



**佳醫集團**

用心 Dedication | 自主 Discipline | 創新 Innovation | 前瞻 Proactive

**Excelsior Medical Co., Ltd.**  
**2020 H1 Investor Conference**

## Disclaimer

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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).**

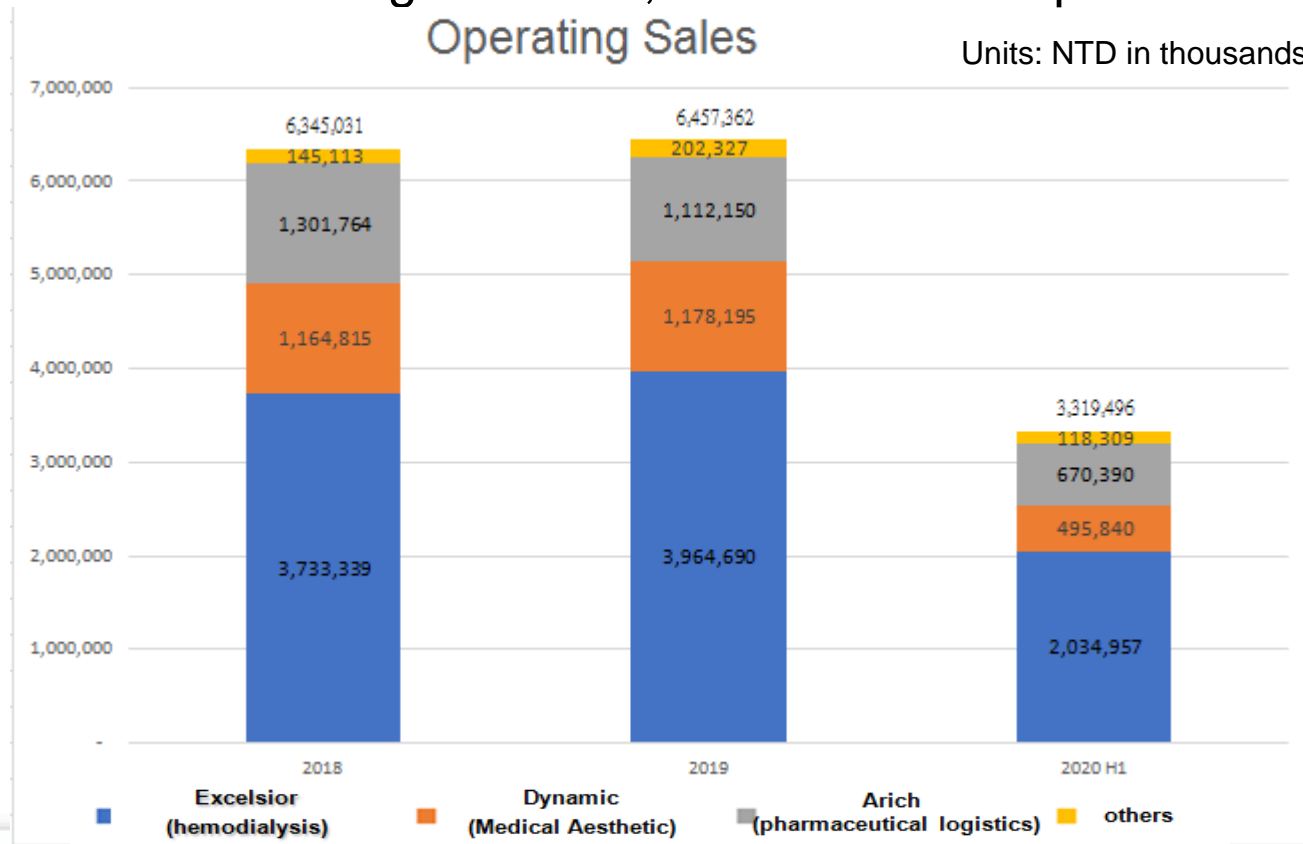
In the future, Excelsior will continue to **expand its investment and operation in biotechnology and medical industries**, based on “New Southbound Policy”, in the Southeast Asia region and countries around the world.



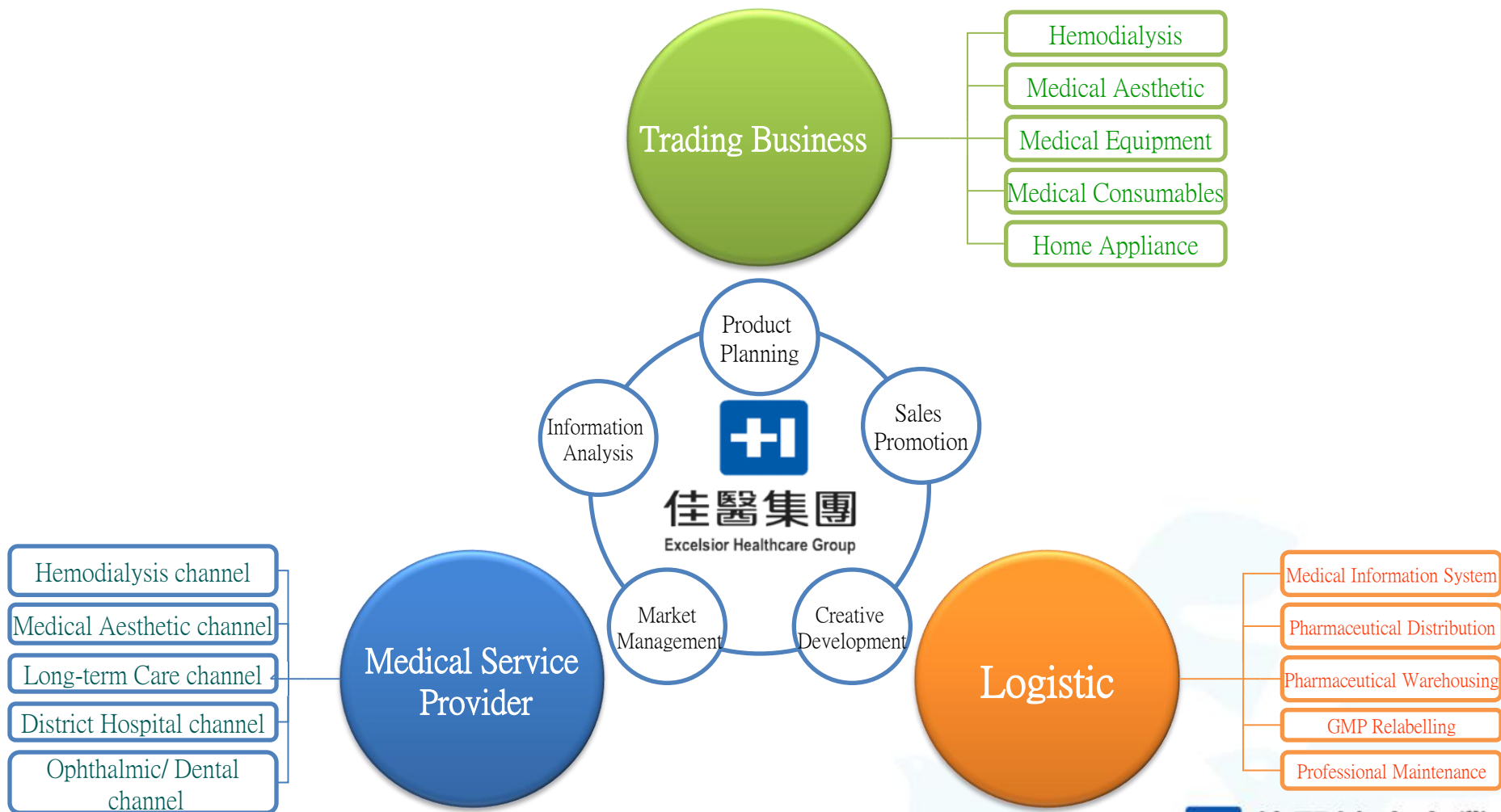
# Revenue structure

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.

