



Celltrion Healthcare

3Q21 Earnings Presentation



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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

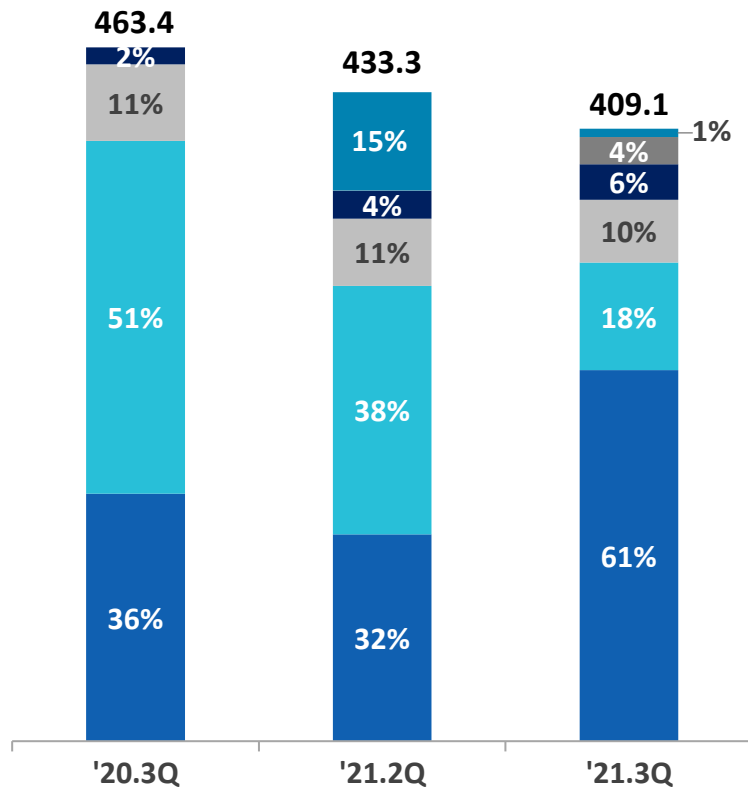
(KRW bn)	'20.3Q	'21.2Q	'21.3Q	%YoY	%QoQ
Revenue	463.4	433.3	409.1	-11.7%	-5.6%
Gross Profit	174.0	127.1	74.7	-57.1%	-41.2%
(%)	37.5%	29.3%	18.3%	-19.2%p	-11.0%p
SG&A	46.3	50.9	52.7	13.8%	3.5%
(%)	10.0%	11.7%	12.9%	2.9%p	1.2%p
Personnel expenses	8.8	10.5	12.1	37.5%	15.2%
Research expenses	7.3	6.5	5.5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

3Q21 Business Results

Sales Breakdown

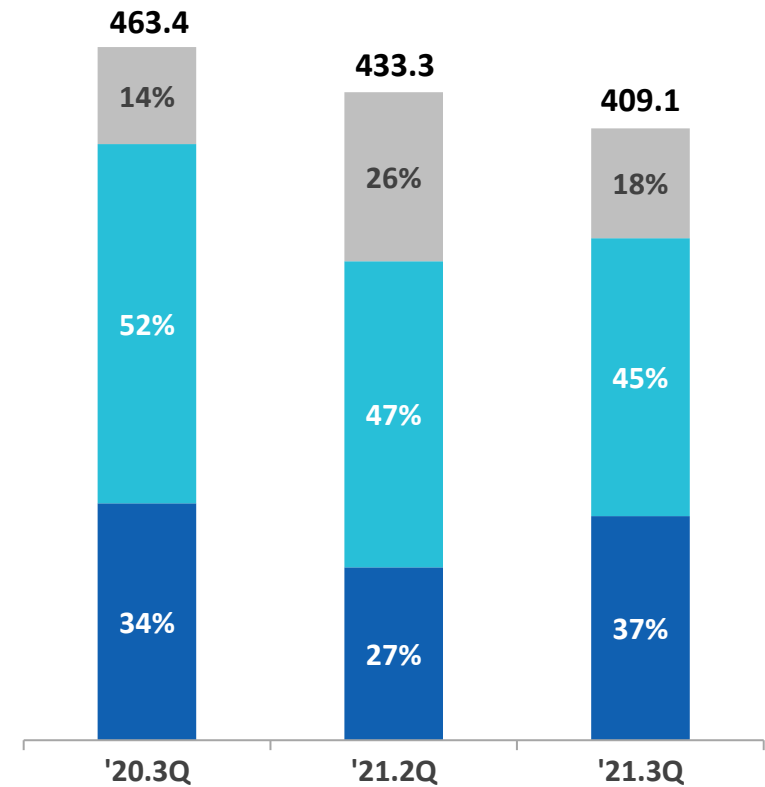
By Product

(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
Total Assets	3,739.7	3,802.7	63.0
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
Total Liabilities	1,806.8	1,775.3	-31.5
Total Equity	1,932.9	2,027.4	94.5
Debt-to-Equity Ratio	93.5%	87.6%	-5.9%p

