



# Celltrion Healthcare

## 2Q21 Earnings Presentation



# Contents

Section 01. **2Q21 Business Results**

Section 02. **Key Business Performance**

Appendix

Section 01

# 2Q21 Business Results

# 2Q21 Business Results

## Income Statement

- ▶ **Revenue** : Increased 21.6% QoQ backed by recovery of US Truxima<sup>®</sup> sales and new supply of Regkirona<sup>®</sup>
- ▶ **OP** : More than doubled QoQ contributed by rise in high-margin US sales
- ▶ **NP** : Improved both YoY and QoQ supported by moderate operating profit and increased non-operating profit as won weakened QoQ

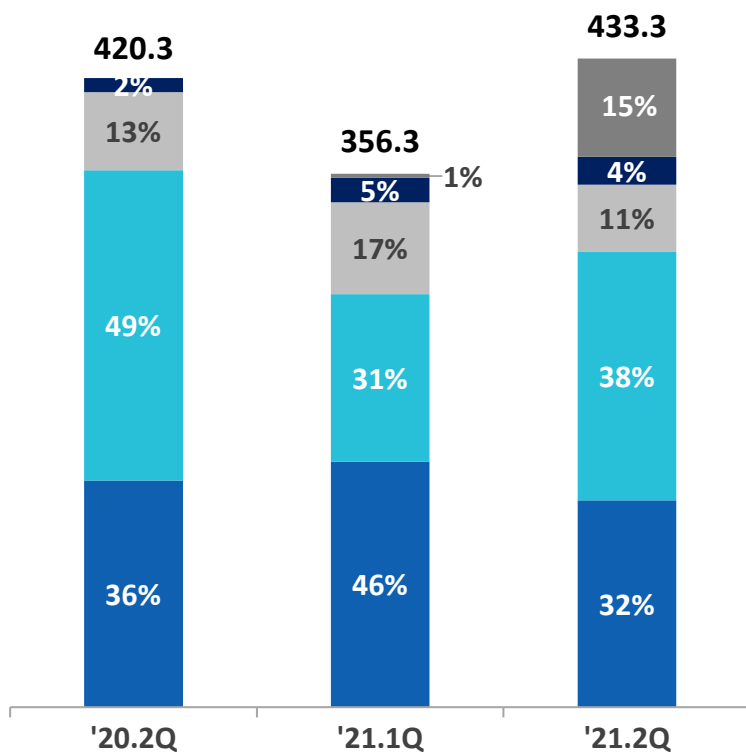
(KRW bn)	'20.2Q	'21.1Q	'21.2Q	%YoY	%QoQ
<b>Revenue</b>	<b>420.3</b>	<b>356.3</b>	<b>433.3</b>	<b>3.1%</b>	<b>21.6%</b>
Gross Profit	128.3	82.3	127.1	-0.9%	54.4%
(%)	30.5%	23.1%	29.3%	-1.2%p	6.2%p
SG&A	41.4	50.8	50.9	22.9%	0.2%
(%)	9.9%	14.3%	11.7%	1.8%p	-2.6%p
Personnel expenses	8.0	12.8	10.5	31.3%	-18.0%
Research expenses	8.1	9.8	6.5	-19.8%	-33.7%
Advertising expenses	1.6	1.4	4.2	162.5%	200.0%
Commissions	12.0	13.4	13.9	15.8%	3.7%
<b>Operating Profit</b>	<b>86.8</b>	<b>31.5</b>	<b>76.2</b>	<b>-12.2%</b>	<b>141.9%</b>
(%)	20.7%	8.8%	17.6%	-3.1%p	8.8%p
<b>EBIT</b>	<b>68.7</b>	<b>35.0</b>	<b>87.8</b>	<b>27.8%</b>	<b>150.9%</b>
<b>Net Profit</b>	<b>46.4</b>	<b>31.5</b>	<b>63.7</b>	<b>37.3%</b>	<b>102.2%</b>

