



**YUNG ZIP CHEMICAL**

Stock Code : 4102



**2024 Investors Conference**

Sep. 25, 2024

# Disclaimer

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- ✦ This presentation and the forward-looking information mentioned in the simultaneously released related messages, including operational outlook, financial conditions, and business forecasts, are based on information obtained by the company from internal and external sources.
- ✦ The actual future operational results, financial conditions, and business outcomes of the company may differ from the forward-looking information due to various factors, including but not limited to market risks and market demand.
- ✦ The forward-looking statements in this presentation reflect the company's views on the future as of the current date. The company is not obligated to provide further notice or updates should there be any changes or adjustments to these views in the future.

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- Company Introduction
- Financial Performance Overview
- Business Development
- Research and Development Strategy

# Company Introduction: Vision & Goals



## Vision:

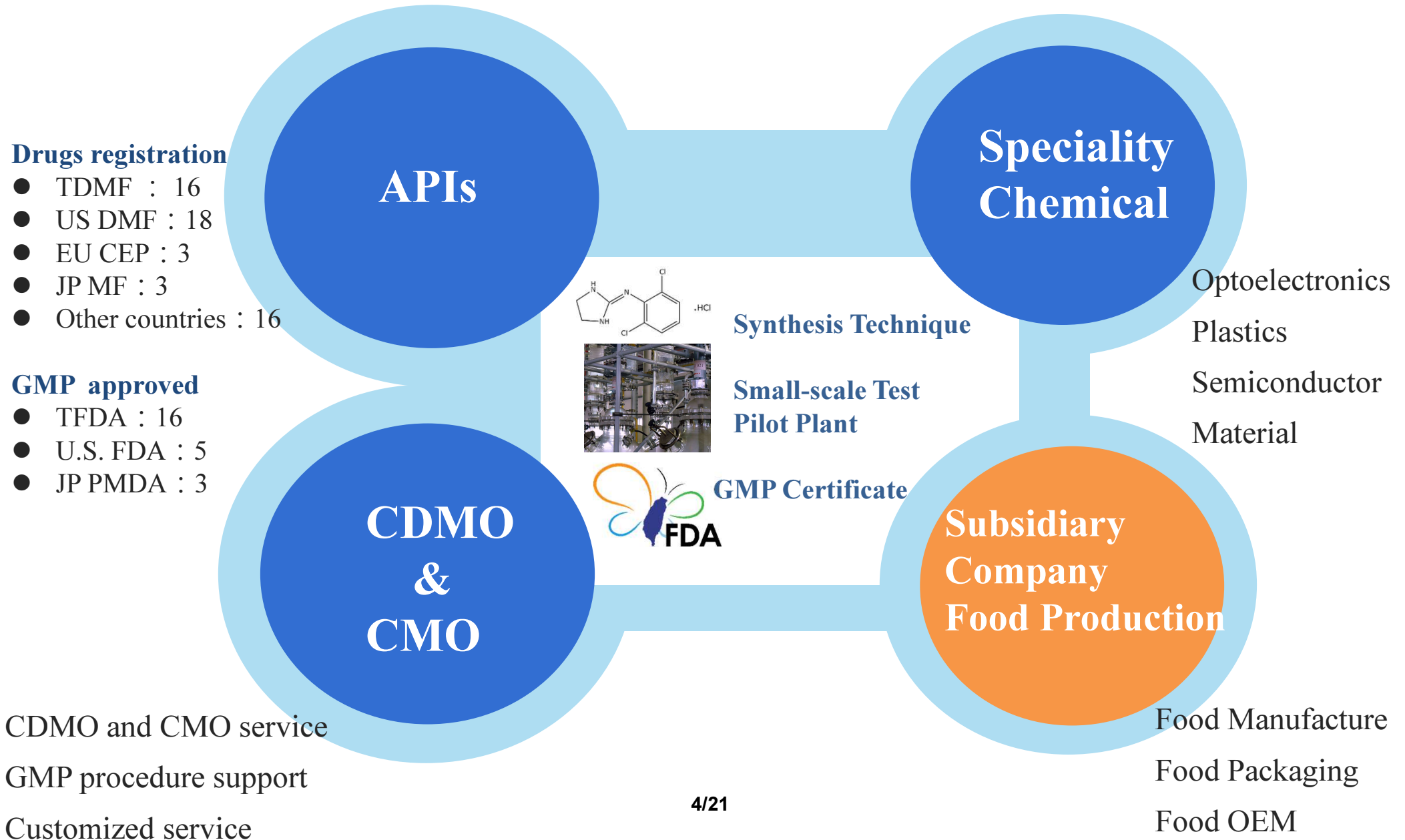
**Contributes to the elimination of human diseases**



Yung Zip Chemical Ind. Co., Ltd. established on June 8, 1978. As **the first executor of GMP API certification in Taiwan**, and with over 40 years of experience in the API industry, Yung Zip has successively passed international certifications such as **FDA, MHRA, PMDA, KFDA, HALAL and KOSHER**.

