

Gedeon Richter Q1-Q3 2024 Earnings Report

12 November 2024



Q1-Q3 2024 highlights – on track to deliver

2024
guidance

Pharma Revenues (CER*)
to grow „low-to-mid-teens“% EUR 2.15-2.25bn



Q1-Q3 2024 CER revenue growth +12%
(FX now a tailwind of +2.5ppt)

Clean EBIT (CER*) EUR 725-750mn



Q1-Q3 2024 CER Clean EBIT growth +16% (EUR 537mn)
original guidance still in place; new items to have come on top:

- R&D milestone income: ~EUR +30mn
- Lower Vraylar® guidance: ~EUR -19mn
- M&A net (Helm+Mithra R&D): ~EUR -10mn

Q1

HUF 626.9bn
(EUR 1.6bn)

Pharma sales

↑ +14.5%

HUF 209.2bn
(EUR 535mn)

Clean EBIT²

↑ +18.8%

HUF 190.2bn
(EUR 486mn)

EBIT¹

↑ +31.7%

H1

Q1-Q3

FY

HUF 164.1bn

Free Cash-flow³

↑ +HUF 95.4bn

HUF 959

EPS

↑ +45.1%

17.3%

Return on Equity⁴

↑ +8.5ppt

¹ **EBIT:** Profit/loss from operations

² **Clean EBIT (cEBIT):** Gross profit less op. expenses (S&M, G&A, R&D) less clawback plus milestone income. cEBIT reflects the profitability of the core business, excl. one-offs

³ **Free Cash Flow:** Operating Cash flow after changes in Net Working Capital plus interest received less Capex (PP&E)

⁴ **Return on Equity:** Cumulative net profit for the last 4 quarters divided by the actual quarter's equity

Financial and operational highlights



Financial highlights

- Pharma revenues grew by 15% to HUF 214bn in Q3 2024, bringing Q1-Q3 2024 pharma revenues to HUF 627bn (EUR 1.6bn), up 14.5% YoY
- CER (ex-FX) revenue growth was 12% in Q1-Q3, within the FY 2024 guidance range; the weaker HUF provided some tailwind (+2.5ppt) in 2024 YTD
- All segments saw double-digit sales growth YTD, as GenMed further improved its performance in Q3 2024
- Gross profit (pharma) grew by 13% to HUF 436bn, while gross margin slightly declined (-0.9ppt) to 69.5% in Q1-Q3 2024
- Clean EBIT (pharma) rose by 13% in Q3 2024 to HUF 73bn, bringing Clean EBIT to HUF 209bn in Q1-Q3 2024, up 18% YoY. CER (ex-FX) Clean EBIT rose by 16% to EUR 537mn.
- Free cash flow (before M&A) amounted to HUF 164bn in Q1-Q3 2024, more than doubling YoY on higher operating cash flow and no FX losses; no major cash outflow took place in Q3, thus net cash increased, partly offsetting the large cash outflow in H1 2024 on the back of four M&A deals and the dividend payment

Business drivers and key events (Q3 2024)

- Major capacity expansion with a new cutting-edge biopharmaceutical cGMP facility in Bovenau was completed
- Fuji Pharma received marketing approval of Alyssa[®] combination tablets, containing drospirenone and Estetrol (E4) for the indication of dysmenorrhea, triggering a milestone payment of EUR 10mn to Richter
- Bio-Thera and Richter signed an exclusive commercialization and license agreement for a biosimilar candidate to Stelara[®] (ustekinumab) for the EU, the UK, Switzerland and selected other countries
- AbbVie and Richter signed a new discovery, co-development and license agreement to advance novel targets for the potential treatment of neuropsychiatric conditions. Richter will receive an upfront payment of USD 25mn, along with potential development, regulatory and commercialization milestones and sales-based royalties
- RGH-932/ABBV-932 entered Phase 2 clinical trials by achieving the first subject dosed in October

People & Culture – our DEI* approach and the new Richter HQ



- The presence of diverse experience, knowledge, professional background, skills, opinions and thoughts enables us to elevate the standard of care in key therapeutic areas and address unmet needs in order to improve the quality of life of patients
- Diversity focus areas: gender, generation, education, international culture, location
- Richter is a fundamentally diverse company – our DEI strategy builds on what Richter already has (generational and unconscious bias trainings, strong focus on psychological safety)
- The strategy is based on data, not on beliefs: DEI audit, organizational DEI maturity survey, workshops
- Upcoming actions target the whole company: podcasts, DEI dashboards, ethical recruitment and selection process audit, reverse mentoring

- The new headquarter building of Gedeon Richter Group was opened in July 2024 in Budapest, next to the core manufacturing and R&D facilities of the company
- 15,000 square meters, 6 floors, 420+ workstations (all of them with natural light), 40+ meeting rooms. The building received LEED Gold Certification (Leadership in Energy and Environmental Design)
- The building is dedicated for collaboration and innovation (community spaces, open areas)
- Major change management preparation (survey about the fears of the movers, workshops on managerial level, involvement of the employees – e.g. deciding on the names of the meeting rooms or the chairs they sit on)
- The change management project of the building won several professional awards



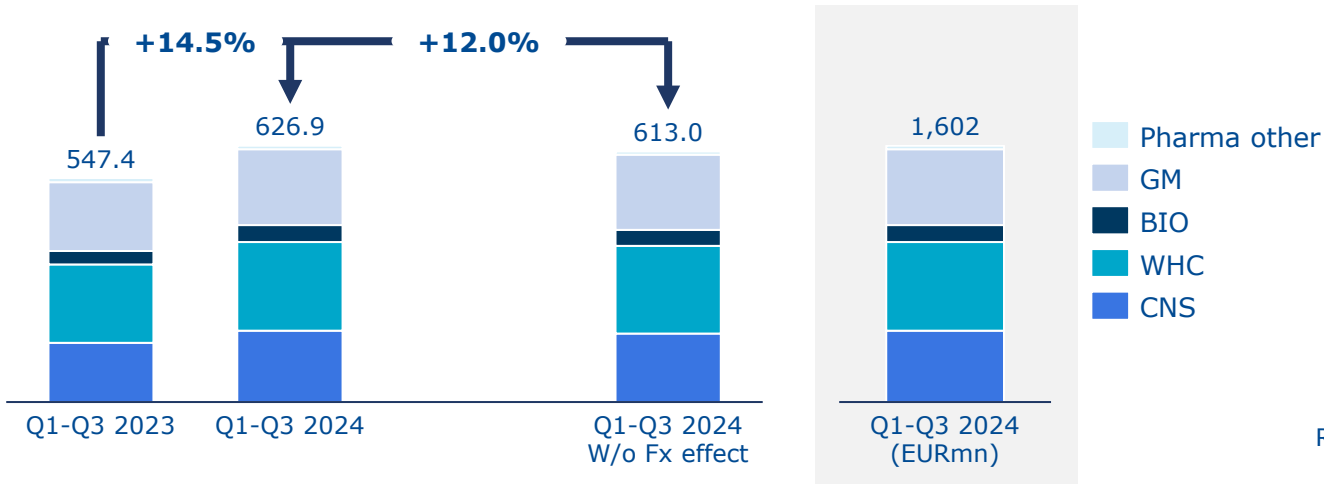


Financial Highlights

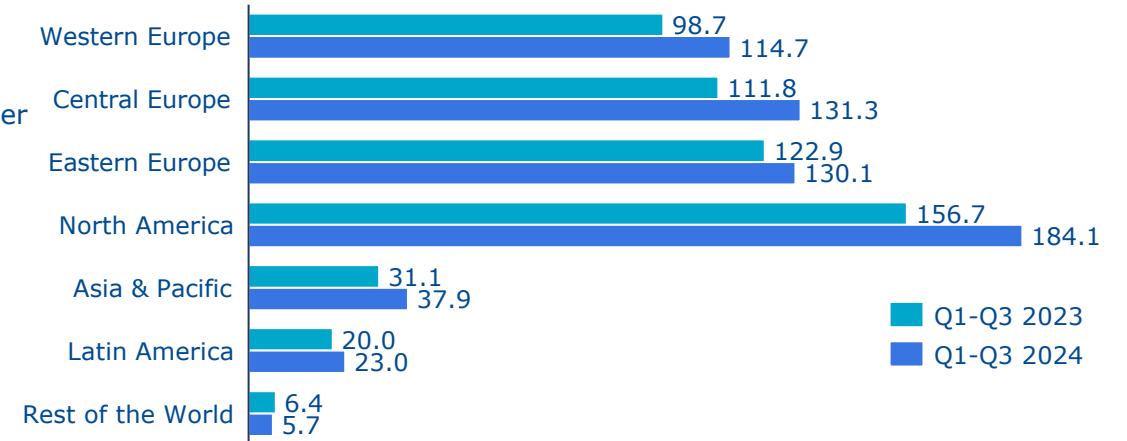


Pharmaceutical revenues (ex-FX) rose by 12% in Q1-Q3 2024

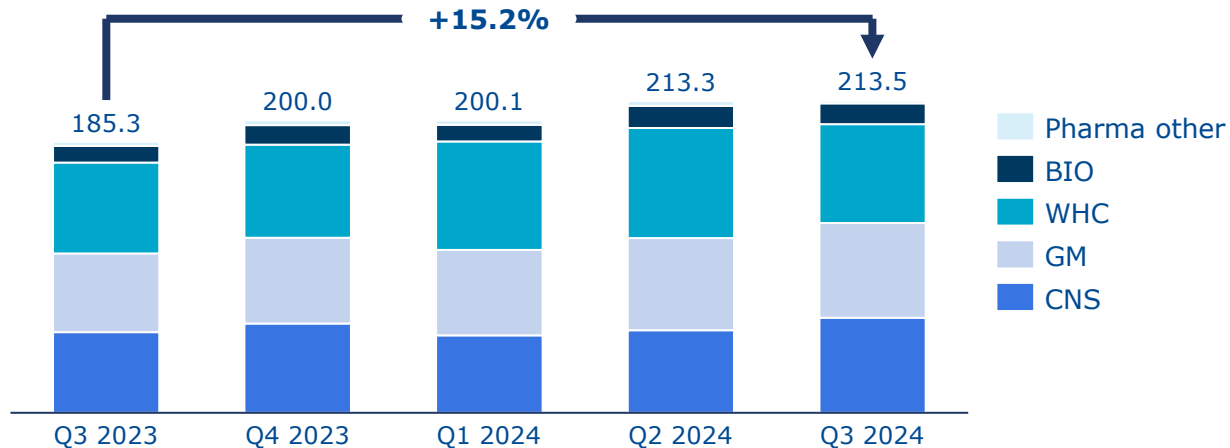
Pharmaceutical Revenues, cumulative (HUF bn, EUR mn)



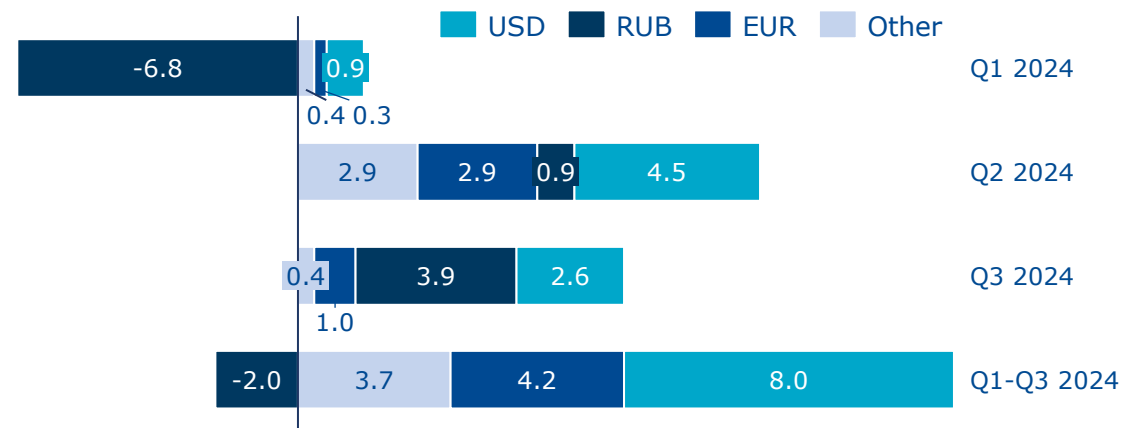
Pharmaceutical Revenues by region (HUF bn)



