

# Richter Group Report, M12 2021

Budapest, 28 February 2022



## Highlights I.

**630,595 HUFm**

Consolidated  
sales

↑+11.3%

**55.4%**

Gross margin

**21.5%**

Operating margin

**751 HUF**

EPS

↑+33.4%

**139,626 HUFm**

Net profit\*

↑+33.4%

\* Net income attributable to owners of the parent.

## Highlights II.

### Biosimilar

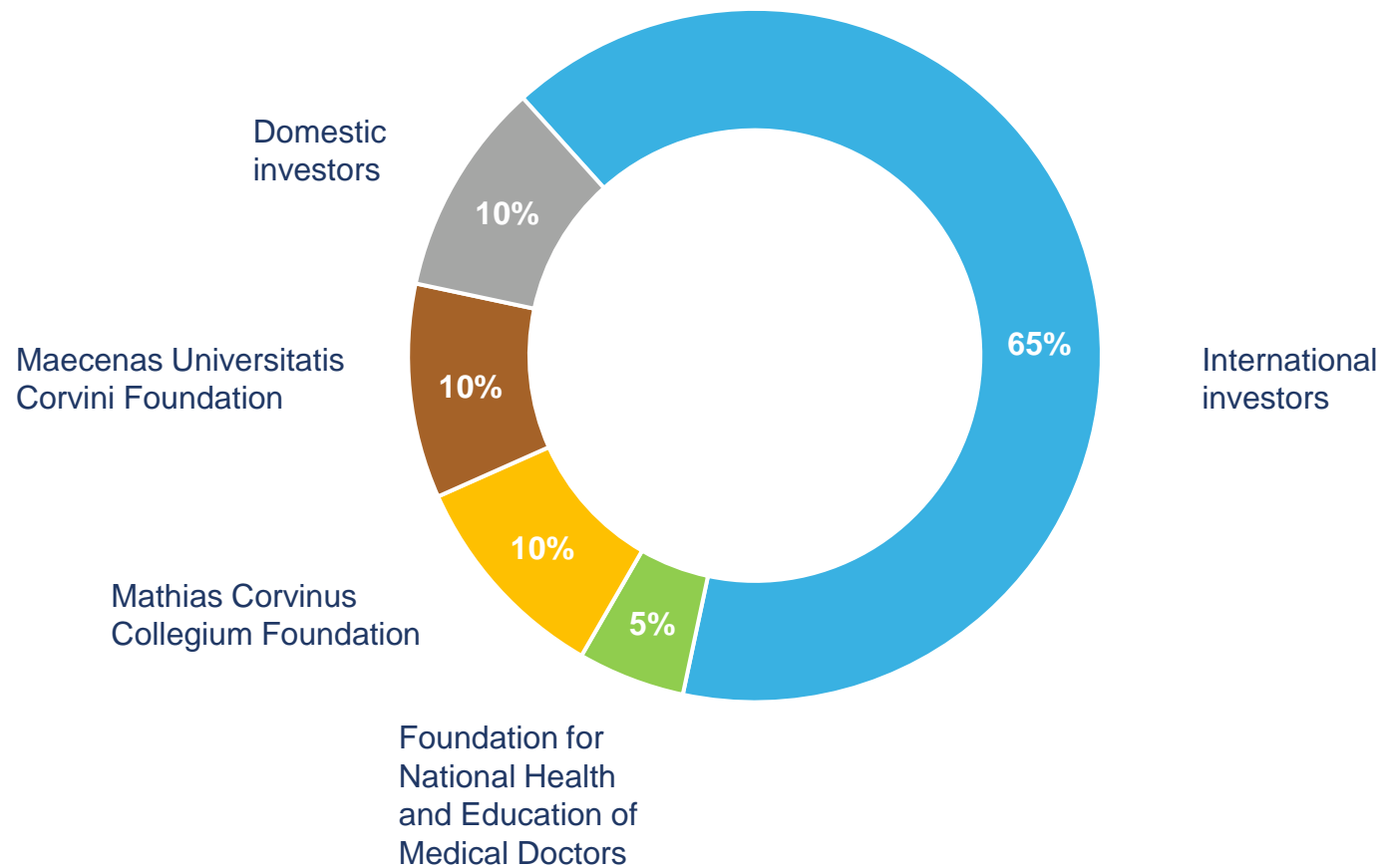
#### 9 December 2021 - denosumab

Richter and Hikma announced that they entered into an exclusive licence agreement to commercialise Richter's denosumab, comprising two biosimilar products referencing Prolia® and Xgeva® ("Products"), in the United States.

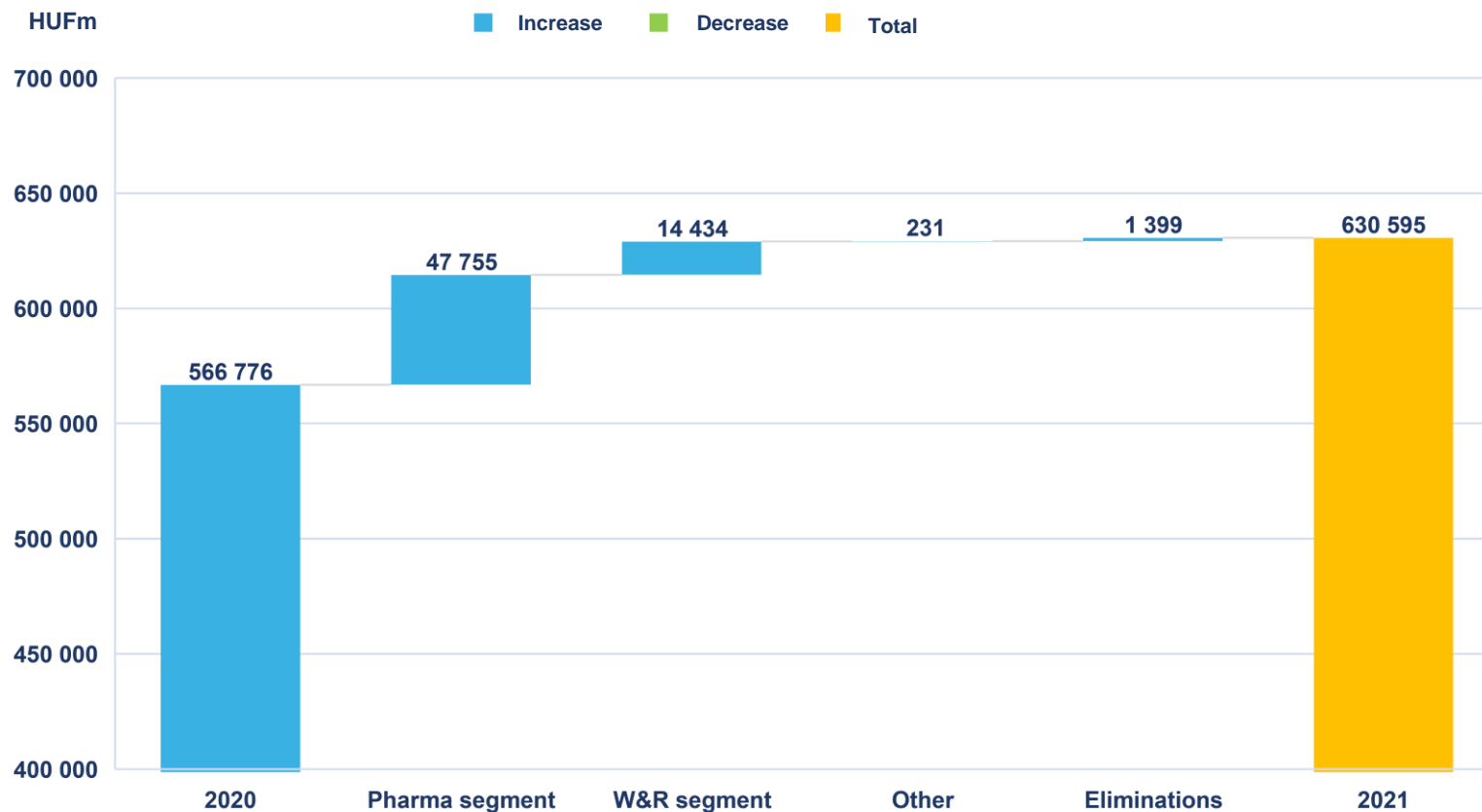
The Products are used for the treatment of osteoporosis and fractures due to bone metastasis respectively and are currently in global Phase 1 and Phase 3 clinical studies.