Cash Flow

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

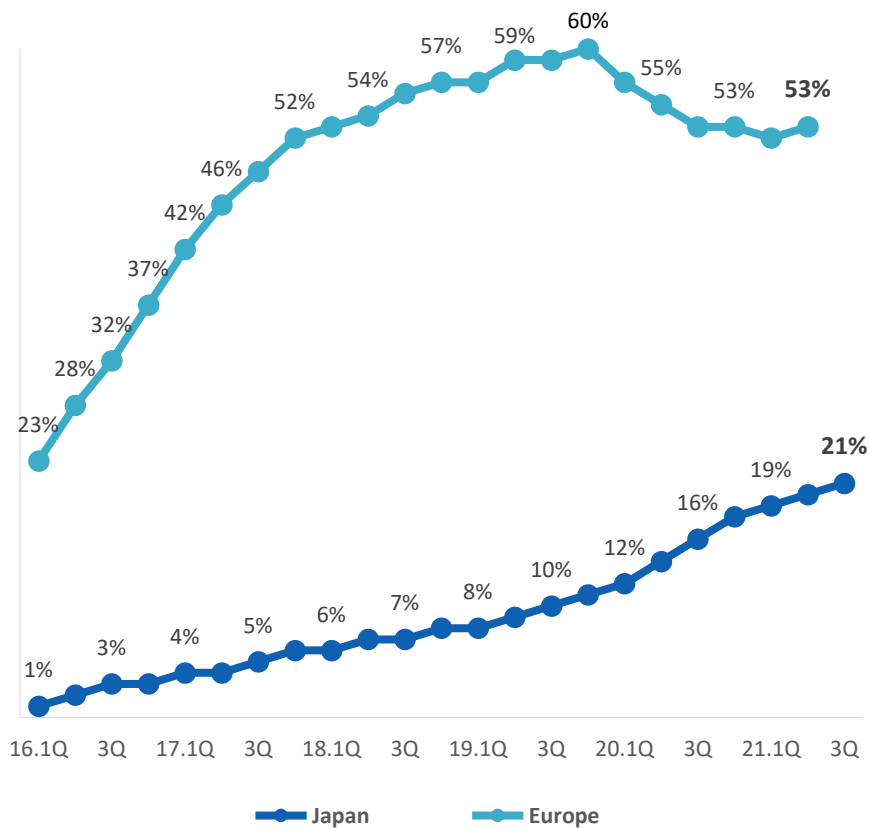
Section 02

Key Business Performance

Key Business Performance

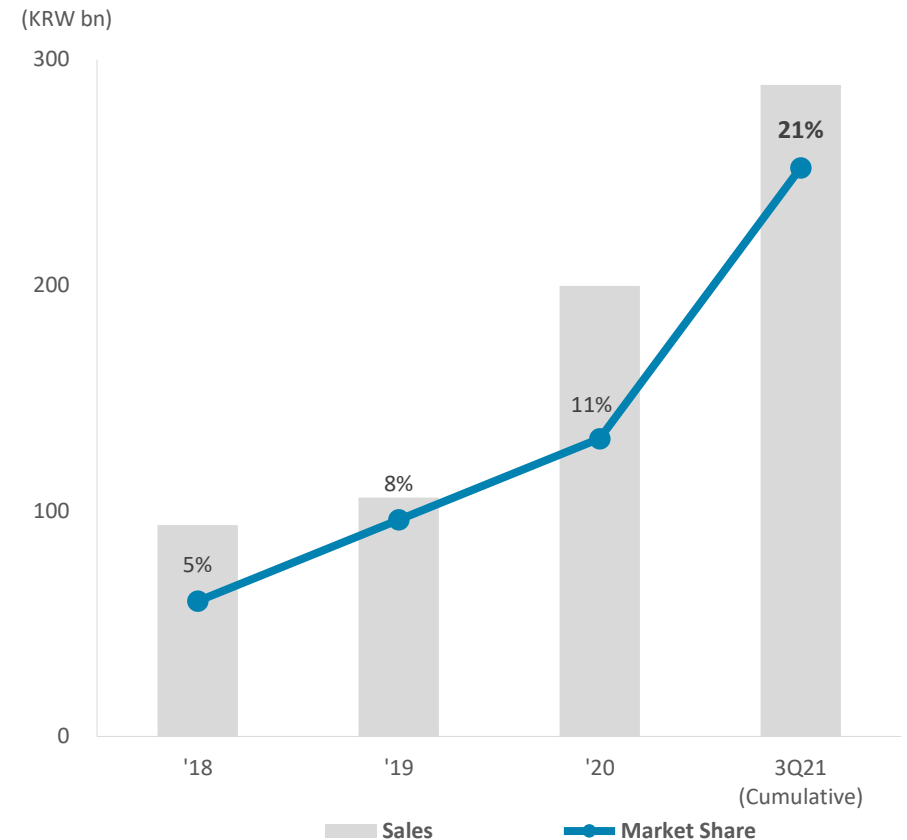
- ✓ Most prescribed Infliximab drug in Europe and Japan
- ✓ Acceleration of market share thanks to the additional listings at major US payers including UHC and Cigna led to rise in shipments in the 2H21