Yung Zip upholds the sustainable management philosophy of “**innovation, effectiveness and service**” while adhering to principles of honesty, reliability and rigorous business ethics.

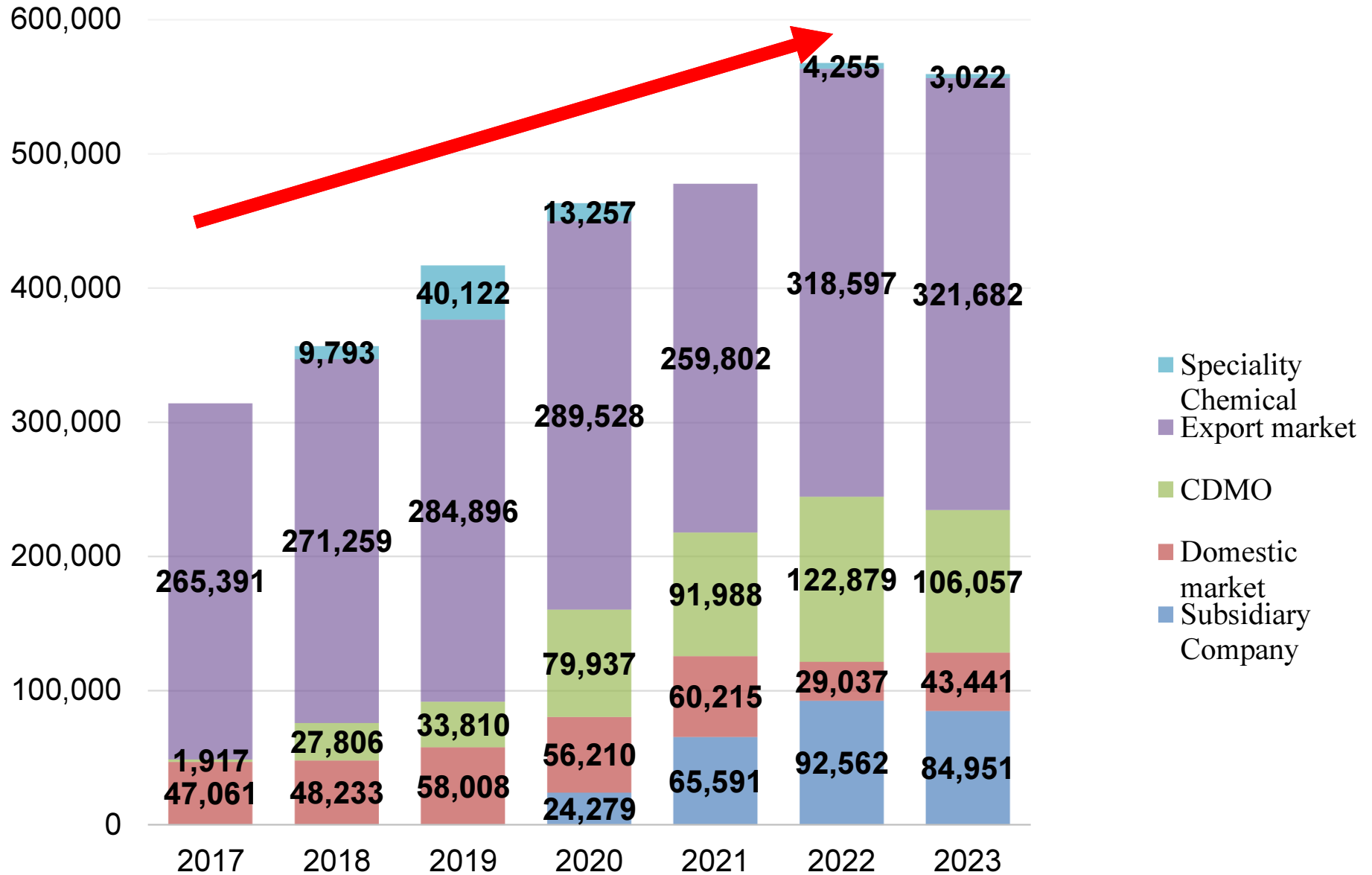
**Providing the best pharmaceutical products**  
**Improving the health of human beings**  
**Maximizing shareholder value**  
**Improving employee welfare**  
**Fulfilling social responsibility**



