

VIZIONFOCUS INC.
- With your vision focus and clear

望隼科技

Stock code: 4771
Host : KGI Securities

Presented by: Angus Shih

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Agenda

- Company Status
- Market Analysis
- Core Competency
- Operational Results
- Outlook



Company Profile

Name	VIZIONFOCUS INC.
Incorporated	2012.05.10
Principal place of Business	3F, No.66, Youyi Road, Kuan-Yuan Technology Park, Zhunan Township, Miaoli County, 35059, Taiwan. R.O.C.
Capital	NTD \$520 Million
Chairman/ GM	SC Huang / Angus Shih
Business	R&D, manufacture, and sale of contact lenses
Manufacturing Sites	Zhunan, Taiwan (2), and Jiangsu, China
Production Capacity	34 million lenses/month



Taiwan HQ



Taiwan Fab # 2



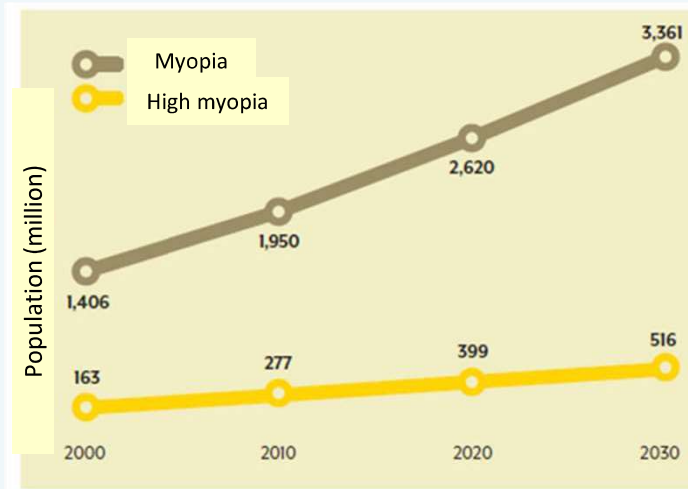
Jiangsu, China

Company Milestones

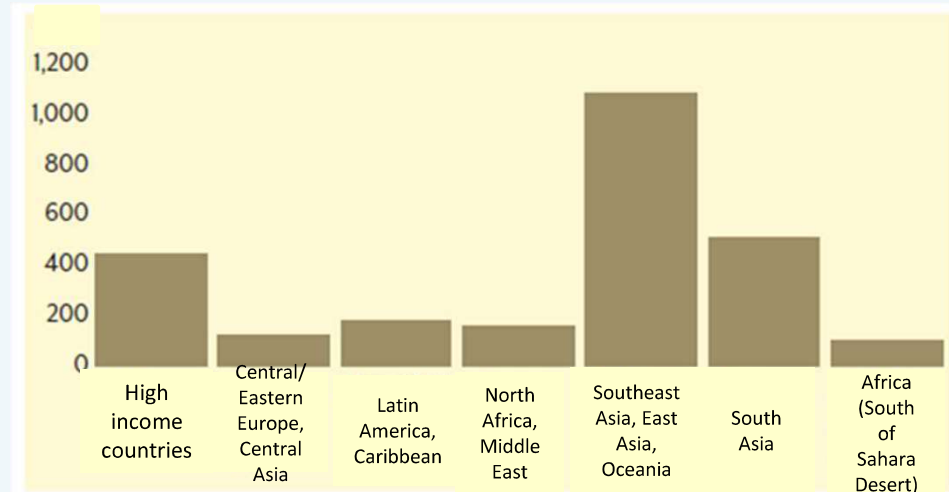
- 2012.05 Incorporated
- 2014.09 Distribution of Cosmetic Lenses to Japan
- 2015.11 Distribution of Clear Lenses to China
- 2019.06 Established Steady Market Supply in China
- 2020.09 Distribution of first Blue light block Lenses to Japan
- 2021.09 Distribution of Performance Lenses to the U.S.
- 2021.11 Registered to Trade Over-the-Counter
- 2022.09 Distribution of Blue light block Lenses to China
- 2022.12 Distribution of Silicone Hydrogel Lenses to Taiwan

Global Market Analysis

- The global myopic population is estimated to increase from 3 billion in 2020 to 3.8 billion in 2030, an increase of approximately 27%. The contact lens market has an annual growth rate between 4 -6 %. The myopic population is concentrated in Asia.
- Contact lens penetration rate in China is only 8 %--significantly lower than the rest of East Asia (> 30%).

