



佳醫集團

用心 Dedication | 自主 Discipline | 創新 Innovation | 前瞻 Proactive

Excelsior Medical Co., Ltd.
2018Q2 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.**

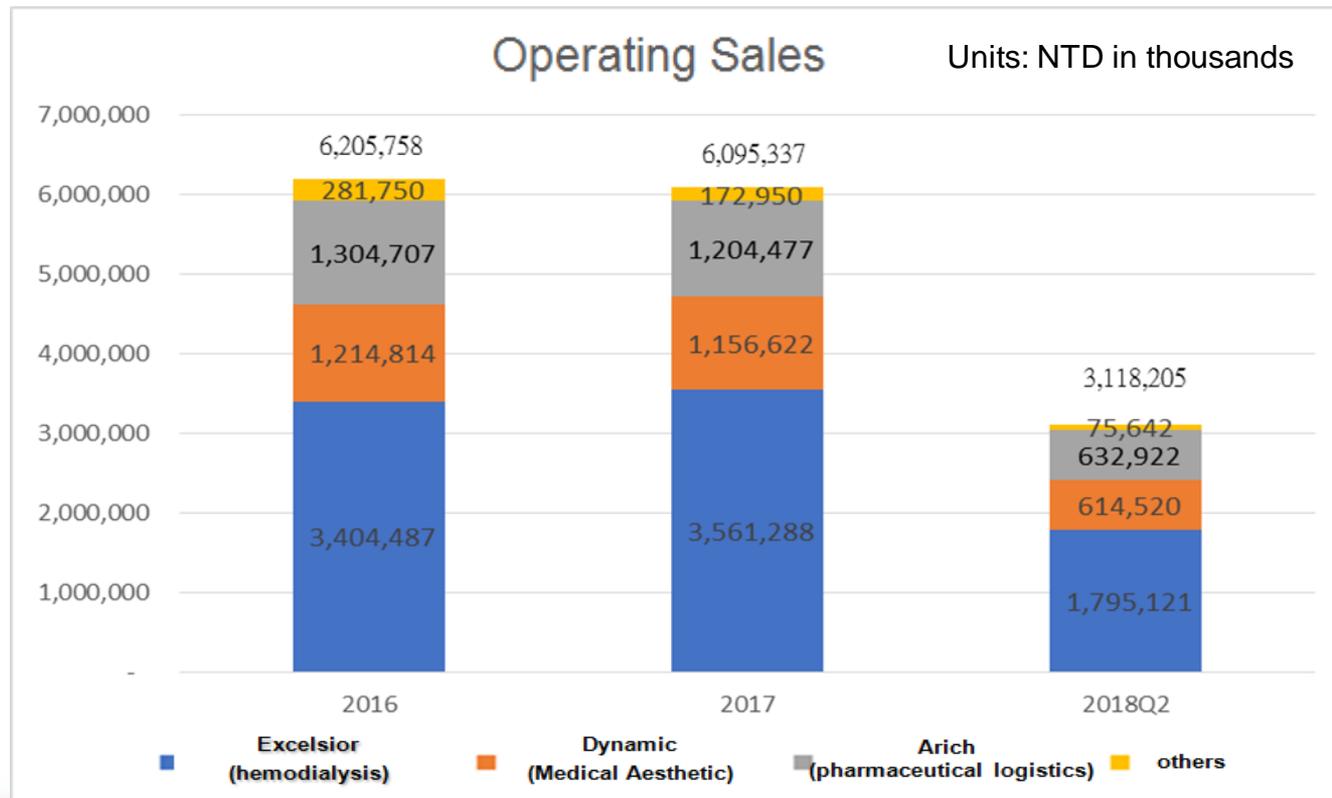
Up to now the Group has three listed companies (**Excelsior : listed at TSE , stock code 4104. Dynamic and Arich : listed at OTC, stock code 4138 and 4173).**

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.

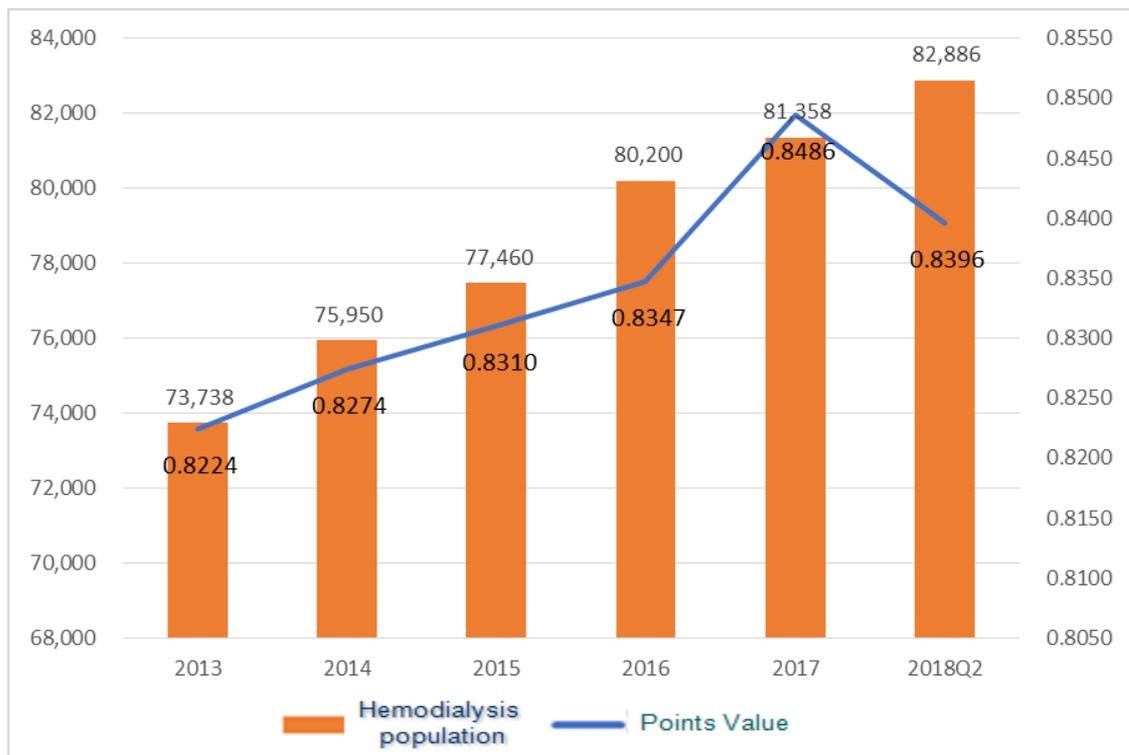


The Business Types



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 2018, The total number of Taiwan hemodialysis and peritoneal dialysis populations has reached 82,886 people.



