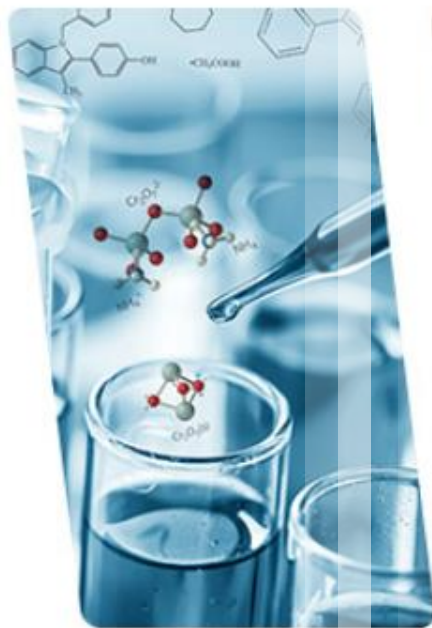


Standard Chem & Pharm Co., Ltd.
Stock Symbol : 1720

2025 Investor Conference

4/24/2025



生達化學製藥

Standard Chem & Pharm CO., LTD.

免責聲明 Safe Harbor Notice



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

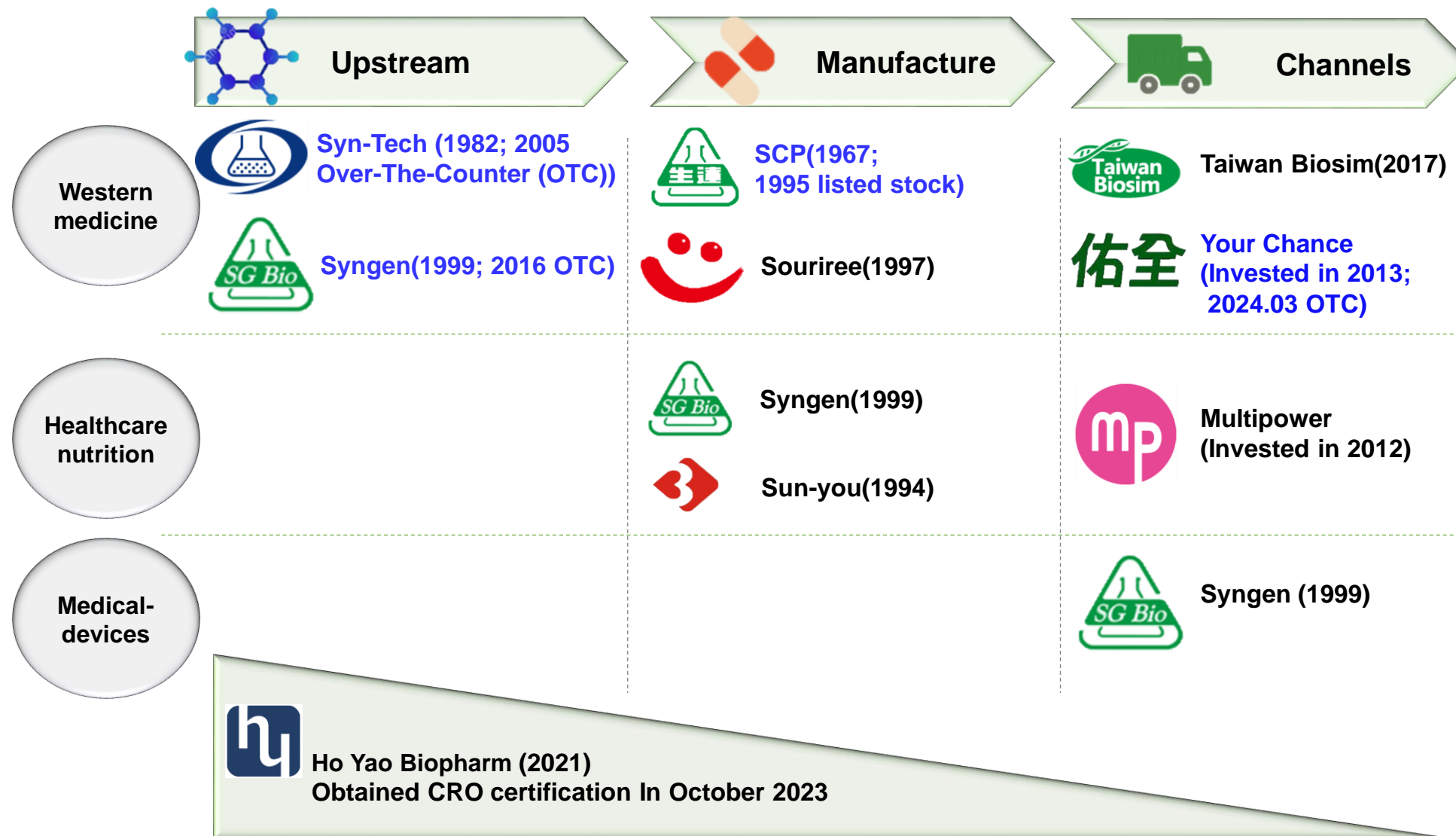


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- **Introduction of Standard Group**
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SCP and Related/Affiliated Companies



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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	2023	Diff.	Annual changes (%)
<i>(Unless otherwise specified, expressed in thousands of New Taiwan Dollars)</i>				