# 2017-2023 Consolidated Revenue



(In Thousands of New Taiwan Dollars)

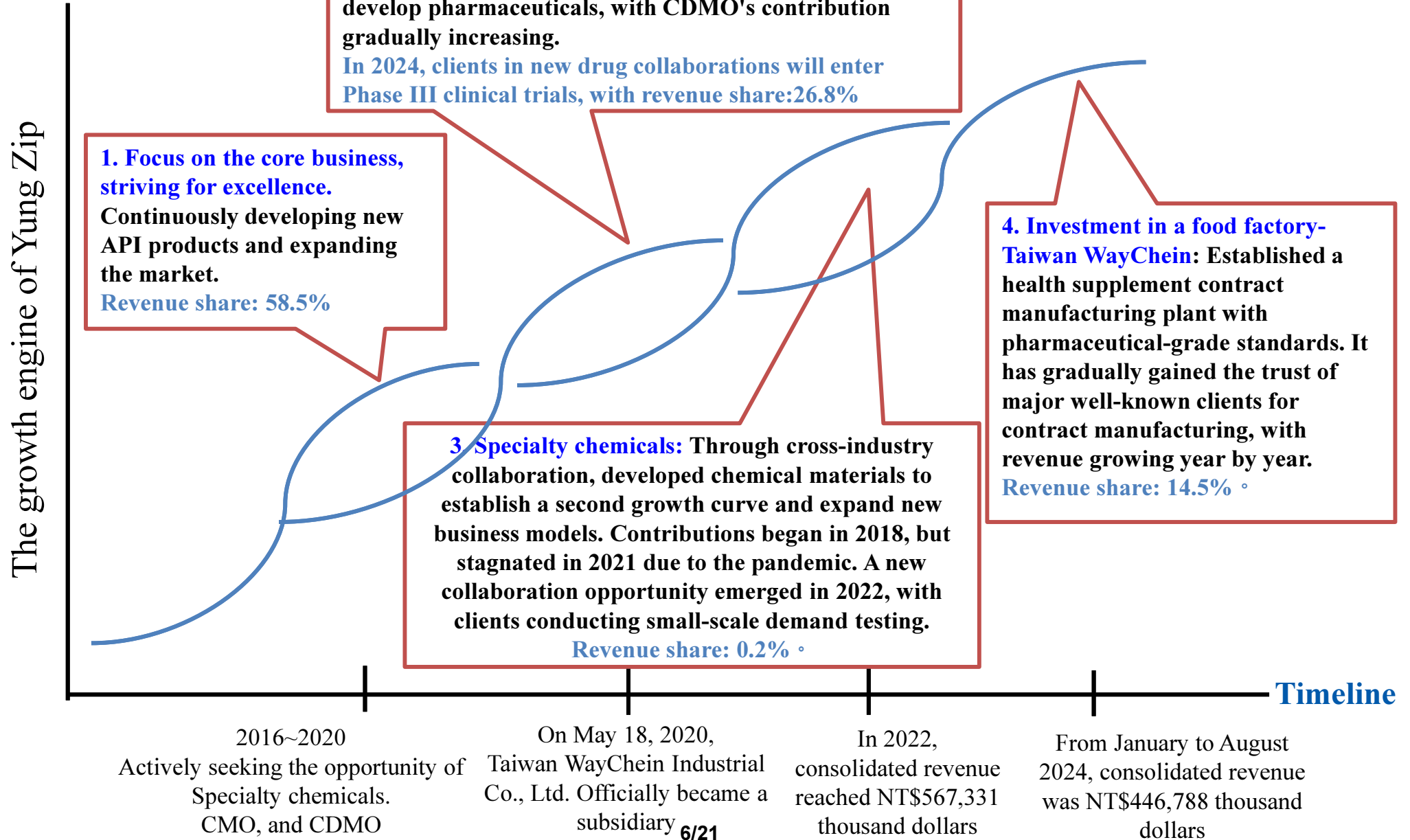


# Business Development



## Development

Period: Jan. – Aug. 2024



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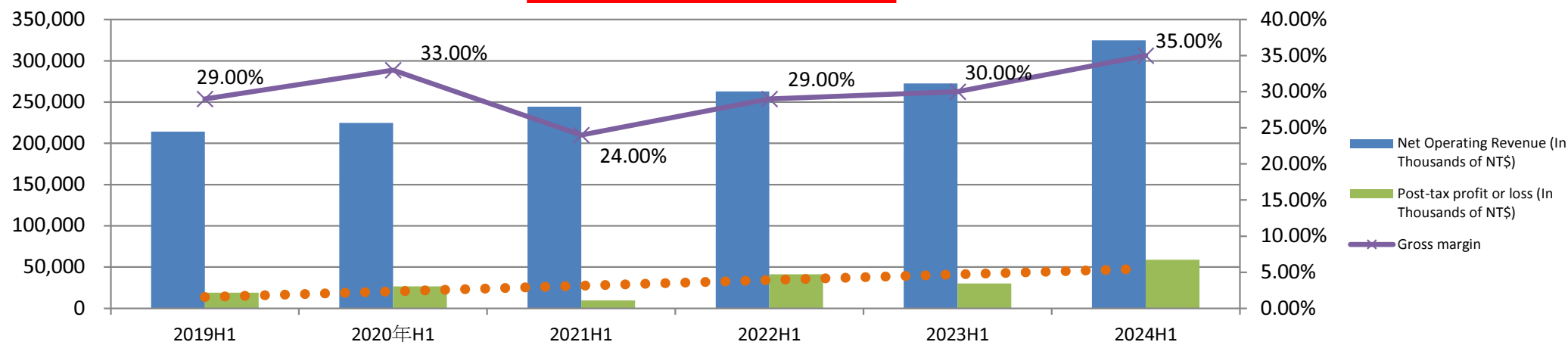
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# Statement of Consolidated Comprehensive Income



Items (In Thousands of New Taiwan Dollars)	2024 H1 (Reviewed)	2023 H1 (Reviewed)	YoY
Operating Revenue	324,788	272,601	19%
Operating costs	209,414	189,191	11%
Gross Profit	115,374	83,410	38%
<b>Gross Margin</b>	<b>35%</b>	<b>30%</b>	
Operating Expenses	58,559	57,932	1%
Operating (Loss)	56,815	25,478	123%
<b>Operating Margin</b>	<b>17%</b>	<b>9%</b>	
Other Rev. (Exp.)	9,147	4,378	109%
Net Income	58,785	30,010	96%
<b>Net Margin After Tax</b>	<b>18%</b>	<b>11%</b>	
EPS	1.34	0.64	



# Consolidated Balance Sheet



Items (In Thousands of New Taiwan Dollars)	2024/6/30 (Reviewed)		2023/6/30 (Reviewed)		2022/6/30 (Reviewed)	
Cash and Cash Equivalents	171,303	17%	156,674	15%	122,282	13%
Receivables	114,118	11%	120,299	12%	139,624	14%
Inventories	158,433	15%	153,496	15%	139,980	14%
Long-term Investments	155,192	15%	159,693	16%	107,711	11%
