



Richter Group Report, Q1 2021

Budapest, 10 May 2021



Highlights

140,894 HUFm

Consolidated
sales

↓-0.4%

55.5%

Gross margin

17.3%

Operating margin

145 HUF

EPS

↓-7.1%

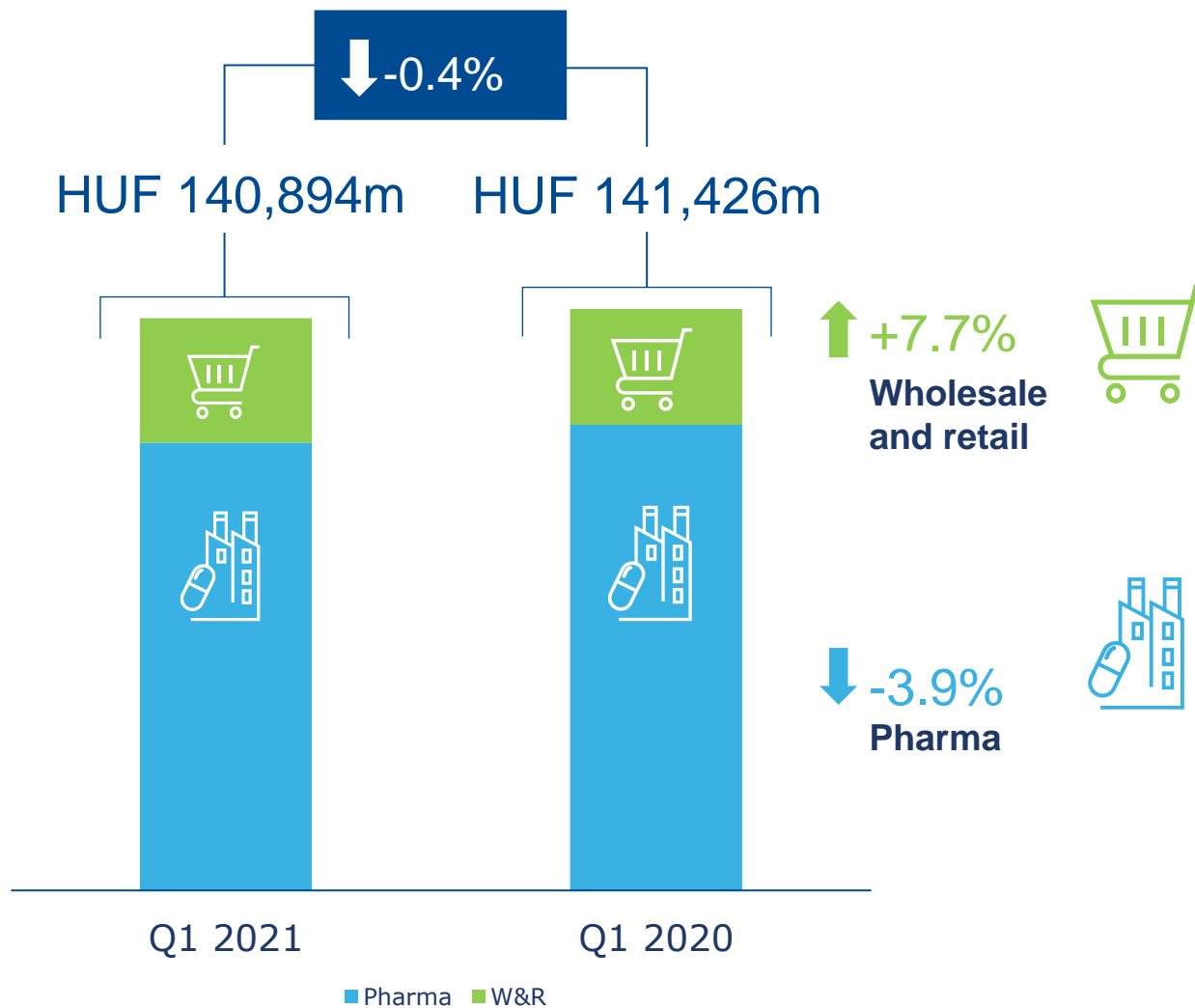
26,888 HUFm

Net profit*

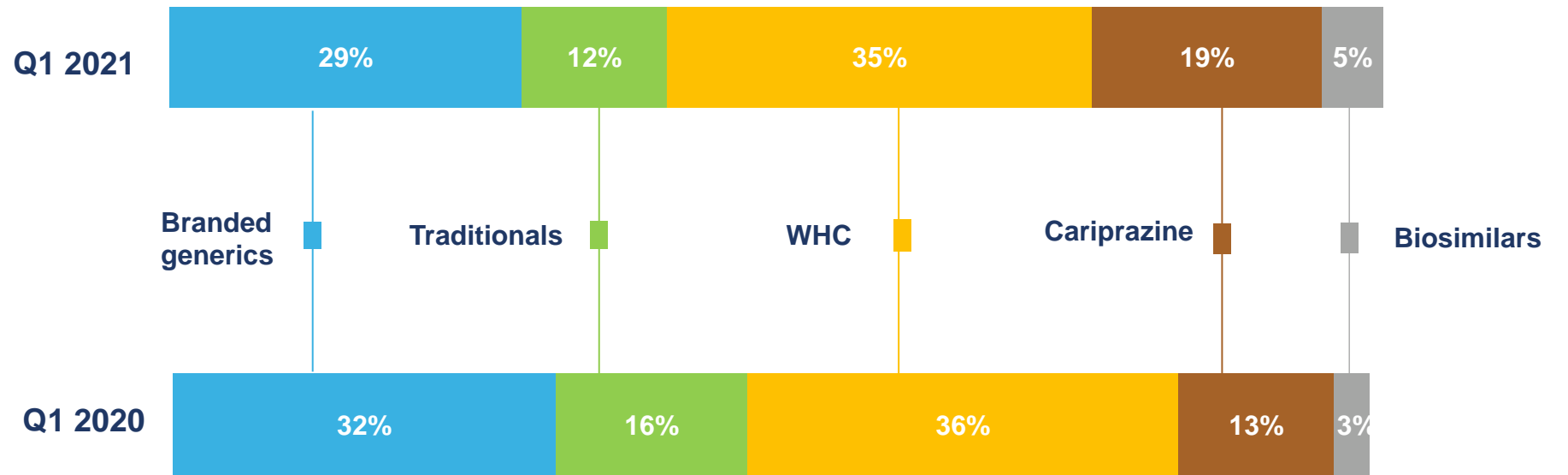
↓-7.3%

* Net income attributable to owners of the parent.

Consolidated sales by main business segments



Revenue by strategic pillars (%)



Key products (1/2)

Cariprazine



Central Nervous System

HUF 21,487m
(EUR 59.3m)

Turnover

↑ +37.0%

USA -

HUF 20,801m Vraylar®
royalty income

Ongoing phase III
clinical trials – MDD
adjunctive therapy

Austria, Kingdom of Saudi
Arabia - Reagila®
market launch

Terrosa®



Biosimilars

HUF 2,375m
(EUR 6.6m)

Turnover

↑ +29.1%

Rapid sales growth

Geographical split of
teriparatide revenues:
Europe: ~70%
Japan: ~30%

South Korea, Canada, Israel
market launch

Key products (2/2)

Bemfola®



WHC

HUF 5,255m
(EUR 14.5m)

Turnover

↑ +10.4%

Improving sales occurred subsequent to fertility centres partially resuming their activities in many European countries.

