



CSL Limited

2019 Full Year Results

14 August 2019

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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.

FY19 Performance

A strong year for CSL with revenue up 11%¹ and profit after tax up 17%¹ reflecting:

- Continued strong growth in our core immunoglobulin and albumin therapies
- High patient demand for specialty products Haegarda and Kcentra
- Successful evolution of our Haemophilia portfolio
- Seqirus delivering on strategy with strong profit growth

CSL BEHRING

- PRIVIGEN[®] sales +23%¹
- HIZENTRA[®] sales +22%¹
- ALBUMIN sales +15%¹
- IDELVION[®] sales +40%¹
- HAEGARDA[®] sales +61%¹
- KCENTRA[®] sales +14%¹

SEQIRUS

- Influenza vaccine sales +19%¹
- FLUAD[®] sales more than doubled
- Holly Springs – FCC 3.0 approved delivering future antigen capacity expansion
- Compelling real world effectiveness data for FLUCELVAX[®]

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



- CSL112 phase III progressing
- CSL312 phase II study in patients with HAE enrolled
- CSL964 phase II/III study in prevention of GvHD with AAT initiated
- HIZENTRA® and PRIVIGEN® approved for CIDP in Japan
- HIZENTRA® approved for CIDP in Australia
- Good progress with early portfolio

Efficiency



- 30 new US plasma collection centres
- Saline facility purchased, supporting plasma collection
- New ERP systems
- New research facility in Melbourne
- Major capital projects all sites

