



Creating Miracles in Life

March 2019



China Biologic Products Holdings, Inc.
(NASDAQ: CBPO)

- Revenue⁽¹⁾: \$114.9 mm, up 33.5% in RMB terms⁽²⁾ or 27.5% in USD terms y-o-y
- Gross Profit: \$77.3 mm, up 30.4% y-o-y; Gross Margin: 67.3%
- Income from Operations: \$42.5 mm, up 116.8% y-o-y; Operating Margin: 37.0%
- Non-GAAP Income from Operations⁽¹⁾⁽³⁾: \$39.8 mm, up 36.0% in RMB terms or 29.6% in USD terms y-o-y
- Net Income: \$34.8 mm, up from net loss of \$24.6 mm in 4Q17
- Non-GAAP Net Income⁽¹⁾⁽³⁾: \$30.7 mm, up 23.9% in RMB terms⁽²⁾ or 18.5% in USD terms y-o-y
- Fully diluted EPS: \$0.87; Non-GAAP EPS⁽³⁾: \$0.76

1. Includes the impact of TianXinFu, a medical device company CBPO acquired on January 1, 2018. Excluding TianXinFu, revenue increased by 23.2% in RMB terms, Non-GAAP income from operations increased by 25.5% in RMB terms and Non-GAAP net income increased by 19.2% in RMB terms.
2. We believe providing local currency information on certain key items of our financial results enhances the understanding of our financial results and evaluation of performance in comparison to prior periods. We calculate changes in local currency percentages by comparing financial results denominated in RMB from period to period.
3. Refer to Appendix for reconciliation of Non-GAAP income from operations, Non-GAAP net income attributable to equity holders and Non-GAAP EPS.

CBPO 2018 Fiscal Year Financial Highlights

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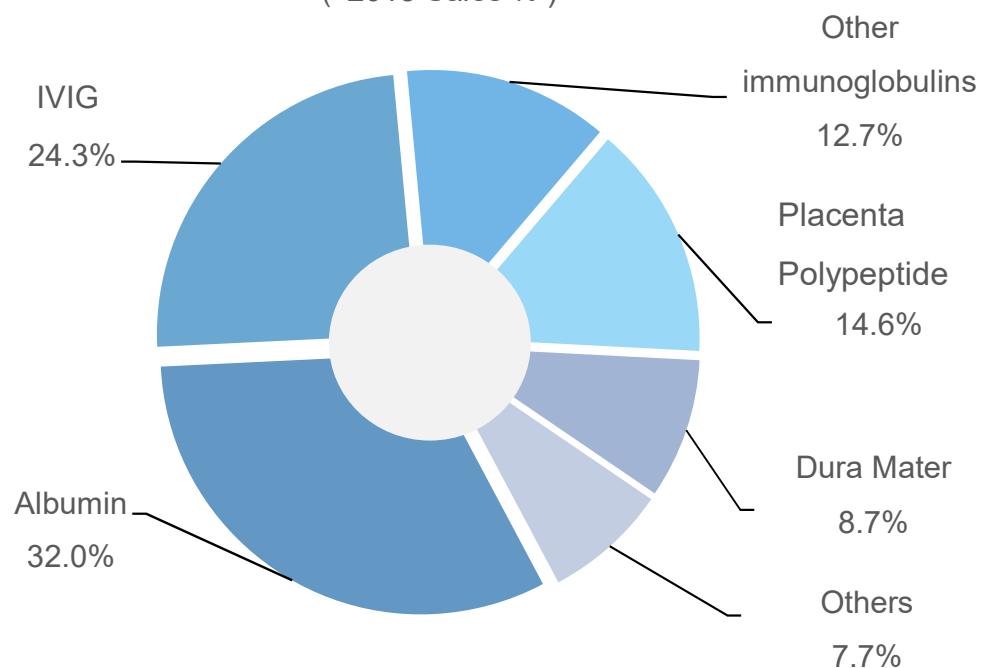
- Revenue⁽¹⁾: \$466.9 mm, up 23.5% in RMB terms⁽²⁾ or 26.1% in USD terms y-o-y
- Gross Profit: \$320.1 mm, up 30.7% y-o-y; Gross Margin: 68.6%
- Income from Operations: \$146.2 mm, up 7.6% y-o-y; Operating Margin: 31.3%
- Non-GAAP Income from Operations⁽¹⁾ ⁽³⁾: \$177.7 mm, up 0.7% in RMB terms or 3.5% in USD terms y-o-y
- Net Income: \$128.1 mm, up 88.7% y-o-y
- Non-GAAP Net Income⁽¹⁾⁽³⁾: \$145.9 mm, up 0.6% in RMB terms⁽²⁾ or 3.3% in USD terms y-o-y
- Fully diluted EPS: \$3.53; Non-GAAP EPS⁽³⁾: \$4.02

