



# Celltrion Healthcare

1Q 2019 Earnings Presentation



# **1Q 2019 Business Results & Current Status**

# 1Q 2019 Annual Business Results

- ▶ **Revenue** : Revenue of the first quarter surpassed KRW 200bn for the first time as sales volume is normalized which temporarily decreased as part of improving distribution structure
- ▶ **OP** : Despite increases in SG&A year on year due to local recruitment and external consulting costs for preparing direct sales, operating profit turned to profit quarter on quarter thanks to increases in revenue
- ▶ **NP** : While decreased year on year due to one-off gains from disposal of financial assets in 1Q18, net profit turned to profit quarter on quarter benefited by improved operating profit

(KRW bn)	'18.1Q	'18.4Q	'19.1Q	%YoY	%QoQ
<b>Revenue</b>	<b>128.4</b>	<b>188.7</b>	<b>220.5</b>	<b>71.7%</b>	<b>16.9%</b>
Gross Profit (%)	25.6 (19.9%)	-39.4 (-20.9%)	33.9 (15.4%)	32.4% (-4.5%p)	T/P
SG&A (%)	17.1 (13.3%)	29.5 (15.6%)	24.5 (11.1%)	43.3% (-2.2%p)	-16.9% (-4.5%p)
Personnel expenses	3.9	7.8	5.0	28.2%	-35.9%
Advertising expenses	1.2	2.5	0.7	-41.7%	-72.0%
Commissions	2.3	5.5	8.8	282.6%	60.0%
<b>Operating Profit</b> (%)	<b>8.4</b> <b>(6.5%)</b>	<b>-68.9</b> <b>(-36.5%)</b>	<b>9.4</b> <b>(4.3%)</b>	<b>11.9%</b> <b>(-2.2%p)</b>	<b>T/P</b>
<b>EBIT</b>	82.5	-83.1	8.6	-89.6%	T/P
<b>Net Profit</b>	<b>60.5</b>	<b>-66.6</b>	<b>5.8</b>	<b>-90.4%</b>	<b>T/P</b>

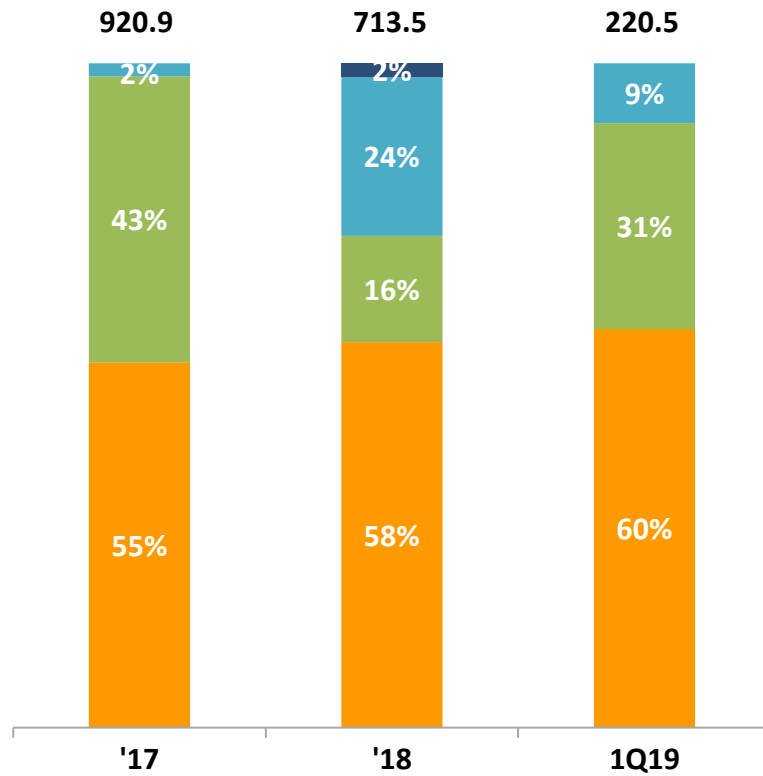
# 1Q 2019 Business Results

## Sales Breakdown

### By Product

(KRW bn)

