



# Celltrion Healthcare

## 3Q21 Earnings Presentation



# Contents

Section 01. **3Q21 Business Results**

Section 02. **Key Business Performance**

Appendix

Section 01

# 3Q21 Business Results

# 3Q21 Business Results

## Income Statement

- ▶ **Revenue** : Sales of Inflectra® more than doubled QoQ thanks to additional listings by private payers while witnessing stable sales in Europe. However, overall revenue declined temporarily due to supply control and price adjustments reflecting end-market situation of U.S. Truxima®
- ▶ **OP** : Declined temporarily due to deterioration of COGS to sales ratio as a result of the price adjustments of the U.S. Truxima®
- ▶ **NP** : Decreased QoQ and YoY owing to the reduction in operating profits

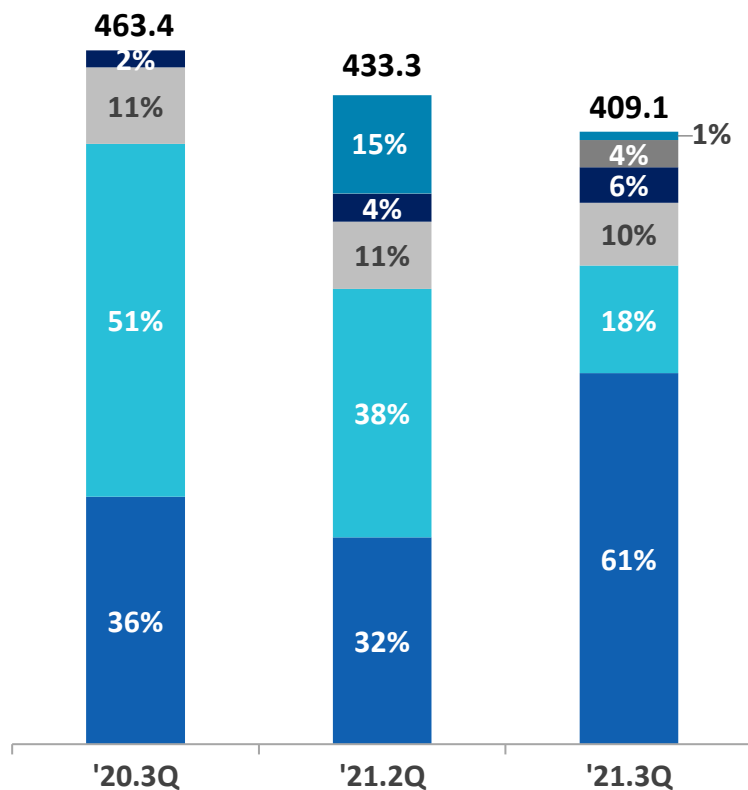
(KRW bn)	'20.3Q	'21.2Q	'21.3Q	%YoY	%QoQ
<b>Revenue</b>	<b>463.4</b>	<b>433.3</b>	<b>409.1</b>	<b>-11.7%</b>	<b>-5.6%</b>
Gross Profit	174.0	127.1	74.7	-57.1%	-41.2%
(%)	37.5%	29.3%	18.3%	-19.2%p	-11.0%p
SG&A	46.3	50.9	52.7	13.8%	3.5%
(%)	10.0%	11.7%	12.9%	2.9%p	1.2%p
Personnel expenses	8.8	10.5	12.1	37.5%	15.2%
Research expenses	7.3	6.5	5.5	-24.7%	-15.4%
Advertising expenses	2.1	4.2	3.0	42.9%	-28.6%
Commissions	16.5	13.9	14.9	-9.7%	7.2%
<b>Operating Profit</b>	<b>127.7</b>	<b>76.2</b>	<b>22.0</b>	<b>-82.8%</b>	<b>-71.1%</b>
(%)	27.6%	17.6%	5.4%	-22.2%p	-12.2%p
<b>EBIT</b>	<b>120.6</b>	<b>87.8</b>	<b>52.5</b>	<b>-56.5%</b>	<b>-40.2%</b>
<b>Net Profit</b>	<b>86.1</b>	<b>63.7</b>	<b>40.6</b>	<b>-52.8%</b>	<b>-36.3%</b>

