



CSL Limited

2019 Half Year Results

13 February 2019

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Delivering on Strategy



Growth

CSL Behring

- PRIVIGEN[®] sales +17%¹
- HIZENTRA[®] sales +14%¹
- IDELVION[®] sales +55%¹
- HAEGARDA[®] sales more than tripled
- KCENTRA[®] sales up 19%¹

Seqirus

- Influenza vaccine sales +23%¹
- Holly Springs – FCC 3.0 approved delivering future antigen capacity expansion
- FLUCELVAX[®] - compelling real world effectiveness data
- FLUAD[®] sales more than doubled
 - Record 9.8m doses in the UK

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

Delivering on Strategy



Innovation

- HIZENTRA[®] approved for CIDP in Australia
- 5 new products into human trials
- Recruitment for CSL 112 progressing well
- Transplant franchise continues to emerge



Efficiency

- New ERP systems
- New research facility in Melbourne
- Major capital projects progressing



People & Culture

CSL named in

- Top 100 Global Diversity and Inclusion Index (Thomson Reuters)
- Top 50 companies for Diversity in the US (Forbes)

New Product Launches – CSL Behring



March 16

May 16

June 17

Feb. 18

March 18

5 major launches in 24 months
Some of the **most successful** launches in the industry
Significant contribution to the business now...in future

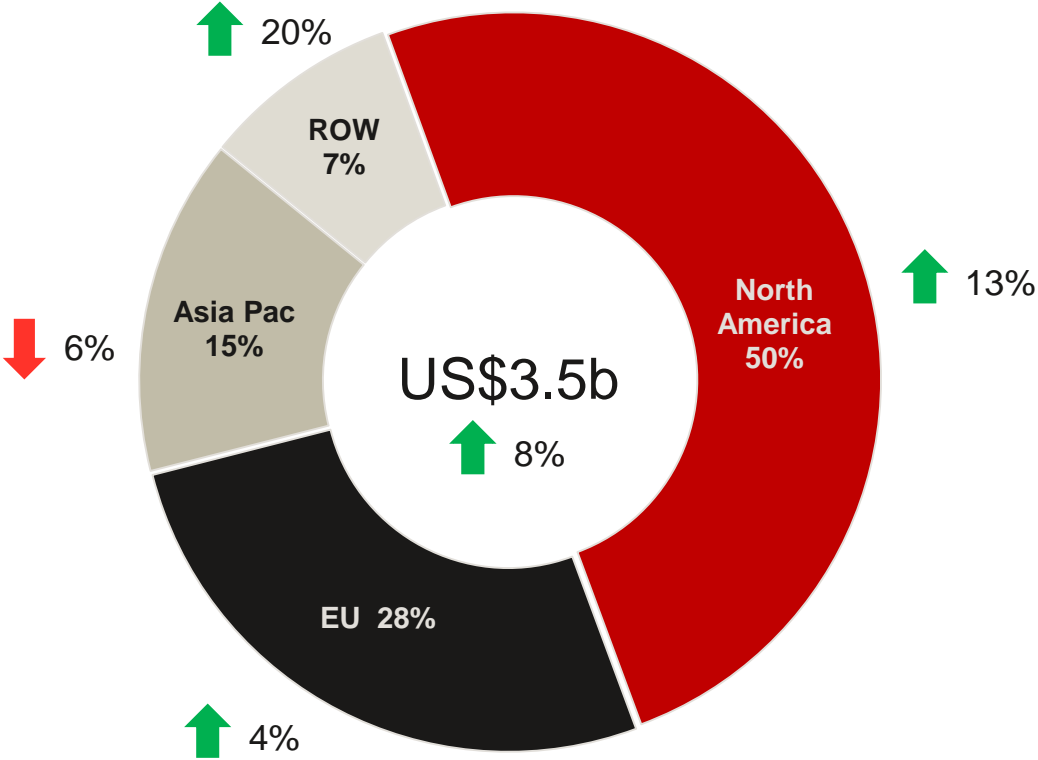
R&D Productivity

Commercial Excellence

CSL Behring Sales 1H19

Therapeutic Group

Therapy	Sales \$m	% Change ¹
Immunoglobulins	1,708	12%
Haemophilia	536	(2%)
Albumin	420	(4%)
Specialty	803	13%
Other	1	
Total	3,468	8%



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.

