

# 2018 Interim Results

August 2018



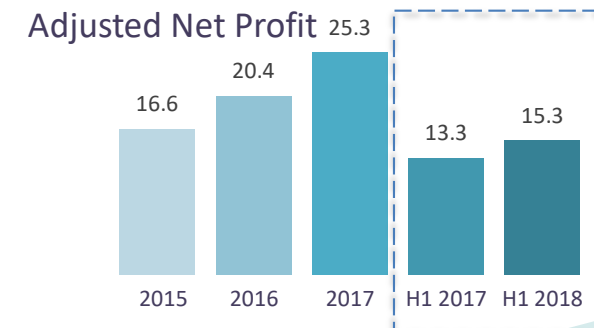
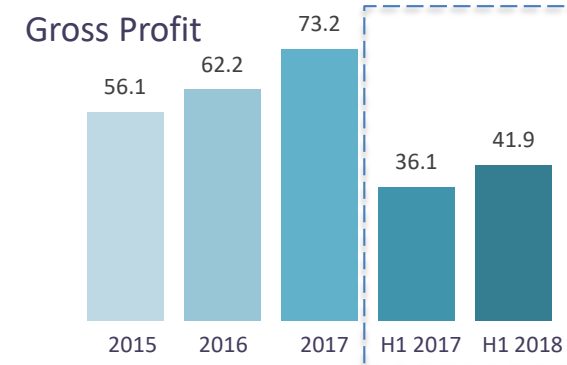
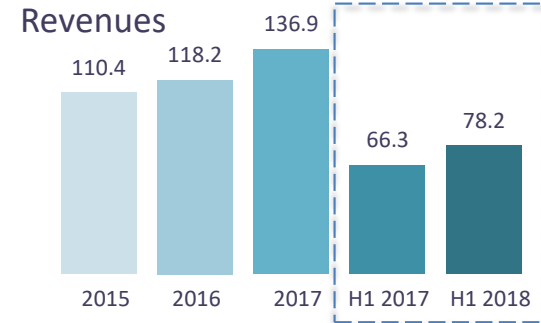
- 
- **Business Performance Highlights**
  - **Business Environment**
  - **Sisram – a MedTech Group**
  - **2018 Interim Results**



# Business Performance Highlights

# Remarkable Achievements

- Revenues increased by 17.9% (YOY), amounting to US\$78.2 million
- Worldwide sales increased between 7.8% and 40.3% per geographic segment
- Minimally-invasive products line sales increased by 28.3% - highest pillar growth
- Services & Others revenue grew by 35.3%
- Profit for the period attributable to the owner of the parent increased by 43.9% to US\$11.3 (YOY)
- Net profit margin is 14.4%
- We expanded our business outreach, establishing a new direct sales operation intended to cover additional MedTech industry segments, such as injectables





