



# Gedeon Richter Q4/FY2023 Earnings Report

Chief Executive Officer presentation

29 February 2024



# Financial Highlights

**HUF 747.4bn**  
**(EUR 1.96bn)**

Pharma sales

↑ +13.9%

**HUF 189.4bn**  
**(EUR 496mn)**

EBIT<sup>1</sup>

↑ +23.3%

**HUF 235.3bn**  
**(EUR 616mn)**

Clean EBIT<sup>2</sup>

↑ +14.3%

**HUF 86.6bn**

Free Cash-flow<sup>3</sup>

↓ -53.6 HUFbn

**HUF 860**

EPS

↑ +3.0%<sup>5</sup>

**14.1%**

Return on Equity<sup>4</sup>

↓ -0.7ppt<sup>5</sup>

<sup>1</sup> EBIT: Operating profit/loss

<sup>2</sup> Clean EBIT (cEBIT): Gross profit less Op. Expenses (S&M, G&A, R&D) less Clawback expenses plus Milestone income. cEBIT reflects the profitability of the core business, excluding one-offs

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

<sup>4</sup> Return on Equity formula: Cumulative profit for the last 4 quarters divided by the actual quarter's equity

<sup>5</sup> EPS growth and ROE change compared to the originally published 2022 EPS and ROE figures

# Financial and operational highlights



## Financial highlights

- Total revenues (incl. 5 months of Romanian wholesale/retail) came in at HUF 805bn (EUR 2.11bn); Pharma revenues were at HUF 747bn (EUR 1.96bn), up 14% YoY, in line with the latest guidance; Q4 sales growth moderated due to the intensifying negative FX impact in H2 2023
- FX-adjusted sales surged by nearly 22% YoY in 2023, significantly exceeding initial guidance; FX headwind was substantial (nearly -8ppt) on RUB weakness and on the stronger HUF (vs most currencies)
- Ex-FX sales growth was driven by double-digit volume/mix increase in all four business units with Vraylar and WHC (20%+) standing out
- Gross profit (pharma) grew by 15% to HUF 514bn and gross margin improved by 0.6ppt to 68.8% in 2023 despite adverse FX wiping out bulk of the underlying improvement driven by volumes growth
- Clean EBIT (pharma) reached HUF 236bn (EUR 619mn), up 15% and beating our latest guidance; FX-adjusted (CER) Clean EBIT growth was 29%, an outstanding performance
- Free cash flow (before M&A) amounted to HUF 87bn in 2023, declining YoY due to the timing of the windfall tax payments, large realized FX losses and a build in net working capital
- M&A and a material increase in shareholder distribution led to a decline in net cash by the end of 2023

## Business drivers and key events

- Successful sale of Romanian wholesale and retail operation (not included in P&L since May 2023)
- Several agreements and deals (OC Distributors, Grünenthal, Giskit, Mithra) concluded to further boost WHC
- Ryego® received EC approval for endometriosis in November 2023
- In CNS R&D two compounds from two projects progressed from pre-clinical to clinical phase-1 status in Q4 2023, while one new project started in pre-clinical phase
- Acquisition of a 9.08% stake in leading biosimilar developer Formycon (FYB) for EUR 82.8mn (Jan 2024)

# ESG: expanding access to healthcare – 2023 highlights



## Focus on Women's Healthcare, in line with UN SDG 3.7

- Acquisition of OC Distributors for the marketing/distribution rights of several WHC products
- Agreement with Mithra for the commercialization of a product candidate for the treatment of post-menopausal symptoms
- Agreement to commercialize Grünenthal's WHC portfolio in Brazil
- Acquisition of two medical devices used in ultrasound examinations
- EC approval of Ryeqo® for the symptomatic treatment of endometriosis
- Agreement with Mithra to commercialize estetrol-containing products in China



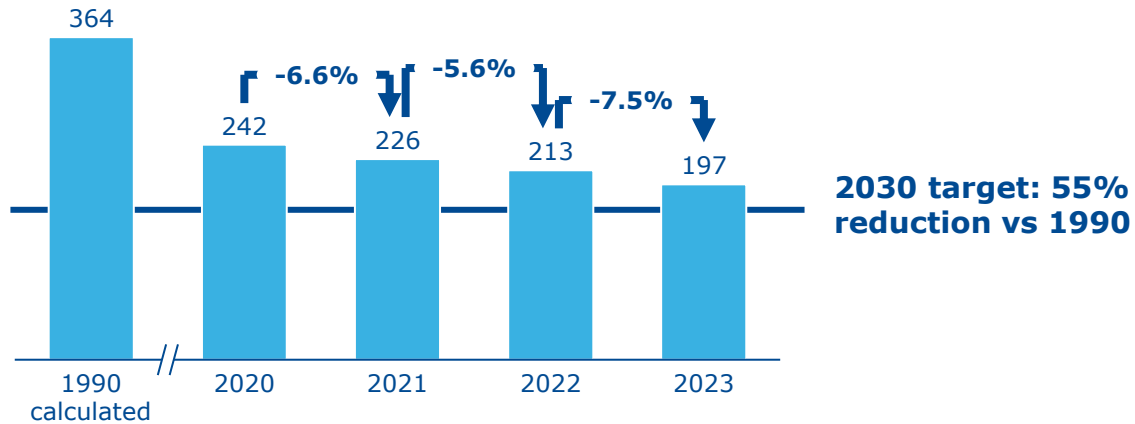
## Focus on mental health, in line with UN SDG 3.4

- Cariprazine launched in 13 countries throughout the year, now available in a total of 64 countries, with reimbursement available in most
- Total TRx in 2023 in US = 2,625,097
- Total patients in 2023 in Europe and US ~570,000
- Total patients from launch in Europe and US ~1,300,000

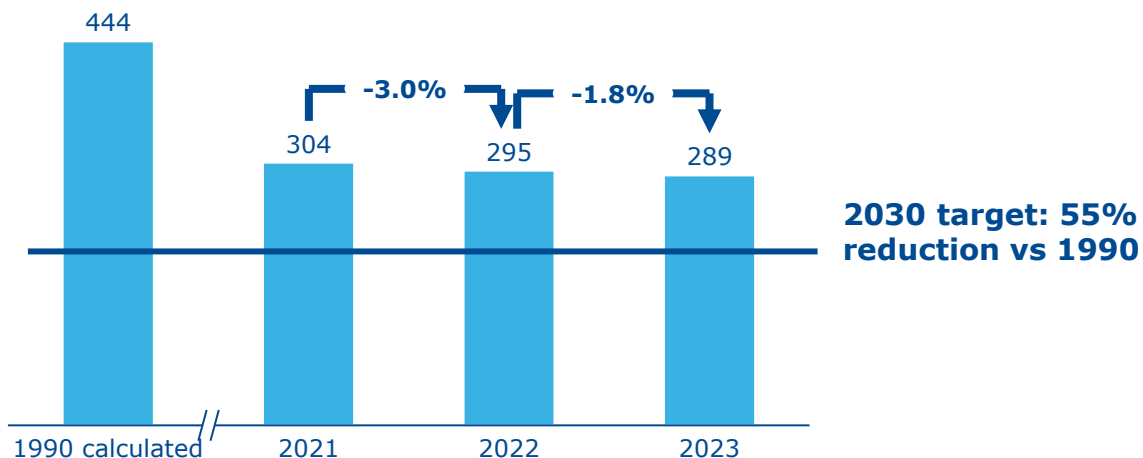
# ESG: further decline in emissions in 2023, progressing towards our 2030 targets



## Richter carbon footprint in Hungary (Scope 1-2-3, kt CO<sub>2</sub>eq/year)



## Richter Group carbon footprint (Scope 1-2-3, kt CO<sub>2</sub>eq/year)



## Key ESG messages

### Environmental

- By 2023 Richter rolled out its carbon footprint calculation to all key subsidiaries to arrive at a Group level emission model, which also enables Group level target setting, policy formulation and working out action plans
- 2023 saw a further visible decline in our Greenhouse Gas (GHG) emissions (-7.5% YoY in Hungary, -1.8% YoY at Group level)
- Emission decline reflects ongoing actions to significantly reduce energy consumption (-7% in 2023 and -21% in the last 3 years) and switch to renewables energy in Hungary. Focus will increasingly be on initiatives at the non-Hungarian production sites in the next few years.
- As of 2023, emissions stand at 54% of the 1990 level in Hungary (and 65% at Group level), well on track to reach 55% total reduction by 2030 in line with the EU's „Fit for 55” program
- Historic emission data was restated to reflect a revised (broader, timelier and more precise) methodology in Scope 3 emission data collection (in case of inputs – used chemicals, services and packaging)

