

March 2020



Celltrion Healthcare

2019 Earnings Presentation



Disclaimer

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Section 01

**2019 Q4 & Annual
Business Results**

4Q19 Business Results

Income Statement

- ▶ **Revenue** : Achieved moderate sales thanks to steady increase of market share in EU, sales growth of US Inflectra[®], Truxima[®] and sales recognition of Herzuma[®] ahead of its launch in the US
- ▶ **OP** : Stable market price in EU and sales of high-margin US Truxima[®] and Herzuma[®] helped the company turn a profit and achieve high operating profit and operating margin
- ▶ **NP** : Achieved significant growth quarter on quarter thanks to high operating profit

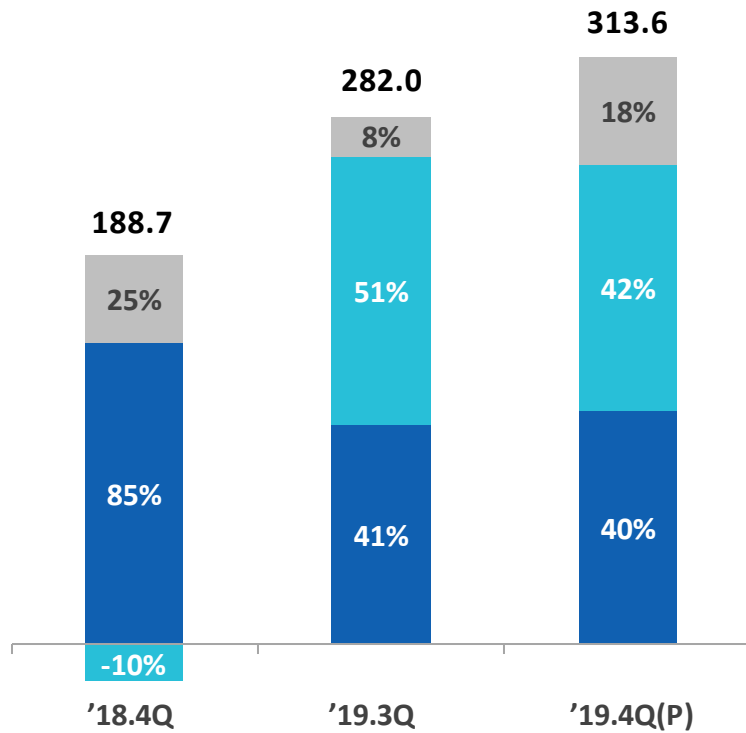
(KRW bn)	'18.4Q	'19.3Q	'19.4Q(P)	%YoY	%QoQ
Revenue	188.7	282.0	313.6	66.2%	11.2%
Gross Profit	-39.4	48.9	90.1	T/P	84.3%
(%)	-20.9%	17.3%	28.7%	49.6%p	11.4%p
SG&A	29.5	27.6	47.2	60.0%	71.0%
(%)	15.6%	9.8%	15.1%	-0.5%p	5.3%p
Personnel expenses	7.8	5.3	8.4	7.7%	58.5%
Advertising expenses	2.6	1.4	2.5	-3.8%	78.6%
Commissions	5.6	6.8	17.8	217.9%	161.8%
Operating Profit	-68.9	21.3	42.8	T/P	100.9%
(%)	-36.5%	7.6%	13.6%	50.1%p	6.0%p
EBIT	-83.1	26.4	22.4	T/P	-15.2%
Net Profit	-66.6	10.1	40.6	T/P	302.0%

