

2020. 3Q

YUHAN
Investor Relations

Morgan Stanley
Virtual Korea Healthcare Forum

Corporate Profile

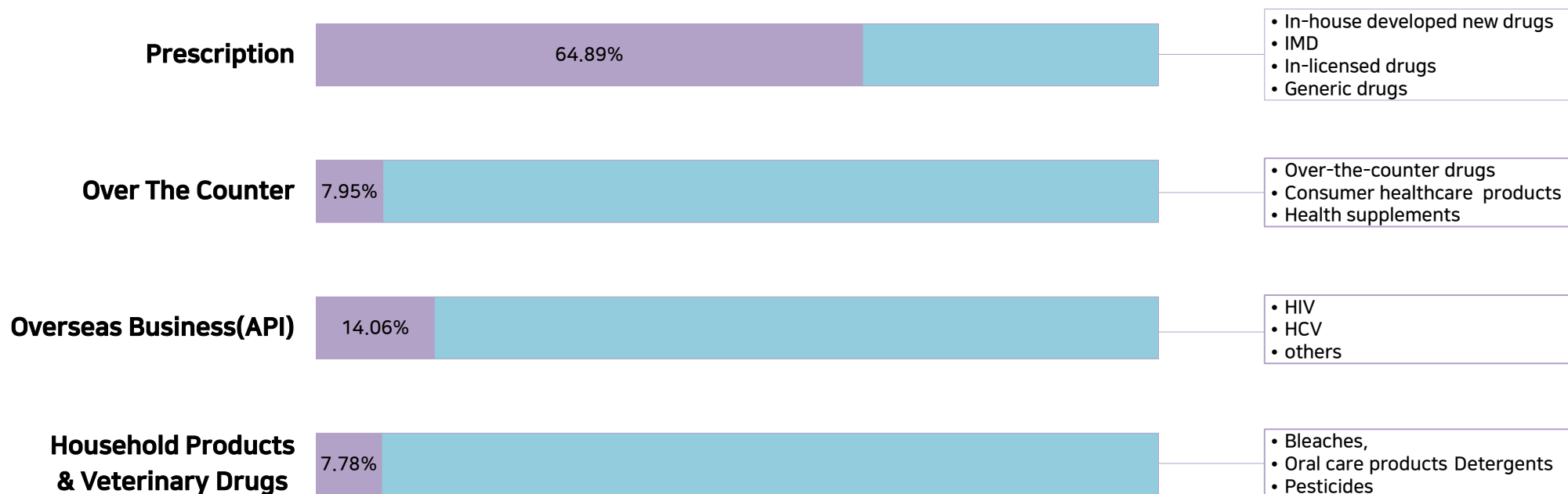


Profile

Date of foundation	20 June 1926
Date of IPO	1 November 1962
Founder	Il Han New
Major shareholder	Yuhan Foundation (15.56%)
Number of employees	1,832 (As of the end of 2Q, 2020)
Headquarter location	Dongjak-gu Seoul Korea
Plant location	Ochang-eup Chungwon-gu Cheongju-si Chungcheongbuk-do
Research center location	Kiheung-gu Yongin Gyeonggi
Branches	18 branches nationwide

