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ASX Announcement

For immediate release

13 February 2019

2019 Half Year Result

Please find attached the presentation and an accompanying media release regarding CSL Limited's (ASX:CSL; USOTC:CSLLY) 2019 Half Year Results.

A briefing for investors and analysts will be held today commencing at 11am Australian Eastern Daylight Time.

The briefing will be webcast and can be accessed in the 'Investors' section of the Company website – www.csl.com.au.

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ASX Announcement

For immediate release

13 February 2019

Half Year Result 2019¹

CSL continues to deliver double-digit profit growth against a strong comparative period, with standout performance from its Immunoglobulin, Specialty Products and Influenza Vaccines franchises.

OPERATING PERFORMANCE 1H19 V 1H18

- Reported sales revenue of \$4,505 million, up 11% at CC². Drivers include;
 - Increased usage of immunoglobulin products for chronic therapies
 - Sales of transformational Hereditary Angioedema (HAE) product, HAEGARDA[®], tripling in the period
 - Seqirus' portfolio of influenza vaccines transitioning towards higher valued Quadrivalent vaccines, and increased sales of adjuvanted influenza vaccine
- Earnings before interest and tax \$1,553 million, up 6% at CC
- Reported net profit after tax of \$1,161 million, up 10% at CC
- Earnings per share \$2.56, up 10% at CC
- Interim dividend³ \$0.85 per share, up 8%
 - Converted to Australian currency, the interim dividend is approximately \$1.20 per share, up 20%
- FY19 net profit after tax guidance now expected to be around the upper end of previously provided range of \$1,880 million to \$1,950 million at CC

CSL Limited (ASX:CSL; USOTC:CSLLY) today announces a reported net profit after tax of \$1,161 million for the six months ended 31 December 2018 up 7%, or 10% on a

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

² 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).

³ For shareholders with an Australian registered address, the interim dividend of US\$0.85 will be unfranked for Australian tax purposes and paid on 12 April 2019 in A\$ at an amount of A\$1.203175 per share (at an exchange rate of A\$1.4155/US\$1.00). For shareholders with a New Zealand registered address, dividends will be paid in NZD at an amount of NZ\$1.264205 per share (at an exchange rate of NZ\$1.4873/US\$1.00). The exchange rates used are fixed at the date of dividend determination. 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.

constant currency (CC) basis. Earnings per share grew 7%, or 10% on a constant currency basis.

Mr Paul Perreault, CSL's Chief Executive Officer and Managing Director said, "This is a solid result and particularly pleasing given it follows a very strong comparative period."

"Our immunoglobulin portfolio is performing very well, with Privigen® sales growing 17%² and Hizentra® sales growing 14%². In part, driving the growth in demand has been our new CIDP (Chronic Inflammatory demyelinating polyneuropathy – a debilitating neurological disorder) label claim for Privigen® and Hizentra®."

"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 have tripled and Idelvion® sales are up 55%²," Mr Perreault added.

"Our Seqirus influenza vaccines business is running to plan. Only three years ago it posted a full year loss of more than \$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 \$300 million," said Mr Perreault. "Under the leadership of President Gordon Naylor, the Seqirus team have done an excellent job in taking this business into profitability. After a successful 31-year career at CSL, Gordon has decided to retire from the company later this year. He will continue to lead Seqirus until his replacement is appointed. I would like to recognize and thank Gordon for his stellar leadership, outstanding contributions and loyal service to CSL since 1987."

OPERATIONAL HIGHLIGHTS

CSL Behring

- Privigen® sales up 17% & Hizentra® sales up 14%, both at CC
- IDELVION® sales up 55% at CC
- Haegarda® sales more than tripled
- Kcentra® sales up 19% at CC

Seqirus

- Seasonal influenza vaccine sales up 23% at CC
- FCC 3.0 process approved for Holly Springs, influenza cell culture facility, delivering future capacity expansion

- FLUCELVAX® real world data indicating greater effectiveness than standard egg-based quadrivalent influenza vaccine in preventing influenza-like illness in the 2017/18 season in the US
- FLUAD® (adjuvanted influenza vaccine) sales more than doubled with a record 9.8 million doses being distributed in the UK

Innovation & Development

- Subcutaneous immunoglobulin, Hizentra® (20% liquid SCIG), approved for CIDP in Australia
- 5 new products into human clinical trials
- Patient recruitment for CSL112 trial (cardiovascular disease) progressing well
- Transplant franchise continues to emerge

People & Culture

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

Efficiency

- New ERP systems
- New research facility (BIO-21) opened in Melbourne
- Major capital projects at all manufacturing sites progressing to support future demand

OUTLOOK (at FY18 exchange rates)

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

"We expect to again outpace the market in growing plasma collections. Our plan to open between 30 and 35 new collection centres this financial year is on track."

