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ASX Announcement

For immediate release

16 February 2022

RESULTS ANNOUNCEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Melbourne, Australia – CSL (ASX:CSL; USOTC:CSLLY)

As approved by the Board of CSL Limited, and in accordance with ASX Listing Rule 4.2A, please find attached the following documents for the half year ended 31 December 2021:

- Appendix 4D;
- Directors' Report; and
- Financial Report.

These documents should be read in conjunction with the 30 June 2021 CSL Annual Report (accessible in the "Investor" section of CSL's website (www.CSL.com) under the tab "Financial Results and Information").

Fiona Mead
Company Secretary

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CSL Limited

ABN: 99 051 588 348

Appendix 4D
Half Year Ended 31 December 2021

(Previous corresponding period: Half Year Ended 31 December 2020)

Results for Announcement to the Market

	December 2021 US$m	December 2020 US$m	Percentage change
Sales and service revenue	5,807.8	5,596.1	4 %
Total other revenue	233.4	143.3	63 %
Total revenue	**6,041.2**	**5,739.4**	5 %
Profit before income tax expense	2,144.4	2,250.9	(5)%
Income tax expense	(384.1)	(440.9)	(13)%
Reported net profit from ordinary activities after tax attributable to members of the parent entity	**1,760.3**	**1,810.0**	(3)%
Reported net profit after tax attributable to members of the parent entity	**1,760.3**	**1,810.0**	(3)%

Reported

- Total revenue up 5% to US$6.041 billion
- Net profit after tax for the half year attributable to members of the parent entity down 3% to US$1.760 billion

Underlying Net Profit after Tax at Constant Currency[1]

- Underlying total revenue at constant currency up 4.4% to US$5.993 billion
- Underlying net profit after tax for the year at constant currency down 5% to US$1.722 billion

Dividends

	Amount per security	Franked amount per security
Interim dividend (determined subsequent to balance date[#])	US$1.04	unfranked[*]
Interim dividend (paid on 1 April 2021)	US$1.04	unfranked
Final dividend (prior year, paid on 30 September 2021)	US$1.18	10% franked at 30% tax rate

Record date for determining entitlements to the Interim dividend: 8 March 2022
* Under Australian law non-resident withholding tax is not payable on the unfranked component of this dividend as that portion will be declared to be wholly conduit foreign income.

1 Excludes the impact of foreign exchange movements in the period under review.

Explanation of results

For further explanation of the results please refer to the accompanying press release and "Operating and Financial Review" in the Directors' report that is within the half year report.

Other information required by Listing Rule 4.2A

The remainder of the information requiring disclosure to comply with Listing Rule 4.2A is contained in the attached Additional Information, Directors' Report, Financial Report and media release.

[1]Constant currency removes the impact of exchange rate movements to facilitate comparability of operational performance. This is done in three parts: (a) by converting the current period 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	**US$m**
Reported net profit after tax	1,760.3
Translation Currency Effect (a)	(9.0)
Transaction Currency Effect (b)	(21.7)
Foreign Currency Gains (c)	(7.4)
Constant Currency Net Profit after Tax*	1,722.2

Summary Revenue	**US$m**
Reported Revenue	6,041.2
Currency Effect	(47.9)
Constant Currency Revenue*	5,993.3

*Constant Currency Net Profit after Tax and Revenue have not been audited or reviewed in accordance with Australian Auditing Standards.

(a) Translation Currency Effect ($9m)

Average Exchange rates used for calculation in major currencies (half year ended 31 December 2021/31 December 2020) were as follows: USD/EUR (0.86/0.85); USD/AUD (1.36/1.40); USD/CHF (0.92/0.92); USD/CNY (6.44 /6.83); USD/GBP (0.73/0.77)

(b) Transaction Currency Effect ($21.7m)

Transaction currency effect is calculated by reference to the applicable prior comparative period exchange rates. The calculation takes into account the timing of sales both internally within the CSL Group (i.e. from a manufacturer to a distributor) and externally (i.e. to the final customer) and the relevant exchange rates applicable to each transaction.

(c) Foreign Currency Gains ($7.4m)

Foreign currency gains recorded during the period.

Net Tangible Assets Backing

	31 December 2021	30 June 2021
Net tangible assets backing per ordinary security[2]	$ 23.72	$ 12.55

[2]Net tangible assets include the right-of-use assets recognised under AASB 16 Leases.

Changes in controlled entities

The Group did not acquire or dispose of any entities during the half year.

Agreement to acquire Vifor Pharma and capital raising

On 14 December 2021, CSL announced it agreed to conduct a tender offer to acquire 100% of Vifor Pharma Ltd, a global specialty pharmaceutical company with leadership in renal disease and iron deficiency.

The terms of acquisition includes an all-cash tender offer of US$179.25 per Vifor Pharma share, representing an aggregate equity value for Vifor Pharma Ltd of US$11.7 billion / A$16.4 billion[3]. The tender offer for publicly held Vifor Pharma Ltd shares is underway and will close on 2 March 2022.

