

May 2020



# Celltrion Healthcare

1Q20 Earnings Presentation



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Section 01

# 1Q20 Business Results

# 1Q20 Business Results

## Income Statement

- ▶ **Revenue** : Improved on both quarterly & yearly basis thanks to sales growth of US Inflectra<sup>®</sup>, Truxima<sup>®</sup> and diversified product portfolio
- ▶ **OP** : Achieved moderate operating profit with high-margin US Inflectra<sup>®</sup> and Truxima<sup>®</sup> accounting for greater portion of the portfolio
- ▶ **NP** : Substantial increase year on year due to the foreign currency translation gains resulted from depreciation in Won as well as gains on valuation of financial assets designated at fair value through profit

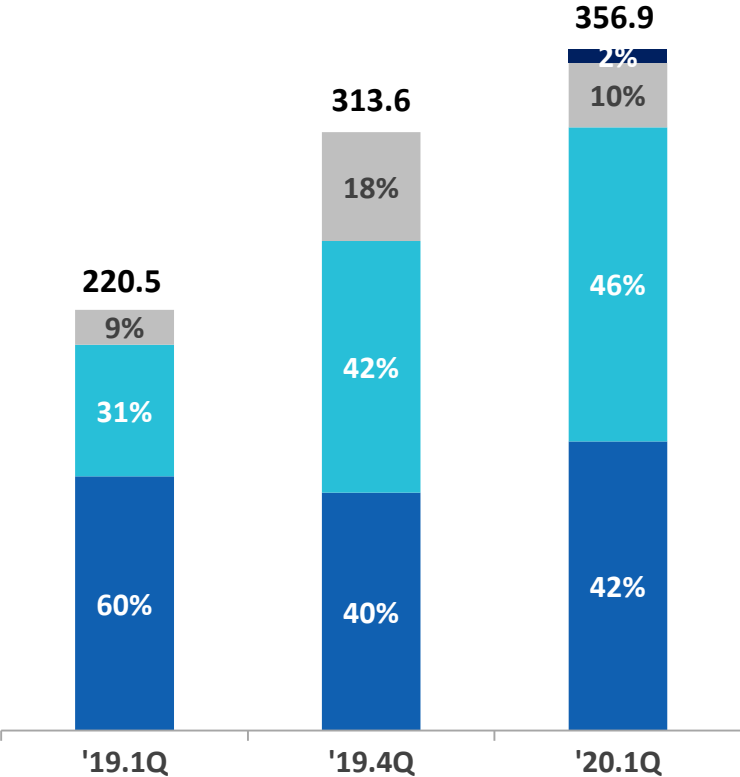
(KRW bn)	'19.1Q	'19.4Q	'20.1Q	%YoY	%QoQ
<b>Revenue</b>	<b>220.5</b>	<b>313.6</b>	<b>356.9</b>	<b>61.9%</b>	<b>13.8%</b>
Gross Profit	33.9	90.1	94.5	178.8%	4.9%
(%)	15.4%	28.7%	26.5%	11.1%p	-2.3%p
SG&A	24.5	47.2	38.7	58.0%	-18.0%
(%)	11.1%	15.1%	10.8%	-0.3%p	-4.2%p
Personnel expenses	5.0	8.4	6.8	36.0%	-19.0%
Research expenses	3.0	6.6	6.4	113.3%	-3.0%
Advertising expenses	0.7	2.5	2.5	257.1%	-
Commissions	8.8	17.8	9.4	6.8%	-47.2%
<b>Operating Profit</b>	<b>9.4</b>	<b>42.8</b>	<b>55.8</b>	<b>493.6%</b>	<b>30.4%</b>
(%)	4.3%	13.6%	15.6%	11.4%p	2.0%p
<b>EBIT</b>	<b>8.6</b>	<b>22.4</b>	<b>98.2</b>	<b>1,041.9%</b>	<b>338.4%</b>
<b>Net Profit</b>	<b>5.8</b>	<b>40.6</b>	<b>76.2</b>	<b>1,213.8%</b>	<b>87.7%</b>

