



GLOBAL INNOVATIVE PARTNER
OF VACCINE AND BIOTECH

SK bioscience

Earnings Release
2Q 2024



Earnings Release 2Q24

DISCLAIMER

The financial information in this document are consolidated earnings results based on K-IFRS.

This document is provided for the convenience of investors only, before the external audit on our 2Q 2024 financial results is completed. The audit outcomes may cause some parts of this document to change.

- This document contains "forward-looking statements", which are addressed based on our current business environment and strategies. Certain risks and uncertainties in the future, such as changes in business environment and strategies, may cause actual results to be materially different from those expressed in this document.

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Earnings Results



(1) Earnings Highlight (Consolidated)

Sales Growth due to Zoster / Varicella Vaccine in 1H Sanofi Vaccine Distribution in Full Swing

(Unit : KRW 100mn)	2Q23	1Q24	2Q24	YoY	QoQ	1H23	1H24	YoY
Revenue	265	223	268	+3	+45	470	490	+20
Zoster	96	141	88	-8	-53	200	229	+29
Varicella	7	24	81	+74	+57	16	105	+89
Distribution and others	162	58	99	-63	+41	255	156	-99
Cost of Goods Sold	200	169	87	-113	-82	397	255	-142
Gross Profit	65	54	181	+117	+127	74	235	+161
SG&A	418	335	381	-37	+46	719	716	-3
SG&A ex R&D	156	162	170	+14	+8	295	332	+37
R&D	262	173	211	-51	+38	424	384	-40
Operating Profit	(353)	(281)	(199)	+154	+82	(645)	(480)	+165
Non-operating profit & loss	61	83	30	-31	-53	96	113	+17
Profit before Income Tax	(292)	(198)	(169)	+123	+29	(549)	(367)	+182
Net Profit	(160)	(137)	(114)	+46	+23	(303)	(251)	+52

YoY Difference

- SKYZoster sales +2.9B KRW in 1H, driven by awareness of importance of vaccination, increased demand from municipalities
- Expansion of SKYVaricella exports in 1H (PAHO supply expansion) +8.5B KRW
- Sanofi vaccine distribution sales started to be recognized in 2Q +7B KRW

※ R&D expense details

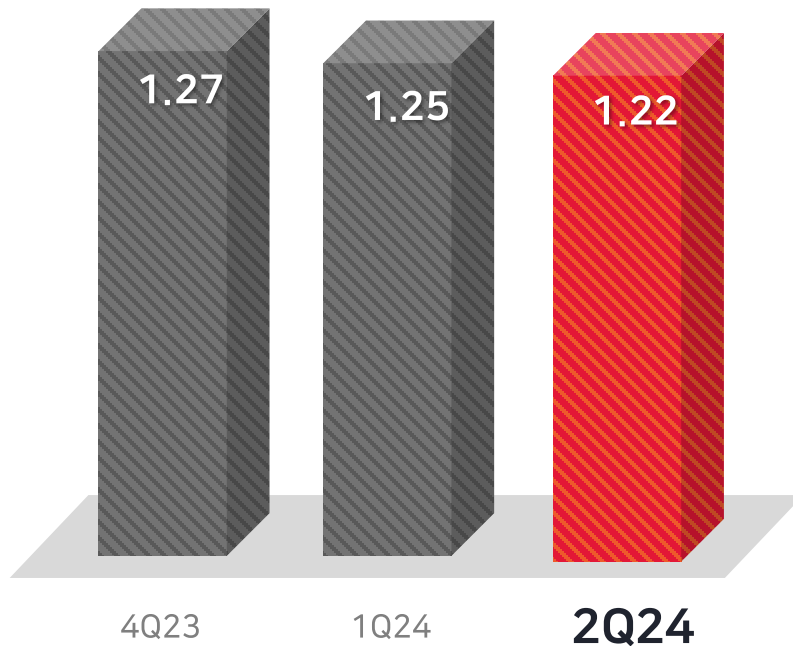
	23.1H	24.1H	YoY
Total R&D	609	537	-72
Funding	(185)	(153)	32
R&D (SG&A)	424	384	-40