1. Includes the impact of TianXinFu. Excluding TianXinFu, revenue increased by 11.7% in RMB terms, Non-GAAP Income from operations decreased by 13.7% in RMB terms and Non-GAAP Net income decreased by 12.3% in RMB terms.
2. We believe providing local currency information on certain key items of our financial results enhances the understanding of our financial results and evaluation of performance in comparison to prior periods. We calculate changes in local currency percentages by comparing financial results denominated in RMB from period to period.
3. Refer to Appendix for reconciliation of Non-GAAP income from operations, Non-GAAP net income attributable to equity holders and Non-GAAP EPS.

- Dr. Homer He, with over 30 years of experience working with global healthcare leaders in China and overseas, has joined China Biologic as Chief Business Officer to help accelerate the transformation of our sales efforts
- The China Biologic Board of Directors approved a capital expansion plan for the Company to build a replacement fractionation facility in Guizhou with the aim of improving our ability to meet increasing market demand for plasma therapeutics in China and enhancing our production efficiency and quality with state-of-the-art technologies
- Through our focus on optimizing the Company's distribution channels, IVIG inventory at Guizhou Taibang decreased over 40% as of December 31, 2018 compared with September 30, 2018.

Sales Breakdown by Product

(2018 Sales %)



Year-over-year Comparison for Major Products

YOY comparison	2018 (in RMB)	2018 (in USD)
Albumin	+10.4%	+12.8%
IVIG	-5.7%	-3.4%
Other Immunoglobulins	+16.6%	+18.8%
Placenta Polypeptide	+36.2%	+38.5%
Total sales	+23.5%	+26.1%
Total sales excluding TianXinFu	+11.7%	+14.0%

Experienced Management

This quarter we were delighted to welcome Dr. Homer He as Chief Business Officer. Dr. He joins our management team, as they set their efforts towards using their extensive experience to build China Biologic into a next-generation global biopharmaceutical and biotechnology company, with a leading position in key therapeutic areas.



Dr. Homer He
Chief Business Officer

- CBO since December 2018
- More than 30 years of professional experience in the global healthcare industry, especially in Greater China
- Bachelor Degree of Clinical Medicine from Tongji University as well as an EMBA certificate from a joint program of Shanghai Jiaotong University and Rotman Business School, University of Toronto
- Certified clinical doctor in China, with 4-year clinical medical experience as a surgeon in hospitals



Dr. Bing Li
Chief Executive Officer

- CEO since August 2018, Director since July 2018, and also Director from February 2011 to May 2014
- Nearly 20 years of leadership with different companies, especially those in pharmaceutical business such as Fosun Group and GlaxoSmithKline
- B.S. in Biophysics from Fudan University, Ph.D. in Cell and Molecular Biology from University of Rochester, and MBA and MEM from Northwestern University



Mr. Ming Yang
Chief Financial Officer

- CFO since August 2012 and VP-Finance & Compliance and Treasurer between March 2012 and August 2012
- 6 years in financial management and 11 years of audit experience in accounting firms including holding the position as an audit senior manager at KPMG
- C.P.A. in China



- **Sales and Marketing:** Revitalizing our sales and marketing team with new management and strategies; restoring the balance between sales volume, inventory and our increasing production and new product development capabilities.



- **Strategic M&A:** Adding new biopharmaceutical and medical device products to our portfolio and building stronger operational capabilities. With M&A-focused Business Development already formed, we have identified and are pursuing preliminary targets.



- **Corporate Governance:** Working hard to improve the Company's capabilities in areas such as HR, legal and internal audit.

Income Statement and Balance Sheet Highlights

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\$ MM	2013	2014	2015	2016	2017	2018
Total sales	203.4	243.3	296.5	341.2	370.4	466.9
Cost of sales	65.5	80.1	106.5	124.0	125.5	146.8
Gross profit	137.9	163.2	190.0	217.2	244.9	320.1
Operating expenses						
Selling expenses	10.6	10.7	10.0	11.7	34.8	95.6
G&A expenses	36.2	32.1	41.4	54.5	67.7	68.8
R&D expenses	4.2	4.2	6.0	7.0	6.5	9.5
Income from operations	86.9	111.2	132.6	144.0	135.9	146.2
Income before income taxes	92.4	122.8	135.1	153.9	146.4	166.1
Net income	76.9	96.1	114.1	128.8	82.2	148.0
Net income attributable to CBPO	54.6	70.9	89.0	104.8	67.9	128.1
Non-GAAP income from operations ⁽¹⁾	92.0	116.6	144.7	168.3	171.6	177.7
Non-GAAP net income attributable to equity holders ⁽¹⁾	59.0	75.6	100.1	126.8	141.2	145.9

