



Corporate Presentation

November 2020



YOUR SAFETY, OUR CONCERN

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Company Overview

Leading PPE and Hospital Service Provider



USA

China (1)

Taiwan (2)

Cambodia (9)

Philippines (2)

Singapore

Key Operation Site

Sales & Marketing Office

Established since 1989 in Philippines

Listed on SGX in 1999 and TSE (TDR) in 2002

~7,500 employees worldwide

Export to > 30 countries

Key non-China based PPE (1) Supplier

Key Partner, TW & SG National Stockpiling

Market Cap (2)	S\$729.2m
9M20 (3) Revenue	US\$287.2m (4)
9M20 Net Profits	US\$84.6m (5)

(1) Personal Protective Equipment

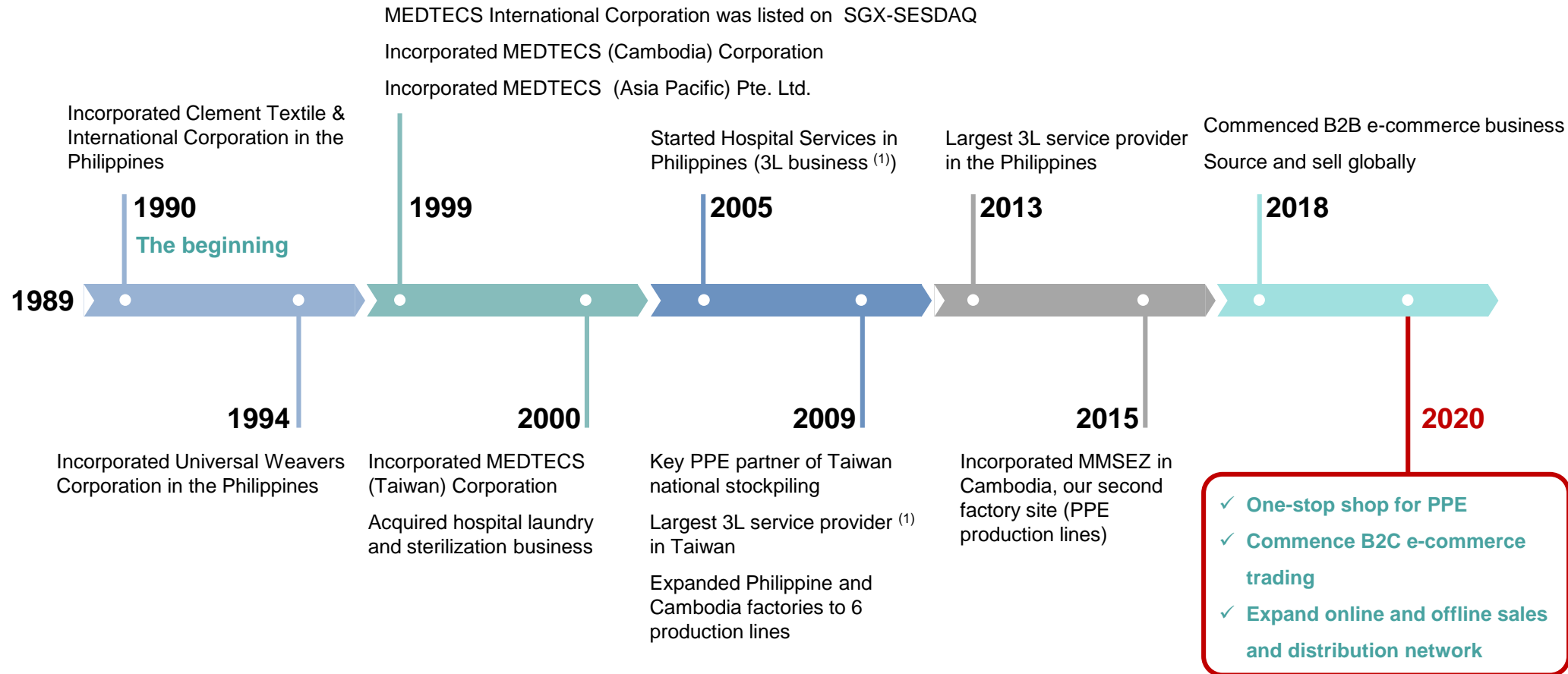
(2) Calculated based on 343,879,740 shares traded on SGX multiplied by SGX closing price, and 205,531,500 TDRs traded on TSE multiplied by TSE closing price, as at 3 November 2020, at an exchange rate of SGD1: TWD 21.0.

(3) Nine months period ended 30 September 2020.

(4) The 9M20 figures are based on the latest unaudited consolidated management accounts.

(5) The 9M20 figures are based on the latest unaudited consolidated management accounts.

Key Development Milestones



(1) 3L refers to the provision of (i) leasing linens, (ii) laundry services, and (iii) logistics support services to hospitals



Manufacturing & Hospital Services



Manufacturing

Produce mixed variety of:

- **Personal Protective Equipment (PPE)**
 - Medical consumables
 - Disposable masks
 - Coveralls
 - Isolation gowns
- **Workwear**
- **Linen**
- **Medical Devices**

Overview of Production Facilities



14

Factories



100+

Production lines



6,500+

Skilled workers

Production Capacity

Medical masks

pcs / month

80.0 million

PE gown

8.0 million

Ultrasonic isolation gown

4.0 million

Isolation gown (with tape)

4.0 million

Coverall (with tape)

2.0 million

Workwear

0.5 million



Hospital Services

Provide integrated 3L services to hospitals in Taiwan and Philippines:

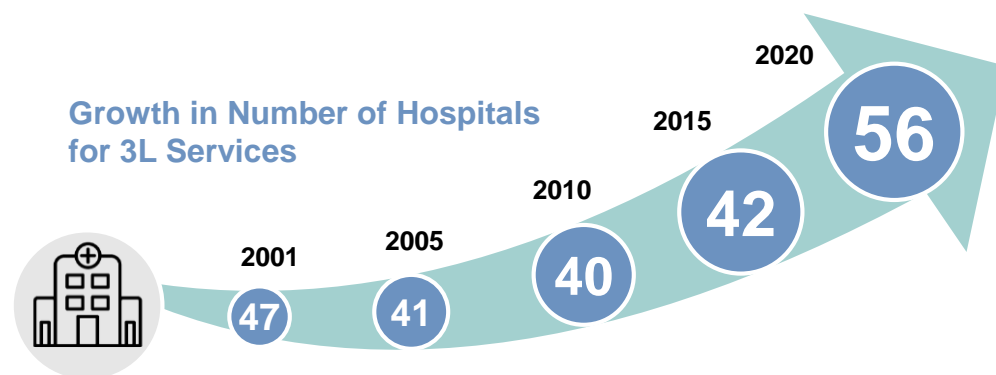
- Lease of linen
- Laundry services
- Logistics support



