



**JSP Pharmaceutical Public
Company Limited [JSP]**

OPPORTUNITY DAY

Q3 2022

22nd December 2022



Q3 2022 HIGHLIGHTS



Improve performance in Q3/2022



- ✓ **Operating revenue** increased Baht 5.9 million or +**6.0% QoQ**
- ✓ **Revenue from Own Brand** increased Baht 5.3 million or +**14.7% QoQ**
- ✓ **EBITDA** turned to positive by Baht 1.9 million
- ✓ **Net Profit Margin** was -4.1% improved +**7.1% QoQ**



Production capacity expansion



- ✓ **Increased production capacity at Rama III area** by managing of operating space
- ✓ **Plan to expand** operating space by build up new warehouse and acquiring land. This will support the increase of operations from new plants constructed at Bangkok and Lamphun



Change of security symbol



- ✓ **Resolved to approve the change of security symbol** from JP to “JSP”

Agenda



1

**COMPANY
OVERVIEW**

2

**KEY FINANCIAL
PERFORMANCE**

3

**STRATEGIC DIRECTION
AND 2022 OUTLOOK**

JSP At a Glance

Becoming the leading company in research, manufacture and distribution of pharmaceuticals and supplements



60 years

Of experience in Pharmaceutical and Supplement

- Received GMP standard for production facility
- Received PIC/s standard, ISO, and Halal



1,900 licenses

Pharmaceutical & Supplement License

- Innovation through continuous partnership with leading education & research institute



4 Brands

In house brands focusing on Pharmaceutical and Supplement



EVITON



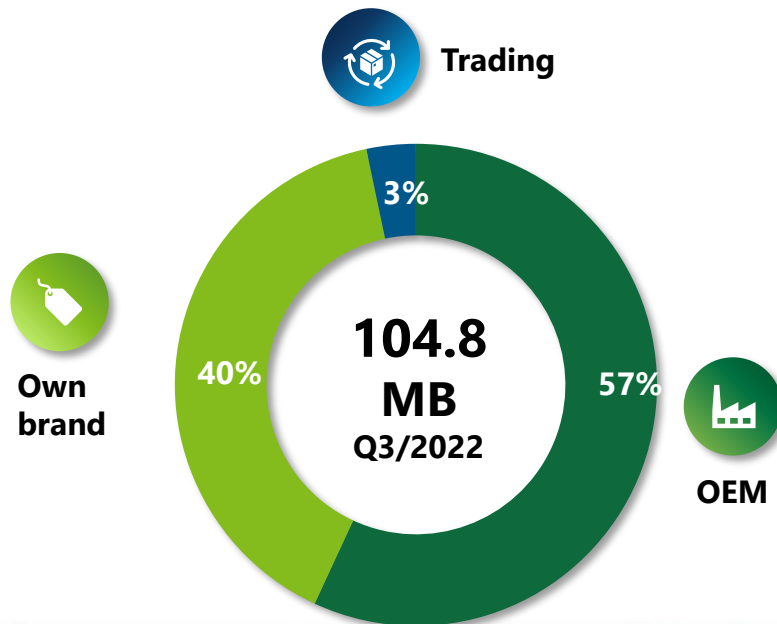
One stop service

End-to-end OEM Service to support B2B customer

- Full services from product design and development to distribution assistance
- Trusted by major drugstore chain as supplier

Q3/2022 Revenue breakdown by Business Line

3 Major Businesses



OEM

- **Providing OEM end to end services** for customer including researching and developing products, producing and packing process to contacting the supplier

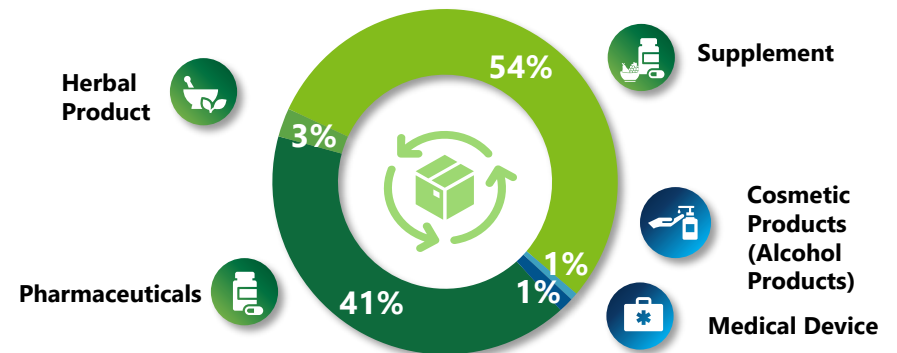
Own brand

- **Producing medicine and other supplement under JSP's own brand** by utilising high technology machinery

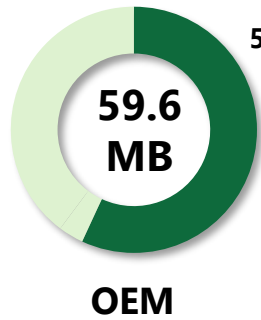
Trading

- **Sourcing domestic test kits** as well as cosmetics for B2B customers
- **Importing finished medicine, medical license and medical** from oversea

Q3/2022 Revenue breakdown by Product Line



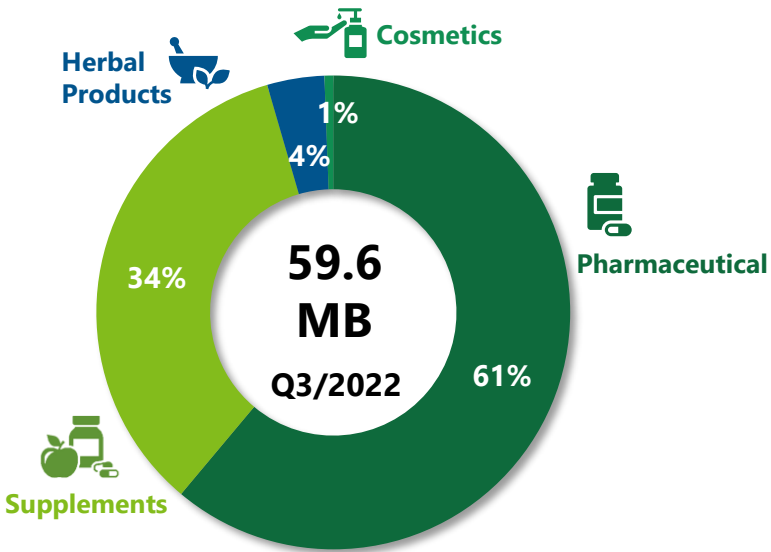
Revenue Breakdown by Business Line : OEM



End-to-end OEM services:



OEM Revenue Breakdown by Product:



Pharmaceuticals	Hormone Products	Syrup Medicine
Supplements	Nutrients Extract supplements	Soft Gelatin Supplements
Herbal Products	Herbal Medicine	Health Supplements
Cosmetics	Alcohol Sanitizer Spray and Gel	

Customers:



