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2023

Investor Conference

Taiwan's No.1 Professional Healthcare Pharmacy

值得您信賴的藥局

YOUR TRUSTWORTHY
PHARMACY



大樹醫藥股份有限公司
Great Tree Pharmacy Co.,Ltd.

Agenda

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Industry Overview

COMPANY PROFILE

Company's Introduction

Name: Great Tree Pharmacy (Ticker : 6469)

Established date : 2001/5/15

Listed on TPEX: 2016/3/30

Paid-in capital: NT\$ 891,352,000

Total revenue: NT\$ 14,564,645,000 in 2022

of staff: 2,472staff

Chairman & CEO : Ming-Lung, Cheng (Founder)

Business:

Physical pharmacies that provide health insurance prescription dispensing services, and sell maternal & child products, supplements and healthcare products.

Online shopping platforms for maternal and child health products

Wholesale pet food and supplies, Pet grooming.

Company history

Modernize to chain store management

of stores: 7

- 2001-The first TW pharmacy to issue legally required invoices to customers
- 2002- Implement automatic replenishment system & ERP system**

2001-2005

Construct a reproducible profit-making business model

of stores: 14

- 2007- Set up E-booking system of controlled drugs
- 2008- Open store-within-store in Carrefour TW
- 2010- Introduce Corporate Identity System and renew display shelves
- Set the 3rd five-year plan (2011-2015) Complete stock IPO**

2006-2010

Nationwide expansion

Aim to IPO

of stores: 46

- 2011- Open stores beyond in Taoyuan, **indicating expansion ability in TW**
- 2014- PharmaCloud System received subsidy from SIIR Project
- 2014- Obtain ISO9001, GSP, TTQs
- 2015- Collaborate with Taiwan Family Mart
- 2015- Exclusive pharmacy partner with Alibaba TW
- Set the 4th five-year plan (2016-2020) with 200 stores in Taiwan**

2011-2015

Achieve the 3rd 5yr-plan IPO plan

TW's No.1 Chain Pharmacy

Launch O2O model

of stores : 200

- 2016/03/30- Listed on TPEX**
- 2017- Re-selected as Carrefour TW's pharmacy partner**
- 2018- Launch online pharmacy service**
- 2019-Take over Boden Pharmacy**
- Set the 5th five-year plan (2021-2025) with 500 stores in Taiwan Three cross plan**

2016-2020

Achieved the 4th 5yr-Plan 200 store plan

Where We are?

GreatTree is a island-wide drug store chain brand

Market position

In more than 60% of counties and cities we are the NO.1 brand

In more than 90% of counties and cities we are the top 2 brands



299 stores

As of 2022.12.31

Taiwan chain pharmacies still have a lot of room for growth

The current chain rate of Taiwan pharmacies is only 20% (1,678/8,410)

Compare the development process of the United States, Japan, and China
It is estimated that the chain rate of Taiwan pharmacies will reach 50% in 2032

Taiwan chain pharmacies can reach 4,000 stores

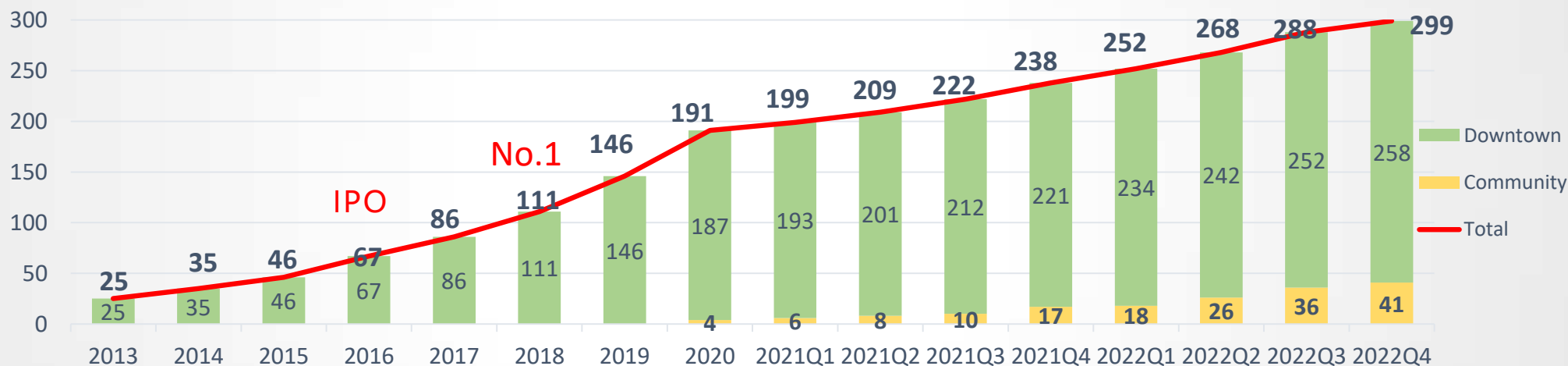
the top two brands can reach 2,000 stores

