

CSL LIMITED (CSL)

15 AUGUST 2018

RESULTS	Full Year 2018	Full Year 2017	CHANGE
Net Profit After Tax (NPAT) (US\$m)	1,729	1,337	+29%
NPAT constant currency (CC) (US\$m)	1,713	1,337	+28%
Sales Revenue (US\$m)	7,588	6,616	+14%
Sales Revenue (CC) (US\$m)	7,394	6,688	+12%
Underlying EBITDA (CC) (US\$m)	2,646	2,058	+29%
EBIT (CC) (US\$m)	2,358	1,878	+33%
Final Dividend (US\$)	0.93	0.915	+1.6%

CSL boosts profit with continuing high demand for plasma expected

- CSL (CSL) has reported** a full year net profit after tax of US\$1,729 million, an increase of 29%, (or 28% when measured on a constant currency (CC) basis). A result which is slightly higher than the US\$1,728.9 million figure forecast by the company. Earnings per share (EPS) grew 30%, or 29% on a constant currency basis. Cashflow from Operations (CFO) rose by 52.6% and Return on Invested Capital (ROIC) increased 25.9%. Earnings Before Interest & Tax (EBIT) rose 33% to US\$2,358 million (CC) with EBIT margins for the group, expanding from 25.6% to 30.6% (CC) in 2018.
- CSL Behring**, performed strongly across all geographic jurisdictions. The business, which markets and develops plasma products, is the main part of the CSL business – delivering 86% of total revenue. Total sales for the business rose 11% (CC) to \$6.67 billion. The North American market, which comprises 46% of revenue for the business, saw a 12% increase in sales. At the same time EU sales, which contribute 28% of sales, rose by 8%. Asia Pacific and Emerging Markets each saw double digit sales increases, 12% & 18% respectively. Immunoglobulin sales for the period rose by 11% helped by increased diagnoses and awareness. Speciality products saw a sizeable 24% increase in sales, helped by the launch of new product launches.
- Tightness in the supply** blood plasma remained a key element of CSL's operating conditions in the last 12 months, which helped support margins expanding to 34.1% (CC) in 2018. In response to tight supply, CSL opened 27 new collection centres in the US, bringing the total to 206 plasma collection centres worldwide. Demand for plasma and recombinant products is expected to remain elevated in the year ahead, which CSL anticipates will in turn support margin growth. In the face of tight supply, CSL expects that its collections will outpace market conditions with approximately 30 to 35 new collection centres likely to be opened in the next 12 months.
- The turn-around of the Seqirus** influenza business to breakeven was one of the features of the last 12 months, with vaccine revenue increasing by 53% in constant currency terms. Total revenue rose by 15% to US\$910 million, and EBIT recovered from a loss in FY17. Seqirus was established in July 2015 following the acquisition of the Novartis influenza business.
- Looking ahead, NPAT for FY19** is anticipated to be in the range of approximately \$1,880 to \$1,950 million at constant currency, representing growth of 10-14% from FY18. Revenue is forecast to increase in the order of 9% for the same period. CSL declared a final dividend of US\$0.93, which will be unfranked for Australian tax purposes and paid on 12 October 2018.

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