One-stop vendor to hospitals

- Supply PPE, medical supplies & consumables
- Target hospitals that engage Medtecs for 3L services
- Supply to > 200 hospitals in Philippines and Taiwan

Growth in Number of Hospitals for 3L Services



Trading & Distribution

Local Market Penetration

- Participate in bidding for projects in relation to linen-related products
- In 2020, start selling through large pharmaceutical chainstores of Medtecs-branded products in Taiwan and the Philippines

E-Commerce Business

- Established platform for B2B and B2C sales
- Sales through major e-commerce platforms including Alibaba, Amazon and Lazada
- Medtecs Express: Factory-to-door services to retail clients worldwide

Warehousing and Logistics

- Distribution centres located in Japan, US, Canada and Europe for global stockpiling



Highlights in Taiwan

PChome 線上購物!



42
Hospitals



100
Corporate clients



400
Pharmaceutical stores



6,000
Convenience stores



Highlights in Philippines

mercury drug

Lazada

TGP

southstar drug

200
Hospitals



30
Corporate clients



3,000
Pharmaceutical stores



2,000
Chainstores



Experienced and Reputable Management Team



Clement Yang

*Founding Chairman
Medtecs Group*

- Founder of Medtecs
- >30 years experience in healthcare and medical consumables sectors
- Chairman of Chinese International Economic Cooperation Association (CIECA), Cambodia and Philippines
- Founding Chairman of Confederation of Philippine Manufacturers of PPE (CPMP)



William Yang

*Chief Executive Officer and Executive Director
Medtecs Group*

- Joined the group in 2005
- Previously the General Manager of Medtecs (Taiwan) and was appointed to his current role as Group CEO in 2018



Sherry Chen

*Chairperson
Medtecs Taiwan*

- Joined the group in 2016
- Previously worked for Taiwan Financial Holdings Group for 38 years in areas including banking, finance, and life insurance, and served as Chairperson for BankTaiwan Life Insurance in her last 4 years with the Group



Wilfrido Candelaria Rodriguez

*Chief Financial Officer
Medtecs Group*

- Joined the group in 1997
- Qualified as a CPA in Philippines
- Previously VP for internal audit since 1999 and was appointed to his current role as CFO in 2008



Larry Kao

*Country Manager
Medtecs Cambodia*

- Joined the group in 2000
- Previously VP of Subic Bay Development & Management Center (SBDMC) in the Philippines before being appointed as country manager of Medtecs Cambodia



James Lin

*Head of Group
Management Office*

- Joined the group in 2017
- More than 20 years of experience in financial sector and strategic planning



Key Competitive Strengths

Key Competitive Strengths



01

Well-positioned to ride on paradigm shift in PPE demand

02

Strategic National Stockpiling Partner

03

Diversified Regional Production Facilities

04

Scalable and Sustainable Business Model

05

Worldwide Distribution Capabilities

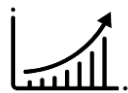
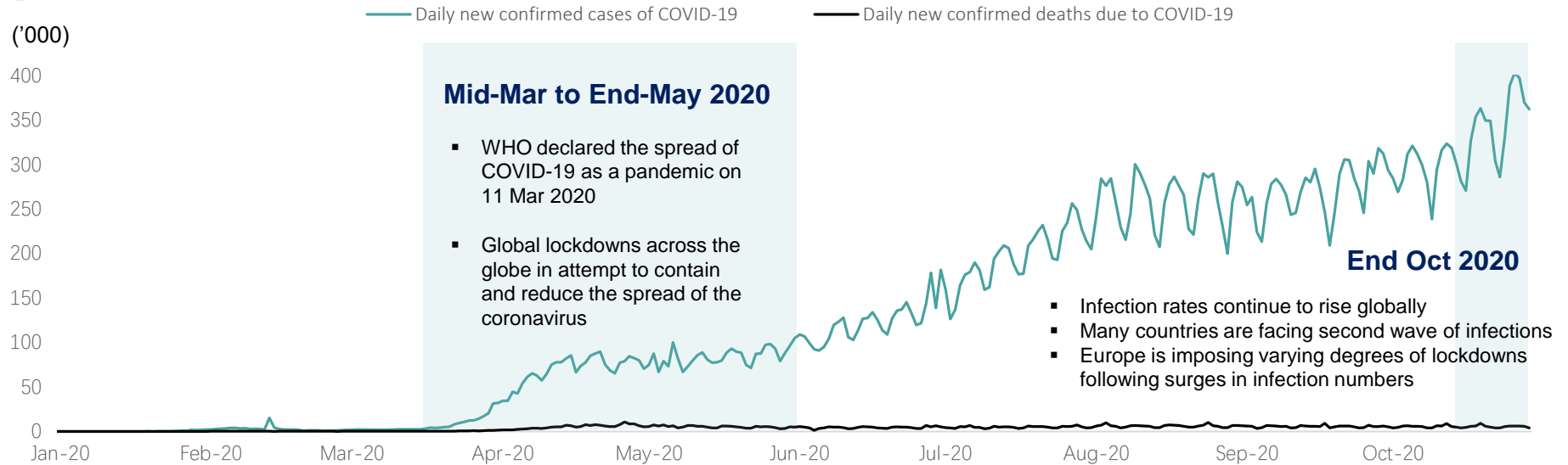
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Excellent and Strong Operating Track Record