Operational Overview

- # of stores expand as planned, with higher efficiency

Year	2020	2021	2022	2023	2024	2025
Downtown + Community	200	240	299	350	420	500

- No.1 pharmacy in Taiwan since 2018 Q3



Store Transformation

**Continued innovation
for a better consumer experience**

1st Generation



2nd Generation



3rd Generation



4th Generation



5th Generation Brand-new experience zone, incorporate OMO concepts



Business Performance

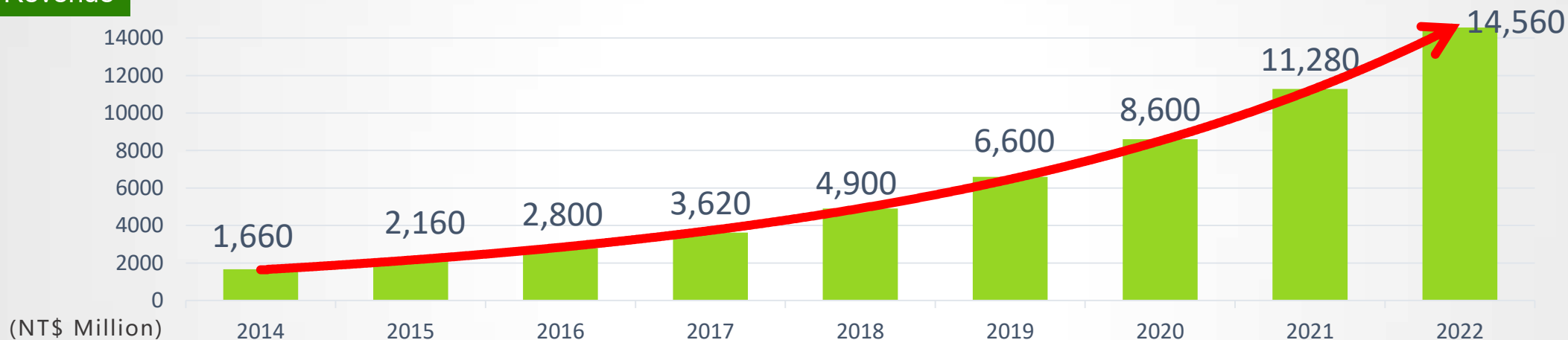
Sales Highlights

Pre-tax earnings growth is in line with revenue growth since 2014

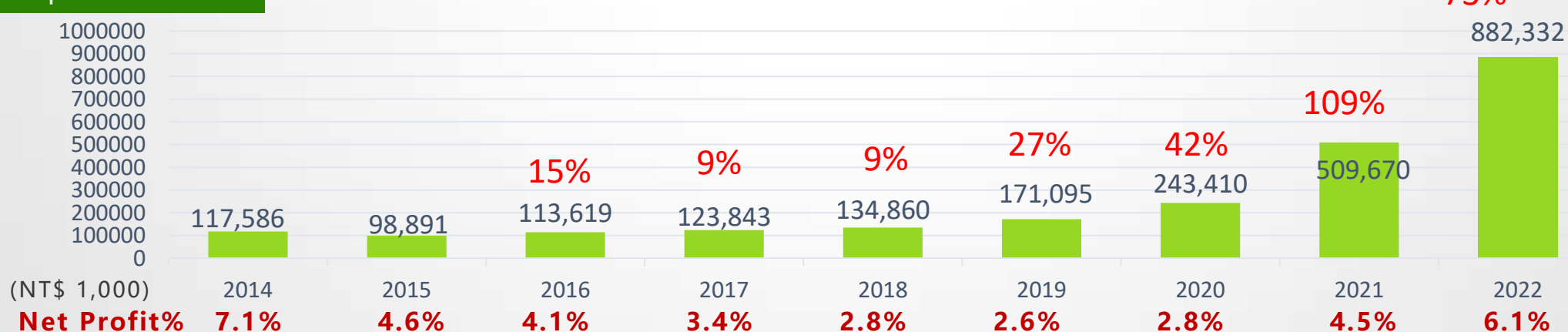
Revenue CAGR is 30% in 2014-2022

Operating leverage leads to strong pre-tax earnings growth in 2020

Revenue



Net profit before tax



As of 2022.12.31

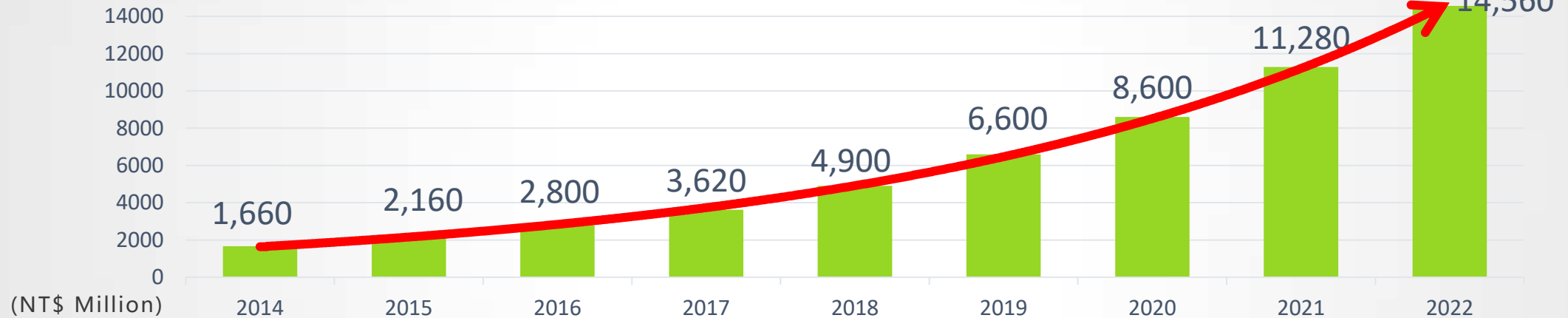