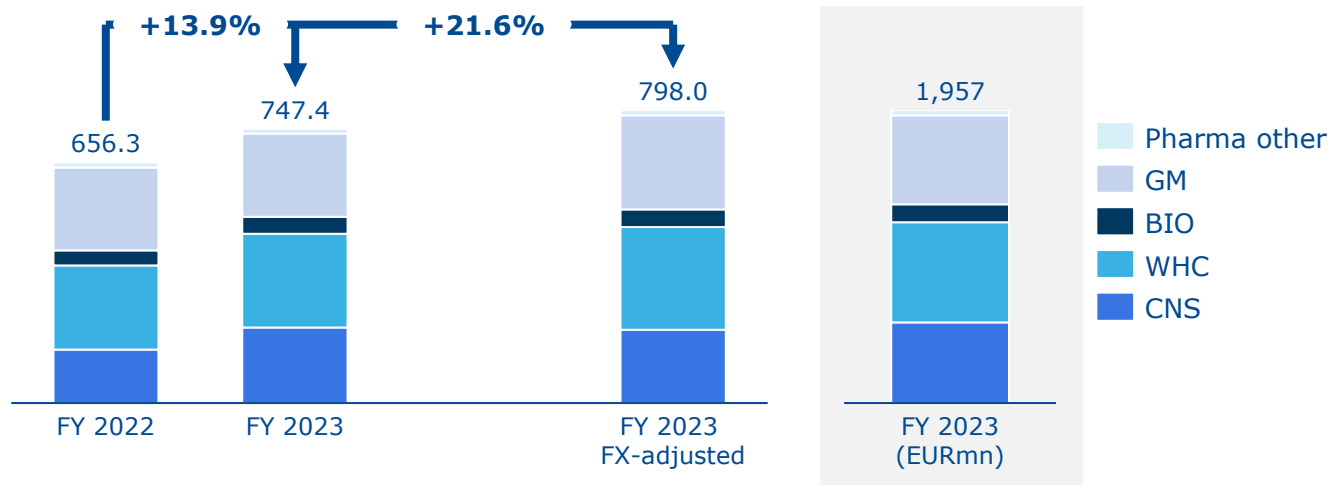
# Financial Highlights



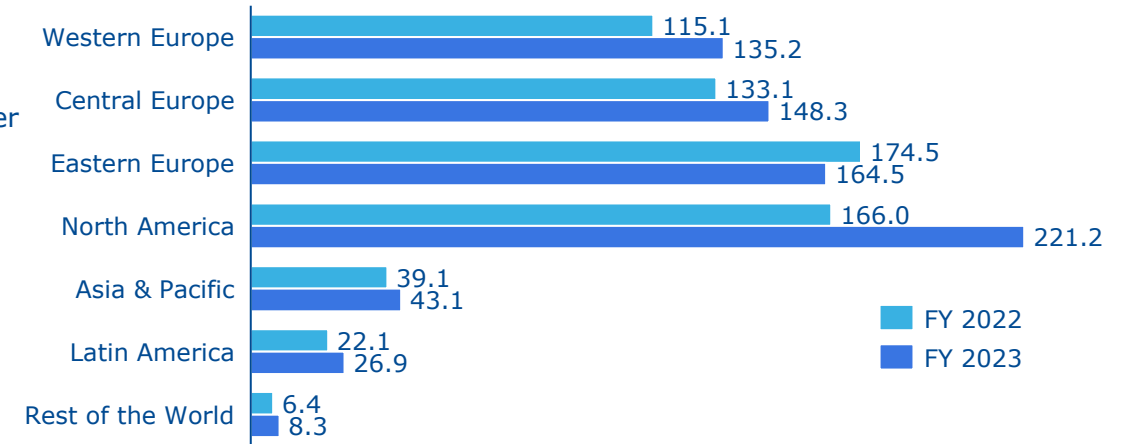


# Pharmaceutical revenues (ex-FX) jumped by 21.6% in 2023

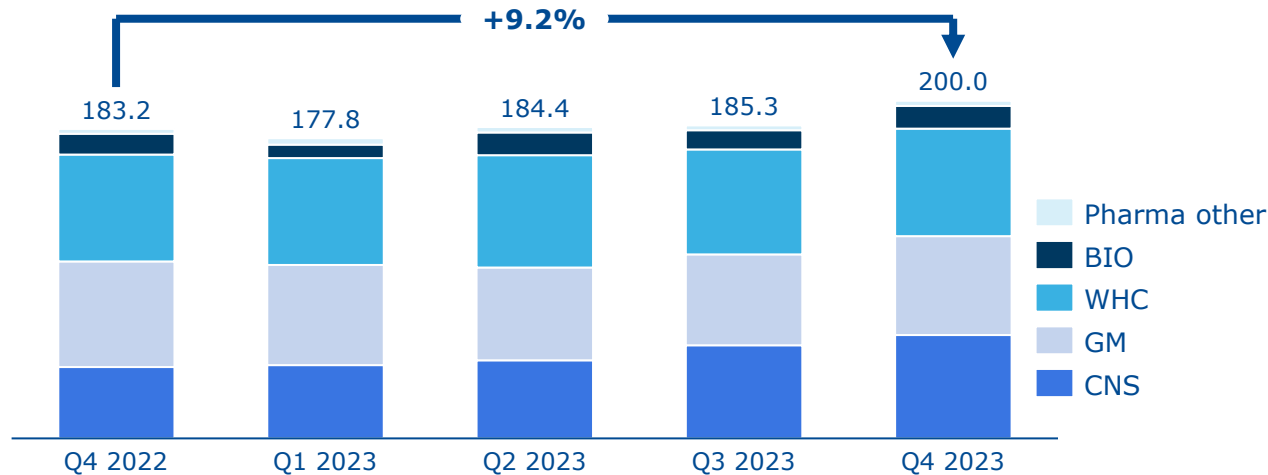
## Pharmaceutical Revenues, cumulative (HUF bn, EUR mn)



## Pharmaceutical Revenues by region (HUF bn)



## Pharmaceutical Revenues (HUF bn)



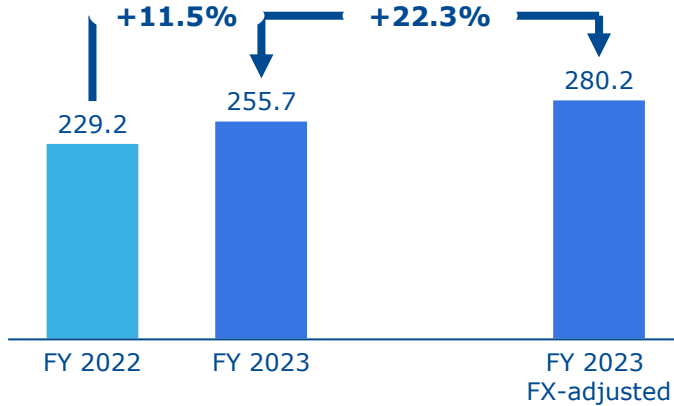
## RUBHUF exchange rate



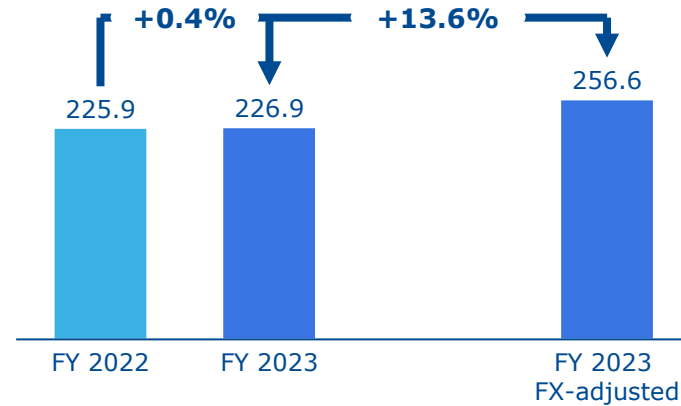
Source: MNB

# Strong internal performance: double-digit growth (ex-FX) across the board

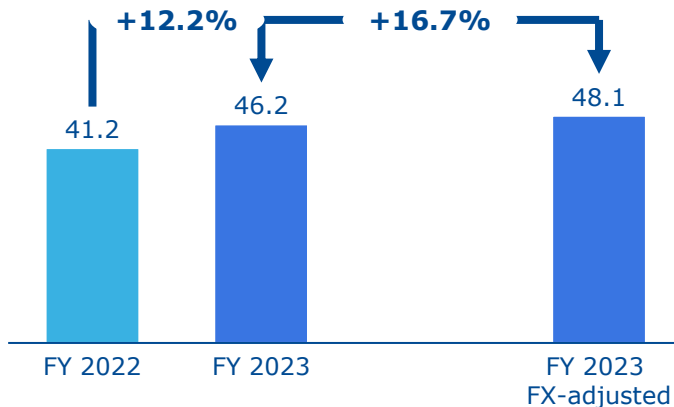
## WHC Revenues



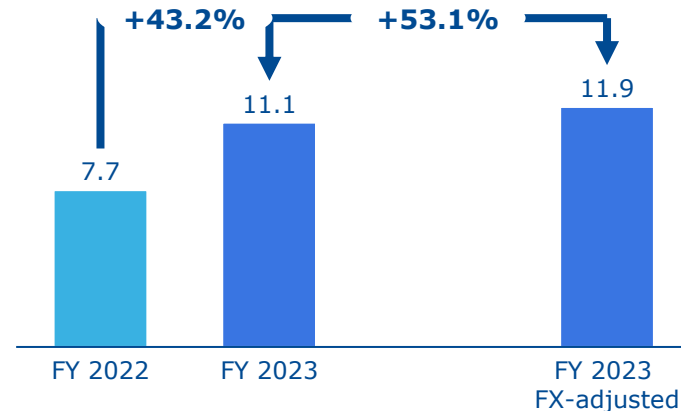
## GM Revenues



## BIO Revenues



## CNS ex-Vraylar Revenues



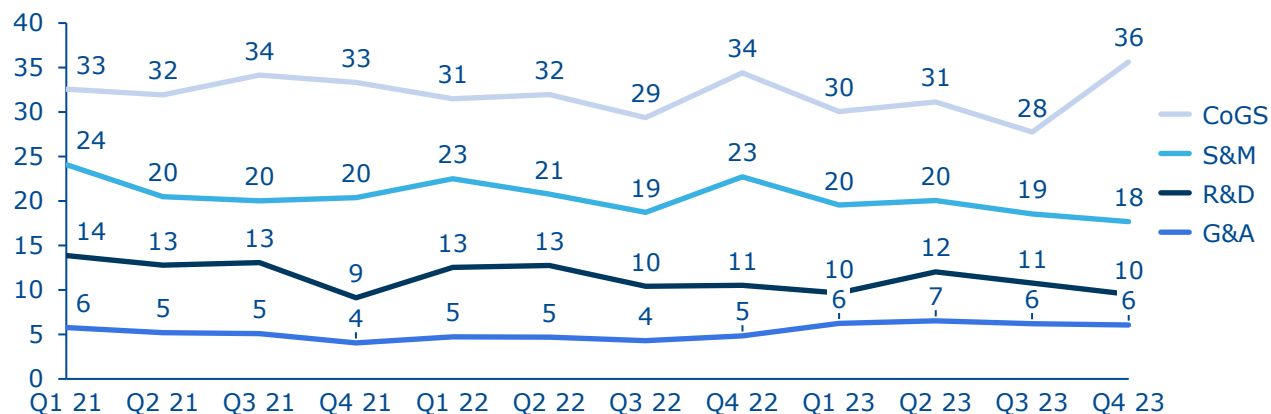
## Key messages

- **WHC** continued to post significant volume growth both in Q4 and FY 2023, as new products (like Drovelis® and Ryeqo®) do particularly well
- **GenMed** reliably operated the value chain throughout the year, and successful product launches provided higher than planned (ex-FX) revenue growth
- Both Terrosa® sales volumes and CDMO activities grew double-digit in 2023 to boost **BIO** revenues
- Our own **CNS** performance in CEU remained robust, as our network boosted revenues by ~40%, while other partners also increased Reagila® sales dynamically
- Production rose substantially in 2023 to 304.5mn units of packaged boxes, 17.7% higher than a year ago, despite unchanged headcount in production
- Higher productivity was coupled with sustained high level of on-time delivery to our customers

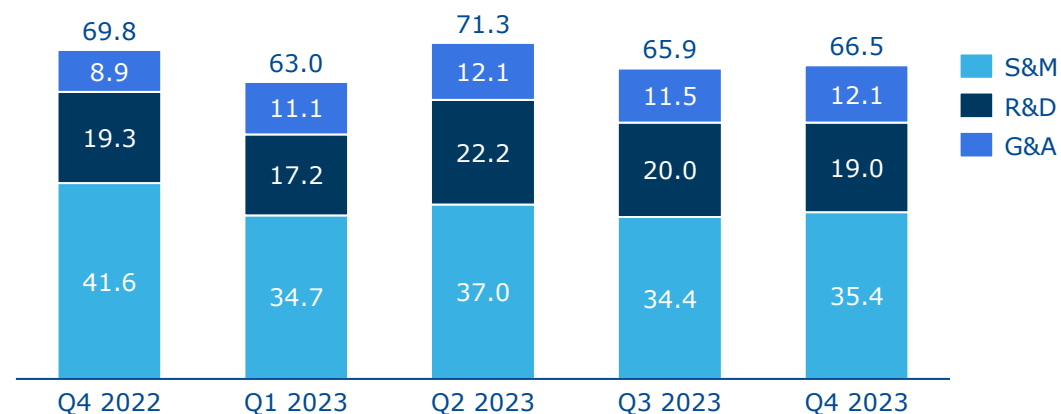


# Operating costs remain under control

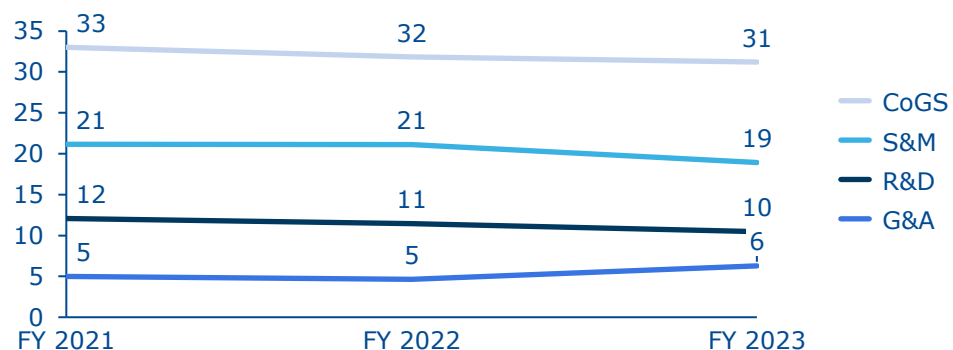
Operating costs as a % of Pharma revenues (%)



Operating costs (pharma) (HUFbn)



Operating costs as a % of Pharma revenues (%)