Evra®



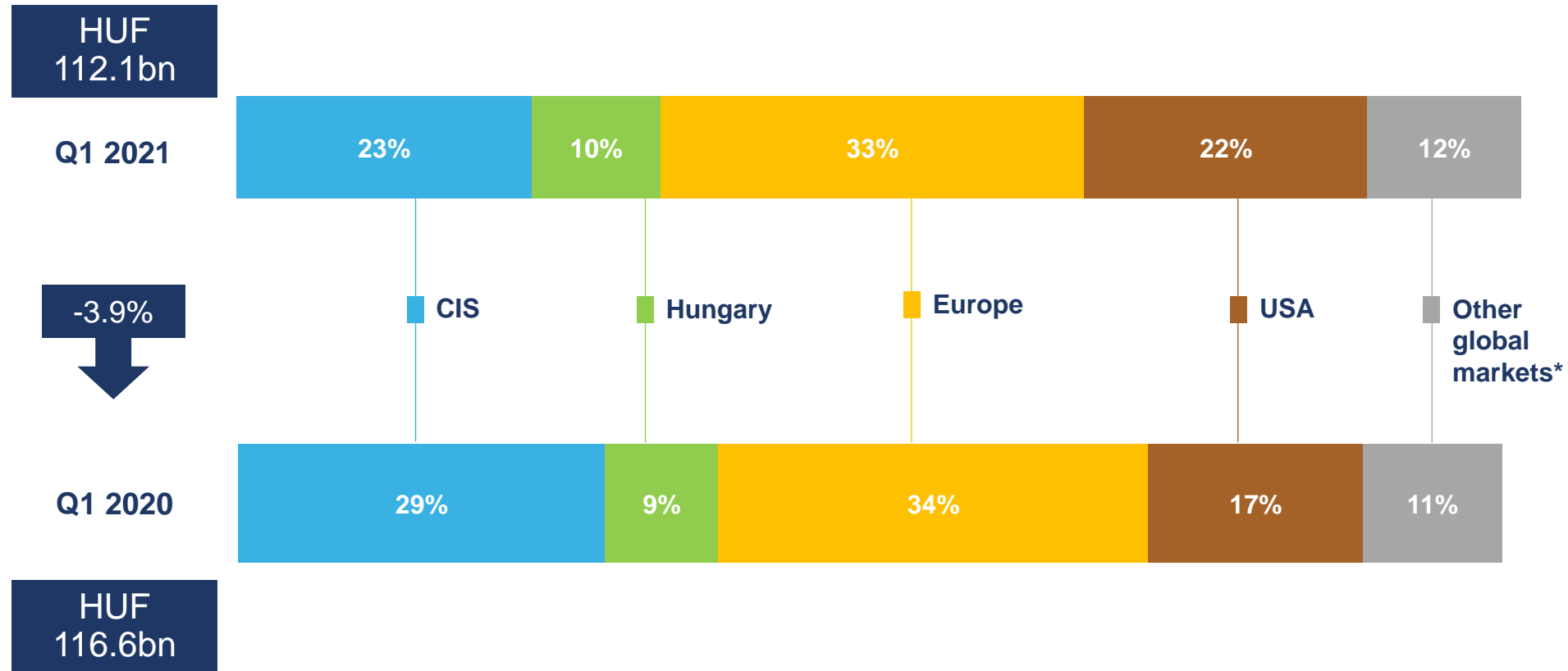
WHC

HUF 3,373m
(EUR 9.3m)

Royalty

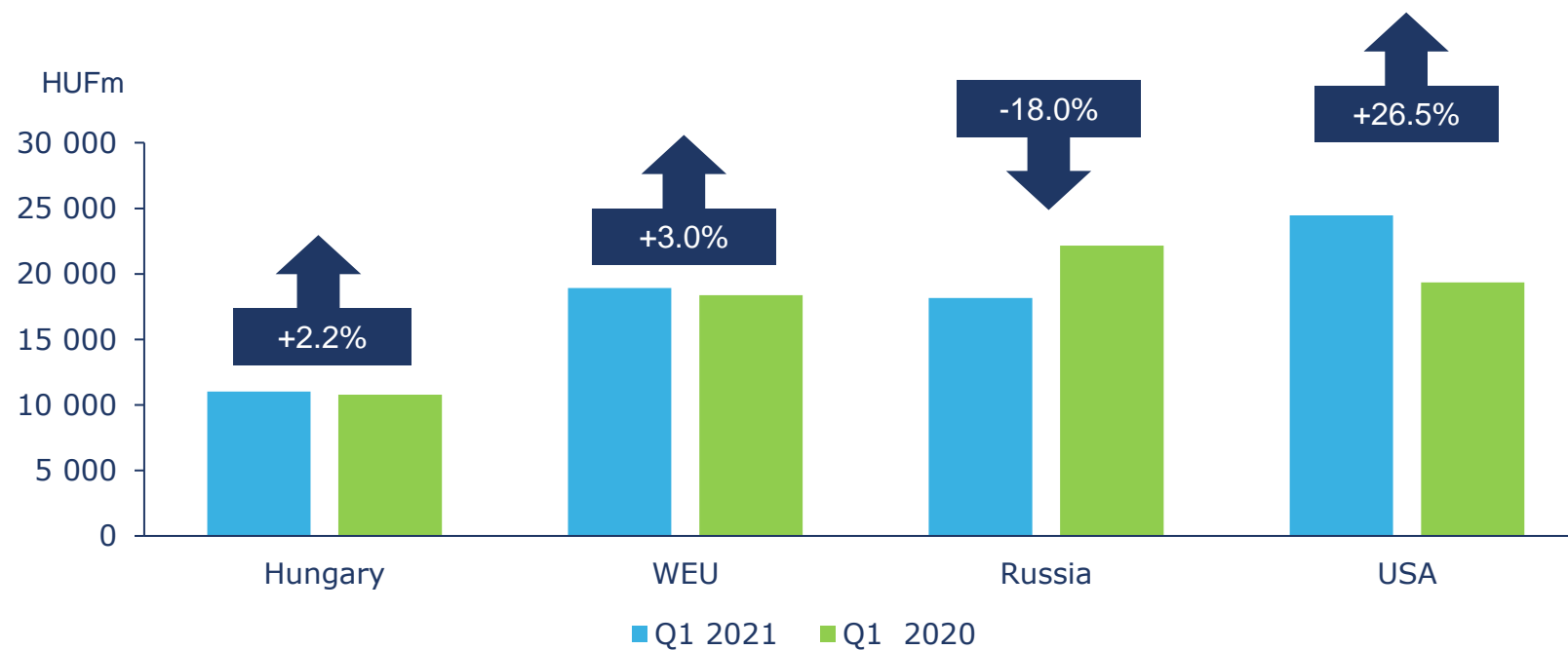
According to a transitional business licence agreement, royalty revenues in respect of product sales are reported as sales.

