



Celltrion Healthcare

2022 Earnings Presentation



Disclaimer

This presentation is for discussion purposes only.

Some of the information in this presentation may constitute forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied by such statements.

The company undertakes no obligation to publicly release any revisions to these statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events even if the underlying assumptions do not bring to fruition.



Contents

Section 01. **4Q22 & Annual Business Results**

Section 02. **Key Business Performance**

Section 03. **Business Plan & Vision**

Appendix

Section 01

4Q22 & Annual Business Results

4Q22 Business Results

Income Statement

- ▶ **Revenue** : Revenue growth continued QoQ mainly driven by robust sales of Remsima[®] SC in Europe and Inflectra[®] in N.America as well as portfolio diversification with the expanding market presence of Yuflyma[®] and Vegzelma[®] in Europe
- ▶ **OP** : GPM maintained 30% contributed by increased sales of high-margin Inflectra[®] and Remsima[®] SC. However, OP decreased due to rises in SG&A; Q4 incentive payment, commissions payment following termination of the partnership in EU, research expenses with increasing DP productions and advertising expenses relating to direct sales
- ▶ **NP** : Turned to red as a result of the loss on the valuation of foreign currency assets due to currency fluctuation

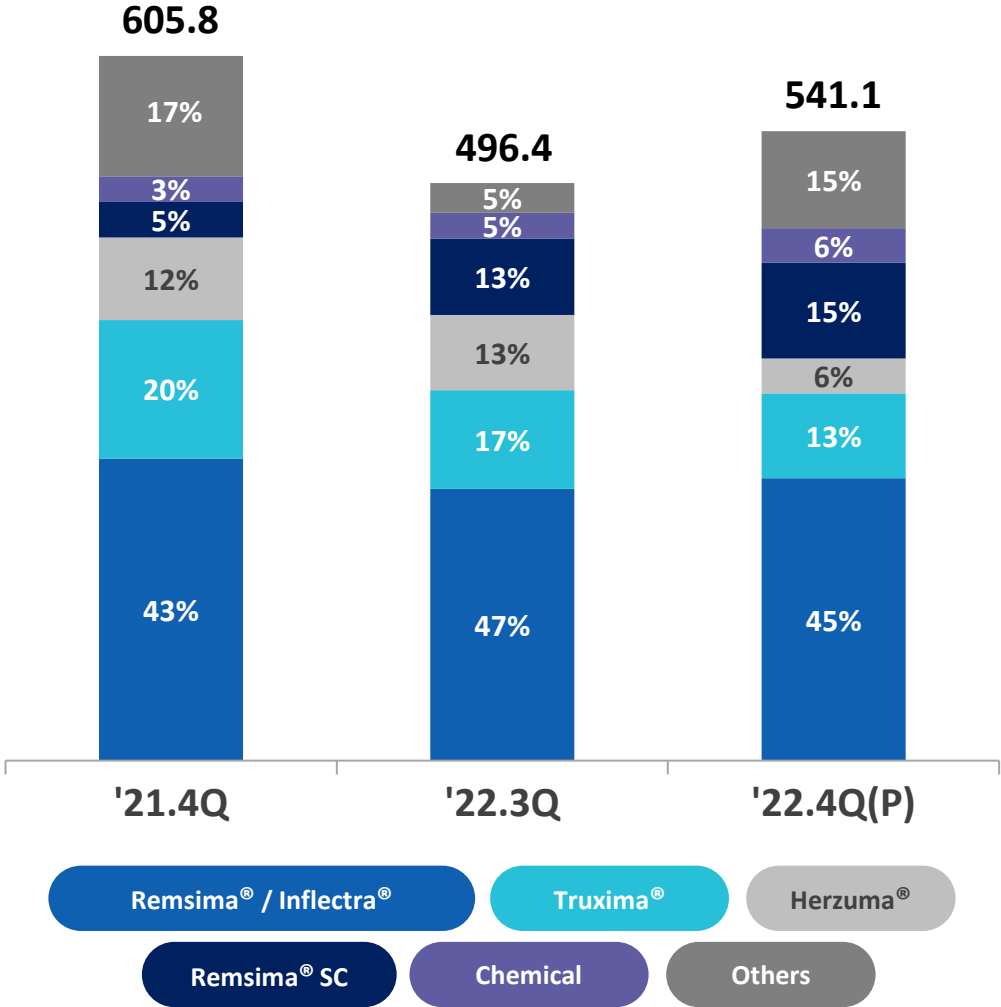
(KRW bn)	'21.4Q	'22.3Q	'22.4Q(P)	%YoY	%QoQ
Revenue	605.8	496.4	541.1	-10.7%	9.0%
Gross Profit	146.4	153.1	163.5	11.7%	6.8%
(%)	24.2%	30.8%	30.2%	6.0%p	-0.6%p
SG&A	76.7	80.6	126.3	64.7%	56.7%
(%)	12.7%	16.2%	23.3%	10.6%p	7.1%p
Personnel expenses	22.9	14.1	26.3	14.8%	86.5%
Research expenses	7.4	0.3	11.6	56.8%	3,766.7%
Advertising expenses	6.5	7.7	10.5	61.5%	36.4%
Commissions	18.7	33.1	24.6	31.6%	-25.7%
Operating Profit	69.7	72.5	37.3	-46.5%	-48.6%
(%)	11.5%	14.6%	6.9%	-4.6%p	-7.7%p
EBIT	23.0	185.2	(112.1)	-587.4%	-160.5%
Net Profit	16.8	137.6	(73.1)	-535.1%	-153.1%

4Q22 Business Results

Sales Breakdown

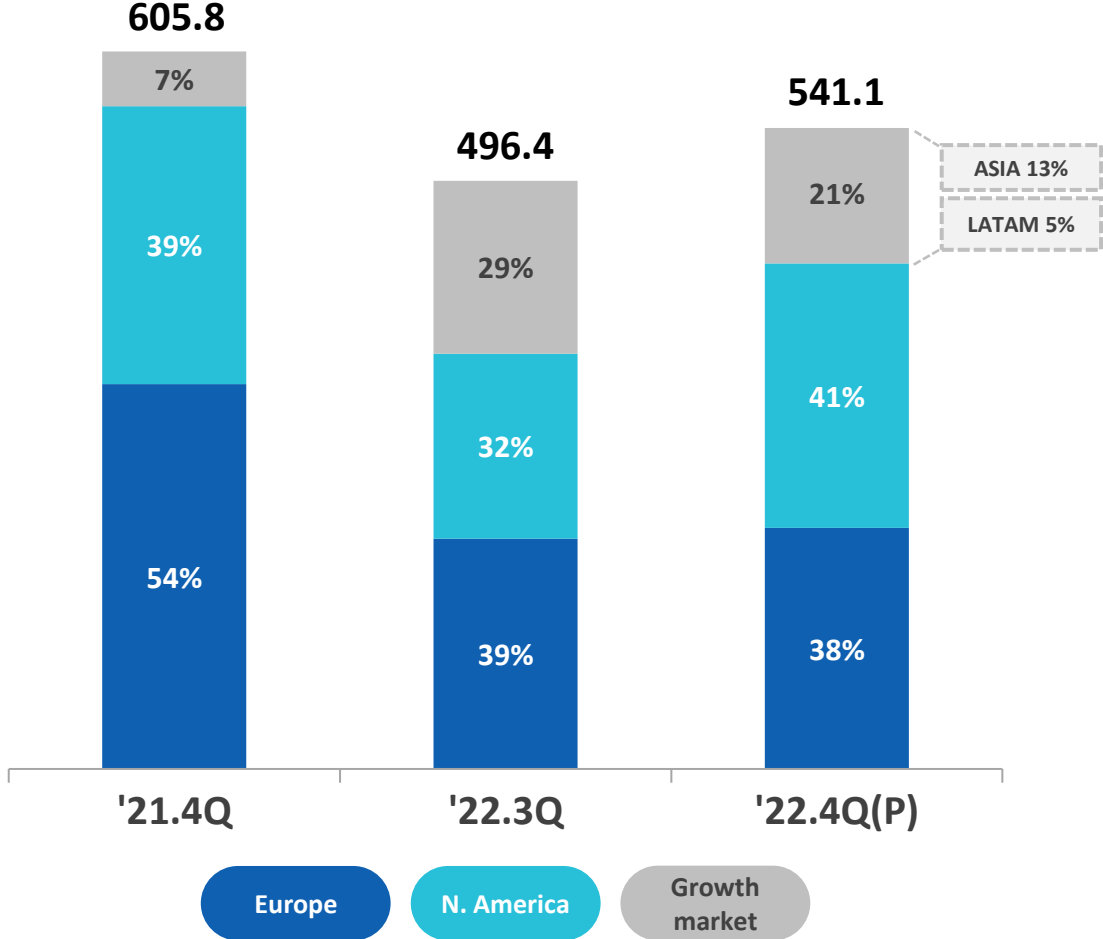
By Product

(Unit: KRW bn)



