

2023 FIRST NINE MONTHS RESULTS

Milano, November 7th 2023

CONTINUED STRONG MOMENTUM ACROSS THE BUSINESS

- ▲ **Net Revenue at € 1,556.2 million is +13.0% vs PY or +13.8% like-for-like ⁽¹⁾ at CER**, driven by **volume growth**, with **positive pricing** mostly offset by **adverse FX**:
 - **SPC at € 985.5 million, +8.1% vs PY or +13.4% like-for-like ⁽¹⁾ at CER** (+6.9% excluding Türkiye); first sales of Avodart® and Combodart®/Duodart® of € 3.8 million
 - **RRD at € 530.7 million, +23.5% vs PY or +14.9% like-for-like ⁽¹⁾ at CER**, with Endocrinology growing by 39.1%, Oncology contributing €150.2 million (growth of +16.0% on a pro-forma basis ⁽¹⁾) and resilient Metabolic sales
- ▲ Strong results achieved despite **FX headwind** worsening over recent months, with an adverse impact of **€ 59.6 million (-4.3%)**, mainly affecting Specialty & Primary Care
- ▲ **EBITDA ⁽²⁾ of € 595.6 million, +15.4% vs PY**, with **margin at 38.3%**, reflecting revenue growth and efficiency initiatives
- ▲ **Adjusted Net Income ⁽³⁾ of € 406.6 million, +14.2% vs PY**, with step-up in financial expenses at € 49.1 million
- ▲ **Free Cash Flow ⁽⁴⁾ of € 391.8 million, +€ 45.5 million vs PY, leverage at 1.9x ⁽⁵⁾ EBITDA**
- ▲ **Key R&D pipeline projects progressing to plan**; core capabilities strengthened in line with strategy
- ▲ **Business on track to deliver high end of upgraded FY 2023 guidance provided and exceed 2025 targets**

1) Pro-forma growth calculated adding Q1 2022 revenue of EUSA Pharma (RRD) and excluding Q3 2023 revenue of Avodart® and Combodart®/Duodart® (SPC)

2) Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory according to IFRS 3.

3) Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3) and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects

4) Operating cash flow excluding financing items, milestones, dividends, purchases of treasury shares net of proceeds from exercise of stock options