# Share Ownership Structure

31 December 2021



## Reconciliation of consolidates sales by segments (HUFm)

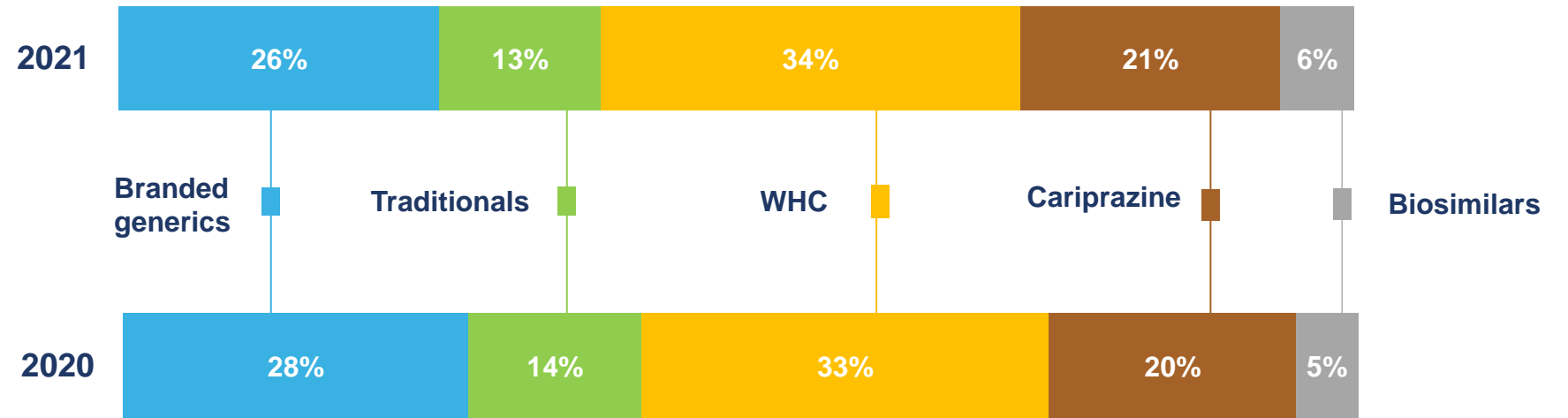


The pharma segment accounts for **80%** of consolidated turnover.

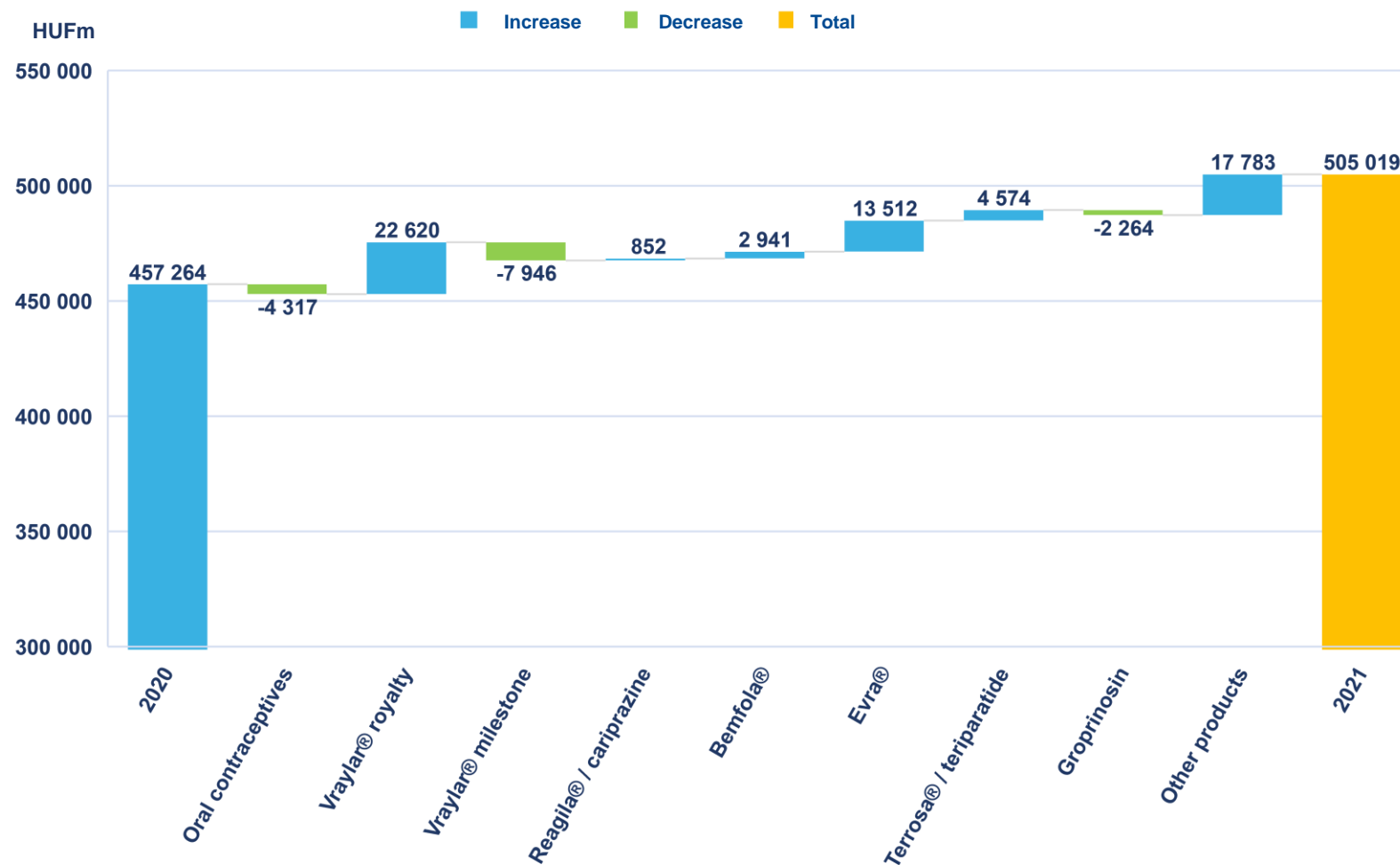
The share of sales in Pharma segment declined within the Group.