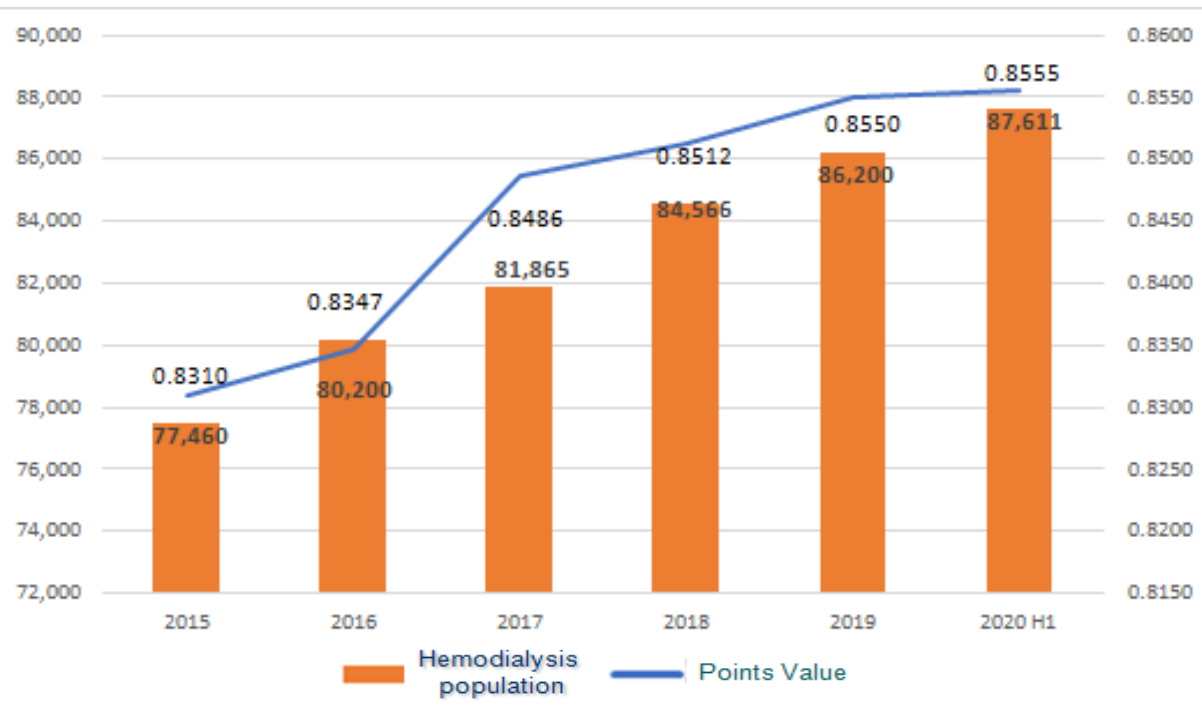


# The Business Types



## 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 2020, The total number of Taiwan hemodialysis and peritoneal dialysis populations has reached 87,611 people.



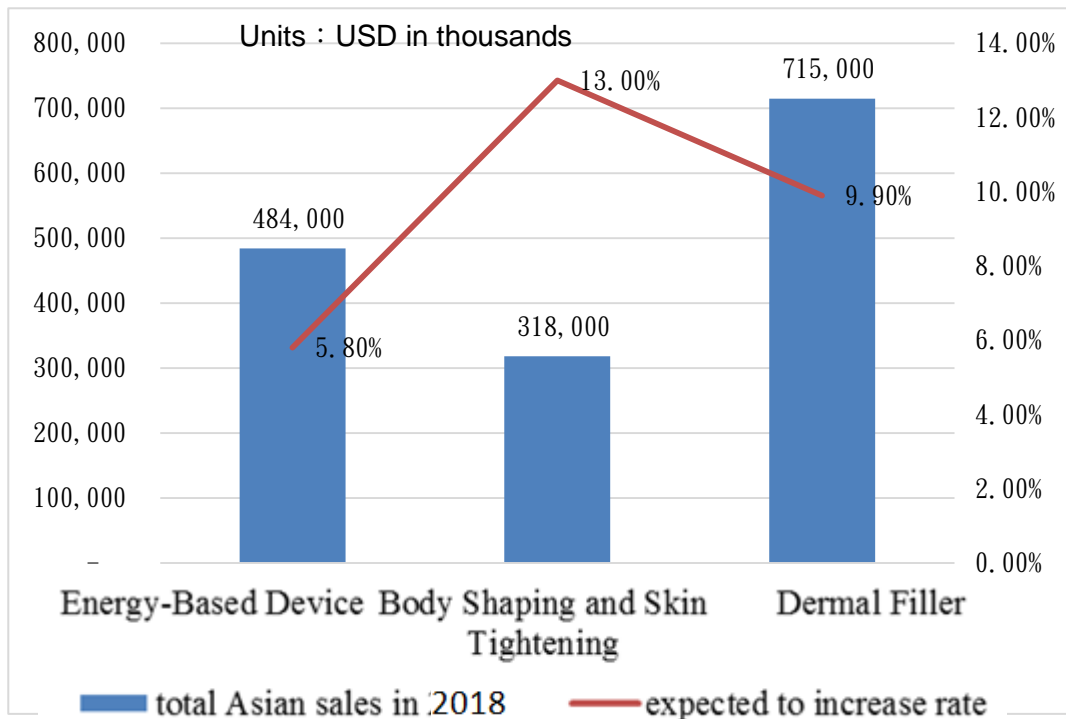
### Hemodialysis brand





# Dynamic(Medical Aesthetic)

According to the Asian-Pacific Market Study issued by Medical Insight, Inc. in Feb. 2020, total Asian sales of all aesthetic products and equipment reached USD \$2.6 billion in 2018 and are expected to increase by 10.0% per year through 2023. 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.