Retail Pharmacy Chains

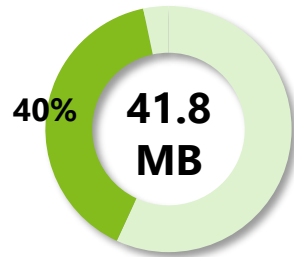


Supplements Companies



Media Platform Company

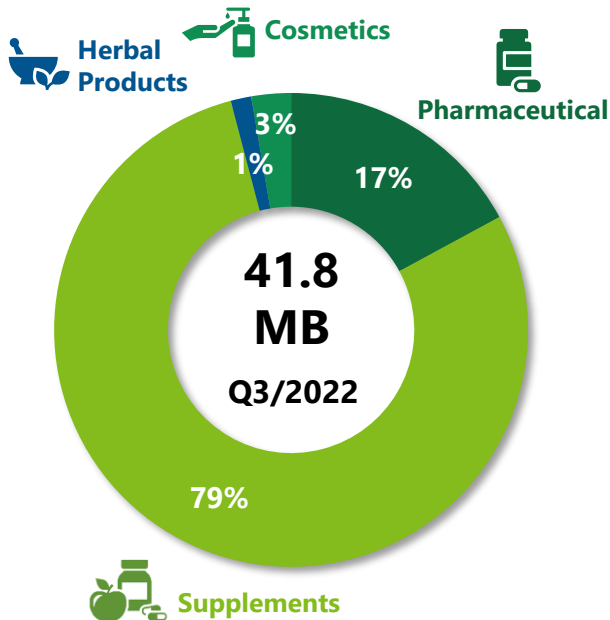
Revenue Breakdown by Business Line : Own Brand



Own brand

- Producing medicine and other supplement under JSP's own brand
- Using high technology machine and various innovative medicine license

Revenue Breakdown by Brand



Pharmaceuticals



COX
Expectorants



Contraceptive
Pill

- ✓ Convenient Stores /Modern Trades
- ✓ Hospitals/ Drug Stores



Herbal Products



Alcohol



Andrographis
Paniculata Tablet



JSP Sanitizer
Gel 75%

- ✓ Convenient Stores /Modern Trades
- ✓ Online Channels



Supplements



Eviton Plus
Coenzyme Q10



Eviton
Marine Collagen

- ✓ Convenient Stores /Modern Trades
- ✓ Online Channels



Herbal Products



Supplements



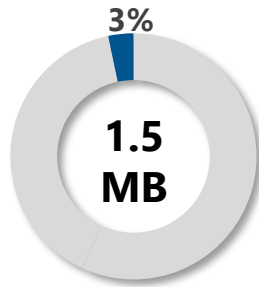
Suphap Osot
4 Mix Oil



Suphap Osot
Black Sesame Oil
+ Rice Bran Oli

- ✓ Convenient Stores /Modern Trades
- ✓ Online Channels
- ✓ TV/Home Shopping

Revenue Breakdown by Business Line : Trading



Trading

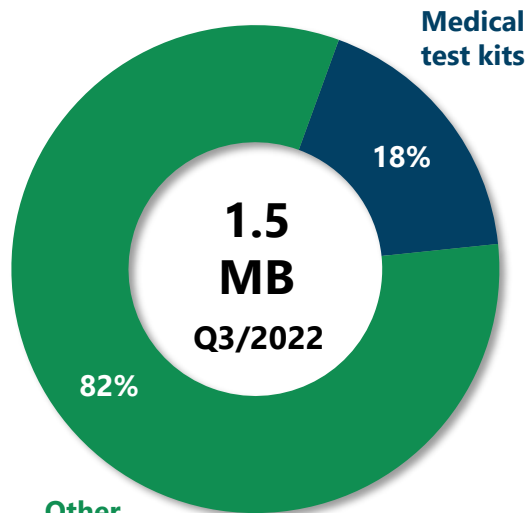
- Sourcing domestic test kits as well as cosmetics for B2B customers
- Importing finished medicine, medical license and medical from oversea

Key Product Example



Medical Test kits

Trading Revenue Breakdown by Product



Other Products
(Raw materials - Collagen)



1. Medical test kits for pandemic used

- COVID-19 Antigen Test Kits



2. Medical test kits for illegal drugs

- Methamphetamine (Meth) Test Kits
- Morphine (Mor) Test Kits
- Tetrahydrocannabinol (THC) Test Kits
- Dual (Meth and Mor) Test Kits



COVID-19 Antigen Test Kits



JSP Methamphetamine Test Strip

Customers:



Private agencies



Hospitals

Agenda



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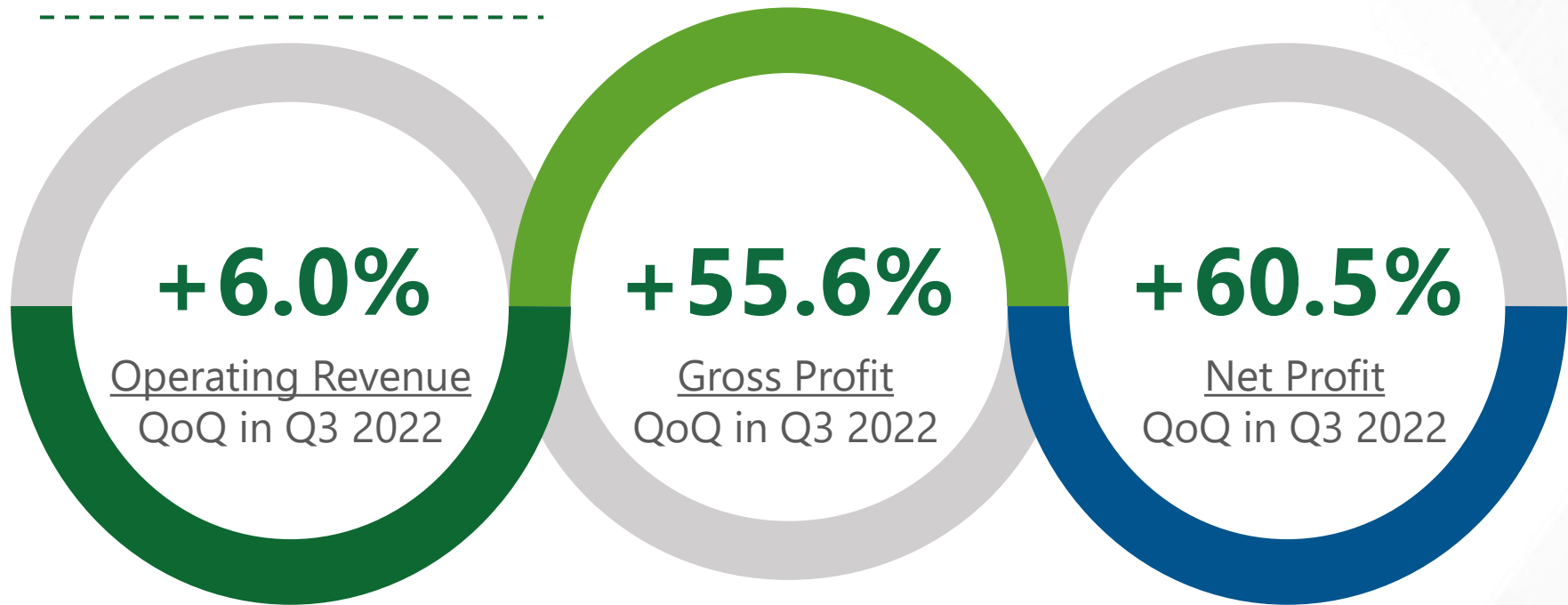
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**STRATEGIC DIRECTION
AND 2022 OUTLOOK**

