



# JSP Pharmaceutical Public Company Limited [JP]

## OPPORTUNITY DAY

**FY 2021**

**March 11<sup>th</sup> 2022**



# Management Team

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**Mr. Sittichai Daengprasert**

*President*

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Through **15 years of experience as JP'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.



**Ms. Jirada Daengprasert**

*Executive Vice President of Finance & Accounting*

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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 JP in 2017.

# FY 2021 HIGHLIGHTS



## Strong Operating Revenue Stream



- ✓ **Revenue from OEM** increased Baht 24.9 million or **10.0% YoY**
- ✓ **Gross Profit Margin was 34.2%** improved from 31.5% YoY
- ✓ **Normalized Net Profit increased** Baht 2.2 million or **7.0% YoY**



## Successfully Listed in mai



- ✓ **Issued new shares 115 Million** shared at 7 Baht in October
- ✓ **Traded** for ordinary shares **in mai market on 2 November**



## Approved Company for Hemp Extraction License



- ✓ Company MOU with **KTDM** and **WMTA**
- ✓ **Joined partnership with WMTA** for hemp R&D prototype
- ✓ **Secured raw materials from KTDM** to product the extract



## MOU with TV Directs



- ✓ Implement **D2C** strategy through TV Directs
- ✓ **Enhanced Own brand**, "Wolffia" and "Black Sesame Oil + Rice Bran Oil"
- ✓ Engaged with TV Directs for marketing management

# Agenda



1

**COMPANY  
OVERVIEW**

2

**DIRECTION AND  
STRATEGY**

3

**KEY FINANCIAL  
PERFORMANCE**

4

**2022 OUTLOOK**

# JP At a Glance

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

## Strong OEM, Pharmaceutical, and supplement Foundation

**60+** years of experience



International Standard

**1,900**

Pharmaceutical & supplement license



## Growing Own Brand Products

4 Main growing Pharmaceutical & supplement brands



## Innovating Toward the Future

Partnership with leading education & research institute:



Commercialize innovative research:



Plant-based Protein Supplement



Herbal Remedy from Hemp

# JP 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

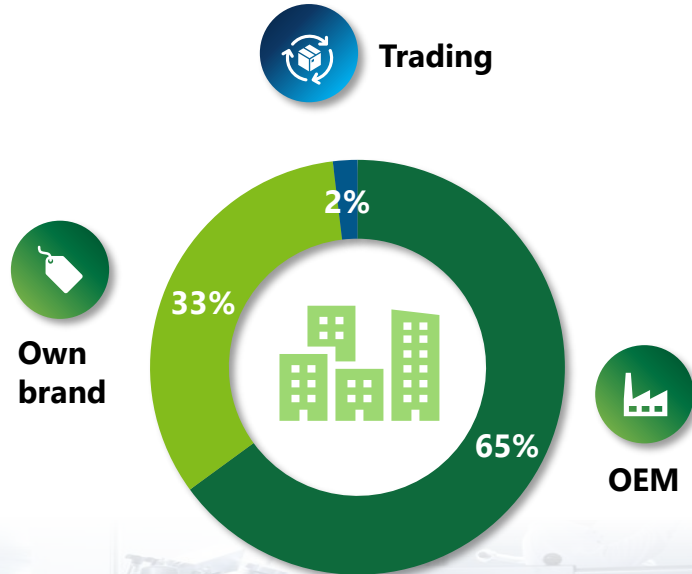
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- ✓ Exported in **ASEAN: Laos, Cambodia, Myanmar, Philippines, Singapore**

# FY 2021 Operating Revenue Breakdown

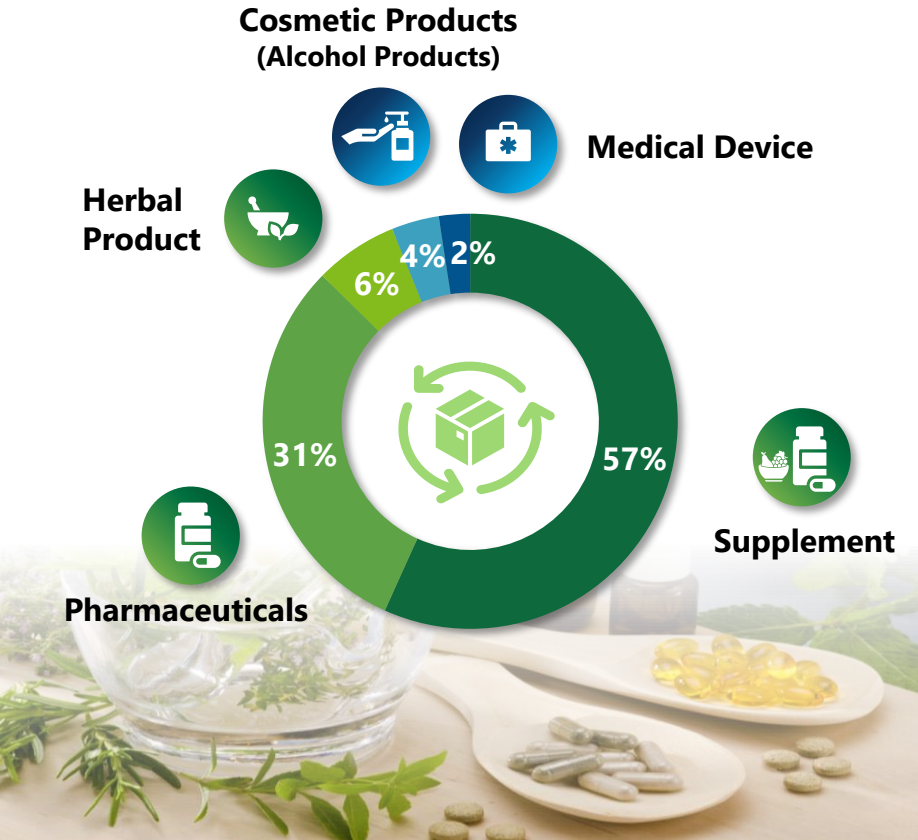
## By Business Line

### 3 Major Businesses



## By Products Line

### 5 Product Types Offering



# Revenue Breakdown by Business Line : OEM



**65%**  
of FY 2021 Total Revenue

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

## End to End OEM Service Offering



OEM Product Offering	Product Line Example		Selected OEM Customers
<b>Pharmaceuticals</b>	Hormone Products	Syrup Medicine	<b>Retail Pharmacy Chains</b>
<b>Supplements</b>	Nutrients Extract supplements	Soft Gelatin Supplements	<b>Supplements Companies</b>
<b>Herbal Products</b>	Herbal Medicine	Health Supplements	<b>Media Platform Company</b>
<b>Cosmetics</b>	Alcohol Sanitizer Spray and Gel		