(Unit: KRW 100mn)

(2) Balance Sheet Highlight (Consolidated)

<Cash and Cash Equivalents>

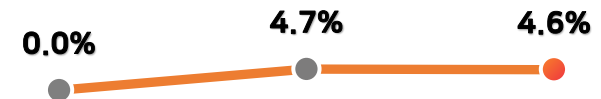
(Unit : KRW tn)



<Debt to Equity Ratio>



<Financial Leverage Ratio>



(3) Consolidated Financial Statement

Balance Sheet

(Unit : KRW mn)	2022	2023	2Q24
Total Assets	2,141,931	1,852,439	1,966,407
Current Assets	1,783,694	1,382,969	1,379,213
Cash & cash equivalents	1,480,806	1,274,141	1,215,590
Account receivable & other receivable	89,661	22,342	30,566
Inventories	187,406	80,649	129,223
Other current assets	25,822	5,836	3,834
Non-current Assets	358,237	469,470	587,193
PP&E	264,158	296,288	367,100
Intangible assets	18,181	22,459	21,624
Other non-current assets	75,898	150,723	198,470
Total Liabilities	400,229	148,584	228,617
Current Liabilities	380,037	135,620	136,229
Account payable & other payable	55,705	45,602	38,928
Short-term borrowings	45,550	-	-
Current bonds	38,008	-	-
Current contract liabilities	155,676	52,195	51,033
Other current liabilities	85,098	37,823	46,268
Non-current Liabilities	20,192	12,964	92,388
Bonds	-	-	-
Long-term borrowings	-	-	80,000
Other non-current liabilities	20,192	12,964	12,388
Total Equity	1,741,702	1,703,855	1,737,790
Capital stock	38,392	38,414	38,414
Capital surplus	1,160,008	1,160,456	1,160,456
Other equity	9,848	10,351	10,351
Accumulated other comprehensive income	77	(54,786)	4,276
Retained earnings	533,378	549,421	524,294
Net Cash	1,397,247	1,274,141	1,135,590

※ Net Cash = Cash & Cash Equivalents + Deposits – Debt (ex Lease Liabilities)

Income Statement

(Unit : KRW mn)	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24
Revenue	456,726	20,597	26,478	231,826	90,604	369,506	22,271	26,777
COGS	217,115	19,712	19,997	126,344	61,209	227,263	16,874	8,643
Gross Profit	239,611	885	6,481	105,482	29,395	142,243	5,396	18,134
SG&A expenses	124,597	30,074	41,790	44,544	37,822	154,231	33,498	38,074
Operating Profit	115,014	(29,189)	(35,309)	60,937	(8,427)	(11,988)	(28,102)	(19,940)
Non-operating profit & loss	26,720	3,523	6,074	(2,315)	12,032	19,315	8,296	3,039
Profit before Income Tax	141,733	(25,665)	(29,235)	58,623	3,605	7,327	(19,806)	(16,901)
Income tax	19,281	(11,398)	(13,258)	10,231	(565)	(14,990)	(6,088)	(5,492)
Net Income	122,452	(14,268)	(15,976)	48,392	4,170	22,318	(13,718)	(11,409)