# 1Q20 Business Results

## Sales Breakdown

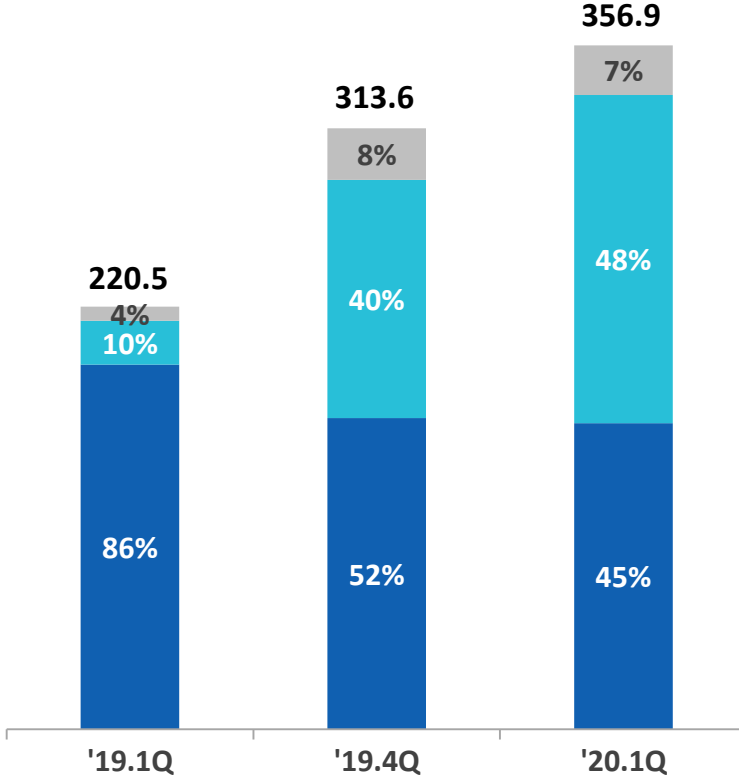
By Product

(Unit: KRW bn)



By Region

(Unit: KRW bn)

