



United Orthopedic Corporation

2020 Investor Conference

Jason Lin

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Integrity Responsibility Happiness Innovation

Safe Harbor Notice

Except for historical information set forth herein, this presentation contains certain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from what may be expressed or implied by such statements. Investors shall assess the potential impact of uncertainties and conduct risk control.

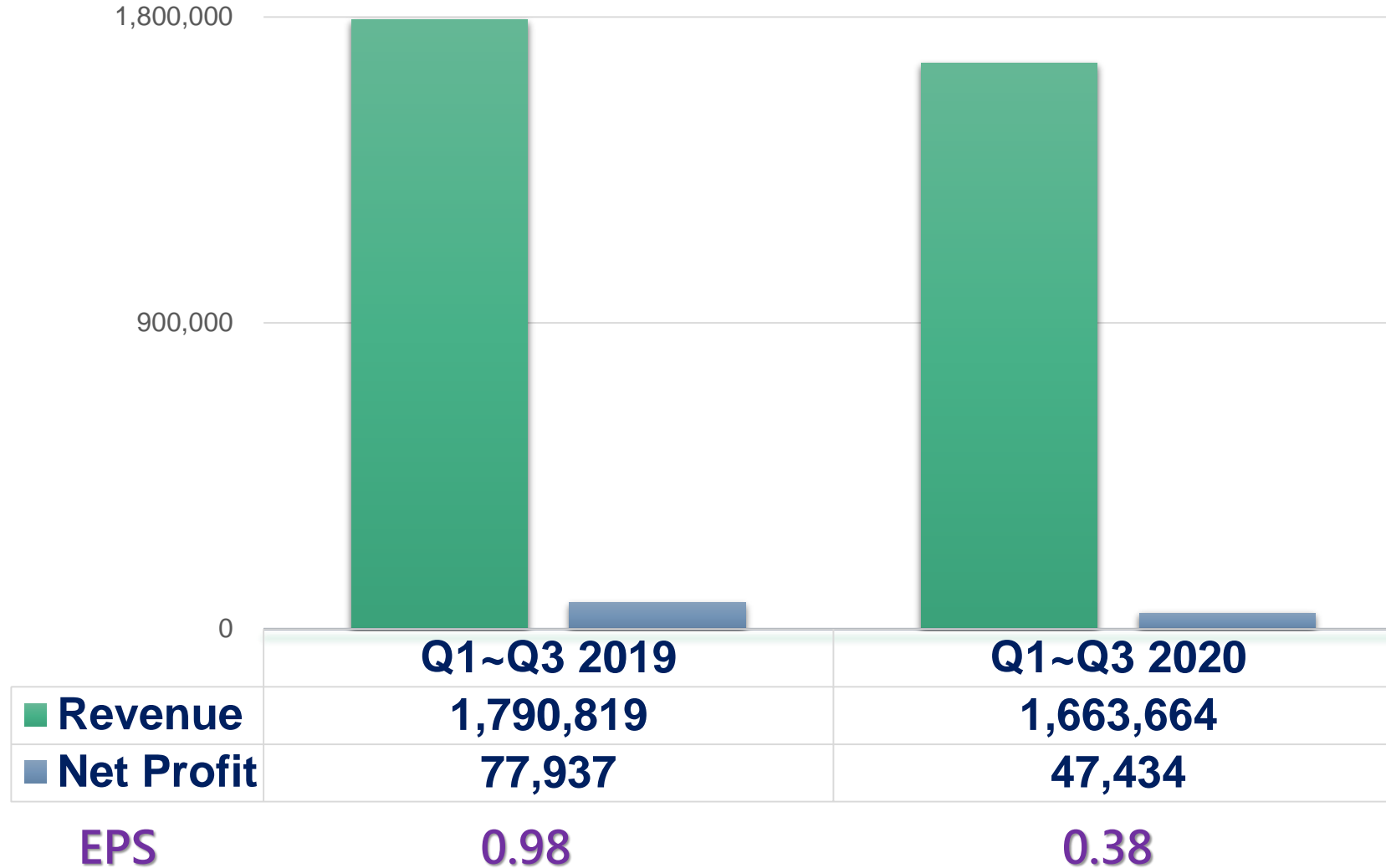
Agenda

- **Financial Results**
(for the first 3 quarters of 2020)
- **Business Update**
- **Q & A**

Revenue & Net Profit

(consolidated)

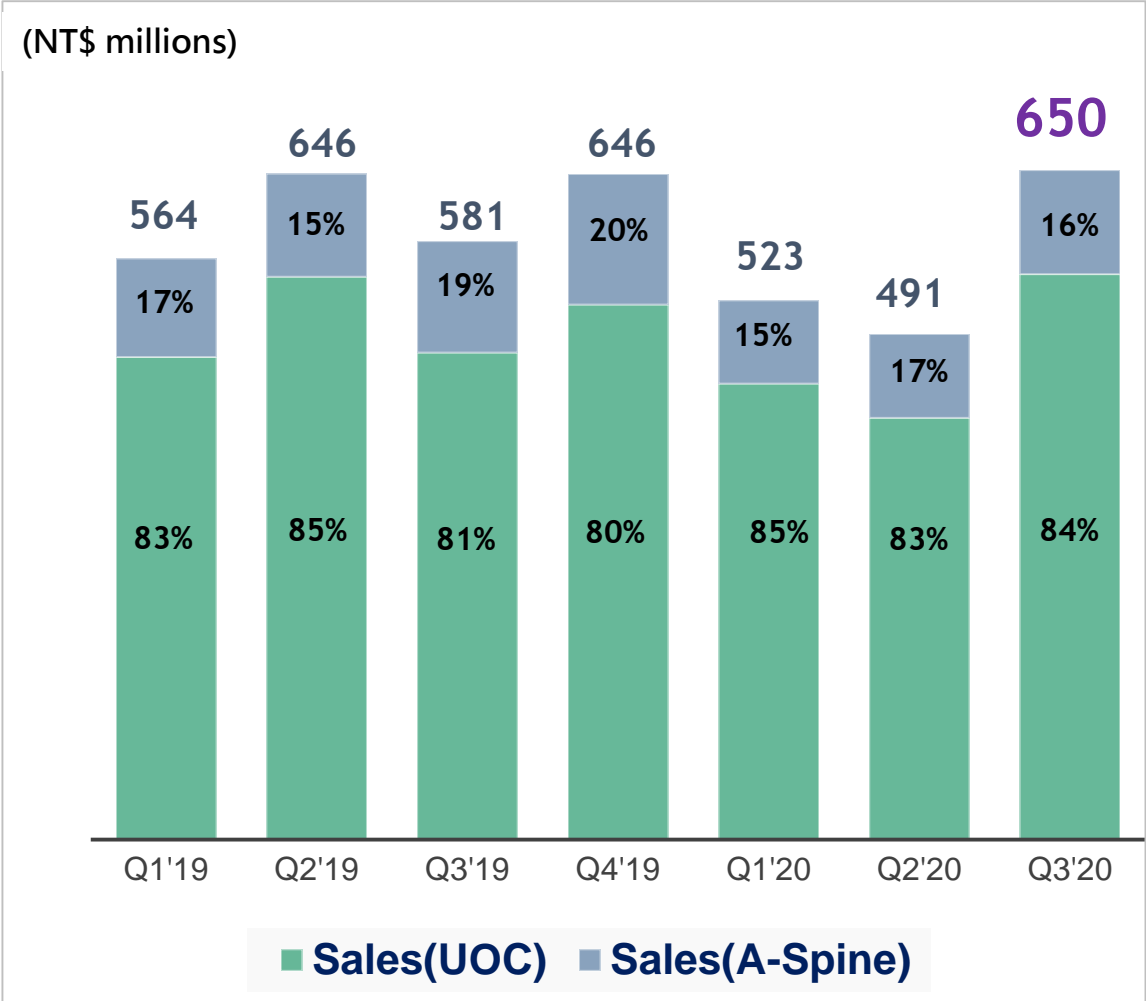
(NT\$ thousands)