Hemodialysis brand

AsahiKASEI NIKKISO

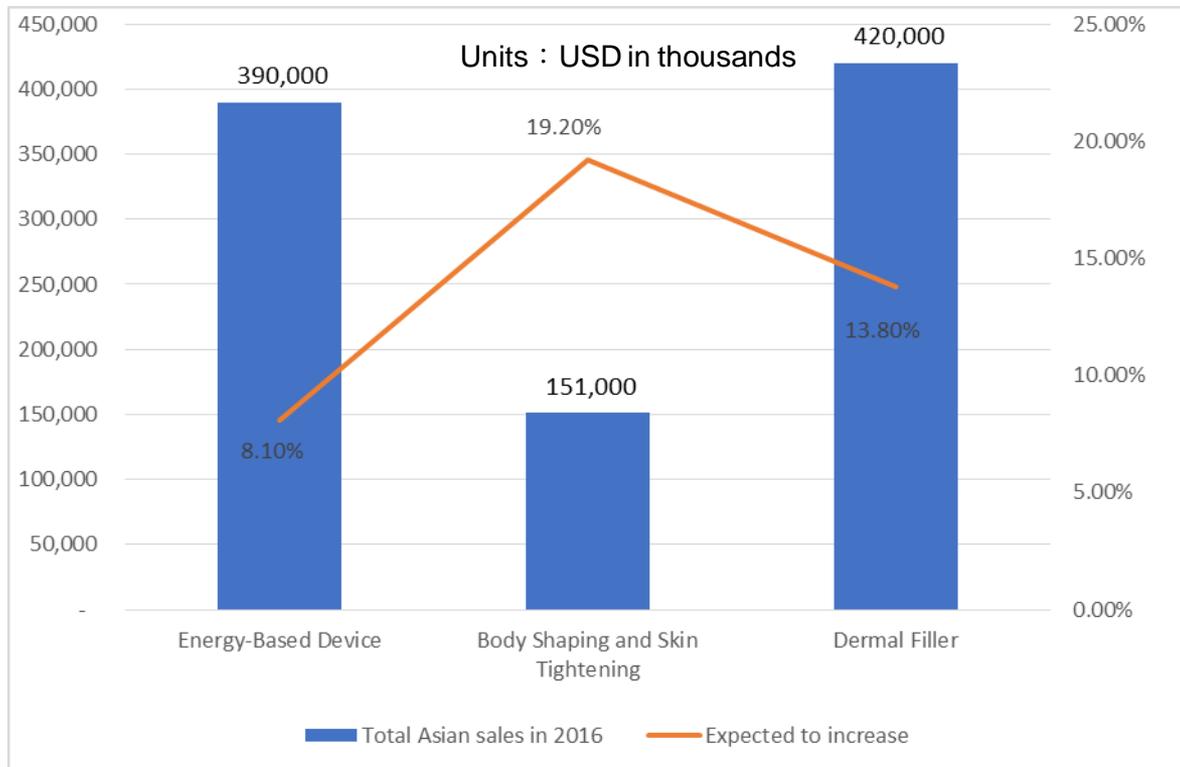
KYOWA KIRIN JMS

MEDIVATORS A Cantel Medical Company SUNDER

FASFLO

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 \$1.35 billion in 2016 and are expected to increase by 13.7% per year through 2021. 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.



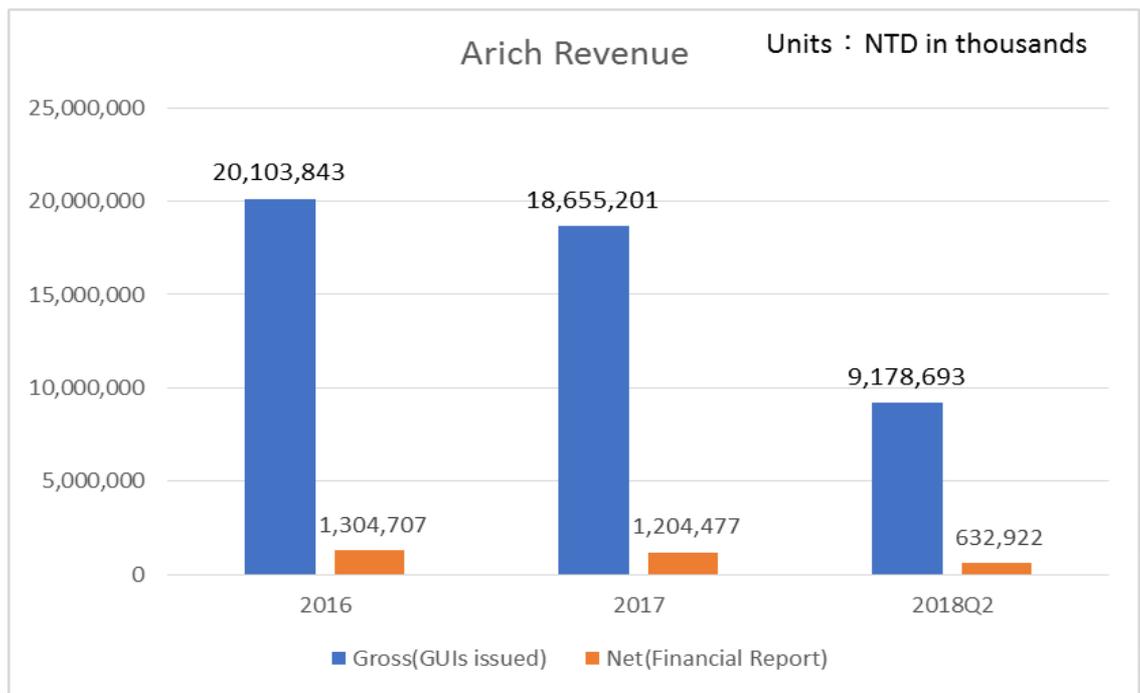
Medical Aesthetic Brands



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.

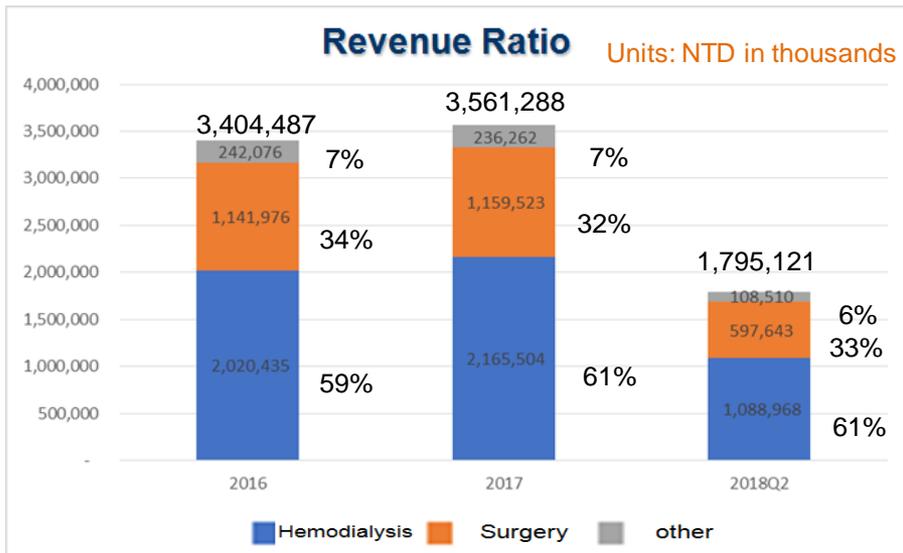
To enhance the management of storage and transportation for medication, Ministry of Health and Welfare has started to conduct Good Distribution Practice(GDP) compliance check since July 1st, 2016. Those who are not certified will not be allowed to render specific services from January 1st, 2019.