01

Well-positioned to ride on paradigm shift in PPE demand arising from COVID-19



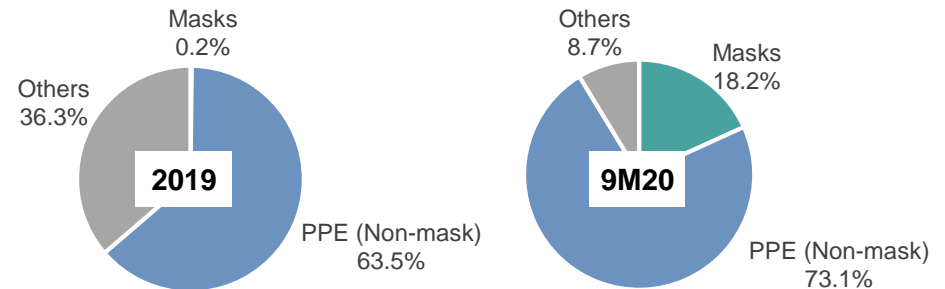
Demand for PPE reached historic heights in 2020, and is expected to grow at **CAGR of 7.8%** to 2025

Face mask wearing is likely a new normal after Covid-19 pandemic to prevent other disease spread



Increased awareness by governments on importance of stockpiling in case of supply shocks

Shift in consumer demand and behaviour evidenced by Company's revenue breakdown by product type (excluding 3L)



Sources: Our World in Data, based on data extracted on 29 October 2020

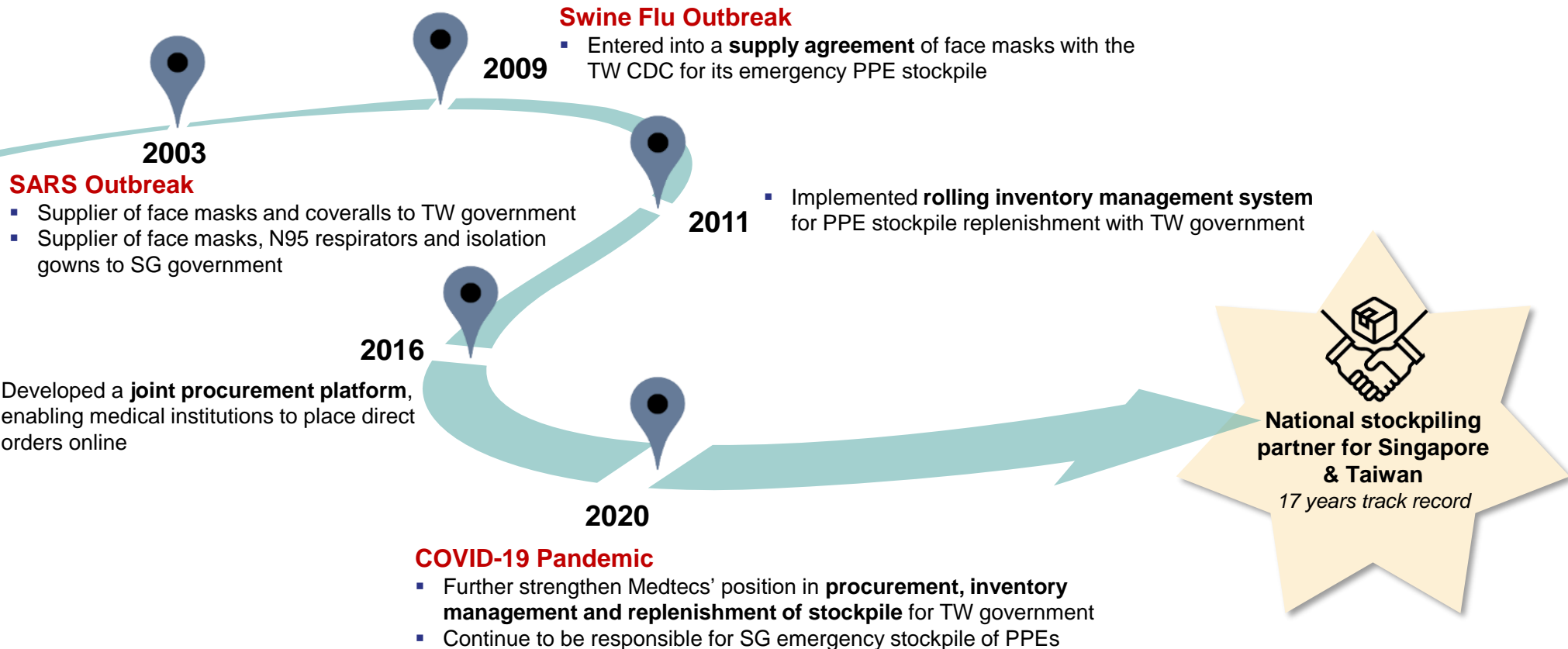
World Economic Forum, <https://www.weforum.org/agenda/2020/07/covid-19-has-underlined-the-importance-of-stockpiling/>

IndustryWeek, <https://www.industryweek.com/the-economy/trade/article/21140720/the-us-can-break-its-dependence-on-the-asian-ppe-supply-chain>



