

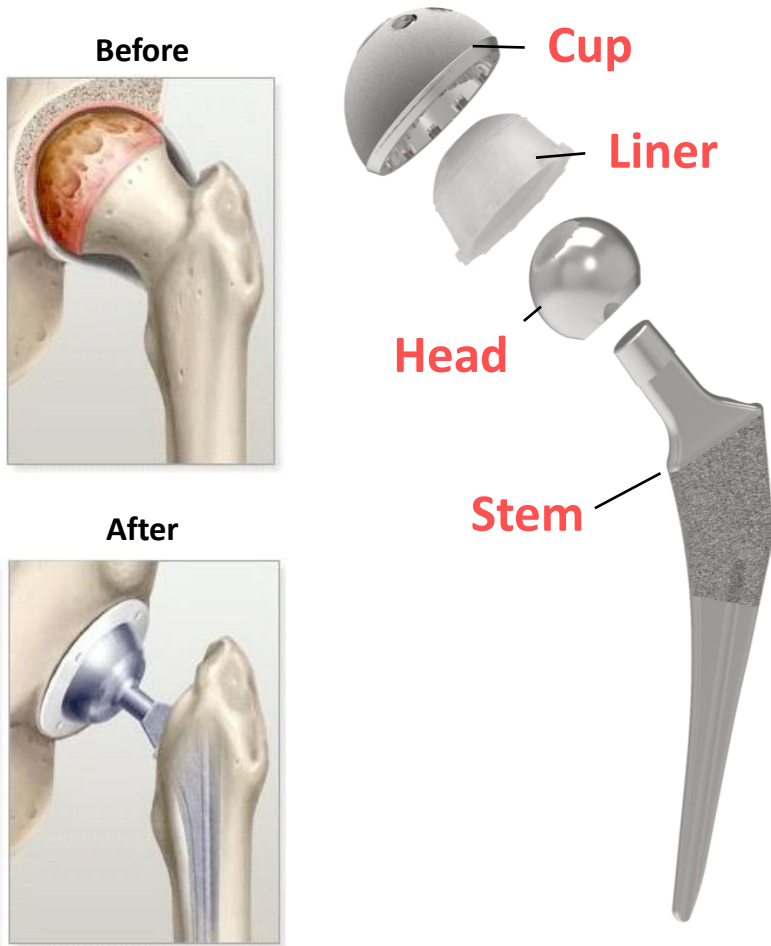
The vision of entering the World Cup

1993-2017

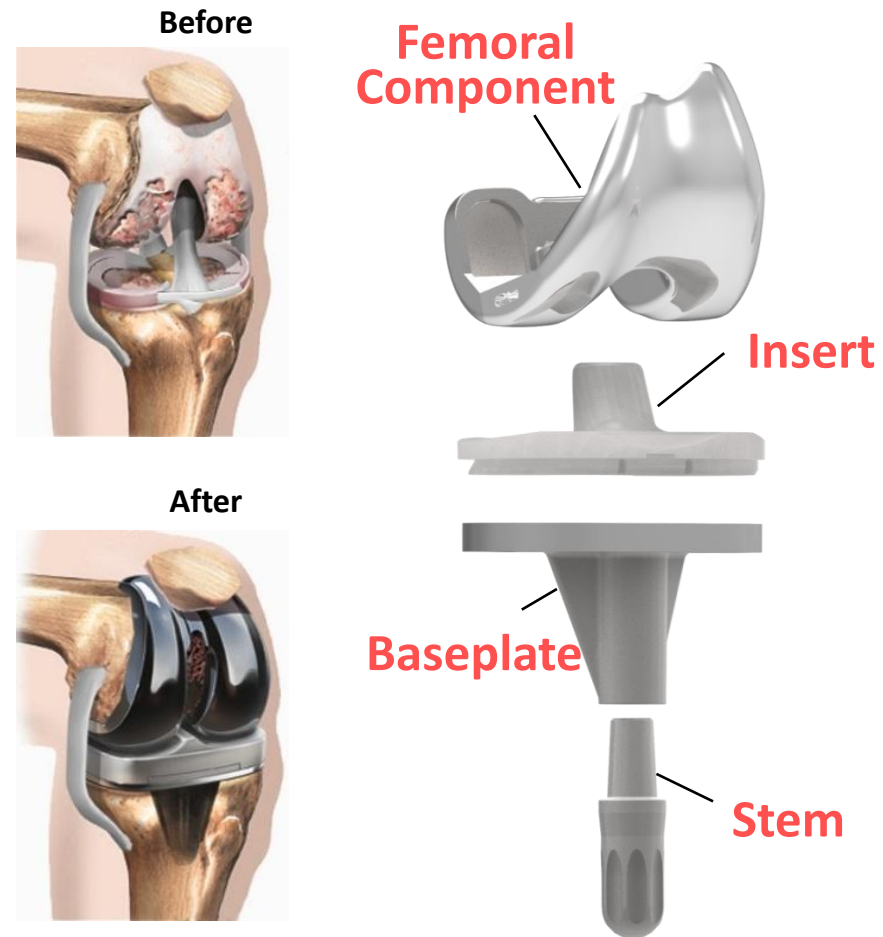
United Orthopedic Corporation
Jason Lin

Total Joint Replacement