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

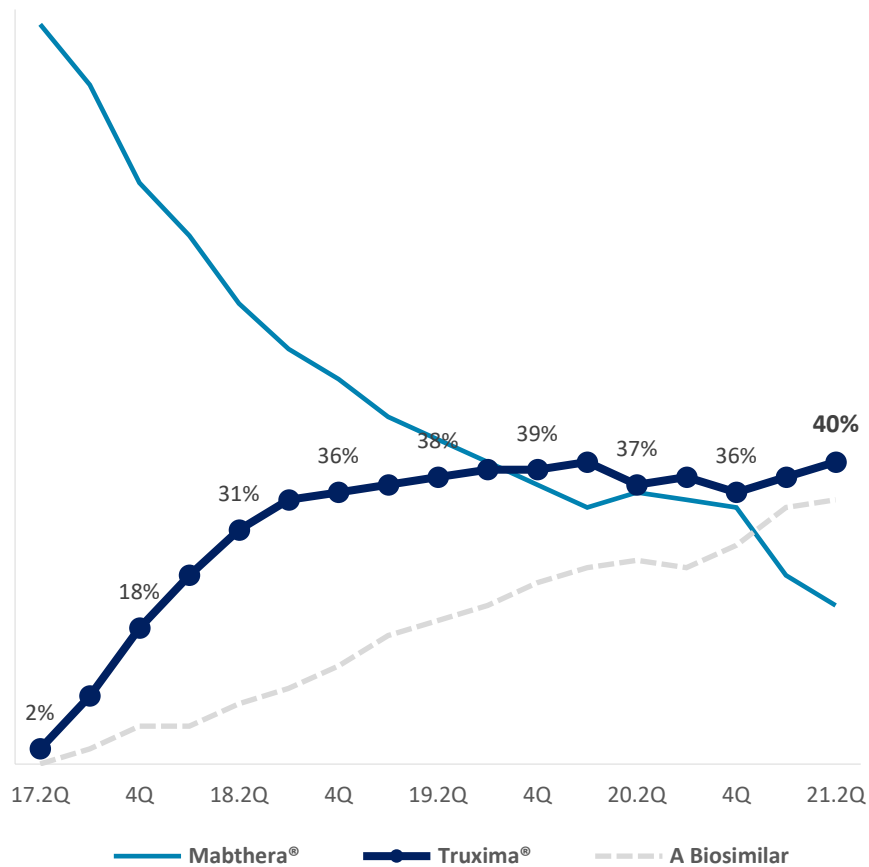


Note: market share is based on volume
Source : Symphony Health

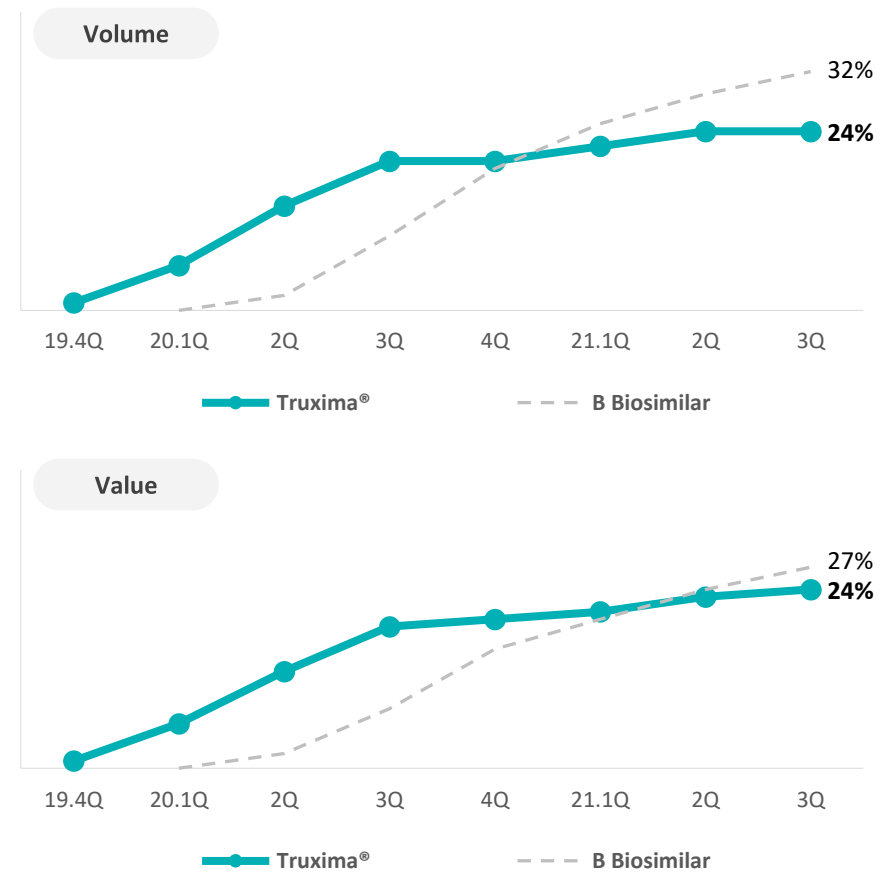