(4) Separate Financial Statement

Balance Sheet

(Unit : KRW mn)	2022	2023	1Q24
Total Assets	2,142,189	1,854,403	1,969,199
Current Assets	1,777,402	1,379,372	1,376,301
Cash & cash equivalents	1,474,513	1,270,549	1,212,692
Account receivable & other receivable	89,660	22,340	30,565
Inventories	187,406	80,649	129,223
Other current assets	25,822	5,834	3,820
Non-current Assets	364,788	475,031	592,898
PP&E	264,158	295,954	366,781
Intangible assets	18,181	22,459	21,624
Other non-current assets	82,449	156,619	204,494
Total Liabilities	399,934	148,036	228,055
Current Liabilities	379,742	135,304	135,836
Account payable & other payable	55,410	45,433	38,704
Short-term borrowings	45,550	-	-
Current bonds	38,008	-	-
Current contract liabilities	155,676	52,195	51,033
Other current liabilities	85,098	37,676	46,099
Non-current Liabilities	20,192	12,732	92,219
Bonds	-	-	-
Long-term borrowings	-	-	80,000
Other non-current liabilities	20,192	12,732	12,219
Total Equity	1,742,255	1,706,368	1,741,144
Capital stock	38,392	38,414	38,414
Capital surplus	1,160,008	1,160,456	1,160,456
Other equity	9,848	10,351	10,351
Accumulated other comprehensive income	265	(54,727)	4,054
Retained earnings	533,742	551,874	527,869
Net Cash	1,390,955	1,270,549	1,132,692

※ Net Cash = Cash & Cash Equivalents + Deposits – Debt (ex Lease Liabilities)

Income Statement

(Unit : KRW mn)	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24
Revenue	456,726	20,597	26,478	231,826	90,604	369,506	22,271	26,777
COGS	217,115	19,712	19,997	126,344	61,209	227,263	16,874	8,643
Gross Profit	239,611	885	6,481	105,482	29,395	142,243	5,396	18,134
SG&A expenses	124,232	29,593	41,325	43,922	37,192	152,033	32,941	37,489
Operating Profit	115,379	(28,708)	(34,845)	61,560	(7,797)	(9,790)	(27,544)	(19,355)
Non-operating profit & loss	26,719	3,492	6,034	(2,334)	12,014	19,207	8,288	3,026
Profit before Income Tax	142,098	(25,216)	(28,811)	59,226	4,217	9,416	(19,256)	(16,329)
Income tax	19,281	(11,398)	(13,259)	10,231	(565)	(14,990)	(6,088)	(5,492)
Net Income	122,817	(13,818)	(15,552)	48,995	4,782	24,407	(13,169)	(10,837)

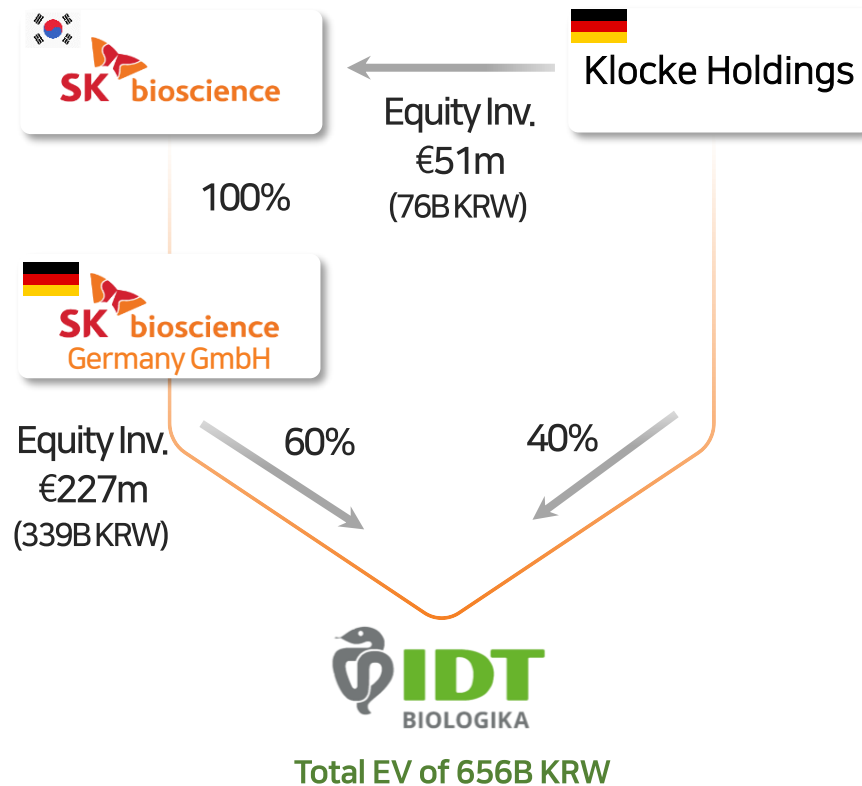
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Acquisition of IDT BIOLOGIKA