Immunoglobulins

Substantial above market growth: sales up 12%¹



- **17% growth¹**
- Increased diagnosis & awareness:
 - Primary Immune Deficiency
 - Secondary Immune Deficiency



- **14% growth¹**
- Most used SCIG:
 - ~ 60% new starts
 - ~ 75% of patients naïve to IG
- Patient benefits:
 - Convenience of self administration
 - Lower adverse reactions

CIDP label claim approvals FY18:

- Early indicators for demand positive

CARIMUNE® phasing out

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.

Haemophilia

Sales down 2%¹



- Launched in 13 countries
- Exceptional growth +55%¹
- Strong uptake in Japan
- Transformational product
- Achieving 60% of switches
- Over 1,100 patients



- Launched in 14 countries
- Accelerating adoption – over 500 patients
- AFSTYLA[®] expected to replace and expand on economic return previously derived from HELIXATE[®]

Plasma Coagulation Factors

- Manufacturing bottlenecks:
 - HUMATE[®] / BERIATE[®]
- MONONINE[®] to IDELVION[®] switches
- Tender volatility
- ASP mix shift

Recombinant Coags +9%¹

PD Coags -11%¹

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.

Albumin

Sales down 4%¹

Volume up 3%



**Temporary
constriction** in
import supply for
China



China approval for
Kankakee AlbuRx[®]
pending



Strong growth in
Europe and
Emerging Markets

CSL's new Good Supply Practices (GSP) license - China



Benefits – phasing in over the next 12 to 18 months

- Improved participation in value chain
- Removes reliance on 3rd parties
- CSL becomes a T1 distributor

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.

Specialty Products

Sales up 13%¹



- Continued strong demand
 - Sales tripled
- >50% market share of US prophylaxis patients
- Attractive product profile continues to drive adherence and new patient starts



- Global sales +19%¹
 - US +23%¹
- Strong take up in Japan:
 - 800 hospitals
 - 2,800 patients



- Impacted by launch of HAEGARDA®

WOUND HEALING

- Sales normalised following atypical PCP
- Sales consistent with trailing period

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.

