

March 2021



Celltrion Healthcare

2020 Earnings Presentation



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Section 01

**4Q20 & Annual
Business Results**

4Q20 Business Results

Income Statement

- ▶ **Revenue** : Declined QoQ due to strong won and the base effect of larger-than-usual positive variable consideration occurred in the previous quarter; however, increased 23% YoY on the back of stable EU market and expanded sales in the US and pharmerging markets
- ▶ **OP** : Achieved a high margin of 24% with the stabilized EU market price and N.America sales growth despite the increase in personnel expenses due to the expansion of direct sales network and incentive payment
- ▶ **NP** : Decreased due to the increase in foreign currency translation loss with strong won compared to the previous quarter

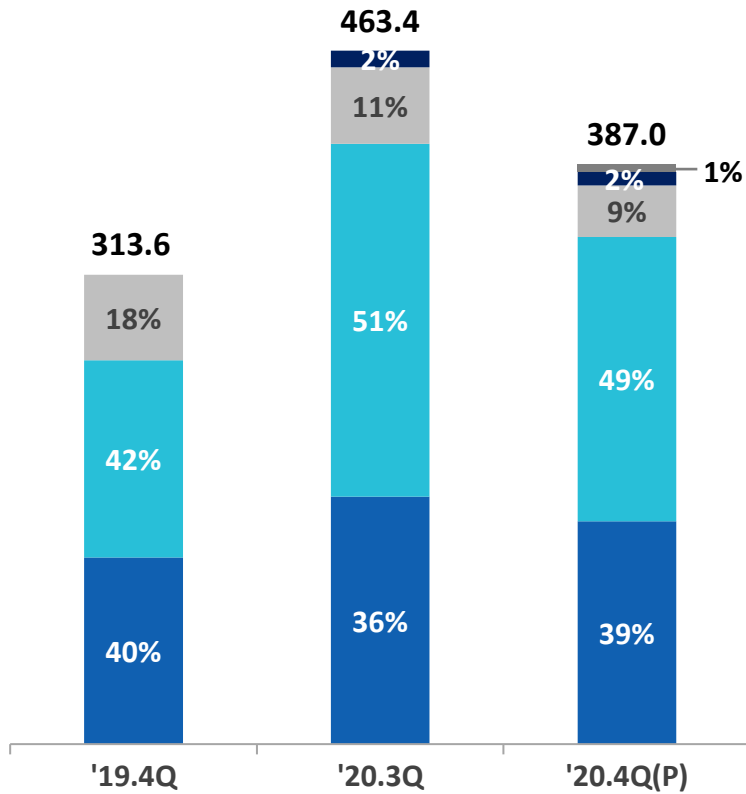
(KRW bn)	'19.4Q	'20.3Q	'20.4Q	%YoY	%QoQ
Revenue	313.6	463.4	387.0	23.4%	-16.5%
Gross Profit	90.1	174.0	145.0	60.9%	-16.7%
(%)	28.7%	37.5%	37.5%	8.8%p	0.0%p
SG&A	47.2	46.3	53.3	12.9%	15.1%
(%)	15.1%	10.0%	13.8%	-1.3%p	3.8%p
Personnel expenses	8.4	8.8	16.9	101.2%	92.0%
Research expenses	6.6	7.3	7.9	19.7%	8.2%
Advertising expenses	2.5	2.1	2.4	-4.0%	14.3%
Commissions	17.8	16.5	13.7	-23.0%	-17.0%
Operating Profit	42.8	127.7	91.8	114.5%	-28.1%
(%)	13.6%	27.6%	23.7%	10.1%p	-3.9%p
EBIT	22.4	120.6	27.2	21.4%	-77.4%
Net Profit	40.6	86.1	31.7	-21.9%	-63.2%

4Q20 Business Results

Sales Breakdown

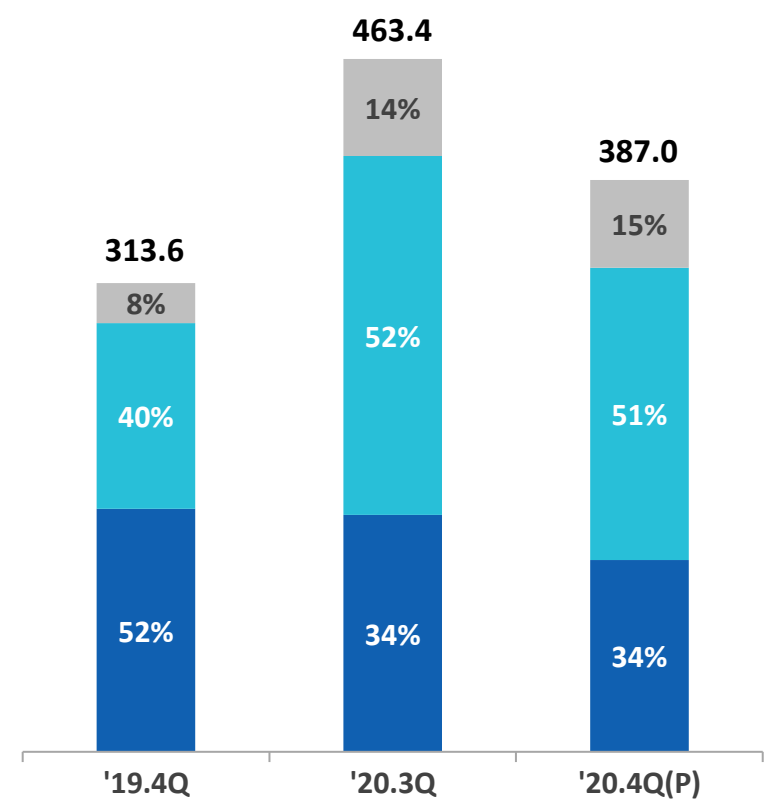
By Product

(Unit: KRW bn)