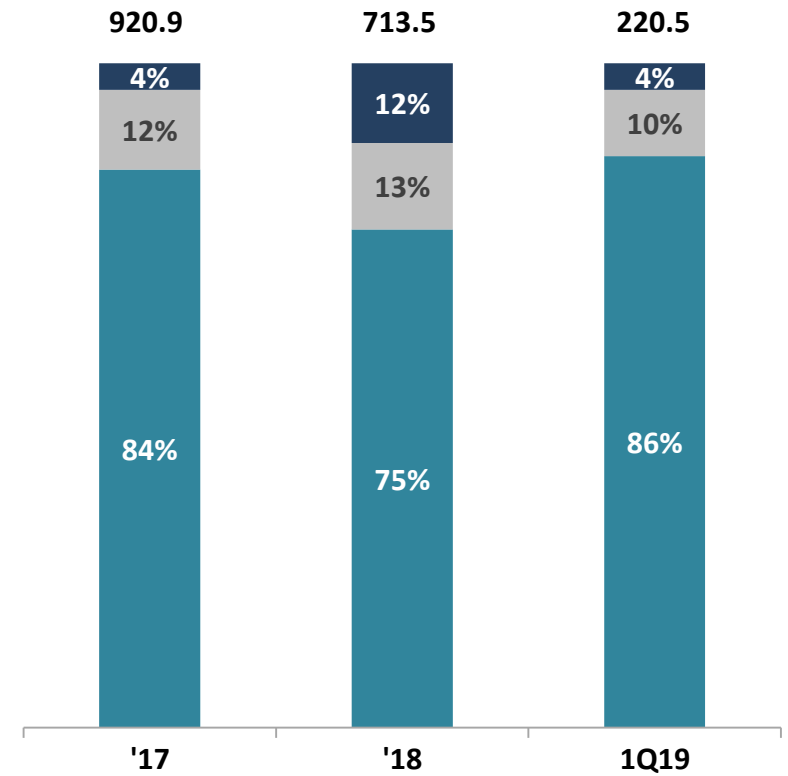
■ Remsima™ / Inflectra™ 
 ■ Truxima™ 
 ■ Herzuma™ 
 ■ Others



### By Region

(KRW bn)