Exchange rate loss at consolidated sales level: **HUF 663m**

# Revenue by strategic pillars (%)



## Change in the turnover of our selected products



Turnover of **Vraylar®** showed a robust growth in 2021. When adjusting the base period figure for the sales related milestone received, year-on-year growth of royalties accounted for on behalf of Vraylar® sales in the USA grew by 28.7% (30.2% in USD terms) during the reported period.

Sales of **Bemfola®** improved significantly as a result of low base figures together with that most of the fertility centres resumed their activities in many European countries.

Decreases of **oral contraceptives** and **Groprinosin** are arising from the higher sales levels recorded in the base period.

## Key products (1/2)

### Cariprazine



Central Nervous System

HUF 106,176m  
(EUR 296.1m)

Turnover

↑ +17.1%\*

\* Significant milestone income in the base period.

USA -

HUF 101,569m Vraylar®  
**royalty income**  
(increase of 28.7% yoy)

**Submission of a supplemental New Drug Application (sNDA) – MDD adjunctive therapy**

Reagila®

Croatia, Qatar –  
market launches

Vietnam, Indonesia, Turkey  
- registration

### Terrosa®



Biosimilars

HUF 13,186m  
(EUR 36.8m)

Turnover

↑ +53.1%

Rapid sales growth

**Geographical split of teriparatide revenues:**  
Europe: ~65%  
Japan: ~27%

South Korea, Canada, Israel  
market launches

## Key products (2/2)

### Bemfola®



WHC

HUF 19,629m

(EUR 54.7m)

Turnover

↑ +17.6%

Improving sales occurred as most of the fertility centers resumed their activities in many European countries.

The robust increase was partly due to the exceptionally weak year of 2020.

### Evra®



WHC

HUF 13,512m

(EUR 37.7m)

Turnover

According to a transitional business licence agreement, royalty revenues in respect of product sales are reported as sales.

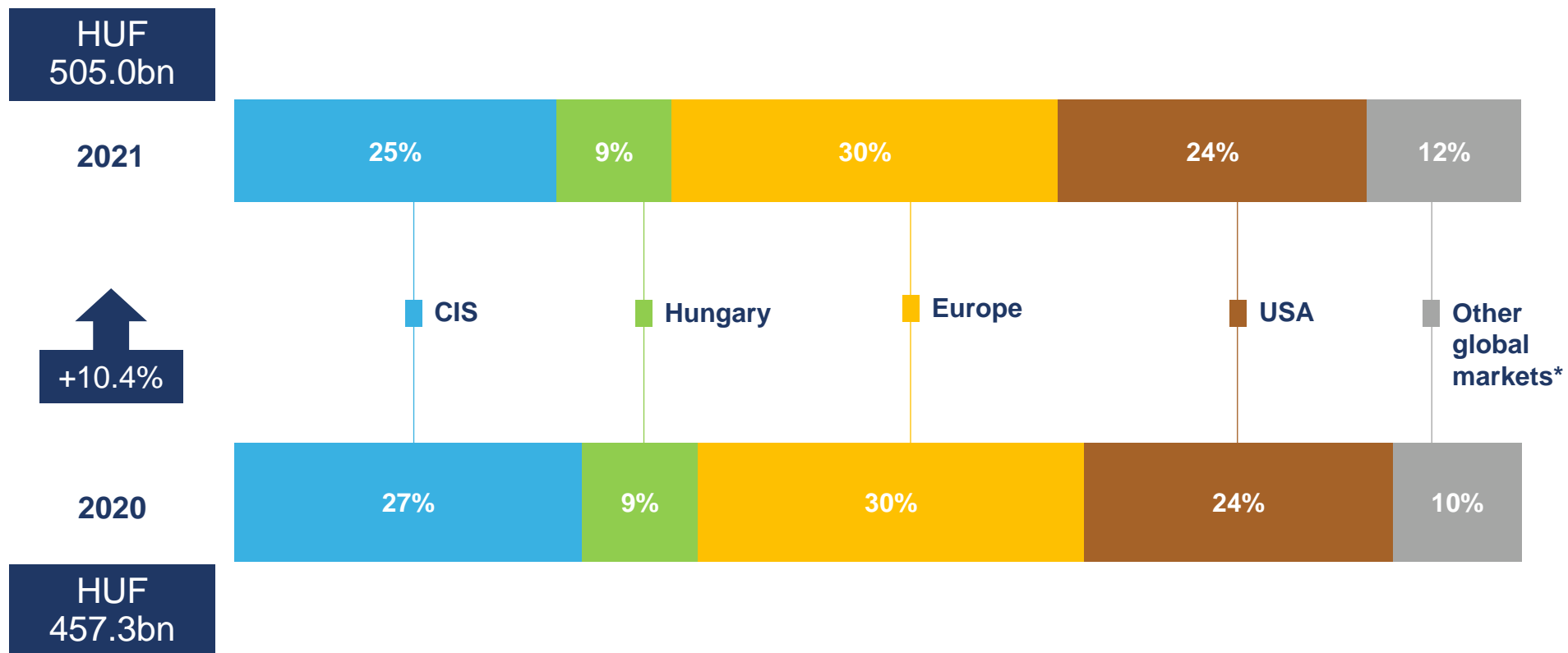
In the reported period following royalty proceeds of Evra®, the product is on our TOP10 products list.

