

Financial Results for the First Quarter of Fiscal Year Ending March 31, 2025 (FY2024)

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Forward-Looking Statements and Use of Document

Among the information that Terumo discloses, the forward-looking statements including financial projections are based upon our assumptions using information available to us at the time and are not intended to be guarantees of future events or performance. Accordingly, it should be noted that actual results may differ from those forecasts or projections due to various factors. Factors affecting to actual results include, but are not limited to, changes in economic conditions surrounding Terumo, fluctuations of foreign exchange rates, and state of competition. Information about products (including products currently in development) which is included in this material is not intended to constitute an advertisement or medical advice.

Highlights

■ Revenue

- | Highest ever result for a quarter
- | Demand continued across all companies, which together with foreign exchange contributed to company-wide growth of +19.9%

■ Operating Profit

- | Operating income and net income both reached record quarterly highs
- | Growth outpaced that of sales due to appropriate cost control measures

P&L

- Revenue: Strong inherent growth in all companies, plus effects of pricing measures and one-time factors
- Operating Profit: Improved profit margins due to contributions from increased sales and appropriate cost control

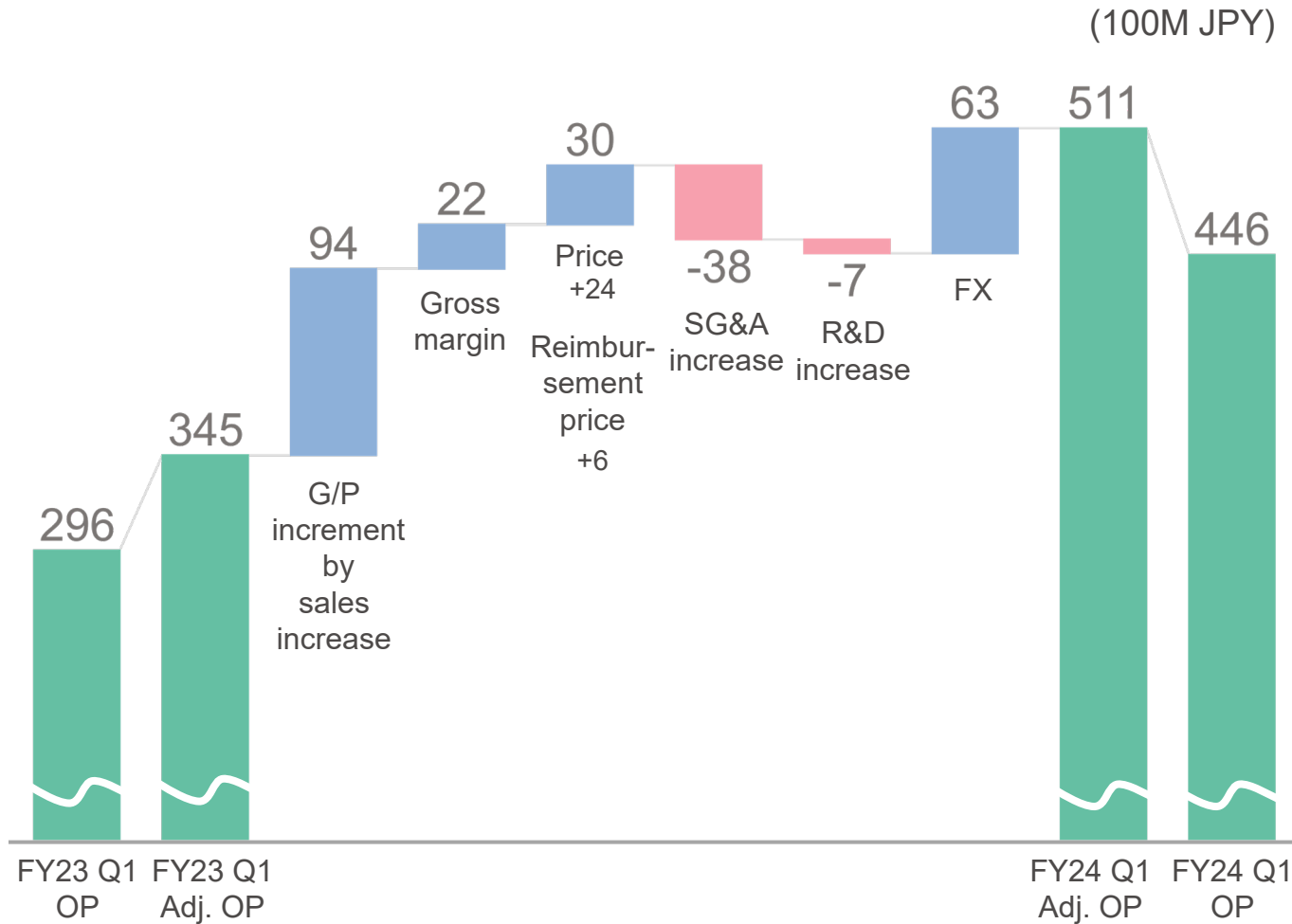
100M JPY	FY23 Q1	FY24 Q1	Change	Change excluding FX impact
Revenue	2,153	2,582	20%	10%
Gross Profit (%)	1,098 (51.0%)	1,376 (53.3%)	25%	12%
SG&A Expenses (%)	651 (30.2%)	748 (29.0%)	15%	5%
R&D Expenses (%)	154 (7.2%)	174 (6.7%)	13%	5%
Other Income and Expenses	3	-8	-	-
Operating Profit (%)	296 (13.8%)	446 (17.3%)	51%	24%
Adjusted Operating Profit (%)	345 (16.0%)	511 (19.8%)	48%	24%
Profit before Tax (%)	298 (13.8%)	456 (17.7%)	53%	
Profit for the Year (%)	225 (10.5%)	339 (13.1%)	50%	