(1) Deal Overview

Deal Structure



Retaining 40% stake in IDT

Confidence in growth for IDT

- Major role expected in optimizing IDT's operations and achieving long-term growth

Klocke's investment into SKBS

€51m strategic investment in SKBS shares for further partnership

- Cross-investment for mutual commitment
- Trust in SKBS's operational capability

(2) IDT at a Glance

Facility



Best-in-class Infra

- ✓ Proven 100+ year track record, w/ diverse vaccine manufacturing experience and facilities
- ✓ cGMP commercial production facility, including BSL-3
- ✓ 10+ key regulatory approvals : FDA(US), EMA(EU), ANVISA(BR), MHRA(UK), PMDA(JP), SFDA(SA)



People/ Capability



Standout

bio-manufacturing team and CDMO capabilities

- ✓ Top-tier talents with 15yr+ experience
- ✓ Winner in all 6 categories of the 2024 CDMO Leadership Awards*

* Organized by 'Life Sciences Leader' and 'Industry Standard Research'



Clients



Stable long-term contracts with global big pharma

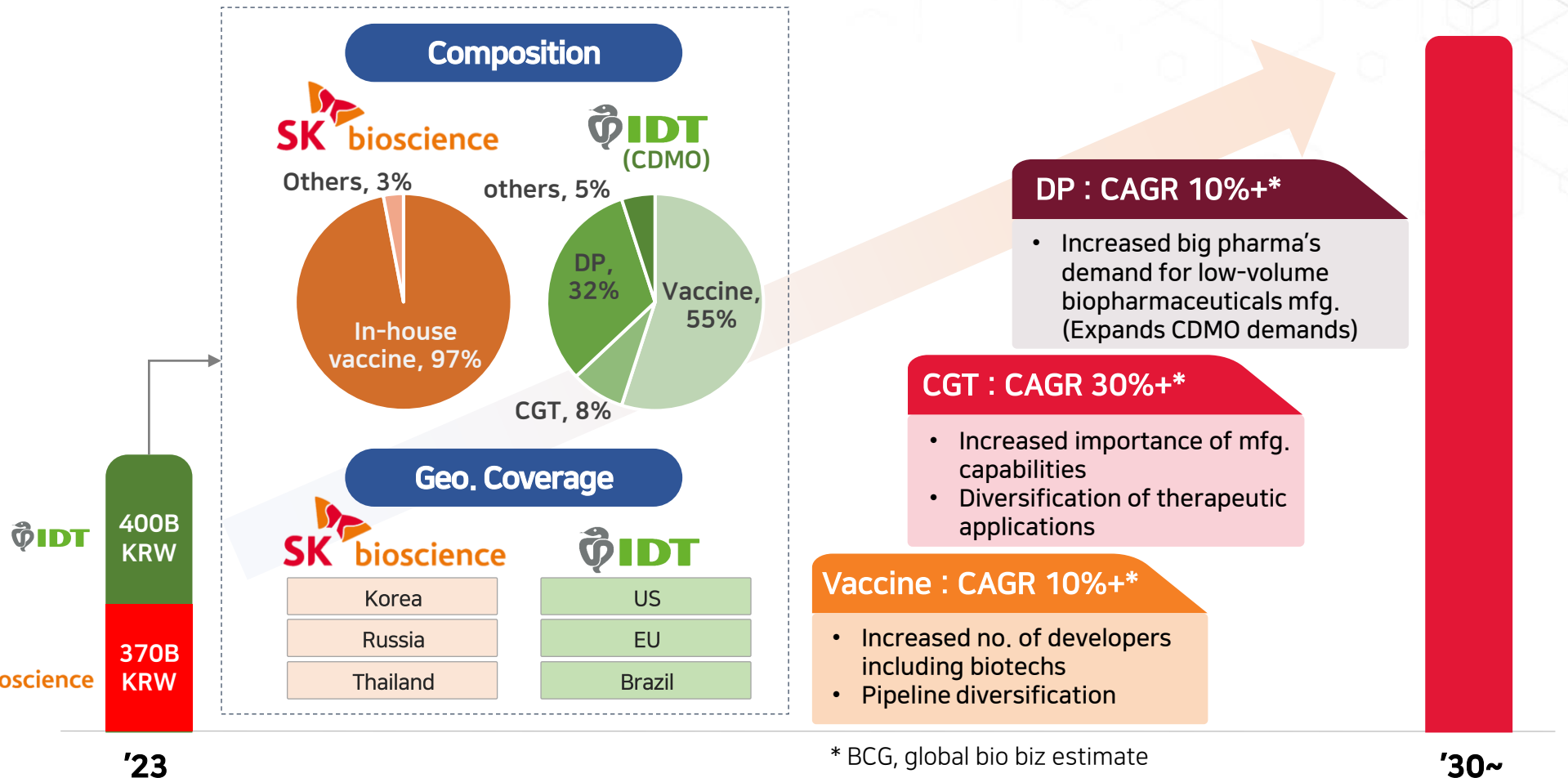
- ✓ Significant revenue (70%) from long-term contracts with global big pharma
- ✓ Reserve contract with German Govt. for 80M dz./yr for next pandemic preparedness (next 5 years)



