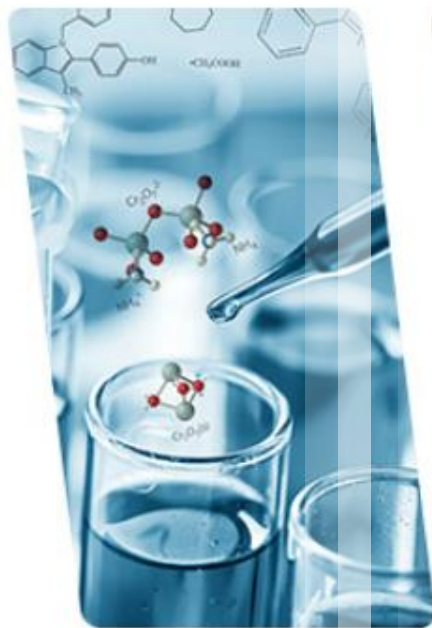


**Standard Chem & Pharm Co., Ltd.**  
Stock Symbol : 1720

# 2024 Investor Conference

11/14/2024



**生達化學製藥**

Standard Chem & Pharm CO., LTD.

# 免責聲明 Safe Harbor Notice



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# Agenda

- Introduction of Standard Group
- 2024 Q1-Q3 Operating Results
- Future Operation Strategy
- Corporate Social Responsibility (CSR)

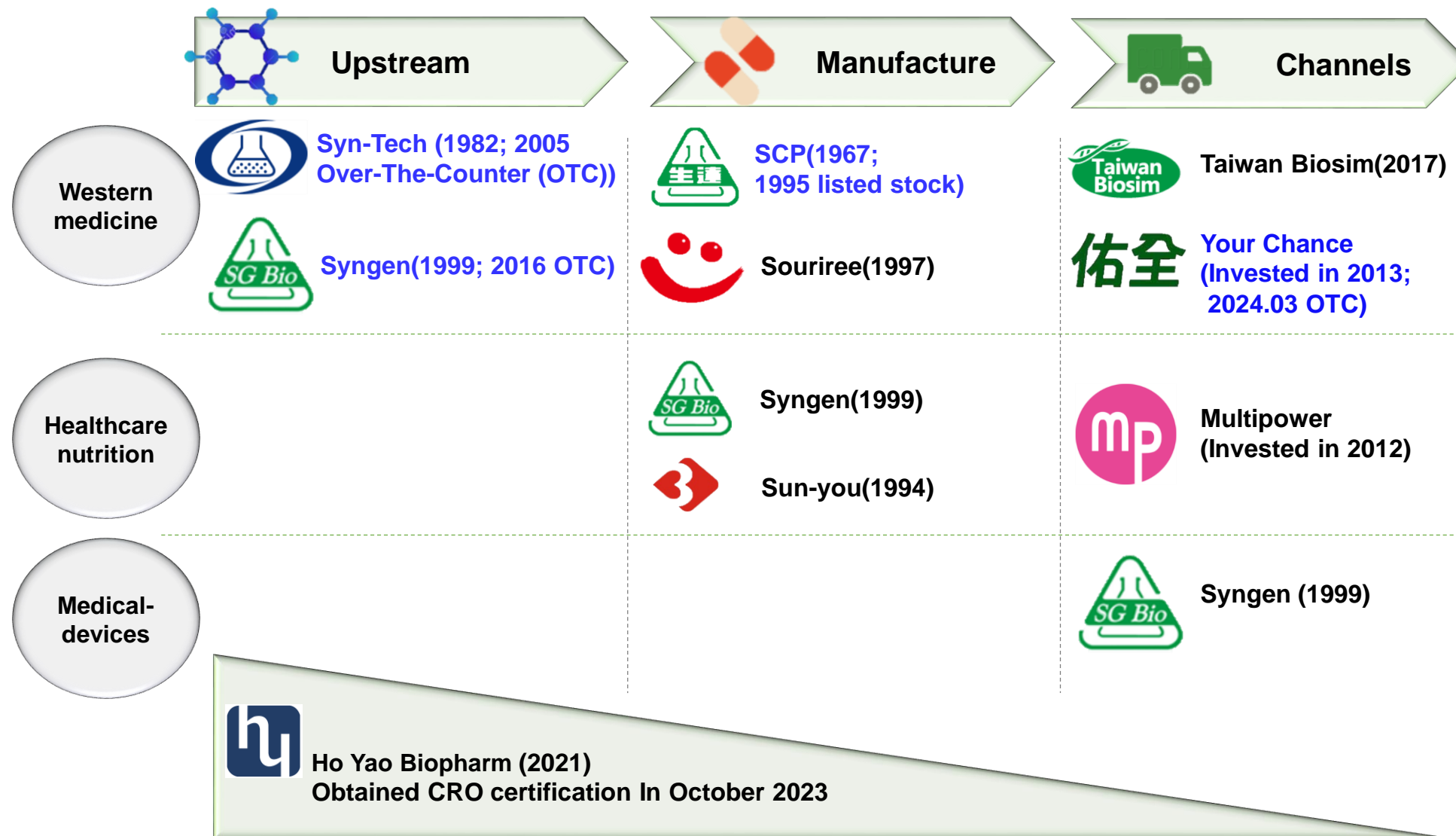


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- **Introduction of Standard Group**
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# SCP and Related/Affiliated Companies