Q3 2022 Financial Performance Highlights

Revenue Growth

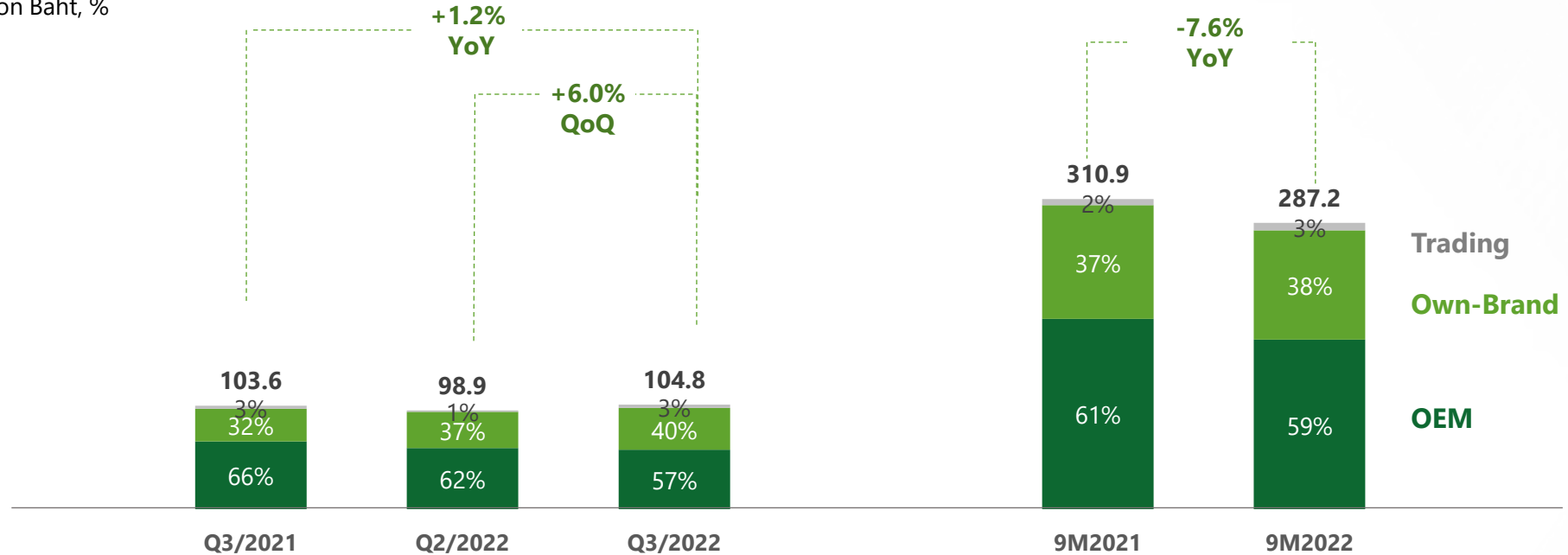


Strong Profitability

Revenue Breakdown by Business

Overall Revenue Breakdown

Million Baht, %



YoY: Q3/2022 vs Q3/2021

+1.2%

In Q3/2022, the **operating revenue** was Baht 104.8 million, increased by Baht 1.2 million mainly due to:

- **OEM:** While orders from dietary supplements and herbal products decreased, the Company had more revenue from conventional medicines
- **Own-Brand:** Higher for dietary supplements due to efficiency of advertising campaign

QoQ: Q3/2022 vs Q2/2022

+6.0%

In Q3/2022, the **operating revenue** was Baht 104.8 million, increased by Baht 5.9 million mainly due to:

- **OEM:** Increased in revenue from customer's orders for conventional medicines due to capacity expansion, while revenue from dietary supplements decreased by fewer orders placed
- **Own-Brand:** Increased in revenue resulted from mass advertising and promotion campaign

9M: 9M/2022 vs 9M/2021

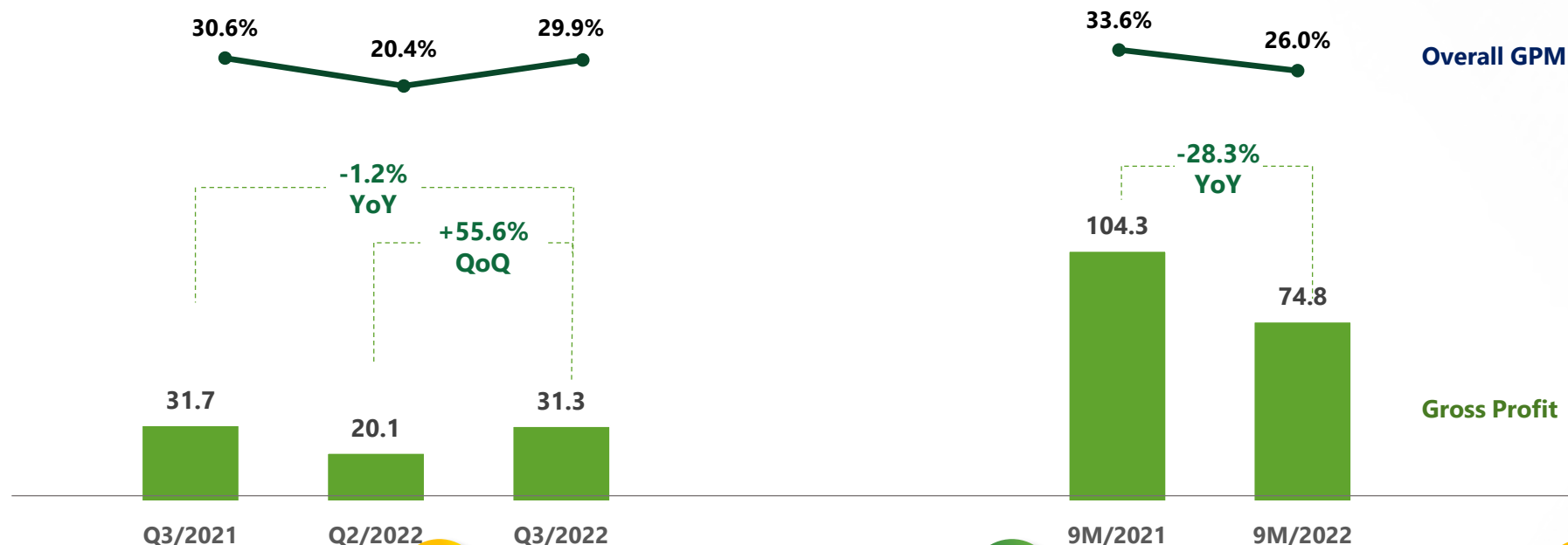
-7.6%

In 9M/2022, the **operating revenue** was Baht 287.2 million, decreased by Baht 23.7 million mainly due to:

- **OEM :** Slightly lower proportion of revenue from dietary supplements and herbal products.
- **Own-Brand:** Lower demand in dietary supplements due to customers' stringent spending, as well as the company could not broadcast the ads on time as planned due to the strict control of government policies.

