



Gedeon Richter Q2/H1 2024 Earnings Report

6 August 2024

H1 2024 highlights – Full-year guidance reiterated

2024
guidance

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

H1 2024 CER revenue growth +12.5% (FX now a slight tailwind); M&A may add c.1ppt to sales growth in 2024

Clean EBIT (CER*) EUR 725-750mn

H1 2024 CER Clean EBIT growth +18% (EUR 347mn), guidance range maintained; M&A may have negative EBIT impact of c. EUR 10mn in H2 2024 (Mithra R&D)

Q1

H1

Q1-Q3

FY

HUF 413.4bn
(EUR 1.06bn)

Pharma sales

↑ +14.1%

HUF 136.0bn
(EUR 349mn)

Clean EBIT²

↑ +22.3%

HUF 126.5bn
(EUR 324mn)

EBIT¹

↑ +33.1%

HUF 111.4bn

Free Cash-flow³

↑ +HUF 69.8bn

HUF 756

EPS

↑ +107.1%

19.6%

Return on Equity⁴

↑ +7.9ppt

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

* CER (constant exchange rate) calculation is based on 2023 actual FX rate (HUFEUR = 382)

Financial and operational highlights



Financial highlights

- Pharma revenues grew by 16% to HUF 213bn in Q2 2024, bringing H1 2024 pharma revenues to HUF 413bn (EUR 1.06bn), up 14% YoY
- CER (ex-FX) revenue growth was 12.5% in H1, within the FY 2024 guidance range; the weaker HUF provided some tailwind (+1.6ppt) in the period
- CNS, WHC and BIO segments sustained double-digit sales growth and GenMed also caught up in Q2 2024
- Gross profit (pharma) grew by 15% to HUF 289bn and gross margin rose by 0.6ppt to 70.0% in H1 2024
- Clean EBIT (pharma) jumped by 34% in Q2 2024 to HUF 71bn, bringing Clean EBIT to HUF 136bn (EUR 348mn) in H1 2024, up 21% YoY. CER (ex-FX) Clean EBIT rose by 18% to EUR 347mn, in-line with full-year targets, if considering some revenue/royalty seasonality.
- Free cash flow (before M&A) amounted to HUF 111bn in H1 2024, more than doubling YoY on higher operating cash flow
- Significant M&A activity of HUF 130bn (Formycon, Helm, Mithra, BCI), the regular annual dividend (HUF 78.8bn, or HUF 423/sh) and a small buyback led to a material decline in net cash during H1 2024

Business drivers and key events (Q2 2024)

- Richter agreed to acquire certain assets from Mithra for an implied total EV of EUR 175mn, including exclusive rights related to its lead platform, based on Estetrol (E4), a unique, native estrogen
- Richter acquired BCI Pharma, a Belgium-based biotech company, carrying out innovative research in a variety of Women's Health conditions, for an implied total EV of EUR 12mn payable over the next few years
- EMA has accepted Richter's two marketing authorization applications (MAAs) for its proposed biosimilar to denosumab, the first biosimilar monoclonal antibody in the broadening portfolio
- Based on the preliminary data of the Phase II study, Richter will not pursue further the development of RGH-706 in hyperphagia associated with Prader-Willi syndrome

Improving access to Women Health – using both financial (M&A) and social tools (CSR)

Important steps towards building up original research in Women's Healthcare

- The acquisition of Mithra's R&D platform and its scientific team provides Richter with capability and know-how to set foot in original gynecological research and cover the whole WHC value chain
- BCI Pharma: a company with a novel kinase inhibitors' library and more than 2,500 registered active substances and an early-stage research platform with innovative molecules
- Existing product portfolio along with inorganic steps and the original research just initiated shall sustain a strong product pipeline well into the next decade, providing innovative solutions in areas of significant unmet need and further strengthen Richter's leadership in WHC



Local and international reach in Richter's CSR projects

Healthcare and education are two areas where we can utilize our WHC expertise and fulfil our corporate social responsibility. Two recent outstanding projects are:

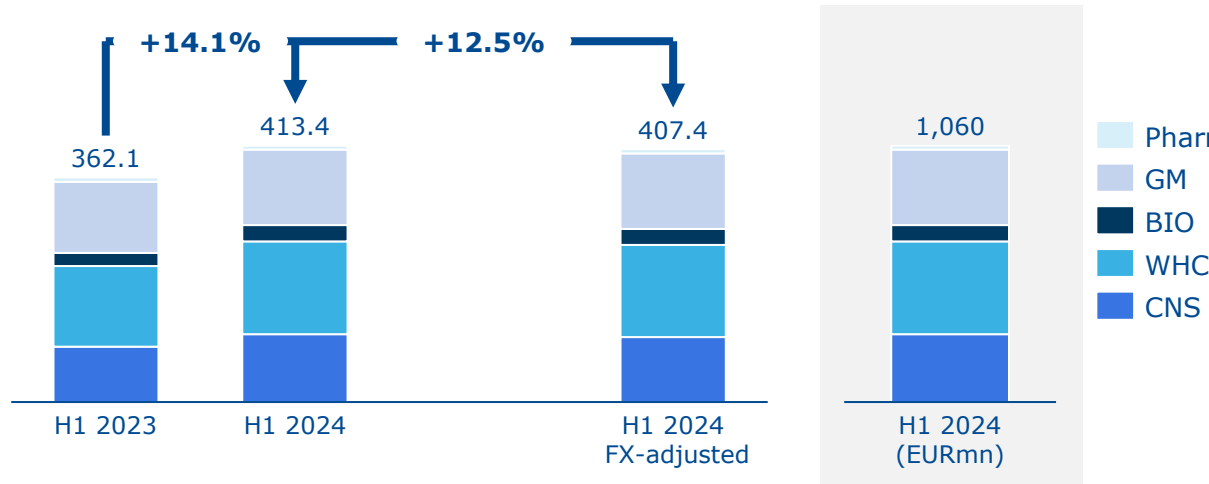
- **„Gedeon Richter House of Hope”** for disadvantaged and vulnerable women in Bamako, Mali. The center will provide psychological, legal and health counselling, as well as educational programs for women in need. Richter is providing a significant part of the construction costs and operating support.
- **„Richter RAJT” project**, for teenagers living in extreme poverty in Hungary. Professional lectures, counselling and individual discussions on the topics of sexual education, adolescent changes, intimate hygiene, relationship awareness, family planning, contraception, abortion prevention were held. At 4 locations, a total of appr. 700 students were engaged in H1 2024.

Financial Highlights

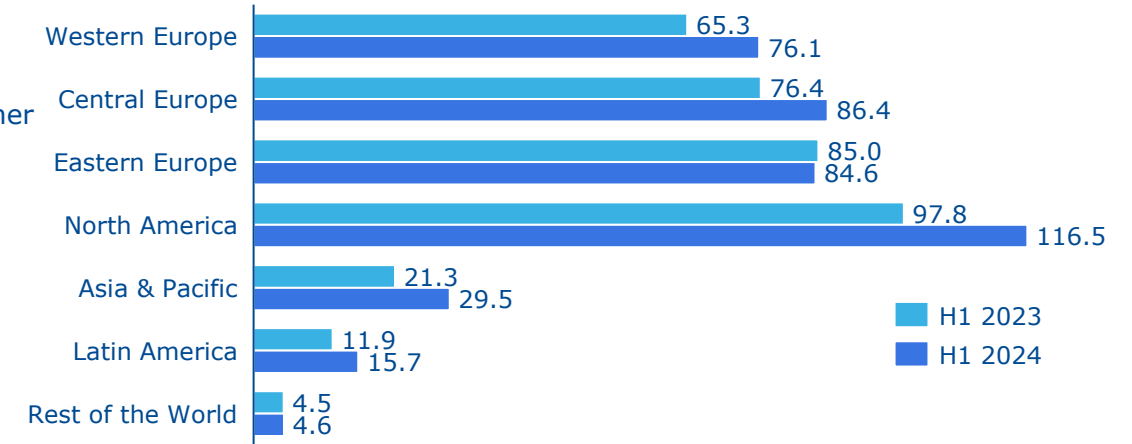


Pharmaceutical revenues (ex-FX) rose by 12.5% in H1 2024

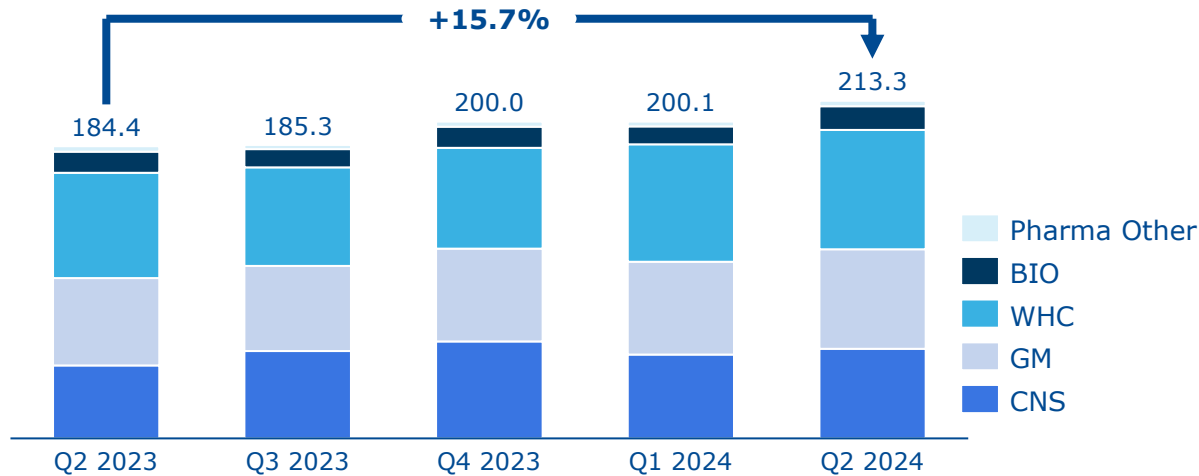
Pharmaceutical Revenues, cumulative (HUF bn, EUR mn)



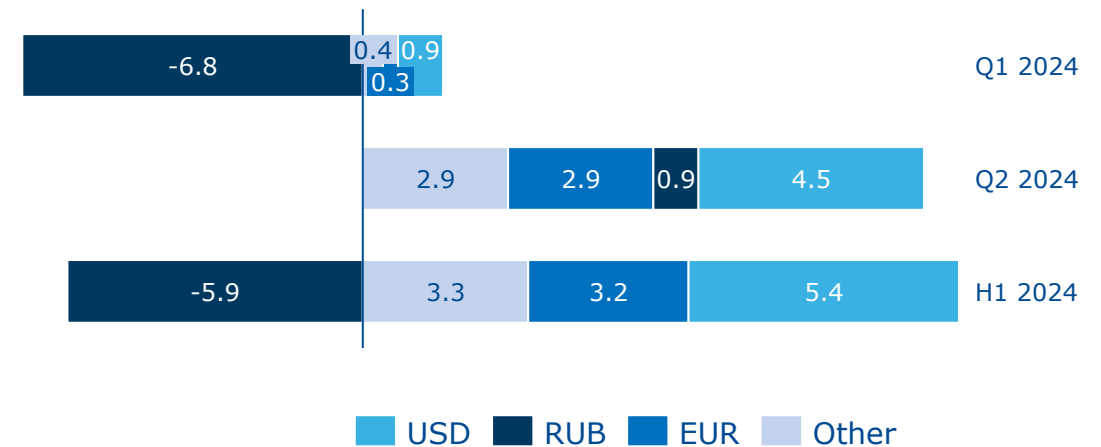
Pharmaceutical Revenues by region (HUF bn)



