



**佳醫集團**

用心 Dedication | 自主 Discipline | 創新 Innovation | 前瞻 Proactive

**Excelsior Medical Co., Ltd.**

**2017Q2 Investor Conference**

## Disclaimer

**This presentation is prepared according to the reviewed financial statements by CPA and the financial figures hereby are based on IFRS, please refer to the published financial statements for full content.**

**The presentation may contain forward-looking information and may differ materially from the actual results. Excelsior does not warranty as to the accuracy or completeness of such information and nor assume any undertaking further information becomes available or in light of changing circumstances. You shall not place undue reliance on any forward-looking information.**

**The presentation and its contents may not be reproduced to a third party without the prior written consent by Excelsior.**

# Table of Contents

1. 公司概況(Corporate Overview)

P. 4

2. 市場概況(Market Overview)

P. 8

3. 營運概況(Business Overview)

P. 11

4. 財務概況(Financial Overview)

P. 14

5. 轉投資概況(Investment Overview)

P. 17

6. 2017策略及展望(2017 Strategies and Outlook)

P. 23

7. 補充資料(Appendix)

P. 26



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.**

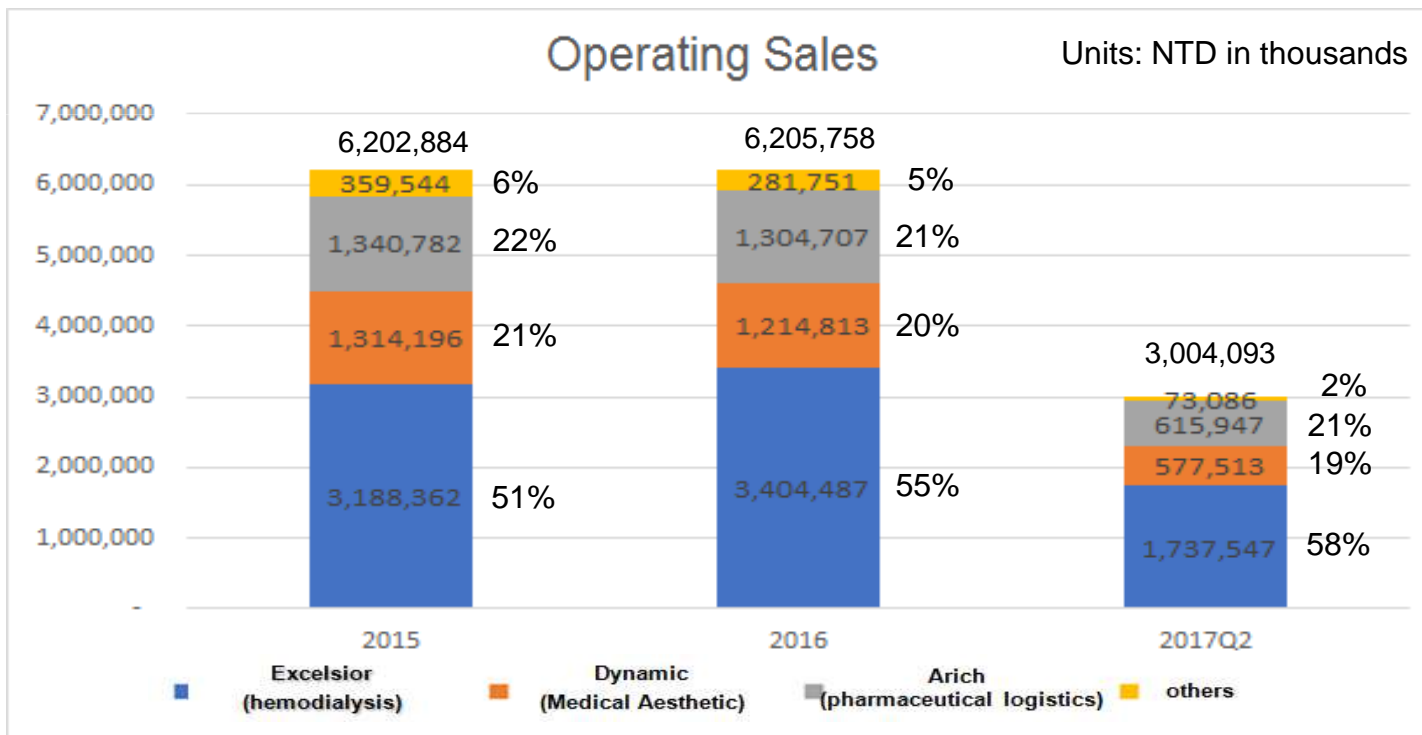
Up to now the Group has three listed companies ( **Excelsior : listed at TSE ,stock code 4104. Dynamic and Arich : listed at OTC, stock code 4138 and 4173).**

In the future, Excelsior will continue to **expand its investment and operation in biotechnology and medical industries** in the Greater China 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.

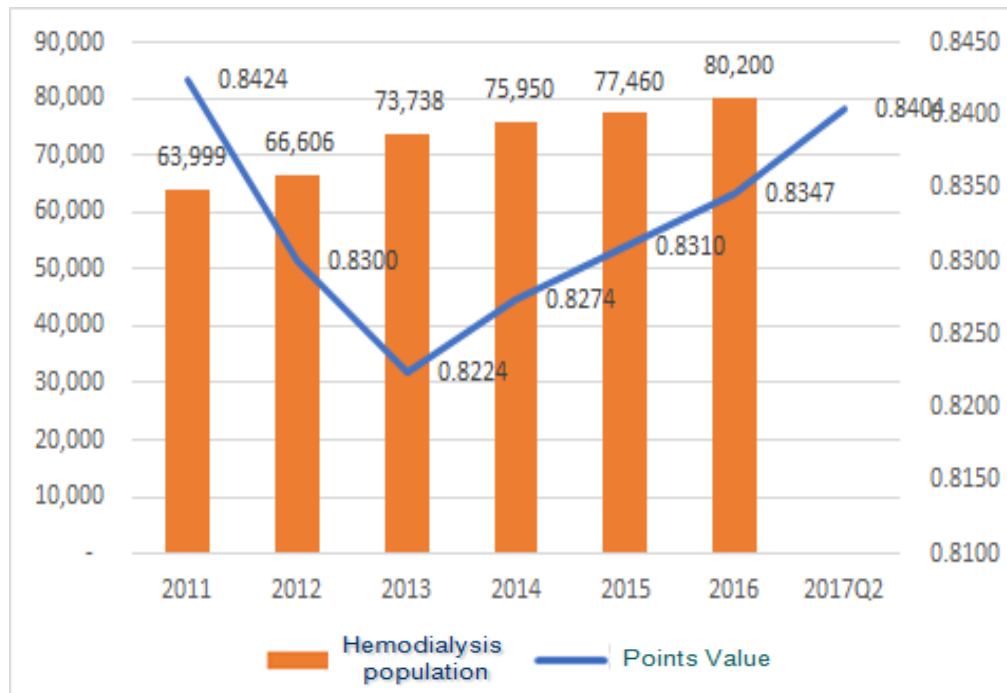


# The Business Types



## 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 fourth quarter of 2016, The total number of Taiwan hemodialysis and peritoneal dialysis populations has reached 80,200 people.