"Seqirus is tracking to plan but due to the seasonality of this business we anticipate it to post a loss in the second half of the fiscal year."

"As previously guided, CSL's net profit after tax for FY19 would be in the range of approximately \$1,880 to \$1,950 million at constant currency. We now anticipate the profit figure to be around the upper end of this range," Mr. Perreault concluded.

In compiling the company's financial forecasts for FY19, a number of key variables that may have a significant impact on guidance have been identified and these have been included in the footnote⁴ 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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⁴ 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; 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

| Half year ended Dec US\$ Millions | Dec 2017 Reported | Dec 2018 Reported | Dec 2018 at CC ⁵ | 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 | 0.79 | 0.85 | | 8% |
| Earnings Per Share | 2.40 | 2.56 | 2.64 | 10% |

⁵ 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 Half Year ended December 2018 (Directors' Report).



CSL Limited

2019 Half Year Results

13 February 2019

Paul Perreault, CEO and MD

David Lamont, CFO

LEGAL NOTICE

Forward looking statements

The materials in this presentation speak only as of the date of these materials, and include forward looking statements about CSL Limited and its related bodies corporate (CSL) financial results and estimates, business prospects and products in research, all of which involve substantial risks and uncertainties, many of which are outside the control of, and are unknown to, CSL. You can identify these forward looking statements by the fact that they use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “may,” “assume,” and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. Factors that could cause actual results to differ materially include: the success 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; 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 or divestitures; research collaborations; litigation or government investigations, and CSL’s ability to protect its patents and other intellectual property. The statements being made in this presentation do not constitute an offer to sell, or solicitation of an offer to buy, any securities of CSL.

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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