Following this, the acquisition is subject to regulatory approvals with the completion expected by the end of the financial year. A total of US$12.3 billion / A$17.2 billion all-cash acquisition consideration[4] funded through a combination of a successful A$6.3 billion (US$4.5 billion) Placement, US$6.0 billion / A$8.4 billion new debt and existing cash / undrawn facilities.

On 14 February 2022 CSL announced that it had completed a Share Purchase Plan raising A$750 million (US$534 million).

[3]Based on the USD:AUD exchange rate of 1.406 as of 13 December 2021.

[4]Total acquisition consideration based on offer price of US$179.25 per share, fully diluted shares on issue of 65 million, and debt of CHF 540 million. CHF converted to USD at spot FX of 1.083 as at 13 December 2021. Excludes transaction costs.

Audit report

The audit report is contained in the attached Financial Report.

F Mead
Company Secretary
15 February 2022

CSL Limited

ABN: 99 051 588 348

ASX Half-year information 31 December 2021

Lodged with the ASX under Listing Rule 4.2A.

Contents

This interim Financial Report does not include all of the notes of the type normally included in the Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2021 and any public announcements made by CSL Limited during the interim reporting period in accordance with the continuous disclosure requirement of the *Corporations Act 2001*.

Directors' Report

The Board of Directors of CSL Limited is pleased to present their report on the consolidated entity for the half-year ended 31 December 2021.

Directors

The following persons were Directors of CSL Limited during the whole of the half-year and up to the date of this report:

Dr Brian McNamee, AO (Chair)
Mr Paul Perreault (Managing Director and Chief Executive Officer)
Mr Bruce Brook
Dr Megan Clark, AC
Professor Andrew Cuthbertson, AO
Ms Carolyn Hewson AO
Ms Marie McDonald

Ms Alison Watkins, AM and Professor Duncan Maskell were appointed to the Board as a Non-executive Directors on 19 August 2021.

Review of Operations

For the half-year ended 31 December 2021, total revenue for the Group was US$6.041 billion, up 5% (4% at constant currency) when compared to the prior comparable period. Reported net profit after tax was US$1.760 billion, down 3% (5% at constant currency) when compared to the prior comparative period.

CSL Behring

Total revenue of US$4.356 billion was steady when compared to the prior comparable period.

Immunoglobulin (Ig) product sales of US$1.977 billion decreased 9% at constant currency constrained by lower plasma collections in the prior financial year with the global COVID pandemic inhibiting social mobility.

HIZENTRA® sales were down 4% at constant currency, however, remains the clear market leader in the Ig subcutaneous market and continues its steady trajectory for the treatment of CIDP (Chronic Inflammatory Demyelinating Polyneuropathy), a debilitating neurological disorder.

PRIVIGEN®, the Company's intravenous Ig product, declined 14% at constant currency, reflecting raw material supply constraints.

Haemophilia product sales of US$587 million increased 5% at constant currency.

Recombinant haemophilia products grew 12% at constant currency driven by IDELVION®, CSL Behring's novel long-acting recombinant factor IX products for the treatment of haemophilia B. Sales of IDELVION® increased by 17% at constant currency as its compelling clinical profile continues to drive patient demand and market share.

Plasma derived haemophilia products declined 6% at constant currency due to competitive pressures offset to some extent by an increase in HAEMATE®, which is a leading product in Europe for the treatment of vWF (von Willebrand disease).

Albumin sales of $571 million were up 1% at constant currency compared to the prior comparable period. Despite increased competition in China, CSL Behring maintained its market leading position through brand differentiation and effective health care practitioner engagement.

Specialty product sales of US$914 million grew 2% at constant currency compared to the prior comparable period driven by KCENTRA® and HAEGARDA®.

KCENTRA (4 factor pro-thrombin complex concentrate) grew 15% at constant currency as hospital demand began to return to pre-pandemic levels and HAEGARDA®, the transformational therapy for patients with Hereditary Angioedema (HAE), increased 7% at constant currency driven by the continued shift from on-demand to prophylaxis treatment and successful launches into new markets.

Royalties from HPV (Human Papilloma Virus) vaccines were up 134% at constant currency as sales rebounded strongly to pre-COVID levels following strong demand and increased supply.

Sales of ZEMAIRA® / RESPREEZA® (Alpha 1 Proteinase Inhibitor) declined 31% at constant currency following internal supply interruptions.

Seqirus

Total revenue of $US1.685 billion grew strongly, up 17% at constant currency driven by increased sales of seasonal influenza vaccines and the continued shift towards Seqirus' differentiated and high value product portfolio – FLUAD® (adjuvanted influenza vaccine) and FLUCELVAX® (cell-based influenza vaccine).

Outlook

Plasma collections constrained last year arising from social mobility restrictions from the COVID pandemic, have improved in the six months to December 2021, up 18% in volume on the prior comparable period. Given the long manufacturing cycle of plasma products, we expect this will underpin future sales growth in key plasma products, Ig and albumin.

