



# Celltrion Healthcare

2023.3Q Earnings Presentation



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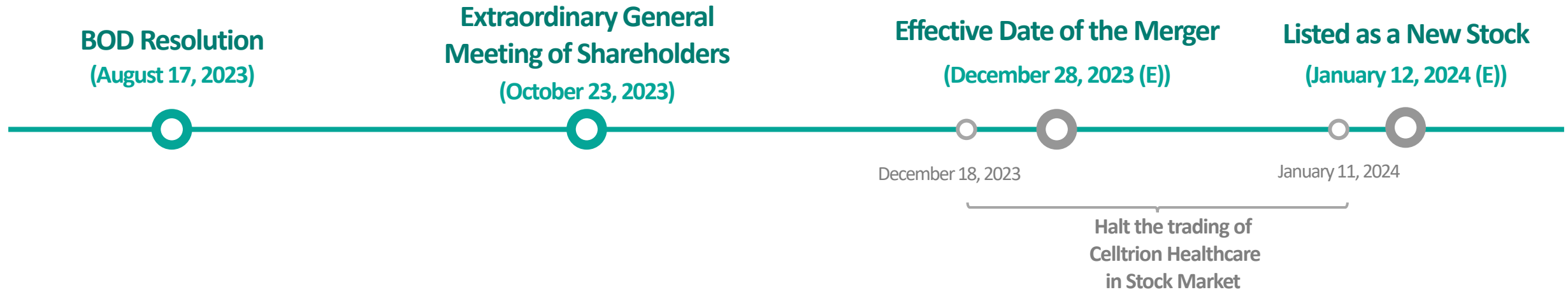
Section 02. **3Q23 Business Results**

Section 03. **Key Products**

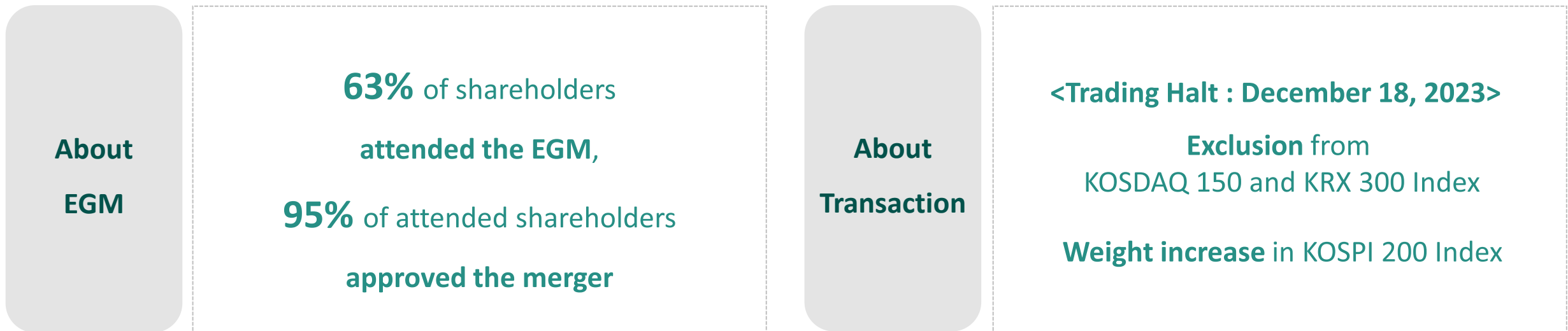
Appendix

# Merger Progress

## Timeline of the Merger



## Result of EGM and Stock Transaction



Note : Index rebalancing date has not been confirmed

# 3Q23 Business Results

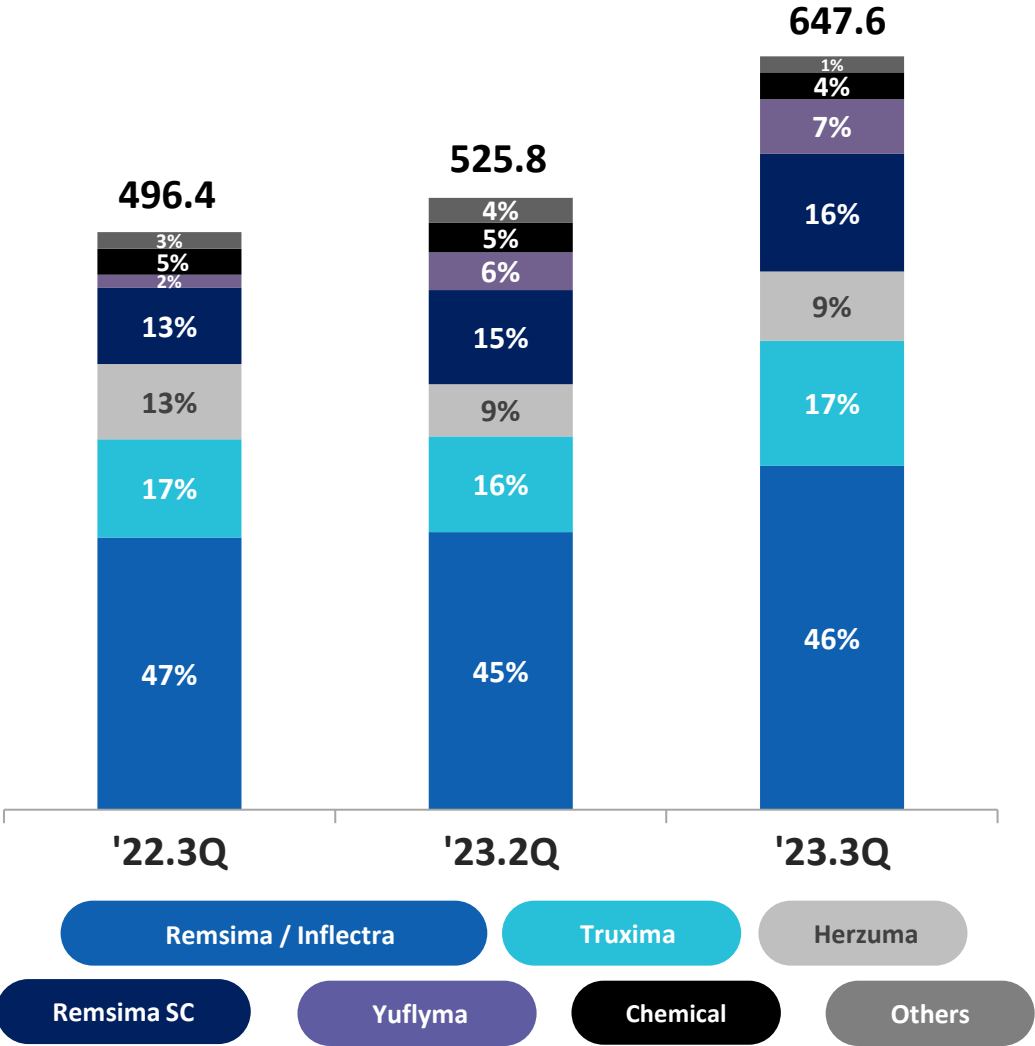
- ▶ **Revenue:** Achieved the highest revenue among the quarters according to the revenue growth in almost every product including Remsima, Remsima SC, Yuflyma and etc.
- ▶ **Operating Profit:** Account settlement on unit price with Celltrion Inc. has occurred due to the stable market price which was beyond expectation, and GPM has decreased as a consequence. However, OPM has improved QoQ since COGS has highly decreased by the effective managing on the costs incurred by the expansion of direct sales, and the COGS as a percentage of revenue has also decreased to the level of 2022
- ▶ **Net Profit:** NP has increased QoQ according to the improvement on OP and non-operating income