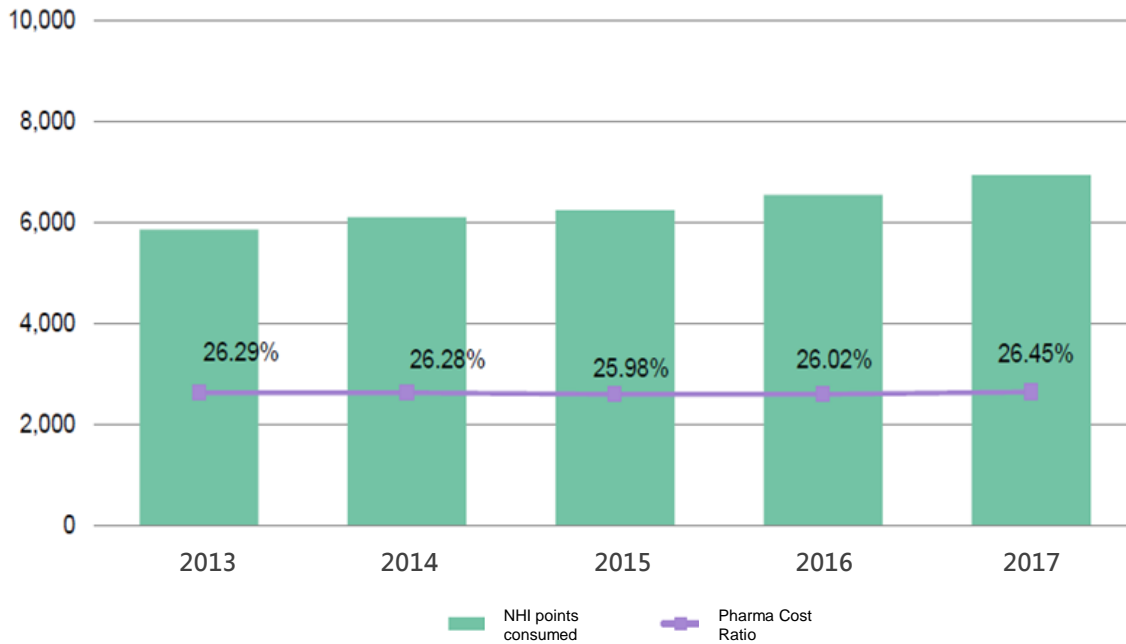


## Medical Aesthetic Brands

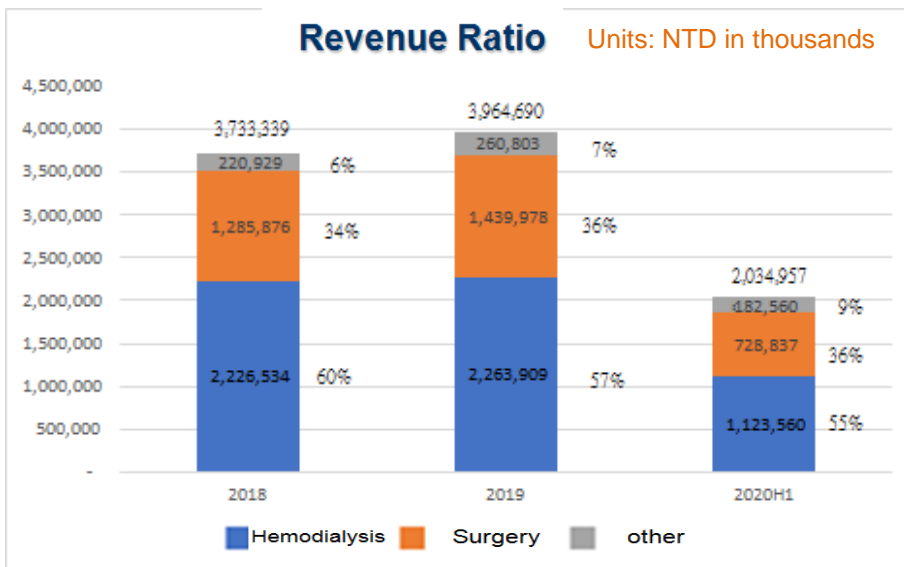


# Arich (Pharmaceutical Logistics)

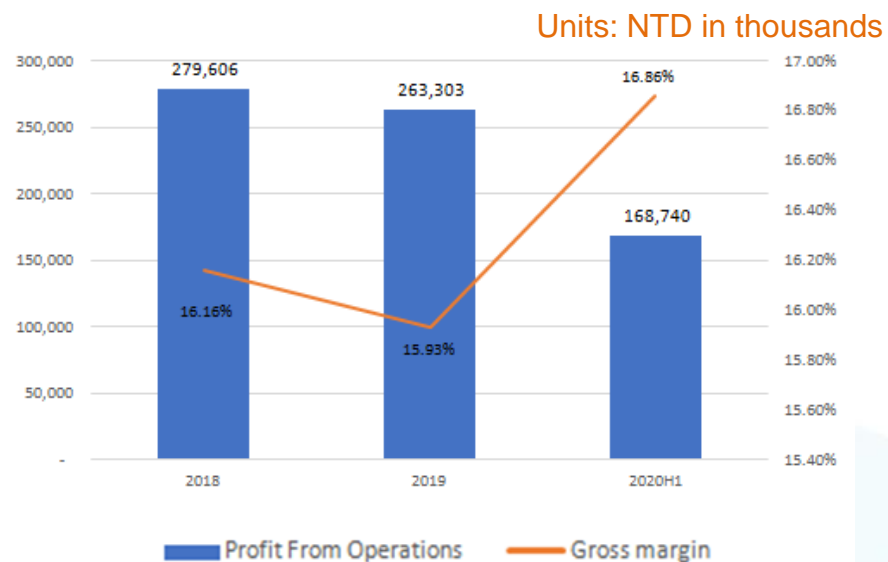
Pharmaceuticals cost approximately 1/4 of National Health Insurance expenditures. In Taiwan, although demand for medication is growing, but the prices approved/reimbursed by NHI are declining. Consequently the multinational pharmaceutical companies keep on outsourcing, for the sake of cost down, the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



## Excelsior(Hemodialysis)



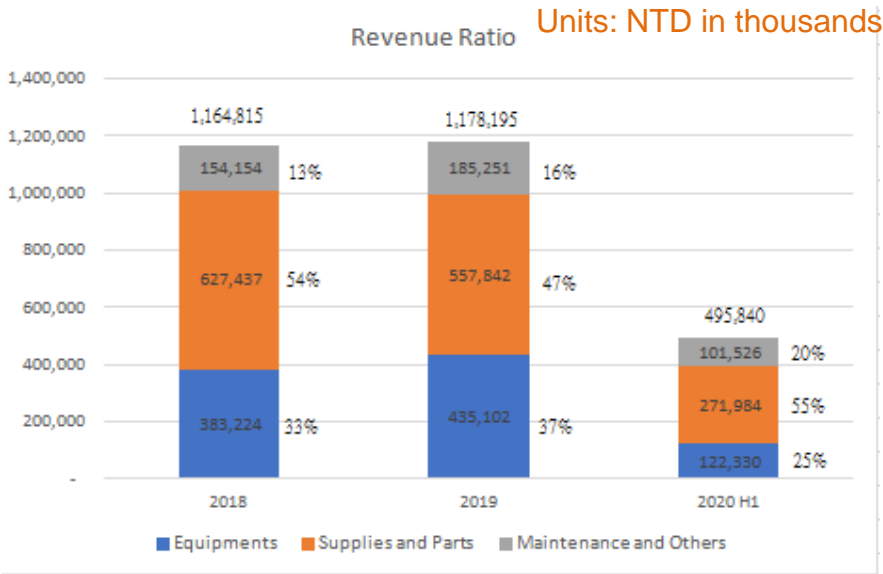
Excelsior's operating incomes were NT \$ 263,303 (NTD in thousands) in 2019 and NT \$ 279,606 (NTD in thousands) in 2018; the growth rate was -5.8%. The greater operating income in 2020 H1 than which of 2019 H1 is mainly because of greater revenues and higher gross margin.



In 2020 H1, Excelsior's hemodialysis products accounted for 55% of its operating revenue, the surgical products accounted for 36%, the other products (blood bag, ostomy, preventive medicine and home appliances) accounted for 9%. The greater revenues of 2020 H1 than which of 2019 H1 is mainly due from the surgical products and the blood bags increasing.

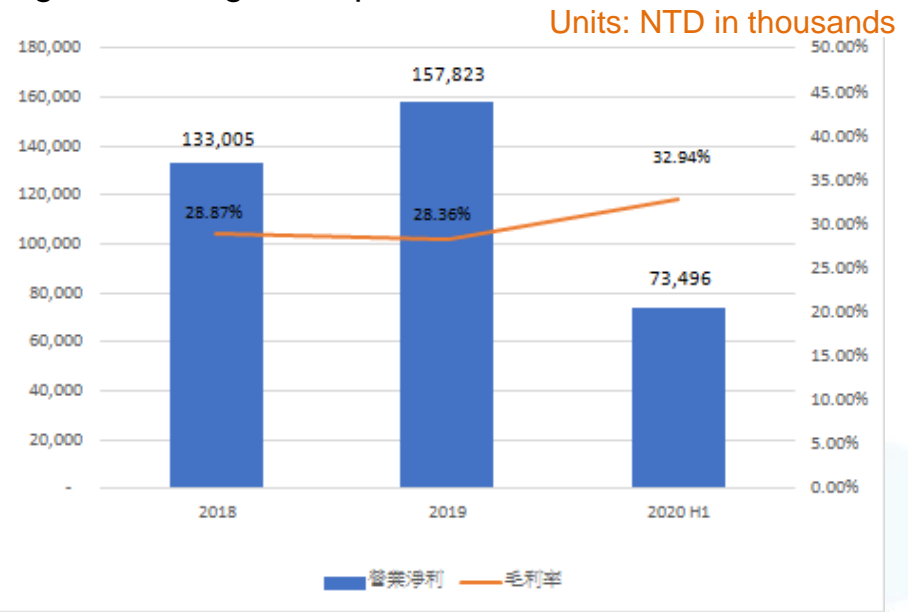
In 2019 the dialysis products increased by 1.7%, meanwhile the surgical products increased by 12.0%. The overall operating revenue increased by 6.2%.

# Dynamic(Medical Aesthetic)



Operating income were \$ 157,823 (NTD in thousands) in 2019 and \$ 133,005 (NTD in thousands) in 2018, due to deduction of marketing expenses of Dynamic Taiwan and deduction of operating expenses from downsizing of oversea subsidiaries.

Operating Income of 2020 H1 is less than which of 2019 H1 mainly due to decline of revenues because of the pandemic. However, the company keeps optimizing the portfolio of products that leads to rise of gross margin offsetting the impacts from decline of revenues.