4Q19 Business Results

Sales Breakdown

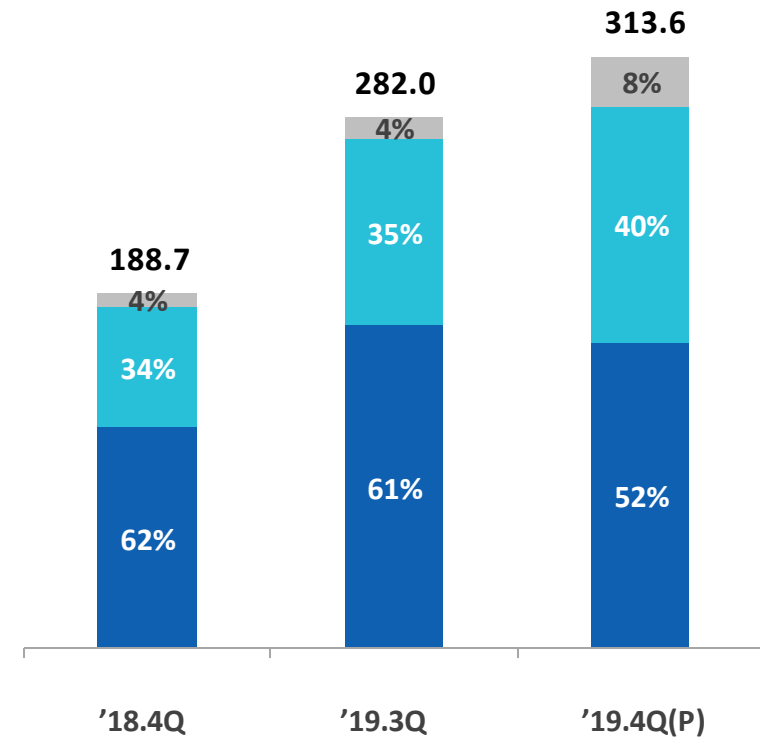
By Product

(Unit: KRW bn)



By Region

(Unit: KRW bn)



Remsima[®] / Inflectra[®]

Truxima[®]

Herzuma[®]

Others

Europe

N. America

Others

2019 Annual Business Results

Income Statement

(KRW bn)	'18	'19(P)	%YoY
Revenue	713.5	1,100.9	54.3%
Gross Profit	68.9	209.3	203.8%
(%)	9.7%	19.0%	9.3%p
SG&A	94.1	126.5	34.4%
(%)	13.2%	11.5%	-1.7%p
Personnel expenses	20.1	23.7	17.9%
Advertising expenses	8.9	6.9	-22.5%
Commissions	19.1	38.8	103.1%
Operating Profit	-25.2	82.8	T/P
(%)	-3.5%	7.5%	11.0%p
EBIT	24.4	75.4	209.0%
Net Profit	11.4	65.0	470.2%

► Revenue

Annual sales exceeded 1 Trillion KRW contributed by sales growth of Inflectra® and Truxima® in the US with stable sales in EU

► Operating Profit

Turned to profit thanks to stabilized EU market price and sales recognition of high-margin US Truxima® and Herzuma®

► Net Profit

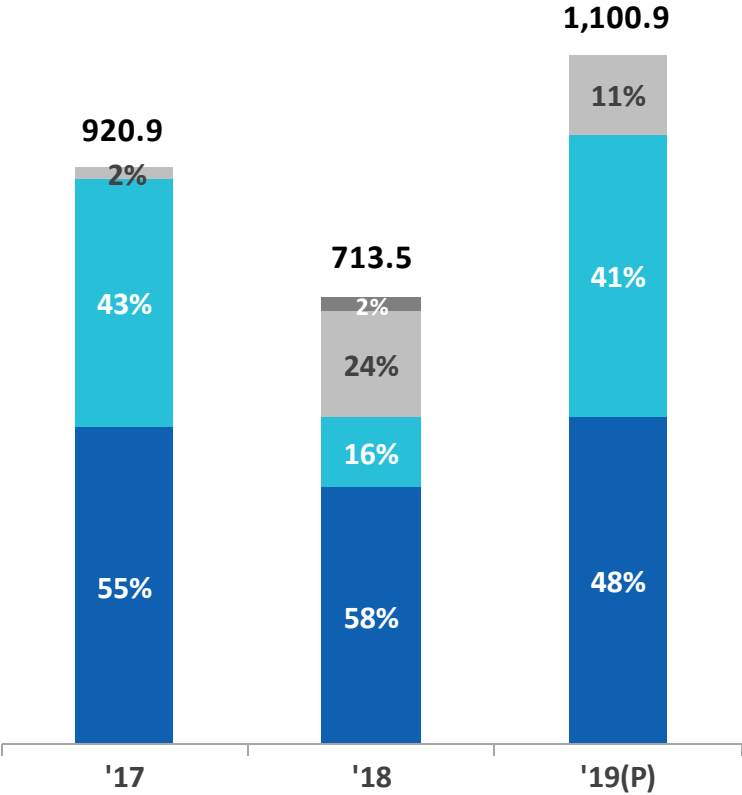
Achieved significant growth year on year thanks to moderate operating profit

