



INVESTOR UPDATE PRESENTATION

May 2020

ASX: S66

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KEY TRANSACTION HIGHLIGHTS

STARCOMBO

- Placement of AUD **\$33.32million** to Goldenmax underpins S66 planned capital investment to expedite organic revenue growth
- Strive to be Australia's market leader in the health supplement manufacturing sector
- Implementation of the strategic growth underway from OEM manufacture to both OEM and ODM manufacture
- 6 core pillars to underwrite future growth strategy:
 - Strengthen focus on R&D,
 - Increase in Production Capacity to achieve Economy of Scale,
 - increase Service Offerings,
 - Sustain Price Competitiveness,
 - Addition to Sales Team,
 - Expansion of Current Site
- Capital investment to increase specialise production capacity, build new R&D development center and state of art laboratory facility.
- Sufficient cash reserves for ongoing working capital post capital investment.

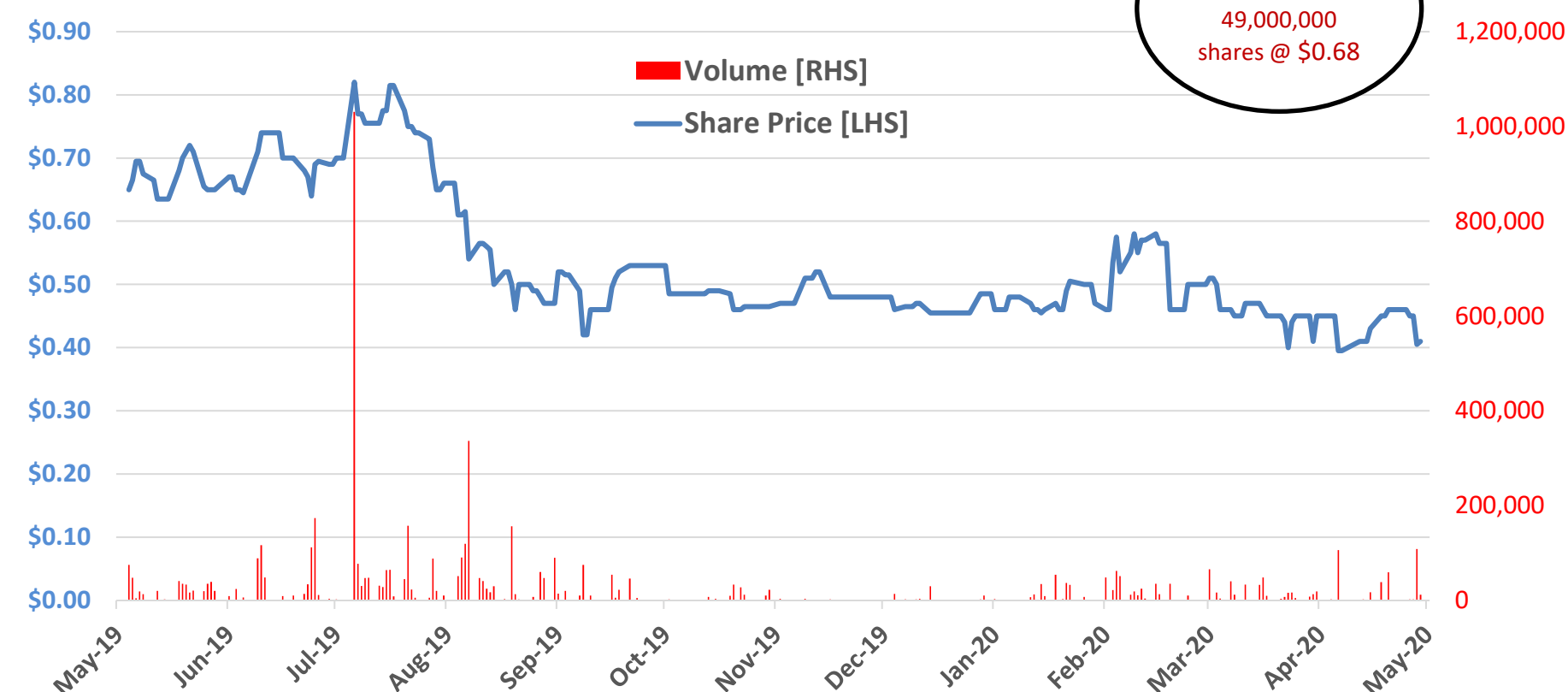
CORPORATE OVERVIEW

STARCOMBO

Star Combo Pharma Limited is a Sydney based contract manufacturer of vitamins, health and beauty products with an emerging portfolio of own brands and distribution capability