# Business Environment

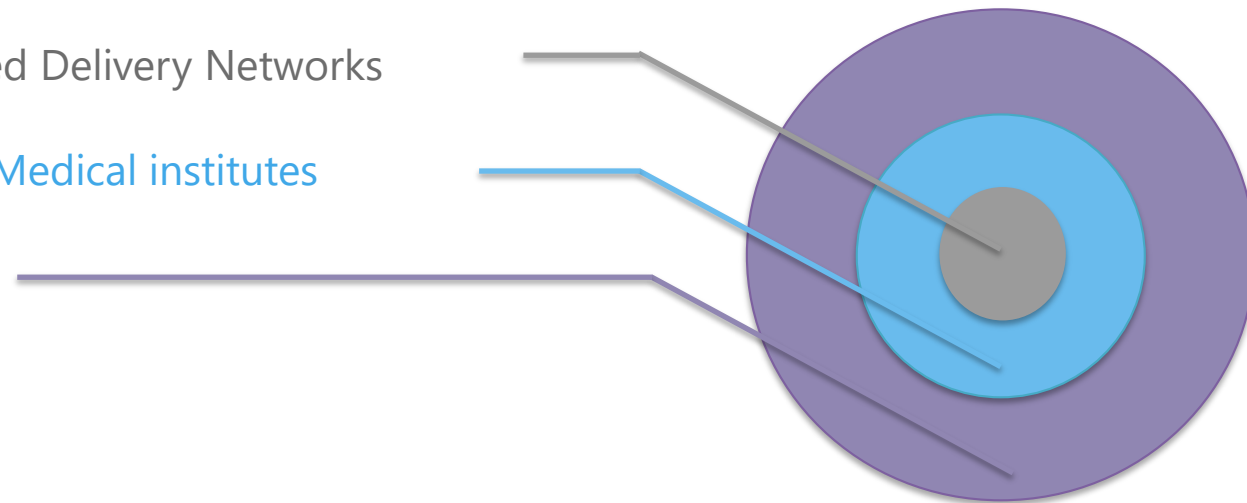
# The MedTech Industry, A shining Star

- The MedTech industry demonstrates a dramatic positive incline in revenues and investments
- The global MedTech industry generated US\$364.4 billion in 2016 <sup>1</sup>
- Technavio's market research predicts the global energy-based aesthetic devices market to grow steadily at a CAGR of above 8% by 2021 <sup>2</sup>

Targeting surgeries & Integrated Delivery Networks

Targeting Insurance firms and Medical institutes

Targeting consumer



<sup>1</sup> Pulse of the industry 2017, EY

<sup>2</sup> <https://www.technavio.com/report/global-health-and-wellness-global-energy-based-aesthetic-devices-market-2017-2021>

## 3 Prominent Market Trends

- The global **body contouring** market is expected to expand to US\$8 billion by 2022, from US\$5.3 Billion in 2016<sup>1</sup>
- **Dermatology Devices Market** size was valued at US\$8.4 billion in 2017 and is expected to witness over 9.5% CAGR from 2018 to 2024....China is anticipated to witness over 11% CAGR over the forecast years <sup>2</sup>
- It is estimated that in 2017 there were approximate US\$169 million sales of Energy-Based **Feminine Healthcare** devices globally. This number is expected to rise to about US\$332 million by 2021 with an estimated compound annual growth rate of **37%** and corresponding physician fees of approximately US\$2 billion <sup>3</sup>

<sup>1</sup> Body Contouring Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2017-2022" by Research and Markets

<sup>2</sup> <https://www.gminsights.com/industry-analysis/dermatology-devices-market>

<sup>3</sup> Energy-Based Feminine Rejuvenation, Medical Insight, April 2017



# Sisram – a MedTech Group



**FOSUN PHARMA**  
复星医药



**Sisram** Medical



**Alma**

**Sisram Medical** is an Israeli company, incorporated in April 2013, for the acquisition of **Alma** by **Fosun Pharma**, a leading health & medical industry group in the People's Republic of China (PRC), and a subsidiary of Fosun International, an international Chinese conglomerate.

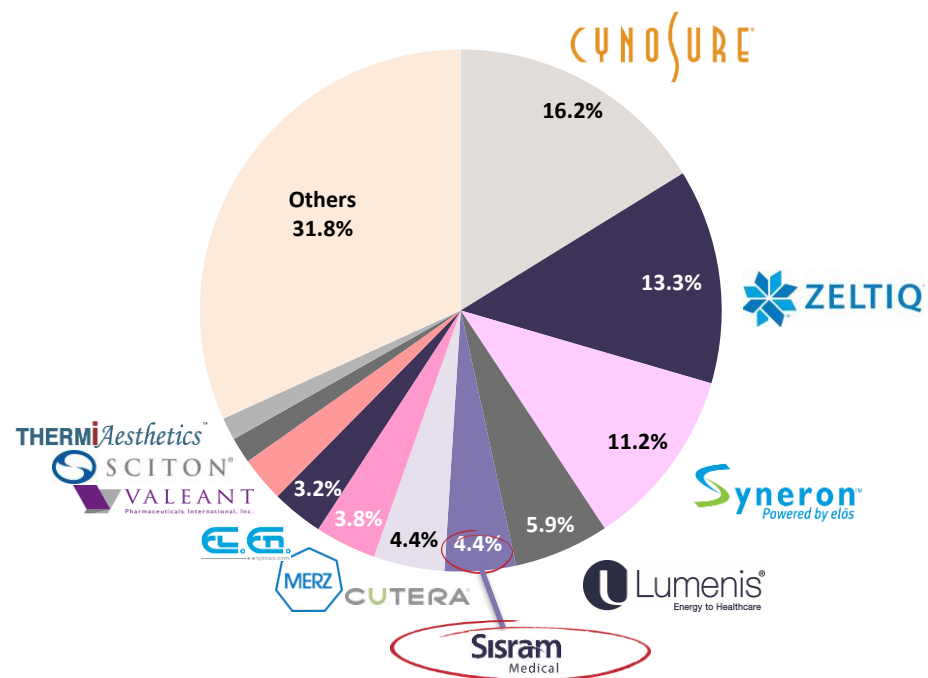
**ALMA IS ONE OF  
THE TOP 5 GLOBAL  
INDUSTRY LEADERS  
AND N° 1 IN THE  
PEOPLE'S REPUBLIC  
OF CHINA!**



