



CVC Technologies Inc.

Stock Symbol : 4744

Investor conference

First Half Year of 2020

Presenter : Kevin Chang

Vice General Manager

DISCLAIMER

This presentation contains some forward-looking statements that are subject to substantial risks and uncertainties. Forward-looking statements should be considered carefully because such statements are only our expectations or projections regarding future events, the actual results may differ materially from those contained in the forward-looking statements.

The forward-looking statements included in this are not limited to growth rates for various markets estimated by third party sources, future products and technology development, future revenue growth and profitability. You should be cautioned that the forward-looking statements are no guarantee of our future performance. The forward-looking statements contained in this presentation are made only as of the date of this. Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

OUTLINE

- **Financial Report**
- **Product Development**
- **Business Prospect**



H1 2020 Consolidated Income Statement

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	H1 2020		H1 2019		YOY
	Value	%	Value	%	
Operating Revenue	462,506	100%	529,259	100%	-12%
Operating Costs	253,994	55%	310,852	59%	-18%
Gross Profit	208,512	45%	218,407	41%	-4%
Operating Expenses	174,448	38%	176,007	33%	-1%
Operating Profit	34,064	7%	42,400	8%	-20%
Non-Operating Income and Expense	-4,554	-1%	5,714	1%	-
Net Income (Loss)	22,821	5%	38,551	7%	-41%
EPS (NT Dollar)	\$0.51		\$0.85		

Q2 2020 Consolidated Income Statement (YoY & QoQ)

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Q1 2020		QoQ	Q2 2020		YoY	Q2 2019	
	Value	%		Value	%		Value	%
Operating Revenue	177,333	100%	61%↑	285,173	100%	3%↑	277,121	100%
Operating Costs	101,743	57%	50%↑	152,251	53%	-11%	171,394	62%
Gross Profit	75,590	43%	76%↑	132,922	47%	26%↑	105,727	38%
Operating Expenses	97,154	55%	-20%	77,294	27%	-11%	86,739	31%
Operating Profit	-21,564	-12%	-	55,628	20%	193%↑	18,988	7%
Non-Operating Income and Expense	4,551	2%	-	-9,105	-4%	-	3,350	2%
Net Income (Loss)	-17,783	-10%	-	40,604	14%	82%↑	22,338	9%
EPS (NT Dollar)	-\$0.39			\$0.91			\$0.39	

Important Financial Information

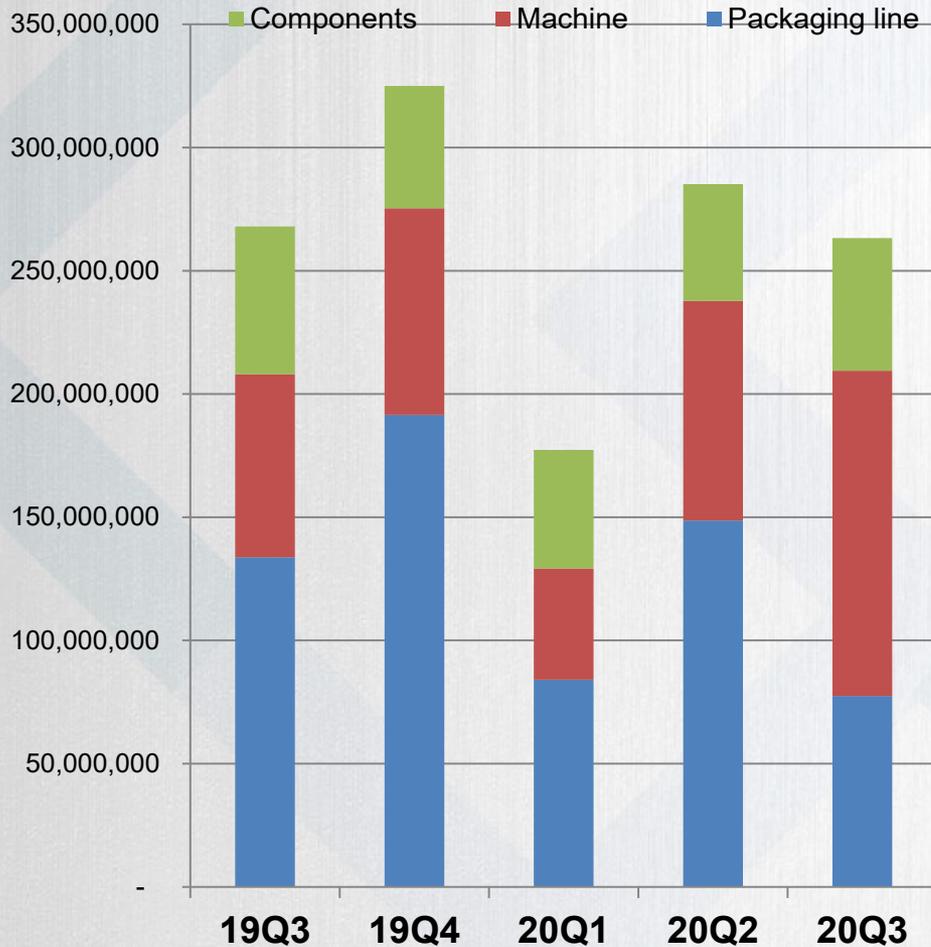
Items	2014	2015	2016	2017	2018	2019
Cash and Cash Equivalents	1.79E	2.32E	5.51E	5E	5.5E	8.33E
Net Profit Margin	2.20%	4.23%	11.44%	3.33%	7.35%	8.30%
EPS (NT Dollar)	\$0.52	\$1.45	\$3.90	\$0.84	\$2	2.05
Dividend Per Share (NT Dollar)	\$0.45	\$0.90	\$2.00	\$1.00	\$1.50	1.60
Dividend Payout Ratio	87%	62%	51%	119%	75%	78%