Efficiency

New Research Facility

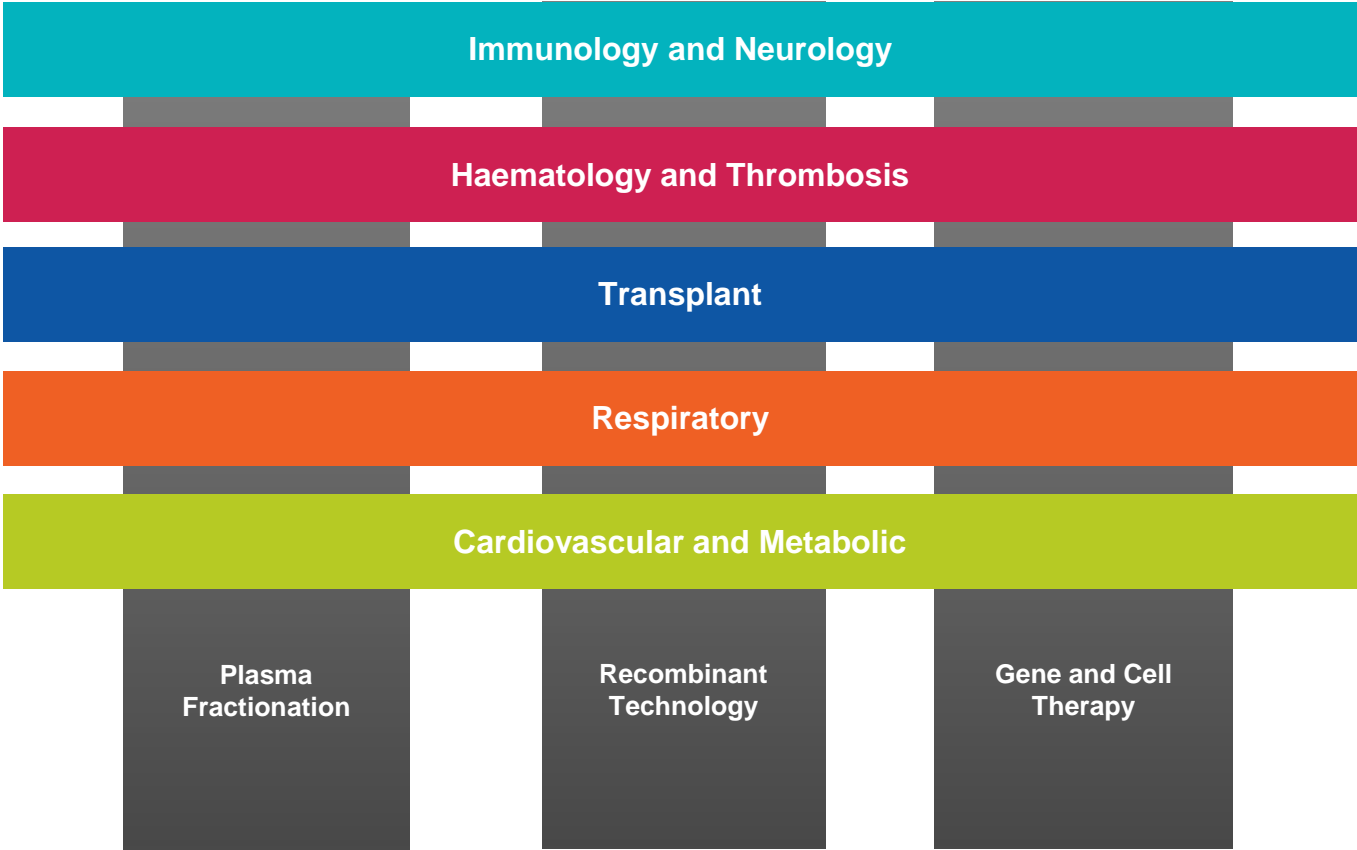
- State-of-the-art research facility opened in Melbourne
- \$46 million facility expands the footprint of the Bio21 Institute by 5,000 square metres
- Research scientists at Bio21 to double from 75 to around 150 over time