For financial year 22, Seqirus is expected to deliver another profitable year driven by increased demand for influenza vaccines together with its differentiated product portfolio. Consistent with the seasonal nature of the business, however, it is likely that Seqirus will make a loss in the second half of the year.

CSL is well positioned to continue to deliver on its promise to patients and public health and return to growth.

Agreement to acquire Vifor Pharma and capital raising

On 14 December 2021, CSL announced it has agreed to conduct a tender offer to acquire 100% of Vifor Pharma Ltd, a global speciality pharmaceutical company with leadership in renal disease and iron deficiency.

The terms of acquisition include an all-cash tender offer of US$179.25 per Vifor Pharma share, representing an aggregate equity value for Vifor Pharma Ltd of US$11.7 billion / A$16.4 billion[1]. The tender offer for publicly held Vifor Pharma Ltd shares is underway and will close on 2 March 2022.

Following this, the acquisition is subject to regulatory approvals with the completion expected by the end of the financial year. A total of US$12.3 billion / A$17.2 billion all-cash acquisition consideration[2] will be funded through a combination of a successful A$6.3 billion (US$4.5 billion) Placement, US$6.0 billion / A$8.4 billion new debt and existing cash / undrawn facilities.

On 14 February 2022 CSL announced that it had completed a Share Purchase Plan raising A$750 million (US$534 million).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the next page.

[1] *Based on the USD:AUD exchange rate of 1.406 as of 13 December 2021.*

[2] *Total acquisition consideration based on offer price of US$179.25 per share, fully diluted shares on issue of 65 million, and debt of CHF 540 million. CHF converted to USD at spot FX of 1.083 as at 13 December 2021. Excludes transaction costs.*

Rounding of Amounts

The amounts contained in this report and in the financial report have been rounded to the nearest hundred thousand dollars (where rounding is applicable) unless specifically stated otherwise under the relief available to the Company under ASIC Corporations Instrument 2016/191. The Company is an entity to which the Corporations Instrument applies.

Subsequent events

Other than noting the Share Purchase Plan, from the end of the reporting period to the date of this report, no matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group.

This report has been made in accordance with a resolution of the directors.

Dr Brian McNamee AO
Chair

Paul Perreault
Managing Director and Chief Executive Officer)

15 February 2022

Building a better
working world

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Auditor's Independence Declaration to the Directors of CSL Limited

As lead auditor for the review of the half-year financial report of CSL Limited for the half-year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of CSL Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Kylie Bodenham
Partner
15 February 2022

Consolidated Statement of Comprehensive Income

For the Half Year Ended 31 December 2021

	Notes	Consolidated Entity December 2021 US$m	December 2020 US$m
Sales and service revenue		**5,807.8**	5,596.1
Influenza pandemic facility reservation fees		**82.2**	77.4
Royalties and license revenue		**120.6**	50.6
Other income		**30.6**	15.3
Total operating revenue		**6,041.2**	5,739.4
Cost of sales		**(2,592.7)**	(2,267.0)
Gross profit		**3,448.5**	3,472.4
Research and development expenses	5	**(485.8)**	(427.3)
Selling and marketing expenses		**(431.5)**	(414.7)
General and administration expenses		**(316.5)**	(272.5)
Total expenses		**(1,233.8)**	(1,114.5)
Operating profit		**2,214.7**	2,357.9
Finance costs	2	**(71.2)**	(108.7)
Finance income		**0.9**	1.7
Profit before income tax expense		**2,144.4**	2,250.9
Income tax expense	3	**(384.1)**	(440.9)
Net profit for the period		**1,760.3**	1,810.0
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net of hedges on foreign investments		**(102.3)**	222.1
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains/(losses) on defined benefit plans, net of tax		**19.8**	(12.6)
Total other comprehensive (losses)/income		**(82.5)**	209.5
Total comprehensive income for the period		**1,677.8**	2,019.5
Earnings per share (based on net profit for the period)		**US$**	US$
Basic earnings per share	7	**3.85**	3.98
Diluted earnings per share	7	**3.84**	3.97