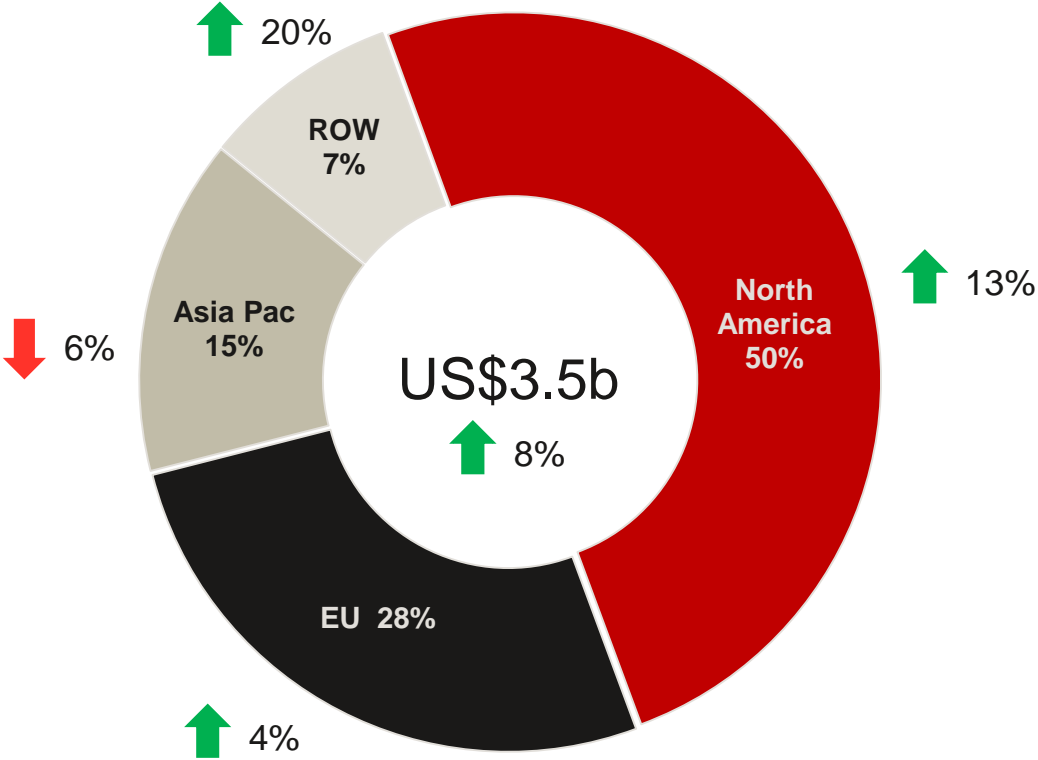
R&D Productivity

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

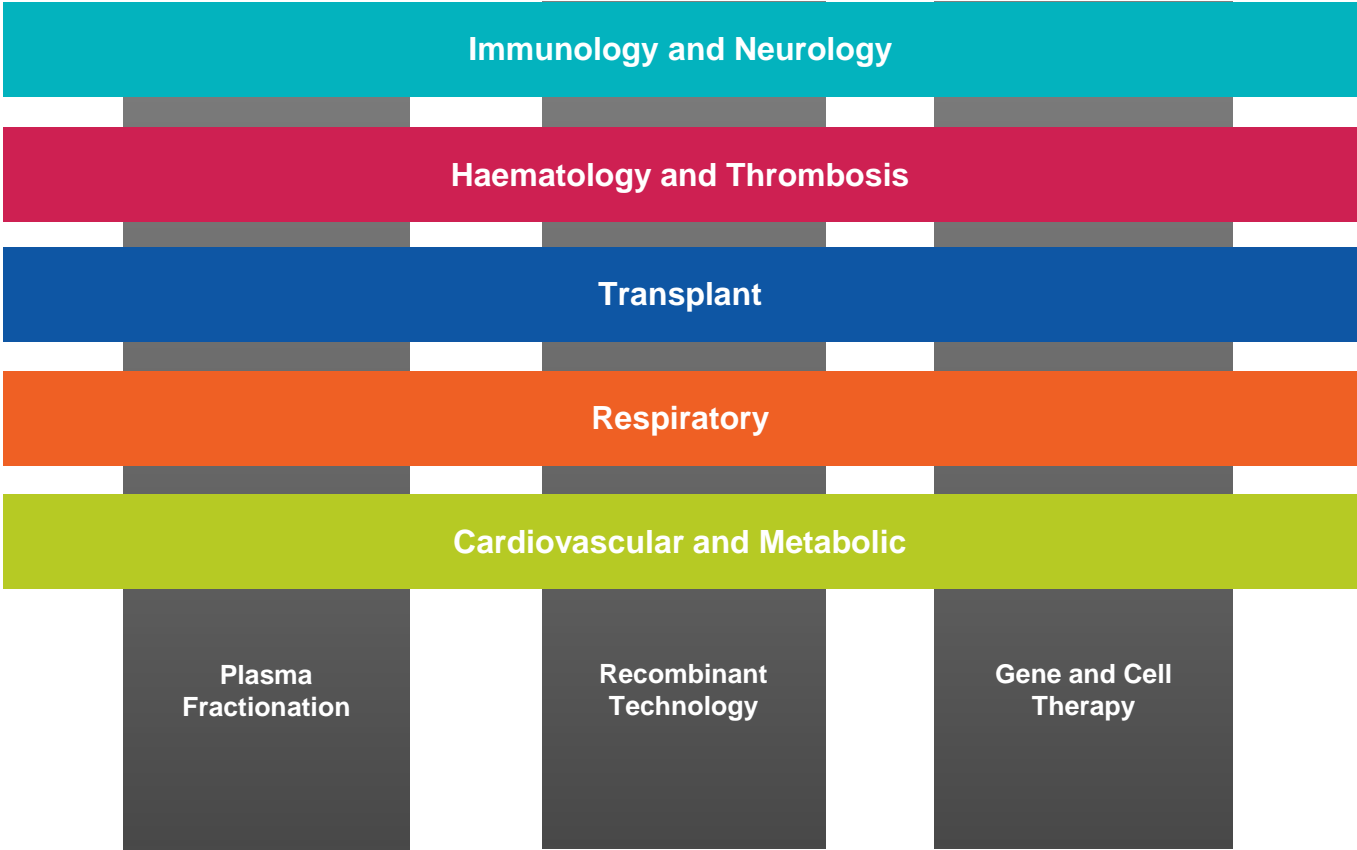
- State-of-the-art research facility opened in Melbourne
- \$46 million facility expands the footprint of the Bio21 Institute by 5,000 square metres
- Research scientists at Bio21 to double from 75 to around 150 over time

