

CELL BIOTECH

Probiotics & Microbiome company



2022 2Q Earnings Release

2022. 08. 08.

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1H Earnings Summary

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Revenue up 10.0% to KRW 24.3 billion, operating profit up 27% to KRW 2.5 billion

Domestic revenue down 1.9%, overseas revenue up 32.1%

Duolac brand sales up 0.6% to KRW 14.8 billion, OEM/ODM sales up 52% to KRW 6.8 billion,

Raw material sales down 6% to KRW 2.8 billion

(unit : KRW 100 mil)

	2021 1H	% of revenue	2022 1H	% of revenue	YoY(%)
Revenue	220.9		243.0		10.0
Domestic	143.5	65.0	140.8	57.9	-1.9
Overseas	77.4	35.0	102.2	42.1	32.1
	2021 1H	Profit margin (%)	2022 1H	Profit margin (%)	YoY(%)
Operating Profit	19.8	9.0	25.2	10.4	27.0
Net Profit	35.7	16.2	61.8	25.4	73.3

2Q Earnings Summary

Revenue up 6.6% to KRW 12.2 billion, operating profit down 4.7% to KRW 0.5 billion

Domestic revenue down 1.3%, overseas revenue up 19.3%

Duolac brand sales down 1.0% to KRW 7.1 billion, OEM/ODM sales up 15% to KRW 3.4 billion,

Raw material sales up 30% to KRW 1.7 billion

(unit : KRW 100 mil)

	2021 2q	% of revenue	2022 2q	% of revenue	YoY(%)
Revenue	114.5		122.0		6.6
Domestic	70.7	61.7	69.7	57.1	-1.3
Overseas	43.8	38.3	52.3	42.9	19.3
	2021 2q	Profit margin (%)	2022 2q	Profit margin (%)	YoY(%)
Operating Profit	5.4	4.8	5.2	4.2	-4.7
Net Profit	8.1	7.0	31.7	26.0	293.2

Revenue trends

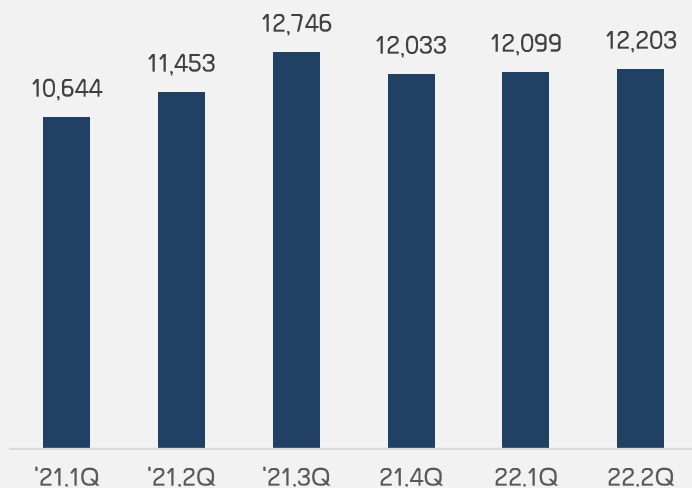
2q revenue KRW 12.2 billion, yoy +6.5%

Domestic sales decrease 1.3%, due to Doulac -2.0%, OEM/ODM +19.2%, and raw material +1.0%

Overseas sales increase 19.3%, due to Duolac +8.4%, OEM/ODM +14.3%, and raw material +46.3%

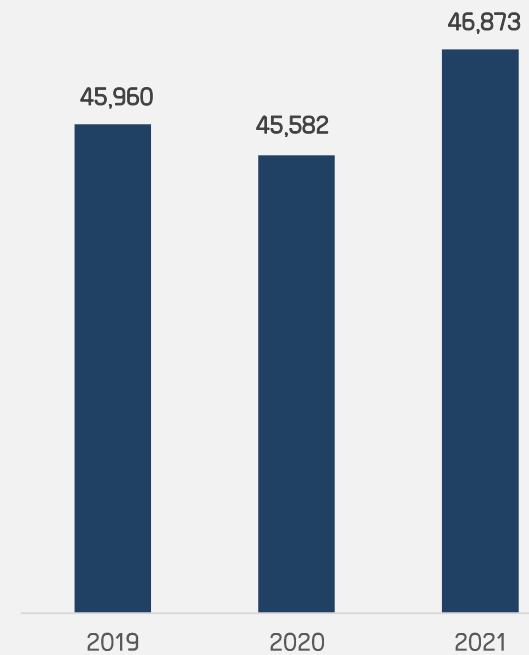
Quarterly revenue

(unit: KRW mil)



Full year revenue

(unit : KRW mil)