People & Culture

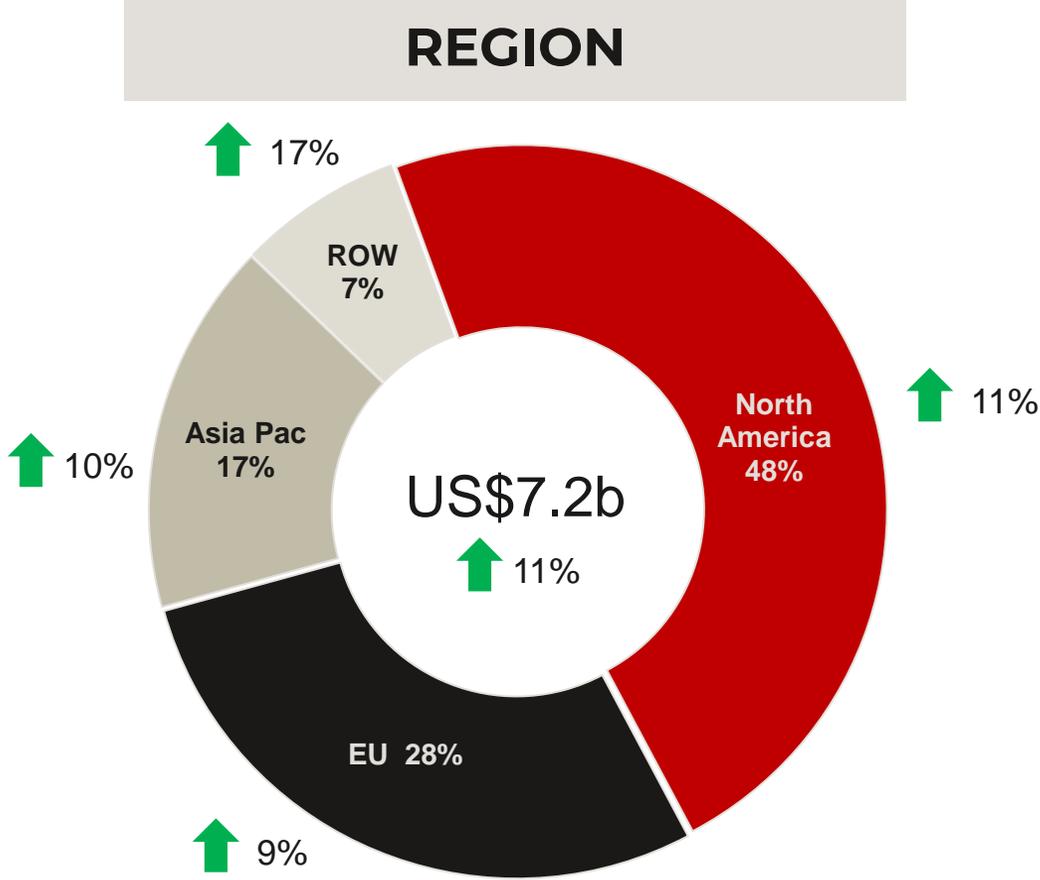


Key appointments

- Paul McKenzie – Chief Operating Officer
- Anjana Narain – Seqirus EVP & GM
- 25,000 employees, up 13%
 - 57% female, 43% male
- CSL named in Top 100 Global Diversity and Inclusion Index (Thomson Reuters)

CSL Behring Sales FY19

Therapy	Sales \$m	Change ¹ %
Immunoglobulins	3,543	16%
- IVIG	2,375	15%
- SCIG	985	22%
Albumin	1,018	15%
Haemophilia	1,051	(3%)
- Recombinants	563	7%
- Plasma	488	(12%)
Specialty	1,572	6%
- Peri-Operative Bleeding	729	8%
- Other Specialty	842	4%
Other	3	
Total	7,187	11%



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 16%¹



- 23% growth¹



- 22% growth¹
- Only SCIG with CIDP label

CARIMUNE[®]

Phased out

Demand drivers

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

Albumin

Sales up 15%¹

- **Strong growth** in 2H driven by China & EU
 - FY19 China albumin sales up 14%¹
- **China approval** for Kankakee AlbuRx[®] pending

Transition to Good Supply Practices (GSP) license in China²



Benefits phasing in over the next 6 to 12 months

- Improved participation in value chain