Pharmaceutical Revenues (HUF bn)

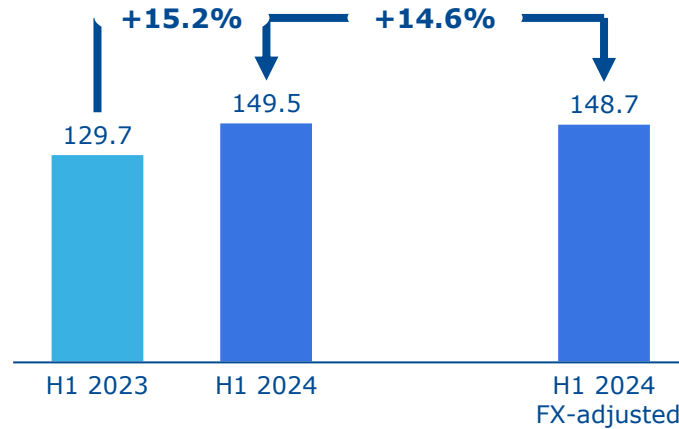


Impact of the exchange rate changes on revenues (HUF bn)

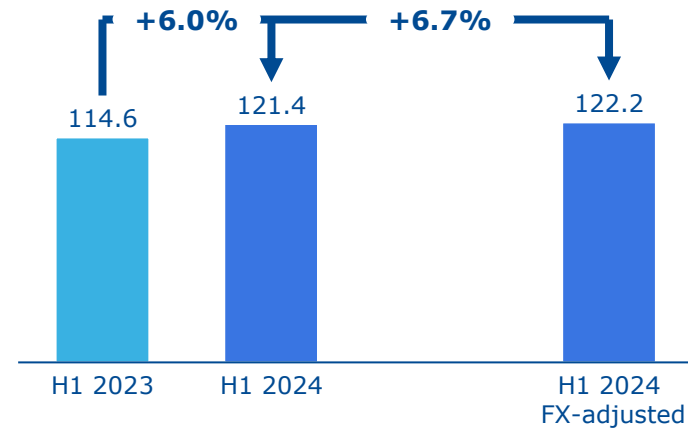


Double-digit growth in three segments, GenMed catching up too

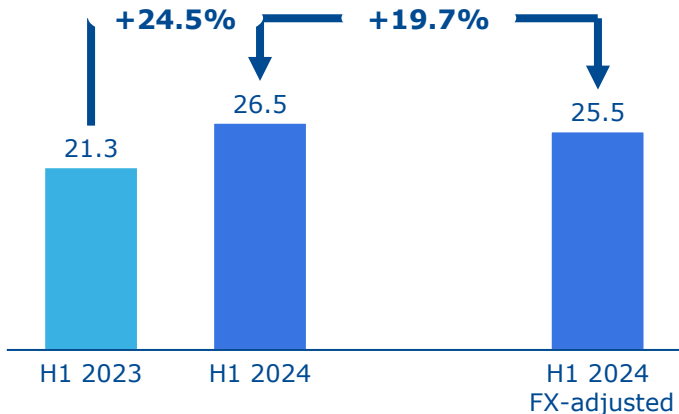
WHC Revenues



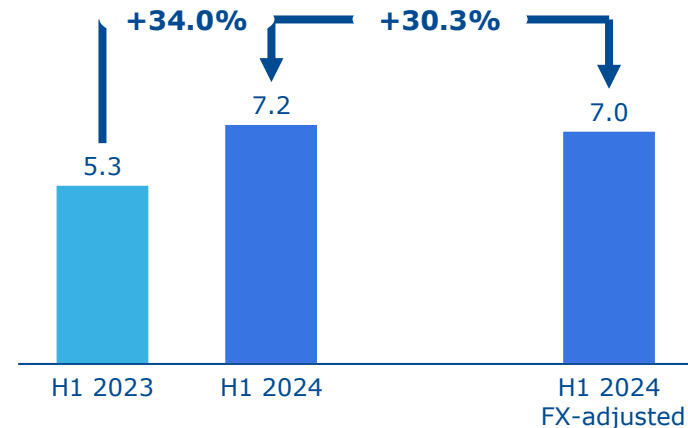
GM Revenues



BIO Revenues



CNS ex-Vraylar Revenues

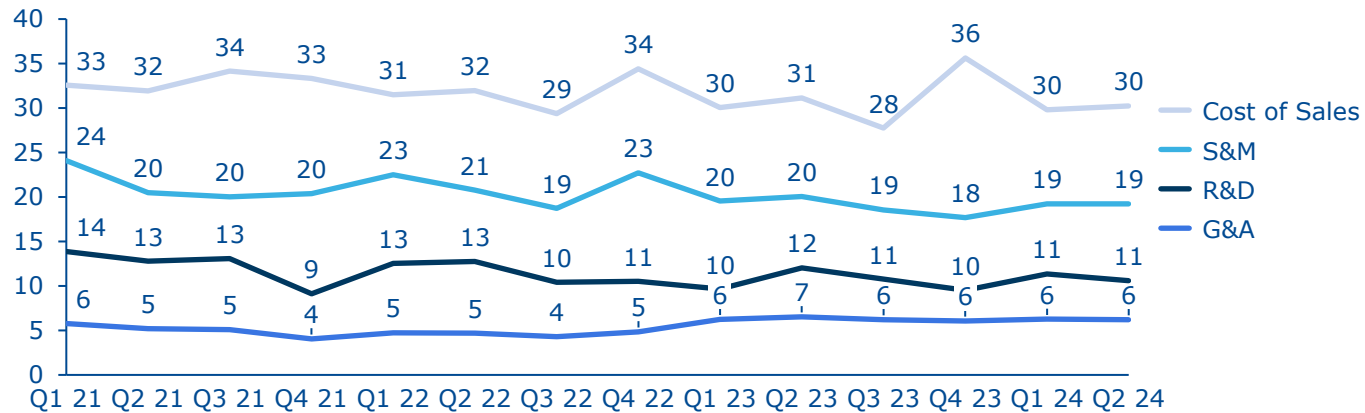


Key messages

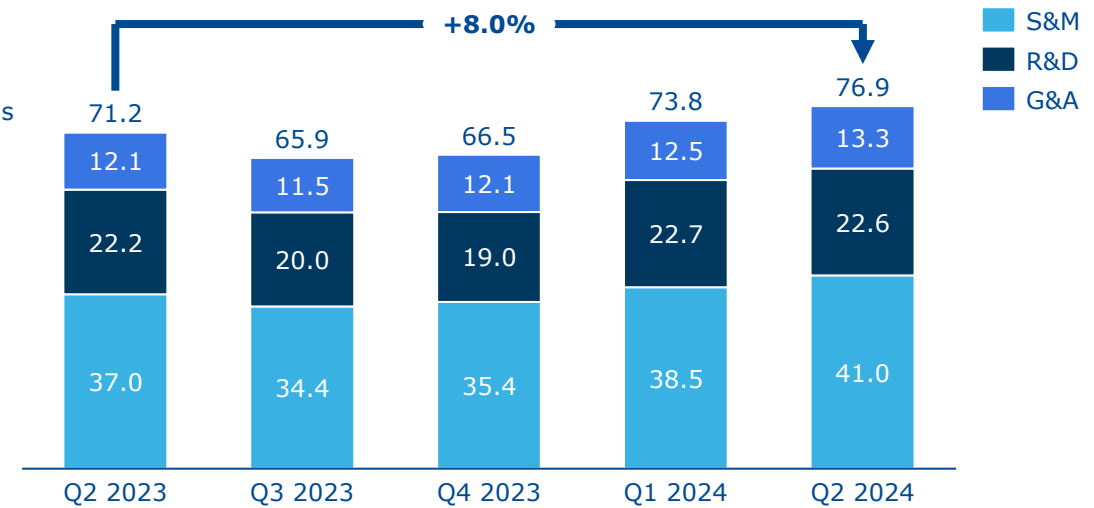
- **WHC** revenue growth was outstanding in H1 at around 15% YoY, despite slowing slightly in Q2. The key brands (EVRA[®], Drovelis[®], Ryeqo[®] and Lenzetto[®]) remained the major growth drivers, but the traditional portfolio also performed well. Sales growth was particularly robust in LatAm and APAC (China), partly driven the timing of shipments, while Western Europe also posted double-digit sales growth
- **GenMed** returned to double-digit sales growth in Q2, bringing H1 ex-FX growth to 7% YoY; FX impact was neutral in H1, as the RUB weakness slowly fades
- **BIO** revenues (ex-FX) increased by an impressive 20% YoY, as both CDMO and Terrosa[®] sales rose at double-digit rate
- **CNS (ex-Vraylar)** performance remained robust, with Reagila[®] sales growth at 30%+ both in our own network and at partners

Opex increased by 12% in H1 YoY, less than top-line growth

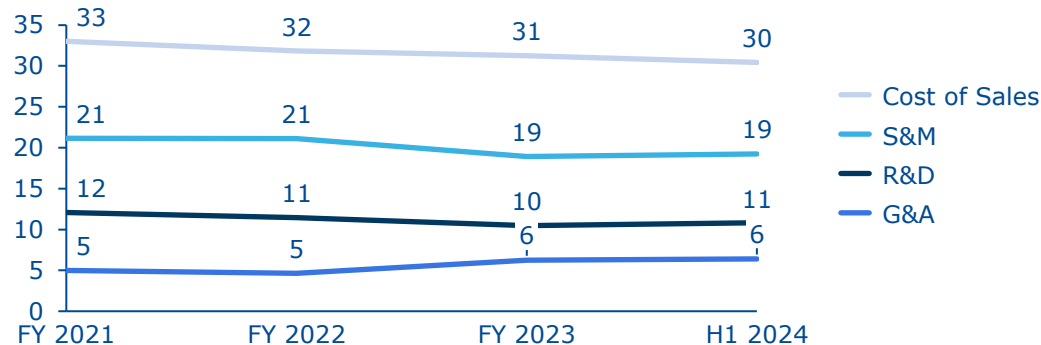
Operating costs as a % of Pharma revenues (%)



Operating costs (pharma) (HUFbn)



Operating costs as a % of Pharma revenues (%)