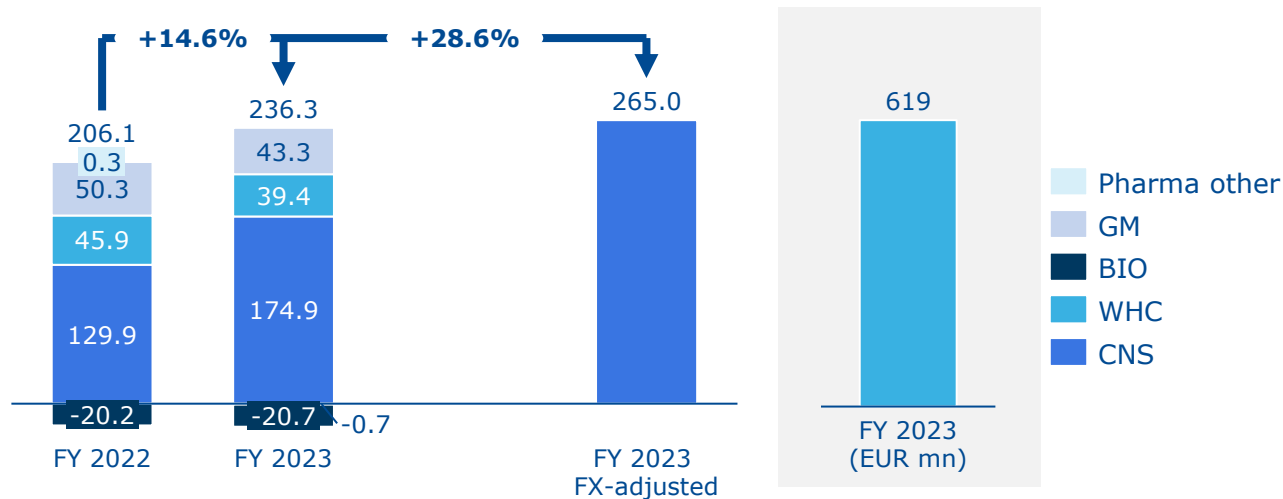


## Key messages

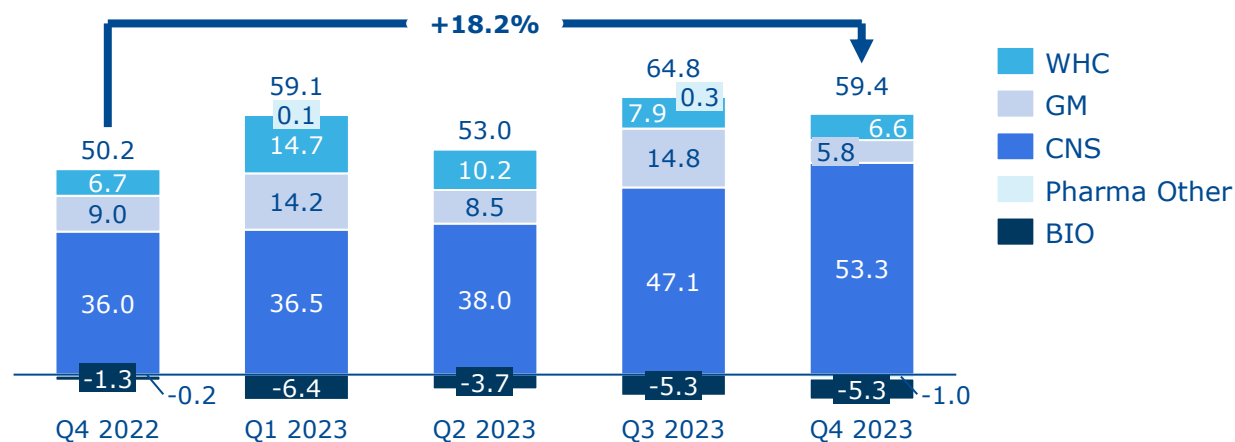
- Overall Opex remained under control in both Q4 and 2023
- Favorable Opex-to-sales development in recent years was also helped by the fast-rising royalty income from Vraylar®
- R&D expenses rose slightly in 2023 YoY, but relative to pharma sales, their ratio declined from 11.4% to 10.5%
- G&A expenses increased (and S&M decreased) partly due to reclassification of some expenses (around HUF 10bn in 2023 from S&M to G&A)
- G&A expenses also include some non-recurring expenses related to efficiency projects

# Clean EBIT jumped YoY on surging CNS contribution

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



## Pharmaceutical Clean EBIT (HUF bn)

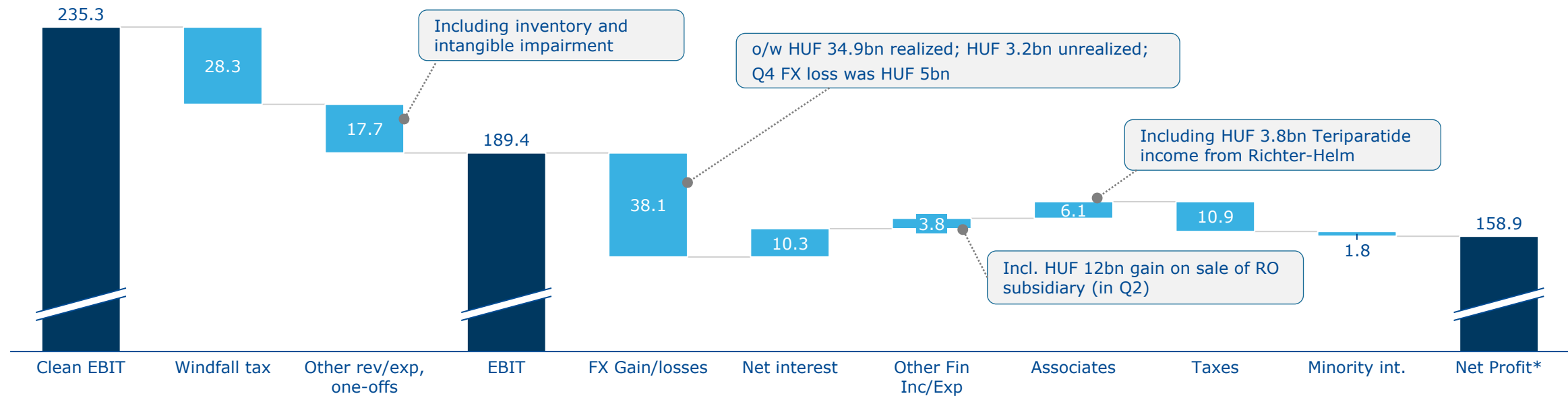


## Key messages

- Clean EBIT (pharma) rose by 18% YoY in Q4 2023 to HUF 59bn, bringing the full-year Clean EBIT to a new all-time high of HUF 236bn (or EUR 619mn), up 15% and beating both our initial and the latest guidance
- FX-adjusted Clean EBIT showed an impressive 29% growth in 2023 YoY, reflecting the underlying strength of the business
- Clean EBIT improved substantially despite no material milestone revenue was booked in 2023 (less than HUF 1bn) vs. HUF 11bn booked in 2022
- CNS was the primary contributor to growth both in Q4 and FY 2023 on the back of surging Vraylar® royalty income
- Both WHC and GenMed Clean EBIT (and all profit margins) was hit by adverse FX movements (RUB in particular) as well as by increasing clawback and the non-recurring cost of investment in some efficiency projects
- BIO Clean EBIT loss was stable YoY, as a significant increase in gross profit was offset by higher opex (mostly in R&D)

# Below-the-line: FX losses and the windfall tax burden net profit

## Net Profit in FY2023, below-Clean EBIT items (HUF bn)

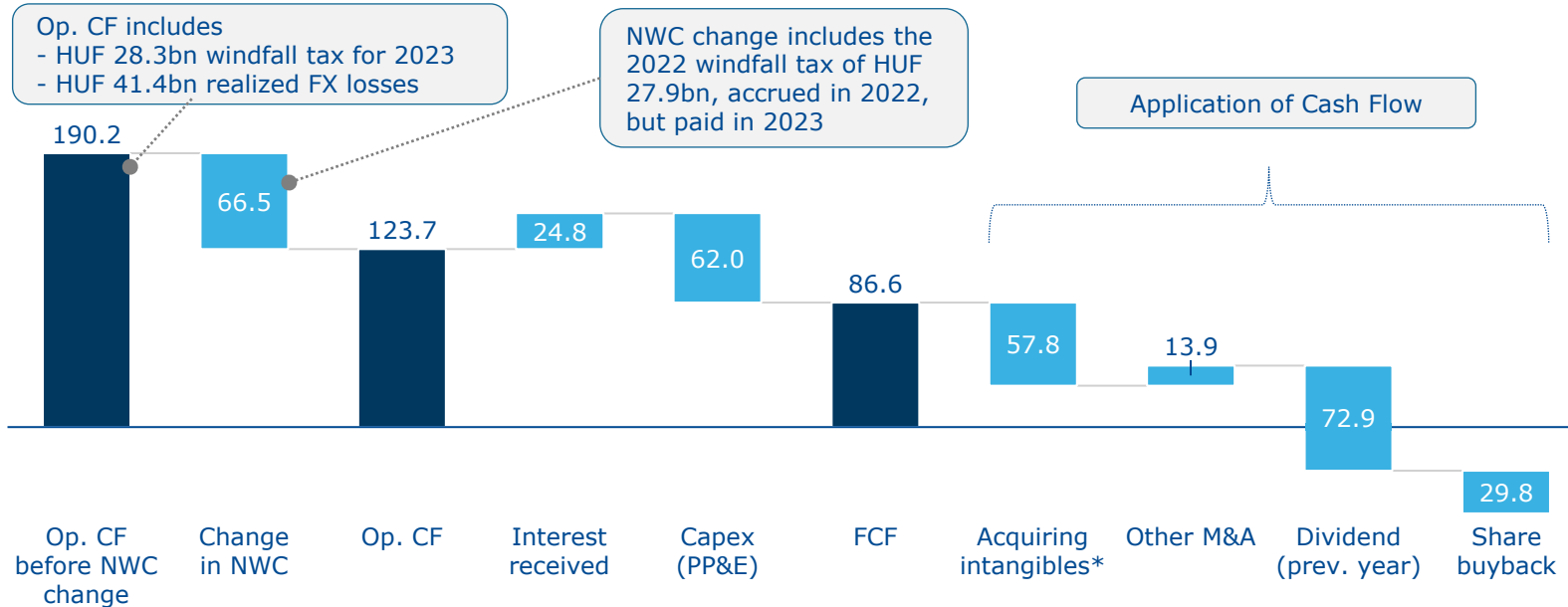


## Key messages

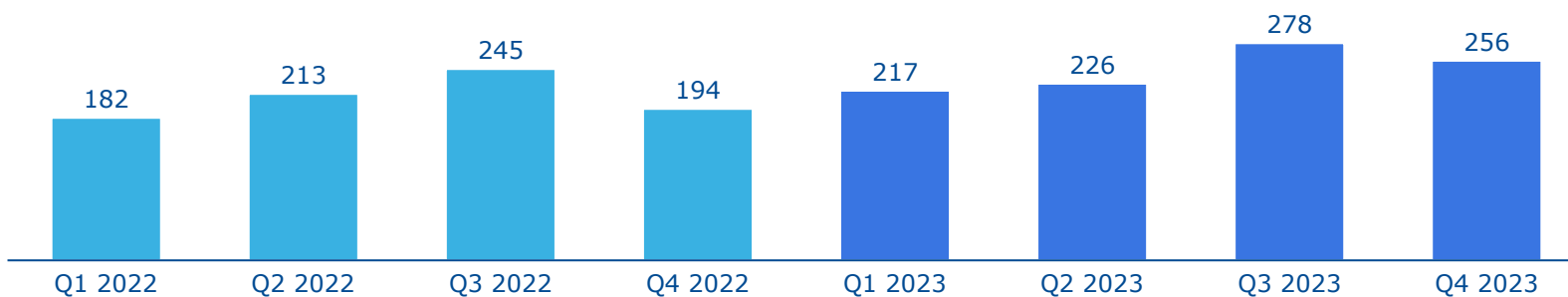
- Windfall tax of HUF 28.3bn – only slightly higher YoY despite significant growth in pharma revenues – hit reported EBIT and net profit, similarly to 2022
- FX losses amounted to HUF 38bn in 2023 vs. small FX gains a year ago, wiping out the increase in Clean EBIT and reported EBIT (despite higher interest income)
- Taxes included local tax and regular CIT, no material deferred taxes were reported in 2023 (vs. a sizable deferred tax gain recorded in 2022 in restated financials)
- As a result of these below-EBIT items, net profit declined by 6% in 2023 to HUF 159bn (compared to the restated 2022 net profit)

