Halozyme Therapeutics, Inc.

First Quarter 2024 Financial & Operating Results

NASDAQ: HALO

May 7, 2024

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Forward Looking Statements

In addition to historical information, the statements set forth in this presentation include forward-looking statements including, without limitation, statements concerning the Company's expected future growth, financial performance (including the Company's 2024 guidance and longer term financial outlook through 2028) and expectations for profitability, revenue (including expectations for future royalties, milestones and product sales, and revenue durability and diversification), EBITDA, Adjusted EBITDA, non-GAAP diluted earnings-per-share, expected growth rates of the Company's partnered products, potential share repurchases and the Company's plans to potentially expand the Company's platform through acquisitions. Forward-looking statements regarding the Company's ENHANZE® drug delivery technology include the possible benefits and attributes of ENHANZE® including its potential application to aid in the dispersion and absorption of other injected therapeutic drugs and facilitating more rapid delivery and administration of higher volumes of injectable medications through subcutaneous delivery and potential to decrease treatment burden, infusion related reactions and healthcare system costs and enable new treatment sites. Forward-looking statements regarding the Company's business may also include potential growth driven by our partners' development and commercialization efforts (including anticipated ENHANZE® indication and product approvals and launches and the timing related to these events), projections for future sales revenue and market share of our collaborators' products, potential new or expanded ENHANZE® collaborations, collaborative targets and indications for ENHANZE® products, the potential for co-formulation patents to extend royalty payment periods and maintain royalty rates, and the Company's plans to develop a high volume auto-injector (including statements related to potential future development, approval and patient treatment benefits of a high volume auto-injector). These forward-looking statements are typically, but not always, identified through use of the words "expect," "believe," "enable," "may," "will," "could," "intends," "estimate," "anticipate," "plan," "predict," "probable," "potential," "possible," "should," "continue," and other words of similar meaning and involve risk and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Actual results could differ materially from the expectations contained in these forward-looking statements as a result of several factors, including unexpected levels of revenues (including royalty and milestone revenue received from our collaboration partners and product sales), expenditures and costs, unexpected delays in the execution of the Company's planned platform expansion or share repurchases, unexpected results or delays in the growth of the Company's ENHANZE® business (including as a result of unexpected conversion rates) or other proprietary product revenues, obtaining new co-formulation or proprietary intellectual property, or in the development, regulatory review or commercialization of our partners' ENHANZE® products, unexpected delays in the Company's plans to develop and commercialize a high volume auto-injector, regulatory approval requirements, unexpected adverse events or patient outcomes and competitive conditions. These and other factors that may result in differences are discussed in greater detail in the Company's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statements or any other information contained herein.

Non-GAAP Financial Measures:
In addition to disclosing financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), these materials contain certain non-GAAP financial measures. The Company reports Adjusted EBITDA, Adjusted EBITDA Margin and non-GAAP diluted earnings per share and expectations of those measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company uses Non-GAAP financial information in assessing what it believes is a meaningful and comparable set of financial performance measures to evaluate operating trends, as well as in establishing portions of our performance-based incentive compensation programs. The Company does not provide reconciliations for forward-looking adjusted measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, including adjustments that could be made for changes in contingent liabilities, share based compensation expense and the effects of any discrete income tax items. Reconciliations between GAAP and non-GAAP financial measures are included in these materials.

Note: This presentation contains product names, trademarks and registered trademarks which are property of their respective owners.