Operating revenue	6,789,223	6,239,768	549,455	8.8%
Gross profit	2,988,691	2,725,378	263,313	9.7%
Gross profit margin	44.02%	43.68%		0.34pct
Operating expenses	1,592,375	1,465,826	126,549	8.6%
Operating profit	1,396,316	1,259,552	136,764	10.9%
Non-operating income and expenses	231,043	178,315	52,728	29.6%
Profit before income tax	1,627,359	1,437,867	189,492	13.2%
Profit for the year	1,294,310	1,157,929	136,381	11.8%
Profit attributable to Shareholders of the parent	880,501	834,886	45,615	5.5%
EPS(NTD)	4.93	4.67	0.26	5.6%



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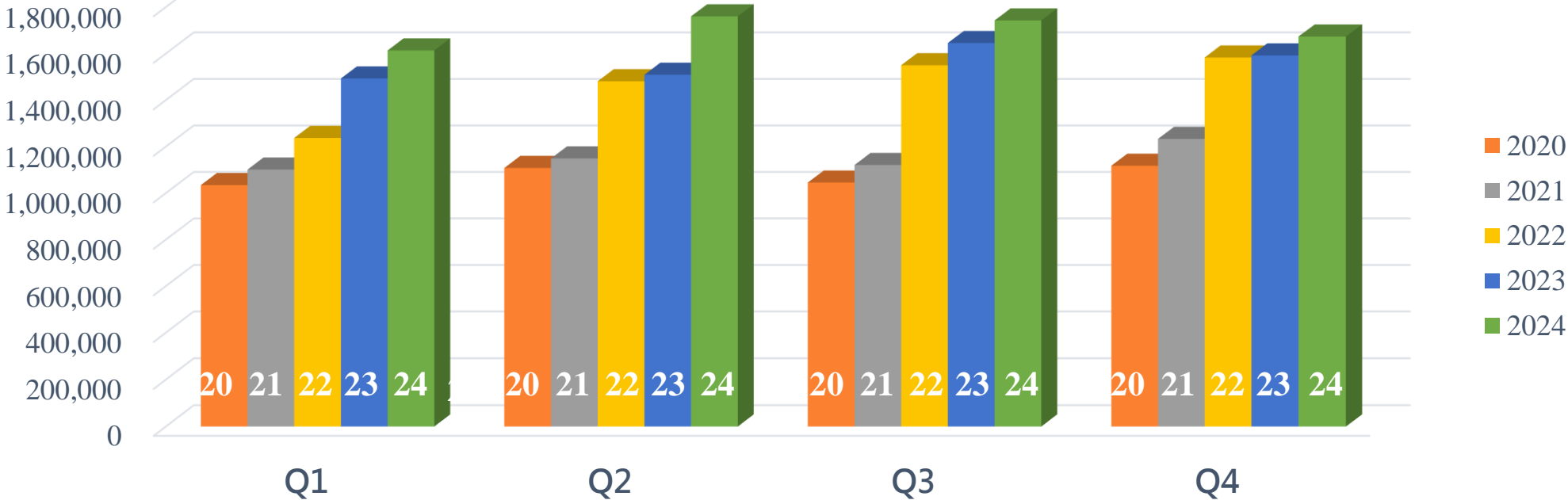
Strategy