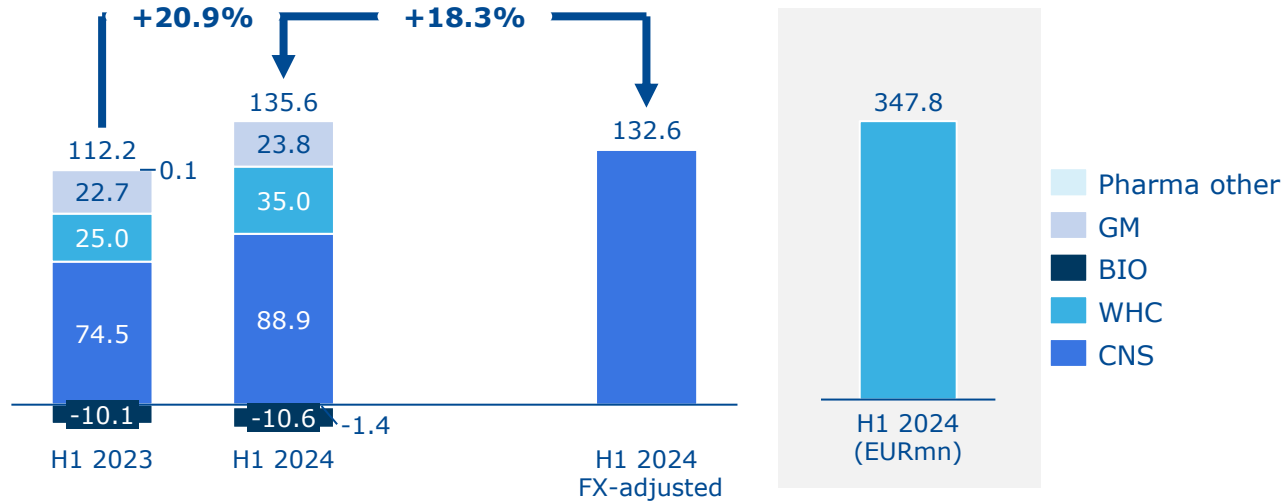


Key messages

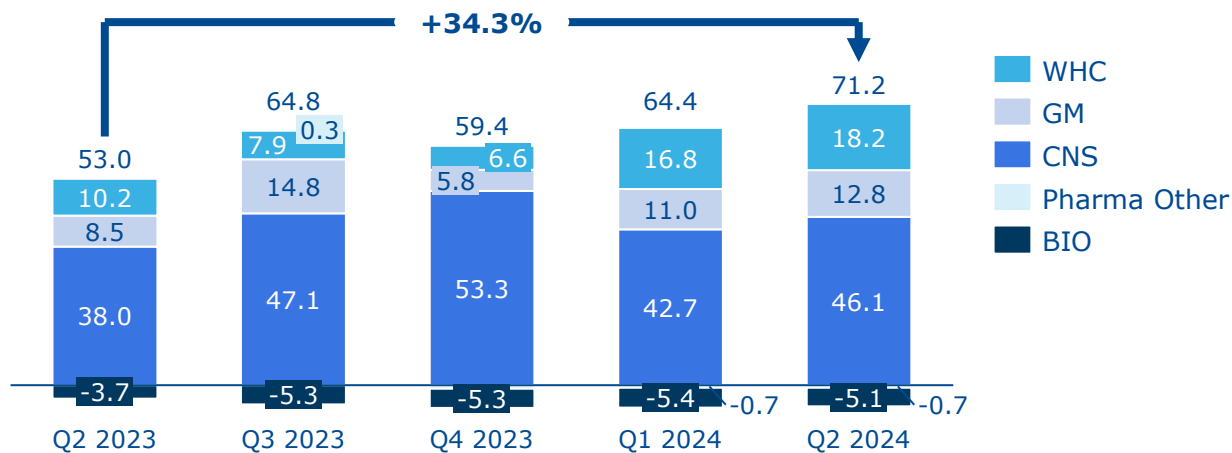
- Cost of Sales as a % of sales is slowly declining further (gross margin slightly up), as sales and royalties grow
- Operating expenses rose by 12% YoY in H1 2024, as cost increases moderated in Q2 (+8% YoY)
- R&D expenses increased by 15% in H1 YoY, in line with plans, driven by the clinical programs in CNS and BIO businesses
- Sales & Marketing expenses rose by 11%, driven by increased promotional activity (China, Poland) and wage inflation
- G&A expenses rose by 11% in H1 YoY, reflecting general cost inflation in Hungary

Clean EBIT (ex-FX) increased by 18% in H1 2024

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



Pharmaceutical Clean EBIT (HUF bn)

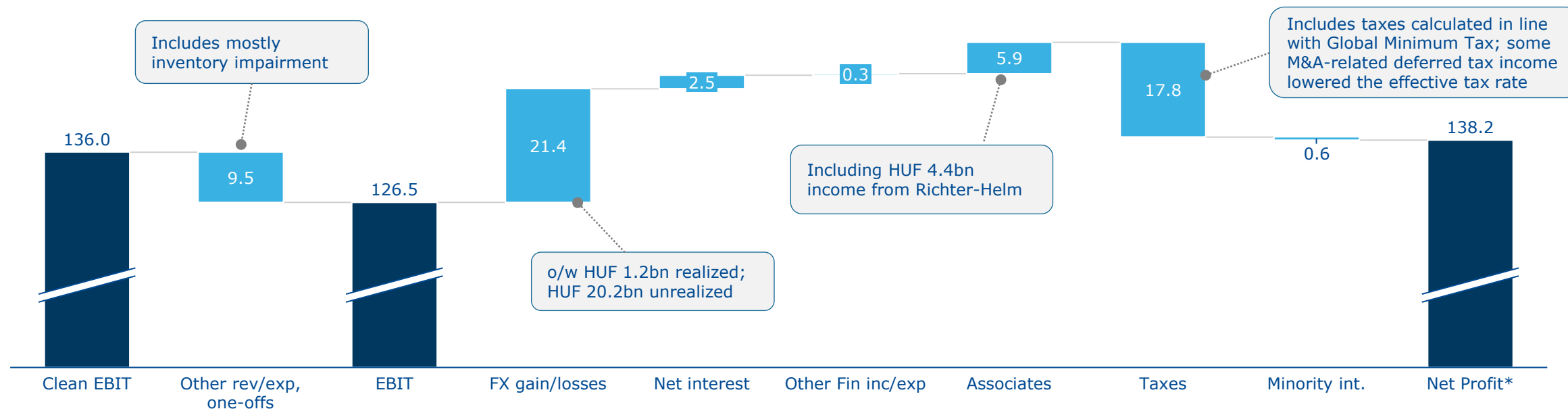


Key messages

- Clean EBIT (pharma) rose by 21% YoY in H1 2024 to HUF 135.6bn, as FX impact turned into a tailwind and pushed Q2 Clean EBIT 34% higher (to HUF 71.2bn)
- FX-adjusted Clean EBIT increased by 18% in H1 2024 YoY to HUF 133bn, and still on track to meet the full-year guidance if considering some revenue/earnings seasonality
- Small milestone revenue (a total of HUF 2.7bn in H1 2024) supported Clean EBIT vs almost none a year ago; this was partly offset by slightly higher clawback
- CNS, WHC and GenMed all contributed to the earnings growth both in Q2 and in H1 2024
- CNS remains well supported by the continued ramping up of cariprazine sales; WHC enjoyed rising contribution almost across the entire portfolio; while GenMed finally enjoyed some FX tailwind (other segments too) on top of the continued positive price and volume/mix impact
- BIO Clean EBIT losses stabilized at around HUF 5bn on a quarterly level, as materially higher sales and gross profit were offset by higher R&D expenses

Below-the-line: large unrealized FX gains boost net profit

Net Profit in H1 2024, below-Clean EBIT items (HUF bn)

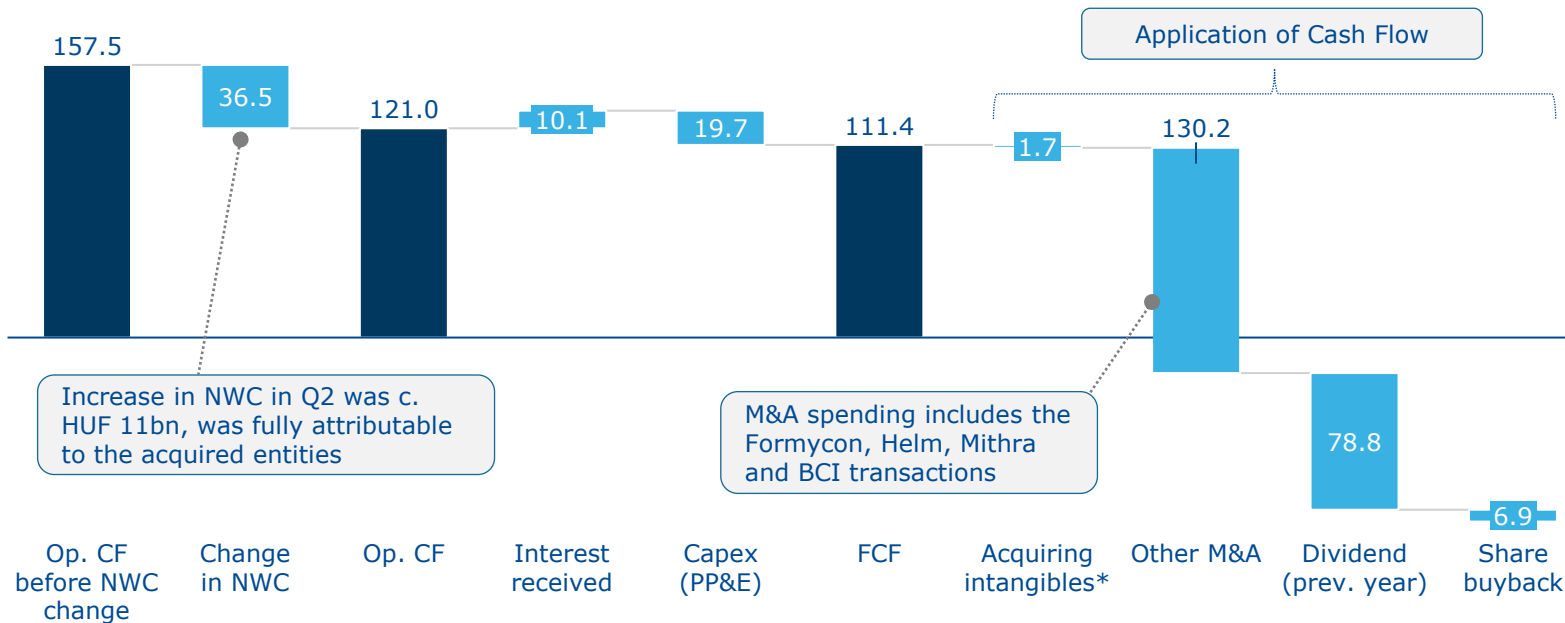


Key messages

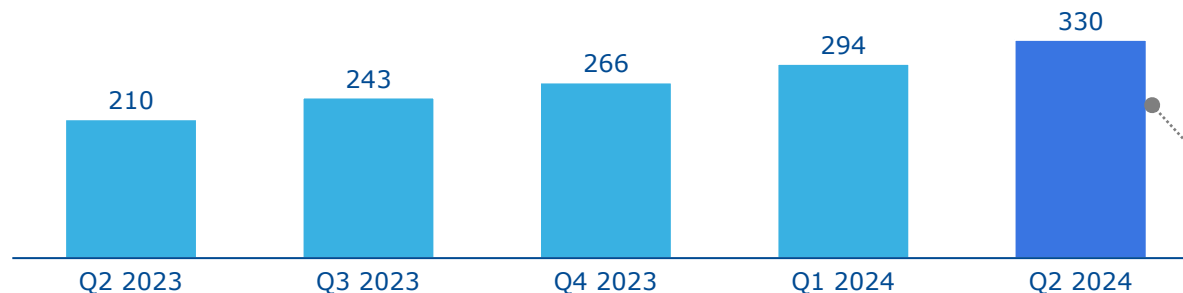
- Significant FX gains – predominantly unrealized - boosted the net income in H1 2024 (vs. large FX losses a year ago) on the back of the weaker HUF at the end of the period. FX gains are primarily related to working capital items. Q2 2024 added HUF 6.2bn to the FX gains (HUF 15.2bn in Q1).
- Taxes are 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 H1 2024
- Net profit came in at HUF 138.2bn, more than doubling YoY, due to higher operating profits and the large FX losses a year ago turning into material unrealized FX gains this year

M&A, dividends used up robust Free Cash Flow, reducing cash pile

Free Cash Flow in H1 2024 (HUF bn)



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 34 days YoY and 12 days vs Q1 2024

