

March 2022



# Celltrion Healthcare

2021 Earnings Presentation



# Disclaimer

**This presentation is for discussion purposes only.**

**Some of the information in this presentation may include unaudited financial statements. These unaudited financial statements involve risks and uncertainties that could cause actual results to differ materially from the audited statements.**

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Section 01

**4Q21 & Annual  
Business Results**

# 4Q21 Business Results

## Income Statement

- ▶ **Revenue** : Achieved a record-high revenue driven by rise in demand in growth markets as well as the diversification of portfolios including Regkirona, chemical drugs amid stable prescriptions in EU and N.America markets
- ▶ **OP** : Recorded 11.5% OPM thanks to the continued increase of Inflectra prescription despite sales decrease of Truxima in the profitable N.America market
- ▶ **NP** : Decreased as a result of the loss on the valuation of foreign currency assets due to currency fluctuation

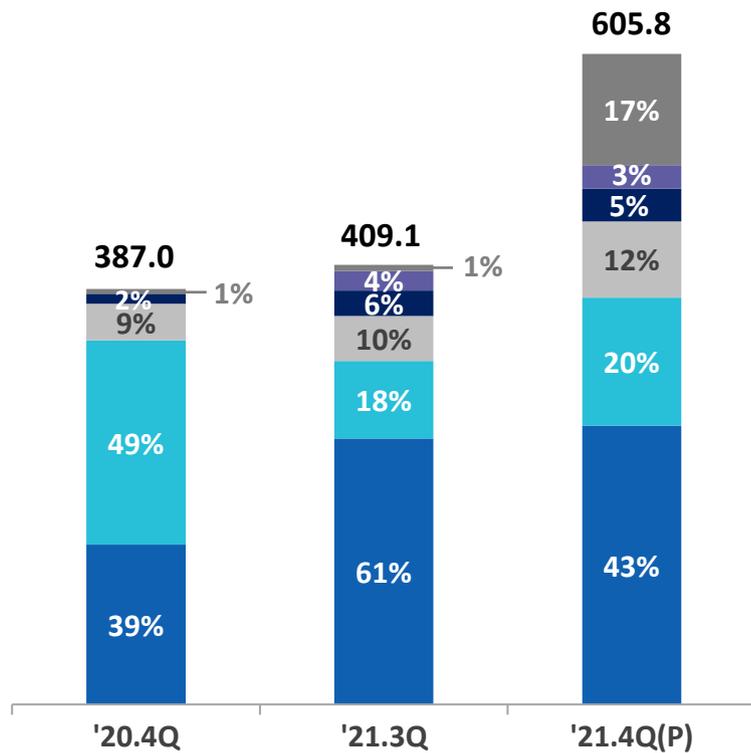
(KRW bn)	'20.4Q	'21.3Q	'21.4Q(P)	%YoY	%QoQ
<b>Revenue</b>	<b>387.0</b>	<b>409.1</b>	<b>605.8</b>	<b>56.5%</b>	<b>48.1%</b>
Gross Profit	145.0	74.7	146.4	1.0%	96.0%
(%)	37.5%	18.3%	24.2%	-13.3%p	5.9%p
SG&A	53.3	52.7	76.7	43.9%	45.5%
(%)	13.8%	12.9%	12.7%	-1.1%p	-0.2%p
Personnel expenses	16.9	12.1	22.9	35.5%	89.3%
Research expenses	7.9	5.5	7.4	-6.3%	34.5%
Advertising expenses	2.4	3.0	6.5	170.8%	116.7%
Commissions	13.7	14.9	18.7	36.5%	25.5%
<b>Operating Profit</b>	<b>91.8</b>	<b>22.0</b>	<b>69.7</b>	<b>-24.1%</b>	<b>216.8%</b>
(%)	23.7%	5.4%	11.5%	-12.2%p	6.1%p
<b>EBIT</b>	<b>27.2</b>	<b>52.5</b>	<b>23.0</b>	<b>-15.4%</b>	<b>-56.2%</b>
<b>Net Profit</b>	<b>31.7</b>	<b>40.6</b>	<b>16.8</b>	<b>-47.0%</b>	<b>-58.6%</b>