Strategic National Stockpiling Partner

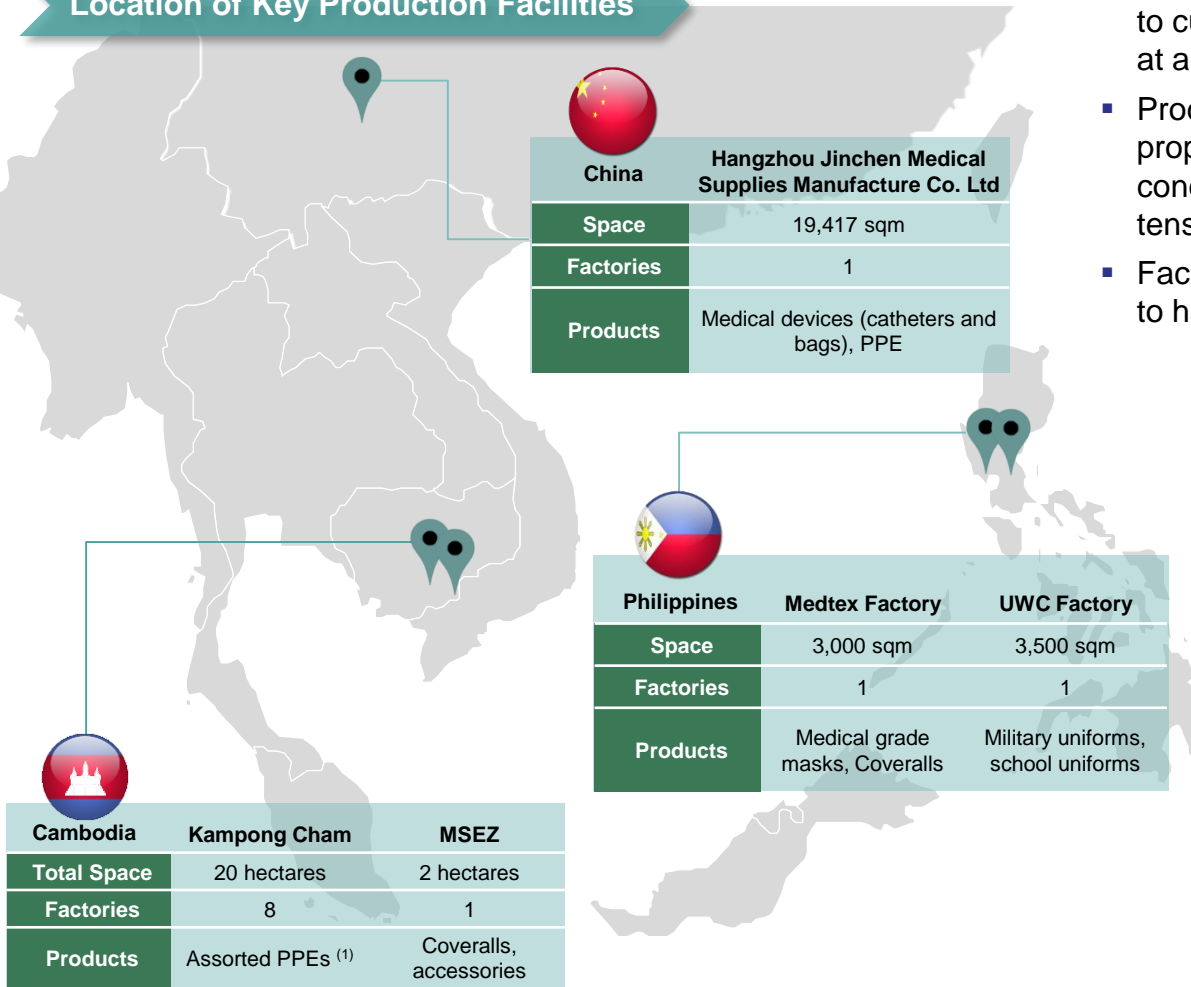
- Progressed from a single product supplier to stockpiling partner



03

Diversified Regional Production Facilities

Location of Key Production Facilities



- Multiple production sites ensure continuity of supply to customers in the event of supply chain disruption at a location
- Production outside China provides compelling proposition for customers seeking to reduce supply concentration risks to China and navigate geopolitical tension
- Facilities in Philippines and Cambodia allow Medtecs to have competitive edge in:
 - Duties and tariff reduction for export to GSP countries
 - Supplying products to US buyers with TAA-approved⁽²⁾ status for Cambodia
 - Competitive production costs

Certifications obtained for factories



(1) Includes isolation gowns, coveralls, shoe covers, aprons, dust proof clothing/flight suits, accessories, workwear and uniforms.

(2) Trade Agreement Act

Scalable and Sustainable Business Model



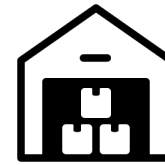
Global Source and Sell

- Network of reputable suppliers
- Leverage on production capacities of suppliers to meet surge in demand without incurring more capex
- Consolidation of customers' demand allows Medtecs to have higher purchasing power in negotiation with suppliers



E-commerce Platforms (B2B + B2C)

- Worldwide delivery with presence on global platforms such as Alibaba, Amazon and Lazada
- Distribution centres located in Japan, US, Canada and Europe allow expedient fulfilment
- Extensive reach to acquire new customers: In 9M2020, 18 out of 31 new customers (for sale contributions >US\$1m) were acquired via e-commerce platforms



National Stockpiling

- Key partner to the national stockpiling of Taiwan and Singapore
- Potential long-term partner and supplier to governments worldwide given the importance of stockpiling for sufficiency