# Revenue Breakdown by Business Line : Own Brand



**33%**  
of FY 2021 Total Revenue

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

## Company Brand

## Products Offering

## Example Products

## Distribution Channel

✓ Operated as 4 different own-brands

✓ Offered various product type according to companies branding

✓ Provided certified health products from FDA



Pharmaceuticals



Herbal Products  
 Alcohol



Supplements



Herbal Products  
 Supplements



# Revenue Breakdown by Business Line : Trading



**2%**  
of FY 2021 Total Revenue

- 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

### Products Line Example:

- ✓ Supplied medical test kits especially for pandemic used and for illegal drugs test



#### 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

### Example Products:

- ✓ Delivered various products to serve customer demands



COVID-19 Antigen Test Kits



JSP Methamphetamine Test Strip

### Key Selected Customers:



Private Agencies



Hospitals

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1

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OVERVIEW**

2

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STRATEGY**

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PERFORMANCE**

4

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# JP Strategic Directions

**2022**

**+50% Sales Growth**

Hemp & Cannabis Products    Black Sesame Oil + Rice Bran Oil

Plant-based Protein

**2023**

Thailand's leading innovative pharmaceutical and supplement brand

**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



- ✓ 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**

- ✓ Putting **innovation** at the forefront of JP business
- ✓ Launching **hemp/cannabis products**
- ✓ **Leverage own Brand growth**

# 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



## 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

## 3 Strengthen OEM Business

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



# 1. Innovation for Growth: Putting innovation at the forefront of JP 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

## Development Timeline

### 1 Plant-based Protein Supplement



Wolffia Cap

#### Benefits

- ✓ High in protein and lutein, amino, omega 3, vitamin, mineral, and fiber
- ✓ lower risk of cardiovascular disease and cancers

#### Target Customers

- ✓ Working age and above
- ✓ Vegetarian



PBP Dietary

#### Benefits

- ✓ Boosts immunity
- ✓ Anti-inflammatory
- ✓ Antioxidants

#### Target Customers

- ✓ People with high cholesterol and chronic allergy problems

- ✓ Successfully commercialization by Q4/2021

### Ongoing Process

- Develop hemp seed extracted supplements
- Establish Wolffia Manufacturing Plant

### 2 Herbal Products from Hemp & Cannabis



#### Benefit

- ✓ Enhance sleep quality and relaxation

#### Strategic Partners

- ✓ Obtaining hemp extraction license

### Ongoing Process

- Securing contract with hemp demand from Alphax
- Innovating own hemp products
- Registering cannabis extraction license for THC isolate



## 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



**Black Sesame Oil + Rice Bran Oil**

#### Target

- ✓ For those who are concerned about diabetes.
- ✓ For those who are concerned about alcohol and blood pressure.

#### Benefits

- ✓ Bone density strengthening.
- ✓ Relieve pain, inflammation, and take care of knee joints.
- ✓ Improve sleep quality



In 2023, the company will launch its **own cannabis products**



Introduce more than **4 new products** per year under "**Suphap Osot**"



**Registering soft gelatin capsule** and pharmaceutical medicine license



### Strengthen Brand Awareness

2021

- ✓ **Advertise through out-of-home media** across Bangkok



55 Public Buses



Billboards

- ✓ **Advertise on digital TV**

2022

H1

- ✓ **Studying brand recognition strategy**



- ✓ **Engage MOU with TV direct** to secure sale volumes



H2

- ✓ **Implementing Mass Marketing Campaign**



- ✓ **Distribute consumer approach**

Facebook TikTok

- ✓ **Outsourcing call center services**

### 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 per year**












**Acquire licenses** to extract cannabis for THC isolation



**Product example:** Syrup medicine and hormone



#### OEM Expansion Progress

	2021	2022
 Food supplement small scale	10%	
 Cosmetic skin care	0%	
 Herbal extraction for KTDM	40%	
 Raw material farm and process	65%	
 Food supplement for animal		0%
 Herbal medicine for animal		30%
 Herbal product		n/a
 Pharmaceuticals syrup	27%	
 Food supplement soft gel		20%



# 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 JP

### Potential M&A Target along Supply Chain

1



#### Distribution Channels

- Company owned distribution channels
- Synergized with existing JP Businesses
- Strengthen JP 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

### 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 including:
  1. Standards Harmonization
  2. Mutual Recognition Arrangement (MRA)
  2. Single Regulatory Regime

