



# CSL Limited

2020 Half Year Results

12 February 2020

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After struggling for years to get an accurate diagnosis, hereditary angioedema (HAE) patient Kathrin Schoen is working to ensure the next generation of patients doesn't have to wait so long.

# 1H20 Performance

A strong half year for CSL with revenue up 11%<sup>1</sup> and net profit after tax up 11%<sup>1</sup> reflecting:

- Strong growth in immunoglobulin portfolio
- Transition to own distribution model in China progressing well
- Continued evolution of the haemophilia portfolio
- Strong performance from Seqirus

## CSL BEHRING

- PRIVIGEN® +28%<sup>1</sup>
- HIZENTRA® +37%<sup>1</sup>
- ALBUMIN -33%<sup>1</sup> (GSP IMPACT)
- AFSTYLA® +30%<sup>1</sup>
- IDELVION® +21%<sup>1</sup>
- ZEMAIRA® +31%<sup>1</sup>

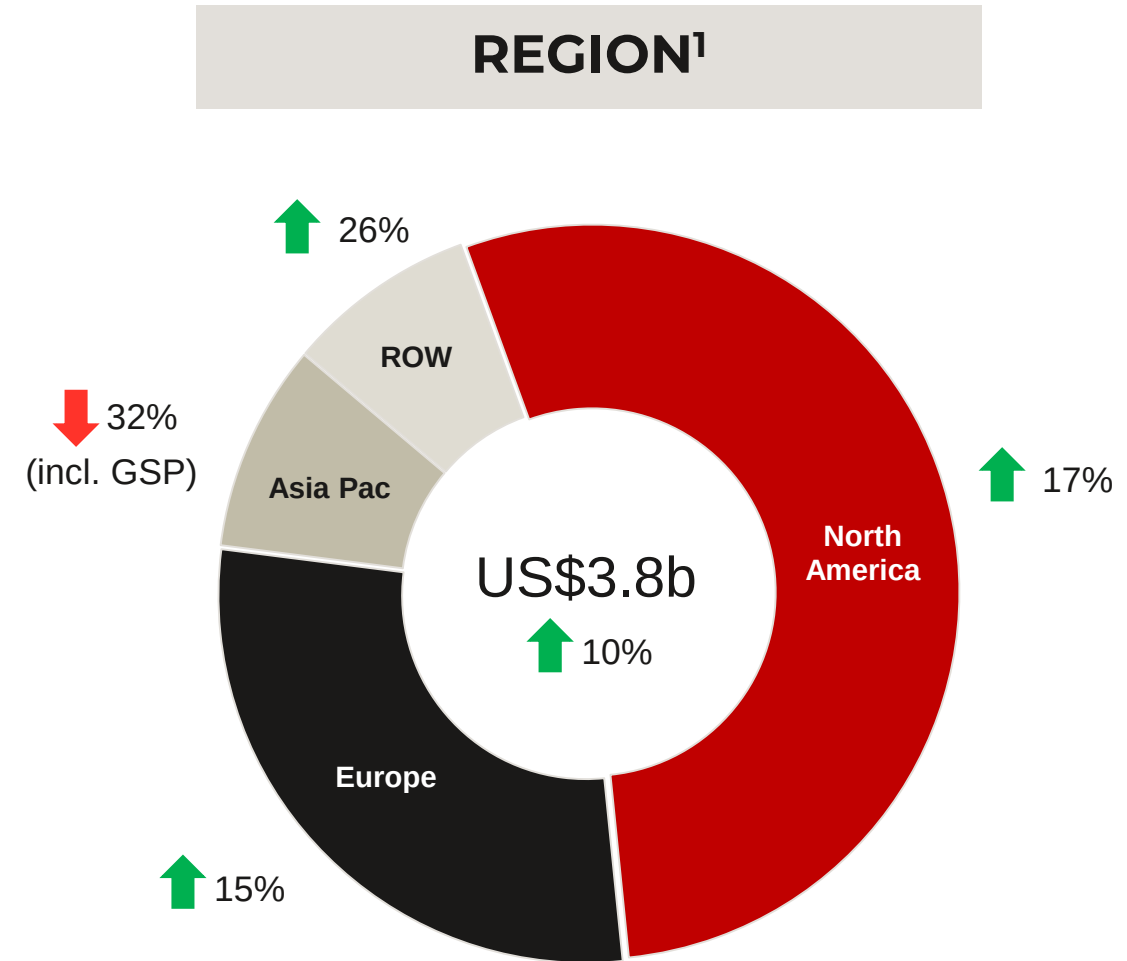
## SEQIRUS

- Seasonal influenza +16%<sup>1</sup>
- FLUCELVAX® launched in EU
- FLUAD® preferred recommendations in UK & Australia
- Positive real world effectiveness evidence continuing
- Commenced aQIVc development

1. Growth percentages shown at constant currency to remove the impact of exchange rate movements, facilitating comparability of operational performance. See end note for further detail.

