



# **CSL Limited**

## **Update on operations and future growth**

David Lamont, CFO

ASA Webinar, 29 May 2020

# Participating in the Webinar

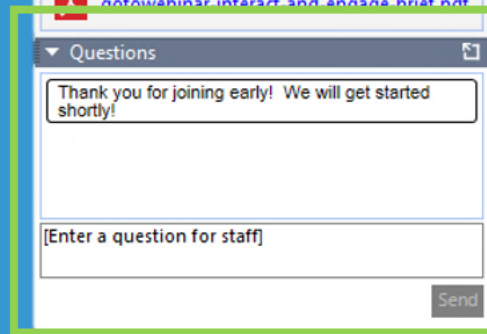


Listen in through computer audio. Headset recommended.

or




Select Phone Call to see the number to call, Access Code and PIN



Type your questions or just say hello here.

Be a GoToWebinar Pro  
Webinar ID: 103-063-403

 GoToWebinar

Attendee Control Panel



## LEGAL NOTICE

### Forward looking statements

The materials in this presentation speak only as of the date of these materials, and include forward looking statements about CSL Limited and its related bodies corporate (CSL) financial results and estimates, business prospects and products in research, all of which involve substantial risks and uncertainties, many of which are outside the control of, and are unknown to, CSL. You can identify these forward looking statements by the fact that they use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “may,” “assume,” and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. Factors that could cause actual results to differ materially include: the success of research and development activities, decisions by regulatory authorities regarding approval of our products as well as their decisions regarding label claims; competitive developments affecting our products; the ability to successfully market new and existing products; difficulties or delays in manufacturing; trade buying patterns and fluctuations in interest and currency exchange rates; legislation or regulations that affect product production, distribution, pricing, reimbursement, access or tax; acquisitions or divestitures; research collaborations; litigation or government investigations, and CSL’s ability to protect its patents and other intellectual property. CSL Group is also involved in multiple litigations in the ordinary course of business. The statements being made in this presentation do not constitute an offer to sell, or solicitation of an offer to buy, any securities of CSL.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including CSL). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based.

Subject to any continuing obligations under applicable law or any relevant listing rules of the Australian Securities Exchange, CSL disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of CSL since the date of these materials.

### Trademarks

Except where otherwise noted, brand names designated by a <sup>TM</sup> or ® throughout this presentation are trademarks either owned by and/or licensed to CSL.



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.

# Overview

CSL is a leading global biotech company that develops and delivers innovative biotherapies and influenza vaccines that save lives and help people with life-threatening medical conditions live full lives

 **60+** Countries of operations around the world

**US\$8.5bn+** in annual revenue (FY19)

**8** Manufacturing sites across 6 countries



Australia



China



Germany



Switzerland



UK



US



**26,000+**

Employees around the world

**US\$3.3bn**

in R&D investments in the last 5 years advances exciting pipeline<sup>1</sup>



**1,700+**

R&D employees



**257+**

Plasma collection centres across Europe and North America



# CSL Today

## 3rd Largest Global Biotech



### Global #1 in plasma therapies

- \$30 billion industry



### Global #2 in influenza vaccines

- \$6 billion industry



### Strong Market Position

- Revenue FY19 ~\$8.5bn
- 8 major manufacturing sites in 6 countries
- Major capacity expansion underway
- Deep R&D pipeline fueling future growth



### Solid Financial Position

- Net debt/EBITDA 1.4x
- A3 / A- credit rating (stable / stable)