Property, plant and equipment	390,429	38%	392,836	38%	404,513	42%
Other assets	51,128	4%	48,345	4%	55,717	6%
<b>Total Assets</b>	<b>1,040,603</b>	<b>100%</b>	<b>1,031,343</b>	<b>100%</b>	<b>969,827</b>	<b>100%</b>
Current Liabilities	160,176	15%	163,803	16%	133,330	14%
Non-current Liabilities	131,538	13%	174,185	17%	220,350	22%
<b>Total Liabilities</b>	<b>291,714</b>	<b>28%</b>	<b>337,988</b>	<b>33%</b>	<b>353,680</b>	<b>36%</b>
<b>Total Shareholders' Equity</b>	<b>748,889</b>	<b>72%</b>	<b>693,355</b>	<b>67%</b>	<b>616,147</b>	<b>64%</b>

## Important Financial Indicator

<b>Average collection days</b>	65	90	83
<b>Average inventory turnover days</b>	143	144	139
<b>Current ratio</b>	2.86	2.70	3.17

# Consolidated Cash Flow



(In Thousands of New Taiwan Dollars)	2024 H1 (Reviewed)	2023 H1 (Reviewed)	2022 H1 (Reviewed)
<b>Cash and cash equivalents at beginning of period</b>	<b>124,111</b>	<b>144,179</b>	<b>78,200</b>
Cash flows from operating activities	83,204	58,979	22,984
Cash flows from investment activities	(13,864)	(5,390)	32,276
Cash flows from financing activities	(22,148)	(41,094)	(11,178)
<b>Cash and cash equivalents at end of period</b>	<b>171,303</b>	<b>156,674</b>	<b>122,282</b>