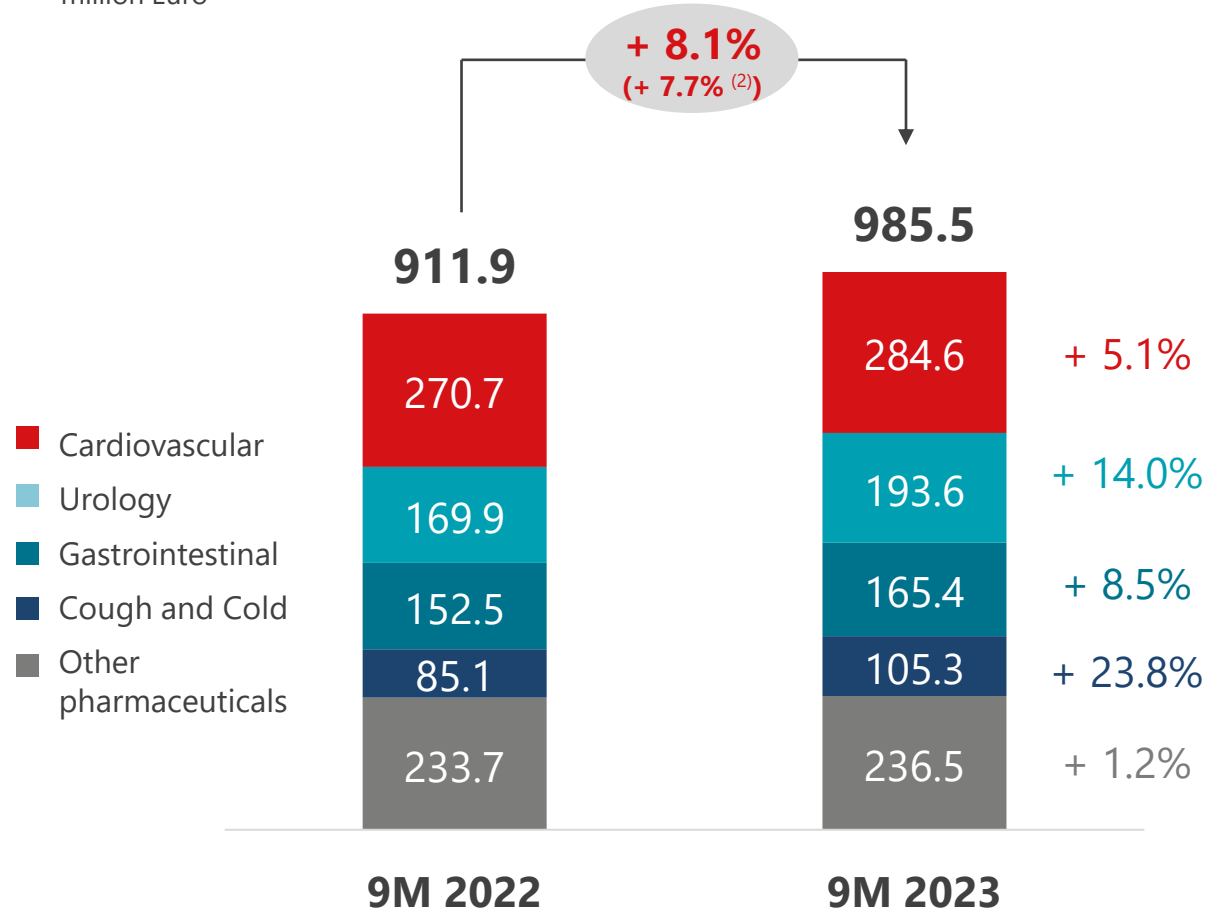
5) Pro-forma considering the contribution of Avodart® and Combodart®/Duodart® for the last twelve months



ROBUST ORGANIC GROWTH IN SPC AHEAD OF RELEVANT MARKETS, ABSORBING FX HEADWIND

Pharmaceutical Revenue ⁽¹⁾ 9M 2023 vs 9M 2022

million Euro



Key highlights

- Growth in the first nine months is **+13.4% like-for-like ⁽²⁾ at CER**, with all core therapeutic areas growing, thanks to increased in-market competitiveness leading to **market share gains** across most markets
- **Cardiovascular:** First nine months sales still reflect limited Q1 phasing benefits on international **lercanidipine** sales and **strong Reselip[®] uptake** in France, with other established brand sales broadly stable
- **Urology:** Growth driven by **strong performance of Eligard[®]**, continuing to increase share across markets since re-launch, with **new device launch initiating in Q3**. Strong growth of **silodosin** (+15%) after LoE stabilization. Avodart[®] and Combodart[®] integration progress as per plan (see next slide)
- **Gastrointestinal: Double-digit growth of OTC portfolio**, including **Procto-Glyvenol[®]** and **probiotics**, combined with strong underlying growth of **Casen-RX** portfolio
- **Cough & Cold still above pre-pandemic level** but trend normalizing, as expected, following exceptionally strong performance in first half of the year

1) Excluding Chemicals € 40.0 million in 9M 2023 and € 35.9 million 9M 2022

2) Pro-forma growth calculated excluding Q3 2023 revenue of Avodart[®] and Combodart[®] / Duodart[®] (SPC)
3) Note: details on corporate products in Appendix



SPC UROLOGY FRANCHISE - AVODART® AND COMBODART® 1)

TRANSITION ON TRACK



2023



- Avodart® / Combodart® **sales transitioned in five markets in Q3**, following completion of agreement with GSK contributing **Net revenue of € 3.8 million**
- **Activities in nine additional markets transitioned in October and November.** Activities in remaining markets are expected to transition **by the end of 2023 / beginning of 2024**
- **Thanks to fast and effective transition, on-track to deliver at high end of € 10-20 million revenue in 2023**, with positive EBITDA contribution