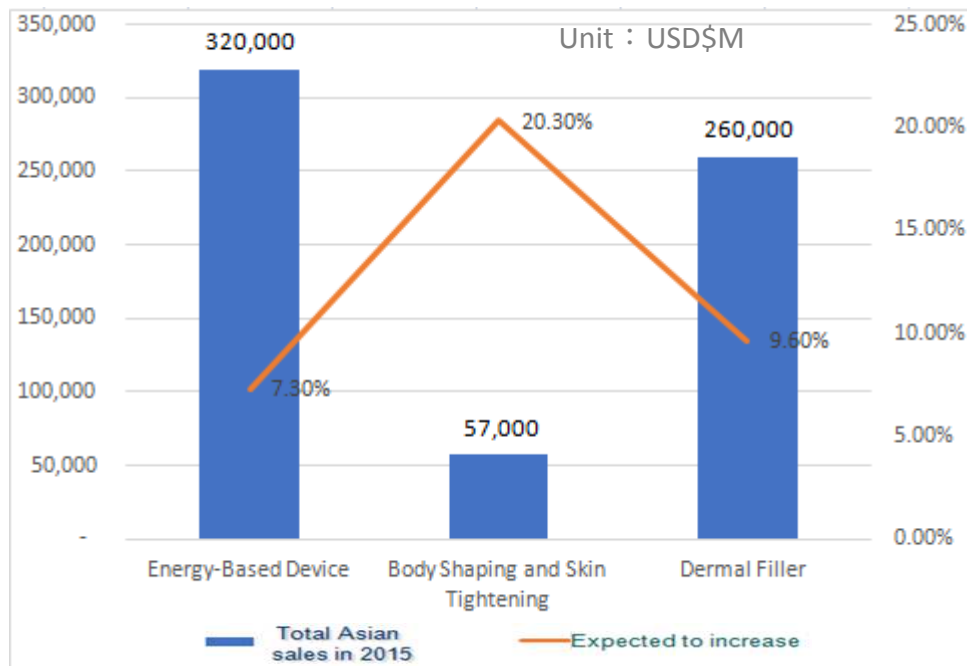
### Hemodialysis brand





# Dynamic(Medical Aesthetic)

According to the Asian-Pacific Market Study issued by Medical Insight, Inc. in Nov. 2016, total Asian sales of all aesthetic products and equipment reached USD \$1.2 billion in 2015 and are expected to increase by 12.2% per year through 2020. 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.



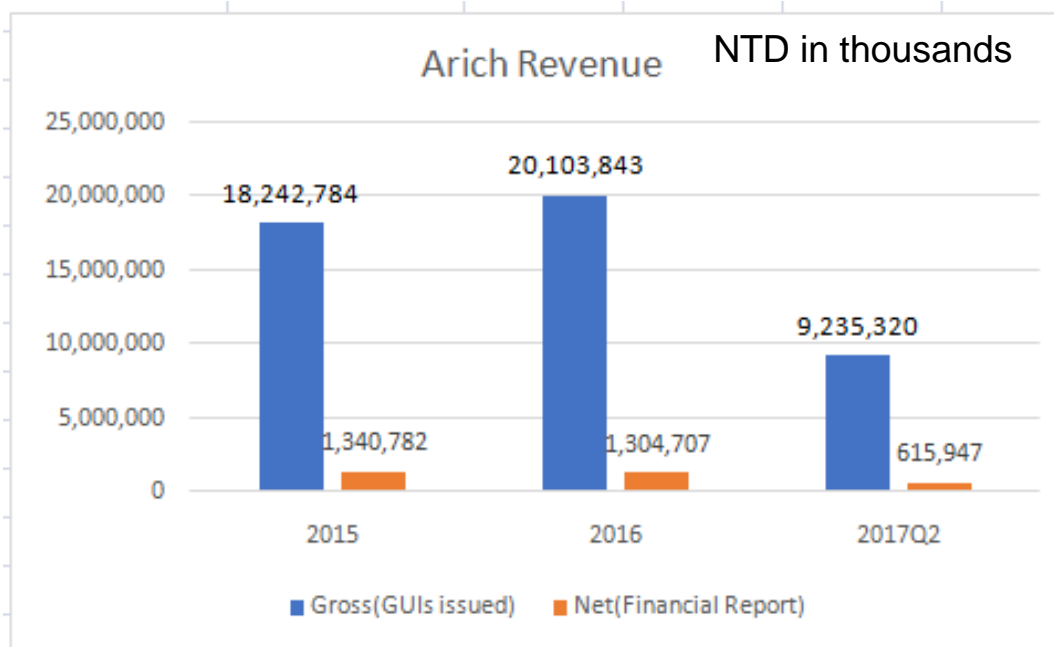
## Medical Aesthetic Brands



# 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.

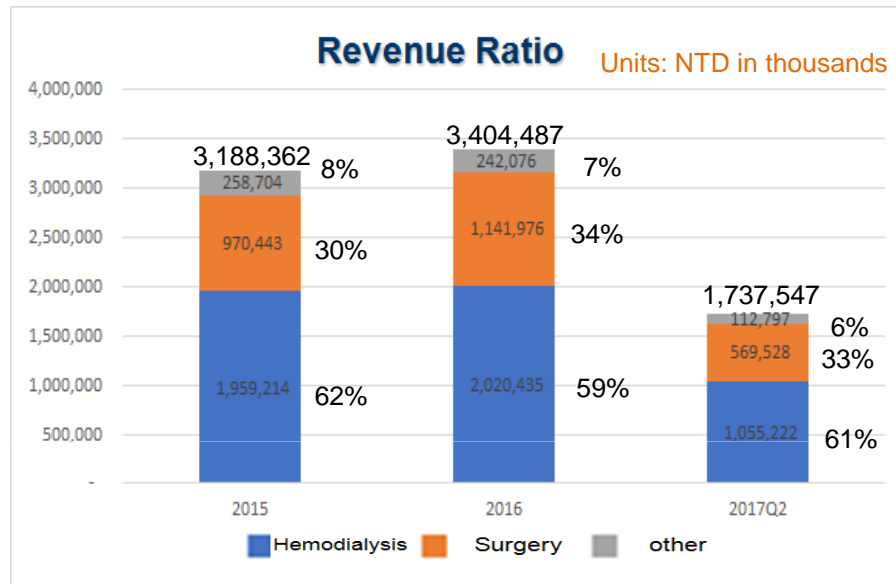
To enhance the management of storage and transportation for medication, Ministry of Health and Welfare has started to conduct Good Distribution Practice(GDP) compliance check since July 1<sup>st</sup>, 2016. Those who are not certified will not be allowed to render specific services from January 1<sup>st</sup>, 2019.



