



Creating Miracles in Life

August 2019



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

- Revenue: \$135.7 mm, up 20.4% in RMB terms⁽¹⁾ or 12.7% in USD terms y-o-y
- Gross Profit: \$90.9 mm, up 9.9% y-o-y; Gross Margin: 67.0%
- Income from Operations: \$48.2 mm, up 34.3% y-o-y; Operating Margin: 35.5%
- Non-GAAP Adjusted Income from Operations⁽²⁾: \$56.7 mm, up 23.1% in RMB terms⁽¹⁾ or 15.2% in USD terms y-o-y
- Net Income: \$41.6 mm, up 45.5% y-o-y
- Non-GAAP Adjusted Net Income⁽²⁾: \$48.7 mm, up 29.1% in RMB terms⁽¹⁾ or 21.1% in USD terms y-o-y
- Fully diluted EPS: \$1.06; Non-GAAP EPS⁽²⁾: \$1.24

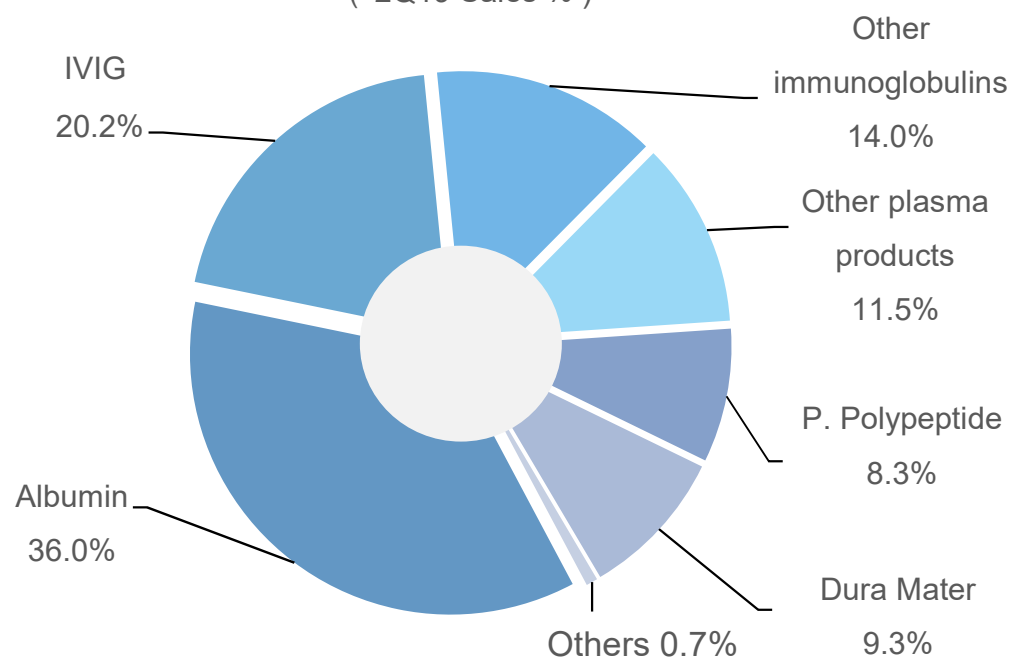
1. We believe providing local currency information on certain key items of our financial results enhances the understanding of our financial results and evaluation of performance in comparison to prior periods. We calculate changes in local currency percentages by comparing financial results denominated in RMB from period to period.

2. Refer to Appendix for reconciliation of Non-GAAP income from operations, Non-GAAP net income attributable to equity holders and Non-GAAP EPS.

- The Board appointed Mr. Joseph Chow as the CEO of China Biologic, effective August 5, 2019.
- In June, China Biologic commenced human clinical trials on Human von Willebrand Factor, “VWF”, after obtaining approval from the China National Medical Products Administration.
- In late July, China Biologic received the operating permit for its new Wenchang plasma collection station in Hainan Province, and immediately commenced commercial operations.
- In early August, China Biologic completed the acquisition of the remaining 20% interest in TianXinFu.
- As of June 30, 2019, China Biologic had repurchased 121,852 shares at a total of \$11.0 million under the \$150 million share repurchase program the Board authorized in May 2019.