Strengthening Recordati Leadership In Benign Prostatic Hyperplasia (BPH)

1) Avodart, Combodart, Duodart, Duogen, Jelnu and Jutno trademarks are owned or licensed by the GSK Group of companies

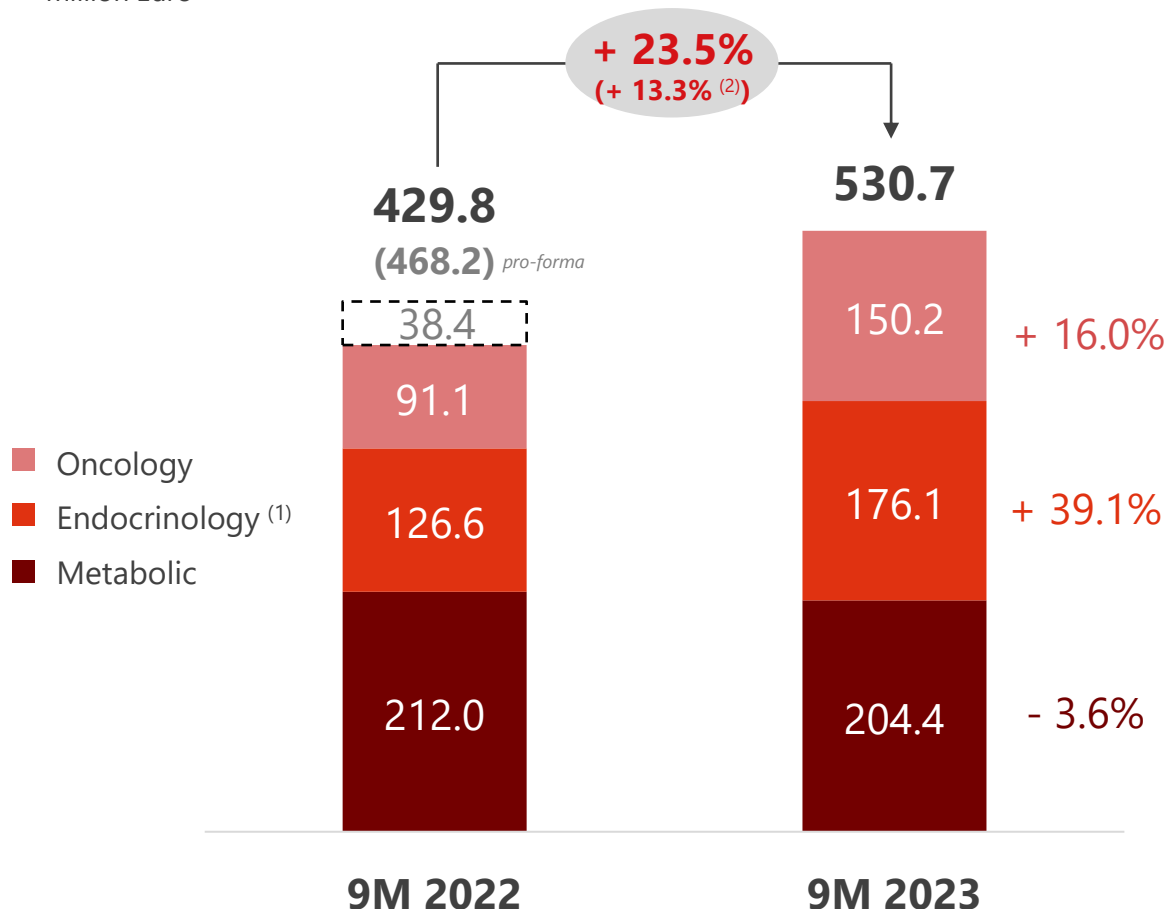


ENDO AND ONCO FRANCHISE DRIVE CONTINUED DOUBLE-DIGIT GROWTH OF RARE DISEASES

Key highlights

Revenue 9M 2023 vs 9M 2022

million Euro



- **Key growth franchises (Endo & Onco) on track to deliver on mid and long term targets**
- **Oncology:** growing at +16%⁽²⁾ vs PY with **Qarziba**® growing mostly in ex. EU and **Sylvant**® in all Regions; Positive momentum on **Fotivda**®
- **Endocrinology:** Continued strong patient uptake for **Isturisa** across all regions and double-digit growth of **Signifor**; **Filing for Isturisa NDA in China** submitted in **September 2023**
- **Metabolic: Growth of Panhematin**® in US and Ledaga in Europe offset by continued erosion of Carbaglu in US and EMEA from GX competition; **Carbaglu**® officially approved in **China in June, first commercial sales** now expected in **Q4 2023**
- **Pipeline opportunities on track:**
 - **Qarziba**® development plan toward US Biologics License Application (BLA) on track with ongoing activities in preparation for FDA Type C meeting scheduled in November
 - **Phase II study** of pasireotide in **Post-Bariatric Hypoglycemia (PBH)** started in Q3 2023, patient enrolment expected in November
 - **REC 0559** phase II on track to finalize enrolment by end of 2023, data read out confirmed in Q2 2024

1) Of which Signifor® and Signifor® LAR of € 76.7 million and Isturisa® of € 99.4 million

