



INTAI Technology Corp.

TWSE : 4163

August 2016



RF Microwave
Precision Hardware
Medical Devices

Agenda

I. Company overview

II. Product categories

III. Medical devices market

IV. Future projects

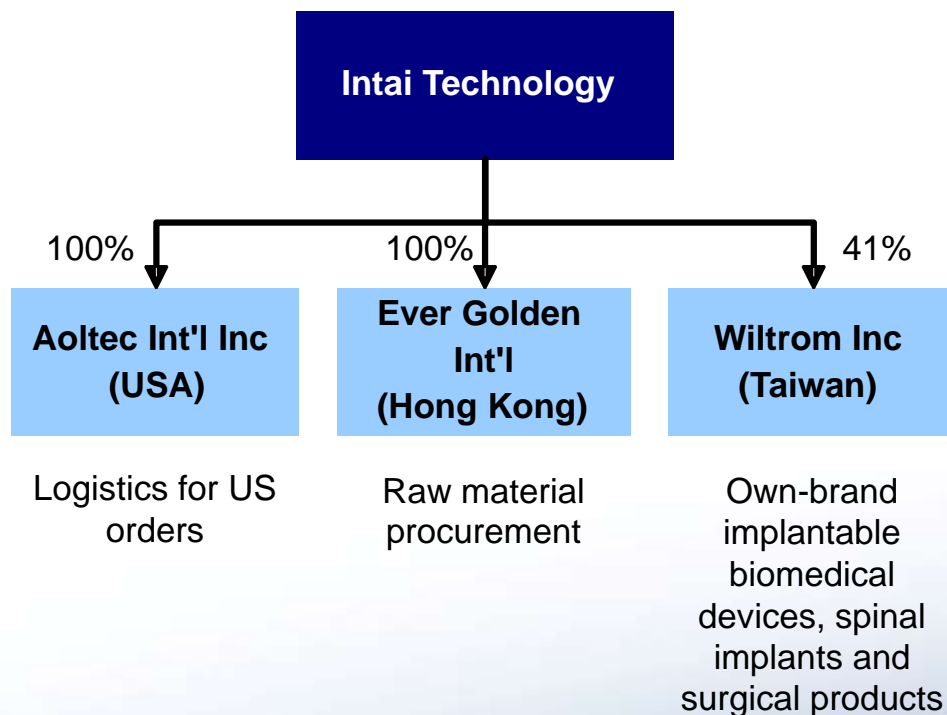
V. Financial highlights



Company profile

Founded	1988 (name changed from Intai Hardware in 2004)
Chairman & CEO	Tsai Yung-Fang
GM	Chung Chao-Yun
Registered capital	NT\$402 mn
Industry; Product	Precision metal works; OEM/ODM for medical device components/assemblies, fasteners, radio frequency & microwave switches
Employee	625 (Jun 30, 2016)
HQs & facilities	Taichung (Taiwan)
OTC listing	Nov 15, 2012

Corporate structure





- Chairman & CEO : Simon Tsai
- 32 years in the metalworking industry
- 20 years with Intai
- BS of National Taiwan University of Science and Technology



- GM: John Chung
- 42 years in the metalworking industry
- 27 years with Intai
- BS of Air Force Institute of Technology (Taiwan)



- CSO: Paul Lin
- Founder of Intai
- 42 years in the metalworking industry
- BS from National Taipei University of Technology

Main shareholders & shareholding (%)	Founder Mr. Lin & family	GM Mr. Chung & family	Chairman & CEO- Mr. Tsai	VP-Mr. Lin & CFO- Ms. Su	VP Mr. Sun	Total
	17.2	9.7	4.9	8.9	1.4	42.1