New ERP Systems

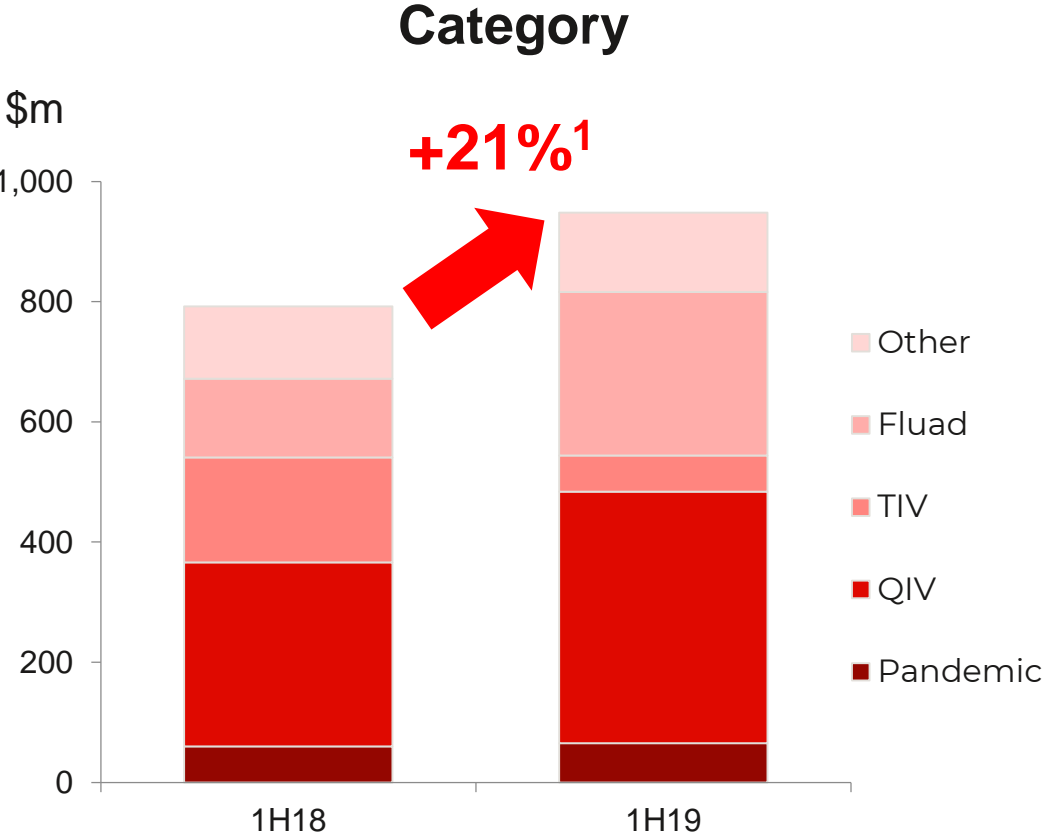
- New ERP systems being implemented across CSL Behring & Seqirus
- US/EU rollout completed
- Asia Pacific rollout underway