Average exchange rate (USD/EUR)

137JPY/150JPY

156JPY/168JPY

OP Variance Analysis (Q1): Sustained demand contributing to increased sales



- G/P increment by sales increase:
Driven by C&V, mainly TIS and Neuro
- Gross margin:
Mitigation of inflationary and cost reduction effects
- Price:
Effects of price measures
- SG&A increase:
Increase due to business expansion, in line with planned figures
- FX:
Flow +3.8 B JPY
Stock +2.5 B JPY*

*Includes a +2.2 B JPY impact from change to exchange rate used for elimination of unrealized gains on inventory.

Change to Exchange Rate Used for Elimination of Unrealized Gains on Inventory

- Objective: Taking into account the recent volatilities in exchange rates, to avoid large fluctuations in business results based on closing rates
- Change: Exchange rate used for elimination of unrealized gain on inventory held by overseas subsidiaries

	Up to FY23	From FY24
Elimination of unrealized gains on inventory (Affects PL costs)	Closing rate	Average rate during stock turnover period <small>*Based on average inventory turnover period</small>
Inventory (BS)	Closing rate	Closing rate (No change)

- Effect : (100M JPY)

	FY24 Q1		Change
	Before Rate on the last day of the fiscal year	After Average rate during the turnover period	
Gross profit	1,354	1,376	+22

Exchange rate (USD) End of FY23: 151 End of FY24Q1: 161 FY24Q1: 156

Revenue by Region: Steady progress in all regions, with transient demand also contributing

C&V: Cardiac and Vascular, TMCS: Medical Care Solutions, TBCT: Blood and Cell Technologies, TIS: Interventional Systems, Neuro: Neurovascular, CV: Cardiovascular, HCS: Hospital Care Solutions, LCS: Life Care Solutions, PS: Pharmaceutical Solutions

FY24 Q1 YTD Regional breakdown		Revenue (100M JPY)	FY24 Q1 YTD YoY change	Comments
37%	Americas	FY22 662 FY23 740 FY24 959	30% (15%) () FX Neutral	All companies posted double-digit growth, even when excluding exchange rate effects. Driven by TIS, Neuro, and Vascular in C&V, and the blood center business in TBCT
20%	Japan	499 475 528	11%	TMCS grew significantly. Price measures contributed in HCS, PS also progressing as planned
21%	Europe	386 444 541	22% (8%)	In C&V, double-digit growth in Neuro / Vascular, even when excluding exchange rate effects; in TBCT, strong performance in the blood centers business and apheresis therapy
9%	China	194 200 230	15% (5%)	C&V led the way. Neuro showed significant growth as FY23Q1 experienced lower sales from distributors' inventory adjustments. TIS exceeded planned figures due to a rebound from VBP induced order hold-back
13%	Asia and Others	233 294 323	10% (0%)	The blood center business returned to normal from FY23Q1 one-time high. C&V and TMCS were driven by cardiology and PS respectively, growing double-digits even excluding exchange rate effects

C&V: Both sales and profits exceeded planned figures, driven by Europe and the U.S.