Key messages

- Free Cash Flow generation improved significantly and more than doubled YoY, FCF reached HUF 111.4bn in H1 2024,
- Stronger operations and FX losses a year ago turning into some FX gains supported FCF in H1 2024
- Working Capital remains a drag on cash generation, as NWC increased by HUF 36.5bn in H1, of which HUF 11bn in Q2, this latter fully attributable to the recent acquisitions (revenues not consolidated)
- Major M&A activity (4 transactions in H1: Formycon, Helm, Mithra and BCI) required substantial funding in the period (HUF 130bn, or EUR 334mn), using up all the FCF generated and part of the cash reserves
- The regular dividend payment also took place in Q2 (HUF 78.8bn, or HUF 423/share)
- As a result, the net cash position declined by more than HUF 100bn in H1 2024

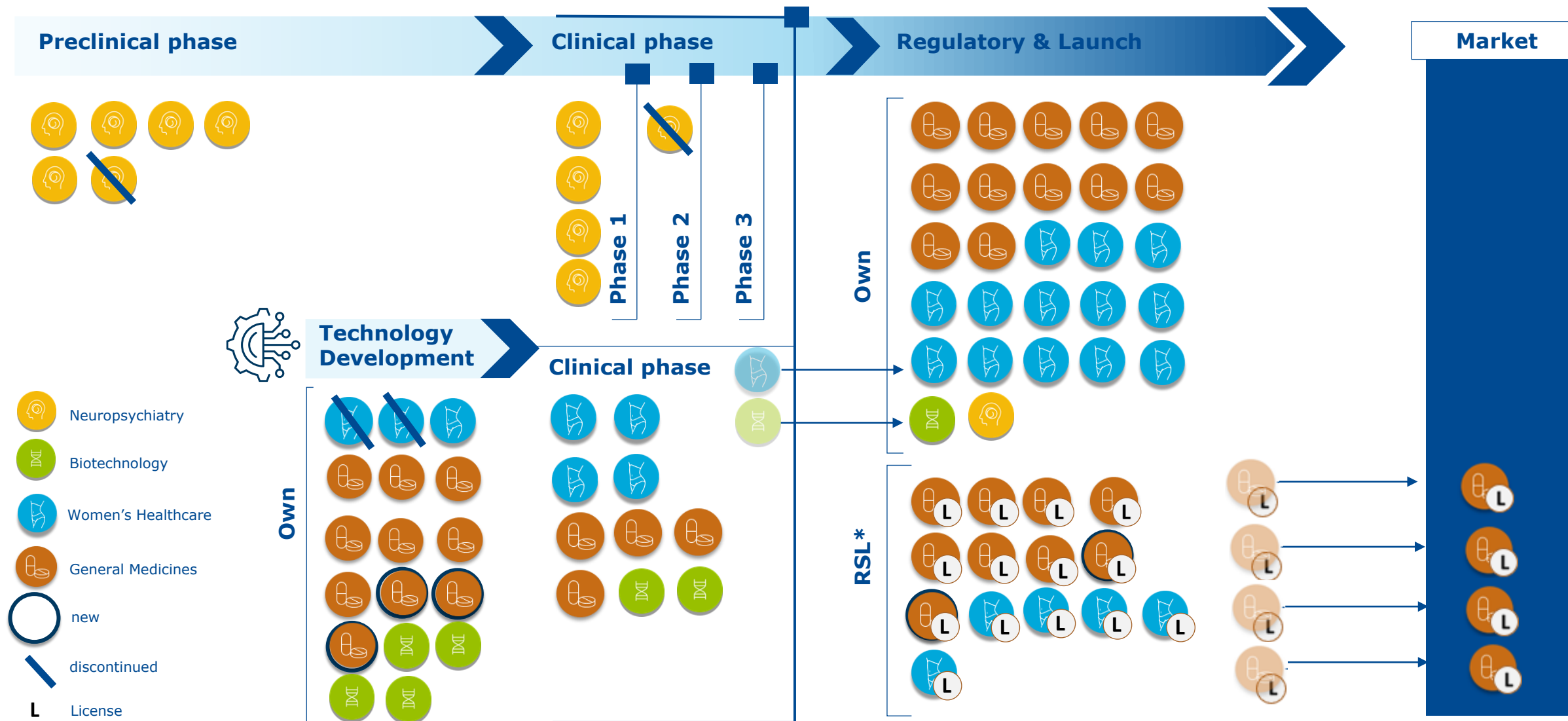


Research and Development

R&D



R&D pipeline – changes during Q2 2024



* Ready-to-Sell Licensed pipeline

Major developments in R&D in Q2 2024



Women's Healthcare

WHC



- Acquisition of BCI Pharma (a Belgium-based biotech company, carrying out innovative research in a variety of Women's Health conditions) and Mithra R&D capability/know-how has opened the way for Richter to establish its own gynecological original research, thus covering the entire value chain in WHC

Neuropsychiatry

CNS



- Based on the preliminary data of the Phase II study, Richter will not pursue further the development of RGH-706 in hyperphagia associated with Prader-Willi syndrome. Internal analyses of the accumulated clinical data are ongoing to identify other potential development opportunities with the molecule.
- One preclinical project was terminated in Q2 2024; the number of Phase 1 programs is unchanged (4).

Biotechnology

BIO



- RGB-14 (denosumab biosimilar) marketing authorization submission to the European Medicines Agency was conducted in July
- RGB-19 (tocilizumab biosimilar) Phase 1 clinical study has been completed and Phase 3 clinical program is proceeding according to plans through our co-development partner

General Medicines

GM



- Building up the NOAC portfolio: Kardatuxan (Rivaroxaban) launch in EU;
- Expanding diabetes portfolio: successful clinical studies in another value-added combination
- Strengthen the cardio portfolio: Vidonorm (Amlodipin-Indapamid-Perindopril) combi and Dinara (Diosmin-Hesperidin) launched, MA for Kogavant (Ticagrelor)



Neuropsychiatry

CNS



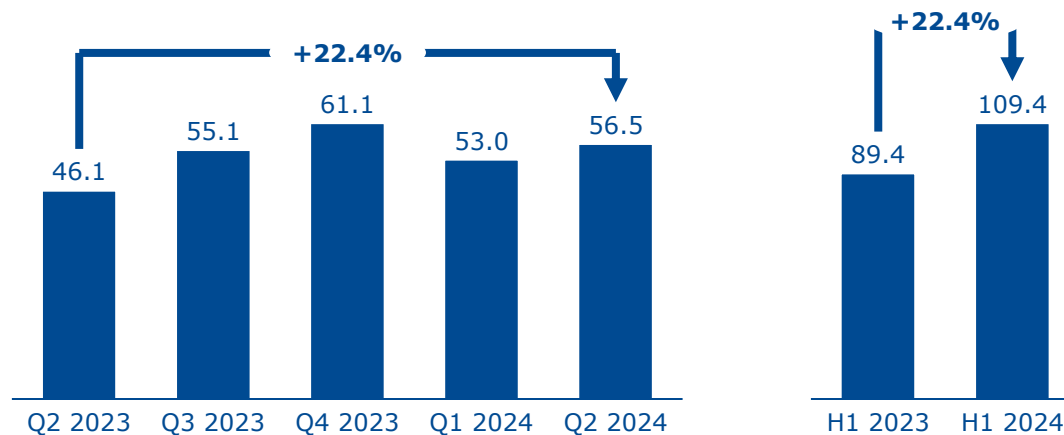
Cariprazine revenues grew 22% both in Q2 and H1 2024

CNS HUF mn	Q2 2023	Q2 2024	Ch. % YoY	H1 2023	H1 2024	Ch. % YoY
Revenues	46 115	56 450	22	89 410	109 418	22
Cost of Sales	-300	-406	35	-515	-782	52
Gross Profit	45 815	56 044	22	88 895	108 636	22
<i>Gross Margin %</i>	99.3	99.3		99.4	99.3	
Sales & Marketing	-801	-1 077	34	-1 597	-2 087	31
G&A	-173	-255	47	-354	-500	41
R&D	-6 887	-8 302	21	-12 253	-16 593	35
Clawback	-23	-283	n.a.	-298	-639	114
Milestone income	81	0		81	50	-38
Clean EBIT	38 012	46 127	21	74 474	88 867	19
<i>cEBIT Margin %</i>	82.4	81.7		83.3	81.2	

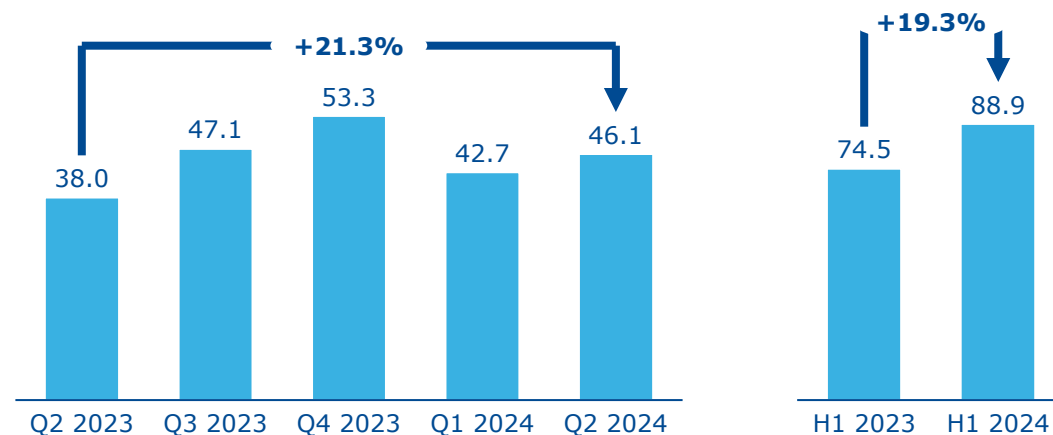
Key messages

- Revenues of the CNS segment increased by 22% both in H1 2024 vs H1 2023 and in Q2 2024 vs Q2 2023. The stronger USD and weaker HUF also added to revenue growth in HUF terms.
- Clean EBIT grew by 19% in H1 2024 YoY to HUF 89bn and Clean EBIT margin slightly declined, as R&D expenses rose by 35% YoY, in line with plans, and due to the larger number of clinical-phase projects
- Vraylar® sales by AbbVie continued to grow double-digit, by 18% in Q2 2024 YoY, reaching a global sales of USD 774mn within AbbVie territory (of which USD 773mn in the U.S.)
- Q2 2024 is the first period since launch when AbbVie's net sales of Vraylar have reached USD 3bn LTM (Last 12 Months) level

Revenue (HUFbn)

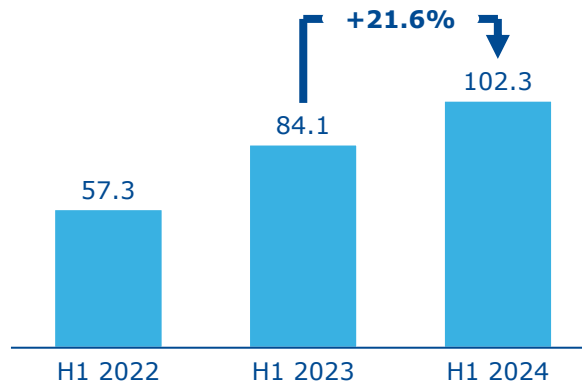
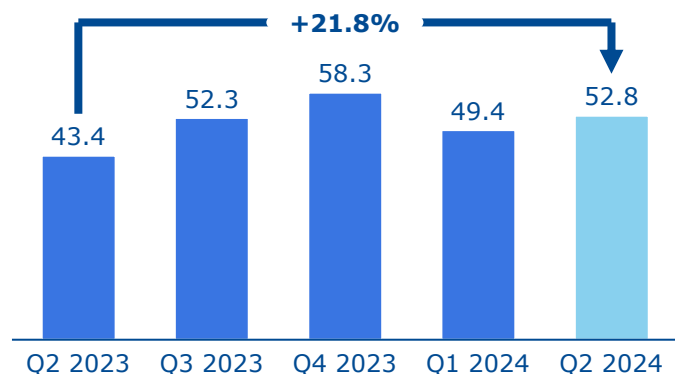