Sales Highlights

Sales growth is driven by store expansion since 2014

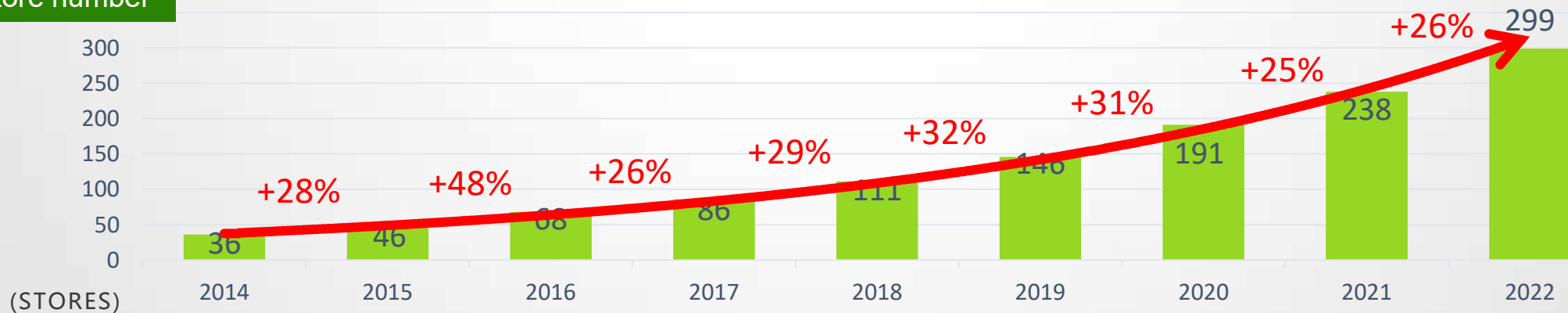
Revenue CAGR is 30% in 2014-2022

Revenue growth > Store number growth

Revenue



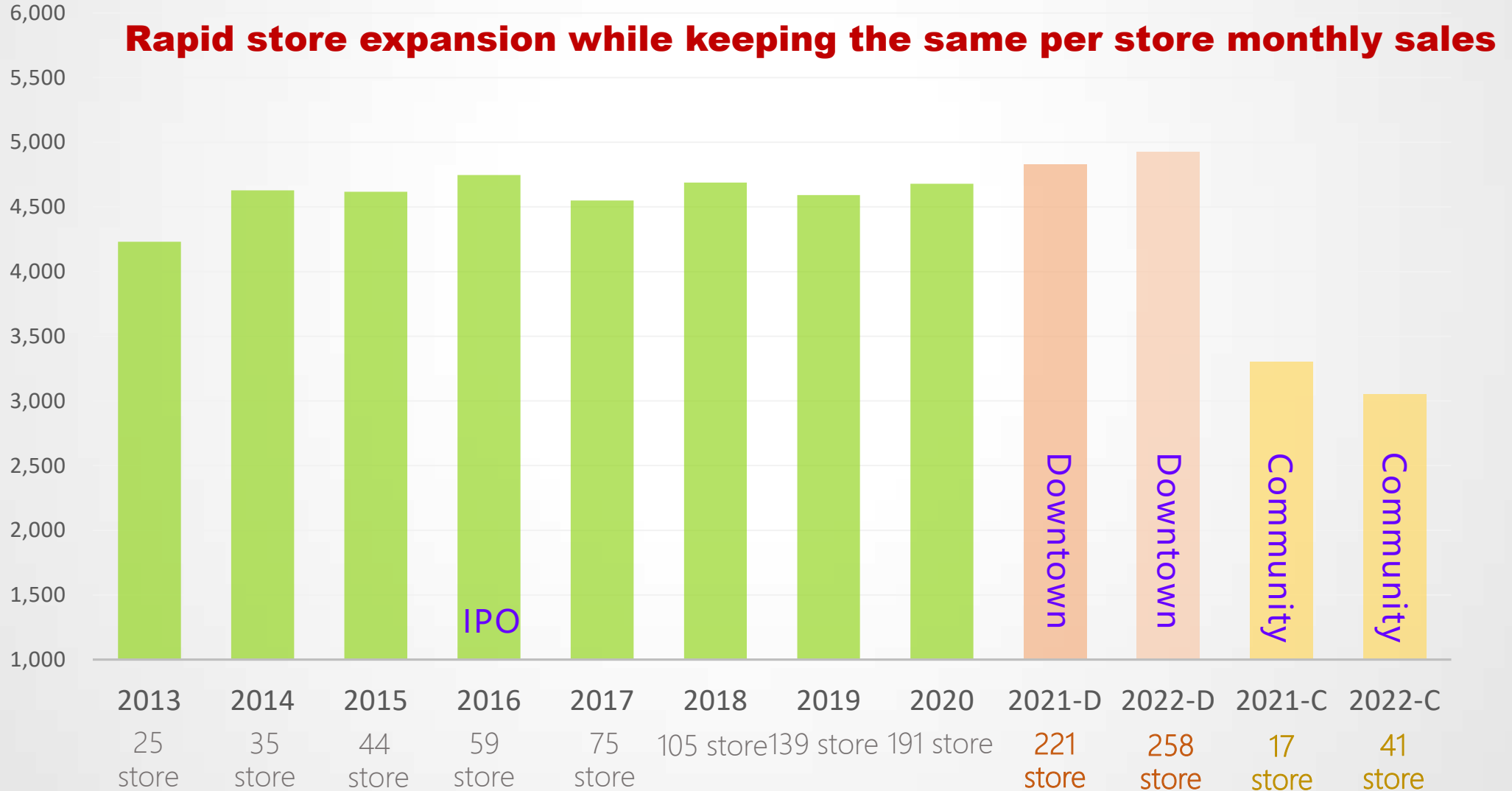
Store number



Sales Highlights

Per Store Monthly Sales, 2013-2022

(NT\$1000)



Only counted stores opened for over a year
Excluding stores in airport, Carrefour, and Family Mart

As of 2022.12.31

Sales Highlights

2012~2021 Same Store Sales/Gross Profit Performance

Continue to implement core Competitive
Same Store Sales & Gross Profit have been growing since 2012

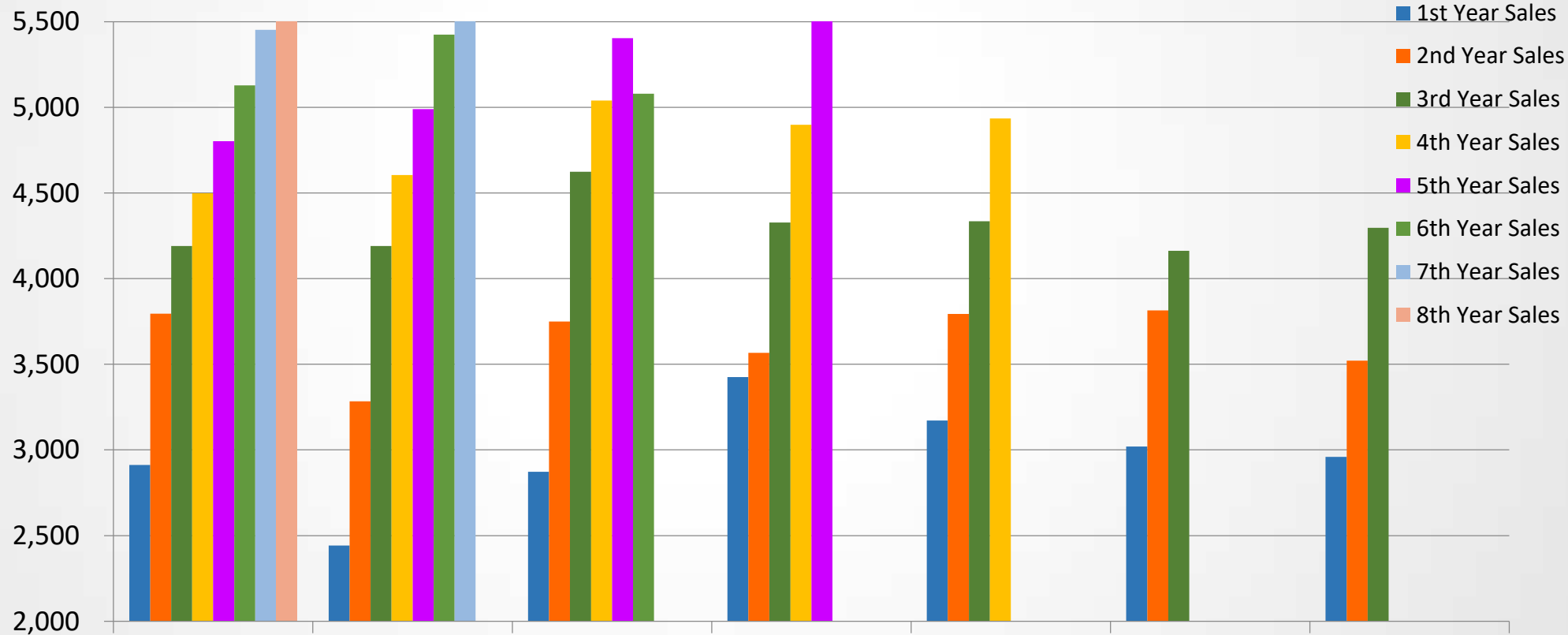


Sales Highlights

Same Store Sales for Newly Opened Stores

Same-store revenue continues to grow YoY since 2015

(NT\$1000)



