

**FY 2023 PRELIMINARY RESULTS AT TOP END OF GUIDANCE:
REVENUE +12.4%, EBITDA⁽¹⁾ +14.4%, ADJUSTED NET INCOME⁽²⁾ +10.8%
FY 2024 TARGETS REFLECT CONTINUED GROWTH ACROSS ALL KEY METRICS**

- Consolidated net revenue of € 2,082.3 million, up 12.4% versus FY 2022 or +14.0% on a like-for-like⁽³⁾ basis at constant exchange rates (CER)
- Avodart® and Combodart® / Duodart® contributing net revenue of € 25.6 million, with all key markets smoothly transitioned⁽⁴⁾
- EBITDA⁽¹⁾ of € 769.6 million, +14.4%, margin of 37.0%
- Adjusted net income⁽²⁾ of € 524.6 million, up 10.8%
- Net income of € 389.2 million, up 24.6%
- Free cash flow ⁽⁵⁾ at € 456.0 million, +€ 17.0 million versus prior year
- Net debt ⁽⁶⁾ at € 1,579.4 million, approximately 1.96x EBITDA (pro-forma)
- Shareholders' equity at € 1,686.4 million
- Group poised for continued growth in 2024, with the following targets: Net revenue between € 2,260 and 2,320 million, EBITDA⁽¹⁾ between € 830 and 860 million, Adjusted net income⁽²⁾ between € 550 and 570 million
- On track to deliver, with current portfolio, over € 2.4 billion revenue by 2025, with EBITDA⁽¹⁾ margin of +/- 37%
- Main ESG ratings confirmed; agreement of first sustainability-linked financing

Milan, 22nd February, 2024 – The Board of Directors of Recordati S.p.A. has reviewed and approved the preliminary consolidated financial statements for 2023. The Group's final consolidated annual financial statements for 2023 will be submitted to the Board of Directors for approval on 19th March 2024.

Rob Koremans, Chief Executive Officer of Recordati, commented: "2023 was a year of outstanding performance and seamless execution of our long-term growth strategy, thanks to the unwavering commitment of our people across the Group. We saw strength across both our Specialty & Primary Care and Rare Diseases businesses, with double-digit organic growth leading to revenue exceeding the € 2 billion threshold for the first time, despite FX headwinds. We also sustained sector-leading EBITDA margins while absorbing the impact of inflation, and aim to continue doing so. Given the strong momentum across the business, we are confident in achieving our 2024 and 2025 targets as well as continuing to deliver sustainable value creation for all our stakeholders."

2023 Financial highlights

- **Consolidated net revenue** for FY 2023 was € 2,082.3 million, up 12.4% versus FY 2022 or +14.0% on a like-for-like⁽³⁾ basis at CER (+9.6% excluding Türkiye), at the high end of the guidance range upgraded in May 2023. This was driven by strong business momentum across both Specialty & Primary Care and Rare Diseases, which continued to grow at double-digit levels (at constant exchange rates). The adverse impact of FX, which increased in the second part of the year, was € 99.9 million (-5.4%) for 2023, mainly affecting Specialty & Primary Care; of this € 60.1 million was driven by the devaluation of the Turkish lira, which was compensated by higher price inflation.
 - **Specialty & Primary Care** revenue totaled € 1,313.6 million in FY 2023, growing 8.7% or 13.6% on a like-for-like⁽³⁾ basis at CER as compared to FY 2022 (6.6% excluding Türkiye); Avodart® and Combodart®/Duodart®, following completion of the commercialization agreement with GSK in July, contributed revenue of € 25.6 million in relevant markets⁽⁴⁾, ahead of expectations thanks to the fast and successful transition in

most territories. Eligard® and other key promoted products continued to grow ahead of the market, with robust sales of cough and cold medicines, following an exceptionally strong performance in the first half of the year and normalizing in the second half (with decline in Q4 also reflecting FX headwind).

