

May 2022



# Celltrion Healthcare

1Q22 Earnings Presentation



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Section 01

# 1Q22 Business Results

# 1Q22 Business Results

## Income Statement

- ▶ **Revenue** : Notwithstanding the temporary sales reduction due to preparation for the direct-sales of additional products in Europe, the total revenue increased YoY thanks to stable prescription of Truxima<sup>®</sup> in the N.America market as well as steady growth of Remsima<sup>®</sup> SC
- ▶ **OP** : Achieved sound operating profit due to sales increase in the profitable N.America market
- ▶ **NP** : Increased YoY and QoQ as a result of the increase in the non-operating profit due to weak Won

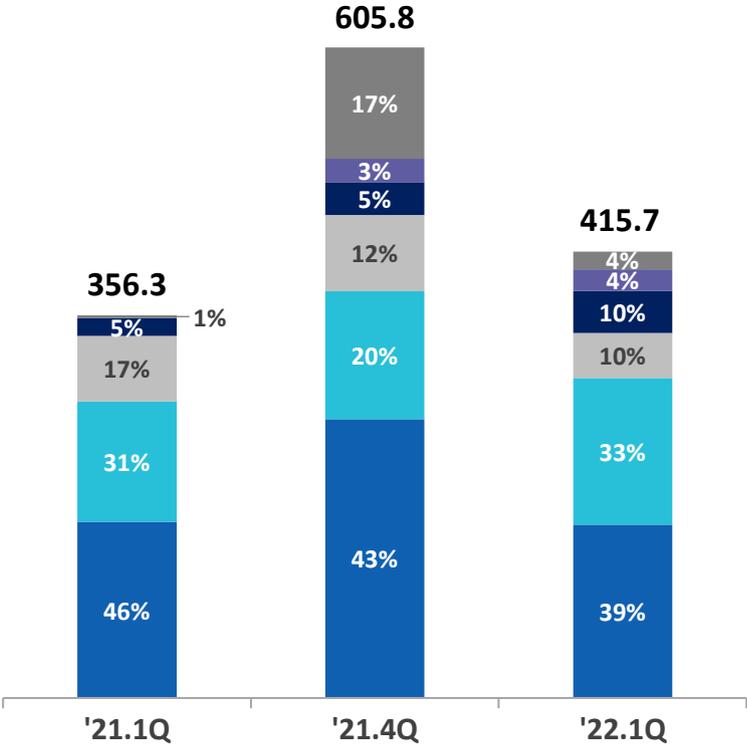
(KRW bn)	'21.1Q	'21.4Q	'22.1Q	%YoY	%QoQ
<b>Revenue</b>	<b>356.3</b>	<b>605.8</b>	<b>415.7</b>	<b>16.7%</b>	<b>-31.4%</b>
Gross Profit	82.3	146.4	104.3	26.7%	-28.8%
(%)	23.1%	24.2%	25.1%	2.0%p	0.9%p
SG&A	50.8	76.7	59.2	16.5%	-22.8%
(%)	14.3%	12.7%	14.2%	-0.1%p	1.5%p
Personnel expenses	12.8	22.9	12.5	-2.3%	-45.4%
Research expenses	9.8	7.4	5.0	-49.0%	-32.4%
Advertising expenses	1.4	6.5	2.9	107.1%	-55.4%
Commissions	13.4	18.7	15.5	15.7%	-17.1%
<b>Operating Profit</b>	<b>31.5</b>	<b>69.7</b>	<b>45.0</b>	<b>42.9%</b>	<b>-35.4%</b>
(%)	8.8%	11.5%	10.8%	2.0%p	-0.7%p
<b>EBIT</b>	<b>35.0</b>	<b>23.0</b>	<b>61.3</b>	<b>75.1%</b>	<b>166.5%</b>
<b>Net Profit</b>	<b>31.5</b>	<b>16.8</b>	<b>43.6</b>	<b>38.4%</b>	<b>159.5%</b>

