

## Company Participants

**Breno Toledo Pires de Oliveira**, Chief Executive Officer

**Ramon Sanches Frutuoso Silva**, Chief Financial Officer and Investor Relations Officer

## Other Participants

**Vinícius Figueiredo**, Itaú BBA

**Caio Moscardini**, Santander

**Bob Ford**, Bank of America

**Joseph Giordano**, J.P. Morgan

**Artur Alves**, Morgan Stanley

**Samuel Alves**, BTG Pactual

**Vinicius Strano**, UBS

**Leandro Bastos**, Citi

## Operator:

Good morning, ladies and gentlemen. Welcome to Hypera Pharma's earnings conference call for the discussion of results for the first quarter of 2026. Present today are Mr. Breno Oliveira, Chief Executive Officer, and Mr. Ramon Sanches, CFO and Investor Relations Officer.

This event is being recorded and the replay will be available on the Company's Investor Relations website at [ri.hypera.com.br](http://ri.hypera.com.br). All participants will be in listen-only mode during the presentation, after which we will open the floor for a question-and-answer session, when further instructions will be provided.

Before proceeding, we remind you that some of the information contained in this conference call may include forward-looking statements or expectations about future events. Such information is subject to known and unknown risks and uncertainties that may cause actual results to differ materially from those expressed or implied.

I will now turn the call over to Mr. Breno Oliveira, who will begin the presentation.

## Breno Oliveira:

Good morning, everyone. Welcome to our 1Q26 earnings conference call. This quarter, we once again delivered consistent sell-out growth, with market share gains in the markets in which we operate. Our sell-out grew 9.4%, 1.5 percentage points above the growth of the markets in which we operate. Over the last 12 months, since the completion of our working capital optimization process, our sell-out growth has been 1.3 percentage points above the growth of the markets in which we operate. This performance demonstrates the Company's ability to grow consistently with significantly lower working capital investment than we had before implementing this strategy.

The recent growth of our sell-out is driven primarily by new product launches. Products launched over the last 12 months contributed 2.6 percentage points to sell-out growth in 1Q26. This performance also reflects higher marketing investments since the beginning of 2025, with emphasis on digital media and point-of-sale marketing. The sell-out performance enabled Hypera to reach net revenue of BRL 2 billion, with an EBITDA margin of 29% in 1Q26 — results that are consistent with typical first-quarter seasonality, as Q1 generally represents approximately 20% of the Company's full-year revenue, in line with the broader pharmaceutical market. In addition, our sales growth has been supported by the new practice implemented at the beginning of 2025, of detailed inventory tracking for each of our clients at the SKU-by-distribution center level.

This new approach is contributing to the optimization of the product mix at points of sale and reduction of stockouts, even with lower inventory levels at clients. We are observing significant improvements in the Company's key logistics efficiency indicators, such as OTIF — which measures the percentage of products delivered on time and in full — which improved by 12 percentage points compared to 1Q25.

Over the last 12 months, we also reduced OCT, our order cycle time, by 14%. These advances in the order delivery process are critical for sustainable sell-out growth. The evolution of these indicators also allows us to operate, starting in 2026, with lower internal inventory levels of raw materials and finished goods, benefiting the conversion of our EBITDA into operating cash flow and accelerating the reduction of our net debt. In this regard, we took another important step in our capital structure strengthening strategy this quarter.

We successfully completed the capital increase announced in February, in the full amount of the transaction — BRL 1.5 billion — with meaningful participation from both controlling and minority shareholders. With the capital increase, we reduced our net debt by nearly 20%, bringing leverage to 2.2x LTM EBITDA, reducing our exposure to floating interest rates in an election year in Brazil, and lowering interest expenses, which benefits our net income and cash generation in the short and medium term.

Additionally, the capital increase strengthens our investment capacity to capture growth opportunities in the Brazilian pharmaceutical market. I will now turn the call over to Ramon, who will discuss the quarterly results in more detail.