2) Pro-forma growth calculated adding Q1 2022 revenue of EUSA Pharma (RRD)



ALL REGIONS DELIVERING SOLID GROWTH

US RARE DISEASES NOW LARGEST BUSINESS IN THE GROUP FOR FIRST TIME

(million Euro)	9M 2023	9M 2022	Change %
Italy	229.0	206.8	10.7
U.S.A.	234.1	190.7	22.7
France	135.6	126.2	7.5
Germany	113.8	123.9	(8.2)
Spain	113.3	104.5	8.3
Portugal	43.7	40.7	7.4
Türkiye	79.1	59.9	32.0
Russia, other CIS countries and Ukraine	103.9	88.7	17.1
Other CEE countries	111.0	94.8	17.1
Other W. Europe countries	108.3	99.8	8.6
North Africa	30.2	28.7	5.3
Other international sales	214.2	176.9	21.1
TOTAL PHARMACEUTICALS	1,516.2	1,341.7	13.0
CHEMICALS	40.0	35.9	11.5
(In local currency, million)	9M 2023	9M 2022	Change %
U.S.A. (USD)	253.6	202.9	25.0
Türkiye (TRY)	2,246.9	906.7	147.8
Russia (RUB) ⁽¹⁾	6,399.1	5,210.0	22.8



OPERATING LEVERAGE AND COST DISCIPLINE SUSTAIN EBITDA AT 38.3% OF REVENUE

(million Euro)	9M 2023	9M 2022	Change %
Revenue	1,556.2	1,377.5	13.0
Gross Profit	1,065.7	954.7	11.6
as % of revenue	68.5	69.3	
Adjusted Gross Profit⁽¹⁾	1,113.2	990.4	12.4
as % of revenue	71.5	71.9	
SG&A Expenses	439.1	411.8	6.6
as % of revenue	28.2	29.9	
R&D Expenses	182.2	155.7	17.0
as % of revenue	11.7	11.3	
Other Income (Expense), net	(5.6)	(31.4)	(82.3)
as % of revenue	(0.4)	(2.3)	
Operating Income	438.8	355.9	23.3
as % of revenue	28.2	25.8	
Adjusted Operating Income⁽²⁾	491.6	423.7	16.0
as % of revenue	31.6	30.8	
Financial income/(Expenses), net	(49.1)	(46.2)	6.3
as % of revenue	(3.2)	(3.4)	
Net Income	304.5	241.5	26.1
as % of revenue	19.6	17.5	
Adjusted Net Income⁽³⁾	406.6	355.9	14.2
as % of revenue	26.1	25.8	
EBITDA⁽⁴⁾	595.6	516.2	15.4
as % of revenue	38.3	37.5	