2019 Annual Business Results

Sales Breakdown

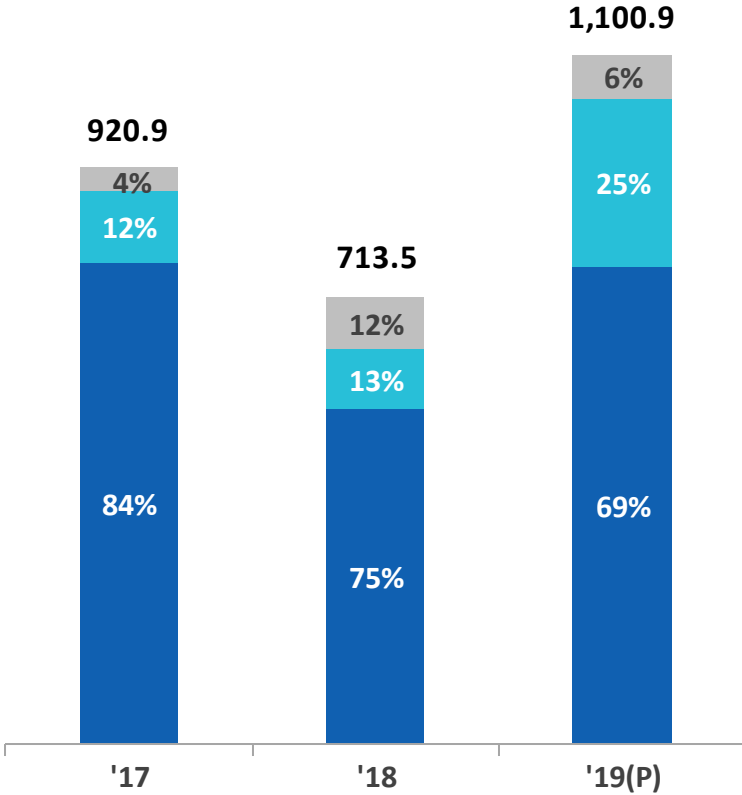
By Product

(Unit: KRW bn)



By Region

(Unit: KRW bn)



2019 Annual Business Results

Balance Sheet & Cash Flow

Balance Sheet

(KRW bn)	'18	'19(P)	Change
Total Assets	2,948.6	2,848.9	-99.7
Cash and Cash Equivalents	240.4	297.0	56.6
Short Term Financial Assets	330.7	160.6	-170.1
Trade and Other Receivables	405.5	390.0	-15.5
Inventories	1,696.9	1,623.6	-73.3
Total Liabilities	1,313.1	1,183.0	-130.1
Total Equity	1,635.5	1,665.9	30.4
Debt-to-Equity Ratio	80.3%	71.0%	-9.3%p

Cash Flow

(KRW bn)	'18	'19(P)
Cash at beginning of year	251.4	240.4
Operating	-180.9	-193.4
Operating profit	-25.2	82.8
Working capital	-127.9	-221.1
Others	-27.8	-55.1
Investing	253.0	164.2
Short term financial assets	195.8	176.0
Financial assets at fair value through profit or loss	62.9	-
Others	-5.7	-11.8
Financing	-83.1	85.8
Borrowing and redemption	5.5	95.7
Share buyback	-96.2	-17.9
Share issue	7.6	9.7
Others	-	-1.7
Cash at the end of year	240.4	297.0