By Region

(Unit: KRW bn)



2020 Annual Business Results

Income Statement

(KRW bn)	'19	'20(P)	%YoY
Revenue	1,100.9	1,627.6	47.8%
Gross Profit	209.3	541.8	158.9%
(%)	19.0%	33.3%	14.3%p
SG&A	126.5	179.7	42.1%
(%)	11.5%	11.0%	-0.5%p
Personnel expenses	23.7	40.5	70.9%
Research expenses	16.7	29.7	77.8%
Advertising expenses	6.9	8.6	24.6%
Commissions	38.8	51.6	33.0%
Operating Profit	82.8	362.1	337.3%
(%)	7.5%	22.2%	14.7%p
EBIT	75.4	314.7	317.4%
Net Profit	65.0	240.4	269.8%

► Revenue

- Europe : strategically focused on high-yield regions to defend against price decline, resulting in sales decrease while securing the margin
- N.America : With the steady rise in Inflectra® market share, Truxima® sales nearly quadrupled YoY, contributing to the expansion of overall sales and the improvement of profit margin
- Others : Sales in pharmerging markets, such as Japan and Latin America, nearly tripled YoY

► Gross Profit

Increased 14%p YoY with the significant improvement in product mix geared toward high-margin N.America sales

► Operating Profit

Achieved quadrupled growth YoY backed by increased sales in N.America with the expansion of market share of US Inflectra® and Truxima®

► Net Profit

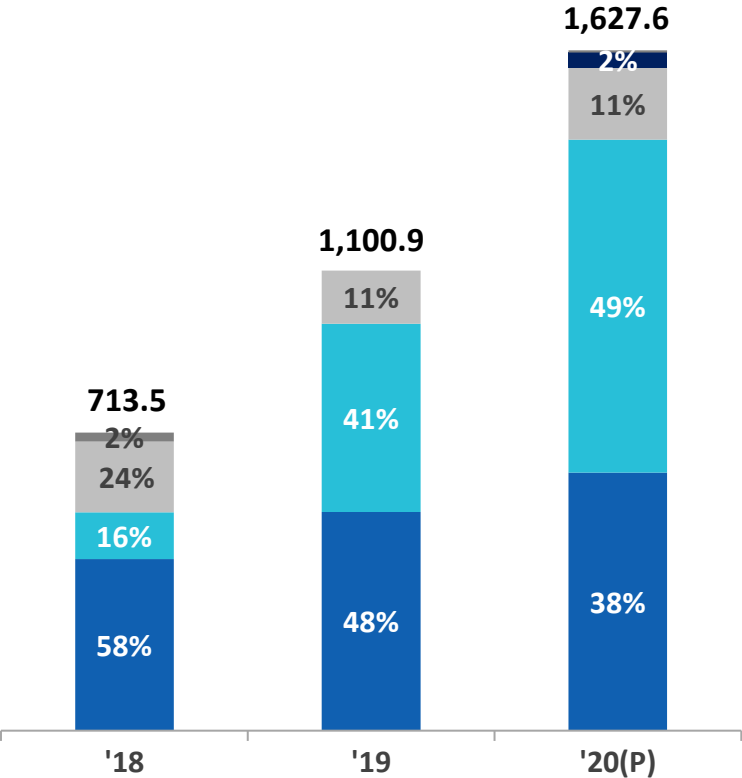
significantly increased YoY thanks to robust growth in operating profit

2020 Annual Business Results

Sales Breakdown

By Product

(Unit: KRW bn)



Remsima® / Inflectra®

Truxima®

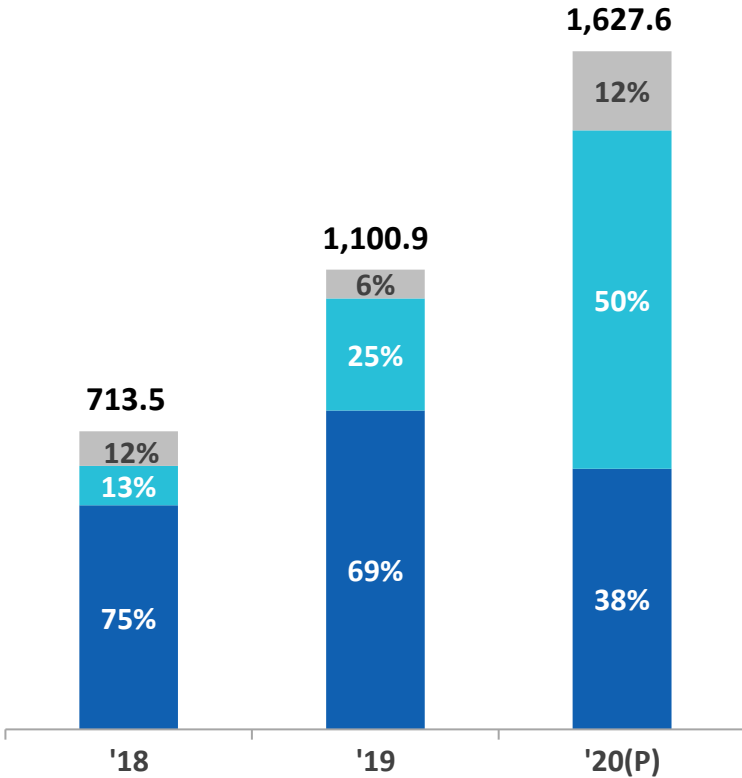
Herzuma®

Remsima® SC

Others

By Region

(Unit: KRW bn)