Confidence in Full Year 2024 Outlook

Sustainable royalty revenue growth

- ✓ 1Q 2024 marks 15th consecutive quarter of >15% YOY royalty growth
- ✓ Five potential Wave 3 product launches between 2023-2025

Visibility of milestone payments

- ✓ Contributions from Wave 1,2,3 and 5 products in 2024
  - 1Q: $14M related to approval and launch of efgartigimod with ENHANZE (VYVDURA) in Japan
  - 2Q: Regulatory filing acceptance for Wave 3 product
  - 3Q: Regulatory filing and first commercial sale for Wave 3 products; Wave 5 Phase 1 start
  - 4Q: Several commercial sales attainment milestones of Waves 2 and 3 products
- ✓ New deal/new nomination milestones for planning purposes assumed in 4Q; could occur earlier in 2Q, 3Q or 4Q

EBITDA growth

- ✓ Revenue growth with disciplined expense management projected to deliver 26-37% growth

Confidence in Full Year 2024 Financial Guidance

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Operational and Commercial Achievements in 1Q 2024

Product Approvals

- argenx's VYVDURA® for gMG in Japan
- Takeda's HYQVIA® for CIDP in U.S and EU
- Roche's Tecentriq® SC in EU

Upcoming Potential Approvals

- VYGART® Hytrulo for CIDP (U.S), June 2024
- Ocrelizumab SC (EU), mid-2024
- Ocrelizumab SC (U.S.), September 2024
- Atezolizumab SC (U.S.), September 2024
- Nivolumab SC (U.S.) February 2025
- DARZALEX FASPRO® sBLA new indication in previously untreated transplant eligible patients (U.S), 2024

Pipeline Advancements

- argenx: Registrational studies with efgartigimod for thyroid eye disease with pre-filled syringe
- ViiV: Phase1 for VH4524184

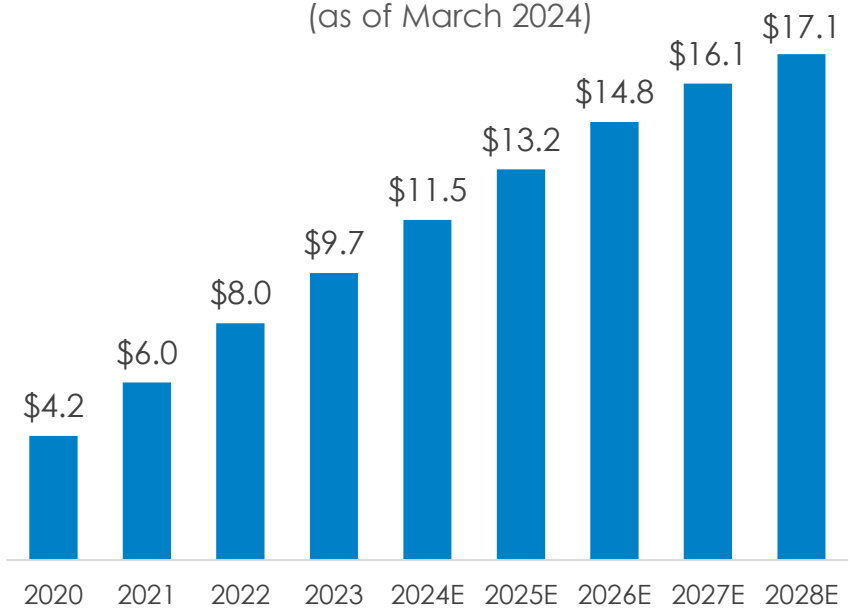
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Wave 2: Growth Drivers

DARZALEX SC/FASPRO® Achieved Share Gains in Front-Line Setting and All Regions

Total DARZALEX® Sales IV+SC ($B) [1]

93% SC Conversion in U.S.
(as of March 2024)



Growth Drivers

- Share gains in all lines of therapy and front-line setting
  - 6 points across all lines of therapy
  - 10 points in front line therapy
- Increase driven by continued share gains in all regions
- Johnson & Johnson submitted applications to FDA and EMA seeking approval of DARZALEX FASPRO® for expanded indication

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[1] Analysts' consensus from Evaluate Ltd April 2024

Wave 2: Growth Drivers

Phesgo® is Second Strongest Growth Driver of Roche Portfolio

Phesgo® Reduces Administration Time and Costs

Treatment Option	Total Time
	**~2.5-7.5 hours**
 Phesgo	**~20-38 minutes** • 5-7 minutes treatment time

85% of patients preferred Phesgo® for subcutaneous administration over the intravenous formulation of Perjeta and Herceptin

Growth Drivers[1]

- Ongoing geographic expansion
- 41% overall conversion[2]
  - Reaching 25% conversion in U.S.