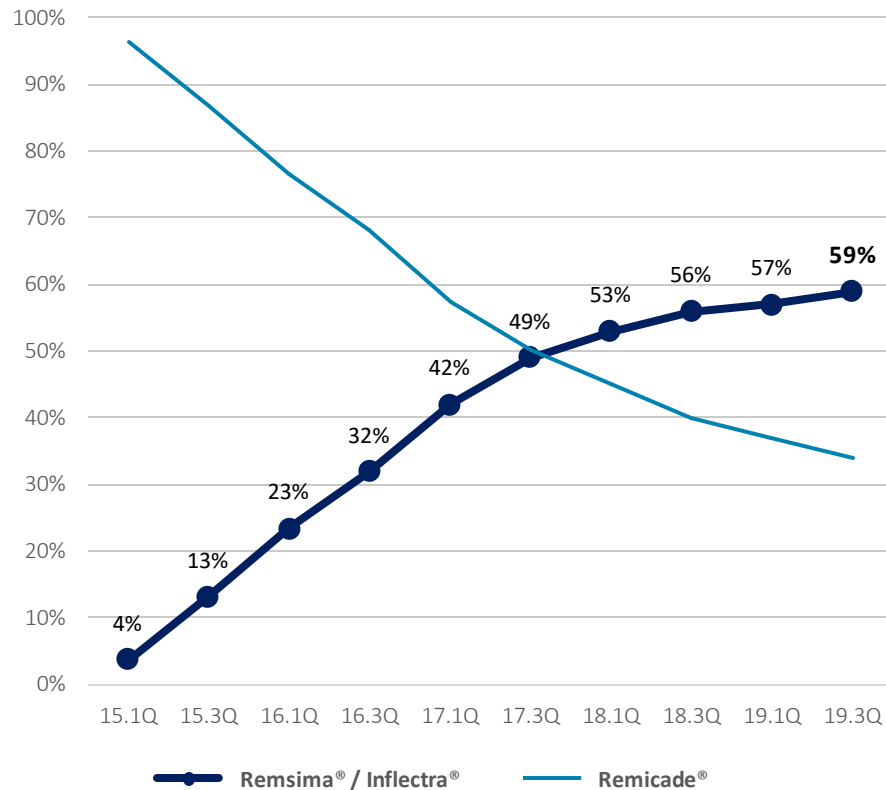
Section 02

Key Business Performance

Key Business Performance

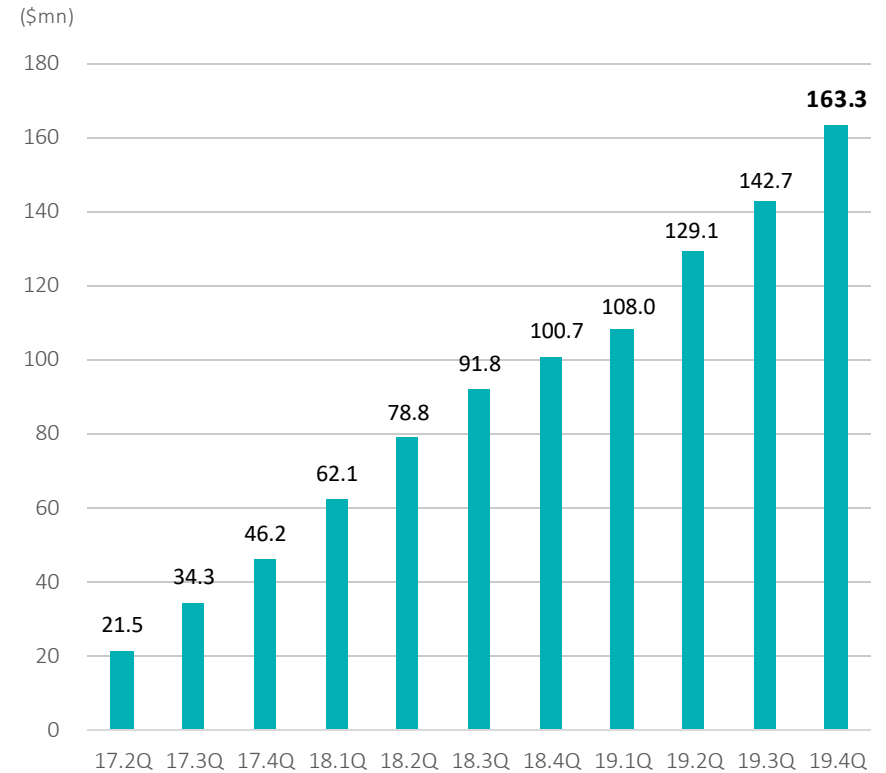
- ✓ Maintain a leading position as the most prescribed Infliximab product in EU
- ✓ Acceleration in growth of prescription sales in the US & Japan