Key Customers

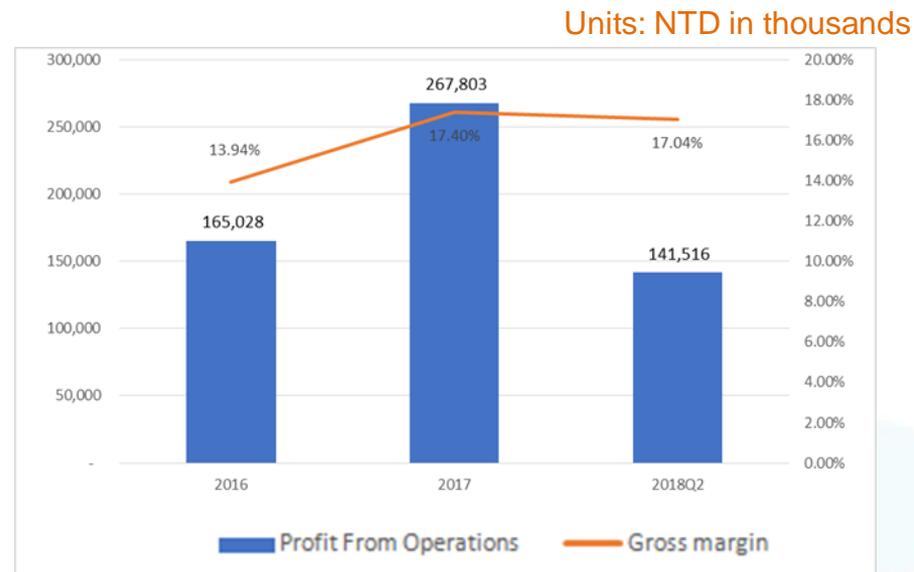


Excelsior(Hemodialysis)

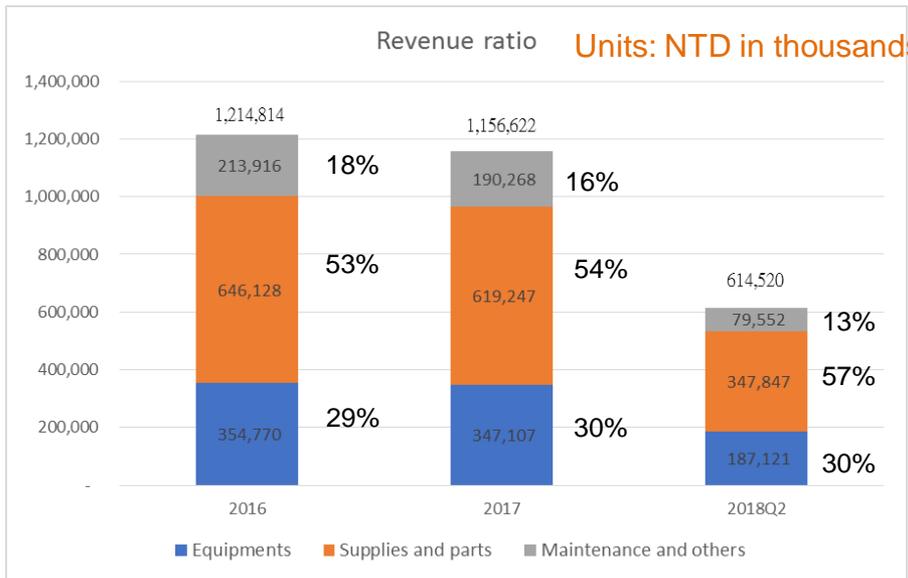


In the first half of 2018 ,Excelsior’s hemodialysis products accounted for 61% of its operating revenue, surgical products accounted for 33% of its operating revenue, the other products (blood bag, ostomy , preventive medicine and home appliances) accounted for 6% of its operating revenue. 2017 dialysis products increased by 7.2%, the rest for the growth was the surgical products. The overall operating revenue increased by 4.6%.

Excelsior Operating income was NT \$ 165,028 (NTD in thousands) in 2016 and it was NT \$ 267,803 (NTD in thousands) in 2017 , the growth rate was +62.3% . Operating income in the first half of 2018 was NT \$ 141,516 (NTD in thousands) .Meanwhile, the margin rate is 17.04%.



Dynamic(Medical Aesthetic)

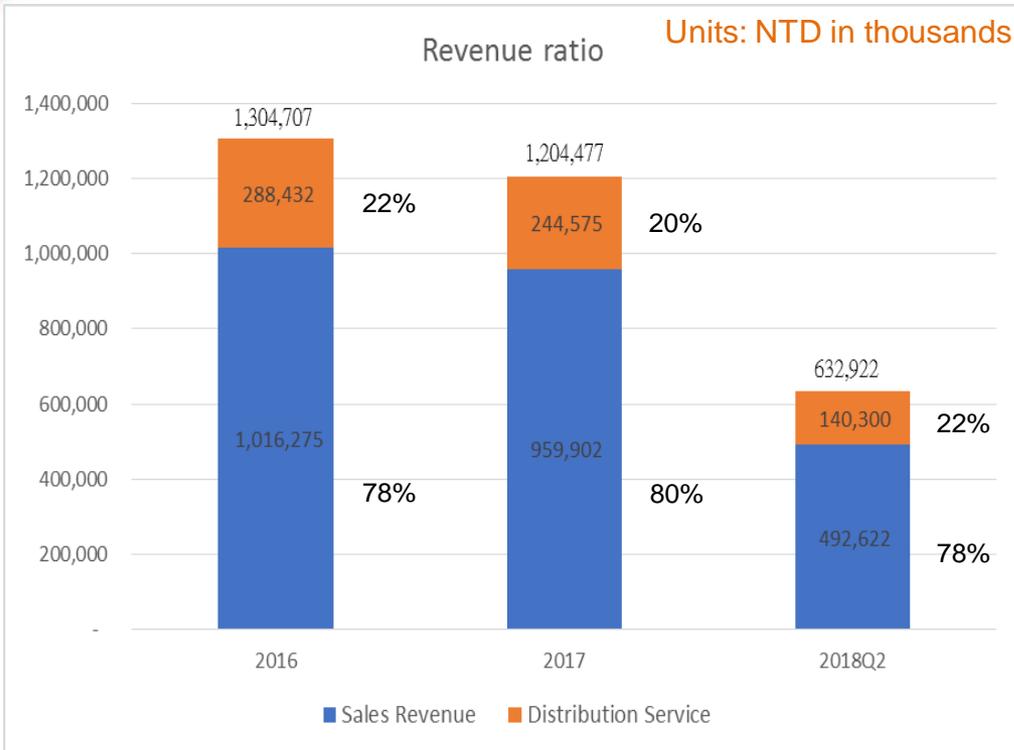


Dynamic operating income was \$ 194,682 (NTD in thousands) in 2016, and \$ 194,093 (NTD in thousands) in 2017. Operating Income for the first half of 2018 was \$ 74,131 (NTD in thousands). Compared to the corresponding period of 2017, it is decreasing because adjusted product portfolio leads to a lower gross margin and the expansion of China operating team increase expenses. Units: NTD in thousands

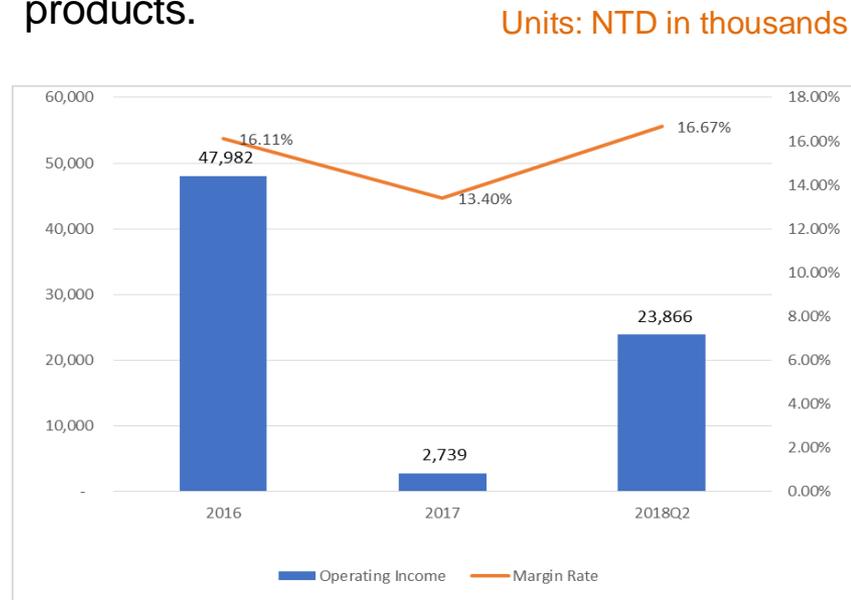


In the first half of 2018, Medical aesthetics equipment accounts for 30% of the revenue, Medical aesthetics consumables accounts for 57% of the revenue and Maintenance and Skin Cares accounts for 13% of the revenue. Revenue increased in 2018 due to the growth of consumables sales in oversea market.

