



石四藥集團有限公司
SSY Group Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 2005.HK

2021 RESULTS
ANALYSTS MEETING

Updated on 29 March 2022

Copyright © 2022 SSY Group Limited. All rights reserved.



Disclaimer

The presentation is prepared by SSY Group Limited (the “Company”) and is solely for the purpose of corporate communication and general reference only. The presentation is not intended as an offer to sell, or to solicit an offer to buy or to form an basis of investment decision for any class of securities of the Company in any jurisdiction. All such information should not be used or relied on without professional advice. The presentation is a brief summary in nature and do not purport to be a complete description of the Company, its business, its current or historical operating results or its future business prospect.

This presentation is provided without any warranty or representation of any kind, either expressed or implied. The Company specifically disclaims all responsibilities in respect of any use or reliance of any information, whether financial or otherwise, contained in this presentation.



Financial Highlights

(HK\$'000)	2021	2020	Change
Revenue	5,356,763	4,260,898	25.7%
Gross Profit	2,186,517	2,708,375	17.1%
Gross Profit Margin	59.2%	63.6%	(4.4%pt)
EBITDA	1,383,325	1,077,222	28.4%
EBITDA Margin	25.8%	25.3%	0.5%pt
Net Profit	785,533	611,971	28.4%
Net Profit Margin	14.7%	14.4%	0.3%pt
Earning per share (HK\$)	0.2599	0.2019	28.7%
Full Year Dividend	360,758	302,328	19.3%
Full Year Dividend per share (HK\$)	0.12	0.10	20.0%



Agenda

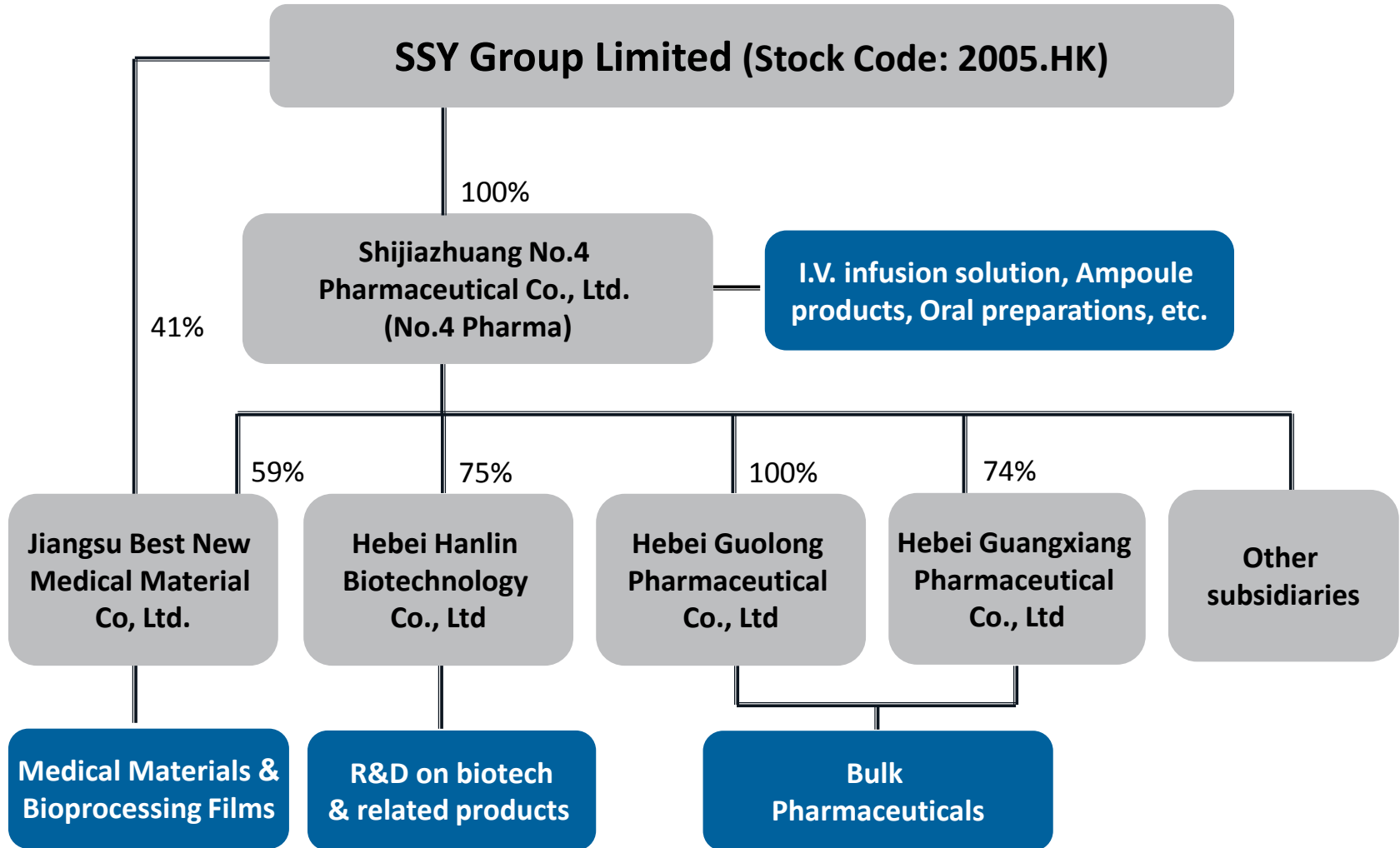
1. Business Profile
 2. Competitive Advantages
 3. Shareholding Structure
 4. Financial Highlights
-