Company
Overview

Product
Categories

Medical
Devices
Market

Future
Projects

Financial
Highlights

Medical Devices



Precision Fasteners

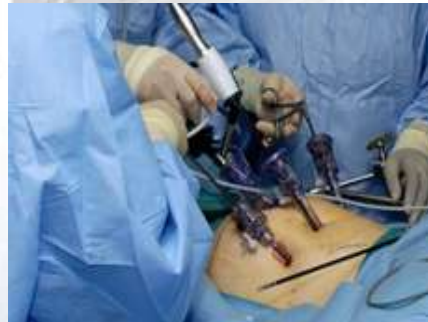


Radio Frequency & Microwave Switches



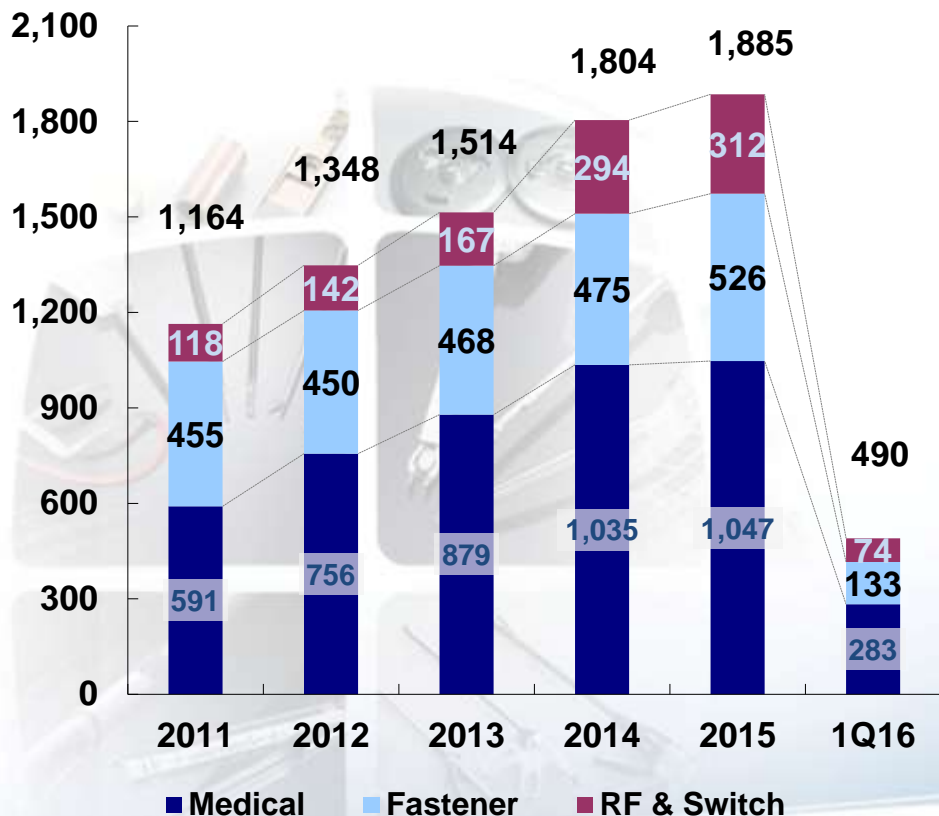
Intai
products

Applications

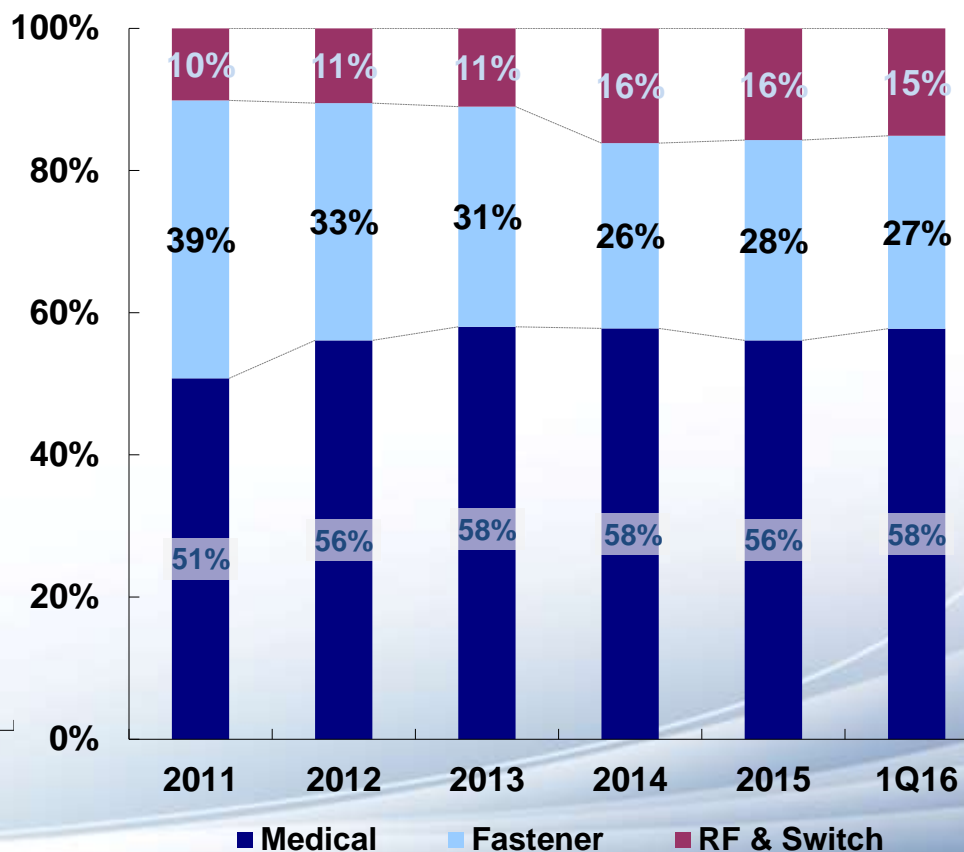


Sales revenue by segment

(NT\$m)

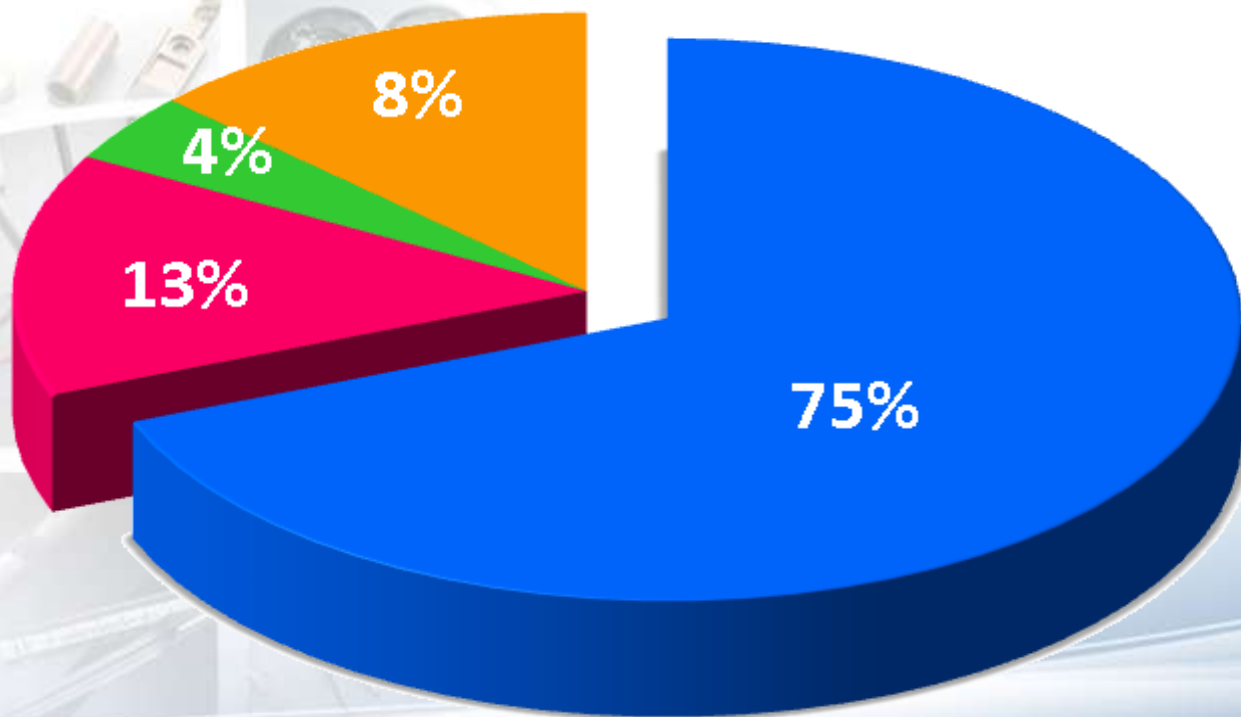


Sales percentage by segment



Sales mix of medical segment in 1Q16

- Minimally-invasive surgery (MIS) device components
- Open surgery device components
- Orthopedic and dental implants
- Others



Vision & Plan

1. Proactive way to Increase market share in our major client
2. Establish relationship with other subsidiaries within our major client's group