**Ramon Sanches:**

Thank you, Breno. Good morning, everyone. Net revenue reached BRL 2 billion in 1Q26, an increase of 87% compared to the same period last year. This performance primarily reflects the impact on sales from the working capital optimization process carried out last year, as well as recent sell-out growth, as Breno mentioned.

This revenue level is consistent with the sector's seasonality, as Q1 typically represents less than 25% of annual pharmaceutical market sales. This is driven by a lower number of business days, the vacation period at the beginning of the year, and Carnival, which reduce sell-out due to fewer medical appointments, prescriptions, and purchases at points of sale. Additionally, the pace of deliveries to clients' distribution centers and distributor sales to smaller retail networks also tend to be lower in this period, impacting overall market sell-out.

Looking at the historical period from 2020 to 2023, prior to the working capital optimization, Q1 represented, on average, approximately 20% of full-year revenue, reinforcing this seasonal

pattern. Gross margin was 60%, impacted by higher plant idle capacity due to collective year-end vacations, which typically occur at the beginning of the year.

It is important to note that Q1 margin does not yet reflect the price adjustment authorized by CMED, implemented at the beginning of Q2 2026, which should contribute positively in the coming quarters.

Marketing expenses declined nearly 9% year-over-year, mainly due to a reduction in consumer advertising and promotional spending. This dynamic reflects the strategic realignment of the Consumer Health campaign calendar, seeking better alignment with product launch schedules and key events throughout the year, such as the 2026 FIFA World Cup.

Selling expenses grew approximately 3% year-over-year, benefiting from the recognition of BRL 12 million related to Brazil's "Lei do Bem" tax incentive. Excluding this effect, growth would have been 7%, still below sell-out growth. General and administrative expenses increased 14%, primarily reflecting higher technology investments.

As a result, EBITDA reached BRL 587 million, with a margin of 29%. This margin result also reflects the period's seasonality, with lower revenue in the quarter and consequently lower dilution of operating expenses.

Turning now to Slide 5, on cash flow and leverage: we generated BRL 521 million in operating cash flow, equivalent to nearly 90% of EBITDA, with no changes in the receivable payment terms established after the working capital optimization.

As already mentioned, Q1 has lower sales levels, especially in January, due to key clients' vacation periods. This concentrates sales in February and March and increases the accounts receivable balance for the following quarter. For this reason, the reduction in accounts receivable compared to Q4 2025 is naturally smaller than the revenue change in the period.

We generated BRL 368 million in free cash flow after investments and also received the BRL 1.5 billion capital increase completed at the end of the quarter.

During the period, we also made approximately BRL 1.1 billion in interest and debt amortization payments, including the early redemption of the 14th debenture issuance. As a result, we ended the quarter with a cash increase of nearly BRL 670 million and a reduction of BRL 725 million in gross debt. Consequently, net debt was reduced to BRL 6.3 billion, compared to BRL 7.7 billion at year-end 2025, and we closed the quarter with leverage of 2.2x LTM EBITDA. I will now turn the call back to Breno for his closing remarks.

**Breno Oliveira:**

Thank you, Ramon. To conclude, I would like to say that I am very excited about Q1 performance and the outlook for 2026. We started the year on the right track, with accelerating sell-out growth, market share gains in the markets in which we operate, and a significant strengthening of our balance sheet through the successful completion of the capital increase, reinforcing our investment capacity and reducing our leverage.

One year after completing the working capital optimization process, our operation has proven to be even more robust and efficient. We have made significant advances in our logistics indicators, allowing us to operate more efficiently and with greater operational flexibility, with lower

inventory levels at clients and greater agility in order delivery. The evolution of these indicators gives us the confidence to advance our strategy of reducing internal finished goods and raw material inventories throughout this year and next, as I mentioned on the last earnings call.

At the same time, we are seeking to expand our market presence with important product launches in relevant markets such as diabetes and obesity, where patents have recently expired. Thank you, and we will now open the floor for Q&A.