# 4Q21 Business Results

## Sales Breakdown

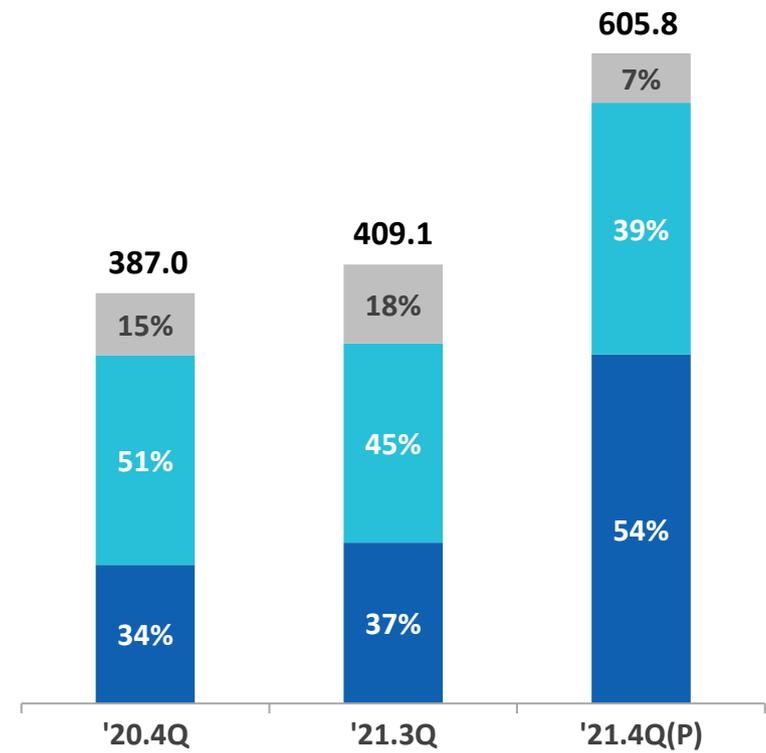
By Product

(Unit: KRW bn)



By Region

(Unit: KRW bn)



Note: Others included Regkirona®, Yuflyma®, and etc.

# 2021 Annual Business Results

## Income Statement

(KRW bn)	'20	'21(P)	%YoY
<b>Revenue</b>	<b>1,627.6</b>	<b>1,804.5</b>	<b>10.9%</b>
Gross Profit	541.8	430.5	-20.5%
(%)	33.3%	23.9%	-9.4%p
SG&A	179.7	231.1	28.6%
(%)	11.0%	12.8%	1.8%p
Personnel expenses	40.5	58.3	44.0%
Research expenses	29.7	29.2	-1.7%
Advertising expenses	8.6	15.1	75.6%
Commissions	51.6	60.9	18.0%
<b>Operating Profit</b>	<b>362.1</b>	<b>199.4</b>	<b>-44.9%</b>
(%)	22.2%	11.1%	-11.1%p
<b>EBIT</b>	<b>314.7</b>	<b>198.3</b>	<b>-37.0%</b>
<b>Net Profit</b>	<b>240.4</b>	<b>152.6</b>	<b>-36.5%</b>

### ► Revenue

- **Europe** : In addition to stable sales of existing products, launch of new products such as Remsima® SC and Yuflyma® led to increase in sales
- **N.America** : Sales of Inflectra® more than doubled YoY thanks to the rise in demand. While Truxima®'s sales declined due to the base effect of last year's performance, its solid market shares is maintained.
- **Others** : Surpassed 300bn won in annual sales thanks to evenly growth of all our products in growth markets including Japan and Latin America

### ► Gross Profit

Decreased as a result of the decrease in the North America sales YoY relative to the entire sales

### ► Operating Profit

In spite of the increase in sales of Inflectra in the North America and other products in the growth markets, the OP decreased resulting from decrease in the N.America Truxima sales and additional hiring of overseas sales reps as a result of the expansion of the direct sales network.

### ► Net Profit

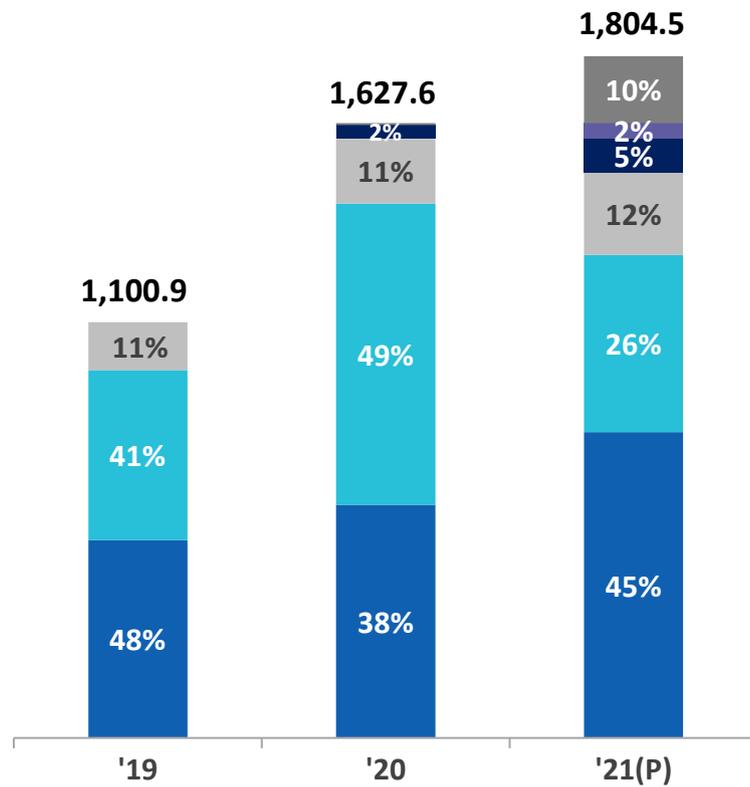
Decrease YoY owing to lowered operating profit