Key Business Performance

- ✓ 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



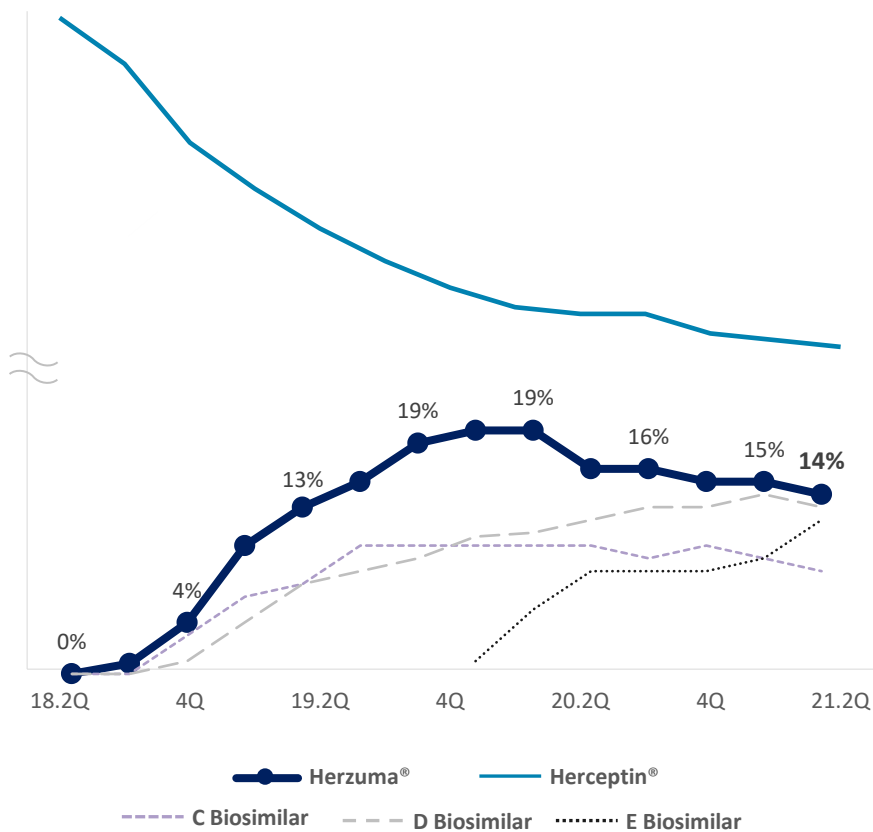
Note: market share is based on volume
Source : IQVIA