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# International Accreditation



The first TW pharmaceutical company to be ISO9001 certified



The first TW company to pass **US** FDA inspection in 2000

Subsequent US FDA GMP inspections : no 483  
Last Inspection : 2022/10/31



SCP received **JP** PMDA's "Certificate of Foreign Drug Manufacturer" in 2008

FDF Plant and API Plant passed PMDA GMP Audit in 2018



2009

SCP's API plant passed **AU** TGA inspection



2010 SCP passed **TW** PIC/S GMP inspection  
2012 SCP is certified GDP by the T-FDA



2012 SCP passed **K**-FDA inspection



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# Consolidated Income Statement

Items	2024 Q1-Q3	2023 Q1-Q3	Diff.	Annual changes (%)
<i>(Unless otherwise specified, expressed in thousands of New Taiwan Dollars)</i>				
Operating revenue	5,116,081	4,647,560	468,521	10.1%
Gross profit	2,249,073	2,035,285	213,788	10.5%
<b>Gross profit margin</b>	<b>43.96%</b>	<b>43.79%</b>	<b>0.17%</b>	
Operating expenses	1,188,288	1,082,817	105,471	9.7%
Operating profit	1,060,785	952,468	108,317	11.4%
Non-operating income and expenses	206,577	223,387	(16,810)	-7.5%
Profit before income tax	1,267,362	1,175,855	91,507	7.8%
<b>Profit for the year</b>	<b>1,004,028</b>	<b>947,469</b>	<b>56,559</b>	<b>6.0%</b>
<b>Profit attributable to Shareholders of the parent</b>	<b>685,865</b>	<b>673,176</b>	<b>12,689</b>	<b>1.9%</b>
EPS(NTD)	3.84	3.77	0.07	1.9%



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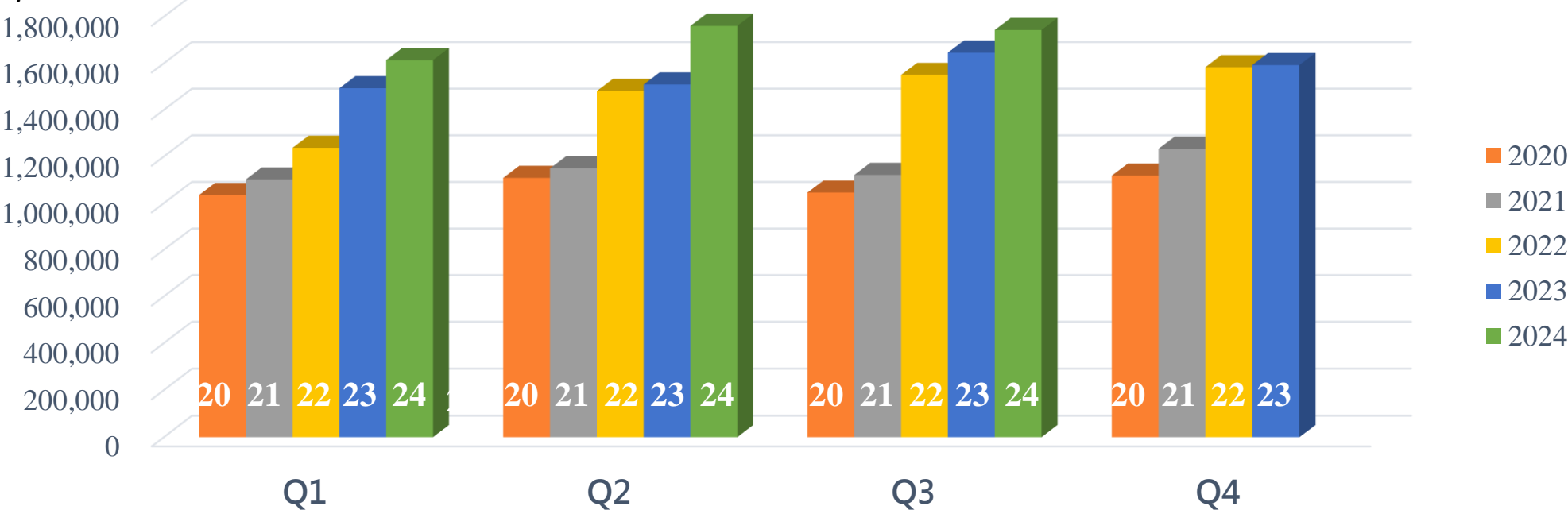