| (KRW bn)                | '22.3Q       | '23.2Q       | '23.3Q       | %YoY          | %QoQ          |
|-------------------------|--------------|--------------|--------------|---------------|---------------|
| <b>Revenue</b>          | <b>496.4</b> | <b>525.8</b> | <b>647.6</b> | <b>30.5%</b>  | <b>23.2%</b>  |
| Gross Profit            | 153.1        | 150.9        | 157.4        | 2.8%          | 4.3%          |
| (%)                     | 30.8%        | 28.7%        | 24.3%        | -6.5%p        | -4.4%p        |
| SG&A                    | 80.6         | 116.8        | 106.9        | 32.6%         | -8.5%         |
| (%)                     | 16.2%        | 22.2%        | 16.5%        | 0.3%p         | -5.7%p        |
| Personnel expenses      | 14.1         | 19.7         | 26.4         | 87.2%         | 34.0%         |
| Research expenses       | 0.3          | 9.4          | 2.0          | 566.7%        | -78.7%        |
| Advertising expenses    | 7.7          | 15.5         | 9.5          | 23.4%         | -38.7%        |
| Commissions             | 33.1         | 37.8         | 27.4         | -17.2%        | -27.5%        |
| Transportation expenses | 11.2         | 11.3         | 19.0         | 69.6%         | 68.1%         |
| <b>Operating Profit</b> | <b>72.5</b>  | <b>34.1</b>  | <b>50.5</b>  | <b>-30.3%</b> | <b>48.1%</b>  |
| (%)                     | 14.6%        | 6.5%         | 7.8%         | -6.8%p        | 1.3%p         |
| <b>EBIT</b>             | <b>185.2</b> | <b>32.1</b>  | <b>56.7</b>  | <b>-69.4%</b> | <b>76.6%</b>  |
| <b>Net Profit</b>       | <b>137.6</b> | <b>17.4</b>  | <b>44.8</b>  | <b>-67.4%</b> | <b>157.5%</b> |

# 3Q23 Business Results

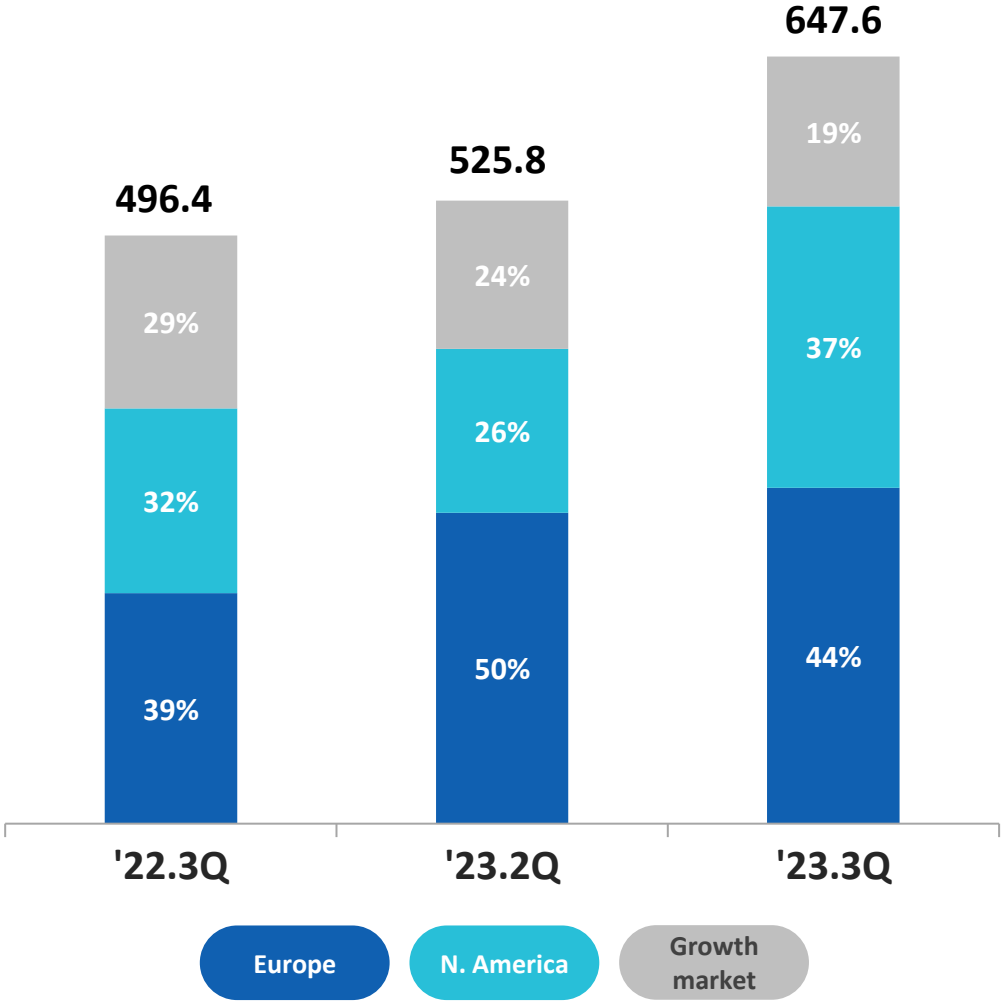
## By Product

(Unit: KRW bn)



## By Region

(Unit: KRW bn)



Note: Others included Vegzelma, Regkirona, Covid-19 kit and etc.

# 3Q23 Business Results

## Balance Sheet

| (KRW bn)                    | '22            | '3Q23          | Change        |
|-----------------------------|----------------|----------------|---------------|
| <b>Total Assets</b>         | <b>4,454.6</b> | <b>5,009.4</b> | <b>554.8</b>  |
| Cash and Cash Equivalents   | 458.0          | 358.3          | -99.7         |
| Short Term Financial Assets | 73.1           | 41.8           | -31.3         |
| Trade and Other Receivables | 897.0          | 1,228.2        | 331.2         |
| Inventories                 | 2,352.9        | 2,680.7        | 327.8         |
| <b>Total Liabilities</b>    | <b>2,392.8</b> | <b>2,940.5</b> | <b>547.7</b>  |
| <b>Total Equity</b>         | <b>2,061.8</b> | <b>2,068.9</b> | <b>7.1</b>    |
| <b>Debt-to-Equity Ratio</b> | <b>116.1%</b>  | <b>142.1%</b>  | <b>26.0%p</b> |