Remsima®/Inflectra® Market Share in Europe



Note: market share is based on volume
Source : IQVIA

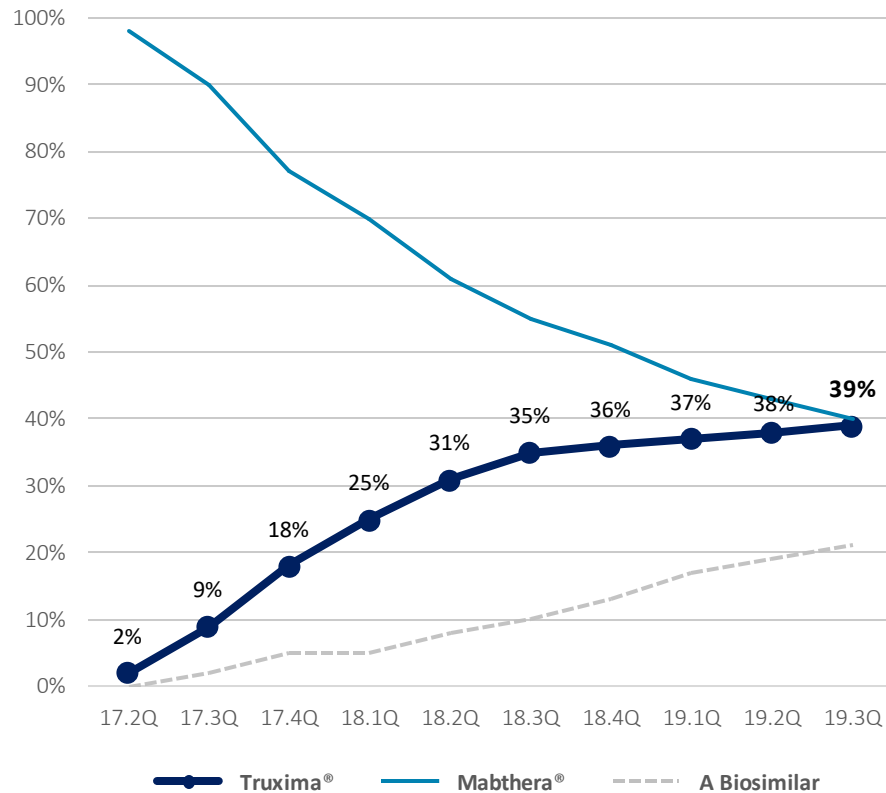
Inflectra® Prescription Sales in the US



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

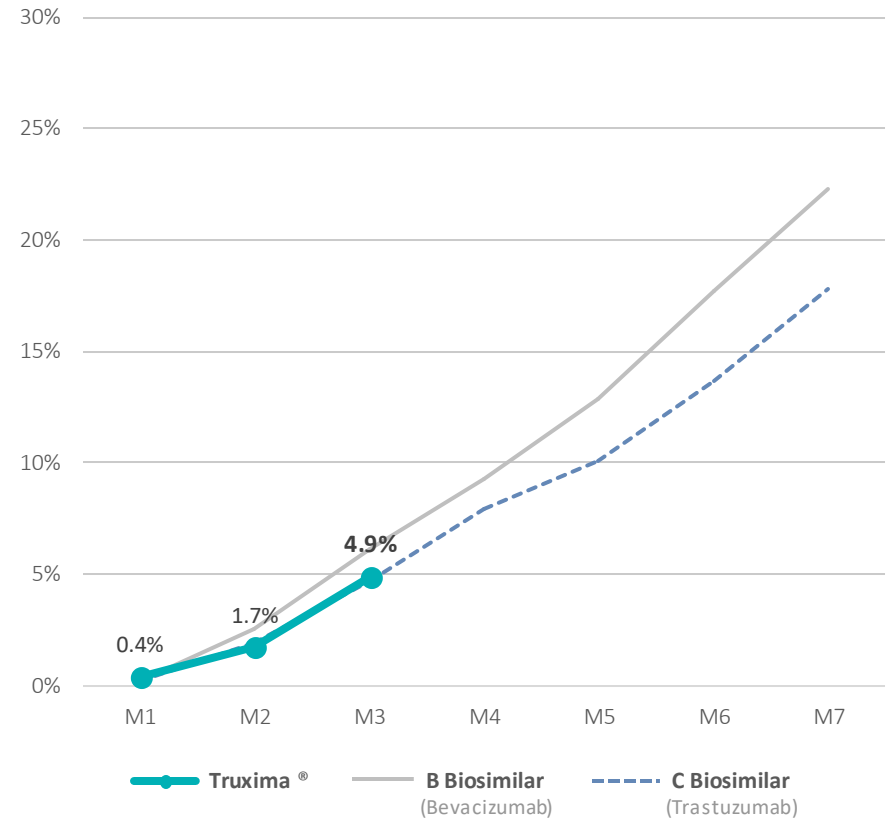
Surpassed Rituxan®'s market share in EU5 & achieve 4.9% of market share in the first 3 months of its launch in the US (Source: Symphony Health)