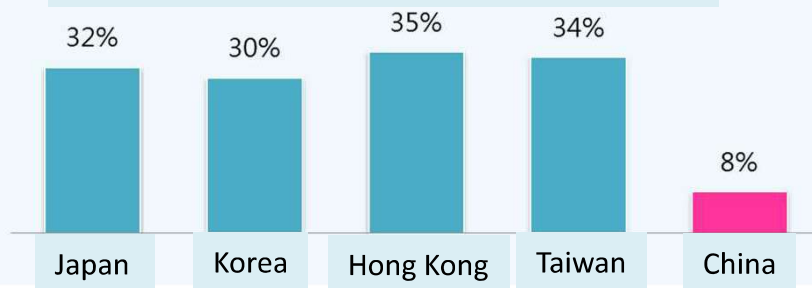


Estimated number of people with myopia and high myopia per decade, 2000–2030



Regional comparison of the total number of myopic patients (million)

Contact lens penetration rate in East Asia (2020)



References:

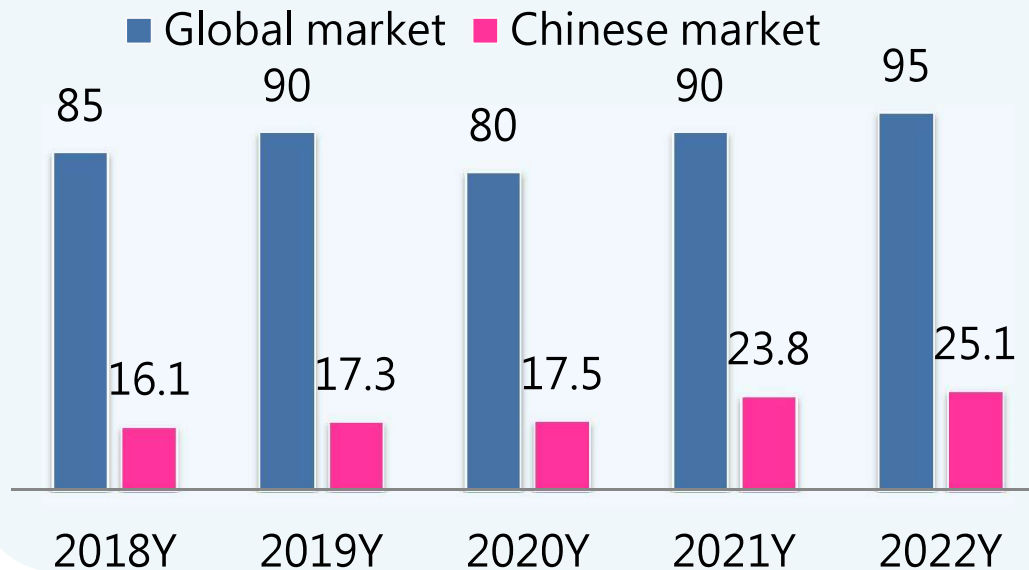
1. Post-epidemic era - changes in consumer market and recovery of contact lens market, GFK 2020
2. WHO 2019 Vision Report