# 3Q21 Business Results

## Sales Breakdown

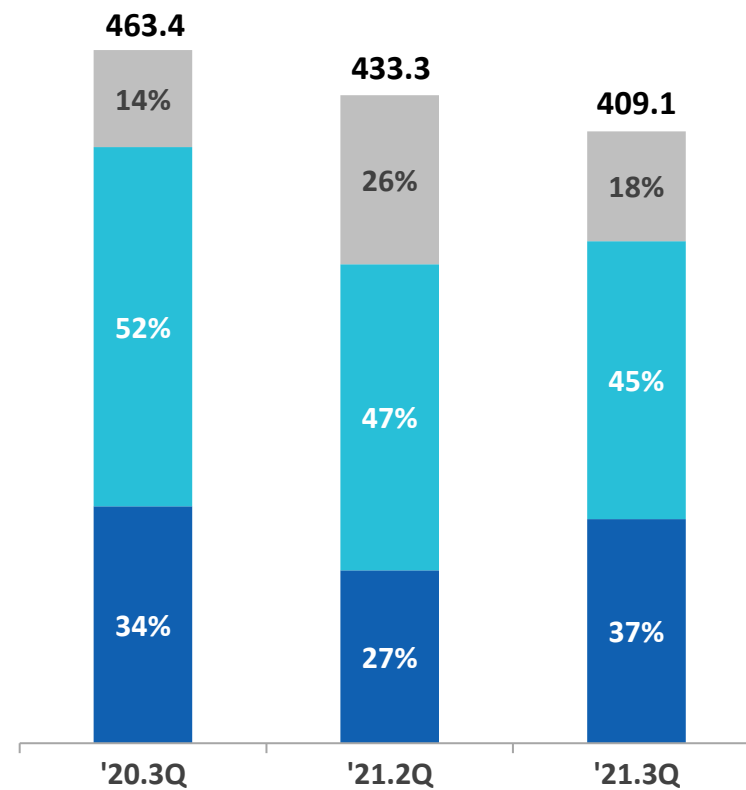
By Product

(Unit: KRW bn)



By Region

(Unit: KRW bn)



Note: Others included Yuflyma®, service fees and etc.

# 3Q21 Business Results

## Balance Sheet & Cash Flow

### Balance Sheet

(KRW bn)	'20	'21.3Q	Change
<b>Total Assets</b>	<b>3,739.7</b>	<b>3,802.7</b>	<b>63.0</b>
Cash and Cash Equivalents	231.5	241.2	9.7
Short Term Financial Assets	295.7	205.8	-89.9
Trade and Other Receivables	409.8	441.5	31.7
Inventories	2,034.6	2,154.9	120.3
<b>Total Liabilities</b>	<b>1,806.8</b>	<b>1,775.3</b>	<b>-31.5</b>
<b>Total Equity</b>	<b>1,932.9</b>	<b>2,027.4</b>	<b>94.5</b>
<b>Debt-to-Equity Ratio</b>	<b>93.5%</b>	<b>87.6%</b>	<b>-5.9%p</b>

### Cash Flow

(KRW bn)	'20	'21.3Q
<b>Cash at beginning of year</b>	<b>297.0</b>	<b>231.5</b>
<b>Operating</b>	<b>-16.9</b>	<b>-138.7</b>
Operating profit	362.1	129.7
Working capital	-384.6	-241.2
Others	5.6	-27.2
<b>Investing</b>	<b>-136.2</b>	<b>66.7</b>
Short term financial assets	-132.5	92.4
Others	-3.7	-25.7
<b>Financing</b>	<b>87.6</b>	<b>81.7</b>
Borrowing and redemption	80.1	92.8
Share buyback	-2.9	-11.6
Share issue	12.9	2.8
Others	-2.5	-2.3
<b>Cash at the end of year</b>	<b>231.5</b>	<b>241.2</b>

