

GALDERMA

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H1 2024
financial results

JULY 25, 2024



Forward-looking statements

Certain statements in this Presentation are forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "plans", "targets", "aims", "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "continues", "should" and similar expressions. These forward-looking statements reflect, at the time, Galderma's beliefs, intentions and current targets/aims concerning, among other things, Galderma's results of operations, financial condition, industry, liquidity, prospects, growth and strategies and are subject to change. The estimated financial information is based on management's current expectations and is subject to change. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, changed market conditions, intense competition in the markets in which Galderma operates, costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting Galderma's markets, and other factors beyond the control of Galderma). Neither Galderma nor any of their respective shareholders (as applicable), directors, officers, employees, advisors, or any other person is under any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak of the date of this Presentation. Statements contained in this Presentation regarding past trends or events should not be taken as a representation that such trends or events will continue in the future. Some of the information presented herein is based on statements by third parties, and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, reasonableness, accuracy, completeness or correctness of this information or any other information or opinions contained herein, for any purpose whatsoever. Except as required by applicable law, Galderma has no intention or obligation to update, keep updated or revise this announcement or any parts thereof.

1. Highlights

2. Performance update

3. Financial results & outlook

4. Q&A and final remarks



Flemming Ørnskov, M.D., MPH
Chief Executive Officer



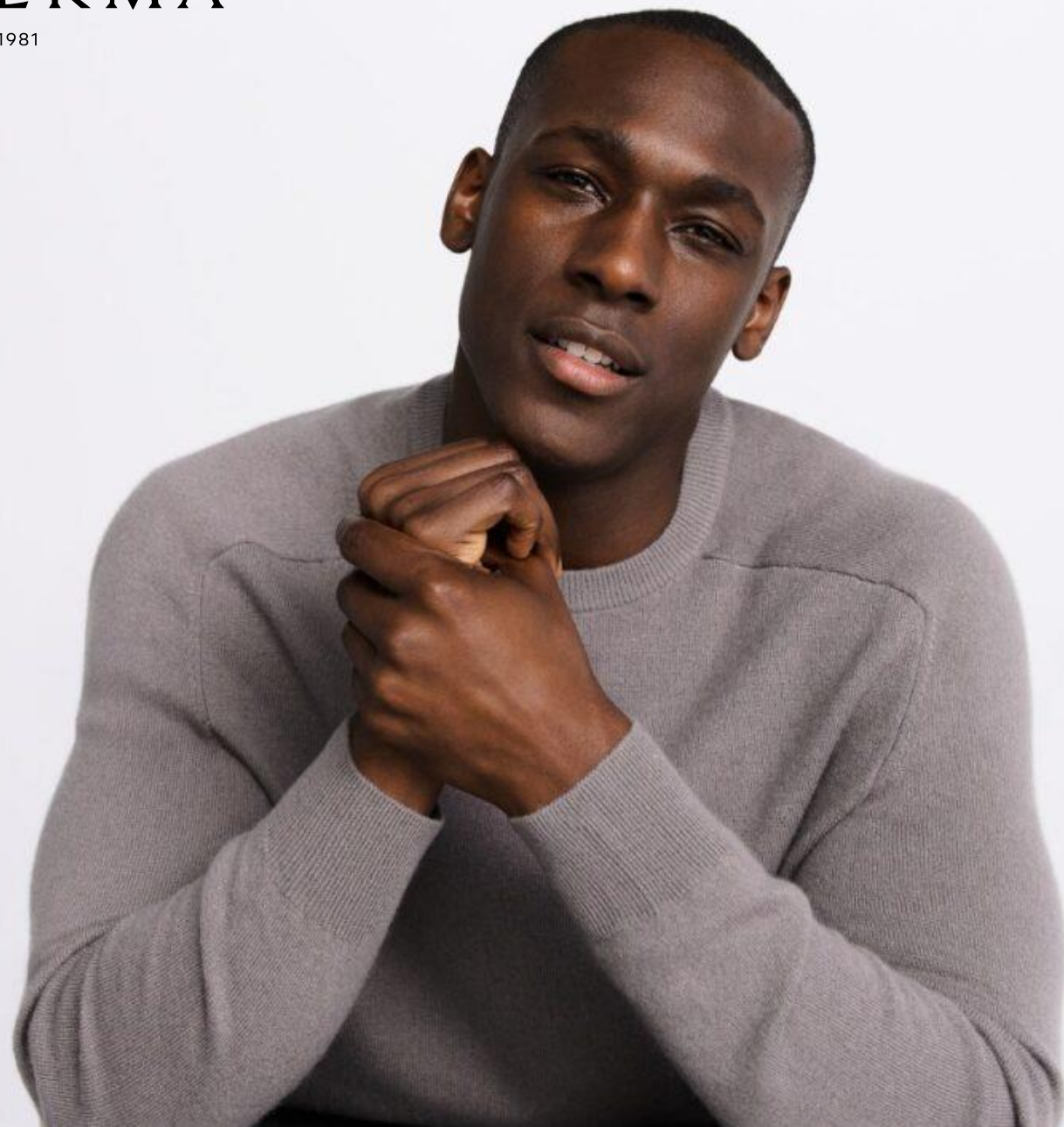
Thomas Dittrich
Chief Financial Officer

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1.

Highlights



Key highlights

H1 2024 NET SALES

2,202
M USD

+10.8%
Constant currency¹ year-on-year growth



Record net sales, predominantly volume-based growth globally complemented by favorable mix

H1 2024 CORE EBITDA¹

514
M USD

23.4%
Core EBITDA margin



Positive H1 margin impact, from efficiency & OPEX leverage and nemolizumab phasing (H1 nemolizumab spend of 95 M USD)

2024 FULL YEAR OUTLOOK

+7-10% Net sales growth at constant currency

% Core EBITDA margin in line
with 2023 at constant currency



Updating full year guidance on net sales, towards the upper end of the prior growth range, **and confirming Core EBITDA margin guidance**, in line with 2023 at constant currency

1. Non-GAAP metrics, with definitions and reconciliation tables to IFRS available in the Appendix (applies throughout the document)

