

# Richter Group Report, M9 2022

Budapest, 8 November 2022



## Main financial indicators

**578,787 HUFm**

Consolidated sales

↑+27.4%

**58.2%**

Gross margin

**26.7%**

Operating margin

**1,052 HUF**

EPS

↑+110.0%

**196,003 HUFm**

Net profit\*

↑+110.5%

\* Net income attributable to owners of the parent.

## Extraordinary items affecting business

### Exchange rate effect

- HUF 72.0bn gain at consolidated sales level
  - Weakening HUF
  - Strengthening RUB
  - Strengthening USD against EUR
- } against most major currencies

### One-off items

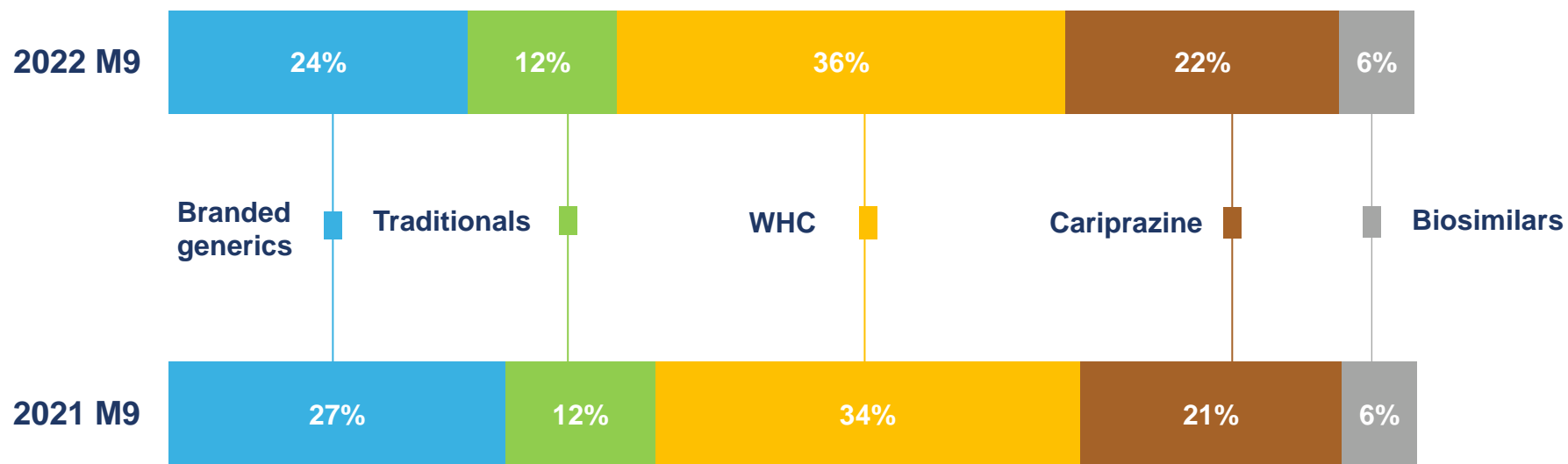
- HUF 8,616m milestone income linked to R&D agreement with AbbVie and to the acceptance for review of the sNDA request related to aMDD indication of cariprazine