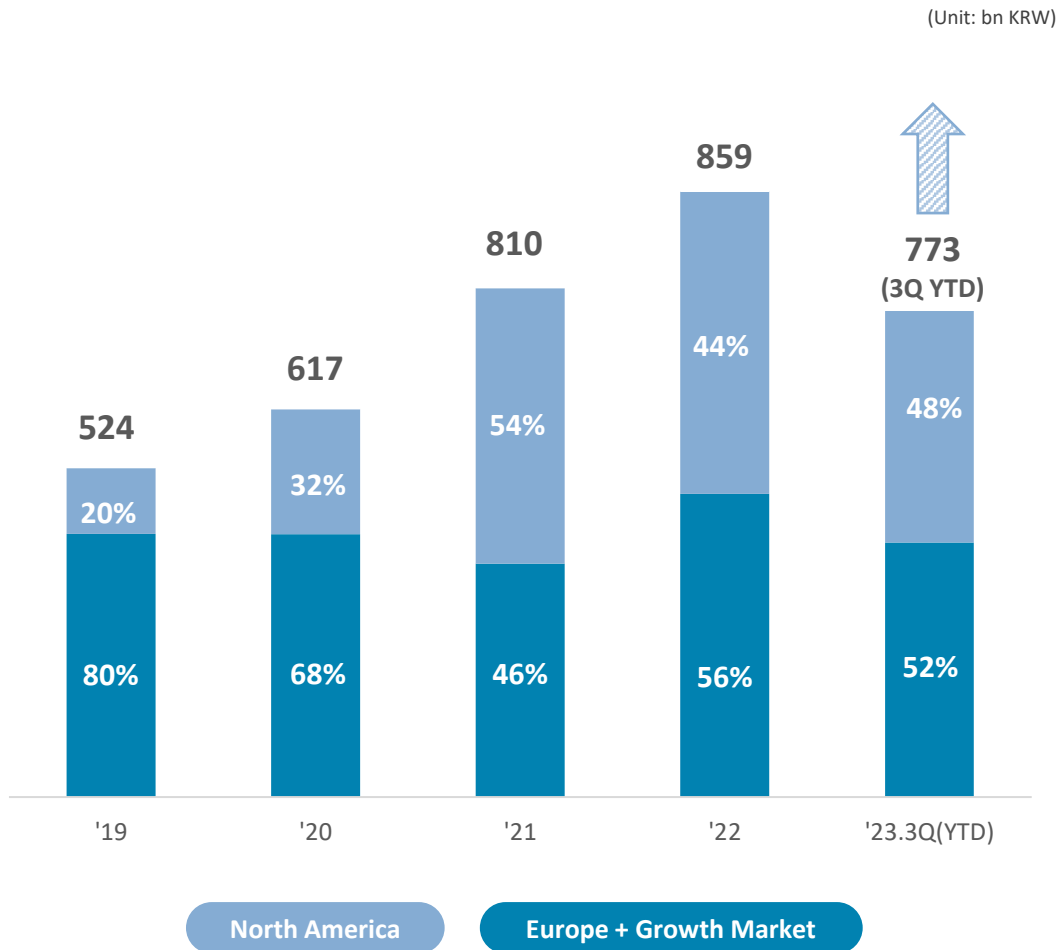
## Cash Flow

| (KRW bn)                         | '22           | '3Q23         |
|----------------------------------|---------------|---------------|
| <b>Cash at beginning of year</b> | <b>254.9</b>  | <b>458.0</b>  |
| <b>Operating</b>                 | <b>200.6</b>  | <b>37.9</b>   |
| Operating profit                 | 228.9         | 135.5         |
| Working capital                  | 6.5           | -14.9         |
| Others                           | -34.8         | -82.7         |
| <b>Investing</b>                 | <b>177.4</b>  | <b>29.1</b>   |
| Short term financial assets      | 190.7         | 33.8          |
| Others                           | -13.3         | -4.7          |
| <b>Financing</b>                 | <b>-174.9</b> | <b>-166.7</b> |
| Borrowing and redemption         | -43.4         | -18.1         |
| Share buyback                    | -91.0         | -125.2        |
| Cash Dividend                    | -39.9         | -20.2         |
| Share issue                      | 3.5           | 0.4           |
| Others                           | -4.1          | -3.6          |
| <b>Cash at the end of year</b>   | <b>458.0</b>  | <b>358.3</b>  |

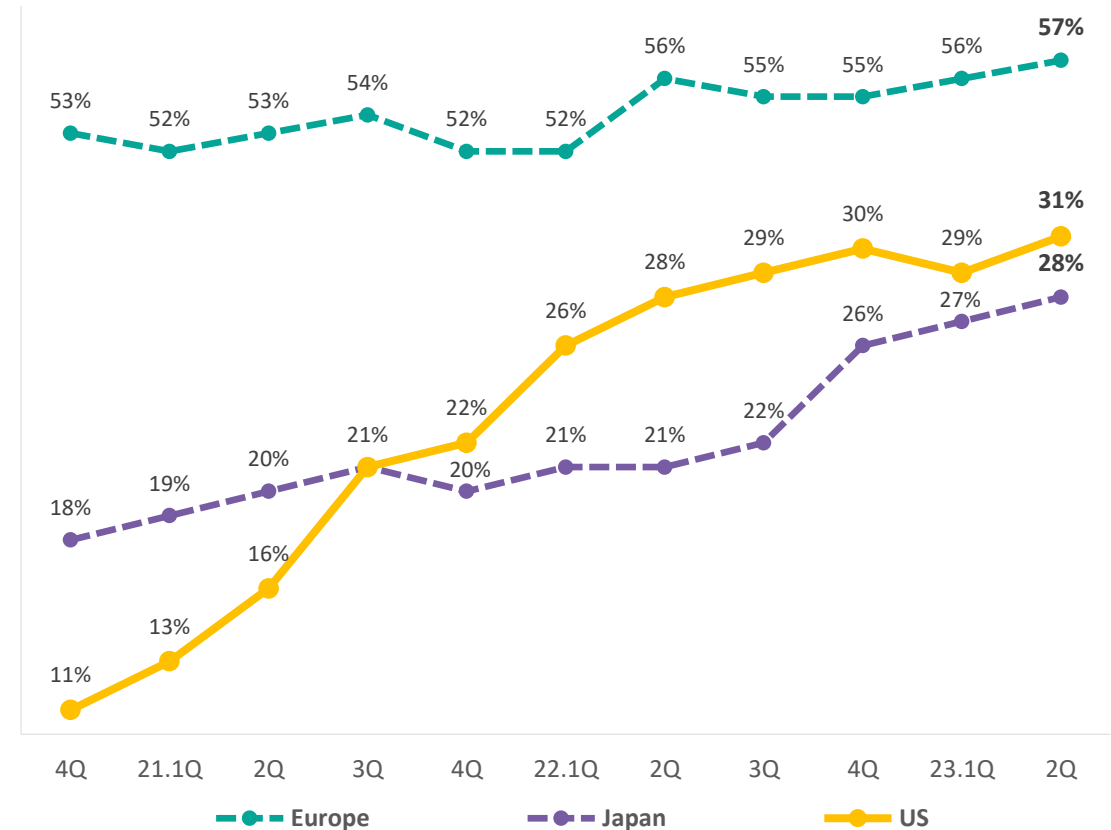
# Remsima & Inflectra

- ✓ 10 years since the launch in Europe and 8 Years in the US, nonetheless sales keep increasing
- ✓ Maintains status of the leading Infliximab product in the global market while the M/S has been gradually increased

Sales Trend of Remsima & Inflectra



M/S of Remsima and Inflectra in the Global Market

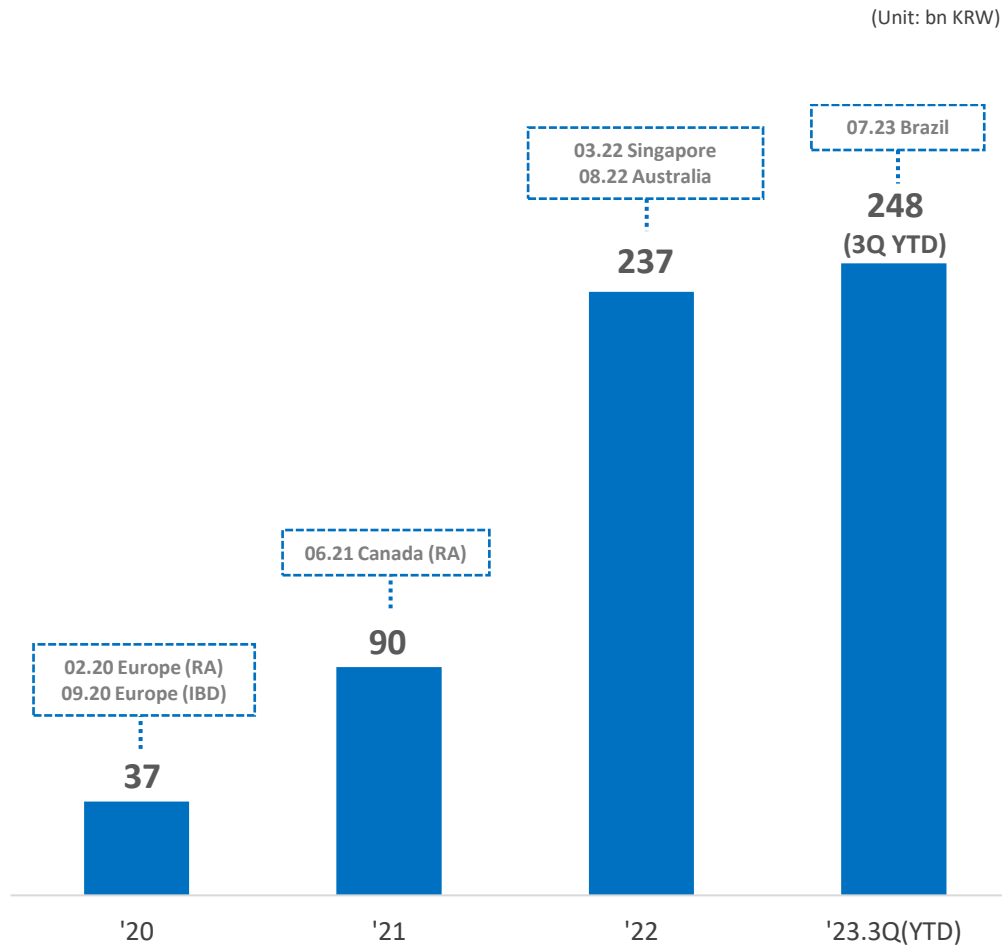


Note: Market share is based on volume  
Source: IQVIA, Symphony Health, Market Data