Pharmaceutical Revenues (HUF bn)

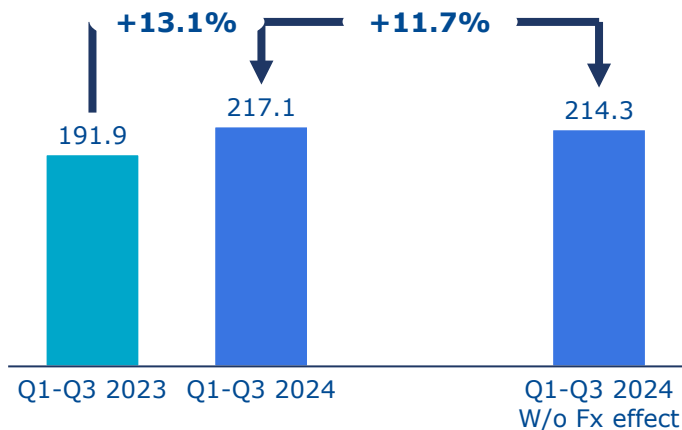


Impact of the exchange rate changes on revenues (HUF bn)

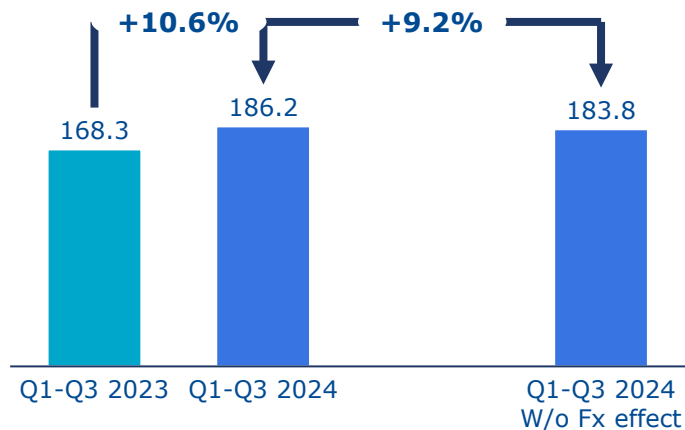


Double-digit growth in all segments, as GenMed further improves

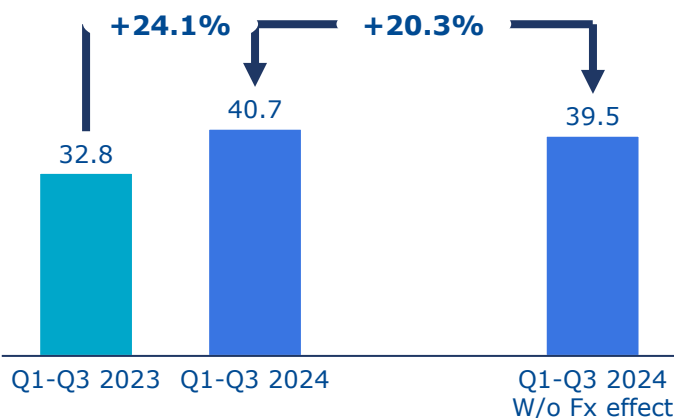
WHC Revenues



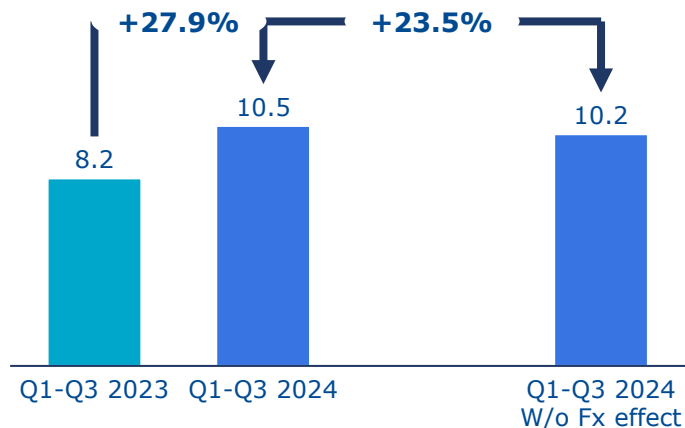
GM Revenues



BIO Revenues



CNS ex-Vraylar® Revenues

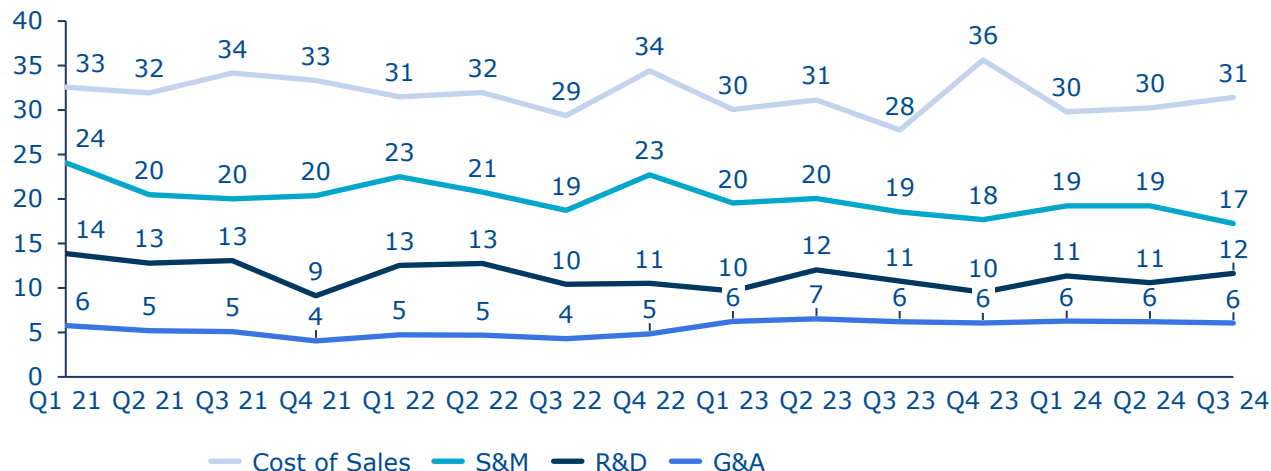


Key messages

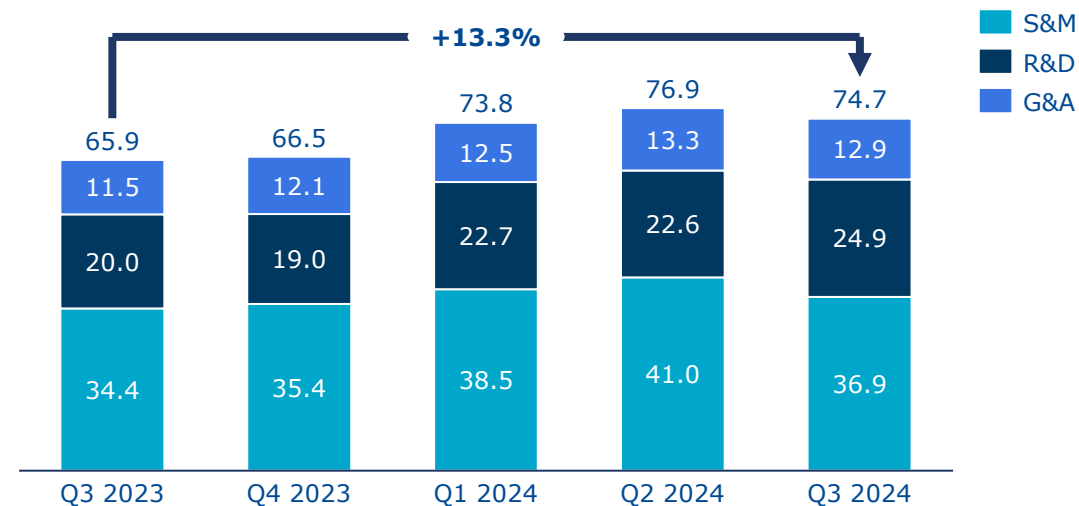
- **WHC** revenue growth reached 12% (ex-FX) in Q1-Q3 2024 YoY despite somewhat slower dynamics in Q3. The timing of shipment (pre-shipments), which boosted H1 sales, negatively impacted on sales in the APAC (China) region, LatAm and the US in Q3. European sales growth remained impressive in Q3 at 20%, driven by the leading brands (Drovelis®, Ryeqo®, Lenzetto® and EVRA®).
- **GenMed** growth further accelerated in Q3, bringing the Q1-Q3 ex-FX increase to close to 10%; volume/mix was the main driver, but price impact was also positive and FX is now a revenue tailwind (across all segments)
- **BIO** revenues (ex-FX) maintained their robust 20%+ YoY growth, as both CDMO and Terrosa® sales rose at double-digit rate
- **CNS (ex-Vraylar®)** growth slowed somewhat, but Reagila® sales are still up significantly both in our own network and at partners

Opex increased by 13% in Q1-Q3, including M&A-related expenses

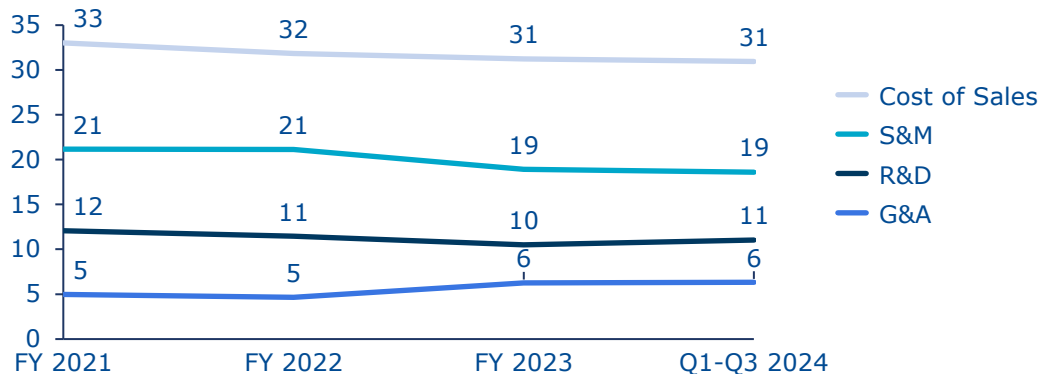
Operating costs as a % of Pharma revenues (%)



Operating expenses (pharma) (HUFbn)



Operating costs as a % of Pharma revenues (%)