# 2Q21 Business Results

## Sales Breakdown

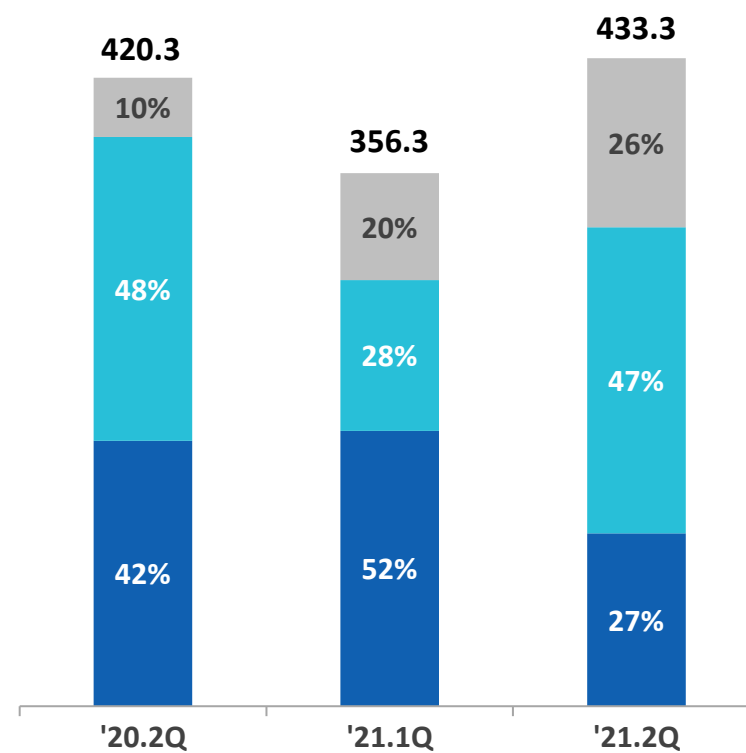
### By Product

(Unit: KRW bn)



### By Region

(Unit: KRW bn)



Note: Others included Yuflyma®, Regkirona®, COVID kit, service fees

# 2Q21 Business Results

## Balance Sheet & Cash Flow

### Balance Sheet

(KRW bn)	'20	'21.2Q	Change
<b>Total Assets</b>	<b>3,739.7</b>	<b>3,737.3</b>	<b>-2.4</b>
Cash and Cash Equivalents	231.5	195.2	-36.3
Short Term Financial Assets	295.7	215.7	-80.0
Trade and Other Receivables	409.8	380.9	-28.9
Inventories	2,034.6	2,143.1	108.5
<b>Total Liabilities</b>	<b>1,806.8</b>	<b>1,726.1</b>	<b>-80.7</b>
<b>Total Equity</b>	<b>1,932.9</b>	<b>2,011.2</b>	<b>78.3</b>
<b>Debt-to-Equity Ratio</b>	<b>93.5%</b>	<b>85.8%</b>	<b>-7.7%p</b>

### Cash Flow

(KRW bn)	'20	'21.2Q
<b>Cash at beginning of year</b>	<b>297.0</b>	<b>231.5</b>
<b>Operating</b>	<b>-16.9</b>	<b>-157.9</b>
Operating profit	362.1	107.6
Working capital	-384.6	-237.0
Others	5.6	-28.5
<b>Investing</b>	<b>-136.2</b>	<b>72.6</b>
Short term financial assets	-132.5	81.7
Others	-3.7	-9.1
<b>Financing</b>	<b>87.6</b>	<b>49.0</b>
Borrowing and redemption	80.1	59.9
Share buyback	-2.9	-11.6
Share issue	12.9	2.2
Others	-2.5	-1.5
<b>Cash at the end of year</b>	<b>231.5</b>	<b>195.2</b>