Europe

N. America

Others

2020 Annual Business Results

Balance Sheet & Cash Flow

Balance Sheet

(KRW bn)	'19	'20(P)	Change
Total Assets	2,848.9	3,739.7	890.8
Cash and Cash Equivalents	297.0	231.5	-65.5
Short Term Financial Assets	160.6	295.7	135.1
Trade and Other Receivables	390.0	409.8	19.8
Inventories	1,623.6	2,034.6	411.0
Total Liabilities	1,183.0	1,806.8	623.8
Total Equity	1,665.9	1,932.9	267.0
Debt-to-Equity Ratio	71.0%	93.5%	22.5%p

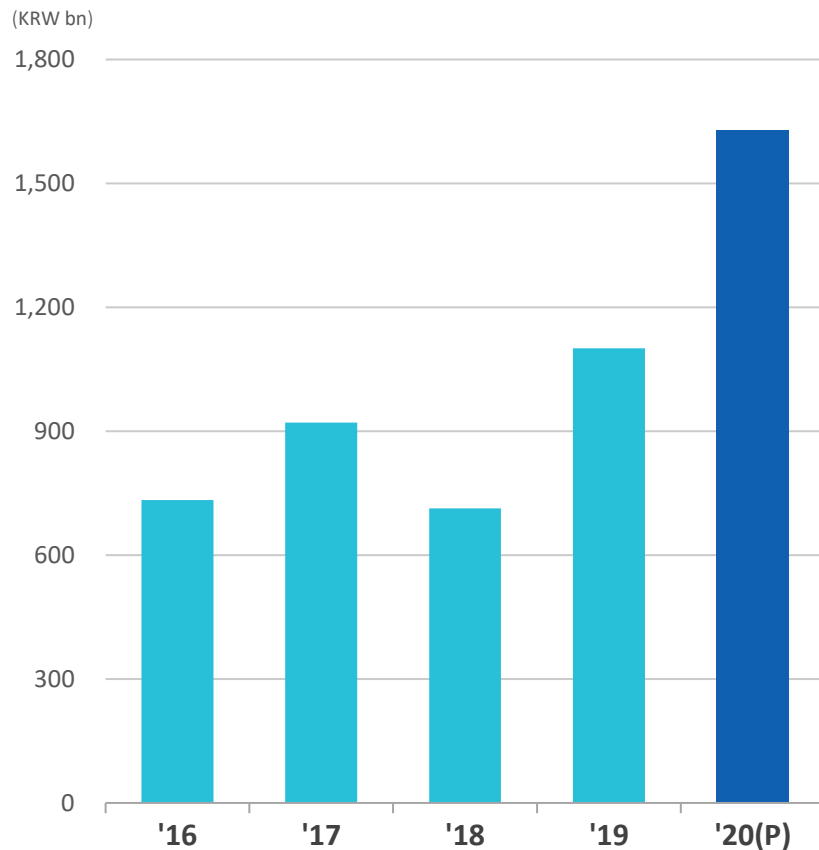
Cash Flow

(KRW bn)	'19	'20(P)
Cash at beginning of year	240.4	297.0
Operating	-193.4	-16.9
Operating profit	82.8	362.1
Working capital	-221.1	-384.6
Others	-55.1	5.6
Investing	164.2	-136.2
Short term financial assets	176.0	-132.5
Others	-11.8	-3.7
Financing	85.8	87.6
Borrowing and redemption	95.7	80.1
Share buyback	-17.9	-2.9
Share issue	9.7	12.9
Others	-1.7	-2.5
Cash at the end of year	297.0	231.5