- Reduces reliance on 3rd parties
- CSL becomes a Tier 1 distributor

Haemophilia

Sales down 3%¹



Plasma Coagulation Factors

- 40% growth¹
- Continued patient switching
- Additional countries still to launch
- 85% growth¹
- Simplicity of replacement therapy
- Successful portfolio transition

HELIXATE[®] phased out

- Competitive pressures
- Tender volatility

Recombinant Coags +7%¹

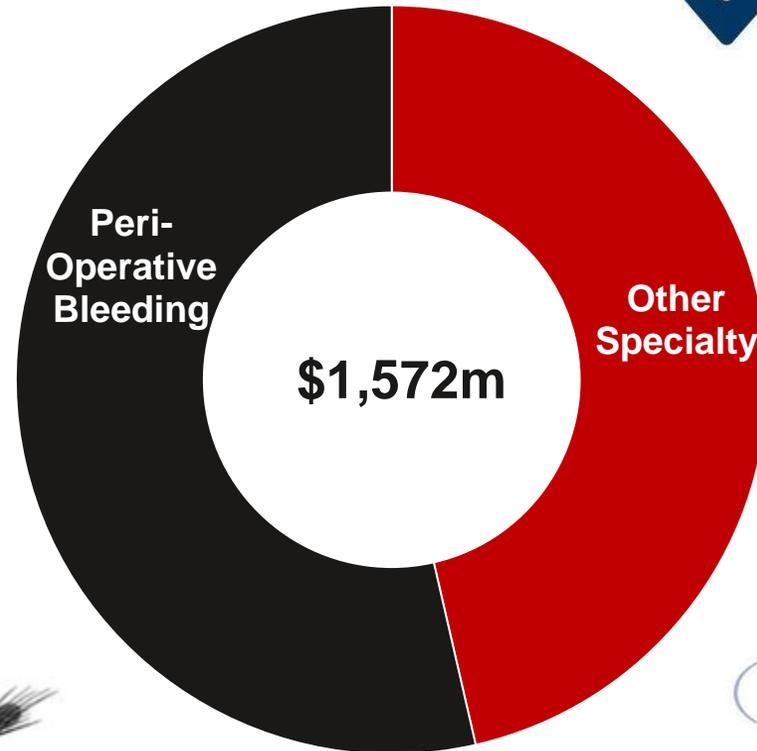
PD Coags -12%¹

Specialty Products

Sales up 6%¹



- 14% growth¹
- Continued growth in hospitals
- Product profile very appealing



- 61% growth¹
- New referrals and patients starts each month in the US



Wound Healing

- Sales normalised



- Supply interruption

Plasma Collections

Continued growth in plasma collection network



30 new centres opened in the US



Total centres – 221 in the US, 8 in Germany, 3 in Hungary and 5 in China



Planning to open ~40 new centres in FY20



Achieved continued efficiencies in both labour and yield



Liquid saline & sodium citrate facility purchased in South Carolina US to support plasma collection



