

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

February 13, 2025

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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

- | Record highs both for the quarter and Q3 YTD
- | Global demand continues to expand, driven by US; foreign exchange effects also contributed to company-wide growth of +13%

■ Profit

- | Record highs in all areas of operating profit, adjusted operating profit, and profit for the period for both the quarter and Q3 YTD
- | Higher growth than sales growth due to steady progress in pricing measures and profit improvement measures

P&L, FCF

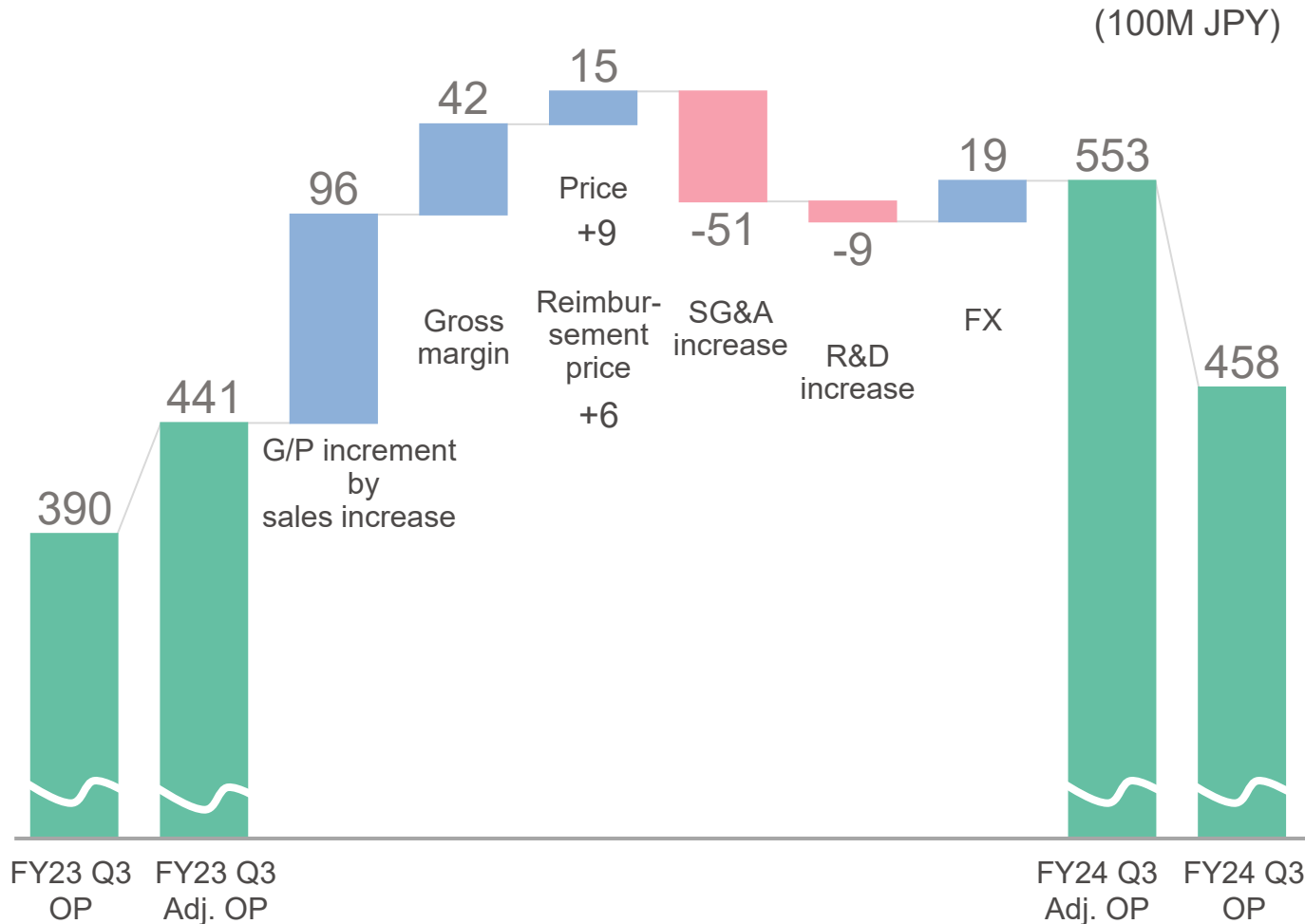
- Revenue: Expanding global demand, led by TIS and blood center business
- Operating Profit: Improved profit margins due to sales growth, steady progress in pricing measures and profit improvement measures