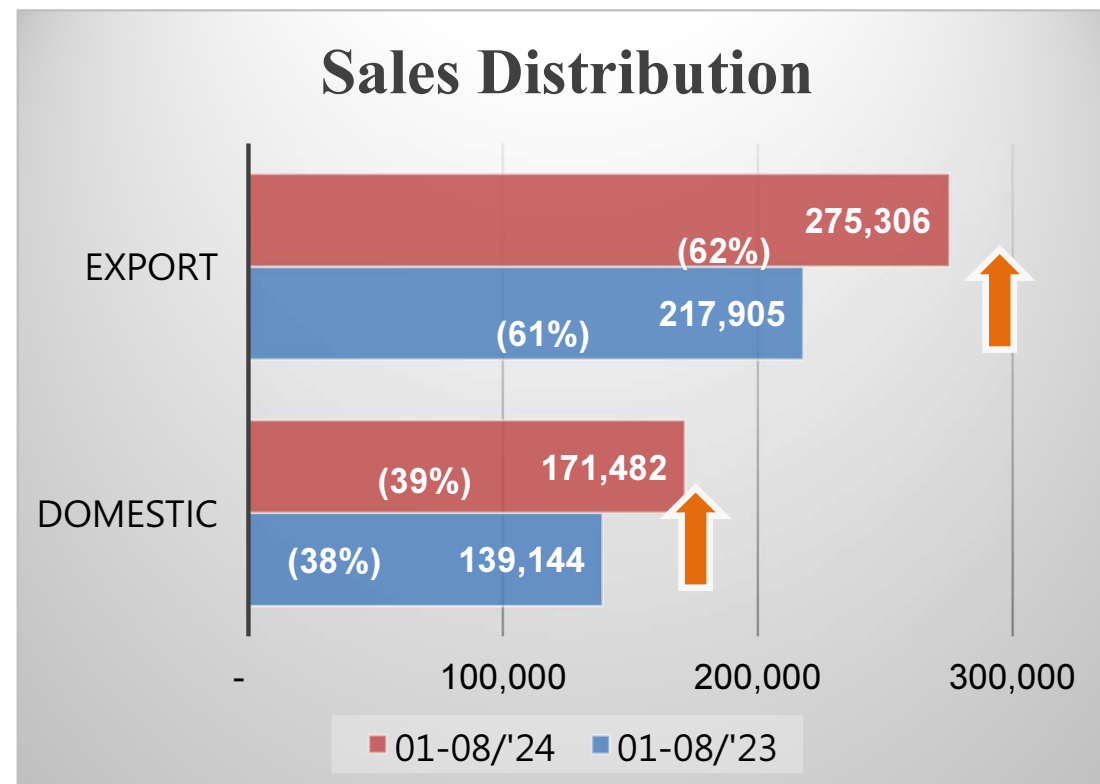
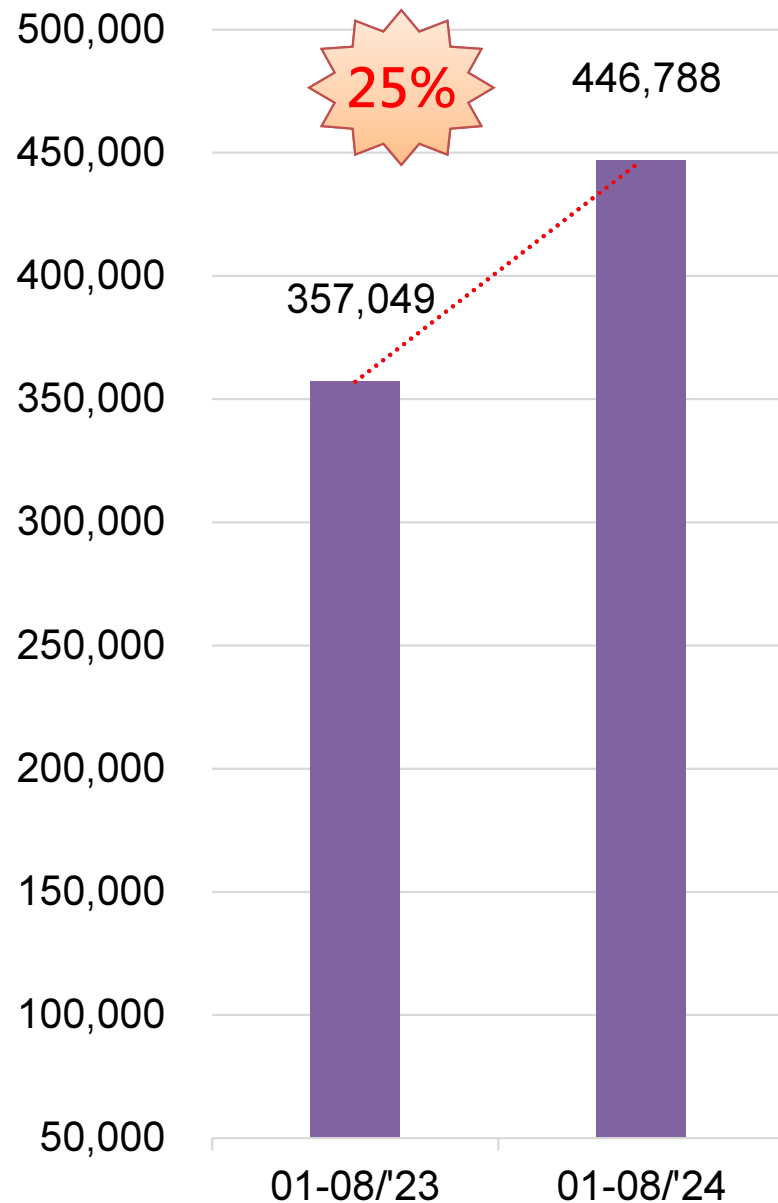
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# Jan.-Aug. Operating Revenue (2023 VS 2024)