### **Questions-and-Answer Session**

#### **Vinicius Figueiredo, Itaú BBA:**

Good morning. Thank you for taking my question. Breno briefly touched on this topic in his closing remarks, but I would like to better understand the sales outlook by category. The generics market was quite competitive in 2025, and there is no reason to expect a very different scenario in the coming quarters. If possible, I would like your comments on what has been done in this regard, whether the Company already sees price stabilization, and if any category is still drawing significant attention in a somewhat more margin-pressured environment. And if possible, please comment on your sell-out and market share gain outlook within the categories in which you operate. Thank you.

#### **Breno Oliveira:**

Good morning, Vinícius. Thank you for the question. The generics market is indeed the most competitive of all. Even so, we are performing well in this market. We have been able to grow above the market in generics, both through the performance of our existing portfolio and through new launches. We have had recent launches in the CNS, diabetes, and intestinal health categories — some interesting launches that are contributing to our market share gains. We continue to monitor the aggressiveness of our competitors. We have scale and favorable raw material costs, making us highly competitive in the generics market. It is worth noting that generics represent only 15% of our revenue.

The Company's core focus and key asset are branded products, both OTC and prescription, where we are also growing above the market, maintaining leadership in OTC across the major categories where we are leaders — such as cold remedies and analgesics — and seeking growth through line extensions, such as analgesics and expectorants, where we have made important launches over the last 12 months that are supporting growth in these other categories. Growth in generics is faster than average, but we are also gaining market share in branded products.

#### **Vinicius Figueiredo, Itaú BBA:**

Perfect. If I may follow up: in the pain category specifically, there has been discussion about a shift from branded to generic products, which was very evident throughout 2025. Does it make sense

to think that this movement has already stabilized and that we are now working with a more comparable base?

**Breno Oliveira:**

Yes, that is correct. Generics experienced an increase in penetration; we are now seeing more stability. What we are observing are new branded product launches, both from us and from competitors, which is driving the category back to stronger growth in branded products. That is indeed the case.

**Vinicius Figueiredo, Itaú BBA:**

Great. Very clear. Thank you, Breno.

**Breno Oliveira:**

Thank you, Vinicius.

**Caio Mascardini, Santander:**

Good morning. Thank you for taking my question. Still on the sell-out topic: we had in mind sell-out growth closer to 7%-8%, which ended up coming in well above that at the 9% you mentioned. I would like to understand whether the sell-out growth outlook for the full year changes after this strong Q1 result.

My second question is about revenue seasonality across quarters: we expected that, following the working capital adjustment, this seasonality might be somewhat lower than historical levels. If you could comment on how we should think about revenue seasonality going forward, that would be very helpful. Thank you.

**Breno Oliveira:**

Good morning, Caio. Thank you for the question. I will take the first part and Ramon will address the second. Sell-out came in even a little above what we had expected, both ours and the market's. We do not provide sell-out guidance for the year, but we believe it makes sense to be perhaps slightly toward the higher end of what you mentioned, given Q1 performance and what we are beginning to see in April. That said, there is significant variation across months and quarters. As I mentioned in the presentation, we are very encouraged by Q1 results and the outlook for the year.

**Ramon Sanches:**

This is Ramon. On your second question, Caio: the seasonality that affects Q1 revenue comes from sell-out itself. With lower inventory levels, the sell-out variation flows through to sell-in more

quickly, unlike when inventory levels are somewhat higher. Even so, looking at our historical data, net revenue has consistently remained at approximately 20% to 21% of annual revenue in Q1.

Going forward, the other quarters are more similar to each other. Q4 may come in slightly above, also driven by sell-out — we have gastro and intestinal health categories, mainly Engov, that sell more in that time of year, but it is a small effect. Revenue distribution tends to be more even across the next 3 quarters.

**Caio Mascardini, Santander:**

Great. Thank you very much.