■ Europe 
 ■ N. America 
 ■ Others



# 1Q 2019 Annual Business Results

## Balance Sheet & Cash Flow

### Balance Sheet

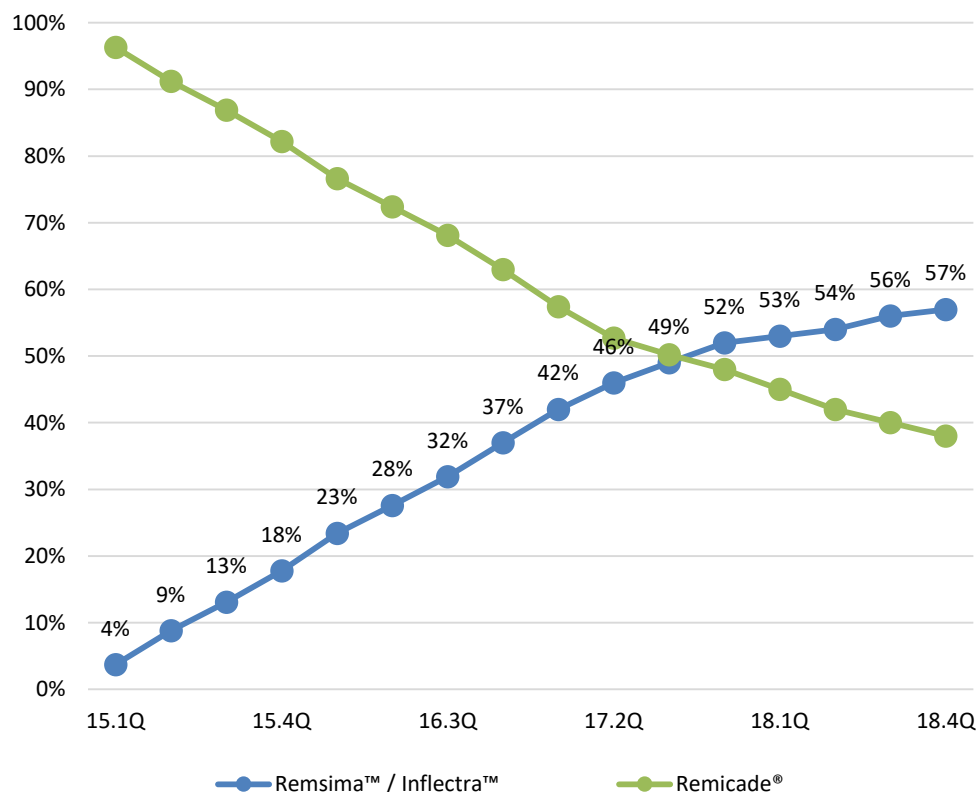
(KRW bn)	'18	1Q19	Change
<b>Total Assets</b>	<b>2,948.6</b>	<b>2,867.9</b>	<b>-80.7</b>
Cash and Cash Equivalents	240.4	399.6	159.2
Short term Financial Assets	330.7	306.6	-24.1
Trade and Other Receivables	405.5	256.3	-149.2
Inventories	1,696.9	1,685.1	-11.8
<b>Total Liabilities</b>	<b>1,313.1</b>	<b>1,247.5</b>	<b>-65.6</b>
<b>Total Equity</b>	<b>1,635.5</b>	<b>1,620.4</b>	<b>-15.1</b>
<b>Debt-to-Equity Ratio</b>	<b>80.3%</b>	<b>77.0%</b>	<b>-3.3%p</b>

### Cash Flow

(KRW bn)	'18	1Q19
<b>Cash at beginning of year</b>	<b>251.4</b>	<b>240.4</b>
<b>Operating / Investing</b>	72.1	83.3
Operating Profit	-25.2	9.4
Working Capital	-127.9	19.8
Short term Financial Assets	195.8	25.9
Others	29.4	28.2
<b>Financing</b>	-83.1	75.9
Borrowings	5.5	91.5
Acquisition of Treasury Stock	-96.2	-15.2
Share issue	7.6	-
Payment of lease liabilities	-	-0.4
<b>Cash at the end of year</b>	<b>240.4</b>	<b>399.6</b>