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 December 2021

		Consolidated Entity	
		December 2021	June 2021
	Notes	US$m	US$m
CURRENT ASSETS			
Cash and cash equivalents	10	**6,334.3**	1,808.8
Receivables and contract assets		**2,242.7**	1,711.2
Inventories	4	**3,806.6**	3,780.6
Current tax assets		**71.0**	84.3
Other financial assets		**2.7**	4.8
Total Current Assets		**12,457.3**	7,389.7
NON-CURRENT ASSETS			
Property, plant and equipment	6	**6,639.4**	6,434.3
Intangible assets		**2,678.3**	2,669.7
Right-of-use assets	6	**1,095.4**	1,101.7
Deferred tax assets		**497.2**	529.5
Other financial assets		**30.1**	28.1
Retirement benefit assets		**41.9**	3.9
Total Non-Current Assets		**10,982.3**	10,767.2
TOTAL ASSETS		**23,439.6**	18,156.9
CURRENT LIABILITIES			
Trade and other payables		**1,726.5**	2,039.7
Interest-bearing liabilities and borrowings	8	**371.8**	473.8
Current tax liabilities		**207.4**	313.0
Provisions		**194.9**	227.4
Deferred government grants		**23.5**	49.7
Total Current Liabilities		**2,524.1**	3,103.6
NON-CURRENT LIABILITIES			
Interest-bearing liabilities and borrowings	8	**5,196.9**	5,333.1
Retirement benefit liabilities		**291.8**	286.4
Deferred tax liabilities		**669.1**	459.4
Provisions		**103.8**	107.8
Deferred government grants		**36.9**	37.2
Other non-current liabilities		**583.8**	448.1
Total Non-Current Liabilities		**6,882.3**	6,672.0
TOTAL LIABILITIES		**9,406.4**	9,775.6
NET ASSETS		**14,033.2**	8,381.3
EQUITY			
Contributed equity	7	**(46.5)**	(4,504.6)
Reserves		**584.6**	633.2
Retained earnings		**13,495.1**	12,252.7
TOTAL EQUITY		**14,033.2**	8,381.3

The consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2021

Consolidated Entity	Contributed Equity US$m		Foreign currency translation reserve US$m		Share based payment reserve US$m		Retained earnings US$m		Total US$m	
	December 2021	December 2020	**December 2021**	December 2020	**December 2021**	December 2020	**December 2021**	December 2020	**December 2021**	December 2020
As at the beginning of the period	**(4,504.6)**	(4,561.0)	**206.5**	7.6	**426.7**	328.7	**12,252.7**	10,752.3	**8,381.3**	6,527.6
Profit for the period	**—**	—	**—**	—	**—**	—	**1,760.3**	1,810.0	**1,760.3**	1,810.0
Other comprehensive (losses)/income	**—**	—	**(102.3)**	222.1	**—**	—	**19.8**	(12.6)	**(82.5)**	209.5
Total comprehensive (loss)/ income for the period	**—**	—	**(102.3)**	222.1	**—**	—	**1,780.1**	1,797.4	**1,677.8**	2,019.5
Transactions with owners in their capacity as owners										
Share based payments	**—**	—	**—**	—	**53.7**	53.7	**—**	—	**53.7**	53.7
Dividends	**—**	—	**—**	—	**—**	—	**(537.7)**	(484.7)	**(537.7)**	(484.7)
Share issues	**4,458.1**	38.2	**—**	—	**—**	—	**—**	—	**4,458.1**	38.2
As at the end of the period	**(46.5)**	(4,522.8)	**104.2**	229.7	**480.4**	382.4	**13,495.1**	12,065.0	**14,033.2**	8,154.3

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2021

	Notes	Consolidated Entity December 2021 US$m	Consolidated Entity December 2020 US$m
Cash Flows from Operating Activities			
Profit before income tax expense		**2,144.4**	2,250.9
Adjustments for:			
Depreciation, amortisation and impairment		**264.2**	280.4
Inventory provisions		**180.9**	80.2
Share-based payments expense		**51.9**	53.7
Provision for expected credit losses		**1.0**	(1.8)
Finance costs		**71.2**	108.7
Loss/(gain) on disposal of property, plant and equipment		**3.1**	(0.3)
Unrealised foreign exchanges (gains)/losses		**(32.0)**	116.4
Changes in operating assets and liabilities:			
Increase in receivables and contract assets		**(544.6)**	(272.2)
Increase in inventories		**(246.3)**	(75.7)
(Decrease)/increase in trade and other payables		**(109.9)**	162.5
(Decrease)/increase in provisions and other		**(45.7)**	5.7
Income tax paid		**(228.7)**	(284.8)
Finance costs paid		**(82.6)**	(103.2)
Net cash inflow from operating activities		**1,426.9**	2,320.5
Cash flows from Investing Activities			
Payments for property, plant and equipment		**(525.0)**	(564.8)
Payments for intangible assets		**(24.8)**	(44.4)
Payments from other investing activities		**(3.6)**	(1.8)
Net cash outflow from investing activities		**(553.4)**	(611.0)
Cash flows from Financing Activities			
Proceeds from issue of shares		**4,458.1**	38.2
Dividends paid	7	**(537.7)**	(484.7)
Proceeds from borrowings	8	**79.8**	14.9
Repayment of borrowings	8	**(333.0)**	(80.9)
Other financing activities		**(1.7)**	(1.5)
Net cash inflow/(outflow) from financing activities		**3,665.5**	(514.0)
Net increase in cash and cash equivalents		**4,539.0**	1,195.5
Cash and cash equivalents at the beginning of the financial period		**1,730.1**	1,151.3
Exchange rate variations on foreign cash and cash equivalent balances		**(19.7)**	34.9
Cash and cash equivalents at the end of the period		**6,249.4**	2,381.7
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the period as shown in the statement of cash flows is reconciled as follows:			
Cash and cash equivalents		**6,334.3**	2,423.4
Bank overdrafts		**(84.9)**	(41.7)
Cash and cash equivalents at the end of the period		**6,249.4**	2,381.7

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Half Year Ended 31 December 2021

Contents

About this Report

Notes to the financial statements:

Corporate information

CSL Limited ("CSL") is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. This financial report covers the financial statements for the consolidated entity consisting of CSL and its subsidiaries (together referred to as the Group). The financial report was authorised for issue in accordance with a resolution of directors on 15 February 2022.

