April 25, 2024

Gilead Sciences Announces First Quarter 2024 Financial Results

– Product Sales Excluding Veklury Increased 6% Year-Over-Year to $6.1 billion

Biktarvy Sales Increased 10% Year-Over-Year to $2.9 billion

Oncology Sales Increased 18% Year-Over-Year to $789 million

Closed CymaBay Acquisition Resulting in $3.9 billion Acquired IPR&D Charge ($3.14 Diluted EPS Impact) –

FOSTER CITY, Calif.--(BUSINESS WIRE)-- Gilead Sciences, Inc. (Nasdaq: GILD) announced today its first quarter 2024 results of operations.

“Gilead delivered another strong quarter of revenue growth in the first quarter with 6% year-over-year growth in our base business driven by HIV, Oncology and Liver Disease,” said Daniel O’Day, Gilead’s Chairman and Chief Executive Officer. “The acquisition of CymaBay brings us another potentially transformative therapy for people with liver disease, and a regulatory decision on seladelpar is expected in August. New HIV data demonstrates the continued progress in our long-acting HIV pipeline, and we look forward to providing updates on this and our broad Oncology portfolio throughout the rest of 2024”.

First Quarter 2024 Financial Results

- Total first quarter 2024 revenue increased 5% to $6.7 billion, compared to the same period in 2023, primarily due to higher HIV, Oncology and Liver Disease sales.
- Diluted (loss) earnings per share (“EPS”) was $(3.34) in the first quarter 2024, compared to $0.80 in the same period in 2023. The decrease was primarily driven by an acquired in-process research and development (“IPR&D”) charge of $3.9

billion, or $3.14 per share, related to the acquisition of CymaBay Therapeutics, Inc. ("CymaBay"), as well as a pre-tax IPR&D impairment of $2.4 billion, or $1.46 per share, related to assets acquired by Gilead from Immunomedics, Inc. ("Immunomedics") in 2020.

- Non-GAAP diluted (loss) EPS was $(1.32) in the first quarter 2024, compared to $1.37 in the same period in 2023. The decrease was primarily driven by the charge related to the acquisition of CymaBay.
- As of March 31, 2024, Gilead had $4.7 billion of cash, cash equivalents and marketable debt securities, compared to $8.4 billion as of December 31, 2023.
- During the first quarter 2024, Gilead generated $2.2 billion in operating cash flow.
- During the first quarter 2024, Gilead paid dividends of $990 million and repurchased $400 million of common stock.

First Quarter 2024 Product Sales

Total first quarter 2024 product sales increased 5% to $6.6 billion, compared to the same period in 2023. Total product sales, excluding Veklury, increased 6% to $6.1 billion in the first quarter 2024, compared to the same period in 2023, primarily due to higher sales in HIV, Oncology and Liver Disease.

HIV product sales increased 4% to $4.3 billion in the first quarter 2024, compared to the same period in 2023, primarily driven by higher demand.

- **Biktarvy**® (bictegravir 50mg/emtricitabine 200mg ("FTC")/tenofovir alafenamide 25mg ("TAF")) sales increased 10% to $2.9 billion in the first quarter 2024, compared to the same period in 2023, primarily driven by higher demand in the United States, Europe and other international markets.
- **Descovy**® (FTC 200mg/TAF 25mg) sales decreased 5% to $426 million in the first quarter 2024, compared to the same period in 2023, primarily driven by lower average realized price due to channel mix, partially offset by higher demand.

The **Liver Disease** portfolio sales increased 9% to $737 million in the first quarter 2024, compared to the same period in 2023. This was primarily driven by favorable inventory dynamics, the timing of chronic hepatitis C virus ("HCV") purchases by the Department of

Corrections in the United States, as well as higher demand across chronic hepatitis B virus (“HBV”), HCV and, in the European Union (“EU”), chronic hepatitis D virus (“HDV”).

Veklury sales decreased 3% to $555 millionin the first quarter 2024, compared to the same period in 2023, primarily driven by lower rates of COVID-19 related hospitalizations.

Cell Therapy product sales increased 7% to $480 million in the first quarter 2024, compared to the same period in 2023.

