



ScinoPharm Taiwan, Ltd.

Ticker: TWSE 1789

# Second Quarter 2017 On-Line Investor Meeting

August 03, 2017



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# Overall Updates of ScinoPharm

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# Business Overview

- Company specializes in high potency (steroid/cytotoxic) APIs and is expanding into sterile/aseptic injectable formulations
- Facility & organization established in Taiwan and expanding in China with a new GMP plant in Changshu & marketing base in Shanghai
- 72 generic APIs in current portfolio with 25 APIs launched; 53 US DMFs filed (762 DMFs WW), 32 US DMFs in oncology APIs. 100+ NCE CRAM projects, with 6 APIs launched and 4 in phase III for NDA filing in 1-3 years
- Fully compliant with world-class cGMPs and international regulatory requirements; Certified by US FDA, EMA, EDQM, Australian TGA, Japanese PMDA

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# Recap of Performances and Major Events

- Reported the consolidated revenues for 1H17 were NT\$1.773 billion, net profits after-tax were NT\$ 255 million, gross margin was 45%, EPS was NT\$0.33
- The performances were mainly suffered by the unfavorable sales volumes and product mix of generic products in 2Q plus stronger-than-expected appreciation of the NT dollar against the US dollar in 1Q
- CRAM business and Double A strategy started to gain momentum
- Providing CMO service for Melinta 's newly-approved serious skin infections drug, Baxdela™
- Issued 2016 corporate responsibility report verified by an independent third party

# **Financial & Operating Results 2Q, 2017**

# Quarterly P&L - Consolidated

In NT\$ million, except for EPS	2Q,'17 (Reviewed)	1Q,'17 (Reviewed)	2Q,'16 (Reviewed)	QoQ	YoY
Operating Revenue	853	919	1,015	-7%	-16%
Gross Profit	326	470	465	-31%	-30%
<i>Gross margin</i>	<i>38%</i>	<i>51%</i>	<i>46%</i>		
Operating Expenses	(240)	(249)	(236)	-4%	2%
Operating Income	86	221	229	-61%	-62%
<i>Operating margin</i>	<i>10%</i>	<i>24%</i>	<i>23%</i>		
Other Rev.(Exp.)	(7)	(29)	(29)	-76%	-76%
Net Income before Tax	79	192	200	-59%	-61%
Net Income after Tax	84	170	174	-51%	-52%
<i>Net margin after tax</i>	<i>10%</i>	<i>18%</i>	<i>17%</i>		
EPS (after tax)	0.11	0.22	0.23	-50%	-52%



# Half Year P&L - Consolidated

In NT\$ million, except for EPS	1H,'17 (Reviewed)	1H,'16 (Reviewed)	YoY
Operating Revenue	1,773	2,037	-13%
Gross Profit	796	896	-11%
<i>Gross margin</i>	<i>45%</i>	<i>44%</i>	
Operating Expenses	(488)	(471)	4%
Operating Income	308	425	-28%
<i>Operating margin</i>	<i>17%</i>	<i>21%</i>	
Other Rev.(Exp.)	(36)	(34)	6%
Net Income before Tax	272	391	-30%
Net Income after Tax	255	346	-26%
<i>Net margin after tax</i>	<i>14%</i>	<i>17%</i>	
EPS (after tax)	0.33	0.46	-28%