- Due to the impact of COVID-19 , the company's revenue decreased 7% year-over-year, accompanied a decline in profit in the first 3 quarters.

Operating Results

Revenue Trend Chart



Financial Ratios



● Revenue hit historic high in Q3 2020.

● Gross margin returned to 71% , accompanied a decline in operating expense in Q3 2020.

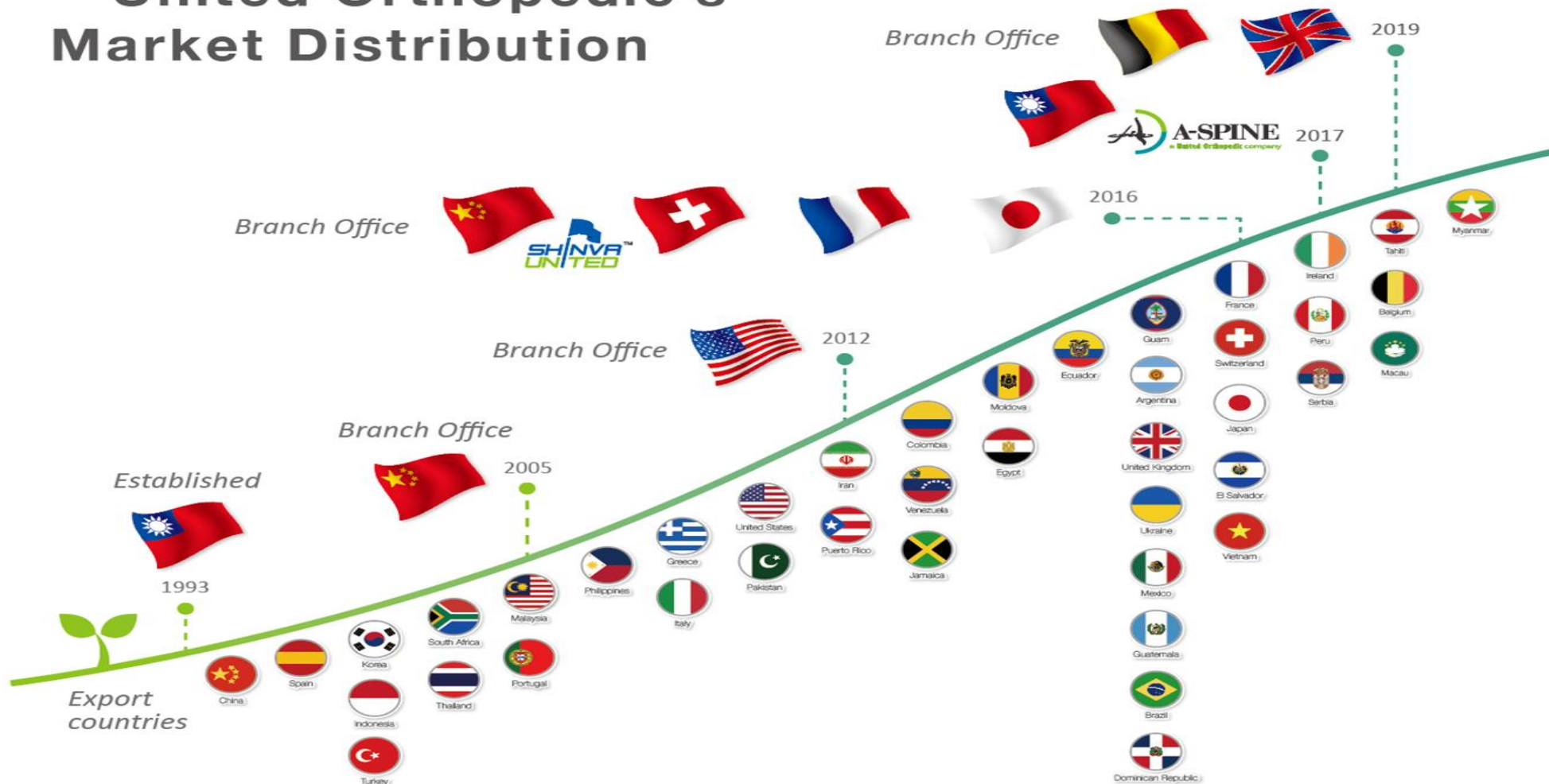
Operating Expense

(NT\$K)	Q1~Q3 2019		Q1~Q3 2020		YoY (2019 vs. 2020)
Revenue	1,790,819		1,663,664 -7%		(127,155)
Sales Exp.	903,253	50%	829,296	50%	(73,957)
ADM Exp.	170,268	10%	162,894	10%	(7,374)
R&D Exp.	130,897	7%	118,691	7%	(12,206)
Total Exp.	1,204,418	67%	1,110,881	67%	(93,537)