# CSL Behring Sales 1H20

| Therapy                   | Sales<br>\$m | Change <sup>1</sup><br>% |
|---------------------------|--------------|--------------------------|
| Immunoglobulins           | 1,985        | 26%                      |
| - IVIG                    | 1,361        | 21%                      |
| - SCIG                    | 624          | 37%                      |
| Albumin                   | 278          | (33%)                    |
| Haemophilia               | 550          | 4%                       |
| - Recombinants            | 314          | 13%                      |
| - Plasma                  | 236          | (5%)                     |
| Specialty                 | 851          | 7%                       |
| - Peri-Operative Bleeding | 411          | 11%                      |
| - Other Specialty         | 440          | 3%                       |
| Other <sup>2</sup>        | 104          | 5%                       |
| <b>Total</b>              | <b>3,768</b> | <b>10%</b>               |



# Immunoglobulins

Sales up 26%<sup>1</sup>



- 28% growth<sup>1</sup>
- Growth drivers
  - CIDP indication
  - Competitor supply challenges
  - Tender markets



- 37% growth<sup>1</sup>
- Growth drivers
  - New patient starts in PID
  - CIDP indication
  - Competitor supply challenges
  - Mix shift
  - Convenience

*Lyophilised Ig phased out*

## *Industry*

- Global Ig demand exceeding supply

## *Demand drivers*

- Increased disease awareness & improved diagnosis
- Increased usage for chronic therapies
- CIDP indication
- Expanding usage for SID



# Albumin

Sales down 33%<sup>1</sup>

- Double digit sales growth in Europe & Emerging Markets
- US sales up 5%<sup>1</sup>
- China sales impacted by one-off transition to new distribution model
  - Transition progressing well with sales commenced under new model
  - Sales impact consistent with previous guidance
  - No impact on supply to patients
- Strong underlying growth in China continues
- Achieved Chinese regulatory approval for AlbuRx® from Kankakee

**Transition to  
Good Supply  
Practices (GSP)  
license in  
China**



## ***Benefits***

- Improved participation in value chain
- Ability to work directly with clinicians
- Reduces reliance on 3rd parties
- CSL becomes a Tier 1 distributor

# Haemophilia

Sales up 4%<sup>1</sup>



- 21% growth<sup>1</sup>
- Strong growth in US
- Highest rates of switches globally



- 30% growth<sup>1</sup>
- Strong growth in US
- Patient retention and ongoing switches driving growth