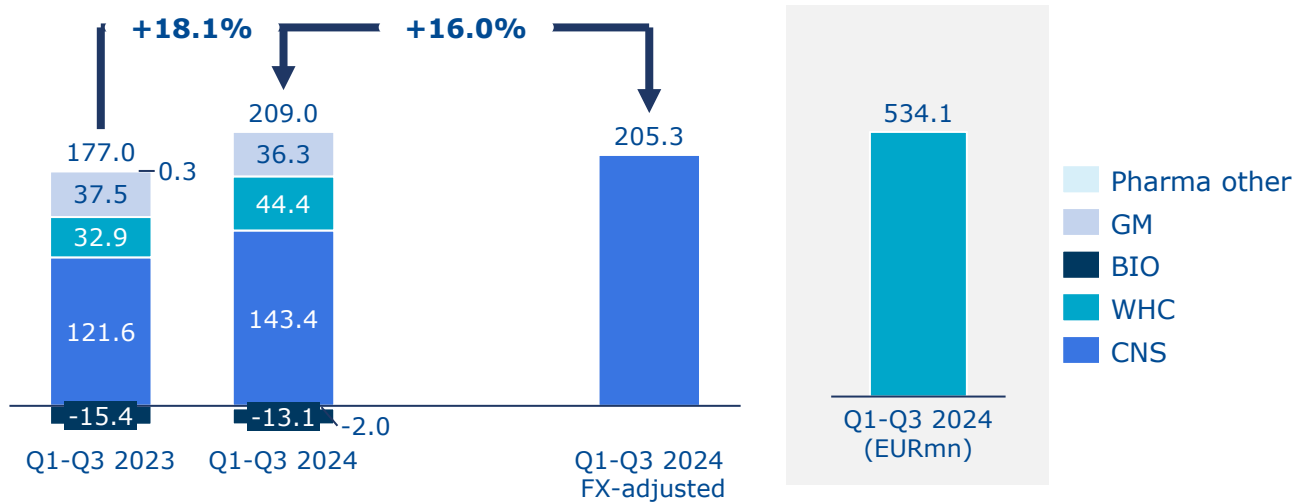


Key messages

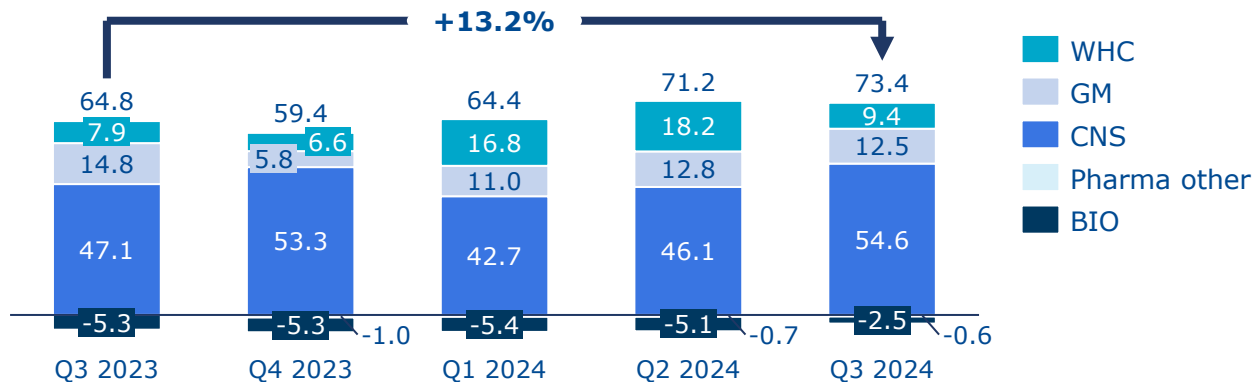
- Operating expenses rose by 13% YoY both in Q3 and Q1-Q3 2024 YoY, as acquisitions added to opex (primarily R&D)
- R&D expenses grew by 25% in Q3 2024 YoY, including the impact of the new WHC R&D hub in Belgium. This also brought the Q1-Q3 increase to 18%, also reflecting the ongoing clinical programs in CNS and BIO businesses.
- Sales & Marketing expenses rose by a moderate 7% in Q3 (and 10% in Q1-Q3), mostly reflecting increased promotional activity (in APAC and Central Europe) and wage inflation
- G&A expenses were up 12% both in Q3 and Q1-Q3 YoY, driven by material M&A-related one-off expenses and a general cost inflation (payroll)

Clean EBIT (ex-FX) increased by 16% in Q1-Q3 2024

Pharmaceutical Clean EBIT, cumulative (HUF bn, EUR mn)



Pharmaceutical Clean EBIT (HUF bn)

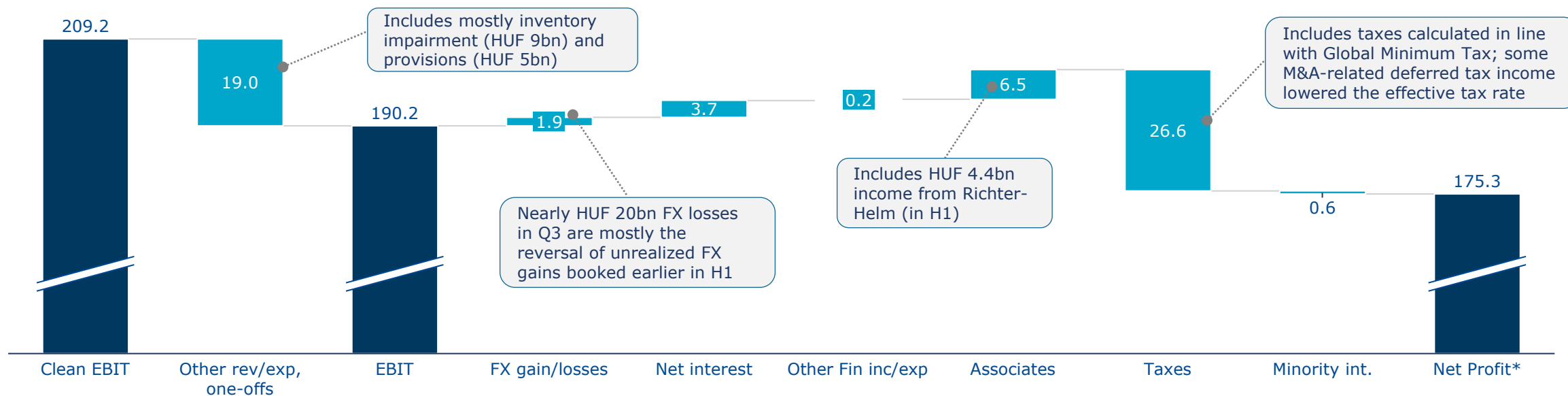


Key messages

- Clean EBIT (pharma) rose by 18% YoY in Q1-Q3 2024 to HUF 209bn, as earnings growth slowed somewhat in Q3
- FX remained a tailwind in Q3; FX-adjusted (CER) Clean EBIT growth was 16% in Q1-Q3 2024 (HUF 205bn)
- HUF 4bn milestone revenue supported Clean EBIT in Q3 2024 in WHC (estetrol), offsetting partly the M&A-related increase in R&D expenses
- CNS and WHC were the major drivers behind improving profitability in Q1-Q3 2024 and BIO losses also narrowed slightly, while GenMed was a steady contributor
- CNS Clean EBIT remained well supported by the continued strong double-digit growth of cariprazine sales
- WHC Clean EBIT rose by 35% YoY, as the segments enjoyed rising contribution almost across the entire portfolio
- GenMed's improving topline growth was offset by lower gross margin and higher R&D expenses
- BIO Clean EBIT losses narrowed to HUF 2.5bn in Q3 (and to HUF 13bn in Q1-Q3) on the back stronger sales and gross profit and the positive impact of the Helm acquisition (teriparatide royalty), partly offset by higher R&D expenses

Below-the-line: FX gains disappear, strong bottom line remains

Net Profit in Q1-Q3 2024, below-Clean EBIT items (HUF bn)

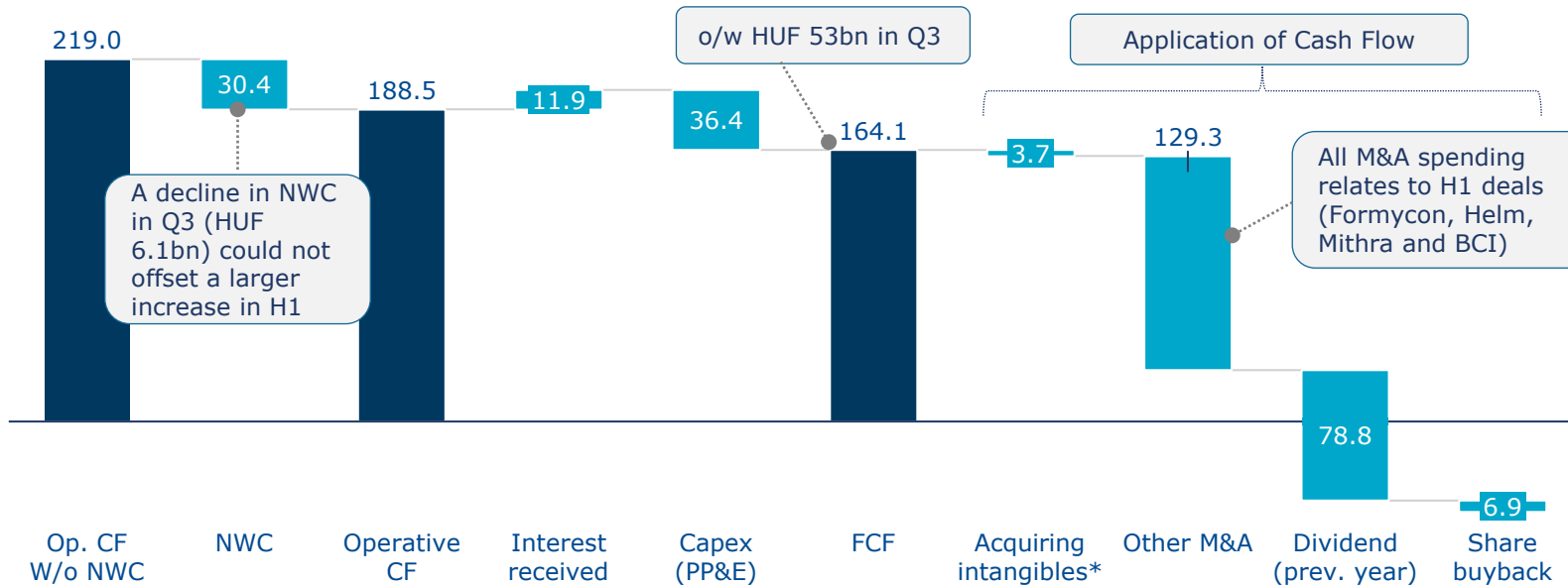


Key messages

- No major below-the-line items burdened the P&L in Q1-Q3 2024, except for taxes and some non-recurring items (inventory impairment, provisions)
- Most of the large unrealized FX gains that boosted the P&L in H1 were reversed in Q3 due to the stronger HUFUSD and HUFHUF closing rates
- Taxes are accounted for in accordance with the Global Minimum Tax (15%); booking some M&A transactions-related deferred tax income led to lower effective tax rate in Q1-Q3 2024
- Net profit came in at HUF 175bn in Q1-Q3 2024, up by 43% YoY, due to the combination of higher operating profits (+32%) and no FX losses

Strong FCF in Q3 partly offset earlier M&A-related outflows

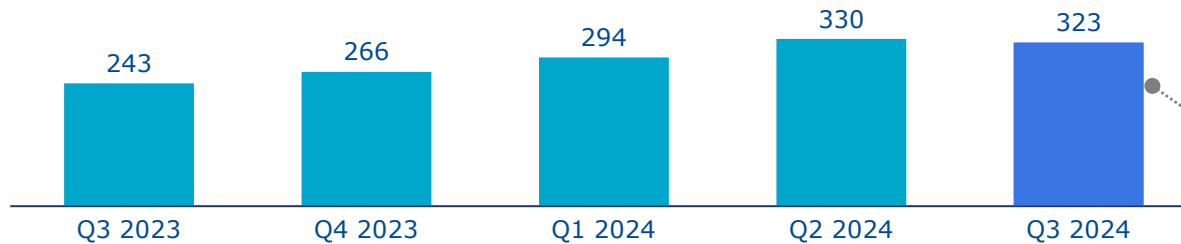
Free Cash Flow in Q1-Q3 2024 (HUF bn)



Key messages

- Free Cash Flow generation remained robust in Q3 at HUF 53bn, bringing Q1-Q3 2024 FCF to HUF 164bn, more than doubling YoY
- Stronger operations, the lack of FX losses and no special taxes all supported FCF in 2024 YTD
- Working Capital improved slightly in Q3 (HUF 6bn decline), but remained a considerable draw of cash (HUF 30bn) in Q1-Q3 2024, partly attributable to M&A
- Nearly all FCF was retained in Q3, as no M&A transaction and no dividend payment took place in the period (all four M&A deals were settled in H1)
- As a result, the net cash increased by around HUF 40bn in Q3, building back part of the cash buffer, which was used for M&A in H1

Cash Conversion Cycle | days



The trend in Cash Conversion Cycle is distorted by the divestiture of the Romanian wholesale and retail business last year (material decline in revenue/CoGS) and by the impact of the M&A transactions.

