



CVC Technologies Inc.

CVC Technologies

Stock code: 4744

【Earnings call briefing】

Moderator : GM Kevin Chang

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- **CVC Technology was established in 2002 (the predecessor of CVC Company: K&K was established in 1979)**
- **OTC in July 2018**
- **Chairman: Mr. Leon Yen**
- **General Manager: Mr. Kevin Chang**
- **Asia headquarter: Taiwan, Taichung**
- **Employees:**
 - Taiwan: 200
 - with Subsidiaries: 280

Company background



1. Established CVC Technologies, Inc(CHINA).
2. Established CVC Technologies, Inc(USA).
3. National Award of Outstanding SMEs

Obtained the invention patent of "2-in-1 switchable bottle cap assembling device on the bottle body"

Obtained invention patents for "Multiple Tandem Check Valve" and "Linear Liquid Pressure Pump"

Distribute (CHANGSUNG) Softgel line

CE · CSA Certification

Moved the factory to No. 190, Gongye 9th Road, Dali District, Taichung City

OTC in Taiwan Stock market

2004

2008

2011

2014

2016

2018

2021

2002

2007

2010

2012

2015

2017

2019

2022

Established CVC Technologies

Collaboration with Cremer OEM Counting machine

ISO13485 Certification

Established CVCUSA east coast office

Development of "Label Manual Synchronous Pasting Machine"

Obtained the invention patent of "Feedback Automatic Seamless Compensation System"

1. Complete the development of a liquid filling machine, a powder filling machine and a bottle unscrambler + air washing machine2
2. Obtained ISO9001:2015 certification

1. Launched CVC625x4 High Speed Tablet Counter which was jointly developed with Cremer in the Netherlands
2. Developed high-speed cotton Inserter machine 1117H

Global distribution



■ Headquarters: U.S. Headquarters-California, U.S.

Asia Pacific Manufacturing Center-Taichung, Taiwan

■ Subsidiary: East Coast Office-New York, USA

Chinese subsidiary-Kunshan, China

India Office-Mumbai, India

■ 60+ distributors

● Headquarter ● Subsidiaries ● Partners



Certifications



Main customers reference



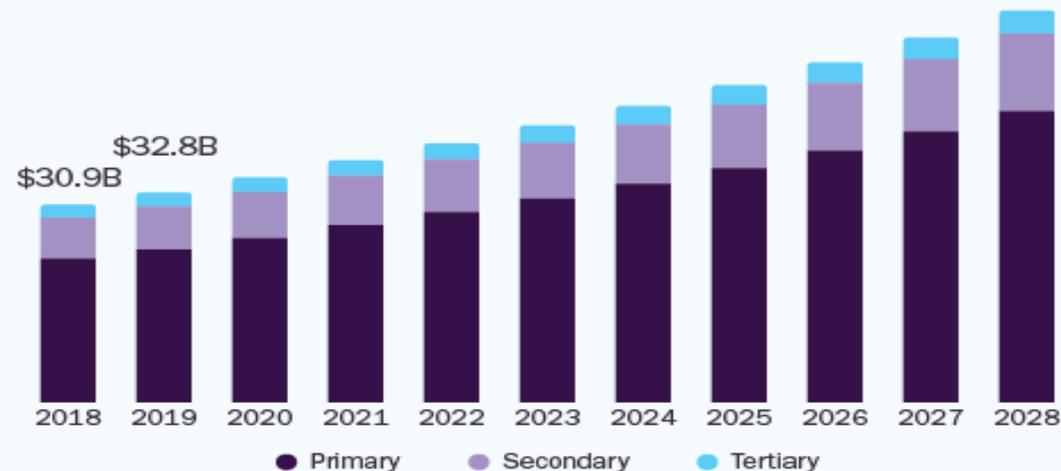
Types of pharmaceutical packaging

The most common types of **PRIMARY** pharmaceutical packaging types



U.S. Pharmaceutical Packaging Market

size, by product, 2018 - 2028 (USD Billion)