【Financial Performance】

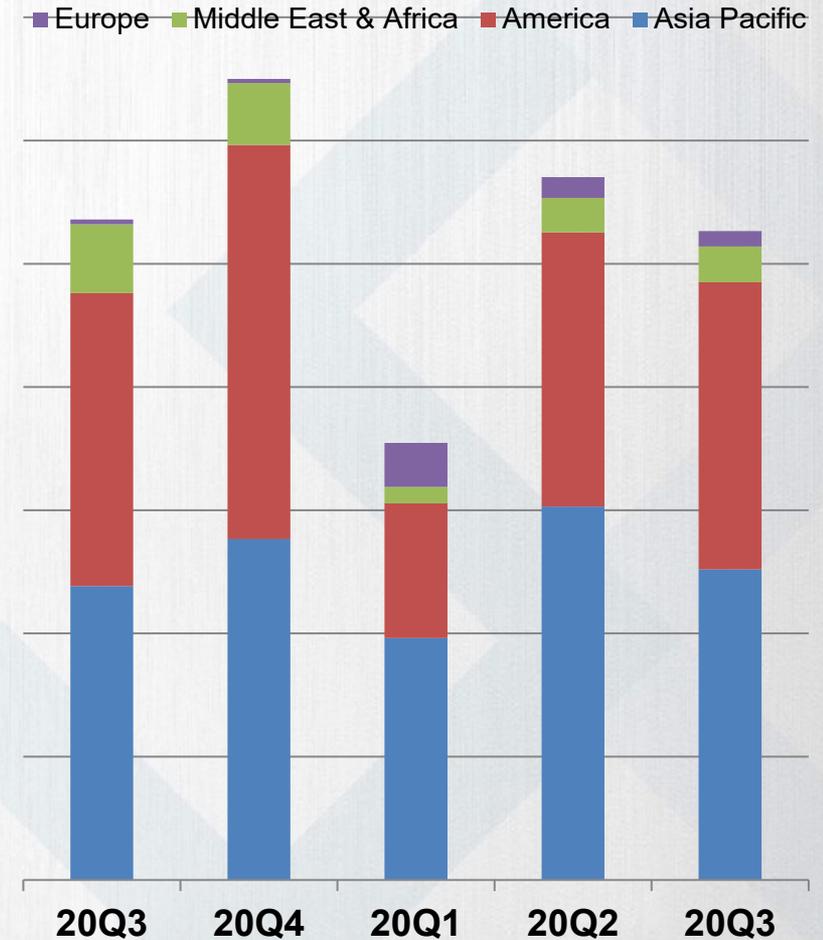


■ Product Classification

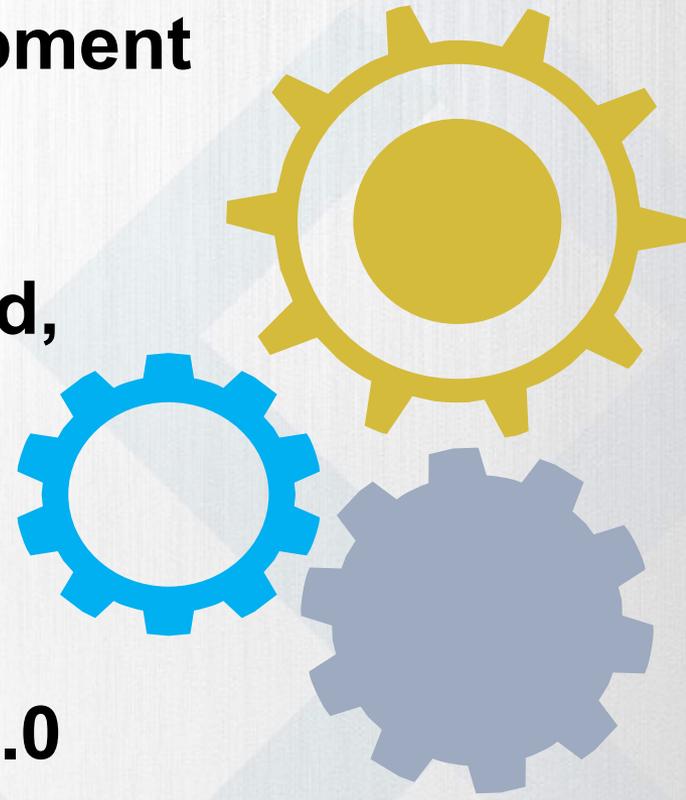
Unit : NTD



■ Regional Distinction



-   **R&D Achievements & Product Development**
-   **Simplified, Digitalized, Intelligent**
-   **CVC Industry 4.0**



