



CVC Technologies Inc.

**CVC Technologies**

Stock code: 4744

**【Earnings call briefing】**

**Moderator : Oscar Hsu**

2023.11.17

# Contents

- **About CVC**
- **Business Overview**
- **Financial Report**
- **Prospects**
- **Q&A**



# Disclaimer

The content of this report system is formed based on existing information. The relevant financial or information may contain some explanations of the company and its future goals. These explanations are susceptible to major influence factors and influencing factors. The final result is different from the original explanation and is unique to the company. It is the content of the company's report, the content of the company's report, the content of the company's report, the damage caused by the content of this report, the correctness of the content of this report, the company does not report the correctness of the content, or any responsibility for any harm caused by the use of the content of this report.

# ■ About CVC



- **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: approx.350

# 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

100% Acquisition of Changsung Softgel System Ltd.

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

2023

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: Asia Pacific-Taichung, Taiwan
- Subsidiary: U.S. Subsidiary-California
- China Subsidiary-Kunshan
- Korea Subsidiary-Seoul
- India Office-Mumbai
- Northern Europe Office-Norway

● Headquarter    ● Subsidiaries    ● Partners



| AMERICA   |
|-----------|
| Mexico    |
| Argentina |

| EUROPE              |
|---------------------|
| Denmark             |
| France              |
| CIS(Russia, Poland) |

| AFRICA       |
|--------------|
| Algeria      |
| Kenya        |
| Tunisia      |
| South Africa |

| MEA    |
|--------|
| Egypt  |
| UAE    |
| Jordan |
| Iran   |
| Sudan  |

| ASIA PACIFIC |
|--------------|
| South Korea  |
| Malaysia     |
| Indonesia    |
| Thailand     |
| Vietnam      |
| Bangladesh   |
| Pakistan     |
| Australia    |

# Main customers reference

|   |   |  |   |   |
|---|---|--|---|---|
|    |    |    |    |    |
|     |    |    |    |    |
|    |    |    |    |    |
|     |    |    |    |    |
|   |    |    |   |   |
|  |  |  |  |  |
|   |  |  |  |  |

# Types of pharmaceutical packaging

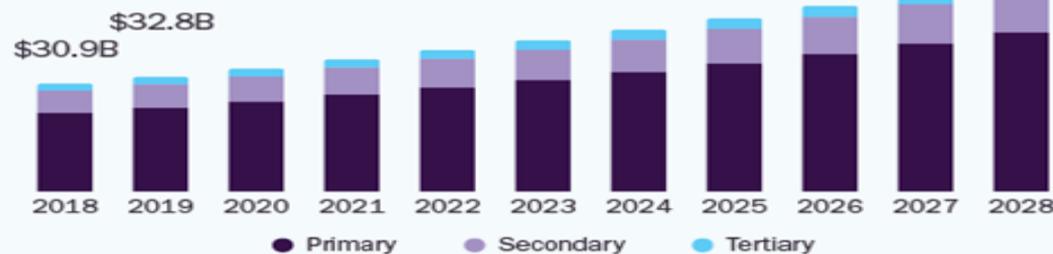
According to the Grand View Market Research Report, the report indicates that the global pharmaceutical packaging industry continues to grow with compound annual growth rate of up to **7.2%** from 2021 to 2028.

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



## U.S. Pharmaceutical Packaging Market

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

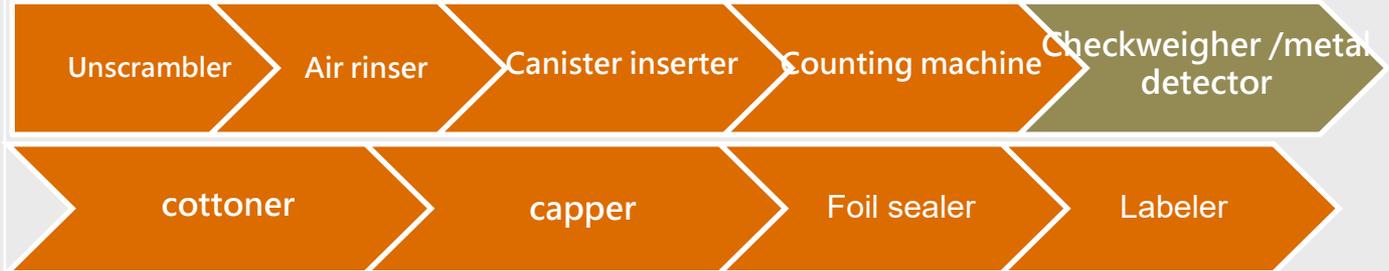


**7.2%**  
U.S. Market CAGR,  
2021 - 2028

Source:  
[www.grandviewresearch.com](http://www.grandviewresearch.com)