# Global Competitive Landscape

## Global Market Share by Revenue (2016)

Sales by manufacturers regardless of sales channels (i.e. either directly to treatment providers or distributors) Total revenue: US\$2,670m



- Top 10 players account for 67% of the global market
- 3 out of the top 5 players are Israeli incorporated companies

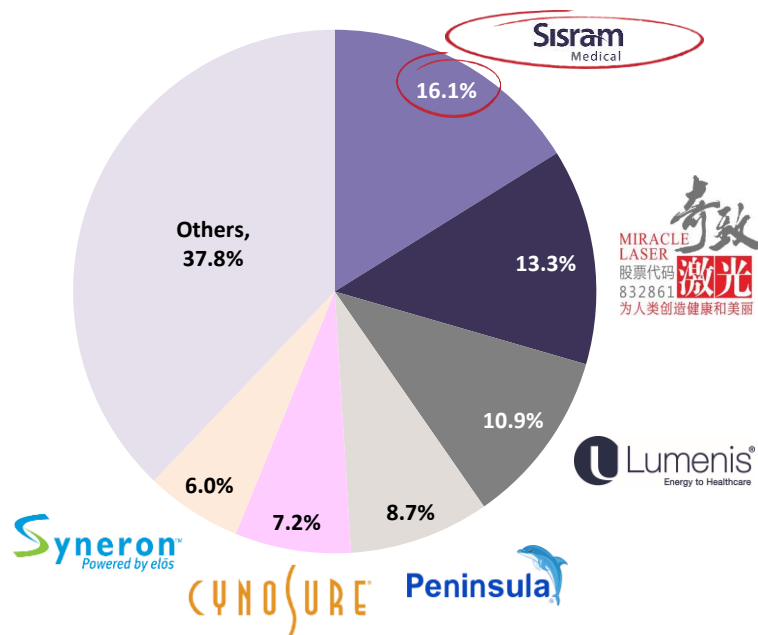
Ranking	Company	Headquarter	Estimated market share by revenue, 2016
1	Cynosure	United States	16.2%
2	Zeltiq	United States	13.3%
3	Syneron	Israel	11.2%
4	Lumenis	Israel	5.9%
<b>5</b>	<b>Sisram</b>	<b>Israel</b>	<b>4.4%</b>
6	Cutera	United States	4.4%
7	Merz Pharma	Germany	3.8%
8	El.En.	Italy	3.2%
9	Valeant	Canada	2.8%
10	Sciton	United States	1.6%

Source: Medical Insight Report

# PRC Competitive Landscape

## PRC Market Share by Revenue (2016)

Sales by manufacturers regardless of sales channels (i.e. either directly to treatment providers or distributors) Total revenue: US\$158.9m



Ranking	Company	Headquarter	Estimated PRC market share by revenue, 2016
1	Sisram	Israel	16.2%
2	Wuhan Miracle Laser	China	13.4%
3	Lumenis	Israel	10.9%
4	Peninsula Medical <sup>(1)</sup>	China	8.7%
5	Cynosure	United States	7.2%
6	Syneron	Israel	6.0%
	Others	-	37.6%

- Industry consolidation in the PRC market is expected
- Key competitive factors in the PRC:
  - Price and quality of services
  - Brand recognition
  - Variety of services provided

# Global Sales and Distribution Network

## Positioning

Efficient mix of global sales and distribution channels adapting to different market dynamics

## Location

Worldwide sales network across ~80 countries / jurisdictions

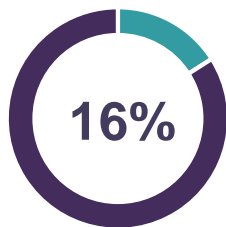
## Strength

Well-diversified and balanced geographic coverage

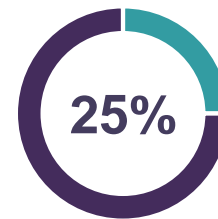


## R&D – Solid Pillar of our Success

- Solid base of Research and Development
- Leading the industry with the shortest time to market: 1-2 years vs. 3-4 years industry standard
- Revolutionizing the industry:
  - **50+** different models of treatment systems
  - **100+** different models of applicators
  - **53** registered patents and **19** patent applications