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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	1,673,142	6,789,223	+8.8%



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Consolidated Balance Sheet

Items <i>(Expressed in thousands of NTD)</i>	2024		2023		Diff.	Annual changes(%)
	Amount	%	Amount	%		
Cash and cash equivalents	1,520,128	13.6%	2,036,743	18.2%	(516,615)	(25.4%)
Accounts receivable	1,339,410	12.0%	1,418,423	12.7%	(79,013)	(5.6%)
Inventories	1,720,381	15.4%	1,614,976	14.4%	105,405	6.5%
Investments	1,499,821	13.4%	1,206,522	10.8%	293,299	24.3%
Property, plant and equipment	4,128,811	36.9%	4,021,526	35.9%	107,285	2.7%
Others	966,994	8.7%	890,534	8.0%	76,460	8.6%
Total Assets	11,175,545	100.0%	11,188,724	100.0%	(13,179)	(0.1%)
Current Liabilities	1,660,932	14.9%	2,370,880	21.2%	(709,948)	(29.9%)
Non-current Liabilities	538,545	4.8%	680,507	6.1%	(141,962)	(20.9%)
Total liabilities	2,199,477	19.7%	3,051,387	27.3%	(851,910)	(27.9%)
Total shareholder' s equity	8,976,068	80.3%	8,137,337	72.7%	838,731	10.3%
Debt Ratio(Liabilities/Assets)		19.7%		27.3%		



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Consolidated Cash Flows

Items	2024	2023
<i>(Expressed in thousands of NTD)</i>		
Cash at beginning of year	2,036,743	2,259,381
Cash flows from operating activities	1,694,941	1,336,523
Acquisition of property, plant and equipment	(596,477)	(625,696)
Cash dividends	(482,479)	(446,740)
Short & long-term borrowings	(749,027)	(450,003)
Investment and others	(383,573)	(36,722)
Cash at end of year	1,520,128	2,036,743
Free cash flow (Cash flows from operating activities-Acquisition of property, plant and equipment)	1,098,464	710,827



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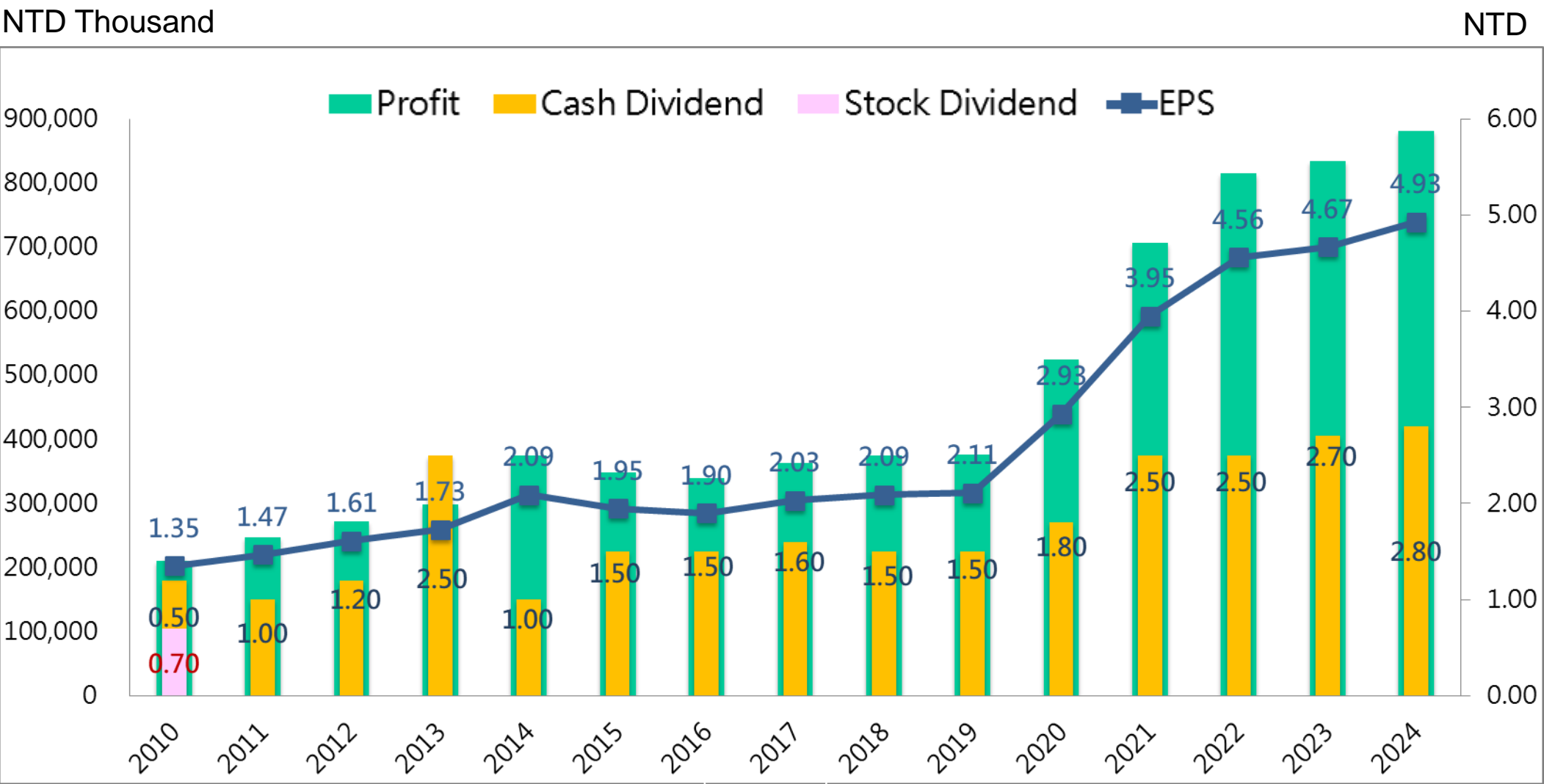