GRAND VIEW RESEARCH

7.2%

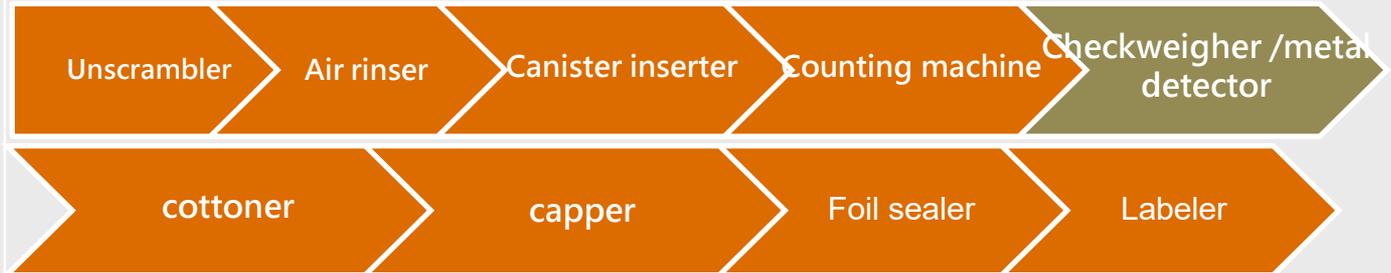
U.S. Market CAGR,
2021 - 2028

Source:
www.grandviewresearch.com

Products



Tablet/Capsule counting line

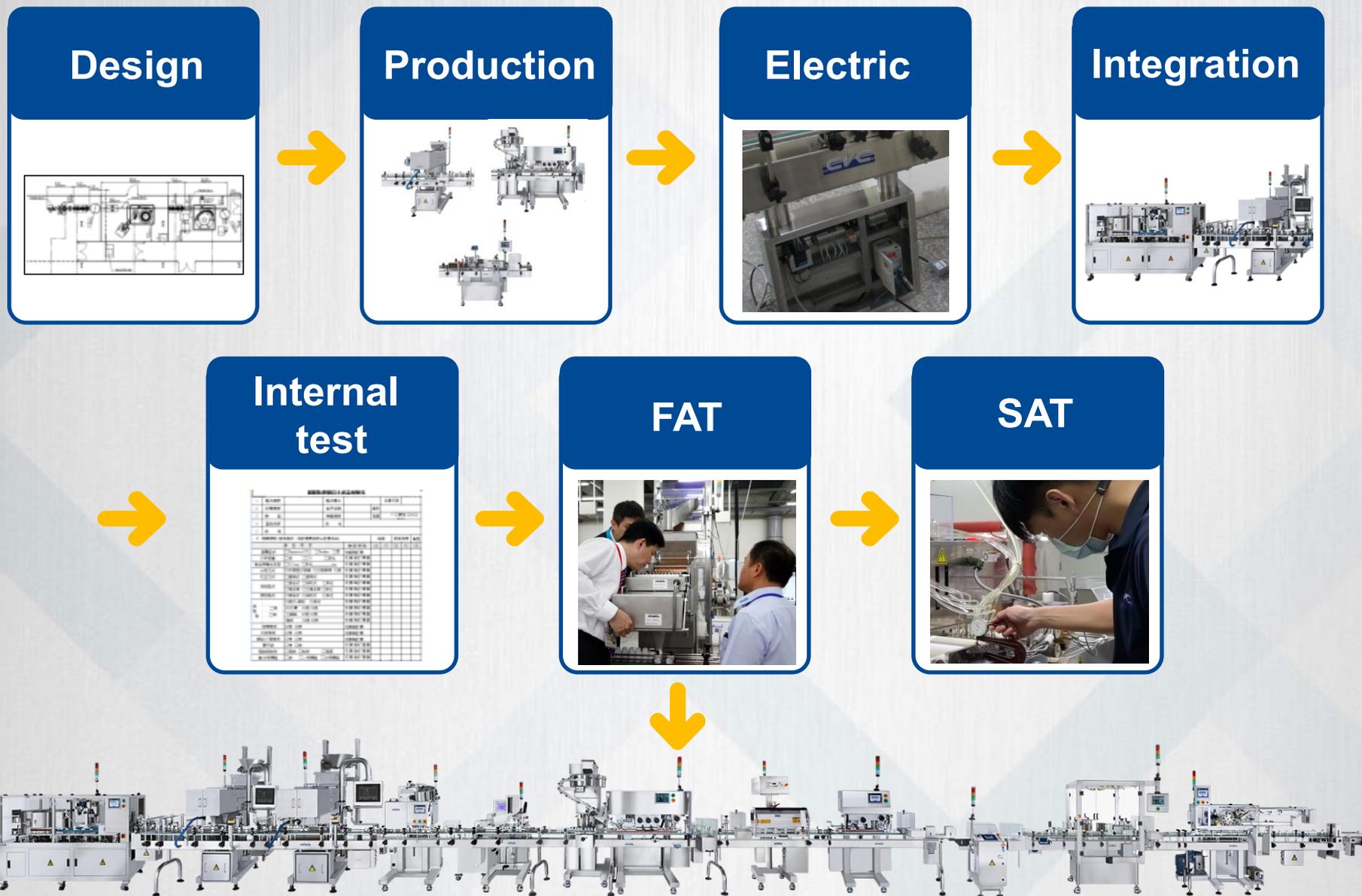


Powder filling packaging line



Liquid filling packaging line





■ Remote FAT inspection machine

Affected by the COVID-19 epidemic, it has changed to online FAT acceptance and shipment. It is predicted that after the vaccine is launched, the demand for production capacity in the pharmaceutical industry will increase significantly, and the growth of orders will rebound.