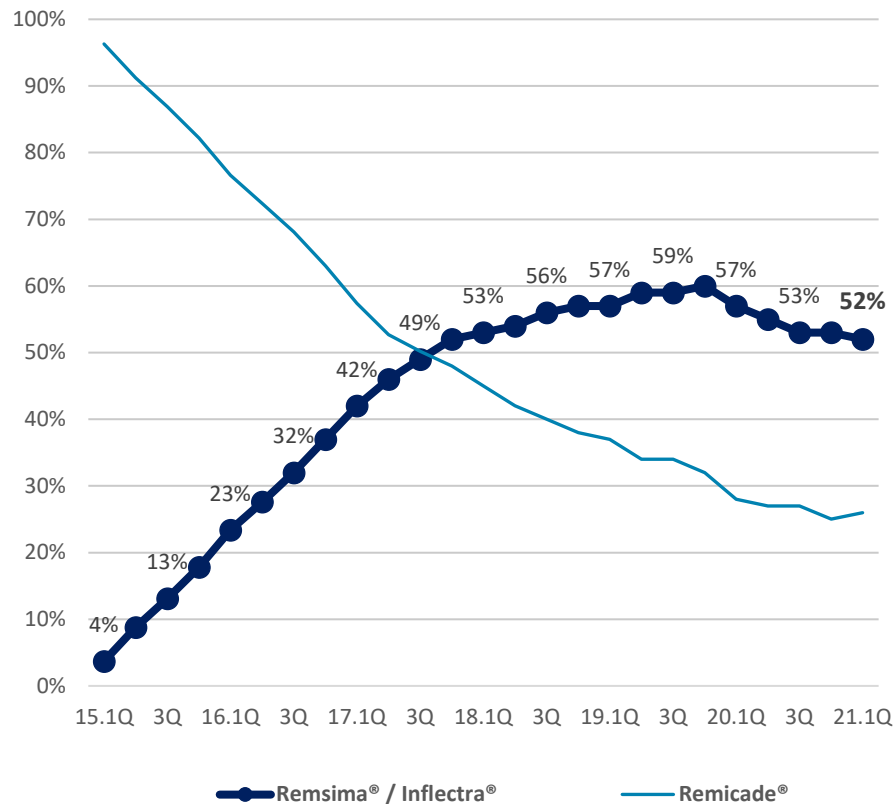
Section 02

# Key Business Performance

# Key Business Performance

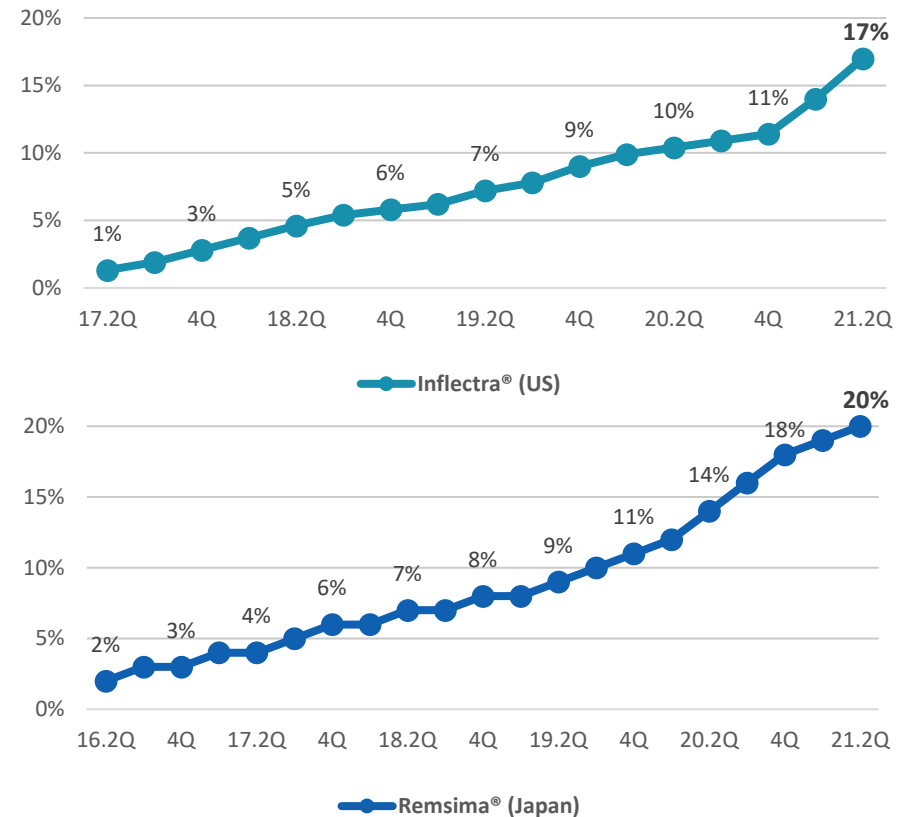
- ✓ **Infliximab market leader in major EU countries including EU5 (market share 58%)**
- ✓ **Increased prescription driven by improved perception toward biosimilars, accelerating market share uptake in the US and Japan**