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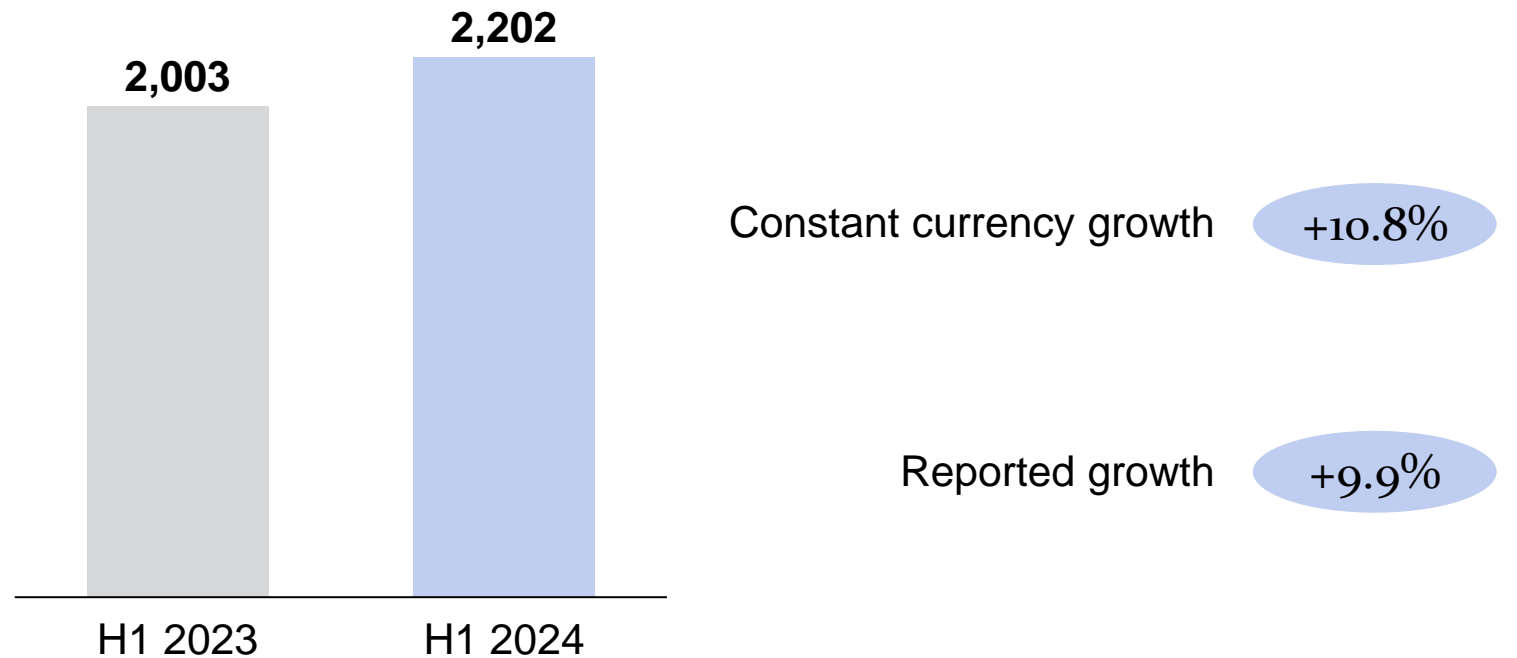
2.

Performance update



Continued strong growth momentum

Galderma net sales, in M USD



Growth predominantly driven by strong volume,
complemented by positive mix

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Injectable Aesthetics

Dysport aesthetic / Azzalure[®]
Botulinum toxin type A

Alluzience[®]
Botulinum toxin type A

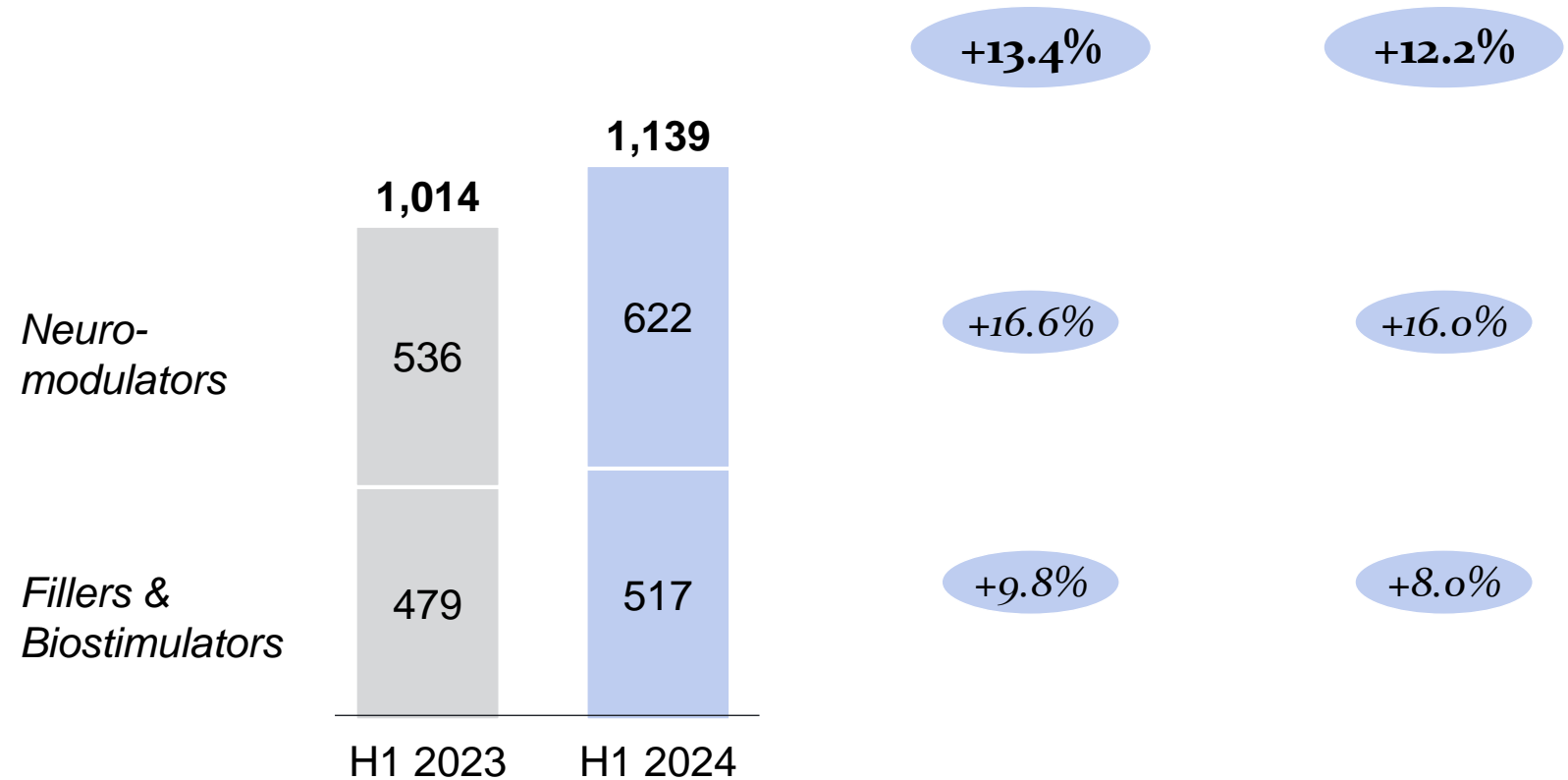
Restylane

SCULPTRA[®]

