

SAMSUNG BIOLOGICS

Earnings Release

2023 Q4

Investor Relations
24 January 2024

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Disclaimer

The financial data in this document are consolidated earnings results based on K-IFRS.

This document is preliminary and provided for the convenience of investors only, prior to the completion of the external audit of our financial results. The audit outcomes may cause some parts of this document to change.

This document contains "forward-looking statements" related to future events, which often include words such as "expects", "anticipates", "intends", "plans", "believes", "seeks" or "will ". For the sake of this context, "forward-looking statements" are matters related to the company's future business and financial performance that are subject to uncertainties such as the trends in domestic/international financial markets, including but not limited to the fluctuation in exchange rates and/or interest rates.

"Forward-looking statements" by their nature address matters that may be uncertain, which may cause our actual results to be materially different from those expressed in this document.

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Key Takeaways

2023 Financial Performance

- Record-breaking consolidated operating profit of KRW 1T
 - Consolidated : Rev. KRW 3,695 B, OP 1,114 B (OPM: 30.1%)
(+23% YoY) (+13% YoY)
 - Biologics : Rev. KRW 2,939 B, OP 1,204 B (OPM: 41.0%)
(+21% YoY) (+24% YoY)
 - Bioepis : Rev. KRW 1,020 B, OP 205 B (OPM: 20.1%)
(+8% YoY) (-11% YoY)

CDMO

- Plant 4 commenced full operations (240KL)
- Investment decision for Plant 5 (target operation in 2025)
- USD 12B cumulative contract volume, 14 top 20 big pharma clients
- New CDO service launch (S-CHOsient™, S-Glyn™, CMC Package)



Key Highlights

Business Expansion

- ADC facility under construction (target operation in 2024)
- US sales offices opened for increased accessibility to clients
* New Jersey & Boston
- Continued investments through Life Science Fund:
 - Araris Biotech (Apr.), AimedBio (Sep.)

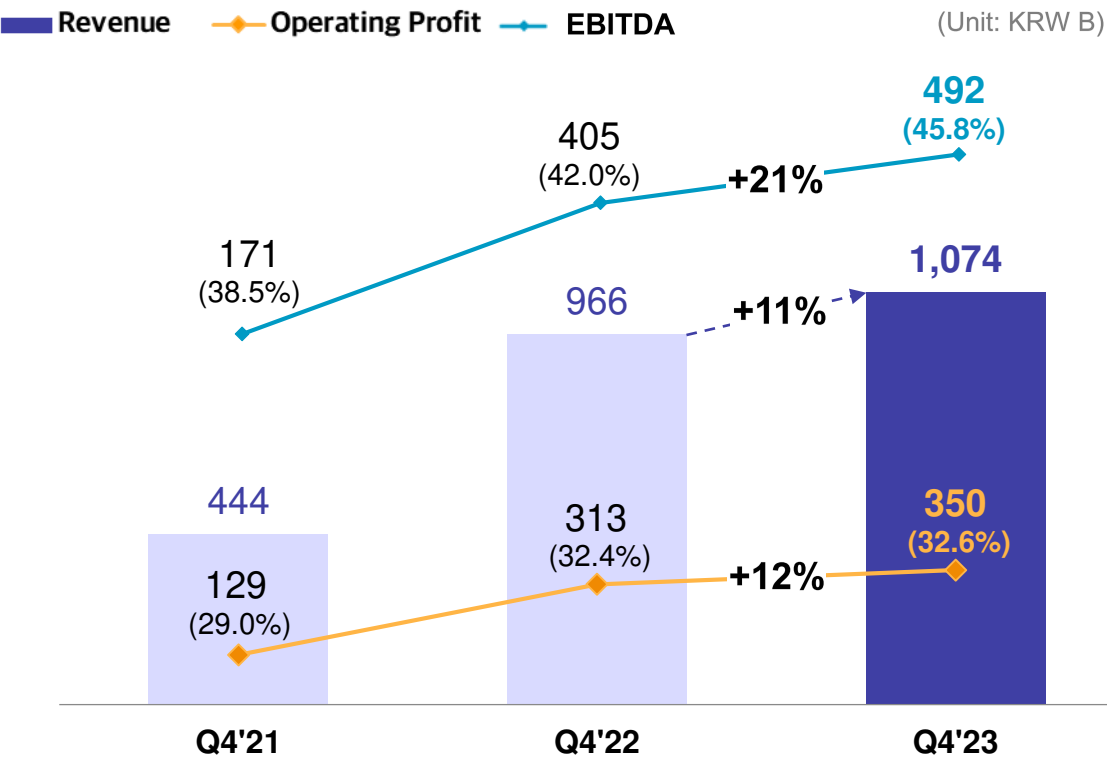
Biosimilar

- bSoliris (SB12) : EU launch in July with direct marketing
- bHumira (SB5) : Expansion of formulary coverage in US
- bStelara (SB17) : Sandoz to commercialize in US, EU, Canada
- bLucentis (SB11) : Approved as interchangeable by FDA

Financial Performance (Consolidated)

