

Aug 2019



# Celltrion Healthcare

2Q 2019 Earnings Presentation



# **2Q 2019 Business Results & Current Status**

# 2Q 2019 Business Results

## Income Statement

- ▶ **Revenue** : Recorded highest-ever first half year sales exceeding KRW 500bn thanks to the stable prescription sales for Remsima® along with steady rise in sales of Truxima® and Herzuma®
- ▶ **OP** : Realized moderate operating profit contributed by the stabilization in EU sales price in spite of ongoing negotiation with partners, while experiencing decrease on a year on year basis owing to the gains from disposal of domestic sales rights in 2Q18
- ▶ **NP** : Increased on a quarter on quarter basis thanks to the foreign currency translation gain resulted from depreciation in Won

(KRW bn)	'18.2Q	'19.1Q	'19.2Q	%YoY	%QoQ
<b>Revenue</b>	<b>183.8</b>	<b>220.5</b>	<b>284.8</b>	<b>55.0%</b>	<b>29.2%</b>
Gross Profit (%)	38.8 (21.1%)	33.9 (15.4%)	36.4 (12.8%)	-6.2% (-8.3%p)	7.4% (-2.6%p)
SG&A (%)	23.6 (12.8%)	24.5 (11.1%)	27.2 (9.6%)	15.3% (-3.2%p)	11.0% (-1.5%p)
Personnel expenses	4.2	5.0	5.0	19.0%	0.0%
Advertising expenses	3.5	0.7	2.3	-34.3%	228.6%
Commissions	4.7	8.8	5.4	14.9%	-38.6%
<b>Operating Profit</b> (%)	<b>15.2</b> <b>(8.3%)</b>	<b>9.4</b> <b>(4.3%)</b>	<b>9.3</b> <b>(3.3%)</b>	<b>-38.8%</b> <b>(-5.0%p)</b>	<b>-1.1%</b> <b>(-1.0%p)</b>
<b>EBIT</b>	16.0	8.6	18.0	12.5%	109.3%
<b>Net Profit</b>	<b>11.0</b>	<b>5.8</b>	<b>8.5</b>	<b>-22.7%</b>	<b>46.6%</b>

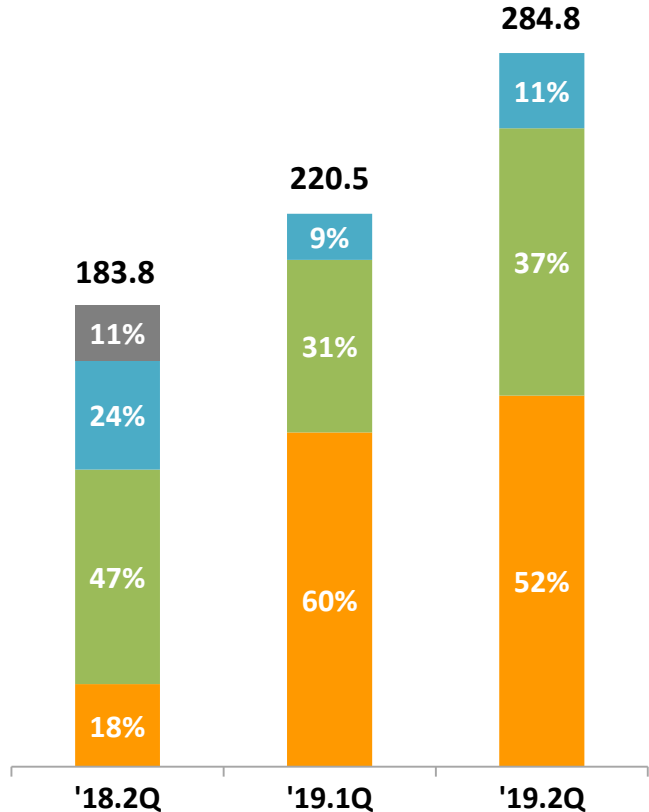
# 2Q 2019 Business Results

## Sales Breakdown

### By Product

(KRW bn)