(3) Sustainable Top Line Growth

Different Playground in Product Mix and Geography
⇒ Highly Complementary Synergy

Revenue growth driven by product and geographic expansion



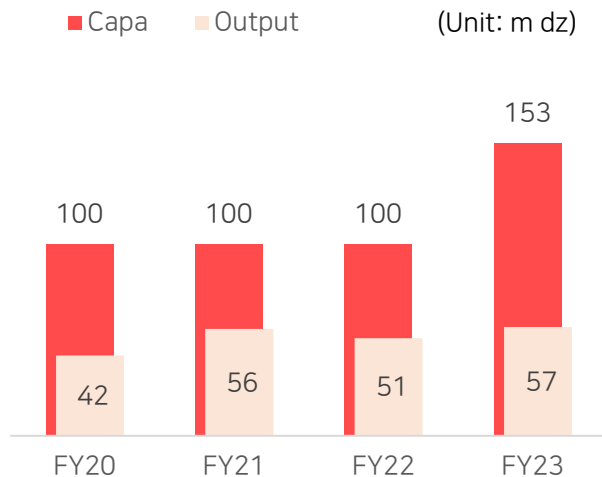
(4) IDT Bottom line Optimization for Profitability

180B KRW CAPEX in '21~'22 to Expand State-of-the-art Production Capacity

Increased depreciation and labor costs weighed on short-term profitability

Increase in utilization rate and cost efficiency through our new project and cost optimization strategy