# 1Q22 Business Results

## Sales Breakdown

By Product

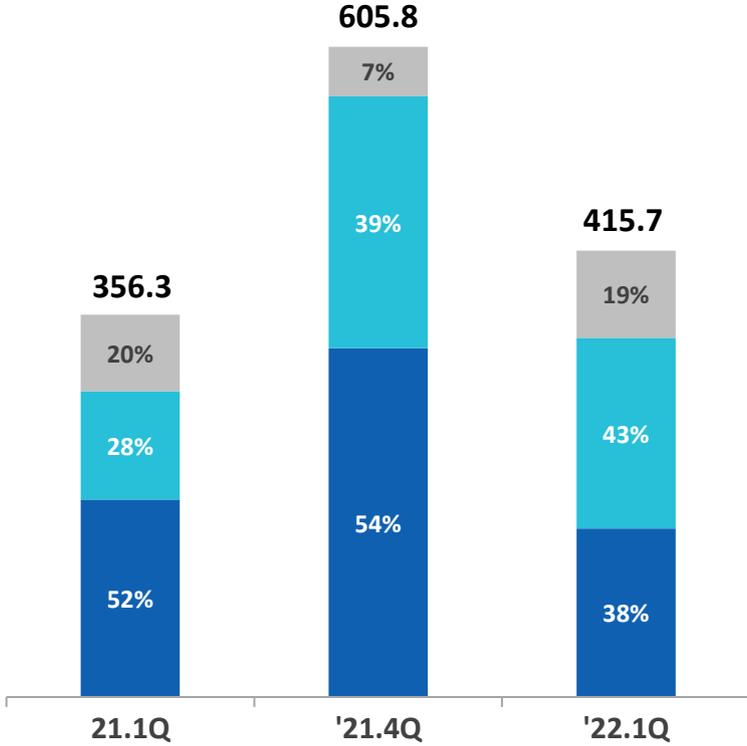
(Unit: KRW bn)



Remsima<sup>®</sup> / Inflectra<sup>®</sup>
Truxima<sup>®</sup>
Herzuma<sup>®</sup>
  
Remsima<sup>®</sup> SC
Chemical
Others

By Region

(Unit: KRW bn)



Europe
N. America
Others

Note: Others included Regkirona<sup>®</sup>, Yuflyma<sup>®</sup>, and etc.

# 1Q22 Business Results

## Balance Sheet & Cash Flow

### Balance Sheet

(KRW bn)	'21	'22.1Q	Change
<b>Total Assets</b>	<b>3,914.7</b>	<b>3,771.5</b>	<b>-143.2</b>
Cash and Cash Equivalents	254.9	249.1	-5.8
Short Term Financial Assets	270.5	175.8	-94.7
Trade and Other Receivables	584.1	405.6	-178.5
Inventories	2,065.7	2,127.5	61.8
<b>Total Liabilities</b>	<b>1,808.9</b>	<b>1,741.3</b>	<b>-67.6</b>
<b>Total Equity</b>	<b>2,105.8</b>	<b>2,030.2</b>	<b>-75.6</b>
<b>Debt-to-Equity Ratio</b>	<b>85.9%</b>	<b>85.8%</b>	<b>-0.1%p</b>

### Cash Flow

(KRW bn)	'21	'22.1Q
<b>Cash at beginning of year</b>	<b>231.5</b>	<b>254.9</b>
<b>Operating</b>	<b>-160.2</b>	<b>16.6</b>
Operating profit	199.4	45.0
Working capital	-340.2	-19.6
Others	-19.4	-8.8
<b>Investing</b>	<b>-4.2</b>	<b>94.1</b>
Short term financial assets	28.0	96.3
Others	-32.2	-2.2
<b>Financing</b>	<b>187.8</b>	<b>-116.5</b>
Borrowing and redemption	199.9	-31.2
Share buyback	-11.6	-85.1
Share issue	3.0	0.7
Others	-3.5	-0.9
<b>Cash at the end of year</b>	<b>254.9</b>	<b>249.1</b>