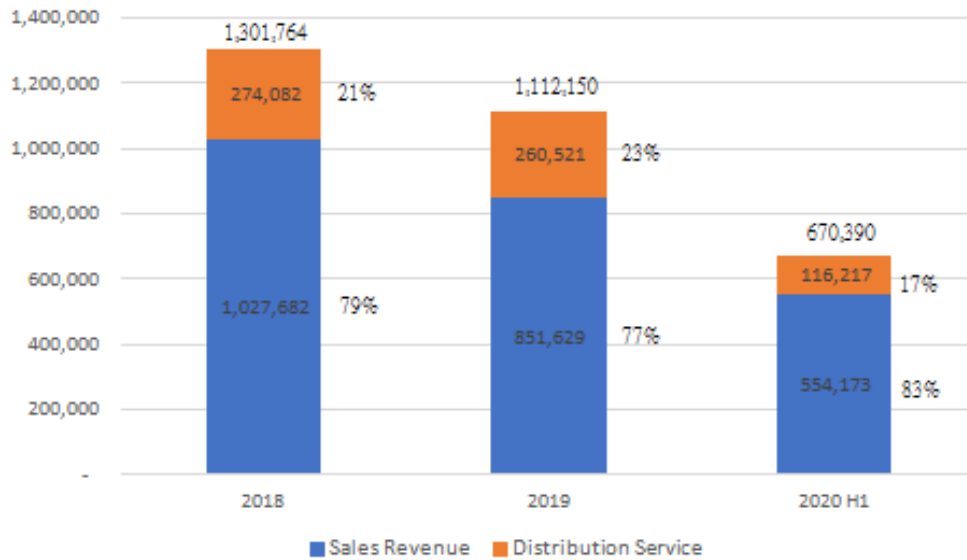


In 2020 H1, equipments accounted for 25% of the revenue, supplies and parts accounted for 55%, maintenance and others accounted for 20%. Revenues of 2020 H1 is less than which of 2019 H1 because of the pandemic of Covid-19. In comparison to the prior year, revenues increased by 1.1% in 2019: equipments +13.5%, supplies and parts -11.1%, maintenance and others +20.2%.

# Arich (pharmaceutical logistics)

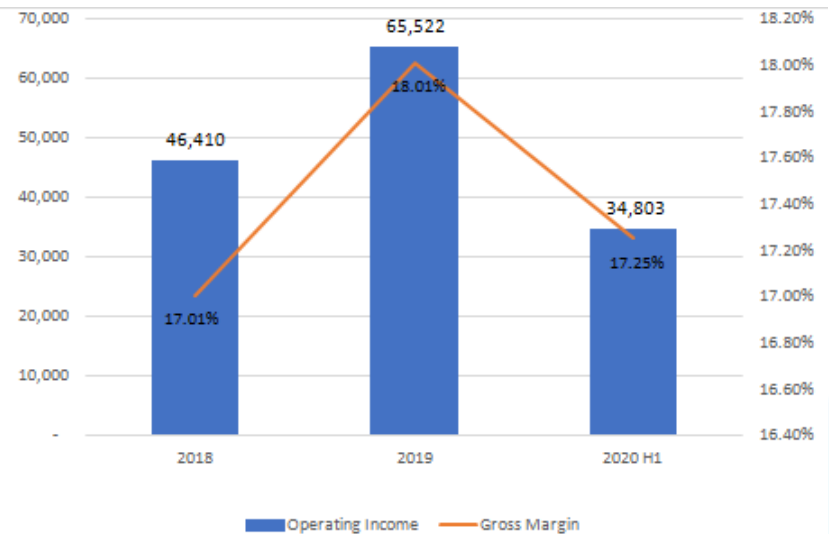
Units: NTD in thousands

Revenue Ratio



Operating income were NT\$ 65,522 thousand dollars in 2019 and NT\$ 46,410 thousand dollars in 2018, because there were deductions of operating expenses. Operating income of 2020 H1 is slightly less than which of 2019 H1 because of increasing salaries of employees (employee stock ownership plan included).

Units: NTD in thousands

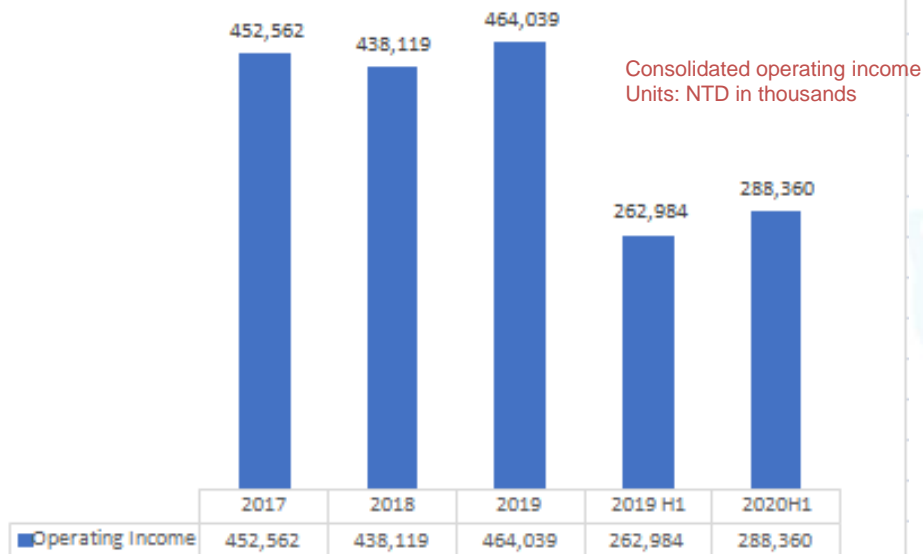
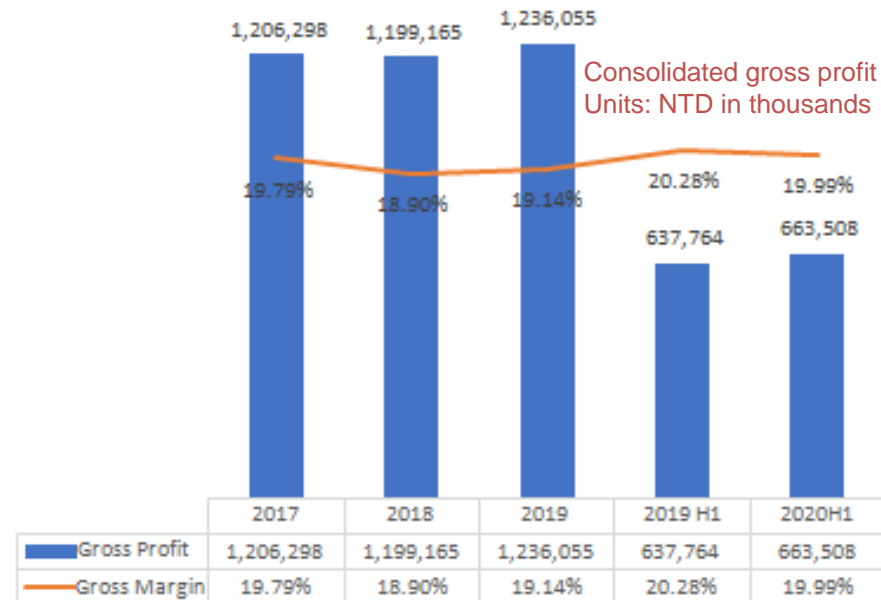
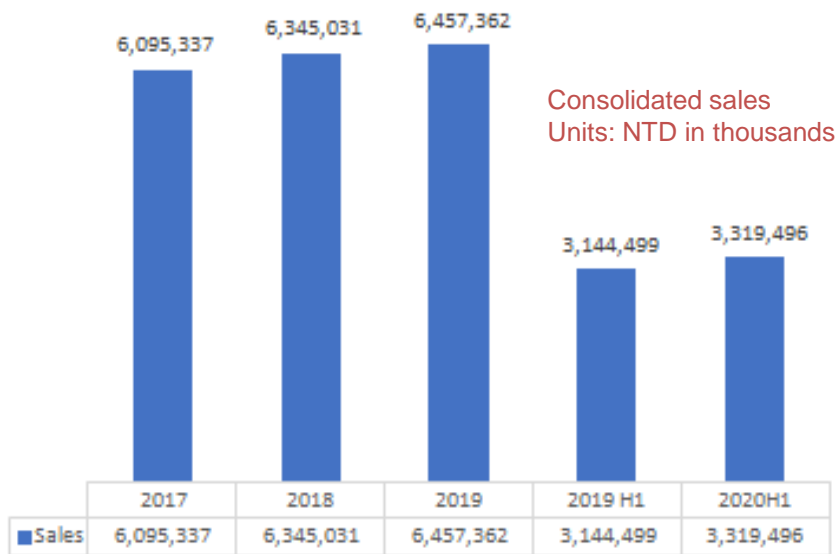


In 2020 H1, sales revenue accounted for 83% of our operating revenue while distribution service is 17%. Growth of operating revenue in 2020 H1 was due to increase of sales from PVC vaccine.