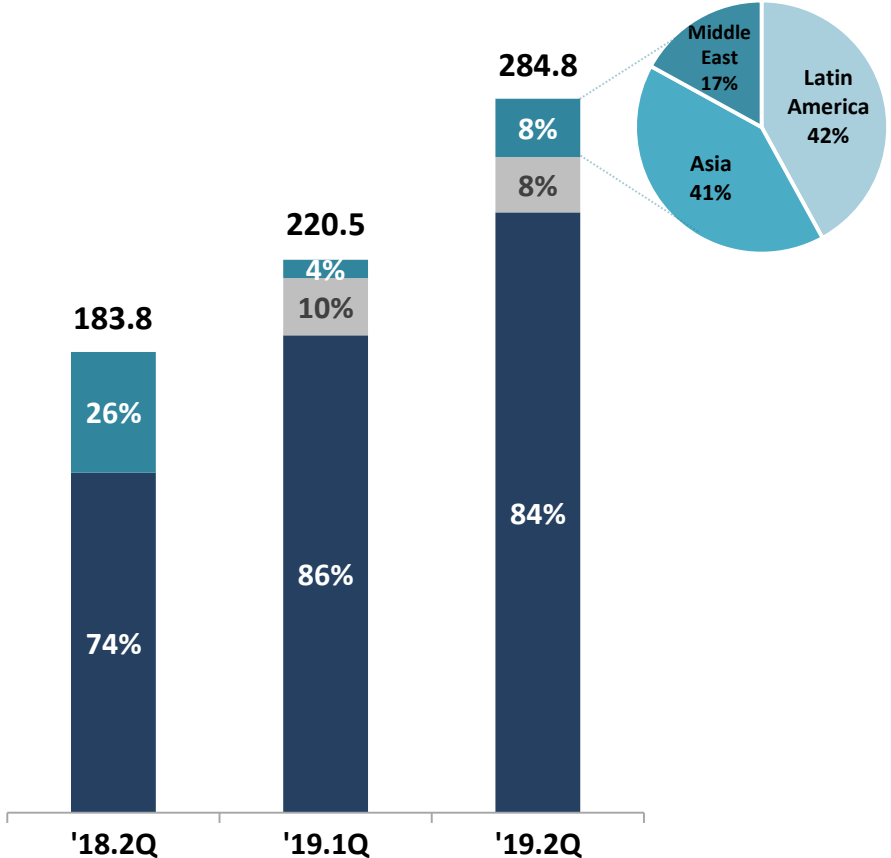
■ Remsima® / Inflectra® 
 ■ Truxima® 
 ■ Herzuma® 
 ■ Others



### By Region

(KRW bn)

■ Europe 
 ■ N. America 
 ■ Others



# 2Q 2019 Business Results

## Balance Sheet & Cash Flow

### Balance Sheet

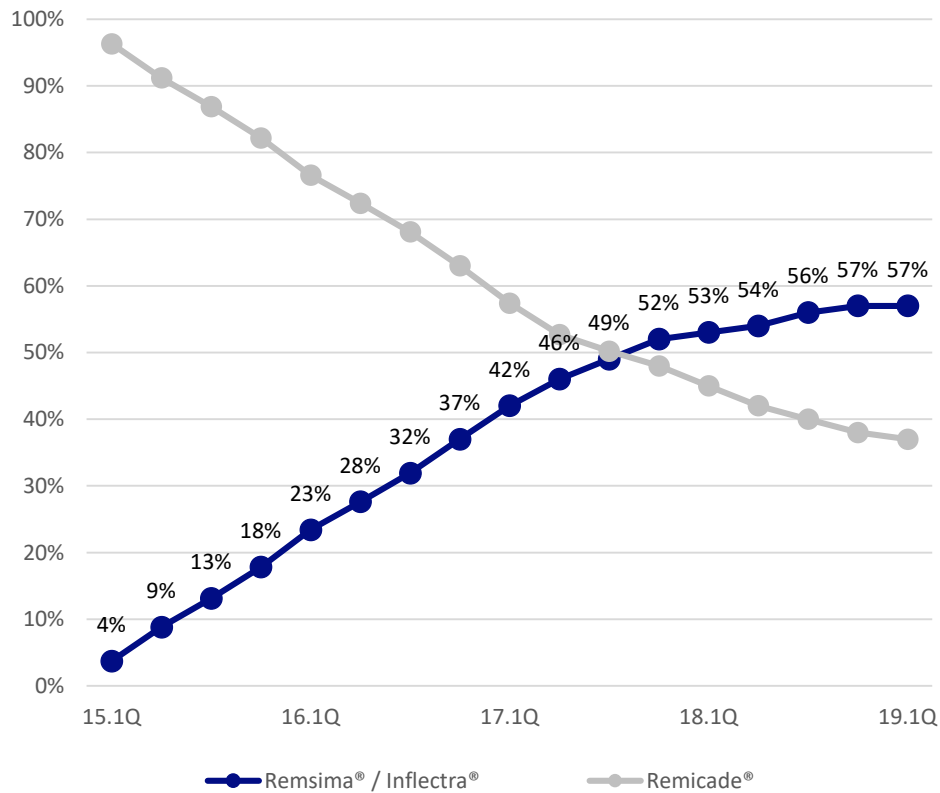
(KRW bn)	'18	'19.2Q	Change
<b>Total Assets</b>	<b>2,948.6</b>	<b>2,938.6</b>	<b>-10.0</b>
Cash and Cash Equivalents	240.4	295.6	+55.2
Short term Financial Assets	330.7	410.7	+80.0
Trade and Other Receivables	405.5	343.4	-62.1
Inventories	1,696.9	1,628.8	-68.1
<b>Total Liabilities</b>	<b>1,313.1</b>	<b>1,309.3</b>	<b>-3.8</b>
<b>Total Equity</b>	<b>1,635.5</b>	<b>1,629.3</b>	<b>-6.2</b>
<b>Debt-to-Equity Ratio</b>	<b>80.3%</b>	<b>80.4%</b>	<b>+0.1%p</b>