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1

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2

**DIRECTION AND  
STRATEGY**

3

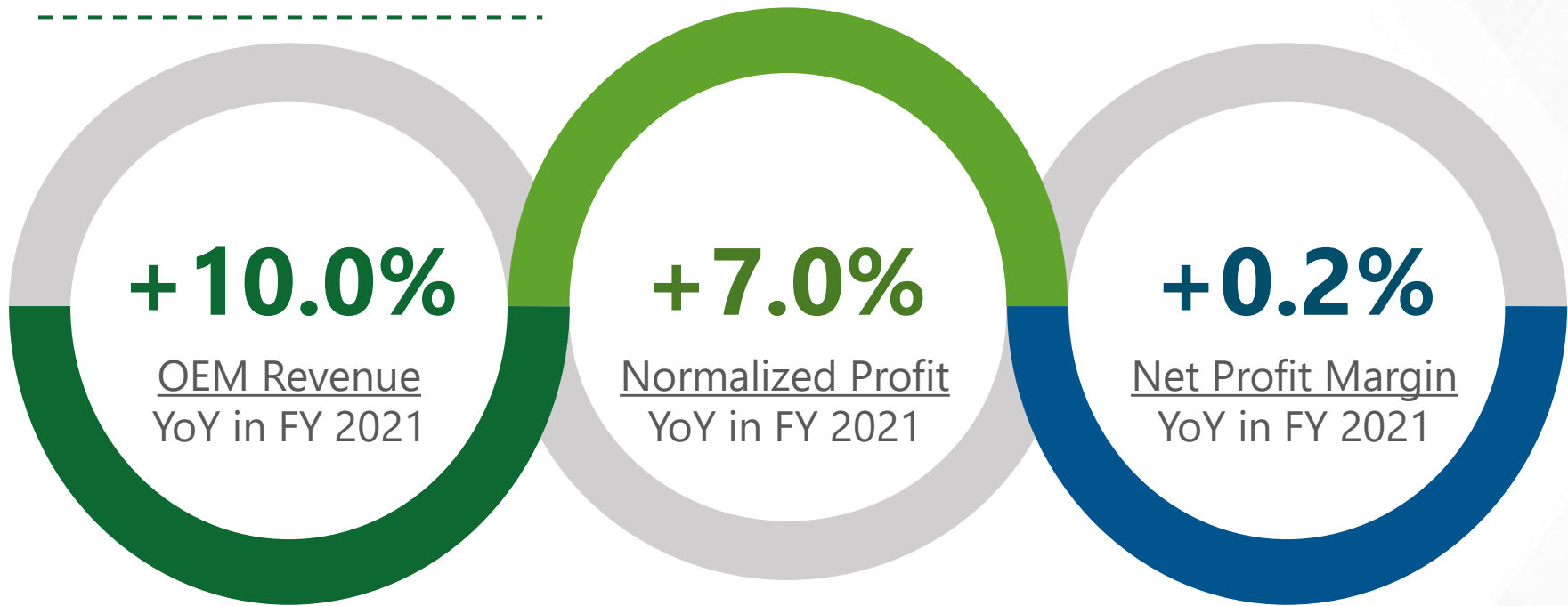
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PERFORMANCE**

4

**2022 OUTLOOK**

# FY 2021 Financial Performance Highlights

## Revenue Growth

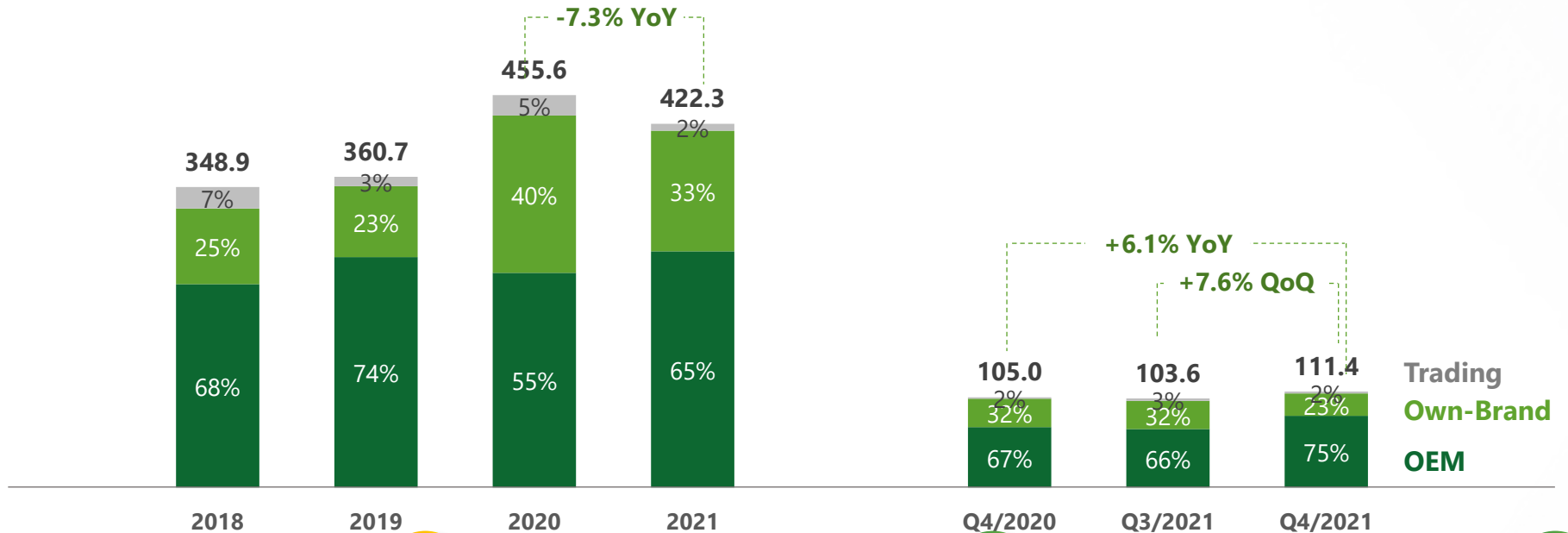


## Strong Profitability

# Revenue Breakdown by Business

## Overall Revenue Breakdown

Million Baht, %



### YoY: FY 2021 vs FY 2020

-7.3%

In FY 2021, the **consolidated operating revenue** was Baht 422.3 million, decreased by Baht 33.3 million mainly due to:

- **OEM:** Large orders from pharmaceutical medicines and herbal products
- **Own-Brand:** Launching new product to expand customer base
- **Trading:** Lower in cosmetic products due to decreased in purchasing power

### YoY: Q4/2021 vs Q4/2020

+6.1%

In Q4 2021, the **consolidated operating revenue** was Baht 111.4 million, increased by Baht 6.4 million mainly due to:

- **OEM:** Severe Covid-19 pandemic result to growth orders in herbal products
- **Own-Brand:** Long Covid19 spread leads to decrease in economy and demand of food supplement products

### QoQ: Q4/2021 vs Q3/2021

+7.6%

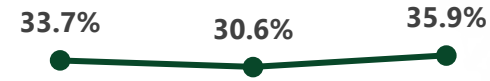
In Q4 2021, the **consolidated operating revenue** was Baht 111.4 million, increased by Baht 7.8 million mainly due to:

- **OEM:** Received major orders from pharmaceutical medicines and herbal products
- **Own-Brand:** Covid19 situation has eased therefore alcohol sanitizer decrease

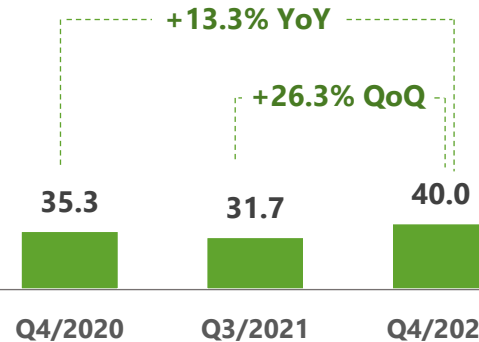
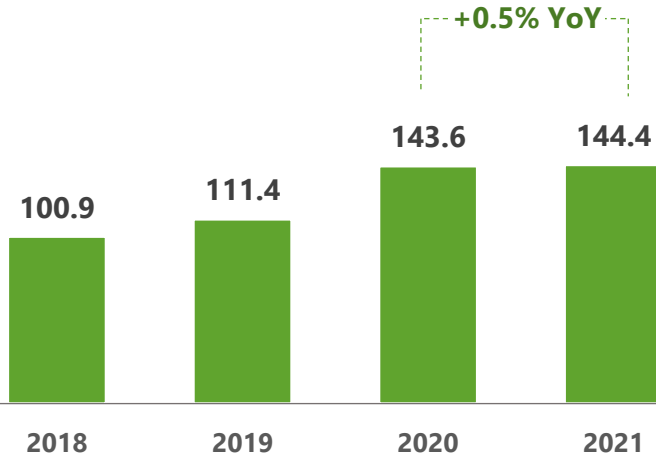
# Strong Profitability: Gross Profit

## Gross Profit and Gross Profit Margin

Million Baht, %



Gross Profit Margin



Gross Profit

### YoY: FY 2021 vs FY 2020

+0.5%

In FY 2021, the **gross profit** was Baht 144.4 million, increased by Baht 1.3 million mainly due to:

- Product scaling by decreased alcohol sales and increased conventional medicine sale which provide better margin

### YoY: Q4/2021 vs Q4/2020

+13.3%

In Q4 2021, the **gross profit** was Baht 40.0 million, increased by Baht 4.7 million mainly due to:

- Correspond with higher revenue earned

### QoQ: Q4/2021 vs Q3/2021

+26.3%

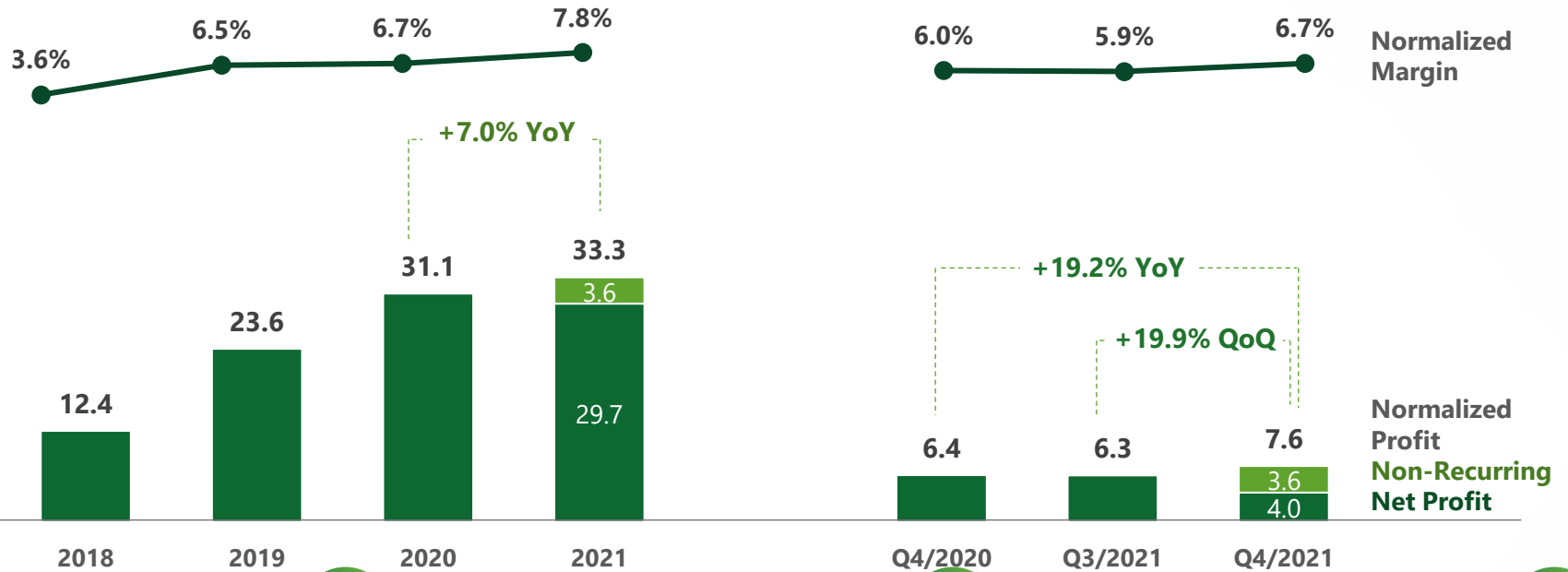
In Q4 2021, the **gross profit** was Baht 40.0 million, increased by Baht 8.3 million mainly due to:

- Maintenance production efficiency especially employee expense management
- Consistent with the increased in revenue sales

# Strong Profitability: Normalized Profit

## Normalized Profit and Normalized Profit Margin

Million Baht, %



### YoY: FY 2021 vs FY 2020

+7.0%

In FY 2021, the **normalized profit** was Baht 33.3 million, increased by Baht 2.2 million mainly due to:

- Cost control, especially production costs and product development in accordance with customer needs