# Free Cash Flow: did not fully cover shareholder distribution and M&A

## Free Cash Flow in FY2023 (HUF bn)



## Cash Conversion Cycle | days



## Key messages

- Free Cash Flow generation experienced a temporary setback in 2023 due to the timing of the windfall tax payments (both 2022 and 2023 windfall tax was paid in 2023, totaling at HUF 56bn) as well as large realized FX losses of HUF 41bn
- 2023 cash flows were also burdened by a build in NWC driven by increasing sales activity and some restocking (technically the 2022 windfall tax payment also showed up in the Cash Flow as a change in NWC)
- FCF came in at HUF 87bn, below the 2022 level
- FCF and some of the existing cash on balance sheet was used for
  - significant M&A activity in the WHC business at HUF 58bn, including Donesta signing fee, Relugolix milestone, Giskit and OC Distributors acquisitions
  - a step up in shareholder distribution (dividend + buyback)

# 2024 guidance and outlook

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

➤ **WHC and GM**  
Combined sales growth around 10% in 2024

**Clean EBIT (CER\*)** EUR 725-750mn

➤ Including an approx. EUR 30mn increase planned in the 2024 **R&D** budget YoY

## Neuropsychiatry

- CNS**
- Continued strong double-digit growth in Vraylar® (AbbVie expects around USD 3.4bn net sales in 2024\*\*)
  - Progress of proprietary and AbbVie-partnered developments in the clinical and pre-clinical pipeline

## Women's Healthcare

- WHC**
- Doubling Ryego® sales (to at least EUR 30mn in 2024) on the back of the endometriosis label extension
  - Taking over European leadership in regular contraception

## Biotechnology

- BIO**
- Key focus on product development; denosumab to be ready for submission by the end of the year
  - New plant in Germany (Richter-Helm JV) to approx. double capacity and be operational by end of the year

## General Medicines

- GM**
- Make successful NOAC (novel oral anticoagulant) and diabetology product launches
  - Improve the cost efficiency of our business model, while implementing the new strategy to increase market share in core Central and Eastern European markets

\* CER (constant exchange rate) calculation is based on 2023 actual FX rate (HUF/EUR = 382)

\*\* AbbVie issued its USD 3.4bn sales guidance for Vraylar® for 2024 on 2 February 2024



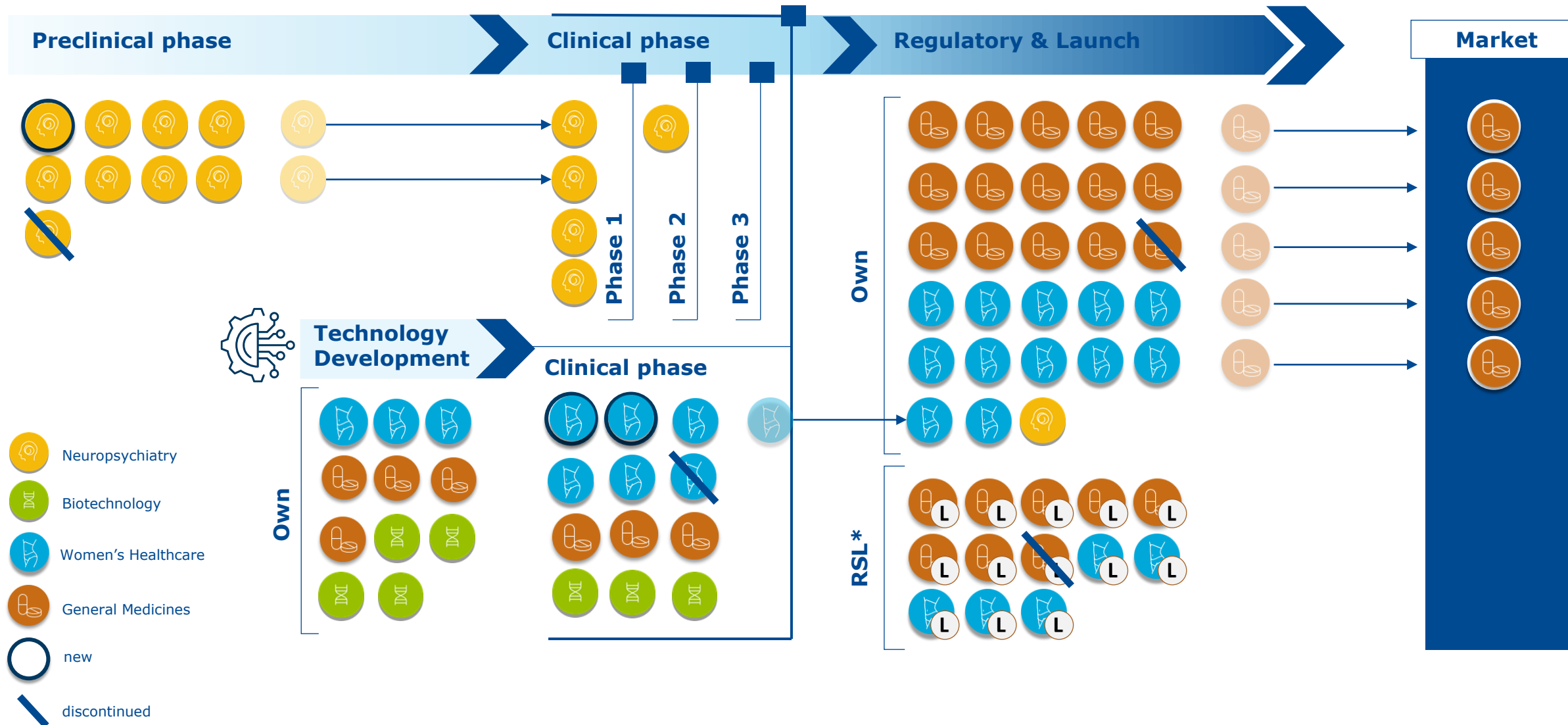
# Research and Development

R&D





# R&D pipeline – changes during Q4 2023



\* Ready-to-Sell Licensed pipeline

# Visible progress in R&D pipeline in 2023

Women's Healthcare

**WHC**



We scout for innovative products and invest in late-stage R&D phases of projects in the following subsegments: female fertility, benign conditions (Uterine fibroids & endometriosis), contraception, infectious diseases in female healthcare and menopause. We intensify our activities in the field of Female Technology as well.

Neuropsychiatry

**CNS**



- Two compounds from two projects progressed from pre-clinical to clinical phase-1 status in Q4 2023, while one new project started in pre-clinical phase. We intend to further increase the number of projects in pre-clinical research in 2024.

Biotechnology

**BIO**



- RGB-14 (denosumab biosimilar) Phase 1 and Phase 3 clinical studies have been successfully completed, with final documentation due in 2024. Marketing authorization preparation activities are ongoing.
- RGB-19 (tocilizumab biosimilar) Phase 1 and Phase 3 clinical programs proceeding according to plan through our co-development partner. Product validation activities for DS & DP are being conducted at GR's facility in Debrecen.

General Medicines

**GM**



- Building up the NOAC portfolio: Dabigatran successfully launched as the first generic; Rivaroxaban MA received; Apixaban successful clinical trial
- Expanding diabetes portfolio: Vildagliptin and Vildagliptin/Metformin launches in Russia
- Strengthen the cardio portfolio: MA for Ticagrelor and a successful clinical trial with value-added combination



# Neuropsychiatry

## CNS



# Impressive double-digit growth of cariprazine continues

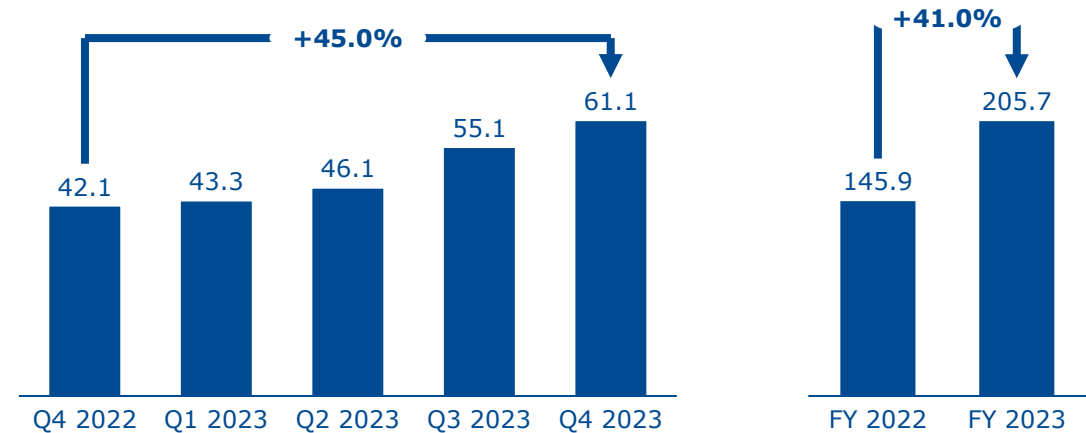


CNS   HUF mn	Q4 2022	Q4 2023	Ch. % YoY	FY 2022	FY 2023	Ch. % YoY
<b>Revenues</b>	<b>42,144</b>	<b>61,111</b>	<b>45</b>	<b>145,902</b>	<b>205,662</b>	<b>41</b>
Cost of Sales	-311	-455	46	-736	-1,249	70
<b>Gross Profit</b>	<b>41,833</b>	<b>60,656</b>	<b>45</b>	<b>145,166</b>	<b>204,413</b>	<b>41</b>
Gross margin %	99.3	99.3		99.5	99.4	
Sales&Marketing	-1,160	-766	-34	-3,177	-3,374	6
G&A	-130	-208	60	-377	-770	104
R&D	-6,263	-6,181	-1	-21,951	-24,737	13
Clawback	-190	-222	17	-425	-726	71
Milestone income	1,914	0		10,616	81	-99
<b>Clean EBIT</b>	<b>36,004</b>	<b>53,279</b>	<b>48</b>	<b>129,852</b>	<b>174,887</b>	<b>35</b>
cEBIT margin %	85.4	87.2		89.0	85.0	

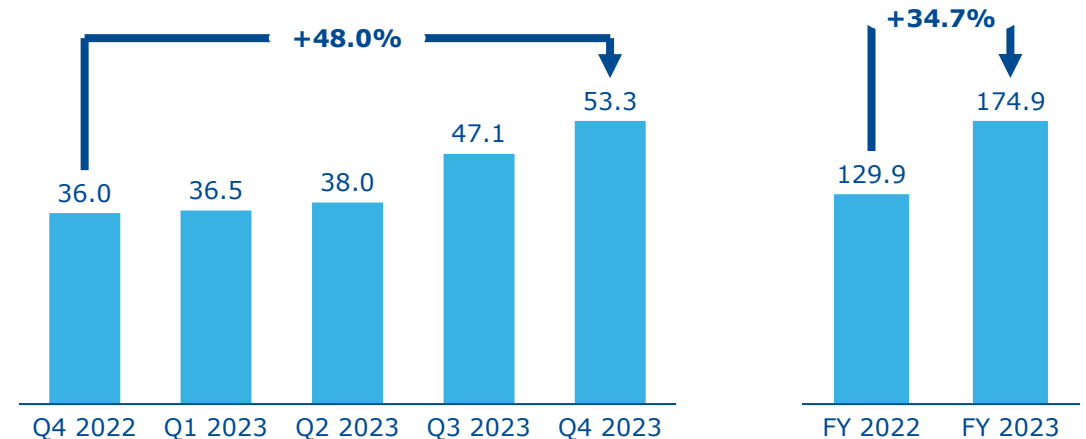
## Key messages

- Cariprazine is now available in 64 countries worldwide.
- Vraylar® sales by AbbVie increased by 35% in 2023 YoY and by 40% in Q4 23 vs Q4 22. This exceptional growth was driven by the launch of the major depressive disorder indication at the end of 2022 in the US. By the end of 2023, ~1.1mn patients had been treated by Vraylar®.
- Vraylar® revenues in HUF-terms was boosted by hedging gains both in Q4 and FY 2023.
- Within Richter's direct sales territory, cariprazine sales reached EUR 16.8mn in 2023, up 44% YoY. Reagila® growth in absolute terms was the highest in Poland and Russia.
- In other territories where cariprazine is distributed through partners, Reagila® sales also grew dynamically. In WEU (Recordati's territory), Reagila® sales increased by more than 30% in value in 2023 YoY.