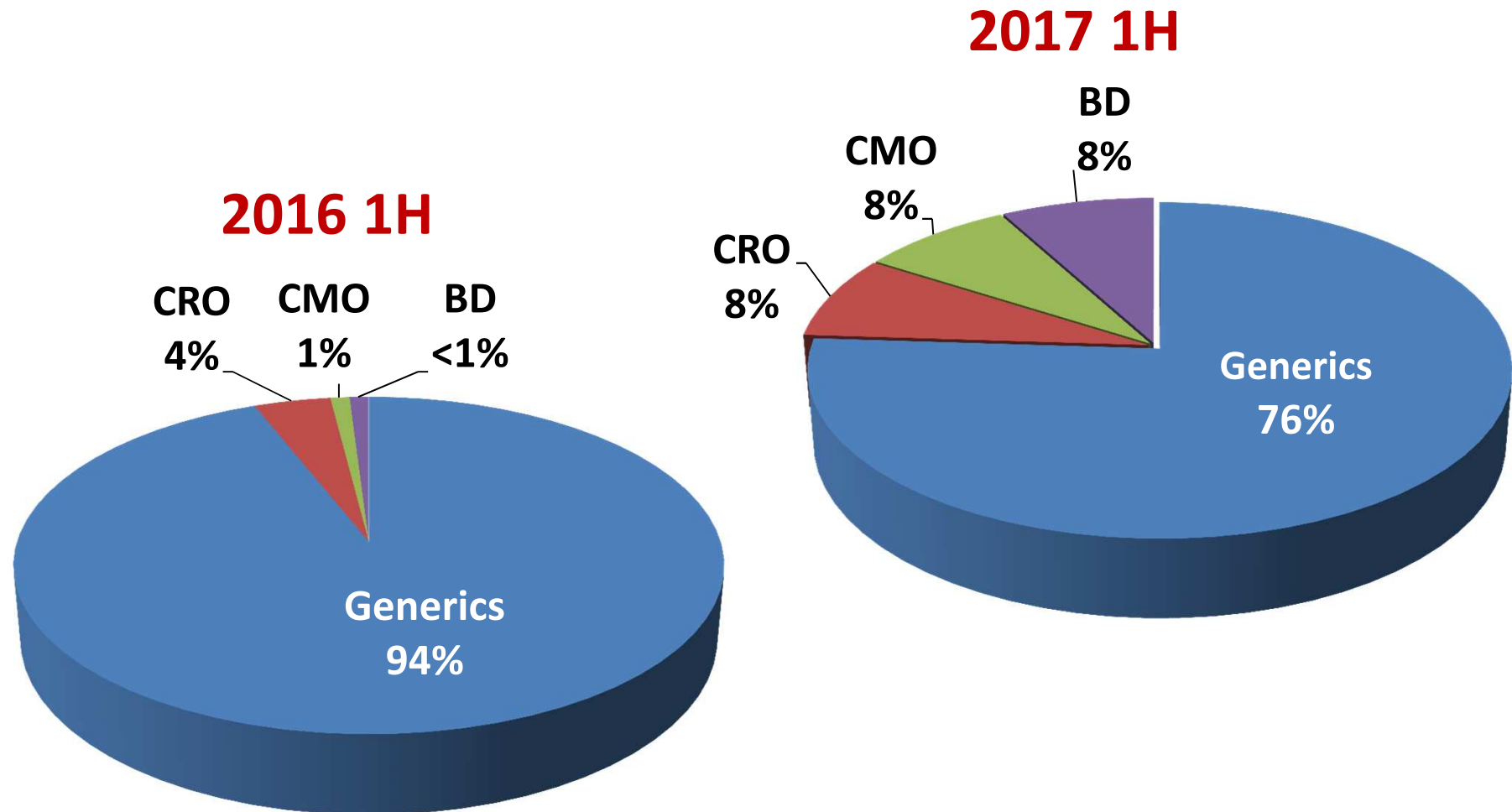
# Balance Sheet - Consolidated

In NT\$ million	2017/6/30 (Reviewed)		2016/6/30 (Reviewed)	
Cash and Cash Equivalents	3,721	29%	2,964	24%
Accounts Receivable	726	6%	678	5%
Inventories	1,802	14%	2,062	16%
Long-Term Investments	391	3%	364	3%
Property, plant & equipment	5,136	40%	5,355	43%
Other assets	1,105	8%	1,122	9%
<b>Total Assets</b>	<b>12,881</b>	<b>100%</b>	<b>12,545</b>	<b>100%</b>
Current Liabilities	1,365	11%	2,248	18%
L-T Liabilities and Others	1284	10%	339	3%
<b>Stockholders' Equities</b>	<b>10,232</b>	<b>79%</b>	<b>9,958</b>	<b>79%</b>