The like-for-like increase in CCC days was 4 days YoY.

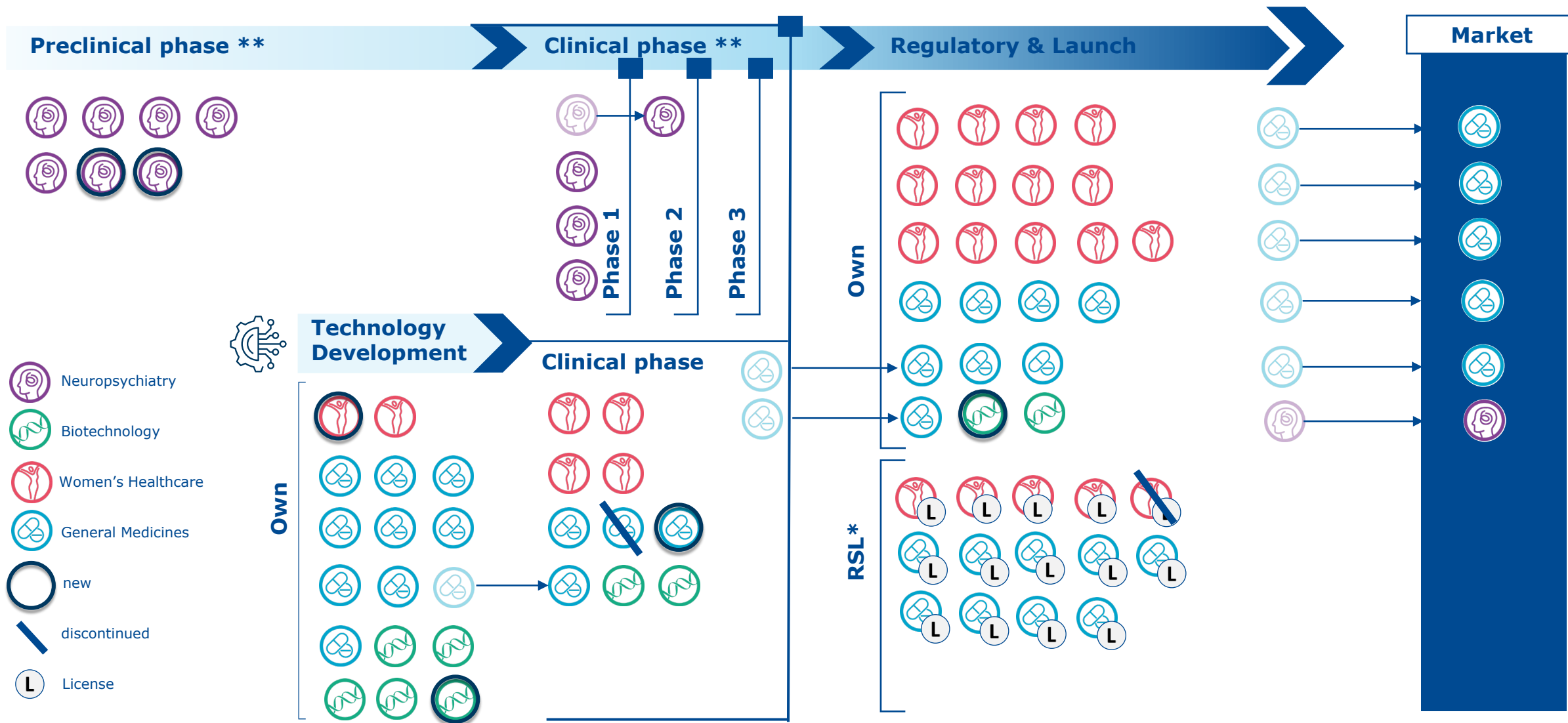


Research and Development

R&D



R&D pipeline – changes during Q3 2024



Major developments in R&D in Q3 2024

WHC

Women's Healthcare



- The integration of BCI Pharma and Estetra (Mithra R&D team) has progressed to the final stage to maximize synergies, utilize talent and establish Richter's own gynecological original preclinical research. Currently there are projects in mid- or late-preclinical phase and some compound(s) are planned to be forwarded to IND enabling studies. Sharing experience from our highly regarded CNS preclinical activities could further help the original WHC projects to progress.

CNS

Neuropsychiatry



- A new cariprazine formulation, ODT (orally disintegrating tablet), developed by Richter, received a Marketing Authorization (covering the EU) from EMA in August. The first launch with reimbursement was in Hungary in October with further launches expected in the coming period depending on the pricing & reimbursement procedure.
- Our co-developed program with AbbVie, RGH-932/ABBV-932 entered Phase 2 clinical stage in Bipolar Depression indication by achieving the first subject dosed in October
- A new R&D collaboration and license agreement was signed with AbbVie in October, covering the discovery and development of multiple novel targets in neuropsychiatry. The collaboration includes both preclinical and clinical R&D activities with shared financing and boosts the CNS preclinical pipeline to 7 projects (o/w 4 are co-developed with AbbVie).

BIO

Biotechnology



- Richter's denosumab biosimilar (RGB-14) marketing authorization application review is ongoing
- Richter's tocilizumab biosimilar program (RGB-19) is on track with the clinical program close to completion
- An ustekinumab biosimilar product (RGB-26) was in-licensed from Bio-Thera Solutions for European markets and its marketing authorization application to EMA is under review

GM

General Medicines



- New marketing authorizations: Apixaban (EU), Dimethyl Fumarate (EU)
- EU and CIS parallel submissions for a value-added cardio combination
- Multiple successful clinical studies for a diabetes combination product and closed formulation development for a cardio combination therapy



Neuropsychiatry

CNS



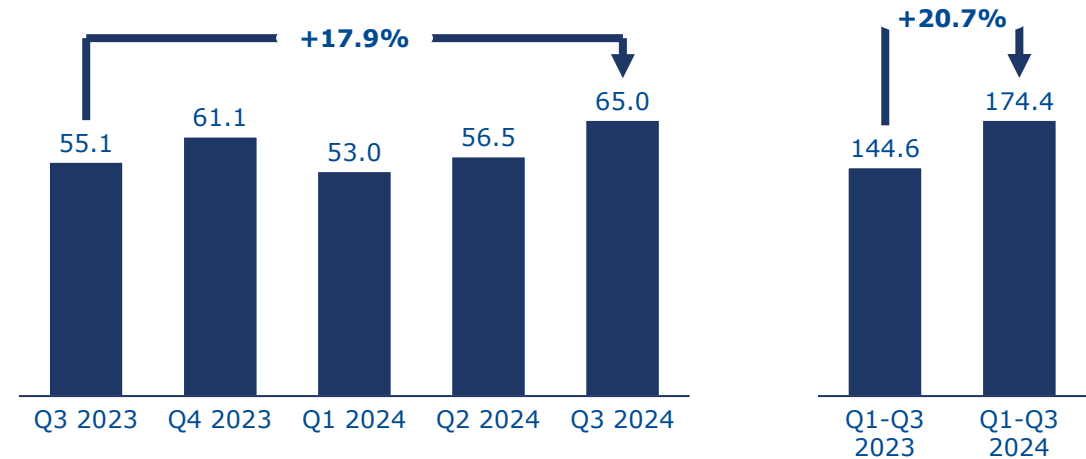
CNS revenues and profits grow strong-double-digit rates

CNS HUF mn	Q3 2023	Q3 2024	Ch. % YoY	Q1-Q3 2023	Q1-Q3 2024	Ch. % YoY
Revenues	55 141	65 026	18	144 551	174 444	21
Cost of Sales	-279	-320	15	-794	-1 102	39
Gross Profit	54 862	64 706	18	143 757	173 342	21
Gross Margin %	99.5	99.5		99.5	99.4	
Sales & Marketing	-1 011	-1 328	31	-2 608	-3 415	31
G&A	-208	-205	-1	-562	-705	25
R&D	-6 303	-8 398	33	-18 556	-24 991	35
Clawback	-206	-209	n.a.	-504	-848	68
Milestone income	0	0		81	50	-38
Clean EBIT	47 134	54 566	16	121 608	143 433	18
cEBIT Margin %	85.5	83.9		84.1	82.2	

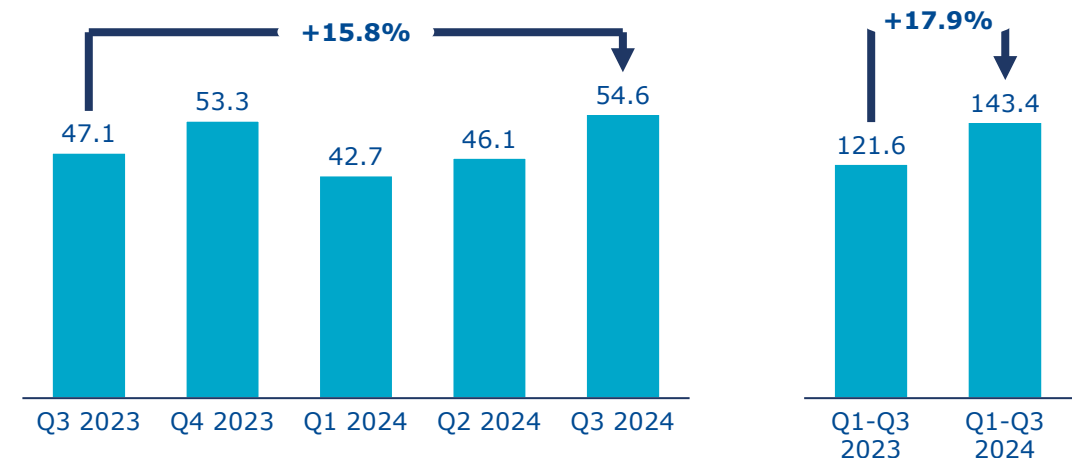
Key messages

- Revenues of the CNS segment increased by 18% in Q3 2024 YoY and by 21% in Q1-Q3 2024 YoY, while Clean EBIT also showed double-digit growth in these periods of 16% and 18%, respectively
- R&D expenses rose significantly (by 30%+) both in Q3 and Q1-Q3, in line with plans and driven by the expanding and progressing development pipeline
- Vraylar® net sales by AbbVie continued to grow double-digit, by 17% in Q3 2024 YoY, reaching a global sales of USD 875mn within AbbVie territory (of which USD 873mn in the US)
- Key events included the signing of a new R&D collaboration and license agreement with AbbVie, and an AbbVie-partnered project (RGH-932/ABBV-932) entering phase 2 clinical trials

Revenue (HUFbn)

