



CSL LIMITED HALF YEAR UPDATE

2018/19



CSL Behring patient

DEAR SHAREHOLDER

I am pleased to report a solid performance for our half year result.

For the six months ended 31 December 2018, CSL reported (when compared to the prior comparable period):

- Sales revenue of US\$4.5 billion, up 11% at constant currency (CC)¹;
- A net profit after tax (NPAT) of US\$1,161 million, up 10% at CC;
- Reported earnings per share of US\$2.56, up 10% at CC; and
- An interim dividend increased to US\$0.85 per share (approximately A\$1.20 per share).

CSL continues to deliver double-digit profit growth against a strong comparative period. Our results demonstrate our focus and commitment to executing against our strategic pillars: growth, innovation, efficiency, influenza and people and culture.

Against our strategic pillar of growth, our immunoglobulin portfolio continues to perform well, with PRIVIGEN[®] sales growing 17%¹ and HIZENTRA[®] sales growing 14%¹. In part, driving the growth in demand has been our new CIDP (Chronic Inflammatory demyelinating polyneuropathy – a debilitating neurological disorder) label claim for both PRIVIGEN and HIZENTRA.

CSL's therapy for patients with Hereditary Angioedema (HAE), HAEGARDA[®] and our therapy for Haemophilia B patients, IDELVION[®], have been transformational products and the sales growth reflects this. HAEGARDA sales have tripled and IDELVION sales are up 55%¹.

Our Seqirus influenza vaccines business is running to plan. Only three years ago, it posted a full year loss of more than US\$200 million. Acknowledging its sales are heavily skewed to the first half of the financial year, Seqirus delivered a first half earnings before interest and taxes of over US\$300 million.

Innovation remains a long-standing hallmark of our strategy. It is one of our strengths and we continue to deliver innovation across the organisation, including through our world class research and development capabilities.

Highlights for the first half include:

- Gaining approval for the CIDP indication for Hizentra in Australia. This follows approvals in the US and Europe in the previous financial year
- Five new products entering into clinical trials
- Recruitment for CSL112, our phase 3 trial targeting cardiovascular disease is progressing well with 1,000 patients enrolled in the trial.
- Opening of a new research facility in Melbourne, now housing more than 80 scientists in the heart of the Victorian medical research precinct.

Along with innovation, efficiency is another hallmark of CSL and a competitive advantage. This includes expansion of our plasma collection network - the largest and most efficient in the world – as well as increasing our manufacturing capacity to meet the growing demand for our therapies. Across the organisation we have made a significant investment in new enterprise resource planning systems and continue to successfully manage a number of major capital projects.

Driven by Our Promise™



CSL Behring patient

Over the reporting period our values-focused organisation was recognised by being named in the top 100 globally for Diversity and Inclusion by Thomson Reuters and among the top 50 companies for Diversity in the US by Forbes Magazine. We are proud of these acknowledgements and remain steadfast in maintaining an optimal culture.

For our outlook, demand for CSL's plasma and recombinant products continues to be strong and we expect to again outpace the market in growing plasma collections. An uneven profit profile is expected for the first and second half results, due to the seasonality of the influenza business.

At CSL, our deep commitment to delivering on our promise to patients is what unites us as a global biotech leader. As we continue to grow, our values-based culture and focused execution of our strategy has never been more important.

You can find more information on our half year performance on CSL.com.

Brian McNamee AO
Chairman

GROUP RESULTS

Half year ended December US\$ Millions	Dec 2017 REPORTED	Dec 2018 REPORTED	Dec 2018 AT CC ¹	Change %
Sales	3,999	4,343	4,417	11
Other Revenue / Income	148	162	164	
Total Revenue / Income	4,147	4,505	4,581	11
Earnings before Interest, Tax, Depreciation & Amortisation	1,617	1,719	1,734	7
Depreciation/Amortisation	(141)	(166)	(168)	
Earnings before Interest and Tax	1,476	1,553	1,566	6
Net Interest Expense	(52)	(93)	(58)	
Tax Expense	(338)	(300)	(311)	
Net Profit after Tax	1,086	1,161	1,196	10
Interim Dividend (US\$)	0.79	0.85 ²		8
Earnings Per Share (US\$)	2.40	2.56	2.64	10

¹ Constant currency removes the impact of exchange rate movements, facilitating comparability of operational performance. For further detail please refer to CSL's Financial Statements for the Half Year ended December 2018 (Directors' Report) on CSL.com

² Approximately A\$1.20 per share.