



ASX Announcement

For immediate release

19 August 2020

CSL Delivers a Full Year Net Profit of over \$2.1 Billion¹

CSL delivered another strong year, with reported net profit after tax of \$2,103 million, up 17% at CC² and revenue up 9% at CC², reflecting;

- Solid growth in the immunoglobulin portfolio
- Successful evolution of haemophilia portfolio, driven by IDELVION[®]
- Transition to own distribution model in China
- Delivery on product differentiation strategy with strong profit growth for Seqirus
- No material revenue impact to-date resulting from the COVID-19 pandemic, however, the situation is fluid and some elements are unpredictable
- Earnings per share \$4.63, up 17% at CC²
- Final dividend³ of US\$1.07 per share (approximately A\$1.48)
 - Total full year dividend increased to US\$2.02 per share, up 9%
 - Converted to Australian currency, the total full year dividend is approximately A\$2.95 per share, up 11%
- Net profit after tax for FY21 is anticipated to be in the range of approximately \$2,100 million to \$2,265 million at constant currency
 - A key variable to this outlook is the uncertain impact of COVID-19 on the Company's supply chain, particularly the ability to collect plasma
 - In response to the global pandemic, the Company urgently deployed its capabilities, competencies and assets to support the global R&D effort, and now has one vaccine partnership and four therapeutic candidates under investigation and development. Today's profit outlook takes into account this additional research and development expense

¹ All figures are expressed in US dollars unless otherwise stated.

² Constant currency (CC) removes the impact of exchange rate movements, facilitating comparability of operational performance. For further detail please refer to CSL's Financial Statements for the Full Year ended June 2020 (Directors' Report).

³ For shareholders with an Australian registered address, the final dividend of US\$1.07 per share (approximately A\$1.48) will be unfranked for Australian tax purposes and paid on 9 October 2020. For shareholders with a New Zealand registered address, the final dividend of US\$1.07 per share (approximately NZ\$1.63) will be paid on 9 October 2020. The exchange rates will be fixed at the record date of 11 September 2020. All other shareholders will be paid in US\$. CSL also offers shareholders the opportunity to receive dividend payments in US\$ by direct credit to a US bank account.



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CSL Limited (ASX:CSL; USOTC:CSLLY) today announced a reported net profit after tax of \$2,103 million for the 12 months ended 30 June 2020, up 10%, or 17% on a constant currency (CC²) basis.

Mr Paul Perreault, CSL's Chief Executive Officer and Managing Director said, "I am pleased to report an exceptional result against a backdrop of complex and unexpected challenges brought about by the COVID-19 pandemic."

"Our largest franchise, the immunoglobulin portfolio performed extremely well, with PRIVIGEN[®] sales growing 20%² and HIZENTRA[®] sales up 34%². Underpinning this growth has been continued high patient demand for chronic conditions such as Primary Immune Deficiency, increased utilisation in the treatment of Secondary Immune Deficiency, together with the expanded CIDP label claim for both products. CIDP (Chronic Inflammatory Demyelinating Polyneuropathy) is a debilitating neurological disorder. HIZENTRA[®] growth has been especially strong, partly driven by increased demand for home-based treatments during the current pandemic."

"Albumin sales grew well in key markets with the planned exception of China, where we transitioned to our new direct distribution model. This transition has seen overall albumin sales decrease 36%⁴, which is in line with guidance. The China transition is now complete and will improve CSL's participation in the value chain as well as allowing us to now work directly with clinicians. The availability of albumin to patients has not been impacted and reported sales are expected to return to a more normalised level in FY21," Mr Perreault said.

"HAEGARDA[®], our therapy for patients with Hereditary Angioedema (HAE) and IDELVION[®], our therapy for Haemophilia B patients, have been transformational products and the sales growth reflects this. HAEGARDA[®] sales grew by 12%² and IDELVION[®] sales are up 25%²," Mr Perreault added.

Mr Perreault said, "When Seqirus was formed five years ago we provided long term targets for the business, which at the time was making a loss. Today, I'm very pleased to report Seqirus has delivered on strategy and exceeded those targets. Seqirus' earnings before interest and taxes grew more than 70% this year underpinned by sales of new and differentiated products - FLUCELVAX[®] and FLUAD[®]."

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OPERATIONAL HIGHLIGHTS

CSL Behring²

- PRIVIGEN[®] +20%
- HIZENTRA[®] +34%
- Albumin -36% (GSP impact⁴)
- IDELVION[®] +25%
- AFSTYLA[®] +21%
- HAEGARDA[®] +12%
- KCENTRA[®] +12%
- ZEMAIRA[®] +20%

Seqirus²

- Seasonal influenza vaccine sales up 21%
- FLUAD[®]
 - Preferred recommendations in UK and Australia
 - QIV launched in Australia and approved in USA & EU
- FLUCELVAX[®] launched in EU

Focussed Innovation

Clinical trials suspended in FY20, as a COVID-19 precaution, have recommenced

- CSL112 trial (cardiovascular disease) phase III study >9500 patients recruited
 - Futility analysis conducted; trial to continue as planned
- HIZENTRA[®] granted Orphan Drug Exclusivity for CIDP
- HIZENTRA[®] Dermatomyositis Phase III study initiated
- PRIVIGEN[®] approved for Primary Immune Deficiency (PID) & Secondary Immune Deficiency (SID) in Japan
- HAEGARDA[®] Phase III HAE study in Japan initiated
- Garadacimab (Anti-FXIIa) in HAE Phase II complete
- CSL964 Phase III study in prevention of GvHD with AAT actively recruiting
- First cell-based quadrivalent seasonal influenza vaccine FLUCELVAX[®] TETRA approved in EU
- aQIVc (cell antigen + MF59) new product development commenced
- US FDA approves AUDENZ[™] - adjuvanted cell based influenza pandemic vaccine