Sales Breakdown by Product

(2Q19 Sales %)



Year-over-year Comparison for Major Products

YOY comparison	2Q19 (in RMB)	2Q19 (in USD)
Albumin	+36.9%	+28.3%
IVIG	+4.0%	-2.5%
Other Immunoglobulins	+31.9%	+23.5%
Other plasma products	+92.7%	+80.5%
Placenta Polypeptide	-29.0%	-33.5%
Dura Mater	+9.9%	+3.1%
Total sales	+20.4%	+12.7%



Mr. Joseph Chow
Chairman / CEO

- CEO since August 5, 2019, acting CEO between May 2019 and August 2019, Chairman of the Board of Directors since February 2019 and member of the Board since November 2014.
- Over 20 years of experience in corporate finance, financial advisory and management and has held senior executive or managerial positions in various public and private companies including Moelis, Goldman Sachs, China Netcom, Bombardier Capital etc.
- Bachelor Degree of political science from Nanjing Institute of International Relations and an MBA certificate from the University of Maryland at College Park



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 serving as an audit senior manager at KPMG
- C.P.A. in China

Income Statement and Balance Sheet Highlights

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\$ MM	2014	2015	2016	2017	2018	6M'18	6M'19
Total sales	243.3	296.5	341.2	370.4	466.9	232.8	265.5
Cost of sales	80.1	106.5	124.0	125.5	146.8	71.3	89.0
Gross profit	163.2	190.0	217.2	244.9	320.1	161.5	176.5
Operating expenses							
Selling expenses	10.7	10.0	11.7	34.8	95.6	45.0	44.4
G&A expenses	32.1	41.4	54.5	67.7	68.8	38.0	35.2
R&D expenses	4.2	6.0	7.0	6.5	9.5	3.7	4.8
Income from operations	111.2	132.6	144.0	135.9	146.2	74.8	92.1
Income before income taxes	122.8	135.1	153.9	146.4	166.1	85.1	109.3
Net income	96.1	114.1	128.8	82.2	148.0	71.6	93.2
Net income attributable to CBPO	70.9	89.0	104.8	67.9	128.1	60.2	79.3
Non-GAAP income from operations ⁽¹⁾	116.6	144.7	168.3	171.6	177.7	99.3	108.9
Non-GAAP net income attributable to equity holders⁽¹⁾	75.6	100.1	126.8	141.2	145.9	81.6	93.2

	2014	2015	2016	2017	2018	6M'19
Total Cash⁽¹⁾ (\$ MM)	184.7	182.9	183.8	242.2	952.4	917.5
Cash & Cash Equivalents (\$ MM)	80.8	144.9	183.8	219.3	338.9	202.5
Restricted Cash and Deposit (\$ MM)	103.9	-	-	-	-	-
Time Deposits (\$ MM)	-	38.0	-	22.9	537.5	523.9
Short term investments(\$ MM)	-	-	-	-	76.0	191.1
Short-term and Long-term Bank Loans (\$ MM)	97.9	-	-	-	-	-
Accounts Receivable Days	28	27	32	51	75	87
Inventory Days	433	390	416	508	569	502

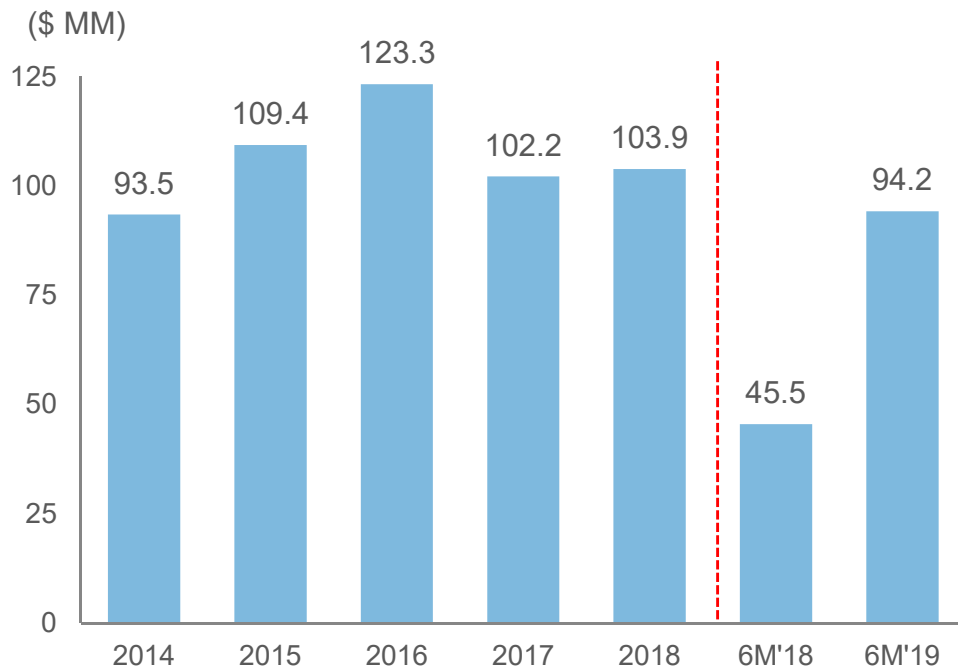
1. Calculated as the sum of cash & cash equivalents, restricted cash and deposits, time deposits and financial instruments.