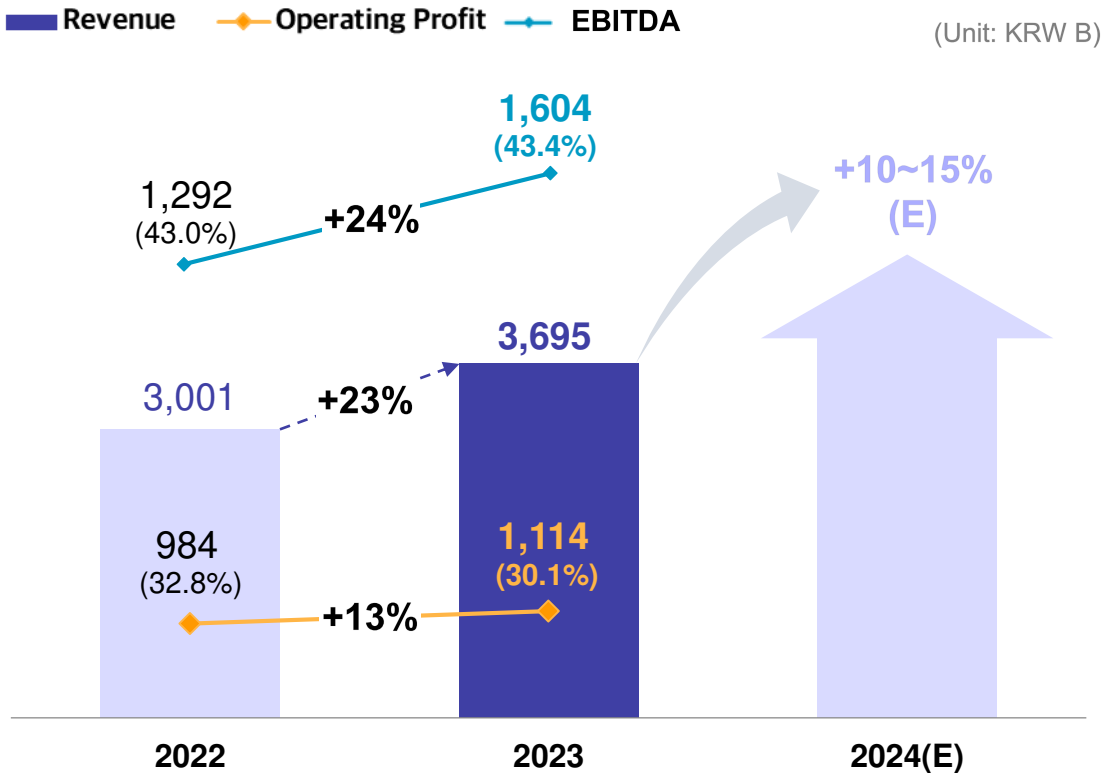
- 2023 : Recorded KRW 3.7 T (YoY+23%) in revenue with record high operating profit surpassing KRW 1T (YoY +13%)
- 2024 : Solid growth with steady business expansion leading to expected revenue growth at +10 ~ 15% YoY

Quarterly



※ Samsung Bioepis : Financially consolidated since Q2'22

Annual

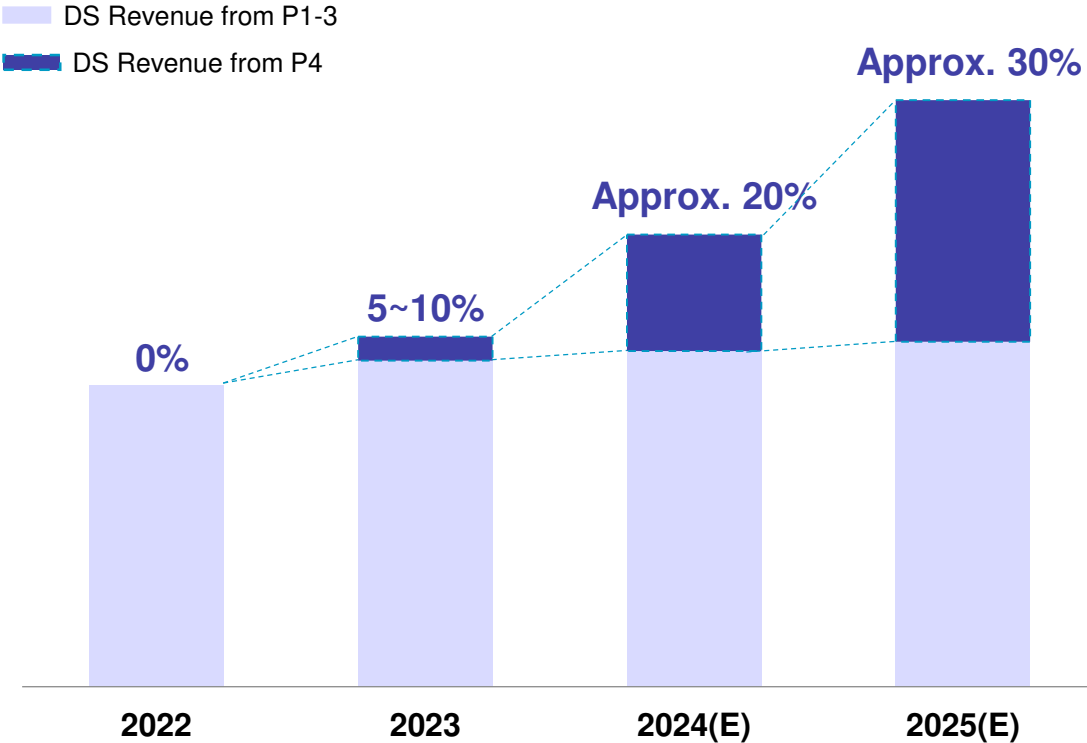


※ Samsung Bioepis : Financially consolidated since Q2'22

Plant 4 Revenue Contribution

- New plant contribution to be slow in the initial ramp-up phase and accelerate towards the commercial manufacturing stage
- 60KL revenue contribution gradually increasing beginning 2H'23
- 180KL contribution to speed up towards the end of 2024

P4 Contribution Trend



* Same exchange rate applied to 2024 and 2025

P4 Contribution Forecast

- 60KL and 180KL commenced operations starting October 2022 and June 2023, respectively
- Ramp-up phase involves TT, ER, and PPQ stages which takes approximately 1.5 ~ 2 years
- Commercial manufacturing begins upon approval from regulatory authorities
- Revenue contribution from P4 to DS CMO revenue expected to reach approximately 30% in 2025

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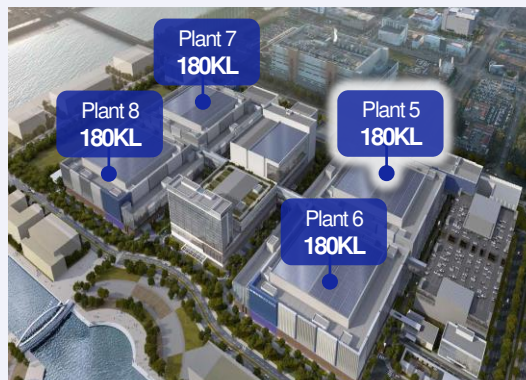
Key Highlights 2023: Samsung Biologics