⁴ GSP – transition to a new business model in China

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Adjacent acquisitions

- Acquisition⁵ of license rights for Haemophilia B gene therapy program, EtranaDez
- Acquisition of Vitaeris Inc. and Clazakizumab
 - AMR (transplant rejection) study initiated

People & Culture

- CSL named in Best Employers for Diversity (Forbes)
- 27,000 employees, an increase of 8% from 2019
 - Females representing 57% of the total employee base
- Key leadership appointments:
 - Paul McKenzie – Chief Operating Officer CSL Group
 - Stephen Marlow – General Manager, Seqirus, reporting to Dr. McKenzie.
 - Andrew Nash – Chief Scientific Officer
 - Karen Neave – Chief Risk Officer
 - Independent Non-Executive Director
 - Mr Pascal Soriot - Chief Executive Officer of AstraZeneca
 - Ms Carolyn Hewson AO - 35 years' experience in the finance sector

Efficiency

- Major capital projects underway at all manufacturing sites to support future demand
- 40 new plasma collection centres opened in the US
- Implementation of new Enterprise Resource Planning (ERP) across the global network
- Strategic review of end-to-end supply logistics
 - Strategic partnership with Thermo Fisher Scientific for lease of CSL's Lengnau biotech manufacturing facility
- Direct distribution transition in China now complete

Response to COVID-19 pandemic

The COVID-19 pandemic has presented challenges for our employees, our supply chains and the collection of plasma, an essential raw material used in the production of many of our therapies. The therapies CSL produces are critical to sustaining patients' lives, and our people have been acutely focused on mitigating against the complexities the global pandemic has presented to-date.

⁵ The transaction with uniQure is subject to customary regulatory clearances before closing

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Demand for our therapies remains strong, especially for immunoglobulins and influenza vaccines. Governments around the world recognize the capabilities CSL provides to the communities it serves are essential. As a result, our plasma centers and manufacturing facilities remain open and operational to maintain the supply of these medicines.

While the situation remains highly fluid, our Company has shown itself to be resilient and responsive through an exceptionally challenging environment with decision-making navigated by our Values.

CSL has been very active in research & development, focusing our response to the global pandemic by finding adjacencies where we can leverage our capabilities, expertise and technologies. There are multiple R&D programs and partnerships aimed at fighting COVID-19, including in the areas of vaccines, monoclonal antibodies, and plasma therapies.

Financial robustness

Historically, CSL has held a conservative approach to liquidity and leverage, but to further bolster the balance sheet an additional \$750 million was raised earlier in the year via private placement. Available liquidity now stands at \$3.1 billion with a gearing ratio, measured as net debt to EBITDA of 1.5 times. Credit ratings continue at S&P A- and Moody's A3.

OUTLOOK (at FY20 exchange rates)

Commenting on CSL's outlook, Mr. Perreault said, "Demand for CSL's plasma, recombinant and vaccine products continues to be robust.

"The COVID-19 pandemic does, however, present a challenge for the global plasma industry. The collection of plasma has been adversely impacted in the past few months as communities respond to shelter-in-place orders, extended lockdowns and other government actions. To mitigate this, we have a number of initiatives in place to sustain plasma collections. It is our view that, at some point, the pandemic will recede and, with that in mind, we continue to invest in plasma collection and manufacturing facilities as well as our hallmark research and development programs."

"Seqirus is expected to continue to perform well and deliver another strong profitable year. Governments around the world want to protect their populations from the potential

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co-infection of influenza and COVID-19. This, together with Seqirus' differentiated products, underpins this expectation.”

“CSL's net profit after tax for FY21 is anticipated to be in the range of approximately \$2,100 million to \$2,265 million at constant currency, representing growth over FY20 of up to 8%.” Mr. Perreault concluded.

In compiling the company's financial forecasts for FY21, a number of key variables that may have a significant impact on guidance have been identified and these have been included in the footnote⁶ below.

FURTHER INFORMATION

Additional details about CSL's results are included in the company's 4E statement, investor presentation slides and webcast, all of which can be found on CSL's website www.csl.com. A glossary of medical terms can also be found on the website. For further information, please contact:

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⁶ Key variables that could cause actual results to differ materially include: the success and timing 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; ability to collect plasma; 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 and divestitures; research collaborations; litigation or government investigations; and CSL's ability to protect its patents and other intellectual property.

Group Results

Full year ended June US\$ Millions	Jun 2019 Reported	Jun 2020 Reported	Jun 2020 at CC ⁷	Change %
Sales	8,205	8,797	8,938	9%
Other Revenue / Income	334	354	357	
Total Revenue / Income	8,539	9,151	9,295	9%
Earnings before Interest, Tax, Depreciation & Amortisation	2,879	3,137	3,301	15%
Depreciation/Amortisation	(375)	(420)	(425)	
Earnings before Interest and Tax	2,504	2,717	2,877	15%
Net Interest Expense	(163)	(144)	(136)	
Tax Expense	(422)	(470)	(494)	
Net Profit after Tax	1,919	2,103	2,247	17%
Total Dividend	1.85	2.02		9%
Earnings Per Share	4.236	4.633	4.951	17%

⁷ Constant currency removes the impact of exchange rate movements to facilitate comparability of operational performance. For further details, please refer to CSL's Financial Statements for the Full Year ended June 2020 (Directors' Report).

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