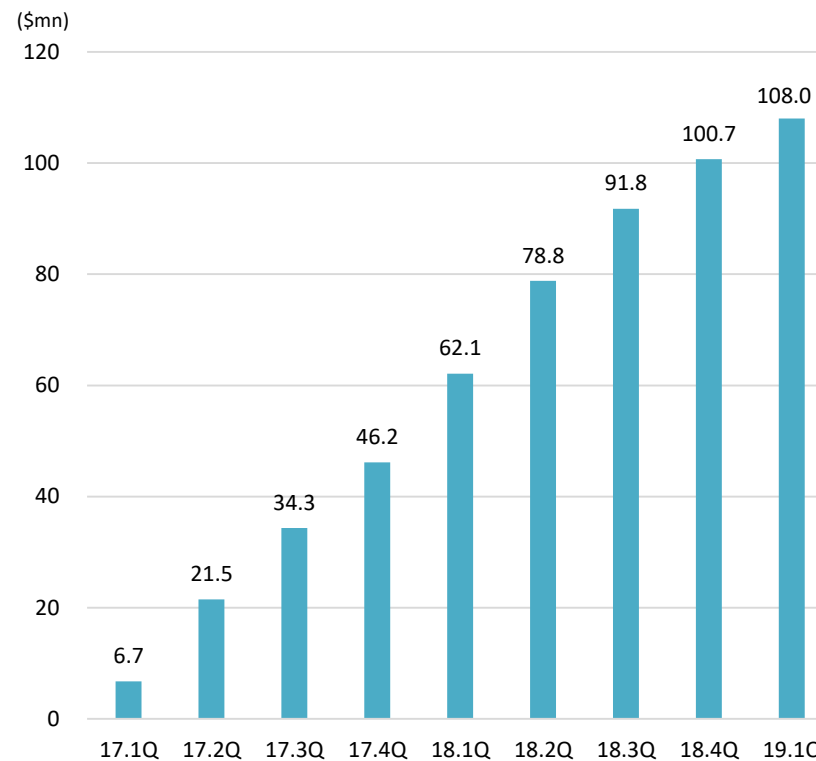
# Current Business Status

## Remsima™ / Inflectra™ market share in Europe



Note: market share is based on volume  
Source : IQVIA

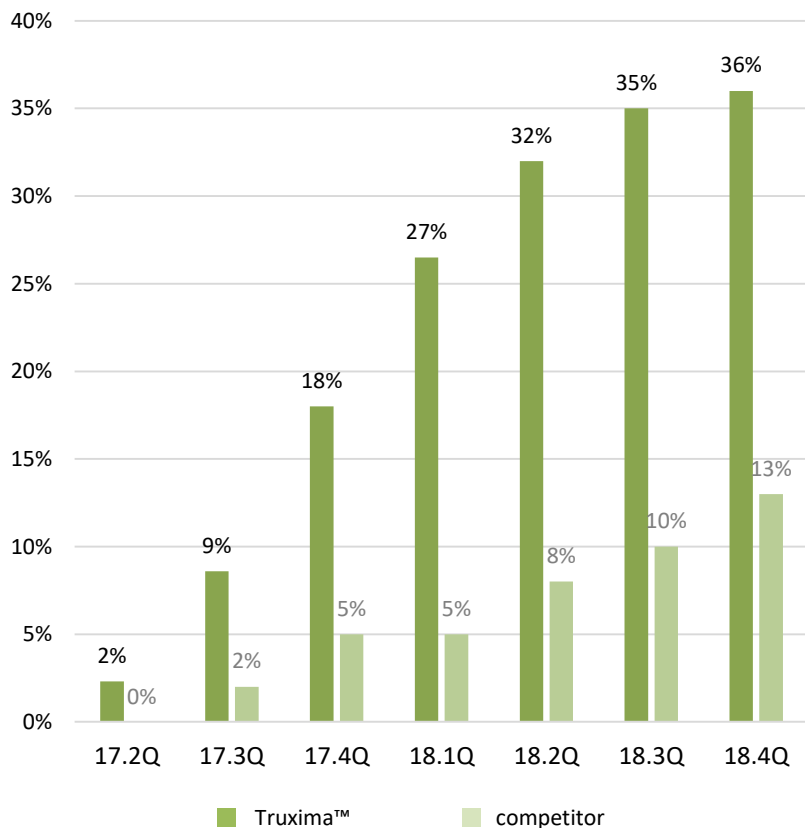
## Inflectra™ prescription sales in US



Note: prescription sales is based on WAC  
Source : Symphony Health

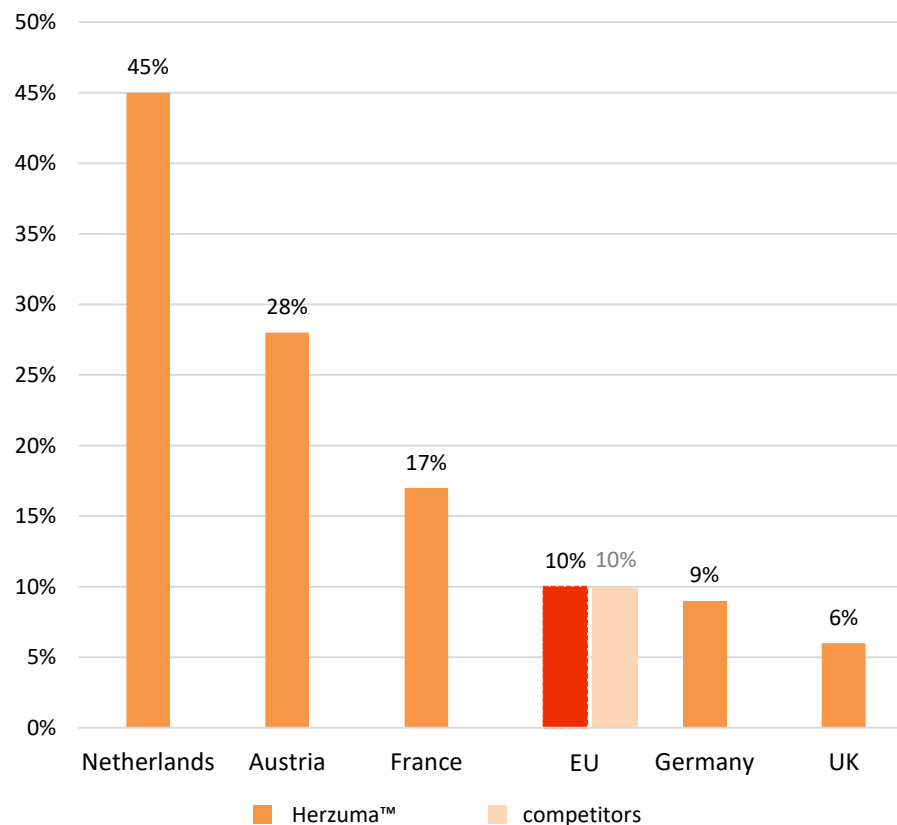
# Current Business Status

### Truxima™ market share in Europe



Source: IQVIA

### Herzuma™ market share in Europe



Source : IQVIA

Note: 1) As of 4Q2018

2) competitors: sum of two competitors(Amgen, Samsung Bioepis)

# Appendix





# Financial Statement

## Summary Income Statement

(KRW bn)	1Q18	2Q18	3Q18	4Q18	1Q19	'17	'18
<b>Revenue</b>	<b>128.4</b>	<b>183.8</b>	<b>212.7</b>	<b>188.7</b>	<b>220.5</b>	<b>920.9</b>	<b>713.5</b>