- Star Combo was founded in 2004 and listed on the ASX in May 2018
- TGA licensed manufacturing facility located in Sydney
- In-house R&D capability to develop new products quickly at low cost
- Contract manufacturer for diversified range of vitamin and wellness brands
- Multiple distribution channels with a focus on Asian consumer demand for “Australian Made” products – especially China:
 - Wholesaler Distributors – distribution agreements in China, Vietnam, Korea
 - Online – Austoyou.com.au (acquired February 2019) plus JDMall, Alibaba
 - China – in-country office, agents and access to over 3,000 pharmacies via Lepu Medical Technology (Beijing) Co., Ltd. (Lepu) (one of the strategic investor)
 - Daigou – through online and domestic offline channels
 - Retail – Terry White 450 pharmacy and Koala Mall (acquired February 2019), tourist outlets.

1 Year Share Price Chart



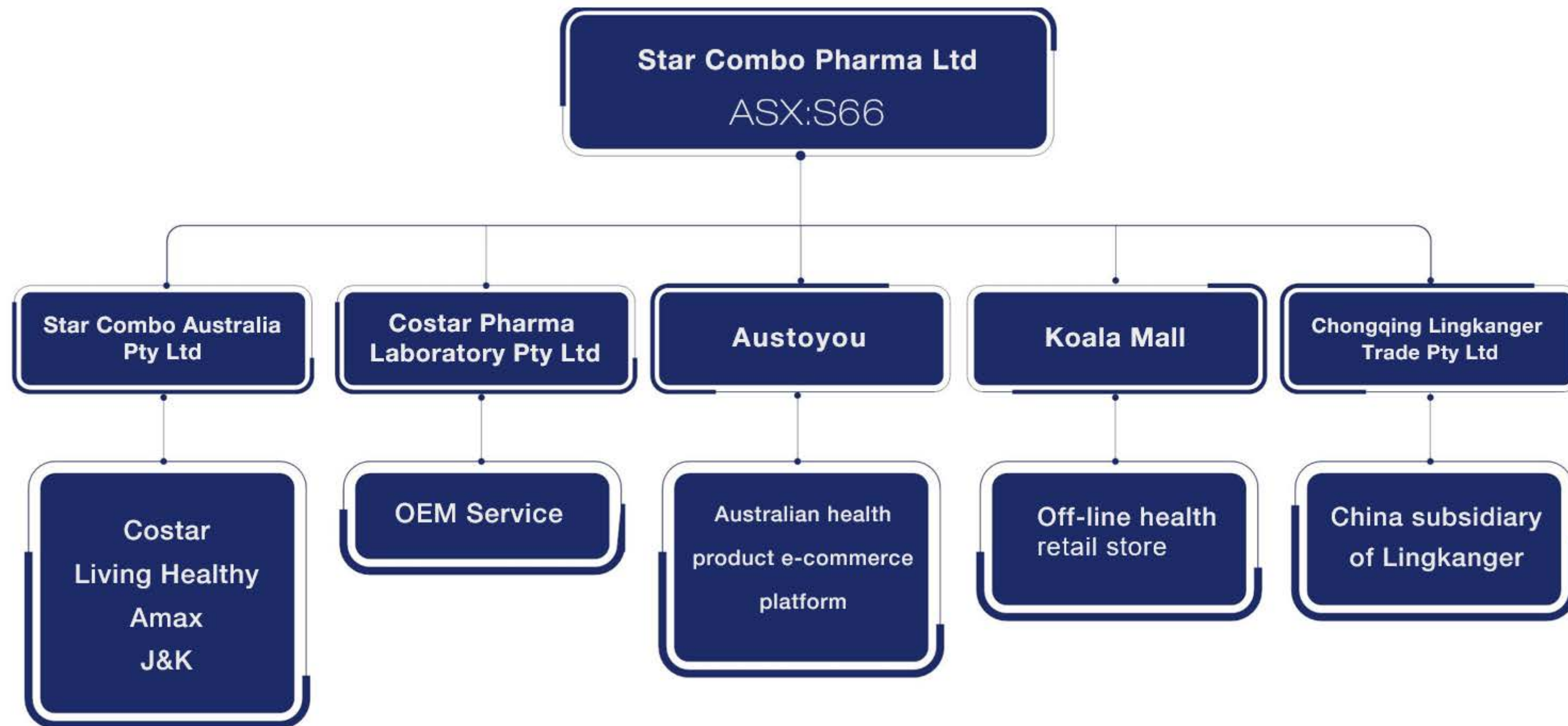
Company Details (post placement)