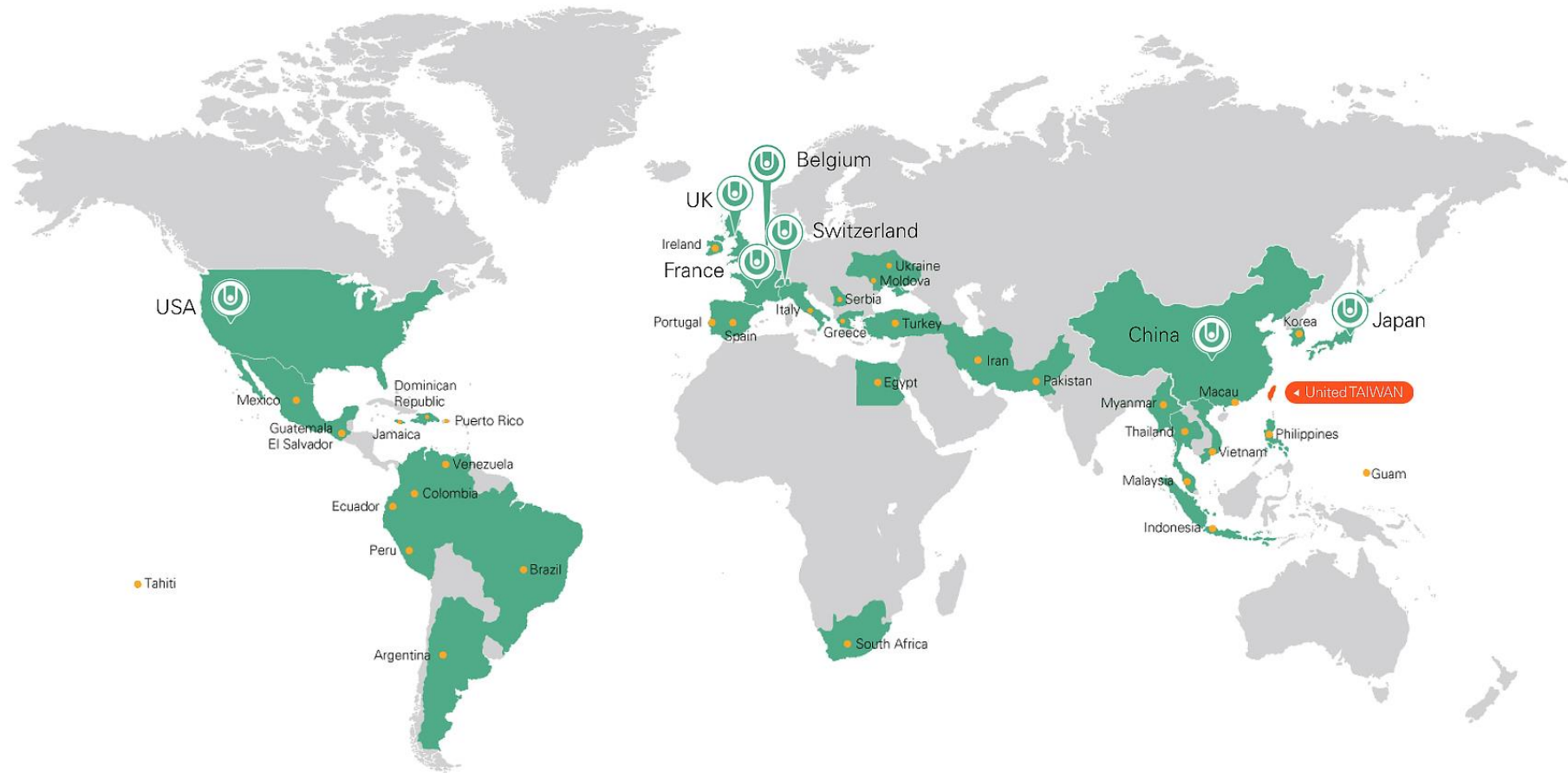
Numbers of Surgery

436,719 cases implanted worldwide

United Orthopedic's Market Distribution



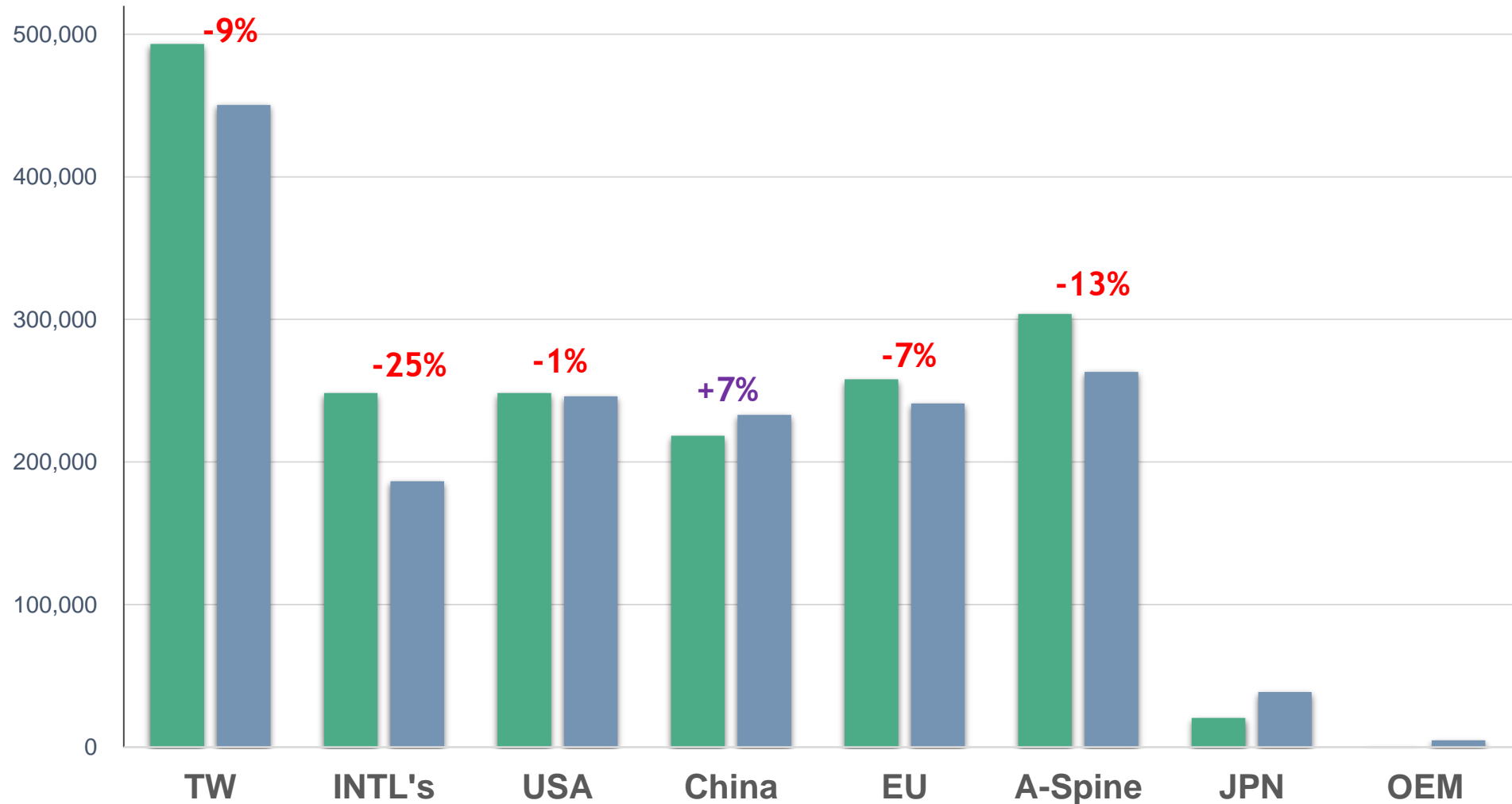
8 BRANCHES 40 COUNTRIES



Revenue Breakdown (2019 vs. 2020)

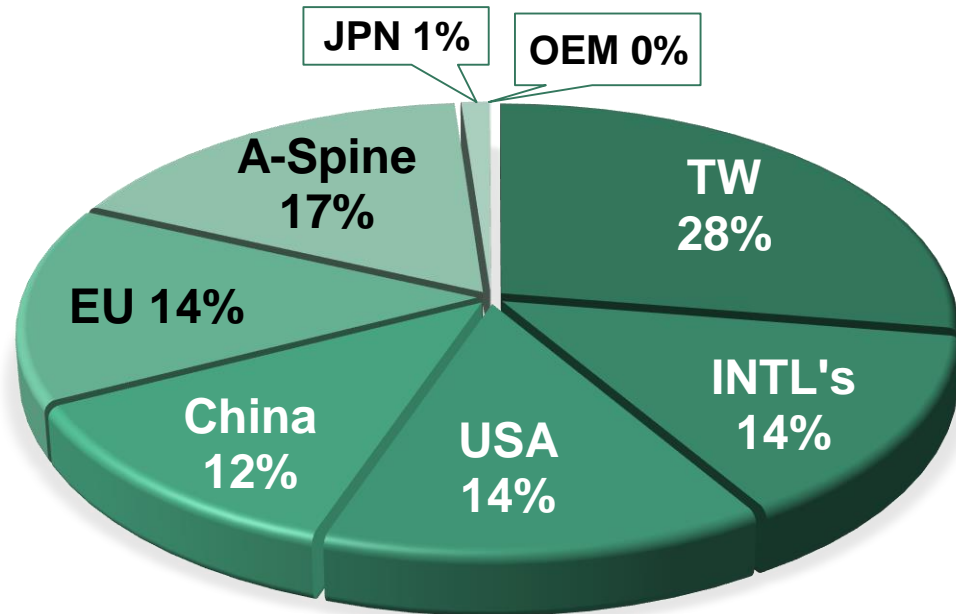