### YoY: Q4/2021 vs Q4/2020

+19.2%

In Q4 2021, the **normalized profit** was Baht 7.6 million, increased by Baht 1.2 million mainly due to:

- Higher gross profit and payment to pay off loans from financial institutions to reduce financial costs

### QoQ: Q4/2021 vs Q3/2021

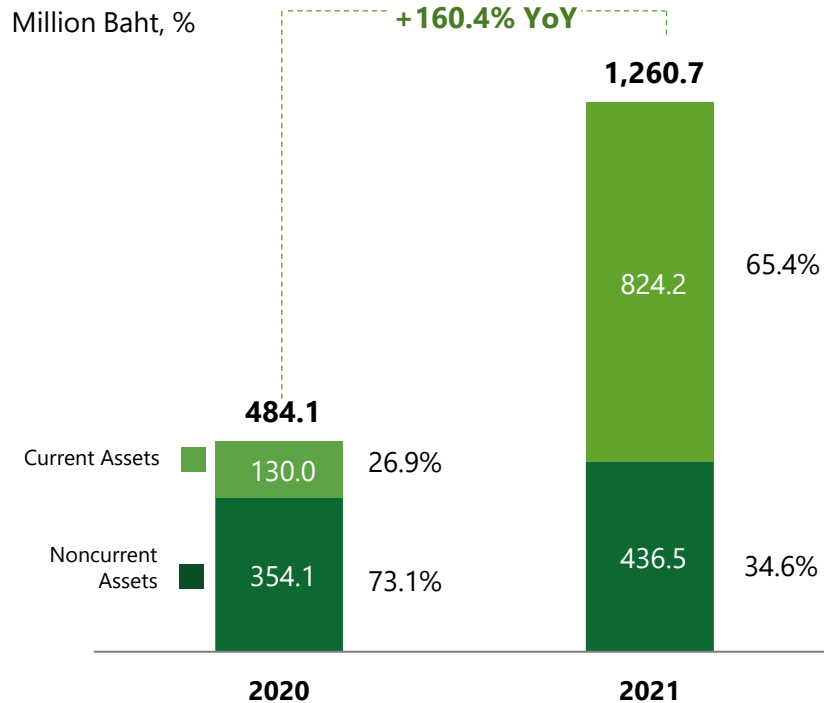
+19.9%

In Q4 2021, the **normalized profit** was Baht 7.6 million, increased by Baht 1.3 million mainly due to:

- Controlling expenses and reducing financial costs from payment repayment of loans from financial institutions

# Statement of Financial Position

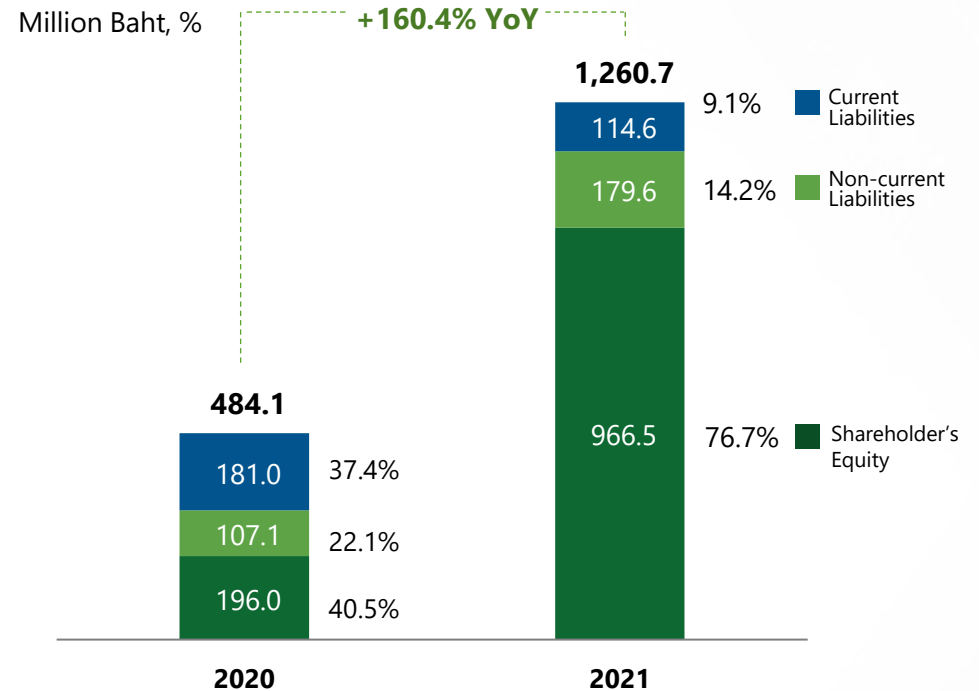
## Assets



### Asset

- **Current Asset**
  - Increased in cash and cash-equivalents due to received capital from IPO
  - Inventories increased caused by the Company's plan to increase the proportion of Own Brand sales
- **Non-current Asset**
  - Improved the land value due to the acquisition of new contracts

## Liabilities & Shareholder's Equity



### Liabilities and Shareholder's Equity

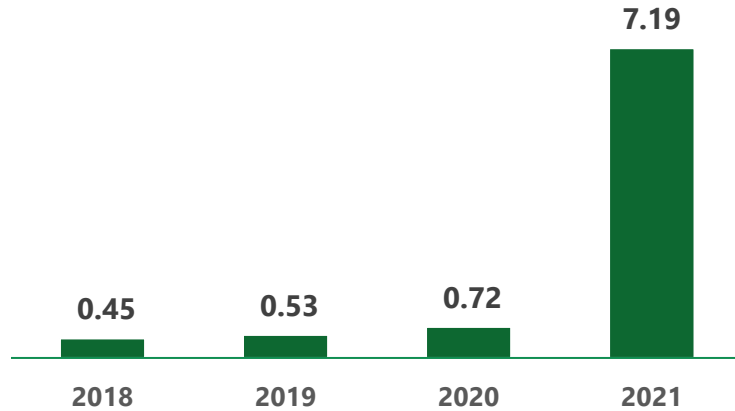
- **Liabilities**
  - Current Liability: Increased in account payable from purchasing goods to support production and sales
  - Non-current Liability: Increase from adjusting the value of lease liabilities and long-term loans from financial institutions
- **Shareholder's Equity**
  - Share value increased from IPO
  - Retained earnings increased from net profit of the company