Decline of revenue in 2019 is led by restructuring of customers portfolio and revenues composition.

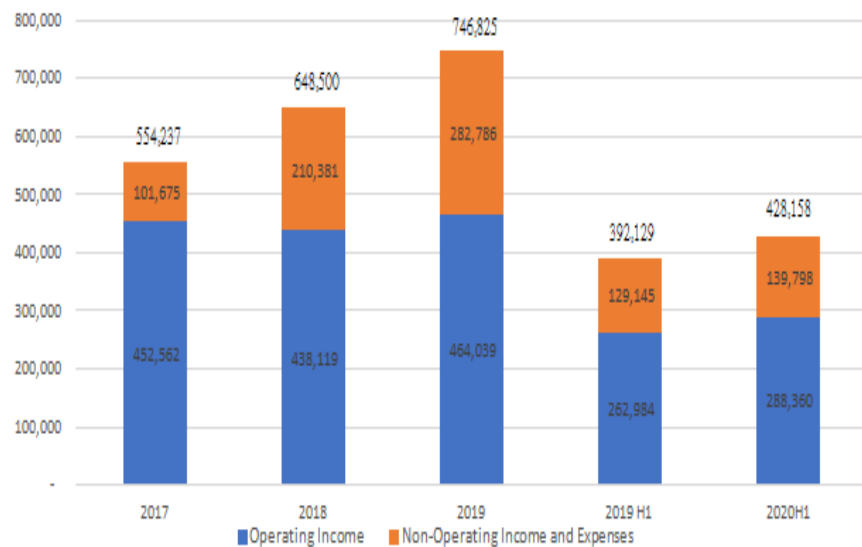


# Financial Overview



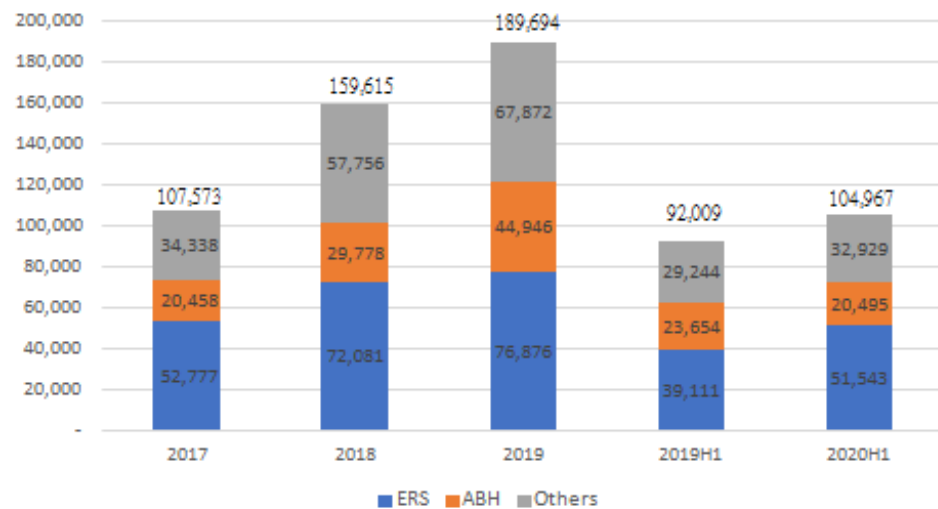
Profit before Income Tax

Units: NTD in thousands



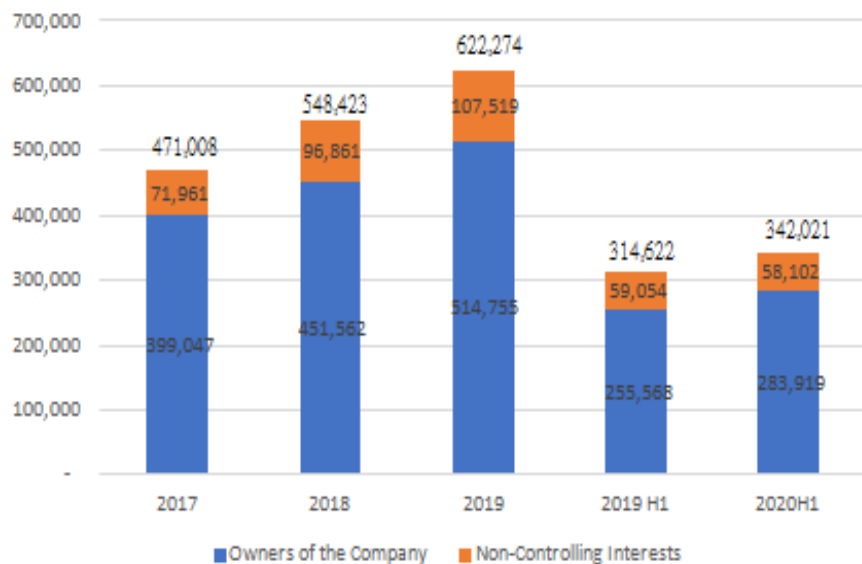
Investment Income

Units: NTD in thousands

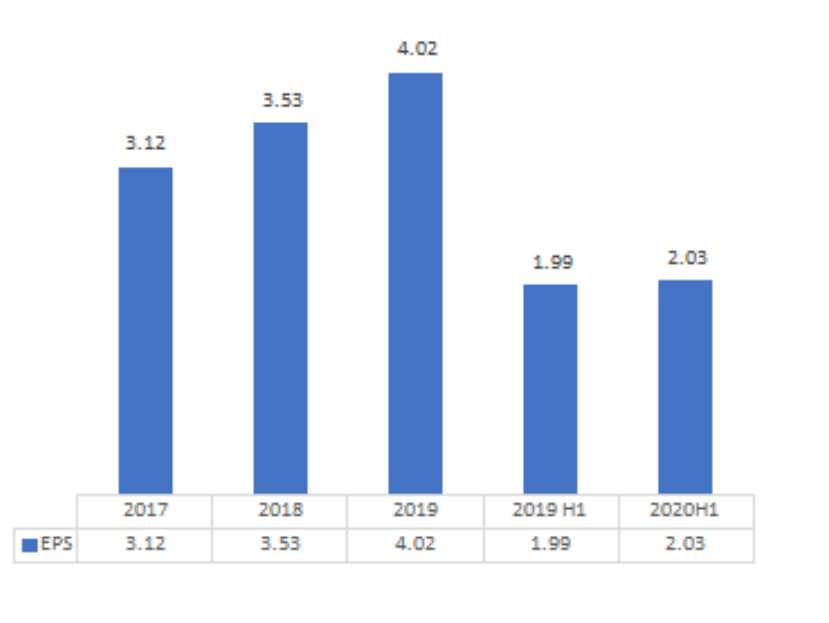


Units: NTD in thousands

Net Profit after Tax



Units : NTD in Dollars



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