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



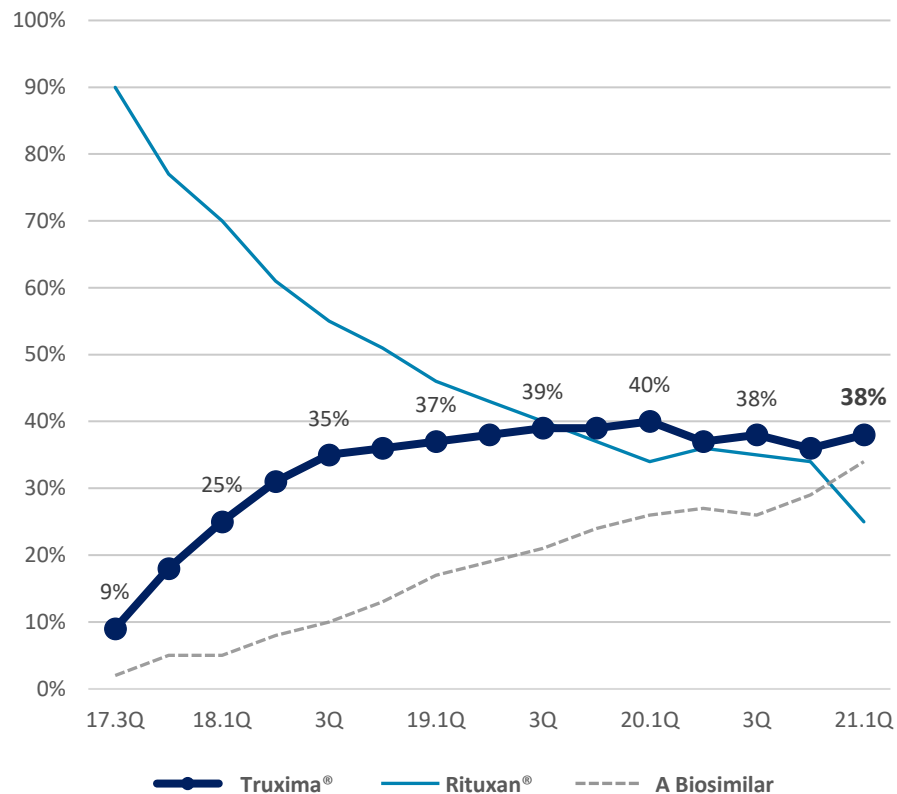
Note: market share is based on volume  
Source : Symphony Health, IQVIA



# Key Business Performance

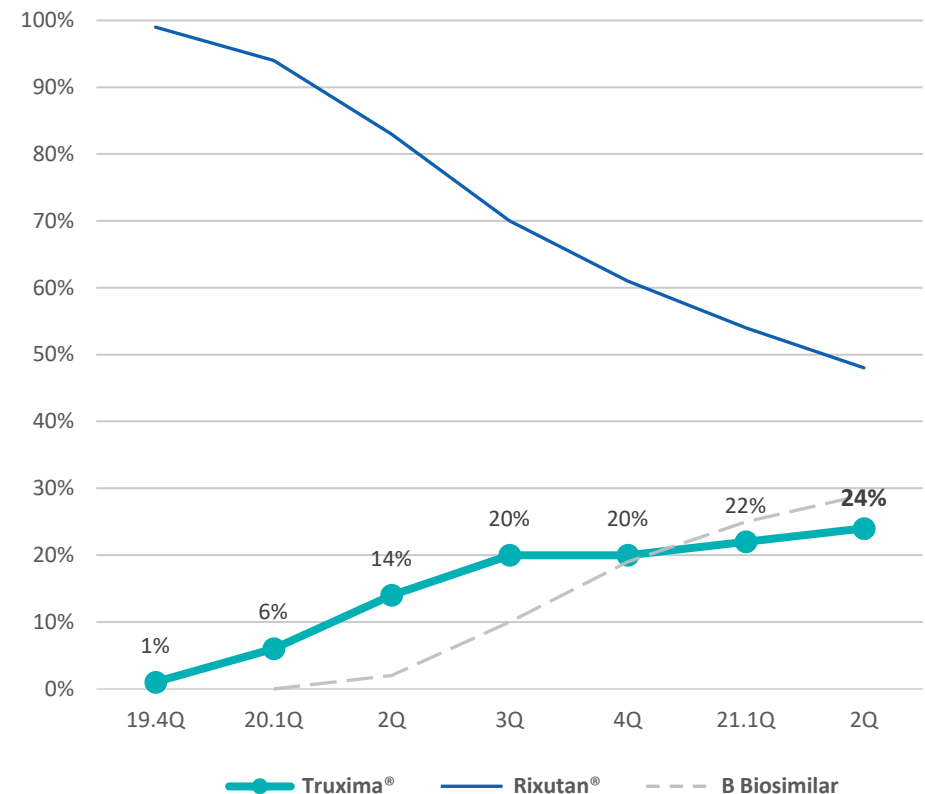
- ✓ Maintaining the highest market share(44%) in EU5 comparing to the original(20%) and competitor(35%)
- ✓ Expansion of market share continued while retaining high profitability in the US