## Current Industry Themes

Plasma Supply Growth

---

Robust Ig demand

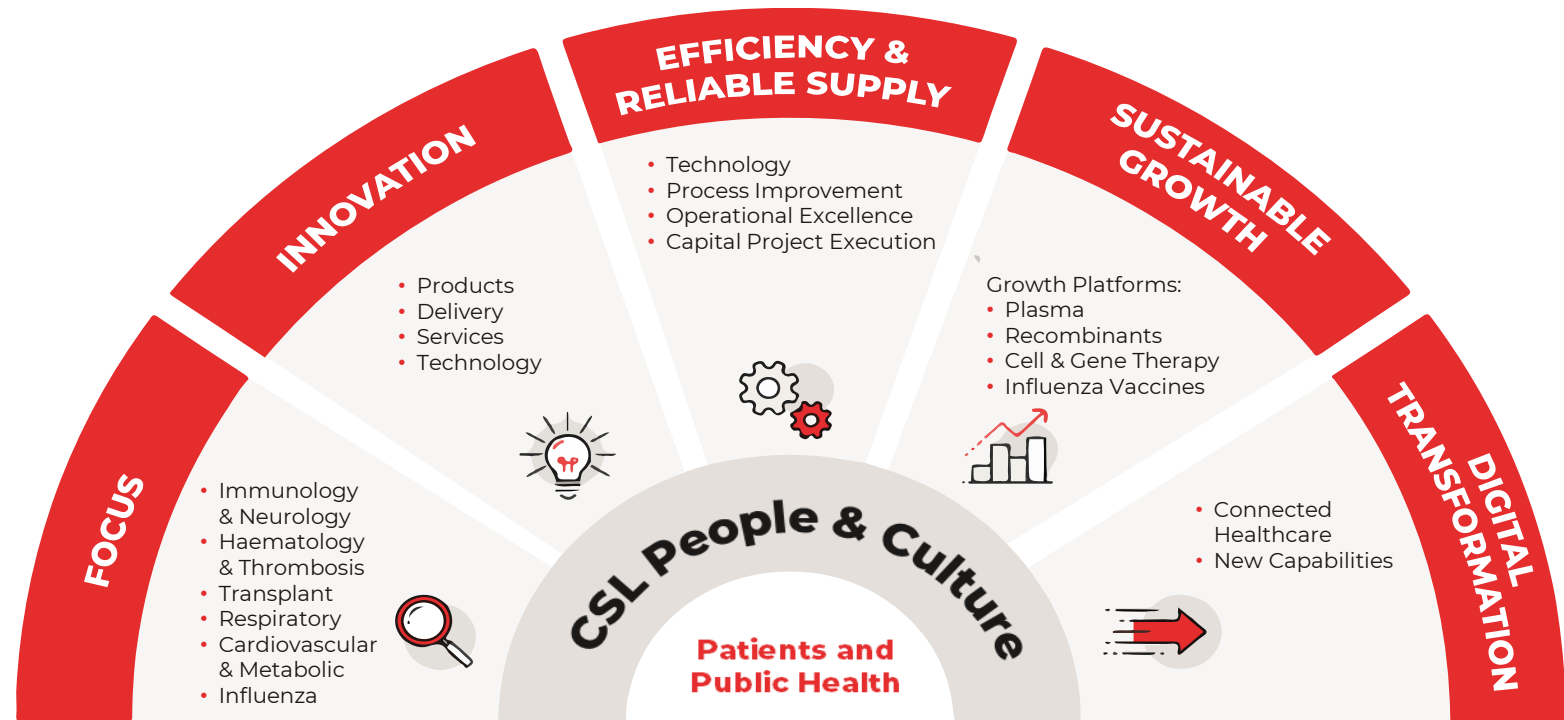
---

Influenza Vaccine  
Technology Shift

---

# Values and Strategy

## Strategic Overview



## Core Values



### Patient Focus

We deliver on our promise to patients



