August 8, 2024

Gilead Sciences Announces Second Quarter 2024 Financial Results

– Product Sales Excluding Veklury Increased 6% Year-Over-Year to $6.7 billion

Biktarvy Sales Increased 8% Year-Over-Year to $3.2 billion

Oncology Sales Increased 15% Year-Over-Year to $841 million –

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

“Gilead has had another strong quarter with 6% year-over-year growth in our base business. This was driven by sales of our therapies for HIV, Oncology and Liver Disease, including 8% growth for Biktarvy,” said Daniel O’Day, Gilead’s Chairman and Chief Executive Officer. “One of the key highlights of the quarter was interim data from the Phase 3 PURPOSE 1 trial showing 100% efficacy for lenacapavir in HIV prevention for cisgender women. We look forward to additional clinical readouts in the coming months, and to potentially launching seladelpar for primary biliary cholangitis in the United States.”

Second Quarter 2024 Financial Results

- Total second quarter 2024 revenue increased 5% to $7.0 billion, compared to the same period in 2023, primarily due to higher product sales in HIV, Liver Disease and Oncology.
- Diluted earnings per share (“EPS”) was $1.29 in the second quarter 2024, compared to $0.83 in the same period in 2023. The increase was primarily driven by lower operating expenses, including a 2023 expense of $525 million for settlements with certain plaintiffs in HIV antitrust litigation which did not repeat in

2024, as well as higher revenues and lower income tax expense, partially offset by higher net unrealized losses on equity securities.

- Non-GAAP diluted EPS was $2.01 in the second quarter 2024, compared to $1.34 in the same period in 2023. The increase was primarily driven by lower operating expenses and higher revenues.
- As of June 30, 2024, Gilead had $2.8 billion of cash, cash equivalents and marketable debt securities, compared to $8.4 billion as of December 31, 2023. The decrease primarily reflects the $3.9 billion acquisition of CymaBay Therapeutics, Inc. and a $1.75 billion repayment of senior notes.
- During the second quarter 2024, Gilead generated $1.3 billion in operating cash flow, net of a $1.2 billion transition tax payment associated with the Tax Cuts and Jobs Act of 2017.
- During the second quarter 2024, Gilead paid dividends of $972 million and repurchased $100 million of common stock.

Second Quarter 2024 Product Sales

Total second quarter 2024 product sales increased 5% to $6.9 billion, compared to the same period in 2023. Total product sales, excluding Veklury, increased 6% to $6.7 billion in the second quarter 2024, compared to the same period in 2023, primarily due to higher product sales in HIV, Liver Disease and Oncology.

HIV product sales increased 3% to $4.7 billion in the second quarter 2024, compared to the same period in 2023, primarily driven by higher demand across treatment and prevention, partially offset by lower average realized price due to channel mix.

- **Biktarvy**® (bictegravir 50mg/emtricitabine 200mg ("FTC")/tenofovir alafenamide 25mg ("TAF")) sales increased 8% to $3.2 billion in the second quarter 2024, compared to the same period in 2023, primarily driven by higher demand.
- **Descovy**® (FTC 200mg/TAF 25mg) sales decreased 6% to $485 million in the second 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 17% to $832 million in the second quarter 2024, compared to the same period in 2023. This was primarily driven by higher average realized price due to channel mix in the United States, as well as higher demand in products for chronic hepatitis C virus (“HCV”), chronic hepatitis B virus (“HBV”) and, in Europe, chronic hepatitis D virus (“HDV”).

Veklury sales decreased 16% to $214 million in the second quarter 2024, compared to the same period in 2023, primarily driven by lower rates of COVID-19 related hospitalizations.

Cell Therapy product sales increased 11% to $521 million in the second quarter 2024, compared to the same period in 2023.

- **Yescarta**® (axicabtagene ciloleucel) sales increased 9% to $414 million in the second quarter 2024, compared to the same period in 2023, primarily driven by higher demand in relapsed or refractory (“R/R”) large B-cell lymphoma (“LBCL”) outside the United States.e settings for relapsed or refractory (“R/R”) large B-cell lymphoma (“LBCL”).
- **Tecartus**® (brexucabtagene autoleucel) sales increased 21% to $107 million in the second quarter 2024, compared to the same period in 2023, driven by higher demand in R/R mantle cell lymphoma and R/R adult acute lymphoblastic leukemia (“ALL”).