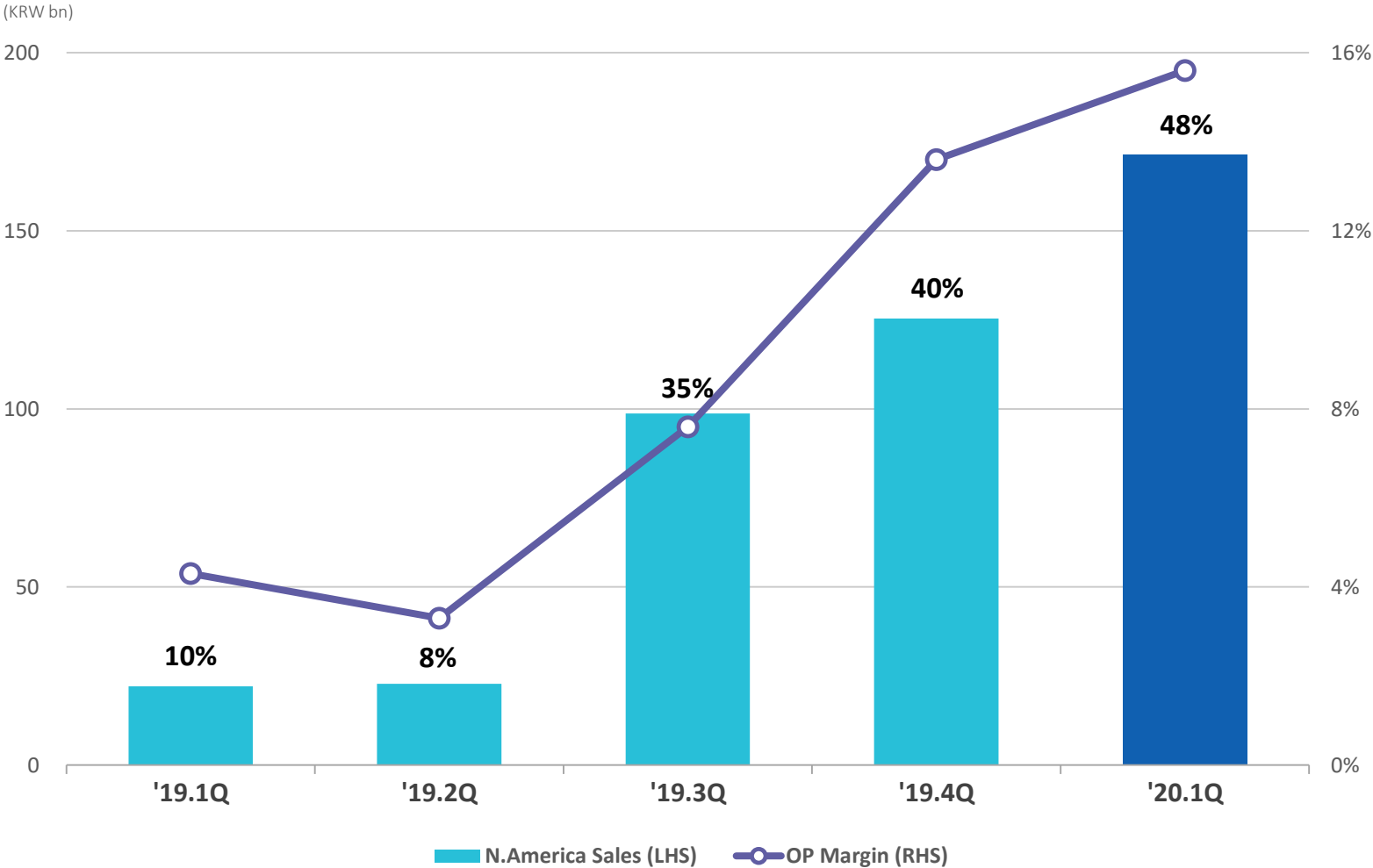


Remsima® / Inflectra®
Truxima®
Herzuma®
Remsima® SC

Europe
N. America
Others

# N.America Sales & OP Margin Trend

N.America sales rise and additional launches of Remsima<sup>®</sup> SC in EU will drive earnings growth



Note: the percentage above each graph represents the share of N. America sales out of total sales

# 1Q20 Business Results

## Balance Sheet & Cash Flow

### Balance Sheet

(KRW bn)	'19	'20.1Q	Change
<b>Total Assets</b>	<b>2,848.9</b>	<b>3,116.5</b>	<b>267.6</b>
Cash and Cash Equivalents	297.0	244.6	-52.4
Short Term Financial Assets	160.6	245.9	85.3
Trade and Other Receivables	390.0	404.8	14.8
Inventories	1,623.6	1,693.6	70.0
<b>Total Liabilities</b>	<b>1,183.0</b>	<b>1,373.8</b>	<b>190.8</b>
<b>Total Equity</b>	<b>1,665.9</b>	<b>1,742.7</b>	<b>76.8</b>
<b>Debt-to-Equity Ratio</b>	<b>71.0%</b>	<b>78.8%</b>	<b>7.8%p</b>

### Cash Flow

(KRW bn)	'19	'20.1Q
<b>Cash at beginning of year</b>	<b>240.4</b>	<b>297.0</b>
<b>Operating</b>	<b>-193.4</b>	<b>31.9</b>
Operating profit	82.8	55.8
Working capital	-221.1	-30.3
Others	-55.1	6.4
<b>Investing</b>	<b>164.2</b>	<b>-84.2</b>
Short term financial assets	176.0	-84.2
Others	-11.8	-
<b>Financing</b>	<b>85.8</b>	<b>-0.1</b>
Borrowing and redemption	95.7	-
Share buyback	-17.9	-
Share issue	9.7	0.5
Others	-1.7	-0.6
<b>Cash at the end of year</b>	<b>297.0</b>	<b>244.6</b>