100M JPY	FY23 Q3 YTD	FY24 Q3 YTD	Change	Change excluding FX impact	FY23 Q3	FY24 Q3	Change
Revenue	6,830	7,722	13%	8%	2,391	2,636	10%
Gross Profit (%)	3,548 (52.0%)	4,221 (54.7%)	19%	12%	1,266 (52.9%)	1,451 (55.1%)	15%
SG&A Expenses (%)	2,022 (29.6%)	2,257 (29.2%)	12%	7%	707 (29.6%)	777 (29.5%)	10%
R&D Expenses (%)	491 (7.2%)	554 (7.2%)	13%	9%	173 (7.3%)	187 (7.1%)	8%
Other Income and Expenses	20	-76	-	-	5	-30	-
Operating Profit (%)	1,055 (15.5%)	1,335 (17.3%)	27%	14%	390 (16.3%)	458 (17.4%)	17%
Adjusted Operating Profit (%)	1,197 (17.5%)	1,593 (20.6%)	33%	22%	441 (18.5%)	553 (21.0%)	25%
Profit before Tax (%)	1,057 (15.5%)	1,318 (17.1%)	25%		393 (16.4%)	467 (17.7%)	19%
Profit for the Year (%)	799 (11.7%)	986 (12.8%)	23%		298 (12.5%)	354 (13.4%)	19%
FCF	381	939	146%				