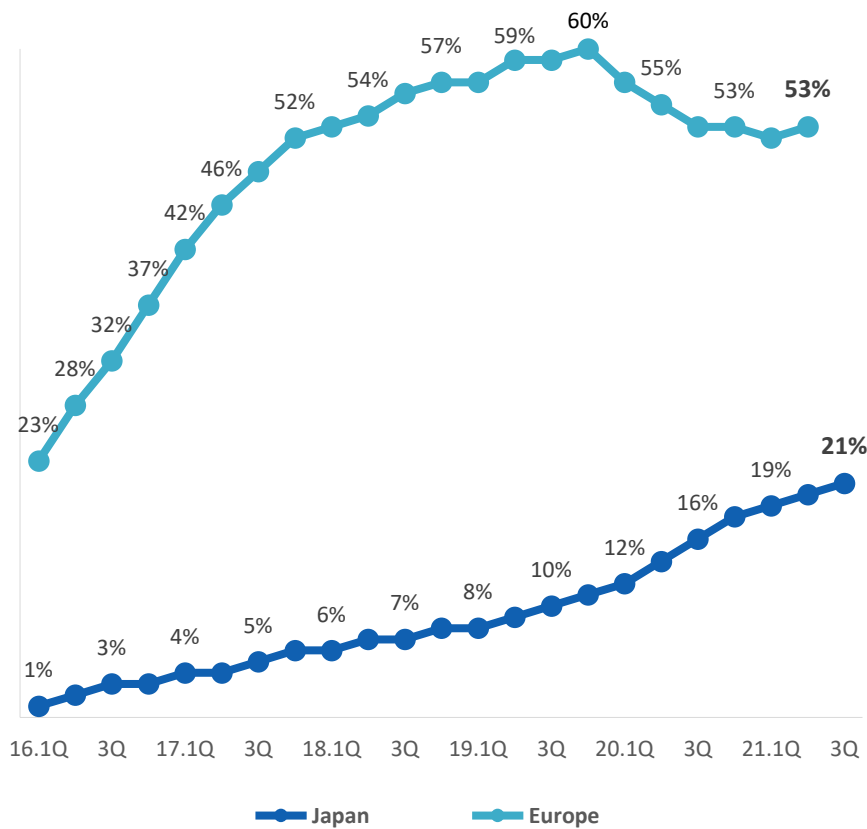
Section 02

# Key Business Performance

# Key Business Performance

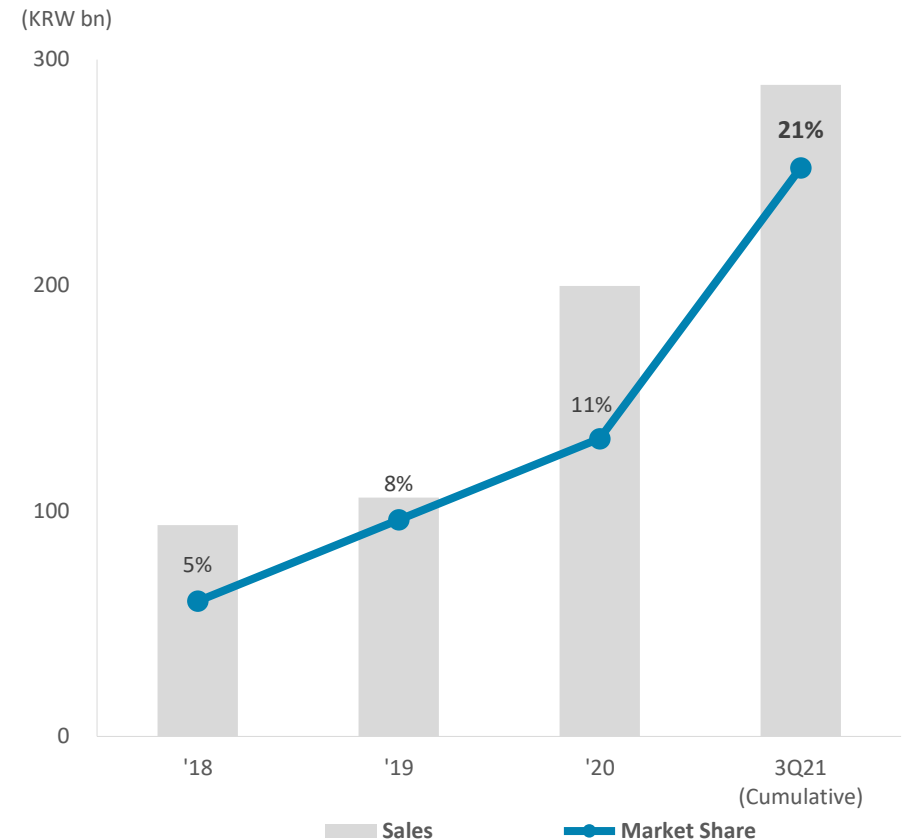
- ✓ Most prescribed Infliximab drug in Europe and Japan
- ✓ Acceleration of market share thanks to the additional listings at major US payers including UHC and Cigna led to rise in shipments in the 2H21

Market share of Remsima® in Europe and Japan



Note: market share is based on volume  
Source : IQVIA

Market share of Inflectra® in the US & N.A. Sales Trend



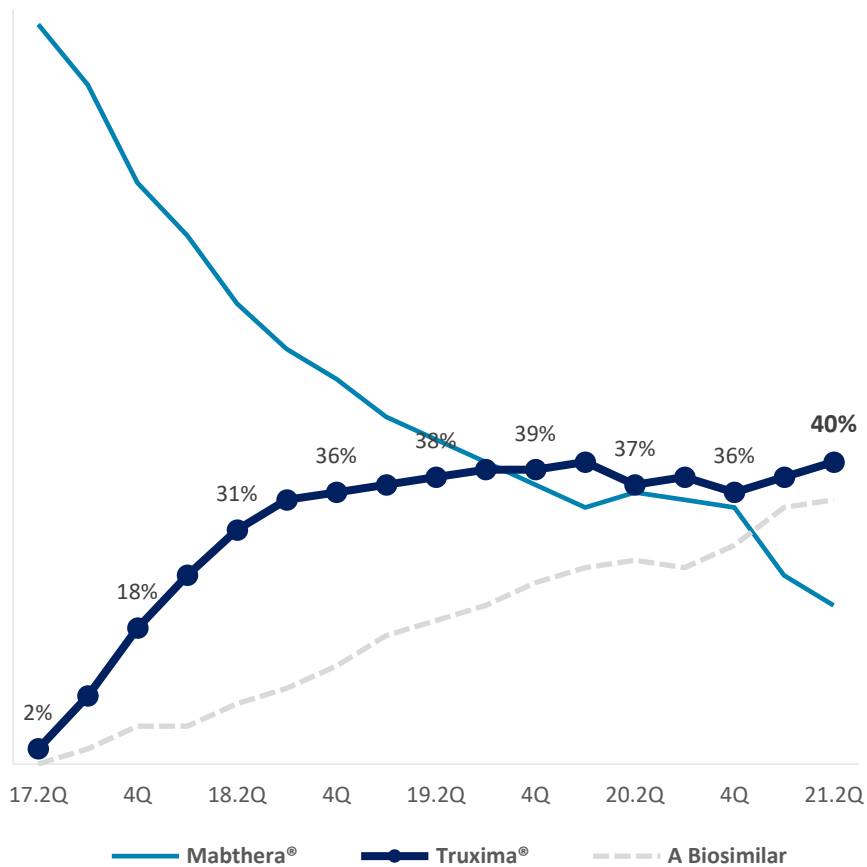
Note: market share is based on volume  
Source : Symphony Health