ASX Code	S66
Share on Issue (million)	135.6
Trading Range (Last 12 months)	\$0.38 - \$0.82
Placement to Goldenmax (shares)	49,000,000
Placement per share	\$0.68
Total placement consideration	\$33.32m

INTEGRATED BUSINESS MODEL

STARCOMBO

There are currently six companies in the Star Combo Pharma Limited group



CURRENT MANUFACTURING FACILITY

STARCOMBO

Current Manufacturing based at Smithfield facility

- Established in 2004 and located in Smithfield, NSW, capacity to expand production significantly
- TGA Licence for Non-Sterile Medicine Manufacture of Liquids, Tablets, Hard Shell Capsules, Soft Gel Capsules, Powders and Granules
- Certificate for GMP Compliance of a Manufacturer
- NSW Food Authority for FSANZ Food Standards Code for the manufacture of Process Pasteurised Dairy Products
- Export registered establish for dried milk products
- Commercialisation of 26 new formulations in 2020 with more in the pipeline
- 15,000m² purpose built and regulated facility, expansion of current facility with powder filling capability



Branded Portfolio

Vitamins

- Living Healthy Little Koala range in early stages of distribution, high demand infant supplements including oral drops, milk chews and fish oil

Skin Care

- 2 new China registrations (CIQ) approved for the J&K skin care range
- A new hand sanitizer range launched in the J&K skin care range



E-COMMERCE PLATFORM



AustoYou platform

- The acquisition of Austoyou was completed in February 2019
- Austoyou E-commerce platform provides direct access to China consumer sales pipeline, with over 5,000 high demand product lines
- Austoyou will significantly increase Business to Consumer (B2C) opportunities for Star Combo complimenting current B2B product offering and has potential to integrate into the first Australian Alibaba on-line retail model
- Star Combo products will leverage Austoyou as an additional distribution channel with the first product launched in May 2019
- Koala Mall - 2 retail stores in Sydney
- Uploading additional sku and selling existing product range through fast growing Austoyou online platform
- New customer acquisition rate at 14%
- Continue sales growth on Star Combo own branded products since the acquisition of Austoyou in 2019



尊贵客户经理-兜兜（正常上班啦）

【🔥3折抢购】原价30\$，限时三宝3折抢...