(NT\$1000)

Newly Opened Stores

2015

11 stores

2016

21 stores

2017

18 stores

2018

28 stores

2019

35 stores

2020-D

32 stores

2020-C

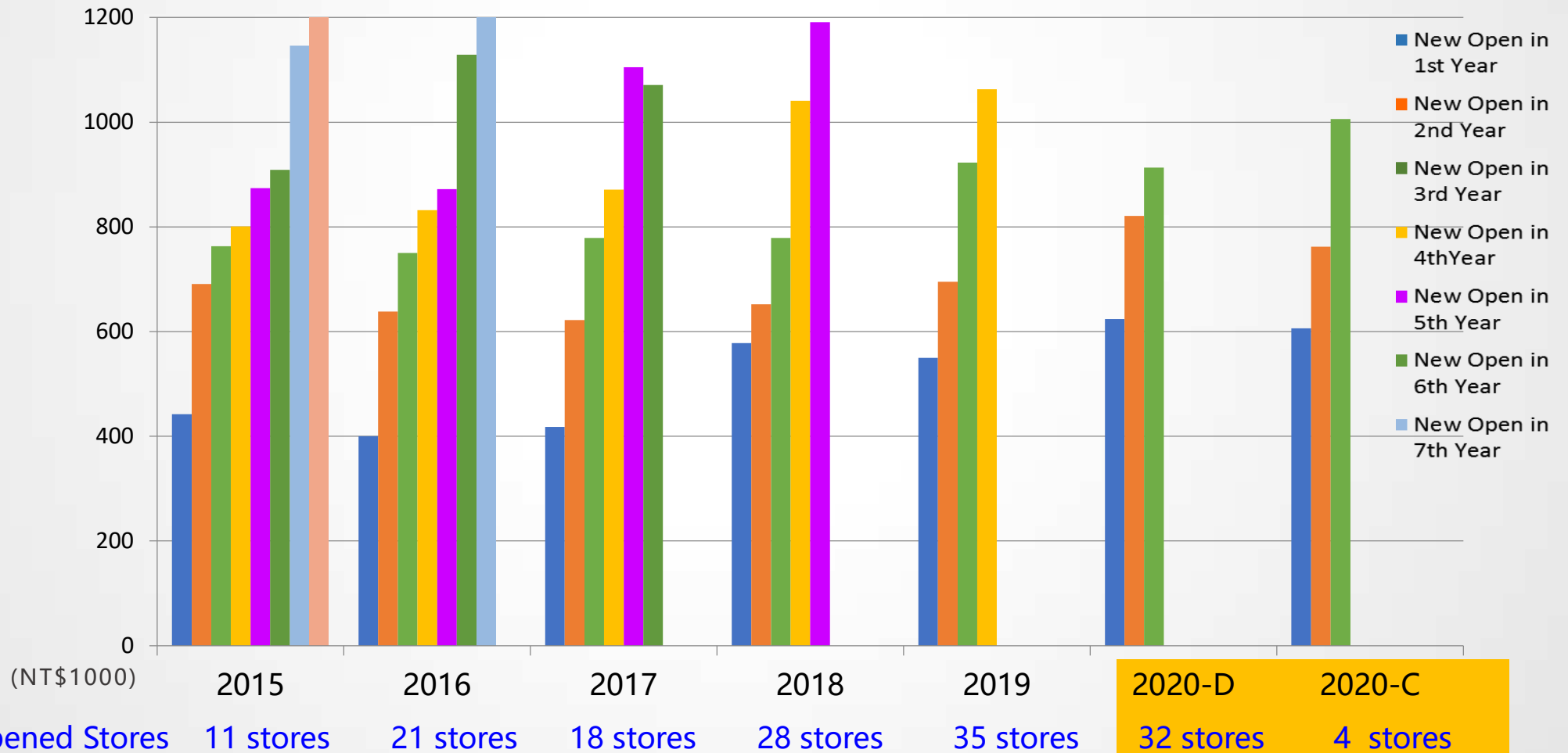
4 stores

Excluding stores in airport, Carrefour, and Family Mart

Sales Highlights

Same Store Gross Profit for Newly Opened Stores

Same-store gross profit continues to grow since 2015

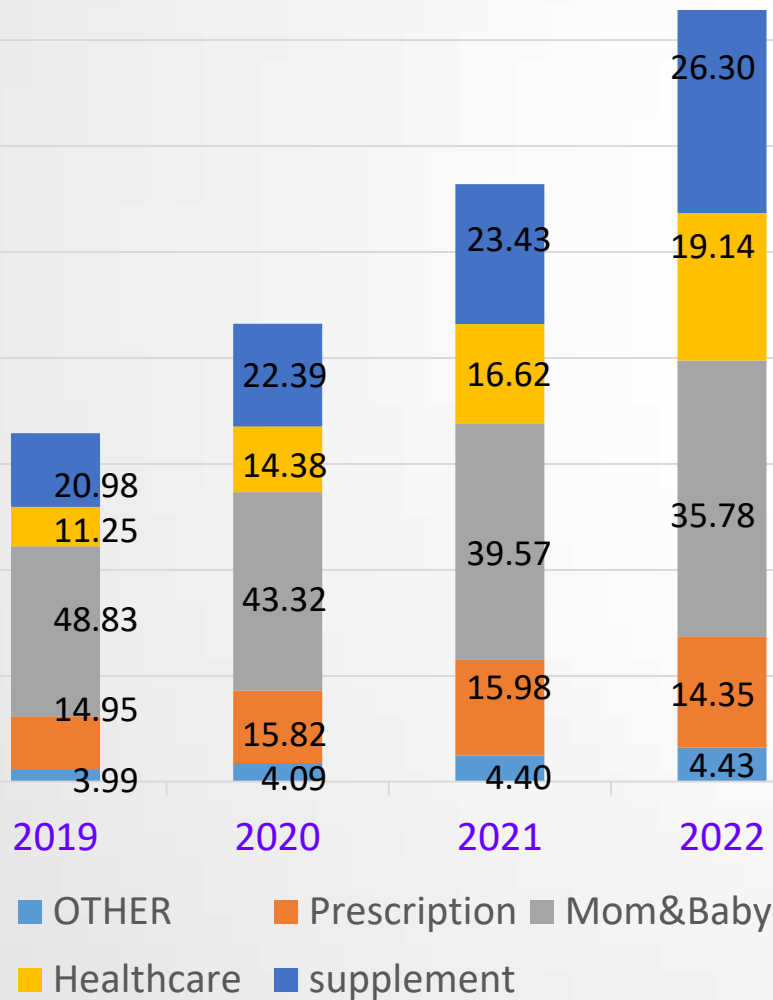


Excluding stores in airport, Carrefour, and Family Mart

Sales Highlights

The revenue of high-profit categories has gradually increased

圖表標題



Category	2019	2020	2021	2022	21-22 YOY
Supplement & OTC	20.98%	22.39%	23.43%	26.30%	12.25% ↑
Healthcare	11.25%	14.38%	16.62%	19.14%	15.16% ↑
Mom&Baby	48.83%	43.32%	39.57%	35.78%	9.58% ↓
Prescription	14.95%	15.82%	15.98%	14.35%	10.20% ↓
Other	3.99%	4.09%	4.40%	4.43%	0.68% ↑

Profit%:

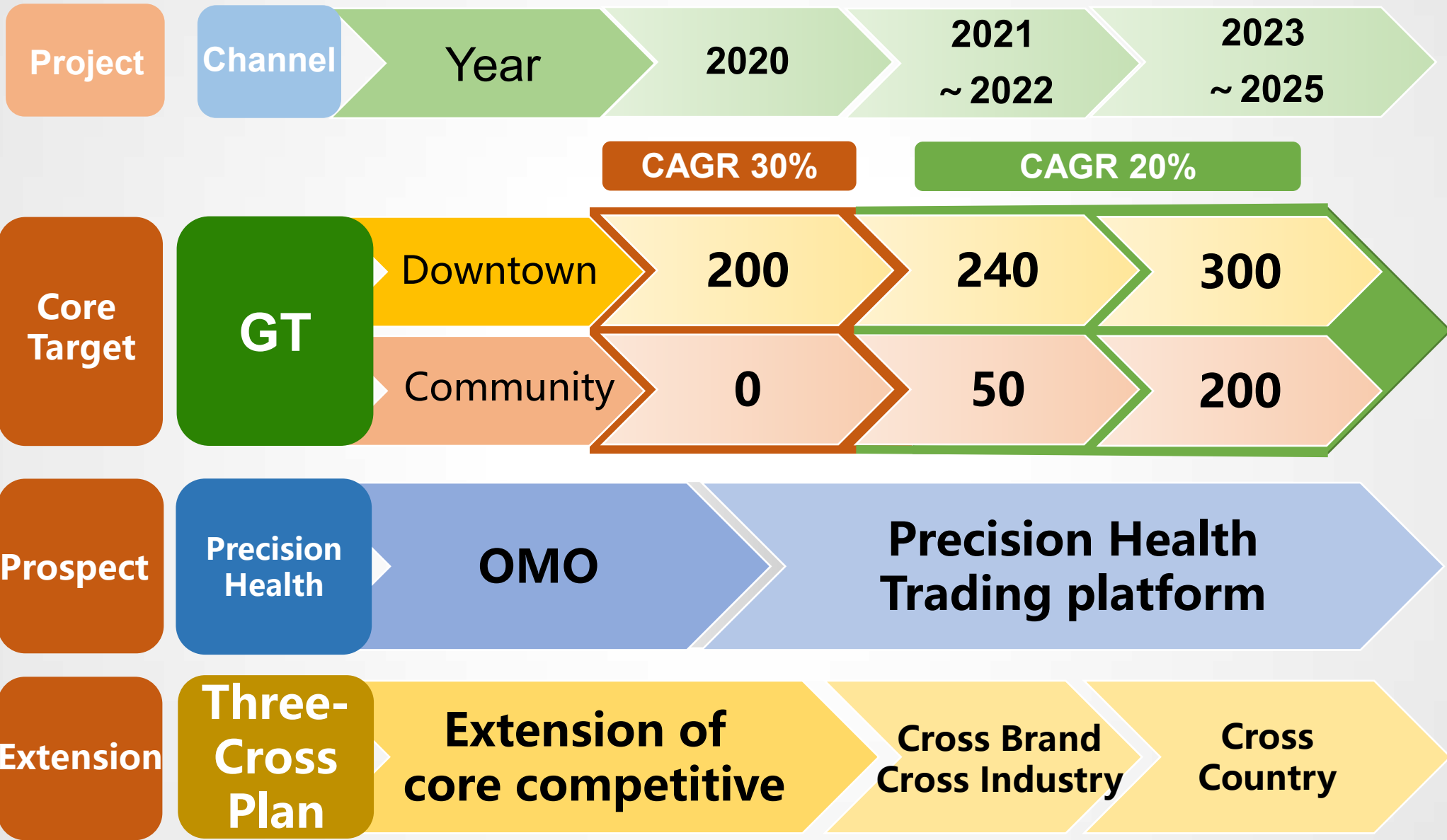