**Ramon Sanches:**

You are welcome, Caio.

**Bob Ford, Bank of America:**

Good morning, Breno, Ramon, and Douglas. Congratulations on the results. Breno, how are you assessing the pricing of semaglutide, both in branded similar and generic versions, considering the initial price cuts and the segmentation efforts by Novo and Eurofarma? And, knowing that you may be a distant second or third entrant, what else stands out and makes sense for Hypera given the current patent cliff? Thank you.

**Breno Oliveira:**

Thank you for the question, Bob. Let me provide an update on this process. Our registration process is ongoing at Anvisa. Excluding Novo's product and Eurofarma's — which is a second brand owned by Novo — no other registration has been approved by Anvisa yet. We believe we are among the first in the review queue at Anvisa. The timing is moving somewhat slower than we initially expected, but we are well positioned to be among the first to launch.

Regarding pricing, the movements we have seen are not materially different from what we had anticipated. We have room to launch at a competitive price while maintaining a good margin for the Company. These price levels are within our expectations, given our pricing strategy for this product.

Regarding the second question about new molecules: we have a robust pipeline in our core prescription categories — diabetes, central nervous system, and cardio. There are some patents that have recently expired which we have not yet launched against, and others still to expire, which remain among the largest market categories. We are also moving toward greater portfolio diversification, with more focus on chronic-use medications.

**Bob Ford, Bank of America:**

Thank you very much, Breno. Very clear. Congratulations again.

**Breno Oliveira:**

Thank you, Bob.

**Joseph Giordano, JP Morgan:**

Good morning, Breno and Ramon. Thank you for the opportunity. I would like to explore 3 points. First, we are seeing strong contribution from launches to sales, and I would like to explore this across 2 fronts — how you see the evolution of these launches in retail and non-retail, and what non-retail growth would look like in this somewhat more challenging market environment.

Second, on plant idle capacity, which I believe is the second quarter in which it has been mentioned. I would like to understand the main drivers of this idle capacity and when we should expect a more meaningful normalization.

Third, Breno mentioned OTIF and delivery improvements extensively. How should we see this now translating into inventory improvements? We had quite a significant working capital improvement from receivables, and how might we see a similar dynamic play out in the inventory line? Thank you.

**Breno Oliveira:**

Thank you for the questions, Joe. I will take the first one and Ramon will address the second and third. As you know, 95% of our business is in the retail market, where we also concentrate a significant portion of our research and development efforts — long-standing efforts, including the creation of our innovation center, Hynova, dedicated to retail, in 2017, followed by the institutional market initiative launched in 2021, with stronger investments from 2022 and 2023 onward.

New launches in the institutional market are taking somewhat longer than expected, primarily due to Anvisa's review timelines. We are aware of the improvements the new leadership is implementing to reduce backlogs and review times, and we believe this will normalize over the coming years, but it is having an impact on the schedule.

We believe the most significant launches — and a larger growth lever for institutional — will come from 2027 and 2028 onward. That said, we already have some products positioned in certain categories; in markets we entered recently, we already hold market shares above 20%, and in some we are already the leader or runner-up. Still, this is a portfolio-building effort that takes time.

We are very excited about the institutional market's potential as one of the Company's major growth drivers in the coming years. In retail, we are reaping the fruits of the P&D investments made over the last 5 to 6 years, and we continue to gradually capture the returns on these investments.

**Ramon Sanches:**

This is Ramon. On idle capacity, Joe: the level of idle capacity observed in Q1 is quite standard for this time of year. We always have collective factory vacations between Q4 and Q1, and the number of days can vary depending on where Christmas and New Year's fall. This is planned annually and represents a necessary shutdown for maintenance of production lines and systems such as air conditioning, water, among others. Nothing out of the ordinary compared to previous years.