Innovation Update

CSL112

- Phase III study underway:
 - 44 countries actively enrolling
 - PMDA endorsement to join phase III

CSL312

- Factor XIIa antagonist Phase II study in patients with HAE:
 - Last patient enrolled June 2019
 - Results 4Q19

CSL964

- Phase II/III study in prevention of GvHD with AAT initiated
 - First patient enrolled March 2019

Early Portfolio

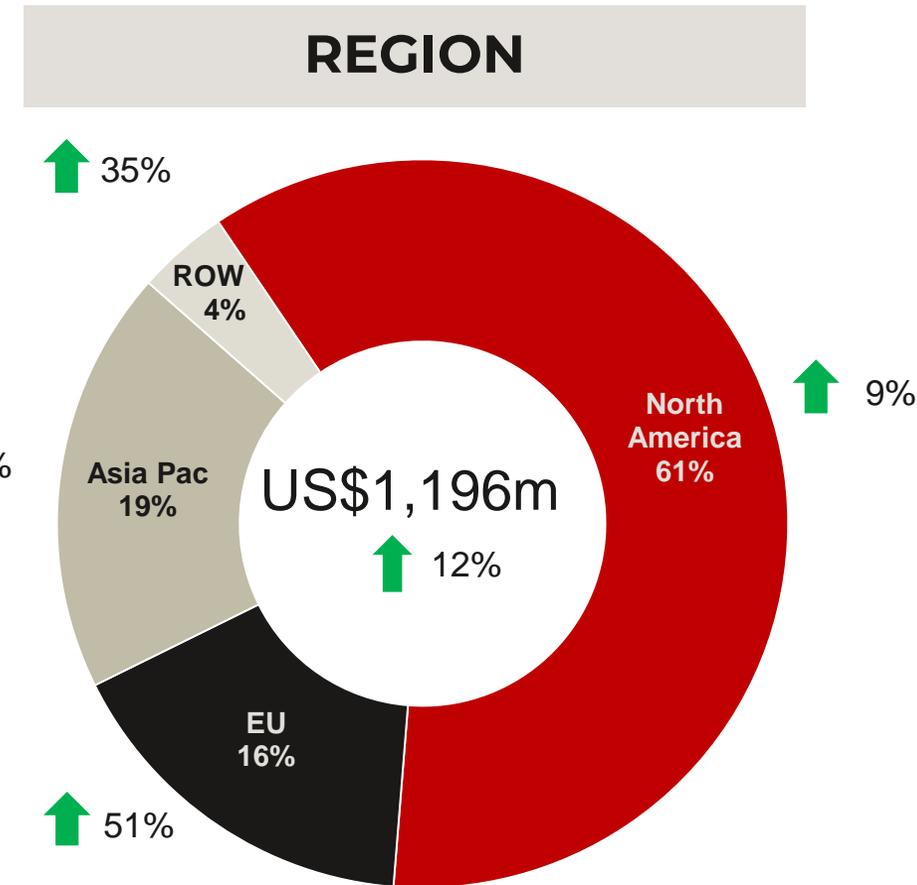
- Phase I complete:
 - CSL 346 (anti VEGF-B)
 - CSL 324 (anti GCSF)
- Phase I ready:
 - CSL 889 (Hemopexin)
 - CSL200 (cell & gene therapy)
 - CSL 311 (anti-beta common)

Seqirus Revenue FY19

Revenue up 12%¹

	Sales \$m	% Change ¹
QIV	430	26%
TIV	69	(63%)
Adjuvanted	300	117%
Other / In-licence	219	(2%)
Total Product Sales	1,018	14%
Pandemic	133	18%
Royalties & Licence Revenue	20	0%
Other Income	24	(39%)
Total Revenue	1,196	12%

Seasonal Influenza vaccines +19%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.