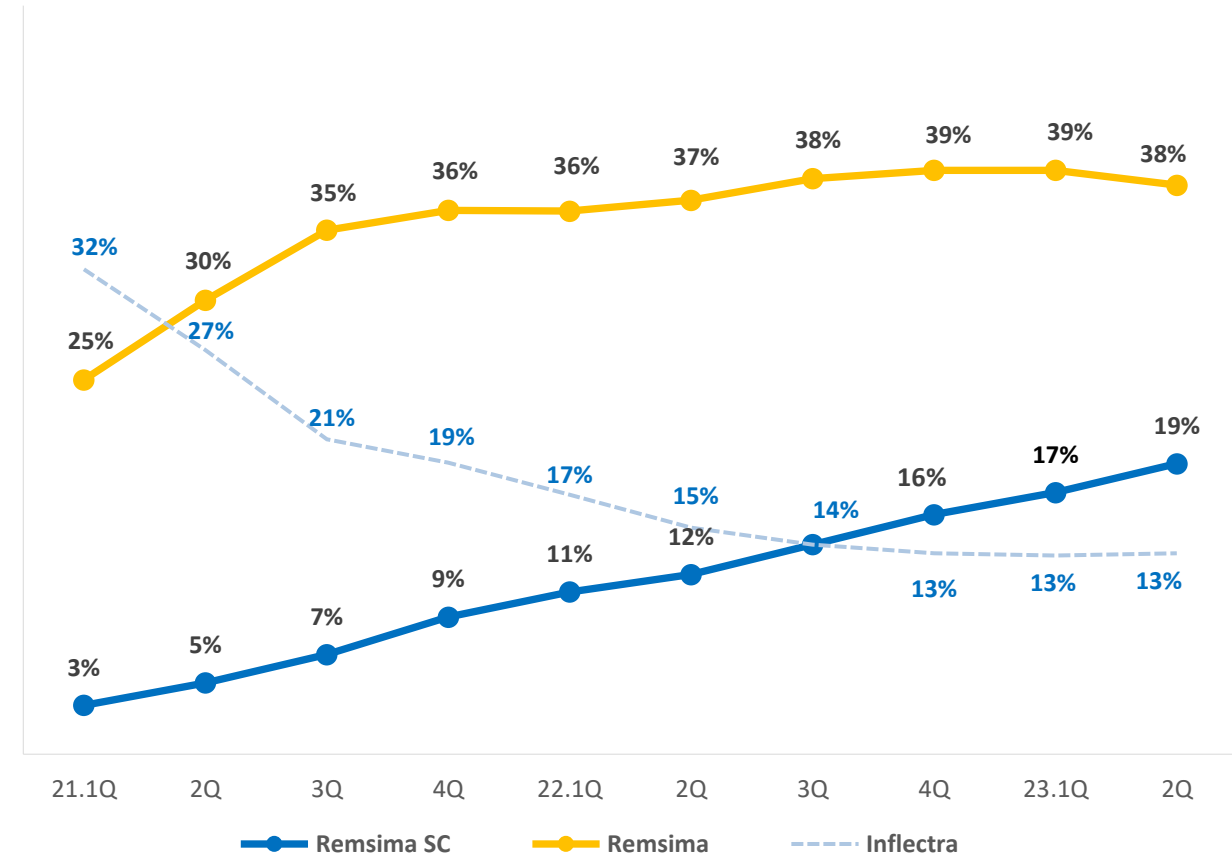
# Remsima SC

- ✓ Reached 19% of M/S in Europe(EU 5) within 2.5 years of initiating launch, accumulated revenue of passed three quarters in 2023 already exceeds yearly sales of 2022
- ✓ Anticipating greater global prescriptions since expanding business to ex-European markets such as Canada and Australia

## Sales Trend and Launching Progress of Remsima SC



## M/S of CTHC's Infiximab Products in Europe



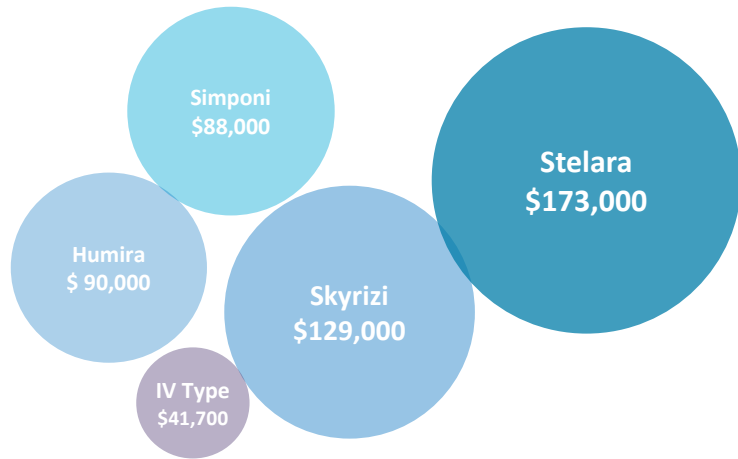
Note: The market share is based on the volume in EU5 countries(France, Germany, UK, Italy, Spain)  
 Source: IQVIA, Market Data, etc.



# Zymfentra

- ✓ Approved by FDA as a novel drug in October 2023 and will be launched in the first quarter of 2024
- ✓ Based on the low rebates of novel drug and SC type's high average drug cost, the Net Sales Price of Zymfentra will be high
- ✓ M/S will expand faster than that of Europe's by the accumulated real-world data

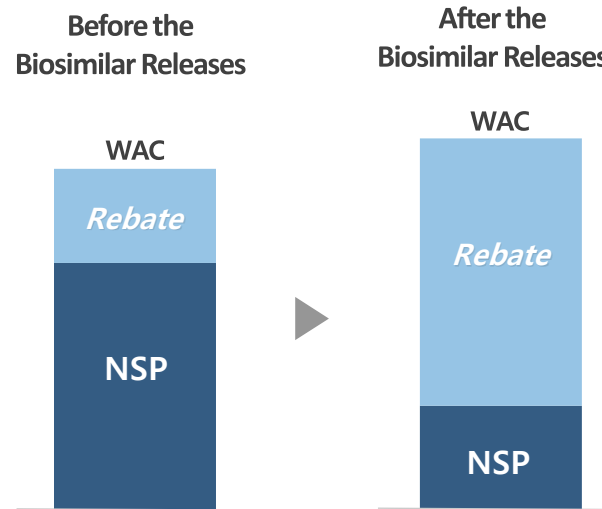
## Annual Cost of IBD Treatment



✓ IBD patients who adopt the SC type annually spend three times more treatment cost than that of patients with IV type

Note : 1) Annual cost is by calculated by WAC  
2) Average treatment cost of IV type is the average of Remicade and Entyvio