Clean EBIT (HUFbn)



Reagila revenues grew 30%+; Vraylar royalty up 20%+

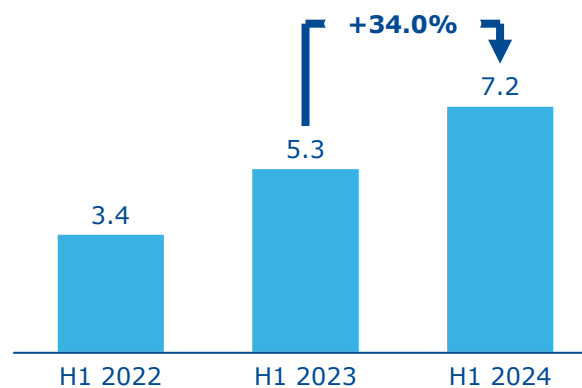
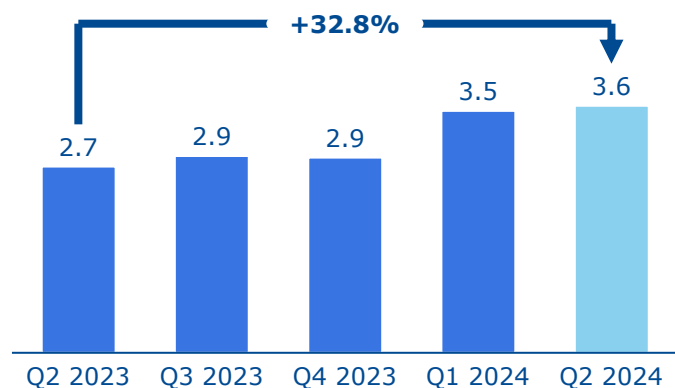
Vraylar®



Key messages

- Royalty income from Vraylar® in Q2 2024 approached HUF 53bn with an impressive, 20%+ growth YoY.
- H1 2024's royalty income of Vraylar® exceeded HUF 100bn with a growth rate of 20%+ YoY.

Reagila®



Key messages

- Richter's **Reagila®** revenues also grew at strong double-digit rate of 33% on quarterly and 34% in half-year comparison
- **Reagila®** continues to grow dynamically both within Richter's and license partners' territories



Women's Healthcare

WHC



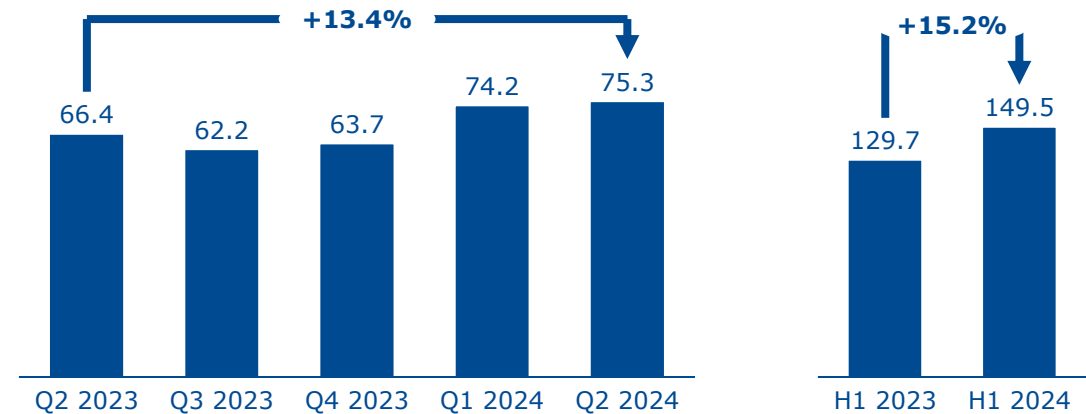
Strong top-line growth (15%) and robust margins in H1

WHC HUF mn	Q2 2023	Q2 2024	Ch. % YoY	H1 2023	H1 2024	Ch. % YoY
Revenues	66 418	75 331	13	129 738	149 519	15
Cost of Sales	-21 987	-22 267	1	-40 330	-45 520	13
Gross Profit	44 431	53 064	19	89 408	103 999	16
<i>Gross Margin %</i>	66.9	70.4		68.9	69.6	
Sales & Marketing	-22 272	-24 257	9	-42 227	-46 914	11
G&A	-5 132	-6 281	22	-10 296	-12 503	21
R&D	-5 008	-3 311	-34	-9 034	-6 449	-29
Clawback	-1 807	-1 035	-43	-2 904	-3 265	12
Milestone income	0	0		8	118	n.a.
Clean EBIT	10 212	18 180	78	24 955	34 986	40
cEBIT Margin %	15.4	24.1		19.2	23.4	

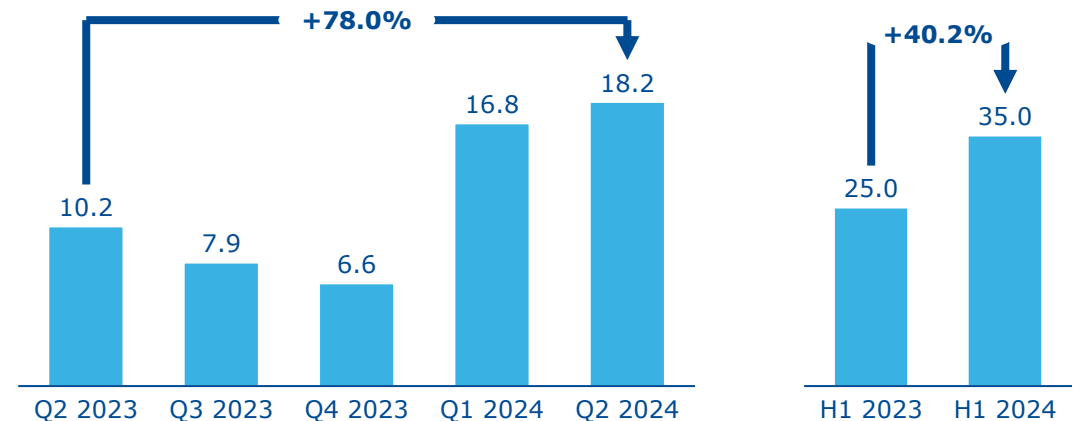
Key messages

- WHC revenues rose by 15% YoY in H1 2024, driven by the strong performance of the key brands (EVRA®, Drovelis®, Ryeqo® and Lenzetto®), while the traditional portfolio also performed well
- The key brands stand behind the steady growth of the main pillar of WHC: Contraception, Benign conditions and Menopause
- Sales growth were particularly robust in Western Europe, while the outstanding growth in APAC (China) and LatAm were also positively impacted by the timing of shipments
- Clean EBIT jumped by 78% YoY in Q2 2024 from a low base, and by 40% in H1 YoY. Revenue growth, some improvement in gross margins (to around 70%) and a decline in R&D expenses (from a high base and due to some timing effect) supported operating profits

Revenue (HUFbn)

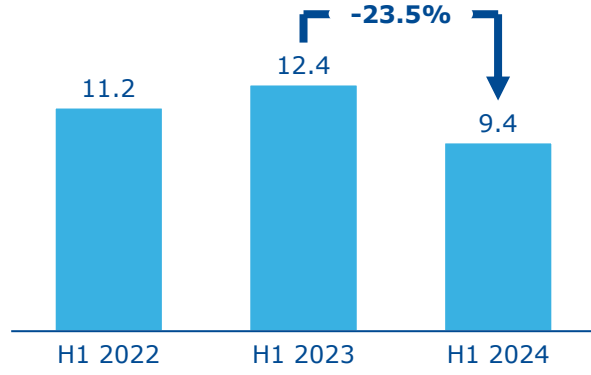
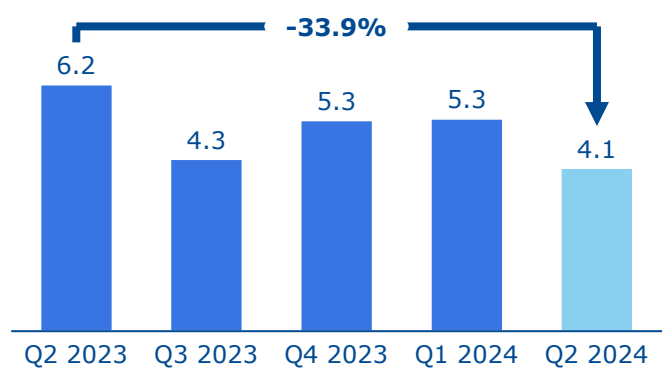


Clean EBIT (HUFbn)



Highlighted brands | EVRA success continues; Bemfola faces temporary challenges

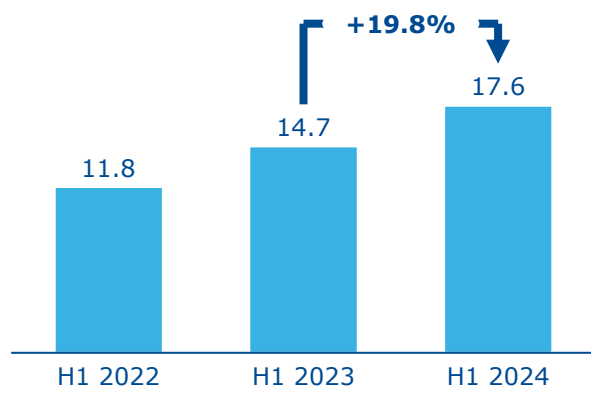
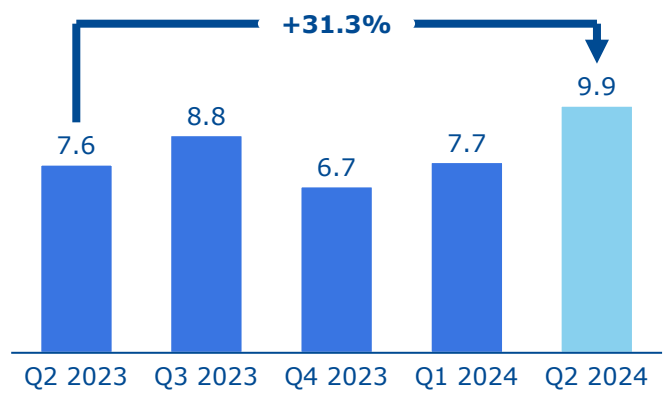
Bemfola®



Key messages

- **Bemfola®** sales are facing temporary 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 the lately acquired ExEm foam product launch in several EU countries in H1 2024