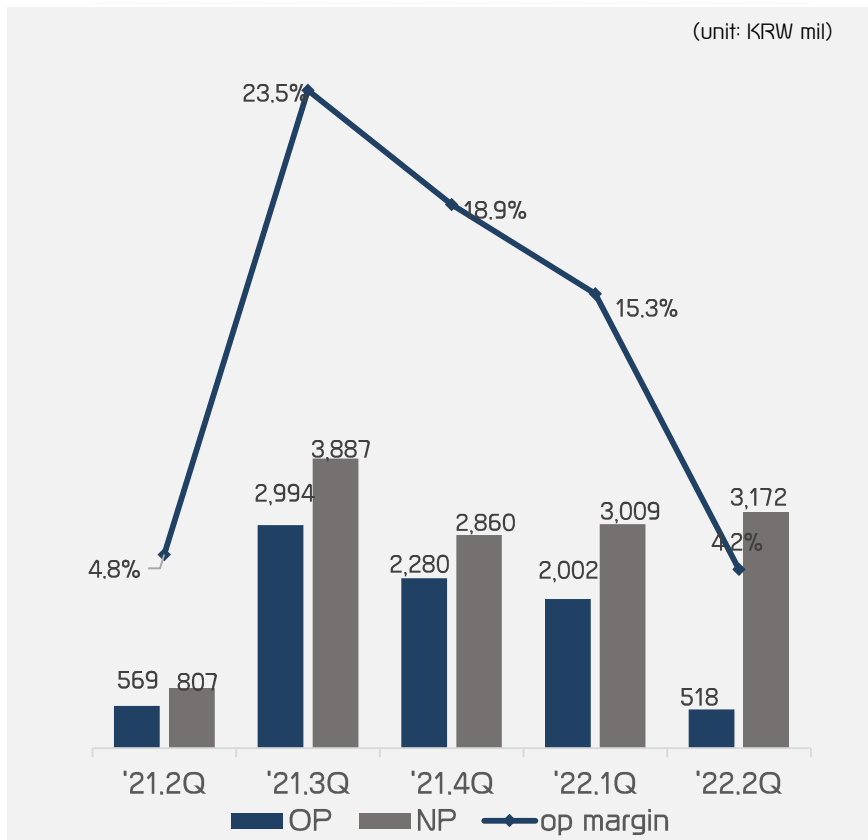


Profit trends

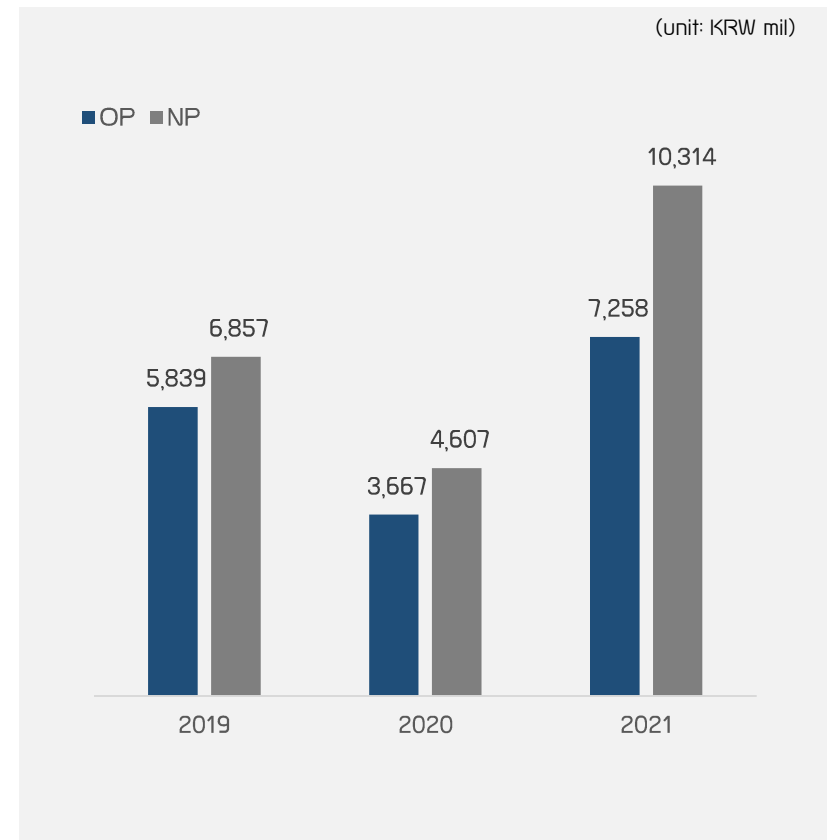
2q operating profit KRW 0.5 billion, yoy -4.7%

Net non operating profit KRW +3.3 bil. (net interest income +0.3 bil.)