*HELIXATE® phased out*

**Recombinant Coags +13%<sup>1</sup>**

## Plasma Coagulation Factors

- Modest growth in VWF in US
- Tender variability
- Competitive pressures

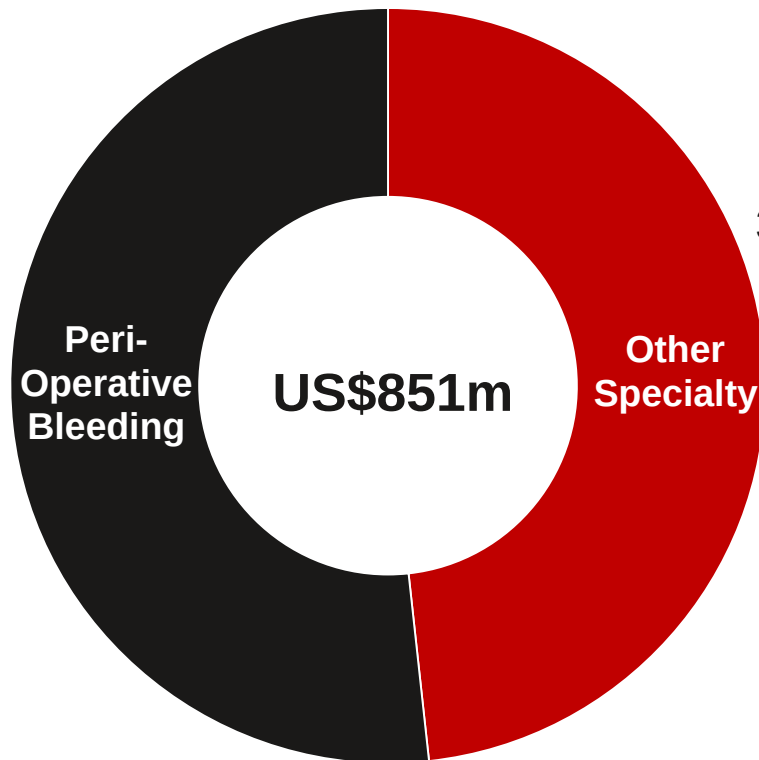
**PD Coags -5%<sup>1</sup>**

# Specialty Products

Sales up 7%<sup>1</sup>



↑ 11%



3% ↑



**Wound Healing**



- Continued patient growth
- Capacity improvement in place
- New launches planned
- Modest growth
- Return of competitor
- Sales normalised
- 31% growth
- Supply normalised

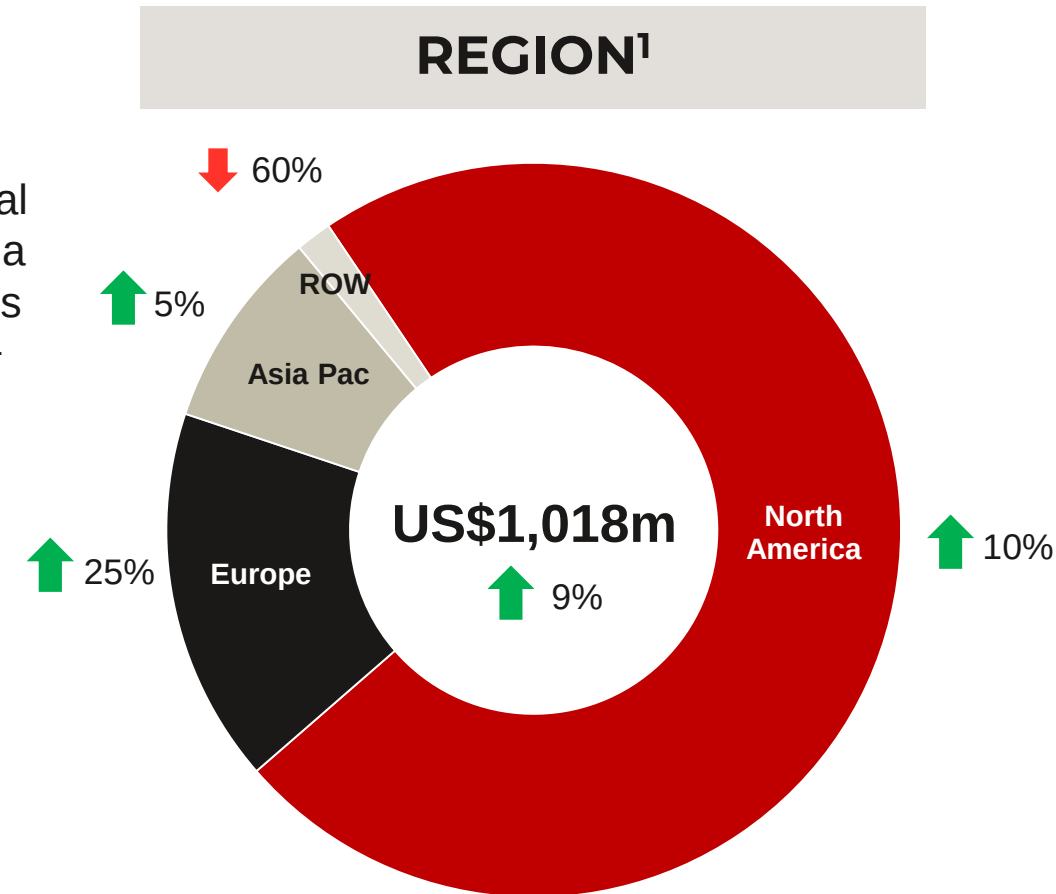


# Seqirus Revenue 1H20

Revenue up 9%<sup>1</sup>

|                     | Sales<br>\$m | %<br>Change <sup>1</sup> |
|---------------------|--------------|--------------------------|
| QIV                 | 507          | 21%                      |
| TIV                 | 30           | (50%)                    |
| Adjuvanted          | 325          | 21%                      |
| Other / In-licence  | 80           | (31%)                    |
| Total Product Sales | 941          | 9%                       |
| Pandemic            | 72           | 14%                      |
| Other Income        | 5            |                          |
| Total Revenue       | 1,018        | 9%                       |

Seasonal  
Influenza  
vaccines  
+16%<sup>1</sup>



# Seqirus – Operating Highlights

## FLUCELVAX®

- All strains manufactured using cell-specific seed for NH 2019/20 season
- Launched in EU (9 years+)