P4 Fully Online (240KL)



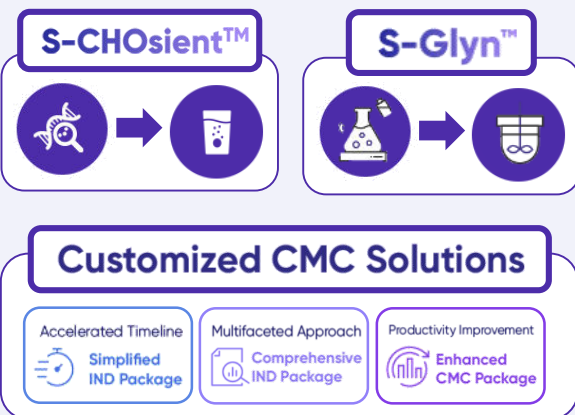
- **[Ph I] 60KL** (Oct. 2022)
 - Revenue contribution from successful ramp-up
- **[Ph II] 180KL** (Jun. 2023)
 - Ramp-up progressing smoothly according to plan

P5 Construction



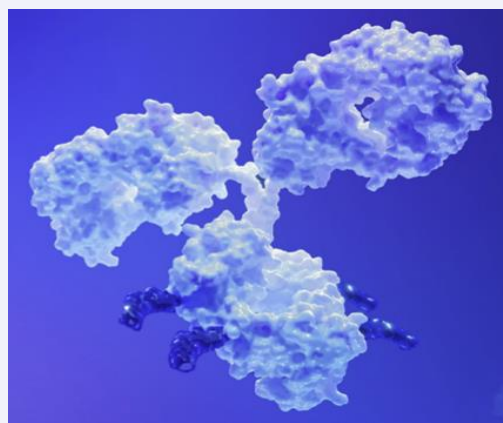
- **Groundbreaking of the 1st plant in newly-acquired BioCampus II** (Apr. '23)
- **In progress with accelerated timeline** (Sep. '25 → Apr. '25)
 - Operation planned in 24 months from groundbreaking

New CDO Services



- **Launch of client-centric services**
 - S-CHOsient™
Platform for early generation of molecule of interest before develop-ability test
 - S-Glyn™
Development platform for N-Glycan investigation
 - Customized CMC solution

Business Diversification

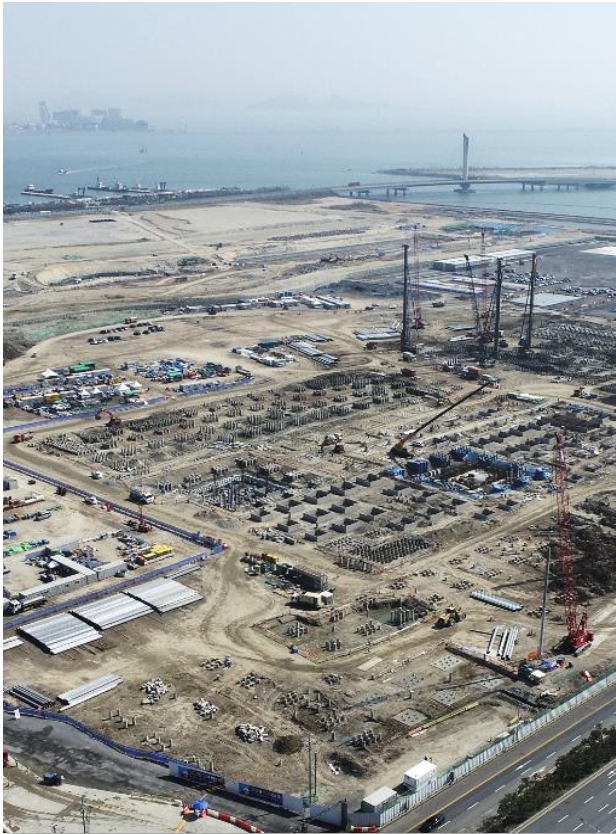


- **Expansion into ADC**
 - ADC facility targeting 2024 operations
 - Investment in tech. through LS Fund
 - ①  **araris** (Apr. '23)
 - ②  **AIMEDBIO** (Sep. '23)
- **Opening of US sales office for greater accessibility to clients**

Plant 5 Progress

- Unprecedented pace of construction to timely meet the solid demand of the industry
- Accelerating lead time by 5 months to bring capacity online within just 24 months from groundbreaking

Apr. 2023 (Groundbreaking)



Aug. 2023 (4 months after)



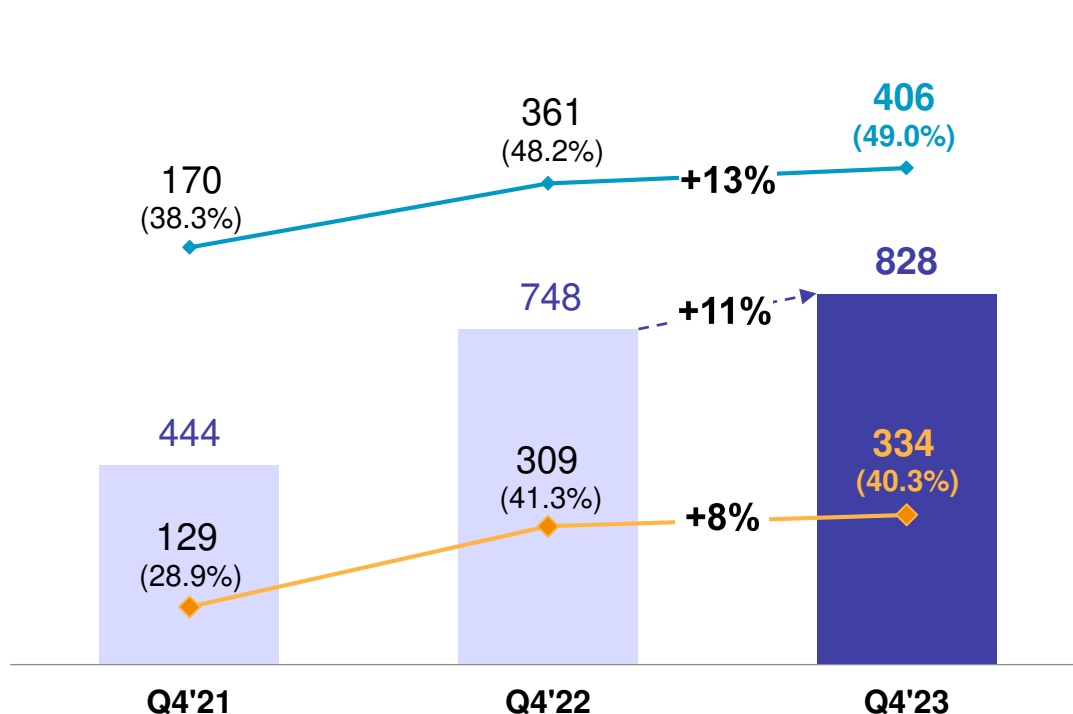
Dec. 2023 (8 months after)