Innovation

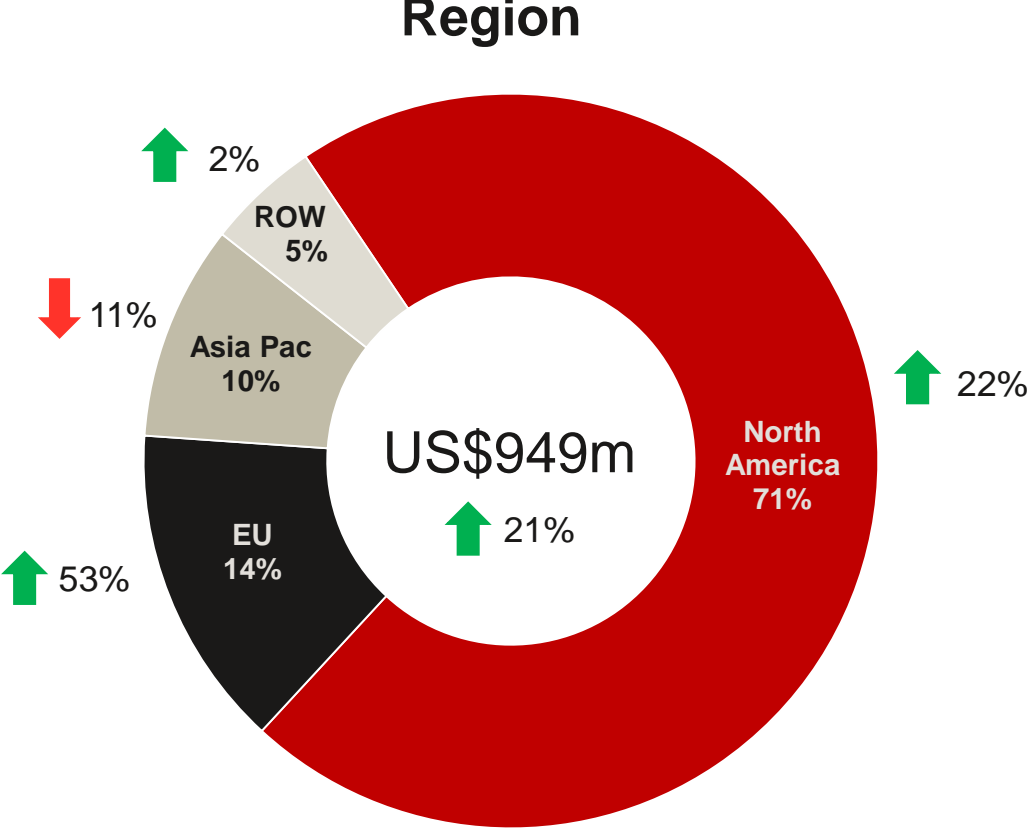
Future CSL Behring Therapeutic Area Framework



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...

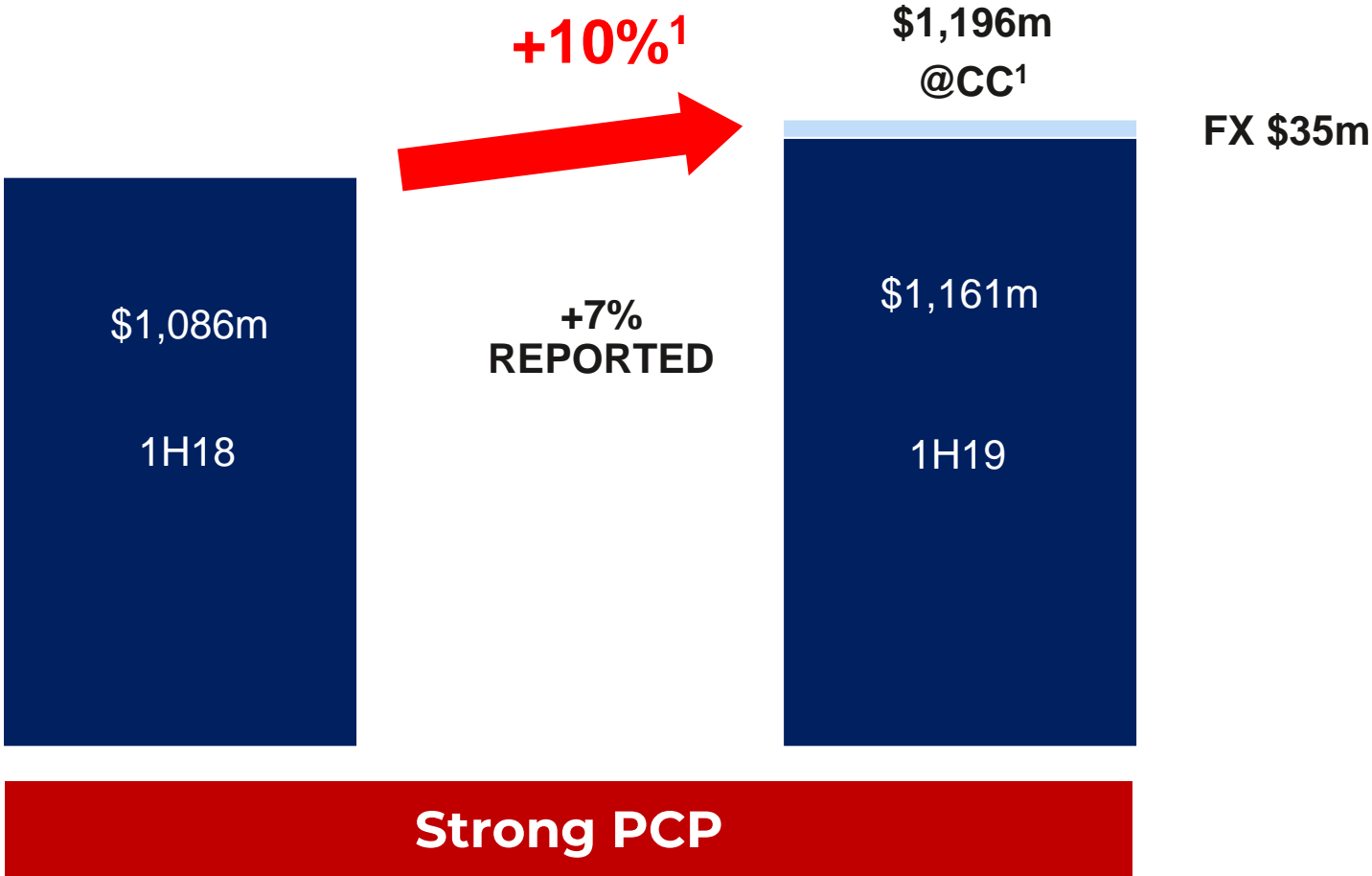
- SH 2019: FLUAD[®] preferred recommendation for 65yr+ in Australian public market
- NH 2019/20: Launch of FLUCELVAX TETRA[®] in EU
- New investment in Holly Springs fill and finish to meet growing cell-culture demand
- Liverpool fill & finish operational from SH 2021