Strategy



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SCP (1720) Posts Five Straight Years of Record Net Profit, EPS, and Dividends



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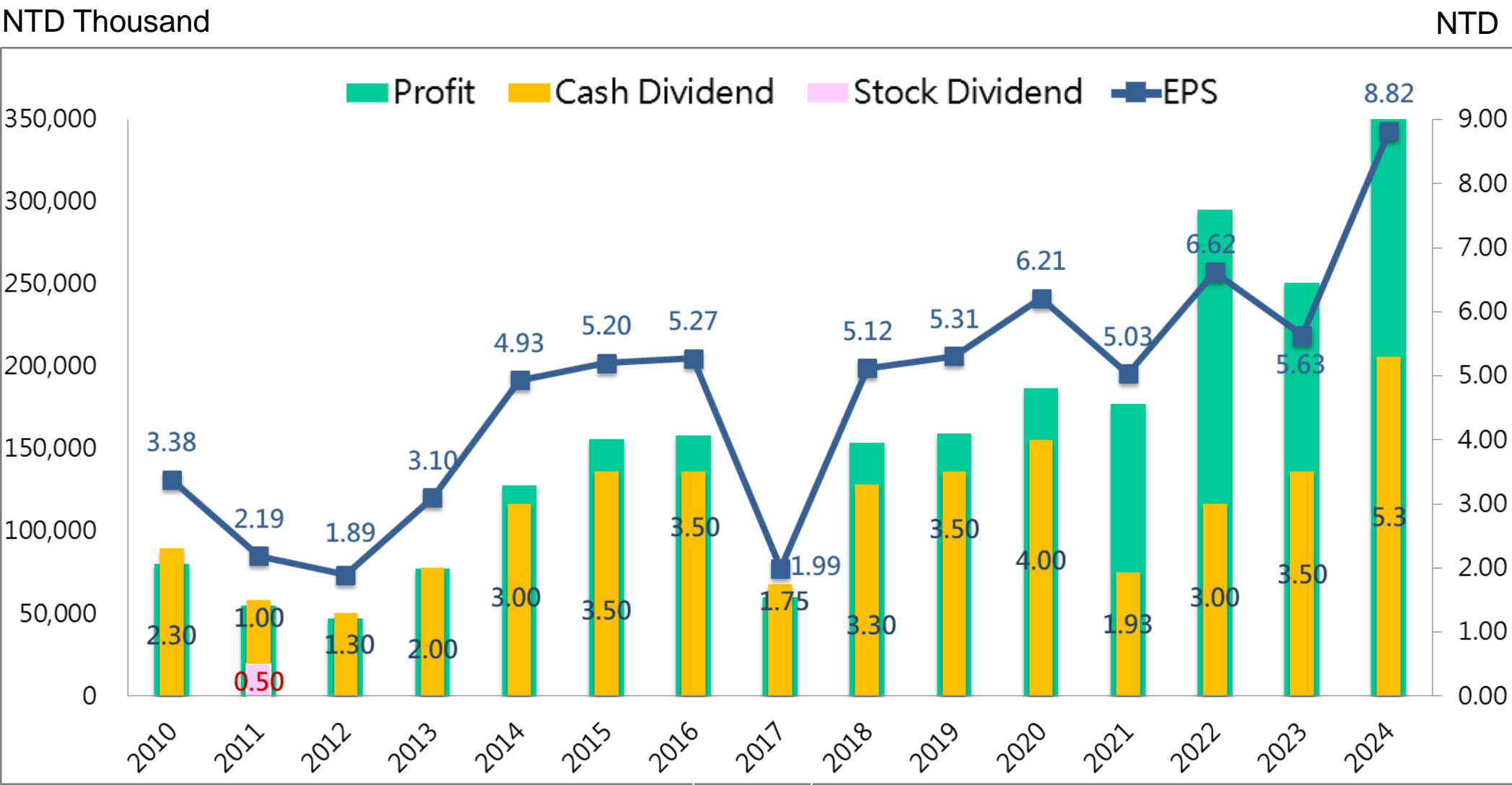