Business Portfolio

2019 Sales : ₩1,463.3Bn (Separate financial statements)

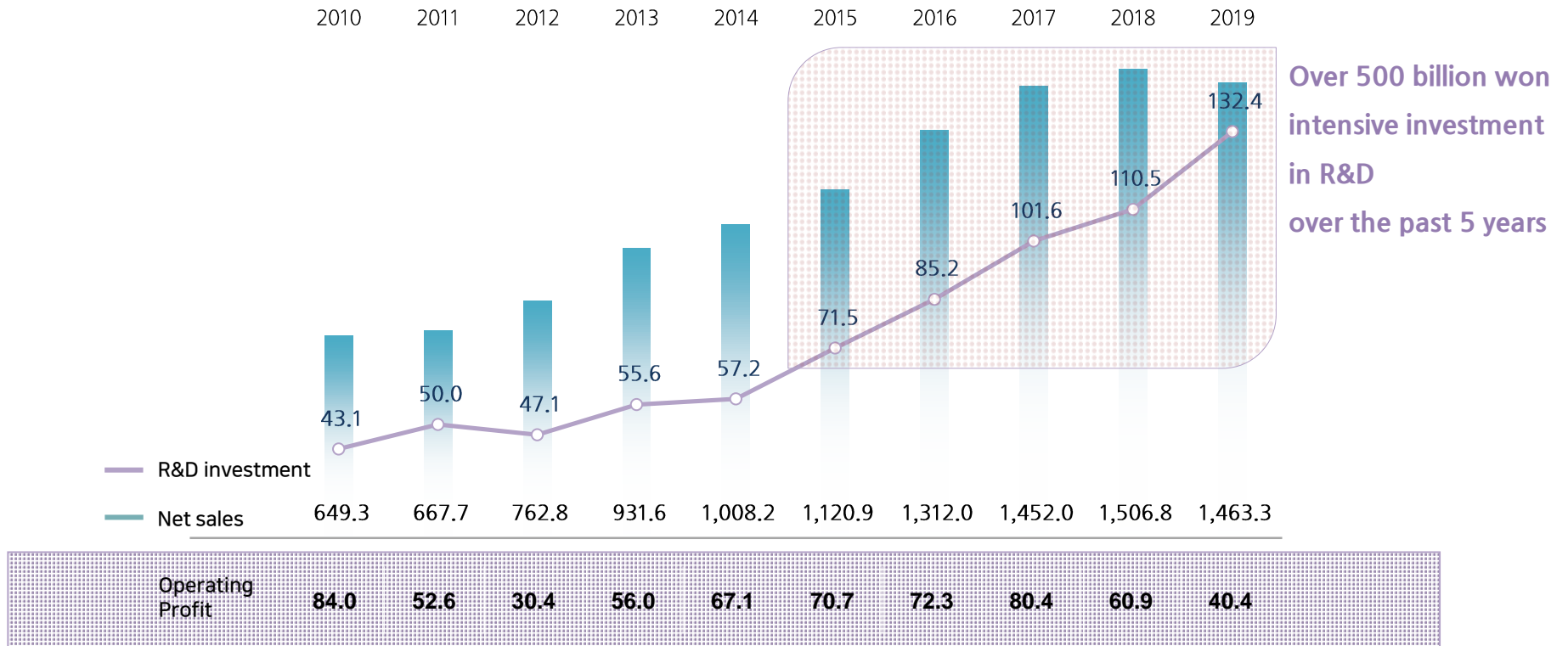


※ Special Purpose Business(Animal Healthcare, Domestic API sales) : 1.6%

※ License Income : 1.6%

※ Others(Lease & Services) : 2.1%

Performance and R&D investment in the last 10 years



※ Unit : KRW in billion, Separate financial statements

Sales/Profits _ Separate financial statements

(Unit : KRW in million)

section				2018			2019			2020 (9months)		
				Amount	Ratio	YoY	Amount	Ratio	YoY	Amount	Ratio	YoY
Pharmaceutical Business	OTC			111,871	7.4%	-4.5%	116,387	8.0%	4.0%	99,036	8.8%	13.3%
	Prescription			1,017,328	67.5%	8.1%	949,488	64.9%	-6.7%	702,243	62.2%	1.2%
	Special Purpose Business	AHC		15,634	74.9%	13.1%	17,792	1.2%	13.8%	14,598	1.3%	11.5%
		Special Purpose		5,358		7.0%	6,360	0.4%	18.7%	6,812	0.6%	52.5%
	Total			1,150,191		6.8%	1,090,027	74.5%	-5.2%	822,689	72.9%	2.9%
Household & Healthcare				105,136	8.0%	2.8%	113,867	7.8%	8.3%	114,015	10.1%	28.1%
Overseas Business				236,137	15.7%	-9.4%	205,686	14.1%	-12.9%	97,949	8.7%	-33.1%
License Income				-			23,219	1.6%		77,870	6.9%	290.8%
Others (Lease & Services)				15,302	1.0%	27.3%	30,462	2.1%	99.1%	15,942	1.4%	-31.2%
Net Sales				1,506,766	100.0%	3.8%	1,463,261	100.0%	-2.9%	1,128,465	100.0%	4.7%
Operating Profit				60,941	4.0%	-24.2%	40,361	2.8%	-33.8%	73,129	6.5%	212.3%
Profit before income tax				114,829	7.6%	-21.2%	75,359	5.2%	-34.4%	224,461	19.9%	241.3%
Net Income				81,494	5.4%	-26.4%	53,953	3.7%	-33.8%	168,728	15.0%	242.8%