- Customers build up more stocks for the future needs as signs pandemic ebbing in China.
- The contribution of new Oncology product eased the COVID-19 impact in USA.

(NT\$ thousands)

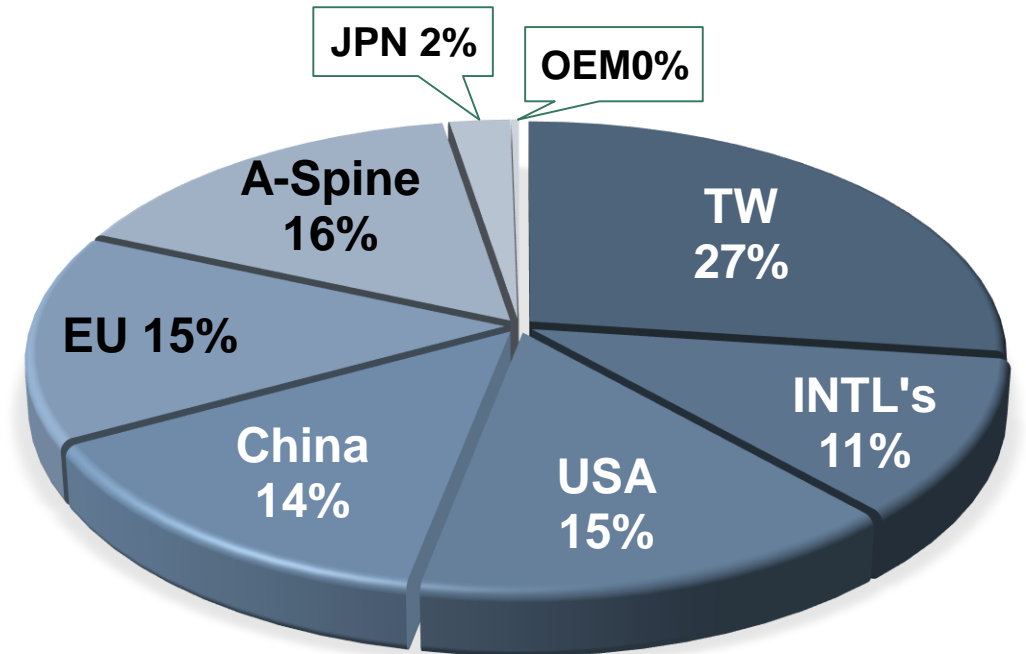


Revenue by Regions (2019 vs. 2020)