## FLUAD®

- Retention of preferred recommendations in UK and Australia
- QIV approved in Australia

## FLUCELVAX®

- To launch in Australia SH21

## aQIV

- To launch in Australia SH20
- US & EU registration anticipated in CY2020
- US launch NH20/21; EU launch anticipated NH21/22

# Seqirus – Operating Highlights

- US FDA approval of AUDENZ™ - world's first adjuvanted, cell-based influenza A (H5N1) pandemic vaccine
- Real world evidence continues to demonstrate the potential for improved effectiveness of FLUCELVAX® & FLUAD®
- US Executive Order, calling for modernisation of influenza vaccines



# R&D Highlights

|                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Immunology and Neurology</b>     | <ul style="list-style-type: none"><li>• HIZENTRA® granted Orphan Drug Exclusivity for CIDP</li><li>• HIZENTRA® Dermatomyositis (DM) Phase III Study initiated</li><li>• Garadacimab (Anti-FXIIa) in Hereditary Angioedema (HAE) Phase II double blind period complete</li></ul>                                                                             |
|  <b>Haematology and Thrombosis</b>   | <ul style="list-style-type: none"><li>• CSL200 (CAL-H) in Sickle Cell Disease (SCD) Phase I Study initiated</li><li>• CSL889 Hemopexin in SCD Phase I Study initiated</li></ul>                                                                                                                                                                             |
|  <b>Respiratory</b>                  | <ul style="list-style-type: none"><li>• CSL311 (Anti-Beta Common) Phase I study commenced</li><li>• Approval of convenient single-vial dosing for ZEMAIRA® (Alpha1-Proteinase Inhibitor) in the US</li></ul>                                                                                                                                                |
|  <b>Cardiovascular and Metabolic</b> | <ul style="list-style-type: none"><li>• CSL112 (ApoA-1) Phase III study (AEGIS-II) progressing well with &gt;7000 patients recruited</li></ul>                                                                                                                                                                                                              |
|  <b>Transplant</b>                  | <ul style="list-style-type: none"><li>• CSL964 Alpha-1 Antitrypsin (AAT) for prevention of Graft versus Host Disease (GvHD) after Transplantation of Allogenic Hematopoietic Cell Transplantation (HCT) Phase III study actively recruiting and on track</li></ul>                                                                                          |
|  <b>Influenza Vaccines</b>         | <ul style="list-style-type: none"><li>• First cell-based quadrivalent seasonal influenza vaccine, FLUCELVAX® TETRA, approved in Europe</li><li>• AFLURIA® QUAD (quadrivalent influenza vaccine) granted expanded indication for use in children 6M+ in Australia</li><li>• aQIVc (MF59 plus FLUCELVAX® antigen) new product development commenced</li></ul> |