# 2021 Annual Business Results

## Sales Breakdown

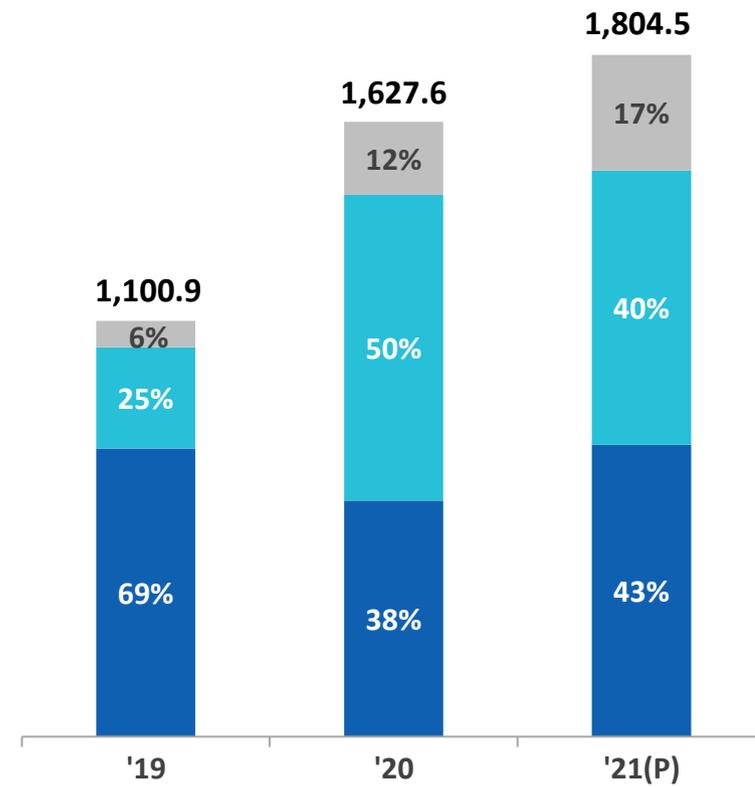
### By Product

(Unit: KRW bn)



### By Region

(Unit: KRW bn)



Note: Others included Regkirona®, Yuflyma®, and etc.

# 2021 Business Results

## Balance Sheet & Cash Flow

### Balance Sheet

(KRW bn)	'20	'21(P)	Change
<b>Total Assets</b>	<b>3,739.7</b>	<b>3,914.7</b>	<b>175.0</b>
Cash and Cash Equivalents	231.5	254.9	23.4
Short Term Financial Assets	295.7	270.5	-25.2
Trade and Other Receivables	409.8	584.1	174.3
Inventories	2,034.6	2,065.7	31.1
<b>Total Liabilities</b>	<b>1,806.8</b>	<b>1,808.9</b>	<b>2.1</b>
<b>Total Equity</b>	<b>1,932.9</b>	<b>2,105.8</b>	<b>172.9</b>
<b>Debt-to-Equity Ratio</b>	<b>93.5%</b>	<b>85.9%</b>	<b>-7.6%p</b>

### Cash Flow

(KRW bn)	'20	'21(P)
<b>Cash at beginning of year</b>	<b>297.0</b>	<b>231.5</b>
<b>Operating</b>	<b>-16.9</b>	<b>-160.2</b>
Operating profit	362.1	199.4
Working capital	-384.6	-340.2
Others	5.6	-19.4
<b>Investing</b>	<b>-136.2</b>	<b>-4.2</b>
Short term financial assets	-132.5	28.0
Others	-3.7	-32.2
<b>Financing</b>	<b>87.6</b>	<b>187.8</b>
Borrowing and redemption	80.1	199.9
Share buyback	-2.9	-11.6
Share issue	12.9	3.0
Others	-2.5	-3.5
<b>Cash at the end of year</b>	<b>231.5</b>	<b>254.9</b>