### Innovation

We turn innovative thinking into solutions



### Integrity

We walk the talk



### Collaboration

We are stronger together



### Superior Performance

We take pride in our results

# Business Highlights



Strong  
Business  
Performance



Balanced  
Regional  
Growth



Executing to  
Plan on New  
Launches



Ig Growth well  
Above Market

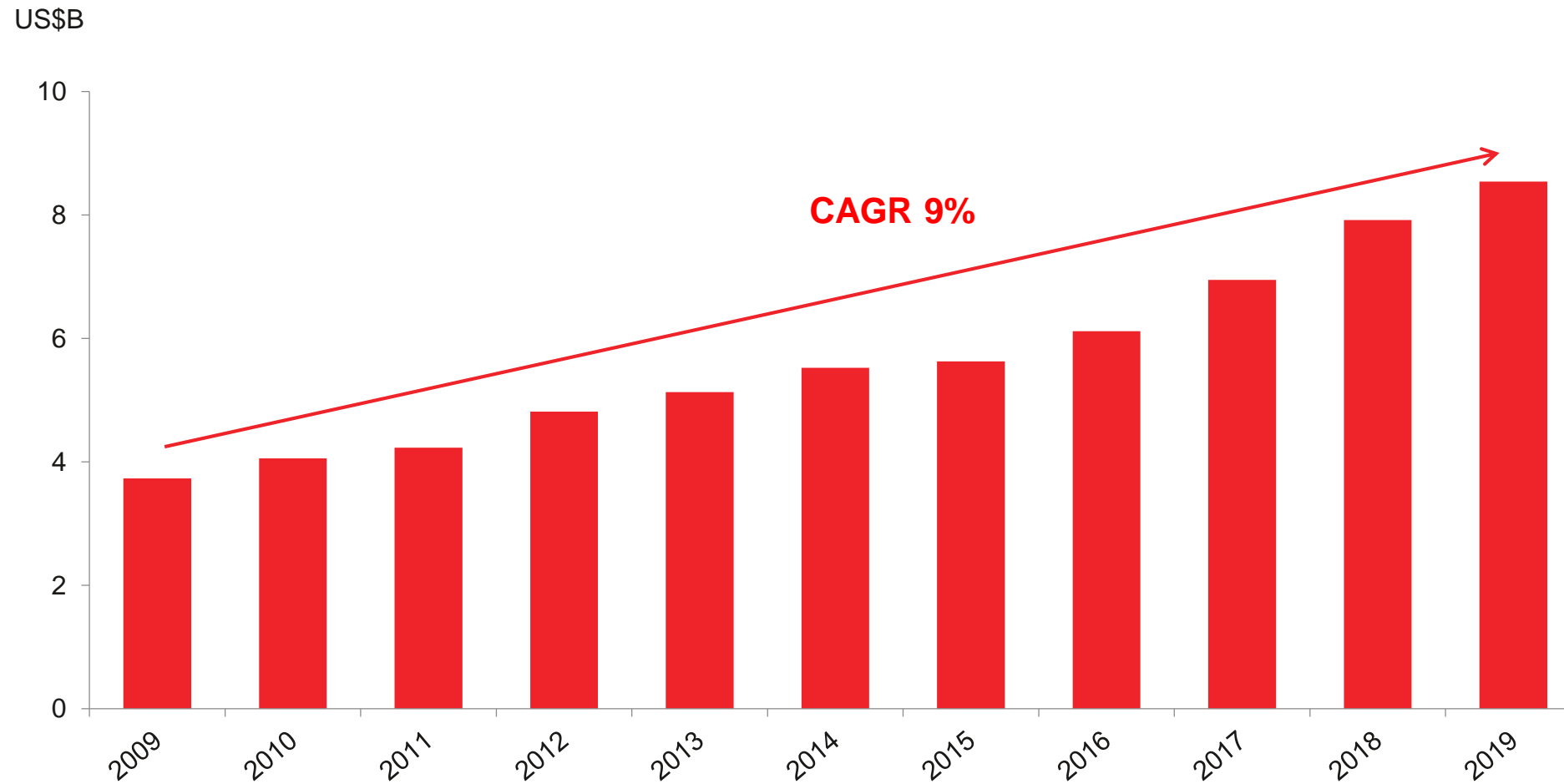


Expanding  
Market  
Presence  
through New  
Affiliates



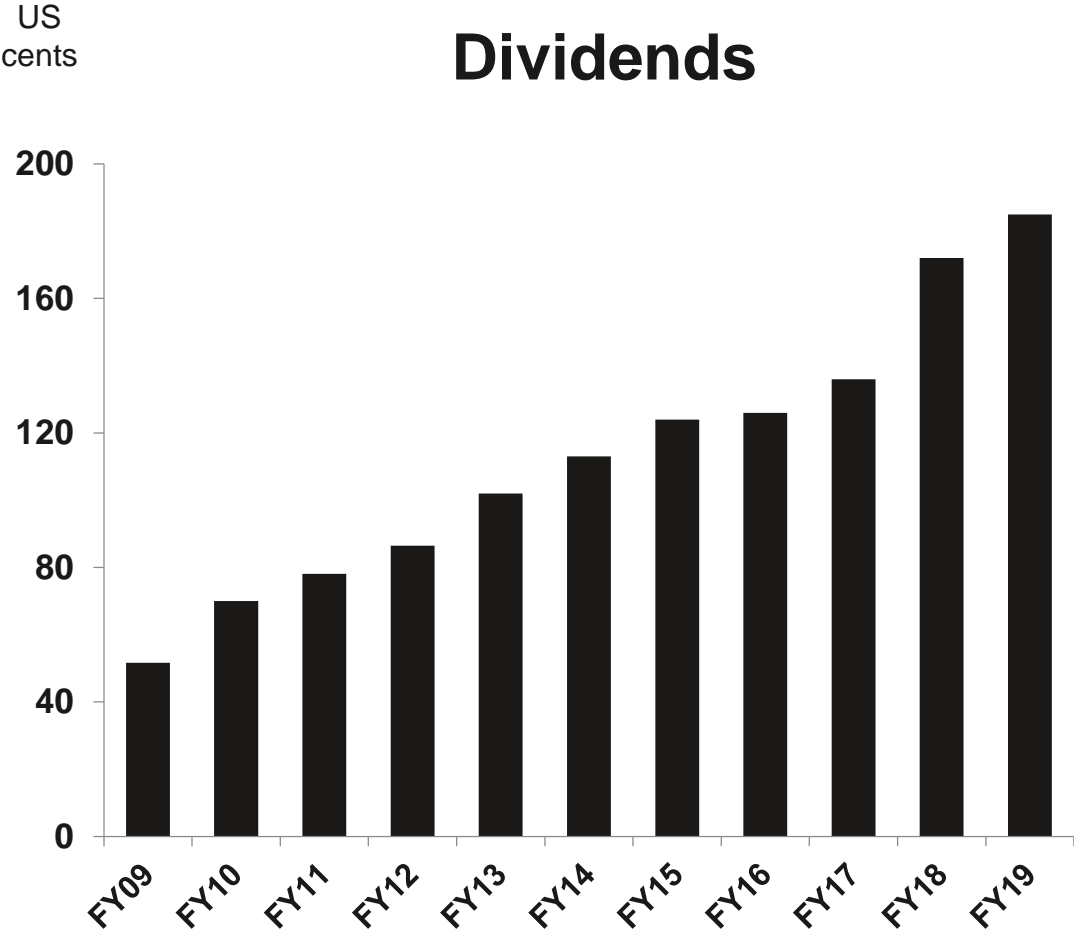
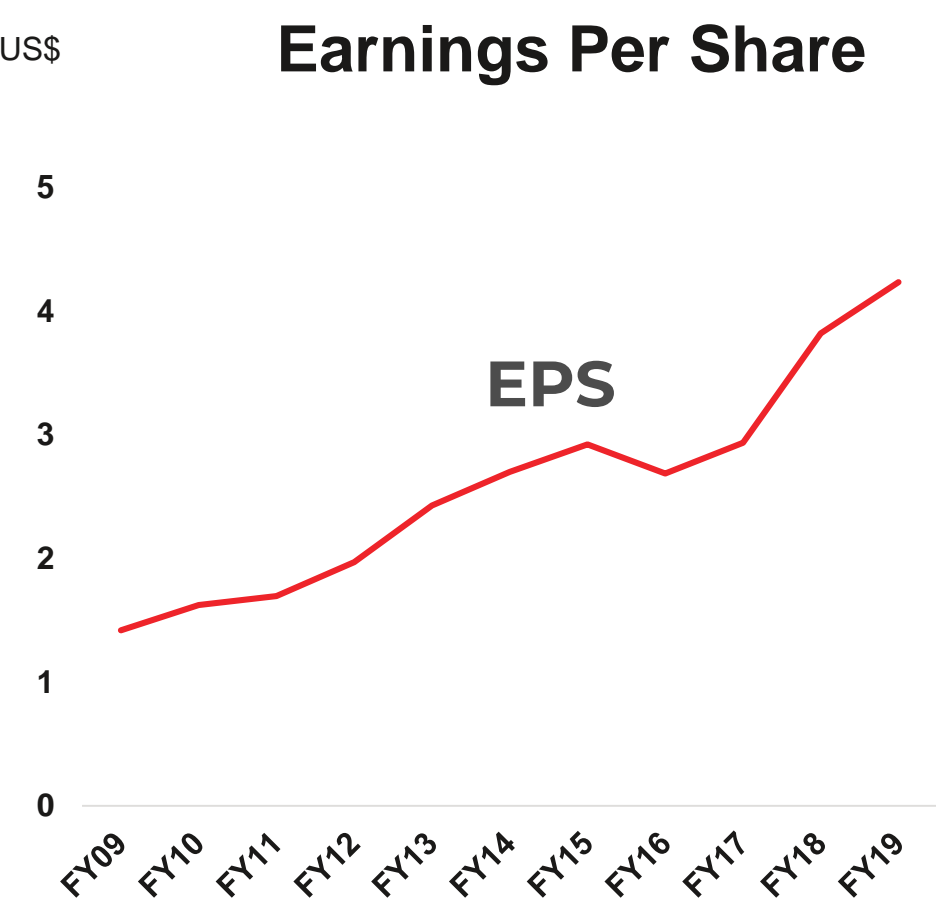
Compelling  
real-world  
effectiveness  
influenza  
vaccine data