Q1~Q3'19

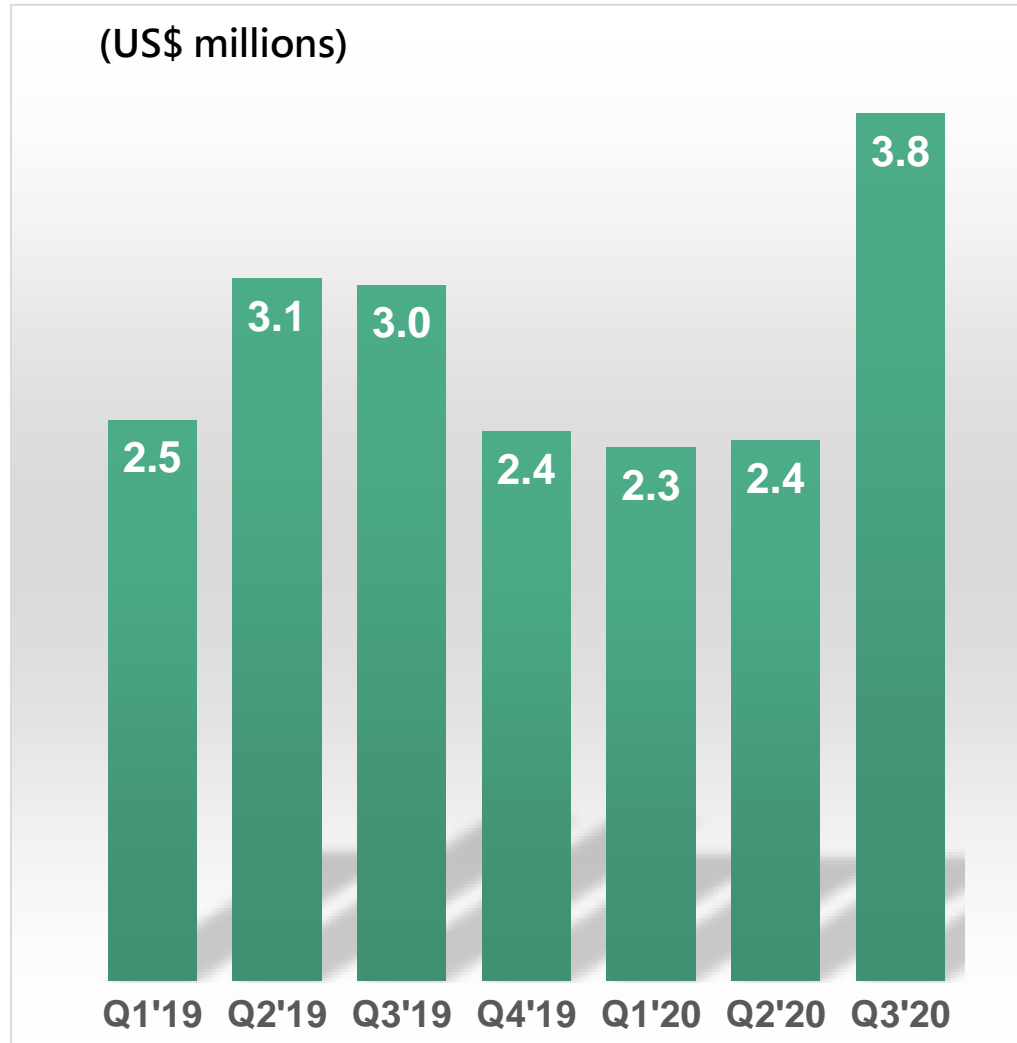


Q1~Q3'20

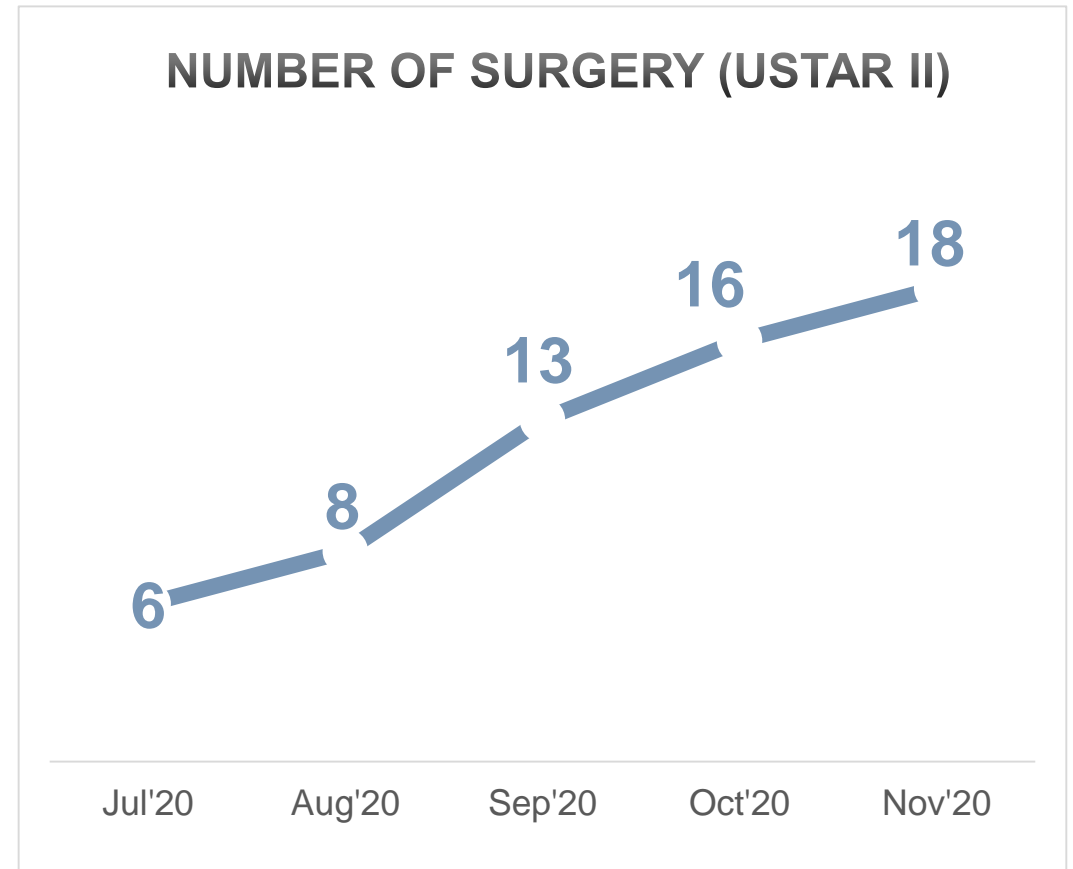


USA Market Development

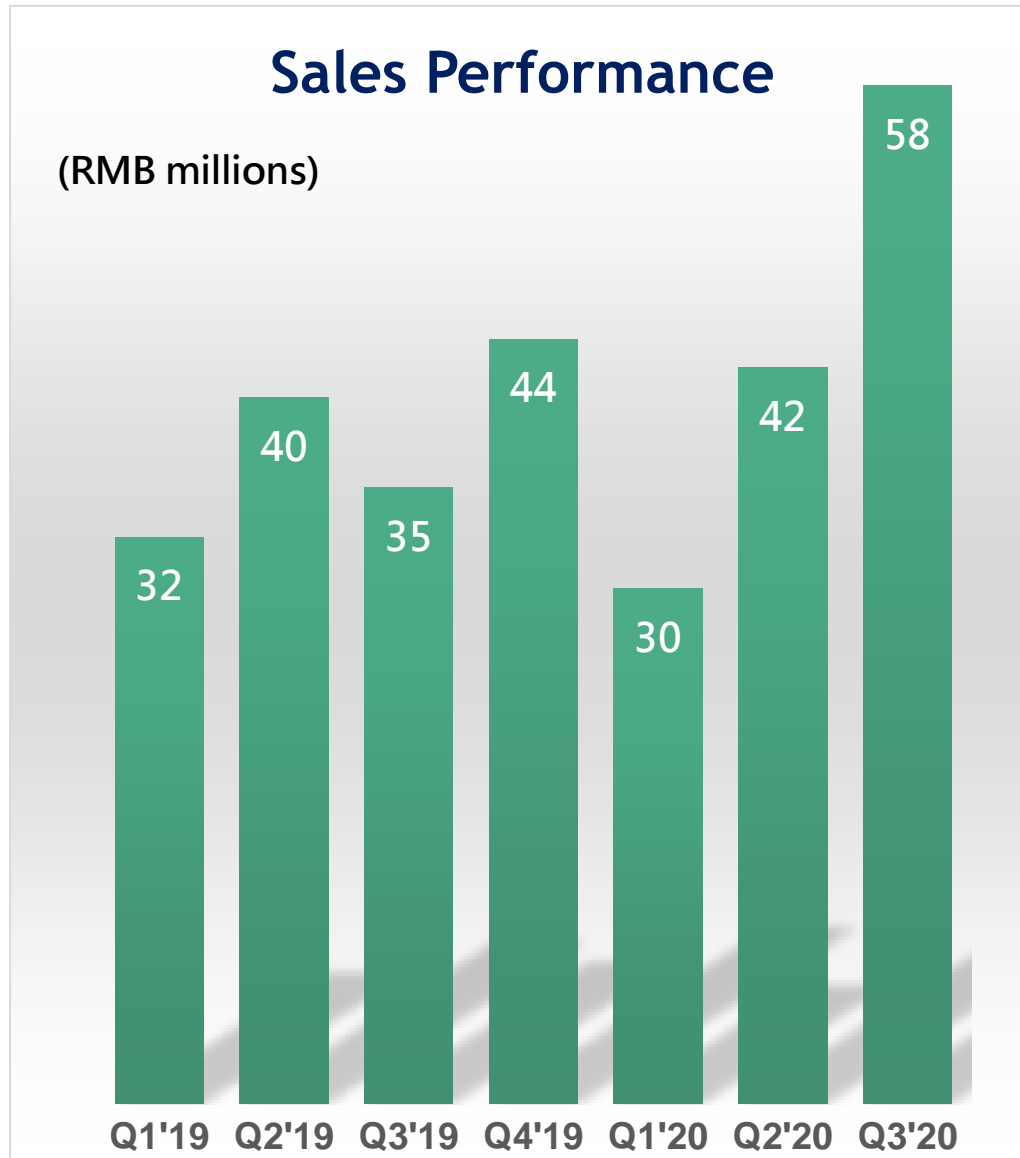
Sales Performance



- New Oncology product (USTAR II) launched in Q3'20 with