(C&V: Cardiac and Vascular, TIS: Interventional Systems, Neuro: Neurovascular, CV: Cardiovascular)

(100M JPY)

	Q1			Comments	Q1 YoY
Revenue	() FX Neutral 			TIS : US saw double-digit growth, even when excluding exchange rate effects, driven by the resolution of supply issues for some access products	+148
				Neuro-vascular : Sustained demand led to growth in all global regions, even when excluding exchange rate effects. This accelerated growth was partly due to reduced sales in FY23Q1	+64
Adjusted Operating Profit				Cardio-vascular : Hardware demand has run its course. However, driven by sales in US	+14
				Vascular : Led by US and Europe. Strong sales expansion of stent grafts and surgical grafts, as well as hybrid products sales expansion continued	+35
Profit %	FY22	FY23	FY24	Profit : Increase in sales and the effect of profit improvement measures, as well as appropriate SG&A control, led to an increase in income	
	24%	21%	24%		

TMCS: Revenues and profits increased due to the effects of pricing measures, including sales increases due to one-time factors

(TMCS: Medical Care Solutions)

(100M JPY)

	Q1			Comments	Q1 YoY
Revenue	() FX Neutral				
	460	437	518 +18% (+15%)	HCS Hospital Care Solutions : In Japan, revenues increased due to the effect of pricing measures implemented in the second half of FY23, the reimbursement rate revision this fiscal year, and strong sales of infusion sets and syringes. Overseas sales were strong due to a transient increase in demand in US	+46
				LCS Life Care Solutions : Decreased sales due to termination of the CGM (Continuous Glucose Monitor) distributorship agreement	-2
Adjusted Operating Profit			65	PS Pharmaceutical Solutions : CDMO business in Japan moved ahead as planned. This accelerated growth was partly due to reduced sales in FY23Q1. Overseas, PLAJEX in US performed well	+37
	45	28	+131% (+145%)	Profit : Profit increased due to higher sales and the effect of pricing measures. Price revisions implemented in the second half of FY23 are expected to produce effects in the first half of this fiscal year	
Profit %	FY22	FY23	FY24		
	10%	6%	13%		

TBCT: Sales expanded due to strong performance by the blood center business

(TBCT: Blood and Cell Technologies)

(100M JPY)

	Q1			Comments	Q1 YoY
Revenue	() FX Neutral				
	345	409	497	Blood Center Solutions : Strong sales of apheresis collection systems and whole blood collection-related products in US and Europe. Rika (Source plasma collection system) is also developing well	+65
			+21% (+9%)	Therapeutic Solutions : Strong sales, mainly in US and Europe, as a result of increased demand for cell collections associated with cell and gene therapies	+21
Adjusted Operating Profit		59	68	Cell Therapy Technologies : Cell processing systems sluggish due to increased competition	+1
	36		+16% (-0%)	Profit : Profit excluding exchange rate effects on par with that of the same period of the previous fiscal year. Profit margin maintained at 14%	
Profit %	FY22	FY23	FY24		
	10%	14%	14%		

Awareness of the Current Environment

No change



Fundamentals

Generally sound
Demand and growth potential remain favorable

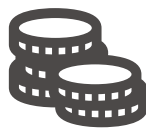
Unstable



Inflation

Easing inflation also requires close monitoring
(raw materials, transportation, energy, etc.)