Strategy



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SYN-TECH (1777) Hits All-Time Highs in Net Profit, EPS, and Dividends for 2024



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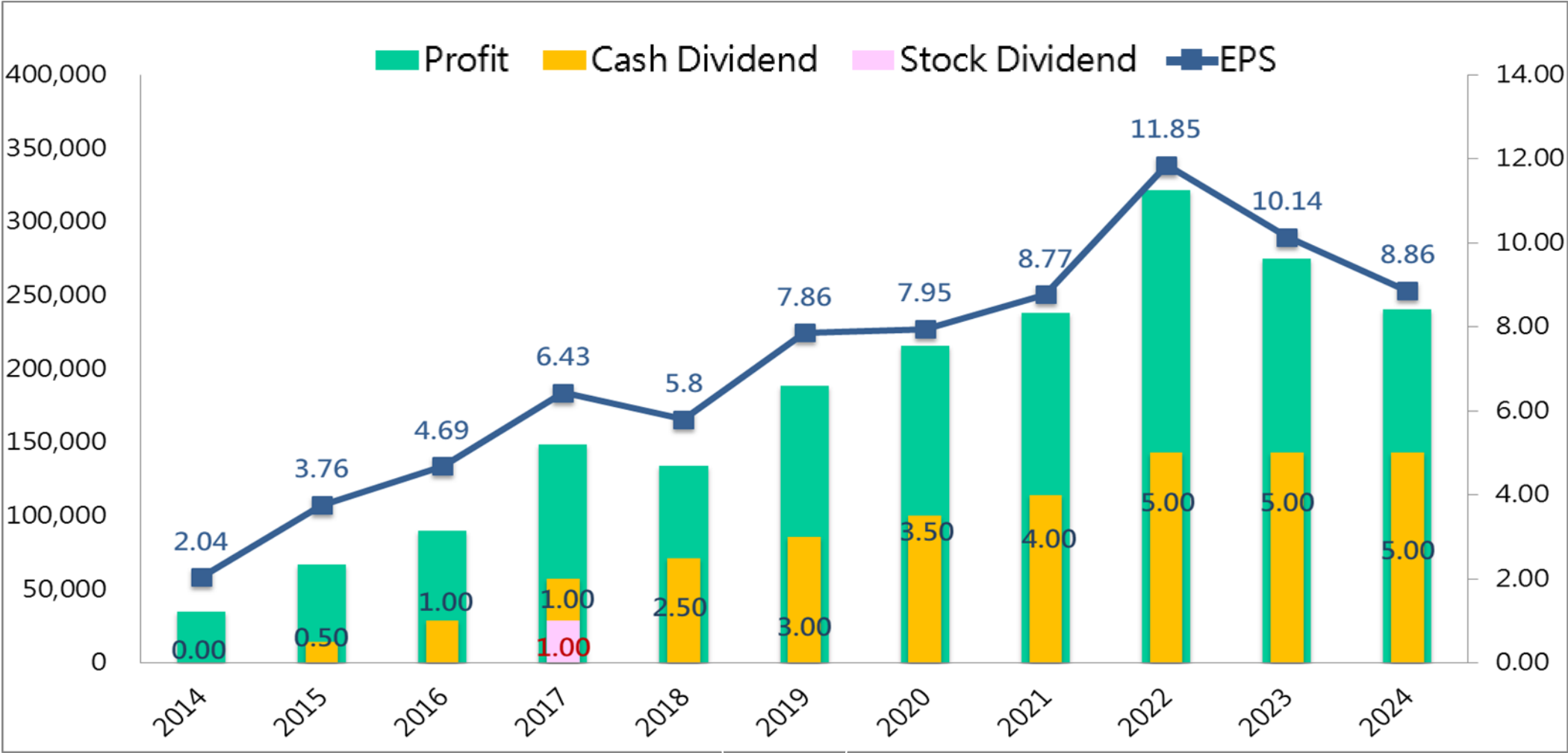