- **Yescarta**® (axicabtagene ciloleucel) sales increased 6% to $380 million in the first quarter 2024, compared to the same period in 2023, primarily driven by strong demand in relapsed or refractory (“R/R”) large B-cell lymphoma (“LBCL”) outside the United States.
- **Tecartus**® (brexucabtagene autoleucel) sales increased 13% to $100 million in the first quarter 2024, compared to the same period in 2023, with increased demand in R/R adult acute lymphoblastic leukemia and R/R mantle cell lymphoma.

Trodelvy® (sacituzumab govitecan-hziy) sales increased 39% to $309 million in the first quarter 2024, compared to the same period in 2023, primarily driven by higher demand.

First Quarter 2024 Product Gross Margin, Operating Expenses and Effective Tax Rate

- Product gross margin was 76.6% in the first quarter 2024, compared to 77.8% in the same period in 2023, primarily driven by product mix and higher intangible asset amortization expenses. Non-GAAP product gross margin was 85.4% in the first quarter 2024, compared to 86.2% in the same period in 2023, primarily driven by product mix.
- Research & development (“R&D”) expenses were $1.5 billion in the first quarter 2024, compared to $1.4 billion in the same period in 2023, primarily driven by costs related to the acquisition of CymaBay and restructuring expenses. Non-GAAP R&D expenses were $1.4 billion in the first quarter 2024, flat with the same period in 2023.

- Acquired IPR&D expenses were $4.1 billion in the first quarter 2024, primarily driven by the $3.9 billion charge related to the acquisition of CymaBay that closed on March 22, 2024.
- IPR&D impairment was $2.4 billion related to the assets acquired from Immunomedics in 2020 with no similar charges in 2023.
- Selling, general and administrative ("SG&A") expenses were $1.4 billion in the first quarter 2024, compared to $1.3 billion in the same period in 2023. This increase reflects costs related to the acquisition of CymaBay and restructuring expenses. Non-GAAP SG&A expenses were $1.3 billion in the first quarter 2024, flat with the same period in 2023.
- The effective tax rate ("ETR") was 7.0% in the first quarter 2024, compared to 24.3% in the same period in 2023, and non-GAAP ETR was (29.8)% in the first quarter 2024, compared to 18.9% in the same period in 2023. These changes primarily reflect the non-deductible acquired IPR&D charge for CymaBay.

Guidance and Outlook

For the full-year, Gilead expects:

(in millions, except per share amounts)	4/25/24 Guidance		Comparison to Prior Guidance
	Low End	High End	
Product sales	$ 27,100	$ 27,500	Unchanged
Product sales, excluding Veklury	$ 25,800	$ 26,200	Unchanged
Veklury	$ 1,300	$ 1,300	Unchanged
Diluted EPS	$ 0.10	$ 0.50	Previously $5.15 to $5.55
Non-GAAP diluted EPS	$ 3.45	$ 3.85	Previously $6.85 to $7.25

Additional information and a reconciliation between GAAP and non-GAAP financial information for the 2024 guidance is provided in the accompanying tables. The financial guidance is subject to a number of risks and uncertainties. See the Forward-Looking Statements section below.

Key Updates Since Our Last Quarterly Release

Virology

- Presented data at the Conference on Retroviruses and Opportunistic Infections ("CROI") across Gilead's HIV long-acting treatment pipeline. For once-weekly oral dosing, this included Phase 2 data evaluating lenacapavir in combination with Merck & Co., Inc.'s islatravir as well as initial Phase 1b data for GS-1720, Gilead's novel, investigational integrase inhibitor. Additionally, updated results were presented from the twice-yearly injectable Phase 1b study of lenacapavir in combination with investigational broadly neutralizing antibodies, teropavimab and zinlirvimab.
- Announced data at CROI evaluating Biktarvy for treatment of people with HIV and coinfections of HBV or tuberculosis, as well as results from a Phase 2/3 study evaluating once-daily oral combination of bictegravir and lenacapavir.
- Presented multiple real-world analyses at CROI supporting the use of Veklury for people hospitalized with COVID-19, including in immunocompromised people. Additionally, presented a real-world analysis evaluating the impact of Veklury on the risk of developing long-COVID.
- Announced data at CROI evaluating the safety and efficacy of Hepcludex® (bulevirtide) in people living with coinfections of HIV, HBV and HDV. In the United States and other areas outside of the EU and European Economic Area, bulevirtide is an investigational product and its safety and efficacy have not been established.
- Received approval by the U.S. Food and Drug Administration ("FDA") to expand Biktarvy's label to include treatment of people with HIV who have suppressed viral loads with known or suspected M184V/I resistance.
- Received approval from FDA to expand the indication for Vemlidy® (tenofovir alafenamide) to include treatment of chronic HBV in children six years and older who weigh at least 25 kg with compensated liver disease.