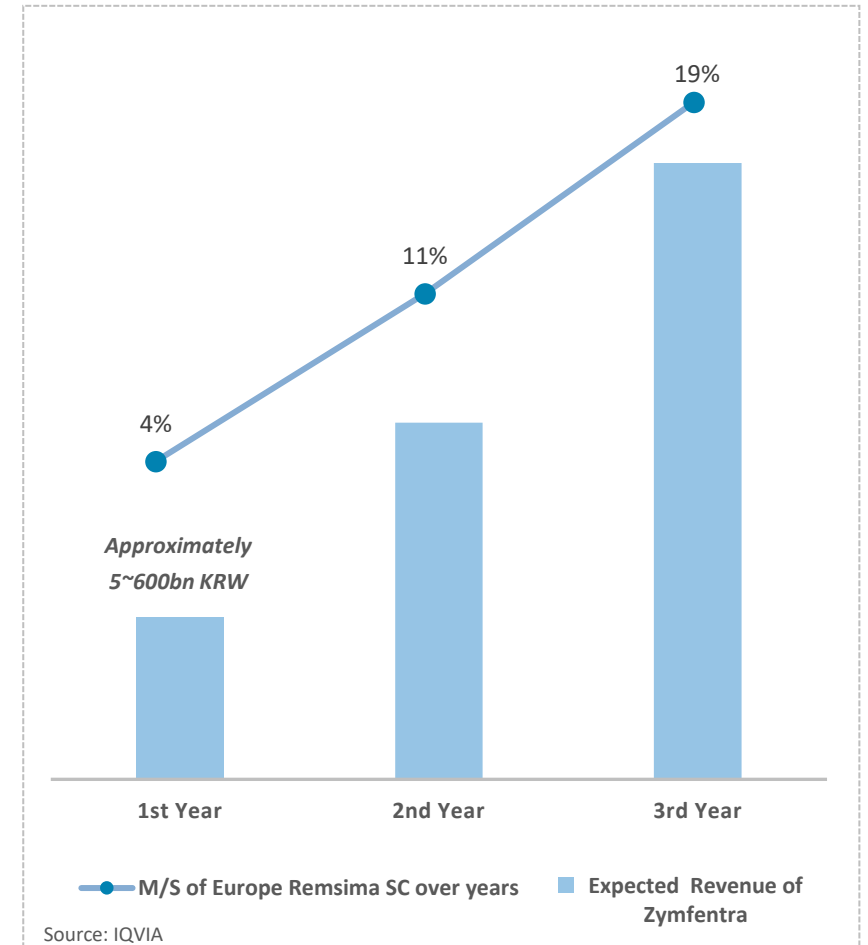
## Low Rebates without competition



✓ High Net Sales Price is guaranteed by the patent protection until 2037

Note : The chart is referred to the price of Remicade in 16.3Q and 23.1Q

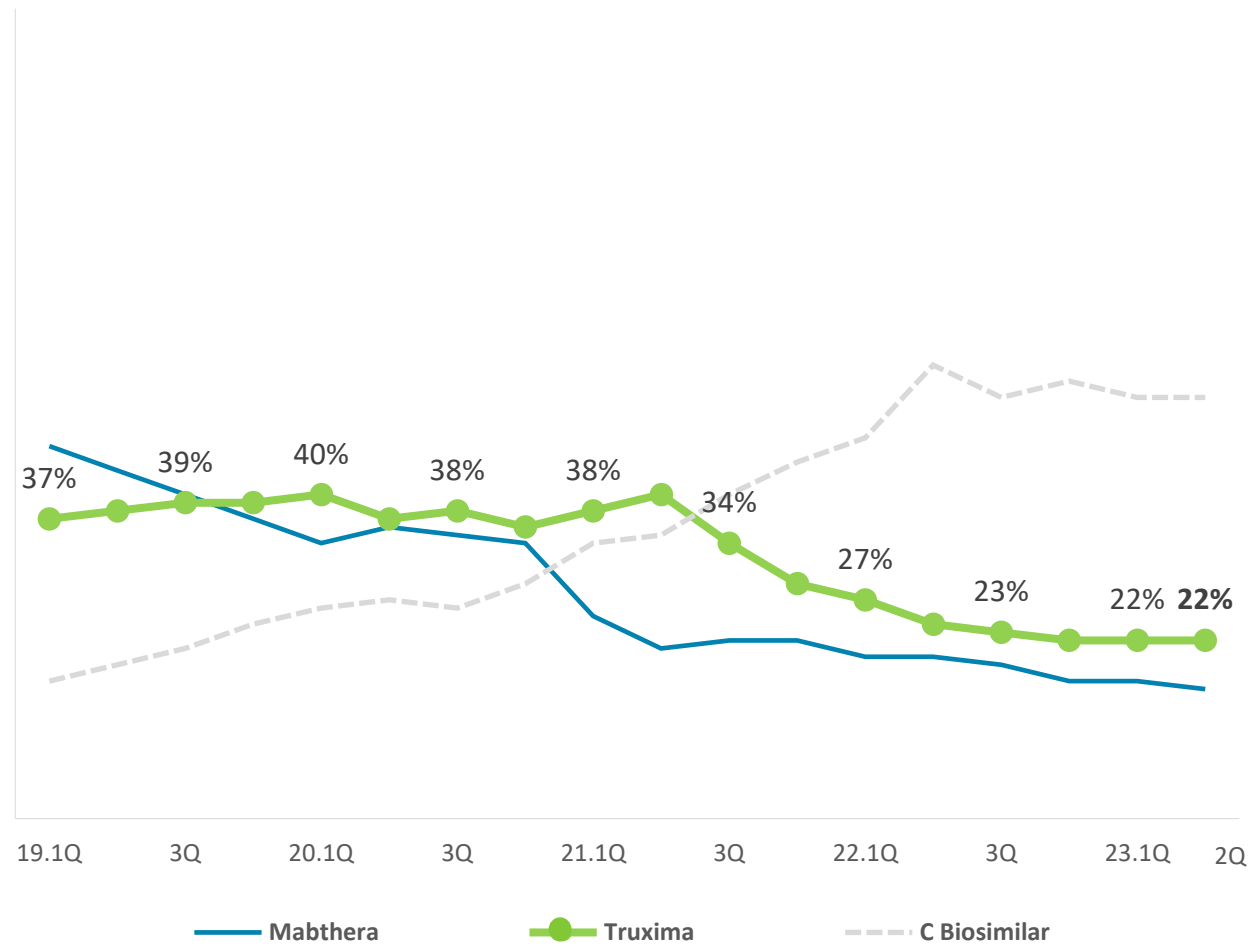
## Expected Revenue of Zymfentra



# Truxima

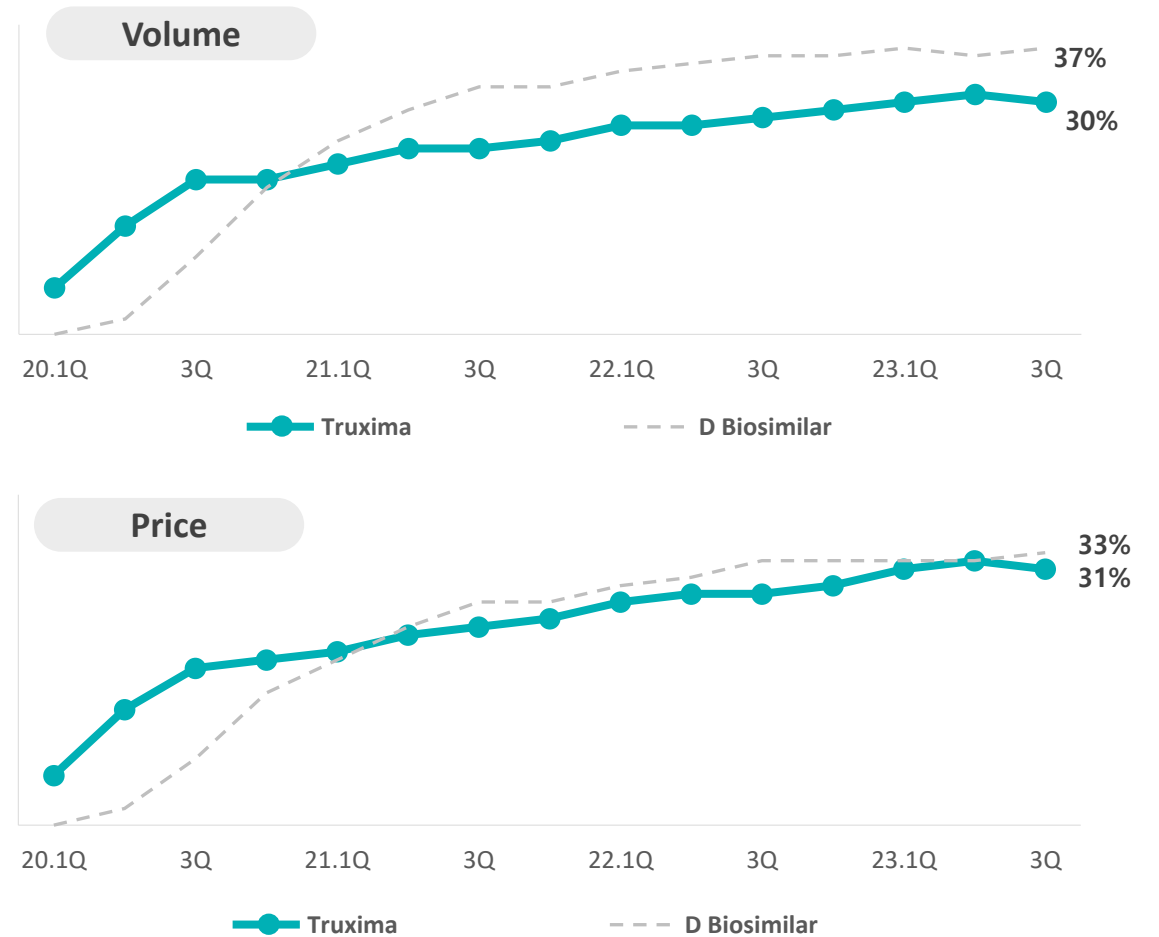
- ✓ Started direct sales in the EU since second half of 2022, and has actively participated the tenders
- ✓ By adopting an optimal price strategy in the US market, revenue has steadily increased while also securing profitability