# Cash Flows - Consolidated

In NT\$ million	1H 2017 (Reviewed)	1H 2016 (Reviewed)
Cash and cash equivalents at beginning of period	3,707	2,336
Cash flows from operating activities	353	826
Financial assets measured at cost	(27)	(25)
CAPEX	(324)	(371)
Short-term borrowings	(513)	(241)
Long-term borrowings	516	255
Others	9	184
Cash and cash equivalents at end of period	3,721	2,964

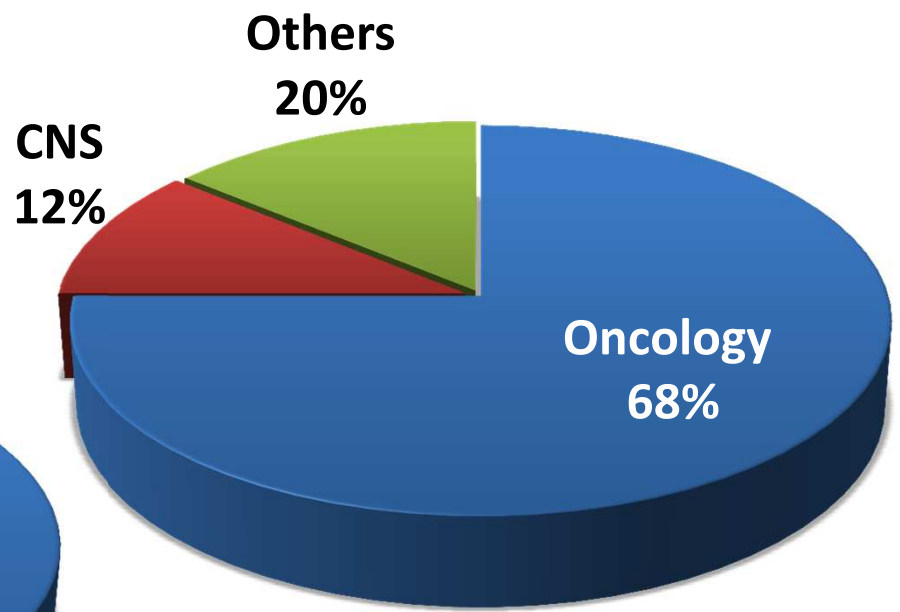
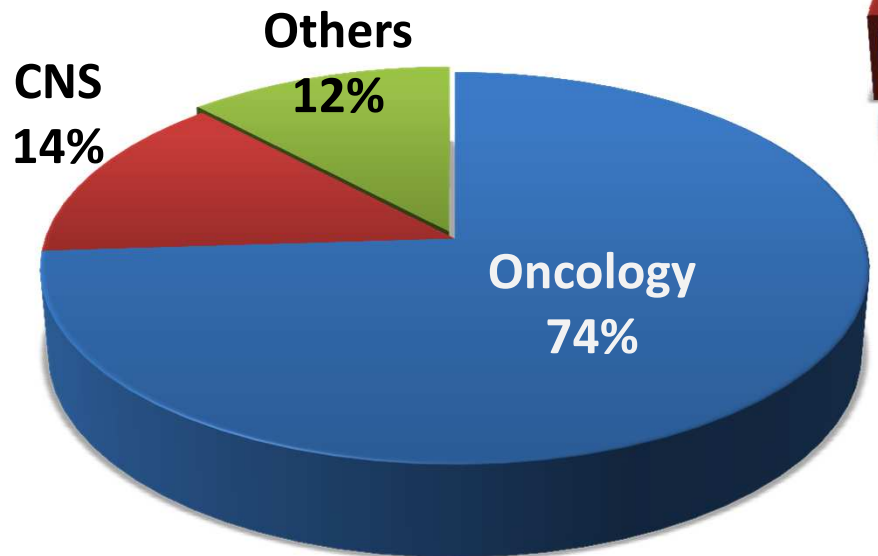
# Sales by Business