A description of the nature of the Group's operations and its principal activities is included in the directors' report.

a. Basis of preparation

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. The half year financial report should be read in conjunction with the annual financial report of CSL Limited as at 30 June 2021.

It is also recommended that the half year financial report be considered together with any public announcements made by CSL Limited and its controlled entities during the half year ended 31 December 2021 in accordance with the continuous disclosure obligations arising under ASX listing rules.

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the *Australian Accounting Standards Board, International Financial Reporting Standards (IFRS)* and the *Corporations Act 2001*. The interim financial statements were prepared in accordance with AASB 134. It presents information on a historical cost basis, except for certain financial instruments, which have been measured at fair value. Amounts have been rounded off to the nearest hundred thousand dollars.

The report is presented in US Dollars, because this currency is the pharmaceutical industry standard currency for reporting purposes. It is the predominant currency of the Group's worldwide sales and operating expenses.

b. Principles of consolidation

The consolidated financial statements comprise the financial statements of CSL and its subsidiaries as at 31 December 2021. CSL has control of its subsidiaries when it is exposed to, and has the rights to, variable returns from its involvement with those entities and when it has the ability to affect those returns.

The financial results of the subsidiaries are prepared using consistent accounting policies and for the same reporting period as the parent company.

In preparing the consolidated financial statements, all intercompany balances and transactions have been eliminated in full. The Group has formed a trust to administer the Group's employee share scheme. This trust is consolidated as it is controlled by the Group.

c. Foreign currency

While the presentation currency of the Group is US dollars, entities in the Group may have other functional currencies, reflecting the currency of the primary economic environment in which the relevant entity operates. The parent entity, CSL Limited, has a functional currency of US dollars. Any exchange differences arising from the translation of a foreign operation previously recognised in other comprehensive income are not reclassified from equity to profit or loss until the disposal of the operation.

If an entity in the Group has undertaken transactions in foreign currency, these transactions are translated into that entity's functional currency using the exchange rates prevailing at the dates of the transactions. Where the functional currency of a subsidiary is not US dollars, the subsidiary's assets and liabilities are translated on consolidation to US dollars using the exchange rates prevailing at the reporting date, and its profit and loss is translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income and in the foreign currency translation reserve in equity.

d. Significant changes in current reporting period

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2021.

There were no changes in accounting policy during the half year ended 31 December 2021, nor did the introduction of new accounting standards lead to any change in measurement or disclosure in these financial statements.

The Group has not adopted any accounting standards that are issued but not yet effective. Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided in the annual financial report.

Note 1: Segment Information

The Group's segments represent strategic business units that offer different products and operate in different industries and markets. They are consistent with the way the CEO (who is the chief operating decision-maker) monitors and assesses business performance in order to make decisions about resource allocation. Performance assessment is based on EBIT (earnings before interest and tax) and EBITDA (earnings before interest, tax, depreciation, amortisation and impairment). These measures are different from the profit or loss reported in the consolidated financial statements which is shown after net interest and tax expense. This is because decisions that affect net interest expense and tax expense are made at the Group level. It is not considered appropriate to measure segment performance at the net profit after tax level. The Group's operating segments are:

- **CSL Behring** – manufactures, markets, and develops plasma therapies (plasma products and recombinants), conducts early stage research on plasma and non-plasma therapies, excluding influenza, receives licence and royalty income from the commercialisation of intellectual property and undertakes the administrative and corporate function required to support the Group.
- **Seqirus** – manufactures and distributes non-plasma biotherapeutic products and develops influenza related products.