Gross Profit and Gross Profit Margin

Million Baht, %



YoY: Q3/2022 vs Q3/2021

-1.2%

In Q3/2022, the **gross profit** was Baht 31.3 million, decreased by Baht 0.4 million, which did not significantly different from Q3/2021

QoQ: Q3/2022 vs Q2/2022

+55.6%

In Q3/2022, the **gross profit** was Baht 31.3 million, increased by Baht 10.2 million mainly due to:

- The Company accelerated selling of long outstanding inventories so that provision for inventory declined

9M : 9M/2022 vs 9M/2021

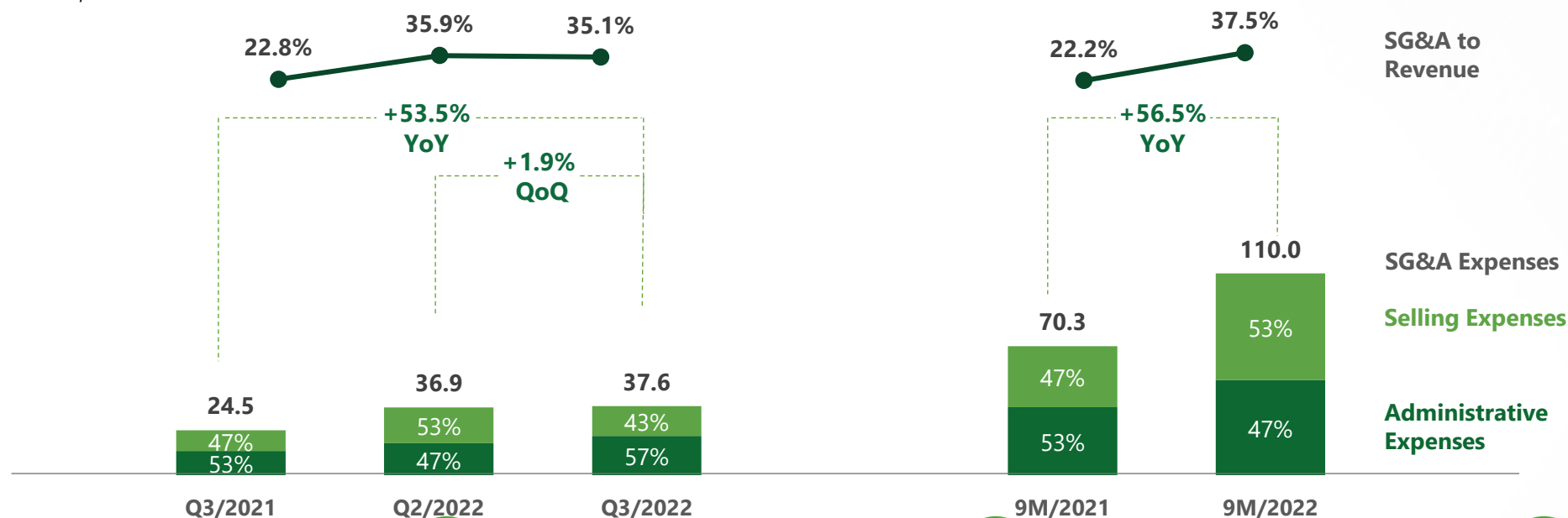
-28.3%

In 9M/2022, the **gross profit** was Baht 74.8 million, decreased by Baht 29.5 million mainly due to:

- Lower in revenue from sales
- The Company reported promotion expenses with TV Direct PCL as a reduction of revenue in accordance with TFRS15. Should the Company excluded this effect, gross profit margin should be reported at 30.6%.

SG&A AND SG&A TO REVENUE

Million Baht, %



YoY: Q3/2022 vs Q3/2021

+53.5%

In Q3/2022, the **selling and administration expenses** were Baht 37.6 million, increased by Baht 13.1 million mainly due to:

- **Increased of selling expenses** from the staff costs and distribution fees for online channel
- **Increased of administration expenses** from the staff costs and professional service fees in relation to finance and administration

QoQ: Q3/2022 vs Q2/2022

+1.9%

In Q2/2022, the **selling and administration expenses** were Baht 37.6 million, increased by Baht 0.7 million mainly due to:

- **Decreased of selling expenses** from shifting distribution of goods from using third party to internal resources
- **Increased of administration expenses** from the professional service fee

9M: 9M/2022 vs 9M/2021

+56.5%

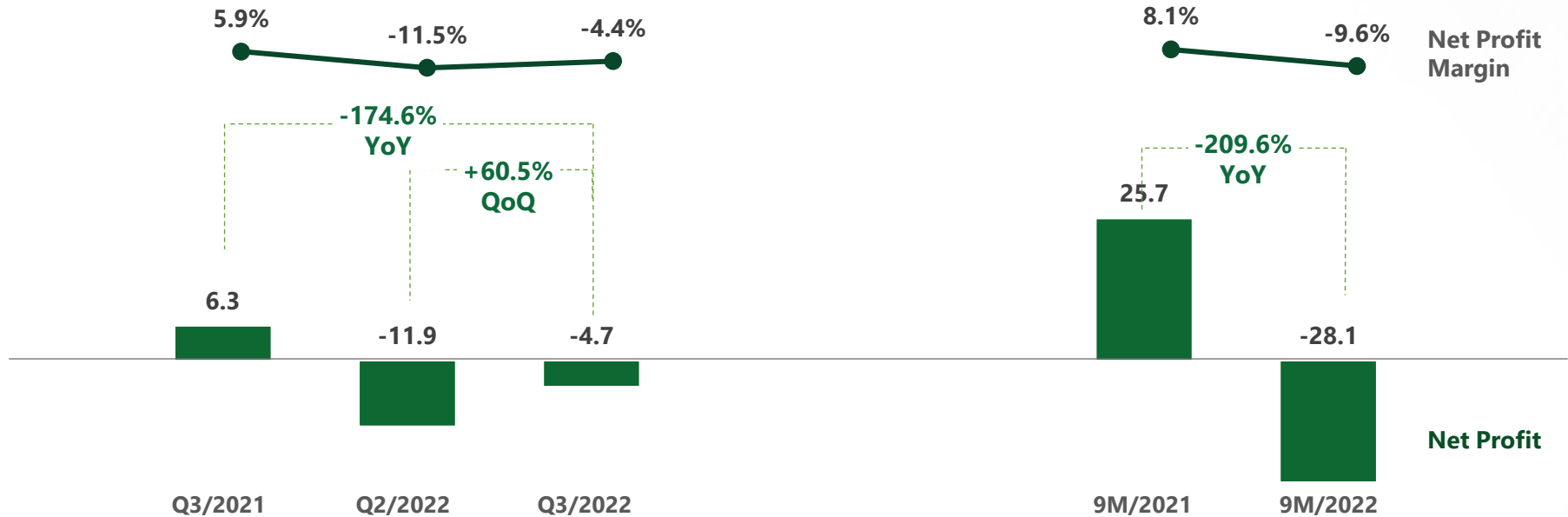
In 9M/2022, the **selling and administration expenses** were Baht 110.0 million, increased by Baht 39.7 million mainly due to:

- **Increased of selling expenses** from freight to support sales via omni-channel and advertising expenses for branding
- **Increased of administration expenses** from the staff costs and professional service fees in relation to finance and administration

Profitability: Normalized Profit

Normalized Profit and Normalized Profit Margin

Million Baht, %



YoY: Q3/2022 vs Q3/2021

-174.6%

In Q3/2022, the **normalized profit** was Baht -4.7 million, decreased by Baht 11.0 million mainly due to:

- Lower revenue and gross profit
- Higher expenses, especially selling expenses from distribution fees for online channel

QoQ: Q3/2022 vs Q2/2022

+60.5%

In Q3/2022, the **normalized profit** was Baht -4.7 million, increased by Baht 7.2 million mainly due to:

- Higher revenue and gross profit
- However, the Company had more expenses in order to support business growth

9M: 9M/2022 vs 9M/2021

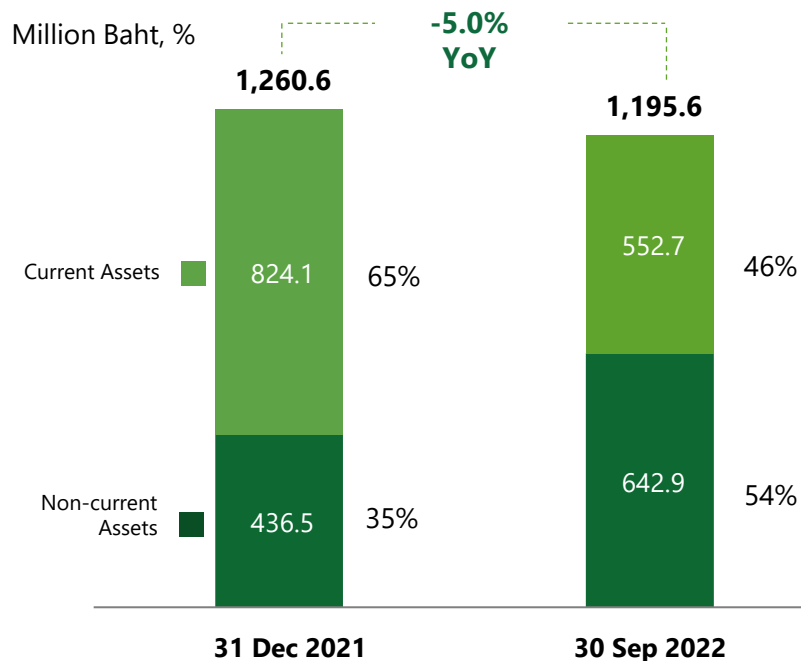
-209.6%

In 9M/2022, the **normalized profit** was Baht -28.1 million, decreased by Baht 53.8 million mainly due to:

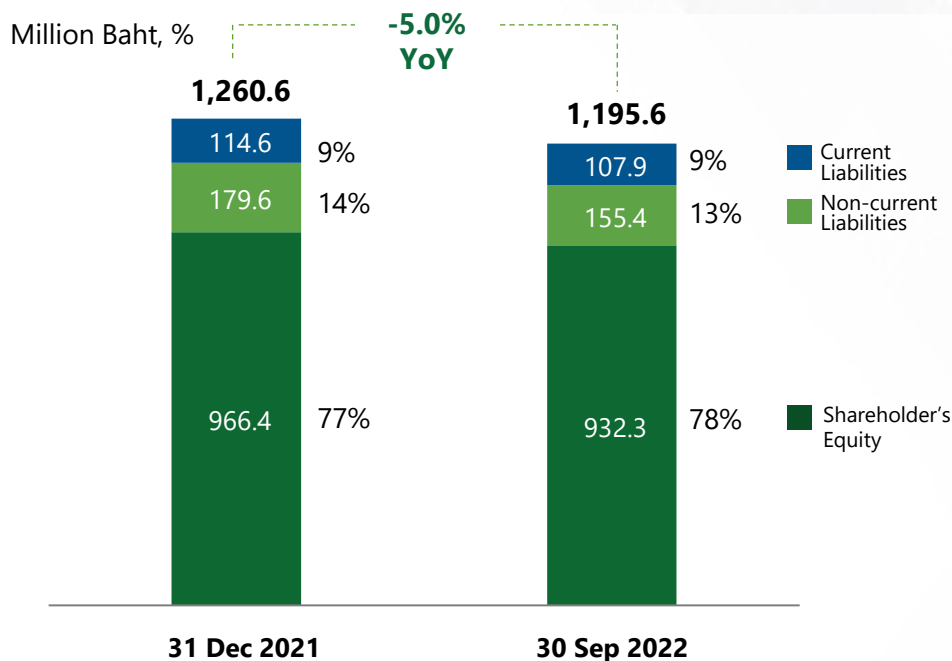
- Lower revenue and gross profit
- Higher expenses from both selling and administrative expenses to support business expansion

Statement of Financial Position

Assets



Liabilities & Shareholder's Equity



Asset

- **Current Assets**
 - Decreased in cash and cash-equivalents from short-term investment, as well as invest in long-term assets for business expansion
 - Inventories increased due to the Company stock down long outstanding inventories in various channel
- **Non-current Assets**
 - Increased from higher assets under constructions and installation, which are the renovation of production facilities at Bangkok as well as construction of new plant at Lamphun province and Phatumthani province

Liabilities and Shareholder's Equity

- **Liabilities**
 - **Current Liabilities:** Decreased in other payables from decreased in contract liabilities from delivering products to customers
 - **Non-current Liabilities:** Decreased from long-term loans repayment to financial institutions. However, leases liabilities increased from new long-term lease agreements to rent building and equipment for operating purpose
- **Shareholder's Equity**
 - Decreased from net loss
 - Declared and paid dividend of the operating performance of FY2021

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AND 2022 OUTLOOK**



Hemp & Cannabis
Products



Black Sesame Oil +
Rice Bran Oil

2022

+50% Sales Growth

Mainly from Black Sesame Oil
and Rice Bran Oil via TV direct

Innovative pharmaceuticals and supplements product manufacturer

- ✓ Putting **innovation** at the forefront of JSP business
- ✓ **Completion of hemp and cannabis extraction plant in Q4/2022**
- ✓ Launching **hemp/cannabis products**
- ✓ **Leverage own Brand growth**
- ✓ **TV direct sales will be rebounded in 2H/2022**