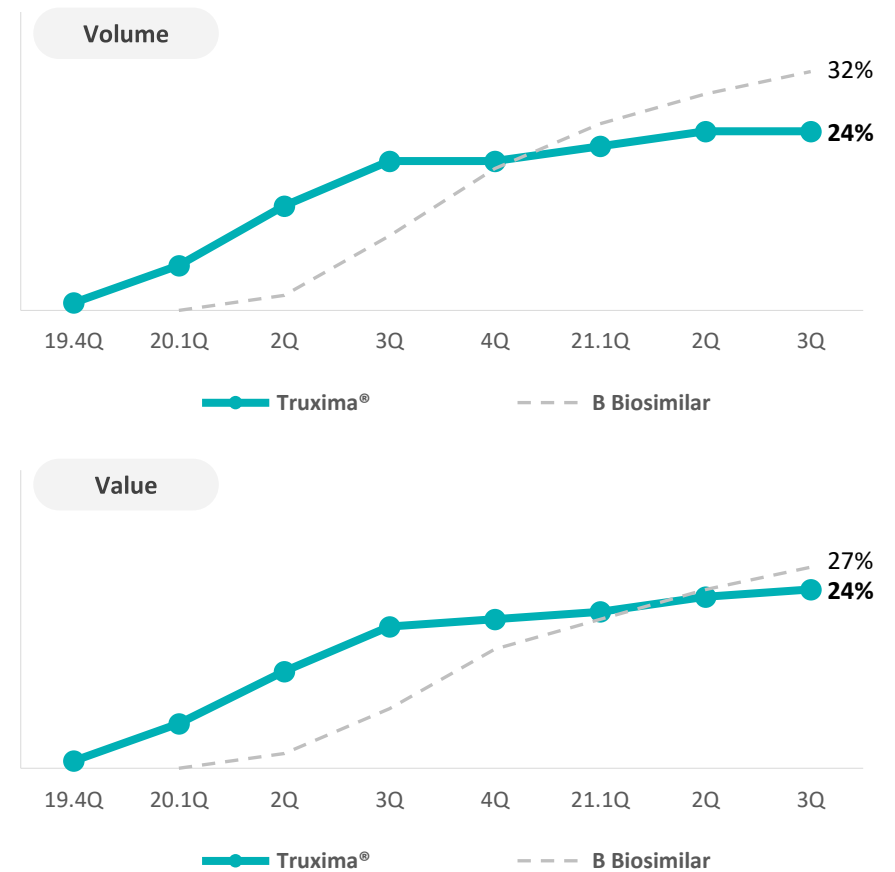
# Key Business Performance

- ✓ Maintaining the highest market share(46%) in EU5 comparing to the original(17%) and competitor(36%)
- ✓ Optimal pricing strategy in the US contributed to securing profitability as well as high market share