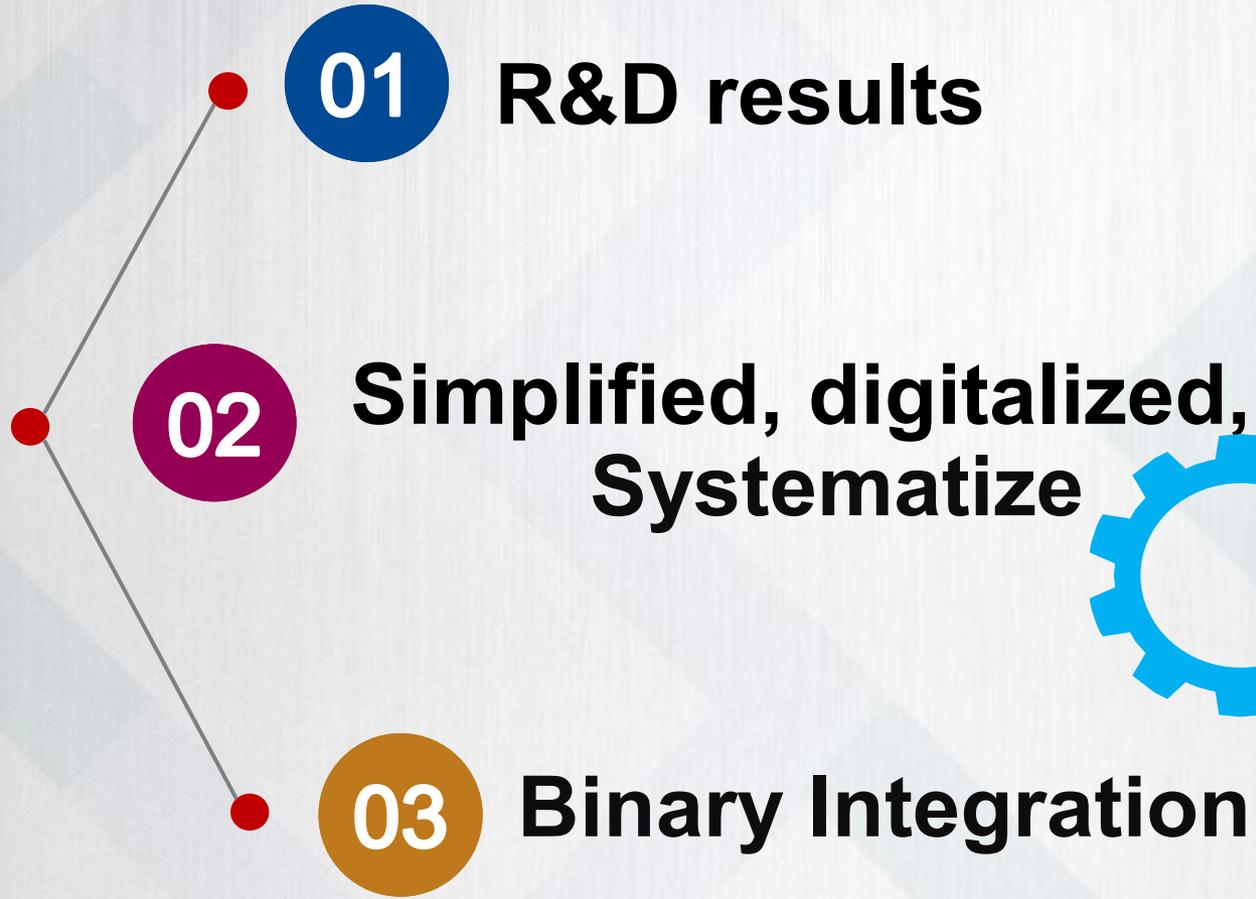


"Zero Touch" mode is activated !

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



	<p>Capsule/tablet counting machine</p>	
	<p>Weighing Machine / Metal Detector</p>	
	<p>Visual Image Inspection System</p>	
 <p>Sensor Intelligence.</p>	<p>Electronic control components</p>	
 <p><i>Ingenuity for life</i></p>	<p>Electronic control components</p>	
	<p>Pneumatic components</p>	



Press Capper



Desiccant Pouch Inserter



Cotton Inserter



In-Line Liquid Filler



Rotary Capper



2 in 1 (Liquid Filler + Rotary Capper)



Press Capper

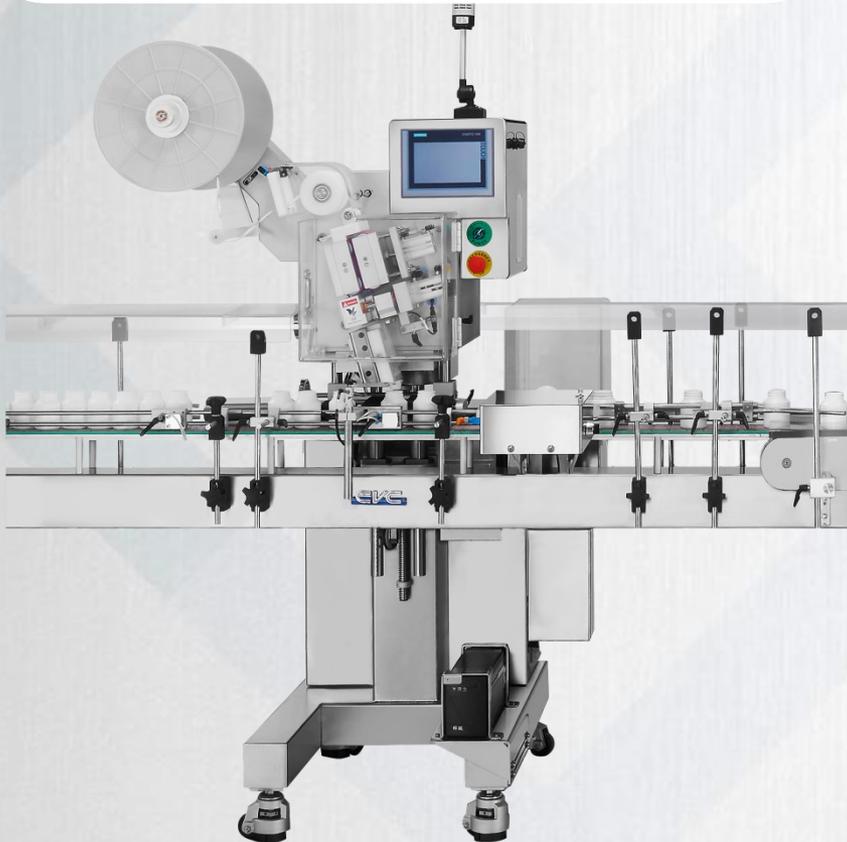


50-120 BPM

Press the child-resistant lid or measuring cup over the container

- Cap inspection (missing cap, crooked cap)
- On/off auto trigger.
- Siemens PLC control and HMI man machine interface.
- Dual clip bottle strap set.
- The bottle cap is continuously pressurized on the bottle mouth through the inclined capping belt.
- Adjust the height of the gland belt set through the hand wheel.