* AHC : Animal Healthcare / *Special Purpose : Domestic API sales, Finished Products export

Quarterly Results _ Separate financial statements

(Unit : KRW in million)

Section		1Q 20	YoY	1Q 19	2Q 20	YoY	2Q 19	3Q 20	YoY	3Q 19	4Q 20	YoY	4Q 19
Pharmaceutical Business	OTC	29,949	3.7%	28,884	34,424	19.2%	28,891	34,663	17.1%	29,611			29,001
	Prescription	193,731	-13.3%	223,568	241,716	7.6%	224,610	266,796	8.5%	245,992			255,318
	Special Purpose Business	AHC	4,605	10.7%	4,159	5,082	6.1%	4,789	4,911	18.4%	4,148		4,696
		Special Purpose	1,789	12.3%	1,593	1,776	33.9%	1,326	3,247	109.8%	1,548		1,893
	Total	230,074	-10.9%	258,204	282,998	9.0%	259,616	309,617	10.1%	281,299			290,908
Household & Healthcare		26,956	27.4%	21,162	46,234	32.7%	34,838	40,825	23.6%	33,023			24,844
Overseas Business		24,755	-48.7%	48,275	29,497	-45.1%	53,750	43,697	-1.5%	44,352			59,309
License Income		16,917	80.4%	9,379	44,094	2279.6%	1,853	16,859	93.9%	8,695			3,292
Others (Lease & Services)		4,617	-4.5%	4,833	5,765	2.1%	5,646	5,560	-56.1%	12,677			7,306
Net Sales		303,319	-11.3%	341,853	408,588	14.9%	355,703	416,558	9.6%	380,046			385,659
R&D costs		30,122	-7.3%	32,482	46,632	38.8%	33,595	45,438	45.6%	31,200			35,121
Operating Profit		8,078	-37.0%	12,817	40,374	8993.2%	444	24,677	143.1%	10,153			16,947
Margin %		2.7%		3.7%	9.9%		0.1%	5.9%		2.7%			4.4%
Dividend Income		23,989	-19.9%	29,937	-		-	100		-			21,000
Profit before income tax		168,857	257.4%	47,247	34,542	378.4%	7,220	21,062	86.4%	11,300			9,592
Net Income		125,221	237.1%	37,151	24,149	407.8%	4,756	19,359	164.5%	7,320			4,727
Margin %		41.3%		10.9%	5.9%		1.3%	4.6%		1.9%			1.2%

Sales/Profits _ Consolidated financial statements

(Unit : KRW in million)