New ERP Systems

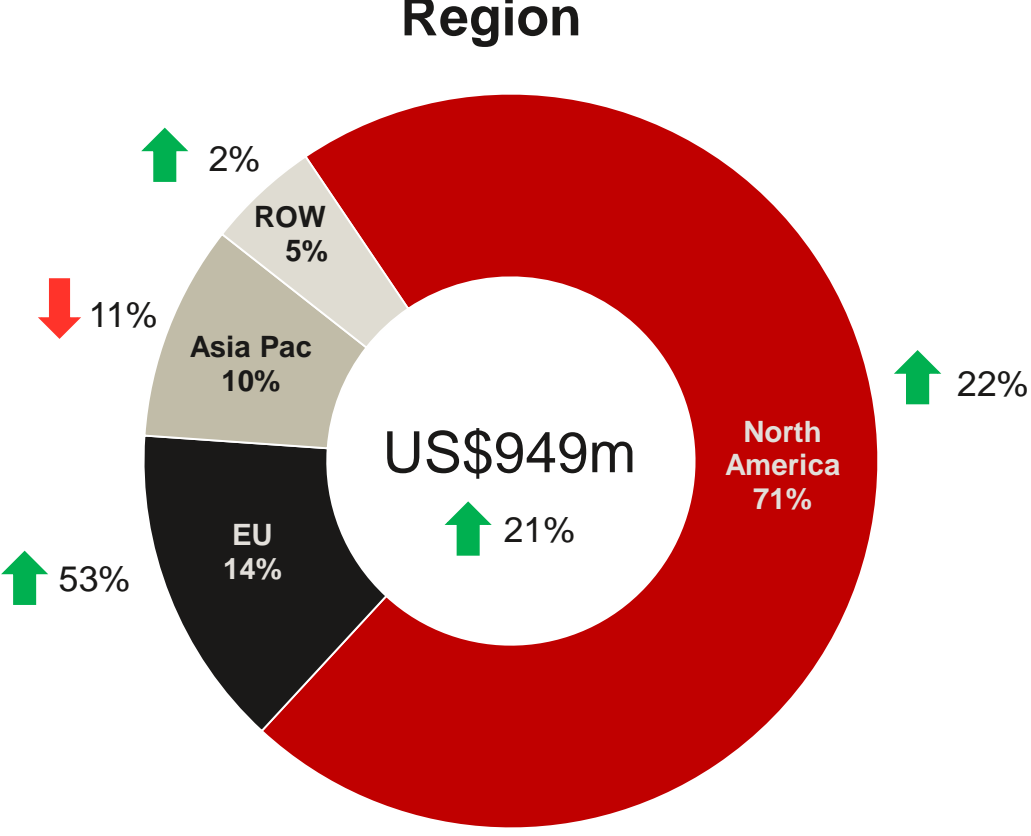
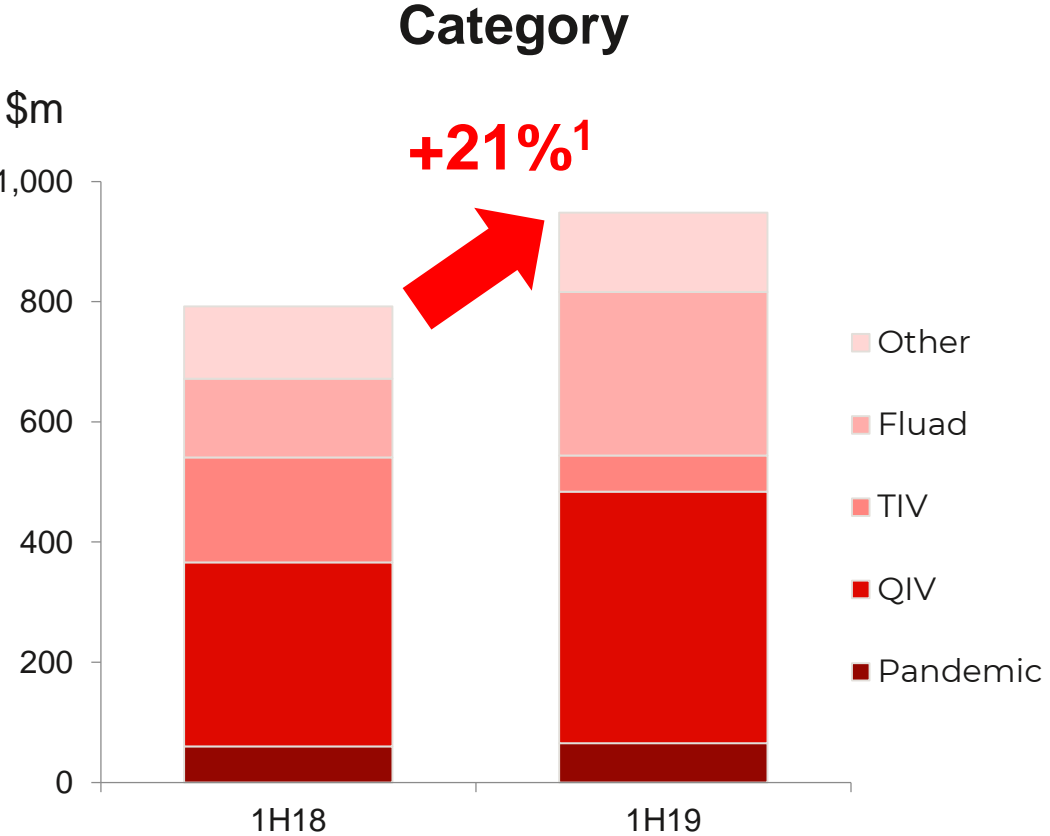
- New ERP systems being implemented across CSL Behring & Seqirus
- US/EU rollout completed
- Asia Pacific rollout underway

Innovation

Future CSL Behring Therapeutic Area Framework



Seqirus Revenue 1H19



Growth in QIV & FLUAD

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.