Desiccant Pouch Inserter

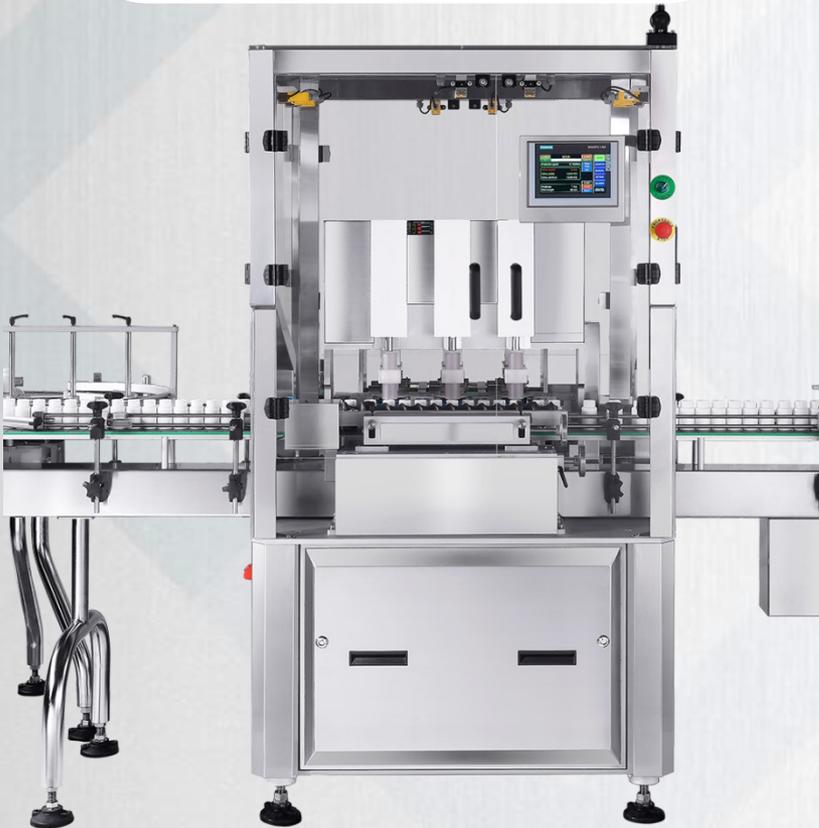


String package desiccant cutting accurate input

Touch screen HMI PLC control, easy to operate

- Reel low material level detection induction reminder.
- The servo screw is used to group the bottles to ensure the stability of bottle conveying during high-speed production, and it can also be switched to a bottle-stopping cylinder when running large bottles.
- Adjustable outlet height, suitable for various bottle heights.
- Special durable cutting blade.
- Bottle confirmation

Cotton Inserter



200 BPM

Simple and easy to operate, can be connected to the production line to maintain high production capacity

- 3 sets of cotton discharge heads.
- Storage and printing of reports such as production reports and alarm reports
- The discharge port is equipped with a discharge verification test to ensure accurate feeding
- Automatically detects incoming bottles, stuffs cotton only when there is a bottle, and automatically pauses when there is no bottle.
- The stainless steel body and CE safety cover can provide safety protection from external dust pollution, and can also reduce the operating noise of the machine
- Outlet verification (detection by optical fiber optic eye)

Bottle Unscrambler



Optimal assistance for high-speed production lines

- Silo low material level detection induction reminder.
- Precise and sturdy body design, built-in material storage space and bottle unscrambling turntable, not only saves space, but also greatly reduces the noise generated by the machine operation.
- CE safety shield can provide safety protection from external dust pollution
- Adjustable turntable