	CSL Behring US$m		Seqirus US$m		Consolidated Entity US$m	
	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020
Sales and service revenue	**4,216.1**	4,256.2	**1,591.7**	1,339.9	**5,807.8**	5,596.1
Influenza pandemic facility reservation fees	**—**	—	**82.2**	77.4	**82.2**	77.4
Royalty and license revenue	**120.6**	50.6	**—**	—	**120.6**	50.6
Other revenue/income (excluding finance income)	**19.5**	7.8	**11.1**	7.5	**30.6**	15.3
Total segment revenue	**4,356.2**	4,314.6	**1,685.0**	1,424.8	**6,041.2**	5,739.4
Segment gross profit	**2,352.5**	2,539.1	**1,096.0**	933.3	**3,448.5**	3,472.4
Segment gross profit %	**54.0%**	58.8%	**65.0%**	65.5%	**57.1%**	60.5%
Segment EBIT	**1,330.9**	1,664.6	**883.8**	693.3	**2,214.7**	2,357.9
Consolidated operating profit					**2,214.7**	2,357.9
Finance income					**0.9**	1.7
Finance costs					**(71.2)**	(108.7)
Consolidated profit before tax					**2,144.4**	2,250.9
Income tax expense					**(384.1)**	(440.9)
Consolidated net profit after tax					**1,760.3**	1,810.0
Amortisation	**32.0**	35.3	**15.2**	14.0	**47.2**	49.3
Depreciation	**187.3**	159.8	**29.7**	21.3	**217.0**	181.1
Impairment	**—**	50.0	**—**	—	**—**	50.0
Segment EBITDA	**1,550.2**	1,909.7	**928.7**	728.6	**2,478.9**	2,638.3

The Seqirus business is subject to seasonality resulting from sales for the northern hemisphere influenza vaccine season. Seqirus therefore has higher revenue and EBIT in the first half of the financial year.

	CSL Behring US$m		Seqirus US$m		Intersegment Elimination US$m		Consolidated Entity US$m	
	December 2021	June 2021	December 2021	June 2021	December 2021	June 2021	December 2021	June 2021
Segment assets	**20,113.6**	15,907.3	**3,636.0**	2,573.3	**(310.0)**	(323.7)	**23,439.6**	18,156.9
Segment liabilities	**8,105.8**	8,881.2	**1,549.6**	1,156.3	**(249.0)**	(261.9)	**9,406.4**	9,775.6

Inter-segment sales

Inter-segment sales are carried out on an arm's length basis and reflect current market prices.

Geographical areas of operation

The Group operates predominantly in Australia, the USA, Germany, the United Kingdom, Switzerland and China. The rest of the Group's operations are spread across many countries and are collectively disclosed as 'Rest of World'.

Half year ended 31 December	Australia US$m		United States US$m		Germany US$m		UK US$m		Switzerland US$m		China US$m		Rest of World US$m		Total US$m	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
External operating revenue	**525.0**	318.3	**3,032.5**	3,025.4	**412.0**	438.7	**430.4**	353.2	**131.0**	177.6	**405.2**	332.7	**1,105.1**	1,093.5	**6,041.2**	5,739.4

Note 1b: Proposed Business Acquisition

Proposed acquisition of Vifor Pharma Ltd ("Vifor Pharma")

On 13 December 2021, the Group entered into a definitive agreement to launch an all-cash public tender offer to acquire 100% of Vifor Pharma (the "Transaction"). Vifor Pharma is a global specialty pharmaceutical company with leadership in renal disease and iron deficiency, headquartered in Switzerland and listed on the Swiss Stock Exchange. The transaction is subject to regulatory and shareholder approvals and is expected to complete by 30 June 2022.

Under the terms of the transaction, which has been unanimously approved by the Board of Directors of both the Group and Vifor Pharma, the Group would acquire all publicly held Vifor Pharma shares for $179.25 per share, payable in US dollars, representing an acquisition consideration of approximately $11,700m. The transaction is expected to be funded through a fully underwritten institutional placement ("Placement"), a fully committed debt bridge facility ("Bridge Facility") and existing cash and undrawn facilities.

On 14 December 2021, the Group entered into an agreement for its Bridge Facility with an aggregate principal amount of up to $6,000m. Use of these proceeds are restricted to the Transaction and remain undrawn as at balance date (refer to Note 8). Further, on 16 December 2021, the Group successfully completed its AUD$6,300m ($4,500m) Placement, in which the Group issued approximately 23.1 million new shares at a price of AUD$273 per share, and rank equally with existing ordinary shares at their issue date (refer to Note 7). Since the end of the financial period, on 14 February 2022, the Group announced that it had completed a non-underwritten Share Purchase Plan for eligible shareholders which raised AUD$750m ($534m).

As at 31 December 2021, the Group incurred $17m in professional fees and other due diligence costs in connection with the proposed transaction that are recognised as general and administrative expenses in the statement of comprehensive income.

Note 2: Expenses

Expenses	December 2021 US$m	December 2020 US$m
Finance costs	**67.8**	79.6
Unrealised foreign currency losses on debt	**3.4**	29.1
Total finance costs	**71.2**	108.7
Depreciation and amortisation of fixed assets	**217.0**	181.1
Amortisation of intangibles	**47.2**	49.3
Impairment expenses	**—**	50.0
Total depreciation, amortisation and impairment expense	**264.2**	280.4
Write-down of inventory to net realisable value	**180.9**	80.2
Employee benefits expense	**1,354.7**	1,320.7

Recognition and measurement of expenses

Total finance costs: Includes interest expense and borrowing costs, including interest expense related to the AASB 16 Leases. Non-AASB 16 related interest expense and borrowing costs are recognised as an expense when incurred, except where finance costs are directly attributable to the acquisition or construction of a qualifying asset where they are capitalised as part of the cost of the asset. The finance costs are capitalised at the rate of interest applicable to the specific borrowings financing the qualifying assets under construction or, where financed through general borrowings, at a capitalisation rate representing the average interest rate on such borrowings. Interest-bearing liabilities and borrowings are stated at amortised cost. Any difference between the borrowing proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the borrowing period using the effective interest method. Unrealised foreign currency losses on debt is related to EUR350m and CHF400m of Senior Unsecured Notes in the US Private Placement market. The foreign currency risk related to this debt was partially hedged as a cash flow hedge.