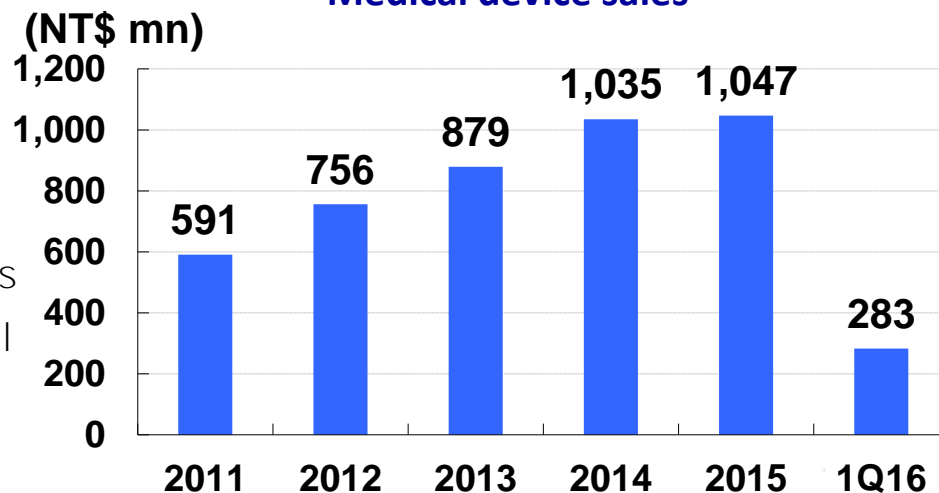
1. With successful experience, explore more opportunities in product co-design/ co-development with clients
2. Further leverage current capability in innovative product design and development

1. Continue to develop own-brand dental and orthopedic implants
2. Aggressively expand to China & Southeast Asian markets

1. Medical devices

- Main customers are globally renowned medical device makers
- Strategic partner in Asia of main customers
- Provide medical device OEM & ODM services
- Develop own brands for orthopedic & dental implants and related products

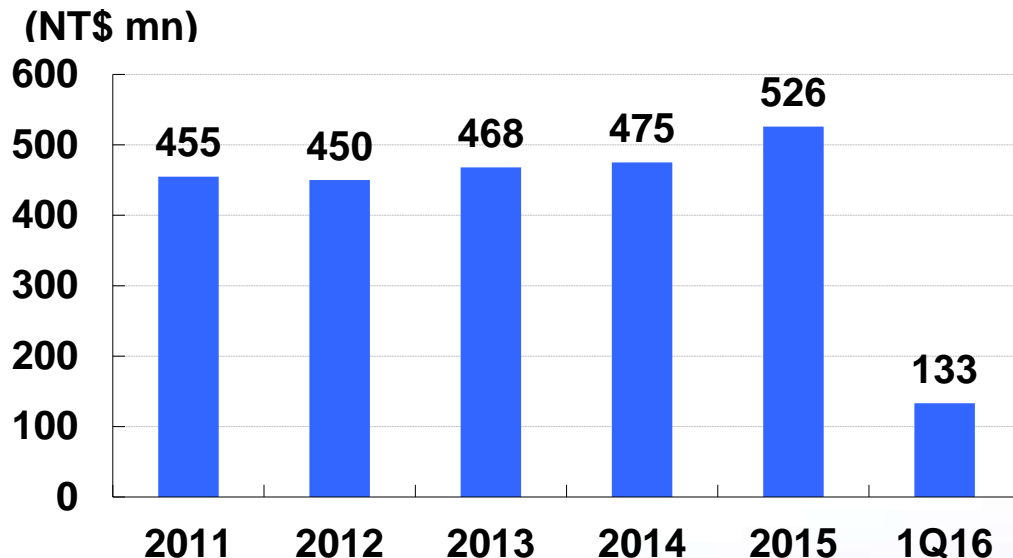
Medical device sales



2. Precision fasteners

- Customized products widely used in automotive, construction, industrial/commercial building & optical sectors
- Main customers are globally renowned firms
- Focus on high-value added metal components

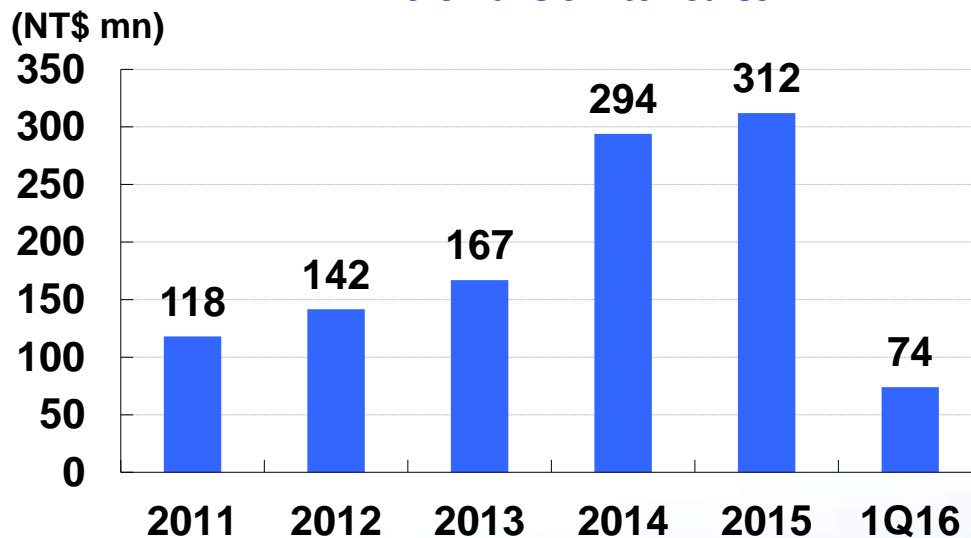
Precision fastener sales



3. Microwave switches

- Customized products widely used in communication, aerospace & precision instrument sectors
- Main customers are globally renowned firms
- Develop OBM products in recent years & in process of multinational patent applications