- 2023 : Generated revenue nearing KRW 3T and record high operating profit exceeding KRW 1T
- 2024 : Fully utilized P1~3, continued operational efficiency, and revenue contribution from P4 ramp-up to drive growth

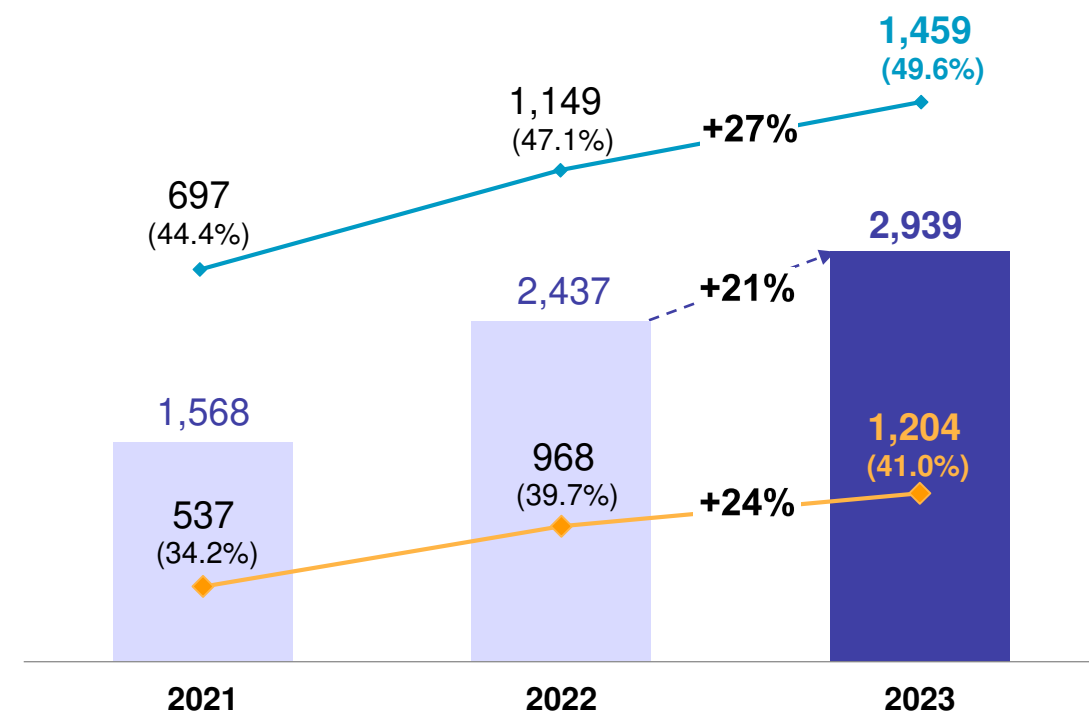
Quarterly

Revenue Operating Profit EBITDA (Unit: KRW B)



Annual

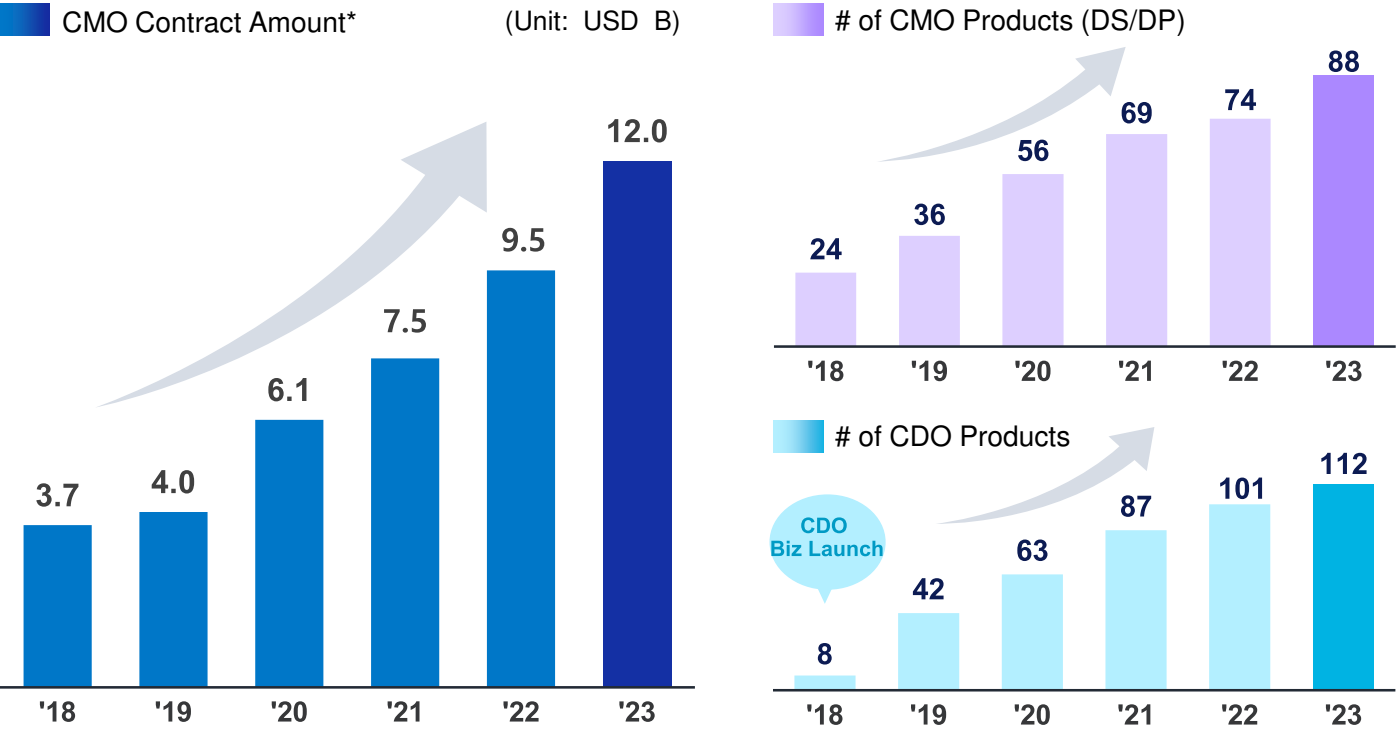
Revenue Operating Profit EBITDA (Unit: KRW B)