M/S of Truxima in Europe



Note: The market share is based on volume  
Source: IQVIA

M/S of Truxima in the US

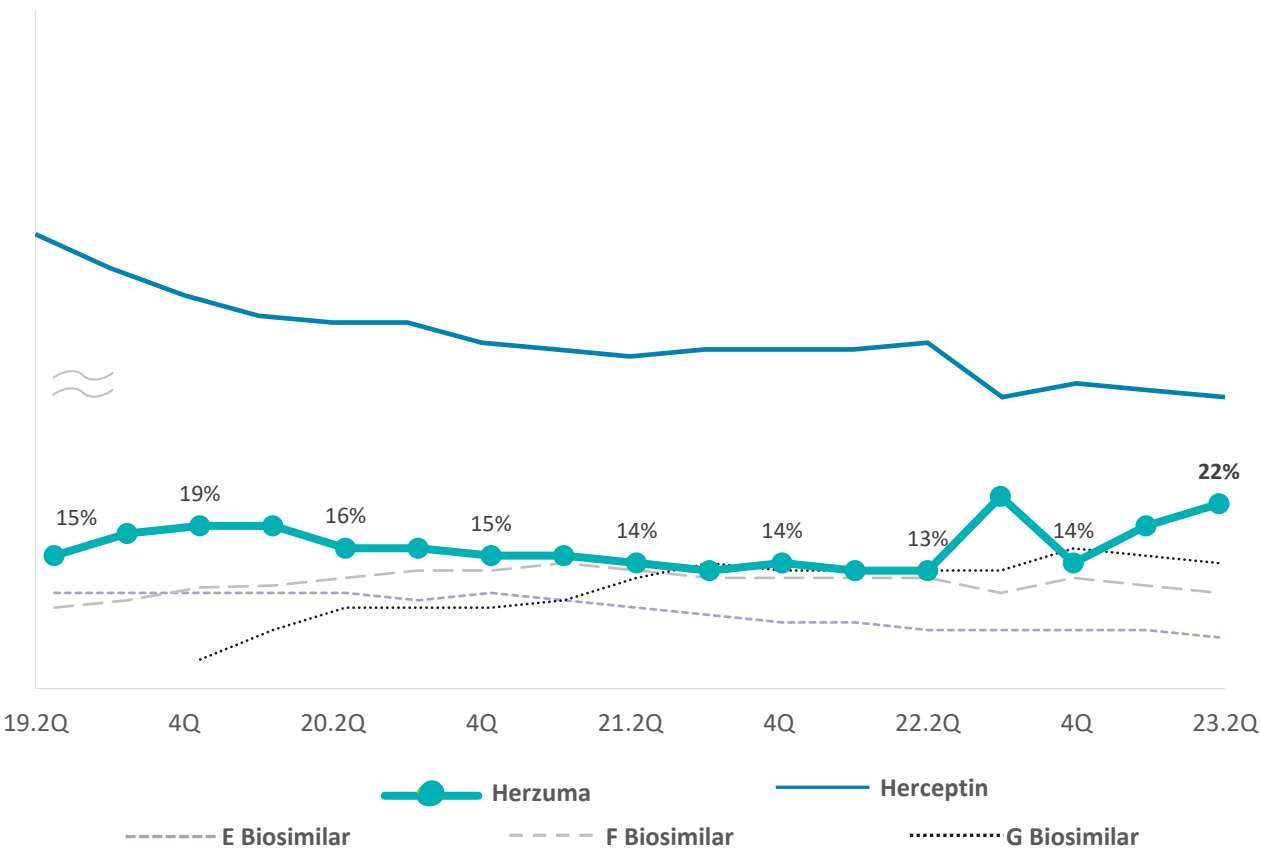


Source : Symphony Health

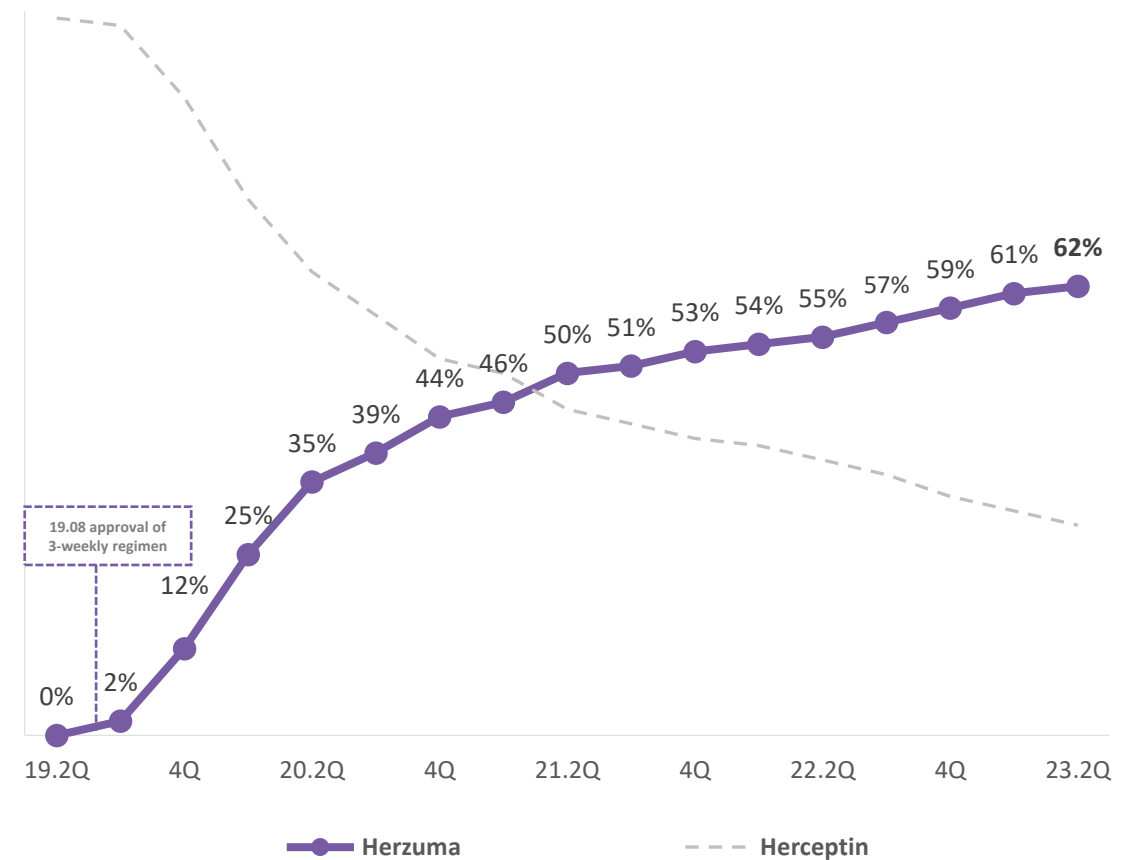
# Herzuma

- ✓ After starting direct sales in second half of 2022, M/S has increased by obtaining extra tenders in European countries
- ✓ M/S in Japan exceeded the original's and continues to increase; Continuous winning from the tender in LATAM

M/S of Herzuma in Europe



M/S of Herzuma in Japan



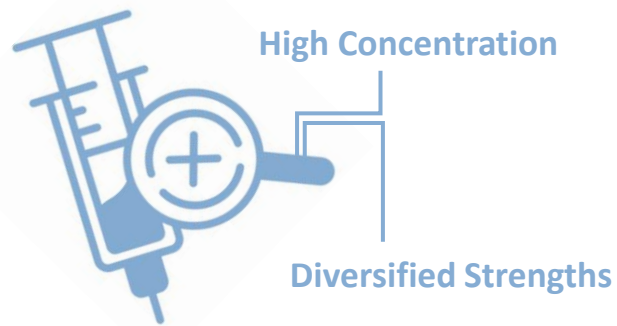
Note: The market share is based on volume  
Source: IQVIA

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Source: IQVIA

# Yuflyma

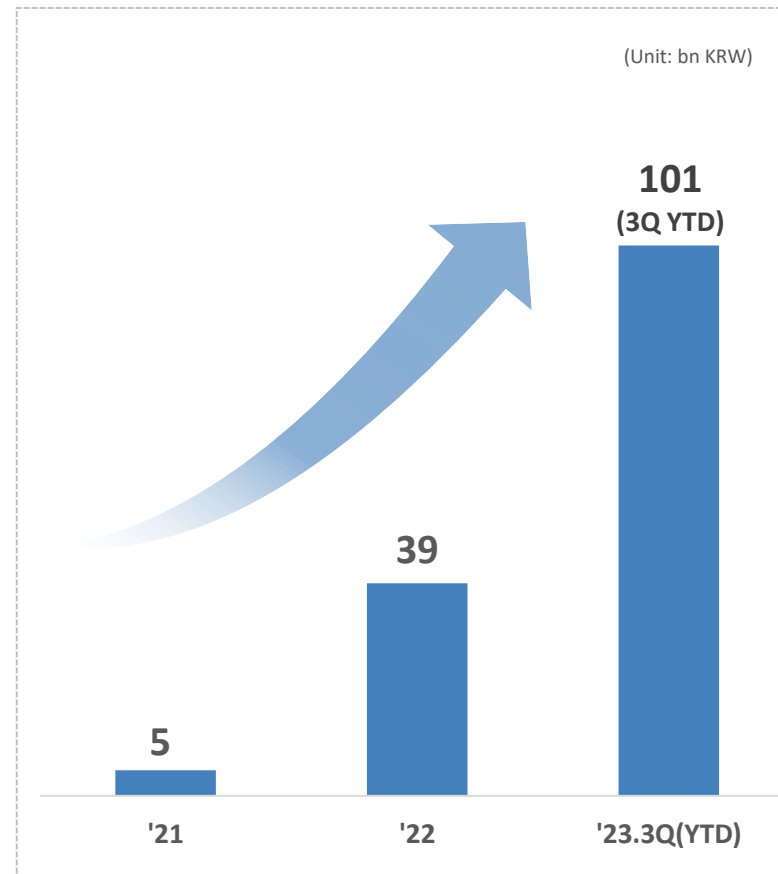
- ✓ Prescription has highly increased in Europe due to the product competitiveness of high concentration, diversified strength, etc.
- ✓ Achieved 20% coverage of US population as a preferred drug since the product launch in July 2023, and aims to expand to 40% until the end of the year

## Product Competitiveness

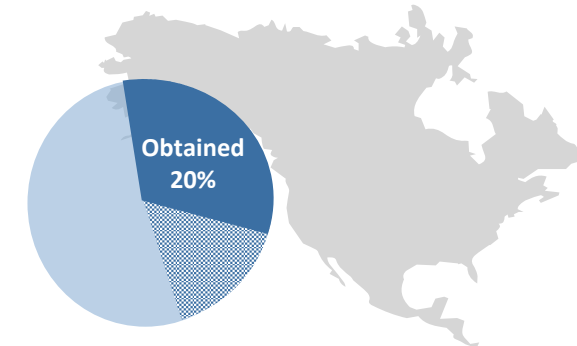


- ✓ High concentration which takes 88% of the US adalimumab market
- ✓ Diversified strengths with the options of 20mg, 40mg and 80mg
- ✓ Citrate-free, Latex-free
- ✓ FDA Approval for the Interchangeability on 1H.24 (Expected)

## Global Revenue Increases



## Insurance Listing Status in the US



- ✓ Negotiation has seamlessly progressed with the aim of 40% coverage until the end of the year
- ✓ Listed as a preferred drug that covers 20% of US population → *Optum 15%, Ventegra 5%*
- ✓ Acquired various channels including PBMs  
→ Exclusive supply to CarePartners Pharmacy, the US Specialty Pharmacy  
(The only Adalimumab product in the pharmacy)

Note : After the approval of Interchangeability, pharmacist will be able to prescribe the drug as a substitute option for the original without doctor's permission

# Vegzelma

- ✓ Was a late comer to the market but continues to expand strength based on price & brand & portfolio competitiveness
- ✓ Coverage has reached 30% in the US and is now in the process of negotiating for a total of 60%