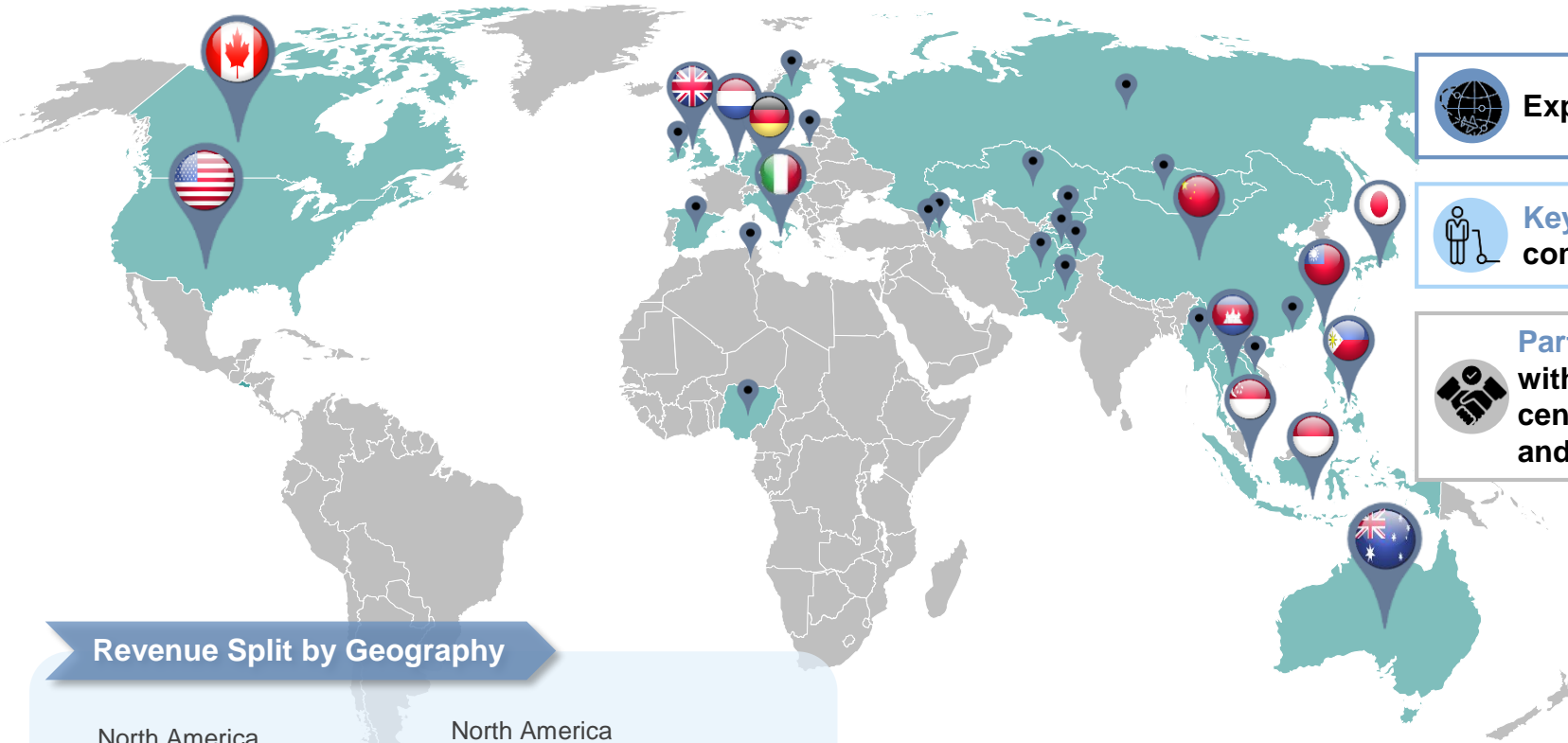


One-stop Shop Supplier to Hospitals

- Leveraging on 3L services to hospitals, Medtecs has expanded into supplying PPEs to those hospitals, with plans to further expand into supplying medical devices to the hospitals

05

Worldwide Distribution Capabilities

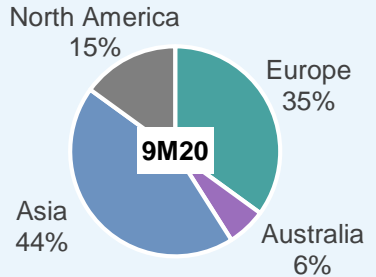
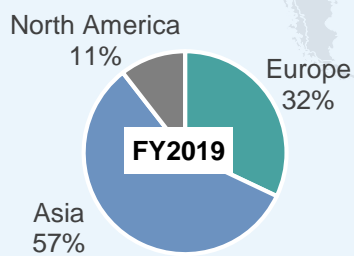


 Export to >30 countries

 Key supplier to global PPE companies for decades

 Partnership with DHL / Fedex with multiple distribution centres in Japan, US, Canada and Europe

Revenue Split by Geography



B2C worldwide sales via e-commerce platforms including:



Excellent and Strong Operating Track Record

Operational excellence with industry recognition awards

30 years in PPE industry



2019

Cross-border e-Commerce Enterprises

SILVER AWARD



Taiwan

2018

Top 10 B2B E-Commerce Companies Competition

CHAMPION



2016

Authority of the Freeport Area of Bataan 4th Annual Stakeholders' Night

TOP EXPORTER AWARD

Long-standing relationship with key customers

Supplier to the largest overall provider in the world

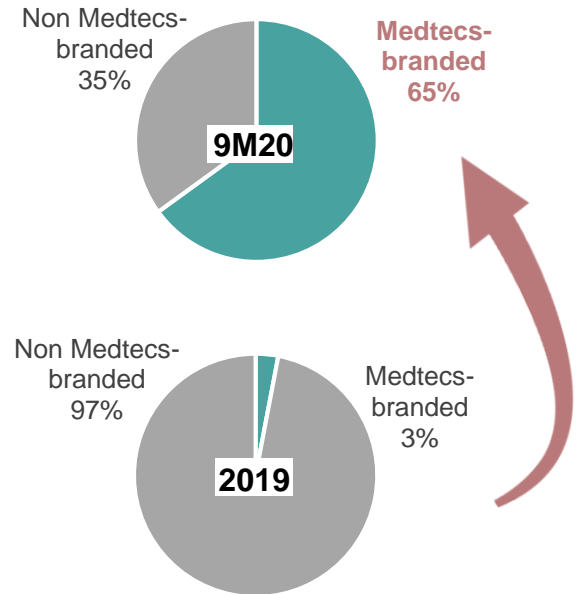


SMS AMBASSADORS CORP.