Section 02

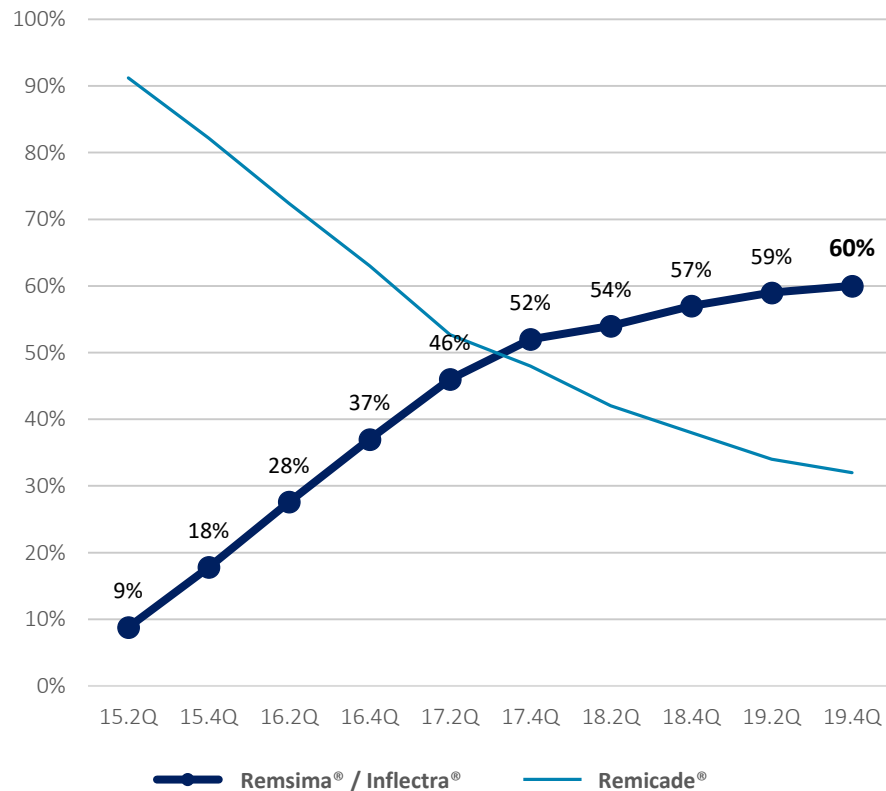
# Key Business Performance



# Key Business Performance

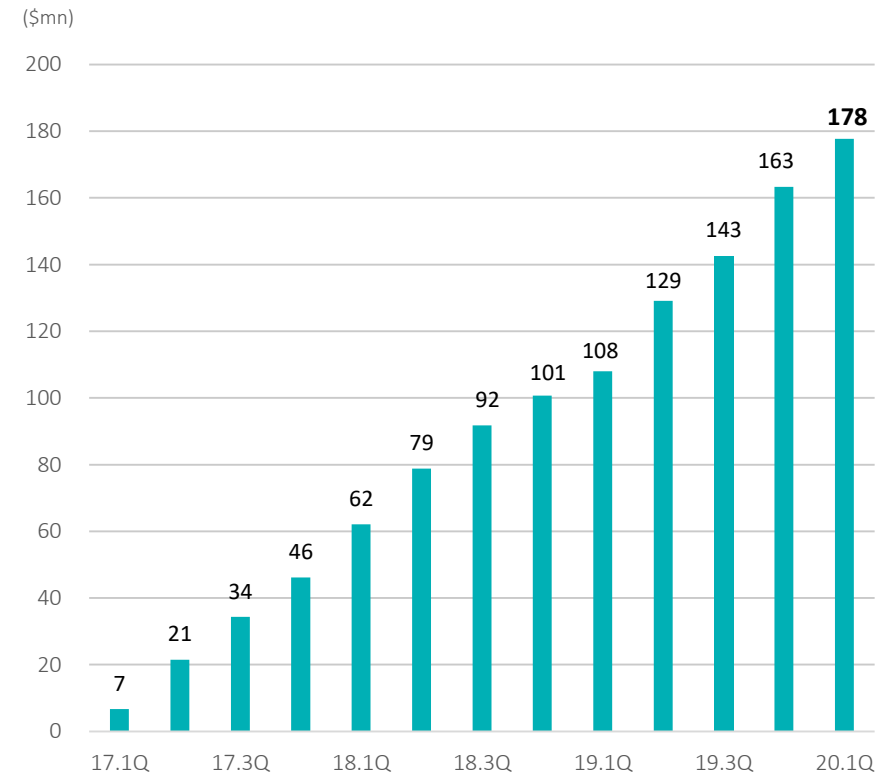
- ✓ Achieved 60% of market share of total EU Infliximab market, maintaining a leading position as the most prescribed Infliximab product
- ✓ Acceleration of prescription in the US led to US sales increase

