



TWSE : 4163

# INTAI Technology Corp.



November 2017

RF Microwave  
Precision Hardware  
Medical Devices

# Agenda

I. Company overview

II. Product categories

III. Medical devices market

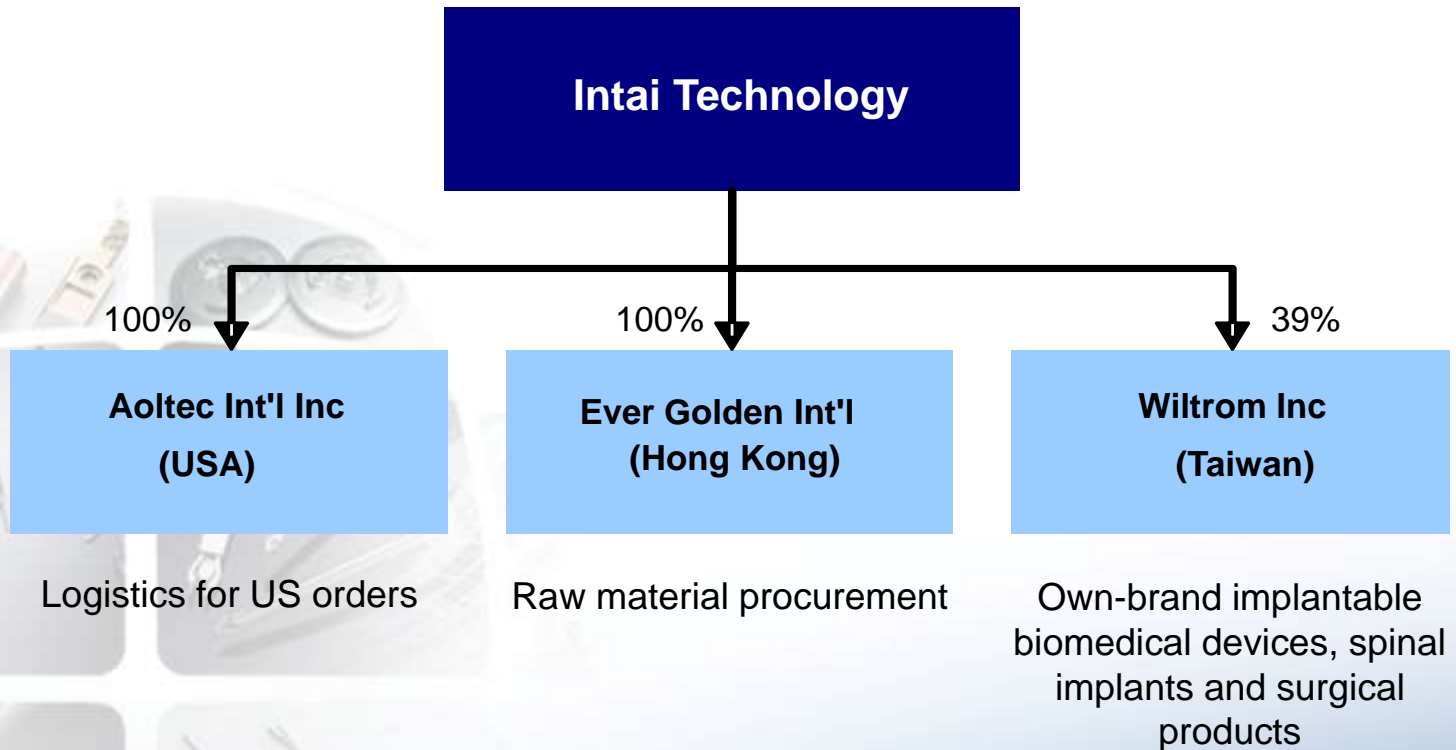
IV. Future projects

V. Financial highlights

## Company profile

Founded	1988 (name changed from Intai Hardware in 2004 Oct)
Chairman	Tsai Yung-Fang
CEO	Lin Chun-Nan
Registered capital	NT\$402 mn
Industry/Product	Precision metal works, OEM/ODM for medical device components/assemblies, fasteners, radio frequency & microwave switches
Number of Employee	620 (Sep 30, 2017)
HQs & facilities	Taichung , Taiwan
OTC listing	Nov 15, 2012