CSR



# Comparison of Quarterly Revenue of Past 5 Years (Consolidated)

Expressed in thousands of NTD



	Q1	Q2	Q3	Q4	Total	Growth(%)
2020	1,034,417	1,108,059	1,045,351	1,117,573	4,305,400	+9.4%
2021	1,101,113	1,149,060	1,120,840	1,233,069	4,604,082	+6.9%
2022	1,237,170	1,481,061	1,549,872	1,583,265	5,851,368	+27.1%
2023	1,493,025	1,509,004	1,645,531	1,592,208	6,239,768	+6.6%
2024	1,613,535	1,760,104	1,742,442		5,116,081	+10.1%



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# Consolidated Balance Sheet

Items <i>(Expressed in thousands of NTD)</i>	2024/09/30		2023/09/30		Diff.	Annual changes(%)
	Amount	%	Amount	%		
Cash and cash equivalents	1,465,665	13.1%	1,956,260	17.9%	(490,595)	-25.1%
Accounts receivable	1,384,362	12.4%	1,445,772	13.2%	(61,410)	-4.2%
Inventories	1,628,251	14.6%	1,520,828	13.9%	107,423	7.1%
Investments	1,694,628	15.2%	1,099,750	10.0%	594,878	54.1%
Property, plant and equipment	4,025,128	36.1%	4,004,833	36.6%	20,295	0.5%
Others	964,910	8.6%	926,081	8.5%	38,829	4.2%
<b>Total Assets</b>	<b>11,162,944</b>	<b>100.0%</b>	<b>10,953,524</b>	<b>100.0%</b>	<b>209,420</b>	<b>1.9%</b>
Current Liabilities	1,685,380	15.1%	2,535,532	23.1%	(850,152)	-33.5%
Non-current Liabilities	597,177	5.3%	591,278	5.4%	5,899	1.0%
<b>Total liabilities</b>	<b>2,282,557</b>	<b>20.4%</b>	<b>3,126,810</b>	<b>28.5%</b>	<b>(844,253)</b>	<b>-27.0%</b>
<b>Total shareholder' s equity</b>	<b>8,880,387</b>	<b>79.6%</b>	<b>7,826,714</b>	<b>71.5%</b>	<b>1,053,673</b>	<b>13.5%</b>
<b>Debt Ratio(Liabilities/Assets)</b>		<b>20.4%</b>		<b>28.5%</b>		



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# Consolidated Cash Flows

Items	2024 Q1-Q3	2023 Q1-Q3
<i>(Expressed in thousands of NTD)</i>		
<b>Cash at beginning of year</b>	2,036,743	2,259,381
Cash flows from operating activities	1,154,134	910,300
Acquisition of property, plant and equipment	(360,646)	(488,791)
Cash dividends	(482,479)	(446,740)
Short & long-term borrowings	(549,308)	(230,713)
Investment and others	(332,779)	(47,177)
<b>Cash at end of year</b>	1,465,665	1,956,260
<b>Free cash flow</b> (Cash flows from operating activities-Acquisition of property, plant and equipment)	793,488	421,509