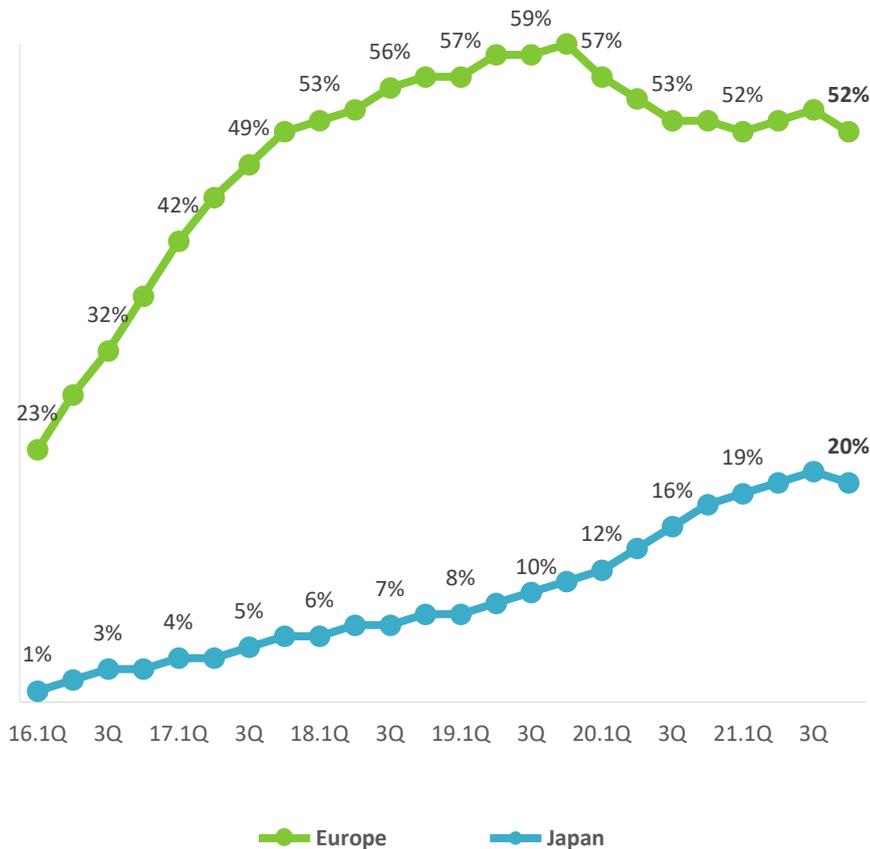
Section 02

# Key Business Performance

# Key Business Performance

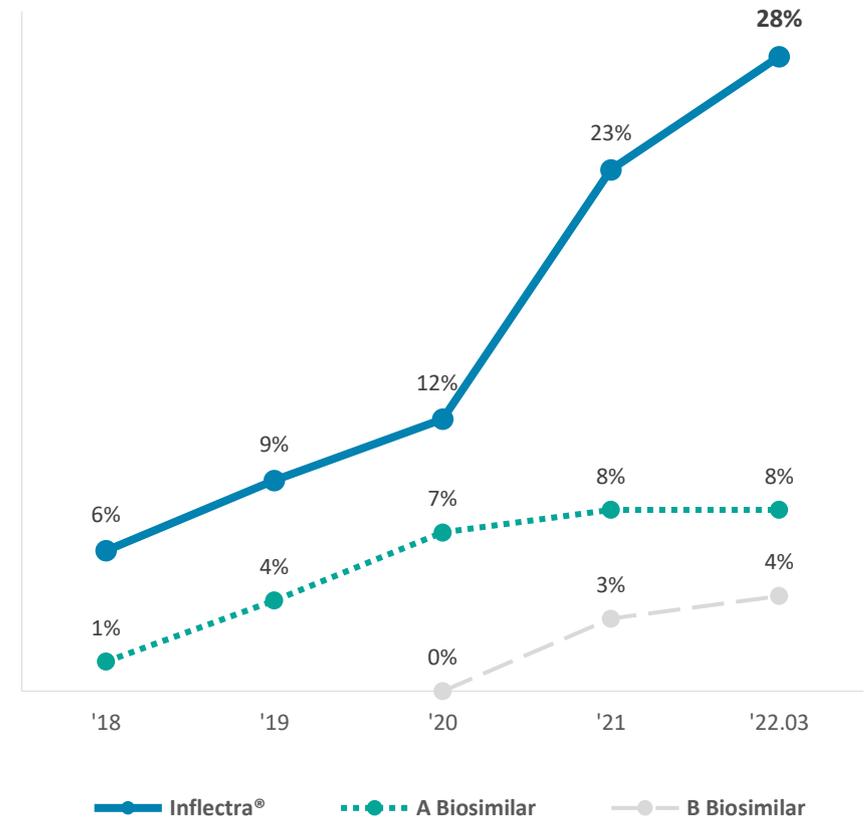
- ✓ Maintaining most prescribed Infliximab drug in Europe with the market share over 50% & continuously expanding prescriptions in Japan
- ✓ Achieved the market share three times higher than that of competitors led by additional listings at major US payers