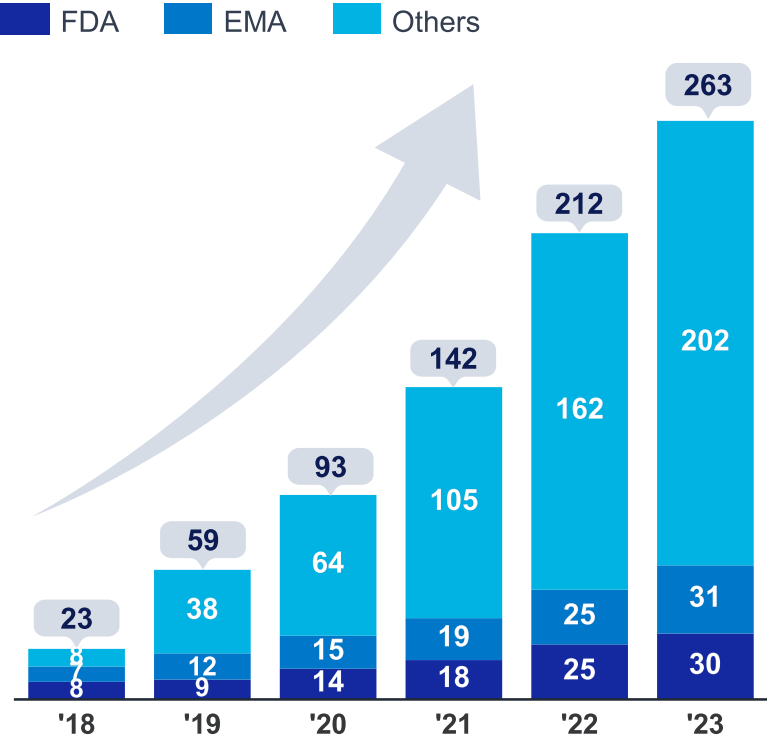
Contract and Approval Status

- Record high contract volume: multiple mega deals with global big pharmas including Pfizer, Novartis, GSK, BMS etc.
- Number of global top 20 pharma clients reached 14 in 2023 from 12 in 2022

Contract Status (Cumulative)



CMO Approval (Cumulative)



* The total contract amount includes undisclosed new contracts and revised contracts

SAMSUNG BIOEPIS

Key Highlights 2023: Samsung Bioepis

bHumira (SB5)

HADLIMA™

- US launch with low WAC strategy
* Wholesale Acquisition Cost
 ⇒ No.1 M/S among biosimilars (Dec.)
- sBLA for interchangeability accepted by FDA
- Revenue growth to accelerate in '25

bSoliris (SB12)

Epysqli™

- EU launch with direct marketing
- Successful bidding in major markets
* Germany, Italy, France, Spain, Netherland etc.
- No.1 M/S among biosimilars in Germany and Italy

bLucentis (SB11)

Byooviz™

- Market expansion into Germany, UK, and Canada
- Interchangeability status granted by FDA (Oct.)
- PFS usability study completed (Dec.)

bStelara (SB17)