## Revenue (HUFbn)

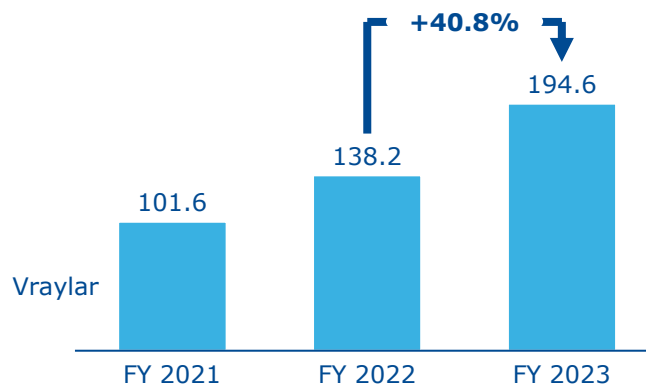
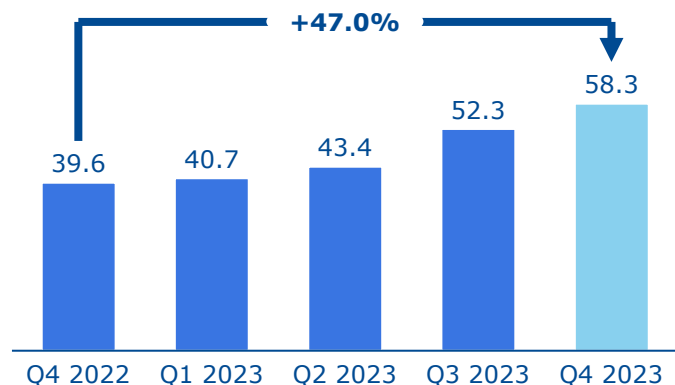


## Clean EBIT (HUFbn)



# Robust growth of cariprazine in the US, WEU and CEU

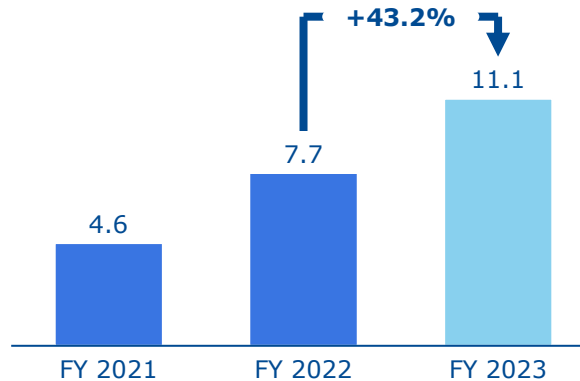
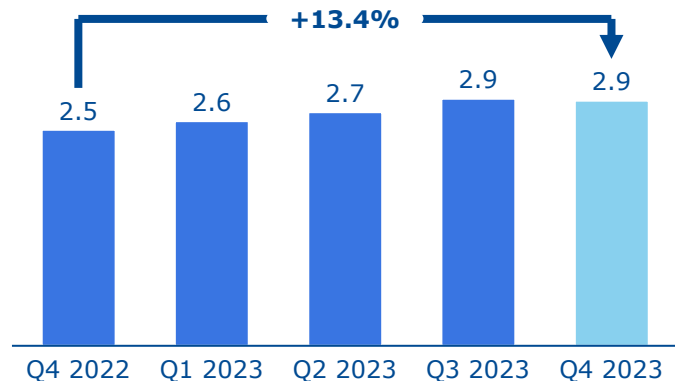
## Vraylar®



### Key messages

- 41% YoY increase of royalty income from Vraylar® in 2023 is the highest in recent years. In Q4 Vraylar® royalty income grew by 47% YoY. Overall increase was in-line with Richter's expectations.
- Based on AbbVie's expectations, estimated net sales in 2024 is c. USD 3.4bn\* and peak sales prior patent expiry may approach USD 5bn.

## Reagila®



### Key messages

- **Reagila®** sales continued to grow, particularly in CEU and WEU regions.
- **Reagila®** became the leading brand in Central Europe within oral antipsychotics. Our ambition is to achieve market leader position in Europe among oral atypical antipsychotic brands in the coming years.



# Women's Healthcare

## WHC





# Significant volume growth offset by FX headwind, „investment“ in costs

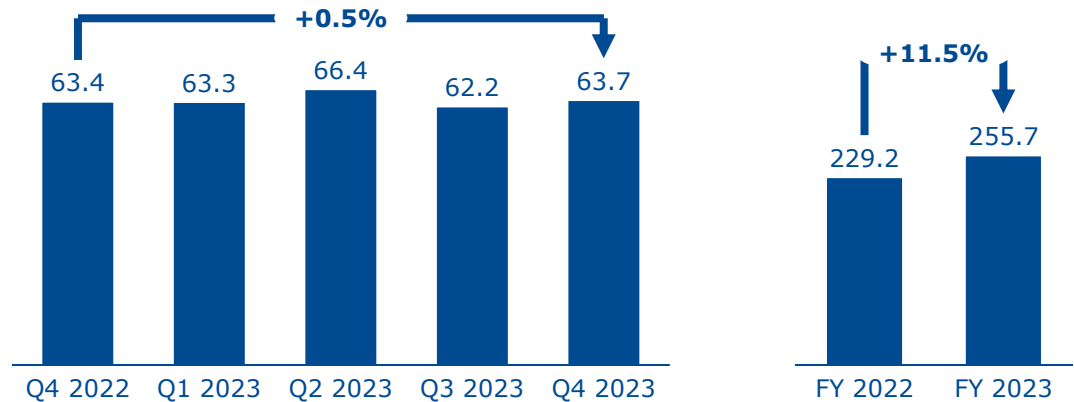


WHC   HUF mn	Q4 2022	Q4 2023	Ch. % YoY	FY 2022	FY 2023	Ch. % YoY
<b>Revenues</b>	<b>63,398</b>	<b>63,740</b>	<b>1</b>	<b>229,206</b>	<b>255,673</b>	<b>12</b>
Cost of Sales	-22,413	-26,153	17	-66,543	-86,348	30
<b>Gross Profit</b>	<b>40,985</b>	<b>37,587</b>	<b>-8</b>	<b>162,663</b>	<b>169,325</b>	<b>4</b>
Gross margin %	64.6	59.0		71.0	66.2	
Sales&Marketing	-24,531	-20,223	-18	-79,641	-84,937	7
G&A	-3,941	-5,509	40	-13,366	-21,193	59
R&D	-4,430	-3,231	-27	-18,984	-16,409	-14
Clawback	-1,363	-2,062	51	-4,783	-7,366	54
Milestone income	0	0		7	8	14
<b>Clean EBIT</b>	<b>6,720</b>	<b>6,562</b>	<b>-2</b>	<b>45,896</b>	<b>39,428</b>	<b>-14</b>
cEBIT margin %	10.6	10.3		20.0	15.4	

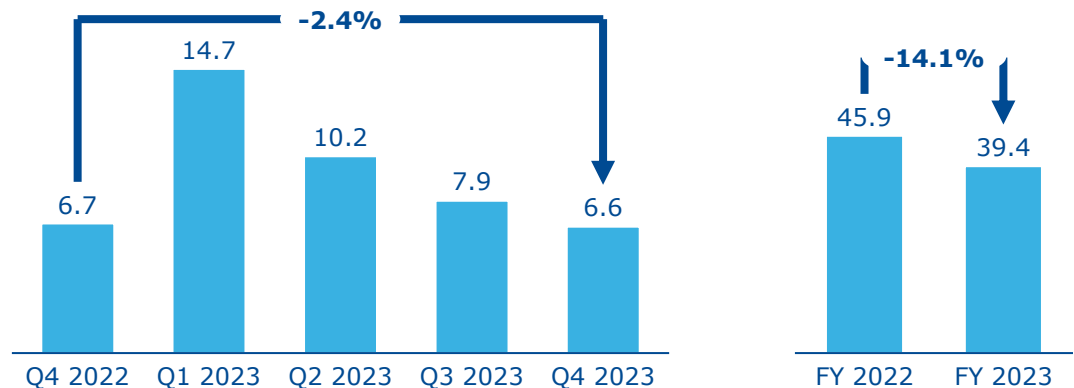
## Key messages

- Uterine fibroids treatment area and Menopause management remained solid sales drivers through 2023 with constantly increasing demand and accelerated sales
- Accelerated S&M investments are necessary to build a solid foundation for future growth. Promotional activities are increasing, with narrow focus on our new products and in line with respective sales growth
- Fertility portfolio is supported by positive results of vaginal progesterone uptake and recently successfully launched ganirelix
- Significant volume/mix growth (of 20%+) in 2023 was partly offset by adverse FX (and this negative impact was particularly visible in Q4). Costs of the efficiency improvement projects and higher clawback also led to lower Clean EBIT in 2023

## Revenue (HUFbn)

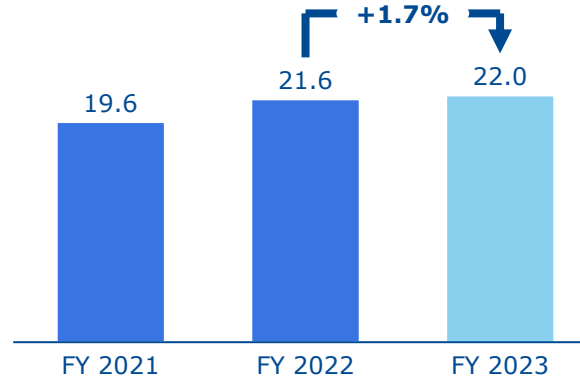
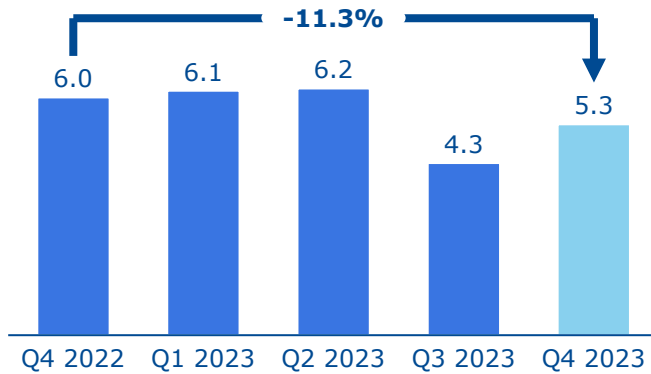