By Region

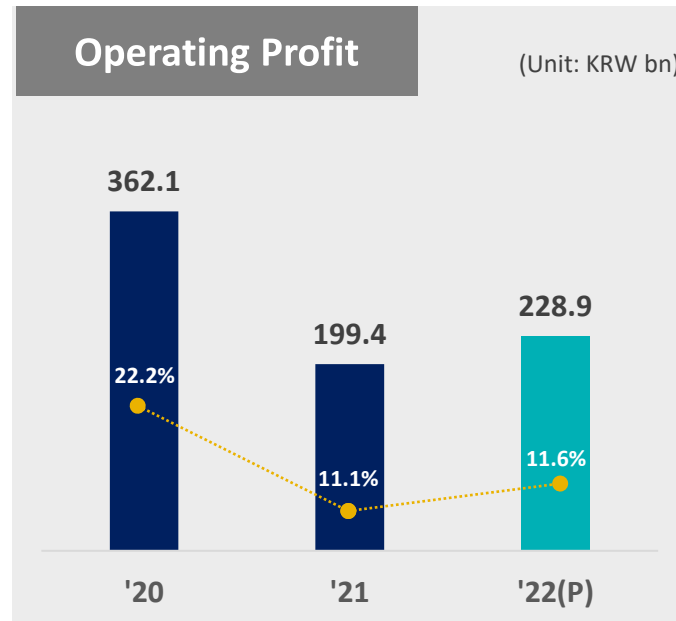
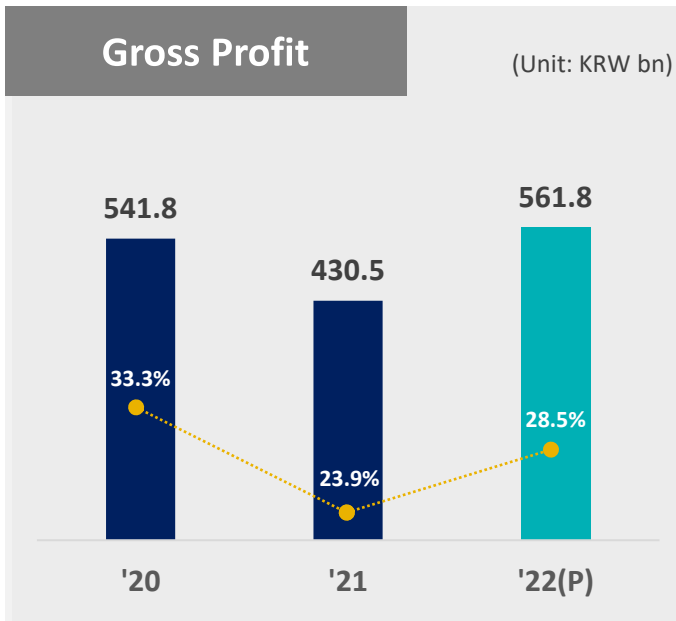
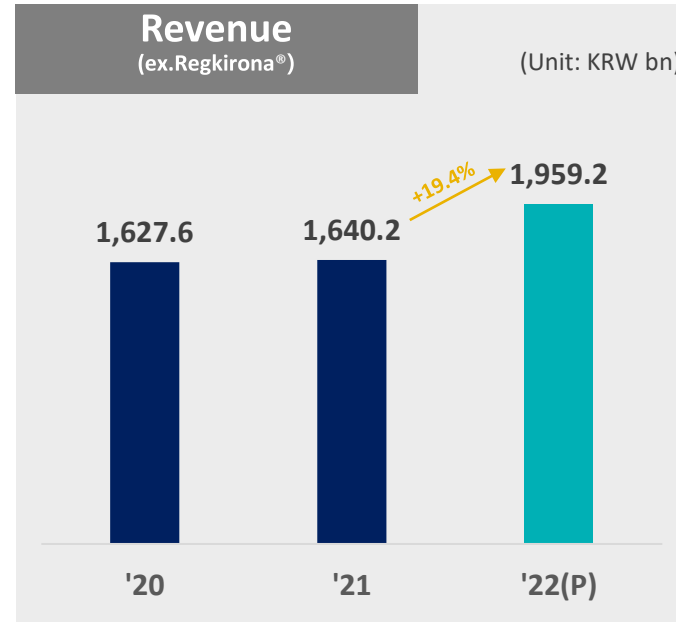
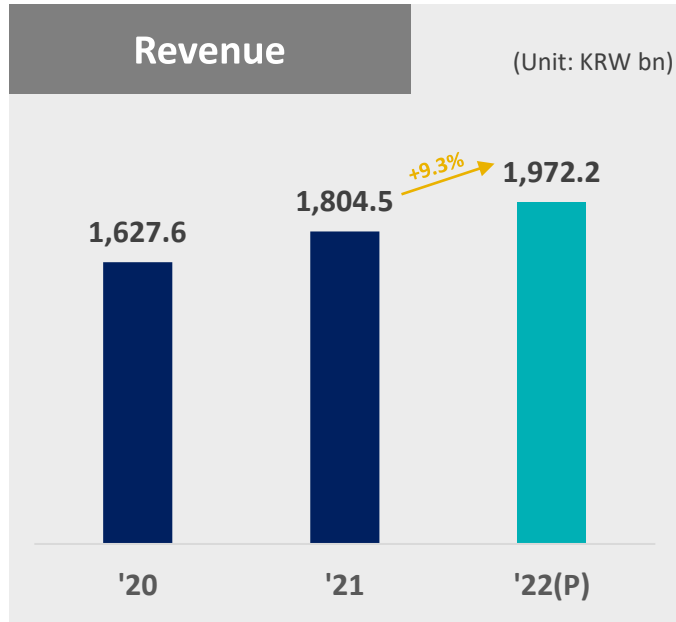
(Unit: KRW bn)



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

2022 Annual Business Results

Income Statement



► Revenue

- Achieved +19% YoY of revenue growth(excluding '21 Regkirona® sales) thanks to the growth in main business through the portfolio expansion amid stable prescriptions of launched products
- **EU** : Remsima®, which is prescribed in a solid pace, and Remsima® SC, which has doubled its sales, are mainly driving EU market, and portfolio expanded by releasing Yuflyma® and Vezelma® sequentially in EU. In addition, Truxima® and Herzuma® are gradually recovered from the impact of a shift to direct sales since 2H22.
- **US** : Inflectra® is continuously gaining its market share, but sales dropped YoY due to decreased shipment volume caused by a CMO site's limited capacity. Truxima®, despite intensifying competition, maintained a stable market share and its sales increased more than 20% YoY.
- **Growth market** : Sales increased more than 50% YoY as all products grew evenly thanks to consequent successful bids in Asia, Latin America, and the Middle East regions.

► Gross Profit

- GPM improved YoY significantly contributed by improvement in COGS through increased sales portion of high-margin Remsima® SC and a higher inventory turnover with the brisk sales of Remsima® continued.

► Operating Profit

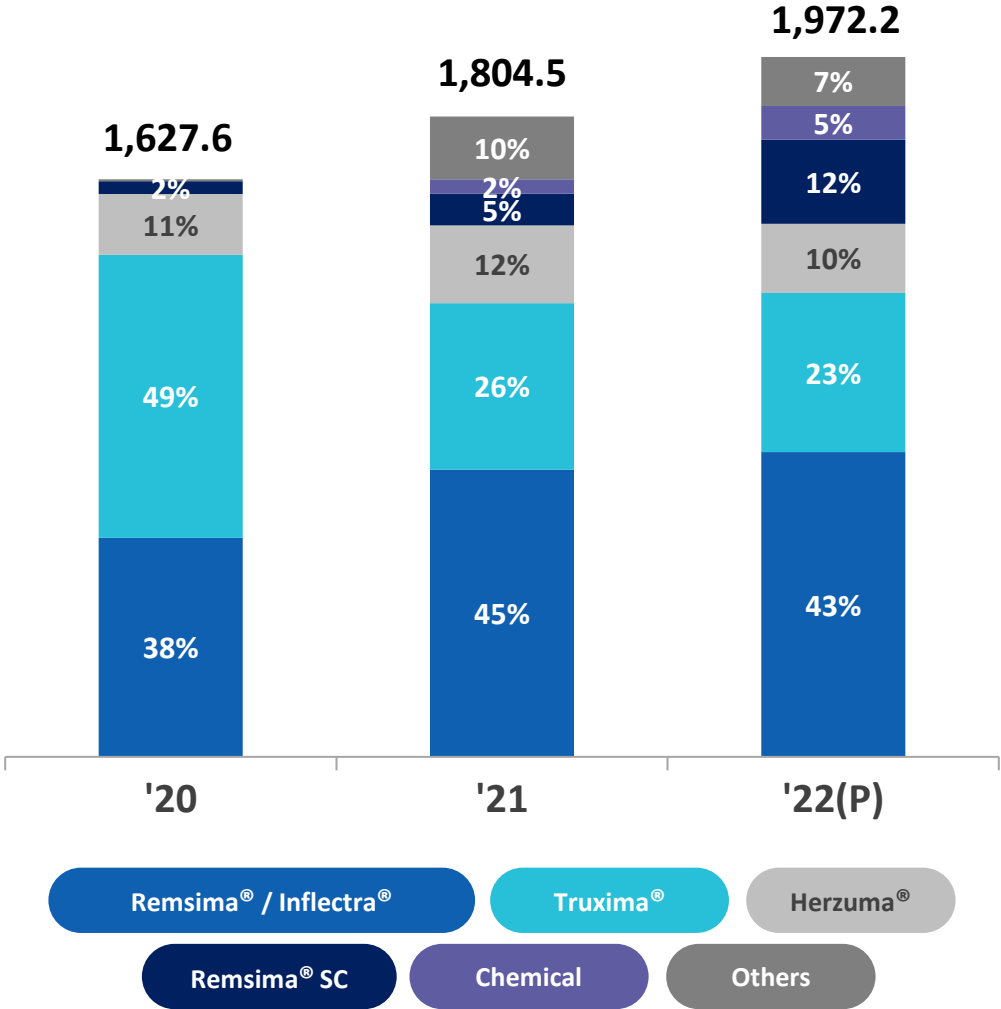
- OPM growth was limited due to one-off commission payment following termination of the partnership in EU and rises in SG&A relating to expanding global direct sales.