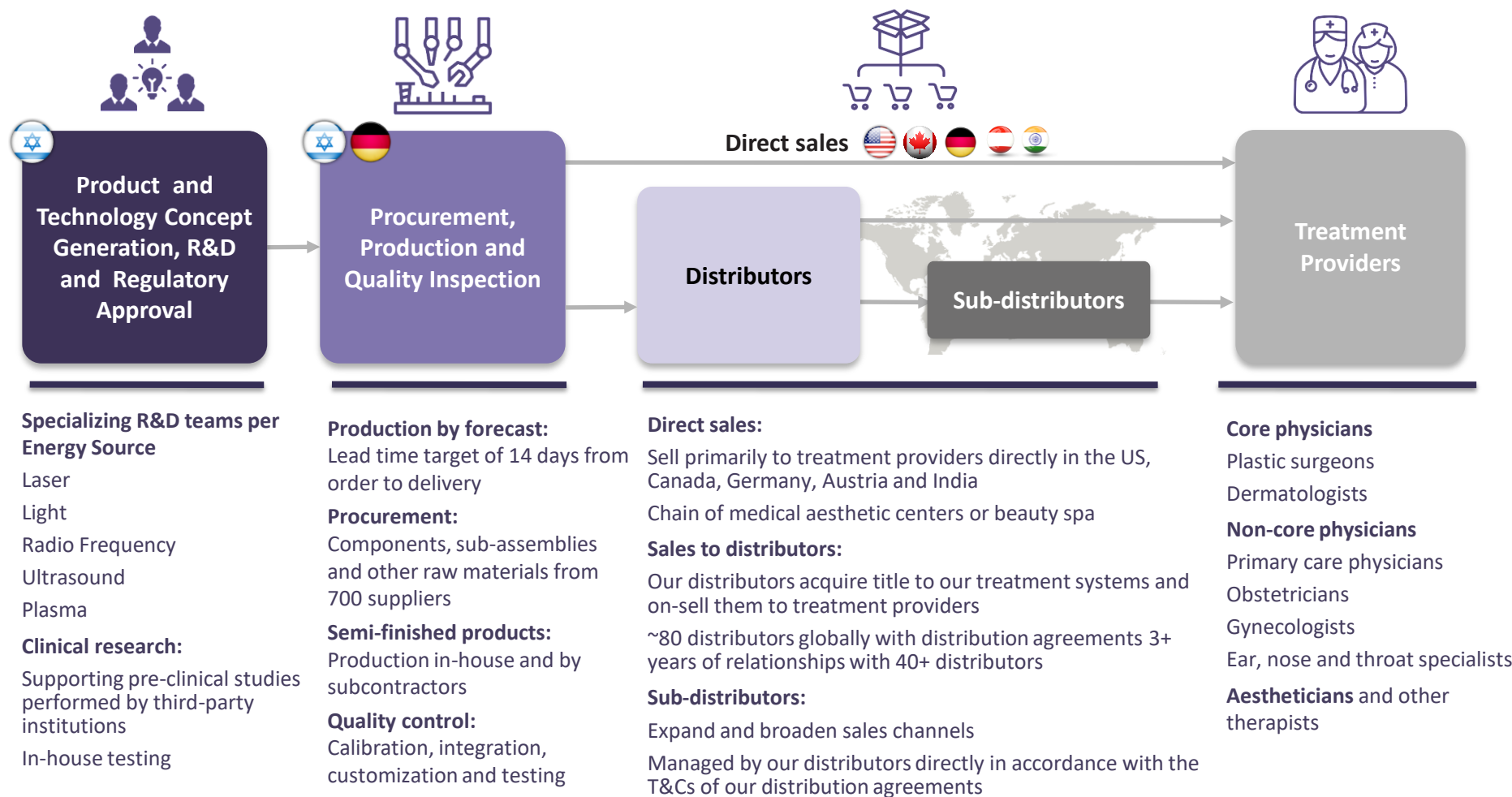


**OF ALMA EMPLOYEES  
ARE R&D SPECIALISTS**



**OF WHICH HOLDS PhDs  
& ADVANCED DEGREES**

# R&D to Production & Commercialization





# Three Product Pillars: Surgical, Medical Aesthetics & Beauty





# Delivering Breakthrough Products, Considered the Gold Standard Around the World



Surgical:  
Femilift



Surgical:  
Lipolife



Surgical:  
CO<sub>2</sub> ENT



Surgical:  
Vasculife



Medical Aesthetic:  
Soprano ICE Platinum



Medical Aesthetic:  
Soprano ICE



Medical Aesthetic:  
Harmony XL PRO



Medical Aesthetic:  
Accent Prime



Medical Aesthetic:  
Alma-Q



Medical Aesthetic:  
Sinon II



Medical Aesthetic:  
Legato II