Arich (pharmaceutical logistics)

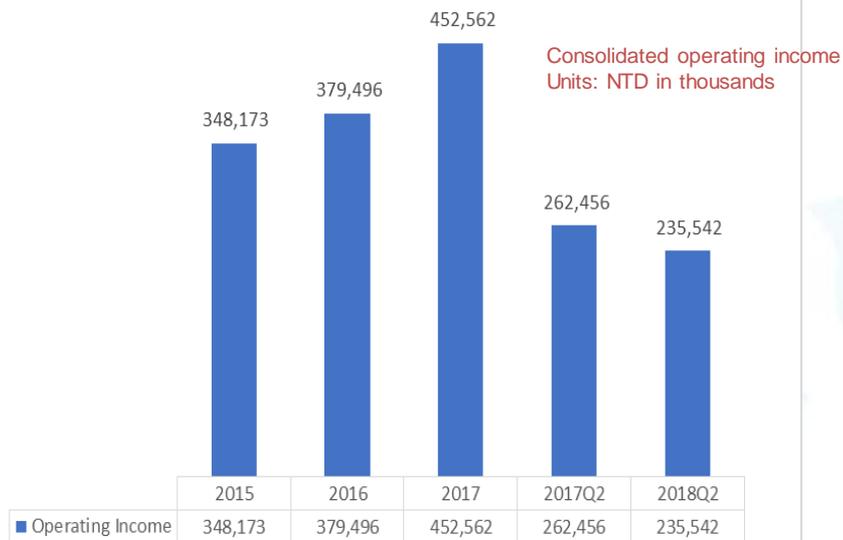
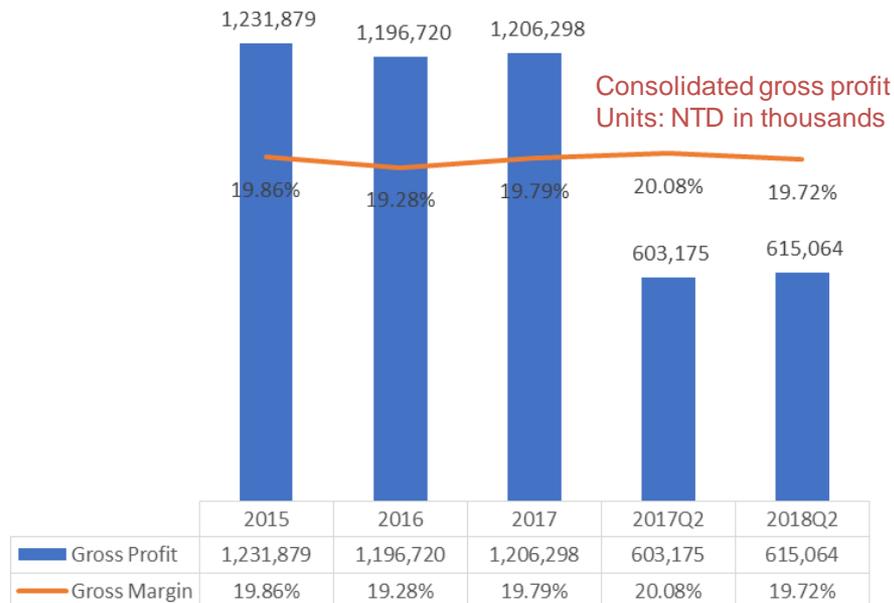
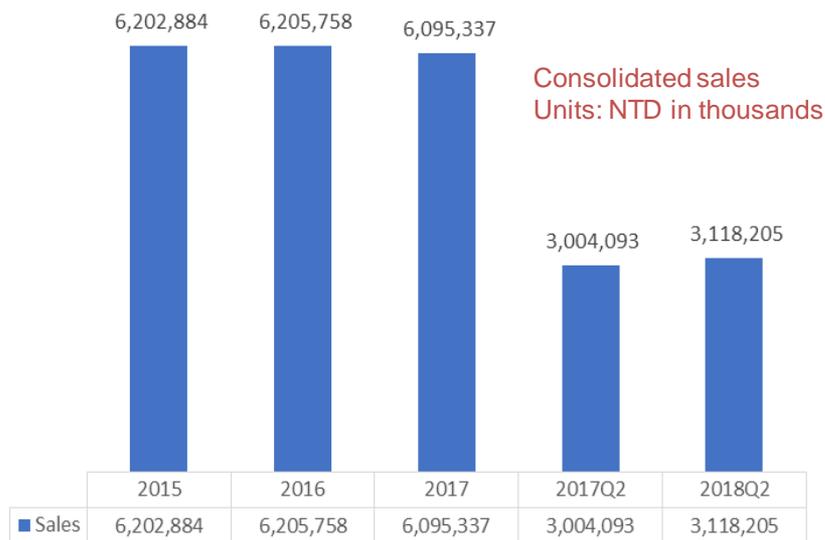


Arich Operating income was NT\$ 47,982 thousand dollars in 2016 but NT\$ 2,739 thousand dollars in 2017, because it was a transitional period of customers and revenues composition. In the first half of 2018, it grows up to NT\$ 23,866 thousand dollars due to new customers and new products.



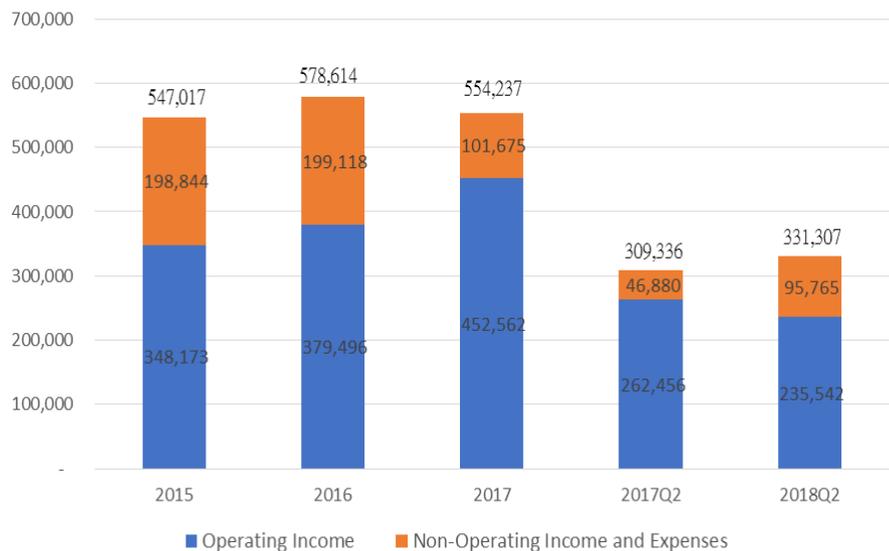
In the first half of 2018, sales revenue accounted for 78% of our operating revenue while distribution service is 22%. Decline of operating revenue in 2017 was due to expiration of medicine patents and restructuring of revenue composition.