2022 Business Results

Sales Breakdown

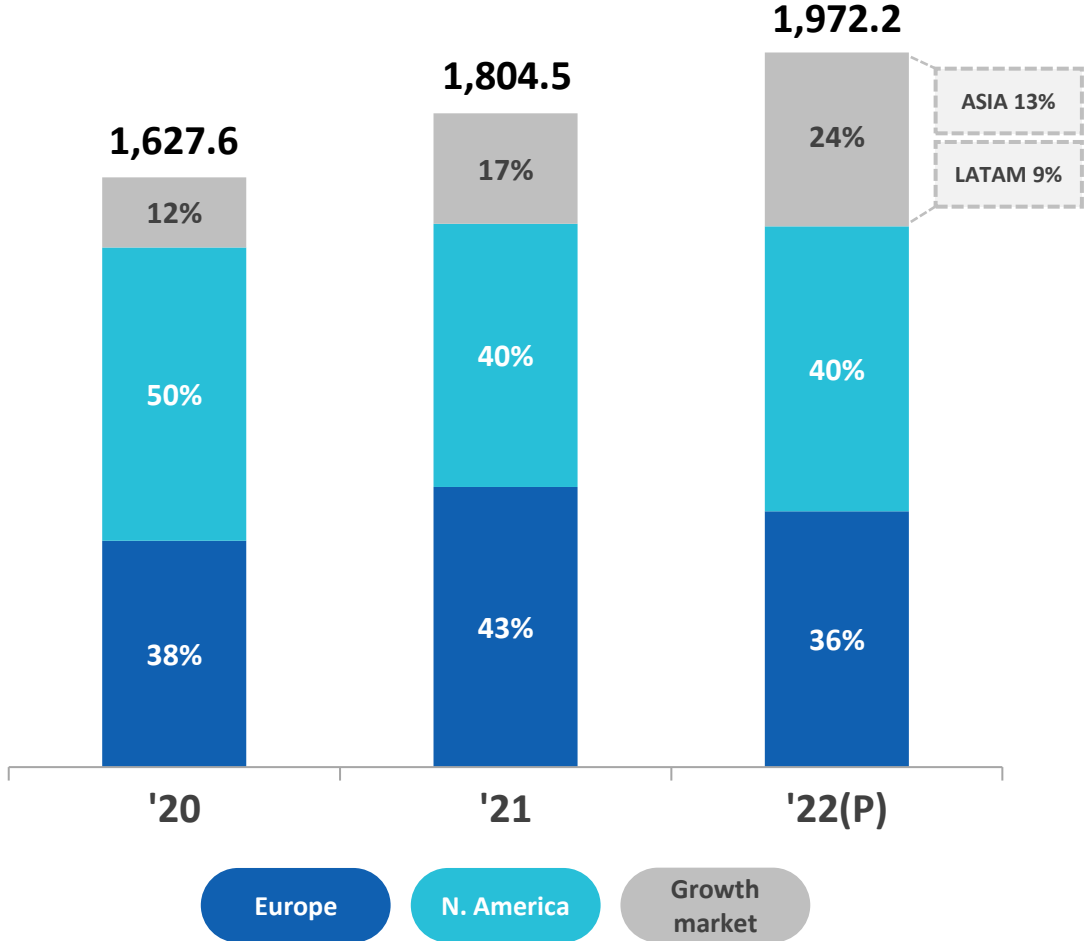
By Product

(Unit: KRW bn)



By Region

(Unit: KRW bn)



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

2022 Business Results

Balance Sheet & Cash Flow

Balance Sheet

(KRW bn)	'21	'22(P)	Change
Total Assets	3,914.7	4,454.6	539.9
Cash and Cash Equivalents	254.9	458.0	203.1
Short Term Financial Assets	270.5	73.1	-197.4
Trade and Other Receivables	584.1	897.0	312.9
Inventories	2,065.7	2,352.9	287.2
Total Liabilities	1,808.9	2,392.8	583.9
Total Equity	2,105.8	2,061.8	-44.0
Debt-to-Equity Ratio	85.9%	116.1%	30.2%p

Cash Flow

(KRW bn)	'21	'22(P)
Cash at beginning of year	231.5	254.9
Operating	-160.2	200.1
Operating profit	199.4	228.9
Working capital	-340.2	6.0
Others	-19.4	-34.8
Investing	-4.2	177.9
Short term financial assets	28.0	190.7
Others	-32.2	-12.8
Financing	187.8	-174.9
Borrowing and redemption	199.9	-43.4
Share buyback	-11.6	-91.0
Cash Dividend	-	-39.9
Share issue	3.0	3.5
Others	-3.5	-4.1
Cash at the end of year	254.9	458.0

