

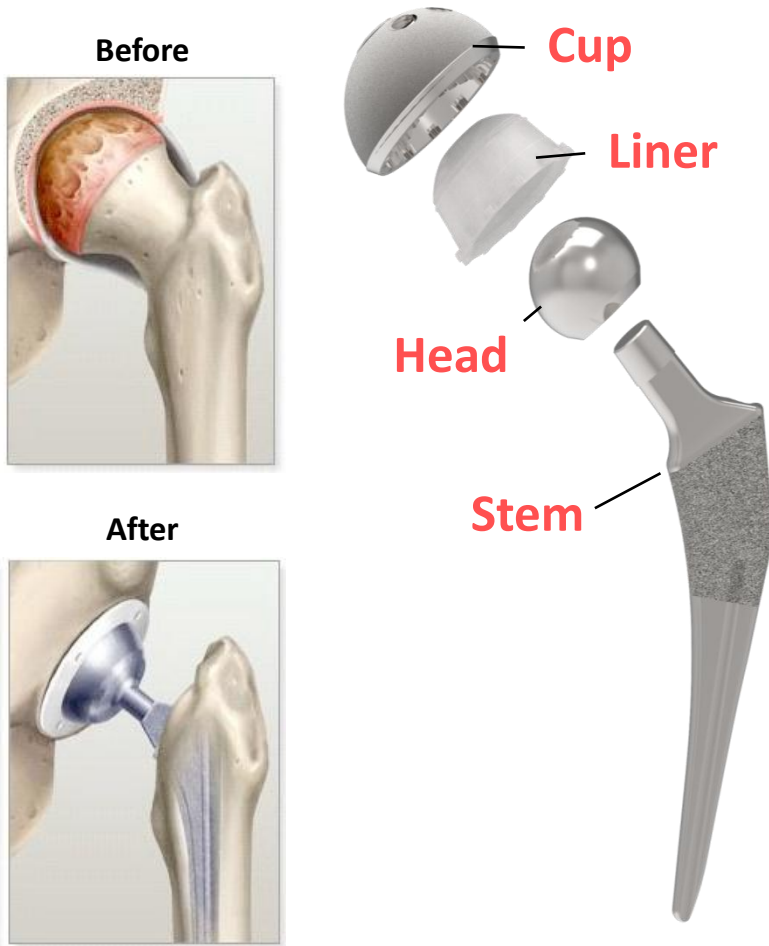
# Visions to play in the World Cup for High-end Medical Device

- 1974 → 1984 3M Medical Device Component (marketing)
- 1984 → 1993 Founder, SURMED Co. Ltd.  
(Orthopedic Device Agent)
- 1993 → now Founder, United Orthopedic Corp.  
(Artificial Joint)

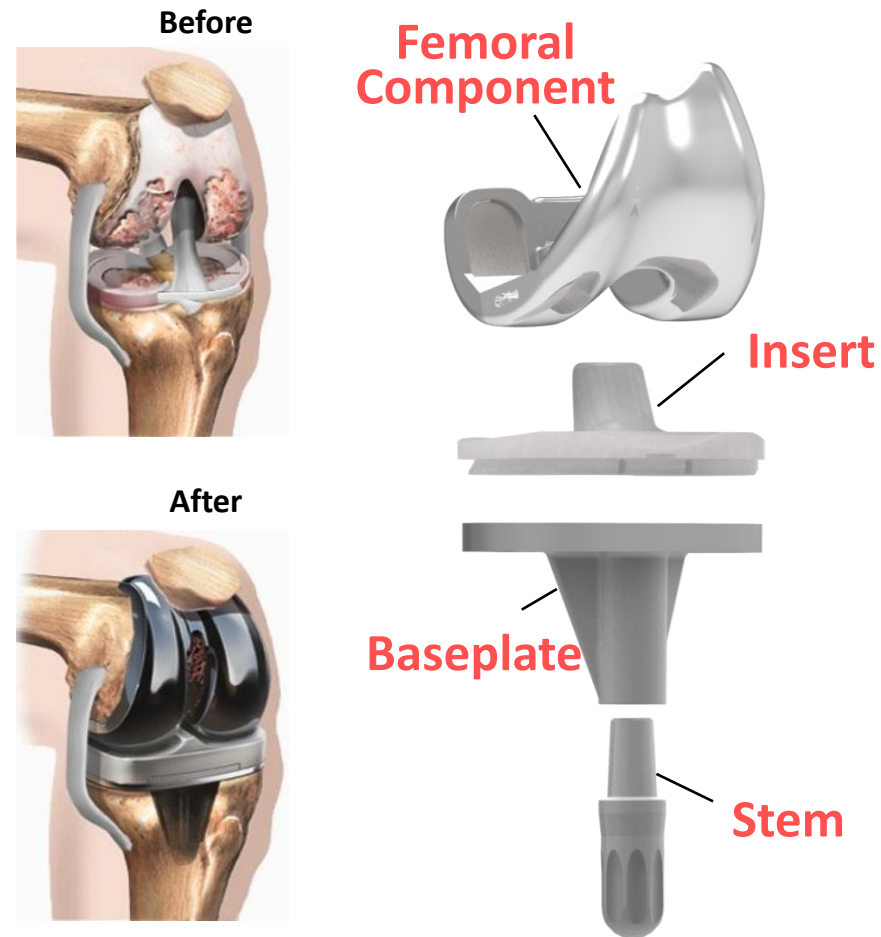
Jason Lin  
United Orthopedic Corporation