## Key Customers

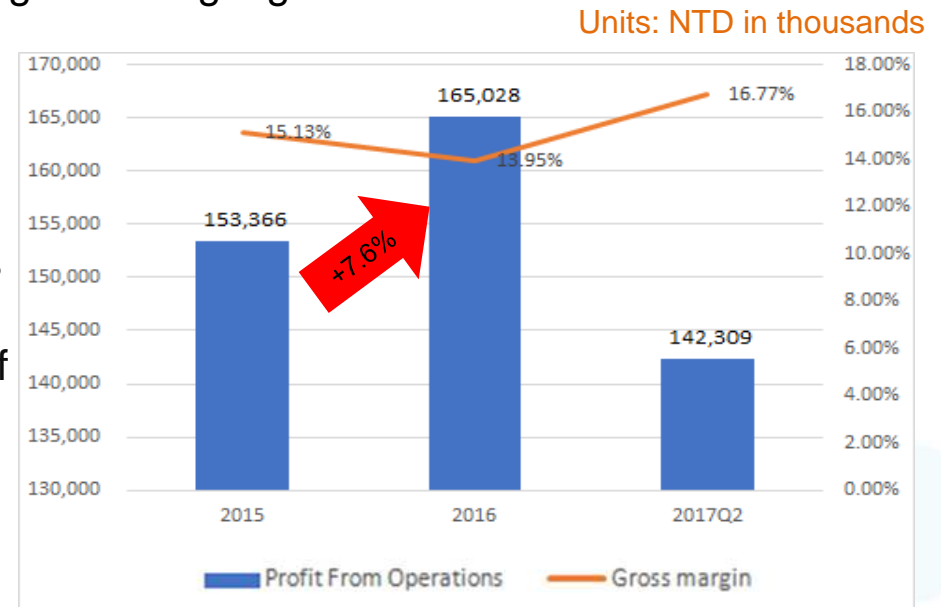


## Excelsior(Hemodialysis)

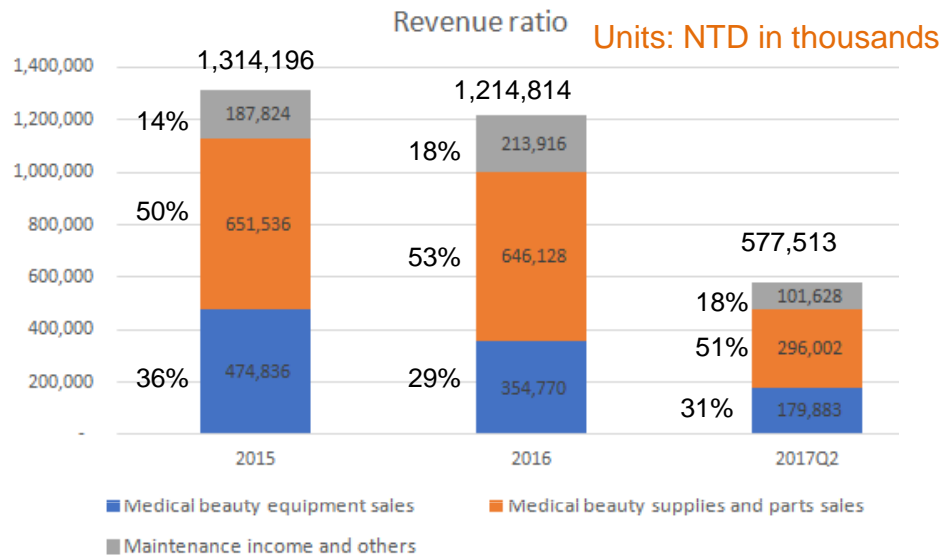


In the first half of 2017 ,Excelsior’s hemodialysis products accounted for 61% of its operating revenue, surgical products accounted for 33% of its operating revenue, the other products (blood bag, ostomy , preventive medicine and home appliances) accounted for 6% of its operating revenue. 2016 dialysis products increased by 3.1%, the rest for the growth was the surgical products. The overall operating revenue increased by 6.8%.

Excelsior Operating income was NT \$ 153,366 (NTD in thousands) in 2015 and it was NT \$ 165,028 (NTD in thousands)in 2016 , the growth rate was+7.6% . Operating income in the first half of 2017 was NT \$ 142,309 (NTD in thousands) .The reason for the mainly growth is the appreciation of the NT dollar so that the gross margin grew to 16.77%.

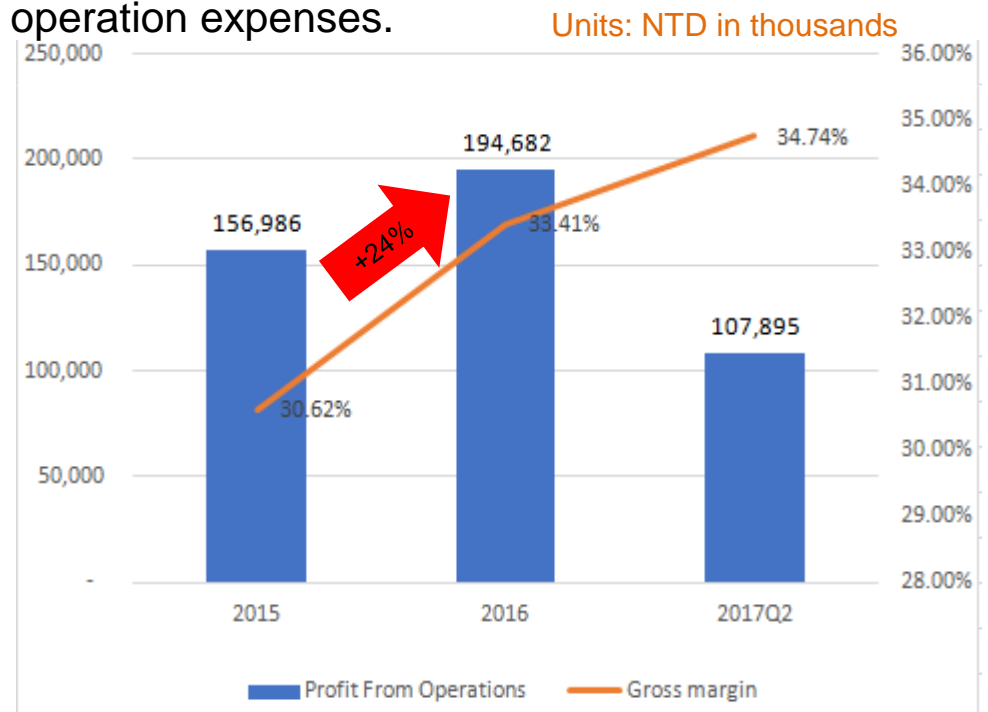


# Dynamic(Medical Aesthetic)

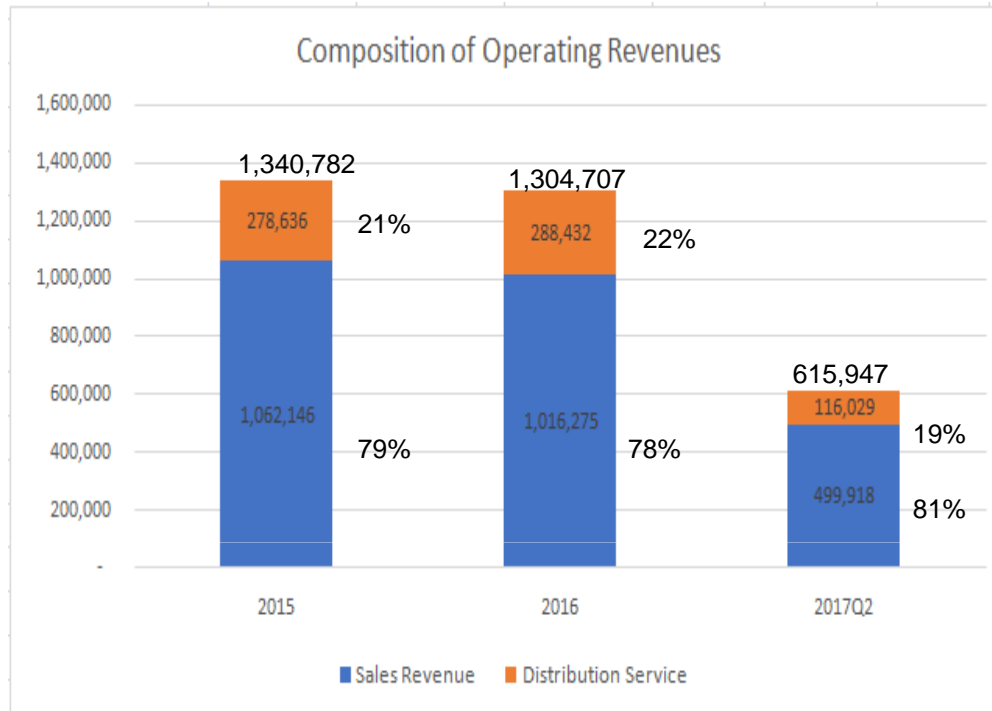


In the first half of 2017, Medical aesthetics equipment accounts for 31% of the revenue, Medical aesthetics consumables accounts for 51% of the revenue and Maintenance and Skin Cares accounts for 18% of the revenue. Although revenue decreased in 2016, gross profit in 2016 was increased because of the growth of Body Contouring sale.

Dynamic operating income was \$ 156,986 (NTD in thousands) in 2015, and grew by 24% percent to \$ 194,682 (NTD in thousands) in 2016. Operating Income for the first half of 2017 was \$107,895 (NTD in thousands). Compared to the corresponding period of 2016, it grew by 13%. The reasons for the growth are: adjusted product portfolio and the well management of operation expenses.