# Strong and Consistent Revenue Growth

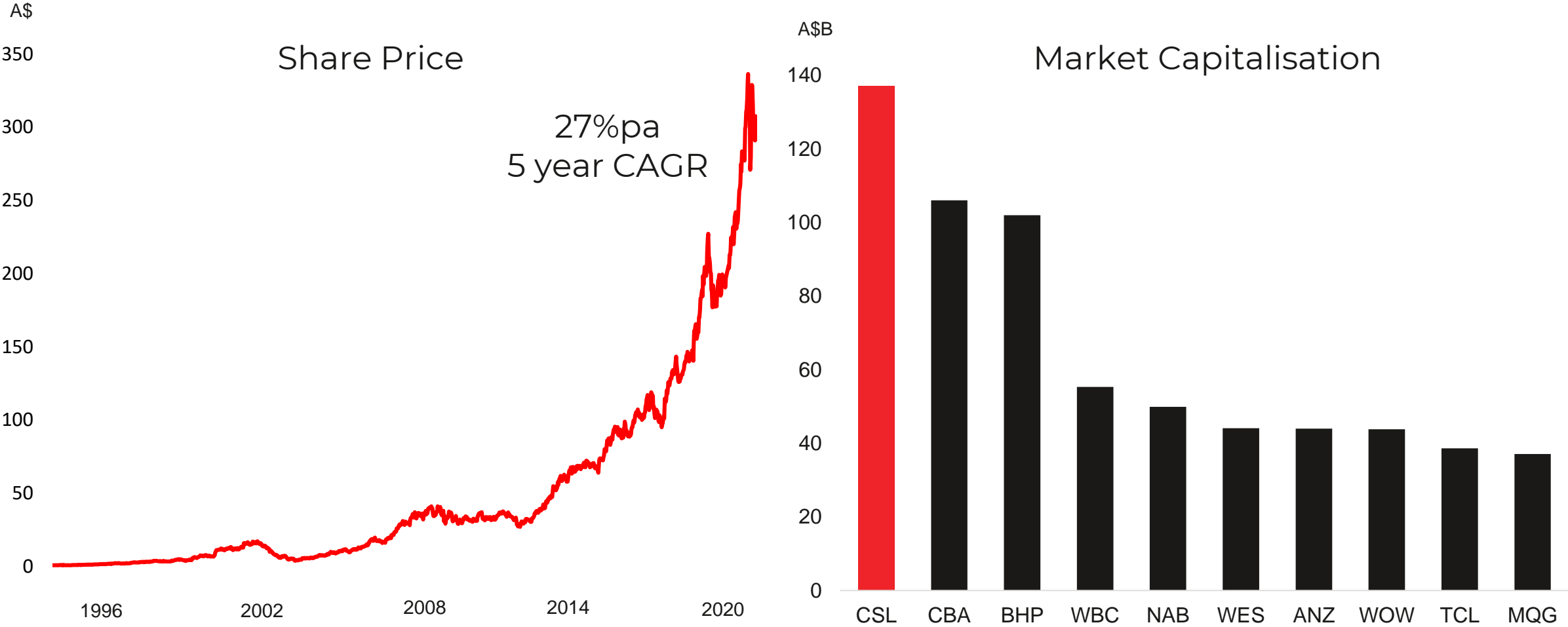