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SYNGEN Biotech (8279) Historical Net Profit, EPS, and Dividends

NTD Thousand

NTD



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Future Milestone



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Revenue Growth Strategy -Taiwan



Company	2024 EPS
SCP (1720)	4.93
Syn-Tech (1777)	8.82
Syngen (8279)	8.86

- Focusing on four key business areas with excellent operational capabilities and a strong management team.
 - Western medicine formulations, APIs, health supplements, and pharmaceutical chain stores.



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Significant Business Activities in Recent Years

Taiwan



- 4 product launches planned in 2025.
3 first-to-market items (including 1 P4 product)
1 for hypertension and 3 for diabetes.
- 2025 Marketing Team Expansion:
Taiwan team: 180 members
Vietnam team: 25 members
Philippines team: 19 members

China



- New product licenses obtained through importation within one year: 3 cases (Erectile dysfunction, diabetes, and ALS)
- Accumulated technology transfer licenses: 3 cases
- Consistency Evaluation (GQCE) reviews in progress: 1 case.

Japan



- Continues to be sold: 2 cases (bronchiolitis and oral anti-inflammatory and pain relief medications.)
- Contracts in progress: 2 cases
- Under Development: 3 cases
- New in-licensed drug: 1 case



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International Market Expansion and Collaboration Model

International Market Expansion

- Primary sales markets: Southeast Asian countries, South Korea, Japan, and China.
- Actively expanding into Europe and Latin America.

Licensing Collaboration

- Adopting a diversified collaboration approach by licensing registered products to local partners for sales.
- Seeking original brand agency rights to enhance competitiveness in the Taiwan market.

CDMO/CMO

- In recent years, collaboration with major Japanese pharmaceutical companies on CDMO projects has laid a solid foundation for SCP presence in the Japanese market.
- Actively pursuing additional CMO/CDMO partnerships to continuously drive revenue growth.



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The generic drug market presents varying levels of competitive challenges.

Mainland China Market

1. The generic drug market is highly competitive, with numerous players and high entry barriers. Success depends on early, rapid, and differentiated R&D.
2. Centralized procurement policies have compressed profit margins, prompting large companies to rely on economies of scale and cost control to maintain their market position.
3. Companies are diversifying their market channels, covering retail pharmacies, private hospitals, and other distribution avenues.

Japanese Market

1. The generic drug market places high emphasis on technological barriers. Regulatory submissions are reviewed in February and August each year; missing the initial launch window significantly reduces customer willingness to promote the product.
2. The oral solid generic drug market is highly competitive, with pricing capped at 40% to 50% of the originator drug. Under such pricing constraints, cost—especially that of active pharmaceutical ingredients (APIs)—becomes a critical competitive advantage.