1Q 2024 Phesgo® Sales	Sales (CHFm)	Growth CER
TOTAL	**338**	**70%**
US	126	36%
EU	169	55%
Japan	19	NA
International	74	165%

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[1] Roche First Quarter 2024 Results

[2] Perjeta/Phesgo® conversion rate is based on volumes (vials) and includes 46 launch countries into account

Projecting $1B of Royalty Revenue in 2027

Wave 1 & 2

$20B[1]

Projected Sales of IV and SC by 2028

5 Globally-Approved Products

DARZALEX Faspro® (daratumumab and hyaluronidase-fihj) Injection for subcutaneous use | 1,800mg/30,000units

PHESGO® PERTUZUMAB-TRASTUZUMAB

HyQvia [Immune Globulin Infusion 10% (Human) with Recombinant Human Hyaluronidase]

RituxanHYCELA®[2] rituximab/hyaluronidase human subcutaneous injection | 1,400 mg/23,400 Units 1,600 mg/26,800 Units

Herceptin HYLECTA™[3] trastuzumab and hyaluronidase-oysk INJECTION FOR SUBCUTANEOUS USE | 600 mg/10,000 units

Wave 3

$35B[1]

Projected Sales of IV and SC by 2028

Launched 2023

VYVGART® Hytrulo (efgartigimod alfa and hyaluronidase-qvfc) Subcutaneous Injection 180 mg/mL and 2000 U/mL vial

TECENTRIQ® SC[4] atezolizumab subcutaneous

2024-2025 Projected Launches

Atezolizumab SC: U.S.
Ocrelizumab SC
Nivolumab SC
Amivantamab SC

Royalty Revenue Guidance $500M-$525M in 2024

$1B Royalty Revenue Potential 2027

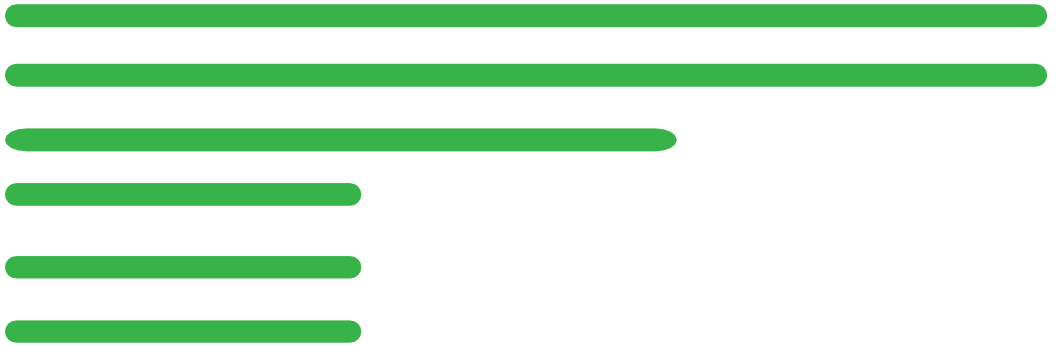
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Licensees are responsible for development and commercialization
[1] Analysts' consensus from Evaluate Ltd April 2024
[2] Rituxan HYCELA® is marketed as MabThera® SC outside of the U.S
[3] Herceptin HYLECTA is marketed as Herceptin SC outside of the U.S.
[4] Approved in Great Britain and Europe

ENHANZE® Wave 4 Pipeline Poised to Support Growth Trajectory

6 Products in Development | **2** Products in Phase 3 | **1** Product in Phase 2

Current Program/Product	Study Indication	Phase 1	Phase 2	Phase 3	Filed
Wave 4*					
Nivolumab+Relatlimab (BMS)	Melanoma				
TAK-881 (Takeda)	Immune				
N6LS bnAb (ViiV)	HIV (treatment)				
ARGX-117; Empasiprubart (argenx)	Multifocal motor neuropathy				
Undisclosed (Roche)	Undisclosed				
Undisclosed (Chugai)	Undisclosed				