# Shareholder Returns

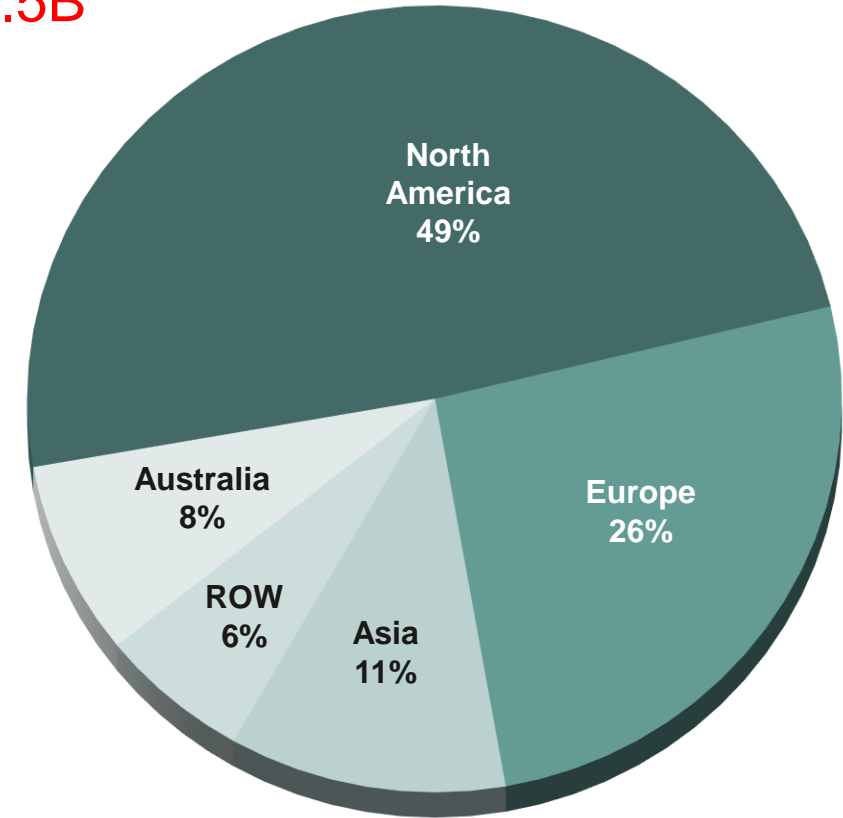
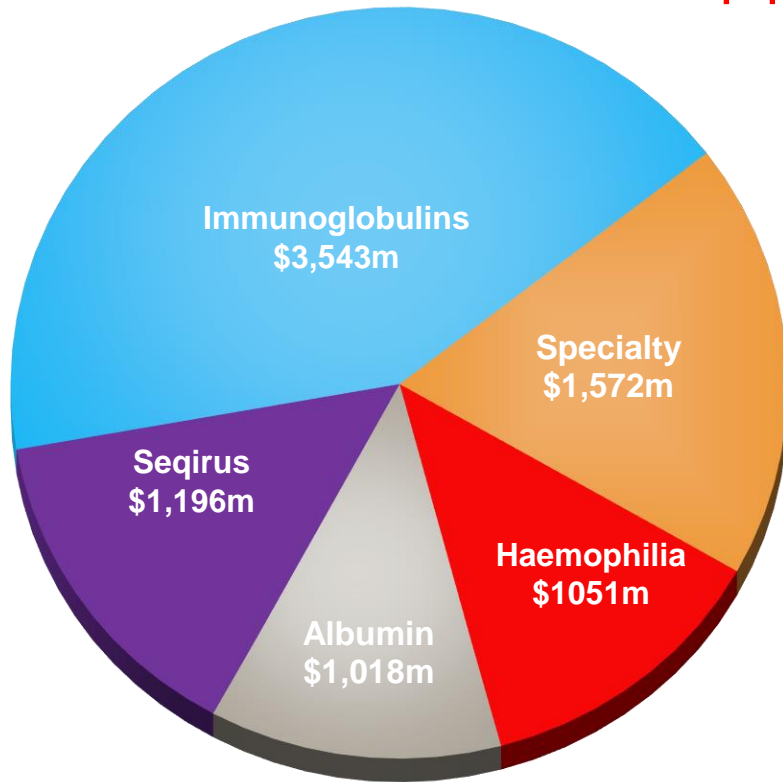