Medical Aesthetic:  
Arion



Medical Aesthetic:  
Burane II / Burane II XL



Medical Aesthetic:  
Excimer 308



Beauty:  
SPADEEP



Beauty:  
REBOOST



Beauty:  
REJUVE



Beauty:  
REMOVE

# Fosun Pharma's Value Chain



**FOSUNPHARMA**  
复星医药

- ✓ Rooted in **China**
- ✓ Integrate **global** industries
- ✓ **First-tier** enterprise in the global healthcare market
- ✓ Cover the **key sectors** of the healthcare industry chain

**Hospital Network of Fosun Pharma**

- Alma Lasers Studio in Chancheng Central Hospital is a well-recognized medical aesthetic treatment center
- Alma will replicate the initial success by facilitating several other healthcare institutions operated and controlled by Fosun Pharma

Suqian Zhongwu Hospital	Grade A Class II General Hospital
Yueyang Guangji Hospital	Grade A Class II General Hospital
Anhui Jimin Oncology Hospital	Grade A Class III Oncology Hospital
Wenzhou Geriatric Hospital	Grade A Class III Geriatric Hospital
Foshan Chancheng Central Hospital	Grade A Class III Large-scale General Hospital
Shenzhen Hengsheng Hospital	Grade A Class III Large-scale General Hospital

# The Management Team



Liu Yi  
**Chairman**



Lior Dayan  
**Chief Executive Officer  
& Executive Director**



Jianping Hua  
**Chief Financial Officer**



Ran Ezioni  
**Chief Operating Officer**

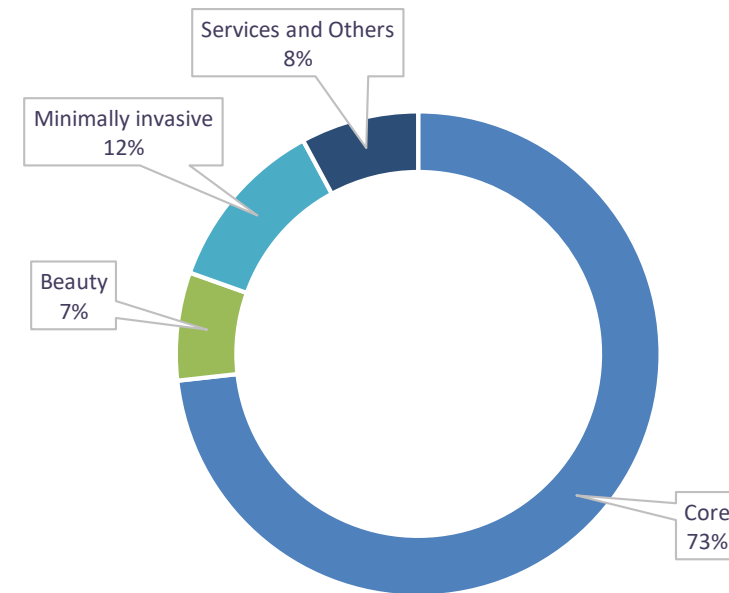
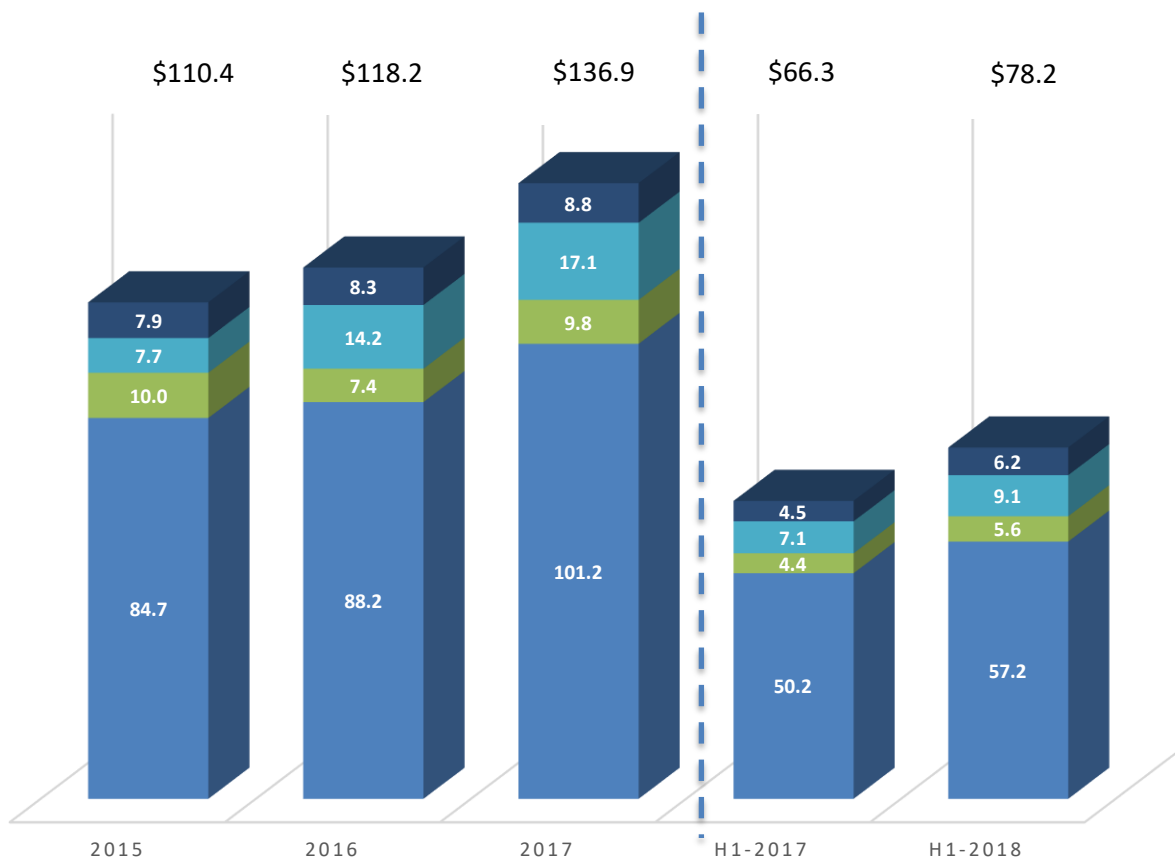