Supplement > Healthcare > Mom&Baby > Prescription

Dividend policy

Cash dividends & stock dividends continue to be distributed in response to future growth needs

Year	Paid In Capital (NT\$ m)	Net Income (NT\$ m)	Market Cap (NT\$ bn)	EPS (NT\$)	Cash dividend	Stock dividend	Payout Ratio
2012	150.0	33.8	-	3.37	1.2	0	35.61%
2013	182.0	68.1	-	4.51	2.3	0	51.00%
2014	210.0	95.9	-	4.65	1	1	43.01%
2015	231.0	77.5	-	3.35	2	0.5	74.63%
2016	265.2	92.9	2.1	3.57	1.3	1.5	78.43%
2017	305.0	102.1	2.6	3.36	1.8	1	83.33%
2018	365.5	105.6	2.2	3.01	1.3	1.3	86.38%
2019	432.2	132.7	3.5	3.25	1	1.8	86.15%
2020	533.4	193.8	5.1	3.73	1	3	107.24%
2021	709.1	407.4	19.8	5.83	2.57	2.57	88.16%
2022	891.3	700.2	26.3	7.85	4.7	2.3	89.88%

Business Prospect



Three-Cross Plans

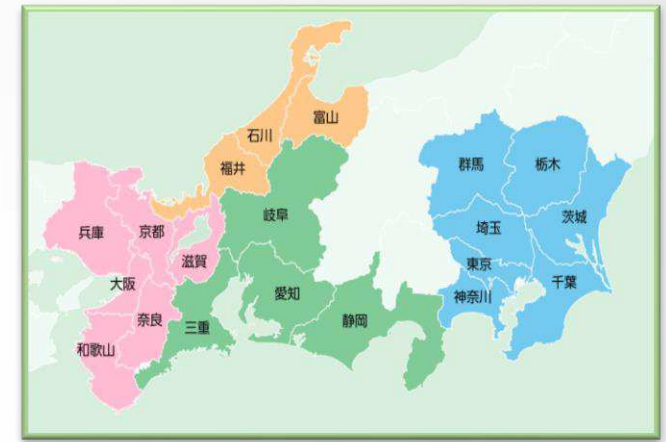
Cross Brands Collaborating with SUGI Holdings Inc. (Japan)