Global Market Analysis

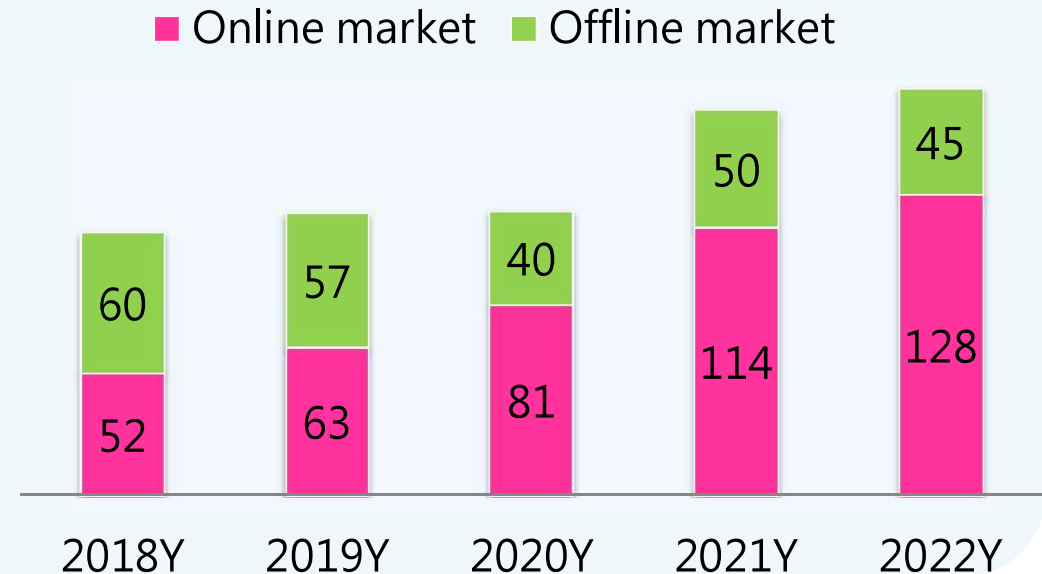
- The global contact lens market was USD \$9 billion in 2022, with an annual growth rate between 4-6%.
- The top 4 major contact lens players currently account for more than 90% of the contact lens market share. Even though these key players have a large presence in Asia, Chinese consumers are more interested in local brands. This has led to the rapid increase in the production of local Chinese brands resulting in a high growth potential for subcontractors.
- Chinese market saw an 12% CAGR in two years (2018-2020)– with +25% in Online market and CAGR -7% in Offline market.

Global contact lens market manufacturing/wholesale

Revenue (100M- USD)



Chinese market sales trend (100M- CNY)



References:

1. Contact Lens Spectrum, accessed in January 2022
2. Contact Lens/Solutions Report, Nanjing Sigo Technology Co., LTD, 01/2023

Exchange rate from USD: CNY (=1: 6.8)

VF Market Layout



China

54%

Chinese Market:

2021YOY +80%

2022YOY +37%

2023YH1 +44%

Japan

40%

Japanese Market:

2021YOY +67%

2022YOY +33%

2023YH1 +31%

Taiwan

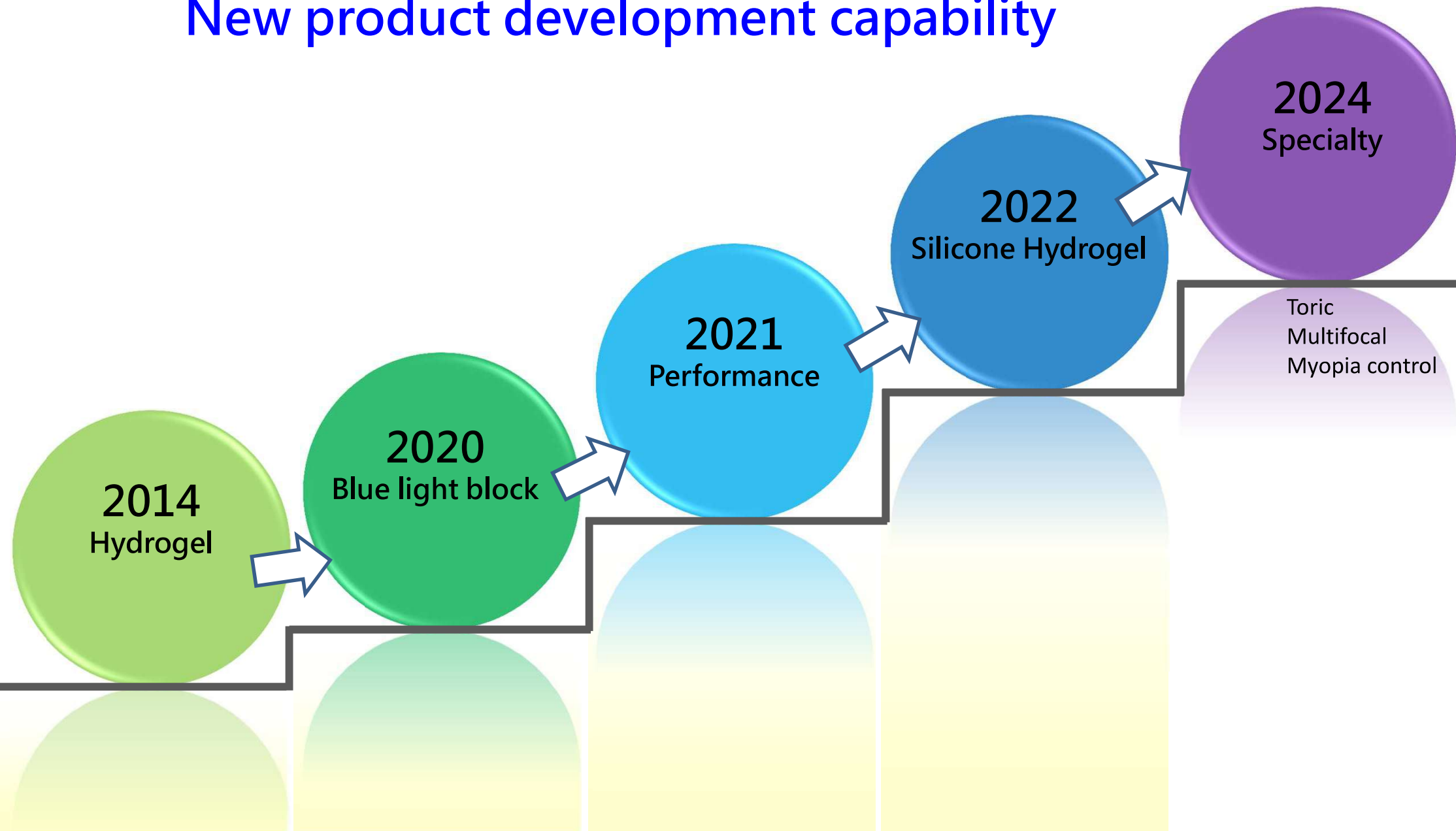
5%

USA

0.1%



Core Competency 1: New product development capability



Niche Product – Blue light block lenses

- **Japanese market : Generation 1st ,product distribution in numerous stores (09/2020)**
, Sale >25 items



Japan ,Tokyo/Osaka Blue light block lens stores

- **Taiwan market : Product distribution (06/2021)**

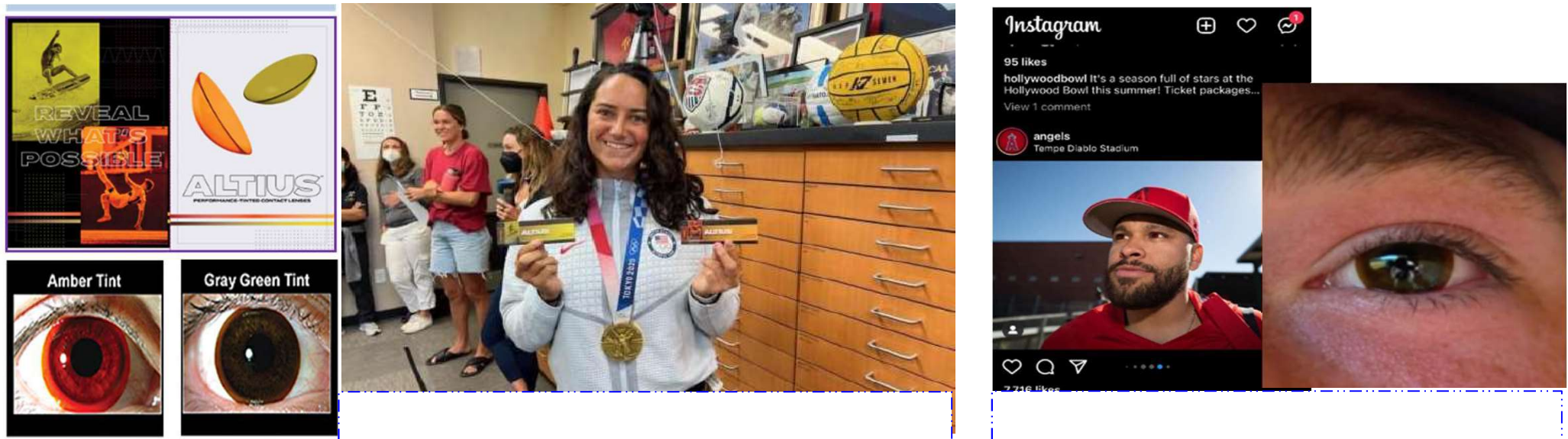


- **China market : Product distribution (09/2022) (Aurora series)**



Niche Product- Performance Contact lenses

➤ US market : Design for outdoor activities , Product distribution (05/2021)