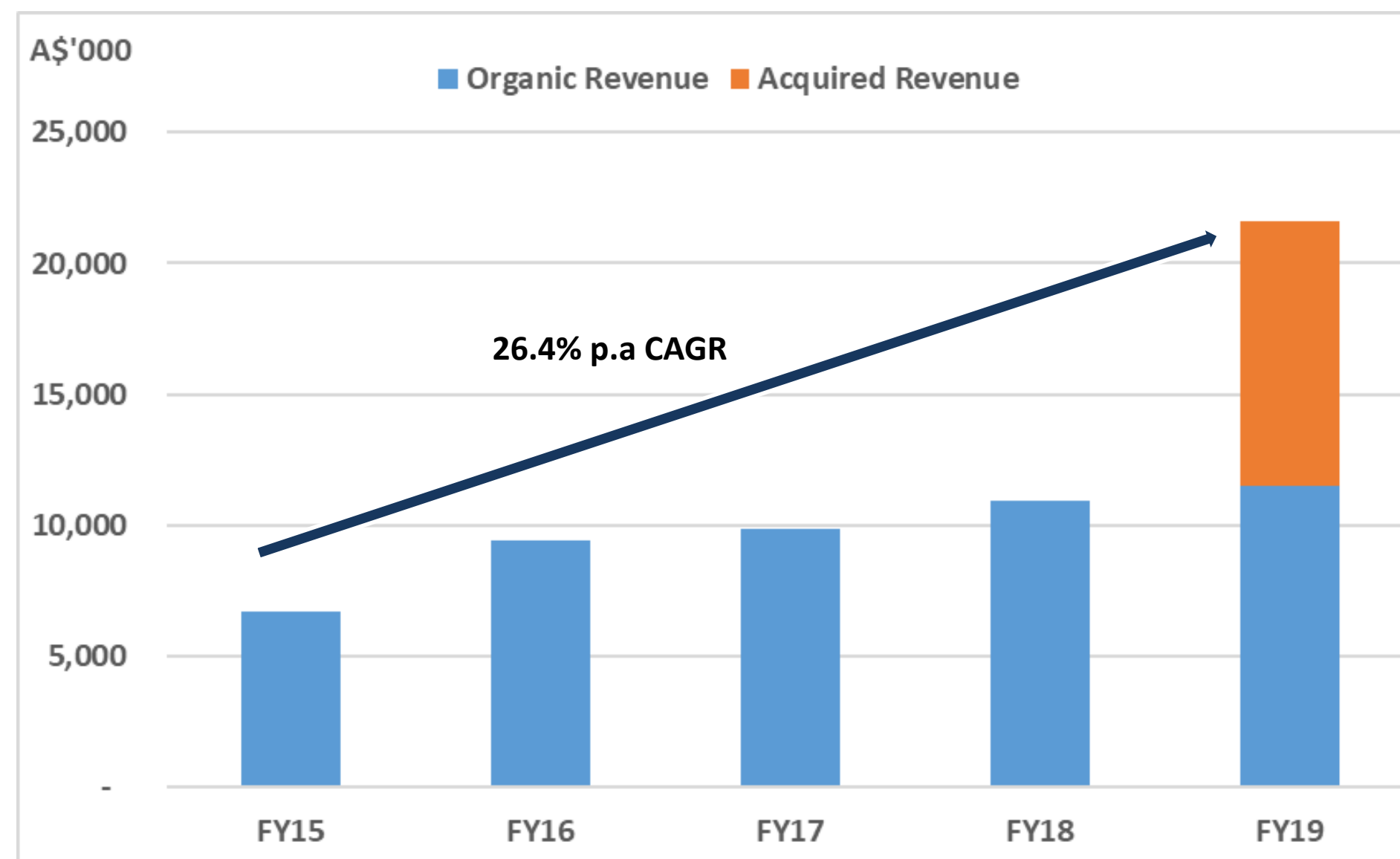
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REVENUE GROWTH PROFILE