【 Product Development & Results 】



PE Film Inserter



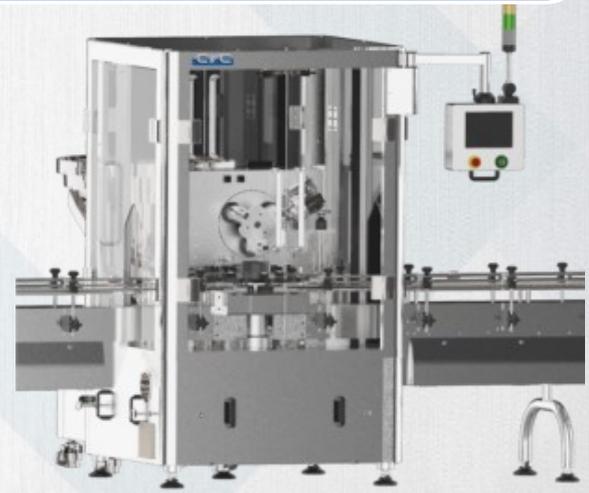
Plastic Foam Stopper Inserter



Chuck Capper



Spoon Placing Machine



【 Product Development & Results 】



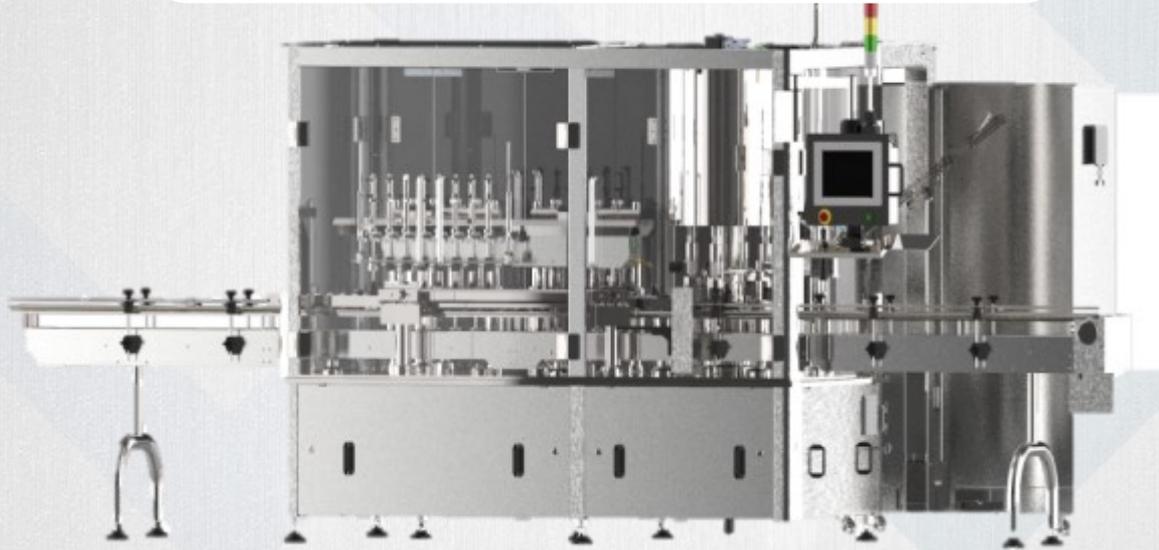
Walking Beam Liquid Filler



Rotary Capper



Monoblock Liquid Filler and Capper



【 Product Development & Results 】



Simplification, Digitization, Intelligence



【 Product Development & Results 】



■ IoT (Internet of Things)



- **Equipment System Electronic/ Visualization**

- **System Intelligent Inspection**

Modular design-shorten the customized delivery time



Device digitization and IoT



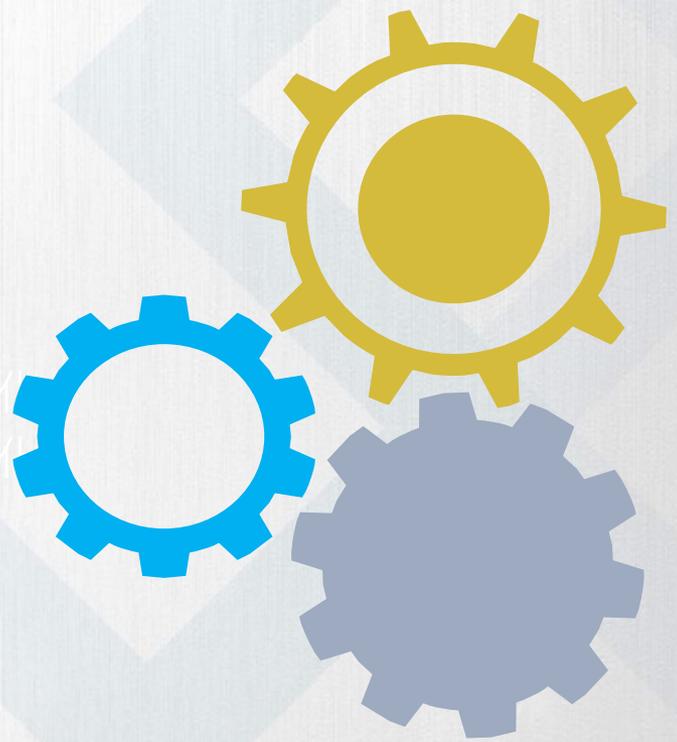
Systematic software provides integration