Financial Overview



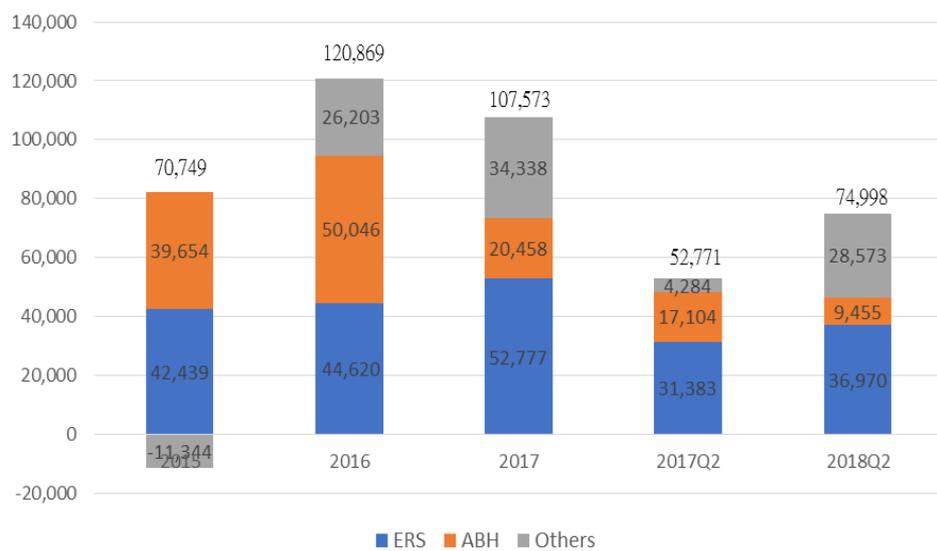
Units: NTD in thousands

Profit before Income Tax



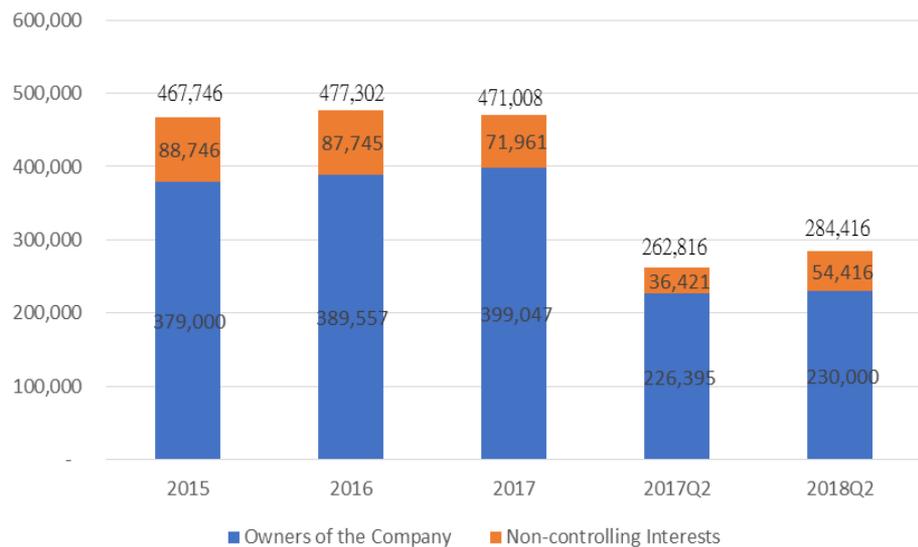
Units: NTD in thousands

Investment Income

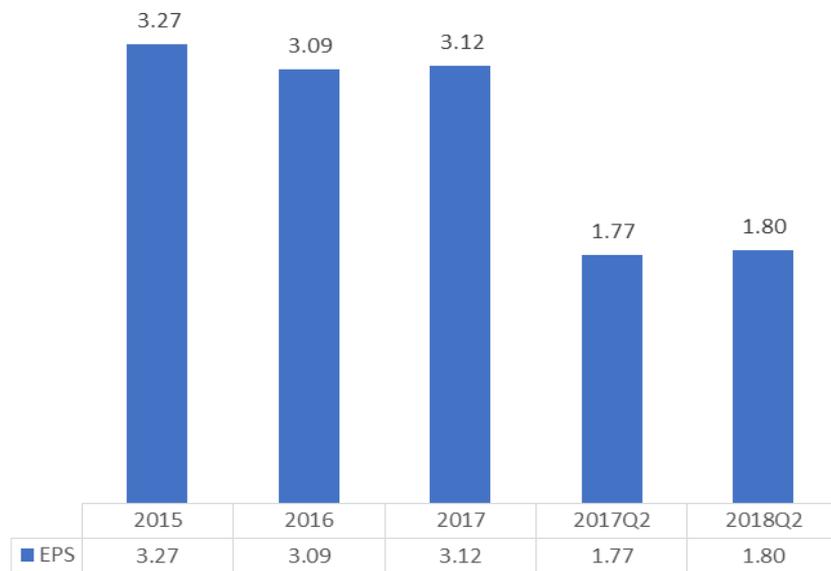


Units: NTD in thousands

Net Profit after Tax



Units : NTD in Dollars



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



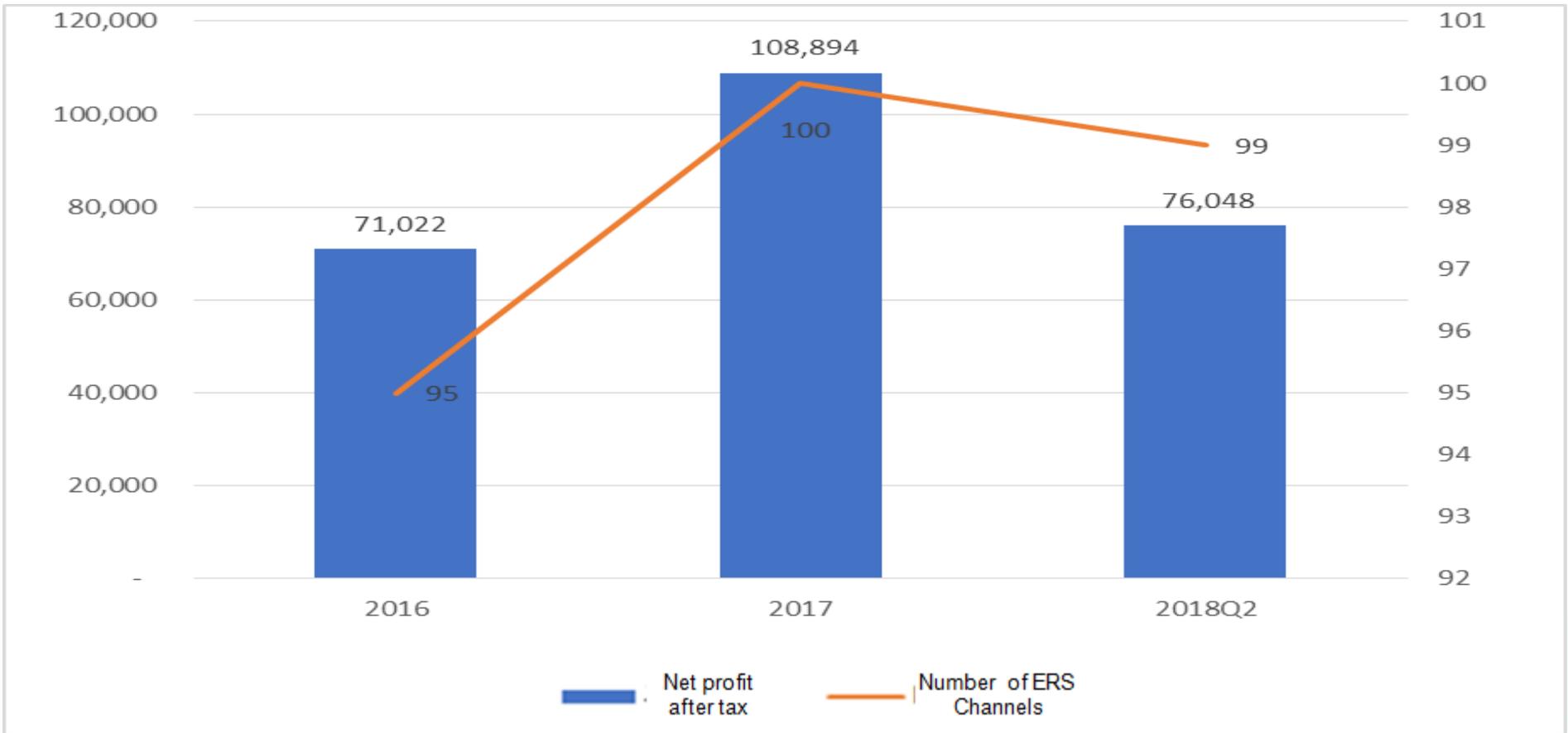