EVRA®



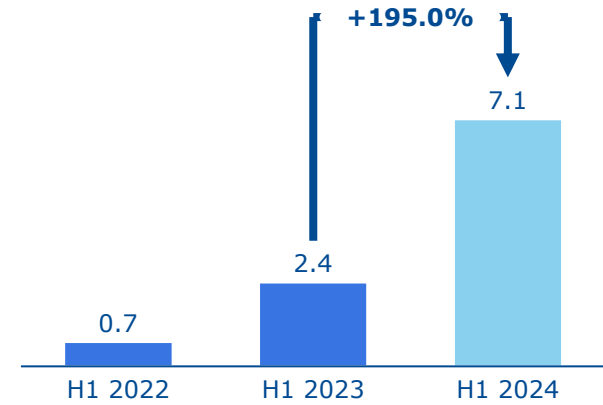
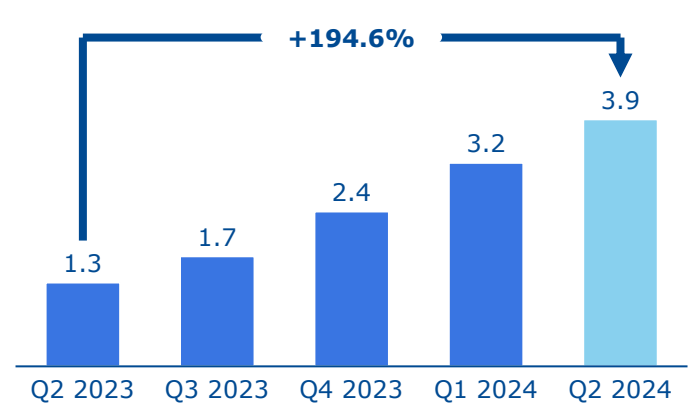
Key messages

- Continued sales growth of **Evra®** is driven by strong performance in the LatAm region (Q2 was much supported by the tender activities in Mexico), while the strongest market share growth was achieved in UK and Poland
- Strong uptake was also visible in Germany and Portugal as result of successful promotion, while Hungary also showed better than expected results

Highlighted brands | Continued UF market penetration reinforced by new Endometriosis indication drive the jump in Ryeqo sales



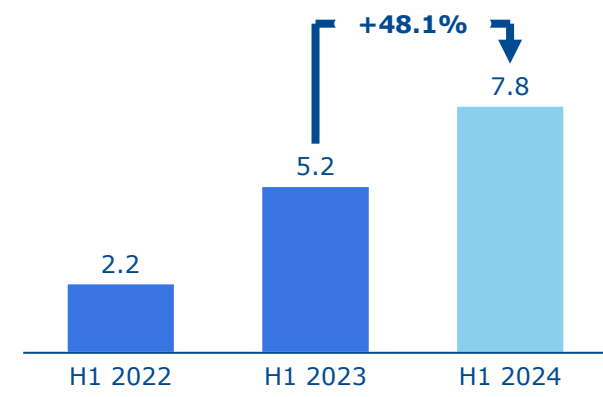
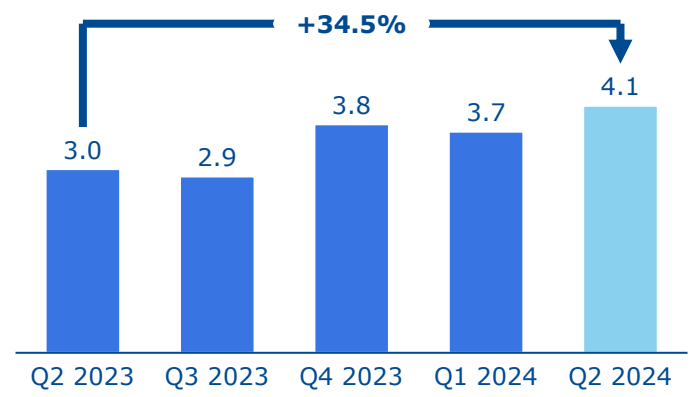
Ryeqo®



Key messages

- **Ryeqo®** keeps strong momentum in Uterine Fibroids (UF) sales, while Endometriosis indication starts to roll out in several EU markets
- Regional market access of Uterine Fibroids in Italy was finalized in Q2 2024
- Symptomatic treatment of Endometriosis and its reimbursement has been granted in additional EU countries; further potential to be unlocked in the second half of the year
- Germany, Spain and Slovakia show exceptional sales performance

Drovelis®



Key messages

- **Drovelis®** the company's key contraceptive kept solid growth across all territories
- Above the average growth was achieved in Hungary, Portugal and Austria
- Considerable uptake was also achieved in mid-size LatAm markets (Chile and Ecuador)



Biotechnology

BIO



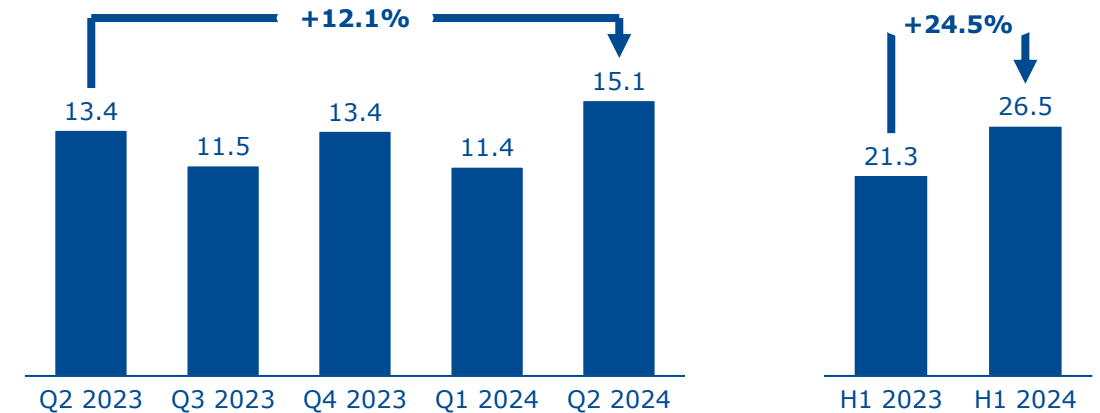
Revenues up materially, negative EBIT broadly unchanged

BIO HUF mn	Q2 2023	Q2 2024	Ch. % YoY	H1 2023	H1 2024	Ch. % YoY
Revenues	13 447	15 080	12	21 305	26 521	24
Cost of Sales	-6 809	-10 289	51	-12 896	-16 799	30
Gross Profit	6 638	4 791	-28	8 409	9 722	16
Gross Margin %	49.4	31.8		39.5	36.7	
Sales & Marketing	-1 390	-1 865	34	-2 924	-3 618	24
G&A	-1 432	-1 199	-16	-2 029	-2 111	4
R&D	-7 791	-8 030	3	-13 748	-16 696	21
Clawback	-227	-278	22	-280	-387	38
Milestone income	508	1 443		508	2 511	
Clean EBIT	-3 694	-5 138	39	-10 064	-10 579	5
cEBIT Margin %	-27.5	-34.1		-47.2	-39.9	

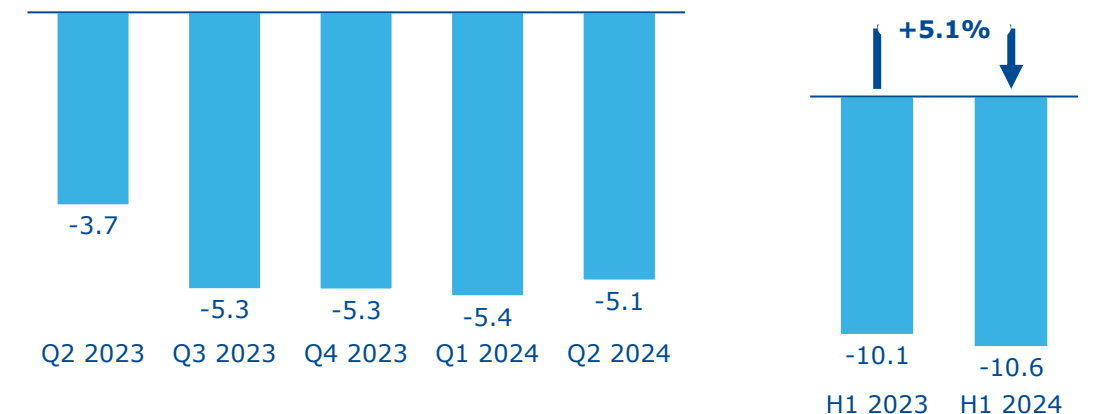
Key messages

- Revenues rose by 24% in H1 2024, as both CDMO and Terrosa sales continued to grow materially YoY. Terrosa sales were supported by advance manufacturing and shipping to partners resulting from an early and longer production maintenance shutdown as well as by one-month royalty contribution resulting from the teriparatide asset buyout (RHT) earlier in the year.
- Gross profit increased by 16% YoY, but so did R&D (+21% YoY) and S&M (+24% YoY) expenses, as a result Clean EBIT losses remained broadly unchanged
- Richter's denosumab biosimilar program (RGB-14) is on track with the product's EMA marketing authorization having been submitted in July
- Richter's tocilizumab biosimilar program (RGB-19) is also on track with Phase III studies of the clinical program making good progress

Revenue (HUFbn)

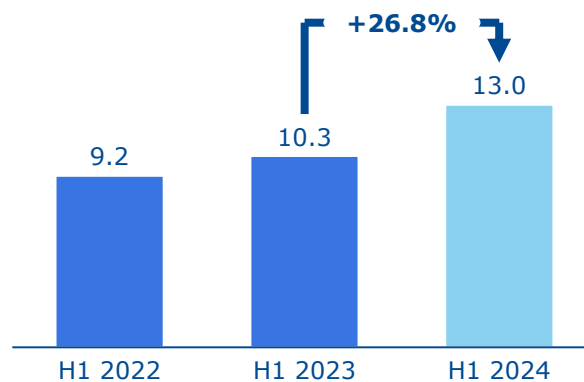


Clean EBIT (HUFbn)

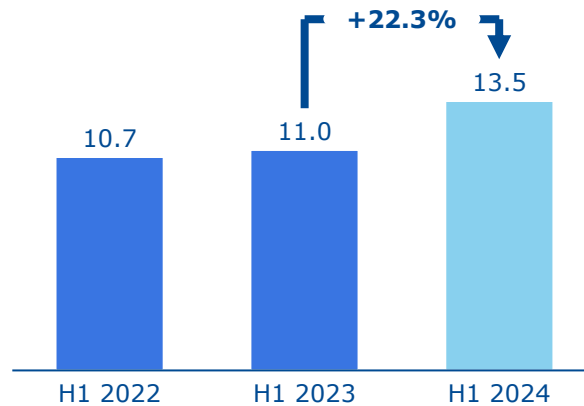
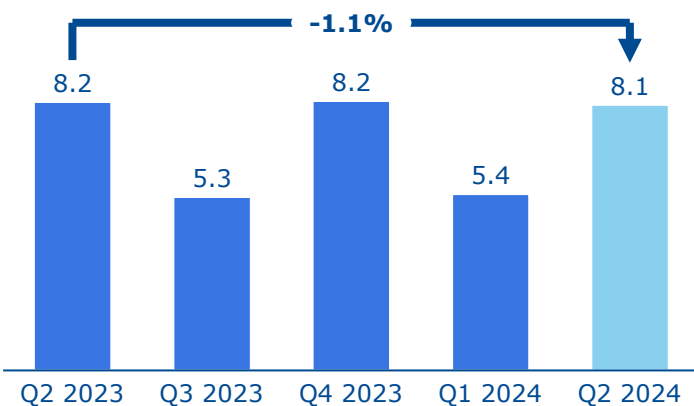