Seqirus

Operating Highlights

- Ongoing shift in portfolio to differentiated products
- Real world data provides new insight into the effectiveness of cell-based influenza vaccine.
 - FLUCELVAX® Quadrivalent was 36% more effective than standard egg-based QIV in preventing influenza-like illness in the US 2017/18 season (predominated by H3N2)⁽¹⁾⁽²⁾
- FLUAD® preferred recommendations in the UK and Australia
- FLUCELVAX® - all strains manufactured using cell-specific seed for NH 2019/20 season
- Pandemic reservation agreements with the EU and Canada
- FDA acceptance of aH5N1c submission – world’s first adjuvanted, cell-based pandemic influenza vaccine

Looking Forward...

- **FLUCELVAX®** market expansion:
 - NH 2019/20 launch in EU
 - Submitted dossier to TGA in Australia – anticipate private market launch in SH 2021
- Good progress on fill & finish expansion:
 - **Liverpool** operational from SH 2021
 - **Holly Springs** operational from NH 2022/23

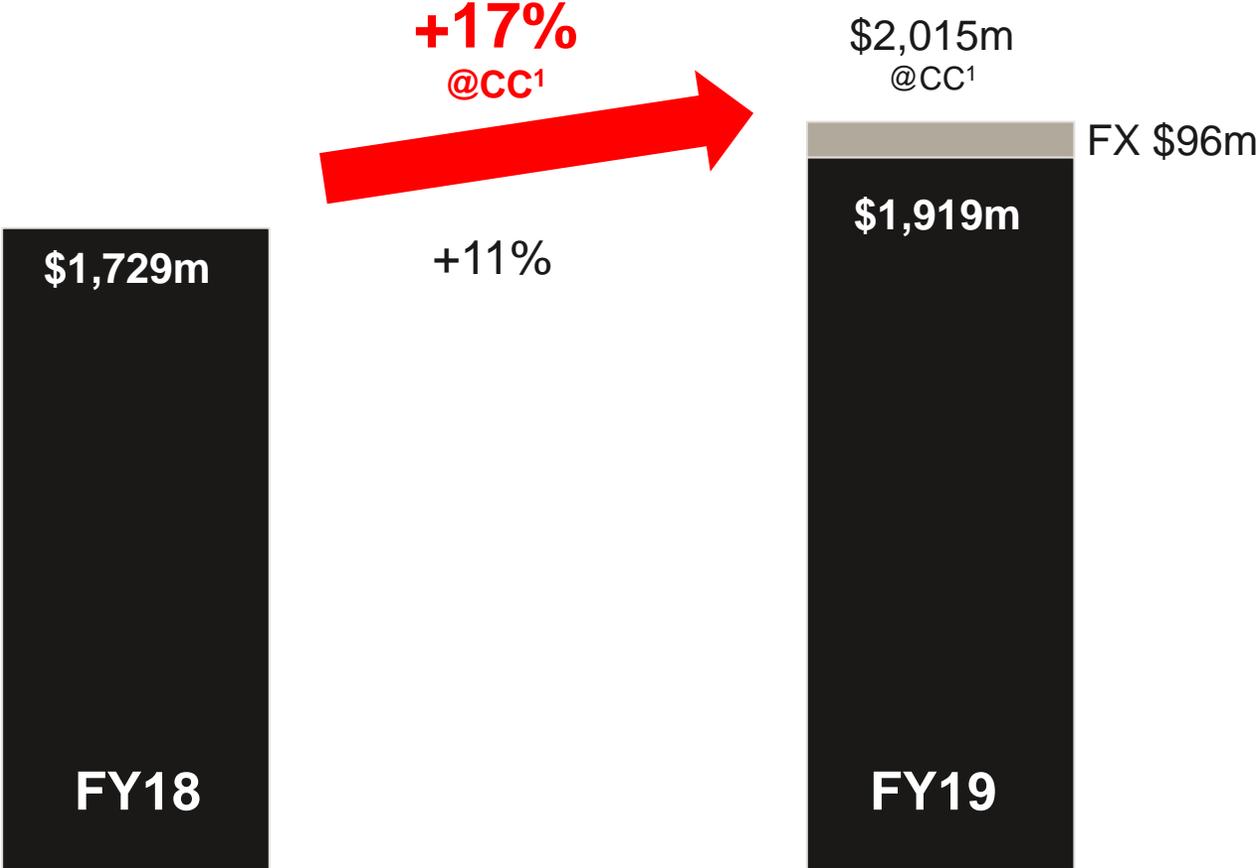
Financials

David Lamont, CFO



Financial Highlights

NPAT



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

CSL Group

Full year ended Jun US\$ Millions	FY18 Reported	FY19 Reported	FY19 at CC ¹	Change %