Hip Joint Replacement



Knee Joint Replacement



OEM 30% or Own-brand 70%

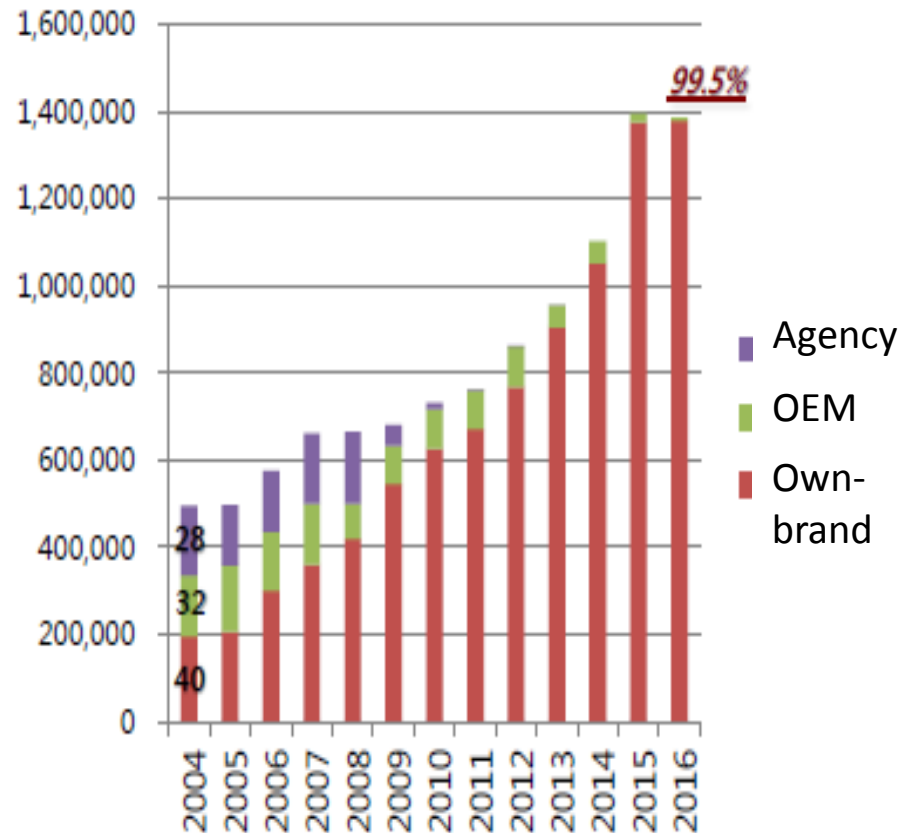
Profit

iPhone X **Costs \$357.5** to make and **sells for \$999**, **Gross Margin** up to **64%**.