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%.

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

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 |

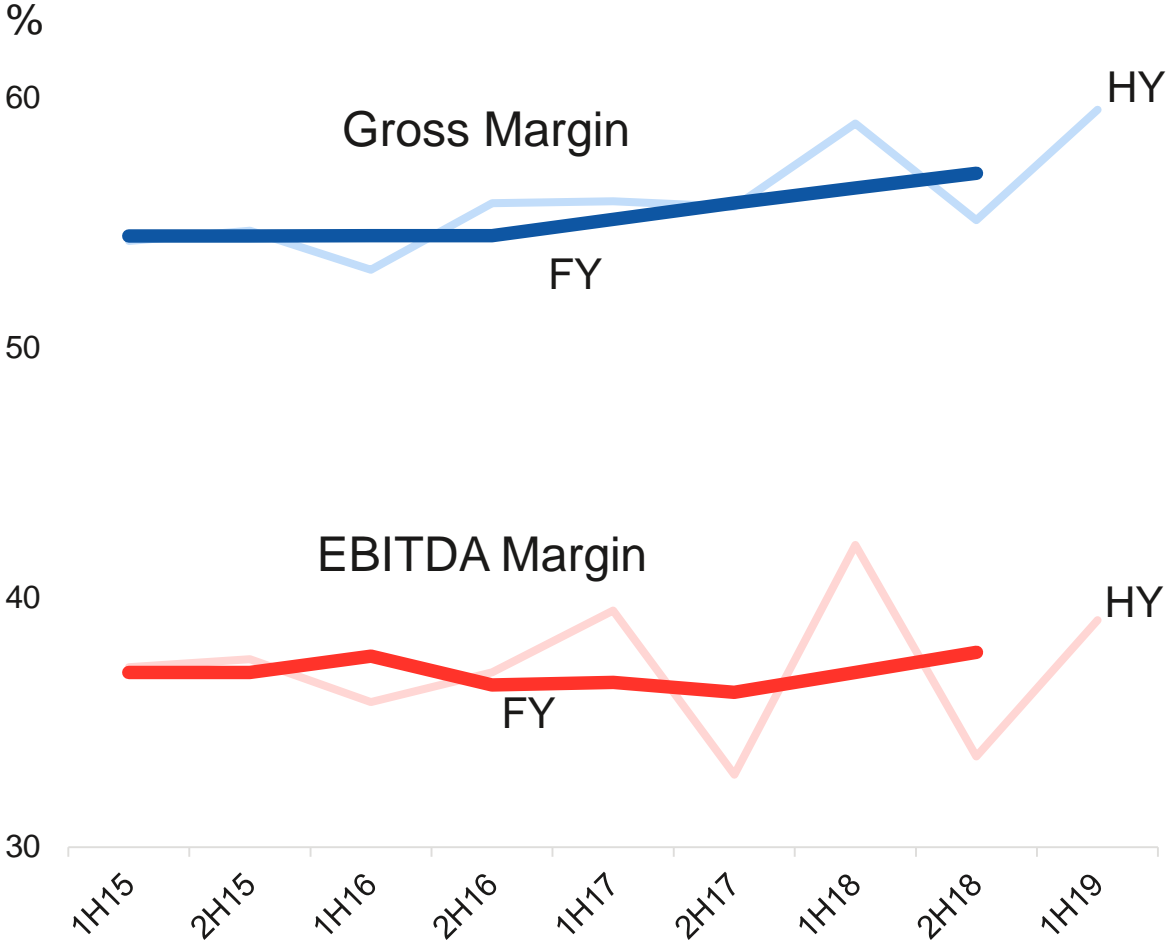
Investment in the future