# Reconciliation of consolidates sales by segments (HUFm)

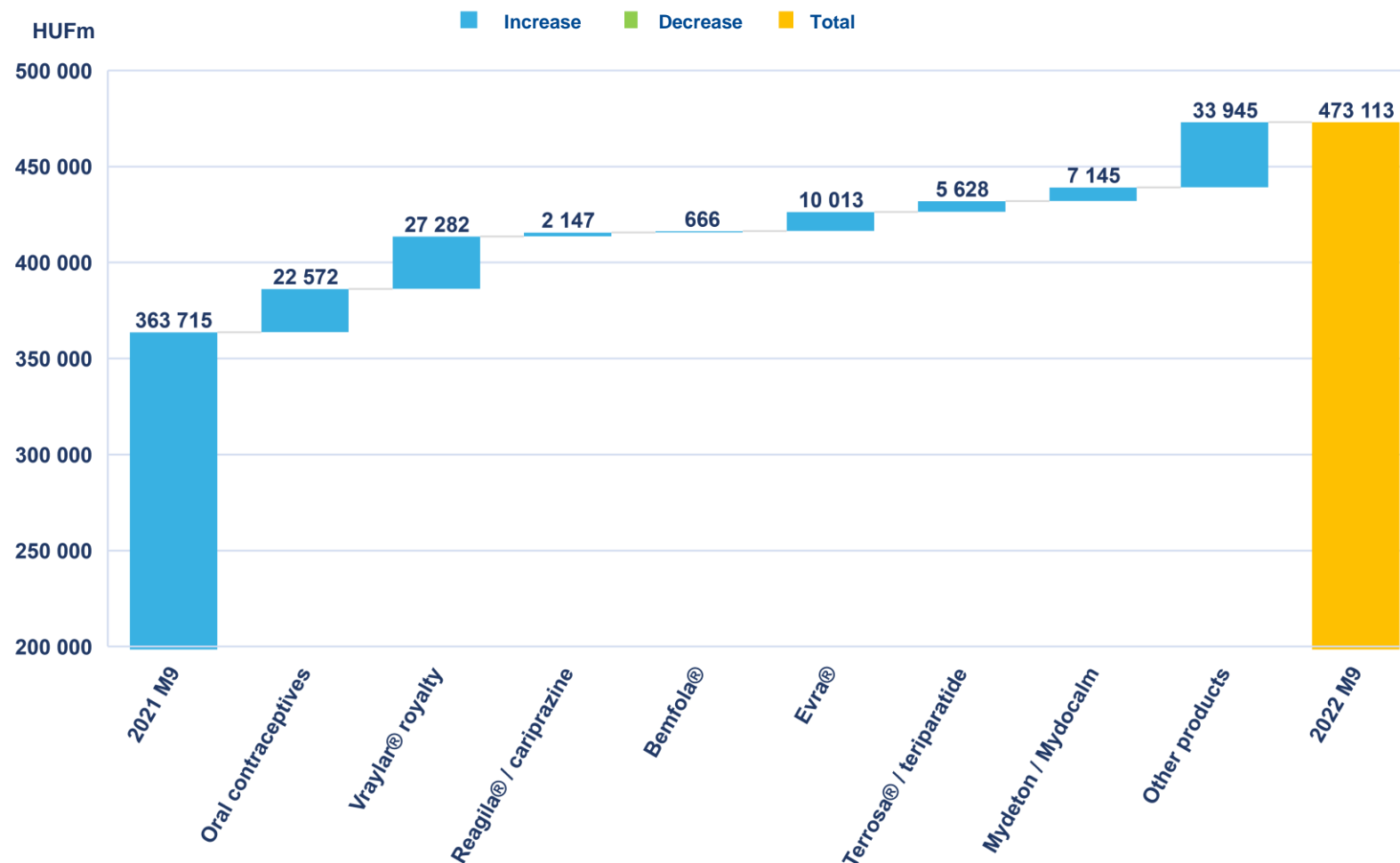


The pharma segment accounts for **82%** of consolidated turnover.  
The share of Pharma segment sales increased within the Group.

# Revenue by strategic pillars (%)



# Change in the turnover of our selected products (HUFm)



Turnover of **Vraylar® royalty** showed a strong growth of 38.3% (12.7% in USD terms) in the first three quarters of 2022.

Sales growth of **oral contraceptives** primarily occurred in Russia, the EU region and the USA.

Direct sales of **Evra®** commenced at the end of 2021. In the first nine months of 2022 more than half (65%) of its turnover was arising from direct sales.

## Key products (1/2)

### Cariprazine



Central Nervous System

HUF  
103,758m  
(EUR 267.8m) ↑ +39.6%  
Turnover

**USA - Vraylar®**  
HUF 98,518m **royalty income** (increase of 38.3% YoY)

**Acceptance for review of a supplemental New Drug Application (sNDA)**  
– MDD adjunctive therapy

By the end of third quarter of 2022 cariprazine was available altogether in **49 countries** globally.

First royalty proceeds were accounted for in respect of **Canadian sales** realised during the third quarter 2022.

### Terrosa®



Biosimilars

HUF 14,901m  
(EUR 38.5m) ↑ +60.7%  
Turnover

**Geographical split of teriparatide revenues:**  
Europe: ~74%  
Japan: ~19%

Steady sales growth

## Key products (2/2)

### Bemfola®



WHC

HUF 15,649m

(EUR 40.4m)

Turnover

↑ +4.4%

The increase is primarily due to proceeds from WEU region. It was partly offset by declining sales recorded in Australia.

### Evra®



WHC

HUF 19,717m

(EUR 50.9m)