High-Speed Counter

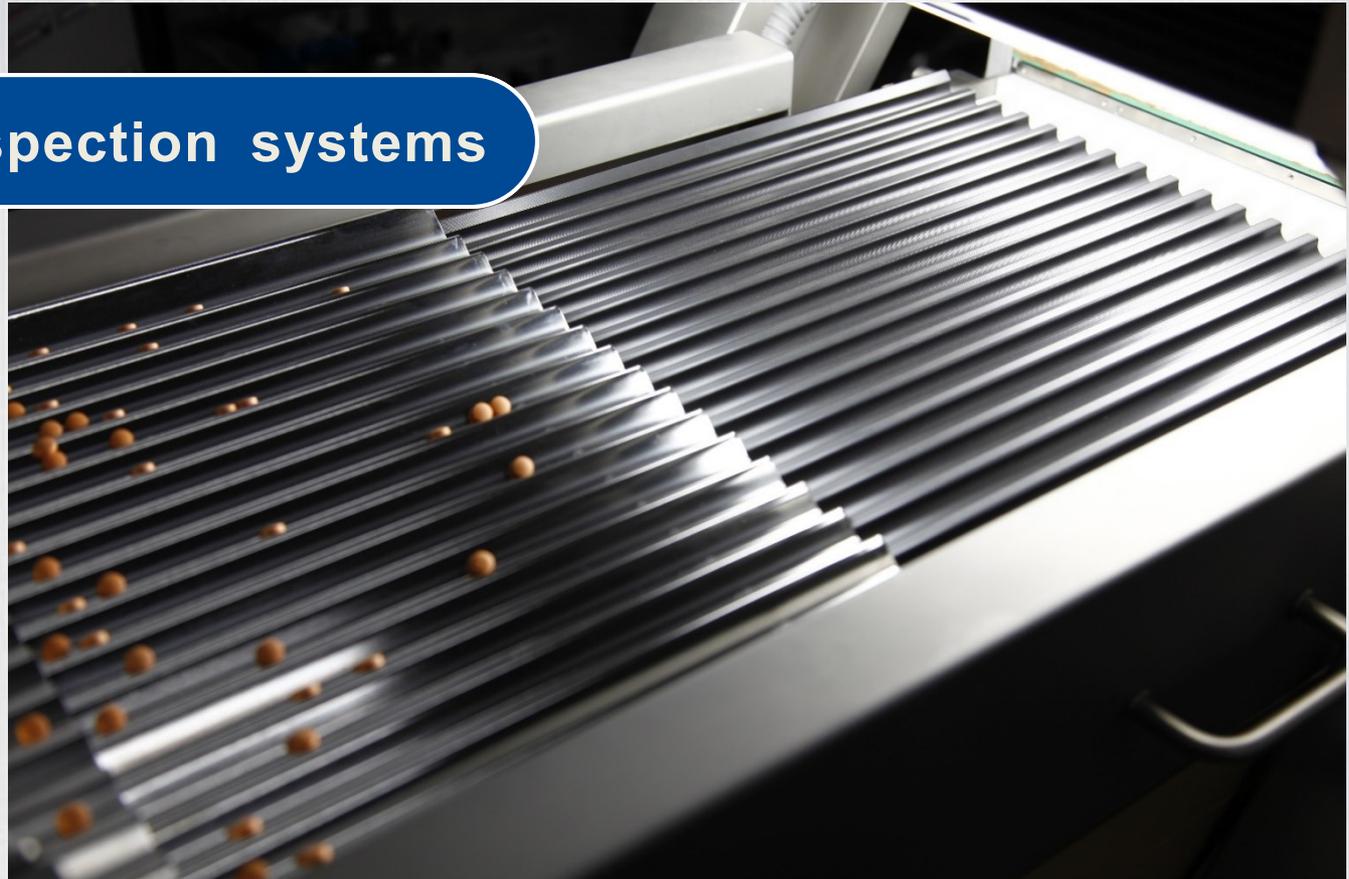


Achieve higher productivity

Easy to integrate into automatic counting and packaging lines

- 100% accurate counting.
- Applicable capsules: length (rectangular) 3-30mm, diameter (round) 3-20mm.
- Capacities of up to 200 bottles per minute.
- Two-stage servo-driven flap system.
- Unique servo-driven product feeding mechanism.
- Exclude bottles that do not meet the standards through the settings of the monitoring system. It features a counting machine that optimizes capacity and performance.

Tablets inspection systems



Joint development and
introduction of
fragment detection

Increase OEE

Differed types, colors

Online inspection

Serialization for cartons



Using serialization and aggregation systems
Provides a clearer view of the distribution chain

Web management platform

Mobile integration application

Production line management



Q3 2022 Consolidated Income Statement (YoY & QoQ)

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Q2 2022		QoQ	Q3 2022		YoY	Q3 2021		2022 Jan~Sep	
	Value	%		Value	%		Value	%	Value	%
Operating Revenue	212,517	100%	-8%	196,080	100%	-29%	274,351	100%	579,695	100%
Operating Costs	122,494	58%	-9%	111,827	57%	-28%	155,543	57%	332,055	57%
Gross Profit	90,023	42%	-6%	84,253	43%	-29%	118,808	43%	247,640	43%
Operating Expenses	87,894	41%	11%	97,168	50%	11%	87,304	31%	288,107	50%
Operating Profit	2,192	1%	-	-12,915	-7%	-	31,504	12%	-40,467	-7%
Non-Operating Income and Expense	34,757	16%	70%↑	58,997	30%	317%↑	14,161	5%	126,189	22%
Net Income	29,516	14%	21%↑	35,711	18%	-5%	37,603	14%	65,628	12%
EPS (Dollars)	\$0.66			\$0.80			\$0.84		\$1.47	