Average exchange rate (USD/EUR) 143JPY/155JPY 153JPY/165JPY

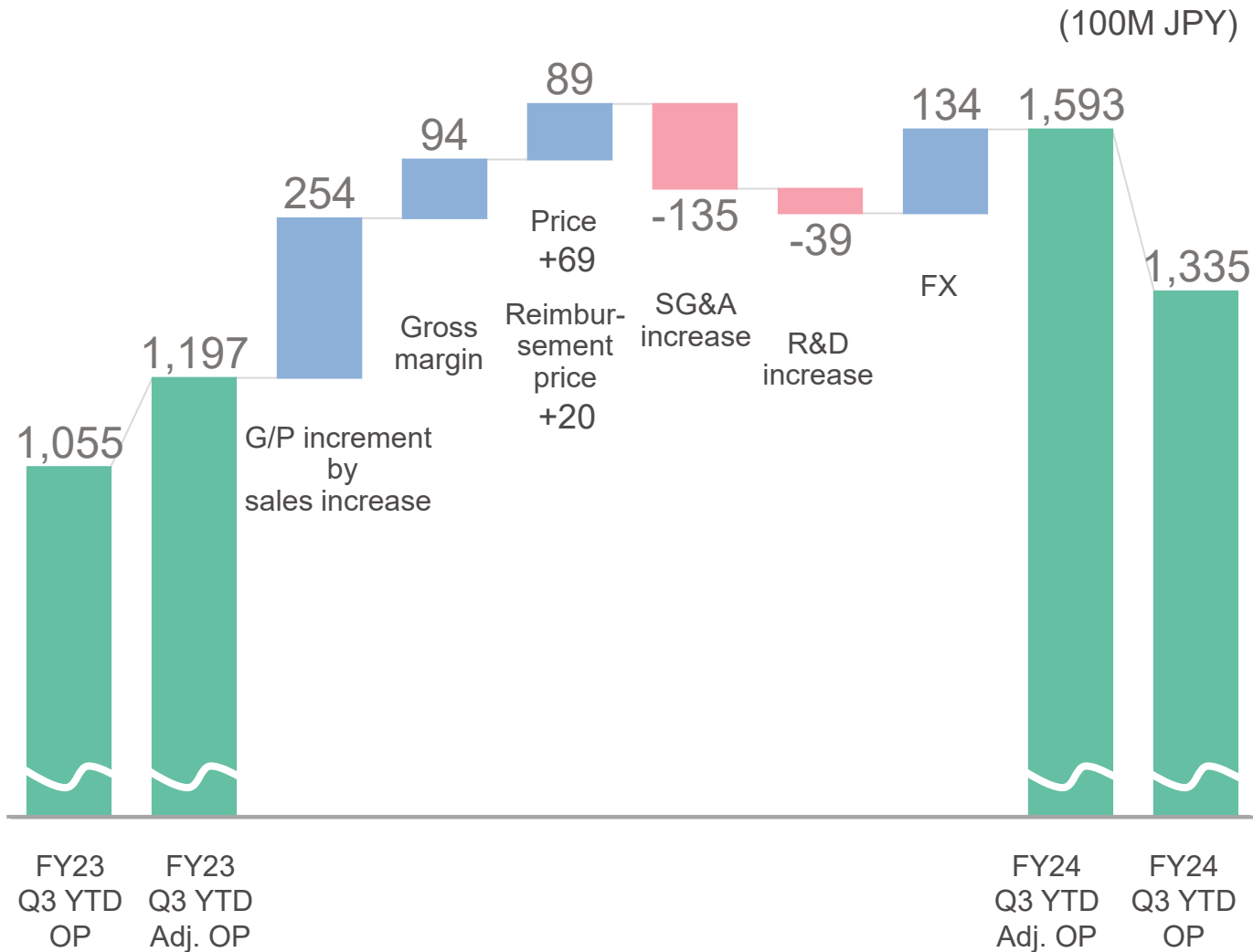
148JPY/159JPY 152JPY/163JPY

OP Variance Analysis (Q3): Higher sales driven by continued demand



- G/P increment by sales increase:
Driven by TIS and the blood center business
- Gross margin:
Effects of profit improvement measures, and one-time costs were recorded in the same period of the previous fiscal year
- Price:
Negative impact of China VBP offset by the effects of pricing measures overseas; the reimbursement rate revision also made a positive contribution
- SG&A and R&D increase:
Increased provision for bonuses due to sales growth
- FX:
Flow +4.4 B JPY, Stock -2.5 B JPY

OP Variance Analysis (Q3 YTD): Contribution from pricing measures and strong sales

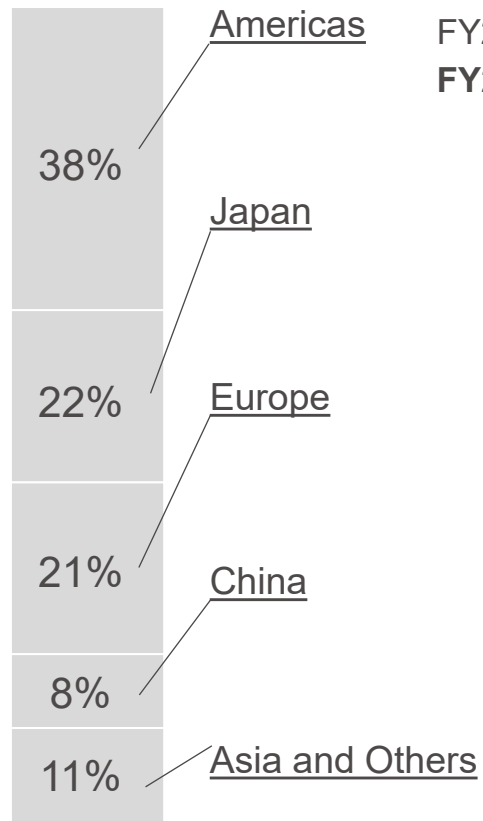


- G/P increment by sales increase:
Driven by C&V, mainly TIS
- Gross margin:
Mitigation of inflation and effects of profit improvement measures
- Price:
Promote pricing measures
- SG&A and R&D increase:
Increased due to business expansion, however ratio to sales improved
- FX:
Flow +10.4 B JPY, Stock +3.0 B JPY