Sales by geographies (%)



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

Sales by main regions (HUFm)



(HUFm)	Q1 2021	Q1 2020	Change
Hungary	11,016	10,781	235
WEU	18,917	18,367	550
Russia	18,165	22,157	-3,992
USA	24,479	19,349	5,130

The effects of the COVID-19 pandemic



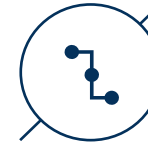
Our employees

- **Preserving the health of our colleagues remains our most important aim**
- **Travel restrictions partly sustained**
- **Social distancing, provision of protective gear**
- **Supporting remote work** and providing the necessary equipment
- **Continuous internal communication**



Sales

- **Decrease in demand due to limitation of doctor-patient contact**
- The absence of a flu season
- Slimmer opportunities for promotional activities comprising in-person encounters and information campaigns



Management

- Fluctuations in orders
- **Increase in level of inventory**
- **Vertically integrated business model, flexible response**
- Cautious approach to receivables



Financials

- **Solid foundations:** capital strength, no loans, positive cash flow
- **Mitigation of foreign exchange risks** via natural hedging
- Sustained payment compliance / ability

Strengths and challenges in key markets



USA

Significant increase in royalty income related to the sales of Vraylar®

WEU

Higher turnover of Bemfola® and Terrosa®

Royalty income of Evra®

Latin America

Higher sales of WHC portfolio

Turnover of Evra®



Russia

New submitted prices entering into effect during first half of 2021

Local manufacturers realised higher sales in volume terms compared to declining sales of foreign drug producers.

CEE

Lower sales of seasonal products

China

Delisting of Cavinton injectables with effect from 1 January 2020

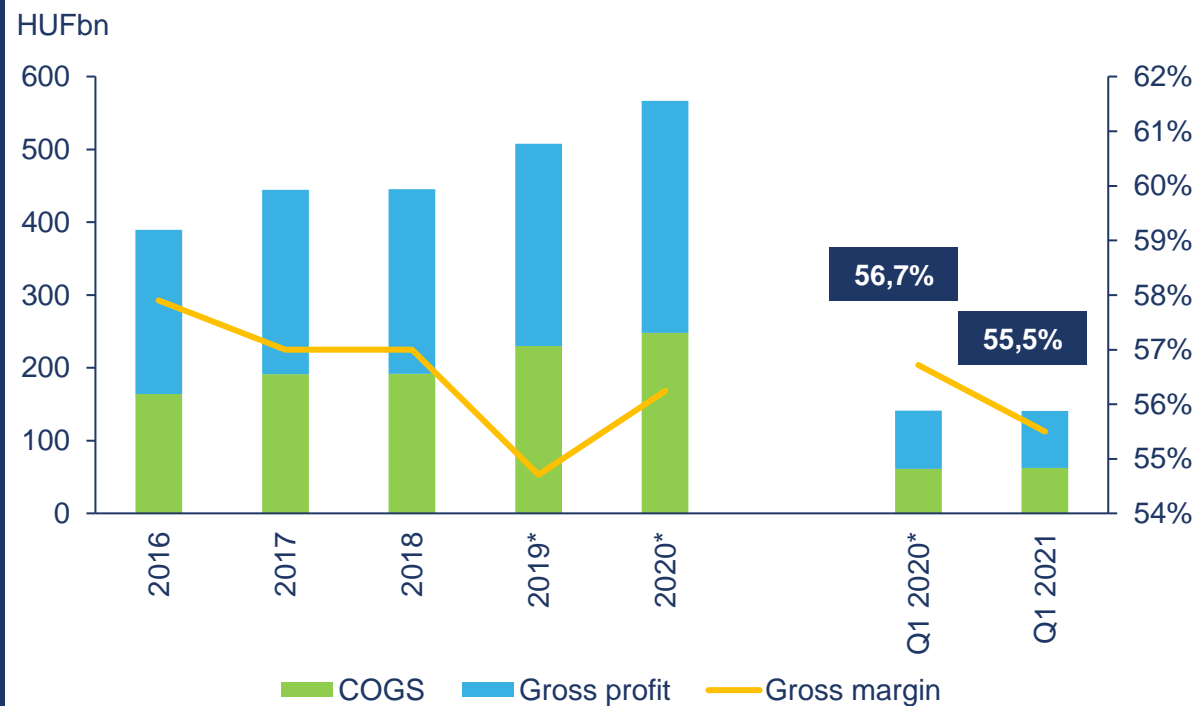
Certain pre-shipments occurred in the fourth quarter of 2020

Consolidated Financials – Highlights

	HUFbn	Change %	EURm	as % of total revenues
Total revenue	140.9	-0.4	389.0	
Gross profit	78.2	-2.5	215.9	55.5
Profit from operations	24.4	-3.2	67.3	17.3
Profit for the period*	26.9	-7.3	74.2	19.1
	HUF	Change %	EUR	
EPS (diluted)	145	-7.1	0.40	

* Net income attributable to owners of the parent.