* Wave 4 includes products with potential to launch by 2027, based on 4.5 - 5 years from SC first in human, to launch

Capital Allocation Priorities

Invest to Maximize Revenue Growth and Durability

- ✓ ENHANZE®
- ✓ HVAI and auto-injector innovation

Return Capital to Shareholders

- ✓ Initiated $250M ASR in 4Q23 to be completed in 2024, for a total of $400M deployed in 2023
- ✓ Announced Board approval for new $750M share buyback program in February 2024
- ✓ Returned $1.3B (inclusive of ongoing $250M ASR) to shareholders in share buybacks over the past 5 years

Identify Opportunities for External Growth

- ✓ Continue to evaluate opportunities to accelerate and extend revenue

Committed to Balanced Capital Allocation With a Focus on Driving Growth and Value for Shareholders

1Q 2024 Financial Highlights

$ in Millions, except EPS (unaudited)

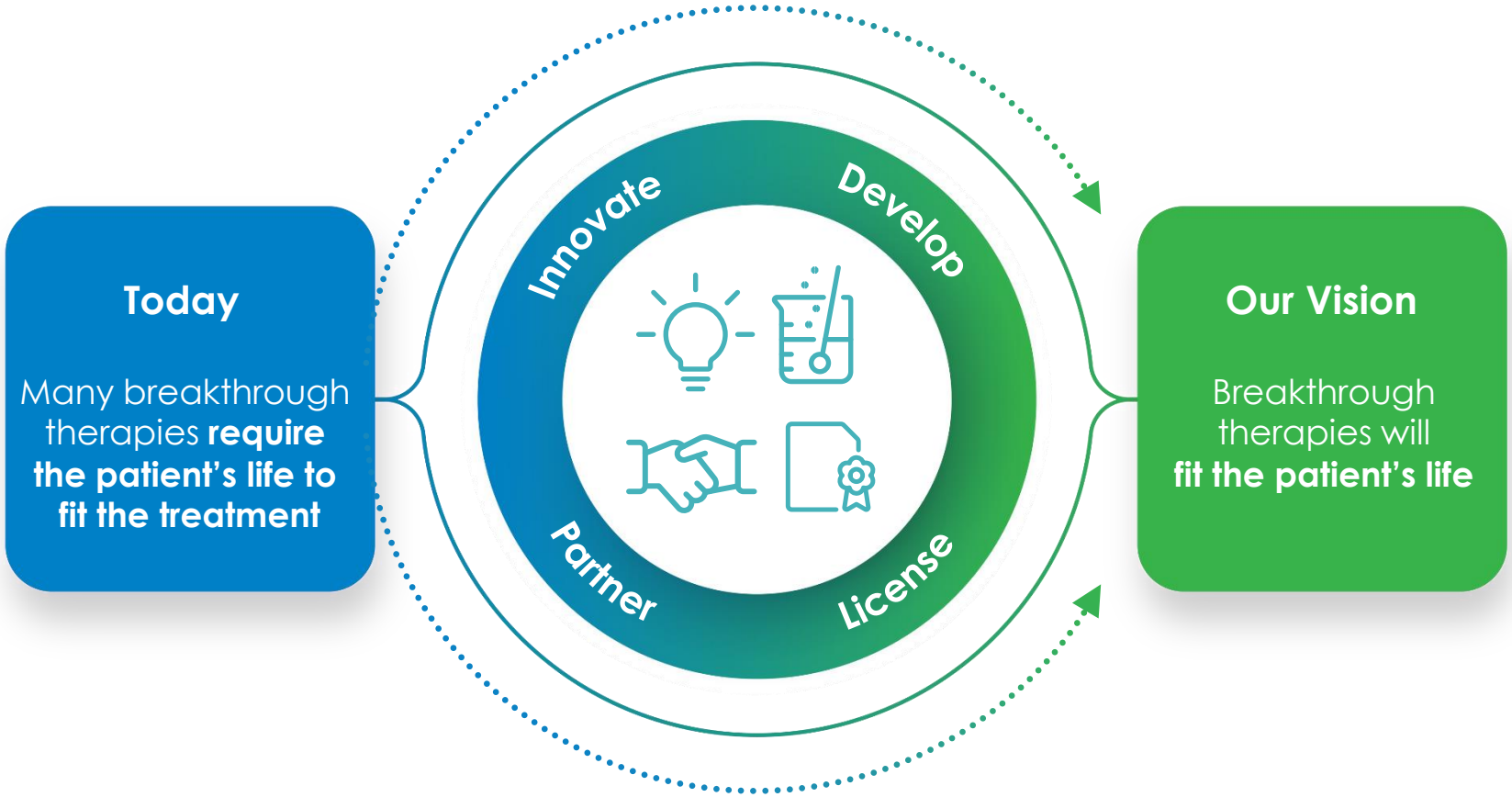
	1Q 2024	1Q 2023	% Change
Royalties	$120.6	$99.6	21%
Product sales, net	$58.6	$60.8	(4)%
Collaboration revenues	$16.7	$1.7	882%
Total Revenues	**$195.9**	**$162.1**	**21%**
Cost of sales	$28.3	$35.2	(19)%
Amortization of intangibles	$17.8	$17.8	-
R&D expense	$19.1	$18.0	6%
SG&A expense	$35.1	$37.4	(6)%
Total Operating Expenses	**$100.3**	**$108.3**	**(7)%**
Operating income	$95.5	$53.8	78%
Net Income	**$76.8**	**$39.6**	**94%**
EBITDA	$115.7	$74.3	56%
Adjusted EBITDA	**$115.7**	**$74.3**	**56%**
GAAP diluted EPS	$0.60	$0.29	107%
Non-GAAP Diluted EPS	**$0.79**	**$0.47**	**68%**