Source : Symphony Health

Key Business Performance

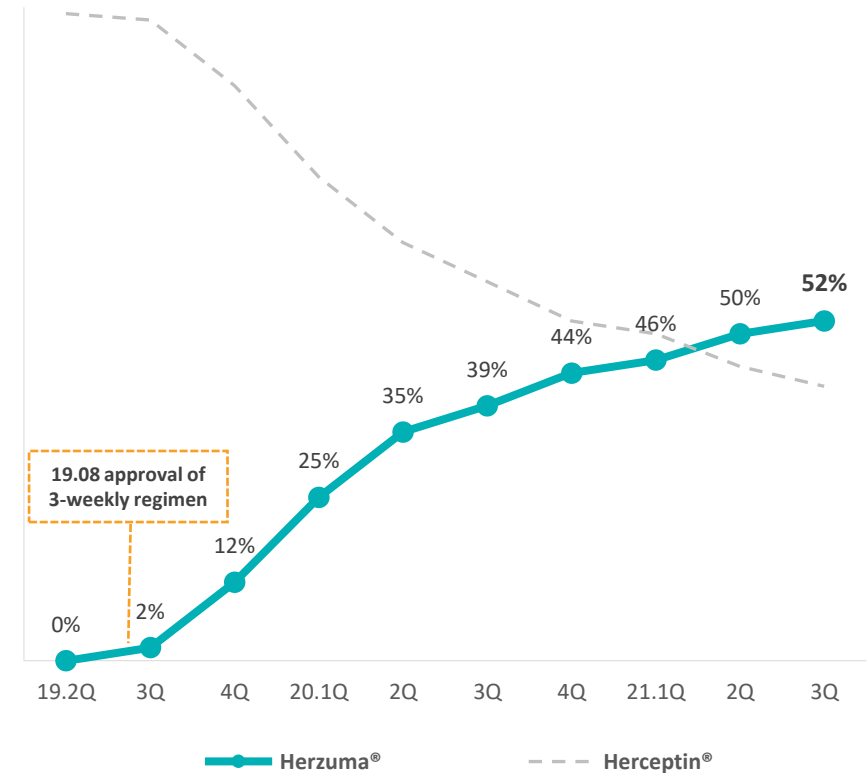
- ✓ Securing profitability by strategic participation in tenders as a leading Herceptin® biosimilar in EU
- ✓ Steady prescription increase in Japan surpassing the market share of the original

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

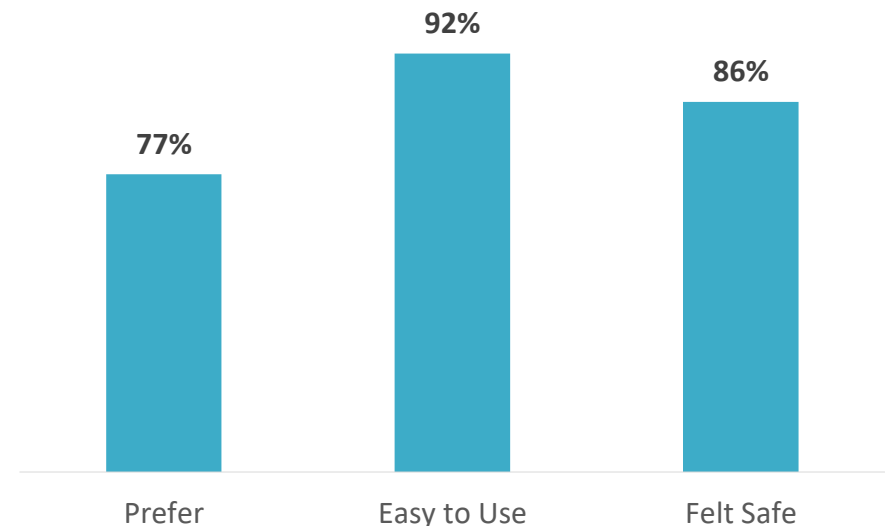
- Acceleration of market penetration through flexible pricing strategies tailored to drug price of each country