Remsima®/Inflectra® Market Share in Europe



Note: market share is based on volume  
Source : IQVIA

Inflectra® Prescription Sales in the US

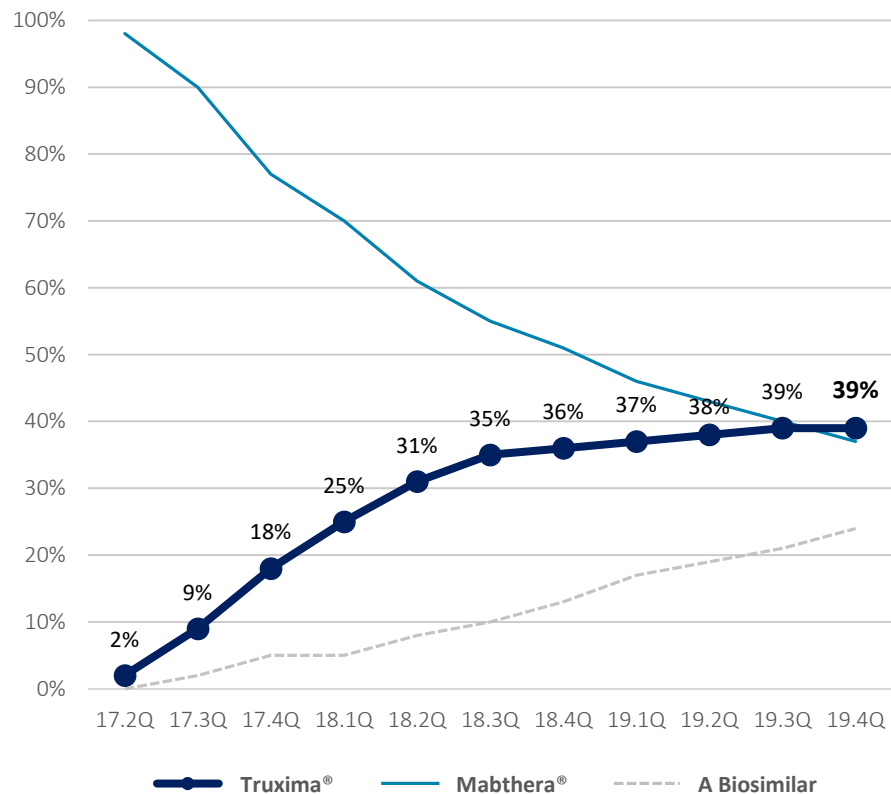


Note: prescription sales is based on WAC  
Source : Symphony Health

# Key Business Performance

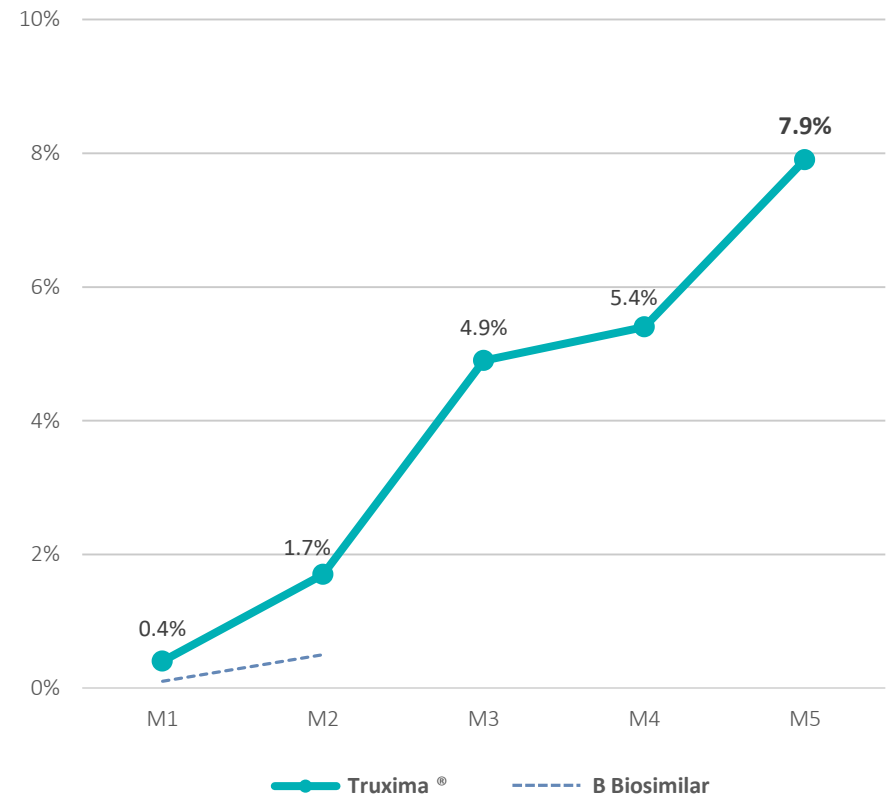
- ✓ Surpassed Rituxan®'s market share & Became the most prescribed Rituximab product in EU
- ✓ Got off to a good start achieving 7.9% of market share only in 5 months of its launch in the US