### Market share of Truxima® in Europe



Note: market share is based on volume  
Source : IQVIA

### Market share of Truxima® in the US

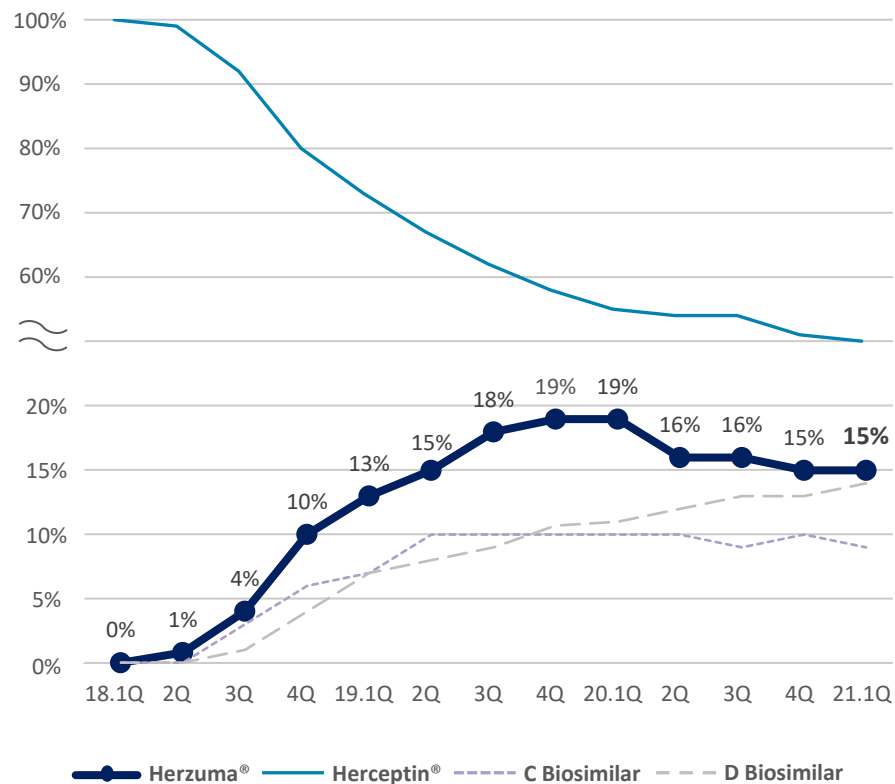


Note: market share is based on unit  
Source : Symphony Health

# Key Business Performance

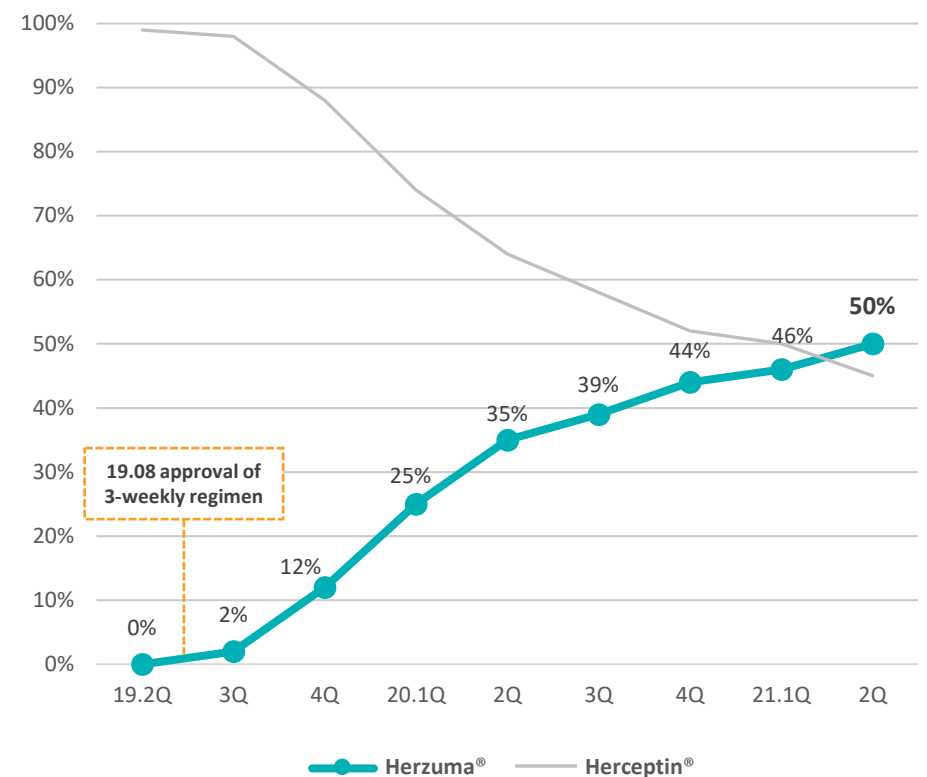
- ✓ **Securing profitability by strategic participation in tenders as a leading Herceptin® biosimilar in EU**
- ✓ **Surpassed Herceptin®'s market share in Japan & Expanding penetration by winning tenders in growth markets such as Brazil and Singapore**

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

- ✓ Completed launching in more than 70% of EU market including EU5 countries
- ✓ Diversifying area to other global markets such as Canada and Australia

## Current status of Remsima® SC



### Launched to more than 70% of the entire EU Market

- Completed launching in France, Spain, and Italy in 1H21



### Launching to other global markets

- Completed launching in Canada and Australia & Aiming to expand the market entry to other regions



### 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)

## Remsima® SC in Canada & Australia



	Canada	Australia
TNF-α Market Size	\$1.8bn	\$317mn
Approval	Jan. 2021 (for Rheumatoid Arthritis)	Dec. 2020
Launching	Jun. 2021	Jul. 2021