Business Profile

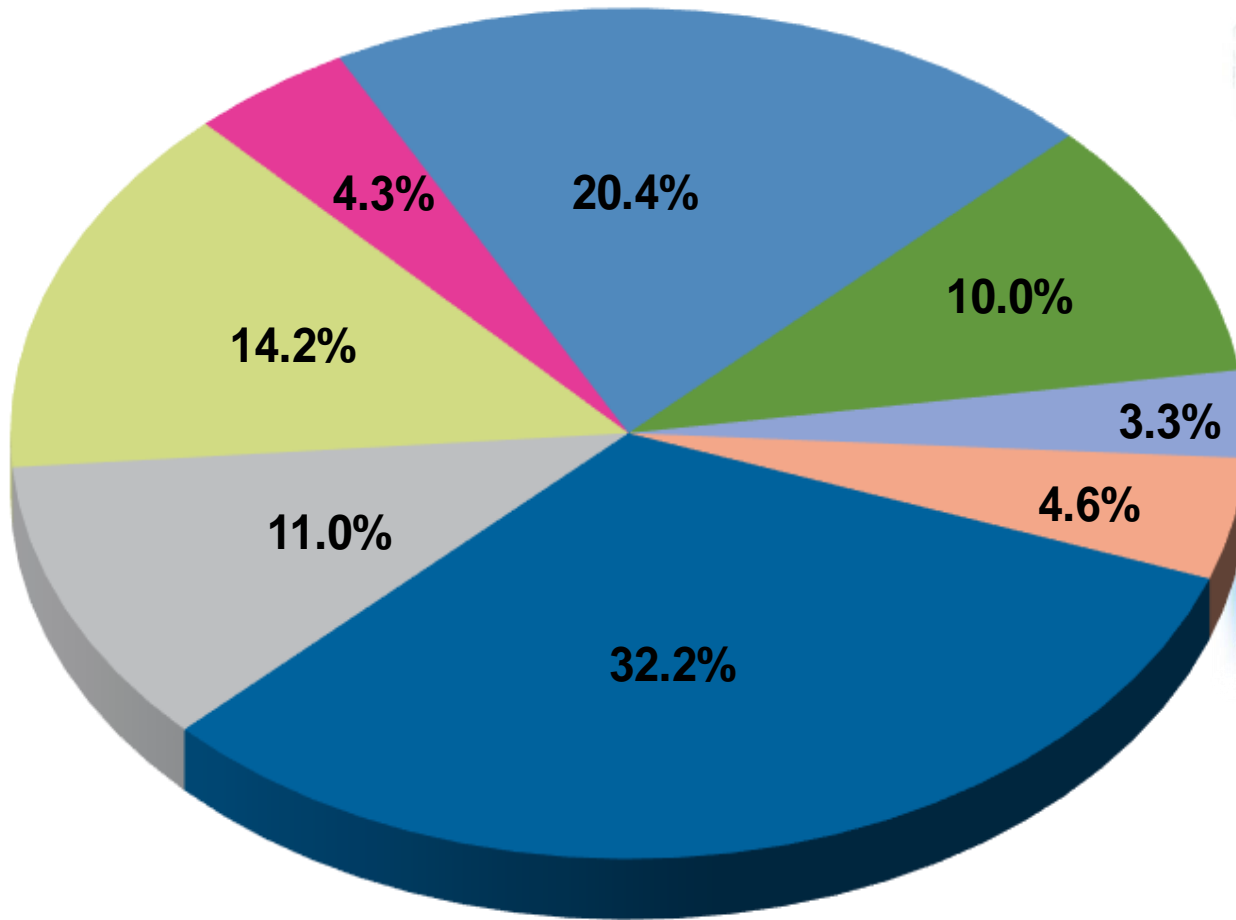










Group Structure





Sales Breakdown by Product (2021)



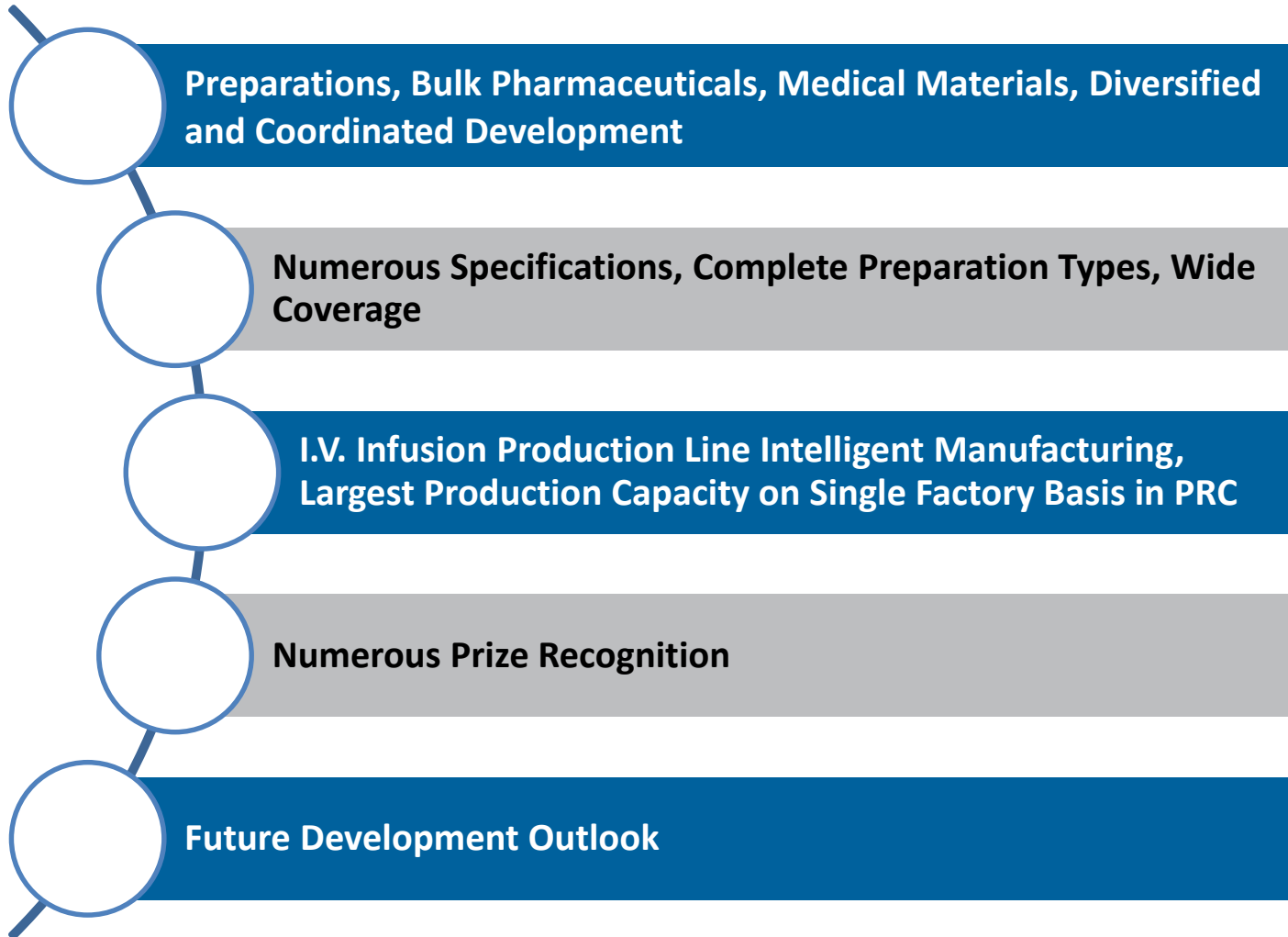
-  Non-PVC soft bag infusion solution
-  Upright soft bag infusion solution
-  PP plastic bottle infusion solution
-  Glass bottle infusion solution
-  Ampoule injections
-  Bulk Pharmaceuticals
-  Medical materials
- 