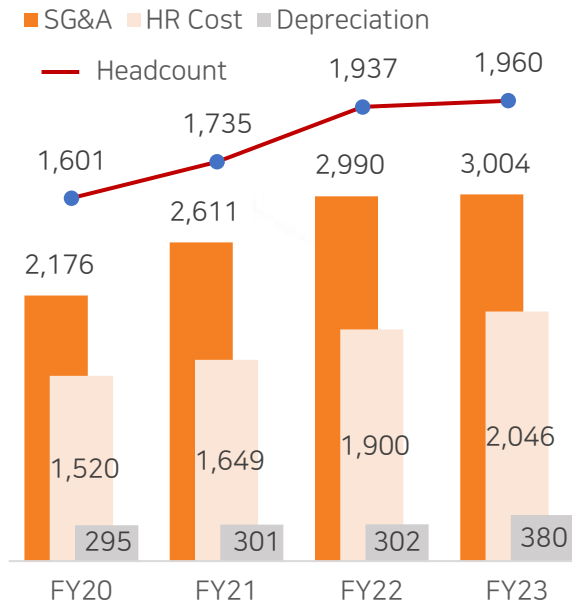
Capa. and Output (DP)



Potential for significant
production growth

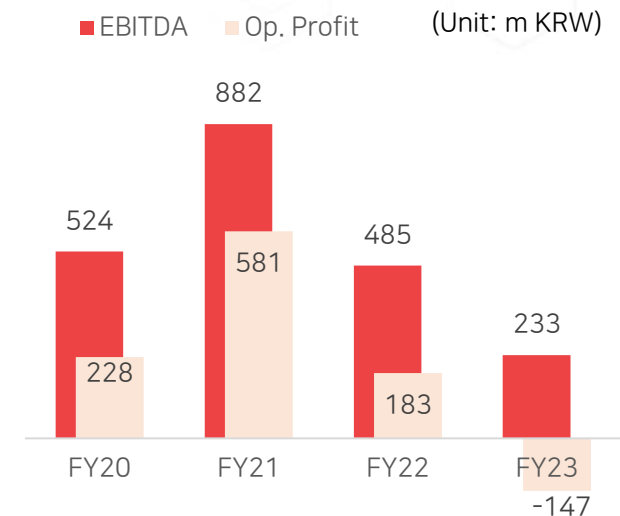
SG&A

(Unit: m KRW, People)



Increasing SG&A due to hiring
and facility expansion

EBITDA And Operating Profit



Maintaining positive EBITDA
despite rising SG&A costs



3

Business Update



(1) SKYVAX Update

SKYZoster – Continuous Growth, SKYVaricella – Export Expansion, SKYCellflu – Sales in Full Swing in 2H

■ SKYCellflu

NIP increased in the FY24~FY25 flu season

- Flu vaccine order from government increased to 27B KRW(5% ↑ YoY from 25.8B)
- Started exporting to the southern hemisphere (440,000 dz. shipped to Thailand in March '24)

■ SKYZoster

Demand for vaccine continues to grow

- Sales growth due to public awareness of the importance of vaccination, SKYZoster's price competitiveness and convenience of a single shot
- 1H SKYZoster sales 22.9B KRW(15% ↑ YoY)

■ SKYVaricella

Full-scale export to PAHO

- Sales expansion to PAHO (Pan American Health Organization)
 - 2Q export 7.6B KRW

■ SKYTyphoid

Global sales expansion with WHO PQ

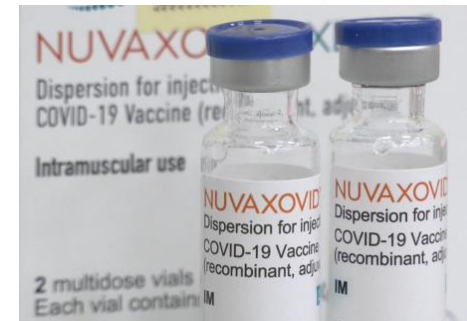
- Co-developed with IVI, supported by BMGF
- Plan to participate in the public procurement market bids

(2) Vaccine Distribution Update

Distribution of 5 Key Sanofi Vaccines Begins Novavax COVID-19 Vaccine to be Available in 2H