Turnover

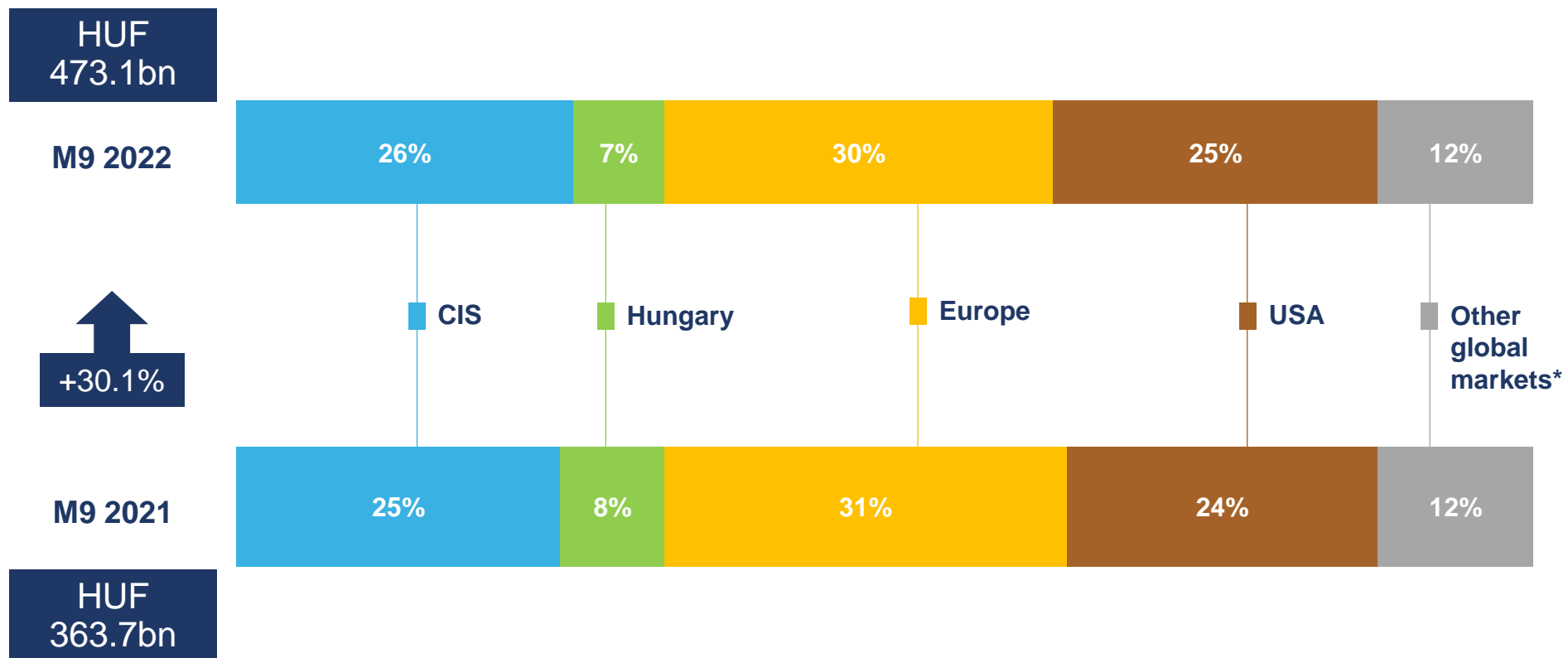
↑ +103.2%

Revenue split:

Royalty income – HUF 6,813m (34.6%)

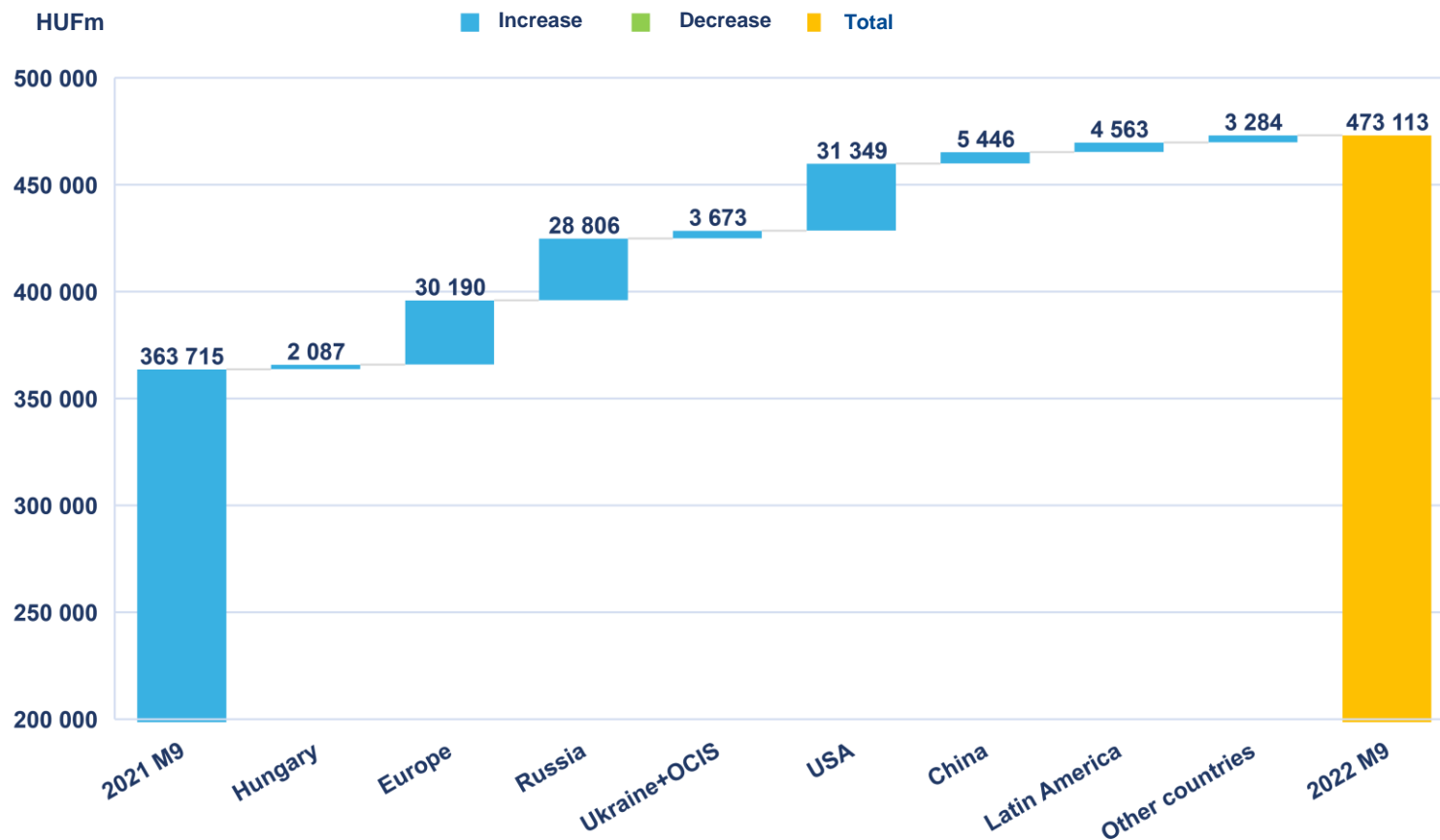
Direct sales – HUF 12,838m (65.1%)

## Sales by geographies (%)



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

# Change in turnover by geographies



In **Western European region** increasing sales of specialty portfolio (Terrosa®, Evra® and Drovelis®) were complemented by higher proceeds from contract manufacturing activities of Richter-Helm Biologics.