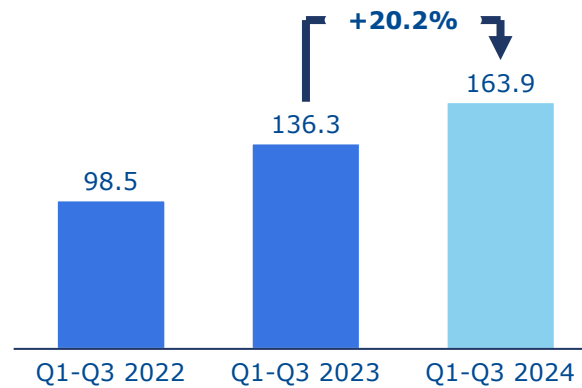
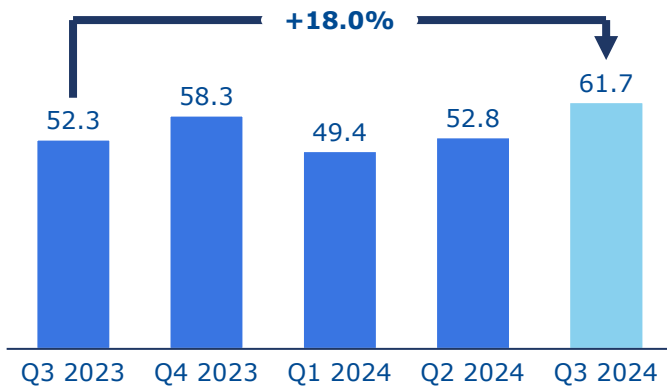


Clean EBIT (HUFbn)



Reagila revenues and Vraylar royalty rose by 20%+ in 2024 YTD

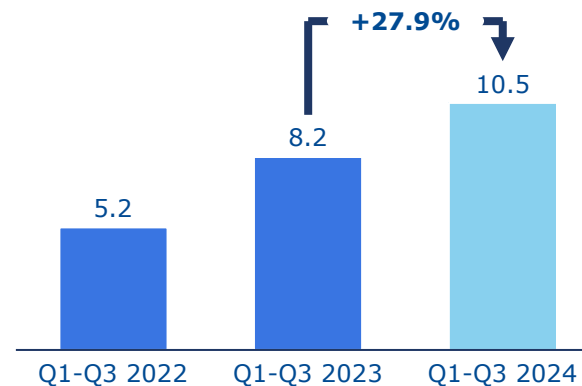
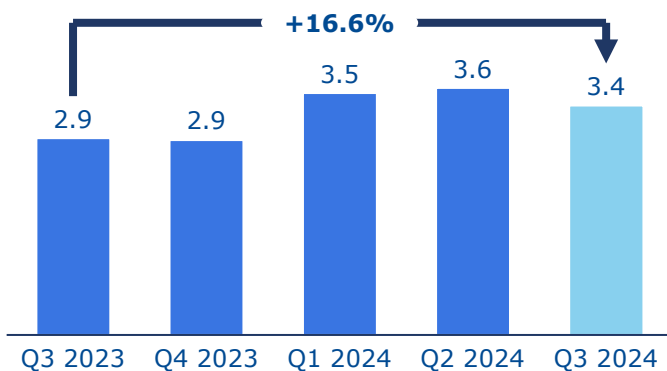
Vraylar®



Key messages

- Royalty income from Vraylar® in Q3 2024 exceeded HUF 60bn, rising 18% YoY
- Cumulative Q1-Q3 2024 royalty income increased by 20% YoY
- AbbVie updated its guidance for Vraylar® for 2024, expecting sales around USD 3.3bn (vs USD 3.4bn previously) in its latest, Q3 2024 post-result conference call

Reagila®



Key messages

- **Richter's Reagila®** revenues (from own and partnered territories) grew at strong double-digit rate of 28% in 2024 YTD, while Q3 growth was at 17% YoY
- **Reagila®** continues to grow dynamically both within Richter's and the license partners' territories
- Cariprazine is available in 67 countries globally



Women's Healthcare

WHC



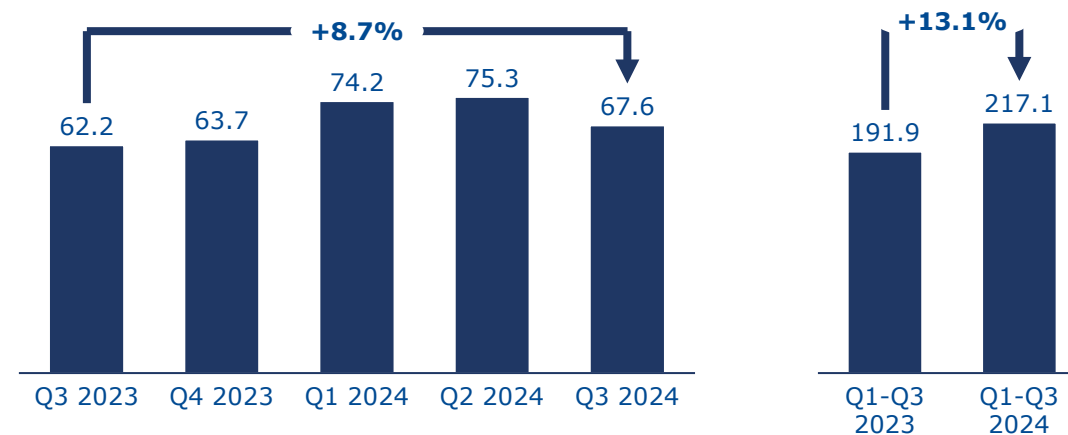
Solid sales and profitability growth despite slower Q3 dynamics

WHC HUF mn	Q3 2023	Q3 2024	Ch. % YoY	Q1-Q3 2023	Q1-Q3 2024	Ch. % YoY
Revenues	62 195	67 607	9	191 933	217 126	13
Cost of Sales	-19 865	-24 127	21	-60 195	-69 647	16
Gross Profit	42 330	43 480	3	131 738	147 479	12
Gross Margin %	68.1	64.3		68.6	67.9	
Sales & Marketing	-22 487	-22 494	0	-64 714	-69 408	7
G&A	-5 388	-6 592	22	-15 684	-19 095	22
R&D	-4 144	-7 261	75	-13 178	-13 710	4
Clawback	-2 400	-1 628	-32	-5 304	-4 893	-8
Milestone income	0	3 914		8	4 032	n.a.
Clean EBIT	7 911	9 419	19	32 866	44 405	35
cEBIT Margin %	12.7	13.9		17.1	20.5	

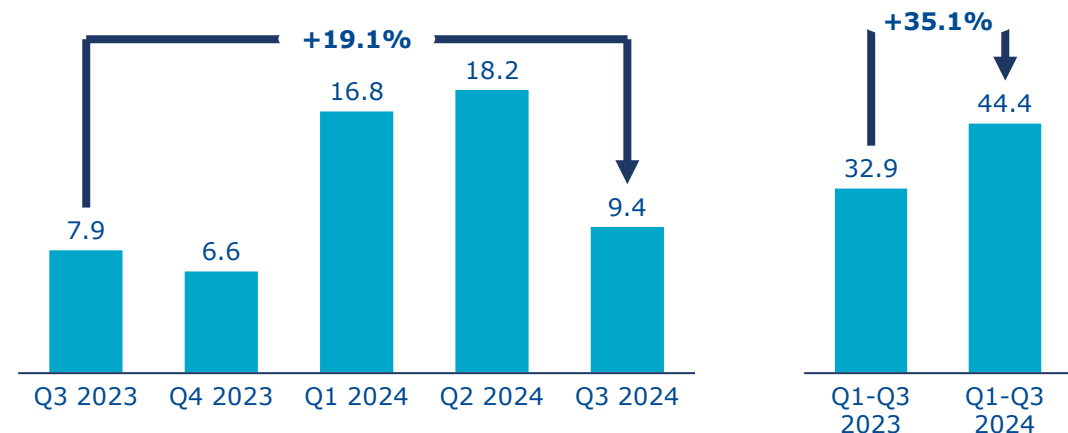
Key messages

- WHC revenues rose by 13% YoY in Q1-Q3 2024, driven by the strong performance of the key brands (EVRA®, Drovelis®, Ryeqo®, Lenzetto® and Cyclogest®), while the traditional portfolio performed in line with plan
- Q3 2024 sales growth was slower affected by the timing of shipment in APAC (China) and LatAm (which previously boosted Q2 sales)
- R&D spendings increased substantially in Q3 2024 YoY, as the new WHC R&D hub in Liege (Mithra R&D + BCI) is being integrated
- Richter received EUR 10mn estetrol (E4)-related milestone payment from Fuji Pharma
- Clean EBIT increased by 19% YoY in Q3 2024 and by 35% in Q1-Q3 YoY, driven by top-line growth, the milestone income and only moderately higher Sales & Marketing expenses

Revenue (HUFbn)

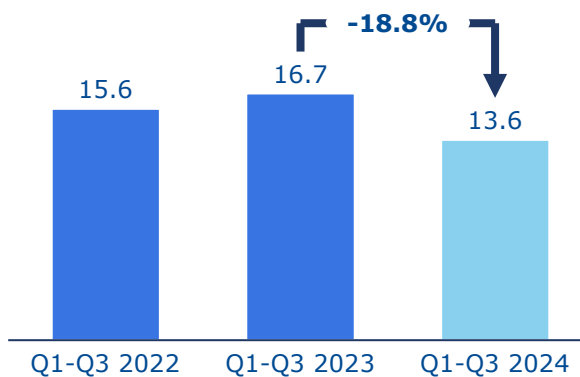
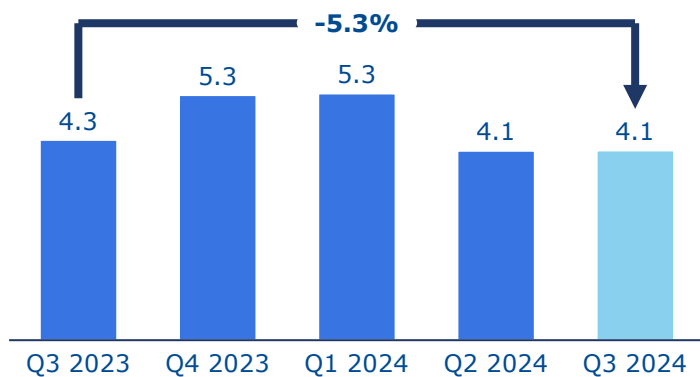


Clean EBIT (HUFbn)



Highlighted brands | EVRA strong and up YTD; Bemfola still faces supply chain challenges

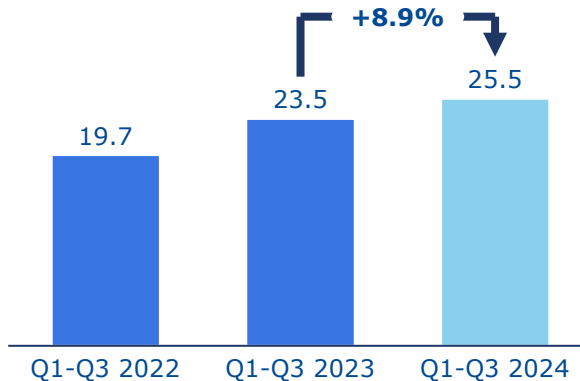
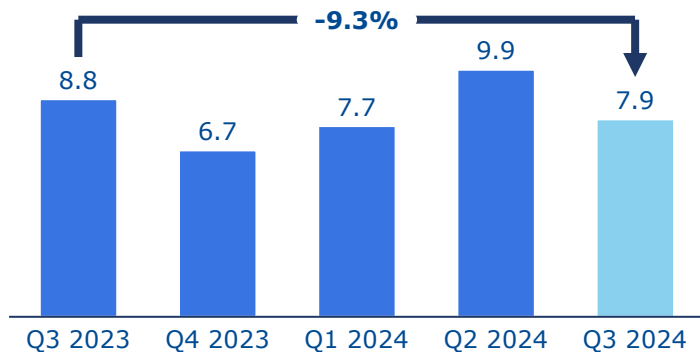
Bemfola®



Key messages

- **Bemfola®** sales stabilized in Q3 2024 and continued to face headwinds due to the supply chain challenges in certain territories
- Apart from Bemfola, the Fertility franchise is growing steadily, driven by the fast market penetration of Cyclogest® and Ganirelix, both growing 25%+ in 2024 YTD