Trodelvy® (sacituzumab govitecan-hziy) sales increased 23% to $320 million in the second quarter 2024, compared to the same period in 2023, primarily driven by higher demand in second-line metastatic triple negative breast cancer and pre-treated HR+/HER2- metastatic breast cancer.

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

- Product gross margin was 77.7% in the second quarter 2024, compared to 78.0% in the same period in 2023. Non-GAAP product gross margin was 86.0% in the second quarter 2024, compared to 86.9% in the same period in 2023.

- Research & development ("R&D") expenses were $1.4 billion in the second quarter 2024 and in the same period in 2023. Non-GAAP R&D expenses were $1.3 billion in the second quarter 2024, compared to $1.4 billion in the same period in 2023. The changes were primarily driven by timing of clinical activities, including wind-down of studies.
- Acquired IPR&D expenses were $38 million in the second quarter 2024.
- Selling, general and administrative ("SG&A") expenses and non-GAAP SG&A expenses were $1.4 billion in the second quarter 2024, compared to $1.8 billion in the same period in 2023. The decreases in GAAP and non-GAAP SG&A expenses were primarily driven by the 2023 legal settlement expense referenced earlier which did not repeat in 2024.
- The effective tax rate ("ETR") was 21.4% in the second quarter 2024, compared to 34.6% in the same period in 2023. The decrease in ETR primarily reflects a remeasurement of certain deferred tax liabilities in the prior year and a settlement with a tax authority in the second quarter 2024. Non-GAAP ETR was 17.8% in the second quarter 2024, compared to 21.0% in the same period in 2023. The decrease in non-GAAP ETR primarily reflects a settlement with a tax authority.

Guidance and Outlook

For the full-year 2024, Gilead expects:

(in millions, except per share amounts)	August 8, 2024 Guidance		Comparison to April 25, 2024 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	$ 0.00	$ 0.30	Previously $0.10 to $0.50
Non-GAAP diluted EPS	$ 3.60	$ 3.90	Previously $3.45 to $3.85

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 from the Phase 3 PURPOSE 1 trial evaluating twice-yearly subcutaneous lenacapavir for HIV prevention in cisgender women at the International AIDS Conference ("AIDS 2024"). At the interim analysis, lenacapavir demonstrated 100% efficacy with zero HIV infections and superiority to both background HIV incidence and once-daily oral Truvada® (FTC 200mg and tenofovir disoproxil fumarate 300mg ("TDF")). Lenacapavir was generally well-tolerated and no new safety concerns were identified. The use of lenacapavir for PrEP is investigational.
- Highlighted long-term, five-year data for Biktarvy at AIDS 2024, demonstrating virologic suppression in Hispanic/Latine people with HIV, as well as older adults with comorbidities. Additionally, presented results from Gilead's investigational treatment pipeline, including 48-week data from the Phase 2 portion of the Phase 2/3 ARTISTRY study of once-daily oral bictegravir plus lenacapavir, once-weekly oral agents GS-1720 and GS-4182, as well as twice-yearly lenacapavir in combination with two broadly neutralizing antibodies, teropavimab and zinlirvimab.
- Announced U.S. Food and Drug Administration ("FDA") approval of an updated label for Biktarvy to include additional data for the treatment of pregnant adults with HIV-1 with suppressed viral loads.
- Presented Phase 2b MYR201 data demonstrating potential for the investigational combination of bulevirtide 10 mg with pegylated interferon alfa-2a as finite therapy for people with chronic HDV at the European Association for the Study of the Liver ("EASL") meeting. These data were simultaneously published in the New England Journal of Medicine .

- Presented 144-week follow-up data from the Phase 3 MYR301 study at EASL that reinforced bulevirtide as an efficacious and generally well-tolerated long-term treatment option as monotherapy in adults with chronic HDV. Bulevirtide 2 mg remains the only approved treatment for HDV in the EU and is not approved in the U.S. Bulevirtide 10 mg is an investigational product and is not approved anywhere globally.