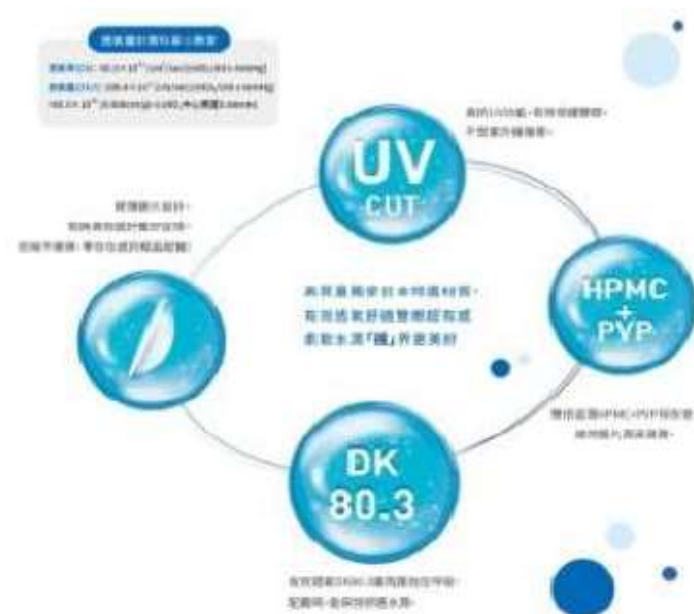


➤ Taiwan market : Product distribution (04/2023)