2023

Thailand's leading innovative pharmaceutical and supplement brand

- ✓ Thailand's **well-known** pharmaceutical and supplement **brand**
- ✓ Continuous R&D and **innovative product launch**
- ✓ Expand to **animal products**
- ✓ Recognized revenue from **new production facilities fully operational**
- ✓ Hemp and Cannabis extraction plant **will fully operate at full capacity and start to recognize revenue**
- ✓ Capacity expansion of liquid **will be operated at full capacity with backlog of 2.0 mil bottles**

2024

2X Sales Growth

ASEAN's leading company in research,
manufacturing and distribution of
pharmaceutical and supplement product

- ✓ Establish **strong presence in Southeast Asia** for both own-brand and OEM business line



COMPANY STRATEGIES

1 Innovation for Growth

- **Continuous R&D** for innovative products
- Current innovation for growth:
 - ✓ **Plant-based protein** supplement
 - ✓ **Hemp** herbal products
 - ✓ **Chewable soft gelatin capsule**

2 Elevate Own-Brand Business

- Obtain **new product licenses**
- **Introduce** differentiated **own-brand products**
- **Launch wide-scale marketing** to strengthen brand awareness



3 Strengthen OEM Business

- Leverage current strengths and focus on **acquiring new major partner**
- Adding **new innovative products** to enhance customer's choice

5 Expand to CLMV

- **Acquire new licenses** in each country
- **Expand distribution** of products through local distributor

4 Capture Opportunity Through Investment

- **Invest** in small-and-medium-size **pharmaceutical companies** with high growth potential

1. Innovation for Growth:

Putting innovation at the forefront of JSP business



Benefits

- ✓ Leveraging innovation as differentiation point to enhance company's competitive advantages
- ✓ Partnering with leading education institutes and companies for research and development



Current Innovations

1

Innovation Center under "Caresutic", a subsidiary company



บริษัท แครซูติก จำกัด
CARESUTIC CO.,LTD.



Products:
Dietary supplements
(OEM customers)



Cosmetics
(OEM customers)



Personalized pharmacy
(Clinics and Hospitals)

Development Timeline



2

Herbal Products from Hemp & Cannabis



Benefit

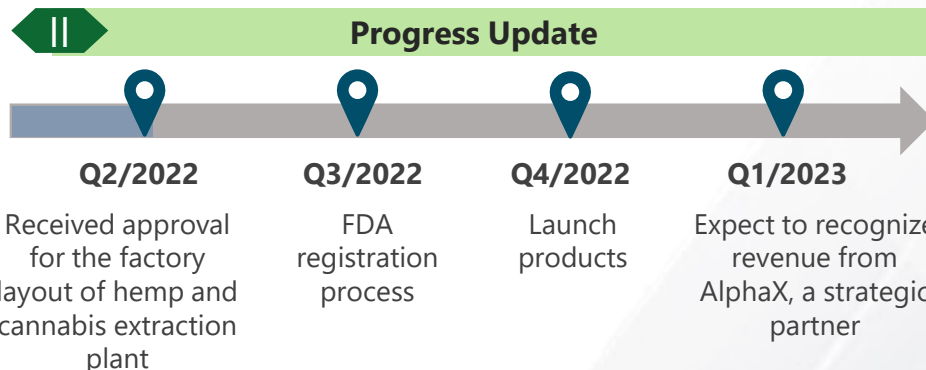
- ✓ Enhance sleep quality and relaxation

Strategic Partners

ALPHA
BIOTECH



ALPHA
DIVISIONS



2. Elevate Own-Brand Business: Targeting to grow at 200% in 2022 by increasing product portfolio and brand awareness



Benefits

- ✓ Enhance profitability from higher margin of own-brand products
- ✓ Propel overall company's growth and utilize existing brand



Increase Product Abundance

Introduce Differentiated Own-Brand Products

4 new products will be launched in 2H/2022



Introduce at least **4 new products** per year under "**Suphap Osot**"



Soft gelatin capsule - **2 products in Q4/2022**



2 Own cannabis products

- ✓ Supplement products - Hemp and Cannabis tea
- ✓ Expect to receive FDA approval and **launch in Q4/2022**



Strengthen Brand Awareness

Marketing Activities in 1H/2022

- ✓ **Studying brand recognition strategy**



- ✓ **Engage MOU with TV direct**
to secure sale volumes with a life-time customer target



- ✓ **Implementing Mass Marketing Campaign**



- ✓ **Distribute consumer approach**



Facebook



TikTok

- ✓ **Outsourcing call center services**

Progress Update

- **Q3/2022** – TV direct sales currently account for 45% of total expected sales at 180MB

3. Strengthen OEM Business: Leveraging existing strengths to expand customer base and add new choice for customers



Benefits

- ✓ Grow overall revenue by leveraging existing strengths



Enrich Customer Options



Obtain at least **4 intellectual properties in 2022**

1H/2022 : Obtain 2 intellectual properties

- Formula and production of herbal medicines for animals
- A technique for extracting hemp and cannabis flowers with Super Critical Fluid Extraction



Cannabis product expansion

Q1/22

Obtaining a license to **produce and possess category 5 narcotics**

Q2/22

Received the **GMP examination of hemp extraction plant**

Q3/22

- ✓ Received **GMP PIC/s approval for layout of hemp and cannabis extraction plants**
- ✓ Approved for **food supplement factory that contain hemp extract as an ingredient.**

Q4/22

- ✓ Launch **new cannabis products**
- ✓ Audited **license to extract cannabis for THC isolation**



OEM Expansion Progress

Q4/2022 - Q1/2023

Factory expansion (Bangkok and Lamphun province)

- ✓ Syrup medicine plant expansion at Bangkok will be operated within Q4/2022 with monthly capacity of 2 – 2.5 million bottles
- ✓ Factory expansion at Lamphun province is currently 96% completed and expect to operate within Q1/2023
- ✓ For herbal supplement products and Hemp-Cannabis extraction with capacity of 30,000 kilograms per month

Q2/2023

Innovation Center

- ✓ Small-scaled production to produce dietary supplements and cosmetics for OEM customers
- ✓ Expect to operate within Q2/2023
- ✓ Expected revenue for FY2023 of 25.0 million baht

Q4/2023

Expansion of operating space at Bangkok

- ✓ Acquisition of land and construct warehouse to increase production space
- ✓ Expect to operate within Q4/2023

4. Capture Opportunity Through Investment: Accelerating expansion through inorganic growth opportunity



Benefits

- ✓ Propel company's growth
- ✓ Efficiently obtain innovative products, R&D, and attractive brands



Investment Purpose



Expand Capacity

To scale up company max capacity and expand production line



Obtain Brand and Distribution Channel

To enhance company own brand portfolio and enlarge customer segment



Acquire Pharmaceutical Technology

To escalate medicine production technology as well as improve production efficiency



Investment Criteria



**Mid-Small
Size Company**



**Strong Financial
Performance**



**Synergy
with JSP**

Potential M&A Target along Supply Chain

1



Distribution Channels

- Company owned distribution channels
- Synergized with existing JSP Businesses
- Strengthen JSP sale channel

2



Brand owner

- Well recognized own-brand products
- Strong revenue stream
- Strong customers based

3



Manufacturer

- Company owned manufacturing plant
- Manufacturer for pharmaceutical products

5. Expand CLMV+ Market: Grow further in CLMV+ markets



Benefits

- ✓ Expand business into similar market in Southeast Asia region
- ✓ Boost overall company growth



Register New Licenses in each Country

Existing Exported Country
Laos, Cambodia, Myanmar, Philippines, Singapore

Q3/2022 : In the process of registration with the FDA



Partner with High-potential Local Distributor

Establish partnerships in each key main countries to increase company product presence.