Decreasing gross profit and margin (HUFbn)



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

(%)	Q1 2020	Q1 2021
Pharmaceuticals	66.6	67.4
Wholesale and retail	11.3	8.2

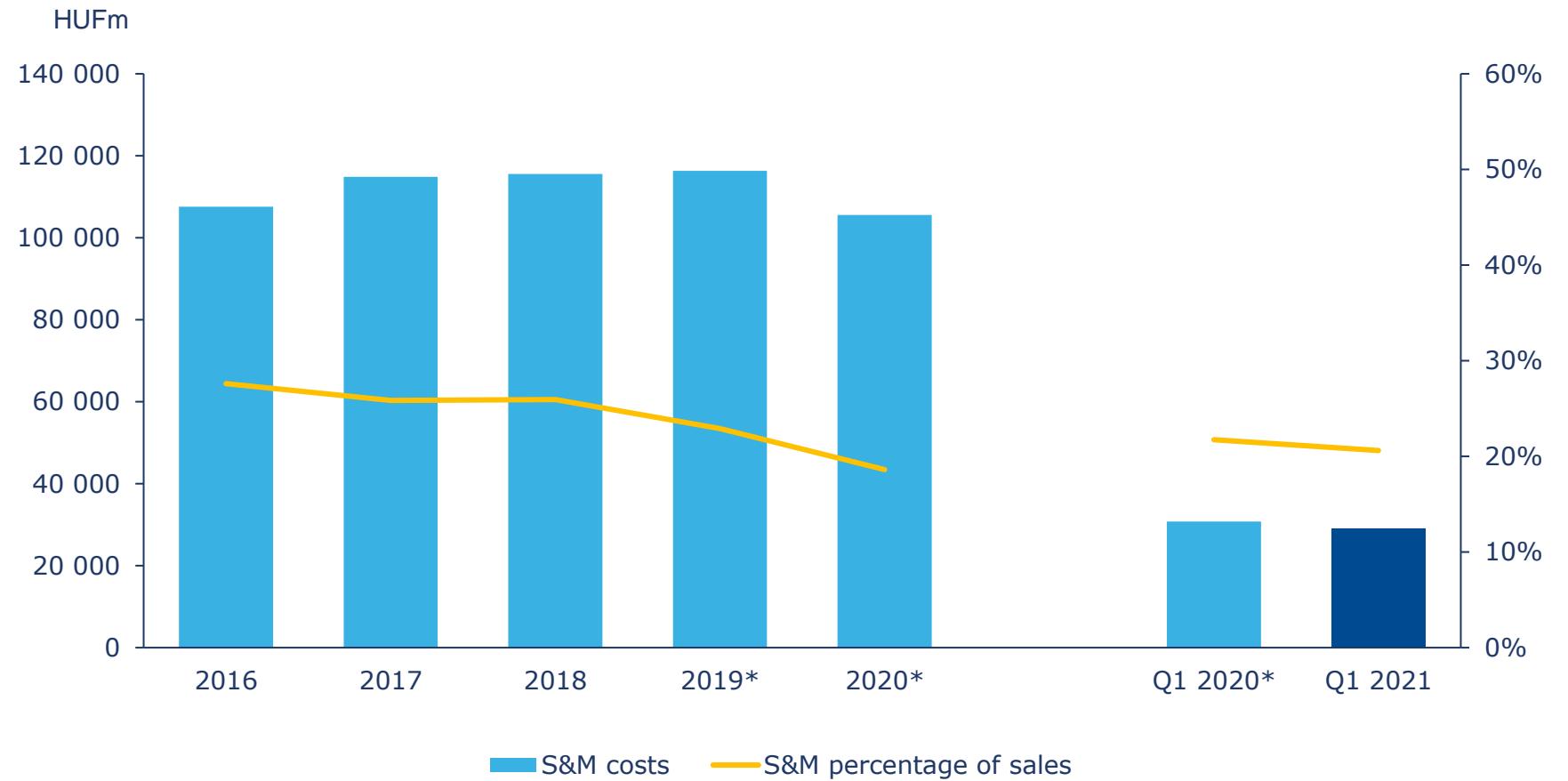
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- Significant increase in royalties received in respect of the sales of Vraylar® (HUF 5,890m)
- Royalty in respect of Evra® has appeared as a new element