Revenue by Region: Steady progress globally, driven by US and Europe

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

FY24Q3 YTD
Regional
breakdown



	Revenue (100M JPY)	FY24 Q3YTD YoY change	Comments
	Q3YTD Q3	() FX Neutral	
FY22	2,124 743		
FY23	2,382 845	22%	All companies posted double-digit growth, even when excluding foreign exchange effects. Driven by TIS and Neuro in C&V, and the blood center business in TBCT
FY24	2,906 1,000	(16%)	
<hr/>			
	1,570 558		
	1,587 576	4%	Growth driven by TMCS. Pricing measures contributed to HCS, PS also progressed largely as planned
FY24	1,649 580		
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	1,186 414		
	1,390 494	15%	Demand continues to grow in all C&V businesses. PS is doing well at TMCS and apheresis treatment is doing well at TBCT
FY24	1,593 553	(8%)	
<hr/>			
	566 183		
	601 190	11%	In C&V, TIS saw price declines due to VBP, but grew due to increased volume. Neuro continues to experience significant growth
FY24	665 219	(4%)	
<hr/>			
	733 249		
	870 285	5%	The blood center business sales, which were strong in FY23, declined, while C&V and TMCS were driven by double-digit growth in Neuro and PS, respectively, even when excluding foreign exchange effects
FY24	910 283	(0%)	

C&V: Global sales and profit exceeded planned figures, driven by US

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

(100M JPY)

	Q3YTD	Q3	Comments	Q3YTD YoY
Revenue	() FX Neutral 3,589	4,077	TIS : In China, the impact of VBP on pricing was offset by increased volume. Double-digit growth globally, partly due to the resolution of supply issues for some access products in US	+352
	4,641	14% (8%)	Neuro-vascular : Strong global demand continues, with US and China driving growth	+125
Adjusted Operating Profit	836	920	Cardio-vascular : Strong sales driven by US and Europe	+31
	1,179	28% (15%)	Vascular Graft : Led by US and Europe. Hybrid products sales expansion continued	+56
Profit %	23%	23%	Profit : Significantly higher profit due to increased revenue and the effects of profit improvement measures, as well as the foreign exchange effects	
	25%	24%		

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

(TMCS: Medical Care Solutions)

(100M JPY)

	Q3YTD			Q3			Comments	Q3YTD YoY
Revenue	() FX Neutral						HCS Hospital Care Solutions : In Japan, sales increased due to the effects of the pricing measures implemented in the H2 of FY23 and the reimbursement rate revision in the current fiscal year, as well as strong sales of infusion sets. Overseas sales were strong, due in part to increased US demand	+91
	1,455	1,473	1,597	517	533	555		
Adjusted Operating Profit							LCS Life Care Solutions : Decreased sales due to termination of the CGM (Continuous Glucose Monitor) distributorship agreement	-13
	126	160	192	45	77	65		
Profit %							PS Pharmaceutical Solutions : The CDMO business in Japan is developing largely as planned, while overseas, PLAJEX is performing well in Europe, US and Asia	+47
	9%	11%	12%	9%	14%	12%		
							Profit : Increased due to the effects of pricing measures and control of SG&A expenses	

TBCT: Both sales and income increased due to accelerated development of the plasma innovation business

(TBCT: Blood and Cell Technologies)

(100M JPY)