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.

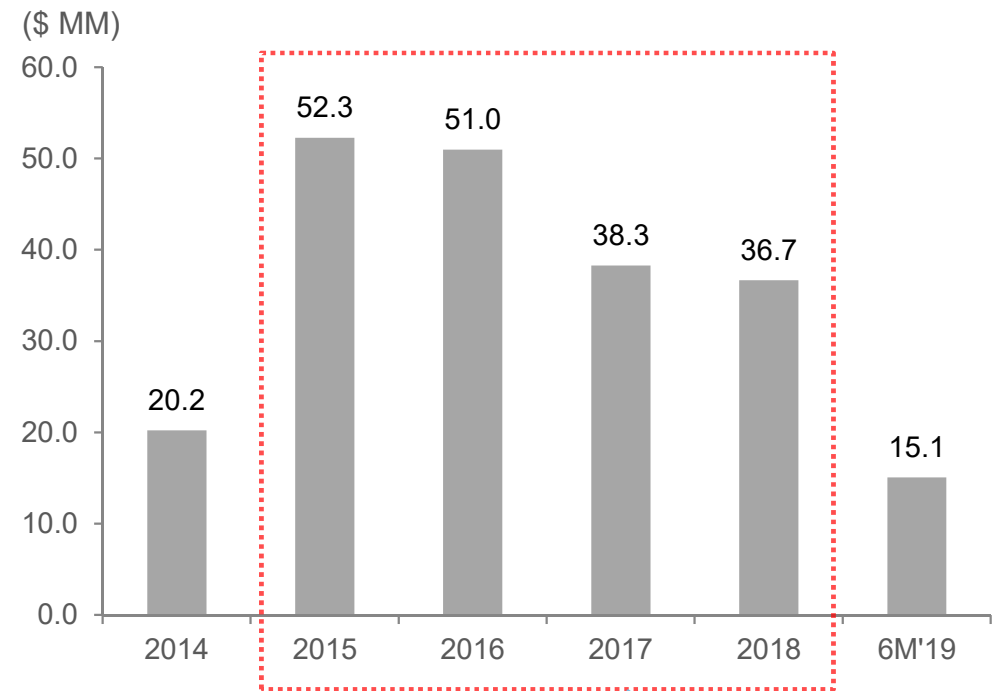
2. 2018 includes the impact of TianXinFu.

Robust Cash Flow Generation

Operating Cash Flow



Capital Expenditures



Mainly for Shandong Taibang's new fractionation facility

The Company reiterates its 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)	2014	2015	2016	2017	2018	6M'18	6M'19
Income from operations	111.2	132.6	143.9	135.9	146.2	74.8	92.1
Non-cash employee stock compensation	5.4	12.1	24.4	33.9	23.1	19.9	12.8
Amortization of acquired intangible assets	-	-	-	-	8.4	4.6	4.0
Expenses related to change of domicile and acquisition of TianXinFu	-	-	-	1.9	-	-	-
Adjusted Income from operations-Non GAAP	116.6	144.7	168.3	171.6	177.7	99.3	108.9

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

(in \$ MM except EPS, number of shares in MM)	2014	2015	2016	2017	2018	6M'18	6M'19
Net Income Attributable to Equity holders	70.9	89.0	104.8	67.9	128.1	60.2	79.3
Non-cash employee stock compensation	4.7	11.1	22.0	31.1	19.7	18.2	11.1
Expenses related to change of domicile and acquisition of TianXinFu	-	-	-	1.9	-	-	-
Amortization of acquired intangible assets	-	-	-	-	5.6	3.2	2.8
Income tax expense due to U.S. Tax Reform	-	-	-	40.3	(7.5)	-	-
Adjusted Net Income Attributable to Equity holders - Non GAAP	75.6	100.1	126.8	141.2	145.9	81.6	93.2
Diluted EPS - Non GAAP	2.89	3.68	4.52	4.95	4.02	2.37	2.36
Weighted average number of shares used in computation of Non GAAP diluted EPS	25.7	26.6	27.2	27.6	35.4	33.3	39.0

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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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