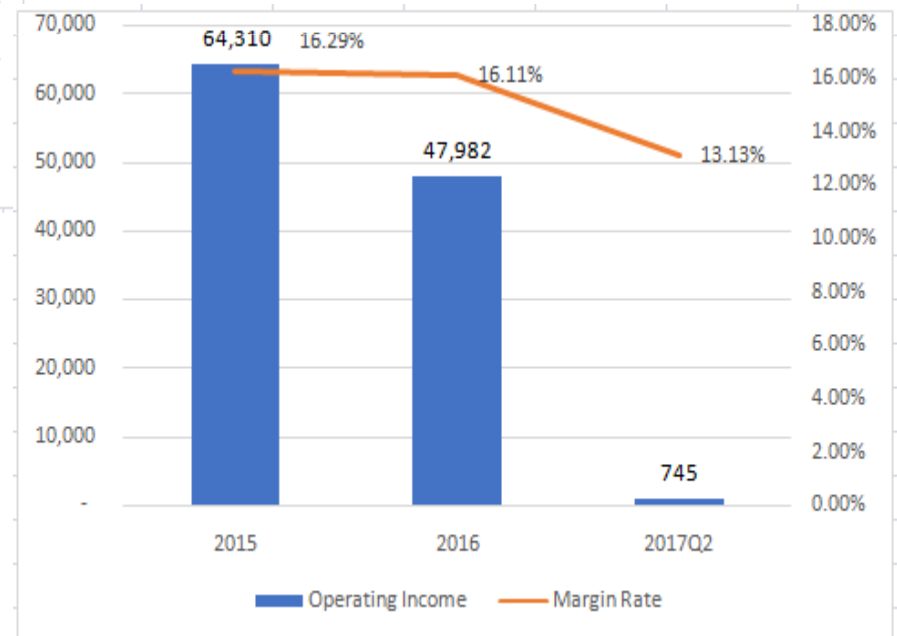


# Arich (pharmaceutical logistics)



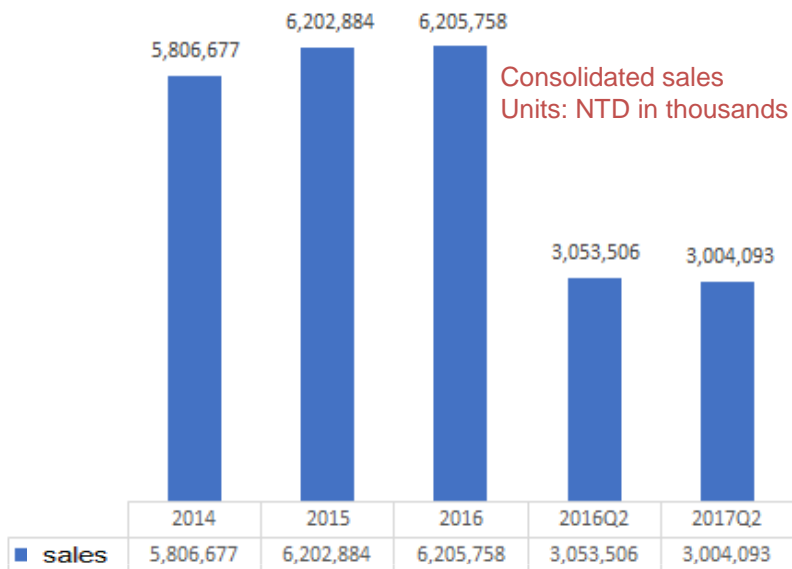
Arich Operating income was NT\$ 64,310 thousand dollars in 2015 and NT\$ 47,982 thousand dollars in 2016. However, operating income is NT\$ 745 thousand dollars in the first half of 2017, meanwhile we are encountering a transition period of customers and revenues composition.

In the first half of 2017, sales revenue accounted for 81% of our operating revenue while distribution service is 19%. Decline of operating revenue in 2016 was due to expiration of medicine patents and restructuring of revenue composition.

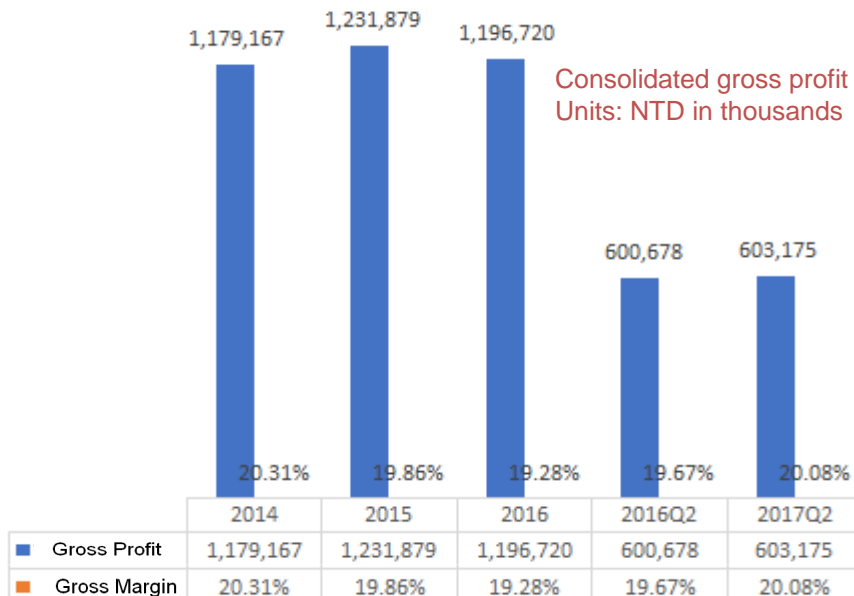


# Financial Overview

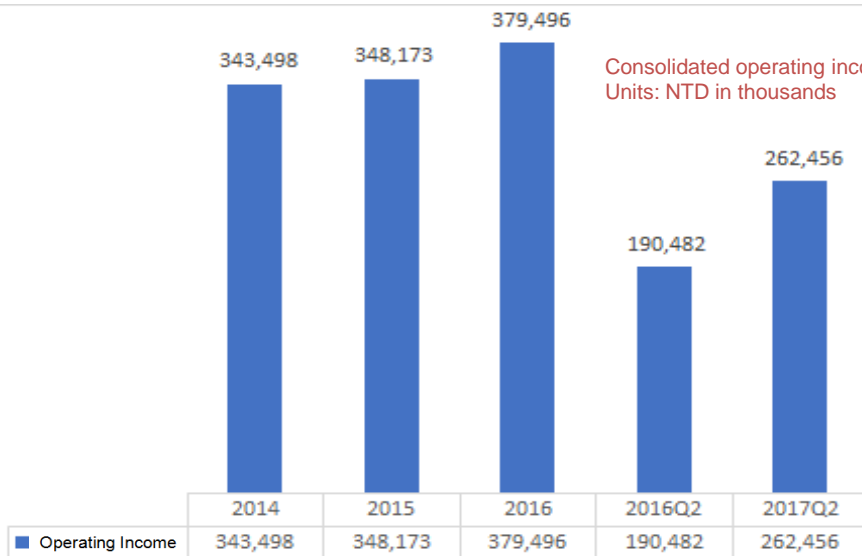
Consolidated sales  
Units: NTD in thousands