Net sales, in M USD

**Constant
currency growth**

Reported growth



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Injectable Aesthetics: H1 innovation & commercial highlights

LEADING INNOVATION IN PRODUCTS & SERVICES

Relfydess™ (QM-1114)



Results sustained for 6 months

Fast onset of action as early as day 1

1st marketing authorization in Australia for frown lines & crow's feet



**Restylane VOLYME™
launched in China**



Next-generation liquid neuromodulation summit



Education on treatment for rapid weight loss (e.g., GLP-1s)

SCALED EXECUTION



Sculptra activation in Thailand to maintain the strong launch uptake

Dermatological Skincare

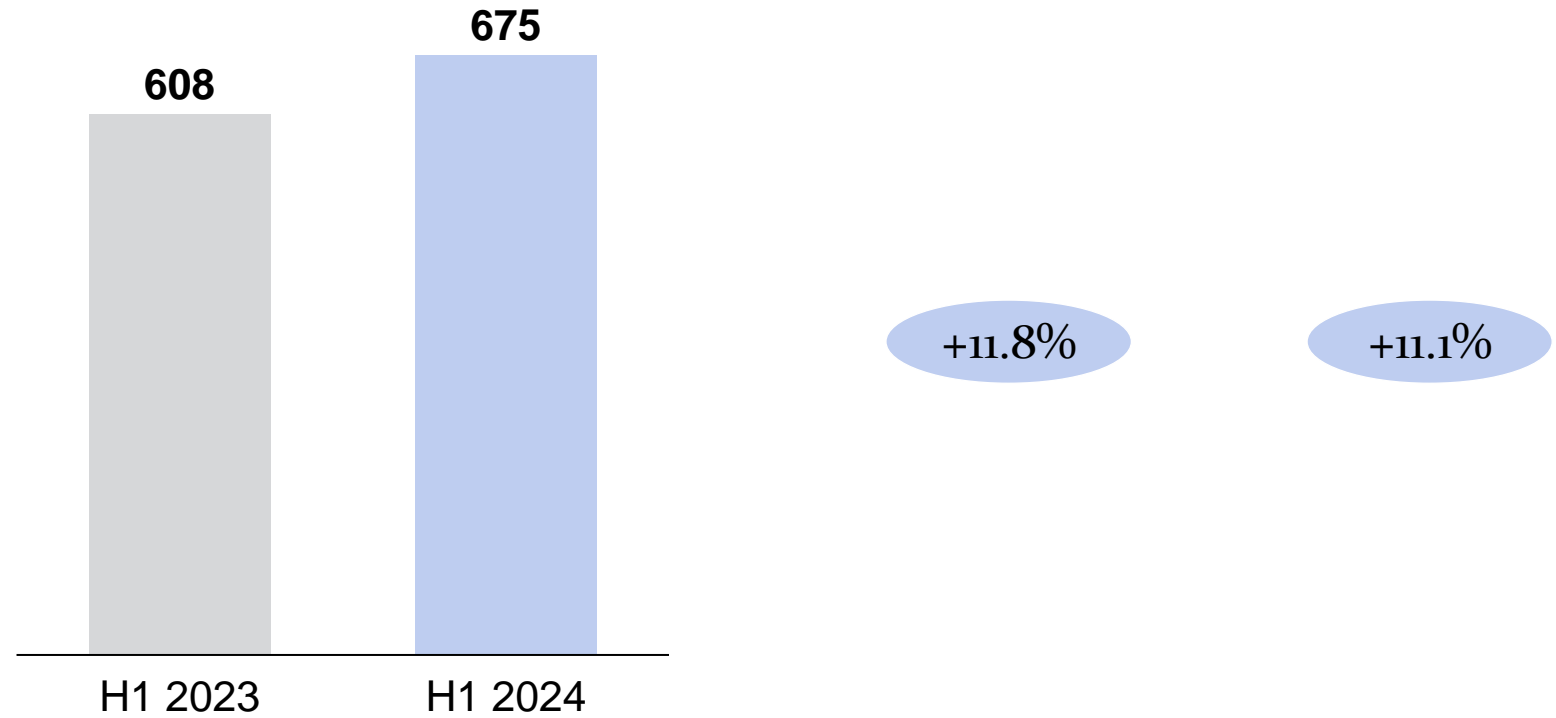
Cetaphil®

ALASTIN®
SKINCARE

Net sales, in M USD

Constant
currency growth

Reported growth



NB: Key brands, not exhaustive

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Dermatological Skincare: H1 innovation & commercial highlights

RECENT PRODUCT LAUNCHES

High potency serums & line expansions (e.g., U.S. & Asia)



DIGITAL EXECUTION

Strong social media campaigns & e-commerce performance

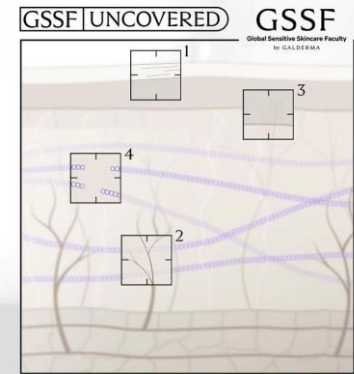


amazon



SCIENTIFIC ENGAGEMENT

Research & education on sensitive skin



WHAT ARE THE FOUR MORPHOLOGICAL CHANGES OF SENSITIVE SKIN?