Starting in Q2, this effect no longer impacts results. Regarding inventories: with all the improvements Breno mentioned in continuous channel replenishment — with sell-in more quickly replenishing sell-out at the point of sale — and with this system now stabilized, we can look inward and begin working on reducing internal inventories, as we have already mentioned. We are following a process very similar to what we did when reducing client-side inventories, involving many people internally, with great care to ensure there are no stockout issues in the future.

We are already seeing the beginning of this process taking place internally, starting with procurement. This should start to be reflected in inventory levels starting in the second half of the year, as it naturally depends on the turnover between sell-out, sell-in, and these lower-level purchases we are already making. The trend is that we should begin to see a reduction in this line starting in the second half.

**Joseph Giordano, JP Morgan:**

Perfect. Thank you.

**Ramon Sanches:**

Thank you, Joe.

**Artur Alves, Morgan Stanley:**

Good morning, Breno and Ramon. Thank you for the opportunity. I have just one question, following the discussion on the institutional channel and thinking about the long-term growth of this segment. When we look at the non-retail market, a large portion of the potential patent expirations in the coming years should come from monoclonal antibodies.

I would like to understand whether you are already considering entering this higher-complexity segment to capture the monoclonal antibody patent expiration wave, and how you would think about being competitive in this segment if you decide to enter. Thank you.

**Breno Oliveira:**

Great question, Artur, and I would like to clarify for everyone. We already participate in the monoclonal antibody market through Bionovis, a joint venture with 3 other Brazilian pharmaceutical companies, in which we have been a partner since 2012. This is the focus of that

company — monoclonal antibodies — with several molecules in its portfolio, primarily through PDPs, and more recently seeking entry into the private market.

Bionovis is recorded in our results under the equity income line and has revenues of approximately BRL 1.5 billion, with an EBITDA margin of slightly above 10%. It has good growth prospects as patent expirations occur. We already participate in this space through Bionovis.

**Ramon Sanches:**

The PDP margin is somewhat lower, but as the years of the contract progress, this margin increases significantly. This EBITDA margin is subject to a specific pricing rule for PDPs, which is an important component of Bionovis's revenues. As contract years advance, Bionovis retains more margin as it takes over production. Initially, it begins by importing products and selling to the government, and it is now in the process of internalizing part of this production in Brazil, transferring technology from the partner to Brazil, and these margins will increase in the coming years.

**Artur Alves, Morgan Stanley:**

That is clear. Thank you.

**Samuel Alves, BTG Pactual:**

Good morning, Breno and Ramon. Good morning, everyone. We have 2 questions, both not necessarily directly tied to the results. The first is a follow-up on semaglutide: how much time after the Anvisa registration would it be reasonable to expect sales to materialize? If you could give us a sense of timing, that would be helpful.

The second question is about the 6x1 work schedule (six days on, one day off): we would like a sense of the magnitude of the Company's workforce on this schedule, to help us estimate a potential impact. Thank you.

**Breno Oliveira:**

Good morning, Samuel. I will take the first question on semaglutide and Ramon will address the potential impact of the 6x1 schedule. After obtaining the registration, there is a process of obtaining the approved prices from CMED, the government agency responsible for pharmaceutical pricing. These prices are typically published within up to 60 days of the registration. Therefore, we estimate a timeframe of approximately 60 to 90 days from registration to product launch.

**Ramon Sanches:**

Good morning, Samuel. Regarding the 6x1 work schedule: we are still assessing the potential impacts internally. Naturally, the final outcome will depend on the details of any legislation that

may be approved. There are several bills currently under discussion, but the impact would most likely be limited to direct factory floor labor, as some shifts operate on the 6x1 schedule, and this represents a small portion of our COGS. We do not yet have the final numbers, but it should not be significant.

**Samuel Alves, BTG Pactual:**

Thank you, Breno. Good morning, Ramon.

