November 6, 2024

Gilead Sciences Announces Third Quarter 2024 Financial Results

– Product Sales Excluding Veklury Increased 7% Year-Over-Year to $6.8 billion

Biktarvy Sales Increased 13% Year-Over-Year to $3.5 billion

Oncology Sales Increased 6% Year-Over-Year to $816 million –

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

“Gilead’s third quarter results are the strongest of the year to date, with 7% year-over-year revenue growth, including 13% year-over-year growth for Biktarvy. Based on this very strong topline growth and disciplined operating expense management, we are increasing our full year revenue, operating income, and earnings per share guidance,” said Daniel O’Day, Gilead’s Chairman and Chief Executive Officer. “We are excited to further increase our impact for patients and communities in the months ahead. This includes building on the momentum from the U.S. launch of Livdelzi for primary biliary cholangitis and preparing for the potential launch of the first twice-yearly option for HIV prevention option, lenacapavir.”

Third Quarter 2024 Financial Results

- Total third quarter 2024 revenue increased 7% to $7.5 billion compared to the same period in 2023, primarily due to higher sales in HIV as well as in Veklury ® (remdesivir), Oncology and Liver Disease.
- Diluted earnings per share (“EPS”) was $1.00 in the third quarter 2024 compared to $1.73 in the same period in 2023. The decrease was primarily driven by a pre-tax in-process research and development (“IPR&D”) impairment of $1.75 billion, or $1.04 per share net of tax impact, related to assets acquired by Gilead from

Immunomedics, Inc. (“Immunomedics”) in 2020, as well as higher acquired IPR&D expense. This was partially offset by higher product sales and higher net unrealized gains on equity securities.

- Non-GAAP diluted EPS was $2.02 in the third quarter 2024 compared to $2.29 in the same period in 2023. The decrease was primarily driven by higher acquired IPR&D and tax expense, partially offset by higher product sales.
- As of September 30, 2024, Gilead had $5.0 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.
- During the third quarter 2024 Gilead generated $4.3 billion in operating cash flow.
- During the third quarter 2024 Gilead paid dividends of $983 million and repurchased $300 million of common stock.

Third Quarter 2024 Product Sales

Total third quarter 2024 product sales increased 7% to $7.5 billion compared to the same period in 2023. Total third quarter 2024 product sales, excluding Veklury, increased 7% to $6.8 billion compared to the same period in 2023, primarily due to higher sales in HIV as well as in Oncology and Liver Disease.

HIV product sales increased 9% to $5.1 billion in the third quarter 2024 compared to the same period in 2023, driven by higher average realized price, primarily due to shifts in channel mix, and higher demand, partially offset by inventory dynamics.

- **Biktarvy**® (bictegravir 50mg/emtricitabine 200mg (“FTC”)/tenofovir alafenamide 25mg (“TAF”)) sales increased 13% to $3.5 billion in the third quarter 2024 compared to the same period in 2023, primarily driven by higher demand and average realized price, partially offset by inventory dynamics.
- **Descovy**® (FTC 200mg/TAF 25mg) sales increased 15% to $586 million in the third quarter 2024 compared to the same period in 2023, primarily driven by higher demand and average realized price, partially offset by inventory dynamics.

The **Liver Disease** portfolio sales increased 4% to $733 million in the third quarter 2024 compared to the same period in 2023. This was primarily driven by higher demand in viral hepatitis medicines, partially offset by unfavorable pricing dynamics.

Veklury sales increased 9% to $692 million in the third quarter 2024 compared to the same period in 2023, primarily driven by increased rates of COVID-19 related hospitalizations, particularly in the United States.

Cell Therapy product sales of $485 million in the third quarter 2024 were relatively flat compared to the same period in 2023.

- **Yescarta**® (axicabtagene ciloleucel) sales decreased 1% to $387 million in the third quarter 2024 compared to the same period in 2023, reflecting increased in- and out-of-class competition in the United States, partially offset by increased demand in relapsed or refractory ("R/R") large B-cell lymphoma ("LBCL") in other regions.
- **Tecartus**® (brexucabtagene autoleucel) sales increased 2% to $98 million in the third quarter 2024 compared to the same period in 2023, driven by increased demand in adult acute lymphoblastic leukemia ("ALL").

Trodelvy® (sacituzumab govitecan-hziy) sales increased 17% to $332 million in the third quarter 2024 compared to the same period in 2023, primarily driven by higher demand across all regions.

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

- Product gross margin was 79.1% in the third quarter 2024 compared to 77.6% in the same period in 2023. Non-GAAP product gross margin was 86.8% in the third quarter 2024 compared to 85.9% in the same period in 2023. The increases in GAAP and non-GAAP were primarily driven by product mix.
- Research & development ("R&D") expenses and non-GAAP R&D expenses were $1.4 billion in the third quarter 2024 compared to $1.5 billion in the same period in 2023. The decreases were primarily driven by the timing of clinical activities, including the wind-down of the magrolimab and obeldesivir COVID programs.
- Acquired IPR&D expenses were $505 million in the third quarter 2024, primarily driven by a $320 million charge related to the buy-out of global Livdelzi ® (seladelpar) royalties from Janssen Pharmaceutica NV, as well as payments related to ongoing collaborations.