In the **USA** Vraylar® royalty income contributed materially to the sales levels achieved during the reported period.

Exchange rate gains together with price increases lifted revenues in **Russia** in HUF terms.

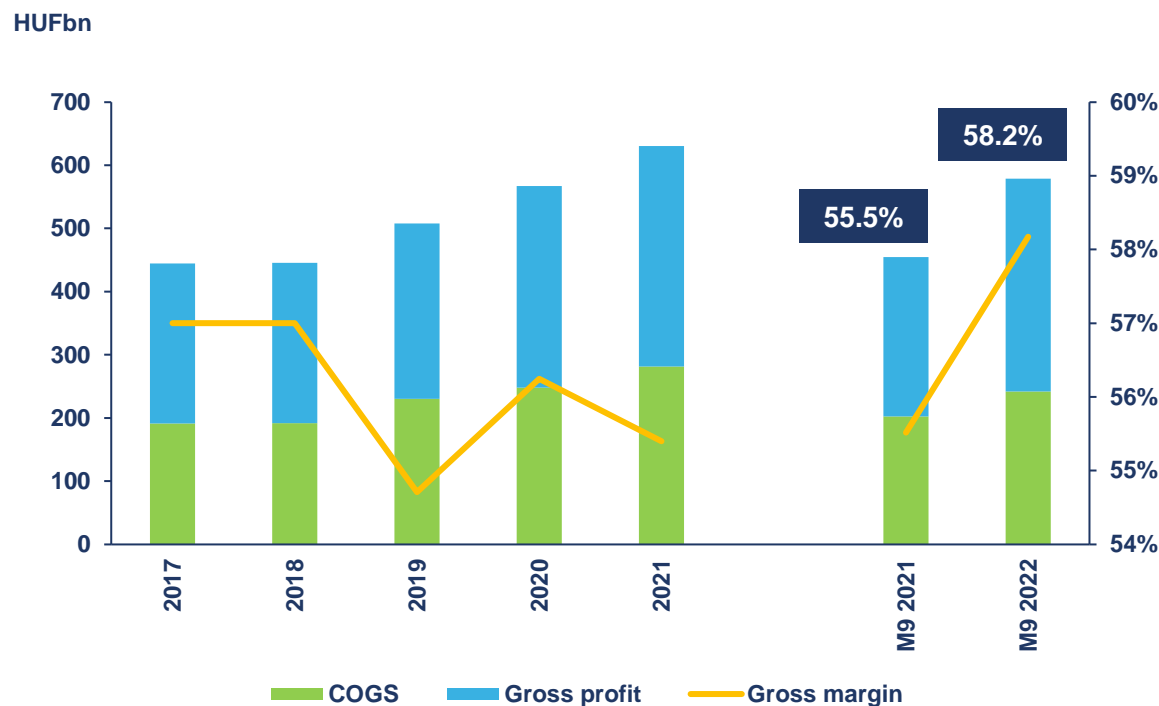


## Consolidated Financials – Highlights

	HUFbn	Change %	EURm	as % of Total revenues
<b>Total revenue</b>	578.8	27.4	1,494.1	
<b>Gross profit</b>	336.7	33.5	869.2	58.2
<b>Profit from operations</b>	154.3	64.3	398.3	26.7
<b>Profit for the period*</b>	196.0	110.5	506.0	33.9
	HUF	Change %	EUR	
<b>EPS (diluted)</b>	1,052.0	110.0	2.72	

\* Net income attributable to owners of the parent.

# Increasing gross profit and increasing margin (HUFbn)



(%)	M9 2021	M9 2022
<b>Pharmaceuticals</b>	67.1	69.2
<b>Wholesale and retail</b>	7.8	8.2

**+**

Very favourable exchange rate environment, primarily a weakening HUF against most major currencies notably USD and RUB, together with strengthening USD and RUB against the EUR

**+**

Significant increase in royalties received in respect of sales of Vraylar® in the USA (HUF 27,266m)