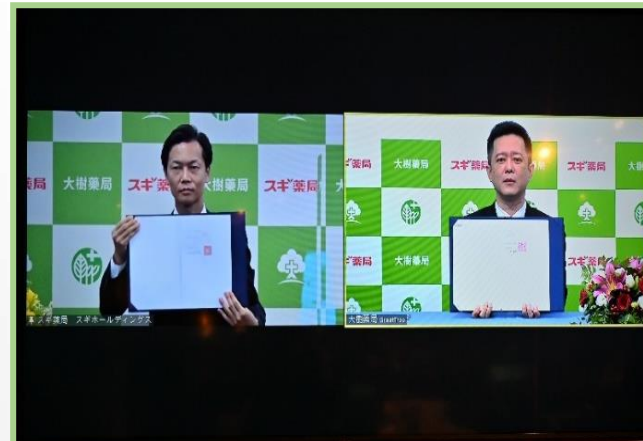
Paid In Capital : 15.4bn Yen
(approx. NTD 4.6bn)
(As at Feb 2020)



Annual Sales: 541bn Yen
(approx. NTD162bn)
(as at Feb 2020)



No. of stores in JP : 1371
(as at Nov 2020)



Three-Cross Plans

SUGI Counter in Store



Three-Cross Plans

GreatTree x SUGI Complex Store



Three-Cross Plans

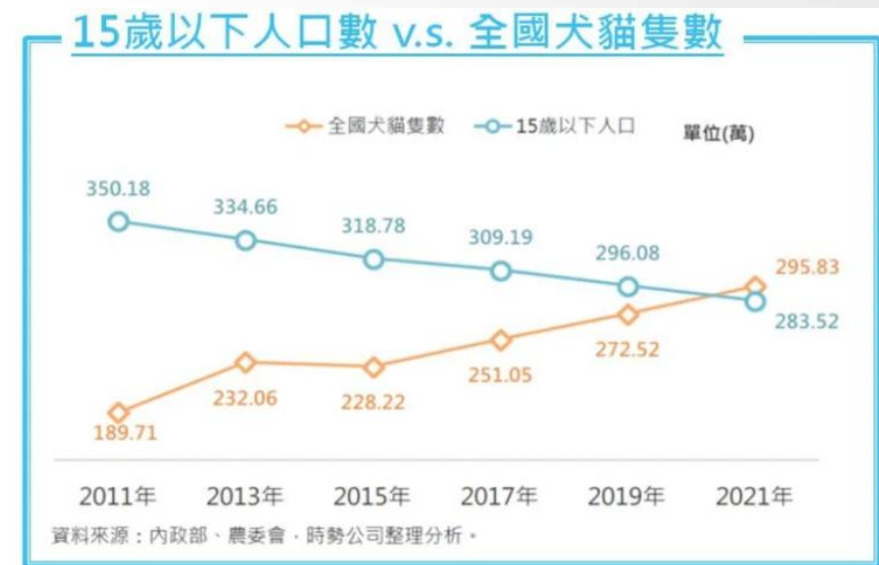
Cross Industries - PET

Taiwan's pet market size

- In 2021, the number of dogs and cats in Taiwan will exceed the number of children under 15-year-old.
- Taiwan's pet market will exceed NT\$50 billion.

Market niche

- At present, there is no absolute leading brand in the pet store market.
- Pet health care demand is rising.



GT competitive advantage in entering the pet market

- We have successful experience in pharmacy operations, and the health profession can be highly replicated (More than 60% of animal medicines are replaced by human medicines)

Three-Cross Plans

Cross Industries – PET

Take care of the fur-kids, for healthier life



哪泥?! 玩具也有分年齡?



階段分期	嬰幼兒	換牙期	青少年	成年	中年	老年	
寵物年齡	室內貓				6歲	12歲	
	室外貓				4歲	7歲	
	小型犬	<2個月	4-8個月	8-18個月	1.5歲	5歲	
	中型犬				2歲	5歲	
大型犬		4-12個月	1-2歲	2歲	4歲	8歲	
人類對應年齡	<3歲	6-12歲	12-19歲	20歲	40歲	65歲	
可介入玩具							
絨毛陪伴型	V						
磨牙啃咬型		V					
互動拉扯型		V	V				
益智藏食型		V	V	V	V	V	
貓逗貓抓型		V					
貓貓抓板、跳台		V					
玩具主要功能	● 情緒安撫	● 心理依賴	● 智力啟發	● 消耗體力	● 智力再進化	● 維持智力	● 預防癡呆

Three-Cross Plans

Cross Industries – PET

Take care of the fur-kids, for healthier life



毛小孩刷牙5步驟



Step1

少量牙膏給毛孩試試!



Step2

牙膏 + 觸碰嘴巴 (輕輕按摩)



Step3

牙膏 + 紗布套/指套刷



Step4

牙膏 + 牙刷 (45°角)



Step5

刷牙完後記得
給毛小孩獎勵唷!

更多毛小孩相關知識請洽詢服務人員

Great Tree Pets 大樹寵物

Three-Cross Plans – cross country

Business model

- Operating franchise model
(cooperate with the top 100 pharmacies in China)

Regulations/policy adjustments

- 2015, Foreign investment regulations began to be adjusted, and investable projects were gradually relaxed
- 2020.07 , Foreign capital can hold more than half of the shares of pharmaceutical retail companies
- Health insurance reform- China pharmacies need to transform into TW model

Enter the market advantages

- The market does not yet have an absolute leading brand
(Top 10 pharmacies in China, accounting for only 21% of the total pharmacy market turnover)
- A high percentage of the top 100 pharmacies in China Willing to cooperate
- The same language as the China can reduce the difficulty of communication and cultural barriers

大樹藥局

—— 值得您信賴的藥局 ——

專業

誠信

共享

| 嬰幼照護 |

奶粉尿布 · 婦嬰用品

| 家庭保健 |

家庭藥品 · 保健食品

| 銀髮保健 |

處方領藥 · 醫療器材





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YOUR TRUSTWORTHY
PHARMACY

THANK YOU

專業

誠信

共享

大樹醫藥股份有限公司
Great Tree Pharmacy Co.,Ltd.