【 Hemodialysis channel Introduction 】

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 .

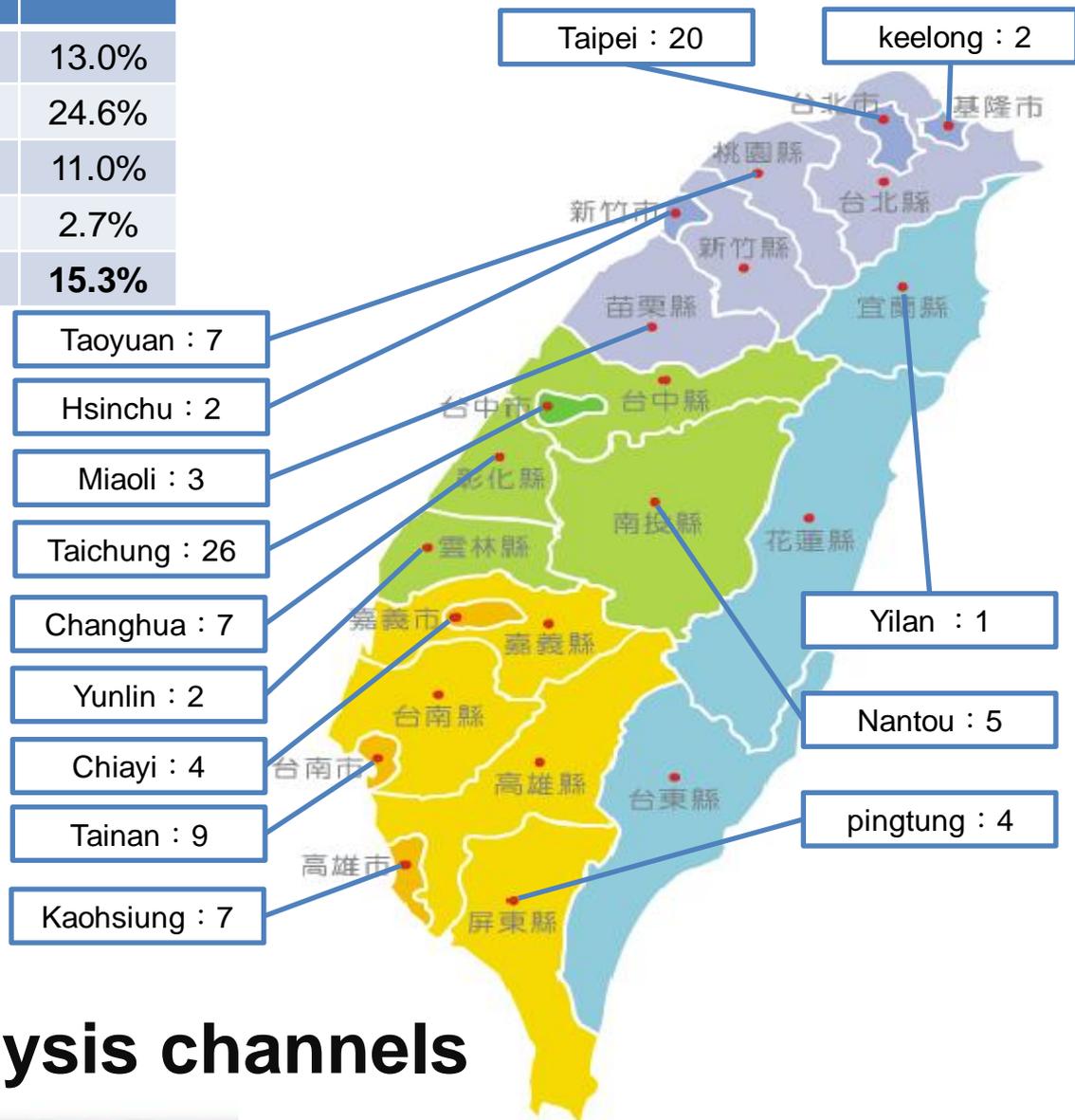


Hemodialysis channel – Excelsior Renal Service Co., Limited & Jiate Excelsior Co., Ltd

Units : except ERS channels · NTD in thousands



Area	Total channels	ERS channels	%
North	239	31	13.0%
Central	191	47	24.6%
South	182	20	11.0%
other	37	1	2.7%
Total	649	99	15.3%