Seqirus – Operating Highlights

- FCC3.0 approval, driving uplift in capacity at Holly Springs
- Real world effectiveness data: FLUCELVAX® more effective than standard egg-based QIV in preventing influenza-like illness in 2017/18 season in the US
- FLUAD® and FLUCELVAX® preferred recommendation for 65+ cohort in the UK
- Completed distribution of a record 9.8mds of FLUAD® in the UK
- AFLURIA® 6m+ age indication in US

Looking forward...

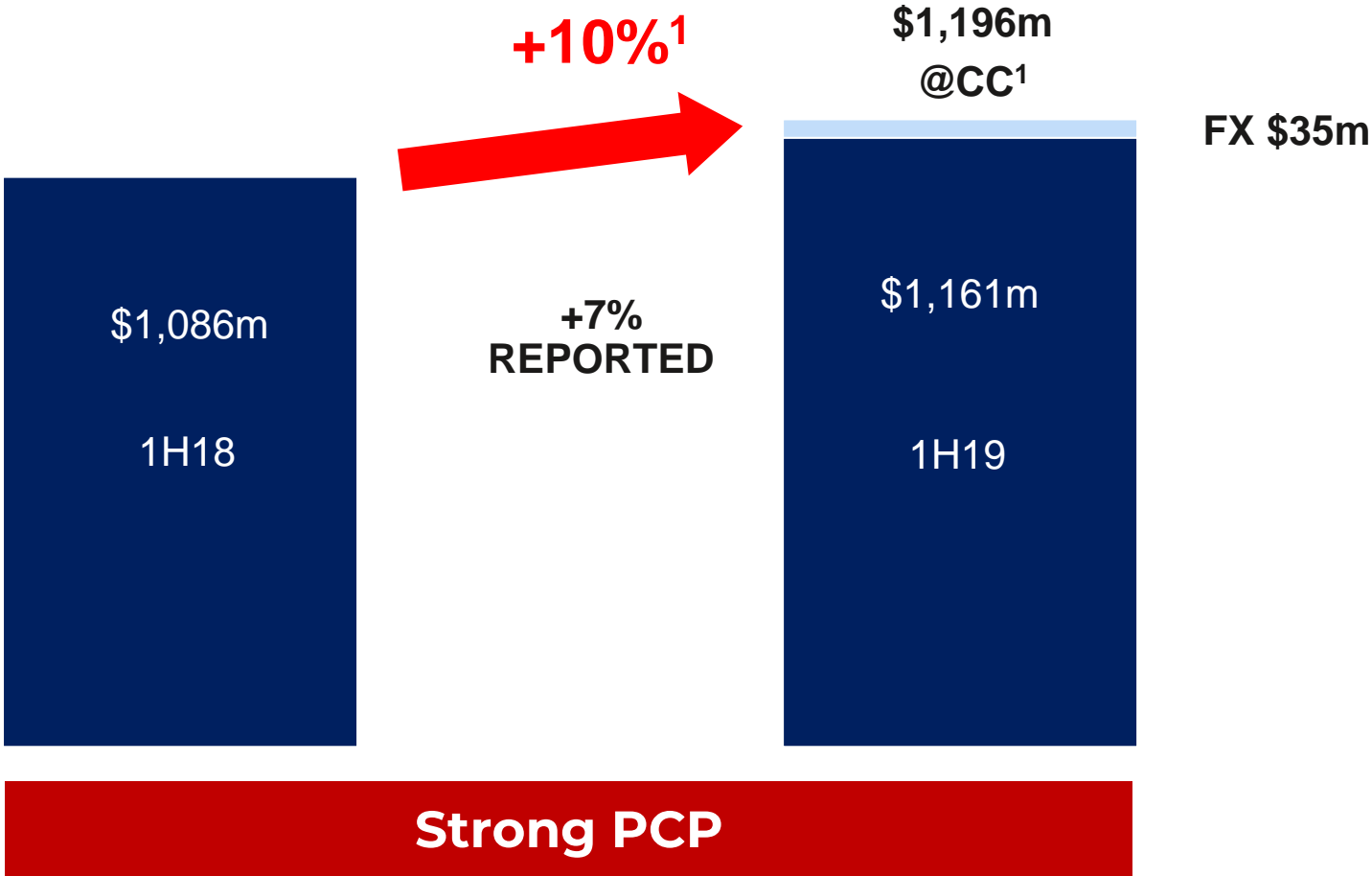
- SH 2019: FLUAD® preferred recommendation for 65yr+ in Australian public market
- NH 2019/20: Launch of FLUCELVAX TETRA® in EU
- New investment in Holly Springs fill and finish to meet growing cell-culture demand
- Liverpool fill & finish operational from SH 2021



