

**IPO FACT SHEET**
**IVD Medical Holding Limited (1931)**
**ISSUE STATISTICS**

<b>Offer Size:</b>	HK\$1,023.54m – HK\$1,226.91m
<b>Placement Tranche:</b>	333.4m
<b>Price:</b>	HK\$3.07 - HK\$3.68
<b>Board lot:</b>	1,000
<b>Entry fee:</b>	HK\$3,717.08
<b>Historical PE</b>	36.2x – 43.3x
<b>Net tangible asset per share:</b>	HK\$1.09 – HK\$1.24
<b>Market Cap (post-IPO):</b>	HK\$4,093.5m - HK\$4,906.9m
<b>Open:</b>	29 Jun 2019
<b>Close:</b>	12.00 noon on 5 Jul 2019
<b>Trading:</b>	12 Jul 2019
<b>Sponsor:</b>	BOCI Asia Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2017	338,268	16.5%
2018	413,635	22.3%
Profit for the year		
2017	112,596	97.0%
2018	99,508	-11.6%

**BACKGROUND**

- The Group is a distributor of In Vitro Diagnostic (“IVD”) products in the PRC. The business model can be broadly categorised into the following three segments:
  - Distribution Business – through its Original Group: The distribution of IVD products primarily through Dacheng forms the cornerstone of its Original Group’s business. It primarily involves the trading of IVD analysers, reagents and other consumables to customers such as hospitals and healthcare institutions, logistics providers and distributors in Shanghai.
  - Distribution Business – through Vastec: Vastec became its wholly owned subsidiary after the Acquisition. It has been the sole national distributor of Sysmex’ haemostasis products to distribute haemostasis analysers, reagents and other consumables, with exclusive distribution rights to regional distributors in the PRC since 1997.
  - Self-branded Products Business – under its brand name “ IVD”: It also engage in the research, development, manufacturing and sales of IVD analysers and reagents under its brand.
- Its Original Group is the third largest distributor in the Shanghai IVD market and Vastec is the fourth largest tier 1 IVD distributor in the PRC in 2018.
- According to Frost & Sullivan, the haemostasis analysis market in the PRC is centralised and dominated by a few overseas manufacturers including Sysmex being the leading market player with a market share of approximately 43.9% by revenue in 2018. Sysmex haemostasis products as distributed by Vastec had the largest market share of approximately 37.9% by revenue in the PRC tier 1 distributed haemostasis analysis market in 2018. Dacheng’s Sysmex haemostasis products had the largest market share of approximately 54.4% by revenue in the Shanghai haemostasis market in 2018.

**BUSINESS STRATEGIES**

- Expand its product portfolio, the reach of its distribution network and its hospital coverage.
- Continue to develop its distribution business by enhancing its capacity in providing solution services.
- Further improve its research and development capabilities and accelerate the expansion of its self-branded products customer base.

#### COMPETITIVE STRENGTHS

- The Group is a leading regional distributor in the Shanghai IVD market and a leading tier 1 distributor in the fast-growing PRC IVD market.
- The Group has an expansive distribution network with an extensive hospital coverage.
- Its existing installation capacity of IVD analysers can secure a recurring income stream from the sales of IVD reagents.
- The Group has a stable and good business relationship with internationally renowned IVD suppliers to build up a diversified product portfolio.
- The Group is capable of producing self-branded IVD products to vertically integrate its IVD products supply chain.
- Its experienced and committed professional management and sales teams with a proven track record.

#### KEY RISKS

- The Group is heavily reliant on its relationship with Sysmex.
- Its business operation, financial results and its cashflow may be adversely affected if the “two invoice system” is fully implemented in the IVD industry.
- The Group is reliant on the distributorship arrangements with its non-Sysmex suppliers and the Group does not have long-term distribution arrangements with them.
- Its business operation depends significantly on the recurring revenue generated from the sales of its IVD reagents.
- Goodwill impairment may negatively affect its reported results of operations.

#### DIVIDEND POLICY

- No fixed dividend Policy.

#### USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
To settle the cash consideration for the acquisition of 60% equity interest in Vastec.	461.7	44.8%
To pay part of the dividends to the existing shareholders of the Company and Vastec pursuant to the Acquisition.	306.8	29.8%
To expand its customer base under its distribution business, in particular to establish relationships with six hospitals and healthcare institutions to provide solution services by the end of 2021.	102.3	9.9%
To continue the research and development of its self-branded products.	52.3	5.1%
To expand its distribution business and improve its distribution value chain.	38.6	3.7%
For working capital and general corporate purposes.	69.2	6.7%
<b>Total:</b>	<b>1,030.9</b>	<b>100.0%</b>

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