Hemodialysis channels

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

Xi-zhi Nursing Home



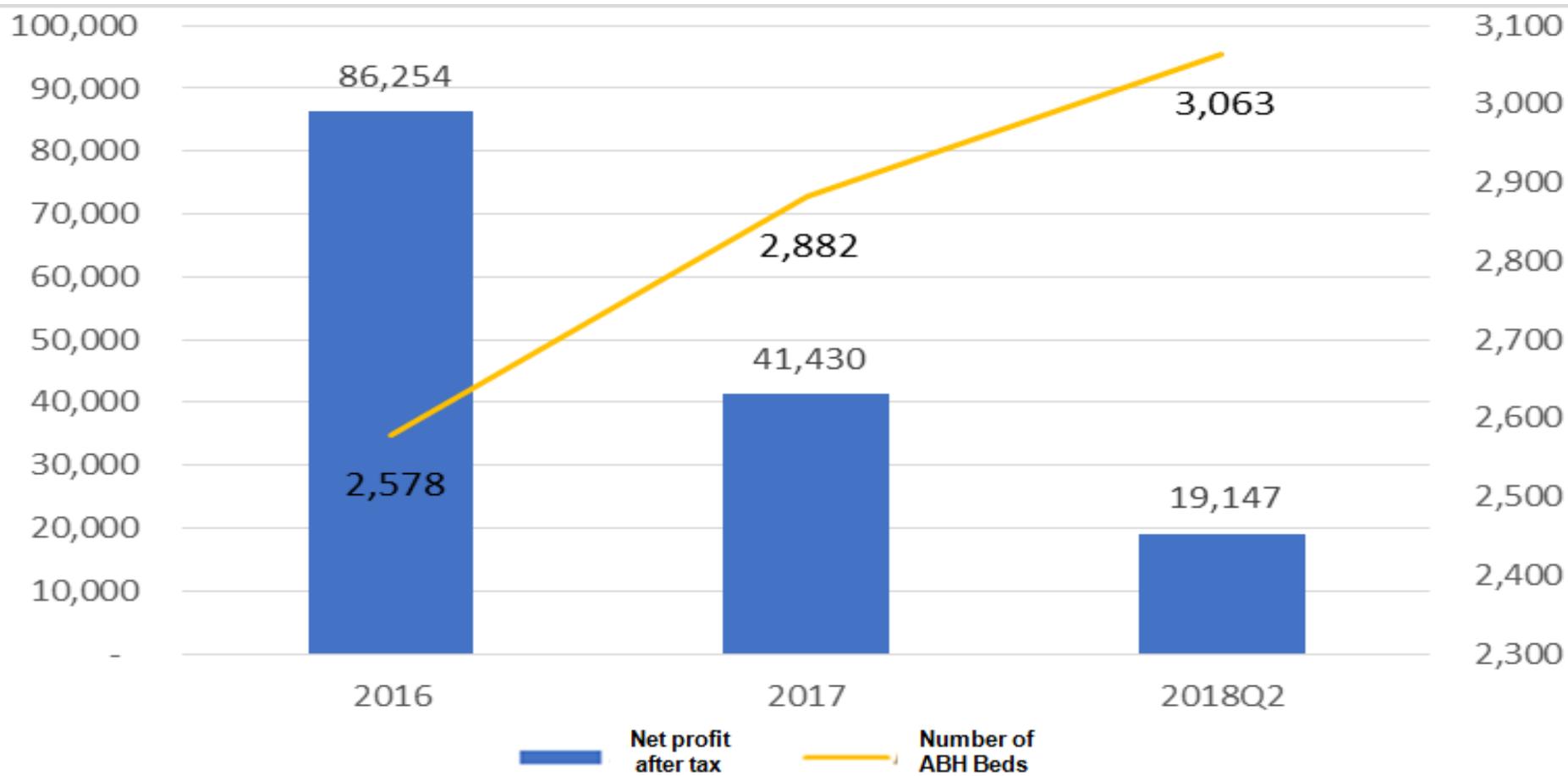
【 Long-Term Care Channels Introduction 】

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



Long-term care channels

Hospital/long-term care	Beds
Hospital	525
Long-term care	2,538
Total	3,063



Xi-zhi



Ping-zhen

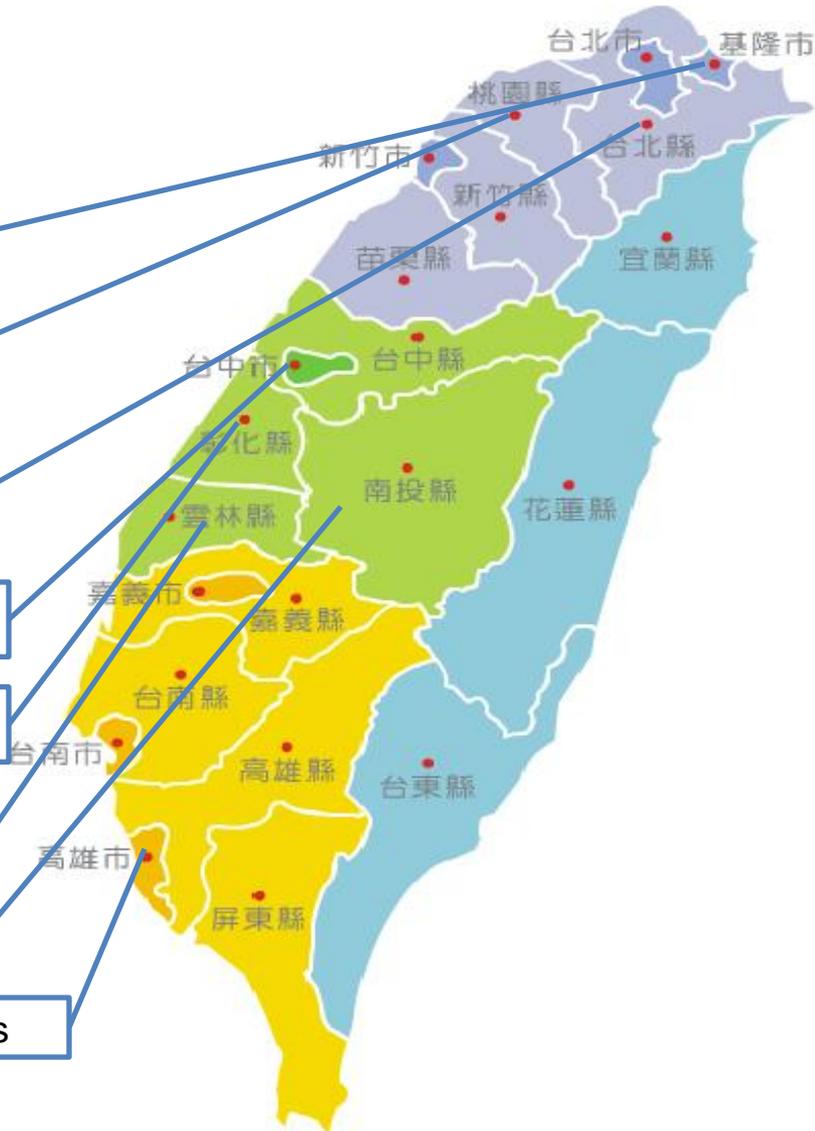


Tai-chung



Kaoh-siung

- Keelung : 114 beds
- Taoyuan : 174 beds
- Taipei : 165 beds
- New Taipei City : 1,241 beds
- Taichung : 591 beds
- Changhua: 200 beds
- Yunlin : 100 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.