Equipment self-check and early warning system

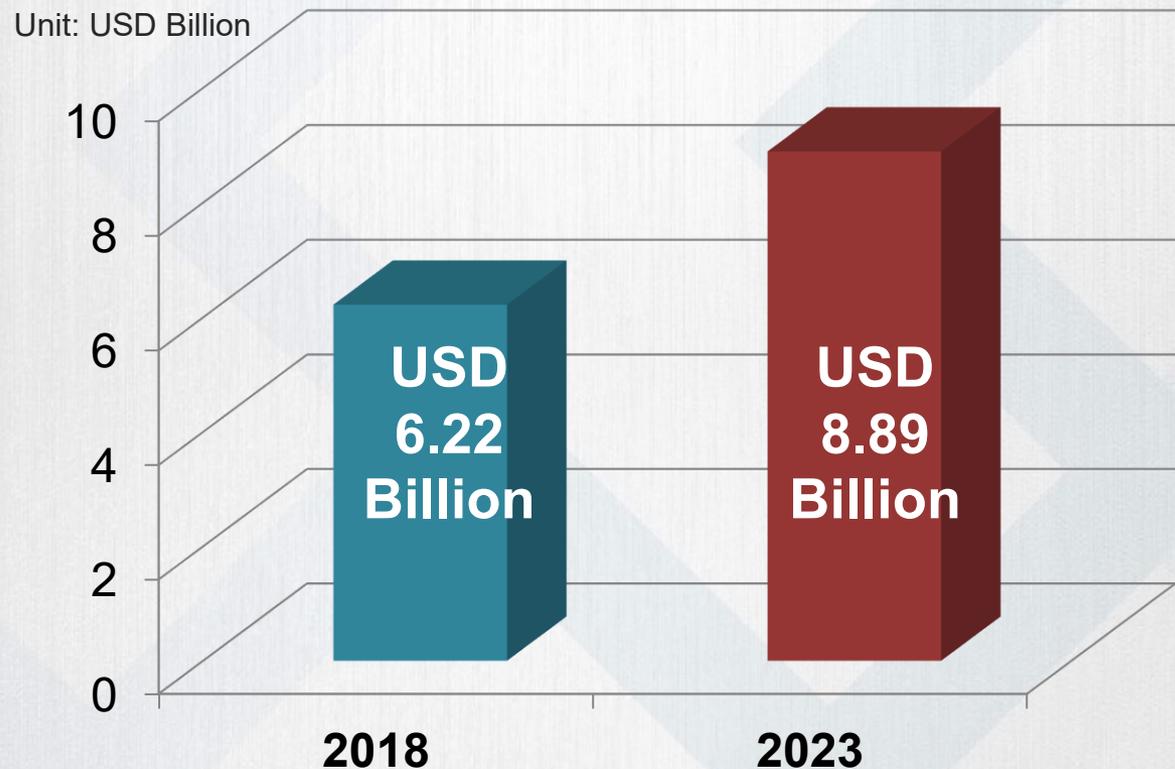


Online instant service



- MarketsandMarkets forecasts the pharmaceutical packaging equipment market is estimated to grow from USD 6.22 billion in 2018 to USD 8.89 billion by 2023, at a Compound Annual Growth Rate (CAGR) of 7.4% during the forecast period.

CAGR
7.4%



■ High growth in the generic and biopharmaceutical markets

The global pharmaceutical market is expected to witness healthy growth in the coming years owing to rising healthcare spending, the introduction of novel drugs, and increasing prevalence of chronic diseases.