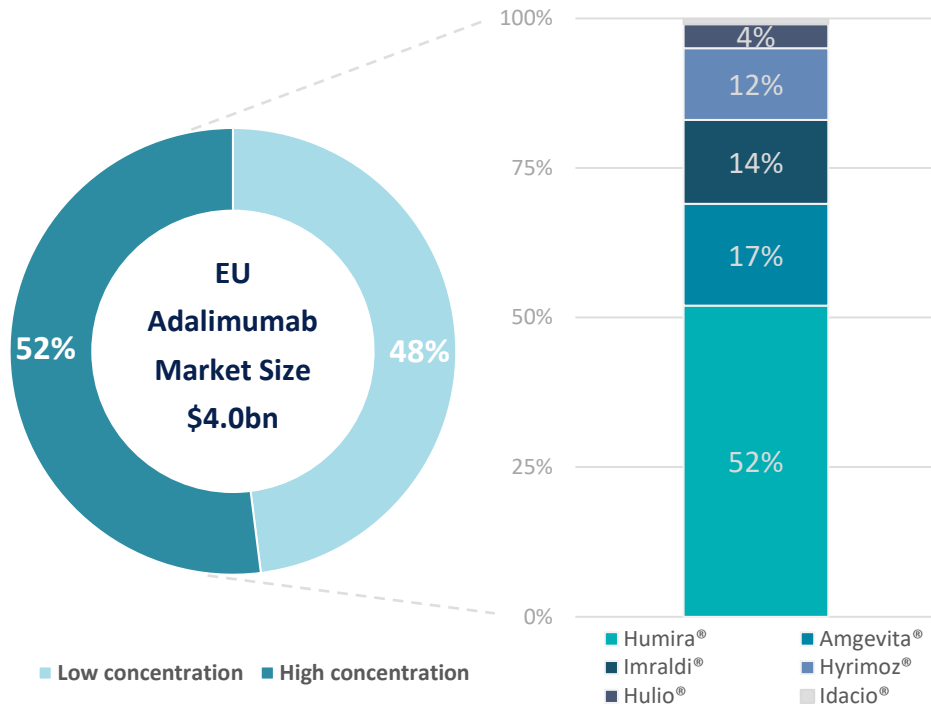
Note: market size is as of 2020

Source : IQVIA

# Key Business Performance

- ✓ Planning to launch in major EU countries in sequence, starting from Germany in Aug.2021
- ✓ High-value proposition as the only low volume & citrate-free Adalimumab biosimilar

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 1Q21 MAT

Source : IQVIA

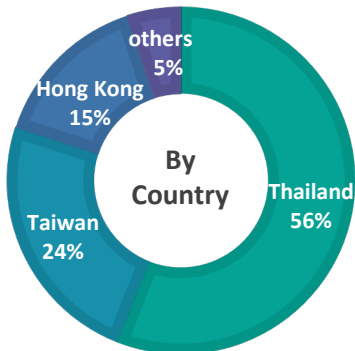
# Key Business Performance

Primary Care

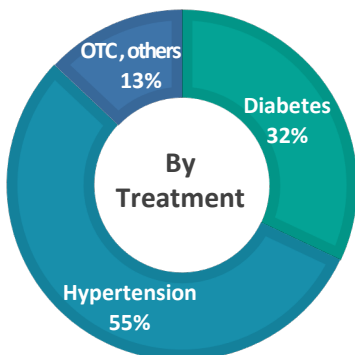
- ✓ After Celltrion Inc's acquisition of Takeda Primary Care APAC business unit, direct sales of the Primary Care products started through our local subsidiaries from Jun.2021
- ✓ PC products will lead diversification of portfolio and bring about marketing & sales synergies with biosimilars

## Sales Mix (as of 2019)

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

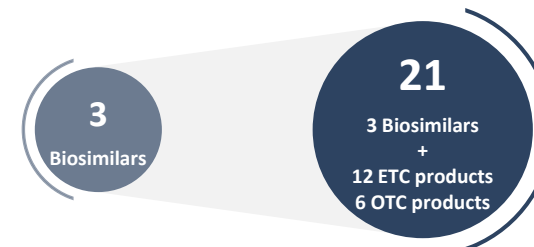


Having ETC drugs as key portfolios including hypertension & diabetes drugs



## Marketing & sales synergies with CTHC

Diversified portfolio by adding Primary Care products



Mid-to-long term plan

2021~2023

Diversify portfolio

- Enable optimized marketing & sales through CTHC's robust direct sales network in APAC region

2024~

Extend product life cycle

- Launch IDMs (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

# 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	48.5	In Phase 3	All Indication Approved (Jul.2020, Pediatric usage non-included)
Yuflyma®	Humira® (Adalimumab)	AbbVie	Autoimmune Disease	30.4	Preparing Application Submission	Received European Commission Approval (Feb.2021)
CT-P16	Avastin® (Bevacizumab)	Roche	Colorectal Cancer, etc.	6.1	Global Phase 3 Clinical Trials completed	
CT-P39	Xolair® (Omalizumab)	Genentech	Allergic Asthma, CIU	3.3	In Global Phase 3 Clinical Trials	
CT-P43	Stelara® (Ustekinumab)	Johnson & Johnson	Autoimmune Disease	10.9	In Global Phase 1 & 3 Clinical Trials	
CT-P41	Prolia® (Denosumab)	Amgen	Osteoporosis	5.2		
CT-P42	Eylea® (Aflibercept)	Bayer & Regeneron	Macular Degeneration	6.1		

Note: global market size is as of 2020

Source : IQVIA

# Summary Income Statement

(KRW bn)	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	'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	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	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	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	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	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	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	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	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	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	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	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	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	157.4	11.4	65.0	240.4



**Thank You**