# Products

## Tablet/Capsule counting line



## Powder filling packaging line



## Liquid filling packaging line

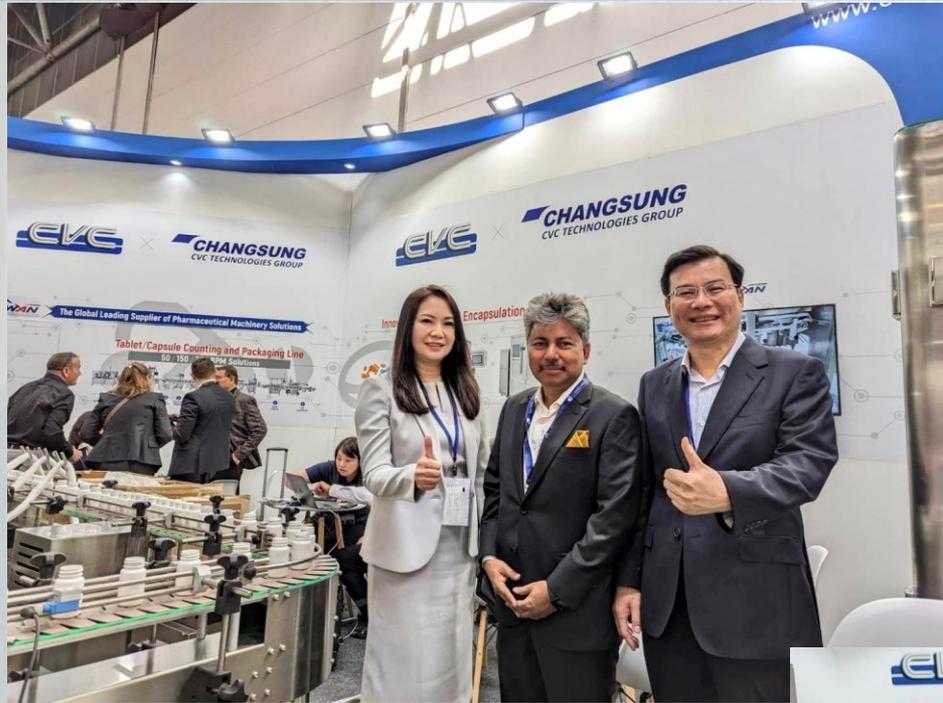




# ■ Business Overview



# Business Overview



# Business Overview



Proudly Presents

**CVC TECHNOLOGIES**

As  
**TOP 10**  
**PHARMACEUTICAL PACKAGING MACHINERY MANUFACTURERS**  
**2023**

*In appreciation of its exceptional diligence and inimitable approach to fulfill the end-to-end requirements of the customers.*

*Sudhakar Singh*  
Sudhakar Singh  
Managing Editor  
India Pharma Outlook



## CVC TECHNOLOGIES

### SPEARHEADING THE FUTURE OF PHARMACEUTICAL PACKAGING MACHINERY WITH DEDICATION & PRECISION

India has become a pivotal player in the pharmaceutical industry, supplying products globally and embracing innovation in processes and approaches. With a focus on cost-effectiveness, Indian pharmaceutical companies are driving manufacturers to deliver both low-cost machinery and top-notch quality. As packaging constitutes a significant portion of the final product, Indian pharmaceutical companies are striving to reduce packaging costs without compromising consumer satisfaction or product stability. This dynamic has created ample space for innovation in both packaging materials and machinery.

One company which stands out for its commitment to innovation, customer-centric approach, and global presence is CVC Technologies. As a market leader in tablet coating and liquid filling machines, CVC Technologies, established back in 1979, is uniquely positioned to address the evolving needs of the global pharmaceutical industry.

In addition, CVC also offers an extensive range of advanced packaging solutions that cater to diverse industrial needs which includes state-of-the-art precision labeling machines, and efficient powder filling machines, all of which exemplify the company's commitment to excellence in the packaging sector. Furthermore, CVC Technologies announced its recent acquisition of Changsung Softgel systems. With an illustrious history



U.S. Headquarters: Fontana, California



public company in Taiwan, CVC's financial stability and international presence underscore its commitment to delivering value.