Market share of Truxima® in Europe



Market share of Truxima® in the US



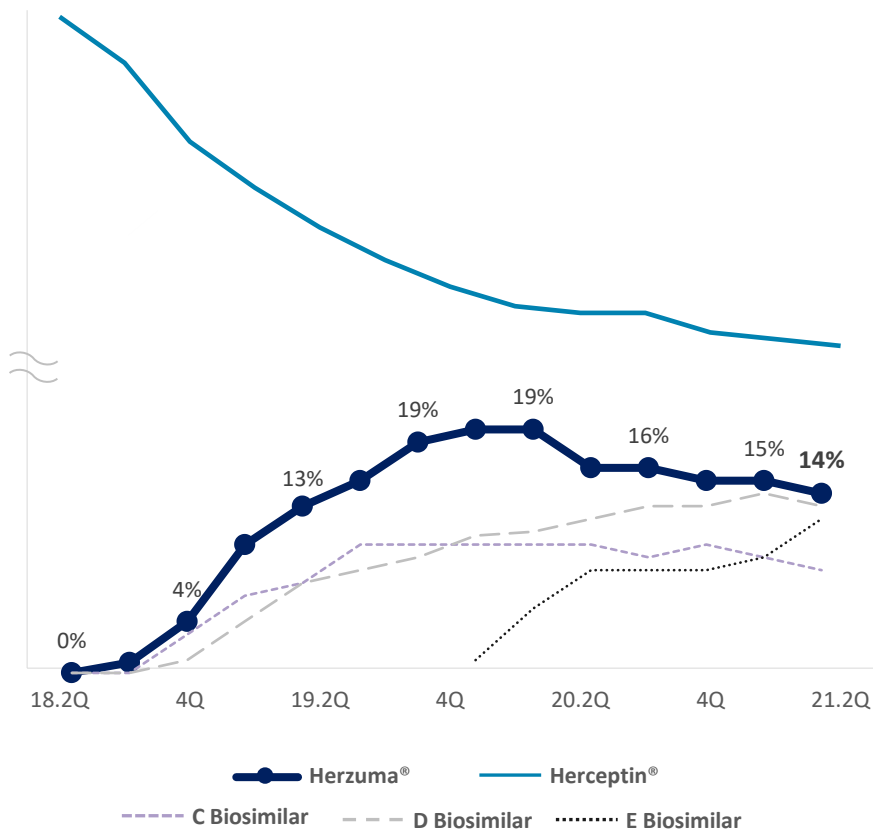
Note: market share is based on volume  
Source : IQVIA

Source : Symphony Health

# Key Business Performance

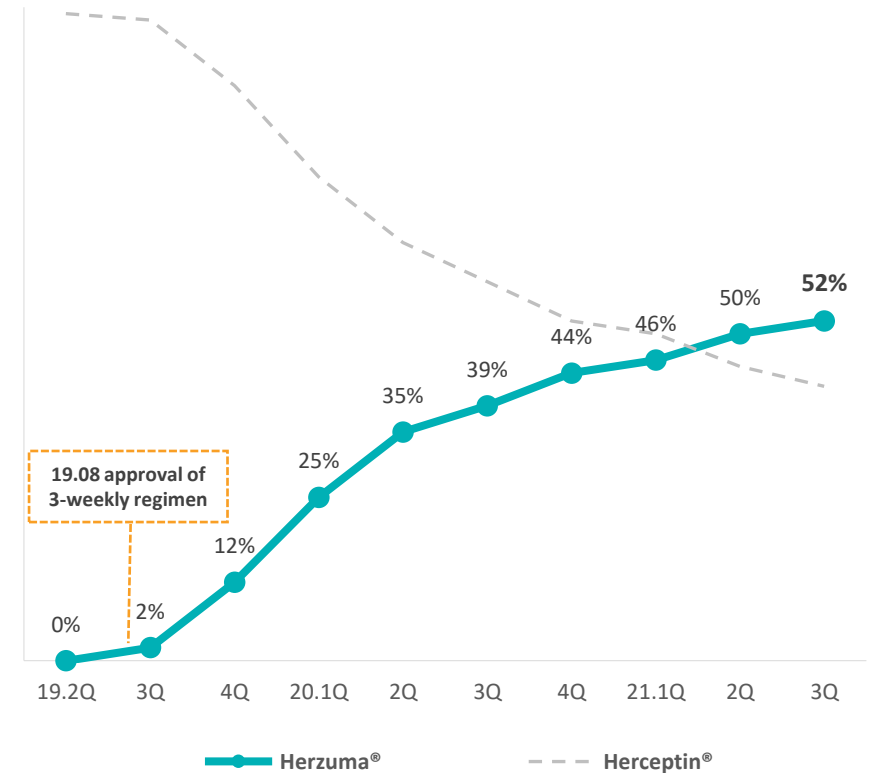
- ✓ Securing profitability by strategic participation in tenders as a leading Herceptin® biosimilar in EU
- ✓ Steady prescription increase in Japan surpassing the market share of the original

Market share of Herzuma® in Europe



Note: market share is based on volume  
Source : IQVIA

Market share of Herzuma® in Japan



Note: market share is based on volume  
Source : IQVIA

- ✓ Increase in the switching patients with IBD contributed to the steady increase in the prescription of Remsima® SC
- ✓ Approximately 80% switching patients said they preferred using Remsima® SC over multiple Infliximab IV

## Current status of Remsima® SC



### Launched to more than 70% of the entire EU Market

- Completed launching in France, Spain, and Italy in 1H21, which accounts for 70% of Europe