Depreciation and amortisation: Depreciation and amortisation of fixed assets includes depreciation of fixed assets and right-of use assets.

Write-down of inventory to net realisable value: Included in cost of sales in the statement of comprehensive Income.

Goods and Services Tax (GST) and other foreign equivalents: Revenues, expenses and assets are recognised net of GST, except where GST is not recoverable from a taxation authority, in which case it is recognised as part of an asset's cost of acquisition or as part of the expense.

Note 3: Tax

	December 2021 US$m	December 2020 US$m
Reconciliation between tax expense and pre-tax net profit		
The reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before income tax	**2,144.4**	2,250.9
Income tax calculated at 30% (2020: 30%)	**643.3**	675.3
Effects of different rates of tax on overseas income	**(199.8)**	(187.6)
Research and development incentives	**(38.4)**	(30.1)
(Over)/under provision in prior year	**(35.9)**	26.3
Revaluation of deferred tax balances	**3.7**	(35.5)
Other non-deductible expenses/(non-assessable revenue)	**11.2**	(7.5)
Income tax expense	**384.1**	440.9

Note 4: Inventories

	December 2021 US$m	June 2021 US$m
Raw materials	**1,574.8**	1,309.1
Work in progress	**1,047.6**	1,249.6
Finished goods	**1,184.2**	1,221.9
Total inventories	**3,806.6**	3,780.6

Note 5: Research and Development

The Group conducts research and development activities to support future development of products to serve our patient communities, to enhance our existing products and to develop new therapies.

All costs associated with our research and development activities are expensed as incurred as uncertainty exists up until the point of regulatory approval as to whether a research and development project will be successful. At the point of approval, the total cost of development has largely been incurred. Development costs incurred after regulatory approval are expensed unless they meet the criteria to be recognised as intangible assets.

The Group also gains control of Intellectual Property through acquisitions or licence arrangements. In certain circumstances the acquired IP will be capitalised, dependant on the phase of development.

For the half year ended 31 December 2021, the research and development costs, net of recoveries, were $485.8m (2020: $427.3m).

Further information about the Group's research and development activities can be found on the CSL website.

Note 6: Property, Plant and Equipment

During the half year ended 31 December 2021, the Group acquired property, plant and equipment and right-of-use assets of $494.8m (2020: $615.4m).

In May 2020, CSL entered into a strategic partnership with Thermo Fisher Scientific ("TFS") which included a lease of a recombinant protein facility in Lengnau. The lease commenced during the half year ended 31 December 2021 and has a 20 year term with two 5 year extension options. The lease has been accounted for as an operating lease and the leased property, plant and equipment continue to be presented on the consolidated balance sheet of the Group. The total future operating lease payments receivable from TFS (excluding extension options) were $478m at 31 December 2021.

Note 7: Shareholder Returns

(a) Dividends

	Consolidated Entity	
	December 2021	December 2020
Dividend Paid	US$m	US$m
Final ordinary dividend of US$1.18 per share, 10% franked at 30% tax rate, paid on 30 September 2021 for FY21 (prior year: US$1.07 per share, unfranked, paid on 9 October 2020 for FY20)	**537.7**	484.7
Dividend determined, but not paid at the end of the half year		
Interim ordinary dividend of US$1.04 per share, unfranked, expected to be paid on 6 April 2022 for FY22, based on shares on issue at reporting date. The aggregate amount of the proposed dividend will depend on actual number of shares on issue at dividend record date (prior year: US$1.04 per share, unfranked, paid on 1 April 2021 for FY21)	**501.0**	473.0

(b) Earnings per Share

	December 2021	December 2020
Basic EPS	**US$3.85**	US$3.98
Weighted average number of ordinary shares	**456,751,255**	454,790,828
Diluted EPS	**US$3.84**	US$3.97
Adjusted weighted average number of ordinary shares, represented by:	**458,113,319**	456,195,405
Weighted average number of ordinary shares	**456,751,255**	454,790,828
Plus:		
Employee share options	—	72,398
Employee performance rights	**2,398**	90,212
Global Employee Share Plan	**21,938**	15,897
Performance and restricted share units	**1,337,728**	1,226,070

Diluted EPS differs from Basic EPS as the calculation takes into account potential ordinary shares arising from employee share schemes operated by the Group.

(c) Contributed Equity

The following table illustrates the movement in the Group's contributed equity.