Ireland, Portugal, Austria, Hungary –

market launches

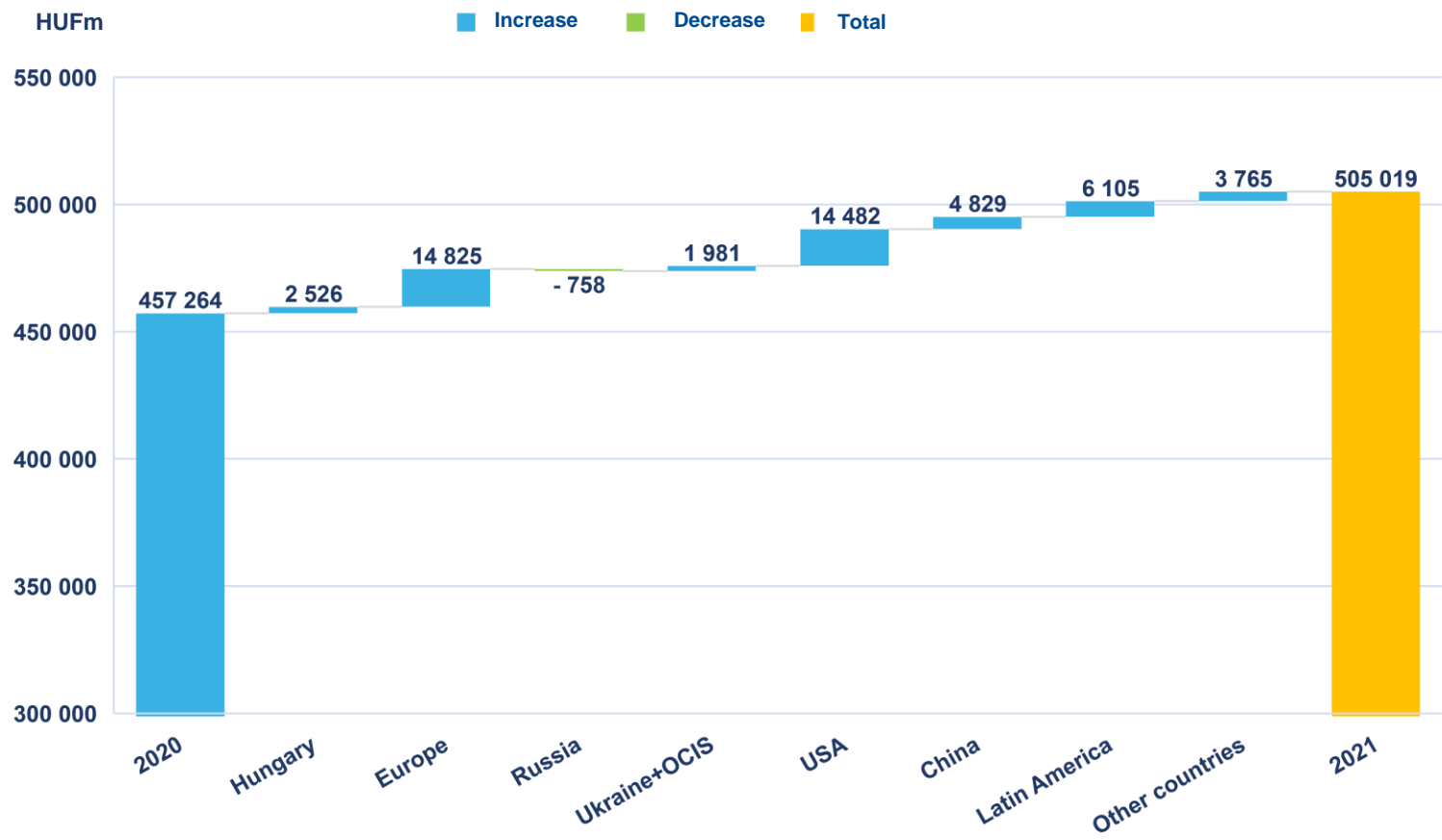
totalling HUF 154m (EUR 0.4m)

## Sales by geographies (%)



\* Including the regions of China, Latin America and Rest of the World.

# Change in turnover by geographies



In **Europe** substantial increases of Bemfola®, Terrosa® and royalty proceeds of Evra® resulted in an outstanding sales level.

In the **USA** Vraylar®-related revenues grew marginally besides a one-off milestone payment last year.

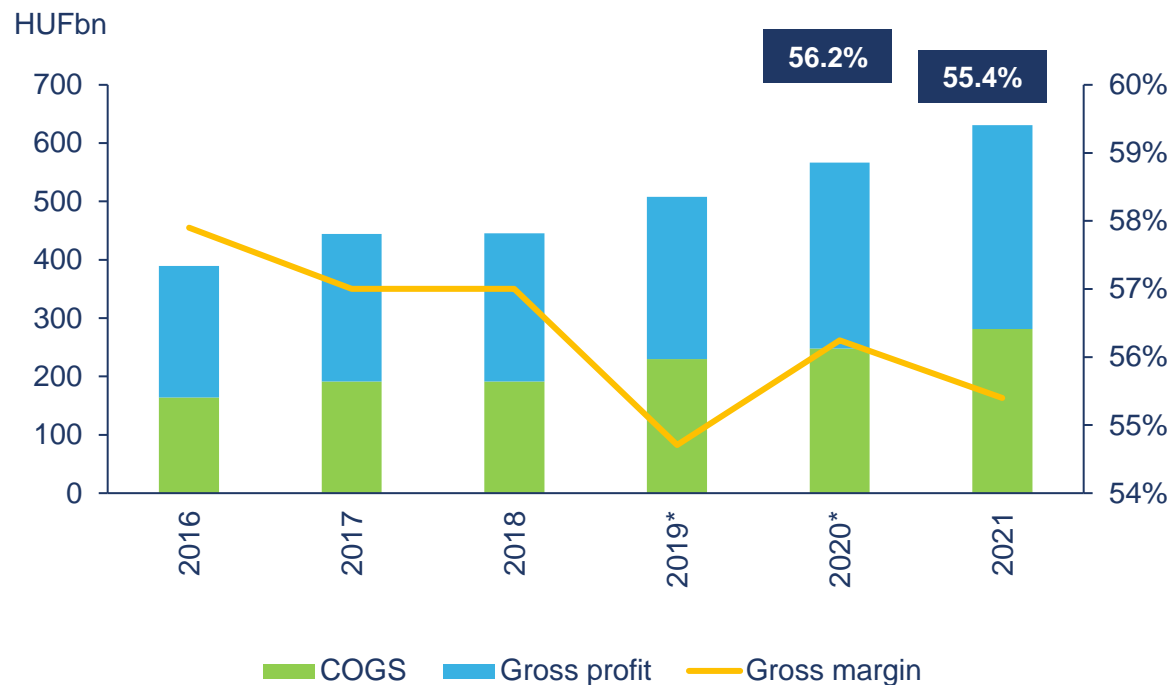
Higher turnover was recorded in most countries of **Latin America**, out of which the performance of Mexico and Chile contributed primarily to the outstanding sales levels reported in 2021.

## Consolidated Financials – Highlights

	HUFbn	Change %	EURm	as % of total revenues
<b>Total revenue</b>	630.6	11.3	1,758.5	
<b>Gross profit</b>	349.3	9.6	974.0	55.4
<b>Profit from operations</b>	135.8	18.0	378.8	21.5
<b>Profit for the period*</b>	139.6	33.4	389.4	22.1
	HUF	Change %	EUR	
<b>EPS (diluted)</b>	751	33.4	2.09	

\* Net income attributable to owners of the parent.

# Increasing gross profit and decreasing margin (HUFbn)



\* Reclassification of depreciation of intangible assets representing sales and other product-related licenc rights.