Niche positioning of global OEM with progression to own brand product offerings

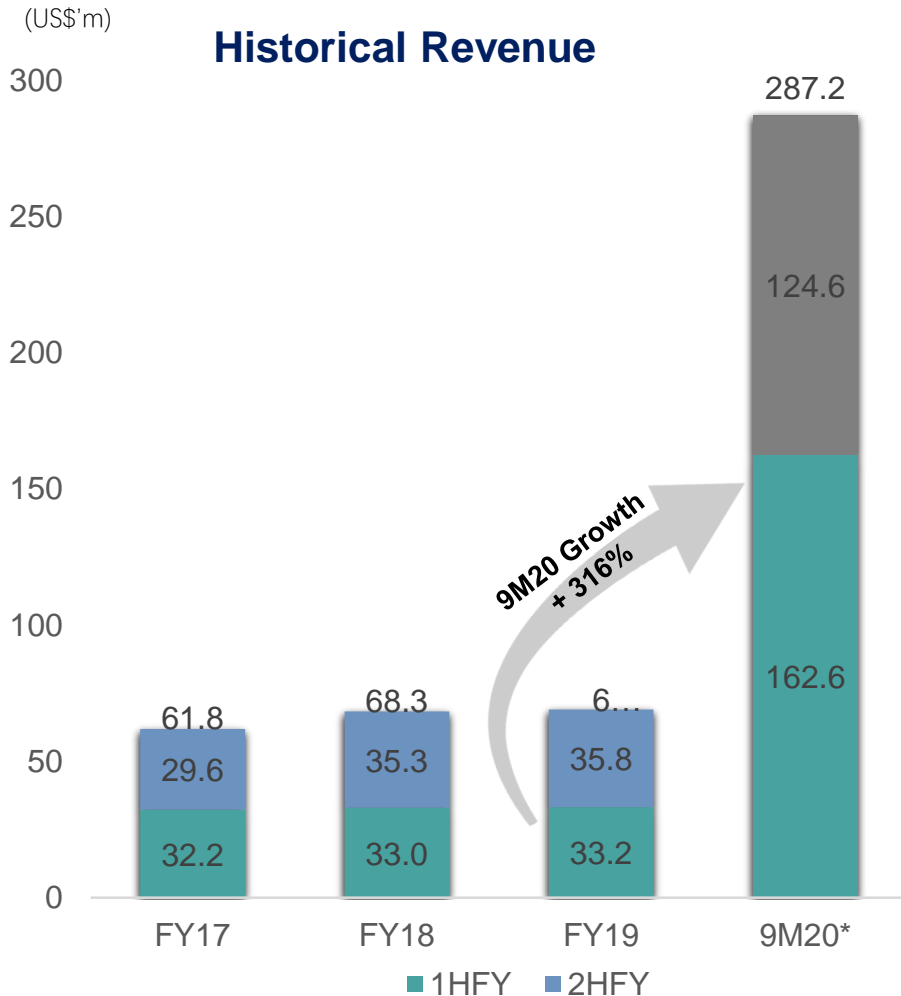
Increase in proportion of Medtecs-branded products compared against 2019:



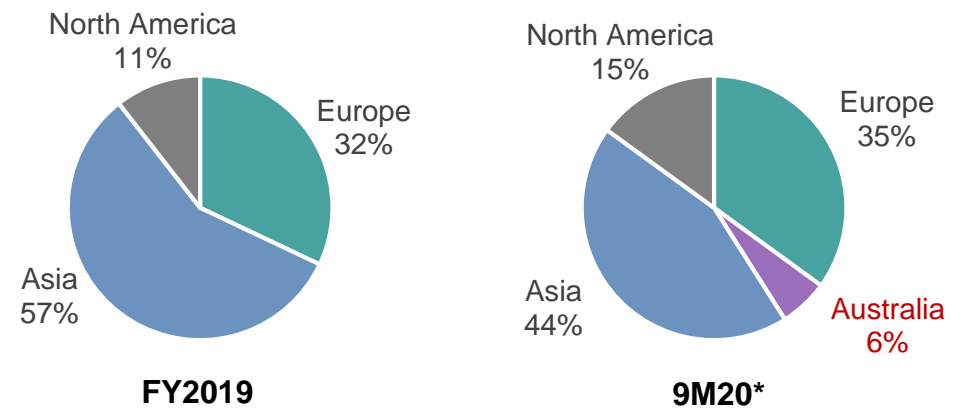
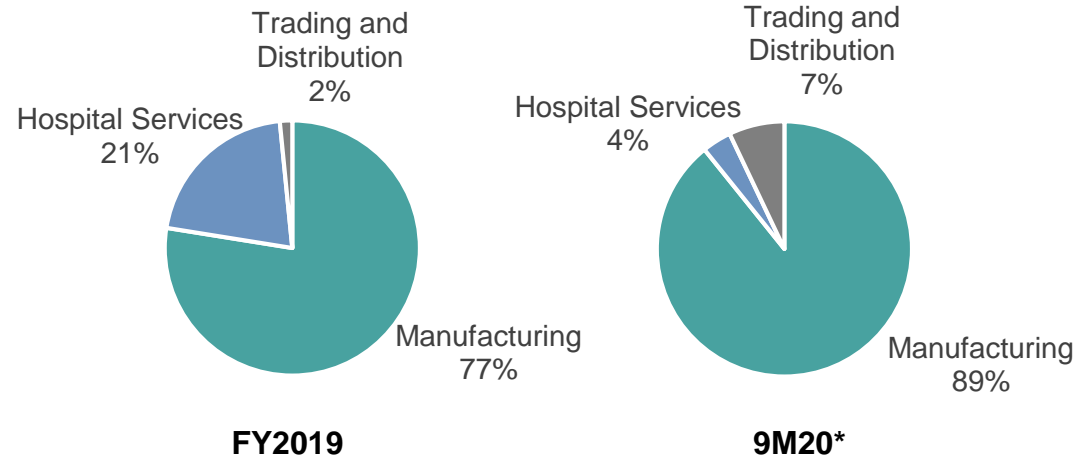


Financial Highlights

Revenue surged in 9M20 following increased demand of PPE and disposable surgical masks



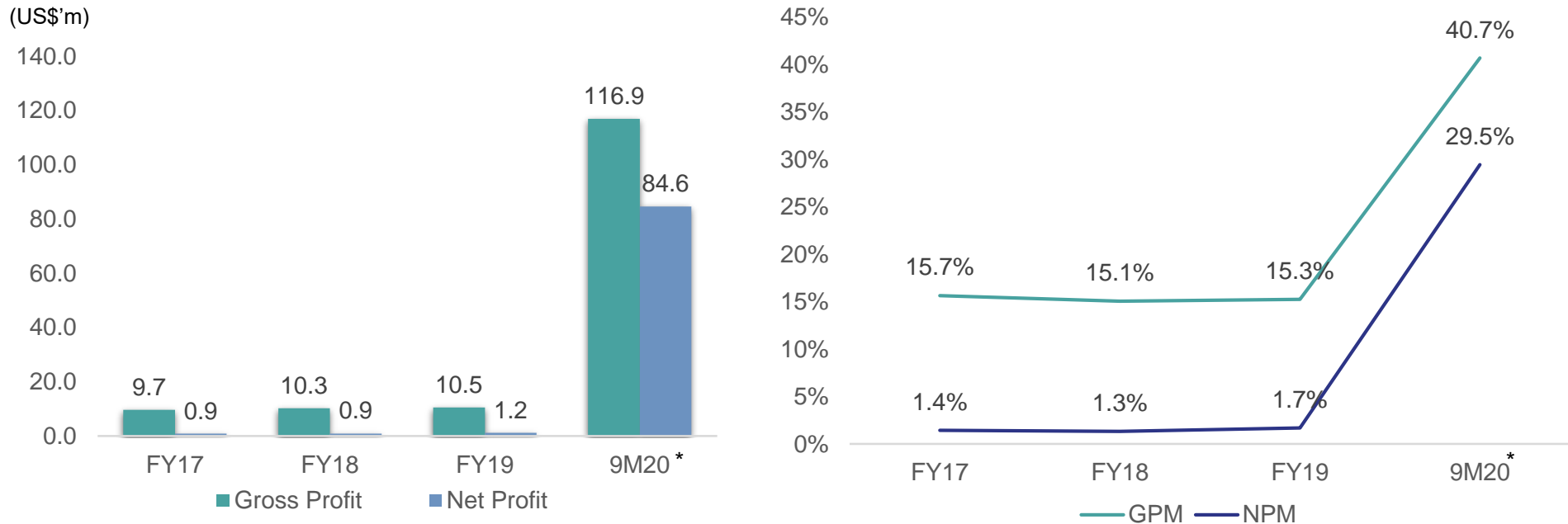
Revenue Breakdown by Business Segment and Geography