#### Driven to Meet Client Requirements

Indian pharma companies, catering to a global clientele, demand cost-effectiveness across all departments. CVC understands the need for lower capital investments, faster returns, flexibility to handle various SKUs, high availability of equipments, be quick to market with new products, optimizes output per batch and increase output per area to reduce the cost. The company's responsiveness, coupled with a focus on service and support, has solidified its reputation as a reliable partner in the industry.

CVC's prowess extends beyond machine manufacturing. CVC lives by its Motto of Change, Value and Challenge - CVC. Recognizing the need for tailor-made solutions, the company collaborates with clients early in the procurement process.

Different customers based on their core values, vision and market approach need different solutions. The goal is to ensure that customer requirements are met efficiently while guiding them towards optimal decisions. Whether clients are new entrants or experienced players, CVC's



**CVC TECHNOLOGIES STANDS READY TO SHAPE THE FUTURE OF PHARMACEUTICAL PACKAGING MACHINERY THROUGH ITS UNWAVERING DEDICATION TO EXCELLENCE GOING FORWARD**

spanning over 50 years, Changsung Softgel System brings unparalleled expertise in the field of softgel technologies. With this acquisition CVC creates a powerful synergy that offers a comprehensive and unmatched range of solutions within packaging machinery sector. Moreover, as a

Innovation For Softgel



Tablet/Capsule Counting and Packaging Line



involvement in project planning, capacity assessment, and optimization proves crucial. Furthermore, the company's competitive edge is enhanced by its comprehensive services. From initial design to installation, validation, training, and post-sales support, CVC maintains an end-to-end partnership with clients. This commitment helps build trust and fosters long-lasting relationships.

"We proactively engage with clients, regardless of their expertise. Our focus is on assessing project maturity and refining requirements. For current clients, we assess production efficiency to cut costs, working to achieve 90 percent efficiency and build trust. For new projects, we collaborate on ideal production speed, offering 60 to 200 bottles per minute. We suggest flexible upgrades aligned with regulations, from 60 to 120 bottles per minute,



scaling as needed," highlights Arvind Prabhu, MD at CVC Technologies India.

**CVC'S PRESENCE IN MAJOR MARKETS, QUALITY-DRIVE, & ABILITY TO PROVIDE COST-EFFECTIVE SOLUTIONS HAVE POSITIONED IT AS A GLOBAL LEADER IN PHARMACEUTICAL PACKAGING MACHINERY**

#### A Robust Roadmap Ahead

"We will continue to forge ahead, with plans to establish a Europe office and expand its presence. We envision growth in the tablet packaging market and will be investing in innovative designs that are user-friendly and cost-effective. Also, strategic mergers and acquisitions align with CVC's goal of staying at the forefront of technological advancements," concludes Kevin Chang, Managing Director at CVC Technologies Taiwan.

CVC's presence in major markets, quality-drive, and ability to provide cost-effective solutions have positioned it as a global leader in pharmaceutical packaging machinery. As the industry continues to evolve, CVC's commitment to innovation, tailored solutions, and customer satisfaction ensures its continued success. 70





## ■ Encapsulation machine

軟膠囊壓丸機(主要6種機型)

- 880SR
- 500R
- 780SR
- 380SR
- 770SR
- SRD

## ■ Tumble Dryer

滾筒乾燥機(主要4種設備)

- TJS
- TM
- TMD
- Drying tunnel

## ■ Auxiliary equipment and others 輔助設備及其他產品

- UV Printer
- Ulter Fill Mixer
- OLUS GEL
- VIM
- One-Pot
- Tray/Trailer
- Auto Sorting Machine
- Jet-Master
- GRS
- PMS System