## Corporate structure



### Medical Devices



### Precision Fasteners

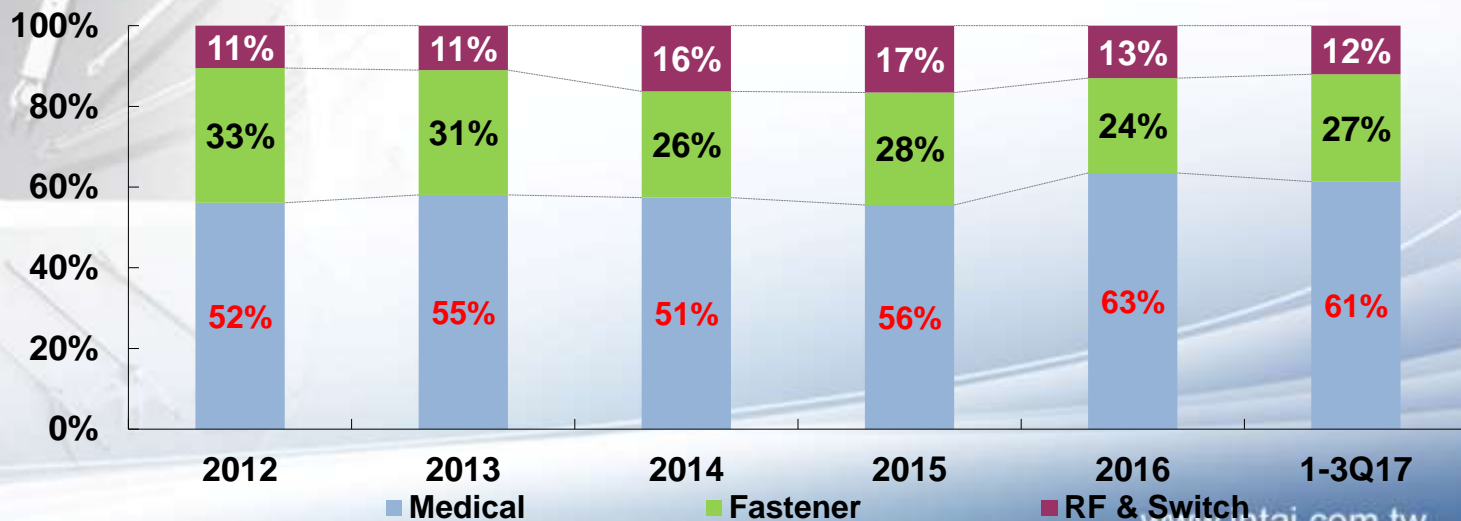


### Radio Frequency & Microwave Switches



Intai products

Sales percentage by segment

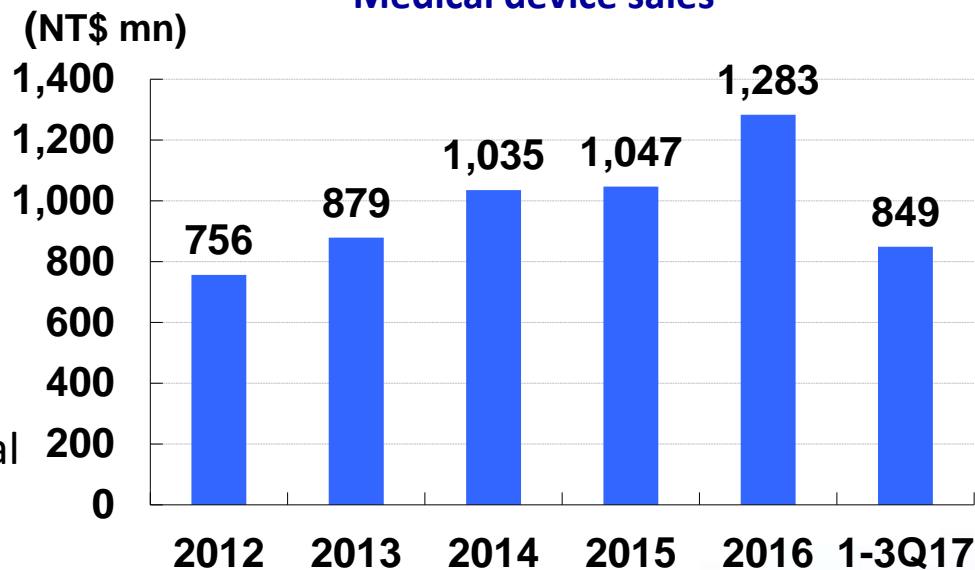




# 1. Medical devices

- 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



**OEM**



**ODM**



**OBM**

## 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

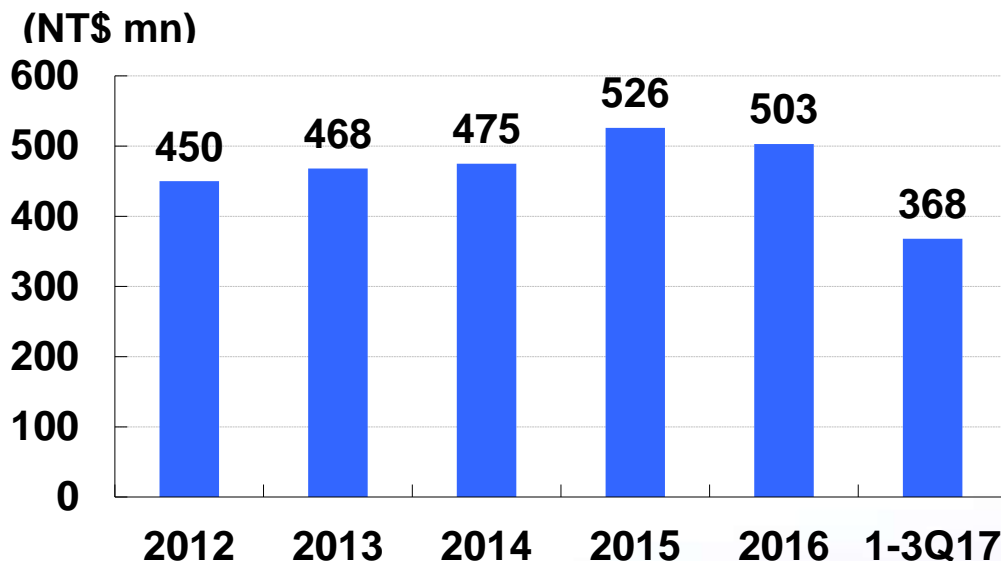


OEM

Focus on core technology

Key process

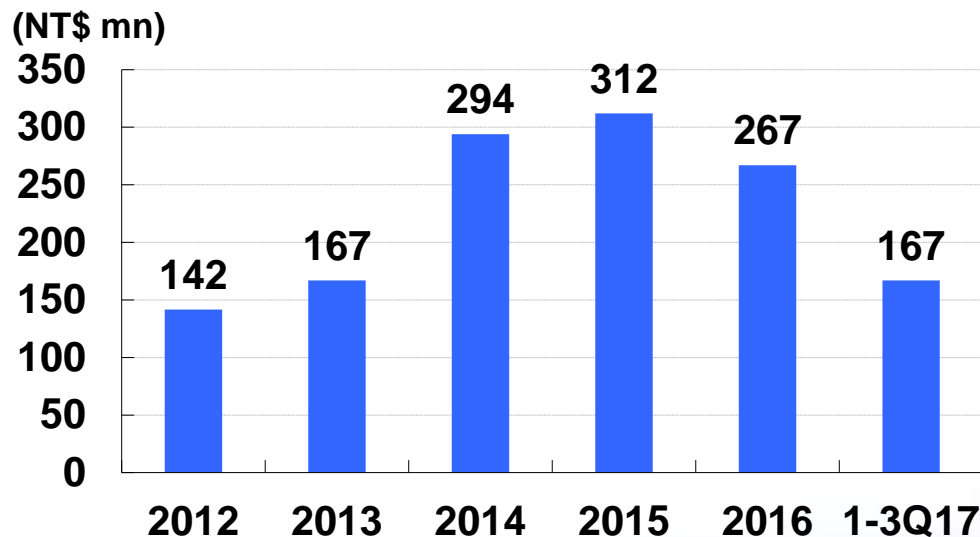
Precision fastener sales