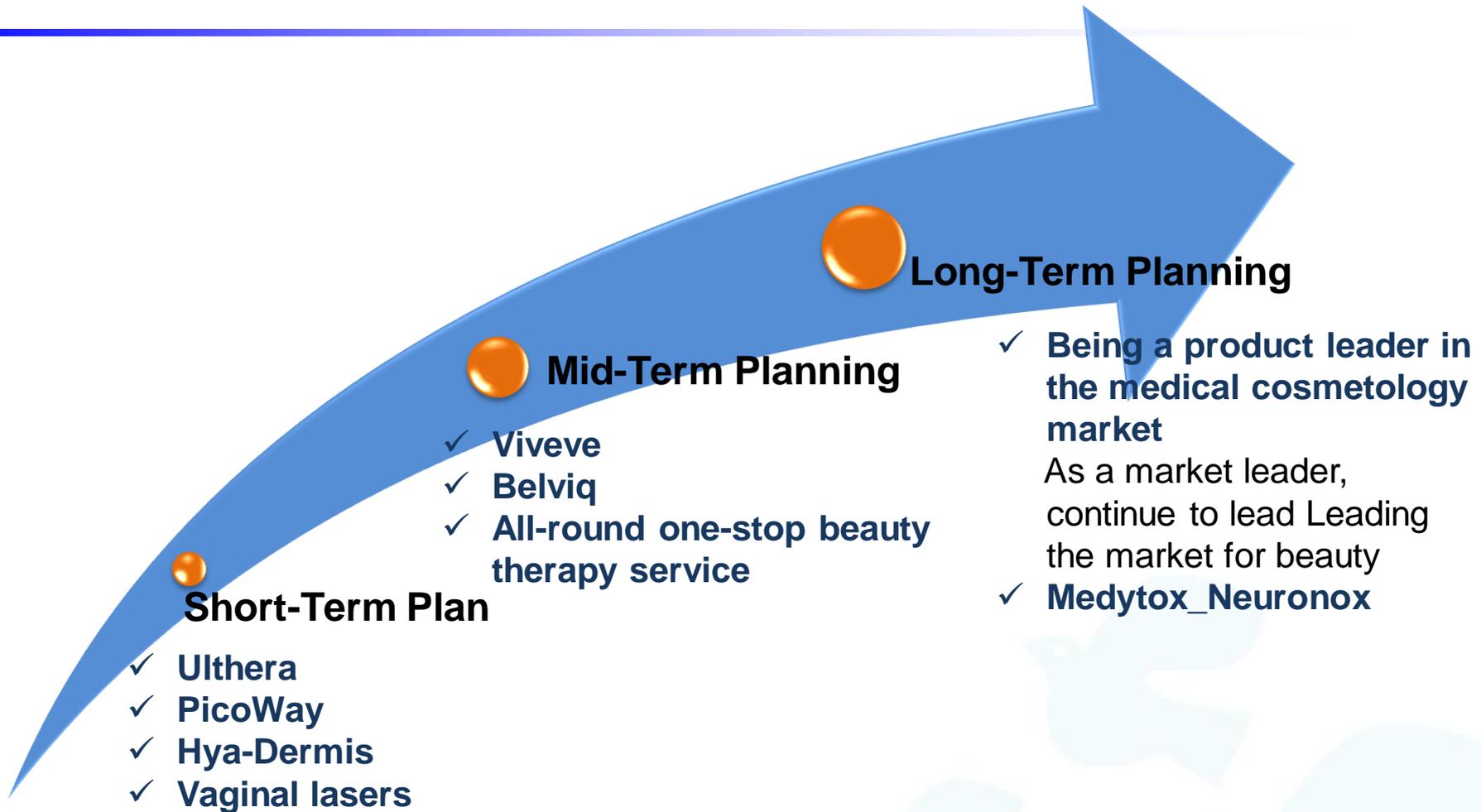
Mid-Term Planning

- 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 : 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	2016.12.31	2017.12.31	2018.06.30
Assets			
Current Assets			
Cash and Cash Equivalents	3,845,941	3,444,328	3,047,919
Receivables	2,163,308	2,199,672	1,995,128
Other Receivables	4,783,800	3,562,727	3,925,091
Inventories	1,025,183	1,121,982	1,109,526
Other Current Assets	619,739	202,181	185,191
Total Current Assets	12,437,971	10,530,890	10,262,855
Non-Current Assets			
FVTOCI financial assets-non-current	-	-	783,033
Available-for-sale financial assets - non-current	436,420	389,967	-
Financial assets measured at cost - non-current	199,558	229,782	-
Investments accounted for using equity method	2,482,068	2,508,952	2,486,243
Property, plant and equipment	271,012	270,490	260,369
Investment properties	219,492	197,114	195,658
Other Non-Current Assets	779,533	824,284	789,043
Total Non-Current Assets	4,388,083	4,420,589	4,514,346
Total Assets	16,826,054	14,951,479	14,777,201

Balance Sheet

Units: In thousands NTD	2016.12.31	2017.12.31	2018.06.30
Liabilities			
Current Liabilities			
Short-Term Loan	905,000	1,160,000	1,240,000
Payables	1,230,959	1,029,336	977,258
Other Payables	4,762,518	3,262,492	3,407,412
Other Liabilities	782,420	954,248	461,502
Total Current Liabilities	7,680,897	6,406,076	6,086,172
Non-Current Liabilities			
Convertible Bond	312,905	-	-
Long-Term Loan	6,931	-	-
Other Non-Current Liabilities	516,761	520,600	528,631
Total Non-Current Liabilities	836,597	520,600	528,631
Total Liabilities	8,517,494	6,926,676	6,614,803
Equity attributable to owners of the Company			
Common stock	1,276,242	1,278,274	1,281,341
Capital surplus	2,825,966	2,804,995	2,812,354
Retained earnings	2,525,391	2,596,032	2,514,585
other equity	(115,078)	(262,832)	61,717
Total Equity attributable to owners of the Company	6,512,521	6,416,469	6,669,997
Non-Controlling interests	1,796,039	1,608,334	1,492,401
Total Stockholders Equity	8,308,560	8,024,803	8,162,398
Total Liabilities and Stockholders Equity	16,826,054	14,951,479	14,777,201

Statement of comprehensive income

Units: In thousands NTD	2016	2017	2018.06
Operating Revenue	6,205,758	6,095,337	3,118,205
Operating Costs	5,009,038	4,889,039	2,503,141
Gross Profit	1,196,720	1,206,298	615,064
Gross Margin	19.28%	19.79%	19.72%
Operating Expense	817,224	753,736	379,522
Operating Income	379,496	452,562	235,542
Non-operating income and expenses	199,118	101,675	95,765
Profit before income tax	578,614	554,237	331,307
Income Tax	101,312	83,229	46,891
Net profit after tax	477,302	471,008	284,416
Net Profit Attributable to Owners of the Company	389,557	399,047	230,000
EPS (Dollars)	3.09	3.12	1.80

Statements Of Cash Flows

Units: In thousands NTD	2016	2017	2018.06
Profit before income tax	578,614	554,237	331,307
Adjustments items	(76,876)	(60,595)	(40,952)
Cash flows from operating Activities			
Receivable (increase) decrease	(260,784)	(106,519)	142,105
Other Receivable (increase) decrease	(929,242)	1,244,175	(302,462)
Inventories (increase) decrease	68,791	(155,417)	4,551
Payable increase (decrease)	119,276	(198,300)	(52,078)
Other Payable increase (decrease)	907,300	(1,549,695)	(286,679)
Income tax paid	(77,818)	(99,703)	(49,871)
Other	120,452	(115,571)	36,926
Net cash (used in) provided by operating activities	449,713	(487,388)	(217,153)

Statements Of Cash Flows

Units: In thousands NTD	2016	2017	2018.06
Cash flows from investing activities			
Purchase of financial assets at amortized cost	-	-	(658,160)
Proceeds from disposal of financial assets at amortized cost	-	-	834,343
Purchase of debt investments with no active market	(1,088,505)	(715,670)	-
Proceeds from disposal of debt investments with no active market	732,885	704,797	-
Acquisition of investments accounted for using equity method	(19,122)	(119,545)	(25,262)
Proceeds from disposal of non-current assets held for sale	161,613	-	-
Decrease (Increase) in other financial assets	(233,846)	400,995	17,956
Dividends received	138,132	110,874	1,716
Other	(2,583)	44,519	177,045
Net cash generated from (used in) investing activities	(311,426)	425,970	347,638

Statements Of Cash Flows

Units: In thousands NTD	2016	2017	2018.06
Cash flows from financing Activities			
Increase in short-term borrowings	12,000	255,000	80,000
Repayments of bonds	-	-	(300,000)
Repayments of long-term borrowings	(5,707)	(9,920)	-
Increase in long-term payables to a related party	259,561	-	-
Dividends paid to owners of the Company	(304,451)	(319,067)	-
Partial acquisition of interests in subsidiaries	(52,366)	(129,870)	(203,787)
Other	14,784	(99,348)	(8,080)
Net cash used in financing activities	(76,179)	(303,205)	(431,867)
Effects of exchange rate changes on the balance of Cash Held in Foreign Currencies	(88,150)	(38,251)	78,169
Net decrease in cash and cash equivalents	(26,042)	(402,874)	(223,213)
Cash and Cash Equivalents at the beginning of the year	2,902,808	2,876,766	2,473,892
Cash and Cash Equivalents at the end of the year	2,876,766	2,473,892	2,250,679

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

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