• 780SR



• 880SR



• TJS



• UV Printer



# ■ Financial Report



# Q3 2023 Consolidated Income Statement (YoY)



(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

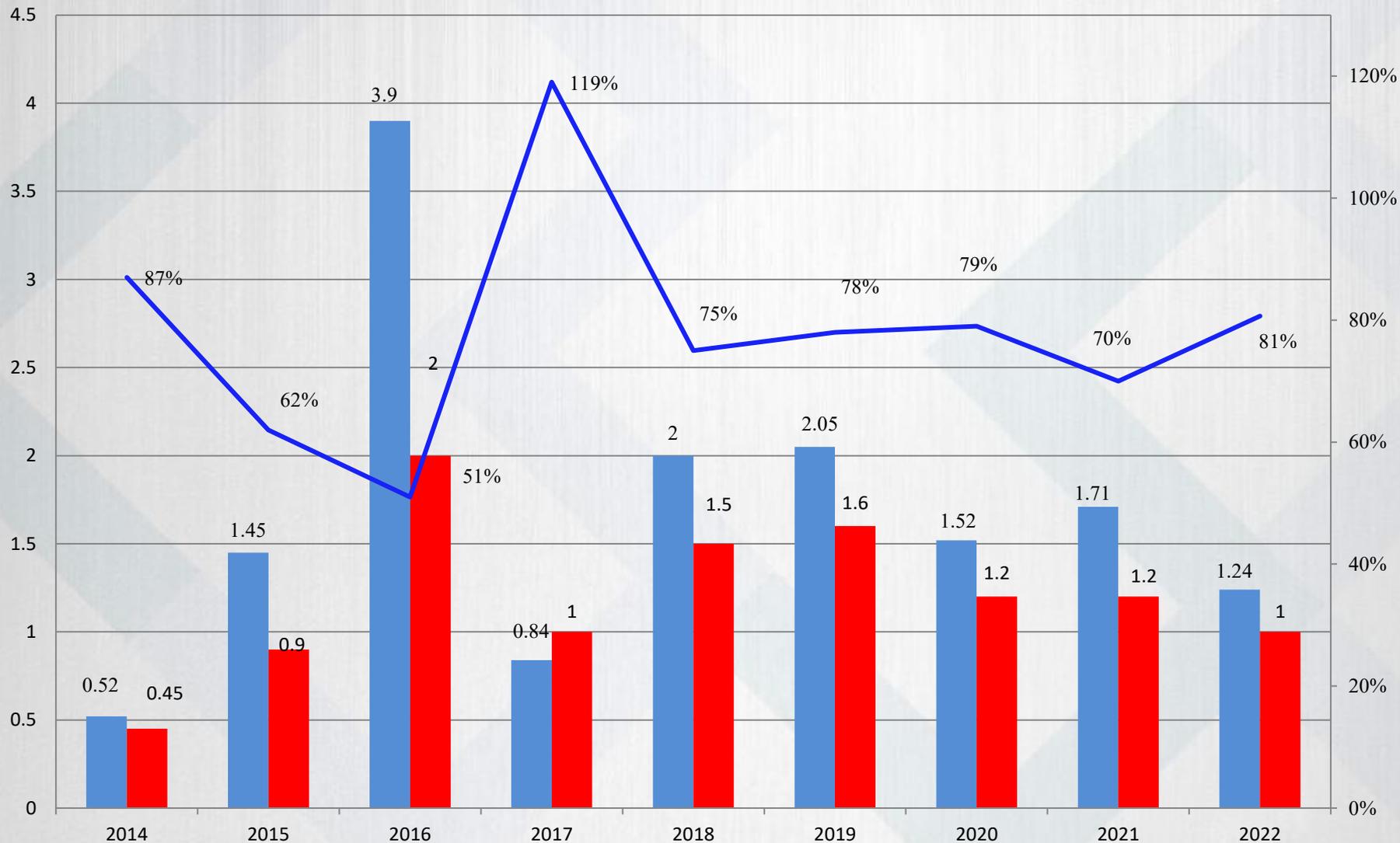
| Items                            | Q3 2023 |      | YoY  | Q3 2022 |      | 2023 Jan~Sep |      |
|----------------------------------|---------|------|------|---------|------|--------------|------|
|                                  | Value   | %    |      | Value   | %    | Value        | %    |
| Operating Revenue                | 293,091 | 100% | 49%↑ | 196,080 | 100% | 702,450      | 100% |
| Operating Costs                  | 147,066 | 50%  | 32%  | 111,827 | 57%  | 387,740      | 55%  |
| Gross Profit                     | 146,025 | 50%  | 73%↑ | 84,253  | 43%  | 314,710      | 45%  |
| Operating Expenses               | 128,334 | 44%  | 32%  | 97,168  | 50%  | 338,725      | 48%  |
| Operating Profit                 | 17,691  | 6%   | -    | -12,915 | -7%  | -24,015      | -3   |
| Non-Operating Income and Expense | 10,140  | 4%   | -82% | 58,997  | 30%  | 16,341       | 2    |
| Net Income                       | 25,382  | 9%   | -29% | 35,711  | 18%  | -11,299      | -2   |
| EPS (Dollars)                    | \$0.44  |      |      | \$0.80  |      | -\$0.28      |      |