section			2018			2019			2020 (9months)		
			Amount	Ratio	YoY	Amount	Ratio	YoY	Amount	Ratio	YoY
Pharmaceutical Business	OTC		111,871	7.4%	-4.5%	116,387	7.9%	4.0%	99,036	8.5%	13.3%
	Prescription		1,017,328	67.0%	8.1%	949,488	64.1%	-6.7%	702,243	60.6%	1.2%
	Special Purpose Business	AHC	15,634	1.0%	13.1%	17,792	1.2%	13.8%	14,598	1.3%	11.5%
		Special Purpose	5,358	0.4%	7.0%	6,360	0.4%	18.7%	6,812	0.6%	52.5%
	Affiliate		32,490	2.1%	19.8%	38,466	2.6%	18.4%	8,129	0.7%	-63.4%
	Internal sales adjustment		-20,708			-21,397			-1,277		
	Total		1,161,973	76.5%	6.9%	1,107,096	74.8%	-4.7%	829,541	71.6%	2.6%
Household & Healthcare			105,136	6.9%	2.8%	113,867	7.7%	8.3%	114,015	9.8%	28.1%
Overseas Business	Export		236,137	15.5%	-9.4%	205,686	13.9%	-12.9%	97,949	8.5%	-33.1%
	Yuhan Chemical		188,765	12.4%	-0.8%	162,691	11.0%	-13.8%	86,727	7.5%	-25.2%
	Internal sales adjustment		-188,490			-162,667			-85,497		
	Total		236,412	15.6%	-9.4%	205,710	13.9%	-13.0%	99,179	8.6%	-32.2%
License Income			-			23,219			77,870	6.7%	290.8%
Others (Lease & Services)			15,302	1.0%	27.3%	30,462	2.1%	99.1%	37,838	3.3%	63.4%
Net Sales			1,518,823	100.0%	3.9%	1,480,354	100.0%	-2.5%	1,158,443	100.0%	6.6%
Operating Profit			50,126	3.3%	-43.5%	12,536	0.8%	-75.0%	57,102	4.9%	1320.7%
Profit before income tax			89,391	5.9%	-38.3%	54,920	3.7%	-38.6%	238,816	20.6%	357.0%
Net Income			58,335	3.8%	-46.8%	36,612	2.5%	-37.2%	178,468	15.4%	426.4%

*Affiliate : Yuhan Medica, MG / Others : Yuhan Care, Addpharma, Yuhan Uzbekistan

Quarterly Results _Consolidated financial statements

(Unit : KRW in million)

Section		1Q 20	YoY	1Q 19	2Q 20	YoY	2Q 19	3Q 20	YoY	3Q 19	4Q 20	YoY	4Q 19
Pharmaceutical Business	OTC	29,949	3.7%	28,884	34,424	19.2%	28,891	34,663	17.1%	29,611			29,001
	Prescription	193,731	-13.3%	223,568	241,716	7.6%	224,610	266,796	8.5%	245,992			255,318
	Special Purpose Business	AHC	4,605	10.7%	4,159	5,082	6.1%	4,789	4,911	18.4%	4,148		4,696
		Special Purpose	1,789	12.3%	1,593	1,776	33.9%	1,326	3,247	109.8%	1,548		1,893
	Affiliate	13,358	43.5%	9,307	2,032	-78.9%	9,637	3,361	2.2%	3,289			16,233
	Internal sales adjustment	-3,381		-6,214	-279		-5,938	-1,183		-1,074			-8,171
	Total	240,051	-8.1%	261,297	284,751	8.1%	263,315	311,795	10.0%	283,514			298,970
Household & Healthcare		26,956	27.4%	21,162	46,234	32.7%	34,838	40,825	23.6%	33,023			24,844
Overseas Business	Export	24,755	-48.7%	48,275	29,497	-45.1%	53,750	43,697	-1.5%	44,352			59,309
	Yuhan Chemical	21,912	-44.1%	39,205	26,889	-32.8%	40,010	37,926	3.1%	36,801			46,675
	Internal sales adjustment	-21,932		-39,198	-26,889		-40,014	-36,676		-36,804			-46,651
	Total	24,735	-48.8%	48,282	29,497	-45.1%	53,746	44,947	1.3%	44,349			59,333
License Income		16,917	80.4%	9,379	44,094	2279.6%	1,853	16,859	93.9%	8,695			3,292
Others (Lease & Services)		4,617	-4.5%	4,833	10,911	93.3%	5,646	15,254	20.3%	12,677			7,306
Net Sales		313,276	-9.2%	344,953	415,487	15.6%	359,398	429,680	12.4%	382,258			393,745
Operating Profit		1,074	-82.4%	6,090	35,657	Turn to surplus	-5,415	20,371	509.0%	3,345			8,516
Margin %		0.3%		1.8%	8.6%		-1.5%	4.7%		0.9%			2.2%
Profit before income tax		157,661	577.4%	23,275	47,670	346.2%	10,684	33,485	83.0%	18,300			2,660
Net Income		115,357	636.7%	15,658	34,302	502.8%	5,690	28,809	129.4%	12,558			2,706
Margin %		36.8%		4.5%	8.3%		1.6%	6.7%		3.3%			0.7%