Consolidated gross profit  
Units: NTD in thousands

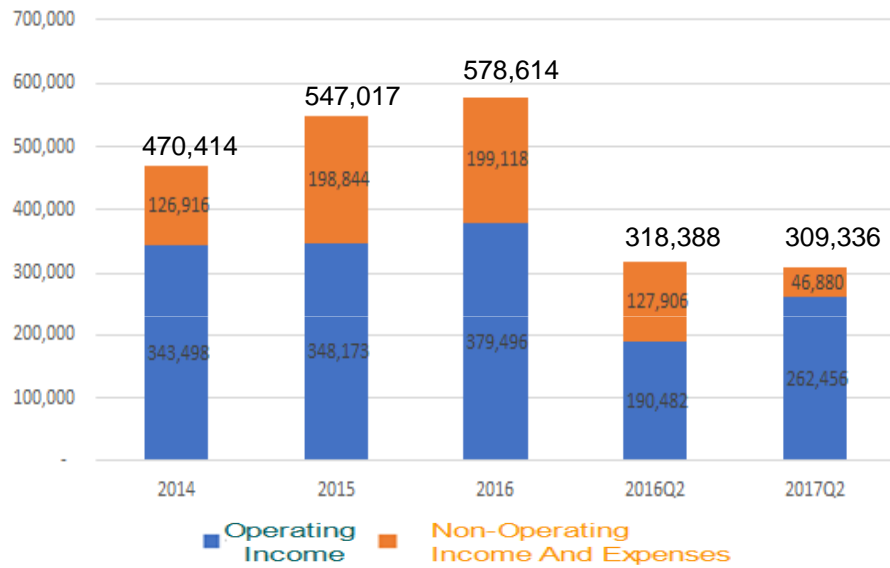


Consolidated operating income  
Units: NTD in thousands



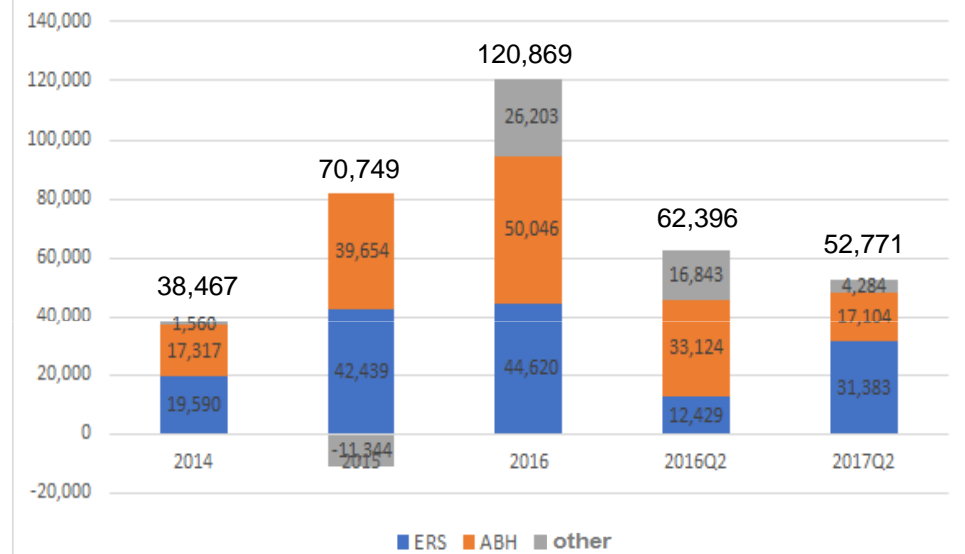
Units: NTD in thousands

### Profit before income tax

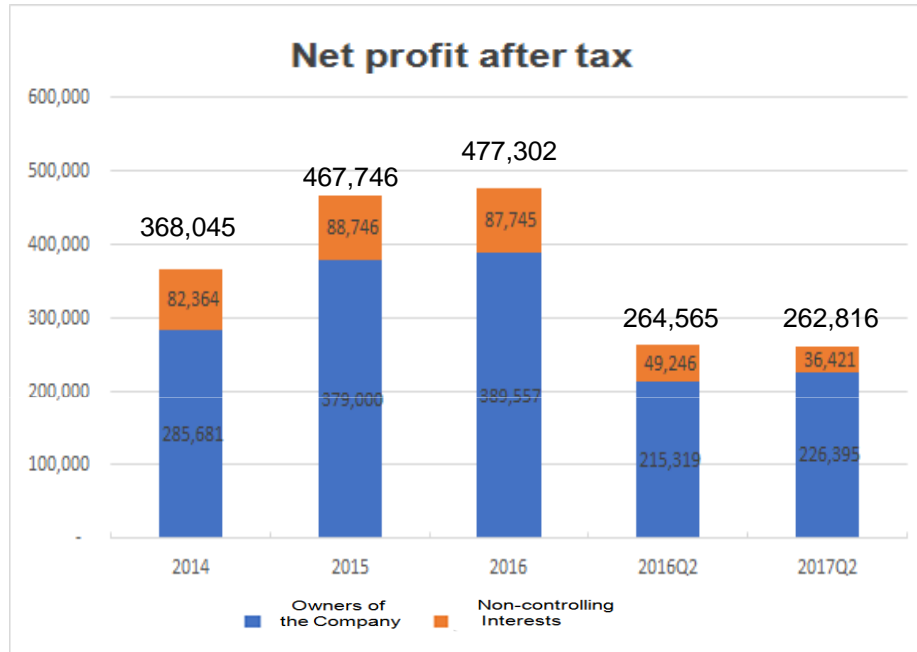


Units: NTD in thousands

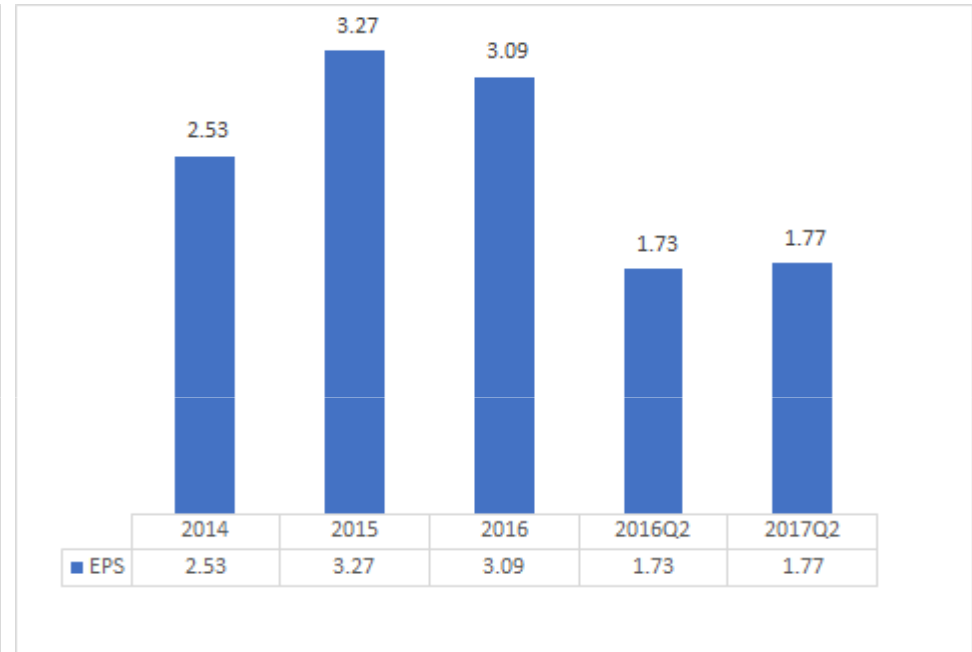
### Investment income



Units: NTD in thousands



Units : NTD in Dollars





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

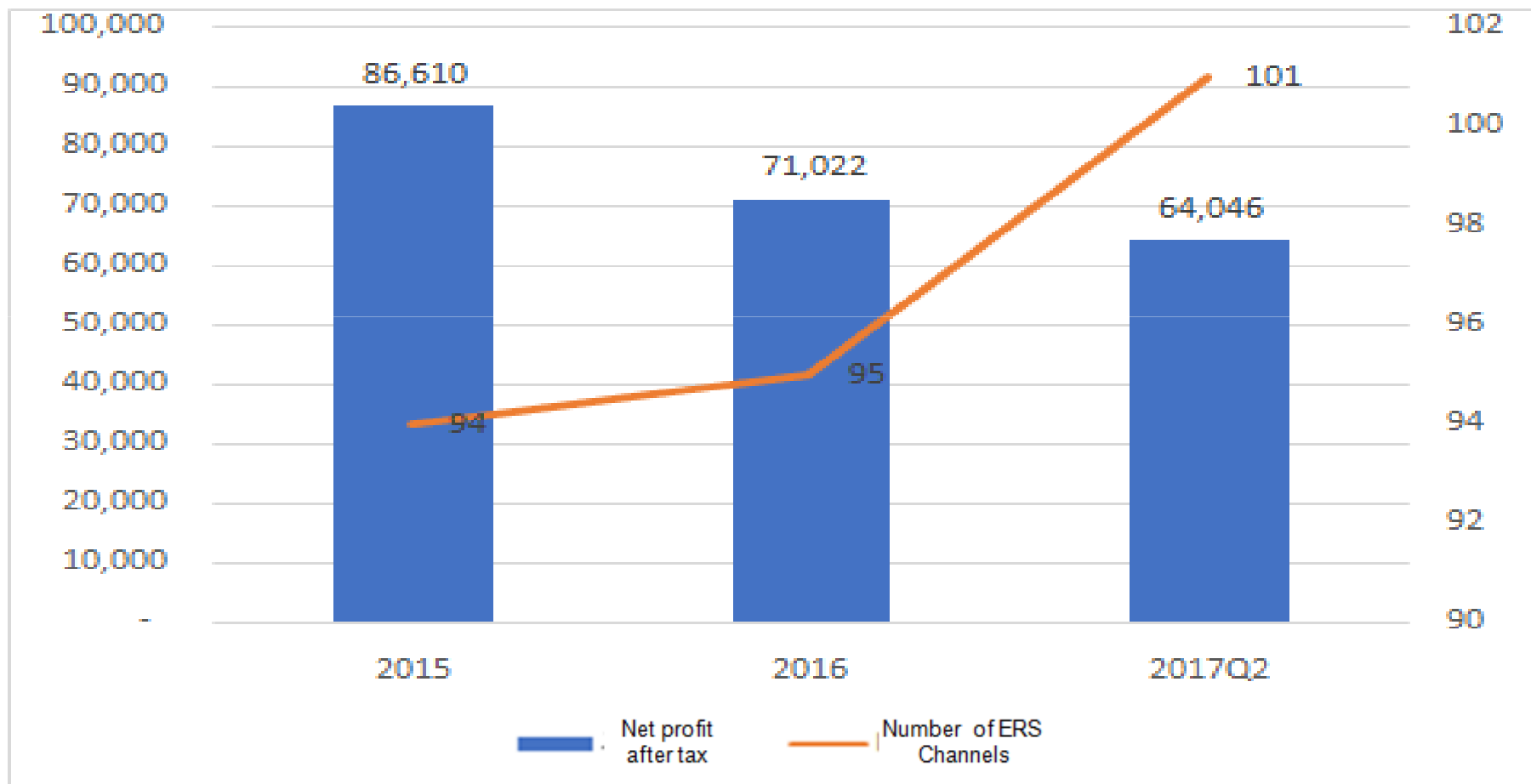