# Important Financial Information

| Items                        | 2014  | 2015  | 2016   | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  |
|------------------------------|-------|-------|--------|-------|-------|-------|-------|-------|-------|
| Cash and Cash Equivalents    | 1.79E | 2.32E | 5.51E  | 5E    | 5.5E  | 8.33E | 8.16E | 7.24E | 9.03E |
| Net Profit Margin            | 2.20% | 4.23% | 11.44% | 3.33% | 7.35% | 8.30% | 6.60% | 6.96% | 6.23% |
| EPS (Dollars)                | 0.52  | 1.45  | 3.90   | 0.84  | 2     | 2.05  | 1.52  | 1.71  | 1.24  |
| Dividend Per Share (Dollars) | 0.45  | 0.90  | 2.00   | 1.00  | 1.50  | 1.60  | 1.20  | 1.20  | 1     |
| Dividend Payout Ratio        | 87%   | 62%   | 51%    | 119%  | 75%   | 78%   | 79%   | 70%   | 81%   |

# Financial Performance of the Previous

■ EPS   ■ Cash Dividends   — Dividend distribution rate

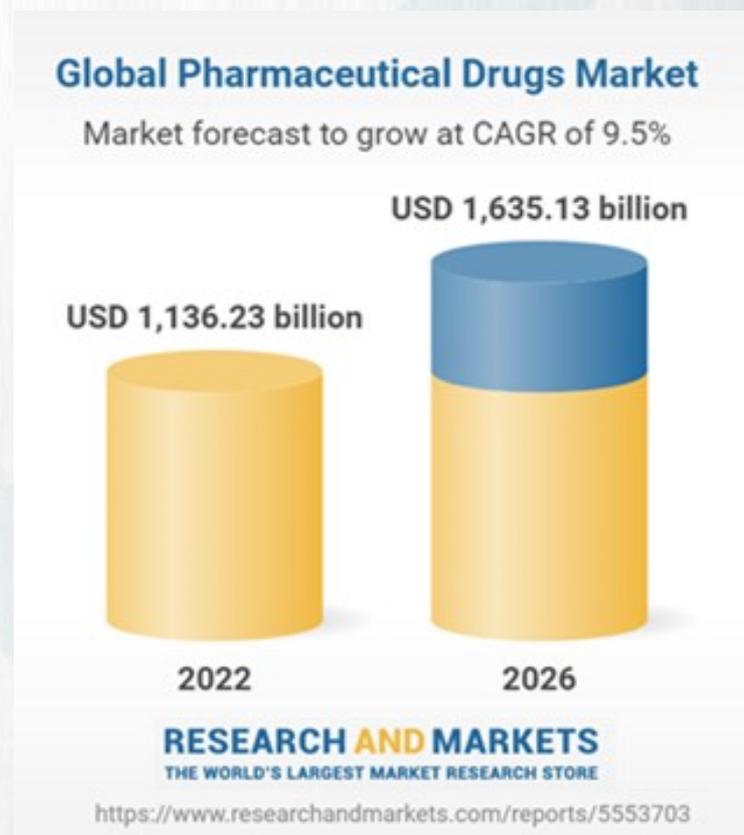


# ■ Prospects



The global pharmaceutical market is expected to grow at a compound annual growth rate (CAGR) of 5.6% and reach \$1,635.13 billion in 2026.