Uncertainties in the standards for serializing and regulations, including the possibility of new rules being implemented, have made compliance a challenge for packaging equipment manufacturers across the globe.

■ COVID-19 Impact on Market

The impact of the COVID-19 epidemic has diverted CVC to a “non-touch” online FAT procedure. It is predicted that after the launch of the vaccine, the pharmaceutical industry's production capacity demand will increase sharply, and the growth of orders will rebound.



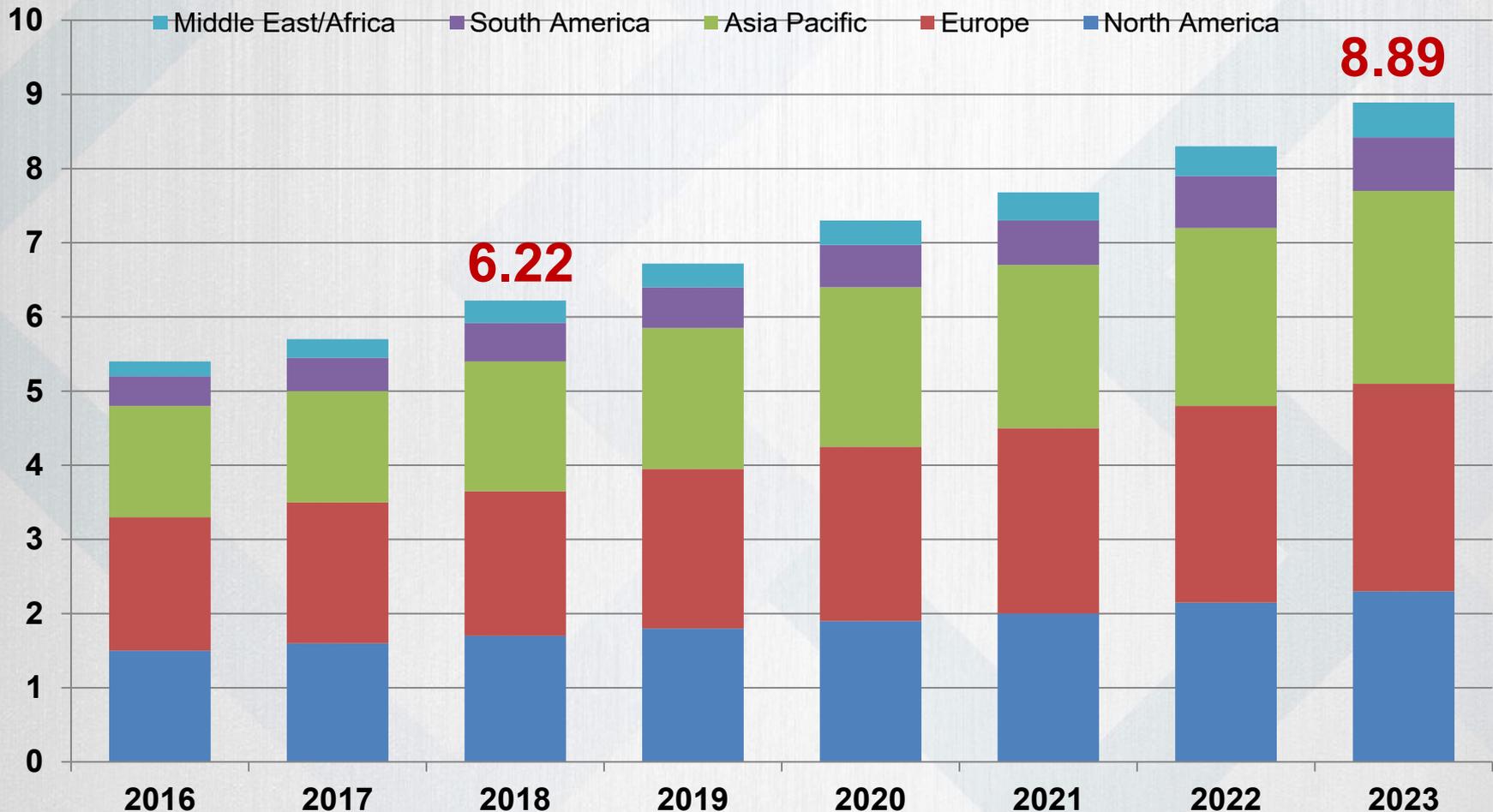
"Zero Touch" mode is activated !