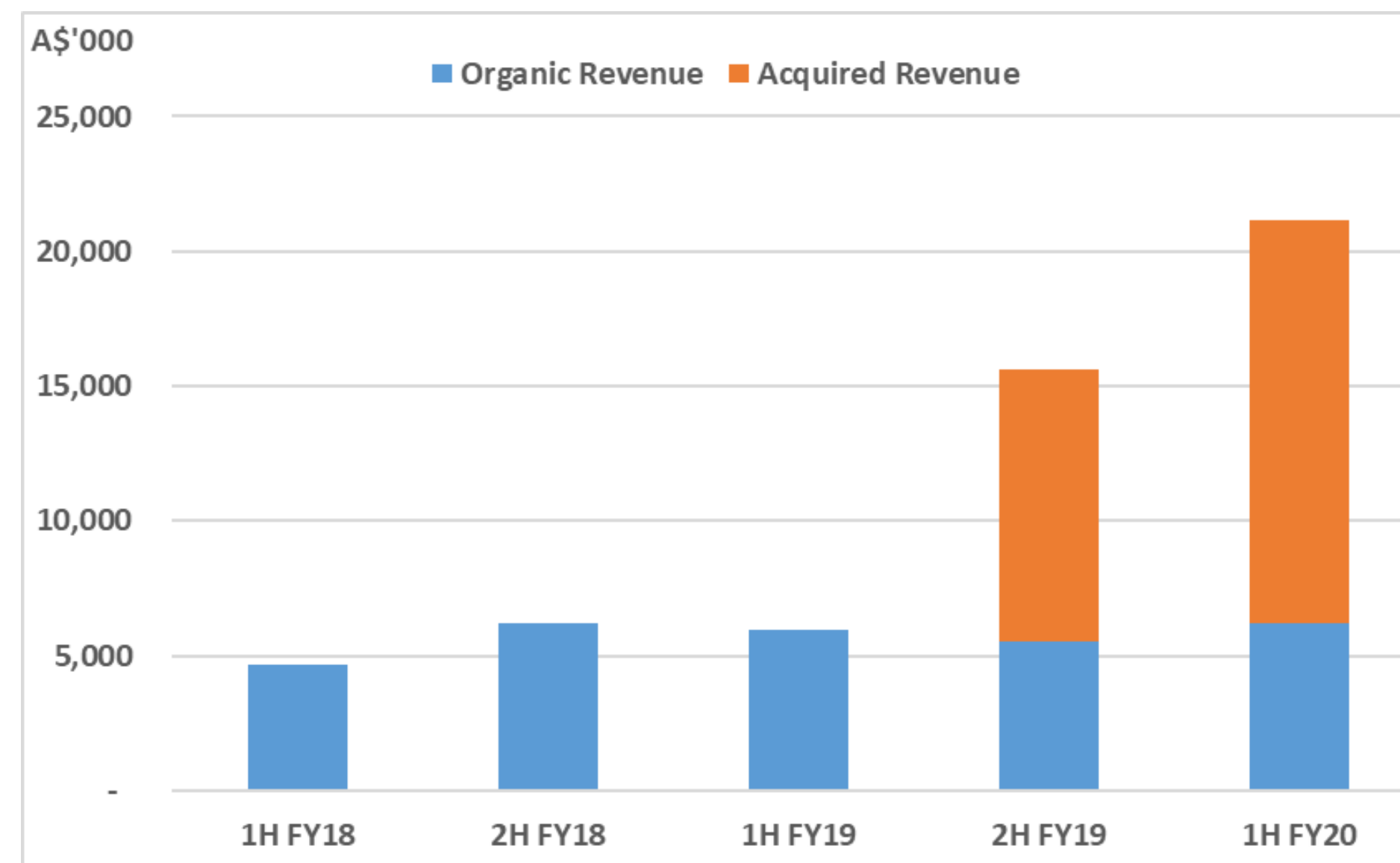
STARCOMBO

Revenue FY 2015 – FY 2019



IPO in May 2018 – revenue growth by acquisition is part of the post IPO strategy

Revenue H1FY18 to H1FY20

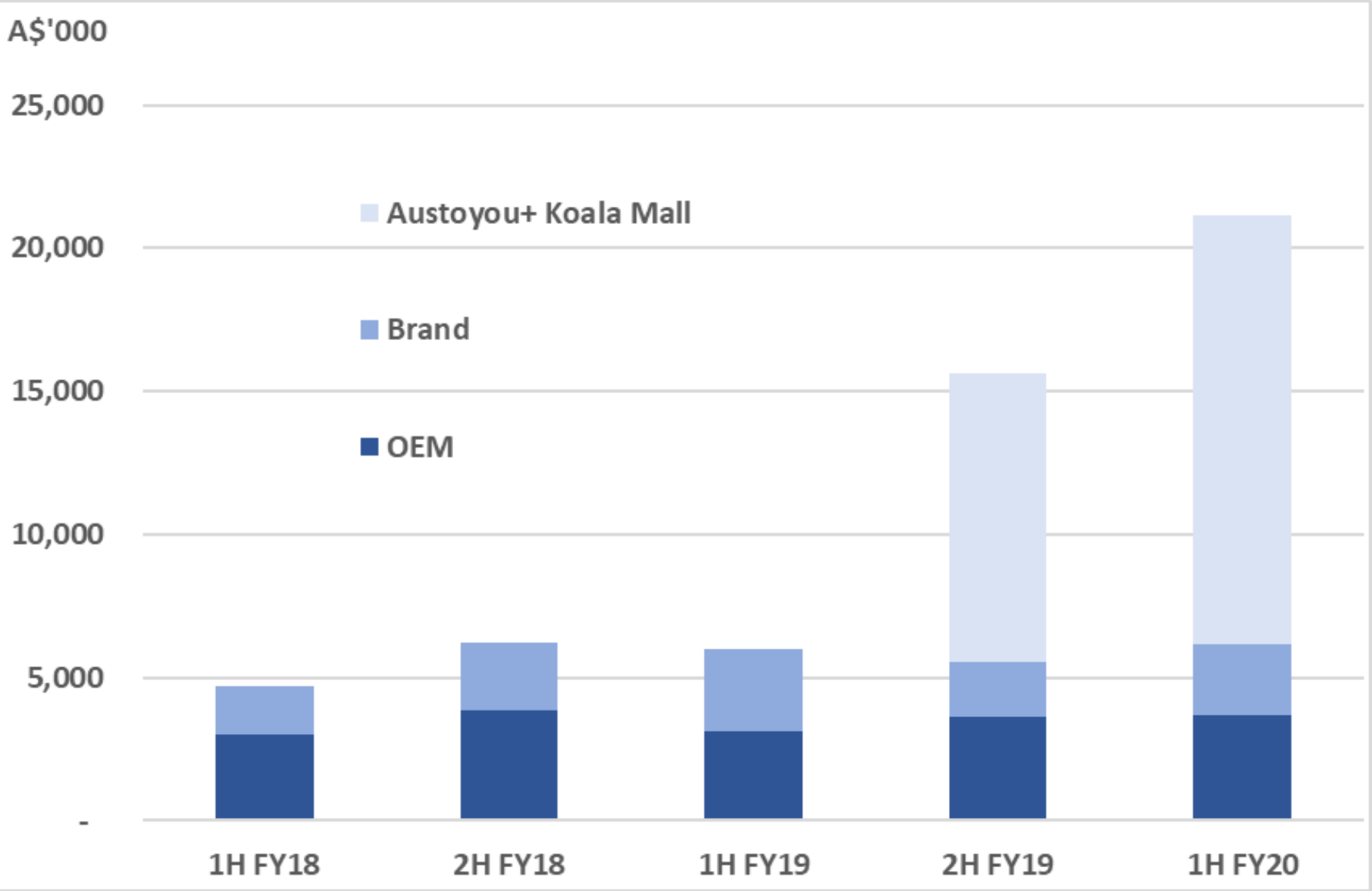


Acquired business unit revenue continues to grow in both sales and volume and organic growth remains stable and profitable. Future focus in both OEM and ODM business units will drive revenue in the Organic Growth Revenue category