	Q3YTD	Q3	Comments	Q3YTD YoY
Revenue	() FX Neutral 		Blood Center : Solutions : Sales of whole blood and component blood collection systems were strong in Europe and US. Rika (source plasma collection system) is also making good progress	+157
			Therapeutic : Solutions : Strong sales due to increased demand for cell collection associated with cell and gene therapies, mainly in Europe and US	+49
			Cell Therapy : Technologies : Cell processing systems sluggish due to increased competition	-2
Adjusted Operating Profit			Profit : Profit increased due to strong performance in core business and higher revenues from Rika (source plasma collection system)	
Profit %	11%	11%	13%	10%
				7%
				13%
				105%

Reference

P&L (QoQ)

(100M JPY)

		FY23 Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY24 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)
Revenue		2,391	2,389	2,582	2,505	2,636
Gross Profit		1,266 (52.9%)	1,243 (52.0%)	1,376 (53.3%)	1,395 (55.7%)	1,451 (55.1%)
SG&A Expenses		707 (29.6%)	737 (30.9%)	748 (29.0%)	732 (29.2%)	777 (29.5%)
R&D Expenses		173 (7.3%)	199 (8.3%)	174 (6.7%)	194 (7.7%)	187 (7.1%)
Other Income and Expenses		5	39	-8	-38	-30
Operating Profit		390 (16.3%)	346 (14.5%)	446 (17.3%)	431 (17.2%)	458 (17.4%)
Adjusted Operating Profit		441 (18.5%)	371 (15.5%)	511 (19.8%)	529 (21.1%)	553 (21.0%)
Quarterly Average Rate	USD	148JPY	149JPY	156JPY	149JPY	152JPY
	EUR	159JPY	161JPY	168JPY	164JPY	163JPY

SG&A (QoQ)

(100M JPY)

	FY23 Q3 (Oct-Dec)	Q4 (Jan-Mar)	FY24 Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)
Salaries & Wages	371	373	398	384	406
Sales Promotion	54	54	52	47	54
Logistics Costs	49	51	51	59	56
Depreciation and Amortization	65	66	70	68	70
Others	168	192	178	175	190
SG&A Expenses Total (%)	707 (29.6%)	737 (30.9%)	748 (29.0%)	732 (29.2%)	777 (29.5%)
R&D Expenses (%)	173 (7.3%)	199 (8.3%)	174 (6.7%)	194 (7.7%)	187 (7.1%)
Total (%)	881 (36.8%)	937 (39.2%)	922 (35.7%)	926 (37.0%)	963 (36.6%)

Quarterly Average Rate	USD	148JPY	149JPY	156JPY	149JPY	152JPY
	EUR	159JPY	161JPY	168JPY	164JPY	163JPY

SG&A (YoY)

(100M JPY)

	FY23 Q3 YTD	FY24 Q3 YTD	YoY	YoY%	YoY% excluding FX impact	FY23 Q3	FY24 Q3	YoY	YoY%
Salaries & Wages	1,056	1,188	132	12%	7%	371	406	35	9%
Sales Promotion	147	153	6	4%	0%	54	54	0	0%
Logistics Costs	142	166	23	17%	12%	49	56	8	16%
Depreciation and Amortization	184	207	24	13%	8%	65	70	5	8%
Others	493	543	50	10%	6%	168	190	22	13%
SG&A Expenses Total	2,022	2,257	235	12%	7%	707	777	70	10%
(%)	(29.6%)	(29.2%)				(29.6%)	(29.5%)		
R&D Expenses	491	554	63	13%	9%	173	187	13	8%
(%)	(7.2%)	(7.2%)				(7.3%)	(7.1%)		
Total	2,513	2,811	298	12%	7%	881	963	83	9%
(%)	(36.8%)	(36.4%)				(36.8%)	(36.6%)		

Adjusted Operating Profit: Adjustments

(100M JPY)

	FY23 Q3 YTD	FY24 Q3 YTD	FY23 Q3	FY24 Q3
Adjusted Operating Profit	1,197	1,593	441	553
Adjustment 1. Amortization of acquired intangible assets	-147	-161	-50	-52
Adjustment 2. Non-recurring profit or loss	5	-97	-1	-43
Operating Profit	1,055	1,335	390	458