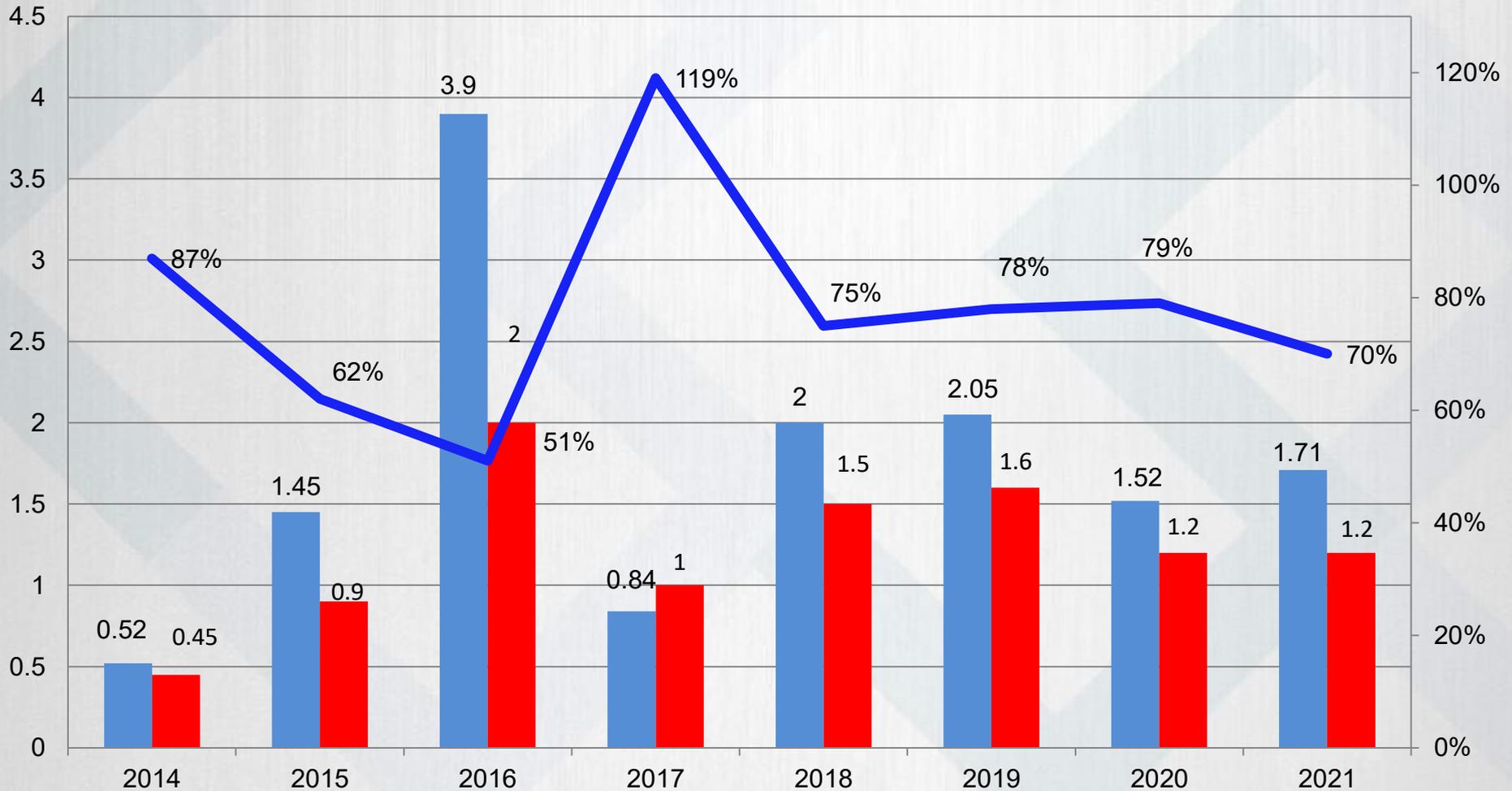
Important Financial Information

Items	2014	2015	2016	2017	2018	2019	2020	2021
Cash and Cash Equivalents	1.79E	2.32E	5.51E	5E	5.5E	8.33E	8.16E	7.24E
Net Profit Margin	2.20%	4.23%	11.44%	3.33%	7.35%	8.30%	6.60%	6.96%
EPS (Dollars)	0.52	1.45	3.90	0.84	2	2.05	1.52	1.71
Dividend Per Share (Dollars)	0.45	0.90	2.00	1.00	1.50	1.60	1.20	1.20
Dividend Payout Ratio	87%	62%	51%	119%	75%	78%	79%	70%

Financial performance of the previous

Unit: NTD 1 Dollars

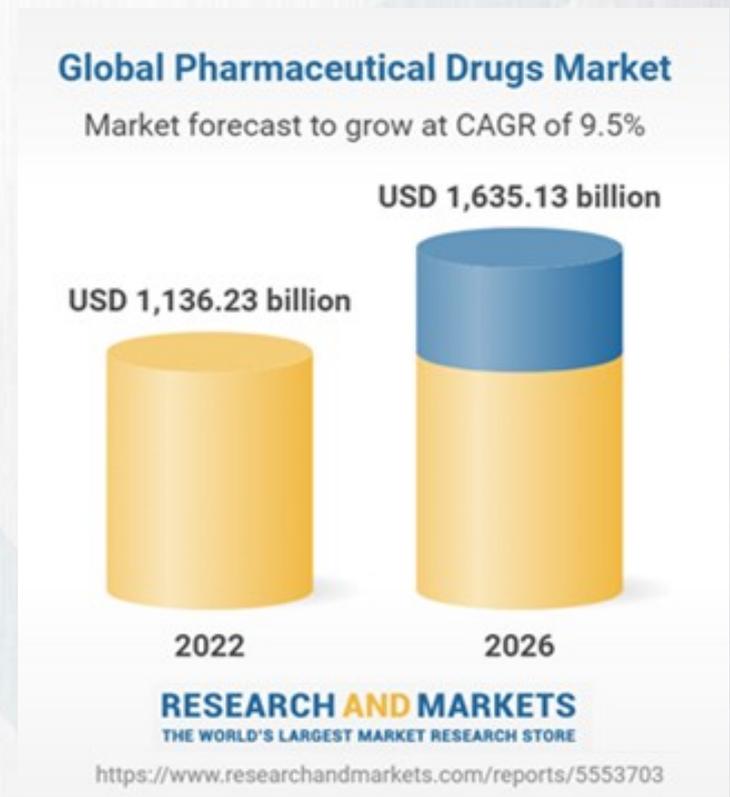
— EPS — Cash Dividends — Dividend distribution rate



The global pharmaceutical drugs market is expected to grow from \$ 1,075.97 billion in 2021 to \$1,136.23 billion in 2022 at a compound annual growth rate (CAGR) of 5.6%. The market is expected to reach \$1,635.128 billion in 2026.

North America was the largest region in the pharmaceutical drugs market in 2021. Middle East is expected to be the largest growing region in the forecast period.

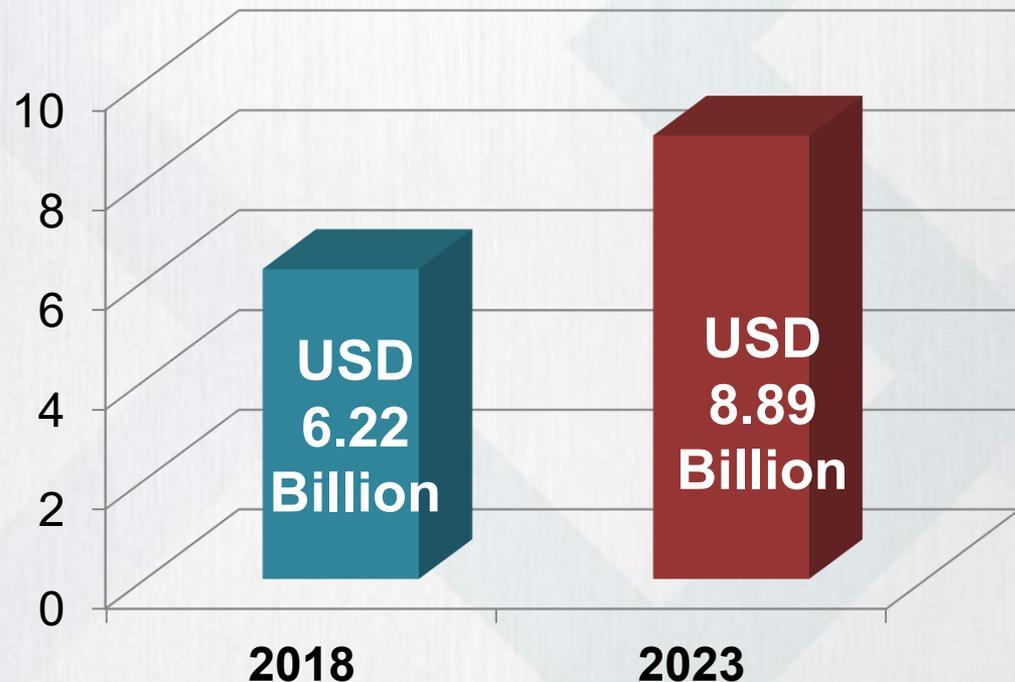
According to the World Health Organization, chronic disease prevalence rose by 57% globally, in the year 2020. Non-communicable diseases such as cancer, diabetes and cardiovascular diseases continue to increase, thereby increasing the need for biologics drugs for diabetic patients, and driving the pharmaceutical drugs market.