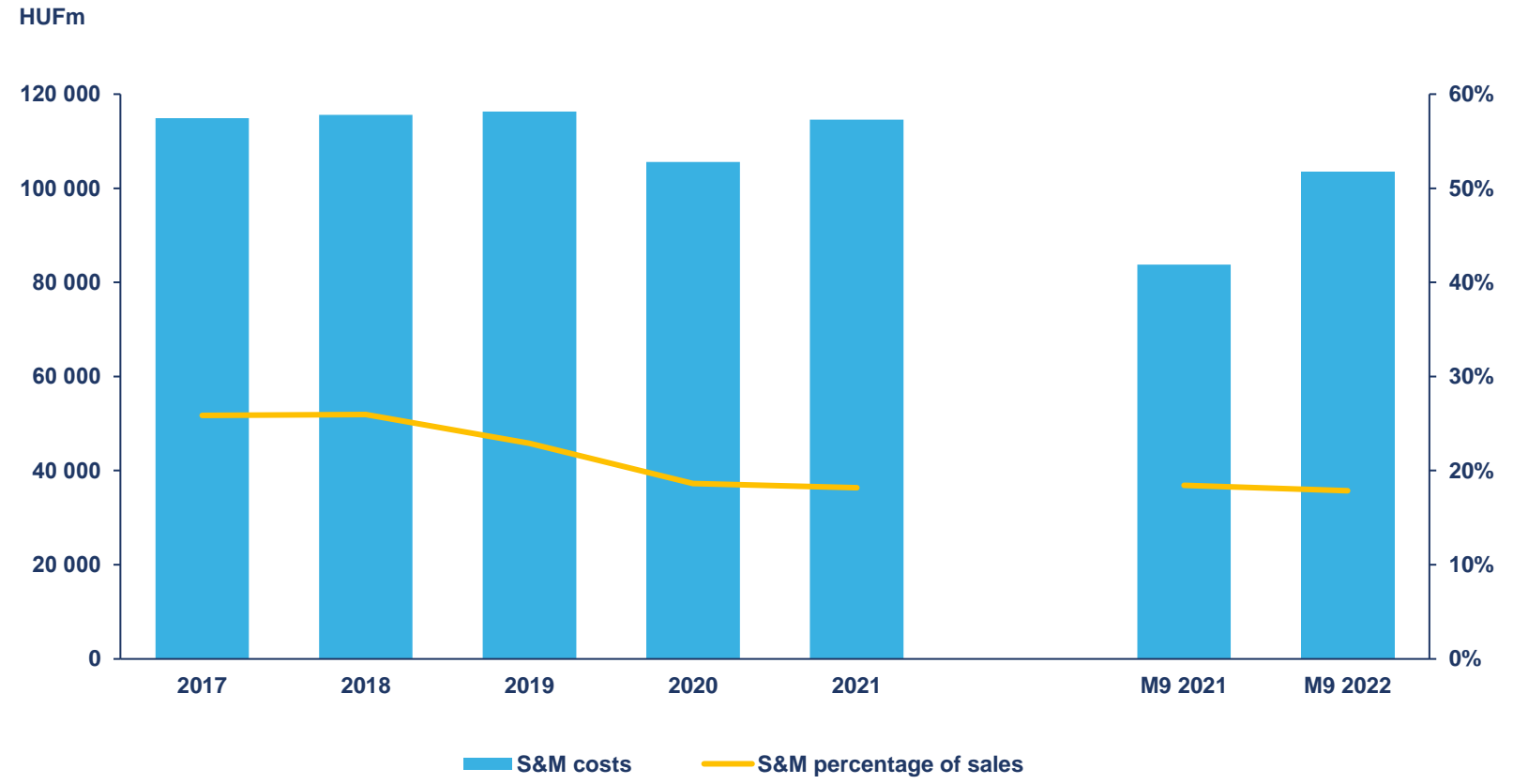
**+**

The increase of turnover proceeds from certain traditional and WHC products, the latter including oral contraceptives, and Bemfola®.