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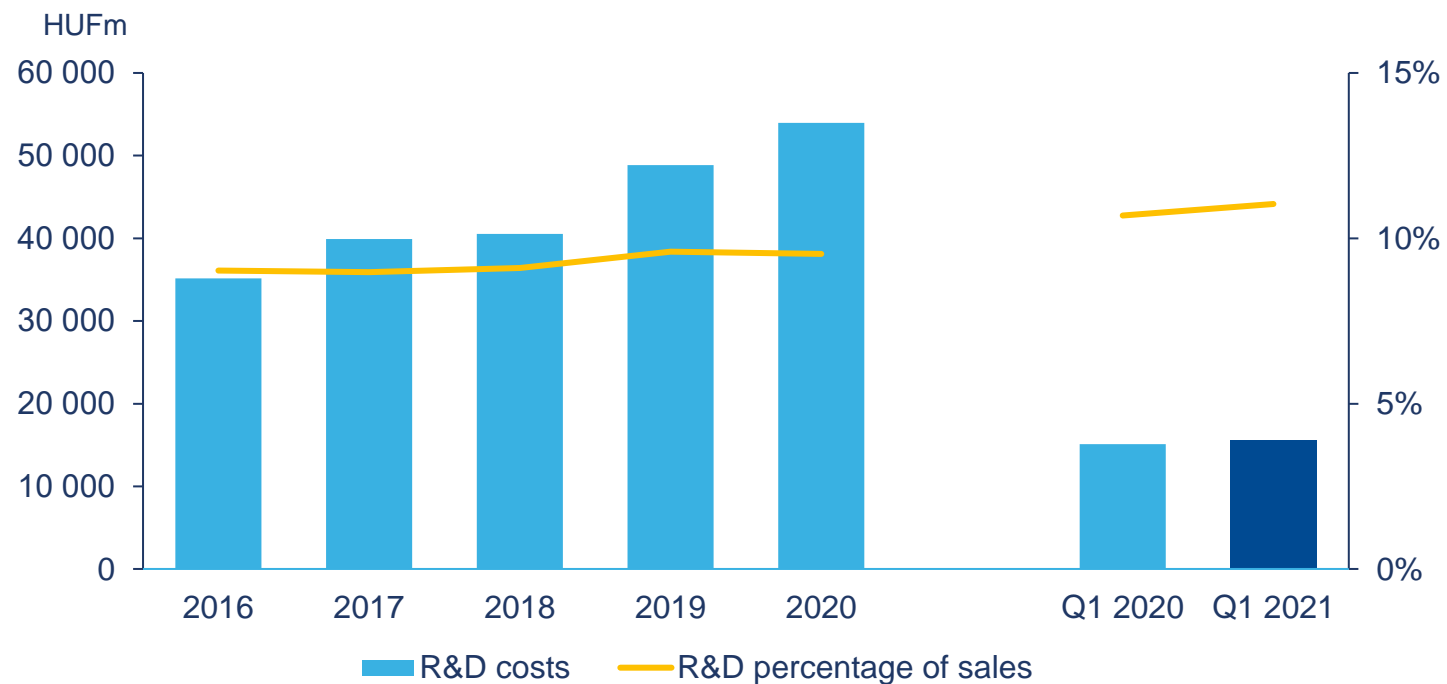
- Declining sales of high margin OCs
- No stockpiling of antiviral Groprinosin during the first quarter 2021 as opposed to the base period
- Aside of lower sales levels recorded by Cavinton certain branded and traditional generic products have also experienced worsening margins

S&M costs (HUFm)