- **Rare Diseases** revenue totaled € 714.7 million in FY 2023, up 20.0% or 14.9% on a like-for-like⁽³⁾ basis at CER as compared to FY 2022, driven by key growth franchises Oncology and Endocrinology. 2023 reflected the first full year contribution from the Oncology franchise, with net revenue of € 200.9 million, growing by 15.2% on a pro-forma basis⁽³⁾, significantly ahead of the EUSA Pharma acquisition business case. Performance of the sector for the year reflects continued growth of Signifor® and Isturisa® (sales totaling € 242.3 million, up 41.0% versus FY 2022), as well as continued resilient sales of the Metabolic franchise, with good growth of Panhematin® and Ledaga® offsetting the impact of generic competition on Carbaglu® in the US and Europe.
- **Adjusted operating income**⁽⁷⁾ was € 626.6 million for FY 2023, up 16.9% over the previous year, and 30.1% of net revenue, reflecting strong revenue growth and continued efficiency initiatives that have offset inflation. **Operating income** was € 558.0 million in FY 2023, up 27.6% over the previous year, absorbing gross margin-related non-cash charges of € 58.9 million (versus € 49.8 million in 2022), arising from the unwind of the fair value step up of the acquired rare oncology inventory. Non-recurring costs were € 9.6 million, significantly reduced versus € 48.9 million in 2022, and reflect mainly the continued streamlining of sales activities of Specialty & Primary Care and residual integration costs of EUSA Pharma.
- **EBITDA**⁽¹⁾ was € 769.6 million for FY 2023, up 14.4% as compared to FY 2022, and 37.0% of net revenue (versus 36.3% for full year 2022), reflecting stronger operating leverage.
- **Adjusted net income**⁽²⁾ was € 524.6 million for FY 2023, above the guidance range, up 10.8% over the previous year, and 25.2% of net revenue, benefitting from both the positive operating performance and a lower tax rate. Financial expenses were € 67.0 million, up by € 31.1 million compared to the previous year, driven by higher interest expenses partially offset by FX gains (gains of € 2.2 million in 2023 versus losses of € 5.8 million in 2022).
- **Net income** was € 389.2 million for FY 2023, up 24.6% over the previous year, at 18.7% of net revenue, driven by the strong operating performance and lower non-recurring expenses versus 2022.
- **Free cash flow**⁽⁵⁾ was € 456.0 million for FY 2023, an increase of € 17.0 million versus the previous year, absorbing working capital growth driven by higher volume of business and higher interest payments.
- **Net debt**⁽⁶⁾ as of 31st December 2023 was € 1,579.4 million, or leverage of approximately 1.96x EBITDA (pro-forma, assuming the contribution of Avodart® and Combodart®/Duodart® for 12 months), compared to net debt of € 1,419.9 million on 31st December 2022. During FY 2023, an upfront payment of € 245.0 million was paid to GSK for the sales and distribution agreement to commercialize Avodart® (dutasteride) and Combodart®/Duodart® (dutasteride/tamsulosin) and € 70.0 million to Tolmar International Ltd. after approval of the variation for the new device to administer Eligard®. In addition, there were \$ 20 million of residual Isturisa® milestones paid to Novartis. Total dividends of € 245.9 million were paid in the year.

- **Shareholders' equity** was € 1,686.4 million.

Key 2023 events

Corporate development

On 20th July 2023, Recordati announced an agreement with GSK to commercialize Avodart® (dutasteride) and Combodart®/Duodart® (dutasteride/tamsulosin) across 21 countries, mainly in Europe, excluding only those where GSK already has a distribution agreement in place. Recordati made an upfront payment of € 245 million.

Avodart® and Combodart®/Duodart® are marketed products, presented in oral form (capsules), indicated for the treatment of moderate to severe symptoms of benign prostatic hyperplasia (BPH) and for the reduction in the risk of acute urinary retention (AUR) and surgery in patients with moderate to severe symptoms of BPH.

Avodart® and Combodart®/Duodart® are leading and well-established brands, post loss of exclusivity, that enlarge and complete Recordati's proven presence in the urology space, significantly reinforcing the competitiveness of the Group's offer. Both brands are synergistic with Recordati's urology portfolio, complementing Urorec® and Eligard®.

The two products have been commercialized by GSK in the territories licensed to Recordati, with annual sales in 2022 in the region of approximately € 115 million.

In December, Recordati completed the transition of commercialization activities in all key markets⁽⁴⁾, which contributed € 25.6 million in FY 2023 to the Group's net revenue. Total FY 2023 sales of the products in relevant territories, including those made by GSK prior to transitions, was approximately € 120 million. As previously announced, the deal is expected to be accretive in 2024.

Pipeline development

Expansion of the Group's footprint in China continues to progress. On 28th September 2023, the Isturisa® New Drug Application (NDA) was submitted to the Chinese agency. This follows approval, on 27th June 2023, of the Marketing Authorization for Carbaglu®, with first commercial sales achieved at the end of 2023.