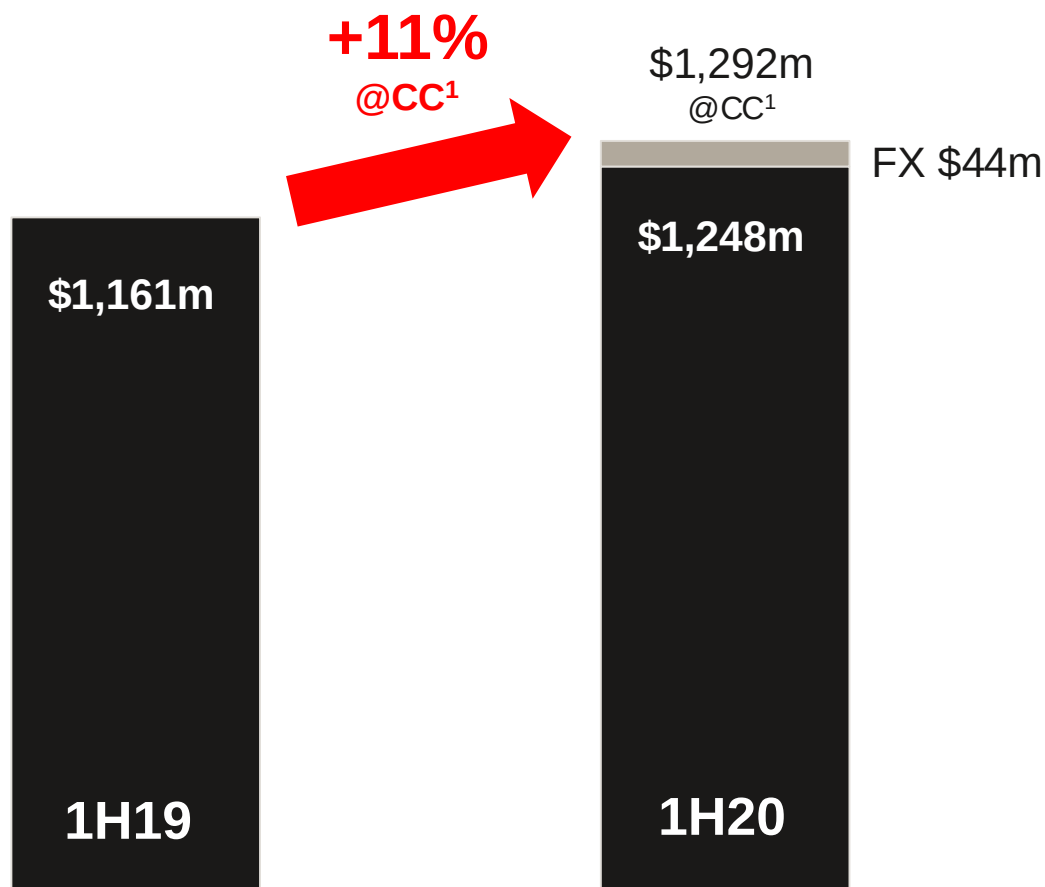
# Financials

David Lamont, CFO



# Financial Highlights

Net Profit After Tax



## GSP transition in China

- Financial impact split evenly 1H v 2H

## Other income

- One-off benefit \$30m

## New Lease Standard

- Balance sheet gross up
- P&L impact immaterial

# Financial Highlights

CSL Group

| Half year ended Dec<br>US\$ Millions | 1H19<br>Reported | 1H20<br>Reported | 1H20<br>at CC <sup>1</sup> | Change<br>%      |
|--------------------------------------|------------------|------------------|----------------------------|------------------|
| Total Revenue                        | 4,505            | 4,911            | 4,980                      | 11% <sup>1</sup> |
| Gross Profit                         | 2,623            | 2,842            | 2,891                      | 10% <sup>1</sup> |
| <i>GP margin</i>                     | 58.2%            | 57.9%            | 58.0%                      |                  |
| EBIT                                 | 1,553            | 1,632            | 1,679                      | 8% <sup>1</sup>  |
| NPAT                                 | 1,161            | 1,248            | 1,292                      | 11% <sup>1</sup> |
| Cashflow from Operations             | 535              | 1,245            |                            | 133%             |
| Capex                                | 539              | 685              |                            | 27%              |
| EPS (\$)                             | 2.56             | 2.75             | 2.85                       | 11% <sup>1</sup> |
| DPS (\$)                             | 0.85             | 0.95             |                            | 12%              |

1. Growth percentages shown at constant currency to remove the impact of exchange rate movements, facilitating comparability of operational performance. See end note for further detail.

# Financial Highlights

## Segments

### CSL BEHRING

| US\$ Millions    | 1H19<br>Reported | 1H20<br>Reported | Change<br>% at CC <sup>1</sup> |
|------------------|------------------|------------------|--------------------------------|
| Sales            | 3,468            | 3,768            | 10%                            |
| Other<br>Revenue | 88               | 125              | 42%                            |
| Total<br>Revenue | 3,556            | 3,893            | 11%                            |
| Gross Profit     | 2,117            | 2,278            | 10%                            |
| <i>GP margin</i> | 59.5%            | 58.5%            |                                |
| EBIT             | 1,249            | 1,289            | 7%                             |

### SEQIRUS

| US\$ Millions    | 1H19<br>Reported | 1H20<br>Reported | Change<br>% at CC <sup>1</sup> |
|------------------|------------------|------------------|--------------------------------|
| Sales            | 874              | 941              | 9%                             |
| Other<br>Revenue | 75               | 77               | 4%                             |
| Total<br>Revenue | 949              | 1,018            | 9%                             |
| Gross Profit     | 506              | 564              | 10%                            |
| <i>GP margin</i> | 53.3%            | 55.4%            |                                |
| EBIT             | 304              | 343              | 13%                            |

1. Growth percentages shown at constant currency to remove the impact of exchange rate movements, facilitating comparability of operational performance. See end note for further detail.