EVRA®

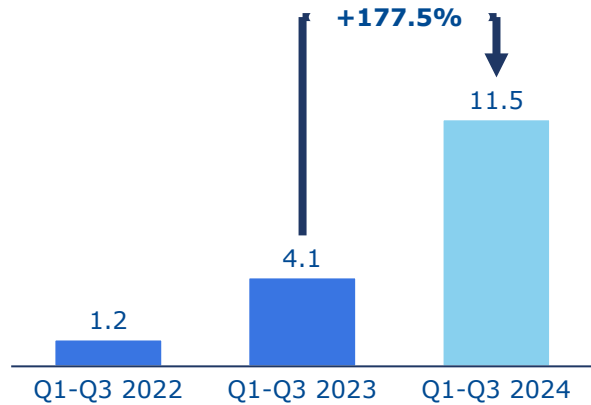
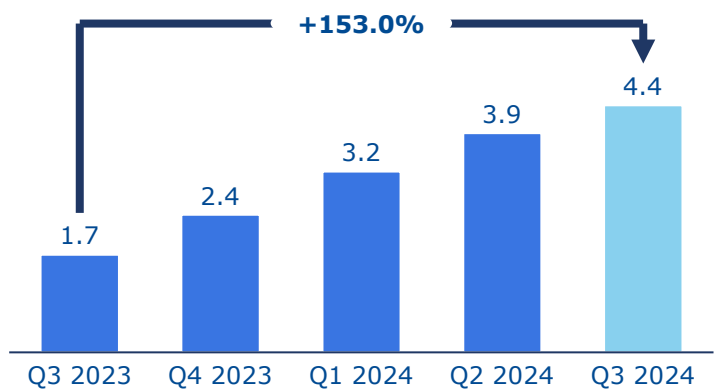


Key messages

- Sales development of **Evra®** is influenced by seasonality/tender procurement patterns in Mexico and the timing of supply to partners in Saudi Arabia and South Africa (hence slightly lower sales in Q3)
- Strong uptake was visible in Germany and Portugal as result of successful promotion, while sales in Hungary also exceeded expectations

Highlighted brands | Ryeqo and Drovelis keep very strong momentum

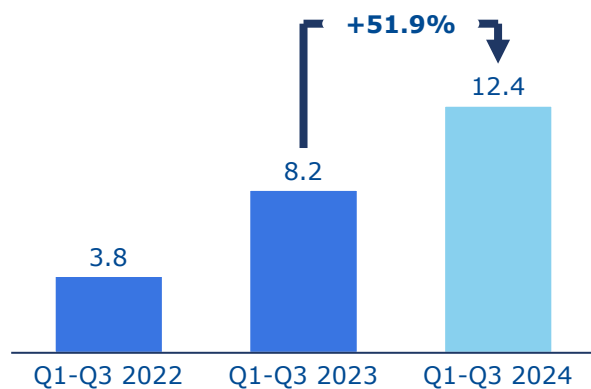
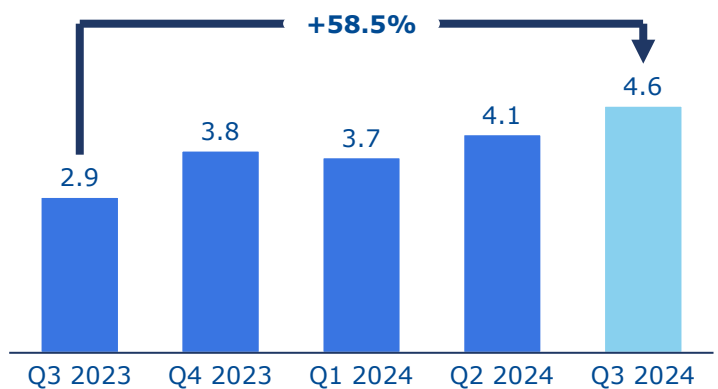
Ryeqo®



Key messages

- **Ryeqo®** keeps strong momentum in Uterine Fibroids (UF) sales and adding on patients with Endometriosis indication in several major EU markets
- 50,000 treated patients threshold was reached in Q3 2024
- Symptomatic treatment of Endometriosis and its reimbursement has been granted in additional EU countries; Spain was unlocked in Q3 2024, while we expect to finalize pricing procedure in France during Q4 2024

Drovelis®



Key messages

- **Drovelis®** the company's key contraceptive keeps continues growth across all territories in line with expectations
- Above the average growth was achieved in Hungary and Poland
- Considerable uptake continues in mid-size LatAm markets (Chile and Ecuador)



Biotechnology

BIO



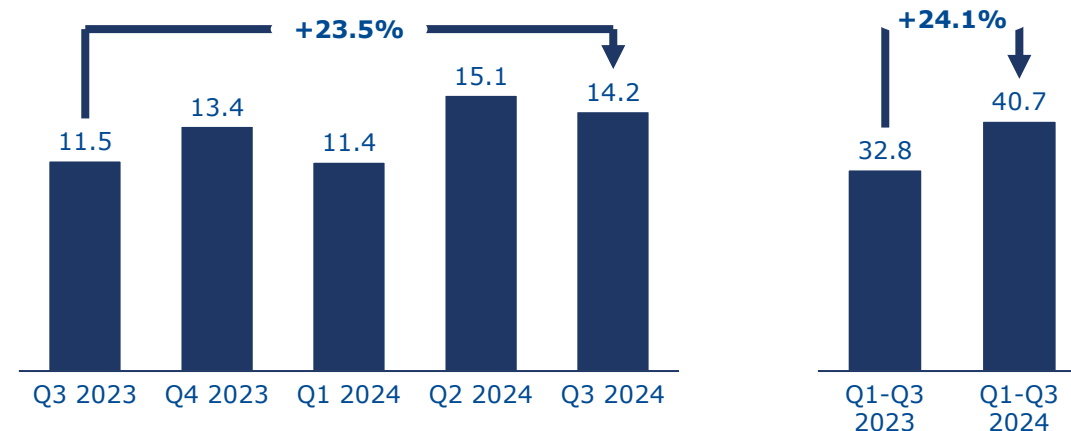
Revenues are up 20%+ with narrower Clean EBIT losses

BIO HUF mn	Q3 2023	Q3 2024	Ch. % YoY	Q1-Q3 2023	Q1-Q3 2024	Ch. % YoY
Revenues	11 502	14 203	23	32 807	40 724	24
Cost of Sales	-7 606	-7 642	0	-20 502	-24 441	19
Gross Profit	3 896	6 561	68	12 305	16 283	32
<i>Gross Margin %</i>	33.9	46.2		37.5	40.0	
Sales & Marketing	-1 197	-1 385	16	-4 121	-5 003	21
G&A	-947	-1 196	26	-2 976	-3 307	11
R&D	-6 858	-6 345	-7	-20 606	-23 041	12
Clawback	-195	-153	-22	-475	-540	14
Milestone income	0	11		508	2 522	
Clean EBIT	-5 301	-2 507	-53	-15 365	-13 086	-15
<i>cEBIT Margin %</i>	-46.1	-17.7		-46.8	-32.1	

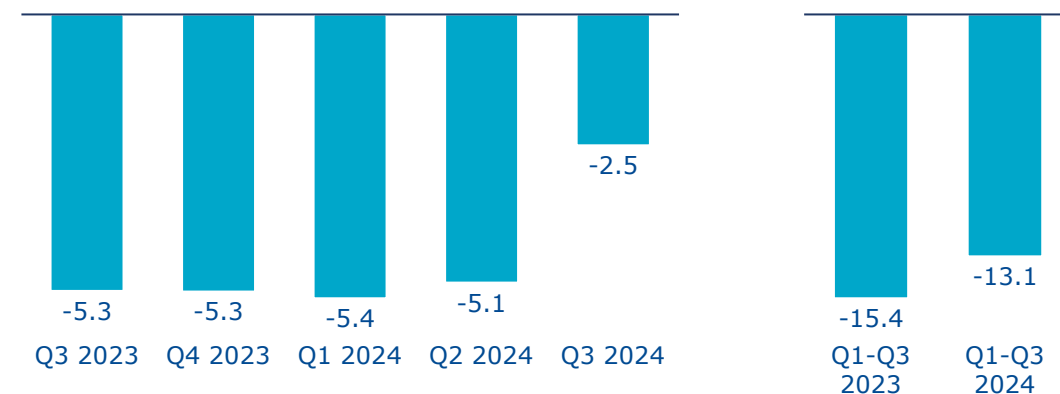
Key messages

- Revenues rose by 24% in Q1-Q3 2024 YoY, as both CDMO and teriparatide biosimilar (incl. Terrosa) sales continued their double-digit growth. Teriparatide sales were supported by advance manufacturing and shipping to partners as well as the royalty contribution (4 months) from the teriparatide asset buyout.
- Gross profit increased by 32% in Q1-Q3 2024 YoY, while R&D (+12%) and S&M (+21%) expenses showed a more limited increase, resulting in reduced Clean EBIT losses
- Richter's denosumab biosimilar (RGB-14) marketing authorization application review is ongoing; the tocilizumab biosimilar program (RGB-19) is on track with the clinical program close to completion
- To strengthen the biosimilar commercial portfolio, an ustekinumab biosimilar (RGB-26) was in-licensed from Bio-Thera for European markets. Marketing authorization application to EMA is under review

Revenue (HUFbn)

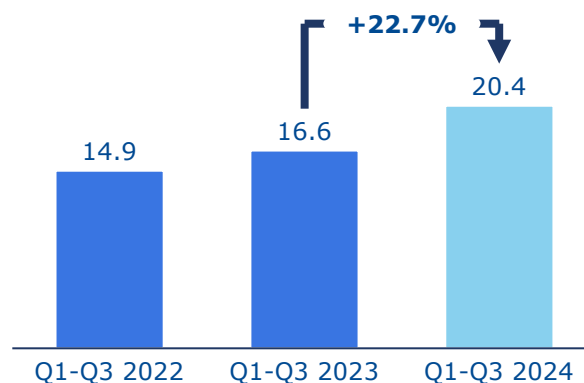
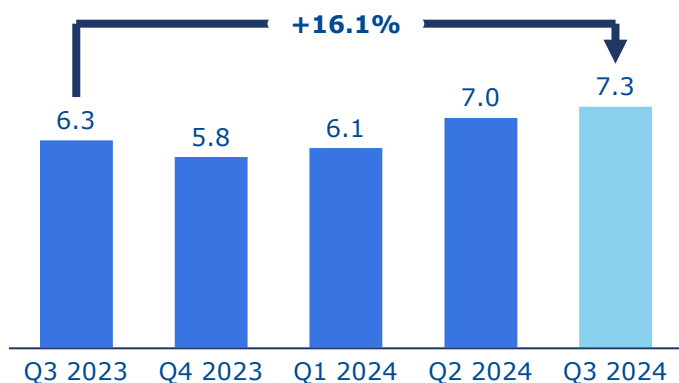


Clean EBIT (HUFbn)

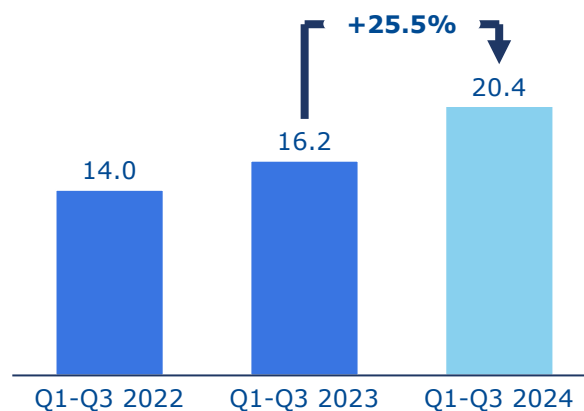
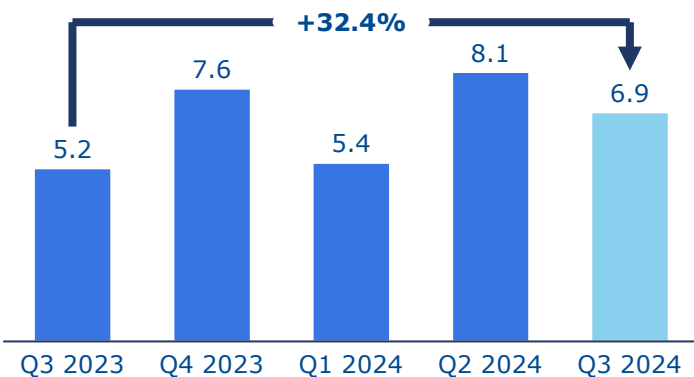