# Key Financial Ratios

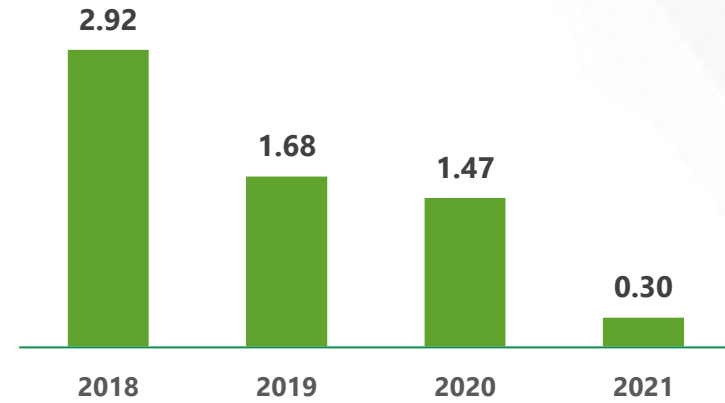
## Current Ratio

Times



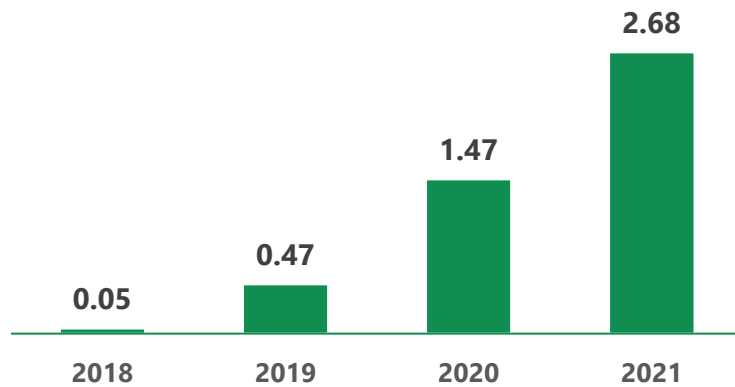
## D/E Ratio

Times



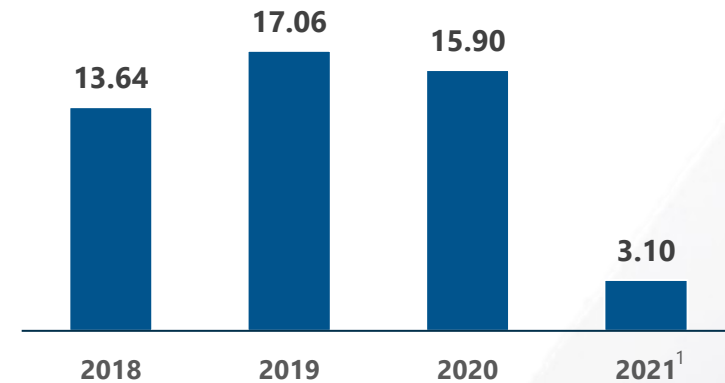
## Debt Service Coverage Ratio

Times



## ROE

%



<sup>1</sup>The lower ROE ratio in 2021 according to the increase in equity from IPO effects

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1

**COMPANY  
OVERVIEW**

2

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STRATEGY**

3

**KEY FINANCIAL  
PERFORMANCE**

4

**2022 OUTLOOK**

# 2022 OUTLOOK

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

## Pharmaceutical Products



- During Covid19 consumers still want medicine to **cure and prevent** the disease



- **Tailor-made medicine** for each person's specific needs

## Herbal Products



- Thai government support **herb development** by launching **national master plan**



- Government support **Thai herb to be product champion** and admit to use for medication

## Supplement Products



- **Natural extracted supplements is the key trend** according lower side effects



- **Ageing Society** will become over 28% of total population in Thailand

## JP Actions

Applied for soft gelatin licenses and expand capacity for syrup medicine

Continuously developed hemp and cannabis product innovation

Enriched plant-based products portfolio and strengthened sales channels



# JSP SALE CHANNEL



@JSPSALE



# THANK YOU

*Please scan to  
give us your feedback*



# APPENDIX



# JP 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 Industrial Pharmacy 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