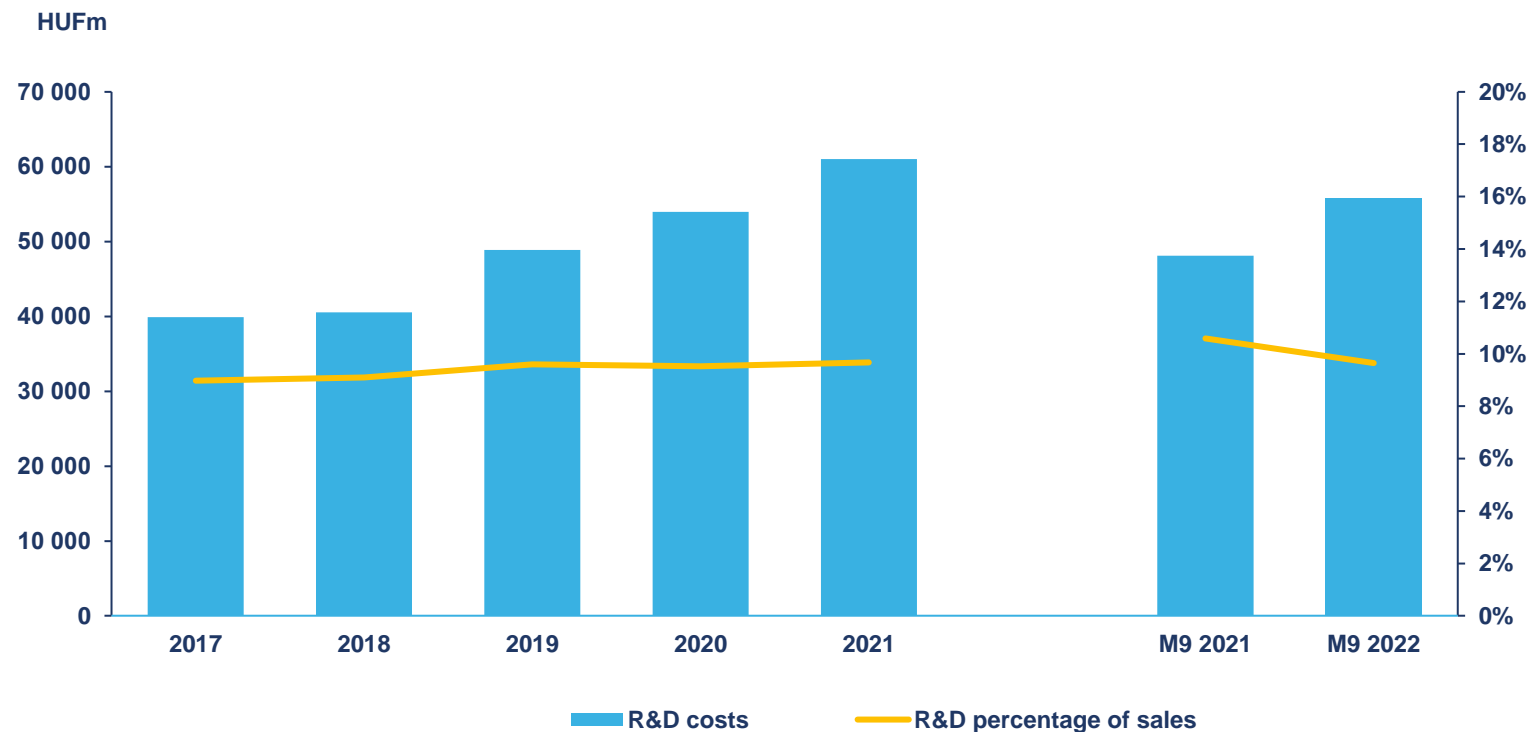
**-**

Inflationary growth related to production overhead costs which prevailed only to a limited extent

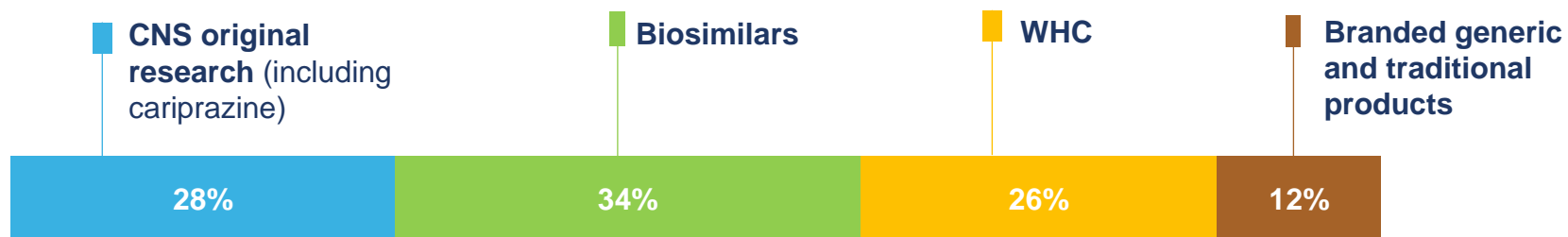
# S&M costs (HUFm)



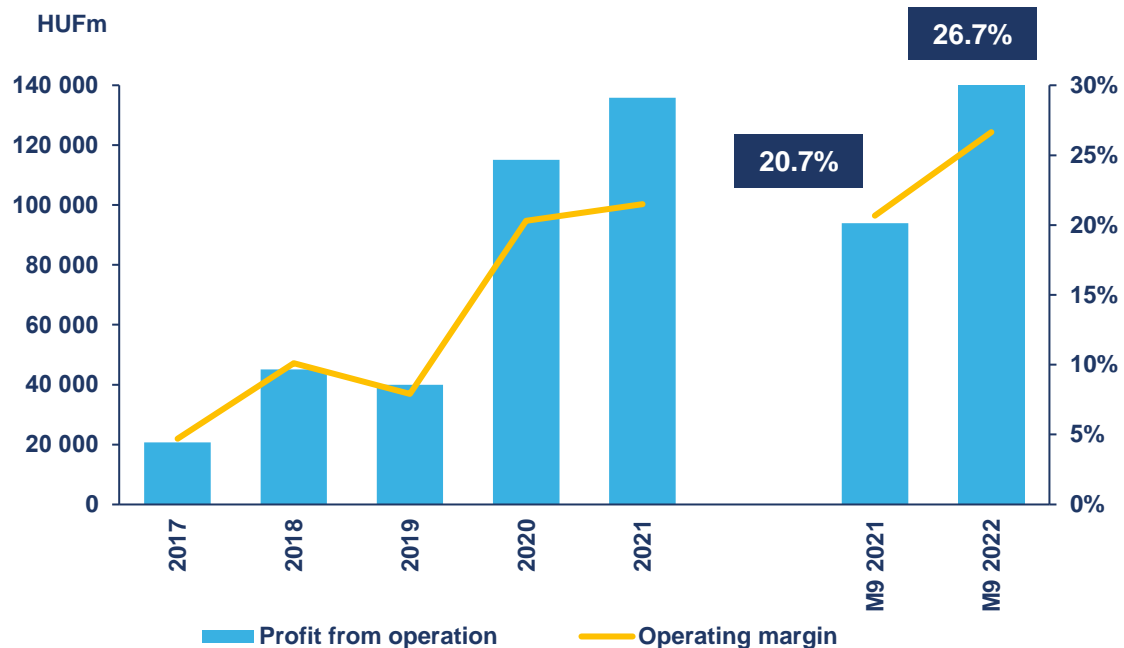
# R&D costs (HUFm)