<General examples of adjustment items>

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

	Adjustment 2. Non-recurring profit or loss	FY23 Q3 YTD	FY24 Q3 YTD
Restructuring loss		-11	-79
Gain on sale of shares of Olympus Terumo Biomaterials		13	-
TBCT Impairment loss		-	-25
Gain on sale of TBCT land		-	14
Others		3	-7

CAPEX, Depreciation and Amortization, R&D Expenses

(100M JPY)

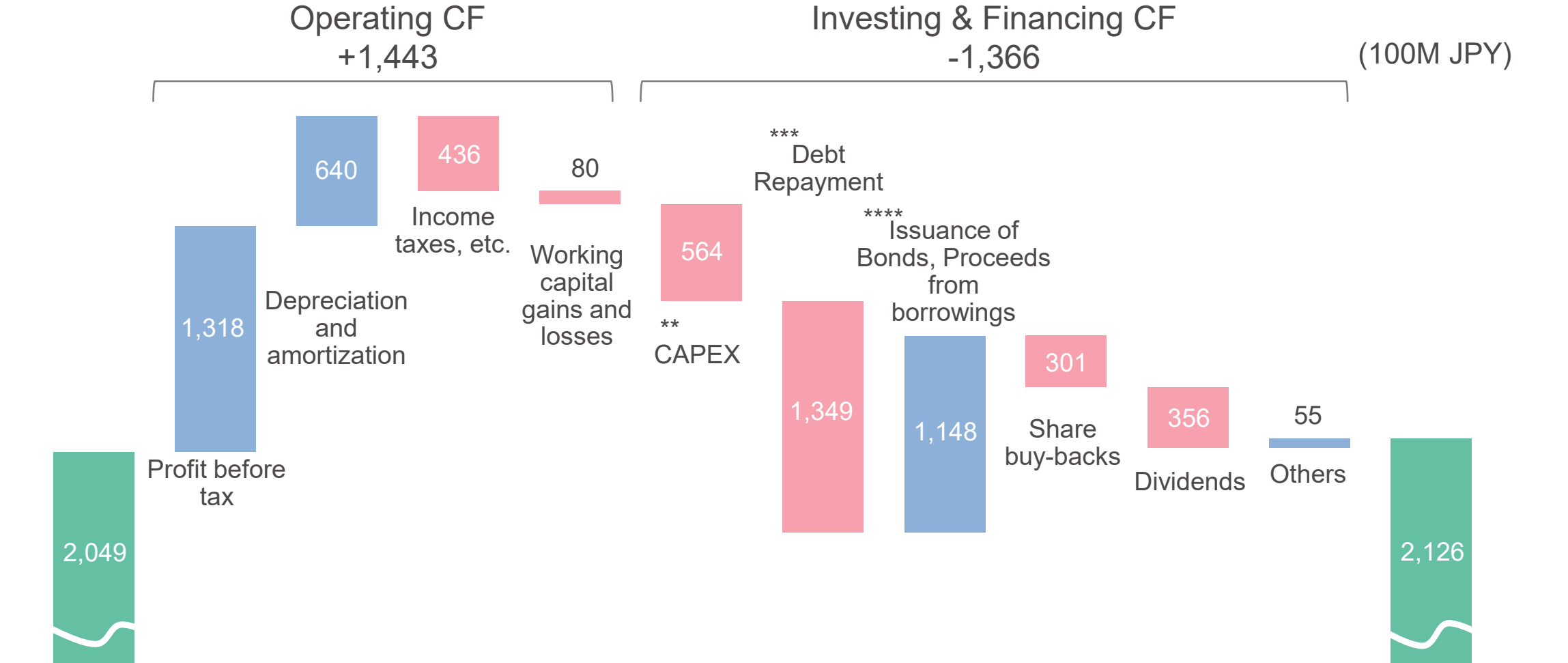
	FY21	FY22	FY23	FY24Q3 YTD	FY24 Guidance
CAPEX	692	758	784	564	930
Depreciation and Amortization	532	635	702	585	770
Amortization of acquired intangible assets	161	188	200	157	200
Others	371	447	502	428	570