¹Altered stratum corneum ²Vasoconstriction ³Epidermal hyperplasia ⁴Collagen fragmentation



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Therapeutic Dermatology

EPIDUO FORTE
(adapalene and benzoyl peroxide) Gel 0.3% / 2.5%

AKLIEF

ORACEA

ONCE-DAILY
soolantra
(IVERMECTIN) 1% / CREAM

metvix
Methyl aminolevulinate

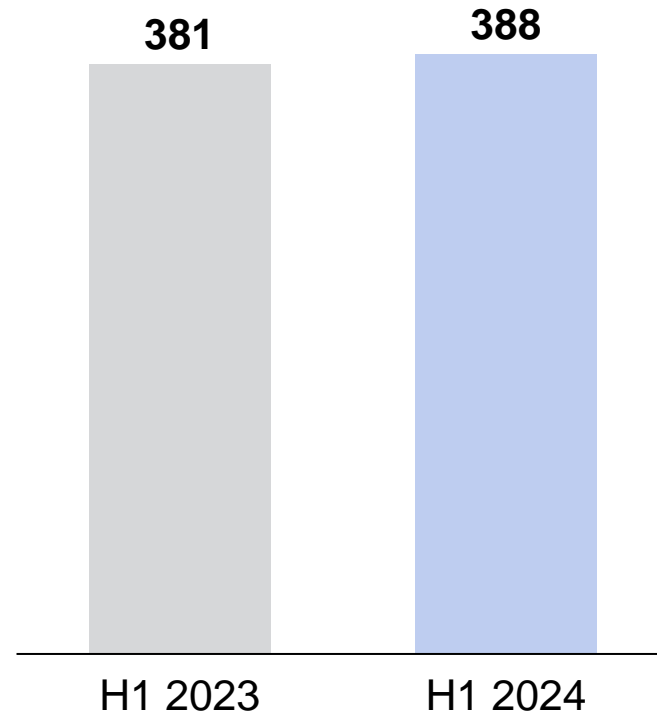
BENZAC

DIFFERIN

LOCERYL

NB: Key brands, not exhaustive

Net sales, in M USD



**Constant
currency growth**

+2.2%

Reported growth

+1.8%

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Nemolizumab launch preparations progressing for prurigo nodularis (PN) & atopic dermatitis (AD)

Announcement of filing acceptances

14
FEB
2024

 *PN priority review granted in the U.S.* 

06
MAY
2024

25
JUL
2024



Activities focused on launch readiness

- > **US infrastructure in place**, incl. commercial, medical & market access teams with biologics launch expertise
- > **Launch teams in place in key International markets**, incl. experienced market access & medical affair teams
- > **Reimbursement and provider discussions ongoing**, incl. provider engagement on disease state education
- > **Ongoing data dissemination with a publication in The Lancet** (phase III AD study results)

Looking ahead, Galderma will explore nemolizumab in other dermatological indications

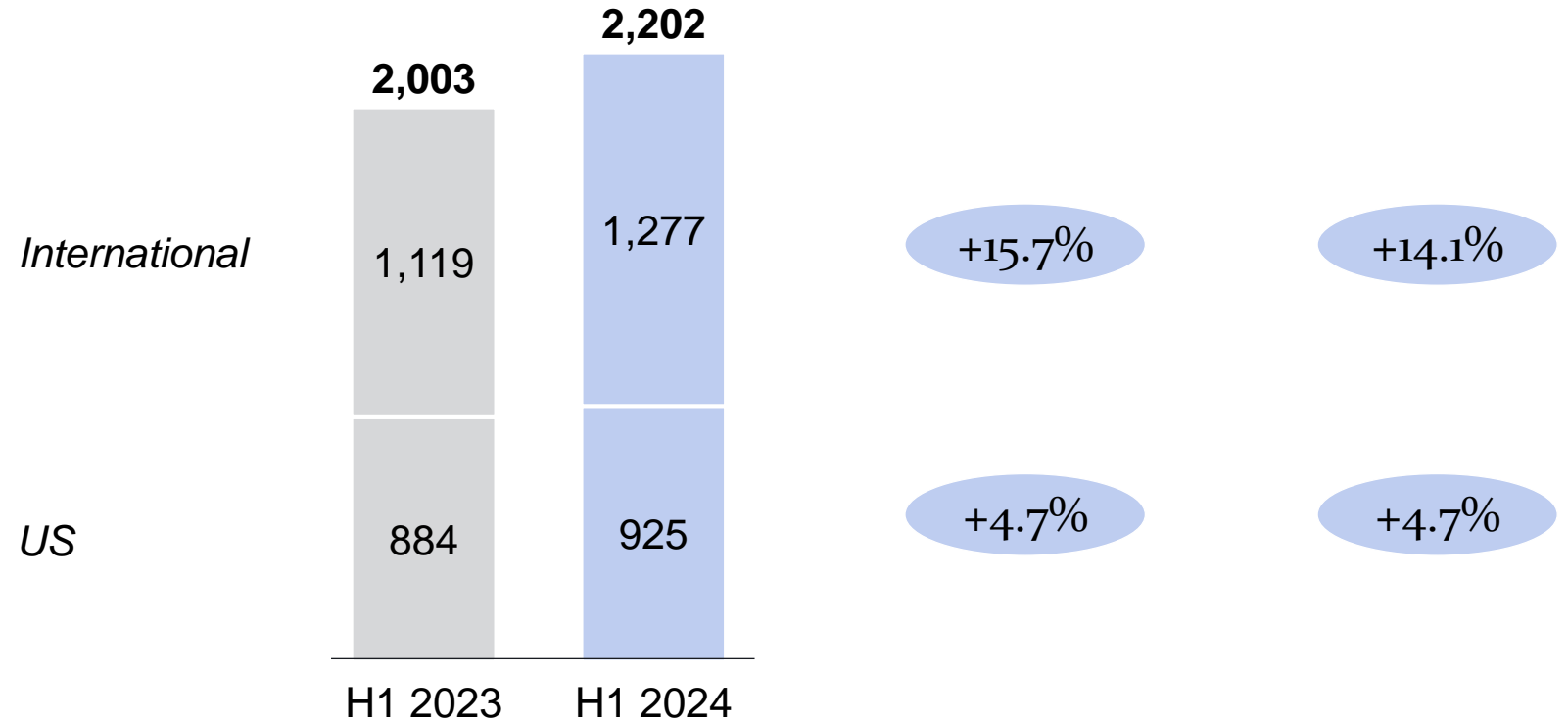
Strong momentum in International markets