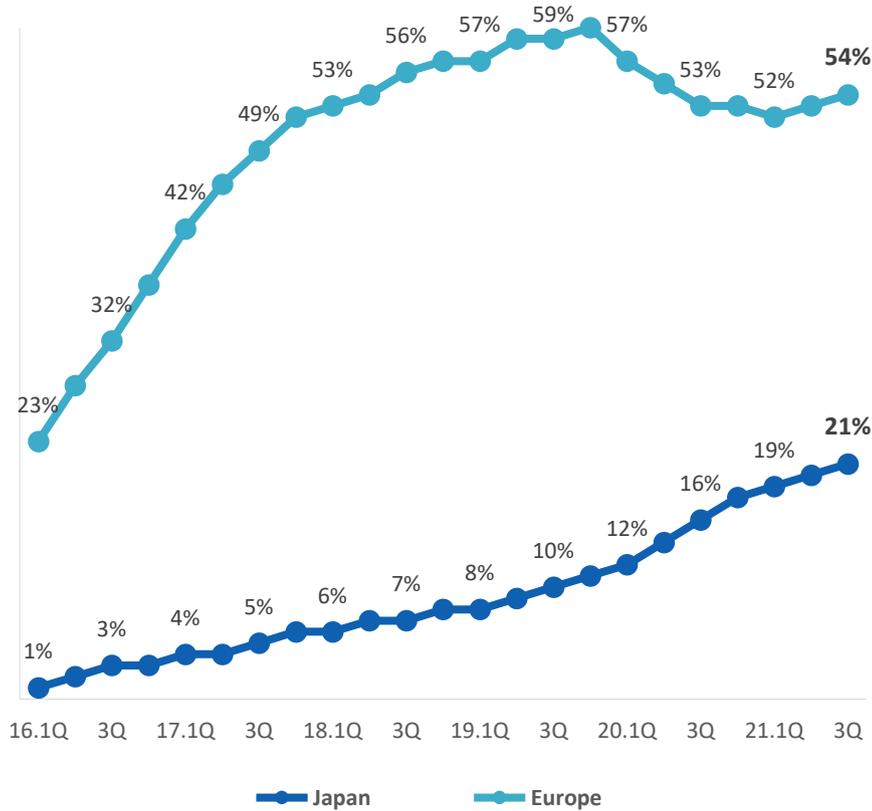
Section 02

# Key Business Performance

# Key Business Performance

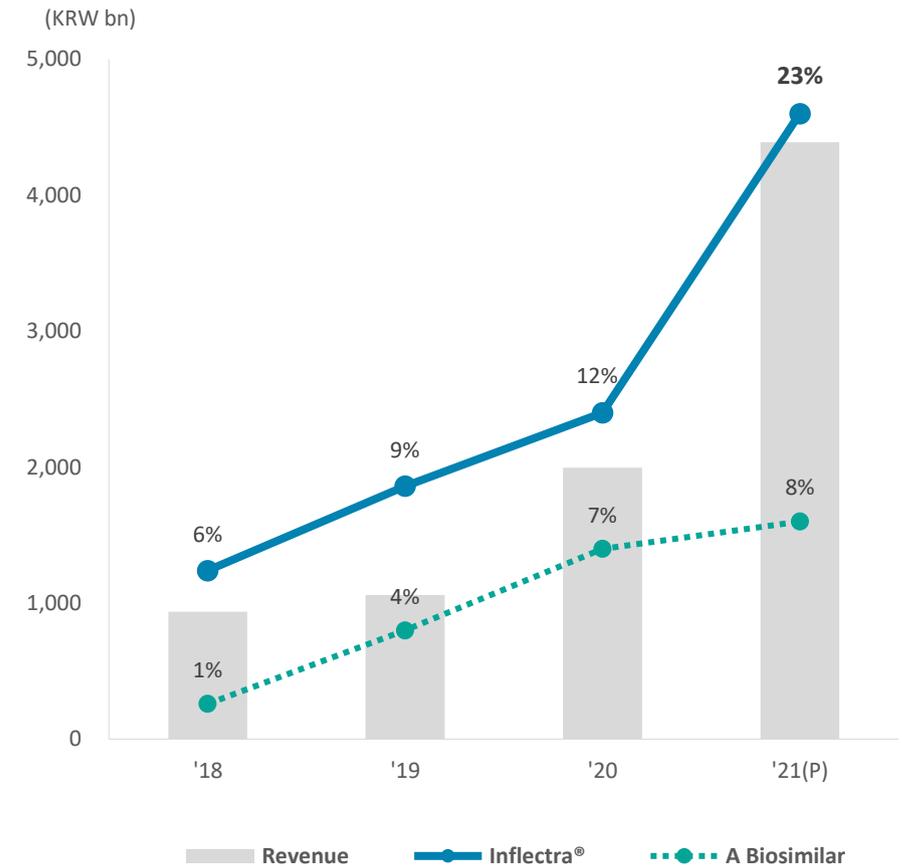
- ✓ Maintaining most prescribed Infliximab drug in Europe & continuously expanding prescriptions in Japan
- ✓ Market share doubled compared to the end of 2020 led by additional listings at major US payers