Avi Farbstein  
**Chief Strategy Officer**



# 2018 Interim Results

# Revenue Increased by 17.9% YOY, Minimally-invasive Pillar Registers the Highest Growth



## Revenue Increased by 17.9% YOY, Minimally-invasive Pillar Registers the Highest Growth

	Six months ended June 30				YOY %
	2018		2017		
	(US\$ in thousands, except for percentages)				
Sale of Goods:					
Non-invasive medical aesthetics:					
Core	57,238	73.2%	50,204	75.7%	14.0%
Beauty	5,629	7.2%	4,415	6.7%	27.5%
Subtotal	62,867	80.4%	54,619	82.4%	15.1%
Minimally invasive	9,135	11.7%	7,122	10.7%	28.3%
	72,002	92.1%	61,741	93.1%	16.6%
Services and Others	6,153	7.9%	4,547	6.9%	35.3%
<b>Total</b>	<b>78,155</b>	<b>100.0%</b>	<b>66,288</b>	<b>100.0%</b>	<b>17.9%</b>

- Minimally invasive product line is picking-up, thanks to FemiLift WW demand and LipoLife FDA clearance
- Sales of Services & Others capturing a larger portion

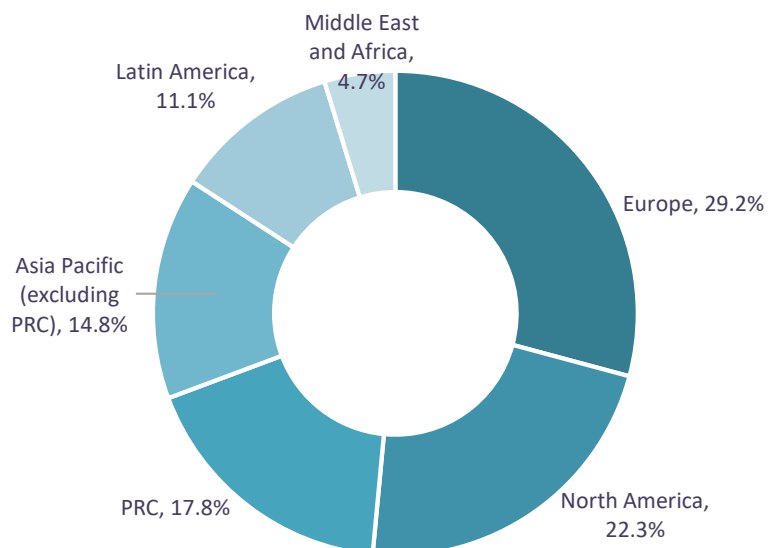


# Geography Segmentation

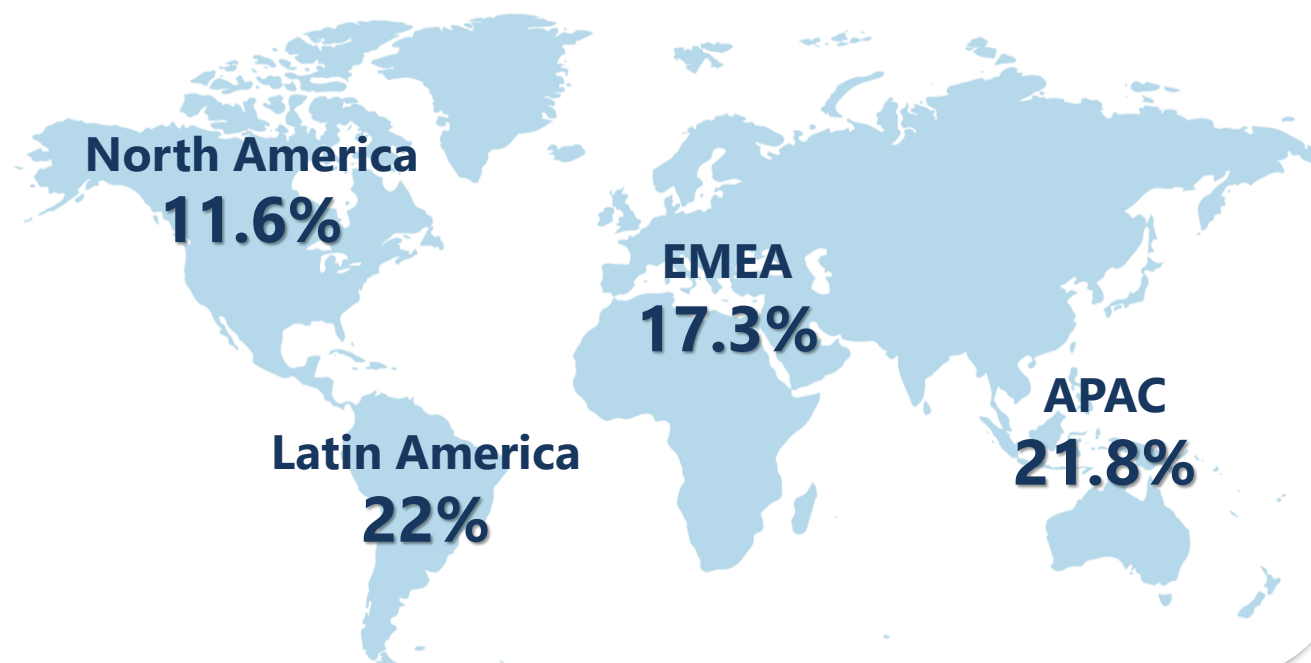
Europe, North America and the PRC generated 69.3% of our revenues.

This geographical span ensures we are well diverse and able to mitigate any geographical-economical risks as well as benefit from the global economic arisen.