2024 Financial Guidance Highlights

	2023	2024 Guidance[1]	
Total Revenue	$829M	**$915M - $985M**	• 10-19% YOY growth • Total collaboration revenue expected to increase compared to 2023 inclusive of new deals • Product sales growth from XYOSTED®; projecting API sales decline due to price reductions resulting from yield improvements • Milestones and API sales to be substantially weighted in the second half of the year
Royalty Revenue	$448M	**$500M - $525M**	• 12-17% YOY growth, 2Q to be similar to 1Q, then sequential growth in 3Q and 4Q • Continued DARZALEX® SC and Phesgo® Wave 2 growth • Wave 3 uptake driven by VYVGART® Hytrulo and Tecentriq® SC
Adjusted EBITDA	$426M	**$535M - $585M**	• 26-37% YOY growth • YoY growth driven by gross margin expansion from revenue mix • Adjusted EBITDA margin increasing from 51% in 2023 to 58-59% in 2024
Non-GAAP Diluted EPS	$2.77	**$3.55 - $3.90**	• 28-41% YOY growth • YoY growth driven by gross margin expansion from revenue mix and full year impact of 2023 share repurchase activity

[1] Growth rates calculated from 2023 actuals to low end of 2024 range and high-end of 2024 range

Our Vision



Subcutaneous delivery with ENHANZE® can result in…

1. **Decreased treatment burden**
   Treatment from hours to minutes[1]
2. **Lower infusion related reactions**[2]
3. **New treatment sites**
   Possible treatment in home, doctor's office, community hospital[3]
4. **Strong patient preference**
   81-89% of patients prefer SC versus IV[4]

[1] Phesgo® Prescribing Information and DARZALEX Faspro® Prescribing Information.
[2]Lancet Haematol. "Subcutaneous versus intravenous daratumumab in patients with relapsed or refractory multiple myeloma (COLUMBA): a multicenter, open-label, non-inferiority, randomised, phase 3 trial"; 2020.
[3]VYVGART® Hytrulo Prescribing Information in Europe.
[4]Pivot X, Gligorov J, Müller V, et al. "Patients' Preference for SC vs. IV", Annals of Oncology, 2014; O'Shaughnessy, J et al. Eur J Cancer. 2021 Jul:152:223-232; Rummel M, et al. Ann Oncol. 2017;28:836--842; Wasserman RL et al . J Allergy Clin Immunol. 2012;130:951--957