Competitive Advantages



Competitive Advantages





Competitive Advantages

Preparations, Bulk Pharmaceuticals, Medical Materials, Diversified and Coordinated Development

1 medical institute, 2 preparation, 2 bulk pharmaceutical and 1 medical material production plant, forming whole-industry-chain by preparation+bulk pharmaceutical+medical material

22 I.V. Infusion production lines, annual 2 billion bottles(bags),

5 ampoule production lines, annual capacity 560 million bottles,

4 oral preparation production lines, annual capacity 3.5 billion pills,

9 bulk pharmaceutical production lines, annual capacity 10,000 tons,

1 methylamine production line, annual capacity 28,000 tons,

Non-PVC film production line, annual capacity 25million m² ,

Rubber stopper & gasket production line, annual capacity 3.5 billion units,

Bioprocessing Film production line, annual capacity 800 sq. meters,

Production lines of Emulsion, Lyophilized Powder Injection and Bioprocessing Film (1,200 sq. meters) under construction





Competitive Advantages

Diversified and Coordinated Development - Pharmaceutical Research Institute



It covers an area of 85 acres and has advanced equipment such as high-efficiency/ultra-high-performance liquid chromatographs, gas chromatographs, Fourier infrared spectrometers, and the leading hardware level in the country.

It has more than 400 high-level professional research teams led by doctors and masters in synthesis, analysis, preparations and APIs, and has product pipelines in multiple fields such as tumor, antiviral, respiratory, neuropsychiatric, cardiovascular and cerebrovascular, biofilm, etc. Co-founded innovative platforms such as engineering laboratories and technology research centers with numerous universities in China.



Competitive Advantages

Diversified and Coordinated Development – I.V. Infusion production base



Shijiazhuang No.4 Pharmaceutical

Major products: Non-PVC Soft Bag IV,
Upright Soft Bag IV, PP Plastic Bottle IV, PP
Ampoule Injections, Glass Bottle IV



Competitive Advantages

Diversified and Coordinated Development – Bulk Pharmaceuticals Production Base



Hebei Guangxiang Pharmaceutical

Major products: Caffeine

Theophylline , Aminophylline Series

Metronidazole, Benzoyl Metronidazole

Nifedipine, Xanthinol nicotinate

Cangzhou Lingang Youyi Chemical

Acquisition completed in March 2022

Major product: Methylamine (API for caffeine and other pharmaceutical/agricultural products)