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



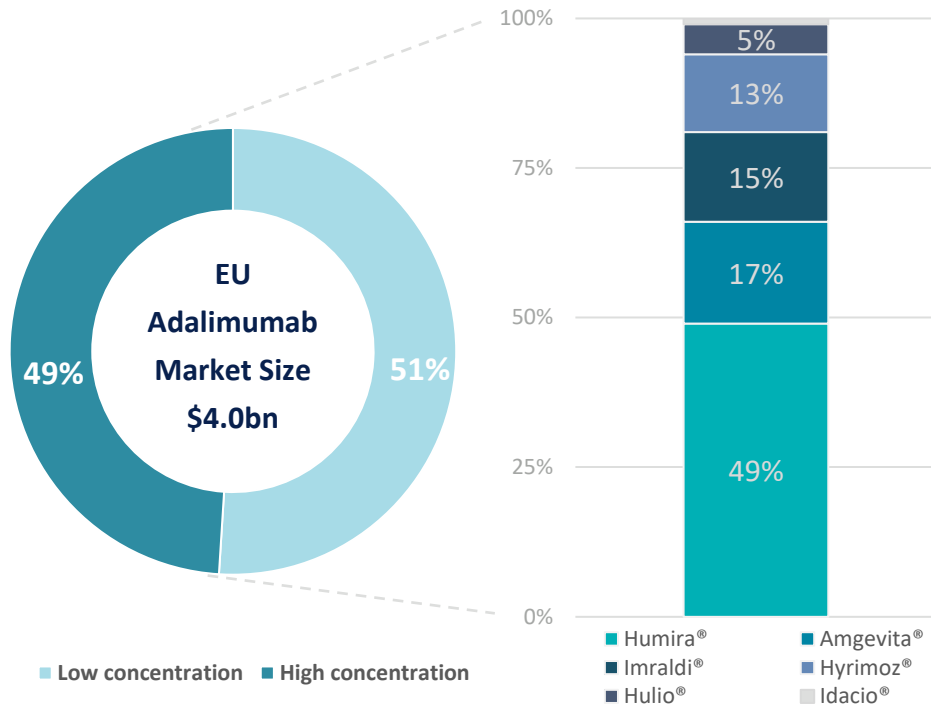
According to the survey conducted on 88 patients switched from IFX IV to Remsima® SC at Liverpool University Hospitals, 77% of patients said they preferred using Remsima® SC over IFX IV.

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

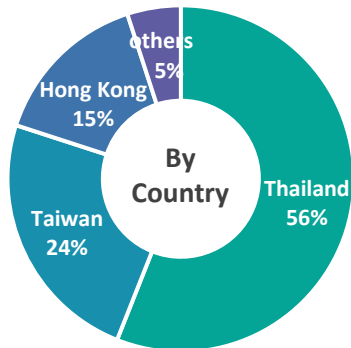
Source : IQVIA

Key Business Performance

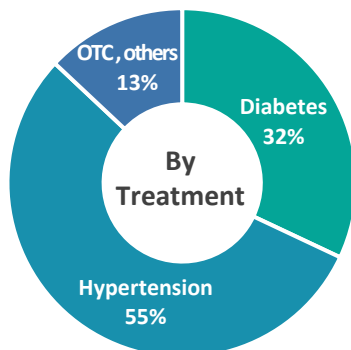
- ✓ After Celltrion Inc's acquisition of Takeda Primary Care APAC business unit, direct sales of the Primary Care products started through our local subsidiaries from Jun.2021
- ✓ PC products will lead diversification of portfolio and bring about marketing & sales synergies with biosimilars

Sales Mix (as of 2019)