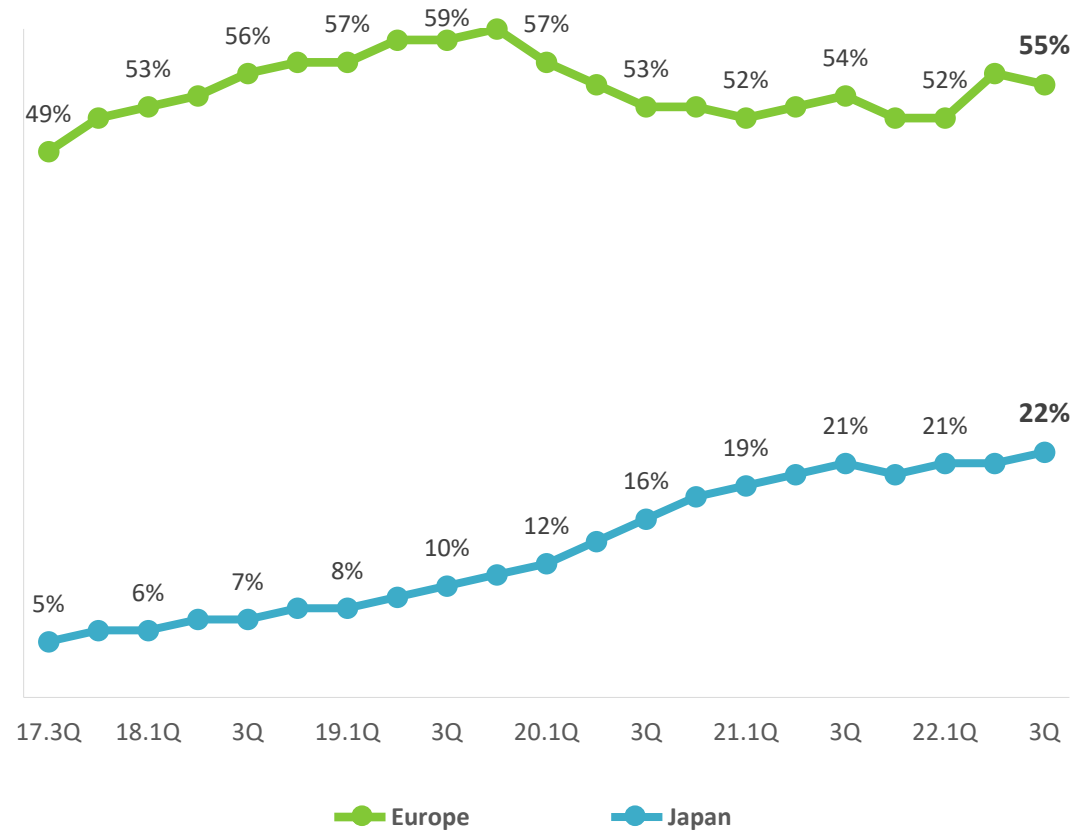
Section 02

Key Business Performance

Key Business Performance

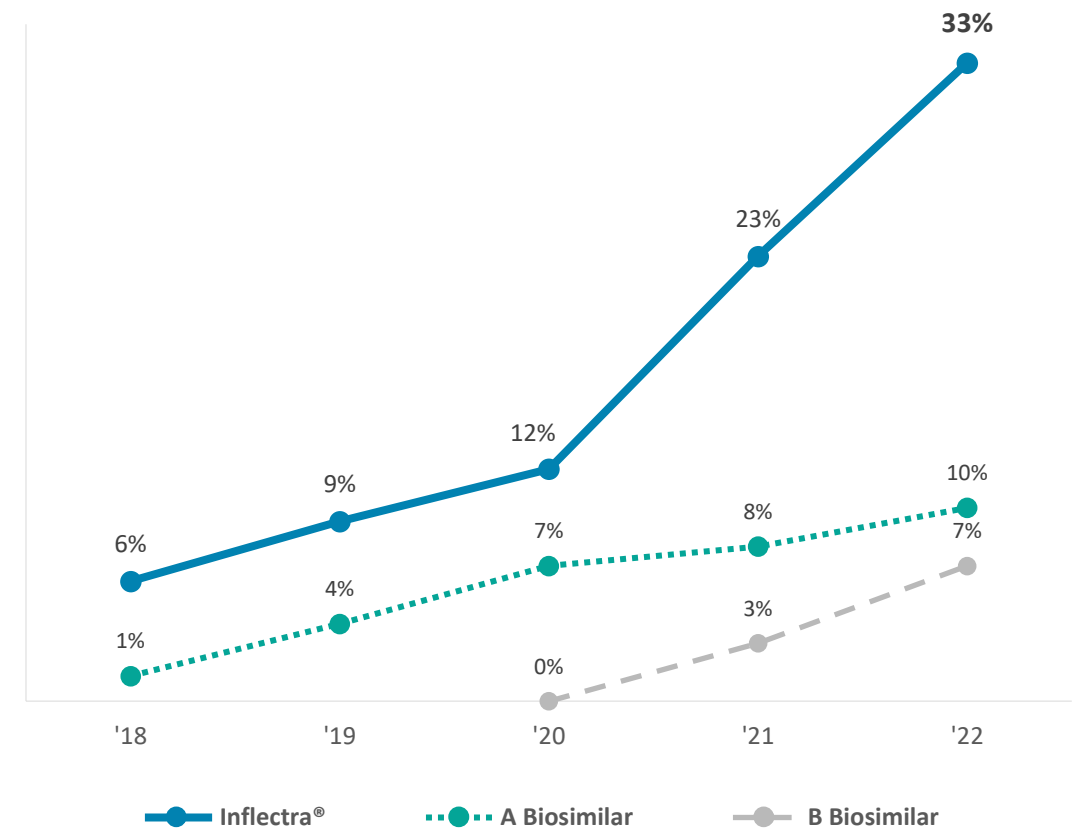
- ✓ As the most prescribed Infliximab drug in Europe, dual formulation strategy with Remsima® SC leverages market share uptake
- ✓ In the US, market share continues to rise thanks to favorable environments such as listing preferred at major US payers & implementation of the IRA(Inflation Reduction Act)

Market share of Remsima® in Europe and Japan



Note: market share is based on volume
Source : IQVIA

Market share of Inflectra® in the US

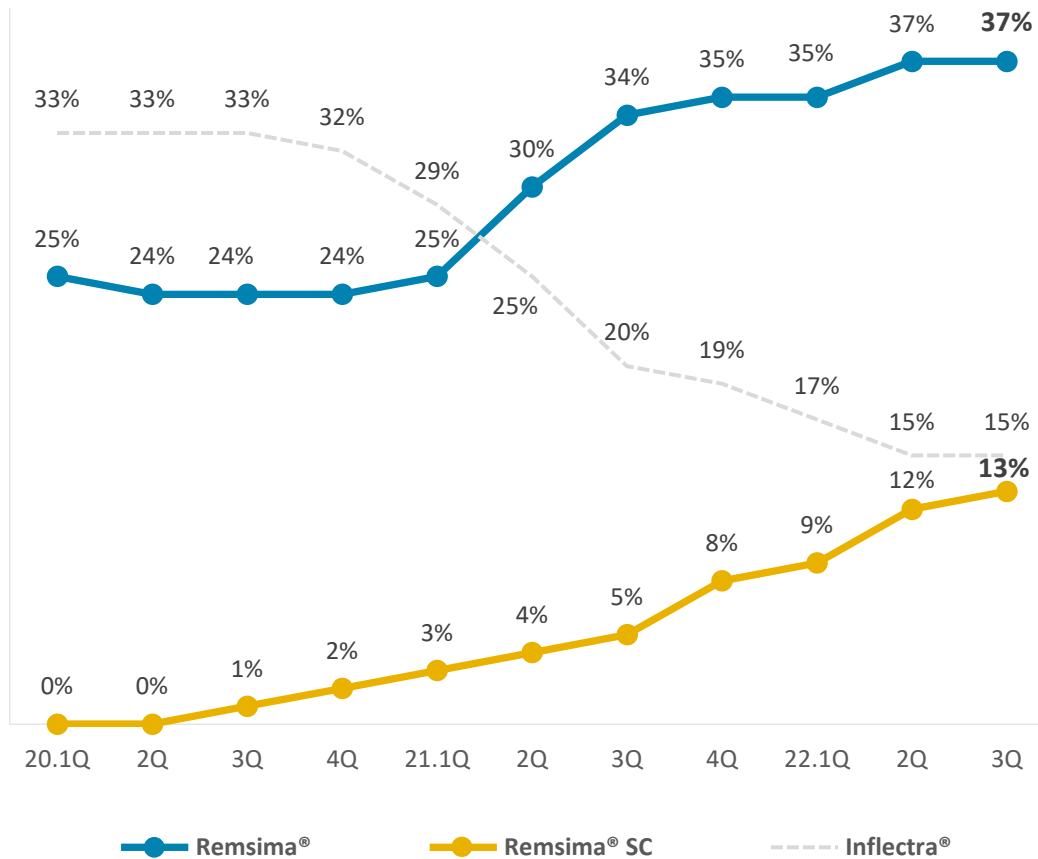


Note: market share is based on volume
Source : Symphony Health

Key Business Performance

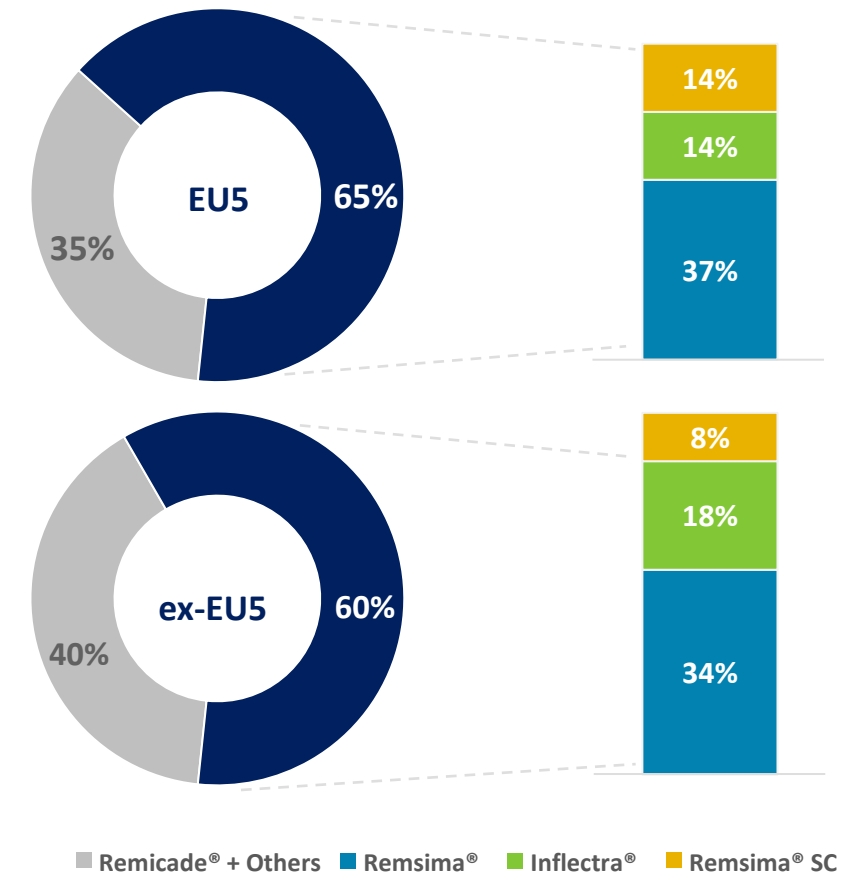
- ✓ Accumulation of real-world data accelerated prescription & market share uptake in not only EU5 but the entire EU market
- ✓ Diversifying the regions into Canada and growth market(Asia, LATAM)
- ✓ Aiming to go direct in the US as a new drug in 2024