# Sales by Indications

2017 1H

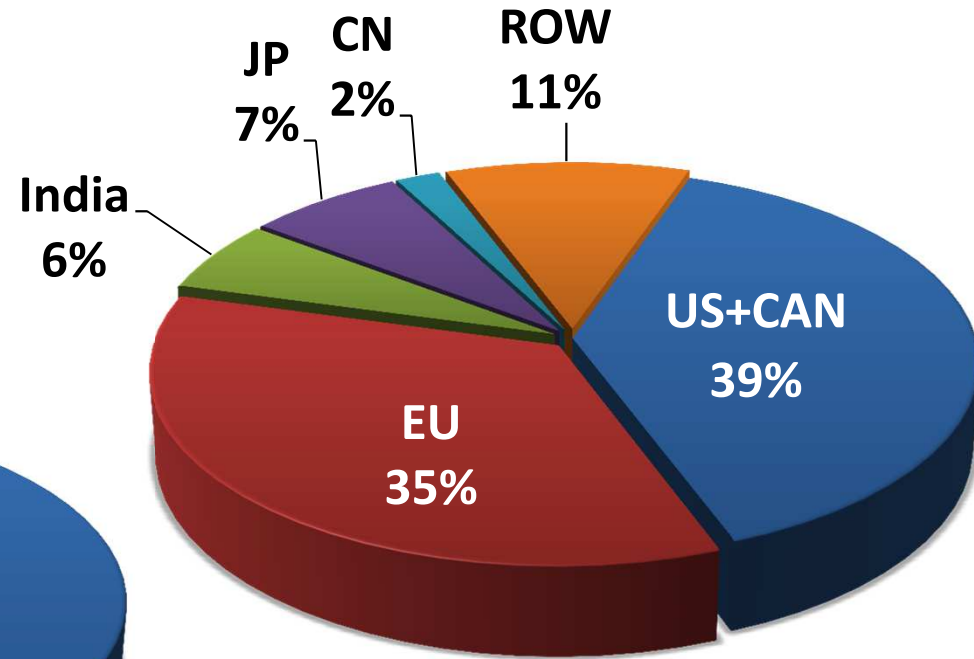
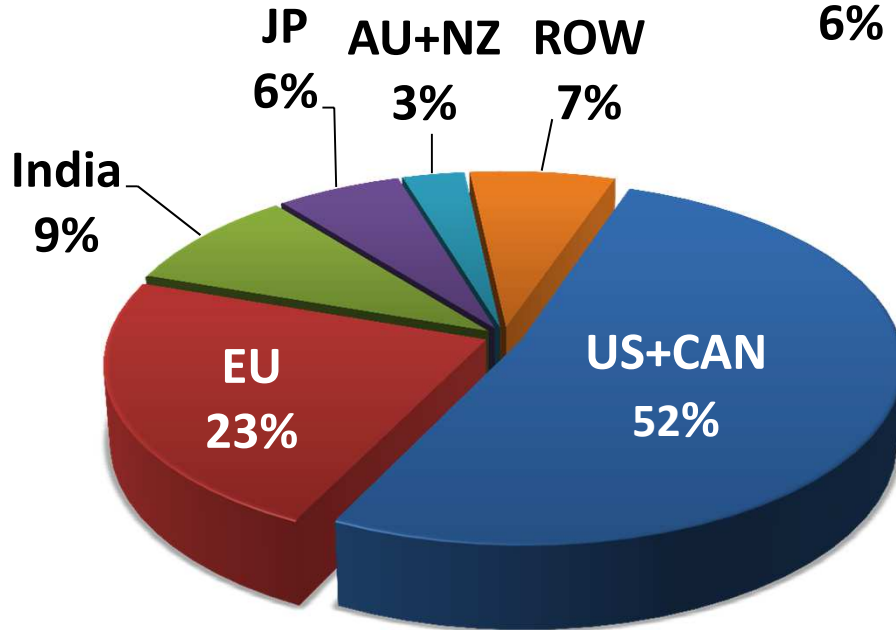
2016 1H