1) Gross profit adjusted from impact of non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

2) Net income before income taxes, financial income and expenses, non-recurring items, and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

3) Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3) and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects

4) Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)



STRONG 9M 2023 CASH FLOW – AHEAD OF PRIOR YEAR

(million Euro)	9M 2023	9M 2022	Change
EBITDA⁽¹⁾	595.6	516.2	79.4
Movements in working capital	(75.4)	(40.2)	(35.2)
Changes in other assets & liabilities	(20.5)	(5.8)	(14.7)
Interest received/(paid)	(46.4)	(13.3)	(33.1)
Income Tax Paid	(53.3)	(56.0)	2.7
Other	9.5	(39.2)	48.7
Cash flow from Operating activities	409.5	361.7	47.8
Capex (net of disposals)	(17.7)	(15.4)	(2.3)
Free cash flow⁽²⁾	391.8	346.3	45.5
Acquisition of subsidiaries	-	(653.8)	653.8
Increase in intangible assets (net of disposals)	(345.3)	(67.2)	(278.1)
Disposals of assets	3.0	-	3.0
Dividends paid	(129.1)	(120.0)	(9.1)
Purchase of treasury shares (net of proceeds)	13.2	(30.0)	43.2
Other financing cash flows ⁽³⁾	83.9	626.7	(542.8)
Change in cash and cash equivalents	17.5	102.0	(84.5)

1) Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

2) Operating cash flow excluding financing items, milestones, dividends, purchases of treasury shares net of proceeds from exercise of stock options

3) Opening of financial debts net of repayments and currency translation effect on cash and cash equivalents. 2022 amount also includes values from EUSA Pharma: cash and cash equivalents for € 53.2 million and loan repaid for (€ 78.2 million)



SOLID NET FINANCIAL POSITION – LEVERAGE AT 1.9x⁽³⁾ LTM EBITDA

(million Euro)	30 SEPT 2023	31 DEC 2022	Change
Cash and cash equivalents	302.3	284.7	17.5
Short-term debts to banks and other lenders	(41.7)	(83.4)	41.8
Loans and leases – due within one year ⁽¹⁾	(394.2)	(289.0)	(105.1)
Loans and leases – due after one year ⁽¹⁾	(1,370.8)	(1,332.2)	(38.6)
NET FINANCIAL POSITION ⁽²⁾	(1,504.3)	(1,419.9)	84.4

9 ¹⁾ Includes the fair value measurement of the relative currency risk hedging instruments (cash flow hedge)

²⁾ Cash and cash equivalents, less bank debts and loans, which include the measurement at fair value of hedging derivatives

³⁾ Pro-forma considering the contribution of Avodart® and Combodart®/Duodart® for the last twelve months



EXPECT FY 2023 RESULTS AT HIGH END OF GUIDANCE RANGE, BUSINESS ON TRACK TO EXCEED TARGETS SET FOR 2025

- Given the strong organic growth momentum, we **expect FY 2023 results at the high end of the guidance range** provided in May ⁽¹⁾, despite increased FX headwinds
- On track to exceed the 2025 set in February, with **current portfolio**⁽²⁾ **alone now expected to deliver Revenue in excess of € 2.4 billion in 2025**, sustaining an **EBITDA margin of +/- 37%**
- Key pillars of our **strategy and value proposition unchanged**:
 - Drive organic growth of current portfolio
 - Pursue accretive and growth M&A and targeted business development
 - Capture opportunities within our own pipeline
 - Sustain sector-leading margins
 - Maintain clear and disciplined capital allocation policy, with strong balance sheet
 - Committed to sustainable development

¹⁰ 1) 2023 upgraded guidance: Revenue € 2,050 – 2,090 million; EBITDA € 750 – 770 million and +/- 37% margin; Adjusted net income € 490 – 500 million and +/- 24% margin
2) Current portfolio including sales of Avodart® and Combodart®/Duodart®