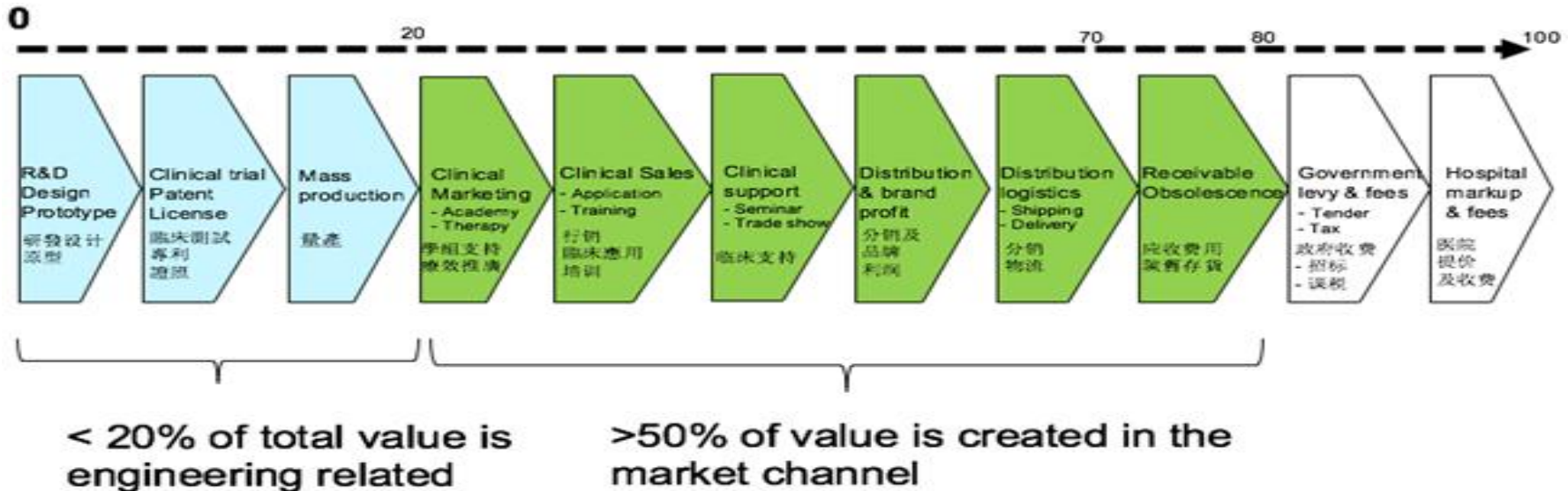
Opportunities

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**



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.

Company Snapshot

Founded : March 1993

Listed on OTC : September 2004

Market Cap : NT\$ 5 billions (capital NT\$800M)

Global : Taiwan (Taipei, HsinChu, Kaohsiung)

Operations China (Shanghai, Xi'an, Zibo)

United States (CA)

Europe (France, Switzerland)

Japan (Yokohama)

Main Business: Orthopedic implants (joint, spine, trauma) and instruments

Employee : 683

Revenue : NT\$ 1.38 billions (2016)