### Implementing flexible pricing strategies by country

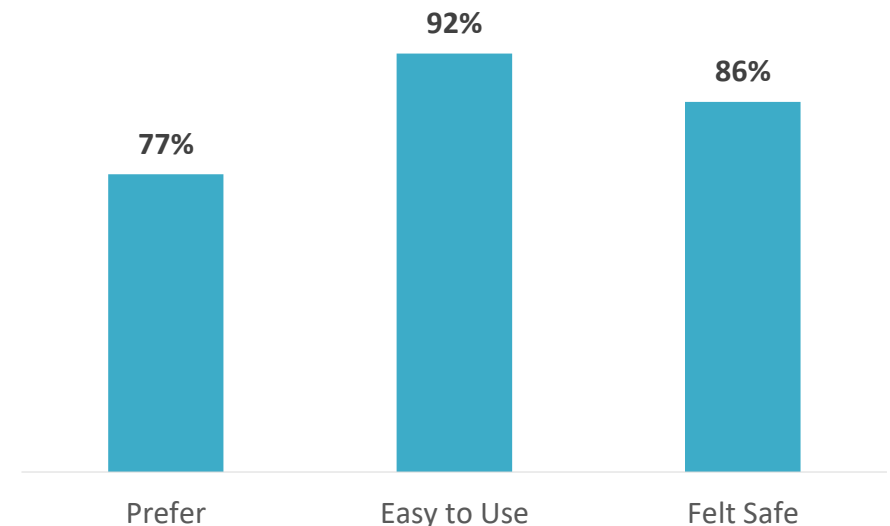
- Acceleration of market penetration through flexible pricing strategies tailored to drug price of each country



### Received approval for direct use of Subcutaneous therapy without IV loading with RA patients

- In Jun.2021, European Medicines Agency(EMA) approved Remsima® SC for direct use of subcutaneous therapy without IV loading in adults with rheumatoid arthritis(RA)

## Survey on Patients switched from IFX IV to Remsima® SC



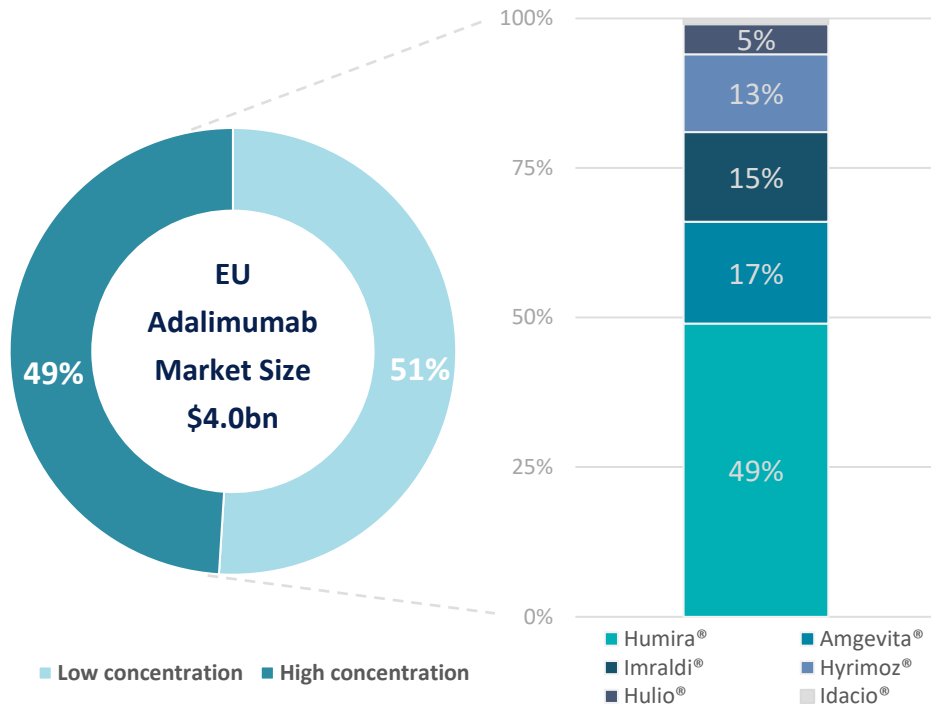
According to the survey conducted on 88 patients switched from IFX IV to Remsima® SC at Liverpool University Hospitals, 77% of patients said they preferred using Remsima® SC over IFX IV.