- The global pharmaceutical packaging market is expected to grow from 6.22 billion U.S. dollars in 2018 (USD 6.22 Billion) to 8.89 billion U.S. dollars (USD 8.89 Billion) in 2023. The forecast (2018-2023) CAGR is 7.4%

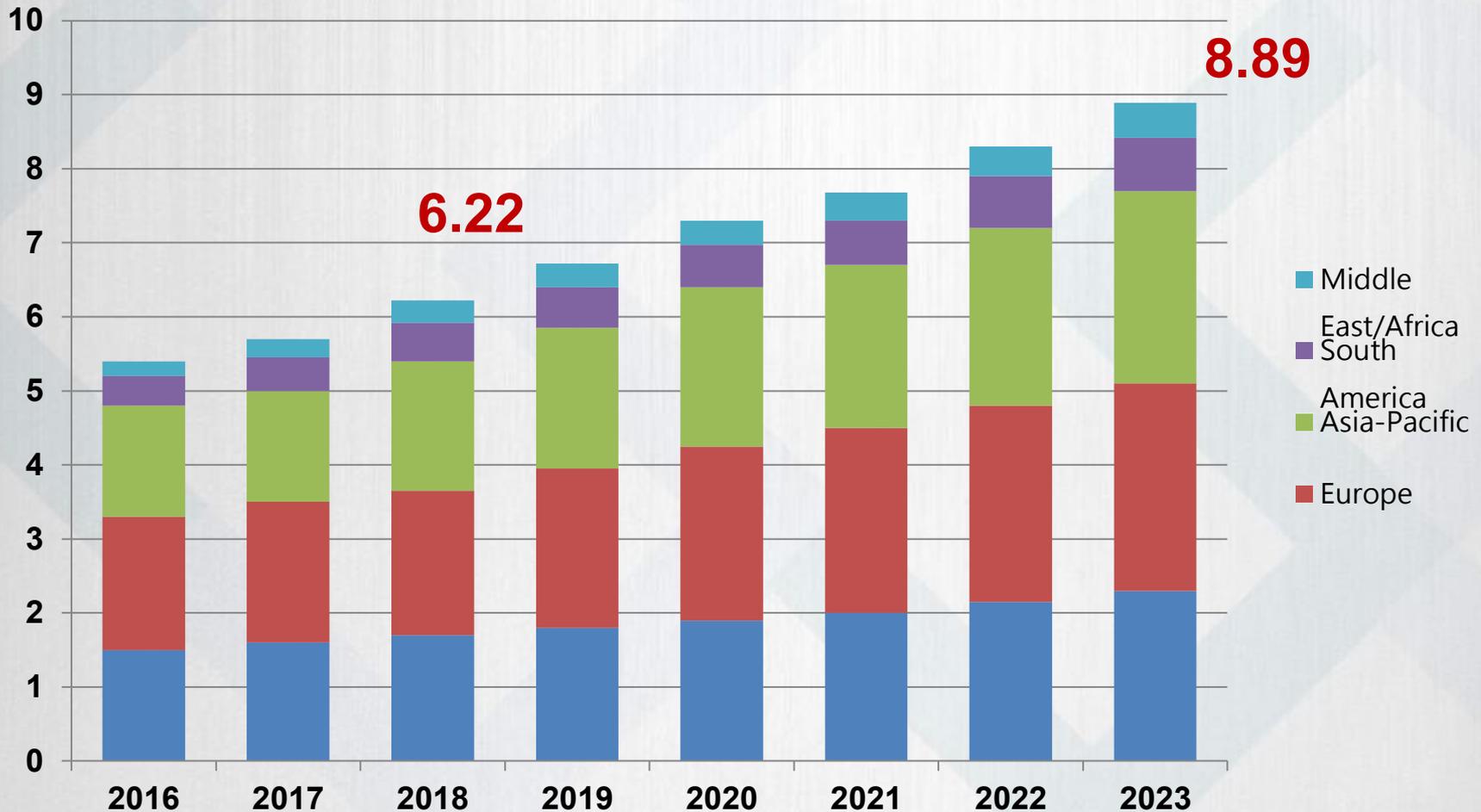
CAGR
7.4%

Unit: USD 1 billion



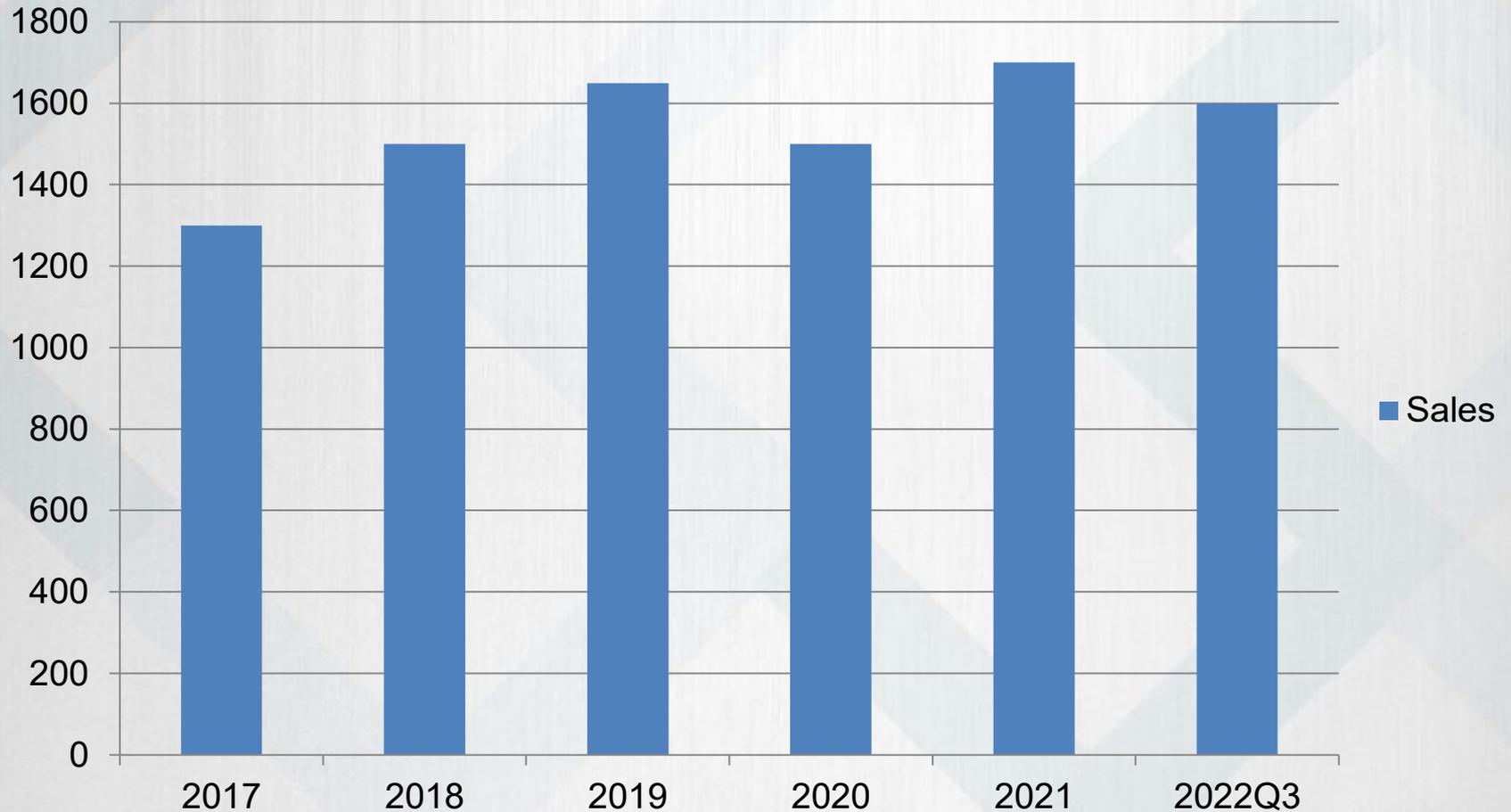
■ Market dynamics - differentiated by region

Unit: USD 1 billion



■ Sales status of North American market in recent years

(Unit: US\$10,000)



【Prospects】



CVC always thinks about how to provide customers with more complete production line planning services?

Whether it's a capsule or tablet counting line or a soft capsule production CVC Technologies will always be able to provide you with a complete solution



總代理

韓國昌誠

CHANGSUNG

軟膠囊生產線

【Prospects】



■ Restart marketing activities and business development in the post-epidemic era

- From the second half of 2022, the CVC service team restarted to visit overseas customers and provided CVC packaging line installation and after-sales service.
- North American exhibition activities in 2022:
 - West Pack, Anaheim, California, USA in April 2022
 - Interphex, New York, USA in May 2022
 - Pack Expo, Chicago, USA in October 2022
- Restart international exhibition activities from the second half of 2022:
 - ACHEMA 2022, Frankfurt, Germany in Aug. 2022
 - CPHI WW 2022, Frankfurt, Germany in Nov. 2022
 - CPHI & PMEC India in Nov. 2022,
- New Product Announcement:
The CVC625x4 full-servo high-speed counting machine and the CVC1117H new high-speed cottoner were launched during the 2022 PMEC & CPHI INDIA 2022. the both models feature 200Bottles per min.



■ 2023 Annual International Pharmaceutical Packaging Exhibition

- West Pack USA, February in 7-9, 2023