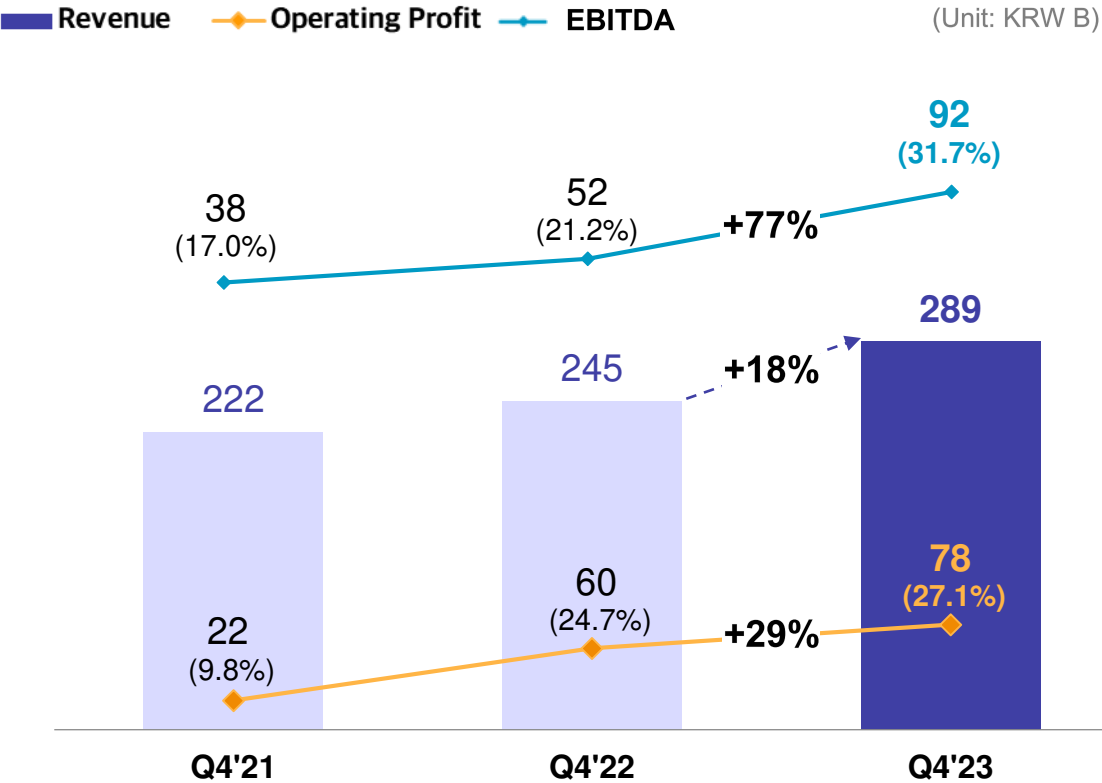
SANDOZ

- Collaboration with Sandoz to commercialize SB17 in US, EU, and Canada (Sep.)
- Milestone revenue expected followed by approval in '24

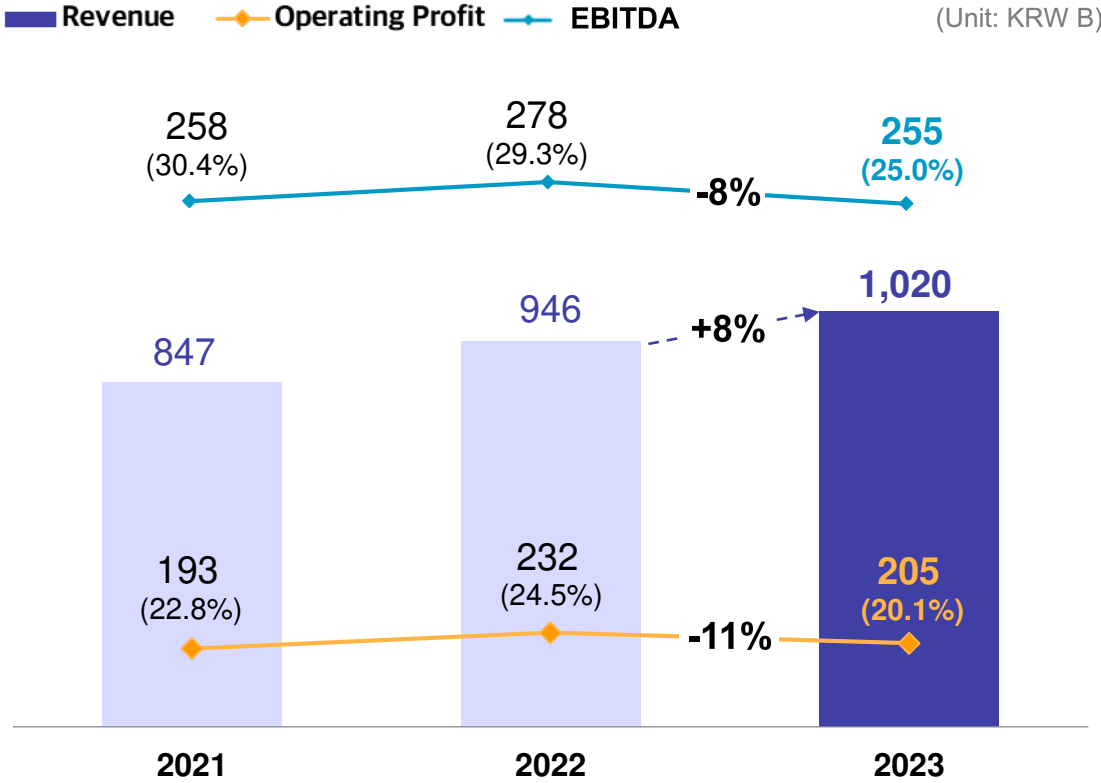
SAMSUNG BIOEPIS

- 2023 : Revenue grew 8% from sales expansion and new product launches reaching record high sales revenue surpassing KRW 1T for the first time
- 2024 : Revenue and operating profit to grow from milestone payments and sales expansions