high price and increased the revenue effectively.



China Market Development



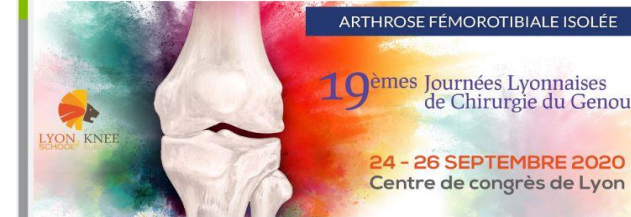
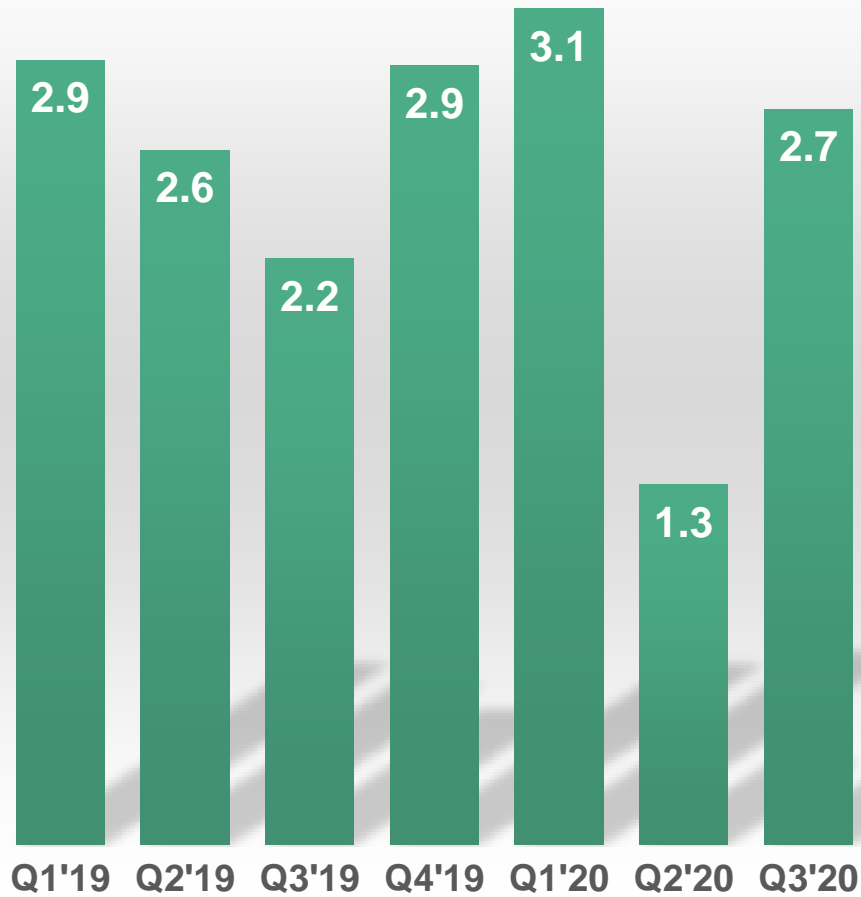
- Chinese brand name products are planned to be launched in the second half of 2021.