Source : Liverpool University Hospitals Foundation Trust/ Liverpool University Hospitals audit data

# Key Business Performance

- ✓ High-value proposition as the only low volume & citrate-free Adalimumab biosimilar
- ✓ Completed launching in Germany, France, and Italy, followed by the rest of Europe until 1H22

Market size of Adalimumab in EU



Key features of Adalimumab products

Product	Low Volume	Citrate-Free
Humira®	O	O
Yuflyma®	O	O
Amgevita®	X	O
Imraldi®	X	X
Hyrimoz®	X	X

Note: market size is as of 2Q21 MAT

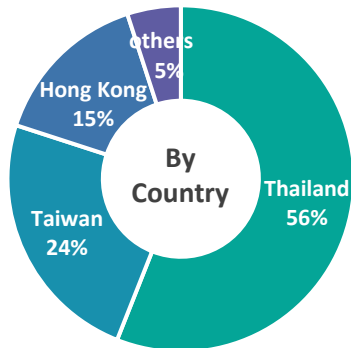
Source : IQVIA

# Key Business Performance

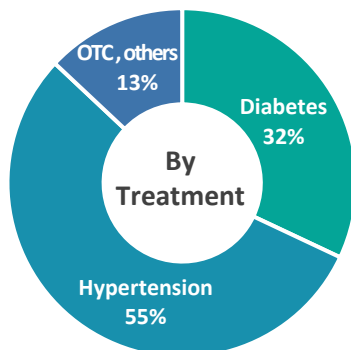
- ✓ After Celltrion Inc's acquisition of Takeda Primary Care APAC business unit, direct sales of the Primary Care products started through our local subsidiaries from Jun.2021
- ✓ PC products will lead diversification of portfolio and bring about marketing & sales synergies with biosimilars