# Financial Highlights

## Reported Expenses

|                        | 1H20 | Change at CC <sup>1</sup> |      |
|------------------------|------|---------------------------|------|
|                        | \$m  | \$m                       | %    |
| Research & Development | 446  | 61                        | 16   |
| Sales & Marketing      | 435  | 18                        | 4    |
| General & Admin        | 329  | 63                        | 24   |
| Finance (Net)          | 71   | (24)                      | (26) |
| Tax                    | 313  | 19                        | 6    |

CSL 112

{ Down 1%<sup>1</sup> on trailing period  
Facilities expansion & new technology  
Staff up 10% on pcp

FX unfavourable \$35m pcp  
AASB 16 - \$13m



# Guidance Upgraded – FY20 growth 10-13%<sup>1,2</sup>

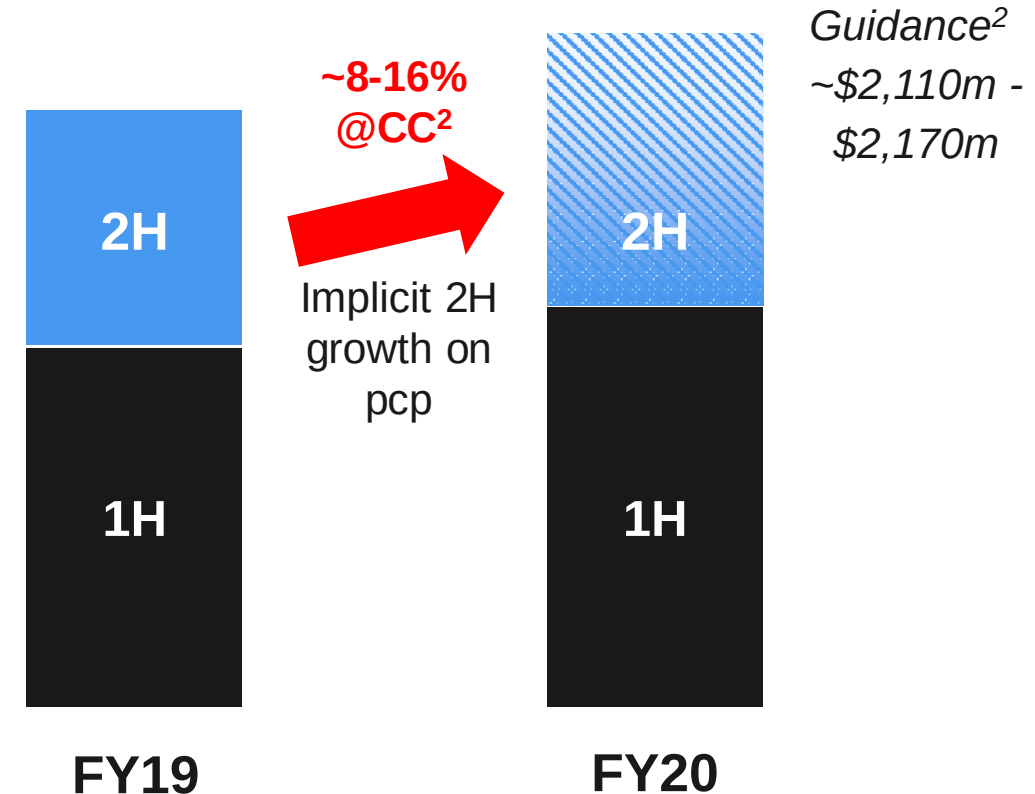
Strong growth in 2H20 compared to pcg

Business expectations 2H20

- Continued strong demand for CSL's therapies
- One-off effect on albumin sales arising from transition to new distributor model in China
- Seqirus seasonality (loss making 2H)

FY20 NPAT

- ~\$2,110m to \$2,170m @CC<sup>2,3</sup>
- Includes impact of China GSP transition