- 2Q Sales : 7.0B KRW
 - Pediatric DTaP* : **Tetraxim, Pentaxim**, Hexaxim
 - Adult Tdap* : **Adacel** ※ Vaccines included in NIP (National Immunization Program)
 - * Diphtheria, Tetanus, Pertussis
 - Meningococcal : Menactra
- Sanofi's additional vaccines will be added to SK's distribution channel through ongoing partnership



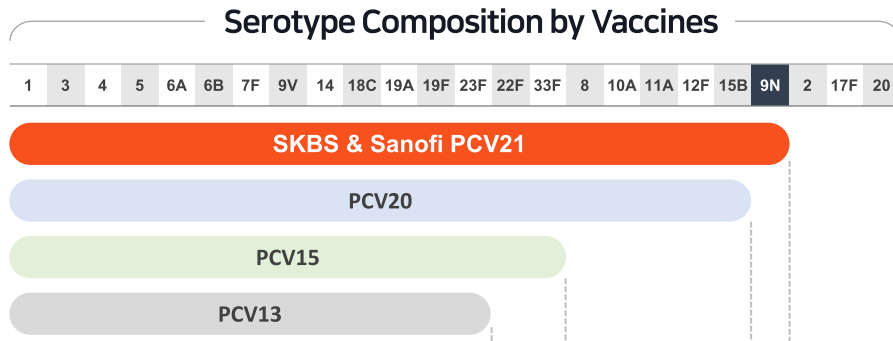
- Nuvaxovid will supply in the FY24~FY25 vaccination season following the government's plan
 - Nuvaxovid will be the only recombinant COVID vaccine responding to the JN.1 variant as the FDA recommends for this season
- ⇒ The only alternative to mRNA vaccines

1) Tetraxim (4-valent) : diphtheria, tetanus, pertussis, and polio prevention
2) Pentaxim (5-valent) : Tetraxim + invasive infections caused by Haemophilus influenzae type b prevention
3) Hexaxim (6-valent) : Pentaxim + Hepatitis B prevention

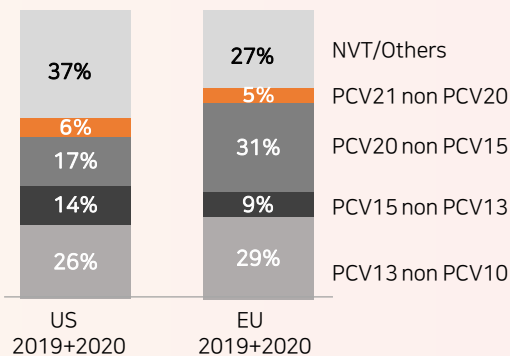
(3) PCV21 Update

Phase 3 IND Approved in Australia
Expecting US and Global Approval in 2H

Coverage Expansion



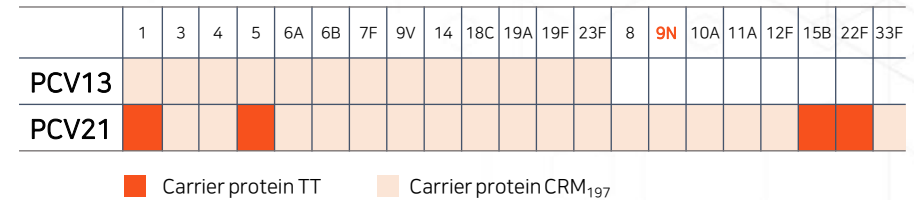
IPD Coverage



"9N serotype provides 5~7% gain in IPD coverage across all ages"

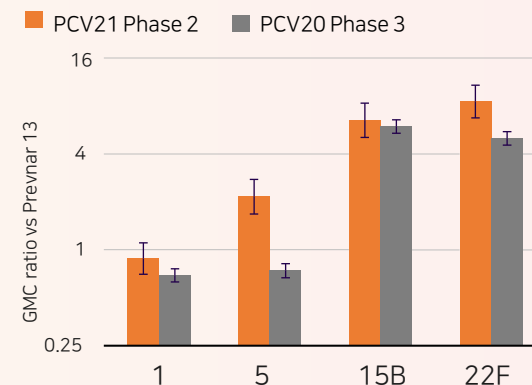
Source: Sanofi, Vaccines investor event ('23.06.29)