Both CDMO and Terrosa revenues continued double-digit growth

Terrosa®



CDMO activities



Key messages

- **Terrosa®** and partner teriparatide revenues increased significantly YoY (+23% for the first three quarters) driven by various factors:
 - Partner payments rose materially driven by early shipments of volumes covering the year due to a planned maintenance shutdown of the production facility
 - Continued good sales performance in various markets
 - Four months of royalty contribution from the teriparatide asset acquisition (RHT) conducted earlier in the year
- CDMO revenues were also significantly higher both in Q3 (+32%) and for the first three quarters YoY (+25.5%) and were supported by strong Richter Biologics service revenues



General Medicines

GM



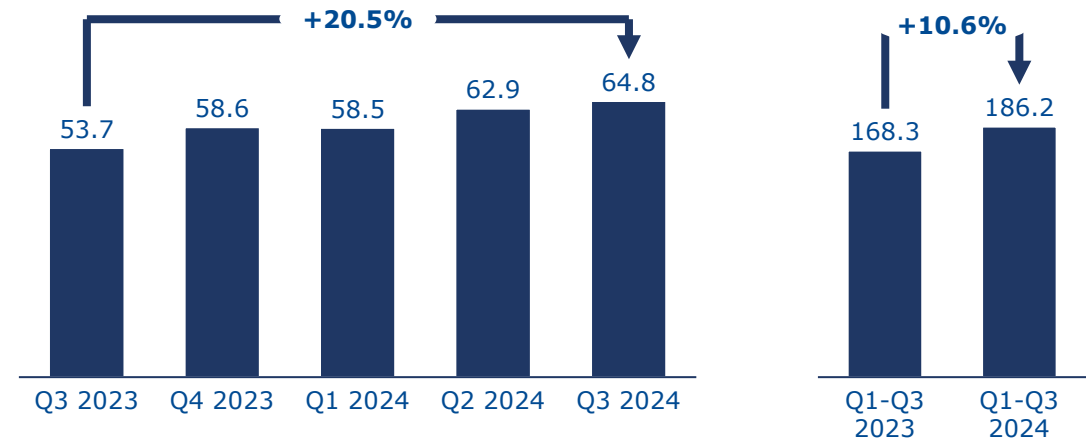
Volume/mix, price and FX all supported revenues growth YTD

GM HUF mn	Q3 2023	Q3 2024	Ch. % YoY	Q1-Q3 2023	Q1-Q3 2024	Ch. % YoY
Revenues	53 737	64 773	21	168 297	186 193	11
Cost of Sales	-21 575	-32 772	52	-72 826	-87 289	20
Gross Profit	32 162	32 001	-1	95 471	98 904	4
<i>Gross Margin %</i>	59.9	49.4		56.7	53.1	
Sales & Marketing	-9 524	-11 497	21	-33 792	-37 409	11
G&A	-4 742	-4 793	1	-14 686	-14 950	2
R&D	-2 651	-2 877	9	-6 969	-8 506	22
Clawback	-417	-326	-22	-2 487	-1 738	-30
Clean EBIT	14 828	12 508	-16	37 537	36 301	-3
<i>cEBIT Margin %</i>	27.6	19.3		22.3	19.5	

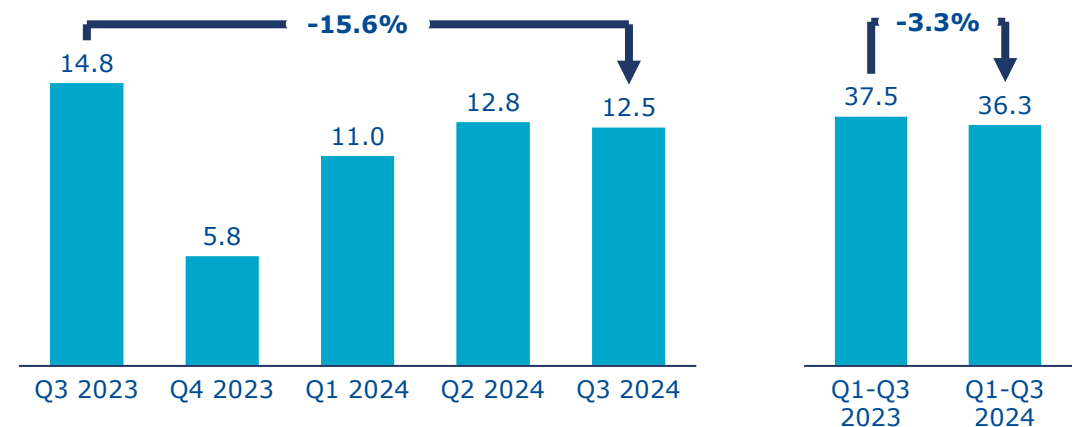
Key messages

- Revenues increased by 10.6% to HUF 186bn in Q1-Q3, as strong momentum continued in Q3 both in Central and Eastern Europe
- New launches, some positive seasonality (and shipment timing impact) and some FX tailwind (+6ppt in Q3) on the weaker HUF all contributed to sales growth
- Volume/mix was the key growth driver in Q1-Q3 2024, while the price impact remained positive in both regions
- Clean EBIT declined slightly YoY, while Clean EBIT margin continued to be around 20% both in Q3 and Q1-Q3 2024, as weaker gross margin on some cost phasing (and vs. a high base) and higher R&D expenses offset the positive impact of topline growth

Revenue (HUFbn)

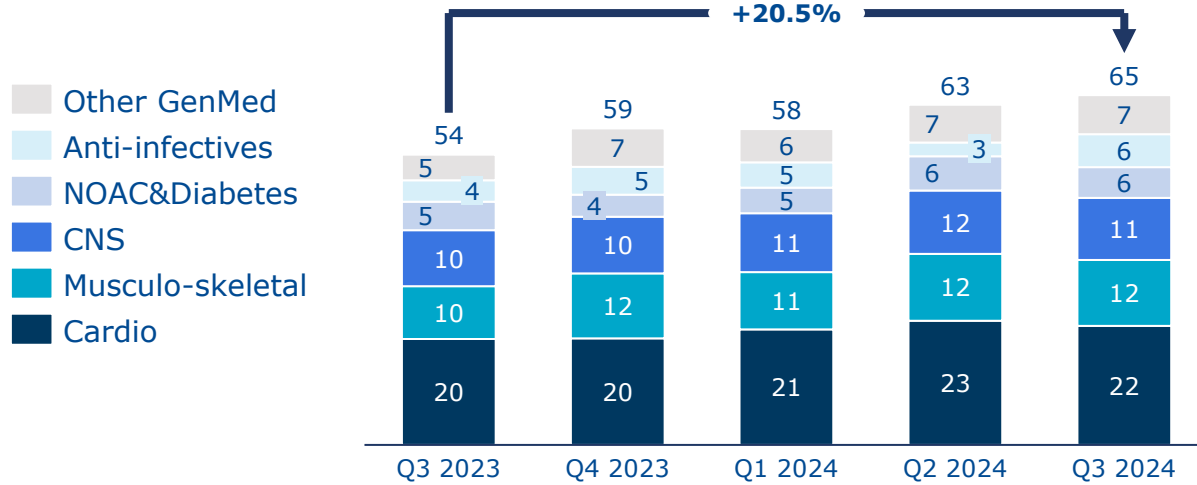


Clean EBIT (HUFbn)



Visible growth in Q1-Q3 2024 across all key TAs

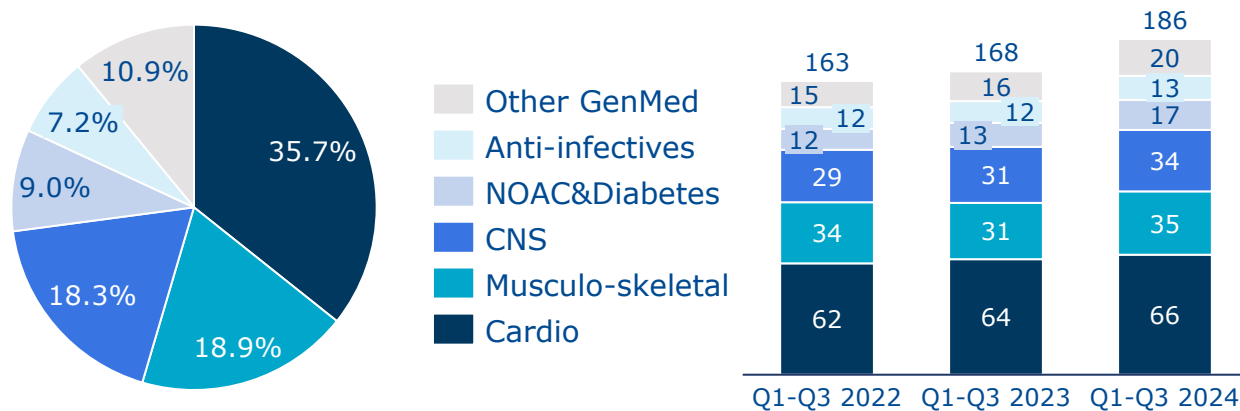
Total GenMed revenues by therapeutic areas (quarterly, HUF bn)



Key messages

- Cardiovascular leadership: the cardiovascular segment remains a foundational strength for GenMed, continuing to drive robust performance across core markets
- Musculo-skeletal category momentum: strong market demand has propelled the musculoskeletal category, further amplified by the successful second-wave rollout of Mydocalm across key regions
- Anti-infectives positioned for success: early stocking initiatives have positioned our anti-infectives portfolio for a strong seasonal performance, capturing anticipated demand effectively

GenMed revenues by therapeutic areas, annual (HUF bn; % in Q1-Q3 24)



New product launches in Q3 2024

- Cardio combo rollout: launch across CIS markets
- Mydocalm line extension: expanding our top musculoskeletal brand in CIS markets
- Groprinosin new forms: continued rollout, timed for high season demand



Appendix





Unrealized FX gains disappeared by the end of Q3 2024

Q1-Q3 2024	Q1-Q3 2023	Diff Q1-Q3		Q3 2024	Q3 2023	Diff Q3
-0.6	-11.7	11.1	Unrealised exchange (loss)/gain	-20.8	14.8	-35.6
2.4	-26.7	29.1	Realised exchange (loss)/gain	1.2	-4.7	6.0
-0.3	5.3	-5.6	Result of realised & unrealised forward exchange contracts	0.1	-1.0	1.1
3.7	6.8	-3.1	Interest income / (Interest expense)	1.2	2.4	-1.2
	12.0	-12.0	Gain on disposal of subsidiaries		0.0	0.0
0.5	-4.1	4.7	Other financial items	-0.1	-5.0	4.9
5.8	-18.4	24.2	Profit (loss) from financial operations	-18.4	6.4	-24.9

Key messages





- Net financials showed positive contribution of HUF 6bn in Q1-Q3 2024, a considerable improvement YoY (vs HUF 18bn losses a year ago), primarily driven by exchange rate movements
- Exchange rates continue to bring massive volatility to the below-the-line financial items, mostly through unrealized gains/losses recorded on working capital items. In Q1-Q3 2024 FX gains amounted to HUF 1.8bn, still a major improvement vs. the large losses a year ago, but the unrealized gains seen earlier in 2024 were completely wiped out in Q3 (due to the stronger HUFUSD and HUF RUB closing rates).
- Richter continues to use hedging transactions to mitigate some of the risks resulting from the volatility of the functional currency, but these transactions had only minor impact on net financials in Q1-Q3 2024

Business units' P&L in Q1-Q3 2024

Q1-Q3 2024	 WHC	 CNS	 BIO	 GM	Pharma other	Pharma total	Other	Eliminations	Group total
Revenues	217.1	174.4	40.7	186.2	8.4	626.9	18.5	-9.0	636.4
Cost of Sales	-69.6	-1.1	-24.4	-87.3	-8.7	-191.2	-14.4	8.8	-196.8
Gross Profit	147.5	173.3	16.3	98.9	-0.3	435.7	4.1	-0.2	439.6
Sales & Marketing	-69.4	-3.4	-5.0	-37.4	-1.1	-116.3	-2.1	0.0	-118.4
General & Administrative	-19.1	-0.7	-3.3	-15.0	-0.7	-38.7	-1.6	0.0	-40.3
Research & Development	-13.7	-25.0	-23.0	-8.5	0.0	-70.2	0.0	0.0	-70.2
Clawback	-4.9	-0.8	-0.5	-1.7	0.0	-8.0	0.0	0.0	-8.0
Milestone income	4.0	0.1	2.5	0.0	0.0	6.6	0.0	0.0	6.6
Clean EBIT	44.4	143.4	-13.1	36.3	-2.0	209.0	0.4	-0.2	209.2

Note: The items of the Pharmaceutical segment's profit and loss statement are allocated to the business units by product groups, where direct correspondence exists. For the remaining items, Richter Group uses allocation keys based on historical data and management accounting estimation.