Quarterly

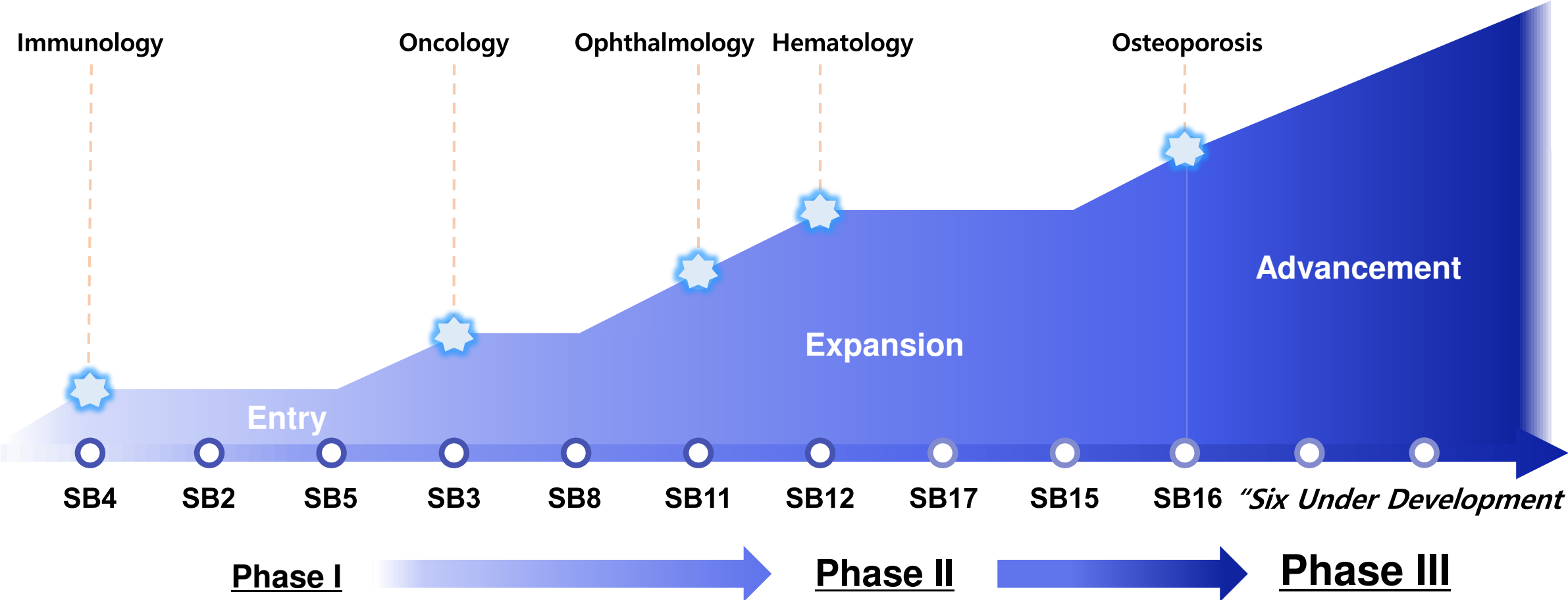


Annual



Biosimilar Pipeline

- 3 products in pipeline (SB 15 · 16 · 17) preparing for launch
- 6 additional undisclosed products under development



SUSTAINABLE MANAGEMENT

Key Achievements and Next Steps

Achievements

Presidential Award for sustainability management



- Hosted by Korea's MOTIE* and the Ministry of SMEs and Startups, received the highest Presidential Award for sustainability Mgmt.
 - Recognized for achievements in E/S/G
- *Ministry of Trade, Industry, and Energy*

Named to DJSI World / A+ KCGS Rating



- Named to DJSI World, world's most reliable benchmark to evaluate, for 3 consecutive years (highest rating of top 1% in the life science service sector)



- Obtained A+ rating, top 1.8% in ESG assessment hosted by KCGS



- Earned Platinum rating from Ecovadis, an institute evaluates company's performances related to sustainability, now making SBL the top 1% of more than 100,000 companies

2023 Supplier ESG Day



- Hosted Supplier ESG Day to share ESG strategies, strengthen partnership and encourage ESG management of supply chains by sharing successful case studies

TCFD Report Release



- Released the 2nd TCFD Report and shared Net Zero strategy and progress in detail in order to reinforce communications with shareholders in relation to climate-change

Lead Independent Director

- Appointed lead independent director to optimize effectiveness and independence of BoD

Global Engagement



Chairing
Supply Chains
Working Group

Next Steps '24

Prepare for
ESG disclosure
and improve
ESG management

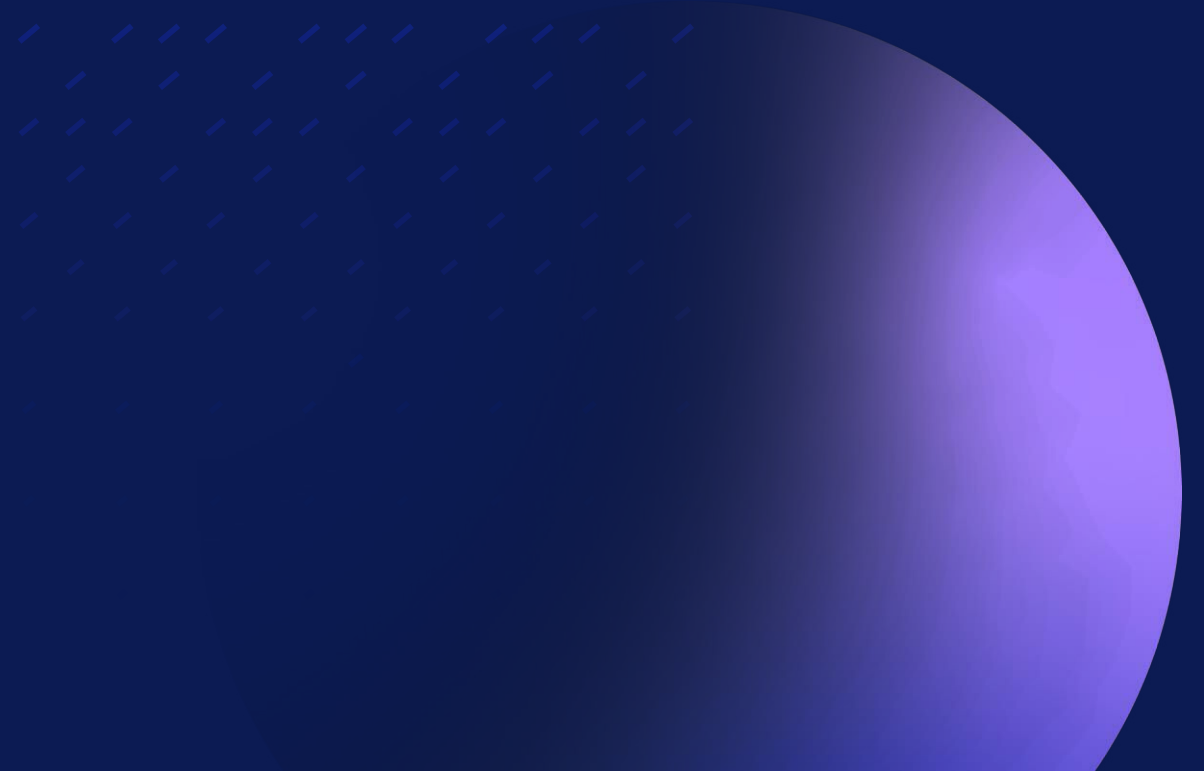


Achieve '24 ESG
targets such as
greenhouse gas
reduction



Achieve '24 ESG
targets such as
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reduction

APPENDIX



Summary of P&L Statement (Quarterly)

