



Creating Miracles in Life

August 2020



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

- Revenue: \$111.1 mm, down 14.9% in RMB terms⁽¹⁾ or 18.1% in USD terms y-o-y
- Gross Profit: \$76.4 mm, down 16.0% y-o-y; Gross Margin: 68.8%
- Income from Operations: \$42.7 mm, down 11.4% y-o-y; Operating Margin: 38.4%
- Non-GAAP Adjusted Income from Operations⁽²⁾: \$51.4 mm, down 5.8% in RMB terms⁽¹⁾ or 9.3% in USD terms y-o-y
- Net Income: \$35.7 mm, down 14.2% y-o-y
- Non-GAAP Adjusted Net Income⁽²⁾: \$43.4 mm, down 7.2% in RMB terms⁽¹⁾ or 10.9% in USD terms y-o-y
- Fully diluted EPS: \$0.91; Non-GAAP EPS⁽²⁾: \$1.11

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.

- Revenue: \$273.7 mm, up 6.7% in RMB terms⁽¹⁾ or 3.1% in USD terms y-o-y
- Gross Profit: \$177.4 mm, up 0.5% y-o-y; Gross Margin: 64.8%
- Income from Operations: \$110.7 mm, up 20.2% y-o-y; Operating Margin: 40.4%
- Non-GAAP Adjusted Income from Operations⁽²⁾: \$128.3 mm, up 21.9% in RMB terms⁽¹⁾ or 17.8% in USD terms y-o-y
- Net Income: \$89.1 mm, up 12.4% y-o-y
- Non-GAAP Adjusted Net Income⁽²⁾: \$104.8 mm, up 16.3% in RMB terms⁽¹⁾ or 12.4% in USD terms y-o-y
- Fully diluted EPS: \$2.27; Non-GAAP EPS⁽²⁾: \$2.67

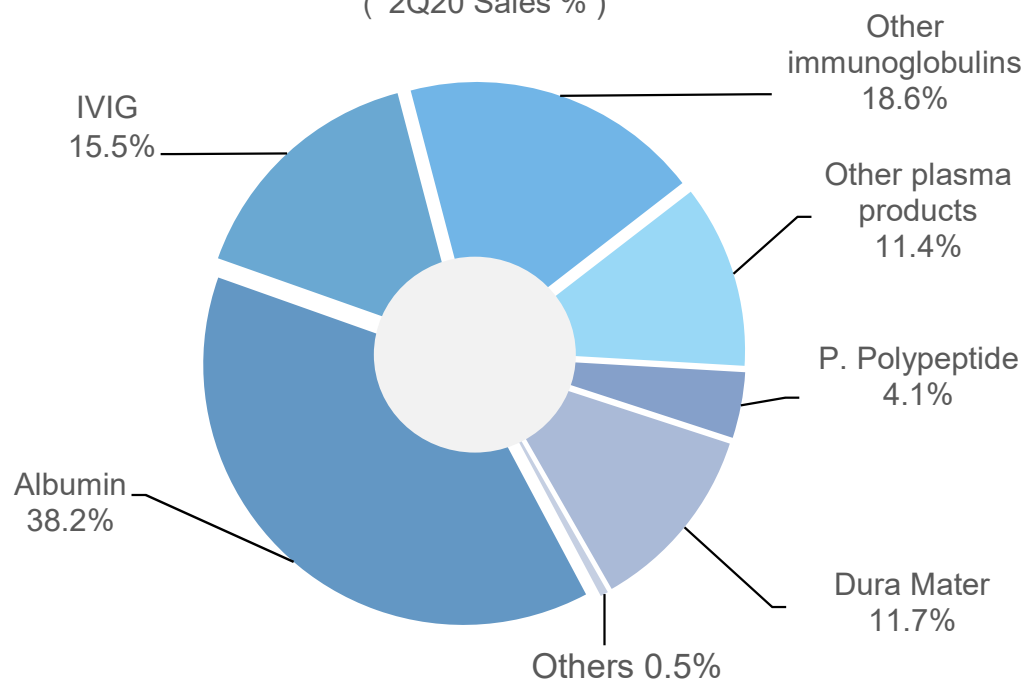
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- In April 2020, received approval from the Health Commission of Shandong Province to build a new plasma collection station in Shandong Province's Binzhou City (Yangxin County).
- In July 2020, received the certificate of approval for manufacturing coagulation factor IX.
- In July 2020, Huitian, a PRC company in which China Biologic holds an indirect minority equity interest, received an administrative order from the Shaanxi Medical Products Administration revoking Huitian's pharmaceutical manufacturing permit due to its failure to meet certain good manufacturing practice standards in its production of pharmaceutical products.