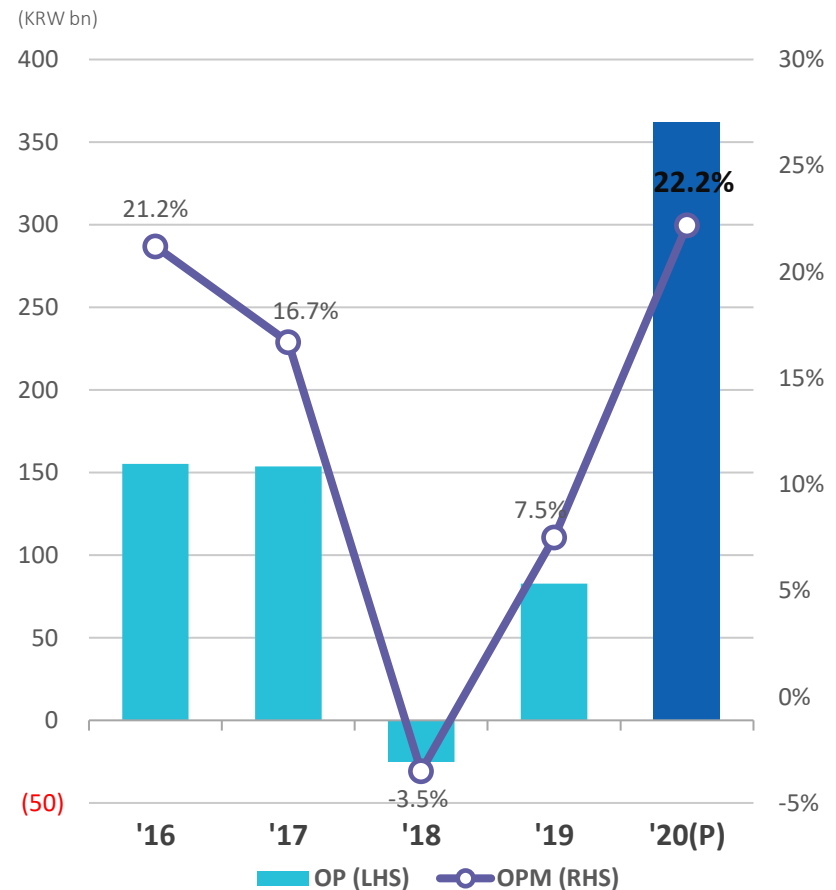
Annual Business Results

- ✓ Laid a foundation for a long-term growth by improving fundamentals through diversification of portfolio and regions as well as establishment of direct sales infrastructure in 2019
- ✓ As a result, the company achieved record-high annual revenue and operating profit in 2020
- ✓ In 2021, with the strengthened capabilities, Remsima[®] SC and Yuflyma[®] will be new growth drivers

Annual Revenue Trend



Annual OP & OPM Trend



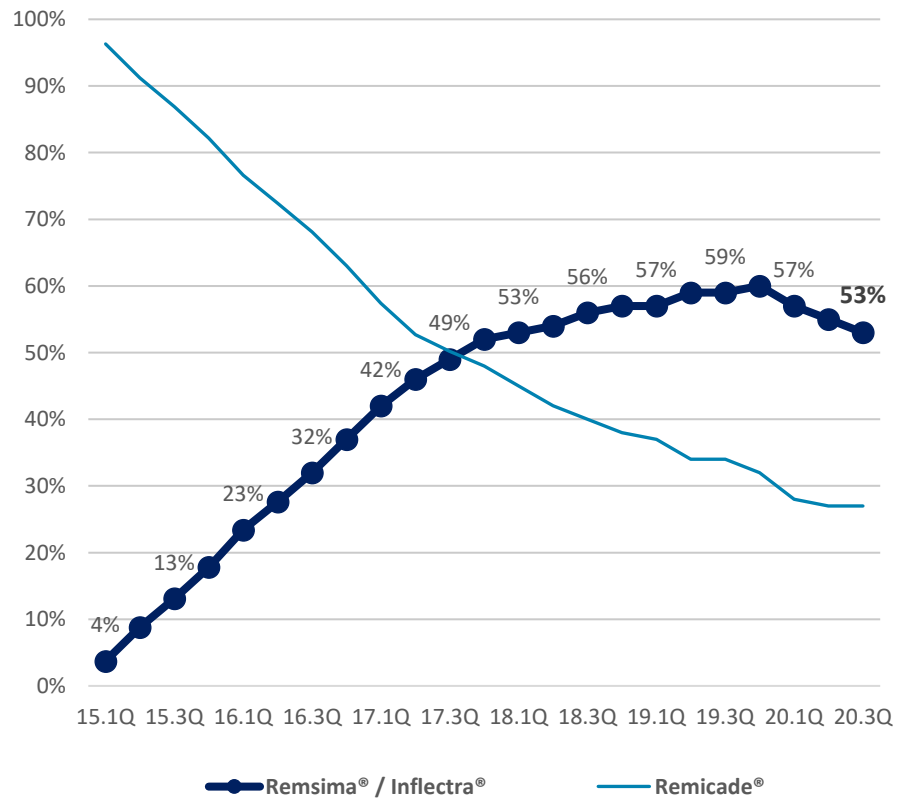
Section 02

Key Business Performance

Key Business Performance

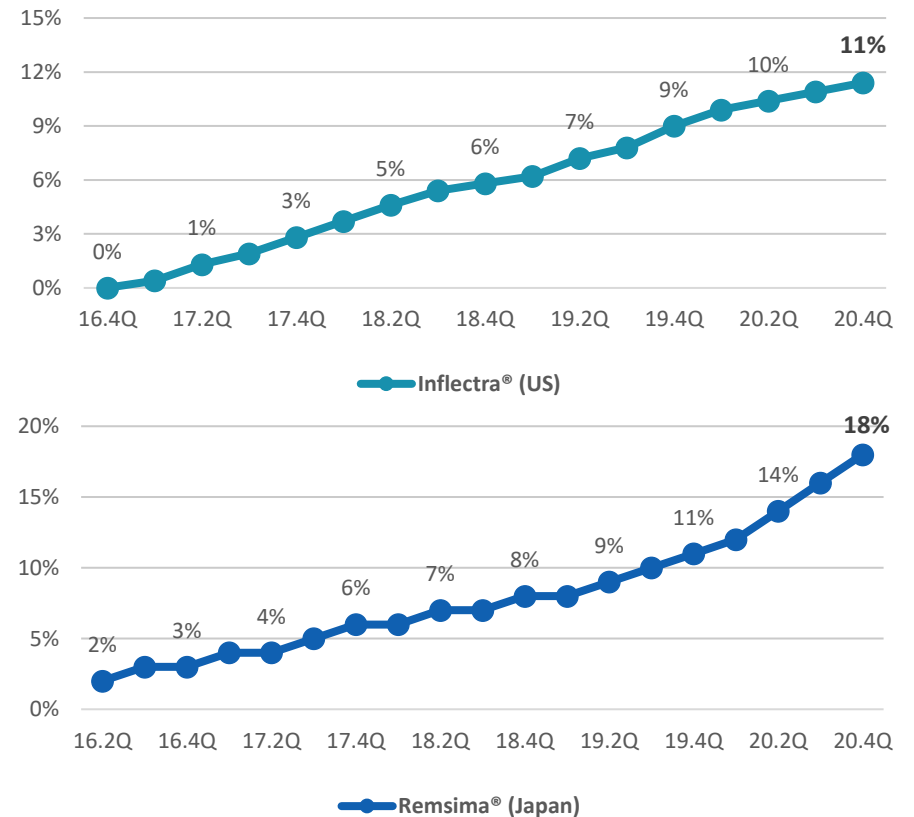
- ✓ Maintaining its lead as the most prescribed Infliximab product in major EU countries including EU5 (market share 59%) despite selective participation in tenders to secure profitability
- ✓ Expanding the market share every quarter in the US and Japan