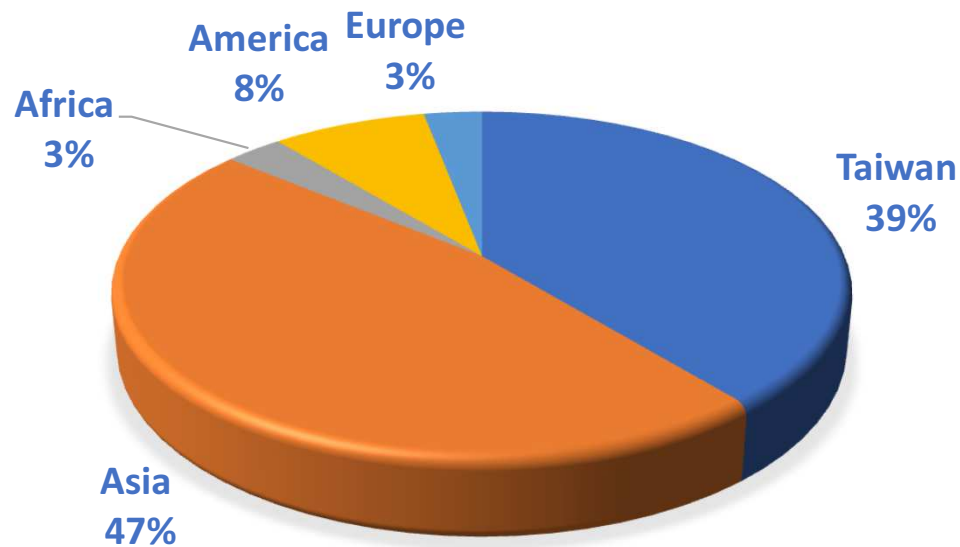
(In Thousands of New Taiwan Dollars)



