

# A LETTER FROM Giovanni Caforio

“Our employees' passion and commitment to our mission will help us execute against our long-term strategy, deliver value to our shareholders and bring new scientific breakthroughs to patients around the world.”



2022 was an important year for our company, one with significant clinical and regulatory achievements that broadened our portfolio, advanced our pipeline and, importantly, delivered innovative new medicines to our patients.

Despite navigating a persistent global pandemic and ongoing macro and geopolitical challenges, our employees' dedication to our vision of transforming patients' lives through science never wavered. Our commitment to executing against our business strategy resulted in strong operational and financial performance in 2022. Total revenues were \$46.2 billion, which is consistent with the prior year, or an increase of three percent<sup>1</sup> when adjusted for foreign exchange, generating GAAP EPS of \$2.95 and non-GAAP EPS<sup>2</sup> of \$7.70. Our in-line brands and new product portfolio performed well growing nine percent for the full year, or 13 percent when adjusting for foreign exchange, with new products delivering \$2.0 billion in revenues.

### Bringing Transformational Medicines to Patients

In 2022, we launched three, new first-in-class medicines: *Opdualag*<sup>®</sup> for metastatic melanoma, *Camzyos*<sup>®</sup> for obstructive hypertrophic cardiomyopathy and *Sotyktu*<sup>™</sup>

for moderate to severe plaque psoriasis. All three of these medicines have the opportunity to change the standard of care for their respective diseases. We also expanded the potential of our new product portfolio through significant clinical milestones throughout the course of the year. We achieved positive top-line results for *Reblozyl*<sup>®</sup> in first-line myelodysplastic syndromes and *Abecma*<sup>®</sup> in the KarMMa-3 trial, which demonstrated superiority to standard regimens in relapsed and refractory multiple myeloma. Registrational trials were also initiated for *Sotyktu* in systemic lupus erythematosus, a disease with very high unmet medical need. We also made meaningful investments in our cell therapy franchise to expand manufacturing capacity and supply more product to patients.

We continued to enhance our strong internal research and development capabilities with an extensive network of external collaborations. These include new strategic partnerships with Century and Immatix as well as the acquisition of Turning Point Therapeutics, which expanded our precision oncology portfolio. We augmented our existing artificial intelligence capabilities through a partnership with Owkin to further aid in the acceleration of drug design and development.

## Advancing Multiple Paths for Sustained Growth

As a company, we must constantly evolve our business, so we deliver sustained value to our patients, employees, business partners and shareholders.

Bristol Myers Squibb is well positioned for the future, with multiple paths to growth through the second half of the decade. Ahead of the losses of exclusivity that are scheduled to take place this decade, we have made significant progress toward renewing and transforming our product portfolio. This includes successfully building critical mass across our four core therapeutic areas and diversifying and broadening our pipeline.

Central to our strategy is the potential of our new product portfolio. Over the past three years, we have launched nine new medicines, many of which are either best-in-class or first-in-class medicines that have meaningful potential to expand into additional indications. Our pipeline execution and strong commercial momentum position us well to achieve \$10 billion to \$13 billion of risk-adjusted revenue in 2025 from this portfolio. As a result of our pipeline advancement, we have significantly de-risked the more than \$25 billion of long-term, non-risk-adjusted revenue potential in 2030 from our new products.<sup>3</sup>

Our second wave of innovation will be bolstered by our exciting mid- and late-stage pipeline. We have six assets in or moving into Phase 3 clinical development across our core therapeutic areas, with expected non-risk-adjusted peak sales potential of greater than \$10 billion.<sup>3</sup> The assets include milvexian, a next generation anti-thrombotic, our CELMoD agents for multiple myeloma and LPA-1 in lung fibrosis.

Our research teams have built a robust early-stage pipeline, consisting of 50+ assets, with more than 15-20 of these assets expected to progress to proof of concept within the next 18 months. We continue to leverage our financial flexibility to enhance our internal innovation through our disciplined business development strategy. Together, this has resulted in a much younger, more diversified and resilient product portfolio, which will be instrumental in helping navigate an increasingly complex environment in the United States and abroad.

## Living Our Values in the Communities We Serve

As a purpose-driven company and a leader in our industry, Bristol Myers Squibb recognizes our responsibility to benefit the communities we serve. During 2022, we further deepened our commitment to our environmental, social and governance (ESG) principles.

We are collectively working to accelerate innovation, enhance patient access to innovative medicines, build an inclusive, diverse and equitable work environment, and to strengthen our environmental sustainability—all while operating with the highest levels of quality, integrity and ethics.

Bristol Myers Squibb continued to make progress in 2022 across our commitments to health equity and inclusion and diversity (I&D). We exceeded the target set to locate more than 25 percent of our clinical trials in highly diverse regions in the U.S., with more than 58 percent of our clinical trial sites now located in highly diverse U.S. communities. Our efforts were recognized with a Gold Badge rating on the Bioethics International Scorecard on clinical trial diversity. We believe that increasing diversity during discovery and development is a scientific imperative that will help lead to better science and better patient outcomes.

The foundation of our success centers around an inclusive culture that is rooted in diversity of thought, experience and background. In 2022, we increased the number of global executives who are women to 48.7% and in the U.S., our Black/African American and Latino/Hispanic executives increased to 6.1% and 6.1%, respectively. Since announcing our \$1 billion Supplier Diversity commitment in 2020, I am pleased to say that we achieved our goal well ahead of the 2025 target date.

As a science-driven company, we understand that human health is inextricably linked to the health of the planet. We consider environmental responsibility as an imperative for doing business and expanding health equity around the world.

## Strongly Positioned to Deliver Long-Term Value

Our accomplishments in 2022 reflect our ongoing progress towards transforming our business. We are very well positioned to advance the commercialization of our new product portfolio, progress our pipeline and invest in future sources of growth due to our strong financial foundation.

Looking ahead, I am very optimistic about the future of our business. This is due to our talented workforce, with their dedication and proven ability to discover, develop and deliver transformational medicines. Our employees' passion and commitment to our mission will help us execute against our long-term strategy, deliver value to our shareholders and bring new scientific breakthroughs to patients around the world.



– Giovanni Caforio, M.D.

Board Chair and Chief Executive Officer

March 9, 2023

<sup>1</sup> Full year includes unfavorable foreign exchange impact of 3%.

<sup>2</sup> This non-GAAP amount excludes certain costs, expenses, gains and losses and other specified items. A reconciliation of GAAP to non-GAAP measures can be found on our website at [bms.com](https://bms.com). See, "Quarterly package of financial information" available on [bms.com/investors](https://bms.com/investors) for information on the list of specified items excluded from non-GAAP EPS.

<sup>3</sup> Non-risk adjusted sales are subject to positive registrational trials and health authority approval. Financial projections may contain non-promoted sales. BMS promotes only according to label.