## Split of R&D spending (%) – M9 2022



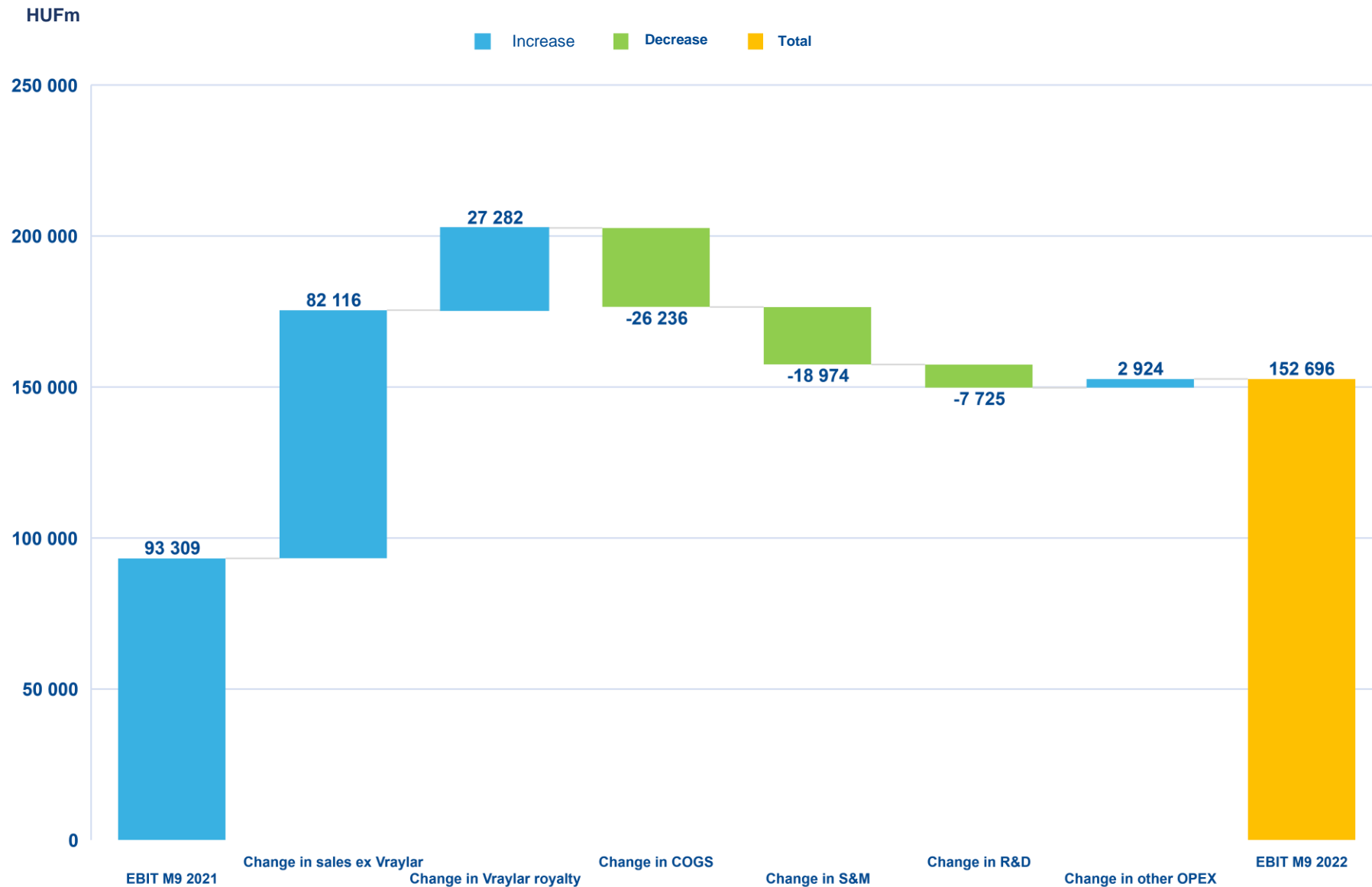
## Increasing operating profit and margin (HUFm)



- Extremely favourable FX environment
- One-off milestones received during the reported period
- Significant Vraylar<sup>®</sup> royalty income

(%)	M9 2021	M9 2022
Pharmaceuticals	25.7	32.3
Wholesale and retail	0.3	0.2

# Reconciliation of pharma segment operating profit



## Main events

### Women Healthcare

#### 25 October 2022 – Ryeqo®

Richter announced submission to European Medicines Agency for type II variation application for Ryeqo® for the treatment of endometriosis.

Ryeqo® is already approved by the EMA for the treatment of moderate to severe symptoms of uterine fibroids in adult women of reproductive age since July 2021.