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

■ FY24 Q3 Results (56.4 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	FY24Q3 YTD	FY24 Guidance
R&D Expenses	518	616	691	554	715

Cash Flow (Q3 YTD)

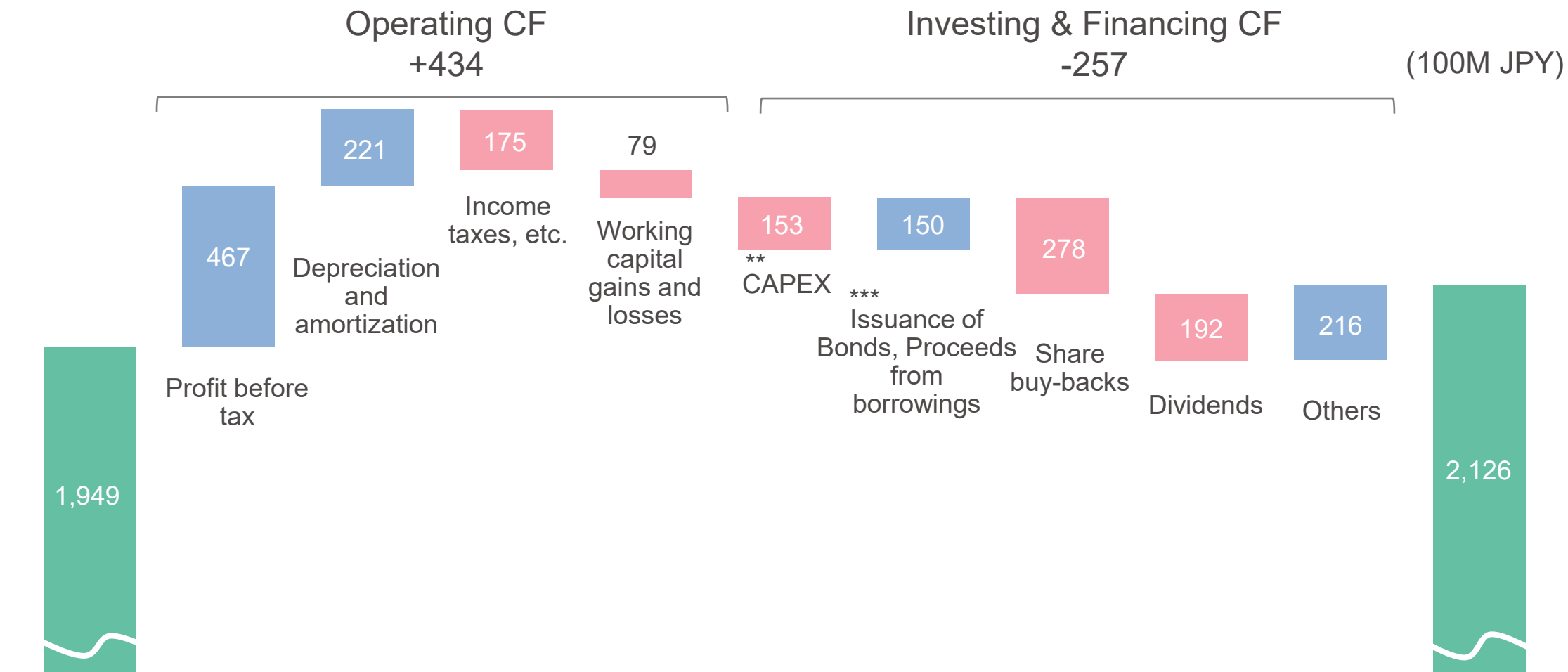


*Cash at the end of FY23

- * Aligned with period-end account balance "Cash and cash equivalents" on B/S
- ** Construction in progress record basis
- *** After taking into account derivative settlements
- **** Including "Increase/(decrease) in short-term borrowings and commercial paper"