Benefits from ASEAN Harmonization in Pharmaceutical Expansion

Save processing time from the agreement in 3 main areas

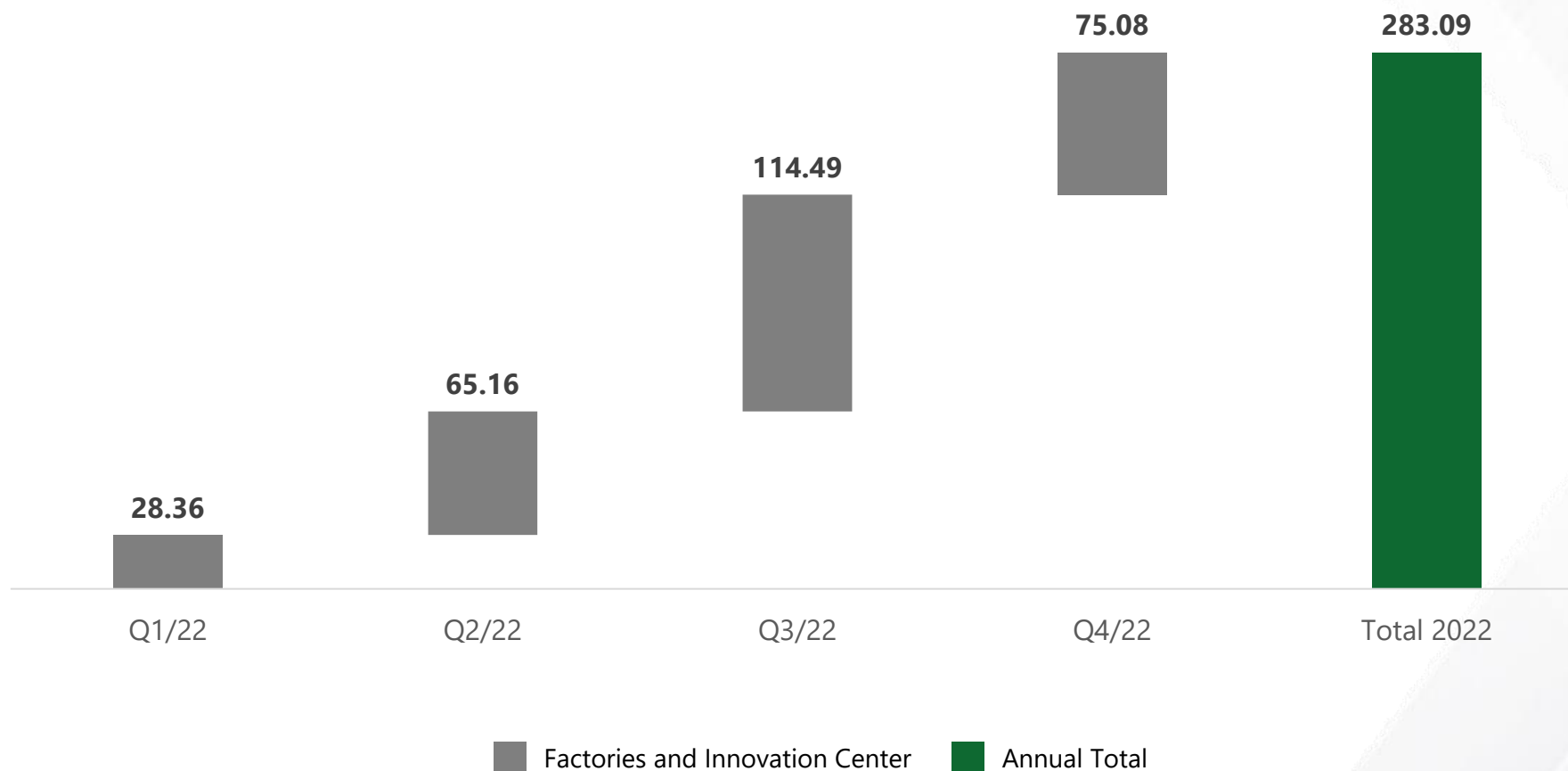
✓ Standards Harmonization

✓ Mutual Recognition Arrangement (MRA)

✓ Single Regulatory Regime

Investment Plan 2022

Unit: THB Million



2022 OUTLOOK

“JSP expects to deliver performance with 50% growth supported by secured orders from own-brand business”

2H/2022

Pharmaceutical Products



Increasing the liquid production of 500,000 bottles to 700,000 bottles per month in Q2/2022 from the operational improvement and start recognize revenue at the end of Q2/2022



Factory expansion for second production line will be completed in Q4/2022 and start recognize revenue in Q1/2023

Herbal Products



Obtained licensed to produce soft gelatin capsule for herbal products



The company is currently submitting an FDA application and expect to **receive the FDA approval and recognize revenue in Q1/2023**

Supplement Products



Received license for hemp-containing dietary supplements production for OEM customers



The company is currently submitting an FDA application and expect to **receive the FDA approval in Q4/2022 and recognize revenue in Q1/2023**



Factory expansion in Lamphun will be completed within Q1/2023



JSP SALE CHANNEL



@JSPSALE



THANK YOU

*Please scan to
give us your feedback*



APPENDIX



Management Team



Mr. Sittichai Daengprasert
President

Through **15 years of experience as JSP's president**, Mr. Sittichai has laid foundation for the business and grown the company to become one of the leading OEM pharmaceutical manufacturer in Thailand.



Mr. Pissanu Daengprasert
Executive Vice President of Business Development

Mr. Pissanu has over **15 years of experience leading JSP's business development**, introducing various innovative products that are key to JSP's business growth. He has expertise in pharmaceutical research & development as well as commercializing successful breakthrough.



Ms. Jirada Daengprasert
Executive Vice President of Finance & Accounting

Ms. Jirada has over **14 years of experience in finance and accounting**. She also served as **Executive Director of COX Laboratories**, a leading pharmaceutical manufacturer, which combined with JSP in 2017.



Mr. Sorasit Daengprasert
Executive Vice President of Manufacturing

Mr. Sorasit has over **12 years of experience in pharmaceutical industry**. Prior to his position as EVP of manufacturing, Mr. Sorasit spent 9 years as **Sales and Marketing Director of COX Laboratories** which combined with JSP in 2017.