### Cash Flow

(KRW bn)	'18	'19.2Q
<b>Cash at beginning of year</b>	<b>251.4</b>	<b>240.4</b>
<b>Operating</b>	<b>-180.9</b>	<b>51.8</b>
Operating Profit	-25.2	20.5
Working Capital	-127.9	89.5
Others	-27.8	-58.2
<b>Investing</b>	<b>253.0</b>	<b>-82.1</b>
Short term Financial Assets	195.8	-76.2
Others	57.2	-5.9
<b>Financing</b>	<b>-83.1</b>	<b>85.5</b>
Borrowing and redemption	5.5	95.7
Share buyback	-96.2	-17.8
Share issue	7.6	7.6
<b>Cash at the end of year</b>	<b>240.4</b>	<b>295.6</b>

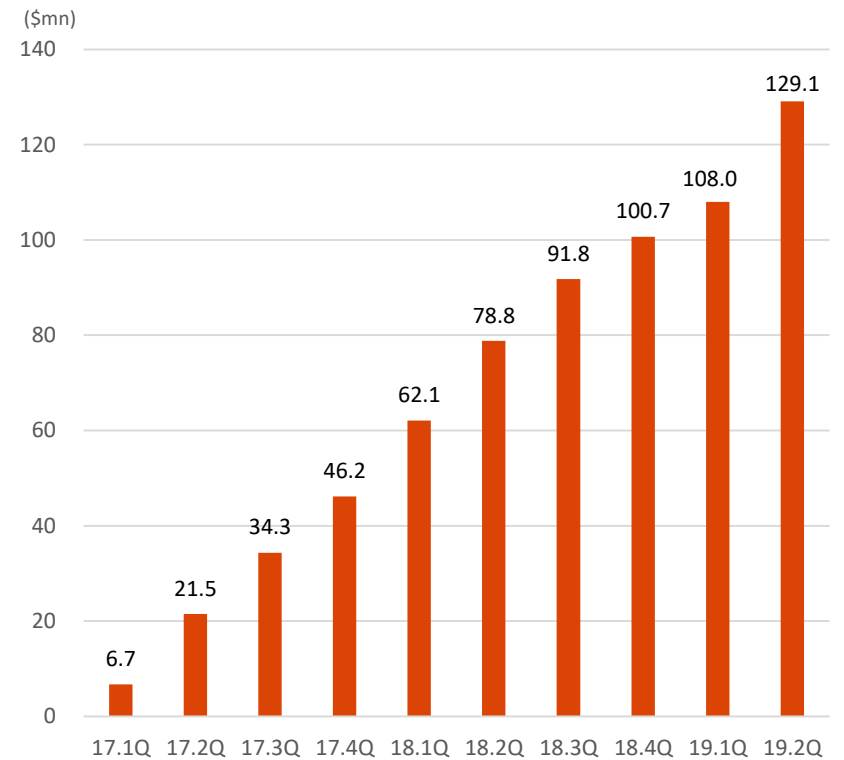
# Current Business Status

## Remsima®/Inflectra® market share in Europe



Note: market share is based on volume  
Source : IQVIA

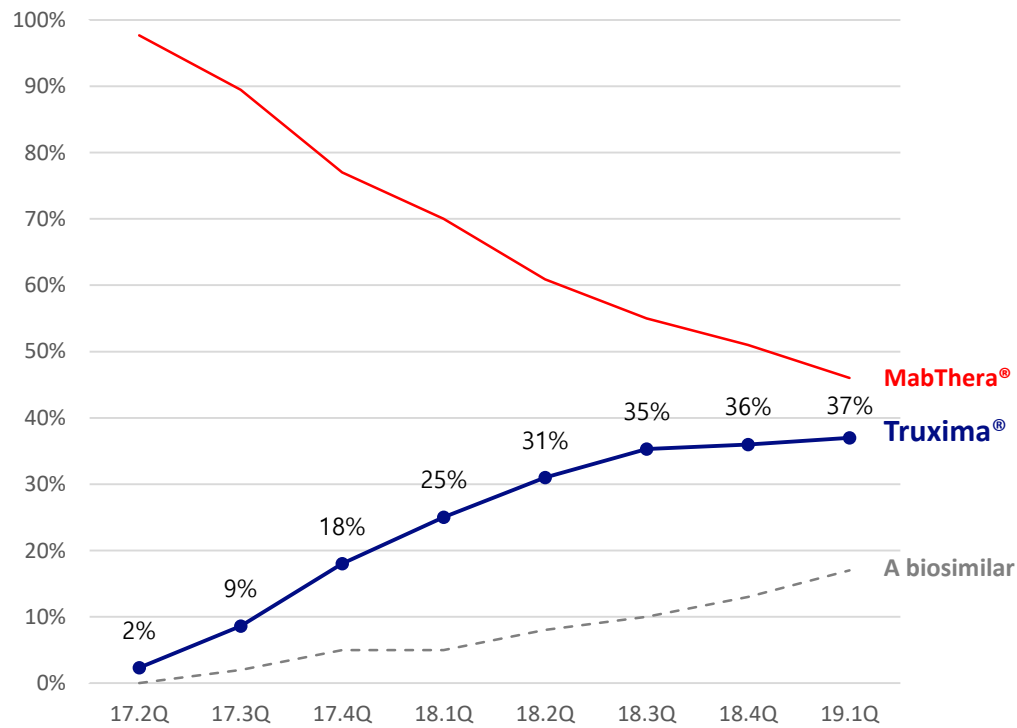
## Inflectra® prescription sales in the US



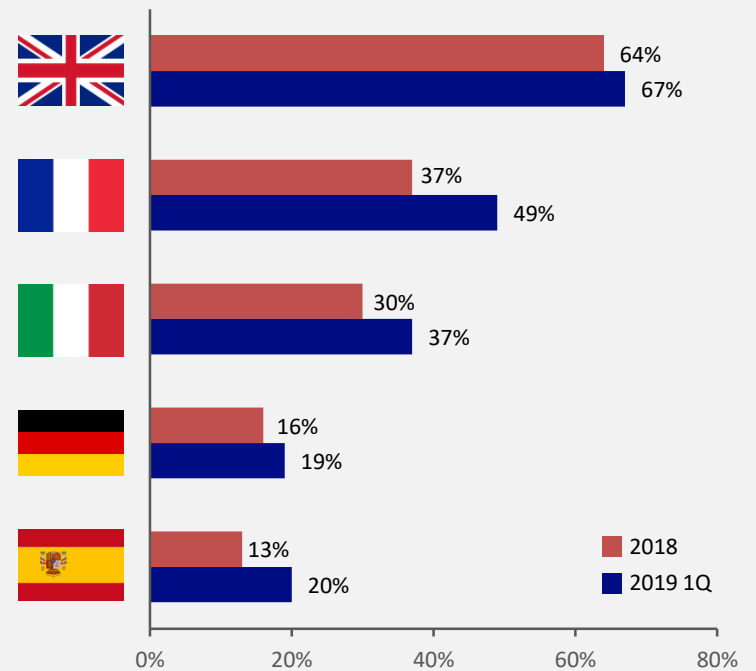
Note: prescription sales is based on WAC  
Source : Symphony Health