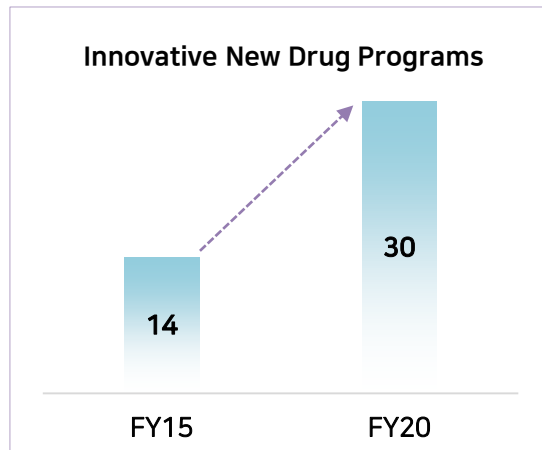
*Affiliate : Yuhan Medica, MG / Others : Yuhan Care, Addpharma, Yuhan Uzbekistan

Yuhan's Open Innovation Success Strategies

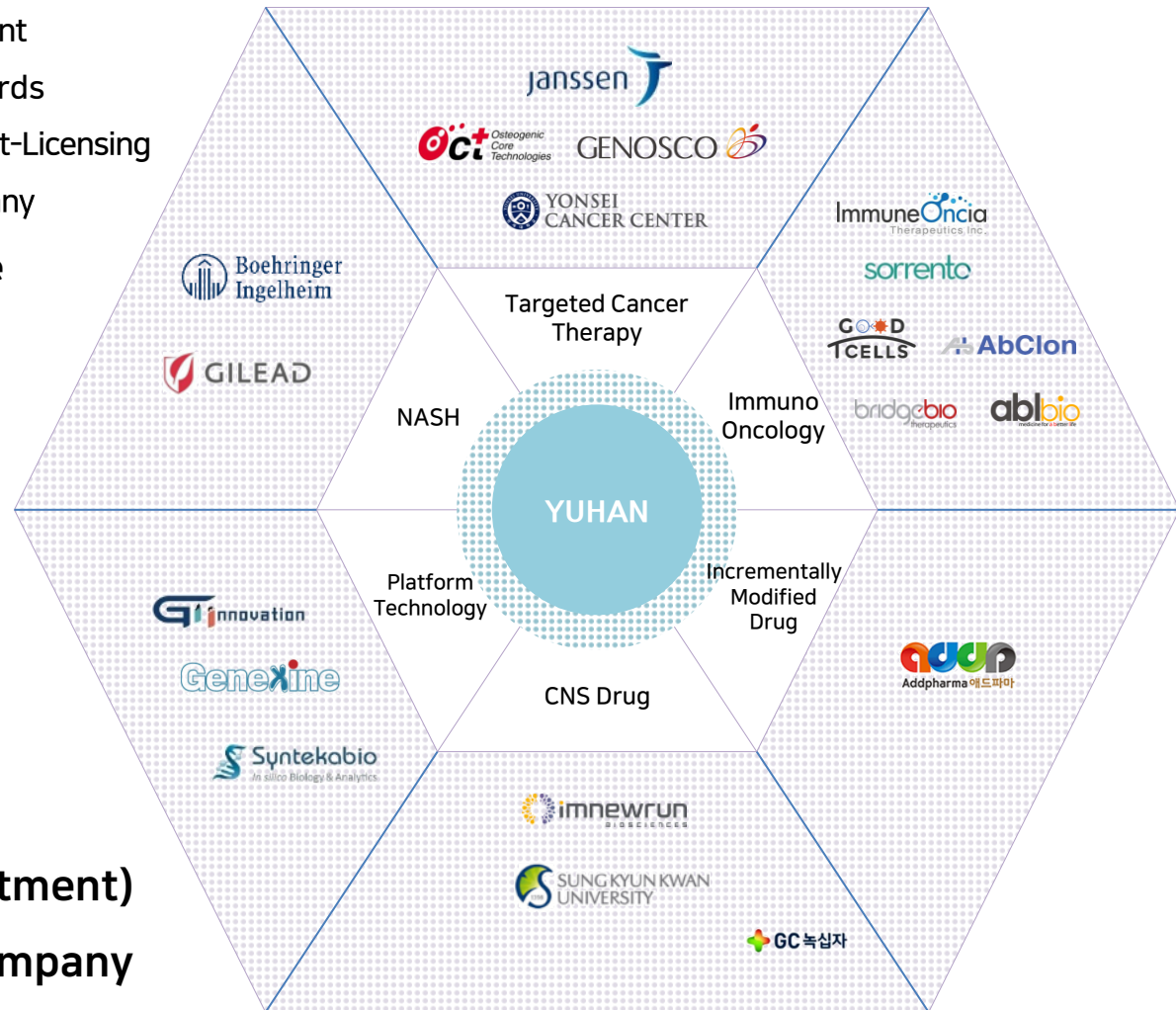
- Improved R&D value through portfolio enhancement
- R&D Capability Enhancement to Global Standards
- Accumulate global partnership experience with Out-Licensing
- Establishing foundation as an R&D-focused company

