



## Creating Miracles in Life

May 2020



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

- Revenue: \$162.6 mm, up 29.4% in RMB terms<sup>(1)</sup> or 25.3% in USD terms y-o-y
- Gross Profit: \$101.0 mm, up 18.0% y-o-y; Gross Margin: 62.1%
- Income from Operations: \$68.0 mm, up 54.5% y-o-y; Operating Margin: 41.8%
- Non-GAAP Adjusted Income from Operations<sup>(2)</sup>: \$76.9 mm, up 52.1% in RMB terms<sup>(1)</sup> or 47.3% in USD terms y-o-y
- Net Income: \$53.4 mm, up 41.6% y-o-y
- Non-GAAP Adjusted Net Income<sup>(2)</sup>: \$61.4 mm, up 42.3% in RMB terms<sup>(1)</sup> or 38.0% in USD terms y-o-y
- Fully diluted EPS: \$1.36; Non-GAAP EPS<sup>(2)</sup>: \$1.56

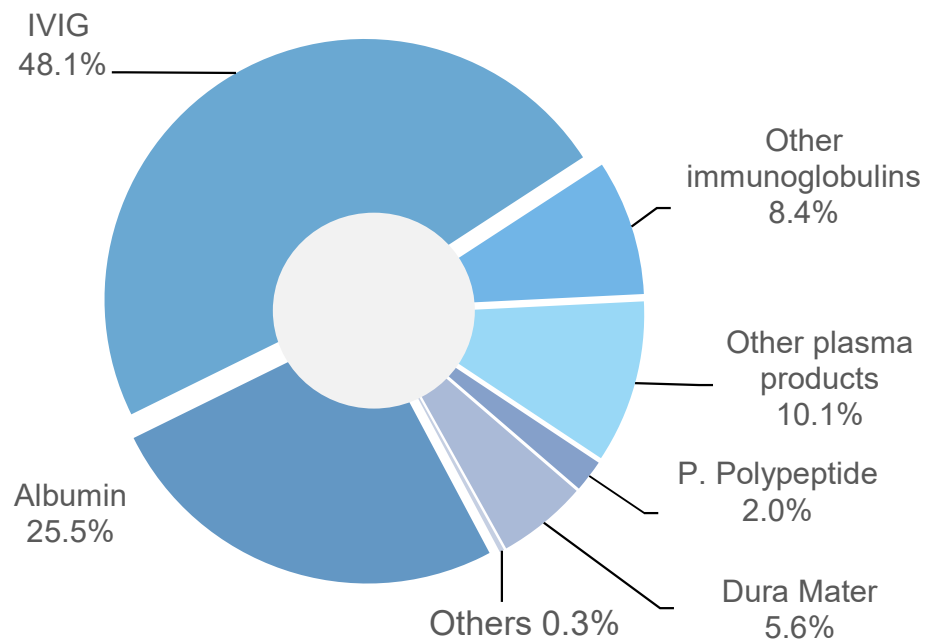
1. We believe providing local currency information on certain key items of our financial results enhances the understanding of our financial results and evaluation of performance in comparison to prior periods. We calculate changes in local currency percentages by comparing financial results denominated 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 sales volume of IVIG products increased 188.3% in 1Q20 over 1Q19 due to a temporary substantial rise in demand in connection with the COVID-19 outbreak
- The majority of the Company's other products and standard operations including sales and marketing activities and plasma collection have been negatively impacted by the epidemic.
- In May 2020, TianXinFu began manufacturing a new second generation artificial dura mater product after receiving approval from the relevant authorities.
- In April 2020, relevant authorities completed an on-site inspection over the production lines of Shandong Taibang's new product, coagulation factor IX. The Company expects to receive a certificate of approval to manufacture this product in 2Q20 and launch the product to the market in 3Q20.
- CBPO's increased collection efforts to control credit exposure and ongoing evaluation of credit terms successfully shortened accounts receivable turnover days for plasma products from 95 days in 4Q19 to 78 days in 1Q20.

## Sales Breakup by Product

( 1Q20 Sales % )



## Year-over-year Comparison for Sales of Products

YOY comparison	1Q20 (in RMB)	1Q20 (in USD)
Albumin	-24.5%	-26.9%
IVIG	+178.2%	+169.7%
Other Immunoglobulins	+7.0%	+3.8%
Other plasma products	+72.5%	+66.7%
Placenta Polypeptide	-55.7%	-57.1%
Total biomaterial products	-25.7%	-27.8%
<b>Total sales</b>	<b>+29.4%</b>	<b>+25.3%</b>



**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
- Prior to joining CBPO, 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