* The 9M20 figures are based on the latest unaudited consolidated management accounts.

9M20 marked significant profit spikes and margin expansions

Historical Profits and Margins



- Expanded profit margins in 9M2020 arising from economies of scale, higher proportion of sales of Medtecs-branded products, and higher average selling prices of PPE.
- There has been an increase in long term and recurring orders with average selling prices (ASP) of PPE peaking in April 2020 in light of global shortages. While ASPs have come down from the peak, profit margins are expected to remain high (compared to previous years) given the increased sales of our own branded products which enjoy higher margins.
- 53% of OPM 9M2020 revenue was contributed by new customers.
- The supply of raw materials has also stabilized in 9M20*, which resulted in a lower and more stable cost for production.

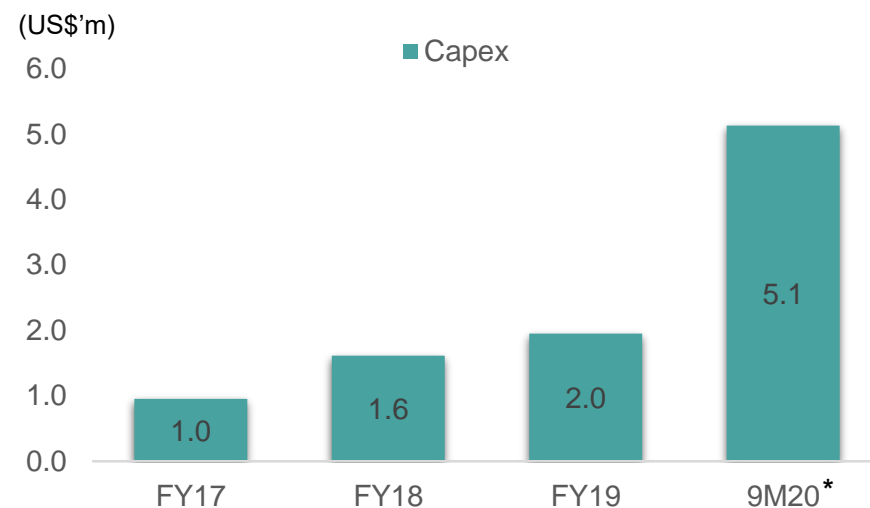
* The 9M20 figures are based on the latest unaudited consolidated management accounts.

Financial Position

Balance Sheet Highlights

(US\$'m)	As at * 30 Sep 20	As at 31 Dec 19
Cash and bank balances	34.9	3.1
Inventory	24.5	37.8
- Inventory days	39	237
Account Receivables	68.1	13.3
- AR days	65	71
Account Payables	5.6	3.8
- AP days	9	24
Key Ratios		
Debt / Equity (x)	0.2x	0.7x
Net Debt / Equity (x)	n.m.	0.7x

Capex Increase – To ramp up capacity to meet surging demand



(US\$'000)	9M20 *	9M19
Cashflow from operating activities	60,997	4,883
Cashflow from investing activities	(7,318)	(2,782)
Cashflow from financing activities	(21,819)	(1,266)
Net cash (outflow)/inflow	31,860	835

* The 9M20 figures are based on the latest unaudited consolidated management accounts.



The Future - Transformation

Manufacturing



OEM
1989 -2019

OPM
2020 - Present

Brand Franchising
Future



Hospital Services

3L 1989 -2019

3L+PPE 2020 - Present

Future

Leasing linens



Laundry services



Logistics support services



Global Procurement Platform



Trading & Distribution

Past

1989 -2019



B2B



B2G

Present

2020 -

Online + Offline



B2B



B2G



B2C

Factory-to-Door Delivery

Future



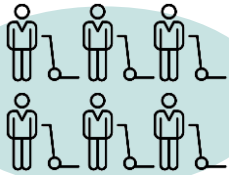
Global
Stockpiling

Global Stockpiling – WHY MEDTECS ?



Medtecs' production facilities

Supply manufactured products



Network of reputable suppliers

Medtecs' network of suppliers allows for increase in supply to meet demand increases



Global Stockpiling

- Global distribution centres in Japan, US, Canada and Europe
- Global orders fulfilled by Medtecs' worldwide distribution and logistics network



End Customers (B2C)

- Continuous needs from customers generate sustainable demand, providing the regional stockpile an opportunity to turn over its inventory



Institutions (B2B)

- Key supplier to global PPE companies
- Insurance services for supply of products can be offered to institutions with adequate supply of inventory held at the regional warehouses



Governments (B2G)

- National stockpiling services provided to governments for times of need
- On-going replacement of old stockpile as part of Medtecs' inventory management
- Insurance services for supply of products can be offered to governments with the adequate supply of inventory held at the global warehouses