- EmbaxPrint February Brno, Czech Republic in February, 2023
- APED 2023 Dhaka, Bangladesh in March, 2023
- Korea Pack, Goyang, South Korea, in April, 2023
- Interphex New York, USA, in April, 2023
- Interpack Düsseldorf, Germany, in May, 2023
- Vitafoods Europe Geneva, Switzerland, in May, 2023
- FCE Pharma Sao Paulo, Brazil in June, 2023
- Pack Expo, Las Vegas, USA, in September, 2023
- CPhI Worldwide Barcelona, Spain, in October, 2023
- P-MEC Delhi India in November, 2023

Summary



- In the post-epidemic era, countries are gradually unblocking, and economic activities are gradually recovering
- European and American countries have accelerated the resumption of commercial activities due to the high penetration rate of vaccination
- The demand of the pharmaceutical industry continues to be buoyant, and the growth of orders is expected
- In the first quarter of 2023, orders will pick up due to the post COVID-19 economic recovery.
- The North American market continues to thrive
- Expand European operations and establish a European direct sales center
- Continued investment in new products contributes to revenue
- New high-speed bottle counting production line launched to increase revenue
- Track and Trace Serialization System (Track and Trace Serialization System) USFDA (Drug Supply Chain Security Act DSCSA) continues to receive orders
- Automatic optical imaging tablet inspection system (Tablet Visual Inspection System) continues to receive orders
- Various customized liquid filling production lines launched
- The production line is equipped with AR applications (simplification/intelligence) to meet customer needs
- Acting as an agent for South Korea's Changcheng soft capsule production line to increase revenue



**Thank You for
Listening.**