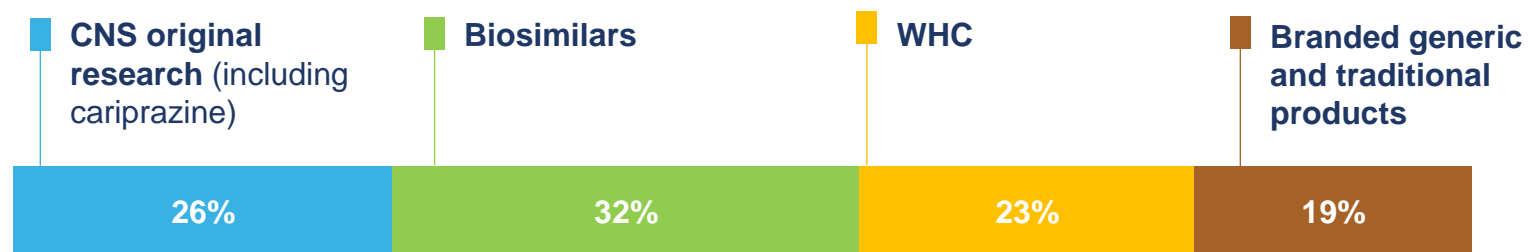


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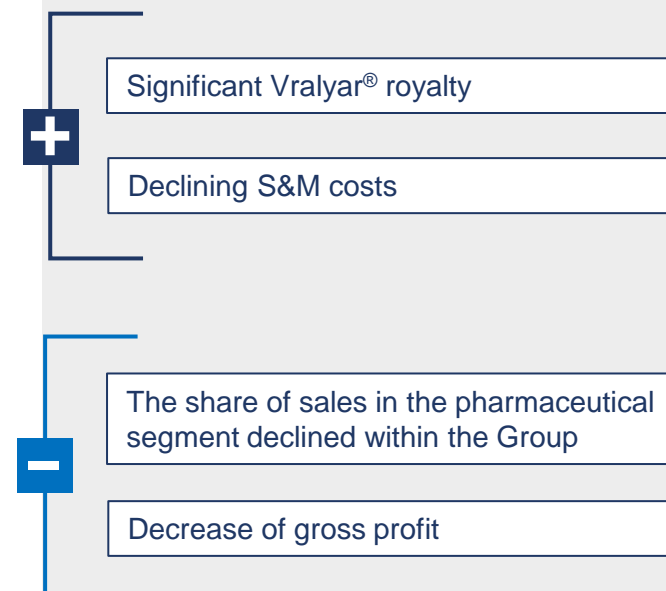
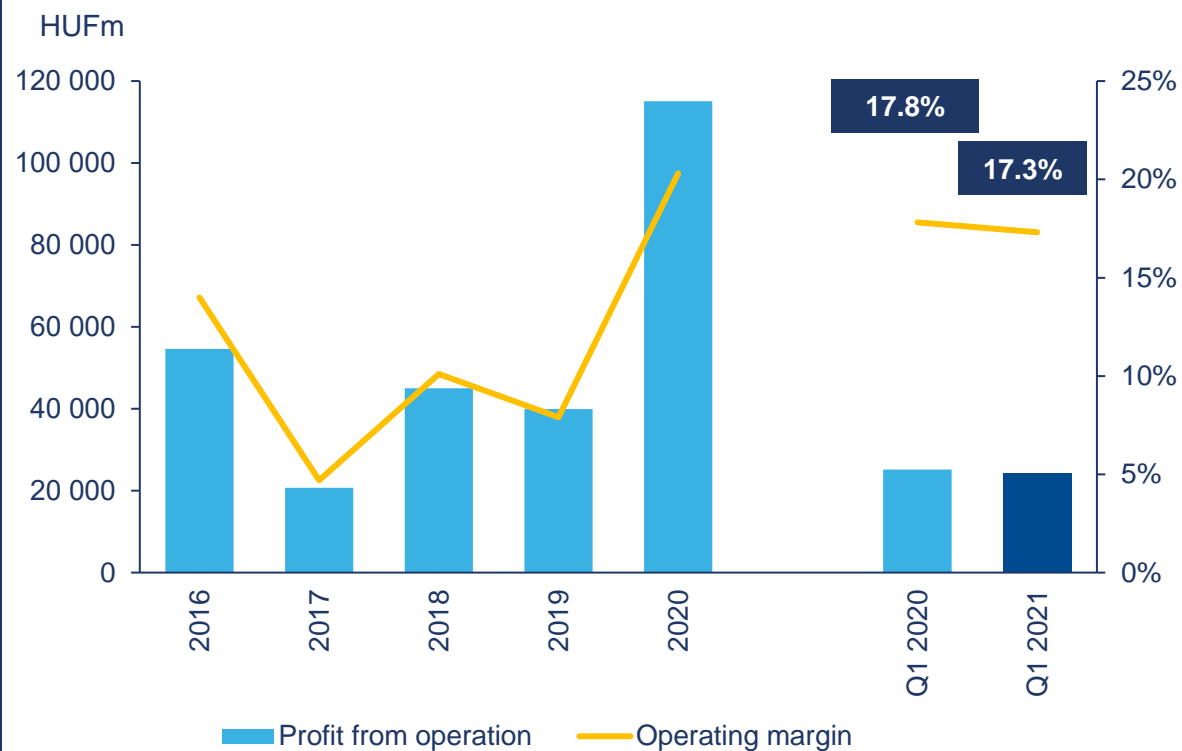
R&D costs (HUFm)