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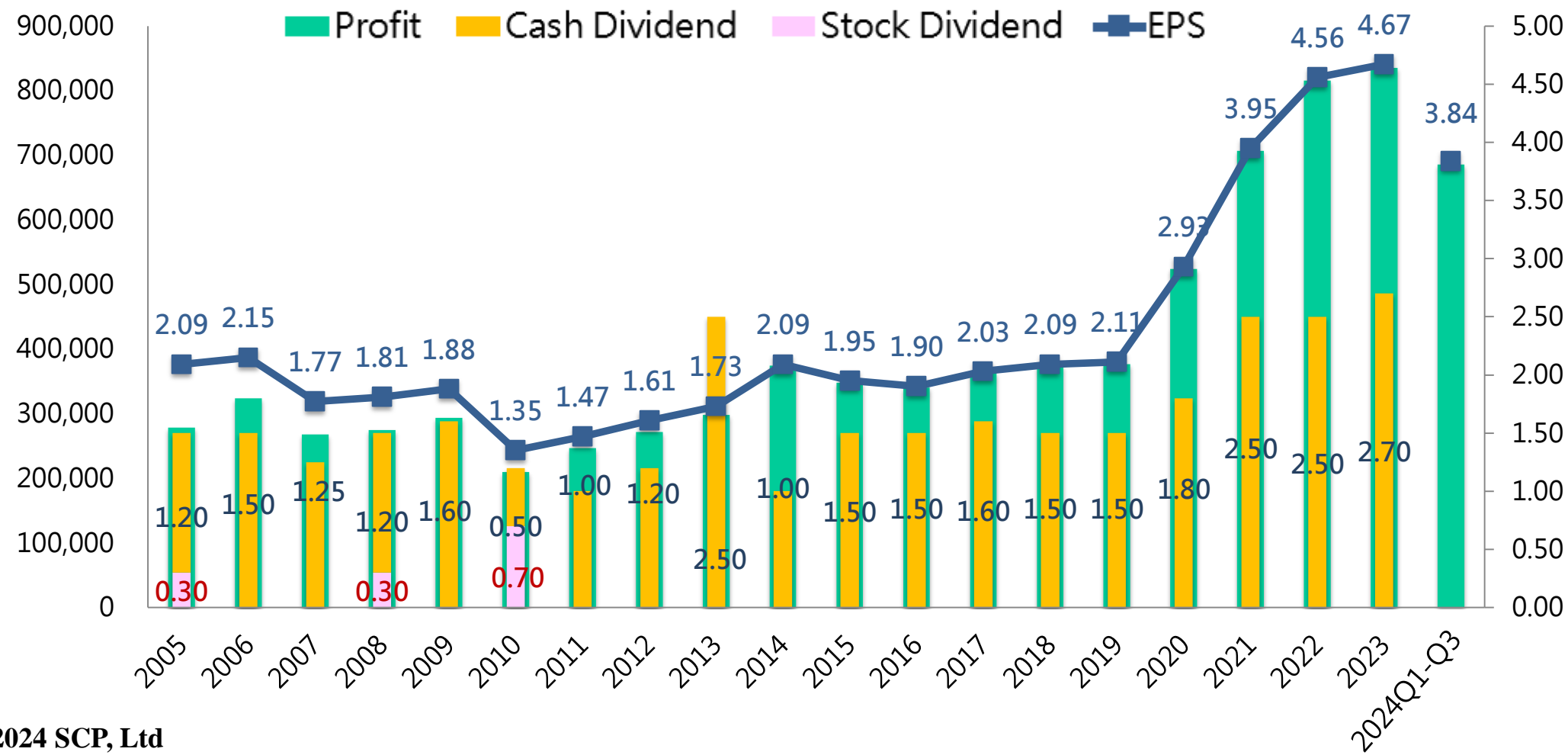
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# 1720 SCP net profit after tax and EPS in 2024 Q1-Q3

NTD Thousand



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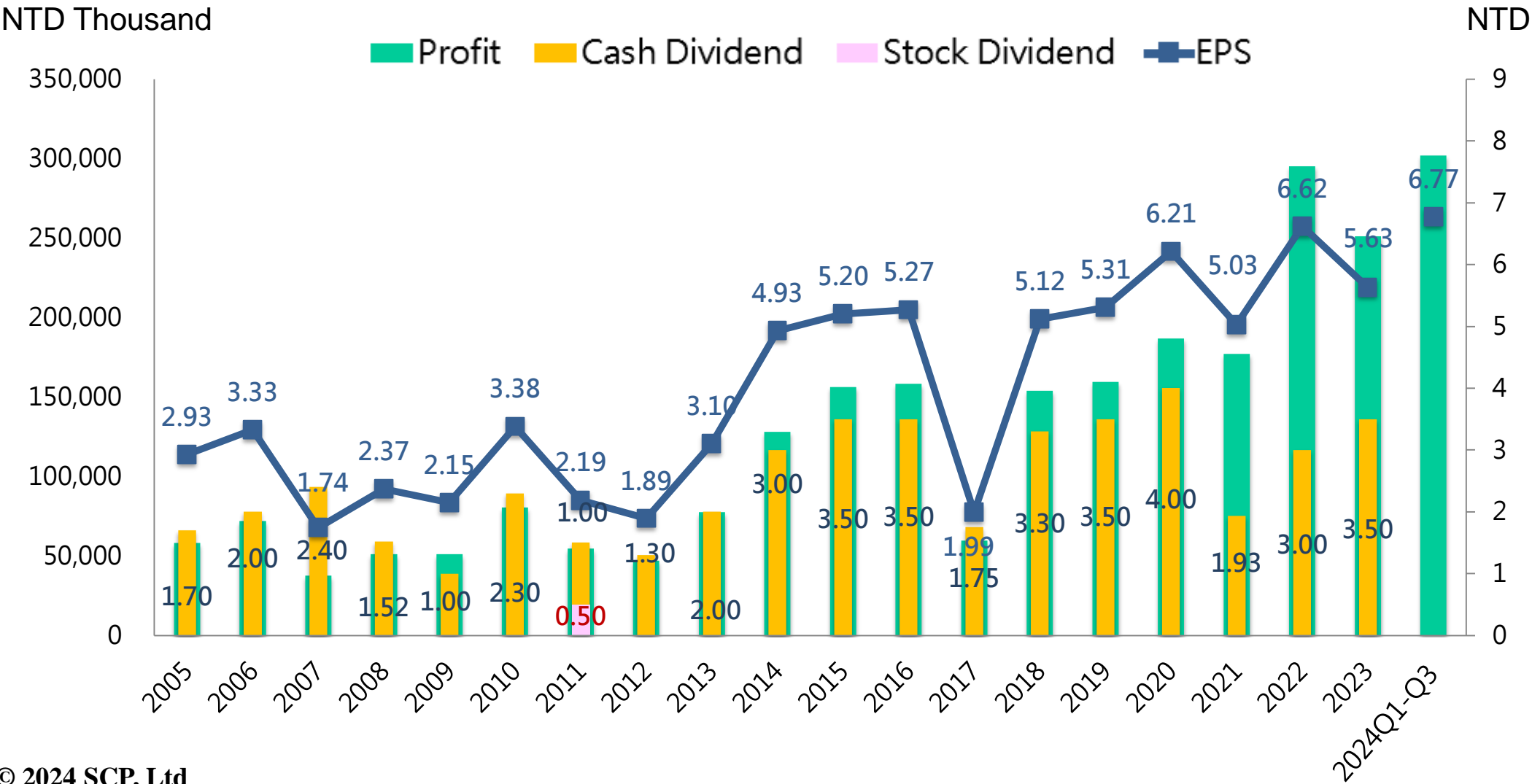