Financials

David Lamont - CFO

Financial Highlights – NPAT



¹ Constant Currency (CC) removes the impact of exchange rate movements facilitating comparability of operational performance. See end note for further detail.

Financial Highlights – CSL Group

Half year ended Dec US\$ Millions	1H18 Reported	1H19 Reported	1H19 at CC ¹	Change %
Total Revenue	4,147	4,505	4,581	11% ¹
EBIT	1,476	1,553	1,566	6% ¹
<i>EBIT margin</i>	35.6%	34.5%	34.2%	
NPAT	1,086	1,161	1,196	10% ¹
Cashflow from Operations	840	535		-36%
ROIC	32.8%	29.9%	-	-
EPS (\$)	2.40	2.56	2.64	10% ¹
DPS (\$)	0.79	0.85 [#]	-	8%

Converted to Australian currency, the interim dividend is approximately \$1.20, up 20%.

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CSL Group – Reported Expenses

Expense	1H19	Movement	
		\$M	%
R&D	391	48	14
S&M	423	69	19
G&A	256	71	39
Finance	93	41	78

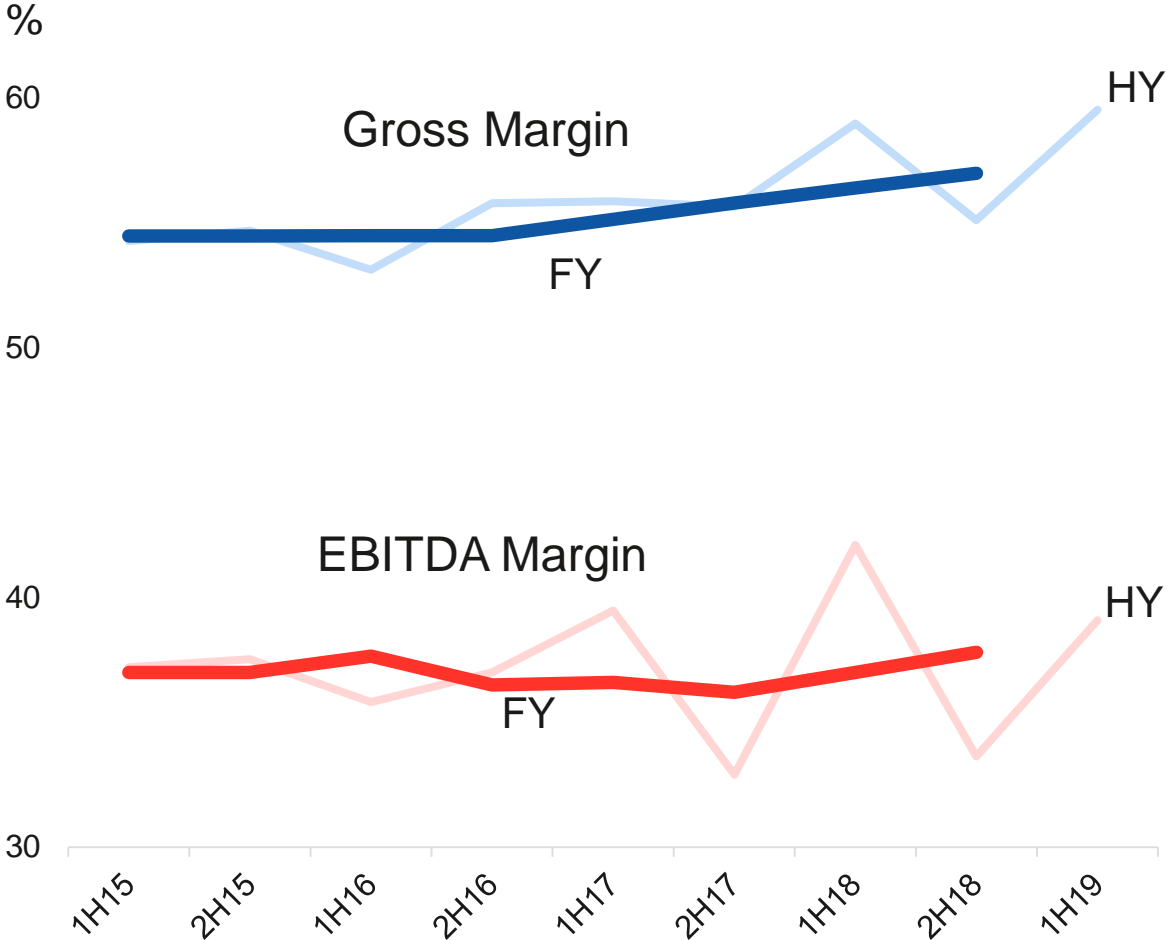
Investment in the future

- R&D
- Employee growth
- Ongoing new product support
- Facilities expansion & New technology - D&A up 17%

One-offs

- World Federation of Hemophilia product donation
- FX – unfavourable \$65 million