### Other

#### 21 October 2022 – W&R

Richter and Dr.Max BDC, s.r.o. announced that Richter's indirect Romanian subsidiary, Armedica Trading S.R.L. has signed a share sale and purchase agreement to divest the Richter Group's Romanian wholesale and retail operations (Pharmafarm S.A. and Gedeon Richter Farmacia S.A., respectively) to Mediplus Exim S.R.L., a Romanian subsidiary of A&D Pharma, both being members of Dr.Max Group.

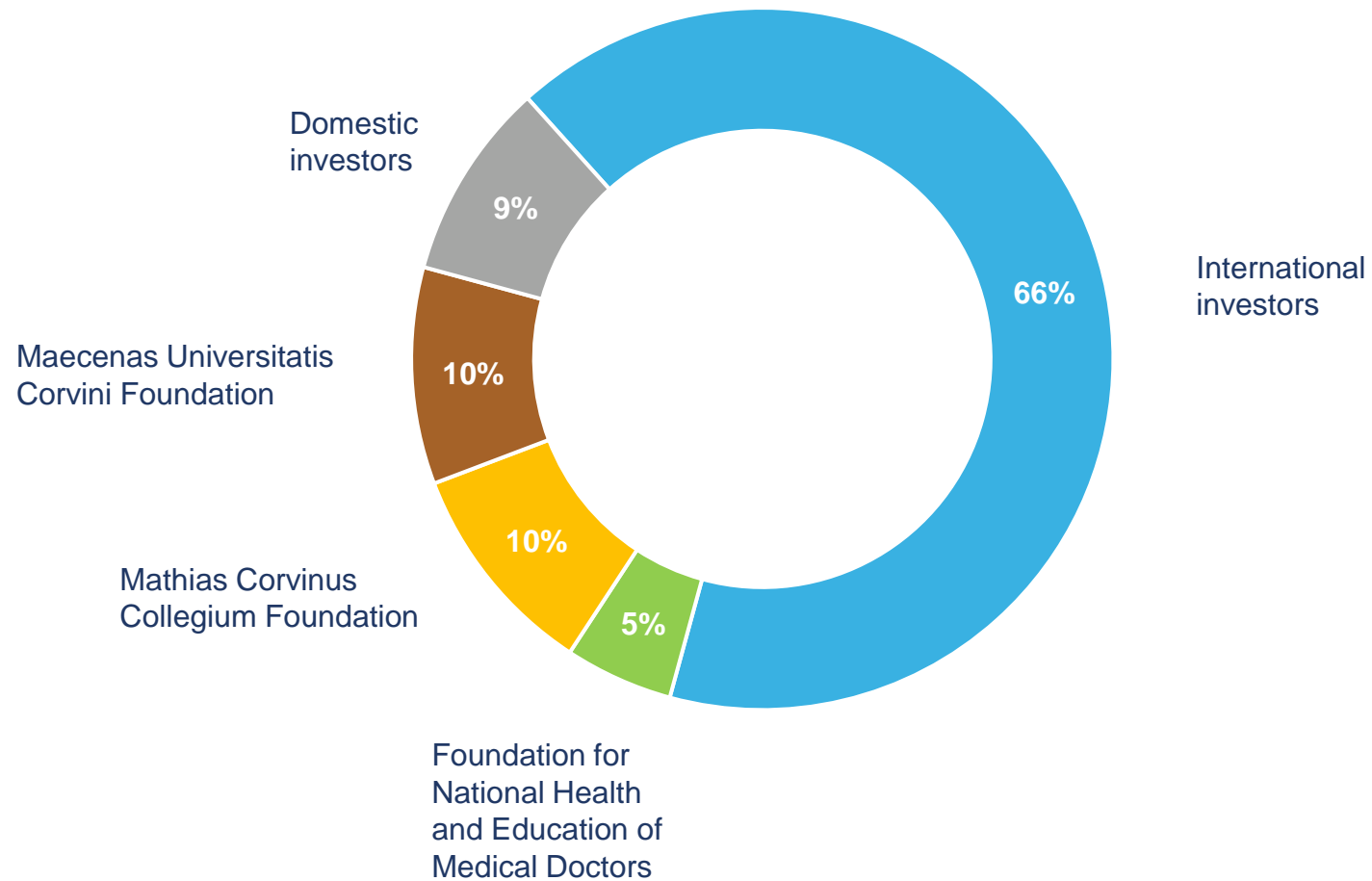
## Extraordinary events

### Russian – Ukrainian conflict

- **Responsibility**
  - Safe and sustainable supply of medicines to patients
  - Humanitarian relief granted to those in need and population at large
  
- **Ukraine**
  - Commercial operations disrupted at the end of February of 2022
  - Commercial operations resumed in mid April – at significantly lower levels
  - Payments have been received in due order during the entire reported period
  - Recent change in Ukrainian legislation – marketing authorizations revoked – 35 products
  
- **Russia**
  - The slight decrease in volumes delivered in both the second and the third quarter 2022 were more than offset at retail levels by decreasing stocks held by wholesalers
  - Price hikes were complemented by extraordinary rubel appreciation
  - Wholesalers served exclusively from our local warehouse
  - Risks impacting logistics and the supply chain are increasing
  - Financial terms:
    - Invoices are still issued in RUB to third parties
    - Half of our local turnover is naturally hedged, forward contracts concluded for the remainder part

# Share Ownership Structure

30 September 2022





RICHTER GEDEON