(%)	2020	2021
<b>Pharmaceuticals</b>	67.1	67.0
<b>Wholesale and retail</b>	9.6	7.6

**+** Significant increase in royalties received in respect of the sales of Vraylar® (HUF 22,620m)

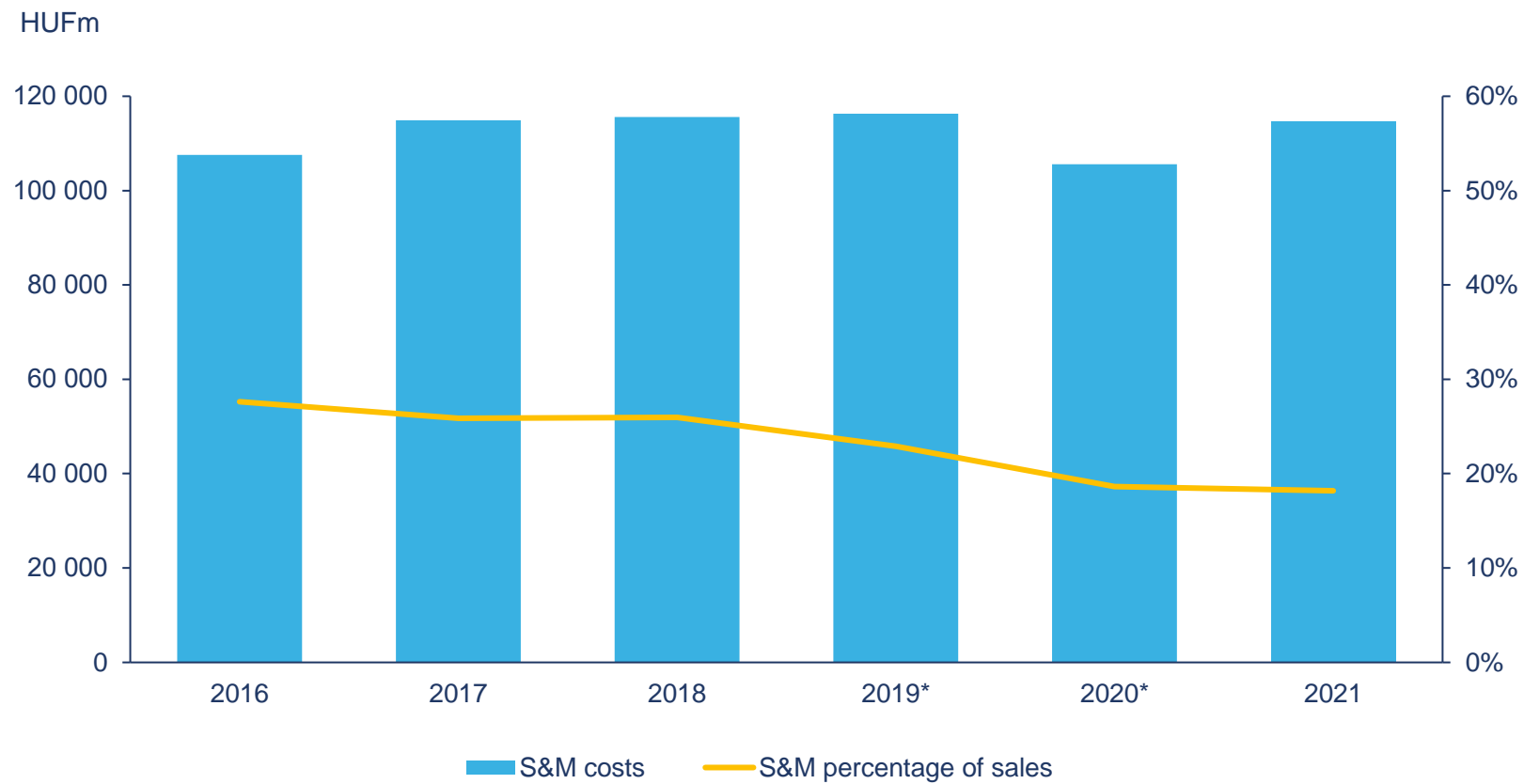
Evra® royalty (HUF 13,358m)

**-** Declining sales of high margin OCs

No stockpiling of antiviral Groprinosin as opposed to the base period

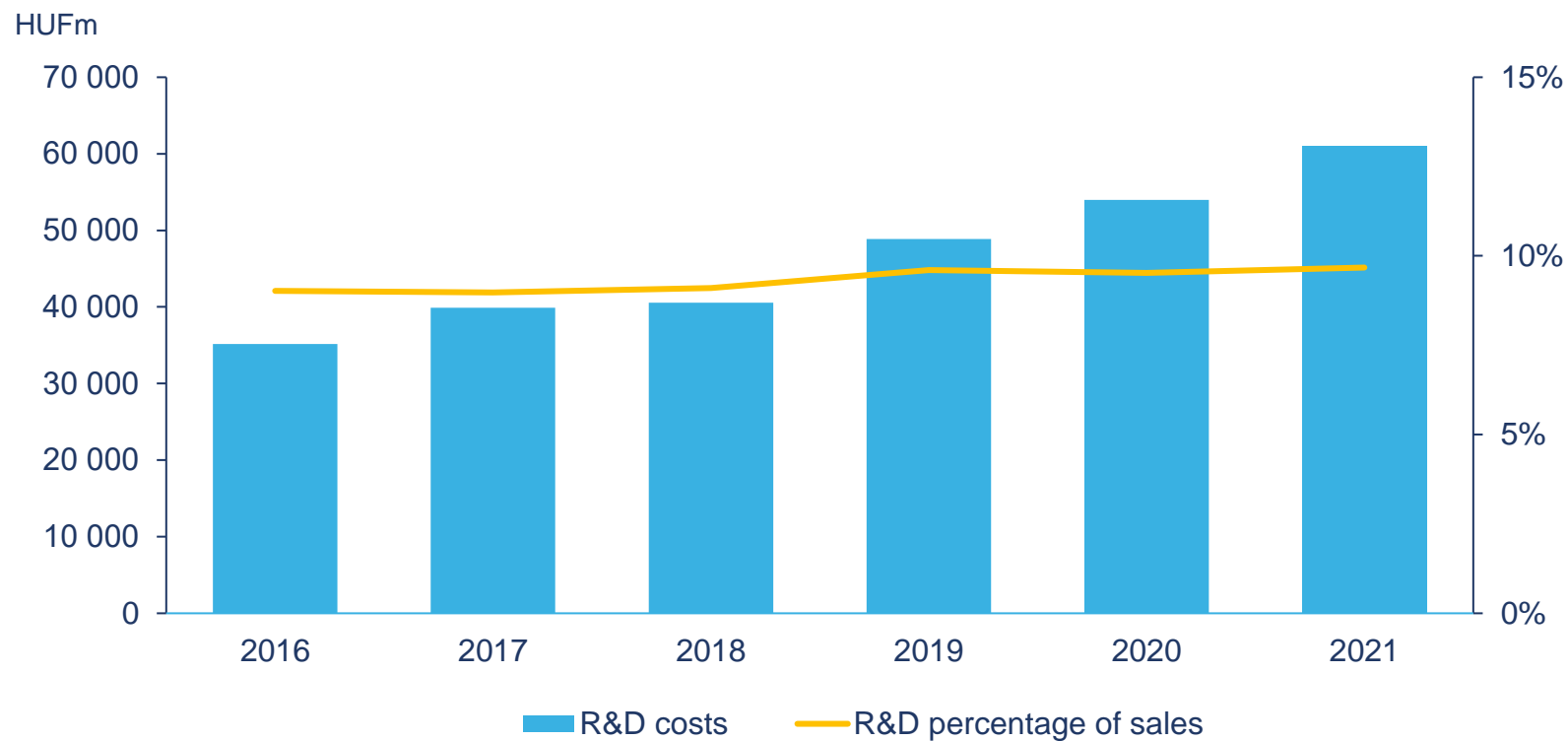
Vraylar® USA sales related milestone accounted for during the base period, which was not repeated in the reported period.