# Total Joint Replacement

## Hip Joint Replacement



## Knee Joint Replacement



Globalization and competing for the world cup is the sole vision of Taiwanese industry



# OEM or Own-brand

## Profit

《Reuters》 According to Tech Insights, **iPhone X** smart phone  
**Costs \$357.5** (1,0854 NTD) to make and sells for **\$999**  
(3,0331 NTD), giving it a **Gross Margin** of **64%**

## Opportunities

It is critical for high-end medical devices **to fully control the key process and supply chain** in compliance with the strict regulatory authorities.

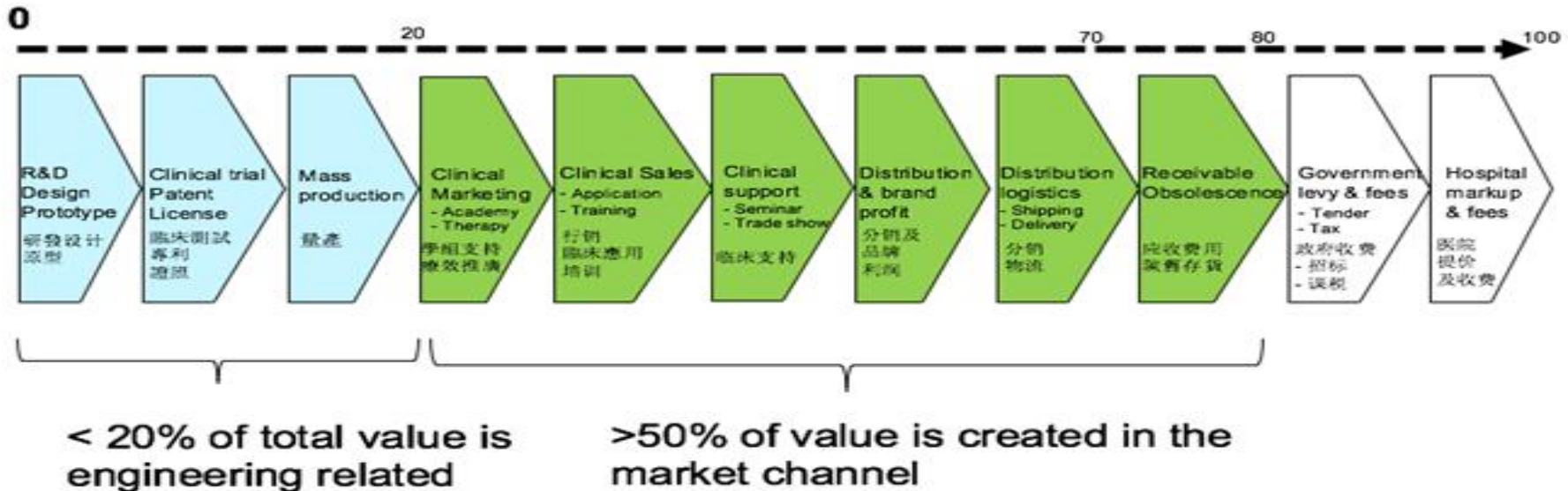
OEM orders from big companies are **none core items**

# Output Value of Pharmaceuticals and Medical Devices in Taiwan

2016	Pharmaceuticals		Medical Devices	
	Revenue	Percentage	Revenue	Percentage
Taiwan	2.47	0.22	4.39	1.1
China	116.70	10.6	53.62	13.8
USA	461.70	41.8	166.60	42.8
Global	1,104.60	100%	389.00	100%

unit: USD Billion

# Value Chain of Medical Device Industry



- R&D, patent, license, and manufacturing technology take only 20% of market value.
- Academic promotion and clinical application and support take 30%.
- Market channels take 50%