M/S Trend of CTHC's Infliximab products in Europe



Note: The market share is based on combined volume of EU regions Remsima® SC has been launched
Source : IQVIA

M/S of Infliximab products in Europe (as of 2Q23)

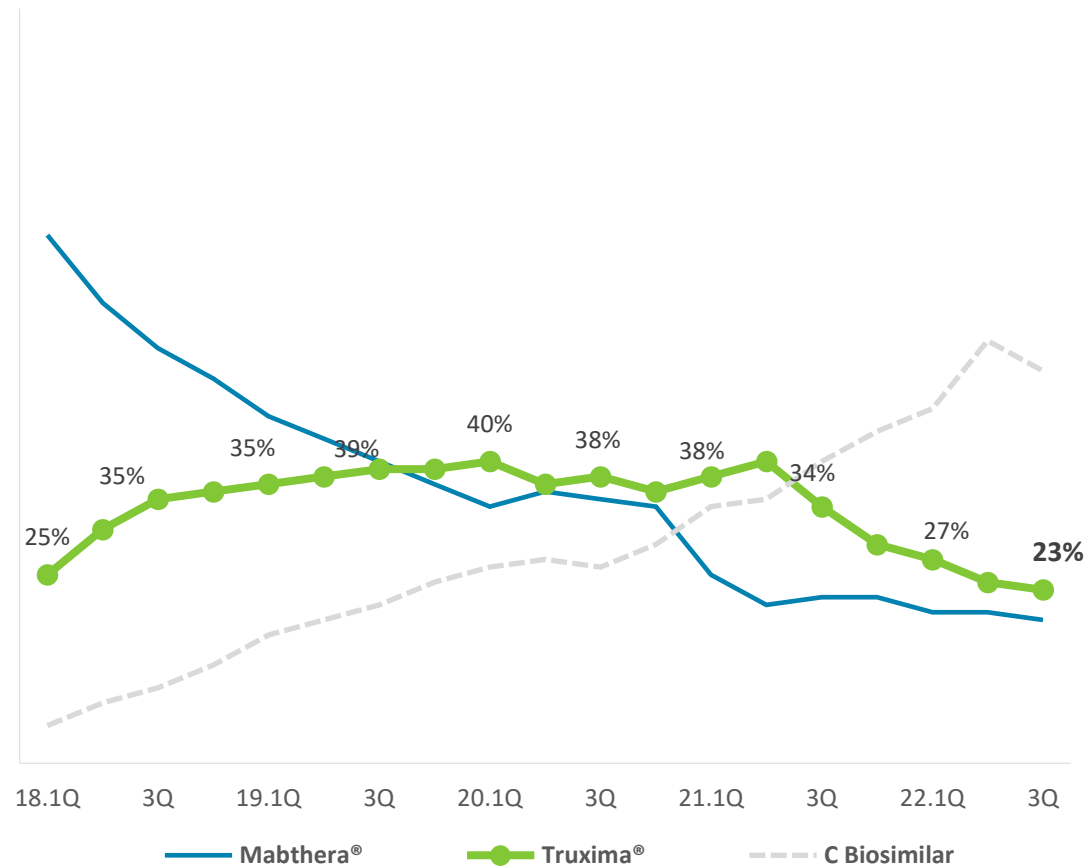


Note: The market share is based on volume
Source : IQVIA

Key Business Performance

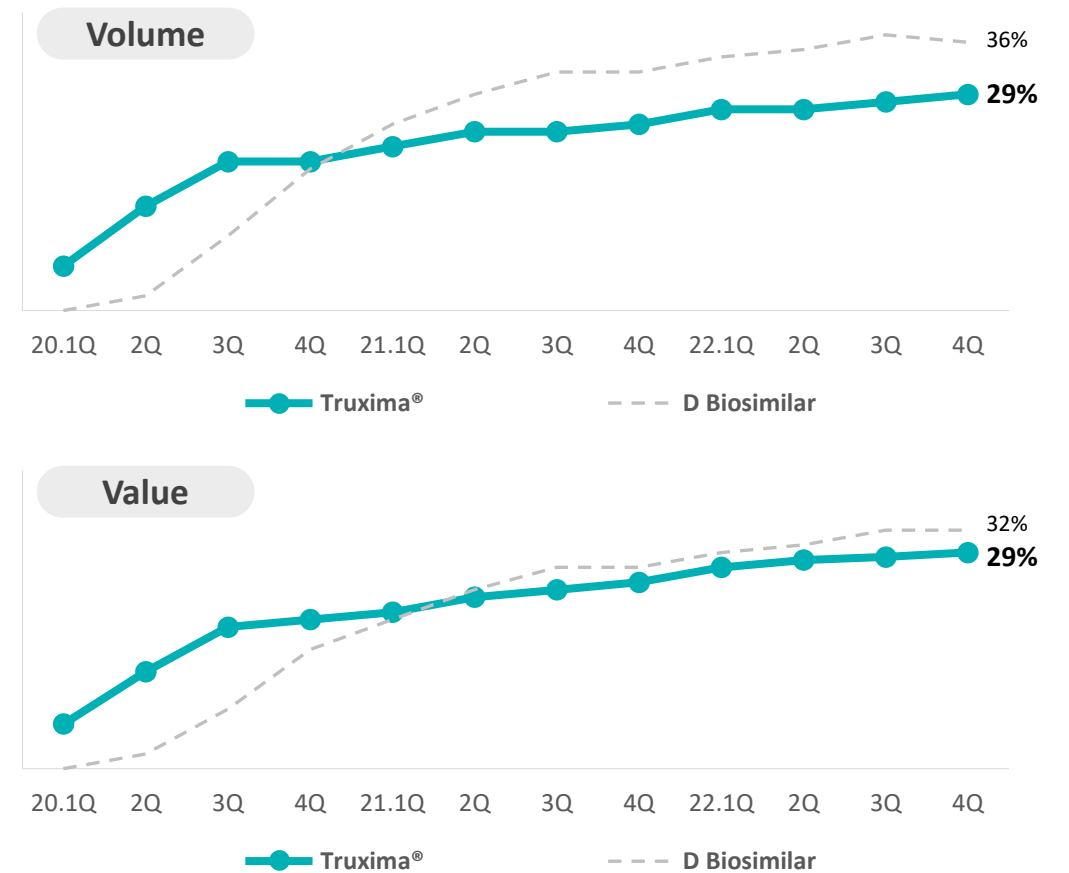
- ✓ As direct sales began in 2H22 in earnest, gradual recovery of market share and sales is ongoing in Europe
- ✓ Modest level of market share maintained in the US despite price pressure due to intensifying competition