Microwave switch sales

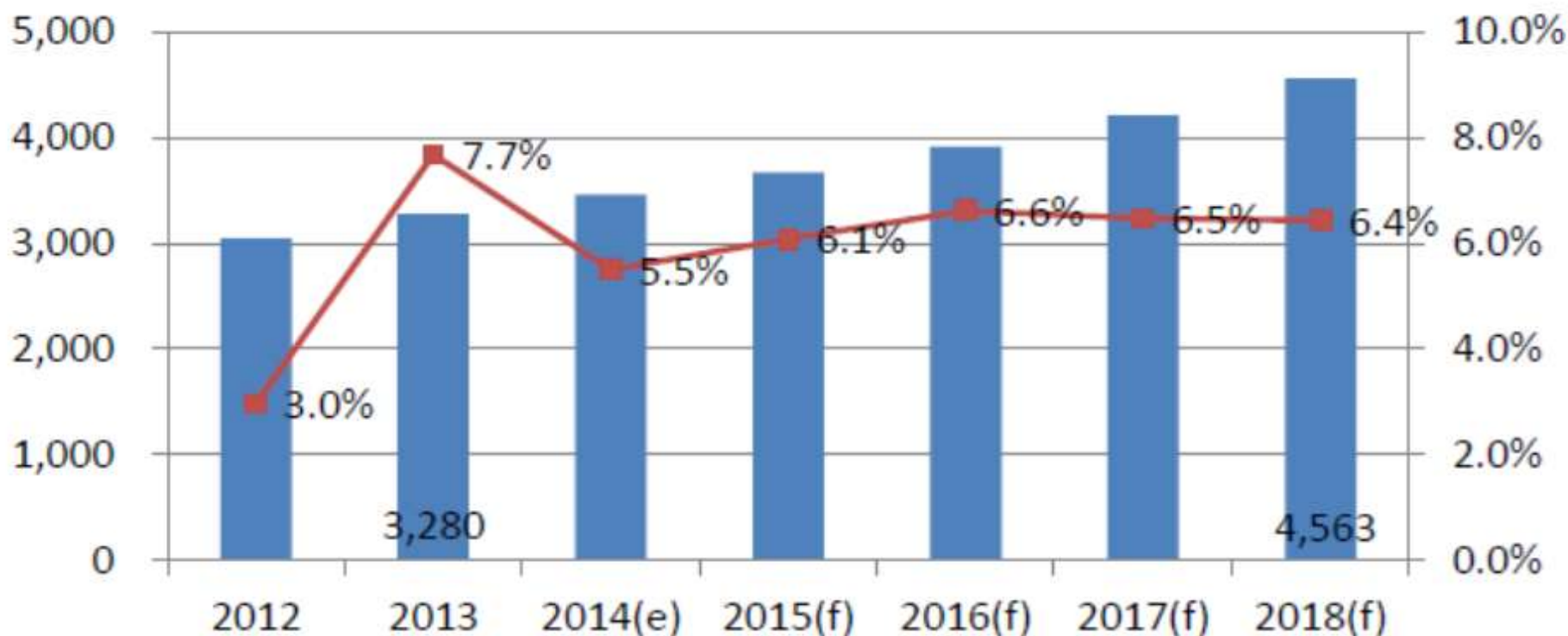


Global medical device market in 2012-2018F

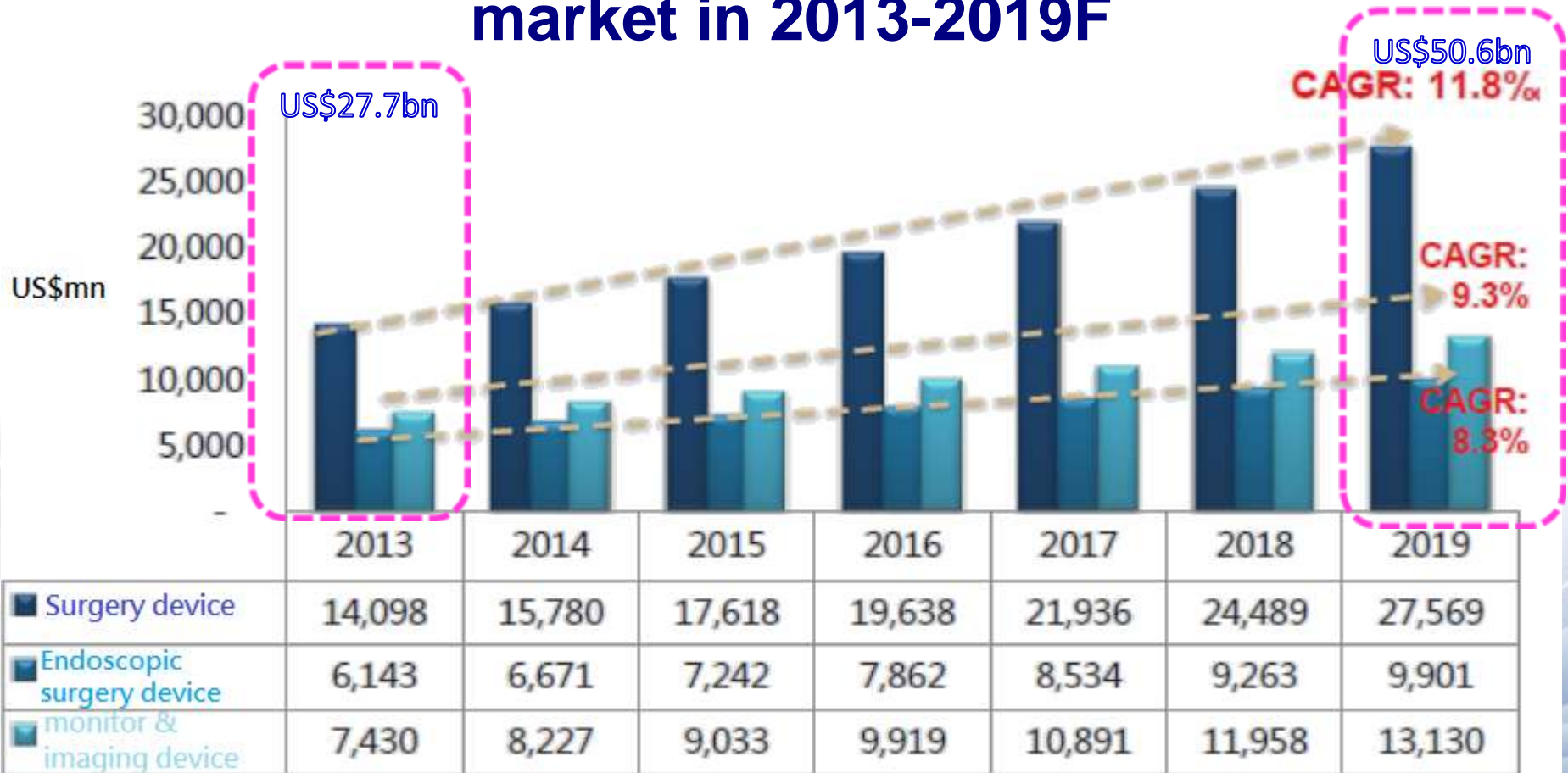
Market Size

Growth YoY

US\$100mn



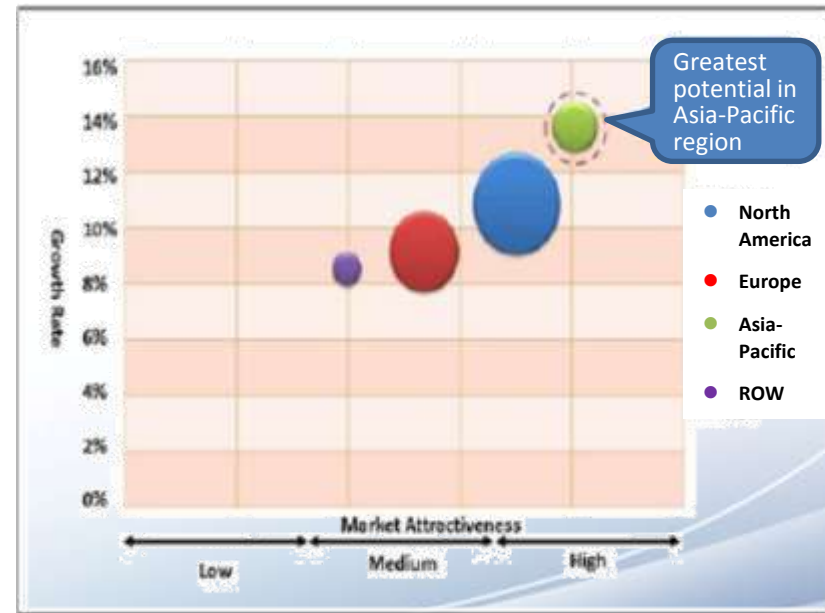
Global minimally invasive medical device market in 2013-2019F



Global minimally invasive medical device market in 2013-2019F

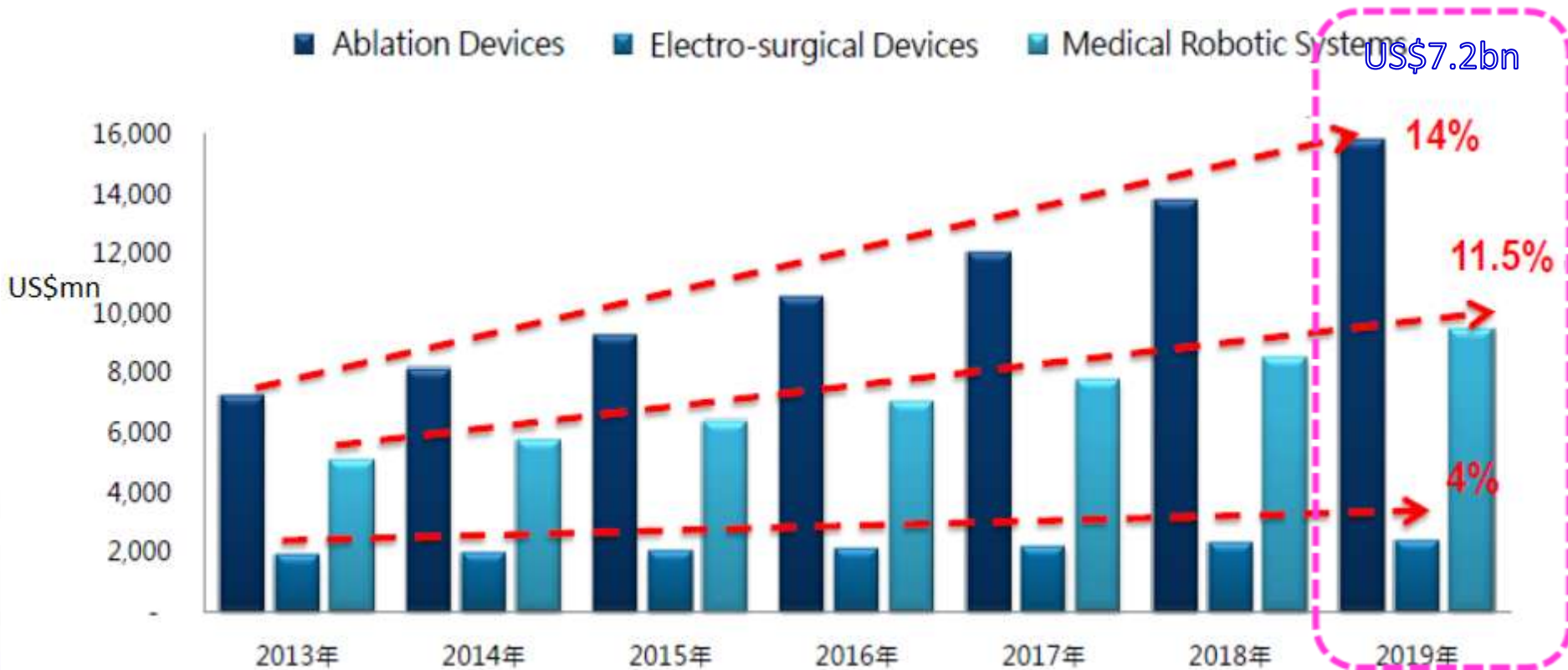