Truxima® Market Share in Europe



Note: market share is based on volume
Source : IQVIA

Oncology Biosimilars' Market Share Trend in the US

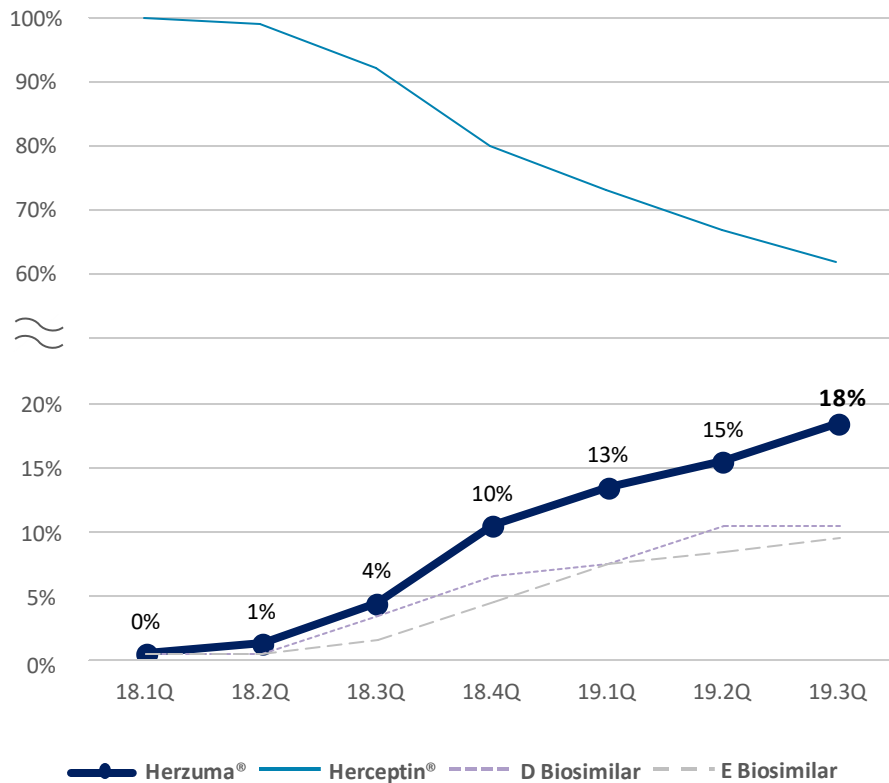


Note: market share is based on unit
Source : Symphony Health

Key Business Performance

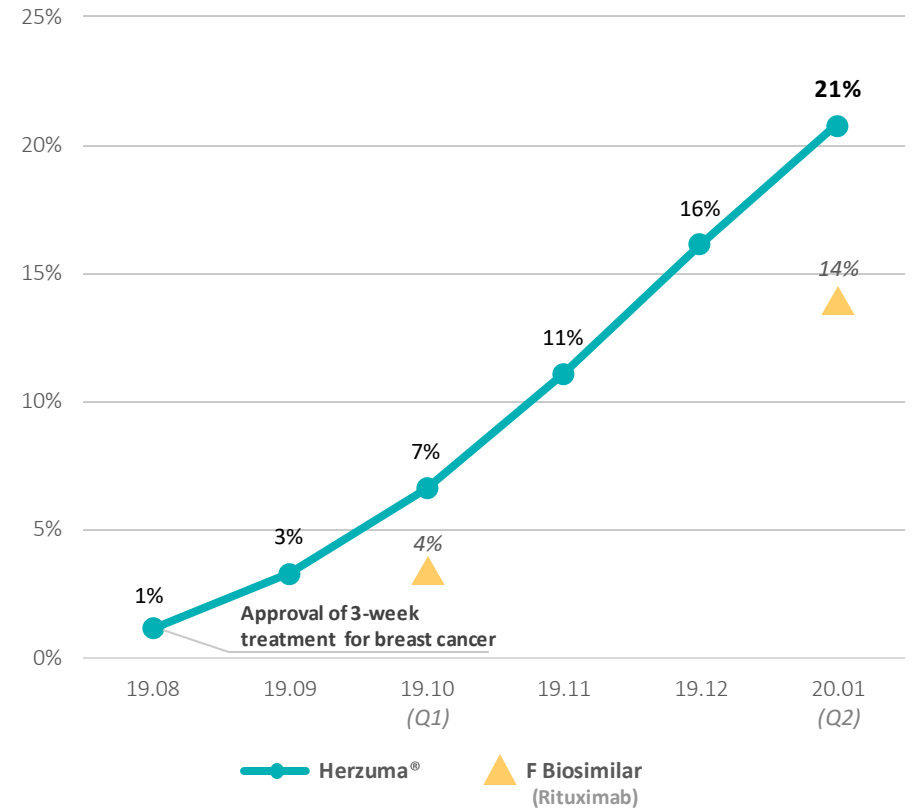
- ✓ Achieve steady market share uptake in EU & plan to hit the US market in March 2020
- ✓ Exceed 20% of market share less than 5 months following the approval of 3-week treatment scheme for breast cancer in Japan

Herzuma® Market Share in Europe



Note: market share is based on volume
Source : IQVIA

Herzuma® Market Share in Japan



Note: 1) market share of F 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	'17	'18	'19
Revenue	128.4	183.8	212.7	188.7	220.5	284.8	282.0	313.6	920.9	713.5	1,100.9