Unstable



Exchange rate fluctuations

Future outlook remains uncertain

Accelerating



Group strategy

With the robust implementation of GS26,
Implementing Bold plus-Alpha (portfolio optimization)

Reference

P&L (QoQ)

(100M JPY)

	FY23 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY24 Q1 (Apr-Jun)
Revenue	2,153	2,286	2,391	2,389	2,582
Gross Profit	1,098 (51.0%)	1,185 (51.8%)	1,266 (52.9%)	1,243 (52.0%)	1,376 (53.3%)
SG&A Expenses	651 (30.2%)	664 (29.0%)	707 (29.6%)	737 (30.9%)	748 (29.0%)
R&D Expenses	154 (7.2%)	164 (7.2%)	173 (7.3%)	199 (8.3%)	174 (6.7%)
Other Income and Expenses	3	12	5	39	-8
Operating Profit	296 (13.8%)	368 (16.1%)	390 (16.3%)	346 (14.5%)	446 (17.3%)
Adjusted Operating Profit	345 (16.0%)	411 (18.0%)	441 (18.5%)	371 (15.5%)	511 (19.8%)

Quarterly	USD	137JPY	145JPY	148JPY	149JPY	156JPY
Average Rate	EUR	150JPY	157JPY	159JPY	161JPY	168JPY

SG&A (QoQ)

(100M JPY)

		FY23 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY24 Q1 (Apr-Jun)
Salaries & Wages		336	349	371	373	398
Sales Promotion		49	44	54	54	52
Logistical Costs		47	46	49	51	51
Depreciation and Amortization		58	61	65	66	70
Others		161	164	168	192	178
SG&A Expenses		651	664	707	737	748
(%)		(30.2%)	(29.0%)	(29.6%)	(30.9%)	(29.0%)
R&D Expenses		154	164	173	199	174
(%)		(7.2%)	(7.2%)	(7.3%)	(8.3%)	(6.7%)
Total		805	828	881	937	922
(%)		(37.4%)	(36.2%)	(36.8%)	(39.2%)	(35.7%)
Quarterly Average Rate	USD	137JPY	145JPY	148JPY	149JPY	156JPY
	EUR	150JPY	157JPY	159JPY	161JPY	168JPY

SG&A (YoY)

(100M JPY)

	FY23 Q1	FY24 Q1	YoY	YoY%	YoY% excluding FX impact
Salaries & Wages	336	398	62	18%	7%
Sales Promotion	49	52	3	6%	-2%
Logistics Costs	47	51	4	6%	-2%
Depreciation and Amortization	58	70	12	21%	9%
Others	161	178	17	10%	2%
SG&A Expenses Total	651	748	97	15%	5%
(%)	(30.2%)	(29.0%)			
R&D Expenses	154	174	14	13%	5%
(%)	(7.2%)	(6.7%)			
SG&A Expenses Total	805	922	117	15%	5%
(%)	(37.4%)	(35.7%)			

Adjusted Operating Profit: Adjustments

(100M JPY)

	FY23 Q1	FY24 Q1
Adjusted Operating Profit	345	511
Adjustment 1. Amortization of acquired intangible assets	-46	-56
Adjustment 2. Non-recurring profit or loss	-2	-9
Operating Profit	296	446

<General examples of adjustment items>

- Acquisition related cost
- Lawsuit settlement
- Impairment loss
- Restructuring loss
- Nonlife insurance income
- Loss on disaster
- Other one-time profit & losses

Adjustment 2. Non-recurring profit or loss	FY23 Q1	FY24 Q1
Restructuring loss	-2	-11
Others	-	2

CAPEX, Depreciation and Amortization, R&D Expenses

(100M JPY)