### 【 Hemodialysis channel Introduction 】

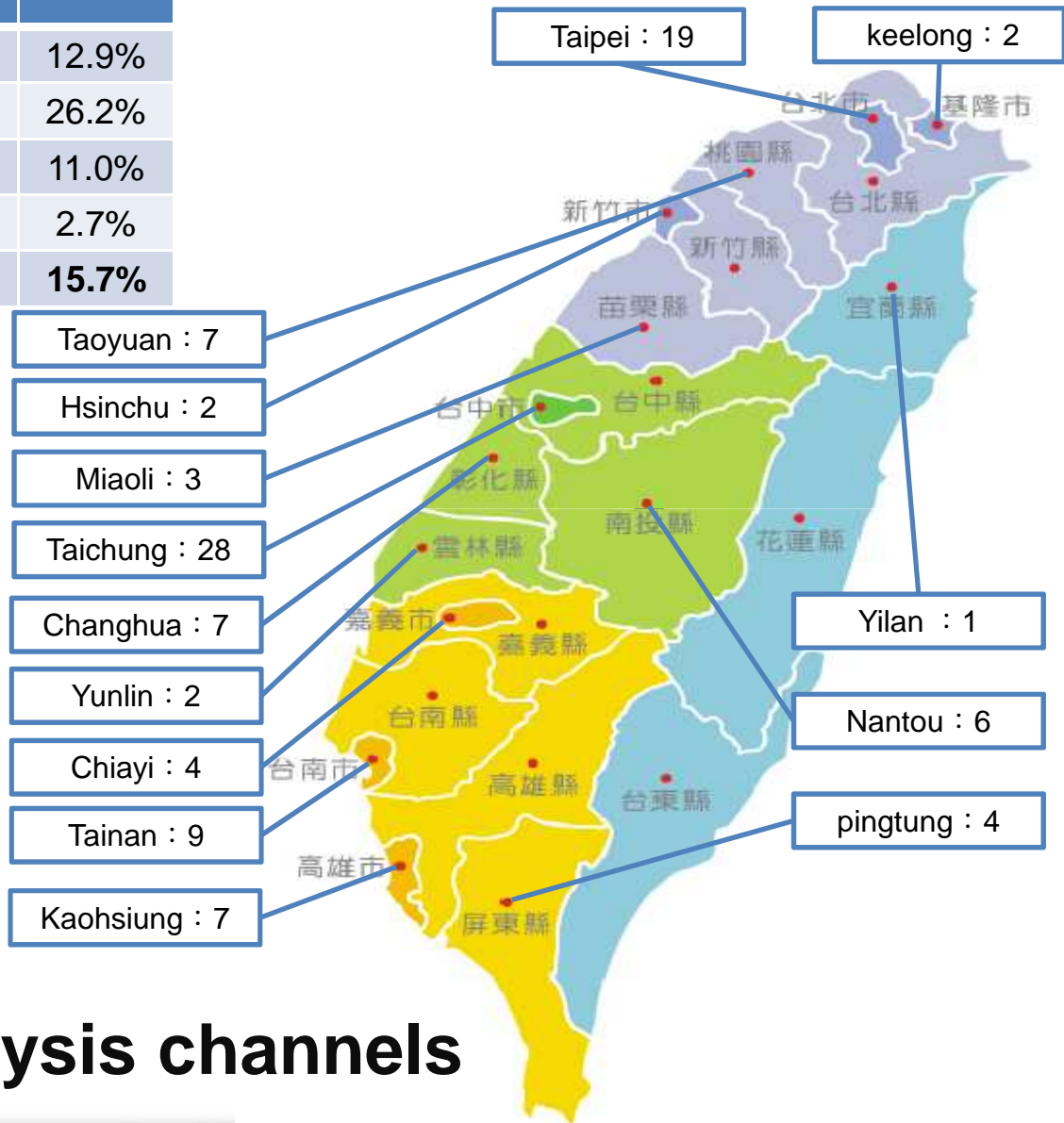
Excelsior entered into a joint venture with Fresenius which is the world's largest manufacturer of dialysis products, and establishes long-term cooperative relationship with more than 100 Hemodialysis Channels, also ERS is the largest professional medical management services provider. Excelsior professional 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	233	30	12.9%
Central	191	50	26.2%
South	181	20	11.0%
other	37	1	2.7%
<b>Total</b>	<b>642</b>	<b>101</b>	<b>15.7%</b>