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Looking Ahead: 2024 and Beyond

$ in Millions, except EPS (unaudited)

	2023 Actual	2024 Guidance	2025	2026	2027	2028	2023-2028 CAGR[7]
Royalties[1]	447.9	500 – 525	595 – 620	750 – 790	975 – 1,025	1,000 – 1,050	18%
Product Sales[2]	300.9	285 – 300	315 – 335	385 – 415	410 – 455	435 – 480	9%
Collaboration Revenue[3]	80.5	130 – 160	130 – 160	130 – 160	130 – 160	130 – 160	12%
Total Revenue	829.3	915 – 985	1,040 – 1,115	1,265 – 1,365	1,515 – 1,640	1,565 – 1,690	14%
Adjusted EBITDA[4]	426.2	535 – 585	655 – 705	855 – 935	1,070 – 1,195	1,125 – 1,250	23%
Adjusted EBITDA Margin[5]	51%	58% – 59%	63% – 63%	68% – 68%	71% – 73%	72% – 74%	7%
Non-GAAP Diluted EPS[6]	2.77	3.55 – 3.90	4.10 – 4.50	5.30 – 5.80	6.70 – 7.30	6.90 – 7.50	21%

1 Royalty projections based on approved ENHANZE® products and assumes global approval and launches of Vyvgart® Hyrulo CIDP, Atezolizumab SC in US, Ocrelizumab SC, Nivolumab SC and Amivatamab SC and all approved Auto-Injector products. Assumes impact of pending or issued co-formulation patents. Does not include the impact of Halozyme pending patents. Innovator revenues based on Evaluate Ltd analyst-based estimates as of December 2023 when available otherwise based on select analyst estimates. Conversion rates based on Halozyme internal projections. Projected royalty revenue is not risk-adjusted. Royalty rate on average mid-single digit range across all products.

2 Product sales projections based on Xyosted® and Hylenex® commercial products and sales of ENHANZE® API and auto-injector devices to collaboration partners

3 Collaboration revenue includes development, regulatory, and commercial milestones for certain ENHANZE® and SVAI development programs currently advancing and projected new deals

4 Adjusted EBITDA projections represent earnings before interest income/expense, tax, and depreciation and amortization with only adjustments for one-time, non-recurring items

5 Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by Total Revenue

6 Non-GAAP Diluted EPS excludes impact of potential future share repurchases

7 2023-2028 CAGR % is calculated from 2023 actual to 2028 midpoint

All projections exclude the impact of potential future M&A

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GAAP to Non-GAAP Reconciliation: EBITDA and Adjusted EBITDA

$ in Thousands (unaudited)	Three Months Ended March 31, 2024	2023
GAAP Net Income	**$ 76,823**	**$ 39,615**
Adjustments		
Investment and other income, net	(4,993)	(2,979)
Interest expense	4,507	4,543
Income tax expense	19,205	12,623
Depreciation and amortization	20,206	20,457
EBITDA	**115,748**	**74,259**
Adjustments	—	—
Adjusted EBITDA	**$ 115,748**	**$ 74,259**

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GAAP to Non-GAAP Reconciliation: EBITDA and Adjusted EBITDA

$ in Thousands (unaudited)	Twelve Months Ended December 31, 2023
GAAP Net Income	**$ 281,594**
Adjustments	
Investment and other income	(16,317)
Interest expense	18,762
Income tax expense	66,735
Depreciation and amortization	84,856
EBITDA	**435,630**
Adjustments	
Gain on changes in fair value of contingent liability[1]	(13,200)
Inventory write-off[2]	3,509
Transaction costs for business combinations[3]	278
Adjusted EBITDA	**$ 426,217**

1) Amount relates to fair value gain on contingent liability due to the due to the termination of the TLANDO license agreement in September 2023 ("TLANDO Termination").

