

2020 CSL Annual General Meeting: CEO and Managing Director Address

Good morning and thank you for joining us today for CSL's 2020 AGM.

I would like to take you through both the financial and operational highlights of what we have achieved over the 2020 financial year.

Additionally, I will provide an overview of our expectations for 2021.

Just before I go into the results, I would like to take this opportunity to reflect on the devastating impact of COVID-19 globally. As the pandemic continues to spread across the globe, all of us are experiencing its impact both at work and at home.

Without question, our daily life routines and those of our loved ones have been altered, and we are all adjusting rapidly. Whilst the pandemic is still an evolving situation, I want to assure you that the health and safety of our employees, patients and donors remain our top priority.

As a business, we understand the need to be agile and adapt to the evolving environment that is COVID.

Before moving to the highlights, I draw your attention to the legal statement in relation to forward looking statements in my presentation.

A strong year for CSL

I am pleased to report that CSL delivered another strong year

- Revenue was up 9% at constant currency and
- Net profit after tax was up 17% at constant currency

This is an excellent performance given the strong result we achieved in the previous financial year.

The result is a reflection of our focus on strategy execution and delivering on our promise to provide innovative medicines for patients and public health around the world.

Now, more than ever, our patients and at-risk populations need a continuous, reliable supply of medicines and we will continue to work to support them in every way we can.

Some of the year's highlights include:

- Our largest franchise, immunoglobulins, has performed exceptionally well with PRIVIGEN® up 20% and HIZENTRA® up 34%. This is testament to our ability to consistently deliver our therapies to meet the growing demand
- The successful evolution of our haemophilia portfolio continues on track with IDELVION® up 25% and AFSTYLA® sales up 21%
- We transitioned to our own distribution model in China
- Seqirus delivered on its product differentiation strategy with strong profit growth, driven by influenza sales which were up 21%

CSL Behring Sales FY20

CSL Behring recorded overall sales growth of 8% for FY20 at constant currency.

- Immunoglobulins
 - Our immunoglobulin portfolio continues as the standout performer and our largest franchise with over \$4 billion in sales.
 - Despite the challenges associated with COVID-19, demand remains strong and we have achieved above-market growth for our Ig portfolio.
- Albumin
 - Sales grew in all our key markets with the exception of China, where we transitioned to our own distribution model
 - That transition is now complete, I'm proud to say there was no impact on supply to patients
- Haemophilia
 - Our haemophilia portfolio has continued to evolve with strong growth in the recombinant haemophilia products, which saw total sales up 8%.
- Specialty
 - Overall specialty products sales grew 10%
 - Peri-operative bleeding was up 10%, primarily driven by strong demand in KCENTRA® and our fibrinogen concentrate products used for the treatment of acute bleeding
 - Other Specialty products category grew 9% with HAEGARDA® and BERINERT® driving sales, moderated by a decline in our wound healing portfolio

In terms of geographic split, the pie chart on the right shows the broad global reach of CSL Behring's sales with our two key markets -- North America and Europe.

All regions recorded strong double-digit growth, the exception being Asia Pacific which was impacted by the change in our distribution model.

I want to take this opportunity to announce that we recently received US Food and Drug Administration approval for an expanded label indication for HAEGARDA, to now include patients 6 years of age and older. This label expansion makes HAEGARDA the first and only subcutaneous treatment option for prevention of hereditary angioedema attacks in this younger patient population.

Plasma Collections

At CSL, we operate one of the world's largest and most efficient plasma collection networks.

In FY20, we opened another 40 centres in the US – with US centres now totalling 261 centres as of June 2020. We have 8 in Germany, 3 in Hungary and 5 in China, giving a grand total of 277 globally.

As well as opening new centres, we continually look at ways to do things better and more efficiently throughout our network.

Seqirus Revenue FY20

When we founded this business in 2015, we outlined the strategy of how we intended to turn this loss-making business around and set long-range financial goals.

We targeted \$1 billion in revenue, with an accompanying EBIT margin of 20%. These objectives were largely underpinned by manufacturing efficiencies and a suite of differentiated products by FY20.

I am pleased to announce that Seqirus has exceeded these goals and performed exceptionally well with yet another impressive year.

This year Seqirus reported revenue in excess of \$1.3 billion -- which is 11% revenue growth on EBIT of over \$260 million, with a 20% margin. This reflects a 74% increase on FY19.

Breaking it down further, seasonal influenza vaccines grew 21% with the continued shift towards higher value and differentiated products – like our quadriavalent vaccines and FLUAD – the adjuvanted vaccine for the elderly market.

Whilst the US is our major market accounting for 62% of total revenue, there has been strong growth in other key geographic markets with governments seeking to secure manufacturing capacity to protect their populations against influenza in the midst of a COVID pandemic.

Pandemic sales continue to perform well with reservation fees up 11%, largely attributable to new contracts in EU and Canada.

Research & Development (R&D) Highlights

Innovation is a hallmark of CSL strategy. During the past 12 months, we have been extremely active in undertaking a range of Research and Development initiatives to bolster and deepen our pipeline underpinning the Company's future growth.