Market share of Remsima® in Europe and Japan



Note: market share is based on volume  
Source : IQVIA

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

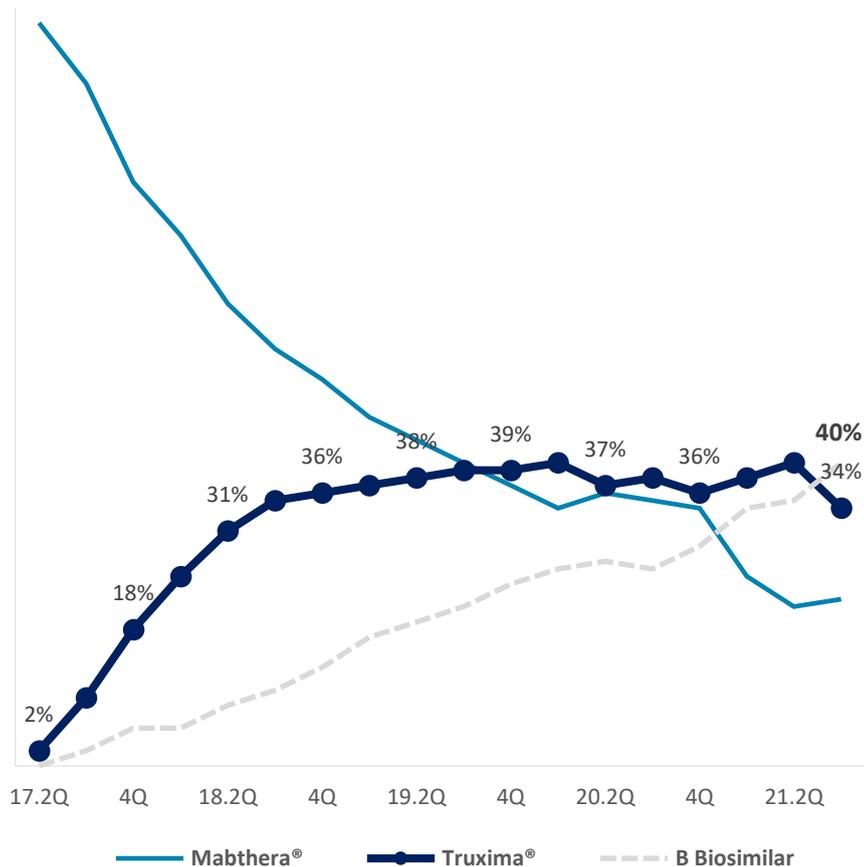


Note: market share is based on volume  
Source : Symphony Health

# Key Business Performance

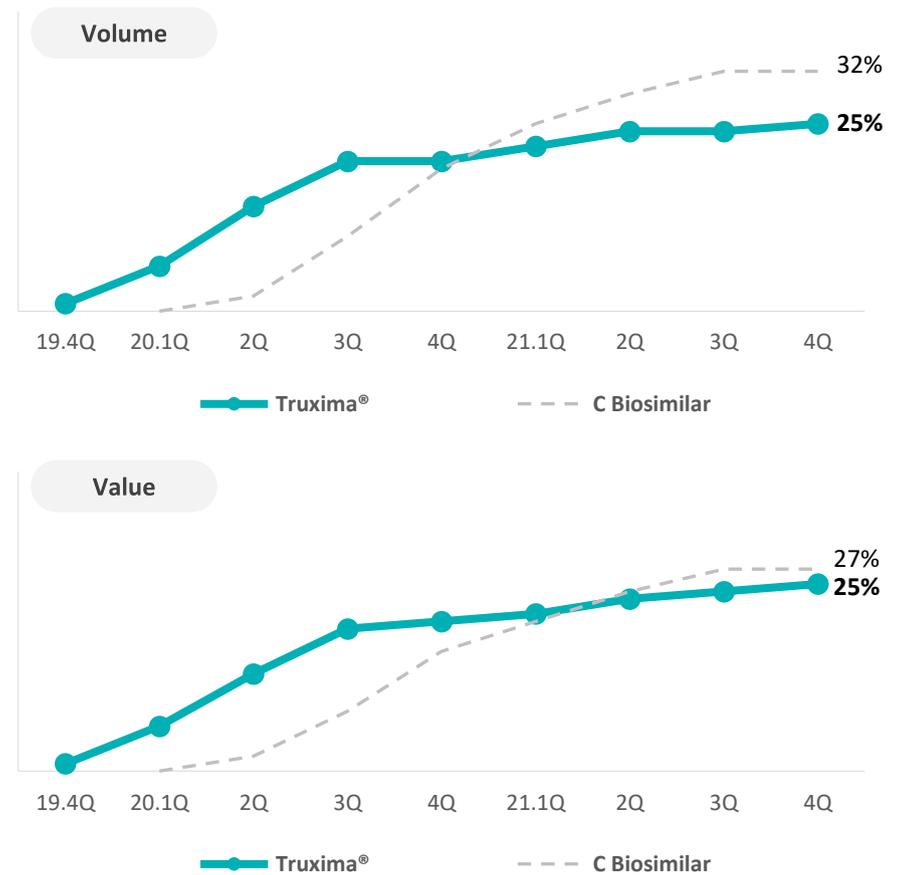
- ✓ Stable earnings generated by strategically participating in tenders to secure profitability
- ✓ Optimal pricing strategy in the US contributed to securing profitability as well as high market share