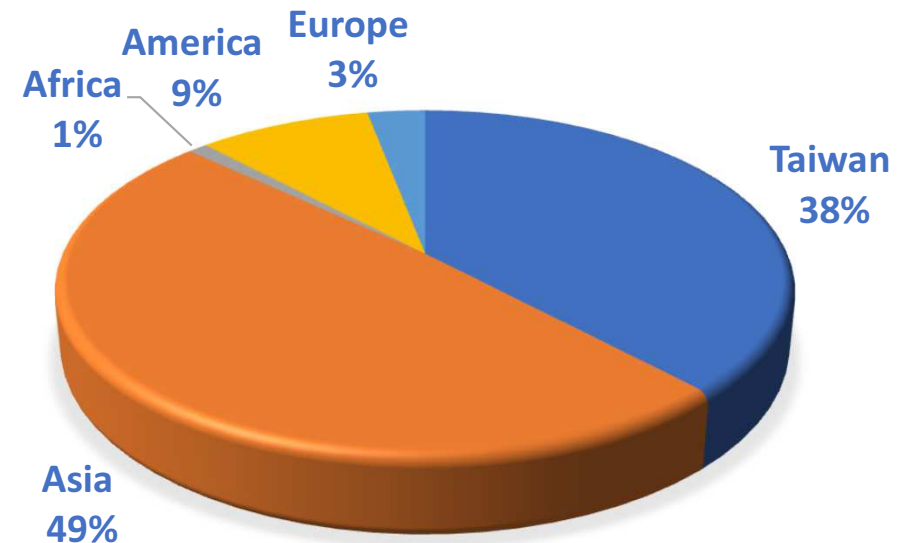
# Globe Market distribution

Period: Jan. – Aug. of 2023/2024

Jan.-Aug. 2023



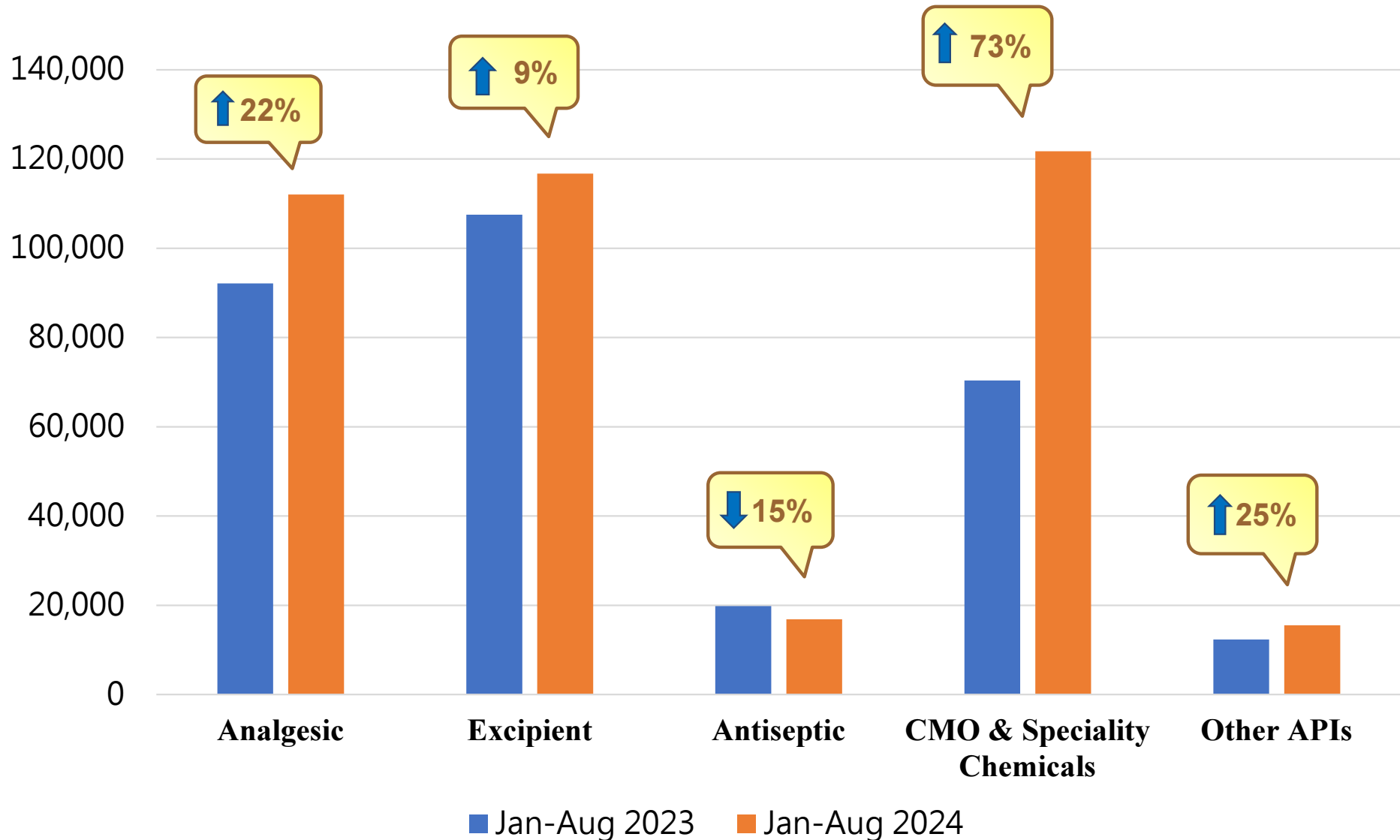
Jan.-Aug. 2024



	Jan.-Aug. 2023	Jan.-Aug. 2024	Difference
Taiwan	39%	38%	-1%
Asia	47%	49%	2%
Africa	3%	1%	-2%
America	8%	9%	1%
Europe	3%	3%	0%

# Product Analysis

Period: Jan. – Aug. of 2023/2024  
(In Thousands of New Taiwan Dollars)



## GLOBE

- Starting from the second quarter of 2024, international pharmaceutical companies have successively released financial reports, clearly showing sales growth. In various sectors, including cardiovascular, immunology, oncology, medical devices, diagnostics, and new drugs, there have been outstanding performances. The global venture capital market has seen a significant rebound, with major investments in global healthcare reaching USD 14.7 billion in the first half of 2024, a 65% increase compared to the second half of 2023 (Note 1).
- Taiwan's pharmaceutical industry has also experienced growth with an increase in the number of new drug launches and domestic generic drug companies obtaining foreign generic drug approvals. The industry's revenue in 2023 was NT\$129.1 billion, an increase of approximately 34.34% compared to 2022 (Note 2).
- Taiwan's API manufacturers primarily derive their revenue from overseas sales. They not only collaborate with international pharmaceutical companies to develop generic drugs but also engage in new drug research and production, holding a significant position in the global market.

