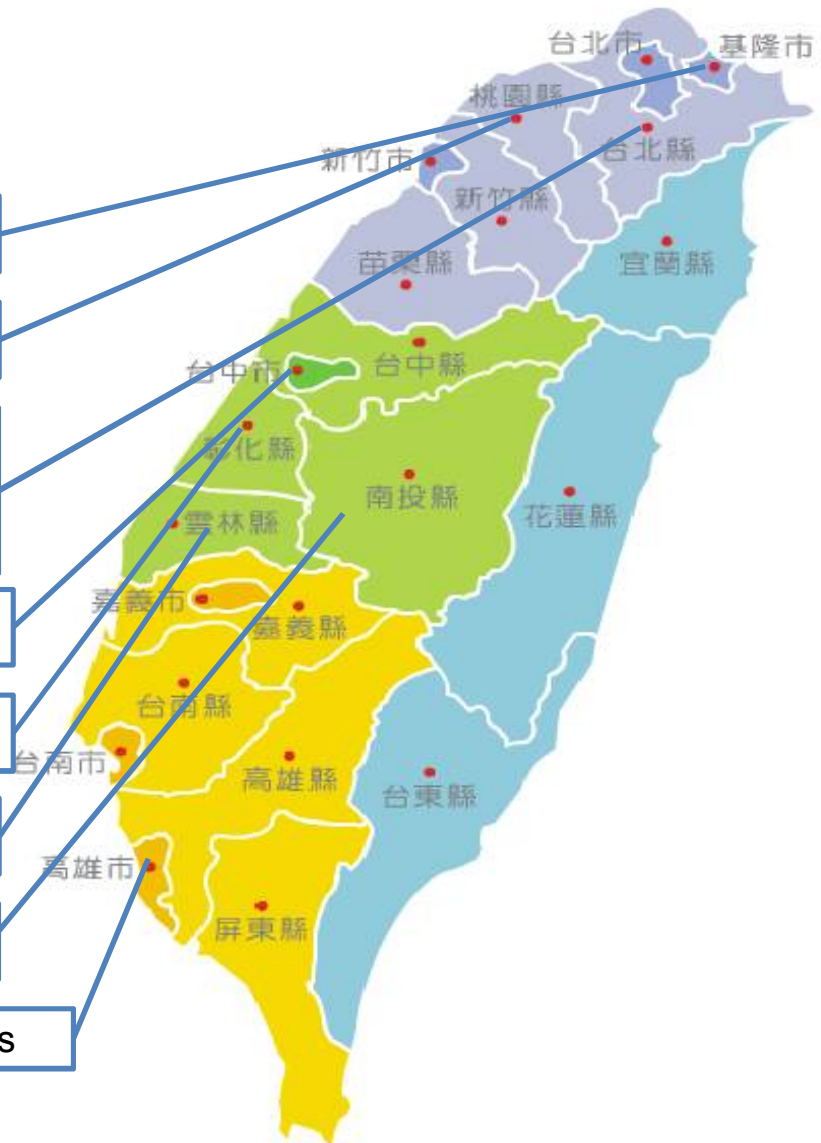
Tai-chung



Kaoh-siung



- Keelung : 114 beds
- Taoyuan : 204 beds
- Taipei : 165 beds
- New Taipei City : 1,275 beds
- Taichung : 591 beds
- Changhua: 200 beds
- Yunlin : 131 beds
- Nantou : 294 beds
- Kaohsiung : 184 beds



Excelsior(Hemodialysis)

Short-Term Plan

In Hemodialysis business, Excelsior maintains the current scale of channel in the hemodialysis center and raises the market share of related equipment and consumables .

Further, we are actively seeking agents of other professional medical products to provide diversified products.