### 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



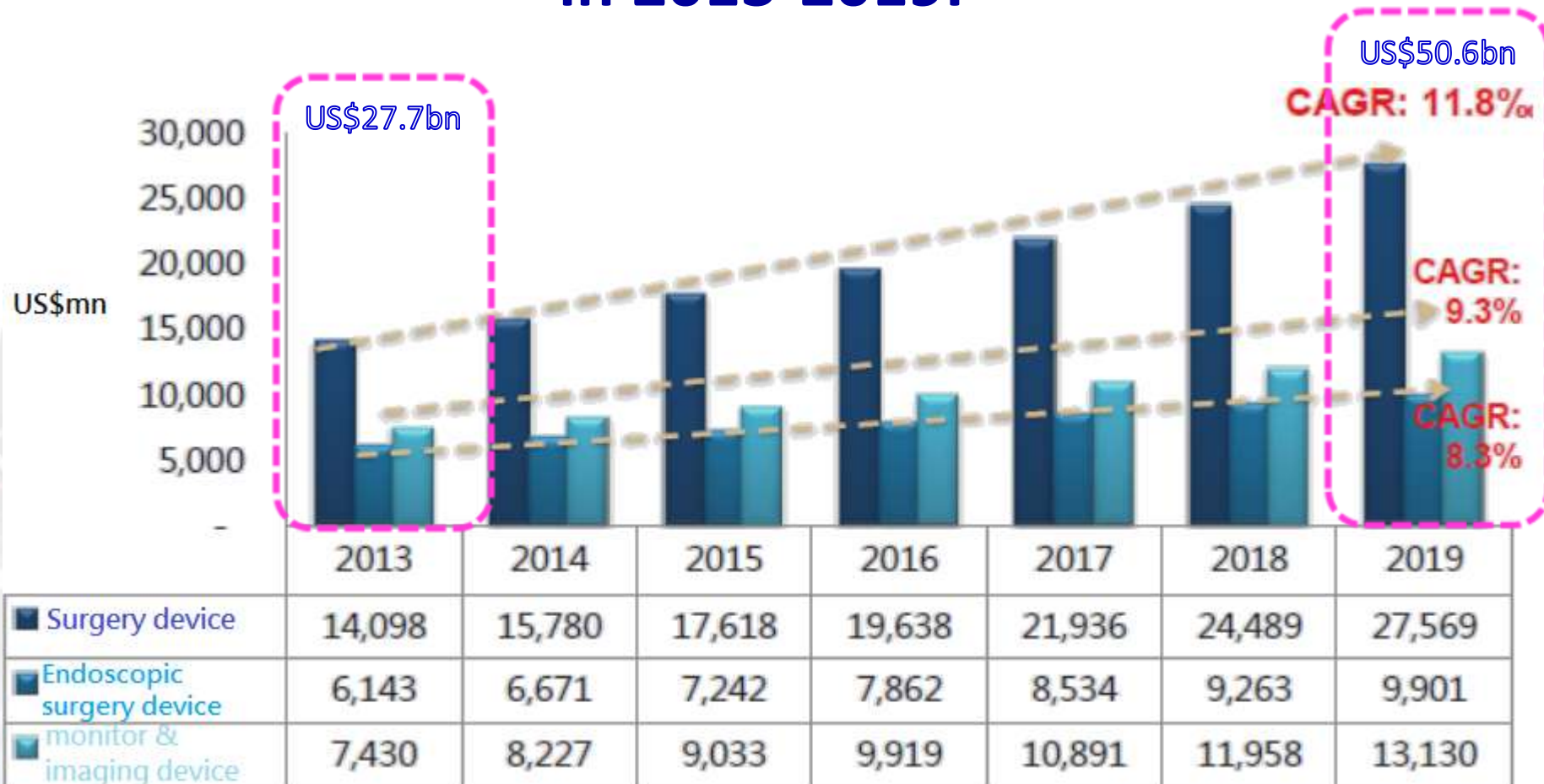
OEM

ODM

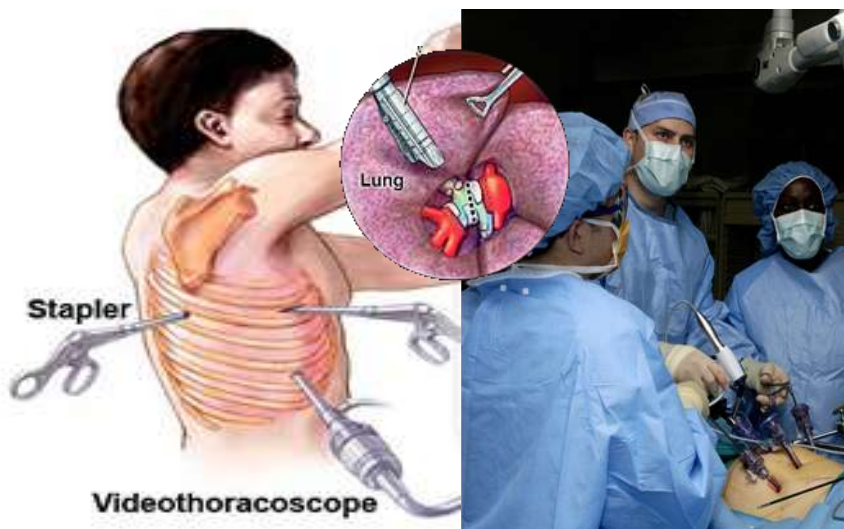
OBM



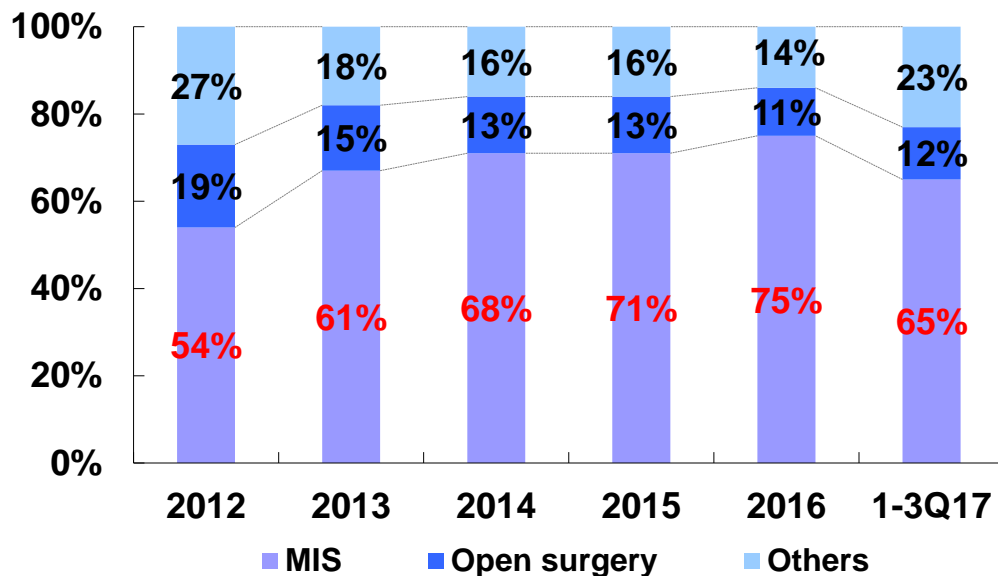
# Global minimally invasive medical device market in 2013-2019F



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



## INTAI's Medical device revenue



Smaller wound

Less complications

Reduce pain

Fast recovery

Higher safety

Shorter hospitalization

Cost saving

# Dental implants

牙王

ROYAL+DENT®

Beyond Your Smile

- 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