## Sales Mix (as of 2019)

Thailand, Taiwan, and Hong Kong accounting for more than 90%

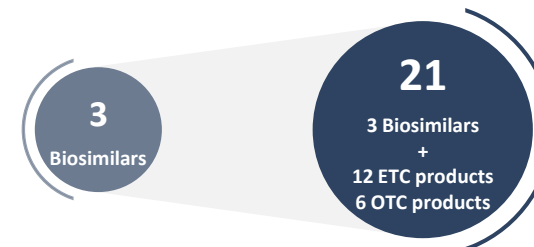


Having ETC drugs as key portfolios including hypertension & diabetes drugs



## Marketing & sales synergies with CTHC

Diversified portfolio by adding Primary Care products



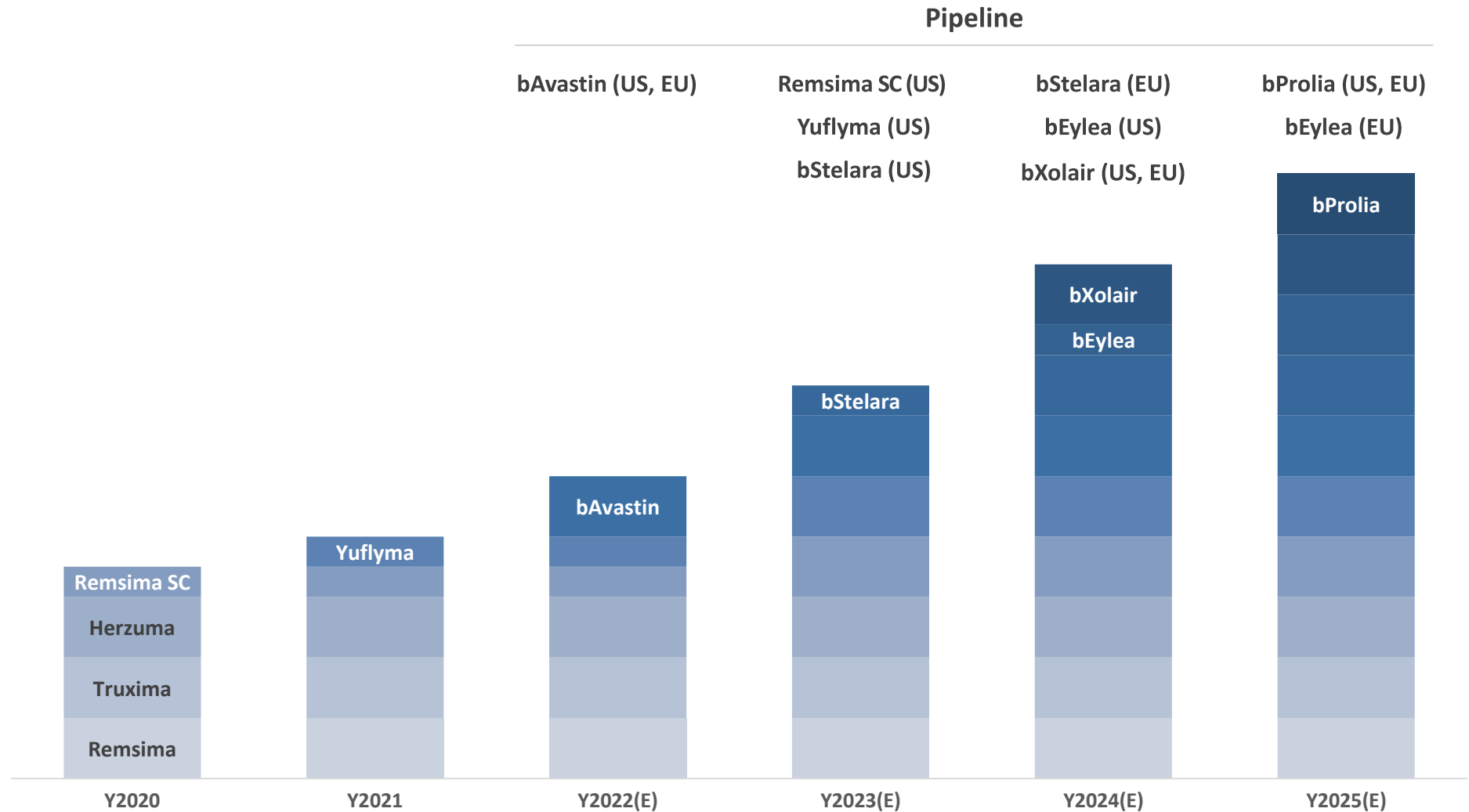
## Mid-to-long term plan

2021~2023	2024~
<b>Diversify portfolio</b>	<b>Extend product life cycle</b>
<ul style="list-style-type: none"> <li>Enable optimized marketing &amp; sales through CTHC's robust direct sales network in APAC region</li> </ul>	<ul style="list-style-type: none"> <li>Launch IMD (Incrementally Modified Drug) developed based on major chemical products' patent</li> </ul>

Note: Takeda Primary Care APAC business unit(ex. Korea) revenue recorded KRW 80bn in 2019

# Steady Top-line Growth through Portfolio Diversification

- ✓ Modest top-line growth is expected to continue by launching at least 1 biological product every year



# Appendix

# Summary Income Statement

(KRW bn)	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	'17	'18	'19	'20
<b>Revenue</b>	<b>220.5</b>	<b>284.8</b>	<b>282.0</b>	<b>313.6</b>	<b>356.9</b>	<b>420.3</b>	<b>463.4</b>	<b>387.0</b>	<b>356.3</b>	<b>433.3</b>	<b>409.1</b>	<b>920.9</b>	<b>713.5</b>	<b>1,100.9</b>	<b>1,627.6</b>
Cost of Sales	186.6	248.3	233.1	223.5	262.4	292.0	289.4	242.0	274.0	306.1	334.4	696.8	644.6	891.6	1,085.8
Gross Profit	33.9	36.4	48.9	90.1	94.5	128.3	174.0	145.0	82.3	127.1	74.7	224.1	68.9	209.3	541.8
SG&A	24.5	27.2	27.6	47.2	38.7	41.4	46.3	53.3	50.8	50.9	52.7	70.5	94.1	126.5	179.7
<b>Operating Income (Loss)</b>	<b>9.4</b>	<b>9.3</b>	<b>21.3</b>	<b>42.8</b>	<b>55.8</b>	<b>86.8</b>	<b>127.7</b>	<b>91.8</b>	<b>31.5</b>	<b>76.2</b>	<b>22.0</b>	<b>153.7</b>	<b>(25.2)</b>	<b>82.8</b>	<b>362.1</b>
Non-operating Income	(0.8)	8.7	5.1	(19.8)	42.4	(18.1)	(7.0)	(64.5)	3.6	11.8	30.5	52.5	49.6	(6.7)	(47.2)
Financial Income	4.9	6.8	7.3	1.0	22.8	3.6	3.1	9.2	5.5	4.6	2.2	114.6	70.5	20.0	38.7
Financial Expenses	5.1	13.6	5.9	4.9	7.4	16.9	8.2	1.4	12.5	3.5	18.5	47.1	13.3	29.5	33.9
Other Income	2.1	16.3	10.2	(7.8)	32.5	11.7	7.4	(13.2)	27.0	15.6	51.8	16.8	14.2	20.8	38.4
Other Expenses	2.6	0.8	6.5	8.1	5.5	16.5	9.3	59.1	16.4	4.9	5.0	31.8	21.7	18.0	90.4
<b>Profit before Taxes</b>	<b>8.6</b>	<b>18.0</b>	<b>26.4</b>	<b>22.4</b>	<b>98.2</b>	<b>68.7</b>	<b>120.6</b>	<b>27.2</b>	<b>35.0</b>	<b>87.8</b>	<b>52.5</b>	<b>206.1</b>	<b>24.4</b>	<b>75.4</b>	<b>314.7</b>
Tax Expense (Benefit)	2.8	9.5	16.3	(18.2)	22.0	22.2	34.5	(4.4)	3.5	24.1	11.9	48.7	13.0	10.4	74.3
<b>Net Profit</b>	<b>5.8</b>	<b>8.5</b>	<b>10.1</b>	<b>40.6</b>	<b>76.2</b>	<b>46.4</b>	<b>86.1</b>	<b>31.7</b>	<b>31.5</b>	<b>63.7</b>	<b>40.6</b>	<b>157.4</b>	<b>11.4</b>	<b>65.0</b>	<b>240.4</b>



**Thank You**

---