**H1 2018 Breakdown**



**YOY Growth – H1 2018 vs. H1 2017**





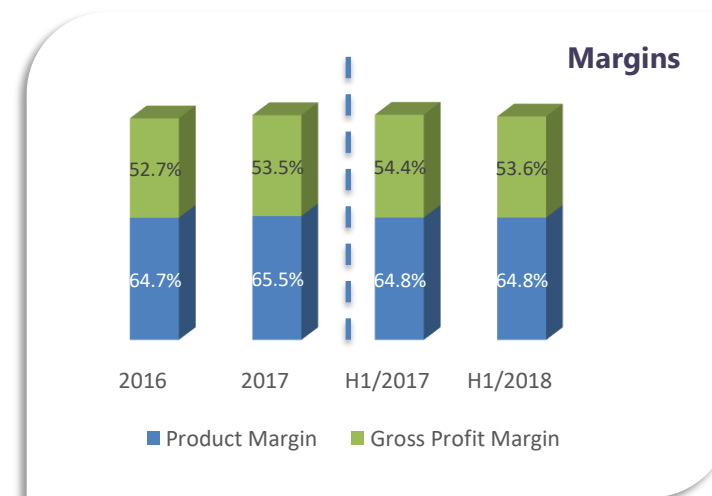
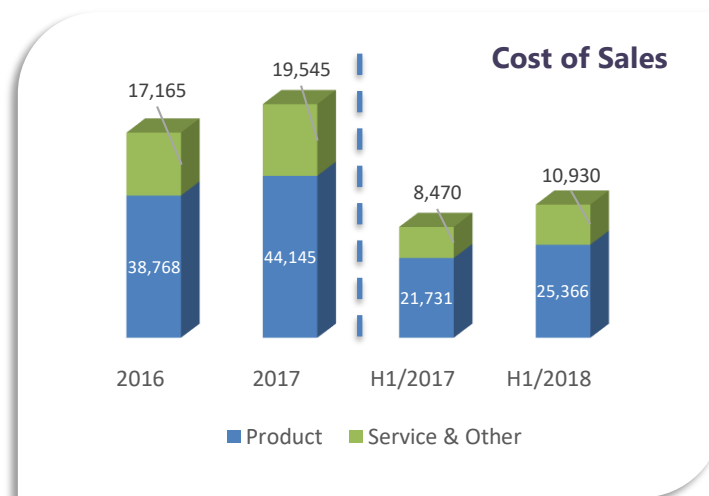
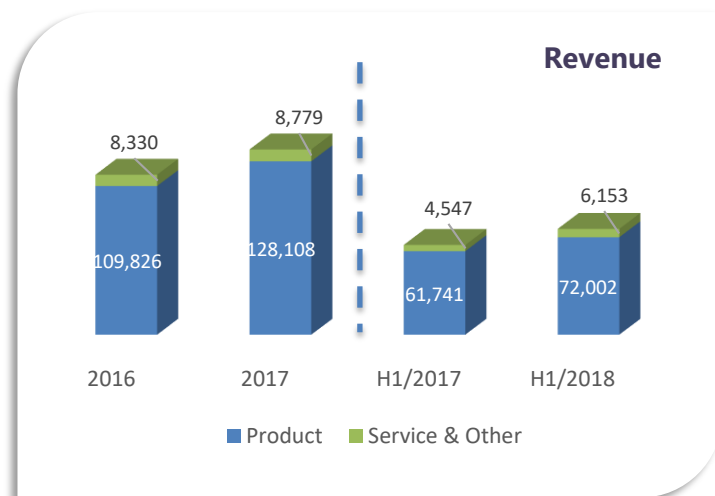
## APAC is Leading the Geo Segments Growth

	Six months ended June 30				
	2018		2017		YOY%
	<b>(US\$ in thousands, except for percentages)</b>				
Europe	22,805	29.2%	19,156	28.9%	19.0%
North America	17,444	22.3%	15,632	23.6%	11.6%
PRC	13,923	17.8%	12,677	19.1%	9.8%
Asia Pacific (excluding PRC)	11,596	14.8%	8,267	12.5%	40.3%
Latin America	8,693	11.1%	7,128	10.8%	22.0%
Middle East and Africa	3,694	4.7%	3,428	5.2%	7.8%
<b>Total</b>	<b>78,155</b>	<b>100.0%</b>	<b>66,288</b>	<b>100.0%</b>	<b>17.9%</b>

- Europe, North America & the PRC generated 69% of our revenues
- This geographical span ensures we are well diverse and able to mitigate any geographical-economical risks

# Gross Profit Increased by 16%

- Products sales gross margin is consistent with the corresponding reporting period
- The slight decrease in gross profit margin between H1 2018 and H1 2017 is due to higher indirect costs associated with production ramp-up and additional investments aimed at facilitating future growth



# Expenses Breakdown

- Selling and distribution expenses increased by 33.9%, due to growth in sales volume and boost in sales force in NA and India
- Administrative expenses increased by 14% due to consulting fees facilitating future growth
- Finance costs decreased from US\$3.6 million in 2017 to US\$0.5 million, attributable to lower debts balance
- Income tax expense decreased to US\$2.4 million, primarily attributable to tax reform in the US and onetime tax expenses in the Israeli subsidiary
- Research & development expenses remains consistent based on industry benchmark and the corresponding period in 2017 at US\$4.9 million

# Recent Launches – Body Contouring Focus



## Accentuate

A hands-free, stationary applicator designed for body contouring and skin tightening, incorporating AlmaWave 40.68 MHz technology.

Launched on April 2018

## Small Areas Treatment Kit

Combined treatment using two distinct energy sources, each with its own advantages and designated treatment areas, designed specifically for fat reduction and skin tightening in challenging small areas

Launched on January 2018





**Thank You**

**Sisram**  
Medical

Sisram Med (1696.HK)

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