CSL Behring Margin

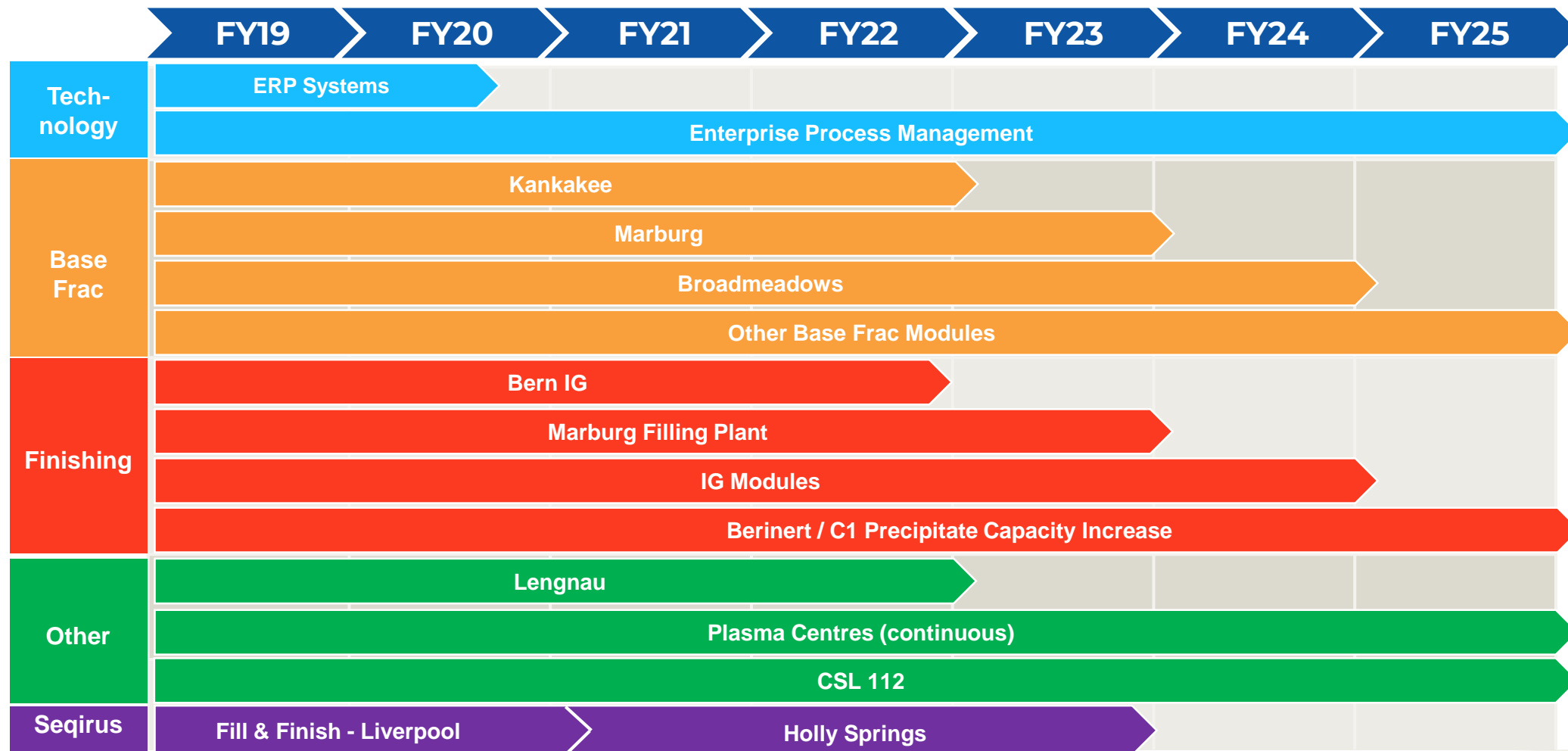


Full year margin more representative of performance

Modest increase in plasma costs tempering margin expansion

Uneven expenditure phasing 1H v 2H

Key Capital Projects – Completion Timeline



China – GSP License

Sales recognition – timing adjustment

- Currently - sale to 3rd party distributor recognised ex-factory
- Transition in FY20:
 - Sale recognised when made to customer
 - Multi-month one-off sales timing adjustment in FY20
 - No impact on supply to patients



Outlook for FY19¹

- Business expectations 2H19:
 - Continued strong demand for CSL's therapies
 - Expenditure phasing
 - Seqirus seasonality (loss making 2H)

Previous guidance
FY19 NPAT
~\$1,880m to \$1,950m^{2,3}

*now guiding to around
the upper end of range*

1. For forward looking statements, refer to Legal Notice on page 2
2. Constant Currency (CC) removes the impact of exchange rates movements to facilitate comparability
3. Full year FX impact expected to be \$60 million unfavourable assuming exchange rates remain steady for the remainder of the financial year



Financial Appendix

CSL Behring Revenue

Half Year ended Dec US\$ Millions	1H18	1H19	1H19 CC ¹	Change % ¹
Immunoglobulins	1,558	1,708	1,746	12%
Albumin	452	420	433	(4%)
Haemophilia				
- Recombinants	260	281	282	9%
- Plasma derived	297	255	264	(11%)
Specialty	717	803	810	13%
Other sales (mainly plasma)	4	1	1	
Total Product Sales	3,288	3,468	3,536	8%
Other Income	5	3	3	
Royalties & Licence Revenue	63	85	86	