Total Revenue	7,915	8,539	8,757	11% ¹
Gross Profit	4,384	4,777	4,896	12% ¹
<i>GP margin</i>	55.4%	55.9%	55.9%	
EBIT	2,380	2,504	2,579	8% ¹
<i>EBIT margin</i>	30.1%	29.3%	29.4%	
NPAT	1,729	1,919	2,015	17% ¹
Cashflow from Operations	1,902	1,644		(14%)
ROIC	25.9%	24.3%	-	-
EPS (\$)	3.82	4.24	4.45	16% ¹
DPS (\$)	1.72	1.85		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.

Financial Highlights

Segments

CSL BEHRING

US\$ Millions	FY18 Reported	FY19 Reported	Change % at CC ¹
Sales	6,678	7,187	11%
Other Revenue	149	156	4%
Total Revenue	6,827	7,343	10%
Gross Profit	3,893	4,195	11%
<i>GP margin</i>	57.0%	57.1%	
EBIT	2,328	2,351	5%
<i>EBIT margin</i>	34.1%	32.0%	

SEQIRUS

US\$ Millions	FY18 Reported	FY19 Reported	Change % at CC ¹
Sales	910	1,018	14%
Other Revenue	178	178	3%
Total Revenue	1,088	1,196	12%
Gross Profit	491	582	20%
<i>GP margin</i>	45.1%	48.7%	
EBIT	52	154	180%
<i>EBIT margin</i>	4.8%	12.8%	

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Financial Highlights

Reported Expenses

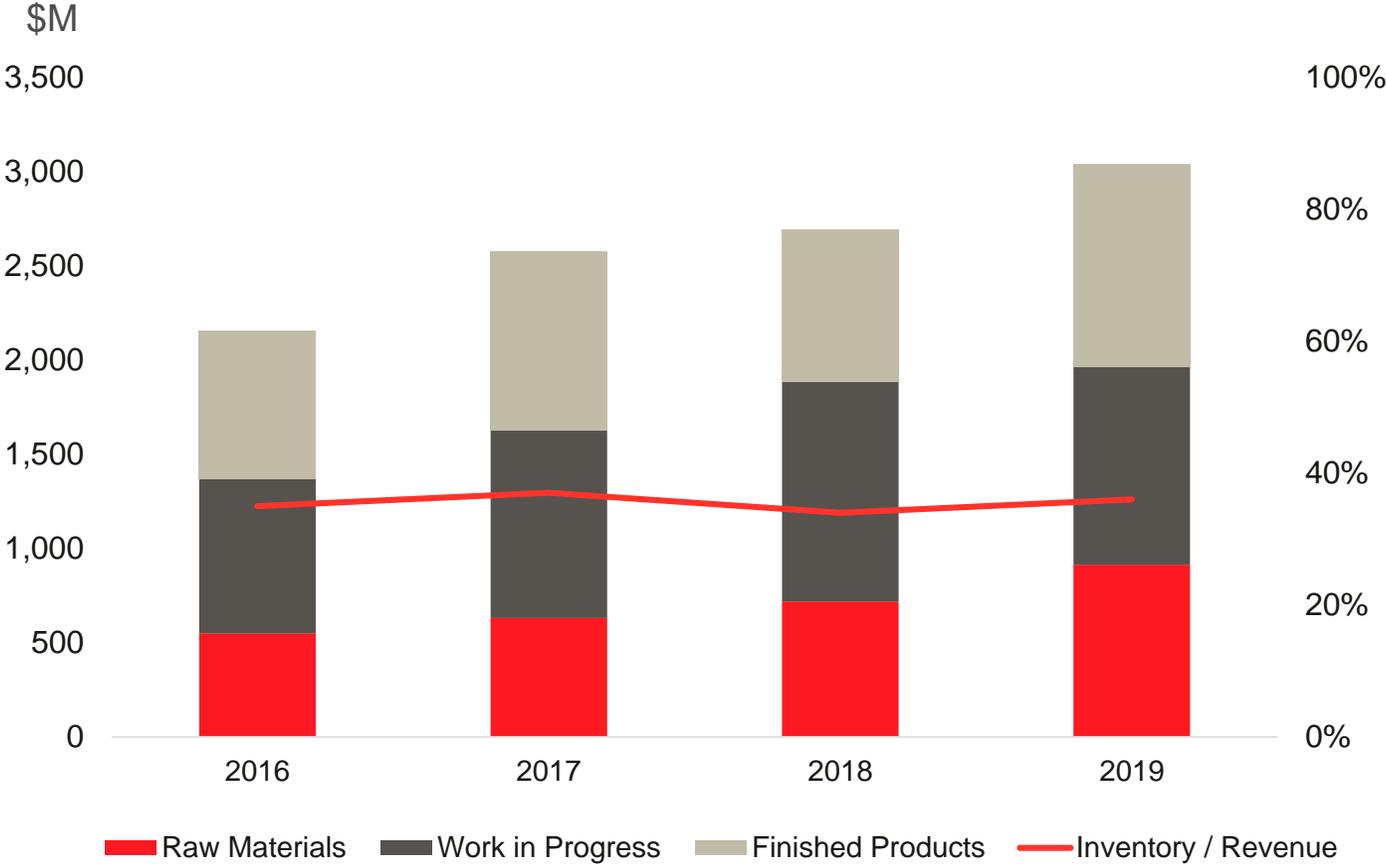
	FY19	Change at CC ¹	
	\$m	\$m	%
Research & Development	832	150	21
Sales & Marketing	867	99	13
General & Admin	575	65	13
Finance (Net)	163	14	14
Tax	422	(102)	(19)