## Clean EBIT (HUFbn)



# EVRA successful relaunch but weaker in tenders; Bemfola is stronger in Europe but slows down in APAC

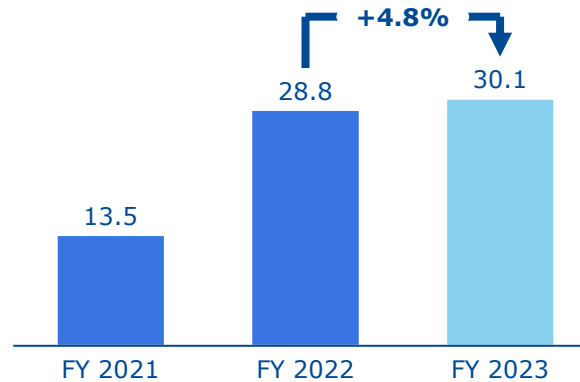
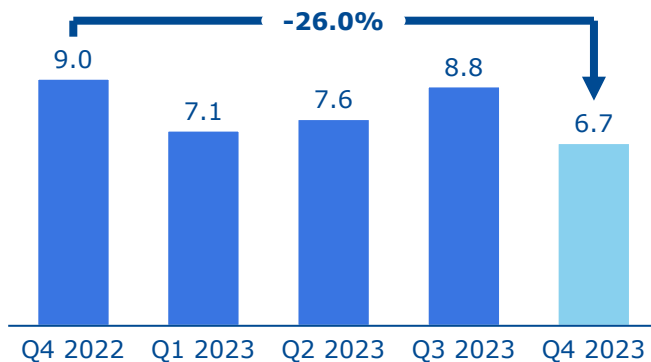
## Bemfola®



### Key messages

- **Bemfola®**, the flagship of our Fertility portfolio had a solid performance in major WEU markets and saw the first encouraging results in Latam. Weaker performance in Australia and some partner territories affected H2 sales.
- Sales growth of the fertility franchise is also reinforced by new product launches (Cyclogest® and Ganirelix) and fast market share penetration

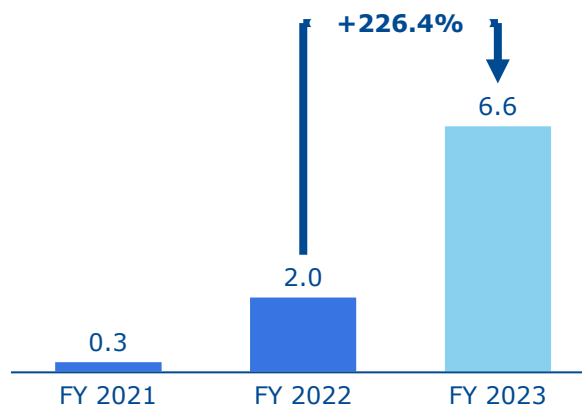
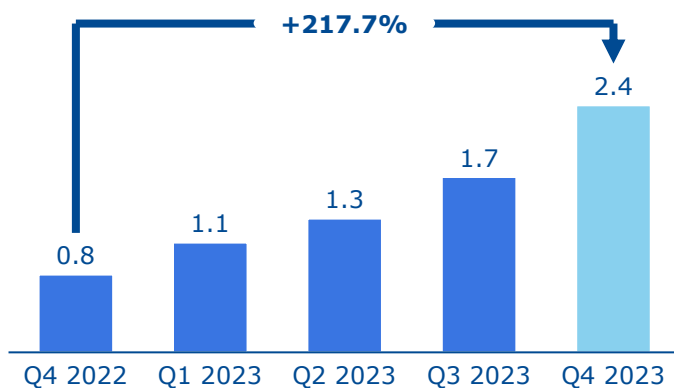
## EVRA®



### Key messages

- Continued sales growth of **Evra®** is driven by successful relaunch campaigns in major European markets.
- Quarterly fluctuation in revenues is mostly due to the timing of tender activities in Mexico, one of our largest markets

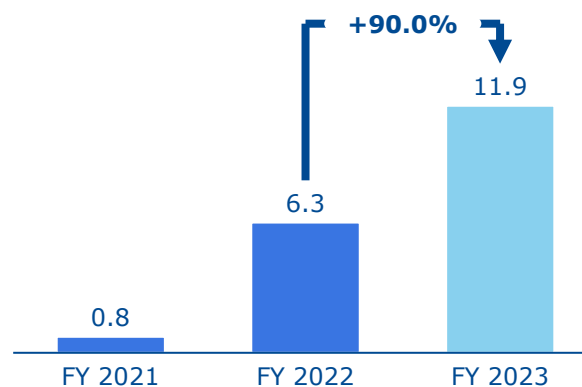
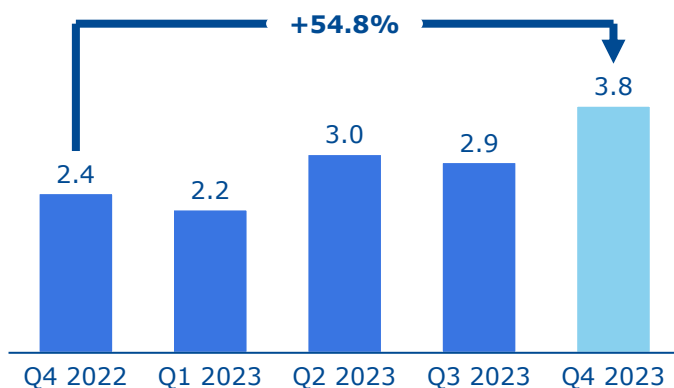
## Ryeqo®



### Key messages

- **Ryeqo®** solid growth after receiving reimbursement in majority of European markets
- In Italy and Spain regional market access work is ongoing and some time is needed to unlock complete Uterine Fibroid treatment potential
- On 2 November 2023, EC approved the commercialization of the product for the Symptomatic Treatment of Endometriosis
- Several markets could take the advantage of the extended label already before the end of 2023

## Drovelis®



### Key messages

- **Drovelis®** the company's key contraceptive kept solid growth across all territories, almost doubling the sales in 2023 YoY
- Higher than expected market share was achieved in the CEU region, however sales were hit by adverse exchange rate movement
- Rest of the markets grew at a lower pace, but in line with established trends



# Biotechnology

## BIO



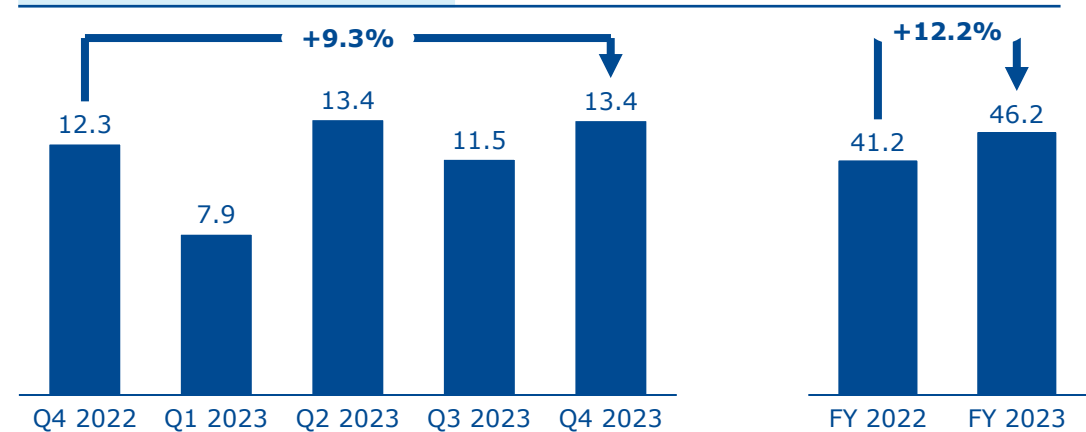
# Record-high annual revenues, ongoing development program

BIO   HUF mn	Q4 2022	Q4 2023	Ch. % YoY	FY 2022	FY 2023	Ch. % YoY
<b>Revenues</b>	<b>12,257</b>	<b>13,394</b>	<b>9</b>	<b>41,185</b>	<b>46,201</b>	<b>12</b>
Cost of Sales	-5,539	-8,917	61	-27,827	-29,419	6
<b>Gross Profit</b>	<b>6,718</b>	<b>4,477</b>	<b>-33</b>	<b>13,358</b>	<b>16,782</b>	<b>26</b>
Gross margin %	54.8	33.4		32.4	36.3	
Sales&Marketing	-1,478	-2,517	70	-6,121	-6,638	8
G&A	-728	-1,076	48	-2,315	-4,052	75
R&D	-5,700	-5,965	5	-24,782	-26,571	7
Clawback	-107	-229	114	-350	-704	101
Milestone income	0	0		0	508	
<b>Clean EBIT</b>	<b>-1,295</b>	<b>-5,310</b>	<b>310</b>	<b>-20,210</b>	<b>-20,675</b>	<b>2</b>
cEBIT margin %	-10.6	-39.6		-49.1	-44.8	

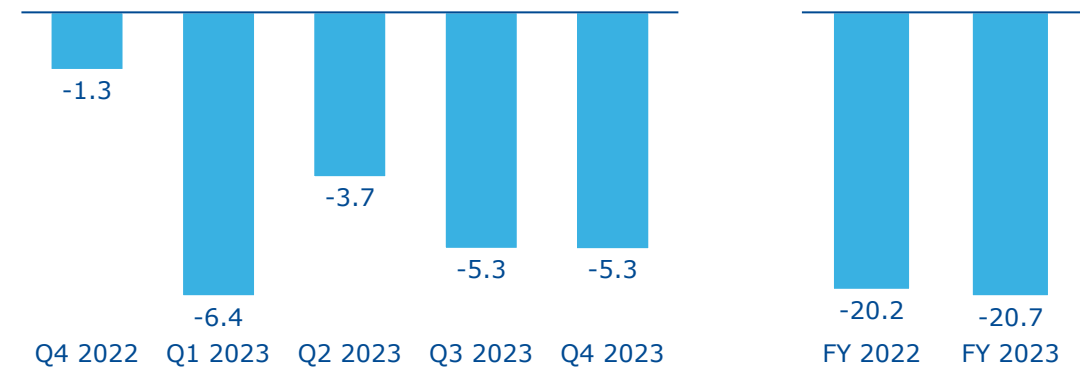
## Key messages

- Revenues rose by 12% in 2023 driven by increasing teriparatide sales and higher CDMO revenues, mostly from Richter-Helm Biologics (RHB)
- Significant increase in gross profit (+26% YoY) was offset by higher R&D expenses, related to the ongoing product development
- Richter's denosumab biosimilar program (RGB-14) is on track with Phase 3 clinical studies successfully completed. Final documentation and dossier compilation are ongoing, and FDA and EMA submissions are planned for later in 2024.
- Richter's Tocilizumab biosimilar program (RGB-19) is progressing with Phase 1&3 clinical trials in collaboration with our co-development partner
- Further biosimilar development programs are also progressing at preclinical phase for targets in the rheumatology and immunology therapeutic space

## Revenue (HUFbn)



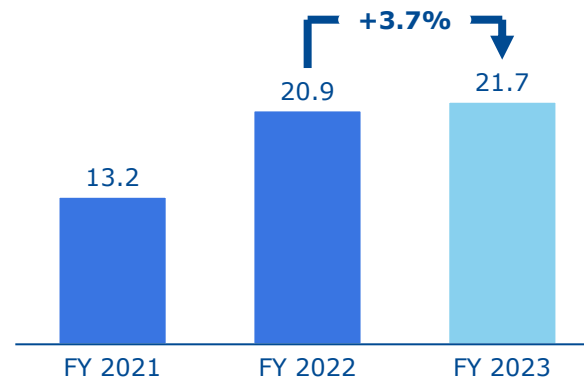
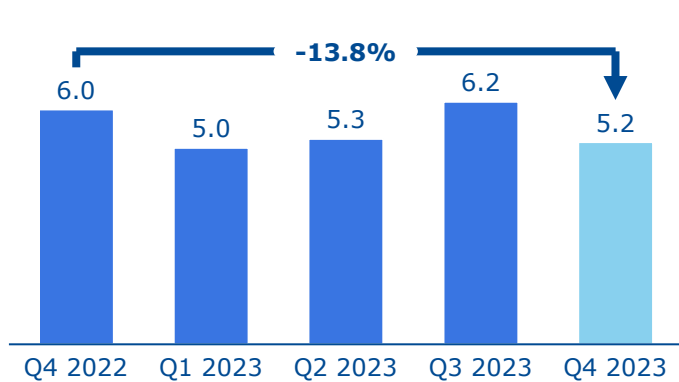
## Clean EBIT (HUFbn)