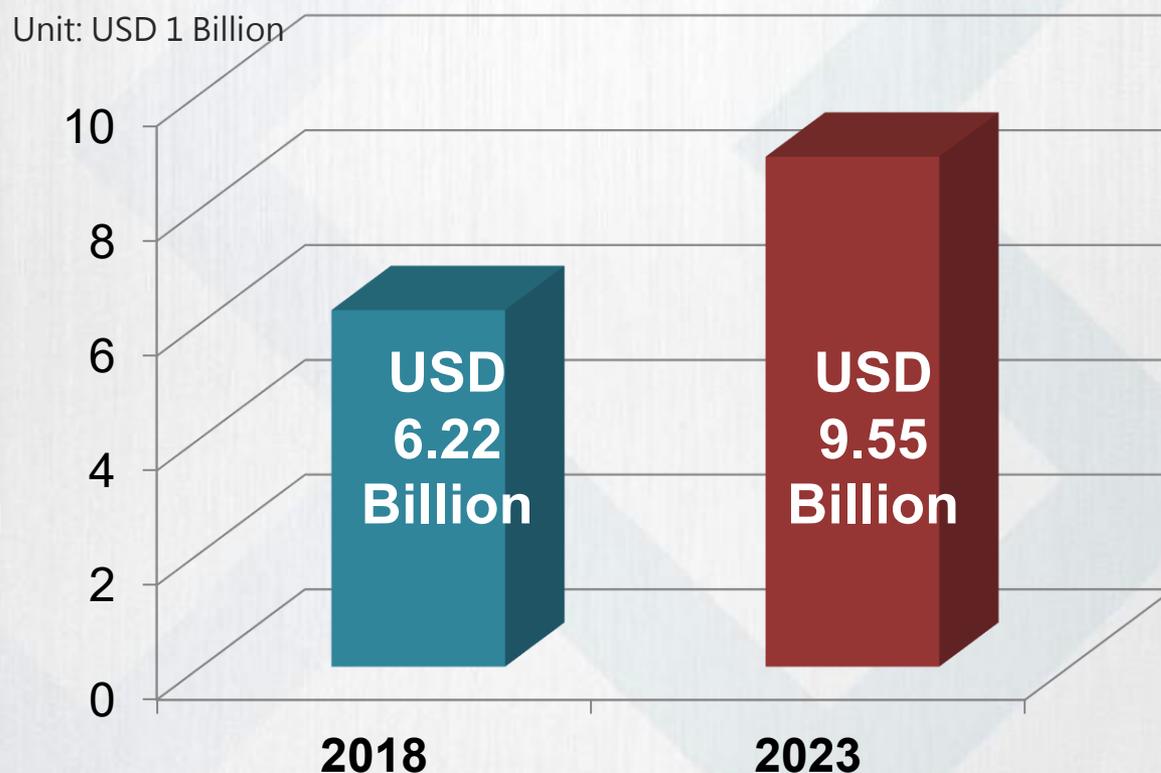
North America will continue to be the largest region in the pharmaceutical drugs market in 2024. According to the World Health Organization, chronic disease prevalence rose by 57% globally, in the year 2020. Non-communicable diseases such as cancer, diabetes and cardiovascular diseases continue to increase, 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 to 9.55 billion U.S. dollars in 2024. The forecast (2018-2024) CAGR is 7.4%

**CAGR**  
**7.4%**

(Compound Annual  
Growth Rate)



- **Complete second-stage acquisition in Korea**
- **The current acquisition is divided into two stages. The first stage, comprising 79%, was completed earlier this year. The remaining 21% is expected to be finalized by the end of next year, officially achieving 100% acquisition.**

| Stage                 | Common Shares  | Ratio       | Transaction Amount (USD) | Transaction Amount (NTD) |
|-----------------------|----------------|-------------|--------------------------|--------------------------|
| 1 <sup>st</sup> stage | 137,144        | 79%         | 13,746,000               | 4.41億元                   |
| 2 <sup>nd</sup> stage | 36,456         | 21%         | 3,654,000                | 1.17億元                   |
| <b>TOTAL</b>          | <b>173,600</b> | <b>100%</b> | <b>17,400,000</b>        | <b>5.58億元</b>            |



Top player in tablet/capsule counting line.



Top player in softgel manufacturing machines.