Both CDMO and Terrosa revenues are up significantly in H1

Terrosa®



CDMO activities



Key messages

- **Terrosa®** and partner teriparatide revenues increased significantly YoY (+33% in Q2 and +27% in H1) 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
 - One month of royalty contribution from the teriparatide asset acquisition (RHT) conducted earlier in the year
- **Terrosa®** new pre-filled pen launches are fully on track
- CDMO revenues were also significantly higher in H1 2024 YoY (+22%) from a low base and were supported by strong RHB service revenues



General Medicines

GM



Strong Q2 revenues and margins offset softer Q1 performance

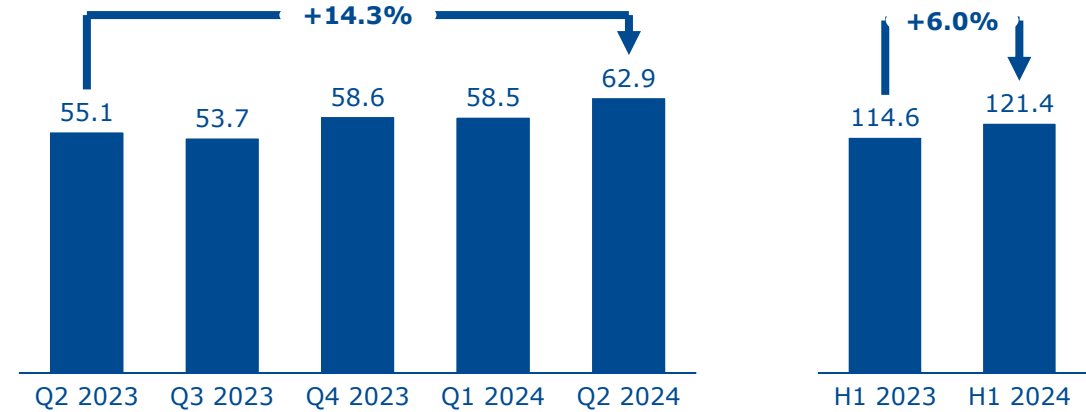


GM HUF mn	Q2 2023	Q2 2024	Ch. % YoY	H1 2023	H1 2024	Ch. % YoY
Revenues	55 093	62 947	14	114 560	121 420	6
Cost of Sales	-25 640	-28 106	10	-51 251	-54 517	6
Gross Profit	29 453	34 841	18	63 309	66 903	6
<i>Gross Margin %</i>	53.5	55.3		55.3	55.1	
Sales & Marketing	-12 118	-13 303	10	-24 268	-25 912	7
G&A	-5 073	-5 253	4	-9 944	-10 157	2
R&D	-2 517	-2 994	19	-4 318	-5 629	30
Clawback	-1 260	-506	-60	-2 070	-1 412	-32
Clean EBIT	8 485	12 785	51	22 709	23 793	5
<i>cEBIT Margin %</i>	15.4	20.3		19.8	19.6	

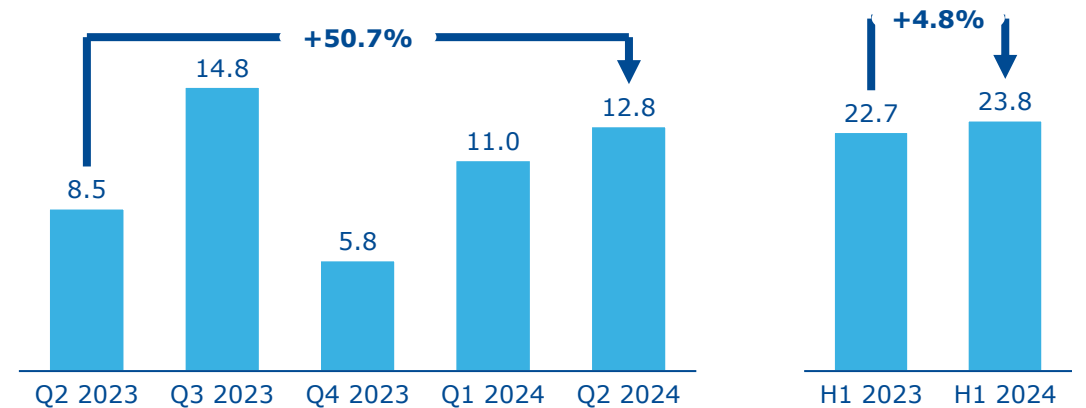
Key messages

- Revenues increased materially (by 14% YoY) in Q2, offsetting the lackluster Q1 performance, as seasonal factors disappeared, Eastern European sales started to catch up and the FX impact turned positive in Q2 (+4ppt)
- Price and volume/mix impact was also positive in Q2 and in H1 too, supporting revenue growth. As a result, H1 2024 revenues were 6% higher YoY, rising to HUF 121bn.
- The FX tailwind and good cost control (despite higher R&D) propelled Clean EBIT 51% higher in Q2 and led to an overall 5% Clean EBIT growth (and close to 20% Clean EBIT margin) in H1 2024

Revenue (HUFbn)



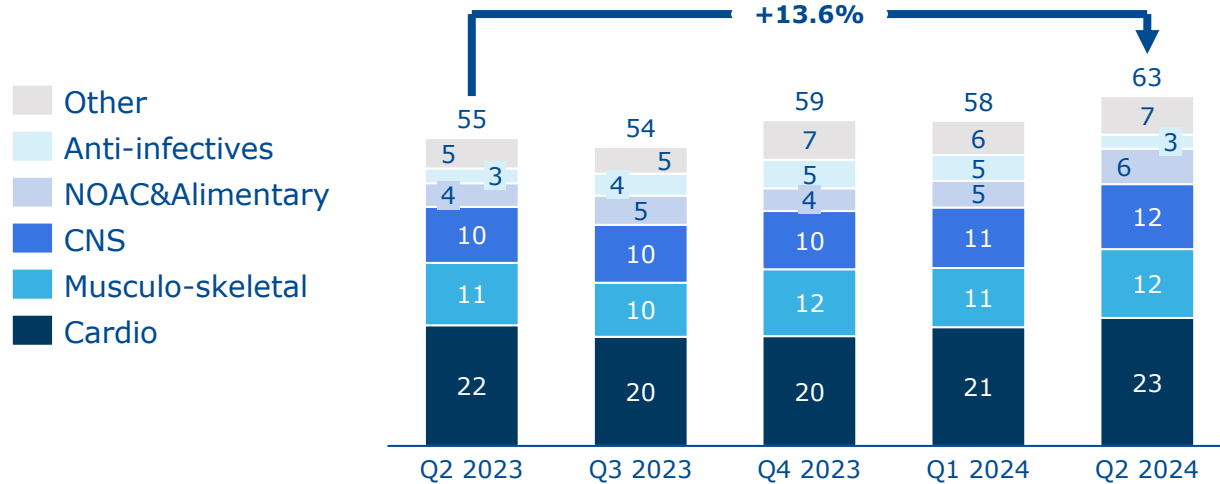
Clean EBIT (HUFbn)



Fast recovering with double-digit growth in Q2 2024



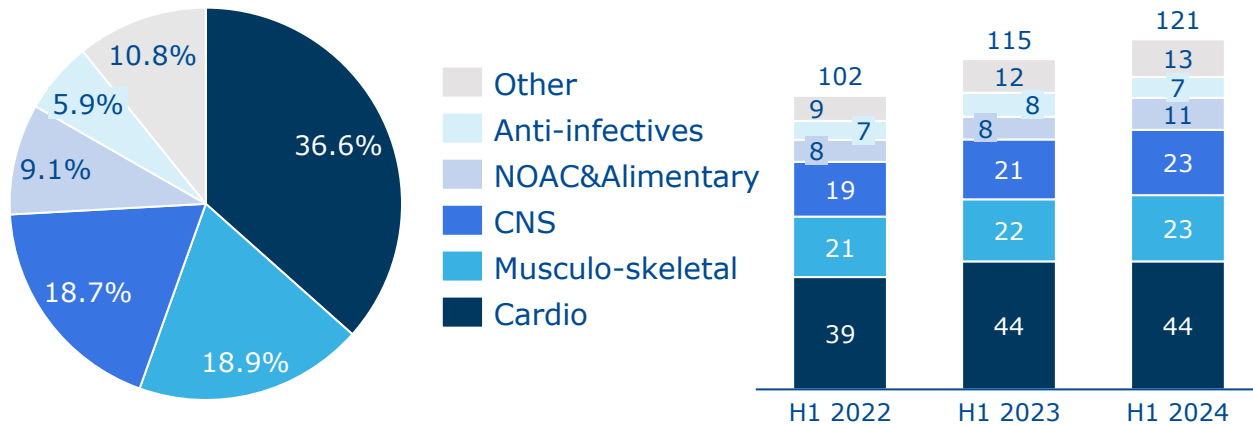
Total GenMed revenue by therapeutic areas (quarterly, HUF bn)



Key messages

- Cardio revenues increased significantly in Q2 2024 YoY as a result of increased promo efforts in key markets (HU, PL) and pricing upside in CEE
- Novel oral anticoagulants (NOAC) and Alimentary – a new focus therapeutic area - revenues rose double-digit (both volumes and value) driven by successful new product launches (i.e. rivaroxaban)
- Musculo-skeletal category strong performance is driven by increased market demand, while also benefiting from price and Forex impact
- Anti-infectives sales were flat compared to the base period; new product launches partly mitigated the negatives

Total GenMed revenue by therapeutic areas, annual (HUF bn; % in H124)



New product launches in Q2 2024

- NOAC: Kardatuxan (Rivaroxaban)
- Cardio: Vidonorm (Amlodipin-Indapamid-Perindopril) combi, Dinara (Diosmin-Hesperidin)



Appendix





Significant FX gain (HUF 21bn) in H1 2024 on the weaker HUF

H1 2024	H1 2023	Diff H1		Q2 2024	Q2 2023	Diff Q2
20.2	-26.5	46.7	Unrealised exchange (loss)/gain	7.1	-9.9	17.0
1.2	-22.0	23.2	Realised exchange (loss)/gain	-0.9	-13.4	12.6
-0.3	6.3	-6.7	Result of realised & unrealised forward exchange contracts	0.4	2.7	-2.4
2.5	4.4	-1.9	Interest income / (Interest expense)	0.8	1.7	-0.9
	12.0	-12.0	Gain on disposal of subsidiaries		12.0	-12.0
0.7	0.9	-0.2	Other items	1.2	-0.8	2.0
24.2	-24.9	49.1	Profit (loss) from financial operations	8.6	-7.7	16.4

Key messages

- Net financials turned to a significant gain (HUF 24.2bn) in H1 2024 from a similar-sized loss (HUF 24.9bn) a year ago, primarily driven by exchange rate movements
- FX gains amounted to HUF 21.4bn in H1 2024, almost exclusively including unrealized gains on working capital items (receivables and payables), driven by the weakening HUF during the period (whereas a year ago large FX losses, both realized and unrealized were booked on the weaker RUB)
- 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 H1 2024

Business units' P&L in H1 2024

H1 2024	 WHC	 CNS	 BIO	 GM	Pharma Other	Pharma	Other	Eliminations	Group total
Revenues	149.5	109.4	26.5	121.4	6.5	413.4	12.4	-6.1	419.7
Cost of Sales	-45.5	-0.8	-16.8	-54.5	-6.5	-124.1	-9.6	5.9	-127.7
Gross Profit	104.0	108.6	9.7	66.9	0.1	289.3	2.8	-0.2	292.0
Sales & Marketing	-46.9	-2.1	-3.6	-25.9	-0.9	-79.5	-1.3	0.0	-80.8
General & Administrative	-12.5	-0.5	-2.1	-10.2	-0.5	-25.8	-1.0	0.0	-26.8
Research & Development	-6.4	-16.6	-16.7	-5.6	0.0	-45.4	0.0	0.0	-45.4
Clawback	-3.3	-0.6	-0.4	-1.4	0.0	-5.7	0.0	0.0	-5.7
Milestone income	0.1	0.1	2.5	0.0	0.0	2.7	0.0	0.0	2.7
Clean EBIT	35.0	88.9	-10.6	23.8	-1.4	135.6	0.5	-0.2	136.0