**R&D, licensing, and manufacturing are not enough.**  
**Must work on academic promotion and market channels.**

# Globalization -> World Cup

1. Outstanding R&D team and international standardized manufacturing capability, "Me too, Me Better or Me only" state-of-the-art products.
2. Complying the regulatory requirement and patent layout of all major markets.
3. Match or surpass the competitors on clinical results reviews.
4. Satisfying customers' need with complete product line.
5. Establish globalized sales team and channel. (Branch office/Distributor)
6. Clinical academic support. (R&D collaboration, research paper publication, KOL recruit, Post-Market clinical follow-up, Product training for Surgeons and sales team)
7. Brand identification and visibility



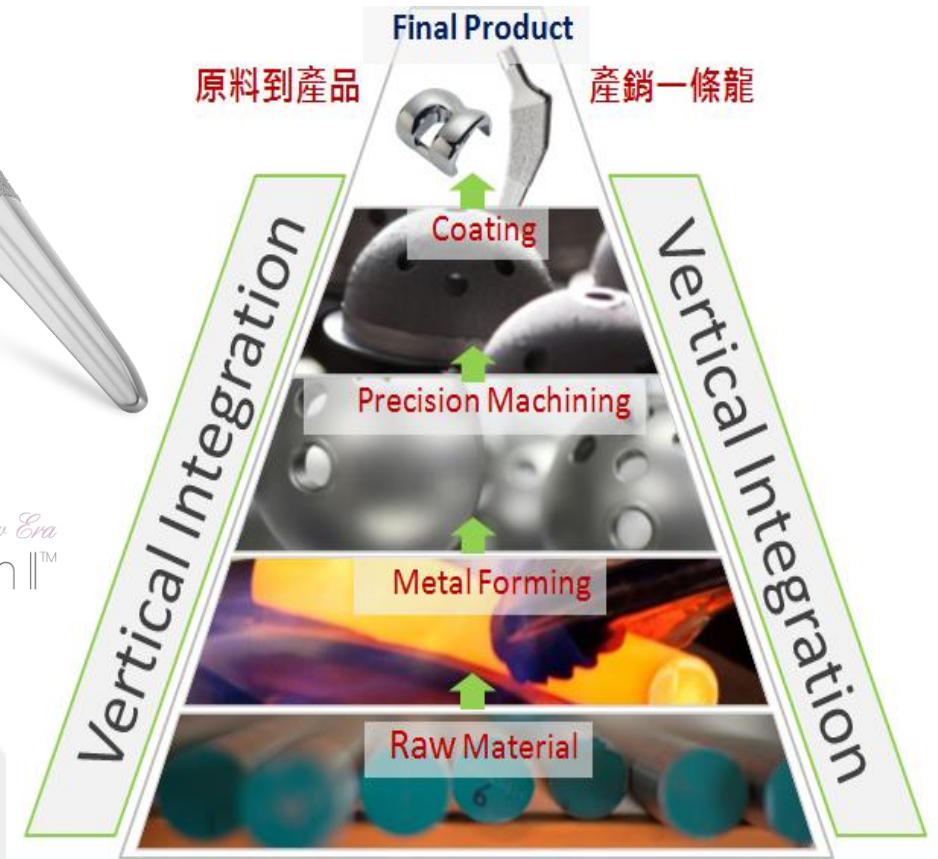
# 1. Capability for R&D / Manufacturing

132 R&D staff, with  
average 7.6 yrs seniority,  
consisting 19% of the  
entire company in 2017.  
11.8% of the entire  
budgets in 2016.