Market share of Remsima®/ Inflectra® in Europe



Note: market share is based on volume
Source : IQVIA

Market share of Inflectra® in the US & Remsima® in Japan

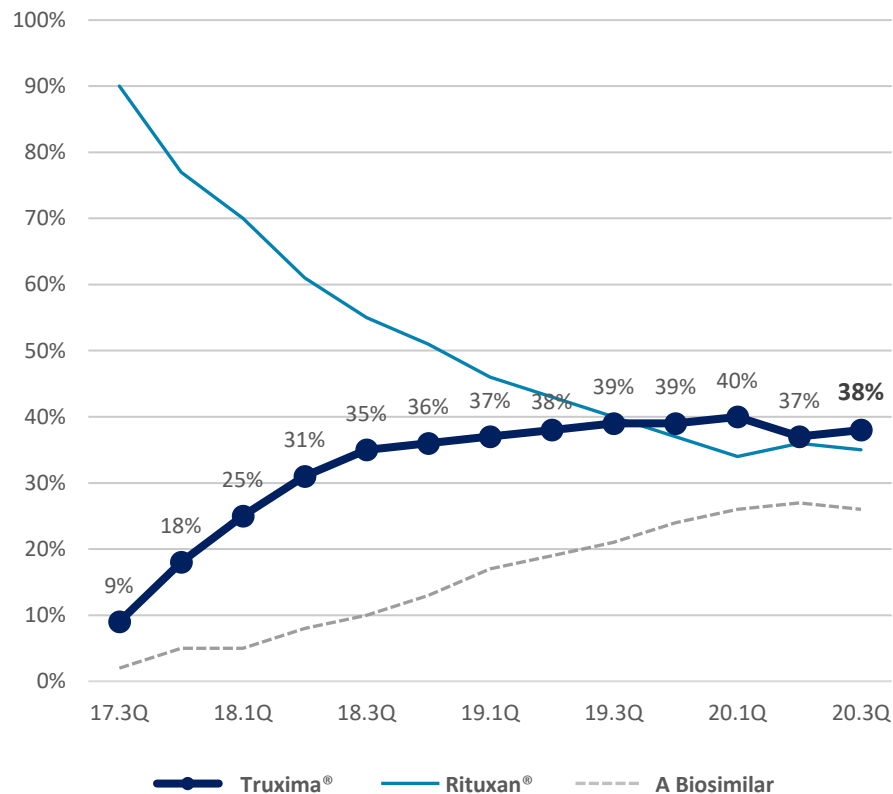


Note: market share is based on volume
Source : Symphony Health, IQVIA

Key Business Performance

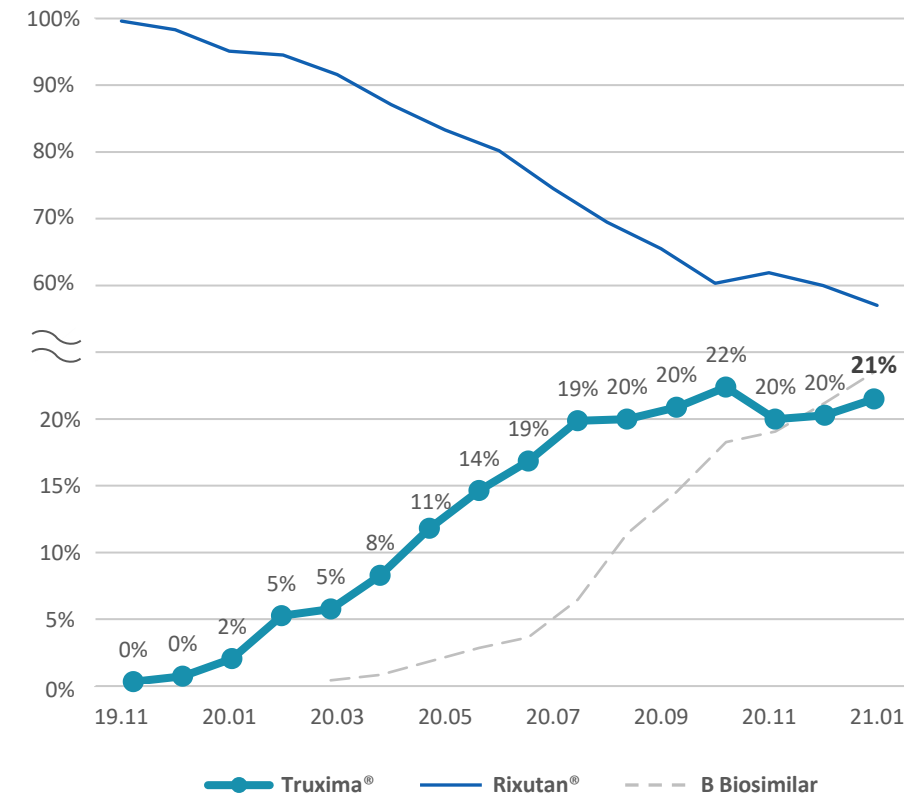
- ✓ Maintaining the highest market share(45%) in EU5 comparing to the original(28%) and competitor(26%)
- ✓ Expect to expand the market share gradually while retaining high profitability through strategic pricing in the US