M/S of Truxima® in Europe



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

M/S of Truxima® in the US

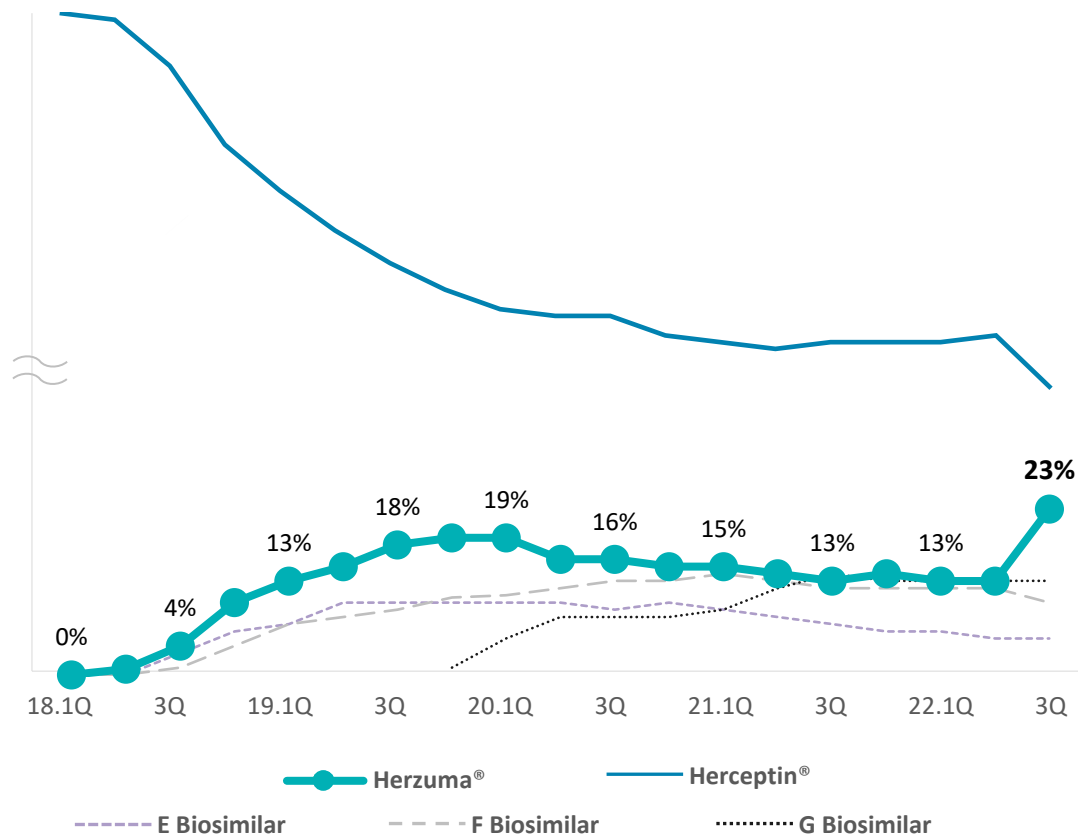


Source : Symphony Health

Key Business Performance

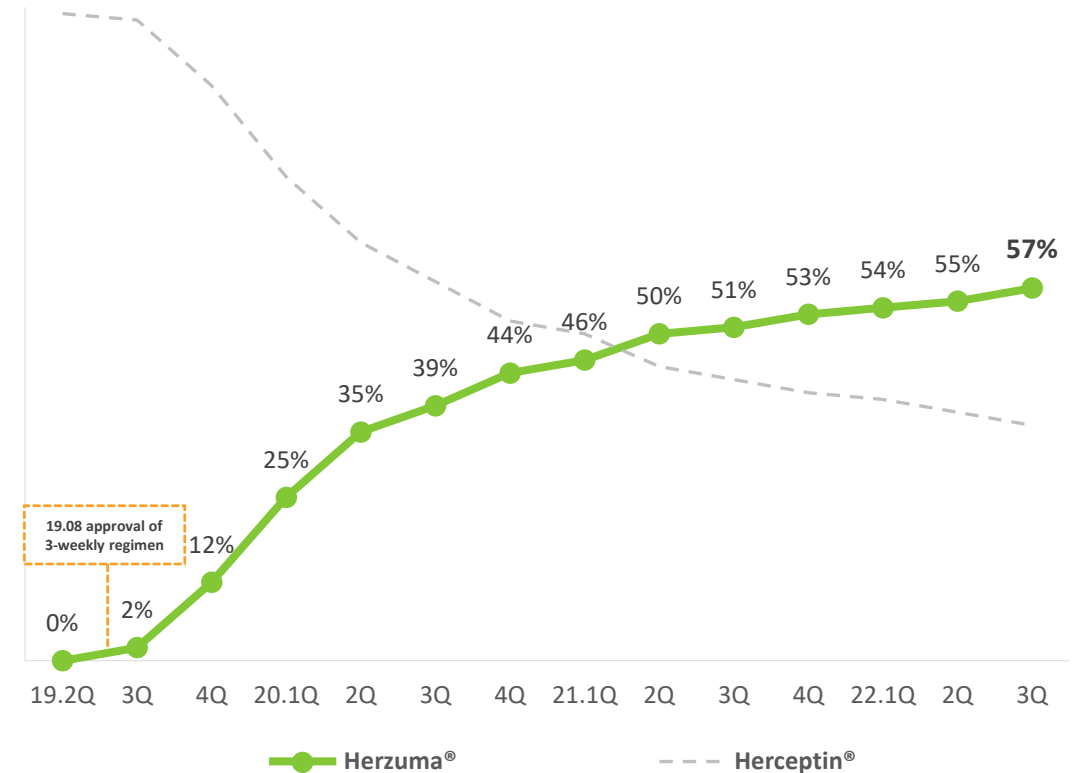
- ✓ Starting direct sales in 2H22 in Europe, successful bids in Turkey and Hungary led sharp increase in market share
- ✓ Market share has been steadily increasing even after exceeding the original's share in Japan
- ✓ Increasing demands in LATAM boosted the sales growth

M/S of Herzuma® in Europe



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

M/S of Herzuma® in Japan

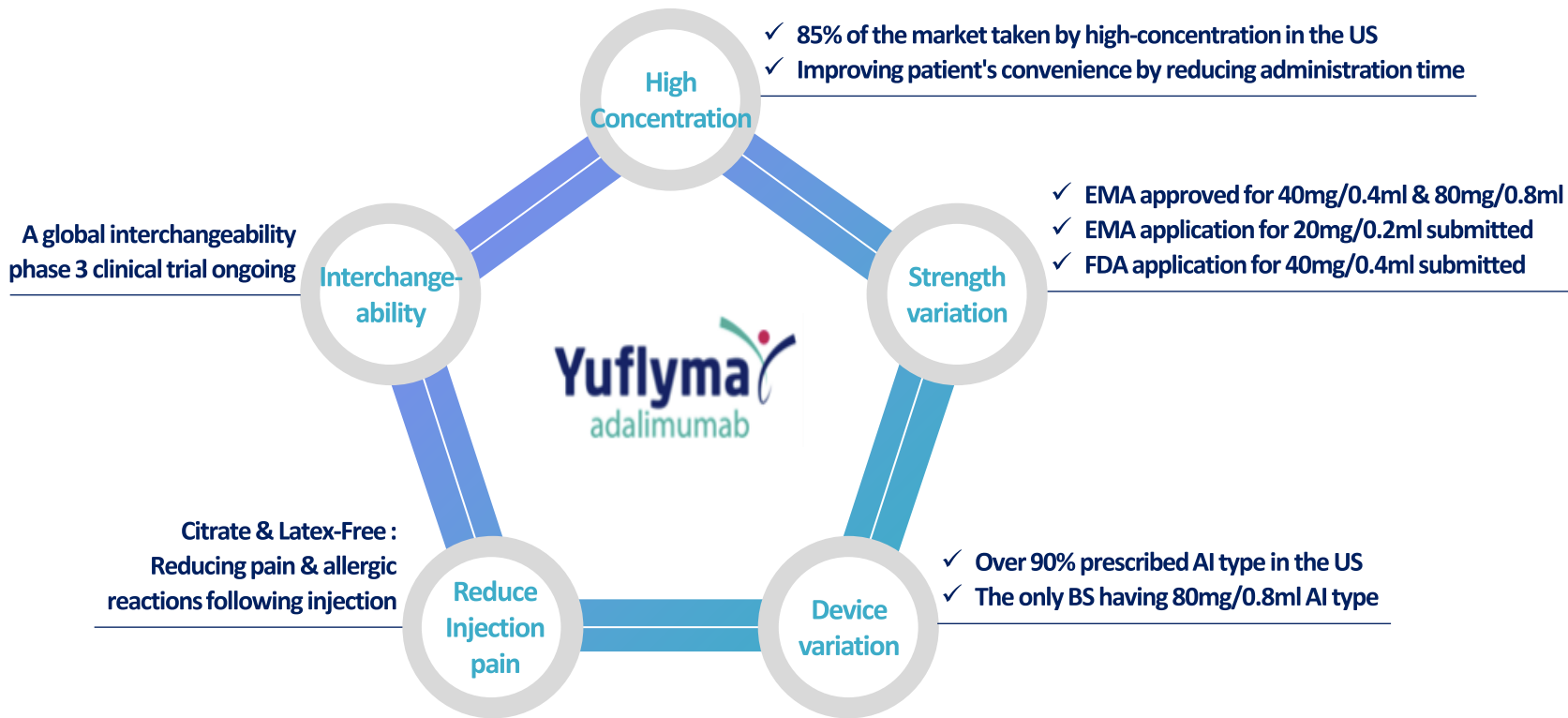


Note: The market share is based on volume
Source : IQVIA

Key Business Performance

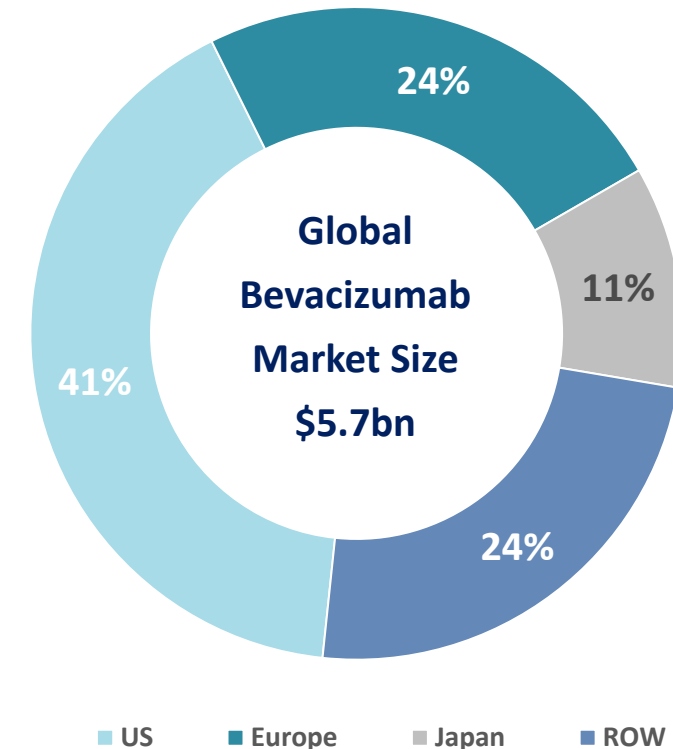
- ✓ In Europe, Yuflyma[®] ('21) & Vegzelma[®] ('22) have been expanding its presence based on product & price competitiveness
- ✓ In 2023, Yuflyma[®] & Vegzelma[®] will be launched in the US

