

ScinoPharm

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Overview

ScinoPharm at a Glance

- Est. in 1997 and HQ in Taiwan (Tainan) with cGMP plants/R&D in Taiwan and China (Changshu) and marketing forces in Taiwan and China (Shanghai)
- Specializing in high potency (steroid/cytotoxic) APIs and injectable formulation, serving customers worldwide
- 70 generic APIs in portfolio with 29 APIs approved
 - 60 active US DMFs (805 DMFs WW) with 31 of them oncology APIs
- 100+ contract projects with 6 launched (4 NCEs) and 7 in phase 3 for NDA filing in 1-3 years
- Certified by key international regulators - US FDA, EMA, EDQM, Australian TGA, Japanese PMDA, Korea KFDA, Mexico COFEPRIS and German Authority

World Class Facilities

Taiwan

■ API Plant

- 6 of 16 production lines equipped with high potency capabilities for cytotoxic/steroid
- Provides comprehensive CRAM services for brand drug companies

■ Injectable Plant

- Vial and cartridge production lines for oncological and peptide products
- To meet US, EU, Japan GMP standards by adopting state-of-the-art isolator technology and single use technology for product contact path



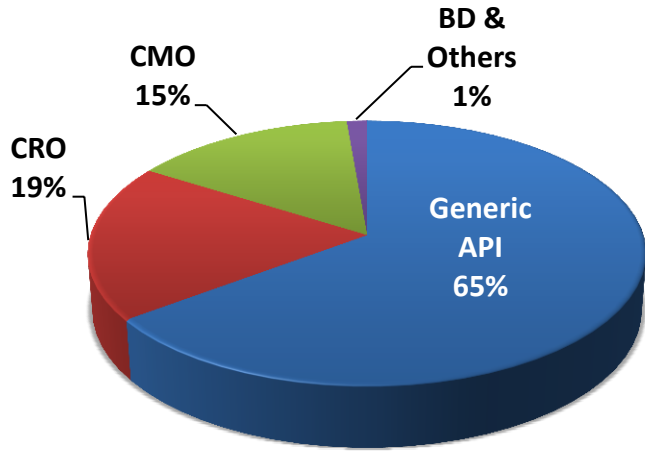
China

■ API Plant

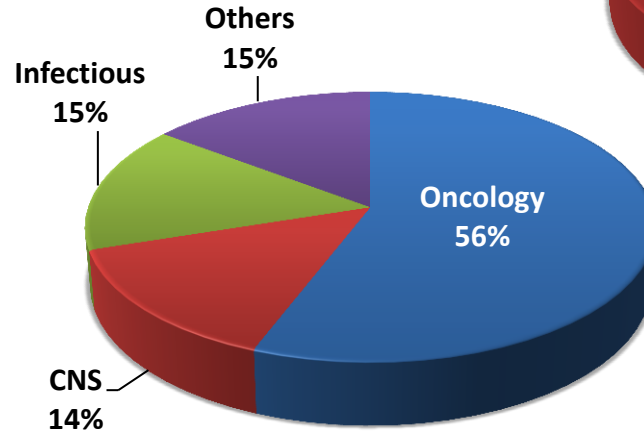
- 3 of 7 production lines equipped with high potency capabilities for cytotoxic
- US FDA approved cGMP facility for intermediates & high potency API
- Strong R&D capabilities of APIs on small to large scales for generic & CRAM markets
- Strategic partnerships with China clients for formulations targeting global/China markets