Quarterly profit



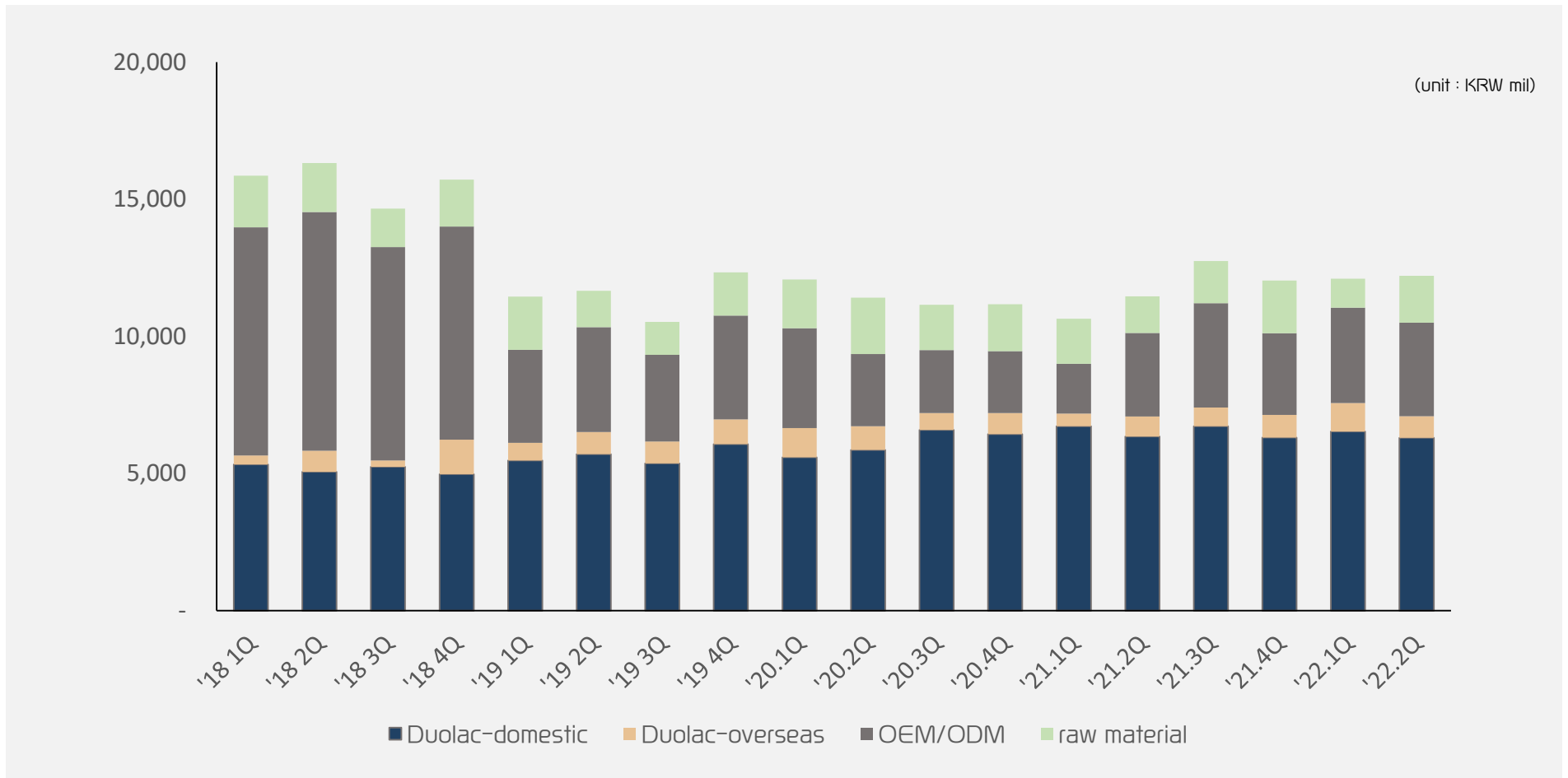
Full year profit



Revenue breakdown

2q revenue of Duolac brand -1% to KRW 7.1 bil., OEM/ODM +15% to KRW 3.4 bil., and raw material +30% to KRW 1.7 bil.

OEM/ODM revenue recovery due to order increase in Asia +42% and Europe +8%



Microbiome R&D

- 1) Microbiome First-in-Class anticancer pipeline 'PP-P8' clinical phase 1 IND submitted (Mar 5, 2021)



- 2) Acquisition European patent of PP-P8 (Apr 1, 2021) (patent number EP3453718)
- 3) Presentation of a dissertation to a journal (May 31, 2021)
A synthetic probiotic engineered for colorectal cancer therapy modulates gut microbiota. Microbiome 2021
- 4) GMP facilities for LBP completed due diligence (1H 2021)

Microbiome business activity

- 1) Marketing seminar for pharmacist (JUL 2, 2022)



New Product – Duolac Yam Yam Premium



- Duolac Yam Yam premium (22.07.18)
- Serving size contains 10 billion probiotics for child

Consolidated Financial Summary

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Income statement

(unit : KRW 100 mil., %)

	2021 2q		2022 2q	
	Amount	Ratio	Amount	Ratio
Revenue	114.5	100.0	122.0	100.0
Gross profit	88.2	77.1	94.0	77.0
SG&A expenses	82.8	72.3	88.8	72.8
Operating profit	5.4	4.8	5.2	4.2
Non operating profit/expense	1.6	1.4	32.9	27.0
Profit before tax	7.1	4.0	38.1	31.2
Consolidated net income	8.1	7.0	31.7	26.0

Statement of financial position

(unit : KRW 100 mil., %)

	2021. 12	2022. 06
Assets	1,129	1,112
Current Assets	675	628
Non current Assets	454	483
Liabilities	62	63
Current Liabilities	58	62
Non current Liabilities	4	1
Shareholder's Equity	1,067	1,048
Capital Stock	47	47
Retained Earnings	1,099	1,129