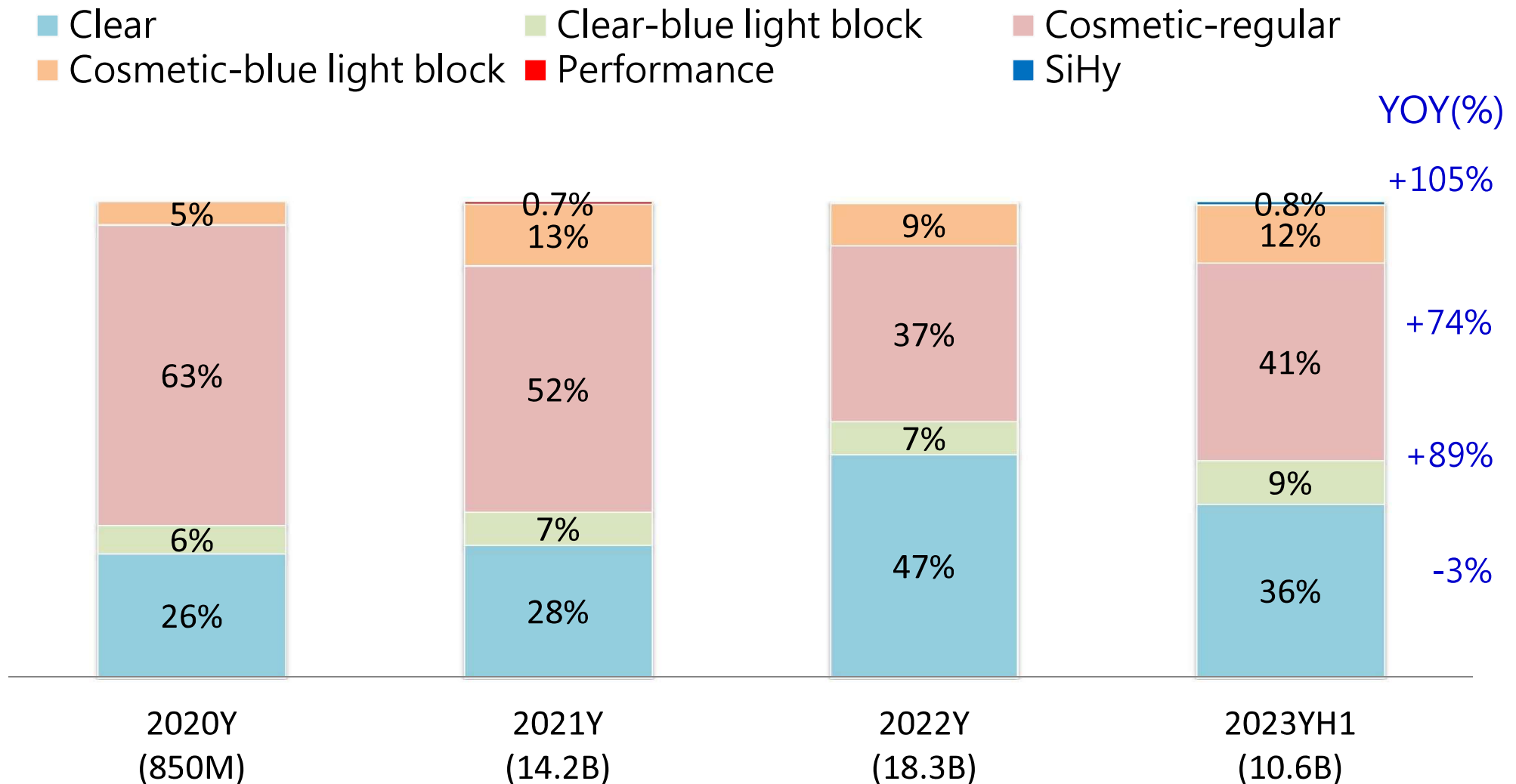


Niche Product – SiHy lenses

- Taiwan market : Product distribution (12/2022)



Product Revenue Composition



Note:

- Performance contact lenses Distribution (0.7%)
- 2022 Revenue growth 29%
- 2023 Revenue growth 39%
- Performance CL 0.4%
- SiHy CL 0.05% (Taiwan)