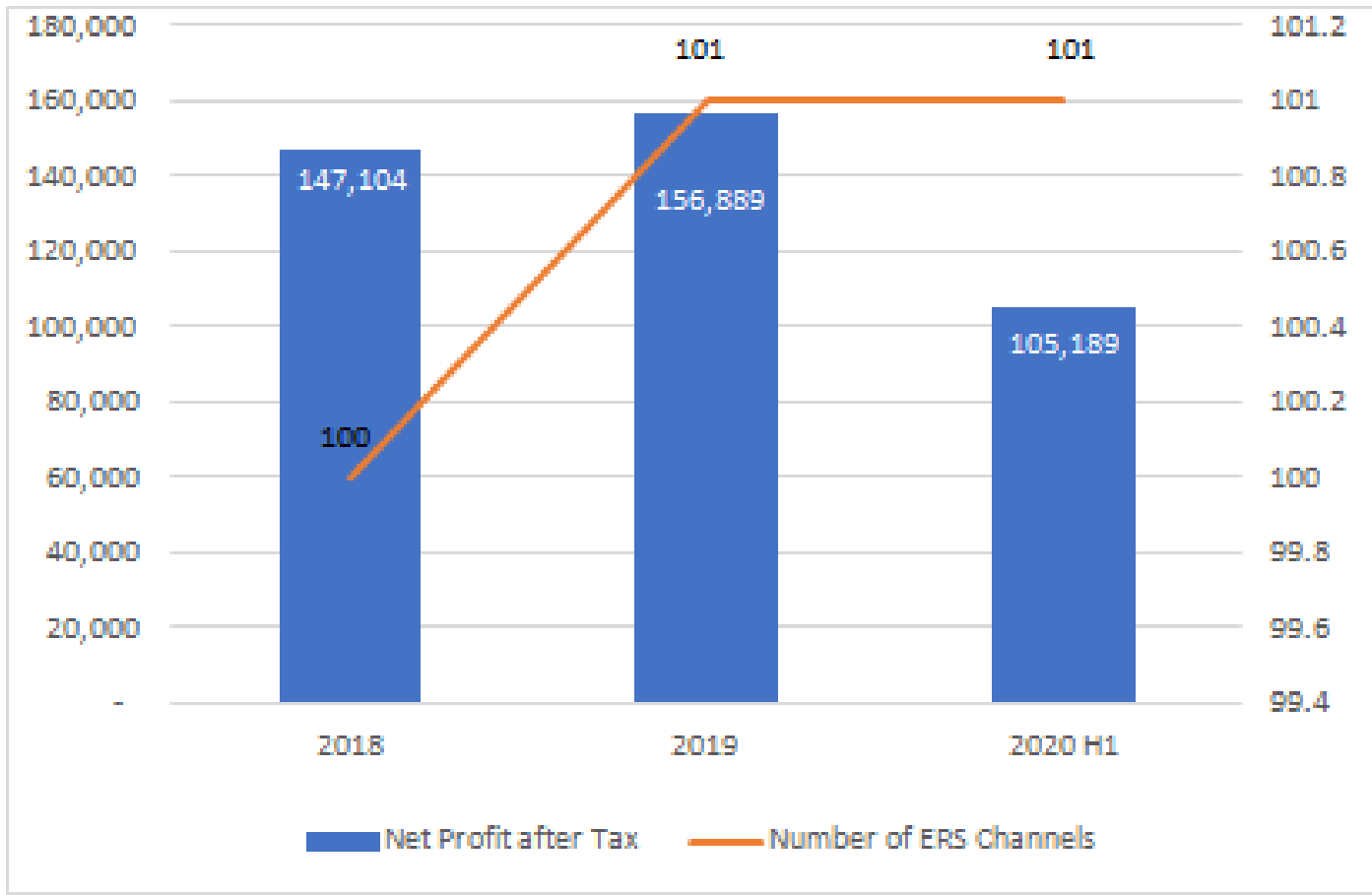
### 【 Hemodialysis channel Introduction 】

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 .



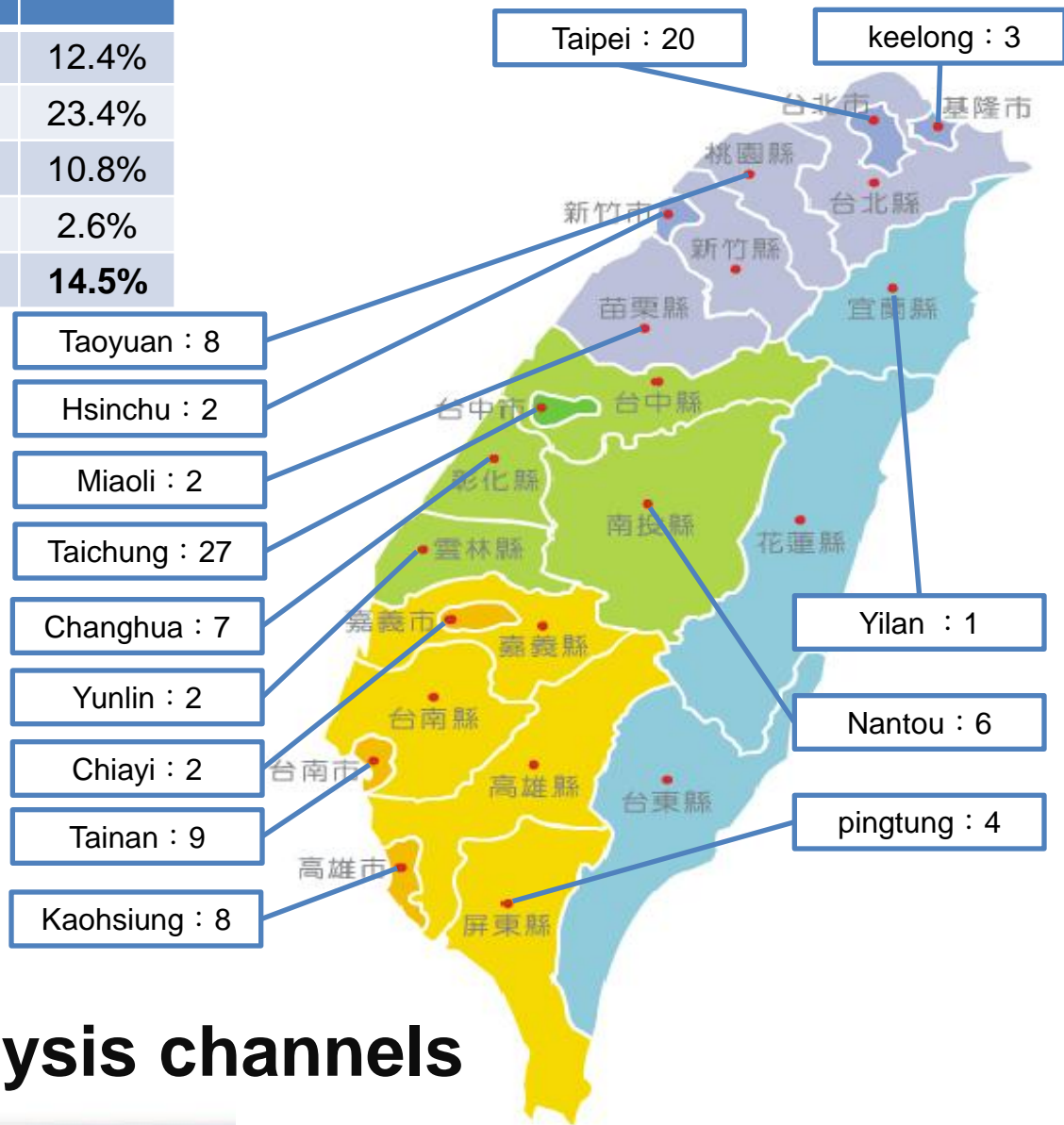
# Hemodialysis channel – Excelsior Renal Service Co., Limited & Jiate Excelsior Co., Ltd

Units : except ERS channels · NTD in thousands





Area	Total channels	ERS channels	%
North	267	33	12.4%
Central	197	46	23.4%
South	194	21	10.8%
other	38	1	2.6%
<b>Total</b>	<b>696</b>	<b>101</b>	<b>14.5%</b>