Market share of Truxima® in Europe



Note: market share is based on volume  
Source : IQVIA

Market share of Truxima® in the US

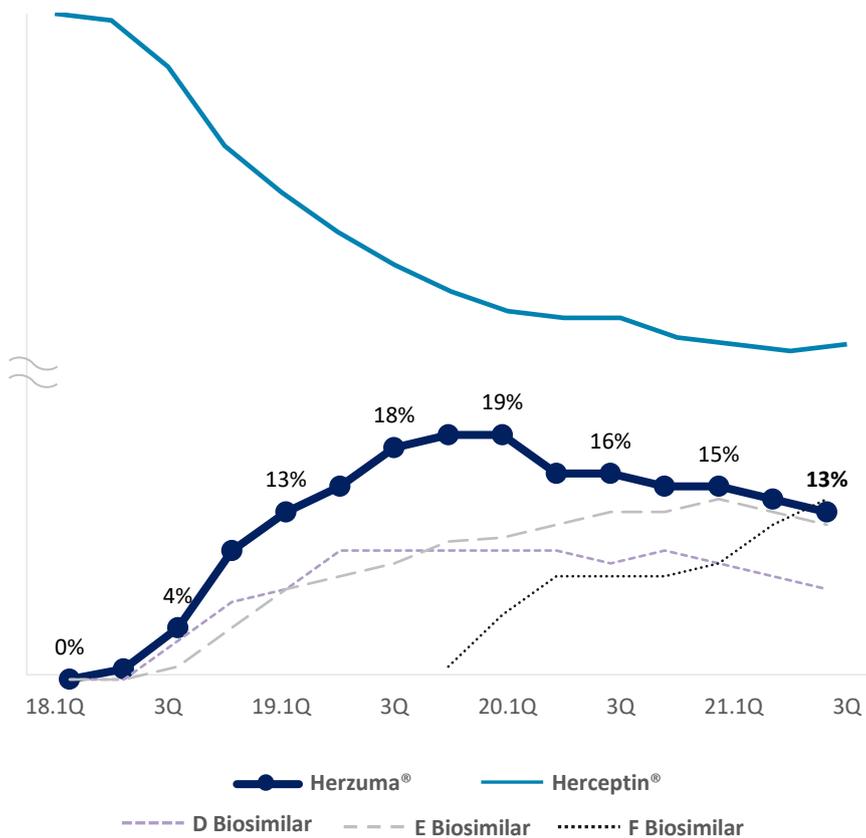


Source : Symphony Health

# Key Business Performance

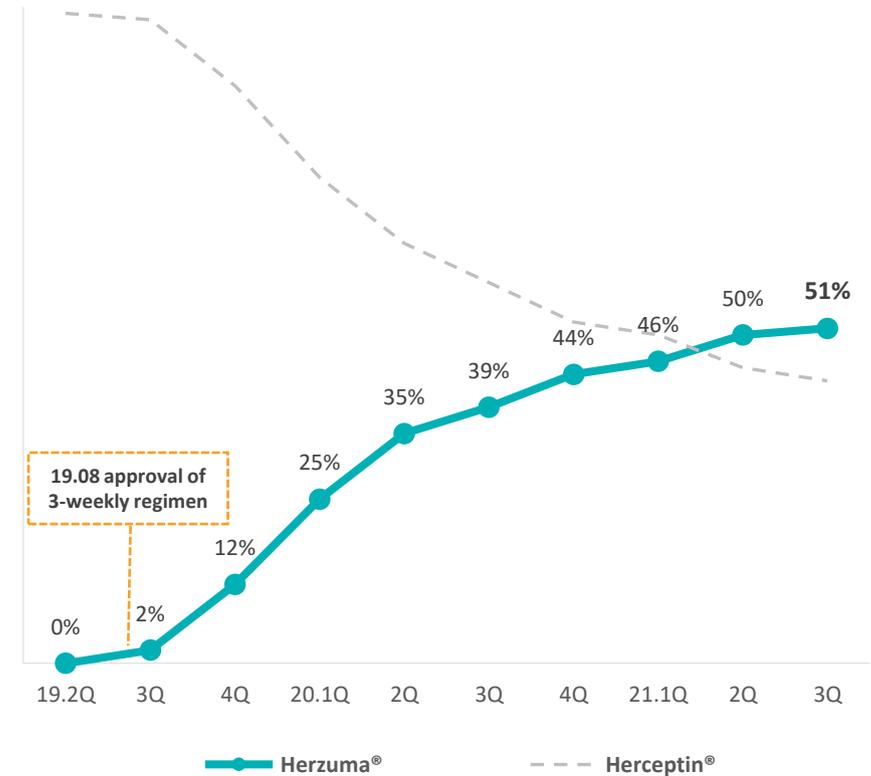
- ✓ Securing profitability by strategic participation in tenders as a leading Herceptin® biosimilar in EU
- ✓ Surpassed the market share of the original in Japan & Expanding demands in LATAM boosted sales growth

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

- ✓ Switching patients with IBD contributed to the steady increase in the prescription of Remsima® SC