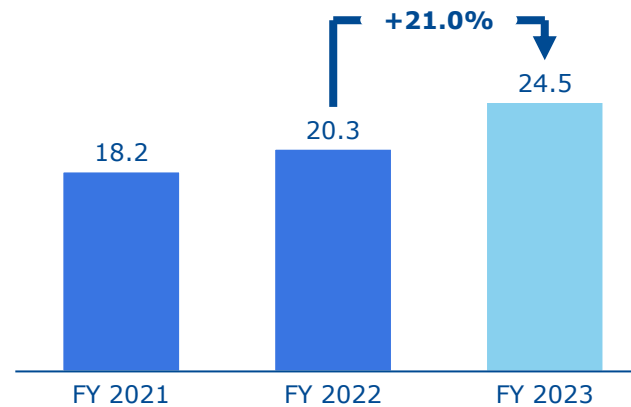
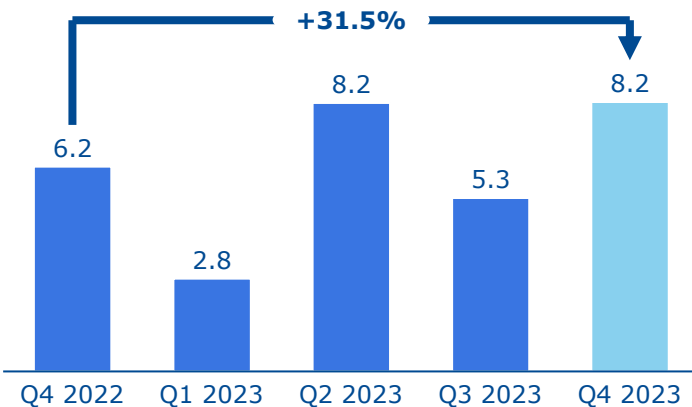
# Both Teriparatide and CDMO revenues continued to expand



## Terrosa®



## CDMO activities



## Key messages

- The teriparatide biosimilar owned by RHT (Richter-Helm Biotech) has been licensed out to partners across markets in six continents. Richter has co-licensing rights for European markets and has licensing rights for certain Latam markets and Australia. Globally the teriparatide sales from all licencees of RHT achieved close to EUR 125mn in 2023.
- **Terrosa®** chart shows Richter's own sales of the product. In addition, drug substance proceeds by partners are recorded in P&L in the „Share of profit of associates and joint ventures“ (HUF 3.8bn in 2023).
- **Terrosa®** has become a major revenue contributor for Richter. Sales proceeds from WEU region contributed substantially to the higher turnover of **Terrosa®** reported.
- CDMO sales reached the highest values to date, driven by RHB revenues.





# General Medicines

GM



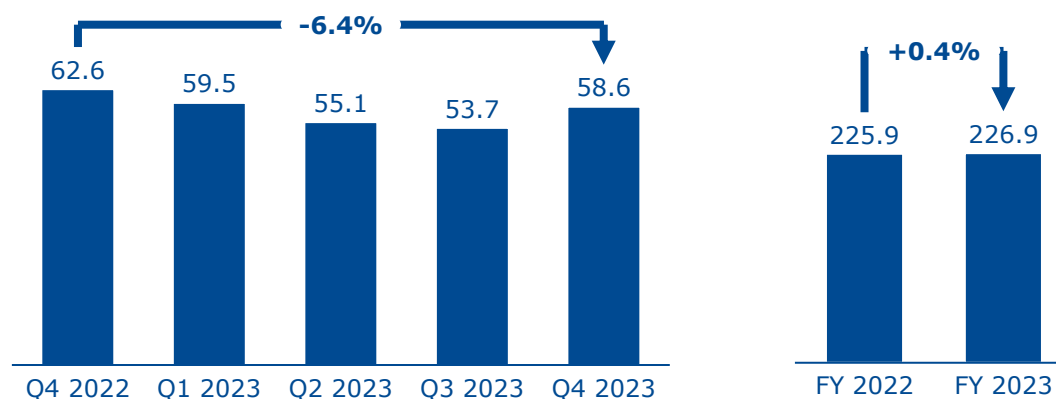
# Negative FX intensified in H2, more than offset positive volume/mix and price impact

GM   HUF mn	Q4 2022	Q4 2023	Ch. % YoY	FY 2022	FY 2023	Ch. % YoY
<b>Revenues</b>	<b>62,589</b>	<b>58,591</b>	<b>-6</b>	<b>225,916</b>	<b>226,888</b>	<b>0</b>
Cost of Sales	-32,050	-32,316	1	-101,935	-105,142	3
<b>Gross Profit</b>	<b>30,539</b>	<b>26,275</b>	<b>-14</b>	<b>123,981</b>	<b>121,746</b>	<b>-2</b>
Gross margin %	48.8	44.8		54.9	53.7	
Sales&Marketing	-14,290	-11,437	-20	-48,493	-45,229	-7
G&A	-3,923	-5,058	29	-13,609	-19,744	45
R&D	-2,872	-3,658	27	-9,392	-10,627	13
Clawback	-445	-340	-24	-2,169	-2,827	30
Milestone income	0	0		0	0	
<b>Clean EBIT</b>	<b>9,009</b>	<b>5,782</b>	<b>-36</b>	<b>50,318</b>	<b>43,319</b>	<b>-14</b>
cEBIT margin %	14.4	9.9		22.3	19.1	

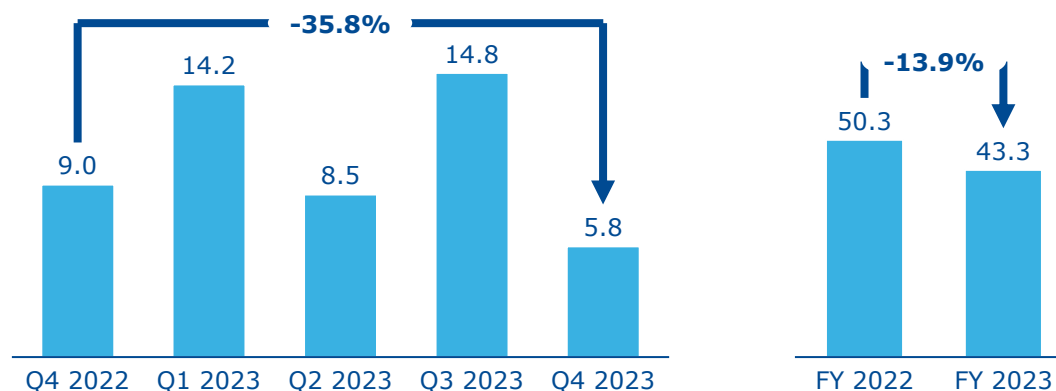
## Key messages

- Revenues were under pressure and declined in HUF-terms in Q4 2023 YoY, exclusively due to the FX headwind, which became more severe in H2
- The business continued to sustain strong, around 10% volume growth and positive price impact throughout the year
- Cost of the efficiency improvement projects and higher R&D weighed on Clean EBIT in 2023, but quarterly fluctuation is largely „technical“/timing difference
- Day 1 launch of first dabigatran generic in CEE under Telexer brand name was provided by Richter, available in 9 markets to date

## Revenue (HUFbn)



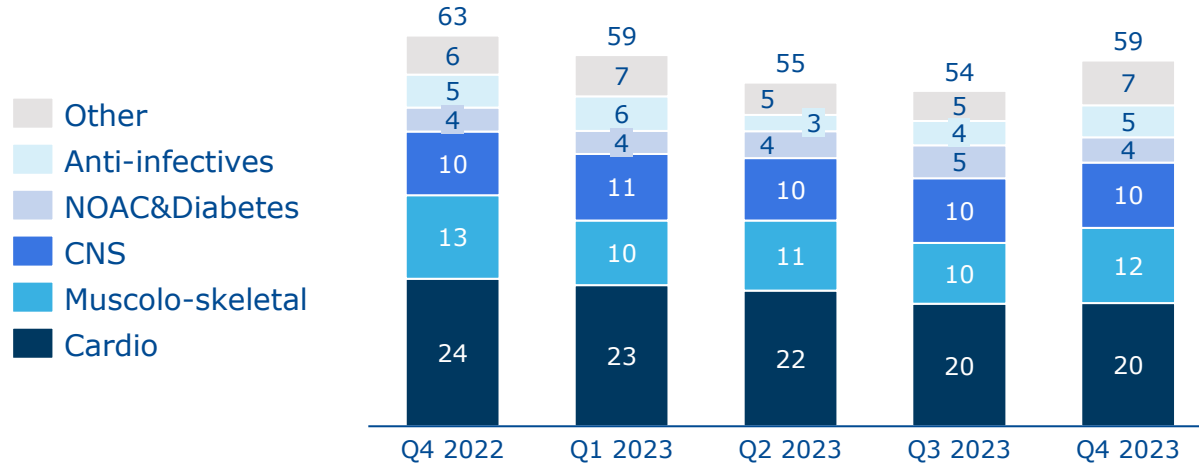
## Clean EBIT (HUFbn)



# Diverse and well-balanced portfolio delivering solid growth



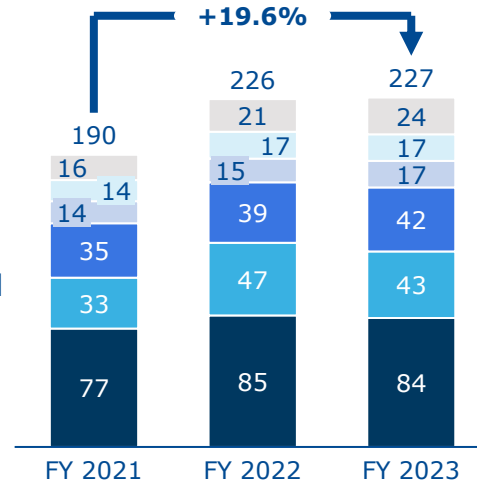
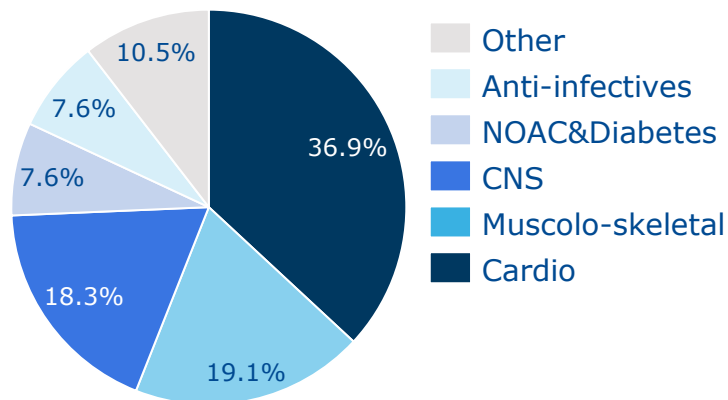
## Total GenMed revenue by therapeutic areas (quarterly HUF bn)



## Key messages

- Cardio and CNS are the GenMed powerhouses, where the further growth is aspired
- We are extending the portfolio to new therapeutic areas, like novel oral anticoagulants (NOAC) and Diabetes
- Sales from the portfolio extensions grew double-digit in 2023 vs 2022, delivering accessible medicines to additional patients in new geographies
- Core and established portfolio remains a strong foundation to success, we continue to optimize product ranges
- OTC range contributed to GenMed overall solid performance due to the focused activities in key markets, leveraging opportunities for our anti-viral products
- 2023 GenMed Sales performance hide a nearly 10% overall volume growth and positive price impact, fully offset by a major negative FX impact (mostly due to the weaker RUB)
- Comparisons to a 2021 base better describe the progress made in this business unit (positive FX in 2022 was nearly identical to negative FX in 2023)