Total Revenue	3,356	3,556	3,625	8%

¹ Constant Currency (CC) removes the impact of exchange rate movements facilitating comparability of operational performance. See end note for further detail.

Seqirus Revenue

Half year ended Dec US\$ Millions	1H18	1H19	1H19 CC ¹	Change % ¹	
QIV	306	419	419	37%	} Seasonal Influenza vaccines +23% ¹
TIV	175	60	61	-65%	
Adjuvanted	131	272	273	109%	
Other / In-licence	99	123	128	30%	
Total Product Sales	710	874	881	24%	
Pandemic	60	65	67	11%	
Other Income	21	9	9	-56%	
Total Revenue	791	949	957	21%	

¹ Constant Currency (CC) removes the impact of exchange rate movements facilitating comparability of operational performance. See end note for further detail.

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	\$1,160.7m
Translation currency effect (a)	\$ (2.5m)
Transaction currency effect (b)	\$ 6.3m
Foreign Currency (gains) & losses (c)	\$ 31.5m
Constant currency net profit after tax *	\$1,196.0m

a) Translation Currency Effect \$(2.5m)

Average Exchange rates used for calculation in major currencies (Six months to Dec 18/Dec 17) were as follows: USD/EUR (0.86/0.85); USD/CHF (0.99/0.97).

b) Transaction Currency Effect \$6.3m

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 \$31.5m

Foreign currency gains recorded during the period.

Summary Sales

Reported sales	\$4,342.6m
Currency effect	\$ 74.5m
Constant currency sales*	\$ 4,417.1m

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

CSL Limited

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