Market share of Remsima® in Europe and Japan



Note: market share is based on volume  
Source : IQVIA

Market share of Inflectra® in the US

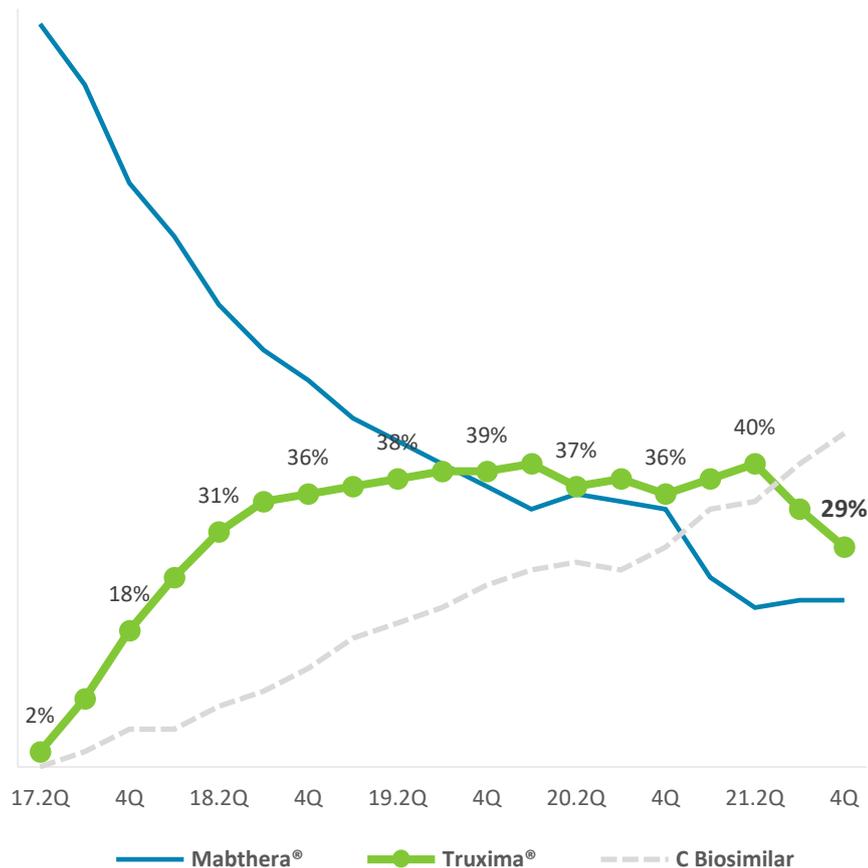


Note: market share is based on volume  
Source : Symphony Health

# Key Business Performance

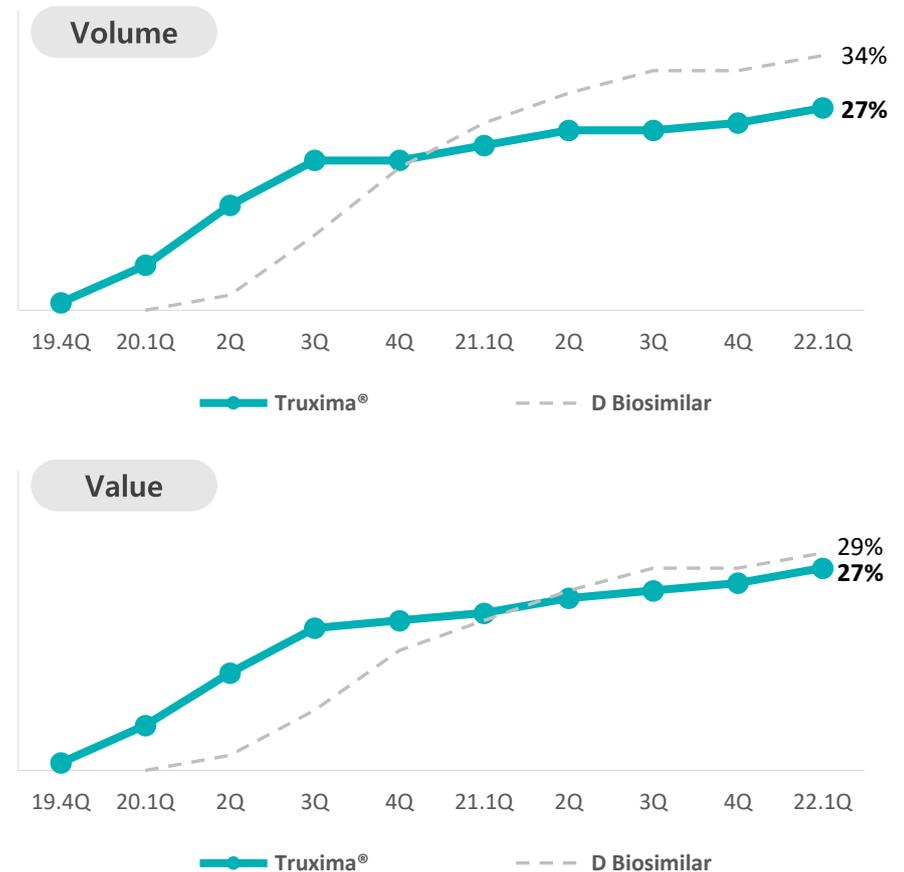
- ✓ Sales and market share decreased temporarily due to the preparation for the additional direct sales as well as strategically participating in tenders to secure profitability in Europe
- ✓ Optimal pricing strategy in the US contributed to securing profitability as well as steady rise in the market share