- 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

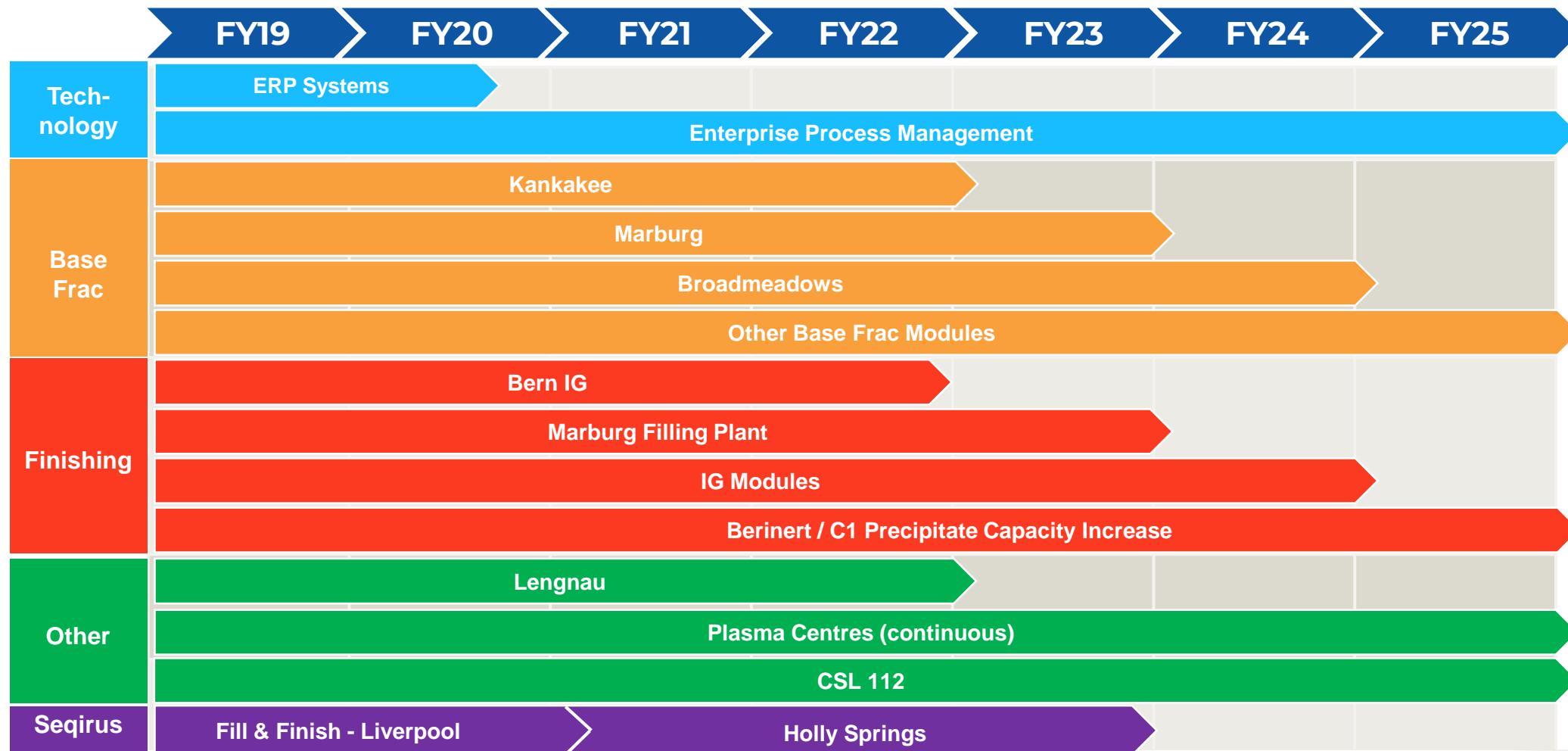


Full year margin more representative of performance

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.

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