**Complete Joint Replacement**  
**Me too / Me better**



UTF™ STEM  
reduced



1993-2017

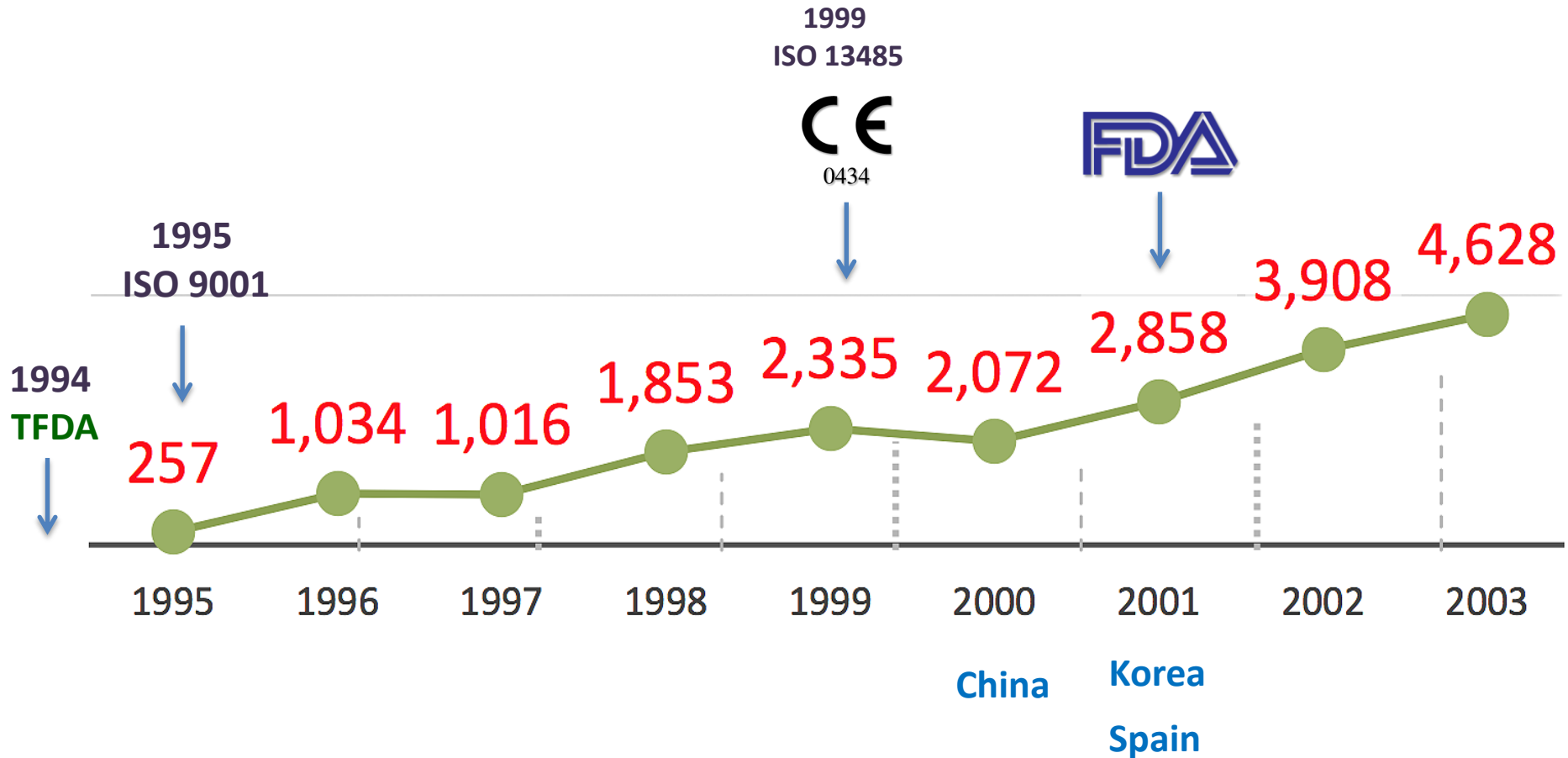


## 2. Complying International Regulatory Requirements



### 3. Clinical Results Review

Clinical Results Me too / Me better



# 4. Complete Product Line



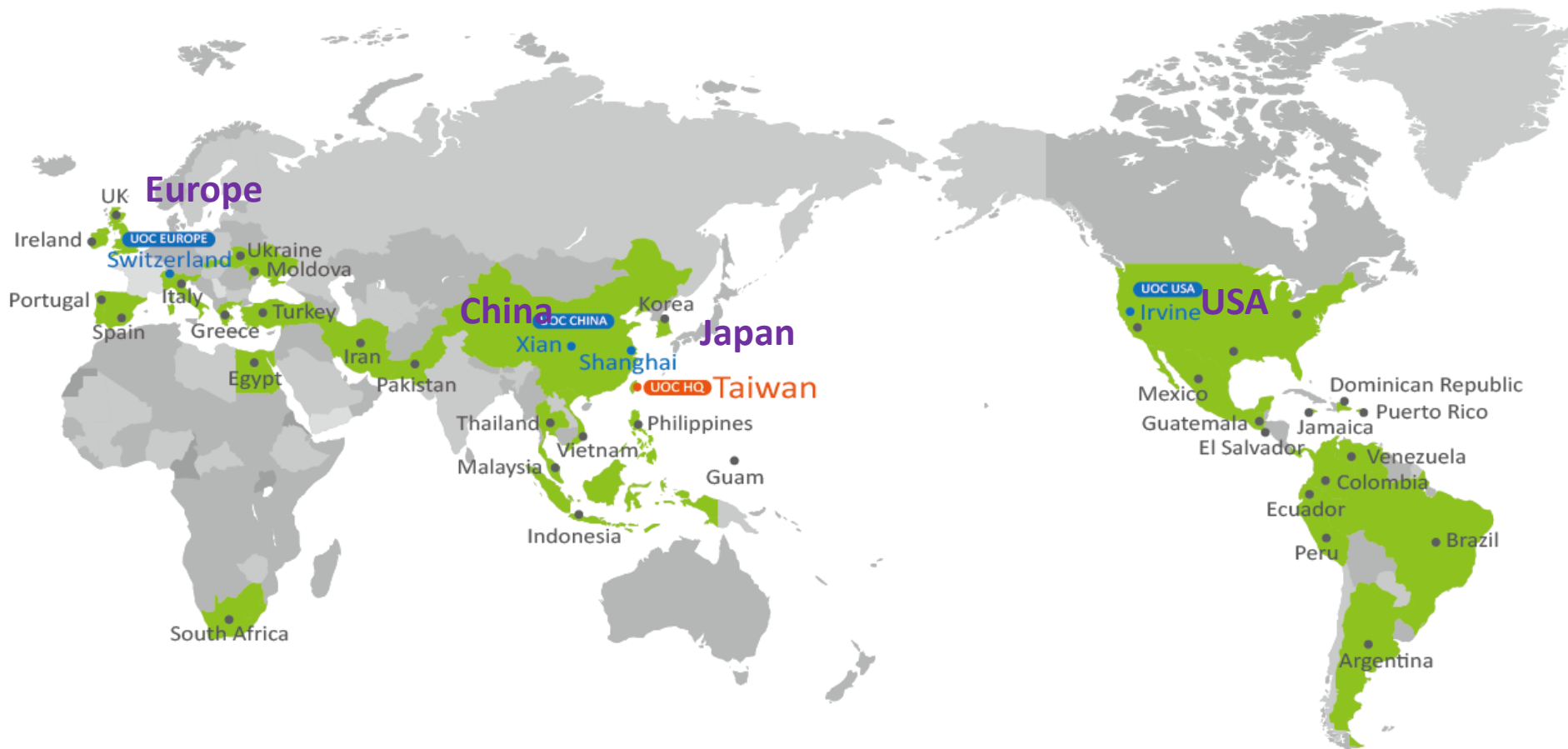
Currently 75% completion comparing to major brands

**2019: Estimated to achieve 90%+**

## 5. Sales team and channel

Channel established in 38 countries

Branch Office: China, USA, Switzerland, France, Japan



## 7. Brand Identification

First Questions

What's your story?



你是誰

What's difference between you and your competitor?



你有什麼  
不同

Why I want to choose your Products/Services?



為什麼要用  
你的產品

# Is UOC in the WC yet?

## Still far behind

2016 Worldwide Total Joint Market: USD 16.4 Bn

Zimmer Biomet	4,915	29.8%
Depuy	3,290	20.0%
Stryker	3,245	19.7%
Smith&Nephew	1,487	9.0%
Others	3,527	21.4%
Total	16,478	100.0%
UOC	43	0.3%

(USD Million)

# Comparing to Top 4 players

78.5% World Market Shares

2016	Zimmer	Stryker	J&J-Depuy	S&N	UOC (Million)