Market share of Truxima® in Europe



Note: market share is based on volume  
Source : IQVIA

Market share of Truxima® in the US

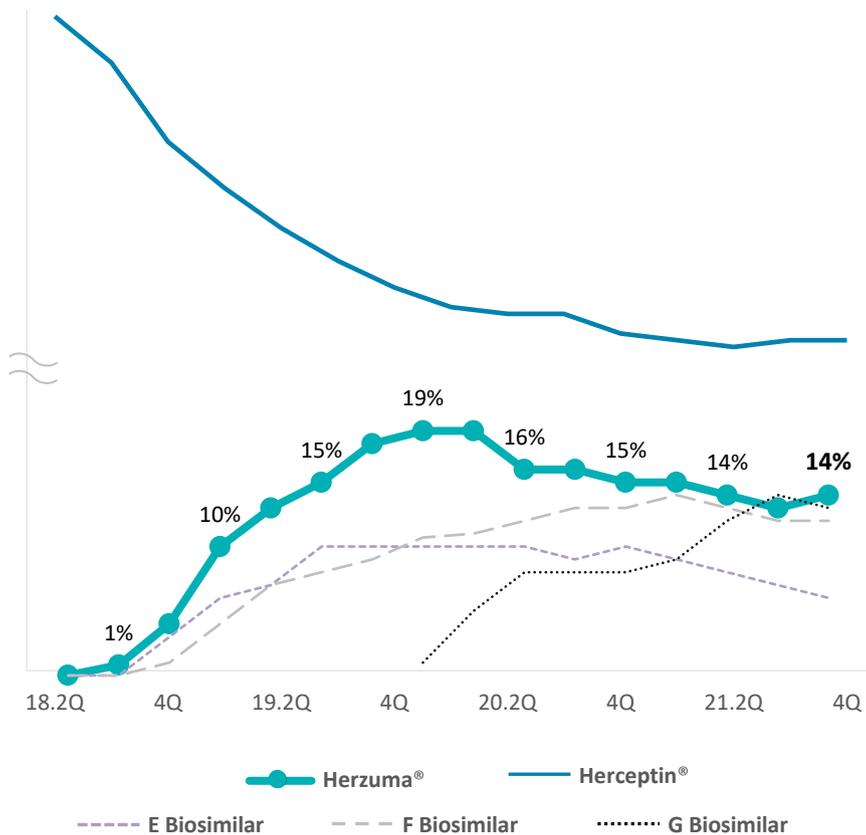


Source : Symphony Health

# Key Business Performance

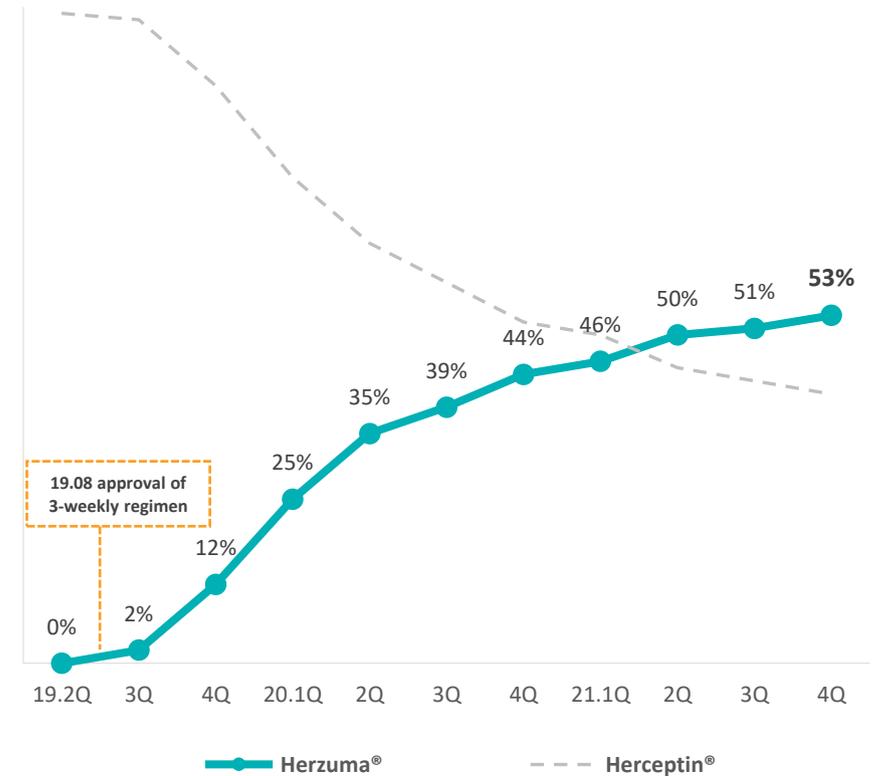
- ✓ Securing profitability by strategic participation in tenders as a leading Herceptin® biosimilar in Europe
- ✓ Surpassed the market share of the original in Japan & Increased demands in LATAM boosted sales growth