(Unit : KRW B)	Q4'22			Q4'23			YoY (Cons.)
	Biologics	Bioepis	Cons.	Biologics	Bioepis	Cons.	
Revenue	748	245	966	828	289	1,074	+108 (+11.2%)
Gross Profit	370	151	464	428	166	531	+67
SG&A	61	91	152	94	88	181	+29
Operating Profit	309	60	313	334	78	350	+37 (+11.9%)
Pre-tax Profit	424	30	398	352	67	356	-42
Net Profit	314	71	370	287	69	291	-79
EBITDA	361	52	405	406	92	492	+87 (+21.4%)
EBITDA Margin	48.2%	21.2%	42.0%	49.0%	31.7%	45.8%	+3.8%p

※ Samsung Bioepis : Financially consolidated since Q2'22

Summary of P&L Statement (Annual)

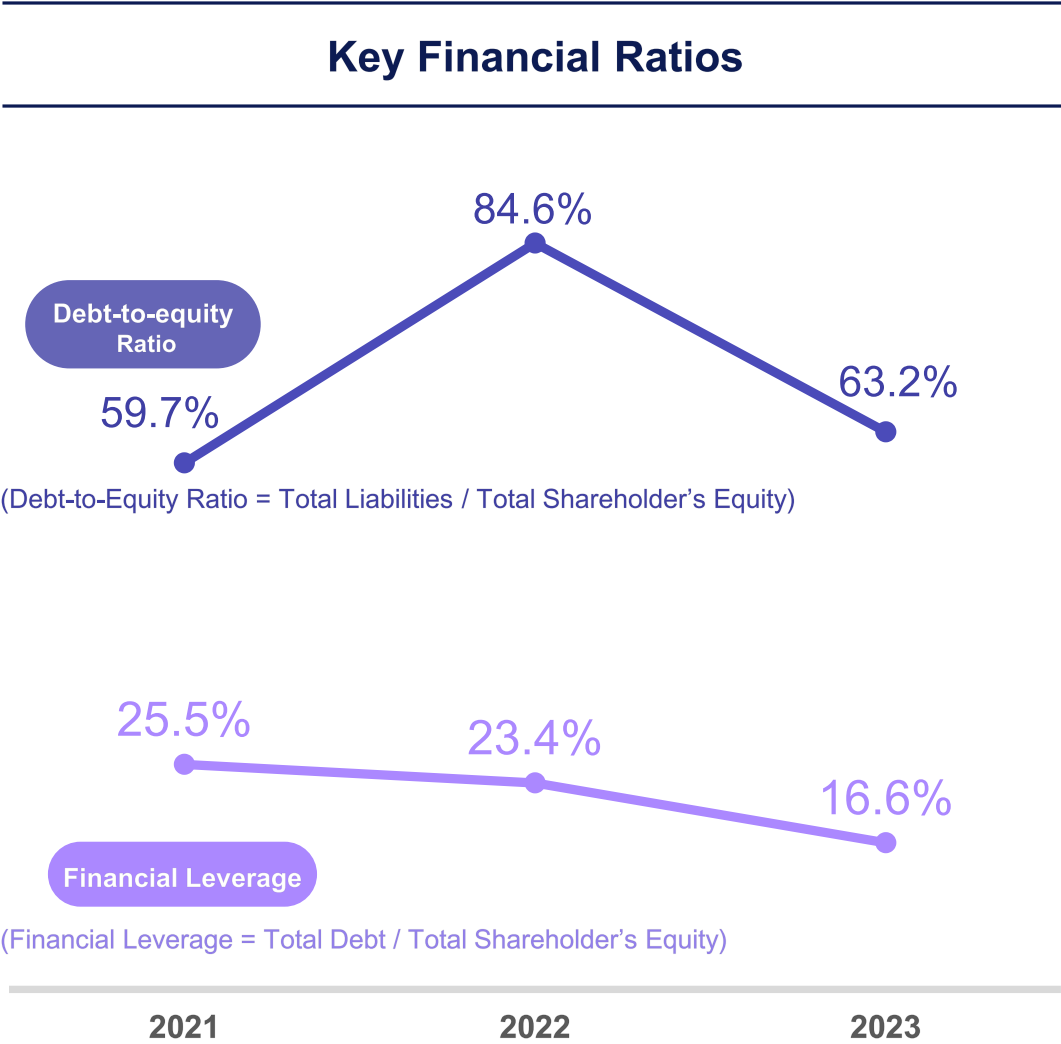
(Unit : KRW B)	2022			2023			YoY (Cons.)
	Biologics	Bioepis	Cons.	Biologics	Bioepis	Cons.	
Revenue	2,437	946	3,001	2,939	1,020	3,695	+694 (+23.1%)
Gross Profit	1,200	581	1,468	1,490	612	1,803	+335
SG&A	232	349	485	286	407	689	+204
Operating Profit	968	232	984	1,204	205	1,114	+130 (+13.2%)
Pre-tax Profit	923	213	1,009	1,224	188	1,120	+111
Net Profit	687	218	798	946	181	858	+60
EBITDA	1,149	278	1,292	1,459	255	1,604	+312 (+24.1%)
EBITDA Margin	47.1%	29.3%	43.0%	49.6%	25.0%	43.4%	+0.4%p

※ Samsung Bioepis : Financially consolidated since Q2'22

Summary of Balance Sheet (Consolidated)

(Unit : KRW B)	2021	2022	2023
Assets	7,970	16,582	16,046
Current Assets	2,823	6,458	5,522
Cash and Cash Equiv. *	1,348	3,158	2,018
Non-current Assets	5,147	10,124	10,524
Liabilities	2,979	7,598	6,216
Current Liabilities	1,107	4,182	4,158
Non-current Liabilities	1,872	3,416	2,058
Total Term Debt	1,275	2,104	1,628
Shareholder's Equity	4,991	8,985	9,831
Common Stock	165	178	178
Capital Surplus	2,487	5,663	5,663
Retained Earnings	2,347	3,146	4,003
Others	(9)	(2)	(14)

* Cash Equivalents include investments that can be readily converted into cash



※ Samsung Bioepis : Financial statements for 2021 applied equity method while consolidation method was applied for 2022 and 2023

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THANK YOU