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Taiwan

<http://www.medtecs.com/>



Appendix

Selected Consolidated Statement of Profit or Loss and Other Comprehensive Income

(US\$'000)	9M20*	2019	2018	2017
Revenue	287,199	68,977	68,304	61,826
Cost of sales and services	<u>(170,315)</u>	<u>(58,446)</u>	<u>(58,020)</u>	<u>(52,148)</u>
Gross Profit	116,884	10,531	10,284	9,678
Other items of income				
Other income - net	711	759	449	242
Financial income	24	209	111	13
Other items of expense				
Distribution and selling expenses	(10,987)	(2,600)	(2,683)	(2,673)
Administrative expenses	(9,385)	(4,896)	(4,977)	(4,538)
Financial expenses	<u>(1,333)</u>	<u>(2,486)</u>	<u>(1,998)</u>	<u>(1,767)</u>
Profit/(loss) before tax	95,914	1,517	1,186	955
Income tax expense	<u>(11,280)</u>	<u>(351)</u>	<u>(272)</u>	<u>(82)</u>
Net profit/(loss) for the year	<u>84,634</u>	<u>1,166</u>	<u>914</u>	<u>873</u>
Attributable to:				
Equity holders of the company	84,631	1,162	914	883
Non-controlling interests	<u>3</u>	<u>4</u>	<u>-</u>	<u>(10)</u>
Net profit/(loss) for the year	<u>84,634</u>	<u>1,166</u>	<u>914</u>	<u>873</u>
<u>Other comprehensive income/(loss)</u>				
Items that will be reclassified to profit or loss:				
Translation adjustments	492	319	(665)	104
Items that will not be reclassified to profit or loss:				
Remeasurement gains/(loss)		(243)	176	87
Total comprehensive income/(loss)	<u>85,126</u>	<u>1,242</u>	<u>425</u>	<u>1,064</u>

* The 9M20 figures are based on a preliminary assessment of the latest unaudited consolidated management accounts of the Company and its subsidiaries (the "Group") and are not based on any financial figures or information which have been audited or reviewed by the Group's auditors



Selected Consolidated Statement of Financial Position

(US\$'000)	9M20 *	2019	2018	2017	(US\$'000)	9M20 *	2019	2018	2017
Assets					Equity and liabilities				
Non current assets					Current liabilities				
Property, plant and equipment	20,993	19,170	21,600	23,410	Trade payables and other current liabilities	5,632	3,836	6,801	8,115
Investment properties	2,876	2,950	3,061	3,225	Term Loan (current portion)	1,878	387	2,185	1,039
Assets held for leasing	5,491	6,087	6,317	5,148	Trust receipts and acceptances payable	-	-	-	597
Right of use assets	5,184	5,441	-	-	Bank Loans	23,528	36,279	32,716	32,809
Goodwill	709	709	709	709	Income tax payable	13,702	900	1,097	1,499
Deferred tax assets	17	21	13	15		<u>44,740</u>	<u>41,402</u>	<u>42,799</u>	<u>44,059</u>
Other non-current assets					Net current assets/(liabilities)				
	<u>7,563</u>	<u>6,934</u>	<u>6,744</u>	<u>6,057</u>		<u>109,232</u>	<u>33,889</u>	<u>31,647</u>	<u>26,916</u>
	<u>42,833</u>	<u>41,312</u>	<u>38,444</u>	<u>38,564</u>	Non-current liabilities				
Current assets					Term loan	1,778	5,870	5,913	1,634
Inventories	24,460	37,844	33,850	34,312	Lease liabilities	3,226	3,563	-	-
Trade receivables	68,120	13,344	14,727	15,303	Deferred tax liabilities	206	213	202	202
Other current assets	21,532	16,103	17,088	16,975	Pension benefit obligations	-	927	585	721
Fixed deposits	4,930	4,930	4,260	2,654	Deferred lease income	-	38	43	-
Cash and bank balance	34,930	3,070	4,521	1,731	Other non-current Liabilities	1,808	-	-	-
	<u>153,972</u>	<u>75,291</u>	<u>74,446</u>	<u>70,975</u>		<u>7,018</u>	<u>10,611</u>	<u>6,743</u>	<u>2,557</u>
Total assets	<u>196,805</u>	<u>116,603</u>	<u>112,890</u>	<u>109,539</u>	Total liabilities	<u>51,758</u>	<u>52,013</u>	<u>49,542</u>	<u>46,616</u>
					Net assets	<u>145,047</u>	<u>64,590</u>	<u>63,348</u>	<u>62,923</u>
					Equity attributable to equity holders of the Company				
					Share capital	27,471	27,471	27,471	27,471
					Share premium	4,721	4,721	4,721	4,721
					Employee share options reserve	-	294	294	294
					Equity component of convertible bonds	-	267	267	267
					Revenue reserve	110,709	30,747	29,585	28,671
					Remeasurement gain (loss)	6	6	249	73
					Foreign currency translation	723	231	(88)	587
					Other reserves	394	(167)	(167)	(167)
						<u>144,024</u>	<u>63,570</u>	<u>62,332</u>	<u>61,917</u>
					Non-controlling interests	<u>1,023</u>	<u>1,020</u>	<u>1,016</u>	<u>1,006</u>
					Total equity	<u>145,047</u>	<u>64,590</u>	<u>63,348</u>	<u>62,923</u>
					Total equity and liabilities	<u>196,805</u>	<u>116,603</u>	<u>112,890</u>	<u>109,539</u>

* The 9M20 figures are based on a preliminary assessment of the latest unaudited consolidated management accounts of the Company and its subsidiaries (the "Group") and are not based on any financial figures or information which have been audited or reviewed by the Group's auditors



Selected Consolidated Statement of Cash Flows

(US\$'000)	9M20 *	2019	2018	2017
Net cash flows from operating activities	60,635	4,370	5,625	2,367
Net cash flows used in investing activities	(6,956)	(4,649)	(4,807)	(4,664)
Net cash flows from (used in) financing activities	<u>(21,819)</u>	<u>(1,172)</u>	<u>1,972</u>	<u>2,447</u>
Net increase (decrease) in cash and bank balances	31,860	(1,451)	2,790	150
Cash and bank balances at 1 January	<u>3,070</u>	<u>4,521</u>	<u>1,731</u>	<u>1,581</u>
Cash and bank balances at end of period	<u>34,930</u>	<u>3,070</u>	<u>4,521</u>	<u>1,731</u>

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