## S&M costs (HUFm)

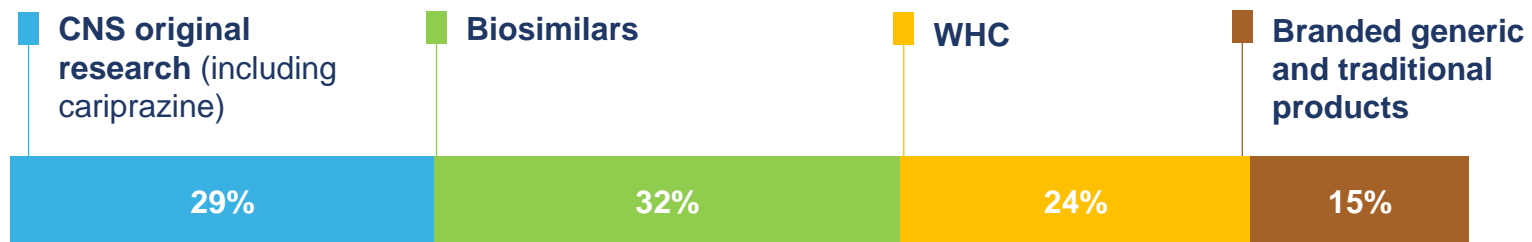


\* Reclassification of depreciation of intangible assets representing sales and other product-related licence rights.

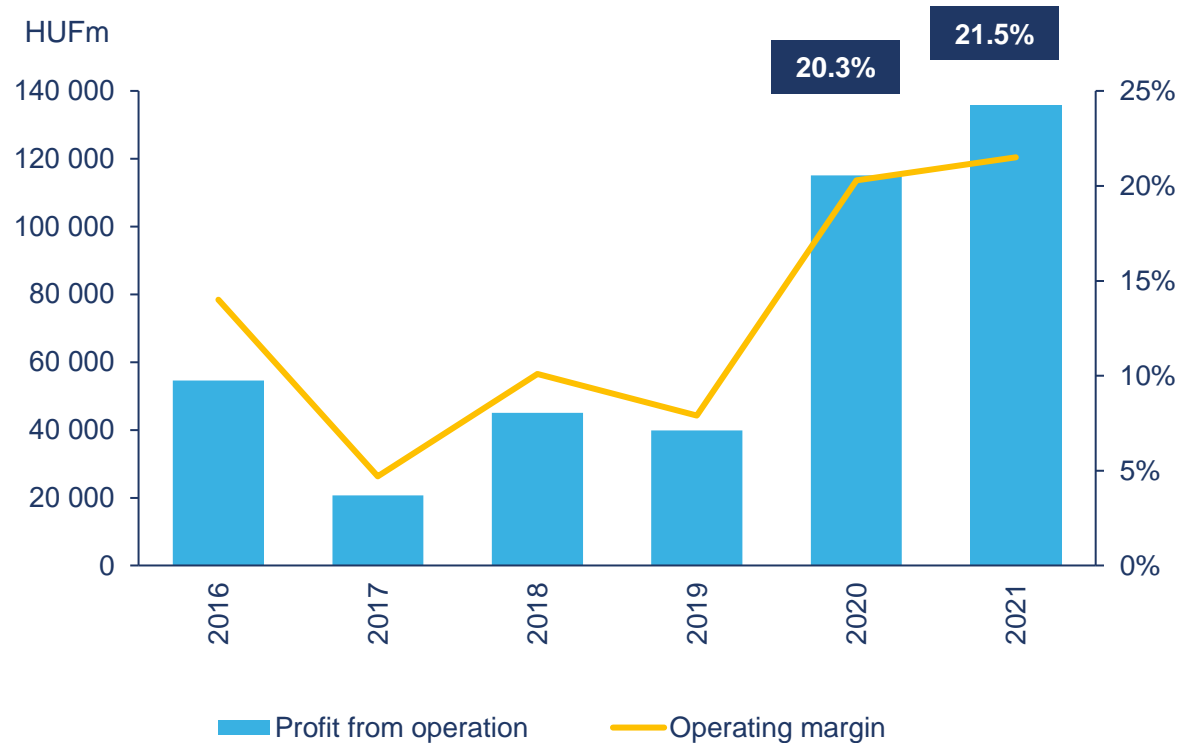
## R&D costs (HUFm)



### Split of R&D spending (%) – 2021



## Increasing operating profit and margin (HUFm)



(%)	2020	2021
<b>Pharmaceuticals</b>	25.0	26.7
<b>Wholesale and retail</b>	0.8	0.3

+

Significant Vraylar<sup>®</sup> royalty

+

Evra<sup>®</sup> royalty income

+

S&M and G&A expenses increased slightly however their proportion to turnover reduced