Appendix

CommonWealth Magazine (TW) – Survey of 2000 Leading Corporates

Ranking of All Service-Industry in Taiwan

2021: **No.154**
(2020: No.178)
(2019: No.217)

Ranking of Health-Service-Industry in Taiwan

Health-Service-Industry **No.1**
Off-line Channel: **No.1**

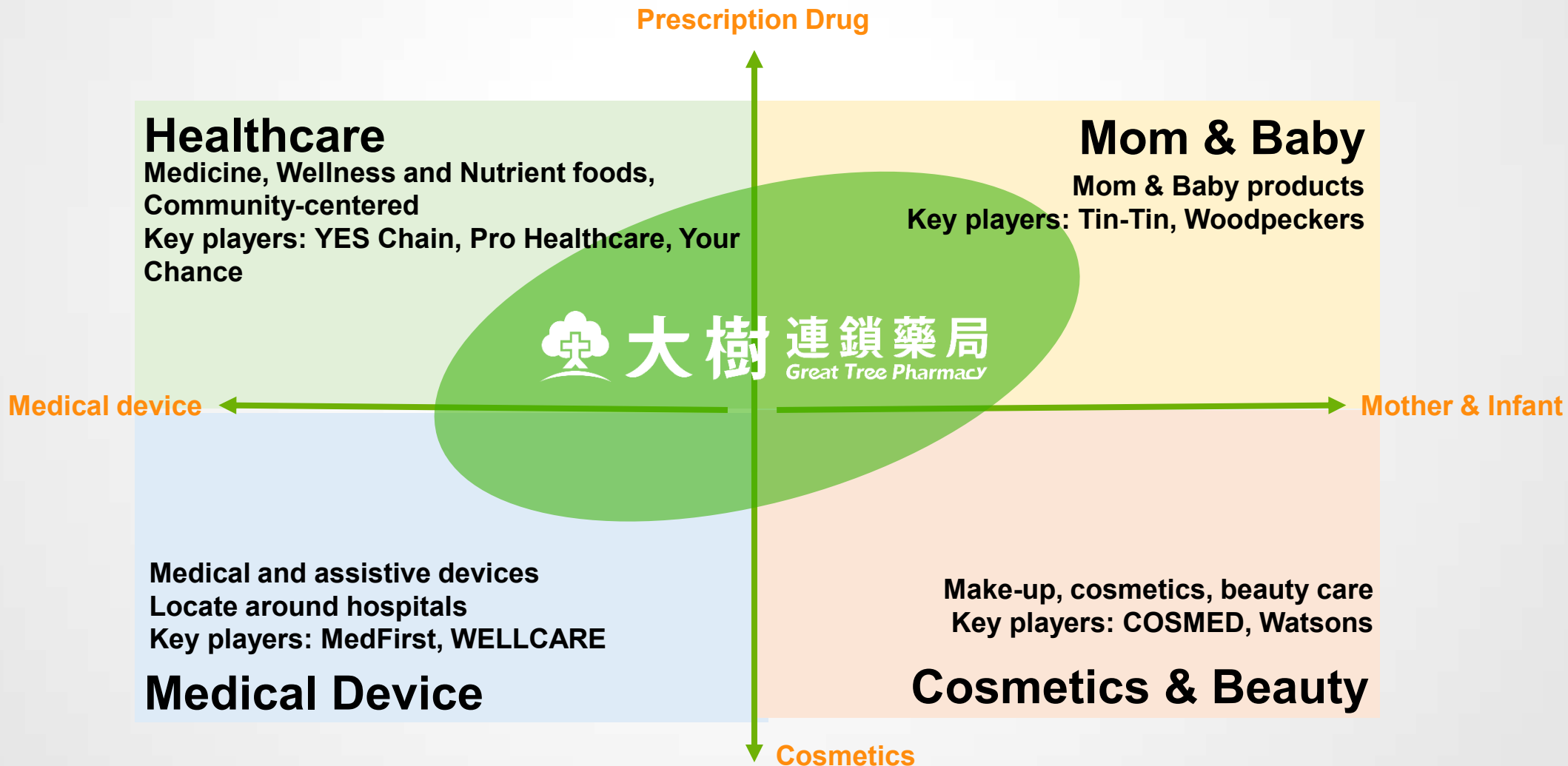


醫藥與保健服務

2021 排名	服務業 排名	公司名稱	營業收入 (億元)	營收 成長率 (%)	稅後純益 (億元)	獲利率 (%)
1	154	大樹醫藥	112.81	30.55	4.07	3.61
2	198	葡眾企業	80.00	3.64	9.71	12.14
3	202	台灣阿斯特捷利康	78.18	28.23	2.66	3.40
4	222	佳醫健康事業	65.73	-1.53	6.07	9.23
5	223	杏一醫療用品	65.40	10.34	0.68	1.04
6	266	合富醫療控股	51.40	8.85	1.39	2.70
7	310	中化裕民健康事業	41.21	-2.18	-0.38	-0.92
8	328	盛弘醫藥	38.50	-6.07	1.93	5.01
9	334	諾貝兒寶貝	38.15	-1.93	2.64	6.92
10	341	杏昌生技	36.84	7.34	3.49	9.47

Positioning in the Pharmacy/Personal Store Industry

Great Tree Pharmacy focuses on Mother & Infant and Healthcare



The Scale of Healthcare pharmacy chain

Pharmacies around the world are moving towards chain development Taiwan still has huge room for growth

According to US, Japan's national income per capita and aging index, it took US 25 years and Japan 27 years to reach 50% of chain rate since their national income per capita reached US\$ 15,000.

Taiwan's national income per capita has reached US\$ 15,000 per capita in 2005, therefore we estimate Taiwan's pharmacy chain penetration rate will arrive at 50% by 2032