Net sales, in M USD

Constant currency growth

Reported growth





Continued strong growth in Injectable Aesthetics & Dermatological Skincare

NEW LAUNCHES



FOCUSED EXECUTION

HEALTHCARE PROFESSIONAL EDUCATION



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Financial results
& outlook



Record financial performance in H1 2024

H1 2024 top-line

2,202 M USD

Net sales

+10.8%

Constant currency growth

+9.9%

Reported growth

H1 2024 bottom-line

514 M USD

Core EBITDA

+17.7%⁰¹

Constant currency growth

23.4%⁰²

Core EBITDA margin

H1 2024 cash & balance sheet

2.6x

Leverage³

1. Core EBITDA Margin at CC is 23.5% which excludes FX impact of -10 bps | 2. Including 95 M USD of nemolizumab spend, representing 38% of full year guidance | 3. Non-GAAP metrics, with definitions and reconciliation tables to IFRS available in the Appendix (applies throughout the document)

Core EBITDA margin improvement

In M USD

	<u>H1 2023</u>	<u>H1 2024</u>	<u>Reported growth</u>	<u>Constant currency growth</u>
Net sales	2,003	2,202	+9.9%	+10.8%
Core Gross Profit	1,531	1,647	+7.5%	+8.6%
<i>As % of net sales</i>	<i>76.5%</i>	<i>74.8%</i>	<i>-165bps</i>	<i>-150 bps</i>
Core EBITDA	450	514	+14.2%	+17.7%
<i>As % of net sales</i>	<i>22.5%</i>	<i>23.4%</i>	<i>+90bps</i>	<i>+140 bps</i>
Core Net Income	131	210	+59.9%	

Continued improvement in underlying profitability while investing in nemolizumab

Core EBITDA margin evolution

ILLUSTRATIVE ONLY – BAR SIZE NOT AT SCALE

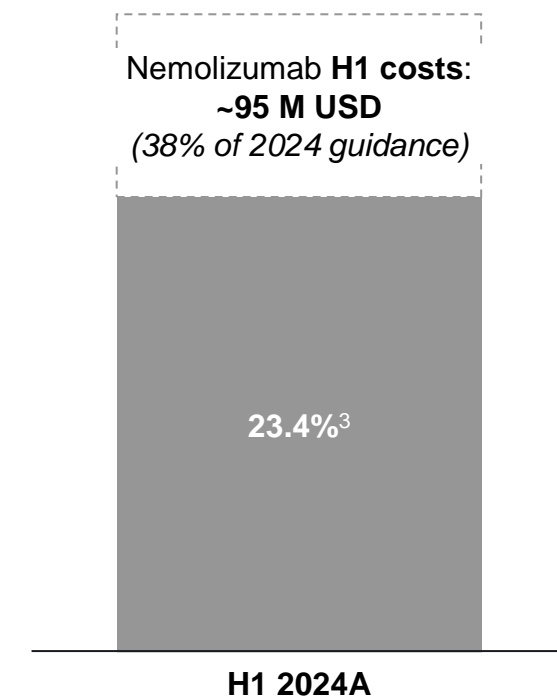
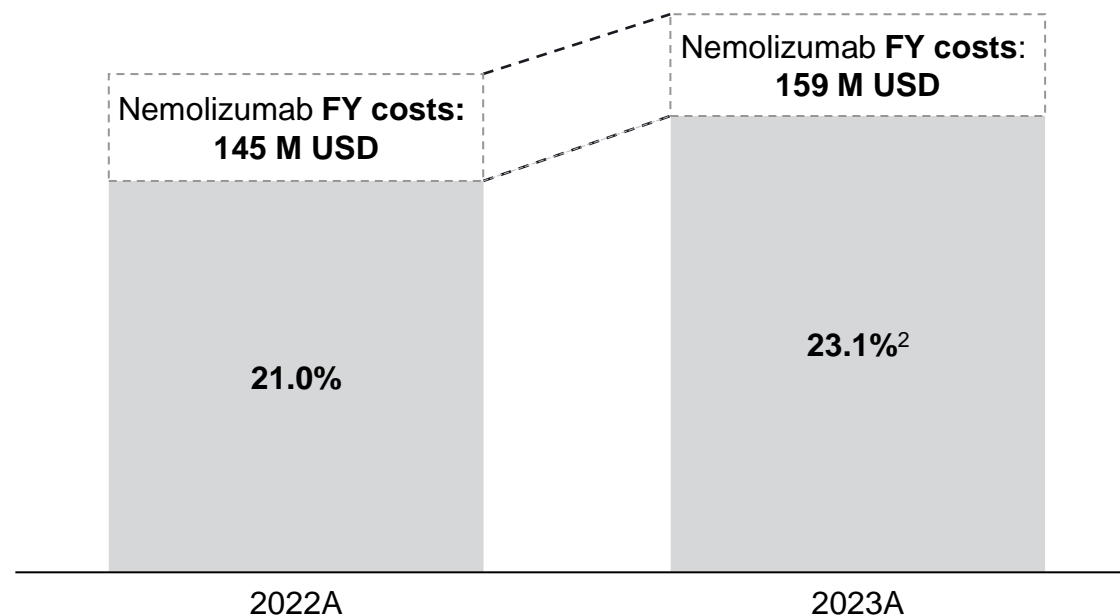
Core EBITDA margin
excl. nemolizumab costs¹:

24.9%

27.0%

27.7%

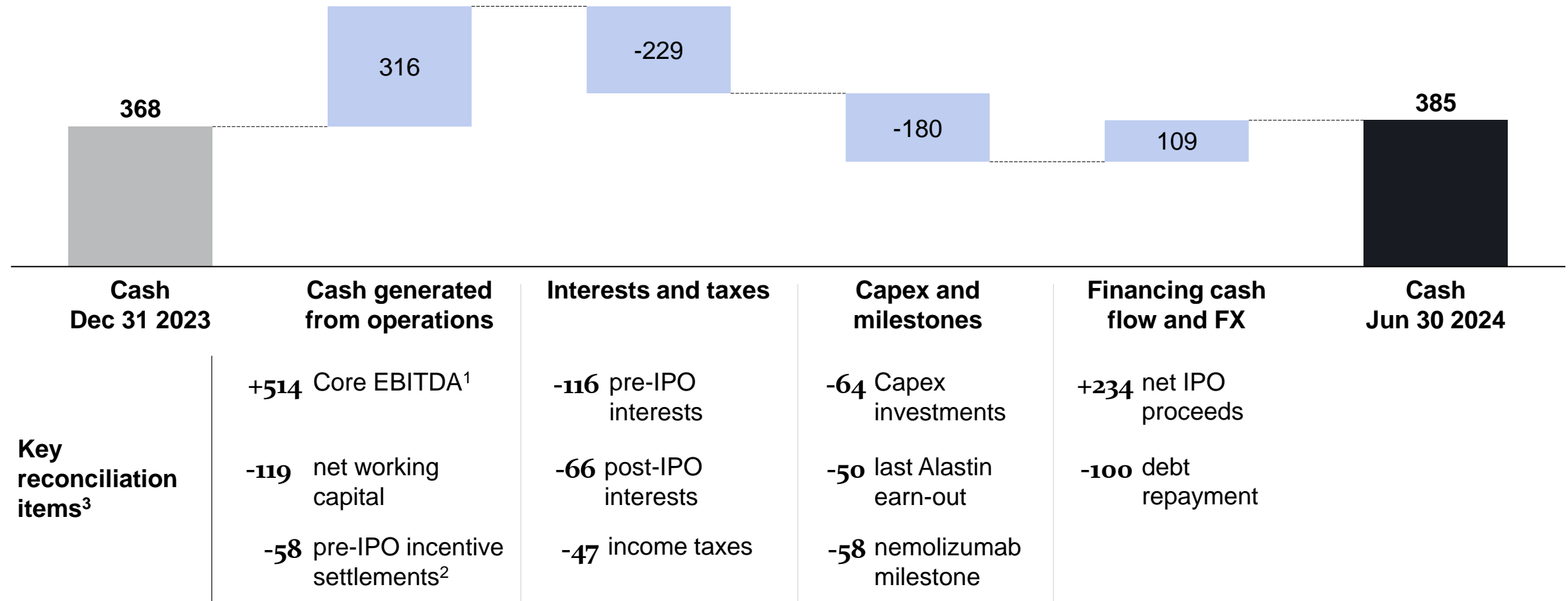
Core EBITDA margin,
incl. nemolizumab costs¹:



1. Nemolizumab costs include external R&D, Medical and Regulatory, Sales and Marketing, and Distribution | 2. Includes impact from FX rates of -78 bps | 3. Includes impact from FX rates of -10 bps

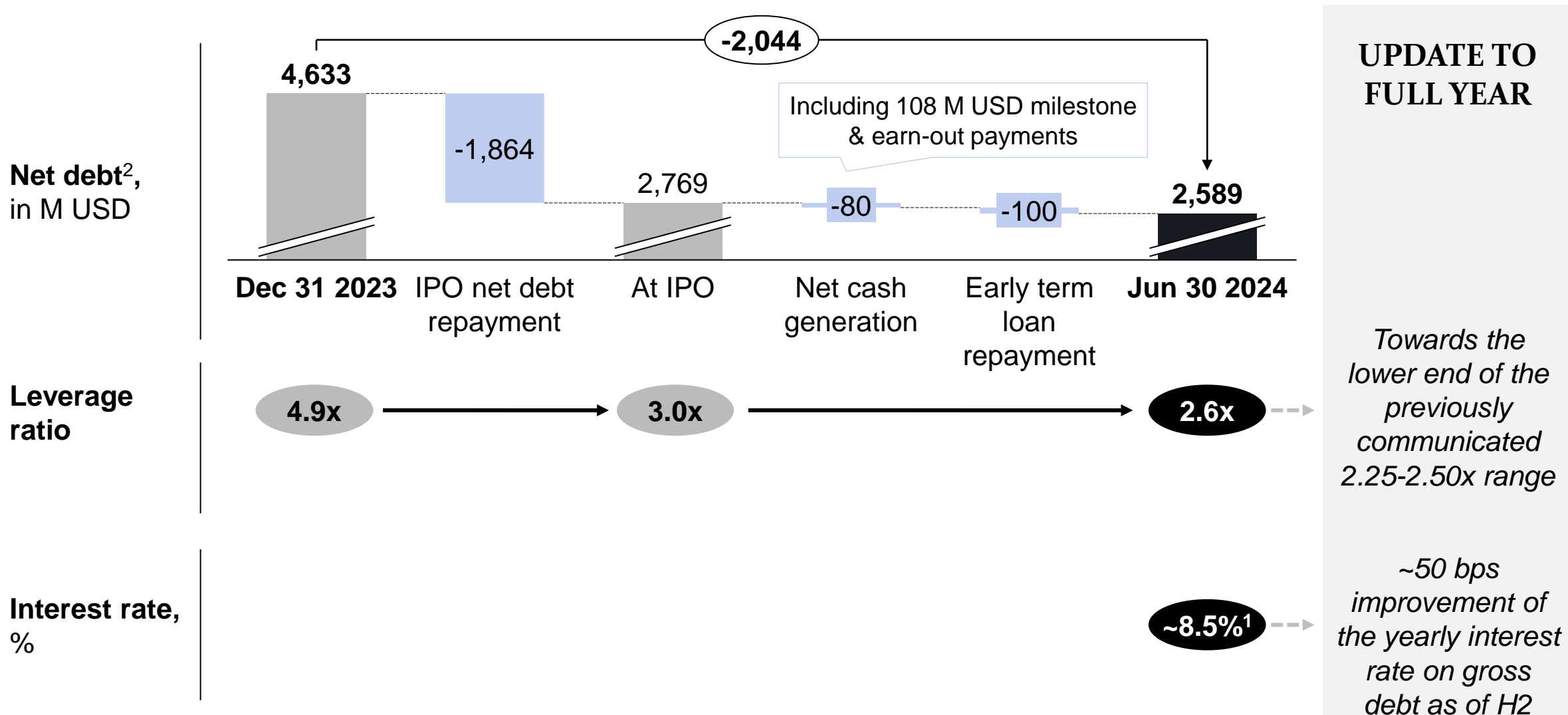
Cash generation allowing for early debt repayment

In M USD



1. Non-GAAP metric, reconciliation table to IFRS available in the Appendix | 2. -52 M USD cash outflows from the Value Creation Bonus (VCB) and payments of social security charges of -6 M USD related to the IPO Incentive Plan | 3. The difference between the sum of key reconciliation items and the total cash inflow generated from operations of -21 M USD results from a mixture of non-cash items in Core EBITDA and variations in other operating assets and liabilities. Additional cash outflows of -8 M USD occurred for Capex related to management and information systems. The total of financing cash flow and FX includes additional cash outflows of -25 M USD from repayments of other financial debt and currency retranslation