Largest market – North America (CAGR 10.5%)

Greatest potential – Asia-Pacific (CAGR 13.3%)



Source: Transparency Market Research (2013), Industrial Technology Research Institute IEK (2014)

Fastest growing MIS devices in 2013-2019F

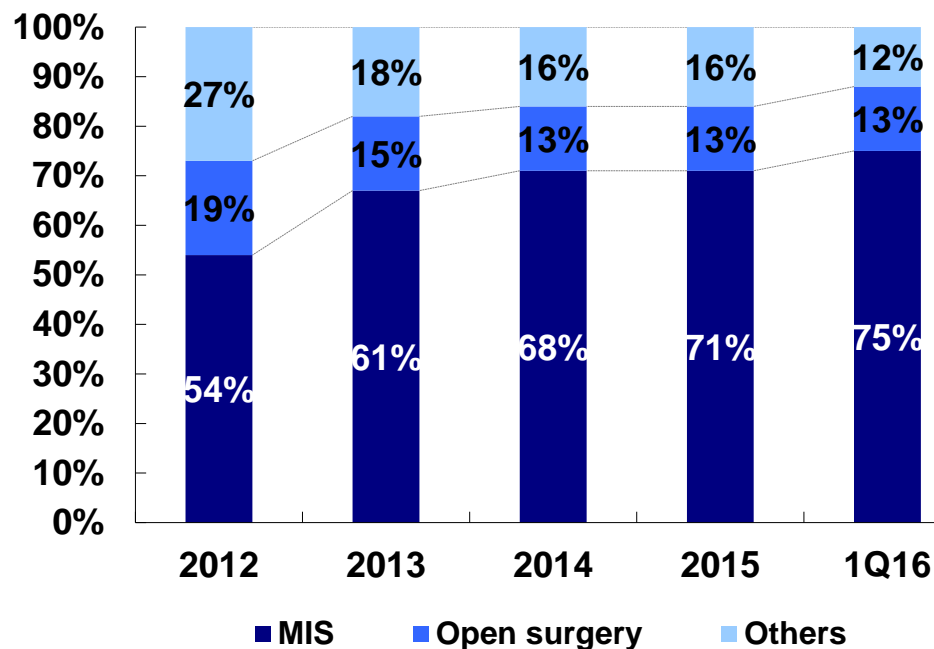


Source: Transparency Market Research (2013), Industrial Technology Research Institute IEK (2014)