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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
- 3 case for import license



NMPA Consistency Evaluation

- 1 cases submitted for evaluation



Project initiation/Research in progress

- 3 cases in progress



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Revenue Growth Strategy - Japan



Collaboration Model

- CDMO
- Japan marketing partner
- Self-owned license



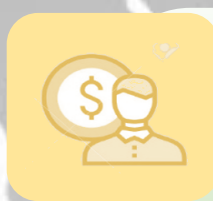
Strategy

- 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
- 3 products currently under development
- Actively pursuing new drug in-licensing opportunities



On Going

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



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Strategies for Addressing Globalization Challenges

Strategic Alliances
Enhancing Cost
Competitiveness

Self-Challenge
Complex Generic
Drugs

Early Submission
Seizing First-to-
Market Advantage

Original Brand
Licensing
Enhancing Market
Competitiveness



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- **Corporate Social Responsibility (CSR)**

Net Zero Emissions and Sustainable Development

Energy Management

- Replacement of 180 T5 fluorescent grid ceiling lights with LED panel lights
- Upgrade of 25HP fixed-speed air compressor to 30HP variable-speed air compressor at the Liquid High Plant
- 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

- Give priority to the use of water-saving equipment to reduce water loss.
- Ensure regular maintenance and inspection of pipelines to minimize water leakage and wastage.
- Periodically disclose the company's water consumption to raise employee awareness on the importance of conserving water resources.

Waste Management

- Engaged qualified waste disposal and recycling companies for waste removal and resource recovery.
- Packaging materials and plastic waste generated in the plant are classified under waste code R-0201 for reuse and processed into Solid Recovered Fuel (SRF).
- A waste disposal plan is submitted in accordance with regulations and implemented upon official approval. Only legally registered waste transporters and treatment facilities with Class A certification are selected for handling and processing.

- Optimize production processes and product design to reduce water usage and enhance production efficiency.



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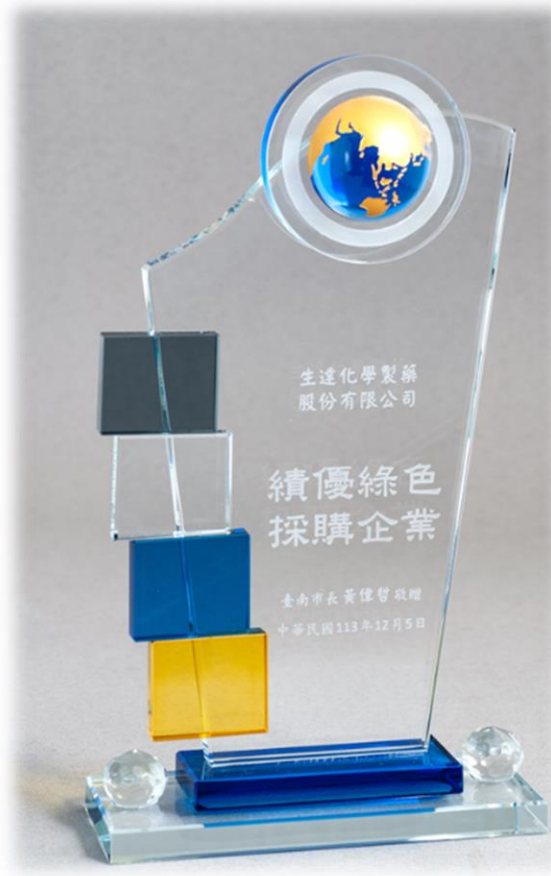


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Awarded as an Outstanding Green Procurement Enterprise by Tainan City Government



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Protecting the Ocean : Beach Cleanup Activity

- For two consecutive years, employees have voluntarily initiated beach cleanup activities, with a total of 108 participants. A cumulative 1,092 meters of shoreline were cleaned, and 126 kilograms of trash were removed.