Oncology

- Announced a research collaboration, option and license agreement with Merus N.V. (“Merus”) to discover novel antibody-based trispecific T-cell engagers in oncology.
- Entered into an exclusive license agreement with Xilio Therapeutics, Inc. (“Xilio”) to develop and commercialize Xilio’s tumor-activated IL-12 program, including investigational candidate XTX301 in advanced solid tumors.

Inflammation

- Completed the acquisition of CymaBay for $4.3 billion in total equity value, or $3.9 billion net cash paid, adding investigational candidate seladelpar for the treatment of primary biliary cholangitis (“PBC”) to Gilead’s Liver Disease portfolio. Seladelpar is an investigational, oral, selective peroxisome proliferator-activated receptor delta (PPARδ) agonist, with Orphan Drug Designation in the United States and Europe. PPARδ has been shown to regulate critical metabolic and liver disease pathways. FDA accepted the New Drug Application for seladelpar in February 2024 for priority review, with a Prescription Drug User Fee Act target action date of August 14, 2024.

Corporate

- Announced that Kevin Lofton is retiring from Gilead’s Board of Directors (the “Board”), effective at the conclusion of the Annual Meeting of Stockholders (“Annual Meeting”) on May 8, 2024. Anthony Welters, if re-elected at the Annual Meeting, will succeed Mr. Lofton as Lead Independent Director.
- Recognized as one of America’s Most JUST Companies by Just Capital and CNBC, reflecting Gilead’s longstanding commitment to operate responsibly.
- The Board declared a quarterly dividend of $0.77 per share of common stock for the second quarter of 2024. The dividend is payable on June 27, 2024, to stockholders of record at the close of business on June 14, 2024. Future dividends will be subject to Board approval.

Certain amounts and percentages in this press release may not sum or recalculate due to rounding.

Conference Call

At 1:30 p.m. Pacific Time today, Gilead will host a conference call to discuss Gilead's results. A live webcast will be available on http://investors.gilead.com and will be archived on www.gilead.com for one year.

Non-GAAP Financial Information

The information presented in this document has been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), unless otherwise noted as non-GAAP. Management believes non-GAAP information is useful for investors, when considered in conjunction with Gilead's GAAP financial information, because management uses such information internally for its operating, budgeting and financial planning purposes. Non-GAAP information is not prepared under a comprehensive set of accounting rules and should only be used to supplement an understanding of Gilead's operating results as reported under GAAP. Non-GAAP financial information generally excludes acquisition-related expenses including amortization of acquired intangible assets and inventory step-up charges, and other items that are considered unusual or not representative of underlying trends of Gilead's business, fair value adjustments of equity securities and discrete and related tax charges or benefits associated with changes in tax related laws and guidelines. Although Gilead consistently excludes the amortization of acquired intangible assets from the non-GAAP financial information, management believes that it is important for investors to understand that such intangible assets were recorded as part of acquisitions and contribute to ongoing revenue generation.Non-GAAP measures may be defined and calculated differently by other companies in the same industry. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures are provided in the accompanying tables.

About Gilead Sciences

Gilead Sciences, Inc. is a biopharmaceutical company that has pursued and achieved breakthroughs in medicine for more than three decades, with the goal of creating a healthier world for all people. The company is committed to advancing innovative medicines to prevent and treat life-threatening diseases, including HIV, viral hepatitis,

COVID-19 and cancer. Gilead operates in more than 35 countries worldwide, with headquarters in Foster City, California.