## YUNG ZIP CHEMICAL

- As operational costs in the manufacturing industry, both domestically and internationally, continue to rise, along with challenges posed by international energy and raw material prices making supply chain stability difficult to maintain, Yung Zip Chemical has demonstrated our resilience. Yung Zip Chemical remains committed to serving global clients, maintaining stable supply, and delivering high-quality products.
- Through long-term collaboration with new drug companies, Yung Zip Chemical engages in the research, development, and production of APIs, establishes formulation plants, and promotes pharmaceutical formulations, deepening its presence in local markets. This will pave the way for Yung Zip Chemical to diversify its growth path in the pharmaceutical industry, becoming the ideal partner for new drug companies from the R&D phase to commercial production.



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## FIVE MAIN STRATEGY

GOAL

### Current process optimization And ESG process development

- Improve the manufacturing process of current products.
- Manufacture intermediates to control key technology.
- ESG Sustainable Development Goals: Focusing on recycling process design to reduce carbon emissions.

### Development of APIs

- Explore the products with high gross profit or with less competitors to increase the flexibility and diversify of the production application.
- Establish collaboration relationship with preparations company to develop the new drug which is nearly expired, in order to take the preemptive opportunities in the market.

### Development of clinical new drug

- Cooperate with brand drug companies in process development and registration of APIs which is in the phases of clinical.
- Produce the clinical trial drug under GMP requirement

### Expand CDMO&CMO business

- Increase the CMO, CDMO business development of APIs, intermediates, and speciality chemical.
- Cooperate with customers to register new drug and support customers with full site of CMC and CTD.

### Development of Speciality Chemical

- Open up the speciality chemical market between Japan and Taiwan.
- Cooperate with the customers to integrate upstream and downstream market to stabilize the supply

# Research and Development Project



## ● API

Progress	Product	Indication	Target market	*Global market scale (USD)	*Global market scale (KG)
<b>Process Validation Completed (Customer During Sample Test)</b>	<b>SBT</b>	Heart failure treatment	US/CN	8,545 M	192,104
	<b>EDV</b>	Amyotrophic lateral sclerosis	US	570 M	945.1
	<b>MRG</b>	Overactive bladder	JP/US	3,327 M	54,622
	<b>ZPT</b>	Insomnia	JP/US	648 M	34,817
	<b>RVB</b>	Anticoagulant	JP/US	13,478 M	64,625
	<b>PLC</b>	Local anesthetic(injection)	JP/CN	232 M	14.653
<b>Validation</b>	<b>PLB</b>	Local anesthetic(external)	JP/CN		
	<b>TOP</b>	Hyponatremia	JP/US	957 M	1,688
Pilot-scale	<b>DAT</b>	Chronic Kidney Disease(CKD)	US/JP	66.1 M	151.8
	<b>CPS</b>	Myocardial infarction	TW	2216 M	1,014,270
	<b>RCG</b>	Pulmonary arterial hypertension	JP/US	367 M	42.2
	<b>VBG</b>	Overactive Bladder	US/JP	985 M	16,691
	<b>UDT</b>	Rheumatoid Arthritis	US/JP	6,541 M	1,339
<b>Make-to-order period</b>	<b>VY01</b>	Kidney Disease	CN/US	-	<b>CDMO</b>

## ● Speciality Chemicals & Pharmaceutical Ingredients

Progress	Product	Indication	Area	Quantity (KG/YEAR)
Process Development Completed (Make-to-order period)	TX06	Speciality chemical	TW/JP	240
	TX07	Speciality chemical	TW/JP	2,000
Process Development Completed (Customer during Sample Test)	TX04	Speciality chemical	TW/JP	500~1,000
	TX08	Speciality chemical	TW/JP	1,500
Process Development Period	HBP	Pharmaceutical ingredient	TW/JP	200
	AIP	Pharmaceutical ingredient	TW/JP	200
	HBO	Pharmaceutical ingredient	TW/JP	50

**Thank you for your attention !**

# Q & A