Hebei Guolong Pharmaceutical

Major productis: Hydroxyethyl starch series

Terbutaline, Bromhexine

Azithromycin, Moxifloxacin, Linezolid

Lurasidone

Tirofiban, Prucalopride Succinate





Competitive Advantages

Diversified and Coordinated Development – Medical Materials Production Base



Jiangsu Best New Medical Material

Major production: Bioprocessing film series

Multi-layer co-extrusion infusion films

Rubber stopper series

Gasket series





Competitive Advantages

Numerous Varieties, Complete Dosage Form, Wide coverage

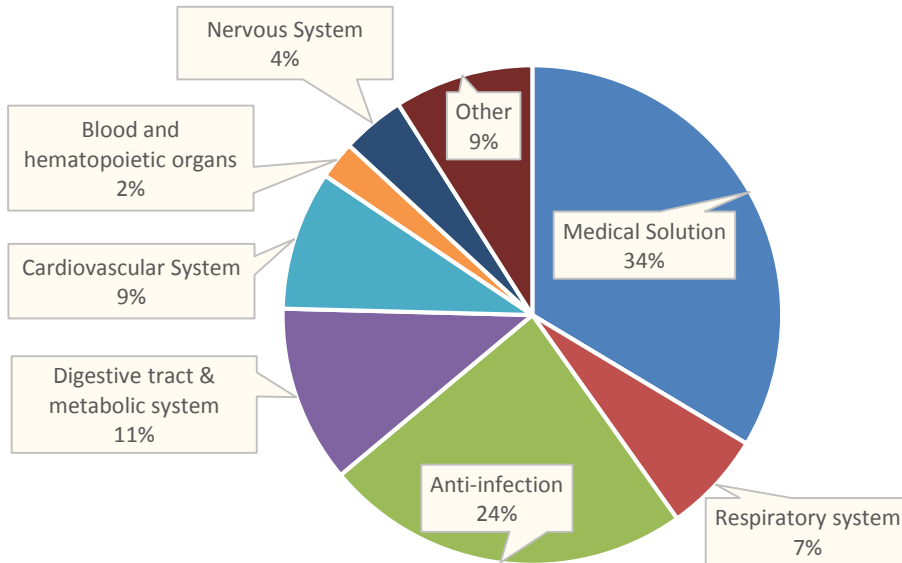
Production Approvals: 341

245	25	43	28
Preparations	Bulk Pharmaceuticals	Medical Materials	Others

Preparations Approvals: 245

163	28	6
Under Medical Insurance	Passed Consistency Evaluation	Awarded Centralized Procurement

Product by field of treatment



Feature Products





Competitive Advantages

Numerous Specifications, Complete Preparation types, Wide Coverage

I.V. Infusion

- By packaging: Non-PVC Soft Bag, Upright Soft Bag, PP Plastic Bottle & Glass Bottle





Competitive Advantages

Numerous Specifications, Complete Preparation types, Wide Coverage

Ampoule Injections

■ Betahistine

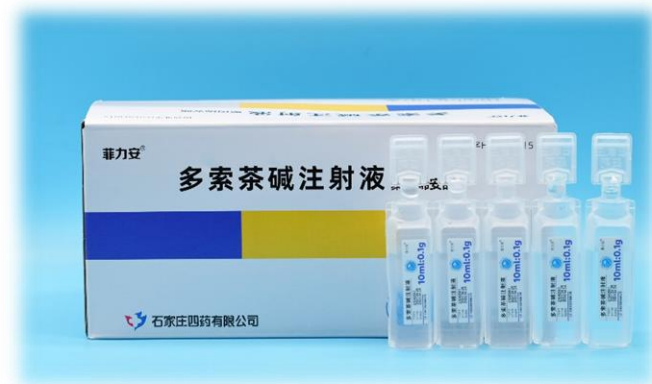
Sales over RMB 100million, continuous rapid growth