Cost of Sales	102.8	144.9	168.8	228.1	186.6	696.8	644.6
Gross Profit	25.6	38.8	43.9	(39.4)	33.9	224.1	68.9
SG&A	17.1	23.6	23.8	29.5	24.5	70.5	94.1
<b>Operating Income</b>	<b>8.4</b>	<b>15.2</b>	<b>20.0</b>	<b>(68.9)</b>	<b>9.4</b>	<b>153.7</b>	<b>(25.2)</b>
Non-operating Income	74.1	0.7	(11.0)	(14.2)	(0.8)	52.5	49.6
Financial Income	74.2	10.5	(8.1)	(6.2)	4.9	114.6	70.5
Financial Expenses	(6.4)	(4.7)	(1.6)	(0.6)	5.1	(47.1)	(13.3)
Other Income	11.0	0.9	1.3	0.9	2.1	16.8	14.2
Other Expenses	(4.7)	(6.0)	(2.6)	(8.4)	2.6	(31.8)	(21.7)
<b>Profit (Loss) before Taxes</b>	<b>82.5</b>	<b>16.0</b>	<b>9.1</b>	<b>(83.1)</b>	<b>8.6</b>	<b>206.1</b>	<b>24.4</b>
Tax Expense (Benefit)	(22.0)	(5.0)	(2.7)	16.5	2.8	(48.7)	(13.0)
<b>Net Profit (Loss)</b>	<b>60.5</b>	<b>11.0</b>	<b>6.4</b>	<b>(66.6)</b>	<b>5.8</b>	<b>157.4</b>	<b>11.4</b>