Split of R&D spending (%) – Q1 2021

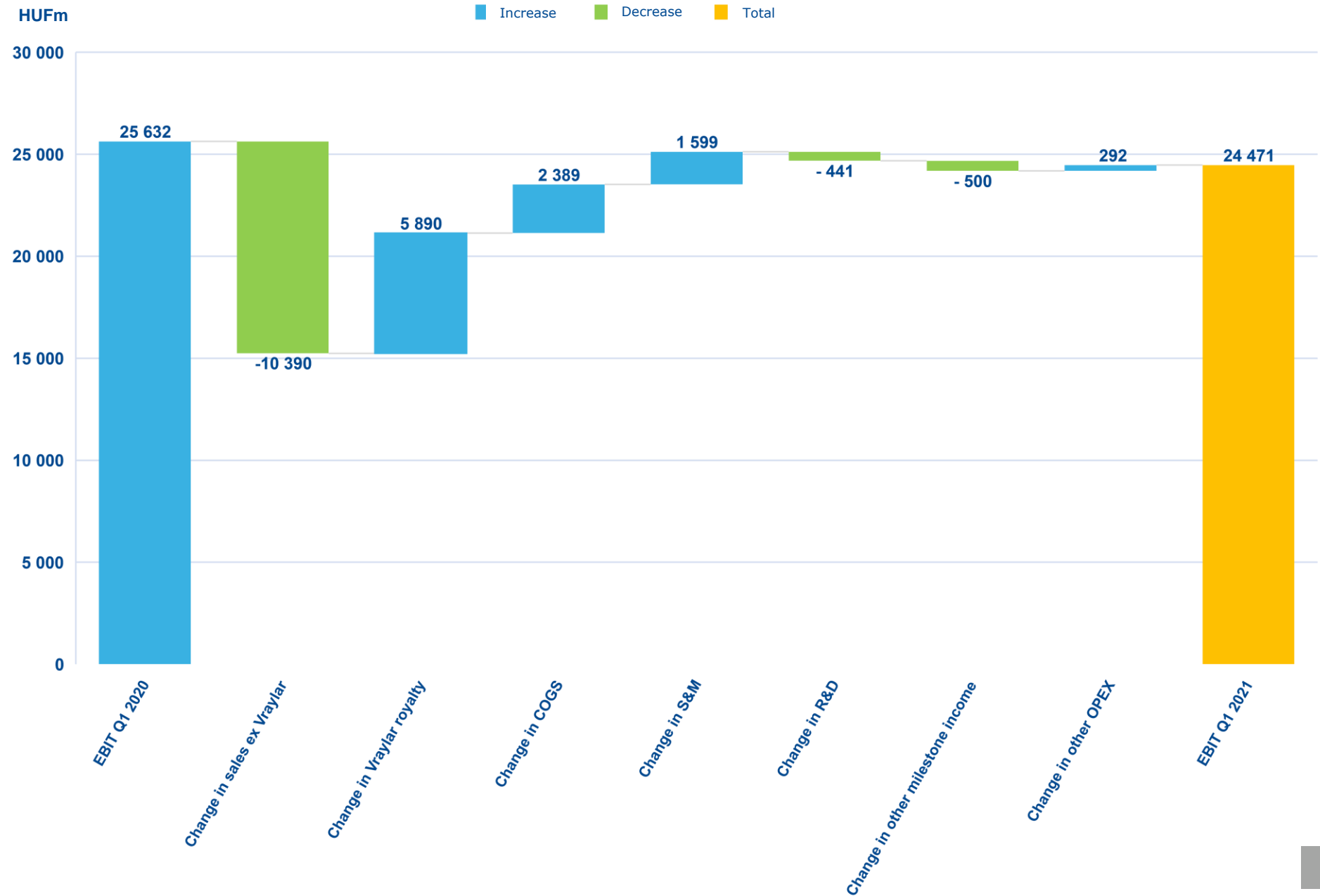


Decreasing operating profit and margin (HUFm)



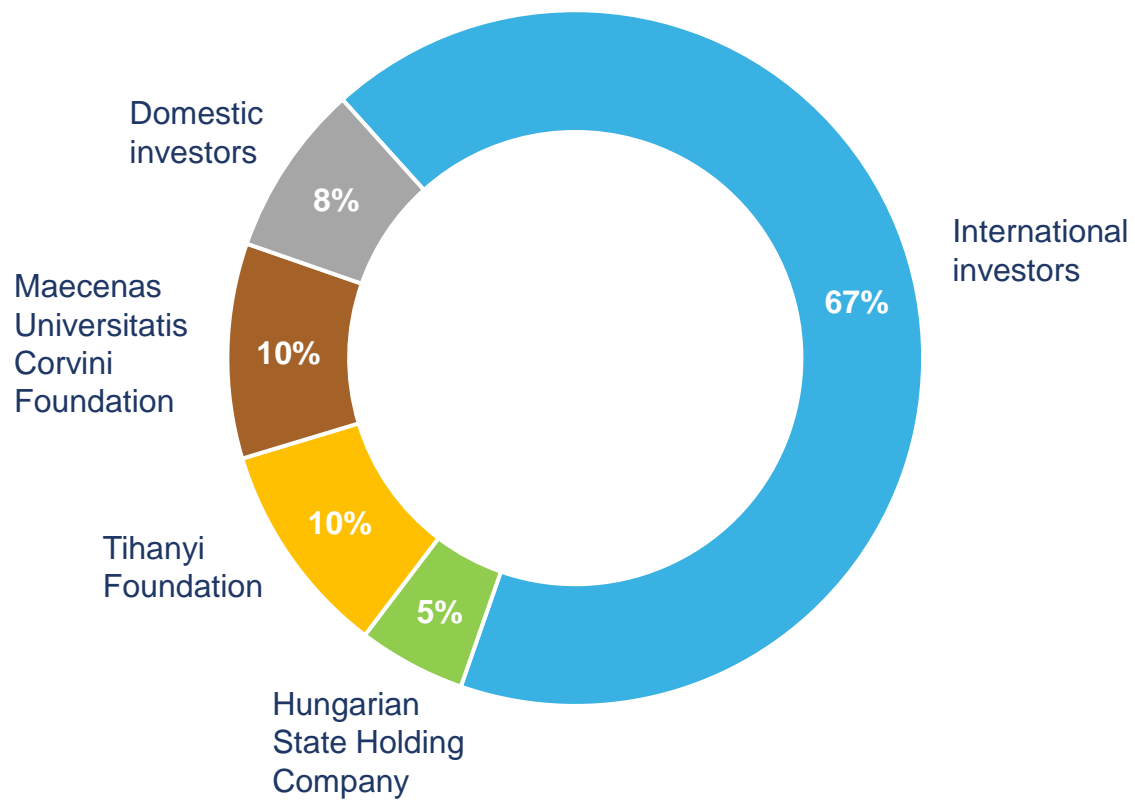
(%)	Q1 2020	Q1 2021
Pharmaceuticals	22.0	21.8
Wholesale and retail	1.4	0.1

Factors impacting pharma segment operating profit



Share Ownership Structure

31 March 2021





RICHTER GEDEON