# 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



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

Pedicle Screw

MIS Cage

MIS Pedicle Screw

**wittrom**  
Your Health Partner

Artificial bone/  
dental materials



Cage





# Single Portal Arthroscopy Surgery System

Arthroscopy is a minimally-invasive procedure used for the diagnosis and treatment of conditions affecting joints.

• **Incision 5-7cm**  
Open Surgery



Traditional Arthroscopy

• **2-3 incision 2cmx2**  
Arthroscopy Surgery



**Single Portal Arthroscopy Surgery**



### Features

- S/I function
- Disposable
- Allow two instruments in one port to operate incision less than 2cm

**INTAI Arthroscopy Single Portal Cannula**



**Digital Arthroscope**



### Current Status

- FDA 510K listing
- TFDA approval (non-sterilization)

### Next Stage

- Conduct clinical trial
- Complete sterilization approval

# MIS navigation system for spinal surgery

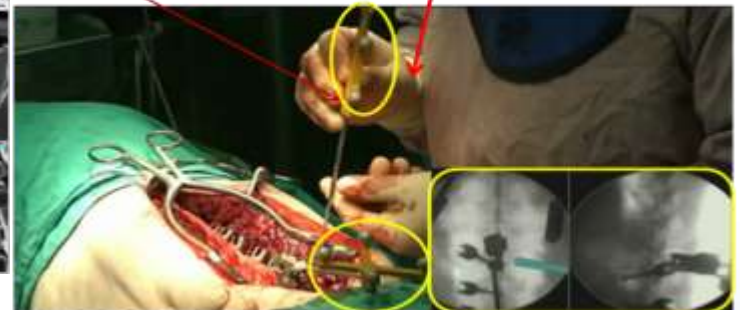
## Optical Tracking Technologies

**Optical Tracker**  
Tracking passive marks in Instrument

**Surgical Instrument**



**Navi. Display**



(\*Note: Animal test not in MIS procedure)