*Cash at the end of FY24 Q3

Cash Flow (Q3)

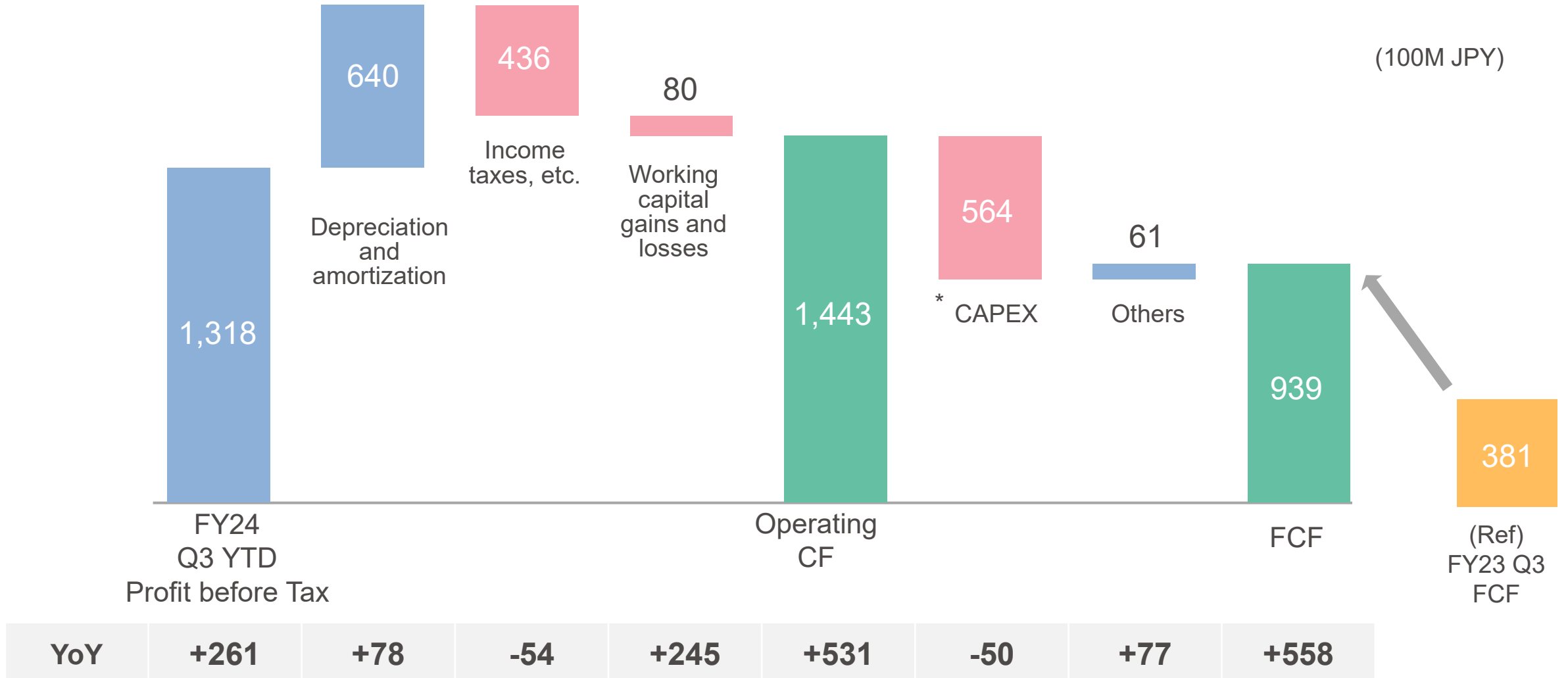


*Cash at the end of FY24 Q2

* Aligned with period-end account balance "Cash and cash equivalents" on B/S
 ** Construction in progress record basis
 *** Including "Increase/(decrease) in short-term borrowings and commercial paper"

*Cash at the end of FY24 Q3

Free Cash Flow : 93.9 B JPY (YoY +55.8 B JPY)



* Construction in progress record basis

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