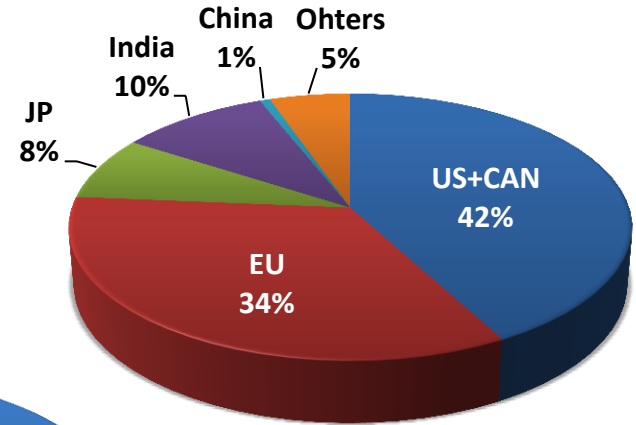
2018 Sales Distribution



by Business

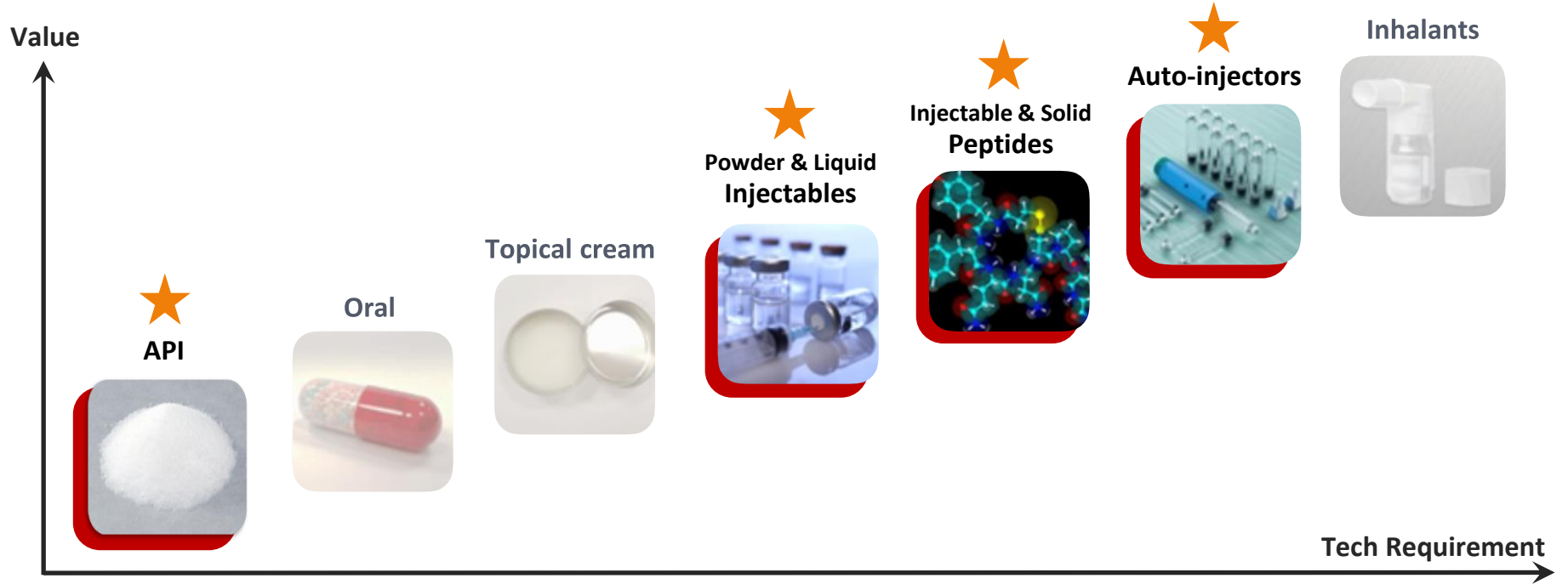


by Indication



by Region

Value Up



via In-House & CDMO APIs & Drug Products

Strategies

Strategies

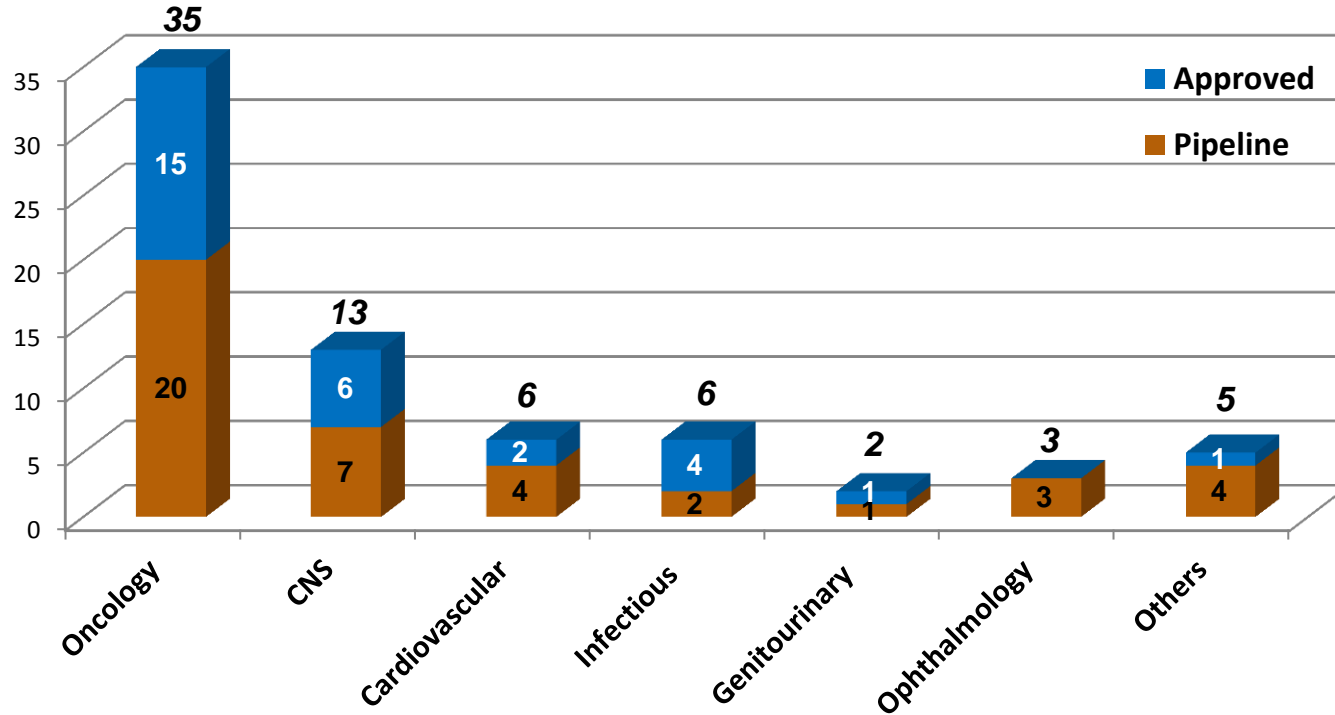
Optimize Existing Generic API Portfolio

Value up into Injectables

Expand CDMO Business

Actively Develop Japan and Emerging Markets

Strategy - Optimize Existing Generics API Portfolio







Note: Others (Women's Health, Respiratory, Gastrointestinal, Immunology and Metabolic)