05

\$ MM	2015	2016	2017	2018	2019	1Q19	1Q20
<b>Total sales</b>	<b>296.5</b>	<b>341.2</b>	<b>370.4</b>	<b>466.9</b>	<b>503.7</b>	<b>129.8</b>	<b>162.6</b>
Cost of sales	106.5	124.0	125.5	146.8	174.6	44.2	61.6
<b>Gross profit</b>	<b>190.0</b>	<b>217.2</b>	<b>244.9</b>	<b>320.1</b>	<b>329.1</b>	<b>85.6</b>	<b>101.0</b>
Operating expenses							
Selling expenses	10.0	11.7	34.8	95.6	80.3	18.7	14.5
G&A expenses	41.4	54.5	67.7	68.8	73.4	20.6	16.8
R&D expenses	6.0	7.0	6.5	9.5	11.7	2.3	1.7
Income from operations	132.6	144.0	135.9	146.2	163.6	44.0	68.0
Income before income taxes	135.1	153.9	146.4	166.1	191.5	52.6	73.9
Net income	114.1	128.8	82.2	148.0	163.4	<b>44.7</b>	62.2
<b>Net income attributable to CBPO</b>	<b>89.0</b>	<b>104.8</b>	<b>67.9</b>	<b>128.1</b>	<b>138.8</b>	37.7	<b>53.4</b>
Non-GAAP income from operations <sup>(1)</sup>	144.7	168.3	171.6	177.7	198.3	52.2	76.9
<b>Non-GAAP net income attributable to equity holders<sup>(1)</sup></b>	<b>100.1</b>	<b>126.8</b>	<b>141.2</b>	<b>145.9</b>	<b>168.4</b>	<b>44.5</b>	<b>61.4</b>

	2015	2016	2017	2018	2019	1Q20
<b>Total Cash<sup>(1)</sup> (\$ MM)</b>	<b>182.9</b>	<b>183.8</b>	<b>242.2</b>	<b>952.4</b>	<b>927.3</b>	<b>991.7</b>
Cash & Cash Equivalents (\$ MM)	144.9	183.8	219.3	338.9	161.8	122.9
Time Deposits (\$ MM)	38.0	-	22.9	537.5	497.7	496.1
Short term investments(\$ MM)	-	-	-	76.0	267.8	372.7
<b>Short-term and Long-term Bank Loans (\$ MM)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accounts Receivable Days</b>	<b>27</b>	<b>32</b>	<b>51</b>	<b>75</b>	<b>77</b>	<b>74</b>
<b>Inventory Days</b>	<b>390</b>	<b>416</b>	<b>508</b>	<b>569</b>	<b>513</b>	<b>343</b>

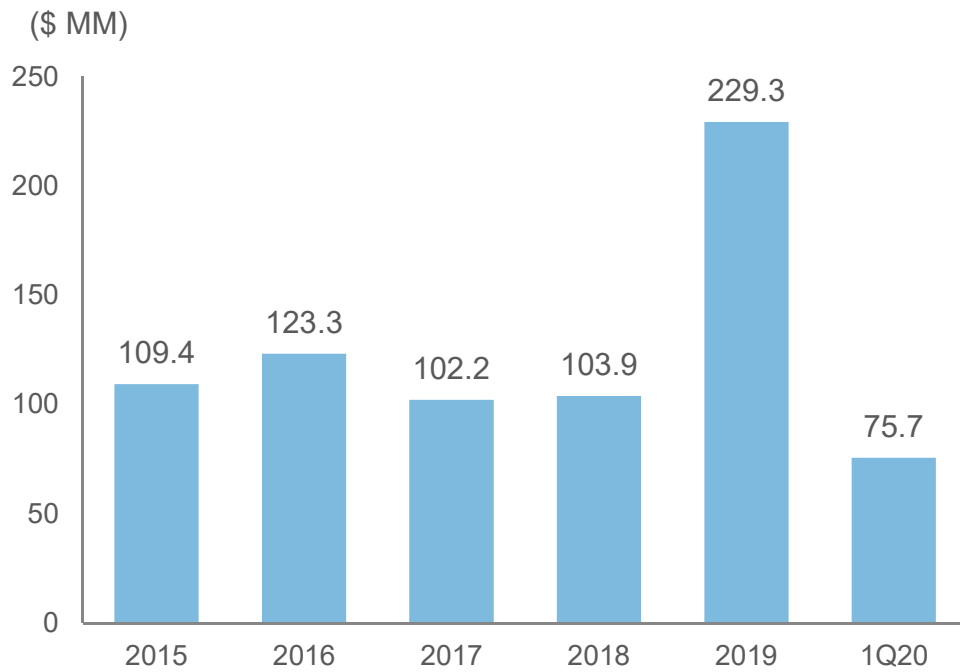
1. Calculated as the sum of cash & cash equivalents, time deposits and financial instruments.

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.