Global trend from open surgery to Minimally Invasive Surgery(MIS)



INTAI's MIS device revenue



Smaller wound

Less complications

Reduce pain

Fast recovery

Higher safety

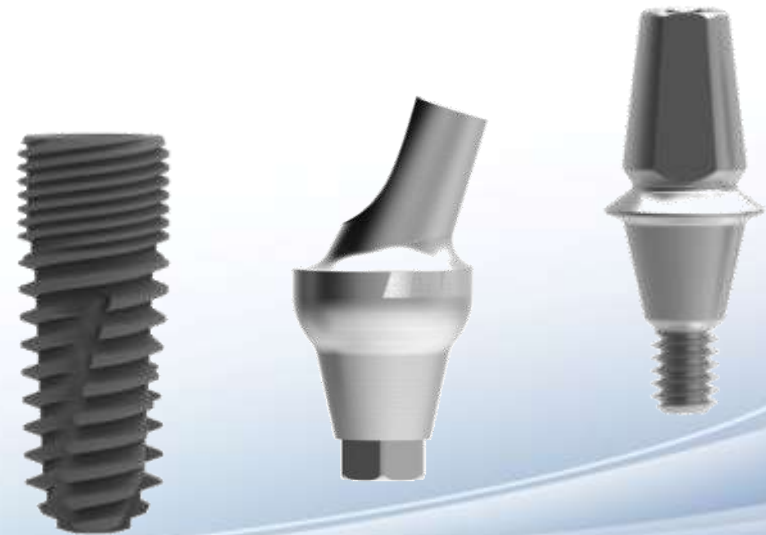
Shorter hospitalization

Cost saving

Dental implants

- Royal Dent – Trademark registered in 2013
- Taiwan FDA approved
- US FDA approved
- CE approved
- Singapore HSA approved
- China FDA approved
- Qualified for sale in Malaysia

牙王
ROYAL+DENT[®]
Beyond Your Smile



Orthopedic implants

Bone plate – Clavicle & Humerus

SUPERIOR ANTERIOR CLAVICLE PLATE (RIGHT/LEFT)



CLAVICLE HOOK PLATE (RIGHT/LEFT)



DISTAL HUMERUS PLATE (DORSOLATERAL WITH SUPPORT, RIGHT/LEFT)



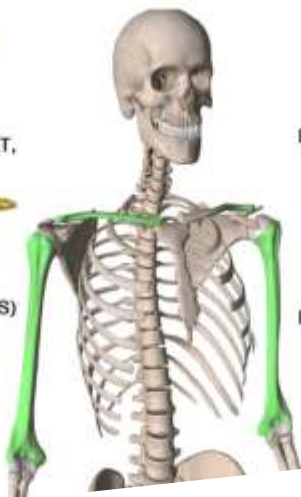
PROXIMAL HUMERAL PLATE, A TYPE



METAPHYSEAL PLATE (FOR DISTAL MEDIAL HUMERUS)



PROXIMAL HUMERAL PLATE, B TYPE



Pedicle Screw

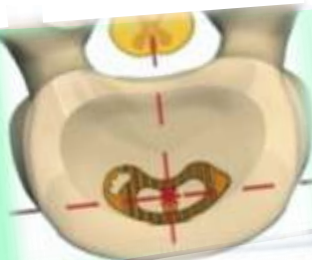
MIS Cage

MIS Pedicle Screw

Artificial bone/
dental materials



Cage



wittrom
Your Health Partner

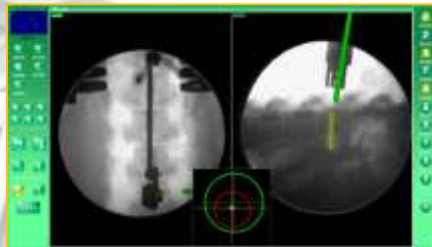
There are more than 10,000 cases every year that have been successfully implemented without complications.

MIS navigation system for spinal surgery

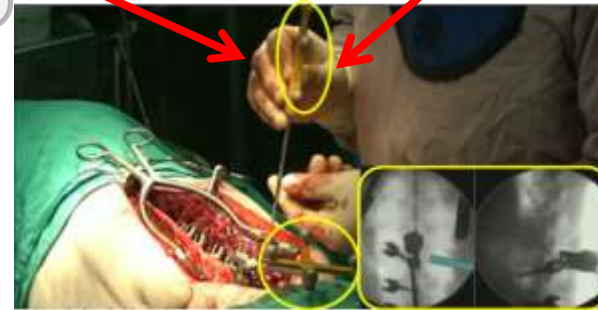
Optical Tracking Technologies

Optical Tracker
Tracking passive marks in Instrument

Surgical Instrument



Navigation Display



(*Note: Animal test not in MIS procedure)