QUESTIONS & ANSWERS



APPENDIX



CORPORATE PRODUCTS

(million Euro)	9M 2023	9M 2022	Change %
Zanidip® and Zanipress® (lercanidipine+enalapril) ⁽¹⁾	148.3	131.9	12.4
Seloken®/Seloken® ZOK/Logimax® (metoprolol/metoprolol+felodipine)	72.1	72.5	(0.6)
Urorec® (silodosin)	53.1	46.2	15.1
Livazo® (pitavastatin)	35.3	35.7	(1.3)
Eligard®	82.3	78.6	4.6
Avodart® and Combodart®/Duodart®	3.8	-	-
Other corporate products ⁽²⁾	259.4	230.7	12.5
Rare Diseases	530.7	429.8	23.5

1) of which Zanidip® € 120.4 million in 9M 2023 and € 28.0 million in 9M 2022

13 2) Includes the OTC corporate products for an amount of € 105.3 million in 9M 2023 and € 94.3 million in 9M 2022; Total OTC € 253.0 million in 9M 2023 and € 227.7 million in 9M 2022



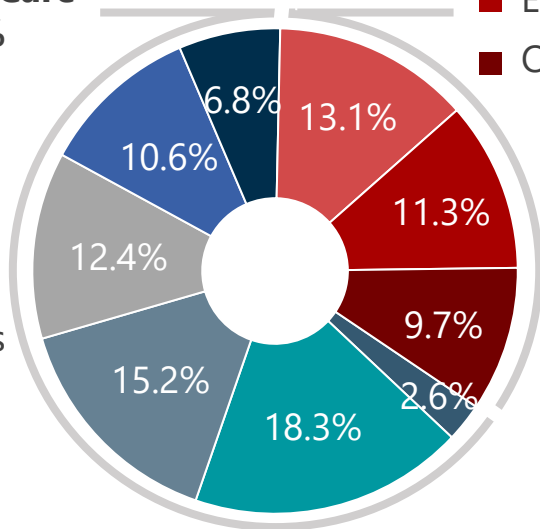
WELL-DIVERSIFIED REVENUE BASE

Therapeutic Areas

Total Revenue 9M 2023

Specialty and Primary Care (incl. Chemicals) 65.9%

- Cardiovascular
- Urology
- Gastro & Intestinal
- Cough and Cold
- Other pharmaceuticals
- Chemicals