Mid-Term Planning

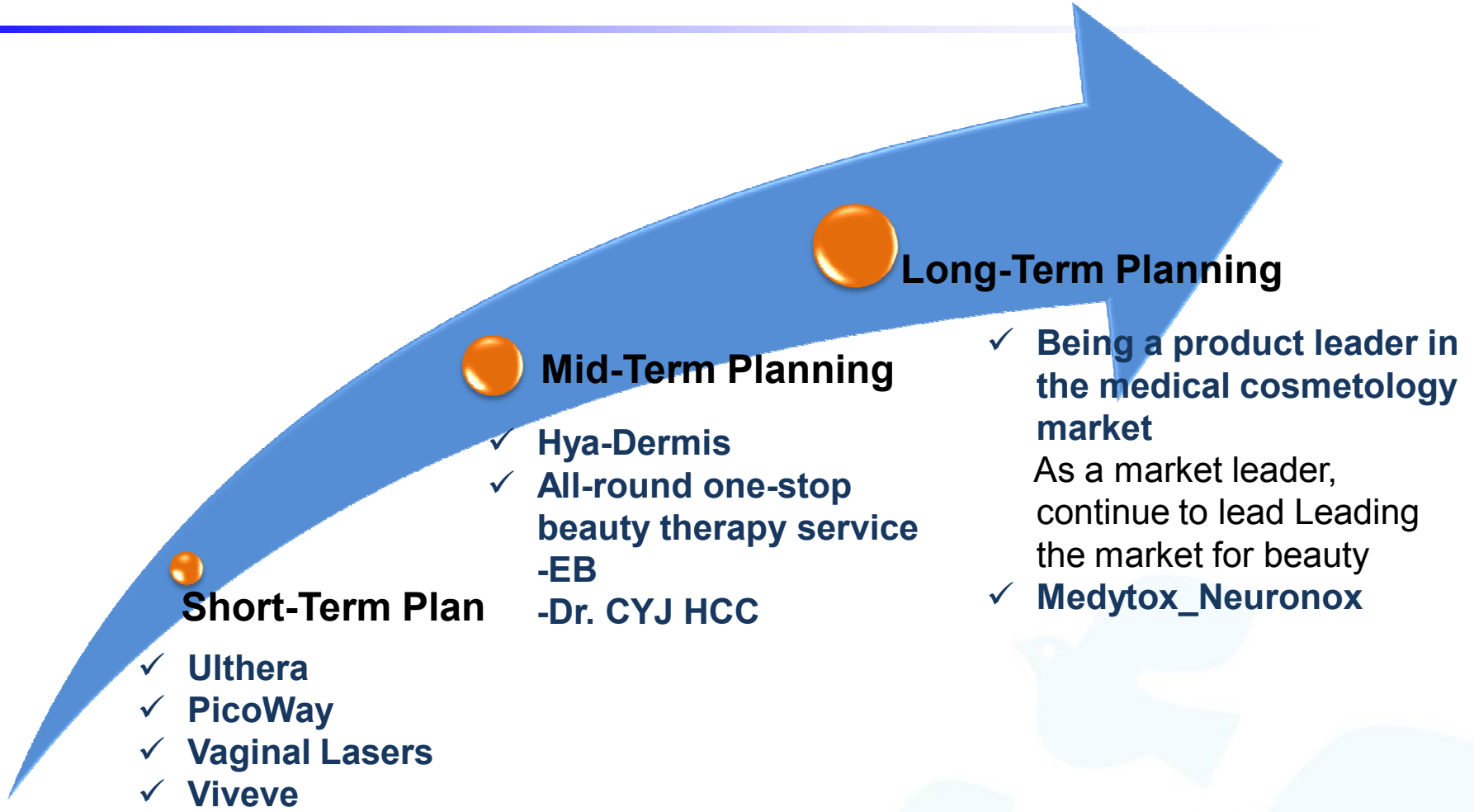
- 1.Integrating upstream and downstream medical resources , increasing business partners in different industry and continue to expand medical channels.
- 2.Streamlining the organization to reduce the cost of the operating inside the company to raise the operation efficiency.

Long-Term Planning

Excelsior develops from Taiwan to Asia , and follows government's direction "The New Southbound Policy ", we will proceed to focus on Southeast Asia to lay a good foundation for long-term profit model.



Dynamic(Medical Aesthetic)





Arich (pharmaceutical logistics)

Short-Term Planning

- 1. Sales Revenue : Actively looking for the opportunity of promotion of new products relevant to the elderly.
- 2. Distribution Service : To stabilize relationships with key customers/ pharmaceutical companies.

Mid-Term Planning

- 1. Sales Revenue
 - A. Medication : To increase our product items.
 - B. Dementia medication : To obtain new products relevant to Dementia medication.
- 2. Distribution Service
 - A. To find business opportunities in medical device market.
 - B. To provide tailor-made service to fulfill customers' requirements.

Long-Term Planning

- 1. Sales Revenue
 - A. To seek strategic partners and to expand the variety of our products.
 - B. To integrate excelsior group's dialysis and long term care centers and to enter into growing market.
- 2. Distribution Service
 - A. To establish an international, with high quality and air-conditioning, logistic center.
 - B. To keep investing in IT and warehousing system.

Appendix

Balance Sheet

Units: In thousands NTD	2017.12.31	2018.12.31	2019.06.30
Assets			
Current Assets			
Cash and Cash Equivalents	2,473,892	3,100,081	3,203,076
Receivables	2,199,672	1,605,261	1,576,143
Other Receivables	3,562,727	3,765,675	3,852,911
Inventories	1,121,982	1,008,284	907,654
Other Current Assets	1,172,617	459,977	694,472
Total Current Assets	10,530,890	9,939,278	10,234,256
Non-Current Assets			
FVTOCI financial assets-non-current	-	714,418	763,838
Available-for-sale financial assets - non-current	389,967	-	-
Financial assets measured at cost - non-current	229,782	-	-
Investments accounted for using equity method	2,508,952	2,418,116	2,403,550
Property, plant and equipment	270,490	286,345	289,171
Investment properties	197,114	194,209	192,765
Other Non-Current Assets	824,284	428,504	732,338
Total Non-Current Assets	4,420,589	4,041,592	4,381,662
Total Assets	14,951,479	13,980,870	14,615,918