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# 1777 SYN-TECH's net profit after tax and EPS in 2024 Q1-Q3



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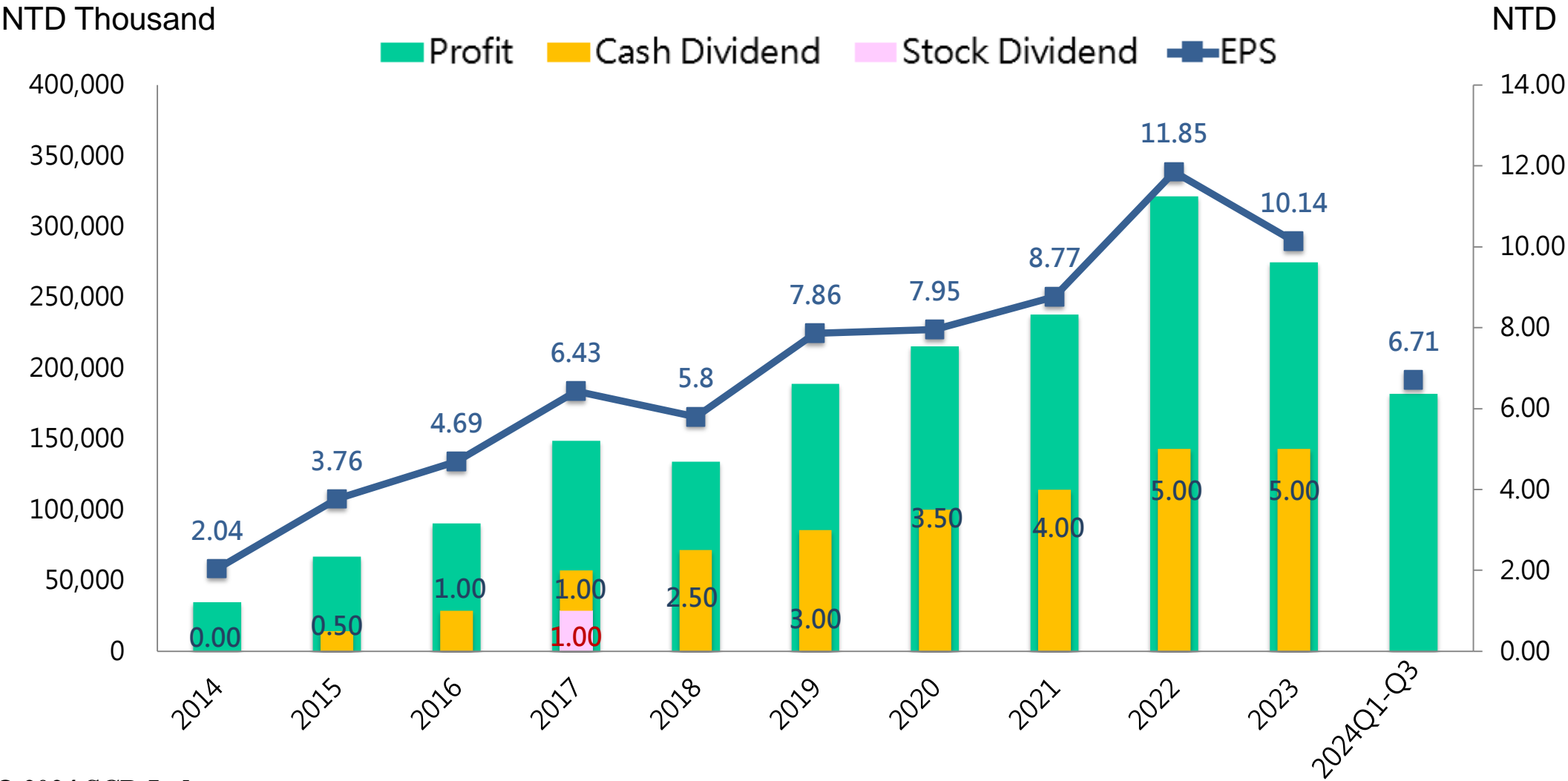
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# 8279 Syngen's net profit after tax and EPS in 2024 Q1-Q3