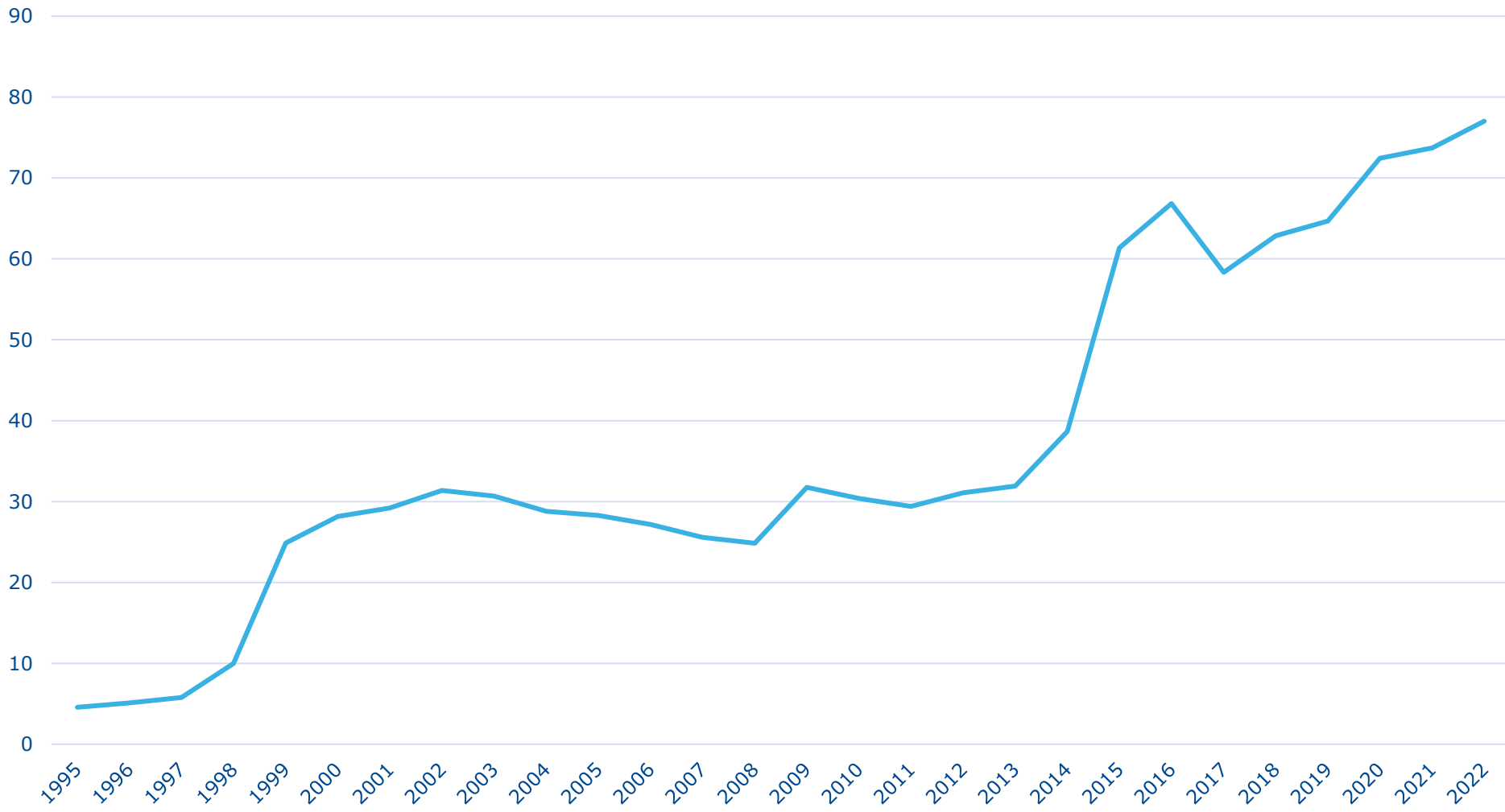
-

Higher turnover being achieved by the core Pharmaceutical segment was exceeded by the sales growth reported by the lower margin Wholesale and retail business

-

The increase of R&D expenses exceeded the growth rate of the turnover

## USDRUB average annual exchange rate



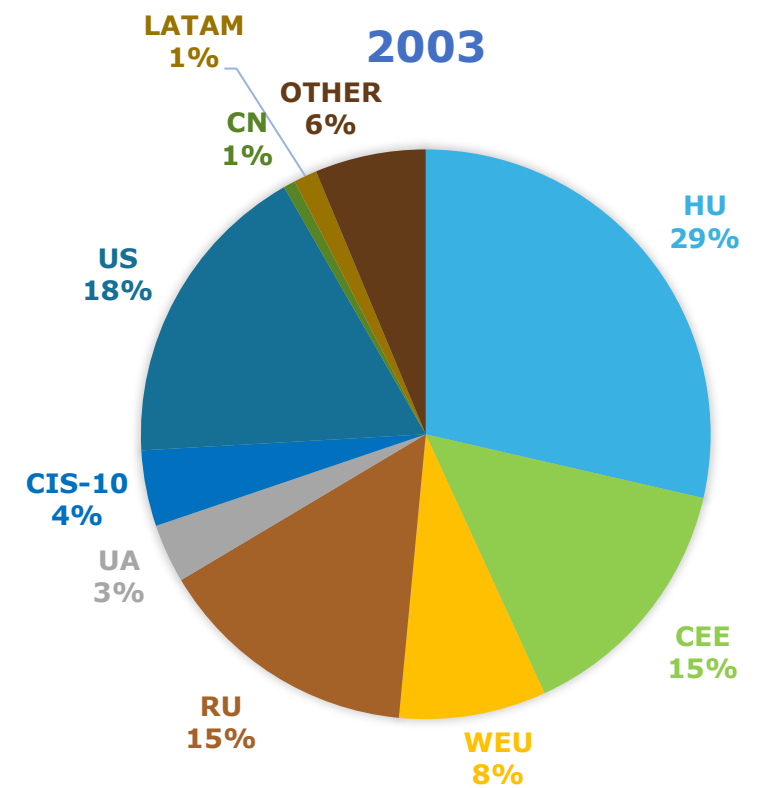
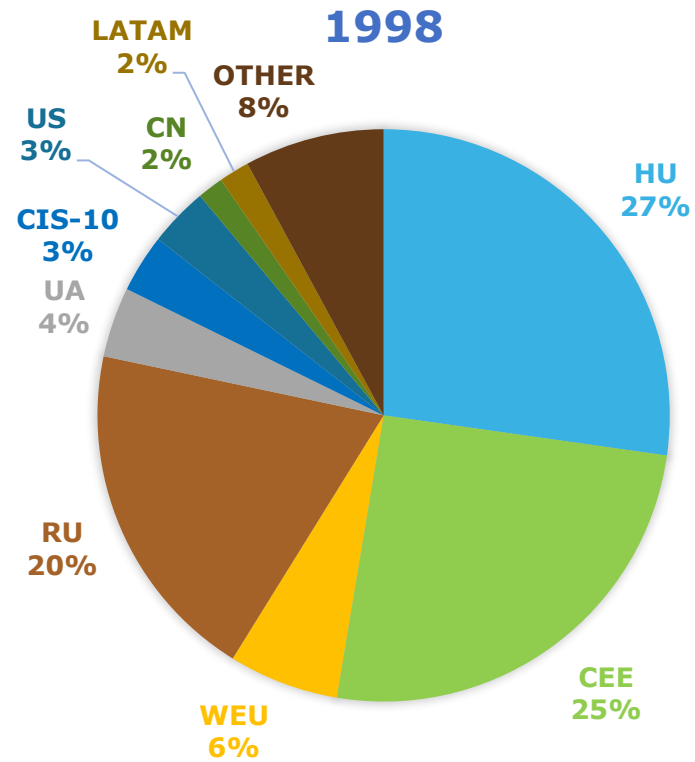
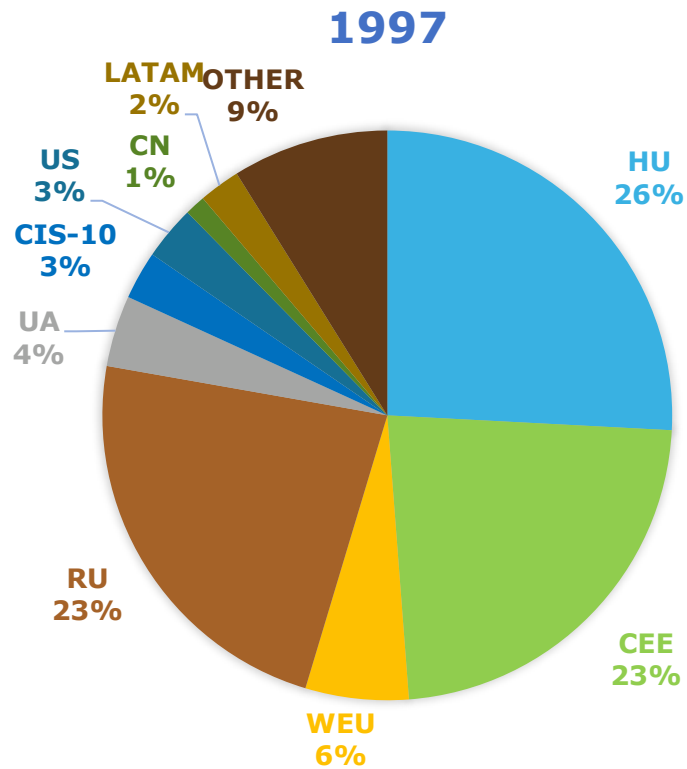
# Richter – Sales