While the virus is raging around the world,
CVC has activated the "REMOTE FAT"
to show our professionalism and perfectionism.



■ Pharmaceutical Packaging Market, by region

Unit: USD Billion



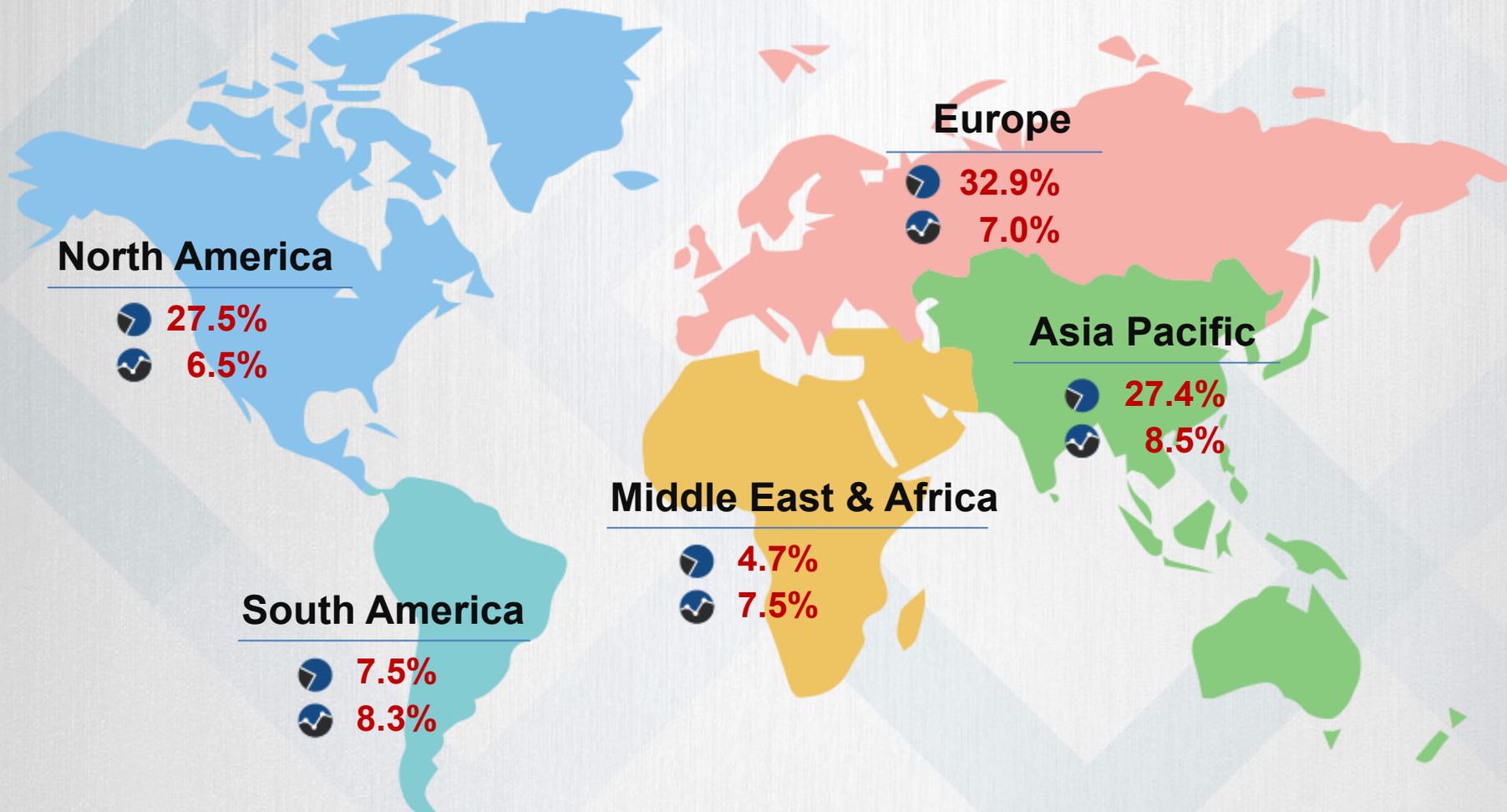
【 Business Outlook 】



Market Share (2017)



CAGR (2018-2023)



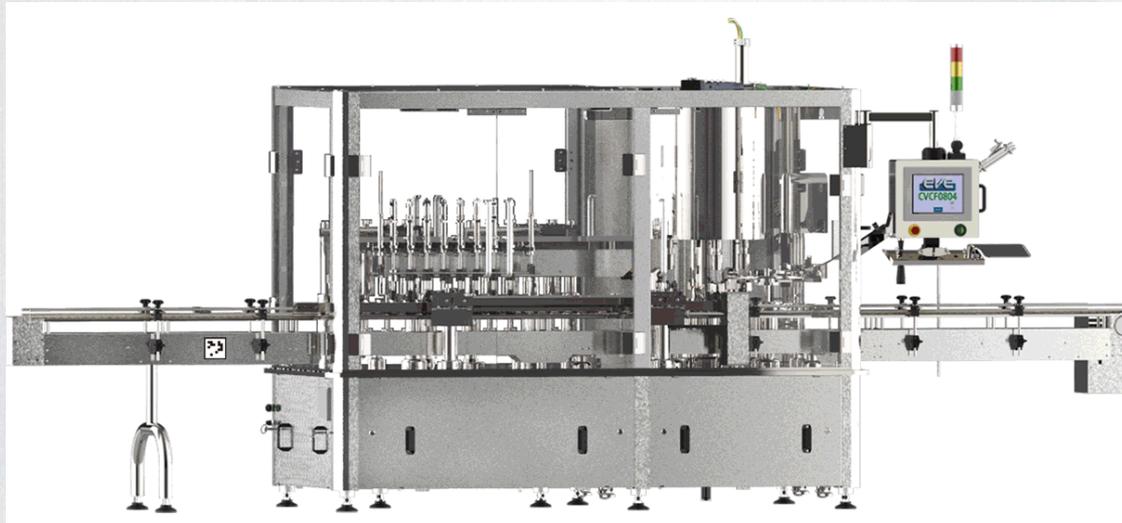
■ European market expansion, North American market expansion, and Asia-Pacific market deepening

Actively lay out in Europe, establish a European direct sales center, cooperate with various countries' agency distribution channels, increase visibility and market share, and thereby enhance overall business growth.

The North American head office was established in California, USA, and the US East New York office was newly added. The US East is an important pharmaceutical industry cluster. It aims at the great potential of the US East market and perfects the North American market layout.



- **In addition to the improvement of existing production lines, we will continue to develop new products that meet the requirements of regulations and production lines**
 1. Track and Trace Serialization System
 2. Tablet Visual Inspection System
 3. Liquid filling machine + high speed rotary capper
 4. AR (Augmented Reality)





**Thank You for
Listening.**