2) Amount relates to inventory write-off due to TLANDO Termination and amortization of the inventory step-up associated with purchase accounting for the acquisition of Antares Pharma, Inc. ("Antares") in 2022.

3) Amounts represent incremental costs including legal fees, accounting fees and advisory fees incurred for the Antares acquisition.

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GAAP to Non-GAAP Reconciliation: Diluted EPS

$ in Thousands, except per share amounts (unaudited)	Three Months Ended March 31, 2024	2023
GAAP Net Income	**$ 76,823**	**$ 39,615**
Adjustments		
Share-based compensation	9,874	7,966
Amortization of debt discount	1,830	1,835
Amortization of intangible assets	17,763	17,835
Transaction costs for business combinations[1]	—	278
Amortization of inventory step-up at fair value[2]	—	1,304
Income tax effect of above adjustments[3]	(4,664)	(3,797)
Non-GAAP Net Income	**$ 101,626**	**$ 65,036**
GAAP Diluted EPS	**$ 0.60**	**$ 0.29**
Adjustments		
Share-based compensation	0.08	0.06
Amortization of debt discount	0.01	0.01
Amortization of intangible assets	0.14	0.13
Amortization of inventory step-up at fair value[2]	—	0.01
Income tax effect of above adjustments[3]	(0.04)	(0.03)
Non-GAAP Diluted EPS	**$ 0.79**	**$ 0.47**
GAAP & Non-GAAP Diluted Shares	**128,887**	**137,900**

Dollar amounts, as presented, are rounded. Consequently, totals may not add up.

(1) Amount represents incremental costs including legal fees, accounting fees and advisory fees incurred for the Antares acquisition.

(2) Amounts relate to amortization of the inventory step-up associated with purchase accounting for the Antares acquisition.

(3) Adjustments relate to taxes for the reconciling items, as well as excess benefits or tax deficiencies from stock-based compensation, and the quarterly impact of other discrete items.

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GAAP to Non-GAAP Reconciliation: Net Income and Diluted EPS

$ in Thousands, except per share amounts (unaudited)	Twelve Months Ended December 31, 2023
GAAP Net Income	**$ 281,594**
Adjustments:	
Share-based compensation	36,620
Amortization of debt discount	7,304
Amortization of intangible assets	71,266
Transaction costs for business combinations[1]	278
Amortization of inventory step-up at fair value[2]	2,560
Prior year income tax benefit	(5,375)
TLANDO Related Adjustments:	
Gain on changes in fair value of contingent liability[3]	(13,200)
Inventory write-off[3]	3,509
Impairment charge of TLANDO product rights intangible assets[3]	2,507
Income tax effect of above adjustments[4]	(15,753)
Non-GAAP Net Income	**$ 371,310**
GAAP Diluted EPS	**$ 2.10**
Adjustments	
Share-based compensation	0.27
Amortization of debt discount	0.05
Amortization of intangible assets	0.53
Amortization of inventory step-up at fair value[2]	0.02
Prior income tax benefit adjustments	(0.04)
TLANDO Related Adjustments	
Gain on changes in fair value of contingent liability[3]	(0.10)
Inventory write-off[3]	0.03
Impairment charge of TLANDO product rights intangible assets[3]	0.02
Income tax effect of above adjustments[4]	(0.12)
Non-GAAP Diluted EPS	**$ 2.77**
GAAP & Non-GAAP Diluted Shares	**134,197**

1) Amount represents incremental costs including legal fees, accounting fees and advisory fees incurred for the prior year Antares acquisition.
2) Amounts relate to amortization of the inventory step-up associated with purchase accounting for the Antares acquisition.
3) Amounts relate to a fair value gain on contingent liability, inventory write-off and impairment of TLANDO product rights intangible assets due to the TLANDO Termination.
4) Adjustments relate to taxes for the reconciling items, as well as excess benefits or tax deficiencies from stock-based compensation, and the quarterly impact of other discrete items.

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