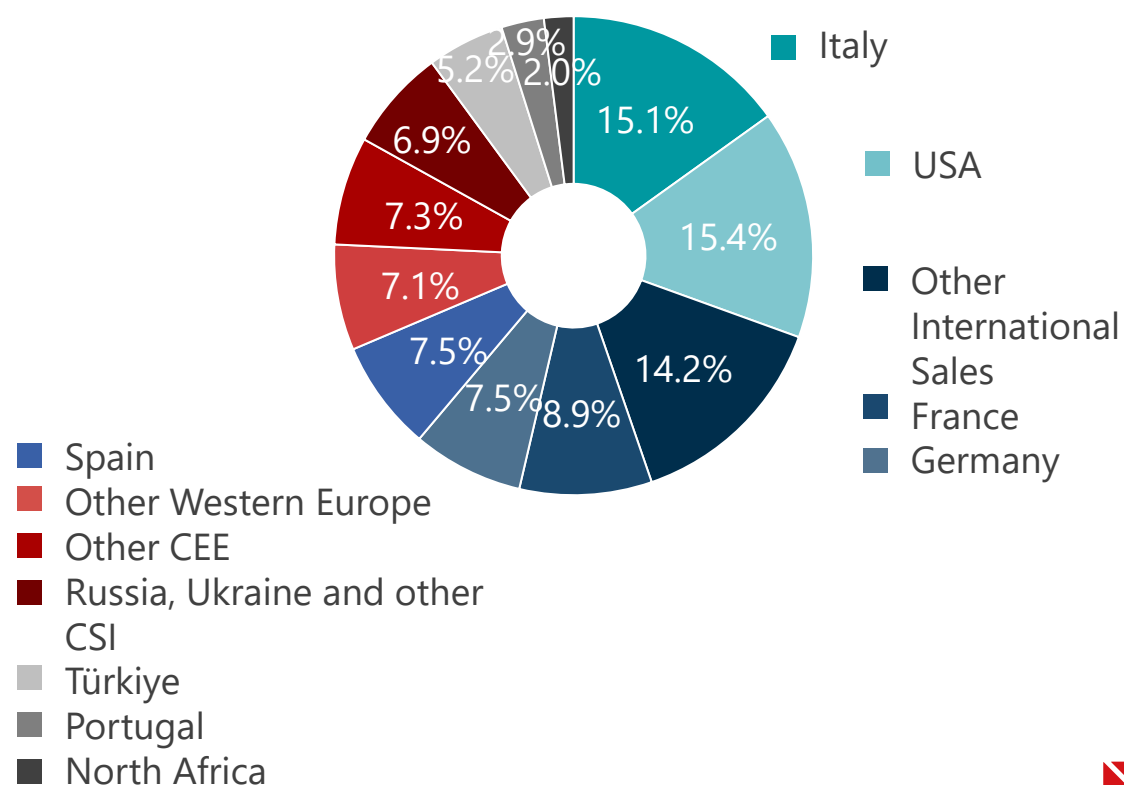
Rare Disease 34.1%

- Metabolic
- Endocrinology
- Oncology

*Note: Total OTC of € 253.0 million in 9M 2023 and € 227.7 million in 9M 2022
Subsidiaries' local product portfolios of € 178.5 million in 9M 2023 and € 177.8 million in 9M 2022*