Market share of Herzuma® in Europe



Note: market share is based on volume  
Source : IQVIA

Market share of Herzuma® in Japan

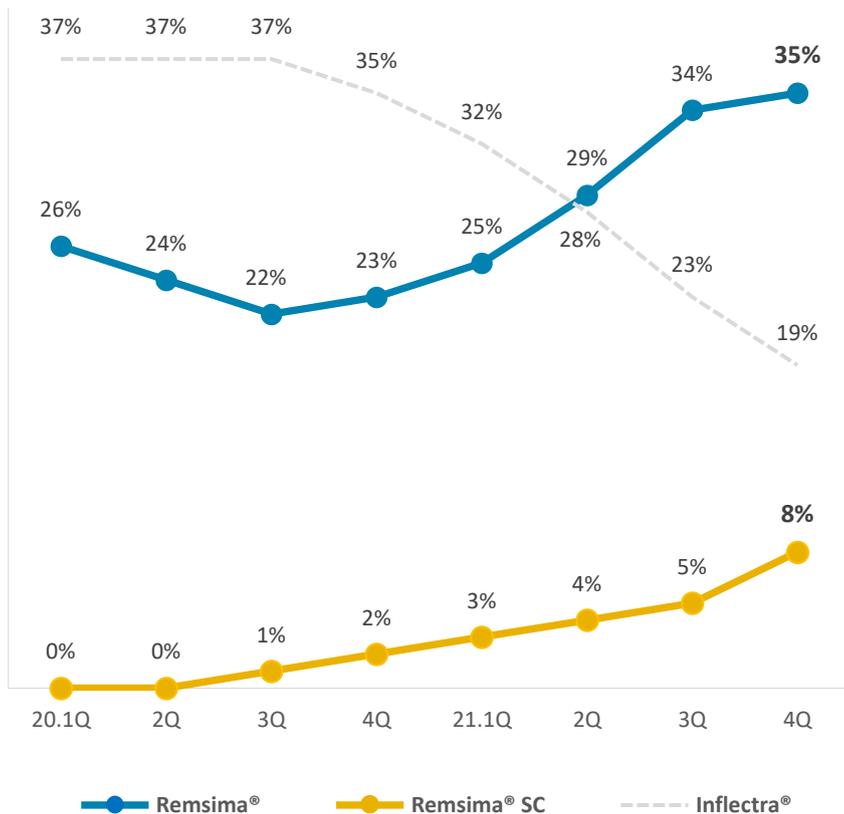


Note: market share is based on volume  
Source : IQVIA

# Key Business Performance

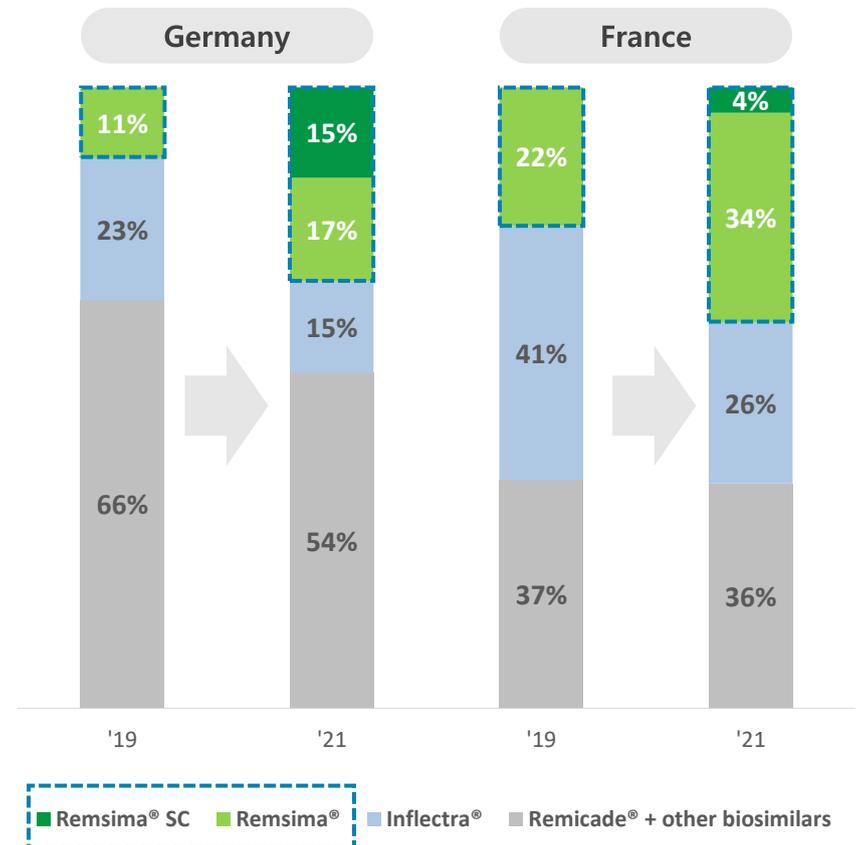
- ✓ Remsima® SC prescription have been expanding since its launch in 2020, driving the growth of Infliximab market in Europe
- ✓ Switching from Inflectra® to Remsima® in EU5 regions including Germany & France, led to the increase of prescriptions of Remsima® SC