Truxima® Market Share in Europe



Note: market share is based on volume  
Source : IQVIA

Truxima® Market Share in the US

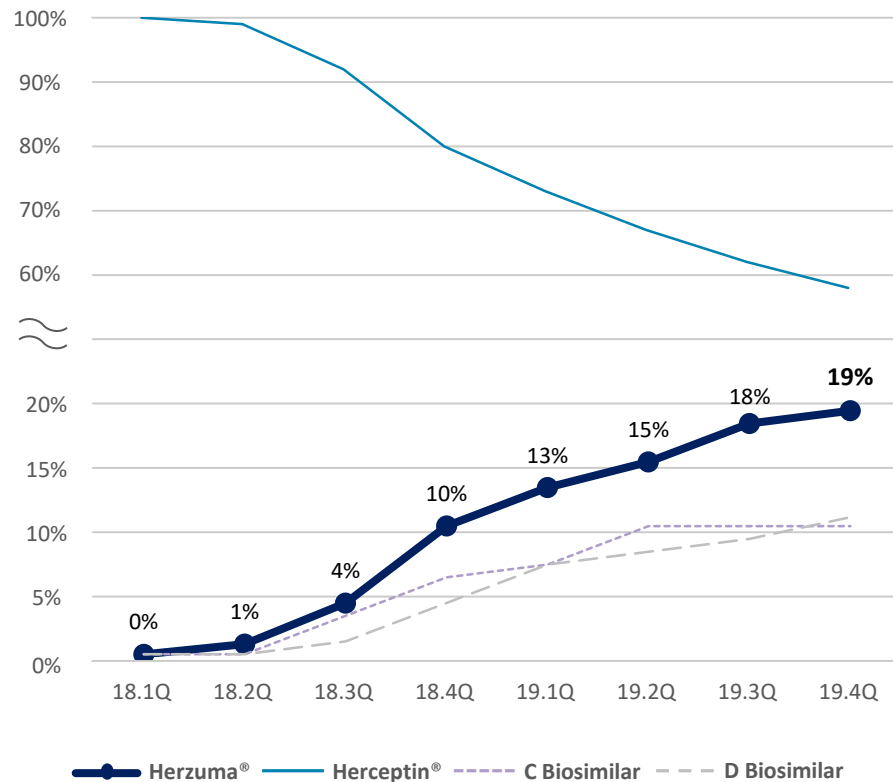


Note: market share is based on unit  
Source : Symphony Health

# Key Business Performance

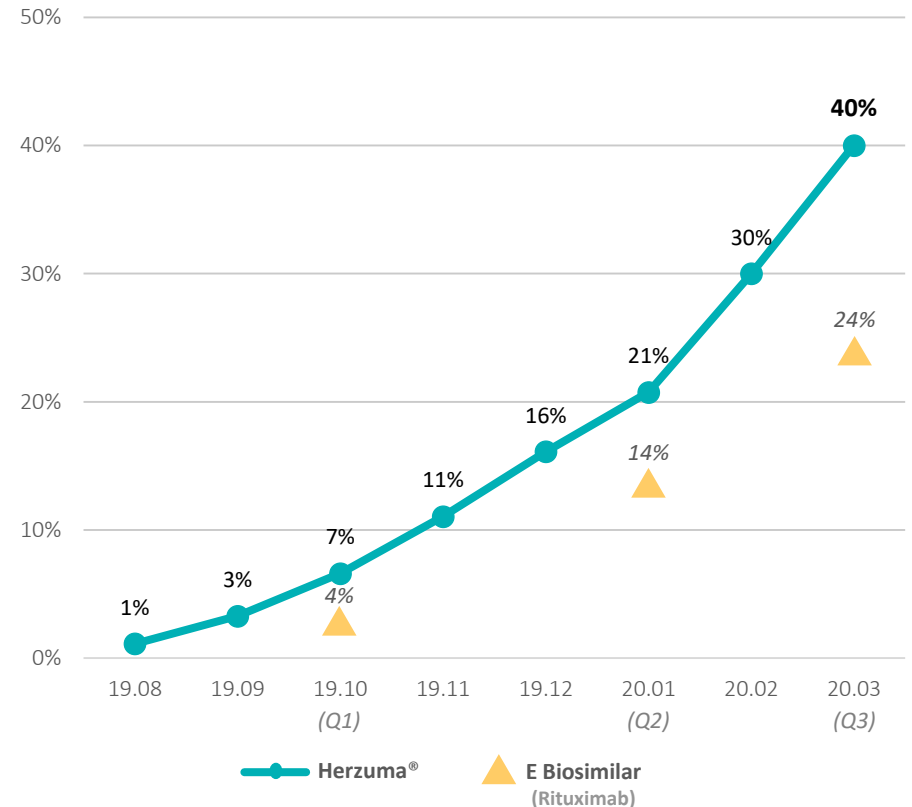
- ✓ Despite intensified competition, retaining the highest market share among Herceptin® biosimilars launched in EU
- ✓ Successfully launched in the US market in March & Exceeded 40% of market share in Japan

Herzuma® Market Share in Europe



Note: market share is based on volume  
Source : IQVIA

Herzuma® Market Share in Japan



Note: 1) market share of E Biosimilar at every quarter  
2) market share is based on volume  
Source : Symphony Health

# Appendix

# Summary Income Statement

(KRW bn)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	'17	'18	'19
<b>Revenue</b>	<b>128.4</b>	<b>183.8</b>	<b>212.7</b>	<b>188.7</b>	<b>220.5</b>	<b>284.8</b>	<b>282.0</b>	<b>313.6</b>	<b>356.9</b>	<b>920.9</b>	<b>713.5</b>	<b>1,100.9</b>