**全球製藥包裝設備的領航者**

**The Global Leading Supplier of Pharmaceutical Machinery Solutions.**

---

Continuously seeking new growth momentum: Expanding into new markets



Continuously seeking new growth momentum: Expanding into new markets



Continuously seeking new growth momentum: Acquisition



# Prospects: Simpler, faster and more compact



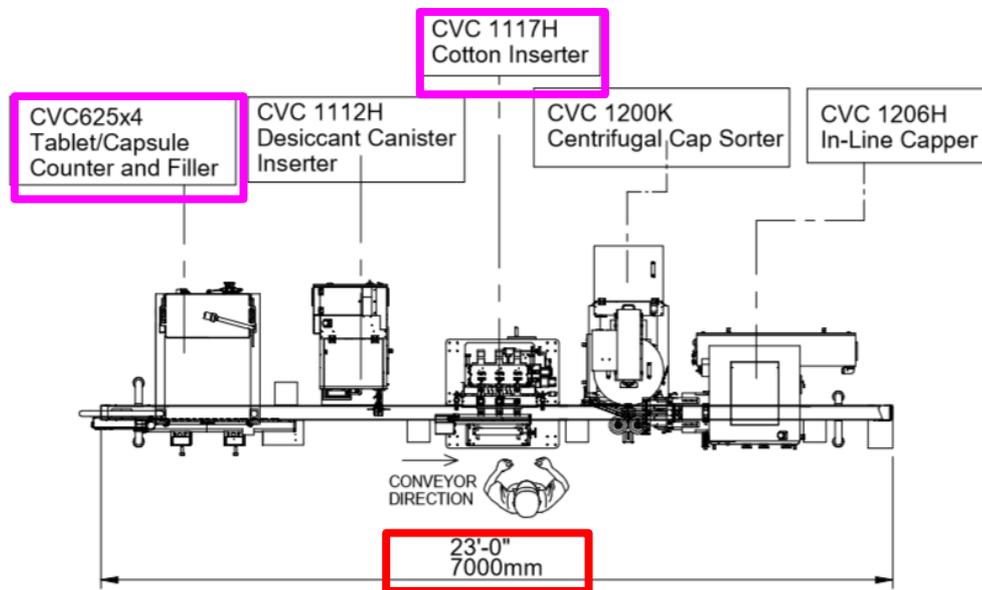
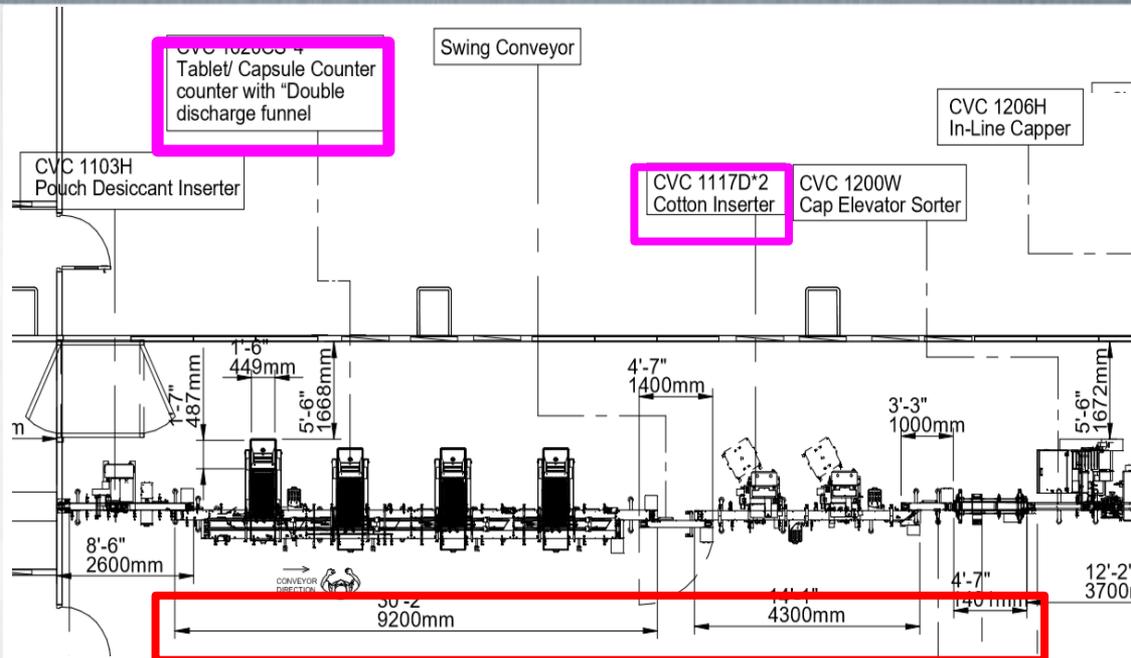
## OLD Line

$$9200+4300+1401=14901\text{mm}$$

New design reduces machine footprint by 50%

## NEW Line

7000mm





**Thank you for  
listening.**

■ Q&A