Cost of Sales	102.8	144.9	168.8	228.1	186.6	248.3	233.1	223.5	696.8	644.6	891.6
Gross Profit	25.6	38.8	43.9	(39.4)	33.9	36.4	48.9	90.1	224.1	68.9	209.3
SG&A	17.1	23.6	23.8	29.5	24.5	27.2	27.6	47.2	70.5	94.1	126.5
Operating Income	8.4	15.2	20.0	(68.9)	9.4	9.3	21.3	42.8	153.7	(25.2)	82.8
Non-operating Income	74.1	0.7	(11.0)	(14.2)	(0.8)	8.7	5.1	(19.8)	52.5	49.6	(6.7)
Financial Income	74.2	10.5	(6.3)	(6.2)	4.9	6.8	7.3	1.0	114.6	70.5	20.0
Financial Expenses	6.4	4.7	3.4	0.6	5.1	13.6	5.9	4.9	47.1	13.3	29.5
Other Income	11.0	0.9	4.0	0.9	2.1	16.3	10.2	(7.8)	16.8	14.2	20.8
Other Expenses	4.7	6.0	5.3	8.4	2.6	0.8	6.5	8.1	31.8	21.7	18.0
Profit (Loss) before Taxes	82.5	16.0	9.1	(83.1)	8.6	18.0	26.4	22.4	206.1	24.4	75.4
Tax Expense (Benefit)	22.0	5.0	2.7	(16.5)	2.8	9.5	16.3	(18.2)	48.7	13.0	10.4
Net Profit (Loss)	60.5	11.0	6.4	(66.6)	5.8	8.5	10.1	40.6	157.4	11.4	65.0

Thank You