Europe Market Development

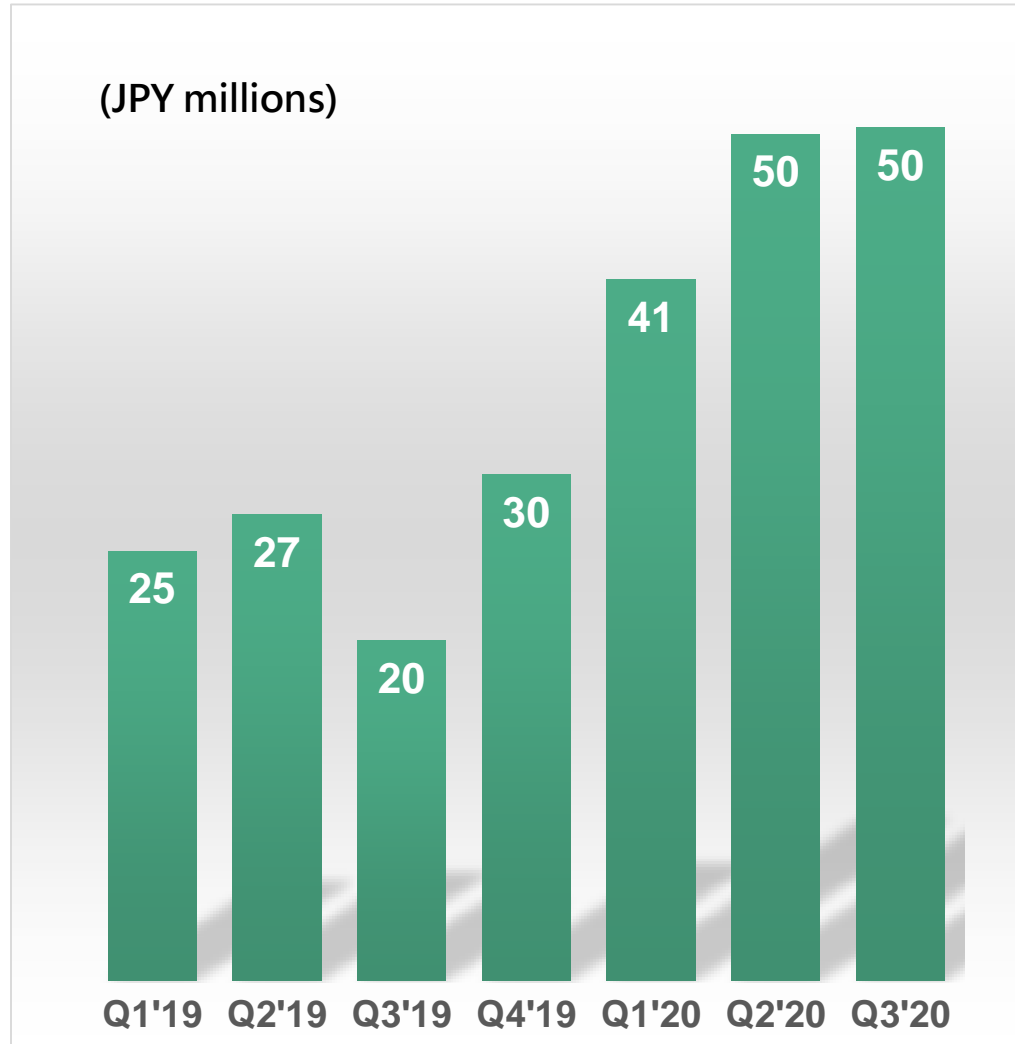
Sales Performance

(EUR millions)