Innovative Carrier



- Two carrier proteins to cover different serotypes with **maximized immune response**
- Mitigates **immune interference** common in multivalent conjugate vaccines

Post Dose 4: IgG GMC ratio



"Innovative carrier to break serotype composition ceiling"

(4) SKBS 3.0 Progress & Plan

2024 1H

2024 2H

Vaccine Portfolio

- Strong SKYZoster sales
- Export expansion for SKYVaricella
- **PCV 21 Phase 3 IND approved in Australia**

- **Expecting PCV21 Phase 3 IND approval in US and global**

R&D/Infra Upgrade

- Songdo global R&PD center under construction
- Andong plant expansion started (PCV21)
- **IDT Biologika acquisition**

- Andong plant expansion and cGMP certification process continues
- **IDT Biologika Deal Closing(~'24.4Q)**

SKYShield

- SKYCellflu expands to southern hemisphere
- **SKYTyphoid received WHO PQ**

- Additional SKYShield contract in Africa and Asia

Next Pandemic Preparedness

- Continued development of CEPI's mRNA vaccine project, and secured basic tech

- Pan-Sarbeco clinical trial in preparation
- CEPI mRNA JEV vaccine clinical trial in preparation

Bio Biz. Expansion

- Acquisition of IDT Biologika paves the way to CGT biz

- Refine strategies to enter new markets










4

Appendix



(1) SKBS Pipeline

SKBS Pipeline Includes Various Projects Based on Continuous R&D Investment, Targeting the Global Market with Promising Blockbuster Potential

		Pre-clinical	Phase 1	Phase 2	Phase 3	Registration
● Premium						
● Routine						
● COVID/Pandemic						
PCV 21	sanofi				✓ Global	
RSV		✓				
Recombinant Zoster		✓				
HPV 10	Sunflower THERAPEUTICS	✓				
Value-Up Flu Vaccine		✓				
PCV 13						✓
SKYCellflu(Trivalent)						✓
SKYCellflu(Quadrivalent)						✓
SKYZoster						✓
SKYVaricella						✓
SKYTyphoid(TCV)	 International Vaccine Institute  BILL & MELINDA GATES foundation					✓
HPV 4	Sunflower THERAPEUTICS			✓		
Rotavirus Pentavalent				✓		
JEV mRNA	CEPI	✓				
Hep A, etc.		✓				
SKYCovione (COVID-19)	CEPI  BILL & MELINDA GATES foundation					✓
Pan-Sarbeco (Sarbecovirus)	CEPI  INSTITUTE FOR Protein Design UNIVERSITY OF WASHINGTON	✓				
Lassa Fever mRNA	CEPI	✓				
Nasal Spray	 INSTITUTE FOR Protein Design UNIVERSITY OF WASHINGTON  BILL & MELINDA GATES foundation  iavi	✓				

(2) ESG Management

MSCI ESG Rating A, the Highest Level in the Domestic Bio Industry

ESG Report



| ESG Homepage

- ✓ Improved accessibility and created user-friendly environment ('24.07)
 - Reflected ESG information trends to enhance timeliness, scalability, and accessibility



| ESG Report

- ✓ The first ESG report containing SK bioscience's ESG strategy ('22.06)
- ✓ The second ESG report on our performance centered in 3 key issues ('23.07)
 - Net Zero roadmap
 - Human rights management
 - ESG in supply chain

ESG Rating



| KCGS ESG Evaluation

- ✓ '22 First ESG Grade A
- ✓ '23 Grade A for the second consecutive year



| MSCI ESG Evaluation

- ✓ Improved ESG ratings for two consecutive years