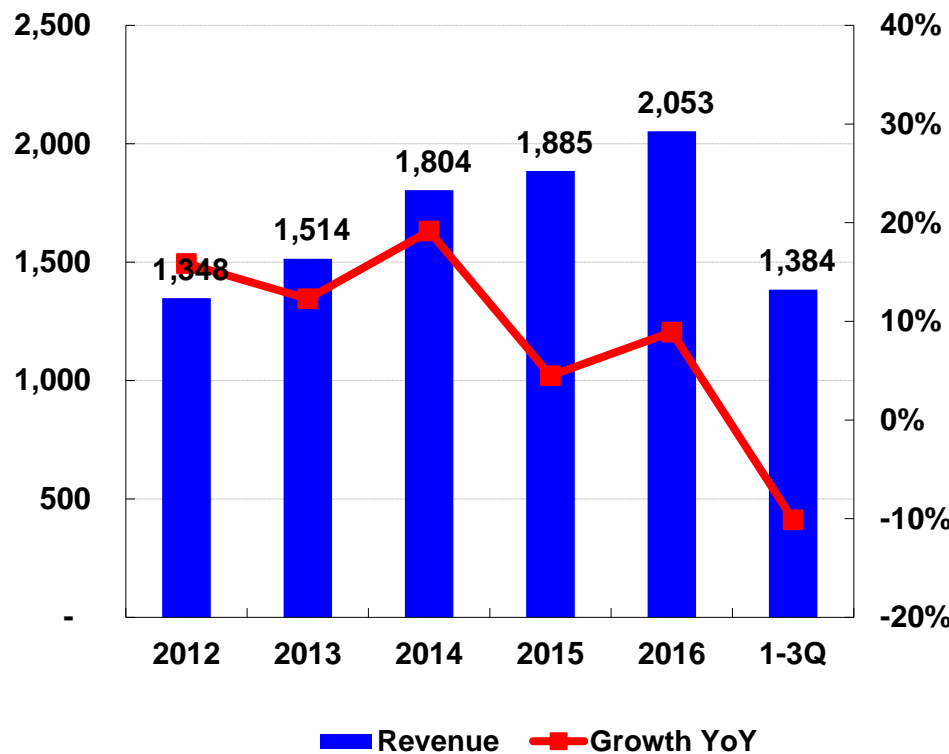
### Navigation Software

- 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

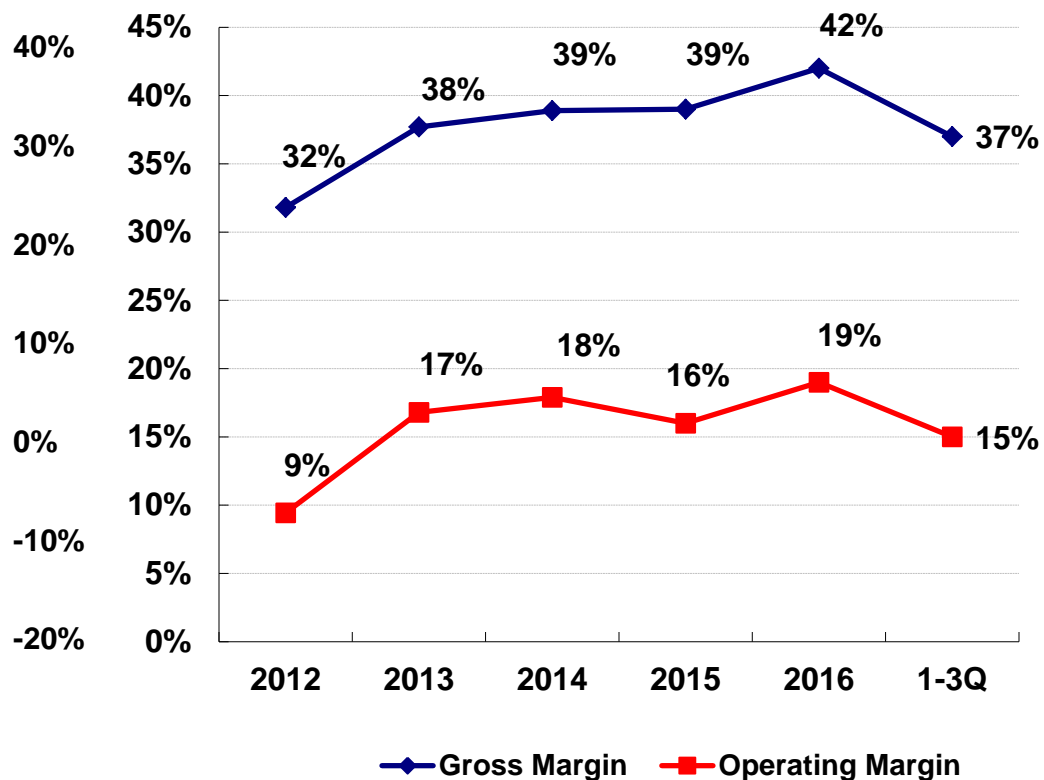
- **2017 Q2** Hardware / Software validation and usability test have been completed
- **2017 Q4** Apply for FDA 510K
- **2018 Q3** Estimate to get approval from TFDA
- **2018 Q4** Estimate to get GMP approval
- **2019** Product launch in Taiwan
- **2019** To complete more clinic studies for applying CFDA [intai.com.tw](http://intai.com.tw)