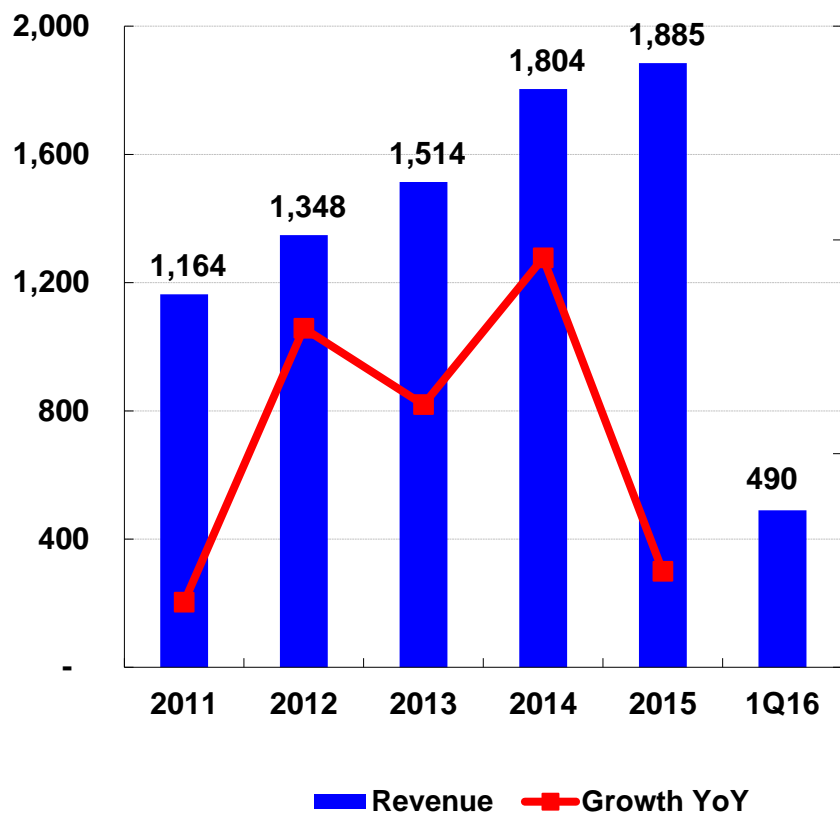
Navigation Software

- 3D surgical planning DICOM Viewer
- 3D image navigation (pre-CT+ Intraoperative C-arm registration)
- MIS Pedicle Screw Fixation
- MIS PLIF/TLIF Cage Fusion
- Easier and faster instrument registration by RFID technology
- Simple design system with high-performance all-in-one computer implemented

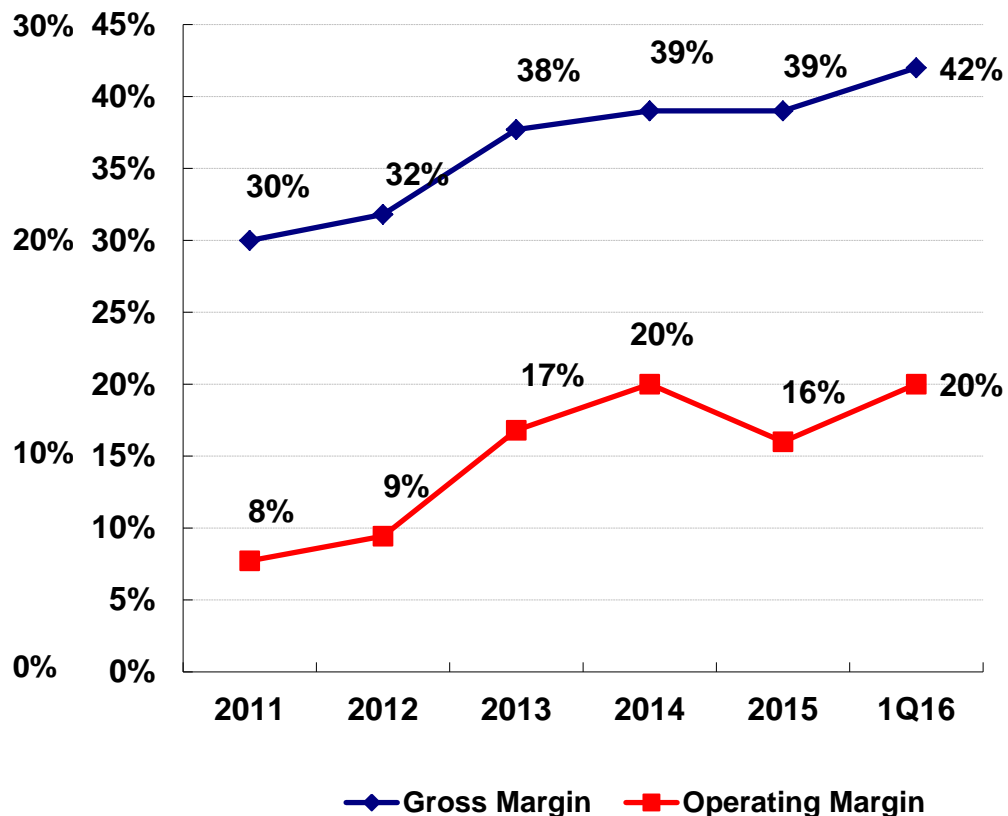
- System development to finish by 3Q16
- Hardware & software verification & regulatory conforming by 2Q17
- FDA & TFDA applications by 3Q17