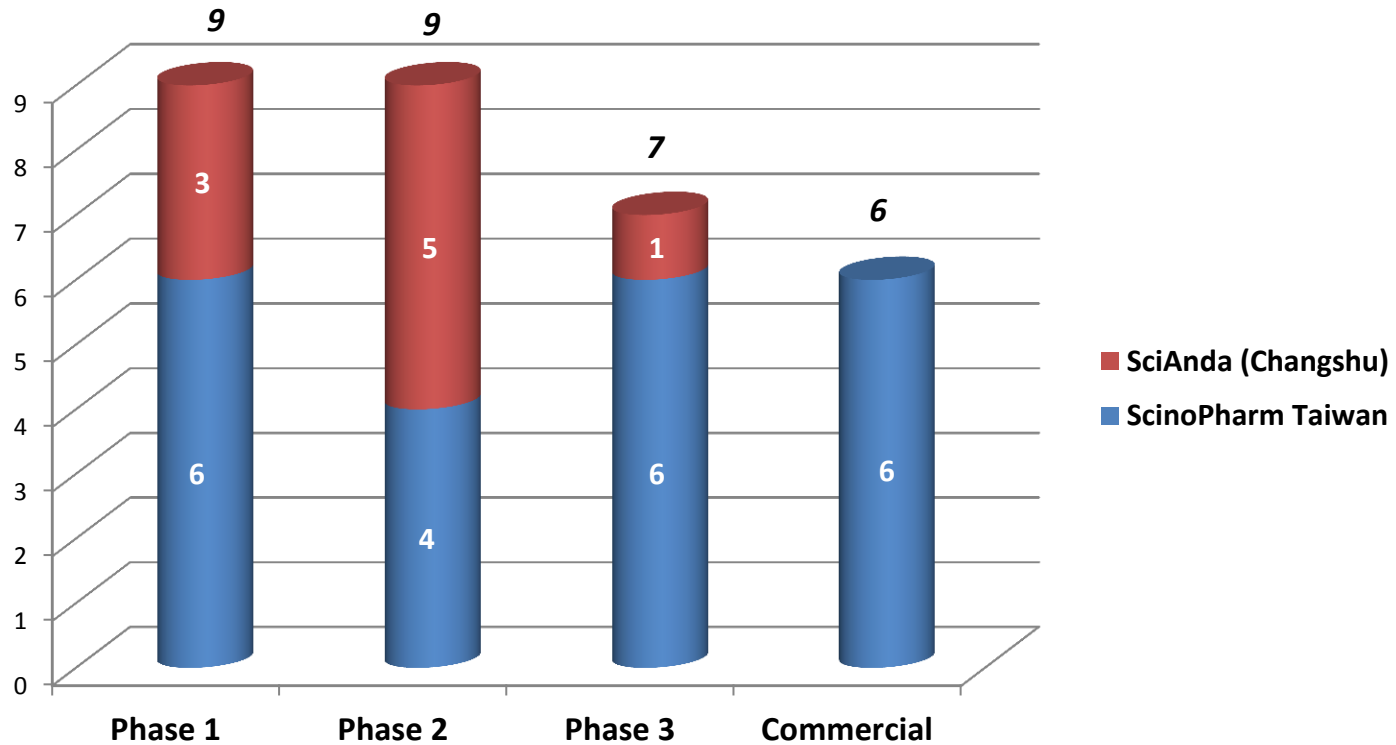
Strategy - Value Up into Injectables

- Leverage leading position in oncology APIs to expand formulation portfolio
- Target complex products with high entry barriers or high unit-pricing
- Develop dossiers based on API expertise, including ANDA filing
 - Apply ANDA with in-house APIs via P4 or 505(b)(2) fast track
 - 3 US ANDA filings (via Injectable CMO) with 2 approvals (Decitabine and Fondaparinux Sodium)
 - Submission of 1st in-house ANDA in late 2019
- 15 projects with multiple partners in China and US/EU

In-House Injectable Portfolio

<p>Vial Product Line</p> <p>Cytotoxic Injectable</p>	<p>Liquid Solution</p> <p>3</p> 	<p>Lyophilized Powder</p> <p>6</p> 
<p>Cartridge Product Line</p> <p>Peptide Injectable</p>	<p>Prefilled-Syringe</p> <p>2</p> 	<p>Pen Device</p> <p>2</p> 

Strategy - Expand CDMO Business



Strategy - Develop Japan and Emerging Markets

Japan

- 20 generic customers with 7 from top 10 drug firms
- Direct business with local generic customers
- Support Japanese and foreign pharmaceutical companies for market expansion
- Develop CRAM projects and leverage new capabilities of injectables

China

- Focus on mid- to late-phase CRO projects
- Seek generic APIs/intermediates with large demand

South America & Russia

- Focus on market development

Operating Results

P&L - Consolidated

In NT\$ million, except for EPS

	3Q 2018 (Reviewed)		3Q 2017 (Reviewed)		YoY	FY 2017 (Audited)	
Revenue	2,665	100%	2,621	100%	1.6%	3,516	100%
Cost of Goods Sold	(1,568)	-59%	(1,418)	-54%	-10.6%	(1,966)	-56%
Gross Profit	1,097	41%	1,203	46%	-8.8%	1,550	44%
Operating Expense	(693)	-26%	(744)	-29%	6.9%	(991)	-28%
Operating Income	404	15%	459	17%	-12.0%	559	16%