## Total GenMed revenue by therapeutic areas, annual (HUF bn; % in 2023)

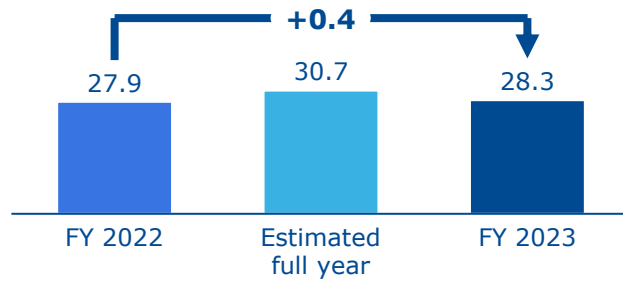




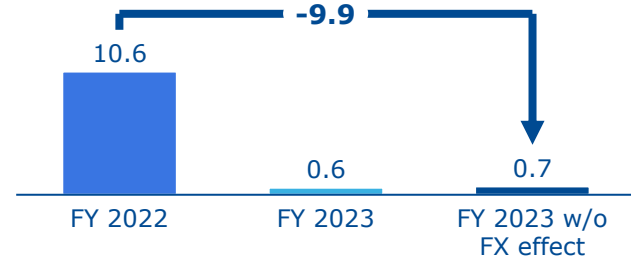
# Appendix

# Special items affecting consolidated financials

## Windfall tax

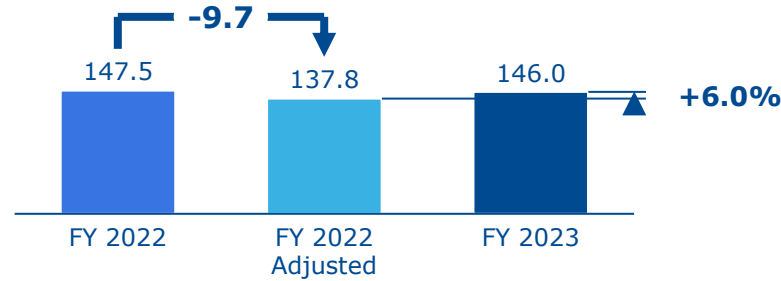


## Milestone income

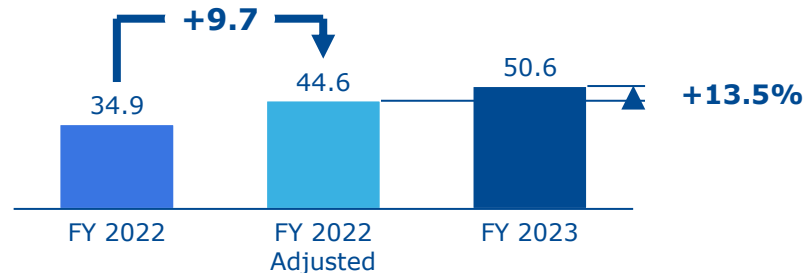


## Reallocation of G&A overheads

### Sales & Marketing



### General & Administrative



## Windfall tax

- Windfall tax rose marginally compared to 2022 (despite materially higher pharma revenues) but was slightly below our mid-year estimate

## Reallocation of G&A overheads

- Due to the revision of management's estimates for the ratio on overhead expenses, around HUF 10bn expenses were reallocated from S&M to G&A in 2023
- In addition, cost of efficiency projects and the wholesale and retail divestment, increased G&A expenses by HUF 4.4bn. This amount is allocated to all BU's cEBIT.

## Milestone income

- In 2023 hardly any milestone income was received, while in 2022 HUF 10.6bn was received related to CNS original research

# HUF 38bn FX losses in 2023 (vs FX gain in 2022), partly offset by interest income, gain on disposal





## Consolidated

	H1 2022	H1 2023	Q1-Q3 2022	Q1-Q3 2023	FY 2022	FY 2023
Unrealised exchange (loss)/gain	33.5	-26.5	36.7	-11.7	-12.3	-2.9
Realised exchange (loss)/gain	9.3	-22.0	27.9	-26.7	26.3	-41.4
Result of realised & unrealised forward exchange contracts	-8.0	6.3	-7.6	5.3	-6.4	6.3
Interest income / (Interest expense)	1.7	4.4	3.1	6.8	6.2	10.3
Gain on disposal of subsidiaries		12.0		12.0		11.4
Other items	-6.4	0.9	-8.8	-4.1	-7.8	-7.6
<b>Net financial income (loss)</b>	<b>30.0</b>	<b>-24.9</b>	<b>51.3</b>	<b>-18.4</b>	<b>6.0</b>	<b>-24.0</b>

## Realised and unrealised losses

- Hedging transactions applied by management can mitigate some of the risks resulting from the high volatility of the functional currency
- Weakening RUB in the period resulted in extremely high realized foreign exchange losses, completely opposite to the trends observed in 2022
- At year-end management significantly decreased open balance sheet items towards our Russian subsidiaries to mitigate risk of uncontrolled unrealized losses
- Gain recorded on the disposal of Romanian entity and net interest income could partially compensate FX losses

# Business units' P&L in 2023


FY 2023	 WHC	 CNS	 BIO	 GM	Pharma Other	Pharma	Other	Eliminations	Group total
<b>Revenues</b>	<b>255.7</b>	<b>205.7</b>	<b>46.2</b>	<b>226.9</b>	<b>13.0</b>	<b>747.4</b>	<b>70.9</b>	<b>-13.2</b>	<b>805.2</b>
Cost of Sales	-86.3	-1.2	-29.4	-105.1	-11.3	-233.4	-63.2	12.8	-283.8
<b>Gross Profit</b>	<b>169.3</b>	<b>204.4</b>	<b>16.8</b>	<b>121.7</b>	<b>1.7</b>	<b>514.0</b>	<b>7.7</b>	<b>-0.3</b>	<b>521.3</b>
Sales & Marketing	-84.9	-3.4	-6.6	-45.2	-1.3	-141.4	-4.6	0.0	-146.0
General & Administrative	-21.2	-0.8	-4.1	-19.7	-1.1	-46.8	-3.7	0.0	-50.6
Research & Development	-16.4	-24.7	-26.6	-10.6	0.0	-78.3	0.0	0.0	-78.3
Clawback	-7.4	-0.7	-0.7	-2.8	0.0	-11.6	0.0	0.0	-11.6
Milestone income	0.0	0.1	0.5	0.0	0.0	0.6	0.0	0.0	0.6
<b>Clean EBIT</b>	<b>39.4</b>	<b>174.9</b>	<b>-20.7</b>	<b>43.3</b>	<b>-0.6</b>	<b>236.3</b>	<b>-0.7</b>	<b>-0.3</b>	<b>235.3</b>

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
 <b>CNS Neuropsychiatry</b>	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 <sup>1</sup>
 <b>WHC Women's Healthcare</b>	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
 <b>BIO Biotechnology</b>	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
 <b>GM General Medicines</b>	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 <sup>2</sup>

## Other | Other segment

Non-pharmaceutical activities

<sup>1</sup>Cariprazine and innovative neuropsychiatry pipeline, <sup>2</sup>Off-patent original CNS products and generics



# Leadership team



**Gábor Orbán**  
CEO

Appointed Chief Executive Officer from November 1, 2017. Began his professional career as an economist for the National Bank of Hungary and the European Central Bank. He later joined Aegon Asset Management where he worked as a fund manager and the head of the fixed income desk. He served as the state secretary in charge of taxation and the financial sector at the Ministry for National Economy for two and a half years, followed by a year spent at Banque Rothschild where he worked as a consultant. He earned his MA degree at the Budapest University of Economics and studied also in the United States. Richter's Director of Corporate Strategy since September 2016, Chief Operating Officer since 2017. Member of the Company's Board of Directors from April 2017.



**István Hamecz**  
CFO

Graduated at Corvinus University Budapest in 1991. He started his career in the Institute of Economic Policy and Planning of the Ministry of Finance. From 1992 to 1994 researcher at the Institute of Economics of the Hungarian Academy of Sciences (MTA). Between 1994 and 2007 worked at Central Bank of Hungary (MNB) in different positions. From 2001 to 2007 Managing Director in charge of Economic and Monetary Policy at MNB. Between 2007 and 2013 CEO and Chairman of the OTP Fund Management Pte. Ltd. and simultaneously from 2008 to 2012 the member, later Chairman of the Board of Directors at OTP Russia. Managing director in charge of Russia and Ukraine at OTP Bank Plc between 2013 and 2016. Joined Richter in 2020 as Director of Financial Operations, since 2022 Gedeon Richter Plc.'s Chief Financial Officer. Member of Gedeon Richter Plc.'s Board of Directors since April 12, 2022.



**Dr István Greiner**  
R&D Director

Appointed Research Director in 2014. Chemical engineer (M.Sc), a qualified patent attorney, has a PhD and an MBA degree (Open University, UK). Joined Richter in 1984 and has held a number of management positions including Head of Chemical R&D, Head of the Patent Department between 1996 and 1999. In 2001 he was appointed Deputy to the Research Director and from 2006 he also became responsible for the new recombinant biotechnological activity of the Company.

# Leadership team



**Katalin Erdei**  
HR Director

After graduating at the University of Szeged from the Faculty of Arts, Katalin Erdei has gained 18 years of experience in the field of human resource management. She worked in various positions at companies such as Győri Keksz Kft, Ferrero Hungary and then Mars Hungary and Global. From 2012, she was a member of the management board at Mars' Hungarian subsidiary and from 2015, she worked as a Regional HR Manager at the European headquarters of Mars Inc, in Germany. She has joined Richter in 2018 to drive the global HR agenda of our Company.



**Tibor Horváth**  
Commercial Director

Appointed Commercial Director in 2017. Has an MSc in Biology and Chemistry and an MBA in Marketing and International Commerce. Joined Richter in 1999 as a market analyst then worked as a licensing manager. In 2005 he was appointed Managing Director of Richter's German subsidiary Gedeon Richter Pharma GmbH, where he worked until August 2017.



**Attila Szénási**  
Director of Pharmaceutical manufacturing

Director of Pharmaceutical manufacturing, joined the Company at the beginning of 2019. Responsible for production of Budapest and abroad manufacturing sites. Chemical engineer with a degree in organizational management as well. Gained experience in various positions at well known multinational companies in chemical and pharmaceutical industries such as Unilever or Teva and in global environment before entering the Company.



**Tamás Szolyák**  
Director of Global Regulatory Science & Portfolio Management

Joined the company in September 2018 as Head of Regulatory Science. He began his career as a medical representative in 1992. Worked for Novartis and its predecessor companies for 21 years. He filled various positions in sales and marketing. Between 2007 and 2013 he was the General Manager of the Hungarian affiliate of Novartis. Within this period he was the President of AIPM, the local association of innovative companies. From 2013 he focused on healthcare projects, covering development scenarios for the Hungarian primary care system. Joined the Hungarian National Authority of Pharmacy, where he was responsible for regulatory and patient safety matters.



# GEDEON RICHTER

Health is our mission

## Contacts

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Sector: Pharmaceutical  
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## Investor relations manager

Róbert Réthy, CFA +36 20 342 2555  
[investor.relations@richter.hu](mailto:investor.relations@richter.hu)

## Financial calendar

| 25 April 2024 – AGM  
| 14 May 2024 – Q1 2023 results  
| 6 August 2024 – H1 2023 results  
| 12 November 2024 – Q1-Q3 2023 results



<https://www.gedeonrichter.com/en/>



<https://www.linkedin.com/company/richter-gedeon-hungary/>

All dates in the table may be subject to change

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