Revenue Billion USD	76.8	113.3	718.9	46.7	42.5
Cost	23.8	38.3	216.9	12.7	13.4
Expense	44.8	53.3	290.4	26.0	25.2
Net Profit	3.1	16.5	165.4	7.8	4.3
G. P. Margin	69.0%	66.2%	69.8%	72.8%	70.8%
Expense Ratio	58.3%	47.0%	40.4%	55.7%	59.3%
After-Tax surplus Ratio	4.0%	14.6%	23.0%	16.7%	10.1%



# Comparing to No.1

\*Same Clinical Outcome

\*Similar Product Line

\*Same Price

2016	ZIIMMER BIOMET (Billion USD)	UOC (Million USD)	Multiple
Ttl. Revenue	76.8	42.5	181
Artificial Joint	46.2	42.5	109
America	58.0%	28.4%	
Europe	25.1%	7.3%	
Asia-Pacific	16.9%	64.3%	
Total Assets	266.8	90.8	294
Market Value	227	169	134
Employee	18,500	523	35
R&D	2,000	132	15
Production	7,800	262	30
Marketing	8,700	130	67
Market Share	30%	0.3%	100
Sales Position	25 countries	6 countries	
Sales Area	+100 countries	38 countries	

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7. Brand identification and visibility
8. Management, Administration, Compliance, talent, setup etc. of an globalized company.

Thank you

*Each Step*  
**We Care**

**United Orthopedic Corporation**