	2013	2014	2015	2016	2017	2018
Total Cash ⁽¹⁾ (\$ MM)	181.2	184.7	182.9	183.8	242.2	952.4
Cash & Cash Equivalents (\$ MM)	144.1	80.8	144.9	183.8	219.3	338.9
Restricted Cash and Deposit (\$ MM)	30.5	103.9	-	-	-	
Time Deposits (\$ MM)	6.6	-	38.0	-	22.9	537.5
Short term investments(\$ MM)	-	-	-	-	-	76.0
Short-term and Long-term Bank Loans (\$ MM)	39.8	97.9	-	-	-	-
Accounts Receivable Days	26	28	27	32	51	75
Inventory Days	458	433	390	416	508	569

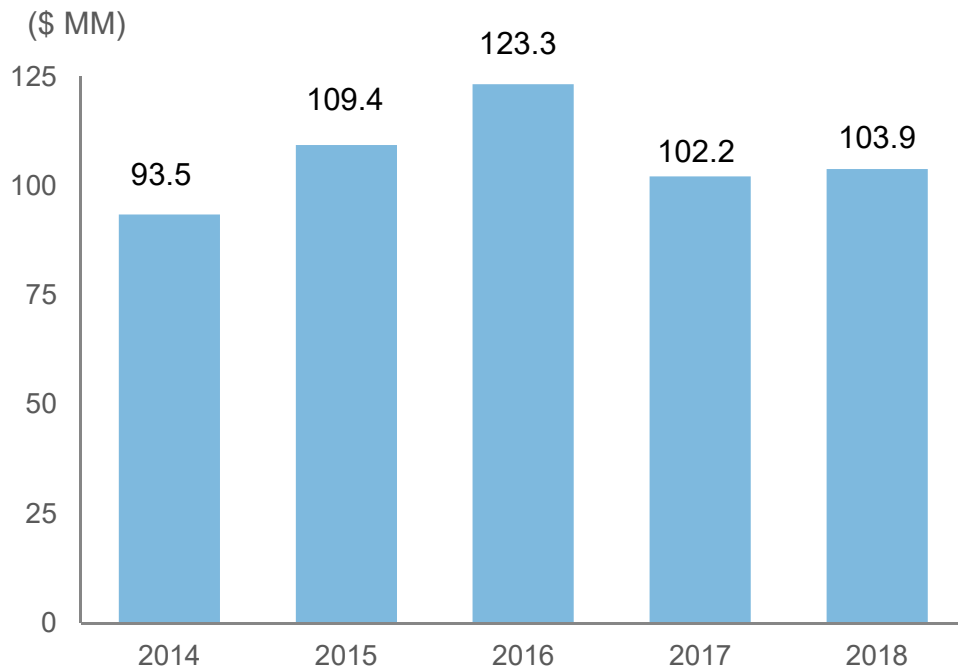
1. Calculated as the sum of cash & cash equivalents, restricted cash and deposits, time deposits and financial instruments.

1. Non-GAAP income from operations and non-GAAP net income attributable to equity holders excludes non-cash employee stock compensation and some non-recurring items. Refer to Appendix I for reconciliations.