## Revenues

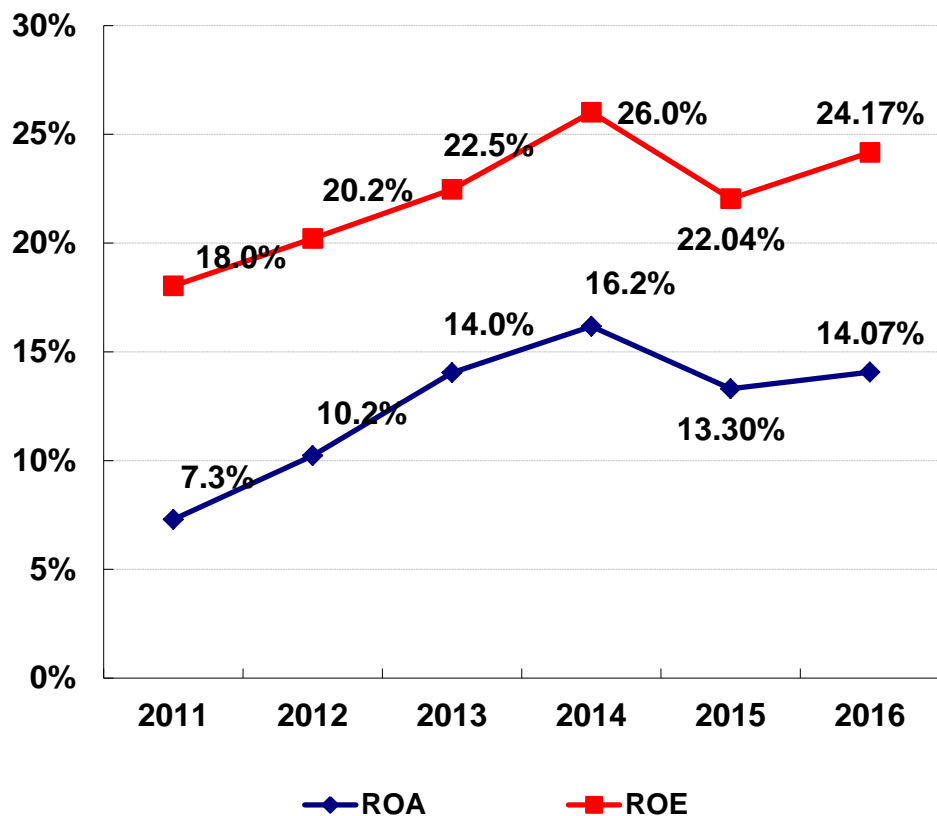
NT\$ mn



## Margins

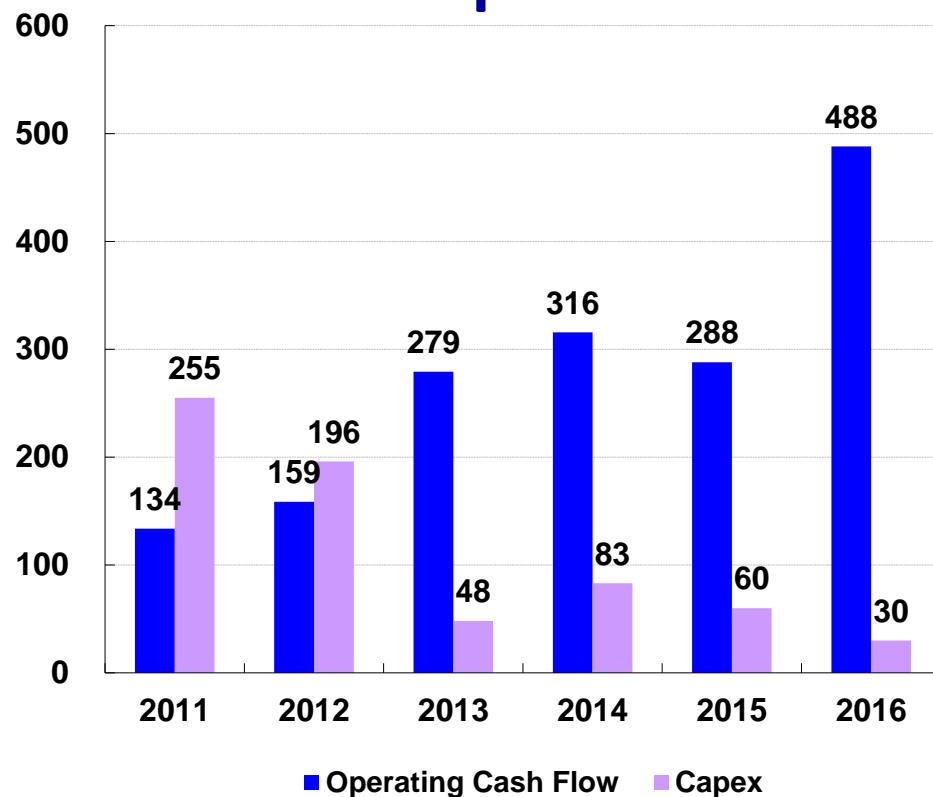


## ROE & ROA



## Operating Cash flow & Capex

(NT\$ mn)