Geographic

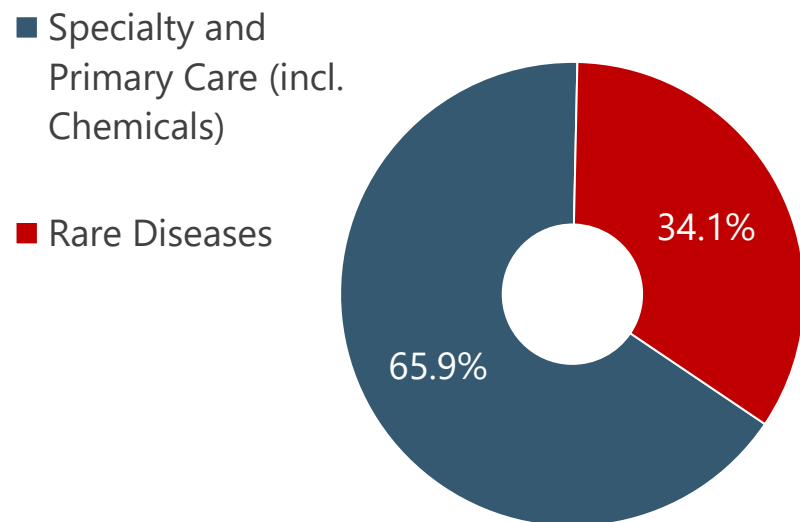
Pharmaceutical Revenue 9M 2023



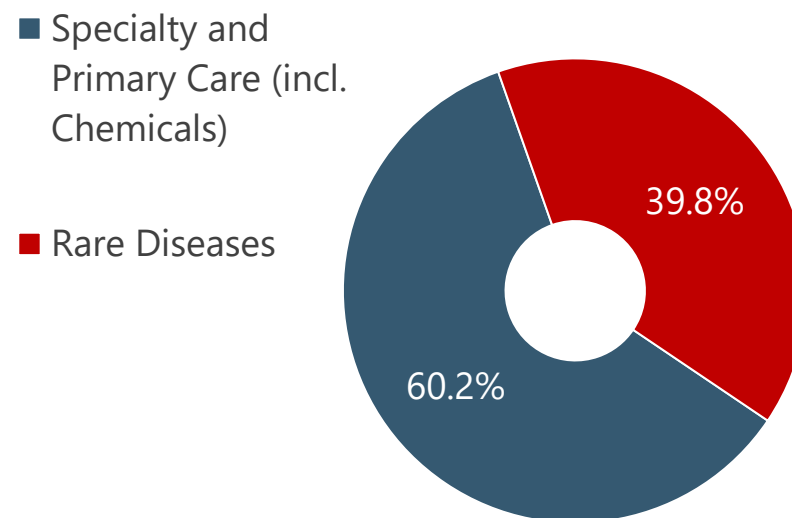
FIRST NINE MONTHS 2023 RESULTS

OPERATING SEGMENTS

Total Revenue 9M 2023



EBITDA 9M 2023



Margin on Sales:

Rare Diseases: EBITDA ⁽¹⁾ 44.7%

Specialty and Primary care: EBITDA ⁽¹⁾ 34.9%



FIRST NINE MONTHS 2023 RESULTS – ADJUSTING ITEMS

Reconciliation of Net income to EBITDA ⁽¹⁾

(million Euro)	9M 2023	9M 2022	Change %
Net income	304.5	241.5	26.1
Income taxes	85.2	68.3	
Financial (income)/expenses, net	49.1	46.2	
<i>o/w net FX (gains)/losses ⁽²⁾</i>	<i>0.3</i>	<i>18.2</i>	
<i>o/w net monetary (gains)/losses from application of IAS 29 (Türkiye)</i>	<i>(1.8)</i>	<i>5.6</i>	
Non-recurring expenses	5.4	32.2	
Non-cash charges from PPA inventory uplift	47.5	35.6	
Adjusted Operating Income⁽³⁾	491.6	423.7	16.0
Depreciation, amortization and write downs	104.0	92.4	
<i>o/w EUSA Pharma</i>	<i>19.1</i>	<i>13.1</i>	
<i>o/w write downs of assets</i>	<i>0.1</i>	<i>2.2</i>	
EBITDA⁽¹⁾	595.6	516.2	15.4

Summary of key items

- **FX losses of € 0.3 million** vs € 18.2 million losses in first nine months 2022 (RUB)
- **Net monetary gains of € 1.8 million** from application of IAS 29 (Türkiye) in first nine months 2023, vs € -5.6 million losses in 2022
- **Non-recurring costs of € 5.4 million**, mainly for **SPC rightsizing**, significantly reduced vs prior year
- **Non-cash charges** arising from Purchase Price Allocation (IFRS 3) of **EUSA Pharma: € 47.5 million** in first nine months 2023 at the level of gross margin (from unwind of inventory revaluation), reflects slight true up in Q3
- **D&A and write downs of assets: increase of € 11.6 million**, of which **€ 6.0 million from EUSA Pharma**

Reconciliation of Reported Net income to Adjusted Net income ⁽⁴⁾

(million Euro)	9M 2023	9M 2022	Change %
Net income	304.5	241.5	26.1
Net monetary (gains)/losses (IAS 29 Türkiye)	(1.8)	5.6	
Non-recurring expenses	5.4	32.2	
Non-cash charges from PPA inventory uplift	47.5	35.6	
Amortization and write-downs of intangible assets (exc. software)	81.2	71.5	
<i>o/w EUSA Pharma</i>	<i>18.5</i>	<i>12.3</i>	
Tax effects	(30.2)	(30.6)	
Adjusted Net income⁽⁴⁾	406.6	355.9	14.2

16 ¹⁾ Net income before income taxes, financial income and expenses, depreciation, amortization and write-downs of property, plant and equipment, intangible assets and goodwill, non-recurring items and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

²⁾ FX losses and FX driven consolidation adjustments

³⁾ Net income before income taxes, financial income and expenses, non-recurring items, and non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3)

⁴⁾ Net income excluding amortization and write-downs of intangible assets (except software) and goodwill, non-recurring items, non-cash charges arising from the allocation of the purchase price of EUSA Pharma to the gross margin of acquired inventory (IFRS 3) and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects



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