# Shareholder Value



# Global & Diverse Revenue Base

FY19 Revenue US\$8.5B



# 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

# 1H 20 Financial Highlights

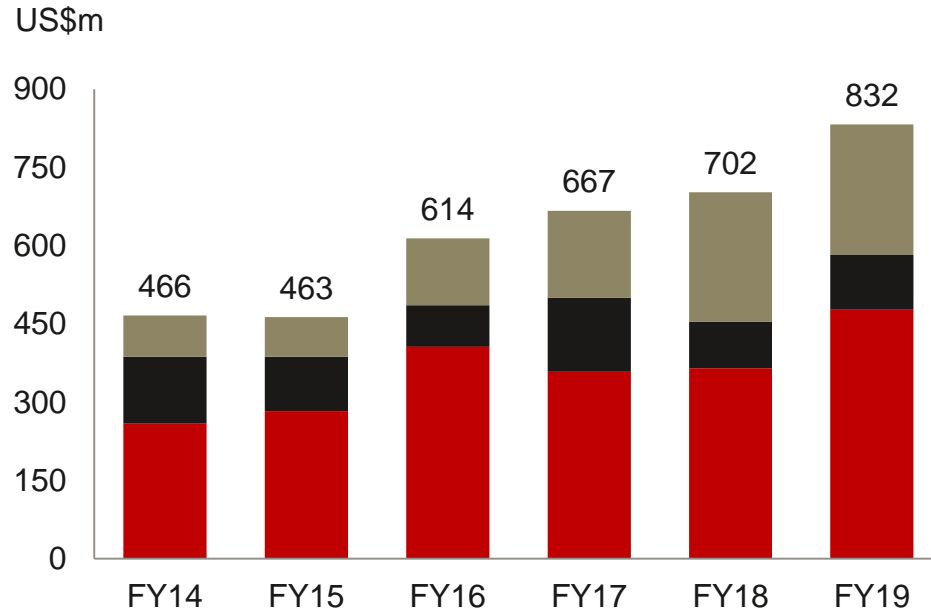
Half year ended Dec US\$ Millions	1H19 Reported	1H20 Reported	1H20 at CC <sup>1</sup>	Change %
Total Revenue	4,505	4,911	4,980	11% <sup>1</sup>
Gross Profit	2,623	2,842	2,891	10% <sup>1</sup>
<i>GP margin</i>	58.2%	57.9%	58.0%	
EBIT	1,553	1,632	1,679	8% <sup>1</sup>
NPAT	1,161	1,248	1,292	11% <sup>1</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 (A\$1.47)		12% 22%