Non-operating Income, Net	(46)	-2%	(61)	-2%	24.3%	(84)	-2%
Income before Tax	358	13%	398	15%	-10.1%	475	14%
Net Income	349	13%	362	14%	-3.4%	422	12%
EPS (NT\$)	0.44		0.46			0.53	
EBITDA	728	27%	782	30%	-7%	986	28%

* Total outstanding shares were 790.739m units at 09/30/2018.

Balance Sheet- Consolidated

(In NT\$ million)

	2018/09/30 (Reviewed)		2017/09/30 (Reviewed)	
Cash and Cash Equivalents	3,978	31%	3,950	31%
Financial asset measured at amortised cost	333	3%	-	0%
Accounts Receivable	534	4%	470	4%
Inventories	1,435	11%	1,830	14%
Financial asset measured at fair value through other comprehensive income	611	5%	-	0%
Financial assets carried at cost	-	0%	391	3%
Property, Plant & Equipment	4,840	38%	5,122	40%
Other Current/Non-Current Assets	1,076	8%	1,107	8%
Total Assets	12,807	100%	12,870	100%
Current Liabilities	2,145	17%	1,219	10%
Long-Term & Other Liabilities	71	0%	1,300	10%
Total Liabilities	2,216	17%	2,519	20%
Total Shareholders' Equities	10,591	83%	10,351	80%
Key Indices				
A/R Turnover (Days)	56.6		57.9	
Inventory Turnover (Days)	388.3		486.7	
Current Ratio (x)	3.0		5.4	
ROE (%)	3.3		3.5	

Cash Flows- Consolidated

(In NT\$ million)

	3Q 2018 (Reviewed)	3Q 2017 (Reviewed)
From Operating Activities	876	789
Profit before tax	358	398
Depreciation & Amortization	309	329
Net change in working capital and others	209	62
From Investing Activities	(424)	(415)
Financial asset measured at amortised cost	(333)	0
Capital expenditure	(94)	(382)
From Financing Activities	(365)	(110)
Short-term loans	(10)	(405)
Long-term loans	25	543
Cash Dividends	(380)	(228)
Net Change in Cash	67	243
Beginning Balance	3,911	3,707
Ending Balance	3,978	3,950
Free Cash Flow	782	407



Brand Quality with Asian Advantages

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