## Hemodialysis channels

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

## Xi-zhi Nursing Home



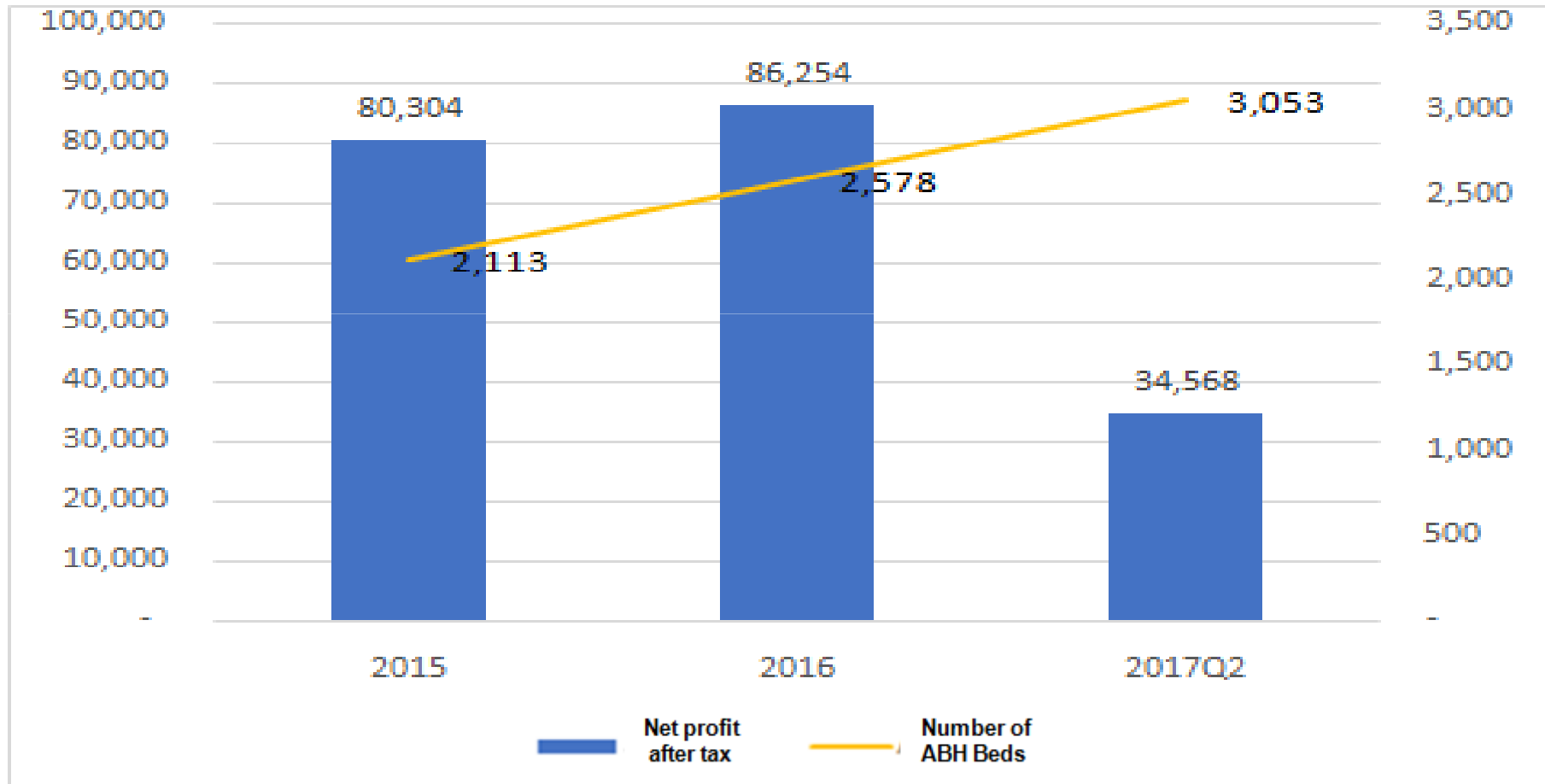
### 【 Long-Term Care Channels Introduction 】

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.

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	2,528
<b>Total</b>	<b>3,053</b>