There is an abundance of milestones to discuss, but in the interests of time I'll only talk to a few of the highlights.

Beginning with Immunology

- In June, we announced positive results for the phase 2 trial for Garadacimab
- Data released showed that the study met its primary end-point, demonstrating reduced number of attacks compared to placebo in patients with HAE

Cardiovascular and Metabolic and CSL112:

- First futility analysis completed recently by The Independent Data Monitoring Committee recommended the trial should continue as planned, now this does not mean the trial will necessarily be successful, only that it is worthwhile to continue the trial.
- For context, there are currently just under 10,000 patients enrolled to date, and we are slightly ahead of the projected recruitment rate since restart, following the COVID related trial pause

Haematology

- We acquired a late stage gene therapy candidate for the treatment of haemophilia B from uniQure.
- The program is currently in Phase 3 and could be one of the first gene therapies to provide long-term benefits to patients with haemophilia B with a potential launch in 2022

Transplant

- We acquired from Vitaeris, Clazakizumab – an anti-interleukin-6 monoclonal antibody for the treatment of chronic antibody-mediation rejection (or AMR) in kidney transplant recipients
- Clazakizumab joins our portfolio of other products in late-stage development to address significant unmet needs in the transplant area

Influenza Vaccines

- The adjuvanted quadrivalent cell program in 2021, with phase II studies to commence at the end of 2021.

As you can see from the slide, I've only touched on a few of the highlights but we will be providing more details of the other programs at our annual R&D briefing next week – details of which can be found on our website.

COVID-19

Whilst the pandemic is still an evolving situation, as a business we understand the need to be agile and adapt to the changing environment

Our People

- Safeguarding the health of our people continues to be our top priority
- We need to keep our 27,000 staff working in more than 40 countries that we operate in
- Wherever possible, employees who have been able to perform their work remotely, have been doing so

Innovation

- Many trials were paused as we needed to prioritise patient safety during the pandemic, however, given the multi-year nature of these trials, we expect an opportunity to make up for lost time as the COVID pandemic recedes
- When it comes to COVID-19, whether its preventative with a vaccine, or preventing progression with a hyperimmune or using a mab like Garadacimab, we have taken on projects we think makes sense both scientifically and that fit our capabilities
- I recognise there is a great deal of community interest in the development of a vaccine. CSL is working closely, and at pace, with the Commonwealth Government of Australia, the University of Queensland and AstraZeneca to manufacture candidate vaccines should clinical trials prove successful.

Demand

- Remains strong right across our portfolio, especially for IG and influenza
- Despite the COVID challenges, there has been no interruption in our supply chain
- Our logistics team have done a terrific job in getting product to where it needs to go

Supply

- Plasma collections have been adversely impacted, however, the business is doing everything it possibly can to ensure patient access to these important medicines
- We are still some way from the volume of plasma collected this time last year, however, over the first quarter of this financial year, as each week passes our plasma collections have been growing.

Financial Position (Balance sheet)

- Our liquidity levels, leverage ratios, credit ratings remain strong
- Our prudent balance sheet management affords us flexibility, irrespective of the state of global economy and earlier this year we bolstered our capital position with a \$750 million private placement

Outlook for FY21

As I mentioned at the beginning, I'd now like to make a few comments on the outlook for FY21

- We expect strong demand for our plasma and recombinant therapies to continue
- Seqirus:
 - Is expected to continue to benefit from its differentiated products and strong demand for influenza vaccines, driven in part by Governments wanting to protect their populations from contracting two viruses – that is COVID and influenza.
- Sales of Albumin expected to normalise following the successful transition to the new business model in China
- In relation to plasma - COVID restrictions are expected to restrain our ability to collect plasma and add to the overall cost of collection. However, we do have multiple initiatives underway to mitigate the impact.
- Our R&D response to COVID, as well as new R&D initiatives, will put upward pressure on R&D expense, but still within the 10-11% of revenue envelope as previously guided to.

In terms of guidance for FY21, we expect revenue growth in the range of 6 to 10% over fiscal 20. Net profit after tax is expected to be approximately \$2.170 to \$2.265 billion at constant currency, implying a growth of 3 to 8%, which is a slight tightening of the range advised at the Company's results announcement in August – the low end was zero, which we've now raised to 3%

All of what I have spoken about today is aligned with the key pillars of our Company's strategy and core values. Having the right people on the journey is an incredibly important element of success. So with that in mind, I would like to take this opportunity to announce some key leadership movements:

- Joy Linton – Chief Financial Officer
- Dr Paul McKenzie – Chief Operating Officer CSL Group
- Stephen Marlow – General Manager, Seqirus, reporting to Dr. McKenzie
- Andrew Nash – Chief Scientific Officer
- Karen Neave – Chief Risk Officer
- Mark Hill - Chief Digital Officer

David Lamont, our outgoing CFO will finish up with the Company at the end of this month. I'd like to thank David for his valuable contribution and wish him every success in his new role.

And to close, a thank you to all CSL shareholders. There are many who have been long standing owners and we thank you for your loyalty.

I'll now pass you back to the Chairman