Oncology

- Announced Trodelvy did not meet the primary endpoint of improvement in overall survival ("OS") in the intention-to-treat ("ITT") population of the confirmatory Phase 3 TROPiCS-04 study in locally advanced or metastatic urothelial cancer. A numerical improvement in OS favoring Trodelvy was observed, in addition to trends in improvement for select pre-specified non-alpha controlled subgroups analyses and secondary endpoints of progression-free survival and overall response rate. In the ITT population, there was a higher number of deaths due to adverse events with Trodelvy compared to single-agent chemotherapy, which were primarily observed early in treatment and related to neutropenic complications, including infection.
- Presented detailed results from the Phase 3 EVOKE-01 study evaluating Trodelvy in patients with metastatic or advanced non-small cell lung cancer ("NSCLC") that had progressed on or after platinum-based chemotherapy and anti-PD(L)1 therapy at the American Society of Clinical Oncology ("ASCO") meeting. These data were simultaneously published in the Journal of Clinical Oncology . As announced in January 2024, EVOKE-01 did not meet its primary endpoint of overall survival. The use of Trodelvy for lung cancer is investigational.
- Provided a longer-term update on Cohort A of the Phase 2 EVOKE-02 study of Trodelvy in combination with pembrolizumab in first-line advanced or metastatic squamous or non-squamous PD-L1-high NSCLC at the ASCO meeting.
- Announced new data from a pilot study in collaboration with Dana-Farber Cancer Institute that evaluated the safety of Yescarta in patients living with R/R primary or secondary central nervous system lymphoma, an investigational use. This data was presented at the ASCO meeting.

- Presented updated, four-year OS data from the pivotal Phase 2 ZUMA-3 study evaluating Tecartus in adult patients with R/R B-cell ALL at the ASCO meeting.
- Presented updated analysis at the ASCO meeting from Arm A1 of the Phase 2 EDGE-Gastric study evaluating domvanalimab, zimberelimab ("zim") and FOLFOX as a potential first-line treatment for upper gastrointestinal cancers, in partnership with Arcus Biosciences, Inc. ("Arcus"). Additionally, presented Phase 1b/2 ARC-9 Cohort B data with our partner Arcus, which is evaluating etrumadenant plus zim, FOLFOX and bevacizumab in third-line metastatic colorectal cancer. These products and uses are investigational.
- Announced preliminary findings at the European Hematology Association ("EHA") meeting from the Phase 2 ZUMA-24 study suggesting outpatient administration of Yescarta is feasible. Additionally, presented real-world manufacturing experience analysis demonstrating a statistically significant higher number of R/R large B-cell lymphoma patients that received second-line treatment with Yescarta achieved first-pass manufacturing success compared to patients that received treatment with Yescarta in third-line and beyond.
- Announced key operational updates, together with Arcellx, Inc. ("Arcellx"), for the anitocabtagene autoleucel multiple myeloma development program, including the design of the Phase 3 iMMagine-3 trial as a second- to fourth-line treatment for multiple myeloma, as well as the completion of the technical transfer to Kite.

Inflammation

- Presented two-year interim results from the ongoing long-term Phase 3 ASSURE study evaluating seladelpar in people living with primary biliary cholangitis ("PBC") who participated in any prior seladelpar clinical study at the Digestive Diseases Week and EASL meetings. The data demonstrated a sustained and consistent long-term efficacy and safety profile for seladelpar in PBC. Seladelpar is an investigational product and is currently under review by FDA, with a PDUFA date of August 14, 2024.
- Entered into an amended license agreement featuring the buy-out of global seladelpar royalties from Janssen Pharmaceutica NV for $320 million. This transaction will be reflected in Gilead's third quarter results.

Corporate

- Announced Gilead reached a settlement agreement in principle in the federal TDF litigation in the U.S. District Court for the Northern District of California. The agreement, which is subject to certain conditions, provides that Gilead will make a one-time payment of up to $40 million and is expected to resolve the claims of the overwhelming majority of plaintiffs in the federal TDF litigation.
- Announced Chief Medical Officer Merdad Parsey, MD, PhD, will leave the company in the first quarter of 2025. A search is underway for his successor.
- The Board declared a quarterly dividend of $0.77 per share of common stock for the third quarter of 2024. The dividend is payable on September 27, 2024, to stock holders of record at the close of business on September 13, 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 2:00 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 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.