M/S Trend of Remsima® & Remsima® SC in EU5



Note: market share is based on volume of EU5 region  
Source : IQVIA

Increase of prescription of Remsima® & Remsima® SC



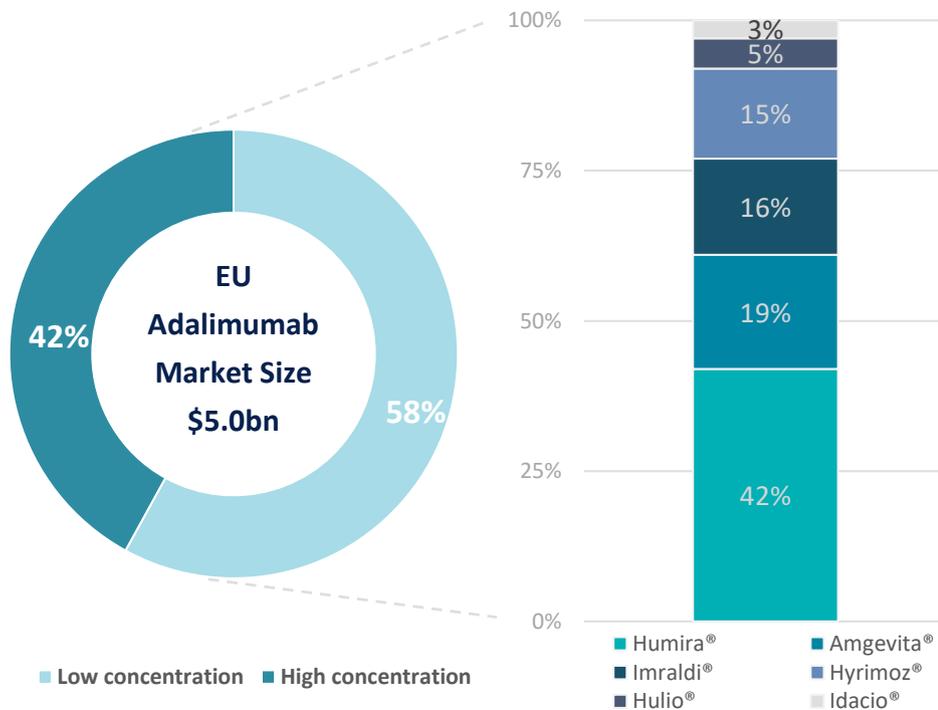
Note: market share is based on volume  
Source : IQVIA

# Key Business Performance

Yuflyma® / CT-P16

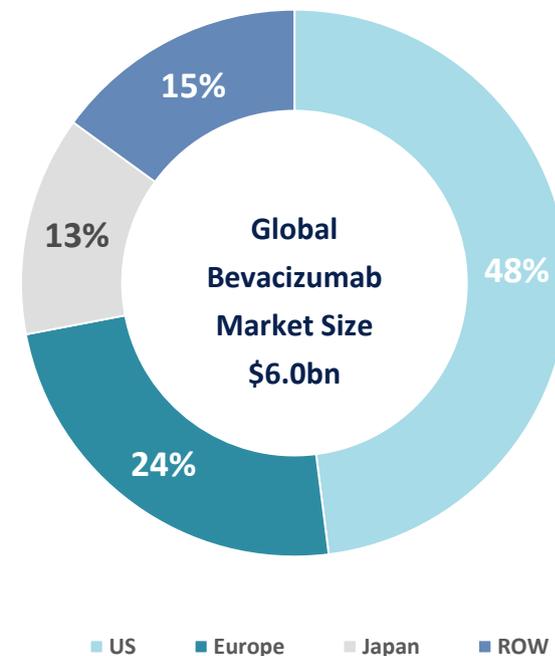
- ✓ Yuflyma®, the only low volume & citrate-free Adalimumab biosimilar, started to enter European market in 2022 in earnest
- ✓ Aiming to launch CT-P16(Avastin® biosimilar) within a year in the US, Europe, and Japan which accounts for 80% of the Bevacizumab market

Market size of Adalimumab in EU



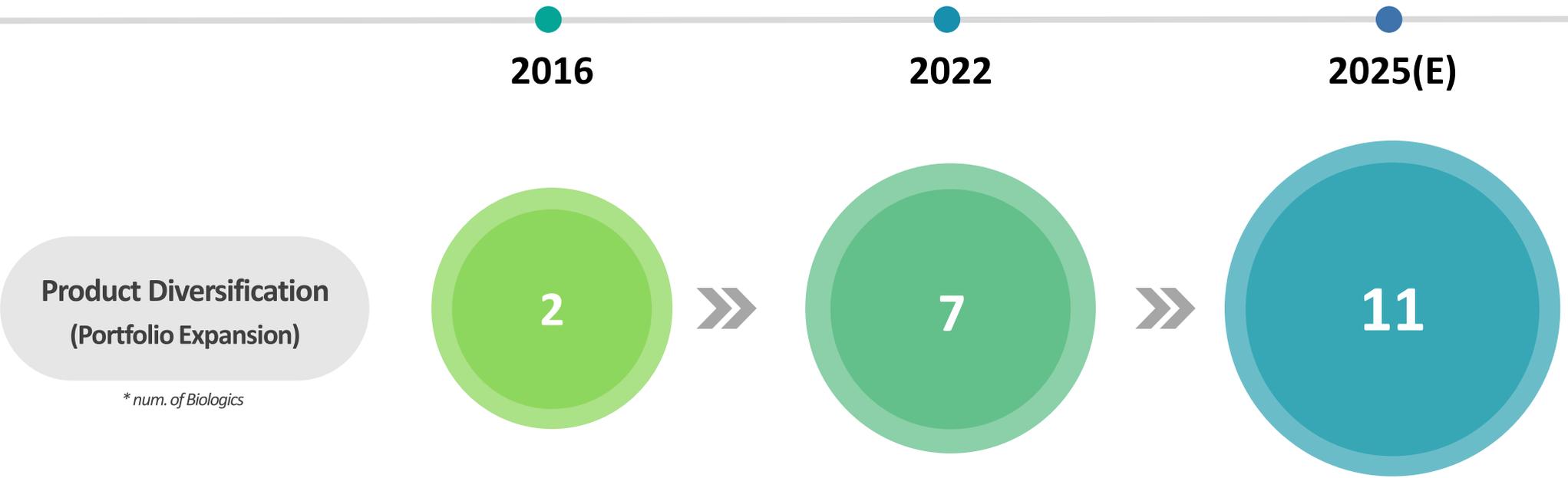
Note: market size is as of 2021  
Source : IQVIA