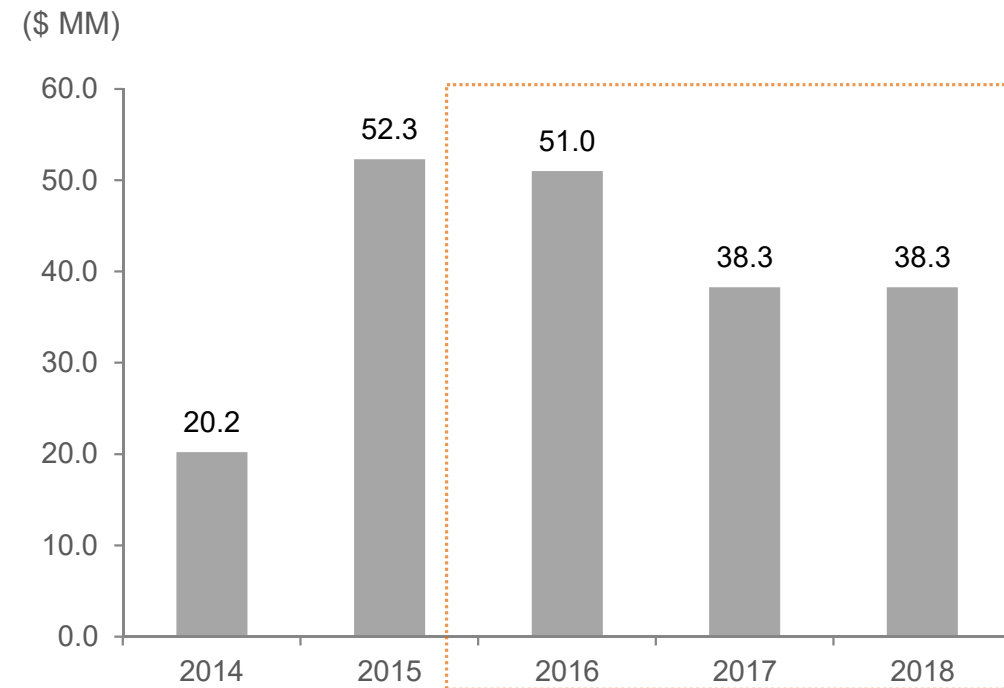
2. 2018 includes the impact of TianXinFu.

Robust Cash Flow Generation

Operating Cash Flow



Capital Expenditures



Mainly for Shandong Taibang's new fractionation facility

The Company issued a full year 2019 forecast:

- We expect both **non-GAAP adjusted income from operations** and **non-GAAP adjusted net income** to increase by 4% to 6% in RMB terms over full year 2018 financial results.

Note: This guidance does not factor in any potential foreign currency translation impact. Having previously adopted an exchange rate of approximately RMB6.59 = \$1.00 based on weighted average quarterly exchange rates in 2018 in translating 2018 financial results, the Company expects that the total sales and non-GAAP adjusted net income in USD terms in 2019 could be affected by the foreign currency translation impact.

Appendix: Reconciliation of Non-GAAP Income from operations

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(\$ MM)	2013	2014	2015	2016	2017	2018
Income from operations	86.9	111.2	132.6	143.9	135.9	146.2
Non-cash employee stock compensation	5.1	5.4	12.1	24.4	33.9	23.1
Amortization of acquired intangible assets	-	-	-	-	-	8.4
Expenses related to change of domicile and acquisition of TianXinFu	-	-	-	-	1.9	-
Adjusted Income from operations-Non GAAP	92.0	116.6	144.7	168.3	171.6	177.7

Appendix: Reconciliation of Non-GAAP Net Income Attributable to Equity holders 09

(in \$ MM except EPS, number of shares in MM)	2013	2014	2015	2016	2017	2018
Net Income Attributable to Equity holders	54.6	70.9	89.0	104.8	67.9	128.1
Non-cash employee stock compensation	4.4	4.7	11.1	22.0	31.1	19.7
Expenses related to change of domicile and acquisition of TianXinFu	-	-	-	-	1.9	-
Amortization of acquired intangible assets	-	-	-	-	-	5.6
Income tax expense due to U.S. Tax Reform	-	-	-	-	40.3	(7.5)
Adjusted Net Income Attributable to Equity holders - Non GAAP	59.0	75.6	100.1	126.8	141.2	145.9
Diluted EPS - Non GAAP	2.12	2.89	3.68	4.52	4.95	4.02
Weighted average number of shares used in computation of Non GAAP diluted EPS	27.6	25.7	26.6	27.2	27.6	35.4

This presentation contains forward-looking statements, including statements about the business outlook, strategy and market opportunity of China Biologic Products Holdings, Inc. (the “Company” or “we”), and statements that may suggest trends for its business. Such forward-looking statements can be identified by the use of forward-looking terminology such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “should,” “will,” “would,” and similar expressions, or the negatives thereof. These statements are individually and collectively forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934.

These forward-looking statements are made only as of the date of this presentation and are based on estimates and information available to the Company at the time of this presentation. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict and may be beyond the Company’s control. Therefore, the Company cautions that actual results may differ materially from those set forth in any forward-looking statements herein, and are subject to numerous assumptions, risks, uncertainties and other factors, including those discussed under “Risk Factors” in the Company’s annual report on Form 20-F filed with the SEC for the year ended December 31, 2018.

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In evaluating our business, we use certain non-GAAP measures as supplemental measures to review and assess our operating performance. These non-GAAP financial measures have limitations as analytical tools and investors should not consider them in isolation, or as a substitute for income from operations, net income attributable to Company or other consolidated statement of comprehensive income data prepared in accordance with U.S. GAAP.



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