■ Ambroxol Hydrochloride, Doxofylline & Ropivacaine Hydrochloride

Awarded the tender of National Centralized Medicines Procurement

■ Bromhexine, Terbutaline, Dexmedetomidine & Adenosine Cyclophosphate

Quick market entry





Competitive Advantages

Numerous Specifications, Complete Preparation types, Wide Coverage

Solid preparations

- Cefdinir Capsule and Prucalopride Succinate Tablet

Awarded the tender of National Centralized Medicines Procurement

- Abidol Hydrochloride Capsule

Broad-spectrum antiviral drug





Competitive Advantages

I.V. Infusion Production Line Intelligent Manufacturing, Largest Production Capacity on Single Factory Basis in PRC

No. 4 Pharma	I.V. Production Capacity Expansion				
	Year 2018	Increase / % change	Year 2019	Increase / % change	From Year 2021
Non-PVC Soft Bag (Note1)	730M	20M/3%	750M	-	750M
Upright Soft Bag	300M	-	300M	-	300M
PP Plastic Bottle (Note2)	600M	-	600M	150M/25%	750M
Glass Bottle	200M	-	200M	-	200M
Total	1,830M	20M/1%	1,850M	150M/8%	2,000M

(Note1) : Increased 20 million bags in large volume soft bag production line in year 2019

(Note2) : Increased 150 million bottles in plastic bottle production line by technical improvement in year 2021



Competitive Advantages

Revenue	2021		2020	
	Revenue (HK\$'000)	% of IV Revenue	Revenue (HK\$'000)	% of IV Revenue
Non-PVC Soft Bag IV	1,724,474	32.2%	1,283,277	30.1%
Upright Soft Bag IV	587,821	11.0%	412,854	9.7%
PP Plastic Bottle IV	764,057	14.2%	696,861	16.3%
Glass Bottle IV	228,013	4.3%	244,003	5.8%
Ampoule	1,093,615	20.4%	971,508	22.8%
Bulk Pharmaceuticals	533,860	10.0%	230,217	5.4%
Medical Materials	177,177	3.3%	119,319	2.8%
Other products	247,746	4.6%	302,860	7.1%
Total	5,356,763	100%	4,260,898	100%



Competitive Advantages

I.V. Infusion Production Line Intelligent Manufacturing, Largest Production Capacity on Single Factory Basis in PRC

By Packaging	I.V. Infusion – 2021 Revenue			
	Revenue (HK\$'000)	% of IV Revenue	Average Selling Price (ASP) (HK\$)	GP%
Non-PVC Soft Bag	1,724,474	52.2%	3.74	63.7%
Upright Soft Bag	587,821	17.8%	2.08	68.0%
PP Plastic Bottle	764,057	23.1%	1.42	48.8%
Glass Bottle	228,013	6.9%	3.05	39.5%
Total	3,304,365	100%	2.43	59.4%



Competitive Advantages

I.V. Infusion Production Line Intelligent Manufacturing, Largest Production Capacity on Single Factory Basis in PRC

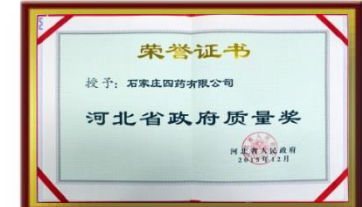
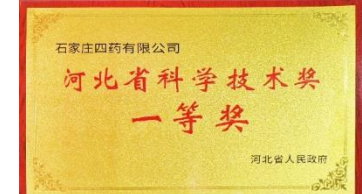
By Pharmaceutical Products	I.V. Infusion – 2021 Revenue			
	Revenue (HK\$'000)	% of IV Revenue	Average Selling Price (ASP) (HK\$)	GP%
Basic Infusions	2,068,038	62.6%	2.27	60.9%
Nutrition Infusions	536,890	16.2%	1.96	53.2%
Therapeutical Infusions	699,437	21.2%	4.07	59.5%
Total	3,304,365	100%	2.43	59.4%