Sales Breakup by Product

(2Q20 Sales %)



Year-over-year Comparison for Sales of Products

YOY comparison	2Q20 (in RMB)	2Q20 (in USD)
Albumin	-9.8%	-13.3%
IVIG	-34.5%	-37.2%
Other Immunoglobulins	+13.3%	+8.9%
Other plasma products	-15.8%	-19.1%
Placenta Polypeptide	-59.0%	-60.2%
Total biomaterial products	+5.1%	+1.5%
Total sales	-14.9%	-18.1%



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

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\$ MM	2015	2016	2017	2018	2019	6M'19	6M'20
Total sales	296.5	341.2	370.4	466.9	503.7	265.5	273.7
Cost of sales	106.5	124.0	125.5	146.8	174.6	89.0	96.3
Gross profit	190.0	217.2	244.9	320.1	329.1	176.5	177.4
Operating expenses							
Selling expenses	10.0	11.7	34.8	95.6	80.3	44.4	28.9
G&A expenses	41.4	54.5	67.7	68.8	73.4	35.2	33.2
R&D expenses	6.0	7.0	6.5	9.5	11.7	4.8	4.6
Income from operations	132.6	144.0	135.9	146.2	163.6	92.1	110.7
Income before income taxes	135.1	153.9	146.4	166.1	191.5	109.3	121.0
Net income	114.1	128.8	82.2	148.0	163.4	93.2	102.8
Net income attributable to CBPO	89.0	104.8	67.9	128.1	138.8	79.3	89.1
Non-GAAP income from operations ⁽¹⁾	144.7	168.3	171.6	177.7	198.3	108.9	128.3
Non-GAAP net income attributable to equity holders⁽¹⁾	100.1	126.8	141.2	145.9	168.4	93.2	104.8

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.

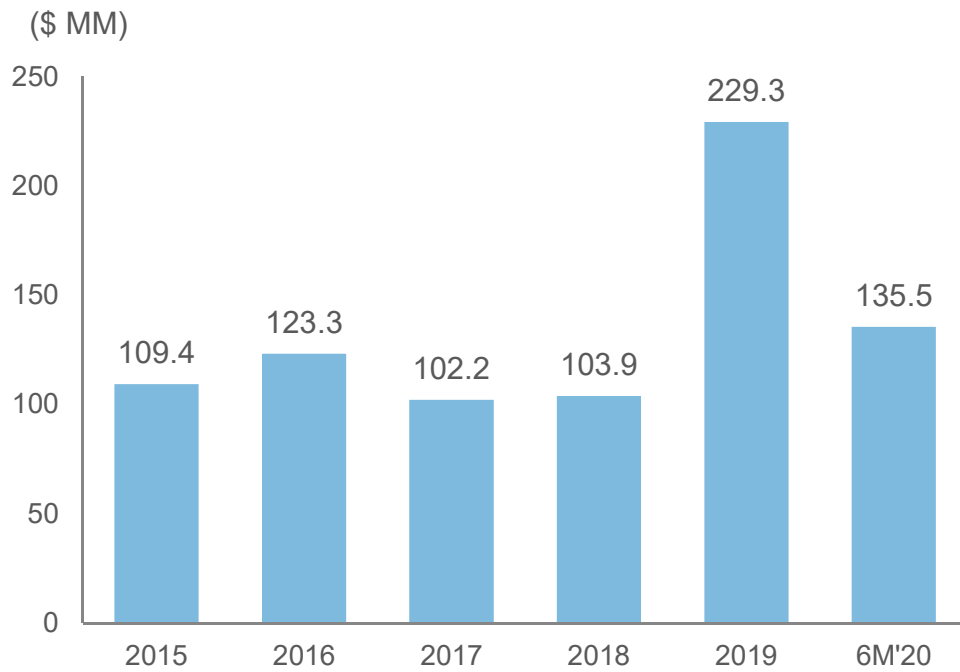
2. 2018 includes the impact of TianXinFu.