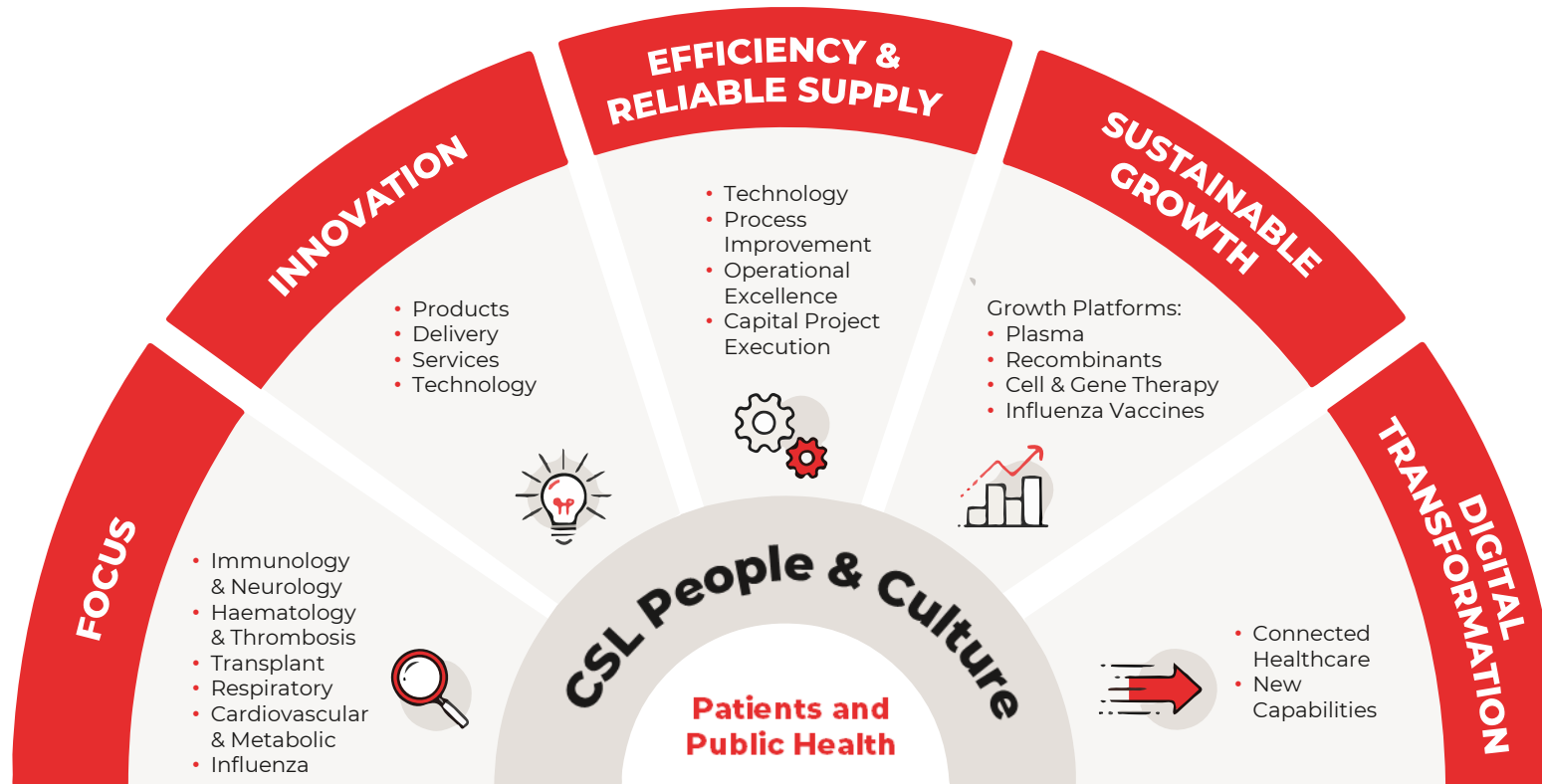


<sup>1</sup> For forward looking statements, refer to Legal Notice on page 2

<sup>2</sup> Constant Currency (CC) removes the impact of exchange rates movements to facilitate comparability. See end note for further detail

<sup>3</sup> Full year FX impact expected to be \$70 million unfavourable assuming exchange rates remain steady for the remainder of the financial year