Market share of Truxima® in Europe



Note: market share is based on volume
Source : IQVIA

Market share of Truxima® in the US

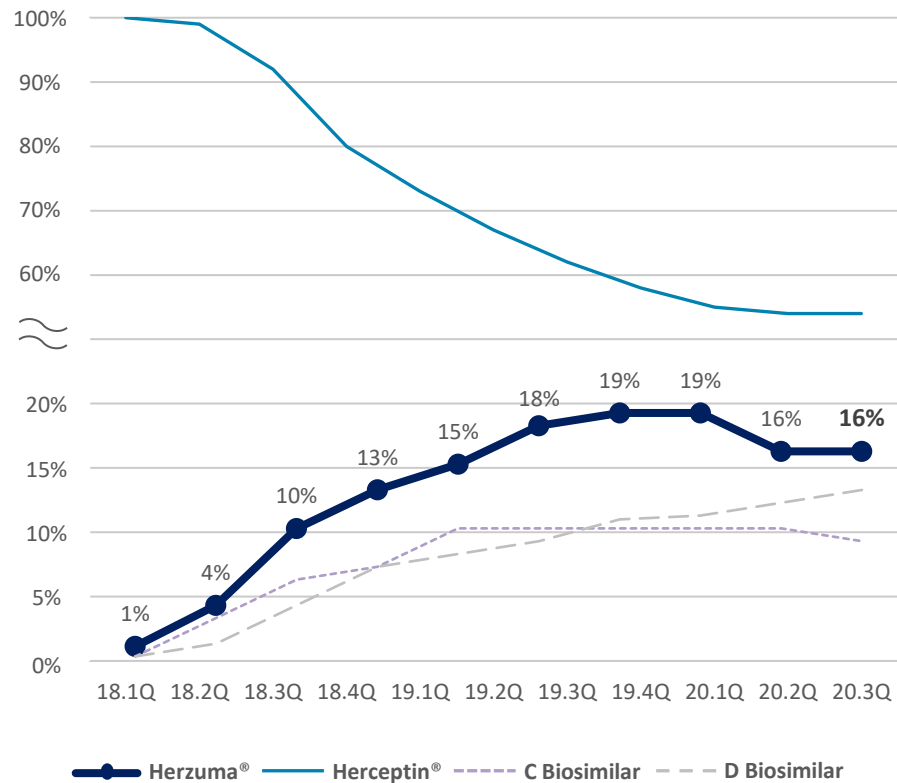


Note: market share is based on unit
Source : Symphony Health

Key Business Performance

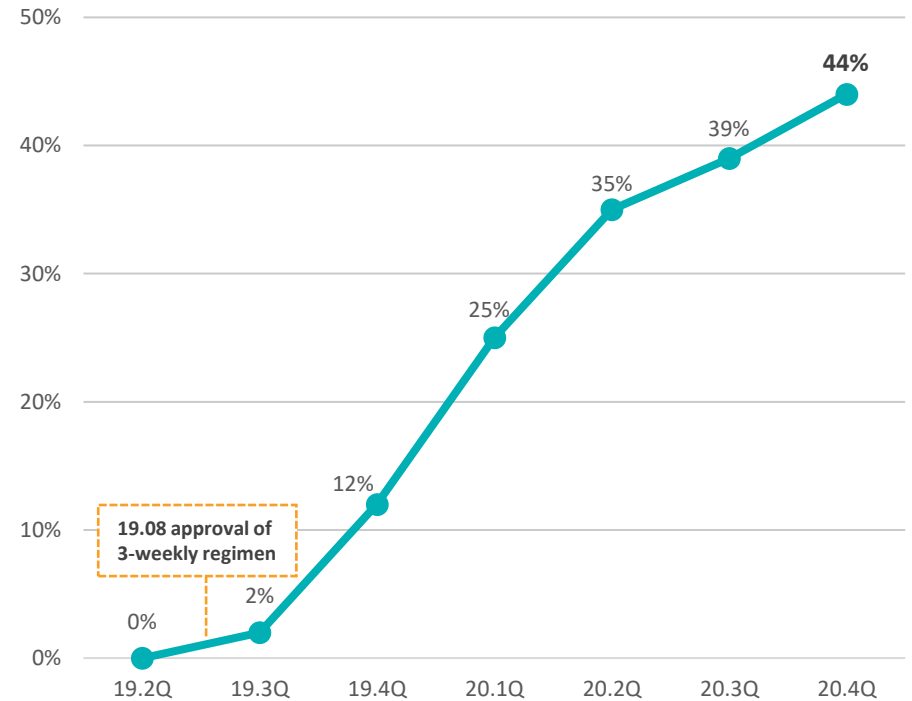
- ✓ Retaining the highest market share among Herceptin® biosimilars launched in EU while securing profitability by strategically participating in tenders
- ✓ Showing strong growth every quarter since the approval of 3-weekly regimen for breast cancer in Japan