PROFITABILITY PROFILE

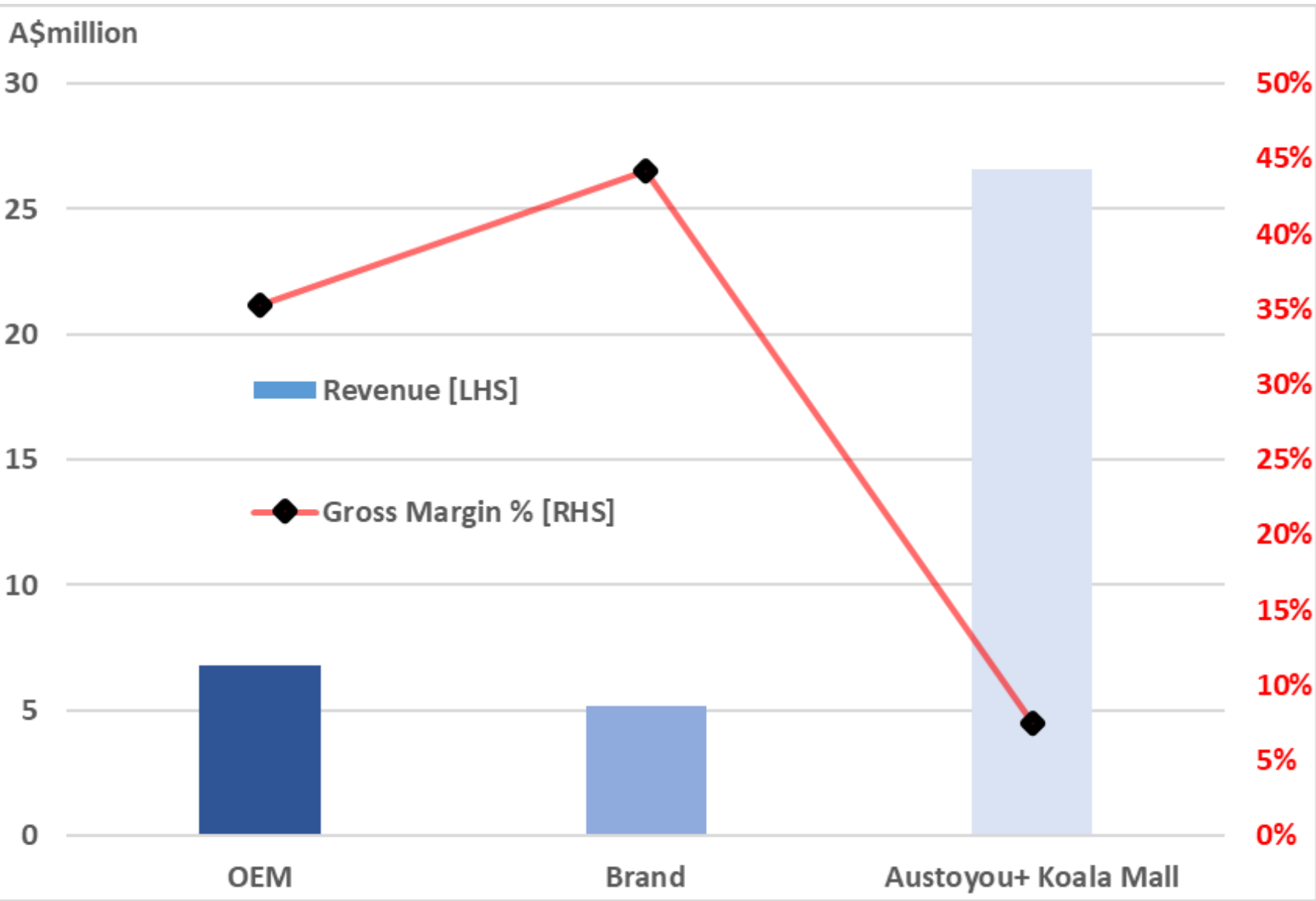


Revenue by Business Units



Strong revenue from the Company owned e-commerce platform and stores (Austoyou & Koala Mall). Whilst OEM and brand sales are stable with high margin.

Revenue Vs Gross Margin %



- Brand sales and OEM have higher gross profit margin, while e-commerce and retail stores have lower gross profit margin
- Net Profit Margin on OEM is higher due to low marketing and overheads costs, while Brand products require spending on marketing costs. Hence future focus on both OEM and ODM will be key to overall improvement in net profit.

To become Australia's market leader in the health supplement manufacturing sector

- ✓ **OEM manufacturing competency with Focus on ODM** – Operational since 2004, long history of profitability
- ✓ **Licenses & Approvals** – TGA, GMP and Dairy
- ✓ **Investment Capital** – budgeted more than \$22million to invest in manufacturing, laboratory and R&D facilities
- ✓ **Experienced Management Team** – invaluable management team to execute the growth

GROWTH STRATEGY – 6 PILLARS

STARCOMBO

Strengthen the focus in R&D

- Commercialise new products for clients, via ODM service
- Establish inhouse testing laboratory function

Invest in Production Capacity to achieve Economies of Scale

- New production lines to be set up to improve production turn around times
- With the higher volume of production, achieving economies of scale

Increase Service Offering

- Maintain high quality standards of manufacturing and production
- Focus on strong customer service and support to improve customer satisfaction

Sustain Price Competitiveness

- With the economies of scale to deliver competitive pricing on products
- Increase value proposition to deliver value for money to our clients

Addition to Sales Team

- Provide more targeted client segmentation and management
- Deliver on validated customer needs

Expansion of Current Site

- 15,000m² purpose built and regulated facility, expansion of current facility to significantly increase production capacity by 2021
- Acquisition and development of new building facility to further increase production capacity

Goldenmax - Partnering with largest shareholder in Star Combo Pharma.

- Shenzhen listed company (002636) with a market cap of CNY ¥6billion
- Core business in manufacturing of copper clad laminates and pharmaceutical materials in China
- Access to Goldenmax's sales and marketing expertise
- Access to an extensive distribution network in China
- Access to Goldenmax's experience in manufacturing
- Streamline Star Combo OEM production to increase revenue and profit margins

GDM 金安国纪

CAPITAL INVESTMENT



Significant investment to boost Star Combo to be Australia’s market leader in the health supplement manufacturing sector

Investment Plan	A\$M
New Manufacturing Facility at current location to finish 2021	10-13
New Site Development of new facilities to finish 2022	5-7
New Research and Development center to finish 2022	3-5

- The production capacity for Star Combo is expected to significantly increase by 2021
- The expansion of facilities on the existing site and the new site is projected to be completed in 2022
- The facilities are currently licensed to manufacture:
 - Liquid
 - Powder – tins and sachets
 - Soft gel capsule
 - Hard gel capsule
 - Tablet
 - Cream/lotion





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Investor Relations

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THANK YOU