2017

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



Launch own-brand:  
**"Suphap-Osot"**



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

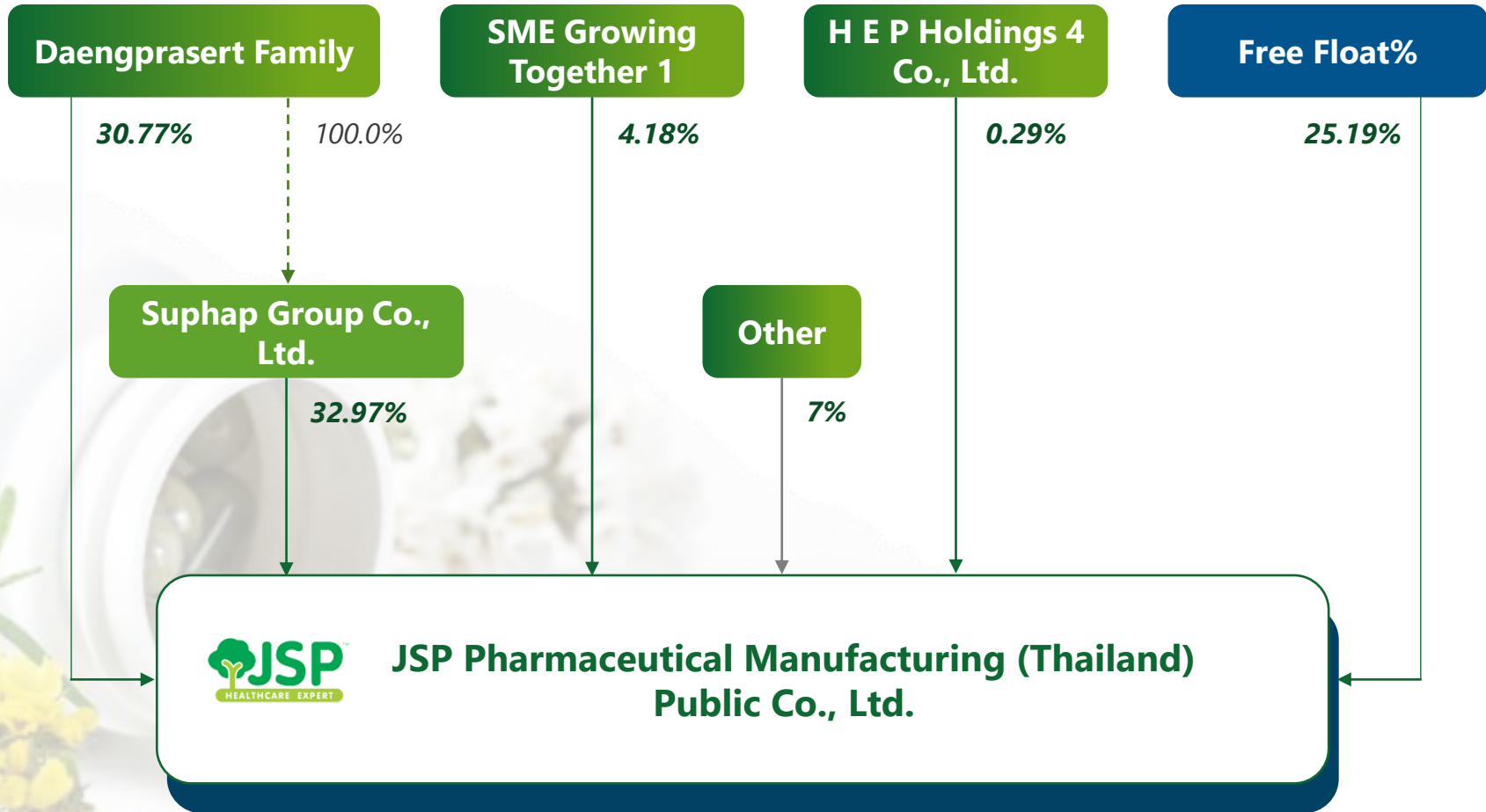
2021

**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**

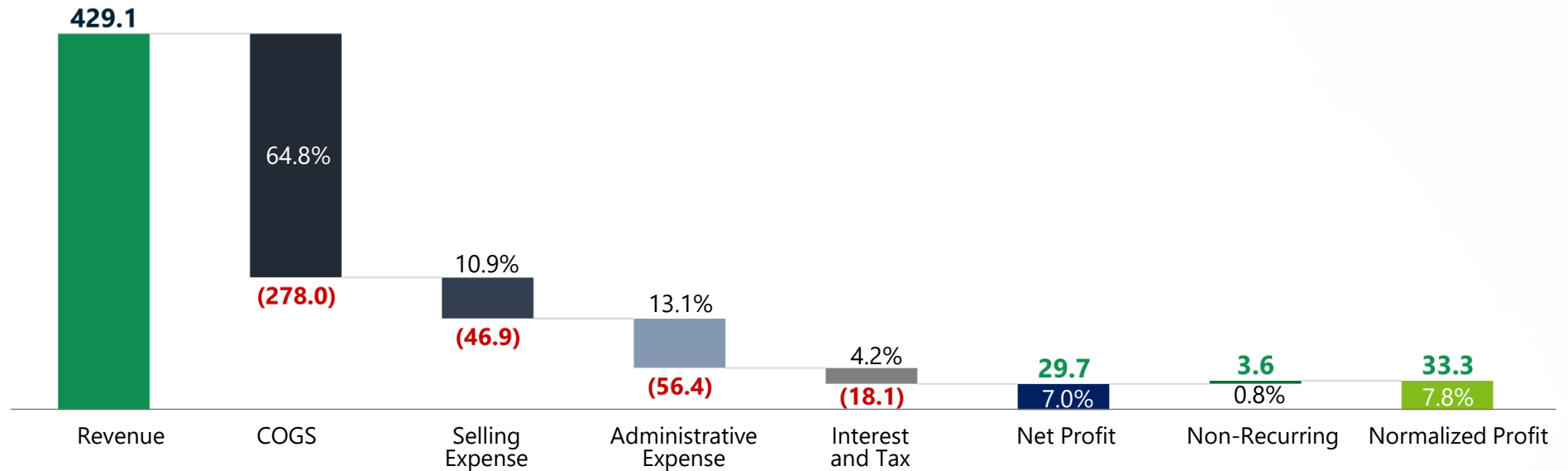
# Shareholding and Company Structure





# 2021 JP Cost Breakdown

## FY 2021 Breakdown



Note: Revenue including revenue from sale and other income

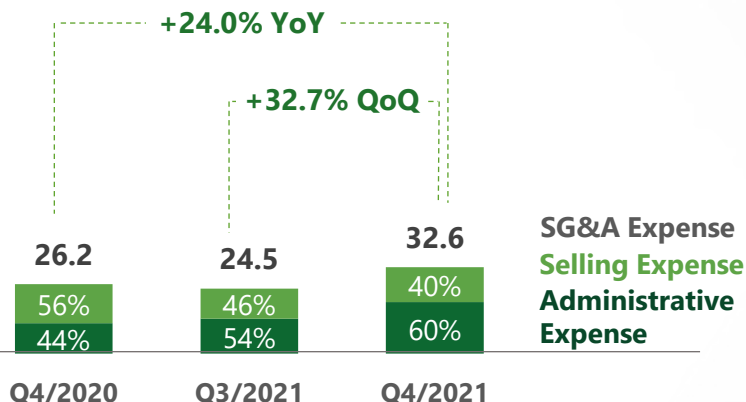
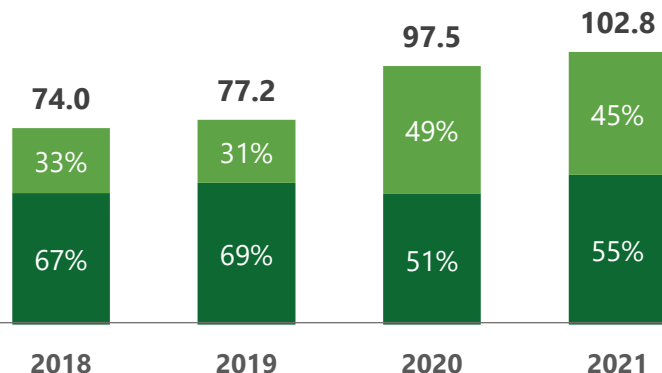
### Full Year Analysis