Market share of Herzuma® in Europe



Note: market share is based on volume
Source : IQVIA

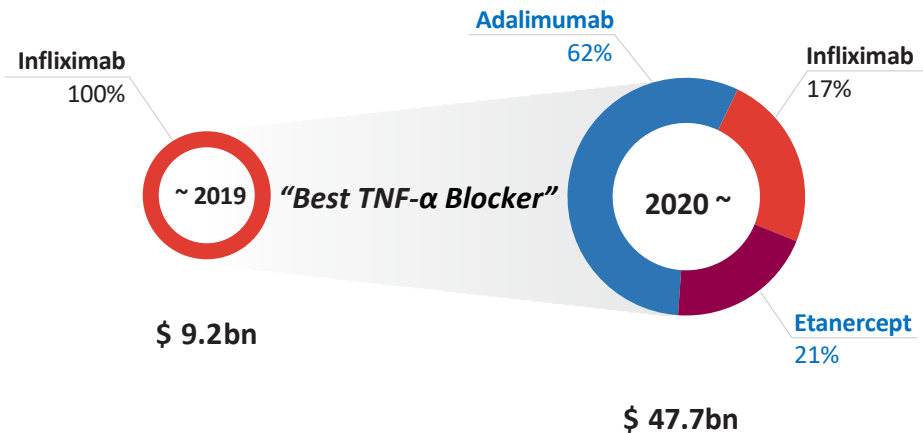
Market share of Herzuma® in Japan



Note: market share is based on volume
Source : IQVIA

- ✓ Annual sales of 1 trillion won would be achievable taking into account the sales forecasts for the major EU7 countries

Expand target market to the entire TNF-α market



EU Market Entry Status



- ✓ P&R completed in 11 countries



- ✓ Launched in 6 countries

- Launched in 3 countries (Germany, UK, France) among EU5 countries that accounting for 70% of the EU market
- Aiming to complete EU5 launch by launching in Spain, Italy in 1Q21



- ✓ Targeting 30% among major EU7 countries

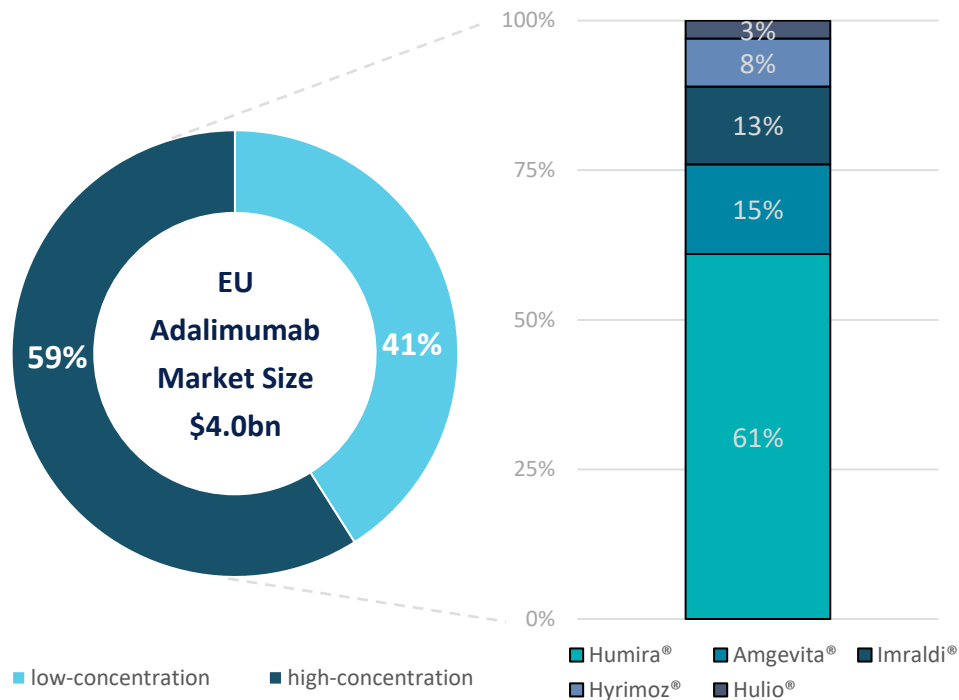
- Annual sales of 1 trillion won would be achievable when estimating market price €250 by a syringe
- EU7 : EU5, Netherlands, Belgium