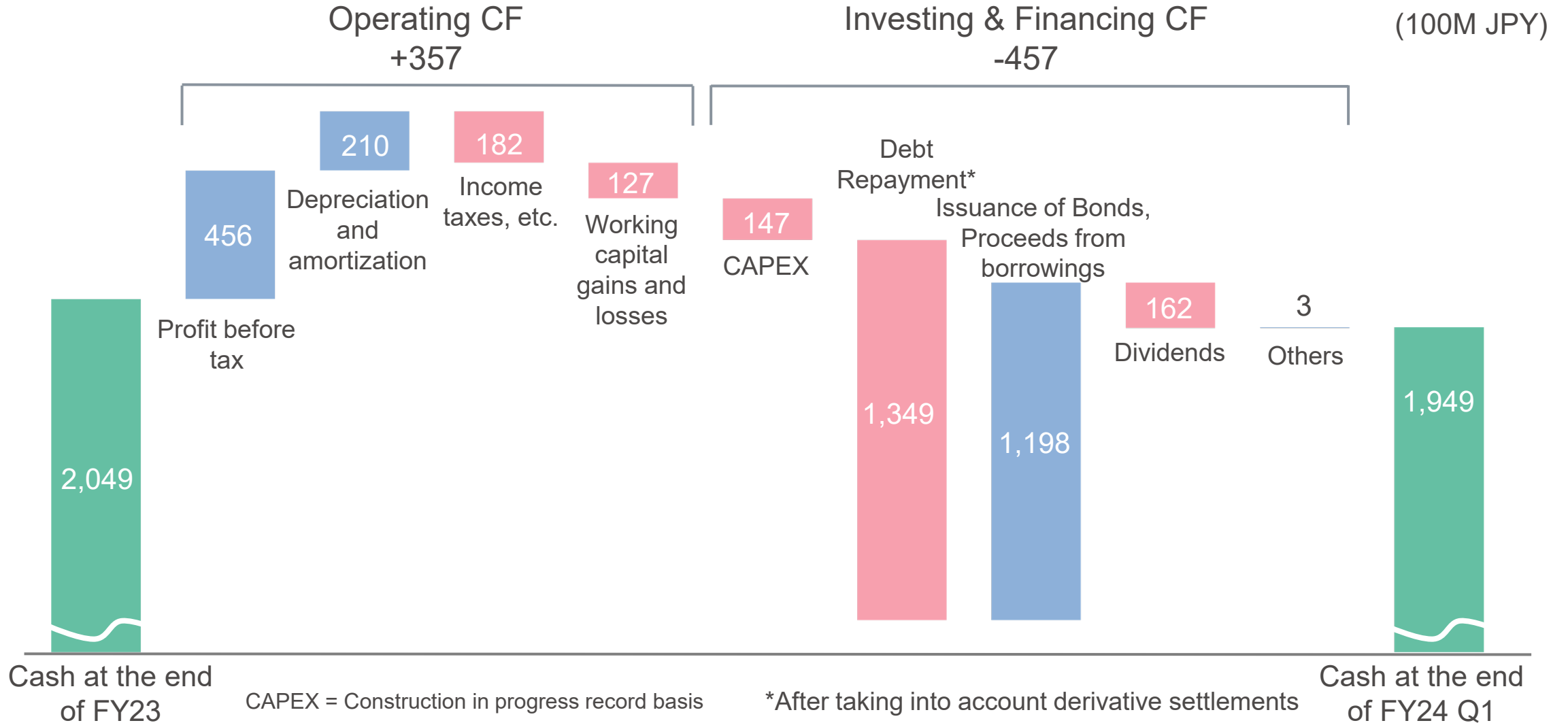
	FY21	FY22	FY23	FY24Q1	FY24 Guidance
CAPEX	692	758	784	147	930
Depreciation and Amortization	532	635	702	192	770
Amortization of acquired intangible assets	161	188	200	56	200
Others	371	447	502	136	570

CAPEX = Construction in progress record basis, lease depreciation (IFRS16) is not included in Depreciation

■ FY2024 Q1 results (14.7 B JPY): Construction of a new building in the Kofu Plant to strengthen production system for CDMO (contracted development and manufacturing) and others. Other investments include TIS and Blood and Cell Technology production increases, source plasma collection-related, R&D investments, and continued investment in IT, including core systems (SAP)

	FY21	FY22	FY23	FY24Q1	FY24 Guidance
R&D Expenses	518	616	691	174	715

Cash Flows (Q1)



Foreign Exchange Sensitivity

Annual impact of 1 JPY depreciation (Flow)

(100M JPY)

	USD	EUR	CNY
Revenue	25	11	39
Adjusted Operating Profit	1	5	23

Impact of 1 JPY depreciation (Stock)

	USD	EUR	CNY
Adjusted Operating Profit	-2.5	-0.6	-2.0