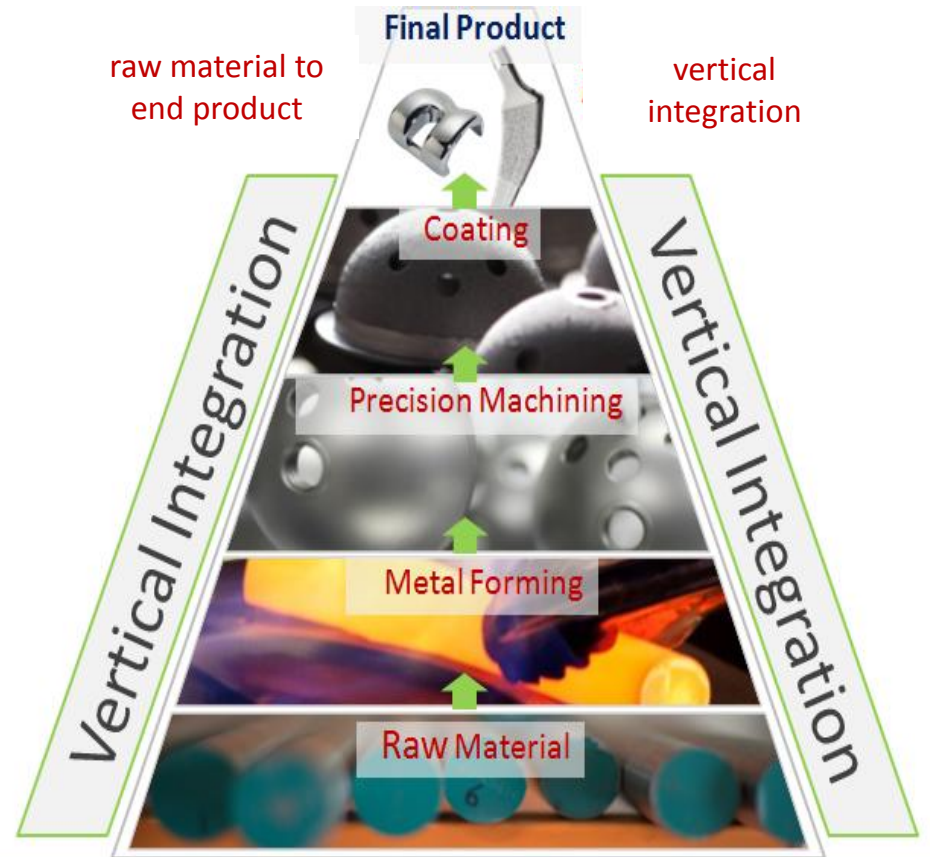
Competing in Worldwide Market

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.