Note : TNF-α inhibitor market size is as of 3Q20MAT
Source : IQVIA

Key Business Performance

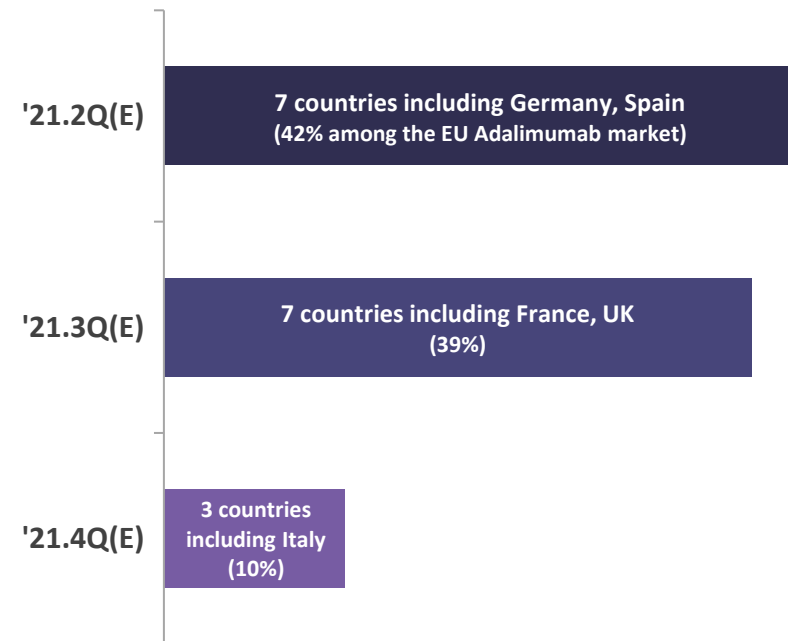
- ✓ Won approval of EMA in Feb.2021 and will start launching in EU in 2Q21 going forward
- ✓ Value proposition as the only high-concentration biosimilar with high price competitiveness

Market size of Adalimumab in EU



Note: market size is as of 3Q20 MAT
Source : IQVIA

Aiming to launch Yuflyma® in more than 90% of the EU Adalimumab market in 2021



Note: market size is as of 3Q20 MAT
Source : IQVIA

Appendix

Pipeline

✓ Aiming to launch at least 1 biosimilar every year by 2030

Product Name	Reference Drug	Manufacturer	Indications	Global Market size (\$bn)	US	EU
Remsima® SC	-	Celltrion	Autoimmune Disease	47.7	In Phase 3	All Indication Approved (Jul.2020, Pediatric usage non-included)
Yuflyma®	Humira® (Adalimumab)	AbbVie	Autoimmune Disease	29.5	Preparing Application Submission	Received European Commission Approval (Feb.2021)
CT-P16	Avastin® (Bevacizumab)	Roche	Colorectal Cancer, etc.	6.1	In Global Phase 3 Clinical Trials (Aiming to complete patient recruitment by 3Q20 & trials by 1H21)	
CT-P39	Xolair® (Omalizumab)	Genentech	Allergic Asthma, CIU	3.2	Global Phase 3 Clinical Trials Initiated (Jul.2020~)	
CT-P43	Stelara® (Ustekinumab)	Johnson & Johnson	Autoimmune Disease	10.2	In Global Phase 1 Clinical Trials Phase 3 Initiated (Sep.2020~)	
CT-P41	Prolia® (Denosumab)	Amgen	Osteoporosis	5.1	In Global Phase 1 Clinical Trials Phase 3 Initiated (Sep.2020~)	
CT-P42	Eylea® (Aflibercept)	Bayer & Regeneron	Macular Degeneration	5.3	In Global Phase 1 Clinical Trials Phase 3 Initiated (Jan.2021~)	

Note: global market size is as of 3Q20 MAT

Source : IQVIA

Summary Income Statement

(KRW bn)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	'17	'18	'19	'20
Revenue	128.4	183.8	212.7	188.7	220.5	284.8	282.0	313.6	356.9	420.3	463.4	387.0	920.9	713.5	1,100.9	1,627.6
Cost of Sales	102.8	144.9	168.8	228.1	186.6	248.3	233.1	223.5	262.4	292.0	289.4	242.0	696.8	644.6	891.6	1,085.8
Gross Profit	25.6	38.8	43.9	(39.4)	33.9	36.4	48.9	90.1	94.5	128.3	174.0	145.0	224.1	68.9	209.3	541.8
SG&A	17.1	23.6	23.8	29.5	24.5	27.2	27.6	47.2	38.7	41.4	46.3	53.3	70.5	94.1	126.5	179.7
Operating Income (Loss)	8.4	15.2	20.0	(68.9)	9.4	9.3	21.3	42.8	55.8	86.8	127.7	91.8	153.7	(25.2)	82.8	362.1
Non-operating Income	74.1	0.7	(11.0)	(14.2)	(0.8)	8.7	5.1	(19.8)	42.4	(18.1)	(7.0)	(64.5)	52.5	49.6	(6.7)	(47.2)
Financial Income	74.2	10.5	(6.3)	(6.2)	4.9	6.8	7.3	1.0	22.8	3.6	3.1	9.2	114.6	70.5	20.0	38.7
Financial Expenses	6.4	4.7	3.4	0.6	5.1	13.6	5.9	4.9	7.4	16.9	8.2	1.4	47.1	13.3	29.5	33.9
Other Income	11.0	0.9	4.0	0.9	2.1	16.3	10.2	(7.8)	32.5	11.7	7.4	(13.2)	16.8	14.2	20.8	38.4
Other Expenses	4.7	6.0	5.3	8.4	2.6	0.8	6.5	8.1	5.5	16.5	9.3	59.1	31.8	21.7	18.0	90.4
Profit (Loss) before Taxes	82.5	16.0	9.1	(83.1)	8.6	18.0	26.4	22.4	98.2	68.7	120.6	27.2	206.1	24.4	75.4	314.7
Tax Expense (Benefit)	22.0	5.0	2.7	(16.5)	2.8	9.5	16.3	(18.2)	22.0	22.2	34.5	(4.4)	48.7	13.0	10.4	74.3
Net Profit (Loss)	60.5	11.0	6.4	(66.6)	5.8	8.5	10.1	40.6	76.2	46.4	86.1	31.7	157.4	11.4	65.0	240.4

Thank You