In FY 2021 the Company recorded **revenue of Baht 429.1 million**

- **Cost of good sold was Baht 278 million or 64.8% of total revenue**
- **Administrative expense, which is the second largest cost was Baht 56.4 million or 13.1% of revenue**, mainly due to expenses related to IPO
- **Selling expenses was Baht 46.9 million or 10.9% of total revenue**, decreased from 2020 mainly due to lower transportation cost
- **Interest and tax expense was Bath 18.1 million or 4.2% of revenue**, due to the repayment of short-term loan and lower interest payments.
- Although the gross profit for FY2021 has increased, the net profit has declined as a result of the higher expenses, mainly from administrative expenses from IPO activities. The net profit was Baht 29.7 million or 7.0% of revenue for FY 2021
- If the expenses related to IPO was excluded, the Company's **normalized profit will be Baht 33.3 million or about 7.8% of revenue**

## SG&A AND SG&A TO REVENUE

Million Baht, %



### YoY: FY 2021 vs FY 2020

+5.4%

In FY 2021, the **selling and administration expenses** was Baht 102.8 million, increased by Baht 5.3 million mainly due to:

- Decreased in demand of alcohol sanitizer and lower shipping cost
- Increased in employee expense, IPO and fees

### YoY: Q4/2021 vs Q4/2020

+24.0%

In Q4 2021, the **selling and administration expenses** was Baht 32.6 million, increased by Baht 6.4 million mainly due to:

- R&D expenses for Plant-based Protein
- Employee expense, IPO and fees

### QoQ: Q4/2021 vs Q3/2021

+32.7%

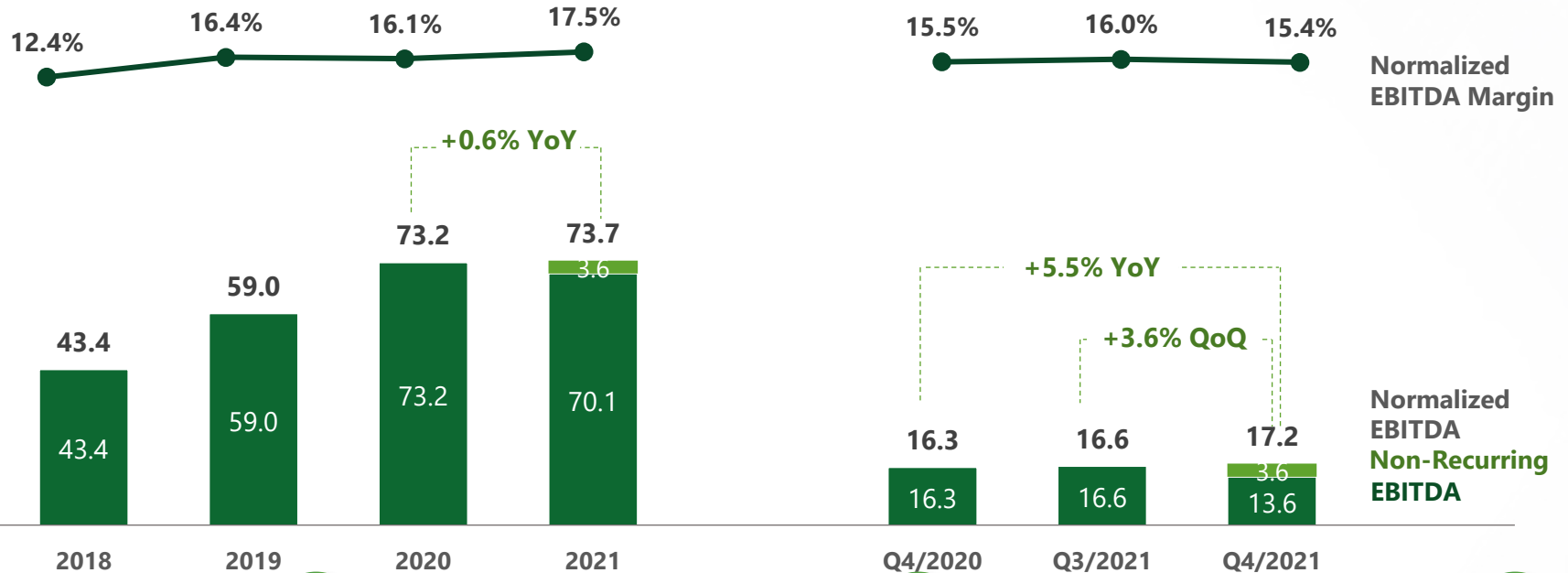
In Q4 2021, the **selling and administration expenses** was Baht 32.6 million, increased by Baht 8.1 million mainly due to:

- Advertising and public relations expenses for the promotion of Own brand
- IPO expenses and fees

# Strong Profitability: Normalized EBITDA

## Normalized EBITDA and Normalized EBITDA Margin

Million Baht, %



### YoY: FY 2021 vs FY 2020

+0.6%

In FY 2021, the **normalized EBITDA** was Baht 73.7 million, increased by Baht 0.5 million mainly due to:

- Cost control, especially selling expenses

### YoY: Q4/2021 vs Q4/2020

+5.5%

In Q4 2021, the **normalized EBITDA** was Baht 17.2 million, increased by Baht 0.9 million mainly due to:

- Management of selling expenses with efficiency
- Correspond with higher gross profit

### QoQ: Q4/2021 vs Q3/2021

+3.6%

In Q4 2021, the **normalized EBITDA** was Baht 17.2 million, increased by Baht 0.6 million mainly due to:

- Efficiently control in selling expenses
- Consistent with an increased in gross profit