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- Introduction of Standard Group
- 2024 Q1-Q3 Operating Results
- **Future Operation Strategy**
- Corporate Social Responsibility (CSR)

# Future Milestone



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# Significant Business Activities in Recent Years

## Taiwan



- Clinic and hospital continued growth.
- Establishment of a subsidiary in Vietnam.
- Establishment of a GSP distribution center in Vietnam.
- Establishment of marketing team for Philippines subsidiary

## China



- New import license obtained: **1 cases**
- Accumulated technology transfer licenses: **3 cases**
- Consistency Evaluation(GQCE) reviews in progress: **3 cases**. (including 1 newly submitted in September 2024)
- Projects initiated/Under R&D: **2 cases**.

## Japan



- Continues to be sold: **2 cases** (bronchiolitis and oral anti-inflammatory and pain relief medications.)
- Contracts in progress: **2 cases**  
Agency: **2 cases**  
Gout new medicines certification in 2025.  
Nasal spray generic medicines, with a submission certification in 2026.



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# Revenue Growth Strategy -Taiwan



Company	EPS 2024 Q1~Q3
SCP (1720)	3.84
Syn-Tech (1777)	6.77
Syngen (8279)	6.71
We Can (6929)	(0.31)

- Specializing in four key areas, with an excellent management team and capabilities.
  - ✓ SCP: Western medicines
  - ✓ Syn-Tech: APIs
  - ✓ Syngen: Health supplements
  - ✓ We Can: Pharmaceutical chain stores



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# China Market Trends: Current

## Key Pharmaceutical Focus in 2024

- Negotiations and bidding are underway for 162 drugs, marking a three-year high. The results are expected to be announced in November, with implementation starting on January 1, 2025.
- The 10th round of national procurement has commenced, with the total number of drugs collected at both national and provincial levels expected to reach at least 500.

## Drug PricesNational Standardization

- The national healthcare insurance platform will provide a unified portal, allowing price verification in one province to be applied nationwide, reducing administrative burdens for both companies and the government.
- Trial operation will begin before December 31, with official implementation on January 1, 2025.



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# Revenue Growth Strategy - China



## Strategy

- Own brand and tech transfer simultaneously
- CDMO
- Expand the number of collaborative projects and pharmaceutical companies



## Medium-term targets

- Self-developed products submission
- Tech transfer profit sharing revenue



## Cooperation

- Tech-transfer
- Joint ownership of License
- Cooperative production and marketing
- Profit-sharing Partnerships



## Achievements in getting licenses

- 3 cases for tech transfer
- 1 case for import license



## NMPA Consistency Evaluation

- 3 cases submitted for evaluation



## Project initiation/Research in progress

- 2 cases in progress



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# Japan Market Trend- Ministry of Health, Labour and Welfare 2024 Drug Pricing System Reform

## Target for Generic Drug Usage Rate and Total Amount

- By the end of 2029, the usage rate of generic drugs in all prefectures must reach 80% or more.
- By the end of 2029, the proportion of total spending on generic drugs must be 65% or more

## Measures for Patient Co-Payment on Newly Launched Drugs in October

- When patients request brand-name drugs, they will be charged a quarter of the price difference with generic drugs.
- High-priced drugs, central nervous system medications, and pediatric drugs are experiencing significant impacts.
- Measures are in place to address increases in production costs for pharmaceutical companies where prices have risen by 8% or more.

## Restriction on the Price of Generic Drugs from Multiple Suppliers

- When there are more than 7 suppliers, the price of generic drugs will be set at 40% of the brand-name drug price.

## Strengthening Support for Unprofitable Drugs

- Due to rising raw material costs, certain drugs are subject to price readjustments targeted at specific companies.



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# Revenue Growth Strategy - Japan



## Collaboration Model

- CDMO
- Japan marketing partner
- Self-owned license



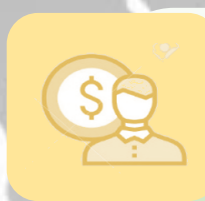
## Strategy

- Agent for brand new drugs.
- Collaborating with Japan pharmaceutical company to enter other markets.
- Strategic alliance with API manufacturer.
- API Vertical Integration with Syn-Tech.