Leverage reduced to 2.6x at June 30th



1. Calculated on gross debt as of H1 2024 of 2,965 M USD (reconciliation to net debt available in the Appendix) | 2. Non-GAAP metric, reconciliation table to IFRS available in the Appendix

Updating 2024 full year guidance on net sales

Recall: Full year 2024

+7-10% net sales growth at constant currency

% Core EBITDA margin in line with 2023 at constant currency
(includes ~250 M USD of nemolizumab costs¹)

Updated full year 2024 guidance



Towards the upper end of previous guidance range of +7-10% Growth in Constant Currency



% Core EBITDA margin in line with 2023 at constant currency
(includes ~250 M USD of nemolizumab costs¹)

1. Nemolizumab costs include external R&D, Medical and Regulatory, Sales and Marketing, and Distribution

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Closing

Q&A and
final remarks



Continued growth momentum in 2024, across product categories & geographies, driven by Galderma's unique integrated dermatology strategy

Record net sales of 2.2 B USD for the first half, growing 10.8% at constant currency, predominantly driven by volume complemented by favorable mix

Core EBITDA improvement in H1 2024 at 514 M USD, a 23.4% margin, driven by sales growth, operating leverage, & nemolizumab spend phasing

Leverage reduced to 2.6x by end of June 2024, with debt repayment from IPO proceeds & cash generation

Updated 2024 full year guidance on net sales, towards the upper end of the prior growth range of 7-10% year-on-year at constant currency, and **confirming guidance for Core EBITDA margin**, in line 2023 at constant currency



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Appendix

Basis of financial information

<p>Disclosure</p>	<ul style="list-style-type: none"> Galderma has one reportable segment for financial reporting purposes Galderma provides additional Net Sales disclosure on product categories (Injectable Aesthetics, Dermatological Skincare, Therapeutic Dermatology) Galderma also provides additional Net Sales disclosure on geographies (US, International). International refers to all geographies excl. US
<p>Accounting principles</p>	<ul style="list-style-type: none"> December year-end Prepared in accordance with IFRS standards Half-year / Interim financials are unaudited Due to rounding numbers presented may not add up precisely to the totals provided
<p>FX</p>	<ul style="list-style-type: none"> Presented in US dollars (USD), Galderma's reporting currency
<p>Key financial terms</p>	<ul style="list-style-type: none"> Constant Currency (CC) CAGR: means the compound annual growth rate of Net Sales or Core EBITDA, excluding the impact of exchange rates movements and excluding hyperinflation economies. The impact of changes in foreign exchange rates are excluded by translating all reported revenues during the presented period at average exchange rates in effect during the initial year of the relevant period (e.g. 2022 for CC CAGR 2022-2024) Constant Currency (CC) YoY Growth: means the annual growth rate of Net Sales, Core EBITDA or Core Gross Profit, excluding the impact of exchange rates movements and excluding hyperinflation economies. The impact of changes in foreign exchange rates are excluded by translating all reported revenues during the 2 periods at average exchange rates in effect during the previous year Core CAPEX: defined as the Group capital expenditures (Property, plant and equipment as well as Intangible assets) excluding transformation related investments and acquisitions of IP and operating rights Core EBITDA: defined as EBITDA excluding the following items that are deemed exceptional, including acquisition and disposal, integration and carve-out related income and expenses, onerous contracts, business disposal gains and losses, restructuring and reorganisation related items, litigation related items, impairment of PPE and software, IPO related incentive plans as well as other income and expense items that management deems exceptional and that are expected to accumulate within the year to be over 1 M USD threshold. These include transformation, carve-out and build-up related project costs as well as post-acquisition related accounting impacts Core Net Income: defined as net income / (loss) from continuing operations excluding the same items that are deemed exceptional for the purpose of the Core EBITDA definition, as well as amortization of intangible assets, foreign exchange gains and losses. Taxes on the adjustments between IFRS and Core Net Income take into account, for each individual item included in the adjustment, the tax rate that will finally be applicable to the item based on the jurisdiction where the adjustment will finally have a tax impact EBITDA: defined as net (loss)/income excluding income taxes, depreciation of PPE, depreciation of right-of-use-assets, amortizations of intangible assets, interest expense, foreign exchange gains and losses on financing items Working capital: defined as inventories and trade receivables, other receivables, prepayments and accrued income, less trade payables, other payables and accruals and deferred income other working capital items Leverage: defined as Total Net Indebtedness divided by Core EBITDA on a twelve-months rolling basis

Continued strong net sales growth in H1 2024

Constant currency year-on-year growth



Reconciliation of H1 2024 reported growth to constant currency growth

	Reported growth	Effect of exchange rates	Constant currency growth
Injectable Aesthetics	+12.2%	+1.2%	+13.4%
Dermatological Skincare	+11.1%	+0.7%	+11.8%
Therapeutic Dermatology	+1.8%	+0.4%	+2.2%
Net Sales	+9.9%	+0.9%	+10.8%
International	+14.1%	+1.6%	+15.7%
US	+4.7%	-	+4.7%
Net Sales	+9.9%	+0.9%	+10.8%
Core EBITDA	+14.2%	+3.5%	+17.7%

Reconciliation of H1 2024 P&L from IFRS to Core reporting

<i>In M USD</i>	IFRS - as reported	Exceptional and transformation related items	Amortization	Depreciation	Core reporting	% Net Sales (based on Core reporting)
Net Sales	2,202	-	-	-	2,202	
Other revenue	14	-	-	-	14	
Cost of goods sold	(667)	-	89	9	(569)	
Gross profit	1,549	-	89	9	1,647	74.8%
Research and development	(135)	-	-	1	(134)	6.1%
Sales and marketing	(701)	-	-	5	(695)	31.6%
General and administrative	(287)	57	22	15	(194)	8.8%
Medical and regulatory	(45)	-	-	-	(45)	2.0%
Distribution	(65)	-	-	1	(65)	2.9%
Other income / (expenses)	(2)	2	-	-	-	-
Operating profit as reported	313					
Total adjustments		59	112	30		
Core EBITDA					514	23.4%