- ✓ Yuflyma®, the only low volume & citrate-free Adalimumab biosimilar, started to enter EU market in 2022 in earnest

## Current status of Remsima® SC



### Launched to more than 90% of the entire EU Market

- Completed launching in EU5 countries which account for 70% of the entire Europe market
- New market penetration other than Europe, such as Australia, and Canada



### Implementing flexible pricing strategies by country

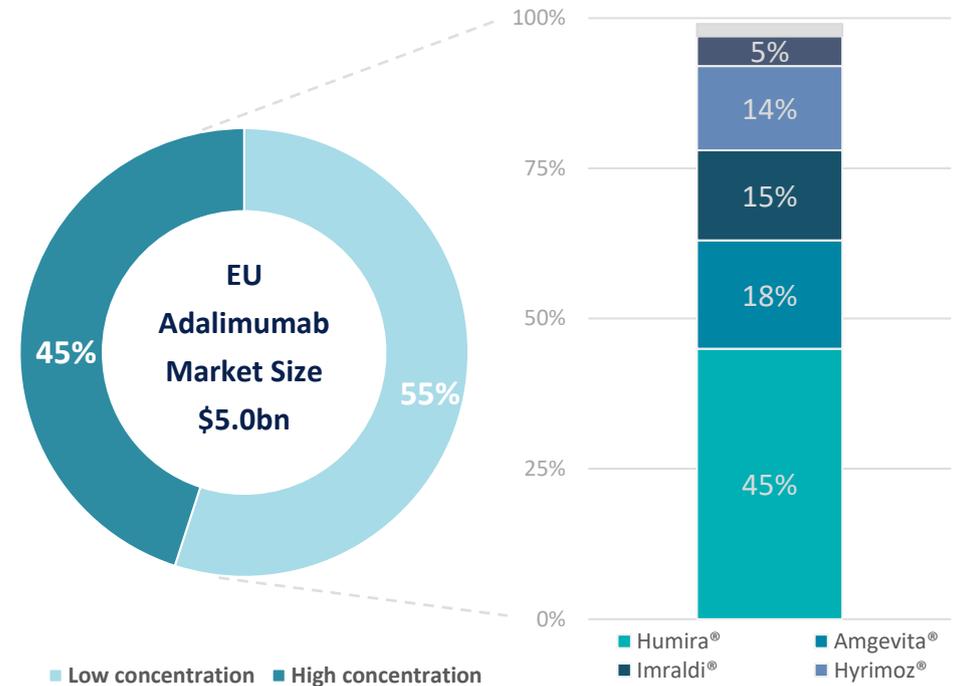
- Acceleration of market penetration through flexible pricing strategies tailored to drug price of each country