As part of the development and regulatory path for the registration of Qarziba® in the United States, the Group is working on addressing the FDA's comments from the Type C meeting in November 2023 and is planning further interactions in H1 2024 with the FDA.

As for ongoing clinical trials, Recordati has initiated patient screening for the phase II study for pasireotide for the treatment of post-bariatric hypoglycemia. The Group has also completed enrollment of the global phase II study of REC 0559 for the treatment of neurotrophic keratitis and expects the top-line data readout in mid-2024.

Sustainability update

Recordati's focus and efforts in driving the group's ESG strategy were recognized in 2023 by main ESG indices and ratings. The inclusion in the FTSE4GOOD Index series was reconfirmed alongside the "Platinum" rating by EcoVadis. MSCI ESG Research confirmed Recordati's A rating and the Group was rated C+ with Prime status by ISS ESG, awarded to companies with a leading sustainability performance in their industry. In addition, Recordati received a "Robust" ESG Assessment from Moody's Analytics and is included in the MIB ESG Index, promoted by Euronext and Borsa Italiana.

Recordati has agreed key sustainability milestones as part of its € 400 million credit facility finalized in May 2023 with a pool of international relationship banks. As of today, the credit facility is linked to two ESG KPIs: Environmental protection (Renewable Energy Installed Power Capacity) and Responsible sourcing (Suppliers' Sustainability Audit). This represents another step forward in the Group's commitment to pursue a sustainable growth model by integrating social and environmental aspects into its corporate strategy.

Business outlook

The strong momentum across the business is expected to continue and is reflected in the following financial targets for FY 2024:

- Net revenue between € 2,260 million and 2,320 million
- EBITDA⁽¹⁾ between € 830 million and 860 million; margin of +/- 37%
- Adjusted net income⁽²⁾ between € 550 million and 570 million; margin of +/- 24.5%

These objectives foresee net revenue and EBITDA growth of approximately 10%, with adjusted net income⁽²⁾ growth that absorbs the expected increase of tax rates across multiple OECD markets.

As previously announced the Group remains on track to deliver with the current portfolio revenue in excess of € 2.4 billion in FY 2025, sustaining an EBITDA⁽¹⁾ margin of +/-37%. Key elements of the Group strategy remain unchanged, combining organic growth with targeted M&A and Business Development, while investing to sustain growth and maintaining a strong balance sheet.

(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 according to IFRS 3.

(2) Net income excluding the amortization and write-down 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 pursuant to IFRS 3, and monetary net gains/losses from hyperinflation (IAS 29), net of tax effects.

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

(4) Trademarks are owned by or licensed to the GSK group of companies. Transition to Recordati of commercialization of Avodart® and Combodart® / Duodart® has been effected in the following markets: Austria, Belgium, Czech R, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Poland, Portugal, Spain, Sweden, Switzerland, UK.

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

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

(7) Net income before income taxes, financial income and expenses and non-recurring items, 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

Conference Call

Today, **22nd February**, at **4:00 p.m. CEST (3:00 p.m. GMT)**, Recordati management will host a conference call with the financial community to present the preliminary full year 2023 results. The dial-in numbers for the conference call service are:

Italy + 39 02 802 09 11, toll free 800 231 525

UK + 44 1 212818004, toll free (44) 0 800 0156371

USA +1 718 7058796, toll free (1) 1 855 2656958

France +33 1 70918704

Germany +49 6917415712

Callers are invited to dial in 10 minutes before the conference call begins. If you require conference operator assistance to connect, please dial *0.

The slides that will be referenced during the call will be available at www.recordati.com under Investors/Company Presentations.

The audio conference live webcast will also be available at the following [link](#).

Recordati (Reuters RECI.MI, Bloomberg REC IM) is an international pharmaceutical group listed on the Italian Stock Exchange (ISIN IT 0003828271) uniquely structured to bring treatment across specialty and primary care, consumer healthcare, and rare diseases. We believe that health, and the opportunity to live life to the fullest, is a right, not a privilege. We want to support people in unlocking the full potential of their lives. We have fully integrated operations across research & development, chemical and finished product manufacturing through to commercialisation and licensing. Established in 1926, Recordati operates in approximately 150 countries across EMEA, Americas and APAC regions. At the end of 2022, Recordati employed more than 4,300 people and consolidated revenue of € 1,853.3 million. For more information, please visit www.recordati.com

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DECLARATION BY THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS

The manager responsible for preparing the company's financial reports, Luigi La Corte, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documentation evidence, books and accounting records.