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

¹Cariprazine and innovative neuropsychiatry pipeline, ²Off-patent original CNS products and generics

Consolidated Income Statement

2023	Consolidated P&L	H1 2024	H1 2023	Change
HUFm		HUFm	HUFm	%
805 158	Revenues	419 693	413 436	1.5%
199 304	<i>of which royalty</i>	104 799	86 429	21.3%
(283 834)	Cost of Sales	(127 722)	(157 129)	-18.7%
521 324	Gross Profit	291 971	256 307	13.9%
(146 047)	Sales & marketing expenses	(80 801)	(75 286)	7.3%
(50 572)	General & administrative expenses	(26 818)	(25 530)	5.0%
(78 344)	Research & development expenses	(45 367)	(39 353)	15.3%
(56 544)	Other income & expense	(13 124)	(21 029)	-37.6%
(11 623)	<i>of which clawback</i>	(5 703)	(5 552)	2.7%
597	<i>of which milestone income</i>	2 679	597	348.7%
(453)	(Impairment)/Reversal of impairment on financial and contract assets	624	(96)	n.a.
189 364	EBIT (Profit from operations)	126 485	95 013	33.1%
84 041	Finance income	52 515	52 384	0.3%
(107 999)	Finance costs	(28 273)	(77 245)	-63.4%
(23 958)	Net financial (loss)/income	24 242	(24 861)	n.a.
6 134	Share of profit/(loss) of associates and joint ventures	5 902	2 702	118.4%
171 540	Profit before income tax	156 629	72 854	115.0%
(4 830)	Income and deferred tax	(13 808)	(107)	n.a.
(6 059)	Local business tax and innovation contribution	(4 014)	(3 702)	8.4%
160 651	Profit for the period	138 807	69 045	101.0%
	Profit attributable to:			
158 850	Owners of the parent	138 215	67 936	103.4%
1 801	Non-controlling interest	592	1 109	-46.6%
HUF	Earning per share (EPS)	HUF	HUF	
860	Basic	756	365	107.1%
860	Diluted	756	365	107.1%

Consolidated Balance Sheet - ASSETS

Consolidated Balance Sheet	June 2024	Dec 2023	Change
	HUFm	HUFm	%
ASSETS	1 458 693	1 361 217	7.2%
Non-current assets	912 809	826 304	10.5%
Property, plant and equipment	359 921	347 394	3.6%
Goodwill	73 953	31 903	131.8%
Other intangible assets	261 514	230 383	13.5%
Investments in associates and joint ventures	16 625	15 177	9.5%
Non-current financial assets at amortised cost	1 190	4 120	-71.1%
Non-current financial assets at FVTPL	74 556	75 839	-1.7%
Non-current financial assets at FVOCI	68 107	71 739	-5.1%
Derivative financial instruments	17 475	16 327	7.0%
Deferred tax assets	32 213	29 244	10.2%
Long term receivables	7 255	4 178	73.6%
Current assets	545 884	534 913	2.1%
Inventories	205 752	177 767	15.7%
Trade receivables	234 136	204 968	14.2%
Contract assets	8 483	8 103	4.7%
Other current assets	36 305	44 538	-18.5%
Current financial assets at amortised cost	934	6 239	-85.0%
Current financial assets at FVOCI		1 454	-100.0%
Derivative financial instruments	1 728	9 662	-82.1%
Current tax asset	1 626	1 689	-3.7%
Cash and cash equivalents	56 920	80 493	-29.3%

Consolidated Balance Sheet - EQUITY AND LIABILITIES



Consolidated Balance Sheet	June 2024	Dec 2023	Change
	HUFm	HUFm	%
EQUITY AND LIABILITIES	1 458 693	1 361 217	7.2%
Capital and reserves	1 173 215	1 142 581	2.7%
Share capital	18 638	18 638	0.0%
Treasury shares	(36 892)	(29 982)	23.0%
Share premium	15 214	15 214	0.0%
Capital reserves	3 475	3 475	0.0%
Foreign currency translation reserves	46 655	49 533	-5.8%
Revaluation reserves for financial assets at FVOCI	4 491	1 999	124.7%
Cash-flow hedge reserve	(919)	6 546	n.a.
Retained earnings	1 118 947	1 065 391	5.0%
Non-controlling interest	3 606	11 767	-69.4%
Non-current liabilities	118 176	104 128	13.5%
Borrowings	357	182	96.2%
Deferred tax liability	11 285	3 824	195.1%
Non-current financial liabilities at FVTPL	58 092	54 467	6.7%
Derivative financial instruments	13 719	11 413	20.2%
Lease liability	14 856	13 817	7.5%
Other non-current liabilities and accruals	13 449	13 866	-3.0%
Provisions	6 418	6 559	-2.1%
Current liabilities	167 302	114 508	46.1%
Borrowings	35 624	-	-
Trade payables	45 316	51 301	-11.7%
Contract liabilities	1 741	2 347	-25.8%
Current tax liabilities	14 663	1 974	642.8%
Current financial liabilities at FVTPL	2 689	2 722	-1.2%
Derivative financial instruments	2 138	935	128.7%
Lease liability	4 907	4 428	10.8%
Other current liabilities and accruals	58 716	47 840	22.7%
Provisions	1 508	2 961	-49.1%

Consolidated Cash Flow Statement

Dec 2023	Consolidated cash flow	June 2024	June 2023 adjusted	Change
HUFm		HUFm	HUFm	%
	Operating activities			
171 540	Profit before income tax	156 629	72 854	115.0%
50 808	Depreciation and amortisation	23 287	24 445	-4.7%
5 405	Non cash items	(5 413)	(4 328)	25.1%
(11 155)	Net interest and dividend income	(2 022)	(4 807)	-57.9%
5 751	Impairment recognised on intangible assets and goodwill	-	-	-
3 548	Other items	-	351	n.a.
(14 525)	Interest paid	(7 576)	(8 623)	-12.1%
(9 744)	Income tax paid	(7 432)	(5 200)	42.9%
(11 436)	Gain on disposal of subsidiaries	-	(12 000)	n.a.
190 192	Net cash flow from operating activities before changes in working capital	157 473	62 692	151.2%
(66 522)	Movements in working capital	(36 512)	(11 137)	227.8%
(23 196)	(Increase) / decrease in trade and other receivables	(11 390)	4 792	n.a.
(27 558)	(Increase) / decrease in inventories	(28 217)	925	n.a.
(15 768)	(Increase) / decrease in payables and other liabilities	3 095	(16 854)	n.a.
123 670	Net cash flow from operating activities	120 961	51 555	134.6%
	Cash flow from investing activities			
(61 960)	Payments for property, plant and equipment	(19 709)	(23 065)	-14.6%
(32 679)	Payments for intangible assets	(1 678)	(24 060)	-93.0%
3 057	Proceeds from disposal of property, plant and equipment	1 210	1 103	9.7%
(38 050)	Payments to acquire financial assets	(32 243)	(31 819)	1.3%
71 895	Proceeds on sale or redemption on maturity of financial assets	49 529	67 440	-26.6%
27 169	Disbursement of loans net	114	23 083	-99.5%
24 844	Interest received	10 101	13 046	-22.6%
21	Dividend receives	7	5	40.0%
(25 131)	Net cash outflow on purchase of group of assets	(24 090)	(14 142)	70.3%
10 831	Net cash inflow from disposal of subsidiaries	(75 047)	11 395	n.a.
(20 003)	Net cash flow to investing activities	(91 806)	22 986	n.a.
	Cash flow from financing activities			
(29 799)	(Purchase) / disposal of treasury shares	(6 936)	(7 849)	-11.6%
(72 863)	Dividend paid	(78 846)	(72 777)	8.3%
(1 327)	Principal elements of lease payments	(1 958)	(2 529)	-22.6%
(35 753)	Repayment of borrowings	(105 011)	(15 792)	565.0%
35 935	Proceeds from borrowings	139 983	15 792	786.4%
(103 807)	Net cash flow (to) / from financing activities	(52 768)	(83 155)	-36.5%
(140)	Net increase / (decrease) in cash and cash equivalents	(23 613)	(8 614)	174.1%
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	40	(33)	n.a.
79 533	Cash and cash equivalents at end of period	56 920	71 072	-19.9%

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 he is the 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 & Technical Director

After graduating at the University of Szeged from the Faculty of Arts, and pursuing economic studies at Budapest Economic School, she worked in HR for more than 20 years and brings a wealth of experience in consumer-facing industries to Richter. She held various positions at companies such as Győri Keksz Ltd (subsidiary of Danone), Ferrero Hungary and then Mars Wrigley Company. From 2012, she became member of the Leadership Team at Mars Wrigley's Hungarian subsidiary and from 2015, she worked as a Regional HR Manager at the European headquarters of Mars Inc, in Germany. Kata has joined Richter in 2018 to drive the global HR agenda of the Company. In 2024, appointed to the role of HR and Technical Director her responsibilities were extended with the leadership of the Technical and Information Technology teams.



Attila Szénási
Chief Operating Officer

Joined the Company in 2019 as Director of Pharmaceutical manufacturing and appointed as Chief Operating Office in 2024. Responsible for production and logistics across the group. 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 and Commerce & Marketing

Joined the company in September 2018 as Head of Regulatory Science and also responsible for Commerce and Marketing since June 2024. Worked for Novartis and its predecessor companies for 21 years and was the GM of the Hungarian affiliate in 2007-2013. He was also the President of AIPM, the local association of innovative companies in this period. 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

Company name: Gedeon Richter Plc.
Sector: Pharmaceutical
Company address: 1103 Budapest, Gyömrői út 19-21, Hungary
Telephone: +36 1 431 5764

Investor relations manager

Róbert Réthy, CFA +36 20 342 2555
investor.relations@richter.hu

Financial calendar

| 6 August 2024 – H1 2024 results
| 12 November 2024 – Q1-Q3 2024 results



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



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

All dates in the table may be subject to change



GEDEON RICHTER
Health is our mission

Disclaimer

This presentation and the associated slides and discussion contain forward-looking statements. These statements are naturally subject to uncertainty and changes in circumstances. Those forward-looking statements may include, but are not limited to, those regarding capital employed, capital expenditure, cash flows, costs, savings, debt, demand, depreciation, disposals, dividends, earnings, efficiency, gearing, growth, improvements, investments, margins, performance, prices, production, productivity, profits, reserves, returns, sales, share buy backs, special and exceptional items, strategy, synergies, tax rates, trends, value, volumes, and the effects of Richter merger and acquisition activities. These forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, but are not limited to developments in government regulations, foreign exchange rates, political stability, economic growth and the completion of on-going transactions. Many of these factors are beyond the company's ability to control or predict. Given these and other uncertainties, you are cautioned not to place undue reliance on any of the forward-looking statements contained herein or otherwise. The company does not undertake any obligation to release publicly any revisions to these forward-looking statements (which speak only as of the date hereof) to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as maybe required under applicable securities laws. Statements and data contained in this presentation and the associated slides and discussions, which relate to the performance of Richter in this and future years, represent plans, targets or projections.