Competitive Edge of Yuflyma[®]



Source : IQVIA, Symphony Health

Global market size of Bevacizumab



Note: The market size is as of 3Q22MAT
Source : IQVIA

Section 03

Business Plan & Vision

Business Plan & Vision in 2023

The First Year of Global Direct Sales	Portfolio Expansion	Steady & solid prescriptions of the existing portfolio	Margins to improve by lowering COGS
<p>Initiate direct sales in the US, the world's largest pharmaceutical market in 2023</p>	<p>Release more than one biologic product every year with its strong pipeline</p>	<p>Expand the presence of launched products in the global market</p>	<p>Sales increase of high-margin products + Inventory management</p>
<ul style="list-style-type: none"> ✓ Completed a shift to direct sales of the entire launched products in Europe in 2H22 ✓ Acquired Celltrion USA from Celltrion Inc. in August 2022 & completed recruitment of head-level personnel including CCO(Chief Commercial Officer) in December 2022 	<ul style="list-style-type: none"> ✓ Plan to launch Vegzelma[®] & Yuflyma[®] sequentially in US in 2023 ✓ Starting with the launch of Remsima[®] SC as a novel drug in the US in 2024, more than one biologic products such as Stelara[®] and Xolair[®] biosimilars will be released in the global market every year 	<ul style="list-style-type: none"> ✓ Solid prescription of Inflectra[®] and Truxima[®] bolstered CTHC's presence in the US ✓ Through dual formulation strategy, market share of Remsima[®] and Remsima[®] SC in Europe continued to rise together & Herzuma[®] expanded its market share by winning bids from Turkey and Hungary ✓ Meaningful performance in the growth market continued; Remsima[®] won the bids in Brazil, the largest market in Latin America for two consecutive years 	<ul style="list-style-type: none"> ✓ Increasing demand for profitable product lines(Inflectra[®], Remsima[®] SC, Yuflyma[®], etc.) continued ✓ Reduce COGS by purchasing titer improved inventory & improving inventory turnover

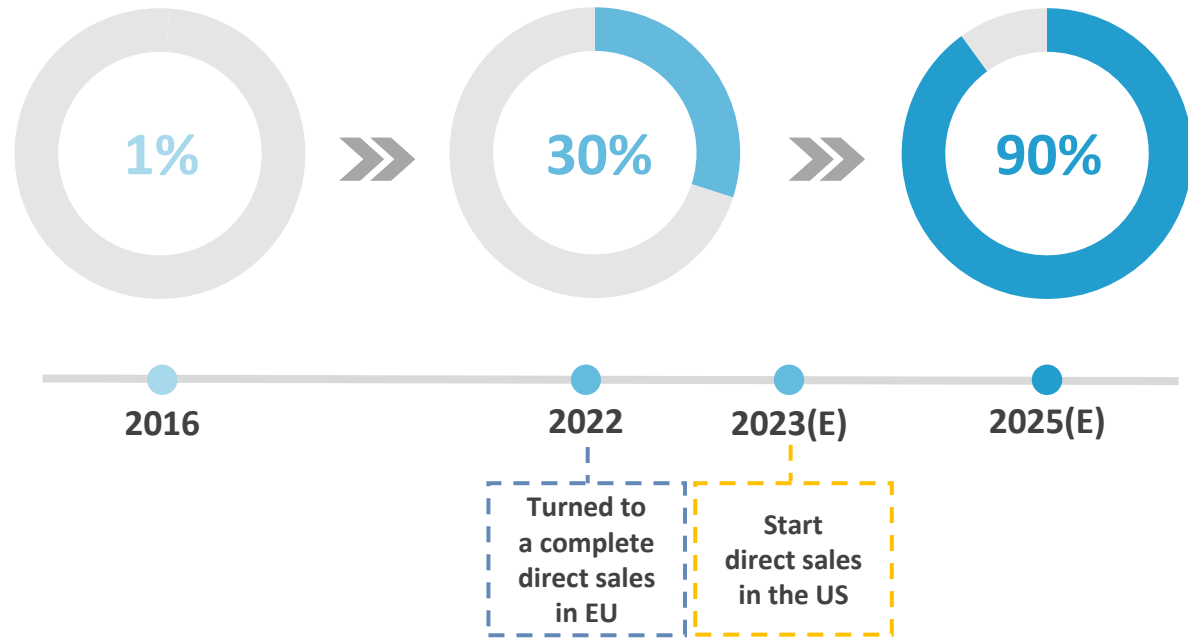
Expanding Direct Sales Scope to the US

- ✓ Initiate direct sales in the US, the world’s largest pharmaceutical market in 2023
- ✓ Sequential transition to direct sales worldwide by 2025 will lead margin improvement by commanding optimal marketing & pricing strategy

CTHC’s overseas entities



Expanding direct sales network



Note: As of 4Q22

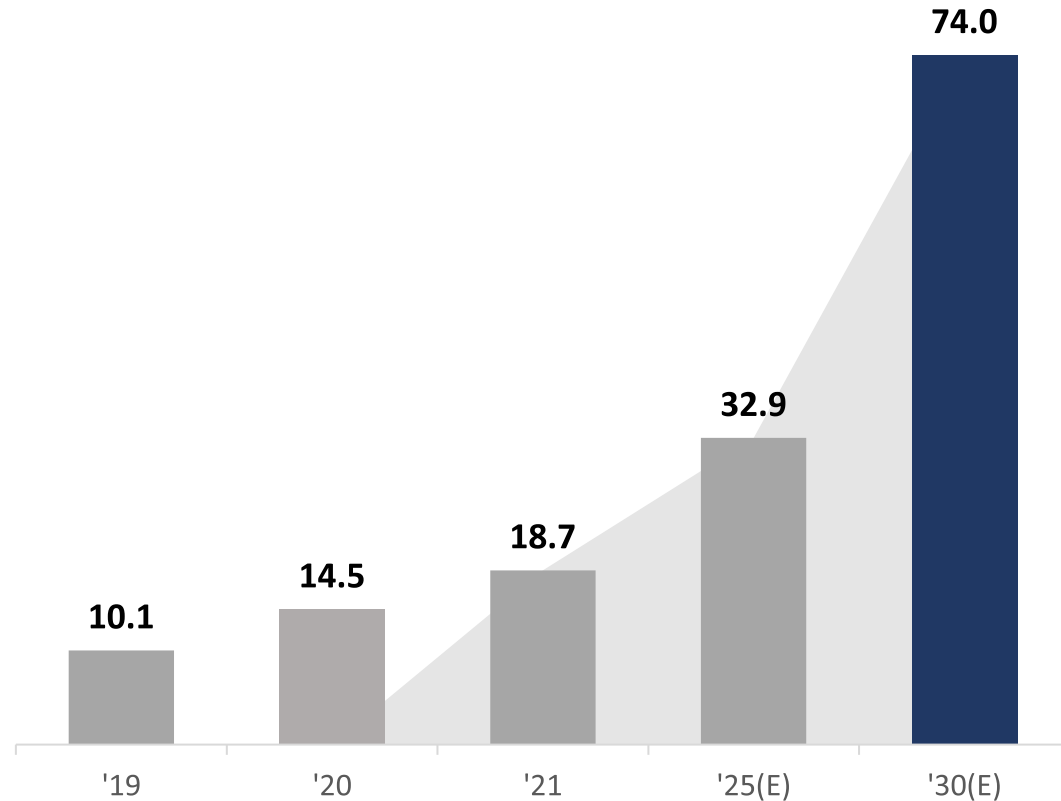
Note: Direct sales % relative to the market size