Supply chain control/ cost saving

2. Complying International Regulatory Requirements



4. Complete Product Line



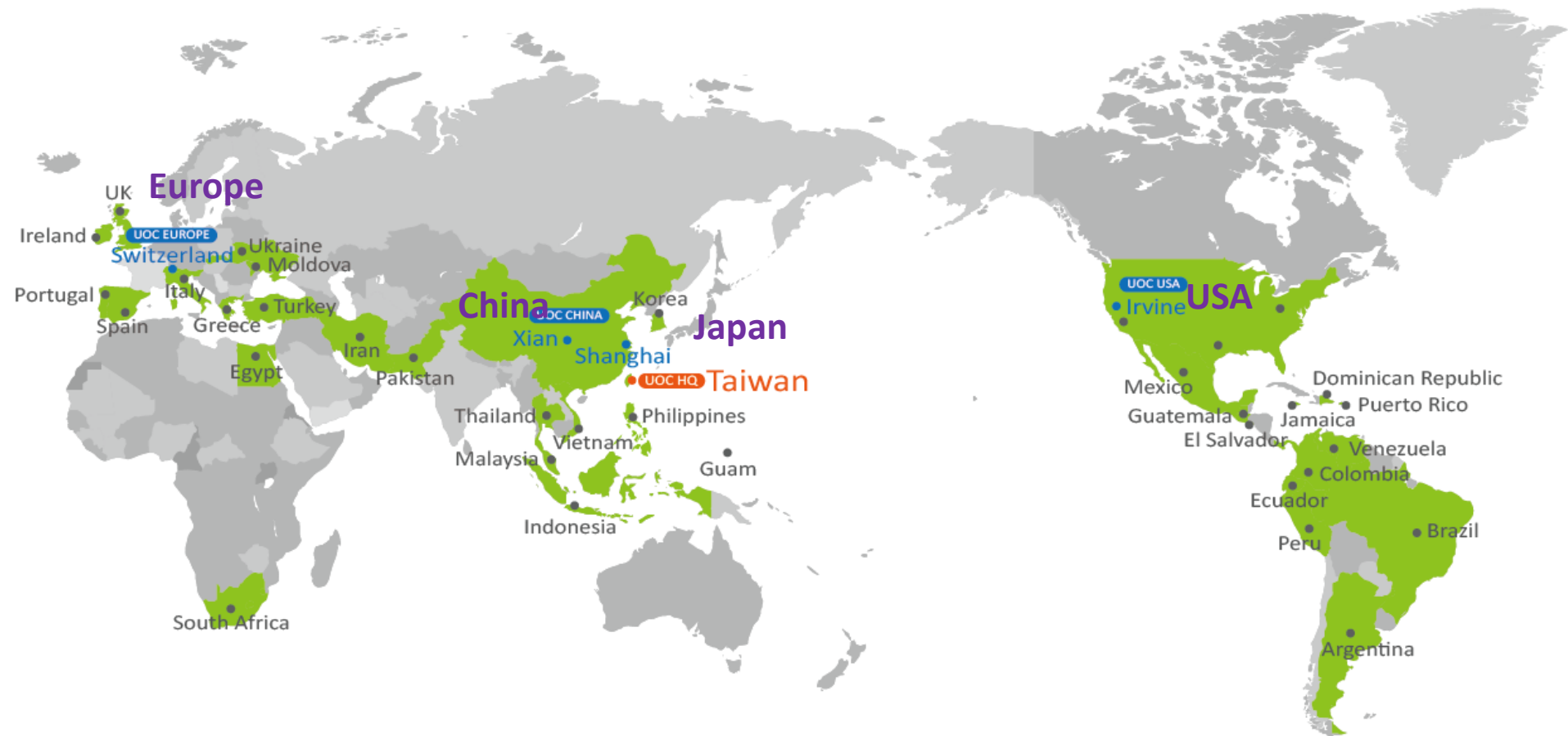
Currently 75% completion comparing to major brands