Core Competency 2: Manufacturing capability

Fully automated
production lines



New generation and fully automated production lines, pioneer in industry

Smart Manufacturing



Smart Scheduling

AI + APS



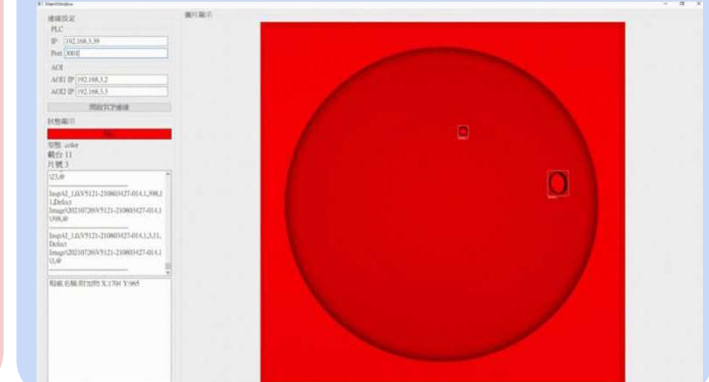
AI Recognition

AI + MES

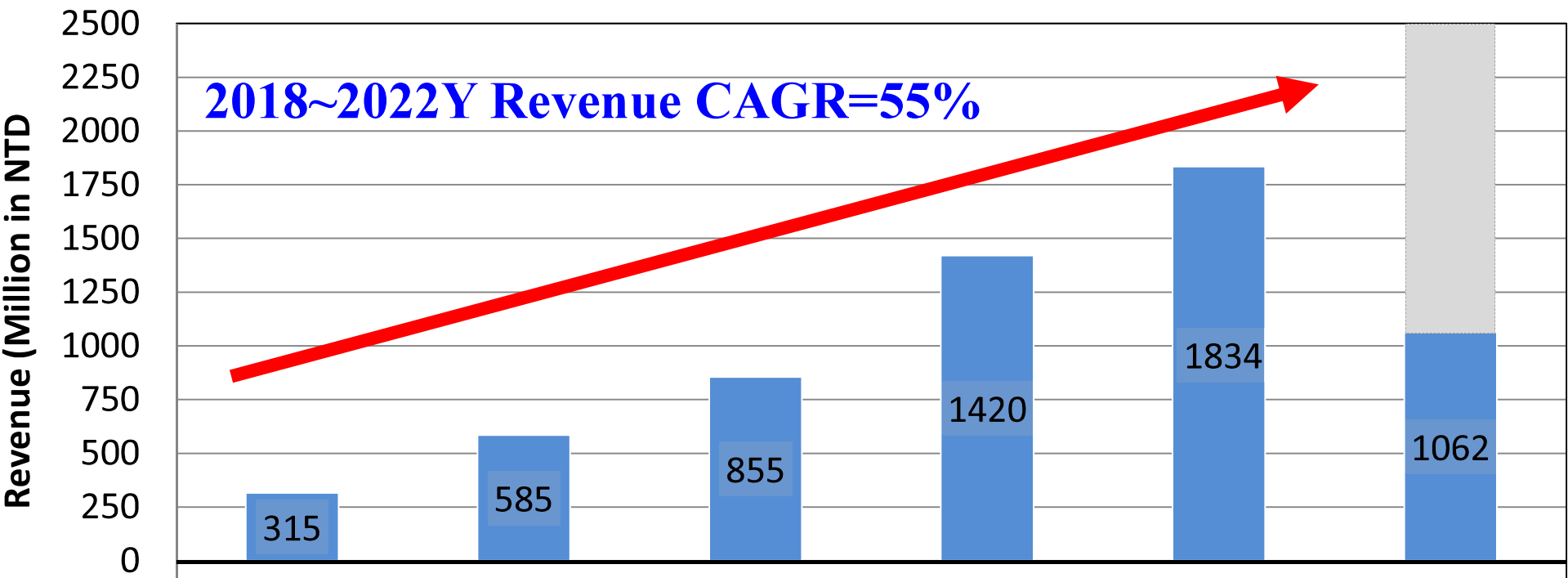


Quality Inspection

AI + Machine vision

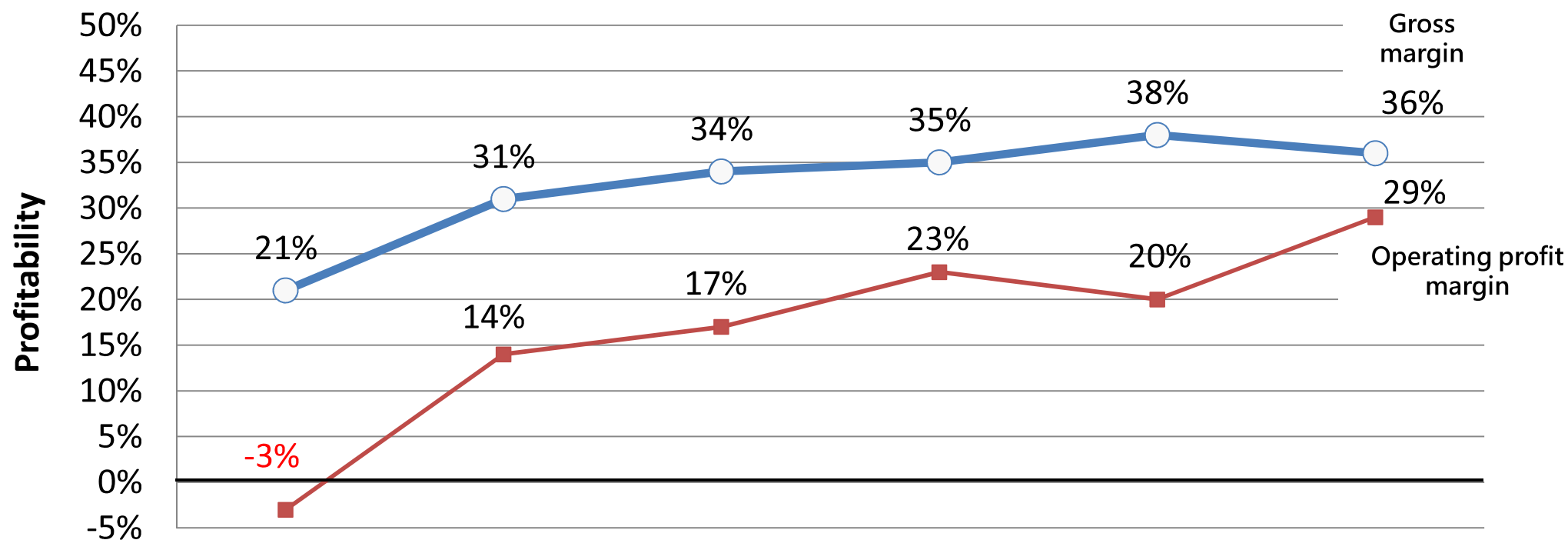


Operational Results: sustained revenue growth



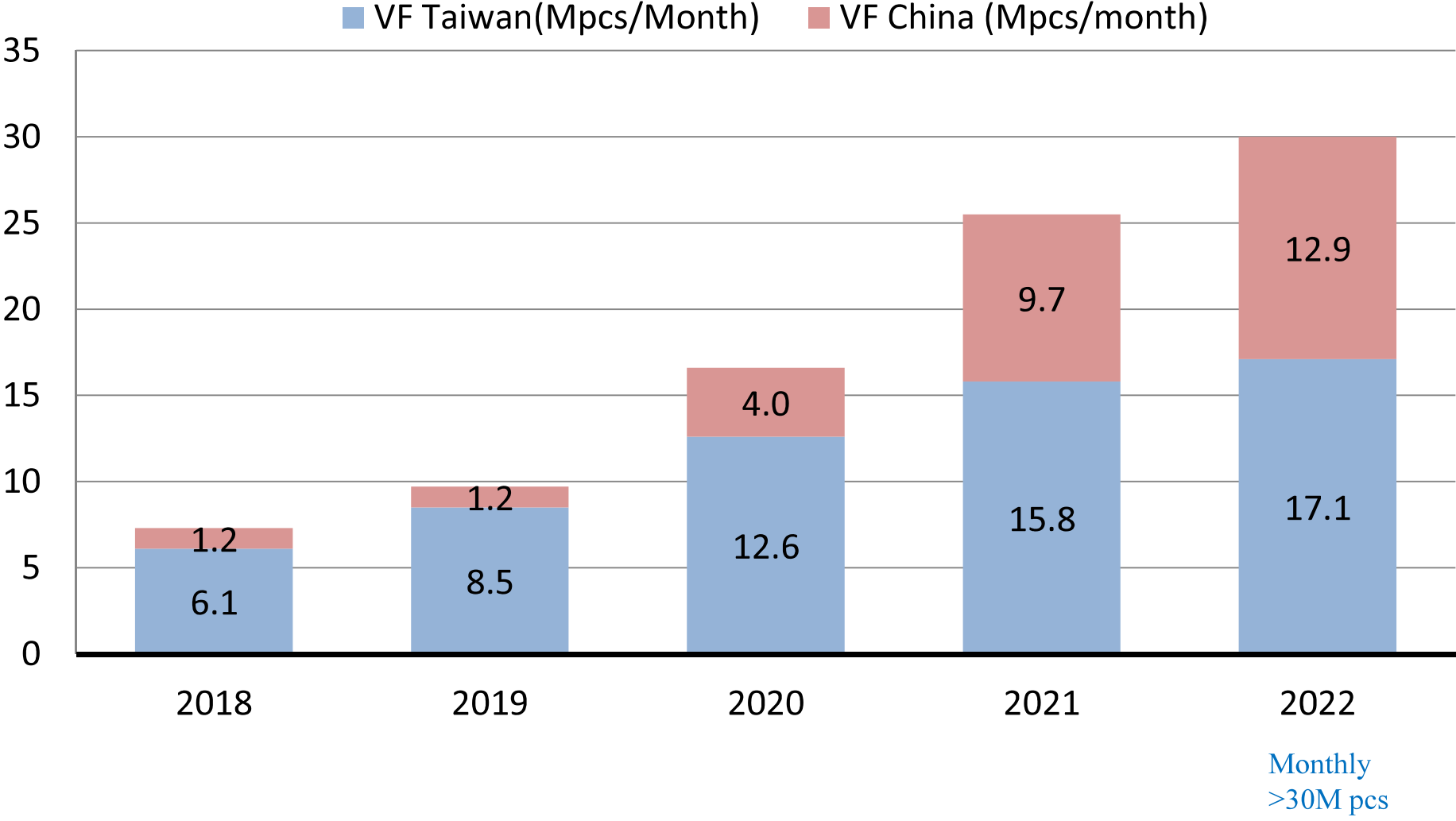
(Unit : Million)	2018	2019	2020	2021	2022	2023 H1
Revenue	315	585	855	1420	1834	1062
Revenue growth rate	70%	86%	46%	66%	29%	YOY 39%
EPS	0.04	2.49	2.94	4.64	6.02	3.98

Operational Results : sustained profitability growth



(Unit : %)	2018	2019	2020	2021	2022	2023 H1
Gross margin	21%	31%	34%	35%	38%	36%
Operating profit margin	(-3%)	14%	17%	23%	20%	29%

Production Capacity



Outlook

- Build an ecological chain of contact lenses in Taiwan and grow together with the entire ecological chain.
(Material 、 Mold 、 Automation 、 AOI 、 Package...)
- Continuous product innovation to promote new consumer demand
(SiHy cosmetic lens, indoor sports lens, myopia control lens...)
- Focus in Asia with expansion into global market