	2015	2016	2017	2018	2019	6M'20
Total Cash⁽¹⁾ (\$ MM)	182.9	183.8	242.2	952.4	927.3	1,041.0
Cash & Cash Equivalents (\$ MM)	144.9	183.8	219.3	338.9	161.8	545.1
Time Deposits (\$ MM)	38.0	-	22.9	537.5	497.7	21.0
Short term investments(\$ MM)	-	-	-	76.0	267.8	474.9
Short-term and Long-term Bank Loans (\$ MM)	-	-	-	-	-	-
Accounts Receivable Days	27	32	51	75	77	75
Inventory Days	390	416	508	569	513	421

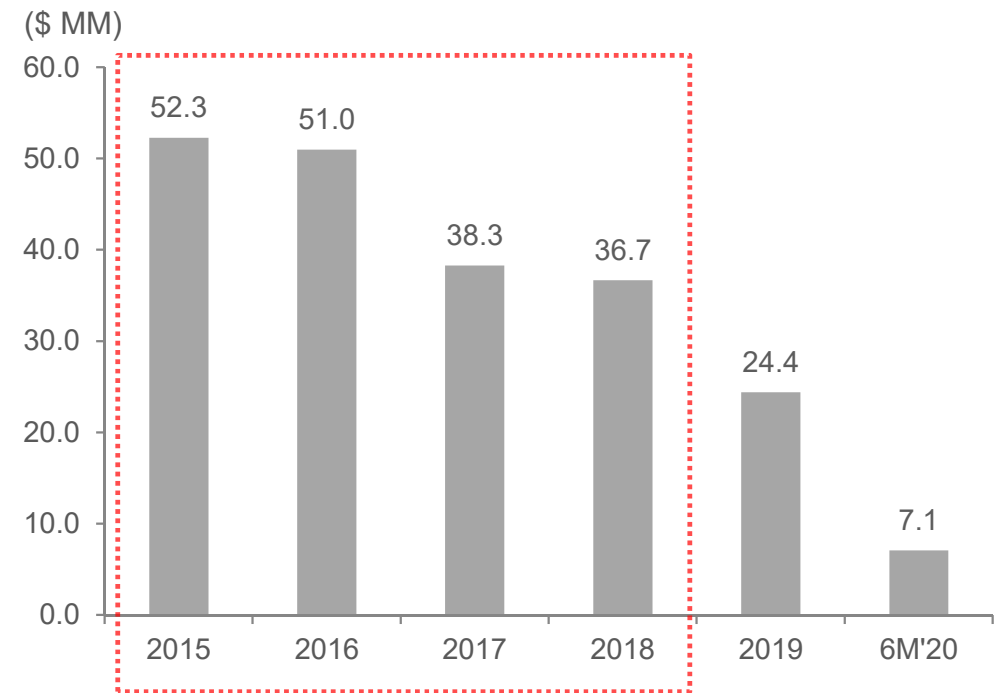
1. Calculated as the sum of cash & cash equivalents, time deposits and financial instruments.

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, in the first half of 2020.

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

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(\$ MM)	2015	2016	2017	2018	2019	6M'19	6M'20
Income from operations	132.6	143.9	135.9	146.2	163.6	92.1	110.7
Non-cash employee stock compensation	12.1	24.4	33.9	23.1	26.6	12.8	13.6
Amortization of acquired intangible assets	-	-	-	8.4	8.1	4.0	4.0
Expenses related to change of domicile and acquisition of TianXinFu	-	-	1.9	-	-	-	-
Adjusted Income from operations-Non GAAP	144.7	168.3	171.6	177.7	198.3	108.9	128.3

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	6M'19	6M'20
Net Income Attributable to Equity holders	89.0	104.8	67.9	128.1	138.8	79.3	89.1
Non-cash employee stock compensation	11.1	22.0	31.1	19.7	23.5	11.1	12.4
Expenses related to change of domicile and acquisition of TianXinFu	-	-	1.9	-	-	-	-
Amortization of acquired intangible assets	-	-	-	5.6	6.1	2.8	3.3
Income tax expense due to U.S. Tax Reform	-	-	40.3	(7.5)	-	-	-
Adjusted Net Income Attributable to Equity holders - Non GAAP	100.1	126.8	141.2	145.9	168.4	93.2	104.8
Diluted EPS - Non GAAP	3.68	4.52	4.95	4.02	4.28	2.36	2.67
Weighted average number of shares used in computation of Non GAAP diluted EPS	26.6	27.2	27.6	35.4	38.9	39.0	39.0

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.

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