	Number of shares	US$m
Opening balance at 1 July 2021	**455,125,994**	**(4,504.6)**
Shares issued to employees		
Performance Rights Plan (for nil consideration)	**8,350**	**—**
Retain and Grow Plan (for nil consideration)	**294,020**	**—**
Executive Performance & Alignment Plan (for nil consideration)	**148,615**	**—**
Global Employee Share Plan (GESP)	**94,488**	**15.7**
Shares issued through institutional placement (Note 1b)	**23,076,924**	**4,442.4**
Closing balance as at 31 December 2021	**478,748,391**	**(46.5)**

The Group's contributed equity consists of the following balances:

	December 2021	June 2021
	US$m	US$m
Ordinary shares issued and fully paid	**4,458.1**	—
Share buy-back reserve	**(4,504.6)**	(4,504.6)
Total contributed equity	**(46.5)**	(4,504.6)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Where the Group reacquires its own shares, for example as a result of a share buy-back, those shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid to acquire the shares, including any directly attributable transaction costs net of income taxes is recognised directly as a reduction in equity.

Ordinary shares receive dividends as declared and, in the event of winding up the company, participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the company.

Share buy-backs were undertaken at higher prices than the original subscription prices which had reduced the historical balance for ordinary share contributed equity to nil. The share buy-back reserve was created to reflect the excess value of shares bought over the original amount of subscribed capital.

Note 8: Financial Instruments

For the half year ended 31 December 2021, the Group received gross proceeds from the Group's bank facilities borrowings of $79.8m. Repayments totalling $333.0m were primarily under the Group's bank facilities and AASB16 lease arrangements. The difference between the cash flow statement movement and the movement in interest bearing liabilities on the balance sheet is attributable to exchange rate variations, amortisation of borrowing costs and lease liability movements.

As at balance date, the Group had $1,555.2m (June 2021: $1,546.8m) in undrawn liquidity available under its bank debt facilities and $750.0m (June 2021: $750.0m) under the commercial paper program. In addition, the Group has $6,000m in undrawn liquidity obtained in connection with the proposed acquisition of Vifor Pharma (refer to Note 1b).

Included in the interest-bearing liabilities and borrowings as at 31 December 2021 were AASB 16 lease liabilities of $1,187.1m (June 2021: $1,182.4m).

Note 9: Commitments and Contingencies

(a) Capital Commitments

Commitments in relation to capital expenditure contracted but not provided for in the financial statements are payable as follows:

	December 2021 US$m	June 2021 US$m
Not later than one year	**463.3**	**520.0**
Later than one year but not later than five years	**14.5**	**24.3**
Total	**477.8**	**544.3**

(b) Contingent assets and liabilities

Litigation

In the ordinary course of business, the Group is exposed to contingent liabilities in related to litigation for breach of contract and other claims. Contingent liabilities are disclosed when the possibility of a future settlement of economic benefits is considered to be less than probable but more likely than remote. If the expected settlement of the liability becomes probable, a provision is recognised.

Other contingent assets and liabilities

The Group has entered into collaboration arrangements, including in-licensing arrangements with various companies. Such collaboration agreements may require the Group to make payments on achievement of stages of development, launch or revenue milestones and may include variable payments that are based on unit sales (e.g. royalty payments). The amount of royalties payable under the arrangements is inherently uncertain and difficult to predict, given the direct link to future sales and the range of outcomes. The maximum amount of unrecognised potential future commitments for such payments associated with uniQure and Momenta licensing arrangements amount to $2,105.0m (June 2021: $2,105.0m). These amounts are undiscounted and are not risk-adjusted, which include all such possible payments that can arise assuming all products currently in development are successful and all possible performance objectives are met.

Note 10: Cash and Cash Equivalents

	December 2021 US$m	June 2021 US$m
Reconciliation of cash and cash equivalents		
Cash at bank and on hand	**1,220.1**	1,426.0
Cash deposits	**5,114.2**	382.8
Total cash and cash equivalents	**6,334.3**	1,808.8

Note 11: Subsequent Events

Other than as disclosed elsewhere in these statements, there are no matters or circumstances which have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, results of those operations or the state of affairs of the Group in subsequent financial years.

Directors' Declaration

In the opinion of the Directors:

a) the financial statements and notes of the company and of the Group are in accordance with the Corporations Act 2001 (Cth), including:

   i. giving a true and fair view of the company's and Group's financial position as at 31 December 2021 and of their performance for the half year ended on that date of the consolidated entity; and

   ii. complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Dr Brian McNamee AO
Chair

Paul Perreault
Managing Director and Chief Executive Officer

Melbourne

15 February 2022

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Independent auditor's review report to the members of CSL Limited

Conclusion

We have reviewed the accompanying half-year financial report of CSL Limited (the Company) and its subsidiaries (collectively the Group), which comprises the Consolidated Balance Sheet as at 31 December 2021, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Kylie Bodenham
Partner
Melbourne
15 February 2022