## Current State

- 2 items continue sales
- 2 new signed CDMO collaboration
- Acting as an agent for a new gout medication and nasal spray generic drug, registration is in progress.



## On Going

- CDMO/CMO
- Common items for China/ Southeast Asia/ Japan are under discussion



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# The price of generic versions of blockbuster drugs in the U.S. is less than 10% of the original brand price.

Product	First Generic	Price: Before Approval	Price: 12 Months After Approval	Percent Reduction of Price	Savings (millions)
Lurasidone Hydrochloride: Tablet;Oral		\$47.71	\$1.87	96%	\$4,417
Bortezomib: Injectable;Intravenous, Subcutaneous	✓	\$1,418.31	\$101.72	93%	\$1,133
Lacosamide: Tablet;Oral	✓	\$16.48	\$1.34	92%	\$2,246
Pemetrexed Disodium: Powder;Intravenous	✓	\$1,722.09	\$142.15	92%	\$1,296
Vigabatrin: For Solution;Oral		\$88.26	\$9.46	89%	\$68
Diclofenac Sodium: Solution;Topical		\$15.59	\$2.06	87%	\$238
Roflumilast: Tablet;Oral		\$14.46	\$1.95	86%	\$211
Lacosamide: Solution;Oral	✓	\$2.10	\$0.30	86%	\$310
Regadenoson: Solution;Intravenous	✓	\$45.09	\$6.88	85%	\$314
Fingolimod Hydrochloride: Capsule;Oral		\$289.04	\$56.44	80%	\$1,190

*Shown in this table as price per unit, i.e., a single tablet or one mL of a solution.*



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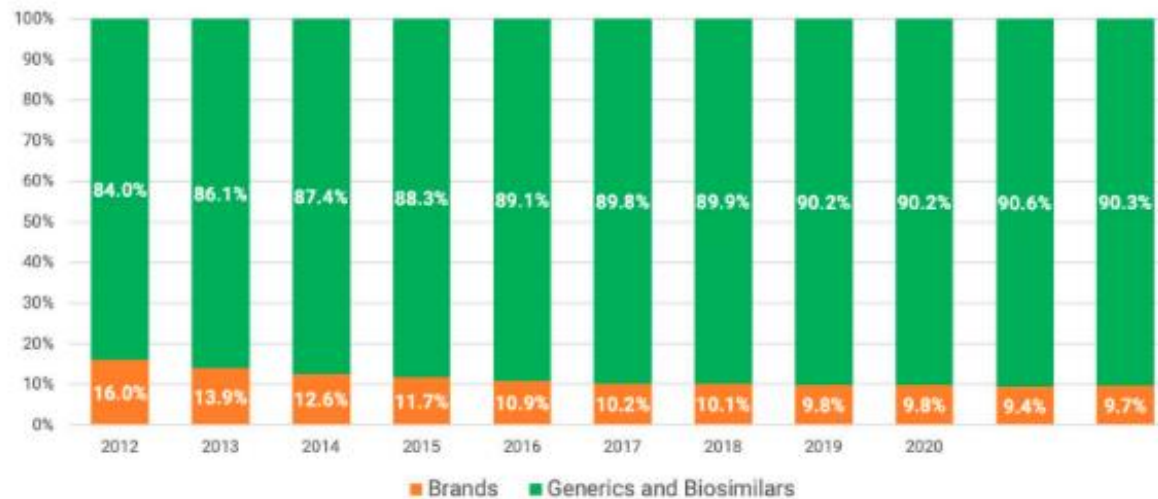


The U.S. market is actively promoting generic drugs to reduce the healthcare burden.

## Generics and Biosimilars Are More Than 90 Percent of All Prescriptions but Less Than 18 Percent of Spending

Generic prices have fallen 20 percent since 2019

Generics and Biosimilars Are More Than 90% of Prescriptions but Less Than 18% of Spending



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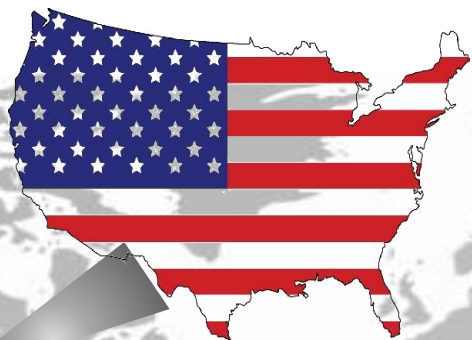
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# Revenue Growth Strategy – U.S.A.



## Strategy

- Co-develop new products with pharmaceutical companies and dealers.
- Strategic alliances with raw material suppliers
- API Vertical Integration with Syn-Tech.
- Seeking Early Market Entry for First to File.



## U.S.A. Market

- Application process for drug licenses is costly, time-consuming, and requires long-term planning
- Target products with patents expiring in 5 years or more.
- Increase the number of sales items and cooperating manufacturers.