# Hemodialysis channels

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

## Xi-zhi Nursing Home

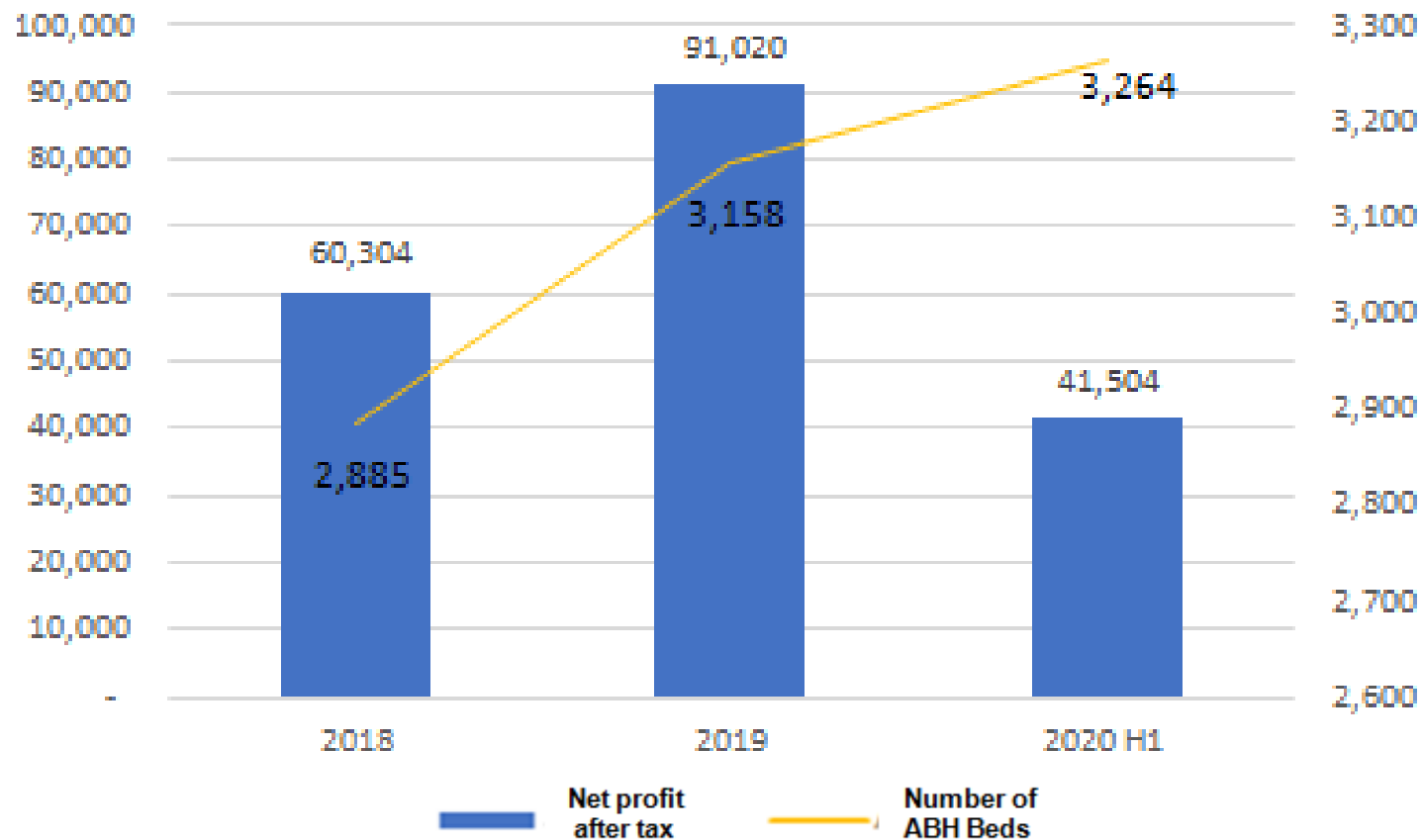


### 【 Long-Term Care Channels Introduction 】

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. Moreover, along with the implementation of the Ten-Year Long-term Care Program, we are now actively setting up a legal entity of mass organization for long-term care. Together with daycare centers and medical clinics, we provide fine care for residents' health. Not only to enhance grading of care service for different levels, but we are also providing a care pattern that combine medical service with daily 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





# Long-term care channels

Hospital/long-term care	Beds
Hospital	532
Long-term care	2,732
<b>Total</b>	<b>3,264</b>

Xizhi



Ping-zhen



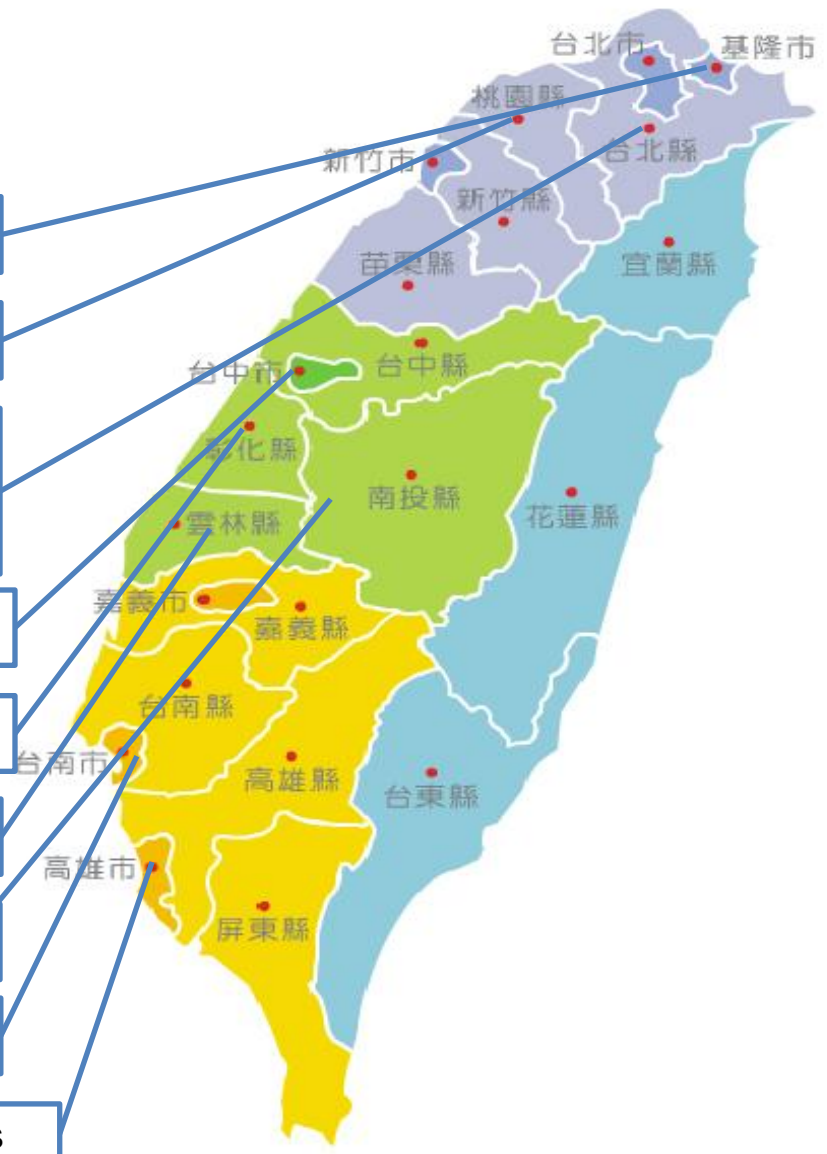
Tai-chung



Kaoh-siung



- Keelung : 114 beds
- Taoyuan : 204 beds
- Taipei : 165 beds
- New Taipei City : 1,292 beds
- Taichung : 581 beds
- Changhua: 200 beds
- Yunlin : 131 beds
- Nantou : 294 beds
- Tainan : 99 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

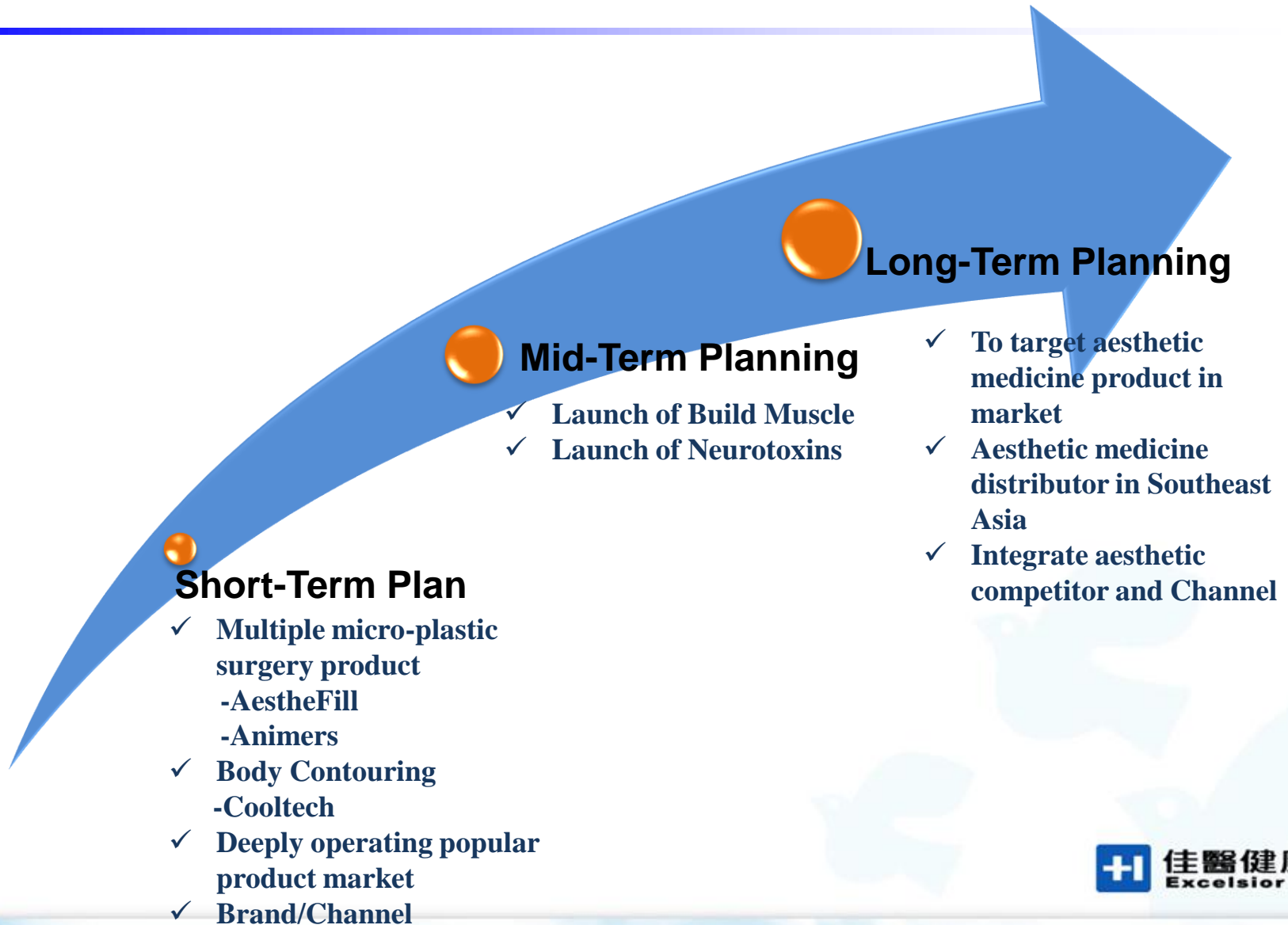
- 1.Integrating upstream and downstream medical resources , increasing business partners in different industry and continue to expand medical channels.
- 2.Streamlining the organization to reduce the cost of the operating inside the company to raise the operation efficiency.