Competitive Advantages

Numerous Prize Recognition

- Top 100 enterprises in China pharmaceutical industry
- Top 30 best industrial enterprises with China pharmaceutical research and development product line
- Top 20 best pioneer enterprises with pharmaceutical internationalize
- National technology major new drug innovation sub-project undertaking research unit
- National Enterprise Technology Centre
- National Technological Innovation Demonstration Enterprise
- Nobel Prize Expert Workstation
- First Prize of Hebei Province Science and Technology Award
- Hebei Provincial Government Quality Award Enterprise
- “Shimen” brand in I.V. infusion solutions had been recognized as the 1st Well known Trademark in infusion solutions industry in PRC





Competitive Advantages

Future Development Outlook

Year 2021

- Type I new drug NP-01, the first innovative drug type of the Group, has entered into the research of Phase I clinical trial
- Obtained 20 national production approvals including 7 infusion products, 3 ampoules, 2 solid preparation, 2 powder injection and 6 bulk pharmaceutical products
- Passed consistency evaluations for 7 product specifications in 2021 and 5 product specifications in Q1 of 2022
- Applied for 288 patents and received authorisation of 170 patents, including 68 invention patents in China and 5 international invention patents cumulatively as of now



Competitive Advantages

Future Development Outlook

Year 2022

- Capitalizing on the radiation and driving effects of the Group Purchasing Organisation Programme, strive to increase market shares and expand the proportion of high value-added products
- Focus to increase the sales volume of major types of therapeutic infusion to further improve the profitability of the infusion segment
- Accelerate the expansion of production capacity and market shares of solid preparation to strengthen the segment.
- Push forward the promotion and usage of bioprocessing films in China, increase its market shares and strengthen its industry position and product influence
- Expand bulk pharmaceuticals business for capturing market and making a greater contribution to the Group by improving capacity utilisation and reducing costs,



Competitive Advantages

Future Development Outlook

Year 2022

- Target annual volume of infusion products 1,500 million bottles (bags), representing an increase of approximately 10.5%
- Target annual production volumes of major bulk drug products caffeine and azithromycin reaching 7,000 tonnes and 450 tonnes respectively , representing an increase of 154% and 102%
- Strive to obtain production approvals for 40 products including 22 approvals for liquid preparations, 9 for solid preparations and 9 for bulk pharmaceuticals
- Strive to make new breakthroughs in the research and development of innovative drugs
 - push forward the phase I clinical trial of anti-tumor Type 1 innovative drug NP-01 and strive to apply for phase II clinical trial
 - speed up preliminary researches on anti-liver fibrosis Type 1 innovative drug ADN-9, anti-epileptic compound QO-83, self-developed anti-pulmonary hypertension Type 1 innovative drug & anti-tumor Type 2 innovative drug Miriplatin
- Make in-depth study of the development and technology of bioprocessing films, accelerate research and production of market-foresighting multi-layer co-extrusion high barrier films