Revenues

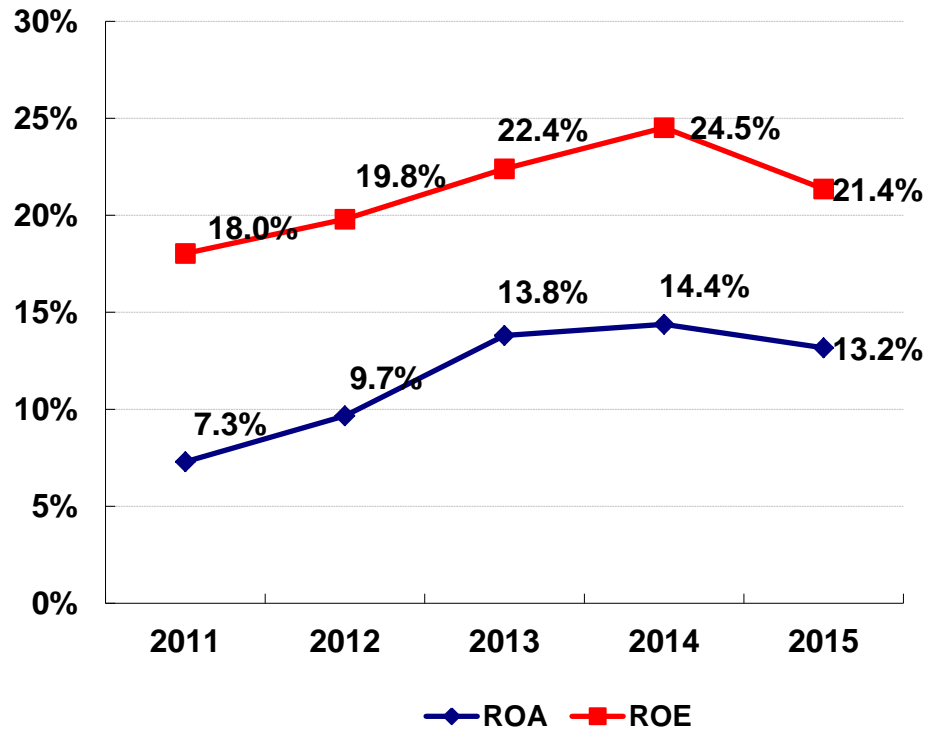
NT\$ mn



Margins

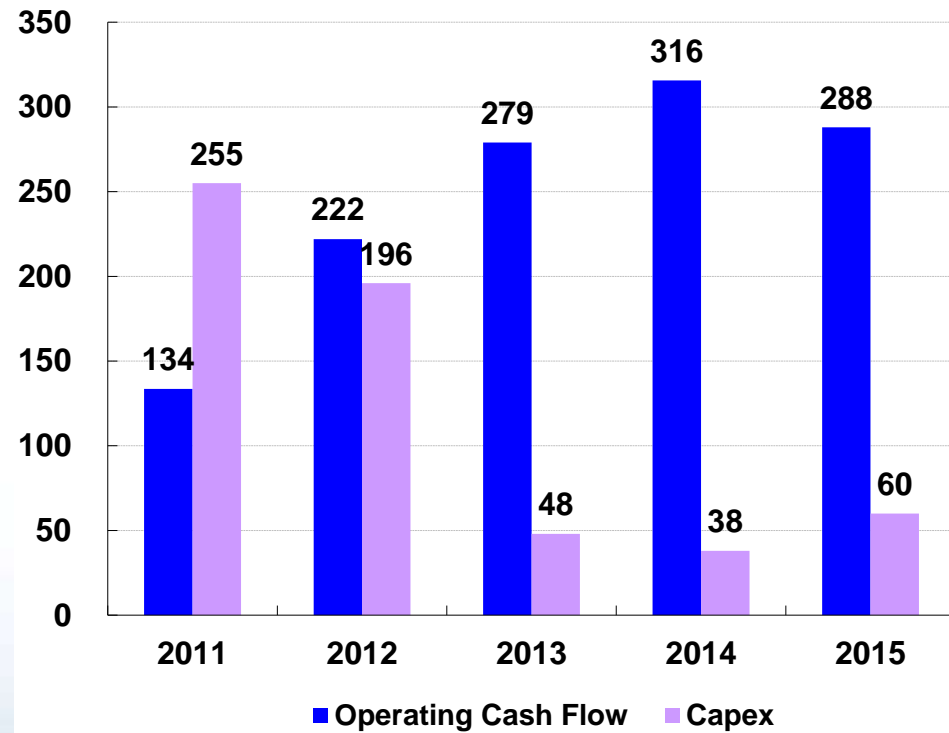


ROE & ROA



Operating Cash flow & Capex

(NT\$ mn)



Dividend policy

Year	2010	2011	2012	2013	2014	2015
EPS (NT\$)	2.88	3.27	4.68	6.05	7.87	7.31
Cash dividend (NT\$)	1.5	2.0	3.0	5.0	5.0	4.5
Payout ratio (%)	52.2	61.1	64.0	82.6	63.5	61.6
Dividend yield (%)	-	3.3	2.7	2.5	3.7	2.3

- Dividend yield is based on the closing price on the day before the ex-dividend date.

Consolidated income statement - summary

NT\$ mn	2011	2012*	2013*	2014*	2015*	1Q16*
Sales	1,164	1,348	1,514	1,804	1,885	490
Gross profit	349	429	571	702	741	207
<i>Gross margin (%)</i>	30	32	38	39	39	42
Operating profit	90	127	254	323	311	97
<i>Operating margin (%)</i>	8	9	17	18	16	20
Pre-tax profit	134	205	288	365	360	89
Net profit	114	175	243	316	294	76
<i>Net margin (%)</i>	10	13	16	17	15	15
EPS (NT\$)	3.23	4.67	6.05	7.87	7.31	1.88
YoY (%)	2011	2012	2013	2014	2015	1Q16*
<i>Sales</i>	3.1	15.8	12.3	19.2	4.45	2.08(Note)
<i>Gross profit</i>	(8.9)	22.9	33.1	22.9	5.56	14.36(Note)
<i>Operating profit</i>	(25.0)	41.1	100.0	27.2	-3.72	24.36(Note)
<i>Net profit</i>	20.0	53.5	38.9	30.0	-6.96	15.15(Note)

*Prepared in accordance with International Financial Reporting Standards

Note: QoQ (%)

Consolidated balance sheets - summary

NT\$ mn	2011	2012*	2013*	2014*	2015*	1Q16*
Cash & cash equivalents	256	395	237	547	535	624
Inventories	391	377	461	519	588	574
Total current assets	904	941	875	1,274	1,326	1,397
Long-term investments	16	16	37	34	34	33
Net fixed-assets	858	789	786	857	869	880
Total assets	1,825	1,785	1,728	2,233	2,301	2,373
Short-term bank loans	226	0	160	0	0	0
Total current liabilities	690	298	516	416	857	855
Long-term liabilities	343	401	0	458	0	0
Other liabilities	43	63	69	65	67	67
Total liabilities	1,076	761	585	942	924	922
Undistributed earnings	183	258	375	482	686	762
Total equity	749	1,024	1,143	1,291	1,377	1,451
Total liabilities and equity	1,825	1,785	1,728	2,233	2,301	2,373

*Prepared in accordance with International Financial Reporting Standards

Consolidated statement of cash flows

NT\$ mn	2011	2012*	2013*	2014*	2015*	1Q16*
Net profit	114	205	288	365	360	89
Depreciation and amortization expenses	26	54	49	55	65	17
Net changes in working capital	(28)	(55)	(36)	(50)	(95)	49
Others	22	18	(22)	(54)	(42)	(39)
Net cash generated by operating activities	134	222	279	316	288	116
Acquisition of fixed assets	(255)	(196)	(48)	(83)	(60)	(9)
Long-term equity investments	0	0	(22)	0	0	0
Net changes in other assets	(27)	164	(14)	(64)	(43)	(6)
Net cash used in investing activities	(282)	(32)	(84)	(147)	(103)	(15)
Cash capital increase	175	224	0	0	0	0
Convertible corporate bond issuance	0	0	0	495	0	0
Net changes in other liabilities	61	(169)	(241)	(160)	0	0
Other adjustments	(55)	(74)	(121)	(201)	(201)	0
Net cash generated by (used in) financing activities	181	(19)	(362)	134	(201)	0
Free cash flows	(121)	26	231	233	228	106

*Prepared in accordance with International Financial Reporting Standards



THANK YOU FOR YOUR ATTENTION.