Global Market size of Bevacizumab



Note: market size is as of 2021  
Source : IQVIA

# Promoting Sales Growth through Distribution Channels Improvement & Portfolio Expansion



# Pipeline

- ✓ Limited competition with post-CT-P16 portfolio
- ✓ Modest top-line growth is expected to continue by launching at least 1 biological product every year

Product Name	Reference Drug	Manufacturer	Global Market size (\$bn)	US	EU
Remsima® SC	-	Celltrion	52.9	In Phase 3 Clinical Trials (Mar.2019~)	All Indications Approved (Jul.2020, Pediatric usage non-included)
Yuflyma® (CT-P17)	Humira® (Adalimumab)	AbbVie	34.6	Application Submitted (Nov.2020)	Received European Commission Approval (Feb.2021)
CT-P16	Avastin® (Bevacizumab)	Roche	6.1	Application Submitted (Sep.2021)	Application Submitted (Oct.2021)
CT-P42	Eylea® (Aflibercept)	Bayer & Regeneron	4.8	In Global Phase 3 Clinical Trials (Nov.2020~)	
CT-P39	Xolair® (Omalizumab)	Genentech	3.7	In Global Phase 3 Clinical Trials (Jul.2020~)	
CT-P43	Stelara® (Ustekinumab)	Johnson & Johnson	14.1	In Global Phase 3 Clinical Trials (Sep.2020~)	
CT-P41	Prolia® (Denosumab)	Amgen	5.8	In Global Phase 3 Clinical Trials (Jan.2021~)	

Note: global market size is as of 2021

Source : IQVIA

# Appendix

# Summary Income Statement

(KRW bn)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	'19	'20	'21
<b>Revenue</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>605.8</b>	<b>415.7</b>	<b>1,100.9</b>	<b>1,627.6</b>	<b>1,804.5</b>
Cost of Sales	262.4	292.0	289.4	242.0	274.0	306.1	334.4	459.5	311.4	891.6	1,085.8	1,374.0
Gross Profit	94.5	128.3	174.0	145.0	82.3	127.1	74.7	146.4	104.3	209.3	541.8	430.5
SG&A	38.7	41.4	46.3	53.3	50.8	50.9	52.7	76.7	59.2	126.5	179.7	231.1
<b>Operating Income (Loss)</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>69.7</b>	<b>45.0</b>	<b>82.8</b>	<b>362.1</b>	<b>199.4</b>
Non-operating Income	42.4	(18.1)	(7.0)	(64.5)	3.6	11.8	30.5	(45.9)	16.5	(6.7)	(47.2)	0.0
Financial Income	22.8	3.6	3.1	9.2	5.5	4.6	2.2	0.8	4.3	20.0	38.7	13.1
Financial Expenses	7.4	16.9	8.2	1.4	12.5	3.5	18.5	(2.8)	5.0	29.5	33.9	31.7
Other Income	32.5	11.7	7.4	(13.2)	27.0	15.6	51.8	(22.6)	30.9	20.8	38.4	71.8
Other Expenses	5.5	16.5	9.3	59.1	16.4	4.9	5.0	26.9	13.7	18.0	90.4	53.2
<b>Profit before Taxes</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>23.0</b>	<b>61.3</b>	<b>75.4</b>	<b>314.7</b>	<b>198.3</b>
Tax Expense (Benefit)	22.0	22.2	34.5	(4.4)	3.5	24.1	11.9	(85.2)	17.7	10.4	74.3	(45.7)
<b>Net Profit</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>16.8</b>	<b>43.6</b>	<b>65.0</b>	<b>240.4</b>	<b>152.6</b>

**Thank You**