### 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)

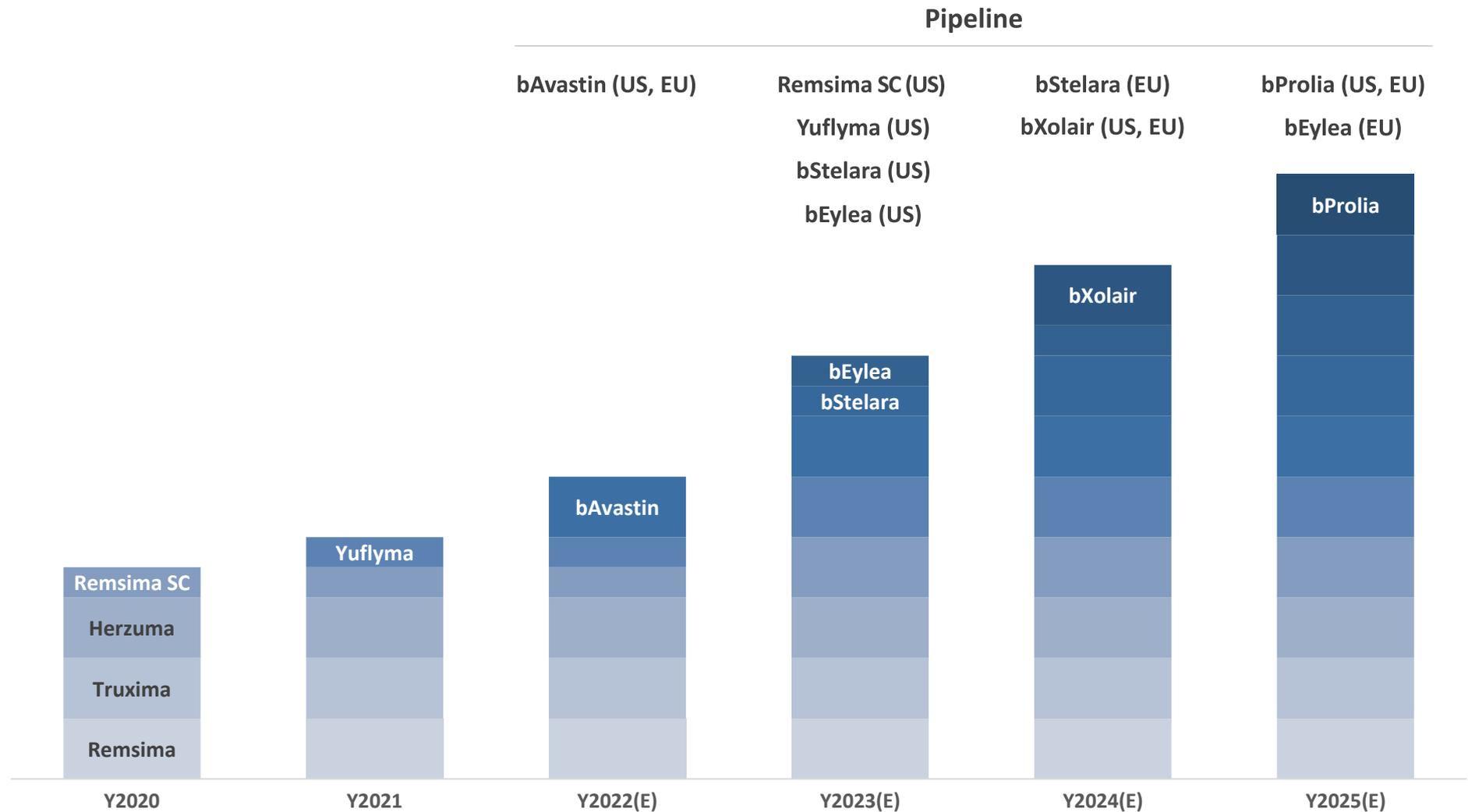
## Market size of Adalimumab in EU



Note: market size is as of 4Q21 MAT  
 Source : IQVIA

# 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)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	'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>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	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	209.3	541.8	430.5
SG&A	38.7	41.4	46.3	53.3	50.8	50.9	52.7	76.7	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>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)	(6.7)	(47.2)	0.0
Financial Income	22.8	3.6	3.1	9.2	5.5	4.6	2.2	0.8	20.0	38.7	13.1
Financial Expenses	7.4	16.9	8.2	1.4	12.5	3.5	18.5	(2.8)	29.5	33.9	31.7
Other Income	32.5	11.7	7.4	(13.2)	27.0	15.6	51.8	(22.6)	20.8	38.4	71.8
Other Expenses	5.5	16.5	9.3	59.1	16.4	4.9	5.0	26.9	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>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)	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>65.0</b>	<b>240.4</b>	<b>152.6</b>

**Thank You**