## Regional Status of Vegzelma

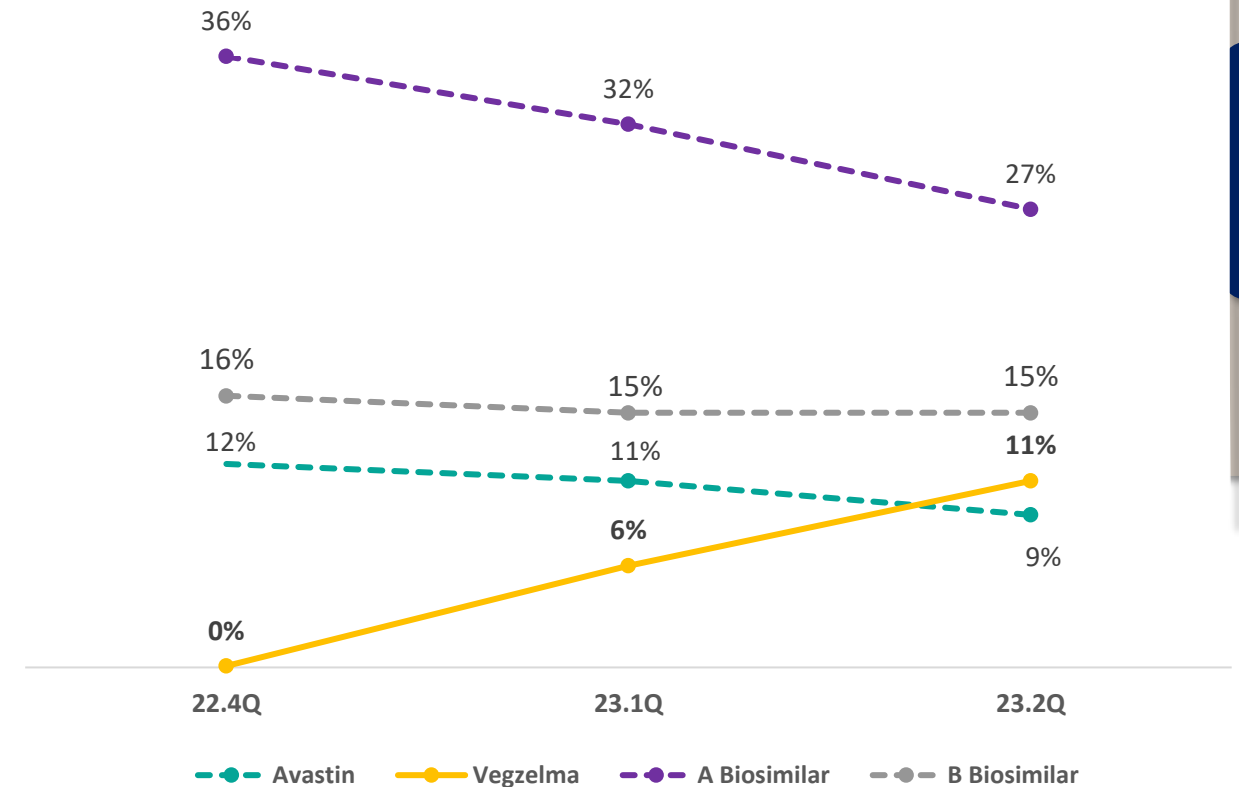
### Europe

- Launched in October 2022
- Currently released in 8 countries
- Obtained the tender with price and the portfolio advantages
  - Received orders from Finland, Italy, and Belgium
  - Achieved M/S of 45% in Finland and 21% in Germany
  - More participation in a tender of other EU countries

### US

- Launched in April 2023
- Successfully expand the coverage to 30% of US population
  - Listed in Medicare directly after the launch
  - Listed by 10 payers including one of the Top 5 (by the No. of members) payers

## M/S by Primary Launched European Countries

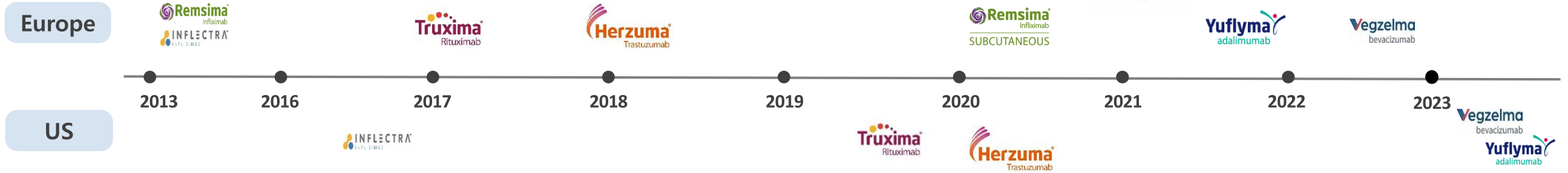


Note : Primary launched countries is as of 23.2Q, 8 countries (Austria, Belgium, Czechia, Ireland, Italy, Great Britain, Germany, Finland)  
Source : IQVIA

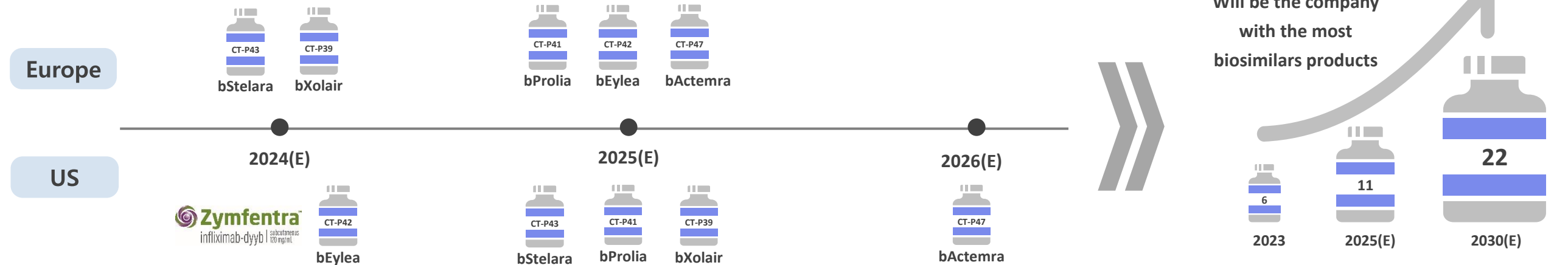
# Portfolio & Pipelines

- ✓ Planning to expand our portfolio to 11 products by 2025, releasing one or more products yearly in accordance with the patent expiration of the original's
- ✓ By selectively launching high value, lucrative products by 2030, we plan to have more than 22 biosimilar products (will be the most in industry)

## Portfolio



## Pipeline



Note: Launching dates may vary by market situation and approval schedules

# Summary of Income Statement

| (KRW bn)                   | 1Q22         | 2Q22         | 3Q22         | 4Q22           | 1Q23         | 2Q23         | 3Q23         | '21            | '22            |
|----------------------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|----------------|----------------|
| <b>Revenue</b>             | <b>415.7</b> | <b>519.0</b> | <b>496.4</b> | <b>541.1</b>   | <b>503.6</b> | <b>525.8</b> | <b>647.6</b> | <b>1,804.5</b> | <b>1,972.2</b> |
| Cost of Sales              | 311.5        | 378.1        | 343.3        | 377.5          | 350.4        | 374.9        | 490.2        | 1,374.0        | 1,410.4        |
| Gross Profit               | 104.2        | 140.9        | 153.1        | 163.6          | 153.2        | 150.9        | 157.4        | 430.5          | 561.8          |
| SG&A                       | 59.2         | 66.8         | 80.6         | 126.3          | 102.2        | 116.8        | 106.9        | 231.1          | 332.9          |
| <b>Operating Income</b>    | <b>45.0</b>  | <b>74.1</b>  | <b>72.5</b>  | <b>37.3</b>    | <b>51.0</b>  | <b>34.1</b>  | <b>50.5</b>  | <b>199.4</b>   | <b>228.9</b>   |
| Non-operating Income       | 16.3         | 21.1         | 112.7        | (149.4)        | 69.1         | (1.9)        | 6.3          | (1.1)          | 0.7            |
| Financial Income           | 4.3          | 3.4          | 22.8         | (11.8)         | 11.2         | 7.9          | 9.2          | 13.1           | 18.7           |
| Financial Expenses         | 5.0          | 13.9         | 17.2         | 23.3           | 5.7          | 6.0          | 9.0          | 31.7           | 59.4           |
| Other Income               | 30.9         | 38.8         | 114.0        | (80.7)         | 79.4         | 28.8         | 20.2         | 71.8           | 103.0          |
| Other Expenses             | 13.7         | 7.1          | 6.7          | 33.4           | 15.7         | 32.6         | 14.1         | 53.2           | 60.9           |
| <b>Profit before Taxes</b> | <b>61.3</b>  | <b>95.2</b>  | <b>185.2</b> | <b>(112.1)</b> | <b>120.1</b> | <b>32.1</b>  | <b>56.7</b>  | <b>198.3</b>   | <b>229.6</b>   |
| Tax Expense (Benefit)      | 17.7         | 56.1         | 47.6         | (39.0)         | 66.0         | 14.6         | 11.9         | 45.7           | 82.4           |
| <b>Net Profit (Loss)</b>   | <b>43.6</b>  | <b>39.1</b>  | <b>137.6</b> | <b>(73.1)</b>  | <b>54.1</b>  | <b>17.4</b>  | <b>44.8</b>  | <b>152.6</b>   | <b>147.2</b>   |

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**Thank you**

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