Enhancing Portfolio through Subsequent Product Launch

- ✓ CTHC's sales and portfolio continue to grow following by expanding global biosimilar industry
- ✓ More than one follow-up product will be released every year in time for the expiration of original's patents including Stelara®, Eylea®

The global biosimilar market forecast

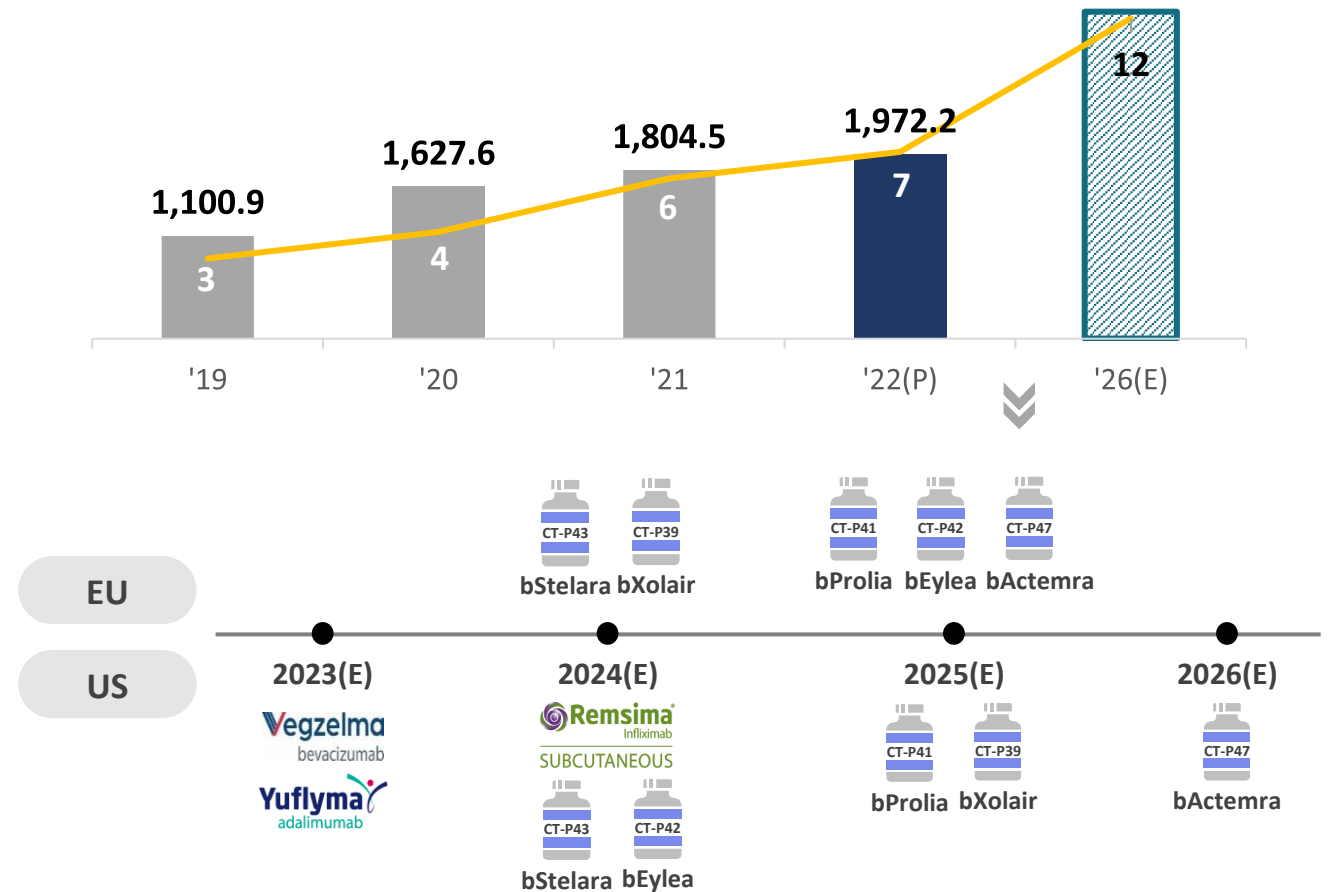
(Unit: \$ bn)



Source : McKinsey

CTHC's revenue & portfolio trend

(Unit: KRW bn, ea)



Note: Launching plan could be subjective to the approval

Appendix

Product Portfolio



Product Name	Reference Drug	Indications	Launching Timeline	
			EU	US
Remsima® Inflectra™	Remicade® (Infliximab)	Rheumatoid Arthritis(RA), Ulcerative Colitis(UC), Crohn's disease(CD), etc.	Sep.2013	Dec.2016
Truxima®	Rituxan®(MabThera®) (Rituximab)	Non-Hodgkin's Lymphoma(NHL), Chronic Lymphocytic Leukemia(CLL), etc.	Apr.2017	Nov.2019
Herzuma®	Herceptin® (Trastuzumab)	HER2-Positive Metastatic Breast Cancer, Early Breast Cancer(EBC), etc.	May.2018	Mar.2020
Remsima® SC	- (Infliximab)	Rheumatoid Arthritis(RA), Ulcerative Colitis(UC), Crohn's disease(CD), etc.	Feb.2020	1H24(E)
Yuflyma®	Humira® (Adalimumab)	Rheumatoid Arthritis(RA), Ulcerative Colitis(UC), Crohn's disease(CD), etc.	Aug.2021	2H23(E)
Vegzelma®	Avastin® (Bevacizumab)	Metastatic Colorectal Cancer(MCC), Non-Small Cell Lung Cancer(NSNLC), etc.	Oct.2022	1H23(E)

Note: The logo of Inflectra™ is owned by Pfizer

Pipeline

Product Name	Reference Drug	Manufacturer	Global Market Size (\$bn)	US	EU
Remsima® SC	-	Celltrion	55.4	Application Submitted (Dec.2022)	All Indications Approved (Jul.2020, Pediatric usage non-included)
Yuflyma®	Humira® (Adalimumab)	AbbVie	37.1	Application Submitted (Nov.2020)	Received EMA Approval (Feb.2021)
				In phase 3 clinical trial to support interchangeability	
Vegzelma®	Avastin® (Bevacizumab)	Roche	5.7	Received FDA Approval (Sep.2022)	Received EMA Approval (Aug.2022)
CT-P43	Stelara® (Ustekinumab)	Johnson & Johnson	16.8	Completed Global Phase 3 Clinical Trials (Sep.2022)	
CT-P39	Xolair® (Omalizumab)	Genentech	3.8	In Global Phase 3 Clinical Trials	
CT-P42	Eylea® (Aflibercept)	Bayer & Regeneron	4.8	In Global Phase 3 Clinical Trials	
CT-P41	Prolia® (Denosumab)	Amgen	6.1	In Global Phase 3 Clinical Trials	
CT-P47	Actemra® (Tocilizumab)	Roche	3.0	In Global Phase 3 Clinical Trials	

Note: Global market size is as of 3Q22

Source : IQVIA

Summary Income Statement

(KRW bn)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22(P)	'20	'21	'22(P)
Revenue	356.3	433.3	409.1	605.8	415.7	519.0	496.4	541.1	1,627.6	1,804.5	1,972.2
Cost of Sales	274.0	306.1	334.4	459.5	311.4	378.1	343.3	377.6	1,085.8	1,374.0	1,410.4
Gross Profit	82.3	127.1	74.7	146.4	104.3	140.9	153.1	163.5	541.8	430.5	561.8
SG&A	50.8	50.9	52.7	76.7	59.2	66.8	80.6	126.3	179.7	231.1	332.9
Operating Income	31.5	76.2	22.0	69.7	45.0	74.1	72.5	37.3	362.1	199.4	228.9
Non-operating Income	3.6	11.8	30.5	(45.9)	16.5	21.2	112.9	(149.2)	(47.2)	0.0	1.4
Financial Income	5.5	4.6	2.2	0.8	4.3	3.4	22.8	(11.8)	38.7	13.1	18.7
Financial Expenses	12.5	3.5	18.5	(2.8)	5.0	13.9	17.2	23.3	33.9	31.7	59.4
Other Income	27.0	15.6	51.8	(22.6)	30.9	38.8	114.0	(80.7)	38.4	71.8	103.0
Other Expenses	16.4	4.9	5.0	26.9	13.7	7.1	6.7	33.4	90.4	53.2	60.9
Profit before Taxes	35.0	87.8	52.5	23.0	61.3	95.2	185.2	(112.1)	314.7	198.3	229.6
Tax Expense (Benefit)	3.5	24.1	11.9	6.2	17.7	56.1	47.5	(38.9)	74.3	45.7	82.4
Net Profit (Loss)	31.5	63.7	40.6	16.8	43.6	39.1	137.6	(73.1)	240.4	152.6	147.2

Thank You