Taiwan's pharmacy chain penetration is forecast to arrive at 50% by 2032

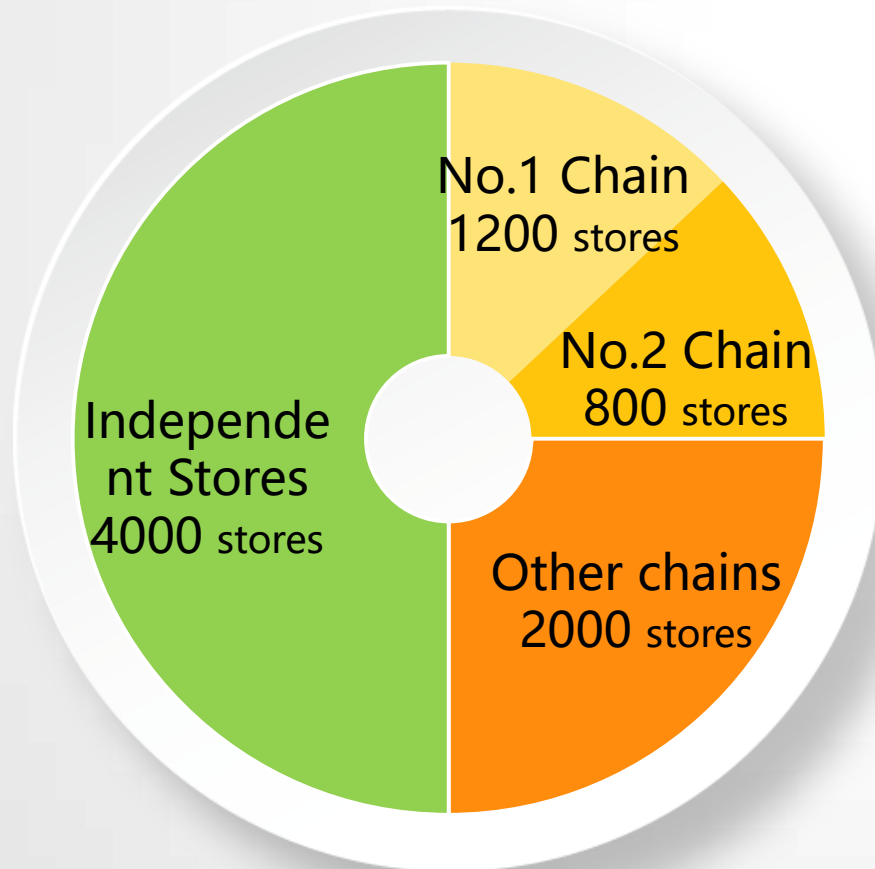
Country	US	Japan	China	Taiwan
Chain % (by 2015)	60% (41,000/68,000)	55% (10,134/18,479)	46% (204,859/448,057)	17% (1,341/7,992)
Chain % (by 2018)	65% (40,033/61,800)	58% (1,1671/20,228)	52% (255,467/489,063)	19% (1,550/8,119)
Change	+5%	+3%	+6%	+2%

Source: Global and major medicine industry overview(Institute for Information Industry / Digital Transformation Institute-Senior Analyst Dr. Huang Yu Ying

Forecast of TW's Healthcare Pharmacy

Number of pharmacy chain stores in TW is forecast to reach 4,000 in 2023

The top two brands likely to account for 2000 stores



As pharmacy chain store penetration reached 50%, the top 2 brands will account for 40~50% of market share

The way to forecast market share for the top 2 chain brands

- $7992 \times 50\% \text{ Chain rate} = 3996$
- $3996 \times 40\sim 50\% \text{ market share} = 1598\sim 1998$

Benchmarking US market

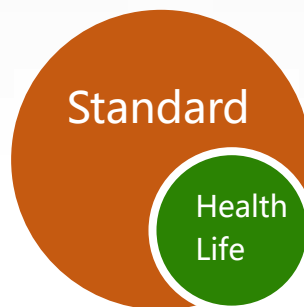
US population is 14x of TW (320m:23m)
NO1. Walgreens 13,000stores/14x=929
NO2. CVS 10,000stores/14x=714

Taiwan Pharmacy Industry Experienced Two Waves of Consolidation

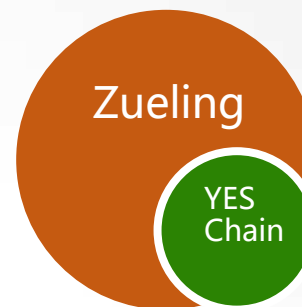
The 1st Wave M&A 2009~2013



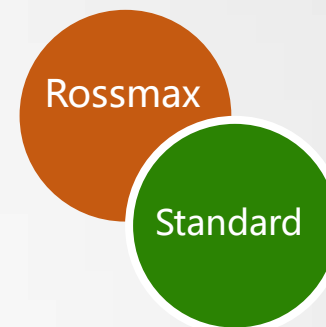
Rossmax
acquired
Your chance
In 2009



Standard
acquired
Health Life
in 2010



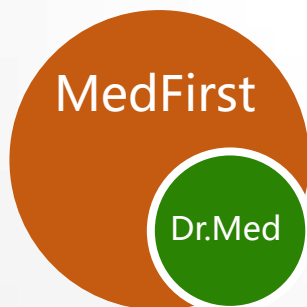
Zueling
acquired
Yes Chain
in 2012



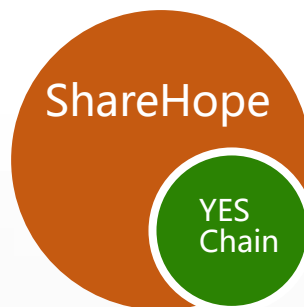
Rossmax
merged with
Standard
in 2013

Great tree listed on TPEX in 2016

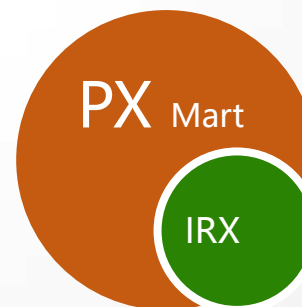
The 2nd Wave M&A 2016~2020



Med First
acquired
Dr.Med in
2016



ShareHope
acquire Yes
Chain in
2018



PX Mart
Established
IRX in 2018



Great tree
acquired **Pro
Healthcare** in
2019

TW # of pharmacy stores

Great Tree ranked No. 1 in terms of store number and revenue since 2018

Laggards showed muted growth or withdrawn from the market

Category	Company	Brand	Establish	2014	2015	2016	2017	2018	2019	2020	2021	2022
Maternal & Child	NorbelBaby	Tin Tin	1983	71	73	74	77	79	80	83	87	91
	Woodpecker	Woodpecker	1998	50	51	52	53	56	60	61	64	67
Healthcare Pharmacy	Great Tree Pharmacy	GT	2001	35	46	68	86	111	148	191	239	299
		Pro Healthcare	1992	63	63	60	57	53	50	60	61	62
	ShareHope Medicine Co.	Yes Chain	1989	78	89	87	84	83	88	89	91	98
	Rossmax International + Standard Chem & Pharm	Your Chance	1987	127	118	105	104	104	113	118	118	127
		Health Life	1987	0	0	0	0	20	0	0	0	0
	PX Mart	IRX	2018	178 (0)	188 (0)	226 (0)	231 (21)	239 (19)	249 (28)	268 (28)	287 (32)	302 (39)
	Med First	Med First	1990	71	73	74	77	79	80	83	87	91

Source: Distribution News Magazine, Company website