# Strategy



# CSL Limited

## Contact

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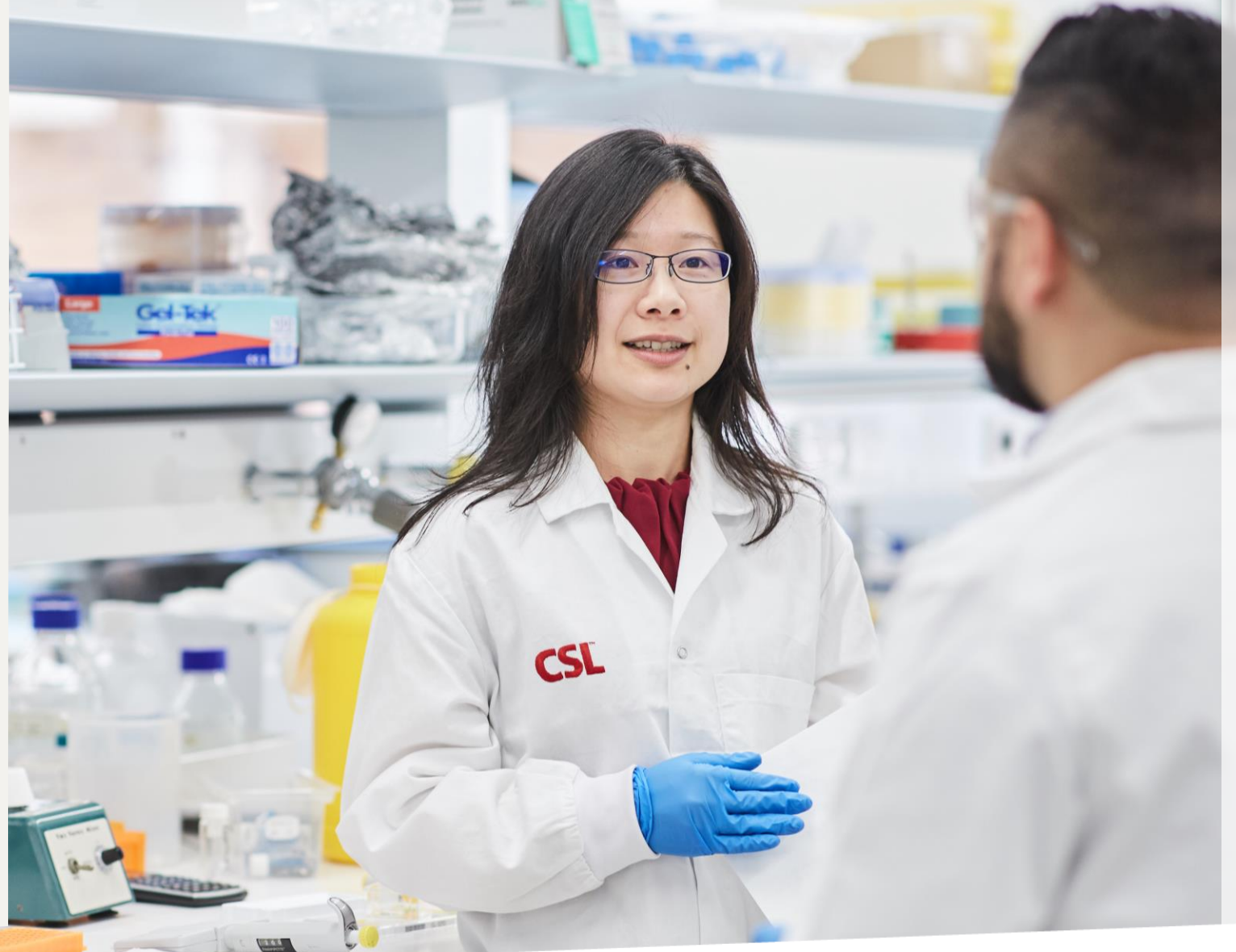
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# Notes

(#) Constant currency removes the impact of exchange rate movements to facilitate comparability of operational performance for the Group. This is done in three parts: a) by converting the current year net profit of entities in the group that have reporting currencies other than US Dollars, at the rates that were applicable to the prior comparable period (translation currency effect); b) by restating material transactions booked by the group that are impacted by exchange rate movements at the rate that would have applied to the transaction if it had occurred in the prior comparable period (transaction currency effect); and c) by adjusting for current year foreign currency gains and losses. The sum of translation currency effect, transaction currency effect and foreign currency gains and losses is the amount by which reported net profit is adjusted to calculate the operational result.

## Summary NPAT

|                                          |             |
|------------------------------------------|-------------|
| Reported net profit after tax            | \$1,248.0m  |
| Translation currency effect (a)          | \$ 3.0m     |
| Transaction currency effect (b)          | \$ 22.4m    |
| Foreign Currency (gains) & losses (c)    | \$ 18.1m    |
| Constant currency net profit after tax * | \$ 1,291.5m |

## a) Translation Currency Effect \$3.0m

Average Exchange rates used for calculation in major currencies (six months to Dec 19/Dec 18) were as follows: USD/EUR (0.90/0.86); USD/CHF (0.99/0.99).

## b) Transaction Currency Effect \$22.4m

Transaction currency effect is calculated by reference to the applicable prior year exchange rates. The calculation takes into account the timing of sales both internally within the CSL Group (ie from a manufacturer to a distributor) and externally (ie to the final customer) and the relevant exchange rates applicable to each transaction.

## c) Foreign Currency Loss \$18.1m

Foreign currency gains recorded during the period.

## Summary Sales

|                          |             |
|--------------------------|-------------|
| Reported sales           | \$4,709.4m  |
| Currency effect          | \$ 67.8m    |
| Constant currency sales* | \$ 4,777.2m |

\* Constant currency net profit after tax and constant currency sales have not been audited or reviewed in accordance with Australian Auditing Standards.