### 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.
  - C. Broaden the sales to comprehensive HP channels.
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 custom made logistic center according to Principal's request.
  - B. To keep investing in IT and warehousing system.

# Appendix

## Balance Sheet

Units: In thousands NTD	2018.12.31	2019.12.31	2020.06.30
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3,100,081	2,828,776	2,827,371
Receivables	1,605,261	1,561,835	1,533,393
Other Receivables	3,765,675	2,687,002	2,366,646
Inventories	1,008,284	853,185	863,302
Other Current Assets	459,977	683,887	856,977
<b>Total Current Assets</b>	<b>9,939,278</b>	<b>8,614,685</b>	<b>8,447,689</b>
<b>Non-Current Assets</b>			
FVTOCI financial assets-non-current	714,418	690,085	708,767
Financial assets measured at cost - non-current	-	-	-
Investments accounted for using equity method	2,418,116	2,368,562	2,418,934
Property, plant and equipment	286,345	560,863	544,107
Investment properties	194,209	788,628	1,006,454
Other Non-Current Assets	428,504	742,161	727,500
<b>Total Non-Current Assets</b>	<b>4,041,592</b>	<b>5,150,299</b>	<b>5,405,762</b>
<b>Total Assets</b>	<b>13,980,870</b>	<b>13,764,984</b>	<b>13,853,451</b>

# Balance Sheet

Units: In thousands NTD	2018.12.31	2019.12.31	2020.06.30
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Short-Term Loan	1,110,000	1,212,967	304,000
Payables	1,014,679	1,059,278	888,289
Other Payables	2,498,680	1,809,771	2,283,969
Other Liabilities	482,617	747,086	667,470
<b>Total Current Liabilities</b>	<b>5,105,976</b>	<b>4,829,102</b>	<b>4,143,728</b>
<b>Non-Current Liabilities</b>			
Convertible Bond	-	-	-
Long-Term Loan	-	644	-
Other Non-Current Liabilities	532,491	303,326	403,835
<b>Total Non-Current Liabilities</b>	<b>532,491</b>	<b>303,970</b>	<b>403,835</b>
<b>Total Liabilities</b>	<b>5,638,467</b>	<b>5,133,072</b>	<b>4,547,563</b>
<b>Equity attributable to owners of the Company</b>			
Common stock	1,281,490	1,281,490	1,411,490
Capital surplus	2,812,704	2,816,807	3,275,950
Retained earnings	2,739,276	2,904,393	2,724,418
other equity	(26,629)	(56,349)	(20,656)
<b>Total Equity attributable to owners of the Company</b>	<b>6,806,841</b>	<b>6,946,341</b>	<b>7,391,202</b>
<b>Non-Controlling interests</b>	<b>1,535,562</b>	<b>1,685,571</b>	<b>1,914,686</b>
<b>Total Stockholders Equity</b>	<b>8,342,403</b>	<b>8,631,912</b>	<b>9,305,888</b>
<b>Total Liabilities and Stockholders Equity</b>	<b>13,980,870</b>	<b>13,764,984</b>	<b>13,853,451</b>

## Statement of Comprehensive Income

Units: In thousands NTD	2018	2019	2020 H1
Operating Revenue	6,345,031	6,457,362	3,319,496
Operating Costs	5,145,866	5,221,307	2,655,988
Gross Profit	1,199,165	1,236,055	663,508
Gross Margin	18.90%	19.14%	19.99%
Operating Expense	761,046	772,016	375,148
Operating Income	438,119	464,039	288,360
Non-operating income and expenses	210,381	282,786	139,798
Profit before income tax	648,500	746,825	428,158
Income Tax	100,077	124,551	86,137
Net profit after tax	548,423	622,274	342,021
Net Profit Attributable to Owners of the Company	451,562	514,755	283,919
EPS (Dollars)	3.53	4.02	2.03



## Statements of Cash Flows

Units: In thousands NTD	2018	2019	2020 H1
Profit before income tax	648,500	746,825	428,158
Adjustments items	(92,888)	(108,145)	(43,173)
<b>Cash flows from operating Activities</b>			
Receivable (increase) decrease	190,288	80,067	25,428
Other Receivable (increase) decrease	182,201	1,085,152	439,756
Inventories (increase) decrease	65,661	149,014	(32,457)
Payable increase (decrease)	(14,657)	20,502	(170,989)
Other Payable increase (decrease)	(762,368)	(712,503)	(82,135)
Income tax paid	(94,328)	(102,255)	(67,196)
Other	70,025	35,839	(54,589)
<b>Net cash (used in) provided by operating activities</b>	<b>192,434</b>	<b>1,194,496</b>	<b>442,803</b>

## Statements of Cash Flows

Units: In thousands NTD	2018	2019	2020 H1
<b>Cash flows from investing activities</b>			
Purchase of financial assets at amortized cost	(1,027,056)	(406,787)	(400,511)
Proceeds from disposal of financial assets at amortized cost	1,716,236	113,666	264,849
Acquisition of investments accounted for using equity method	(25,262)	-	-
Proceeds from disposal of non-current assets held for sale	128,402	-	-
Net cash flow from acquisition of subsidiaries		(359,957)	
Net cash flow from disposal of subsidiaries		1,859	
Decrease in other financial assets	4,682	9,345	(30,197)
Deposits decrease (increase)	411,425	(54,843)	63,284
Dividends received	94,961	140,311	6,300
Other	152,455	14,186	(230,211)
<b>Net cash generated from (used in) investing activities</b>	<b>1,455,843</b>	<b>(542,220)</b>	<b>(326,486)</b>

## Statements of Cash Flows

Units: In thousands NTD	2018	2019	2020 H1
<b>Cash flows from financing Activities</b>			
Increase (decrease) in short-term loans	(50,000)	74,867	(908,967)
Repayments of bonds	(300,000)		-
Repayments of long-term loans	-	(398,607)	(2,526)
Dividends paid to owners of the Company	(357,917)	(384,447)	-
Partial acquisition of interests in subsidiaries	(203,787)	-	-
Proceeds from issue of ordinary shares	-	-	585,000
Other	(90,028)	(176,747)	223,564
<b>Net cash used in financing activities</b>	<b>(1,001,732)</b>	<b>(884,934)</b>	<b>(102,929)</b>
<b>Effects of exchange rate changes on the balance of Cash Held in Foreign Currencies</b>	<b>(20,356)</b>	<b>(38,647)</b>	<b>(14,793)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>626,189</b>	<b>(271,305)</b>	<b>(1,405)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>2,473,892</b>	<b>3,100,081</b>	<b>2,828,776</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>3,100,081</b>	<b>2,828,776</b>	<b>2,827,371</b>

## 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.





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亞洲最有價值 健康醫療產業投資經營團隊

[www.excelsior.com.tw](http://www.excelsior.com.tw)