CSL112 phase III trial

Facilities expansion & new technology

- *Total D&A up \$79m (2/3's G&A, 1/3 COGS)*
- Geographic mix
- Change in US tax rate – full year impact
- FY20 ETR estimate ~20%

Inventory Management

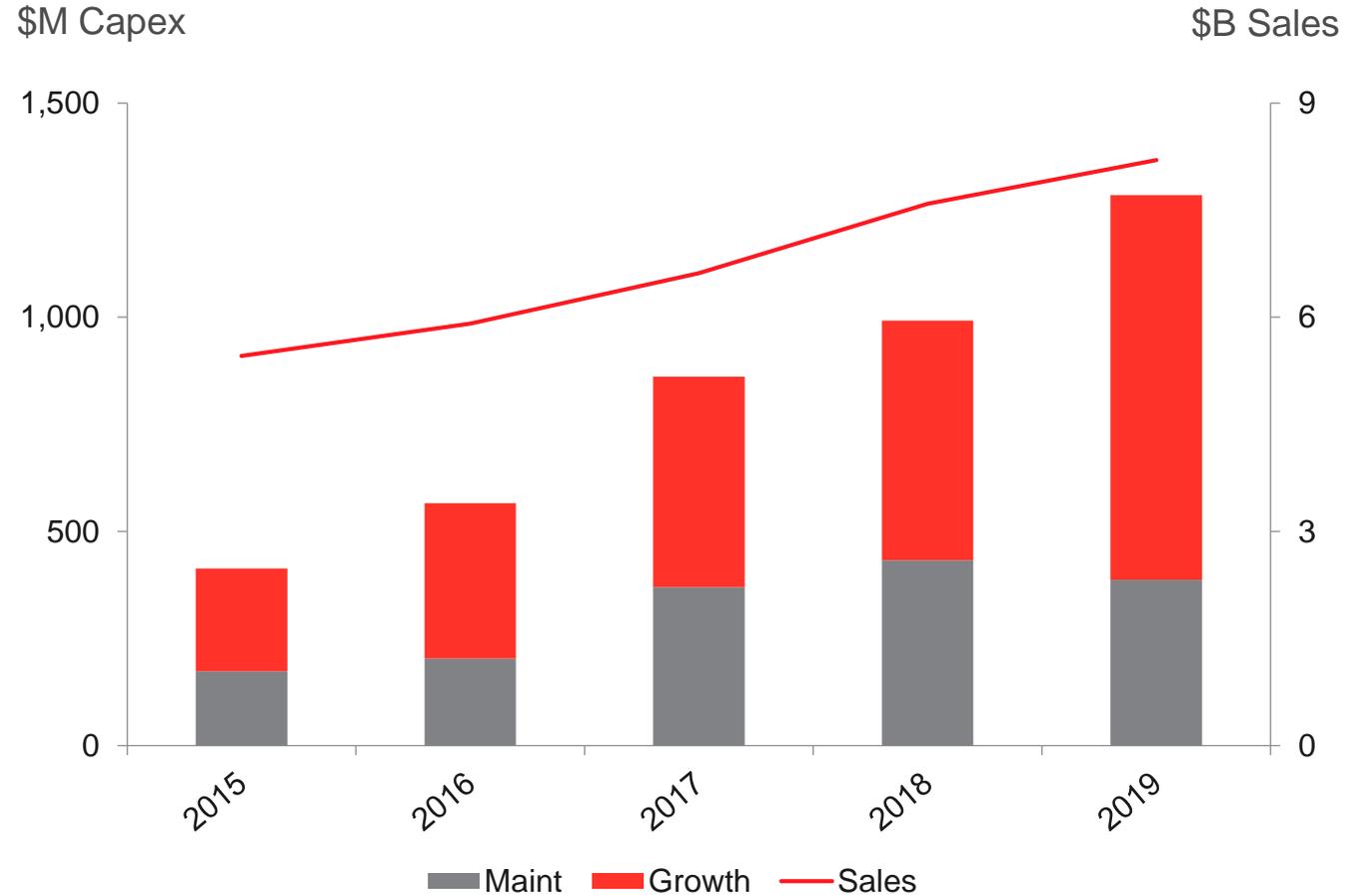


Key Insights

- Continue to produce for demand
- Inventory as a percentage of revenue steady
- Seqirus inventory mix impacted by strain notification

Capital Expenditure

Investment to Support Demand



Key Projects

- New manufacturing capacity at all sites
- New collection centers
- New ERP systems
- FY20 ~ \$1.3 billion
 - Two thirds growth projects

Outlook for FY20¹

- Continued strong demand for plasma and recombinant products
 - One-off effect on albumin sales arising from transition to new distributor model in China
- Slight margin growth from plasma product mix shift, recombinant products growth & conclusion of HELIXATE[®]
- Seqirus to deliver in line with prior guidance and benefiting from product differentiation and process improvement

FY20 NPAT

~\$2,050m to \$2,110m @CC²
(up ~7 - 10% on FY19)

Revenue growth ~6%²
(up ~10% adj for GSP)

Includes headwinds:

- China GSP transition
- New Lease standard

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. See end note for further detail

CSL Limited

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Appendix

DIRECT DISTRIBUTION MODEL – CHINA¹

- One-off financial effect in FY20
 - Group albumin sales reduced by ~\$340-370 million
- No impact on the availability of albumin to patients
- Profit effect in line with historical CSL Behring margin
- Modest impact on cashflow
- Annual sales of albumin in China expected to return to a more normalised level in FY21

¹ For further detail refer to ASX Announcement 21 June 2019

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	\$1,918.7m
Translation currency effect (a)	\$ (7.7m)
Transaction currency effect (b)	\$ 50.0m
Foreign Currency (gains) & losses (c)	\$ 53.9m
Constant currency net profit after tax *	\$2,014.9m

a) Translation Currency Effect \$(7.7m)

Average Exchange rates used for calculation in major currencies (Twelve months to June 19/June 18) were as follows: USD/EUR (0.87/0.84); USD/CHF (0.99/0.97).

b) Transaction Currency Effect \$50.0m

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 \$53.9m

Foreign currency gains recorded during the period.

Summary Sales

Reported sales	\$8,205.4m
Currency effect	\$ 212.1m
Constant currency sales*	\$ 8,417.5m

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