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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\$13 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: 3 universities/ 8 students
- High school :8 schools, totaled 150 students
- Middle school:59 schools, totaled 764 students
- Elementary school: 239 schools, totaled 2,686 students

NTD 7.37 million



Hope After-school Class

- Weekday afternoons
- 18 schools · 1,015 students

NTD 1 million



Sunflower Wednesdays

- Every Wednesday afternoons
- 8 Schools · 255 students

NTD 0.40 million



Other Sponsorships

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

NTD 0.84 million



Meal-Assistance

- Provided 8,292 meals



NTD 0.79 million



Charity

- SCP Children's Drawing Competition NTD0.66 million
- SCP National Table Tennis Competition NTD1.90 million

NTD 2.56 million



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Social Care and Engagement-The 39th 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



Kindergarten Category - Gold Award



Upper Grade Category - Gold Award



SCP Volunteers



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Social Care and Engagement-The 39th SCP National Table Tennis Competition



Starting from December 13, 2024, the 39th Standard Cup National Table Tennis Championship will be held for three consecutive days at the Xinying Sports Center in Tainan, with a total of 290 teams and 1,941 participants competing.



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



Year 2024

- Total usage reached 111,042 visits.
- Held 26 “Healthy and Active Living” seminars (including physical fitness classes), providing nutritional care education, strength training, and fitness programs for the elderly.
- Awarded the Sustainable Operations.
- Award under the 2024 Tainan City Public Health Bureau’s Silver-Haired Club Program.



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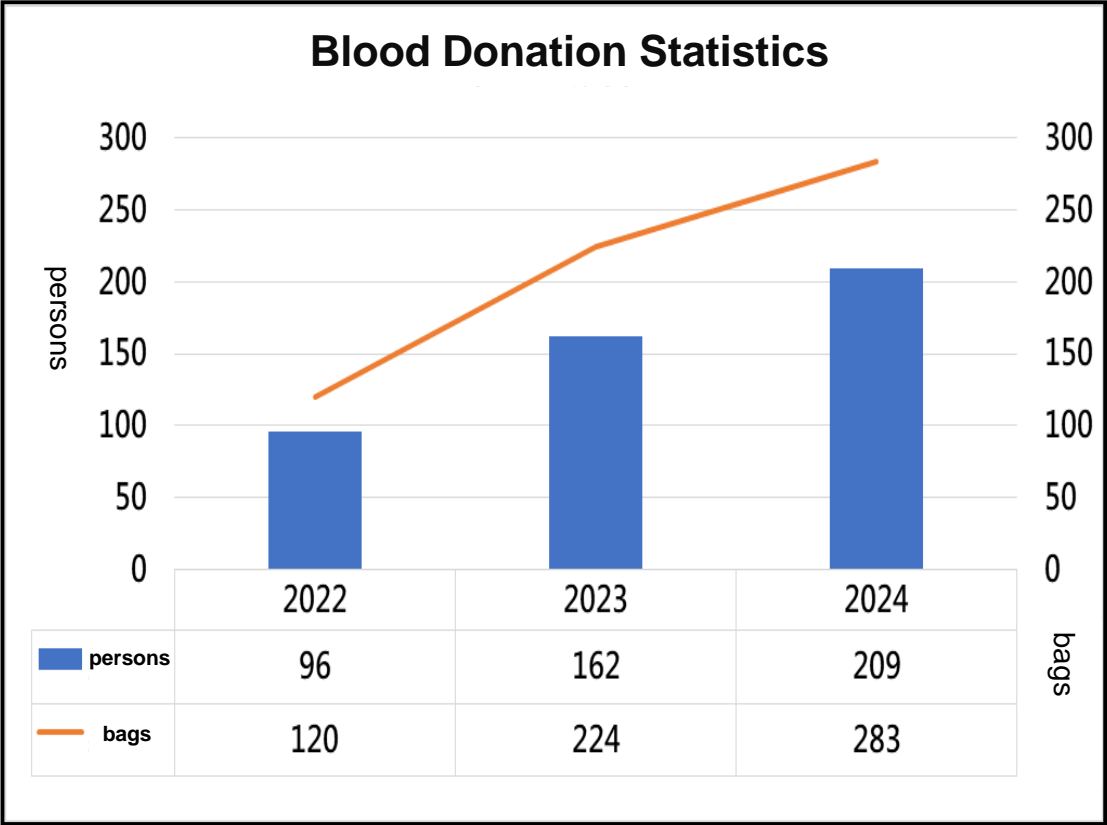


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Employees donated a total of 627 bags of blood over the past three years.



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Q & A