## Long-term care channels



Keelung : 114 beds

Taoyuan : 204 beds

Taipei : 165 beds  
New Taipei City : 1,244 beds

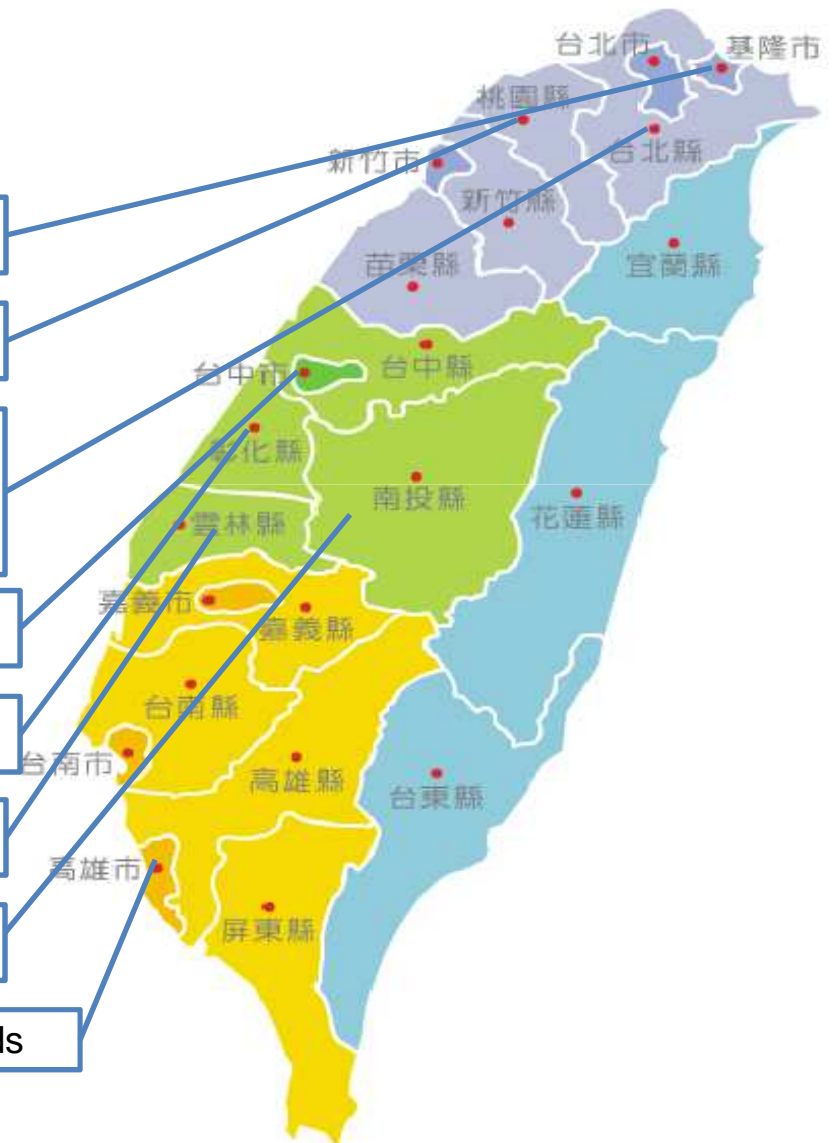
Taichung : 410 beds

Changhua: 200 beds

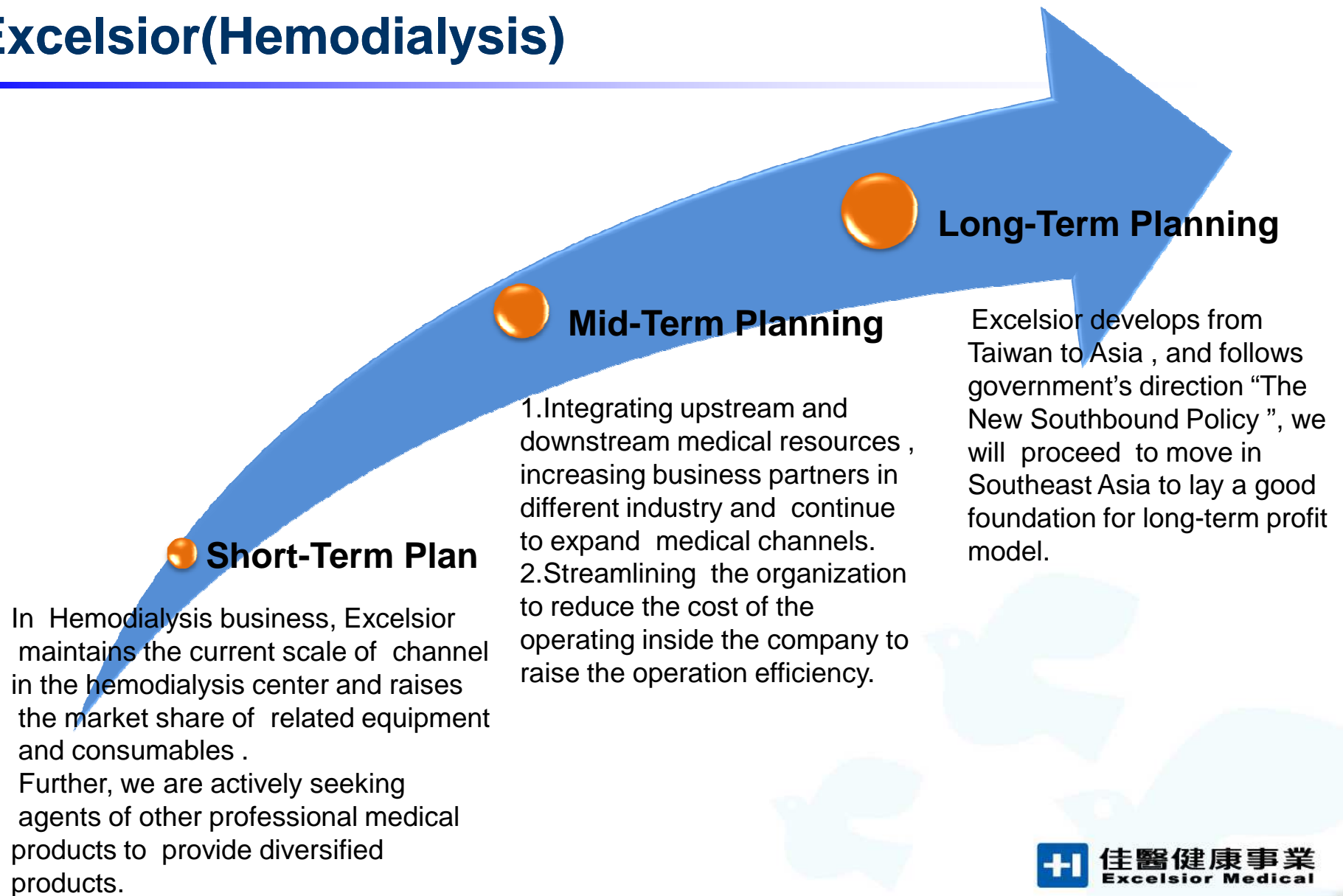
Yunlin : 139 beds

Nantou : 294 beds

Kaohsiung : 283 beds



## Excelsior(Hemodialysis)



# Dynamic(Medical Aesthetic)







# Arich (pharmaceutical logistics)

## Short-Term Planning

- 1.Sales Revenue : To maximize the sales revenue by promotion planning.
- 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.Health Supplements : To link medication as extra nutritional supplements.
- 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 develop business about medication investment, clinical trial, and sales channel exploring.
- 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	2015.12.31	2016.12.31	2017.06.30
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3,499,229	3,845,941	3,520,694
Receivables	1,883,261	2,163,308	1,799,247
Other Receivables	3,898,964	4,783,800	4,146,974
Inventories	1,115,299	1,025,183	1,064,699
Other Current Assets	528,629	619,739	409,954
<b>Total Current Assets</b>	<b>10,925,382</b>	<b>12,437,971</b>	<b>10,941,568</b>
<b>Non-Current Assets</b>			
Available-for-sale financial assets - non-current	552,494	436,420	362,011
Financial assets measured at cost - non-current	195,581	199,558	193,044
Investments accounted for using equity method	2,584,846	2,482,068	2,498,613
Property, plant and equipment	329,208	271,012	264,376
Investment properties	222,656	219,492	217,924
Other Non-Current Assets	804,995	779,533	757,402
<b>Total Non-Current Assets</b>	<b>4,689,780</b>	<b>4,388,083</b>	<b>4,293,370</b>
<b>Total Assets</b>	<b>15,615,162</b>	<b>16,826,054</b>	<b>15,234,938</b>



# Balance Sheet

Units: In thousands NTD	2015.12.31	2016.12.31	2017.06.30
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Short-Term Loan	893,000	905,000	1,215,000
Payables	1,111,683	1,230,959	932,706
Other Payables	3,848,223	4,762,518	3,691,868
Other Liabilities	556,791	782,420	1,023,854
<b>Total Current Liabilities</b>	<b>6,409,697</b>	<b>7,680,897</b>	<b>6,863,428</b>
<b>Non-Current Liabilities</b>			
Convertible Bond	526,699	312,905	13,339
Long-Term Loan	9,927	6,931	5,416
Other Non-Current Liabilities	490,822	516,761	506,492
<b>Total Non-Current Liabilities</b>	<b>1,027,448</b>	<b>836,597</b>	<b>525,247</b>
<b>Total Liabilities</b>	<b>7,437,145</b>	<b>8,517,494</b>	<b>7,388,675</b>
<b>Equity attributable to owners of the Company</b>			
Common stock	1,217,806	1,276,242	1,277,655
Capital surplus	2,662,188	2,825,966	2,804,340
Retained earnings	2,452,444	2,525,391	2,431,788
other equity	80,720	( 115,078)	( 244,917)
<b>Total Equity attributable to owners of the Company</b>	<b>6,413,158</b>	<b>6,512,521</b>	<b>6,268,866</b>
<b>Non-Controlling interests</b>	<b>1,764,859</b>	<b>1,796,039</b>	<b>1,577,397</b>
<b>Total Stockholders Equity</b>	<b>8,178,017</b>	<b>8,308,560</b>	<b>7,846,263</b>
<b>Total Liabilities and Stockholders Equity</b>	<b>15,615,162</b>	<b>16,826,054</b>	<b>15,234,938</b>

## Statement of comprehensive income

Units: In thousands NTD	2015	2016	2017.06
Operating Revenue	6,202,884	6,205,758	3,004,093
Operating Costs	4,971,005	5,009,038	2,400,918
Gross Profit	1,231,879	1,196,720	603,175
Gross Margin	19.86%	19.28%	20.08%
Operating Expense	883,706	817,224	340,719
Operating Income	348,173	379,496	262,456
Non-operating income and expenses	198,844	199,118	46,880
Profit before income tax	547,017	578,614	309,336
Income Tax	79,271	101,312	46,520
Net profit after tax	467,746	477,302	262,816
Net Profit Attributable to Owners of the Company	379,000	389,557	226,395
EPS (Dollars)	3.27	3.09	1.77

## Statements Of Cash Flows

Units: In thousands NTD	2015	2016	2017.06.30
Profit before income tax	547,017	578,614	309,336
Adjustments items	(41,321)	(76,876)	(22,912)
<b>Cash flows from operating Activities</b>			
Receivable(increase)decrease	4,395	(260,784)	152,839
Other Receivable(increase) decrease	(246,667)	(929,242)	805,565
Inventories(increase)decrease	108,210	68,791	(58,842)
Payable increase ( decrease )	24,190	119,276	(294,930)
Other Payable increase ( decrease )	366,225	907,300	(1,519,513)
Income tax paid	(102,415)	(77,818)	(57,075)
Other	80,325	120,452	(59,142)
<b>Net cash generated from operating activities</b>	<b>739,959</b>	<b>449,713</b>	<b>(744,674)</b>

## Statements Of Cash Flows

Units: In thousands NTD	2015	2016	2017.06.30
<b>Cash flows from investing activities</b>			
Purchase of debt investments with no active market	(1,128,444)	(1,088,505)	(465,878)
Proceeds from disposal of debt investments with no active market	1,133,799	732,885	494,467
Acquisition of investments accounted for using equity method	(223,363)	(19,122)	(104,000)
Proceeds from disposal of non-current assets held for sale	0	161,613	0
Increase in other financial assets	0	(233,846)	0
Decrease in other financial assets	232,723	0	225,130
Dividends received	82,029	138,132	0
Other	136,936	(2,583)	76,799
<b>Net cash generated from (used in) investing activities</b>	<b>233,680</b>	<b>(311,426)</b>	<b>226,518</b>

## Statements Of Cash Flows

Units: In thousands NTD	2015	2016	2017.06.30
<b>Cash flows from financing Activities</b>			
Increase (decrease) in short-term borrowings	(671,000)	12,000	310,000
Decrease in short-term bills payable	(99,913)	0	0
Proceeds from issue of bonds	600,000	0	0
Proceeds from long-term borrowings	15,000	0	0
Repayments of long-term borrowings	(29,051)	(5,707)	(1,488)
Increase in long-term payables to a related party	122,700	259,561	0
Dividends paid to owners of the Company	(282,381)	(304,451)	0
proceeds from issue of ordinary shares	299,250	0	0
Partial acquisition of interests in subsidiaries	(17,429)	(52,366)	(109,870)
Other	29,826	14,784	190
<b>Net cash used in financing activities</b>	<b>(32,998)</b>	<b>(76,179)</b>	<b>198,832</b>
<b>Effects of exchange rate changes on the balance of Cash Held in Foreign Currencies</b>	<b>(11,547)</b>	<b>(88,150)</b>	<b>47,228</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>929,094</b>	<b>(26,042)</b>	<b>(272,096)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>1,973,714</b>	<b>2,902,808</b>	<b>2,876,766</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>2,902,808</b>	<b>2,876,766</b>	<b>2,604,670</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 and Philippines regions .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](http://www.excelsior.com.tw)