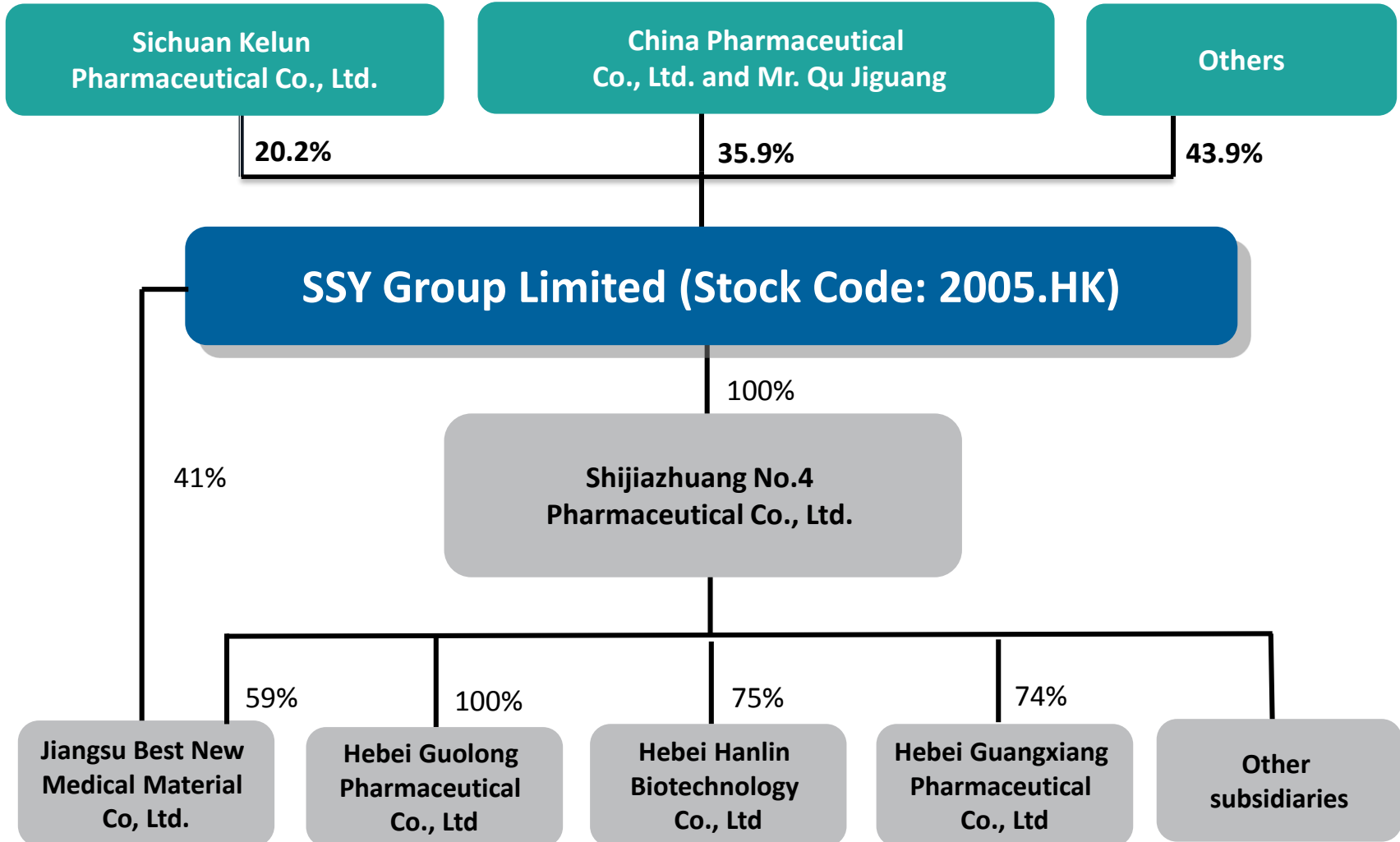


Shareholding Structure



Shareholding Structure

Updated as at 29 March 2022
No. of issued shares 2,992,179,385





Financial Highlights



Financial Highlights

(HK\$'000)	As at 31 Dec 2021	As at 31 Dec 2020	Increase/ (Decrease)
Cash and cash equivalent	1,661,736	1,445,905	215,831
Bank borrowings	3,103,195	2,427,072	676,123
Net Asset Value	6,492,708	5,915,211	577,497
Net Gearing Ratio	18.9%	14.9%	4.0pt
Current Ratio	2.04	2.01	0.03
Inventory Turnover (Day)	122	135	(13)
Accounts Receivable Turnover (Day)^	127	141	(14)
Interim/Full Year Dividend Pay-out Ratio	46.2%	49.4%	(3.2pt)
NAV per share (HK\$)	2.17	1.94	0.23

Remarks: ^ excluding bills receivables



THANK YOU!

Company contacts

Meng Guo (Executive Director)

Henry Chow (Executive Director & CFO)

Tel : 852-2688 0869

Email : mengguo@ssygroup.com.hk

henrychow@ssygroup.com.hk