R&D investment ► Global Performance

► Virtuous circle of reinvestment



- Value Enhancement (R&D + Investment)
- Aim for global Pharmaceutical company
- A Success Model for New Drug Development



Innovative New Drug Pipeline

As of the end of 3Q. 2020









Target Disease	Project	Candidates	Preclinical Trials	Phase 1	Phase 2	Phase 3
Lung Cancer	Lazertinib (YH25448)	Mono & Combination Global Phase 3 Clinical Trials				
Degenerative disc	YH14618					
Postoperative ileus	YH12852					
NASH	YH25724					
COVID-19	YH35361					
Cancers (Immuno therapy)	YH24931					
Cancers	YH29143					
Cancers	YH32367					
Obesity	YH34160					
IgE mediated Allergic Diseases	YH35324					
asthma	YH25487					



► Total 30 - Innovative New Drug Programs

Incrementally Modified Drug Pipeline

As of the end of 3Q. 2020

Target Disease	Project	Formulation research	Phase 1	Phase 2	Phase 3	Permitted
Osteoporosis	AD-101					
Digestive	AD-203					
Digestive	AD-206					
Hypertension /Hyperlipidemia	AD-201					
Hypertension /Hyperlipidemia	AD-202					
Hypertension /Hyperlipidemia	AD-207					
hair loss treatment	AD-208					
Hypertension	AD-209					

► Total 21 - Incrementally Modified Drug Programs

Main Pipeline _ LAZERTINIB



Lazertinib (3rd - generation EGFR Inhibitor)

Mono therapy _ phase 2 Announcement of clinical results (2020 ASCO)

ORR
57.9%

PFS
11
months

- Excellent targeting of lung cancer mutations
- minimal side effects (Grade3 side effects 6%)
- breakthrough treatment effects for lung cancer patients with brain metastases (IDCR 90.6%)



With **Amivantamab**

Combination therapy _ phase 1 Announcement of clinical results (2020 ESMO)

Lazertinib + Amivantamab

- Demonstrate excellent efficacy in combination therapy
- Propose new treatment options for resistant patients

ORR
100%

Combination Efficacy in
Treatment-naïve Patients(n=20)

- ORR : Objective Response Rate
- PFS : Progression Free Survival
- IDCR : Intracranial disease control rate

Key Events and Future Plans

2016	2017	2018	2019	2020	2021	2022	2023
License-in Genosco		Out-Licensing to Janssen, \$ 1.25B	Mono therapy - Phase 3 Clinical Trials approval (South Korea MFDS) Janssen has chosen Combination therapy as the new drug with a potential of \$1 billion	1 st Milestone \$ 35M Combination therapy - Phase 3 Clinical Trials approval (South Korea MFDS)	Domestic sales target	Janssen FDA NDA target	
The first in Korea to challenge global new drugs with annual sales of over \$1 billion							

R&D Achievement