# Current Business Status

## Truxima® market share in Europe



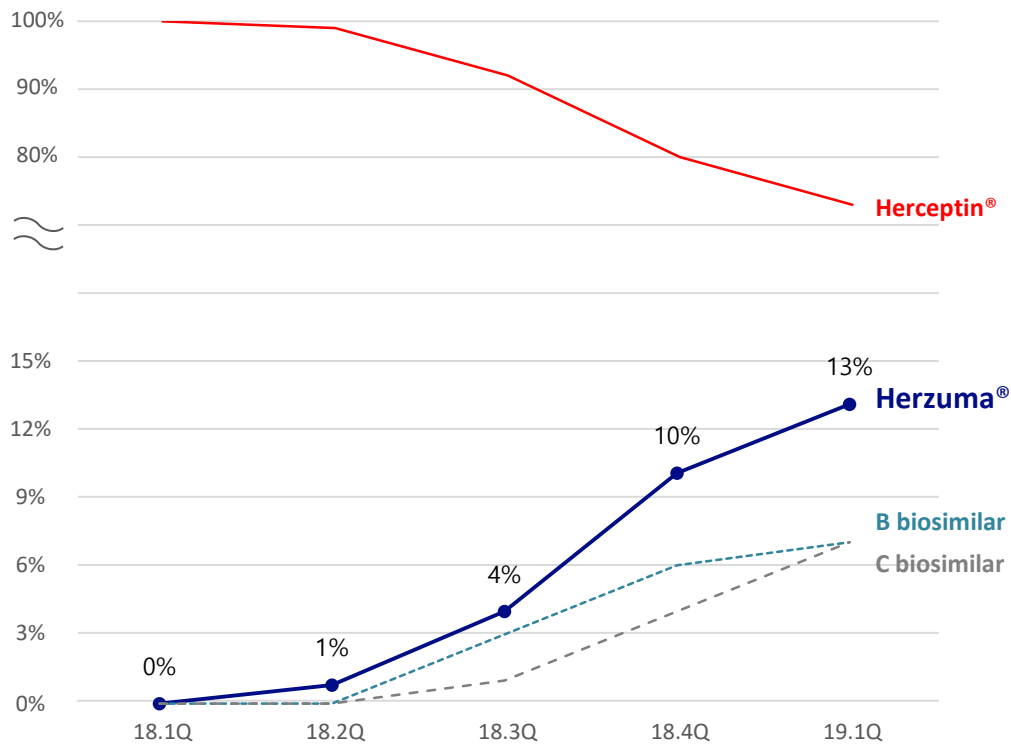
## Market share in EU5



Note: market share is based on volume  
Source : IQVIA

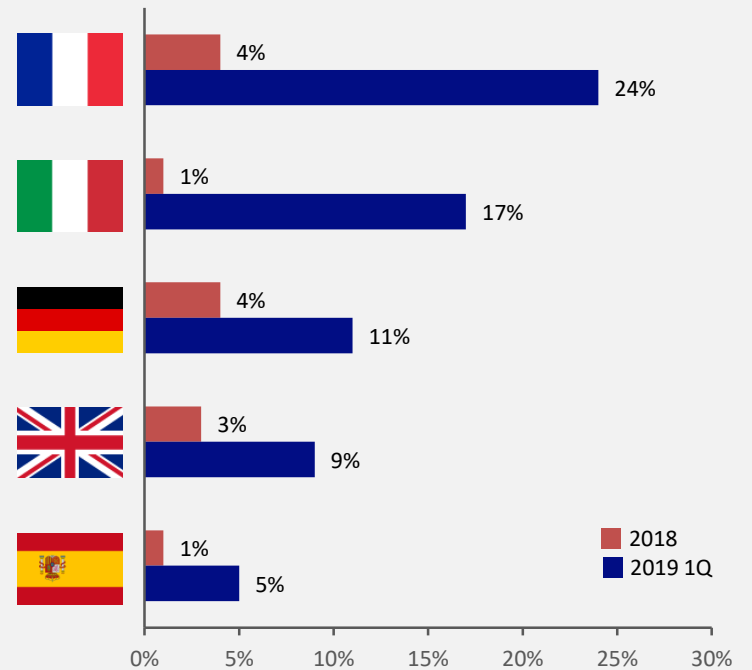
# Current Business Status

## Herzuma® market share in Europe



Note: market share is based on volume  
Source : IQVIA

## Market share in EU5





# Appendix



# Summary Income Statement

(KRW bn)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	'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>284.8</b>	<b>920.9</b>	<b>713.5</b>
Cost of Sales	102.8	144.9	168.8	228.1	186.6	248.3	696.8	644.6
Gross Profit	25.6	38.8	43.9	(39.4)	33.9	36.4	224.1	68.9
SG&A	17.1	23.6	23.8	29.5	24.5	27.2	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>9.3</b>	<b>153.7</b>	<b>(25.2)</b>
Non-operating Income	74.1	0.7	(11.0)	(14.2)	(0.8)	8.7	52.5	49.6
Financial Income	74.2	10.5	(8.1)	(6.2)	4.9	6.8	114.6	70.5
Financial Expenses	(6.4)	(4.7)	(1.6)	(0.6)	5.1	(13.6)	(47.1)	(13.3)
Other Income	11.0	0.9	1.3	0.9	2.1	16.3	16.8	14.2
Other Expenses	(4.7)	(6.0)	(2.6)	(8.4)	(2.6)	(0.8)	(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>18.0</b>	<b>206.1</b>	<b>24.4</b>
Tax Expense (Benefit)	(22.0)	(5.0)	(2.7)	16.5	2.8	9.5	(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>8.5</b>	<b>157.4</b>	<b>11.4</b>