Japan Market Development

Sales Performance

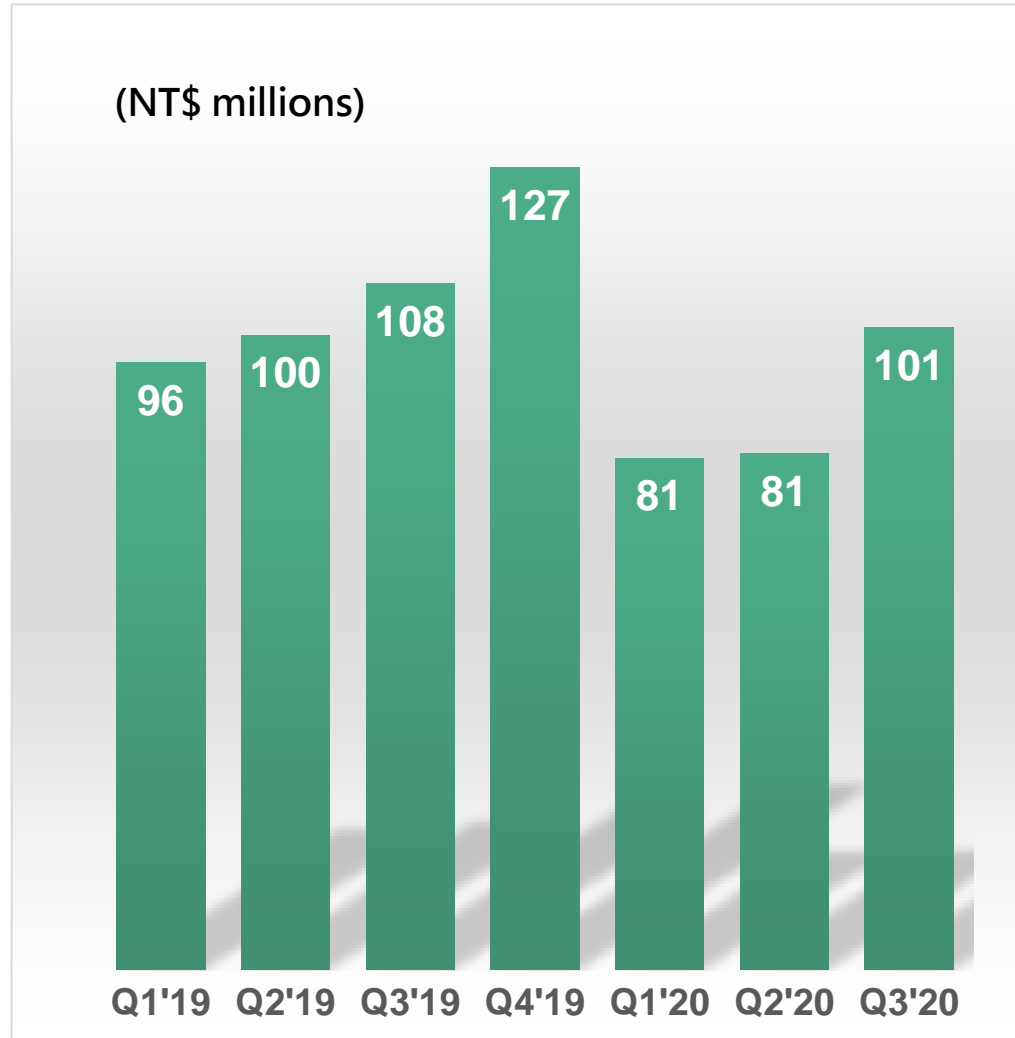


- HIP has earned a very positive feedback from Japan market.



Spine Business Development

Sales Performance



- A-Spine (stock ticker 6758)

Establish	June 2001
Products	spinal implants and instruments
Capital	NT\$ 135 million
2020 Sales (Q1~Q3)	NT\$ 263 million
2020 P/L (Q1~Q3)	NT\$ 22 million
EPS	NT\$ 1.63
Total assets	NT\$ 0.5 billion

USTARII Oncology /Joint Reconstruction System

- Hub-design structure, obtaining US patent (US10064732B).
- Launched in USA, the first market where USTARII is available.
- Leading the industry in product design.



Conformity Stem

- Co-developed with orthopedic surgeons from prominent American hospital(HSS).
- Varied component and size selections(total 57 pieces), accommodating multiple needs for surgery operations.



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 **PROVIDENCE**
Health & Services

Locking Cage

- Unique proprietary “Locking nut” design
 - Co-developed with the teaching hospital in Taiwan
 - Patented design facilitates secure acetabular fixation, improving stability and bone healing
 - 10 cumulative clinical cases have been conducted with good results
- Modular system
 - Diverse selections to meet the anatomical structure of the acetabulum
 - Increased surgical flexibility
- Won the 2019 National Innovation Award

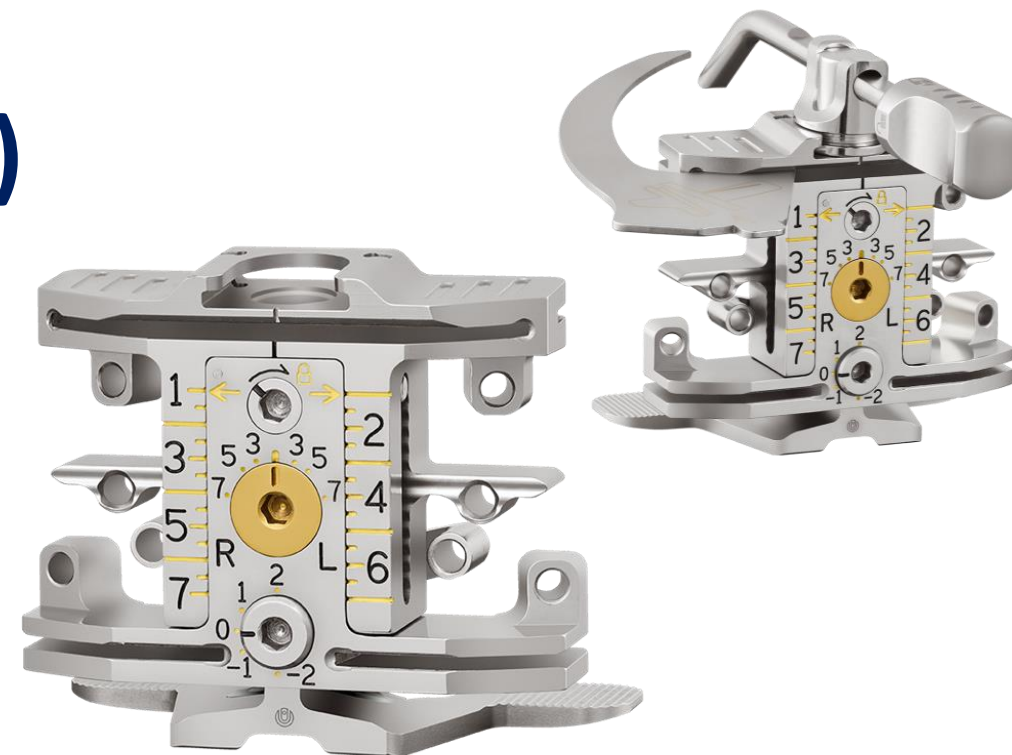


Locking Cage™
Revision Acetabular Hip System



U2 Knee All-in-One Block (AiO)

- Facilitating surgeons with easier and more accurate femur sizing and bone resection level measurements
- Bronze winner at the 21st Annual Medical Design Excellence Awards



Patent No.
US9974547

Think Surgical Navigation System

- **Obtained FDA clearance to use the U2™ Knee System with the TSolution One Total Knee Application in August 2020**
- **40+ clinical cases have been conducted in USA**

THINK®



Business Updates

- **Continually implementing the rules on prudential operations under the concern of COVID-19.**
- **The launch of new products will mainly drive the company's sales growth.**

Thank you for listening

Each Step
We Care