# Sales by Region

2017 1H

2016 1H



# **Business Updates**

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# ScinoPharm Will Be the API Supplier for Melinta's Baxdela™

- Taiwan facility will provide commercial manufacturing of API for Melinta's Baxdela™, a new drug for the treatment of Acute Bacterial Skin and Skin Structure Infections (ABSSSI) approved by the US FDA
- Antibiotic resistance is a growing concern, and physicians need more tools in the fight against this threat to modern medicine
- Approximately 3 million patients hospitalized each year in the U.S. with ABSSSI often present treatment challenges owing to their underlying medical conditions, making optimal antibiotic selection difficult



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## The New and Effective Antibiotics


- **Baxdela™** was given priority review by the US FDA due to its designation as a Qualified Infectious Disease Product (QIDP) , which is qualified for certain incentives including a five-year extension of any non-patent exclusivity period awarded to the drug
- **Melinta** is also assessing **Baxdela™** in a clinical trial in patients with hospital-treated community-acquired bacterial pneumonia (CABP) and planning to initiate a clinical trial in complicated urinary tract infections (cUTI) in the near future

# Strategic Alliance Highlights

\* Already launched

Partner	Product	Indications	Region	Launch Year(E)	Remarks
Genovate	Entecavir	Hepatitis B Virus	Taiwan	2013*	1 <sup>st</sup> co-developed formulation product launch
Sagent	Oncology Injectable	Myeloid Leukemia	US	2017	1 <sup>st</sup> US ANDA filing, triggering US FDA inspection in Changshu, China site
Foresee	Leuprolide	Prostate cancer	US	2019	505(b)(2) NDA CRAM + Equity
Coland	Bortezomib	Multiple Myeloma	China	2020	1 <sup>st</sup> co-developed drug in China to trigger CFDA inspection in Changshu site
Lee's Pharma	Fondaparinux	Anti-thrombotic	China	2021	Co-development collaboration
	Travoprost & Bimatoprost	Glaucoma	China	2021	
Nanjing King Friend	Regadenoson	Stress agent for heart scan	China	2020	Co-developed formulation in China
US partner	Project A	Non-small cell lung cancer	US	2017	US NDA 505(b)(2) / The estimated launch year is subject to US FDA review
US & China partners	Project B	Imaging agent	US	2021	ANDA with Paragraph IV filing / The estimated launch year is subject to litigation results
Baxter	5 niche injectables	Anti-cancer & antinauseant	US/EU	2020& continuing thereafter	Baxter has the right to add up to 15 additional injectable products for collaboration
Indian Int'l partner	Niche injectable	Anti-thrombotic	US/EU	2018	1st self-developed US ANDA launched. Executive right for marketing & sales

# 2017 Product Launch Plan

Type	Product	Region	Indication	Brand Marketer	Regional Sales	WW Sales
Generic API	Desmopressin Acetate	USA	Polyuria	Ferring	US\$166M	US\$405M
Generic API	Tamsulosin HCl	USA	Benign Prostatic Hyperplasia (BPH)	Boehringer Ingelheim	US\$333M	US\$1706M
New Drug API	Oncology Product	US	Non-Small Cell Lung Cancer	N/A	N/A	N/A
 New Drug API	Baxdela™	USA EU	Antibiotics	N/A	N/A	N/A
Generic Drug	Oncology Injectable	US	Myeloid Leukemia	MDS	US\$183M	US\$278M

Source: IMS Data (2015Q3-2016Q2)



Launched



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**Q***uestions*

**&**

**A***nswers*



## Brand Quality with Asian Advantages

[www.scinopharm.com](http://www.scinopharm.com)