Strategic positioning and vision of the business units

Pharma Pharmaceuticals segment			
Name of the Business Units	Brief description	Key strategic goal	Therapeutic areas
 CNS Neuropsychiatry	Leveraging our world class early phase R&D capability in the central nervous system domain we build a pipeline of small molecule drug candidates mainly in the field of neuropsychiatry.	Maximize the potential of cariprazine, while developing and partnering original R&D projects that provide the basis for revenue and earnings growth beyond 2030.	Neuropsychiatry ¹
 WHC Women's Healthcare	We look after women's health globally by setting trends in female fertility, uterine fibroids / endometriosis, female contraception, vaginal infections, menopause and female technology.	By addressing unmet needs and staying ahead of innovation we aim to become the leading provider of pharmaceutical products for European women by the end of the decade.	Women's Healthcare
 BIO Biotechnology	Leverage our biotechnology platform to develop and manufacture biosimilar drugs for global markets.	By establishing ourselves as a relevant player in the Rheumatology/Osteoporosis TA, we aim to become a solid contributor to corporate profits by the end of this decade. We leverage our biotechnology expertise in providing value to third party clients through our contract development and manufacturing services.	Rheumatology, Osteoporosis
 GM General Medicines	Comprises our established and generic portfolio in various therapeutic areas in the Central and Eastern European regions.	Provide broad access to high quality and affordable medications while remaining a reliable source of revenue growth, scale and margins.	Cardiology, Blood, Diabetes, CNS ²
Other Other segment Non-pharmaceutical activities			

Consolidated Income Statement

2023	Consolidated P&L	Q1-Q3 2024	Q1-Q3 2023	Change
HUFm		HUFm	HUFm	%
805 158	Revenues	636 423	601 980	5.7%
199 304	<i>of which royalty</i>	168 927	139 683	20.9%
(283 834)	Cost of Sales	(196 783)	(210 654)	-6.6%
521 324	Gross Profit	439 640	391 326	12.3%
(146 047)	Sales & marketing expenses	(118 402)	(110 091)	7.5%
(50 572)	General & administrative expenses	(40 337)	(37 565)	7.4%
(78 344)	Research & development expenses	(70 248)	(59 309)	18.4%
(56 544)	Other income & expense	(20 321)	(39 518)	-48.6%
(11 623)	<i>of which clawback</i>	(8 019)	(8 770)	-8.6%
597	<i>of which milestone income</i>	6 604	597	n.a.
(453)	(Impairment)/Reversal of impairment on financial and contract assets	(133)	(432)	-69.2%
189 364	EBIT (Profit from operations)	190 199	144 411	31.7%
84 041	Finance income	41 578	74 655	-44.3%
(107 999)	Finance costs	(35 770)	(93 092)	-61.6%
(23 958)	Net financial (loss)/income	5 808	(18 437)	n.a.
6 134	Share of profit/(loss) of associates and joint ventures	6 514	4 275	52.4%
171 540	Profit before income tax	202 521	130 249	55.5%
(4 830)	Income and deferred tax	(20 976)	(1 017)	n.a.
(6 059)	Local business tax and innovation contribution	(5 627)	(5 483)	2.6%
160 651	Profit for the period	175 918	123 749	42.2%
	Profit attributable to:			
158 850	Owners of the parent	175 275	122 490	43.1%
1 801	Non-controlling interest	643	1 259	-48.9%
HUF	Earning per share (EPS)	HUF	HUF	
860	Basic	959	661	45.1%
860	Diluted	959	661	45.1%

Consolidated Balance Sheet - ASSETS

Consolidated Balance Sheet	30 Sep 2024	31 Dec 2023	Change
	HUFm	HUFm	%
ASSETS	1 486 732	1 361 217	9.2%
Non-current assets	914 862	826 304	10.7%
Property, plant and equipment	368 292	347 394	6.0%
Goodwill	73 884	31 903	131.6%
Other intangible assets	259 368	230 383	12.6%
Investments in associates and joint ventures	15 912	15 177	4.8%
Non-current financial assets at amortised cost	1 342	4 120	-67.4%
Non-current financial assets at FVTPL	73 070	75 839	-3.7%
Non-current financial assets at FVOCI	72 504	71 739	1.1%
Derivative financial instruments	14 025	16 327	-14.1%
Deferred tax assets	29 216	29 244	-0.1%
Long term receivables	7 249	4 178	73.5%
Current assets	571 870	534 913	6.9%
Inventories	207 056	177 767	16.5%
Trade receivables	246 727	204 968	20.4%
Contract assets	6 005	8 103	-25.9%
Other current assets	32 656	44 538	-26.7%
Current financial assets at amortised cost	949	6 239	-84.8%
Current financial assets at FVOCI	-	1 454	n.a.
Derivative financial instruments	3 301	9 662	-65.8%
Current tax asset	1 138	1 689	-32.6%
Cash and cash equivalents	74 038	80 493	-8.0%

Consolidated Balance Sheet - EQUITY AND LIABILITIES

Consolidated Balance Sheet	30 Sep 2024	31 Dec 2023	Change
	HUFm	HUFm	%
EQUITY AND LIABILITIES	1 486 732	1 361 217	9.2%
Capital and reserves	1 227 898	1 142 581	7.5%
Share capital	18 638	18 638	0.0%
Treasury shares	(36 954)	(29 982)	23.3%
Share premium	15 214	15 214	0.0%
Capital reserves	3 475	3 475	0.0%
Foreign currency translation reserves	56 854	49 533	14.8%
Revaluation reserves for financial assets at FVOCI	8 402	1 999	320.3%
Cash-flow hedge reserve	2 160	6 546	-67.0%
Retained earnings	1 156 578	1 065 391	8.6%
Non-controlling interest	3 531	11 767	-70.0%
Non-current liabilities	117 880	104 128	13.2%
Borrowings	355	182	95.1%
Deferred tax liability	11 462	3 824	199.7%
Non-current financial liabilities at FVTPL	61 015	54 467	12.0%
Derivative financial instruments	11 032	11 413	-3.3%
Lease liability	14 104	13 817	2.1%
Other non-current liabilities and accruals	13 544	13 866	-2.3%
Provisions	6 368	6 559	-2.9%
Current liabilities	140 954	114 508	23.1%
Borrowings	609	-	-
Trade payables	44 371	51 301	-13.5%
Contract liabilities	2 037	2 347	-13.2%
Current tax liabilities	16 290	1 974	725.2%
Current financial liabilities at FVTPL	4 254	2 722	56.3%
Derivative financial instruments	622	935	-33.5%
Lease liability	4 743	4 428	7.1%
Other current liabilities and accruals	66 513	47 840	39.0%
Provisions	1 515	2 961	-48.8%

Consolidated Cash Flow Statement

Dec 2023	Consolidated cash flow	Q1-Q3 2024	Q1-Q3 2023 adjusted	Change
HUFm		HUFm	HUFm	%
	Operating activities			
171 540	Profit before income tax	202 521	130 249	55.5%
50 808	Depreciation and amortisation	36 318	36 704	-1.1%
5 405	Non cash items	3 393	(1 330)	-355.1%
(11 155)	Net interest and dividend income	(2 937)	(7 391)	-60.3%
5 751	Impairment recognised on intangible assets and goodwill	-	-	-
3 548	Other items	(640)	445	n.a.
(14 525)	Interest paid	(8 204)	(8 884)	-7.7%
(9 744)	Income tax paid	(11 490)	(9 495)	21.0%
(11 436)	Gain on disposal of subsidiaries	-	(12 000)	n.a.
190 192	Net cash flow from operating activities before changes in working capital	218 961	128 298	70.7%
(66 522)	Movements in working capital	(30 448)	(33 524)	-9.2%
(23 196)	(Increase) / decrease in trade and other receivables	(18 708)	(18 377)	1.8%
(27 558)	(Increase) / decrease in inventories	(23 819)	(19 062)	25.0%
(15 768)	(Increase) / decrease in payables and other liabilities	12 079	3 915	208.5%
123 670	Net cash flow from operating activities	188 513	94 774	98.9%
	Cash flow from investing activities			
(61 960)	Payments for property, plant and equipment	(36 373)	(41 761)	-12.9%
(32 679)	Payments for intangible assets	(3 713)	(25 899)	-85.7%
3 057	Proceeds from disposal of property, plant and equipment	1 709	2 265	-24.5%
(38 050)	Payments to acquire financial assets	(32 248)	(34 476)	-6.5%
71 895	Proceeds on sale or redemption on maturity of financial assets	51 938	68 420	-24.1%
27 169	Disbursement of loans net	(3)	23 080	n.a.
24 844	Interest received	11 912	15 687	-24.1%
21	Dividend receives	21	5	320.0%
(25 131)	Net cash outflow on purchase of group of assets	(24 090)	(25 562)	-5.8%
-	Net cash outflow on acquisition of subsidiaries	(74 647)	-	-
10 831	Net cash inflow from disposal of subsidiaries	-	11 395	n.a.
(20 003)	Net cash flow to investing activities	(105 494)	(6 846)	n.a.
	Cash flow from financing activities			
(29 799)	(Purchase) / disposal of treasury shares	(6 936)	(17 408)	-60.2%
(72 863)	Dividend paid	(78 846)	(72 863)	8.2%
(1 327)	Principal elements of lease payments	(3 673)	(1 017)	261.2%
(35 753)	Repayment of borrowings	(218 960)	(15 748)	1290.4%
35 935	Proceeds from borrowings	218 951	35 748	512.5%
(103 807)	Net cash flow (to) / from financing activities	(89 464)	(71 288)	25.5%
(140)	Net increase / (decrease) in cash and cash equivalents	(6 445)	16 640	n.a.
79 719	Cash and cash equivalents at beginning of year	80 493	79 719	1.0%
(46)	Effect of foreign exchange rate changes on cash and cash equivalents	(10)	932	n.a.
79 533	Cash and cash equivalents at end of period	74 038	97 291	-23.9%



GEDEON RICHTER

Health is our mission

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Financial calendar

| 12 November 2024 – Q1-Q3 2024 results
| 28 February 2025 – preliminary FY2024 results



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