2019: Estimated to achieve 90%+

5. Sales team and channel

Channel established in 38 countries

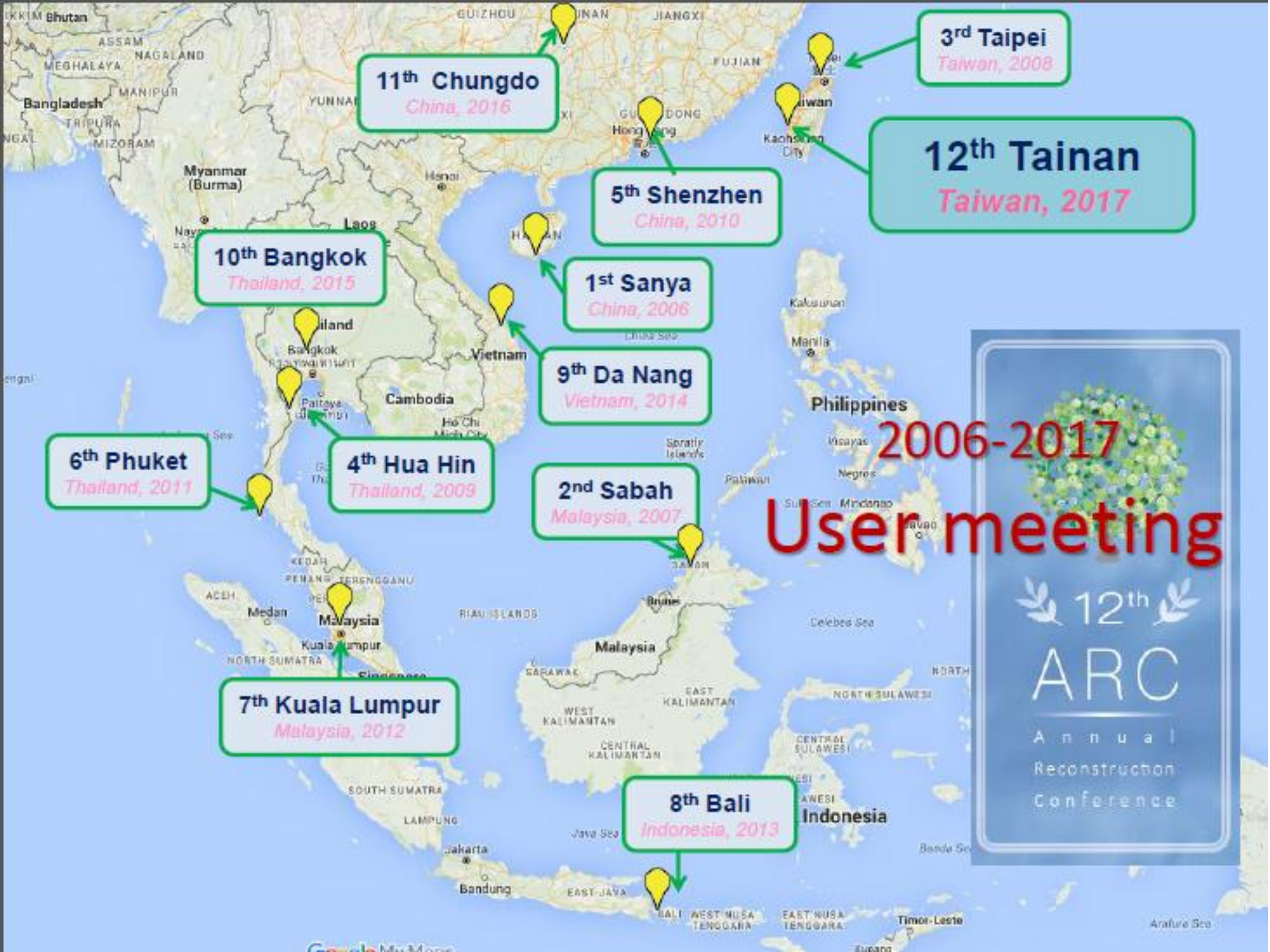
Branch Office: China, USA, Switzerland, France, Japan



6. Clinical academic support

Clinical academic support		Taiwan	International	Total
New product R&D collaboration	cases	2	3	5
Published Papers	papers	13	20	33
Clinical follow-up completes	reports	9	3	12
Ongoing Clinical study/papers	reports/papers	7	10	17
KOL endorsement	surgeons	6	5	11
Clinical education managers	UOC	5	3	8

Promotion of high-end medical devices relies on continued clinical academic support



2006-2017

User meeting

12th
ARC
Annual
Reconstruction
Conference

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

7. Brand Identification





Year	Exhibition
2013	19
2014	22
2015	28
2016	31
2017	42
Total	142



Does UOC enter 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)

UOC maybe is still too young



ZIMMER BIOMET

1927

90Y

DePuy Synthes

1839

178Y

stryker®

1941

76Y

smith&nephew

1865

152Y



United®
Orthopedic Corporation

1993

24Y

4 Companies
78.5%
world
market
Shares

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	ZIMMER BIOMET (Billion USD)	UOC (Million USD)	Multiple
Ttl. Revenue	7.68	42.5	181
Artificial Joint	4.62	42.5	109
America	58.0%	28.4%	
Europe	25.1%	7.3%	
Asia-Pacific	16.9%	64.3%	
Total Assets	26.68	90.8	294
Market Value	22.7	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	

The difference with major competitors

1. Outstanding R&D team and international standardized production capability, manufacturing "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 force and channel. (Branch office/Distributor)
6. Clinical academic support. (R&D colaboration, research paper publication, KOL recruit, Post-Market clinical follow-up, Product training for Surgeons and sales team)
7. Brand identification and visibility
8. Management, Administration, Compliance, talent, setup etc. of an globalized company.

Time & Work Hard

Thank you

Each Step
We Care

United Orthopedic Corporation