JSP Key Differentiation



One-Stop Service Capability

1

- ✓ Provides B2B customer with end-to-end service from product design and development to distribution assistance
- ✓ Trusted by major drugstore chain as supplier

International Standard Facility

2

- ✓ Received GMP standard for Pharmaceutical, herbal product, and supplement production facility
- ✓ Among a few manufacturer to received PIC/s standard, ISO, and Halal

Large Versatile License Selection

3

- ✓ Owned a total of 1,900 licenses for all products
- ✓ Addition options for cosmetic and hemp extraction licenses
- ✓ Allow customer to receive a shorter time-to-market

R&D Capability & Collaboration

4

- ✓ In-house R&D and collaboration with leading research institute
- ✓ Produce unique products with exclusive license that could create competitive advantages

Presence in ASEAN Market

5

- ✓ Exported in ASEAN: Laos, Cambodia, Myanmar, Philippines, Singapore

JSP Key Milestones

1 Establishing Legacy

2 Enhancing Foundation

3 Growing Toward the Future

2022 Onward



1954

"Suphap-Osot"
Pharmaceutical
and Herbal Store
Established in
Hua Lamphong



1975

"Cox Industrial Plant ("Cox")"
established to
operate the
business of
manufacturing
and distributing
modern
pharmaceutical.



2005

JSP Pharmaceutical Manufacturing (Thailand) Co. Ltd.
established with
THB 1 Million
registered capital
and **started OEM
business**



Launch dietary
supplement
products



EVITON



2011

**Enhance capacity
of dietary
supplements and
herbal medicines**
by constructing
additional factory at
Lamphun Province



Lamphun



Thailand



2017

**COX and JSP
combined
business** under
common control
of Dangprasert
Family



Launch own-brand:
"Suphap-Osot"



สุขภาพโอสอ
ยาสมุนไพรไทย

2019 & 2020

2019
Started **R&D for
plant-based
protein
supplement and
cannabis
application**



2020
Applied for **IPO
filing** to raise
fund for
business
expansion

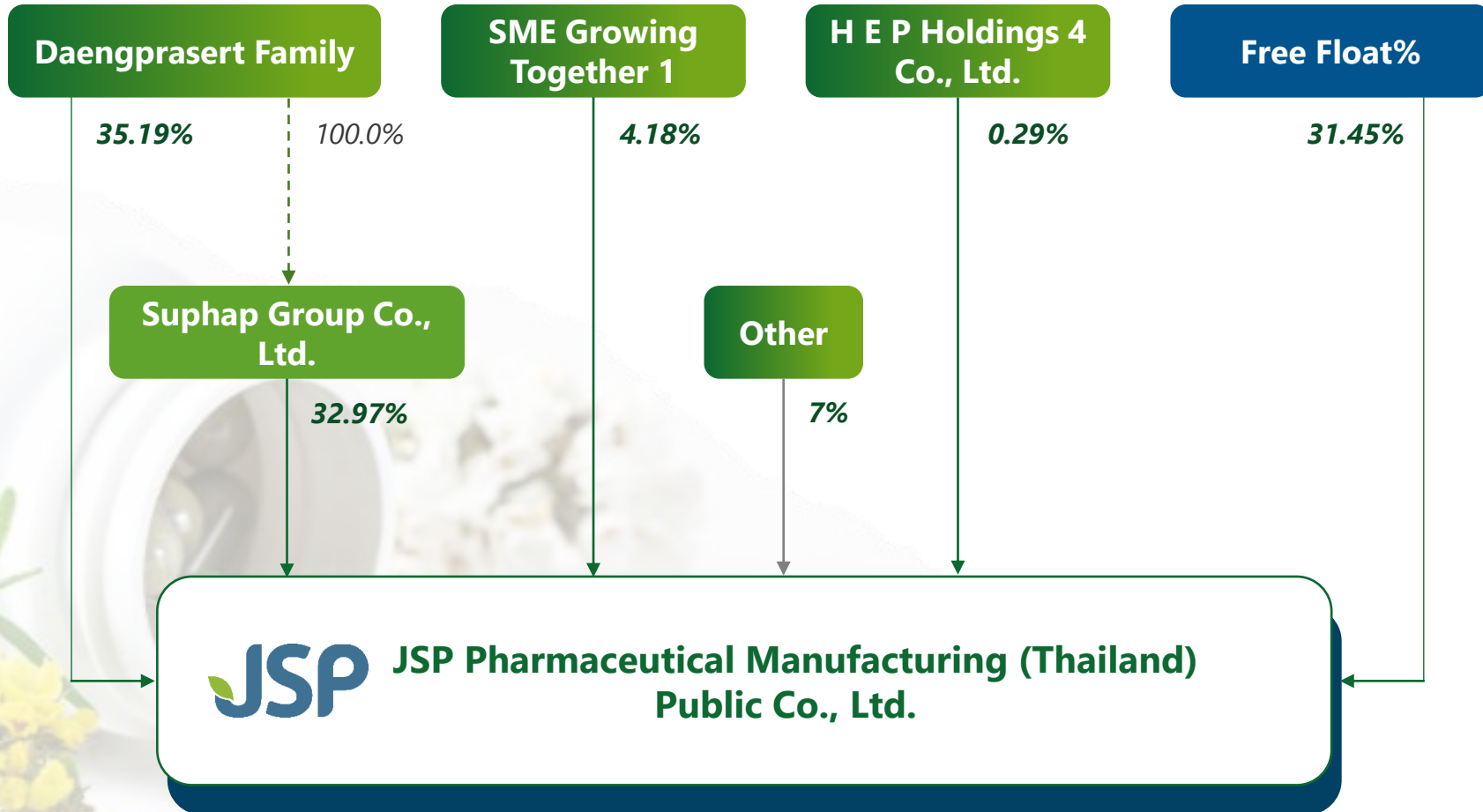
2021

**Successfully
listed in *mai*** with
total fund raise of
THB 805 million
to support
company
development
plans



**Becoming the
leading
company in
research,
manufacture
and
distribution of
pharmaceutic
als and
supplements**

Shareholding and Company Structure



Company Utilization Q3/2022

JSP manufactures
with total **5 forms of product**



Liquid



Tablet



Hard Gelatin Capsule



Soft Gelatin Capsule



Gel

Product Type	Product Form		Q3/2022 Capacity	% Utilization	Capacity Expansion	2023 Capacity
Pharmaceuticals	Liquid	Million m ³	374.4	97.6%	+748.8	1,123.2
	Hormone	Million Pills	187.2	5.2%	-	187.2
	Soft Gelatin Capsule	Million Pills	86.5	0%	-	86.5
Supplements	Tablet	Million Pills	76.8	10.9%	-	76.8
	Hard Gelatin Capsule	Million Pills	23.4	18.4%	-	23.4
	Soft Gelatin Capsule	Million Pills	112.4	47.2%	+118.2	230.6
Cosmetics	Gel	Million m ³	393.1	21.4%	-	393.1
Herbal products	Tablet	Million Pills	81.6	34.5%	-	81.6
	Hard Gelatin Capsule	Million Pills	140.5	13.1%	-	140.5
Extraction	Full Spectrum	Kilogram	144.0	33.3%	+28,979.0	29,123

Note : *As its current utilization rate is high, the company is expanding its production capacity.