- IPR&D impairment was $1.75 billion related to the assets acquired from Immunomedics in 2020 with no similar charges in 2023.
- Selling, general and administrative ("SG&A") expenses and non-GAAP SG&A expenses were $1.4 billion in the third quarter 2024 compared to $1.3 billion in the same period in 2023. The increases reflect the timing of commercial activities, including the launch of Livdelzi in the United States, and other corporate activities.
- The effective tax rate ("ETR") was (31.1)% in the third quarter 2024 compared to 6.3% in the same period in 2023. The decrease in ETR primarily reflects the impact of a legal entity restructuring and the aforementioned Immunomedics IPR&D impairment expense, partially offset by a prior year decrease in tax reserves that did not repeat. Non-GAAP ETR was 17.5% in the third quarter 2024 compared to 7.0% in the same period in 2023, primarily reflecting the impact of the prior year decrease in tax reserves.

Guidance and Outlook

For the full-year 2024, Gilead expects:

(in millions, except per share amounts)	November 6, 2024 Guidance		Comparison to August 8, 2024 Guidance
	Low End	High End	
Product sales	$27,800	$28,100	Previously $27,100 to $27,500
Product sales, excluding Veklury	$26,000	$26,300	Previously $25,800 to $26,200
Veklury	$ 1,800	$ 1,800	Previously $1,300
Diluted EPS	$ 0.05	$ 0.25	Previously $0.00 to $0.30
Non-GAAP diluted EPS	$ 4.25	$ 4.45	Previously $3.60 to $3.90

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

- Announced results of PURPOSE 2, the second Phase 3 study of twice-yearly lenacapavir for HIV prevention, with data presented at the HIV Research for Prevention Conference. In the lenacapavir group, 99.9% of participants did not acquire HIV infection, with 2 incident cases among 2,179 participants. Lenacapavir reduced HIV infections by 96% compared to background HIV incidence in cisgender men and gender-diverse people, and additionally demonstrated superiority to daily Truvada ® (FTC 200mg and tenofovir disoproxil fumarate 300mg; 89% relative risk reduction). Lenacapavir was generally well-tolerated and no significant or new safety concerns were identified. Gilead expects to file for U.S. Food and Drug Administration ("FDA") approval before the end of the year, with global filings to follow. The use of lenacapavir for the prevention of HIV is investigational.
- Presented HIV treatment data at the Infection Disease Week ("IDWeek") meeting, including Week 48 data from the Phase 2 study evaluating the investigational oral once-weekly combination regimen of lenacapavir with Merck's, known as MSD outside of the United States and Canada ("Merck"), islatravir. In addition, Phase 1a data of the investigational once-weekly GS-1720 and 3-year follow up from the Phase 2/3 CAPELLA trial of twice-yearly lenacapavir in people with multi-drug resistant HIV were also highlighted.
- Signed royalty-free voluntary licensing agreements with six manufacturers to make and sell generic lenacapavir for HIV prevention and for HIV treatment in heavily treatment-experienced adults with multi-drug resistant HIV in 120 high-incidence, resource-limited countries, subject to regulatory approval of lenacapavir in those markets.
- Presented data at IDWeek from the Phase 3 BIRCH and OAKTREE trials of investigational obeldesivir in non-hospitalized participants at high-risk or standard-risk for severe COVID-19, respectively. Previously, Gilead announced the early termination of the BIRCH trial and top-line results from the OAKTREE trial which found that while the study did not meet its primary endpoint, obeldesivir was

found to have a generally well tolerated safety profile. The detailed data presented add to the breadth of safety data on obeldesivir.
- Donated approximately 5,000 vials of remdesivir to the Rwanda Medical Supply in response to the Marburg Virus Disease ("MVD") outbreak for emergency use. Remdesivir is not approved for the treatment of MVD anywhere globally, and the safety and efficacy of this use is not known.

Oncology

- Announced abstracts for the American Society of Hematology 2024 Annual Meeting ("ASH"), including preliminary data from the registrational Phase 2 iMMagine-1 trial evaluating the Arcellx, Inc. ("Arcellx") partnered investigational CAR T anito-cel (anitocabtagene autoleucel) in R/R multiple myeloma, as well as updated results from the Phase 1 trial. Additionally, the first patient has been dosed in the Phase 3 iMMagine-3 trial in 2L+ R/R multiple myeloma.
- Announced ASH abstracts for long-term follow-up of Yescarta in R/R indolent non-Hodgkin's lymphoma and Tecartus in R/R mantle cell lymphoma, as well as real world data for Tecartus in B-cell precursor ALL.
- Presented Trodelvy data at the International Association for the Study of Lung Cancer World Conference on Lung Cancer across first- and second-line advanced or metastatic non-small cell lung cancer, as well as in extensive-stage small cell lung cancer. The use of Trodelvy for lung cancer is investigational.
- Announced plans to voluntarily withdraw the U.S. accelerated approval of Trodelvy for use in pre-treated adult patients with locally advanced or metastatic urothelial cancer, following the results of the Phase 3 TROPiCS-04 trial announced in May 2024.
- Received FDA Regenerative Medicine Advanced Therapy Designation for the evaluation of Yescarta as first-line treatment for adult patients with newly diagnosed, high-risk LBCL, an investigational use.

Inflammation

- Received FDA accelerated approval for Livdelzi for the treatment of primary biliary cholangitis in combination with ursodeoxycholic acid ("UDCA") in adults who have an inadequate response to UDCA, or as monotherapy in patients unable to tolerate UDCA. The use of Livdelzi is not recommended for people who have or develop decompensated cirrhosis.

Corporate

- Announced a strategic collaboration with Genesis Therapeutics, Inc. ("Genesis") to discover and develop novel small molecule therapies across multiple targets using Genesis' GEMS AI platform.
- The Board declared a quarterly dividend of $0.77 per share of common stock for the fourth quarter of 2024. The dividend is payable on December 30, 2024, to stockholders of record at the close of business on December 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 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 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 such exclusions as well as changes in tax-related laws and guidelines, transfers of intangible assets between certain legal entities, and legal entity restructurings. 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.