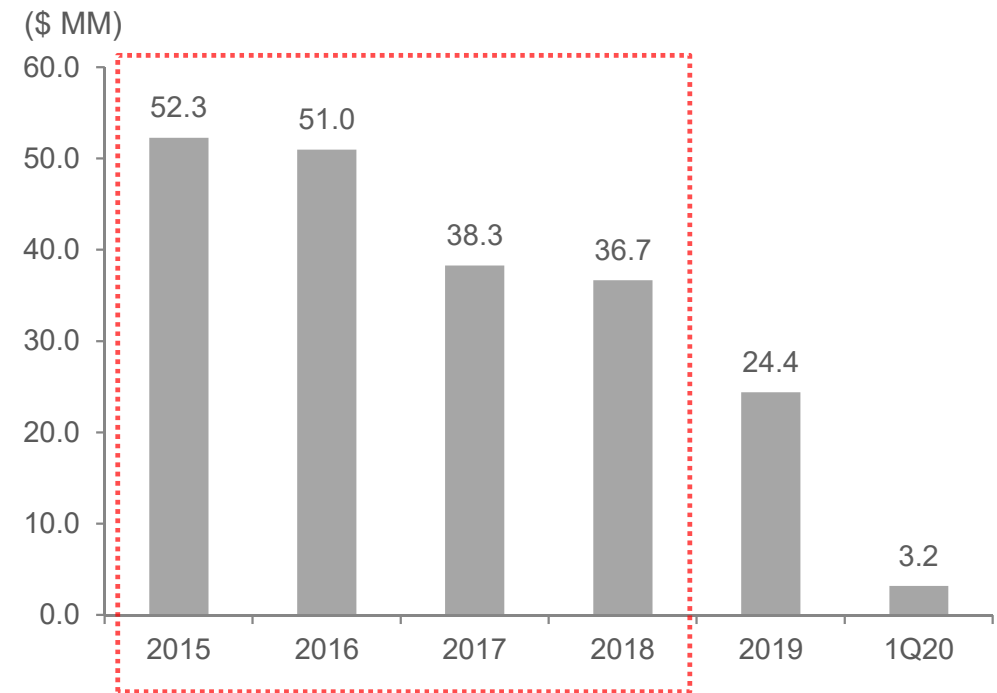
2. 2018 includes the impact of TianXinFu.

# Robust Cash Flow Generation

## Operating Cash Flow



## Capital Expenditures



Mainly for Shandong Taibang's new fractionation facility

The COVID-19 outbreak has impacted various aspects of CBPO's operations, including plasma collection, production of certain products, and sales and marketing activities.

The Company continues to actively evaluate the overall impact of the outbreak on its business and will provide financial guidance for the full year 2020 when it has better visibility.



## Appendix: Reconciliation of Non-GAAP Income from operations

08

(\$ MM)	2015	2016	2017	2018	2019	1Q19	1Q20
<b>Income from operations</b>	<b>132.6</b>	<b>143.9</b>	<b>135.9</b>	<b>146.2</b>	<b>163.6</b>	<b>44.0</b>	<b>68.0</b>
Non-cash employee stock compensation	12.1	24.4	33.9	23.1	26.6	6.2	6.9
Amortization of acquired intangible assets	-	-	-	8.4	8.1	2.0	2.0
Expenses related to change of domicile and acquisition of TianXinFu	-	-	1.9	-	-	-	-
<b>Adjusted Income from operations-Non GAAP</b>	<b>144.7</b>	<b>168.3</b>	<b>171.6</b>	<b>177.7</b>	<b>198.3</b>	<b>52.2</b>	<b>76.9</b>

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

(in \$ MM except EPS, number of shares in MM)	2015	2016	2017	2018	2019	1Q19	1Q20
<b>Net Income Attributable to Equity holders</b>	<b>89.0</b>	<b>104.8</b>	<b>67.9</b>	<b>128.1</b>	<b>138.8</b>	<b>37.7</b>	<b>53.4</b>
Non-cash employee stock compensation	11.1	22.0	31.1	19.7	23.5	5.4	6.3
Expenses related to change of domicile and acquisition of TianXinFu	-	-	1.9	-	-	-	-
Amortization of acquired intangible assets	-	-	-	5.6	6.1	1.4	1.7
Income tax expense due to U.S. Tax Reform	-	-	40.3	(7.5)	-	-	-
<b>Adjusted Net Income Attributable to Equity holders - Non GAAP</b>	<b>100.1</b>	<b>126.8</b>	<b>141.2</b>	<b>145.9</b>	<b>168.4</b>	<b>44.5</b>	<b>61.4</b>
Diluted EPS - Non GAAP	3.68	4.52	4.95	4.02	4.28	1.11	1.56
Weighted average number of shares used in computation of Non GAAP diluted EPS	26.6	27.2	27.6	35.4	38.9	39.4	38.9

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