**Vinicius Strano, UBS:**

Good morning, Breno and Ramon. I have 2 questions. The first is a follow-up on patent expirations, excluding semaglutide. Could you comment on the timing of the potential for new molecules in prescription, diabetes, CNS, and cardio — whether there is anything that could represent a more favorable tailwind in the second half, something more near-term, or something to consider for 2027 and 2028 on the retail side.

My second question is about the sell-out progression throughout the quarter. Based on Sindusfarma data, we see an acceleration in March, and we would like to know whether you observe this stronger trend toward the end of the quarter, and how to think about this trend in April, also considering the beginning of the flu season. Thank you.

**Breno Oliveira:**

Good morning, Vinícius. Regarding other launches beyond semaglutide, we have an expectation — not a guidance — of new launch contribution of approximately 1 percentage point to our sell-out growth, coming from new markets of operation: markets with recent patent expirations and new markets for the Company.

For example, we expect to enter the dapagliflozin market, which is a market of over BRL 1.5 billion. We are also entering the testosterone market, which is quite large, and we have recently launched in these markets. Testosterone was just launched; dapagliflozin is expected toward year-end.

There are several products in the pipeline, with no single product dominating the sell-out contribution, but representing a broad set of bets by the Company over the coming months. Could you please repeat the second question?

**Vinicius Strano, UBS:**

Understood. My second question was about the sell-out trend: we saw March accelerating based on Sindusfarma data, and we would like to know whether you observe this same trend, and how April is looking. Thank you.

**Breno Oliveira:**

March was indeed a very strong sell-out month. As we mentioned on the prior earnings call, Carnival shifted, leaving March with more business days than the prior year. However, looking at February and March together to discount the business day effect, the variation was not as pronounced — it came in better than expected, but when combining the 2 months, the business day effect is less material.

April still has preliminary results, but on the same basis of comparison, growth is also positive, in the range of 8%. We are on a good trajectory. The cumulative first 4 months are slightly above what we had expected.

**Vinicius Strano, UBS:**

Great. Thank you very much, Breno.

**Renan Prata, Citi:**

Good morning. Thank you for taking my questions. I have 2. The first is about the deceleration in marketing spend, which the earnings release mentions with the potential for acceleration around the FIFA World Cup. I would like to understand the outlook for this line both for Q2 and for the full year.

The second question is about commercial discounts, which came in well controlled in Q1. I would like to understand what to expect from this line throughout the year. Thank you.

**Ramon Sanches:**

This is Ramon. Good morning, Renan. I will take both questions. On marketing expenses: as we mentioned in the release, they come in somewhat below in Q1. We have a better phasing of expenses relative to product launches, primarily physician visits, medical event expenses, and media spend. We have some media investments tied to events such as the FIFA World Cup, which shifts part of the spend to Q2.

The trend is for an increase in the coming quarters: Q2 will come in slightly above the normal level; Q3 and Q4 will still be above Q1, but somewhat below Q2. For the full year, expenses typically grow very close to sell-out.

On commercial discounts: we believe we have reached a level that should be maintained going forward. We saw higher growth due to the generics mix in prior years, but this dynamic has already stabilized. Breno commented briefly here on the performance of generics, which are showing strong growth but under the same pricing policy we've been following, so the trend is for discounts, as a percentage of revenue, to decline slightly, while maintaining the absolute level seen in the Q1.

**Renan Prata, Citi:**

Just a quick follow-up on marketing: in Q2, is there already any estimated budget for semaglutide included in the projection? Is there any marketing front-loading post-registration? How does the dynamic of this line work?

**Ramon Sanches:**

Those amounts are still not very material, Renan. The dynamic I described applies to results excluding semaglutide. Spending in the near term is still not significant. A larger investment in promotional activities depends first on obtaining the registration, and from there we move into the medium term, with everything we have already discussed specifically regarding the semaglutide project.

**Renan Prata, Citi:**

Understood. Thank you.

**Ramon Sanches:**

You are welcome. Good morning.

**Operator:**

The question-and-answer session is now closed. We thank all participants and wish everyone a good day.