1. Growth percentages shown at constant currency to remove the impact of exchange rate movements, facilitating comparability of operational performance.



# Commitment to Research and Development

## R&D Spend



- New Product Development**  
activities focus on innovative new therapies for life-threatening diseases
- Market Development**  
strategies seek to bring therapies to new markets and new indications
- Life Cycle Management**  
ensures continuous improvement of existing products

## New R&D Facilities



### Bio21 Institute, Melbourne

- ~ 4100m<sup>2</sup> of lab and office space
- Parkville precinct
- Melbourne University, MRI's
- 4 major teaching hospitals







### SITEM<sup>1</sup>, Bern

- 2000m<sup>2</sup> of lab and office space
- Bern University and Hospital campus

### Gene therapy, Pasadena

- Expanding gene therapy expertise
  - Research, QA, cell processing and manufacture
  - Wet-lab space (non-GMP) tripled from 132 to 480 m<sup>2</sup>
  - GMP space (330 m<sup>2</sup>) to engineering qualification level

# 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 Allogeneic 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>

# COVID-19 Update

## | Response

- Primary objective is to ensure safety and wellbeing of our staff, donors and continuity of supply of medicines to patients
- Business continuity plans implemented at all sites
- Expertise, technologies, equipment and materials are being provided to support the response to COVID-19
- Providing additional southern hemisphere influenza vaccine doses to Australia

## | Employees

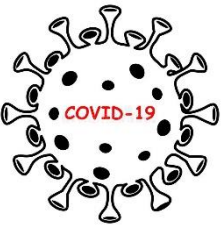
- Health and welfare of staff are of primary importance to CSL
- Wherever possible, staff are strongly encouraged to work remotely
- Facilities are 'critical infrastructure/essential facilities' and excluded from most government shutdown processes
- On-boarding of critical staff positions accelerated
- International and domestic travel limited to business critical



## Evolving Pandemic



# Focused COVID-19 Response



## Prevention



General public

## Treatment



At-risk healthcare workers and infected patients

### Therapeutic Options

#### \* Vaccines

#### \* Hyperimmunes Polyclonal antibodies

#### \* Monoclonal antibodies

### CSL Assets & Capabilities

Adjuvant technology  
Scaled manufacturing

Process development  
Scaled manufacturing

CSL312; CSL324  
IL6; C1inhibitor

### Collaborators

University of  
Queensland/CEPI

Hyperimmune: Alliance  
with Takeda and others

Academic clinical  
researchers

Polyclonal: Sab Therapeutics

\* CSL platform

# Growth Catalysts

## PLASMA PROTEINS

- Ongoing robust demand
- Commercialization of 5 global product launches
- Grow China business
- R&D pipeline
  - CVD, Fc Multimer, transplant, gene therapy

## INFLUENZA

- Product differentiation – FLUCELVAX®
- Sales shifting towards FLUAD® and QIV

## EFFICIENCY & FLEXIBILITY

- Harness benefits from new technology investments
- Significant manufacturing capacity expansion
- Opening 40 collection centres in FY20

# Outperformance Drivers



INNOVATION



EFFICIENCY



FLEXIBILITY



# CSL Limited



**CSL™**