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

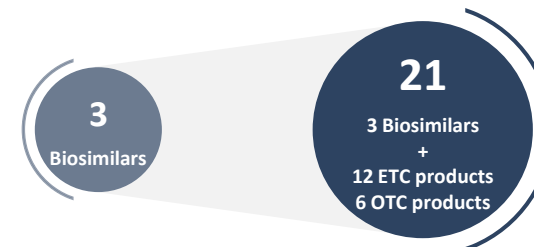


Having ETC drugs as key portfolios including hypertension & diabetes drugs



Marketing & sales synergies with CTHC

Diversified portfolio by adding Primary Care products



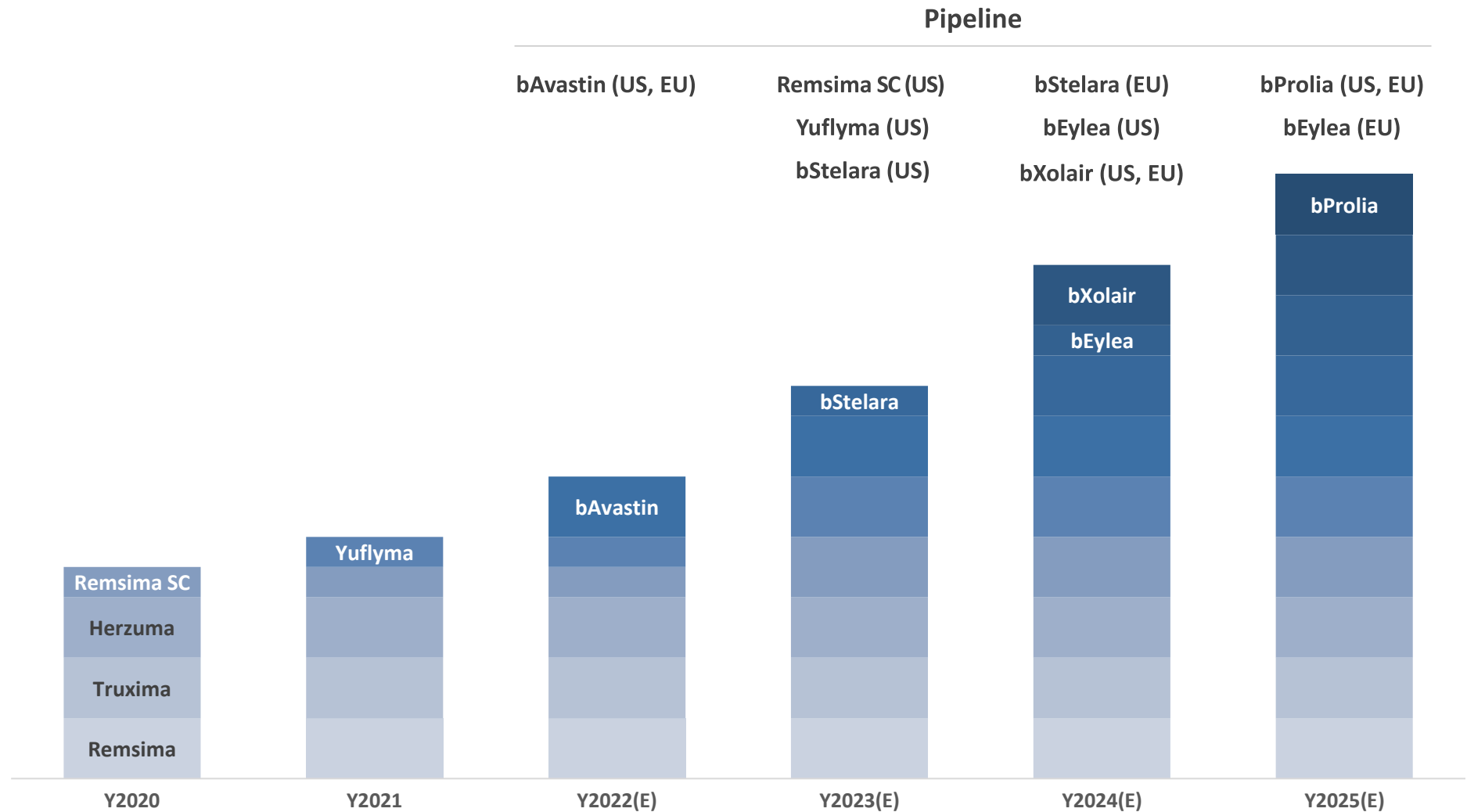
Mid-to-long term plan

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

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
Revenue	220.5	284.8	282.0	313.6	356.9	420.3	463.4	387.0	356.3	433.3	409.1	920.9	713.5	1,100.9	1,627.6
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
Operating Income (Loss)	9.4	9.3	21.3	42.8	55.8	86.8	127.7	91.8	31.5	76.2	22.0	153.7	(25.2)	82.8	362.1
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
Profit before Taxes	8.6	18.0	26.4	22.4	98.2	68.7	120.6	27.2	35.0	87.8	52.5	206.1	24.4	75.4	314.7
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
Net Profit	5.8	8.5	10.1	40.6	76.2	46.4	86.1	31.7	31.5	63.7	40.6	157.4	11.4	65.0	240.4

Thank You