Balance Sheet

Units: In thousands NTD	2017.12.31	2018.12.31	2019.06.30
Liabilities			
Current Liabilities			
Short-Term Loan	1,160,000	1,110,000	1,030,000
Payables	1,029,336	1,014,679	990,338
Other Payables	3,262,492	2,498,680	2,988,739
Other Liabilities	954,248	482,617	523,626
Total Current Liabilities	6,406,076	5,105,976	5,532,703
Non-Current Liabilities			
Convertible Bond	-	-	-
Long-Term Loan	-	-	-
Other Non-Current Liabilities	520,600	532,491	782,177
Total Non-Current Liabilities	520,600	532,491	782,177
Total Liabilities	6,926,676	5,638,467	6,314,880
Equity attributable to owners of the Company			
Common stock	1,278,274	1,281,490	1,281,490
Capital surplus	2,804,995	2,812,704	2,812,704
Retained earnings	2,596,032	2,739,276	2,631,232
other equity	(262,832)	(26,629)	44,479
Total Equity attributable to owners of the Company	6,416,469	6,806,841	6,769,905
Non-Controlling interests	1,608,334	1,535,562	1,531,133
Total Stockholders Equity	8,024,803	8,342,403	8,301,038
Total Liabilities and Stockholders Equity	14,951,479	13,980,870	14,615,918

Statement of Comprehensive Income

Units: In thousands NTD	2017	2018	2019 H1
Operating Revenue	6,095,337	6,345,031	3,144,499
Operating Costs	4,889,039	5,145,866	2,506,735
Gross Profit	1,206,298	1,199,165	637,764
Gross Margin	19.79%	18.90%	20.28%
Operating Expense	753,736	761,046	374,780
Operating Income	452,562	438,119	262,984
Non-operating income and expenses	101,675	210,381	129,145
Profit before income tax	554,237	648,500	392,129
Income Tax	83,229	100,077	77,507
Net profit after tax	471,008	548,423	314,622
Net Profit Attributable to Owners of the Company	399,047	451,562	255,568
EPS (Dollars)	3.12	3.53	1.99

Statements of Cash Flows

Units: In thousands NTD	2017	2018	2019 H1
Profit before income tax	554,237	648,500	392,129
Adjustments items	(60,595)	(92,888)	(41,021)
Cash flows from operating Activities			
Receivable (increase) decrease	(106,519)	190,288	31,001
Other Receivable decrease	1,244,175	182,201	53,696
Inventories (increase) decrease	(155,417)	65,661	81,387
Payable decrease	(198,300)	(14,657)	(24,341)
Other Payable increase (decrease)	(1,549,695)	(762,368)	18,799
Income tax paid	(99,703)	(94,328)	(51,385)
Other	(115,571)	70,025	(21,571)
Net cash (used in) provided by operating activities	(487,388)	192,434	438,694

Statements of Cash Flows

Units: In thousands NTD	2017	2018	2019 H1
Cash flows from investing activities			
Purchase of financial assets at amortized cost	-	(1,027,056)	(329,798)
Proceeds from disposal of financial assets at amortized cost	-	1,716,236	60,000
Purchase of debt investments with no active market	(715,670)	-	-
Proceeds from disposal of debt investments with no active market	704,797	-	-
Acquisition of investments accounted for using equity method	(119,545)	(25,262)	-
Proceeds from disposal of non-current assets held for sale	-	128,402	-
Decrease in other financial assets	400,995	4,682	21,766
Deposits decrease (increase)	(6,709)	411,425	2,202
Dividends received	110,874	94,961	909
Other	51,228	152,455	23,868
Net cash generated from (used in) investing activities	425,970	1,455,843	(221,053)

Statements of Cash Flows

Units: In thousands NTD	2017	2018	2019 H1
Cash flows from financing Activities			
Increase (decrease) in short-term loans	255,000	(50,000)	(80,000)
Repayments of bonds	-	(300,000)	-
Repayments of long-term loans	(9,920)	-	-
Dividends paid to owners of the Company	(319,067)	(357,917)	-
Partial acquisition of interests in subsidiaries	(129,870)	(203,787)	-
Other	(99,348)	(90,028)	(46,772)
Net cash used in financing activities	(303,205)	(1,001,732)	(126,772)
Effects of exchange rate changes on the balance of Cash Held in Foreign Currencies	(38,251)	(20,356)	12,126
Net increase (decrease) in cash and cash equivalents	(402,874)	626,189	102,995
Cash and Cash Equivalents at the beginning of the year	2,876,766	2,473,892	3,100,081
Cash and Cash Equivalents at the end of the year	2,473,892	3,100,081	3,203,076

Growing up with Long-term partners

Excelsior has been operating for 30 years, accumulated core competitiveness with new ideas created, new models to integrate variously professional medical fields. Excelsior will keep take root in the Asia market, the business scope includes Taiwan, Hong Kong, China, Philippines and Malaysia. Through continuously cooperate and integrate with long-term partners, Excelsior expect to become Asia's most valuable Total healthcare solution provider.





佳醫集團

亞洲最有價值 健康醫療產業投資經營團隊

www.excelsior.com.tw