## Current Status

- Two drugs have been shipped: (spinal muscular atrophy, and lipid-lowering.)
- The lipid-lowering drug launched in 2023 has achieved a 13% market share.
- Actively participated in exhibitions to expand business.



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# Future Operation Strategy



## Increasing overseas Resource proportion

- Increase resources for overseas business.
- Recruit and train international talents.

## Core techniques and professional skills to expend overseas sales

- Use mature Taiwanese technology to create R&D wealth.
- Jointly plan and operate markets with foreign companies.

## Overseas marketing practices

- Establish a solid foundation.
- Quickly generate revenue.
- Learn the rules of the game. in various markets.
- Seek for long-term partners.



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# Agenda

- Introduction of Standard Group
- 2024 Q1-Q3 Operating Results
- Future Operation Strategy
- **Corporate Social Responsibility (CSR)**



# Net Zero Emissions and Sustainable Development

## Energy Management

- Replacing T5 fluorescent lights with LED lights, resulting in an annual electricity savings of approximately 70,062 kWh.
- Changing the nighttime fan operation of the air conditioning unit from 50Hz to a reduced frequency of 35Hz saves 476,538 kWh annually.
- Implementing maintenance, recycling hot water, adjusting system parameters, optimizing water production conditions, etc., effectively reduce carbon emissions, improve cost-effectiveness, and save energy.

## Water Resource Management

- Prioritizing the use of water-saving equipment to reduce water wastage.

## Waste Management

- Engage qualified environmental service providers and recycling businesses certified by the Environmental Protection Agency to carry out cleaning and treatment or resource reuse.
- Submit a waste cleanup plan in accordance with the law, implement it after review and approval. Select waste transporters and treatment facilities with legal registration and Class A licenses.
- Conducting periodic maintenance of pipelines to reduce unnecessary water loss due to leaks.
- Regularly disclosing Company's water usage to remind employees to conserve water resources.
- Optimizing the production process and product design to reduce unnecessary water usage while improving production efficiency.



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# 2024 Net-Zero Industry Competitiveness

## – 1st Place / 3rd Place(21st Century Foundation)

排名	公司代號	公司簡稱	獎項
1	1777	生泰	卓越獎
2	1707	葡萄王	
3	1720	生達	特優獎
4	4105	東洋	
5	1789	神隆	
6	1795	美時	優等獎
7	4746	台耀	
8	1762	中化生	
9	4114	健喬	
10	1701	中化	



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# Occupational Safety Model / Excellent Unit



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# Social Care and Engagement- Fan Dao Nan Foundation



## Introduction to the foundation

- Established in 1987
- Endowment Fund: NT\$196 Million
- Annual Budget: NT\$12 Million

## Principal Activities

- Cultural and educational development activities
- Scholarships and Talent Cultivation
- Public education affairs
- Children's education and happiness



## Rewards and Honors Received

- 2011: Special Recognition Award – Ministry of Education
- 2012: Tainan City Govt. Grant for Scholarship Program
- 2013: National Special Selection Award for After-School Program – Dept. of Education
- 2022: Group Award on Social Education Contribution by Ministry Of Education



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# Social Care and Engagement-2024 Corporate Social Responsibility



## Scholarships

- Pharmaceutical or related major: 2 universities/ 4 students
- High school :6 schools, totaled 150 students
- Middle school:51 schools, totaled 687 students
- Elementary school: 221 schools, totaled 2,524 students

**NTD 6.37 million**



## Hope After-school Class

- Weekday afternoons
- 19 schools · 1,045 students

**NTD 0.90 million**



## Sunflower Wednesdays

- Every Wednesday afternoons
- 4 Schools · 220 students

**NTD 0.40 million**



## Other Sponsorships

- Sponsor 12 public welfare organizations.  
(Chi Po-lin Foundation)

**NTD 0.62 million**



## Meal-Assistance

- Provided 6,950 meals



**NTD 0.70 million**



## Charity

- SCP Children's Drawing Competition NTD1 million
- SCP National Table Tennis Competition NTD1.91 million

**NTD 2.91 million**



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# Social Care and Engagement-The 39<sup>th</sup> SCP Children's Drawing Competition

- Held on October 19, 2024, at Wanpi World Safari Zoo, with 773 participating students and 779 accompanying teachers and parents, totaling 1,552 people.



Lower Grade Category - Gold Award



Middle Grade Category - Gold Award



Upper Grade Category - Gold Award



Kindergarten Category - Gold Award



SCP Volunteers



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# Social Care and Engagement-Senior Gym-Athletic Training and Health Center



Jan. to Oct. 2024,

- Accumulated a total of 109,723 user times.
- Held 24 health and wellness seminars and fitness courses, providing knowledge on nutritional care, muscle strengthening exercises, and senior fitness courses.



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# Q & A