<b>1000 USD</b>	<b>1997</b>	<b>1998</b>	<b>2003</b>
<b>WEU</b>	18 869	18 626	43 869
<b>RU</b>	74 551	58 335	78 463
<b>UA</b>	13 023	11 875	17 566
<b>CIS-10</b>	8 815	9 821	22 637
<b>US</b>	9 874	10 051	92 523
<b>GRAND TOTAL</b>	<b>322 220</b>	<b>299 592</b>	<b>525 261</b>

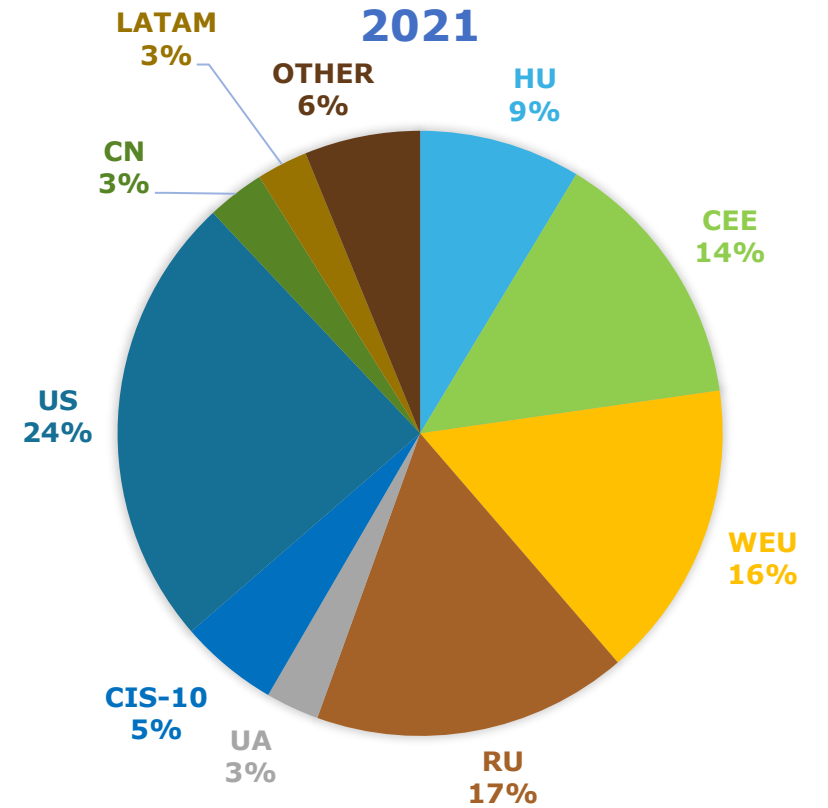
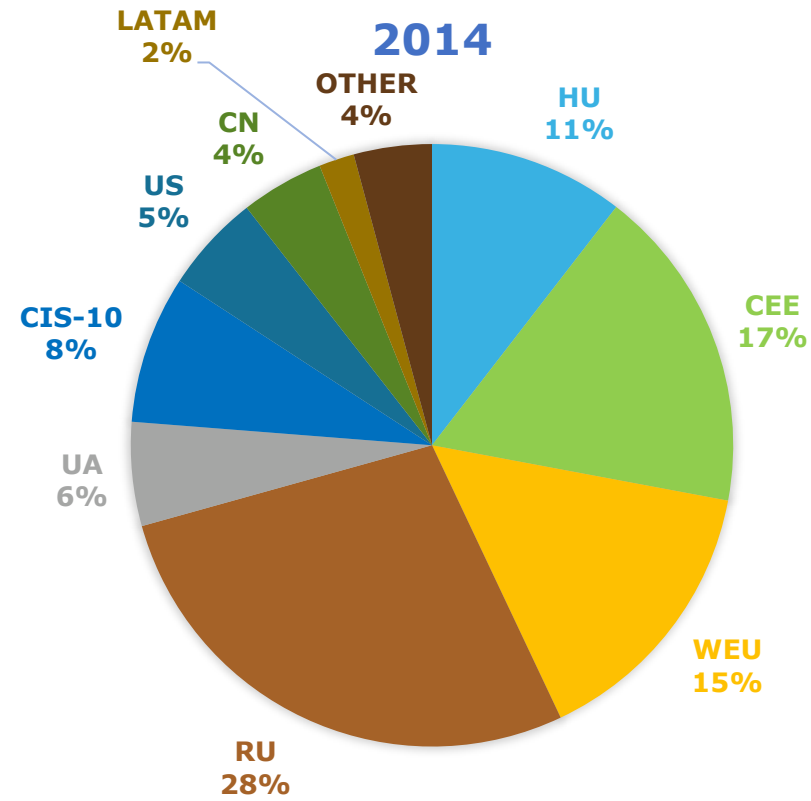
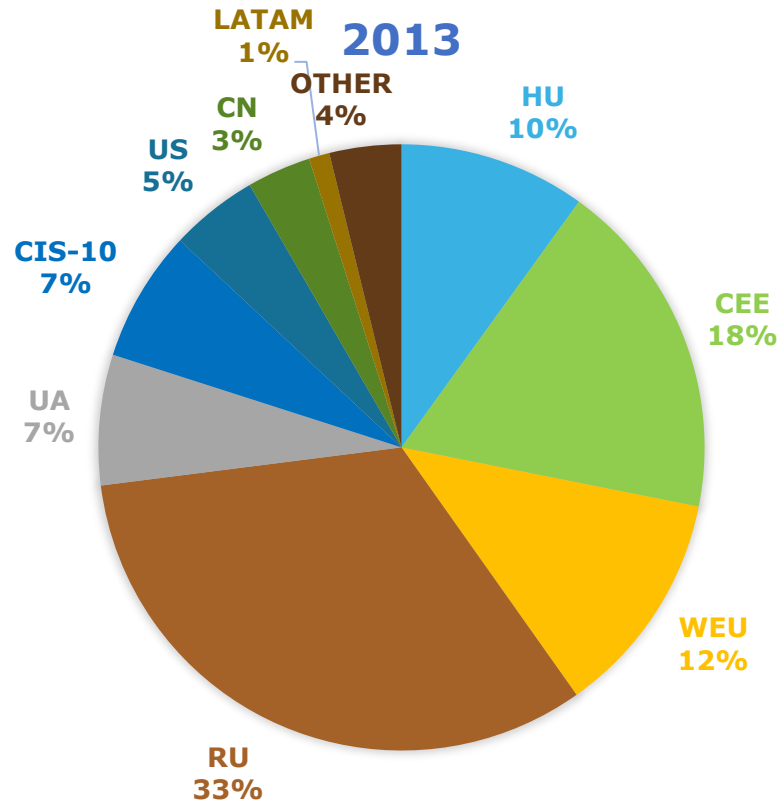
# Richter – Sales

<b>1000 USD</b>	<b>2013</b>	<b>2014</b>	<b>2021</b>
<b>WEU</b>	153 115	189 044	242 434
<b>RU</b>	427 224	350 724	229 891
<b>UA</b>	95 076	73 109	47 582
<b>CIS-10</b>	107 452	107 637	83 994
<b>US</b>	63 253	66 979	370 682
<b>GRAND TOTAL</b>	<b>1 320 174</b>	<b>1 260 237</b>	<b>1 493 223</b>

# Richter - Sales



# Richter - Sales





RICHTER GEDEON