## Dividend policy

Year	2011	2012	2013	2014	2015	2016
EPS (NT\$)	3.27	4.68	6.05	7.87	7.31	8.75
Cash dividend (NT\$)	2.0	3.0	5.0	5.0	4.5	6.0
Payout ratio (%)	61.1	64.0	82.6	63.5	61.6	68.6
Dividend yield (%)	3.3	2.7	2.5	3.7	2.3	5.4

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

## Consolidated income statement - summary

NT\$ mn	2012	2013	2014	2015	2016	1-3Q17
Sales	1,348	1,514	1,804	1,885	2,053	1,384
Gross profit	429	571	702	741	869	511
<i>Gross margin (%)</i>	32	38	39	39	42	37
Operating profit	127	254	323	311	400	201
<i>Operating margin (%)</i>	9	17	18	16	19	15
Pre-tax profit	205	288	365	360	421	149
Net profit	175	243	316	294	352	116
<i>Net margin (%)</i>	13	16	17	15	17	8
EPS (NT\$)	4.67	6.05	7.87	7.31	8.75	2.89
YoY (%)	2012	2013	2014	2015	2016	1-3Q17
<i>Sales</i>	15.8	12.3	19.2	4.45	8.91	
<i>Gross profit</i>	22.9	33.1	22.9	5.56	17.27	
<i>Operating profit</i>	41.1	100.0	27.2	-3.72	28.62	
<i>Net profit</i>	53.5	38.9	30.0	-6.96	19.73	

## Consolidated balance sheets - summary

NT\$ mn	2012	2013	2014	2015	2016	3Q17
Cash & cash equivalents	395	237	547	535	1,062	928
Inventories	377	461	519	588	558	573
<b>Total current assets</b>	<b>941</b>	<b>875</b>	<b>1,274</b>	<b>1,326</b>	<b>1,807</b>	<b>1,793</b>
Long-term investments	16	37	34	34	88	75
Net fixed-assets	789	786	857	869	867	851
<b>Total assets</b>	<b>1,785</b>	<b>1,728</b>	<b>2,233</b>	<b>2,301</b>	<b>2,826</b>	<b>2,815</b>
Short-term bank loans	0	160	0	0	335	450
<b>Total current liabilities</b>	<b>298</b>	<b>516</b>	<b>416</b>	<b>857</b>	<b>731</b>	<b>1,326</b>
Long-term liabilities	401	0	458	0	477	0
Other liabilities	63	69	65	67	83	83
<b>Total liabilities</b>	<b>761</b>	<b>585</b>	<b>942</b>	<b>924</b>	<b>1,291</b>	<b>1,409</b>
Undistributed earnings	257	375	482	686	846	721
<b>Total equity</b>	<b>1,024</b>	<b>1,143</b>	<b>1,291</b>	<b>1,377</b>	<b>1,535</b>	<b>1,405</b>
<b>Total liabilities and equity</b>	<b>1,785</b>	<b>1,728</b>	<b>2,233</b>	<b>2,301</b>	<b>2,826</b>	<b>2,815</b>

Note: Prepared in accordance with International Financial Reporting Standards

# Consolidated statement of cash flows

NT\$ mn	2012	2013	2014	2015	2016	1-3Q17
Net profit	205	288	365	360	421	149
Depreciation and amortization expenses	54	49	55	65	70	57
Net changes in working capital	(55)	(36)	(50)	(95)	39	26
Others	18	(22)	(54)	(42)	(42)	(150)
<b>Net cash generated by operating activities</b>	<b>222</b>	<b>279</b>	<b>316</b>	<b>288</b>	<b>488</b>	<b>82</b>
Acquisition of fixed assets	(196)	(48)	(83)	(60)	(30)	(19)
Long-term equity investments	0	(22)	0	0	(53)	0
Net changes in other assets	164	(14)	(64)	(43)	(28)	(31)
<b>Net cash used in investing activities</b>	<b>(32)</b>	<b>(84)</b>	<b>(147)</b>	<b>(103)</b>	<b>(111)</b>	<b>(50)</b>
Cash capital increase	224	0	0	0	0	0
Convertible corporate bond issuance	0	0	495	0	0	0
Net changes in other liabilities	(169)	(241)	(160)	0	335	114
Other adjustments	(74)	(121)	(201)	(201)	(181)	(241)
<b>Net cash generated by (used in) financing activities</b>	<b>(19)</b>	<b>(362)</b>	<b>134</b>	<b>(201)</b>	<b>154</b>	<b>(127)</b>
<b>Free cash flows</b>	<b>26</b>	<b>231</b>	<b>233</b>	<b>228</b>	<b>458</b>	<b>63</b>

Note: Prepared in accordance with International Financial Reporting Standards





**THANK YOU FOR YOUR ATTENTION.**