Reconciliation of H1 2023 P&L from IFRS to Core reporting

<i>In M USD</i>	IFRS - as reported	Exceptional and transformation related items	Amortization	Depreciation	Core reporting	% Net Sales (based on Core reporting)
Net Sales	2,003	-	-	-	2,003	
Other revenue	12	-	-	-	12	
Cost of goods sold	(584)	-	89	9	(486)	
Gross profit	1,431	-	89	9	1,529	76.3%
Research and development	(137)	-	-	1	(136)	6.8%
Sales and marketing	(658)	-	2	2	(653)	32.6%
General and administrative	(233)	23	15	12	(184)	9.2%
Medical and regulatory	(41)	-	-	-	(41)	2.1%
Distribution	(65)	-	-	1	(64)	3.2%
Other income / (expenses)	(18)	18	-	-	-	-
Operating profit as reported	278					
Total adjustments		40	107	25		
Core EBITDA					450	22.5%

Reconciliation of H1 2024 IFRS Net Income to Core EBITDA and Core Net Income

<i>In M USD</i>	H1 2023	H1 2024
Core EBITDA	450	514
<i>% margin</i>	22.5%	23.4%
Exceptional and transformation related adjustments	(23)	(57)
Other income / (expenses)	(18)	(2)
Total EBITDA adjustments¹	(40)	(59)
EBITDA	410	455
<i>% margin</i>	20.5%	20.7%
Depreciation	(25)	(30)
Amortization	(107)	(112)
Operating profit	278	313
Net interest expenses incl. VCB revaluation	(278)	(206)
Foreign exchange loss on financing activities	(18)	(30)
Income / (loss) before tax	(17)	77
Income taxes	21	(30)
Net income	4	47
Total EBITDA adjustments ¹	40	59
VCB financing revaluation	(19)	(28)
Amortization	107	112
Foreign exchange loss on financing activities	18	30
Income taxes on above items	(18)	(10)
Core Net Income	131	210

1. 2023 adjustments include 13 M USD for platform transformation costs, 10 M USD for VCB bonus, 11 M USD litigation and onerous items, 3 M USD for IPO, 1 M USD for operating FX, 3 M USD on Restructuring and Others. 2024 adjustments include 48 M USD for IPO related incentive plans, 5 M USD for platform transformation costs, 4 M USD for VCB bonus, 2 M USD for IPO

Reconciliation of H1 2024 Core EBITDA adjustments

<i>In M USD</i>	H1 2023	H1 2024	Description
Platform Transformation costs	(13)	(5)	Costs related to the multi-year Transformation program, which is expected to be largely completed in 2024. Transformation costs relate to third-party consulting fees and project management costs, for the multi-year transformation program. These include the setup of a shared services organization, as well as implementation of IT solutions for Finance, HR, Procurement, Supply Chain.
Value Creation Bonus (VCB)	(10)	(4)	Non-cash item, settled and discontinued at IPO: pre-IPO long-term incentive (LTI) plan open to selected management employees. Post IPO: VCB has been replaced by LTI plan, which is already factored in our 2024 and mid-term Core EBITDA margin guidance.
Litigation and onerous items	(11)	(4)	Litigation and onerous costs primarily relate to legal fees, the largest item of which relate to legal arbitration cases initiated by Galderma
IPO & M&A fees	(3)	(2)	Advisor fees related to IPO readiness efforts not recorded against equity
Operating FX	(1)	6	Operating FX from balance sheet revaluations
IPO incentives	-	(48)	IPO Incentive Plans as described in the Offering prospectus ²
Impairment, restructuring and others	(3)	(3)	
Total EBITDA adjustments¹	(40)	(59)	

1. Excludes IPO related transaction fees settled at IPO | 2. 48 M USD costs in relation to the IPO Incentive Plans as described in the Offering prospectus recognized at fair value, 38 M of which were settled non-cash, in restricted existing shares funded and delivered by the Selling Shareholders upon completion of the offering, a corresponding cash expense for a social security contributions of 6 M USD and a cash expense for the "IPO cash bonus" for 4 M USD – all only impacting reported metrics as per the basis of financial information. The IPO Incentive Plans were inversely related to the final offer price, i.e., the higher the final offer price, the lower the amount of the awards under the IPO Incentive Plans. The purpose of the IPO Incentive Plans was to align the interests of the members of the Board of Directors and the Executive Committee, management and selected employees of the Group with the interests of the new shareholders at the time of the offering by limiting the impact of the final offer price on the amount of the awards payable to the Board of Directors and the Executive Committee, management and selected employees of the Group as a result of the completion of the offering

H1 2024 Total Net Indebtedness

<i>In M USD</i>	Dec 31 2023	June 30 2024
Total Indebtedness¹	5,001	2,974
Cash and Cash Equivalents	(368)	(385)
Total Net Indebtedness	4,633	2,589

1. Indebtedness includes financial debt and lease liabilities

Latest additional modelling metrics for full year 2024

Modelling metrics at IPO		Latest modelling metrics
Transformation costs ¹	~30 M USD	Slightly below 30 M USD
Milestones and earnouts ²	~175 M USD	~175 M USD
Core CAPEX	3 - 4% of net sales	3 - 4% of net sales
Effective tax rate	~27%	~30% with the 2024 tax rate impacted by one-off IPO items
Leverage	2.25 - 2.50x ³	Towards the lower end of 2.25 - 2.50x ³
Interest <i>(Post IPO expected Run Rate)</i>	~8.5% ⁴ average interest rate; ~250 M USD interest expense	~120 M USD in interest cash expenses in H2, corresponding to ~50 bps improvement of the yearly interest run-rate ⁵ on gross debt as of H2

1. In addition, assuming ~20 M 'other income & expenses', e.g., litigation and onerous items, excluding 48 M USD costs in relation to the IPO Incentive Plans and the 'IPO cash bonus' described in the Offering prospectus recognized at fair value, 38 M of which were settled non-cash, in restricted existing shares funded and delivered by the Selling Shareholders upon completion of the offering. The IPO Incentive Plans were inversely related to the final offer price, i.e., the higher the final offer price, the lower the amount of the awards under the IPO Incentive Plans. The purpose of the IPO Incentive Plans was to align the interests of the members of the Board of Directors and the Executive Committee, management and selected employees of the Group with the interests of the new shareholders at the time of the offering by limiting the impact of the final offer price on the amount of the awards payable to the Board of Directors and the Executive Committee, management and selected employees of the Group as a result of the completion of the offering | 2. Year-end metric, relates to nemolizumab, Alastin and other products | 3. Based on 2024 expected Core EBITDA. Includes ~175 M USD milestones and earnouts | 4. Based on 3M SOFR + 2.75% subject to hedging strategy | 5. Based on 3M SOFR + 2.25% subject to hedging strategy

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For any questions, please reach out by email at: investors@galderma.com