Cost of Sales	102.8	144.9	168.8	228.1	186.6	248.3	233.1	223.5	262.4	696.8	644.6	891.6
Gross Profit	25.6	38.8	43.9	(39.4)	33.9	36.4	48.9	90.1	94.5	224.1	68.9	209.3
SG&A	17.1	23.6	23.8	29.5	24.5	27.2	27.6	47.2	38.7	70.5	94.1	126.5
<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>9.3</b>	<b>21.3</b>	<b>42.8</b>	<b>55.8</b>	<b>153.7</b>	<b>(25.2)</b>	<b>82.8</b>
Non-operating Income	74.1	0.7	(11.0)	(14.2)	(0.8)	8.7	5.1	(19.8)	42.4	52.5	49.6	(6.7)
Financial Income	74.2	10.5	(6.3)	(6.2)	4.9	6.8	7.3	1.0	22.8	114.6	70.5	20.0
Financial Expenses	6.4	4.7	3.4	0.6	5.1	13.6	5.9	4.9	7.4	47.1	13.3	29.5
Other Income	11.0	0.9	4.0	0.9	2.1	16.3	10.2	(7.8)	32.5	16.8	14.2	20.8
Other Expenses	4.7	6.0	5.3	8.4	2.6	0.8	6.5	8.1	5.5	31.8	21.7	18.0
<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>18.0</b>	<b>26.4</b>	<b>22.4</b>	<b>98.2</b>	<b>206.1</b>	<b>24.4</b>	<b>75.4</b>
Tax Expense (Benefit)	22.0	5.0	2.7	(16.5)	2.8	9.5	16.3	(18.2)	22.0	48.7	13.0	10.4
<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>8.5</b>	<b>10.1</b>	<b>40.6</b>	<b>76.2</b>	<b>157.4</b>	<b>11.4</b>	<b>65.0</b>

**Thank You**